

PT BUKIT ASAM Tbk

Corporate Presentation 1H 2019



Outline

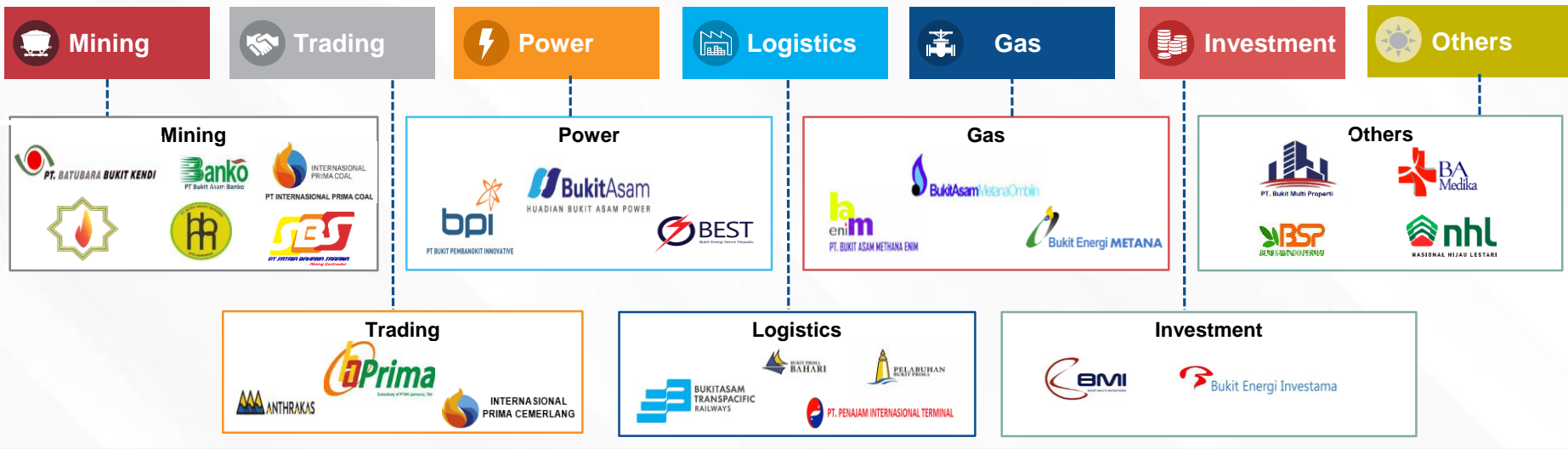
1. Introduction
2. 1H 2019 Update
3. Company Overview



1. Introduction

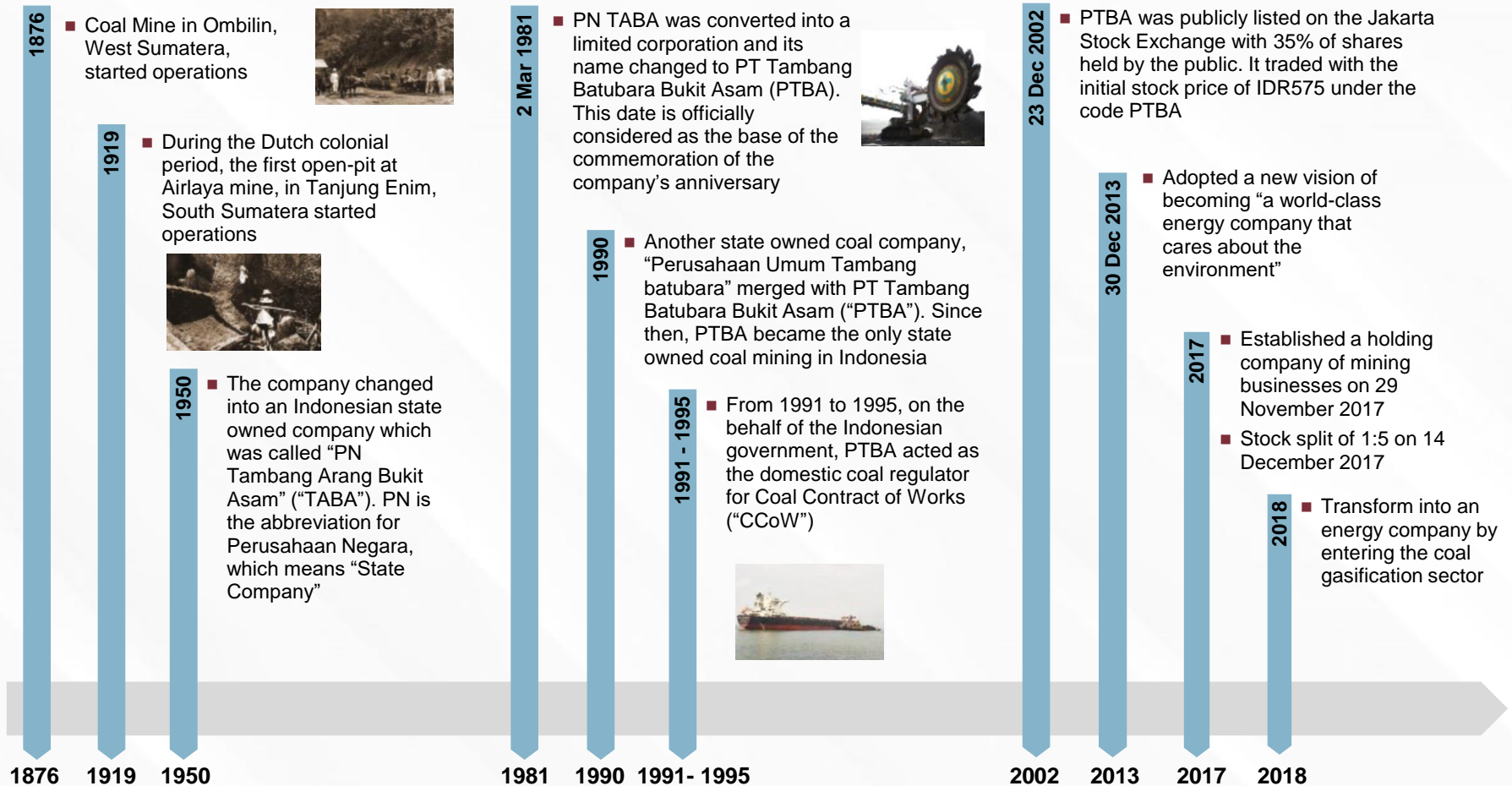


The Subsidiaries and Indirect Subsidiaries



- PTBA continues to diversify its source of revenues – The Company's core business (coal mining) is supported by the development of other businesses in power generation, logistic, coal beneficiation, investment and others.
- This year, PTBA begins to enter the property and construction sector through the establishment of an indirect-owned subsidiary (PT Bukit Multi Properti).

Key Milestones

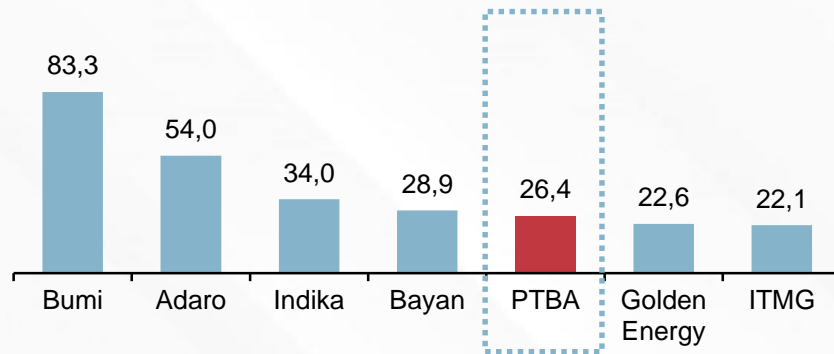


PTBA is Indonesia's oldest and most experienced coal producer

PTBA among peers

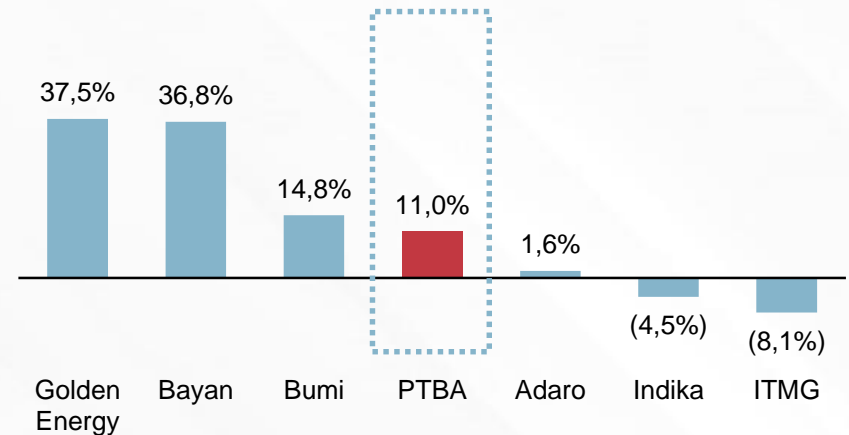
2018 Coal Production

(Mt)



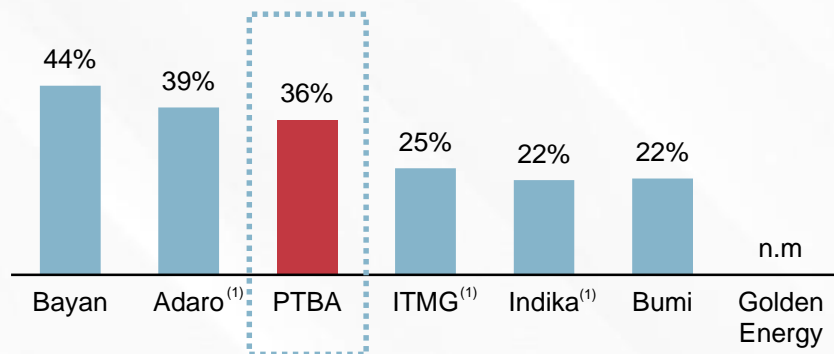
2015 – 2018 Production CAGR

(%)



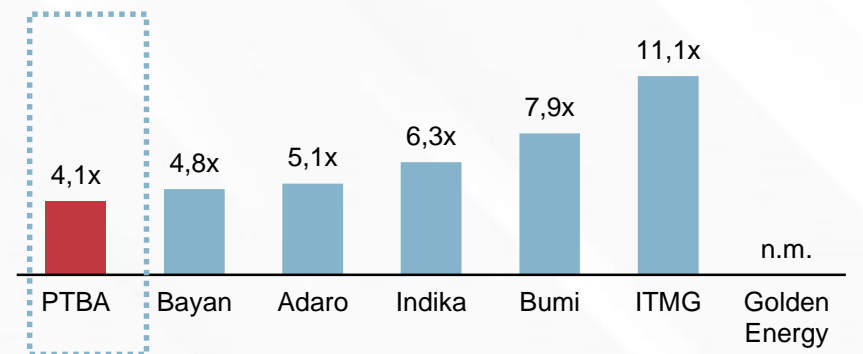
2018 EBITDA Margin

(%)



2018 Weighted Average Stripping Ratio

(x)



Source: Internal Analysis.
(1) Adjusted EBITDA.

PTBA is one of the fastest growing and lowest cost coal producers in Indonesia

2. 1H 2019 Update



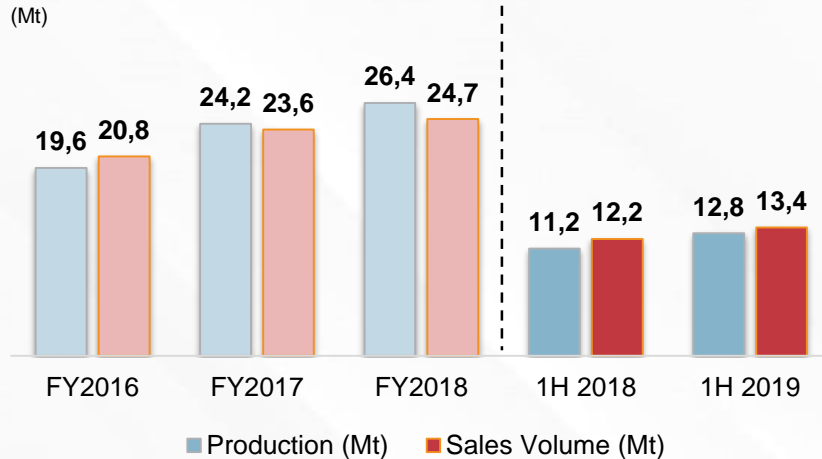
Key Performance Highlights

	FY2019 E	1H 2019	1H 2018	YoY (% change)
Sales volume (Mt)	28.4	13.4	12.2	9.7%
Production (Mt)	27.3	12.8	11.2	14.1%
Railway Capacity (Mt)	25.3	11.7	11.1	5.5%
Revenue (IDR TN)	n.a.	10.6	10.5	1.1%
Net Profit (IDR TN)*	n.a.	2.0	2.7	-24.4%
Weighted Average Selling Price (IDR/t)	n.a.	778,821	835,965	-6.8%
Stripping Ratio (x)	4.8	4.6	4.3	7.1%

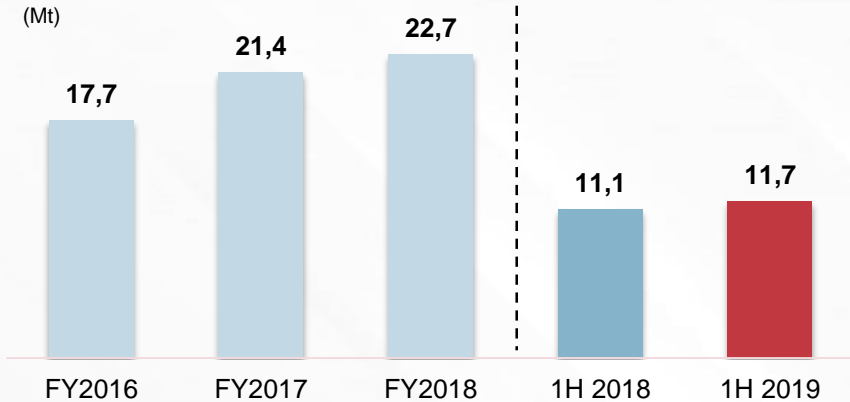
Note: *net profit after minority interest

Key Operational Highlights

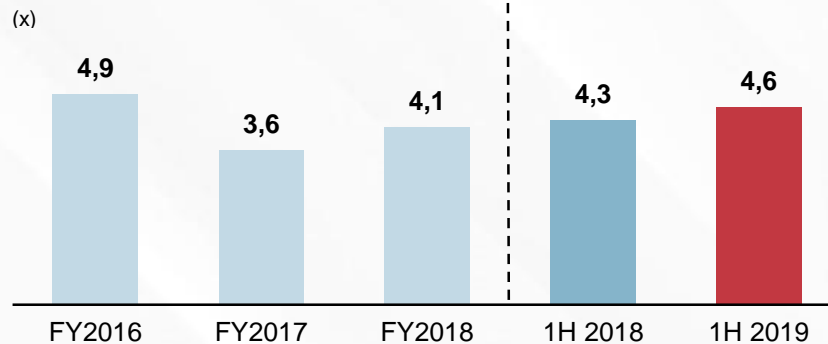
Production and Sales Volume



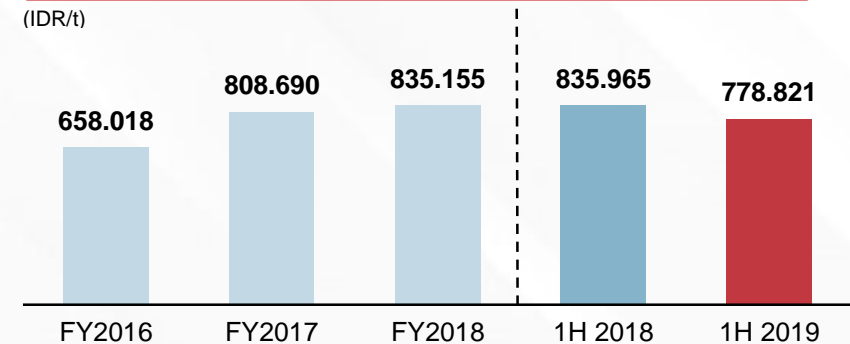
Railway Capacity



Weighted Average Stripping Ratio



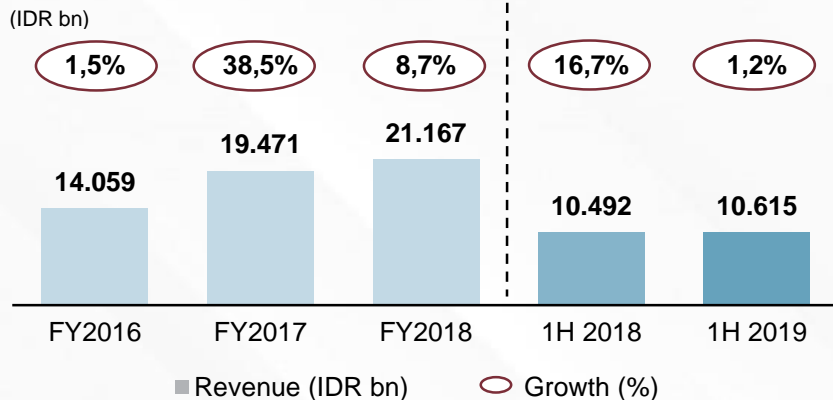
Weighted Average Selling Price



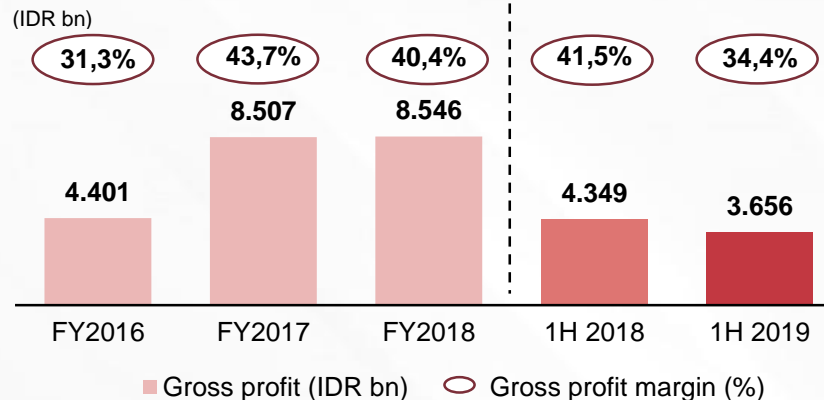
PTBA's 1H-2019 achievement is still on track

Key Financial Highlights

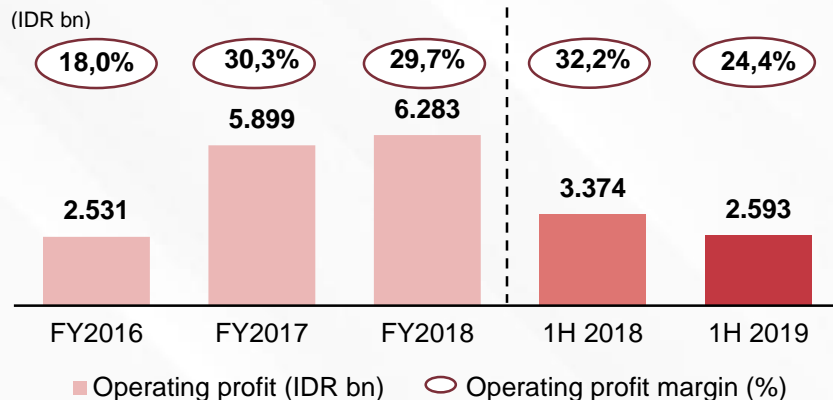
Revenue and Growth



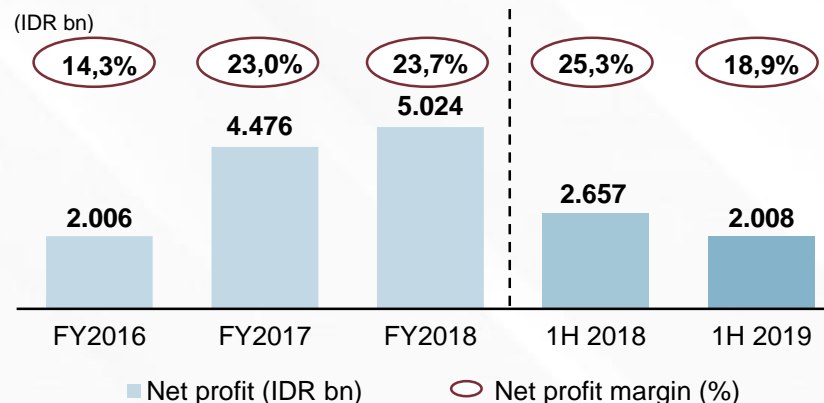
Gross Profit and Margins



Operating Profit and Margins

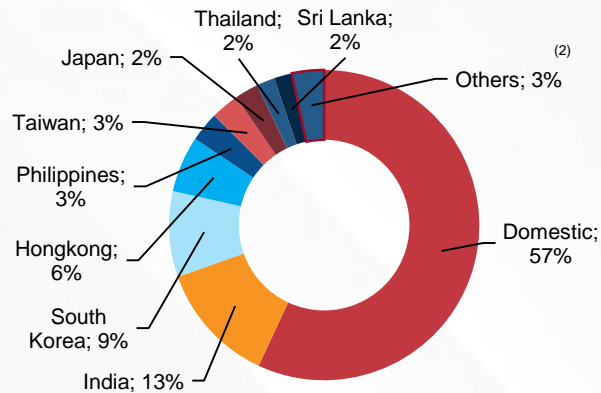


Net Profit and Margins

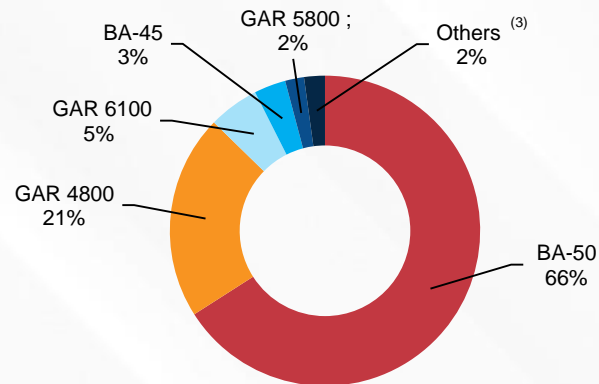


Key Financial Highlights (Cont.)

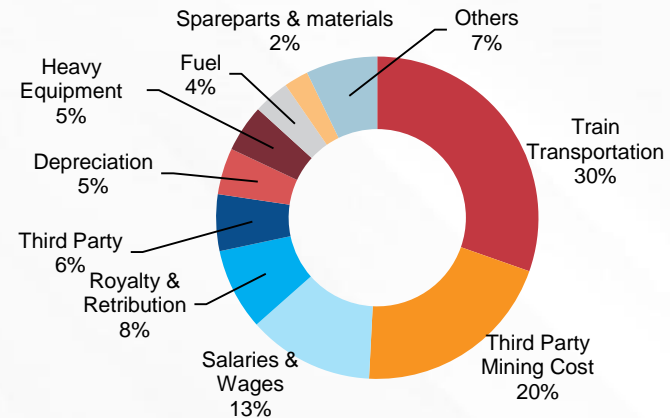
Sales Breakdown by Country⁽¹⁾



Sales Breakdown by Quality⁽¹⁾



Cost Breakdown



Total Cash Cost (FOB)⁽⁴⁾

Cash cost (IDR '000/t)	1H2018	1H2019	% Growth (Decline)
Total	554	581	5%

(1) Breakdown based on sales distribution per ton.

(2) Others include Vietnam, Malaysia, China, Cambodia, Pakistan.

(3) Others include GAR 4700-IPC, BA-55, BA-64, GAR 6700.

(4) Total Cash Cost include COGS, G&A, Selling Expenses, Inventory and Royalty.

3. Company Overview



Company Overview



Captive Market for Domestic Market

Expanding Railways Capacity and New Ports

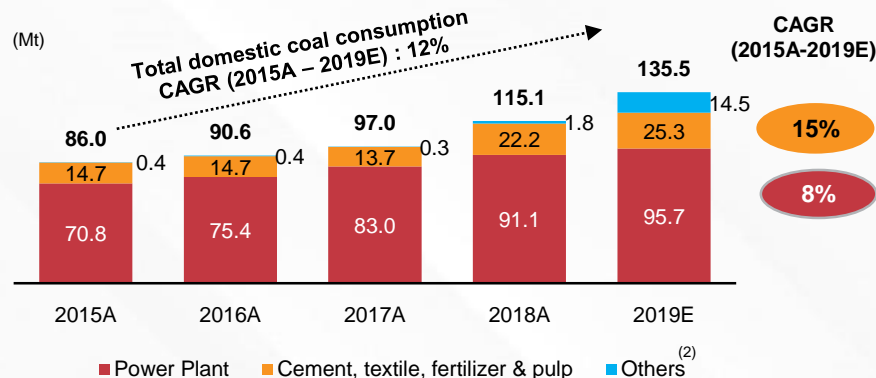
Development Projects

Financial Strength and High Dividend Payout Ratio

Captive Market for Domestic Market

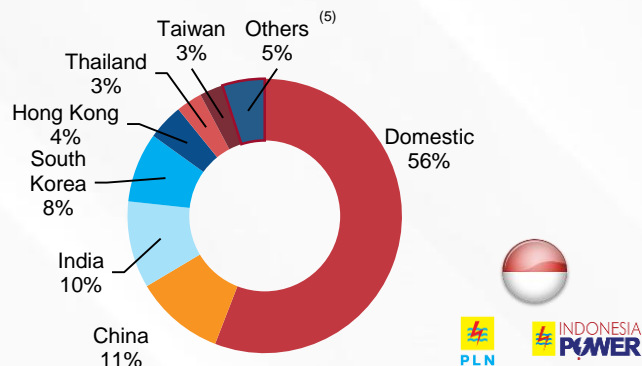
Domestic coal consumption expected to grow at ~12% ⁽¹⁾

- Overall coal domestic consumptions is expected to grow at 12%, largely driven by demand from power plants and cement, textile, fertilizer & pulp industry



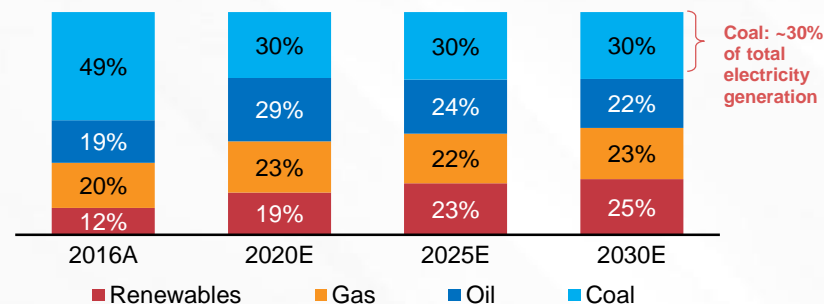
PTBA's sales breakdown per country FY 2018 ⁽⁴⁾

Given its strong relationship with PLN and abundant reserves (>100 years' reserve life), PTBA was the highest coal DMO supplier company in 2018



Coal remains the key source of Indonesia's energy over time ⁽³⁾

- Indonesia's energy mix is expected to undergo a transformation over the next decade that would result in more coal being consumed ⁽¹⁾
- Indonesia plans to increase power generation by 35 GW Program, of which 20GW is expected to be generated using coal ⁽¹⁾



Note:

- Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources
- Others include Metallurgy, Smelter and Briquette industries.
- 2020E – 2030E forecasted electricity generation composition as reported by the Indonesia Energy Statistics (World Bank, Indonesia Energy Statistics). 2016A data based on BMI.
- Breakdown based on sales distribution per country in tons FY2018
- Others include Cambodia, Japan, Vietnam, Malaysia, Philippines, Pakistan

Significant coal sales exposure to Indonesia market and benefiting the most from growth in domestic coal demand

Expanding Railway Capacity and New Ports

New Barging Port Project Construction of Prajin Barging Port

- Capacity : 10 Mtpa (2024)

Indonesia



Prajin Barging Port

Kertapati
Barging Port

Railway Project (New) Development to Northern South Sumatera Option to Prajin Barging Port

Capacity: 10 Mtpa (2024)

Lahat

Tanjung Enim

Muara Enim

Prabumulih

Baturaja

Shortcut
TE - Baturaja

Railway (Upgraded):

Capacity: up to 30 Mtpa

- TE – Kertapati: 5 Mtpa (2019)
- TE – Tarahan (Tarahan-I) : 20.3 Mtpa (2019);
25 Mtpa (2020)

Railway Project (New) Development to Southern Lampung Tarahan (Tarahan-II)

Capacity: 20 Mtpa (2024)

New Port Phase 2 Tarahan Port Development

- Capacity : 20 Juta Mtpa (2024)

Phase 2
Tarahan

Tarahan Port

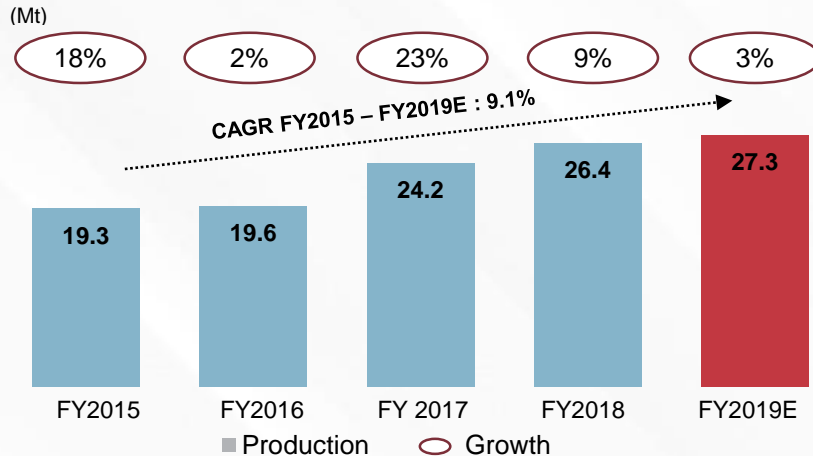
The Tanjung Enim Mine (27 Mtpa existing production capacity) and Tarahan Port (largest coal terminal in Sumatera, accommodating “Capesize” bulk carrier vessels of up to 210,000 DWT) are 100% owned and operated by PTBA

Expanding Railway Capacity and New Ports (Cont.)

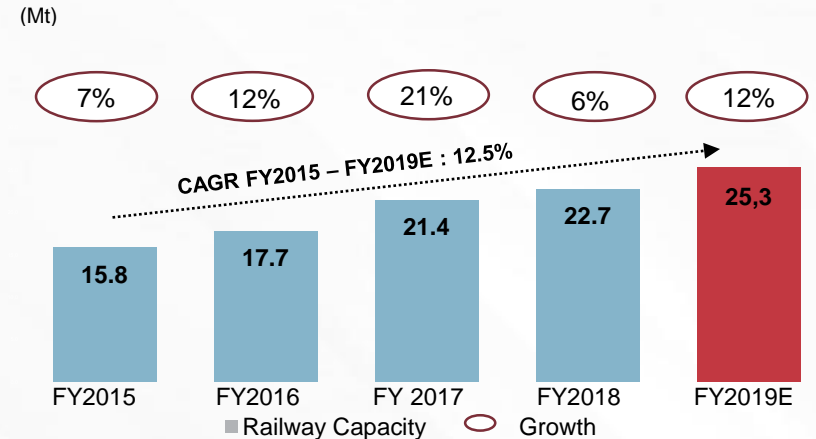
Optimisation of Railway Capacity and Future Expansion Projects

	Existing capacity	Estimated capacity upgrade
New railway projects		
Tanjung Enim – Prajin	■ n.a.	■ 10 Mtpa (2024)
Tarahan Second Line	■ n.a.	■ 20 Mtpa (2024)
Railway upgrades		
Tanjung Enim – Kertapati	■ 3.7 Mtpa	■ 5 Mtpa (2019)
Tanjung Enim – Tarahan	■ 19.4 Mtpa	■ 20.3 Mtpa (2019) ■ 25 Mtpa (2020)

Increasing Production

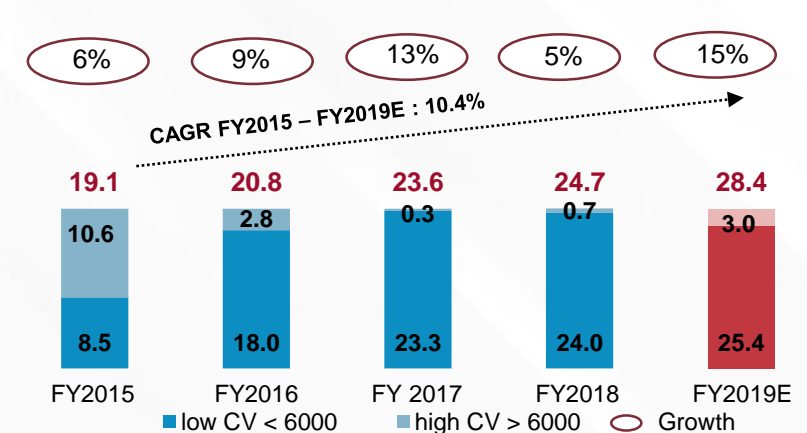


Increasing Railway Capacity



Management expects the optimisation of existing railway capacity to result in a better outlook in FY2019 onwards

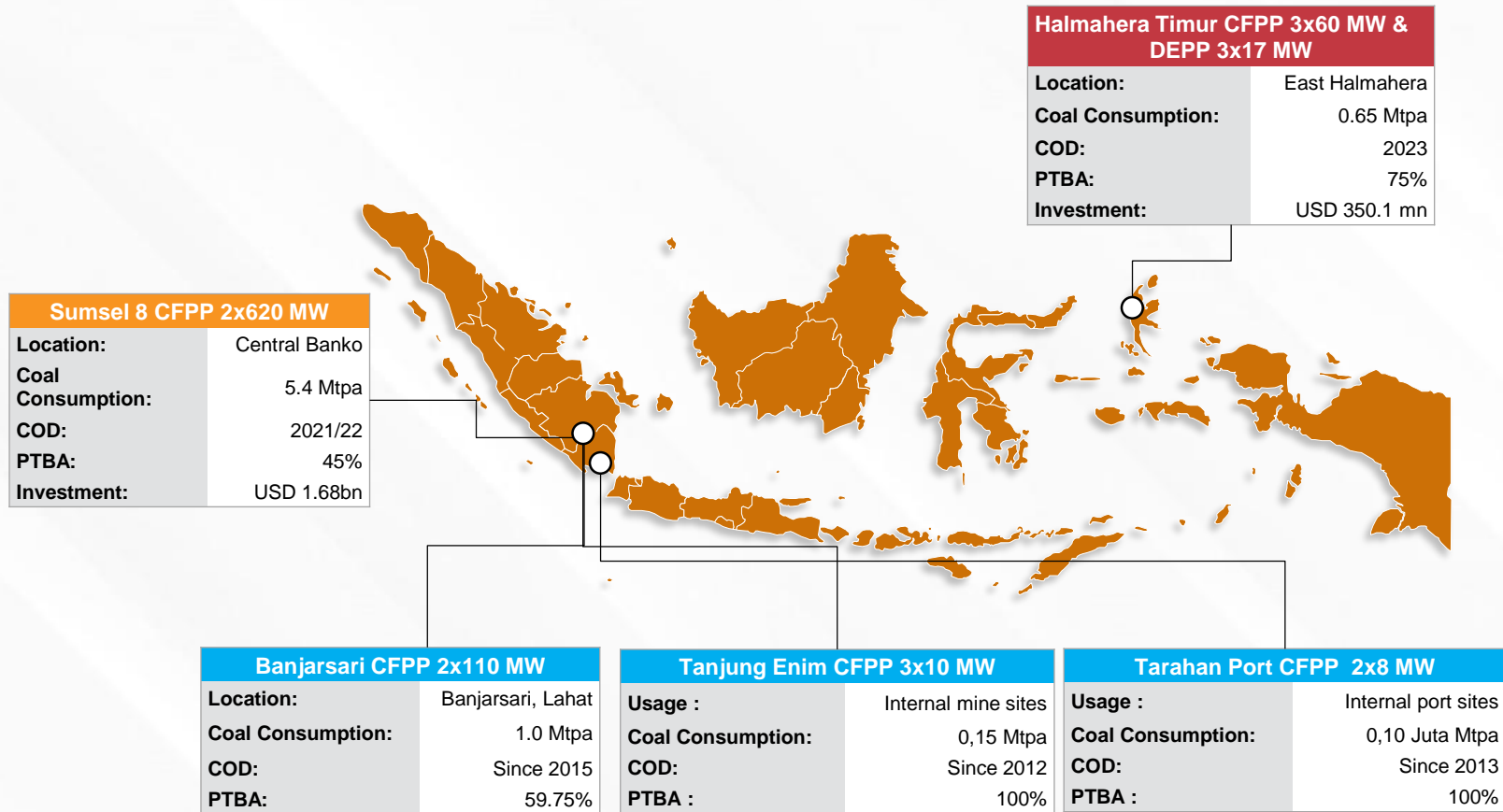
Increasing Sales Volume



Production and sales volume have increased on year on year basis; FY2018 production is 26.4 Mt (+9% YoY, vs 24.2 Mt in FY2017) and FY2018 sales is 24.7 Mt (+5% YoY, vs 23.6 Mt in FY2017)

Development Projects – Power Plants

Total Power Plants ~ 1,700 MW



Legend:

■ Tender / Feasibility Study Process

■ Construction

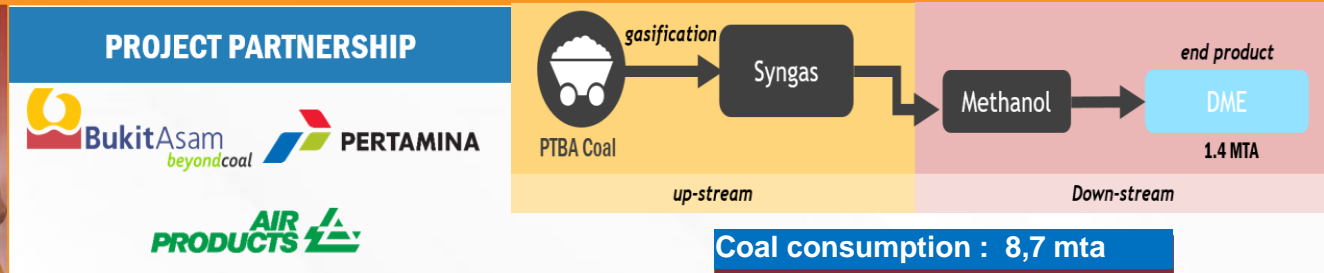
■ Operated

Development Projects – Coal to Chemical

Coal to Chemical in Peranap Mine



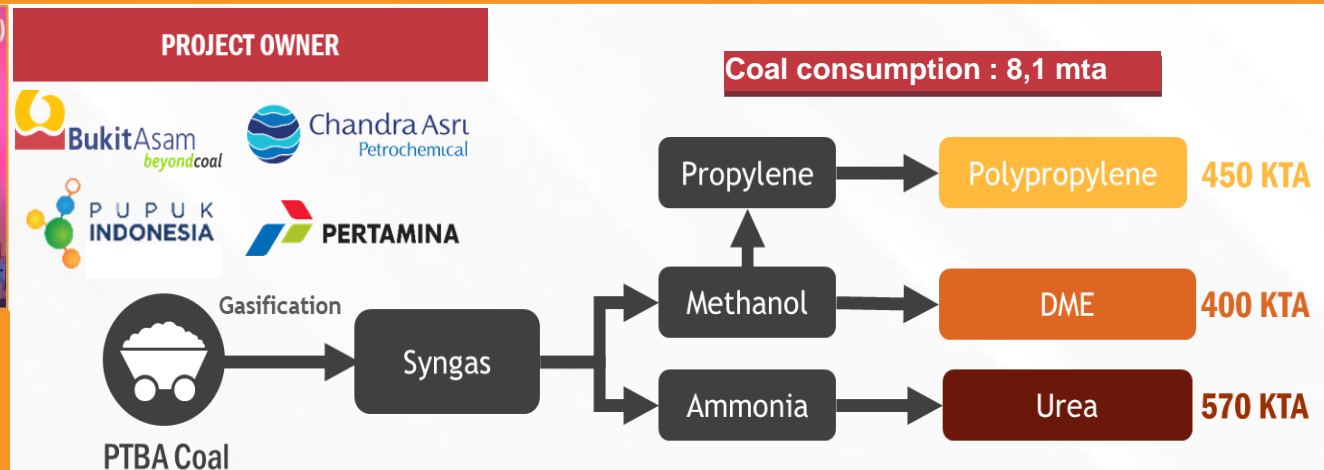
Declaration of Coal Downstreaming Project in Peranap



Coal to Chemical Tanjung Enim Mine

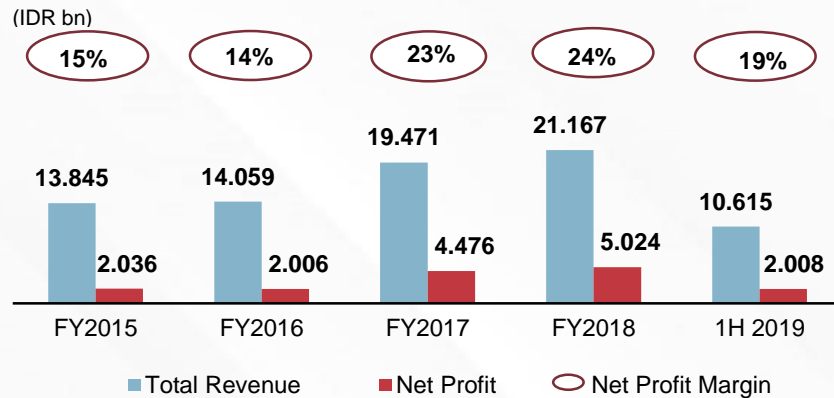


Declaration of Coal Downstreaming Project in Tanjung Enim by the Minister of SOE, Minister of Energy and Mineral Resources and Minister of Industry

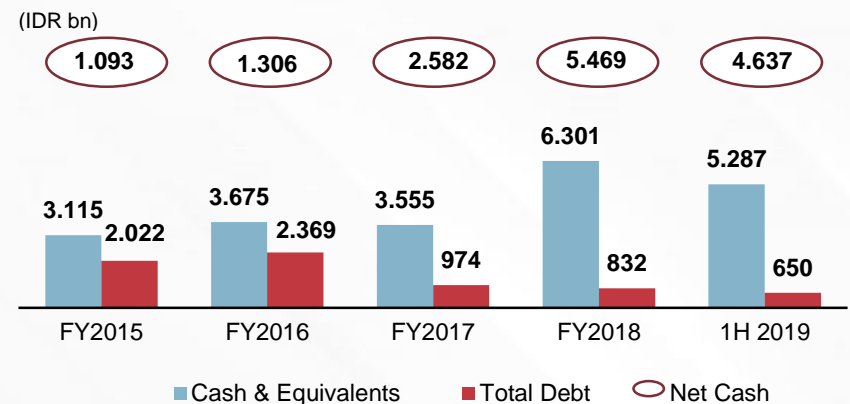


Financial Strength and High Dividend Payout Ratio

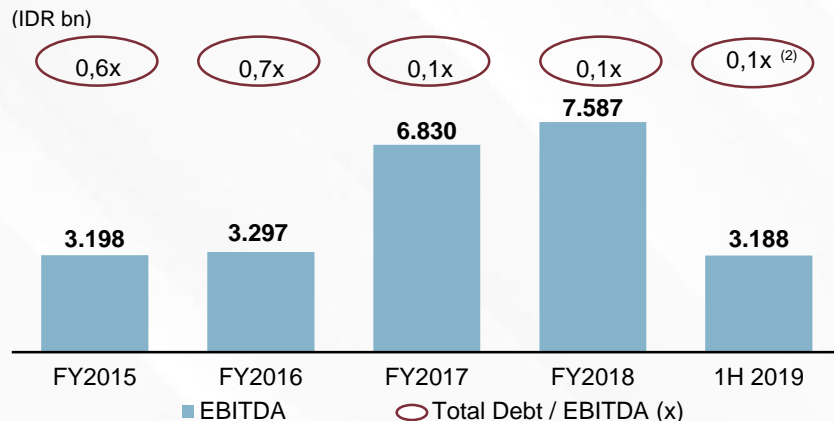
Total Revenue, Net Profit and Net Profit Margin



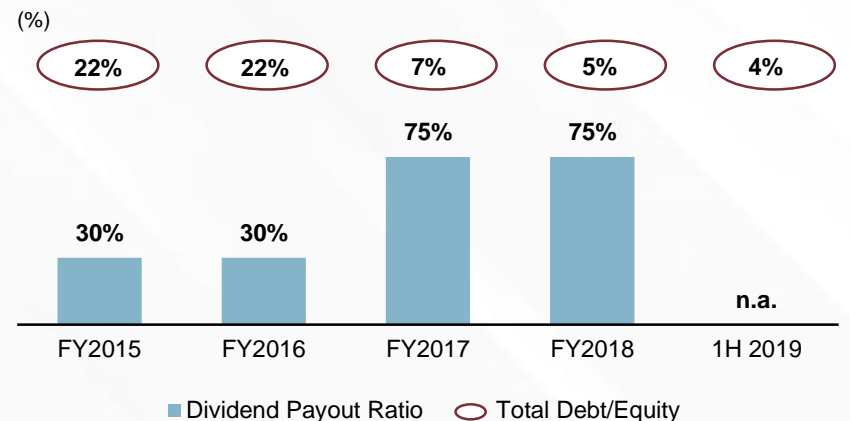
Minimal Debt ⁽¹⁾ with Overall Net Cash Position



EBITDA and Total Debt ⁽¹⁾ / EBITDA Ratio



Low Leverage⁽¹⁾ with Min. 30% Dividend Payout Ratio Over The Last Few Years

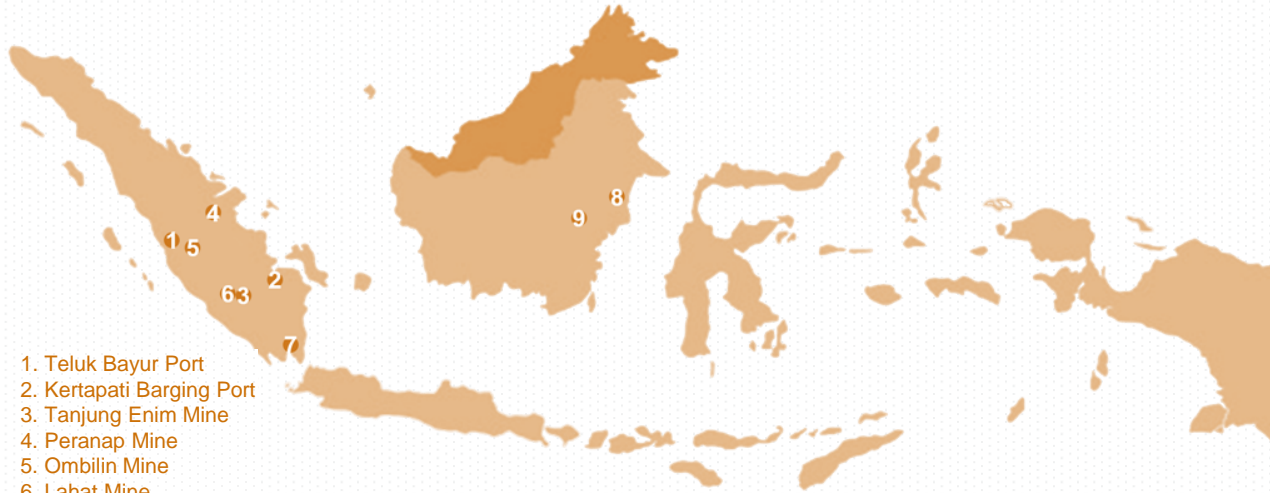


Significant improvement in operating margins driven by favourable transportation and increasing the portion of in-house mining contractor

Strong balance sheet with low net gearing and good cash flows

(1) Total debt includes bank borrowings and finance lease obligations.

(2) Total debt / EBITDA Annualized



1. Teluk Bayur Port
2. Kertapati Barging Port
3. Tanjung Enim Mine
4. Peranap Mine
5. Ombilin Mine
6. Lahat Mine
7. Tarahan Port
8. IPC Mine
9. Tabalong Mine

For More Information :

Contact	: Septyo Cholidie
Position	: Investor Relation Manager
Address	: PT Bukit Asam Tbk Menara Kadin, 15 th Floor, Jl. Rasuna Said, Blok X-5 Kav. 2 & 3, Jakarta 12950 Indonesia
Telephone	: +62 21 5254014
Facsimile	: +62 21 5254002
E-mail	: scholidie@bukitasam.co.id
Website	: www.ptba.co.id

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These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal` generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.