



PT Delta Dunia Makmur Tbk.
1H 2016 Results
August 2016



High-Low Coal Price (USD)

Year	High	Low
2007	90.90	51.60
2008	192.50	75.25
2009	86.25	60.20
2010	126.10	88.00
2011	138.50	108.95
2012	118.95	78.05
2013	94.05	76.10
2014	84.25	61.80
2015	71.10	48.50
2016	66.90	46.60*

* Coal price hit the lowest since 2007

Price as of
August 8, 2016 :
USD 66.30

Coal Price vs Oil Price

Coal Price vs Oil Price Trend



The Company

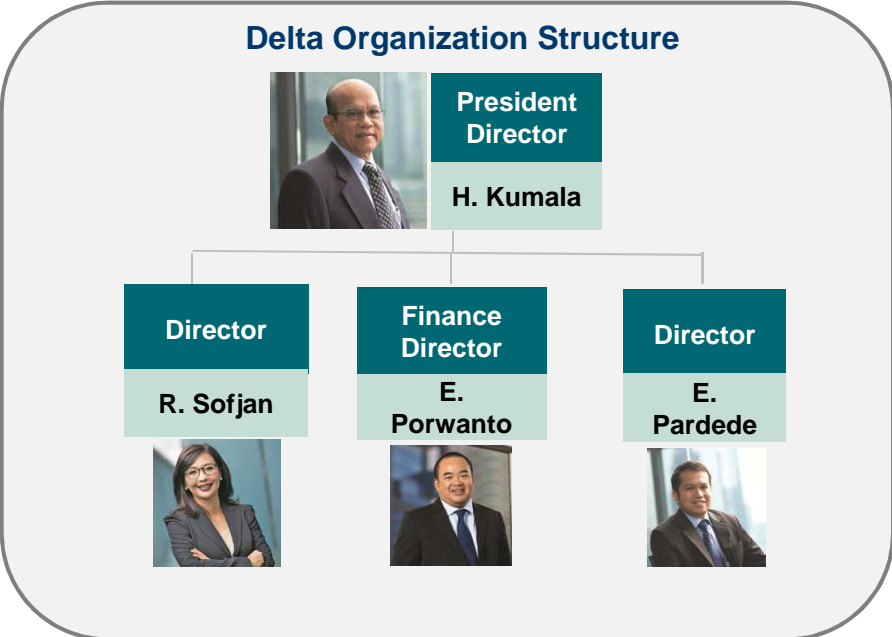
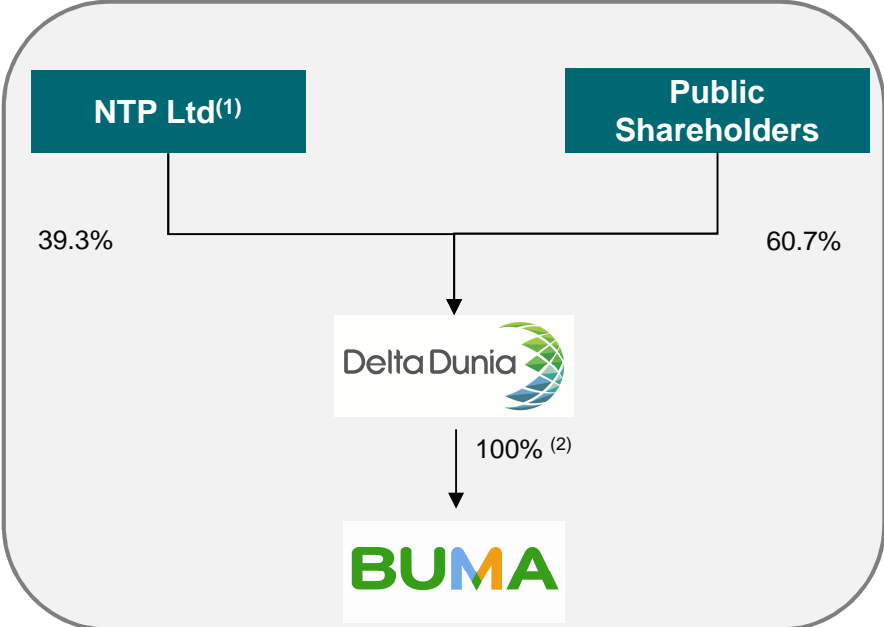


- ◆ PT Delta Dunia Makmur Tbk. -- **Delta Dunia**
- ◆ Listed on IDX as **DOID**
- ◆ Holdco of **BUMA**, second largest coal mining services contractor in Indonesia
- ◆ Acquired entire shares of BUMA less one share in 2009
- ◆ DOID then divested its real estate business and focused on coal mining services



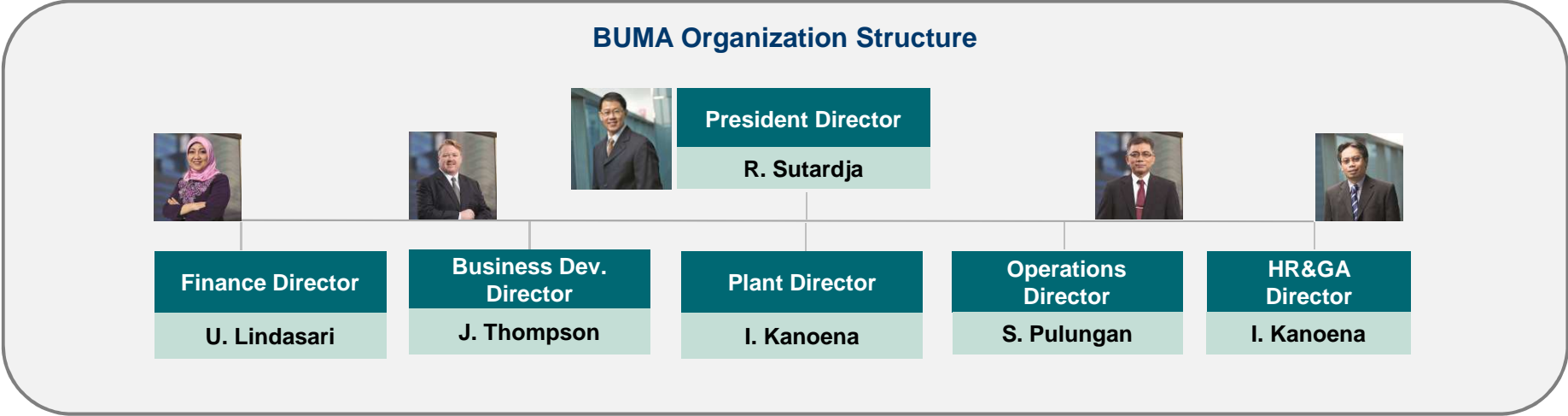
- ◆ PT Bukit Makmur Mandiri Utama – **BUMA**
- ◆ Providing coal mining services – second largest mining contractor in Indonesia
- ◆ Customers include largest coal producers
- ◆ Main equipment consists of approximately 1900 top-quality equipment from Komatsu, Caterpillar, Hitachi, and Volvo
- ◆ Driven by around 8,000 employees
- ◆ Since Q3 2012, implemented various strategic initiatives to improve performance

Shareholder and Management Structure

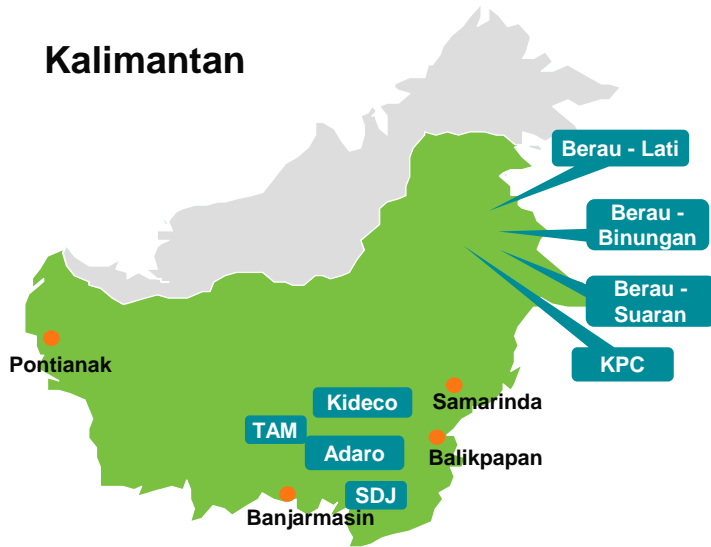


(1) Northstar Tambang Persada Ltd., a company owned by a consortium of investors consisting of affiliates/nominated investment vehicles of TPG Capital, Government of Singapore Investment Corporation, China Investment Corporation and Northstar Equity Partners

(2) Full ownership less one share



Existing Contracts

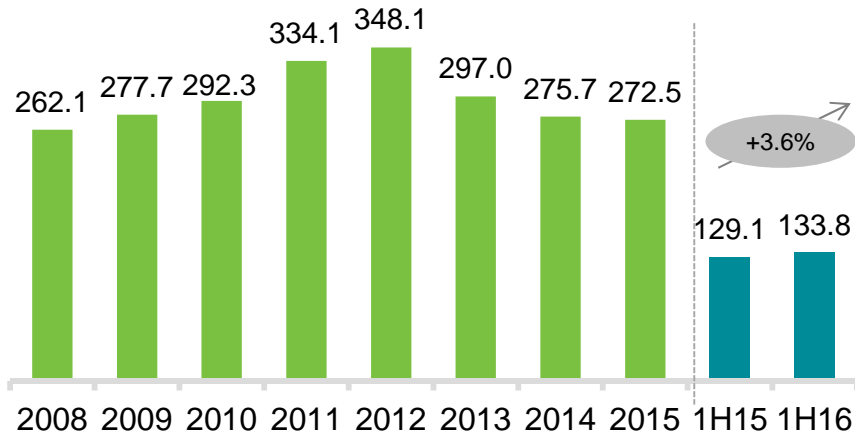


No	Customers	Period
1	Adaro (Paringin)	2009-2019
2	Kideco	2004-2019
3	Berau Coal (Lati)	2012-2017
4	Berau Coal – Hauling (Suaran)	2003-2018
5	Berau Coal (Binungan)	2003-2019
7	KPC (Bengalon)	2011-2016*
8	Darma Henwa (KPC)	2014-2017*
9	Sungai Danau Jaya (SDJ)	2015- Life of mine
10	Tadjahan Antang Mineral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

* Production has ceased and both parties are working to conclude a mutual agreement for termination

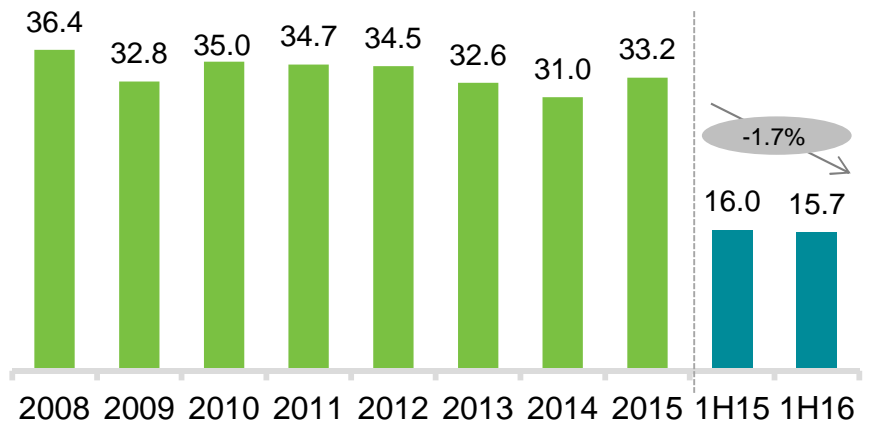
OVERBURDEN REMOVAL VOLUME

(MBCM)



COAL PRODUCTION

(MT)



Main Equipment

Fleet Type	Description	Total
OB Loader	120 T - UP Excavator	134
OB Hauler	50T Up Off Highway Dumptruck	710
Coal Loader	50T-120T Excavator, 40T Excavator and Wheel Loader	119
Coal Hauler	Hauling Dump Truck, Prime Mover	403
Drill	All of Drilling Unit	30
Mine Up	All of Mine Pump	114
Support	Bulldozer, Grader, Articulated Dumptruck	398
Total		1,908



Latest Performance Highlights

1H 2016 Key Consolidated Results

HIGHLIGHTS OF CONSOLIDATED RESULTS <i>(in US\$ mn unless otherwise stated)</i>			
Volume	1H16	1H15	YoY
OB Removal (mbcm)	133.8	129.1	4%
Coal (mt)	15.7	16.0	-2%
Profitability	1H16	1H15 ³⁾	YoY
Revenues	259	267	-3%
EBITDA	81	82	0%
EBITDA Margin ⁴⁾	32.5%	31.3%	1.2%
Operating Profit	34	32	7%
Operating Margin ⁴⁾	13.5%	12.1%	1.4%
Net Profit (Loss)	8	(10)	179%
EPS (in Rp)	Rp 13	Rp (16)	182%
Cash Flows	1H16	1H15	YoY
Capital Expenditure ⁵⁾	7	16	-60%
Free Cash Flow	43	53	-19%
Balance Sheet	Jun-16	Dec-15	YTD
Cash Position ¹⁾	90	99	(8)
Net Debt ²⁾	545	568	(23)

HIGHLIGHTS OF QUARTERLY RESULTS <i>(in US\$ mn unless otherwise stated)</i>						
Volume	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
OB Removal (mbcm)	59.0	70.1	72.3	71.1	62.4	71.4
Coal (mt)	8.1	7.9	8.9	8.3	8.0	7.7
Financials	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16
Revenues	122	145	152	147	127	132
EBITDA	33	49	58	46	39	43
EBITDA Margin ⁴⁾	27.5%	34.4%	38.4%	33.7%	31.6%	33.4%
Operating Profit	8	24	33	23	15	19
Operating Margin ⁴⁾	6.4%	16.8%	21.9%	16.5%	11.9%	14.9%
Net Profit (Loss)	(10)	0	5	(3)	3	5

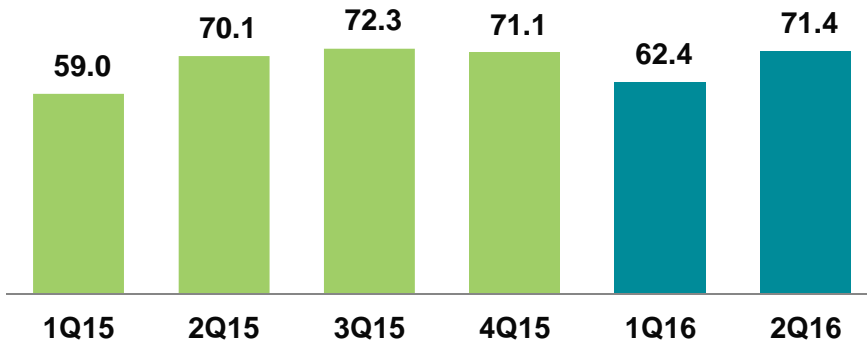
Notes:

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

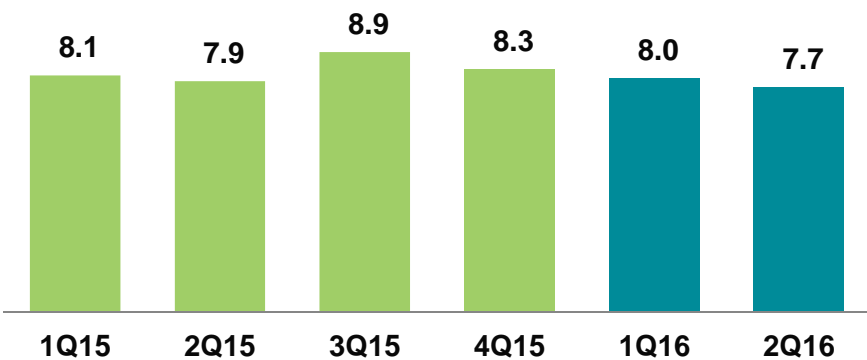
Focus on free cash flow generation

Quarterly Trends

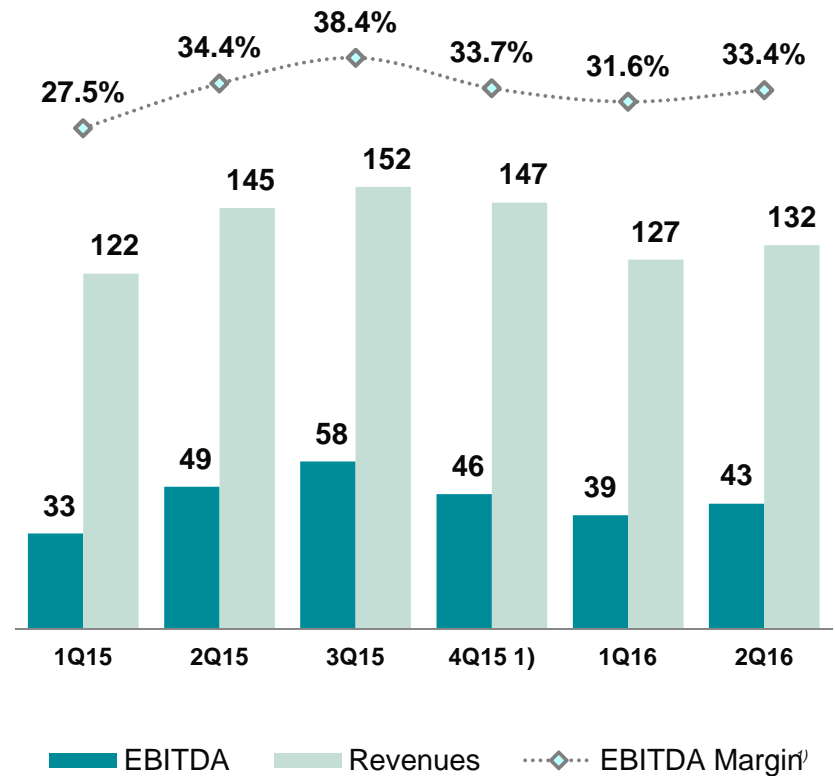
OVERBURDEN REMOVAL
(MBCM)



COAL PRODUCTION
(MT)

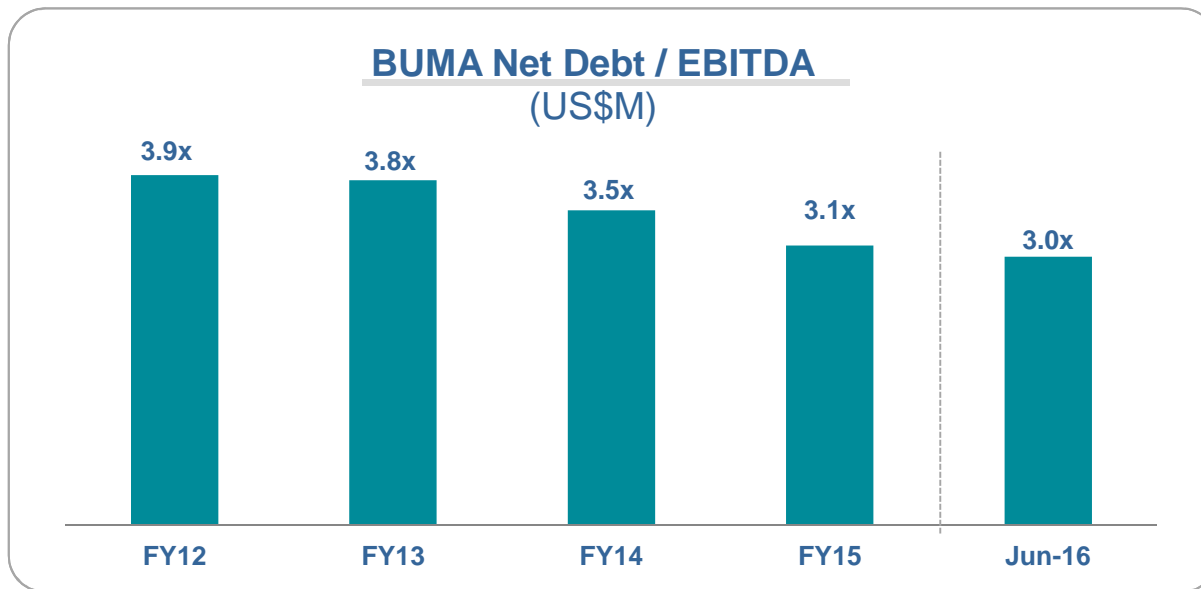
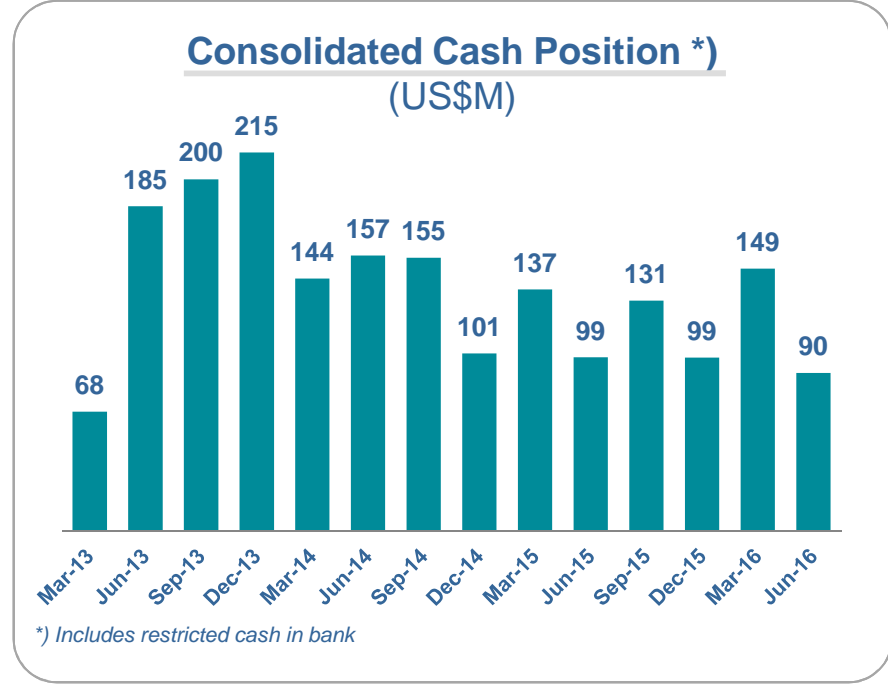
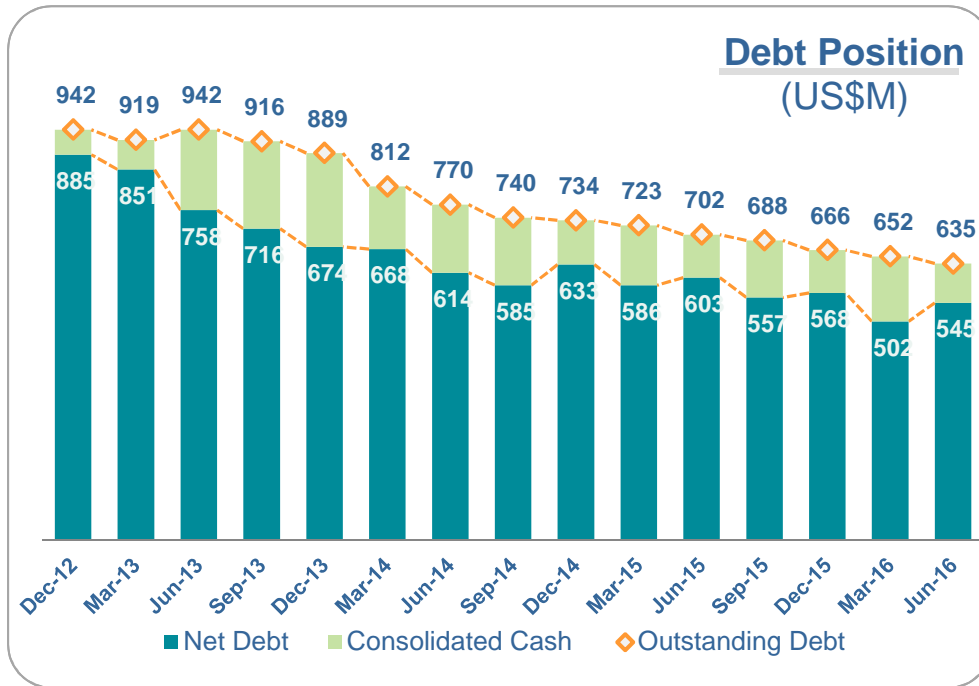


QUARTERLY PROFITABILITY TREND
(US\$M)

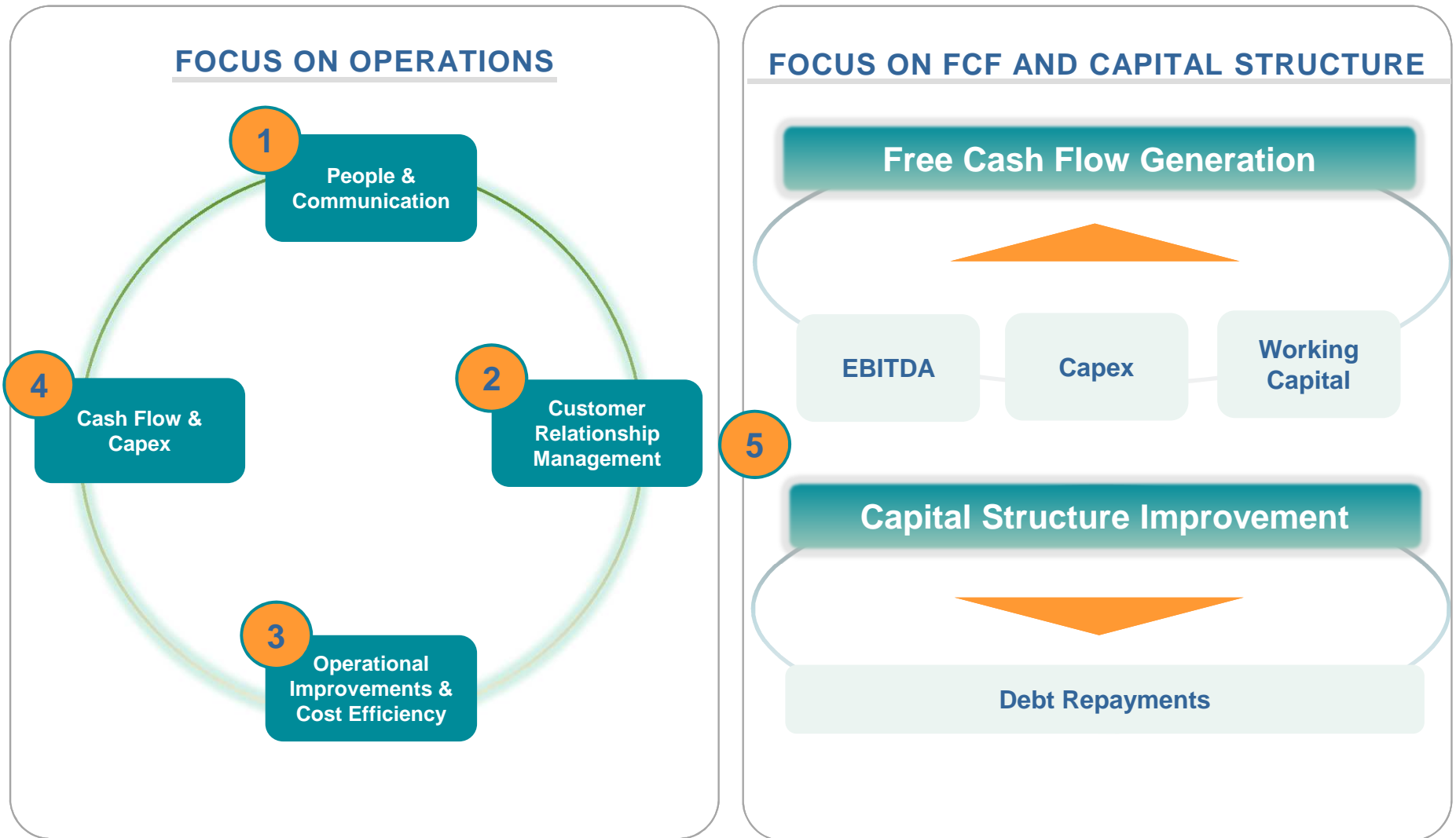


Notes:
1) Margins are based on net revenues excluding fuel.

FCF for Debt Reduction

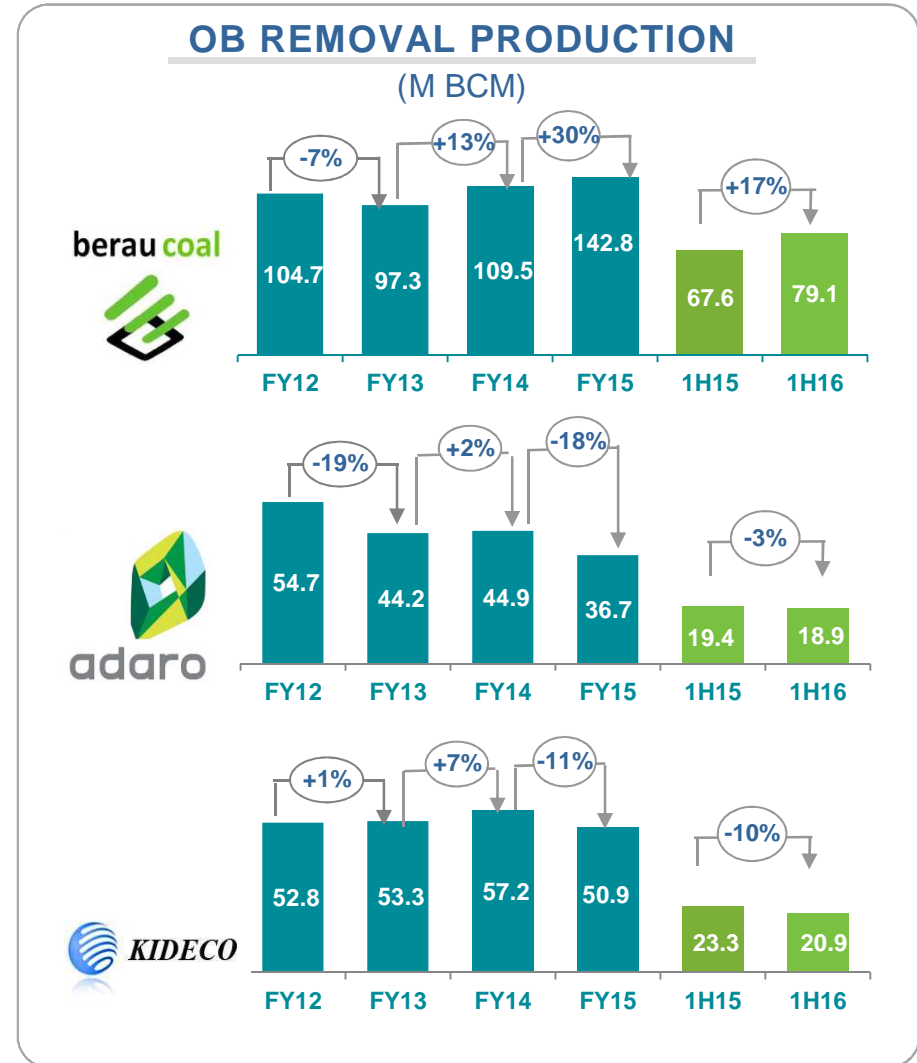
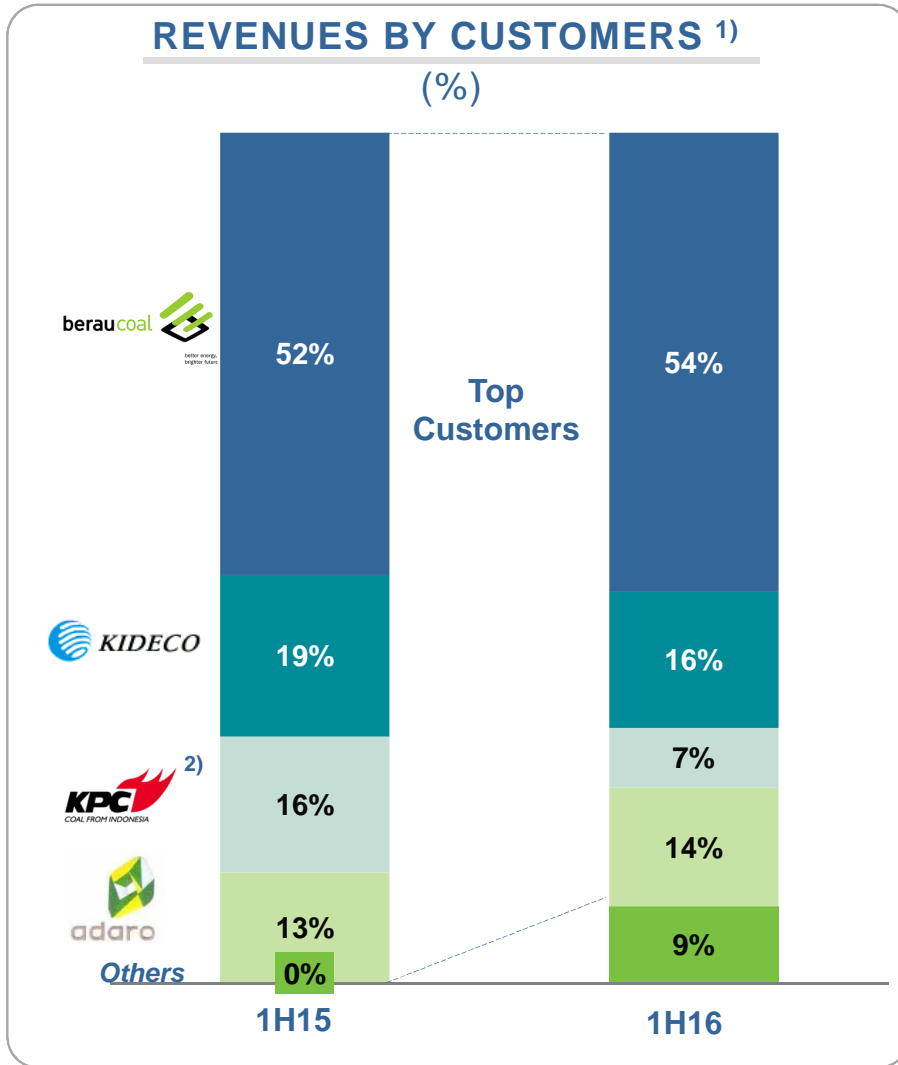


BUMA – The Strategy



Improvement plan requires lots of hard work and discipline

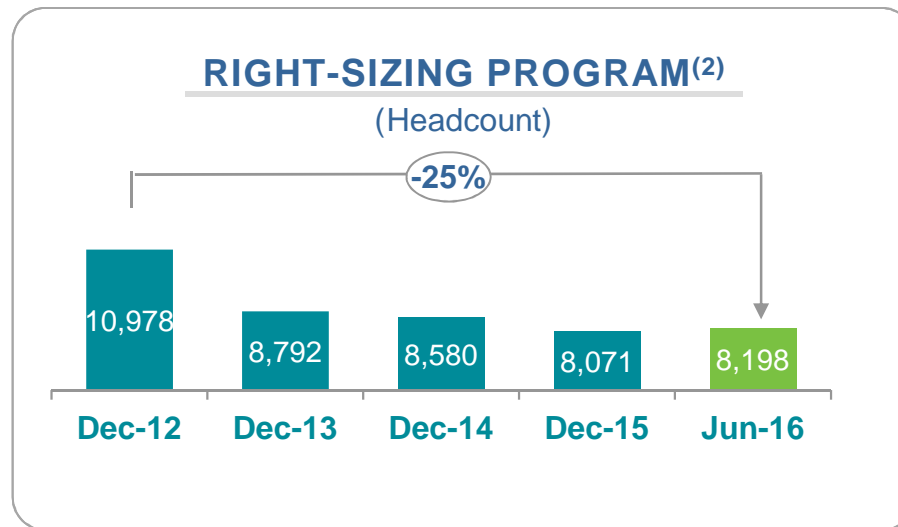
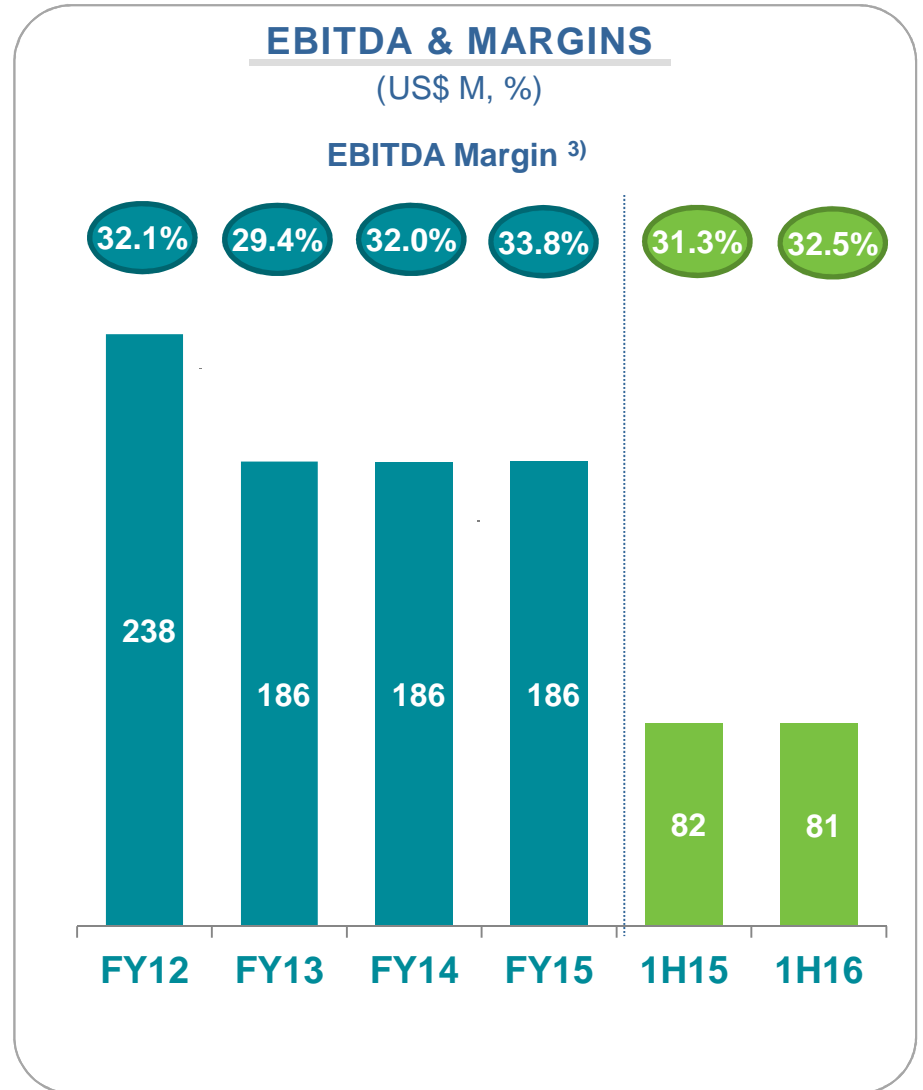
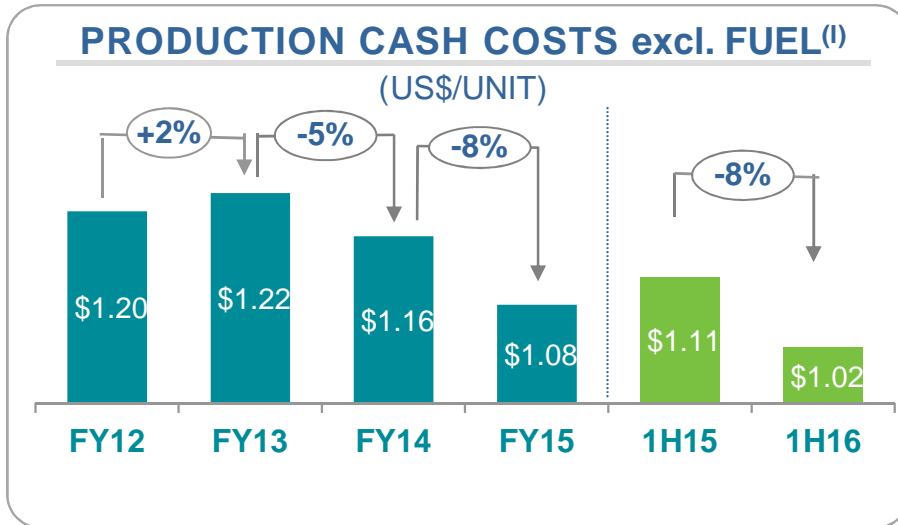
Sticking with the High Quality Customers



Notes:
 1) % of BUMA's Gross Revenue in USD
 2) Include DEWA

Focusing efforts on major customers for sustainability

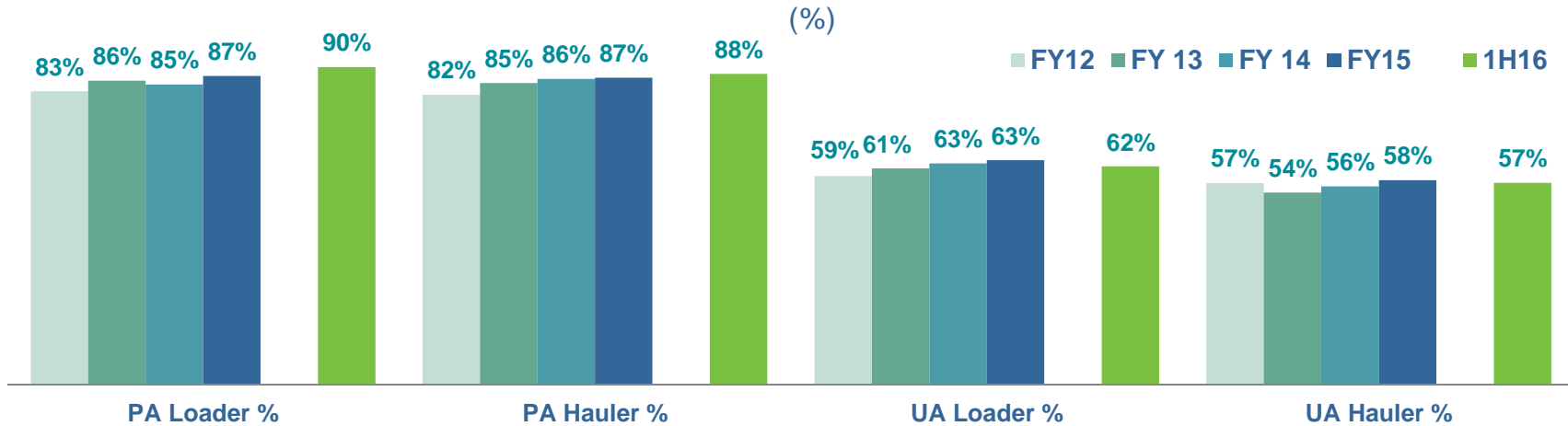
Cost Efficiencies



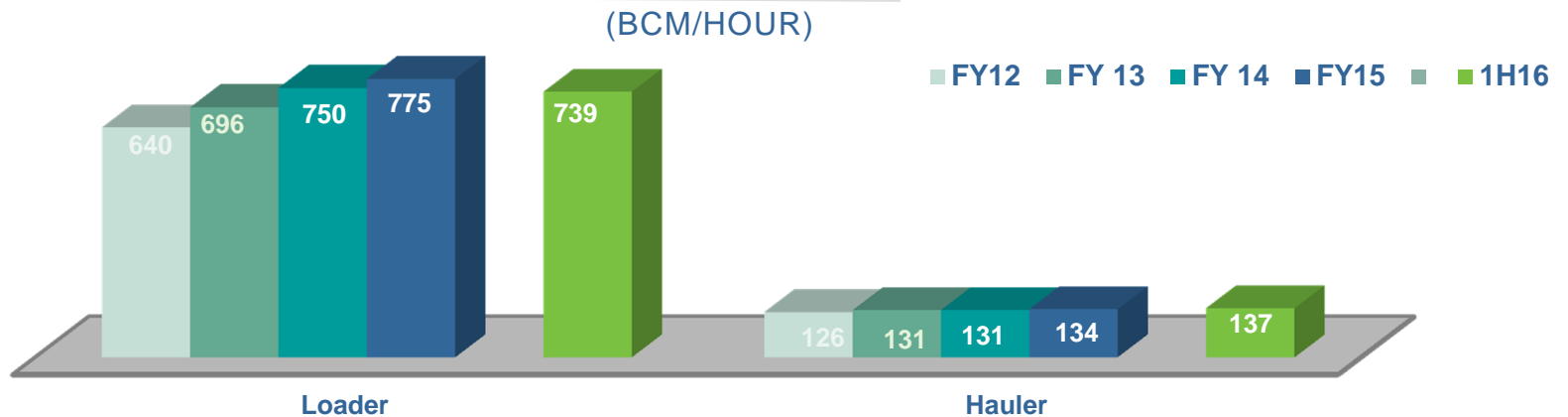
Note: ⁽¹⁾excludes fuel and opex; ⁽²⁾include only permanent workforce; ⁽³⁾ margin is based on revenues excl. fuel; ⁽⁴⁾ restated due to retroactive implementation of PSAK 24 (Employee Benefits), effective January 2015.

Strict monitoring on costs

AVAILABILITY AND UTILIZATION (%)

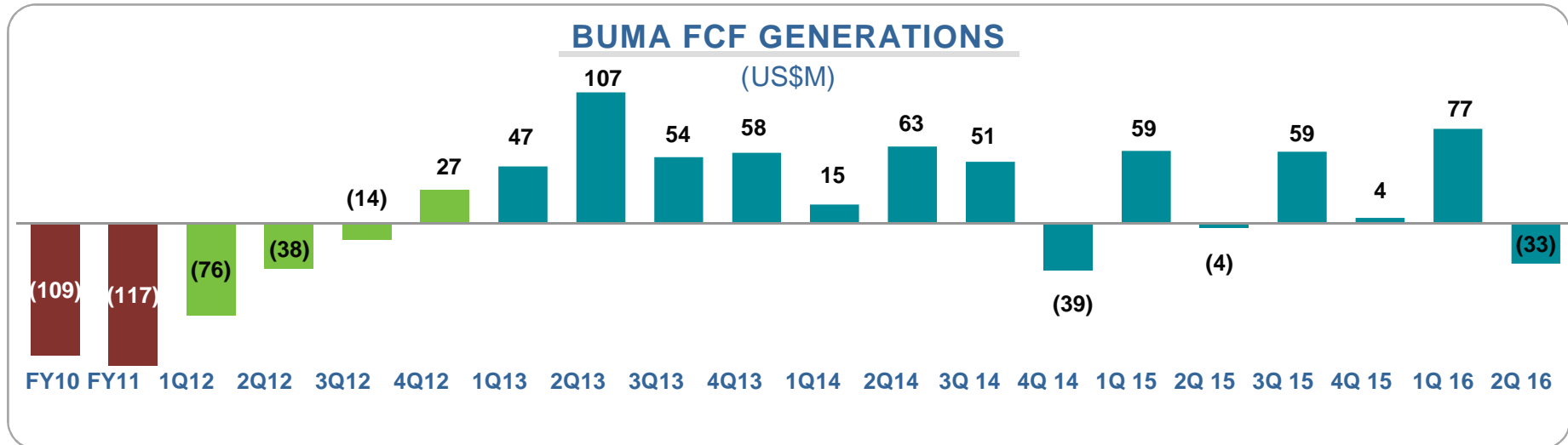
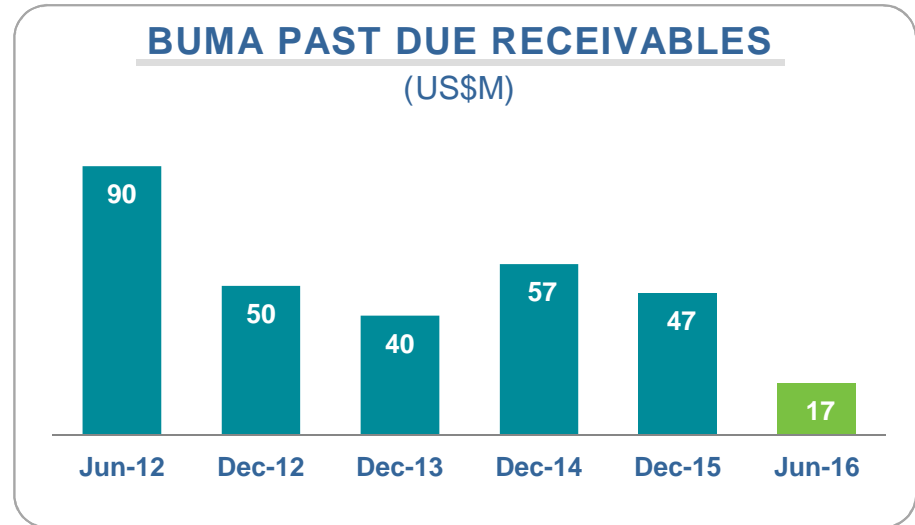
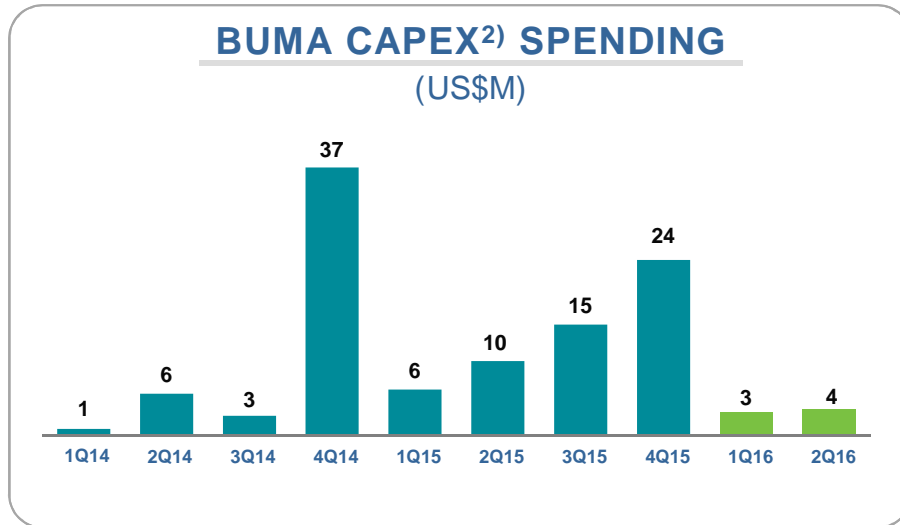


PRODUCTIVITY (BCM/HOUR)



Maintaining operating metrics to the level needed for operational excellence

Focus on Generating FCF



Note:

- 1) All figures presented above are based on the financial performance of BUMA standalone.
- 2) Capital expenditures as recognized per accounting standard.



Maintained strong free cash flows through capex discipline and strict AR monitoring

Key Takeaways

Challenge

- ◆ Coal price may stay uncertain for some time
- ◆ Lower cost producers are the first to reap benefits from coal price recovery

Progress

- ◆ Improved relationship with existing major customers
- ◆ EBITDA margin improvement
- ◆ Maintaining positive free cash flow
- ◆ Debt reduction

Focus

- ◆ Aggressively secure new contracts from profitable customers with various partnership approach
- ◆ Continue to pursue Operational Excellence and Technological Enhancements to drive Cash-Cost Improvement
- ◆ Strengthen Community and Employee Engagement to assure all performance above
- ◆ Free cash flow and debt reduction

End of Presentation - Thank You

Appendix

1H 2016 Performance Highlights

First half Highlights

- Overburden removal volume was at 133.8 million bcm (+4% YoY) and coal production slightly declined to 15.7 million tons (-2% YoY).
- Net revenue declined by 3% YoY to US\$259 million in 1H 2016, primarily due rate adjustments that started in 2015.
- The Company reported US\$8.0 million net profit in 1H 2016, primarily attributed to US\$5.0 million foreign exchange gain recorded in 1H 2016 vs. a loss of US\$8.8 million in 1H 2015, and a decline in expenses related to interest rate swap. Please note that the Company did not extend the 5-year interest rate swap contract that has ended in March 2016.
- BUMA spent US\$7 million in capital expenditures in 1H 2016, mainly for infrastructure and supporting equipment. During 1H 2016, the Company generated US\$43 million in free cash flow.
- BUMA, made US\$31 million in debt repayment in 1H 2016, reducing the net debt position to US\$545 million, translating into a net debt to LTM EBITDA of 3.0x as of June 2016 vs. 3.3x in June 2015.

Consistently executing the strategies, the Company delivered solid performance

Delta Consolidated – Key Financial Highlights



Consolidated Statements of Financial Position

<i>In US\$ mn (unless otherwise stated)</i>	Jun-16	Dec-15	YTD
Cash and cash equivalents	68	71	-4%
Trade receivables - current	112	138	-19%
Other current assets	157	100	58%
Trade receivables - non-current	-	1	-100%
Restricted cash in bank	22	28	-49%
Fixed assets - net	335	379	-12%
Other non-current assets	130	116	12%
TOTAL ASSETS	824	832	-1%
Trade payables	42	26	59%
LT liabilities - current	53	47	11%
Derivative liabilities-current	-	2	-100%
Other current liabilities	18	26	-30%
LT liabilities – non current	584	614	-5%
Other non-current liabilities	32	30	8%
TOTAL LIABILITIES	729	747	-2%
TOTAL EQUITY	95	85	12%

Consolidated Statements of Cash Flows

<i>In US\$ mn (unless otherwise stated)</i>	1H16	1H15
Net CF from Operating Activities ⁵⁾	25	45
Net CF from Investing Activities	2	(14)
Net CF from Financing Activities	(31)	(33)
Net change in cash & cash equivalents	(3)	(1)
Beginning balance cash & cash equivalents	71	75
Effect of foreign exchange rate changes ⁵⁾	1	(1)
Ending balance cash & cash equivalents ²⁾	68	72

Consolidated Statements of Profit or Loss and Other Comprehensive Income

<i>In US\$ mn (unless otherwise stated)</i>	1H16	1H15 ⁴⁾	YoY
Net revenues	259	267	-3%
<i>Revenue excl. fuel</i>	250	261	-4%
Cost of revenues	208	216	-4%
Gross profit	51	51	0%
Operating expenses	(17)	(19)	-11%
Finance cost	(23)	(23)	0%
Others - net	3	(19)	116%
Pretax profit (loss)	14	(10)	232%
Tax expense (benefit)	6	(0)	2092%
Profit (loss) for the period	8	(10)	179%
Other comprehensive income - net	2	3	-44%
Comprehensive income (loss)	10	(7)	235%
EBITDA	81	82	0%
EPS (in Rp) ³⁾	Rp 13	Rp (16)	182%

Consolidated Financial Ratios ³⁾

	1H16	1H15
Gross margin	20.4%	19.5%
Operating margin	13.5%	12.1%
EBITDA margin	32.5%	31.3%
Pretax margin	5.5%	-4.0%
Net margin	3.2%	-3.9%

1. Reported EPS translated into Rp using average exchange rate of Rp 13,420 and Rp 12,968 for 1H16 and 1H15, respectively.

2. Excluding restricted cash in bank.

3. Margins are based on net revenues excluding fuel.

4. Restated due to retroactive implementation of PSAK 24 (Employee Benefits, effective January 2015).

5. Reclassification to the presentation for comparative purposes

Capital Structure: Debt Restructuring Completion



<i>Terms Comparison</i>	2014 Amended Facility	2011 Original Facility
Amended Facility Amount/ Original Facility	US\$602.69mn	US\$ 800.00mn
Final Maturity	31 Dec 2019	31 March 2018
Remaining Average Life	c.4.75 years	c.2.05 years
Interest Margin	3M Libor + 400bps to 500bps	3M Libor + 375bps
Repayment Schedule	Back Ended Payment	Spread Proportionally



Extended maturity

**Amortization
schedule re-profiling**

Longer average life

**More flexible
covenants**



**Debt arrangement
sustainability**

Operational funding

**Capturing growth
opportunities**

Volatility absorption

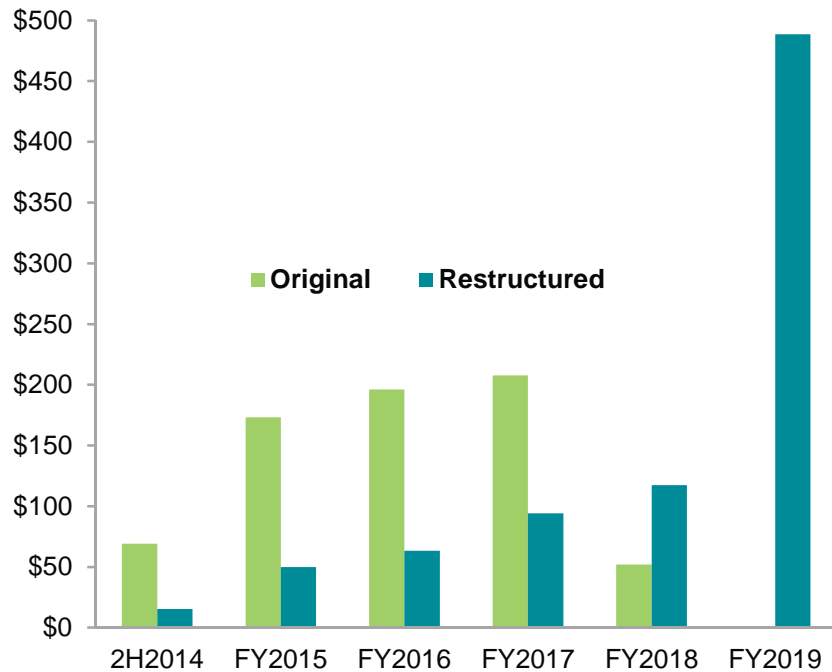
Capital Structure: Debt Restructuring Completion



DEBT SERVICE PROFILE

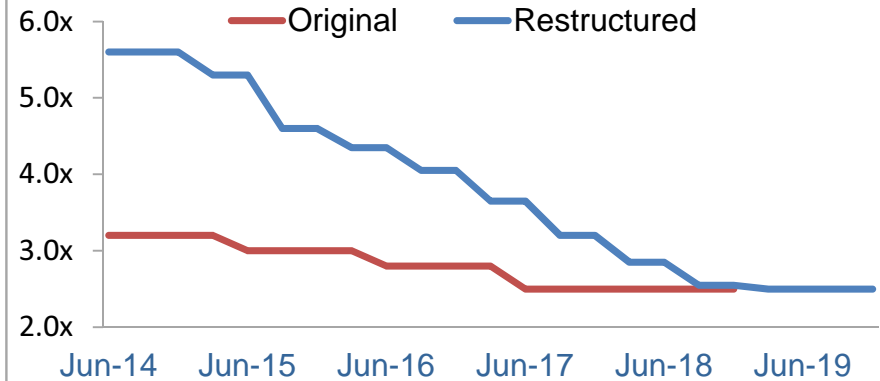
(US\$M)

ORIGINAL VS RESTRUCTURED



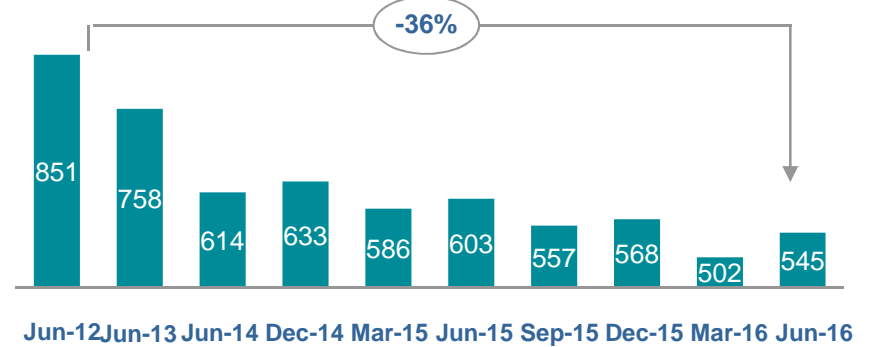
DEBT COVENANTS

(Debt / EBITDA)



NET DEBT

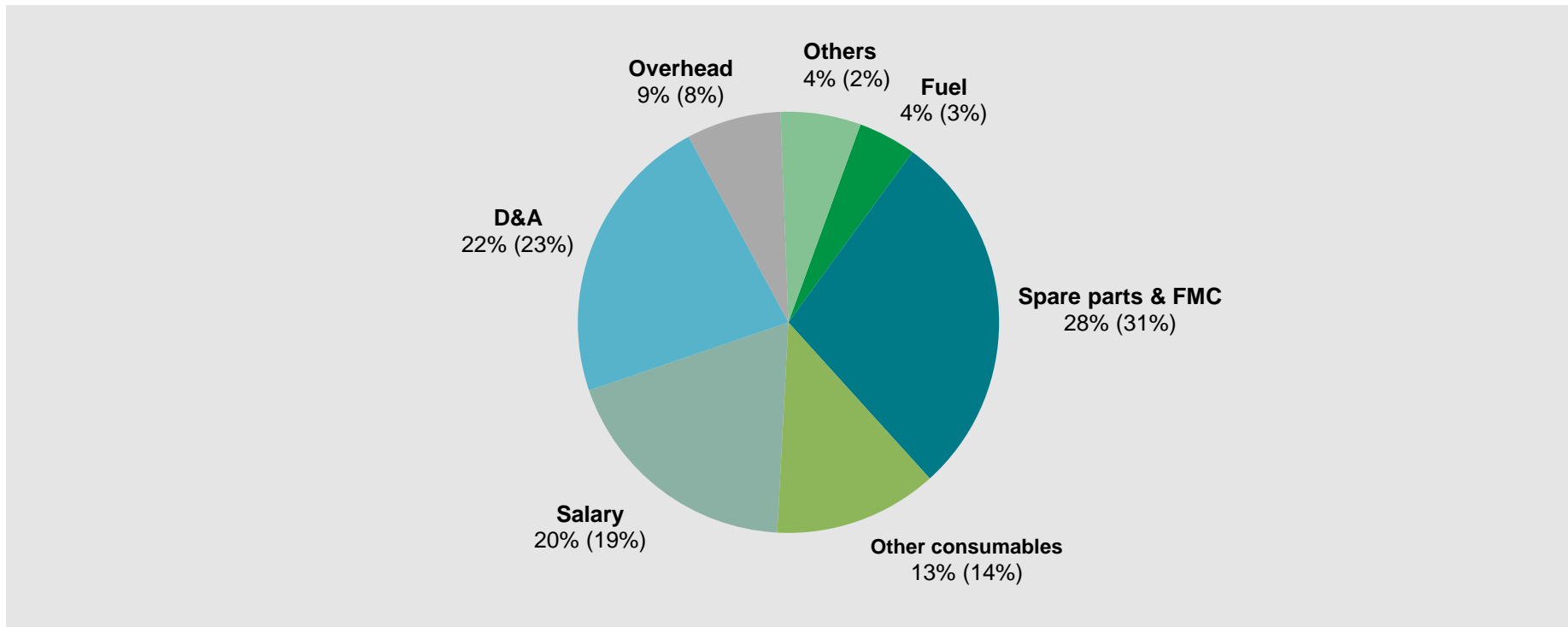
(US\$M)



Deferred repayment & reset covenant level

BUMA's Cost Structure

BUMA's Cost Structure for 1H 2016 (1H 2015)



Note:

- *Other consumables: tires, blasting, drilling and oil*
- *Others: mobilization, rental, subcontractor and travelling expenses*

Source: BUMA Company Data

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