



PT TOBA BARA SEJAHTRA Tbk.

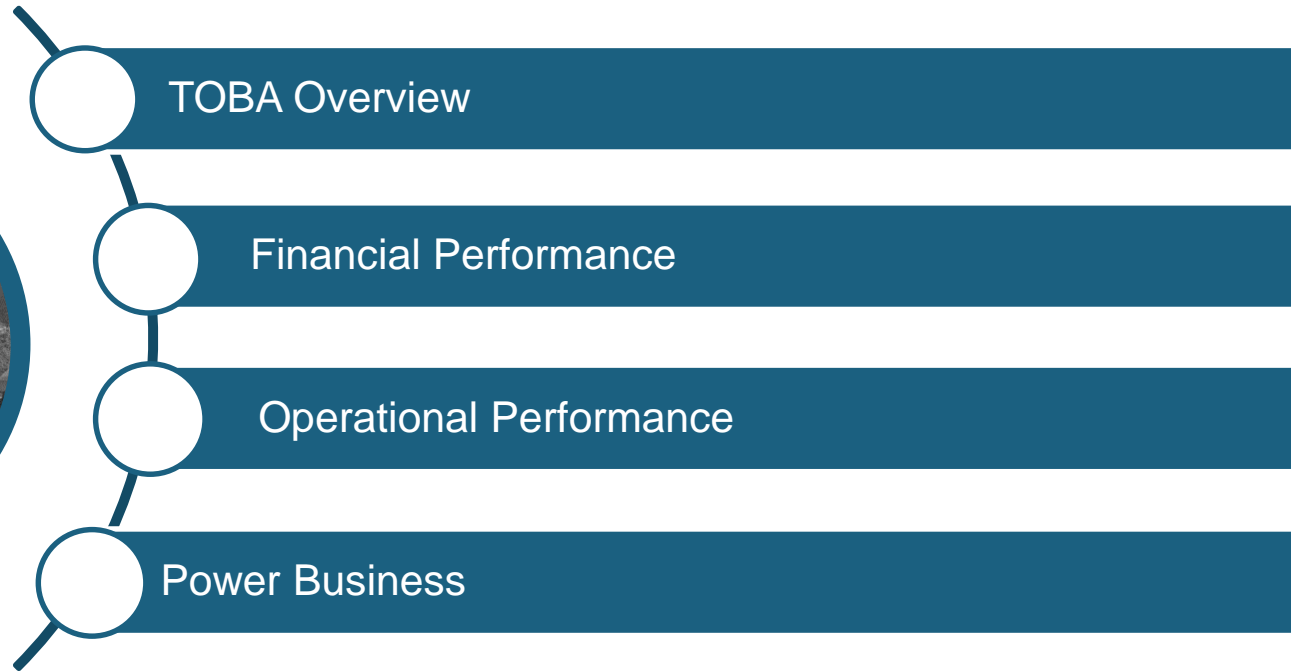
December 2018
Strictly Private & Confidential



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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 businesses primarily in thermal coal mining and power generation

COAL MINING



PT Adimitra Baratama Nusantara (“ABN”)



PT Trisensa Mineral Utama (“TMU”)



INDOMINING

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

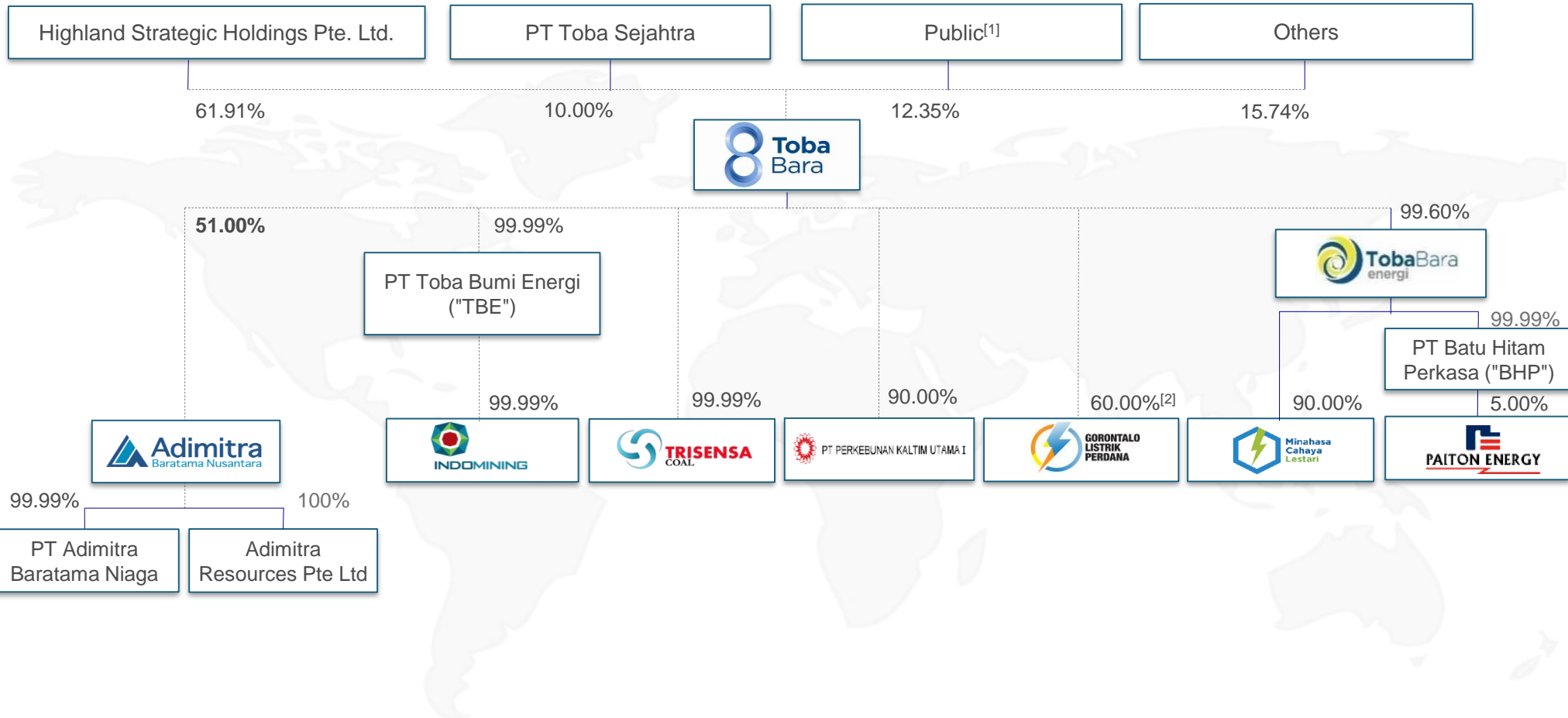
[1] TOBA owns PKU, which overlaps with ABN and TMU concessions

[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

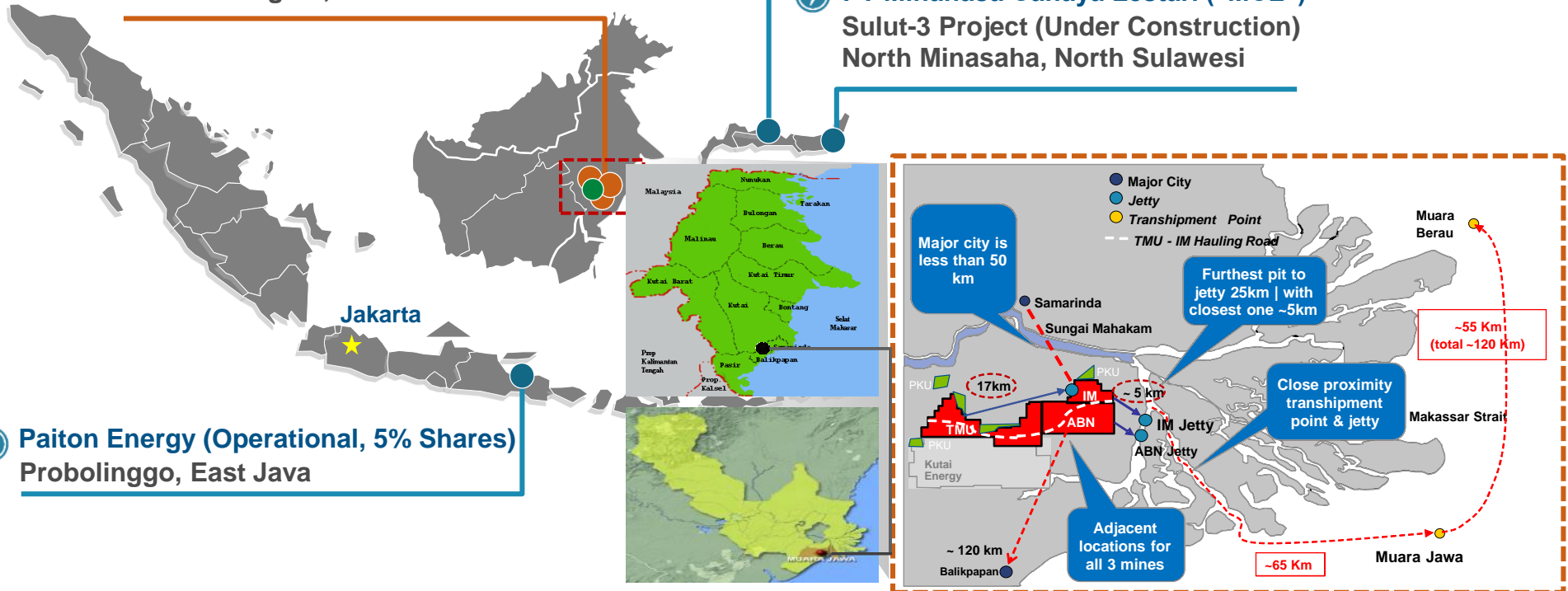
Geographical Location

- 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

 **Paiton Energy (Operational, 5% Shares)**
 Probolinggo, East Java

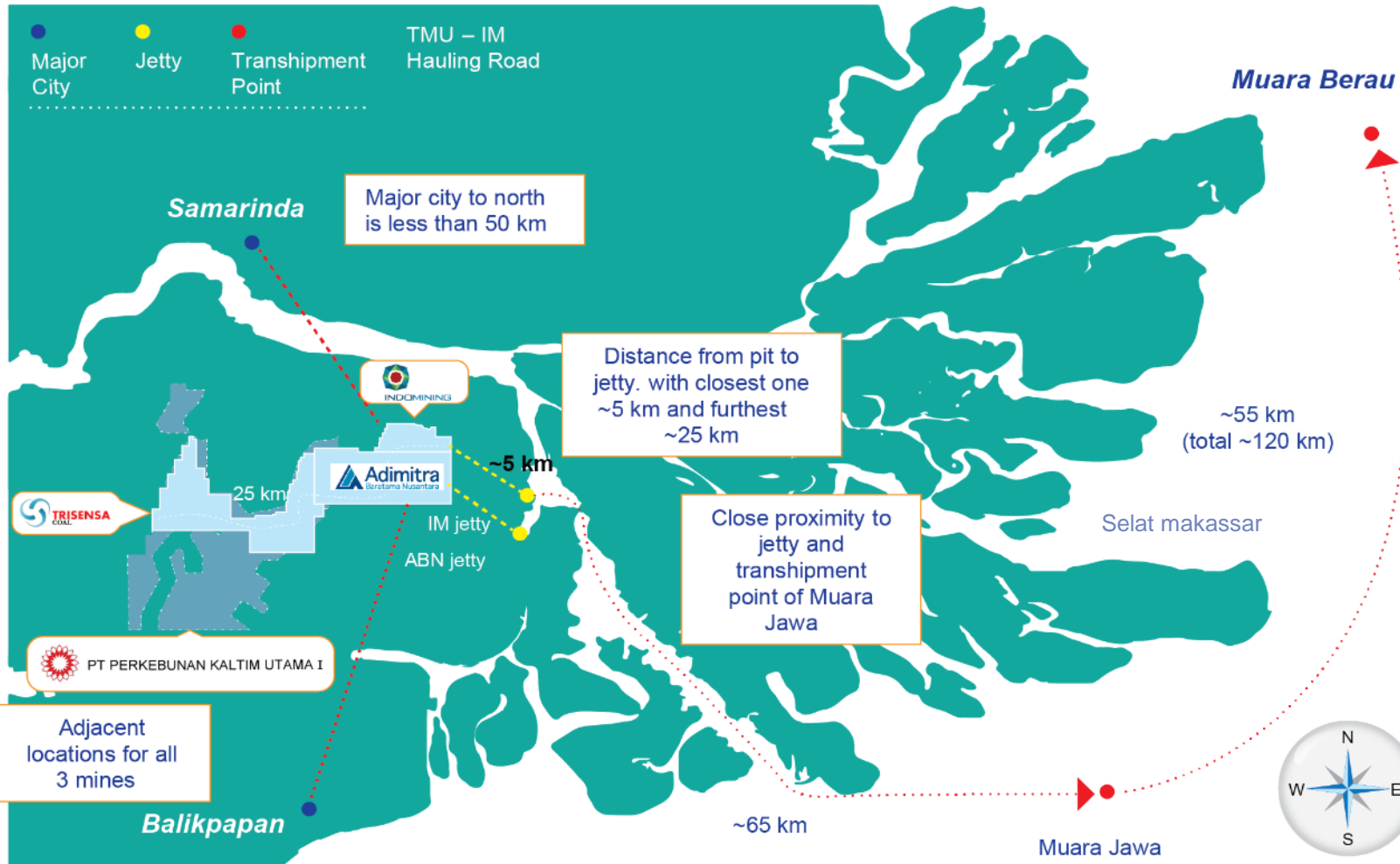


Legend:

-  Coal Mining Business
-  Power Business
-  Plantation Business

Strategic Mine Location and Integrated Infrastructure

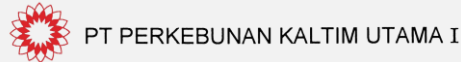
TOBA has a strategic mine location and integrated infrastructure (*Coal Processing Plant (CPP)*, *hauling road*, *Overland Conveyor*, dan *Jetty*), which provide a competitive advantage for the company's operations



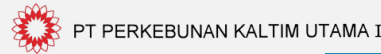
Transformation into an Integrated Energy Company

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

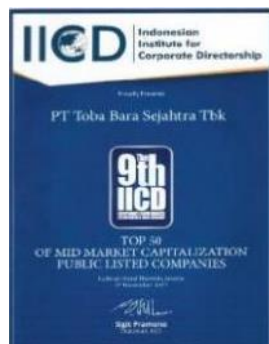


Supporting Services of Coal Mining and Power Plant

- Coal Trading
- Coal Logistics
- O&M Business

Achievement and Certification

Corporate Level



Top 50 of Mid Market Capitalization Public Listed Companies

Indonesia Institute for Corporate Directorship



Top 30 Indonesian High-Performing Listed Company

Company awarded by Forbes Indonesia on the 8th Annual Best of the Best Awards in November 2018



Infobank 100 Fastest Growing Companies Awards 2018

Company awarded by Infobank Indonesia

Operational Level

Environment

Award



GREEN PROPER Award

- ABN (2018)
- TMU (2016-2018)
- IM (2016 – 2018)

GOLD PROPER Award

- ABN (2015-2017)

Certification

ISO 14001:2015

- ABN : certificate from Lloyd's Register Quality Assurance (2017)
- TMU: certificate from DQS (2018)
- IM: certificate from DQS (2017)



Quality Management System

ISO 9001

- ABN: ISO 9001:2008 from DQS (2015)
- IM: ISO 9001:2015 from DQS (2017)
- TMU: ISO 9001:2015 from DQS (2018)



Health and Safety

BS OHSAS 18001:2007

- ABN : certificate from Lloyd's Register Quality Assurance (2017)
- IM : certificate from DQS (2017)
- TMU : certificate from DQS (2018)



Notes: ABN: Adimitra Baratama Nusantara, GLP: Gorontalo Listrik Perdana, IM: Indomining, MCL: Minahasa Cahaya Lestari, TMU: Trisensa Mineral Utama

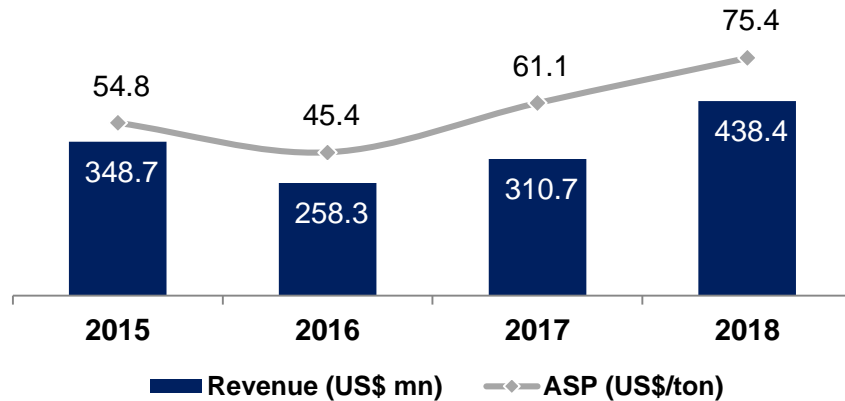


2 | Financial Performance

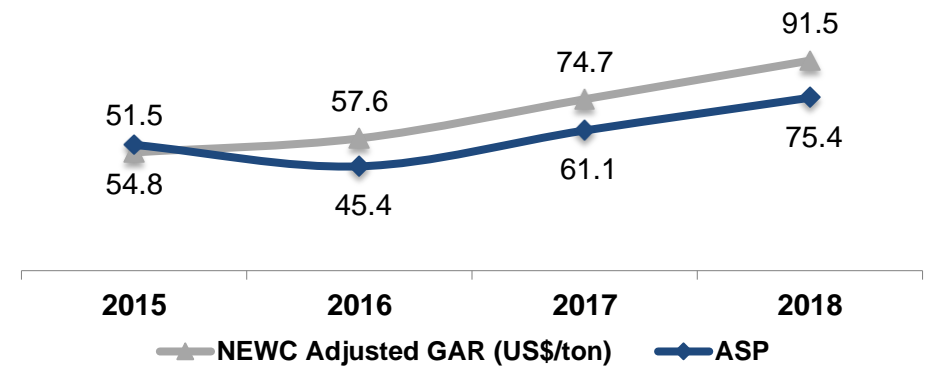
Financial Highlights

2018 saw an increase in Average Selling Price (“ASP”) which directly correlates with the rise of NEWC coal index, resulting in a higher gross profit and EBITDA margins

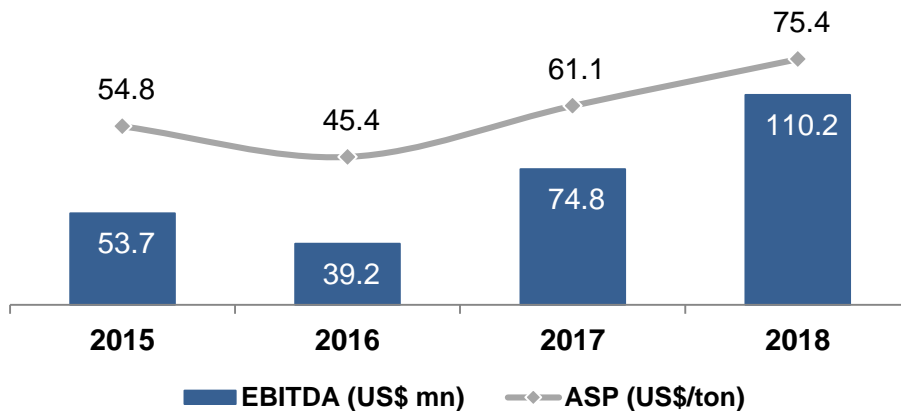
Revenue and ASP



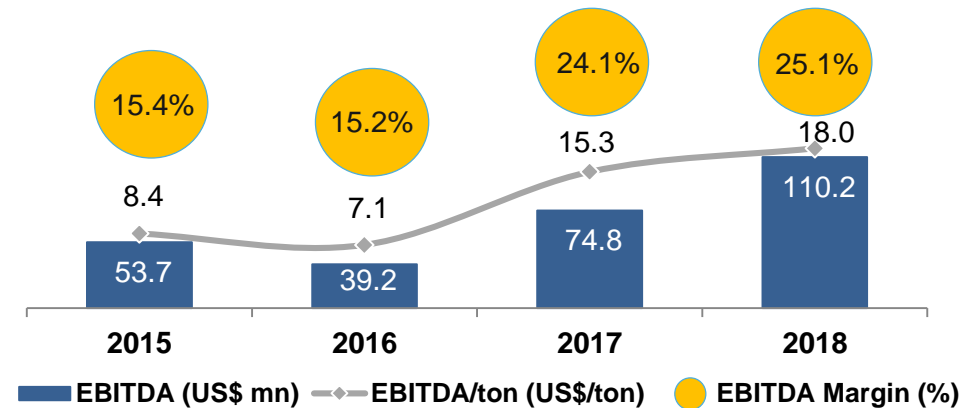
NEWC Adjusted GAR and ASP



EBITDA and ASP



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



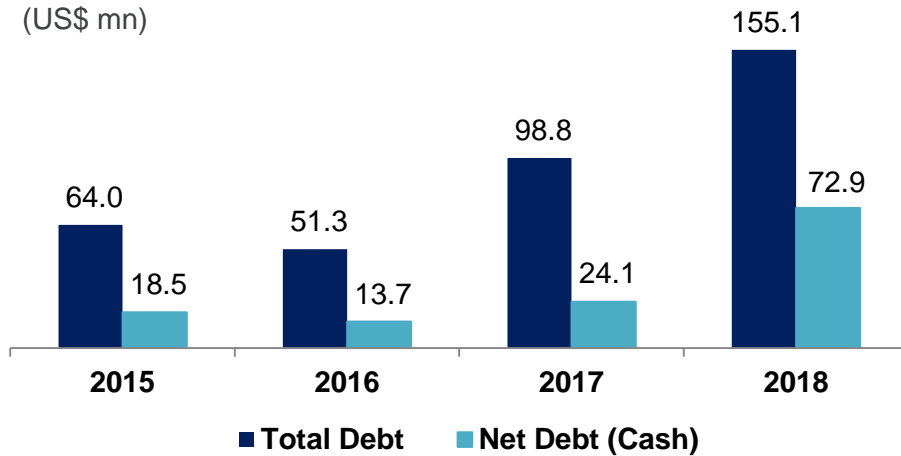
[1] EBITDA for mining business only

Credit Profile

TOBA maintains balanced capital structure positioned to finance power plant projects

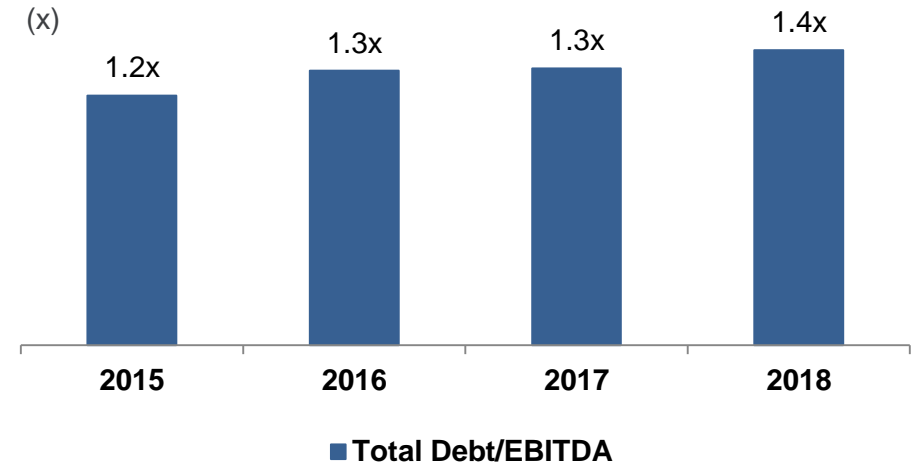
Total Debt and Net Debt ^[1]

(US\$ mn)



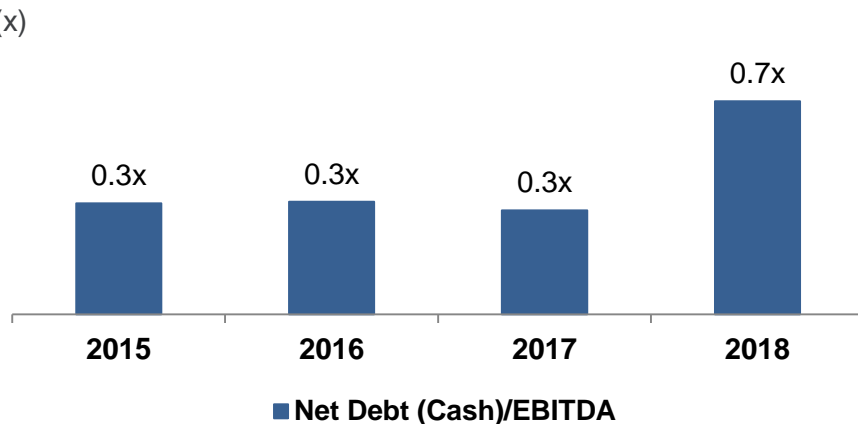
Total Debt / EBITDA

(x)



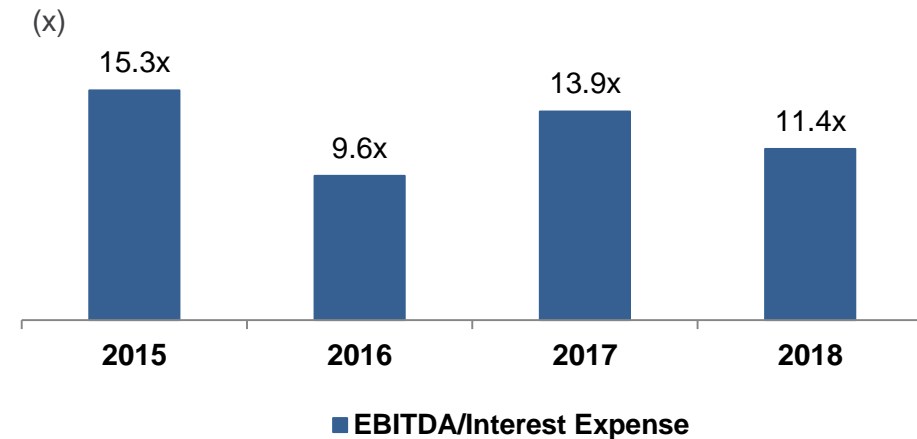
Net Debt ⁽¹⁾ / EBITDA

(x)



EBITDA / Interest Expense

(x)



[1] Including cash and cash equivalent

FY 2018 Performance Summary

Operational metrics		2017	2018	Δ%
NEWC Index	US\$/ton	88.5	107.3	21.2%
Average Selling Price (ASP)	US\$/ton	61.1	75.4	23.4%
Production Volume	mn ton	5.0	5.4	8.0%
Sales Volume	mn ton	4.8	4.9	2.1%
Stripping Ratio	x	13.1	13.6	3.8%
FOB Cash Cost	US\$/ton	40.0	49.6	24.0%
Financial metrics		2017	2018	Δ%
Revenue	US\$ mn	310.7	438.4	41.1%
EBITDA	US\$ mn	74.8	110.2	47.3%
Profit for the Period	US\$ mn	41.4	68.1	64.5%
EBITDA/Ton	US\$ mn	15.3	18.0	17.6%
Financial Ratios		2017	2018	
Gross Profit Margin		30.3%	28.3%	
EBITDA Margin		24.1%	25.1%	

3 | Operational Performance

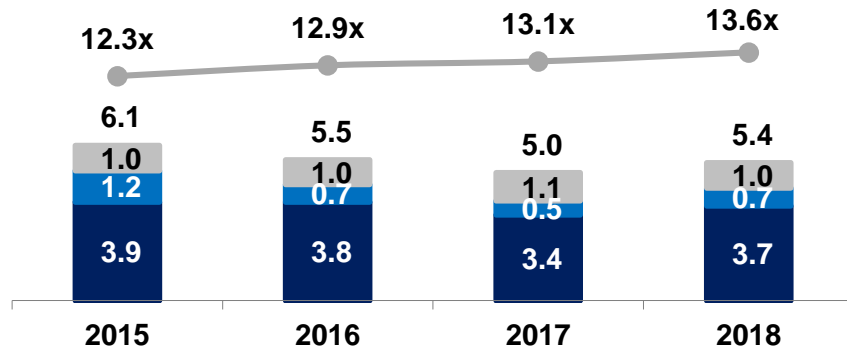


Production Performance and FOB Cash Cost

2018 saw higher mining FOB cash cost and slight increase in stripping ratio due to pre-stripping activities

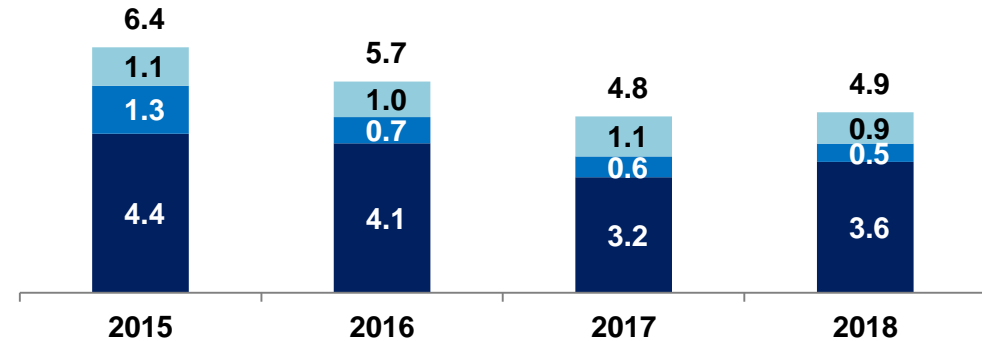
Production Volume and SR

(mn ton, x) ■ ABN ■ IM ■ TMU ● Stripping Ratio (x)



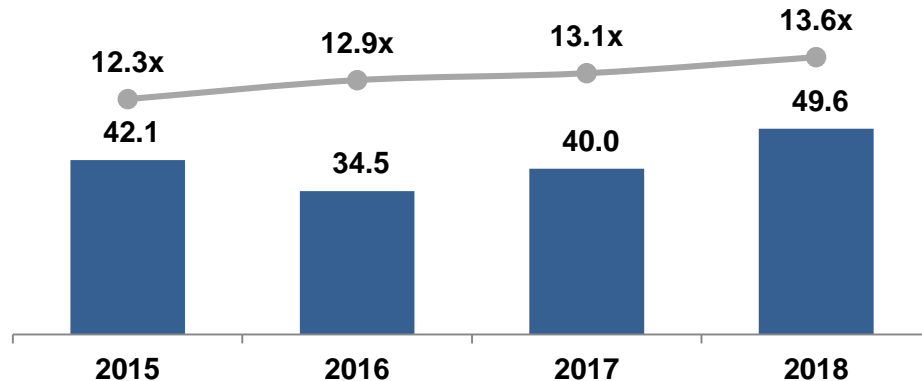
Sales Volume

(mn ton) ■ ABN ■ IM ■ TMU

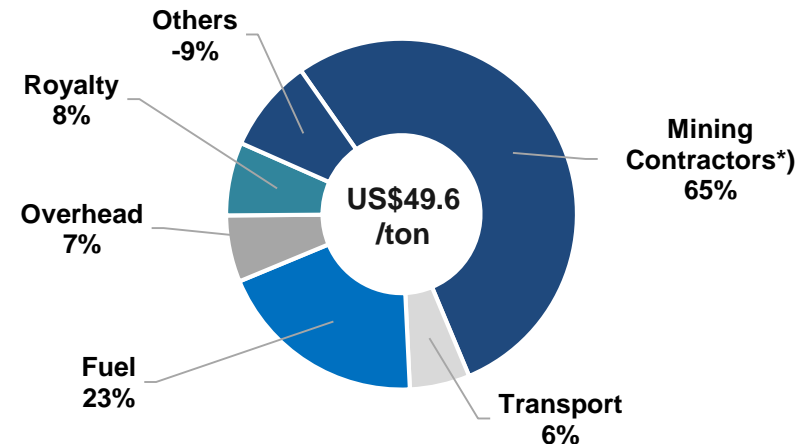


FOB Cash Cost dan SR

■ FOB cash cost (US\$/ton) ● Stripping Ratio (x)



Cash Cost Breakdown 2018

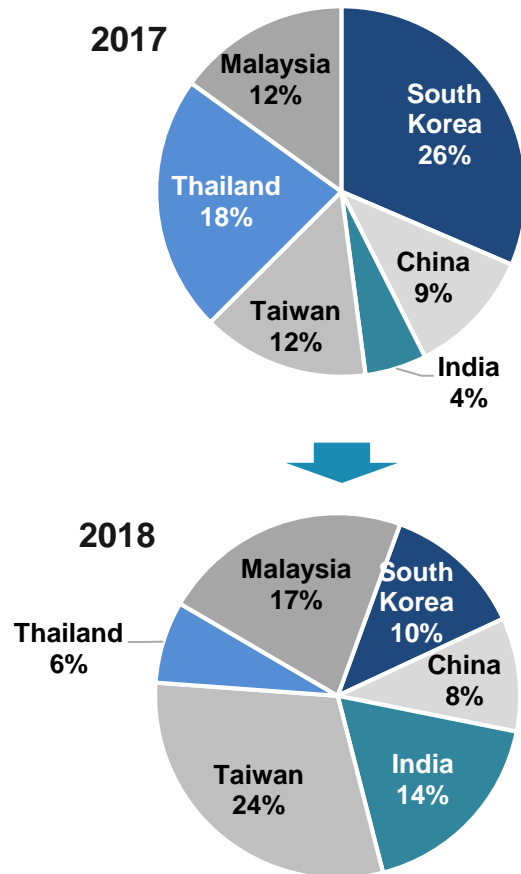


*) Excluding fuel

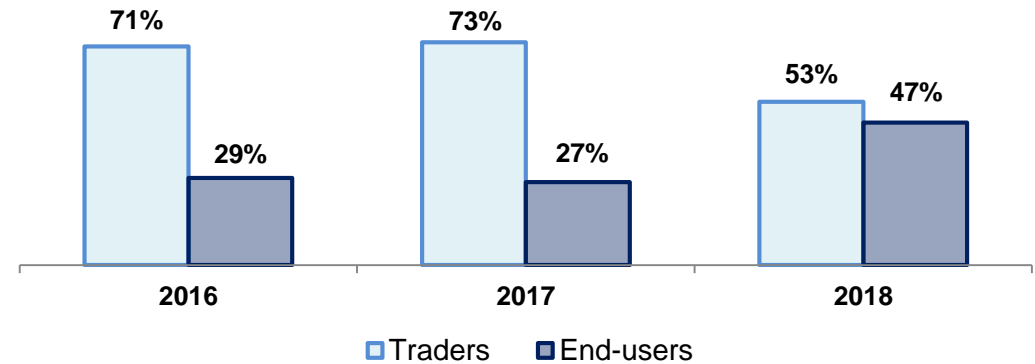
Coal Sales Overview

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

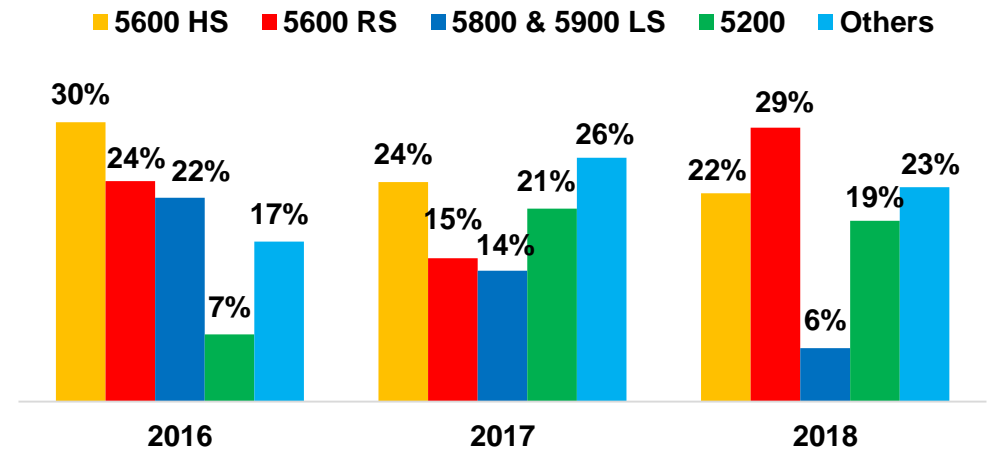
Destination



Trader vs End-User Composition



Product Composition



Operational Activities

ABN



Maintenance of Sediment Pond

Reduce mud sedimentation in SP 16, SP 03, and SP15 to improve the quality of water treatment in mining area



ABN Exploration Activities

Exploration Activities at "North West" Area to explore additional resources and reserves (new reserves)



ABN Geotechnical Assessment

Geotechnical Study which include CPT and SPT drilling for Project Development of pit "North West"

IM



Drilling and Geotechnical Investigation at Pit & Disposal Area

- Full Coring drilling activities for geotechnical investigation
- Core Sampling
- Safety check during geotechnical drilling
- Coordinate pick-up of actual drilling point
- Core sample
- Sample inside corebox

TMU



TMU Exploration Activities

Exploration in progress to obtain geological data for increasing current reserves/resources



Construction of TMU Operational Office

In July 2018, new TMU Office has been officially used

Corporate Social Responsibility

Strategies to improve the quality of life of locals are achieved through empowering 4 main pillars:



Education

- Teaching Assistant Program
- English Language Education Program and Football Academy
- Children Development Program (PAUD)
- School Bus Facilities & Scholarship Aid Program

Health

- Free Admission for Medical Examination and Treatment Program
- Health Center
- Revitalization Program
- Blood Donation Program

Social & Economy

- Residential's Refinement Program
- Cow's Breeding Program
- Local Business Development Program (Amplang Crackers & Abon Lele)
- Etawa Goat's Breeding Program

Environment

- Developing Multifunctional Forest in Mining Area
- Prov. East Kalimantan Access Road Renovation
- Maintenance Local Groundwater Wells & Pumps
- Normalizing & Cleaning Local Trench

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.

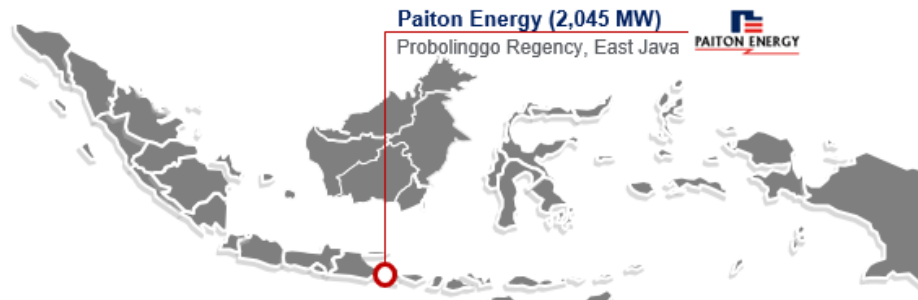
4 | Power Business

PT Batu Hitam Perkasa

On 12 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 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

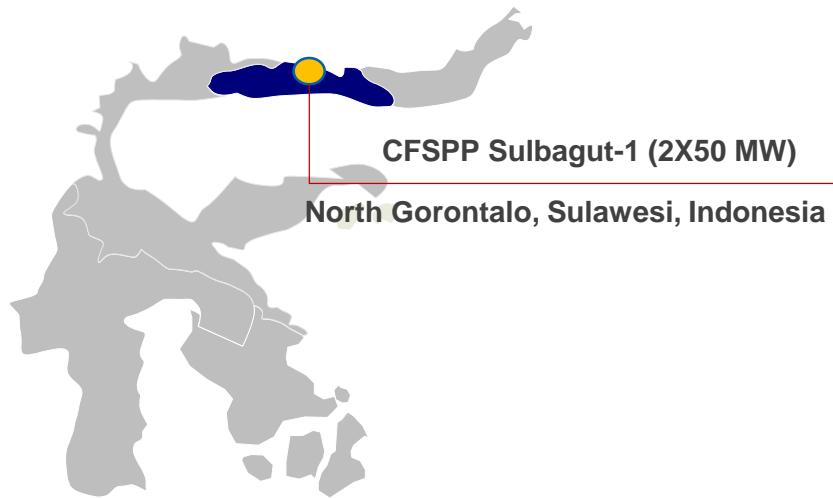
	P7/8	P3
Boiler		
Steam Turbine		
Generator		
Main Transformer		



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 Value: **US\$ 210 - 220 million**
 - EPC Contractor: **Shanghai Electric Power Corporation**
- Target Commercial Operation Date (COD) in 3Q 2020

Progress Updates (as of 31 December 2018)

Subject	Status	Remark
Land Acquisition	Completed	GLP has completed land acquisition
Commencement of Work	Effective	Commencement of worked started in July 2017
Financial Close (PLN)	Effective	Financial close with PLN in July 2017
Financing Agreement	Effective	Credit agreement signed in July 2017
Construction	Progress	Undergo Piling activities for onshore and offshore (started in Q3 2018)

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

Sulbagut-1 Activities

Progress Main Plant



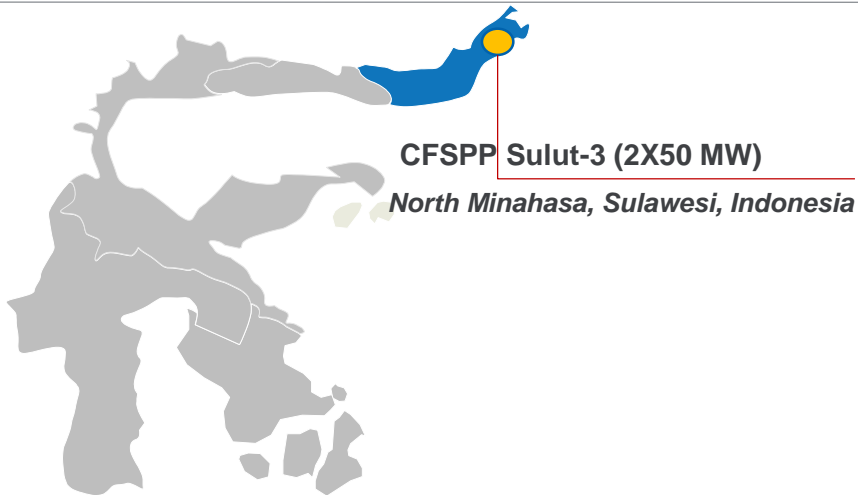
Progress Access Road



Jetty



PT Minahasa Cahaya Lestari: Sulut-3 Project



Project Overview

- Partnership composition: PT Toba Bara Sejahtera Tbk (90%), Sinohydro Corporation Limited (10%)
- PPA signed on 7 April 2017, and effective on 10 January 2018
 - Contract Period: **25 years**
 - Project Value: **US\$ 205-210 million**
 - EPC Contractor: **Sinohydro Corporation Limited**
- Commencement of Work started on 10 July 2018
- Financial Close achieved on 28 December 2018
- Target COD in 2021

Progress Updates (as of 31 December 2018)

Subject	Status	Remark
EPC Contract	Completed	Signed on 9 July 2018
Commencement of Work	Effective	CoW released on 10 July 2018
Owner Engineer	Effective	Black and Veatch has been appointed as Owner Engineer
Land Acquisition	On-Progress	MCL has acquired 91% of total required land
Financing Agreement	Effective	Credit agreement signed on 21 December 2018
Financial Close (PLN)	Effective	Financial close with PLN on 28 December 2018

Sulut-3 Activities

Construction in Progress



Financial Close



Batching plant



Daily safety briefing and safety signs



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