

Analysts Meeting

3Q24 Performance Result

15 November 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

3Q24 highlights – Upbeat production, strong results



BUSINESS PERFORMANCE

Production



5.8 Mt

33% QoQ / 9% YoY

Sales



6.3 Mt

8% QoQ / 18% YoY

ASP



\$97/ton

3% QoQ / -2% YoY

Revenue



\$608 Mn

8% QoQ / 15% YoY

EBITDA



\$161 Mn

42% QoQ / 22% YoY

Net Profit



\$144 Mn

114% QoQ / 46% YoY

GOOD AND RESPONSIBLE

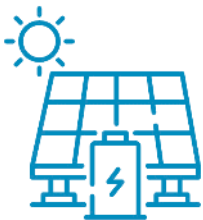
Watershed rehabilitation programs through subsidiaries



ITM's newly operated mines, GPK and TIS, launched a kick-off ceremony for a 1,300 Ha watershed rehabilitation in IKN. Meanwhile, BEK's watershed rehabilitation planting program in Menoreh Hill, supported by ~1,200 farmers covering 250 Ha, is nearing the completion.

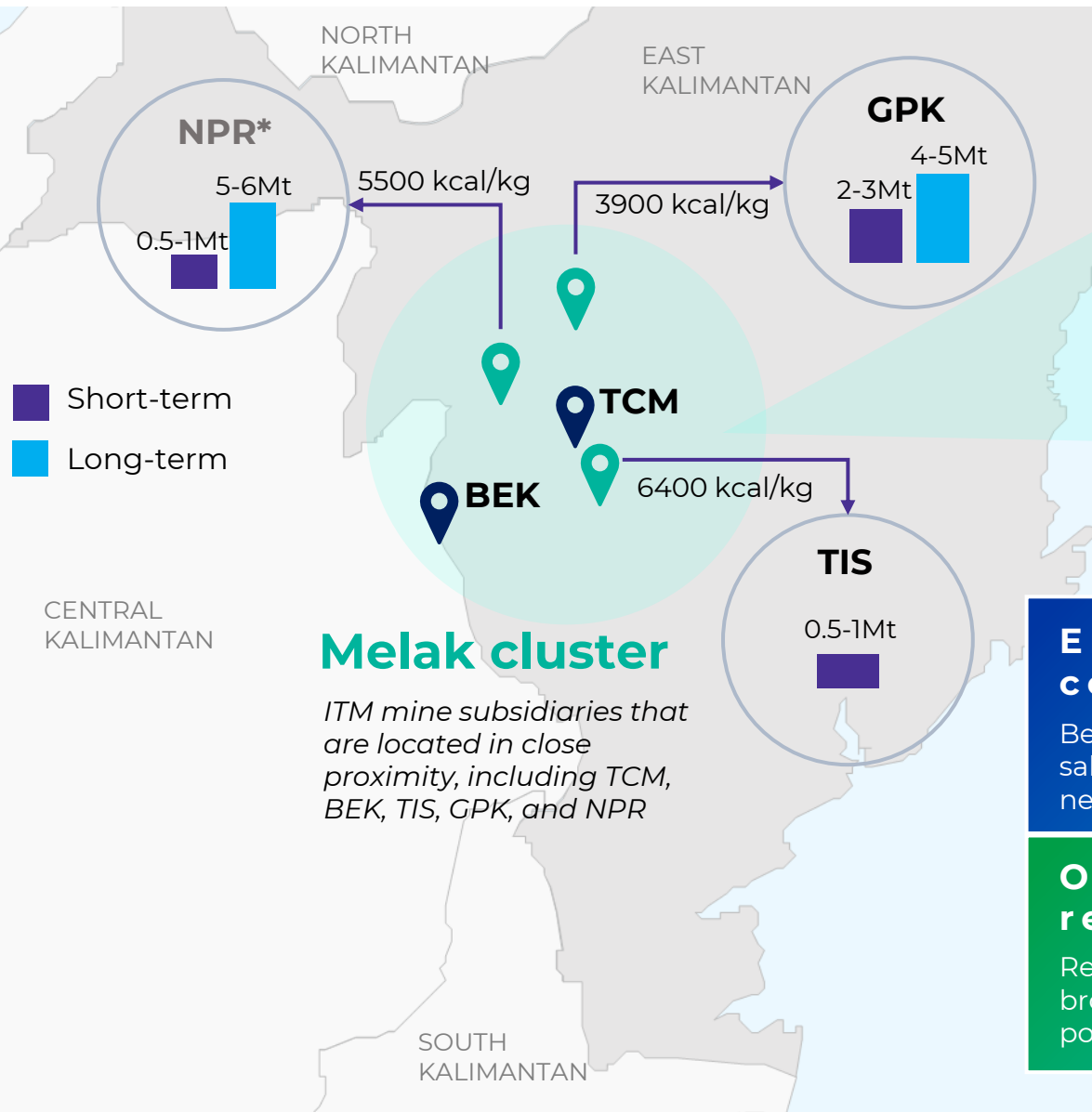
GREENER, SMARTER TRANSFORMATION

Solar-based renewable capacity strong growth



IBP, an ITM subsidiary, successfully added 14.0 MWp to its renewable contracted capacity during 3Q24, resulting in a total solar-based renewable capacity of 46.7 MWp as of September 2024, 4 times YoY growth compared to September 2023 of 11.6 MWp.

Three new mines to strengthen our core business



OPERATING NEW MINES

Ramping up annual production

- Based on the life of mine plan, GPK and NPR could contribute up to 5 and 6 Mt production volume respectively.
- NPR is still in development and is expected to commence its production by 2025.
- Port capacity improvement to support the increasing production and pursue future opportunities.

Enrich ITM coal profile



Besides adding the production and sales volume, the production from three new mines will enrich our coal profile.

Fulfill different specification



With more diversified product, ITM would be able to capture wide range of quality required by its customer.

Optimizing revenue



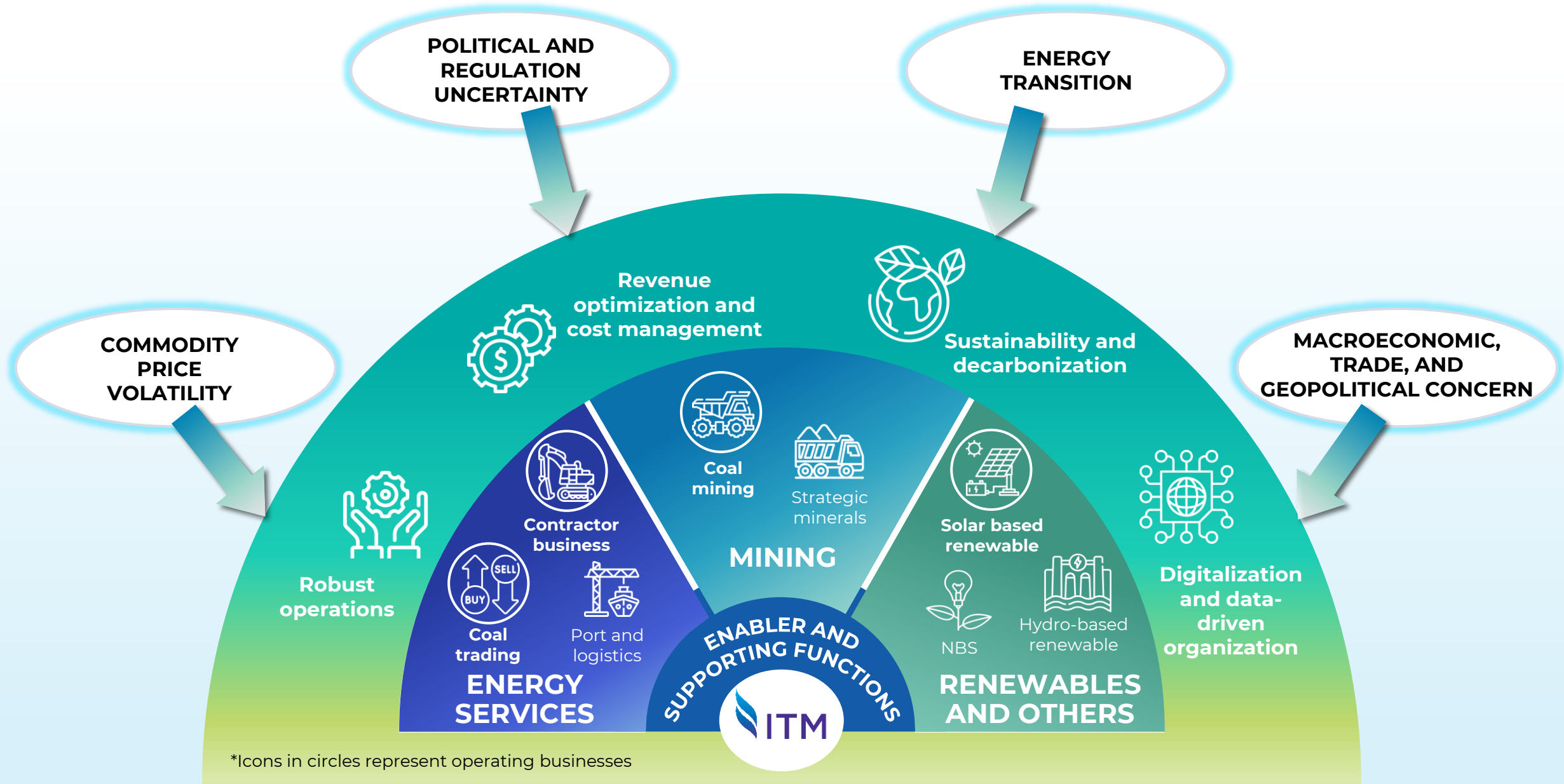
Reach more consumers by broadening product quality and potentially increase ASP.

Operation synergy



Operational synergy in the Melak cluster by utilizing existing shared facilities.

Reinforcing resilience to withstand the challenges



02

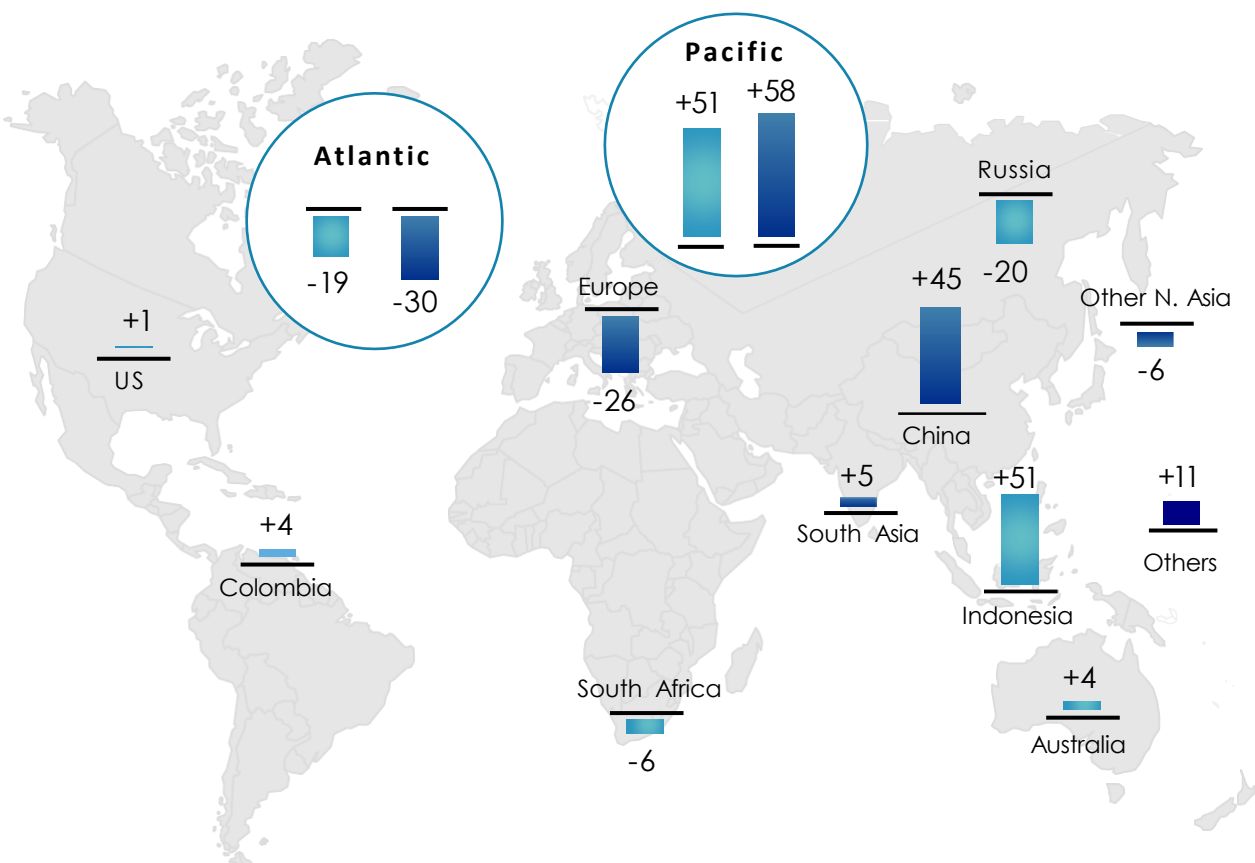
Coal Market Trends



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

HCV thermal coal prices are expected to remain high through the end of the year, supported by geopolitical and seasonal weather risks. The lower-CV market will be boosted by strong China demand.

- **China:** Power demand in Q4 will be supported by economic stimulus, declining hydropower generation, and winter demand. Favorable arbitrage between imported and domestic coal continues to drive imports.
- **India:** Thermal coal imports are expected to remain steady through year-end, driven by strong economic activity and a government directive for all import coal-based power plants to operate at full capacity.
- **JKT:** High nuclear output may reduce coal demand over the winter, and South Korea and Taiwan plan to restrict coal burning to improve air quality.
- **Europe:** Coal-fired capacity in Europe is expected to be 30% lower YoY due to coal plant retirements.

SUPPLY

Global thermal coal exports are performing well in most regions, except Russia. La Niña weather could disrupt supply for the rest of the year.

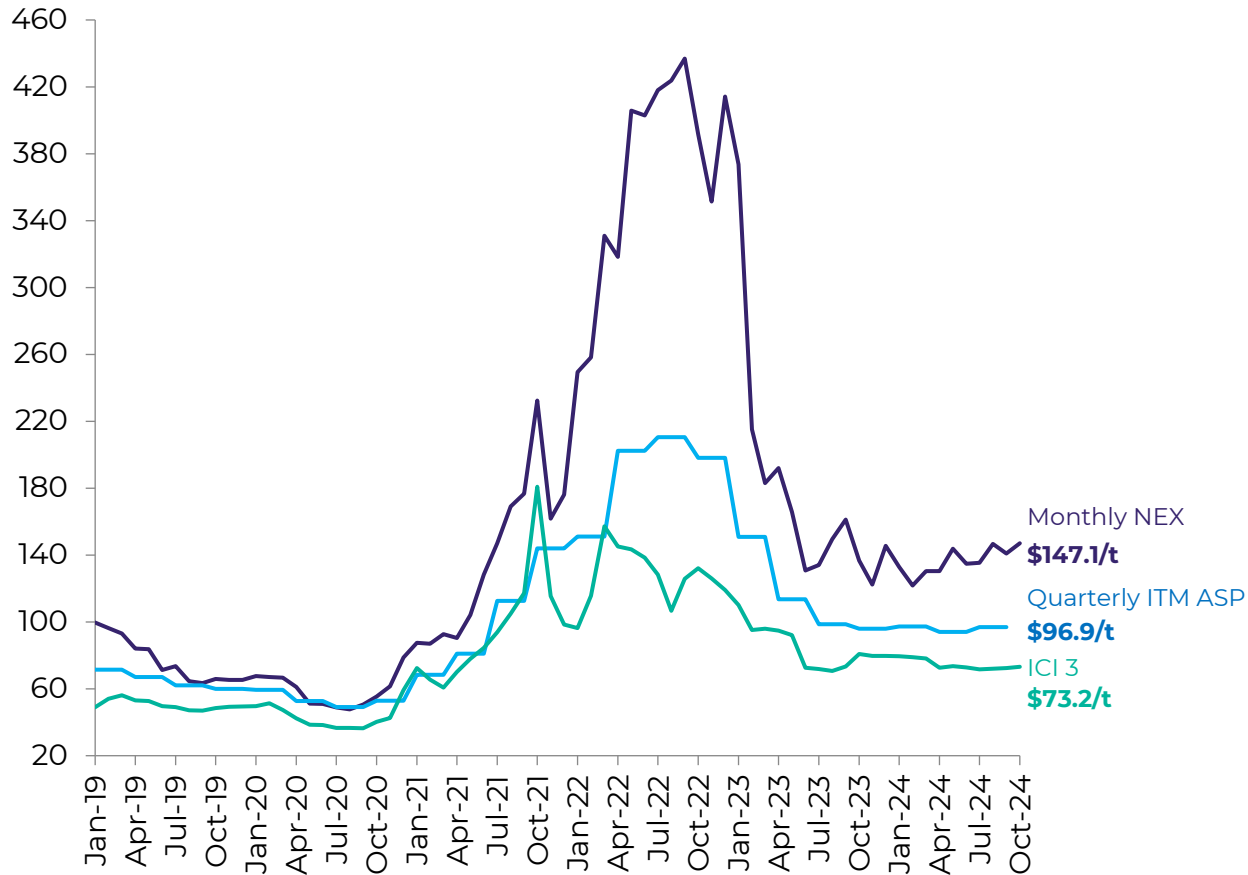
- **Indonesia:** Strong production growth has led to oversupply, though high demand from China is helping to stabilize prices.
- **Australia:** Exports remain steady, supported by increased purchases from China.
- **Others:** Russia's supply is contracting further due to rail capacity constraints, sanctions and rising costs, limiting Russia's ability to meet higher winter demand in the northern hemisphere. South Africa's exports are constrained by sluggish demand and logistical challenges. Colombian supply is optimization-driven, with more coal shifting from Asia back to Atlantic markets.

ITM ASP vs thermal coal benchmark prices



ITM ASP VS BENCHMARK PRICES

Unit: \$/t



COMMENTS

- The seaborne premium thermal coal market remained stable in 3Q24, with GCNewc prices fluctuating between \$132-150 per ton. Meanwhile, the market for lower-quality thermal coal showed slight weakening from the previous quarter due to increased supply from Indonesia, with ICI2 prices ranging from \$92-94 per ton, ICI3 from \$71-73 per ton, and ICI4 holding between \$50-53 per ton.
- Throughout the quarter, we have been strengthening 3rd party coal blending activity for improving the quality of saleable coal, effectively optimizing the throughput and ASP.
- We anticipate that the global seaborne thermal market will continue to remain stable through 2025, with overall supply and demand dynamics expected to be well balanced. The production increase from Indonesia will be mostly absorbed by strong demand from China, South Asia, and Southeast Asia.
- Key price metrics:
 - ITM ASP 3Q24^a: \$96.9/t (3% QoQ)
 - NEX (8 Nov 2024)^b: \$143.3/t
 - ICI 3 (8 Nov 2024)^c: \$73.3/t

Notes:

a) Includes post shipment price adjustments as well as traded coal

b) The Newcastle Export Index (NEX)

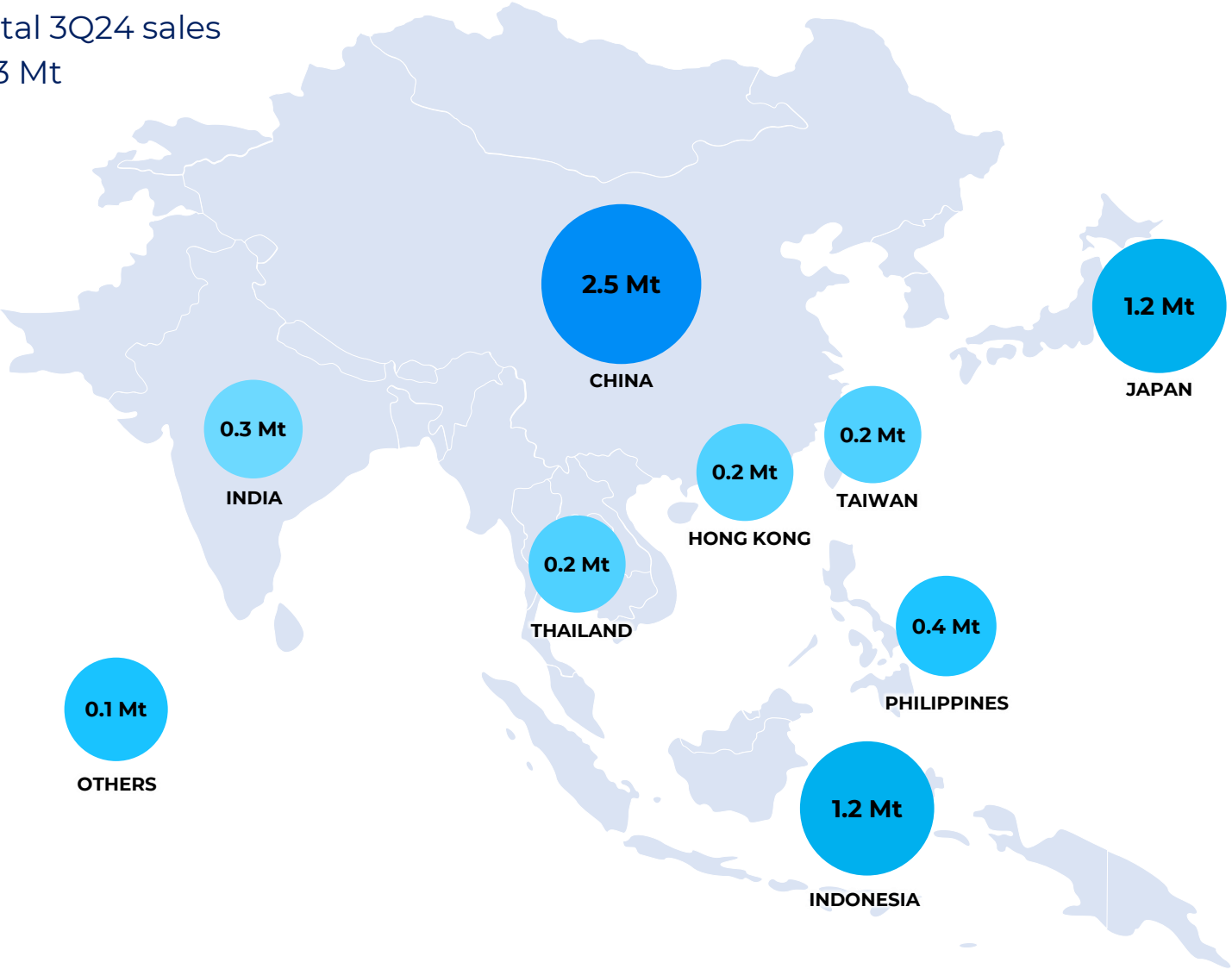
c) The Indonesia Coal Price Index (ICI)

ITM coal sales

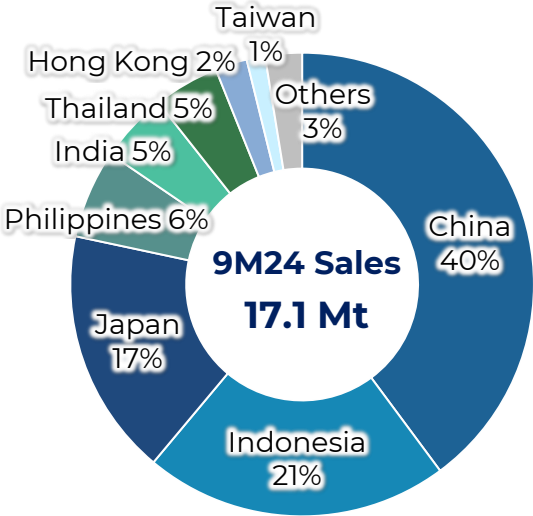


3Q24 COAL SALES VOLUME BASED ON SALES DESTINATION

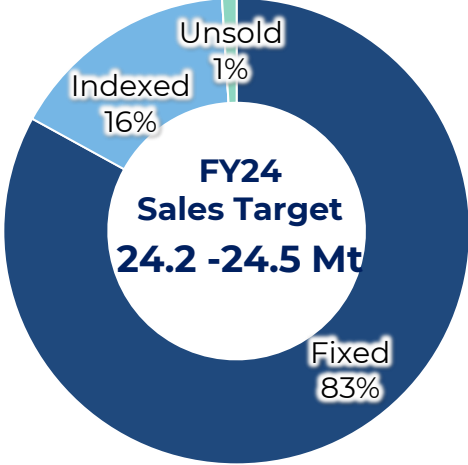
Total 3Q24 sales
6.3 Mt



9M24 COAL % SALES VOLUME



FY24 INDICATIVE COAL SALES

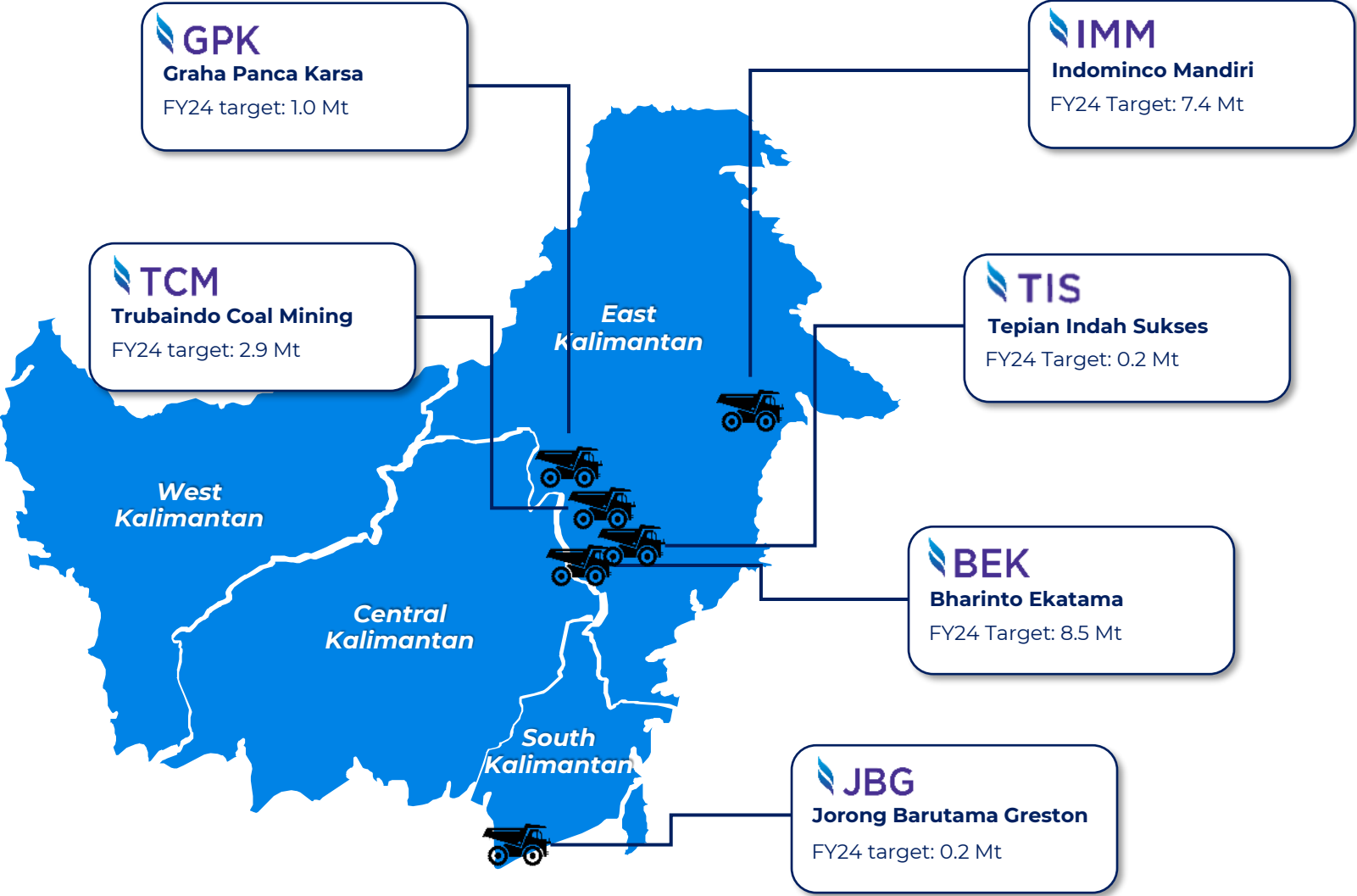


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Operational Updates



Coal mining operational summary



	FY24 Target: 20.2 Mt	
	4Q24 Target: 5.2 Mt	
	3Q24	9M24
Coal production	5.8 Mt 33% QoQ/ 9% YoY	15.0 Mt 12% YoY
Strip ratio	9.2 x -12% QoQ / -21% YoY	10.1 x -16% YoY

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

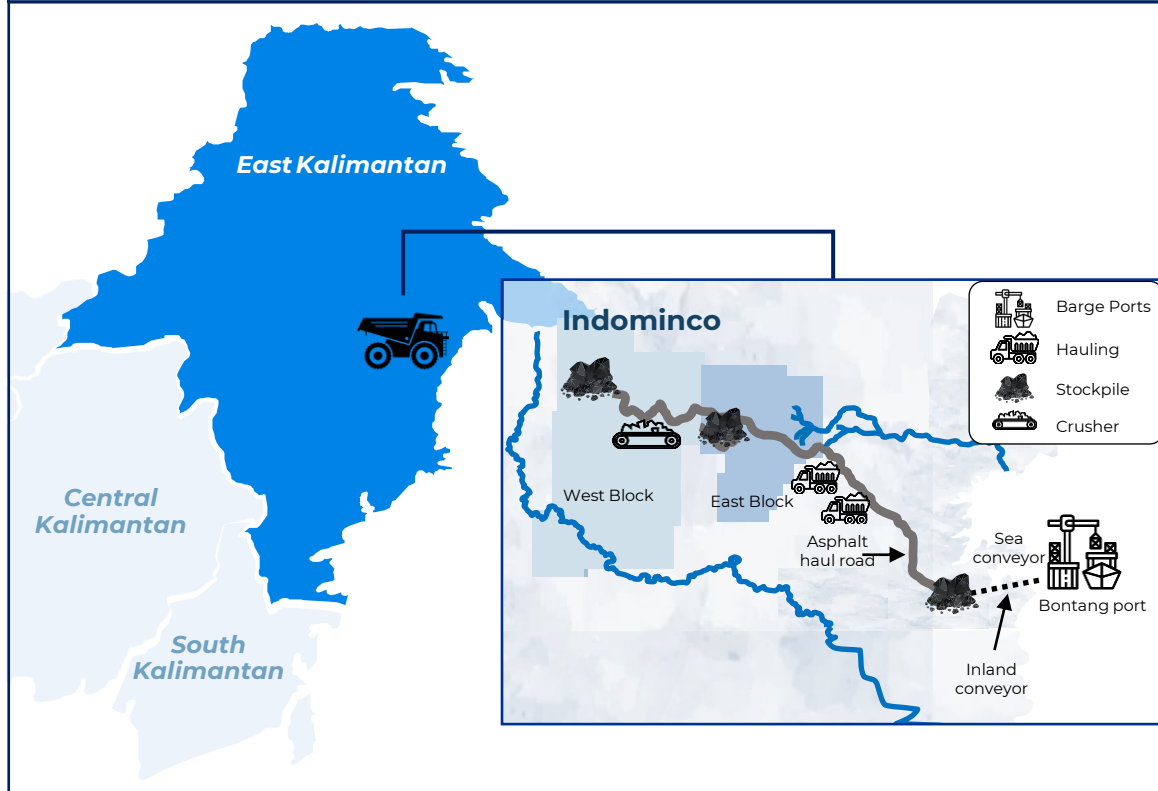
Operational update – Indominco Mandiri

FY24 Target:
7.4 Mt

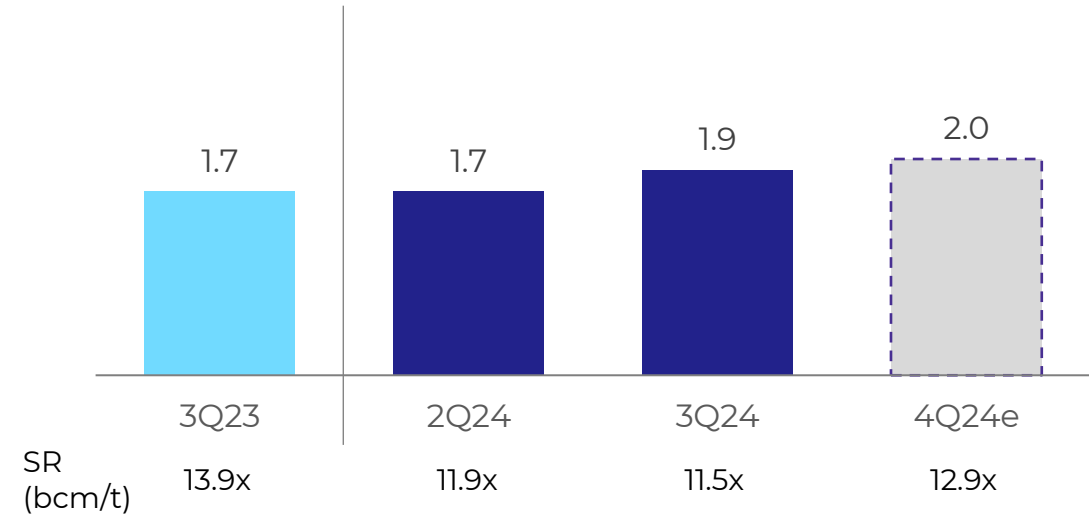
9M24 Actual:
5.4 Mt

Indominco Mandiri

Located in East Kalimantan



Quarterly production (Mt)



- 3Q24 production surpassed the target at 1.9 Mt with a lower strip ratio of 11.5x.
- 4Q24 production is targeted at 2.0 Mt, higher than previous quarters with a strip ratio of 12.9x.

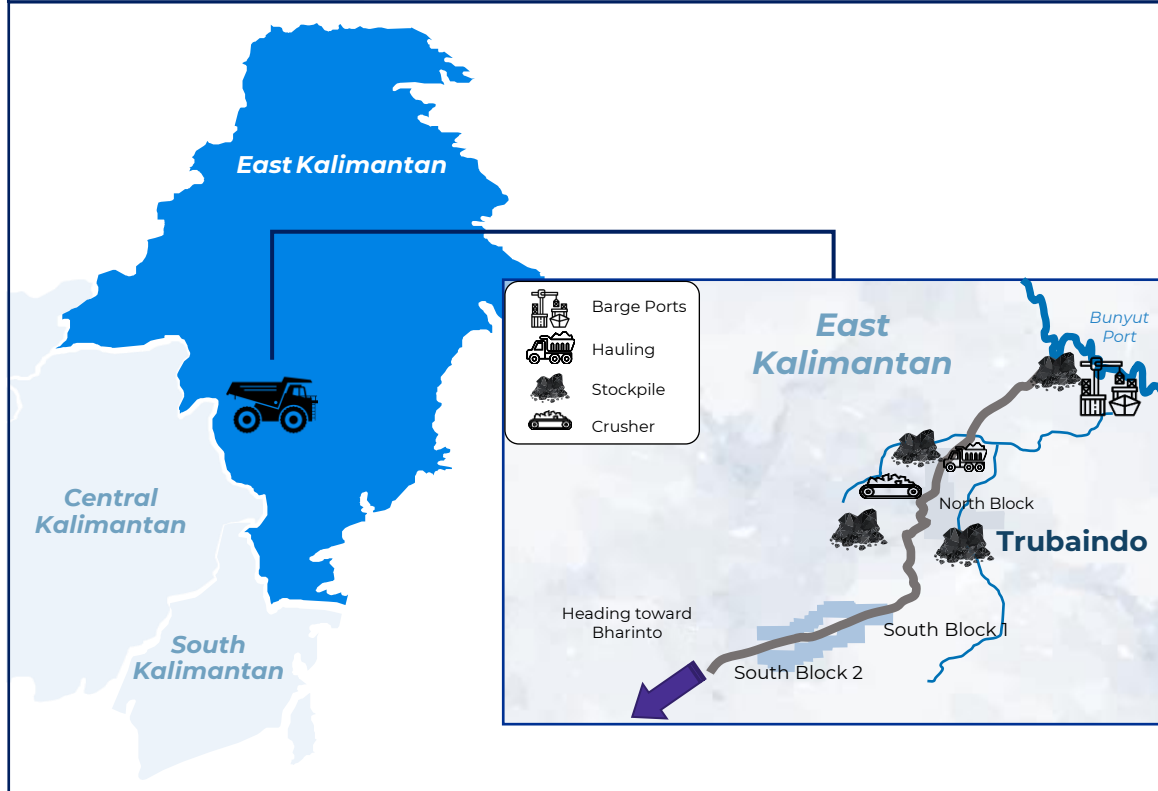
Operational update – Trubaindo Coal Mining

FY24 Target:
2.9 Mt

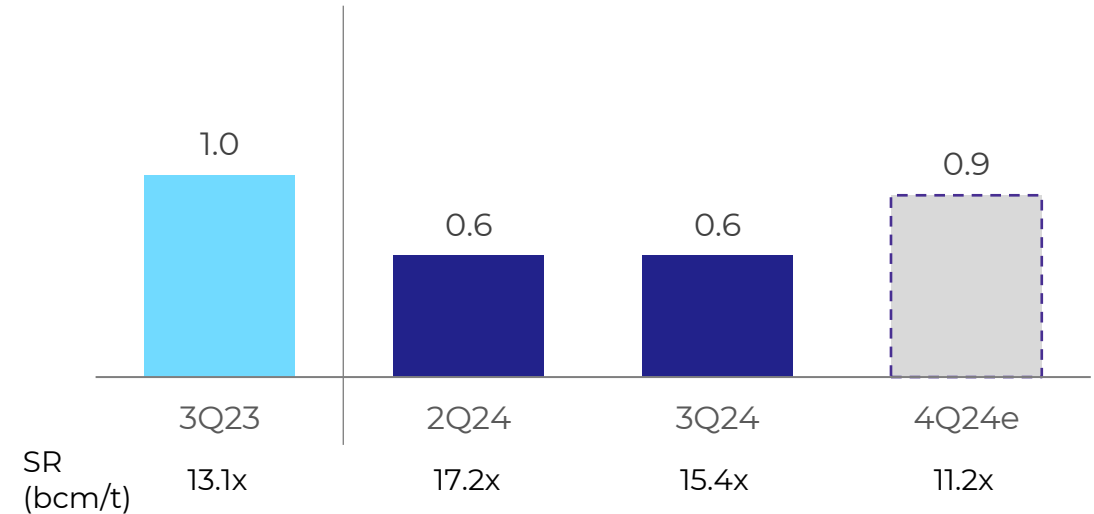
9M24 Actual:
2.0 Mt

Trubaindo Coal Mining

Located in East Kalimantan



Quarterly production (Mt)



- 3Q24 production was achieved slightly lower than the target at 0.6 Mt with a strip ratio of 15.4x.
- 4Q24 production is targeted at 0.9 Mt with lower strip ratio of 11.2x following higher production volume.

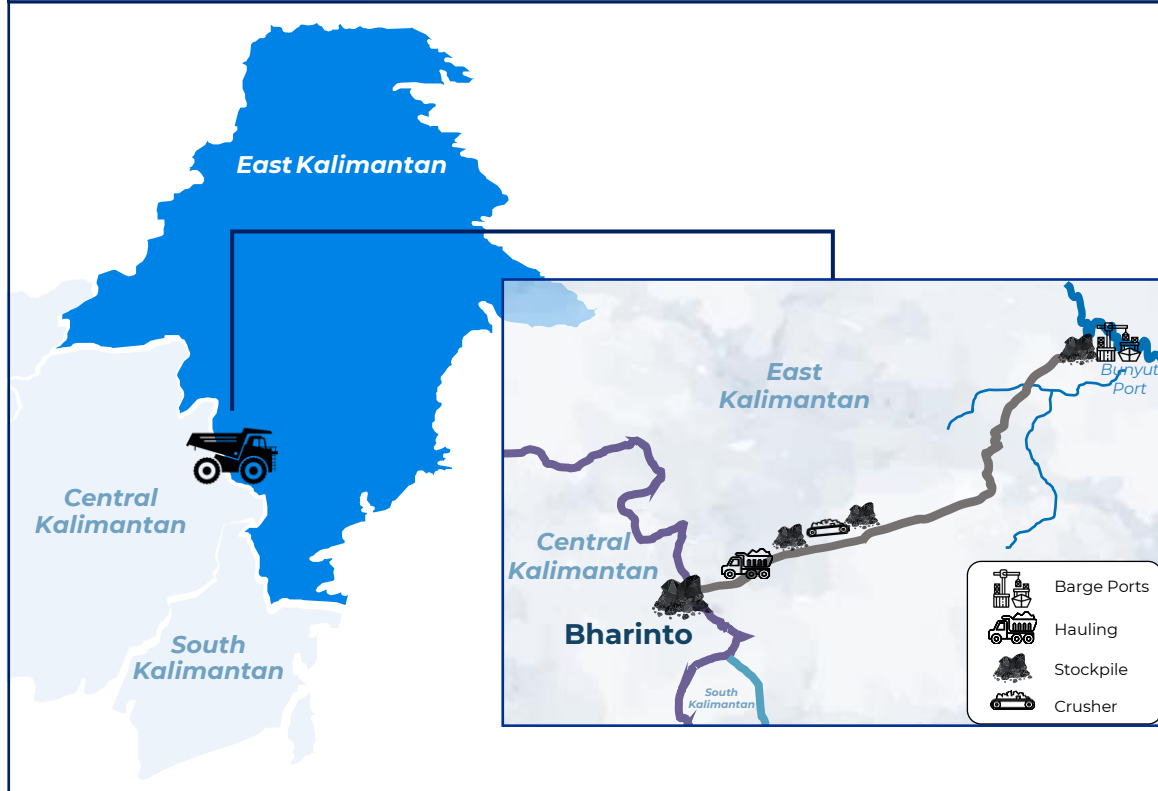
Operational update – Bharinto Ekatama

FY24 Target:
8.5 Mt

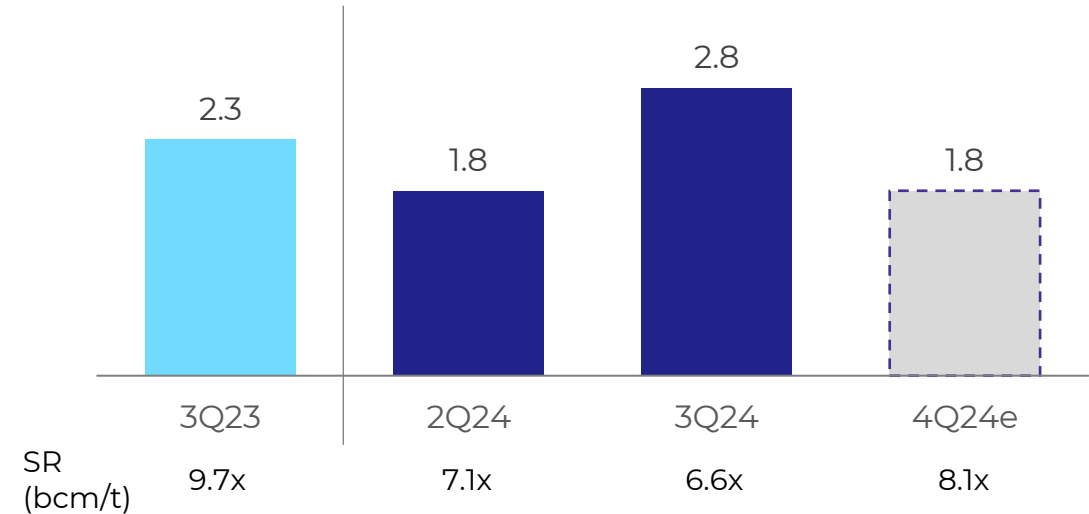
9M24 Actual:
6.7 Mt

Bharinto Ekatama

Located in East and Central Kalimantan

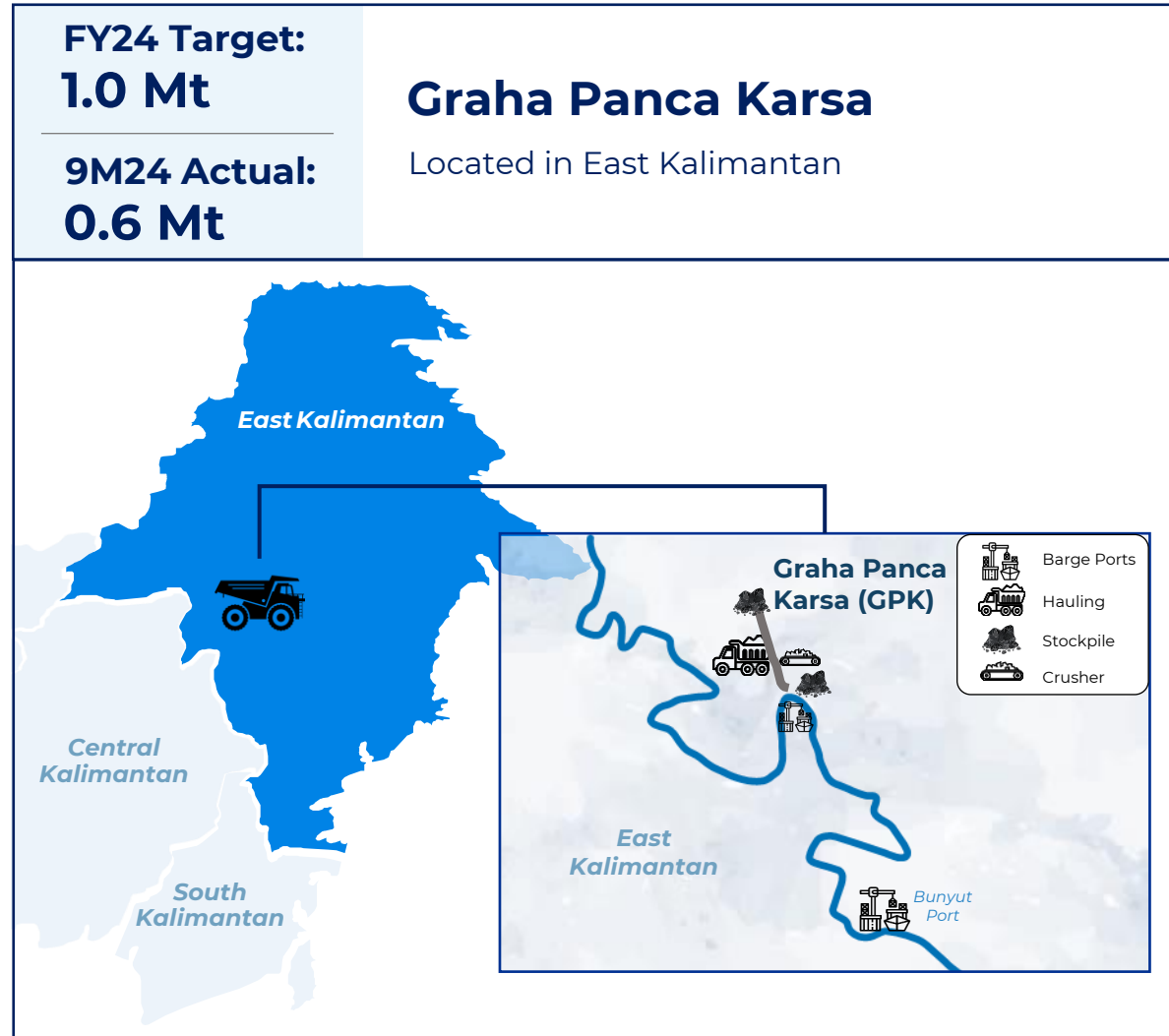


Quarterly production (Mt)

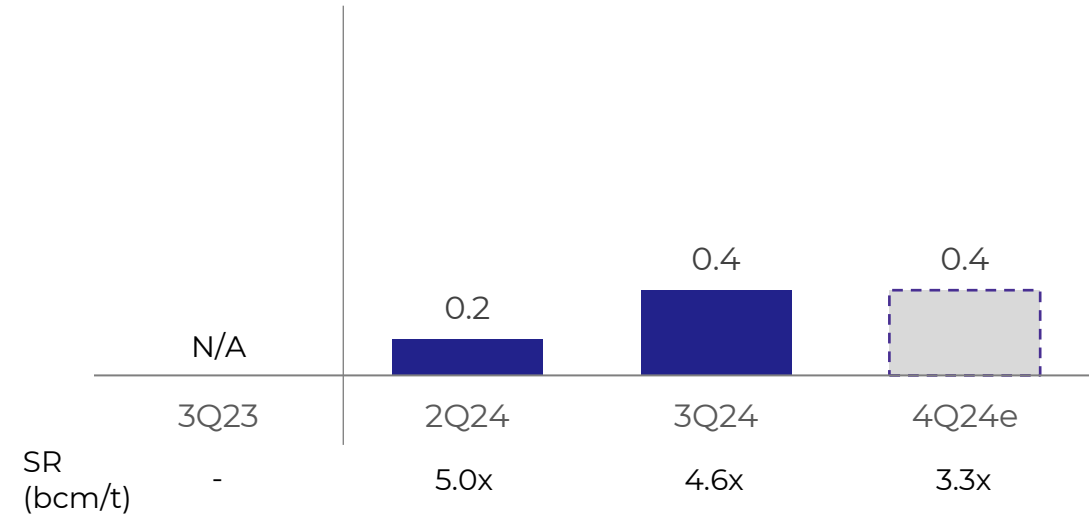


- 3Q24 production ramping up to 2.8 Mt with strip ratio of 6.6x, utilizing the good weather to achieve the FY24 production target.
- 4Q24 production is targeted at 1.8 Mt with strip ratio of 8.1x.

Operational update – Graha Panca Karsa

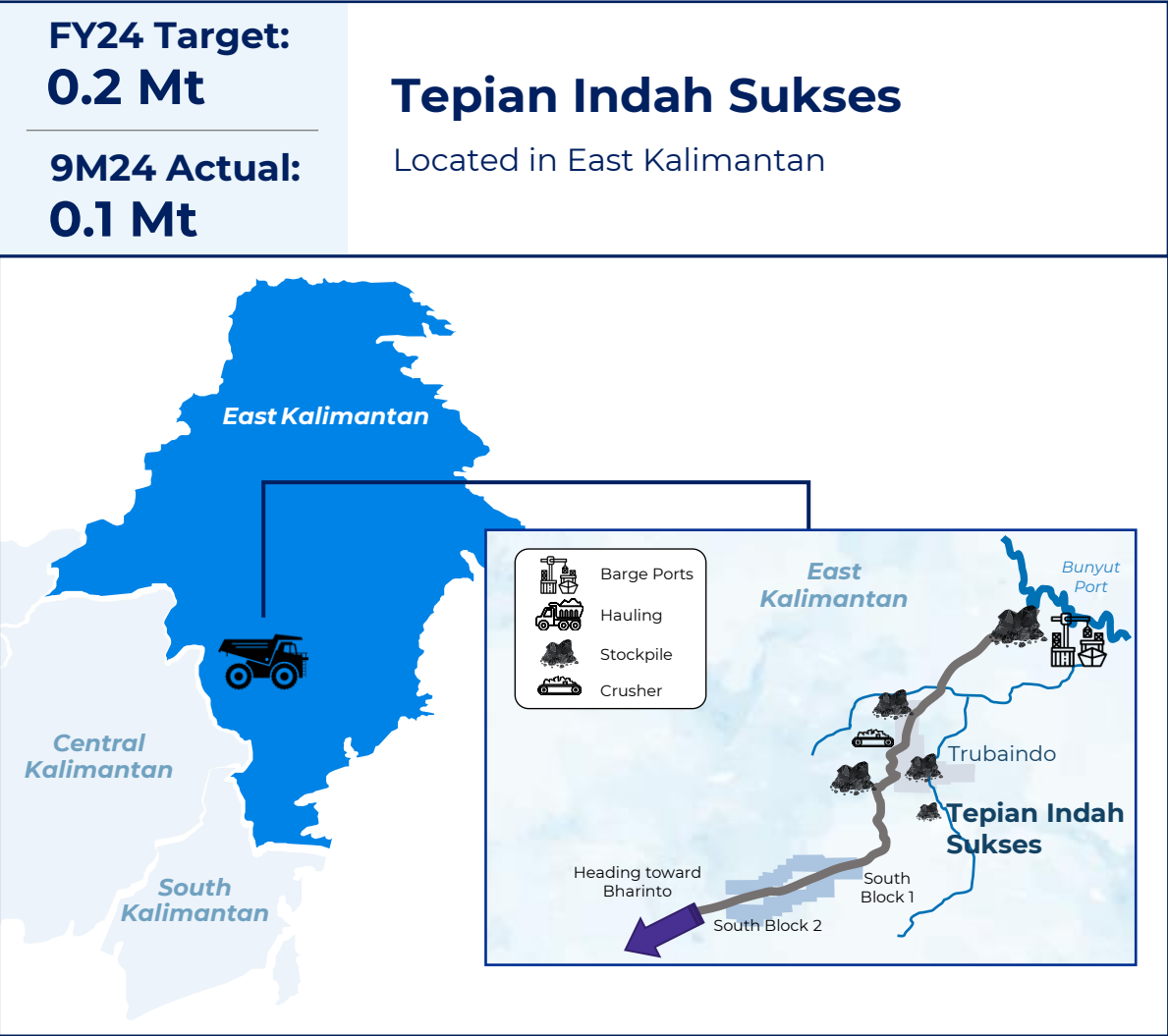


Quarterly production (Mt)



- 3Q24 production is achieved at 0.4 Mt with a slightly lower strip ratio of 4.6x compared with the previous quarter.
- 4Q24 production is expected at 0.4Mt with more manageable strip ratio of 3.3x.

Operational update – Tepian Indah Sukses



Quarterly production (Mt)

	N/A	0.03	0.1	0.1
	3Q23	2Q24	3Q24	4Q24e
SR (bcm/t)	-	43.5x	24.8x	12.8x

- 3Q24 production realized at 0.1 Mt with a strip ratio of 24.8x, a higher strip ratio due to the opening period of the mine.
- 4Q24 production is targeted at 0.1 Mt with a normalized strip ratio of 12.8x.

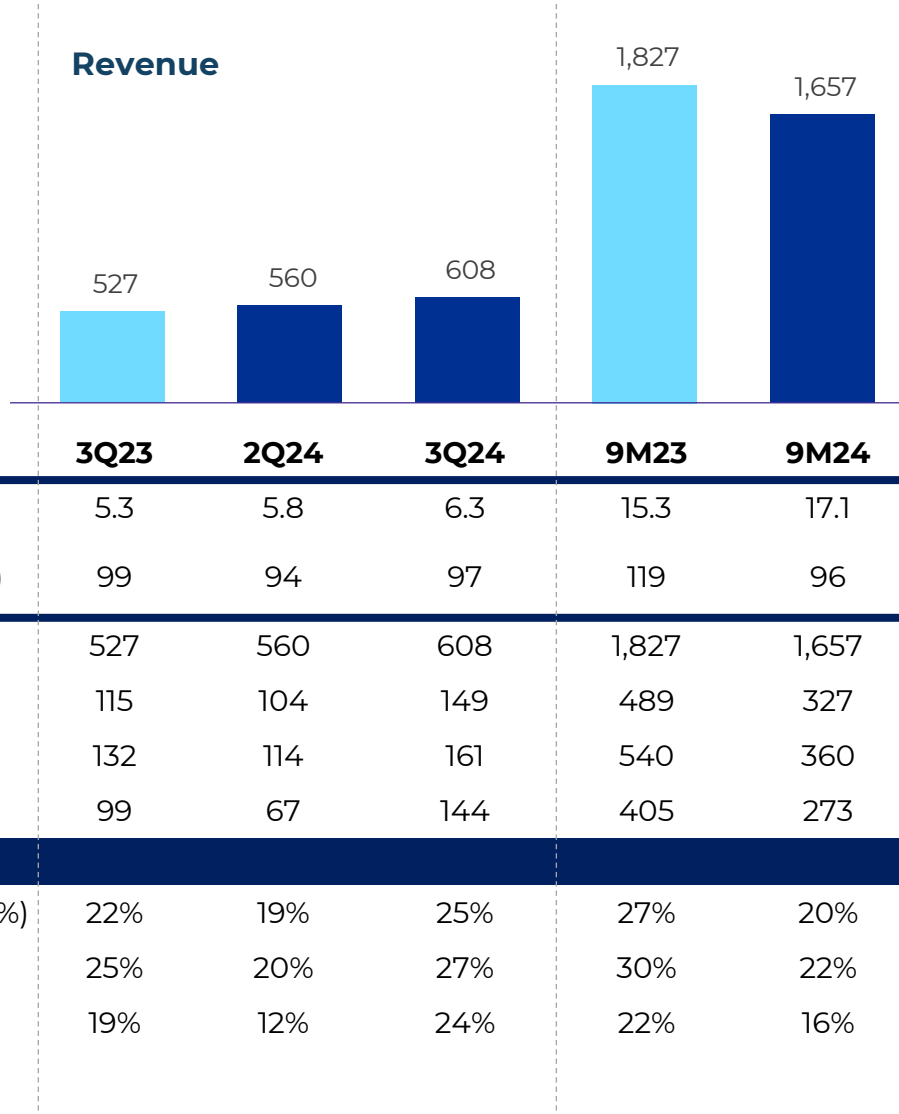
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Financial Updates

Financial performance – profitability

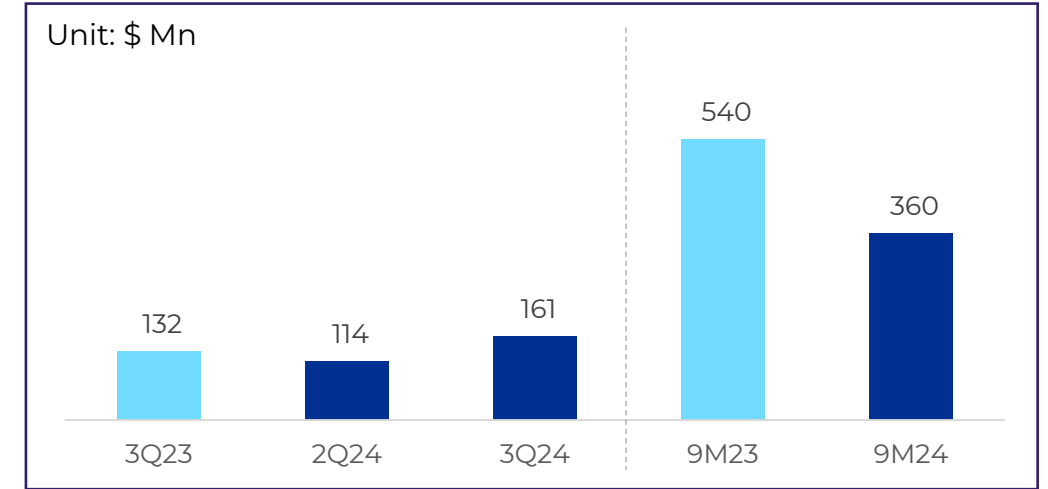
PROFIT OR LOSS STATEMENT

Unit: \$ Mn



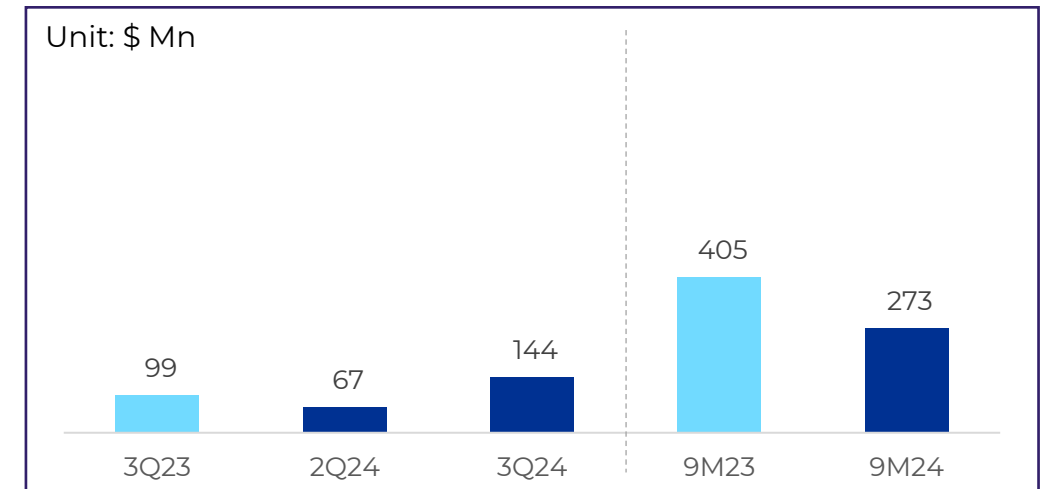
EBITDA

Unit: \$ Mn



NET PROFIT

Unit: \$ Mn

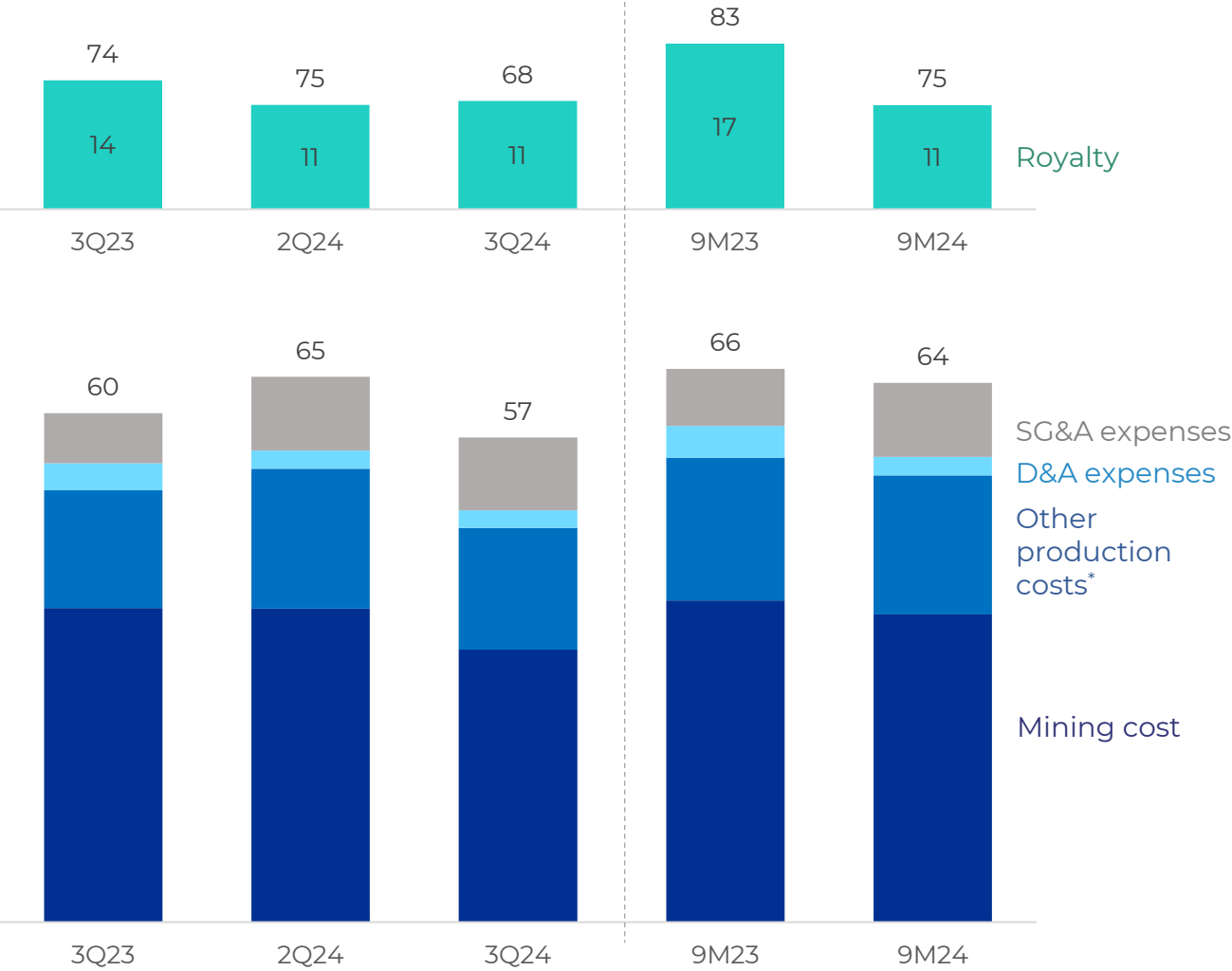


Financial performance – cost



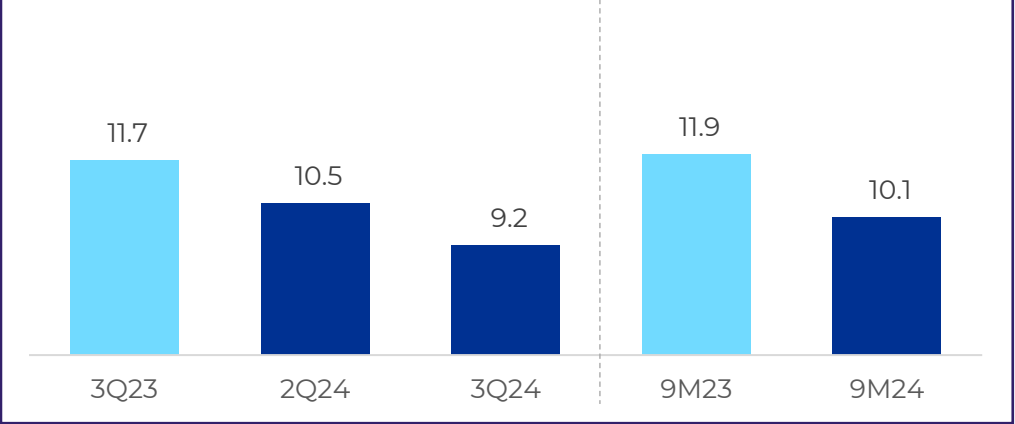
TOTAL COST BREAKDOWN

Unit: \$/ton



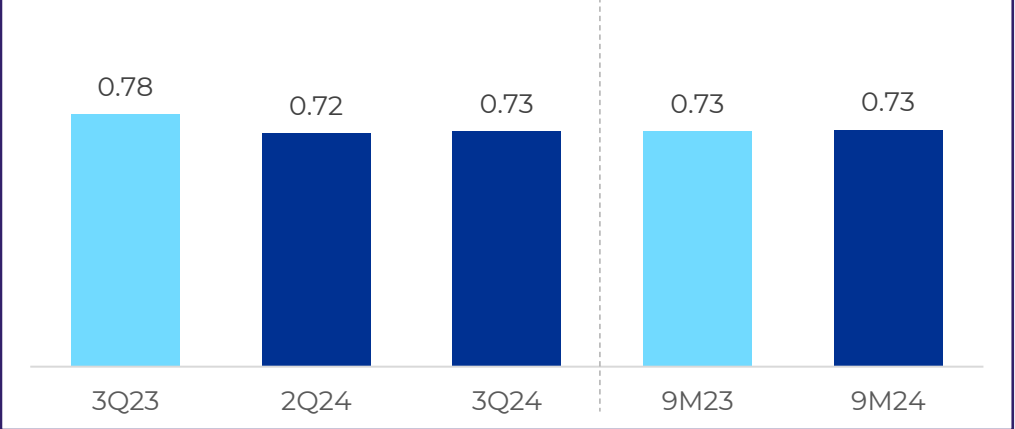
STRIP RATIO

Unit: (x)



FUEL PRICE

Unit: \$/liter



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

Financial position

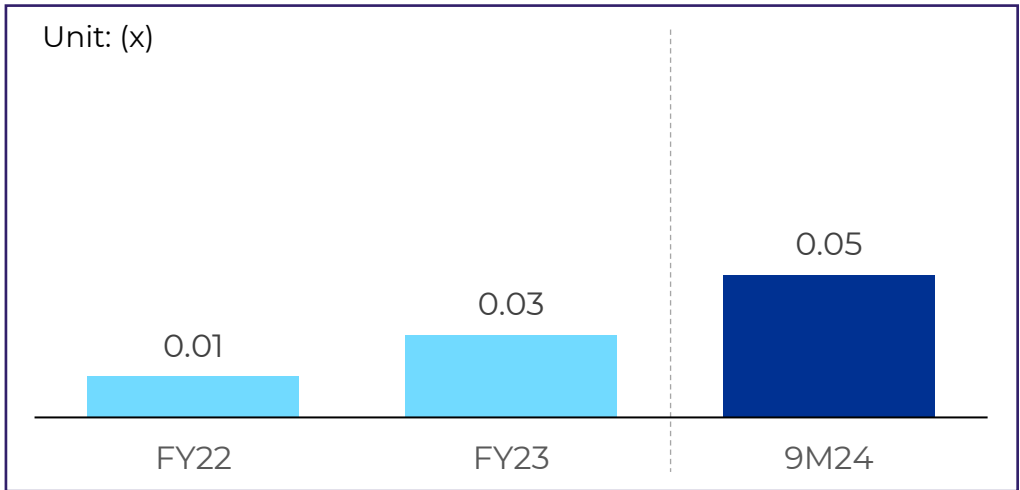
BALANCE SHEET

Unit: \$ Mn

	Total assets		
	2,640	2,188	2,346
	FY22	FY23	9M24
Assets			
Cash and cash equivalents	1,430	851	964
Other assets	1,210	1,337	1,382
Liabilities			
Current maturities of long-term and short-term bank loan	13	40	38
Long-term bank loans net of current maturities	13	8	47
Other liabilities	664	351	423
Total equity	1,950	1,789	1,838
Ratio			
Cash to total assets (%)	54%	39%	41%
Net gearing (%)	-71%	-44%	-46%

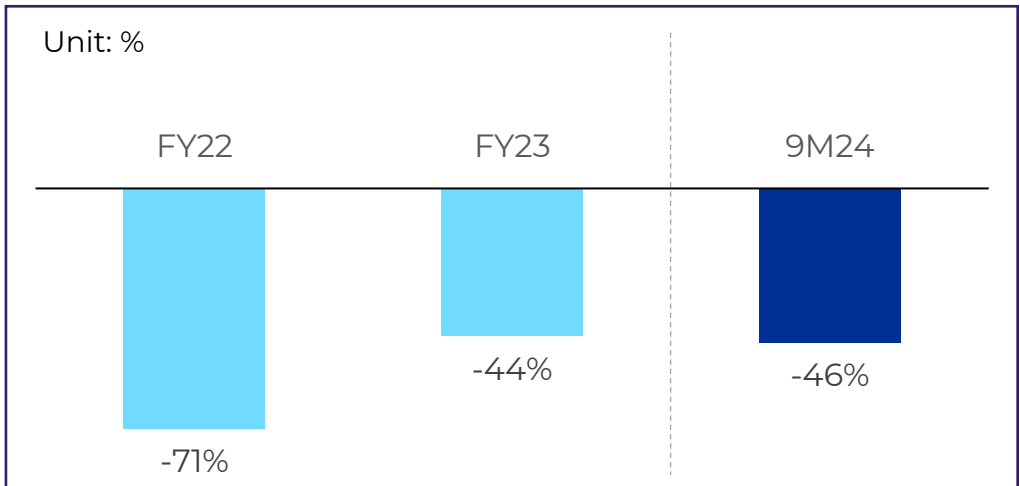
DEBT TO EQUITY

Unit: (x)



NET GEARING

Unit: %



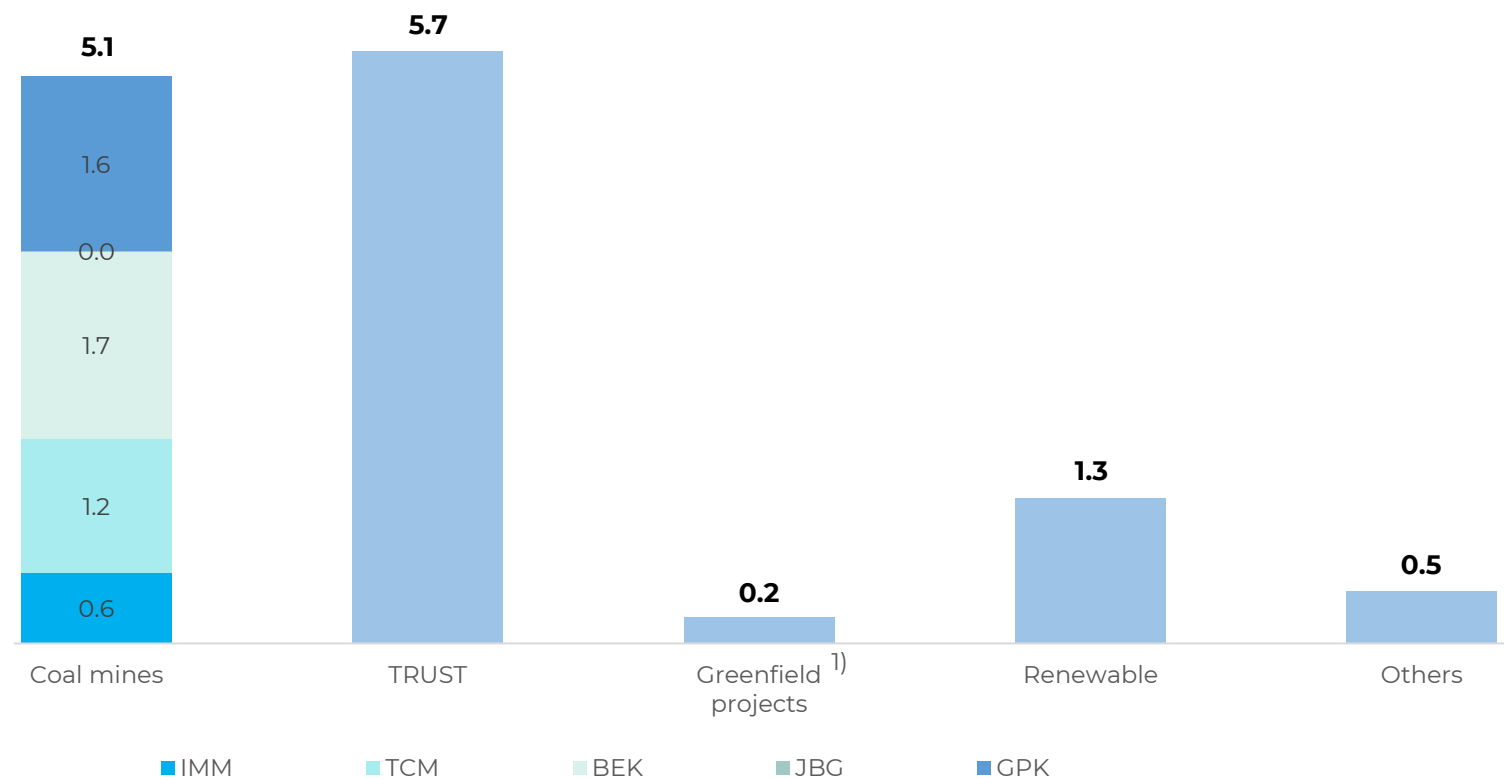
Capital expenditure



3Q24 CAPITAL EXPENDITURE DETAILS

Unit: \$ Mn

Total 3Q24: \$12.9 Mn

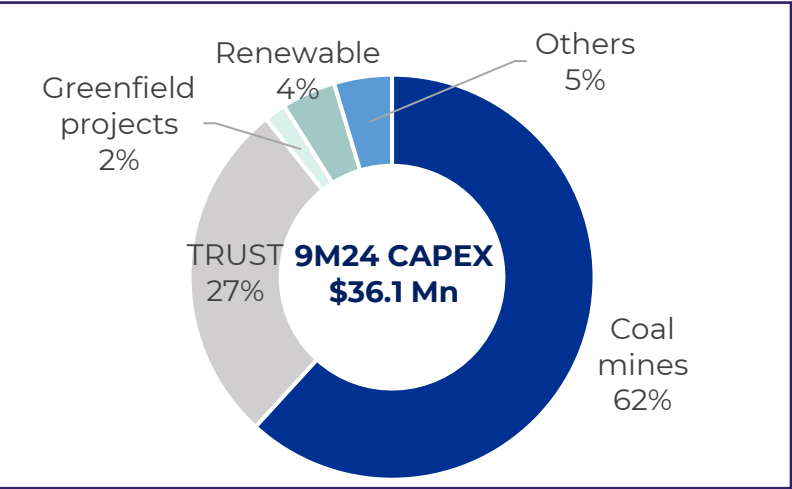


Notes:

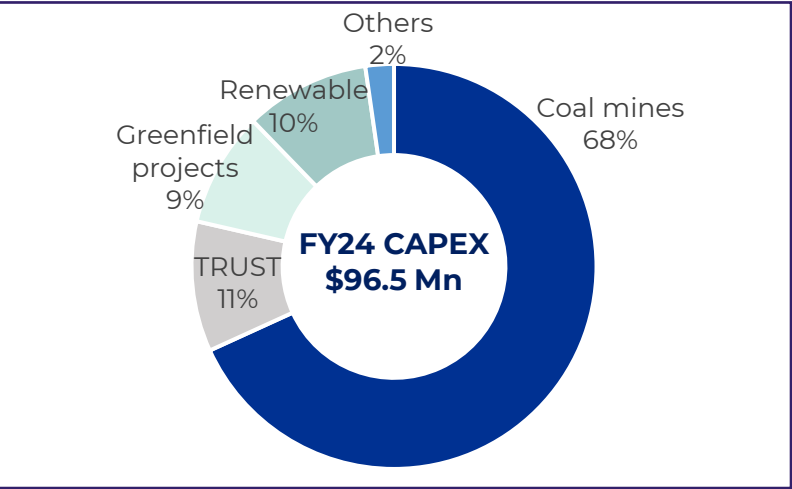
1) Greenfield projects consist of NPR and TIS

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

9M24 % CAPEX REALIZATION



FY24 % CAPEX BUDGET²⁾



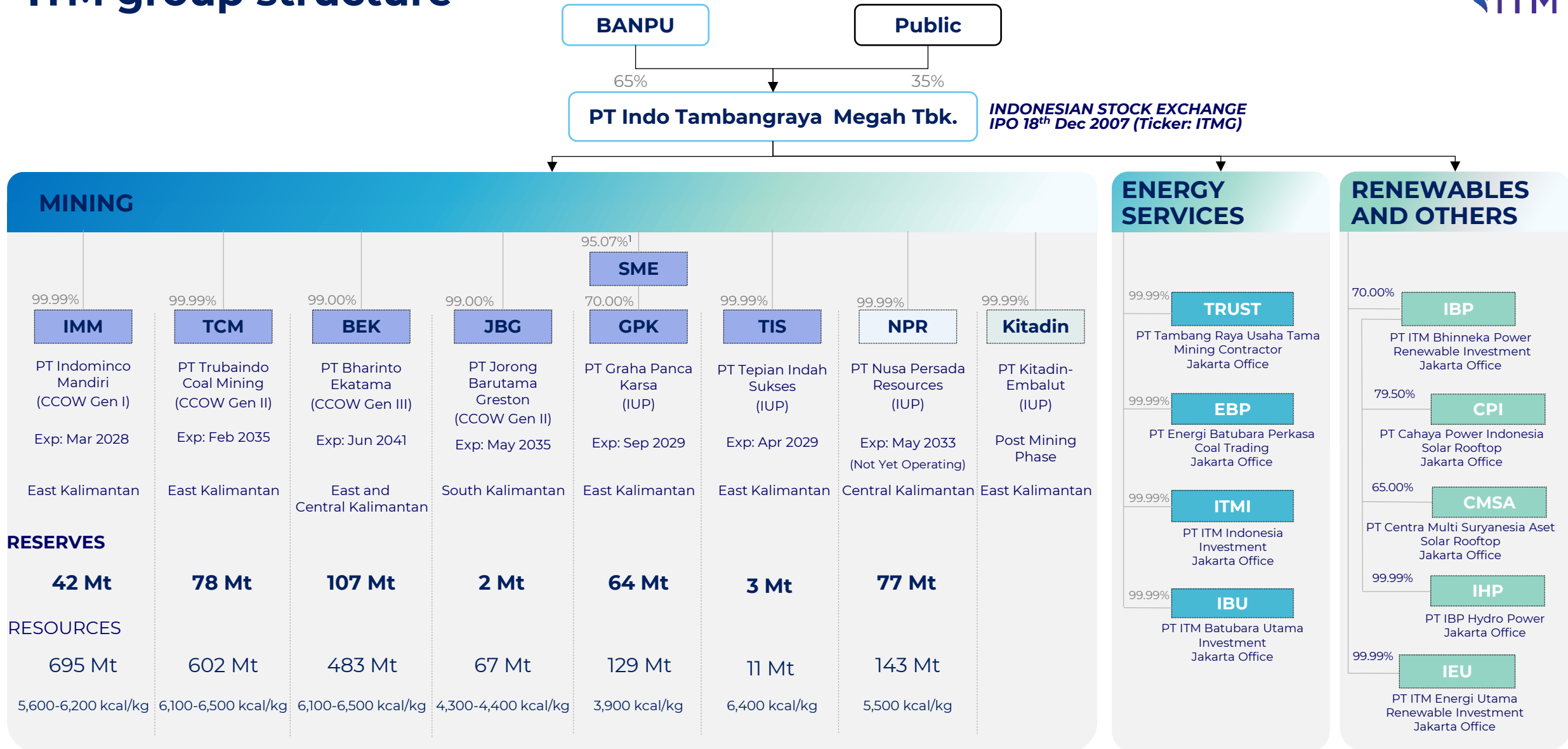
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Q&A Session

QoQ and YoY financial performance comparison

Unit: US\$ thousand	3Q24	2Q24	QoQ (%)	3Q23	YoY(%)	9M24	9M23	YoY(%)
Net Revenues	607,647	560,292	8%	527,473	15%	1,657,176	1,826,662	(9%)
Gross Profit	204,267	155,874	31%	151,948	34%	479,502	610,194	(21%)
Gross Profit Margin	34%	28%		29%		29%	33%	
Selling Expenses	(47,277)	(44,651)	6%	(27,154)	74%	(130,359)	(90,866)	43%
General And Administration Expenses	(7,745)	(6,955)	11%	(9,584)	(19%)	(22,349)	(30,053)	(26%)
Operating Income	149,245	104,268	43%	115,210	30%	326,794	489,275	(33%)
Operating Income Margin	25%	19%		22%		20%	27%	
EBITDA	161,258	113,601	42%	132,108	22%	359,712	539,927	(33%)
EBITDA Margin	27%	20%		25%		22%	30%	
Finance Costs	(1,065)	(745)	43%	(386)	176%	(2,741)	(2,210)	24%
Finance Income	10,151	10,054	1%	8,584	18%	30,446	25,295	20%
Others, Net	32,034	(23,616)	(236%)	1,929	1561%	4,821	9,203	(48%)
Profit Before Income Tax	190,365	89,961	112%	125,337	52%	359,320	521,563	(31%)
Income Tax	(46,269)	(22,654)	104%	(26,578)	74%	(86,560)	(116,096)	(25%)
Net Profit	144,096	67,307	114%	98,759	46%	272,760	405,467	(33%)
Net Profit Margin	24%	12%		19%		16%	22%	

ITM group structure



Note: Reserves and Resources is as of 31st Dec 2023. The number disclosed above, with exception of NPR and TIS number, is based on the updated coal resources and reserves as of 31 Dec 2023 prepared by competent persons (considered suitably experienced under the JORC Code).

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