

29 October 2018

Share Price Data (as of 26 October 2018)

| | |
|---------------------------------|-------|
| Ticker @IDX | DOID |
| Last Price (Rp) | 795 |
| Outstanding Shares (mn) | 8,564 |
| Market Capitalization (Rp bn) | 6,809 |
| Market Capitalization (USD mn)* | 448 |

*based on exchange rate of Rp15,207

Shareholder Structure

| | |
|-------------------------------|-------|
| Northstar Tambang Persada Ltd | 38.1% |
| Public | 61.9% |

Contact Us

Investor Relations Department
ir@deltadunia.com

PT Delta Dunia Makmur Tbk.

Pacific Century Place 38/F, SCBD Lot 10
 Jl. Jend. Sudirman Kav 52-53
 Jakarta 12190 – Indonesia
 Phone: +62 21 2902 1352
 Fax: +62 21 2902 1353
www.deltadunia.com

Jakarta – PT Delta Dunia Makmur Tbk. (“**DOID**” or the “**Company**”) presents its newsletter with consolidated financial and operating results that include its primary and wholly-owned subsidiary, PT Bukit Makmur Mandiri Utama (“**BUMA**”).

The Company recorded an US\$50 million net profit for 9M 2018, 58% higher compared to 9M 2017. The Company’s performance and profitability recovered in 3Q 2018, after a soft 1H 2018 caused by weather disruptions and ramp-up challenges.

| HIGHLIGHTS OF CONSOLIDATED RESULTS (in US\$M unless otherwise stated) | | | | QUARTERLY RESULTS (in US\$M unless otherwise stated) | | | | | | | |
|--|---------------|---------------|--------------|---|---------------|---------------|-------------|-------------|-------------|-------------|-------------|
| Profitability | 9M18 | 9M17 | YoY | Volume | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 |
| EBITDA | 219 | 207 | 5% | OB Removal (mbcm) | 83.2 | 83.1 | 91.3 | 82.6 | 79.8 | 89.6 | 114.6 |
| EBITDA Margin ³⁾ | 36.8% | 38.8% | -2.0% | Coal (mt) | 10.2 | 9.9 | 10.5 | 9.6 | 9.7 | 10.2 | 10.4 |
| Operating Profit | 120 | 127 | -5% | Financials | 1Q17 | 2Q17 | 3Q17 | 4Q17 | 1Q18 | 2Q18 | 3Q18 |
| Operating Margin ³⁾ | 20.3% | 23.8% | -3.5% | Revenue | 181 | 180 | 198 | 206 | 182 | 202 | 254 |
| Net Profit | 50 | 31 | 58% | EBITDA | 70 | 61 | 76 | 74 | 57 | 64 | 98 |
| EPS (in Rp) | Rp 81 | Rp 50 | 63% | EBITDA Margin ³⁾ | 40.3% | 35.7% | 40.2% | 38.2% | 34.0% | 33.7% | 41.3% |
| Cash Flows | 9M18 | 9M17 | YoY | Operating Profit | 44 | 35 | 47 | 45 | 26 | 31 | 63 |
| Capex | 230 | 116 | 98% | Operating Margin ³⁾ | 25.8% | 20.4% | 25.2% | 23.0% | 15.6% | 16.2% | 26.8% |
| Operating Cash Flow | 128 | 167 | -23% | Net Profit (Loss) | 24 | (15) | 23 | 15 | 10 | 8 | 32 |
| Free Cash Flow ⁴⁾ | (101) | 51 | -298% | Balance Sheet | Sep-18 | Dec-17 | Δ | | | | |
| Balance Sheet | Sep-18 | Dec-17 | Δ | Cash Position ¹⁾ | 80 | 94 | (14) | | | | |
| Capex | 230 | 116 | 98% | Net Debt ²⁾ | 634 | 488 | 146 | | | | |
| Operating Cash Flow | 128 | 167 | -23% | | | | | | | | |
| Free Cash Flow ⁴⁾ | (101) | 51 | -298% | | | | | | | | |

- Overburden removal volume for 3Q 2018 was 114.6 million bcm, improved by 25% from 91.3 million bcm in 3Q 2017, and 28% from 89.6 million bcm in 2Q 2018. Coal production was 10.5 million tonnes in 3Q 2018, relatively flat compared to 3Q 2017 and 2Q 2018. Given increased capacity by over 30% since beginning of the year, and improved asset utilization in 3Q 2018, Company recorded its highest-ever monthly production volume for three consecutive months in 3Q 2018.
- Net revenues for 3Q 2018 was US\$254 million, 28% higher than US\$198 million in 3Q 2017, and 25% higher than US\$202 million 2Q 2018. EBITDA was US\$98 million for 3Q 2018, a 29% increase compared to US\$76 million in 3Q 2017 and a 55% increase compared to US\$64 million 2Q 2018. After a relatively soft 1H 2018 performance, mostly due to weather disruptions and ramp-up challenges, the Company was able to improve its asset utilization and people productivity in 3Q 2018. Higher production volume and lower production costs per unit have delivered improved profitability in 3Q 2018, recording an EBITDA margin of 41.3%. YTD EBITDA margin was up at 36.8% in 9M 2018, recording EBITDA of US\$219 million.
- Net profit was US\$32 million for 3Q 2018, 38% higher vs. US\$23 million for 3Q 2017, and over 3x higher vs. US\$8 million for 2Q 2018. Net profit for 9M 2018 was US\$50 million, 58% higher YoY vs. US\$31 million for 9M 2017. Assuming weather condition remains supportive, the Company expects to continue delivering good performance and profitability in Q4 2018.
- Capital expenditure was US\$230 million for 9M 2018, aimed to support the Company’s growth as well as to accommodate its replacement cycle, resulting in a US\$101 million net free cash outflow for 9M 2018. Operating cash flows remained positive at US\$128 million for 9M 2018.
- With net debt of US\$634 million as of September 30, 2018, the Company is healthily leveraged at consolidated net debt to EBITDA of 2.17x.
- The Company remains focused on improving its operational excellence in order to deliver high performance and therefore, improved profitability.

Notes:

- Cash position includes restricted cash in bank and current investments.
- Debt includes only the outstanding contractual liabilities.
- Margins are based on net revenues excluding fuel.
- Free cash flow is cash flow before debt service, and excludes financing proceeds.

OTHER UPDATES

A. NEW CONTRACTS

- With 3 (three) contracts signed in 2018 with PT Tanah Bumbu Resources of Geo Energy, PT Angsana Jaya Energi, and PT Insani Baraperkasa of RAIN Group (PT Resources Alam Indonesia Tbk.), the Company recorded additional US\$2 billion contract on hand in 2018. BUMA continues to pursue discussions related to both extensions and new contracts. In doing so, BUMA remains focused on attaining long-term sustainability and delivering profitable growth.

B. DEBT FINANCING

- As of September 30, 2018, consolidated outstanding debt was US\$714 million, whereas net debt was US\$634 million, with net debt to EBITDA ratio of 2.17x. Net debt to EBITDA level is expected to improve when profitability rises along with improved operational excellence. Debt to EBITDA was 2.44x, which remains within the covenant limitation of 3.50x.

Exhibit 1: Quarterly Production

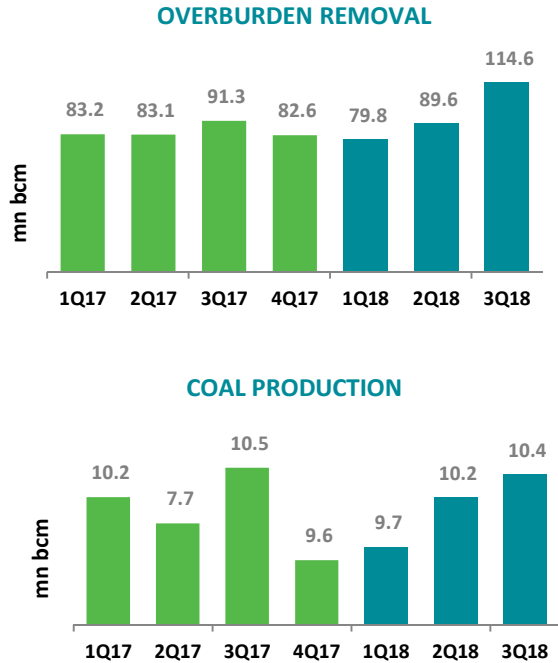


Exhibit 2: Debt Status

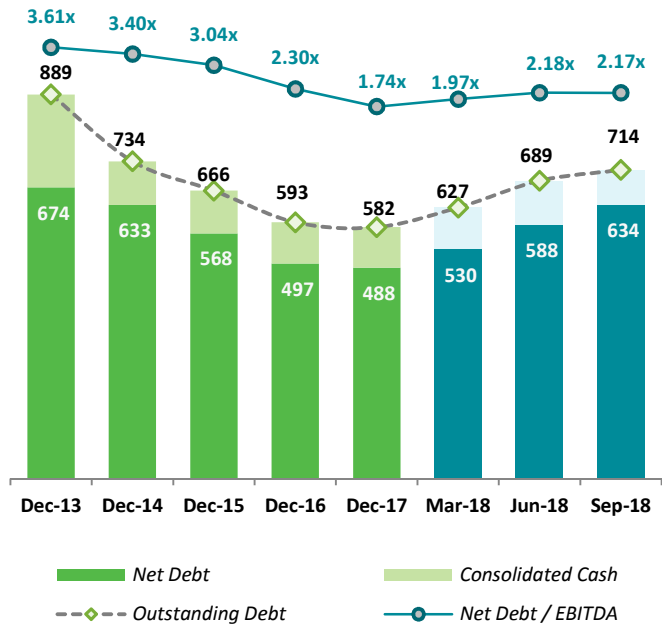


Exhibit 3: Consolidated Cash Flows²⁾

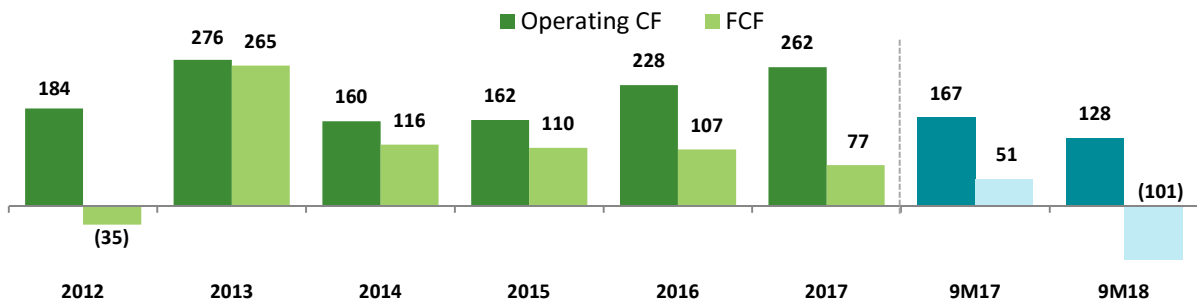
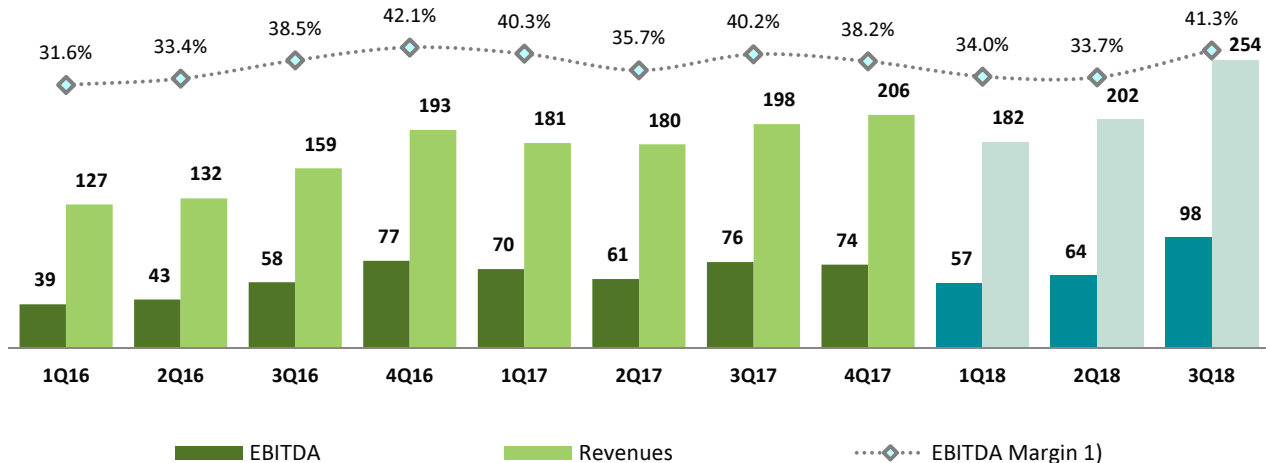


Exhibit 4: Quarterly Profitability Trend



Notes:

1) Margins are based on net revenues excluding fuel.

2) Free cash flows is defined before debt service, and excludes financing proceeds. Operational cash flows is free cash flows, before capital expenditures.

**DOID'S CONSOLIDATED STATEMENTS
OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

| <i>In US\$ mn (unless otherwise stated)</i> | 9M18 | 9M17 | YoY |
|---|-------------|-------------|-------------|
| Net revenues | 638 | 558 | 14% |
| Revenue excl. fuel | 594 | 534 | 11% |
| Cost of revenues | 482 | 394 | 22% |
| Gross profit | 156 | 164 | -5% |
| Operating expenses | (35) | (37) | -4% |
| Finance cost | (40) | (39) | 1% |
| Others - net | (8) | (27) | -69% |
| Pretax profit | 72 | 61 | 18% |
| Tax expense | 23 | 30 | -24% |
| Profit for the period | 50 | 31 | 58% |
| Other comprehensive income – net | (0) | (0) | <i>n.a.</i> |
| Comprehensive income | 50 | 31 | 58% |
| EBITDA | 219 | 207 | 5% |
| Basic EPS (in Rp) ²⁾ | 81 | 50 | 63% |

**DOID'S CONSOLIDATED STATEMENTS
OF FINANCIAL POSITION**

| <i>In US\$ mn (unless otherwise stated)</i> | Sep-18 | Dec-17 | YTD |
|---|---------------|---------------|------------|
| Cash and cash equivalents | 53 | 68 | -21% |
| Other financial assets - current | 27 | 26 | 2% |
| Trade receivables - current | 241 | 175 | 38% |
| Other current assets | 105 | 84 | 25% |
| Trade receivables - non-current | - | 4 | -100% |
| Fixed assets - net | 618 | 484 | 28% |
| Other non-current assets | 96 | 104 | -8% |
| TOTAL ASSETS | 1,140 | 945 | 21% |
| Trade payables | 110 | 102 | 9% |
| LT liabilities - current | 98 | 67 | 45% |
| Other current liabilities | 47 | 49 | -4% |
| LT liabilities - non current | 607 | 502 | 21% |
| Other non-current liabilities | 49 | 48 | 3% |
| TOTAL LIABILITIES | 911 | 768 | 19% |
| TOTAL EQUITY | 229 | 177 | 29% |

DOID'S FINANCIAL RATIOS ¹⁾

| | 9M18 | 9M17 |
|------------------|-------------|-------------|
| Gross margin | 26.3% | 30.7% |
| Operating margin | 20.3% | 23.8% |
| EBITDA margin | 36.8% | 38.8% |
| Pretax margin | 12.2% | 11.5% |
| Net margin | 8.4% | 5.9% |

Notes:

1) Margins are based on net revenues excluding fuel.

2) Reported EPS are translated into Rp using average exchange rate of Rp14,047 and Rp13,331 for 9M18 and 9M17, respectively.

**BUMA'S STATEMENTS
OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME**

**BUMA'S STATEMENTS
OF FINANCIAL POSITION**

| <i>In US\$ mn (unless otherwise stated)</i> | 9M18 | 9M17 | YoY |
|---|-------------|-------------|------------|
| Net revenues | 638 | 558 | 14% |
| <i>Revenue excl. fuel</i> | 594 | 534 | 11% |
| Cost of revenues | 482 | 394 | 22% |
| Gross profit | 156 | 164 | -5% |
| Operating expenses | (33) | (34) | -2% |
| Finance cost | (40) | (39) | 1% |
| Others - net | (8) | (27) | -73% |
| Pretax profit | 75 | 64 | 18% |
| Tax expense | 23 | 30 | -23% |
| Profit for the period | 52 | 34 | 54% |
| Other comprehensive income - net | (0) | (0) | <i>n.a</i> |
| Comprehensive income | 52 | 34 | 54% |
| EBITDA | 221 | 210 | 5% |

| <i>In US\$ mn (unless otherwise stated)</i> | Sep-18 | Dec-17 | YTD |
|---|---------------|---------------|------------|
| Cash | 41 | 40 | 2% |
| Restricted cash in bank - current | 2 | 11 | -79% |
| Trade receivables - current | 241 | 175 | 38% |
| Due from related party - current | 95 | 150 | -37% |
| Other current assets | 105 | 84 | 25% |
| Trade receivables - non-current | - | 4 | -100% |
| Fixed assets - net | 617 | 484 | 28% |
| Other non-current assets | 96 | 104 | -8% |
| TOTAL ASSETS | 1,197 | 1,052 | 14% |
| Trade payables | 110 | 102 | 9% |
| LT liabilities - current | 98 | 67 | 45% |
| Other current liabilities | 48 | 50 | -6% |
| LT liabilities - non-current | 607 | 502 | 21% |
| Other non-current liabilities | 49 | 48 | 3% |
| TOTAL LIABILITIES | 912 | 769 | 18% |
| TOTAL EQUITY | 285 | 283 | 1% |