

Analysts Meeting

1Q24 Performance Result

16 May 2024

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ANALYST MEETING

AGENDA

01 Highlights

02 Coal market trends

03 Operational updates

04 Financial updates

05 Q&A session

01

Highlights

1Q24 highlights – deliver higher production

BUSINESS PERFORMANCE

Production



4.9 Mt

44% QoQ / 31% YoY

Sales



5.0 Mt

-12% QoQ / 11% YoY

ASP



\$97/ton

1% QoQ / -36% YoY

Revenue



\$489 Mn

-11% QoQ / -29% YoY

EBITDA



\$85 Mn

-35% QoQ / -64% YoY

Net Profit



\$61 Mn

-35% QoQ / -66% YoY

GOOD AND RESPONSIBLE

Rehabilitation on reclamation area



ITM efforts to restore ecosystem in reclamation area in KTD site Embalut recorded a new achievement with the success of the corn farming program which was marked by the first harvest covering an area of 10 hectares.

GREENER, SMARTER TRANSFORMATION

Stronger solar PV project



ITM through its subsidiary IBP, keep its focus on greener, smarter transformation by growing solar PV projects. In 1Q24, contracted capacity increased by 4.9 MWp, with total capacity of 29.8 MWp as of Mar 2024.

ITM board members



Board of Commissioners



Prof. Dr. Djisman S. Simandjuntak
President
Commissioner &
Independent



Prof. Djoko Wintoro, PhD.
Independent
Commissioner



Mahyudin Lubis
Independent
Commissioner



Dr. Kirana Limpaphayom
Commissioner



Somruedee Chaimongkol
Commissioner



Somsak Sithinamsuwan
Commissioner



Fredi Chandra
Commissioner



Maneewan Vachiruckul
Commissioner

Board of Directors



Mulianto
President Director



Ignatius Wurwanto
Director



Jusnan Ruslan
Director



Yulius Kurniawan Gozali
Director



Stephanus Demo Wawin
Director



Junius Prakasa Darmawan
Director



Parameth Prasan
Director



Isara Pootrakul
Director

Newly appointed members of BOC



Sinon Vongkusolkrit
Commissioner



Jamon Jamuang
Commissioner

Newly appointed members of BOD



Niwat Boonyad
Director



Narin Sampattanavorachai
Director

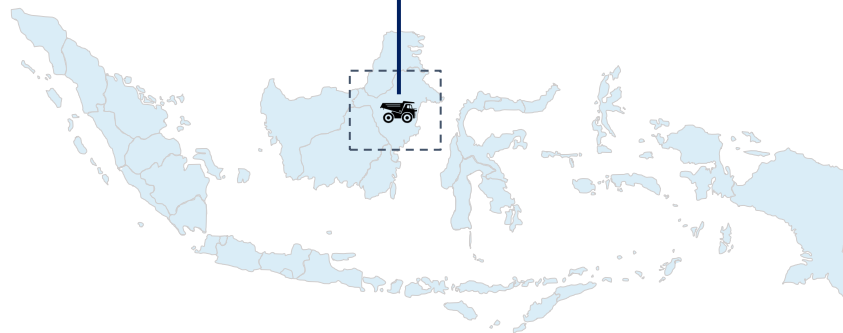
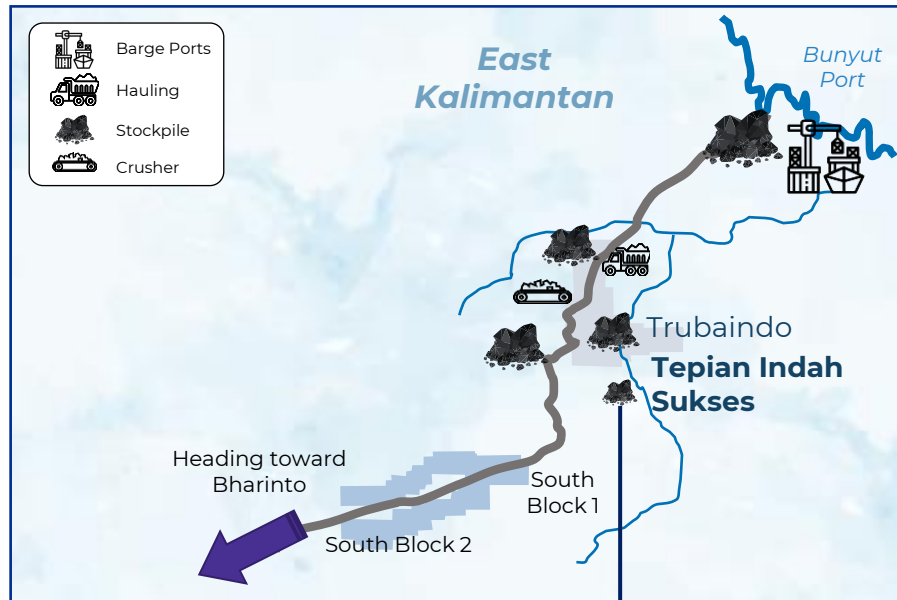
Starting strong with GPK coal production



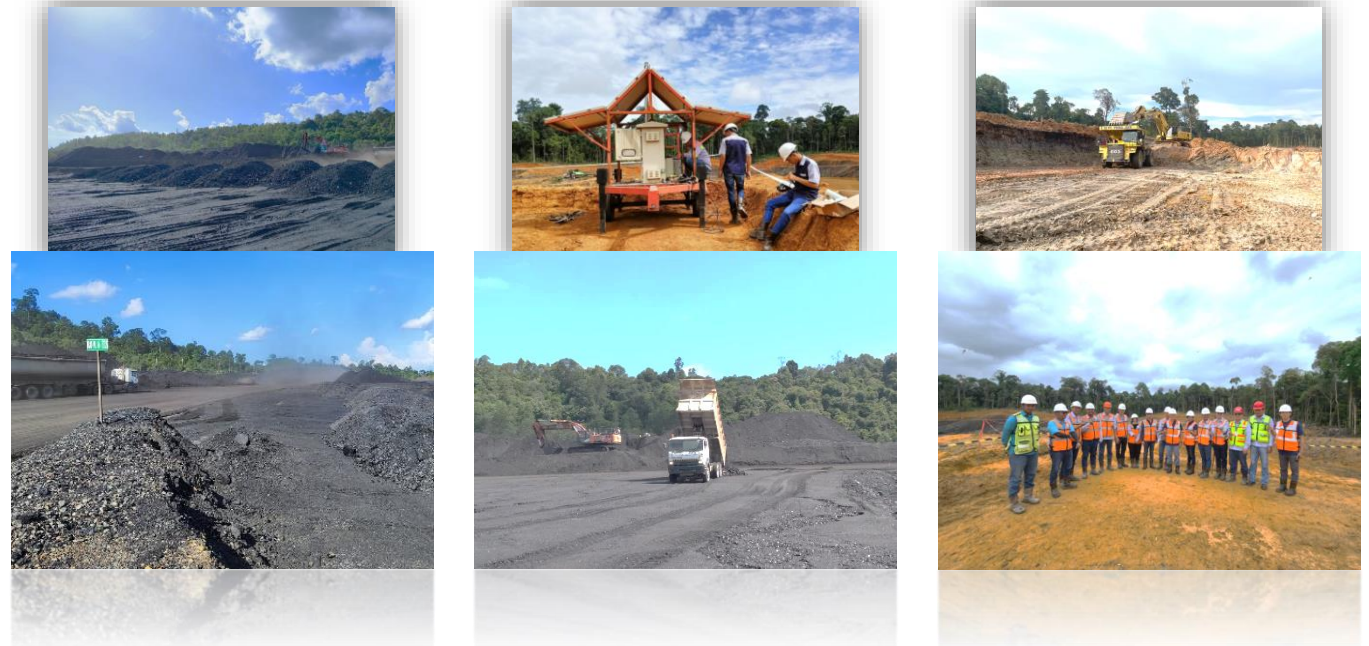
Latest development of GPK during 1Q24

- Graha Panca Karsa (GPK) has completed the construction of the coal crushing plant, port construction (including main and fuel jetty, jetty, and barge loading conveyor), and control room.
- The first coal getting was carried out in the latter part of 1Q24.
- GPK coal quality will allow ITM to capture a wide range of customers' requirement both in the domestic and export markets.
- GPK plan to complete other support facilities and target to produce 1.0 Mt with a strip ratio of 3.0-4.0x in 2024.

Readying for Tepian Indah Sukses (TIS)



Update and latest development



- Tepian Indah Sukses (TIS) is our greenfield coal mine located in East Kalimantan. The close proximity to the Trubaindo mine area implies a similar coal seam with high coal quality in the range of 6,600-7,100 kcal/kg.
- TIS strategic opportunity is to reap operational synergy in the Melak Area by utilizing shared facilities with Trubaindo (hauling road, Bunyut port facility, laboratory, and other supporting facilities).
- Towards the end of 1Q24, TIS started the early stage of coal production and expected to do the first coal barging in 2Q24. We expect TIS to be able to produce coal of 0.4 Mt in 2024.



MINING

Coal mining

Optimizing coal mining performance through existing coal assets, organic exploration, greenfield mine development, and underground mining

Strategic minerals

Anticipating future needs through potential investment in clean-tech mineral resources



ENERGY SERVICES

Contractor business

Capacity expansion and business process improvement

Coal trading

Optimize 3rd party coal purchased through coal blending and direct sales

Mining digital products

Digital solution for mining sector

Port and logistics

Utilize the existing infrastructure



RENEWABLES AND OTHERS

Solar based renewable

Solar PV hybrid powerplant and solar rooftop

Hydro-based renewable

Clean energy generation

Underground coal gasification

Exploring any opportunities in the downstream project

Nature-based solutions (NBS)

Prospecting on carbon offset and carbon trading



02

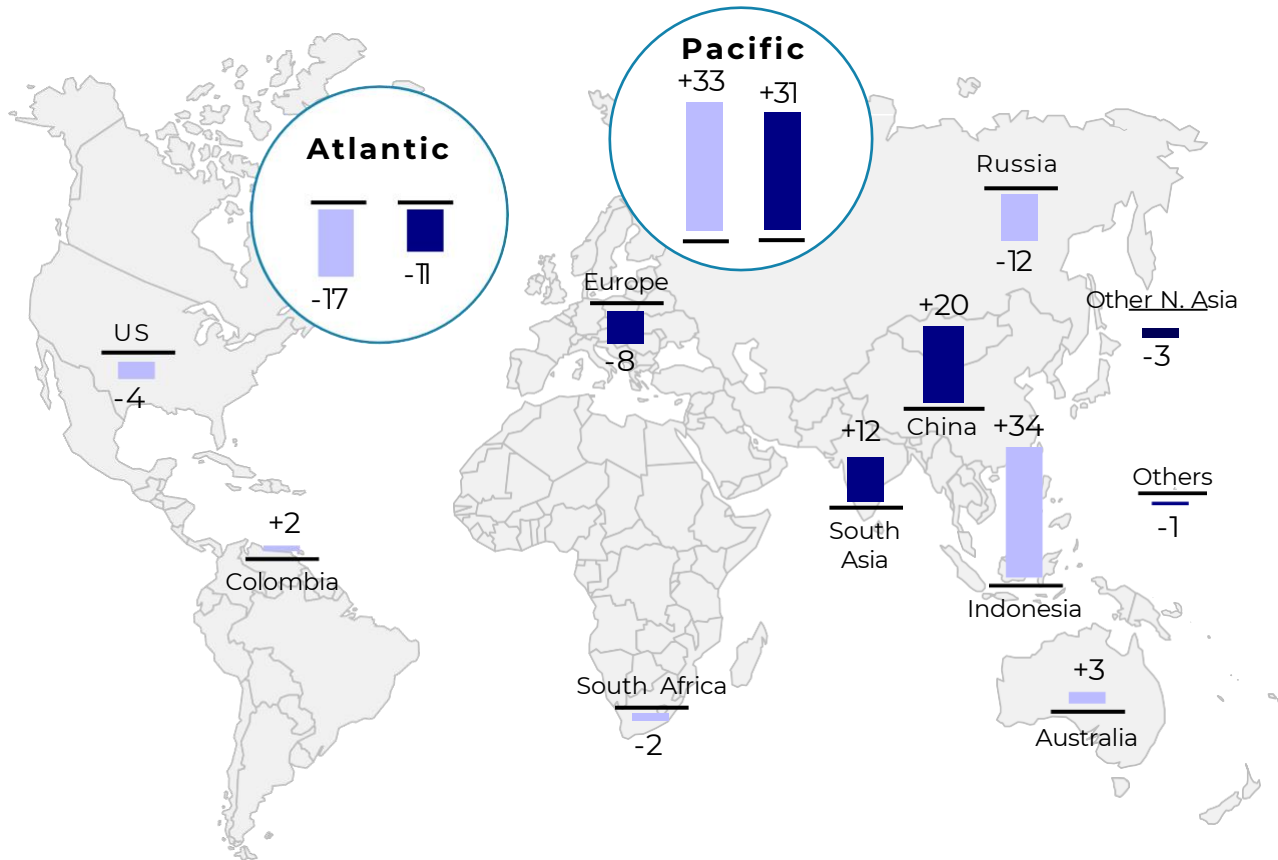
Coal Market Trends



Global thermal coal market

COAL DEMAND AND SUPPLY CHANGE – 2024e VS 2023

Unit: Mt ■ SUPPLY ■ DEMAND



Note: *JKT = Japan, South Korea and Taiwan

TRENDS

DEMAND

Seaborne thermal coal imports in JKT and Europe weakened due to the shoulder season and economic challenges. However, thermal coal prices have been supported by elevated geopolitical tensions.

- **China:** Domestic coal supply constraint persists while imported coal remains competitive in the coastal provinces. A predicted hot summer and positive economic outlook will support coal demand in 2H24.
- **India:** Strong economic growth and a harsher summer than usual increases power demand, resulting in higher coal-fired generation. Despite strong domestic coal supply, it still will not meet growing demand.
- **JKT:** Firm nuclear and renewable generation is expected to soften coal demand in this area.
- **Europe:** Weak economic outlook signaling energy demand from the key coal markets to remain low.

SUPPLY

The market is turning to oversupply due to steady global thermal coal exports from key exporting countries, while Indonesia's exports are expected to grow significantly. Geopolitical unrest has minimal impact on the coal supply chain.

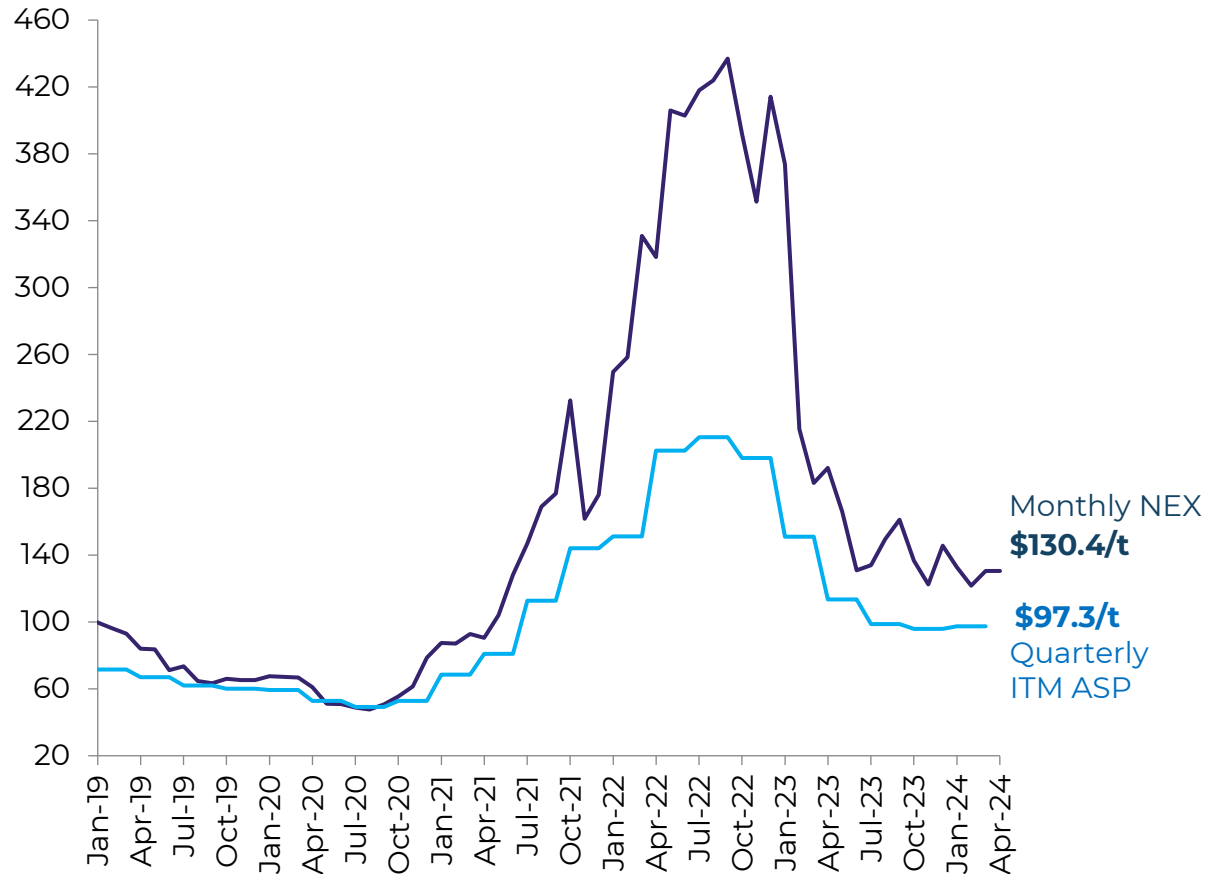
- **Indonesia:** Coal production remains strong and is tracking higher than before. Government has approved a significant increase in production targets from the previous year.
- **Australia:** Below-average rainfall forecasted during April-May will continue to support coal production and export.
- **Others:** Russian exports faced winter logistical constraints, and 2024 exports are expected to remain challenged by sanctions. Logistic constraints persist in South Africa, while Colombian producers are diverting coal to the Asian market to offset low European demand.

ITM ASP vs thermal coal benchmark prices



ITM ASP VS BENCHMARK PRICES

Unit: \$/t



COMMENTS

- The seaborne premium thermal coal market remained very stable throughout 1Q24, with the weekly GCNewc fluctuating between \$116-135 per ton.
- Similarly, the market for lower-quality thermal coal also remained stable in 1Q24. ICI2 hovered between \$92-96.5 per ton, ICI3 within \$75-80 per ton, and ICI4 maintained a narrow range of \$55-58 per ton. Despite increased supply from Indonesia, robust import demand from China in 1Q24 provided significant support to the price levels of lower specification thermal coal market.
- We anticipate a continuation of steady growth in the global seaborne thermal market through 2024, with overall supply and demand dynamics expected to tighten, particularly for lower- mid calorific value (CV) coal due to strong demand from China and India.
- Key price metrics:
 - ITM ASP 1Q24: \$97.3/t* (1% QoQ)
 - NEX (10 May 2024)**: \$148.7/t

Notes:

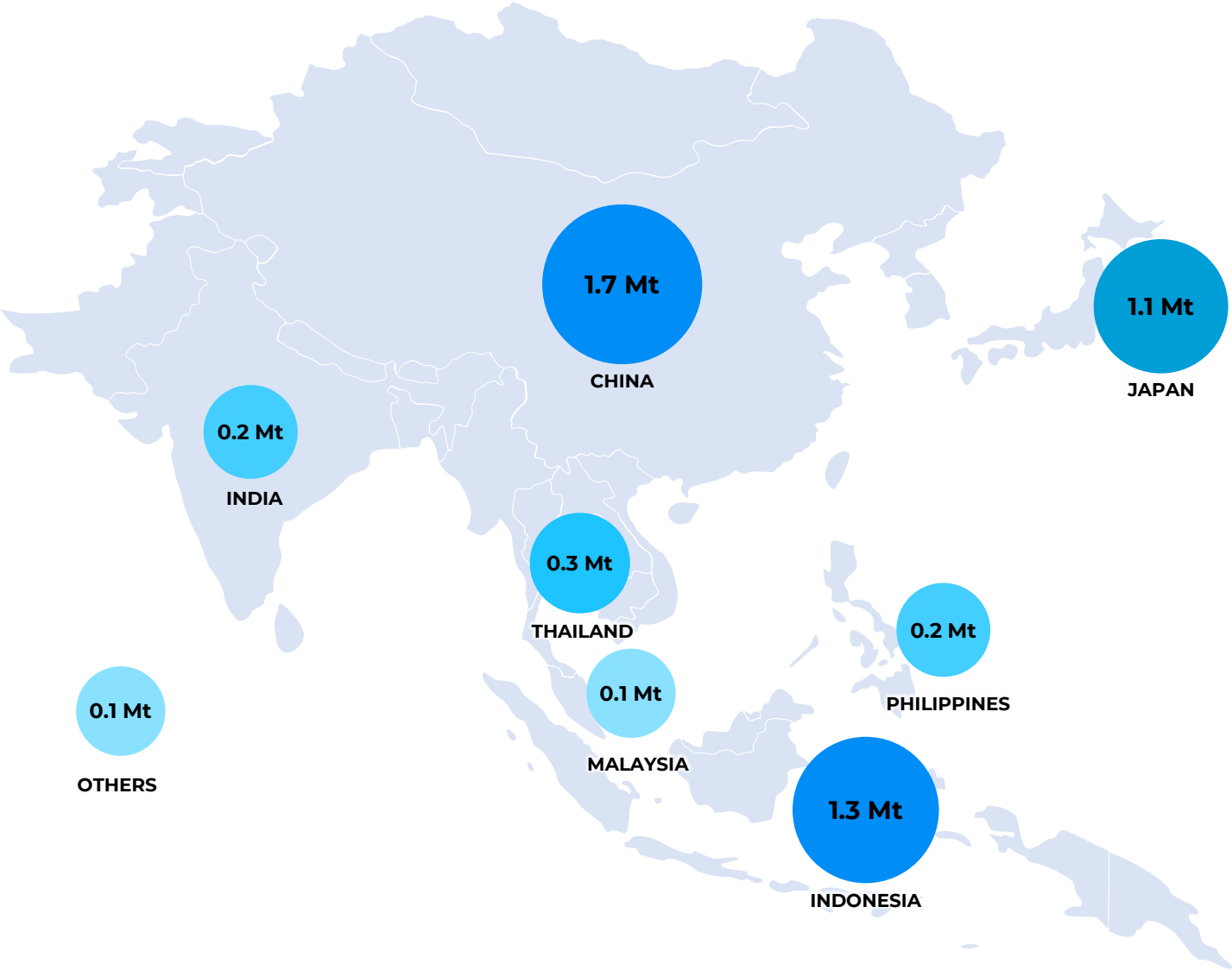
* Includes post shipment price adjustments as well as traded coal

** The Newcastle Export Index (NEX)

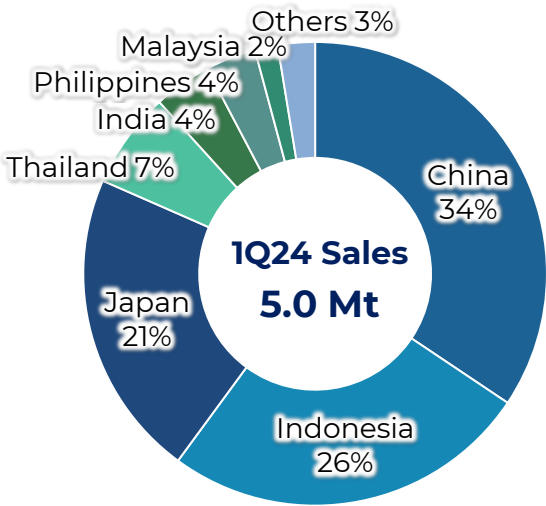
ITM coal sales



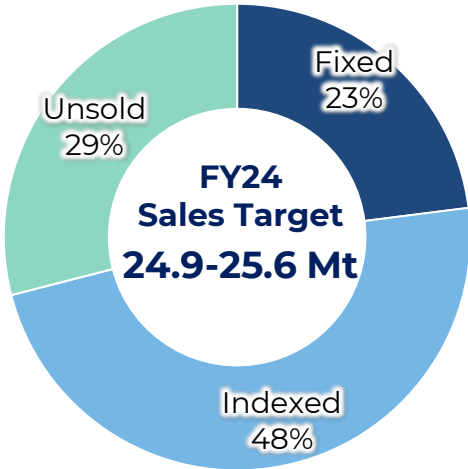
1Q24 COAL SALES VOLUME BASED ON SALES DESTINATION



1Q24 COAL % SALES VOLUME



FY24 INDICATIVE COAL SALES

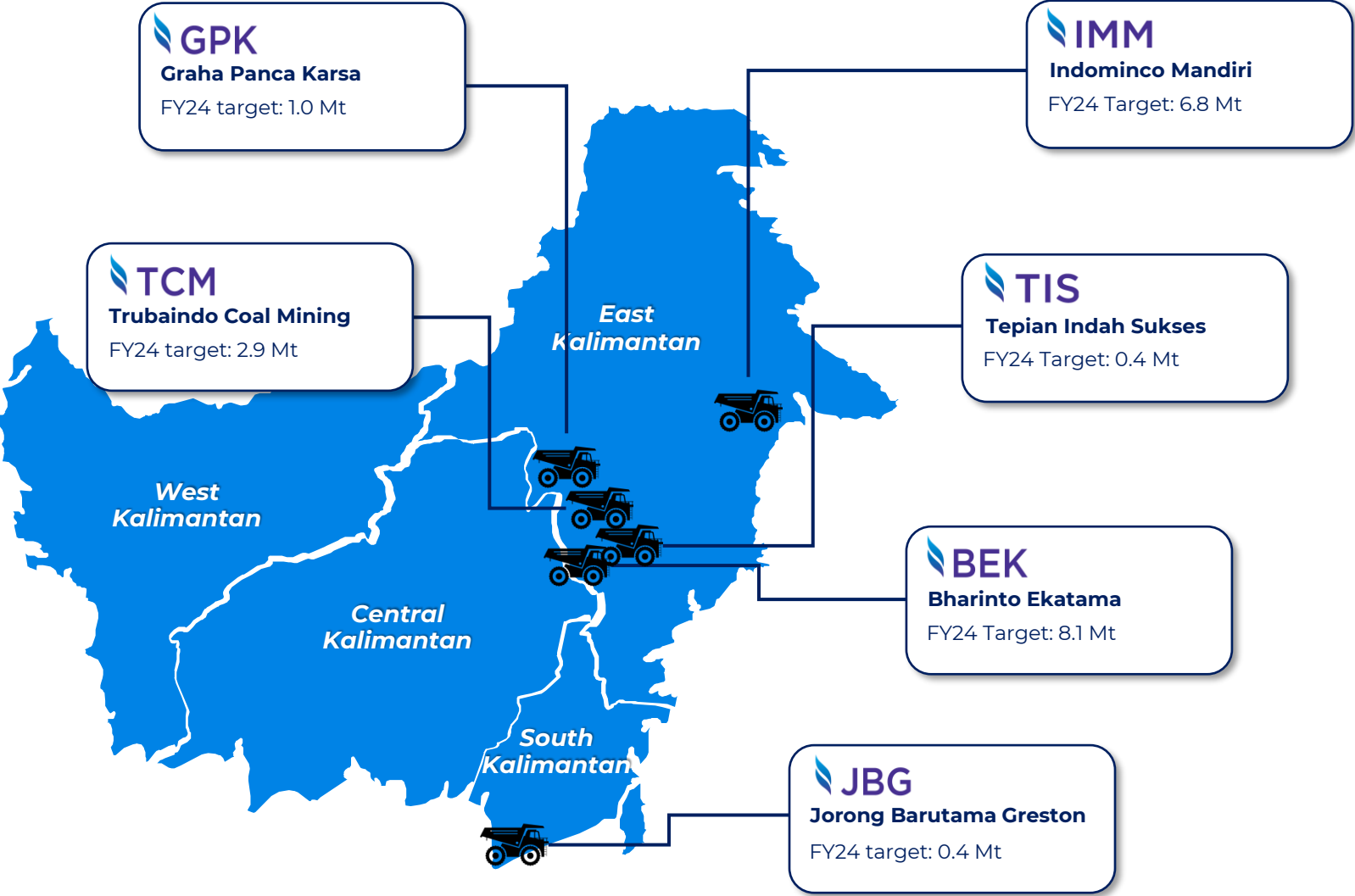


03

Operational Updates



Coal mining operational summary



FY24 Target:
19.5-20.2 Mt

2Q24 Target:
4.8 Mt

1Q24
Coal production **4.9 Mt**
44% QoQ / 31% YoY

Strip ratio **10.6 x**
-29% QoQ / -7% YoY

Note: Higher production target is subject to the further government approval

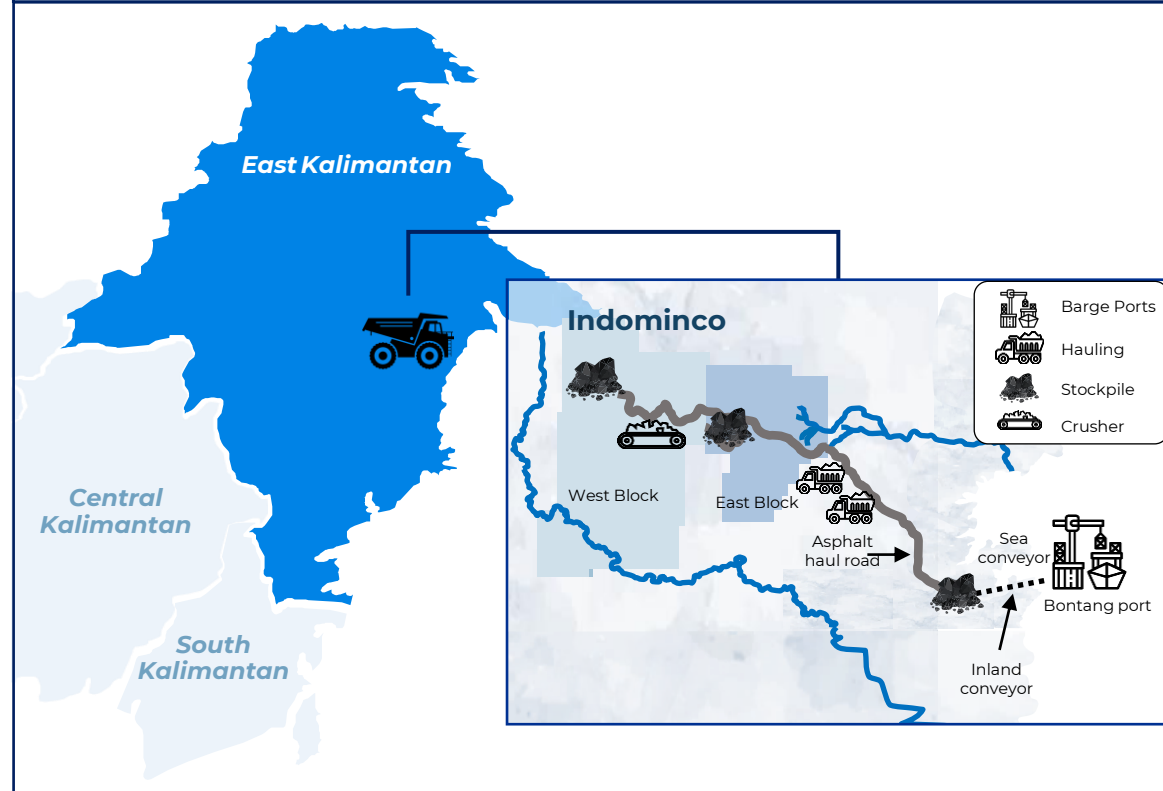
Operational update – Indominco Mandiri

FY24 Target:
6.8 Mt

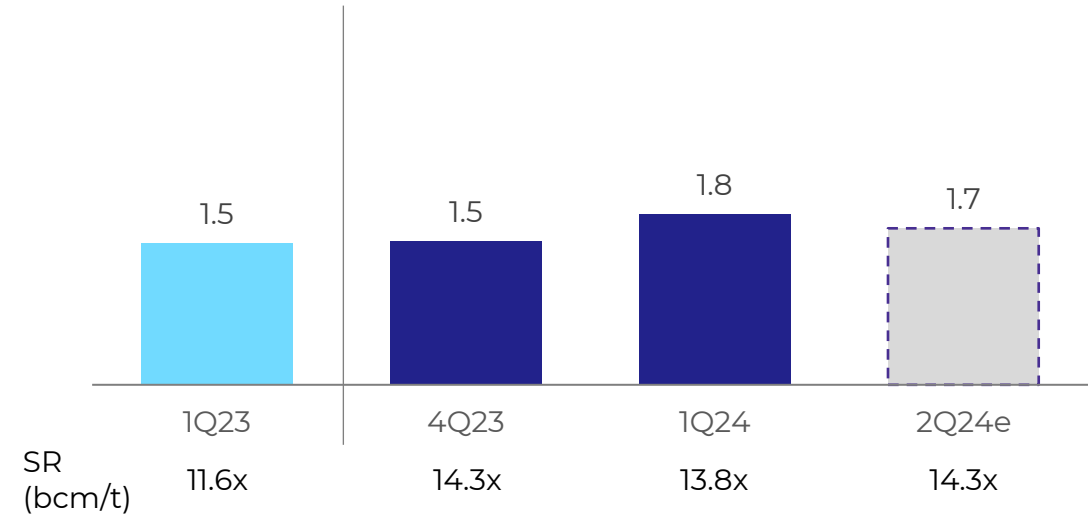
3M24 Actual:
1.8 Mt

Indominco Mandiri

Located in East Kalimantan



Quarterly production (Mt)



- 1Q24 production of Indominco exceeded the target of 1.8 Mt with a lower strip ratio at 13.8x due to the good weather at the site.
- 2Q24 production is targeted at 1.7 Mt with maintained strip ratio of 14.3x.

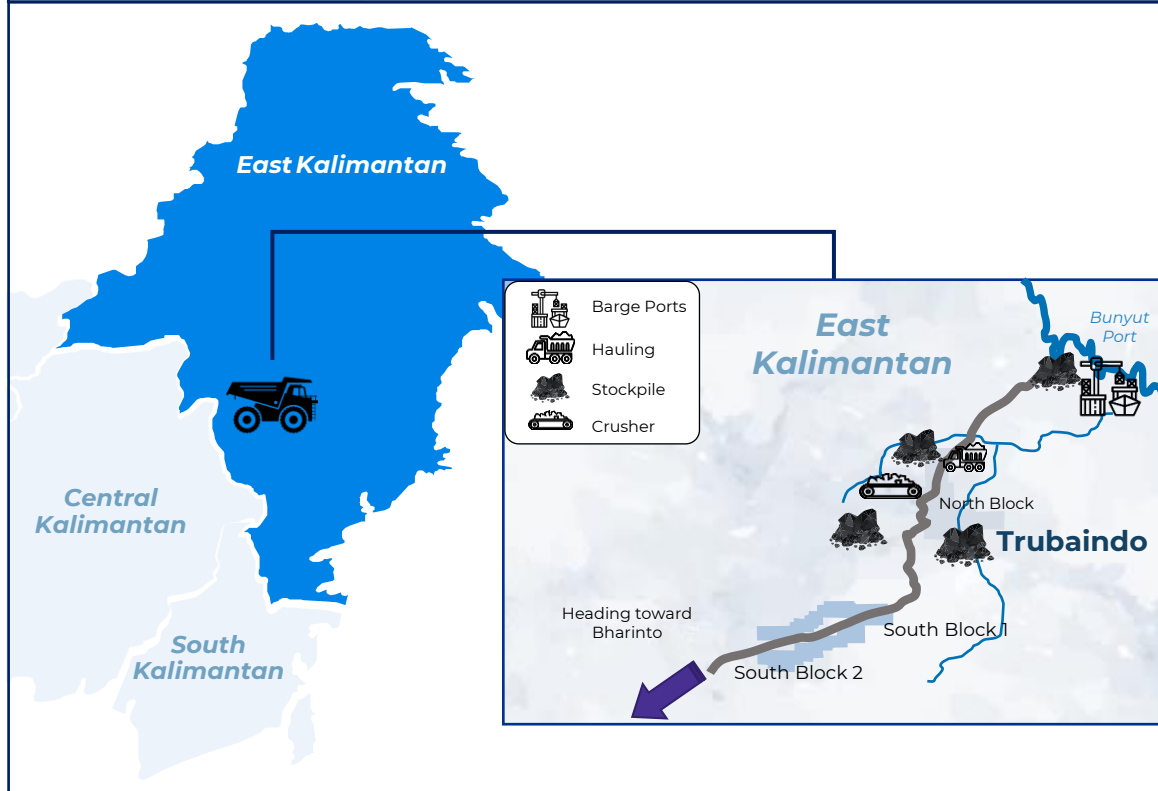
Operational update – Trubaindo Coal Mining

FY24 Target:
2.9 Mt

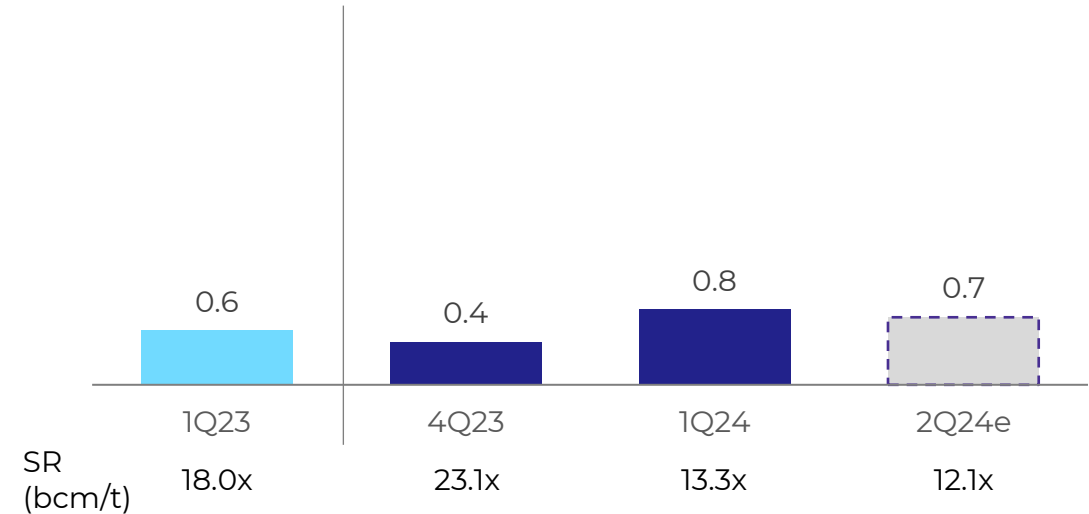
3M24 Actual:
0.8 Mt

Trubaindo Coal Mining

Located in East Kalimantan



Quarterly production (Mt)



- 1Q24 production achieved slightly higher than the target at 0.8 Mt with a strip ratio of 13.3x.
- 2Q24 production is maintained at 0.7 Mt with a strip ratio of 12.1x.

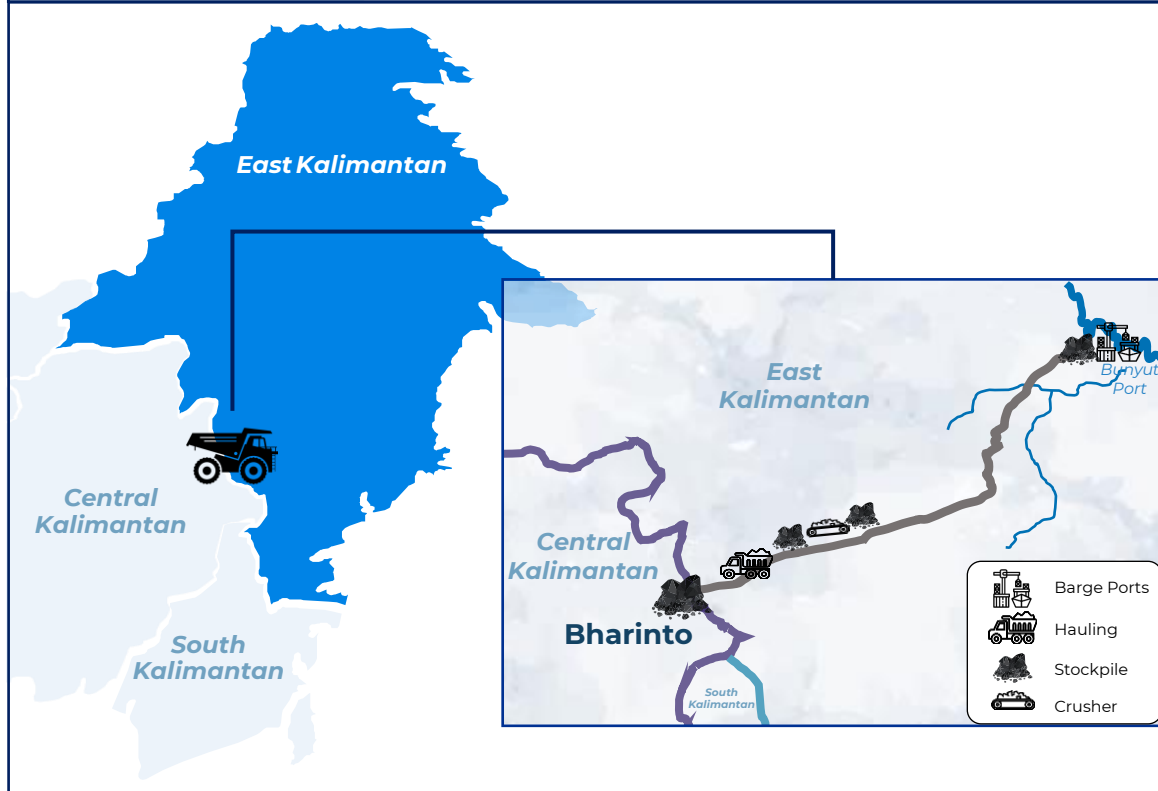
Operational update – Bharinto Ekatama

FY24 Target:
8.1 Mt

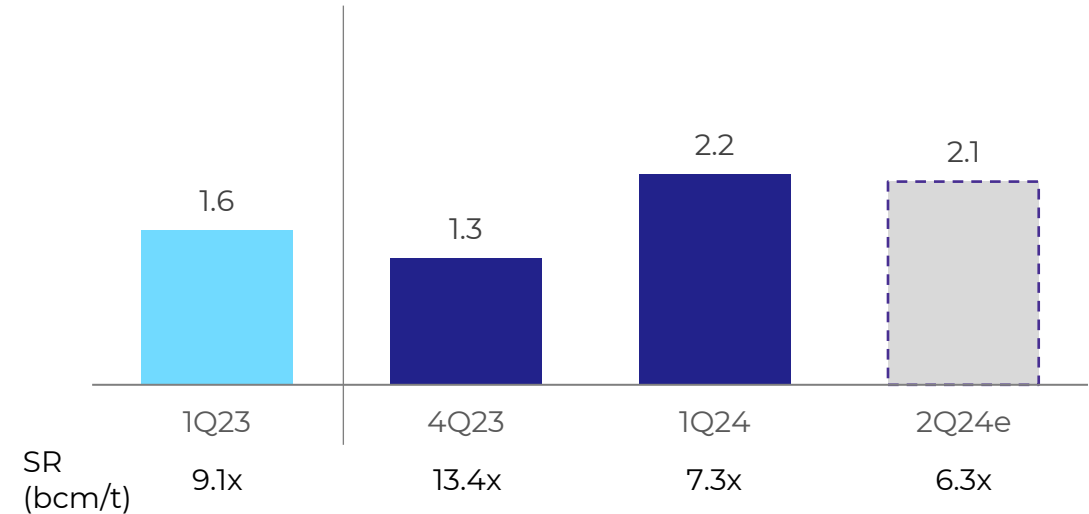
3M24 Actual:
2.2 Mt

Bharinto Ekatama

Located in East and Central Kalimantan



Quarterly production (Mt)



- 1Q24 production achieved at 2.2 Mt with a lower strip ratio of 7.3x than the previous quarter.
- 2Q24 production is targeted at 2.1 Mt with controllable strip ratio at 6.3x.

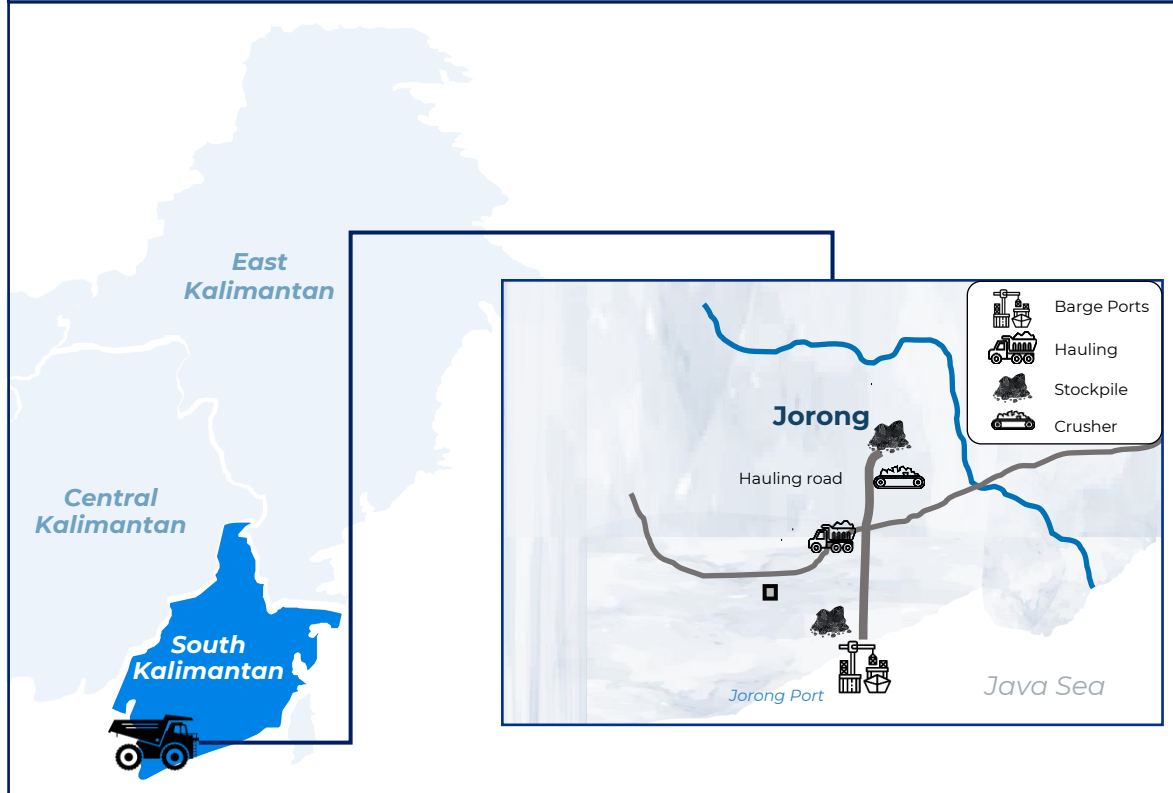
Operational update – Jorong Barutama Greston

FY24 Target:
0.4 Mt

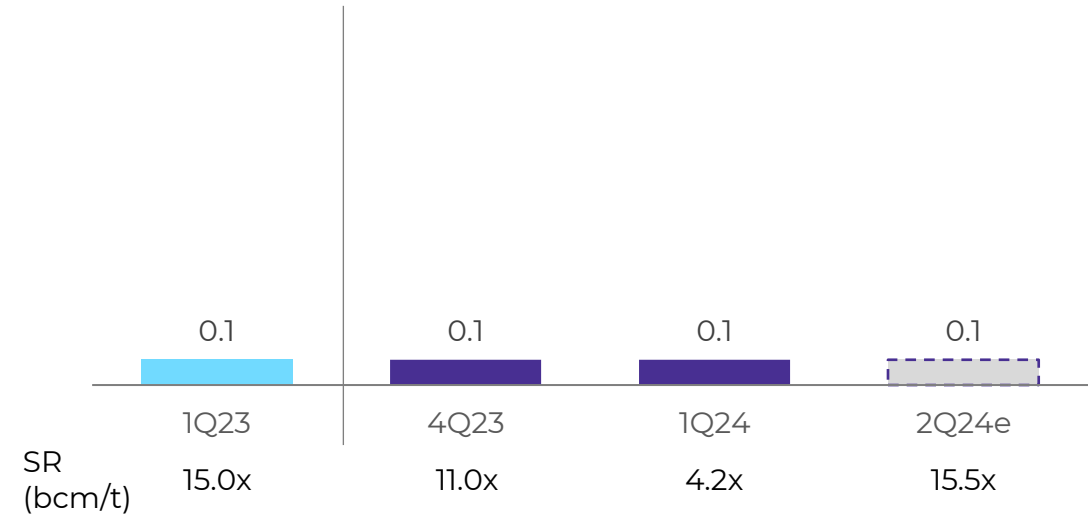
3M24 Actual:
0.1 Mt

Jorong Barutama Greston

Located in South Kalimantan

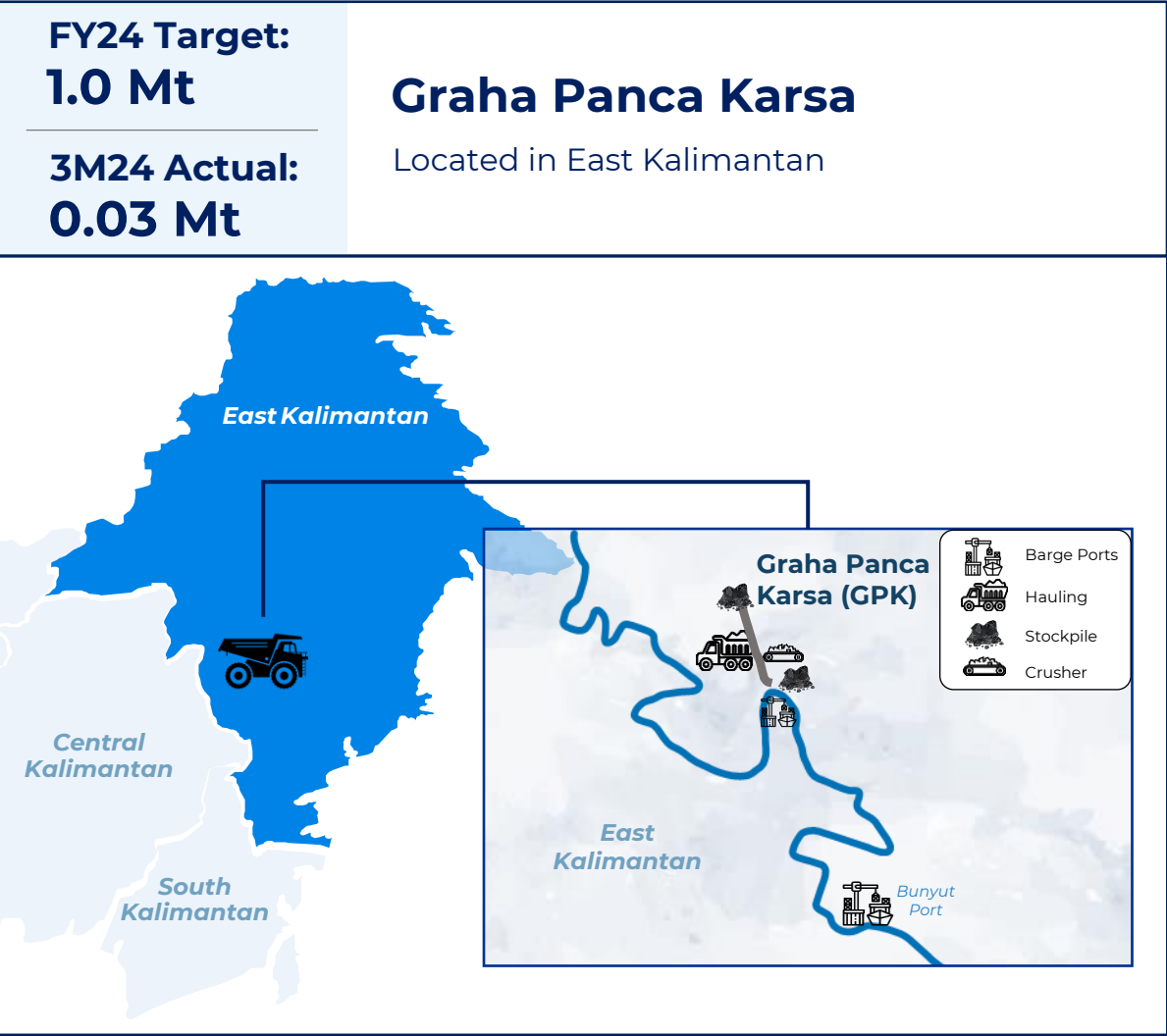


Quarterly production (Mt)



- 1Q24 production achieved at 0.1Mt with a strip ratio of 4.2x.
- 2Q24 production is expected at 0.1Mt with a strip ratio at 15.5x.

Operational update – Graha Panca Karsa



Quarterly production (Mt)

			0.2
	N/A	N/A	0.03
	1Q23	4Q23	1Q24
SR (bcm/t)			16.3x
			2Q24e
			6.2x

- GPK carried out its first coal getting at the end of 1Q24 and produced 0.03Mt of coal with a strip ratio of 16.3x.
- 2Q24 production is targeted at 0.2Mt with a lower strip ratio at 6.2x. We are expecting GPK strip ratio to improve in the following quarter as the production increases.

04+

Financial Updates

Financial performance – profitability

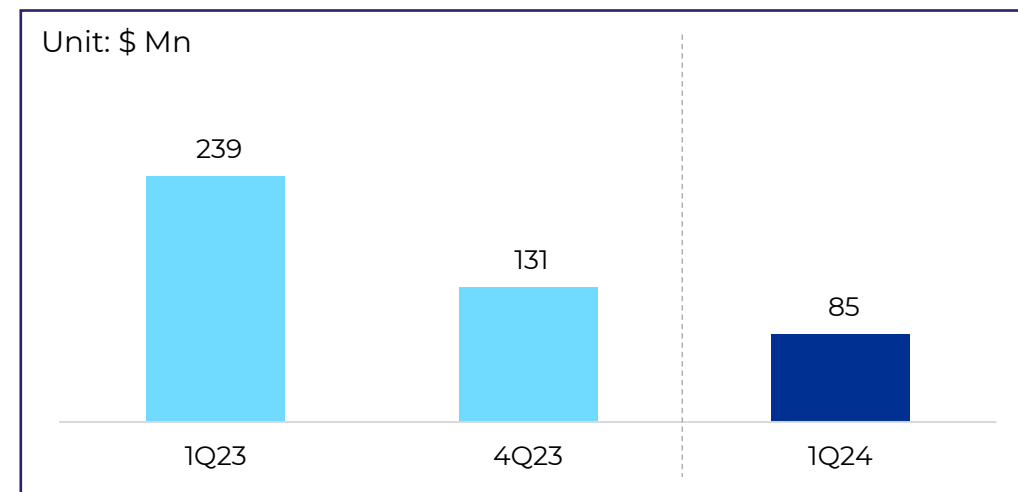
PROFIT OR LOSS STATEMENT

Unit: \$ Mn

	Revenue		
	686	548	489
	1Q23	4Q23	1Q24
Sales volume (Mt)	4.5	5.7	5.0
Average selling price (\$/ton)	151	96	97
Revenue	686	548	489
Operating Income	221	116	73
EBITDA	239	131	85
Net profit	183	94	61
Ratio			
Operating income margin (%)	32%	21%	15%
EBITDA margin (%)	35%	24%	17%
Net profit margin (%)	27%	17%	13%

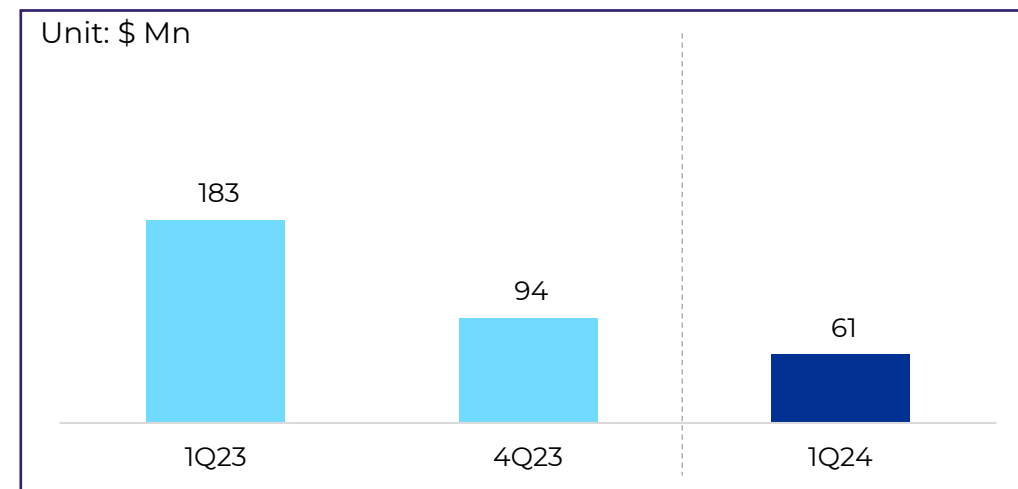
EBITDA

Unit: \$ Mn



NET PROFIT

Unit: \$ Mn

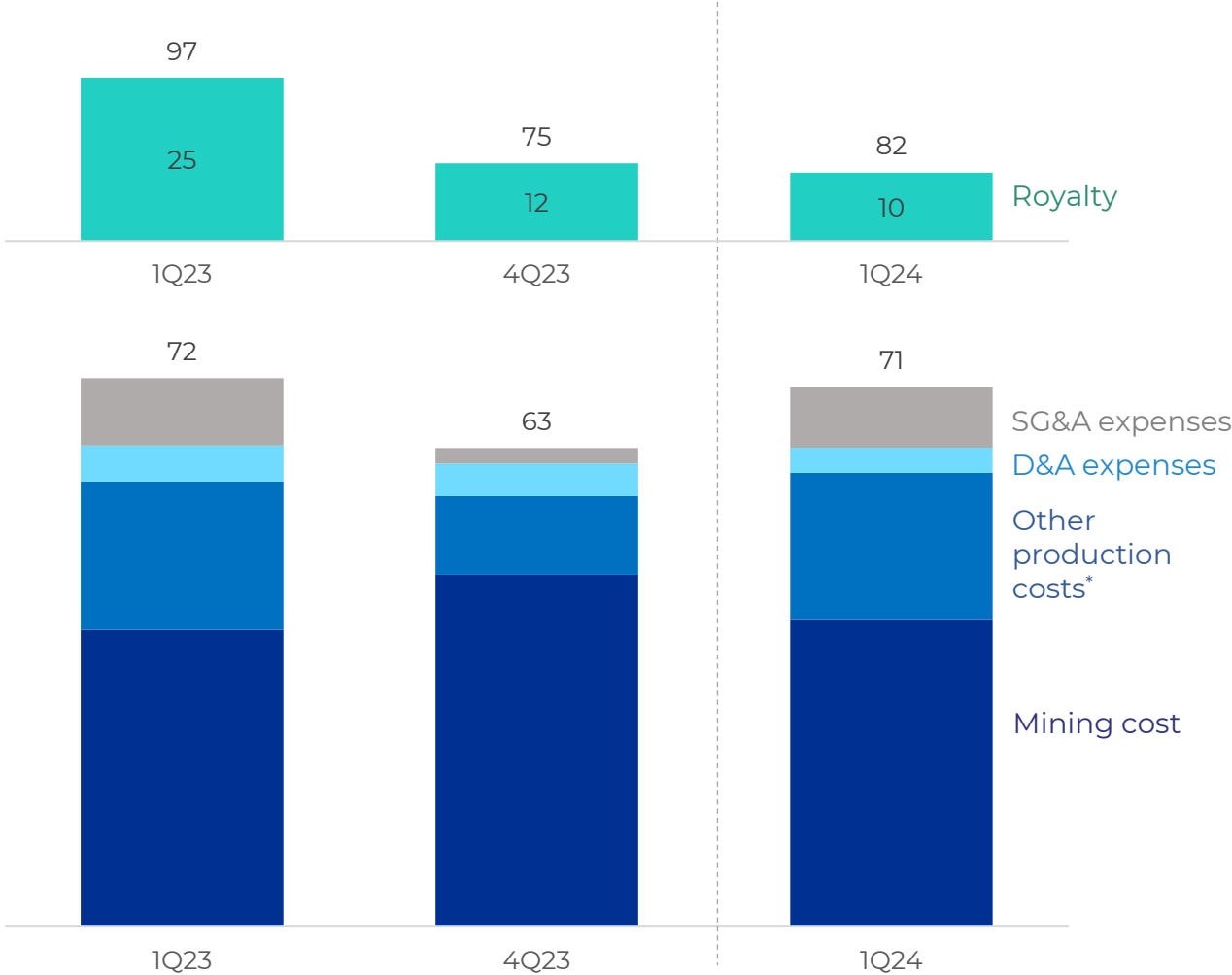


Financial performance – cost



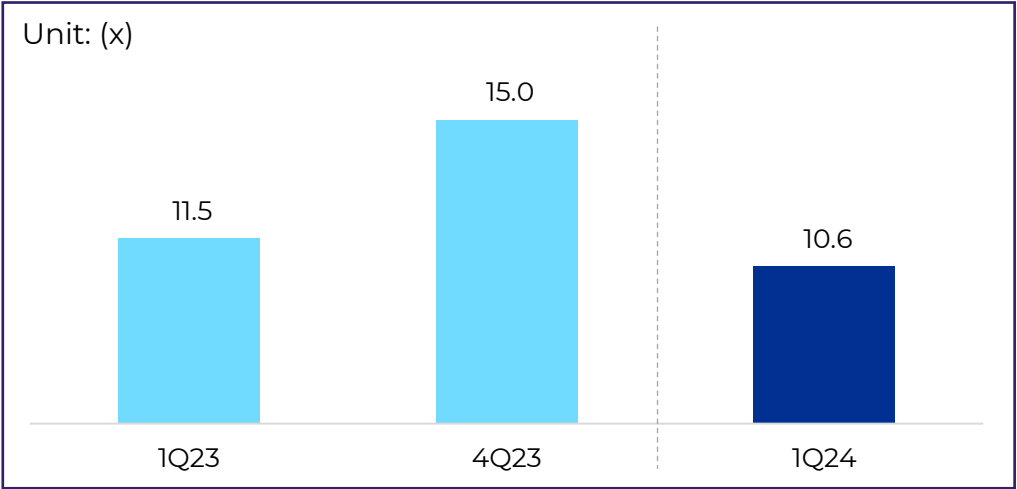
TOTAL COST BREAKDOWN

Unit: \$/ton



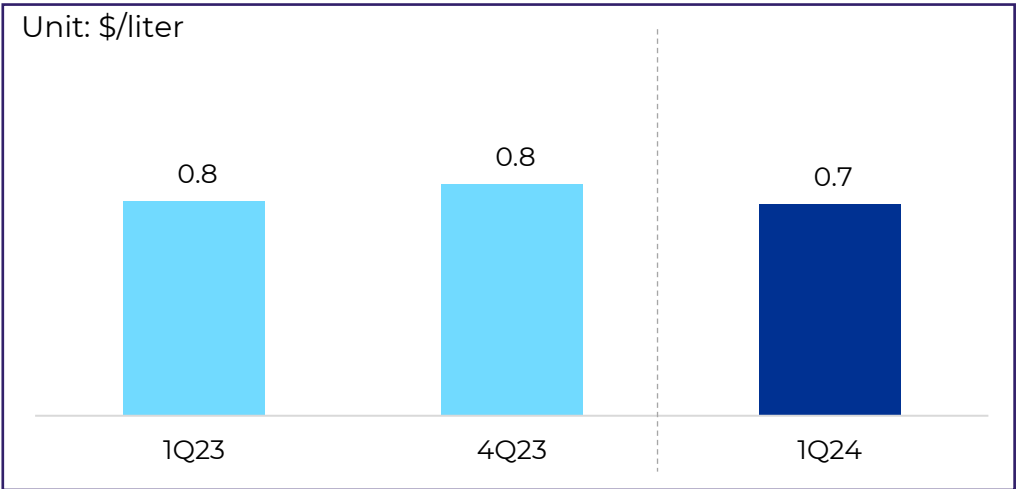
STRIP RATIO

Unit: (x)



FUEL PRICE

Unit: \$/liter



*Include repair and maintenance, salaries and allowances, inventory adjustment, others etc.

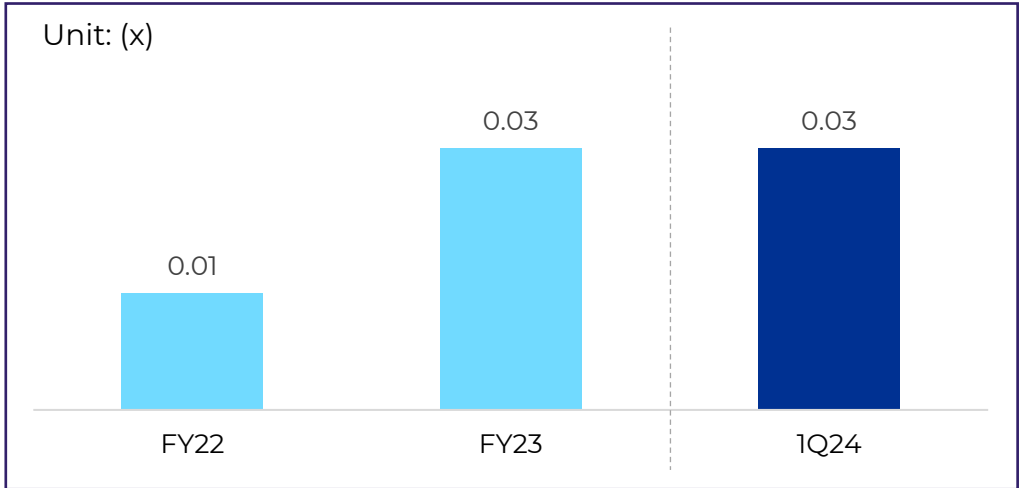
Financial position

BALANCE SHEET

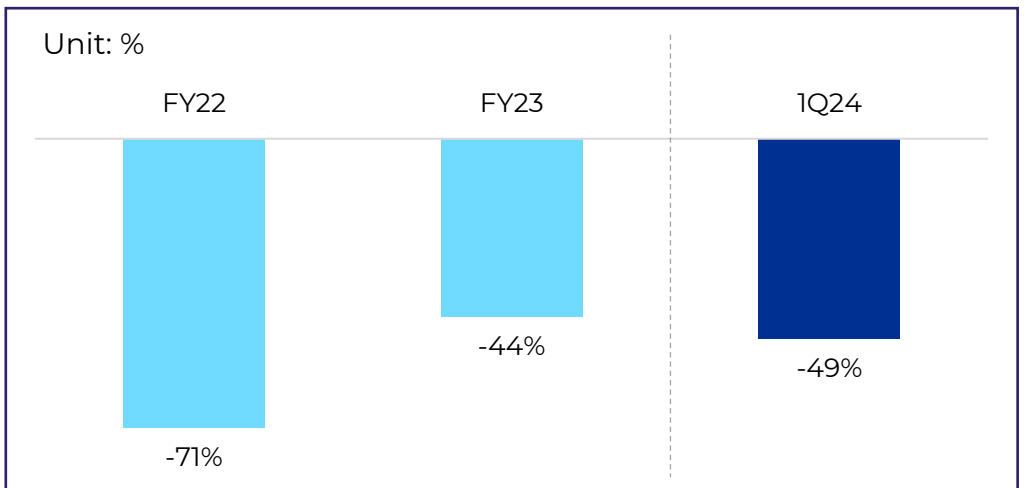
Unit: \$ Mn

	Total assets		
	FY22	FY23	1Q24
Assets			
Cash and cash equivalents	1,430	851	915
Other assets	1,210	1,337	1,373
Liabilities			
Current maturities of long-term and short-term bank loan	13	40	40
Long-term bank loans net of current maturities	13	8	7
Other liabilities	664	351	525
Total equity	1,950	1,789	1,715
Ratio			
Cash to total assets (%)	54%	39%	40%
Net gearing (%)	-71%	-44%	-49%

DEBT TO EQUITY



NET GEARING

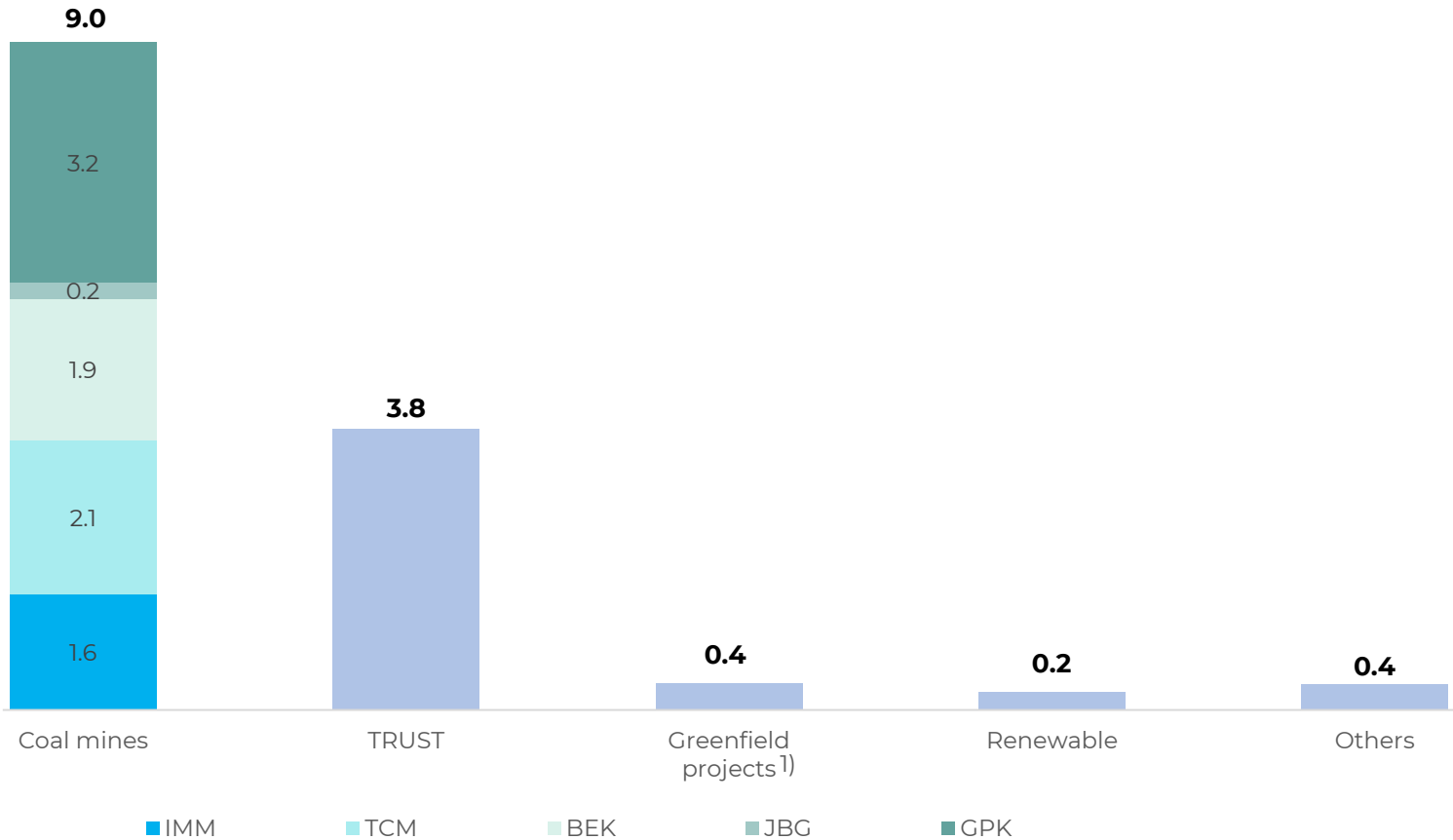


Capital expenditure



1Q24 CAPITAL EXPENDITURE DETAILS

Unit: \$ 13.7 Mn

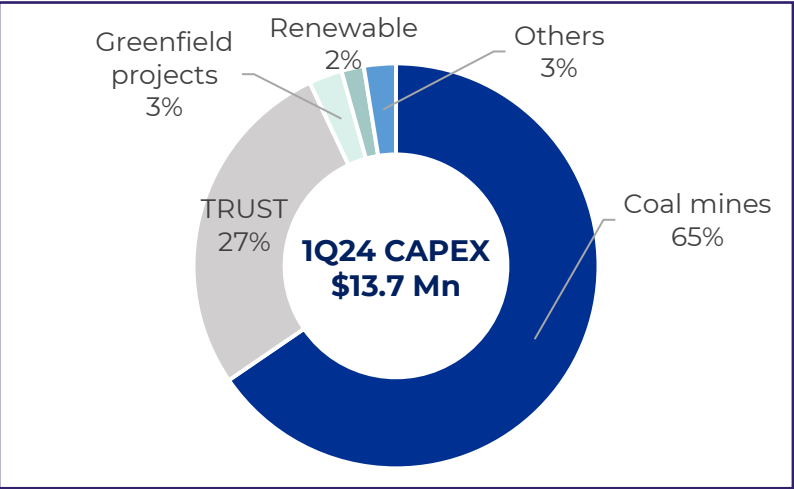


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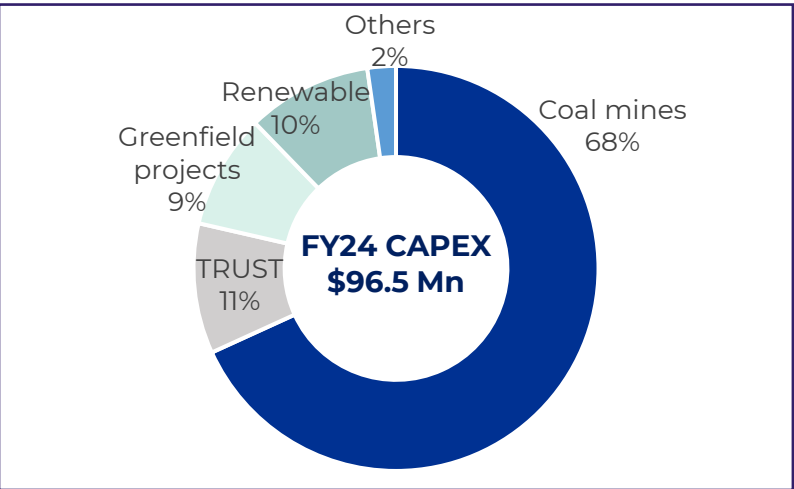
1) Greenfield projects consist of NPR and TIS

2) Starting 2024, GPK CAPEX are included in coal mines

1Q24 % CAPEX REALIZATION



FY24 % CAPEX BUDGET²⁾



05

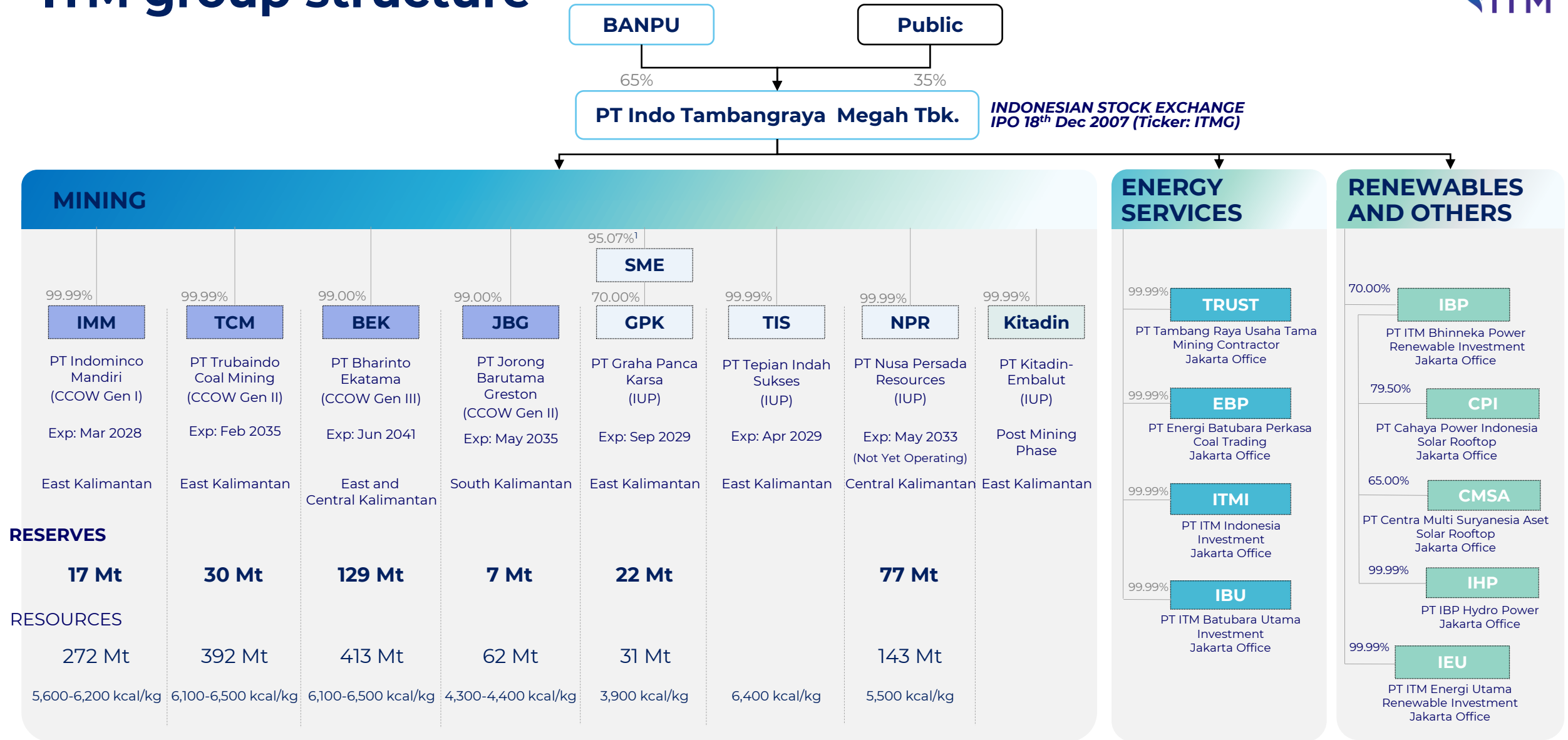
Q&A Session

QoQ and YoY financial performance comparison



Unit: \$ thousand	1Q24	4Q23	QoQ (%)	1Q23	YoY(%)
Net Revenues	489,237	547,653	(11%)	685,586	(29%)
Gross Profit	119,361	132,348	(10%)	266,916	(55%)
Gross Profit Margin	24%	24%		39%	
Selling Expenses	(38,431)	(3,928)	878%	(35,289)	9%
General And Administration Expenses	(7,649)	(12,231)	(37%)	(10,768)	(29%)
Operating Income	73,281	116,189	(37%)	220,859	(67%)
Operating Income Margin	15%	21%		32%	
EBITDA	84,853	130,931	(35%)	238,951	(64%)
EBITDA Margin	17%	24%		35%	
Finance Costs	(931)	(704)	32%	(869)	7%
Finance Income	10,241	9,246	11%	9,445	8%
Others, Net	(3,597)	(2,182)	65%	4,603	(178%)
Profit Before Income Tax	78,994	122,549	(36%)	234,038	(66%)
Income Tax	(17,637)	(28,396)	(38%)	(51,438)	(66%)
Net Profit	61,357	94,153	(35%)	182,600	(66%)
Net Profit Margin	13%	17%		27%	

ITM group structure



Note: Reserves and Resources is as of 31st Dec 2023. The number disclosed above used the updated coal resources and reserves as of 31 Dec 2018 based on estimates prepared by competent persons (considered suitably experienced under the JORC Code) and deducted from coal sales volume during 2019-2023.

¹) Remaining 4.93% is owned by IBU which is owned by ITM.