



# PT Delta Dunia Makmur Tbk

First Half 2021 Performance

October 2021



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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, Bayan, Geo Energy, and others.
- BUMA is second largest independent contractor working with 7 (seven) different customers on 10<sup>3</sup> (eleven) mining sites located entirely in Kalimantan with c.15% market share.
- Supported by around 12,495 employees<sup>1</sup> and over 2,800 units<sup>2</sup> of high quality mining machinery and equipment.

Notes:

1. Number of employees as of June 30, 2021
2. Number of equipment as of June 30, 2021
3. Excludes Pada Idi where BUMA has stopped operation

# 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

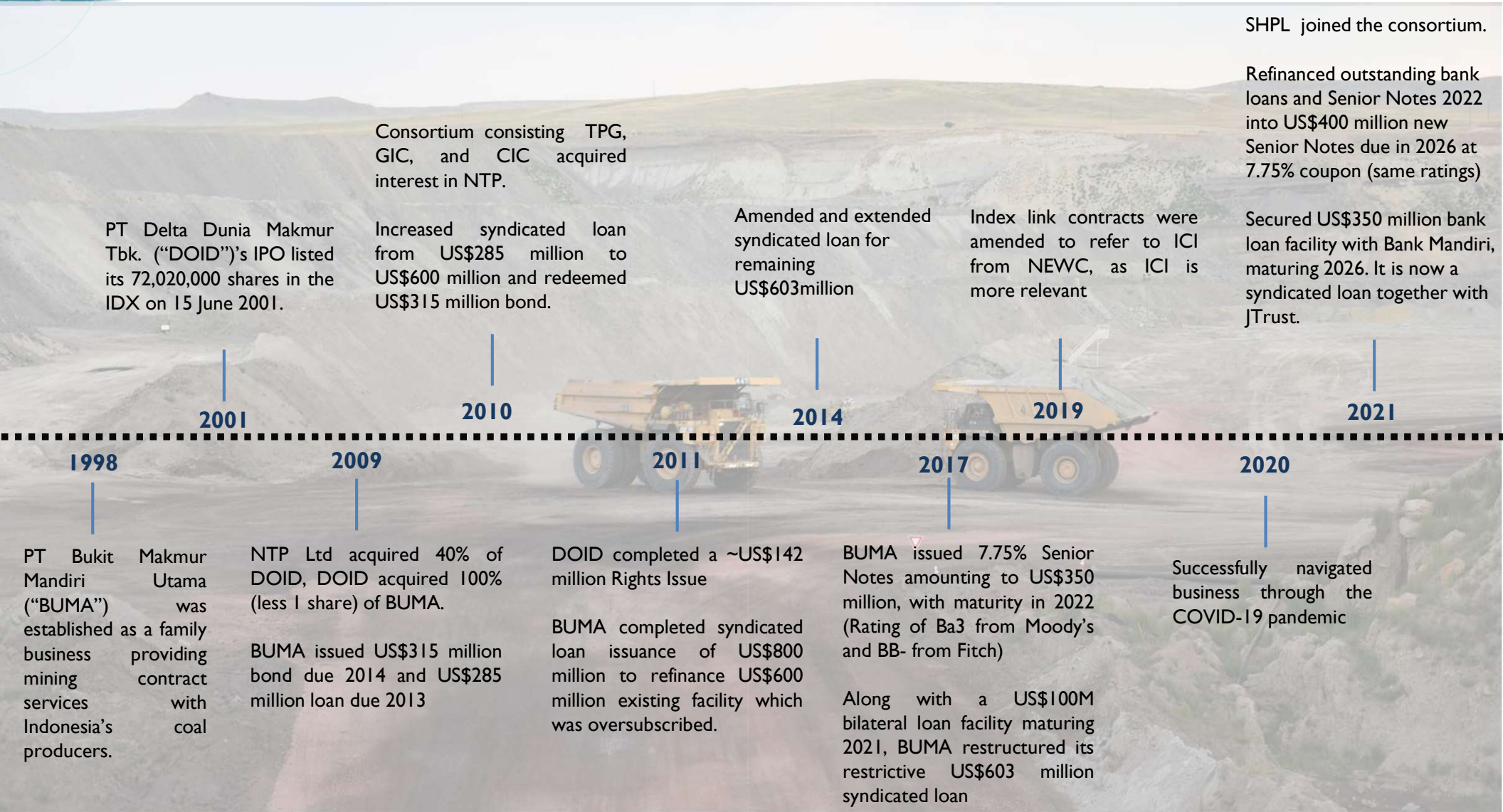
BUMA work scope covers the full mining production spectrum<sup>1</sup>



- ✓ 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: <sup>1</sup> Mining is carried out by mine owner with BUMA personnel/equipment under equipment rental arrangements

# Historical Highlights



**1998**  
PT Bukit Mandiri ("BUMA") was established as a family business providing mining services Indonesia's coal producers.

**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

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.

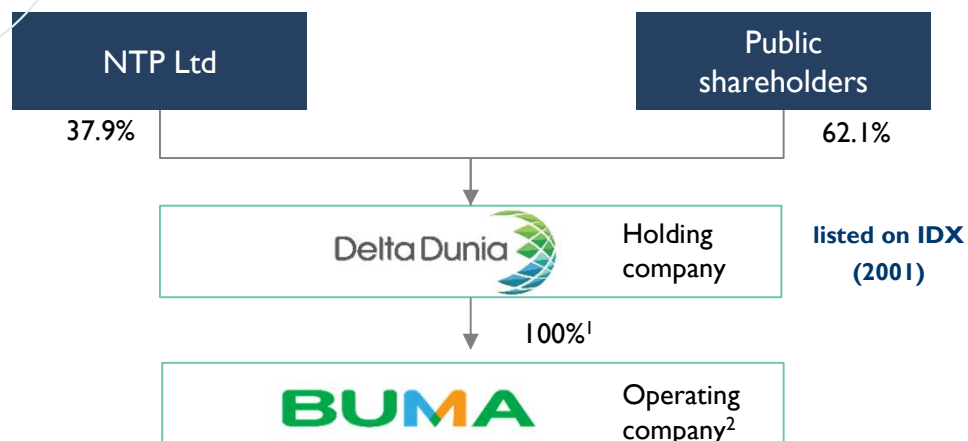
Amended and extended syndicated loan for remaining US\$603million

**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

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

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)  
Secured US\$350 million bank loan facility with Bank Mandiri, maturing 2026. It is now a syndicated loan together with JTrust.

## Ownership structure



## Financial metrics (US\$M)

Financial year	2013	2014	2015	2016	2017	2018	2019	2020	1H21
OB Removal (mbcm)	297.0	275.7	272.5	299.8	340.2	392.5	380.1	281.8	142.0
Revenue	695	607	566	611	765	892	882	602	349
Revenue ex. fuel	635	583	551	584	727	822	824	557	313
EBITDA	188	186	186	217	281	298	236	164	73
% margin <sup>3</sup>	29.7%	32.0%	33.8%	37.1%	38.6%	36.2%	28.6%	29.4%	23.3%
Net debt	674	633	568	497	488	602	577	425 <sup>4</sup>	412
Net Debt to EBITDA	3.6x	3.4x	3.0x	2.3x	1.7x	2.0x	2.4x	2.6x <sup>4</sup>	3.1x

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 30 June 2021 includes capitalized operating leases as a result of new PSAK 73, implemented prospectively effective 1 January 2020.

## PT Delta Dunia Makmur Tbk.

- ▶ Established in 1990, listed in IDX as DOID in 2001.
- ▶ Northstar Tambang Persada Ltd., now consisting of SHPL, 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 2,800 high quality equipment from Komatsu, Caterpillar and Scania
- ▶ Around 12,495 employees

# Management Overview



## Delta Dunia senior management



**Ronald Sutardja, President Director** 33+ years

- Has served as President Director of Delta Dunia since 2021
- Had served in BUMA since 2014, as President Director
- Previously held various senior roles in PT Trikonsel, Northstar Group, etc



**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



**Una Lindasari, Director** 34+ years

- Serves as Delta Dunia Director since 2021
- Had served in BUMA since 2014 as Director
- Previously a CFO in Noble Group Indonesia and financial controller in BP Indonesia

## BUMA senior management

**Sorimuda Pulungan, President Director** 25+ years

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

**Indra Kanoena, Vice President Director** 23+ years

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

**Iwan Salim, Director** 24+ years

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

**Peter Setiawan, Director** 20+ years

- Appointed Director in June 2021
- Experience in Big 4 accounting firms.

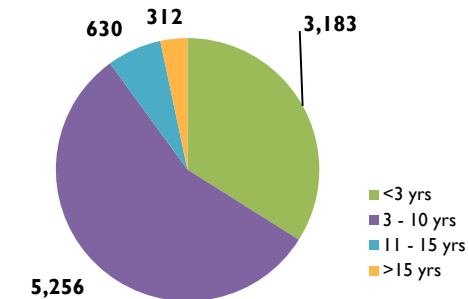


## Experienced BUMA operational team <sup>1)</sup>

### General manager overview

- 18 people
- 18 years average industry experience
- 8 years average tenure with BUMA

### Years of service

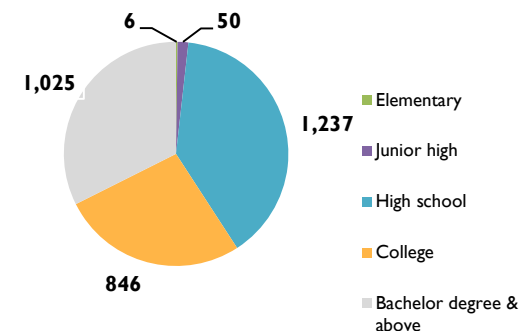


Skilled workers: 9,381 employees

### Manager overview

- 78 people
- 16 years average industry experience
- 9 years average tenure with BUMA

### Employees education



Leadership positions: 3,164 employees

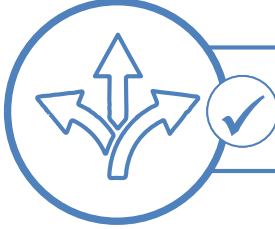
<sup>1)</sup> Data as per June 30, 2021

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



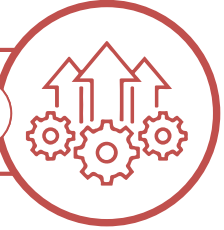


# Our strategy



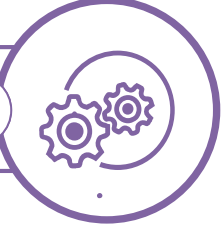
Retain and grow robust customer base with low cost, diversified, secured volume through long term contracts

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

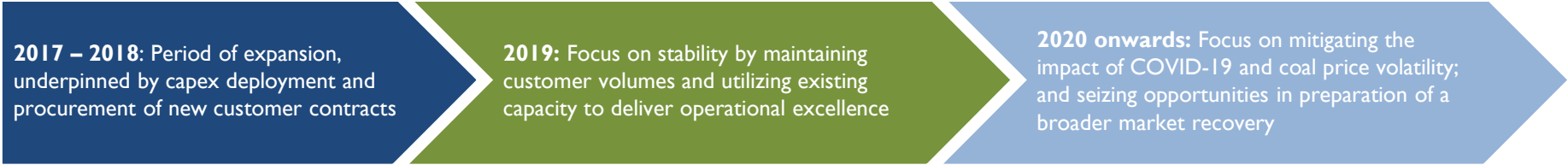


Continue to focus on ESG enhancement initiatives



# Milestones

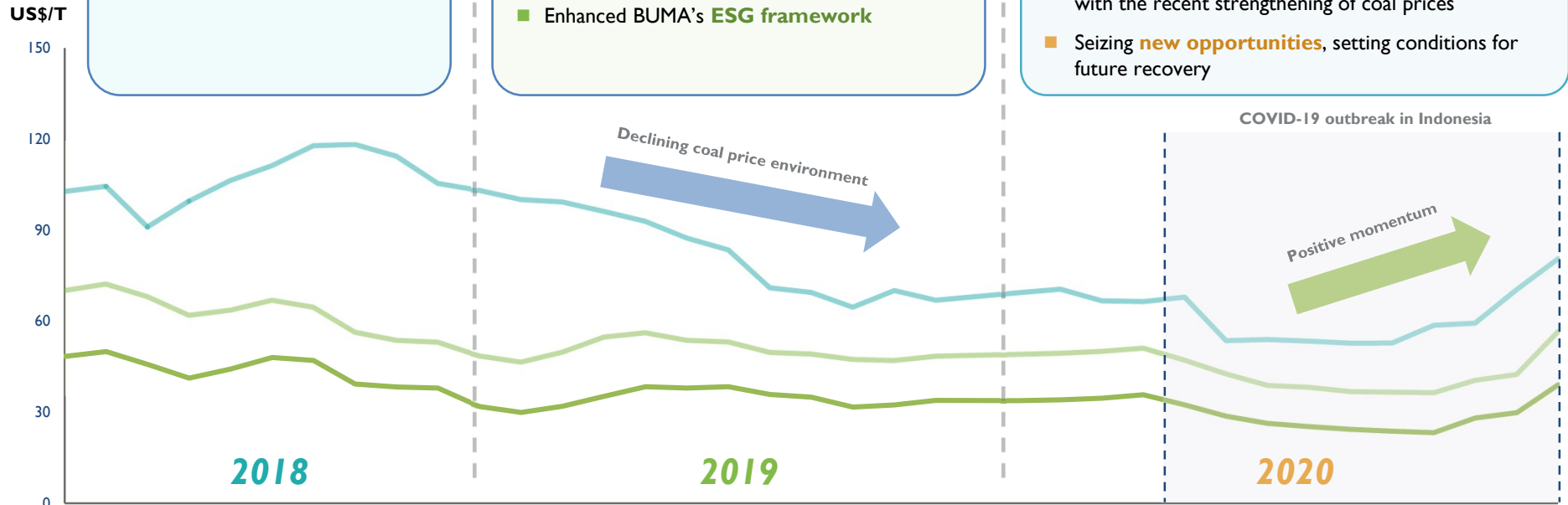
## Successfully transitioned from expansion to stability despite the challenging coal price environment



- 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 through 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

— Newcastle 6,000 K/cal — Indonesian 5,000 K/cal — Indonesian 4,200 K/cal



Company overview

▶ **Key investment highlights**

Financial overview

Appendix

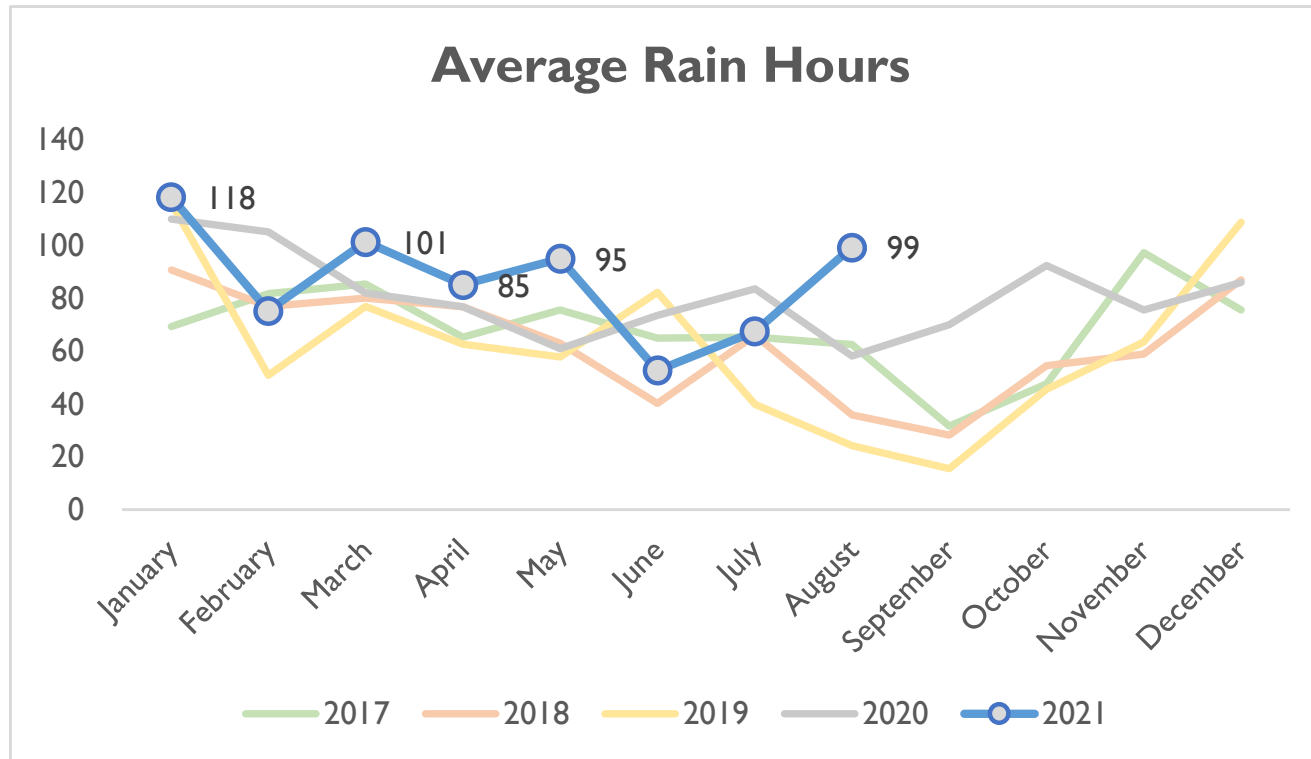


## Recent Highlights

- ▶ **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**
  
- ▶ **IH2I performance were impacted by ramp up costs, operational “catch-up” challenges, extended rainy season and less working days due to Eid holidays**
  
- ▶ **Leveraging market recovery**
  - Strong coal prices bode well for; by September ‘21 price continues to rise with ICI-3 and ICI-4 rose to record high reaching \$132/ tonnes for ICI3 and \$93/tonnes for ICI4, this is an 253% and 271% YoY increase, respectively, vs. September‘20
  - Captured new contracts – signed Bayan expansion and Adaro new contract in IH 2021
  - Expanding beyond coal and Indonesia



## Weather challenges



- ▶ Higher rainfall throughout early months of the year as compared to the same months in previous years
- ▶ This heavier rainfall has continued to 3Q 2021 which is usually a drier season of the year
- ▶ BMKG expects El Nino is neutral but will potentially turn to La Nina towards the end of the year to Jan-22; thus, a continued risk for slower volume ramp-up for the remainder of the year
- ▶ 2021 weather has been an anomaly as seen impacting the whole Indonesia coal production but the Company will continue to address the loss production by optimizing other operational metrics.



# Key Investment Highlights

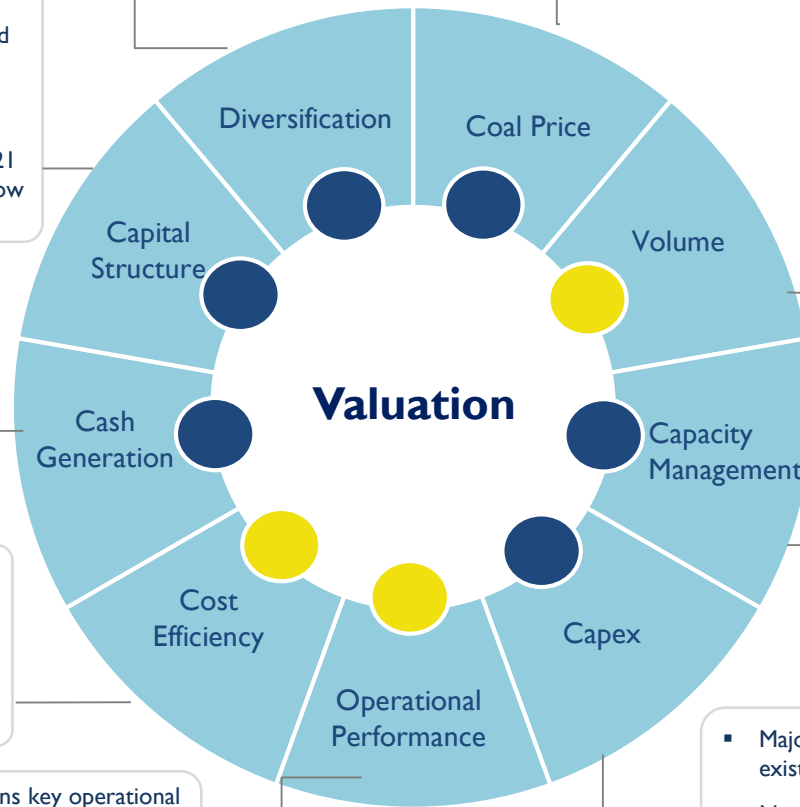
- Actively exploring and pursuing value-accretive diversification opportunities, including but not limited to ones that address customer and business segment concentration.

- Net debt to EBITDA of 3.1x in June 2021
- Completed refinancing exercise in IQ2021 that entailed new US\$400M high-yield bond issuance due 2026, full repayment of MUFG facilities, and full redemption of Senior Notes 2022.
- Completed US\$350M bank loan facility in early July 2021 to support organic and inorganic growth, due 2026. Now a syndication consisting of Bank Mandiri and JTrust.

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

- Innovative cost efficiency measures for sustainable impacts aimed mainly at people and maintenance costs.
- Operational challenges that includes extended rainy season, COVID management, and operational “catch-up” are key focuses in 2021 cost management.

- Optimizing Utilization Asset (UA) rate remains key operational focus.
- Optimum level of UA leads to higher productivity with less amount of equipment, creating domino effect of reduction to various operating costs.
- Expected challenges in the 3Q21 is the weather and 2nd wave of Covid-19.



- India’s coal demand has been firm so far, led by strong demand in power sector. Coal fired generation posted growth of 20% in IH2I and exceeded pre-pandemic level in 2019 by 4%. (Woodmac)
- Newcastle price surpassed US\$170/tonnes. Strong summer demand and slow supply responses led to price increase from China to Europe. (Woodmac)
- 7M2I, China’s import totaled to 132MT . Jul2I import was 30.18MT, the highest since Feb14. QHD is expected to hover around \$140/tonnes for the rest of the year. (Source: Woodmac)
- ESDM warned producers on DMO fulfillment out of concerns for domestic coal demand fulfillment. Export prices are double than the mandated price to PLN. (Woodmac)

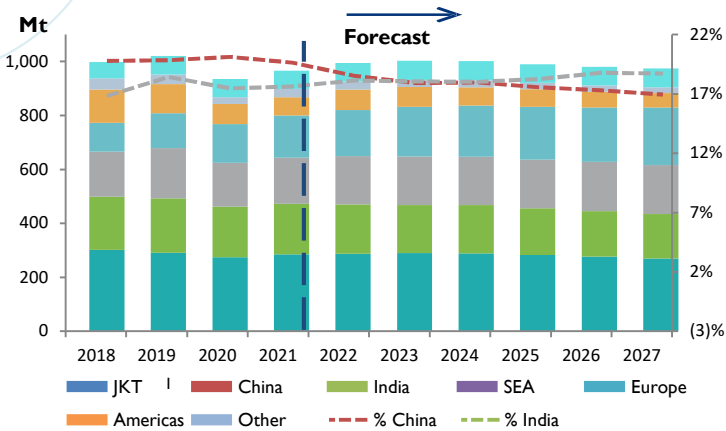
- Established long-term cost competitive contract base, with current orderbook of c.US\$6.7bn with over 2.700 MBCM and over 550MT coal volume.
- Remains actively engaged with existing and potential new customers to secure new volume through long-term contracts. However, will mainly focus on optimizing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

- Optimal capacity management through the right fleet mix and deployment to generate optimal asset utilization and highest productivity.

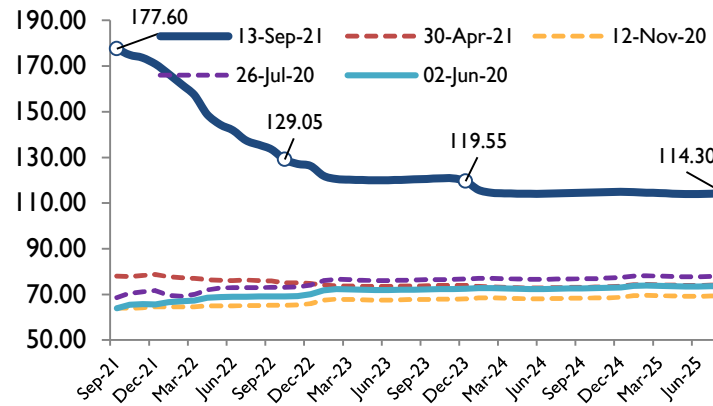
- Major maintenance cycle peaked in 2018 and maintenance capex for existing capacity will be normalized for next few years.
- New contracts with significant incremental volume requires higher spending in 2021.
- Optimizing existing capacity remains key factor for optimal capex spending.

# Coal Price Dynamics

## Global seaborne thermal coal import demand



## Coal futures

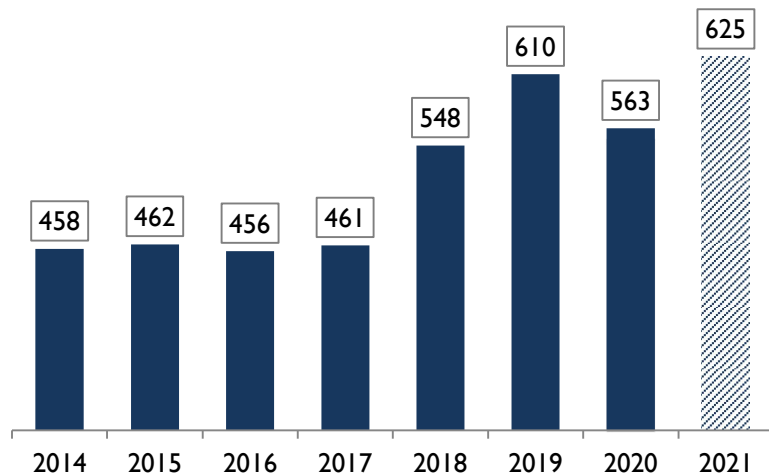


Source: [www.barchart.com](http://www.barchart.com) ICE Newcastle futures

## Coal price

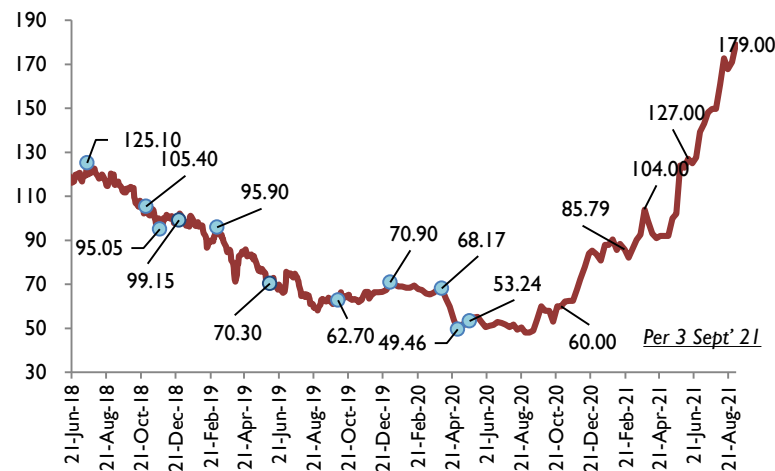
- China's supply control remains key factor to sustain global coal price and its recovery to the overall global economics
- China's domestic coal production is not rising to its originally expected level and are entering the winter restocking at a low base affecting QHD.
- Record breaking price on coal due to supply tightness especially for ICIs. Tightness is seen due to 2nd wave surge of coronavirus and weather challenges.

## Indonesia Coal Production (MT)



Source: MEMR Website

## Coal price trend



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

## Coal demand

- China and India account for 35% and 26%, respectively, of total Indonesia coal export as of January 2021.
- In 2021, China's seaborne coal imports is expected to be at 234MT vs 206MT in 2020, due to slow domestic production and early winter restocking.
- India expects total coal imports of 164MT as the economy recovers from 2nd surge of Covid-19. Recovery is seen with coal fired generation posting 20% growth in 1H 2021.

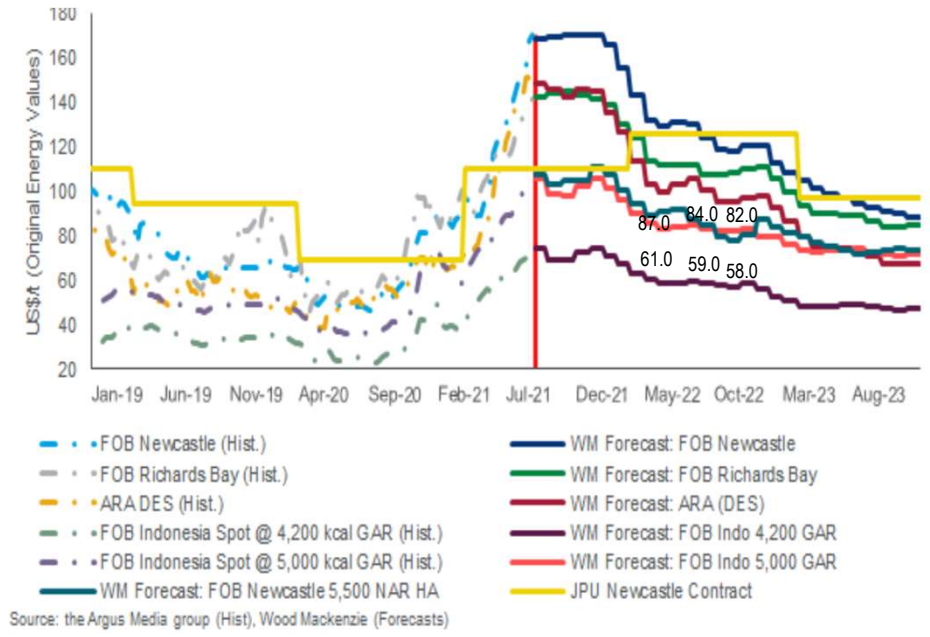
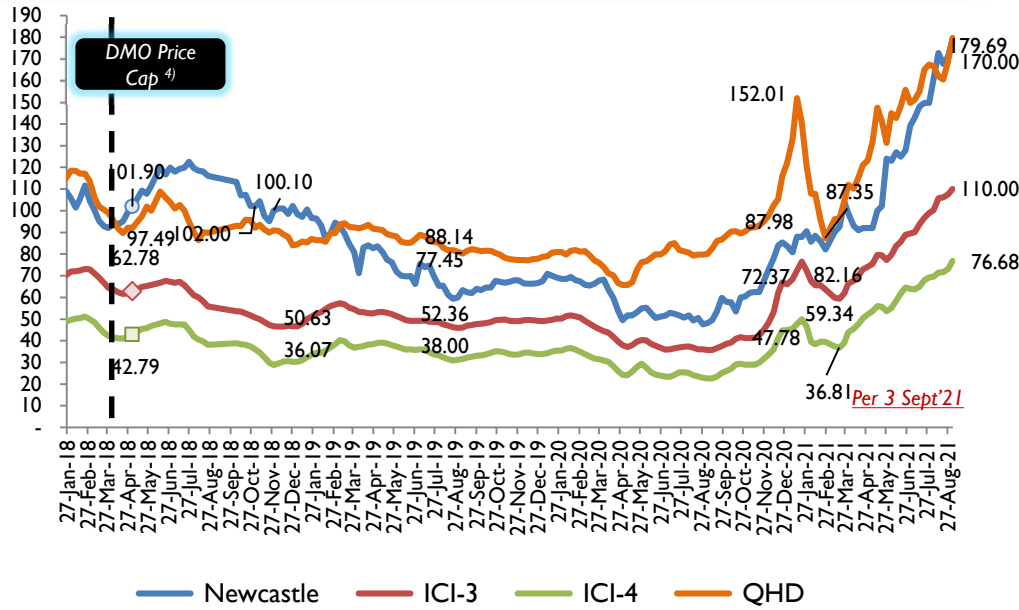


# Coal Price Dynamics – cont'd

## Newcastle, QHD vs. ICI (US\$/t) <sup>3)</sup>

## Key thermal coal price forecast (US\$/t) <sup>5)</sup>

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



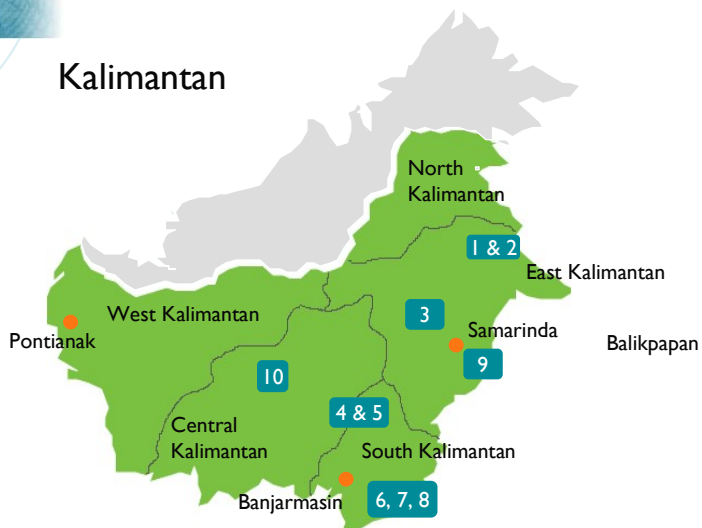
- ▶ Coal price continued to strengthen to record high, NEWC reaching \$170/tonnes. QHD surged to \$179/tonnes in early Sep-21 as China faces slow domestic production due to series of mine incidents in Jul-21. However supply recovery has not caught up to the surge in demand.
- ▶ In early Sep-21, Indonesian domestic coal price continues to strengthen given the limited supply due to Coronavirus and heavy rainfall, strong demand continues with China and India. As vaccination rate improves in India, stronger demand is seen which then led to support in coal sectors too. ICI-3 and ICI-4 rose by over 200% YoY, for both, compared to Sep-21. ICI 3 is at \$110/tonnes and ICI 4 at \$77/tonnes as of early September.

**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 3 September 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

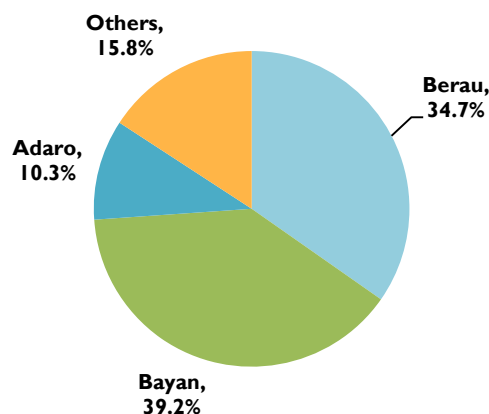


No	Customers	Existing Contract Period
1	Berau Coal (Lati) <sup>2</sup>	2012-2025 <sup>1</sup>
2	Berau Coal (Binungan) <sup>2</sup>	2003-2025 <sup>1</sup>
3	Bayan - Indonesia Pratama (IPR) <sup>5</sup>	2018-2031
4	Adaro (Paringin) <sup>2</sup>	2009-2022 <sup>1</sup>
5	Adaro (Tutupan)	2021-2025
6	Geo -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

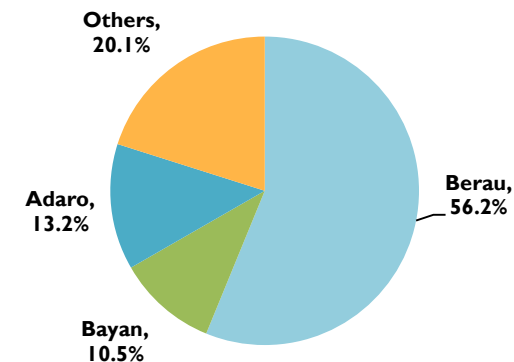
## BUMA is deeply entrenched with its customers



Contribution to BUMA Order book volume (%)



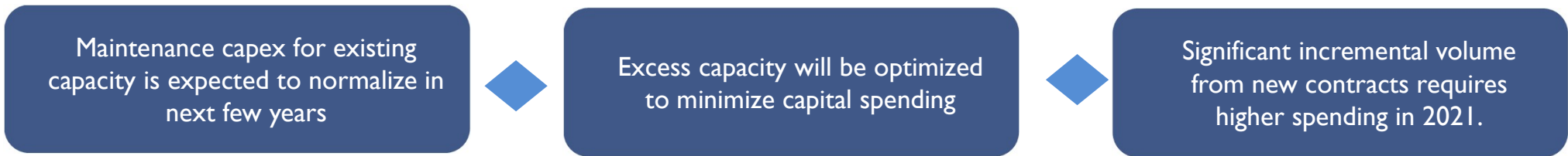
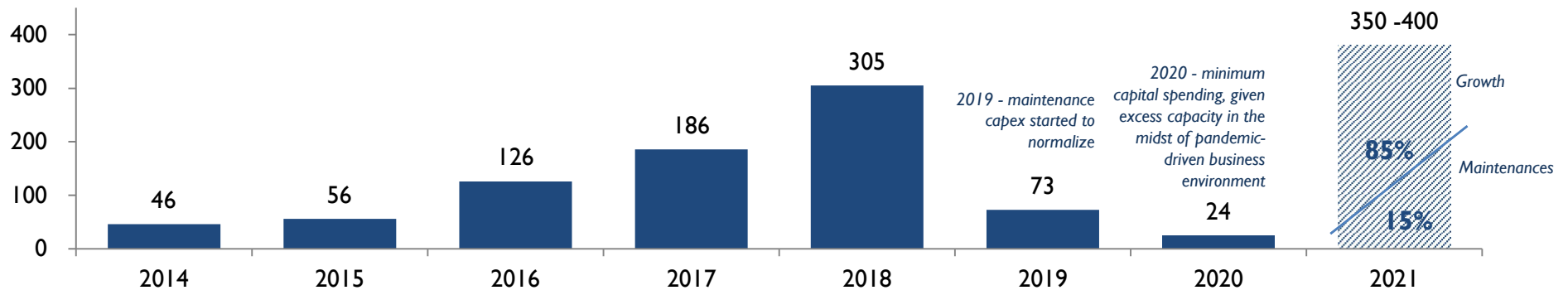
Contribution to BUMA volume IH21 (%) <sup>4</sup>



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

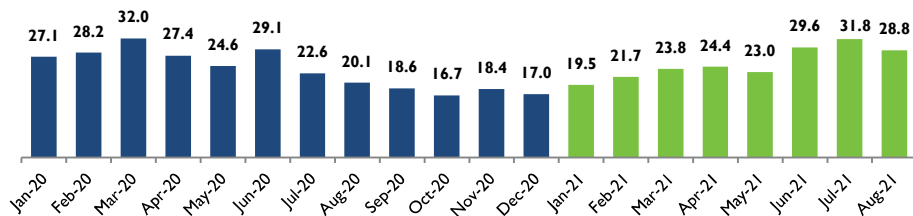
- 2021 – expected spending to account for maintenance capex of existing capacity and volume from new contracts
- We expect to see profitability growth out of these investments in 2022
- Capex is expected to normalize from 2022 onwards, unless there is new significant incremental volume

**Capital Expenditure (US\$M)**

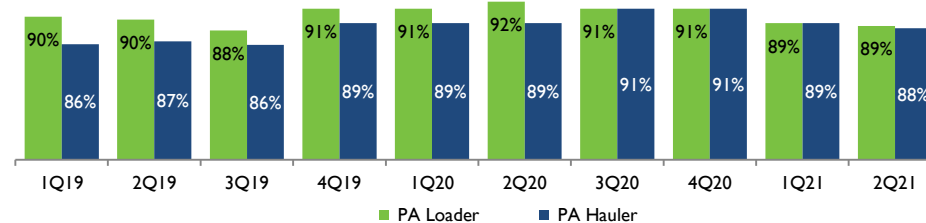


Optimal capital spending and utilization of capacity are keys for highest return in investment and liquidity buffer to sustain uncertainties

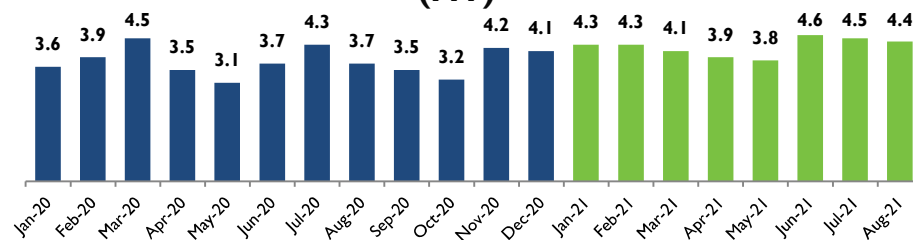
## Overburden Removal (MBCM)



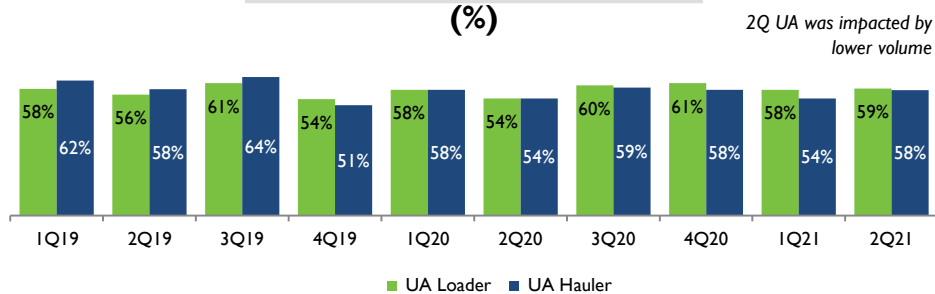
## Physical Availability (PA) (%)



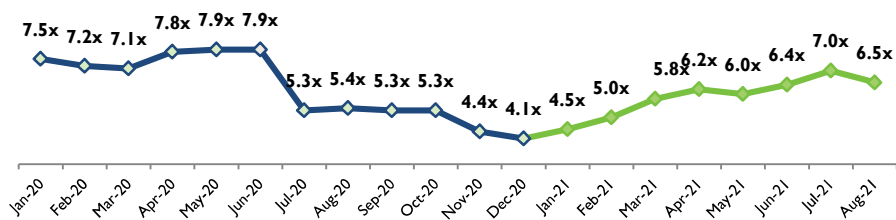
## Coal (MT)



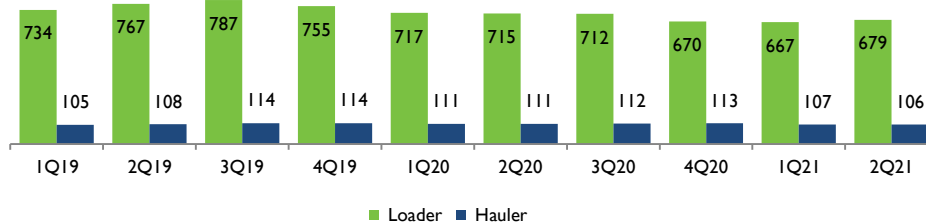
## Utilization of Availability (UA) (%)



## Implied Strip Ratio (x)



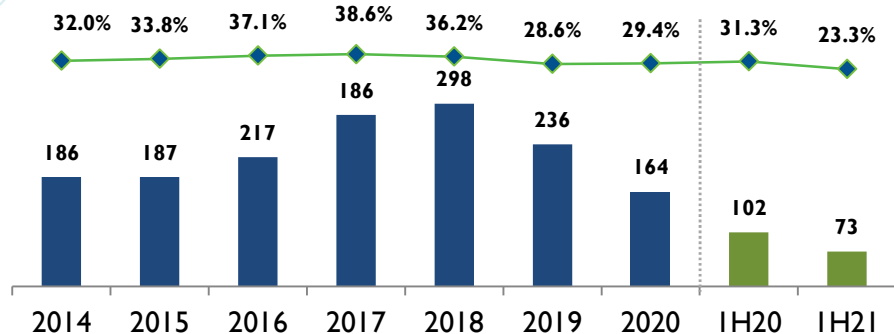
## Productivity (bcm/hour)



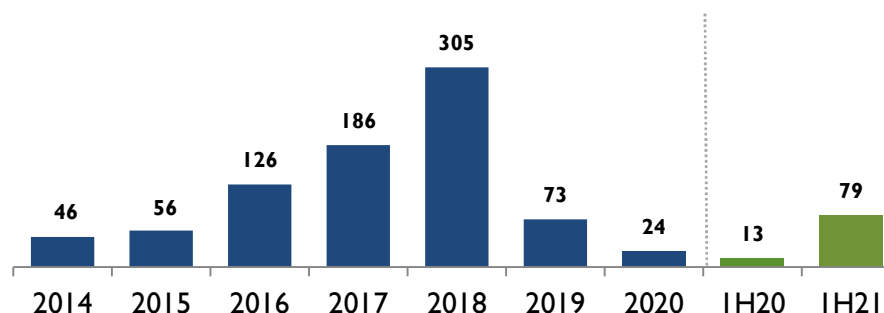
# Cash Generation

## Liquidity management – EBITDA improvement and strict capex monitoring

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

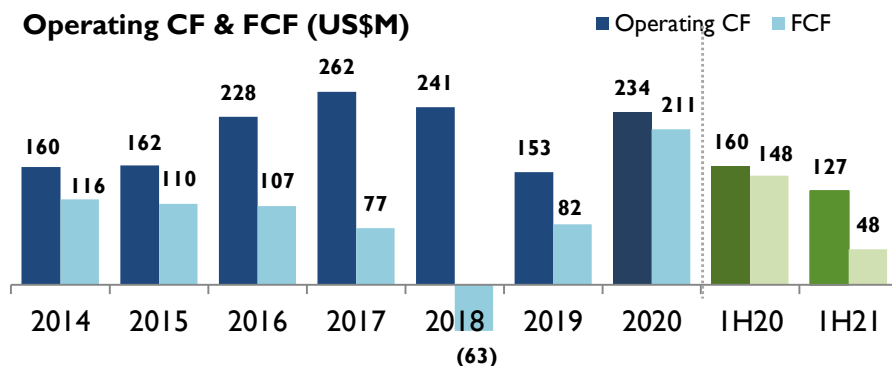


Capex (US\$M)

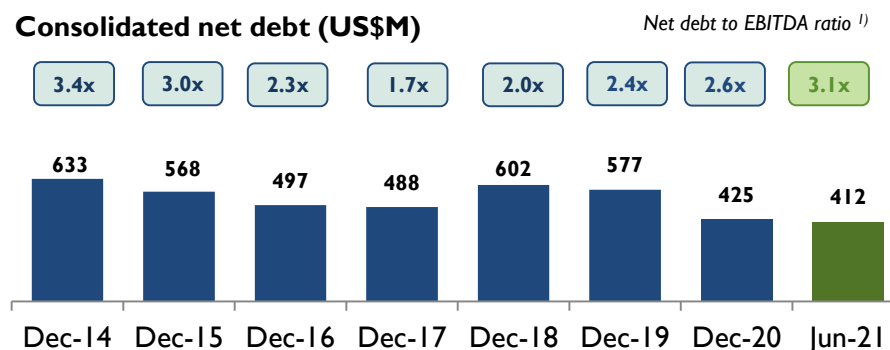


## Generating cash flows and deleverage

Operating CF & FCF (US\$M)



Consolidated net debt (US\$M)



EBITDA generation

Liquidity management

Positive FCF generation

Company will remain prudent on capex planning and liquidity management to preserve future strong cash generation and support the incremental overall volumes.

<sup>1)</sup> Amount of outstanding debt per 30 June 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  
Syndicated 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
- As of Sep-21, the formerly bilateral loan facility became a syndicated loan facility consisting of Bank Mandiri and JTrust.

▶ New debt structure provides higher room and flexibilities for 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 June 2021 appx. US\$130 million 1)

Relatively healthy debt ratio at net debt to EBITDA 3.1x at June 2021



Liquidity remains sufficient and adequate headroom is available



Wide access to capital funding

1) Excludes rights-of-use lease liabilities from capitalized operating lease



Company overview

Key investment highlights

**Financial overview**

Appendix

## Financial Highlights

Measures	2Q20	1Q21	2Q21	2Q21		1H20	1H21	FY	
				QoQ	YoY				YoY
Overburden Removal (MBCM)	81.2	65.0	77.0	↑ 19%	↓ 5%	168.4	142.0	↓	16%
Revenues (US\$ M)	158	160	189	↑ 19%	↑ 20%	352	349	↓	1%
EBITDA (US\$ M)	39	31	42	↑ 32%	↑ 6%	102	73	↓	29%
Net Profit/(Loss) (US\$ M)	15	(26)	(7)	↓ 72%	↑ 148%	(8)	(33)	↓	316%
EBITDA Margin (%)	26.0%	21.8%	24.6%	↑ 2.9%	↓ 1.3%	31.3%	23.3%	↓	8.0%
Free Cash Flow	96	13	35	↑ 158%	↓ 64%	148	48	↓	68%
Cash Position	195	104	126	↑ 20%	↓ 36%	195	126	↓	36%

- ▶ Despite continuing high rainfall and less working days due to few holidays during the quarter, volume continued to gradually as planned in 2Q 2021
- ▶ In 2Q 2021, the Company benefited from higher rates, but incurred upfront costs necessary to facilitate recovery and growth ramp up efforts
- ▶ EBITDA margin's growth were limited from 21.8% in 1Q 2021 to 24.6% in 2Q 2021, partly from certain operational challenges that includes challenging work areas which were not economically feasible is previously weak coal price environment.
- ▶ Net loss reduced to US\$7 million for 2Q 2021 versus US\$26 million in 1Q2021, reflecting the improvement from recovery, while taking into account certain refinancing costs in 1Q 2021.
- ▶ OCF improved to US\$100 million in 2Q 2021, reflective of the gradual recovery.

# Key Consolidated Results – IH 2021

## HIGHLIGHTS OF CONSOLIDATED RESULTS

(in US\$ mn unless otherwise stated)

Volume	IH21	IH20	YoY
OB Removal (mbcm)	142.0	168.4	-16%
Coal (mt)	25.0	22.3	12%
Profitability	IH21	IH20	YoY
Revenues	349	352	-1%
<b>EBITDA</b>	<b>73</b>	<b>102</b>	<b>-29%</b>
<b>EBITDA Margin</b>	<b>23.3%</b>	<b>31.3%</b>	<b>-8.0%</b>
Operating Profit	7	26	-72%
Operating Margin	-2.3%	8.0%	-5.7%
Net Profit	(33)	(8)	316%
EPS (in Rp)	Rp (54)	Rp (13)	307%
Cash Flows	IH21	IH20	YoY
Capital Expenditure <sup>4)</sup>	79	13	504%
Operating Cash Flow	127	160	-21%
Free Cash Flow <sup>3)</sup>	48	148	-68%
Balance Sheet	Jun-21	Dec-20	Δ
Cash Position <sup>1)</sup>	126	147	(22)
Net Debt <sup>2) 5)</sup>	412	425	(14)

## HIGHLIGHTS OF CONSOLIDATED RESULTS

(in US\$ mn unless otherwise stated)

Volume	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
OB Removal (mbcm)	110.0	79.0	87.3	81.2	61.2	52.1	65.0	77.0
Coal (mt)	13.6	12.2	12.1	10.3	11.5	11.4	12.7	12.3
Financials	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Revenues	255	191	194	158	142	108	160	189
<b>EBITDA</b>	<b>86</b>	<b>39</b>	<b>63</b>	<b>39</b>	<b>49</b>	<b>13</b>	<b>31</b>	<b>42</b>
<b>EBITDA Margin</b>	<b>35.0%</b>	<b>21.7%</b>	<b>35.9%</b>	<b>26.0%</b>	<b>37.0%</b>	<b>12.8%</b>	<b>21.8%</b>	<b>24.6%</b>
Operating Profit	49	3	24	2	15	(21)	(1)	8
Operating Margin	20.0%	1.5%	13.9%	1.1%	11.2%	-21.4%	-0.9%	5.0%
Net Profit (Loss)	24	(8)	(23)	15	4	(19)	(26)	(7)
Cash	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Operating cash flows	22	57	60	101	43	31	27	100
Free cash flows	6	44	53	96	38	25	13	35

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 30 June 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									
<i>(in US\$ mn unless otherwise stated)</i>									
Volume	Units	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
OB Removal (mbcm)	mbcm	110.0	79.0	87.3	81.1	61.3	52.1	65.0	77.0
Coal (mt)	mt	13.6	12.2	12.0	10.3	11.5	11.4	12.7	12.3
Financials	Units	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Revenues	US\$m	255	191	194	158	142	108	160	189
<b>EBITDA</b>	<b>US\$m</b>	86	39	63	39	49	13	31	42
<b>EBITDA Margin</b>	%	35.0%	21.7%	35.9%	26.0%	37.0%	12.8%	21.8%	24.6%
Operating Profit	US\$m	49	3	24	2	15	(21)	(1)	8
Operating Profit Margin	%	20.0%	1.5%	13.9%	1.1%	11.2%	-21.4%	-0.9%	5.0%
Net Profit (Loss)	US\$m	24	(8)	(23)	15	4	(19)	(26)	(7)
Recurring Profit (Loss)	US\$m	28	(10)	2	(2)	6	(26)	(10)	(2)
Units Financials	Units	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
Cash costs ex fuel per bcm	US\$	1.19	1.36	1.03	1.15	1.09	1.19	1.34	1.24
Cash costs ex fuel per bcm/km	US\$	0.42	0.47	0.36	0.40	0.40	0.45	0.49	0.45
Operational Metrics	Units	3Q19	4Q19	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21
PA – Loader <sup>1)</sup>	%	88.3	90.7	90.9	91.5	91.2	90.7	89.0	88.6
PA – Hauler <sup>1)</sup>	%	86.3	89.3	88.7	88.9	90.9	91.2	89.3	88.3
UA – Loader <sup>2)</sup>	%	61.1	53.6	57.5	54.4	60.0	60.6	57.9	58.6
UA – Hauler <sup>2)</sup>	%	63.9	50.9	57.8	53.9	58.5	58.1	54.3	57.8
Productivity – Loader	bcm/hour	787	755	717	715	712	670	667	679
Productivity – Hauler	bcm/hour	114	114	111	111	112	113	107	106
Average rain hours <sup>3)</sup>	hour	27	68	98	71	71	84	98	76

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

- ▶ Cash cost has started to improved as people productivity increases and volume recovers
- ▶ Bottom line reduced to US\$7 million for 2Q 2021 from US\$26million in 1Q 2021, reflecting recover, while taking into account certain refinancing cost that occurred in 1Q 2021
- ▶ Total capex is expected to be higher for the remainder of the year, as the Company ramps up
- ▶ Given the continuing strong coal price, the Company remains focused on recovery and gaining momentum to seize growth.

## Strategy to deal with COVID-19

Objective

Minimize cases & future outbreaks of COVID-19 and the impact on operations

Strategic pillars



Prevention



Containment



Aftercare



Vaccination

Key Initiatives

Do we have the right protocol and are we executing the protocols well?



Reinforce COVID-19 protocols

Do people know what they are supposed to do?



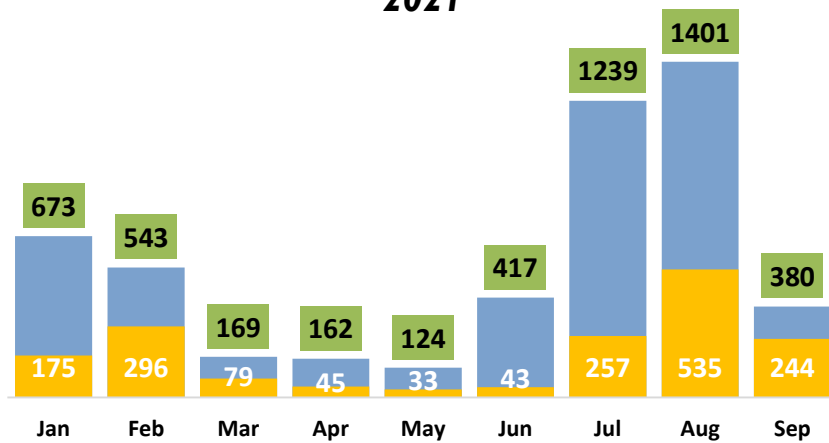
Enhance COVID-19 awareness & education for employees & communities

Do we know whether people are following the protocols?



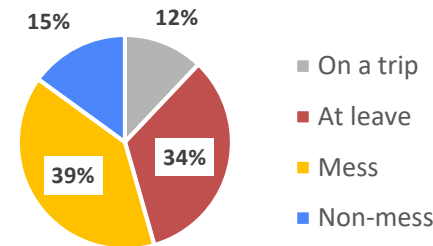
Strengthen measurement process to improve compliance & visibility

COVID-19 In Care Employee Per Month\* - 2021

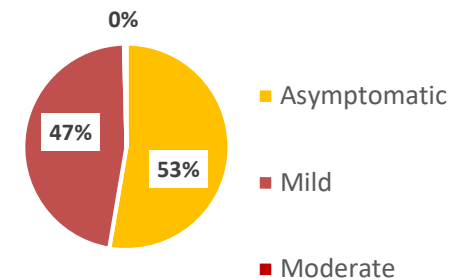


■ Total in care  
■ Remaining employees in care from the previous month  
■ New positive cases

COVID-19 Source of Transmission



COVID-19 Category Symptom-based



## Key themes to improve prevention, containment, aftercare, and accelerate vaccination for COVID-19 management

### Prevention & Containment



#### Grouping

Strengthen grouping implementation, ensure **minimum interaction** within mess & non mess employee, working area, travel, and public area



#### Self Declare

Ensure **only healthy employee can go to work** to minimize spreading of the virus



#### Covid-19 Hygiene

Enforce **implementation 6M** for employee both at work and outside work



#### Audit Covid-19

**Increase frequencies** of monitoring **protocol breach** across all area by doing **audit** from **once a week into 3 times a week**



#### Travel and Quarantine

Prevent cases of employees getting COVID-19 **during travel** and cases of employees **transmitting COVID-19 at site after contracting** it during travel



#### Site Local Monitoring

Continuously monitor our employee who lives at **red zone area** by **conduct random testing**



#### Campaign

Increase **awareness** for front-line leaders, operators and families on COVID-19 risks, protocols & implication of following/not following protocols



#### Contact Tracing

Improve **accuracy and speed** of process of COVID-19 contact tracing, from serial tracing for KI – Kn to **parallel tracing from KI-Kn within <24 hours**



#### Comorbid Management

**Reduce the fatality risk of comorbid** employee by providing specific initiative (preventative & aftercare) for comorbid employee

### Vaccination

- Expedite **vaccination** for BUMA employees, their families, and working partner (vendor)
- Support the government in vaccinating the community

#### 2<sup>nd</sup> Dose Vaccination (as of 16<sup>th</sup> Sept 2021)

	Employee	Family	Vendor
	77 %	13 %	73 %

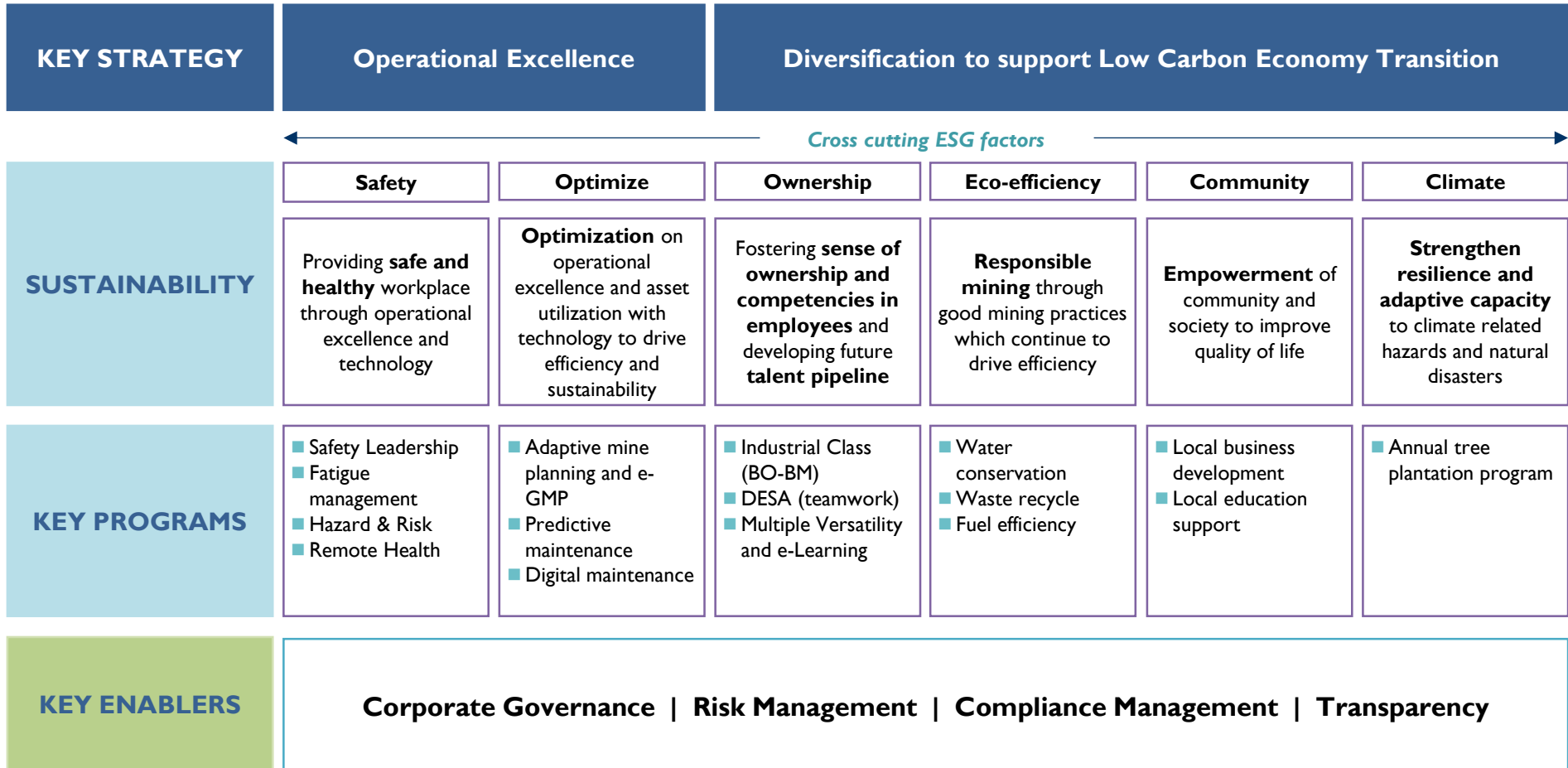
### Aftercare

**Reduce total in care employees from outbreak in July 1239 employees into 380 employees** with following program that ensure **good services** of aftercare for both mess and non-mess employee

- Medical monitoring in **daily basis**, provide **monitoring tools** for employees, and now the average of recovery duration 15 days
- Conduct **new program** for **mental health support**



## Our Sustainability Framework



	FY21 Target	IH 2021
Volume <i>Overburden removal</i> <i>(MBCM)</i>	340 – 380	142
<i>Coal(MT)</i>	50 – 55	25
Capex (US\$ M)	350 – 400	80
Revenues (US\$ M)	840 - 920	349
EBITDA (US\$ M)	220 - 260	73

Domestic coal price has reached record high prices but supply challenges has been an issue due to weather condition. Despite the challenges, the Company continue to be on track to meet the revised guidance.



Company overview

Key investment highlights

Financial overview

 **Appendix**

# Consolidated Performance – IH 2021

## Consolidated Statements of Financial Position

<i>In US\$ mn (unless otherwise stated)</i>	<b>Jun-21</b>	<b>Dec-20</b>	<b>YTD</b>
Cash and cash equivalents	105	112	-6%
Other financial assets - current	21	35	-41%
Trade receivables - current	204	151	35%
Other current assets	74	69	7%
Fixed assets - net	517	501	3%
Other non-current assets	89	106	-16%
<b>TOTAL ASSETS</b>	<b>1,010</b>	<b>974</b>	<b>4%</b>
Trade payables	145	50	193%
LT liabilities - current	70	134	-48%
Other current liabilities	48	35	38%
LT liabilities - non current	457	433	5%
Other non-current liabilities	59	58	2%
<b>TOTAL LIABILITIES</b>	<b>779</b>	<b>710</b>	<b>10%</b>
<b>TOTAL EQUITY</b>	<b>231</b>	<b>264</b>	<b>-12%</b>

## Financial Ratios <sup>1)</sup>

	<b>Jun-21</b>	<b>Jun-20</b>
Gross margin	10.5%	13.3%
Operating margin	2.3%	8.0%
EBITDA margin	23.3%	31.3%
Pretax margin	-11.6%	-0.9%
Net margin	-10.5%	-2.4%

## Consolidated Statements of Profit or Loss and OCI

<i>In US\$ mn (unless otherwise stated)</i>	<b>Jun-21</b>	<b>Jun-20</b>	<b>YoY</b>
Net revenues	349	352	-1%
Revenue excl. fuel	313	326	-4%
Cost of revenues	(316)	(309)	2%
<b>Gross profit</b>	<b>33</b>	<b>43</b>	<b>-24%</b>
Operating expenses	(26)	(17)	48%
Finance cost	(35)	(27)	29%
Others - net	(9)	(2)	369%
<b>Pretax profit</b>	<b>(37)</b>	<b>(3)</b>	<b>1212%</b>
Tax expense	4	(5)	-172%
<b>Profit (loss) for the period</b>	<b>(33)</b>	<b>(8)</b>	<b>316%</b>
Other comprehensive income (loss) - net	(0)	3	-109%
<b>Comprehensive income (loss)</b>	<b>(33)</b>	<b>(5)</b>	<b>532%</b>
<b>EBITDA</b>	<b>73</b>	<b>102</b>	<b>-29%</b>
<b>Basic EPS (in Rp) <sup>2)</sup></b>	<b>(54)</b>	<b>(13)</b>	<b>307%</b>

### Notes:

1) Margins are based on net revenues excluding fuel

2) Reported Basic EPS translated into Rp using average exchange rate of Rp14,298 and Rp14,600 for IH21 and IH20, respectively.

# BUMA Performance – IH 2021

## Statements of Financial Position

<i>In US\$ mn (unless otherwise stated)</i>	<b>Jun-21</b>	<b>Dec-20</b>	<b>YTD</b>
Cash	90	103	-12%
Restricted cash in bank - current	10	9	11%
Trade receivables - current	204	151	35%
Due from related party - current	94	94	0%
Other current assets	74	69	7%
Fixed assets - net	516	499	3%
Other non-current assets	89	106	-16%
<b>TOTAL ASSETS</b>	<b>1,077</b>	<b>1,031</b>	<b>4%</b>
Trade payables	145	50	193%
LT liabilities - current	70	135	-48%
Other current liabilities	51	34	44%
LT liabilities - non-current	456	433	5%
Other non-current liabilities	58	57	2%
<b>TOTAL LIABILITIES</b>	<b>780</b>	<b>709</b>	<b>10%</b>
<b>TOTAL EQUITY</b>	<b>297</b>	<b>322</b>	<b>-8%</b>

## Financial Ratios <sup>1)</sup>

	<b>Jun-21</b>	<b>Jun-20</b>
Gross margin	10.5%	13.3%
Operating margin	3.0%	8.4%
EBITDA margin	24.0%	31.7%
Pretax margin	-9.1%	-0.4%
Net margin	-7.9%	-2.0%

## Statements of Profit or Loss and OCI

<i>In US\$ mn (unless otherwise stated)</i>	<b>Jun-21</b>	<b>Jun-20</b>	<b>YoY</b>
Net revenues	349	352	-1%
Revenue excl. fuel	313	326	-4%
Cost of revenues	(316)	(309)	2%
<b>Gross profit</b>	<b>33</b>	<b>43</b>	<b>-24%</b>
Operating expenses	(23)	(16)	45%
Finance cost	(35)	(27)	29%
Others - net	(4)	(1)	89%
<b>Pretax profit</b>	<b>(29)</b>	<b>(2)</b>	<b>2085%</b>
Tax benefit (expense)	4	(5)	-169%
<b>Loss for the period</b>	<b>(25)</b>	<b>(7)</b>	<b>283%</b>
Other comprehensive income (loss) - net	(0)	3	-110%
<b>Comprehensive loss</b>	<b>(25)</b>	<b>(4)</b>	<b>552%</b>
<b>EBITDA</b>	<b>75</b>	<b>103</b>	<b>-27%</b>

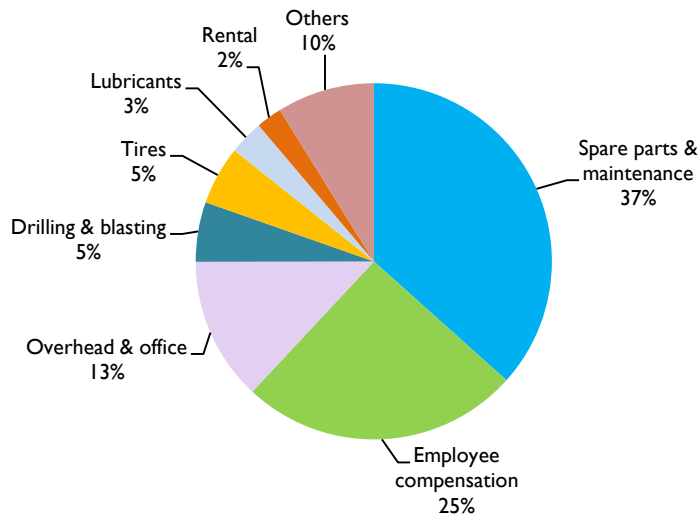
Notes:

1) Margins are based on net revenues excluding fuel.





## BUMA's cash cost ex fuel (IH 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 was 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
- ▶ Employee costs have started to gradually normalized as volume recovers and people productivity increases
- ▶ IH 2021 includes upfront costs in order to facilitate recovery and growth efforts, as well as various operational challenges including difficult work area and extended rainy season
- ▶ Technology driven initiatives continued to be pursued and are expected to reduce costs sustainably going forward



**Thank You**



# Notes

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