

## Company Update

9M2019



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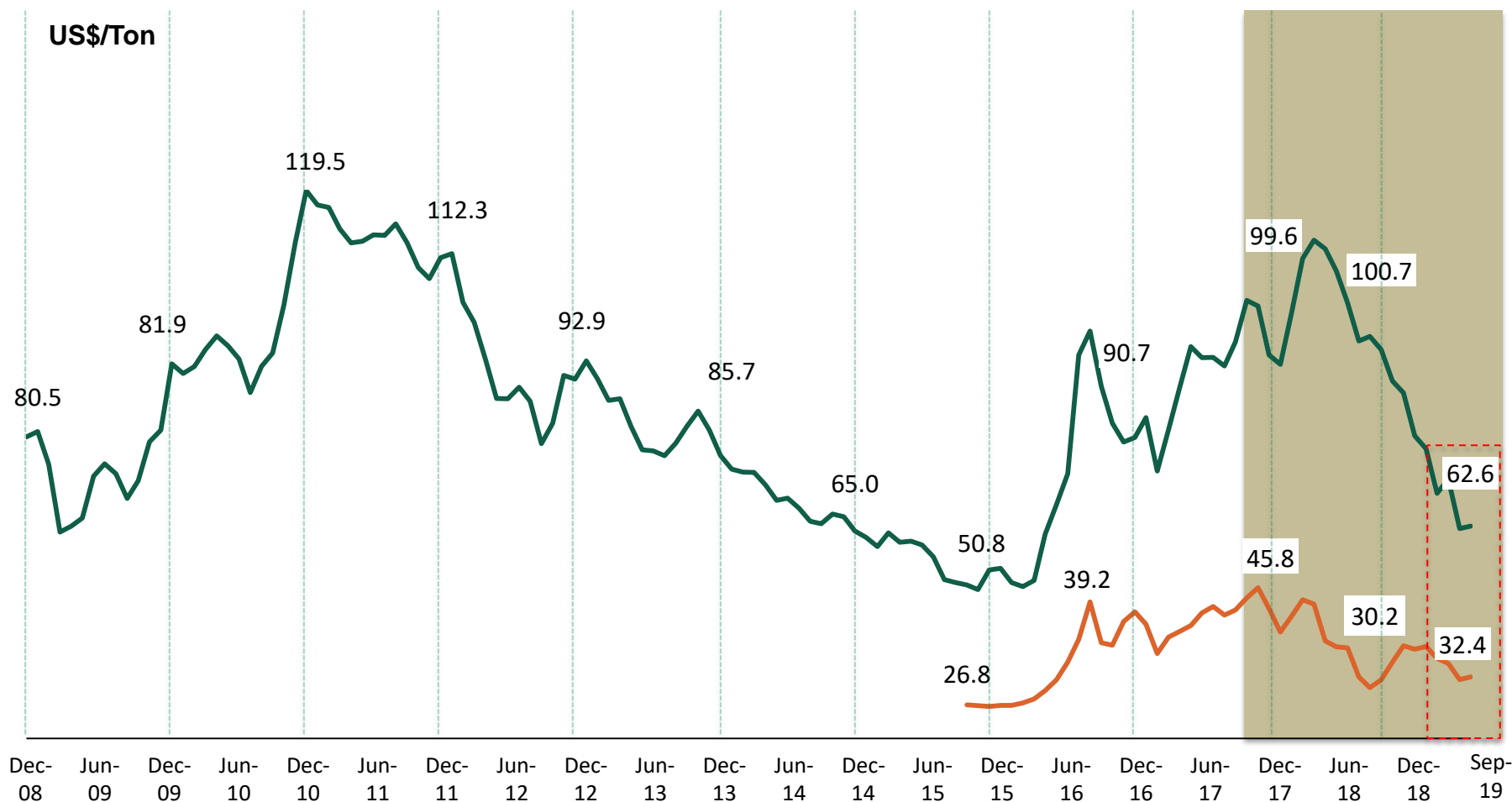
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# Company Overview

**PT Petrosea Tbk.**



# Coal Price Fluctuation



## From Sep 18 to Sep 19

4200 GAR decrease **-15.7%** from \$38.4 to \$32.4

6300 GAR decrease **-45.0%** from \$113.8 to \$62.6

2017 avg.  
4200 GAR  
US\$42.9/ton

2018 avg.  
4200 GAR  
US\$42.0/ton

2019 avg.  
4200 GAR  
US\$35.3/ton

— NC 6300 GAR  
(7-45 day)  
— ICI 4 (4200 GAR)

## PTRO

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 health, safety & environment, quality management and business integrity.

### Contract Mining



Contract mining and the provision of mine services for the mining industry has been part of Petrosea's core business since 1975, providing integrated pit-to-port mining solutions and services across all production stages to the Indonesian mining industry. Through its open pit contract mining services capabilities, Petrosea delivers enhanced margins and return on assets for its clients

- Feasibility study & conceptual design
- Pit optimization
- Mine planning, mine scheduling, haul distance & dump optimization
- Heavy equipment selection
- Plant hire
- Mining contract services
- Mine project management services
- Stockpile maintenance
- Site rehabilitation & environmental management

### Engineering & Construction



Petrosea provides engineering & construction services for the Indonesian energy, infrastructure and mining industries, with extensive experience throughout Indonesia and strong relationships with key stakeholders such as the government and communities to assist our clients in meeting their business goals.

For the infrastructure and minerals industry, Petrosea provides the full range of engineering, construction and operations services including:

- Construction
- Plant & equipment hire
- Commissioning
- Project management
- Operation & maintenance
- Procurement & logistics
- Front end engineering design
- Detail engineering design
- Technical due diligence
- Conceptual to full bankable feasibility studies

### Petrosea Logistics & Support Services



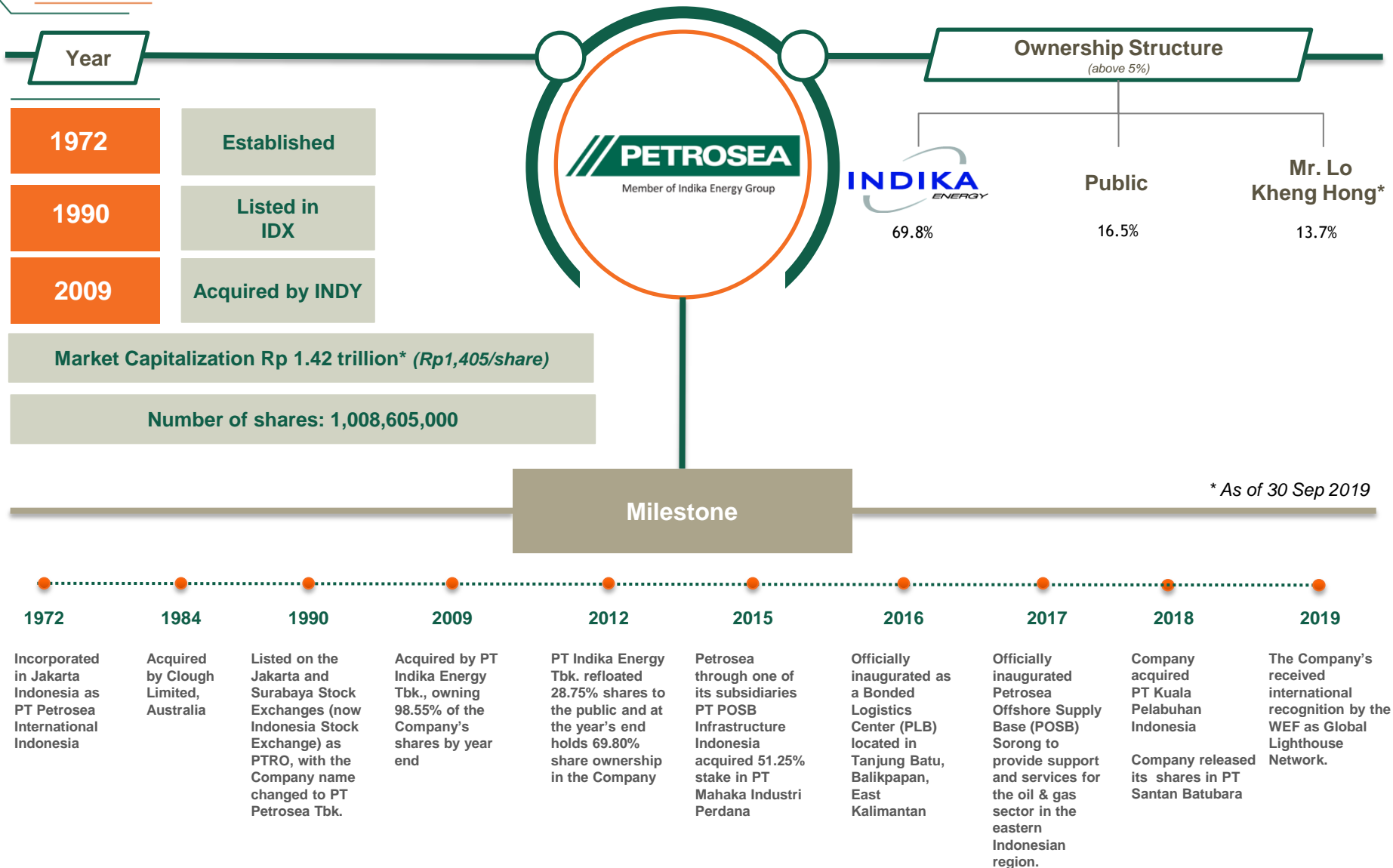
Petrosea provides services to the Indonesian oil & gas industry through its strategically positioned Petrosea Offshore Supply Base (POSB) and Bonded Logistics Center (PLB), delivering a wide range of cost effective services executed to international standards. Our Supply Base Management capability along with our strong focus on HSE ensures that we are able to provide our services safely and efficiently, supporting offshore oil & gas production, development and exploration throughout Indonesia.

- POSB Sorong
- Bonded Logistics Center

# Ownership Structure & Milestone



Member of Indika Energy Group





## Board of Commissioners



**Richard Bruce Ness**  
PRESIDENT COMMISSIONER



**Purbaja Pantja**  
COMMISSIONER



**Kamen Kamenov Palatov**  
COMMISSIONER



**Osman Sitorus**  
INDEPENDENT COMMISSIONER



**Hasnul Suhaimi**  
INDEPENDENT COMMISSIONER

## Board of Directors



**Hanifa Indradjaya**  
PRESIDENT DIRECTOR

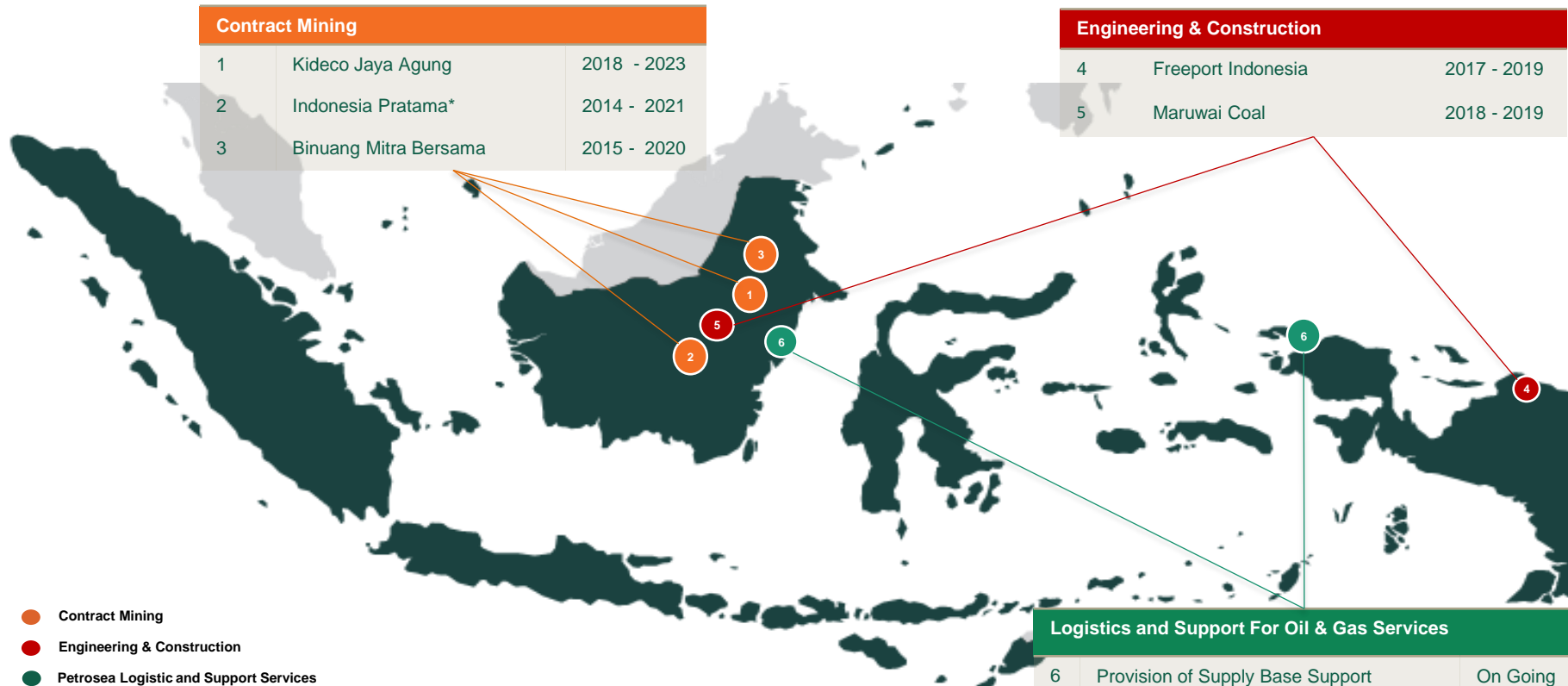


**Johanes Ispurnawan**  
DIRECTOR



**Romi Novan Indrawan**  
DIRECTOR

# Operational Map & Current Major Projects



## Top 5 Clients



## Logistics and Support For Oil & Gas Services

6	Provision of Supply Base Support Services & Bonded Logistic Center Services	On Going
Pertamina Trans Kontinental, Ophir Energy Indonesia, Baroid Indonesia, Dowell Anadrill Schlumberger, CPM - LEC Joint Operation, Alatas Marine Services, Apexindo Pratama Duta, Eni Muara Bakau B.V., Viking Seatech Indonesia, Saipem Indonesia, Ensco Sarida Offshore, CSTS Joint Operation, Saipem Indonesia, BP Berau Ltd.		

\* Subsidiary of PT Bayan Resources Tbk.



# Recent Developments

PT Petrosea Tbk.



## Contract Mining

- On September 28, 2019. Contract Mining - Petrosea received letter from PT Indonesia Pratama to limit the Petrosea's coal production at 16.3M Ton for year 2019.
- On August 26, 2019. Contract Mining - Petrosea and PT Binuang Mitra Bersama Blok Dua (BMB) signed payment agreement for settlement progress claim period April, May and June 2019 amounted Rp268.6 Billion. BMB will pay Petrosea with 9th installment from September 2019 until May 2020.
- On August 2019. Contract Mining - PT Kideco Jaya Agung increased rate for Waste Removal & Coal Loading by 1.5% , retroactive starting from January 2019.
- On June 1, 2019. Contract Mining - Petrosea and PT Kideco has received Notice to Proceed from PT Kideco Jaya Agung for executing the Contract of Civil Work for relocation of MCCP B Line to SMCP area with the contract value of Rp 33 billion (20 months).
- On April 11, 2019. Contract Mining - Petrosea signed a termination agreement with PT Anzawara Satria.
- On March 15, 2019. Contract Mining - Petrosea and Indonesia Pratama entered into a third amendment of the Agreement for the Provision of Open Pit Overburden Mining Services, regarding haul distance calculation.

## Engineering & Construction

- On July 31, 2019. E&C - Petrosea has completed project with PT Maruwai Coal related Civil Concrete Utilities & Infrastructure Works.
- On June 28, 2019. E&C - Petrosea and Freeport Indonesia signed Letter of Award for Supply and Placement of Fill Material at JIPE site with estimate contract value Rp832.7 Billion. The final contract value currently still in re-pricing process.
- On May 2019. E&C - Petrosea and Freeport Indonesia entered into Construction Services at Portsite (Corrosion Remediation) with estimate contract value Rp54.5 Billion, duration until August 2020.
- On March 8, 2019. E&C - Petrosea received a Final Completion Certificate from Adaro for the Lampunut Village Installation project, stating that the project has been witnessed and completed in accordance with client specifications.

## PLSS

- On April 1, 2019, the Company in consortium with PT Mitra Intertrans Forwarding and PT DHL Global Forwarding Indonesia executed a Contract for Integrated Freight Forwarding Services with BP Berau Ltd for a 36 months period valued Rp99 billion.
- On March 18, 2019, the Company and PT Saipem Indonesia entered into Amendment No.1 to Agreement for Provision Logistic Base Tangguh Expansion Project at Sorong effective date March 4, 2019 to August 30, 2020. The total contract value is Rp28 billion.

## Financing

- On July 18, 2019, Petrosea & ORIX signed a long term lease facility agreement with a total amount of US\$10.6 Million.
- On May 8 and 13, 2019, Petrosea & Mitsubishi UFJ Lease & Finance Indonesia signed a long term lease facility agreement with a total amount of US\$9.8 million.
- On March 18, 2019, Petrosea undertook a liability management exercise to repay a portion of its long term loan to a related party which amounted to US\$75 million by using a US\$60 million loan facility from PT Bank Mandiri (Persero) Tbk. and US\$15 million from internal cash.
- On March 8, 2019, Petrosea & HSBC signed a non-cash loan agreement with a total amount of US\$25 million and a working capital facility with a total amount of US\$5 million.
- On March 8, 2019, Petrosea & Komatsu Astra Finance signed a long term loan agreement with a total amount of US\$30 million

# Operational Highlights

PT Petrosea Tbk.



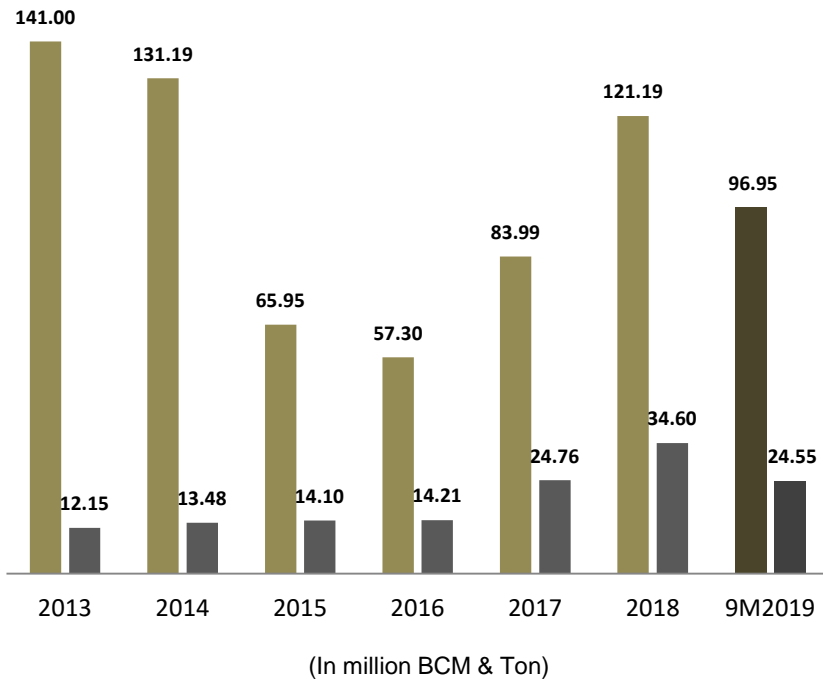
# Operational Highlights

## YEAR ON YEAR

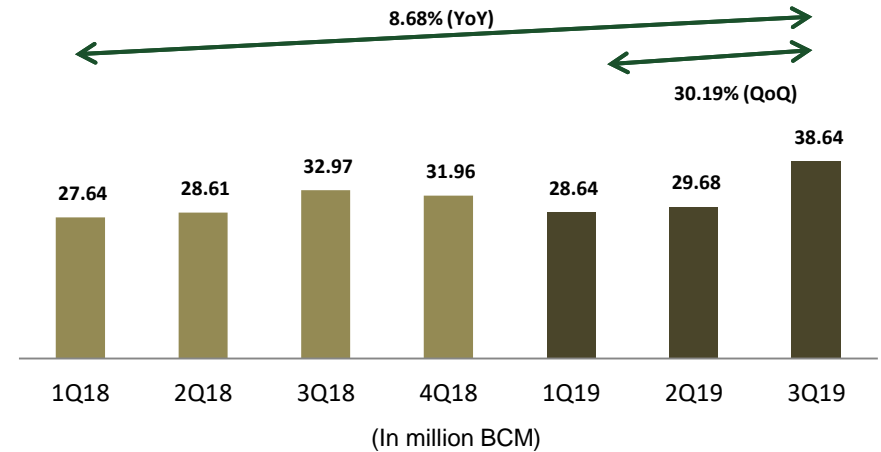
Description	Sep 18	Sep 19	YoY
Overburden (MBCM)	89.22	96.95	8.68%
Coal (MT)	26.85	24.55	-8.53%

## YEARLY VOLUME

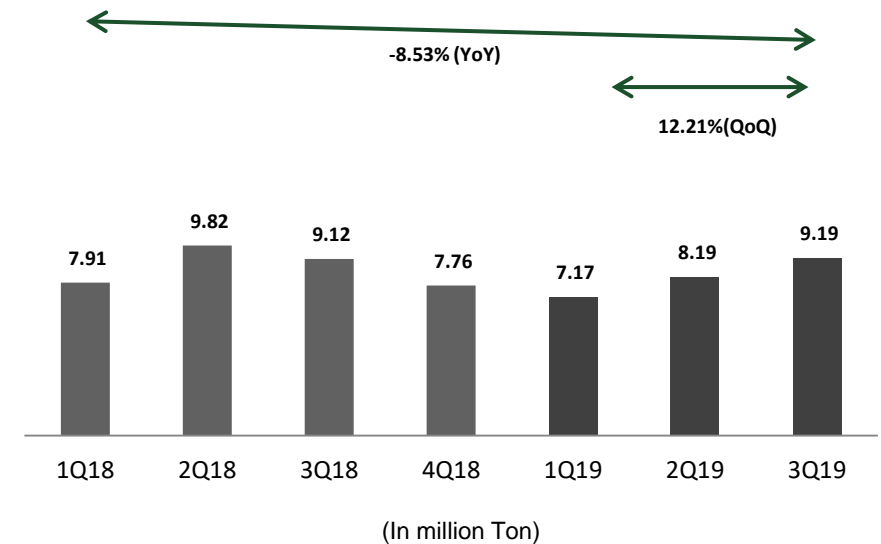
Overburden Coal



## OVERBURDEN QUARTERLY



## COAL QUARTERLY



# Financial Highlights

PT Petrosea Tbk.





# Financial Highlights

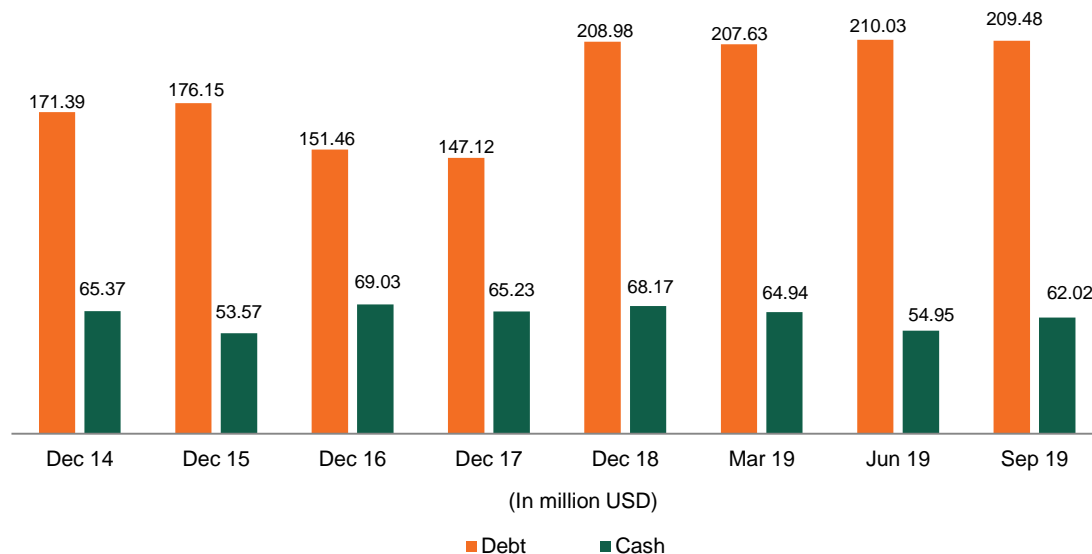
## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

Description (US\$ Million)	Dec 18	Sep 19
Cash & Cash Equivalents	68.17	62.02
Total Current Assets	250.17	248.57
Total Noncurrent Assets	305.42	329.57
<b>Total Assets</b>	<b>555.59</b>	<b>578.14</b>
Total Current Liabilities	147.86	167.03
Total Noncurrent Liabilities	216.60	208.33
<b>Total Liabilities</b>	<b>364.46</b>	<b>375.36</b>
<b>Total Equity</b>	<b>191.13</b>	<b>202.78</b>
<b>Total Liabilities &amp; Equity</b>	<b>555.59</b>	<b>578.14</b>

## FINANCIAL RATIO

Description	Dec 18	Sep 19
Current Ratio (X)	1.69	1.49
Debt to Equity Ratio (X)	1.09	1.03
Fixed Assets Turnover Ratio(X)	1.56	1.64
Total Assets Turnover Ratio (X)	0.84	0.90
Total Debt (US\$ Million)	208.98	209.48
Net Gearing Ratio (X)	0.74	0.73

## DEBT & CASH



## Maintaining Healthy Balance Sheets



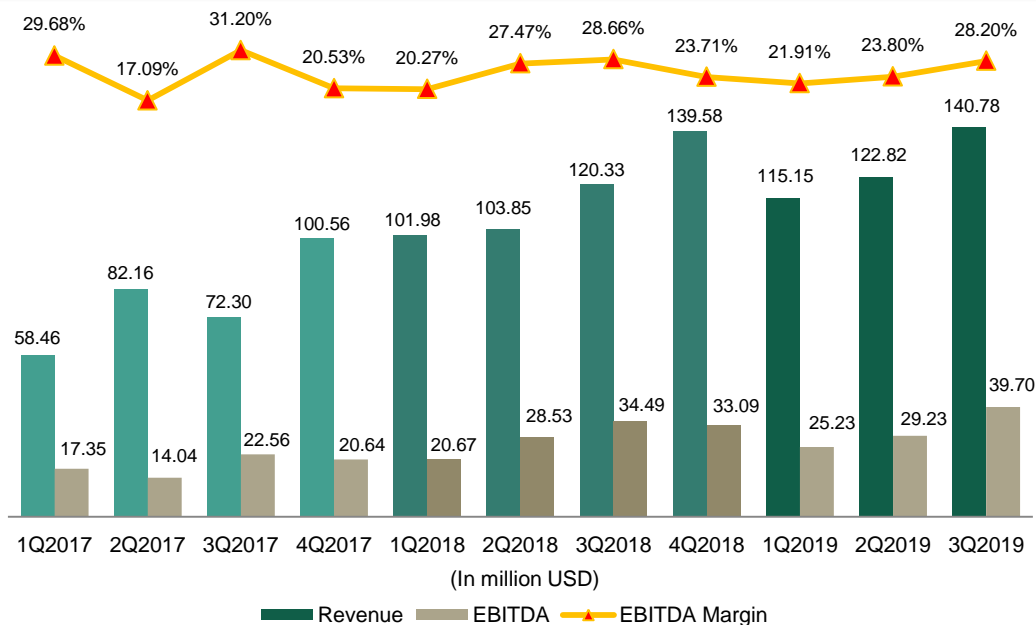
• Effective working capital management

• Prudent liabilities management strategy

• Good Corporate Governance

# Financial Highlights

## REVENUE & EBITDA



Description	3M18	6M18	9M18	12M18	3M19	6M19	9M19
EBITDA (US\$ Million)	20.67	49.44	83.66	116.78	25.23	54.47	94.17
EBITDA Margin	20.27%	24.02%	25.65%	25.07%	21.91%	22.89%	24.86%
Gross Profit Margin	11.23%	14.13%	16.05%	15.70%	11.51%	12.04%	15.09%
Operating Profit Margin	5.44%	8.97%	11.12%	11.21%	6.78%	7.21%	10.42%
Net Profit Margin	1.72%	3.62%	5.50%	4.97%	2.72%	3.40%	5.44%
Return on Asset	0.33%	2.68%	4.24%	4.17%	4.33%	4.29%	4.47%
Return on Equity	0.36%	7.54%	11.75%	12.12%	12.47%	12.45%	12.74%

## CONSOLIDATED STATEMENTS OF PROFIT OR LOSS

Description (US\$ Million)	Sep 18	Sep 19	YoY
Revenues	326.16	378.74	16.12%
Direct Costs	(273.84)	(321.59)	17.44%
Gross Profit	52.32	57.16	9.25%
Operating Profit	36.26	39.45	8.80%
Share in jointly controlled entity's Net Loss	(0.50)	-	100.00%
Net Profit for the Year	17.93	20.61	14.95%
Profit Attributable - to Owners of Company	17.77	20.58	15.81%
Profit Attributable - to Non-controlling Interest	0.16	0.03	-81.25%
Earning per Share	0.0176	0.0204	15.91%

**Optimizing Asset Utilization**

**Implementation of Various continuous improvement Initiatives**

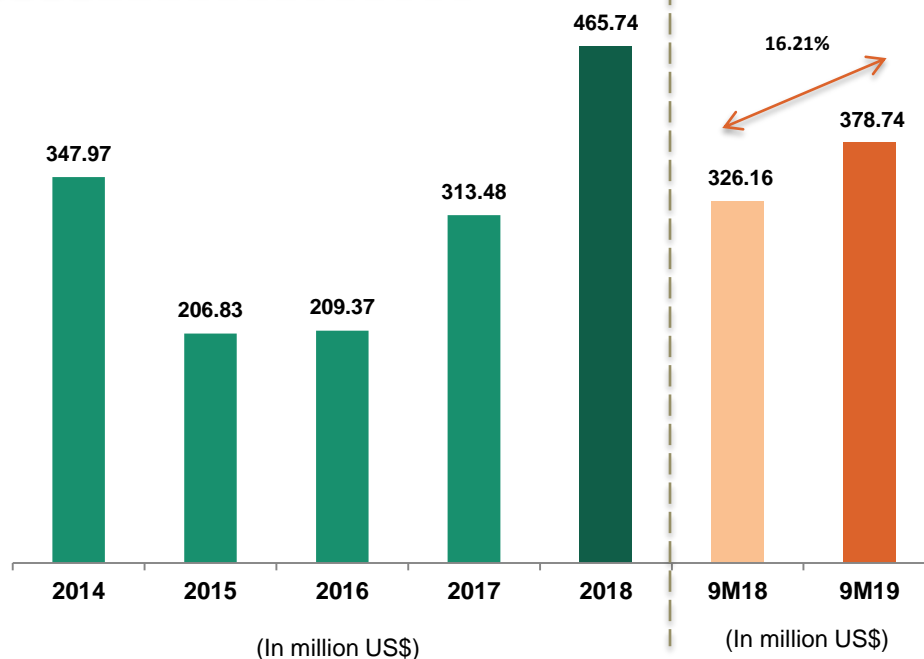
**Increasing Productivity**

# Financial Highlights

## TOTAL REVENUE

### 5-Year's Revenue

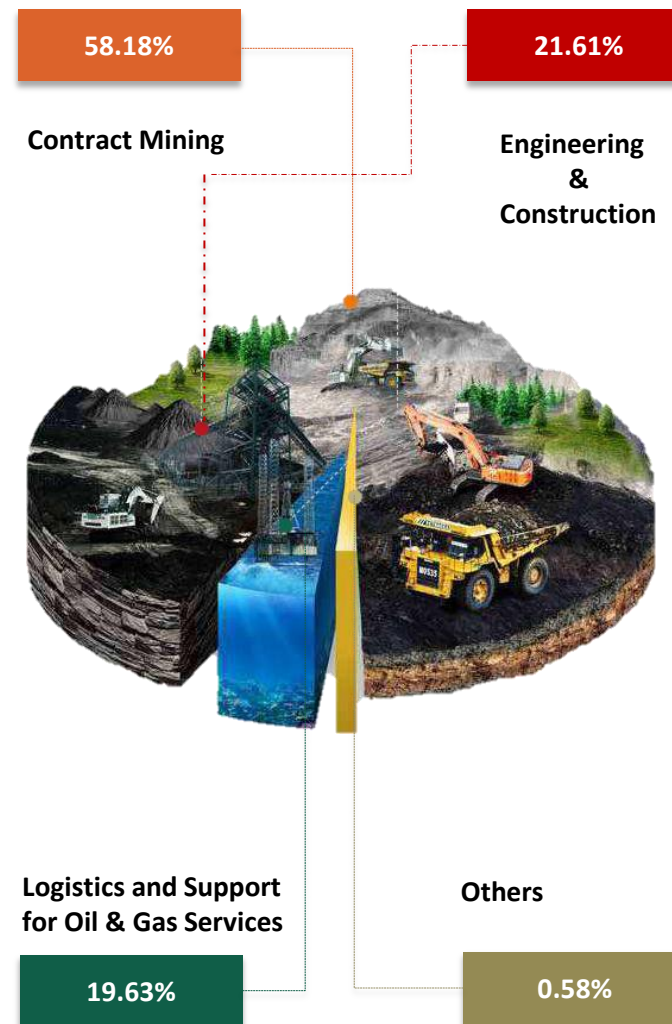
### YoY



## REVENUE PER BUSINESS LINE

Description (In million US\$)	9M18	9M19	YoY
Contract Mining	196.88	220.35	11.92%
Engineering & Construction	76.87	81.85	6.48%
Logistics and Support for Oil & Gas Services	50.71	74.34	46.60%
Others	1.70	2.20	29.41%

## CONTRIBUTION



# Financial Highlights



Member of Indika Energy Group

## CONSOLIDATED STATEMENTS OF CASH FLOWS

CASH FLOW FROM OPERATING ACTIVITIES				CASH FLOW FROM INVESTING AND FINANCING ACTIVITIES			
Description (US\$ Million)	Sep 18	Sep 19		Description (US\$ Million)	Sep 18	Sep 19	
Cash received from customers	294.27	357.50		Withdrawal of other financial assets	-	2.79	
Cash paid to suppliers	(153.09)	(173.49)		Proceeds from sale on an investment	-	-	
Cash paid to employees	(86.59)	(112.65)		Dividend received	1.33	-	
Cash generated from operations	54.59	71.36		Acquisition of intangible assets	-	(8.59)	
Receipt of the refunds	2.23	9.22		Acquisition of subsidiary	(8.56)	-	
Interest received	0.33	0.87		Acquisition of property, plant & EQ	(78.63)	(56.14)	
Payment other tax and penalties	(0.01)	(0.01)		Proceeds sale of property, plant & EQ	5.97	1.54	
Payment of incomes taxes	(1.96)	(8.13)		<b>Net Cash Used in Investing Activities</b>	(79.89)	(60.40)	
Payment of interest and finance charges	(10.47)	(13.73)		Proceeds from bank loan	66.60	10.00	
<b>Net cash provided by operating activities</b>	44.72	59.58		Proceeds from sales and leaseback transaction	44.05	23.90	
				Proceeds from long term loan (third parties)	-	93.12	
				Payment of long term loan (related parties)	-	(75.00)	
				Payment of long term loan (third parties)	-	(32.17)	
				Payment of finance lease LB	(12.35)	(6.32)	
				Payment dividend	(12.53)	(8.85)	
				Payment of bank loan	(57.19)	(10.00)	
				<b>Net Cash Provided by (Used in) Financing Activities</b>	28.58	(5.32)	

## CAPITAL EXPENDITURES

Description	3M18	6M18	9M18	12M18	3M19	6M19	9M19
Realization (US\$ Million)	26.44	52.37	78.63	104.16	44.80	58.28	72.36

# Guidance 2019

PT Petrosea Tbk.



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**Overburden Volume**

129 Million BCM

**Coal Production**

35 Million Ton

**Capital Expenditures**

US\$ 177 Million



# Market Overview

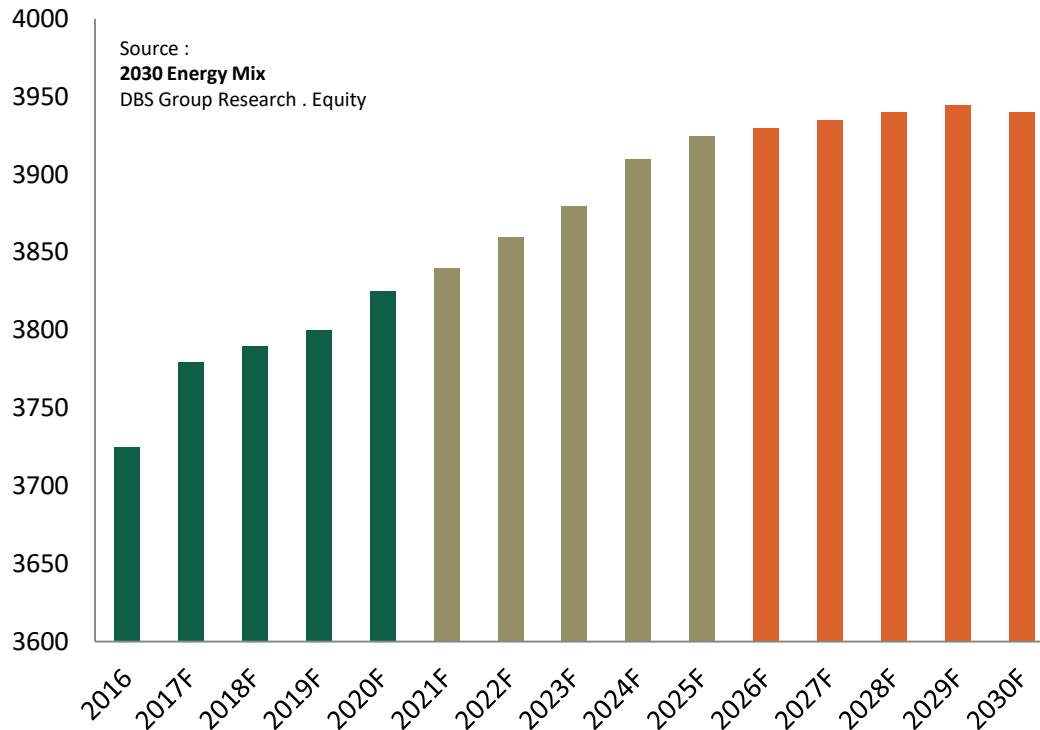
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PT Petrosea Tbk.



# Coal Demand Outlook

## Global Coal Demand Forecast

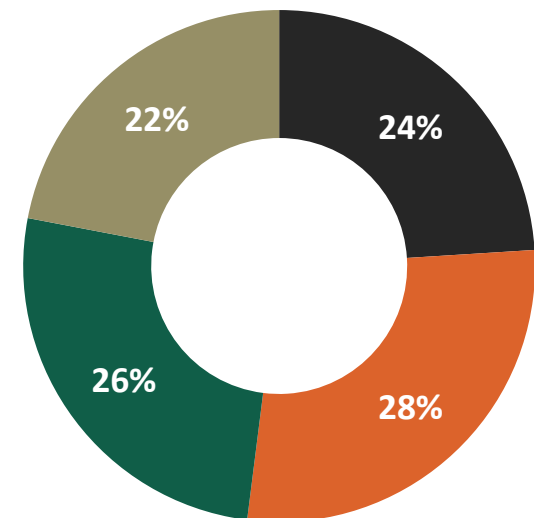


**Coal :** New coal-fired power plant projects can be reduced, but scrapping existing operating capacity and capacity under construction is highly unlikely.

Estimation global coal demand will still exhibit slight growth over FY17-30, with declines in Europe and flattish growth in China offset by India and also supported by ASEAN countries, mainly Thailand and Indonesia

## Change in Global Energy Mix 2030

Source :  
2030 Energy Mix  
DBS Group Research . Equity



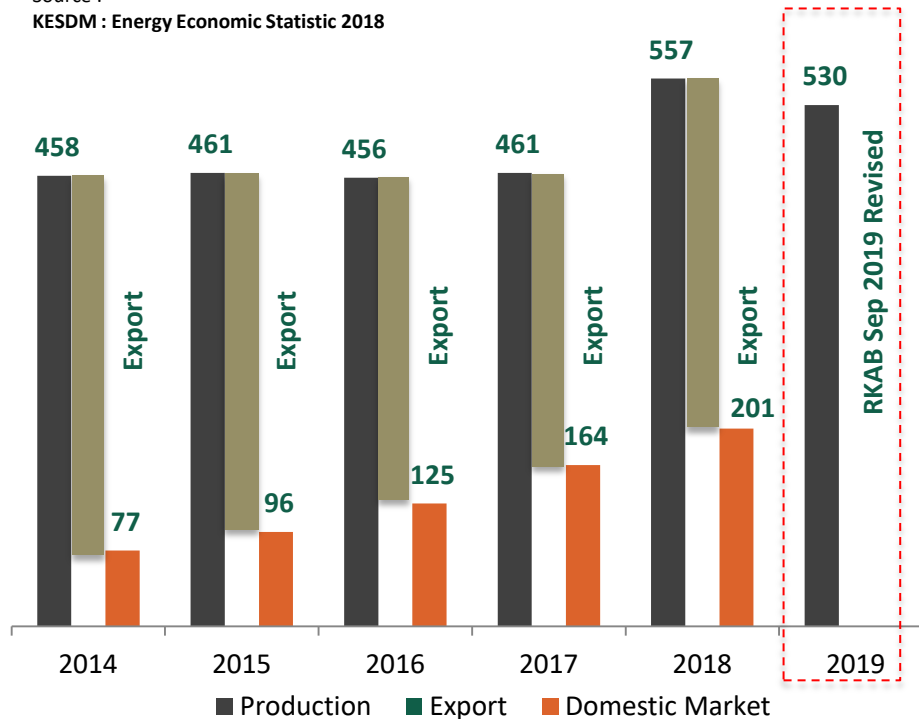
■ Coal ■ Crude Oil ■ Natural Gas ■ Renewable Energy

**Clear trend towards renewables, but fossil fuel demand to continue growing nonetheless.** We expect global energy demand to increase at 1.5% CAGR from 2017-2030, premised on the back of c.3.25% CAGR in global GDP, offset by improvements in energy efficiency (i.e. declines in energy intensity).

# Domestic Coal Market

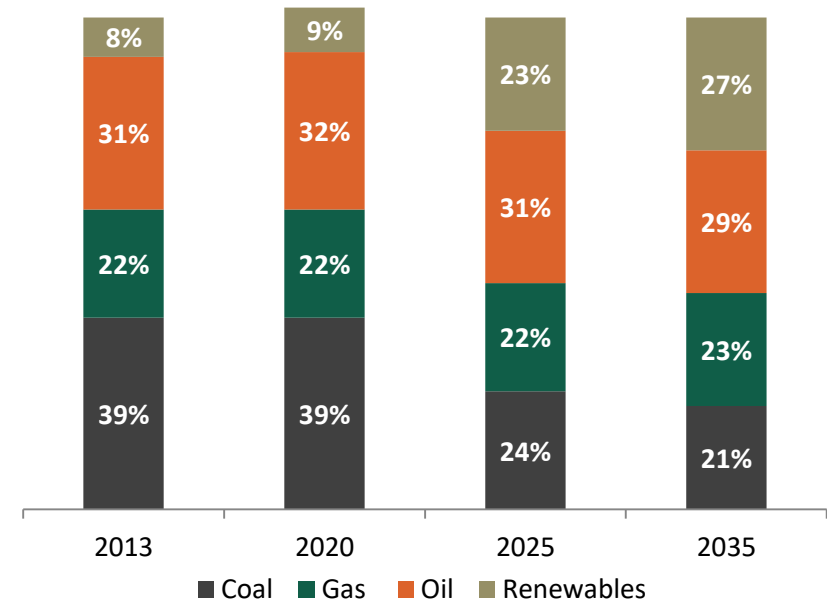
## Indonesia Coal Production

Source :  
KESDM : Energy Economic Statistic 2018



## Indonesia's Energy Mix Blue Print

Source :  
2030 Energy Mix  
DBS Group Research . Equity



## DMO

(Domestic Market Obligations)

25%

Source :  
Keputusan Menteri ESDM – No 78 K/30/MEM/2019

Over in Indonesia, despite the plan to add more renewable energy to its 2025 energy mix target, Indonesia still relies on coal to a large extent. Its upcoming power plant projects are dominated by coal-fired capacity, followed by gas and diesel

## Thank You

**PT. Petrosea Tbk.**  
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