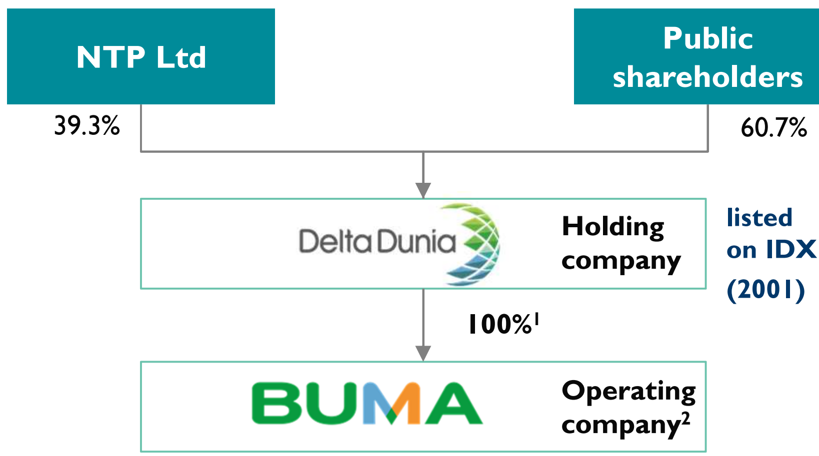
PT Delta Dunia Makmur Tbk.
9M 2016 Results
November 2016

The Company

General overview

Ownership structure



Financial metrics (US$mm)

Financial year	2012	2013	2014	2015	LTM Sep16
Revenue	843	695	607	566	565
EBITDA	238	186	186	186	187
% margin[3]	*28.2%*	*27.1%*	*30.7%*	*33.0%*	*33.1%*
Net debt	885	674	633	595	445

Notes:
1. *Full ownership less one share*
2. *All current debt is at BUMA level*
3. *Calculated as EBITDA divided by revenue ex. fuel*

PT Delta Dunia Makmur Tbk.

- Established in 1990, listed in IDX as DOID in 2001.
- TPG, GIC, CIC and Northstar, together as Northstar Tambang Persada Ltd. own 39.3% with remainder owned by public shareholders
- Holding company of PT Bukit Makmur Mandiri Utama ("BUMA"), one of the leading coal mining services contractor in Indonesia
- BUMA, acquired in 2009, is the primary operating of DOID

PT Bukit Makmur Mandiri Utama

- Established in 1998, and wholly owned by PT Delta Dunia Makmur (DOID) since 2009
- Strong #2 mining contractor in Indonesia with a 17% market share at 2015
- Customers include largest and lowest cost coal producers in Indonesia with average contract length of 5 years
- Contracted volume of appx. 2,800 MBCM and 200 MT as of September 2016 through 2025
- c.2,000 high quality equipment from Komatsu, Caterpillar, Hitachi, Volvo, Scania and Mercedes
- c.9,000 employees

Scope of business

- **The contract miner is an indispensable part of the coal mining value chain, with their efficiency and consistency the key to mine profitability**

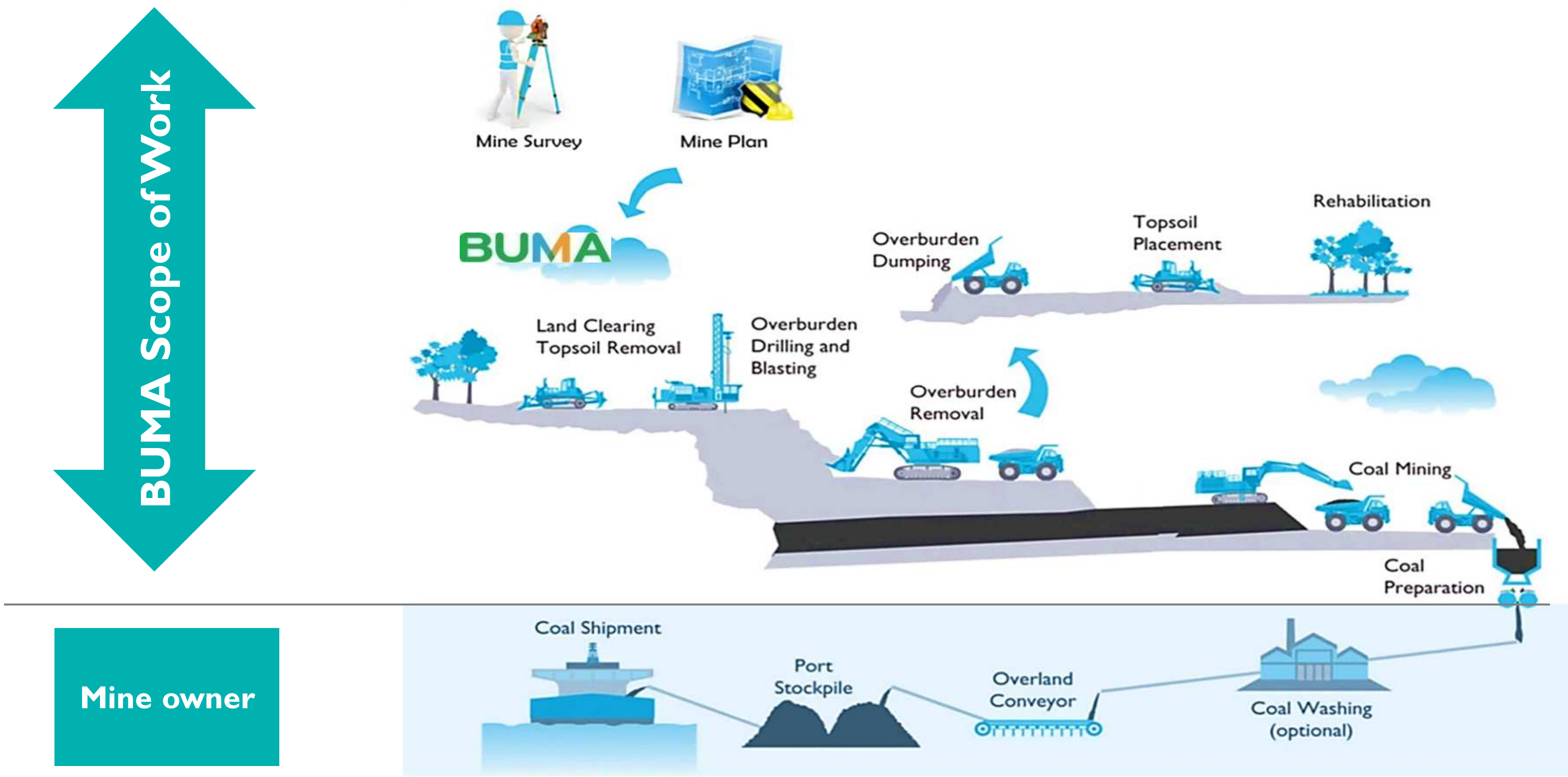
Business overview

Planning and scheduling of mining operations within parameters set by the mine owners

Provide overburden removal, coal mining and coal transportation services

Coal mining contract miners play a critical role in the Indonesian coal industry, producing ~90% of coal output

BUMA work scope covers the full mining production spectrum



Historical overview

Delta Dunia

Company has taken a series of steps to transform into a professionally managed organization

1998 – 2009
Family run organization

2009 – 2012
Strong coal market; Capex driven growth funded by debt

2012 – 2016
Soft Coal market : Extend contracts, operational excellence & cost discipline, and strategic partnership

1998
- Establishment of BUMA as a family owned private enterprise

2001
- DOID, focused on textile business, listed on the Indonesia Stock Exchange

2009
- NTP (Northstar) acquired 40% of DOID, DOID acquired100% of BUMA (less one share)
- BUMA issued US$315mm bond due 2014 and US$285mm loan due 2013

2010
- Consortium consisting of TPG, GIC, and CIC acquired interest in NTP
- Increased syndicated loan from US$285mm to US$600mm and redeemed US$315mm bond

2011
- DOID completed a ~US$142mm Rights Issue
- BUMA completed syndicated loan issuance of US$800mm to refinance US$600mm existing facility

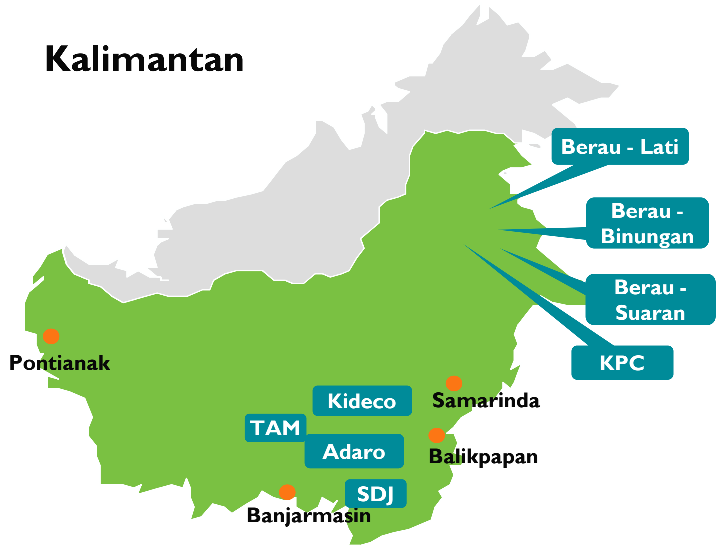
2012
- Appointment of current management

2014
- Amended and extended bank loan for remaining US$603mm

2015
- Since Dec 2013, BUMA repaid more than US$200mm of its' loan

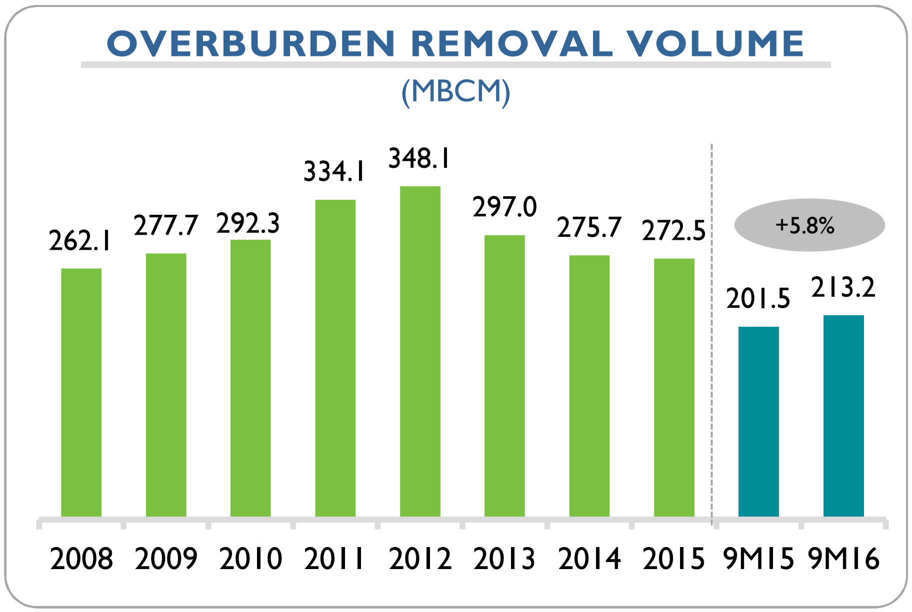
Present
- Contracted volume of appx.2,800 mbcm and 200 mt through 2025
- 17% reduction in unit cash cost since 2013

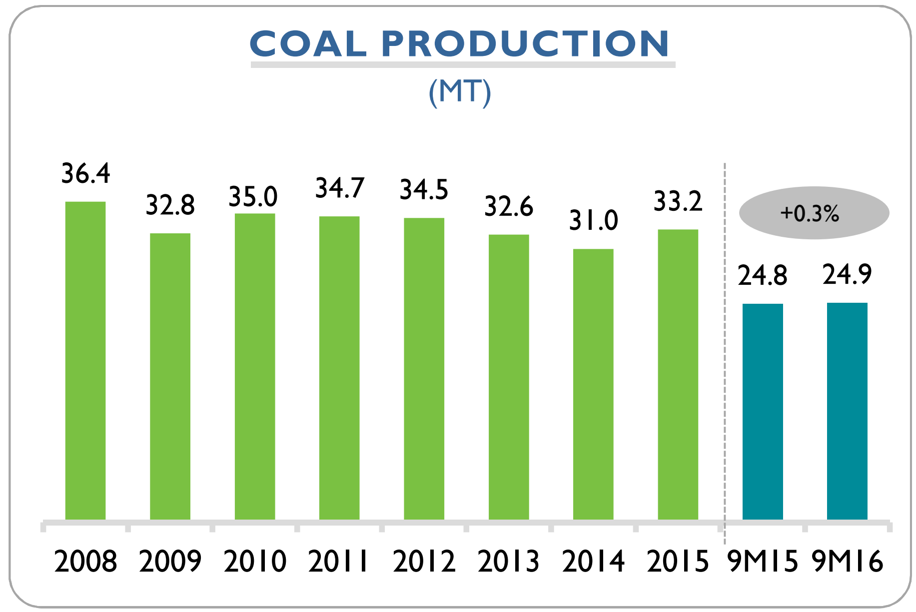
Existing Contracts



No	Customers	Period
1	Adaro (Paringin)	2009-2019
2	Kideco	2004-2019
3	Berau Coal (Lati)	2012-2025[3)]
4	Berau Coal – Hauling (Suaran)	2003-2018
5	Berau Coal (Binungan)	2003-2020
7	KPC (Bengalon)	2011-2016[1)]
8	Darma Henwa (KPC)	2014-2017[2)]
9	Sungai Danau Jaya (SDJ)	2015- 2023[3)]
10	Tadjahan Antang Mineral (TAM)	2015-2024[3)]

1) Production has ceased and both parties are working to conclude a mutual agreement for termination
2) In August 2016, the agreement was mutually terminated
3) Life of mine contract





Latest Performance Highlights

9M 2016 Key Consolidated Results

Delta Dunia

HIGHLIGHTS OF CONSOLIDATED RESULTS

(in US$ mn unless otherwise stated)

Volume	9M16	9M15	YoY
OB Removal (mbcm)	213.2	201.5	6%
Coal (mt)	24.9	24.8	0%
Profitability	**9M16**	**9M15 3)**	**YoY**
Revenues	418	419	0%
EBITDA	140	139	0%
EBITDA Margin 4)	34.8%	33.9%	-
Operating Profit	69	64	7%
Operating Margin 4)	17.2%	15.7%	-
Net Profit (Loss)	25	(4)	774%
EPS (in Rp)	*Rp 41*	*Rp (6)*	n.m
Cash Flows	**9M16**	**9M15**	**YoY**
Capital Expenditure 5)	34	31	8%
Free Cash Flow	151	110	38%
Balance Sheet	**Sep-16**	**Dec-15**	**YTD**
Cash Position 1)	151	99	52
Net Debt 2)	445	568	(123)

HIGHLIGHTS OF QUARTERLY RESULTS

(in US$ mn unless otherwise stated)

Volume	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16
OB Removal (mbcm)	59.0	70.1	72.3	71.1	62.4	71.4	79.4
Coal (mt)	8.1	7.9	8.9	8.3	8.0	7.7	9.2
Financials	**1Q15**	**2Q15**	**3Q15**	**4Q15**	**1Q16**	**2Q16**	**3Q16**
Revenues	122	145	152	147	127	132	159
EBITDA	33	49	58	46	39	43	58
EBITDA Margin 4)	27.5%	34.4%	38.4%	33.7%	31.6%	33.4%	38.5%
Operating Profit	8	24	33	23	15	19	35
Operating Margin 4)	6.4%	16.8%	21.9%	16.5%	11.9%	14.9%	23.3%
Net Profit (Loss)	(10)	0	5	(3)	3	5	17

Notes:
1) *Includes restricted cash in bank.*
2) *Debt includes only the outstanding contractual liabilities.*
3) *Restated due to retroactive implementation of PSAK 24 (Employee Benefits), effective January 2015.*
4) *Margins are based on net revenues excluding fuel.*
5) *Capital expenditures as recognized per accounting standards.*

Cost efficiency, FCF generation and deleveraging

Delta Consolidated – Key Financial Highlights

DeltaDunia

Consolidated Statements of Financial Position

In US$ mn (unless otherwise stated)	**Sep-16**	**Dec-15**	**YTD**
Cash and cash equivalents	134	71	*90%*
Trade receivables - current	128	138	*-7%*
Other current assets	86	100	*-13%*
Trade receivables - non-current	-	1	*n.m.*
Restricted cash in bank	17	28	*-49%*
Fixed assets - net	339	379	*-11%*
Other non-current assets	135	116	*17%*
TOTAL ASSETS	**839**	**832**	***1%***
Trade payables	58	26	*120%*
LT liabilities – current	64	47	*35%*
Derivative liabilities-current	-	2	*n.m.*
Other current liabilities	33	26	*24%*
LT liabilities - non current	536	614	*-13%*
Other non-current liabilities	34	30	*14%*
TOTAL LIABILITIES	**725**	**747**	***-3%***
TOTAL EQUITY	**115**	**85**	***35%***

Consolidated Statements of Cash Flows

In US$ mn (unless otherwise stated)	**9M16**	**9M15**
Net CF from Operating Activities [5]	152	108
Net CF from Investing Activities	(5)	(9)
Net CF from Financing Activities	(84)	(52)
Net change in cash & cash equivalents	62	47
Beginning balance cash & cash equivalents	71	75
Effect of foreign exchange rate changes [5]	1	(4)
Ending balance cash & cash equivalents [2]	**134**	**118**

Consolidated Statements of Profit or Loss and Other Comprehensive Income

In US$ mn (unless otherwise stated)	**9M16**	**9M15[4]**	**YoY**
Net revenues	418	419	*0%*
Revenue excl. fuel	*401*	*411*	*-2%*
Cost of revenues	319	325	*-2%*
Gross profit	**99**	**94**	***6%***
Operating expenses	(30)	(29)	*3%*
Finance cost	(34)	(35)	***-1%***
Others - net	*4*	*(30)*	*n.m.*
Pretax profit (loss)	**39**	**(0)**	***n.m.***
Tax expense (benefit)	13	3	***303%***
Profit (loss) for the period	**25**	**(4)**	***774%***
Other comprehensive income - net	2	5	*-66%*
Comprehensive income (loss)	**27**	**1**	***n.m.***
EBITDA	**140**	**139**	***0%***
EPS (in Rp) [1]	*Rp 41*	*Rp (6)*	***774%***

Consolidated Financial Ratios [3]

	9M16	**9M15**
Gross margin	24.7%	22.8%
Operating margin	17.2%	15.7%
EBITDA margin	34.8%	33.9%
Pretax margin	9.7%	-0.1%
Net margin	6.3%	-0.9%

1. *Reported EPS translated into Rp using average exchange rate Rp13,328 and Rp13,263 for 9M16 and 9M15, respectively.*
2. *Excluding restricted cash in bank.*
3. *Margins are based on net revenues excluding fuel.*
4. *Restated due to retroactive implementation of PSAK 24 (Employee Benefits, effective January 2015.*
5. *Reclassification to the presentation for comparative purposes*

9M 2016 Other Updates

Delta Dunia

Nine-month Update

New Contracts

- BUMA signed several contracts in November 2016 with an aggregate value of over Rp42 trillion (~US$3.3 billion), which will contribute positively to the Company's future growth:
  - A life of mine contract with **PT Tadjahan Antang Mineral ("TAM")** with a contract value of approximately IDR 3.8 trillion (~US$288 million). This contract is an extension of a previous contract signed in August 2015. The mining services contract has a total production target of approximately 147 million bcm of overburden and 28 million tons of coal. The project is located in Gunung Mas District, Central Kalimantan.
  - Two contract amendments for Lati and Binungan projects with **PT Berau Coal** at an aggregate contract value of approximately Rp39 trillion (~US$ 3 billion). These contracts were initially signed in 2014. A breakdown of the production targets and contract period of both contracts are set out below:

Location	OB Volume	Coal Volume	Contract Period
LATI	1,360 MBCM	112 MT	Life of Mine (2025)
BINUNGAN	300 MBCM	33 MT	2020
TOTAL	**1,660 MBCM**	**145 MT**	

  - An Infrastructure Contract with **PT UPC Sidrap Bayu Energy**. The contract value is approximately Rp57 billion (~US$4 million). This is the first Power Plant Infrastructure project for BUMA with most of the work related to infrastructure within earthmoving operations.

Debt Repayments

- As of September 30, 2015, BUMA made a total voluntary prepayment of US$40 million toward its US$603 million Syndicated Loan Facility and US$25 million PT CIMB Niaga Tbk. Credit Facility. Throughout 2016, including the scheduled amortization and finance leases, BUMA has reduced its debt level by US$70 million.
- Since the beginning of 2014, BUMA reduced its outstanding debt by US$293 million, bringing the total outstanding debt down to US$596 million as of September 30, 2016 from US$889 million as of December 31, 2013.

Potential bond issuance

- BUMA is currently exploring to issue a high-yield global bond with a maximum size of US$500 million. The Company intend to use the proceed from the bond issuance to repay in pro-rata its two bank facilities. The bond issuance will not increase the total debt of the Company.
- Company has secured Shareholders' approval on its EGMS held November 15, 2016.

BUMA – The Strategy

Strategy during market downturn

Delta Dunia

FOCUS ON OPERATIONS

1. People & Communication
2. Customer Relationship Management
3. Operational Improvements & Cost Efficiency
4. Cash Flow & Capex

FOCUS ON FCF AND CAPITAL STRUCTURE

5

Free Cash Flow Generation

- EBITDA
- Capex
- Working Capital

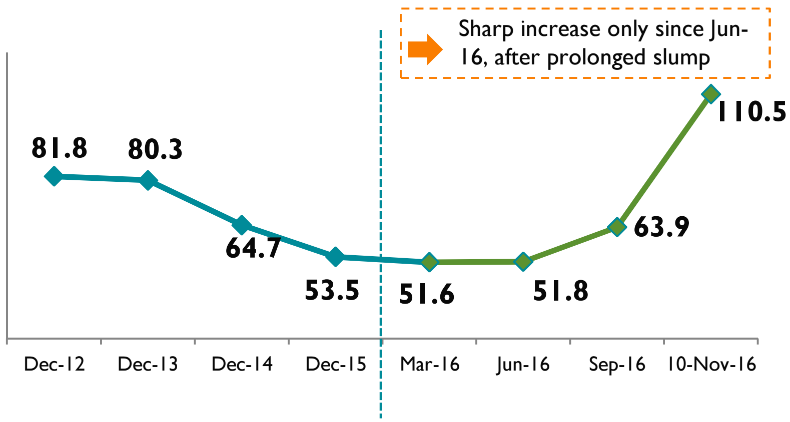
Capital Structure Improvement

- Debt Repayments

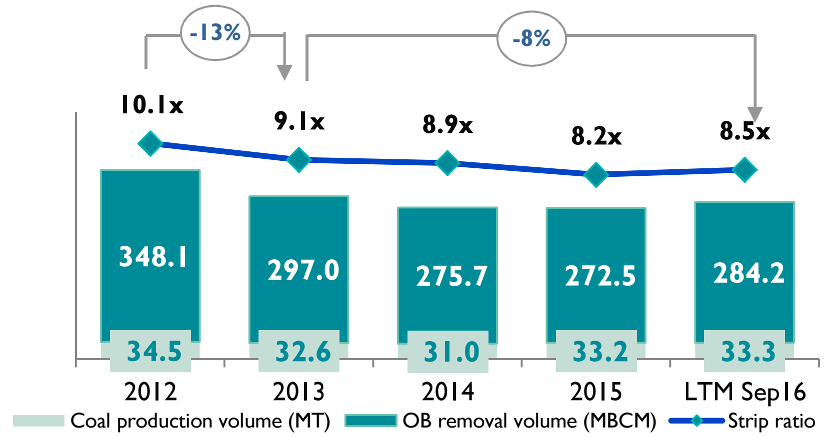
Hard work and discipline for survival and turnaround during downturn

Survival and turnaround

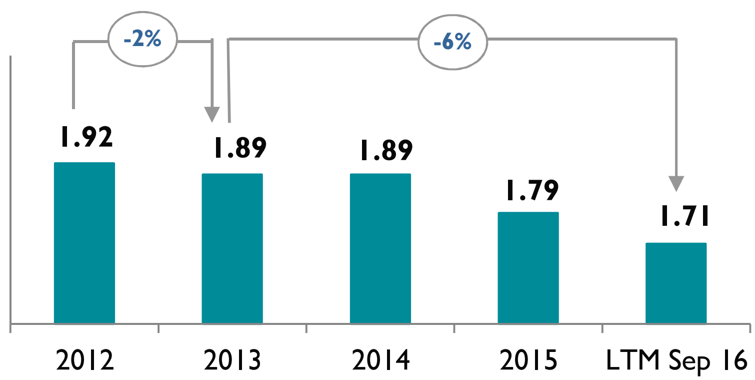
Newcastle coal price (US$)



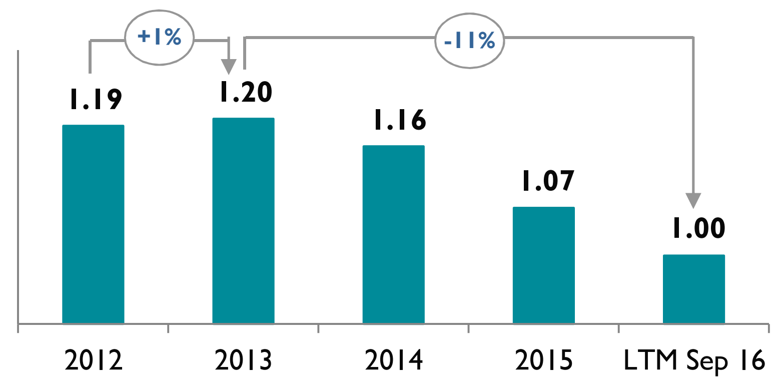
Historical volume



Revenue ex fuel (US$/unit)



Cash cost ex fuel (US$/unit)



Stable production volume

Operational excellence

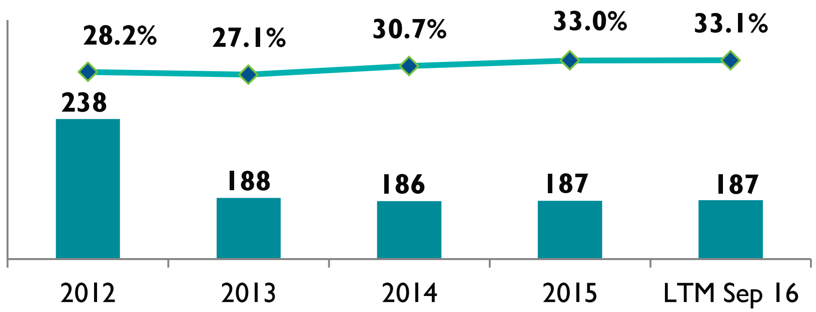
Significant cost reduction

Resilience during coal market downturn

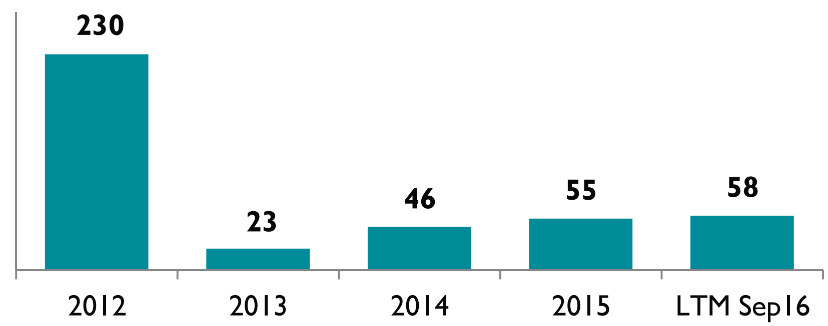
Survival and turnaround

Liquidity management – EBITDA improvement and strict capex monitoring

EBITDA (US$mm) and EBITDA margin (%)

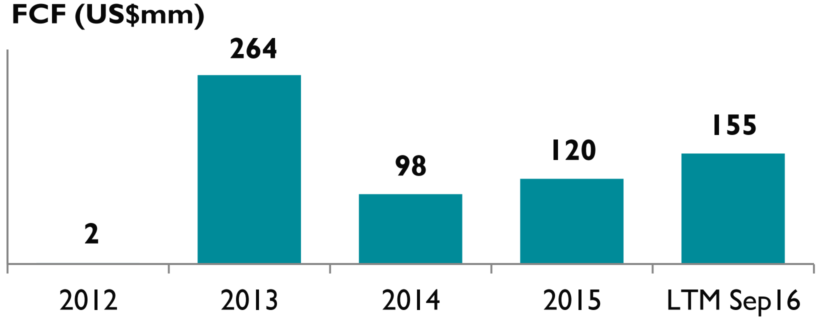


Capex (US$mm)

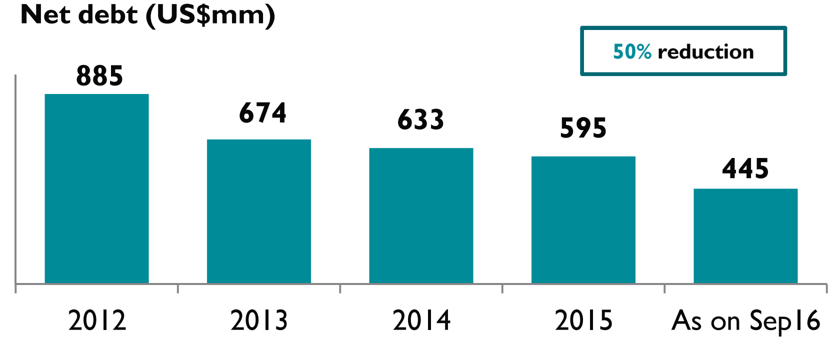


Generating FCF and deleverage

FCF (US$mm)



Net debt (US$mm)



Stable EBITDA margins

Liquidity management

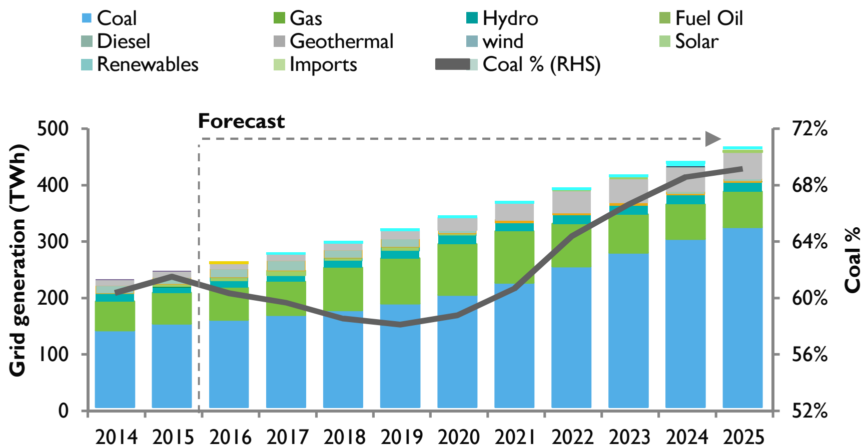
Positive FCF generation

Significant deleveraging during the coal market downturn

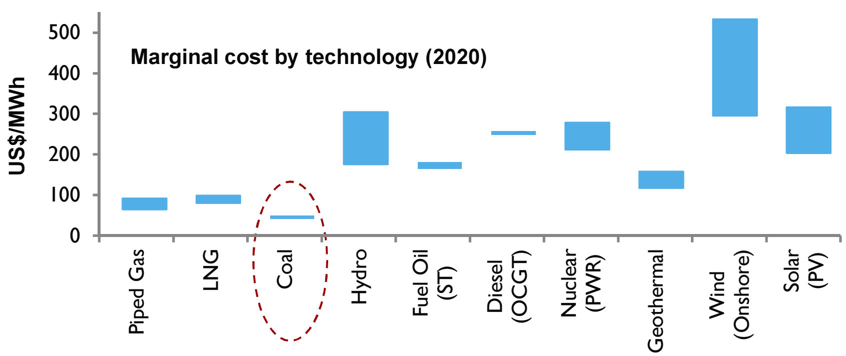
Indonesian coal market

Domestic

Coal will continue to dominate Indonesia's fuel mix demand



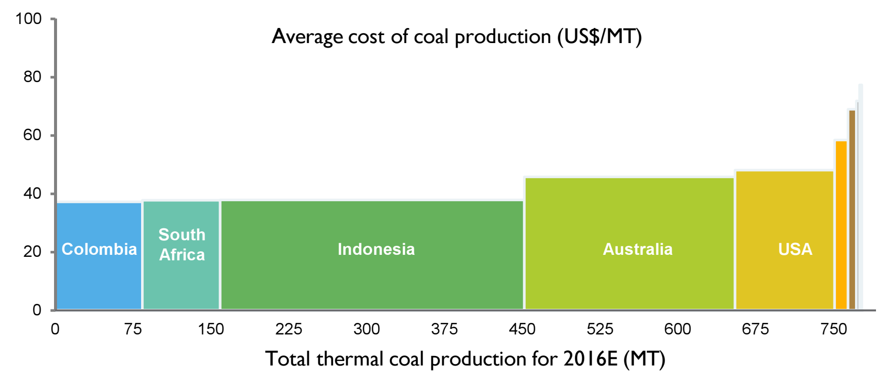
Coal continues to be the preferred fuel for power generation in Indonesia



Foreign

Indonesia has proximity to key export markets

Indonesia is one of the lowest relative cost producing markets globally (US$/MT)



☑ **Strong foreign market demand due to proximity to key markets and the low cost**

☑ **Strong domestic market demand due to policy initiatives, electrification agenda**

Strong management team

Delta Dunia senior management

Hagianto Kumala, *President Director*
- 30+ years of experience
- Year joined: 2009

Rani Sofjan, *Director*
- 22+ years of experience
- Year joined: 2009

Eddy Porwanto, *Finance Director*
- 23+ years of experience
- Year joined: 2014

Errinto Pardede, *Director*
- 22+ years of experience
- Year joined: 2013

BUMA senior management

Ronald Sutardja, *President Director*
- 16 years of professional experience
- Year joined: 2012

Una Lindasari, Finance Director
- 30+ years of experience
- Year joined: 2014

Jason Thompson, *Business Development Director*
- 24+ years of experience
- Year joined: 2014

Indra Kanoena, *Plant Director / HR &GA*
- 19+ years of experience
- Year joined: 2013

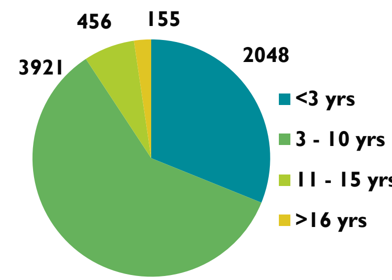
Sorimuda Pulungan, *Operations Director*
- 22+ years of experience
- Year joined: 2012

Experienced BUMA operational team

General manager overview

- 15 people
- 18 years average industry experience
- 7 years average tenure with BUMA

Years of service

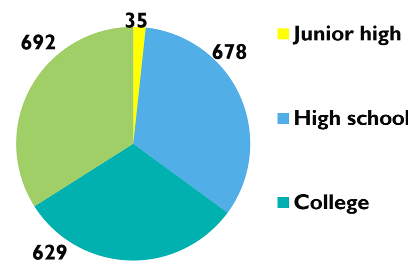


Skilled workers: 6,580 employees

Manager overview

- 52 people
- 17 years average industry experience
- 8 years average tenure with BUMA

Employees education



Leadership positions: 2,034 employees

Management's vision and experienced BUMA operational team is key to the resilient performance of the Company

Strong, interdependent customer base

Delta Dunia

BUMA is deeply entrenched with its customers

	berau coal	adaro	KIDECO	GEO ENERGY GROUP	TAM Coal Mine
Contribution to BUMA revenue (%)	55%	14%	16%	10%	4%
BUMA wallet share (%)	70%	10%	18%	100%	100%
Years of relationship	18 years	14 years	12 years	1 year	1 year
Current contract maturity	Mar 2025[2)]	Dec 2019	Dec 2019	Dec 2023[1)]	Dec 2024[1)]

1) Life of mine contracts

2) Life of mine contract on certain pit

Sound and transparent contractual terms

Price
- Fixed price grid in key contracts
- Floor price with ability to share upside with customers

Volume
- Contracted volume under long term or Life of Mine ("LOM") contracts
- BUMA agrees annual volume with customers based on various factors such as mine plan etc.
- Key contracts have minimum volume guarantee with penalty if not met

Termination
- Only under non-performance by BUMA and mutual agreement

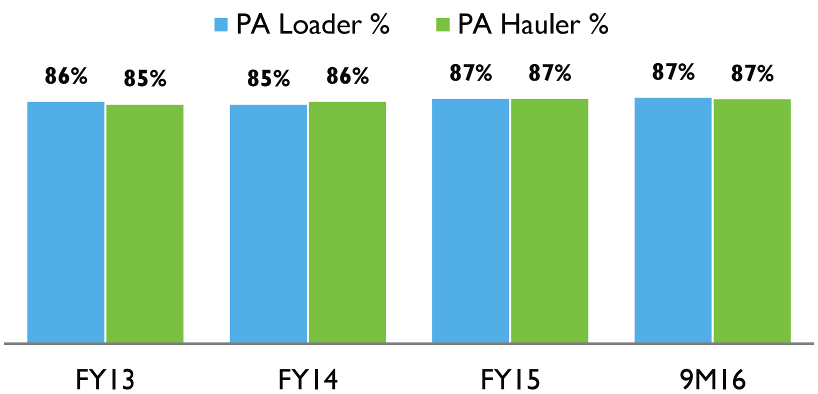
Others
- Key contracts have interest penalty on delayed payment from mine owners
- Key contracts have penalty on stoppage on production cause by mine owners

BUMA's reliability and operational excellence | **Interdependence** | **Significant switching costs**

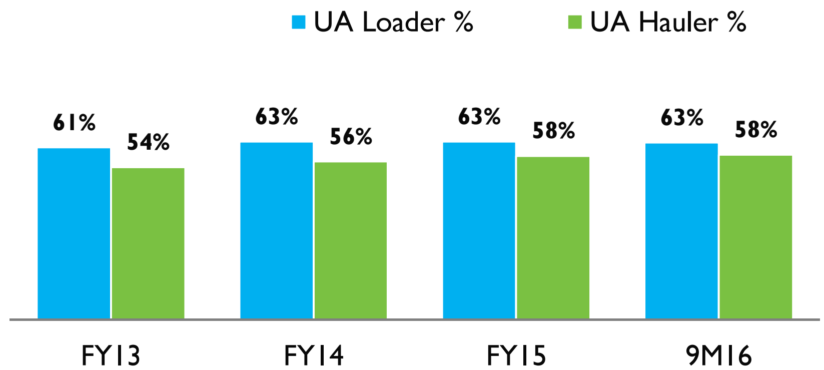
Long-term, strong customer relationship

Operational excellence

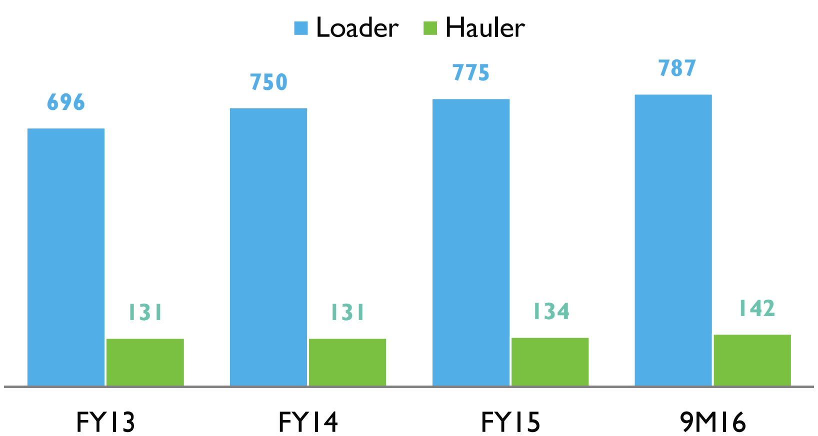
Availability[1] (%)



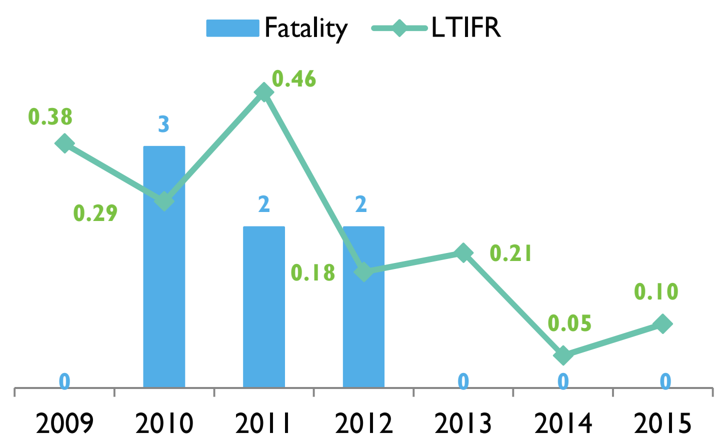
Utilization[2,3] (%)



Productivity (BCM/Hour)



LTIFR (Lost Time Injury Frequency Rate) & Fatality Rate

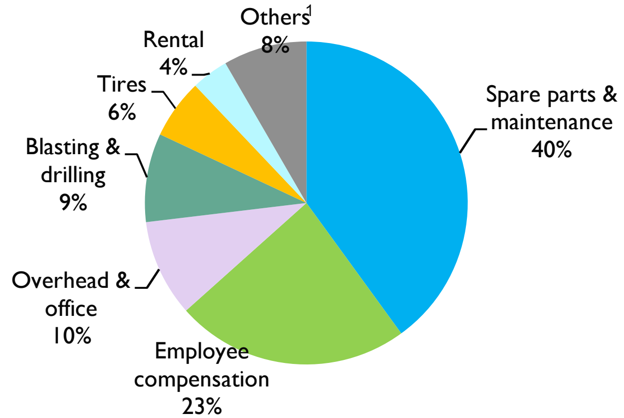


Improvement in productivity coupled with focus on safety has resulted in solid operational excellence

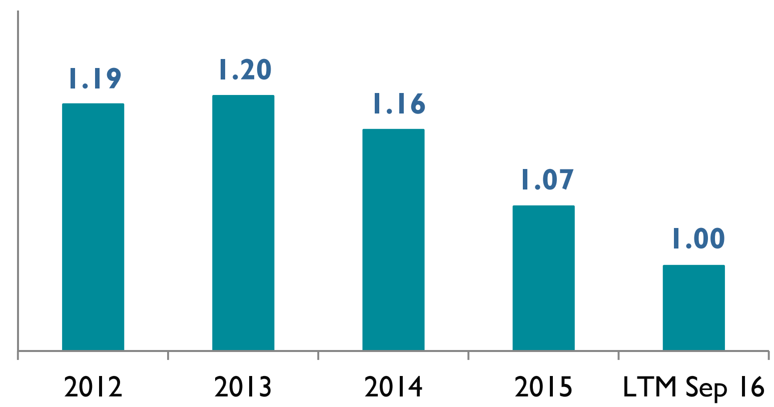
Notes:
[1] Availability refers to % of available time equipment was operating based on production schedule
[2] Utilization refers to % of physical available time equipment was operating
[3] Total utilization includes rain, halts due to slippery ground, prayer and meals

Sustainable low cost

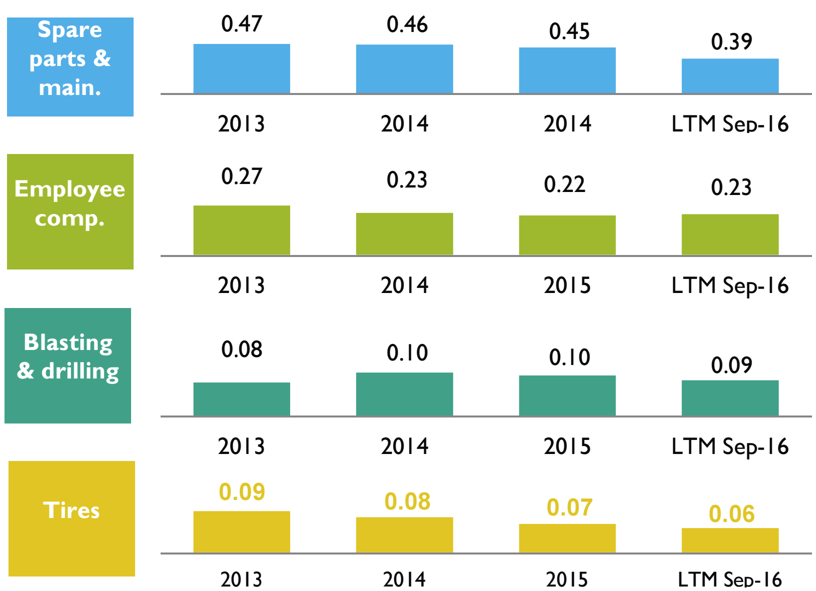
Breakdown of BUMA's cash cost (LTM Sep-16)



Cash cost ex fuel (US$/unit)



Per unit trend of major cost items (US$/unit)



Key cost reduction initiatives

- **In-house equipment maintenance instead of third party contracts**
- **Extend component life**

- **Right size employee headcounts**
- **Equipment optimization that leads to reduced employee costs**

- **Optimize drilling & blasting process to reduce explosives usage and deliver quality blasting**

- **Deliver efficient and consistent tire monitoring process**

BUMA's initiatives has led to improved efficiency and lower costs

Strategic partnership

Fleet type	Strategic partner	Strategy
Large fleet[1]	N/A	Fully deploy existing fleet to match LATI Life of Mine Full utilization without incremental capex
Medium fleet[2]	CAT	Continue to invest to service contracts on hand Most flexible fleet easily redeployed if required Sign strategic partners to lock in long term benefits
Support equipment[3]	KOMATSU	
Coal hauler	SCANIA	

Investment strategy with supply partners

- Lock in partnership in down cycle to gain maximum benefits
- Ensure back-to-back investment and customer contracts esp. volume
- No annual "must" spend and flexibility to delay spending, if necessary

Partnership benefits with supply partners

Guaranteed or cost cap for equipment lifecycle cost

No price escalation or rise & fall scheme linked with certain coal index

Longer & robust warranty scheme and promise to improve performance annually

Guaranteed second life at lower price

Provide more value add, such as training, improve technology & equipment buyback schemes

Secured leasing facility for new equipment

[1] Large: Loader > 300 ton; Hauler > 150 ton; [2] Medium: Loader > 100 ton; Hauler > 60ton; [3] Support equipment = Excavator > 20 ton

Strategic and flexible capex support plan to support contracted production volumes

Recap

Significant achievements

- Contracted volume of appx. 2,800MBCM and 200MT through 2025
- Achieved solid operational and cost metrics and stable EBITDA
- Consistently delivered FCF generation through the down cycle
- Demonstrated strong capex and working capital management
- Reduced net debt by close to US$500mm since 2012

Future strategy

- Continue delivering operational excellence in execution of existing secured contracts
- Continue delivering stable profitability and free cash flow generation
- Continue to maintain stable capital structure and strong liquidity
- Further improve cost competitiveness with technology and strategic partnership
- Capture new contracts only when internal rigorous thresholds are met

Key takeaways

During the downturn

- Coal market was on a prolonged downturn in the past few years, all the way up until first half of 2016
- Managed to record stable EBITDA margin through various initiatives that improved operational excellence and cost efficiency
- Disciplined capex and liquidity management led to positive FCF generation which was used to significantly deleverage
- Secured long-term contracts with customers, as well as with partnership with major suppliers to support the expected volume

What to expect

- Coal price has significantly improved in the past few months
- Expects to benefit of higher rate from the coal index linked price-grid
- Expects volume increase in the coming years from the recent long-term contracts signed, and potentially from the other customers due to improved coal price
- Expects to benefit from supplier partnership at favorable terms and price, designed to provide back-to-back support to the contracted volume

End of Presentation - Thank You

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