



Analysts Meeting

4Q23 Performance Result

29 February 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

4Q23 highlights – a solid closing

BUSINESS PERFORMANCE

Production



3.4 Mt

-35% QoQ / -21% YoY

Sales



5.7 Mt

7% QoQ / 11% YoY

ASP



\$96/ton

-3% QoQ / -52% YoY

Revenue



\$548 Mn

4% QoQ / -46% YoY

EBITDA



\$131 Mn

-1% QoQ / -70% YoY

Net Profit



\$94 Mn

-5% QoQ / -69% YoY

GOOD AND RESPONSIBLE

Awarded for efforts in protecting human rights



ITM received an appreciation from the Ministry of Law and Human Rights of Republic Indonesia for fulfilling the standards of protection, respect, and restoration of human rights as per Business Risk and Human Rights Assessment indicators.

GREENER, SMARTER TRANSFORMATION

CPI ownership increase to 79.5%



ITM through its subsidiary IBP has increased the ownership of CPI to 79.5% from previously 60%. The increase of ownership aligned with ITM conviction in achieving Greener, Smarter aspiration.

2023 business performance and accomplishments



Managed external challenges through stringent cost control, which is able to **save \$4.7/ton from various initiatives**



Maintaining a sound balance sheet with a **robust net cash position of \$803 Mn**

MINING



16.9 Mt

FY23 coal production

113 \$/t

FY23 average selling price

20.9 Mt

FY23 coal sales

500 \$ Mn

FY23 net profit

- **Maintained smooth operation** and thus recorded production at 16.9 Mt (1% YoY) with an average strip ratio for the year at 12.5x.
- **Growing sales volume** which increased by 11% compared to the previous year of 18.9 Mt, supported by the increase of coal sales from Bharinto as one of the reasons.
- **Continuously expand Bharinto site to Central Kalimantan** and expedite the operational needs to be able to produce more. The combination of new area preparation and utilization of existing area has increased Bharinto production by 24% YoY.
- **GPK site preparation has been accelerated throughout 2023**, such as hauling road and port area preparation, drilling for sampling activities, heavy equipment mobilization, and construction of the main and supporting facility.
- **Implemented cost effectiveness program (CEP)** that succeeded in reducing total operating cost through several initiatives, such as shortening OB distance which led to a reduction in fuel consumption.

2023 business performance and accomplishments



ITM has completed the development of **Mentawir Nursery**, which will support the new capital “Nusantara”.



Expanded solar-based renewable energy through IBP with total accumulated **committed capacity grew by more than three times.**

ENERGY SERVICES



33.4 Mbcm
FY23 TRUST
OB volume

1.3 Mt
FY23 EBP
coal sales

- **TRUST's total overburden removal volume reached 33.4 Mbcm in 2023** (24% YoY), representing 15% of the total overburden removed across ITM for the year.
- **EBP coal sales volume grew compared to last year sales to 1.3 Mt** (99% YoY). Additionally, EBP initiated its first 500 kt coal offtake sales from East Kalimantan.

RENEWABLES AND OTHERS



24.8 MWp
IBP solar based
renewables
accumulated
committed
capacity

3 MWp
IMM solar PV in
Bontang

- **2MWp Bunyut PV solar power plant has commenced the operation** to generate electricity since 1Q23 to support port operations in Melak area.
- **CPI was expanding its renewable capacity through investment in business partner** by acquiring 65% of Solar-as-a-Service Company, Suryanesia.
- **ITM has signed MoU to carry out ~3 years studies to support UCG Pilot Test** which covers various technical and environmental aspects, with the Ministry of Energy and Mineral Resources' Tekmira.

2023 ESG highlights



Implemented the use of biofuel with 35% organic matter concentration (B35) in all mine sites



Handed over 3,645 Ha rehabilitated watershed to the government



Planting of >500k trees in 2023, 10% increase from 2022, through our revegetation activities



0 fatality while maintaining lost time injury frequency rate (LTIFR) at 0.07



Total fostered villages is 53, increased 13% from 2022



Employee Engagement Survey 79%, Banpu Heart Survey 78%



Total training hours increased by 79% YoY, resulting the average training hours per employee to 53 hours in 2023



No violation of laws and 0 corruption allegation case



Implemented ISO 27001 information security management systems



Update and published policy regarding human rights, environmental and Occupational Health and Safety



2023 awards and accolades

Environmental



ESG Disclosure Transparency Awards 2023

ITM received BBB management rating for its commitment to implementing ESG and Sustainable Development Reporting.



Best Planting Performance Award

Subsidiary of ITM, Indominco received certificate of appreciation in the context of watershed rehabilitation from Ministry of Environment and Forestry



Platinum Plus & Green Elite Awards

ITM awarded at the 2023 Corporate Emission Transparency Awards for transparency and consistency in emission reporting.



ASSRAT 2023

Gold rank received for ITM 2022 Sustainability Report, marking the achievements for 5 consecutive years.



PROPER 2023

Ministry of Environment and Forestry awarded green rating for Jorong and gold rating for Indominco in 2023.

Social



Top CSR Award 2023

ITM awarded a Golden Trophy and TOP Leader on CSR Commitment after successfully maintained 5 Stars Trophy achievement for three consecutive years.



Indonesia Sustainability Development Goals Awards (ISDA) 2023

Four awards received by ITM and subsidiaries for its sustainability and CSR programs to the community near mine sites.

Governance



TOP GRC 2023

5 Stars is awarded to ITM by TOP GRC, for its comprehensive GRC system and infrastructure and implementation of GCG, Risk Management, and Compliance Management to support corporate sustainability.



IICD CG Conference & Awards 2023

ITM awarded as Best Non-Financial Sector for its commitment and performance in good corporate governance and "Top 50 Biggest Market Capitalization Public Listed Companies"



Appreciation award (PRISMA) from Ministry of Law and Human Rights of Republic Indonesia

ITM received an award of appreciation for fulfilling the standards of protection, respect, and restoration of human rights as per Business Risk and Human Rights Assessment indicators.

BUSINESS AND OPERATIONAL EXCELENCY



Bisnis Indonesia award 2023

Best coal producer category due to its positive performance, risk management and company innovation.



CSA awards 2023

"The Best Energy Sector" on the Main Board. This recognition was awarded by the Indonesian Securities Analyst Association and the CSA Community.



ADITAMA AWARD 2023

IMM received Aditama award from Minister of Energy and Mineral Resources for its outstanding performance in technical management of mineral and coal mining.

Response to the challenges in energy sector

What do we need from our energy?

Energy affordability

Could we provide accessibility and affordability of energy supply across population?



Energy sustainability

Could we create a transition of country's energy system to mitigate and avoid environmental harm and climate impact?

Energy security

Could we fulfill current and future energy demand as well as ensure the reliability of energy infrastructure?

Source: World Energy Council

Our Positioning and Answer

RESPONSIBLE TRANSITION



Good and Responsible

Utilizing existing assets and resources to achieve a good financial performance while ensuring the operations are conducted in a responsible manner



Greener, Smarter Transformation

Business diversification while ensuring financial robustness to establish a value-creating Greener, Smarter portfolio

DELIVER ENERGY SUSTAINABLY



Reliable



Affordable



Eco-friendly

CREATE VALUES FOR ALL



Sustainable value for all stakeholders

UPHOLD SUSTAINABILITY



Accountable for Environment, Social and Governance (ESG)

CORPORATE CULTURE

BanpuHeart

Passionate Innovative Committed
Striving for the Future New Ideas, New Solutions Success is the Only Option

Who we are and our brand promise to you:
OUR WAY IN ENERGY

*TO POWER THE **BETTER** LIVING FOR ALL*



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

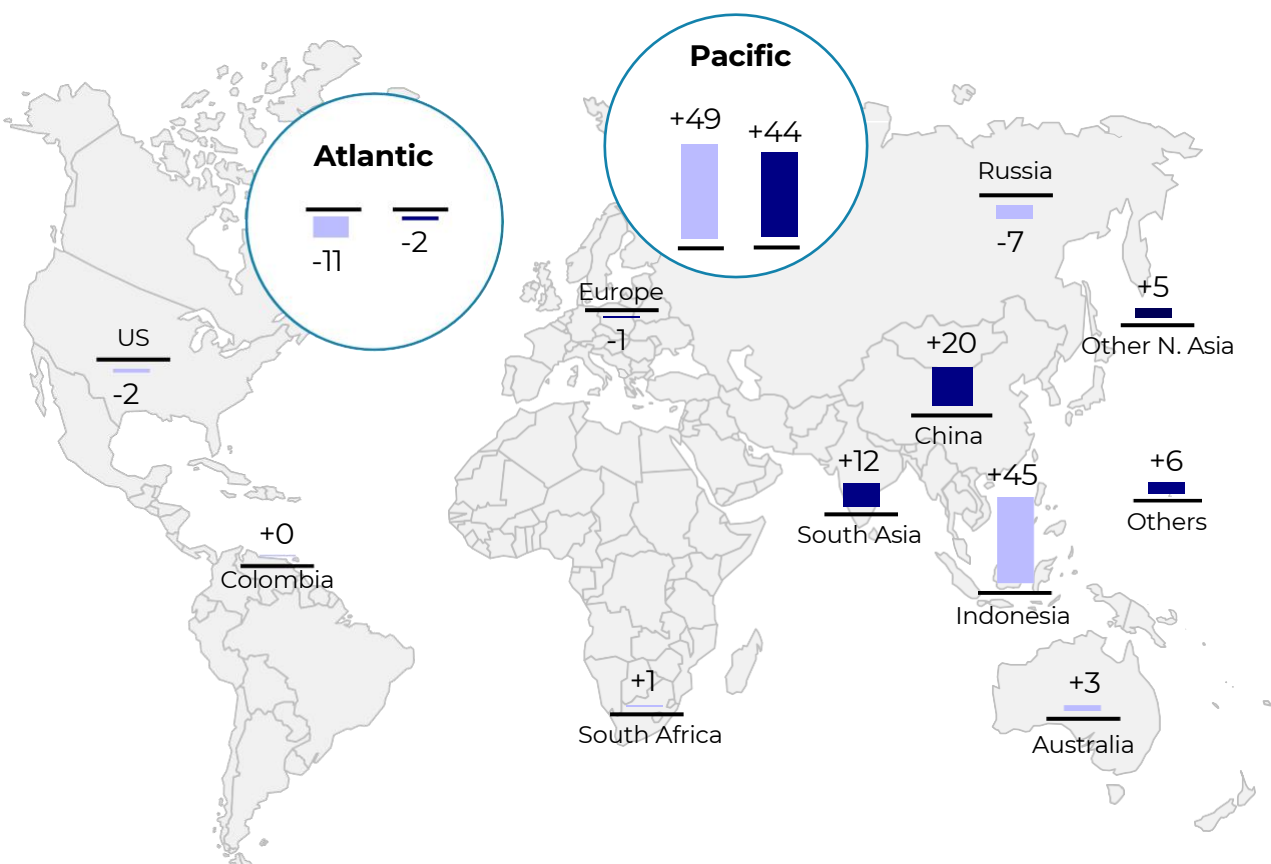
Coal Market Trends



Global thermal coal market

COAL DEMAND AND SUPPLY CHANGE – 2023E VS 2022

Unit: Mt  SUPPLY  DEMAND



Note: *JKT = Japan, South Korea and Taiwan

TRENDS

DEMAND

Seaborne thermal coal imports are expected to reach a new record in 2024, driven by robust demand from China, South Asia, and Southeast Asia. Asia's coal-fired generation capacity is on the rise, surpassing a decline in Europe. Safety concerns present uncertainty over China's domestic coal production.

- **China:** In coastal areas, imported coal is expected to stay competitive amid uncertain domestic supply. The forecast suggests prolonged support for coal burn due to an amplified El Niño influence.
- **India:** Persistent reliance on coal for power and non-power sectors is anticipated. Strong economic growth, a forecast of low hydro output, and domestic coal production lagging overall demand will drive robust imported coal demand.
- **JKT:** Additional coal-fired capacity will support coal burn in 2024, remaining competitive against gas. However, downside risks include increased nuclear generation and economic uncertainty.
- **Europe:** Weak coal market fundamentals, rising renewable output and low gas prices are expected to weigh on coal burn. The coal phase-out plan is likely to regain momentum.

SUPPLY

Global thermal coal supply is projected to surpass demand, primarily driven by Indonesia's robust production. The El Niño-induced drought is expected to persist, providing ongoing support to coal production.

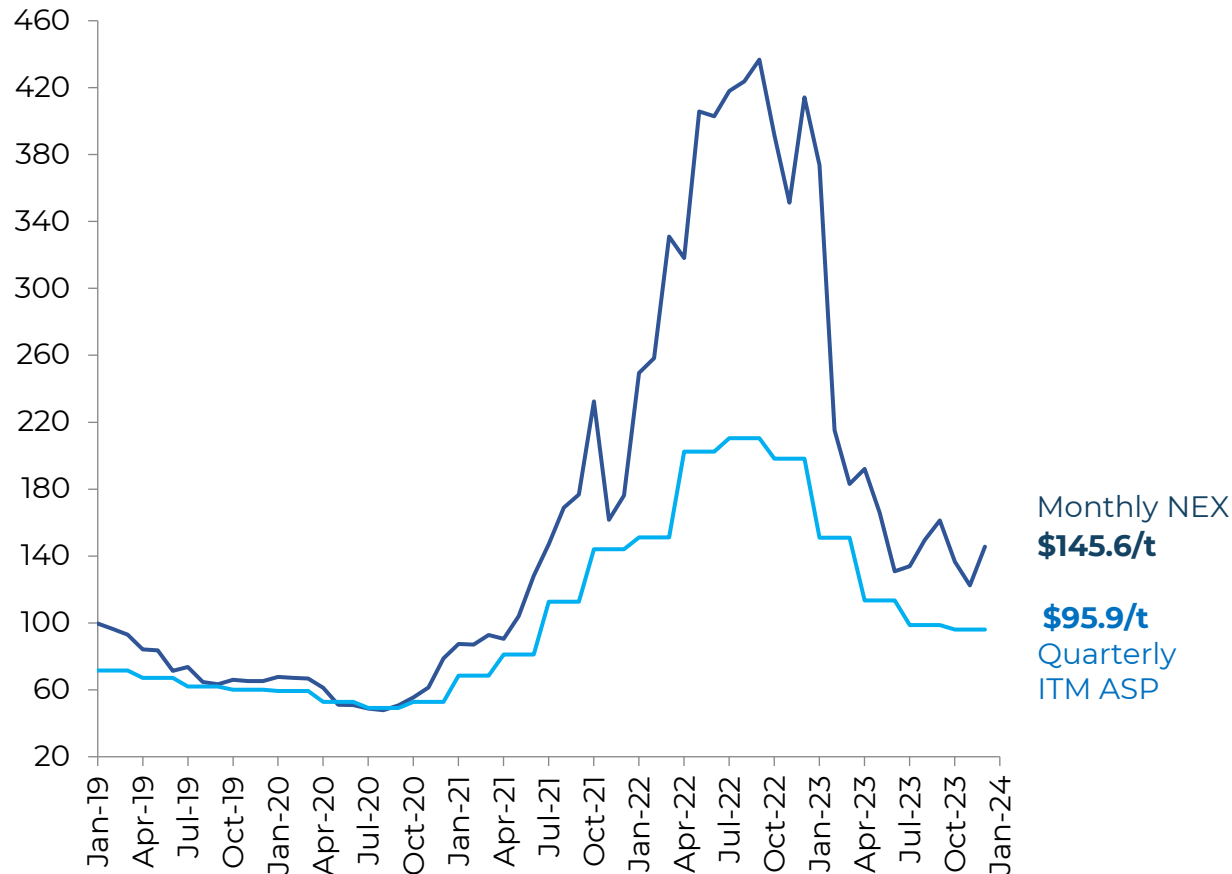
- **Indonesia:** Exports are expected to grow further in 2024, driven by strong demand and a significant production forecast. Key miners are eager to expand output and increase market share.
- **Australia:** Anticipated marginal growth in thermal coal exports in 2024. New supply faces challenges due to rising costs and labour shortages.
- **Others:** Russian coal producers are diverting coal to Asia by offering significant discounts to gain market share. Logistic constraints continue to impact South Africa, Colombia, and the US, leading to coal diversion to Asia amid declining European demand.

ITM ASP vs thermal coal benchmark prices



ITM ASP VS BENCHMARK PRICES

Unit: \$/t



Note:

* Includes post shipment price adjustments as well as traded coal

** The Newcastle Export Index (NEX)

COMMENTS

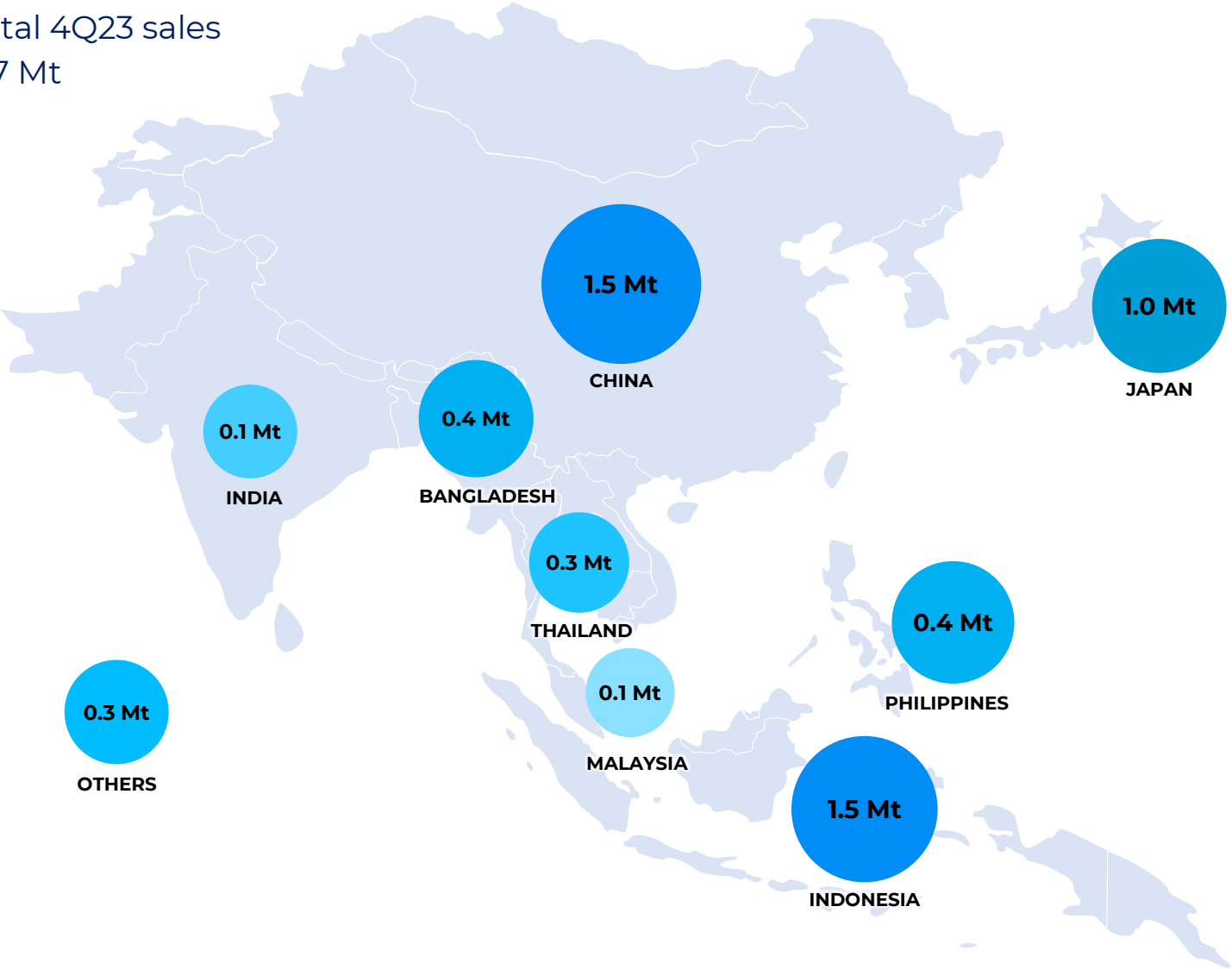
- The seaborne premium thermal coal market remained stable throughout 4Q23, with the weekly GCNewc fluctuating within a narrow range of \$120-150 per ton.
- Similarly, the market for lower-quality thermal coal remained stable in 4Q23. ICI2 hovered between \$92-97/ton, ICI3 within \$79-83/ton, and ICI4 maintained a narrow range of \$57-62 /ton. Despite increased supply from Indonesia, robust import demand from China in 4Q23 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 4Q23: \$95.9/t* (-3% QoQ)
 - NEX (23 February 2024)**: \$124.9/t

ITM coal sales

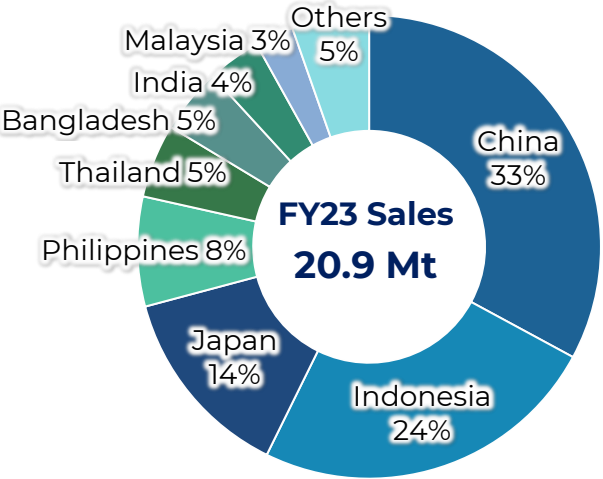


4Q23 COAL SALES VOLUME BASED ON SALES DESTINATION

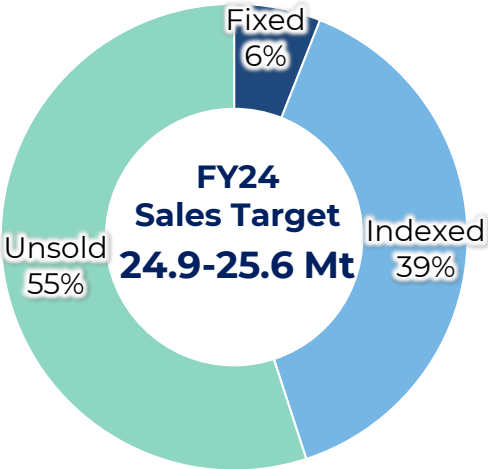
Total 4Q23 sales
5.7 Mt



FY23 COAL % SALES VOLUME



FY24 INDICATIVE COAL SALES

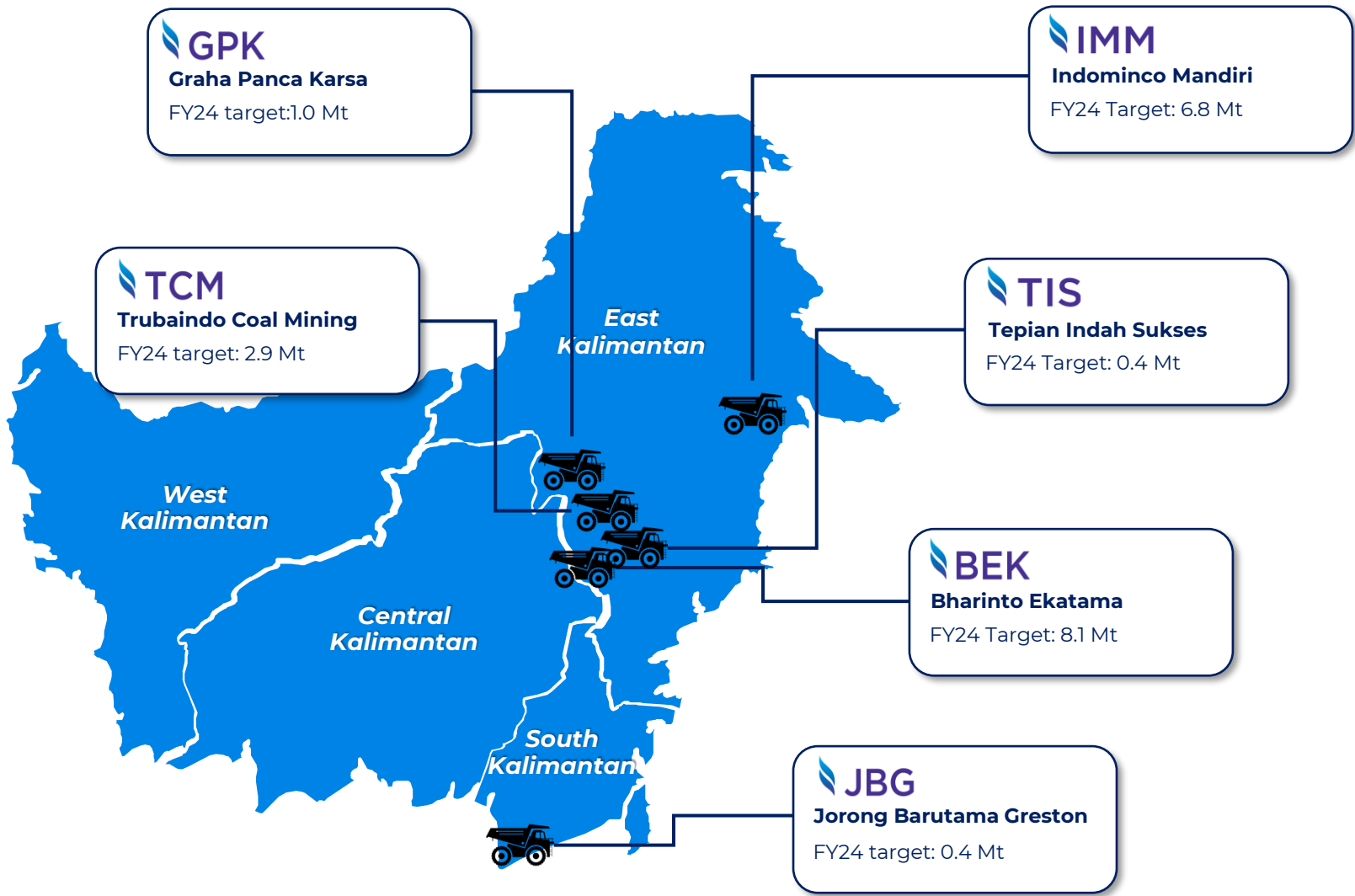


03

Operational Updates



Coal mining operational summary



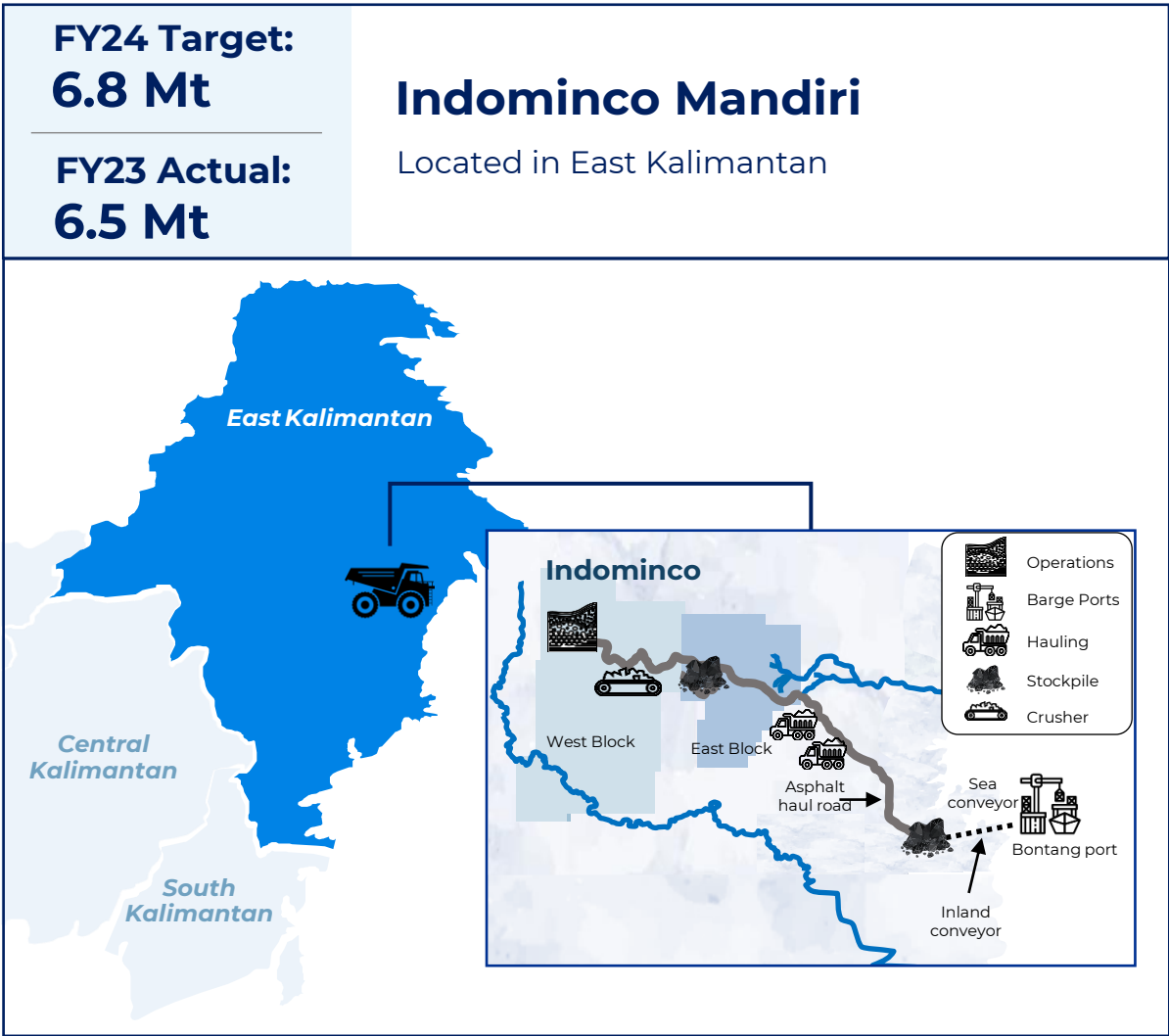
FY24 Target:
19.5-20.2 Mt

1Q24 Target:
4.6 Mt

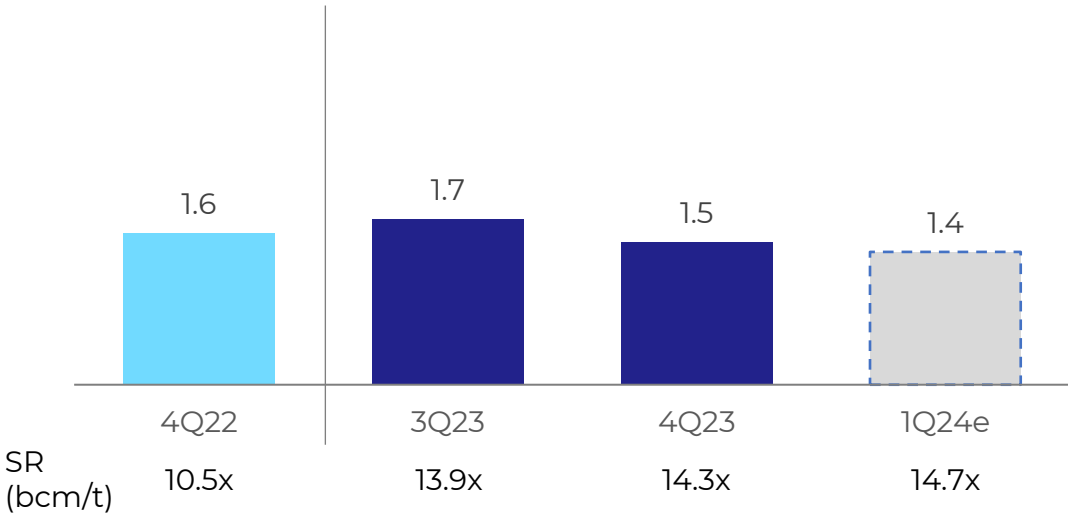
	4Q23	FY23
Coal production	3.4 Mt -35% QoQ / -21% YoY	16.9 Mt 1% YoY
Strip ratio	15.0 x 27% QoQ / 36% YoY	12.5 x 17% YoY

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

Operational update – Indominco Mandiri

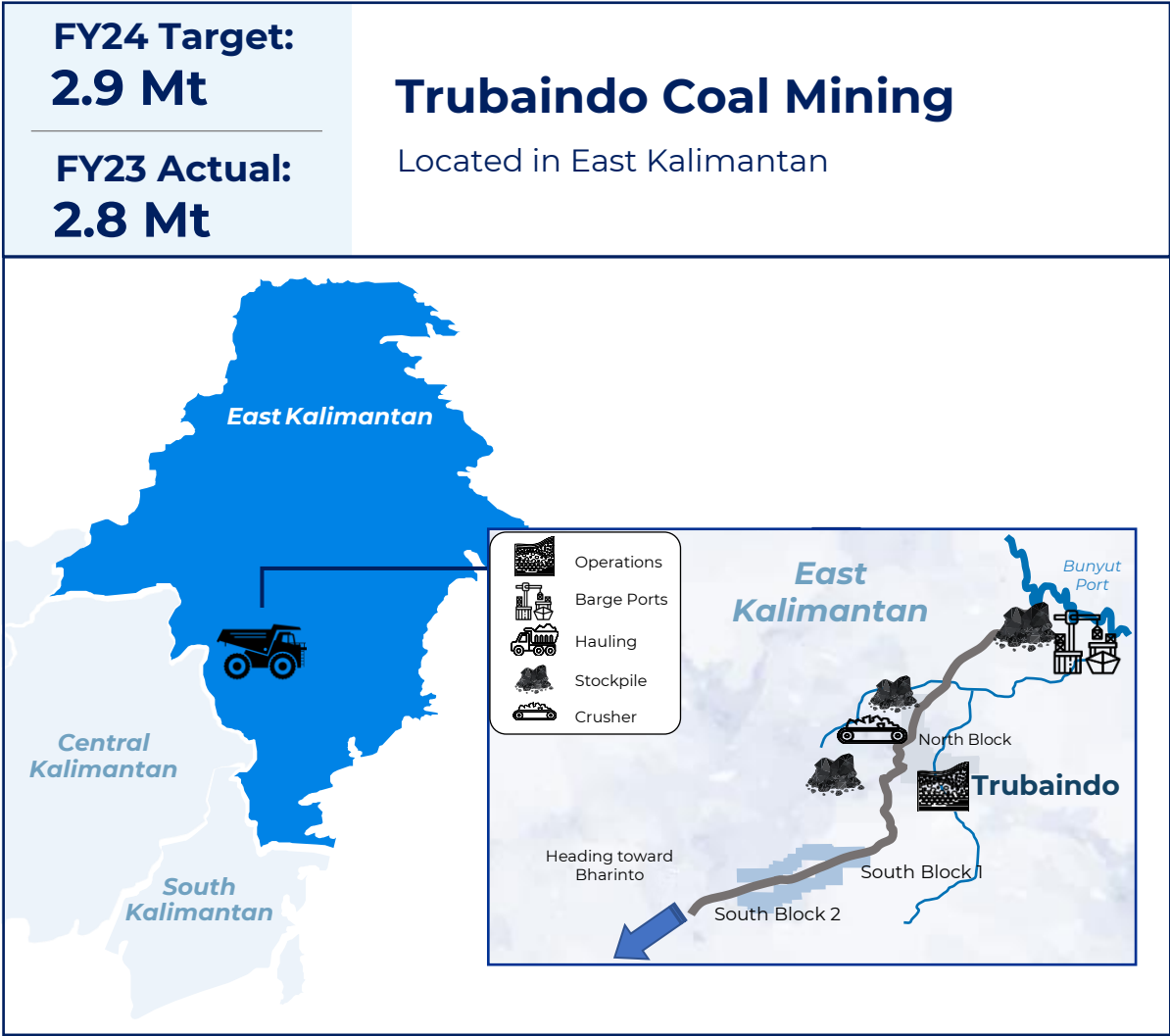


Quarterly production (Mt)

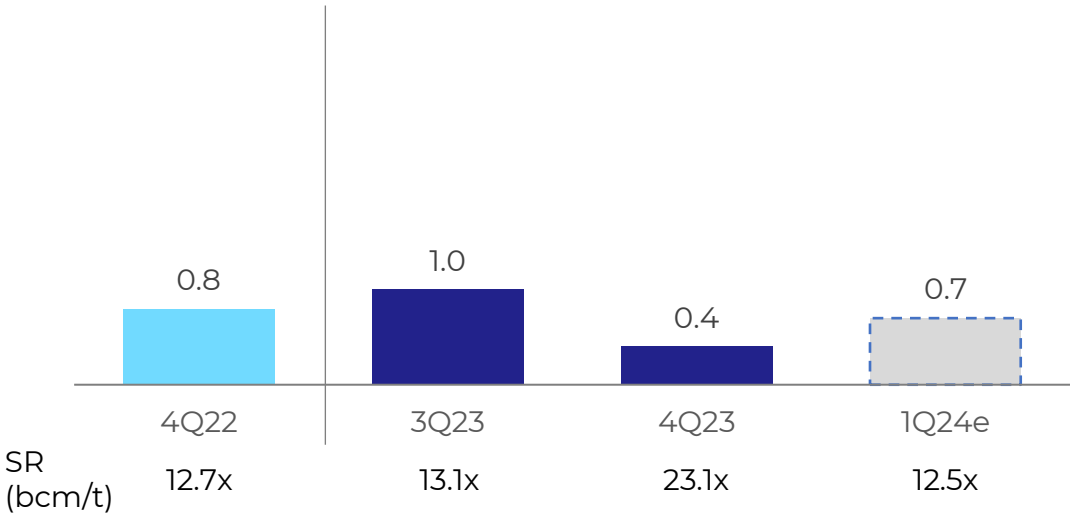


- 4Q23 production achieved at 1.5Mt with a strip ratio of 14.3x.
- 1Q24 production is targeted slightly lower than the previous quarter at 1.4Mt with a strip ratio at 14.7x as we continue to mine in some area that produce higher coal quality but require higher strip ratio.

Operational update – Trubaindo Coal Mining

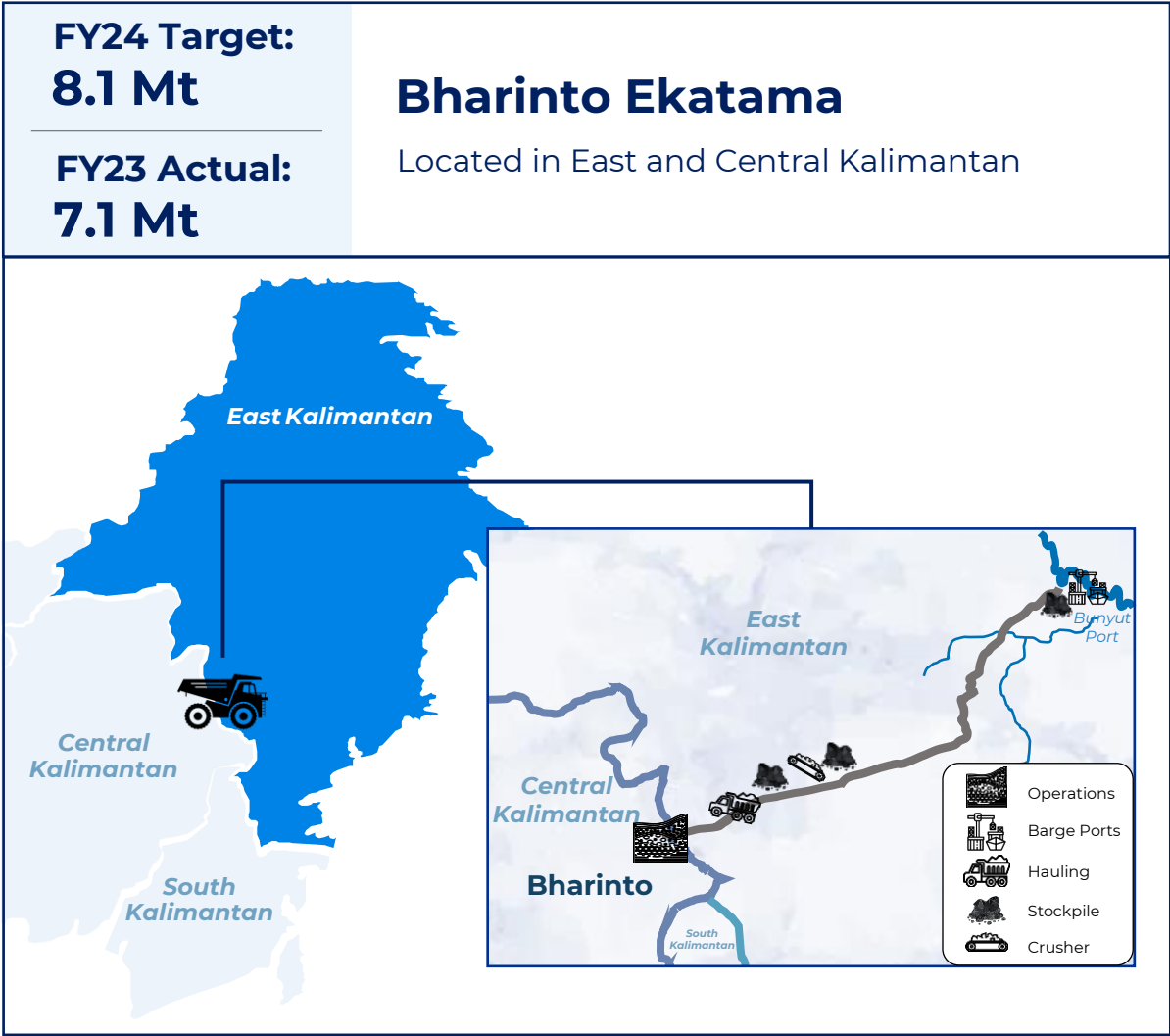


Quarterly production (Mt)

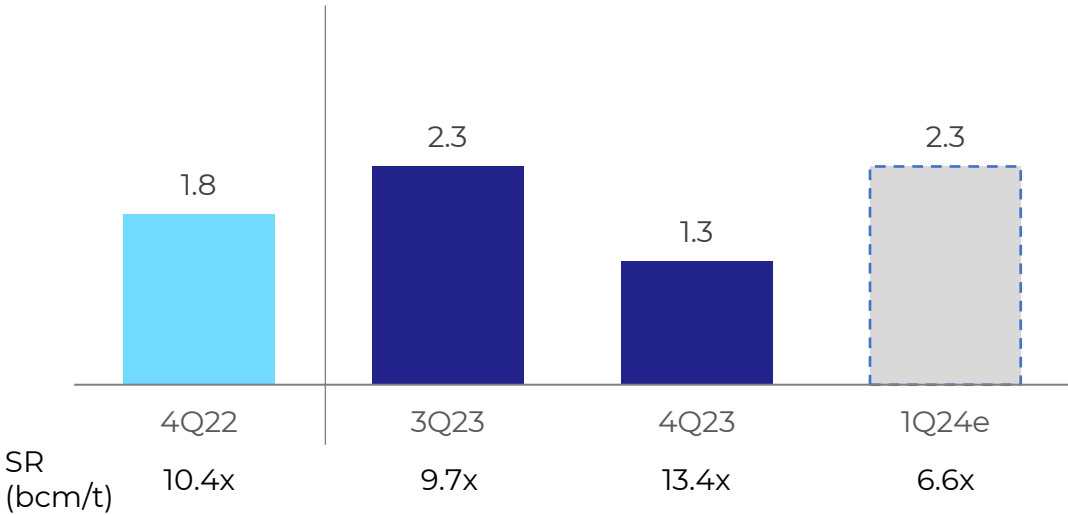


- 4Q23 production achieved the target of 0.4Mt with a strip ratio of 23.1x due to the additional OB removal while the coal production was limited.
- 1Q24 production is targeted at 0.7Mt with more manageable strip ratio of 12.5x.

Operational update – Bharinto Ekatama

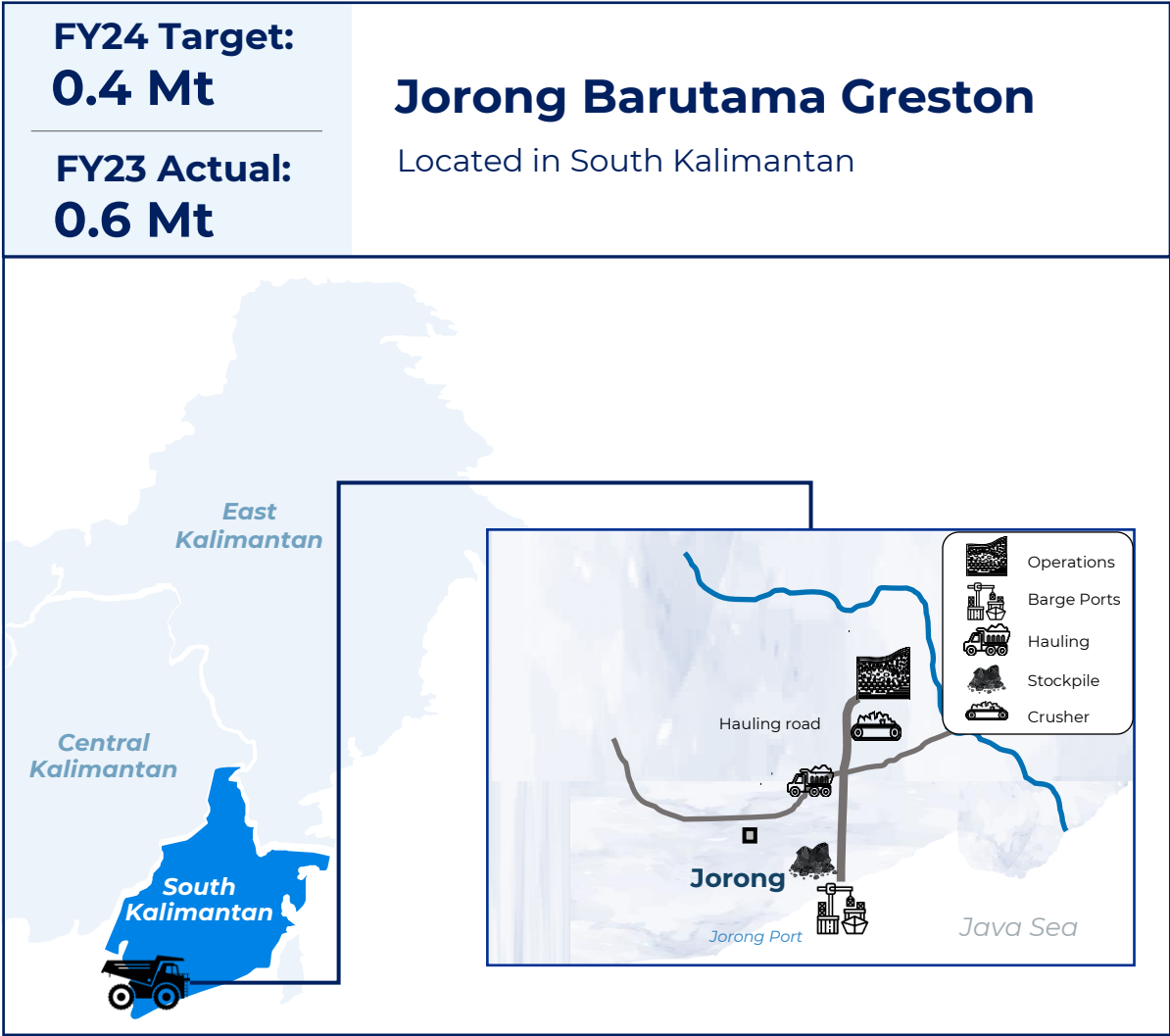


Quarterly production (Mt)

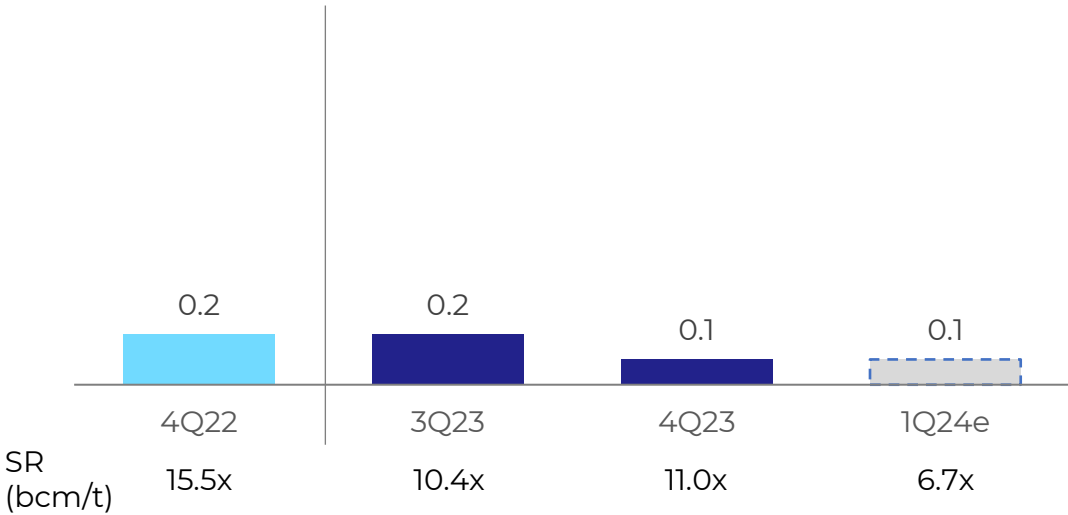


- 4Q23 production was booked at 1.3Mt with a strip ratio of 13.4x.
- 1Q24 production is targeted at 2.3Mt with lower strip ratio at 6.6x as Bharinto realized the pre-stripping activities done in 4Q23.

Operational update – Jorong Barutama Greston



Quarterly production (Mt)



- 4Q23 production achieved at 0.1Mt with a strip ratio of 11.0x.
- 1Q24 production is targeted at 0.1Mt with a lower strip ratio at 6.7x due to pre-stripping activities which has been done in the previous quarter.

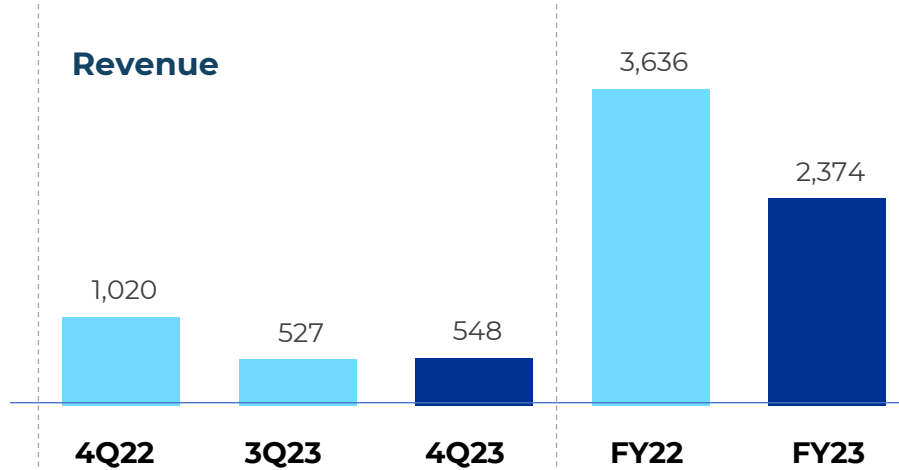
04+

Financial Updates

Financial performance – profitability

PROFIT OR LOSS STATEMENT

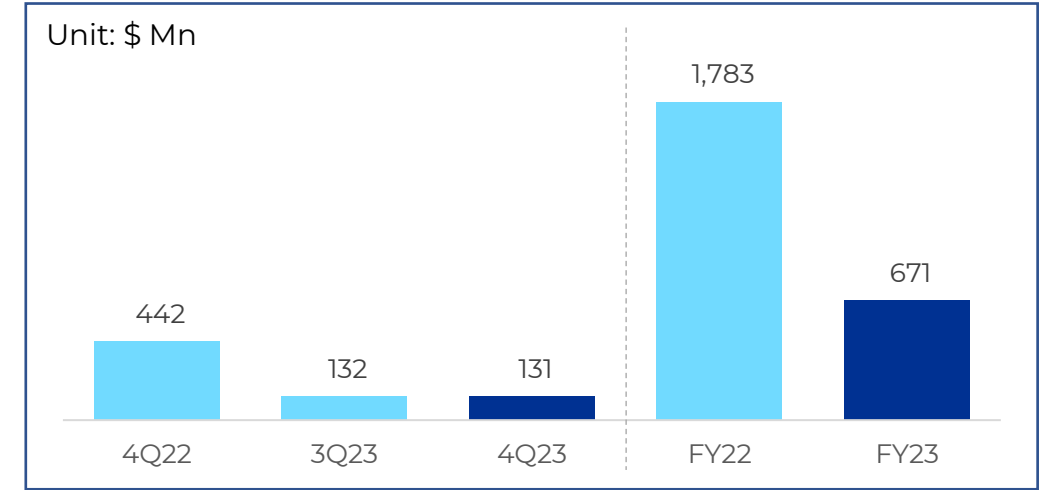
Unit: \$ Mn



	4Q22	3Q23	4Q23	FY22	FY23
Sales volume (Mt)	5.1	5.3	5.7	18.9	20.9
Average selling price (\$/ton)	198	99	96	192	113
Revenue	1,020	527	548	3,636	2,374
Operating Income	410	115	116	1,683	605
EBITDA	442	132	131	1,783	671
Net profit	306	99	94	1,199	500
Ratio					
Operating income margin (%)	40%	22%	21%	46%	26%
EBITDA margin (%)	43%	25%	24%	49%	28%
Net profit margin (%)	30%	19%	17%	33%	21%

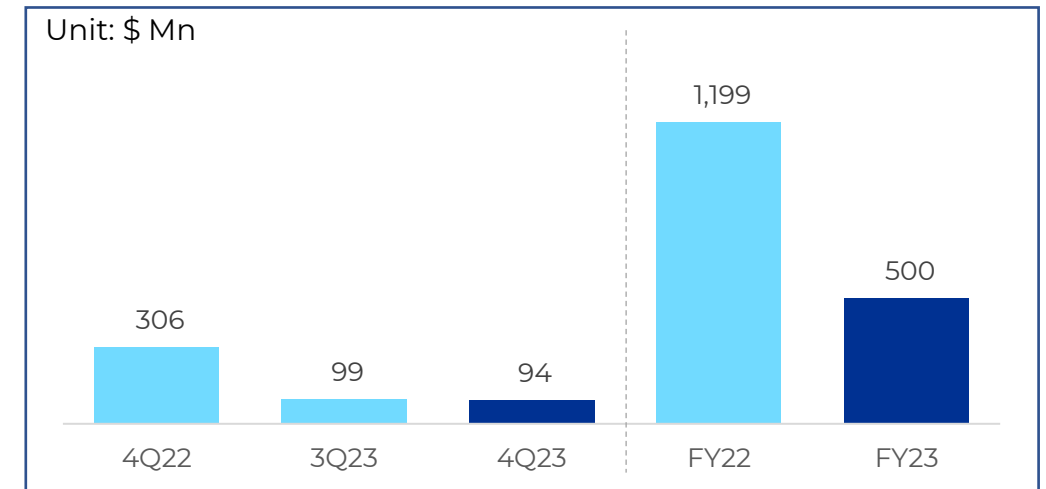
EBITDA

Unit: \$ Mn



NET PROFIT

Unit: \$ Mn

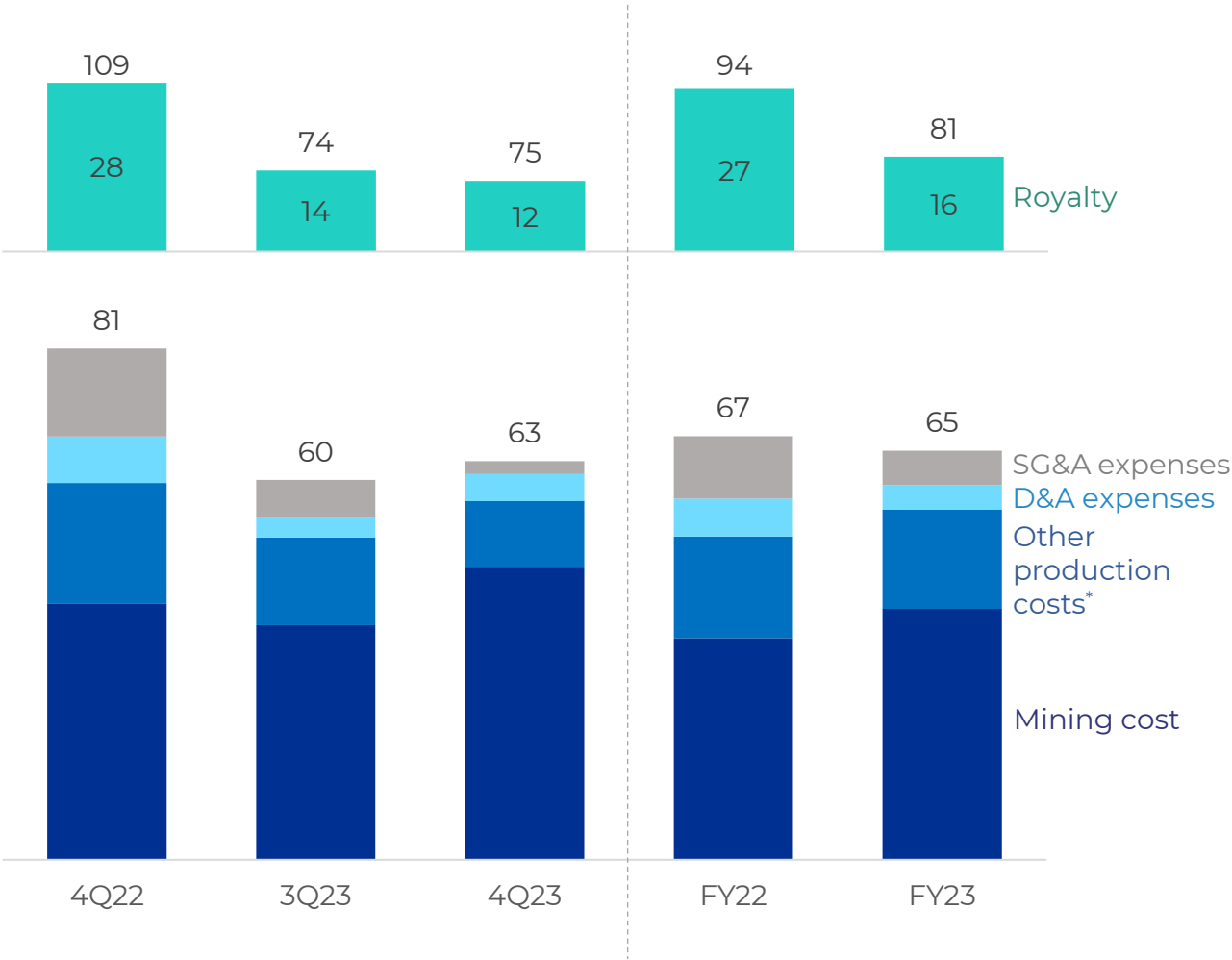


Financial performance – cost



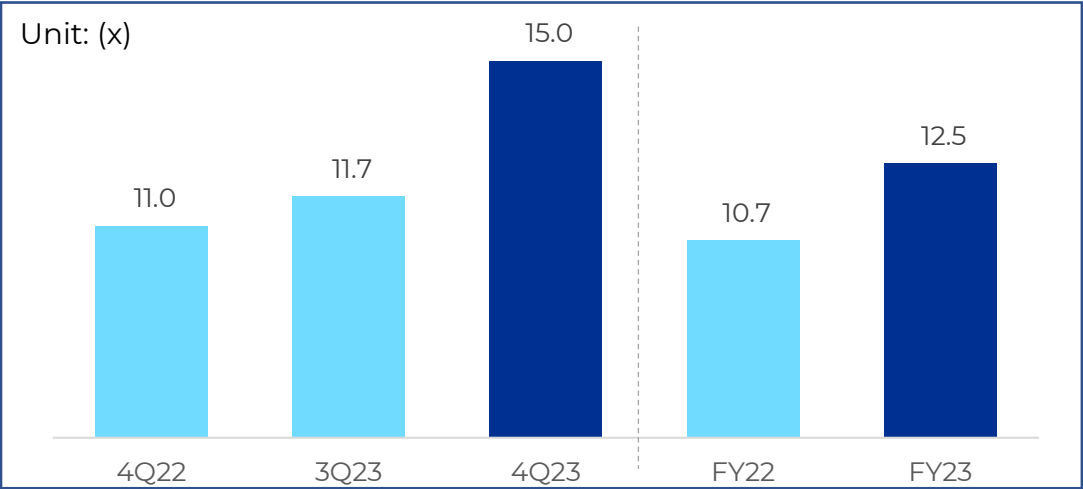
TOTAL COST BREAKDOWN

Unit: \$/ton



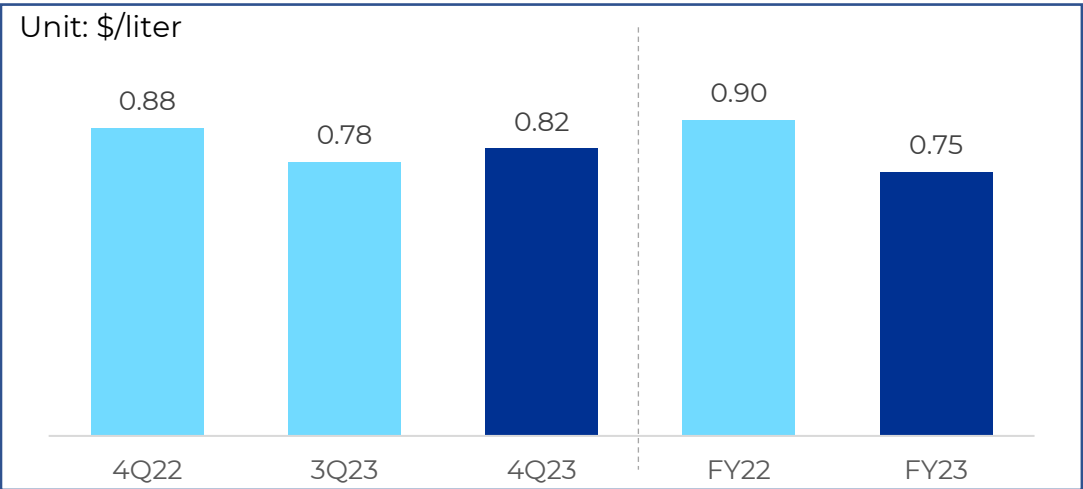
STRIP RATIO

Unit: (x)



FUEL PRICE

Unit: \$/liter

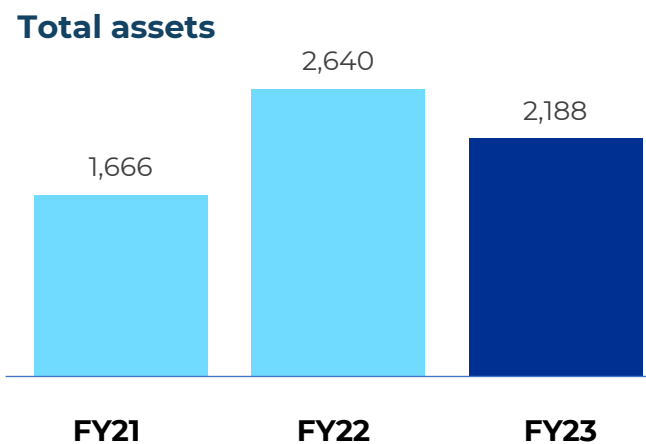


*Include repair and maintenance, salaries and allowances, inventory adjustment, others etc.

Financial position

BALANCE SHEET

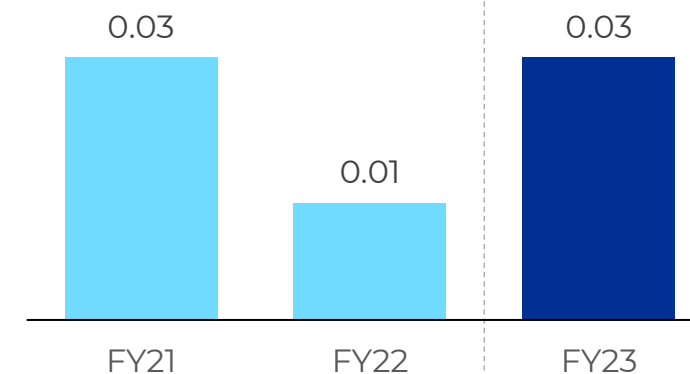
Unit: \$ Mn



Assets			
Cash and cash equivalents	691	1,430	851
Other assets	975	1,210	1,337
Liabilities			
Current maturities of long-term and short-term bank loan	10	13	40
Long-term bank loans net of current maturities	26	13	8
Other liabilities	429	664	351
Total equity	1,202	1,950	1,789
Ratio			
Cash to total assets (%)	41%	54%	39%
Net gearing (%)	-53%	-71%	-44%

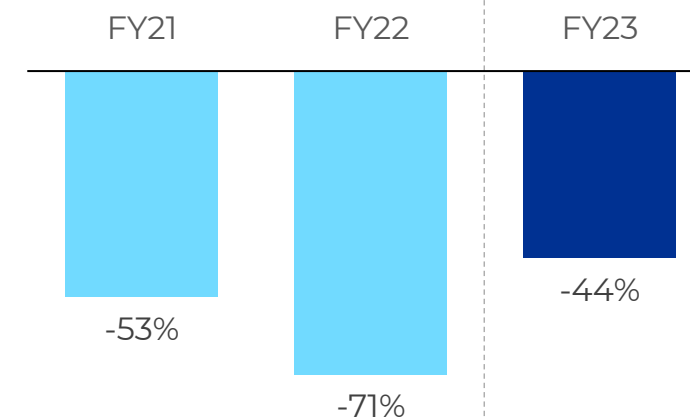
DEBT TO EQUITY

Unit: (x)



NET GEARING

Unit: %



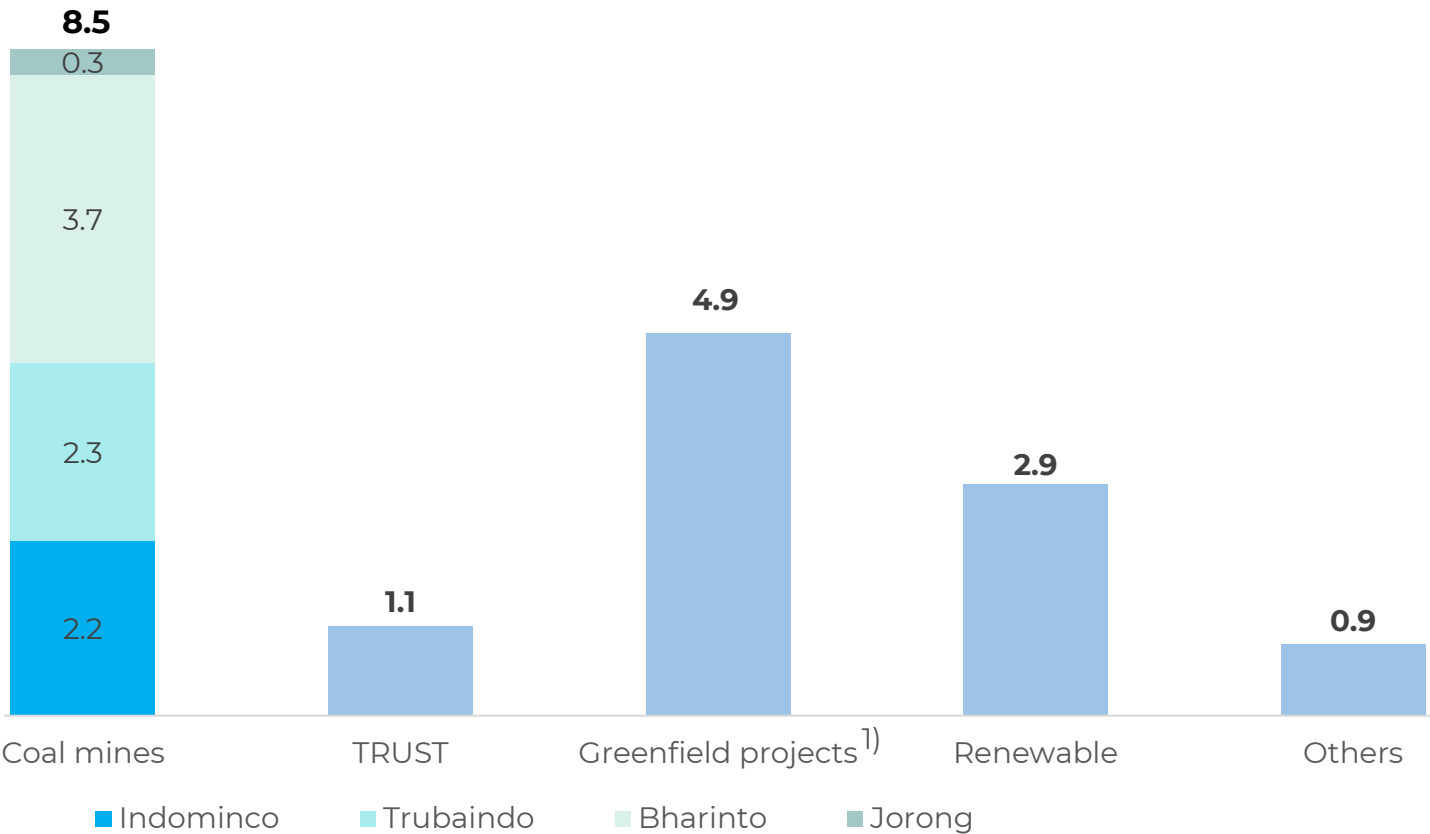
Capital expenditure



4Q23 CAPITAL EXPENDITURE DETAILS

Unit: \$ Mn

Total 4Q23: \$18.4 Mn

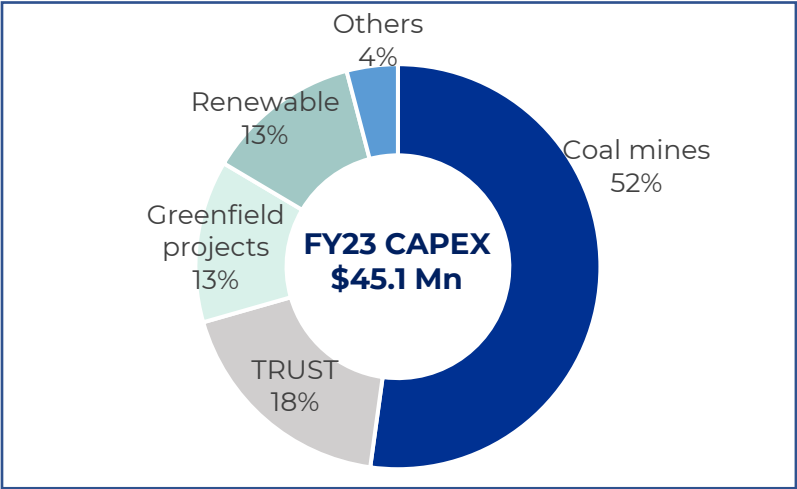


Note:

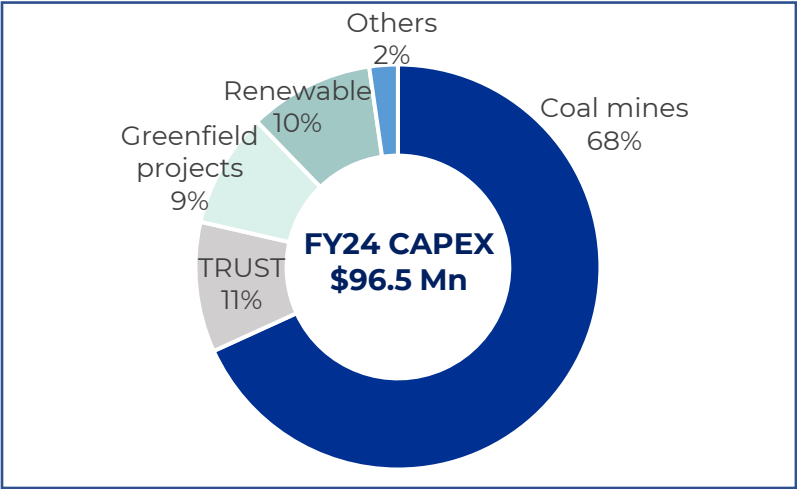
1) Greenfield projects consist of GPK, NPR and TIS

2) Starting 2024, GPK CAPEX will be included in coal mines

FY23 % CAPEX REALIZATION



FY24 % CAPEX BUDGET²⁾



05

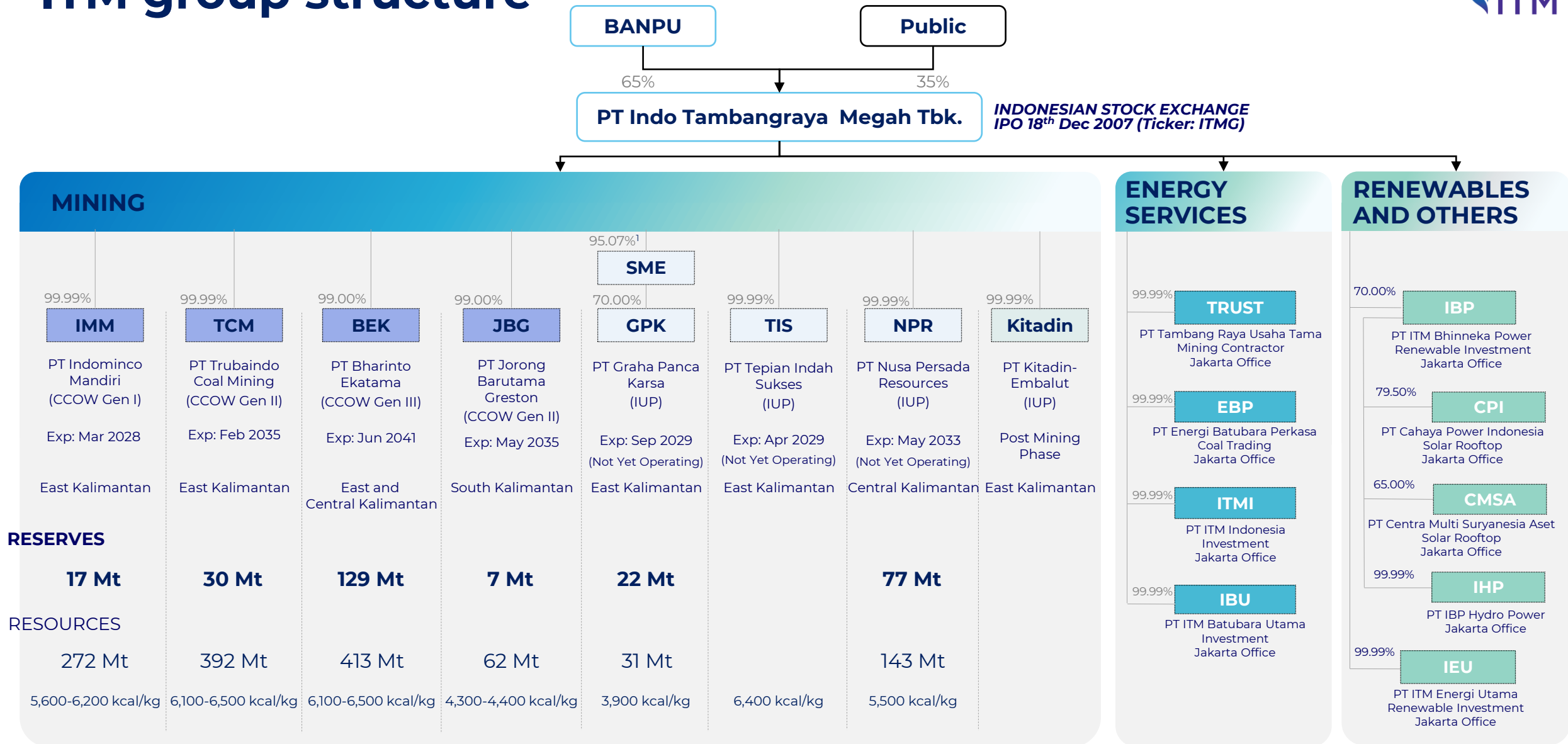
Q&A Session

QoQ and YoY financial performance comparison



Unit: \$ thousand	4Q23	3Q23	QoQ (%)	4Q22	YoY(%)	FY23	FY22	YoY(%)
Net Revenues	547,653	527,473	4%	1,019,775	(46%)	2,374,315	3,636,213	(35%)
Gross Profit	132,348	151,948	(13%)	487,682	(73%)	742,542	1,894,392	(61%)
Gross Profit Margin	24%	29%		48%		31%	52%	
Selling Expenses	(3,928)	(27,154)	(86%)	(63,079)	(94%)	(94,794)	(169,764)	(44%)
General And Administration Expenses	(12,231)	(9,584)	28%	(14,995)	(18%)	(42,284)	(41,912)	1%
Operating Income	116,189	115,210	1%	409,608	(72%)	605,464	1,682,716	(64%)
Operating Income Margin	21%	22%		40%		26%	46%	
EBITDA	130,931	132,108	(1%)	441,529	(70%)	670,858	1,783,077	(62%)
EBITDA Margin	24%	25%		43%		28%	49%	
Finance Costs	(704)	(386)	82%	(612)	15%	(2,914)	(3,354)	(13%)
Finance Income	9,246	8,584	8%	5,056	83%	34,541	8,869	289%
Others, Net	(2,182)	1,929	(213%)	(15,645)	(86%)	7,021	(143,439)	(105%)
Profit Before Income Tax	122,549	125,337	(2%)	398,407	(69%)	644,112	1,544,792	(58%)
Income Tax	(28,396)	(26,578)	7%	(92,612)	(69%)	(144,492)	(345,447)	(58%)
Net Profit	94,153	98,759	(5%)	305,795	(69%)	499,620	1,199,345	(58%)
Net Profit Margin	17%	19%		30%		21%	33%	

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.