

PT Delta Dunia Makmur Tbk

3rd Quarter 2019 Results

October 2019





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Company overview

Key investment highlights

Financial overview

Appendix





- 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, Kideco, Geo Energy, and others.
- By end of 2018, BUMA is second largest independent contractor working with 8 (eight) different customers on 11 (eleven) mining sites located entirely in Kalimantan with c.15% market share.
- Supported by around 14,200 employees¹ and over 2,900 units² of high quality mining machinery and equipment.

Notes:

1. Number of employees as of September 30, 2019
2. Number of equipment as of September 30, 2019





Business overview

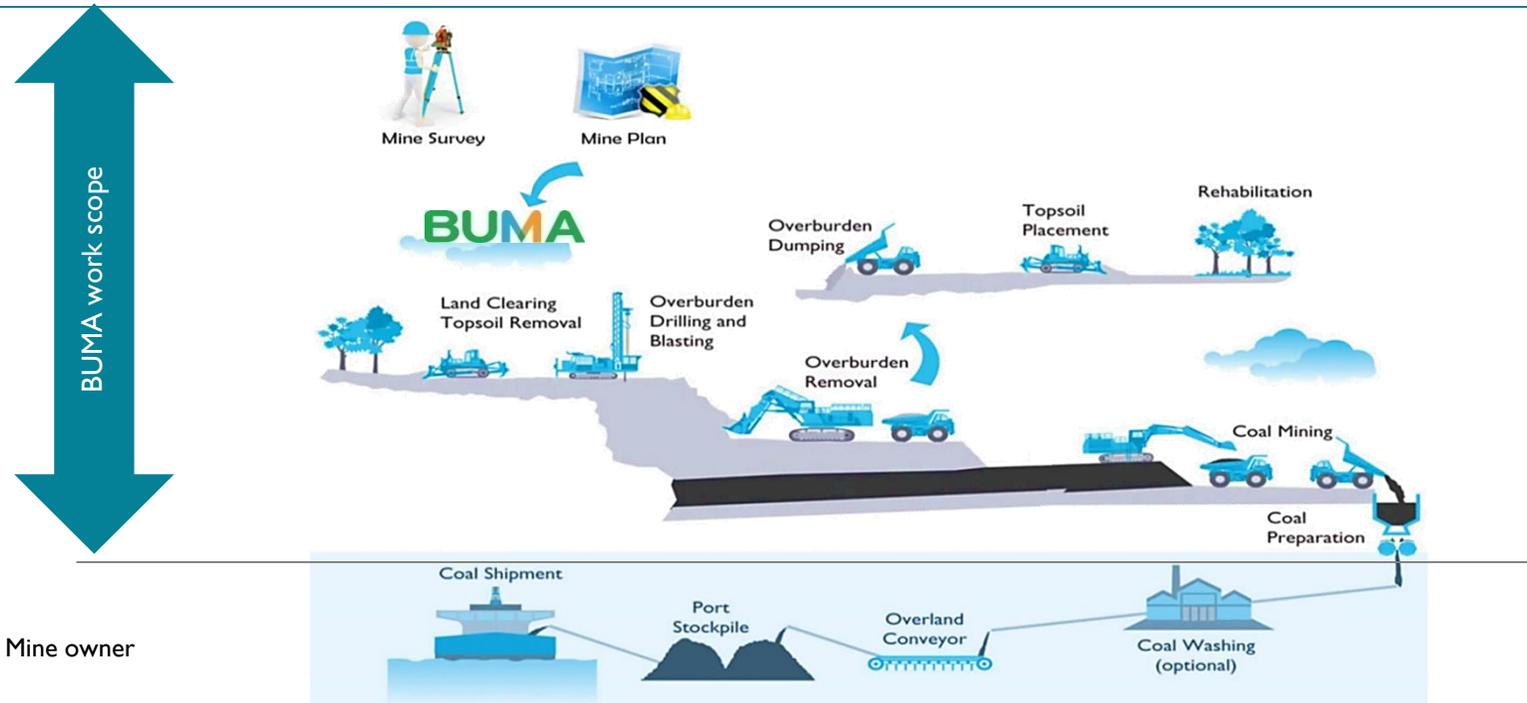
Business overview

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

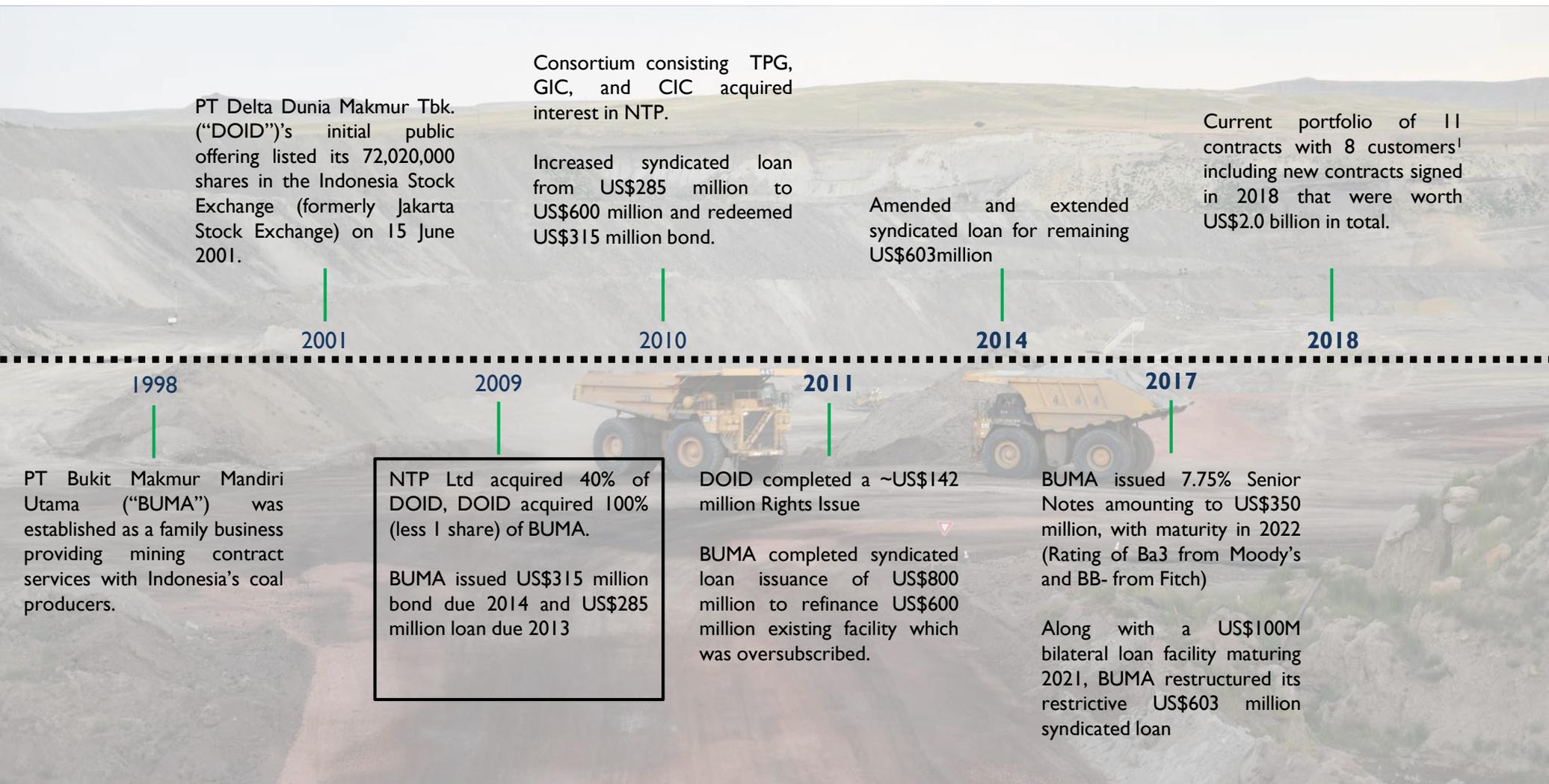
BUMA work scope covers the full mining production spectrum¹



BUMA allows mining companies to efficiently manage capital by focusing on asset development and reducing capital investment on fixed assets

¹ Mining is carried out by mine owner with BUMA people/equipment under equipment rental arrangements



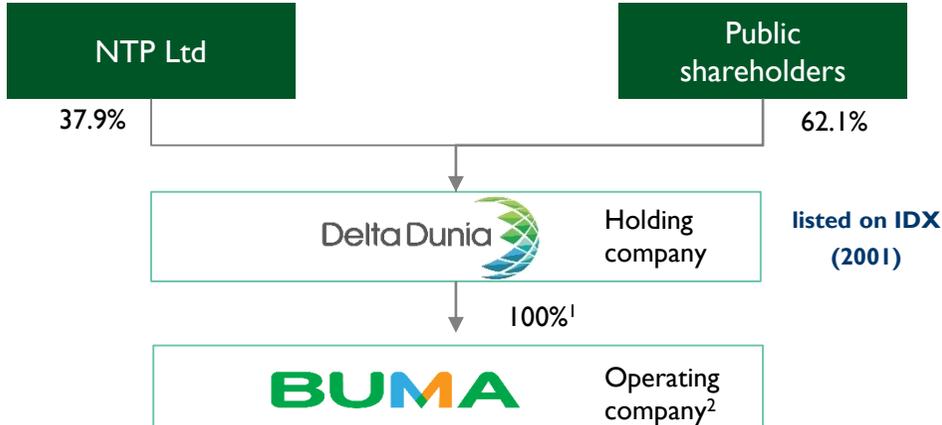


Notes:
1. Including 2018 new contracts





Ownership structure



Financial metrics (US\$M)

Financial year	2012	2013	2014	2015	2016	2017	2018	9M19
OB Removal (mbcm)	348.1	297.0	275.7	272.5	299.8	340.2	392.5	301.1
Revenue	843	695	607	566	611	765	892	690
Revenue ex. fuel	740	635	583	551	584	727	822	644
EBITDA	238	188	186	186	217	281	298	197
% margin ³	32.1%	29.7%	32.0%	33.8%	37.1%	38.6%	36.2%	30.6%
Net debt	885	674	633	568	497	488	602	615
Net Debt to EBITDA	3.7x	3.6x	3.4x	3.0x	2.3x	1.7x	2.0x	2.2x

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 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

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
- ▶ Over 2,900 high quality equipment from Komatsu, Caterpillar and Scania
- ▶ Around 14,200 employees





Management team

Delta Dunia senior management



Hagianto Kumala, President Director 32+ years

- Has served as President Director of Delta Dunia since 2009
- Previously held various senior roles in Astra Group, including UNTR



Rani Sofjan, Director 24+ years

- Has served as Director of Delta Dunia since 2009
- Also serves as an Executive Director of PT Northstar Pacific Capital



Eddy Porwanto, Finance Director 25+ years

- Serves as Delta Dunia as Director and BUMA Commissioner since 2014
- Previously a Director at Archipelago Resources and Garuda Indonesia

BUMA senior management



Ronald Sutardja, President Director 25+ years

- Appointed VP Director in June 2012, President Director in March 2014
- Previously a Director at PT Trikomsel Oke Tbk

Una Lindasari, Finance Director 30+ years

- Appointed as Director in August 2014
- Previously CFO of Noble Group from 2008

Sorimuda Pulungan, Operations Director 19+ years

- Appointed as Director in January 2012
- Experienced in mining industry (gold/nickel/coal)

Jason Thompson, Business Development Director 26+ years

- Appointed as Director in August 2014
- Previously held various positions in surface mining operations

Indra Kanoena, Plant Director / HR & GA 20+ years

- Appointed as Director in January 2013
- Previously held various senior positions in Human Resources areas

Aloysius Eko Prihadi, Director of HSE 30+ years

- Appointed Director in November 2018
- Experienced in Health, Safety and Environment (HSE) field in mining, oil & gas industry

Iwan Salim, Business Unit Director 23+ years

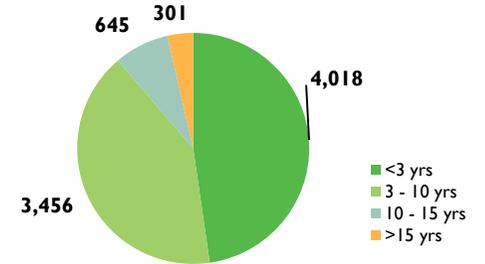
- Appointed Director in May 2019
- Previously a Regional Manager Asia and Middle East in Shell Global Engineering

Experienced BUMA operational team ¹⁾

General manager overview

- 22 people
- 18 years average industry experience
- 6 years average tenure with BUMA

Years of service

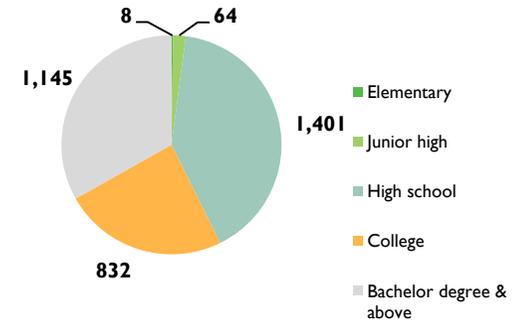


Skilled workers: 8,421 employees

Manager overview

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

Employees education



Leadership positions: 3,450 employees

¹⁾ Data as per September 30, 2019

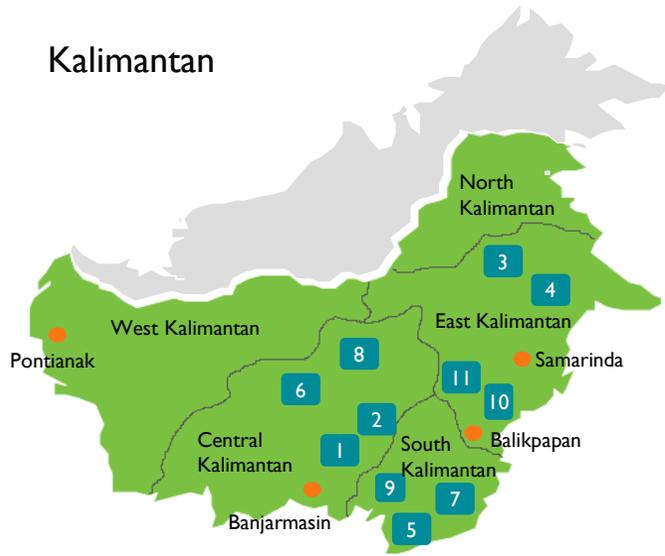
Management's vision and experienced BUMA operational team is key to the resilient performance of the Company





Secured, long-term volume

Kalimantan



No	Customers	Period
1	Adaro (Paringin) ^{1) 3)}	2009-2022 ¹⁾
2	Kideco ³⁾	2004-2019
3	Berau Coal (Lati) ^{1) 3)}	2012-2025 ¹⁾
4	Berau Coal (Binungan) ³⁾	2003-2020
5	Sungai Danau Jaya (SDJ) ¹⁾	2015-2023 ¹⁾
6	Tadjahan Antang Mineral (TAM) ¹⁾	2015-2024 ¹⁾
7	Angsana Jaya Energi (AJE)	2016-2020
8	Pada Idi (PDI)	2017-2027 ¹⁾
9	Tanah Bumbu Resources (TBR) ¹⁾	2018-2024 ¹⁾
10	Insani Baraperkasa (IBP) ³⁾	2018-2025
11	Indonesia Pratama (IPR)	2018-2025

BUMA is deeply entrenched with its customers

berau coal



19 years



15 years



13 years



3 years



2 years

Years of relationship



1 year

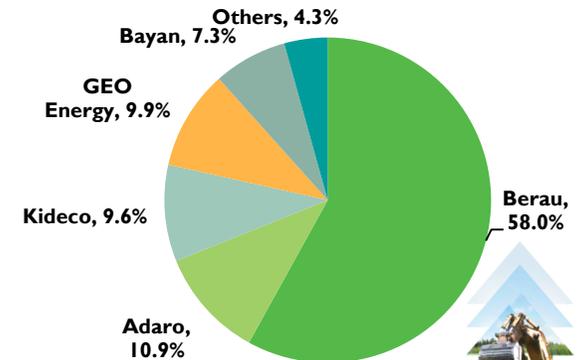


1 year



1 year

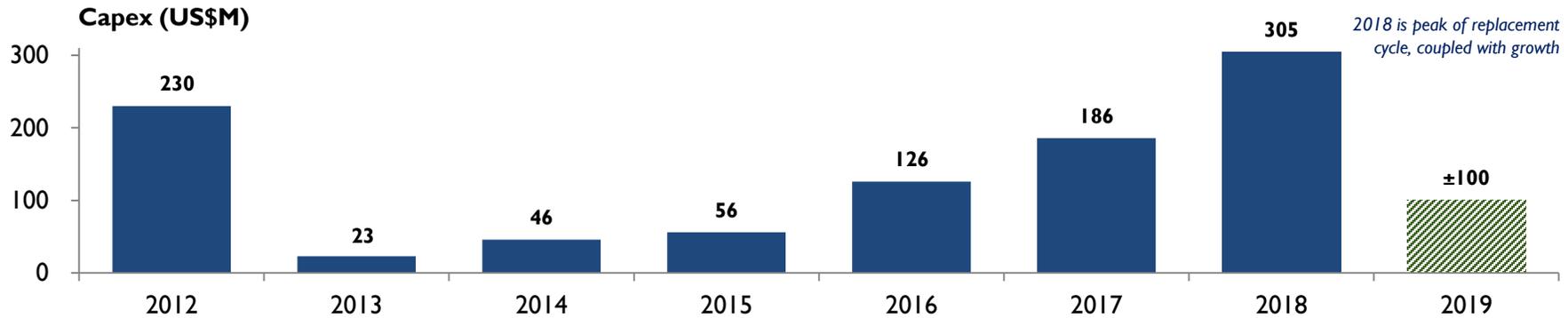
Contribution to BUMA volume (%) ²⁾



1) Life of mine contract
 2) Based on 9M 2019
 3) CCoW licensed



Capex strategy



Fleet type	Strategic partner	Strategy	Investment strategy with supply partners
Large fleet ¹	N/A	<ul style="list-style-type: none"> Loader > 300 ton; Hauler > 150 ton 	<p>Investment strategy with supply partners</p> <ul style="list-style-type: none"> 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 <p>Partnership benefits with supply partners</p> <ul style="list-style-type: none"> Guaranteed or cost cap for equipment lifecycle cost Guaranteed second life at lower price Secured leasing facility for new equipment
Medium fleet ²		<ul style="list-style-type: none"> Medium: Loader > 100 ton; Hauler > 60ton 	
Support equipment ³	 	<ul style="list-style-type: none"> Excavator > 20 ton Continue to invest to service contracts on hand 	



Company overview



Key investment highlights

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Appendix



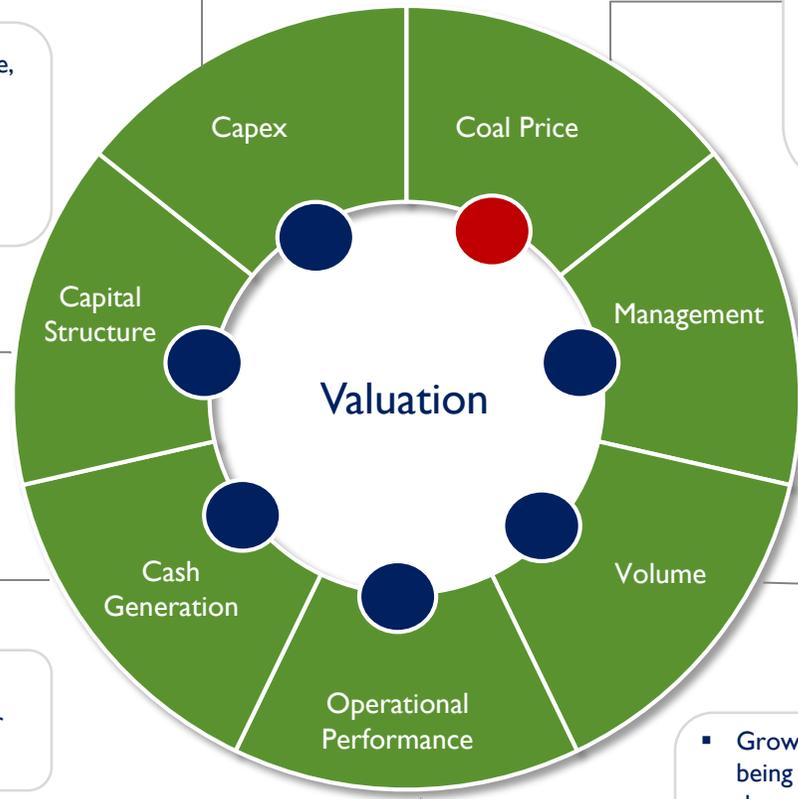


Key investment highlights

- Replacement cycle has reached peak in 2018
- Capex will start to lower in 2019. Expecting low capex in the next few years.

- Healthy sufficient level with sustainable structure, allowing room in the balance sheet to support further growth
- As of Sep 2019, net debt to EBITDA remained healthy at 2.2x

- Expected positive cash flow generation from growing EBITDA and capex slow down as major replacement cycle has ended in 2018



- China imported 25.1MT coal in September, up by 22%yoy or dropped by 6.8%mom. 9M19 total imports for both coking and thermal was 250MT or up by 9%yoy. FY2018, China imported total of 281MT. (Source: Hellenic shipping news, energy world)
- US and China trade war have eased with negotiation to start in phases. NEWC has gone steady at around the \$65 level.

- Solid, experienced management team from various relevant background, with long-term tenure at the Company

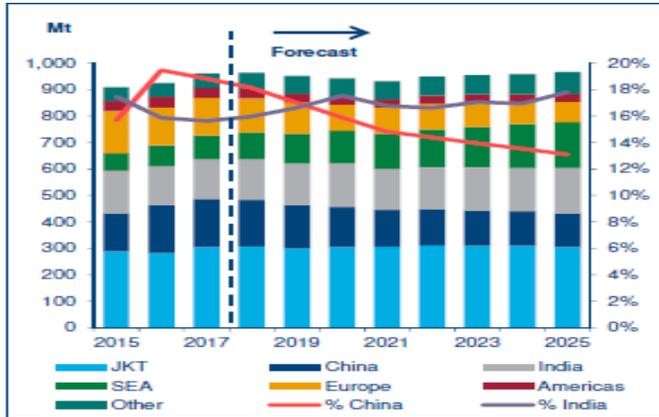
- Secured, long-term contracts

- Growing volume with better efficiency level being key to profitability and sustainability in the uncertainty of coal price outlook
- Weather has been supportive but volume was hampered due to a continuation of temporary slow down production from customers



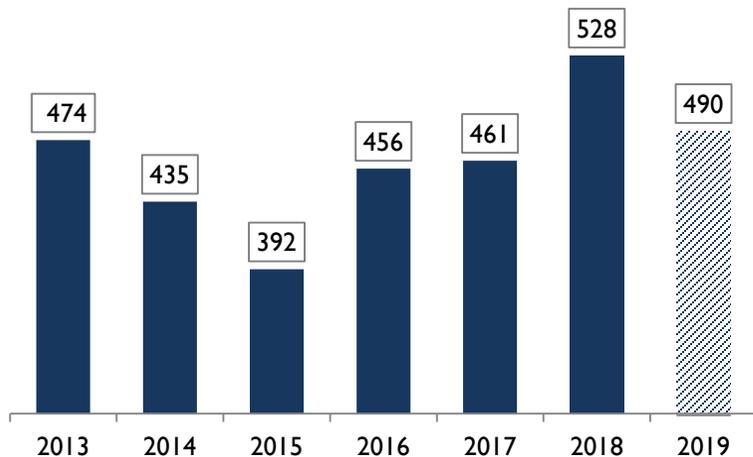


Global seaborne thermal coal import demand



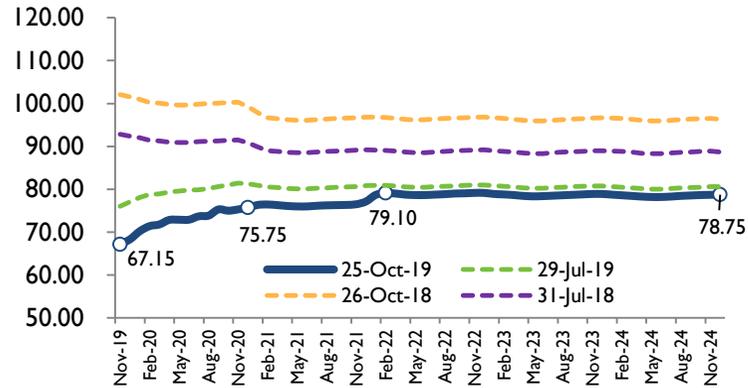
Source: Wood Mackenzie

Indonesia Coal Production (MT)



Source: MEMR Website

Coal futures



Source: www.barchart.com ICE Newcastle futures

Coal price trend



Source: Platts' FOB Newcastle 6,300 GAR

Coal price

- Market is in a *wait and see* period on the sustainability of coal price as it went below expectation of US\$80, recently reaching as low as US\$55; but now back up to the \$60 level.
- China's supply control remains key factor to sustain global coal price especially in 4th Quarter of the year
- Demand for coal will still exist in the long term, but China's proportion to overall demand might slightly decline overtime
- US-China trade war uncertainties has caused many Chinese factories to close and GDP 2Q19 fell to record low of 6.2%, impacting coal demand.

DMO Price Cap

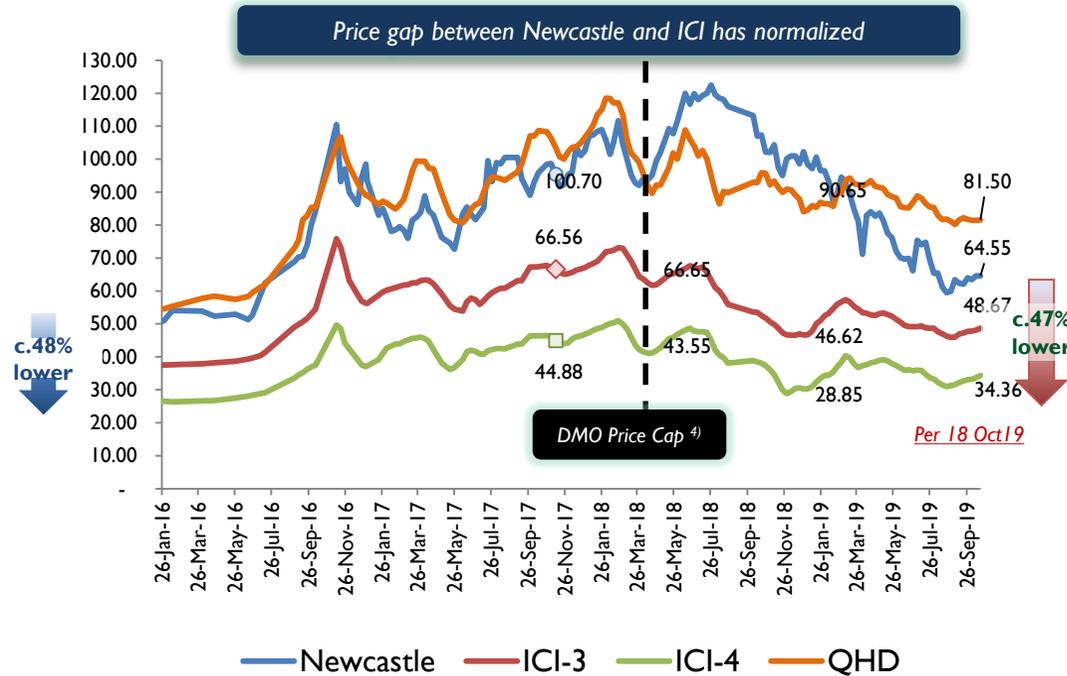
- DMO selling price intended for domestic power plant of US\$70 or HBA whichever is lower is applied until end of 2019
- Coal production target was reduced for miners who did not fulfill DMO



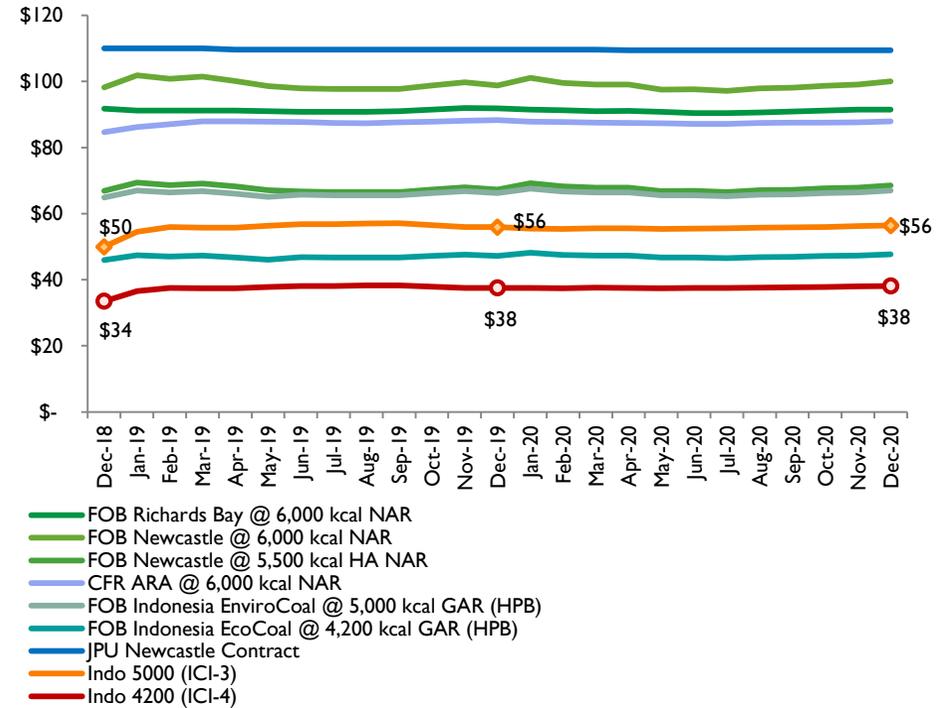


Coal price dynamics – cont'd

Newcastle, QHD vs. ICI (US\$/t) ³⁾



Key thermal coal price forecast (US\$/t) ⁵⁾



- ▶ Latest indexes position showing Newcastle to be more volatile vs. ICI 3 and ICI 4 indexes, which represents Indonesia coal quality
- ▶ Newcastle price was down as low as \$55 due to the US-China trade war prolonged effect, but has recovered back to around \$65. ICI has become relatively more stable than Newcastle. ICI has been supported by Government in maintaining FY2019 target at 490MT.
- ▶ The coal price outlook is still uncertain due to the bearish economy outlook in China. China GDP is expected to grow below 6%.

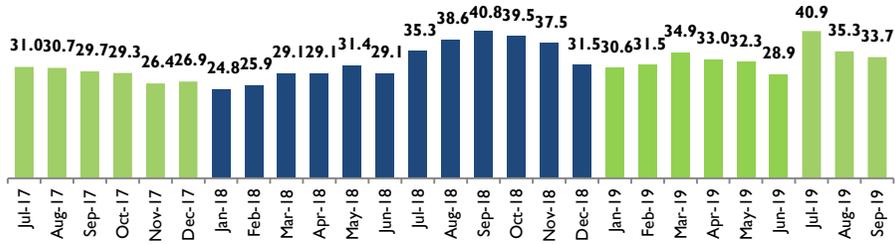
Notes

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 18 October 2019
4. Regulation stating price cap on coal for domestic consumption went effective as of 9 March 2018.
5. Source: Wood Mackenzie

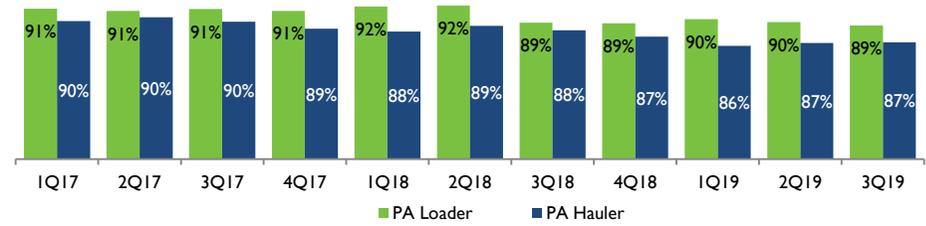




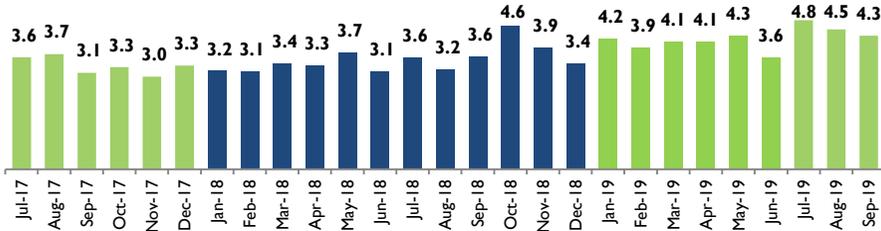
Overburden Removal (MBCM)



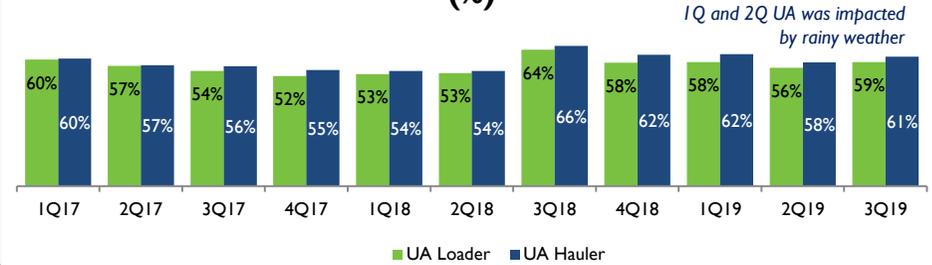
Physical Availability (PA) (%)



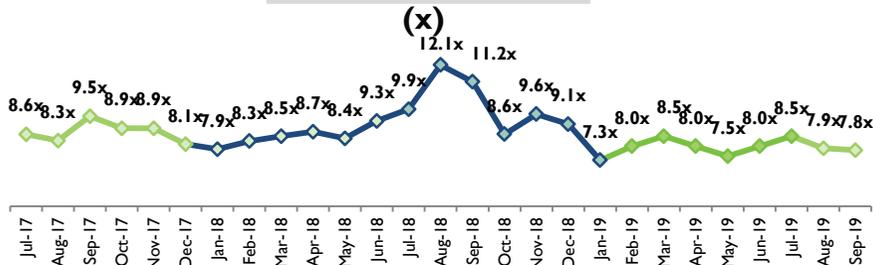
Coal (MT)



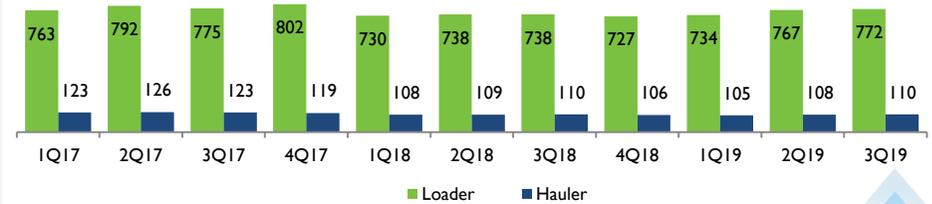
Utilization of Availability (UA) (%)



Implied Strip Ratio (x)



Productivity (bcm/hour)

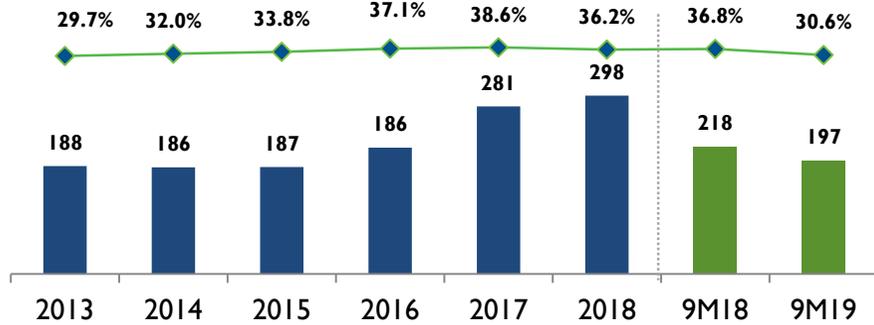




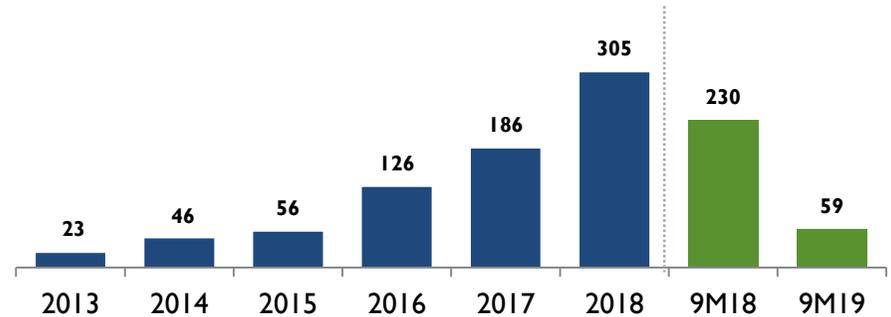
Cash generation

Liquidity management – EBITDA improvement and strict capex monitoring

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

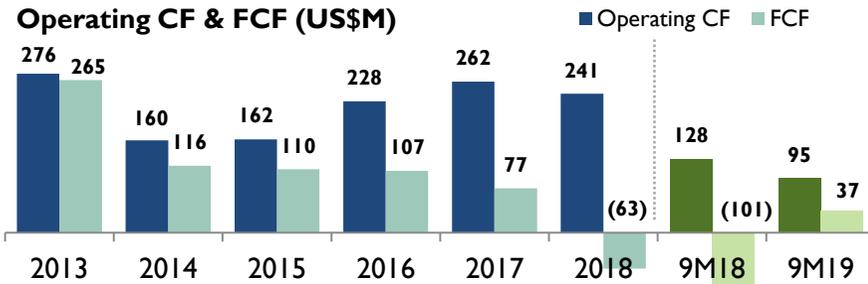


Capex (US\$M)

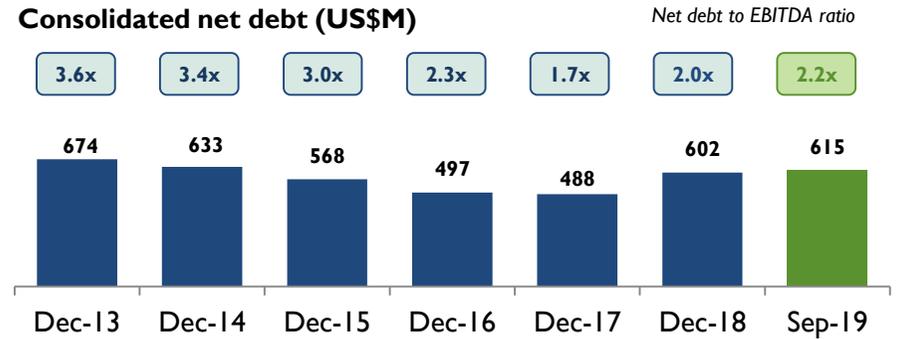


Generating cash flows and deleverage

Operating CF & FCF (US\$M)



Consolidated net debt (US\$M)



EBITDA generation

Liquidity management

Positive FCF generation

Lower capital expenditure leads to positive cashflow





Current Debt Structure

US\$350 million Senior Notes

- Coupon of 7.75% p.a.
- Tenor of 5NC3 – ending 2022
- Settlement at maturity (no amortization)
- Secured by DSRA

US\$100 million MUFG Bilateral Loan Facility

- Originally (i) US\$50m term loan, (ii) US\$50m committed RCF, and (iii) US\$50m uncommitted RCF
- Interest of LIBOR+3% p.a.
- Tenor of 4 years from February 2017
- Straight-line amortization
- On February 2019, a US\$50m uncommitted RCF tranche has been fully repaid and terminated

Various Finance Leases

- Average cost of LIBOR + 4%
- Tenor 4 – 5 years, some extendable to 7 years
- Straight-line installments
- Outstanding at Sept 2019 appx. US\$209m

US\$100 million Syndicated Loan Facility

- US\$66.7m term loan + US\$33.3m RCF
- Tenor of ~3years
- Interest of LIBOR+2% p.a.
- Straight-line amortization on term loan
- Bullet repayment for RCF
- MUFG as Mandated Lead Arranger and Bookrunner

Cash flow and operational flexibility to support future growth

Lower cost of funding to accommodate ongoing growth

Currently healthy debt ratio at net debt to EBITDA 2.2x

Ample headroom in balance sheet to grow

Wide access to capital funding needed for the growth



Company overview

Key investment highlights

 **Financial overview**

Appendix





Financial highlights

Measures	3Q18	2Q19	3Q19	3Q		9M18	9M19	9M	
				QoQ	YoY			YoY	
Overburden Removal (MBCM)	114.6	94.1	110.0	↑ 17%	↓ 4%	284.0	301.1	↑ 6%	
Revenues (US\$ M)	254	221	255	↑ 15%	↑ 1%	638	690	↑ 8%	
EBITDA (US\$ M)	98	57	86	↑ 49%	↓ 13%	218	197	↓ 10%	
EBITDA Margin (%)	41.3%	28.4%	35.0%	<i>n.a</i>	<i>n.a</i>	36.8%	30.6%	<i>n.a</i>	
Net Profit (US\$ M)	32	3	24	↑ 792%	↓ 26%	50	28	↓ 43%	



The Company recorded 8% YoY revenue growth in 9M 2019 vs 9M 2018 due to higher overall volume production with supportive weather and increase in hauling distance.





Key consolidated results – 9M 2019

HIGHLIGHTS OF CONSOLIDATED RESULTS			
<i>(in US\$ mn unless otherwise stated)</i>			
Volume	9M 19	9M 18	YoY
OB Removal (mbcm)	301.1	284.0	6%
Coal (mt)	37.8	30.4	25%
Profitability	9M 19	9M 18	YoY
Revenues	690	638	8%
EBITDA	197	218	-10%
EBITDA Margin	30.6%	36.8%	-6%
Operating Profit	86	120	-29%
Operating Margin	13.3%	20.3%	-7%
Net Profit	28	50	-43%
EPS (in Rp)	46	82	-43%
Cash Flows	9M 19	9M 18	YoY
Capital Expenditure ⁴⁾	59	230	-74%
Operating Cash Flow	95	128	-26%
Free Cash Flow ³⁾	37	(101)	137%
Balance Sheet	Sep-19	Dec-18	Δ
Cash Position ¹⁾	70	103	(32)
Net Debt ²⁾	615	602	13

HIGHLIGHTS OF QUARTERLY RESULTS							
<i>(in US\$ mn unless otherwise stated)</i>							
Volume	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
OB Removal (mbcm)	79.8	89.6	114.6	108.5	97.0	94.1	110.0
Coal (mt)	9.7	10.2	10.4	12.0	12.2	12.0	13.6
Financials	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
Revenues	182	202	254	254	214	221	255
EBITDA	57	64	98	79	54	57	86
EBITDA Margin	34.0%	33.7%	41.3%	34.6%	27.3%	28.4%	35.0%
Operating Profit	26	31	63	44	17	20	49
Operating Margin	15.6%	16.2%	26.8%	19.0%	8.5%	10.0%	20.0%
Net Profit (Loss)	10	8	32	26	1	3	24
Cash	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
Operating cash flows	51	28	49	113	26	47	22
Free cash flows	(22)	(54)	(25)	38	7	24	6

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

Focus remains on operating performance, profitability, and cash flow generation given the uncertainty of coal price





QUARTERLY PROGRESSION											
<i>(in US\$ mn unless otherwise stated)</i>											
Volume	Units	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
OB Removal (mbcm)	mbcm	83.1	91.3	82.6	79.8	89.6	114.6	108.5	97.0	94.1	110.0
Coal (mt)	mt	9.9	10.5	9.6	9.7	10.2	10.4	12.0	12.2	12.0	13.6
Financials	Units	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
Revenues	US\$m	180	198	206	182	202	254	254	214	221	255
EBITDA	US\$m	61	76	74	57	64	98	79	54	57	86
EBITDA Margin	%	35.7%	40.2%	38.2%	34.0%	33.7%	41.3%	34.6%	27.3%	28.4%	35.0%
Net Profit (Loss)	US\$m	(15)	23	15	10	8	32	26	1	3	24
Recurring Profit (Loss)	US\$m	18	25	23	11	12	37	27	1	4	28
Units Financials	Units	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
Cash costs ex fuel per bcm	US\$	1.08	0.98	1.14	1.15	1.15	1.03	1.12	1.20	1.25	1.19
Cash costs ex fuel per bcm/km	US\$	0.40	0.40	0.45	0.43	0.44	0.37	0.40	0.42	0.44	0.42
Operational Metrics	Units	2Q 17	3Q 17	4Q 17	1Q 18	2Q 18	3Q 18	4Q 18	1Q 19	2Q 19	3Q 19
PA – Loader ¹⁾	%	91.1	91.3	91.1	91.7	91.8	89.4	89.3	89.9	89.5	89.1
PA – Hauler ¹⁾	%	90.2	89.6	88.5	88.1	88.9	88.3	87.4	86.1	86.5	86.6
UA – Loader ²⁾	%	56.7	54.3	51.8	52.8	53.2	64.3	58.1	58.4	55.7	58.5
UA – Hauler ²⁾	%	56.9	56.4	54.7	54.3	54.3	66.1	61.9	62.2	58.3	61.0
Productivity – Loader	bcm/hour	803	780	744	730	738	738	772	734	767	772
Productivity – Hauler	bcm/hour	119	118	114	108	109	110	106	105	108	110
Average rain hours ³⁾	hour	69	53	73	82	60	42	65	81	70	27

- ▶ Asset utilization rate and productivity have increased due to supportive weather from 2Q
- ▶ Despite of having lower overall tier rates vs 2Q, EBITDA grew by 49%qoq as a result of higher productivity and better cost management

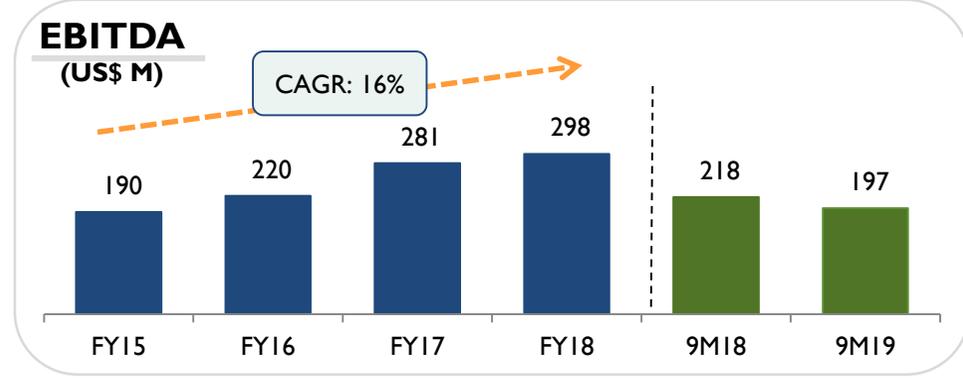
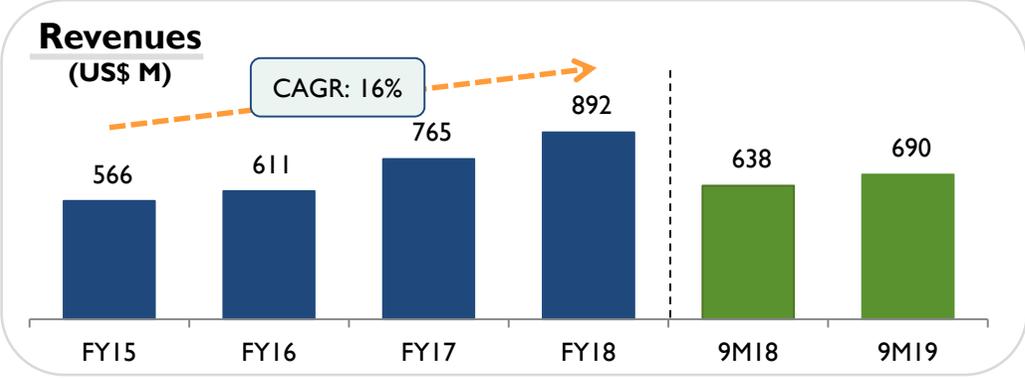
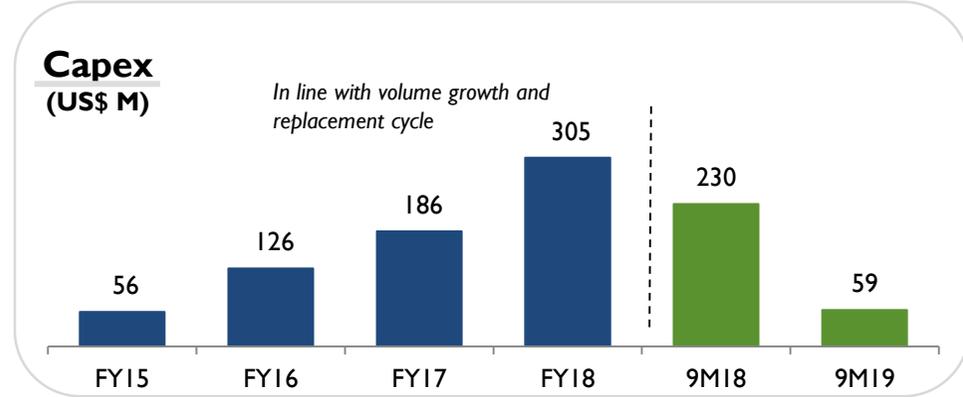
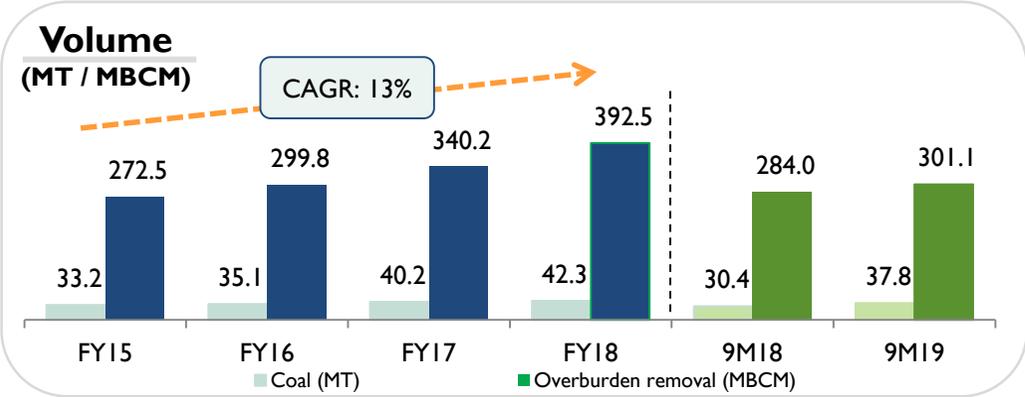
Notes:

- 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





2019 Financial recap



- ▶ OB Volume has been growing at 13% CAGR in the past 4 years and should continue to grow as the company have higher capacity and improve asset utilization
- ▶ Capex has significantly declined as major replacement cycle ended in 2018. Capex is expected to be around \$100mn in the next few years
 - ▶ In the past , Revenue and EBITDA grew at a 16% CAGR supported by sustainable coal price and higher production volumes





	FY19 Target revised	YTD progress
Volume Overburden removal (MBCM)	380 - 420	301.1
Capex (US\$ M)	<100	59
Revenues (US\$ M)	810 - 910	690
EBITDA (US\$ M)	240 - 280	197



Given the lower coal price outlook for the year, we revised our Revenues and EBITDA; Volume and Capex remains the same



Company overview

Key investment highlights

Financial overview



Appendix





Consolidated performance – 9M 2019

Consolidated Statements of Financial Position

<i>In US\$ mn (unless otherwise stated)</i>	Sep-19	Dec-18	YTD
Cash and cash equivalents	50	67	-25%
Other financial assets - current	20	36	-43%
Trade receivables - current	265	222	19%
Other current assets	126	117	8%
Fixed assets - net	607	658	-8%
Other non-current assets	100	85	19%
TOTAL ASSETS	1,168	1,184	-1%
Trade payables	103	129	-20%
LT liabilities - current	110	97	14%
Other current liabilities	46	53	-14%
LT liabilities - non current	567	598	-5%
Other non-current liabilities	50	45	10%
TOTAL LIABILITIES	876	923	-5%
TOTAL EQUITY	292	262	12%

Financial Ratios ¹⁾

	9M19	9M18
Gross margin	19.0%	26.3%
Operating margin	13.3%	20.3%
EBITDA margin	30.6%	36.8%
Pretax margin	6.6%	12.2%
Net margin	4.4%	8.4%

Consolidated Statements of Profit or Loss and OCI

<i>In US\$ mn (unless otherwise stated)</i>	9M19	9M18	YoY
Net revenues	690	638	8%
Revenue excl. fuel	644	594	8%
Cost of revenues	568	482	18%
Gross profit	123	156	-21%
Operating expenses	(37)	(35)	4%
Finance cost	(44)	(40)	11%
Others - net	1	(8)	-117%
Pretax profit	43	73	-41%
Tax expense	15	23	-36%
Profit for the period	28	50	-43%
Other comprehensive income - net	2	(0)	-775%
Comprehensive income	30	50	-39%
EBITDA	197	218	-10%
Basic EPS (in Rp) ³⁾	46	82	-43%

Notes:

1) Margins are based on net revenues excluding fuel

2) Reported Basic EPS translated into Rp using average exchange rate of Rp14,173 and Rp14,047 for 9M19 and 9M18, respectively.





BUMA performance – 9M 2019

Statements of Financial Position

In US\$ mn (unless otherwise stated)	Sep-19	Dec-18	YTD
Cash	29	54	-45%
Restricted cash in bank - current	4	11	-63%
Trade receivables - current	265	222	19%
Due from related party - current	94	95	-2%
Other current assets	126	118	7%
Fixed assets - net	606	657	-8%
Other non-current assets	100	83	21%
TOTAL ASSETS	1,224	1,240	-1%
Trade payables	103	129	-20%
LT liabilities - current	110	97	14%
Other current liabilities	46	54	-15%
LT liabilities - non-current	567	598	-5%
Other non-current liabilities	50	45	10%
TOTAL LIABILITIES	876	923	-5%
TOTAL EQUITY	348	316	10%

Financial Ratios ¹⁾

	9M19	9M18
Gross margin	19.0%	26.3%
Operating margin	13.6%	20.6%
EBITDA margin	30.8%	37.2%
Pretax margin	6.8%	12.7%
Net margin	4.6%	8.8%

Statements of Profit or Loss and OCI

In US\$ mn (unless otherwise stated)	9M19	9M18	YoY
Net revenues	690	638	8%
Revenue excl. fuel	644	594	8%
Cost of revenues	568	482	18%
Gross profit	123	156	-21%
Operating expenses	(35)	(33)	4%
Finance cost	(44)	(40)	11%
Others - net	0	(7)	-107%
Pretax profit	44	76	-42%
Tax expense	15	23	-37%
Profit for the period	29	52	-44%
Other comprehensive income - net	2	(0)	-703%
Comprehensive income	31	52	-40%
EBITDA	199	221	-10%

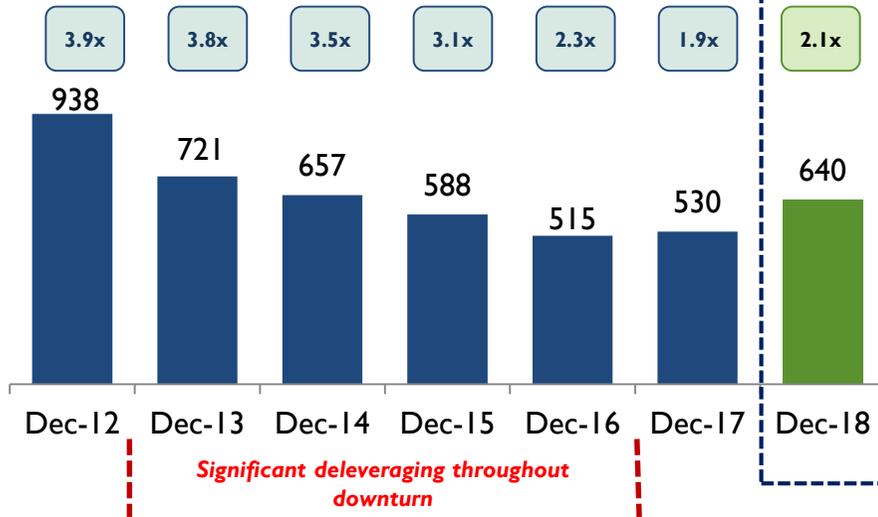
Notes:

1) Margins are based on net revenues excluding fuel.





BUMA net debt (US\$M)



Management actions:

- Early engagement with lenders for funding flexibility
- Discussion to secure bond consent for more flexible secured debt covenant was commenced in Q4 2018
- Discussion to secure additional facility also commenced in late Q3 to early Q4 2018

Bond Consent 2018

- Increase capacity for secured debt by 12.5% of Total Adjusted Assets, subject to applicable incurrence test
- ✓ To increase Company's funding flexibility to finance its capital expenditure and working capital

New Facility 2019 (MUFG)

- Raised a total of US\$150 million facility intended to be a standby facility
 - ✓ US\$100 million term loan + US\$50 million revolving
 - ✓ LIIBOR + 200 bps → lowest cost of funding for BUMA
- First round of drawdown was used to repay existing revolving facility which costs higher
 - ✓ US\$50 million uncommitted revolving facility was fully repaid and terminated

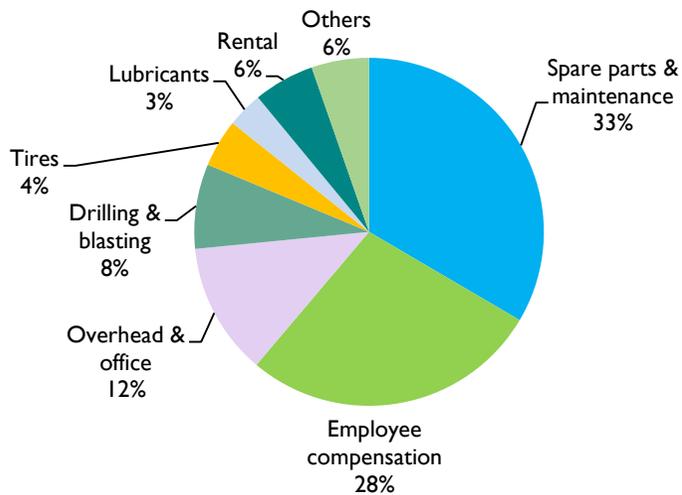
Prudent debt management

- Proactive debt management led to multiple timely restructuring / re-profiling of its debt throughout BUMA's history
- Restructuring / re-profiling were done to achieve more favorable terms in accordance to Company's needs at each respective time (i.e. tenor, amortization, covenants, pricing etc.)
- No history of discounting outstanding debt throughout all negotiations with creditors
- During coal industry downturn, conducted significant voluntary deleveraging to achieve healthier debt level through prudent liquidity management





BUMA's cash cost ex fuel (9M19)



Key cost reduction initiatives

Spareparts & maintenance	<ul style="list-style-type: none">▶ In-house maintenance instead of outsourced to suppliers▶ Extended component life through condition-based monitoring
Employee compensation	<ul style="list-style-type: none">▶ Right size employee headcounts▶ Equipment optimization that leads to reduced employee costs
Drilling & blasting	<ul style="list-style-type: none">▶ Optimize drilling & blasting process to reduce explosives usage and deliver quality blasting
Tires	<ul style="list-style-type: none">▶ Deliver efficient and consistent tire monitoring process

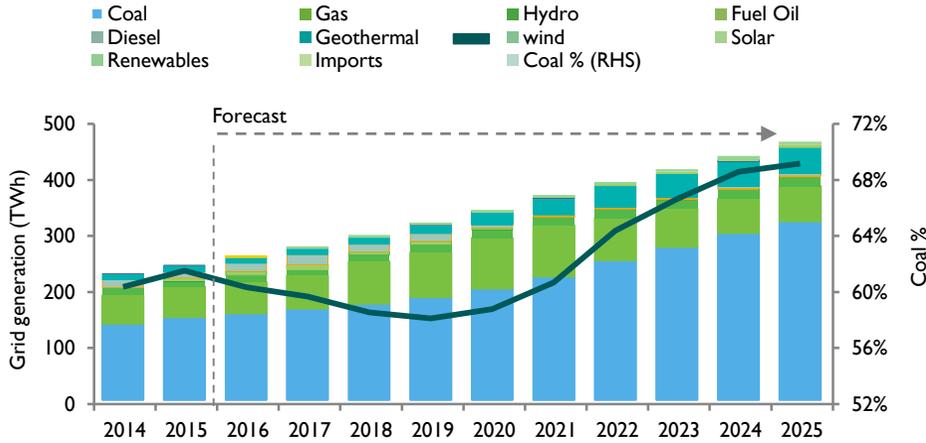




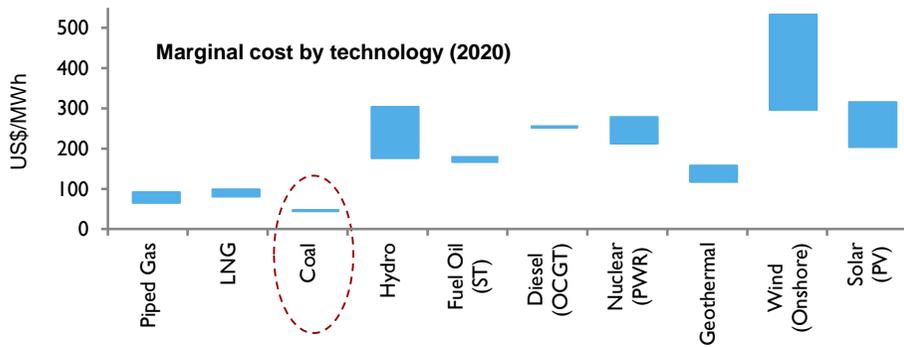
Indonesian coal market

Domestic

Coal will continue to dominate Indonesia's fuel mix demand



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

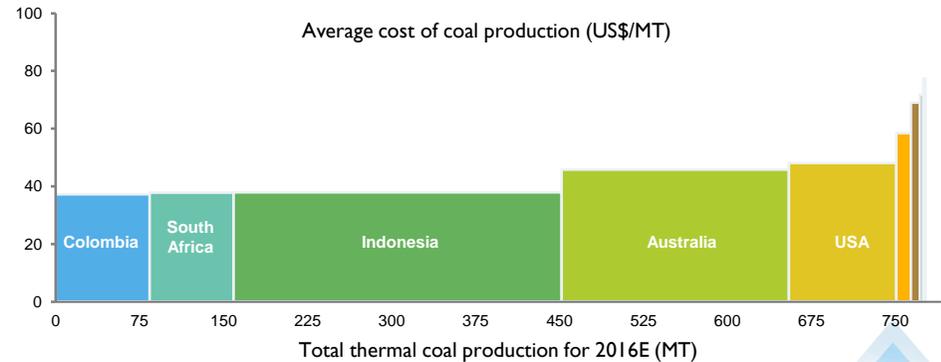


Foreign

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



Thank You



