

PT ABM Investama Tbk

Towards a World-Class Mining Operation

J.P. Morgan Emerging Markets Credit Conference
London, September 24 – 26, 2019



**STRENGTHENING SYNERGY,
ADVANCING CORE BUSINESS**
MEMPERKUAT SINERGI, MEMAJUKAN BISNIS INTI

Disclaimer



This presentation has been prepared by PT ABM Investama Tbk (“ABMM” or the "Company") solely for general information. By attending the meeting where the presentation is made, or by reading the presentation slides, you acknowledge and agree to the limitations and notifications as stated herein. This presentation is for informational purposes only and does not constitute and should not be construed as, an offer to sell or issue, or invitation to purchase or subscribe for or the solicitation of an offer to buy, acquire or subscribe for, any securities of the Company or any of its subsidiaries, joint ventures or affiliates in any jurisdiction or an inducement to enter into investment activity. We disclaim any responsibility or liability whatsoever arising which may be brought or suffered by any person as a result of acting in reliance upon the whole or any part of the contents of this report and neither PT ABM Investama Tbk and/or its affiliated companies and/or their respective Management Boards and employees accepts liability for any errors, omissions, negligent or otherwise, in this presentation and any inaccuracy here in or omission here from which might otherwise arise. You will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the Company’s business.

Table of Content



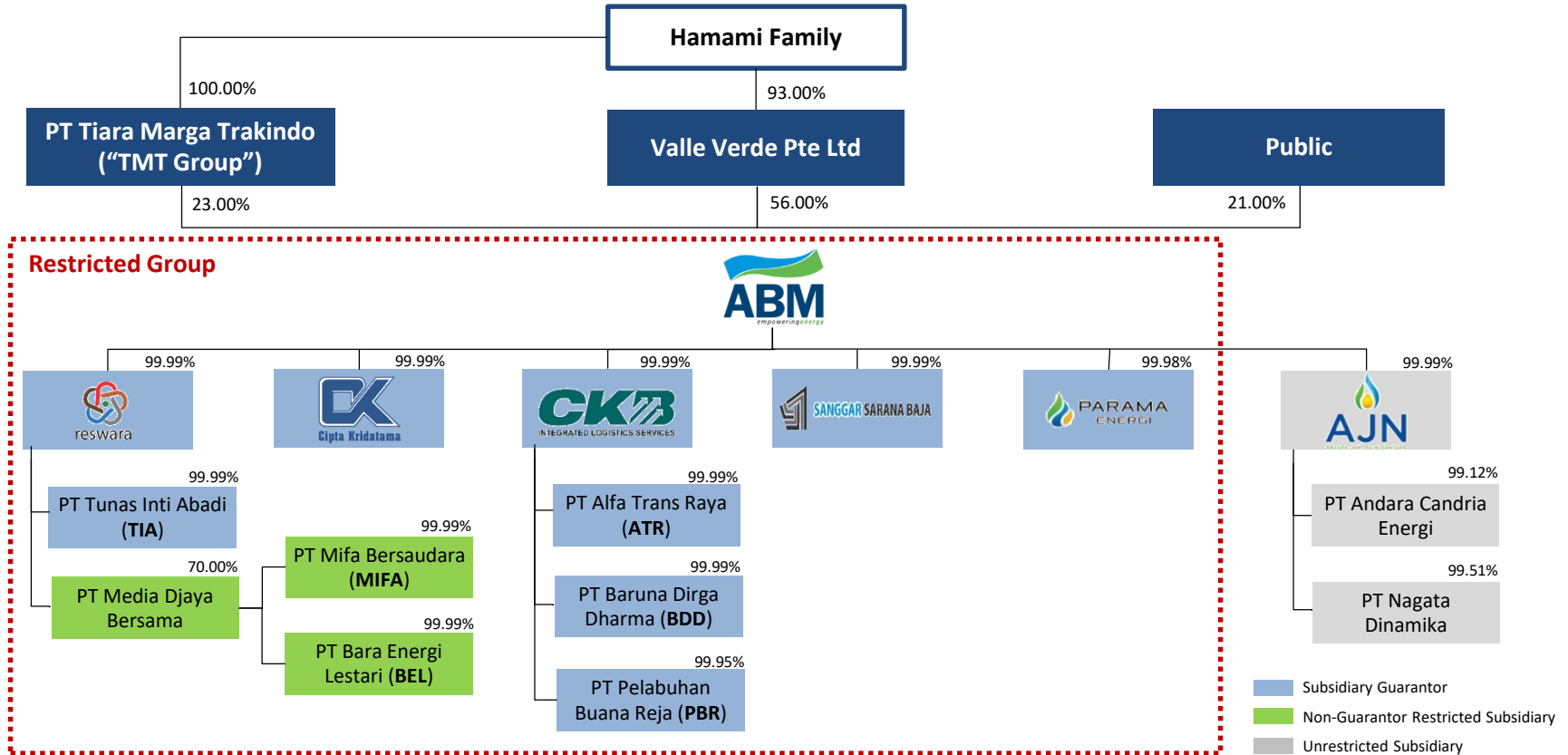
- 1 Who We Are
- 2 Core Operations : **Mining Value Chain**
- 3 Our Strategy
- 4 Appendix : Our Performance

Table of Content

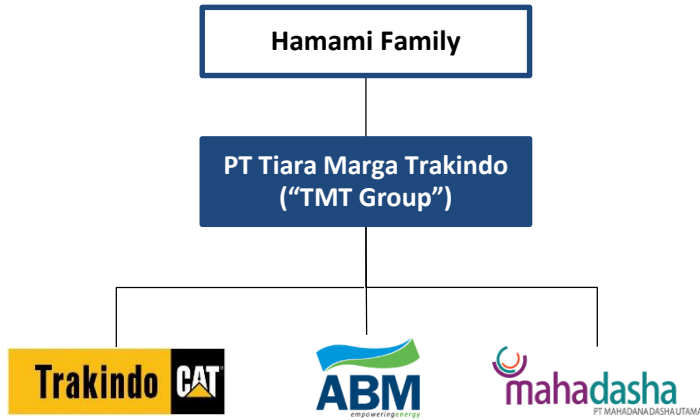


- 1 Who We Are
- 2 Core Operations : Mining Value Chain
- 3 Our Strategy
- 4 Appendix : Our Performance

Group and Corporate Structure



ABM and Trakindo Utama-CAT are Part of TMT Group

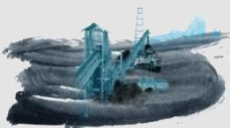


- TMT Group is 100% owned by the Hamami Family.
- **Trakindo CAT** was founded by AHK Hamami in 1970 and has developed into one of the largest domestic conglomerates in Indonesia over a 45 year period
- **Trakindo CAT** became the sole authorized dealer for **Caterpillar** in 1971 and now has over 70 branches serving many industries such as mining, forestry, agriculture, construction, oil and gas, marine, power, industrial and automotive
- **TMT, through Trakindo CAT offers ABM strong partnership and technical support**
 - Ability to conduct large-scale and efficient mining using world class equipment from Caterpillar
 - Benefits from distributor service and support across Indonesia, in the form of customer training and fast equipment servicing
 - Receive timely market intelligence, reduced risk in supply timing and certainty and enhanced prioritization in equipment delivery and quality after sales service
 - Leverage extensive network of customers to identify new business and customer opportunities, as well as Trakindo's brand and reputation
 - Attractive credit terms

Group Overview



COAL MINING



- Established 2010
- 7,714 Ha concession area under 3 IUPs
- Estimated coal reserves and resources of 264 million ton and 392 million ton
- Calorific value (GAR) : 3,400 dan 4,200



MINING CONTRACTOR



- Established 1997
- Fleet of 651 heavy equipments & serving 9 customers
- One of the leading mining contractors in Indonesia



INTEGRATED LOGISTICS



- Established 1997
- Provides integrated logistics, warehouse management, bonded logistics center, supply base, industrial shipping, dry bulk shipping, & port management
- 51 location in 38 cities and 24 provinces



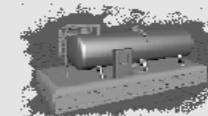
MANUFACTURING



- Established 1977
- 4 manufacturing workshops & 10 site service locations
- Customers mainly in mining, oil and gas, petrochemical and power sectors



FUEL SUPPLY



- Established 2011, fully operated in 2017
- In 2018, PWP sold 84.96 million liters of diesel fuel for 4 companies in 8 locations

Revenue

US\$ 321 M or contribute **36%**

US\$ 343 M or contribute **38%**

US\$ 119 M or contribute **13%**

US\$ 61 M or contribute **7%**

US\$ 58 M or contribute **6%**

EBITDA

US\$ 89 M or contribute **47%**

US\$ 74 M or contribute **39%**

US\$ 19 M or contribute **10%**

US\$ 4 M or contribute **2%**

US\$ 3 M or contribute **2%**

Workforce

527 employees

3.610 employees

1.087 employees

1.623 employees

9 employees

Data as of December 2018

ABM Resources and Capabilities

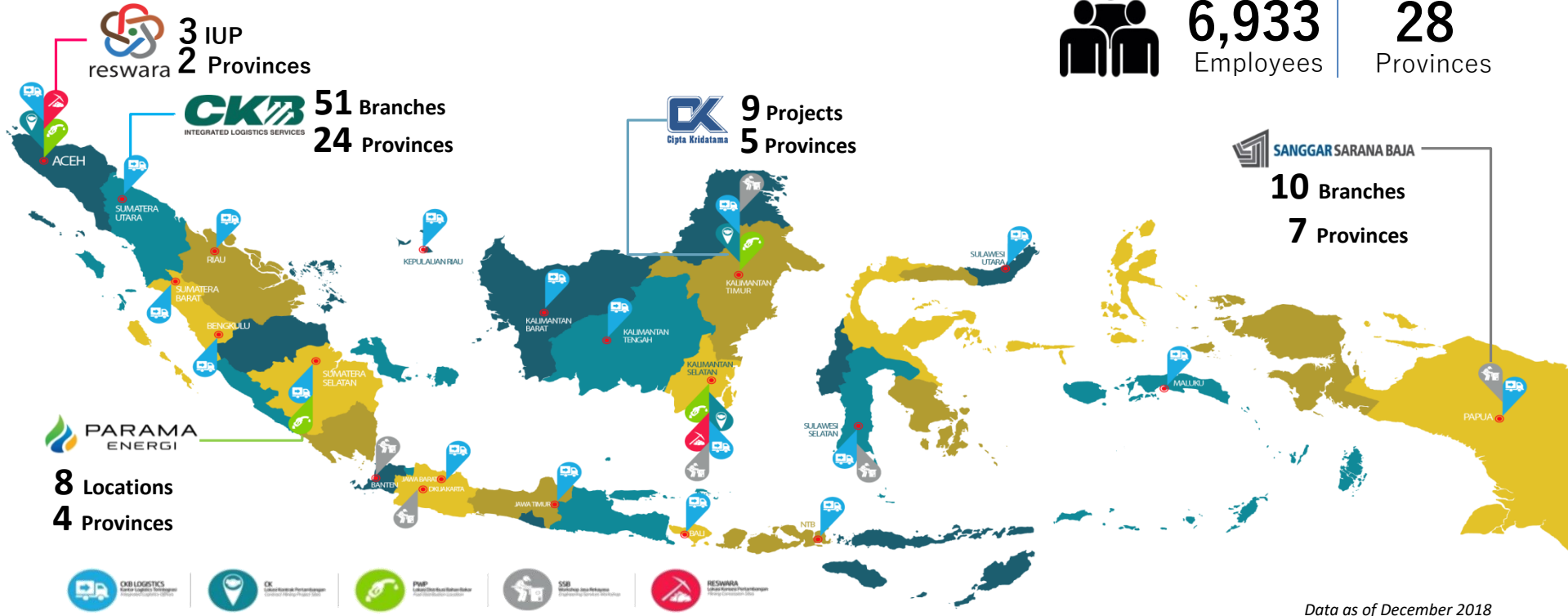


With over **42 years** experience and good reputation



6,933
Employees

28
Provinces



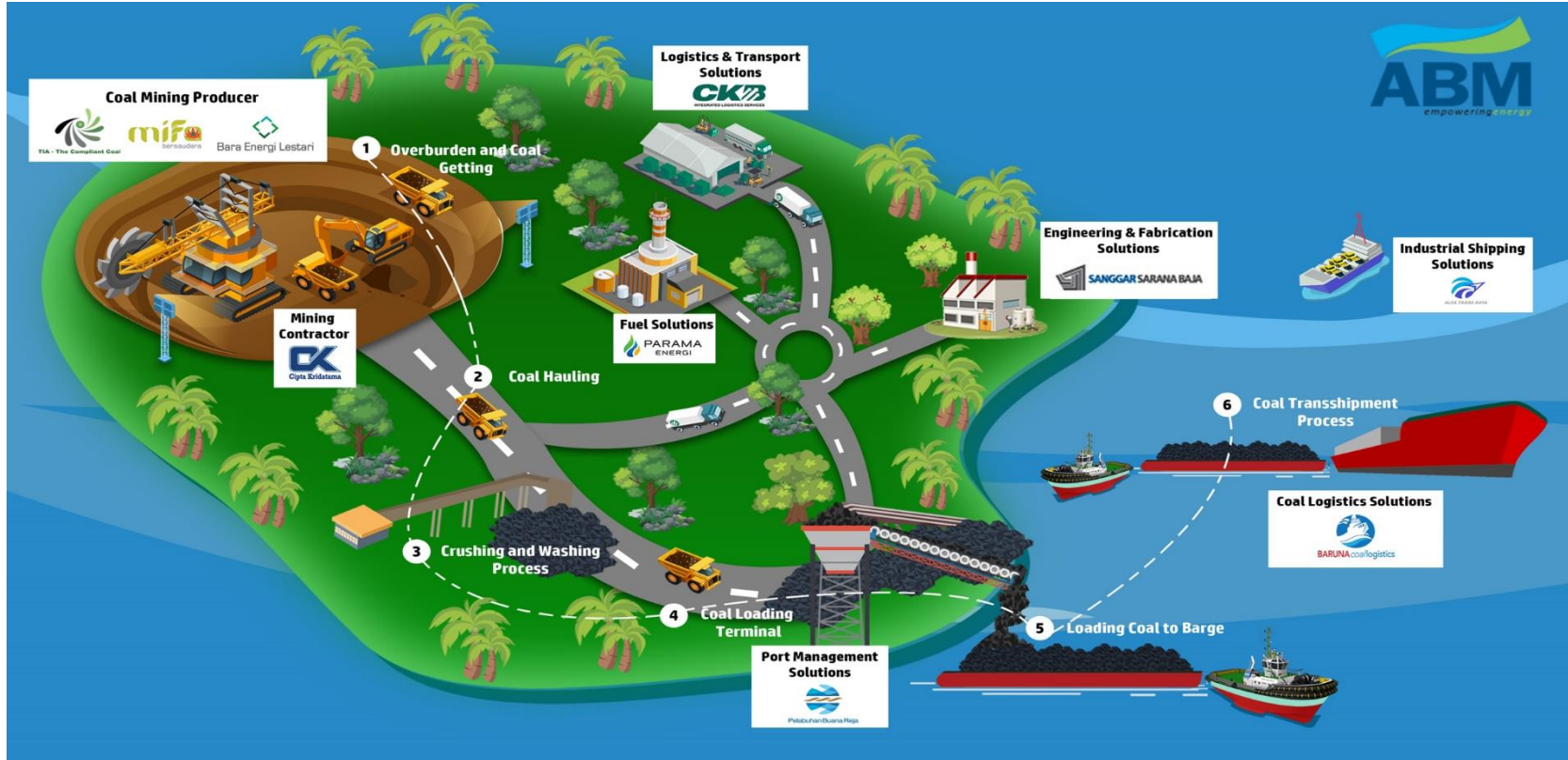
Data as of December 2018

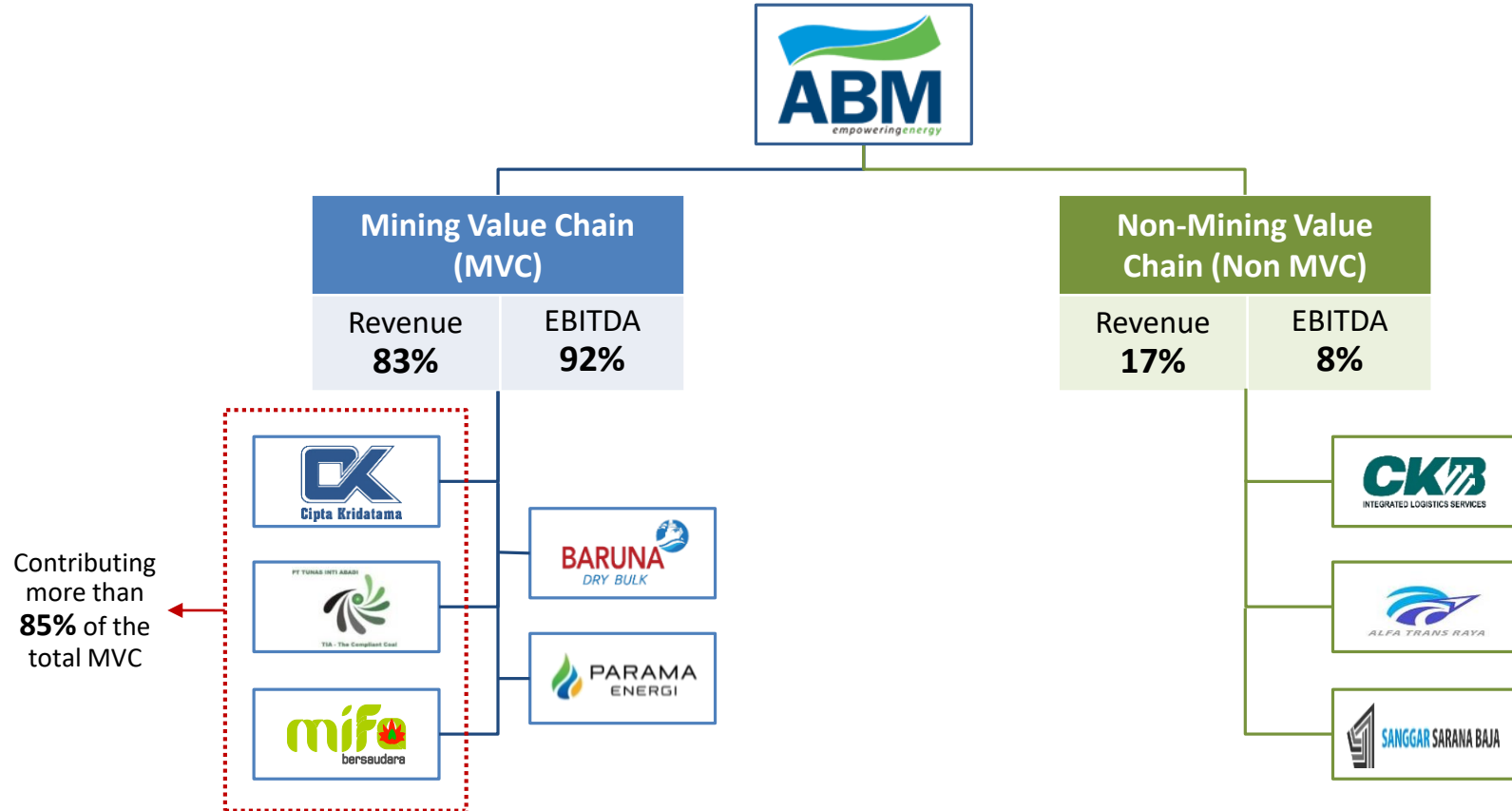
Table of Content



- 1 Who We Are
- 2 Core Operations : Mining Value Chain**
- 3 Our Strategy
- 4 Appendix : Our Performance

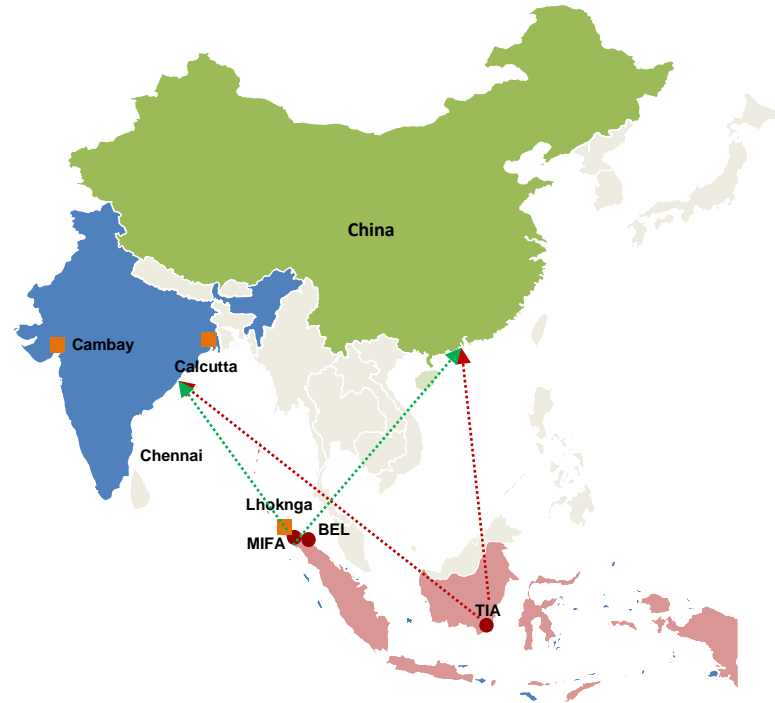
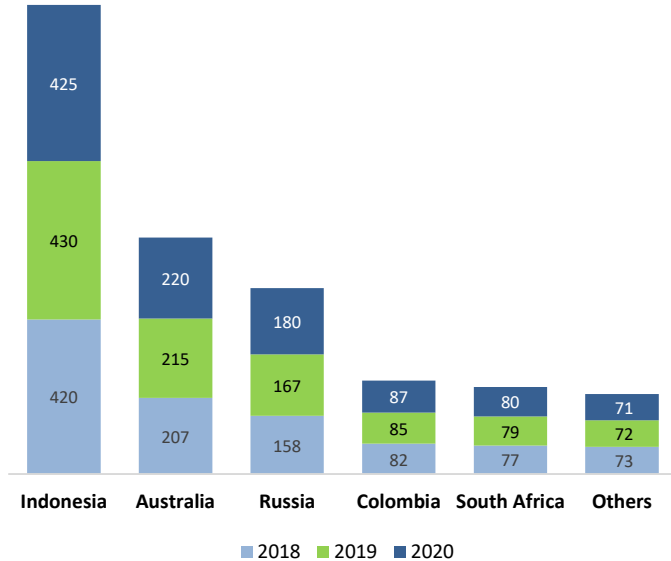
ABM Core Operations : Mining Value Chain





Indonesia is Strategically Positioned to Capitalize on Robust Energy Market in Asia

Top 5 Seaborne Coal Supply (mn mt)




- Indonesia is the **largest coal exporter** in the world
- Compared to the other coal producers, Indonesia has a **strategic position** to the biggest market : **China and India**

CK – Contract Mining Services

Overview Existing Contract

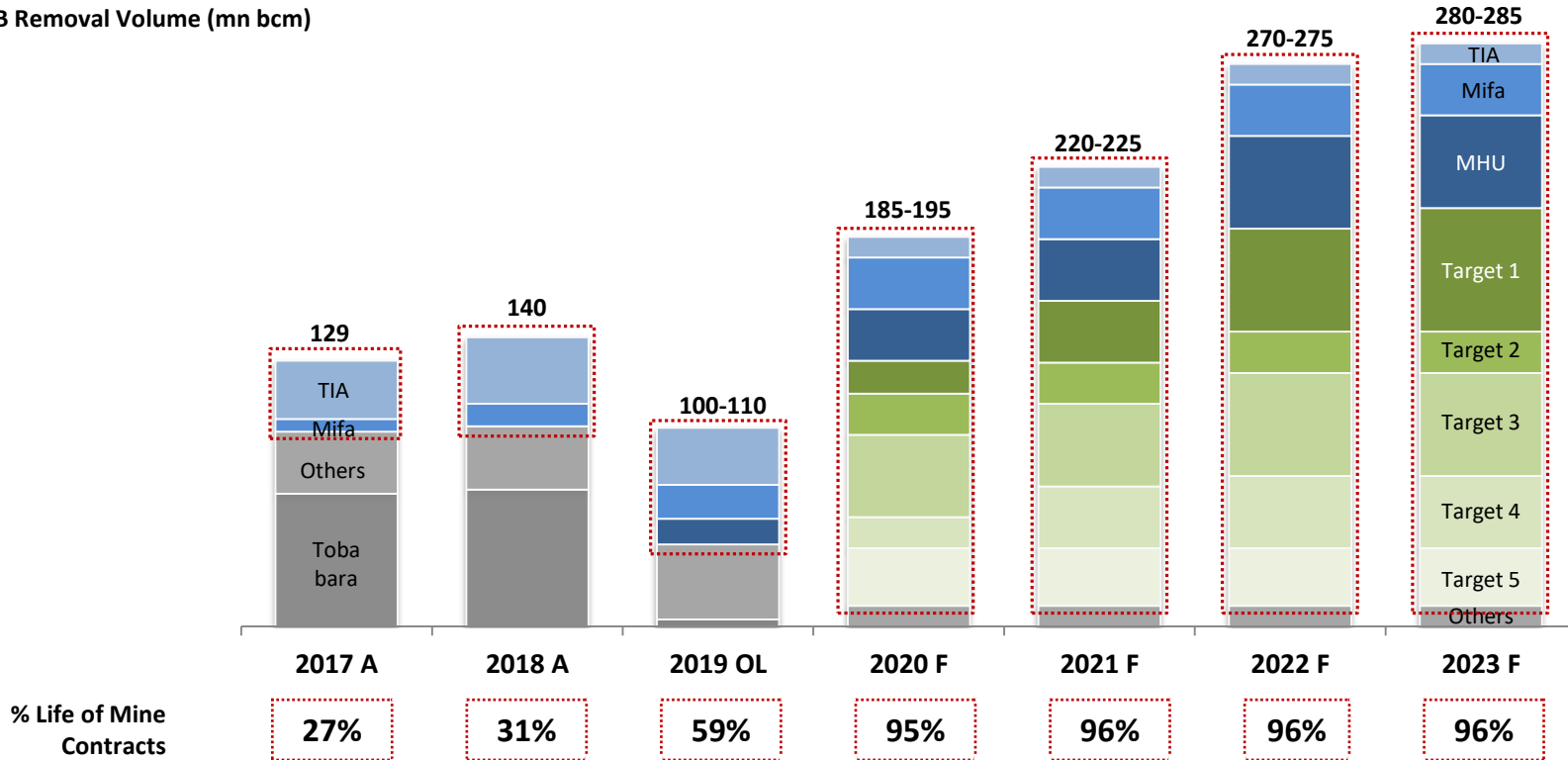
- With 630 Heavy Equipments, currently has contracts with **7** Indonesian coal producers.

Customer	Contract Expired	GAR	Location
TIA	Life of Mine	4200	South Kalimantan
Mifa	Life of Mine	3400	Aceh
MHU	Life of Mine	5500	East Kalimantan
MAS	2022	4800	South Sumatra
AGM	2020	4800	South Kalimantan
BBE	2020	5400	East Kalimantan
DMP	2020	4800	South Sumatra

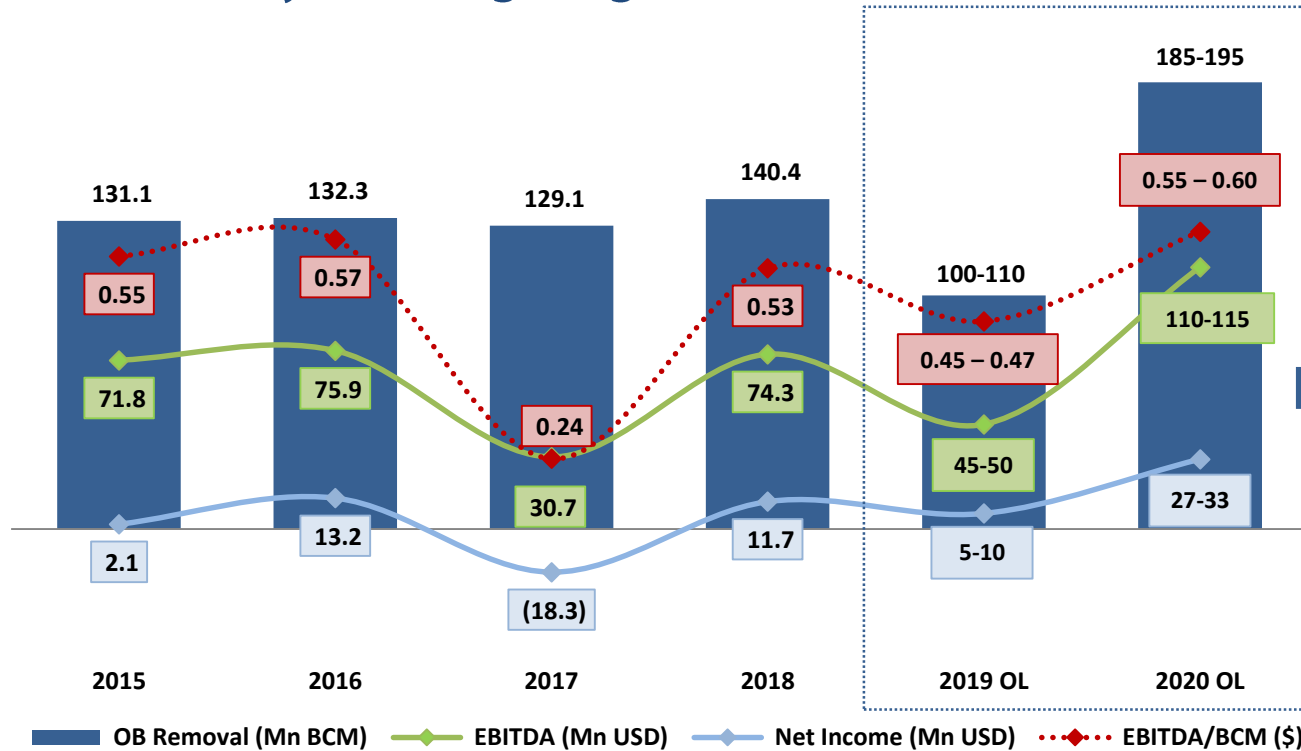
- CK customers ranging from low to high CV in order to **mitigate price fluctuation**
- CK is in discussion to secure 5 **Additional Mining Contracts** for :
 - 1) **Life of mine**
 - 2) **Strategic Counterparts**
 - 3) **Sizeable volume**
 - 4) **Geographically focused**
- Strong partnership and technical support from 

CK has Potential to Grow Almost 3x by 2023 Focusing on Life of Mine Contracts

OB Removal Volume (mn bcm)



CK is in Early Growing Stage

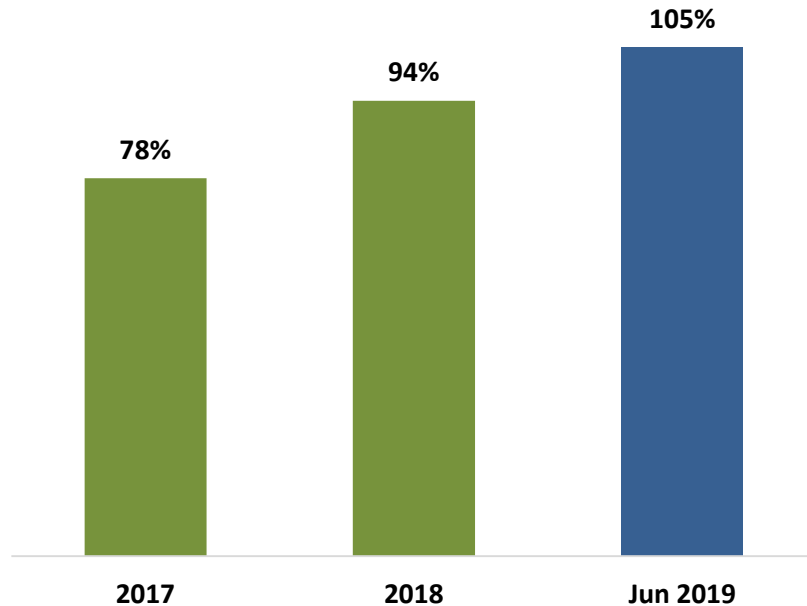


- CK to have LoM contracts on all sites
- CK has shown noticeable operational improvement
- Improve plant and assets, operation, and process
- People productivity
- Stable operational performance in 2020

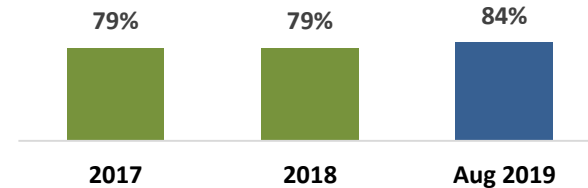
CK has improved its performance in the past 2 years

CK has now been able to hit the Production Target

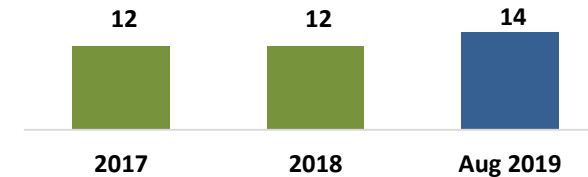
Actual Production vs Production Target (%)



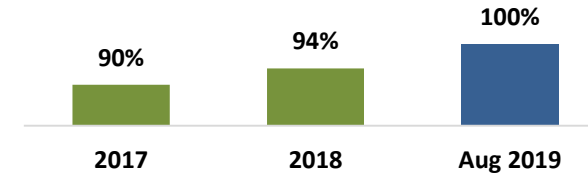
Improved Physical Availability (%)



Improved Utilized Availability (hours)



Improved Productivity (%)



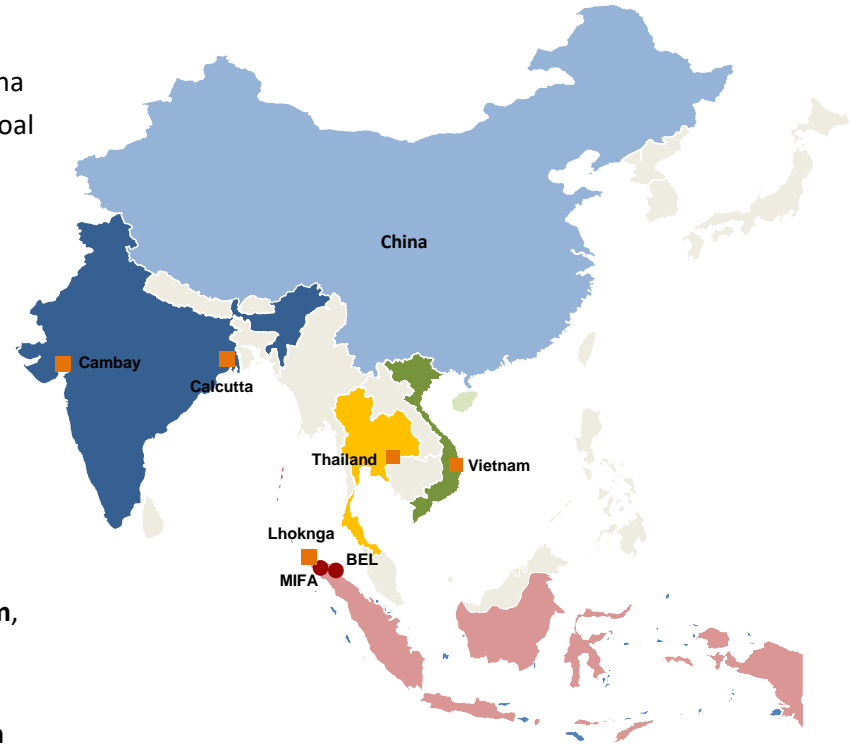
Mifa – Coal Production

Overview

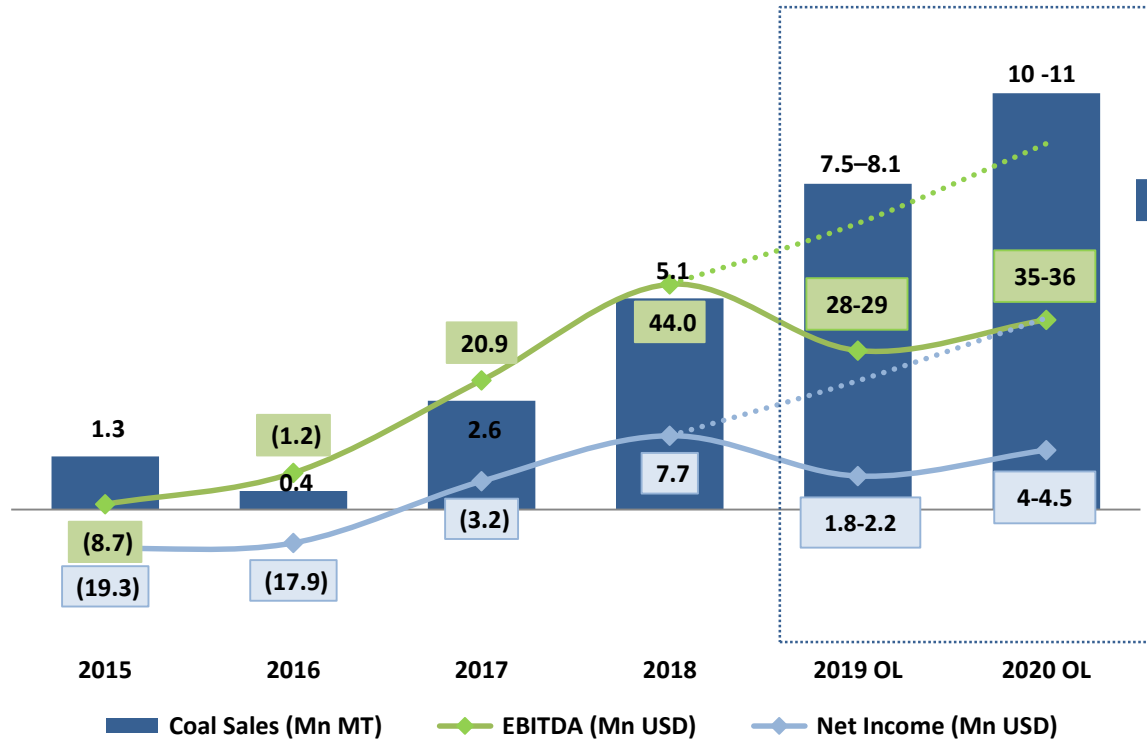
- Mifa is located in Aceh Province with total concession area of 3,134 ha
- Mifa has been conducting pilot mining since Jan 2012 and shipping coal to Lhok Nga, Aceh Besar since Oct 2012. Thus, Mifa is the pioneer of coal operation in Aceh
- **210 mn tons of reserves** as of 30 Jun 2019
- Coal spec in Mifa :

Calorific Value	3,400 kcal/kg
Ash Content	5.5%
Sulfur	0.17%

- **Strategically located mines near key demand markets and the only producing mine** in Aceh providing unrivalled access to South Asian markets due to shorter shipping
- Mifa's market is mostly to **India**, with other opportunities to **Vietnam, Thailand and China**
- **Proven track record in reducing cash cost**
- Supported by **high quality mining facilities and infrastructure which enable end-to-end control of the mining process**

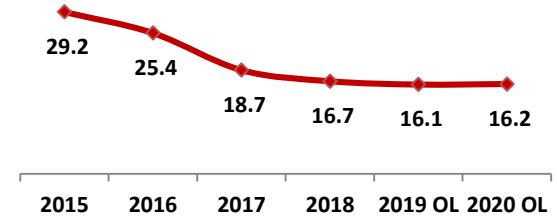


Mifa is in a Growing Stage of Business Life Cycle



- MIFA ramps up, to 10mn MT, low SR, lower cost, financial performance improved
- Potential ramps up, to 15mn MT production onward
- Operationally stable in 2020
- Already secured contract 8.4 mn MT in 2019 and 14 mn MT in 2020

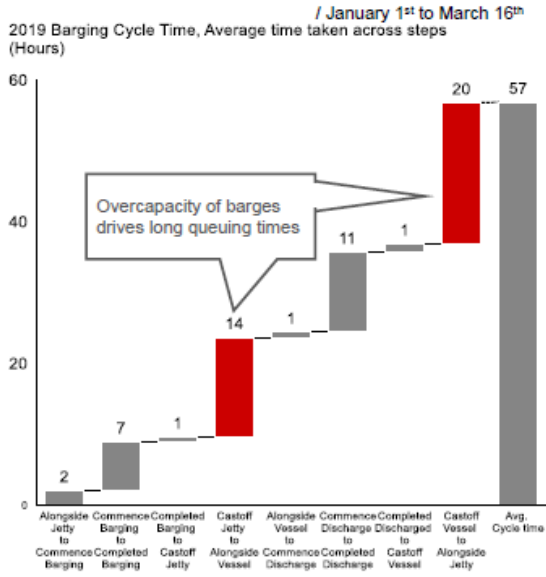
Mifa Cash Cost/MT, in US\$



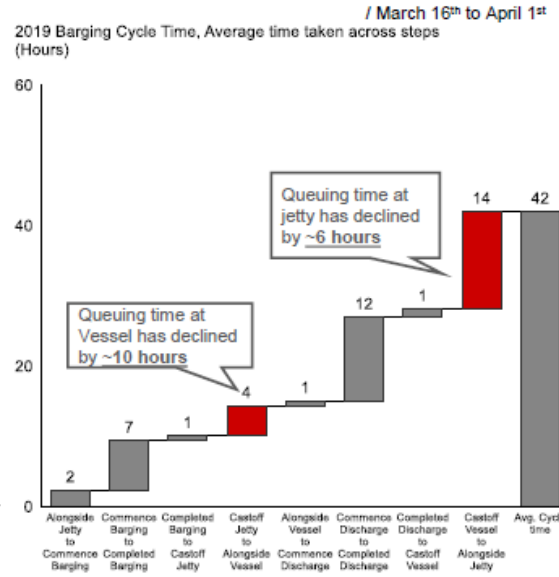
BAIN for Mifa

Reduce Barge Cycle Time (from 57 hours to 35 hours)

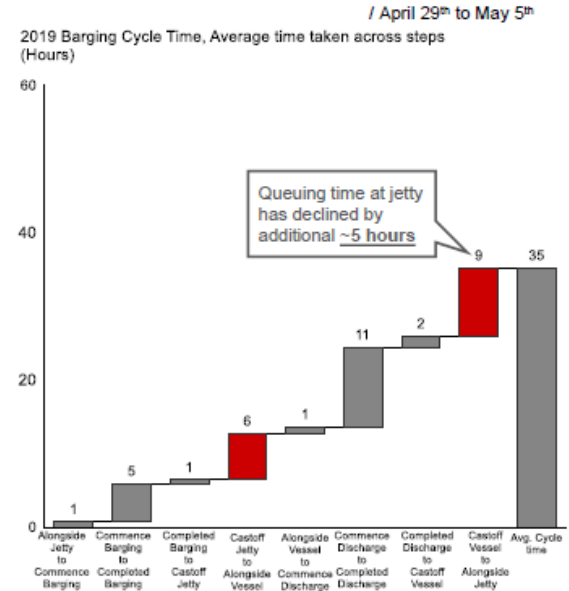
7 Barges: ~57 hour cycle time



6 Barges: ~42 hour cycle time



April 29th to 5th May: ~35 Hrs cycle time



MIFA on-the-ground team will continue operations with 6 barges due to reduced cycle time & increased productivity

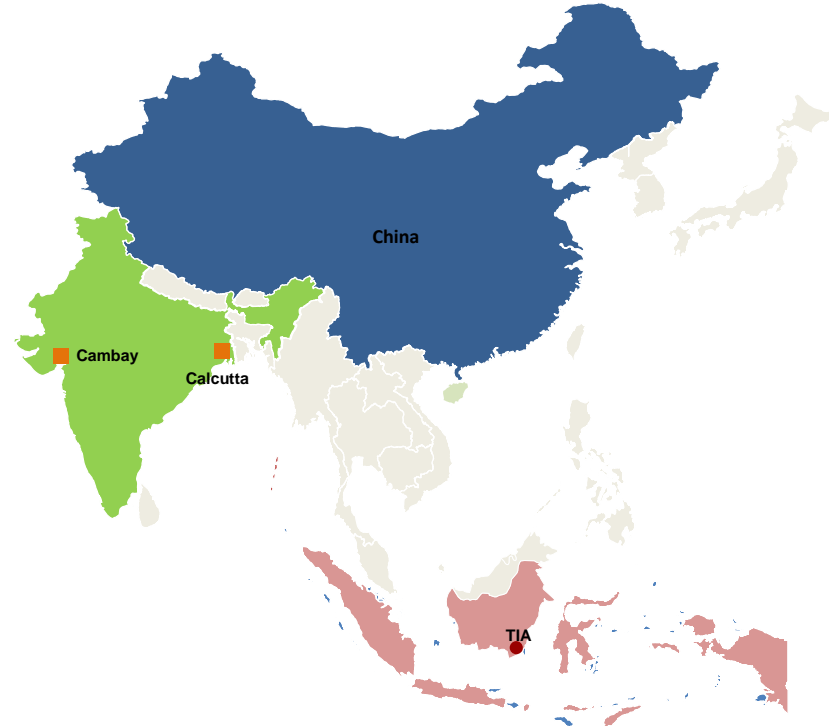
TIA - Coal Production

Overview

- Started production in 2008. TIA coal product has trademarked as "TIA The Compliant Coal" with low sulfur and ash content
- TIA is located in South Kalimantan Province with a total concession area of 3,085 ha
- 12 mn tons of reserves as of 30 Jun 2019
- Coal spec in TIA :

Calorific Value	4,200 kcal/kg
Ash Content	4.9%
Sulfur	0.14%

- Strategically located mines near key demand markets**
- Proven track record in reducing cash cost**
- Supported by **high quality mining facilities and infrastructure that enable end-to-end control of the mining process**



The Next TIA : ABM Operation Hub



- TIA as ABM Operation Hub in South Kalimantan
- Revenue from infrastructure rental
- Synergy operation within ABM group

Table of Content

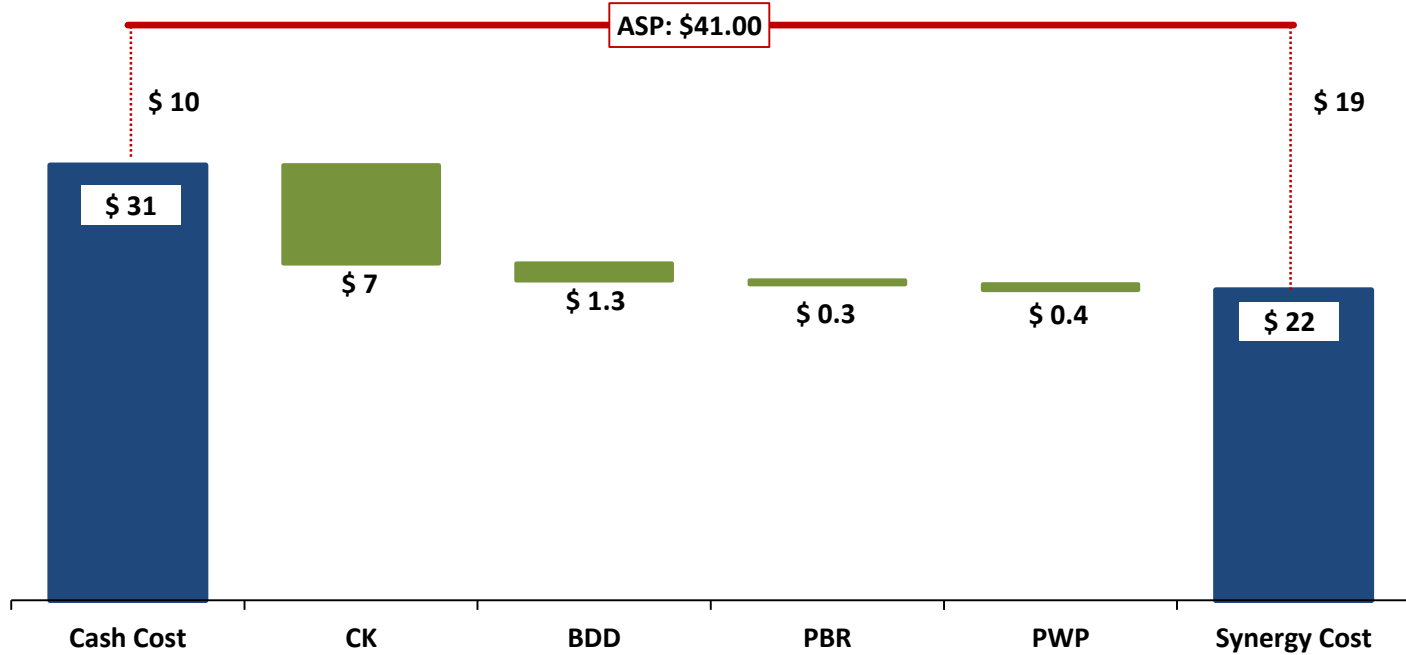


- 1 Who We Are
- 2 Core Competencies : Mining Value Chain
- 3 Our Strategy**
- 4 Appendix : Our Performance

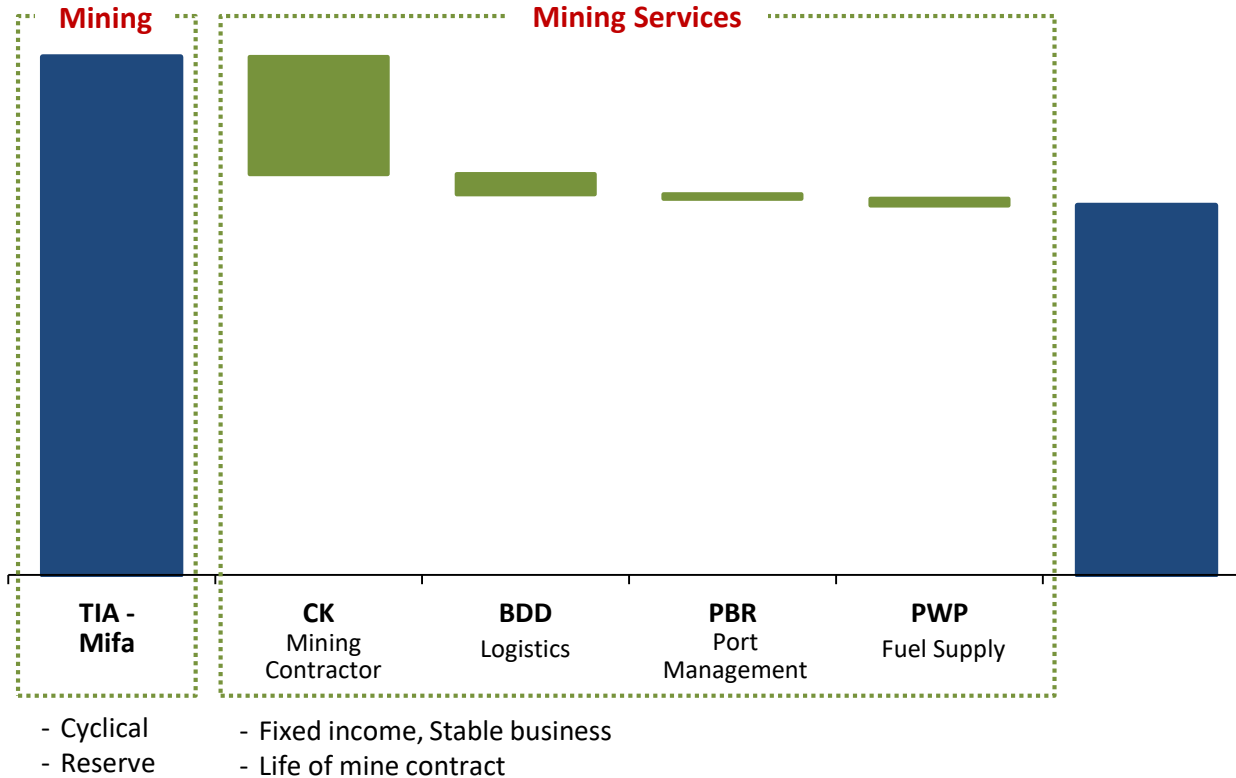
Our Operational Strategy



Hypothetical numbers
For illustrative purposes only



ABM Moving Forward



1. Focusing on **Mining Value Chain**
2. Improving operations in **Mining Services**
3. Looking for suitable **Mining Assets**

Thank You



**STRENGTHENING SYNERGY,
ADVANCING CORE BUSINESS**
MEMPERKUAT SINERGI, MEMAJUKAN BISNIS INTI

Table of Content

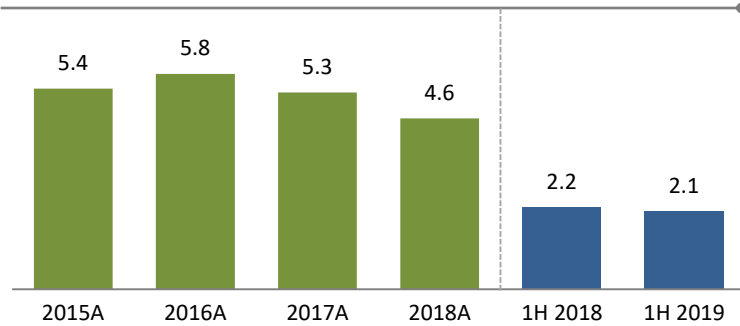


- 1 Who We Are
- 2 Core Competencies : Mining Value Chain
- 3 Our Strategy
- 4 Appendix : Our Performance**

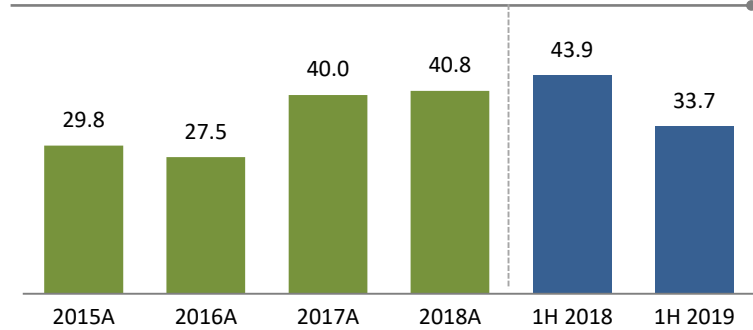
TIA - Operational Performance



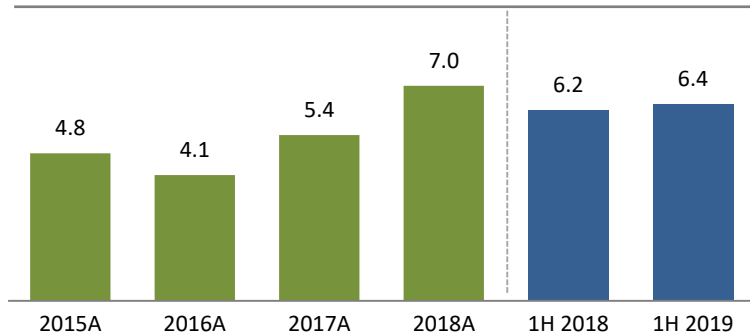
Coal Production (million ton)



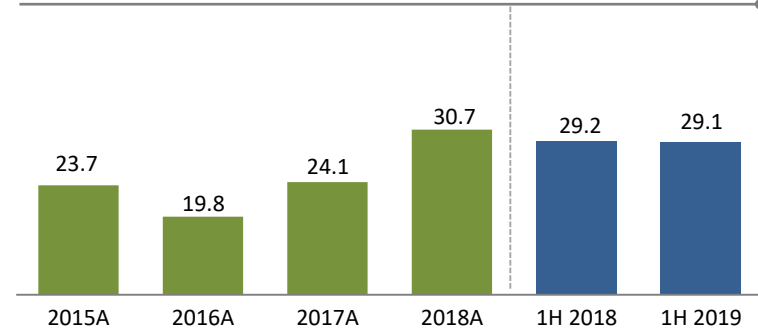
Average Selling Price (US\$/ton)



Average Stripping Ratio (x)



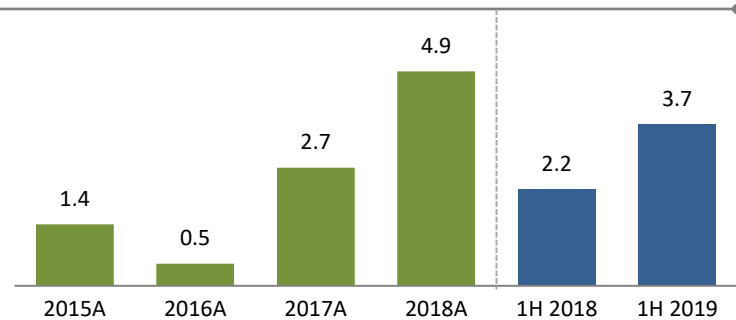
Average Cash Cost (US\$/ton)



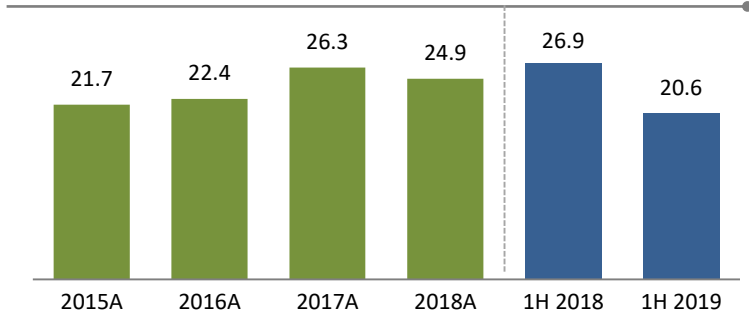
Mifa - Operational Performance



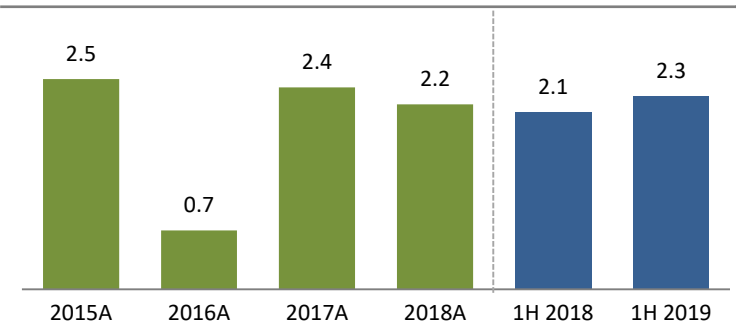
Coal Production (million ton)



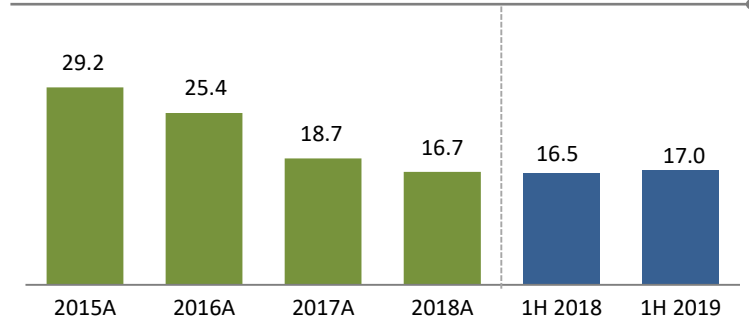
Average Selling Price (US\$/ton)



Average Stripping Ratio (x)



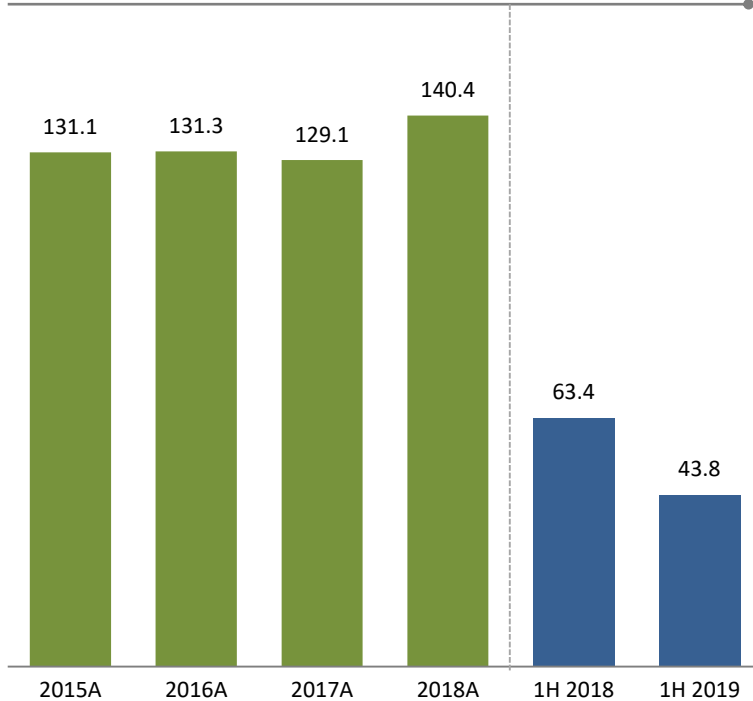
Average Cash Cost (US\$/ton)



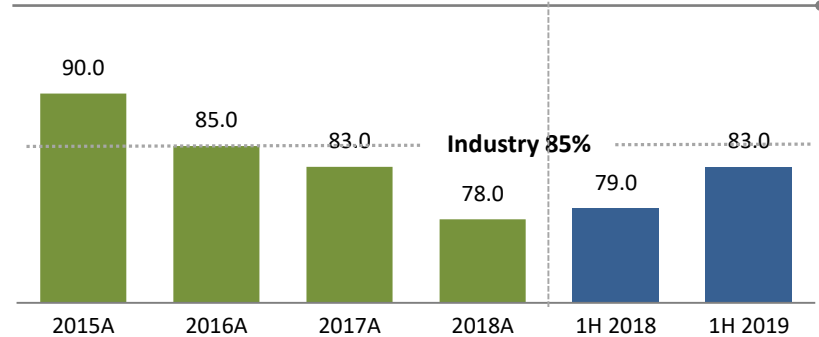
CK - Operational Performance



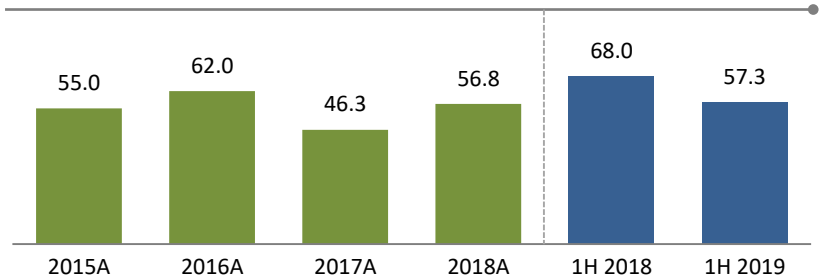
Overburden Removal (million bcm)



Mechanical Availability (%)



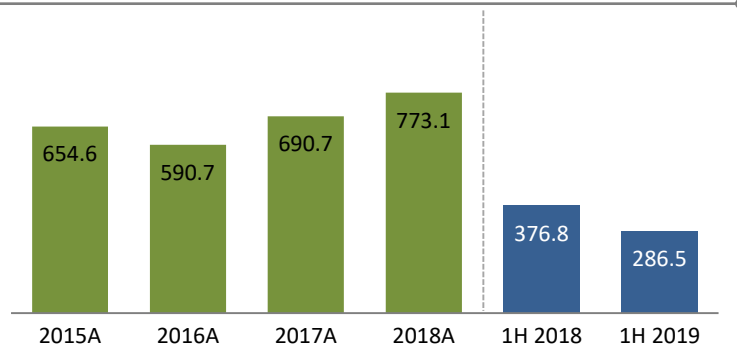
Utilization of Asset (%)



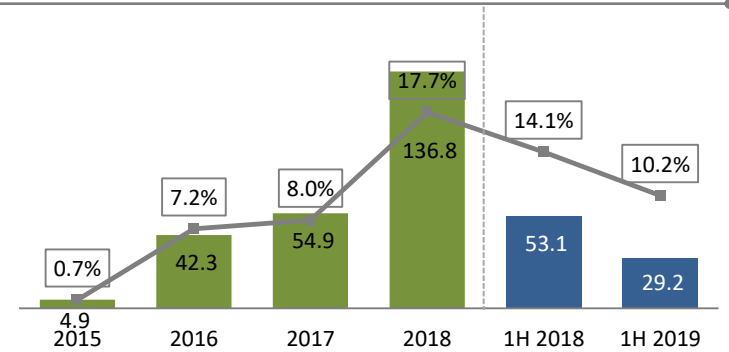
Key Financials of ABM Consolidated



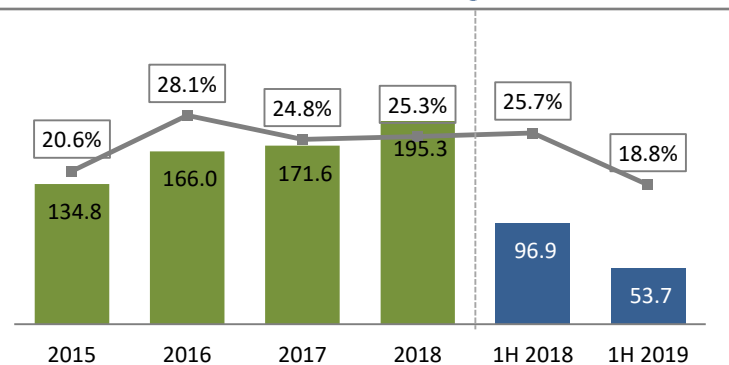
Revenue (US\$ mn)



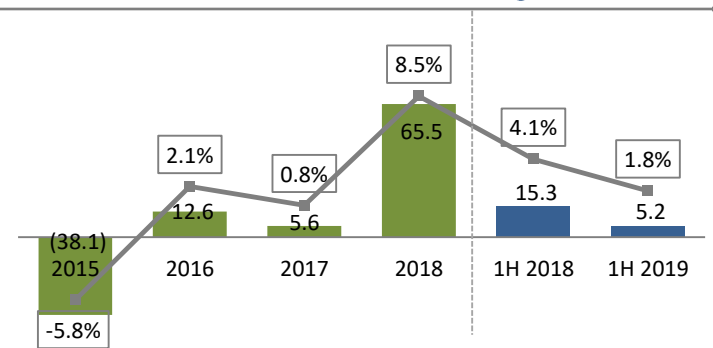
Operating Profit (US\$ mn) and OP Margin



EBITDA (US\$ mn) dan EBITDA Margin



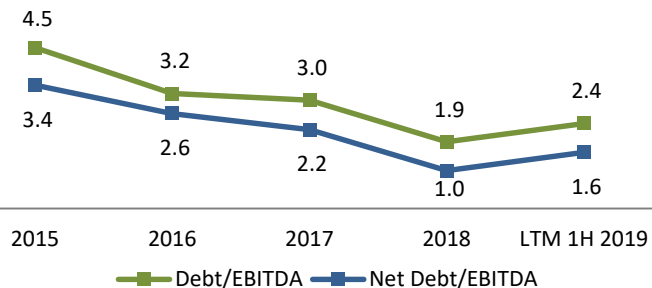
Net Profit (US\$ mn) and Net Profit Margin



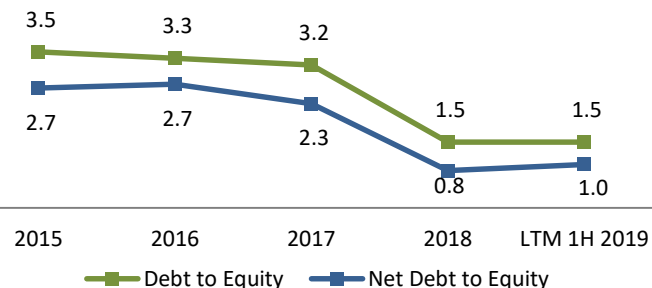
Key Financials of ABM Consolidated



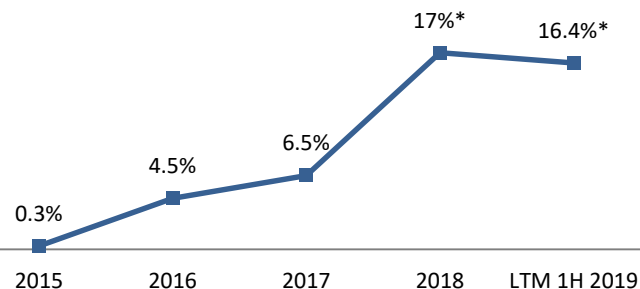
Debt and Net Debt to EBITDA (x)



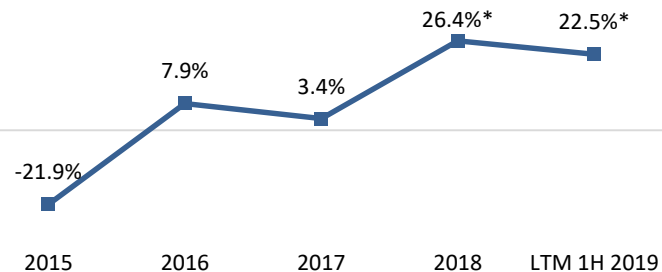
Debt and Net Debt to Equity (x)



Return on Capital Employed (%)



ROE (x)



* Incl. Reversal of impairment losses on mining properties US\$45.4 mn