
# PT Delta Dunia Makmur Tbk

First Quarter 2021 Performance

July 2021

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# Company Overview

- PT Bukit Makmur Mandiri Utama ("BUMA"), a subsidiary of PT Delta Dunia Makmur Tbk, operates as a provider for coal mining services and carries out comprehensive scope of work from overburden removal, coal mining, coal hauling as well as reclamation and land rehabilitation.

- BUMA's network of customers are leading coal concession companies in Indonesia such as Berau Coal, Adaro, Bayan, Geo Energy, and others.

- BUMA is second largest independent contractor working with 7 (seven) different customers on 11 (eleven) mining sites located entirely in Kalimantan with c.15% market share.

- Supported by around 10,750 employees[1] and 2,800 units[2] of high quality mining machinery and equipment.

*Notes:*
1. *Number of employees as of March 31, 2021*
2. *Number of equipment as of March 31, 2021*

# Business Overview

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

**Provides overburden removal, coal mining and coal transportation services**

**Coal mining contract miners play a critical role in the Indonesian coal industry**

## BUMA work scope covers the full mining production spectrum[1]


- ✓ ***BUMA allows mining companies to efficiently manage capital by focusing on asset development and reducing capital investment on fixed assets***
- ✓ ***BUMA has started extending its capabilities into the related mining infrastructure space, hence being better able to provide a broader service offering to its key coal mining customers***

Note: [1] Mining is carried out by mine owner with BUMA personnel/equipment under equipment rental arrangements

# Historical Highlights

Delta Dunia

**1998**

PT Bukit Makmur Mandiri Utama ("BUMA") was established as a family business providing mining contract services with Indonesia's coal producers.

**2001**

PT Delta Dunia Makmur Tbk. ("DOID")'s IPO listed its 72,020,000 shares in the IDX on 15 June 2001.

**2009**

NTP Ltd acquired 40% of DOID, DOID acquired 100% (less 1 share) of BUMA.

BUMA issued US$315 million bond due 2014 and US$285 million loan due 2013

**2010**

Consortium consisting TPG, GIC, and CIC acquired interest in NTP.

Increased syndicated loan from US$285 million to US$600 million and redeemed US$315 million bond.

**2011**

DOID completed a ~US$142 million Rights Issue

BUMA completed syndicated loan issuance of US$800 million to refinance US$600 million existing facility which was oversubscribed.

**2014**

Amended and extended syndicated loan for remaining US$603million

**2017**

BUMA issued 7.75% Senior Notes amounting to US$350 million, with maturity in 2022 (Rating of Ba3 from Moody's and BB- from Fitch)

Along with a US$100M bilateral loan facility maturing 2021, BUMA restructured its restrictive US$603 million syndicated loan

**2019**

Index link contracts were amended to refer to ICI from NEWC, as ICI is more relevant

**2020**

Successfully navigated business through the COVID-19 pandemic

**2021**

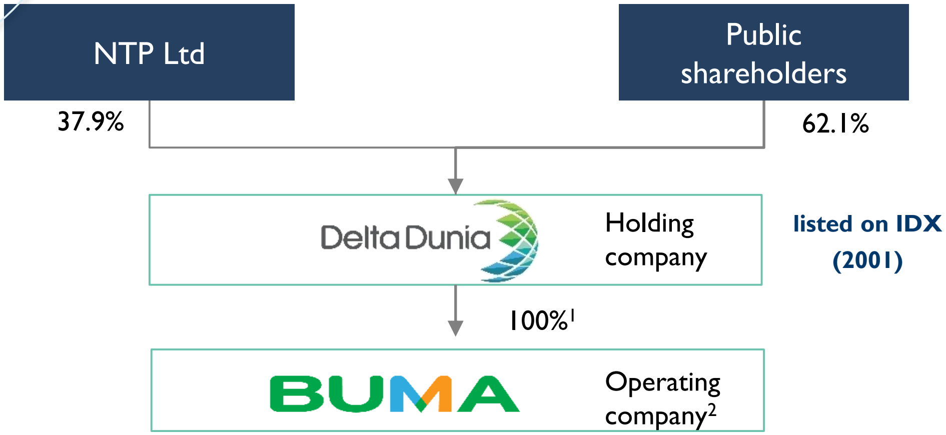
SHPL joined the consortium.

Refinanced outstanding bank loans and Senior Notes 2022 into US$400 million new Senior Notes due in 2026 at 7.75% coupon (same ratings)

*Notes:*

*1. Including 2018 new contracts*

## Ownership structure




## PT Delta Dunia Makmur Tbk.

- Established in 1990, listed in IDX as DOID in 2001.
- TPG, GIC, CIC, Northstar and recently, SHPL, together as Northstar Tambang Persada Ltd. own 37.9% 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

## Financial metrics (US$M)

| Financial year | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 1Q21 |
|---|---|---|---|---|---|---|---|---|---|
| OB Removal (mbcm) | 297.0 | 275.7 | 272.5 | 299.8 | 340.2 | 392.5 | 380.1 | 281.8 | 65.0 |
| Revenue | 695 | 607 | 566 | 611 | 765 | 892 | 882 | 602 | 160 |
| *Revenue ex. fuel* | *635* | *583* | *551* | *584* | *727* | *822* | *824* | *557* | *145* |
| EBITDA | 188 | 186 | 186 | 217 | 281 | 298 | 236 | 164 | 31 |
| *% margin[3]* | *29.7 %* | *32.0%* | *33.8%* | *37.1%* | *38.6%* | *36.2%* | *28.6%* | *29.4%* | *21.8%* |
| Net debt | 674 | 633 | 568 | 497 | 488 | 602 | 577 | 425[4)] | 452[4)] |
| *Net Debt to EBITDA* | 3.6x | 3.4x | 3.0x | 2.3x | 1.7x | 2.0x | 2.4x | 2.6x[4)] | 3.4x[4)] |

*1. Full ownership less one share*
*2. All current debt is at BUMA level*
*3. Calculated as EBITDA divided by revenue ex. Fuel*
*4. Amount of outstanding debt per 31 March 2021 includes capitalized operating leases as a result of new PSAK 73, implemented prospectively effective 1 January 2020.*

## 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 c.15% market share
- Customers include largest and lowest cost coal producers in Indonesia and new players with high potential for future growth
- Secured long-term, life of mine contracted volume
- Around 2,800 high quality equipment from Komatsu, Caterpillar and Scania
- Around 10,750 employees

# Management Overview

## Delta Dunia senior management

**Hagianto Kumala,** *President Director* — *33+ years*
- Has served as President Director of Delta Dunia since 2009
- Previously held various senior roles in Astra Group, including UNTR

**Rani Sofjan,** *Director* — *25+ years*
- Has served as Director of Delta Dunia since 2009
- Also serves as a Managing Director of PT Northstar Pacific Capital

**Eddy Porwanto,** *Finance Director* — *26+ years*
- Serves as Delta Dunia as Director and BUMA Commissioner since 2014
- Previously a Director at Archipelago Resources and Garuda Indonesia

## BUMA senior management

BUMA

**Ronald Sutardja,** *President Director* — *26+ years*
- Appointed VP Director in June 2012, President Director in March 2014
- Previously a Director at PT Trikomsel Oke Tbk

**Una Lindasari,** *Director of Shared Services / Strategic Business Growth* — *34+ years*
- Appointed as Director in August 2014
- Previously CFO of Noble Group from 2008

**Sorimuda Pulungan,** *Business Unit Director* — *25+ years*
- Appointed as Director in January 2012
- Experienced in mining industry (gold/nickel/coal)

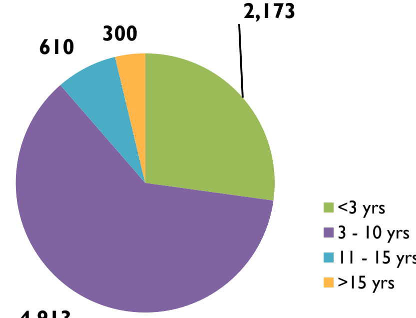
**Indra Kanoena,** *Director of Center of Excellence* — *23+ years*
- Appointed as Director in January 2013
- Previously held various senior positions in Human Resources areas

**Iwan Salim,** *Business Unit Director* — *24+ years*
- Appointed Director in May 2019
- Previously a Regional Manager Asia and Middle East in Shell Global Engineering

## Experienced BUMA operational team [1]

### General manager overview
- 20 people
- 19 years average industry experience
- 8 years average tenure with BUMA

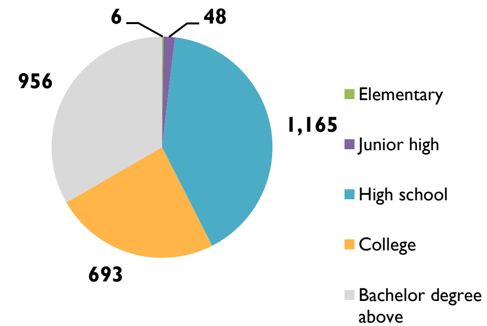
### Years of service




**Skilled workers: 7,996 employees**

### Manager overview
- 68 people
- 15 years average industry experience
- 9 years average tenure with BUMA

### Employees education




**Leadership positions: 2,868 employees**

*1) Data as per March 31, 2021*

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

# Our strategy

Delta Dunia

- Retain and grow robust customer base with low cost, diversified, secured volume through long term contracts
- Deliver operational excellence driving customer retention
- Enhance our value proposition through Technology-People initiatives
- Deliver sustainable cost competitiveness and asset efficiency
- Maintain prudent financial discipline
- Pursue value accretive, established mining and mining services M&A opportunities in Indonesia and Australia
- Continue to focus on ESG enhancement initiatives

## *Successfully transitioned from expansion to stability despite the challenging coal price environment*

**2017 – 2018**: Period of expansion, underpinned by capex deployment and procurement of new customer contracts

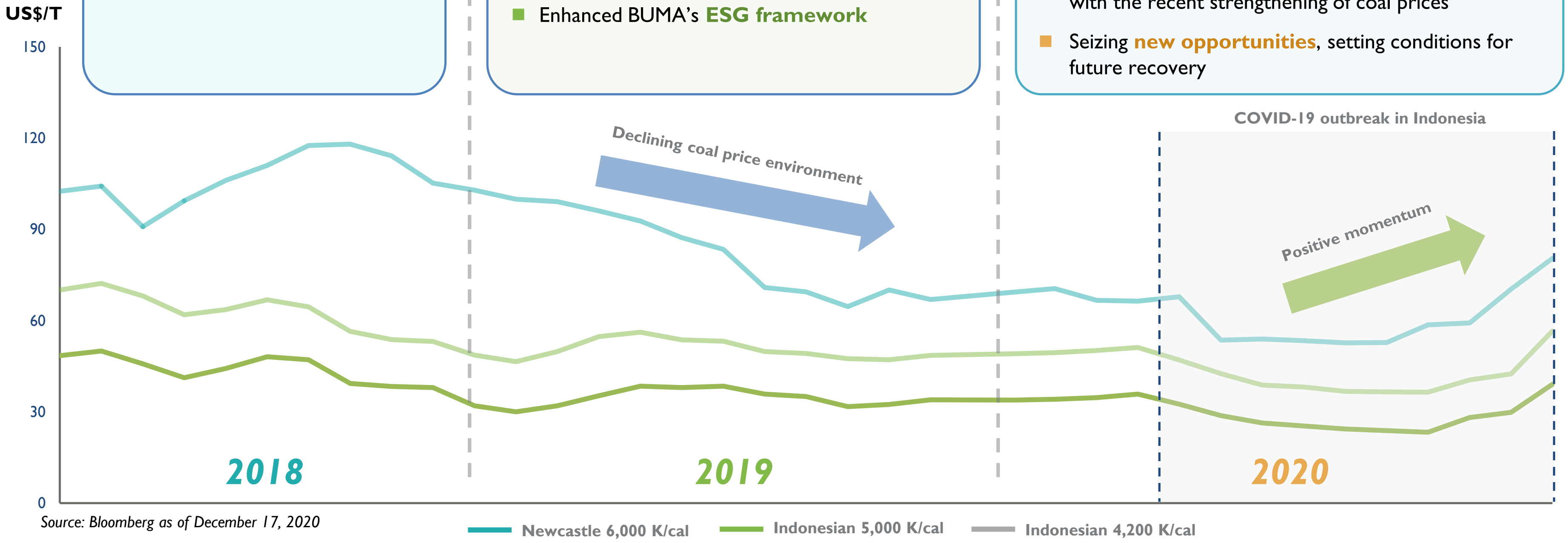
**2019:** Focus on stability by maintaining customer volumes and utilizing existing capacity to deliver operational excellence

**2020 onwards:** Focus on mitigating the impact of COVID-19 and coal price volatility; and seizing opportunities in preparation of a broader market recovery

- Continued to **grow contract volumes and diversify customer base**
- **Completed the equipment replacement cycle**

- Adjusted contracts to more **relevant and stable pricing benchmarks**
- Focused on **cash flow generation** and **prudent leverage management,** utilizing **technology** to promote **operational excellence**
- Enhanced BUMA's **ESG framework**

- Successfully navigated the COVID-19 pandemic though the **implementation of strict processes and control measures**
- Focused on **liquidity preservation** and **optimizing current capacity** during downturn
- Visible signs of **volume recovery** in recent months with the recent strengthening of coal prices
- Seizing **new opportunities**, setting conditions for future recovery




Source: Bloomberg as of December 17, 2020

# Recent Highlights

- **Despite the tough year** on 2020, BUMA has been able to **manage the challenges well**
  - COVID-19 contracted global GDP by 4.3%
  - BUMA timely adapt and took aggressive cost cutting and liquidity preservation
  - **Delivered strong cash flow and improved EBITDA margin in FY20**

- BUMA took the opportunity to **transform its organization** and established sustainable strongholds necessary **to capture growth opportunities**

- **1Q21 performance was affected by ramp up costs**

- **Leveraging market recovery**
  - Strong coal prices bode well for ; by June '21 price continues to rise with ICI-3 and ICI-4 rose by 142% and 170% YoY, respectively, vs. June '20
  - Captured new contracts – signed Bayan expansion and Adaro new contract in 1H 2021
  - Expanding beyond coal and Indonesia

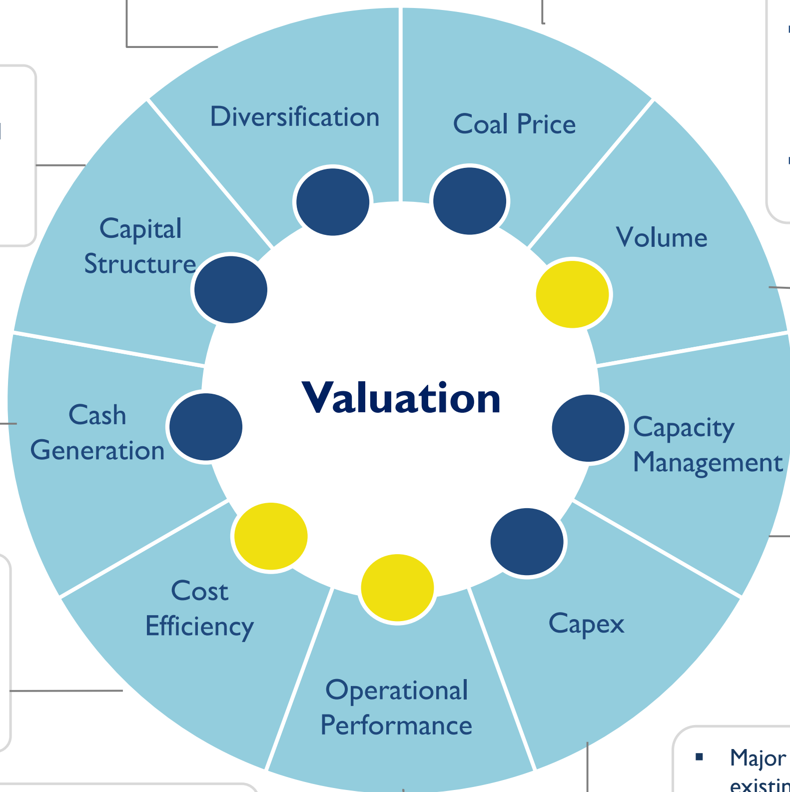
# Key Investment Highlights

Delta Dunia

- India's coal demand is expected to recover. Power generation shows an increase of 4%yoy in June21. Coal import from India is expected to be at 164MT (*Source: Woodmac, Bloomberg*)
- 4M21, China's import down by 28%yoy to 90.1MT due to the Govt refusing Australian coal and causing QHD coal price to surge up to $150/t in June21, this is expected to continue in July21 . (*Source: Woodmac*)
- ESDM has increased coal target for FY 2021 to 625MT from 550MT in the beginning of the year. This is due to the strong demand. The additional 75MT will be for export and exempted from DMO.
- Indonesia 35GW program has only reached 24% as of Aug '20 due to the pandemic. (*Source: CNBC Indonesia*)

- Actively exploring and pursuing value-accretive diversification opportunities, including but not limited to ones that address customer and business segment concentration.

- Net debt to EBITDA of 3.4x in March 2021
- Completed refinancing exercise in 1Q2021 that entailed new US$400M high-yield bond issuance due 2026, full repayment of MUFG facilities, and full redemption of Senior Notes 2022.




- Established long-term cost competitive contract base, with current orderbook of c.US$6.7bn with over 2.700 MBCM and over 550MT coal volume.
- Remains actively engaged with existing and potential new customers to secure new volume through long-term contracts.

- Tight receivable collections.
- Optimal capex spending plans.
- Prudent working capital management.

- Optimal capacity management through the right fleet mix and deployment to generate optimal asset utilization and highest productivity, while minimizing capex spending.

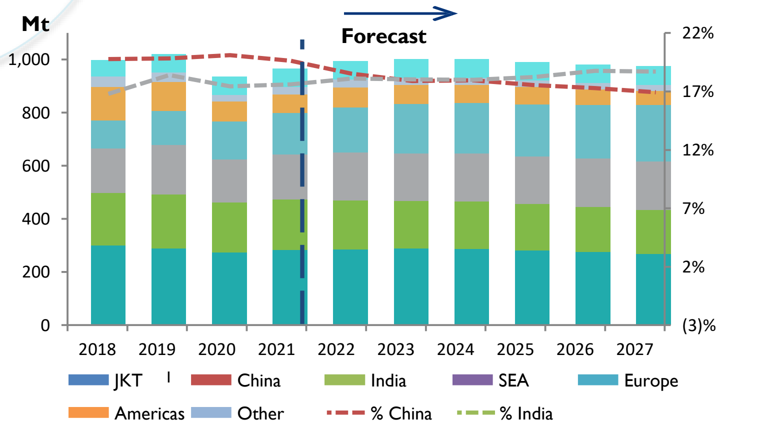
- Effective right-sizing of production capacity and resources are key strategies in managing costs during downturn.
- Innovative cost efficiency measures for sustainable impacts aimed mainly at people and maintenance costs.

- Major maintenance cycle peaked in 2018 and maintenance capex for existing capacity will be normalized for next few years.
- New contracts with significant incremental volume would require further assessment for most efficient capex planning.
- Optimizing existing capacity is key factor for optimal capex spending that would contribute to liquidity preservation.

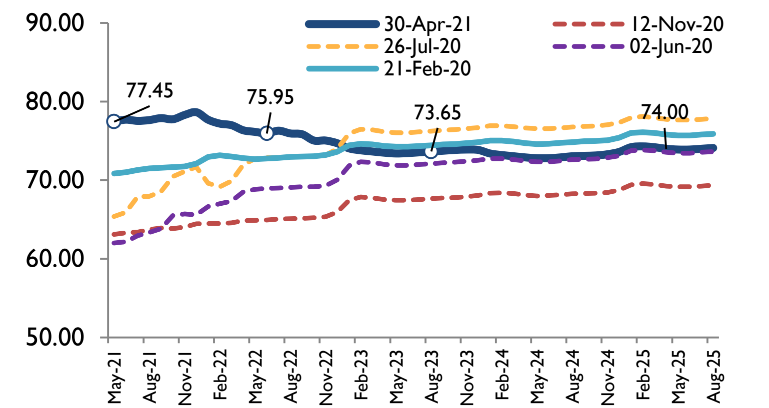
- Optimizing Utilization Asset (UA) rate remains key operational focus; higher chance for improvement as we are seeing gradual recovery in coal market.
- Optimum level of UA leads to higher productivity with less amount of equipment, creating domino effect of reduction to various operating costs.

# Coal Price Dynamics

## Global seaborne thermal coal import demand

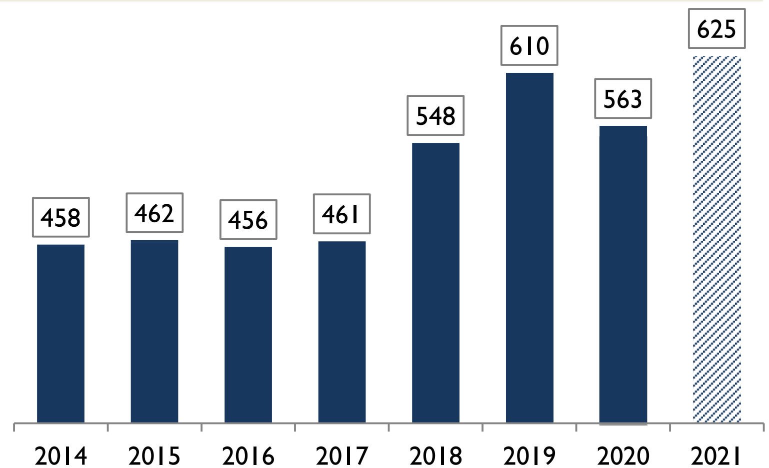



## Coal futures



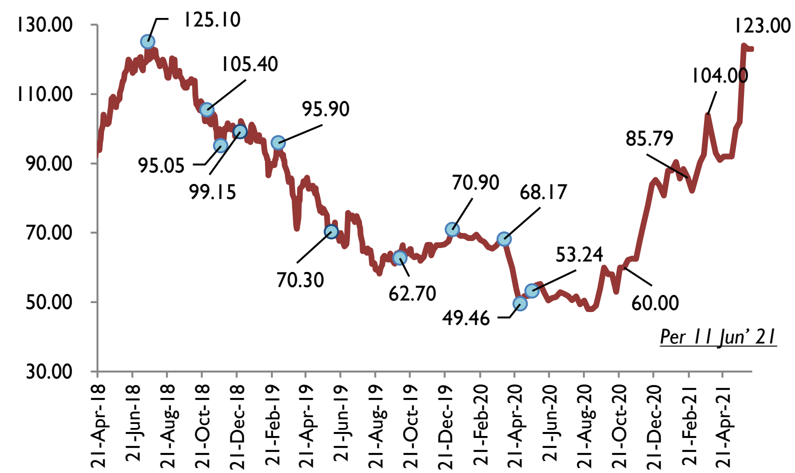

*Source: www.barchart.com ICE Newcastle futures*

## Indonesia Coal Production (MT)




*Source: MEMR Website*

## Coal price trend




*Source: Platts' FOB Newcastle 6,300 GAR and NEWC index Bloomberg*

**Coal price**

- Overall global production was expected to increase but due to Covid-19 it is to decline by 2% in 2020. In 2021, global production is expected to rise by 3.5%.
- China's supply control remains key factor to sustain global coal price and its recovery to the overall global economics
- China's unofficial halt on imports of Australian coal benefitted Indonesia. In Jan '21, export to China has surged by 11% MoM or 44% YoY.

**Coal demand**

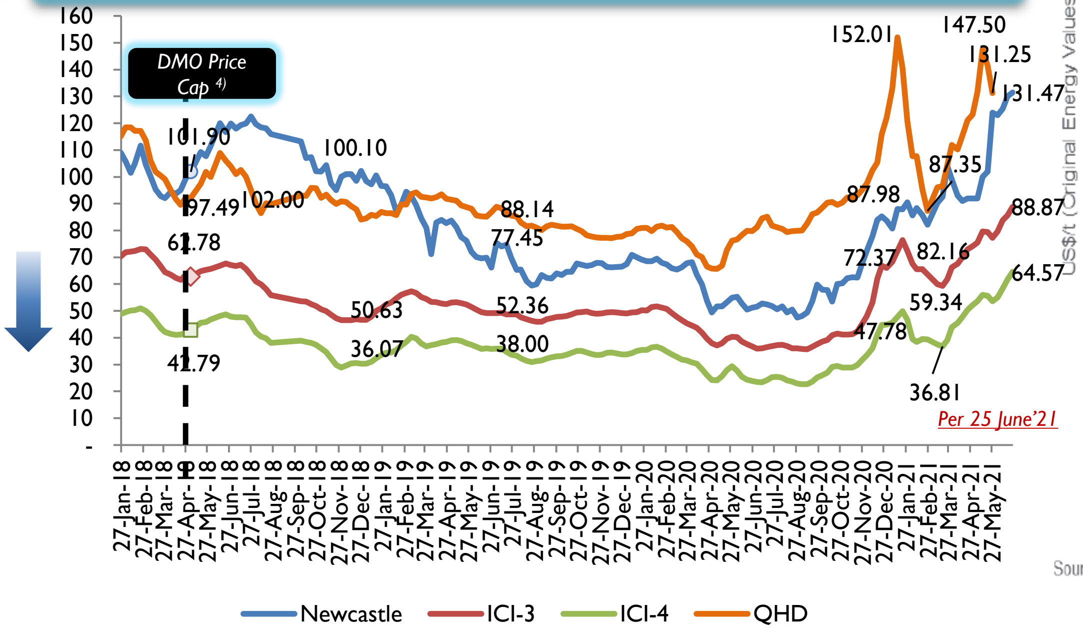
- China and India account for 35% and 26%, respectively, of total Indonesia coal export as of January 2021.
- In 2021, China's total coal imports is expected to be at the same level as 2020 of 304MT, but the import inclination is mainly coming from Russia, Mongolia and Indonesia.
- In late April '21, China NDRC has coordinated with customs to release quotas to rebalance domestic coal price.
- India expects total imports to decline as 2nd wave of COVID-19 surged. But currently economy is recovering.

# Coal Price Dynamics – cont'd

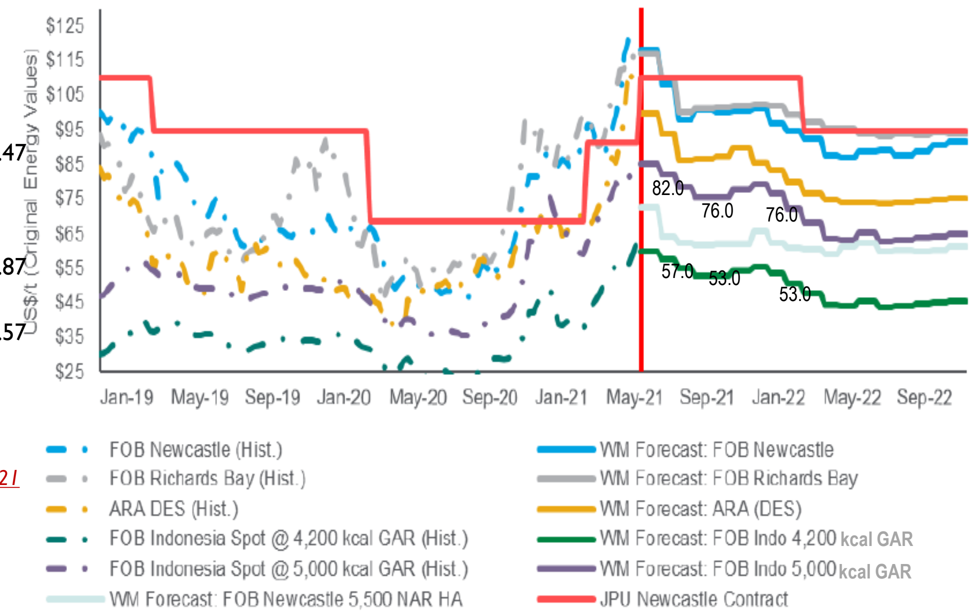
Delta Dunia

## Newcastle, QHD vs. ICI (US$/t) [3)]

**Price gap between Newcastle and ICI has normalized, but continuous to widens against QHD**




## Key thermal coal price forecast (US$/t) [5)]



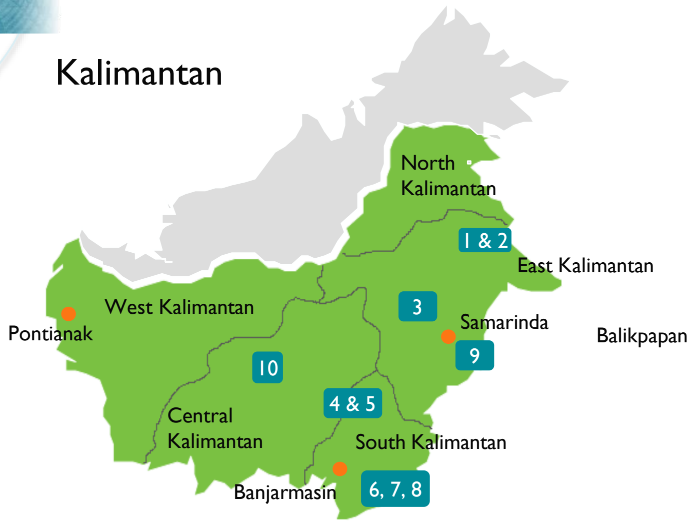

Source: globalCOAL & the Argus Media group (Hist), Wood Mackenzie (Forecasts)

- Early this year, China coal imports surged up to $152/tonnes in preparation to stock up for the Chinese New Year in mid February '21. China unofficially banned Australian coal since October last year. Tension worsened in late April '21 with Australia cancelling on a project with China. Strong import from China is expected to continue for the year, as NDRC loosens quota for the summer. This tension has benefited Russia, Mongolia and Indonesia coal exports.
- In April '21, Indonesian domestic coal price continues to strengthen given the limited supply due to Ramadhan and heavy rainfall, but demand remains strong from China, June '21 coal prices continues to surge up, ICI-3 and ICI-4 rose by 142% YoY and 170% YoY, respectively, compared to June '20. ICI 3 is at $89/tonnes and ICI 4 at $64/tonnes as of 25June21

**Notes**

1. *ICI-3 is index related to Indonesian 5,000 GAR / 4,600 NAR*
2. *ICI-4 is index related to Indonesian 4,200 GAR / 3,800 NAR*
3. *Latest data is as of 28 May 2021*
4. *Regulation stating price cap on coal for domestic consumption went effective as of 9 March 2018.*
5. *Source: Wood Mackenzie*

# Secured, long-term contracts



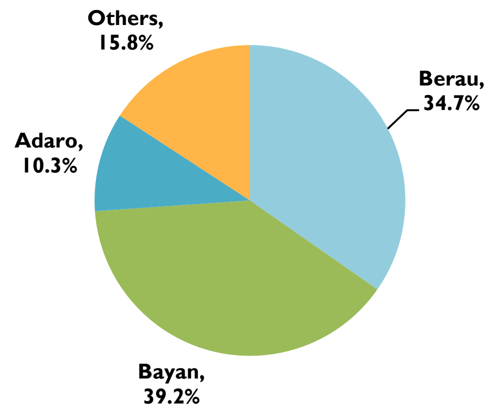

| No | Customers | Existing Contract Period |
|---|---|---|
| 1 | Berau Coal (Lati)[2] | 2012-2025[1] |
| 2 | Berau Coal (Binungan)[2] | 2003-2025[1] |
| 3 | Bayan - Indonesia Pratama (IPR)[5] | 2018-2031 |
| 4 | Adaro (Paringin)[2] | 2009-2022[1] |
| 5 | Adaro (Tutupan) | 2021-2025 |
| 6 | Geo - Sungai Danau Jaya (SDJ)[1] | 2015-2023[1] |
| 7 | Geo - Tanah Bumbu Resources (TBR)[1] | 2018-2024[1] |
| 8 | Angsana Jaya Energi (AJE) | 2016-2021 |
| 9 | RAIN - Insani Baraperkasa (IBP) | 2018-2025 |
| 10 | Tadjahan Antang Mineral (TAM) | 2015-2025 |
| | | 2017-2027[1] |

## BUMA is deeply entrenched with its customers

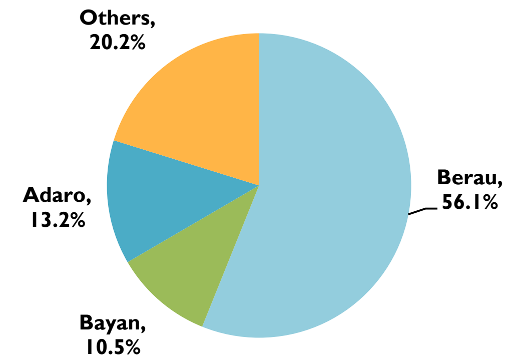
**Years of relationship**

| | |
|---|---|
| berau coal | 22 years |
| adaro | 16 years |
| PT Bayan Resources, Tbk – PT Indonesia Pratama | 2 years |
| Rain Group – PT. Insani Baraperkasa Coal Mining | 2 years |
| TAM Coal Mine | 5 years |
| 天然煤矿集团 Geo Energy Group Coal Industries | 5 years |

**Contribution to BUMA Order book volume (%)**

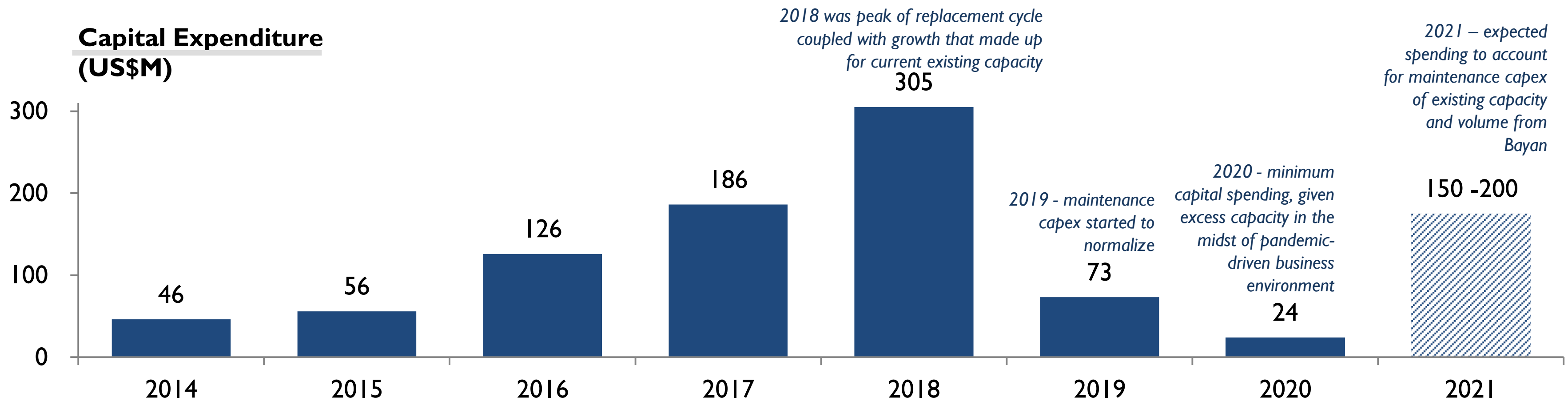



**Contribution to BUMA volume 1Q21 (%) 4)**




*1) Life of mine contract*
*2) CCoW licensed*
*3) Work completed in September 2020*
*4) Based on 1Q 2021*
*5) In 1Q21, signed an extension and expansion contract with Bayan to 2031*
*6) Currently BUMA is not operational in this mine*

# Capex Strategy



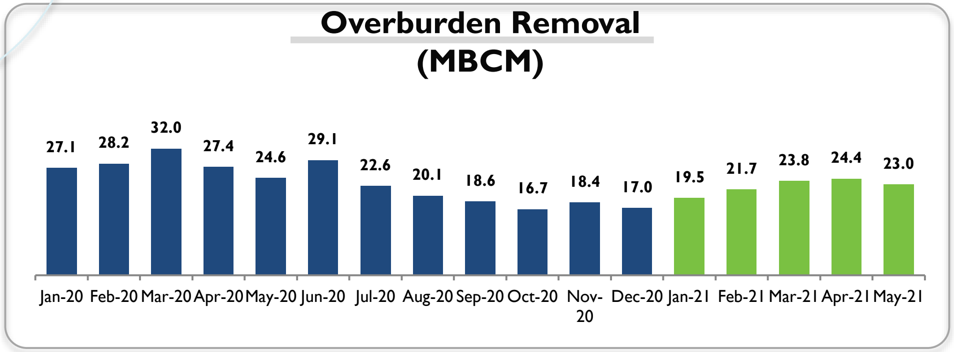

Maintenance capex for existing capacity is expected to normalize in next few years

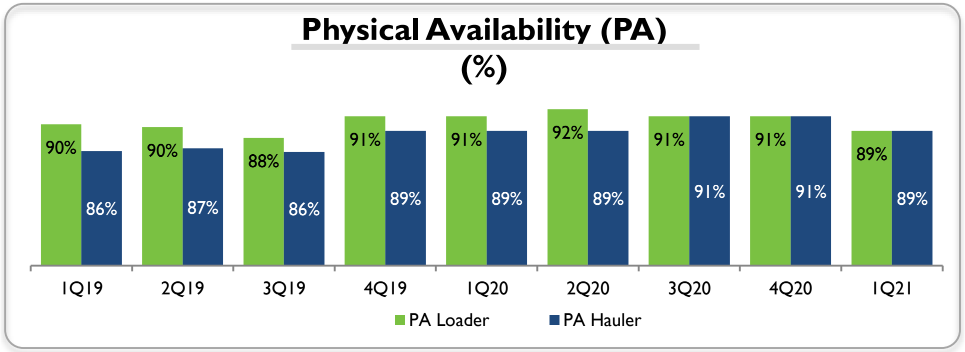
Excess capacity will be optimized to minimize capital spending

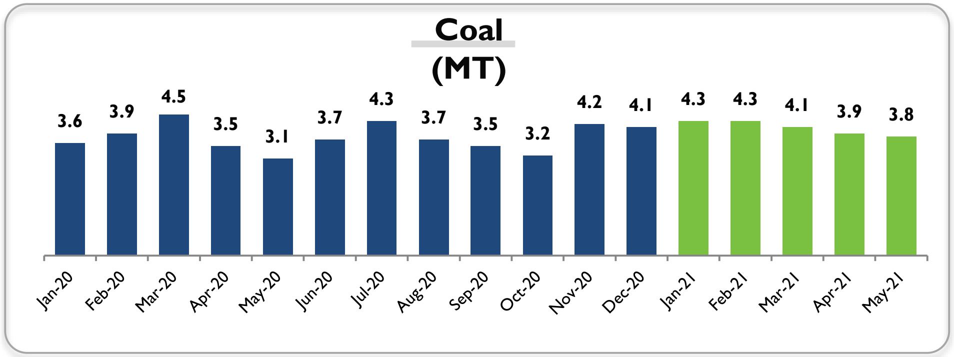
Significant incremental volume requires careful assessment for most efficient capex planning.

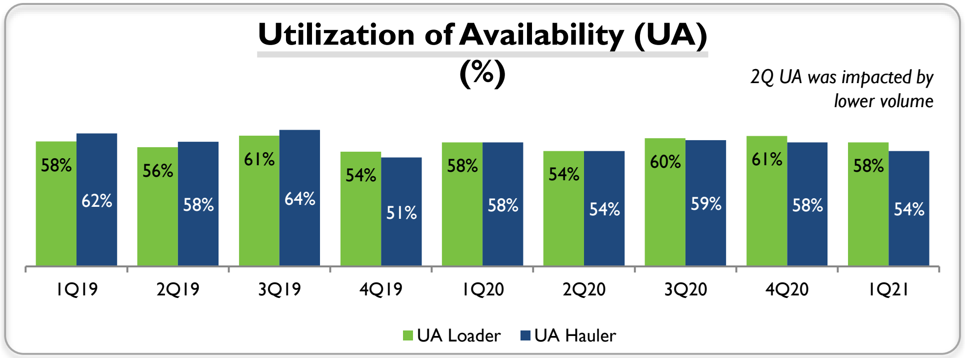
Optimal capital spending and utilization of capacity are keys for highest return in investment and liquidity buffer to sustain uncertainties

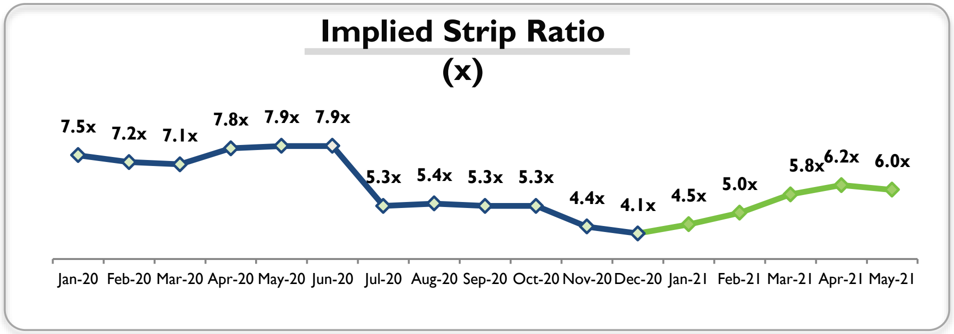
# Operational Excellence

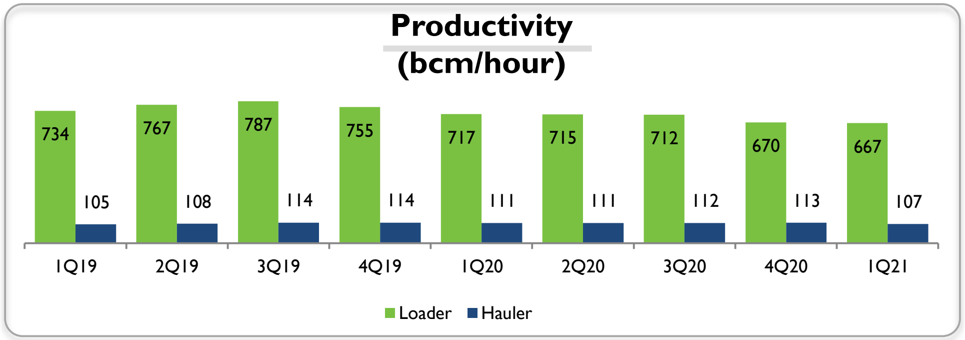


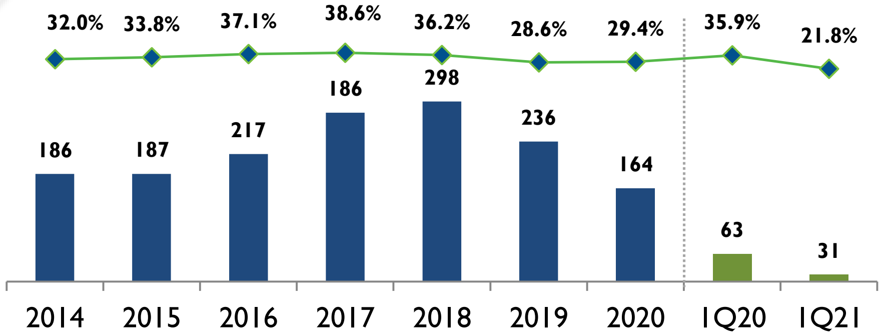



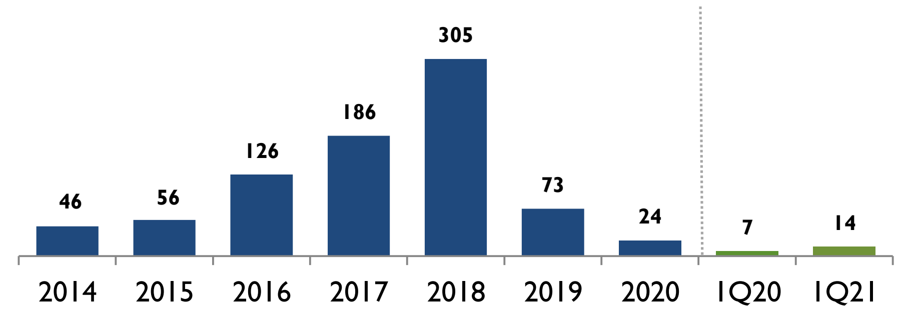
# Cash Generation

## Liquidity management – EBITDA improvement and strict capex monitoring

**EBITDA (US$M) and EBITDA margin (%)**

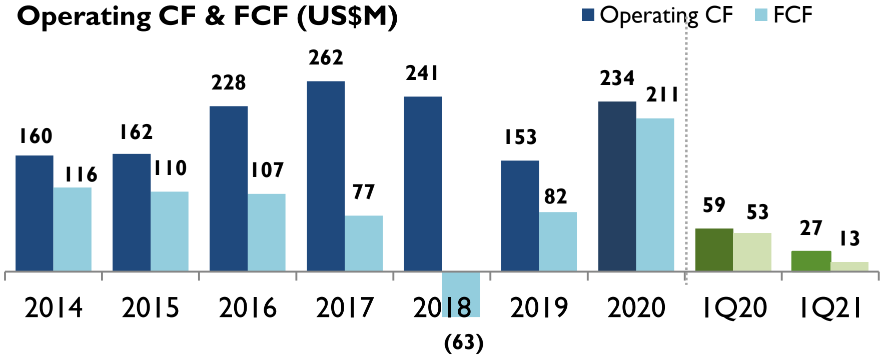



**Capex (US$M)**

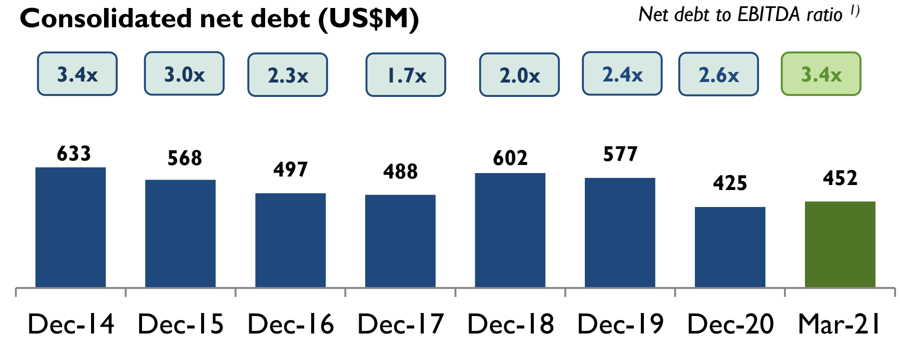



## Generating cash flows and deleverage

**Operating CF & FCF (US$M)**




**Consolidated net debt (US$M)**




EBITDA generation

Liquidity management

Positive FCF generation

**Company will remain prudent on capex planning and liquidity management to preserve future strong cash generation.**

*1) Amount of outstanding debt per 31 March 2021 includes capitalized operating leases as a result of new PSAK 73, implemented prospectively effective 1 January 2020.*

# Current Debt Structure

**COMPLETED REFINANCING & SECURED ADDITIONAL FUNDING IN 1H 2021**

**US$400 million Senior Notes**

- Coupon of 7.75% p.a.
- Tenor of 5NC2 – due 2026
- Settlement at maturity (no amortization)
- Secured by DSRA
- Main use of proceeds to repay previous bank loans and Senior Notes
- **Refinancing of previous debt structure was completed in March 31, 2021**

**US$350 million Mandiri Loan Facility**

- Interest of LIBOR+3% p.a.
- Tenor of 4.75 years maturing Jan 2026
- Step-up amortization with average life of 3.65 years
- Secured by assets
- Main use of proceeds to support organic and inorganic growth

**Various Finance Leases**

- Average cost of LIBOR + 4.00% - 4.50%
- Tenor 4 – 5 years, some extendable to 7 years
- Straight-line installments
- Outstanding at March 2021 appx. US$146 million [1)]

New debt structure provides higher room and flexibilities for growth

Relatively healthy debt ratio at net debt to EBITDA 3.4x at March 2021

Liquidity remains sufficient and adequate headroom is available

Wide access to capital funding

1) *Excludes rights-of-use lease labilities from capitalized operating lease*

# Financial Highlights

| Measures | 1Q20 | 4Q20 | 1Q21 | 1Q21 QoQ | 1Q21 YoY |
|---|---|---|---|---|---|
| **Overburden Removal (MBCM)** | **87.3** | **52.1** | **65.0** | **25%** | **26%** |
| **Revenues (US$ M)** | **194** | **108** | **160** | **49%** | **18%** |
| **EBITDA (US$ M)** | **63** | **13** | **31** | **149%** | **50%** |
| **Net Profit/(Loss) (US$ M)** | **(23)** | **(19)** | **(26)** | **31%** | **12%** |
| **EBITDA Margin (%)** | ***35.9%*** | ***12.8%*** | ***21.8%*** | ***9.0%*** | ***14.2%*** |
| **Free Cash Flow** | **53** | **25** | **13** | **47%** | **74%** |
| **Cash Position** | **136** | **147** | **104** | **29%** | **46%** |

- Volume recovery is visible in 1Q 2021, despite being affected by heavier rainfall and ramp up challenges.
- Coal price recovery has led to higher rates, but volume recovery is lagging.
- The Company incurred upfront costs related to the recovery ramp up effort and higher cost due to certain challenging work area, which impacted the EBITDA margin to 21.8%.
- Net loss was recorded, given the Company incurred refinancing costs in 1Q 2021.
- FCF and Cash balance are lower as a result of ramp up activity that requires upfront expenditures and transaction costs related to refinancing.

# Key Consolidated Results – 1Q 2021

Delta Dunia

| HIGHLIGHTS OF CONSOLIDATED RESULTS (in US$ mn unless otherwise stated) | | | |
|---|---|---|---|
| **Volume** | **1Q21** | **1Q20** | **YoY** |
| OB Removal (mbcm) | 65.0 | 87.3 | -26% |
| Coal (mt) | 12.7 | 12.1 | 5% |
| **Profitability** | **1Q21** | **1Q20** | **YoY** |
| Revenues | 160 | 194 | -18% |
| **EBITDA** | **31** | **63** | **-50%** |
| **EBITDA Margin** | **21.8%** | **35.9%** | **-14.1%** |
| Operating Profit | (1) | 24 | -105% |
| Operating Margin | -0.9% | 13.9% | **-14.8%** |
| Net Profit | (26) | (23) | 12% |
| EPS (in Rp) | Rp (42) | Rp (37) | 12% |
| **Cash Flows** | **1Q21** | **1Q20** | **YoY** |
| Capital Expenditure [4)] | 14 | 7 | 100% |
| Operating Cash Flow | 27 | 59 | -54% |
| Free Cash Flow [3)] | 13 | 53 | -75% |
| **Balance Sheet** | **Mar-21** | **Dec-20** | **Δ** |
| Cash Position [1)] | 104 | 147 | (43) |
| Net Debt [2) 5)] | 452 | 425 | 26 |

| HIGHLIGHTS OF CONSOLIDATED RESULTS (in US$ mn unless otherwise stated) | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **Volume** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| OB Removal (mbcm) | 94.1 | 110.0 | 79.0 | 87.3 | 81.2 | 61.2 | 52.1 | 65.0 |
| Coal (mt) | 12.0 | 13.6 | 12.2 | 12.1 | 10.3 | 11.5 | 11.4 | 12.7 |
| **Financials** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| Revenues | 221 | 255 | 191 | 194 | 158 | 142 | 108 | 160 |
| **EBITDA** | 57 | 86 | 39 | 63 | 39 | 49 | 13 | 31 |
| **EBITDA Margin** | 28.4% | 35.0% | 21.7% | 35.9% | 26.0% | 37.0% | 12.8% | 21.8% |
| Operating Profit | 20 | 49 | 3 | 24 | 2 | 15 | (21) | (1) |
| Operating Margin | 10.0% | 20.0% | 1.5% | 13.9% | 1.1% | 11.2% | -21.4% | -0.9% |
| Net Profit (Loss) | 3 | 24 | (8) | (23) | 15 | 4 | (19) | (26) |
| **Cash** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| Operating cash flows | 48 | 22 | 57 | 60 | 101 | 43 | 31 | 27 |
| Free cash flows | 25 | 6 | 44 | 53 | 96 | 38 | 25 | 13 |

*Notes:*

1) *Cash position includes other financial assets.*
2) *Debt includes only the outstanding contractual liabilities.*
3) *Net profit (loss) without foreign exchange gain or loss, and impairment loss*
4) *Capital expenditures as recognized per accounting standards*
5) *Amount of outstanding debt per 31 March 2021 includes capitalized operating leases as a result of new PSAK 73, implemented prospectively effective 1 January 2020.*

The Company's strategy in 2021 is to gradually recover to pre-pandemic level and continue to seize growth as global coal price and demand strengthen

# Quarterly Progression

| QUARTERLY PROGRESSION (in US$ mn unless otherwise stated) | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Volume** | **Units** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| OB Removal (mbcm) | mbcm | 94.1 | 110.0 | 79.0 | 87.3 | 81.1 | 61.3 | 52.1 | 65.0 |
| Coal (mt) | mt | 12.0 | 13.6 | 12.2 | 12.0 | 10.3 | 11.5 | 11.4 | 2.7 |
| **Financials** | **Units** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| Revenues | US$m | 221 | 255 | 191 | 194 | 158 | 142 | 108 | 160 |
| **EBITDA** | **US$m** | 57 | 86 | 39 | 63 | 39 | 49 | 13 | 31 |
| **EBITDA Margin** | % | 28.4% | 35.0% | 21.7% | 35.9% | 26.0% | 37.0% | 12.8% | 21.8% |
| Operating Profit | *US$m* | *20* | *49* | *3* | *24* | *2* | *15* | *(21)* | *(1)* |
| Operating Profit Margin | % | 10.0% | 20.0% | 1.5% | 13.9% | 1.1% | 11.2% | -21.4% | -0.9% |
| Net Profit (Loss) | US$m | 3 | 24 | (8) | (23) | 15 | 4 | (19) | (26) |
| Recurring Profit (Loss) | US$m | 4 | 28 | (10) | 2 | (2) | 6 | (26) | (10) |
| **Units Financials** | **Units** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| Cash costs ex fuel per bcm | US$ | 1.25 | 1.19 | 1.36 | 1.03 | 1.15 | 1.09 | 1.19 | 1.34 |
| Cash costs ex fuel per bcm/km | US$ | 0.44 | 0.42 | 0.47 | 0.36 | 0.40 | 0.40 | 0.45 | 0.49 |
| **Operational Metrics** | **Units** | **2Q19** | **3Q19** | **4Q19** | **1Q20** | **2Q20** | **3Q20** | **4Q20** | **1Q21** |
| PA – Loader 1) | % | 89.5 | 88.3 | 90.7 | 90.9 | 91.5 | 91.2 | 90.7 | 89.0 |
| PA – Hauler 1) | % | 86.5 | 86.3 | 89.3 | 88.7 | 88.9 | 90.9 | 91.2 | 89.3 |
| UA – Loader 2) | % | 55.7 | 61.1 | 53.6 | 57.5 | 54.4 | 60.0 | 60.6 | 57.9 |
| UA – Hauler 2) | % | 58.3 | 63.9 | 50.9 | 57.8 | 53.9 | 58.5 | 58.1 | 54.3 |
| Productivity – Loader | bcm/hour | 767 | 787 | 755 | 717 | 715 | 712 | 670 | 667 |
| Productivity – Hauler | bcm/hour | 108 | 114 | 114 | 111 | 111 | 112 | 113 | 107 |
| Average rain hours 3) | hour | 70 | 27 | 68 | 98 | 71 | 71 | 84 | 98 |

*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) *Average rain hours per site per month*

- The Company incurred upfront costs related to recovery ramp up effort and higher cost due certain challenging work area being affected by heavier rainfall, therefore impacting profitability in 1Q 2021.
- Bottom line is a loss of US$26 million due to the certain refinancing cost in 1Q 2021.
- Total capex is expected to be higher YoY, as the Company prepares for incremental volumes.
- Given the strong recovery of coal price, the Company remains focused on recovery and gaining momentum to seize growth.

# Addressing COVID-19

Workplace readiness

- COVID-19 policy and grouping implementation
- Contact tracking organization available
- Mess quarantine is ready
- Rapid Antigen and PCR Testing ready
- Availability dashboard report for Fatigue management, mask & social distancing report
- Improvement on health protocol during travels

Managing further infectious spread and positive cases

- Rapid Antigen test screening process prior entering the site. ( During changeover roster)
- Continue to monitor daily on suspected cases
- Quarantine for positive and suspected cases
- Tight monitoring on offsite or non mess employees
- Monitoring on family cluster and employees entering back from furlough

Company strategy in addressing COVID-19 is having protocols of prevention, containment, aftercare and vaccination* to minimize cases (including future outbreaks) and the impacts on operations

**Vaccination is rolling out from end of June 2021*

## Our Sustainability Framework

<table>
<tr><th>KEY STRATEGY</th><th colspan="2">Operational Excellence</th><th colspan="4">Diversification to support Low Carbon Economy Transition</th></tr>
<tr><td></td><td colspan="6">Cross cutting ESG factors</td></tr>
<tr><td rowspan="2">SUSTAINABILITY</td><td>Safety</td><td>Optimize</td><td>Ownership</td><td>Eco-efficiency</td><td>Community</td><td>Climate</td></tr>
<tr><td>Providing safe and healthy workplace through operational excellence and technology</td><td>Optimization on operational excellence and asset utilization with technology to drive efficiency and sustainability</td><td>Fostering sense of ownership and competencies in employees and developing future talent pipeline</td><td>Responsible mining through good mining practices which continue to drive efficiency</td><td>Empowerment of community and society to improve quality of life</td><td>Strengthen resilience and adaptive capacity to climate related hazards and natural disasters</td></tr>
<tr><td>KEY PROGRAMS</td><td>▪ Safety Leadership<br>▪ Fatigue management<br>▪ Hazard & Risk<br>▪ Remote Health</td><td>▪ Adaptive mine planning and e-GMP<br>▪ Predictive maintenance<br>▪ Digital maintenance</td><td>▪ Industrial Class (BO-BM)<br>▪ DESA (teamwork)<br>▪ Multiple Versatility and e-Learning</td><td>▪ Water conservation<br>▪ Waste recycle<br>▪ Fuel efficiency</td><td>▪ Local business development<br>▪ Local education support</td><td>▪ Annual tree plantation program</td></tr>
<tr><td>KEY ENABLERS</td><td colspan="6">Corporate Governance | Risk Management | Compliance Management | Transparency</td></tr>
</table>

# Corporate Guidance 2021

| | FY21 Target | 1Q 2021 |
|---|---|---|
| Volume<br>*Overburden removal (MBCM)* | 310 - 350 | 65.0 |
| *Coal(MT)* | 45 - 50 | 12.7 |
| Capex (US$ M) | 150 - 200 | 14 |
| Revenues (US$ M) | 780 - 860 | 160 |
| EBITDA (US$ M) | 200 - 240 | 31 |

Domestic coal price has been strong and still dependent on overall global demand , as over 75% of total production are exported. Modest growth from gradual recovery is expected.

# Consolidated Performance – 1Q 2021

DeltaDunia

## Consolidated Statements of Financial Position

| *In US$ mn (unless otherwise stated)* | **Mar-21** | **Dec-20** | **YTD** |
|---|---|---|---|
| Cash and cash equivalents | 76 | 112 | *-32%* |
| Other financial assets - current | 29 | 35 | *-19%* |
| Trade receivables - current | 181 | 151 | *20%* |
| Other current assets | 78 | 69 | *13%* |
| Fixed assets - net | 483 | 501 | *-3%* |
| Other non-current assets | 105 | 106 | *-1%* |
| **TOTAL ASSETS** | **952** | **974** | ***-2%*** |
| | | | |
| Trade payables | 75 | 50 | *52%* |
| LT liabilities - current | 74 | 136 | *-45%* |
| Other current liabilities | 38 | 34 | *7%* |
| LT liabilities - non current | 470 | 433 | *9%* |
| Other non-current liabilities | 57 | 57 | *-1%* |
| **TOTAL LIABILITIES** | **714** | **710** | ***1%*** |
| **TOTAL EQUITY** | **238** | **264** | ***-10%*** |

## Financial Ratios [1]

| | **Mar-21** | **Mar-20** |
|---|---|---|
| Gross margin | 5.4% | 19.6% |
| Operating margin | -0.9% | 13.9% |
| EBITDA margin | 21.8% | 35.9% |
| Pretax margin | -20.9% | -10.2% |
| Net margin | -17.7% | -13.0% |

## Consolidated Statements of Profit or Loss and OCI

| *In US$ mn (unless otherwise stated)* | **Mar-21** | **Mar-20** | **YoY** |
|---|---|---|---|
| Net revenues | 160 | 194 | *-18%* |
| *Revenue excl. fuel* | 145 | 175 | *-18%* |
| Cost of revenues | (152) | (159) | *-5%* |
| **Gross profit** | **8** | **35** | ***-77%*** |
| Operating expenses | (9) | (10) | *-11%* |
| Finance cost | (23) | (14) | *70%* |
| Others - net | *(6)* | *(29)* | *-80%* |
| **Pretax profit** | **(30)** | **(18)** | ***69%*** |
| Tax expense | 5 | (5) | *-200%* |
| **Profit (loss) for the period** | **(26)** | **(23)** | ***12%*** |
| Other comprehensive income (loss) - net | (0) | (0) | *0%* |
| **Comprehensive income (loss)** | **(26)** | **(23)** | ***12%*** |
| | | | |
| **EBITDA** | **31** | **63** | ***-50%*** |
| **Basic EPS** (in Rp) [2] | **(42)** | **(37)** | ***12%*** |

***Notes:***

*1) Margins are based on net revenues excluding fuel*

*2) Reported Basic EPS translated into Rp using average exchange rate of Rp14,185 and Rp14,234 for 1Q21 and 1Q20, respectively.*

# BUMA Performance – 1Q 2021

DeltaDunia

## Statements of Financial Position

| *In US$ mn (unless otherwise stated)* | **Mar-21** | **Dec-20** | ***YTD*** |
|---|---|---|---|
| Cash | 68 | 103 | *-34%* |
| Restricted cash in bank - current | 3 | 9 | *-72%* |
| Trade receivables - current | 181 | 151 | *20%* |
| Due from related party - current | 94 | 94 | *0%* |
| Other current assets | 78 | 69 | *13%* |
| Fixed assets - net | 482 | 499 | *-3%* |
| Other non-current assets | 104 | 106 | *-1%* |
| **TOTAL ASSETS** | **1,014** | **1,031** | ***-2%*** |
| | | | |
| Trade payables | 75 | 50 | *52%* |
| LT liabilities - current | 74 | 135 | *-45%* |
| Other current liabilities | 38 | 34 | *7%* |
| LT liabilities - non-current | 470 | 433 | *9%* |
| Other non-current liabilities | 56 | 57 | *-1%* |
| **TOTAL LIABILITIES** | **713** | **709** | ***0%*** |
| **TOTAL EQUITY** | **297** | **322** | ***-8%*** |

## Financial Ratios [1)]

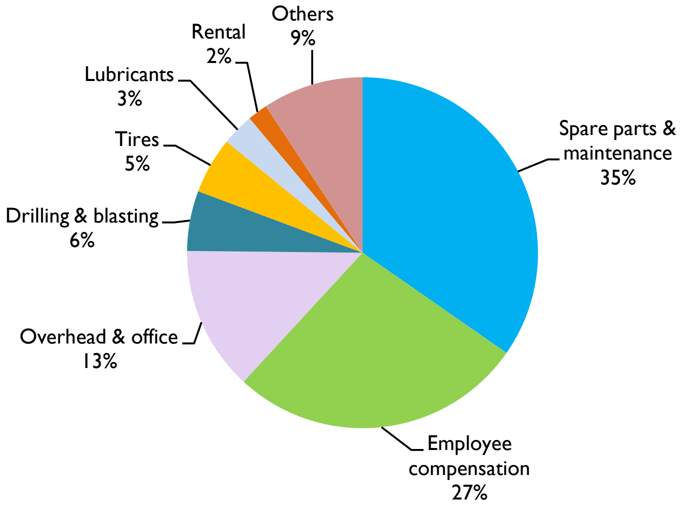
| | **Mar-21** | **Mar-20** |
|---|---|---|
| Gross margin | 5.4% | 19.6% |
| Operating margin | -0.5% | 14.2% |
| EBITDA margin | 22.1% | 36.2% |
| Pretax margin | -20.5% | -9.0% |
| Net margin | -17.2% | -11.9% |

## Statements of Profit or Loss and OCI

| *In US$ mn (unless otherwise stated)* | **Mar-21** | **Mar-20** | ***YoY*** |
|---|---|---|---|
| Net revenues | 160 | 194 | *-18%* |
| *Revenue excl. fuel* | *145* | *175* | *-18%* |
| Cost of revenues | (152) | (159) | *-5%* |
| **Gross profit** | **8** | **35** | ***-77%*** |
| Operating expenses | (8) | (10) | *-11%* |
| Finance cost | (23) | (14) | *70%* |
| Others - net | (6) | (26) | *-79%* |
| **Pretax profit** | **(29)** | **(16)** | ***88%*** |
| Tax expense | 5 | (5) | *-193%* |
| **Profit (loss) for the period** | **(24)** | **(21)** | ***19%*** |
| Other comprehensive income (loss) - net | (0) | (0) | *-31%* |
| **Comprehensive income** | **(24)** | **(21)** | ***19%*** |
| | | | |
| **EBITDA** | **32** | **63** | ***-50%*** |

*Notes:*
*1) Margins are based on net revenues excluding fuel.*

## BUMA's cash cost ex fuel (1Q 21)




- The management team led the business to navigate through the prolonged downturn in 2020, focusing on optimizing asset utilization, strategically reducing capex, efficient inventory management and prudently reducing costs
- Higher than expected employee costs in 2020 due to:
  - Lower production volume given prolonged downturn and low coal price environment due to the pandemic
  - Furloughed employees still receive a portion of their compensation but has gradually returned to work at the end of 2020
- Costs are expected to normalize as production return to normal levels
- Technology driven initiatives are expected to reduce costs further moving forward

# Thank You

# Notes

# Notes