



# PT TRIMEGAH BANGUN PERSADA TBK



**Q1 2023 Company Presentation**

**May 2023**



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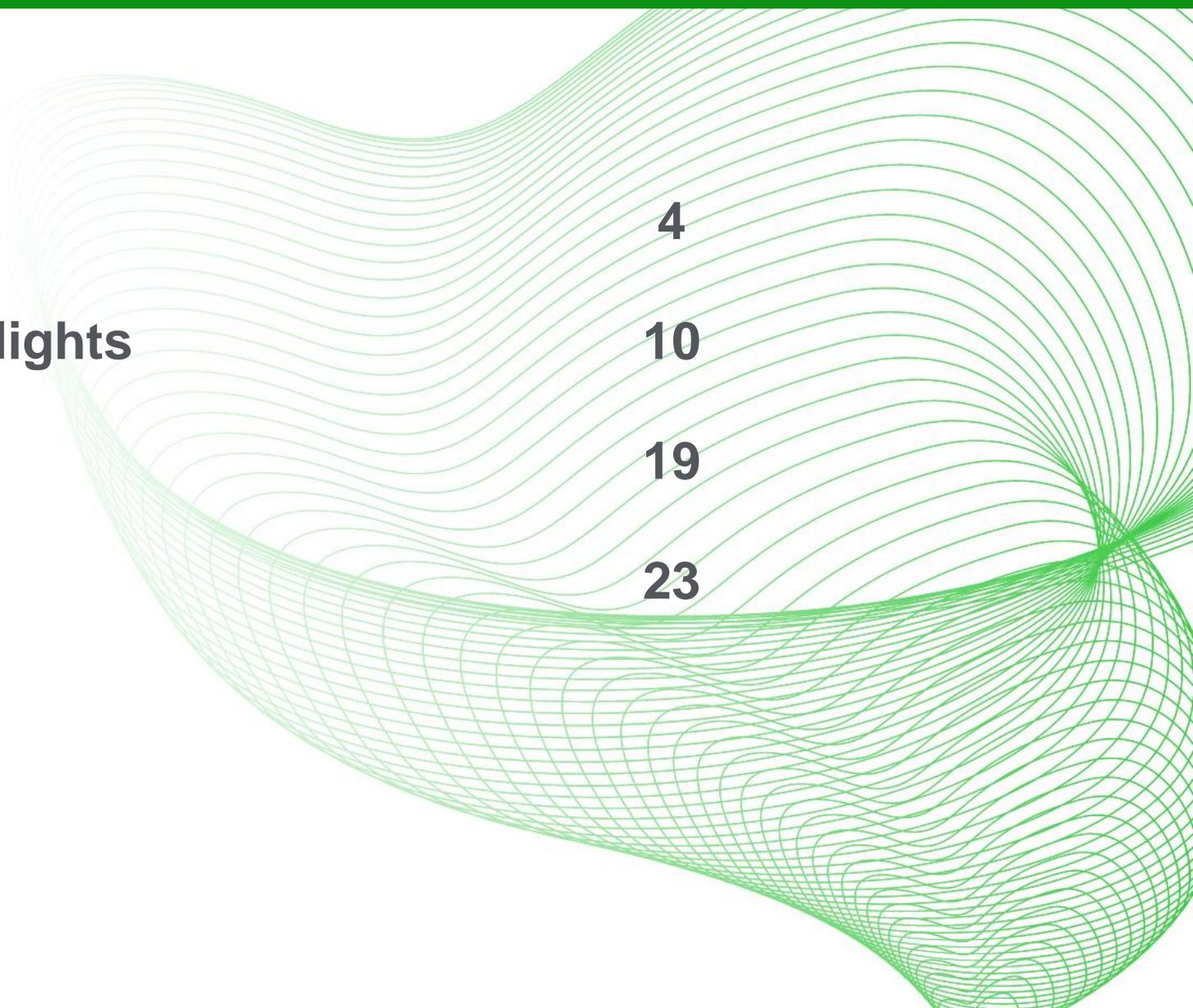
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# 1

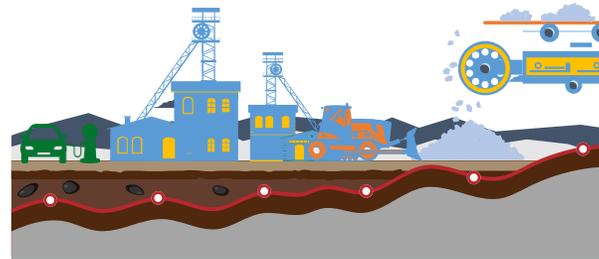
## Company Overview



## 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 **168.9mt<sup>1</sup>** 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 operation<sup>2</sup>



### 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 curve<sup>2</sup>**



### Unique Geographical Advantage with Operational Synergies

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



### Strong Support

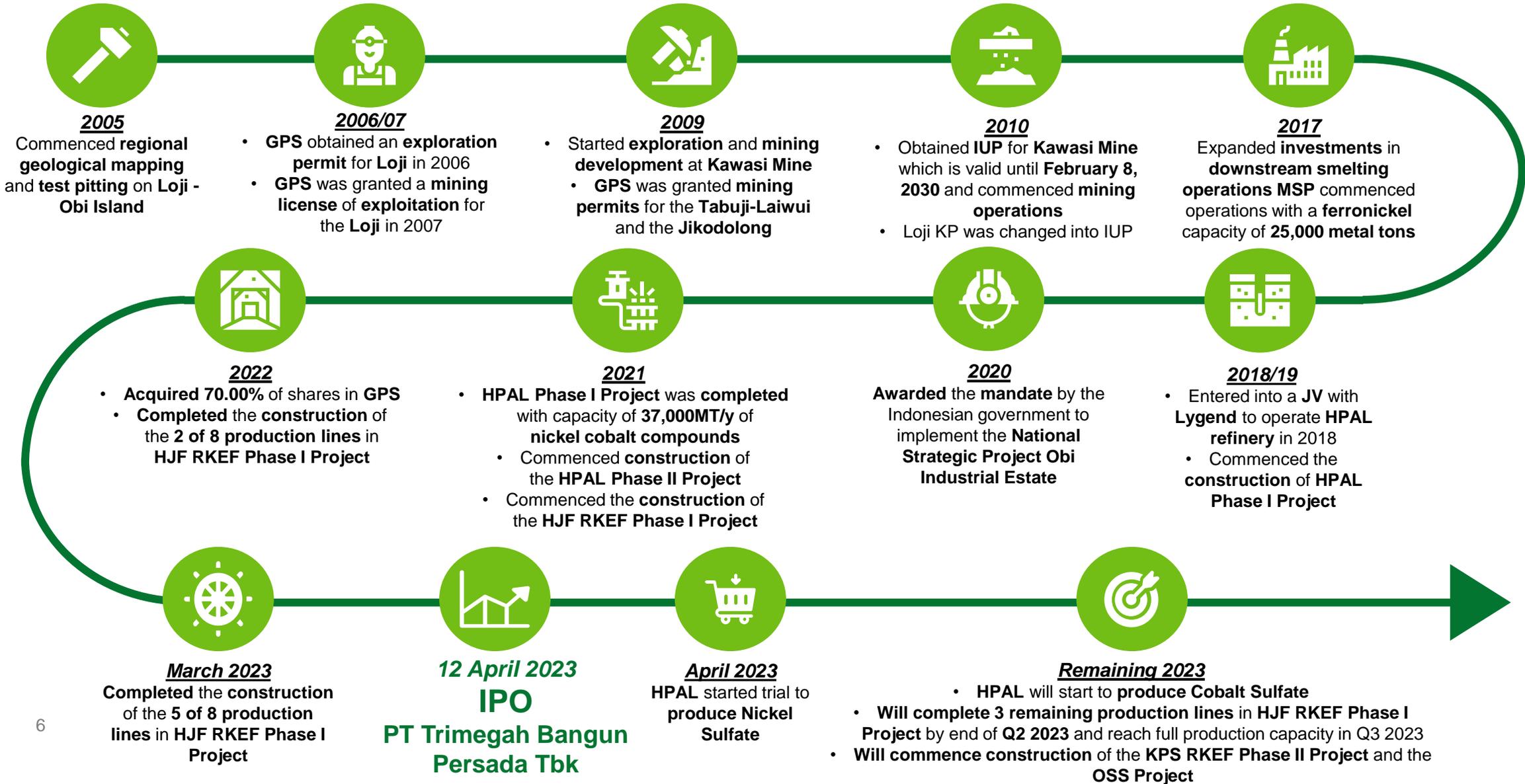
Harita Group can support in terms of **logistics, mining contracting, and raw material supply**



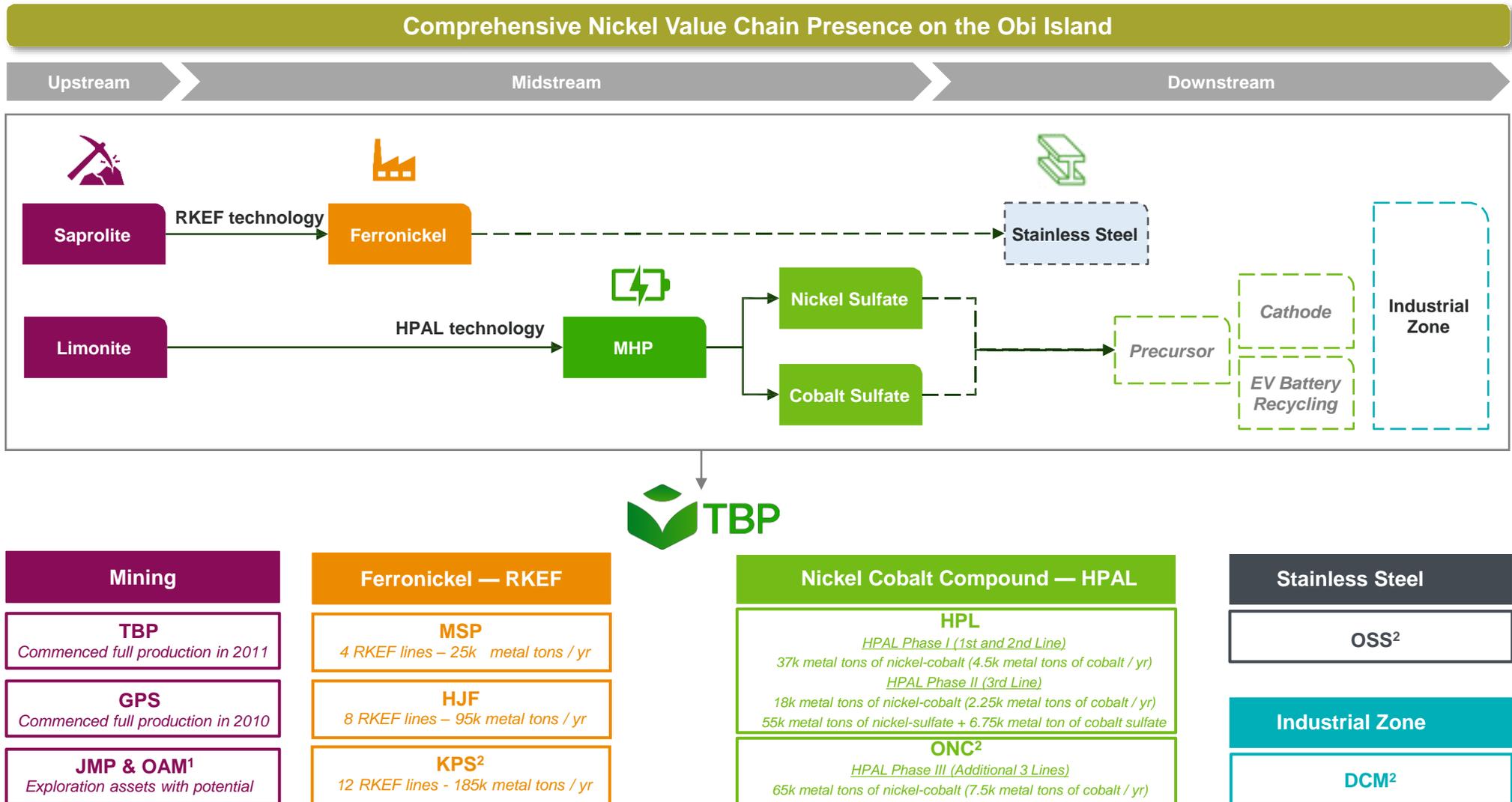
### Focused on and Committed to ESG

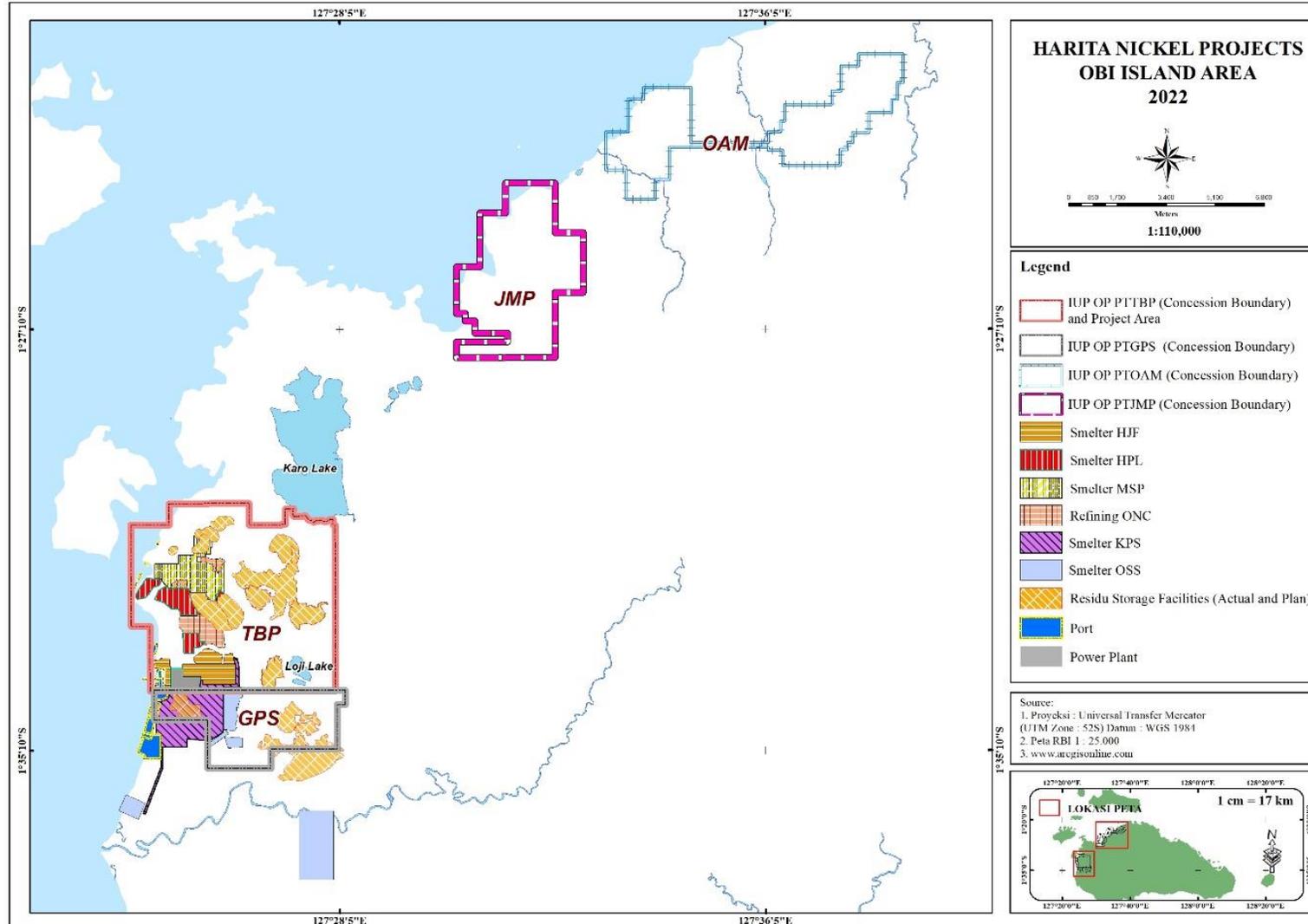
Focused on compliance with relevant **domestic ESG-related laws and regulations**. Commitment to progressively align with **international standards**

# History and Key Milestones



# TBP Group Structure and Portfolio Overview





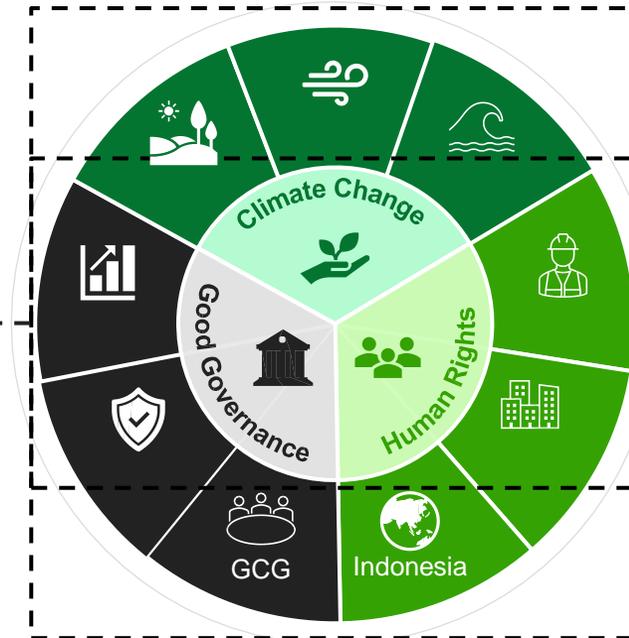
# Strong Commitment to Sustainability and Contributing to the UN SDGs

## Governance

**Corporate governance:** ensuring integrity and ethical behavior as core tenets of the company

**Occupational health and safety:** upholding workplace safety as a prime culture in the workplace

**Operational excellence:** improving business performance sustainably as guided by key management principles



## Environmental

**Land:** waste and wastewater management, optimal surface water management and quality monitoring, land rehabilitation

**Air:** use of emission control and continuous monitoring technologies

**Marine:** water quality monitoring, mangrove and coral reef rehabilitation with community engagement



## Social



**People:** helping employees increase their skills and capabilities through various training and educational programs

**Community:** implementing enhancement programs for communities around our areas of operations, focusing on economic development, health, education, social culture, and infrastructure development



# 2

## Key Investment Highlights



# Key Investment Highlights

-  **1 Existing And Growing Exposure To Key Battery Material Products**
-  **2 Integrated Pure-play Nickel Player**
-  **3 Strong Group Support And Experienced Management Team**
-  **4 Strategic Partnerships With International Companies In Nickel Value Chain**
-  **5 Vertically Integrated Operations Located on Obi Island With Operational Synergies**
-  **6 Commitment towards Integration of Sustainability / ESG in Our Business Processes**
-  **7 Strong Growth and Cash Flow Generation**

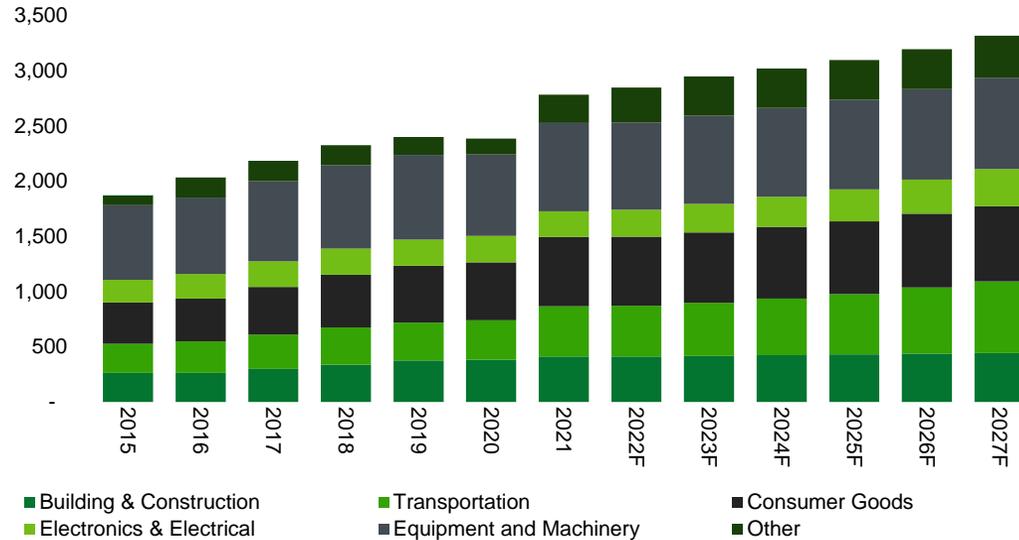


**Financial Overview**

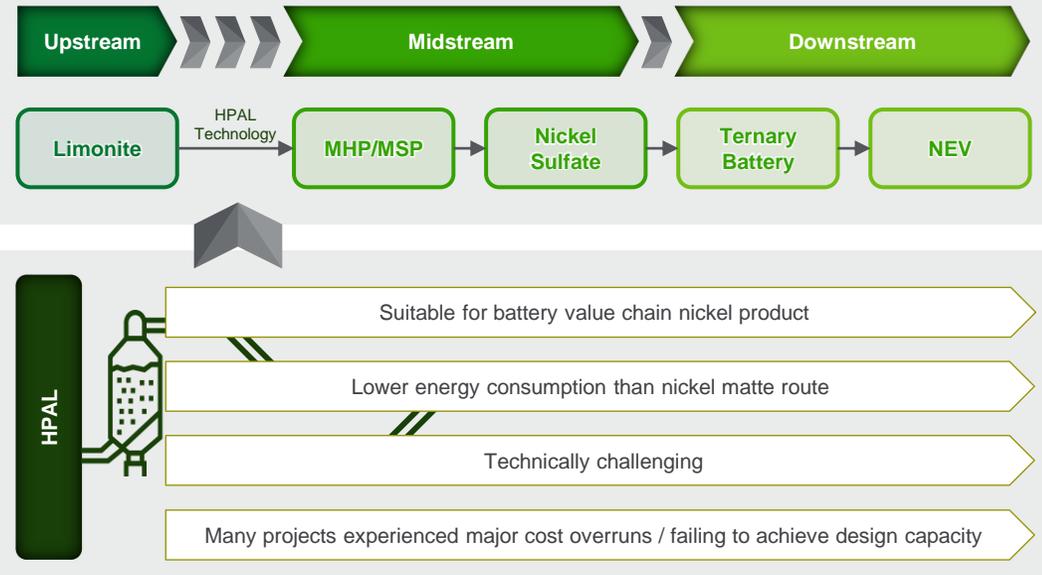
# 1 Positioned to Benefit from EV Industry Transformation with Growing Exposure to Key Battery Material Products

## Transportation / EV to Drive Additional Nickel Demand Growth in the Near Term

Historical and Forecast Global End Use of Nickel 2015-2027 (Kt)



## HPAL Process Illustration



## The HPAL Project is the Largest (Including Under Construction) and The First Successful Operational HPAL Facility in Indonesia<sup>1</sup>

### HPAL Phase I project has broken multiple records in the industry

**Shortest** construction time for a greenfield project<sup>1</sup>

One of the **lowest cash cost** globally<sup>2</sup>

**Lowest** investment cost per mt of nickel<sup>1</sup>

**4<sup>th</sup> generation** HPAL Technology<sup>2</sup>

**Shortest** duration of reaching production<sup>1</sup>

## 2 Integrated Pure-play Nickel Player

### An Integrated Pure-Play Nickel Player in Indonesia

#### Unique Proposition and Key Success Factors



- 
Pure Play Nickel Focus
✓

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- 
Exposure to Battery Nickel / Electric Vehicle Sector
✓

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- 
Investment through 45.1% stake in HPL which is involved in the Latest Generation of HPAL Technology
✓

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- 
Large Scale
✓

---

- 
Visible Future Growth
✓

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- 
Fully Integrated Value Chain
✓

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- 
Competitive Cash Cost Position
✓

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- 
Robust and Healthy Financial
✓



**168.9 mt**  
Total Nickel Reserves



**Significant Self-owned Reserves**  
To Support Downstream Operation



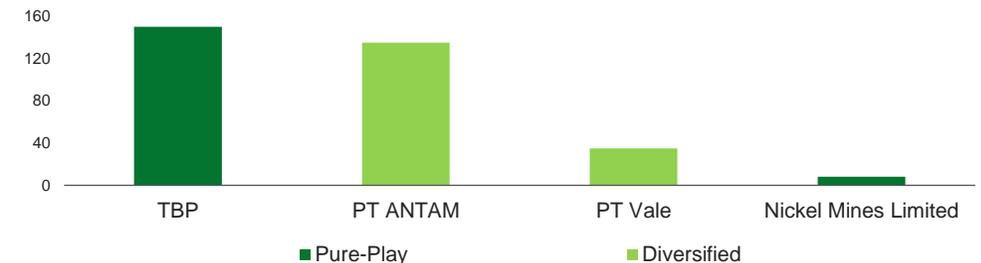
**Low Cash Cost**  
with attractive cost curve position



**Significant Growth Outlook**

3 major nickel smelting projects from subsidiaries / associate companies under active construction / expansion

TBP is Expected to be a Pure-play Nickel Producer That is Larger Than Those Already Listed in Indonesia Based on 2022F Mined Nickel Production



# 3 Strong Support from Leading Indonesian Business Conglomerate and Experienced Management Team



### Nickel

NI

- **Mining** - nickel ore producer
- **Processing** - operating RKEF smelters with 45.1% stake in the first HPAI project in Indonesia

### Bauxite

AI

- **Bauxite Mining**
- **Alumina Refinery**
  - With Glencore as a significant partner with ~30% stake

### Agriculture

- **Oil Palm Plantation**
  - 52% in Singapore-listed Bumitama Agri with a market capitalisation of ~US\$1bn as of Jan 6, 2023

### Others

- **Shipping**
- **Mining support**
- **Real estate**
- **Plywood and Timber**
- **Securities**



**Donald J. Hermanus**



**Suryadi Sasmita**



**Darjoto Setyawan**



**Roy A. Arfandy**



**Suparsin D Liwan**



**Younsel E Roos**



**Lim Sian Choo**



**Tony H. Gultom**



**Stevi Thomas C**

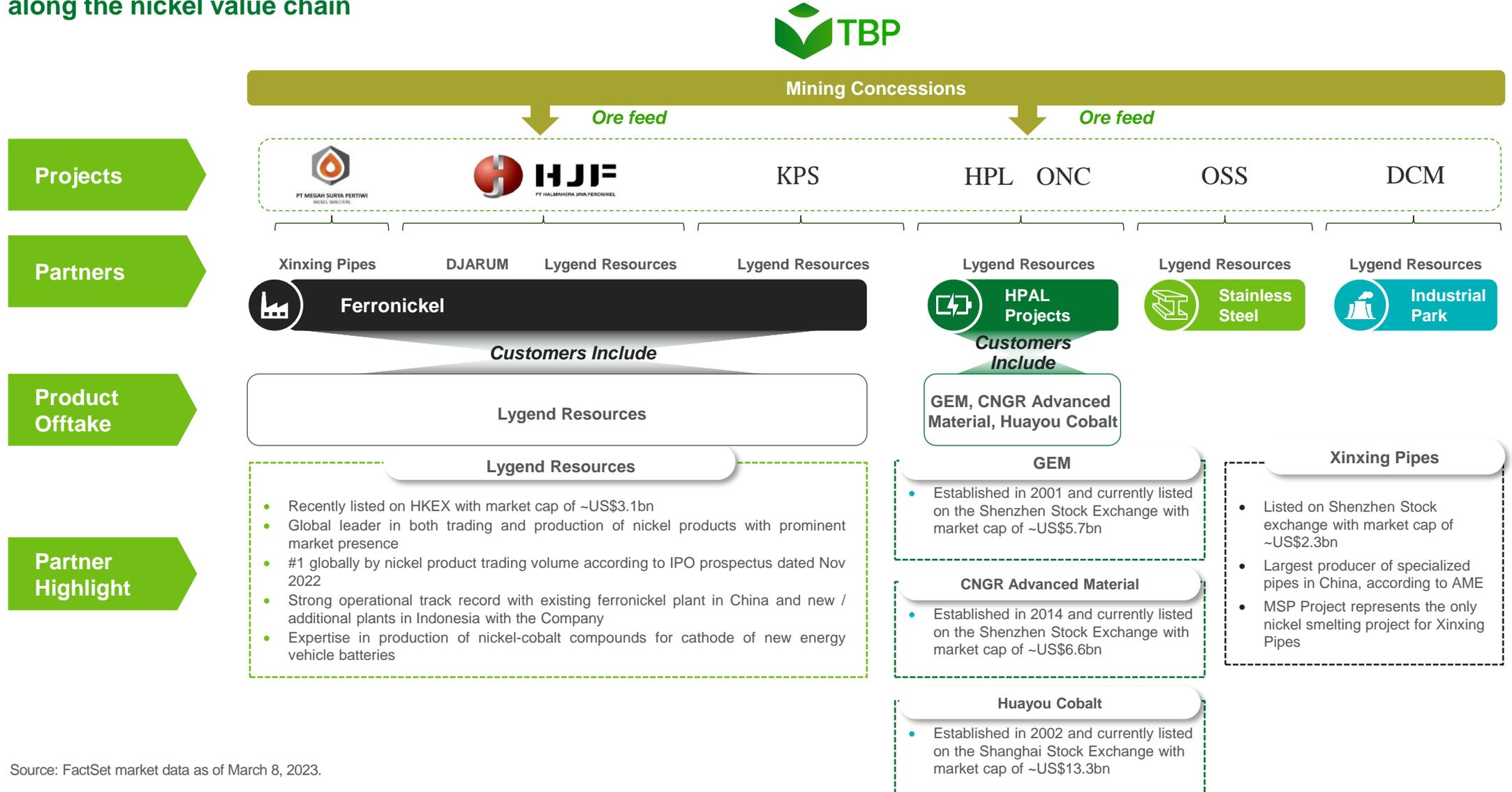


**Robby Rafianto**

Title	President Commissioner	Independent Commissioner	Independent Commissioner	President Director	CFO Finance Director	Director of Operations	Director of Sustainability	Director of HSE	Director of External Relation	Head of Exploration
<b>Biography</b>	Extensive experience in mining, engineering and construction sectors. Has been with Harita Group since 2013.	Appointed as Independent Commissioner since January 2023. He is currently President Director of PT Indonesia Wacoal and President Commissioner in several other companies.	Strong experiences in various business sectors at the established companies. Currently action as President Director of PT Siloam International Hospitals Tbk.	Executive officer in Harita Group since Jan 2020. Several experiences in banking industry including Permata, DBS and Mizuho.	Qualified with Finance experiences in KPMG, Sinar Mas Group, Trakindo Group, with latest being the CFO of PT. HPL since Sept 2018.	Strong track record in mining with 10 years experience as mine engineer at PT. Vale Indonesia Tbk.	Qualified with track record in sustainability, holds the position of Chief Sustainability Officer of Bumitama Agri Ltd in May 2020 – present.	Years of environmental and HSE operation in e.g. BHP, Newmont, and has been ESG advisor to Harita group.	Extensive experiences in mining including the smelting industry and have a good capability in dealing and maintain good relationship with the various stakeholder related to the company.	Strong track record in mining. Started as a geologist in various companies and held various leadership position at PT Vale Indonesia Tbk.
<b>Years of Experience</b>	25+ Years	43+ Years	39+ Years	30+ Years	19+ Years	32+ Years	40+ Years	34+ Years	20+ Years	27+ Years

# Strategic Partnerships with Various Leading Companies in Nickel, Ferronickel and Battery Material Value Chain

We and our downstream nickel investments have established strategic partnership with various industry leading players along the nickel value chain

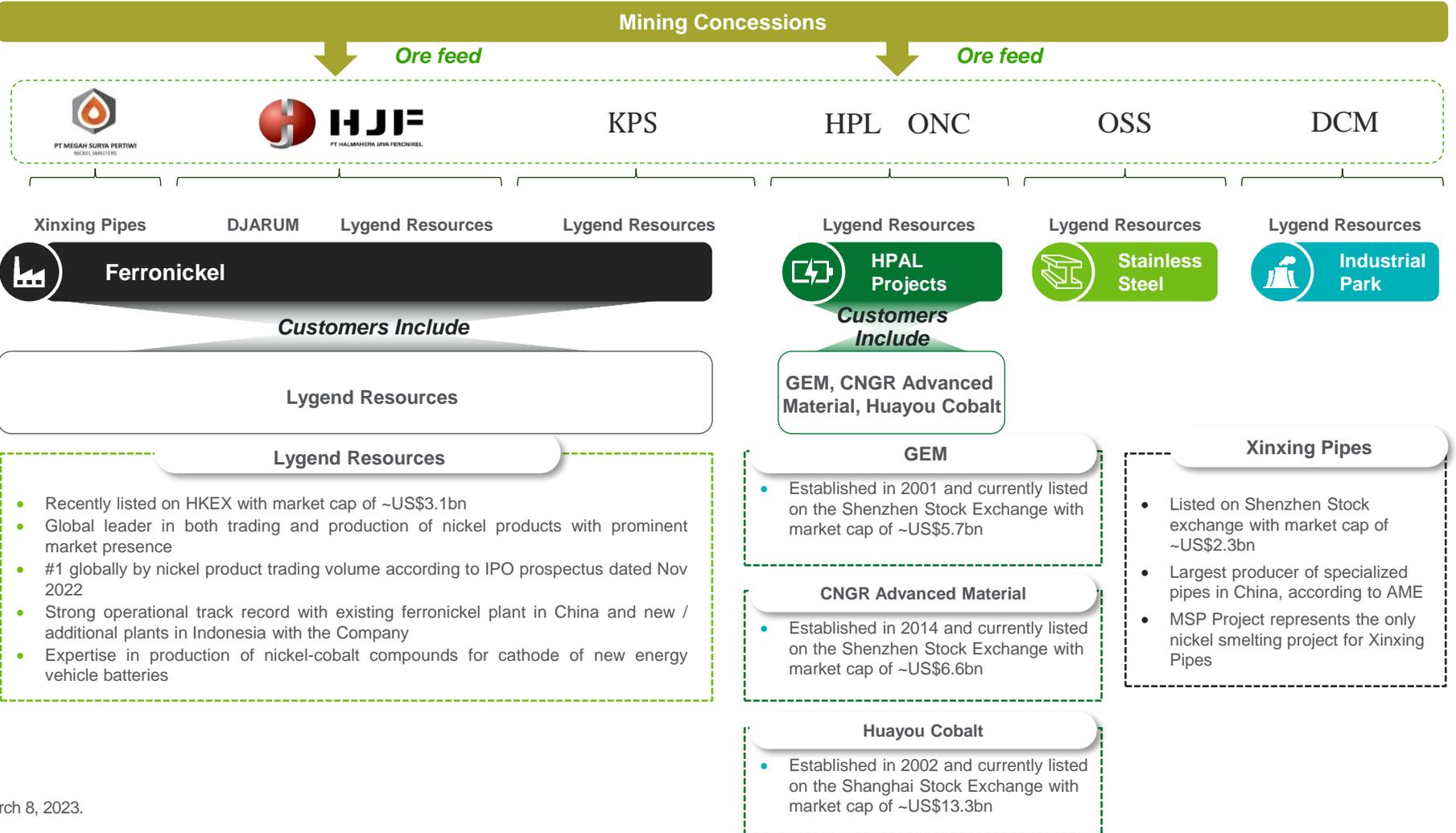


Projects

Partners

Product Offtake

Partner Highlight



All mining and production facilities are strategically located on the west of Obi Island, offering TBP a **unique competitive advantage**



### Feasible Full Vertical Integration Across Nickel Value Chain

Prominent presence across nickel value chain, covering upstream mining to nickel smelting operations and future expansion into stainless steel and industrial park operated by associate companies



### Short Transportation Distance Between Assets<sup>1</sup>

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 advantage<sup>2</sup>



### Integrated Nickel Focused Industrial Park

Integrated infrastructures, facilities and raw material supplies to support future tenants at the Nickel Focused Industrial Park that is expected to be managed or operated by our associated company

## Alignment with national ESG-related regulations and laws with a path towards aligning with international standards



### Environmental

*Ensuring sustainability of operations and minimizing impact to the environment*

- ✓ Aligning with Indonesia's national target of **reducing GHG emissions<sup>1</sup>** and achieving **net zero by 2060 or sooner**
- ✓ Exploring various **decarbonization levers**, including increasing **renewable energy**, increasing **biofuels** mix, **energy efficiency improvements**, and **carbon offsets**
- ✓ Minimizing the negative impact of waste generated through **dry stacking** and **integrated waste management**
- ✓ Optimizing wastewater and runoff water usage to **preserve water sources** around our operations
- ✓ **Biodiversity restoration** through initiatives such as our **mangrove planting program** and **deployment of artificial reefs**



### Social

*Safeguarding employee health and safety and providing positive social impact to local communities*

- ✓ **OHS** management in focused on ensuring compliance with **SMKP** and **SMK3**
- ✓ Compliance with **ISO 45001** (occupational health and safety) standards obtained on 16 Feb 2023
- ✓ Zero-fatality target with **no fatalities or lost time incidents** between 2019 and Q1 2023
- ✓ Employment policies to ensure **equal opportunities**, including fair compensation, working hours, recruitment, gender equality, no forced labor or child labor and anti-discrimination
- ✓ **Community Development and Empowerment program** focused on economic development, health, education, social culture and infrastructure development



### Governance

*Upholding good corporate governance and ethical business conduct*

- ✓ **Sustainability Committee** which is overseen by our President Director
- ✓ Initial **Sustainability strategy** aligned with the **UN Sustainable Development Goals** and being further developed
- ✓ Intention for **ESG-linked metrics** for assessing the performance of and providing compensation to the **Board of Directors** and **executive members**
- ✓ **Ethics training** for employees and contractors and **whistle-blowing** policy in place
- ✓ Intention to implement a policy committing to **transparency of revenue payments**
- ✓ Intention to publish of yearly **Sustainability Reports** in line with international reporting standards
- ✓ Our associate HPL is required to materially comply with the Equator Principles. We also continue to monitor compliance of our ferronickel operations (MSP and HJF) against **the Equator Principles**

## Directly Affected Village - Kawasi

**374**

**HOUSEHOLD**  
Kawasi

**1,120**

**POPULATION**  
Kawasi

- Community empowerment by focusing on health, education, economic, social and infrastructure development
- Job creation in various sector through development of food security, agriculture, SME's, fisheries across our operational area
- Promote financial independence for the local community by prioritizing local suppliers in procurement process to fulfill goods and service needs of our operations
- Promote social harmony and cultural preservation
- Maintain grievance mechanism for affected stakeholders to raise concerns relating to our business activities



Our contribution aims to bring long-term prosperity and sustainable society through community empowerment and collaborative partnership with stakeholders



## Our community programs focuses on five main areas



**Health**

Focus on Health quality improvement of the local people



**Education**

Increase access to a better-quality education



**Economic**

Develop income generating programs to improve economy of the local people



**Social**

Support local community programs



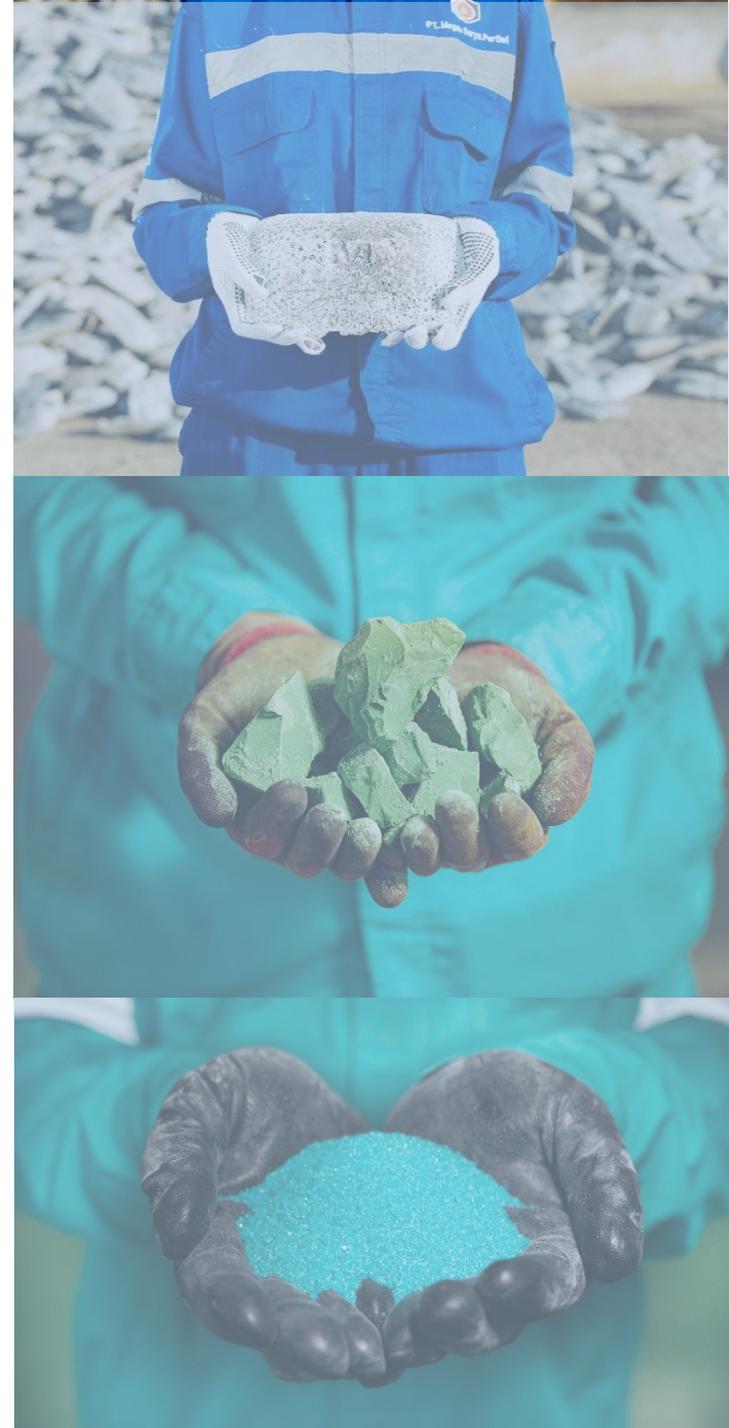
**Infrastructure**

Support local government in improving infrastructure facilities



# 3

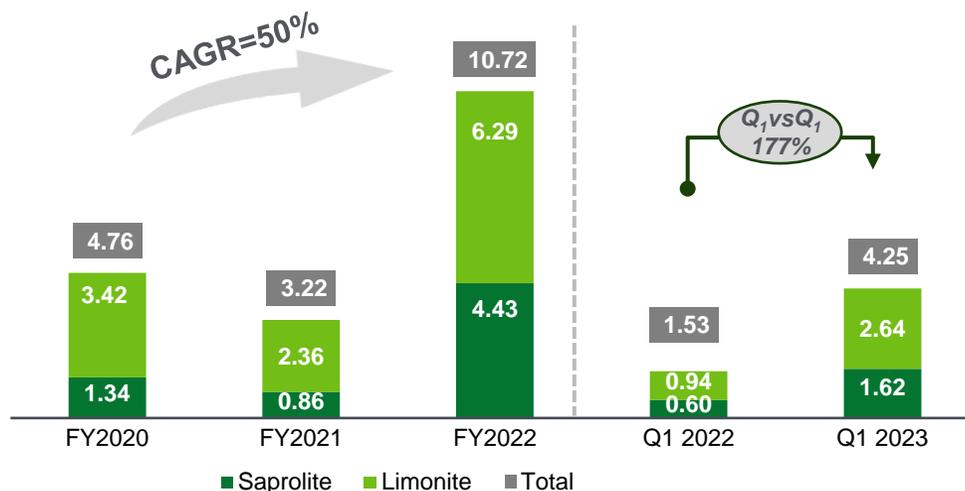
## Operations Overview



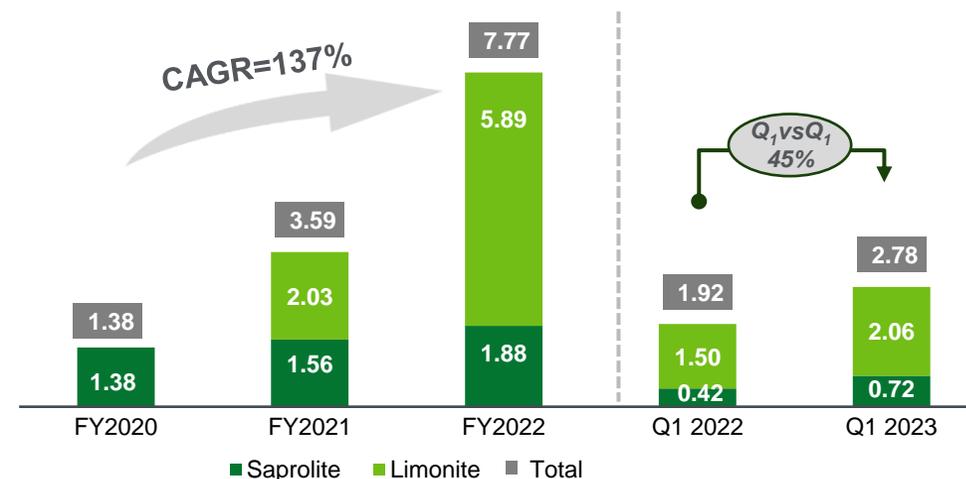
## Mining Operations Snapshot

- TBP’s mining operation portfolio consists of **2 producing mines** and **2 exploration-stage** concessions on the Obi Island
- **Moisture content** is on average **30 – 35%** for **saprolite** and **36 – 40%** for **limonite**
- Nickel ore are **sold to downstream operations** at **MSP** and **HJF** and to **our associate HPL**

### 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 lines<sup>1</sup>** in RKEF nickel processing facility of PT HJF and **commissioning** of the **3<sup>rd</sup> line** of HPAL in PT HPL.

# HPAL Operations

## HPAL Operations Overview

### History of Shareholding

- To support government's downstream processing program, in 2018, our Company entered into a joint venture with Lygend to establish HPL to operate a HPAL project
- We were primarily **responsible for supplying nickel ore, obtaining and securing relevant licenses, permits, and approvals, and arranging available loan facilities**

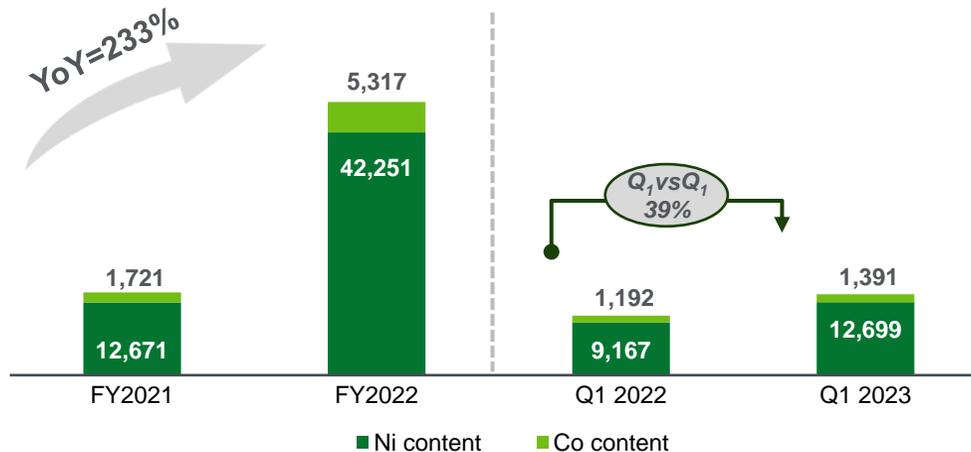
### Total Designed Capacity

- Total planned capacity of **120kt of nickel-cobalt compounds** per annum (including 14.25 kt metal tons<sup>1</sup> of cobalt) upon completion of all projects by 2024

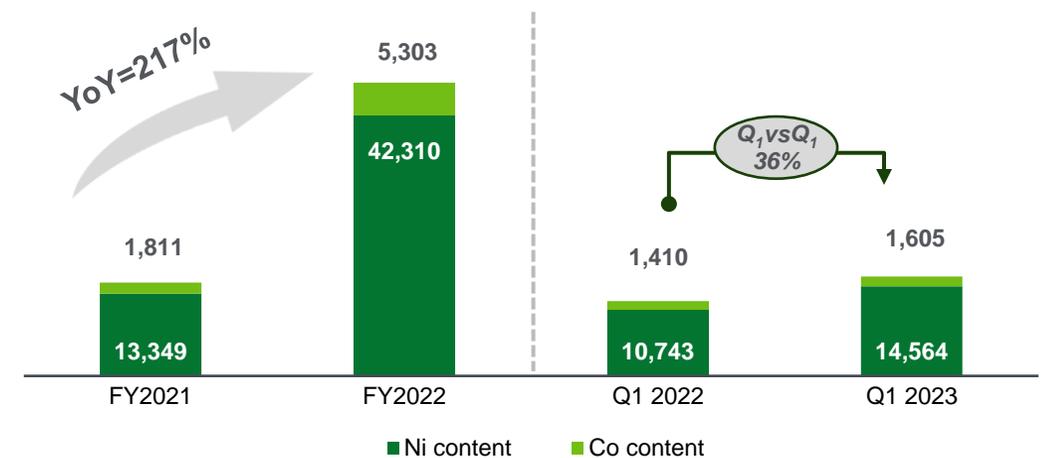
### Major Customers

- Customers mainly include ternary battery material manufacturers from China, including GEM Co., Ltd., CNGR Advanced Material Co. Ltd., and Quzhou Huayou Cobalt New Material Co., Ltd etc.

## MHP Sales Volume (ton)



## MHP Production Output (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.

## Ferronickel Processing Operations Summary

### Our Ferronickel Facilities

- **MSP (60.0% ownership, operational):** operating since 2017 with 4 fully-operating production lines and designed capacity of 25,000 metal tons per year (220ktpa ferronickel with 11.36% Ni)
- **HJF RKEF Phase I Project (63.1% ownership, construction stage):** 8 production lines with designed production capacity of 95,000 metal tons per year (863.6ktpa ferronickel with 11% Ni)

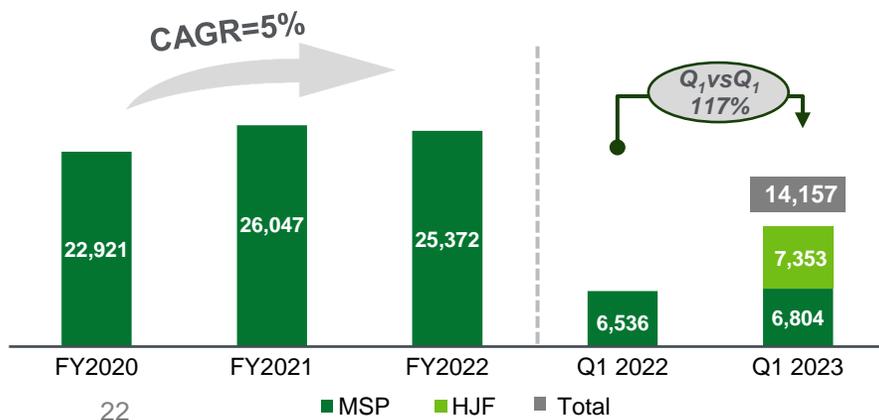
### Investment in Associate

- **KPS RKEF Phase II Project (owned 35.0%, construction stage):** 12 production lines with designed capacity of 185,000 metal tons per year (1.7Mtpa ferronickel with 11% Ni); full production is expected to commence by Q2 2025

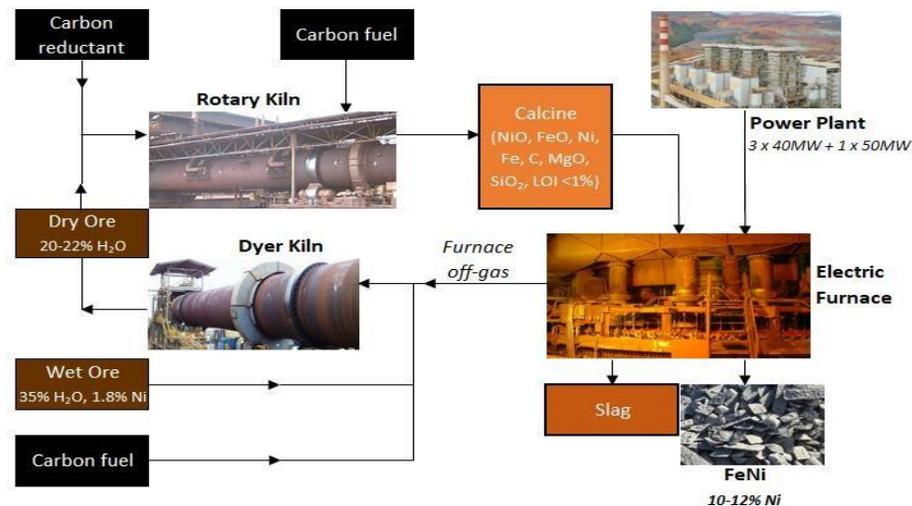
### Suppliers & Sales Arrangement

- Saprolite nickel ore produced from our mining operations is the primary raw material for ferronickel production and is sold based on reference price issued by MEMR
- Ferronickel produced from MSP and HJF are mainly sold to Lygend, pursuant to MSP Offtake Agreement and HJF Offtake Agreement; price is generally based on international nickel benchmark price

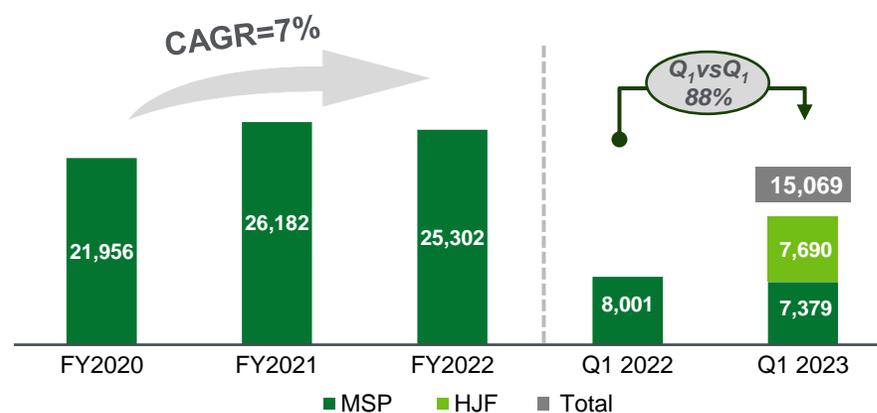
## Ferronickel Production Output (In metal ton)



## Key Steps of Ferronickel Processing



## Ferronickel Sales Volume (In metal ton)



## Commentary

- The HJF RKEF has finally commenced its operation at the end of FY2022 with 2 production lines. The next 3 production lines, 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> lines were completed in January 2023, February 2023 and March 2023, respectively. At the end of Q1 2023, the utilization rate per line were 100% for 1<sup>st</sup> and 2<sup>nd</sup> line, 80% for 3<sup>rd</sup> line, 50% for 4<sup>th</sup> line, and 30% for 5<sup>th</sup> 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.

Source: SRK report, Company information.

Notes: CAGR is Compound Annual Growth Rate, Q<sub>1</sub> vs Q<sub>1</sub> represents the percentage growth from period to period.

# 4

## Financial Overview

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

*Crafting Opportunities through Greener Journey  
towards Nickel Downstream*



# Profit & Loss Statements

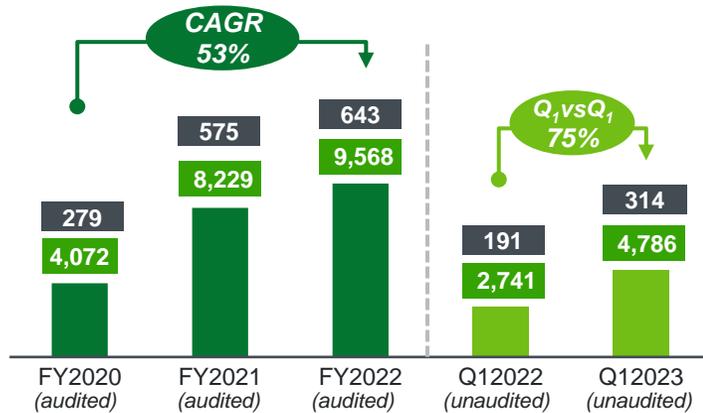
	For the years ended, Dec 31			For the three-months period ended, Mar 31	
Exchange rate USD/IDR	14,572	14,312	14,876	14,345	15,243
<i>In IDR billion</i>	<i>Audited</i>	<i>Audited</i>	<i>Audited</i>	<i>Unaudited</i>	<i>Unaudited</i>
	FY020	FY21	FY22	Q1 2022	Q1 2023
Revenue	4,072	8,229	9,568	2,741	4,786
Cost of good sold	(2,114)	(3,715)	(4,893)	(1,363)	(3,220)
<b>Gross profit</b>	<b>1,957</b>	<b>4,514</b>	<b>4,675</b>	<b>1,379</b>	<b>1,567</b>
Selling, general and administrative expenses	(712)	(948)	(890)	(183)	(394)
Other income (expenses), net	(3)	2	198	67	194
<b>Profit from operations</b>	<b>1,242</b>	<b>3,567</b>	<b>3,984</b>	<b>1,262</b>	<b>1,367</b>
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
<b>Profit before income tax</b>	<b>1,054</b>	<b>3,975</b>	<b>6,650</b>	<b>2,316</b>	<b>1,805</b>
Income tax expense	(253)	(605)	(812)	(270)	(306)
Merging entities' adjustments	(721)	(1,294)	(1,248)	(473)	-
<b>Profit for the year</b>	<b>81</b>	<b>2,077</b>	<b>4,589</b>	<b>1,573</b>	<b>1,499</b>
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)
<b>Total comprehensive income</b>	<b>64</b>	<b>2,156</b>	<b>5,758</b>	<b>1,619</b>	<b>699</b>
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

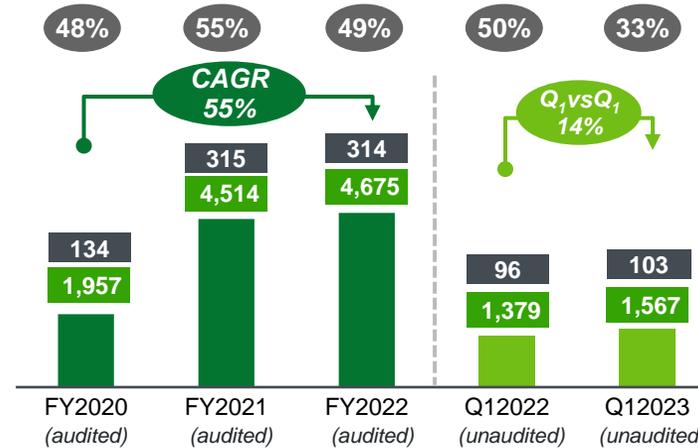
- **Share in profit of associates** mainly represents **HPL profit** on TBP's ownership. **Increase in FY22 was due to MHP production line** has begun to produce in full capacity. **Decrease in Q1 2023** was mainly due to the **decrease in Cobalt price**.
- **Merging entities' adjustments** represents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

# Profit & Loss Statements Highlights

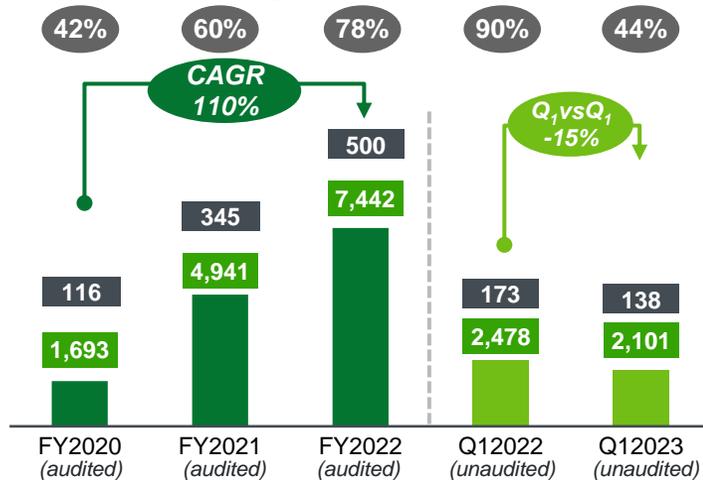
## Revenue



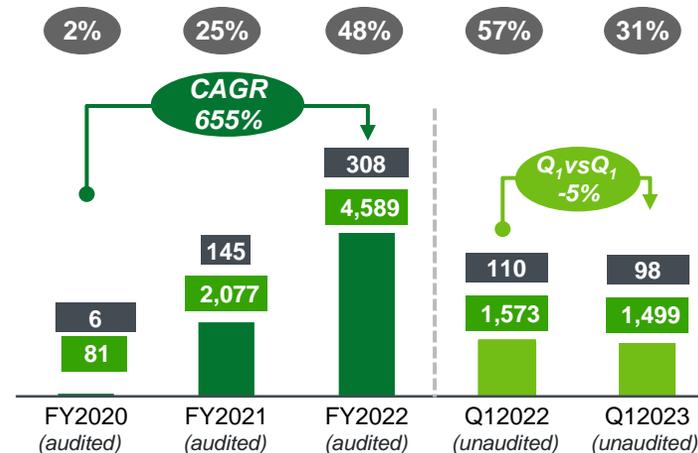
## Gross Profit and Margin



## EBITDA and Margin<sup>(1)</sup>



## Net Profit and Margin



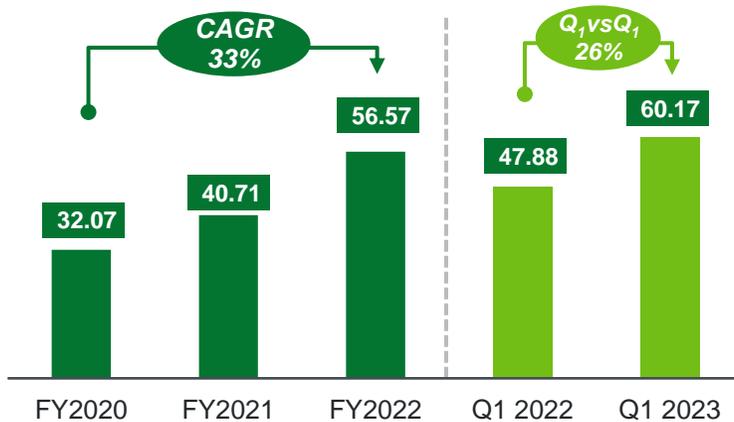
● Margin  
 ■ USD (in million)  
 ■ IDR (in billion)

## Commentary

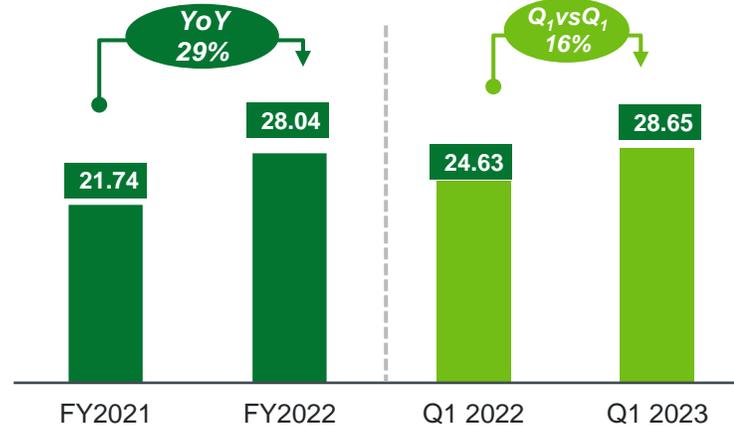
- Strong track record of revenue growth driven by **production ramp up of nickel processing facilities**.
- Healthy profitability margin with **double digit gross profit, EBITDA and net profit margin**.
- Slight dip in Q1 vs Q1 performance's EBITDA and Net profit** due to the **lower of share in net profit associates** coming from **HPAL**.

# Average Selling Price

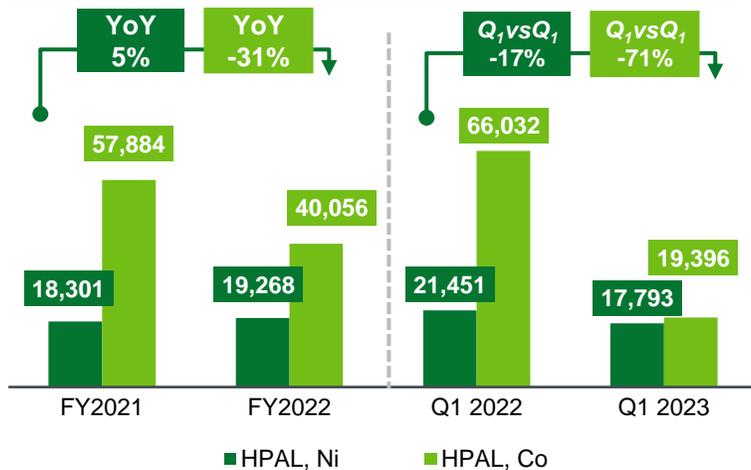
### Saprolite Ore (USD/wmt)



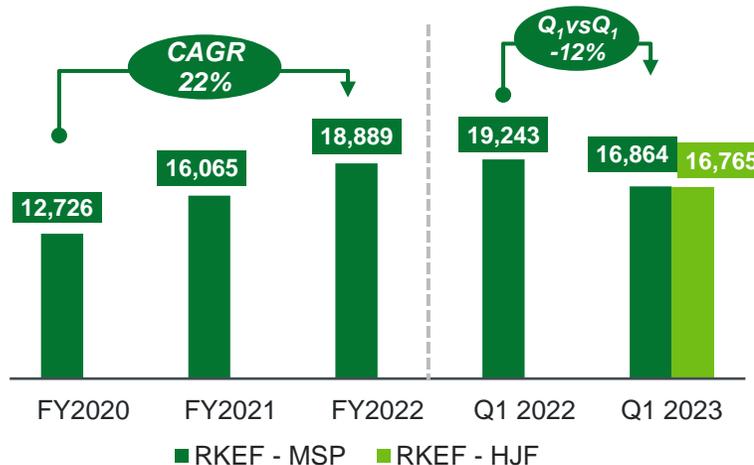
### Limonite Ore (USD/wmt)



### HPAL Ni and HPAL Co (USD/t)



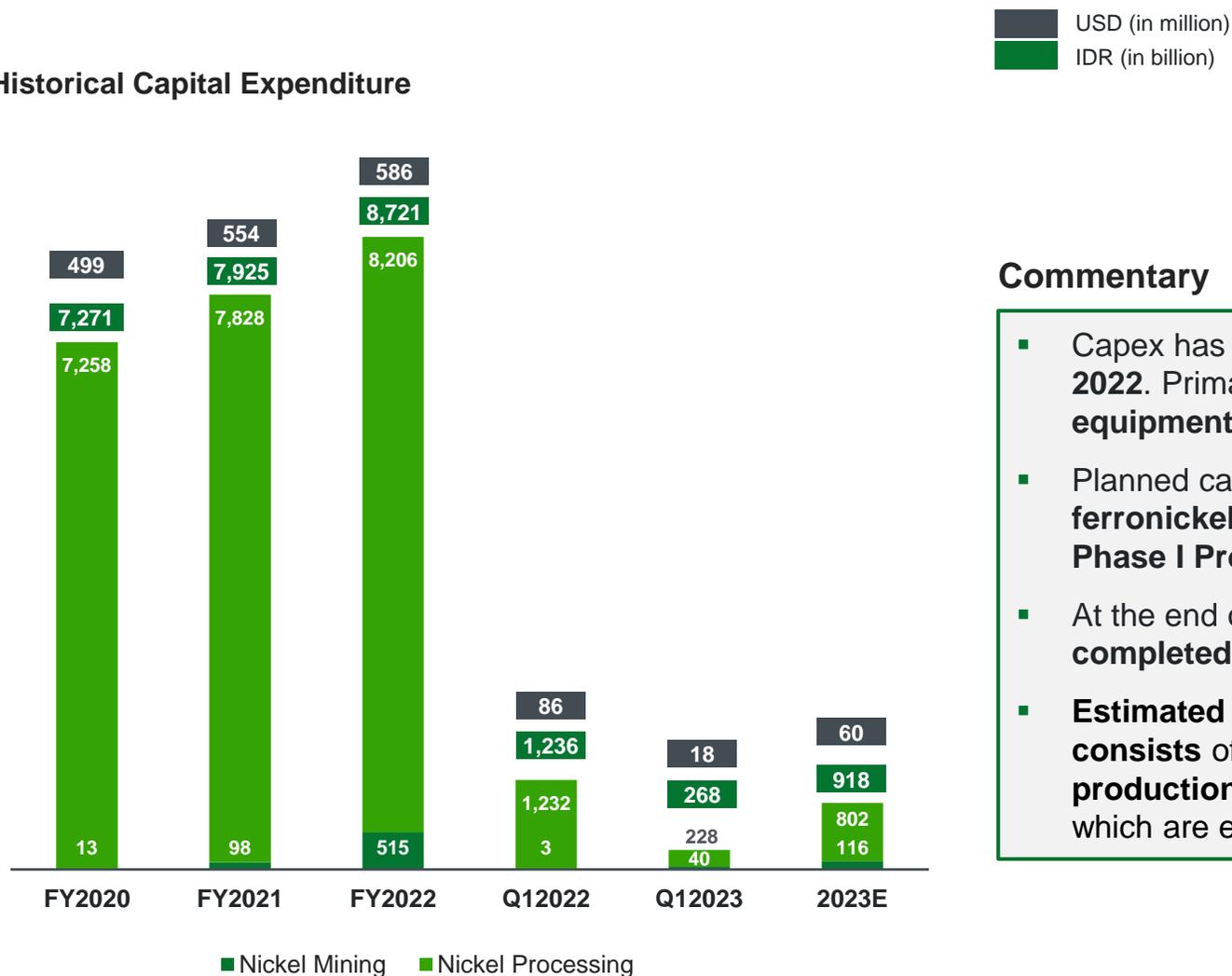
### RKEF (USD/t)



## 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.

## Historical Capital Expenditure

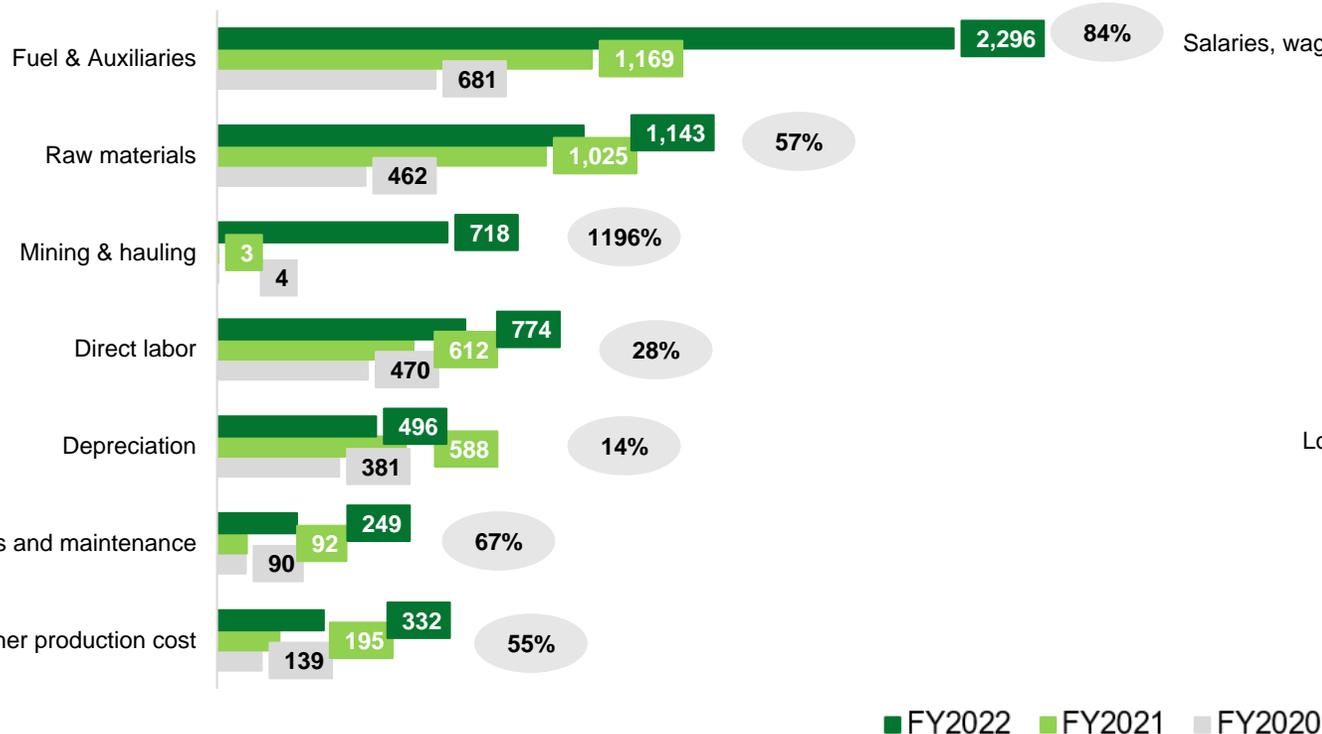


## Commentary

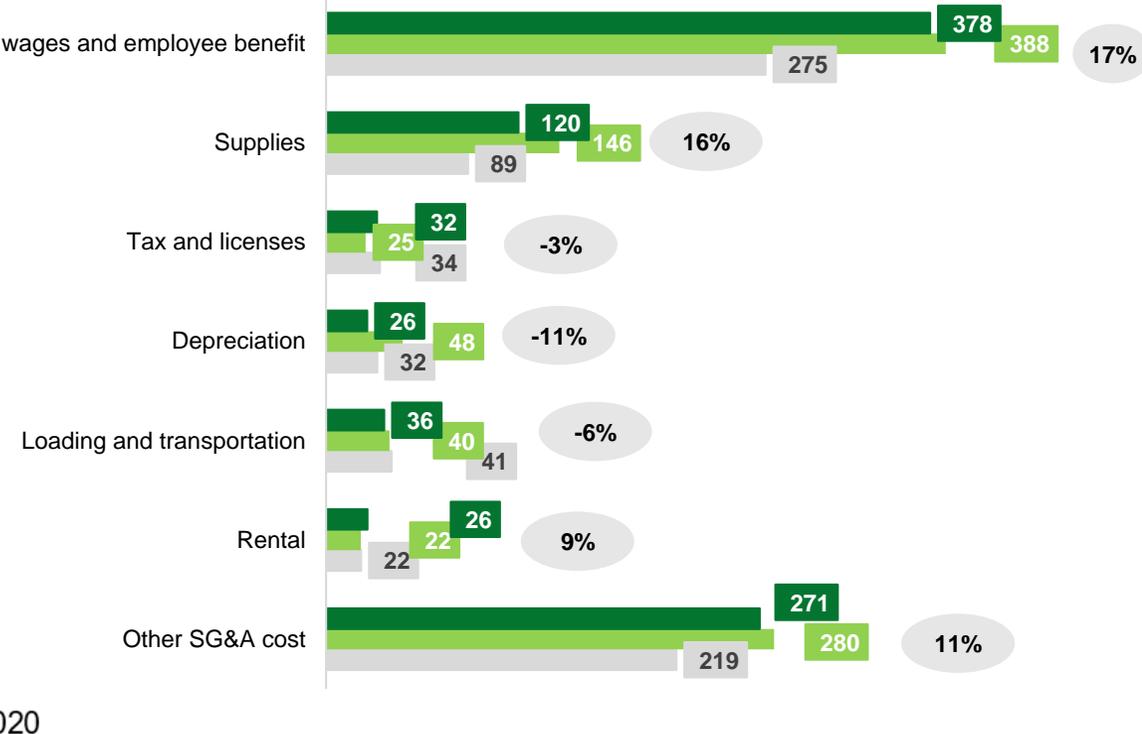
- Capex has grown from **IDR 7.3T in FY 2020 to IDR 8.7T in FY 2022**. Primarily consists of **smelter projects, heavy equipment and vehicles**.
- Planned capex going forward will focus on **increasing the ferronickel production capacity** primarily through **HJF RKEF Phase I Project** (est. completion 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)

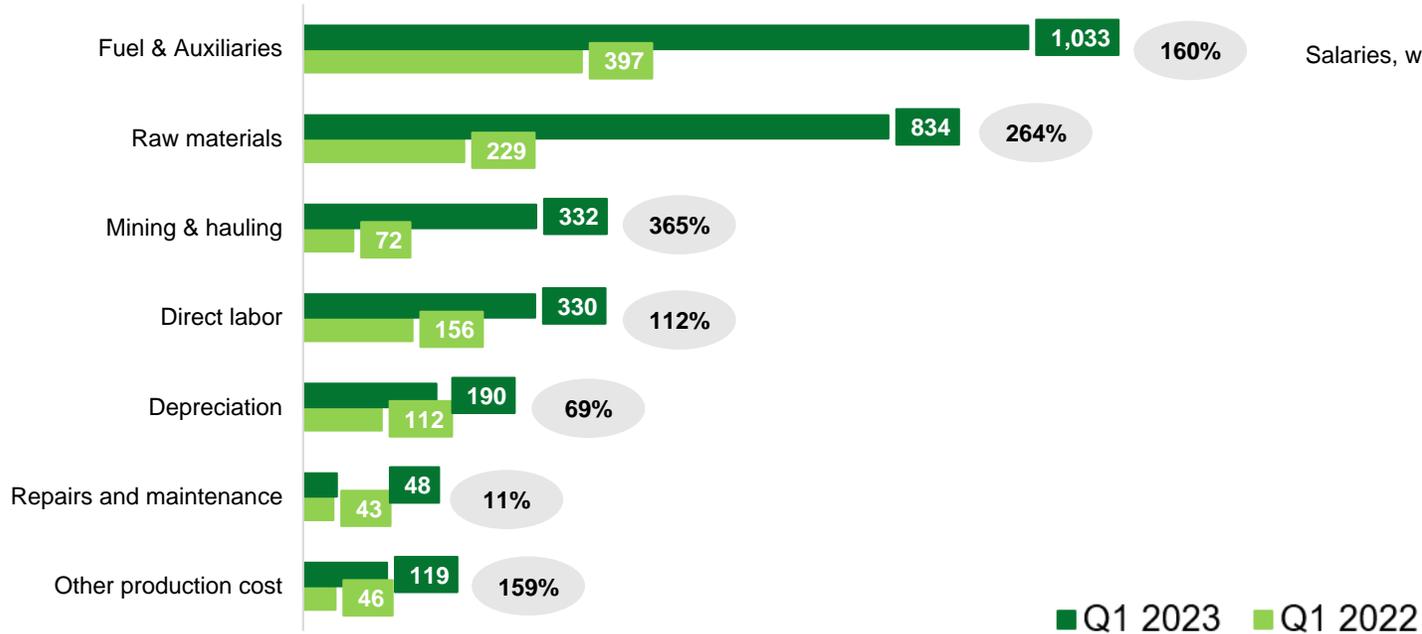


## Commentary

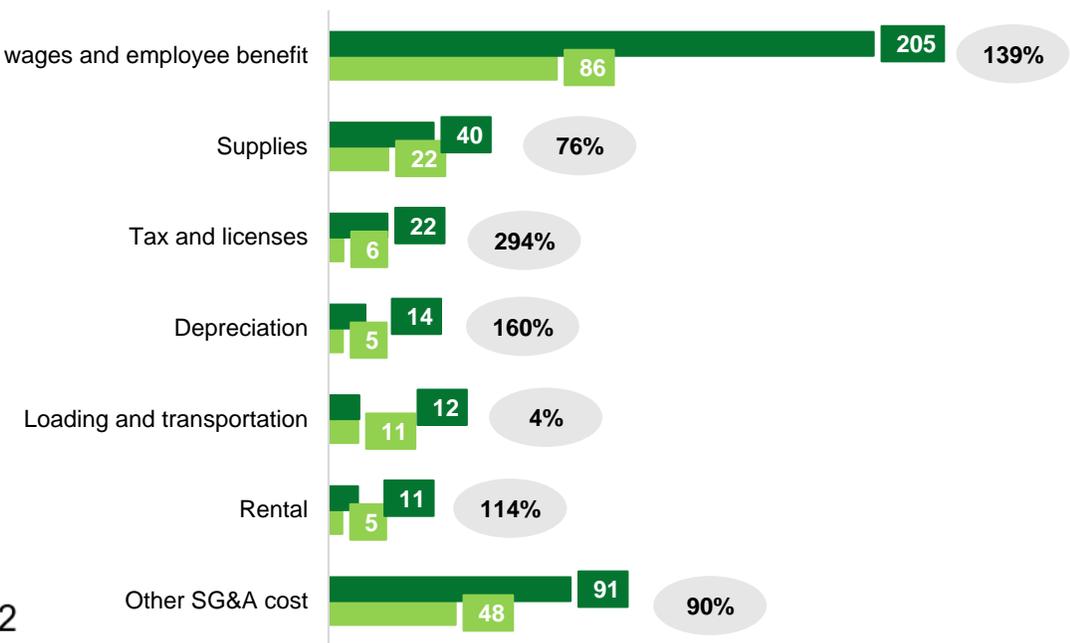
- **Significant increase in production cost in 2022** was primarily due to **increase in fuel price and fuel consumptions** which in line with **production ramp up**.
- **Enlargement of mining cost** was due to **GPS has re-engaged mining contractors** in April 2022 post export ban to ramp up the productions.

# Costs Comparison (Q1 vs Q1 Comparison)

## Total Production Cost (IDR billion)



## Selling, General, & Administrative Expense (IDR billion)

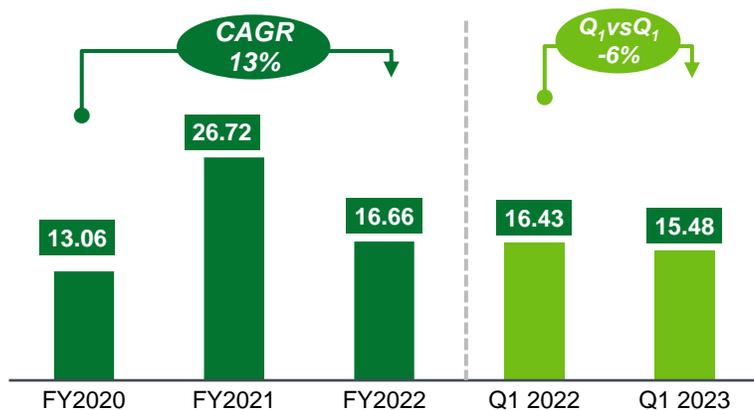


Q1 vs Q1 (percentage growth from period to period)

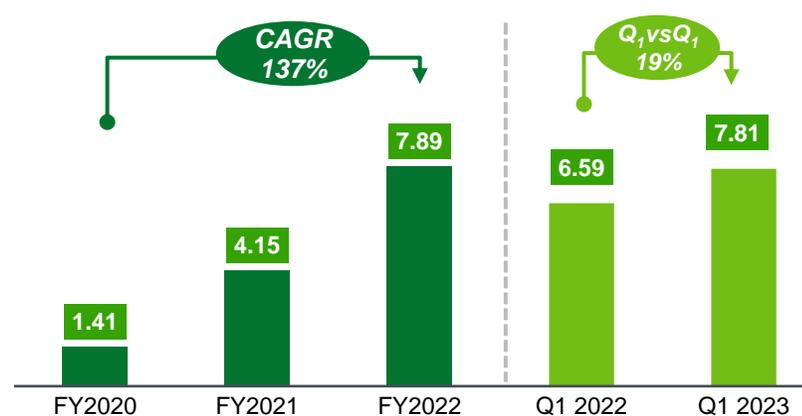
## Commentary

- **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.

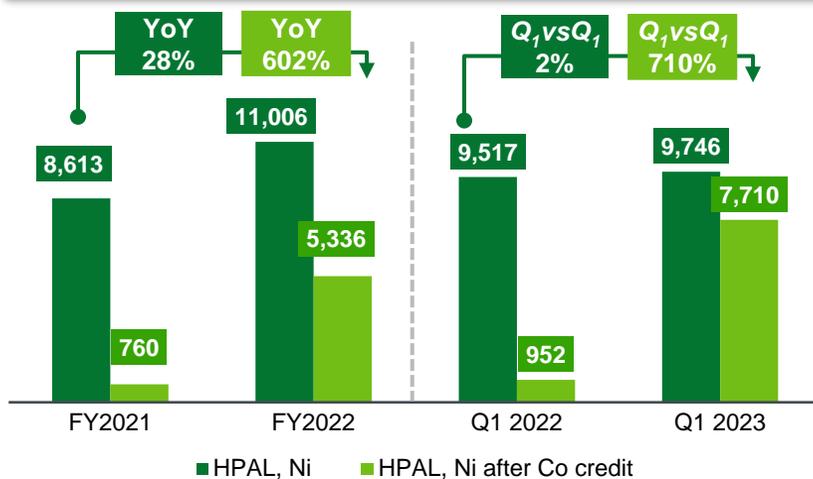
## Saprolite Ore (USD/wmt)



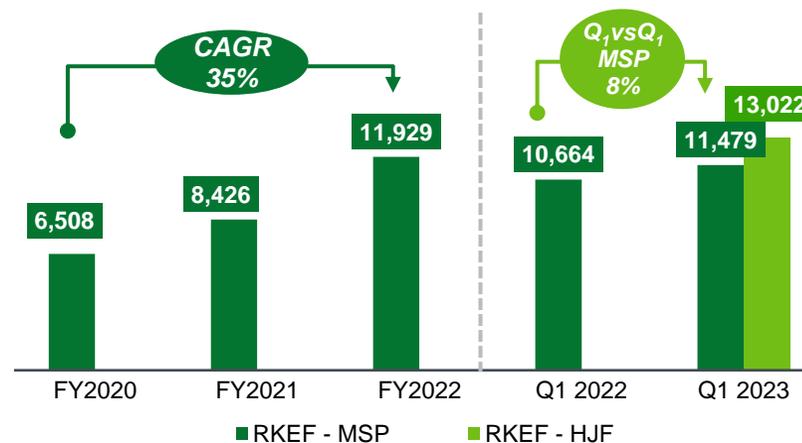
## Limonite Ore (USD/wmt)



## 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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