

PT BUKIT ASAM Tbk

Corporate Presentation 1H 2020



Outline

1. Introduction

2. 1H 2020 Update

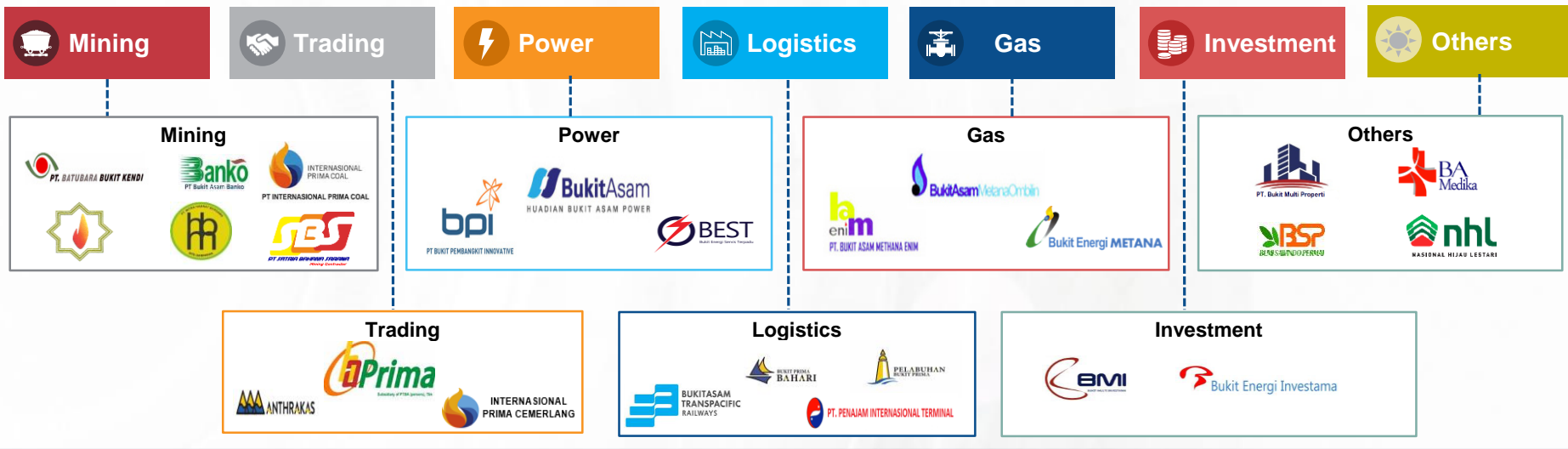
3. Company Overview



1. Introduction

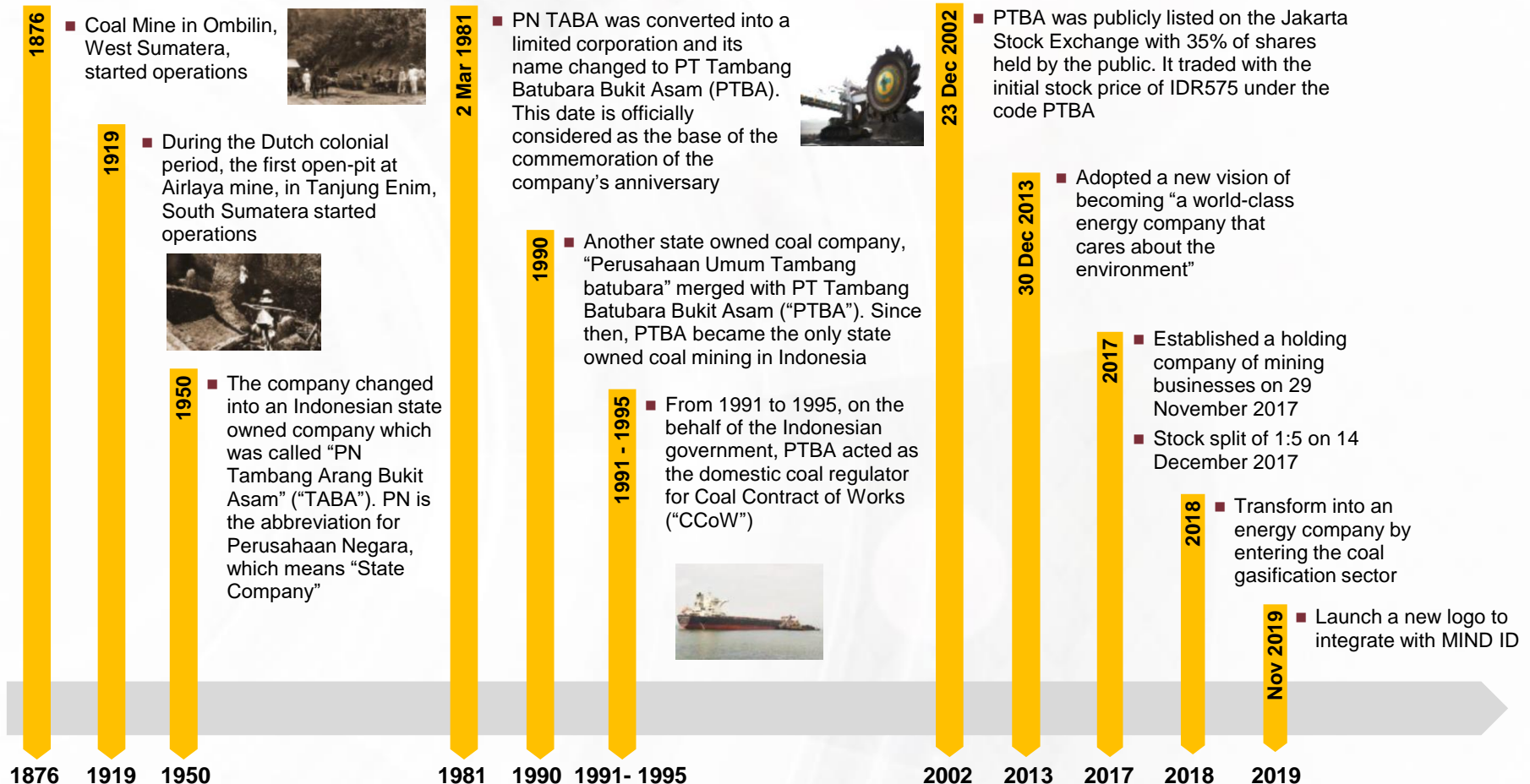


The Subsidiaries and Indirect Subsidiaries



PTBA continues to diversify its source of revenues – The Company's core coal mining business is supported by the development of other businesses in power generation, logistic, coal beneficiation, investment and others.

Key Milestones



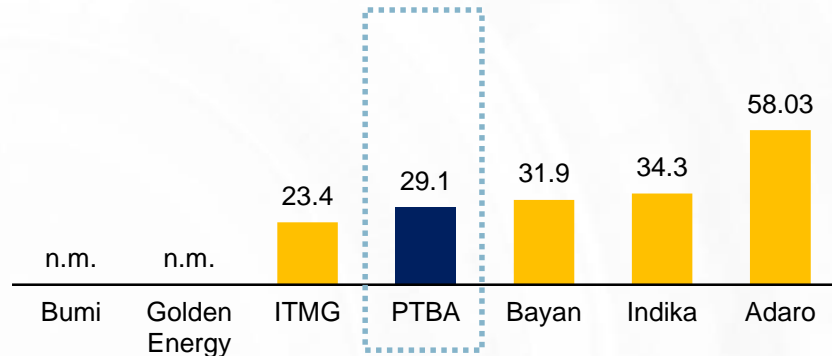
PTBA is Indonesia's Oldest and Most Experienced Coal Producer



PTBA among peers

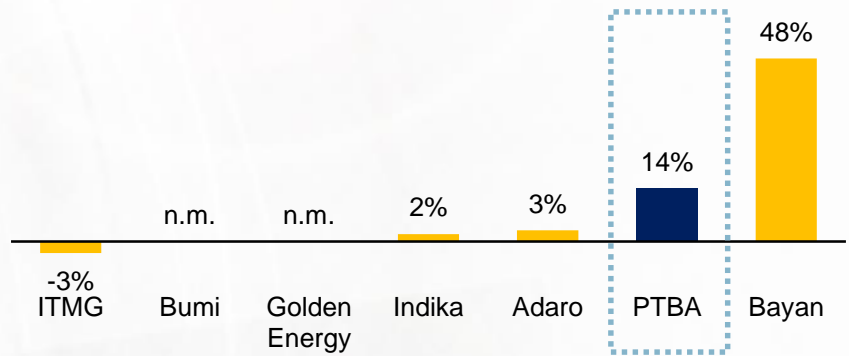
2019 Coal Production

(Mn ton)



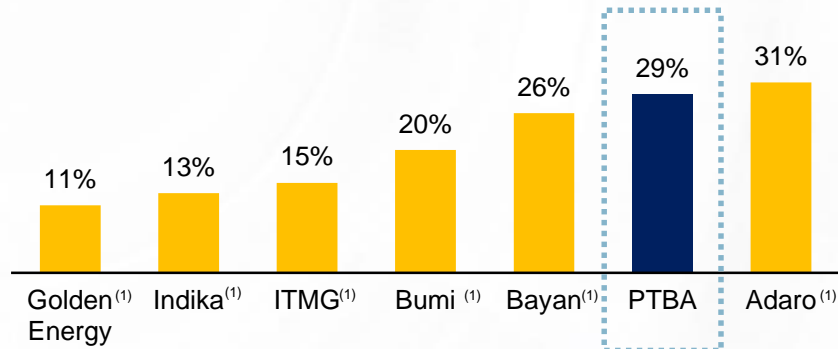
2016 - 2019 Production CAGR

(%)



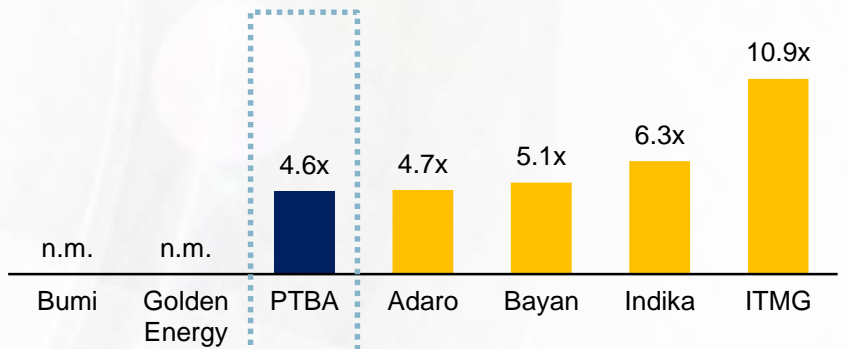
2019 EBITDA Margin

(%)



2019 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



bukitasamptha



PT Bukit Asam Tbk

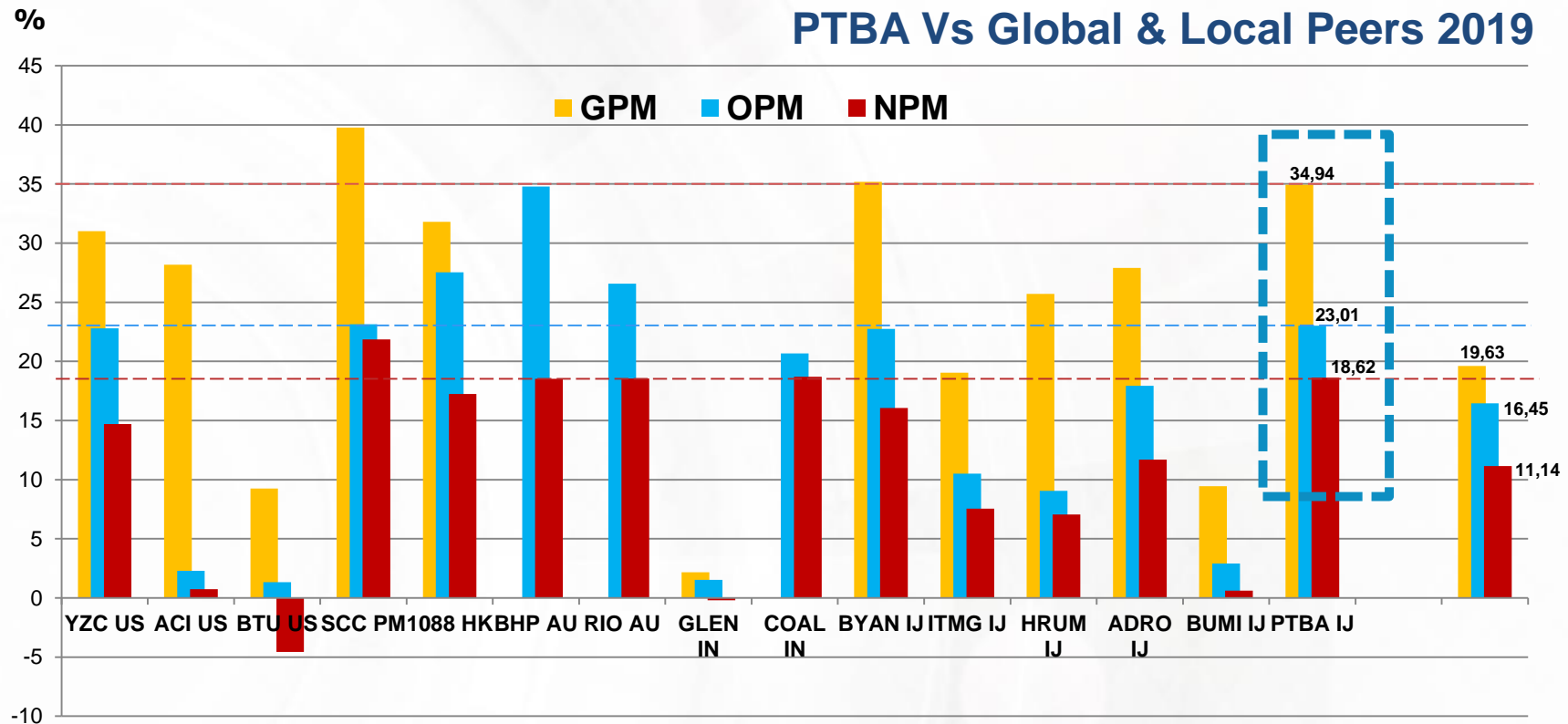


BukitAsamPTBA



www.ptba.co.id

PTBA among peers (cont.)



Source: Bloomberg, 28 September 2020

YZC	: Yanzhou Coal Mining	COAL IN	: Coal India Ltd
ACI	: Arch Coal Inc. – USA (NYSE)	BYAN	: PT Bayan Resources - IDX
BTU	: Peabody Energy Corp – USA (NYSE)	ITMG	: PT Indo Tambangraya Megah – IDX
SCC PM	: Semirara Mining & Power Co.	HRUM	: PT Harum Energy – IDX
1088 HK	: China Shenhua Energy	ADRO	: PT Adaro Energy – IDX
BHP AU	: Billiton Ltd (Australia)	BUMI	: PT Bumi Resources – IDX
RIO AU	: Rio Tinto Ltd (Australia)	PTBA	: PT Bukit Asam - IDX
GLEN	: Glencore		

Note:
 GPM: Gross Profit Margin
 OPM: Operating Profit Margin
 NPM: Net Profit Margin

2. 1H 2020 Update



Trending Issue International Coal Market



South Korea

South Korea has seen weaker power demand this year due to the global outbreak. Coal generation has maintained its competitive position against natural gas-fired generation. Coal use was supported by a fall in nuclear availability.

China

China's power demand remains strong driven by continued economic recovery and hot weather. Tight import quotas and no easing expected until towards the end of the year, the rising domestic coal prices in China have had little impact on the seaborne market.



Indonesia

Indonesian government reduced domestic market obligations for coal producers in 2020 by 21.3 Mt for electricity generation and 7.5 Mt for smelter use in response to weak demand.



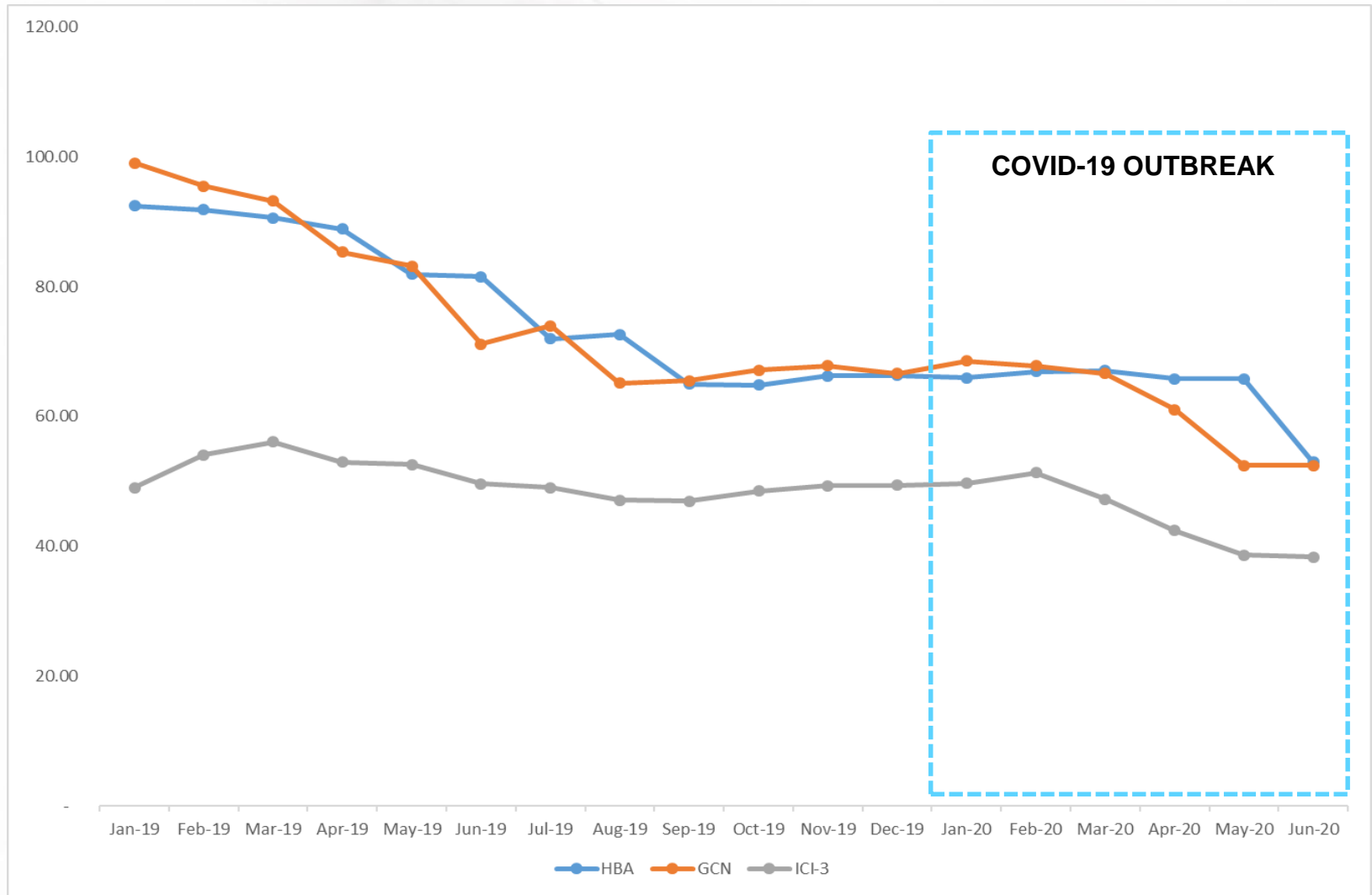
Europe

European power demand is starting to recover from outbreak shutdowns as restrictions slowly ease. Coal generation was helped by low nuclear availability in Germany and France because of Q3 maintenance.

Source:
Global thermal coal short-term outlook June 2020 –
Wood Mackenzie

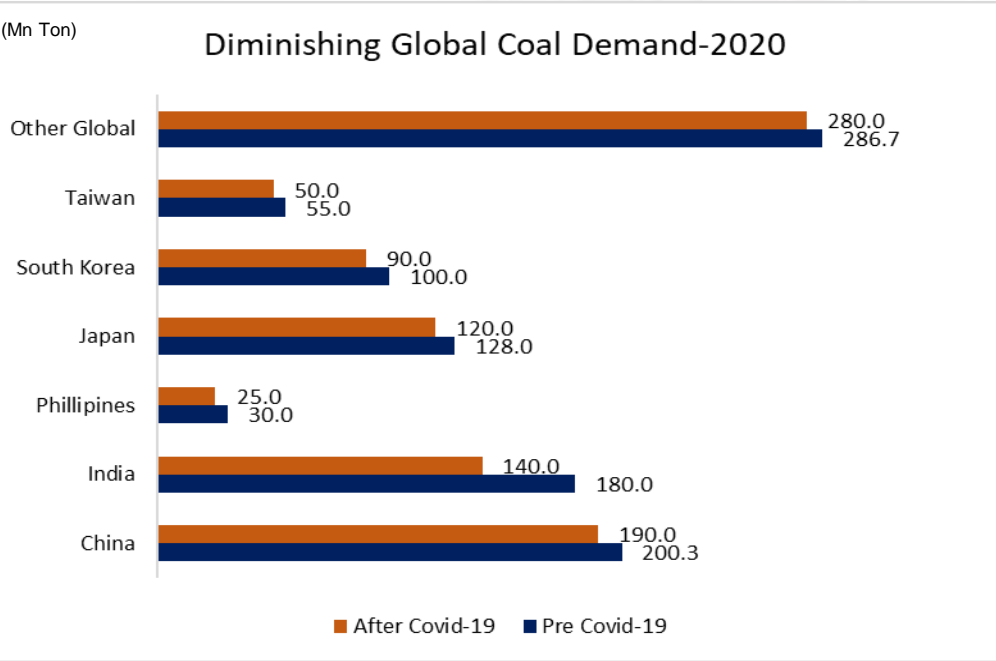


The Trend of Coal Price



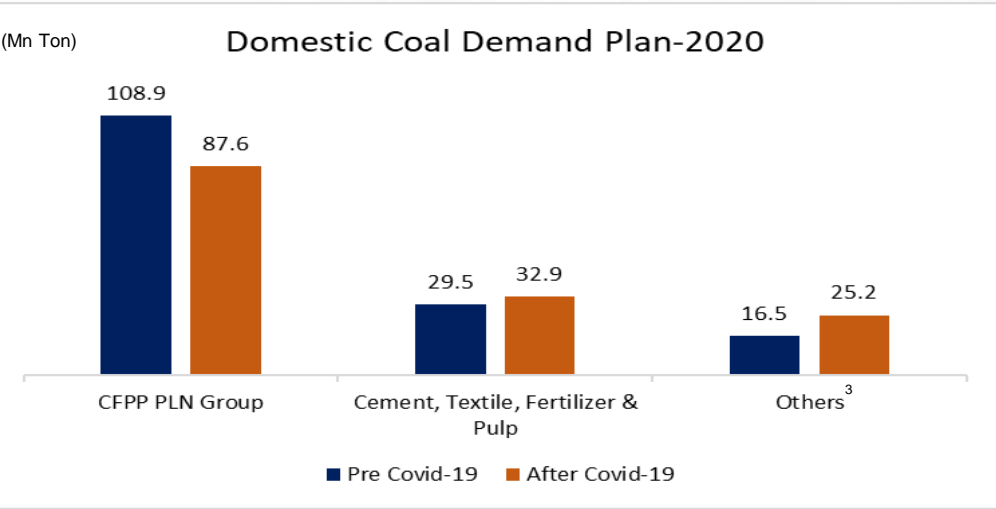
The exploding covid-19 cases around the world raises anxiety and consequently affect coal price that reflected by reaching its lowest on 5 May 2020. Moreover, import quota in China in order to maintain its domestic coal price also trigger lower global coal price.

Impact of Covid-19 to Coal Market



Global Coal Demand¹

China's lockdown in the first quarter of 2020 and continued lockdowns in India and the Philippines have had a major impact on coal demand as these regions account for 65% of Indonesia's total coal exports.



Domestic Coal Demand²

Reduction coal demand on power plants because they do not operate at full capacity

Note:
1. APBI-ICMA (Indonesian Coal Mining Association)
2. Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources
3. Others include Metallurgy, Smelter and Briquette industries.

Actions taken by PTBA to mitigate The Covid-19 outbreak



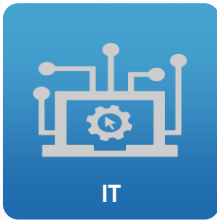
- Face mask provision
- Hand Washing facilities
- Hand sanitizer
- Disinfectant spraying



- Use of private vehicle
- Provision of vehicle facilities (shuttle bus/car) with implementation of Covid-19 protocol



- Body temperature check
- Extra food & vitamin
- Representative hospital



- 'Peduli Lindungi' Apps
- Utilization of the CISEA
- Meeting Apps (Cloudx, Zoom, MS Team)
- Ekowa, Ekoline, Ekotel



- Social distancing
- Partial work from home policies for Jakarta Office
- Covid prevention campaign by Covid Rangers



PTBA Supports the Community



763
Handsanitizer
400 ml & 60 ml



294,696
Mask



112
Unit Tedmond &
Portable Wastafel



Spraying of
Disinfectants in
the Company's
Ring 1 Area



26 Ton
Rice



10
box



700
Protection Clothes
dan Protective
Goggles



107,720
Groceries Packages



3,750
Rosela for Health
Workers



IDR 15.3 Billion

Total Fund Realization on Covid up to
August 2020



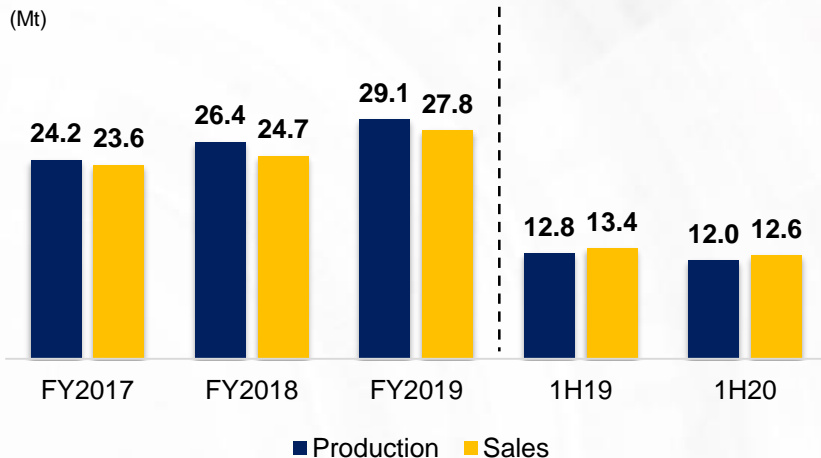
Key Performance Highlights

	FY 2020 E	1H 2020	1H 2019	YoY (% change)
Sales Volume (Mt)	24.9	12.6	13.4	-6.1
Production Volume (Mt)	25.1	12.0	12.8	-6.5
Railway Volume (Mt)	23.0	11.7	11.7	0.1
Revenue (IDR TN)	n.a	9.0	10.6	-15.1
Net Profit (IDR TN)*	n.a	1.3	2.0	-35.8
Weighted Average Selling Price (IDR/t)	n.a	705,735	778,821	-9.4
Stripping Ratio (x)	4.3	4.4	4.6	-4.8

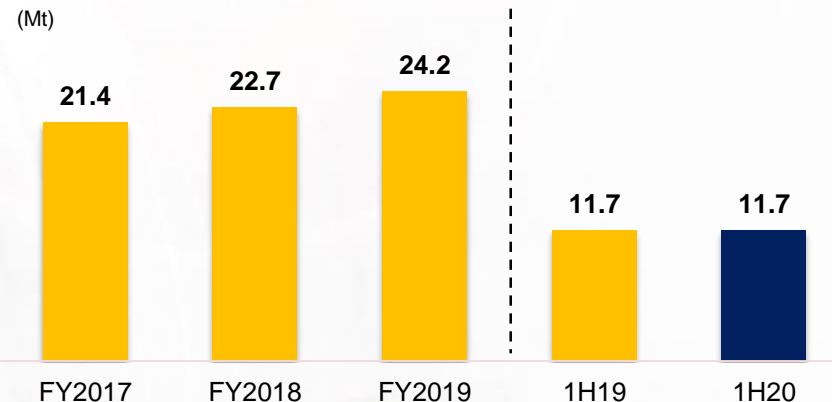
Note: *net profit after minority interest

Key Operational Highlights

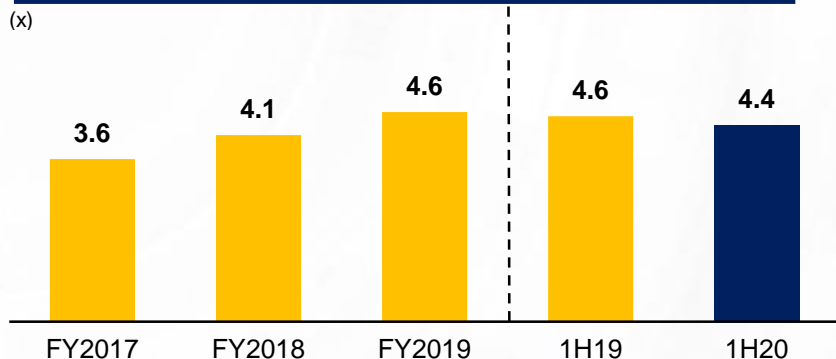
Production and Sales Volume



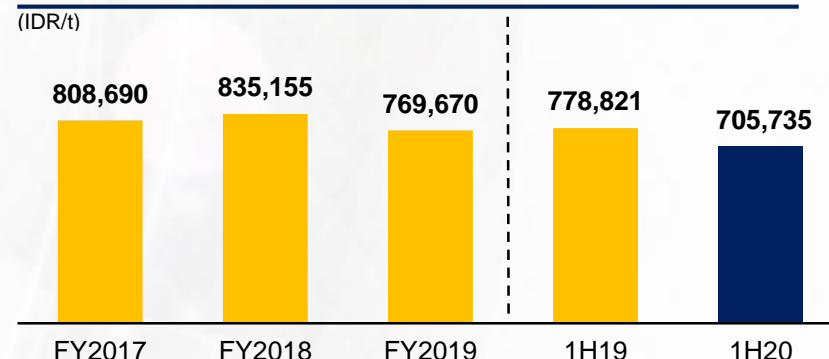
Railway Volume



Weighted Average Stripping Ratio



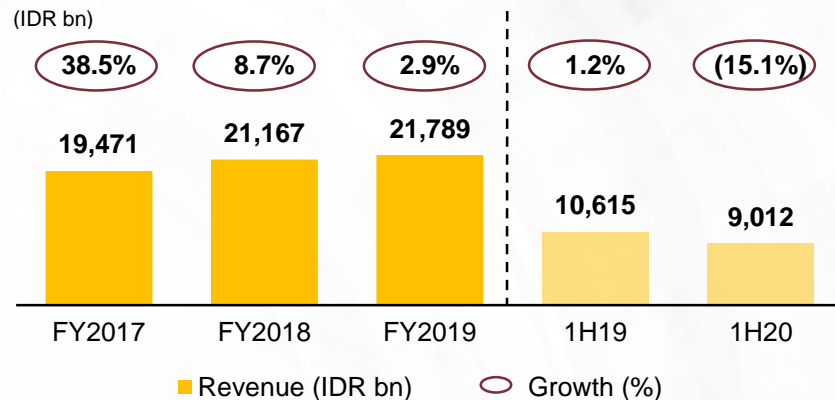
Weighted Average Selling Price



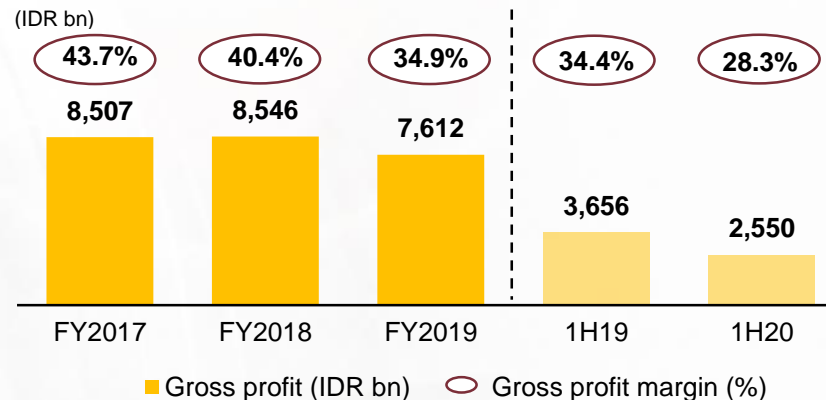
PTBA's achievement is still on track as planned

Key Financial Highlights

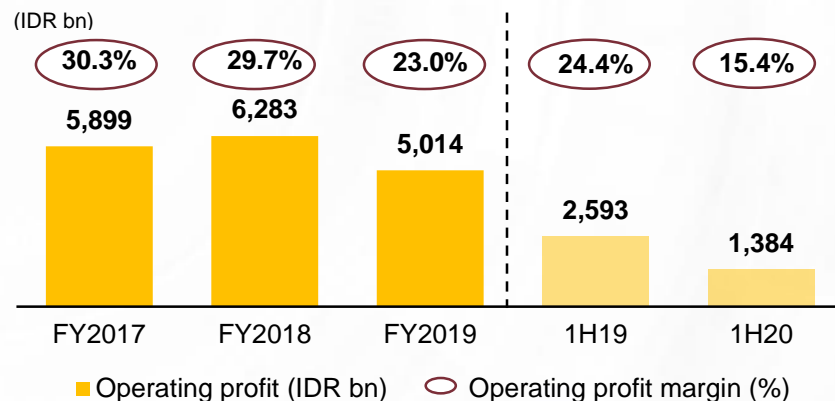
Revenue and Growth



Gross Profit and Margins

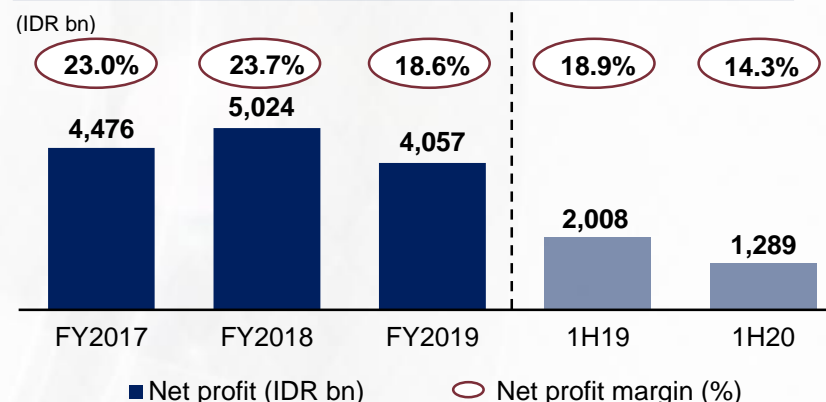


Operating Profit and Margins



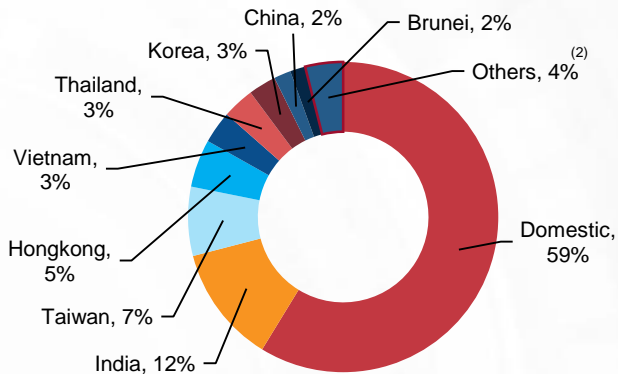
Net Profit and Margins

Note: net profit after minority interest

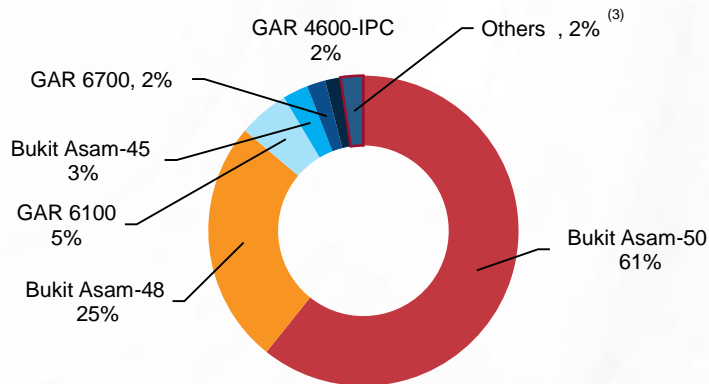


Key Financial Highlights (Cont.)

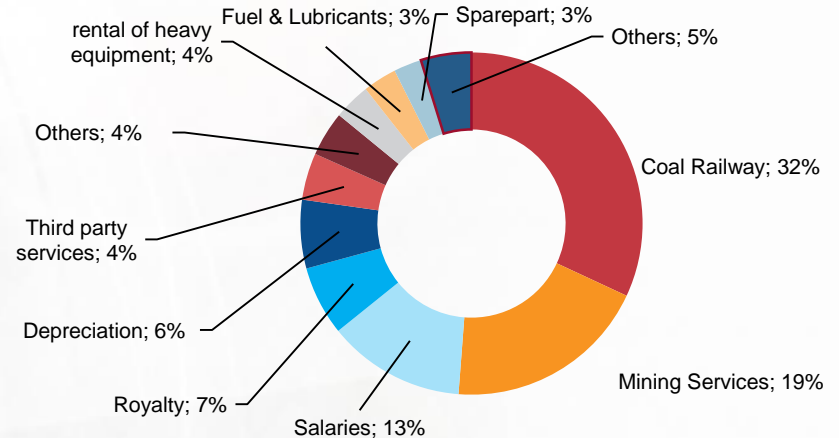
Sales Breakdown by Country⁽¹⁾



Sales Breakdown by Quality⁽¹⁾



Cost Breakdown



Total Cash Cost (FOB)⁽⁴⁾

Cash cost (IDR '000/t)	1H20	1H19	% Peningkatan (Penurunan)
Total	574	581	(1.1)

(1) Breakdown based on sales distribution per ton.

(2) Others include Japan, Malaysia, Philippines, Australia, Cambodia, Pakistan.

(3) Others include GAR 6400, GAR 4700 – IPC, SEMI ANS, dan GAR 4200-IPC

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

3. Company Overview



Company Overview



Captive Market for Domestic Market

Expanding Railways Capacity and New Ports

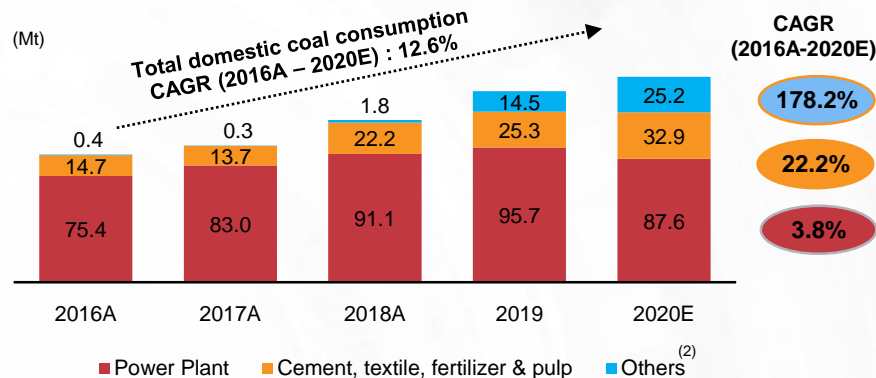
Development Projects

Financial Strength and High Dividend Payout Ratio

Captive Market for Domestic Market

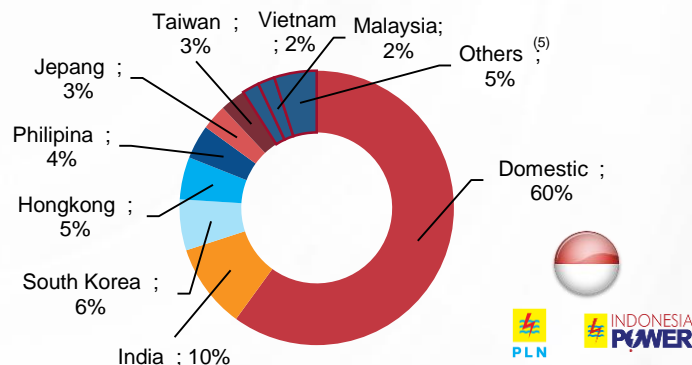
Domestic coal consumption expected to grow at ~12.6% ⁽¹⁾

- Overall coal domestic consumptions is expected to grow at 12.6%, largely driven by demand from power plants and Cement, textile, fertilizer & pulp industry



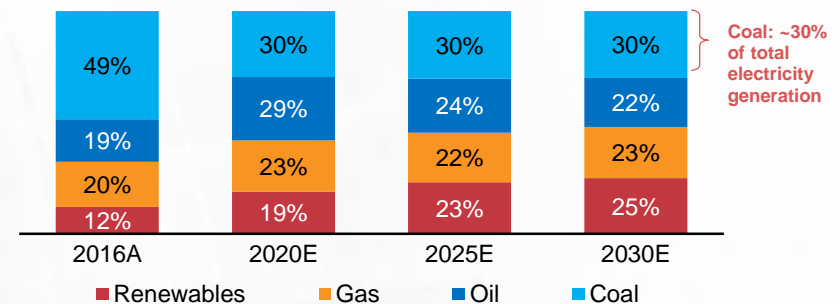
PTBA's sales breakdown per country FY 2019 ⁽⁴⁾

Given its strong relationship with PLN and abundant reserves (>100 years' reserve life), PTBA was the highest coal DMO supplier company in 2019



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⁾

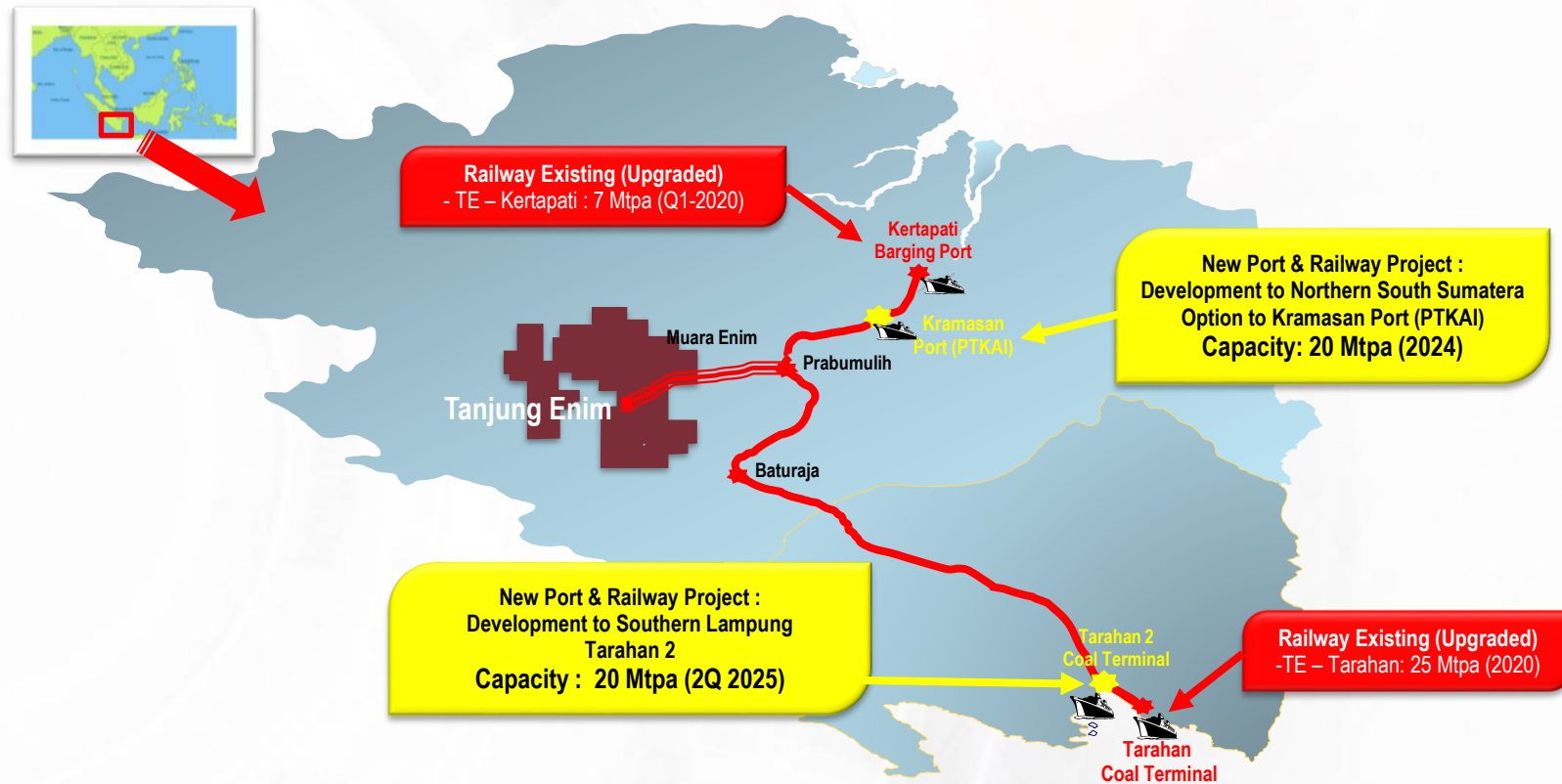


Note:

- 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 FY2019
- Others include Thailand, Sri Lanka, China, Cambodia, Australia, Myanmar, Pakistan.

Significant Coal Sales Exposure to Indonesia Market and Benefiting The Most from Growth in Domestic Coal Demand

Expanding Railway Capacity and New Ports



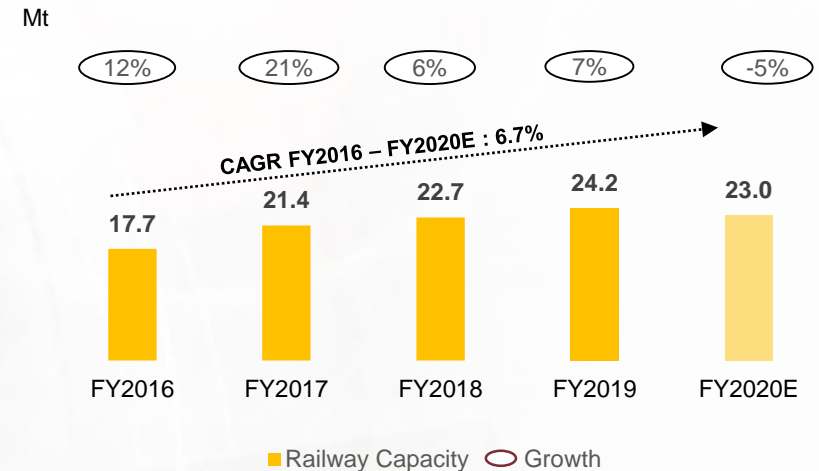
The Tanjung Enim Mine and Tarahan Port (largest coal terminal in Sumatera, accommodating “Capesize” bulk carrier vessels of up to 210,000 DWT) are 100% owned and operated by PTBA

Expanding Railway Capacity and New Ports (Cont.)

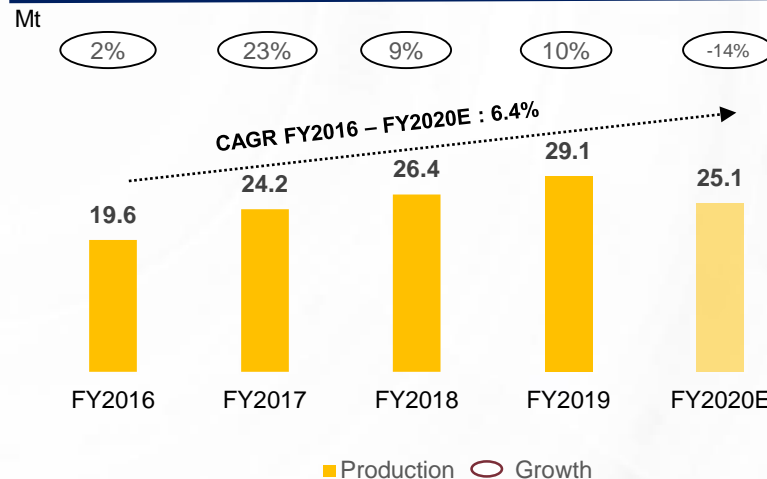
Optimization of Railway Capacity and Future Expansion Projects

	Previous Capacity	Estimated Capacity Upgrade
New Railway Projects		
Tanjung Enim – Kramasan (PT KAI)	n.a.	20 Mtpa (2024)
Tarahan 2	n.a.	20 Mtpa (2025)
Railway Upgrades		
Tanjung Enim – Kertapati	3.7 Mtpa	7 Mtpa (Jan 2020) - Done
Tanjung Enim – Tarahan	20.3 Mtpa	25 Mtpa (Dec 2020)

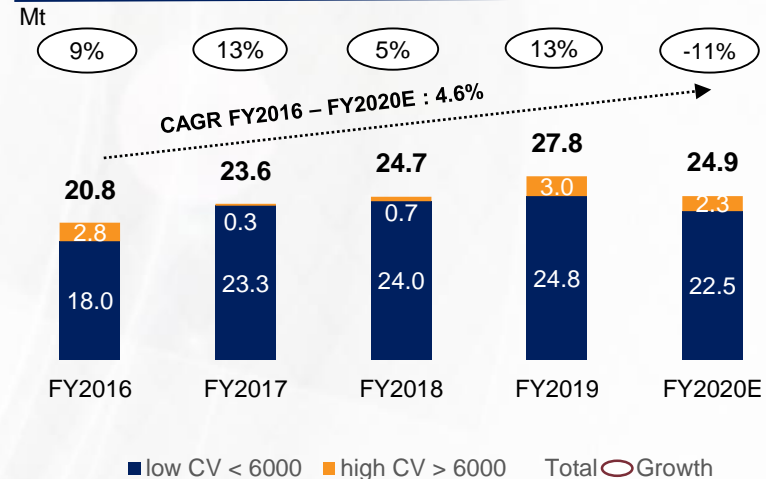
Railway Volume



Production Volume



Sales Volume



Production and sales volume have increased year on year basis; FY2019 production is 29.1 Mt (+10% YoY, vs 26.4 Mt in FY2018) and FY2019 sales is 27.8 Mt (+13% YoY, vs 24.7 Mt in FY2018)

Development Projects – Power Plants

Total Power Plants ~ 1,500 MW

Rooftop Solar PV AP II 241 kWp

Location:	Soekarno Hatta Airport
COD:	2020
PTBA:	50%
Investment:	USD 194,400

Sumsei-8 CFPP 2x620 MW

Location:	Central Banko
Coal Consumption:	5.4 Mtpa
COD:	2021/22
PTBA:	45%
Investment:	USD 1.68bn

Banjarsari CFPP 2x110 MW

Location:	Banjarsari, Lahat
Coal Consumption:	1.0 Mtpa
COD:	Since 2015
PTBA:	59.75%

Tanjung Enim CFPP 3x10 MW

Usage:	Internal mine sites
Coal Consumption:	0.15 Mtpa
COD:	Since 2012
PTBA:	100%

Tarahan Port CFPP 2x8 MW

Usage:	Internal port sites
Coal Consumption:	0.10 Juta Mtpa
COD:	Since 2013
PTBA:	100%

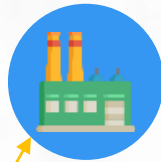
Legend:

Under Construction Operated

Note:

1. Currently the solar-generated power plants is under testing and will commence its full operation on October 1, 2020

Development Projects – Coal to Chemical



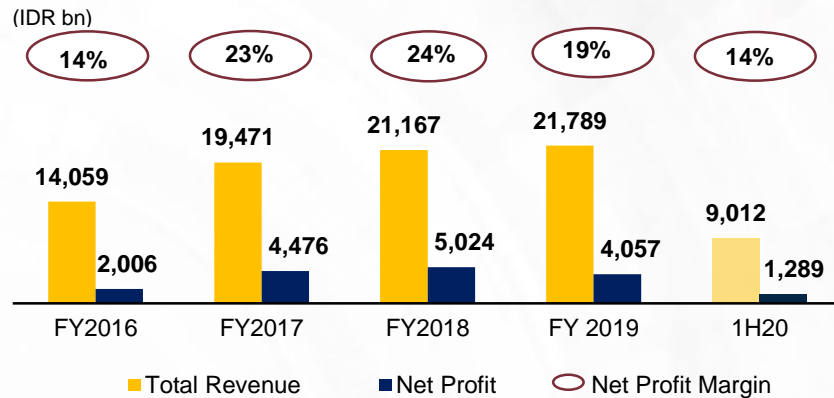
Coal to Chemical Plant (Produce 1.4 million ton DME)



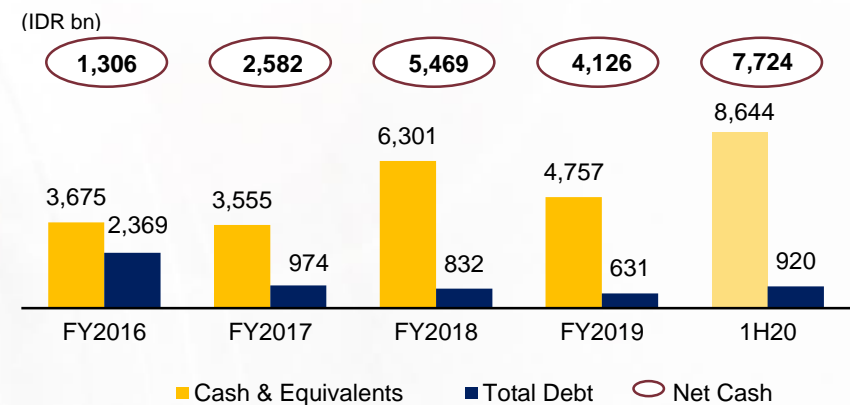
Product	: DME
Coal Consumption	: 6 Mtpa

Financial Strength and High Dividend Payout Ratio

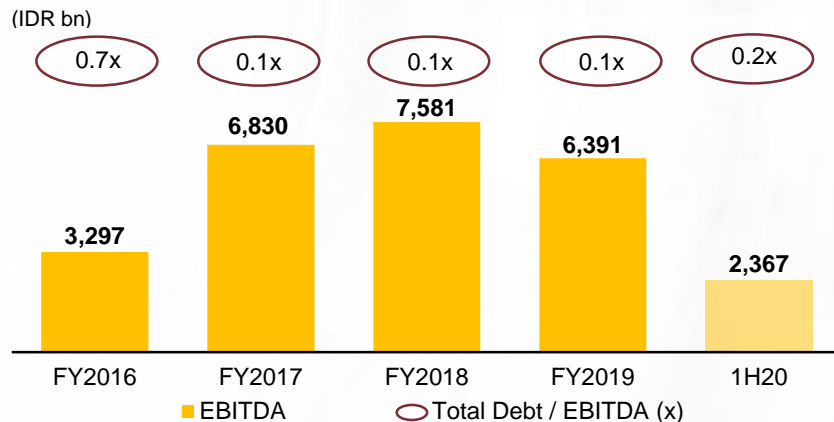
Total Revenue, Net Profit and Net Profit Margin



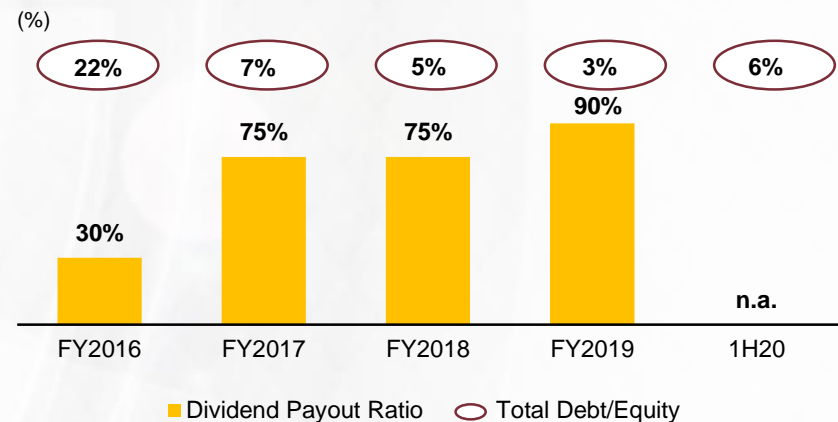
Minimal Debt ⁽¹⁾ with Overall Net Cash Position ⁽²⁾



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 lease obligations.

(2) Net cash not included deposits more than three months.



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

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Disclaimer:

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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.