



# **PT Bukit Asam Tbk**

## **Corporate Presentation Q1 2019**



# Agenda



**1. Introduction**

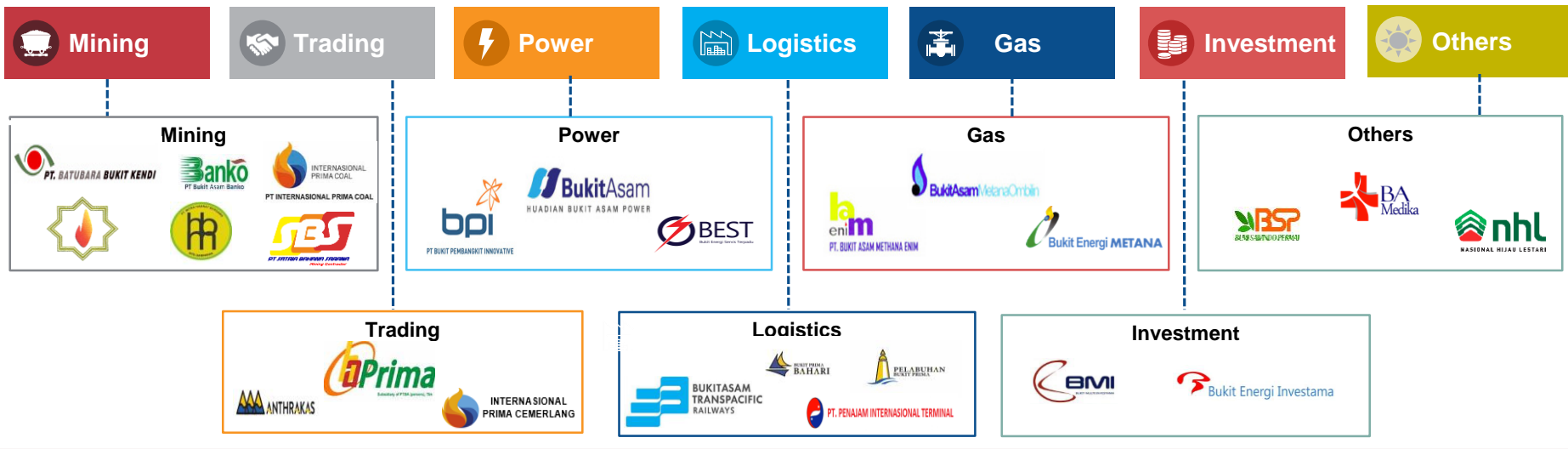
**2. Q1 2019 Update**

**3. Company Overview**

# 1. Introduction

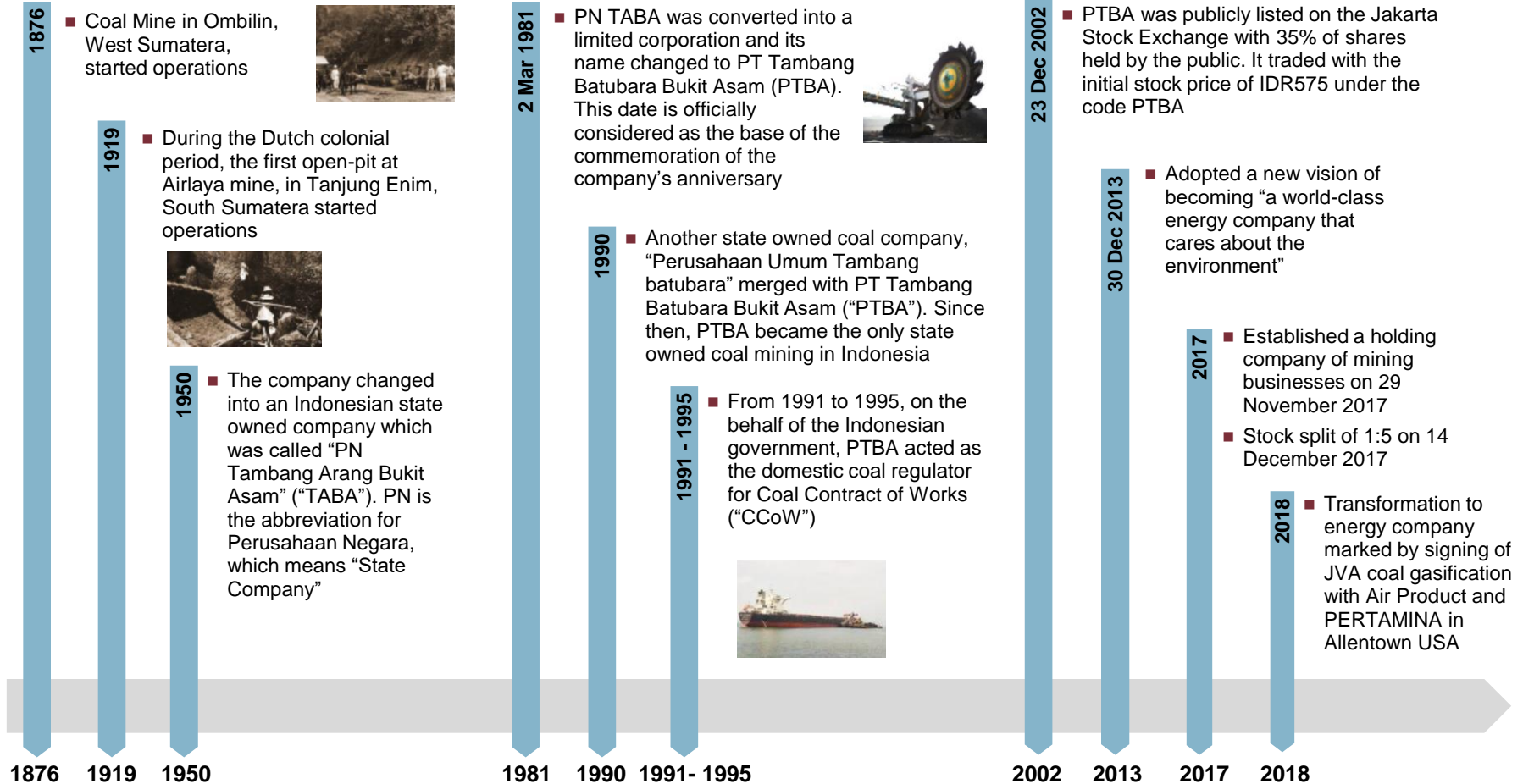


## The Subsidiaries and Indirect Subsidiaries



- PT Bukit Asam Tbk (“PTBA” or the “Company”) operates a fully integrated large coal mining in Tanjung Enim (South Sumatera), Ombilin (West Sumatera), Peranap (Riau) and East Kalimantan.
- 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, investment and others.

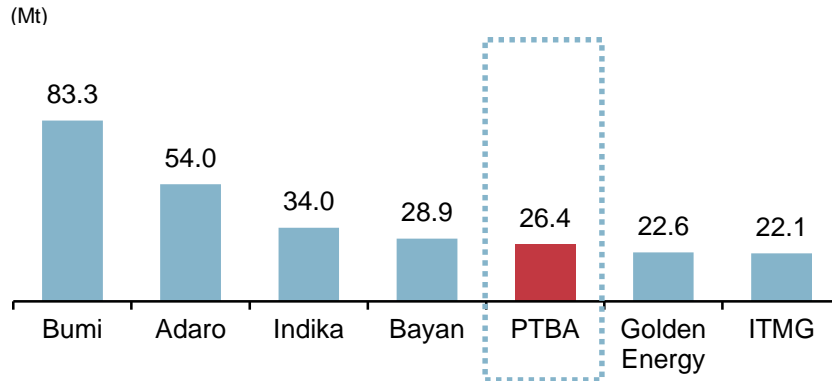
# Key Milestones



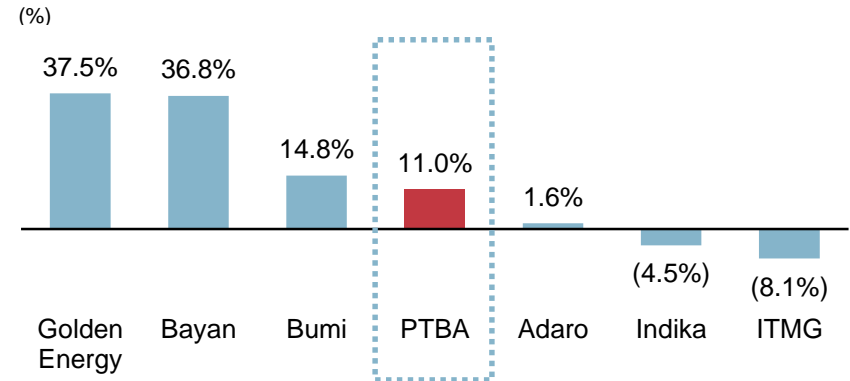
**PTBA is Indonesia's Oldest and Most Experienced Coal Producer**

# PTBA is One of The Fastest Growing and Lowest Cost Coal Producers in Indonesia

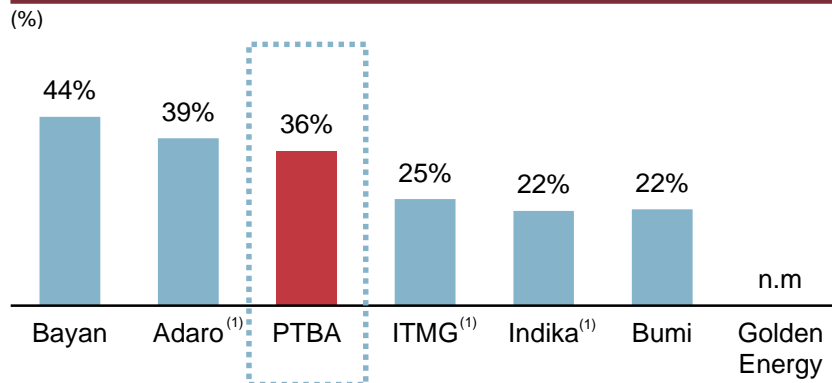
## 2018 Coal Production



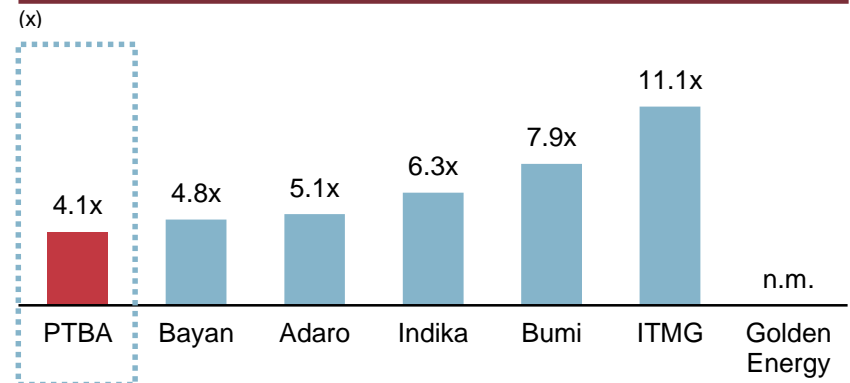
## 2015 – 2018 Production CAGR



## 2018 EBITDA Margin



## 2018 Weighted Average Stripping Ratio



Source: Internal Analysis.  
(1) Adjusted EBITDA.

## 2. Update Q1 2019



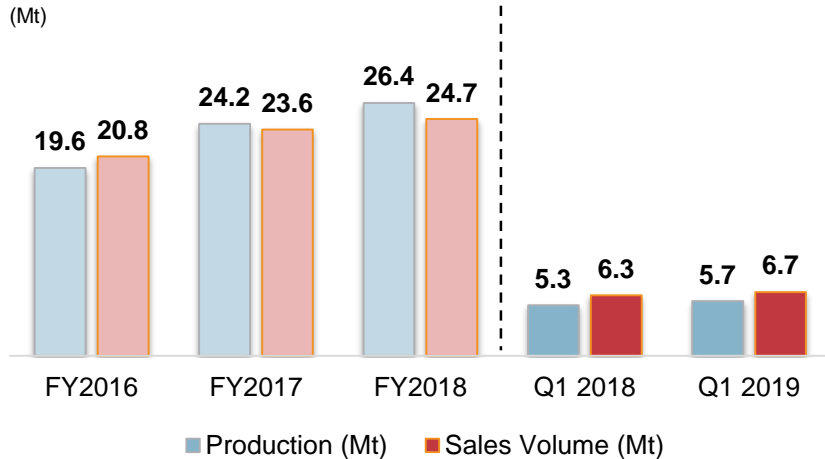
# Key Performance Highlights

	FY2019 E	Q1 2019	Q1 2018	YoY (% change)
Sales volume (Mt)	28.38	6.65	6.30	5.6%
Production (Mt)	27.26	5.70	5.28	8.0%
Railway Capacity (Mt)	25.30	5.84	5.43	7.6%
Revenue (IDR TN)	n.a.	5.34	5.75	-7.1%
Net Profit (IDR TN)	n.a.	1.14	1.45	-21.4%
Weighted Average Selling Price (IDR/t)	n.a.	772,044	887,833	-13.0%
Stripping Ratio (x)	4.8	4.3	4.2	2.4%

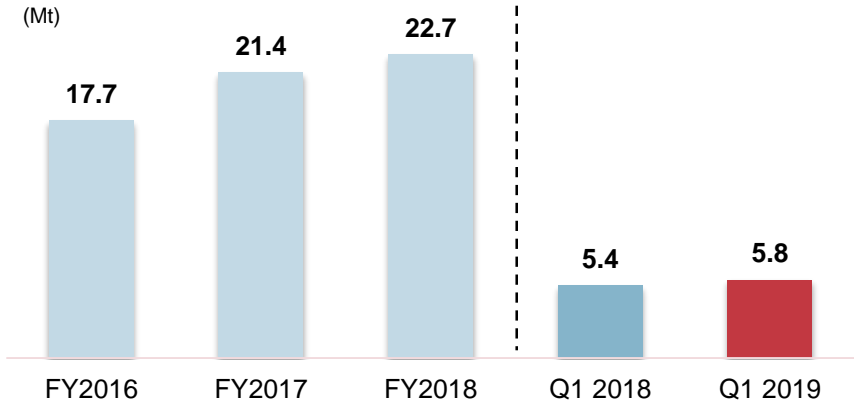


# Key Operational Highlights

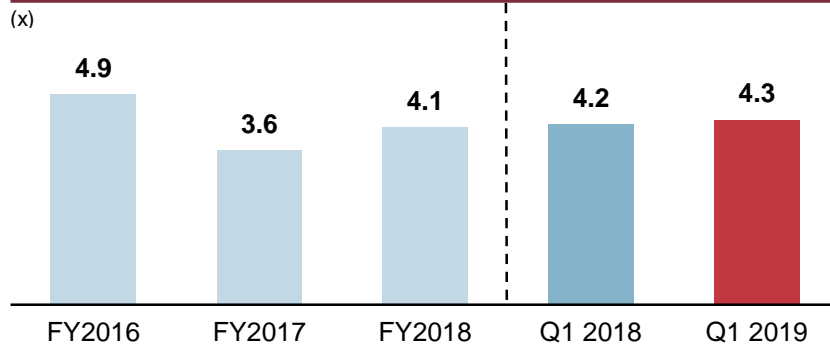
## Production and Sales Volume



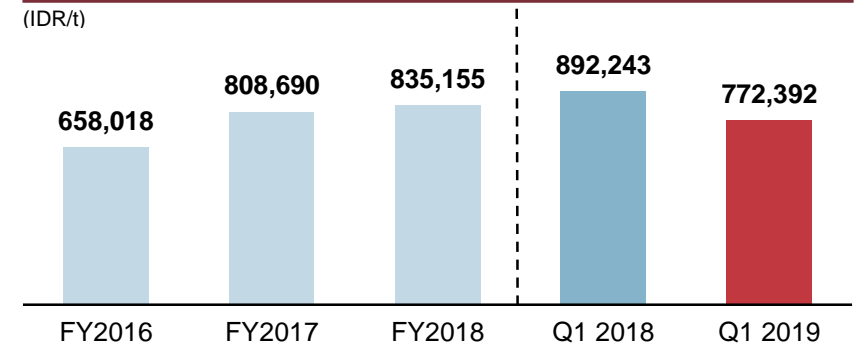
## Railway Capacity



## Weighted Average Stripping Ratio

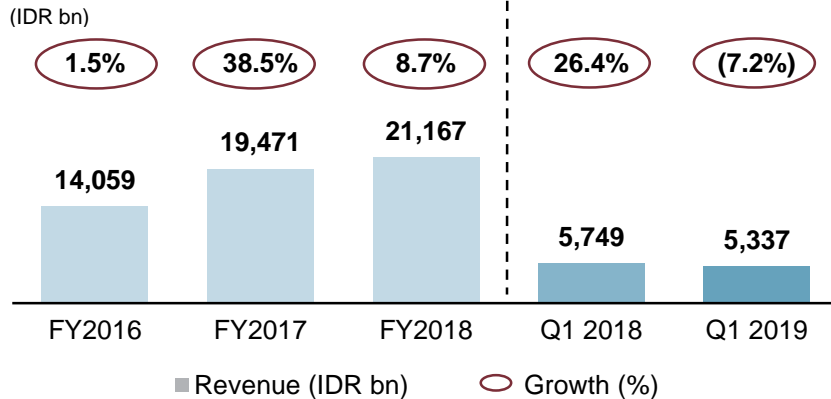


## Weighted Average Selling Price

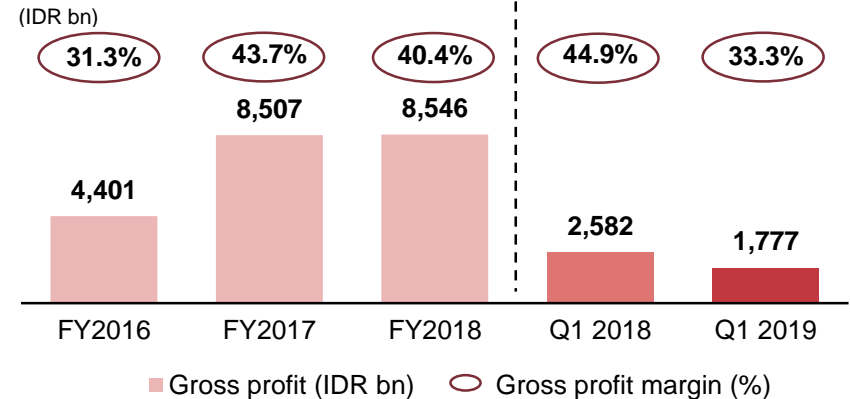


# Key Financial Highlights

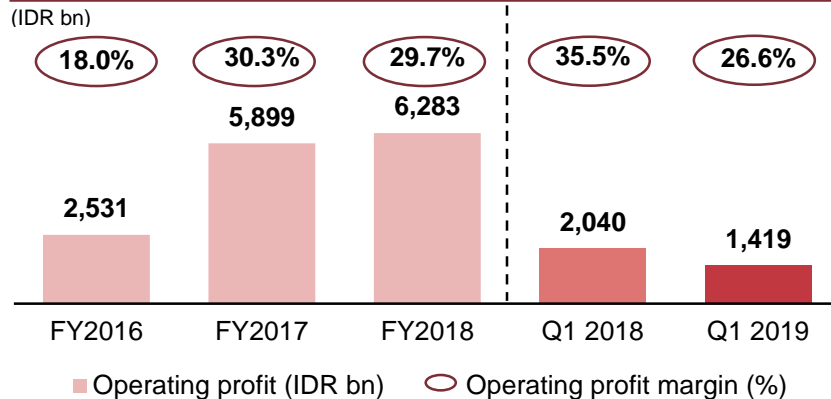
## Revenue and Growth



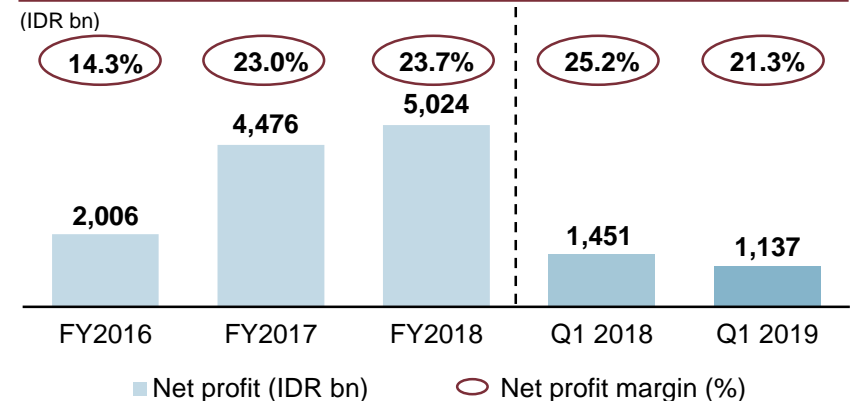
## Gross Profit and Margins



## Operating Profit and Margins

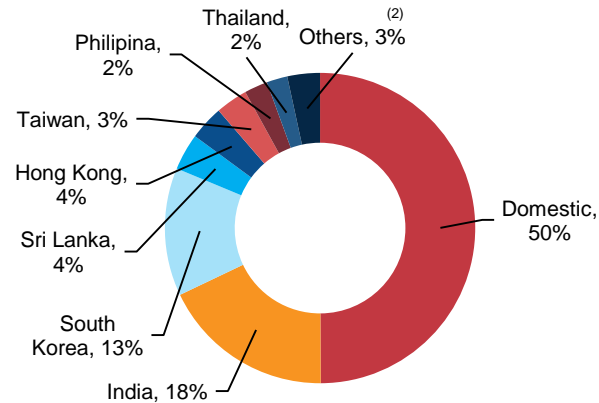


## Net Profit and Margins

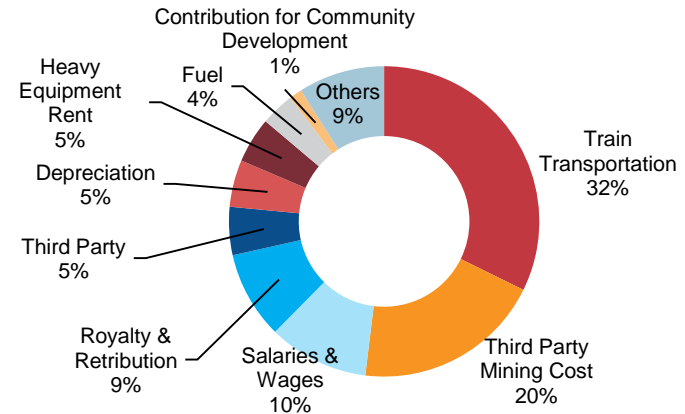


# Key Financial Highlights

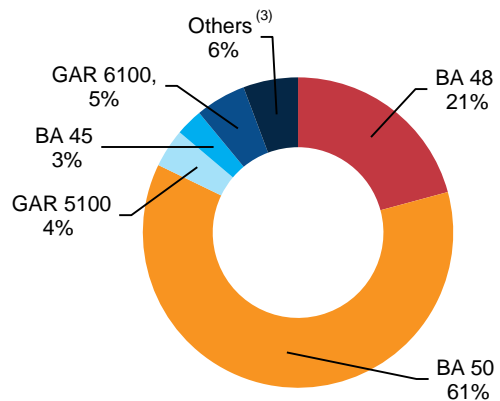
## Sales Breakdown by Country<sup>(1)</sup>



## Cost Breakdown



## Sales Breakdown by Quality<sup>(1)</sup>



## Total Cash Cost (FOB)<sup>(4)</sup>

Cash cost (IDR '000/t)	Q12018	Q12019	FY2018 vs FY2017 (% change)
Total	568	587	3%

(1) Breakdown based on sales distribution per ton.

(2) Others include Japan, Vietnam, Malaysia.

(3) Others include GAR 4700-IPC, GAR 4800-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



1

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

2

Expanding railways capacity to Sumatra mines



3

Resilient operational track record, further propelled by the optimism of railway capacity and future development projects

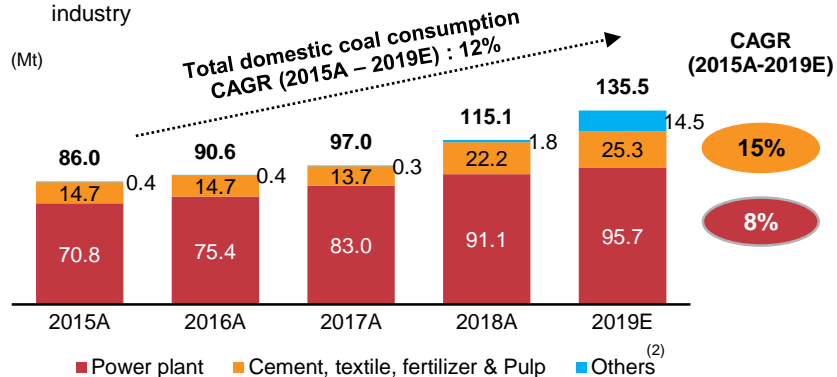
4

Robust financial strength with strong net cash position

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

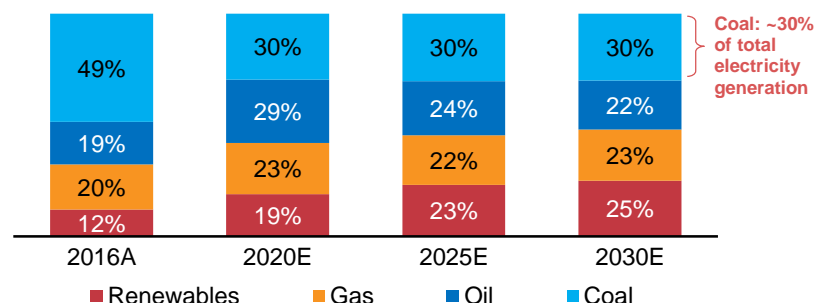
## Domestic coal consumption expected to grow at ~12% <sup>(1)</sup>

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



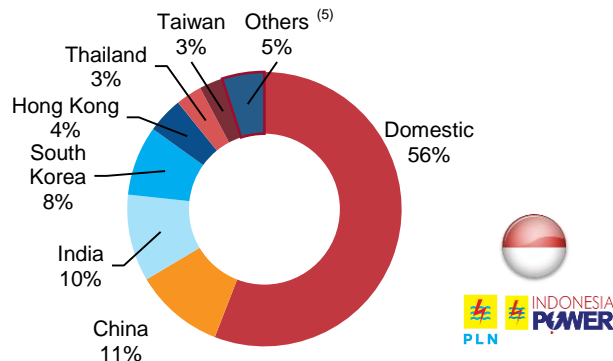
## Coal remains the key source of Indonesia's energy over time <sup>(3)</sup>

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



## PTBA's sales breakdown per country FY 2018 <sup>(4)</sup>

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



(1) Directorate General of Mineral and Coal, Ministry of Energy and Mineral Resources

(2) Others include Metallurgy, Smelter and Briquette industries.

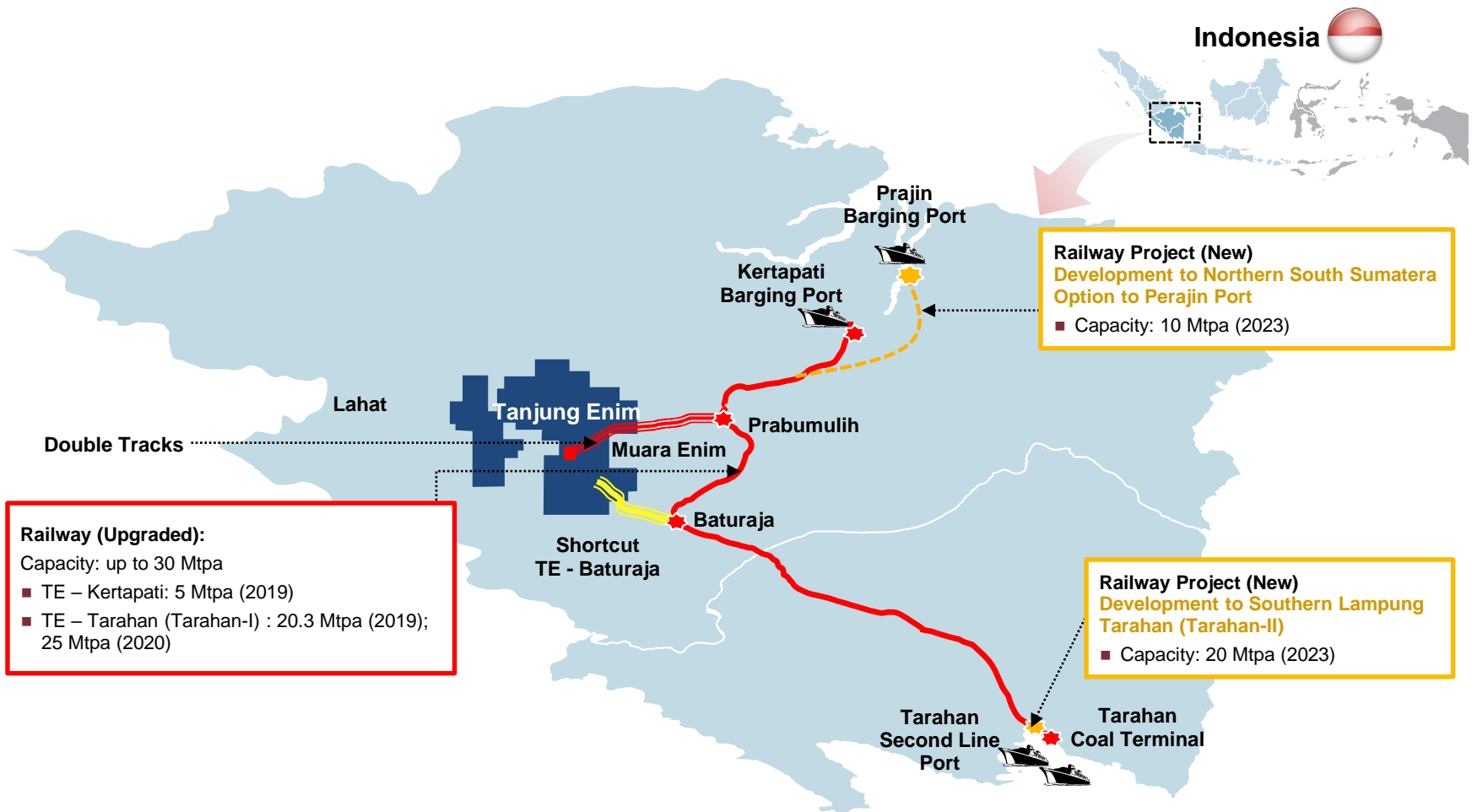
(3) 2020E – 2030E forecasted electricity generation composition as reported by the Indonesia Energy Statistics (World Bank, Indonesia Energy Statistics). 2016A data based on BMI.

(4) Breakdown based on sales distribution per country in tons FY2018

(5) Others include Cambodia, Japan, Vietnam, Malaysia, Philippines, Pakistan



# Expanding Railways Capacity to Sumatra Mines

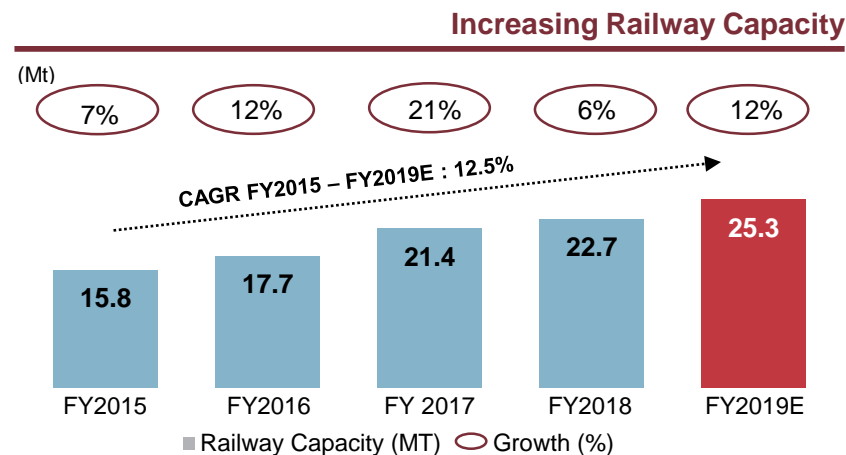


The Tanjung Enim Mine (25 Mtpa existing production capacity) and Tarahan Port (largest coal terminal in Sumatera, accommodating “Capesize” bulk carrier vessels of up to 210,000 DWT) are 100% owned and operated by PTBA

# Resilient Operational Track Record Further Propelled by The Optimism of Railway Capacity and Future Development Projects

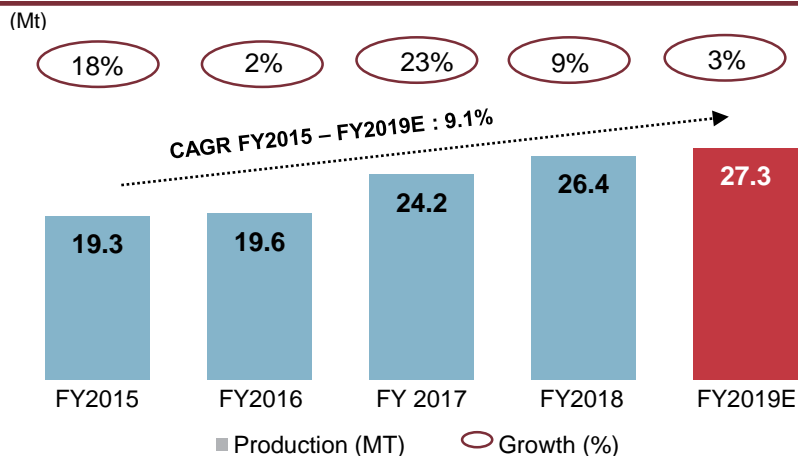
## Optimisation of Railway Capacity and Future Expansion Projects

	Existing capacity	Estimated capacity upgrade
<b>New railway projects</b>		
Tanjung Enim – Prajin	■ n.a.	■ 10 Mtpa (2023)
Tarahan Second Line	■ n.a.	■ 20 Mtpa (2023)
<b>Railway upgrades</b>		
Tanjung Enim – Kertapati	■ 3.7 Mtpa	■ 5 Mtpa (2019)
Tanjung Enim – Tarahan	■ 19.4 Mtpa	■ 20.3 Mtpa (2019) ■ 25 Mtpa (2020)

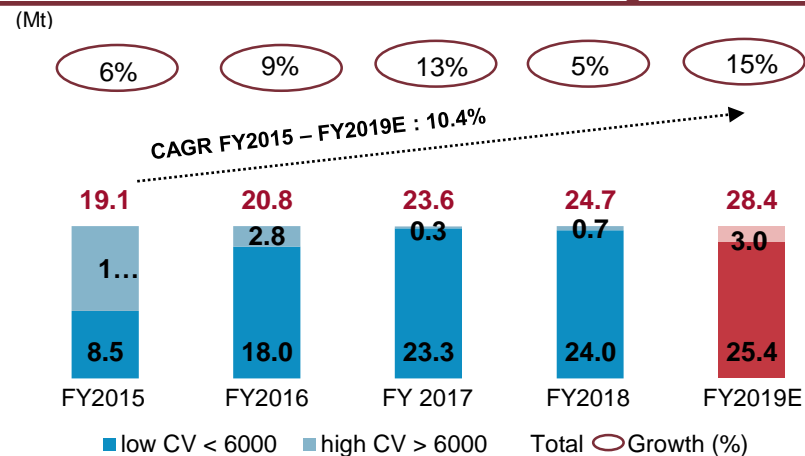


Management expects the optimisation of existing railway capacity to result in a better outlook in FY2019 onwards

## Increasing Production



## Increasing Sales Volume

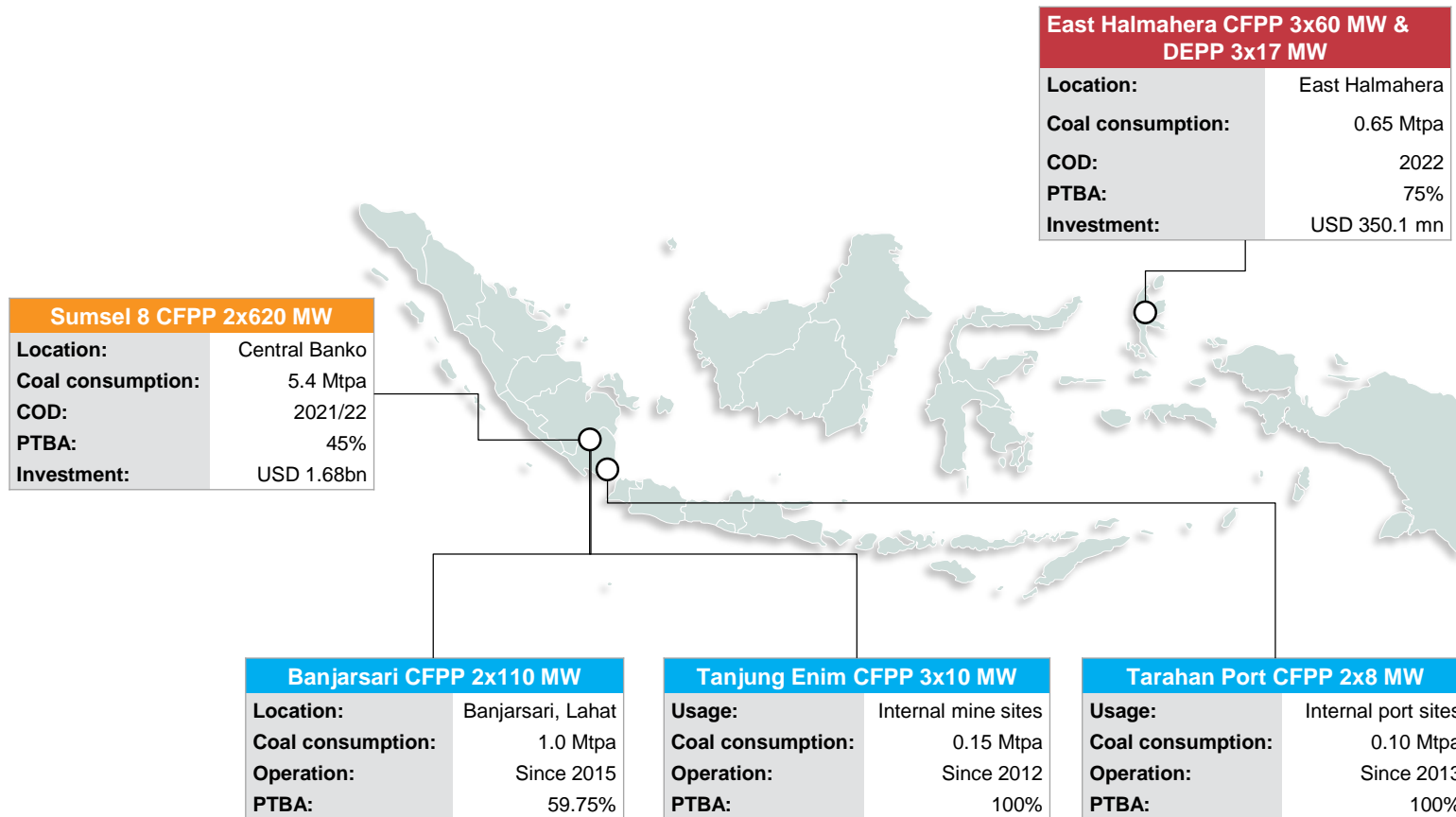


Production and sales volume have increased on year on year basis; FY2018 production is 26.4 Mt (+9% YoY, vs 24.2 Mt in FY2017) and FY2018 sales is 24.7 Mt (+5% YoY, vs 23.6 Mt in FY2017)

### 3 Development Projects

## Power Plants

Total Power Plant ~ 1,700 MW



Legend:

■ Tender / Feasibility Study Process

■ Construction

■ Operated

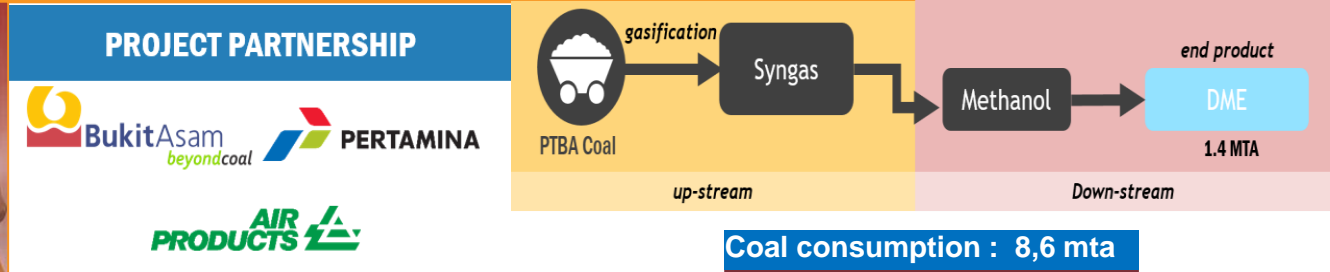


### 3 Development Projects

#### Coal to Chemical Peranap Mine



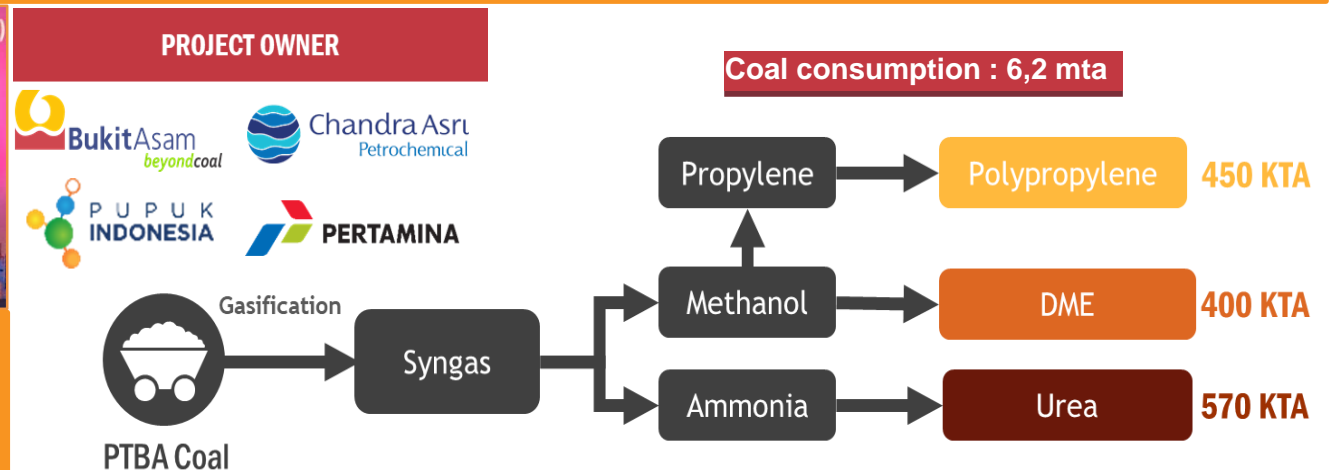
*Declaration of Coal Downstreaming Project in Peranap*



#### Coal to Chemical Tanjung Enim Mine

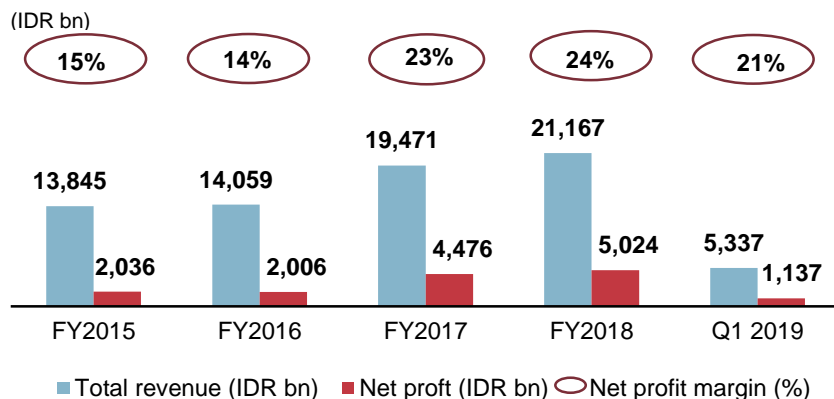


*Declaration of Coal Downstreaming Project in Tanjung Enim by the Minister of SOE, Minister of Energy and Mineral Resources and Minister of Industry*

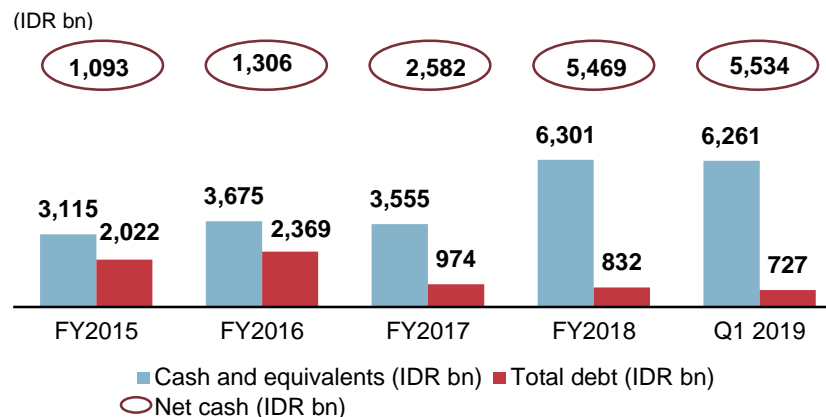


# Robust Financial Strength with Strong Net Cash Position

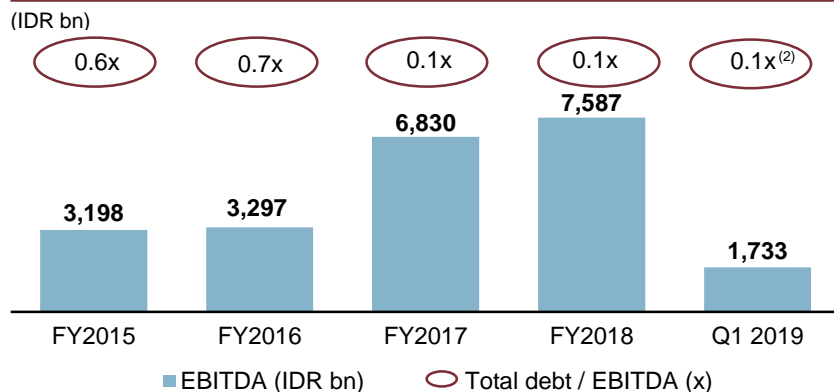
## Total Revenue, Net Profit and Net Profit Margin



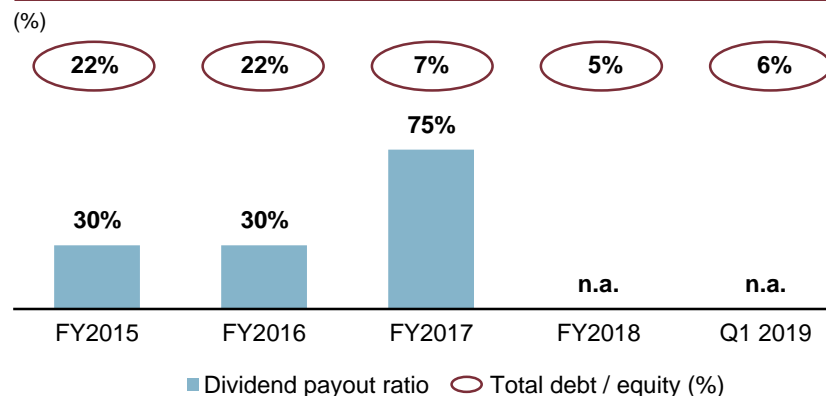
## Minimal Debt <sup>(1)</sup> with Overall Net Cash Position



## EBITDA and Total Debt <sup>(1)</sup> / EBITDA Ratio



## Low Leverage<sup>(1)</sup> with Min. 30% Dividend Payout Ratio Over The Last Few Years



Significant improvement in operating margins driven by lower stripping ratio, 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



**For More Information :**

Contact	: Septyo Cholidie
Position	: Investor Relations Manager
Address	: PT Bukit Asam Tbk Menara Kadin, 15 <sup>th</sup> 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.