

PRESS RELEASE
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Delta Dunia Group Delivers Steady 9M 2024 Results with Transformative Milestones to Fuel Long-Term Growth

- *Despite significant challenges posed by extreme weather conditions in Indonesia and Australia, Delta Dunia Group reported a stable revenue of USD 1.35 billion during 9M 2024.*
- *EBITDA for 9M 2024 declined by 16% YoY to USD 252.3 million, impacted by weather-related production declines and planned investments.*
- *Net loss significantly improved to USD 17.4 million, down from USD 26.6 million reported in 1H 2024, despite a 20% increase in finance costs and forward-looking investments. A strengthening currency, stable SOFR rates, and ACG's results – denominated in USD – supported this improvement.*
- *Capex increased by 79% YoY to USD 133.1 million, focused on supporting existing site ramp-up and Repair and Maintenance costs. The Group remains on track to meet its full-year capex guidance of USD 150 million to USD 190 million.*
- *Operating cash flow increased by 2% YoY to USD 232 million, driven by effective working capital management. The Group's free cash flow was impacted by strategic investments in ACG and contract-linked Capex.*
- *Net Debt to EBITDA maintained at a healthy 2.17x as of September 2024, with acquisitions like ACG expected to improve the ratio.*
- *The Group strengthened its operational footprint with significant contracts, including an 11-year, USD 7.8 billion agreement with PT Indonesia Pratama (a Bayan Group subsidiary), a two-year extension at Australia's Meandu Mine with TEC Coal Pty Ltd, valued at AUD 200 million annually, and a new USD 755 million Life-of-Mine contract with PT Persada Kapuas Prima in Central Kalimantan. These contracts have effectively tripled the Group's order book to over USD 12.7 billion.*
- *The Group also marked pivotal milestones through the transformative acquisitions of ACG, the binding agreement to acquire 51% stakes in the Dawson Complex¹, one of Australia's largest metallurgical coal mines, and increased investments in 29Metals, an ASX-listed copper-focused base and precious metals mining company.*
- *Non-thermal coal revenue is projected to reach 28% by the end of 2024, up from 26% in 9M 2024, aligning with the Group's strategy to reduce reliance on thermal coal and transition towards a more diversified portfolio.*

Jakarta, December 20, 2024 – PT Delta Dunia Makmur Tbk ("Delta Dunia Group" or "the Group", IDX: DDOID) announced stable results for the first nine months of 2024 ("9M 2024"), forging ahead on its path to sustainable growth in key global markets, demonstrating resilience in its operations and financial performance despite extreme weather conditions and operational challenges. The Group is making significant strides in strengthening its core business and laying a solid foundation for future growth through strategic acquisitions and investments.

In 9M 2024, the Group maintained stable revenue of USD 1.35 billion, compared to USD 1.36 billion year-on-year ("YoY"), despite operational disruptions caused by increased rainfall in Indonesia and Australia, which rose by 38% and 53%, respectively. The effective recovery-after-rain initiative limited the decline in overburden (OB) removal to just 9% YoY, while coal production increased by 3%, demonstrating the effectiveness of its mitigation strategies and operational resilience. The Group's EBITDA declined by 16.4% YoY to USD 252.3 million, impacted by these extreme conditions and planned investments aimed at enhancing the Group's long-term production capacity.

¹ Subject to Peabody's acquisition of Dawson, certain pre-emptive rights, consents, and regulatory approvals

The strengthening of the Indonesian Rupiah (IDR) and Australian Dollar (AUD) against the US Dollar (USD), along with a stable Secured Overnight Financing Rate (SOFR), has enabled the Group to manage financial pressures more effectively. In 9M 2024, the Group experienced a 20% YoY increase in finance costs due to forward-looking growth investments, leading to a net loss of USD 17.4 million – a significant improvement from the USD 26.6 million net loss reported in the first half of 2024. It's important to note that this loss is primarily attributed to proactive measures taken to strengthen the Group's financial foundation, including early debt repayment and bond buybacks. These actions, while impacting short-term results, are expected to reduce interest expenses and enhance financial flexibility over the long term.

Iwan Fuad Salim, Director at Delta Dunia Group, stated, “9M 2024 marked another pivotal phase in our transformation journey, underscored by major milestones solidifying our path toward sustained growth. Our rigorous focus on operational excellence, geographic expansion, commodity diversification, and sustainability positions us robustly in the global mining landscape. Through strategic acquisitions, significant contract wins, and our further diversification toward non-thermal coal and base metals, we are building a diversified, future-ready business that delivers enduring value for all stakeholders.”

Strategic Investments and Important Contracts Fuel Long-Term Growth

The Group has achieved significant milestones that substantially enhanced its future growth. Key developments include an 11-year, USD 7.8 billion contract extension with PT Indonesia Pratama (IPR), a Bayan Group subsidiary, and a two-year, AUD 200 million annual extension for Australia's Meandu Mine with TEC Coal Pty Ltd. Additionally, a new USD 755 million Life-of-Mine contract with PT Persada Kapuas Prima (PKP) in Central Kalimantan. These agreements not only spread-out risks but also strengthened the Group's portfolio's geographic spread, effectively tripling the Group's order book to over USD 12.7 billion, reinforcing customer confidence in the Group's operational capabilities and commitment to long-term partnerships.

The Group also took significant steps to solidify its foundation for sustainable growth through strategic acquisitions. The acquisition of a majority stake in Atlantic Carbon Group, Inc. (“ACG”) marks its entry into the US market, expanding its business into mine ownership. ACG's financial and performance results, denominated in USD and thereby insulated from foreign exchange risks and currency fluctuations, have been consolidated into the Group's Q3 2024 results. With the inclusion of ACG's ultra-high-grade anthracite, non-thermal coal now accounts for 26% of the Group's revenue, reducing the proportion derived from thermal coal, which currently stands at 74%. Non-thermal coal revenue is projected to reach 28% by the end of 2024.

Moreover, to strengthen its presence as a mine owner, the Group has further entered a binding agreement to acquire a 51% stake in the Dawson Complex, one of Australia's largest metallurgical coal mines. This high-capacity operation features an annual production capacity of more than 8 million bcm, over 20 years of reserves, and a resource life of 50 years, with a Coal Handling and Preparation Plant (CHPP) capacity surpassing 12 million tons per annum. The Dawson Complex, operational for over 60 years, has fostered strong relationships with key Asian markets, including India and Japan. The Group has also increased its stake in 29Metals Limited, an Australian copper-focused base and precious metals mining company, to advance its diversification into base and precious metals, further reducing its reliance on thermal coal.

Focusing on strategic expansion and diversification, the Group's capital expenditures reached USD 133.1 million in Q3 2024, marking a 79% increase YoY. These investments enhance operational efficiency and facilitate growth through expansions at existing sites, alongside Repair and Maintenance (R&M) costs that ensure the longevity and efficiency of the Group's assets, in line with its full-year Capex guidance of USD 150 million to USD 190 million. Simultaneously, improved working capital management led to a 2% increase in operating cash flow, reaching approximately USD 232 million. Free cash flow (FCF) was recorded at USD 80.2 million. However, post-acquisition FCF decreased to USD -35.6 million due to strategic investments, particularly in ACG and contract-linked Capex. These investments represent the Group's commitment to growth and building a lasting legacy.

Financial Strength and Commitment to Shareholder Value

The Group remains committed to enhancing shareholder value while sustaining a strong financial position through prudent financial management, strategically aligning debt maturity with the lifespan of its operational equipment. As of September 2024, the Group marks a healthy Net Debt/EBITDA ratio of 2.17x. Recent acquisitions, including ACG, are expected to drive improved performance and further strengthen this ratio as ACG's EBITDA is fully integrated.

The successful issuance of BUMA II 2024 Rupiah Bonds in September 2024, which was 1.4x oversubscribed, demonstrates robust investor demand and confidence in BUMA's cash flow management and credit profile. This bond issuance has enabled BUMA to secure greater investor commitments for longer-term tenors, significantly enhancing its ability to manage its debt maturity profile effectively.

"We are dedicated to maintaining solid financial management, especially in upholding strong credit metrics and reinforcing our strong presence in the mining sectors in Indonesia, Australia, and the US. The financing strategy we have implemented strengthens our financial foundation and enables us to grow our business, cementing our reputation as a globally diversified mining company," Iwan concluded.

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, Australia, and the USA. Our principal subsidiary, PT Bukit Makmur Mandiri Utama (BUMA), is a leading provider of mining services to some of the largest miners in Indonesia and Australia (through BUMA Australia Pty Ltd). In June 2024, through PT Bukit Makmur Internasional (BUMA International), it acquired the majority of Atlantic Carbon Group, Inc. (ACG) and became the leading producer of ultra-high-grade anthracite coal in the USA, further strengthening the Group's global footprint in the mining industry.

In 2023, Delta Dunia Group expanded its portfolio with the addition of two new subsidiaries: PT Bukit Teknologi Digital (BTech), developing AI deep learning technologies to improve operational efficiency, reduce emissions, and minimize Occupational Health and Safety (OHS) operational risks and PT BISA Ruang Nuswantara (BIRU), a social enterprise dedicated to education, vocational schools, and fostering 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, Australia, and the USA. In June 2024, Delta Dunia Group was recognized among the Top 200 in the inaugural FORTUNE Southeast Asia 500 rankings, a prestigious list that identifies the region's largest companies by revenue.

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