

## PT ADARO MINERALS INDONESIA TBK (IDX: ADMR) FY24 EARNINGS NEWS RELEASE

**Jakarta, March 03, 2025** – PT Adaro Minerals Indonesia Tbk (IDX: ADMR) today submitted its consolidated financial statements for the year ending December 31, 2024 to OJK/IDX.

Mr. Christian Ariano Rachmat, President Director and Chief Executive Officer of PT Adaro Minerals Indonesia Tbk said:

**"We delivered on our guidance and continue to achieve consistent volume growth amidst fluctuating prices. Despite a decline in ASP, our volume gains have helped offset the impact on profitability. We continue executing on our strategic investments to support our future development and drive long-term growth. Our focus on expansion is supported by solid profitability and a healthy cash balance."**

### Highlights

- Production volume of metallurgical coal in 2024 reached 6.63 million tonnes (Mt) with sales reaching 5.62 Mt, a 30% and 26% increase from 2023, respectively.
- Overburden removal volume increased 26% to 23.55 million bank cubic meter (Mbcm), with lower strip ratio at 3.55x compared to 3.66x in 2023.
- In FY24, we generated operational EBITDA of \$580.02 million and core earnings of \$445.38 million, a 1% and 6% increase compared to FY23, respectively, driven by higher sales volume.
- Capital expenditure in FY24 reached \$405.68 million, more than triple the \$134.73 million spent in FY23, driven by the ongoing construction of PT Kalimantan Aluminium Industry's (KAI) aluminium smelter and infrastructure projects at PT Maruwai Coal (MC).
- KAI continues to advance the construction of its aluminium smelter, with a focus on achieving COD by the end of 2025. Construction of the raw material berthing area at the jetty has been completed, while construction of the foundation and steel structure for the anode and electrolysis plant is still ongoing, along with the installation of the conveyor belt structure and office building at the jetty area.

### ADMR's FY25 Guidance

- Sales volume: 5.6 million tonnes – 6.1 million tonnes
- Strip ratio: 3.3x
- Capital expenditure: \$300 million – \$325 million. This capital expenditure target includes our equity investments in KAI's aluminium smelter.

### Financial Performance

<i>(US\$ Thousand, except otherwise stated)</i>	FY24	FY23	% Change
Revenue	<b>1,154,183</b>	1,085,962	6%
Cost of Revenue	<b>(576,393)</b>	(502,750)	15%
Gross Profit	<b>577,790</b>	583,212	-1%
Operating Income	<b>540,342</b>	574,631	-6%
Core Earnings <sup>1</sup>	<b>445,379</b>	421,015	6%
Operational EBITDA <sup>2</sup>	<b>580,023</b>	573,502	1%
Total Assets	<b>2,073,595</b>	1,695,420	22%
Total Liabilities	<b>571,331</b>	657,370	-13%
Total Equity	<b>1,502,264</b>	1,038,049	45%
Interest Bearing Debt	<b>295,769</b>	420,734	-30%
Cash	<b>612,605</b>	586,423	4%
Net Debt (Cash) <sup>3</sup>	<b>(316,837)</b>	(165,688)	91%
Capital Expenditure <sup>4</sup>	<b>405,683</b>	134,016	203%
Free Cash Flow <sup>5</sup>	<b>155,798</b>	194,576	-20%
Basic Earnings Per Share (EPS) in US\$	<b>0.0107</b>	0.0108	-1%

### Financial Ratios

	FY24	FY23	Change
Gross Profit Margin (%)	<b>50.1%</b>	53.7%	-4%
Operating Margin (%)	<b>46.8%</b>	52.9%	-6%
Operational EBITDA Margin (%)	<b>50.3%</b>	52.8%	-3%
Net Debt (Cash) to Equity (x)	<b>(0.21)</b>	(0.16)	32%
Net Debt (Cash) to last 12 months Operational EBITDA (x)	<b>(0.55)</b>	(0.29)	89%
Cash from Operations to Capex (x)	<b>1.29</b>	2.21	-42%

<sup>1</sup> Profit for the period, excluding non-operational items net of tax.

<sup>2</sup> EBITDA excluding non-operational items.

<sup>3</sup> After deduction of cash and cash equivalents.

<sup>4</sup> Capex spending defined as: purchase of fixed assets + payment for addition of exploration and evaluation assets + payment for intangible assets + payment for mining property

<sup>5</sup> Operational EBITDA – taxes – change in net working capital – capital expenditure

### Operating Segment

(US\$ Thousand)	Revenue			Profit for the period		
	FY24	FY23	% Change	FY24	FY23	% Change
Mining	1,153,338	1,084,004	6%	445,826	449,787	-1%
Metal processing	-	-	-	(6,801)	(1,397)	387%
Other services	2,771	3,881	-29%	(4,255)	(7,547)	-44%
Elimination	(1,926)	(1,923)	0%	-	-	-
<b>ADMR</b>	<b>1,154,183</b>	<b>1,085,962</b>	<b>6%</b>	<b>434,769</b>	<b>440,843</b>	<b>-1%</b>

## FINANCIAL PERFORMANCE ANALYSIS FOR THE FISCAL YEAR 2024 (FY24)

### Revenue, Average Selling Price and Production

ADMR generated \$1,154 million in revenue in FY24, a 6% increase year-over-year (y-o-y). Despite a 16% lower ASP because of lower metallurgical coal prices, a 26% growth in sales volume offset the impact on revenue. ADMR's Enviromet product was sold to diversified regions of blue-chip customers in Japan, China, India, Indonesia, and South Korea.

Production volume in FY24 increased 30% to 6.63 Mt, supported by heavy equipment availability and solid contractor performance. Overburden removal of 23.55 Mbcm was 26% higher than in FY23, resulting in a strip ratio of 3.55x for FY24.

### Cost of Revenue

Cost of revenue in FY24 increased 15% to \$576.39 million driven by higher volume. Royalties to the Government declined 7% to \$146.99 million in line with the decline in metallurgical coal prices. The higher volume led to a 26% increase in mining costs to \$188.06 million, a 24% increase in processing costs to \$61.01 million, and a 16% increase in freight and handling costs to \$135.11 million. Fuel consumption in FY24 increased 24% from higher operational activities, while fuel cost per litre was lower by 5% y-o-y. Coal cash cost per tonne in FY24 decreased by 2% year-on-year.

### Operating Expenses

In FY24, operating expenses increased by 335% compared to FY23 to \$38.48 million. Employee costs increased 15% to \$10.10 million, in line with our business expansion plans.

## **Operational EBITDA and Core Earnings**

FY24 operational EBITDA of \$580.02 million was 1% higher y-o-y. We maintain a strong operational EBITDA margin of 50% for the period. Core earnings in FY24 increased 6% to \$445.38 million.

## **Total Assets**

Total assets increased 22% to \$2,074 million at the end of FY24, consisting of \$842.80 million in current assets and \$1.23 billion in non-current assets. Meanwhile, cash balance increased 4% to \$612.61 million. Cash accounted for 30% of total assets.

### ***Fixed Assets***

Fixed assets at the end of FY24 increased by 64% to \$899.70 million as we are advancing the investments in KAI's aluminium smelter and infrastructure projects at MC. Fixed assets accounted for 43% of total assets.

### ***Mining Properties***

Mining properties at the end of FY24 declined by 5% y-o-y to \$165.22 million in-line with production.

## **Total Liabilities**

At the end of FY24, total liabilities declined by 13% to \$571.33 million. Current liabilities increased 12% to \$235.29 million, driven by higher trade payable and accrued expenses related to expenses for suppliers and contractors.

Non-current liabilities declined by 25% to \$336.04 million at the end of FY24, following the full repayment of loans from related parties, with a total payment of \$323.77 million made during the year. Meanwhile, bank loans, net of loan financing costs, totaled \$295.77 million, derived from the drawdown of loan facility for KAI's aluminium smelter.

## **Equity**

At the end of FY24, equity increased 45% to \$1,502 million driven by the 51% increase in retained earnings to \$1,290 million.

## **Cash Flows from Operating Activities**

In FY24 our cash flows from operating activities increased by 77% to \$524.15 million, mainly driven by higher receipts from customers.

### **Cash Flows from Investing Activities**

We recorded net cash flows used in investing activities of \$403.30 million in FY24, driven by a significant increase in purchases of fixed assets of \$399.77 million in FY24 related to MC's infrastructure projects and KAI's aluminium smelter.

#### ***Capital Expenditure and Free Cash Flow***

Capital expenditure in FY24 was \$405.68 million, due to the construction of KAI's aluminium smelter and MC's infrastructure projects. Free cash flow in FY24 declined 20% to \$155.80 million in-line with the higher capex.

Once completed, the MC's infrastructure upgrade projects are expected to support increased volume, and will enable us to reliably deliver our volume commitments to customers. The first phase of KAI's aluminium smelter is expected to reach its commercial operations date (COD) by the end of 2025 – which will diversify our revenue streams.

### **Cash Flows from Financing Activities**

Net cash flows used in financing activities in FY24 increased 12% to \$92.28 million, mainly due to the repayment of \$323.77 million in loans to related parties, along with the drawdown of \$200 million in bank loans and proceeds from share subscription by non-controlling interest of \$31 million.

## PT ADARO MINERALS INDONESIA TBK (IDX: ADMR) FY24 ACTIVITIES REPORT

### HIGHLIGHTS

- ADMR's metallurgical coal production volume in FY24 reached 6.63 million tonnes (Mt), with a sales volume of 5.62 Mt, a 30% and 26% increase from FY23, respectively.
- Overburden removal volume in FY24 increased 26% to 23.55 million bank cubic meter (Mbcm), resulting in a strip ratio of 3.55x, 3% lower compared to 3.66x in FY23.
- Our strategic investments in infrastructure to support higher metallurgical coal volume target continue to make good progress. In FY24, we completed two projects, consisting of a new employee camp in Tuhup, and additional fuel storage tanks in Tuhup and Lampung. Furthermore, we are proceeding with our hauling road upgrade project, the construction of a new camp in Lampung, and the construction of second barge loading conveyor.
- We continue to make construction progress at our mineral processing business through PT Kalimantan Aluminium Industry (KAI) and completed the work for raw material berth in jetty area in FY24.

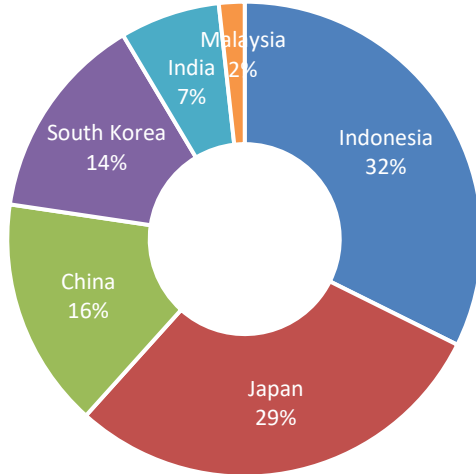
### OPERATIONAL PERFORMANCE

#### PT MARUWAI COAL (MC) AND PT LAHAI COAL (LC)

- Metallurgical coal production volume in FY24 reached 6.63 Mt, a 30% increase over FY23. Sales volume in FY24 reached 5.62 Mt, 26% higher than in FY23.
- Overburden removal volume in FY24 reached 23.55 Mbcm, 26% higher y-o-y, with a lower strip ratio of 3.55x in FY24, compared to 3.66x in FY23.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
<b>Overburden Removal</b>	<b>Mbcm</b>	<b>6.46</b>	<b>6.72</b>	<b>-4%</b>	<b>4.89</b>	<b>32%</b>	<b>23.55</b>	<b>18.71</b>	<b>26%</b>
Maruwai	Mbcm	5.70	5.58	2%	3.02	89%	19.92	15.22	31%
Lahai	Mbcm	0.76	1.14	-34%	1.87	-60%	3.63	3.49	4%
<b>Production Volume</b>	<b>Mt</b>	<b>1.80</b>	<b>1.85</b>	<b>-3%</b>	<b>1.13</b>	<b>59%</b>	<b>6.63</b>	<b>5.11</b>	<b>30%</b>
Maruwai	Mt	1.72	1.73	0%	0.93	85%	6.24	4.83	29%
Lahai	Mt	0.08	0.12	-33%	0.20	-60%	0.39	0.28	39%
<b>Sales Volume</b>	<b>Mt</b>	<b>1.83</b>	<b>1.20</b>	<b>52%</b>	<b>1.45</b>	<b>26%</b>	<b>5.62</b>	<b>4.46</b>	<b>26%</b>
Maruwai	Mt	1.65	1.13	46%	1.25	32%	5.20	4.26	22%
Lahai	Mt	0.18	0.07	157%	0.20	-10%	0.42	0.20	110%

- The domestic market accounted for 32% of FY24's total sales volume of metallurgical coal, driven by solid demand from domestic coke plants. Japan led our export market, accounting for 29% of sales volume, followed by China and South Korea at 16% and 14%, respectively. Below graph shows our sales destination in FY24.



- Our investments in infrastructure projects to support higher metallurgical coal volume target continue to progress. In FY24, we completed the new 400 beds camp in Tuhup, and the additional fuel storage tanks with a capacity of 2x1,500 KL and 4x2,500 KL in Lampunut dan Tuhup, respectively. We are in the final construction phase for our second barge loading conveyer, designed with a loading capacity of 3,000 tph, which will speed up our barge loading time.
- The first stage of the hauling road upgrade, which spans 39 km, is ongoing with foundation layers (LPA and LPB) spread and chipseal applied in several road parts to level and reinforce the road's contour. The construction of the new 500 beds camp in Lampunut also remains on track. These projects will support us in achieving our productivity goals and higher volume targets of metallurgical coal.

### **PT KALIMANTAN ALUMINIUM INDUSTRY (KAI)**

Our commitment in pursuing sustainable growth and supporting the green economy is reflected in the development of our downstream mineral processing activities through KAI. In 4Q24, the work for the aluminium smelter area focused on the construction of foundation and steel structure for anode and electrolysis plant. On the jetty area, KAI focused on installing the conveyor belt structure and office building, while the construction of the raw material berthing area has been completed. Furthermore, the building foundation and upper structure work for the permanent dormitory are still in progress.

### **HEALTH, SAFETY, AND ENVIRONMENT (HSE)**

In 2024, we had a total of six lost time injuries (LTIs) including one fatal incident. We had thoroughly investigated all the incidents and we will do our best to prevent safety-related incidents. The lost time injury frequency rate (LTIFR) and severity rate (SR) in FY24 were 0.34 and 0.47,

respectively, with a total of 16,938,123 man-hours worked at both MC and LC. In addition, KAI recorded two LTIs, leading to LTIFR of 0.06 and SR of 0.71, with a total of 32,342,851 man-hours worked.

## CORPORATE EVENTS AND AWARDS

- In December 2024, PT Maruwai Coal won gold and platinum awards in Temu Karya Mutu dan Produktivitas Nasional (TKMPN) XXVIII 2024 event, held in Bali, Indonesia. This achievement shows our commitment in implementing sustainable innovation and productivity in the operational activities.
- In November 2024, PT Adaro Minerals Indonesia Tbk participated in French Mining & Critical Metals and Minerals Tour 2024 organized by Business France Indonesia featuring 26 organizations aiming to build strategic connections with leaders in Indonesia's mining sector.
- In November 2024, PT Maruwai Coal received two gold awards in the 49<sup>th</sup> International Convention on Quality Control Circles (ICQCC) 2024, held in Colombo, Srilanka. This event is an international innovation convention which recognizes the implementation of continuous improvement program in corporations.
- In November 2024, PT Lahai Coal was awarded by the Ministry of Energy and Mineral Resources (ESDM) for the Tambang Mensejahterakan Masyarakat (TAMASYA) award for Small-Scaled Company category.

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