



PT TOBA BARA SEJAHTRA Tbk.

June 2019



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1 | TOBA Overview



PT Toba Bara Sejahtera Tbk (“TOBA”, “Toba Bara” or “Company”)

Toba Bara is one of Indonesia’s major energy companies. The Company has primary businesses in thermal coal mining and power generation

COAL MINING



PT Adimitra Baratama Nusantara (“ABN”)



PT Trisensa Mineral Utama (“TMU”)

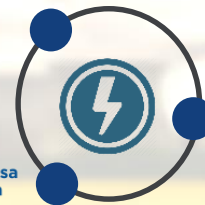


PT Indomining (“IM”)

POWER GENERATION



PT Gorontalo Listrik Perdana (“GLP”)



PT Paiton Energy



PT Minahasa Cahaya Lestari (“MCL”)

PLANTATION^[1]



PT PERKEBUNAN KALTIM UTAMA I

PT Perkebunan Kaltim Utama I (“PKU”)



Total Concession : 7,087 Ha
Reserves (JORC 2018) : 63.9 mmtons
Total Production Rate : 5 - 8 mmtpa
Coal Products (GAR) : 4,800 - 5,900 kcal/kg

- Coal Fired Power Plants under development by GLP and MCL, each capacity of 2x60MW^(gross), secured by 25-years PPAs^[2] with PLN
- Through PT Batu Hitam Perkasa (“BHP”), holds 5% shares in 2nd largest IPP^[3] in Indonesia, PT Paiton Energy (2,045 MW)
- One of few companies that has obtained 2 PPAs in 2 consecutive years (GLP and MCL)

8,633ha (2,738 Ha planted)
HGU^[4] area

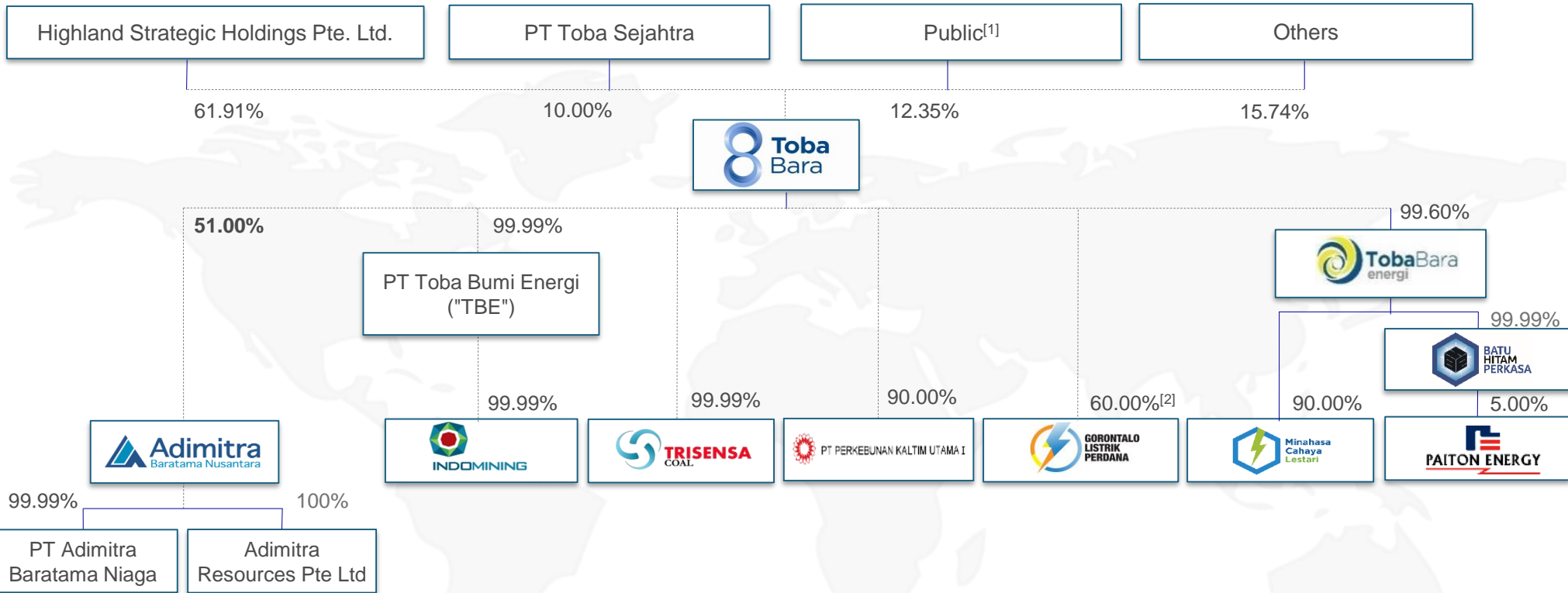
[1] TOBA owns PKU, which overlaps with ABN and TMU concessions

[2] PPA: Power Purchase Agreement

[3] IPP: Independent Power Producer

[4] HGU: Hak Guna Usaha (Right to Cultivate)

Ownership Structure



[1] Including Baring Private Equity as anchor investor

[2] Economic benefit of 80%, ownership subject to PLN (National Power Company) approval

Geographical Location

PT Adimitra Baratama Nusantara ("ABN")



PT Indomining ("IM")



PT Trisensa Mineral Utama ("TMU")



PT Perkebunan Kaltim Utama I ("PKU")



Kutai Kartanegara, East Kalimantan



PT Gorontalo Listrik Perdana ("GLP")
Sulbagut-1 Project (Under Construction)
North Gorontalo, Gorontalo Province



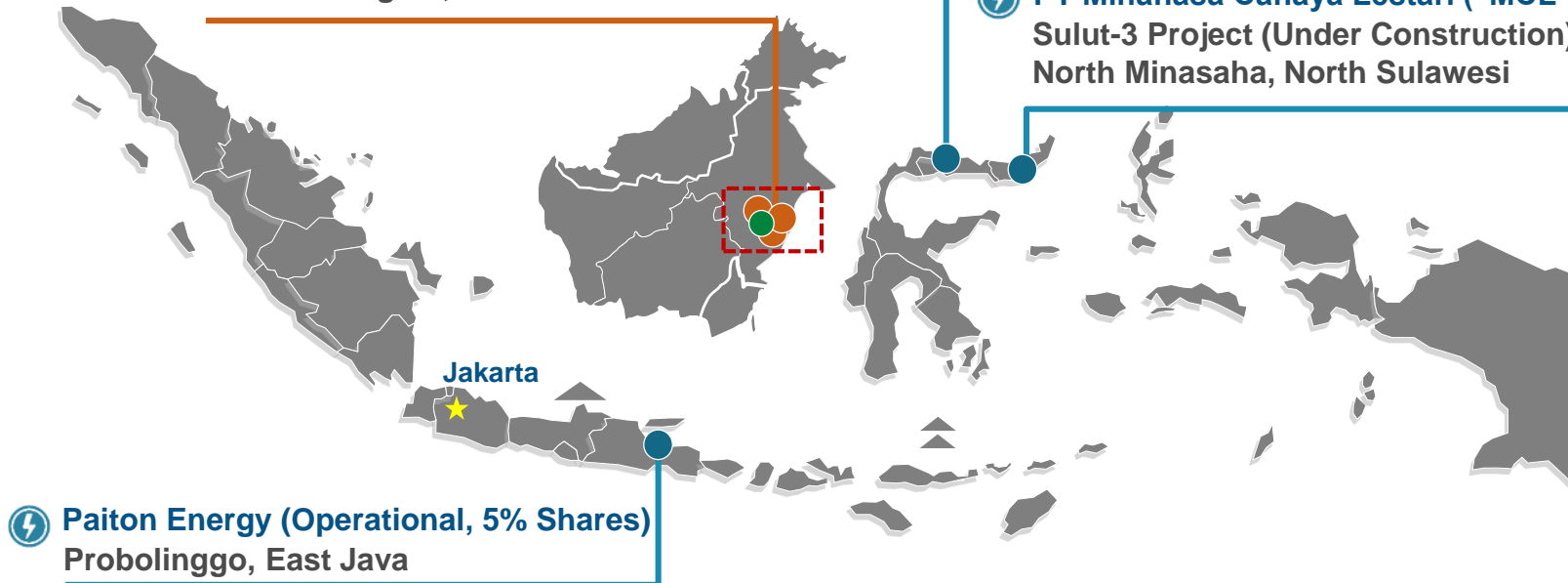
PT Minahasa Cahaya Lestari ("MCL")
Sulut-3 Project (Under Construction)
North Minahasa, North Sulawesi

Legend:

 Coal Mining Business

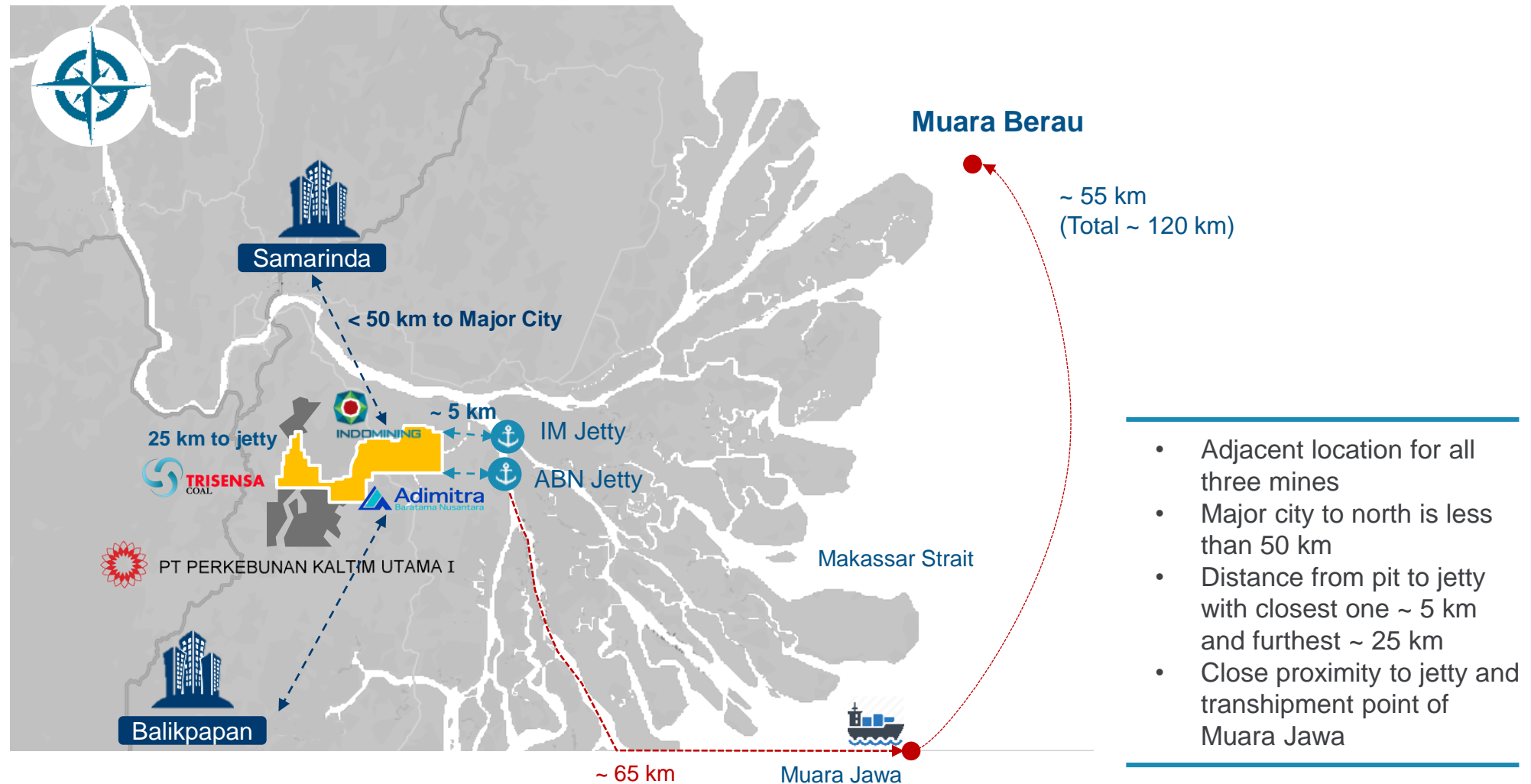
 Power Business

 Plantation Business



Strategic Mine Location and Integrated Infrastructure

TOBA has a strategic mine location and integrated infrastructure (*coal processing plant (CPP)*, *hauling road*, *overland conveyor*, and *jetty*), which provide a competitive advantage for the company's operations



- Adjacent location for all three mines
- Major city to north is less than 50 km
- Distance from pit to jetty with closest one ~ 5 km and furthest ~ 25 km
- Close proximity to jetty and transshipment point of Muara Jawa

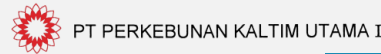
Transformation into Integrated Energy Company

Toba Bara (“TOBA”) is one of the country’s leading coal producers and progressively expanding its power generation business with targeted generation net capacity of ~300MW by 2021

Coal Mining and Plantation



Coal Mining and Plantation



**Integrated
Energy
Company**

Power Generation



Supporting Services of Coal Mining and Power Plant

- Coal Trading
- Coal Logistics
- O&M Business

Sustainable Development Goals as part of Business Principle

TOBA adopts UN's Sustainable Development Goals (SDGs) as framework to support TOBA's sustainable growth



1 No Poverty

8 Decent Work & Eco. Growth

- Entrepreneurial training for local farmers
- Cattle and goat breeding programs
- Local agrobusiness training

3 Good Health & Well Being

- Free Admission for Medical Examination and Treatment
- Health Center Revitalization

15 Life on Land

- Arboretum (40 Ha of virgin forest)
- Waste management programs

5 Gender Equality

10 Reduced Inequalities

Local Business Development and Empowering local women for small enterprises

7 Affordable and Clean Energy

9 Infrastructure

TOBA as Integrated Energy Company

4 Quality Education

- Teaching Assistant Program
- Honorarium for Elementary and Junior School Teachers
- Children Development Program (PAUD)
- School Bus Facilities & Scholarship Aid Program

Sustainable Development Goals as part of Business Principle

TOBA adopts UN's Sustainable Development Goals (SDGs) as framework to support TOBA's sustainable growth

Education



Health



Social & Economy











Environment



ESG Credentials

TOBA's credentials on Environmental, Social, and Governance aspects

Pillars	Themes	TOBA's Credentials		
Environment	<ul style="list-style-type: none"> • Climate Change • Natural Resources • Pollution & Waste • Environmental Opportunities 	<p>Green Proper Award</p>  <p>ABN TMU IM</p>	<p>ISO 14001:2015 (Environmental Management System)</p>  <p>ABN TMU IM</p>	
Social	<ul style="list-style-type: none"> • Human Capital • Product Liability • Stakeholder Opposition • Social Opportunities 	<p>BS OHSAS 18001:2007 (Health and Safety)</p>  <p>ABN TMU IM</p>	<p>Zero Accident Award</p> 	<p>Quality Management System</p>  <p>ABN TMU IM</p>
Governance	<ul style="list-style-type: none"> • Corporate Governance • Corporate Behavior 	<ul style="list-style-type: none"> • Top 30 Indonesian High-Performing Listed Company (FORBES)  • 100 Fastest Growing Companies Awards 2019 (INFOBANK)  • Award of The Participation and Contribution in Collecting State Revenues (for TMU, in East and North Kalimantan Regional)  		

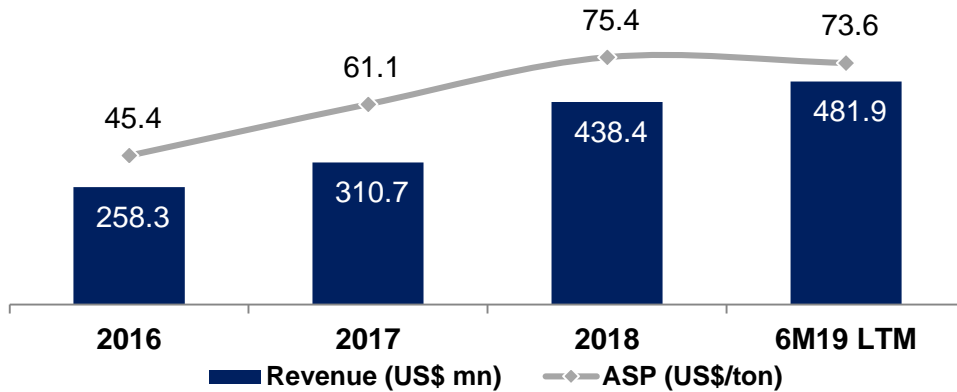


2 | Financial Performance

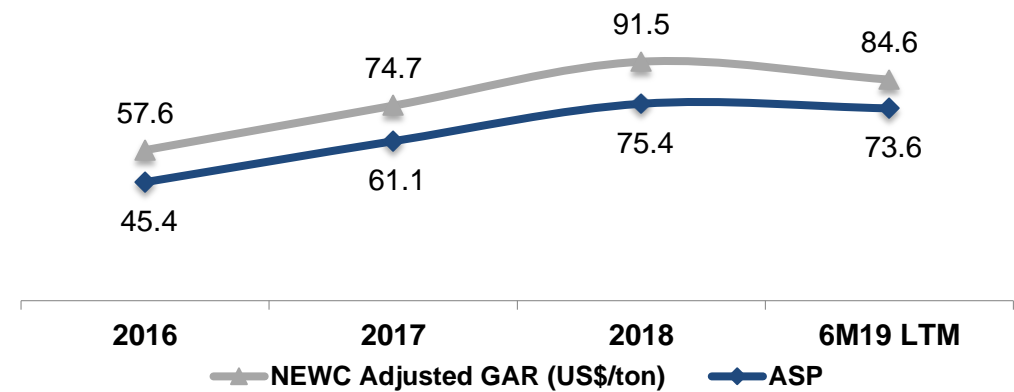
Financial Highlights

6M19 LTM saw decrease in Average Selling Price (“ASP”), which directly correlated with lower NEWC coal index resulting in lower gross profit and EBITDA margins

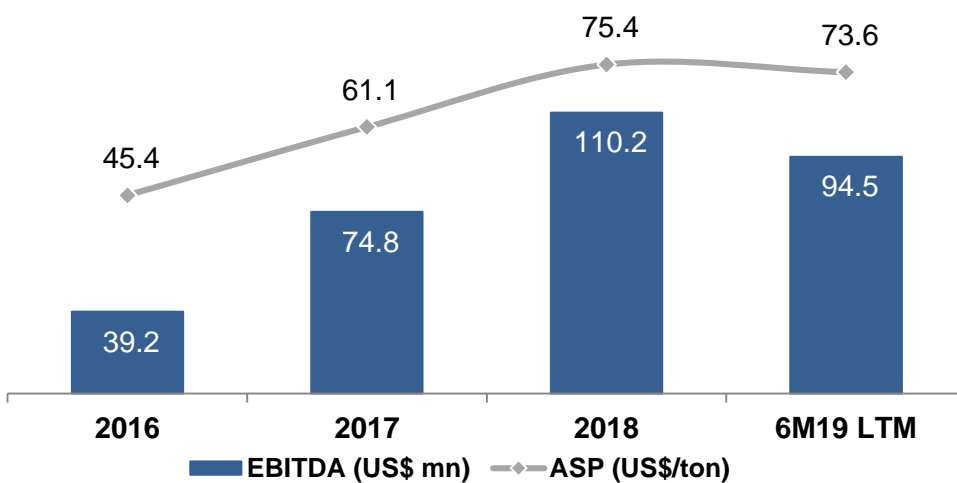
Revenue and ASP



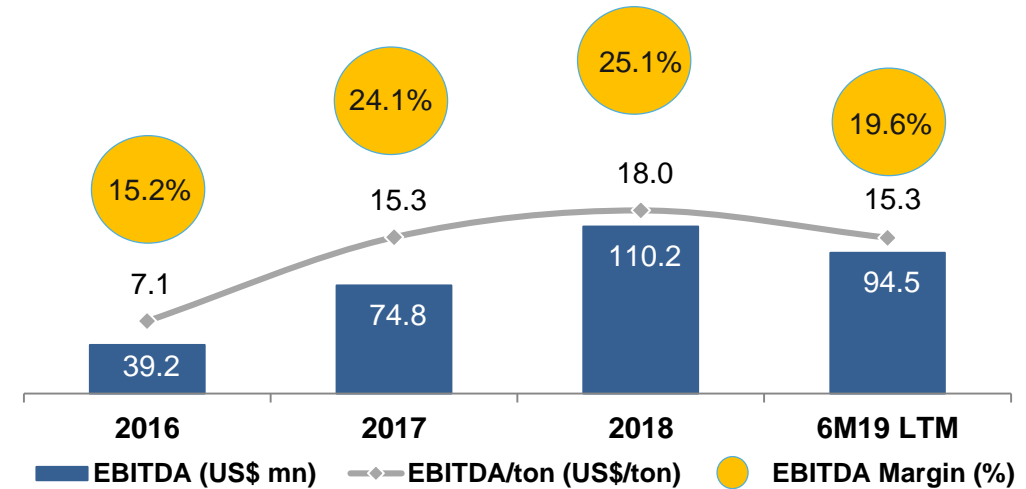
NEWC Adjusted GAR and ASP



EBITDA and ASP



EBITDA, EBITDA/ton^[1], EBITDA Margin



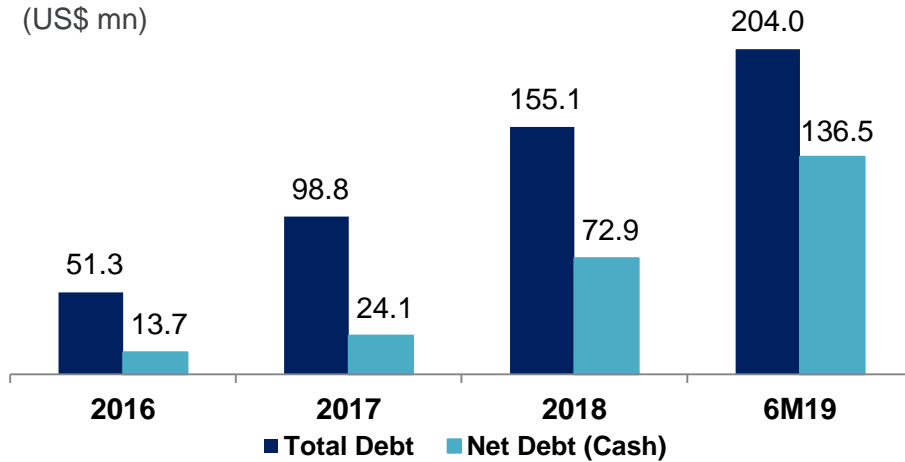
[1] EBITDA/ton for mining business only

Credit Profile

TOBA maintains balanced capital structure positioned to finance power plant projects

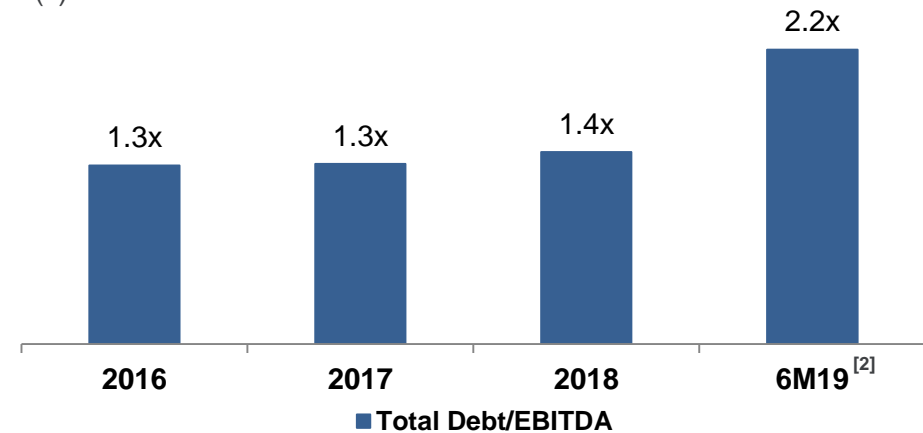
Total Debt and Net Debt ^[1]

(US\$ mn)



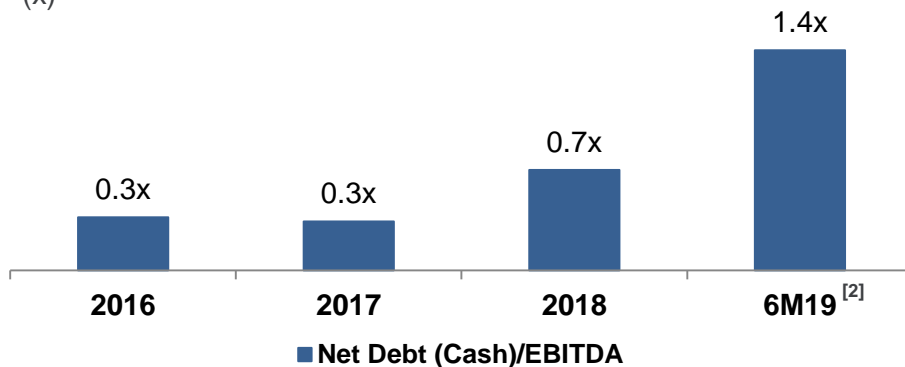
Total Debt / EBITDA

(x)



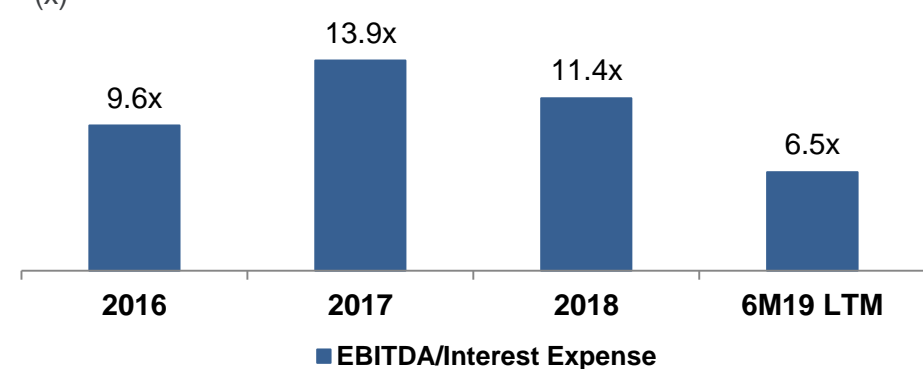
Net Debt ^[1] / EBITDA

(x)



EBITDA / Interest Expense

(x)



^[1] Including cash and cash equivalent

^[2] EBITDA 6M19 LTM

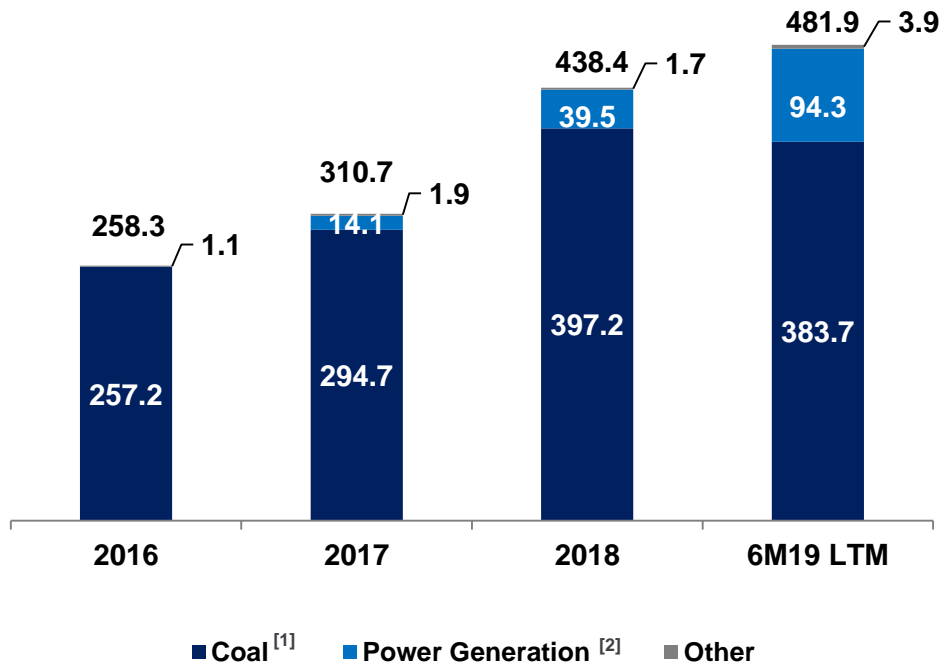
6M19 Performance Summary

Operational metrics ^[1]		6M18	6M19	Δ%
NEWC Index	US\$/ton	103.7	87.9	(15.2%)
Average Selling Price (ASP)	US\$/ton	73.2	68.7	(6.1%)
Production Volume	mn ton	2.5	2.0	(20.0%)
Sales Volume	mn ton	2.4	2.0	(16.7%)
Stripping Ratio	x	13.0	13.8	6.2%
FOB Cash Cost	US\$/ton	45.3	50.5	11.5%
Financial metrics		6M18	6M19	Δ%
Revenue	US\$ mn	187.3	230.7	23.2%
EBITDA	US\$ mn	53.8	38.1	(29.2%)
Profit for the Period	US\$ mn	31.2	23.2	(25.6%)
EBITDA/Ton ^[1]	US\$ mn	22.3	14.1	(36.8%)
Financial Ratios		6M18	6M19	
Gross Profit Margin		33.1%	20.0%	
EBITDA Margin		28.7%	16.5%	

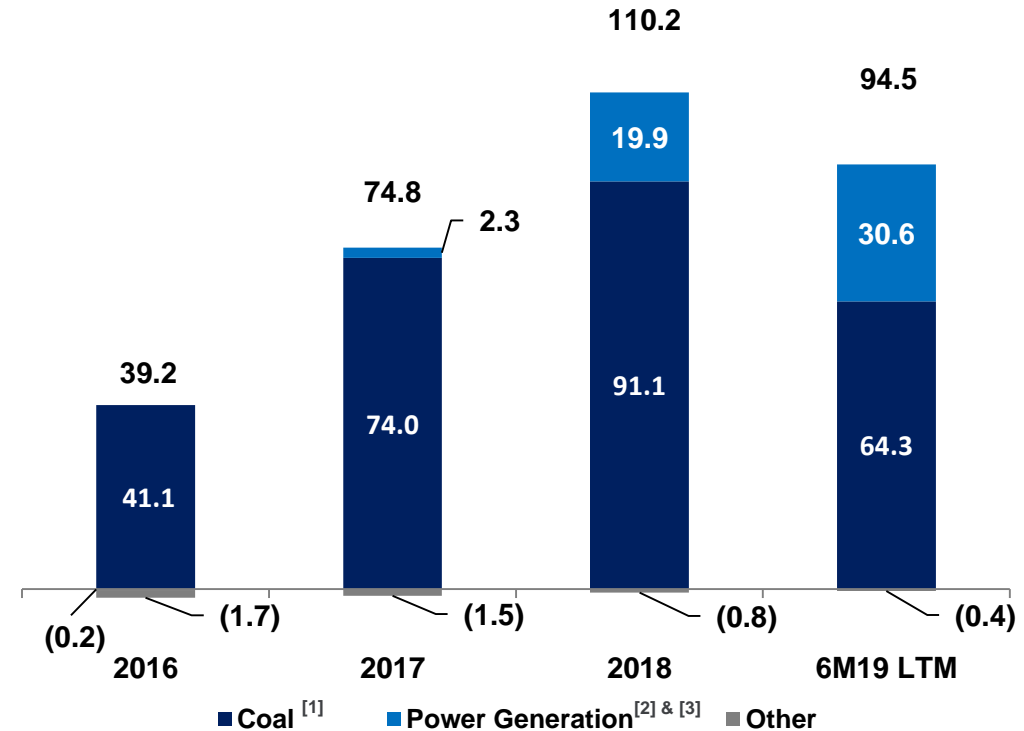
[1] For mining business only

Segment Information

Revenue



EBITDA



[1] Coal Segment including mining and trading

[2] Power Generation figures mainly come from the financials of GLP and MCL, which are under construction. Revenues are recognized from construction services conducted under service concession agreement with PLN using percentage of completion method. These construction services revenues are expected to be paid through receivable settlement by PLN after commercial operation date. Any construction costs are recognized as incurred on the accrual basis.

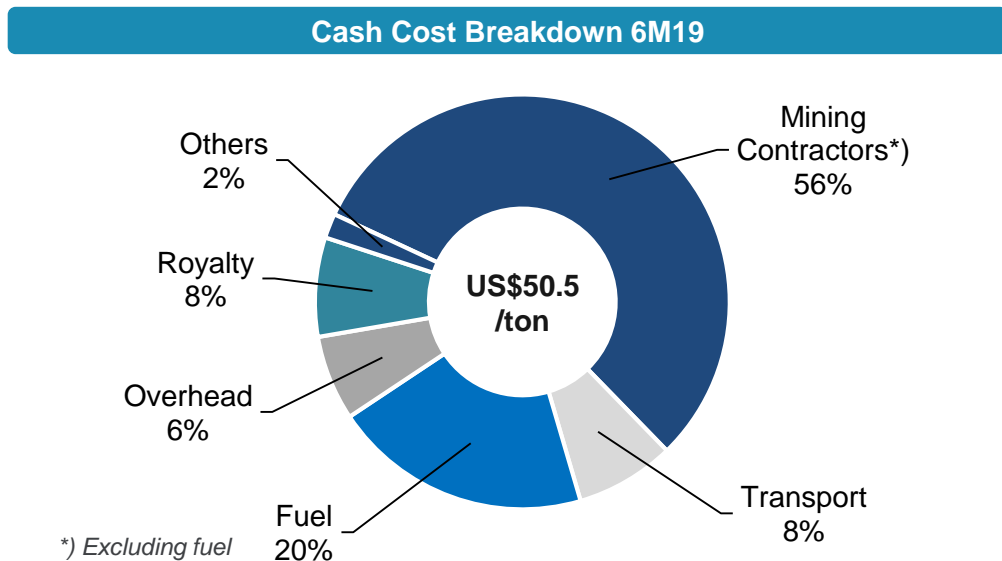
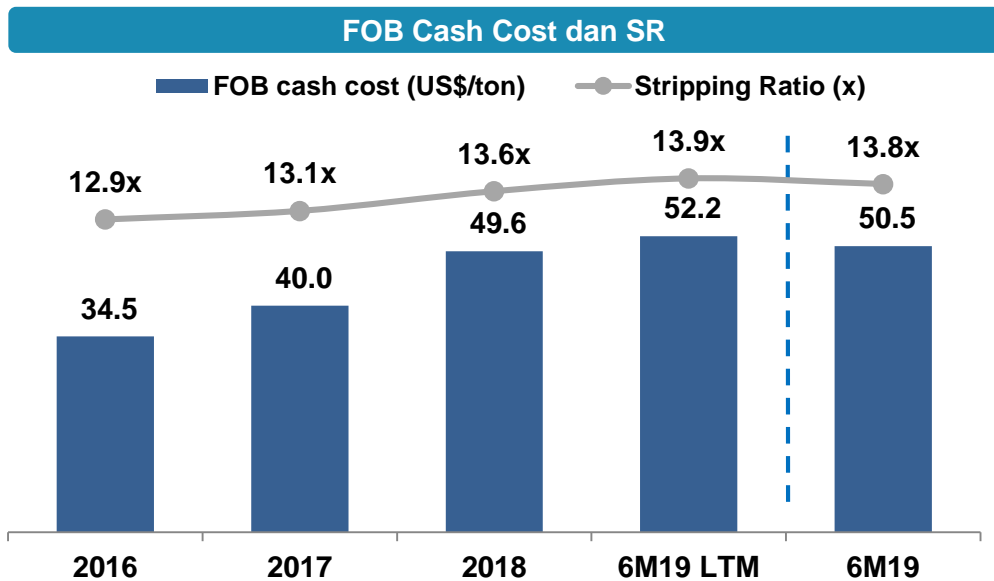
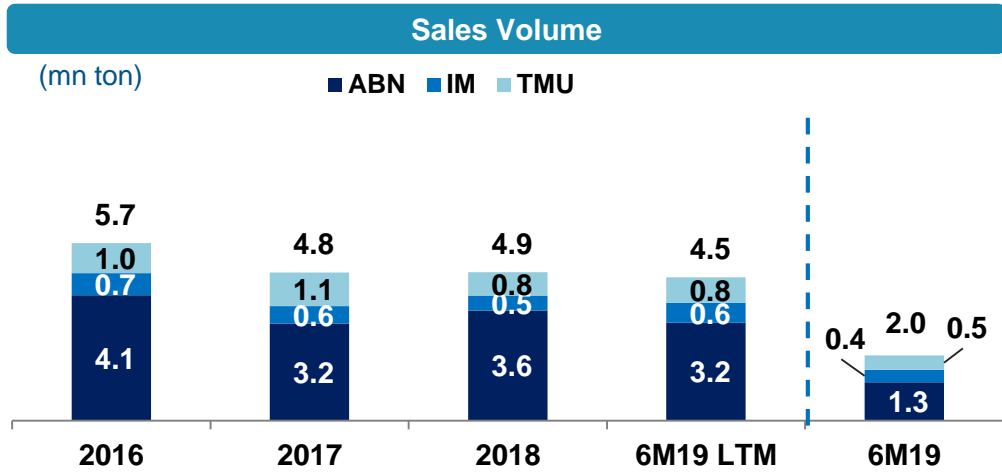
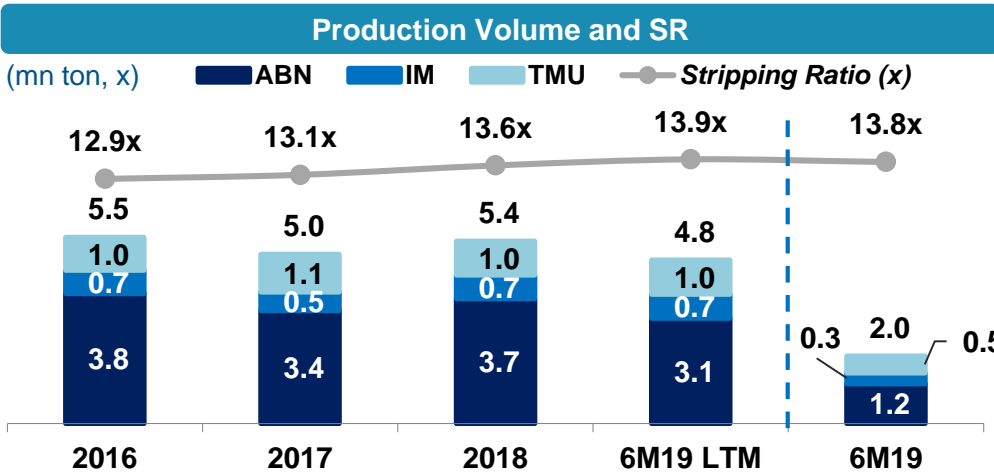
[3] EBITDA Power Generation Segment 2018 and 6M19 LTM including dividend income from PT Patiton Energy

3 | Operational Performance



Production Performance and FOB Cash Cost

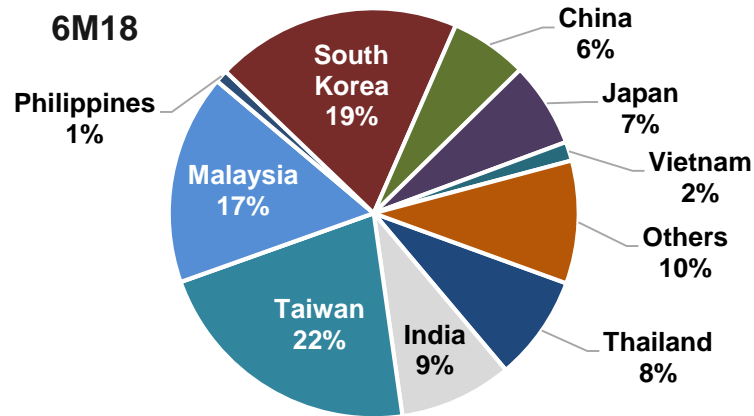
6M19 saw higher mining FOB cash cost and slight increase in stripping ratio



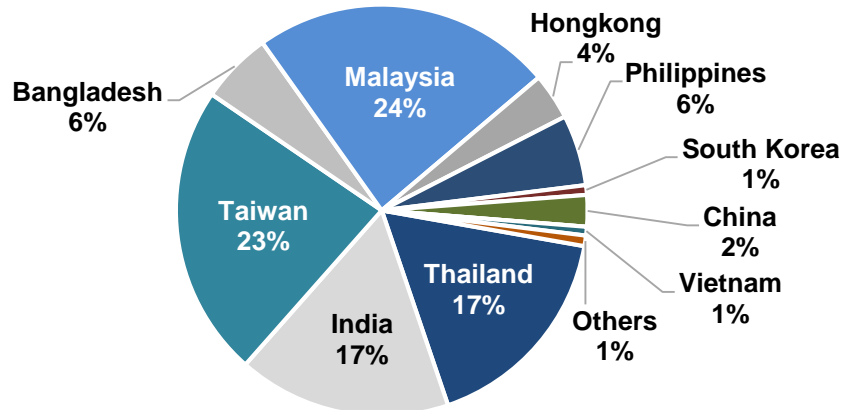
Coal Sales Overview

TOBA adopts forward looking view of market conditions to adapt our marketing strategies to extracting most value for our coal

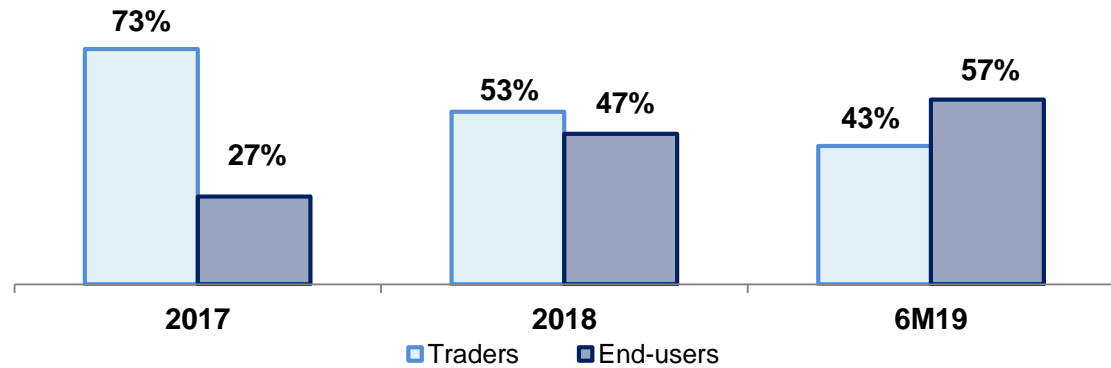
Destination



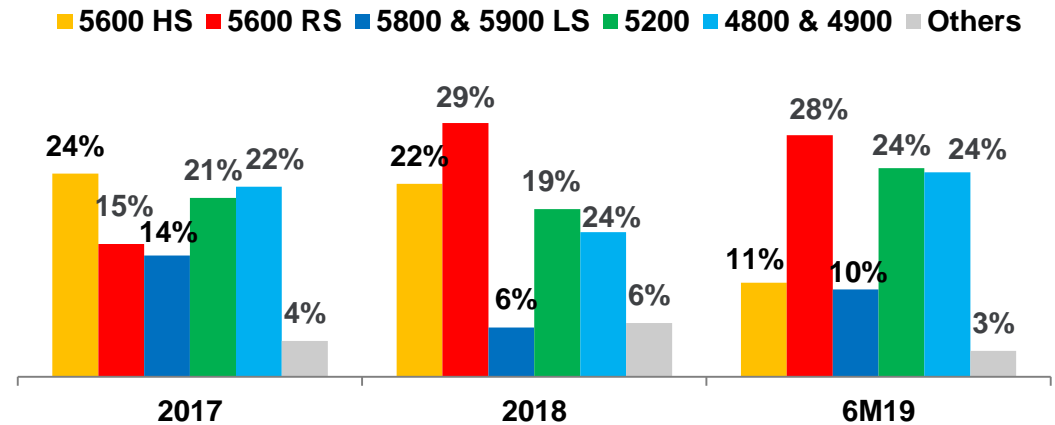
6M19



Trader vs End-User Composition



Product Composition



Operational Activities

ABN



PLN Transmission Construction to Substitute Costly Diesel Engine Power Source

ABN (including IM and TMU) is constructing transmission line to PLN as part of electricity cost efficiency program

- A. Access Preparation
- B. Construction Material



Meeting with Government Authorities

C. Meeting related to Feasibility Study ("FS") revision, AMDAL, Reclamation plan in relation to Northwest Pit's legality. As the result, ABN obtained approval of FS, environment permit, and environmental feasibility.

- D. Meeting related to revision of RKAB (Work Plan & Budget)



Reclamation of ex-land sliding in western area

- E. Top Soil Spreading
- F. Revegetation (Hydroseding)

IM



In-pit dump and counter weight construction in Pit Block 6-7

The activity is required to maintain mining stabilization and to reduce overburden transport distance



Overburden removal and coal getting activity



Geotechnical Analysis Report on the Pit Slope and Soil Disposal Dump

TMU



Main road and Land Clearing for new Pit (B2D Pit)



First cut in B2D Pit

An aerial photograph of a large industrial power plant complex, featuring several large buildings, a tall smokestack, and a network of power lines. The image is partially covered by a semi-transparent blue overlay on the left side. The text '4 | Power Business' is overlaid on this blue area.

4 | Power Business

PT Batu Hitam Perkasa

On 12th December, 2018, TOBA completed the acquisition of 100% direct and indirect shares of PT Batu Hitam Perkasa (“BHP”), which owned 5% stake in PT Paiton Energy (“Paiton”)

Established in February 1994, PT Paiton Energy was the first IPP and also the largest private IPP in Indonesia

With capacity of 2,045 MW (net), Paiton operates under two PPAs, Unit P7/8 and Unit P3. Both are located in Probolinggo Regency, East Java. Paiton’s P3 Unit is the first Super-critical Coal Fired Power Plant in Indonesia











Unit P7/8

Unit P3

Net Capacity	2 X 615 MW	815 MW
COD	May and July 1999	March 2012
PPA Period	Until 2042	Until 2042
Technology	Subcritical	Supercritical

As a contributor to 10% of Java-Bali power supply, Paiton is furnished with reliable and reputable equipment

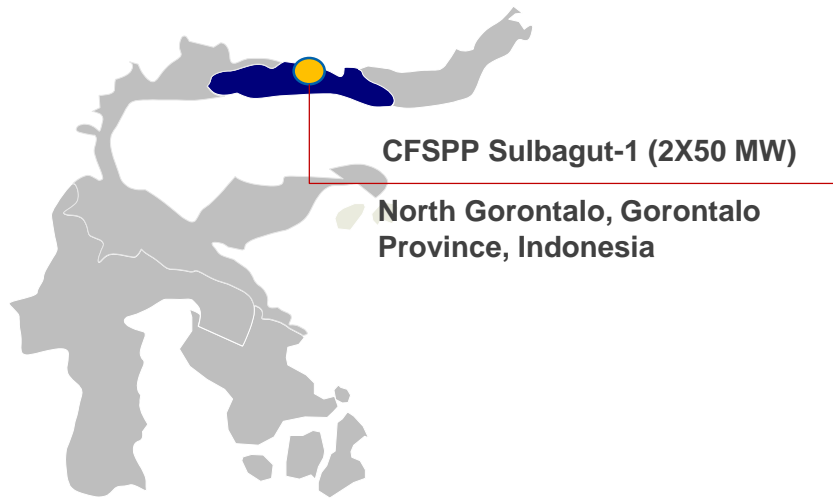
	P7/8	P3
Boiler		
Steam Turbine		
Generator		
Main Transformer		



Other Paiton’s Sponsors



PT Gorontalo Listrik Perdana: Sulbagut-1 Project



Project Overview

- Partnership Composition: TOBA (60%), PT Toba Sejahtra (20%)^[1], Shanghai Electric Power Construction (SEPC) (20%)
- PPA signed in July 2016 and Financial Close achieved in July 2017
 - Contract Period: **25 years**
 - Project Cost: **US\$ 224 million**
 - EPC Contractor: **Shanghai Electric Power Corporation**
- Target Commercial Operation Date (COD) in 3Q 2020

Progress Updates (as of 30 June 2019)

Subject	Status	Remark
Land Acquisition	Completed	Land acquisition completed
Engineering	In-Progress	Detailed engineering ongoing targeted completion in October 2019
Boiler, Turbine, Generator ("BTG")	In-Progress	<ul style="list-style-type: none"> BTG manufacturing by Dong Fang Boiler Group Co., Ltd.; Main plant design unit by Southwest Electric Power Design Institute Co., Ltd.
Procurement	In-Progress	Procurement 4 out of 10 project shipments arrived on site
Construction	In-Progress	<ul style="list-style-type: none"> Boiler structure installation in progress Chimney foundation completed Foundation of steel FGD support #1 completed WTP plant foundation in progress

[1] Economic benefit was assigned to TOBA subject to PLN approval

Sulbagut-1 Activities

Site Condition (as of 30 June 2019)



Site Condition (Main Plant)



Boiler Steel Structure



Settling Basin

Project Activities



Concrete Works in transmission



Steel reinforcement in foundation



Ash Yard Construction Works



Asphalt Works (Access Road)

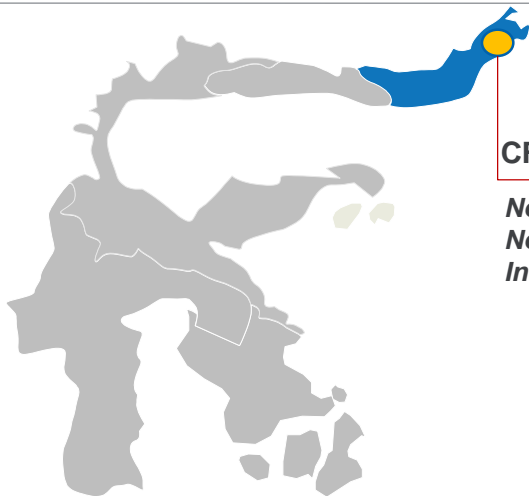


Safety Month Commencement



Safety Campaign Ceremony

PT Minahasa Cahaya Lestari: Sulut-3 Project



CFSP Sulut-3 (2X50 MW)

*North Minahasa,
North Sulawesi Province,
Indonesia*

Project Overview

- Partnership composition: PT Toba Bara Sejahtera Tbk (90%), Sinohydro Corporation Limited (10%)
- PPA signed on 7th April 2017, and effective on 10th January 2018
 - Contract Period: **25 years**
 - Project Cost: **US\$ 209 million**
 - EPC Contractor: **Sinohydro Corporation Limited**
- Target COD in 2Q 2021

Progress Updates (30 June 2019)

Subject	Status	Remark
Land Acquisition	Completed	Land acquisition completed
Engineering	In-Progress	Started detailed engineering design, estimated completion in January 2020
BTG	In-Progress	BTG equipment by Harbin Electric Co. Ltd
Procurement	In-Progress	Procurement 2 nd shipment (out of 14) including steel structure arrived and partially used on site
Construction	In-Progress	<ul style="list-style-type: none"> • Boiler foundation and main powerhouse foundation completed • Steel structure erection for boiler and main power house ongoing

Sulut-3 Activities

Site Condition as of 30 June 2019



Site Condition

Project Activities



Daily Safety Briefing



Chimney Foundation Works



Camps & Temporary Warehouse



Boiler Structure



Rotor Turbine Manufacturing

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#bergerakdengannurani