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20 May 2022

INDIKA ENERGY RESULTS FOR THE PERIOD ENDED MARCH 31, 2022

Indika Energy recorded Net Profit of US\$75.0 million and Core Profit of US\$95.1 million in 3M22

Jakarta - **PT Indika Energy Tbk. (IDX: INDY)**, Indonesia's leading integrated and diversified company, reported its unaudited financial statements for the period ended March 31, 2022.

Highlights

- **Revenues grew by 58.2% YoY to US\$830.8 million in 3M22** from US\$525.2 million reported in 3M21, driven by higher coal prices.
- **Gross profit rose 145.3% YoY to US\$260.8 million in 3M22 from US\$79.3 million reported in 3M21. The consolidated gross margin expanded to 31.4% from 20.2% in 3M21**, mainly led by higher coal prices.
- **SG&A expenses increased by 48.5% YoY to US\$40.1 million in 3M22** from US\$27.0 million in 3M21, mainly driven by higher marketing expenses in Kideco and MUTU and DMO expenses in MUTU.
- **Operating income jumped 178.2% YoY to US\$220.7 million in 3M22** from US\$79.3 million reported in 3M21 and operating margin expanded to 26.6% from 15.1% in 3M21.
- **Equity in net profit of associates decreased by 33.1% to US\$6.0 million in 3M22 from 8.9 million** mainly due to lower contribution from CEP, due to unscheduled maintenance in February 2022.
- **Others expenses (net) increased by 56.6% YoY to US\$9.4 million in 3M22** from US\$6.0 million in 3M21 predominantly due to demurrage cost at Kideco, resulted from export ban in Jan 2022
- **The company recorded Profit attributable to owners of the company US\$75.0m in 3M22**, compared to loss of US\$9.4 million in 3M21.

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- **Core Profit* of US\$95.1 million reported in 3M22**, a significant jumped (+638.8% YoY) from US\$12.6 million reported in 3M21.

**) Core Profit (Loss) is defined as net profit (loss) attributable to Owners of the Company for the year excluding: 1) Provision for contingent liability related to acquisition of additional shares in Kideco; 2) amortization intangible assets of Kideco and MUTU; 3) realized and unrealized loss from discontinued operation plus gain on Petrosea refloat*

- **Adjusted EBITDA totalled US\$233.8 million for the period ending March 31, 2022**, compared to US\$141.9 million in the same period previous year.
- **Cash, Cash Equivalents and Other Financial Assets at end of March 2022 stood at US\$1,125.3 million.**
- **Capex spending during 3M22 was US\$4.4 million**, including for Kideco of US\$1.1 million, Interport of US\$1.0 million and Indika Resources US\$0.3 million. **In addition to Capex, the company spent US\$36.1 million for the new investment in 3M22** which majority allocated for Awakmas of US\$22 million

Upon signing of term sheet between the Company and buyer for divestment of the Company's 69.8% ownership in Petrosea in October 2021, based on PSAK 58, profit and loss of Petrosea are no longer presented in financial statement of the Company for the period ended March 31, 2022. All of the assets and liabilities of Petrosea are classified as held for sale and are presented separately from asset and liabilities in the consolidated statement of financial position as of March 31, 2022.

PT Indika Energy Tbk.

Descriptions (in USD mn)	3M22	3M21	YoY	4Q21	QoQ
Total revenues	830.8	525.2	58.2%	1,076.4	-22.8%
Kideco	564.6	414.9	36.1%	710.8	-20.6%
Indika Resources	172.7	57.1	202.5%	196.8	-12.2%
Tripatra	74.2	39.2	89.2%	76.5	-3.0%
Interport	8.4	7.1	18.7%	7.4	13.8%
Others	12.3	13.0	-5.0%	85.7	-85.6%
Elimination	(1.5)	(6.1)	-75.6%	(0.8)	97.6%
Cost of contracts and goods sold	(570.0)	(418.9)	36.1%	(685.1)	-16.8%
Gross profit	260.8	106.3	145.3%	391.4	-33.4%
Selling, general and administrative expenses	(40.1)	(27.0)	48.5%	(53.2)	-24.7%
Operating profit	220.7	79.3	178.2%	338.2	-34.7%
Equity in net profit of associates	6.0	8.9	-33.1%	4.5	32.7%
Investment income	1.2	0.6	107.4%	0.2	583.9%
Finance cost	(26.6)	(26.0)	2.3%	(22.5)	17.9%
Amortization of intangible assets	(34.0)	(33.9)	0.3%	(34.2)	-0.6%
Final tax	(2.5)	(1.5)	64.0%	(0.6)	284.9%
Others- net	(9.4)	(6.0)	56.6%	(13.2)	-28.9%
Profit (Loss) Income before tax	155.5	21.5	623.4%	253.0	-38.6%
Income tax expense	(70.5)	(27.1)	160.0%	(135.3)	-47.9%
Profit (Loss) after tax from continued operation	84.9	(5.6)	1606.7%	117.7	-27.9%
Profit (Loss) from discontinued operation	0.0	2.5	-100.0%	(46.0)	-100.0%
Profit (Loss) for the year/period :	84.9	(3.2)	2774.1%	71.7	18.4%
Profit (Loss) attributable to owners of the company	75.0	(9.4)	901.6%	63.7	17.9%
Profit (Loss) attributable to non-controlling interest	9.9	6.2	59.8%	8.0	22.9%
Core Profit (Loss) of the Company	95.1	12.6	652.1%	144.0	-34.0%
Adjusted EBITDA*	233.8	141.9	64.8%	393.2	-40.5%
LTM - Adjusted EBITDA*	1,069.4	304.8	250.8%	346.6	208.6%
EPS (USD/share)	0.0144	(0.0018)		0.0122	
Core EPS (USD/share)	0.0182	0.0024		0.0276	
Gross margin	31.4%	20.2%		36.4%	
Operating margin	26.6%	15.1%		31.4%	
Net margin	9.0%	-1.8%		5.9%	
Core profit margin	11.4%	2.4%		13.4%	
Adjusted EBITDA Margin	28.1%	27.0%		36.5%	

* Includes dividends from associates (last twelve months period ended 31 Mar 2022)

The consolidated revenues increased 58.2% YoY to US\$830.8 million in 3M22 from US\$525.2 million in 3M21)** The higher YoY figures were attributed to higher contribution from Kideco and Indika Resources:

**) All subsidiaries revenue figures are before eliminations

- a) **Kideco's revenue grew by 36.1% YoY to US\$564.6 million in 3M22**, boosted by higher average selling price (+56.6% YoY). As a result of the export ban in Jan 2022, Kideco could not export for 20 days, hence sales volume decreased by 13.1% YoY. Kideco sold 8.0 MT of coal at ASP of US\$70.8/ton in 3M22 compared to 9.2 MT of coal sold at ASP of US\$45.2/ton in 3M21. In 3M22, Kideco sold 2.6 MT or 32% of sales volume to domestic market, higher than the 25% DMO requirement. Kideco's export sales volume of 5.4MT were dominated by China, Southeast Asia countries, and India with 37%, 15% and 7% of sales volume, respectively.
- b) **Indika Resources' revenue increased by 202.5% YoY to US\$172.7 million in 3M22** from US\$57.1 million in 3M21, driven by higher ASP at MUTU and coal trading and higher volume in coal trading. MUTU's revenue rose by 91.9% YoY to US\$59.3 million in 3M22, supported by 91.9% YoY increase in ASP to US\$183.5/ton, even though sales volume decreased by 19.6% YoY to 0.3 MT due to export ban in Jan 2022. Coal trading revenue

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in 3M22 jumped by 333.2% YoY to US\$113.4 million, led by 98.3% YoY increase in ASP to US\$68.5/ton and 126.8% YoY increase in volume to 1.7 MT.

- c) **Interport revenue increased by 18.7% YoY to US\$8.4 million in 3M22**, of which US\$6.1 million came from KGTE, mainly due to higher volume of 18.1 kbd compared with 12.5 kbd in 3M21.

- d) **Tripatra's revenue increased by 89.2% to US\$74.2 million in 3M22** compared to US\$39.2 million in 3M21. The higher contribution, mainly due to: 1) BP Tangguh project which increased 32.2% YoY from US\$47.9 million in 3M21 to US\$63.3 million in 3M22; 2) new projects such as Star Energy Geothermal Salak and Cabott.

Cost of Contracts and Goods Sold increased by 36.1% YoY to US\$570.0 million in 3M22 from US\$418.9 million in 3M21. Kideco's cash costs excluding royalties increased 18.9% YoY to US\$32.8/ton in 3M22 compared to US\$27.6/ton in 3M21, mainly due to higher fuel rate (US\$0.67/lit in 3M22 vs US\$0.40/lit in 3M21) and higher contract mining rate.

Gross profit rose 145.3% YoY to US\$260.8 million in 3M22 from US\$106.3 million reported in 3M21. The consolidated gross margin improved to 31.4% from 20.2% in FY20, supported by strong performances from Kideco (GP margin of 37.6% in 3M22 vs 25.0% in 3M21) and MUTU (GP margin of 55.1% in 3M22 vs 45.5% in 3M21).

SG&A expenses increased by 48.5% YoY to US\$40.1 million in 3M22 from US\$27.0 million in 3M21, mainly driven by higher marketing expenses in Kideco and MUTU and DMO expenses in MUTU.

The Company reported Profit Attributable to the Owners of the Company of US\$75.0 million in 3M22 compared to loss of US\$9.4 million in 3M21.

The Company reported Core Profit of US\$95.1 million in 3M22, a significant jump (+638.8% YoY) compared to Core Profit of US\$12.6 million reported in 3M21.

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Descriptions (in USD mn)	3M22	3M21	Change % 3M22 - FY21
Cash balance*	1,125.3	772.8	14.1%
Current assets	1,947.8	1,476.7	-6.3%
Non current asset held for sale	448.2	0.0	0.0%
Total assets	3,995.2	3,565.5	7.9%
Current liabilities	1,023.4	812.7	-9.5%
Total Debt**	1,462.1	1,668.3	-7.6%
Liabilities directly related to Non current asset held for sale	267.4	0.0	100.0%
Shareholder equity	1,002.1	866.4	11.4%
Current ratio (X)	1.9	1.8	
Debt to Ebitda (X)	1.4	5.5	
Net Debt to Ebitda (X)	0.4	2.8	
Debt to equity (X)	1.5	1.9	
Net debt to equity (X)***	0.3	1.0	

* includes other financial assets and restricted cash

** total debt with interest bearing exclude accrued interest and issuance cost

*** total debt minus total cash balance divided by shareholder equity

Kideco Financial and Operational Highlights

Descriptions (USD mn)	1Q22	1Q21	YoY	4Q21	QoQ
Sales	564.6	414.9	36.1%	710.8	-20.6%
Gross profit	212.1	103.7	104.5%	355.9	-40.4%
Operating profit	191.2	91.7	108.6%	333.7	-42.7%
Net income	102.9	51.1	101.2%	182.6	-43.6%
EBITDA	201.4	97.2	107.1%	339.3	-40.6%
Gross margin	37.6%	25.0%		50.1%	
Operating margin	33.9%	22.1%		46.9%	
Net margin	18.2%	12.3%		25.7%	
EBITDA margin	35.7%	23.4%		47.7%	
Overburden (mn bcm)	42.6	47.6	-10.4%	43.2	-1.4%
Production volume (MT)	7.7	9.1	-15.2%	9.0	-13.9%
Sales volume (MT)	8.0	9.2	-13.1%	8.4	-4.6%
Stripping ratio (X)	5.5	5.2	5.6%	4.8	14.4%
Cash Cost excl royalty (US\$/ton)	32.8	27.6	18.9%	30.2	8.5%
Average selling price (US\$/ton)	70.8	45.2	56.6%	85.0	-16.8%

Latest Development

- On 20 May 2022, Extraordinary General Meeting of Shareholders approved the Company's plan to divest its entire 69.8% shares in PT Petrosea Tbk. Earlier, on 18 February 2022, Indika Energy has signed a Conditional Sale and Purchase Agreement with PT Caraka Reksa Optima ("CARA"), with effective date as of 25 February 2022. The transaction, at the amount of US\$146.58 million for 69.8% shares of Petrosea (based on indicative valuation of US\$210 million for 100% basis), is expected to be completed in June 2022.
- On 19 May 2020, the Company has signed loan to equity agreement of US\$7.5 million with Alpha JWC Ventures (AJWC) and Horizon Ventures, which later can be converted into 21.4% equity in the newly established PT Ilectra Motor Group (IMG) for AJWC and Horizon (combined). IMG aims to develop 2W EV business in Indonesia.
- On 16 April 22, PT Jaya Bumi Paser (JBP) signed US\$27 million credit facility agreement (green/ transition financing) with Bank DBS Indonesia (DBS) in relation to wood pellet project with adopting the Forest Stewardship Council (FSC) certification. This green financing was the first green financing provided by DBS in Indonesia

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ABOUT INDIKA ENERGY

PT Indika Energy Tbk. ("Indika Energy") is Indonesia's leading integrated energy company through its strategic investments in the areas of **Energy Resources** – coal production (PT Kideco Jaya Agung, PT Multi Tambangjaya Utama); coal trading (Indika Capital Investment Pte. Ltd.); **Energy Services** – EPC - oil & gas (PT Tripatra Multi Energi, PT Tripatra Engineers & Constructors, PT Tripatra Engineering); EPC – contract mining (PT Petrosea Tbk. (IDX: PTRO).); **Energy Infrastructure** – marine transportation, ports & logistics for bulk goods and natural resources (PT Sea Bridge Shipping, PT Cotrans Asia, PT Indika Logistic & Support Services, PT Kuala Pelabuhan Indonesia); fuel storage (PT Kariangau Gapura Terminal Energi); coal-fired power plant (PT Cirebon Electric Power and PT Prasarana Energi Cirebon); **Minerals** – gold production (Nusantara Resources Limited); **Digital Ventures** - IT enterprise (PT Xapiens Teknologi Indonesia), digital technology services (PT Zebra Cross Teknologi), **Green Businesses** - Nature based solution (PT Indika Multi Properti), Renewable Energy (PT Empat Mitra Indika Tenaga Surya), Electric Vehicle (PT Ilectra Motor Group).

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