



# Company Update

## PT ABM Investama Tbk

Sep 2018

**Creating a Solid Platform for Sustainable Growth**

Menciptakan Platform yang Solid untuk Pertumbuhan yang Berkelanjutan





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**Industry  
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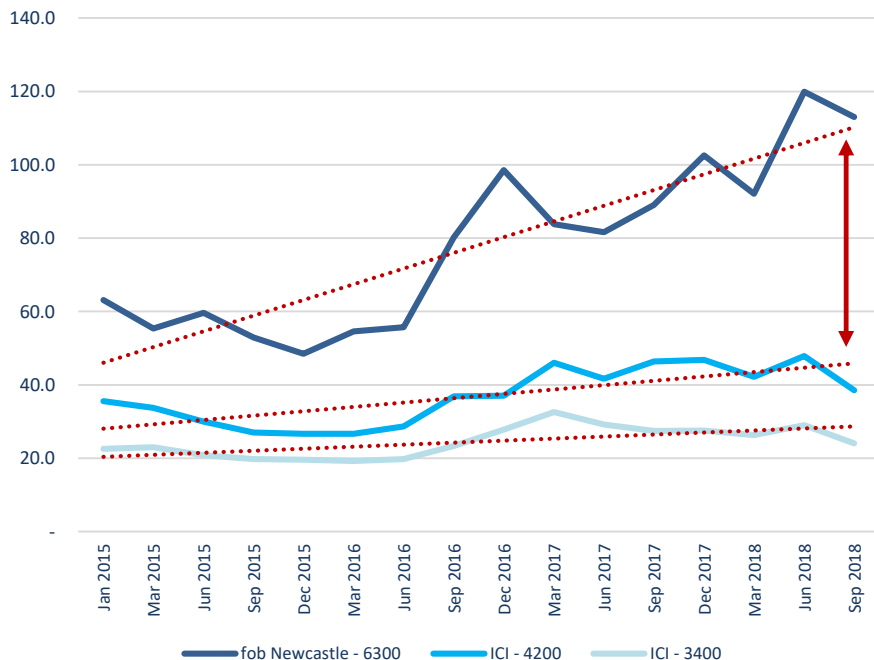
**Operational  
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# Coal Price Actual & Forecast

## Price Differentials have widened..



Source : Company Data

## WHY?

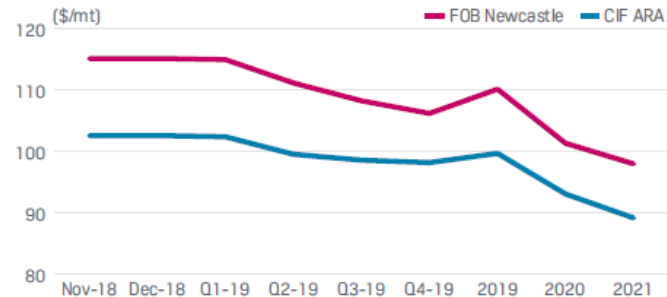
Different market between high and low CV

Limited resources of high CV

Import restrictions in China

## FORECAST 2019 and the following years?

### PLATTS Forward Curve, Oct 1



Graph created using Platts Forward Curve – Coal data.

# Key Drivers of Coal Price Forecast (source from Argus)



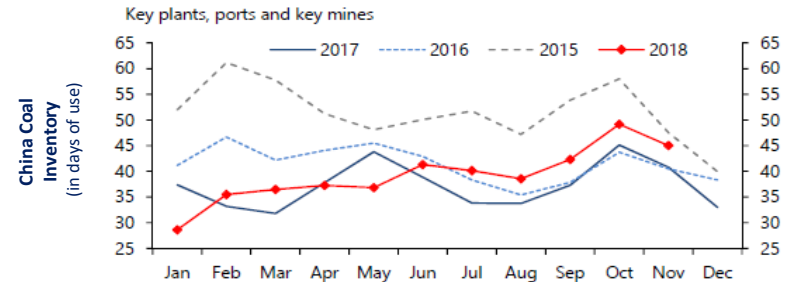
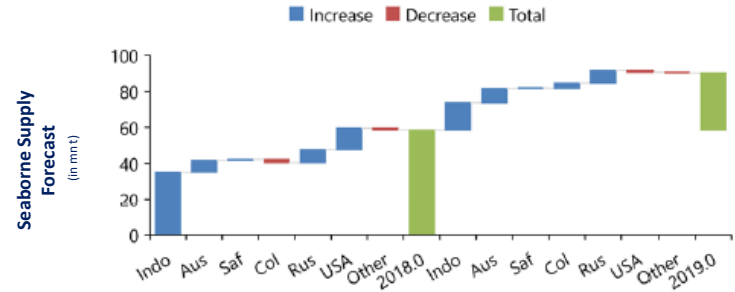
## 1 Seaborne Supply Growth

- Exports will still likely increase, particularly in 1Q19 (see the chart)
- Increasing supply in Indonesia, Australia and Russia

## 2 Chinese Import Uncertainty

- Coal inventory still appear adequate (see the chart)
- Slowdown in power demand and coal burn in China
- So, China began import restrictions due to sufficient inventory

## 3 Risk to Price Differentials





# What Happened in Indonesia?

## DMO Regulation

The DMO policy requires coal mining firms to sell at least 25 percent of their production in the domestic market



**Coal  
Business  
in  
Indonesia**



## Import Restrictions in China

China's customs still maintain strict volume quotas for coal in an effort to reverse growth in imports that run counter to the policy goals of the country's main planning agency



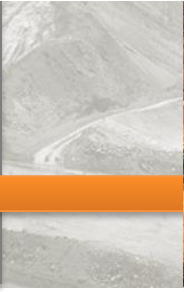
**Increase in Coal  
Production  
Volume**



# "The Ecosystem" - from Pit to Transshipment

ABM is an integrated energy company with current focus on Coal and its group Structure is established around integrated coal value chain

**CORE**




**Mining**  
Coal Mining




**Mining Contractor**  
Support mining from development stage, Coal production (pit to port until reclamation of mine)



**COAL**

**ENABLER**



**Integrated Logistics Solution**

Port Management, Stevedoring, Floating Crane, Harbor Tug, Tug Boat, Transshipment Logistics, warehousing solutions



**Manufacturing**

Services Engineered Product Manufacturing



**Fuel Supply**

Internal Fuel Management Supply



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# 2017 Achievements



Global Bond Issuance

August 2017

Sewatama Debt Restructuring

May 2017



Revenue (US\$)

2016 2017

590.7M 690.7M

16.9%

Gross Profit (US\$)

2016 2017

127.9M 151.4M

18.4%



EBITDA (US\$)

2016 2017

166.0M 166.8M

0.5%



Operating Profit (US\$)

2016 2017

42.3M 54.9M

29.8%



Cash Balance (US\$)

2016 2017

92.2M 140.7M

52.6%



Liability (US\$)

2016 2017

914.0M 880.4M

3.6%





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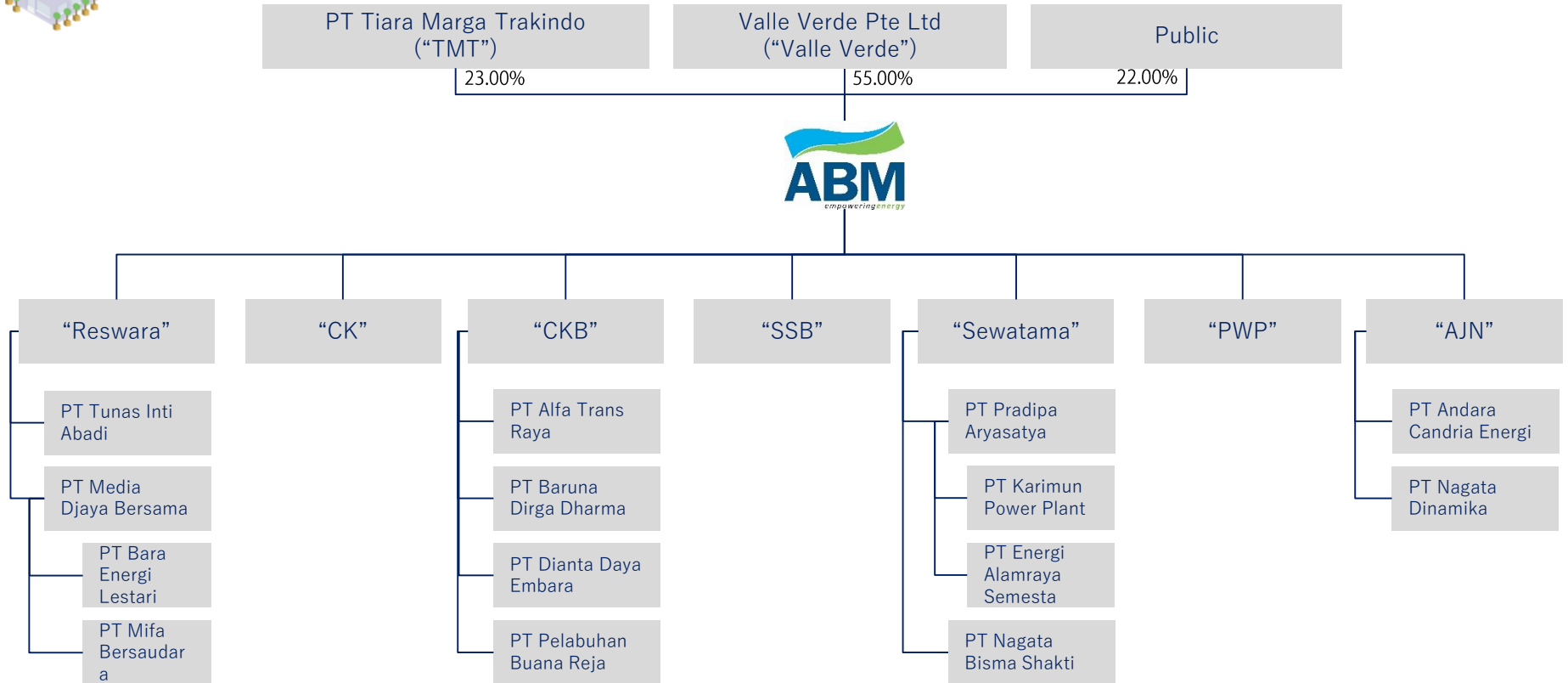
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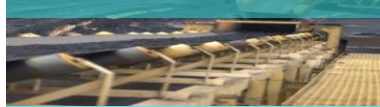
# ABM Group Corporate Structure



# Company Overview



## Coal Mining



- Established 2010
- 7,714 Ha concession area under 3 IUPs
- Estimated coal reserves and resources of 281 and 410 million tons
- Calorific value (GAR) : 3,400 dan 4,200
- Employee count : 503

## Mining Contractor



- Established 1997
- Fleet of 652 heavy equipments serving 11 customers
- One of the leading mining contractors in Indonesia
- Provides full end-to-end "pit to port" mining contractor services
- Employee count : 3,309

## Engineering and Manufacturing



- Established 1977
- 4 manufacturing workshops & 10 site service locations
- Customers mainly in mining, oil and gas, petrochemical and power sectors
- Employee count : 1,461

## Integrated Logistic



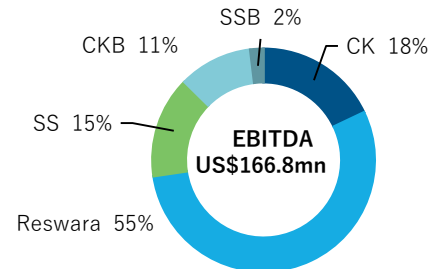
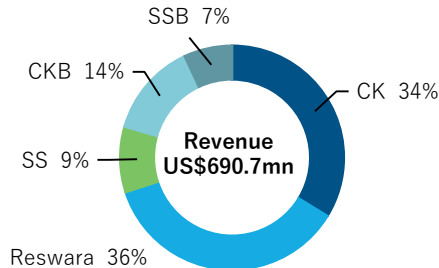
- Established 1997
- Provides coal logistics, freight forwarding and project logistics
- 52 branches in 40 cities and 22 provinces
- Employee count : 960

## Electric Power Solution



- Established 1992
- Total capacity of >1000 MW
- Main customers are PLN and the companies in mining, oil and gas and manufacturing sectors
- 2 operational IPPs of 15 MW dan 110 MW
- Employee count : 1,289

## Contribution to Revenue and EBITDA in 2017



# Main Customers



## Coal Mining



## Mining Contractor



## Engineering and Manufacturing



## Integrated Logistic



## Electric Power Solution





# ABM Group Coverage



>7,600 Employees  
27 Provinces



reswara

3 Concessions  
2 Provinces



CKB  
INTEGRATED LOGISTICS SERVICES

52 Branches  
22 Provinces



SANGGAR SARANA BAJA

9 Branches  
7 Provinces



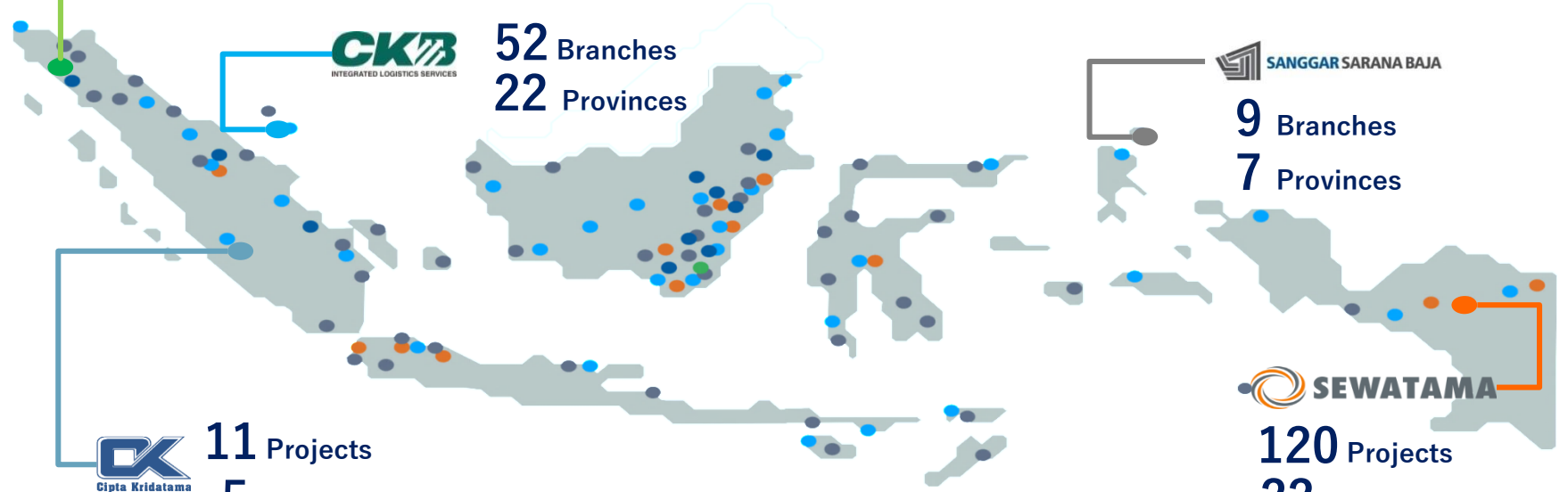
SEWATAMA

120 Projects  
22 Provinces



GK  
Gipta Kridatama

11 Projects  
5 Provinces





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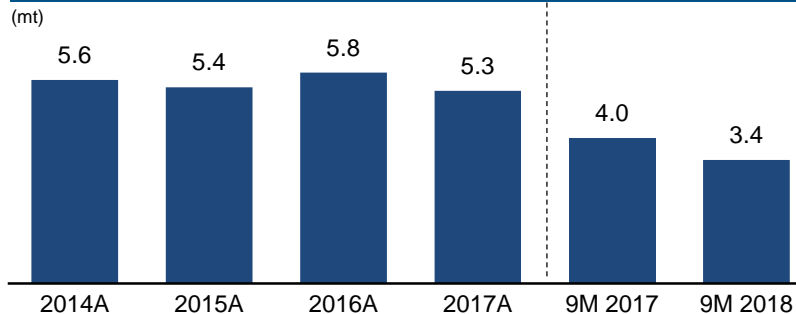
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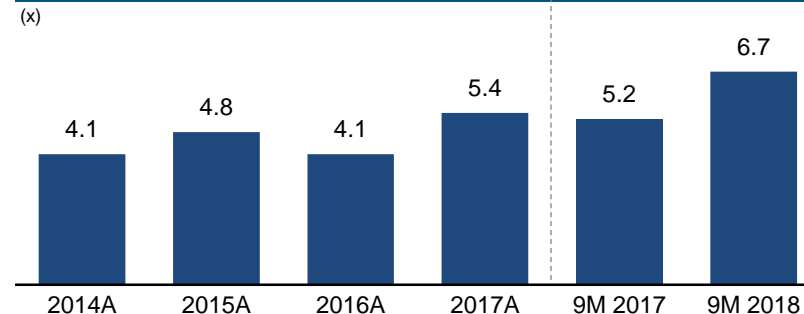


# Coal Mining | TIA

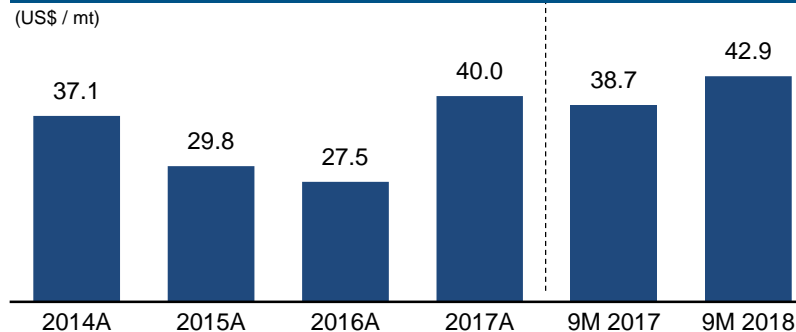
## Coal Production



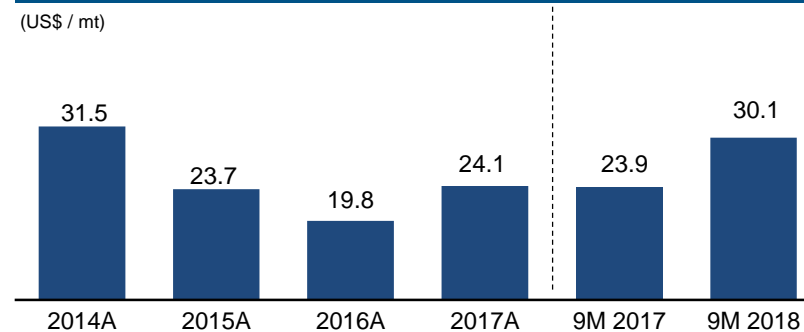
## Average Strip Ratio



## ASP



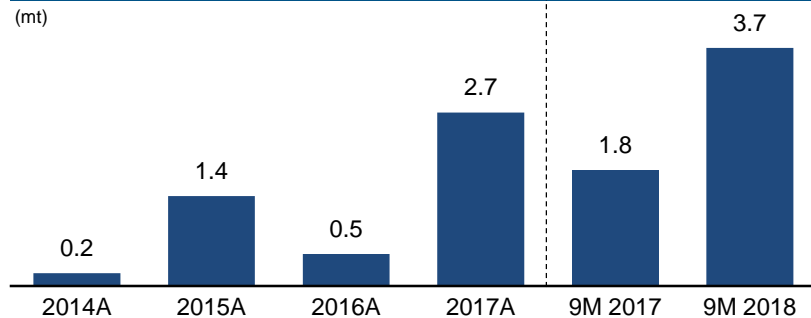
## Average Cash Cost



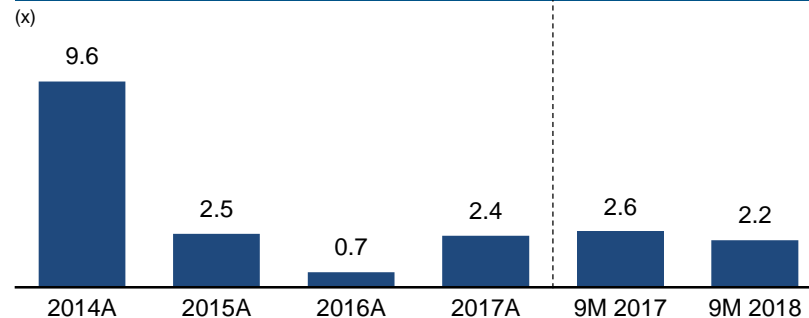


# Coal Mining | MIFA

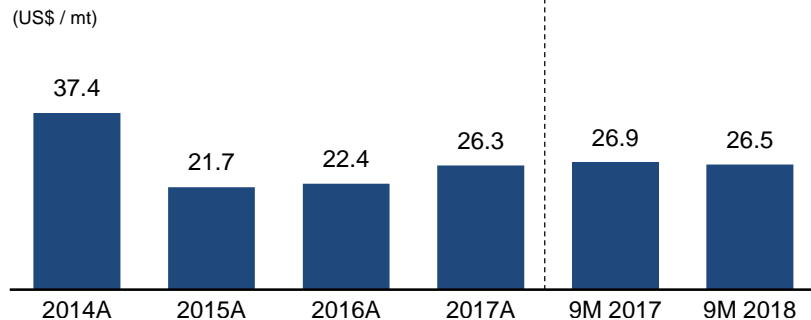
## Coal Production



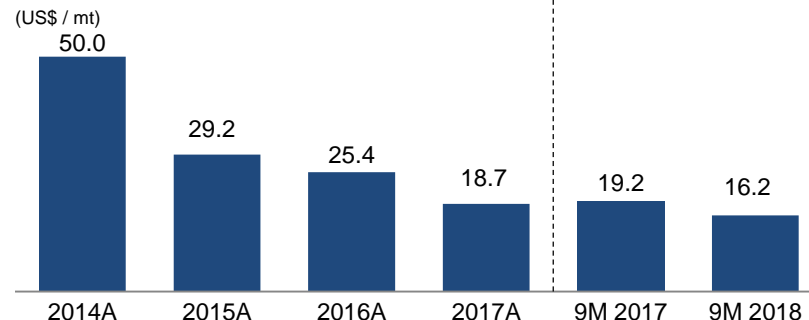
## Average Strip Ratio



## ASP



## Average Cash Cost

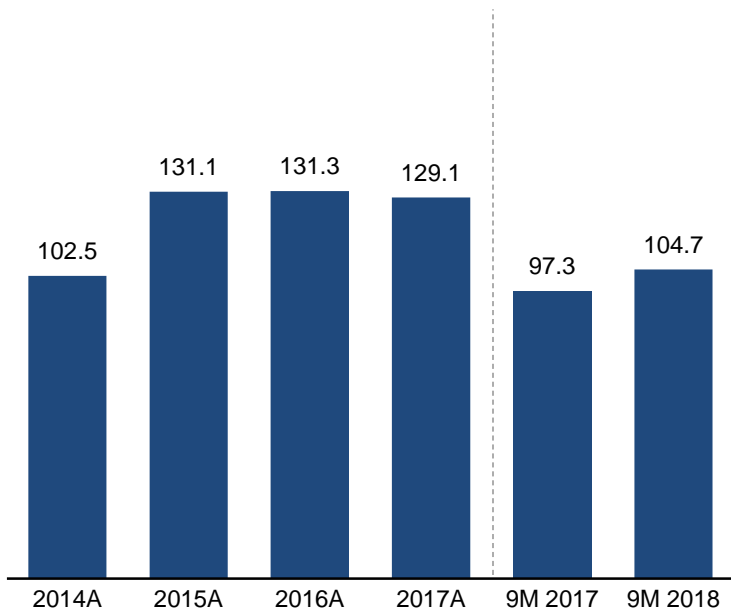




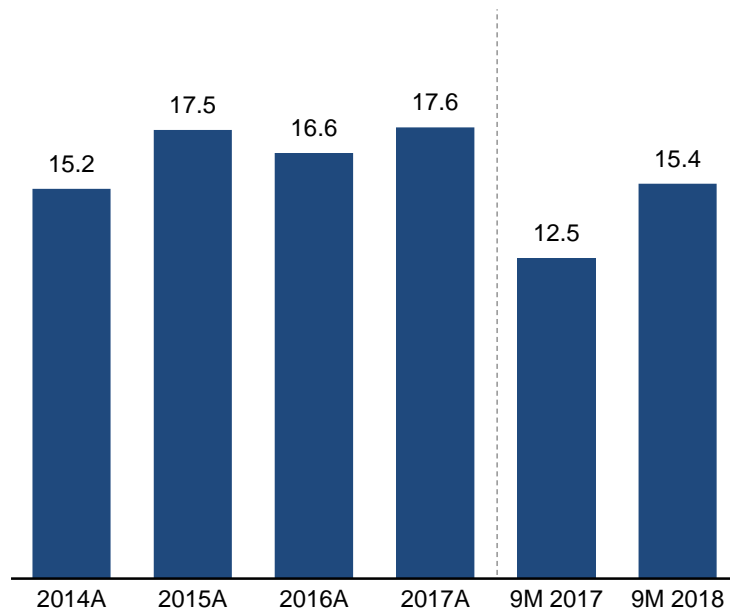


# Mining Contractor | CK

Overburden Removal (mn bcm)



Coal Production (mn ton)





# 3Q 2018 Highlight

## TIA & MIFA

- 6% increase of coal sales volume in MIFA & TIA (combined) compared to previous quarter

## CK

- 31% increase in OB Removal compared to the previous year's quarter due to improvement in productivity and asset utilization. Since engaged with management consulting firms, CK's operational shows better performance even reaching the highest production level
- Coal Production also increase 23% from last year mainly due to higher coal production in MIFA and AGM site



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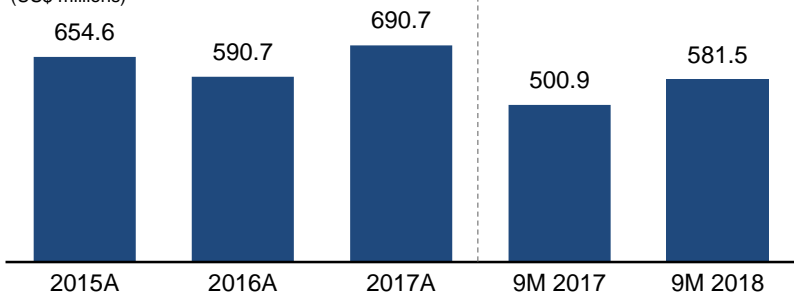
**Financial  
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# Financial Results

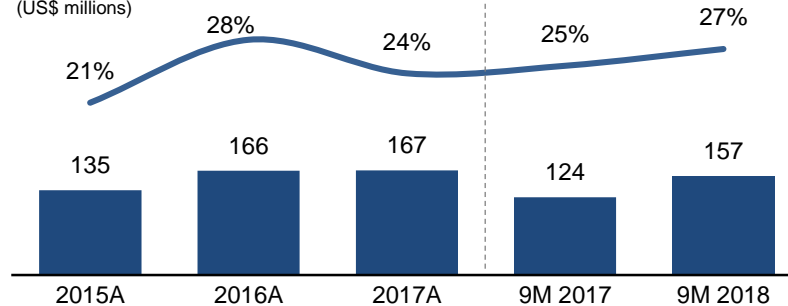
## Revenue

(US\$ millions)



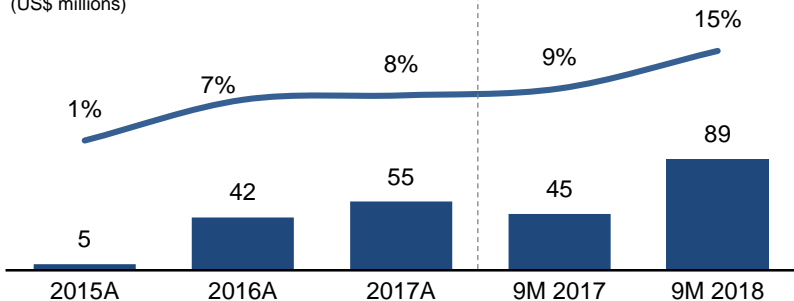
## EBITDA and EBITDA margin

(US\$ millions)



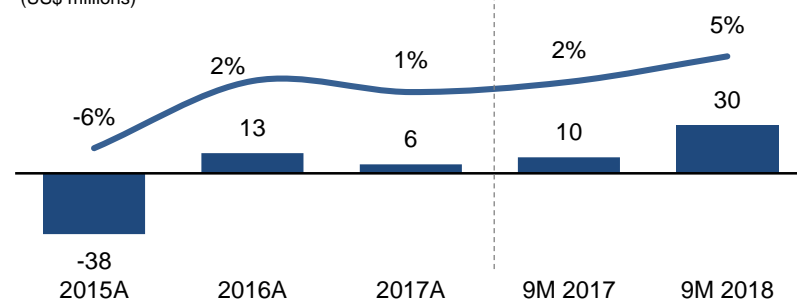
## Operating Profit and Operating Profit Margin

(US\$ millions)



## Net Profit and Net Profit Margin

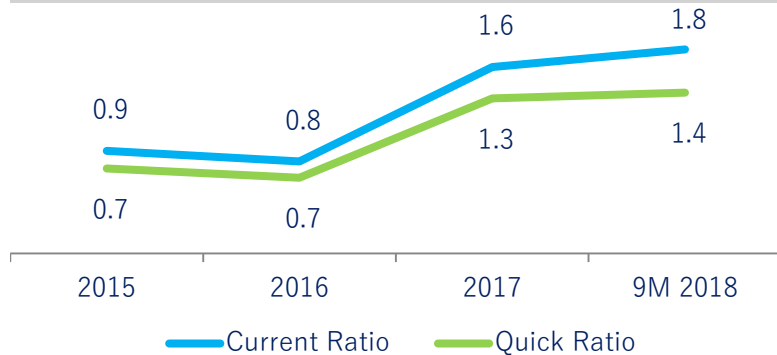
(US\$ millions)



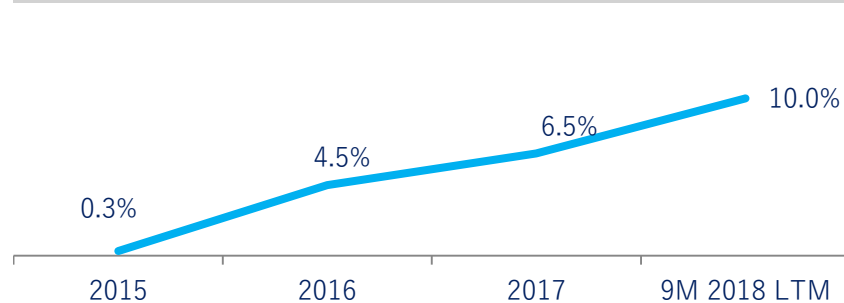


# Financial Ratios

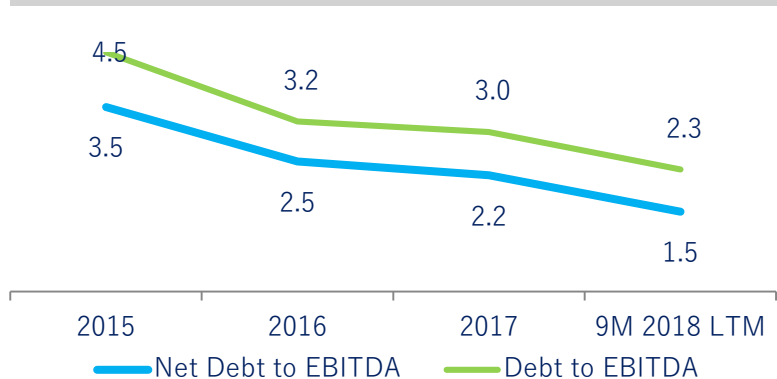
## Liquidity Ratios



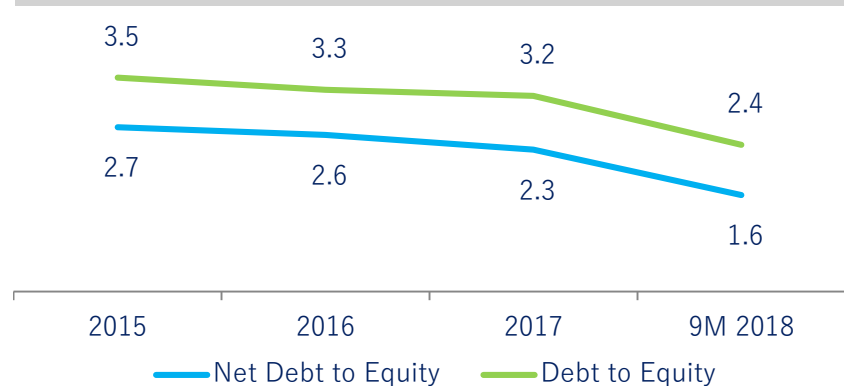
## Return on Capital Employed (ROCE)



## Debt and Net Debt to EBITDA



## Debt and Net Debt to Equity





## Creating a Solid Platform for Sustainable Growth

Menciptakan Platform yang Solid untuk Pertumbuhan yang Berkelanjutan

# Thank You