



PETROSEA RESULTS FOR THE PERIOD ENDED 30 JUNE 2020

Share

IDX Ticker	PTRO
Last Price (Rp) ¹	1,520
Outstanding Shares (Billion)	1.01
Market Capitalization (Rp Trillion)	1.53

Financial Statements Highlights

	6M19	6M20	YoY
Total Revenue	238.09	175.90	(26.12%)
Gross Profit	29.71	31.88	7.30%
Operating Profit	18.22	17.78	(2.41%)
Net Profit	7.81	9.16	17.29%
Profit Attributable to Owners of Company	7.71	9.06	17.51%
EPS	0.0076	0.0090	18.42%
Cash Balance	54.95	106.75	94.27%
Net Debt	155.08	101.41	(34.61%)
Capex	41.03	12.68	(69.10%)

Shareholders Structure (above 5%)²

PT Indika Energy Tbk.	69.8%
Lo Kheng Hong	14.9%
Public	15.3%

Contact

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PT Petrosea Tbk. (PTRO), a multi-disciplinary, mining, infrastructure and oil & gas services Company with a track record of achievement in Indonesia since 1972, reported its limited review consolidated financial statements for the period ended 30 June 2020.

The Company recorded an increased profit attributable to owners of the company of US\$9.06 million from US\$7.71 million (+17.51% yoy) as a result of its focus on cost effectiveness within its business operations, enhancement of its product development processes, as well as strengthening its cash preservation to address the potential impact of the COVID-19 pandemic.

Meanwhile, total revenue decreased to US\$175.90 million (-26.12% yoy) due to less activities in mining operations during the COVID-19 pandemic that has continued to cause uncertainties in the global economy and the equilibrium of the coal market.

Contract Mining

Despite challenges experienced by the mining industry in the first half of 2020, the Company received additional volume to expand the Roto Middle area with an overburden contract volume of 13.95 million BCM in 2020 with work scheduled to commence in June 2020. Meanwhile, the Company recorded overburden volume of 45.76 million BCM and coal production of 12.71 million tons which declined by 21.54% and 17.31% yoy on the back of a weaker coal market in 6M2020.

As part of its strategy, the Company continuously maintains its operational excellence by implementing various strategic initiatives, including digitalization, cost effectiveness on plant & equipment costs as well as maximizing asset utilization in order to meet customer needs and expectations.

Engineering & Construction

The E&C business line continues to provide end-to-end services and solutions, from initial concepts, engineering as well as support for clients such as PT Freeport Indonesia and PT Masmino Dwi Area for the FEED agreement to execute the Awak Mas Gold Mine project.



Note:

1) As of 24 September 2020

2) As of 30 June 2020

E&C also continues to innovate by adopting 4.0 technologies in order to adapt to the latest industry changes. These technologies will empower us to increase control, leverage real-time data to boost productivity, improve all-around processes and drive growth.

Petrosea Logistics & Support Services

The Company continues to provide port operations and services for the Indonesian oil & gas industry in the Eastern Indonesia region through PT Kuala Pelabuhan Indonesia as well as Petrosea Offshore Supply Base (POSB) Sorong which consistently delivers international standards and cost-effective services to all of Company's clients.

Financial Highlights

- The Company consolidated a total revenue of US\$175.90 million, a 26.12% yoy decrease from US\$238.09 million reported in 6M2020. The Contract Mining business line still contributes the majority revenue stream (59.12%) followed by Petrosea Logistics & Support Services (19.72%) and Engineering & Construction (19.06%).
 - Revenue from Contract Mining amounted to US\$104.00 million, a 21.52% yoy decrease from US\$132.51 million reported in the previous year. The lower revenue was due to a 21.54% and 17.31% decrease of overburden removal volume and coal production to 45.76 million BCM and 12.71 million tons in 6M2020.
- Revenue from Engineering & Construction amounted to US\$33.52 million, a 34.57% yoy decrease from US\$51.23 million reported in the previous year. Revenue stream from this business line was mainly obtained from several projects for PT Freeport Indonesia.
 - Revenue from Petrosea Logistics & Support Services amounted to US\$34.69 million, a 34.42% yoy decrease from US\$52.90 million reported in the previous year. Revenue stream from this business line was mainly obtained from PT Kuala Pelabuhan Indonesia, POSB Sorong for BP Berau Ltd. and CSTS Joint Operations.
- Gross profit increased by 7.30% to US\$31.88 million from US\$29.71 million in the previous year, resulting in an improvement of gross profit margin from 12.48% to 18.12% in 6M2020. The Company continuously focuses on cost effectiveness on plant & equipment costs, rental of plant, vehicle & other costs in order to deliver a high financial performance to ensure profitable growth.
- The Company continuously preserves its effectiveness in managing administration expenses across business lines, in which administration expenses amounted to around US\$14.10 million in 6M2020.
- Operating profit decreased by 2.41% to US\$17.78 million from US\$18.22 million reported in 6M2020. However, operating margin improved by 7.65% to 10.11% coherent with improvement of gross profit during this period. The Company continuously focuses on cost effectiveness by optimizing digitalization.
- Interest expenses & finance charges decreased by 33.83% from US\$8.01 million to US\$5.30 million in 6M2020 as the result of a lower net debt balance during the period (US\$101.41 million in 6M2020).
- Acquisitions of property, plant & equipment spent amounted to US\$12.68 million, which was lower than the previous year of US\$41.03 million (-69.10% yoy). The lower capital expenditure was due to selective investments, with capex mainly utilized to support additional fleets and component purchases for current fleets in order to maximize operational performance through existing capacity.

- Profit attributable to owners of the company increased by 17.51% to US\$9.06 million, from US\$7.71 million reported in the previous year. As a result, the Company recorded a net profit margin improvement from 3.24% to 5.15%.
- Cash & cash equivalents amounted to US\$106.75 million, a 26.81% increase year to date in 6M2020. The Company remained focused on working capital management to support operational activities and liquidity preservation.

Financing

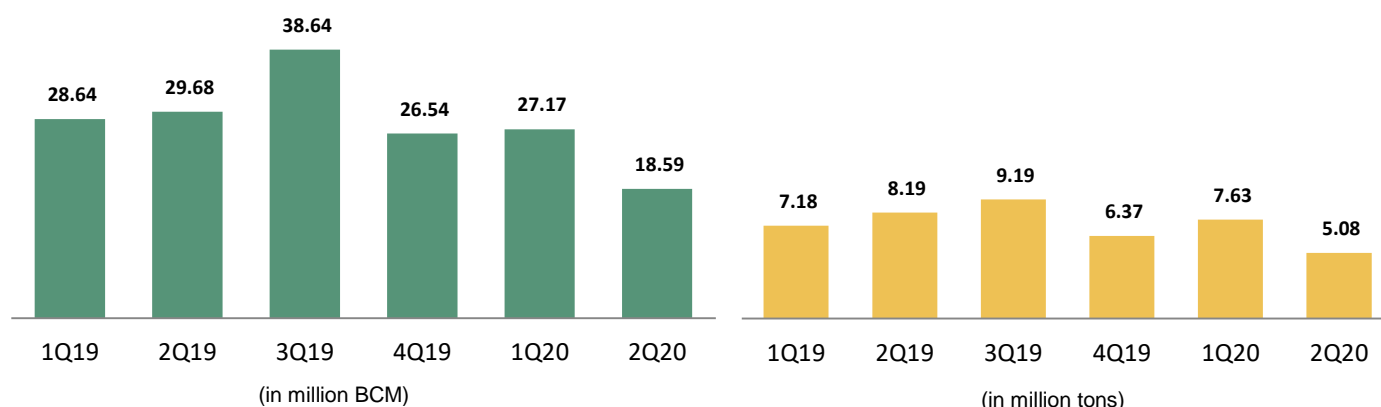
- On June 10, 2020, Petrosea and PT Bank Mandiri (Persero) Tbk signed an investment facility agreement amounting to US\$50 million.

Recent Developments

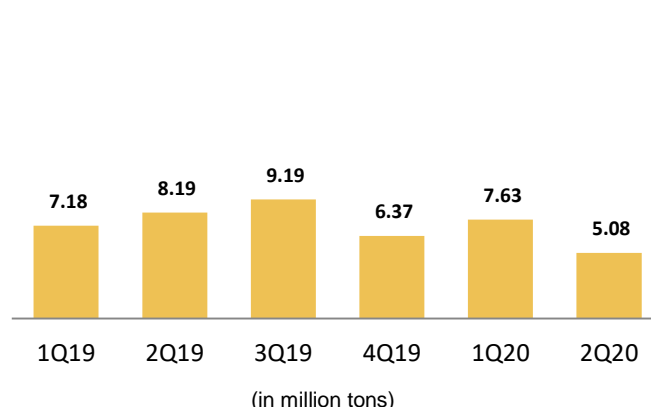
- **Contract Mining** - On April 26, 2020, Petrosea and PT Binnang Mitra Bersama Blok Dua agreed that the overburden removal and mining equipment rental works as stipulated in the agreement has been completed.
- **E&C** - On May 17, 2020, Petrosea completed work for the Supply and Placement of Fill Material project at the JIPE site owned by PT Freeport Indonesia earlier from the expected contract date of December 13, 2020.
- **Contract Mining** - On June 1, 2020, Petrosea and PT Kideco Jaya Agung entered into an amendment of the contract agreement for waste removal & coal production to expand in the Roto Middle area with an overburden contract volume of 13.95 million BCM in 2020 with work scheduled to commence in June, 2020.
- **PLSS** - On June 10, 2020, Petrosea in consortium with PT Mitra Intertrans Forwarding and PT DHL Global Forwarding Indonesia executed an amendment for integrated freight forwarding services with BP Berau Ltd. for a period of 36 months and contract value of Rp143 billion.
- **Contract Mining** - On June 27, 2020, Petrosea received a letter from Indonesia Pratama, which confirmed the scheduled quantities for the period of June to December 2020 will remain at 24.05 million BCM of overburden removal and 9.94 million tons of coal production.
- **PLSS** - On June 29, 2020, Petrosea sold all of its ownership interest in PT Pusat Sarana Baruna & PT POSB Reksabumi Indonesia to PT Interport Mandiri Utama and PT Indika Multi Niaga. The acquisition constituted business combination among entities under common control.
- **PLSS** - On July 14, 2020, Petrosea and PT Saipem Indonesia entered into an amendment agreement for the Tangguh Expansion Project at POSB Sorong which extended the contract completion date to November 30, 2020.
- **E&C** - On July 27, 2020, Petrosea and PT Freeport Indonesia agreed to extend the contract duration of the Master Services Agreement for Grasberg Wanagon Mining Services until August 31, 2021.

END

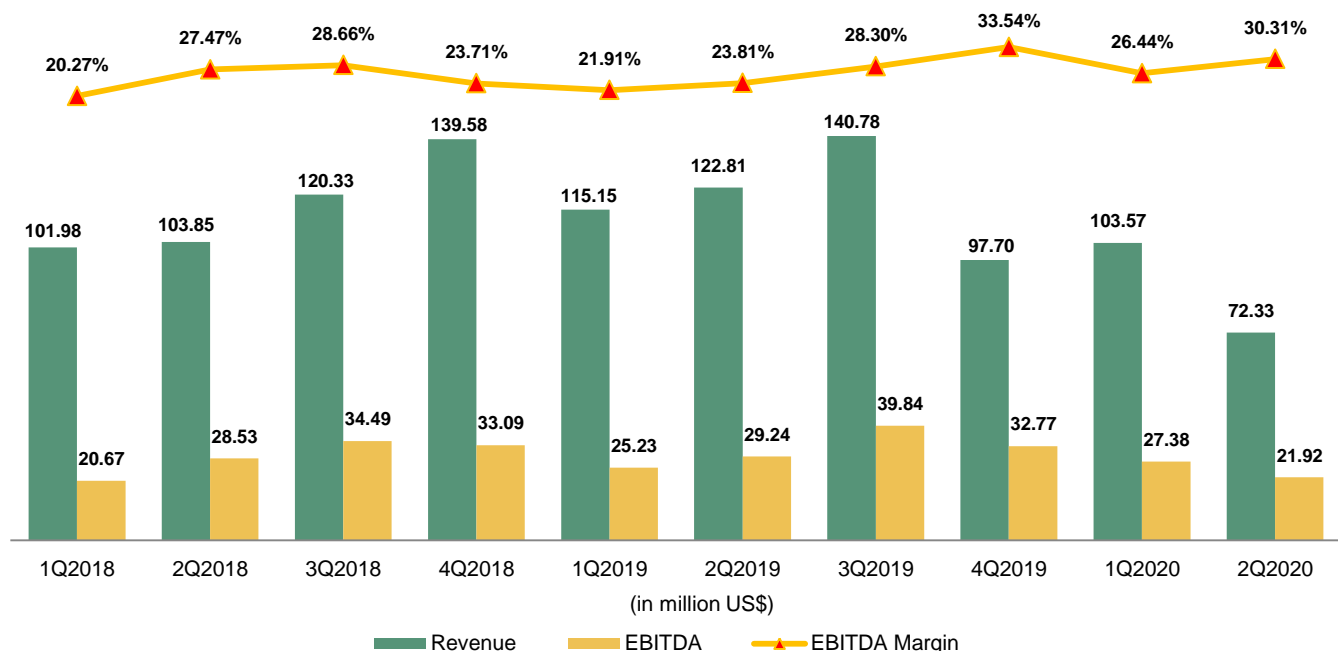
OVERBURDEN REMOVAL



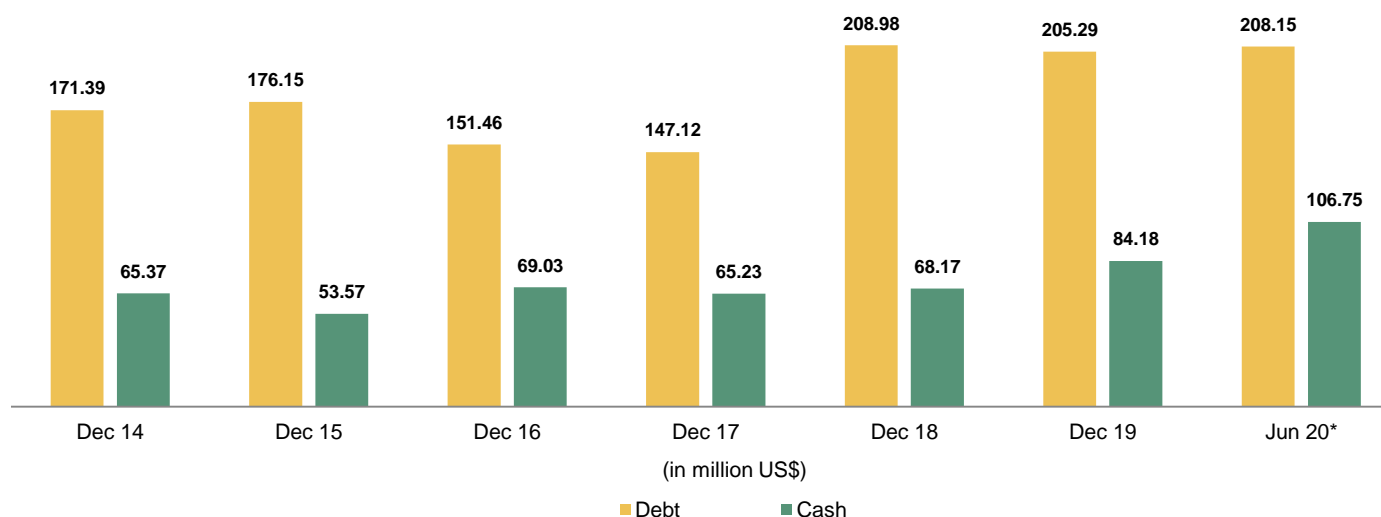
COAL PRODUCTION



PROFITABILITY



DEBT & CASH



*Including additional debt from PSAK 73

Consolidated Statements of Profit or Loss (US\$ million)	Jun 19	Jun 20*	% Change
Revenues	238.09	175.90	(26.12%)
Direct Costs	(208.37)	(144.02)	(30.88%)
Gross Profit	29.71	31.88	7.30%
Operating Profit	18.22	17.78	(2.41%)
Net Profit for the Year	7.81	9.16	17.29%
Profit Attributable to Owners of the Company	7.71	9.06	17.51%
Profit Attributable to Non-controlling Interest	0.10	0.09	(10.00%)

Consolidated Statements of Financial Position (US\$ million)	Dec 19	Jun 20*	% Change
Cash & Cash Equivalents	84.18	106.75	26.81%
Total Current Assets	222.06	207.83	(6.41%)
Total Noncurrent Assets	328.98	322.11	(2.09%)
Total Assets	551.04	529.94	(3.83%)
Total Current Liabilities	146.34	133.70	(8.64%)
Total Noncurrent Liabilities	192.14	184.10	(4.18%)
Total Liabilities	338.48	317.80	(6.11%)
Total Equity	212.56	212.14	(0.20%)
Total Liabilities & Equity	551.04	529.94	(3.83%)

Financial Ratio	Dec 19	Jun 20*
Return on Assets	5.68%	6.17%
Return on Equity	14.74%	15.40%
Current Ratio	1.52x	1.55x
Debt to Equity Ratio	0.97x	0.98x
Fixed Assets Turnover Ratio	1.52x	1.36x
Total Assets Turnover Ratio	0.86x	0.78x
Gross Profit Margin	17.03%	18.12%
Operating Profit Margin	11.99%	10.11%
Net Profit Margin	6.54%	5.21%

*Annualized and including PSAK 73 implementation

Overview

PT Petrosea Tbk. is a multi-disciplinary mining, infrastructure and oil & gas services Company with a track record of achievement in Indonesia since 1972. We offer a competitive advantage through our ability to provide complete pit-to-port mining solutions, integrated engineering and construction capabilities as well as logistic support, whilst demonstrating absolute commitment to safety, health & environment, quality management and business integrity.

Petrosea has been listed on the Indonesia Stock Exchange (IDX: PTRO) since 1990 and was the first publicly listed Indonesian engineering and construction Company in Indonesia.

The Company's vision is to be a leading service provider in mining, oil & gas and infrastructure in South East Asia. The Company's mission is to deliver innovative solutions for mining, oil & gas and infrastructure to the satisfaction of all clients and stakeholders.

Together with its holding Company, PT Indika Energy Tbk., Petrosea is able to provide complete solutions in the energy supply chain. Understanding the demands of the industry and having the full range of expertise in engineering and project management, high quality construction capabilities, ability to complete complex projects on schedule, local knowledge and focus on human capital management and development, enables us to provide consistent results and position ourselves to meet and exceed the expectations of our customers.

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Disclaimer

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