



PT Adaro Minerals Indonesia Tbk
Public Expose

Monday, 03 March 2025

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Business Overview

PT Adaro Minerals Indonesia Tbk at a Glance



Indonesia's top metallurgical coal producer, with an industry-leading cost structure and growing client base. Currently developing an aluminium smelter at the industrial park in North Kalimantan, as our first step in supporting Indonesia's downstream initiatives.



Large coal reserves and resources, supporting long-term sustainable growth. **Coal reserves: 173 Mt.**
Coal resources: 975.6 Mt.*



Strong demand profile from blue-chip steel companies. Customers are primarily from Asian countries including Japan, China, India, South Korea, and Indonesia.



Offers coal **supply diversification** for customers and close proximity to key markets, reducing transportation times and enabling a **competitive cost** structure.



Consistent sales volume growth, aiming to reach **5.6 – 6.1 Mt in 2025**.

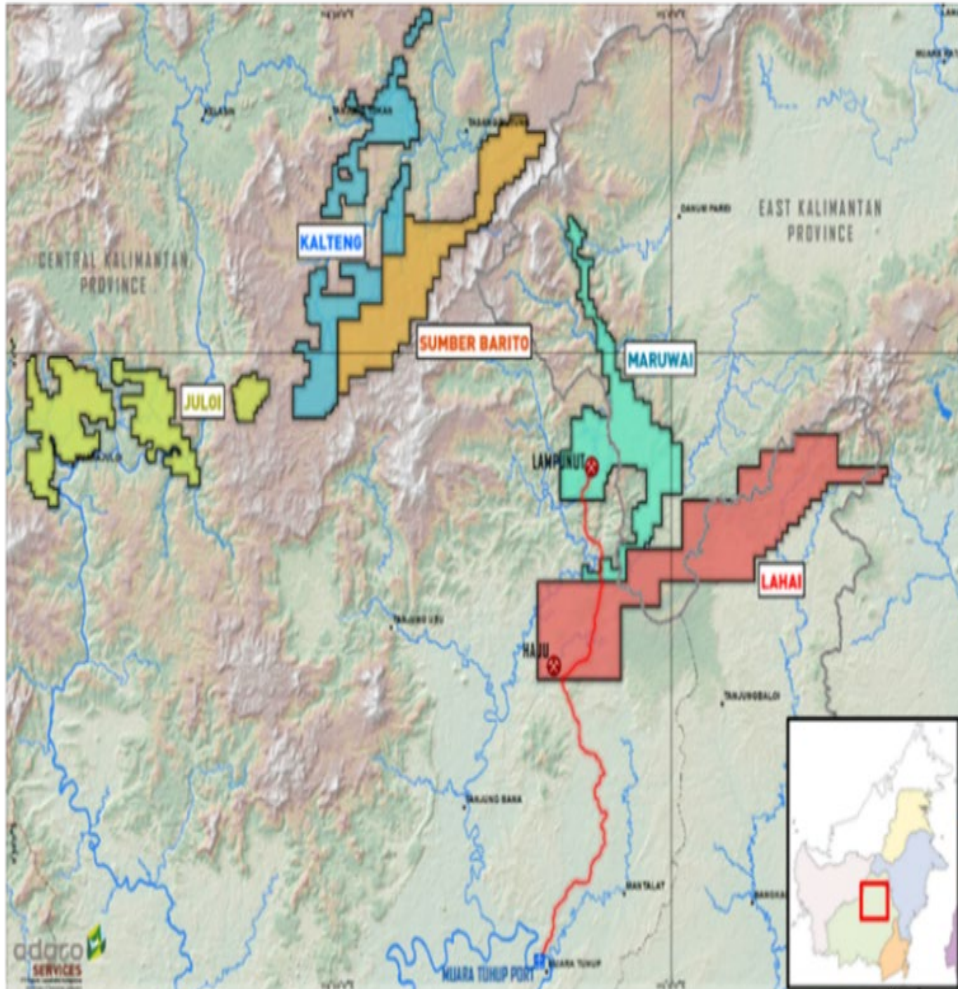


Developing an aluminium smelter project, with planned **total capacity of up to 1.5 Mt**, supporting the Indonesian government's downstream initiatives for batteries and the electric vehicle ecosystem.

**Coal Reserves and Resources data is as of August 2021 from independent consultant PT Quantus Consultants Indonesia*

Company Overview

CCoWs Locations



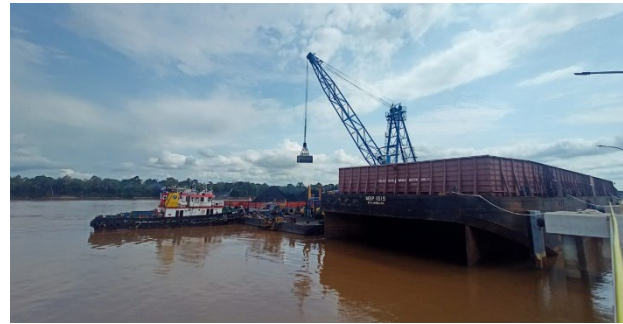
Resources and Reserves

| Company / Locality | Total Coal Reserves (Mt) | Total Coal Resources (Mt) | Compliance Standard |
|--|--------------------------|---------------------------|---------------------|
| Lahai Coal - Haju (Metallurgical) | 2.0 | 4.0 | JORC |
| Maruwai Coal - Lampunut (Metallurgical) | 92.2 | 101.4 | JORC |
| Juloi Coal - Juloi Northwest (Metallurgical) | - | 629.9 | JORC |
| Juloi Coal - Bumbun (Metallurgical) | 55.5 | 174.5 | JORC |
| Kalteng Coal - Luon (Metallurgical) | 17.7 | 50.9 | JORC |
| Sumber Barito Coal - Dahlia Arwana (Metallurgical) | 5.6 | 15.0 | JORC |
| TOTAL | 173.0 | 975.6 | |

Supply Chain: from Coal Terminal to Vessel Loading Points



Barge-to-barge



Barge-to-Barge

- Barge-to-Barge transfers are done at Taboneo and North Kelanis using floating crane

Barge-to-Vessel (Taboneo)

- Safe for loading for a wide range of vessel sizes
- Floating Office at Permata Barito

Barge-to-Vessel



Indonesia Bulk Terminal



Indonesia Bulk Terminal

- Located at Pulau Laut Southeastern coast of South Kalimantan.
- 11 Mtpa capacity
- Up to 82kt DWT
- Dedicated stockpiles of 640kt

Established Infrastructure to Ensure Operational Excellence

Lampunut Coal Handling and Processing Plant

Crushing Plant : 600 tph

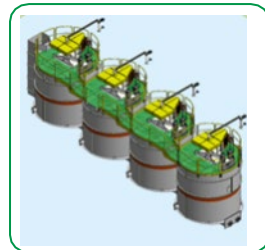


- One of the largest CHPPs in Indonesia in terms of capacity
- Reduces ash from 12% ad to 4.5% ad

Washing Plant : 525 tph (max: 550 tph)



WASHING – 3 Process Circuit



Our ongoing Investment in Facilities and Infrastructure

Hauling Road Upgrade



Fuel Storage Tank



Second Barge Loading Conveyor



Employee Camp

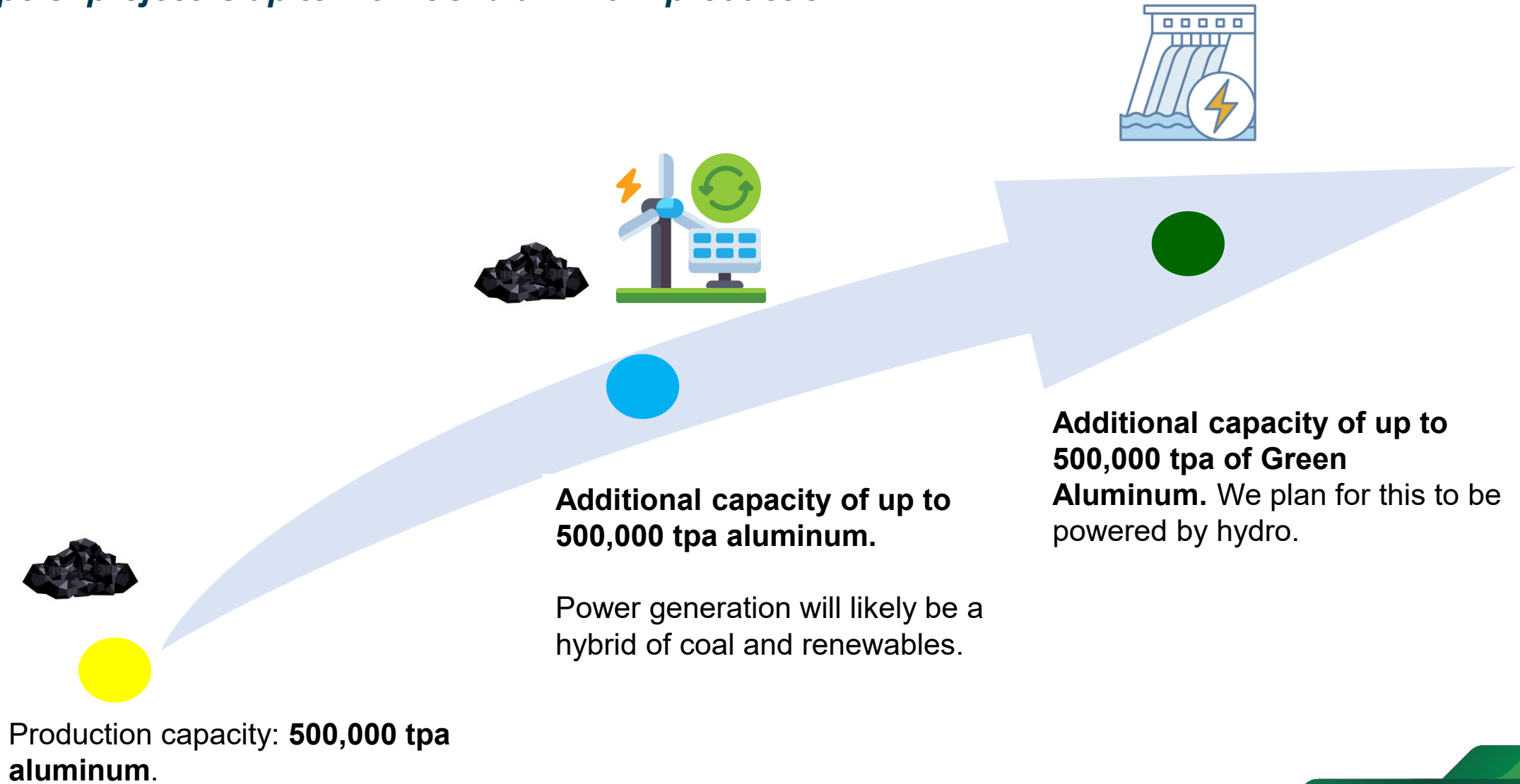


We continue advancing our infrastructure projects to support higher volume target. Our hauling road upgrade project continue to progress, along with the construction of our second barge loading conveyor.

We completed the construction of additional fuel storage tanks with capacity of 2x1,500KL and 4x1,500KL in Lampungut and Tuhup, as well as the 400 beds new Tuhup camp in 2024.

Aluminium Smelter in Kaltara Industrial Park

Scope of project is up to 1.5 Mt of aluminium production



Progress of Aluminium Smelter

Aluminium smelter:

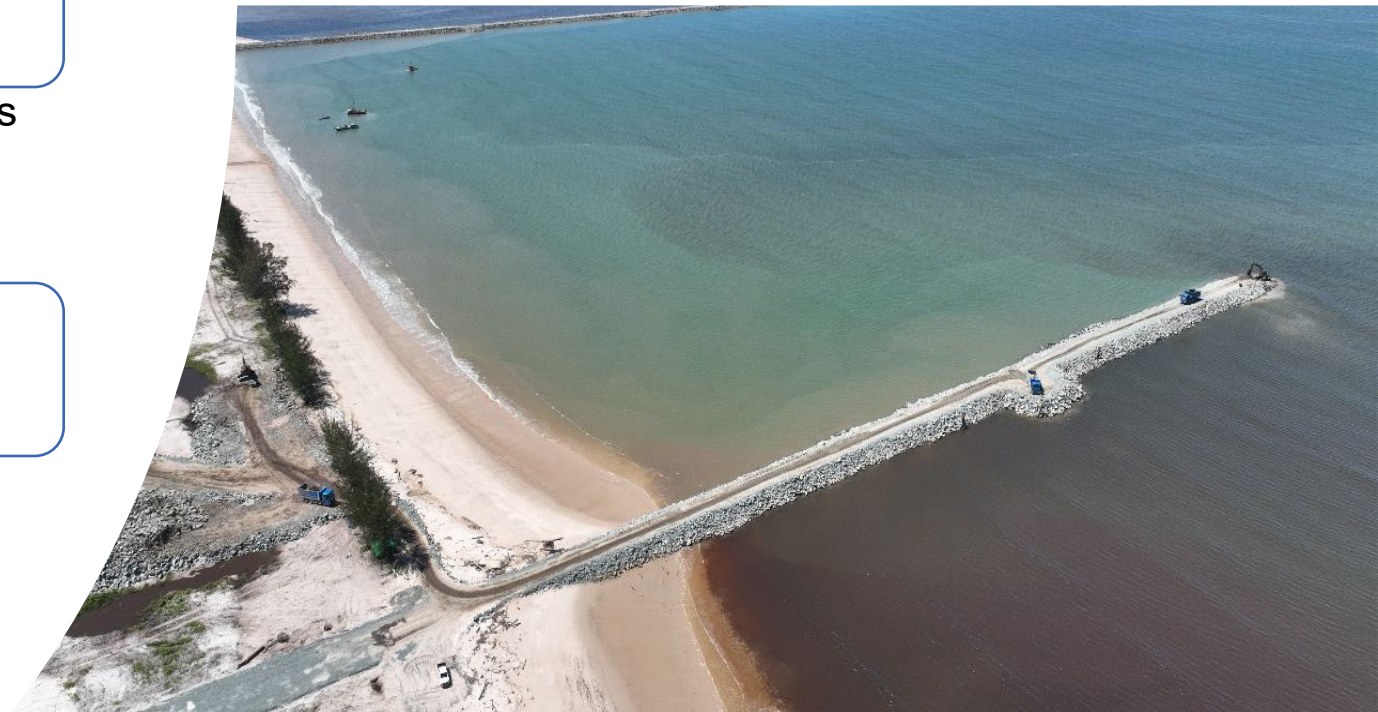
- In 4Q24, the construction on aluminium smelter area focused on the foundation and steel structure erection for anode and electrolysis plant.

Jetty:

- The construction of the raw material berthing area has been completed in 4Q24.
- The installment of the conveyor belt structure and office building are still in progress.

Supporting facilities:

- The building foundation and upper structure work for the permanent dormitory are still in progress.



Solid HSE Performance



- ADMR implements zero accident mindset which emphasizes on continuous improvements in safety SOPs to improve workers' behavior.
- PT KAI continues its construction progress while consistently emphasizing health and safety governance for each operational activity.

| Indicator | MC & LC | KAI |
|-----------|---------|------|
| LTIFR | 0.34 | 0.06 |
| SR | 0.47 | 0.71 |

Corporate Social Responsibility



- As part of AlamTri Group, ADMR adopt AlamTri's corporate social responsibility (CSR) vision, focusing on five main areas: economy, education, health, socio-cultural, and environment.



- CSR activities present the opportunities for the company to communicate, interact, and get closer to the communities, to obtain first-hand information to help identify the main gaps for enhancing the living standard in the surrounding communities.

Industry Overview

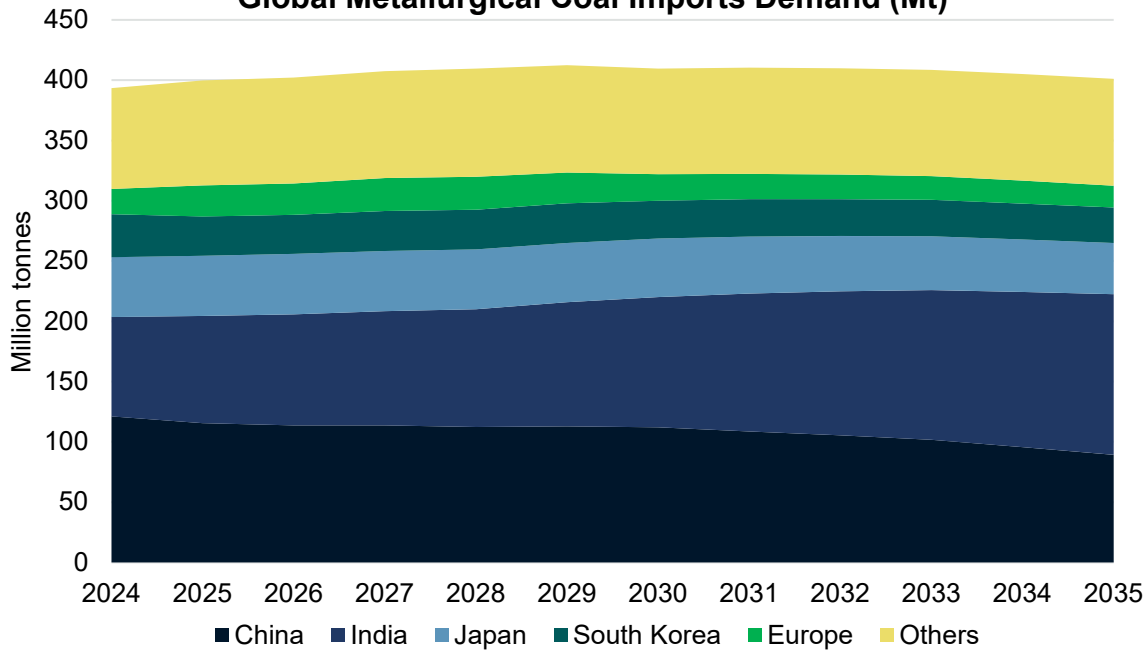
Metallurgical Coal Prices



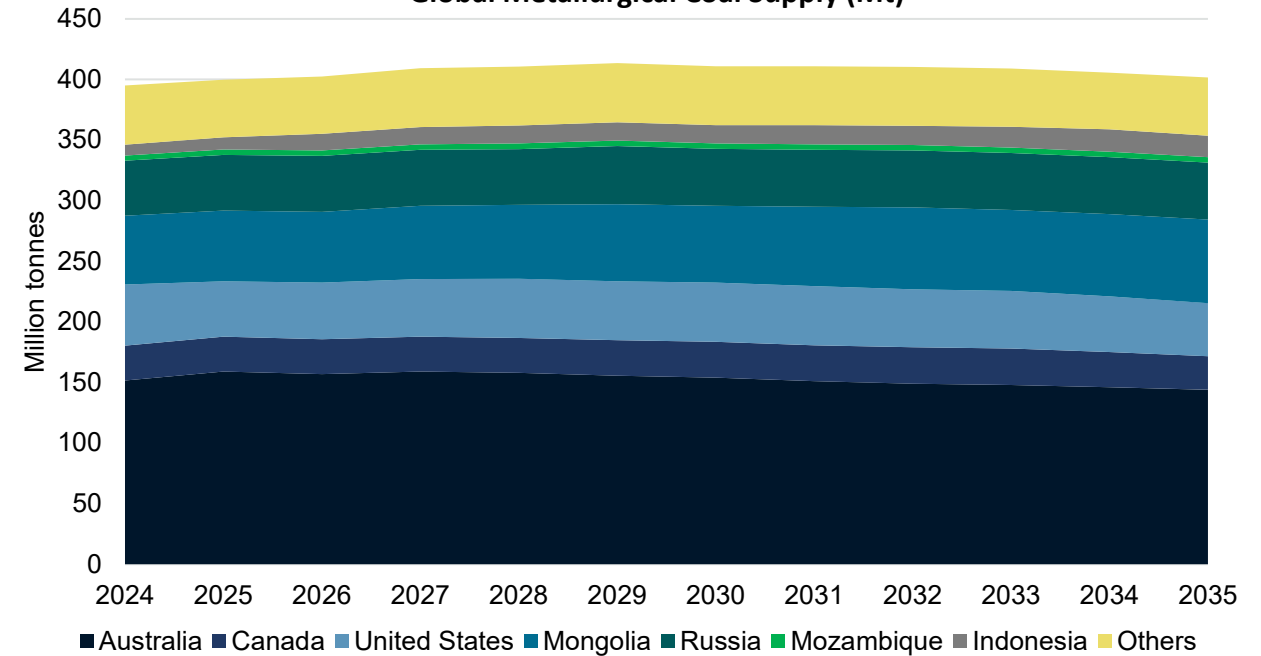
The average price of premium low-volatile (PLV) hard coking coal (HCC) FOB Australia in 2024 declined 19% y-o-y to approximately US\$240/t. The lacklustre demand from China mainly drove the downturn in metallurgical coal prices.

Seaborne Metallurgical Coal Demand and Supply Outlook

Global Metallurgical Coal Imports Demand (Mt)



Global Metallurgical Coal Supply (Mt)



Source: McCloskey

Demand growth, particularly from India and Southeast Asia, is expected to support a balanced supply and demand.

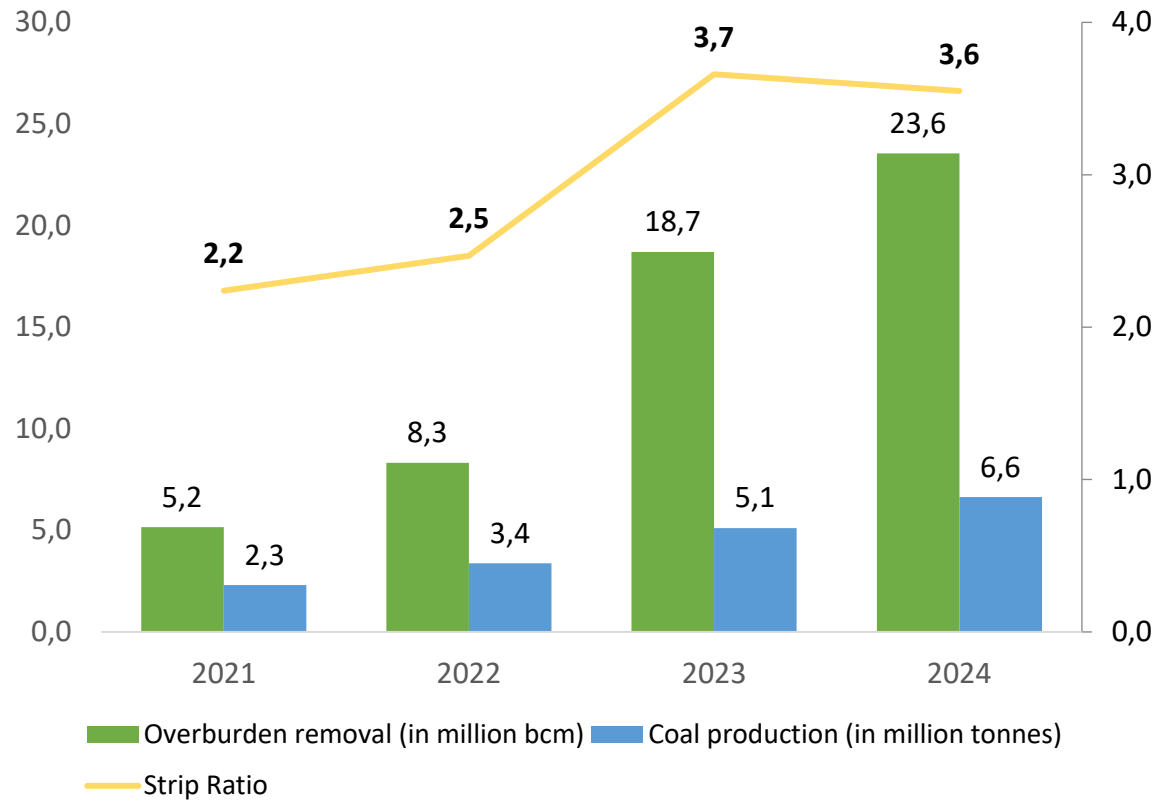
- The long-term outlook shows a positive and stable growth in demand, which positions Indonesia for sustained growth in both domestic and international markets.
- Demand:
 - China continues to be the main steel producer, although India's steel production capacity is expected to surpass China's starting in 2030.
 - India's implementation of import restrictions on metallurgical coke signals a shift in trade dynamics, with expectations of a significant increase in metallurgical coal imports.
 - India remains a key driver of metallurgical coal demand, with major steelmakers—including Tata Steel, JSW, JSPL, and ArcelorMittal Nippon Steel (AMNS)—pursuing ambitious blast furnace expansions. These developments will further bolster the country's metallurgical coal consumption, creating opportunities for global exporters, including Indonesia
- Supply:
 - Australia continues to be the main supplier in the seaborne market, but supply growth is expected to face limitations, with periodic mine closures impacting availability later in the decade.
 - Russian supply is expected to remain constrained due to logistical challenges and geopolitical sanctions.



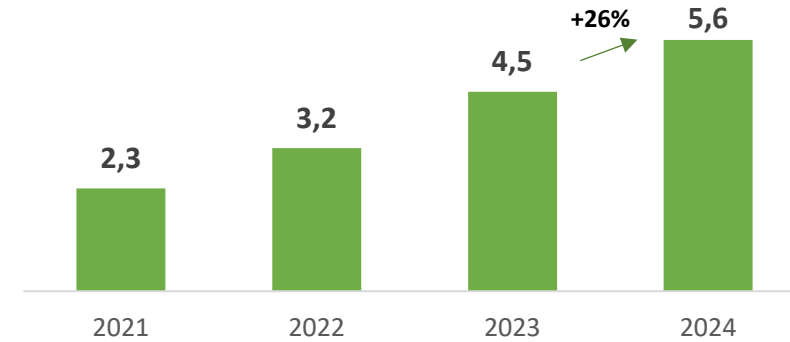
Operational & Financial Highlight

Strong Production & Sales

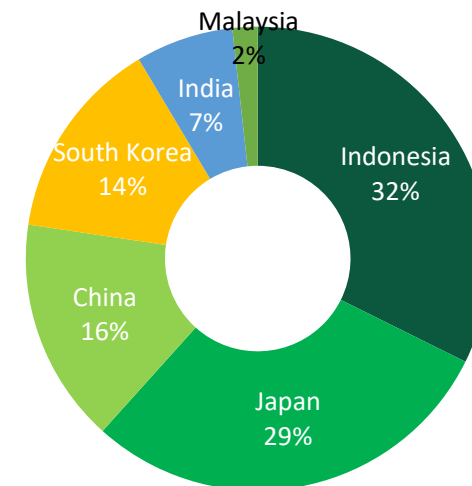
Growing Production with Low Strip Ratio



Expanding Sales Volume (Mt)



Broad Market Demand (FY24)



Financial Summary



| OPERATIONAL PERFORMANCE | FY24 | FY23 | % Change |
|--|---------|---------|----------|
| Production (Mt) | 6.6 | 5.1 | 30% |
| OB removal (Mbcm) | 23.6 | 18.7 | 26% |
| Sales (Mt) | 5.6 | 4.5 | 26% |
| FINANCIAL PERFORMANCE (in US\$ million, except Earning per share) | FY24 | FY23 | % Change |
| Net revenue | 1,154.2 | 1,086.0 | 6% |
| Gross profit | 577.8 | 583.2 | 15% |
| Net profit | 434.8 | 440.8 | (1%) |
| Operating Income | 540.3 | 574.6 | (6%) |
| Core earnings | 445.4 | 421.0 | 6% |
| Operational EBITDA | 580.0 | 573.5 | 1% |
| Interest-bearing debt | 295.8 | 420.7 | (30%) |
| Net debt (cash) | (316.8) | (165.7) | 91% |
| Capital expenditure | 405.7 | 134.0 | 203% |
| Cash | 612.6 | 586.4 | 4% |
| Free cash flow | 155.8 | 194.6 | (20%) |
| Earnings per share (full amount) | 0.0107 | 0.0108 | (1%) |

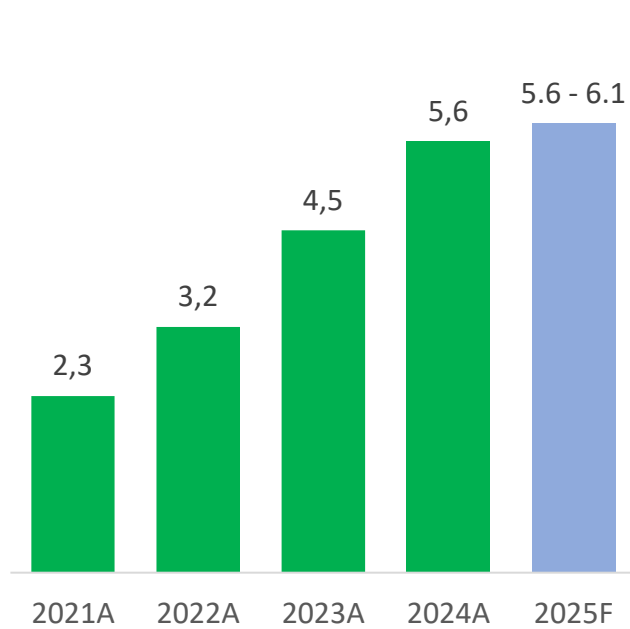
Key Metrics

| FINANCIAL RATIO | FY24 | FY23 | % Change |
|--|--------|--------|----------|
| Gross profit margin | 50.1% | 53.7% | (4%) |
| Net profit margin | 37.7% | 40.6% | (2.9%) |
| Operating margin | 46.8% | 52.9% | (6%) |
| Operational EBITDA margin | 50.3% | 52.8% | (3%) |
| Net debt (cash) to equity (x) | (0.21) | (0.16) | 32% |
| Net debt (cash) to last 12 months Operational EBITDA (x) | (0.55) | (0.29) | 89% |
| Cash from operations to capex (x) | 1.29 | 2.21 | (42%) |

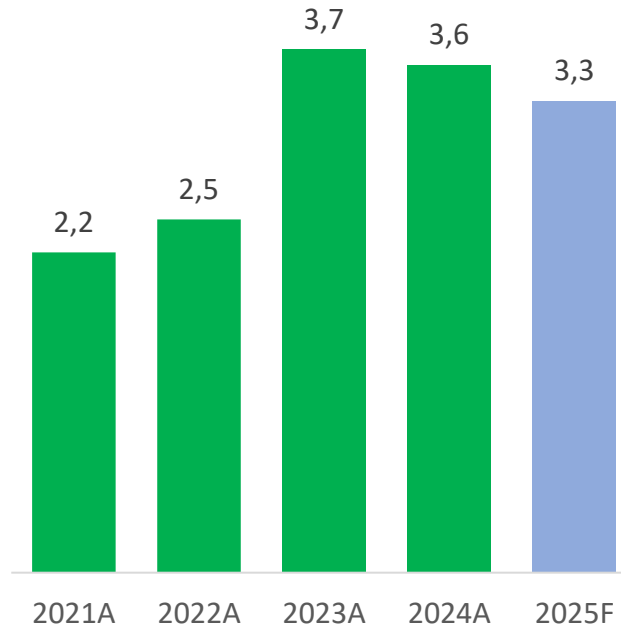
FY25 Guidance



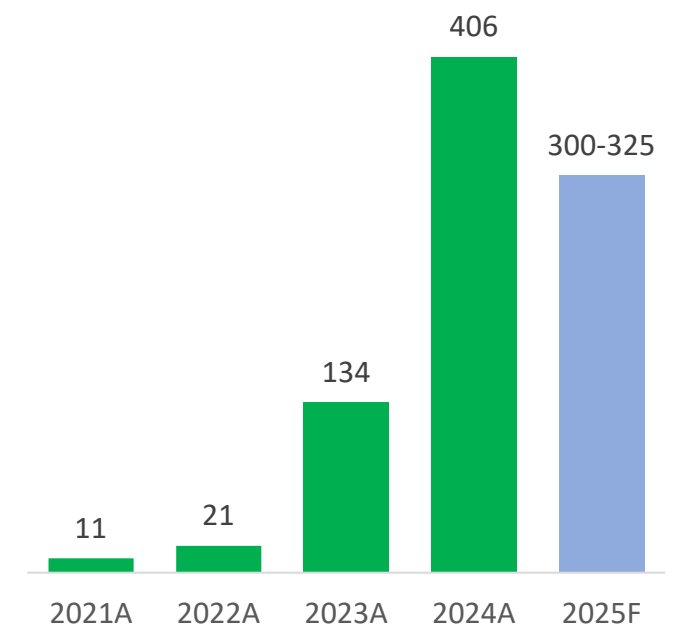
Sales Volume (in Mt)



Strip Ratio



Capital Expenditure (in \$ million)



Conclusions and Takeaways



- ADMR's competitive strengths include: (i) a large coal reserves and resources, (ii) premium product quality, (iii) a growing client base amongst blue-chip steel companies, and (iv) industry-leading cost structure.
- Production volume in FY24 reached 6.63 Mt, up 30% year-on-year. Sales volume reached 5.62 Mt, reflecting a 26% year-on-year increase.
- Capital expenditure in FY24 reached \$405.7 million as we advanced construction of PT Kalimantan Aluminium Industry's (KAI) aluminium smelter whilst infrastructure projects at PT Maruwai Coal (MC) continue to progress.

Thank You

