



1Q21 Results

INVESTOR & ANALYST UPDATE

11 MAY 2021

OUR WAY IN ENERGY

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1Q21 highlights – “poised” to capture coal uptrend benefit

Well Positioned to Capture Price Uptrend



Uninterrupted mining ops and reliable logistics capabilities to capture current coal price hikes



Stable operation despite rainfalls

4.0Mt production achieved as targeted and no significant delay in logistics during heavy rainfalls condition in early 1Q21



ASP track index closely

ITM's ASP recorded at **US\$ 68.1/ton** (+29% qoq or +16% yoy), following strong recovery in coal price index



Robust cash flow generation

EBITDA generated at **\$86M** (+40% qoq or +48% yoy), supported by coal price recovery in 1Q21



Strong financial position

Cash position at **\$276M** and consistent dividend payout, ready to deliver value to shareholders



Greener, Smarter Energy Business on progress

On-going preparation for 2nd Solar Power Plant construction at Trubaindo port with 2MW output



Committed to ESG values

Obtained **2021 Emission Award** among 32 leading companies in **managing and reducing carbon emission** in a sustainable manner

ITM 4 Plus Main Goals in 2021

1 Protecting Our People

Taking care of our employees

ITM participated in 'Gotong Royong' vaccine to protect its employees both physically and mentally from COVID-19 threat

Supporting our community

ITM provided donations and health/logistics support during COVID-19 pandemic and South Kalimantan flooding

2 Optimize Our Profit

Maximize profitability of existing reserve

- Production Volume : **17.7-19.9 mtpa**
- Sales Volume : **20.7-22.9 mtpa**
- Strip Ratio : **9.7x**

Value creation from coal value chain

- 3rd Party Coal Sourced: **2.5-2.9 mtpa**
- TRUST OB capacity : **26 mbcm**
- TRUST coal mining : **4.3 mtpa**

3 Digital Transformation

Flagship business target

- Accelerate growth transition
- Cost rationalization

Development platform aims

- Super-agile transformation
- Value added service

Culture, skill & governance focus

- Build anti-fragility and skill transition

4 Banpu Heart and ESG

BanpuHeart

Passionate **I**nnovative **C**ommitted

- Pursue for success
- Can do more
- Be agile and change
- Express care and share
- Transcend the trend
- Ideate and get real
- Learn fast, do first
- Adhere to integrity and ethics
- Synergize and network
- Engage to sustainability development

Environment

Social

Governance

+ Business Transformation – Beyond Coal Mining



Energy tech and smart infrastructure

Capability development toward upcoming energy technology trend



Explore non-coal mining business opportunities

Explore potential investments capturing high growth from new energy trends



Greener, smarter power assets

Deployment of renewables power sources across existing mine site



Coal downstream technology

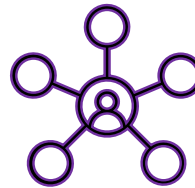
Participated in coal downstream trend incl. UG Coal Gasification trial project

ITM is committed to focus on ESG initiatives for future sustainability of the Company



ENVIRONMENT

- Green House Gas (GHG) Emissions
- Biodiversity
- Energy Management
- Water Management



SOCIAL

- Human Capital Development
- Community Engagement
- Community Development

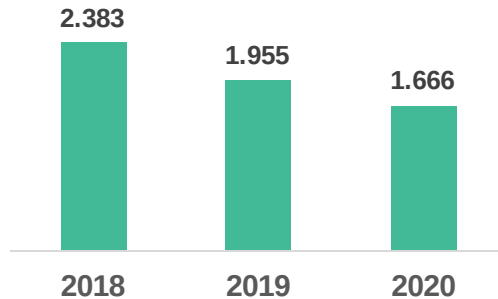


GOVERNANCE

- Sustainability Governance
- Business Ethics
- Business Continuity Management

GHG Emission

GHG Emission in MTon CO₂ eq



- **Lower GHG emission in 2020 vs 2019.** Based on emission load calculation system refers to Ministry of Environment regulation No.12 of 2012
- Green Elite Category: Received **Emission Reduction Award** of Non-Banking Issuer
- Gold Plus Category: Received **Transparency Award** in calculation of Corporate Emission.

Biodiversity



- **Mangrove Seed Planted in 2020.** As a way to preserve coastal area and to act as a carbon sink, absorbing **0.58-110 ton CO₂/ha.**
- **Protected species under IUCN Red List in 2020.** ITM successfully mapped and conduct environmental studies in collaboration with LIPI and UPTBKT.
- **Million of trees being planted in 2020.** As an effort to manage disturbed land by revegetation with local and economic plants.

Energy Management



- **8.01% lower energy usage in 2020.** ITM lower its fossil fuel energy usage while increasing its renewable power generation built in Bontang port area.
- **100% Biofuel B30 usage in 2020.** ITM uses biofuels as a renewable energy source for mining and supporting activities.

Water Management



- **100% Effluent Quality Standard compliance in 2020.** Achieved through strict monitoring of treated effluent prior to discharge into destination water.
- **0.10 m3/ton water withdrawal intensity in 2020.** Stable withdrawal intensity in the past 3 years with rainwater reservoir established in 2020.

Human Capital Development



- **73% Employee Engagement in 2020.** Ensuring measurement of employee satisfaction with the performance of HR function in managing recruitment, remuneration, training and competency development, employee service, HR system, and communication.
- **73% Banpu Heart Survey in 2020.** Indicating strong commitment of employee to work with adherence of company's goals and values.

Community Engagement



- **100% of WIUP Covered by CD Program in 2020.** ITM ensure its CD program reach the entire mining areas where it operated without any disruptions.
- **9 Thematic CSR Program in 2020.** In accordance with SD goals which cover fisheries development, marine and coastal communities, etc.
- **TOP CSR Awards in 2021.** ITM awarded 5 star on environmental program category for its "Rehabilitation of Watershed Area (DAS)" program

Community Development



- **Providing COVID Assistance in 2020.** Distributed across communities around ITM's mining operations.
- **78% Community Satisfaction Index in 2020.** Indicating satisfaction of the program beneficiaries.
- **Realized CD Program in 2020.** Distributed to all 8 sectors stipulated by Ministry of EMR decree.
- **23 Flagship CD Program in 2020.** That has conducted maturity level assessment in 5 mine sites.

Sustainability Governance



- **Organization Structure Build for Sustainability.** Apart from the usual governance structures (i.e. GMS, BOC, BOD), ITM also formed Sustainability and Risk Management (S&RM) Directorate in order to realize the Company's sustainability goals.
- **Risk Management Committee.** ITM implement Enterprise Risk Management system in accordance to ISO 31000:2018 framework.

Business Ethics



- **Code of Conduct internalization.** ITM actively campaign the internalization of its code of conduct to both internal and external parties.
- **Whistle Blowing and Complaint Conveying mechanism.** To process any infringement of legal and ethical violation reported. ITM also provide trusted channel to convey stakeholder's dissatisfaction to the Company.

Business Continuity Management



- **Business Continuity Plan Deployment.** During pandemic condition, ITM rapidly activated and deployed its Emergency Response Team to manage the impact of COVID-19 by emphasizing on protecting its employees, securing the operation and supporting the community in surrounding areas.
- **Crisis Communication Team (CCT) is established** to provide solid mechanism to deal with disruptions arising from emergency situation in operational areas as well to mitigate its potential consequences.



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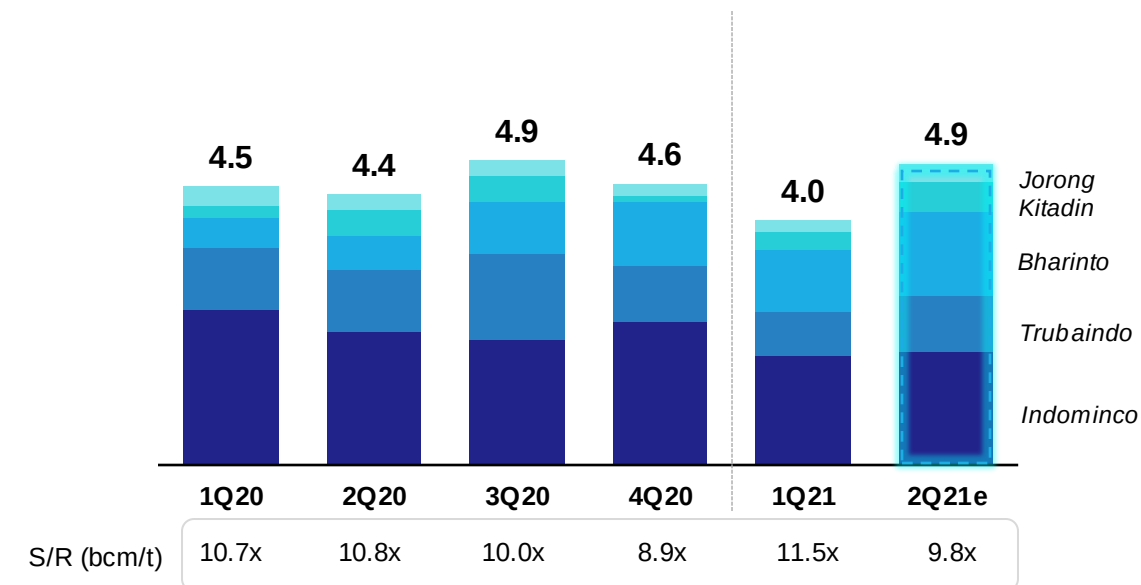
Operational summary 2021

SCHEMATIC



OUTPUT TREND

Unit: Mt



COMMENTS

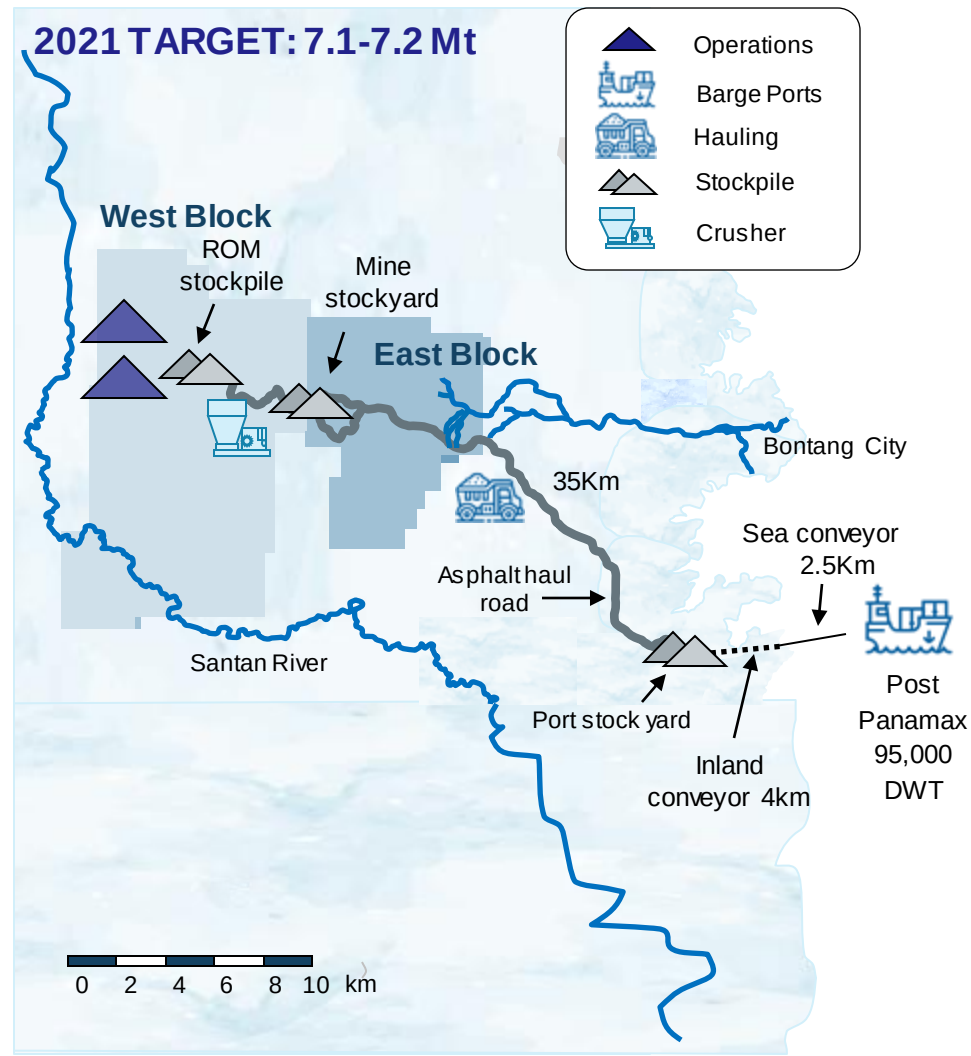
- 1Q21 total output was on target despite extreme rainfalls affecting several mine sites. Bharinto output offset lower performance from Trubaindo and Jorong.
- 2Q21 production expected to increase to 4.9 mt with significant increase from Bharinto output. Lower strip ratio to be anticipated in next quarter.

*) Subject to Government's approval

Coal operations: Indominco Mandiri

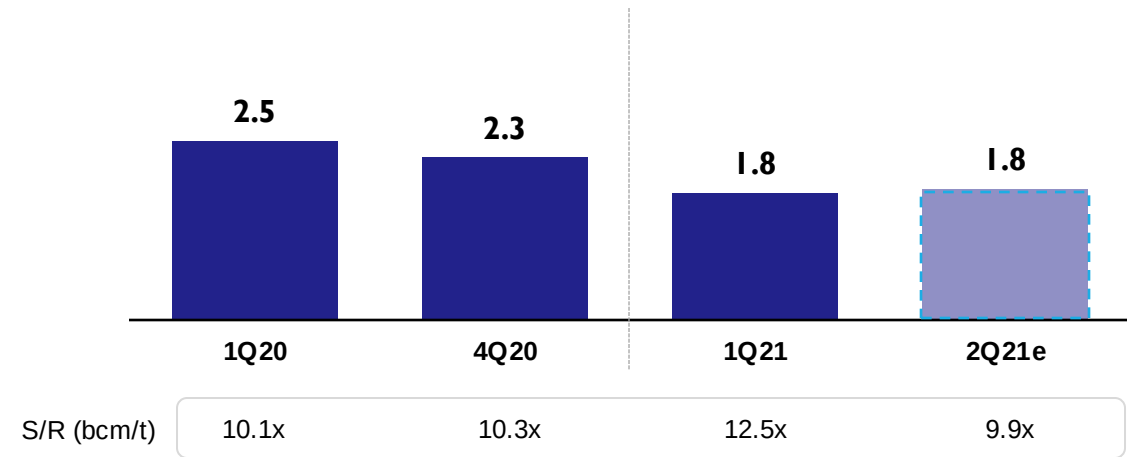


SCHEMATIC



OUTPUT TREND

Unit: Mt



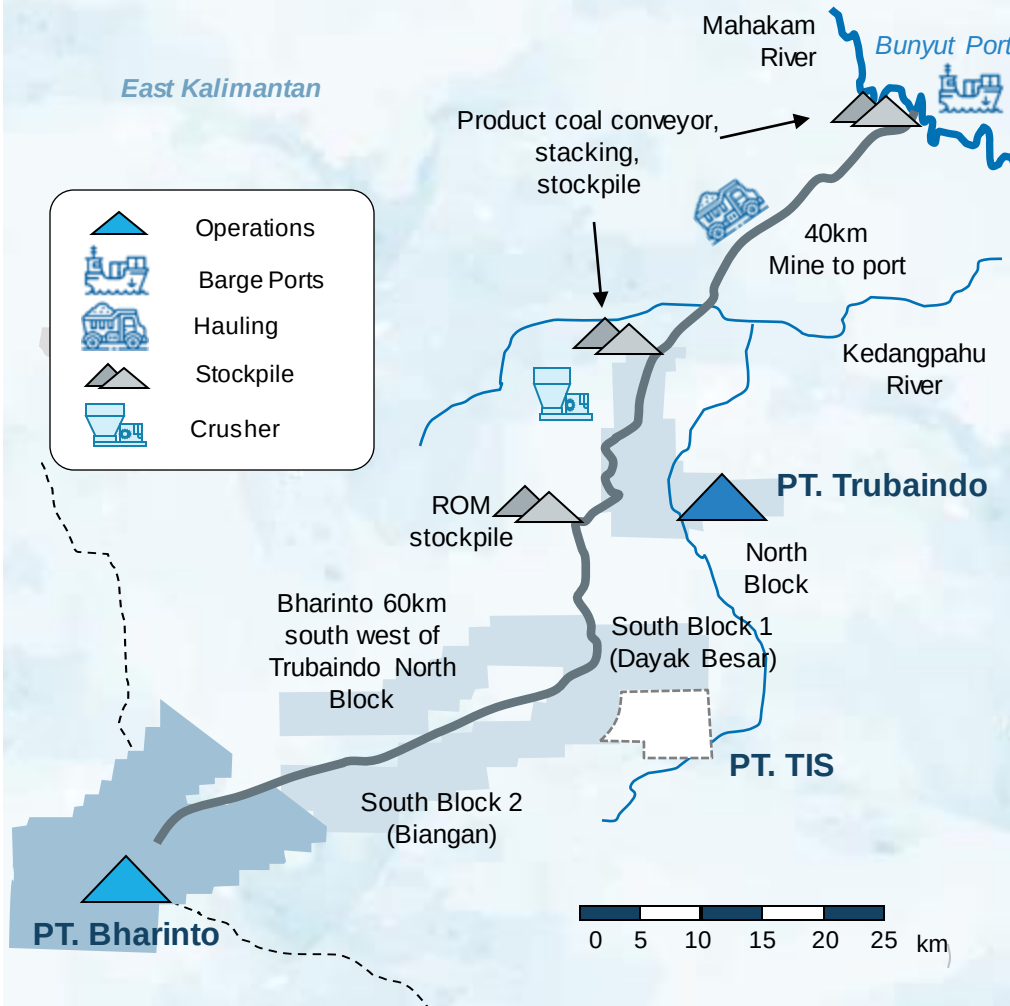
COMMENTS

- 1Q21 production achieved target volume with lower than expected strip ratio.
- Indominco 2Q21 production target is expected to maintain production volume at 1.8 Mt with lower strip ratio.

Coal operations: Melak group – Trubaindo and Bharinto

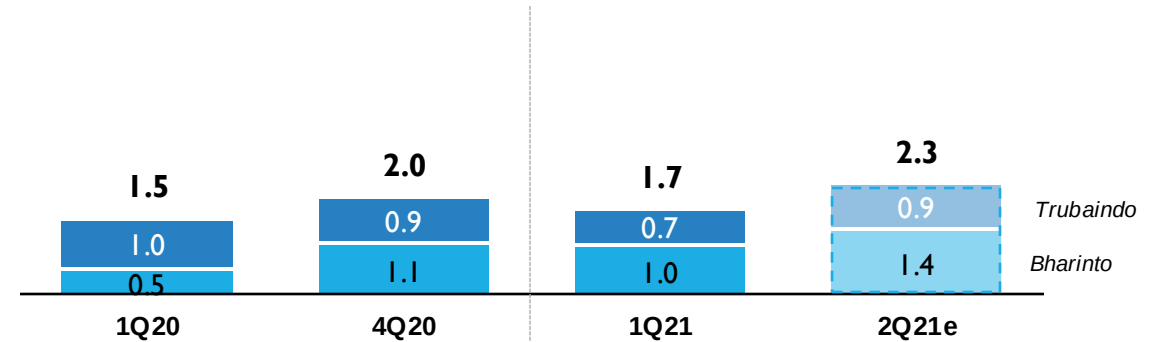
SCHEMATIC

2021 TARGET: TCM 3.9 Mt | BEK 3.5-5.5 Mt



OUTPUT TREND

Unit: Mt



S/R (bcm/t)

- Trubaindo:

10.9x

8.3x

14.0x

11.3x

- Bharinto:

10.0x

6.7x

6.7x

6.7x

COMMENTS

Trubaindo:

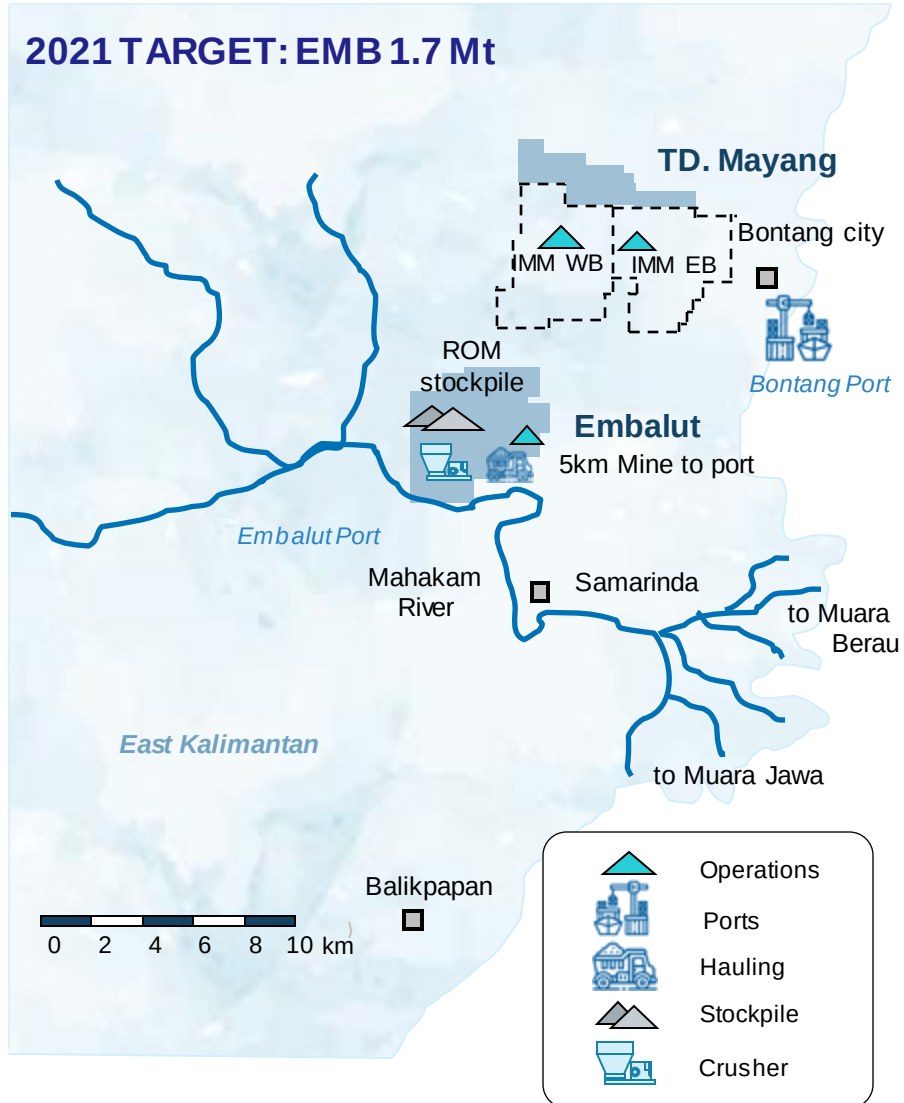
- 1Q21 production lower than target due to weather conditions.
- 2Q21 production target expected to reach output level of 0.9 mt with lower strip ratio.

Bharinto:

- 1Q21 production achieved above target.
- 2Q21 production output level expected to increase to 1.4 mt level with stable strip ratio.

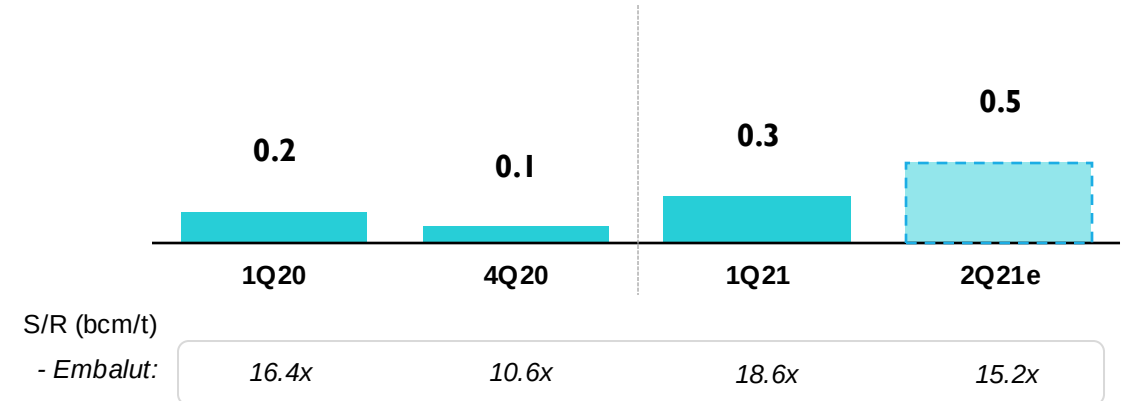
Coal operations: Kitadin Embalut and Tandung Mayang

SCHEMATIC



OUTPUT TREND

Unit: Mt



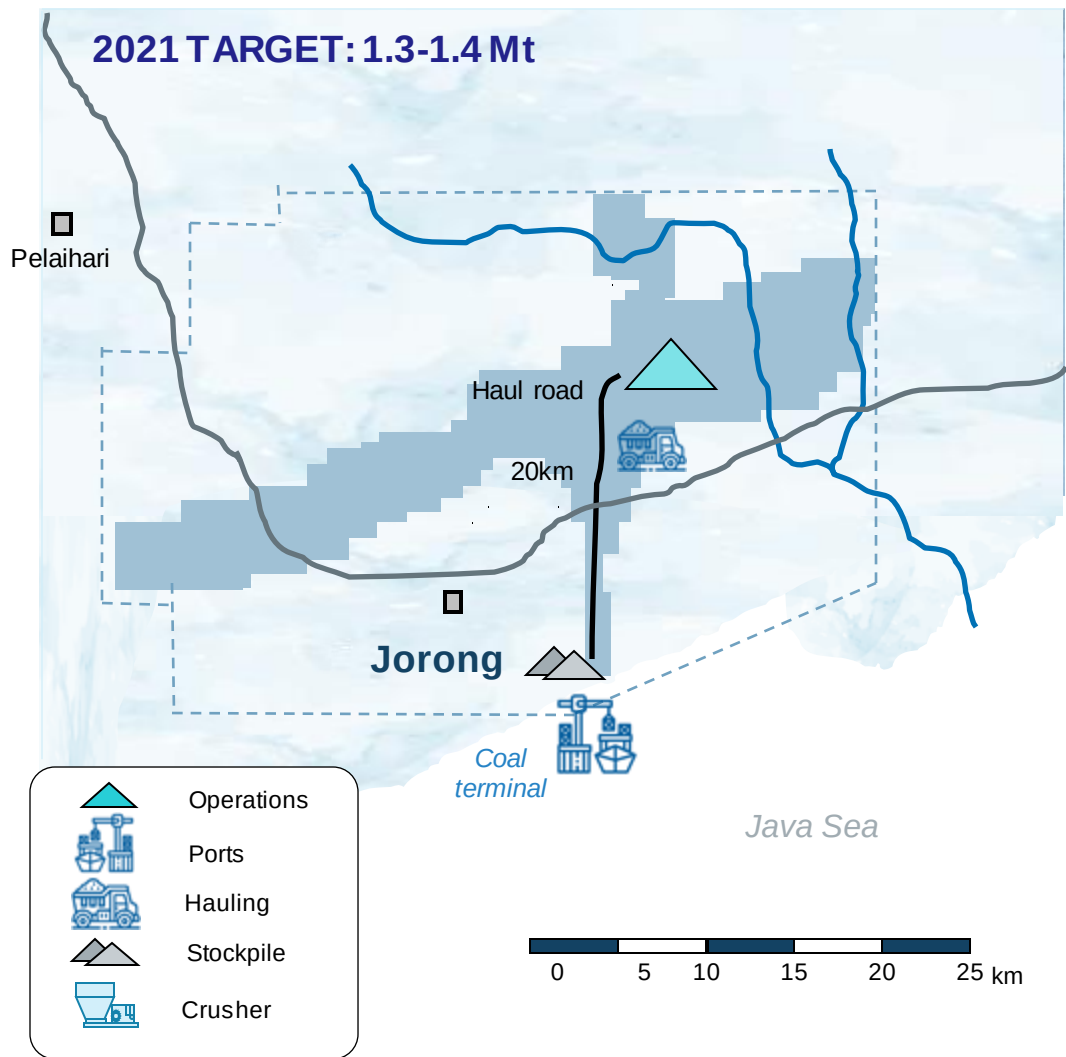
COMMENTS

- Kitadin Embalut:
 - 1Q21 production is on target at 0.3 mt.
 - 2Q21 production to rise into 0.5 mt level with lower strip ratio.
- Kitadin Td.Mayang:
 - Continue mine closure activities including mine rehabilitation activities.

Coal operations: Jorong

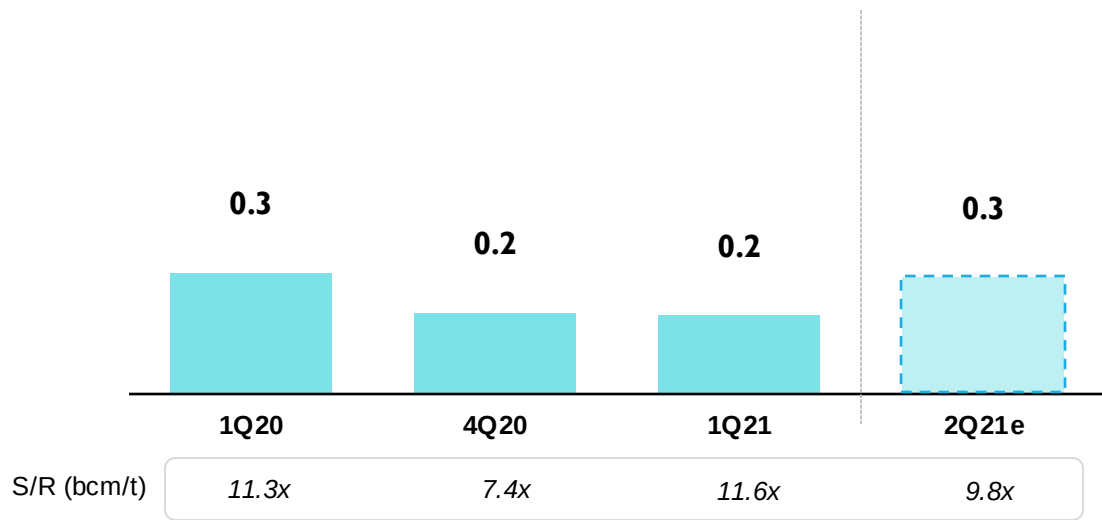


SCHEMATIC



OUTPUT TREND

Unit: Mt



COMMENTS

- 1Q21 production remained at 0.2 mt as operation hampered by heavy rainfalls impacting large part of South Kalimantan area in early Jan-Feb 2021.
- 2Q21 production target expected to slightly rise at 0.3 mt level.



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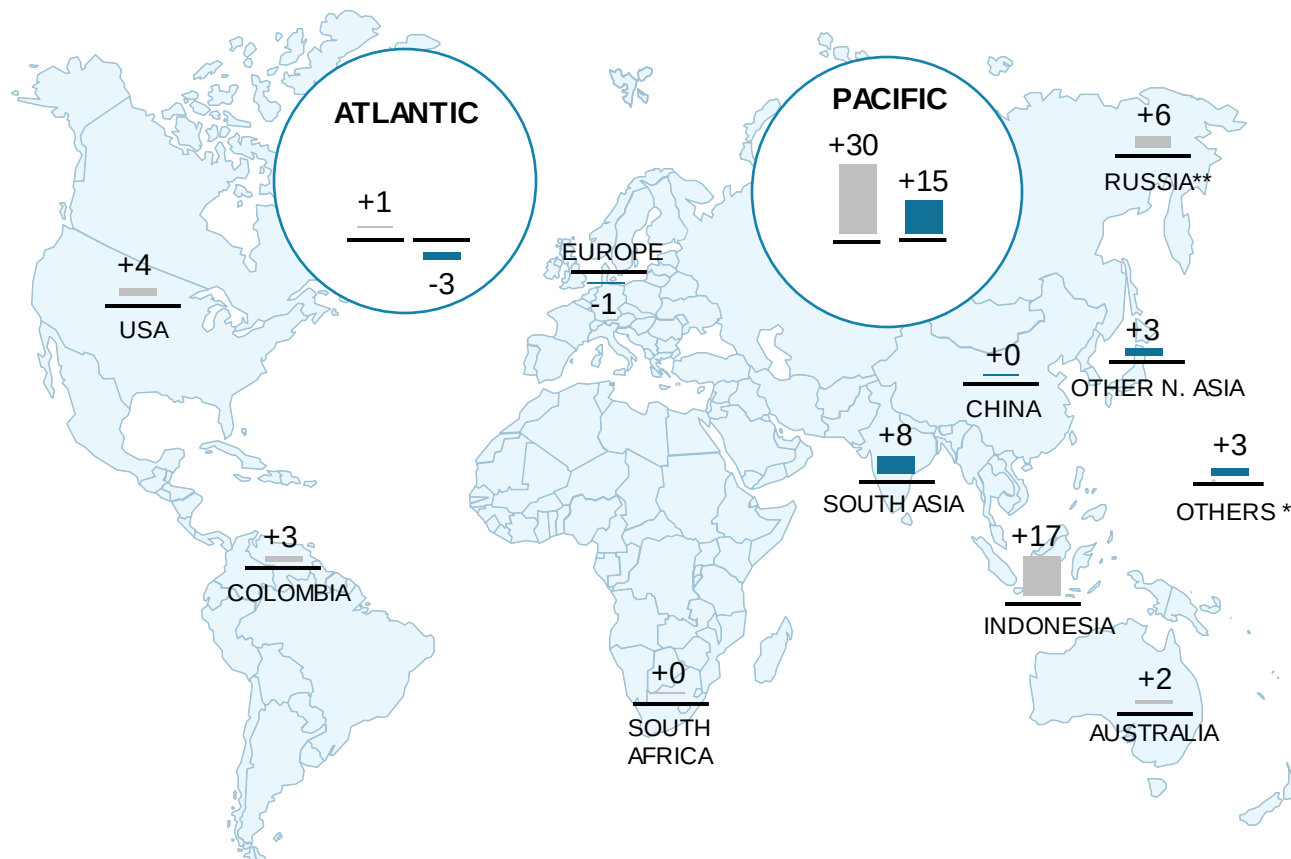
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Global thermal coal market

COAL DEMAND AND SUPPLY CHANGE – 2021E VS 2020

Unit: Mt

■ SUPPLY ■ DEMAND



TRENDS

DEMAND

Economic recovery supports coal demand but a resurgence in coronavirus infections slower the growth. Trade tensions between China and Australia has been elevated and are likely to continue to affect coal trade flow throughout the year which helps to support seaborne coal prices.

- **China:** Healthy economy supports strong coal demand amid tight supply which pushes domestic coal prices up. Expectations of some relaxation on import control.
- **India:** Second coronavirus waves slow economic recovery, but the impact seems less severe than last year.
- **JKT:** Post-pandemic demand and commissioning of 3 GW new coal plants in South Korea will add more demand this year but restricted coal use to reduce carbon emissions will limit growth.
- **Europe:** High carbon and low gas prices amid increasing renewable capacity add downside pressure to coal demand and prices.

SUPPLY

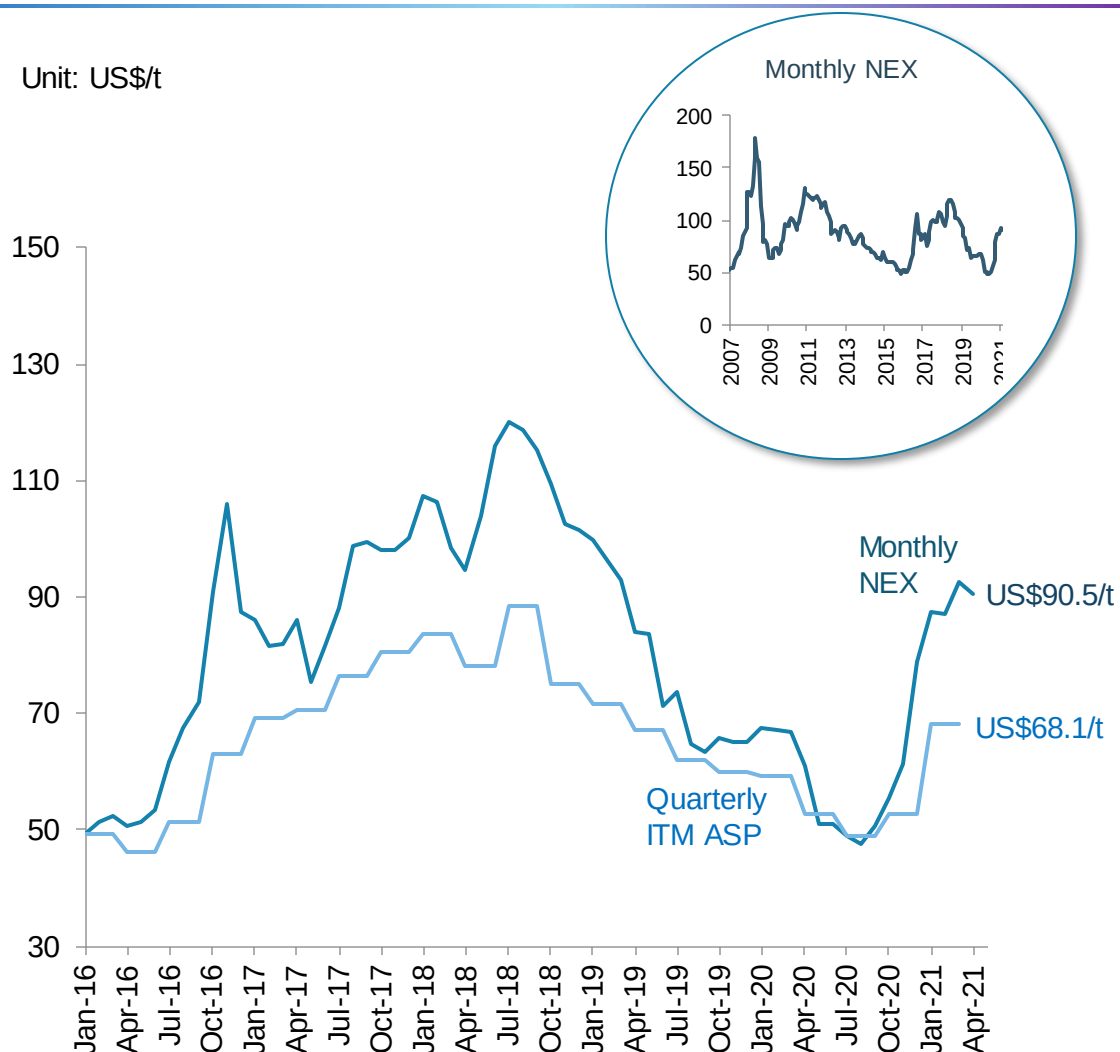
Tight supply since the beginning of 2021 as rain impacts production in Indonesia and Australia amid strong demand. Incidents and maintenance in key exporting countries reduce export availability and help to tighten supply.

- **Indonesia:** Benefits from China's ban on Australian coal with strong China demand helps to drive Indonesian coal prices.
- **Australia:** Exports continue to be impacted by the ban on Australian coal into China but mostly hit on high ash coal. High CV supply remains tight.
- **Others:** Maintenance work and shortage of locomotives reduce availability of supplies from South Africa while high coal prices support coal exports from US and Colombia. Russian production and export remain strong with more coal ships to Asia.

* Demand in other countries driven by Vietnam, ** Russia exports to non-CIS countries only, JKT = Japan, South Korea and Taiwan

ITM ASPs vs thermal coal benchmark prices

ITM ASP VS BENCHMARK PRICES



Note: * Includes post shipment price adjustments as well as traded coal
** The Newcastle Export Index (previously known as the Barlow Jonker Index – BJI)

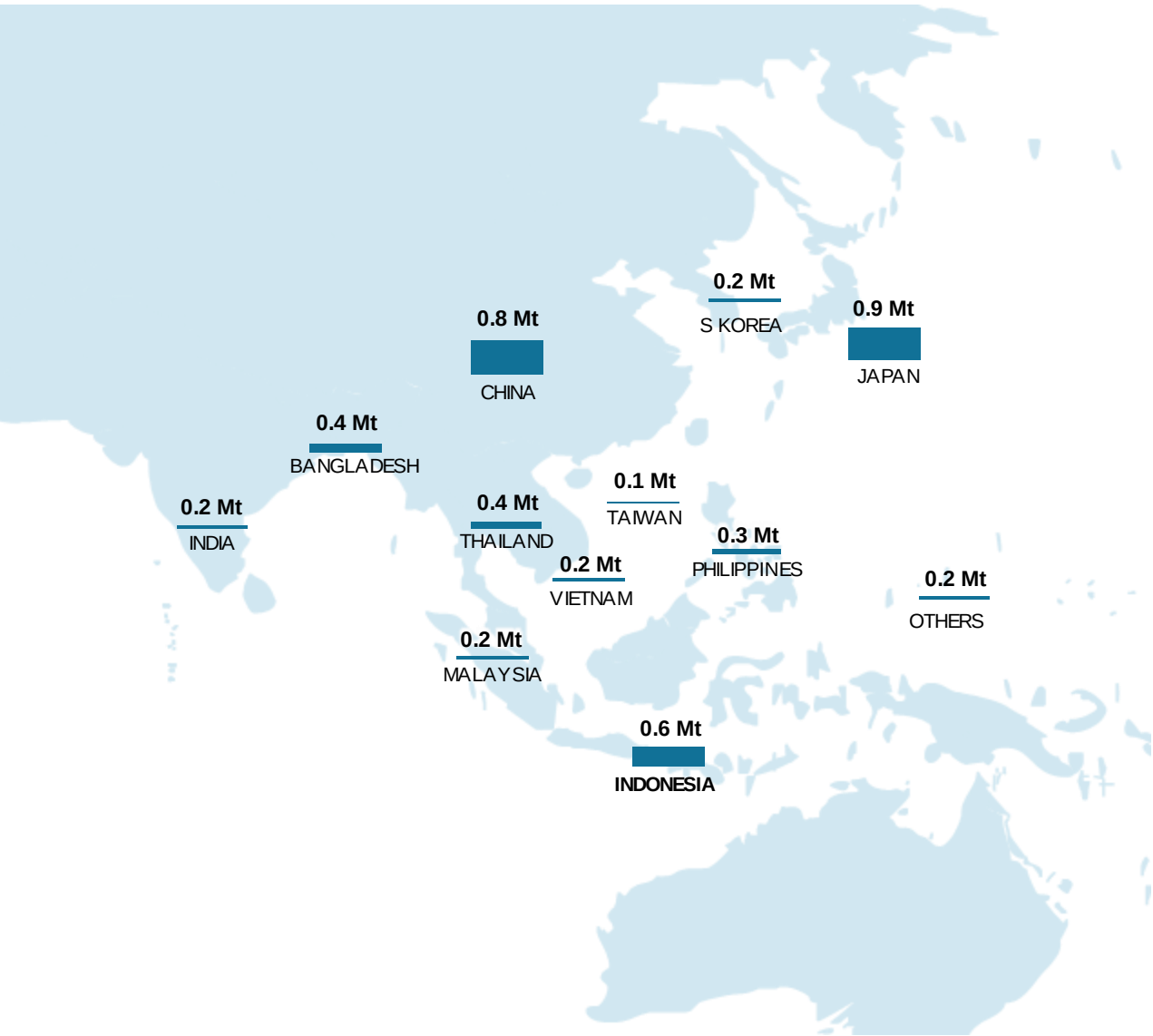
COMMENTS

- Coal price surge momentum continued into 1Q21 mainly as a result of the Northern Hemisphere cold snap, however the surge started losing steam as milder temperatures kicked-in alongside domestic production in China recovering and good inventory levels at power plants.
- Newcastle coal price surged again when the NCIG, one of the two major Newcastle port operators suspended ship loading for two weeks due to urgent repairs that was immediately followed by heavy rains, interrupting coal shipments, however prices retreated after situation cleared into April.
- JPU Reference Price likely not be concluded this 2021 year.
- Unresolved China – Australia conflict led to the import ban by China, pushed up Indonesia Coal price, certain coal qualities trade at premium over Newcastle price on heat equivalent basis.
- Newcastle future price with slight backwardation at around US\$90
- ASP in Q1 recovered, shadowing the price recovery trend and is expected to surge, following the NEX index trend.
- Key price metrics:
 - ITM ASP 1Q21 : US\$68.1/t* (+29% QoQ)
 - NEX (May 7th, 2021)**: US\$95.3/t

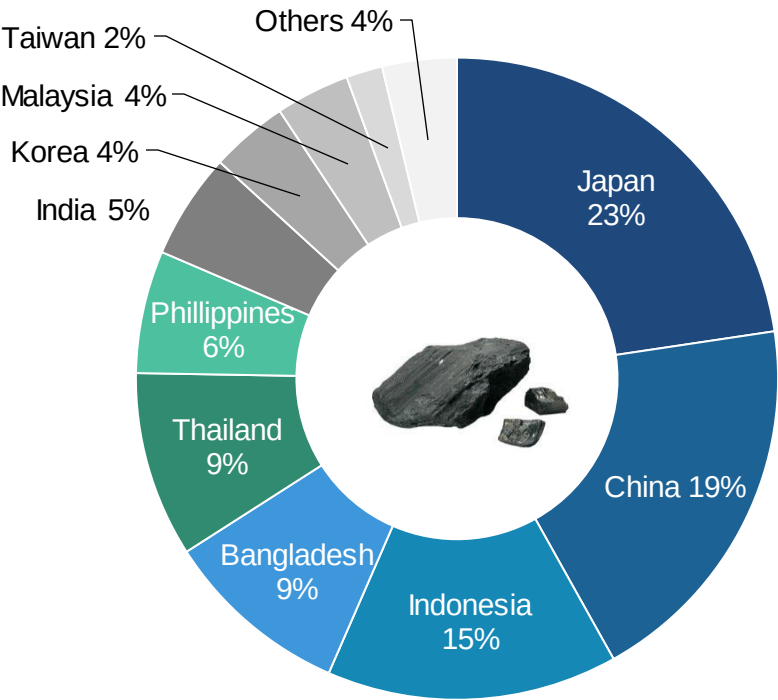
ITM coal sales 1Q21



COAL SALES BREAKDOWN BY DESTINATION



COAL SALES 1Q21

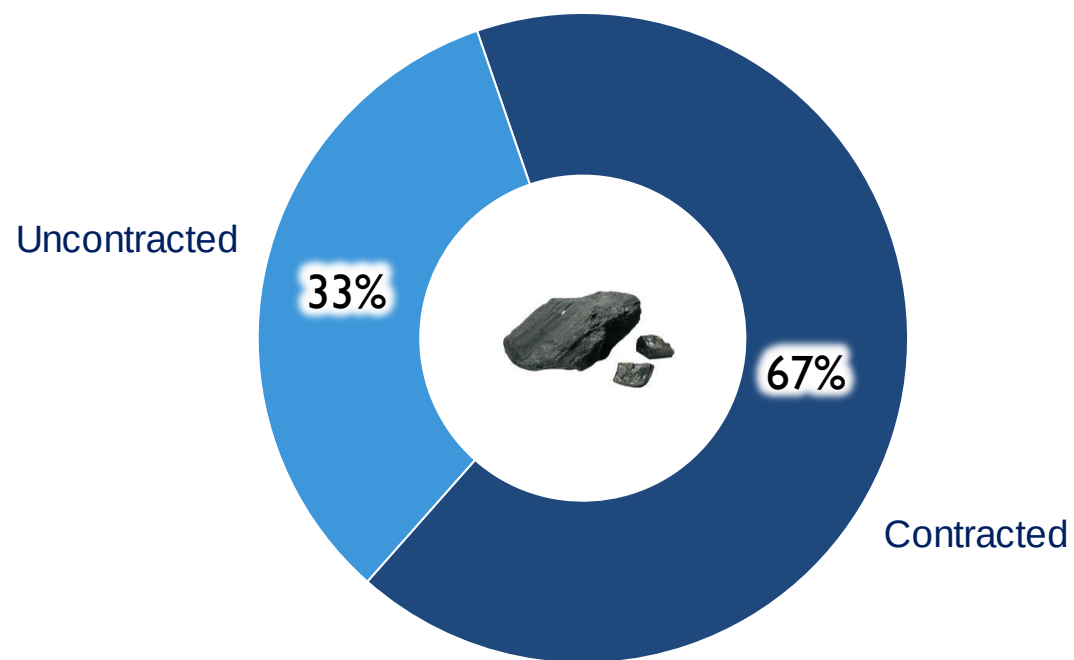


Total coal sales 1Q21: 4.1 Mt

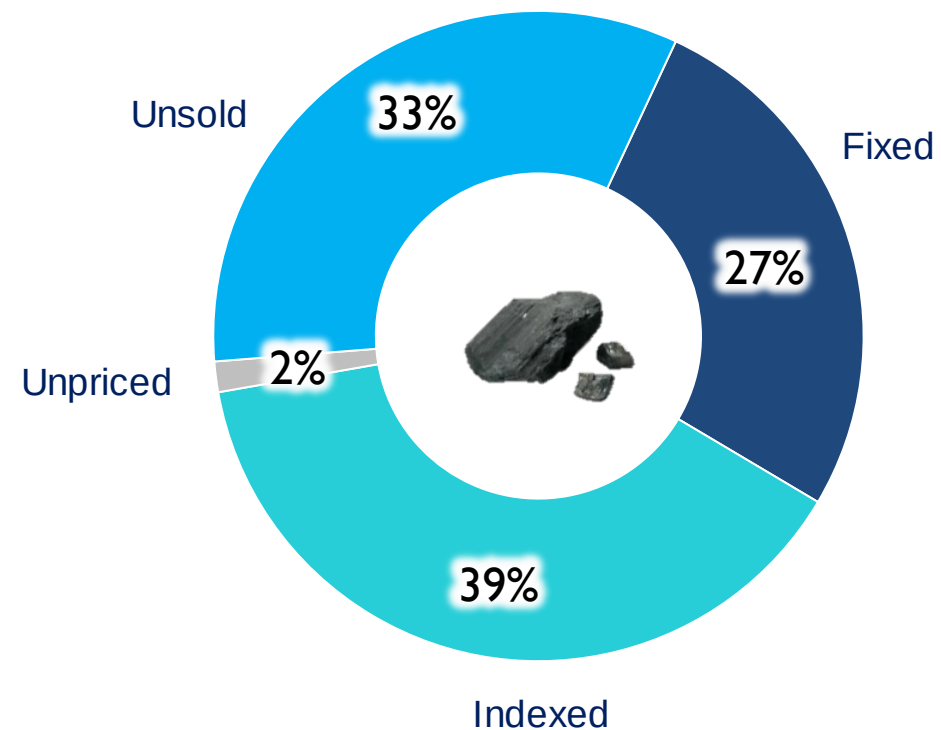
Indicative coal sales 2021

COAL SALES CONTRACT AND PRICING STATUS

Contract Status



Price Status



Target sales 2021: 20.7-22.9 Mt



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Highlights of 1Q21 results

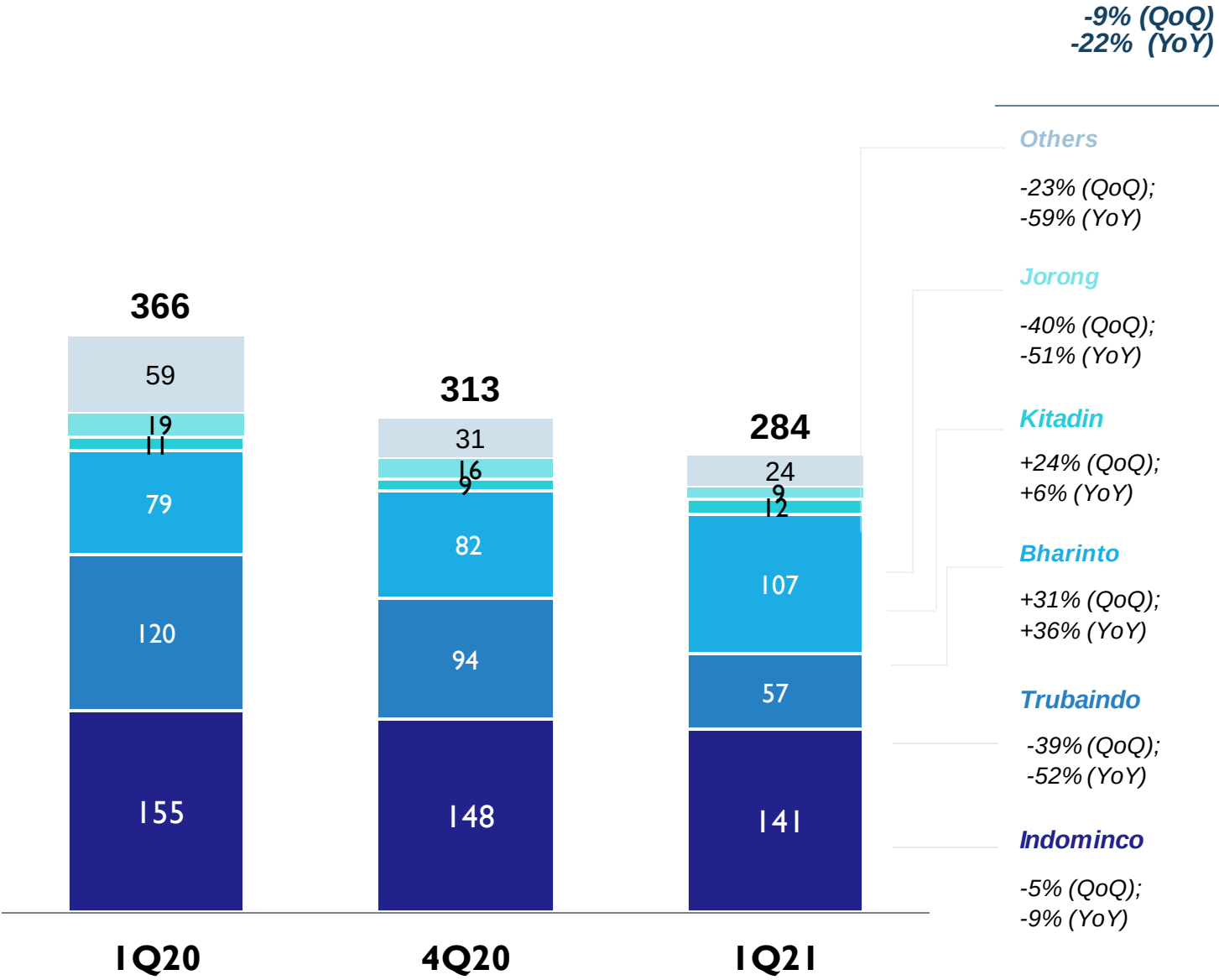
	4Q20	1Q21	Q-Q		1Q20	y-y	
Coal sales (Mt)	5.8	4.1	-29%	↓	5.8	-29%	↓
ASP (USD/t)	52.7	68.1	+29%		58.7	+16%	
Unit: US\$ million							
Total Revenue	313	284	-9%		366	-22%	
Gross Profit Margin	19%	30%	+11%		18%	+12%	
EBIT	42	64	+53%		36	+77%	
EBITDA	61	86	+40%	↑	58	+48%	↑
Net Income	(1)	42	n.m		14	+191%	

Revenue consolidated



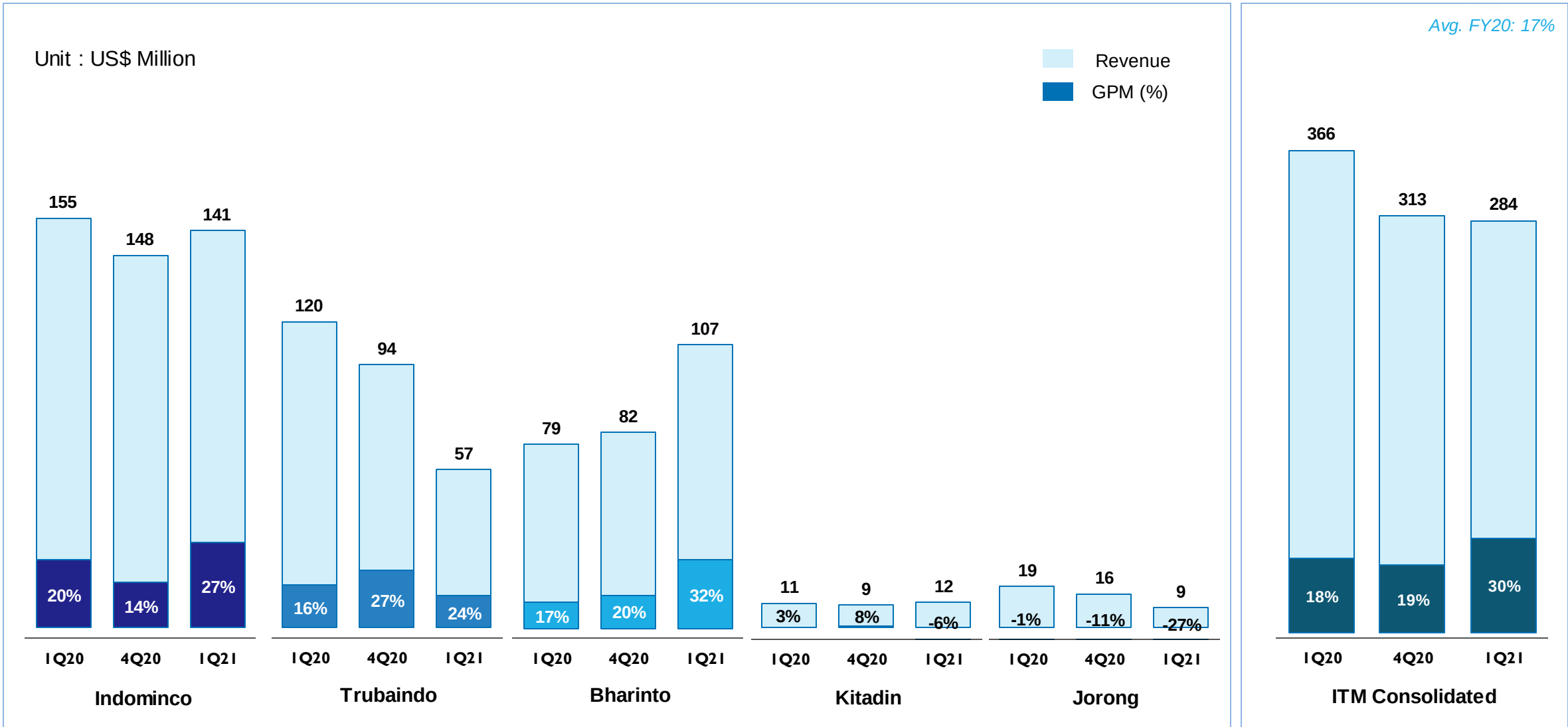
Unit: US\$ million

- Other
- Jorong
- Kitadin
- Bharinto
- Trubaindo
- Indominco



Note: Total consolidated revenue after elimination

Average gross margin

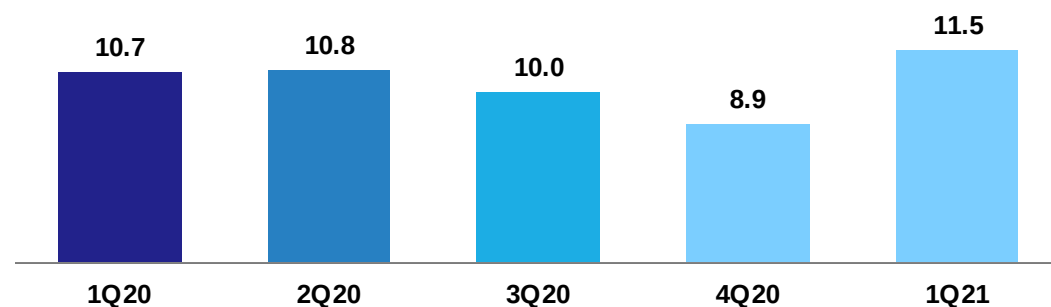


Cost analysis

WEIGHTED AVERAGE STRIP RATIO

Unit: Bcm/t

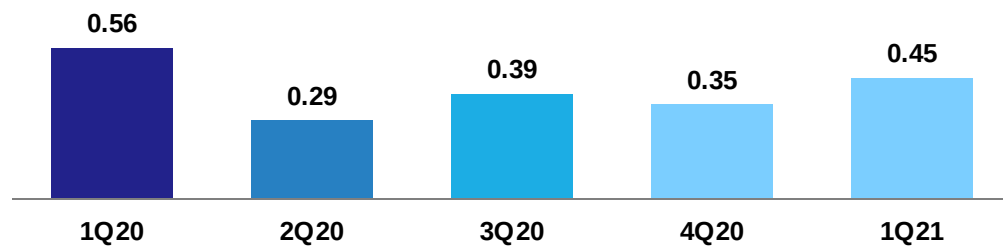
Avg. FY20: 10.1



FUEL PRICE

Unit: US\$/Ltr

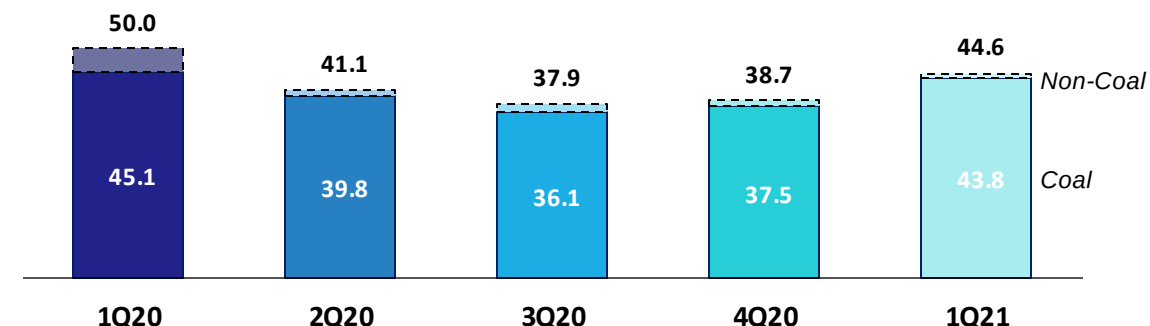
Avg. FY20: \$0.40ltr



PRODUCTION COST

Unit: US\$/t

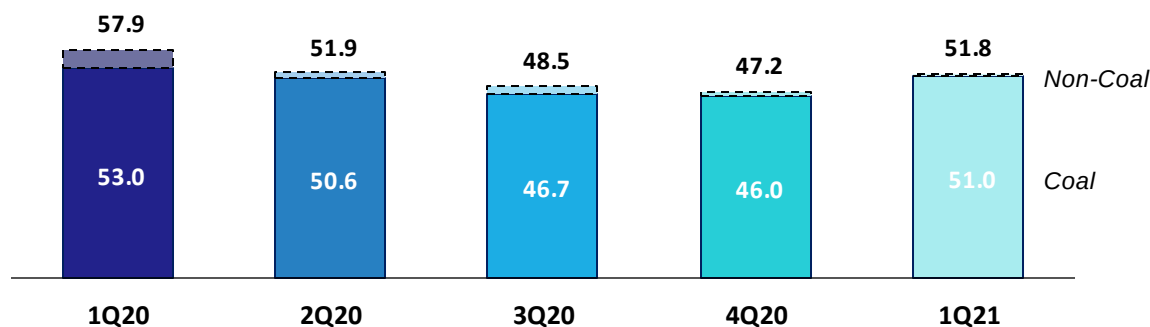
Avg. FY2020: \$41.9/t



TOTAL COST*

Unit: US\$/t

Avg. FY2020: \$51.6/t



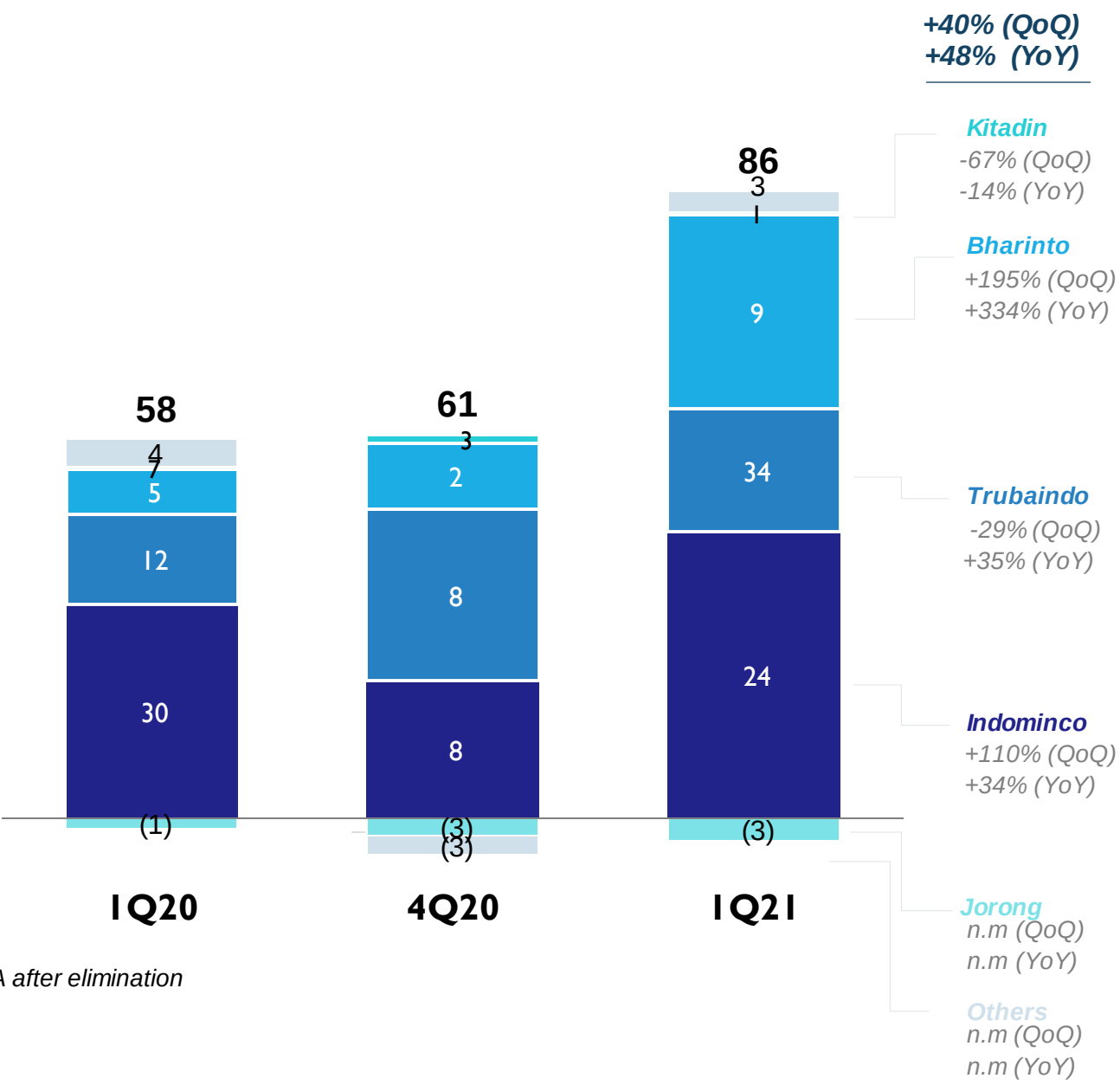
*Cost of Goods Sold + Royalty + SG&A

EBITDA



Unit: US\$ million

- Other
- Jorong
- Kitadin
- Bharinto
- Trubaindo
- Indominco

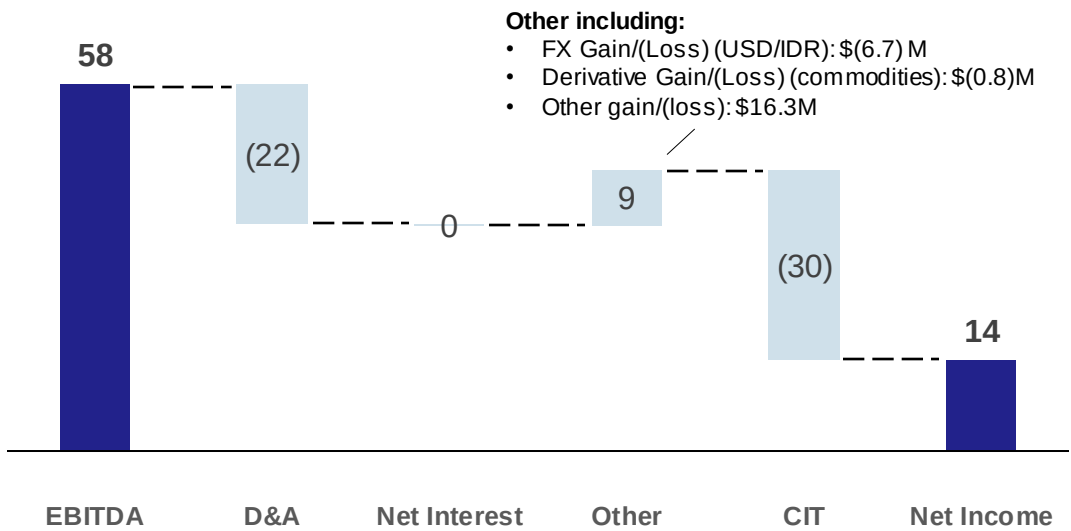


Note : Total EBITDA after elimination

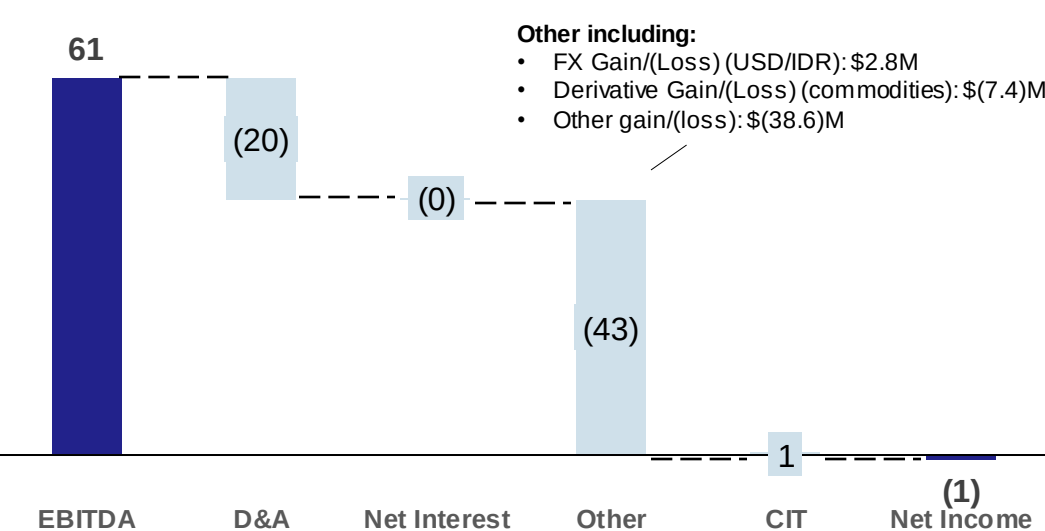
Net income



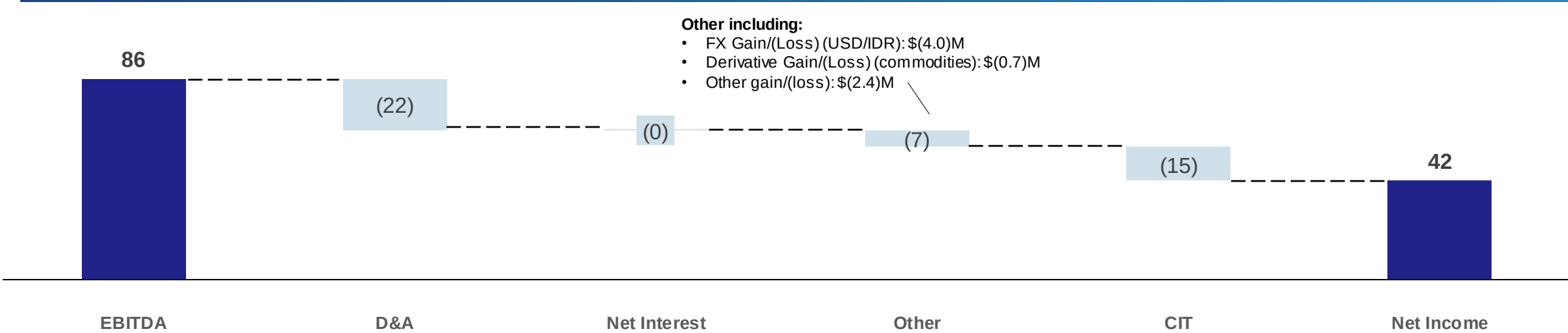
1Q20 NET INCOME



4Q20 NET INCOME



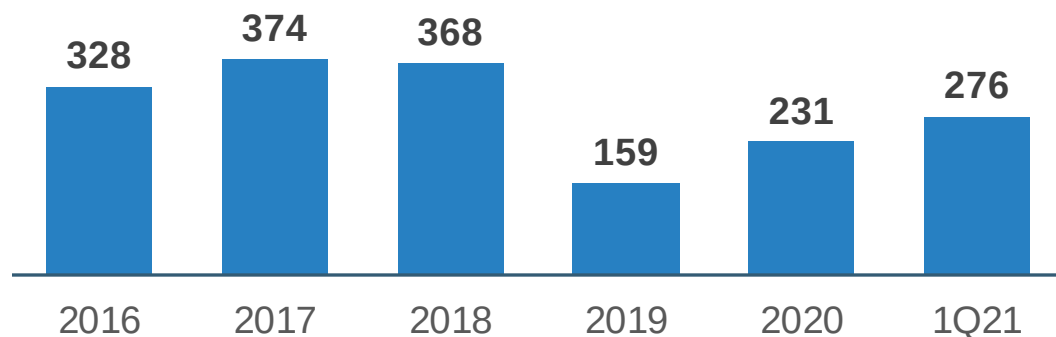
1Q21 NET INCOME



Balance sheet

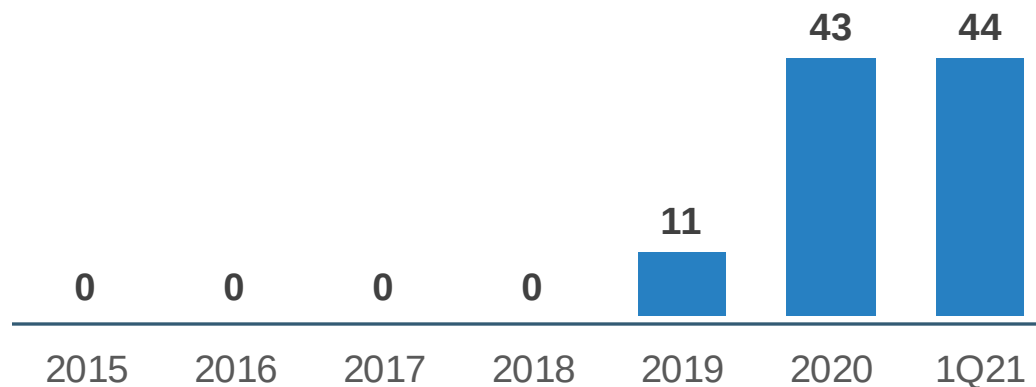
CASH POSITION

Unit: US\$ million



DEBT POSITION

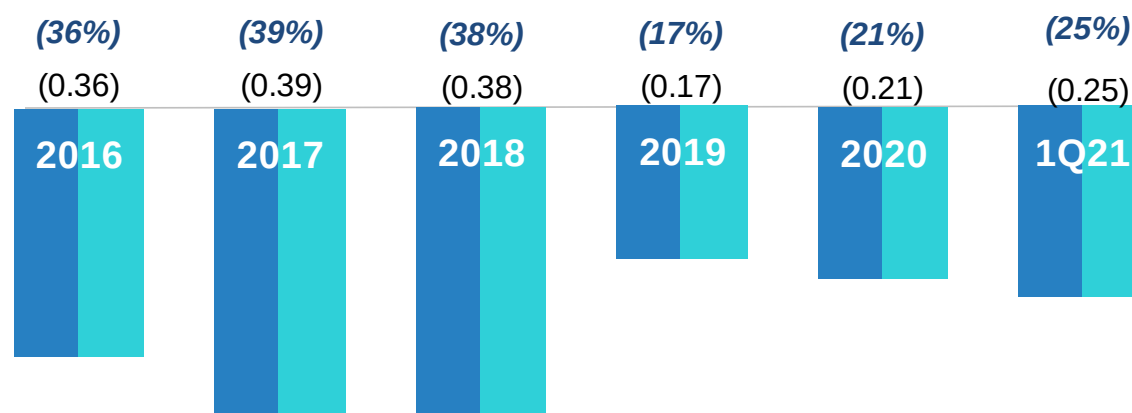
Unit: US\$ million



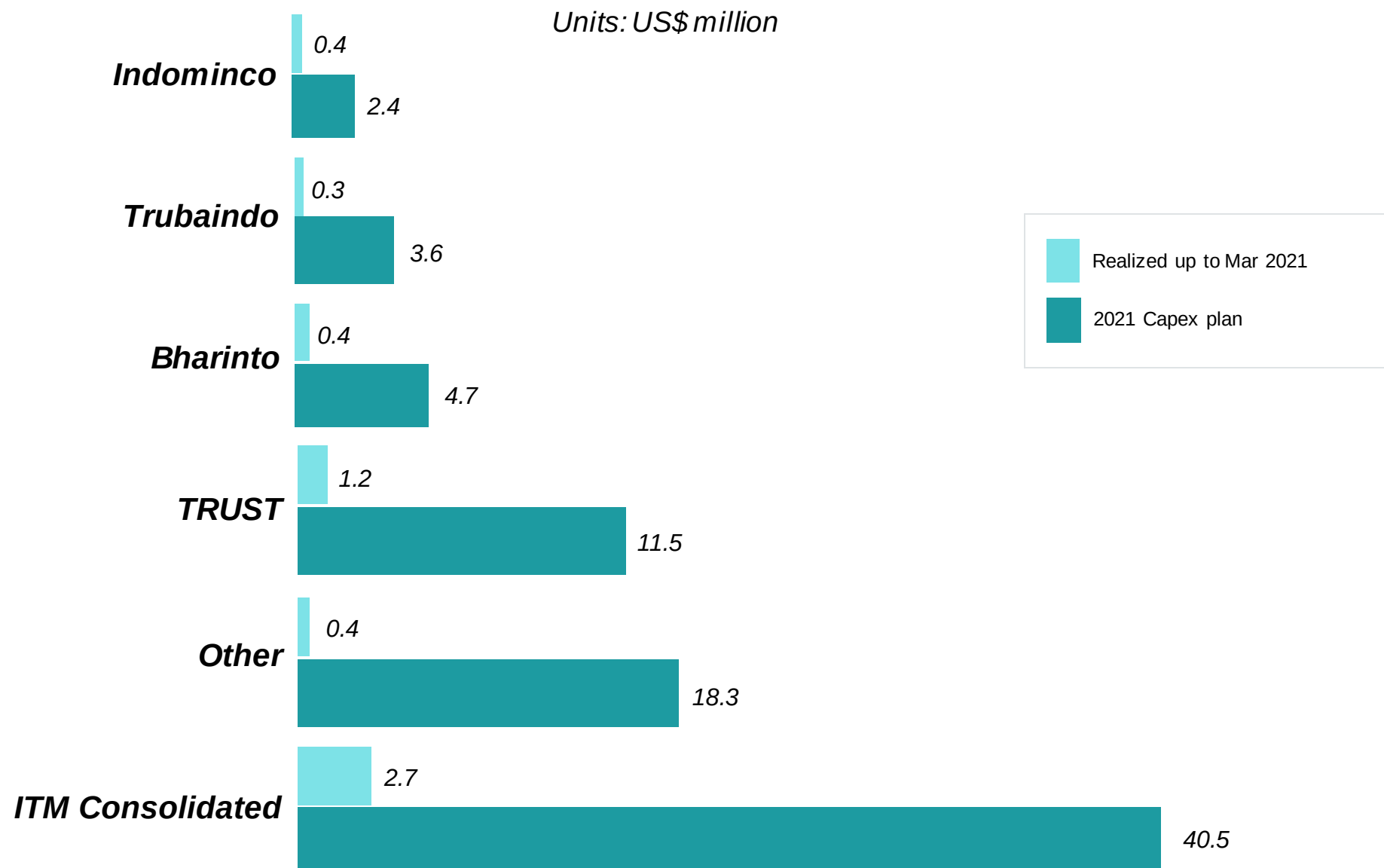
KEY RATIOS

Net Gearing (%)

Net D/E (times)



1Q21 Capital expenditure realization



Note: Total capex plan including Jakarta office after elimination



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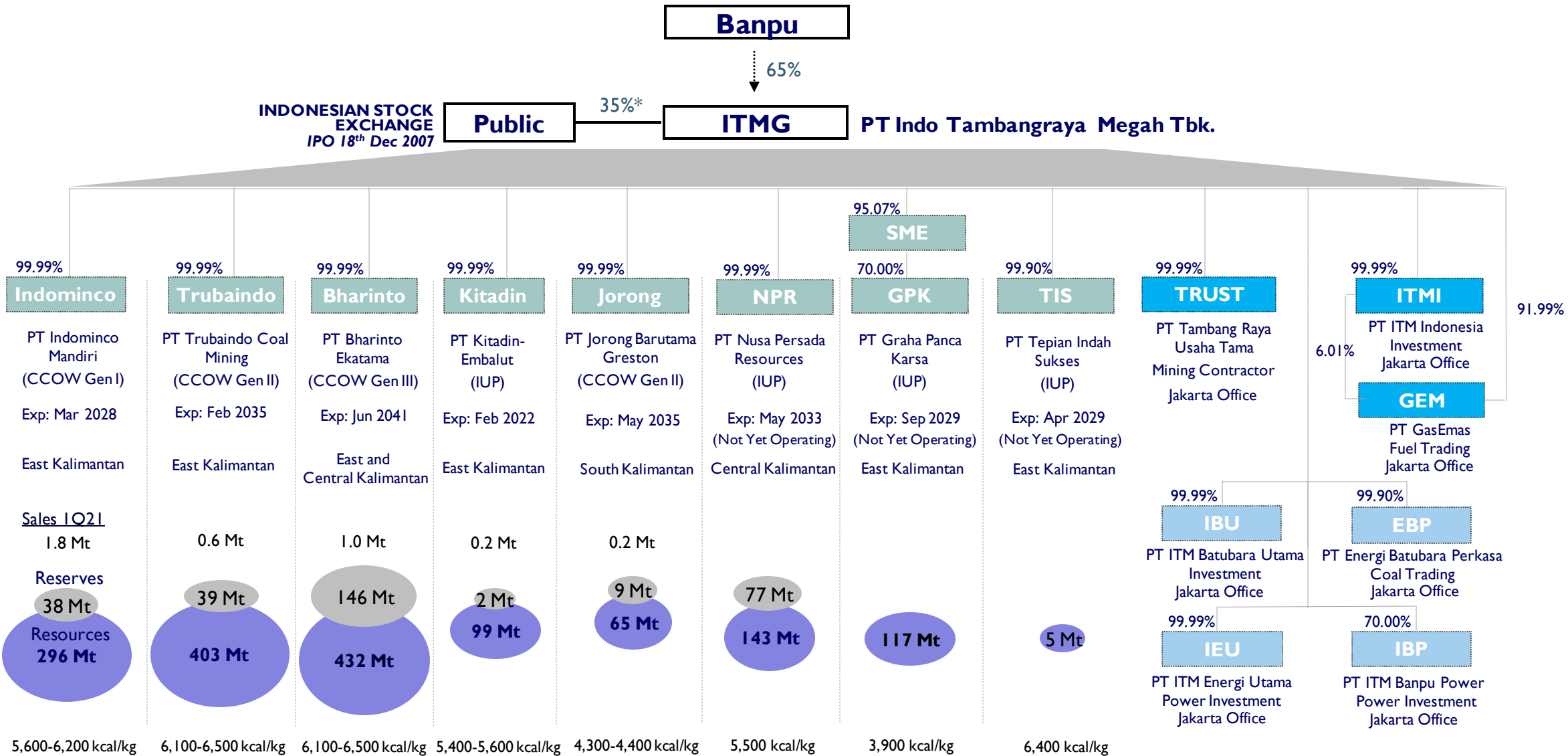
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ITM structure



* : ITM own 2.95% from share buyback program
Note: 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 in FY19, FY20, and IQ21. For GPK and TIS, Coal Resources and Reserves number has not been verified by Independent 3rd party.

Income statement

<i>Unit: US\$ thousand</i>	1Q21	4Q20	1Q20	QoQ%	YoY%
Net Sales	284,240	313,452	365,903	-9%	-22%
Gross Profit	84,890	59,317	66,022	43%	29%
GPM	30%	19%	18%		
SG&A	(21,095)	(17,691)	(30,199)	19%	-30%
EBIT	63,795	41,626	35,823	53%	78%
EBIT Margin	22%	13%	10%		
EBITDA	85,717	61,359	57,922	40%	48%
EBITDA Margin	30%	20%	16%		
Net Interest Income / (Expenses)	(58)	(119)	(141)	n.m	n.m
FX Gain / (Loss)	(4,023)	2,807	(6,690)	n.m	n.m
Derivative Gain / (Loss)	(652)	(7,396)	(758)	n.m	n.m
Others	(2,428)	(38,589)	16,302	n.m	n.m
Profit Before Tax	56,634	(1,671)	44,536	-3489%	27%
Income Tax	(14,582)	868	(30,095)	-1780%	-52%
Net Income	42,052	(803)	14,441	-5337%	191%
Net Income Margin	15%	0%	4%		