

PRESS RELEASE

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Delta Dunia Group Drives Net Profit of USD 36 million for FY2023; 26% increase from previous year

- *Corporate diversification and transformation strategy successfully yielding results, delivering sustained financial performance that surpassed guidance.*
- *Revenue increased 18% YoY, hitting a record high of USD 1.8 billion for FY2023.*
- *Strong underlying performance with EBITDA at USD 412 million for FY2023, a 13% increase YoY.*
- *Strong performance attributed to contract wins, record coal production, proactive cost management strategies and increased diversification to metallurgical coal which now contributes 19% of revenue.*
- *Strong operating cashflow increased 91% YoY to reach USD 376 million in FY2023, resulting in a strong cash position of USD 543 million to support our business and fuel future growth through acquisitions. Concurrently, we've undertaken a strategic initiative to reduce our debt exposure. On March 5th, 2024, we announced a bond tender offer exercise and consent solicitation to all holders of our outstanding 7.75% Senior Notes due in 2025, with the aim of purchasing for cash any and all of the outstanding balance.*
- *Successful refinancing activities at an attractive rate, and significantly deferring the due date of the Group's loans. This is a result of the flawless execution of the Group's strategy to diversify funding sources via first-ever Sharia financing, first ever IDR Bond and capped with a substantial facility from major Indonesian state-owned Banks.*

Jakarta, March 13th, 2024 - PT Delta Dunia Makmur Tbk (Delta Dunia Group), the parent company of PT Bukit Makmur Mandiri Utama (BUMA), BUMA Australia Pty Ltd (BUMA Australia), PT Bukit Teknologi Digital (B-TECH), and PT BISA Ruang Nuswantara (BIRU), reported sustained performance for the full year 2023 (FY2023), surpassing guidelines.

Key Consolidated Financial Highlights:

USD mn, unless stated	4Q23	4Q22	YoY Change	FY23	FY22	YoY Change
Revenue	470	405	16%	1,833	1,554	18%
Finance cost	(22)	(20)	12%	(88)	(70)	26%
EBITDA	111	93	19%	412	365	13%
Operating Profit	45	31	48%	152	131	16%
Net Profit/(Loss)	14	8	78%	36	29	26%

In FY2023, Delta Dunia Group demonstrated record-breaking performances across overburden removal, revenue, and EBITDA, exceeding the Group's guidance for the year. This success was largely driven by a record overburden removal, marking a 14% YoY increase, and production volumes in both Indonesia (up by 10% YoY) and Australia (up by 28% YoY). This was supported by a strong uptake from customer contract wins, including BMA's (BHP and Mitsubishi Alliance) Saraji and Burton mines in Australia.

Cash costs, excluding fuel per bcm, increased by 8%, driven largely by the ramp-up in volumes at BUMA Australia aimed at meeting customer demands. Further, employee costs and the cost of spare-parts – including materials for tires, and drilling & blasting activities – also increased due to inflationary pressures. However, these increases were partially offset by the Group’s continued efforts in driving cost efficiencies through technology and operational-led excellence.

Capital Expenditure (CAPEX) declined by 20% YoY, bringing it to USD 121 million. This reduction was attributed to the successful completion of project ramp-ups in Indonesia, aligning within the 2023 guidance of USD 105 million to USD 145 million. Maintaining strict control over CAPEX remains the Group’s priority.

Corporate Diversification Paying Off

Dian Andyasuri, Director at Delta Dunia Group, emphasized the strategic transformation of the company's product mix in response to global shifts towards a low-carbon economy. “As we are adapting to the declining demand for thermal coal, we're capitalizing on the robust demand for metallurgical coal, which continues to be pivotal for steel production. This intentional transition is a cornerstone of our diversification strategy, already yielding substantial results. Metallurgical coal and infrastructure now represent a significant 19% of our revenue, steering us towards our goal of reducing our reliance on thermal coal to 50% by 2028. Such progress reflects our commitment to sustained performance and strategic growth.”

Successful Capital Management Strategy

In FY2023, Delta Dunia Group significantly strengthened its balance sheet and achieved a 10-year low net debt to EBITDA ratio of 1.65x, a notable decrease from 2.19x in FY2022. The Group also experienced a substantial increase in operating cash flows, reaching USD 376 million, up 91% from the previous year. Additionally, free cash flow rose to USD 233 million. These improvements were driven by a record EBITDA performance, improved working capital management, and a higher tax refund achieved for the Group.

Through its share buyback program, the Group successfully repurchased 1,284,502,100 shares. This significant buyback represents approximately 14.9% of Delta Dunia Group’s outstanding shares as of August 4th, 2023. Furthermore, in FY 2023, the Group purchased USD 34.3 million of its Senior Notes. These strategic financial moves not only reflect the Group’s commitment to enhancing shareholder value but also its prudent management of capital, aligning with its long-term financial strategies.

The diversification of funding sources in FY2023 stood as a testament to the sustained trust from both existing and new financial partners, marking a significant milestone for Delta Dunia Group. Notably, the Group secured comprehensive financing facilities, including (i) a 6-year USD 750 million Syndicated financing facility with PT Bank BNI (Persero) Tbk and PT Bank Mandiri Tbk for refinancing and further growth plans; (ii) the first Shariah financing syndicated facility of USD 60 million from PT Bank Muamalat Tbk; and (iii) the first IDR bonds issuance of IDR 636 billion (USD 41 million), expanding beyond the Group’s existing USD bond facilities. Through the successful diversification of its capital sources, the Group has achieved favorable refinancing for the 2026 debt repayment obligations, which has improved its debt maturity profile.

Dian further added, “Delta Dunia Group has achieved record-low debt levels as a result of our strong financial discipline and the deleveraging of our balance sheet. Coupled with our proactive capital structure strategy, we were able to achieve a strong net cash position, which will ensure that the Group

remains well-placed to weather current market uncertainties and identify opportunities for continued growth. Concurrently, our ESG commitments anchor our efforts in advancing the global shift towards a low-carbon economy. In 2023, our ESG efforts achieved a Sustainalytics score of 32, putting us in the second-highest performer in the global coal sub-industry and among the top 15% in the global oil and gas industry, highlighting our strong commitment to ESG principles. With a dual focus on fiscal responsibility and environmental stewardship, we are dedicated to driving profitability and increasing shareholder value, ensuring Delta Dunia Group's resilience and prosperity in a sustainable future."

About PT Delta Dunia Makmur Tbk (Delta Dunia Group):

Established in 1990, PT Delta Dunia Makmur Tbk (Delta Dunia Group) is a prominent holding company operating in Indonesia and Australia. Our principal subsidiary, PT Bukit Makmur Utama (BUMA), is a leading provider of mining services to some of the largest coal producers in Indonesia and Australia (BUMA Australia Pty Ltd).

In 2023, Delta Dunia Group expanded its portfolio with the addition of two new subsidiaries: PT Bukit Teknologi Digital (B-TECH), offering comprehensive mining technology solutions that empower companies within the mining industry, and PT BISA Ruang Nuswantara (BIRU), a social entity dedicated to education, vocational schools, and fostering a circular economy.

Listed on the Indonesia Stock Exchange (IDX Code: DOID), Delta Dunia Group is headquartered in Jakarta, Indonesia, and is supported by a workforce of over 16,000 employees across Indonesia and Australia.

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