



PT TOBA BARA SEJAHTRA Tbk

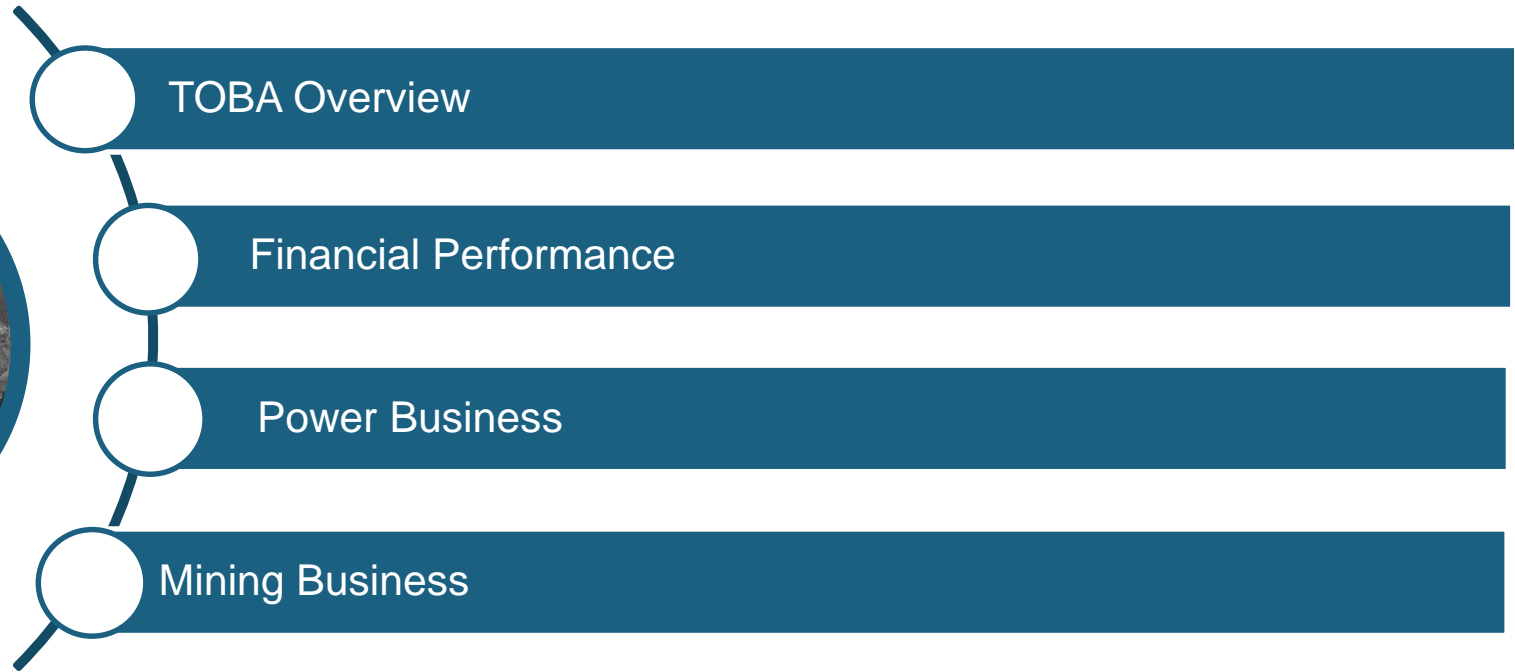
December 2019



Disclaimer

These materials have been prepared by PT Toba Bara Sejahtera Tbk (the “Company”). These materials may contain statements that constitute forward-looking statements. These statements include descriptions regarding the intent, belief or current expectations of the Company or its officers with respect to the consolidated results of operations and financial condition of the Company. These statements can be recognized by the use of words such as “expects,” “plan,” “will,” “estimates,” “projects,” “intends,” or words of similar meaning. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ from those in the forward-looking statements as a result of various factors and assumptions. The Company has no obligation and does not undertake to revise forward-looking statements to reflect future events or circumstances.

These materials are for information purposes only and do not constitute or form part of an offer, solicitation or invitation of any offer to buy or subscribe for any securities of the Company, in any jurisdiction, nor should it or any part of it form the basis of, or be relied upon in any connection with, any contract, commitment or investment decision whatsoever. Any decision to purchase or subscribe for any securities of the Company should be made after seeking appropriate professional advice.



1 | TOBA Overview



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

Toba Bara is one of Indonesia’s major energy companies focusing in the development of downstream industry and more specifically in power generation.

POWER GENERATION



PT Gorontalo Listrik Perdana (“GLP”)



PT Minahasa Cahaya Lestari (“MCL”)



PT Paiton Energy

COAL MINING



PT Adimitra Baratama Nusantara (“ABN”)



PT Indomining (“IM”)



PT Trisensa Mineral Utama (“TMU”)



PT PERKEBUNAN KALTIM UTAMA I

PT Perkebunan Kaltim Utama I (“PKU”)



- 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)

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

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

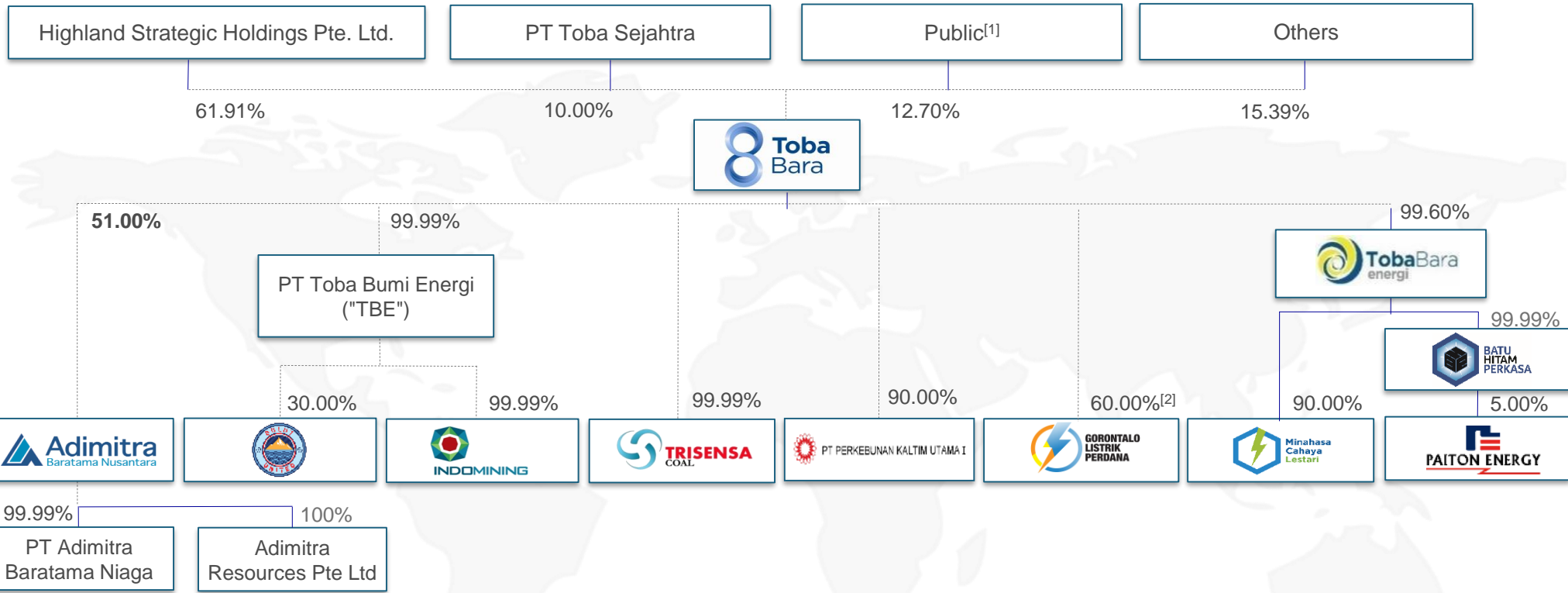
[1] TOBA owns PKU, which overlaps with ABN and TMU concessions

[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



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

Jakarta

High Quality Power Assets

Operating Power Asset and Power Plants Under Construction with expected Commercial Operation Date in 2020-2021

Paiton Unit P3 and P7/8



East Java

5% interest

2,045MW (net 102.3 MW)

- Largest private IPP in Indonesia
- Strategic national asset, supplying 10% of Jawa-Bali consumption
- First supercritical plant (unit P3)
- Long term PPA ending in 2042
- Partners: Mitsui, Nebras and Jera
- 18 years of strong operating track record

Sulbagut-1



Gorontalo

80% interest

120MW (net 96MW)

- Part of 35 GW power program and considered as one of National Strategic Projects
- Long term PPA ending in 2045
- Favorable tariff
- Partner: Shanghai Electric
- PPA awarded in 2016, Financial Close in 2017

Sulut-3



North Sulawesi

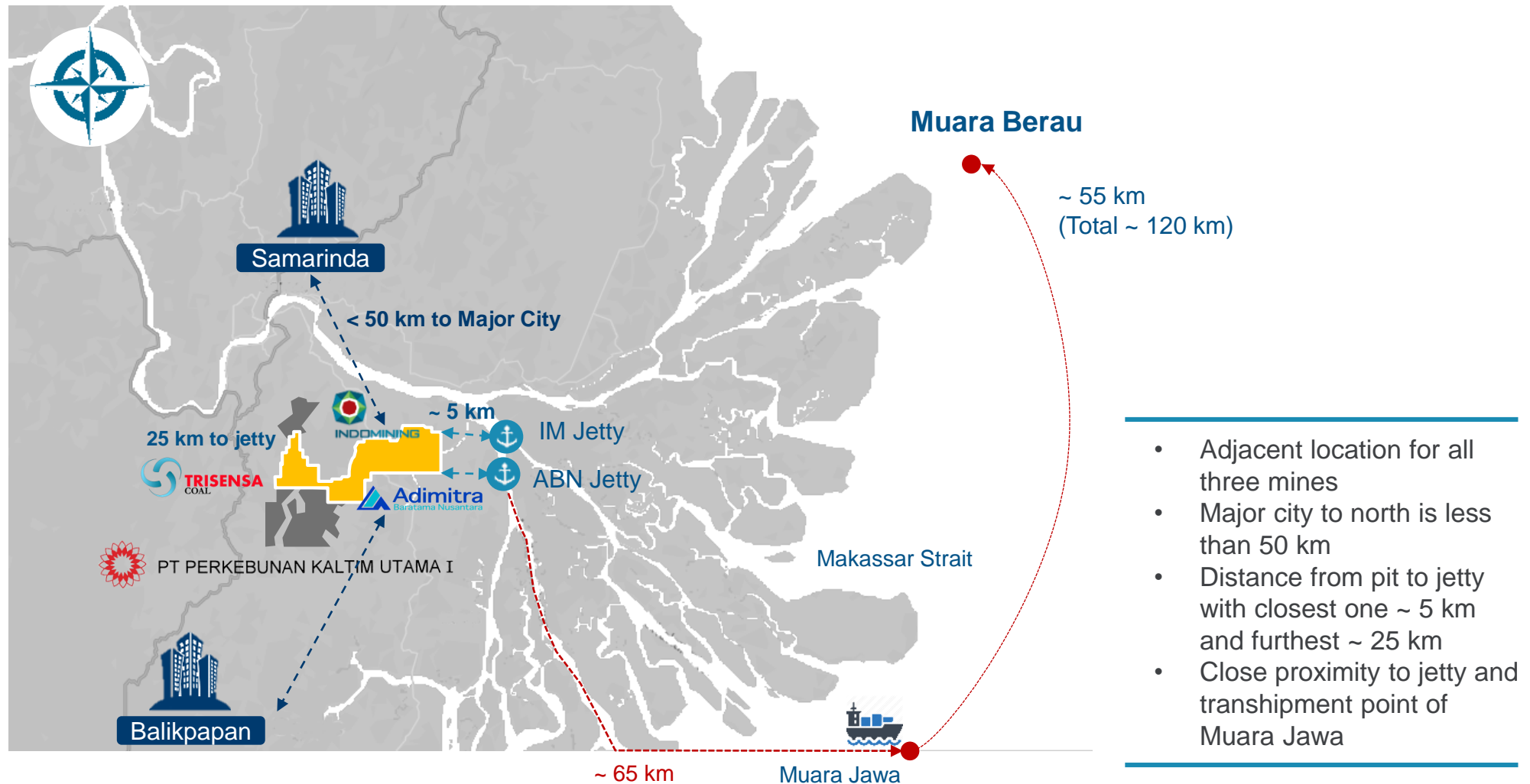
90% interest

120MW (net 108MW)

- Part of 35 GW power program and considered as one of National Strategic Projects
- Long term PPA ending in 2046
- Favorable tariff
- Partner: Sinohydro
- PPA awarded in 2017, Financial Close in 2018

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

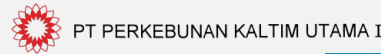
Transformation into Integrated Energy Company

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
- Blood Donor Program

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

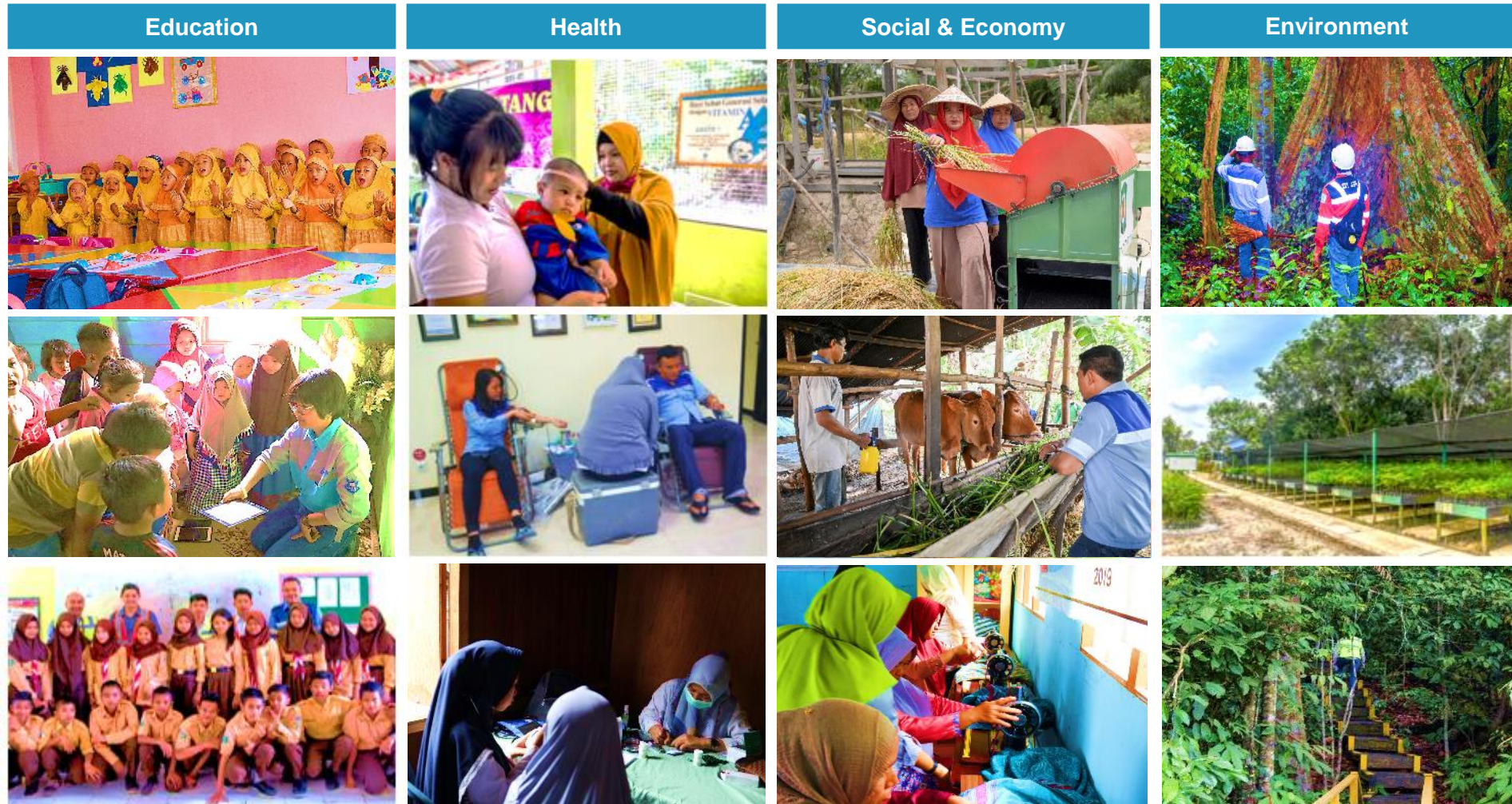
TOBA as Integrated Energy Company

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 (Cont'd)

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



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"> 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)  		

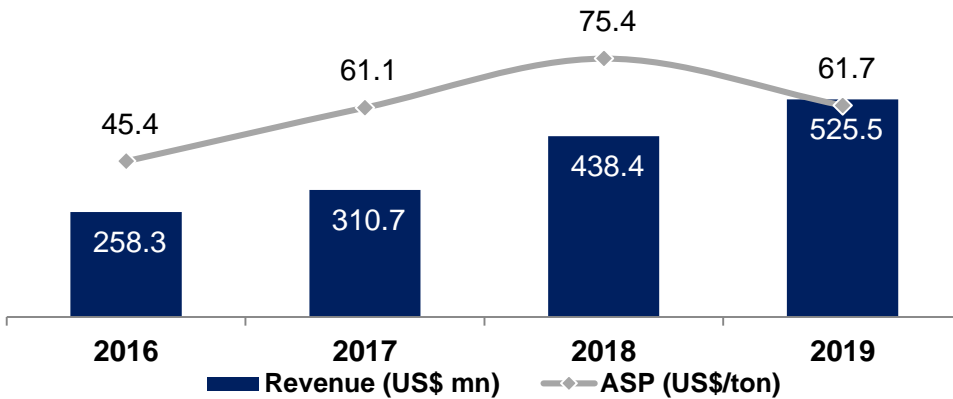


2 | Financial Performance

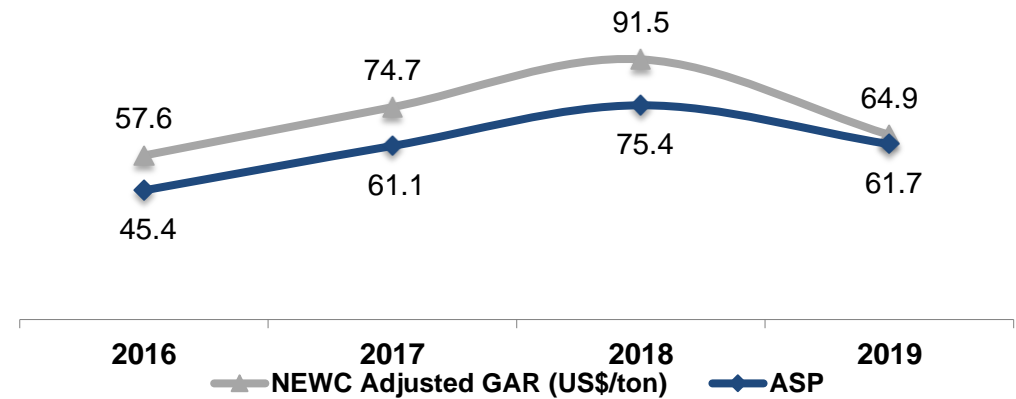
Financial Highlights

2019 saw a decrease in Average Selling Price (“ASP”) of coal, which directly correlated with lower NEWC coal index resulting in lower gross profit and EBITDA margins

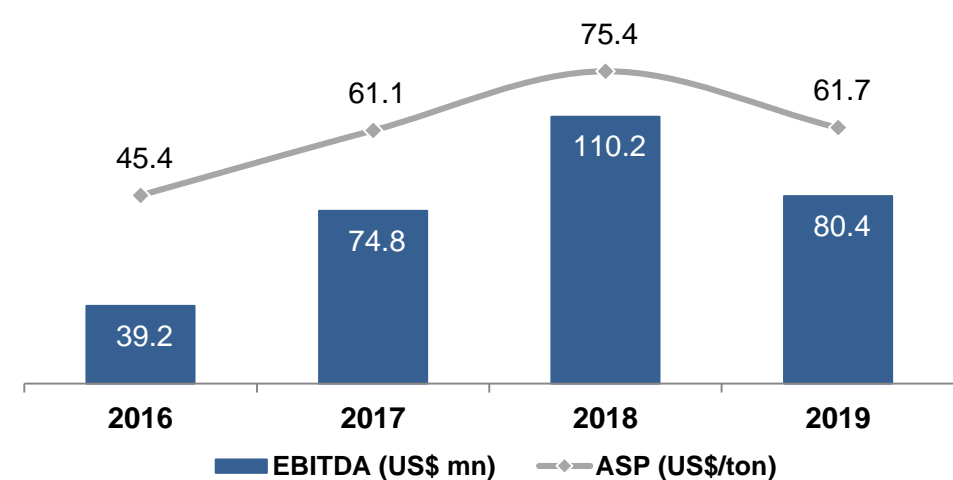
Revenue and ASP



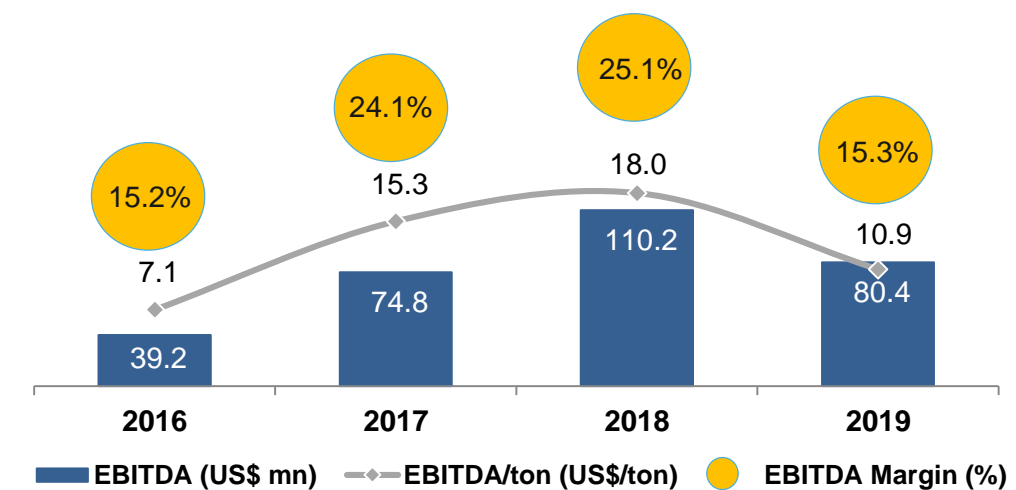
NEWC Adjusted GAR and ASP



EBITDA and ASP



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



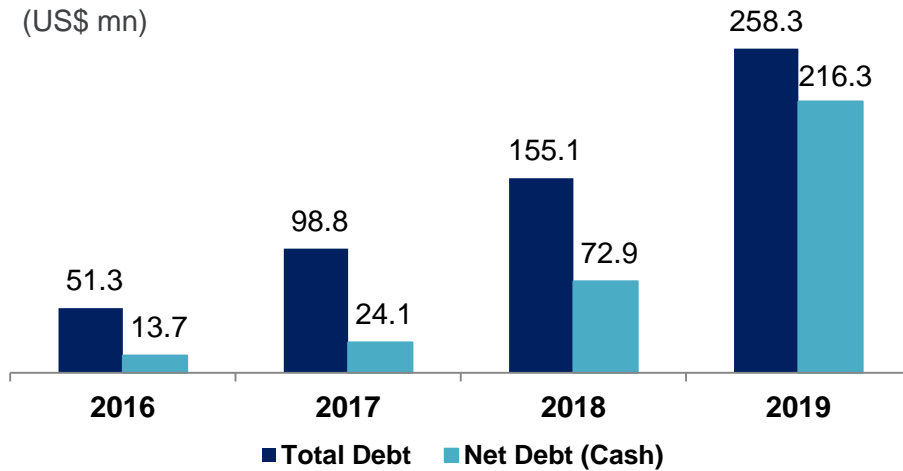
[1] EBITDA/ton for mining business only

Credit Profile

The period saw an increase in leverage as TOBA progresses on power plant constructions

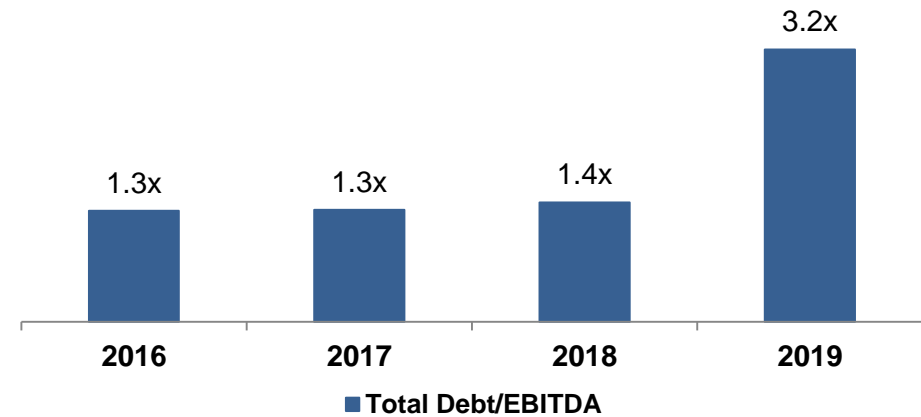
Total Debt and Net Debt ^[1]

(US\$ mn)



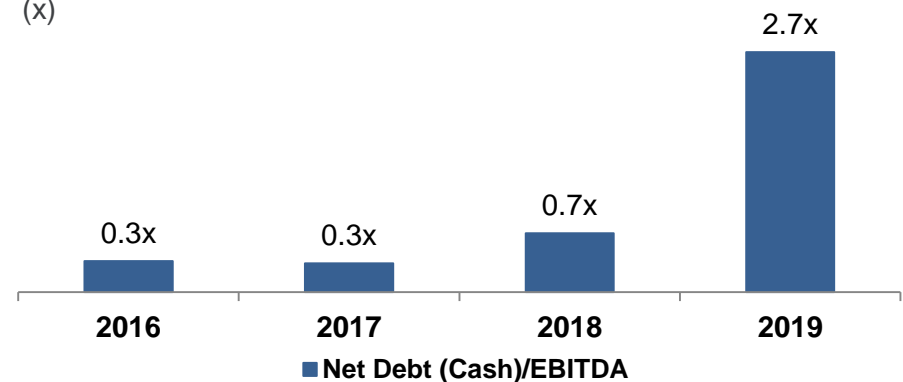
Total Debt / EBITDA

(x)



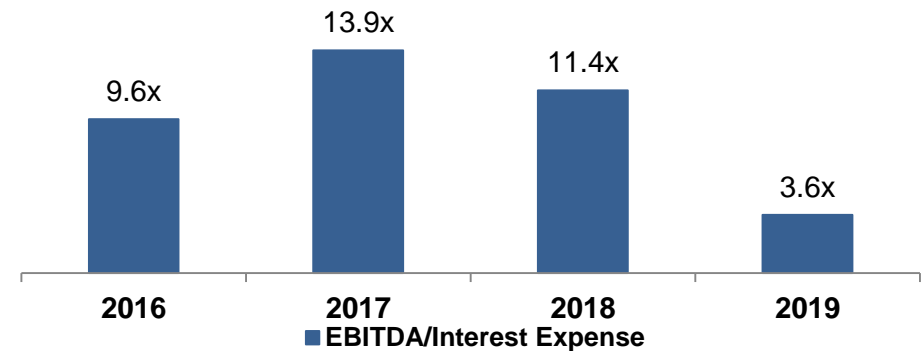
Net Debt ^[1] / EBITDA

(x)



EBITDA / Interest Expense

(x)



[1] Including cash and cash equivalent

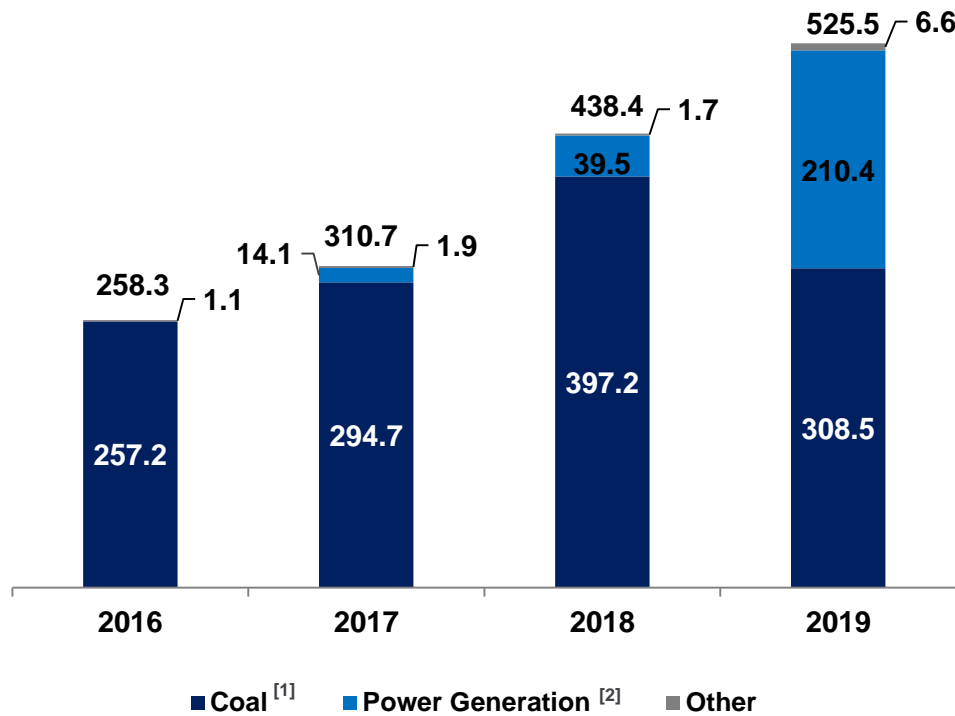
2019 Performance Summary

Operational metrics ^[1]		2018	2019	Δ%
NEWC Index	US\$/ton	107.3	77.8	(27.5%)
Average Selling Price (ASP)	US\$/ton	75.4	61.7	(18.2%)
Production Volume	mn ton	5.4	4.5	(16.7%)
Sales Volume	mn ton	4.9	4.2	(14.3%)
Stripping Ratio	x	13.6	13.5	(0.7%)
FOB Cash Cost	US\$/ton	49.6	48.2	(2.8%)
Financial metrics (Audited)		2018	2019	Δ%
Revenue	US\$ mn	438.4	525.5	19.9%
EBITDA	US\$ mn	110.2	80.4	(27.0%)
Profit for the Period	US\$ mn	68.1	43.7	(35.8%)
EBITDA/Ton ^[1]	US\$ mn	18.0	10.9	(39.4%)
Financial Ratios		2018	2019	
Gross Profit Margin		28.3%	17.5%	
EBITDA Margin		25.1%	15.3%	

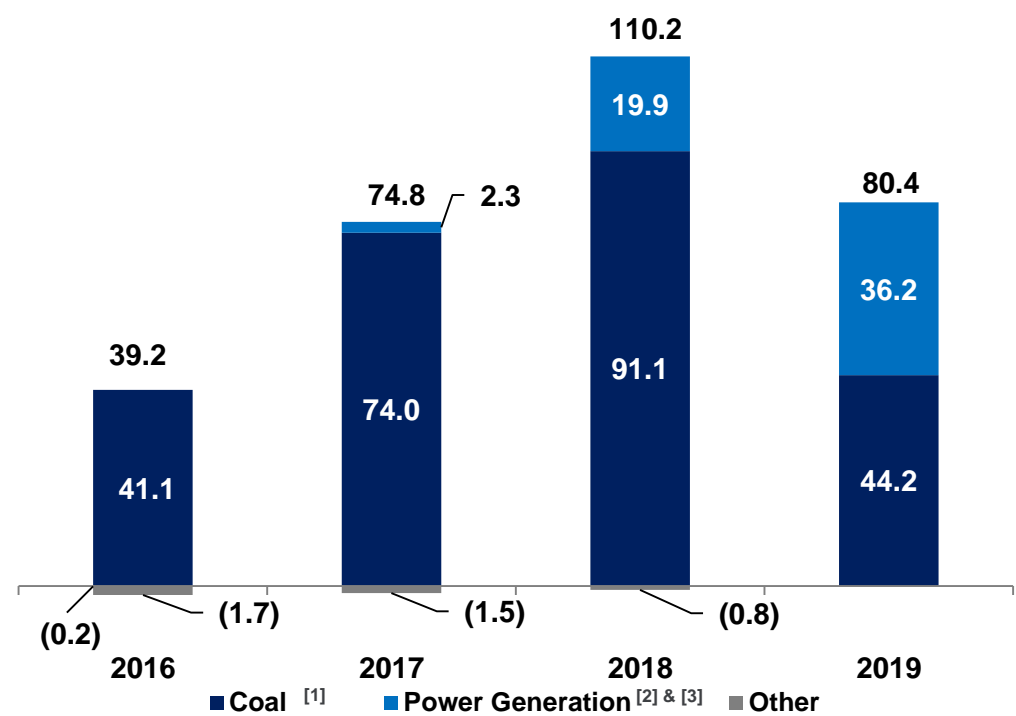
[1] For mining business only

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 2019 include dividend income from PT Paiton Energy amounting to US\$13.4 million and 1,0 million respectively.

An aerial photograph of a large industrial power plant complex, featuring multiple buildings, a tall smokestack, and a large cooling tower. The plant is situated in a hilly, wooded area. A semi-transparent blue overlay covers the left and center portions of the image, containing the text '3 | Power Business'.

3 | Power Business

PT Batu Hitam Perkasa

On 12th December, 2018, TOBA acquired 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

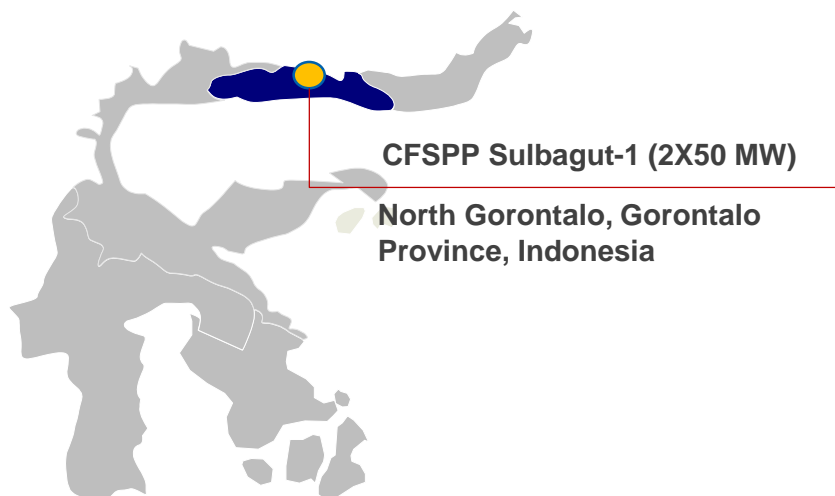
	P7/8	P3
Boiler		
Steam Turbine		
Generator		
Main Transformer		



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 31 December 2019)

Subject	Status	Remark
Land Acquisition	Completed	Land acquisition completed
Engineering	Completed	All engineering documents has been submitted and under review by OE. Expected all closed by 1Q2020
Boiler, Turbine, Generator ("BTG")	Completed	Boiler, Turbine and Generator has been completed manufacture, and partially has arrived on-site
Procurement	In-Progress	Procurement 11 out of 16 project shipments arrived on site
Construction	In-Progress	<ul style="list-style-type: none"> Boiler installation in progress Main building installation in progress Chimney concrete erection completed 15 transmission tower erection completed

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

Sulbagut-1 Activities

Site Condition (as of 31 December 2019)



Site Condition (Main Plant)



Boiler Installation



Main Building Installation

Project Activities



Transmission tower completed



Chimney Concrete completed



Central Control Building Construction



Coal Jetty progress

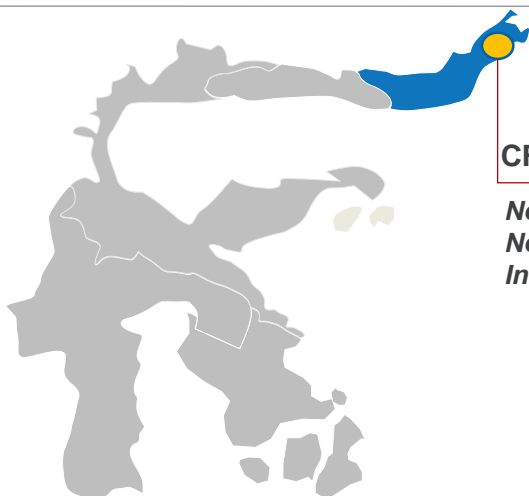


HSE Daily Toolbox Talks



Work on Height Safety Training

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 (as of 31 December 2019)

Subject	Status	Remark
Land Acquisition	Completed	Land acquisition completed
Engineering	In-Progress	Detailed engineering design, estimated completion in 1Q2020
Procurement	In-Progress	Procurement 8 th shipment (out of 13) on site
Construction	In-Progress	<ul style="list-style-type: none"> • Turbine & Generator Installation on progress (Civil, Mechanical & Electrical) • Auxiliary Equipment for Boiler and Turbine installation on progress (Civil and mechanical) • Jetty construction on progress (Civil works) • Water intake Construction on progress (Civil works) • Balance of Plant facilities (Water Treatment Plant, Waste Water Treatment Plant, Coal Handling System and, etc) On progress (Civil & Mechanical)

Sulut-3 Activities

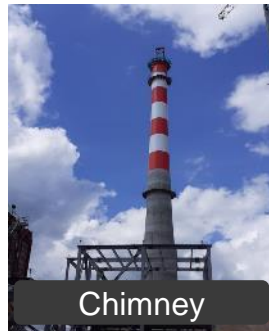
Site Condition as of 31 December 2019



Main Plant Overview



Water Treatment Area



Chimney



Substation 150 kV

Project Activities



1 Million Man-hours without LTI



News of CSR: Christmas Celebration with Surrounding Communities

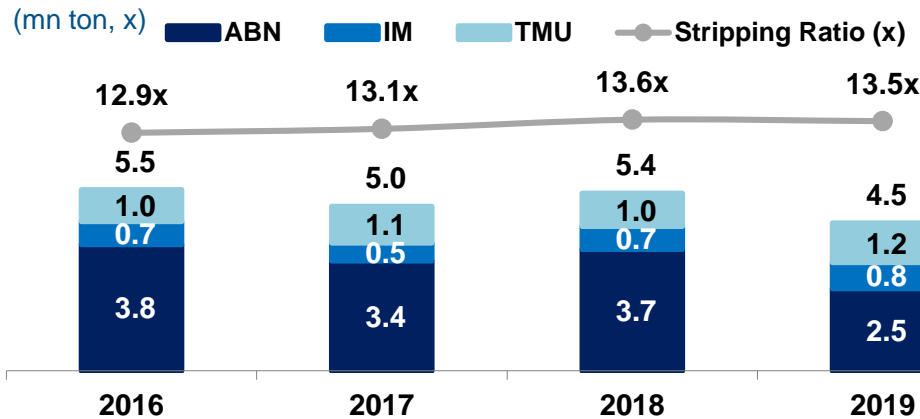
4 | Mining Business



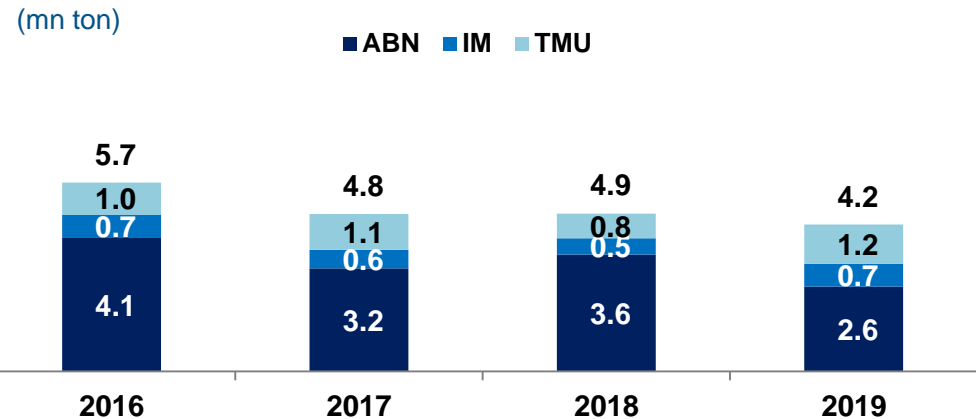
Production Performance and FOB Cash Cost

2019 saw lower mining FOB cash cost and slight decrease in stripping ratio

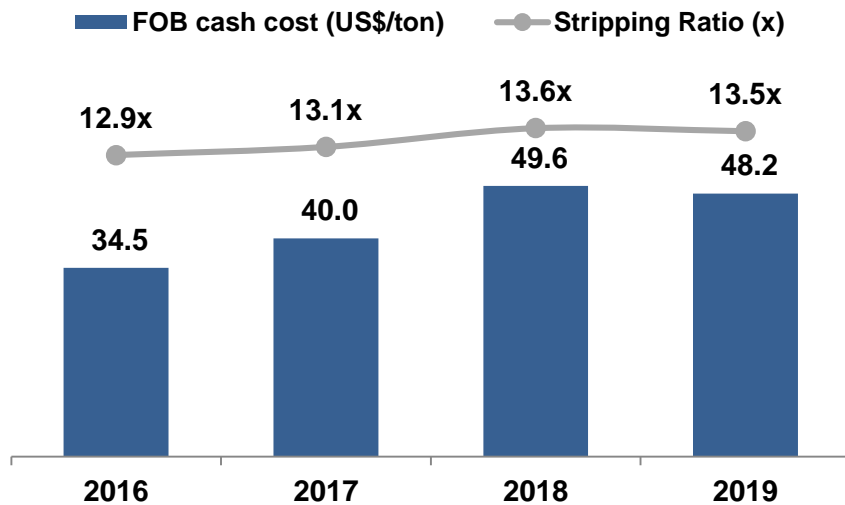
Production Volume and SR



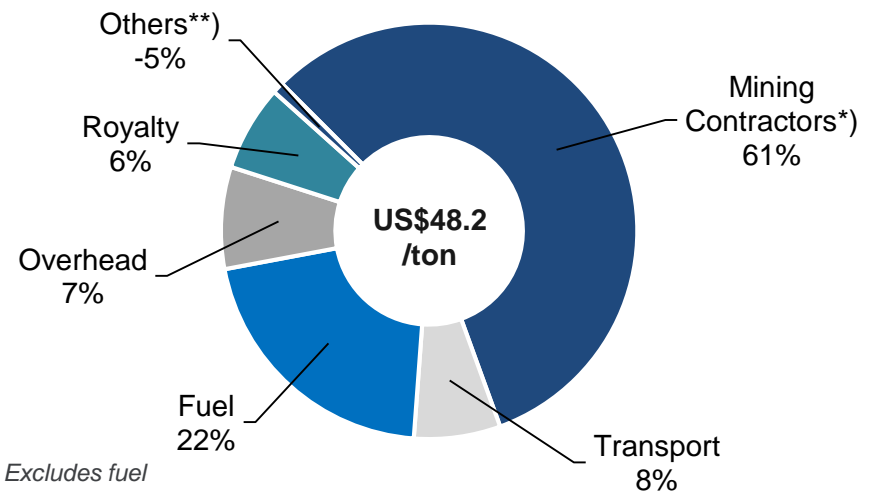
Sales Volume



FOB Cash Cost dan SR



Cash Cost Breakdown 2019



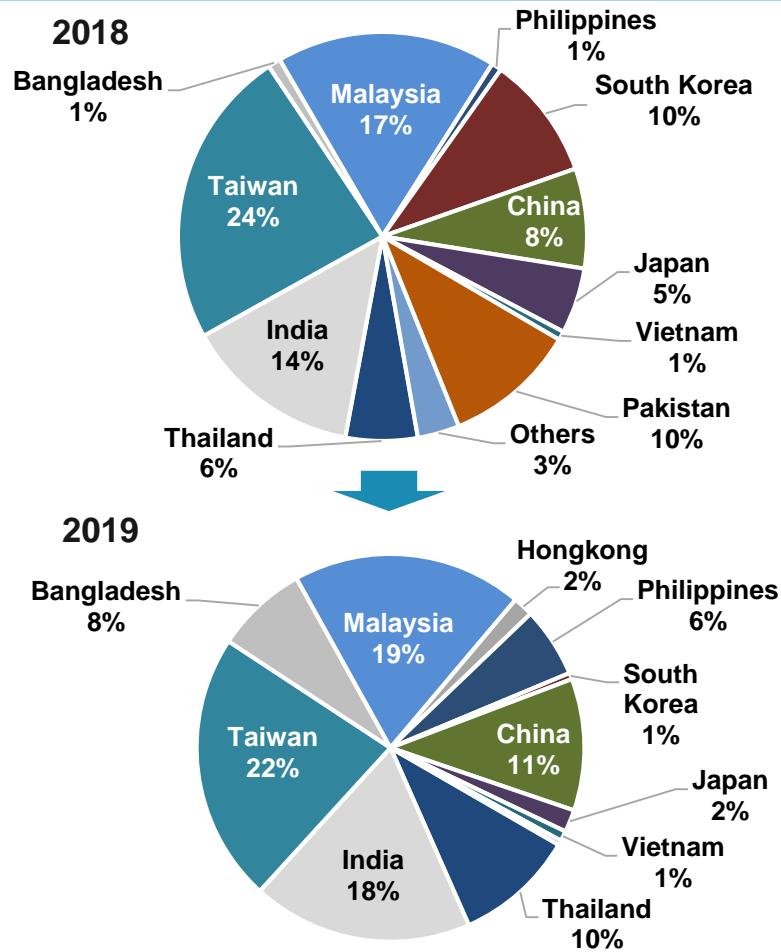
*) Excludes fuel

**) Includes changes in inventory position

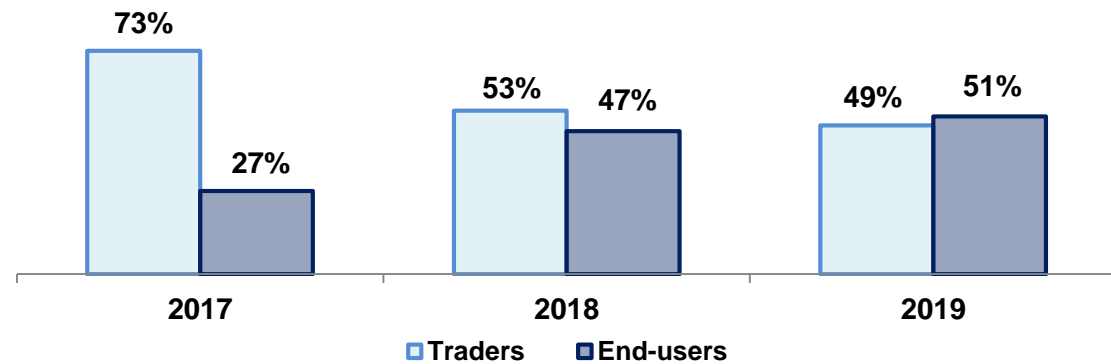
Coal Sales Overview

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

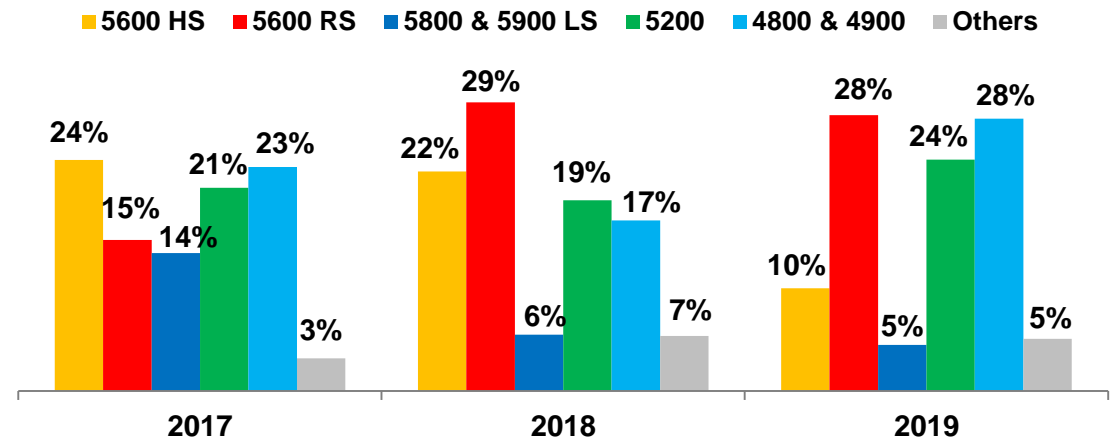
Destination



Trader vs End-User Composition



Product Composition



Operational Activities

ABN



- A. Mining Operation Pit 4 by PT Putra Perkasa Abadi (“PT PPA”) utilizing 1xPC2000, 5xPC1250, and 2xPC400
- B. Mining Operation Pit 1 by PT RPP Contractors Indonesia (“PT RCI”) utilizing 5xPC1250
- C. Construction of football field as part of reclamation program in ex Pit West area
- D. Construct drop structure Sediment Pond Inpit Dumping West

TMU



- A. Spreading Soil Pit B2K40
- B. Mining Operation in Pit 5B21
- C. CSR program in local clinic (Posyandu) for maternity and senior citizens

IM



- A. Bottom pit finalization for block 10 – 13 ke RL – 165
- B. Planting in reclamation area in previous (ex) out-pit dump RL 70
- C. Dewatering process in main dump area, RCI using 2 water pumps

Contact us:

PT Toba Bara Sejahtera Tbk

Treasury Tower, Level 33
District 8, SCBD Lot 28

Jl. Jend Sudirman Kav.52-53
Senayan Kebayoran baru
Jakarta 12190, Indonesia
T: 62-21-50200353
F: 62-21-50200352
corsec@tobabara.com

   @tobabaraofficial

#TOBABARAuntuknegeri
#bekerjadenganhati
#bergerakdengannurani