

# COMPANY PRESENTATION

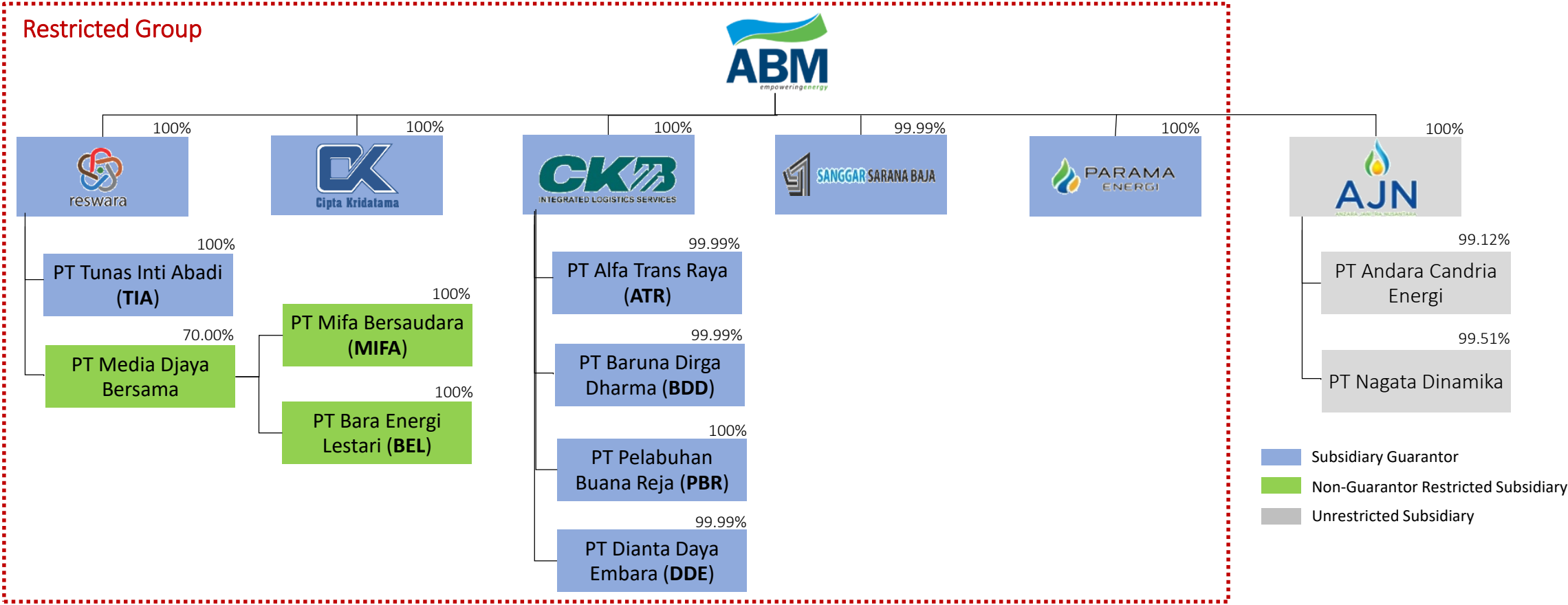
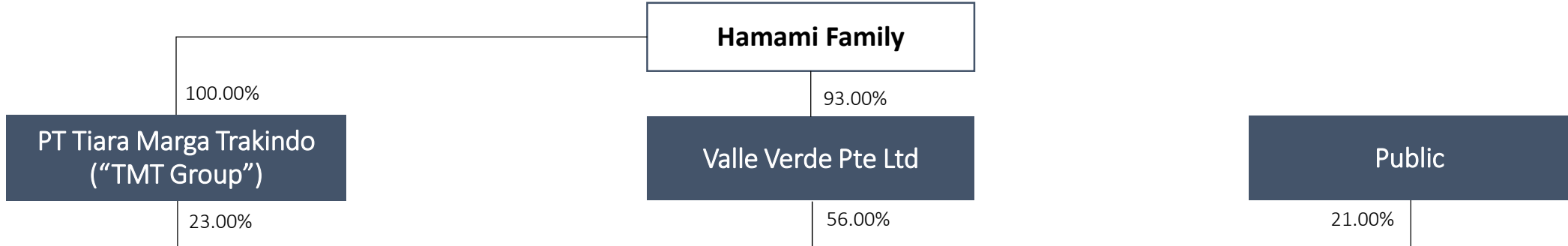
## PT ABM Investama Tbk.

October 2020



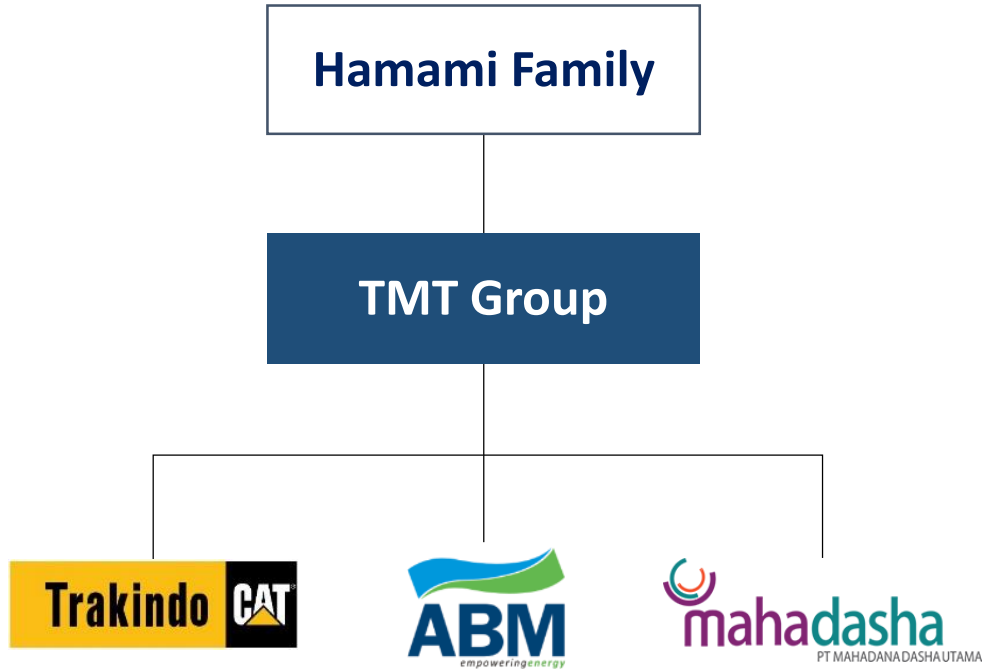
**Integrated Value Chain for Sustainable Business**  
**Rantai Nilai Terpadu untuk Bisnis yang Berkelanjutan**

# Group and Corporate Structure



- Subsidiary Guarantor
- Non-Guarantor Restricted Subsidiary
- Unrestricted Subsidiary

# ABM and Trakindo Utama are Part of TMT Group



- TMT Group is 100% owned by the Hamami Family
- **Trakindo CAT** was founded by AHK Hamami in 1970 and has developed into one of the largest domestic conglomerates in Indonesia for 50 years period
- **Trakindo CAT** became the sole authorized dealer for **Caterpillar** in 1971 and now has over 70 branches serving many industries
- **TMT, through Trakindo CAT offers ABM strong partnership and technical support**
  1. Ability to conduct large-scale and efficient mining using world class equipment from Caterpillar
  2. Flexible credit terms
  3. Benefits from distributor service and support across Indonesia, in the form of customer training and fast equipment servicing
  4. Leverage extensive network of customers to identify new business and customer opportunities, as well as Trakindo's brand and reputation

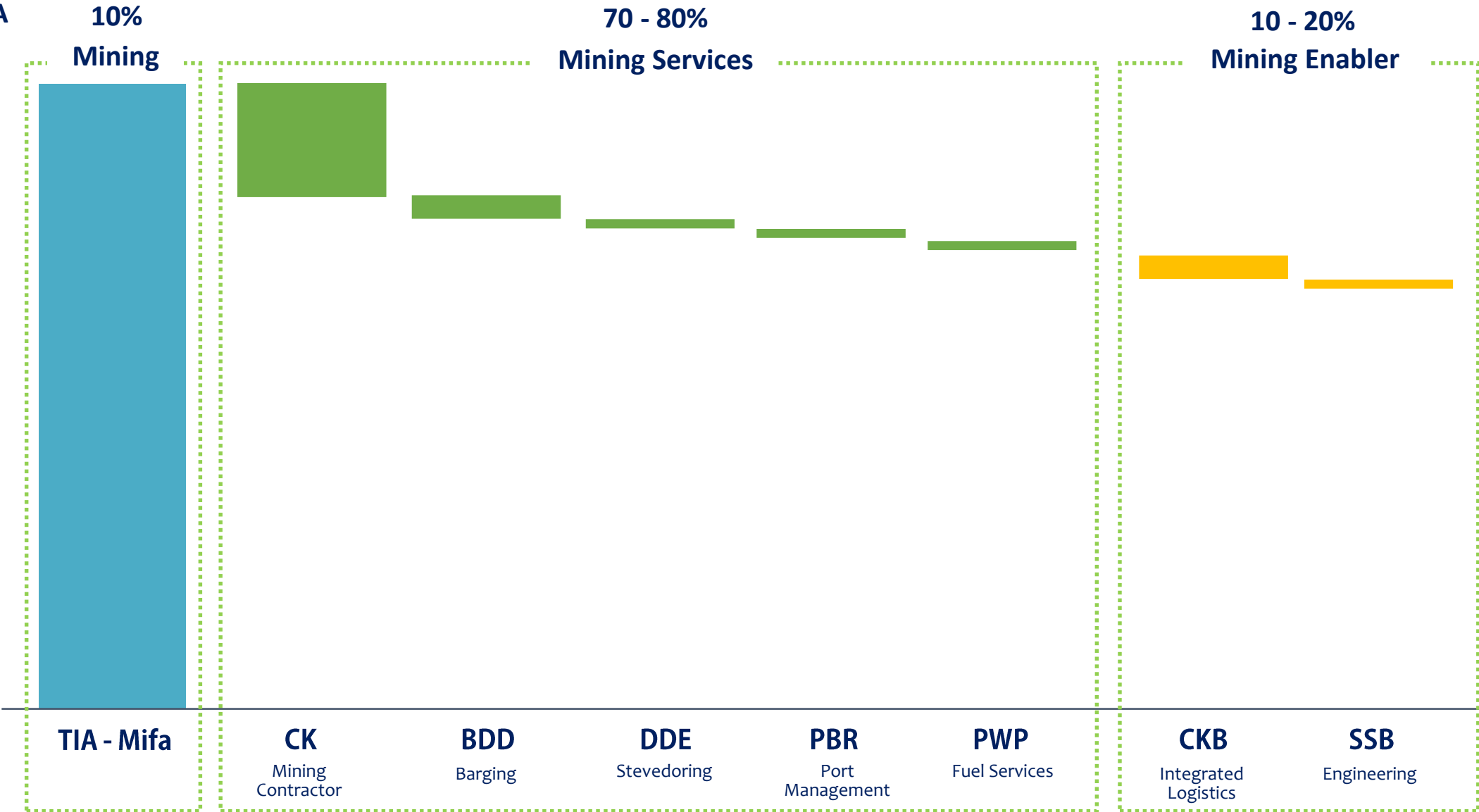
# ABM Mining Value Chain (MVC)





# Focus on MVC - Major Contributor of EBITDA in 2020 and Going Forward

2020 EBITDA



# Key Highlights

**Coal Prices** are depressed now, but will recover post COVID

Coal Price

Cost Efficiency

Volume

**Coal Sales & OB Removal volume** will achieve a new record in 2020



Operational Performance

Capacity Management

**Mifa capacity** is 10 mn ton and **CK capacity** is 200 mn bcm. We do not foresee significant capex in the future

Capex

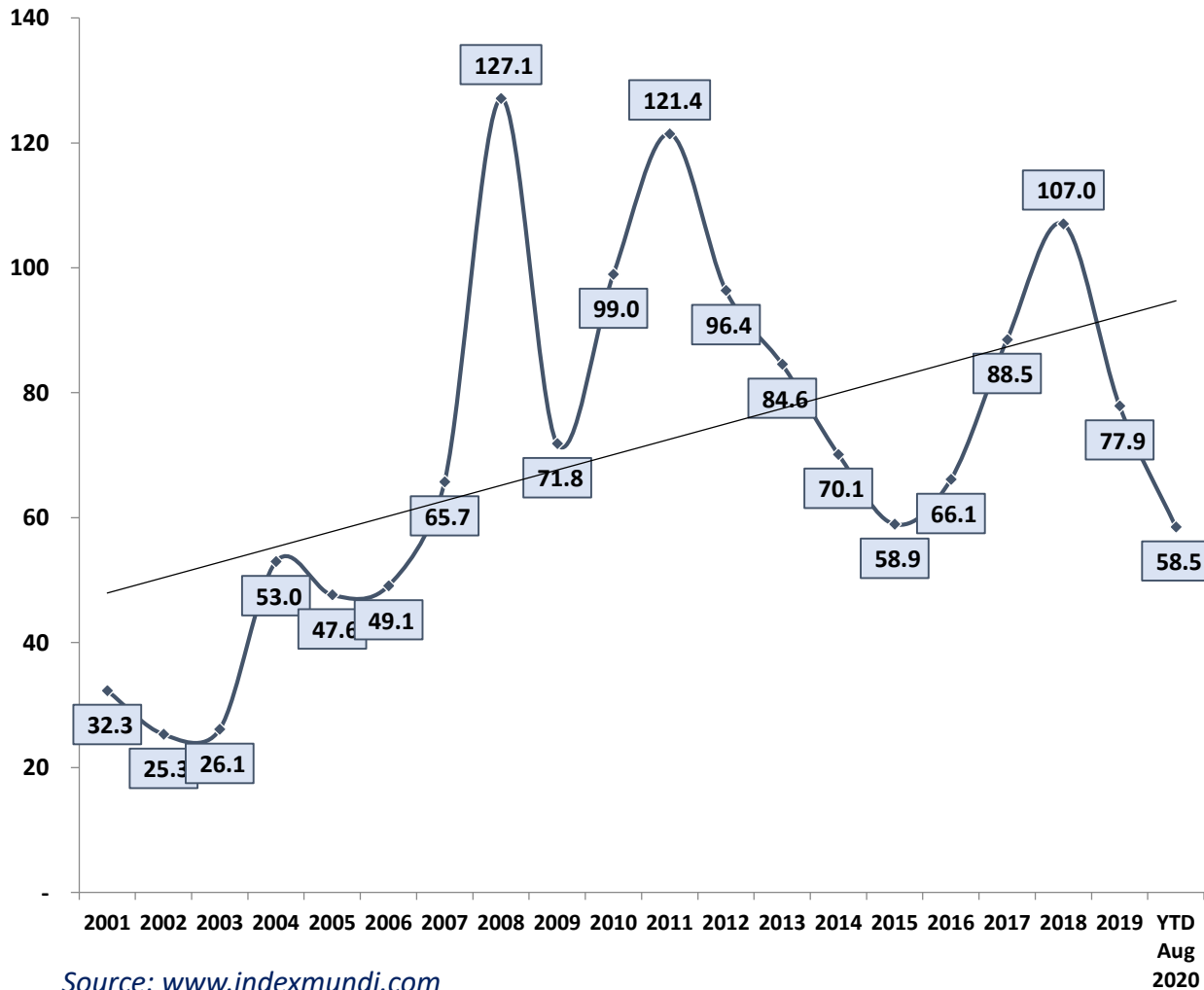
**Selective capex** spending already applied for the last 5 years. In 2020, the estimated capex will be around \$40 – 50 mn

Initiate many projects for **cost efficiency**, including LEAN Mining Project in CK in order to reduce cost

Aligned with efforts for cost efficiency, **Operational performance also improving**

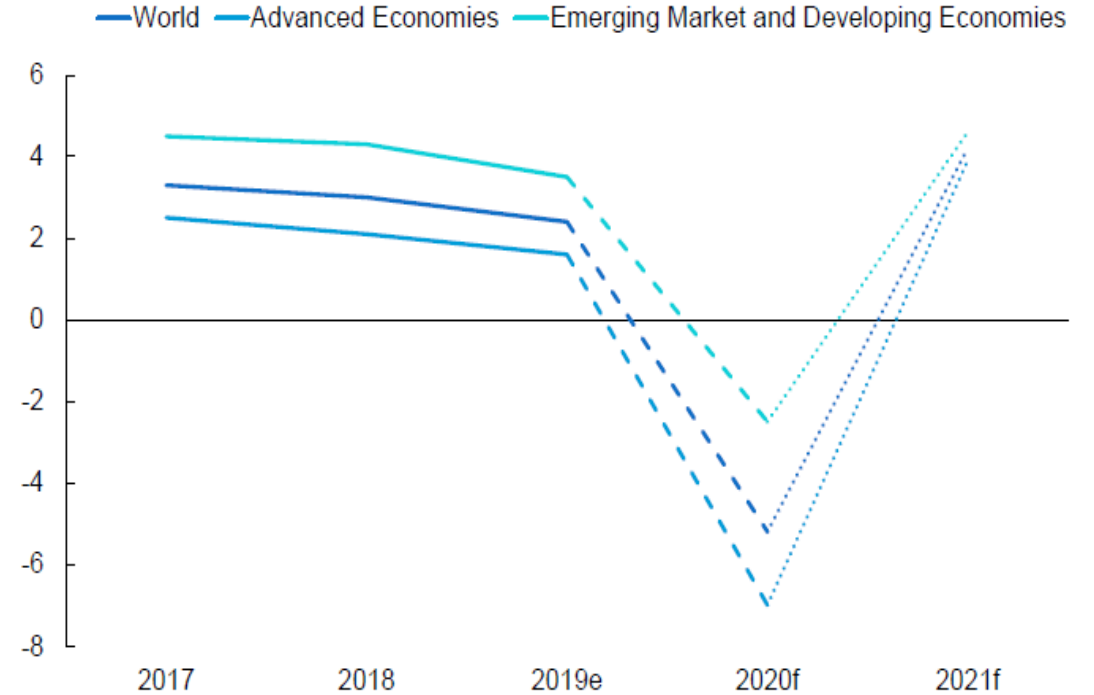
# Coal Prices

## Australian Thermal Coal - 6300 GAR, \$/MT



## Annual World GDP

(yoy growth)

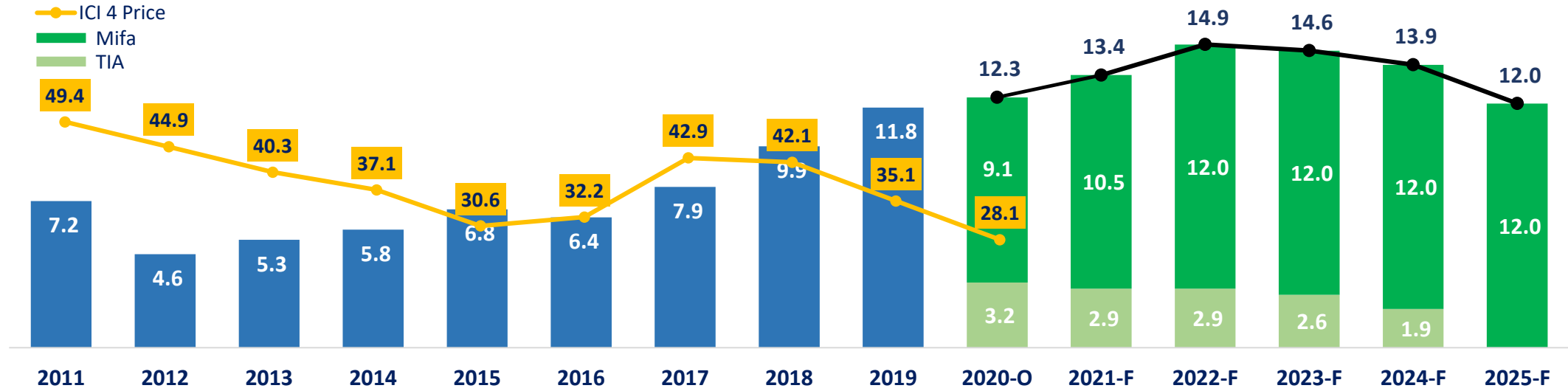


Source: World Bank Global Economic Prospects

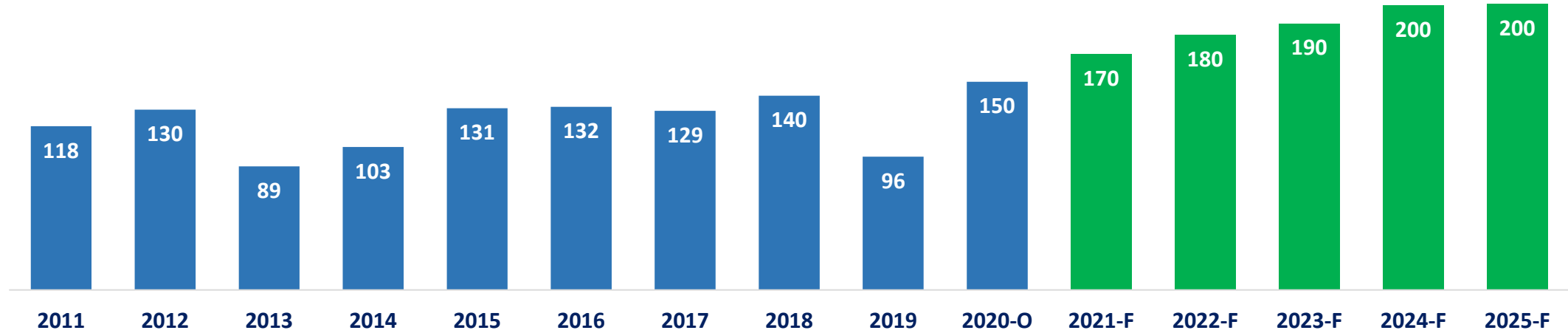
- GDP is expected to start improving by Q4-2020
- Coal prices should show improvement in late Q4 and definitely into 2021

# Coal Sales & OB Removal Will Achieve a New Record in 2020

## Coal Sales (mn ton)



## OB Removal (mn bcm)





# Project Initiatives to Improve Operation and Cost Efficiency

## Four focus area :

Secure **life of mine** contracts with the following criteria :

- Strategic counterparts
- Sizeable volume
- Geographically focused

**Commercial**

- Design lean mining organization
- Development program to mining expert
- Supervisory strengthen the core program

**Human Capital**

- R&M cost improvement
  - Optimize Undercarriage Lifetime for Dozer and Excavator
  - Reducing un-schedule R&M contribution
- Extended lifetime trucks
- Components and tyre lifetime improvement
- Physical availability improvements

**Asset**

Lean mining excellent project initiatives :

- Hauling road
- Drainage

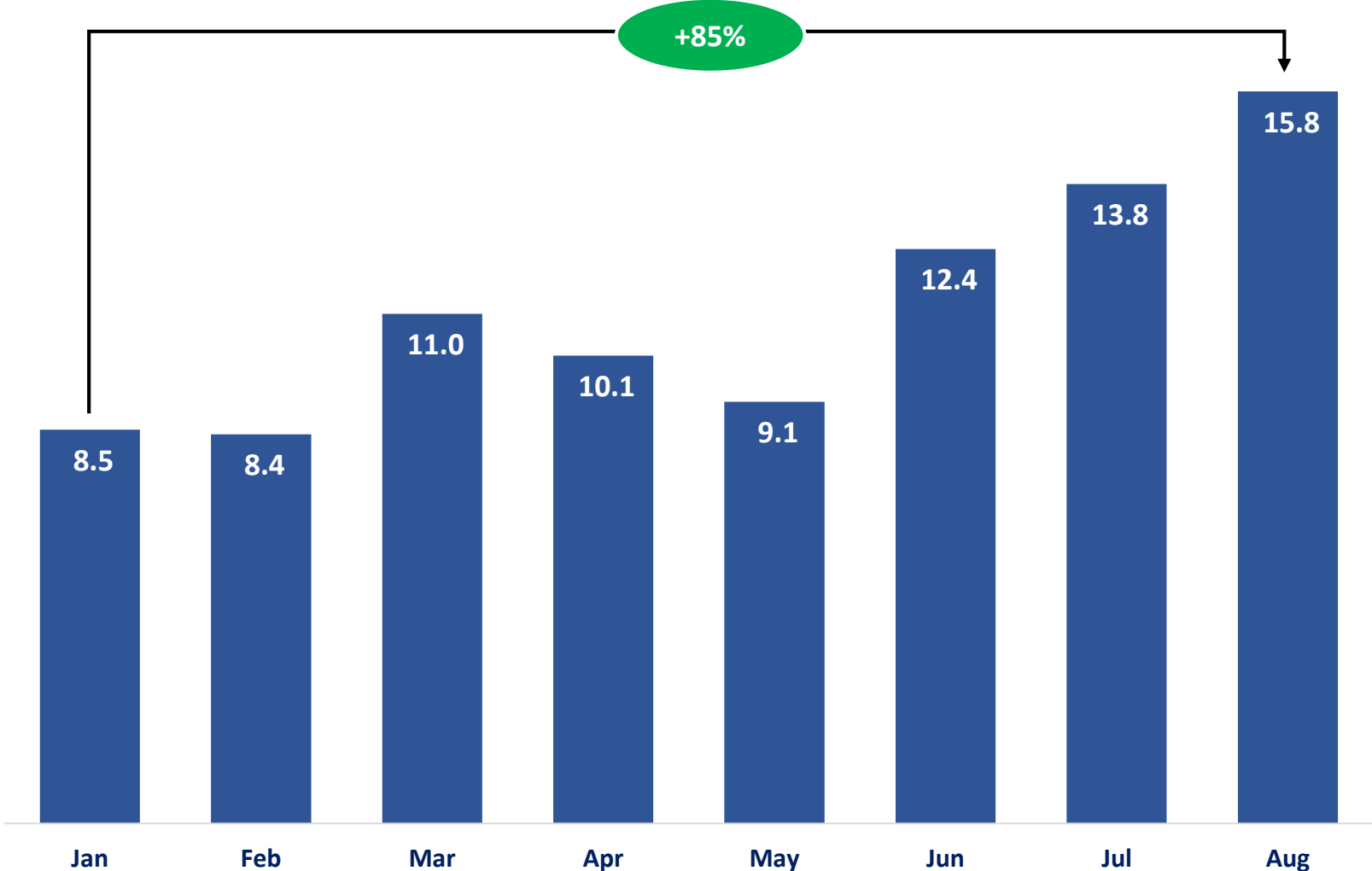
**Operation**

# CK - LEAN Mining Excellent Project Initiatives



# Operational Performance Trend - Mining Services

OB Removal (mn bcm)



In 2020, CK has improved **productivity** and **utilization**, also lowered **fuel index**

# CK Existing Customer

**MIFA**

- Coal Quality (GAR): 3,400
- Coal Reserve: 212.0 Mn MT

**BMB**

- Coal Quality (GAR): 4,200
- Coal Reserve: 99.5 Mn MT

**MHU**

- Coal Quality (GAR): 5,400
- Coal Reserve: 200 Mn MT

**KIM**

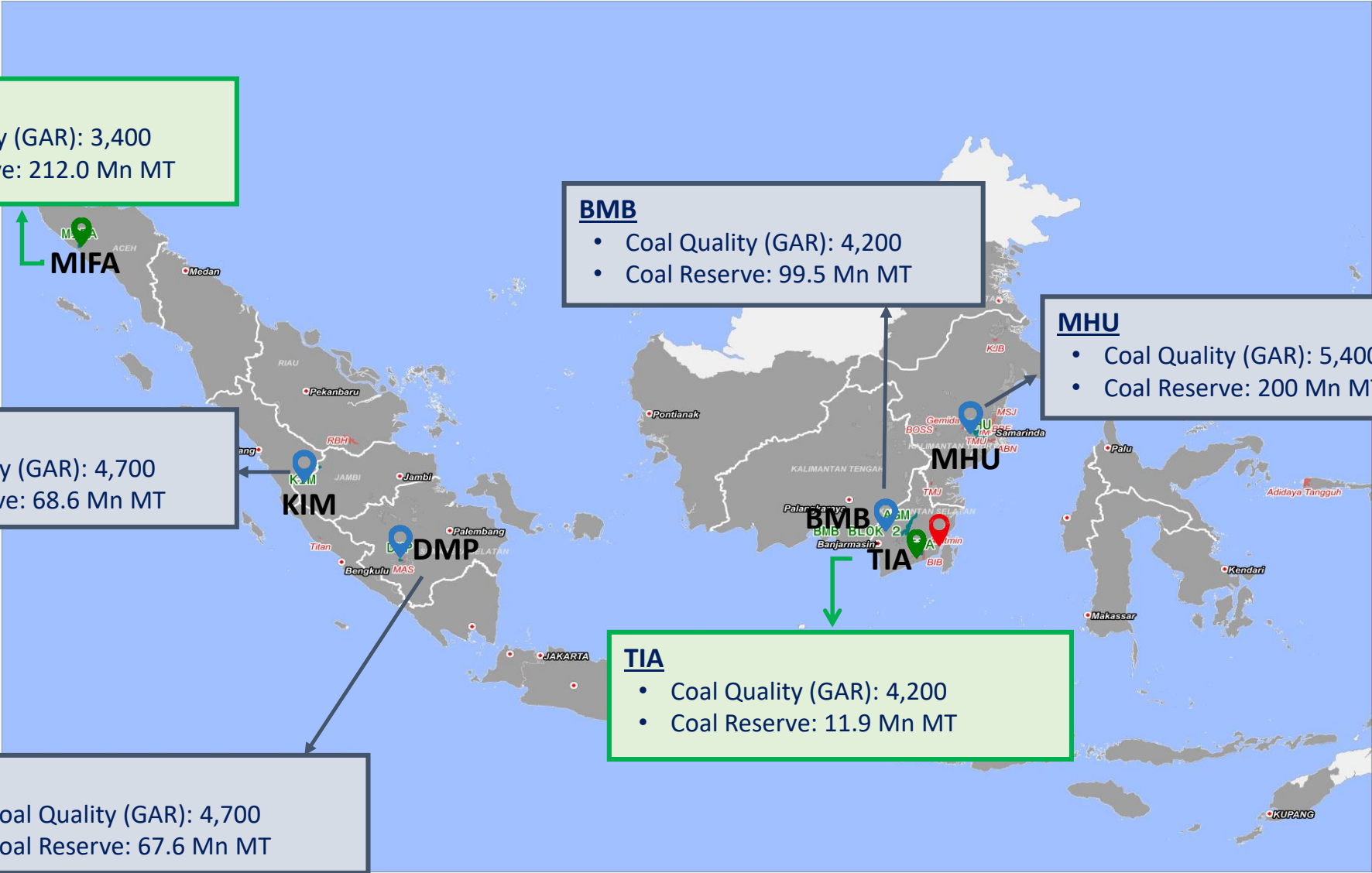
- Coal Quality (GAR): 4,700
- Coal Reserve: 68.6 Mn MT

**TIA**

- Coal Quality (GAR): 4,200
- Coal Reserve: 11.9 Mn MT

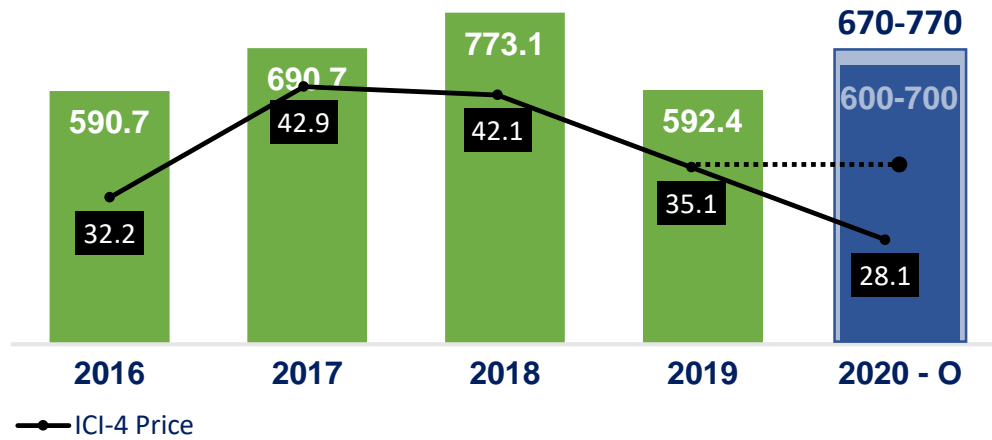
**DMP**

- Coal Quality (GAR): 4,700
- Coal Reserve: 67.6 Mn MT

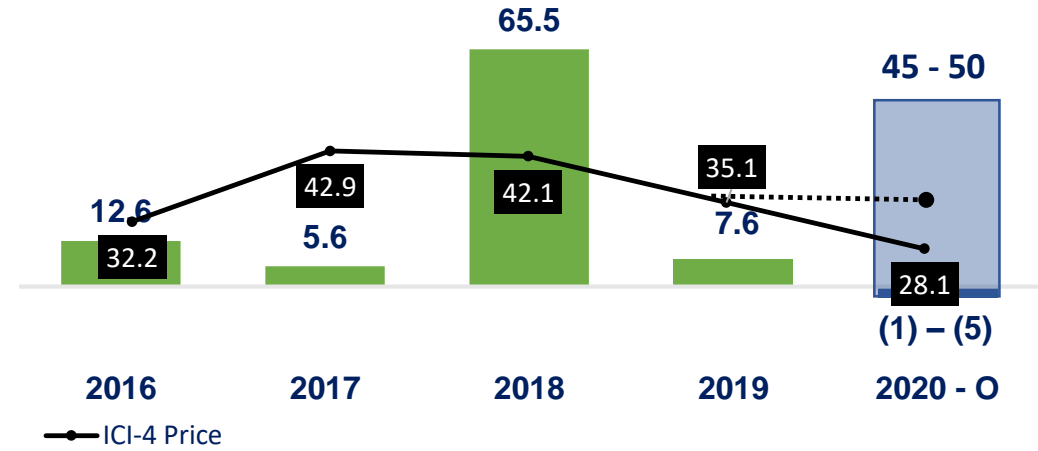


# Financial Performance

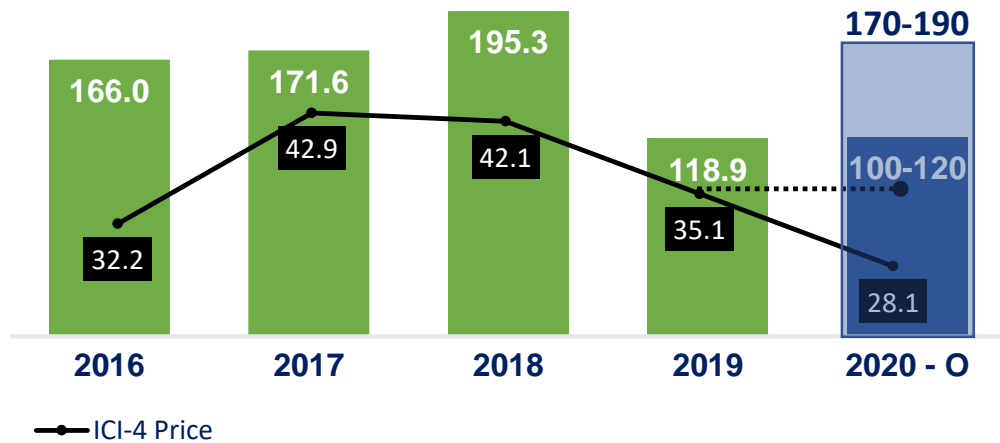
## Revenue (US\$ mn)



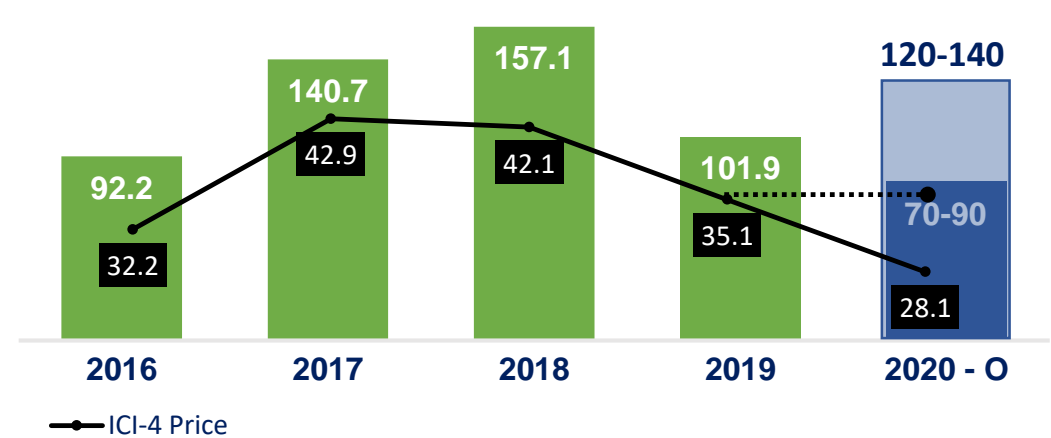
## Net Income (US\$ mn)



## EBITDA (US\$ mn)



## Cash Balance (US\$ mn)





# Environmental, Social and Governance (ESG) - Sustainable Mining Practices

## Good Mining Practices

To minimize the environmental impact of its operational activities, refers to the highest standards (ISO 14001 and PROPER), take part to mitigate carbon emission and water stress

## E Programs :



- Integrated land rehabilitation
  - Reclamation & revegetation of ex-concession area
  - Upstream Area : watershed rehabilitation outside the concession area
  - Downstream Area : mangrove & coral reef replantation
- Biodiversity Conservation (endemic plants and endangered animals)

## Good Corporate Governance (GCG)

ABM Group is implemented GCG and become one of the Group in Indonesia that is very strict in implementing GCG

## S Programs :



- One Village One Product
- Welder Development Program
- Fresh Green Mechanic & Operator

## Focus on People and Community

as a part of the national mineral and coal mining industry's movement to support the Government policies for achieving SDGs





# Environmental Program

## Reclamation and Revegetation of Ex Concession Area



### Mitigations :

- Accelerated land reclamation & rehabilitation using fast growing plants
- “Void” usage as a community clean water source & biodiversity conservation
- Community participation in reclamation process

## Watershed Rehabilitation Outside the Concession Area (Upstream Area)



2015



2018



2019

### Mitigations :

- Upstream watershed land rehabilitation
- Community capacity building and participatory ownership for ecotourism initiatives



# Environmental Program (Cont)

## Coral Reef Replantation (Downstream Area)



### Mitigations :

- Coral reef replantation with active participatory from local community & practitioners
- Stakeholder audit for port operation

## Biodiversity Conservation of Endangered Animals



### Mitigations :

- Support local conservation response unit
- Strategic partnership for elephant conservation
- Education & empowerment of local community in environmental revitalization



# Social Program

## One Village One Product



### Programs :

- Nurture local community in self-sufficient food security
- Support local community in building economic resilience through environmental-friendly (organic) product



# Social Program (Cont)

## Welder Development Program



### Programs :

- Capacity building (management skill training) for local community
- Building economic shared value through partnership between corporation, village leadership, BLK and Labour Department

## Fresh Green Mechanic & Operator



### Programs :

- Local community recruitment & training
- Strategic partnership with stakeholder to develop competency facility



## Integrated Value Chain for Sustainable Business Rantai Nilai Terpadu untuk Bisnis yang Berkelanjutan



TERIMA KASIH

Be**BOLD**  
Go**BEYOND**

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