



Analyst Briefing

PT TRIMEGAH BANGUN PERSADA TBK

Jakarta, 23 May 2023





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Agenda

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- 2. Operation Highlights** 9
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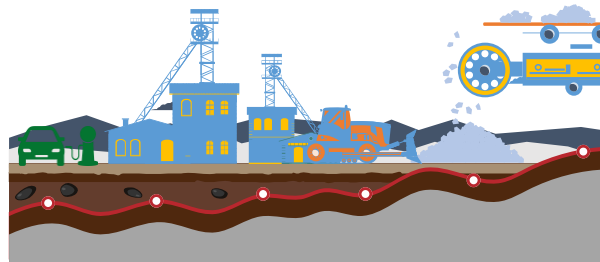
Company Overview



TBP is a pure-play integrated operator of nickel mining and smelters in Indonesia with growing exposure to battery segment

Large Upstream Resource Base

Total reserves of **168.9mt¹** across 2 operating mines and 1 development project



Vertically Integrated Nickel Operations

Presence from upstream mining to downstream nickel processing and investment in planned stainless steel / industrial park operation through subsidiaries and associated companies



Strong Exposure to Battery Metals

HPAL Phase I Project, operated by 45.1% associated company, is **the first successful HPAL plant to commence operations** in Indonesia with ramp-up achieved **within 2 months** after commencement of operation²



Technology Leverage To Increase Nickel Production Growth

Leverage technology to make use of the lower-grade nickel to boost production growth



Low Operating Cost

2 active mining projects are sitting at the **low end of cost curve²**



Unique Geographical Advantage with Operational Synergies

All projects are strategically planned on Obi Island, achieving further operational efficiency



Strong Support

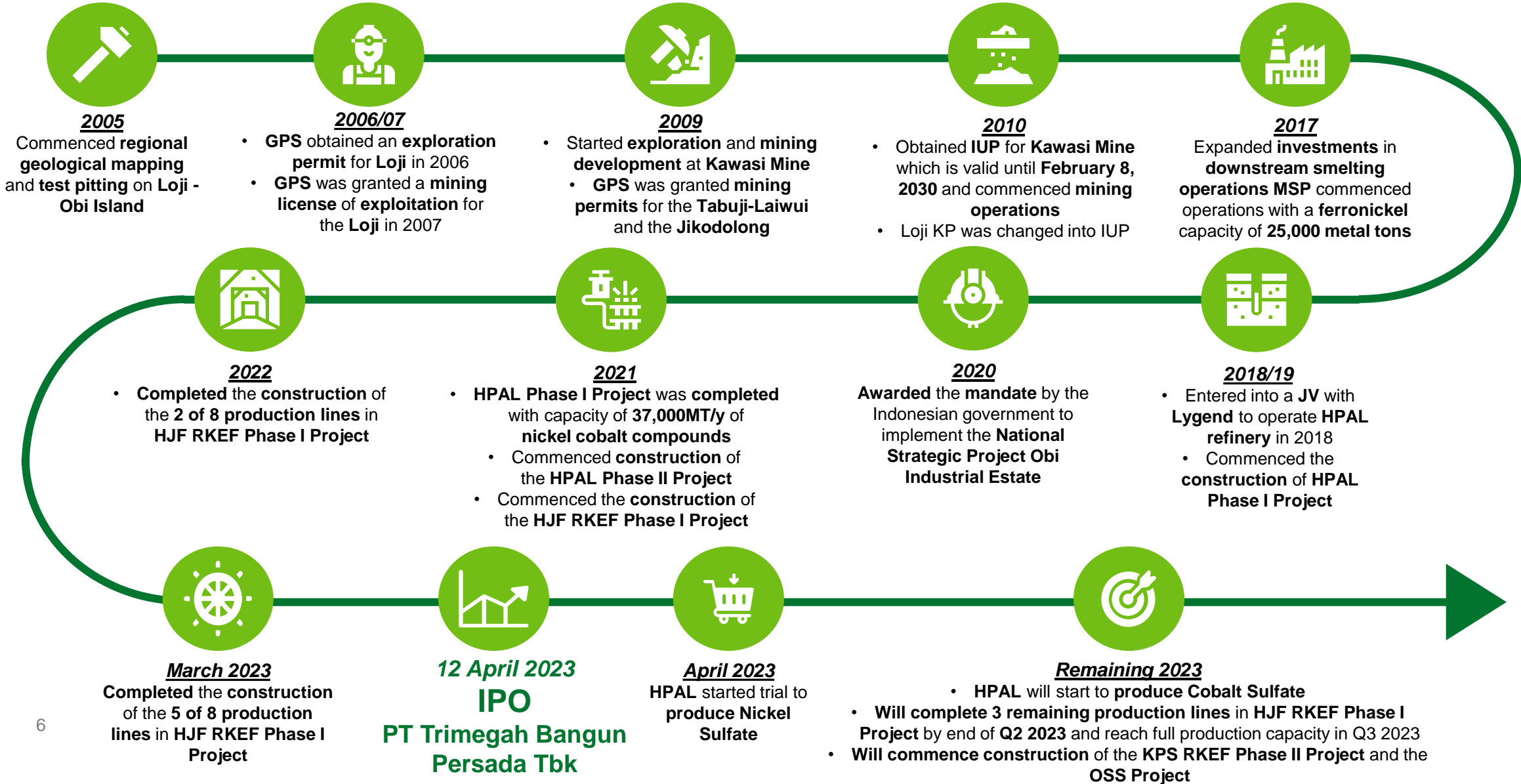
Harita Group can support in terms of **logistics, mining contracting, and raw material supply**



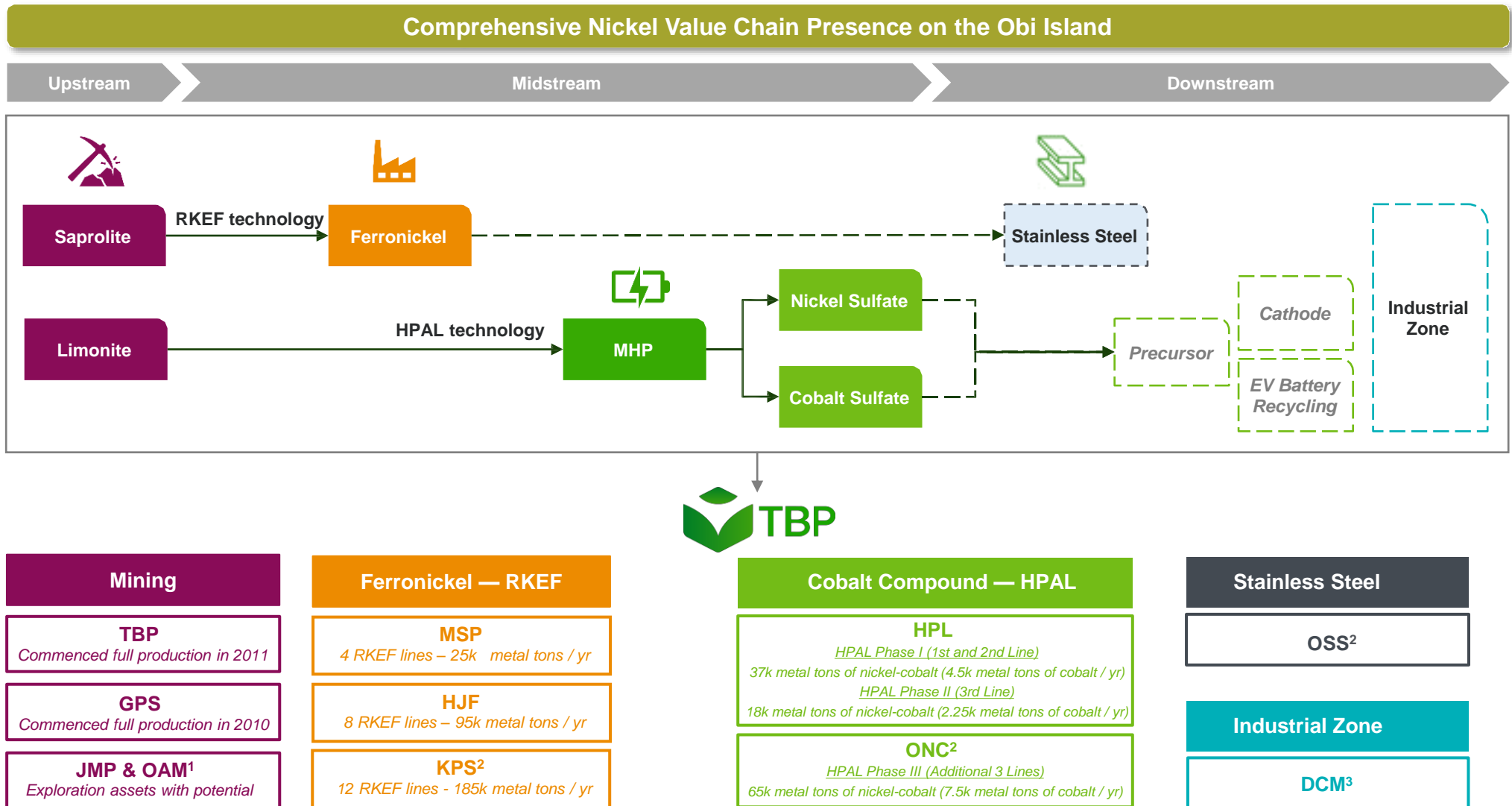
Focused on and Committed to ESG

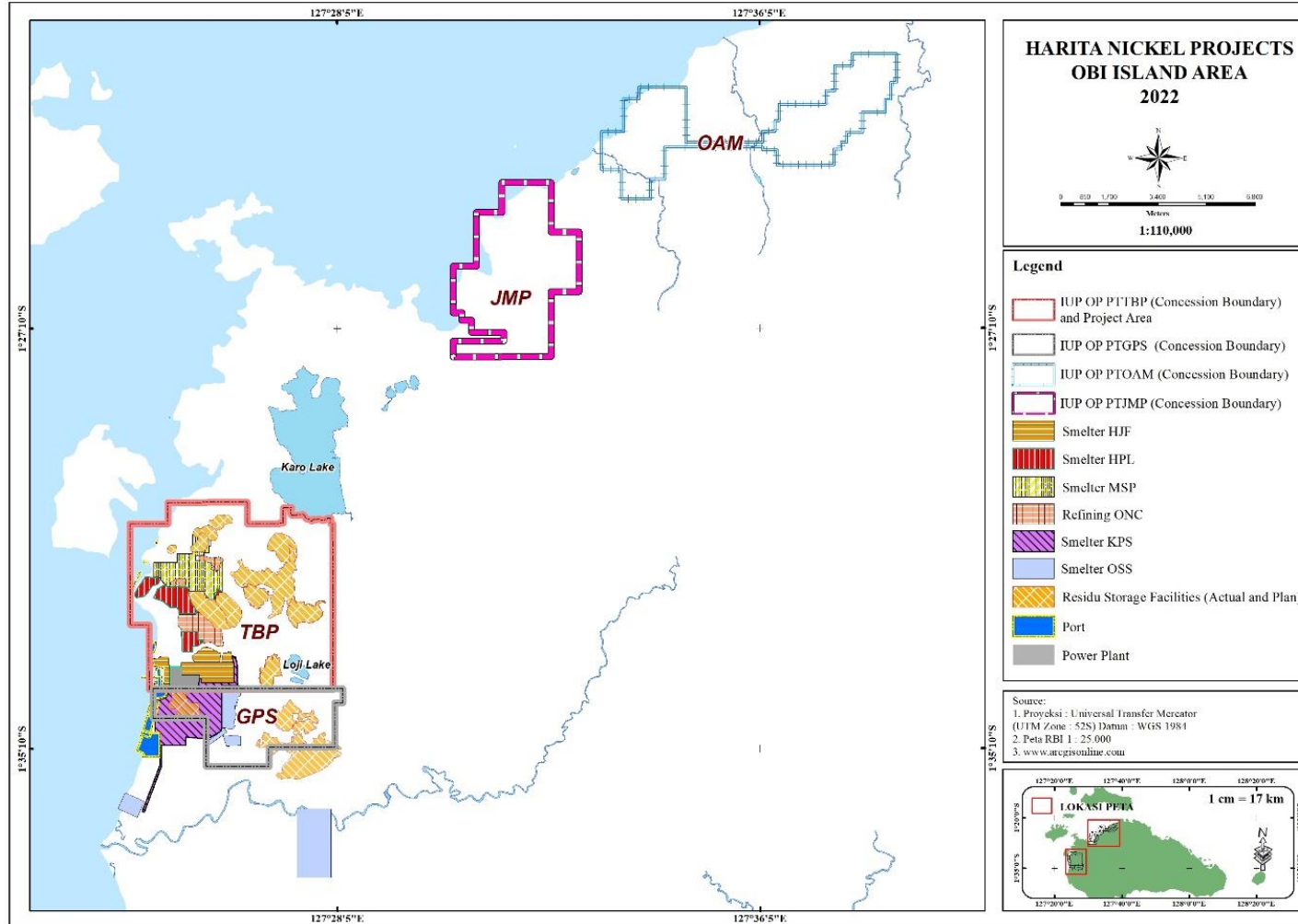
Focused on compliance with relevant **domestic ESG-related laws and regulations**. Commitment to progressively align with **international standards**

History and Key Milestones



TBP Group Structure and Portfolio Overview





Short Transportation Distance Between Assets

All production facilities and supporting infrastructures are strategically planned and built in the west part of Obi Island with short transportation distance, resulting in lower operating expense and additional time efficiency



Feedstock Stability Underpinned by Supply Agreements

Supply agreements between upstream and downstream assets to reduce uncertainty against supply disruption



Proprietary Power Supply

Captive power plants across all ferronickel production operations to ensure stable power supply and operational stability



Unique Access to Port Infrastructures

Own and operate jetties with significant capacity to support long-term operational needs
Obi Island is close geographical proximity to key end markets with competitive freight cost advantage²



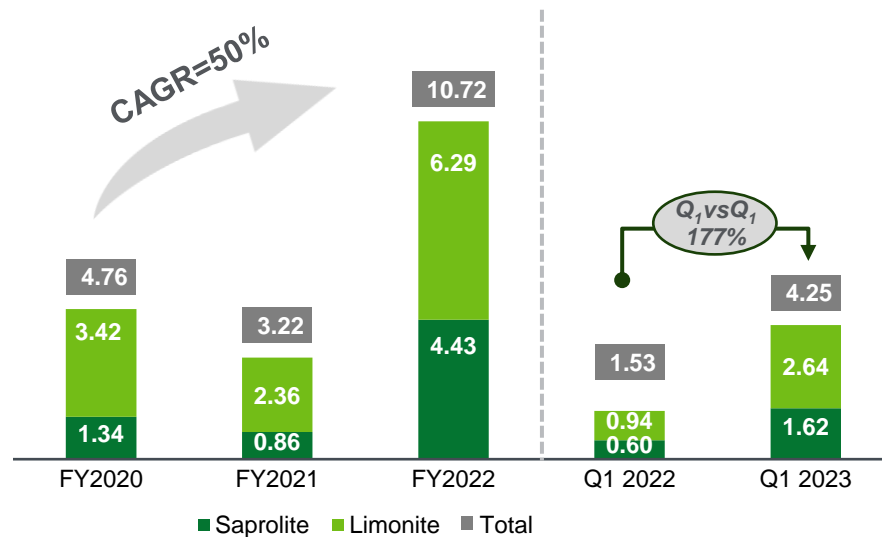
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Operations Highlights

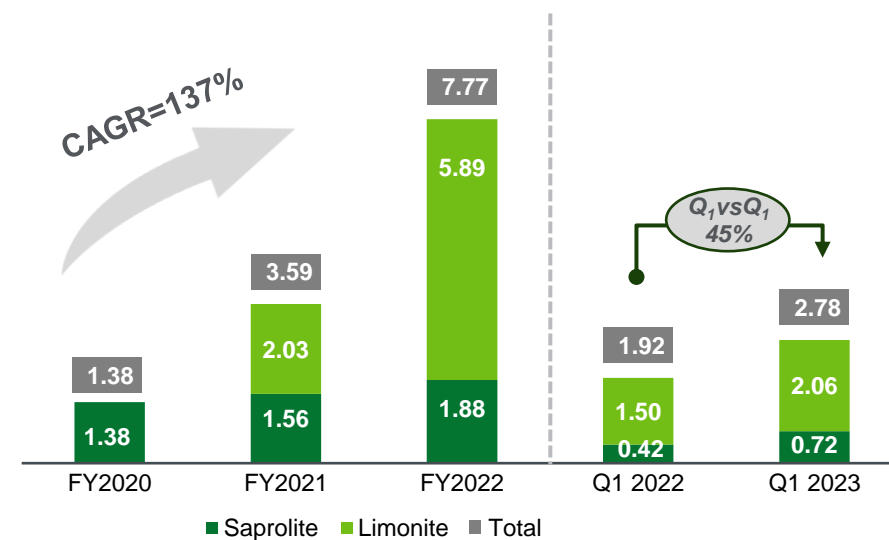


Mining Operations

Mining Production Output (million wmt)



Nickel Ore Sales (million wmt)



Commentary

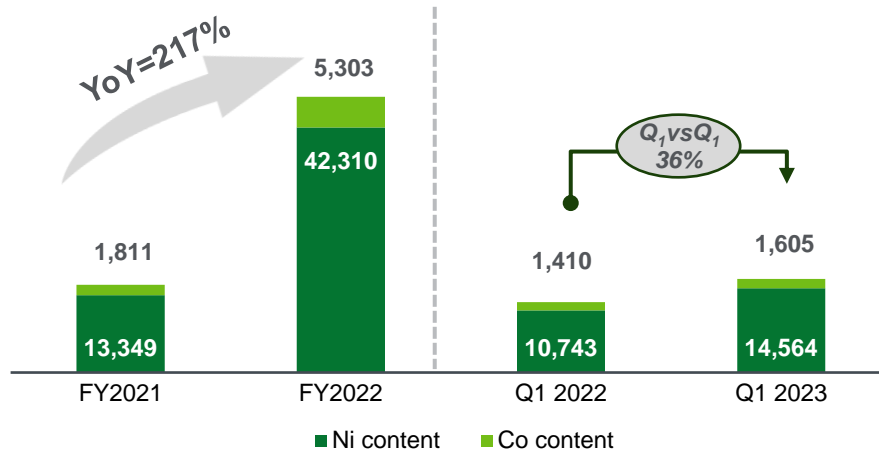
Strong growth in mining production and sales was due to the **increase in nickel ore demand** coming from the Group's **processing businesses**; RKEF smelter and HPAL refinery. During **FY2022** and **Q1 2023**, the **increase** comes from the **5 completed production lines¹** in RKEF nickel processing facility of PT HJF & **commissioning** of the **3rd line** of HPAL in PT HPL.

Notes:

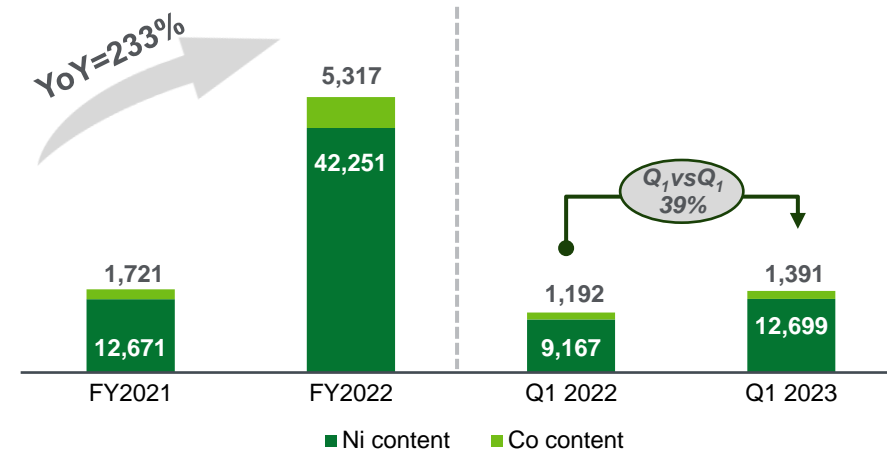
(1) CAGR is Compound Annual Growth Rate, Q₁vsQ₁ represents the percentage growth from period to period.

(2) The 5th line was completed in 31 March 2023.

MHP Production Output (ton)



MHP Sales Volume (ton)

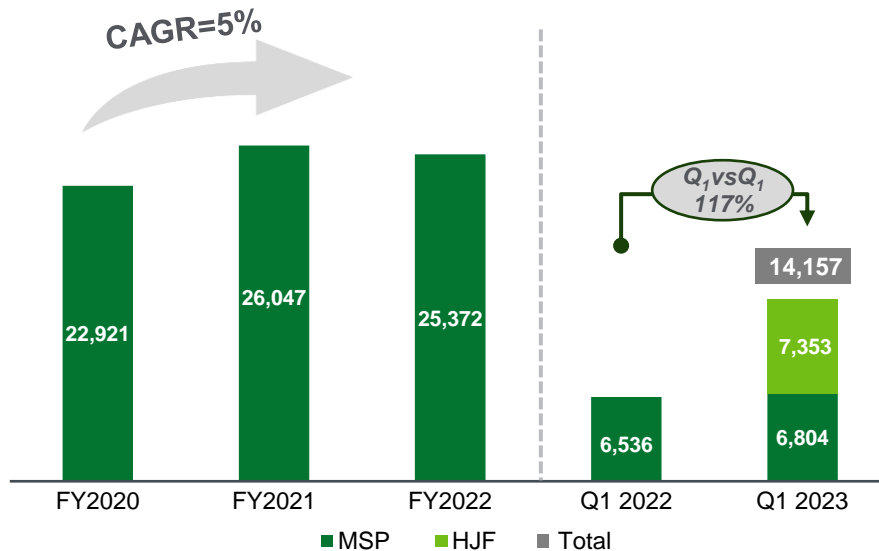


Commentary

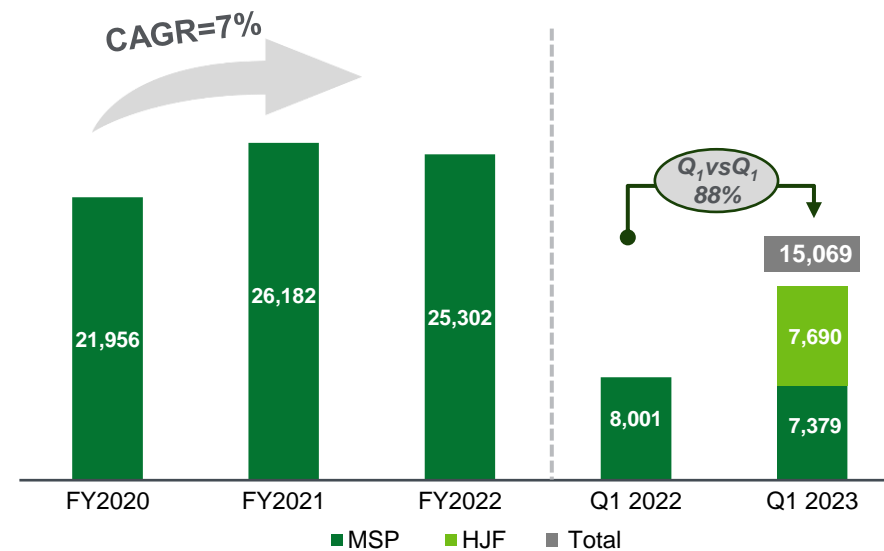
- In **end of 2021**, two **MHP production lines** of PT HPL have **commenced its operation**. First line ramped up to full capacity within **4 months** and the second line ramped up only in **2 months**.
- The significant growth in **FY 2022** was due to the **improvement of the utilization**.
- The **third line** commissioned in **January 2023** and ramped up to full capacity also in **2 months**.
- In **Q1vsQ1**, **HPAL performances** show a **steady growth** at around 36% for the production and 39% for the sales volume.
- PT HPL started to produce **Nickel Sulfate** in April 2023, and expected to start producing **Cobalt Sulfate** in June 2023.

RKEF Operations

Ferronickel Production Output (In metal ton)



Ferronickel Sales Volume (In metal ton)



Commentary

- From **FY2020 – FY2022**, FeNi production was **only coming** from **MSP** which has been operating since 2017 with 4 fully-operating production lines with **designed capacity** of **25,000 metal tons per year**.
- The **HJF RKEF** has **finally commenced** its **operation** at the **end of FY2022** with **2 production lines**. The next 3 production lines, **3rd, 4th, and 5th lines** were **completed** in **January 2023, February 2023 and March 2023**, respectively. At the end of Q1 2023, the utilisation rate per line were 100% for 1st and 2nd line, 80% for 3rd line, 50% for 4th line, and 30% for 5th line. Thus, it drives the **significant growth** of FeNi Sales in **Q1 2023**.
- The **remaining 3 production lines** are expected to be completed by **end of Q2 2023**. HJF expects to reach **full production capacity** in **Q3 2023**.

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Financial Highlights

**MENCIPTAKAN PELUANG DALAM
PERJALANAN KEBERLANJUTAN
MENUJU HILIRISASI NIKEL**

*Crafting Opportunities through Greener Journey
towards Nickel Downstream*



Profit & Loss Statements

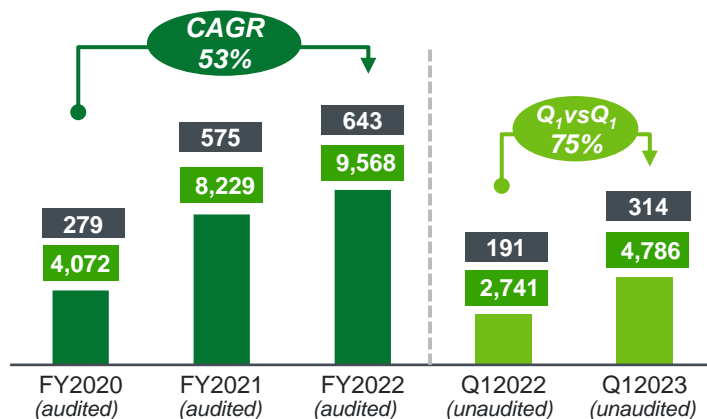
| | For the years ended, Dec 31 | | | For the three-months period ended, Mar 31 | |
|---|-----------------------------|----------------|----------------|---|------------------|
| | | | | | |
| Exchange rate USD/IDR | 14,572 | 14,312 | 14,876 | 14,345 | 15,243 |
| <i>In IDR billion</i> | <i>Audited</i> | <i>Audited</i> | <i>Audited</i> | <i>Unaudited</i> | <i>Unaudited</i> |
| | FY020 | FY21 | FY22 | Q1 2022 | Q1 2023 |
| Revenue | 4,072 | 8,229 | 9,568 | 2,741 | 4,786 |
| Cost of good sold | (2,114) | (3,715) | (4,893) | (1,363) | (3,220) |
| Gross profit | 1,957 | 4,514 | 4,675 | 1,379 | 1,567 |
| Selling, general and administrative expenses | (712) | (948) | (890) | (183) | (394) |
| Other income (expenses), net | (3) | 2 | 198 | 67 | 194 |
| Profit from operations | 1,242 | 3,567 | 3,984 | 1,262 | 1,367 |
| Financing charges, net | (188) | (306) | (275) | (42) | (84) |
| Changes in fair value of hedging instrument | - | - | 26 | - | - |
| Share in profit of associates | - | 715 | 2,916 | 1,095 | 522 |
| Profit before income tax | 1,054 | 3,975 | 6,650 | 2,316 | 1,805 |
| Income tax expense | (253) | (605) | (812) | (270) | (306) |
| Merging entities' adjustments | (721) | (1,294) | (1,248) | (473) | - |
| Profit for the year | 81 | 2,077 | 4,589 | 1,573 | 1,499 |
| Profit/(loss) for the period attributable to: | | | | | |
| Owners of the parent company | 284 | 1,969 | 4,667 | 1,596 | 1,368 |
| Non-controlling interests | (204) | 108 | (78) | (23) | 130 |
| Other comprehensive income (loss) | (16) | 79 | 1,169 | 46 | (800) |
| Total comprehensive income | 64 | 2,156 | 5,758 | 1,619 | 699 |
| Gross profit margin | 48% | 55% | 49% | 50% | 33% |
| Operating profit margin | 31% | 43% | 42% | 46% | 29% |
| Net profit margin | 2% | 25% | 48% | 57% | 31% |

Commentary

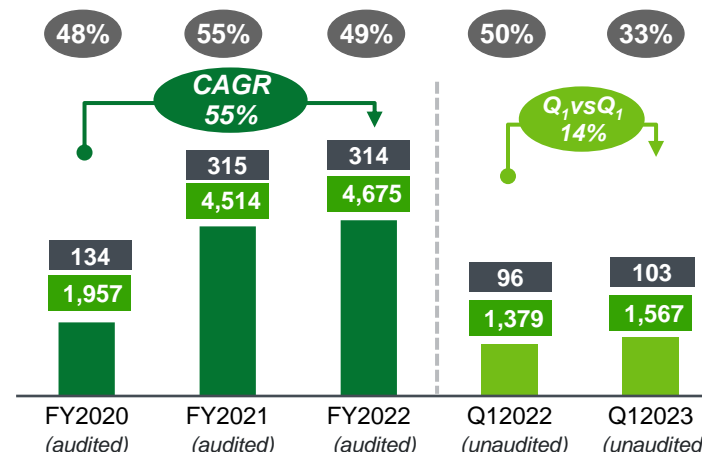
- **Share in profit of associates** mainly represents **HPL profit** on TBP's ownership. **Increase in FY22 was due to MHP production** line has begun to produce in full capacity. **Decrease in Q1 2023** was mainly due to the **decrease in Cobalt price**.
- **Merging entities' adjustments** represents the **impact of business combination** of **GPS** and **MSP** which affect retrospectively to TBP consolidated financial information.

Profit & Loss Statements Highlights

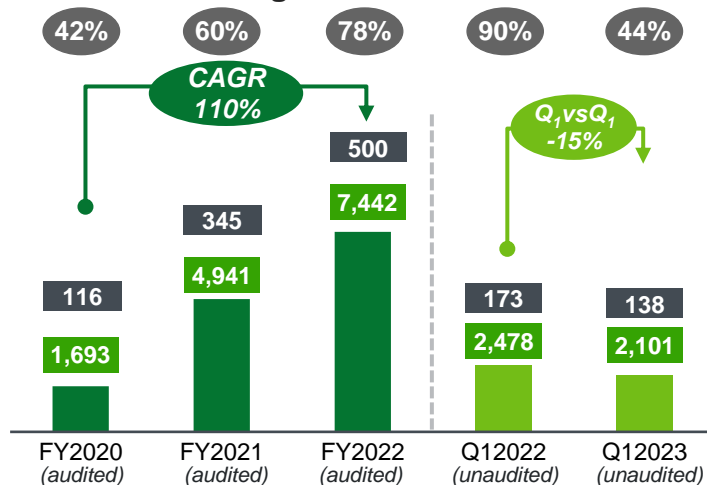
Revenue



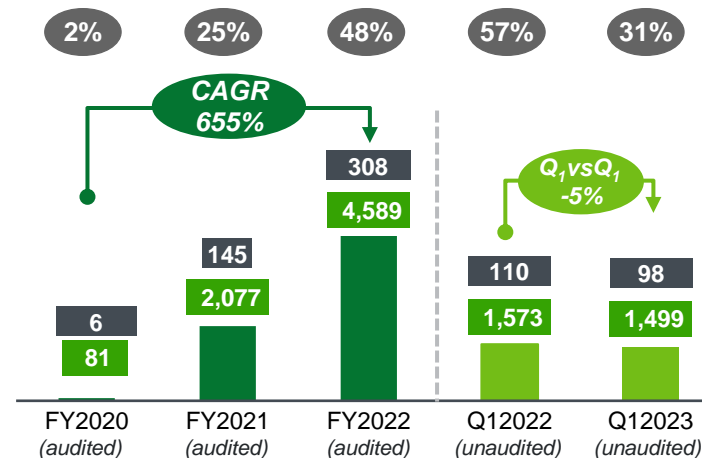
Gross Profit and Margin



EBITDA and Margin⁽¹⁾



Net Profit and Margin



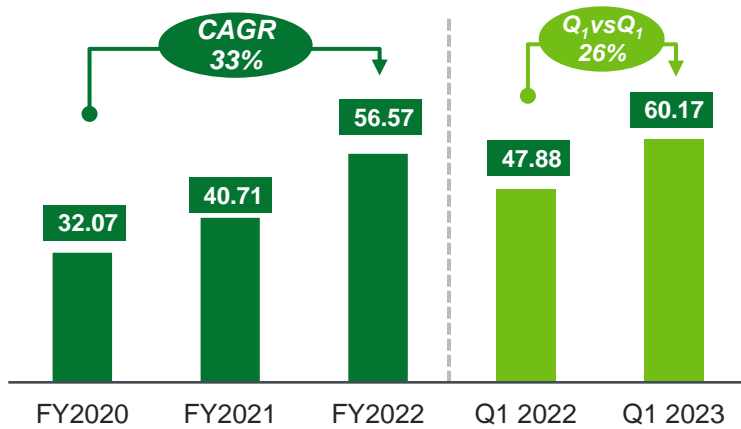
● Margin
■ USD (in million)
■ IDR (in billion)

Commentary

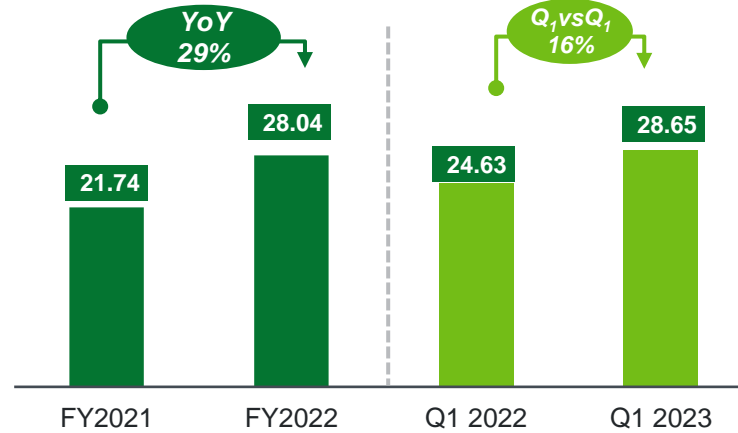
- Strong track record of revenue growth driven by **production ramp up of nickel processing facilities**.
- Healthy profitability margin with **double digit gross profit, EBITDA and net profit margin**.
- Slight dip in Q1vsQ1 performance's **EBITDA and Net profit** due to the **lower of share in net profit associates** coming from **HPAL**.

Average Selling Price

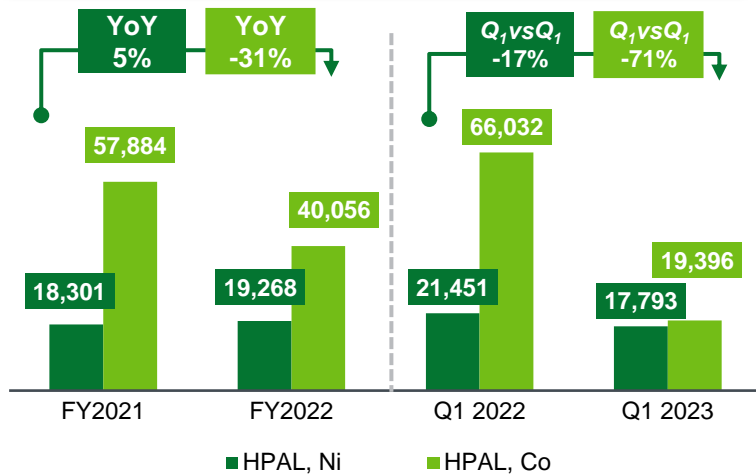
Saprolite Ore (USD/wmt)



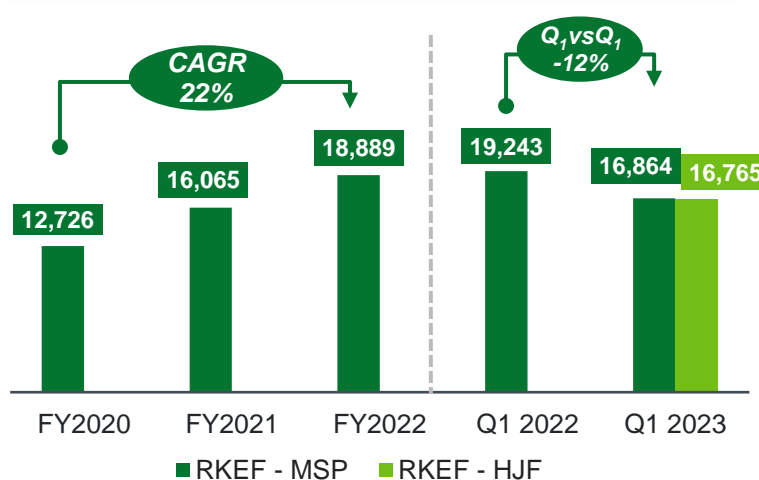
Limonite Ore (USD/wmt)



HPAL Ni and HPAL Co (USD/t)



RKEF (USD/t)

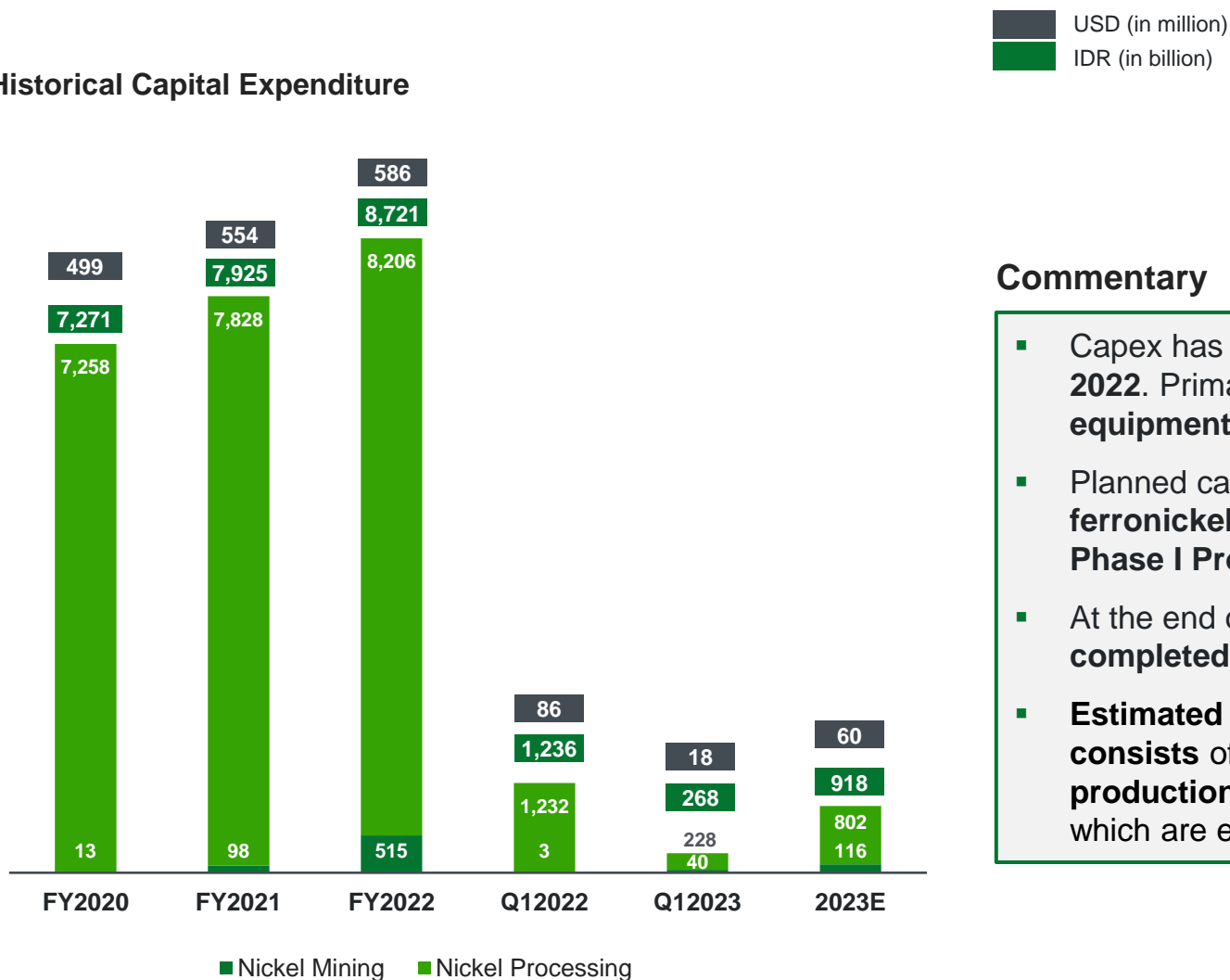


Commentary

- ASP nickel ores increased due to increase of MOMR's Reference Price which has a direct link to LME, although, there is a time-lag with the adoption.
- MHP price and Cobalt price dropped due to lower electric vehicle demand in global. For Cobalt price, it was also due to increased in cobalt global production.
- ASP NPI dropped by 12% in Q1 2023 from Q1 2022 following the decrease in NPI FOB Indonesia Price.
- The expected economy recovery pushed back to H2 2023, thus, global NPI prices experienced a decline trend. Additionally, as per April 2023, there is a NPI inventory overhang in China.

Capital Expenditures

Historical Capital Expenditure

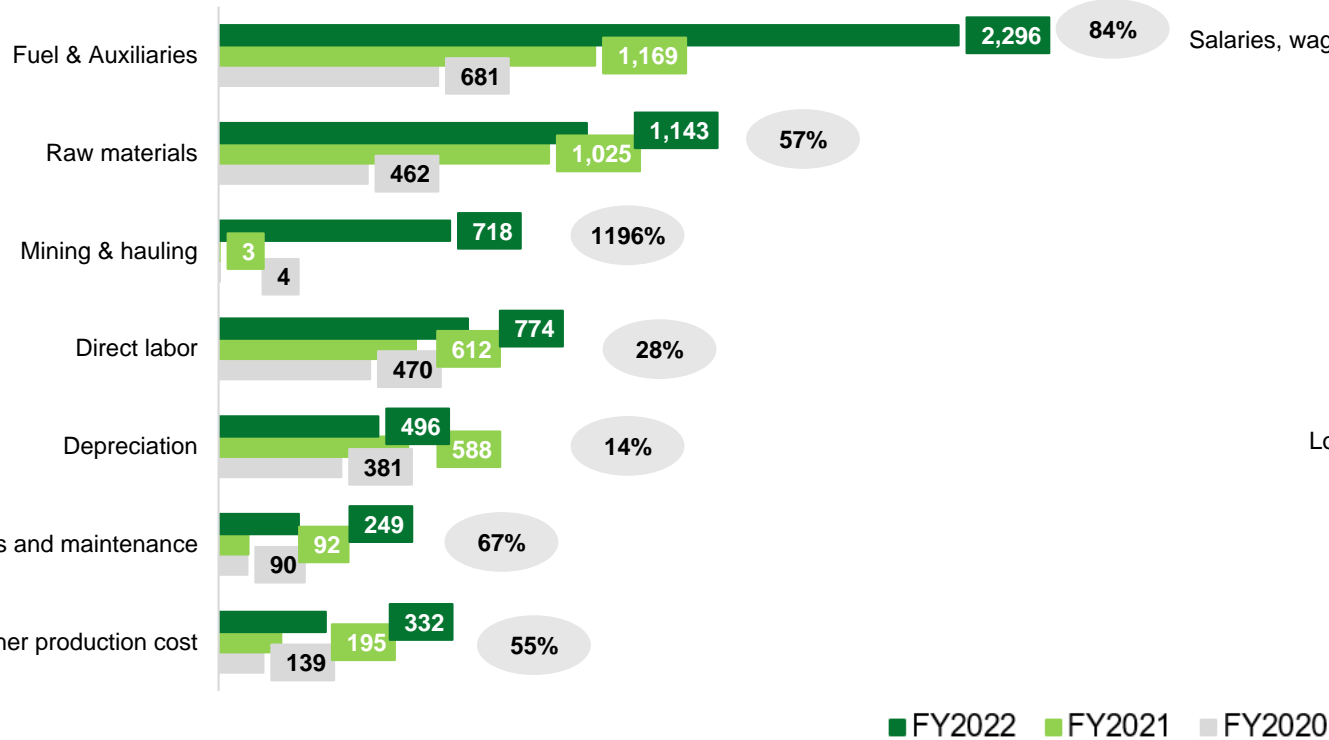


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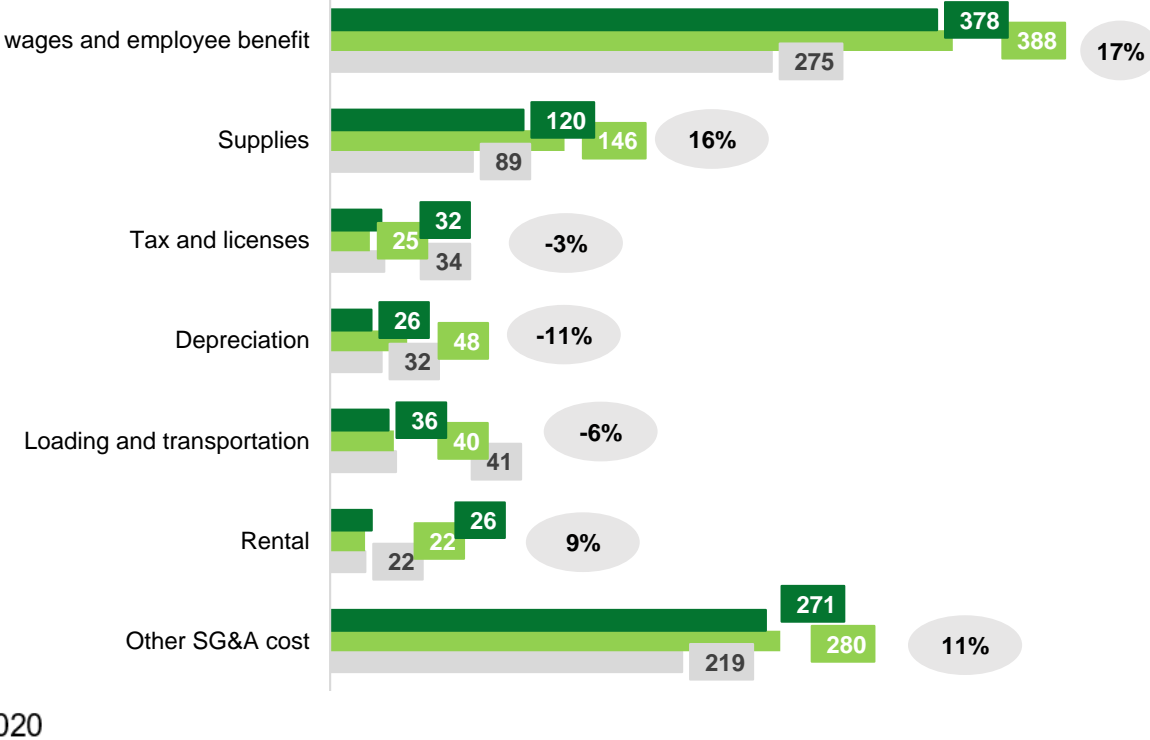
- Capex has grown from IDR 7.3T in FY 2020 to IDR 8.7T in FY 2022. Primarily consists of **smelter projects, heavy equipment and vehicles**.
- Planned capex going forward will focus on **increasing the ferronickel production capacity** primarily through **HJF RKEF Phase I Project** (est. completion in Q2 2023).
- At the end of Q1 2023, 5 (five) lines of **HJF RKEF** have been **completed**.
- Estimated Capex for FY2023** will be **IDR 918 billion**. Primarily consists of the **completion of remaining 3 (three) production lines of HJF RKEF** and **maintenance CAPEX** which are expected to be completed by **end of Q2 2023**.

Costs Comparison (Year-end Period)

Total Production Cost (IDR billion)



Selling, General, & Administrative Expense (IDR billion)

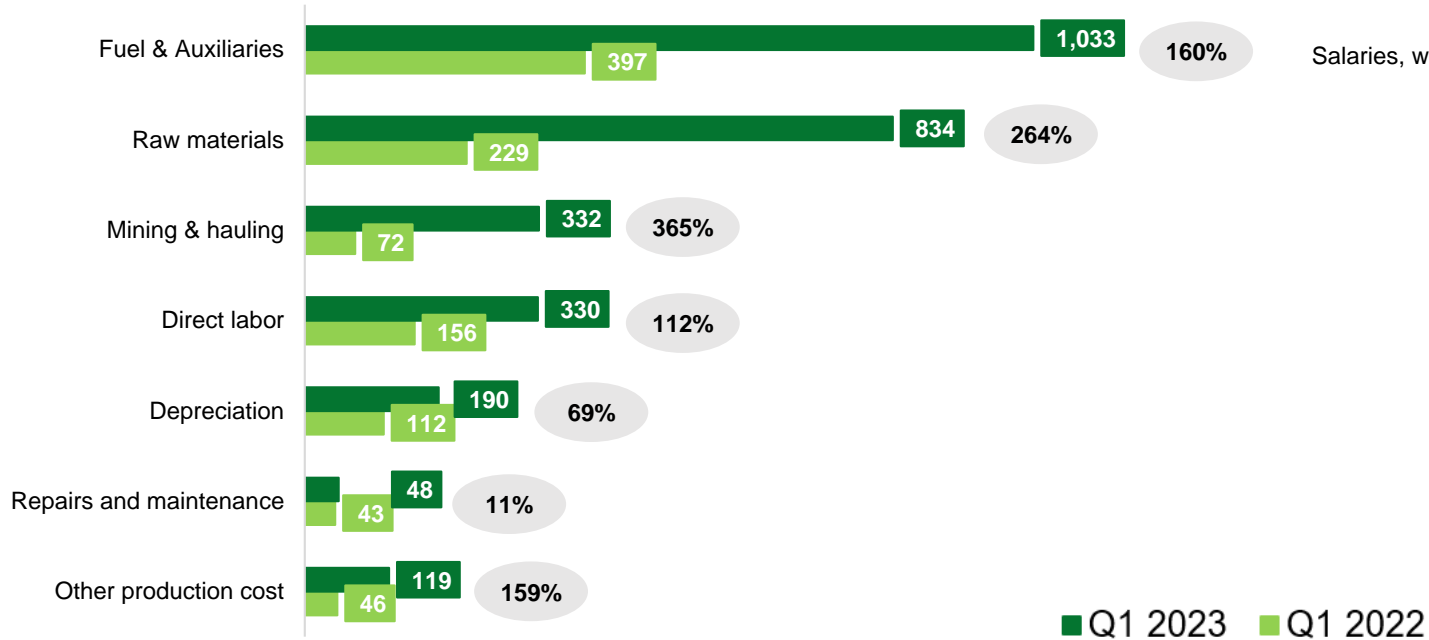


Commentary

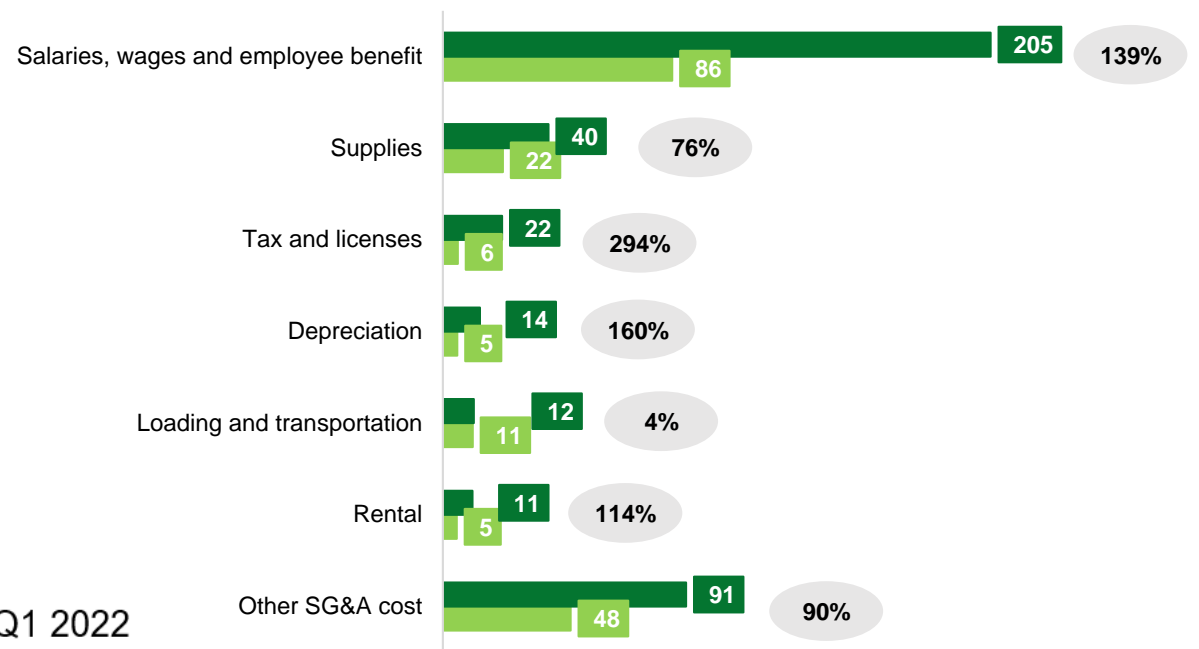
- **Significant increase in production cost in 2022** was primarily due to **increase in fuel price and fuel consumptions** which in line with **production ramp up**.
- **Enlargement of mining cost** was due to **GPS has re-engaged mining contractors** in April 2022 post export ban to ramp up the productions.

Costs Comparison (Q1 vs Q1 Comparison)

Total Production Cost (IDR billion)



Selling, General, & Administrative Expense (IDR billion)

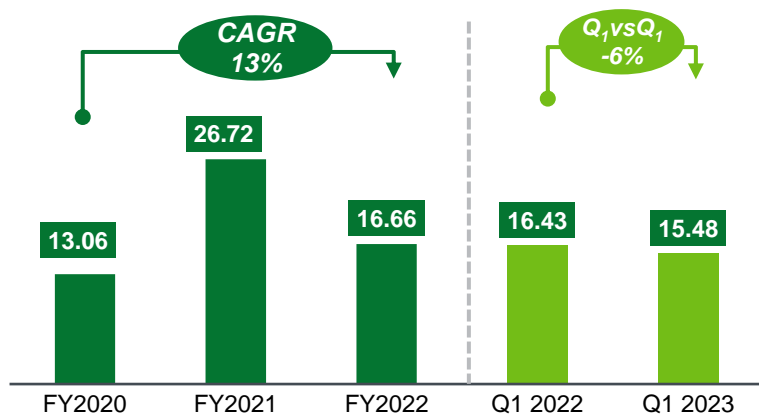


Q1 vs Q1 (percentage growth from period to period)

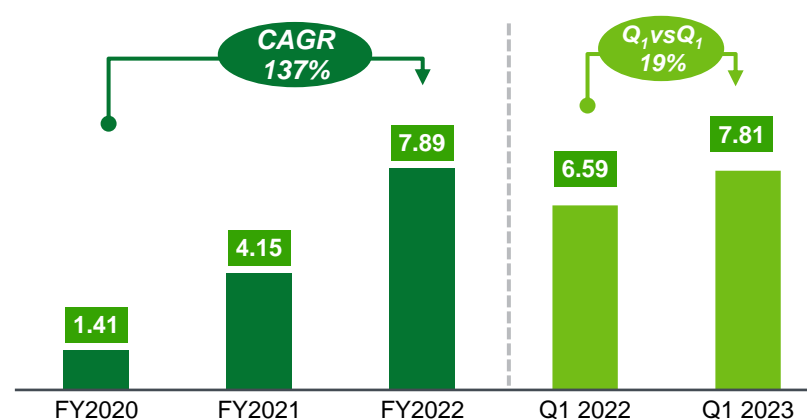
Commentary

- **Significant increase in production cost** was mainly due to **HJF costs** which have **started its commercial sales in Q1 2023** (which drives the increase in raw materials used, total employees, energy consumption, etc).
- **Growth in Fuel & Auxiliaries** mainly caused by **HJF**. HJF is a high energy intensity smelter which require abundant electricity.
- **Escalation of mining cost** was due to **GPS** has **re-engaged mining contractors** in April 2022 post export ban to ramp up the productions.

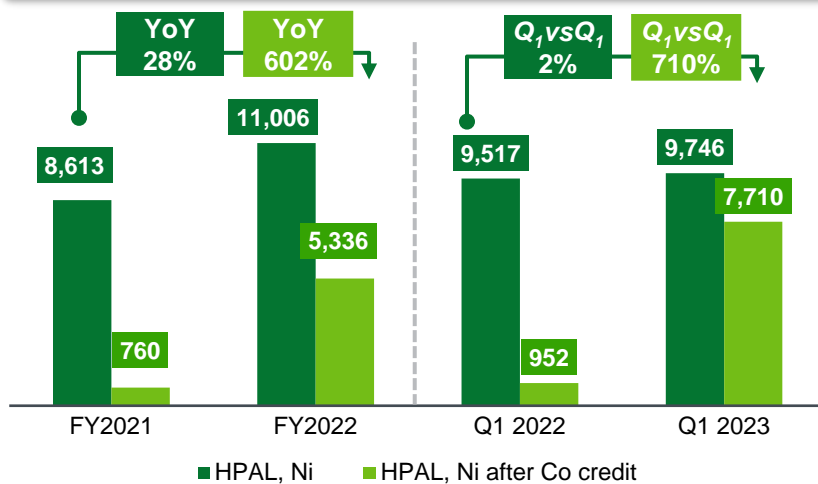
Saprolite Ore (USD/wmt)



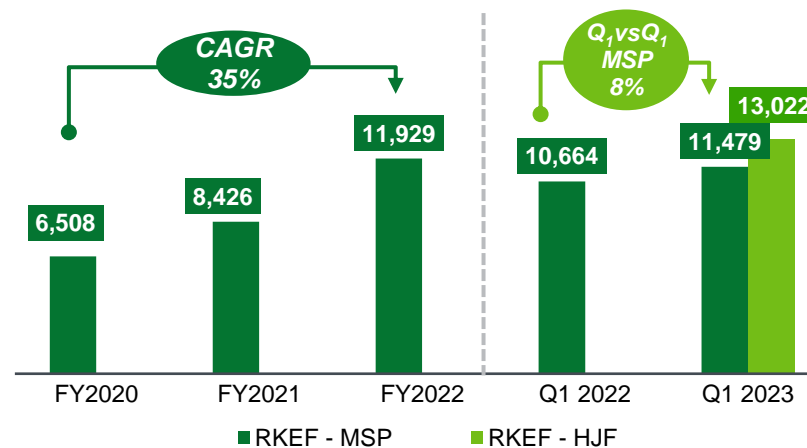
Limonite Ore (USD/wmt)



HPAL (USD/t)



RKEF (USD/t)



Commentary

- Cash cost Saprolite slightly decreased but Cash Cost Limonite increased.
- HPAL Cash Cost before cobalt credit slightly up in Q4 2022 but going down in Q1 2023 as a result of the economy of scale.
- Cobalt Credit drop significantly; hence causing higher cash cost after cobalt credit of HPAL.
- RKEF Cash Cost mainly increased due to increase in raw material cost caused by the rise of saprolite ore prices.
- HJF RKEF Cash Cost is higher than MSP RKEF since HJF has just started initial production.



THANK YOU



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