PT Delta Dunia Makmur Tbk.

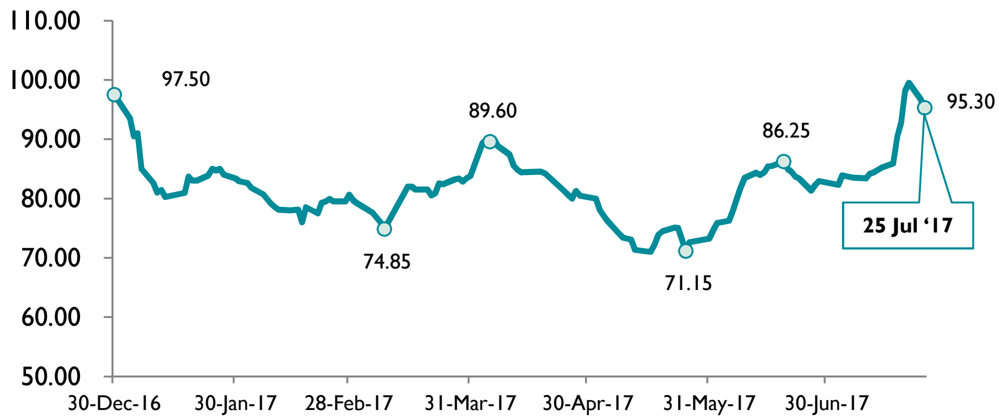
First Half 2017 Results

July 2017

Industry update

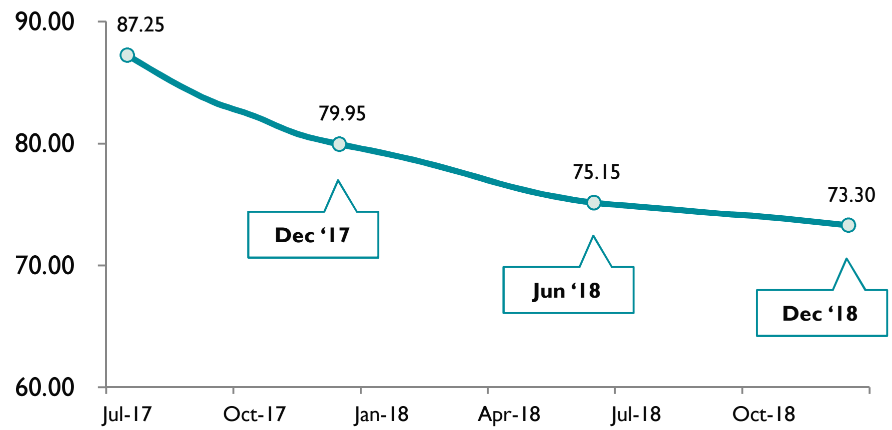
Delta Dunia

Coal price trend in 2017



Source: Platts' FOB Newcastle 6,300 GAR

Coal futures



Source: www.barchart.com per 26 July 2017

Regional Supply and Demand

Indonesia

- Indonesia recently increased its Domestic Market Obligation to approximately 26% of total 2017 planned coal production of 413MT
- Supply disruptions from Indonesia due to heavy rainfall

China

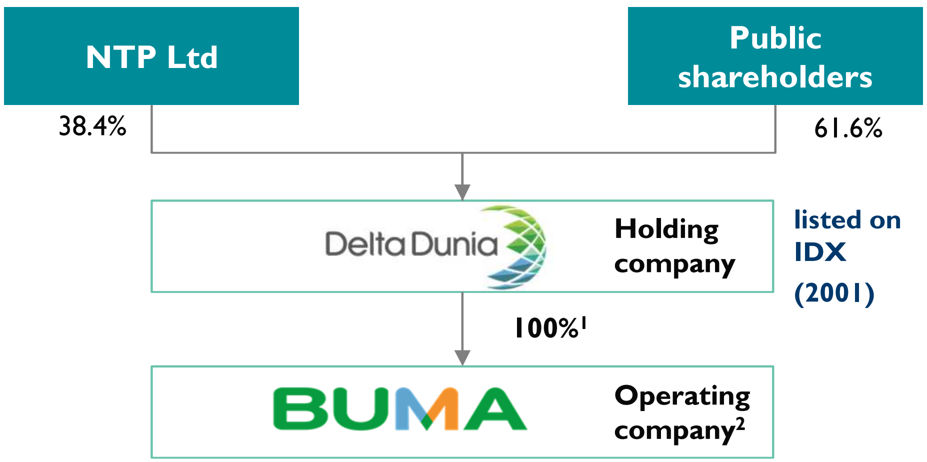
- In June, China cut its 2017 coal production capacity, which would benefit Indonesia as China's biggest source of coal imports, considering surge in domestic demand due to seasonal peak (i.e. high temperature summer and upcoming winter).
- China tries to maintain coal supply, demand, and prices, to balance the interest of both the miners and power producer.

Others

- Increasing coal demand from India due to potential import duty increase in Q3

General overview

Ownership structure



Financial metrics (US$M)

Financial year	2012	2013	2014	2015	2016	1H 16	1H 17
Revenue	843	695	607	566	611	259	361
Net Revenue ex. fuel	*740*	*635*	*583*	*551*	*584*	*250*	*346*
EBITDA	238	188	186	186	217	81	131
% margin[3]	*32.1%*	*29.7%*	*32.0%*	*33.8%*	*37.1%*	*32.5%*	*38.0%*
Net debt	885	674	633	568	497	545	491

Notes:
1. *Full ownership less one share*
2. *All current debt is at BUMA level*
3. *Calculated as EBITDA divided by revenue ex. fuel*

PT Delta Dunia Makmur Tbk.

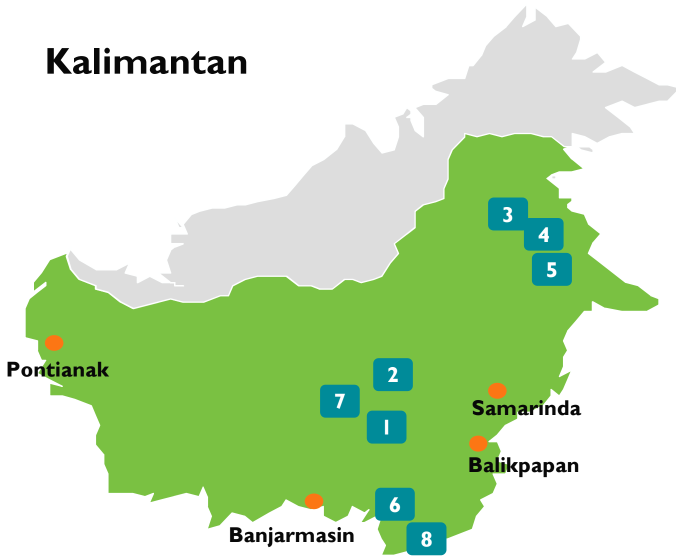
- Established in 1990, listed in IDX as DOID in 2001.
- TPG, GIC, CIC and Northstar, together as Northstar Tambang Persada Ltd. own 38.4% with remainder owned by public shareholders
- Holding company of PT Bukit Makmur Mandiri Utama ("BUMA"), one of the leading coal mining services contractor in Indonesia
- BUMA, acquired in 2009, is the primary operating of DOID

PT Bukit Makmur Mandiri Utama

- Established in 1998, and wholly owned by PT Delta Dunia Makmur (DOID) since 2009
- Strong #2 mining contractor in Indonesia with close to 20% market share
- Customers include largest and lowest cost coal producers in Indonesia with average contract length of 5 years
- Secured long-term, life of mine contracted volume
- c.2,300 high quality equipment from Komatsu, Caterpillar, Hitachi, Volvo, Scania and Mercedes
- c.10,000 employees

Existing contracts

Delta Dunia



No	Customers	Period
1	Adaro (Paringin)	2009-2022[1)]
2	Kideco	2004-2019
3	Berau Coal (Lati)	2012-2025[1)]
4	Berau Coal – Hauling (Suaran)	2003-2018
5	Berau Coal (Binungan)	2003-2020
6	Sungai Danau Jaya (SDJ)	2015-2023[1)]
7	Tadjahan Antang Mineral (TAM)	2015-2024[1)]
8	Angsana Jaya Energi (AJE)	2016-2018

BUMA is deeply entrenched with its customers

	berau coal	adaro	KIDECO	GEO ENERGY GROUP SDJ	TAM Coal Mine	GEO ENERGY GROUP AJE
Contribution to BUMA revenue (%) [2)]	57%	12%	14%	11%	2%	Greenfield (ramp-up)
Years of relationship	18 years	14 years	12 years	1 year	1 year	NEW

1) Life of mine contract
2) Based on FY2016 Revenues

Key consolidated results

HIGHLIGHTS OF CONSOLIDATED RESULTS (in US$ mn unless otherwise stated)			
Volume	**1H17**	**1H16**	**YoY**
OB Removal (mbcm)	166.3	133.1	25%
Coal (mt)	20.1	15.5	30%
Profitability	**1H17**	**1H16**	**YoY**
Revenues	361	259	39%
EBITDA	**131**	**81**	**62%**
EBITDA Margin [4)]	**38.0%**	**32.5%**	**-**
Operating Profit	80	34	137%
Operating Margin [4)]	23.1%	13.5%	-
Net Profit	9	8	8%
Recurring profit	**39**	**8**	**380%**
EPS (in Rp)	*Rp 14*	*Rp 13*	6%
Cash Flows	**1H17**	**1H16**	**YoY**
Capital Expenditure [5)]	91	7	1288%
Free Cash Flow [3)]	36	43	-14%
Balance Sheet	**Jun-17**	**Dec-16**	**Δ**
Cash Position [1)]	82	96	(14)
Net Debt [2)]	491	497	(6)

HIGHLIGHTS OF QUARTERLY RESULTS (in US$ mn unless otherwise stated)						
Volume	**1Q16**	**2Q16**	**3Q16**	**4Q16**	**1Q17**	**2Q17**
OB Removal (mbcm)	61.2	71.9	81.8	84.9	83.2	83.1
Coal (mt)	7.8	7.7	9.3	10.3	10.2	9.9
Financials	**1Q16**	**2Q16**	**3Q16**	**4Q16**	**1Q17**	**2Q17**
Revenues	127	132	159	193	181	180
EBITDA	39	43	58	77	70	61
EBITDA Margin [4)]	31.6%	33.4%	38.5%	42.1%	40.3%	35.7%
Operating Profit	15	19	35	53	44	35
Operating Margin [4)]	11.9%	14.9%	23.3%	29.1%	25.8%	20.4%
Net Profit (Loss)	3	5	17	12	24	(15)
Cash	**1Q16**	**2Q16**	**3Q16**	**4Q16**	**1Q17**	**2Q17**
Operating cash flows	78	(32)	136	46	41	86
Free cash flows	76	(33)	108	(44)	21	15

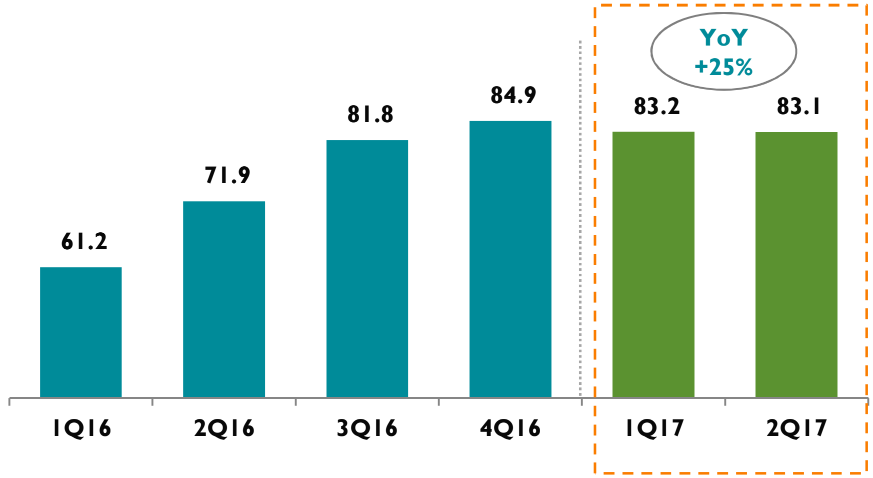
Notes:

1) *Includes restricted cash in bank.*
2) *Debt includes only the outstanding contractual liabilities.*
3) *Free cash flow is cash flow before debt service, excluding financing proceeds.*
4) *Margins are based on net revenues excluding fuel.*
5) *Capital expenditures as recognized per accounting standards.*

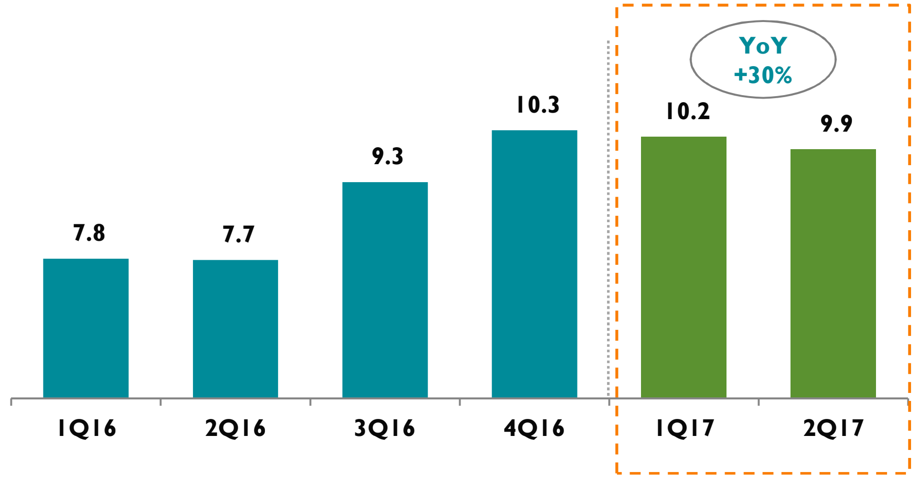
Strong operating performance and cash flow generation

Production volume

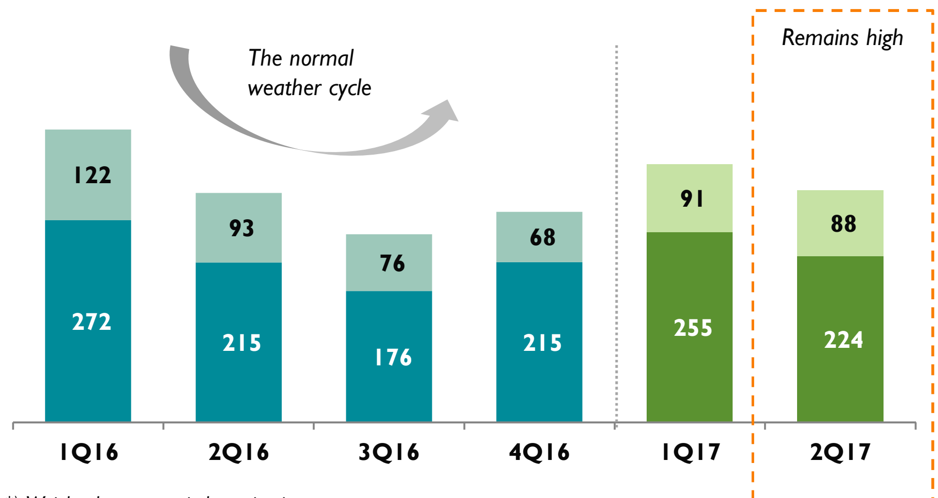
Quarterly overburden removal (million bcm)



Quarterly coal production (million tonnes)



Rain cycle



*) Weighted average rain hours in pit

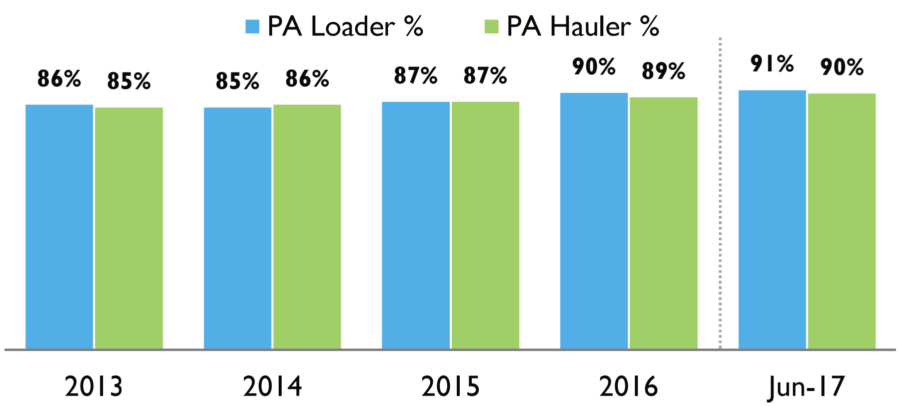
Volume trend

- YTD overburden removal grew by **25% YoY** to 166.3 million bcm and coal production grew by **30%** YoY to 20.1 million tonnes.
- Rain hours that remained high, progressing ramp-up, in addition to major national holiday in June that reduced effective working days by 2 days, resulted in unusual volume trend for Q2 2017.
- Volume is expected to be higher in 2H 2017, given expectation for a much improved weather based on historical cycle, as well as the current progress of ramp-up process.

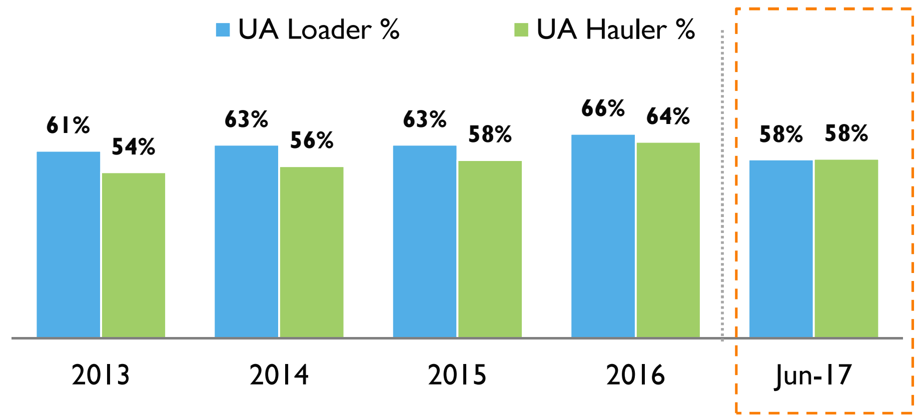
Operational metrics

Delta Dunia

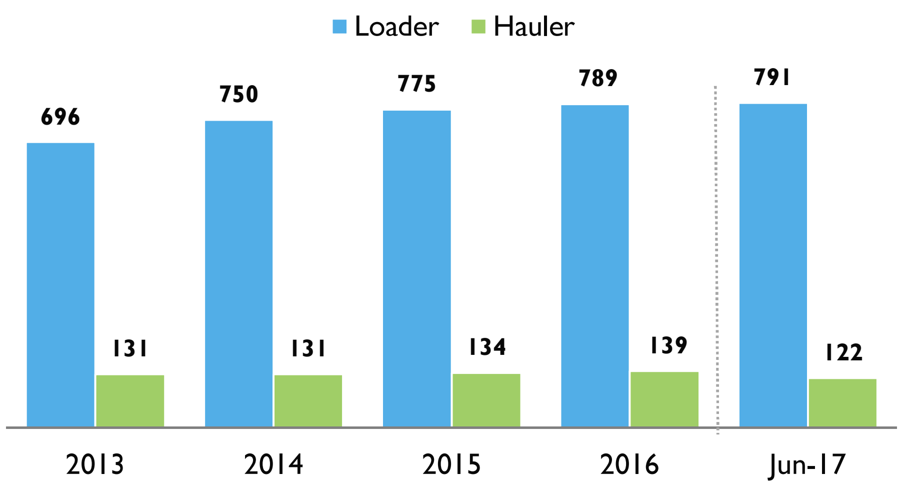
Availability[1] (%)



Utilization[2,3] (%)



Productivity (BCM/Hour)



Operational measurements

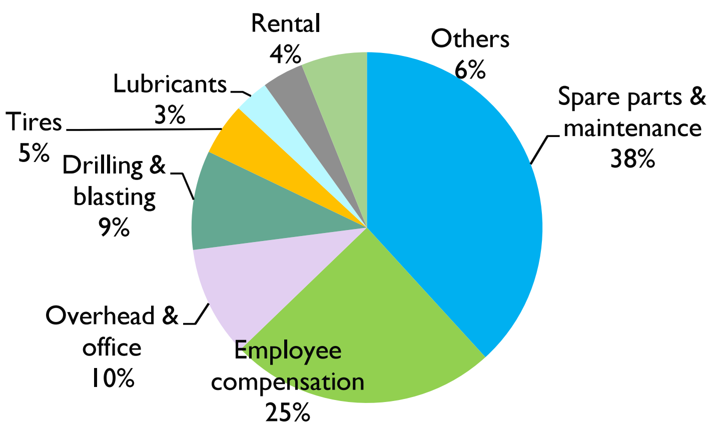
- Productivity remains high and improving
- Lower utilization rate, primarily due to:
  - High rain hours that remained in Q2
  - Ramp-up matters due to extensive increase of contracted volume i.e. operators, infrastructure, etc.

Optimization of equipment leads to improvement in productivity, which exhibits solid operational excellence

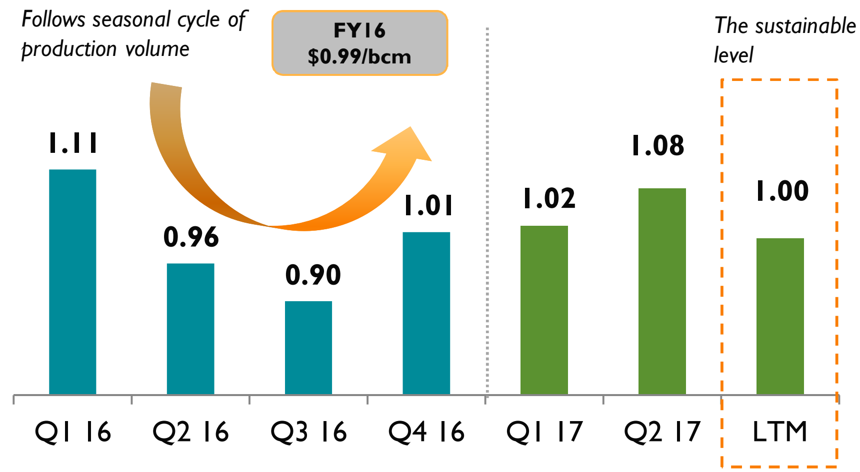
Notes:
[1] Availability refers to % of available time equipment was operating based on production schedule
[2] Utilization refers to % of physical available time equipment was operating
[3] Total utilization includes rain, halts due to slippery ground, prayer and meals

Cash costs

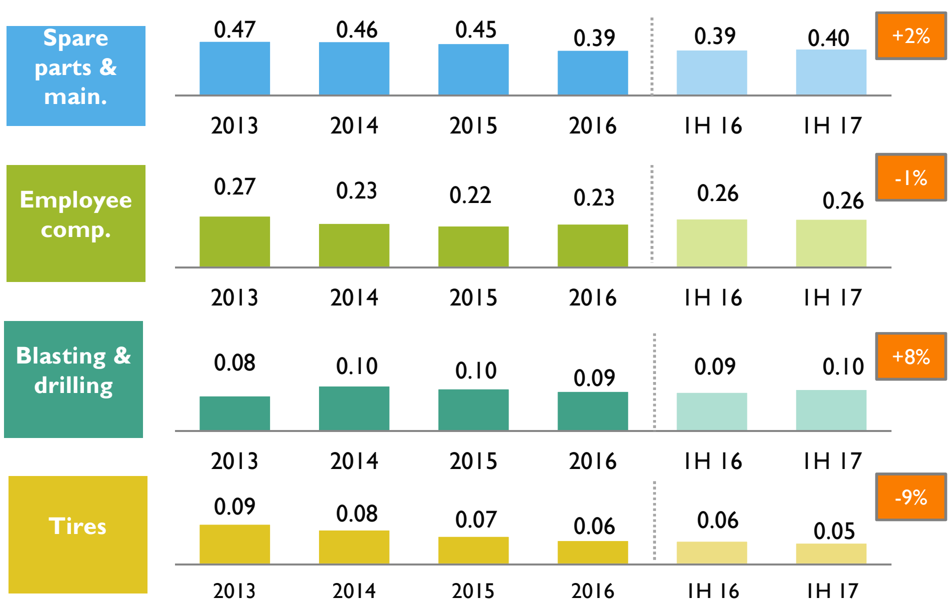
Breakdown of BUMA's cash cost (1H 2017)



Cash cost ex fuel (US$/unit)



Per unit trend of major cost items (US$/unit)



Key cost reduction initiatives

- **In-house equipment maintenance instead of third party contracts**
- **Extend component life**

- **Right size employee headcounts**
- **Equipment optimization that leads to reduced employee costs**

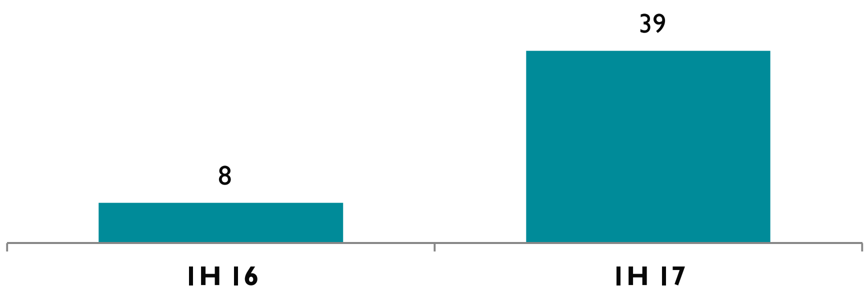
- **Optimize drilling & blasting process to reduce explosives usage and deliver quality blasting**

- **Deliver efficient and consistent tire monitoring process**

BUMA's initiatives have led to improved efficiency and lower costs

Profit discussion

Recurring profit



Adjusted for the impact of:

- Foreign exchange gains or losses
- Impairment losses
- Provisions
- Any other one-off income or charges

Net profit to recurring profit

Net profit
US$9
million

Recurring profit
US$39
million

Primary adjustments:

- US$33 million provision related to tax receivables
- Extraordinary, accounting-based provision
- Offset by US$6 million income from tax cases won

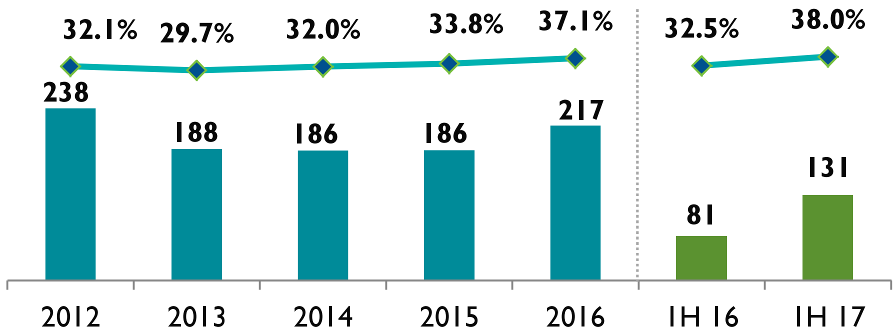
Tax receivables

- Tax policies related to coal mining have historically resulted in tax overpayment for BUMA; Thus, the high tax receivables asset.
- BUMA diligently exerts every possible effort in accordance with the prevailing tax law to recover all of its tax receivables.
- Generally, in recent years, BUMA has obtained at least 70% of its tax receivables within 2 years of each respective fiscal year, except for certain extraordinary cases.
- In June-July 2017, BUMA received unfavorable decisions from Supreme Court related to certain old, long-outstanding extraordinary cases, originated under previous ownership. Such decision does not affect BUMA's cash flows considering BUMA has previously settled the tax liabilities. While BUMA is considering its next course of legal action related to the decision, US$33 million has been provisioned in compliance to accounting standard.
- BUMA's remaining tax receivables are pending under various proceedings. Management believes they are recoverable.

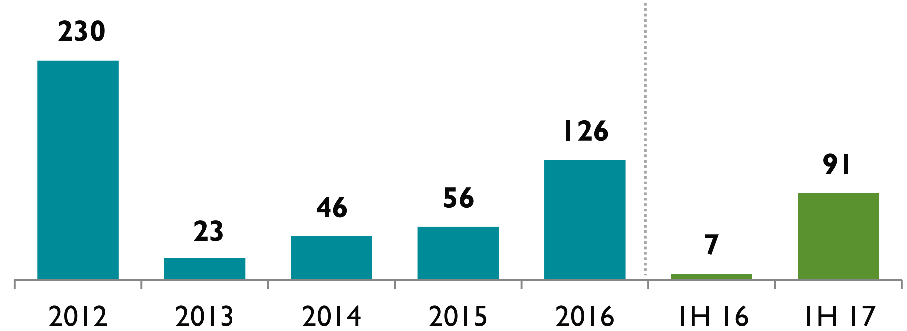
Liquidity and deleveraging

Liquidity management – EBITDA improvement and strict capex monitoring

EBITDA (US$M) and EBITDA margin (%)

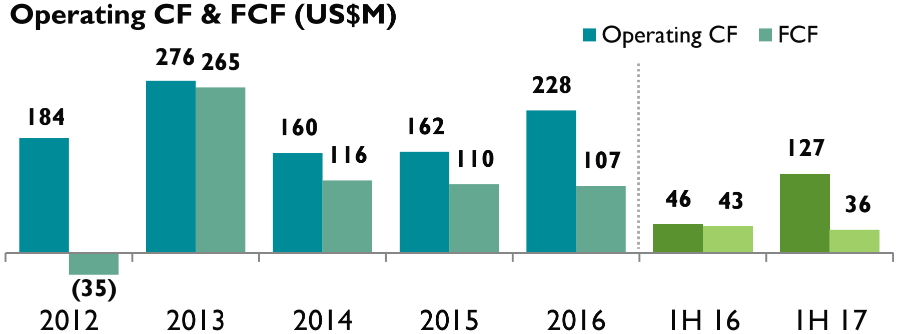


Capex (US$M)

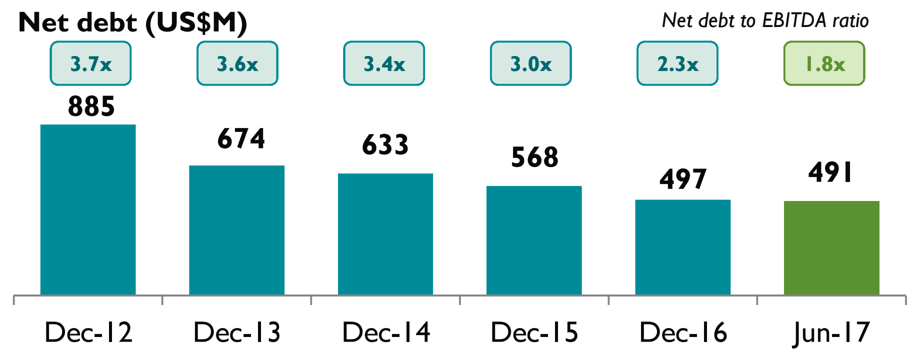


Generating cash flows and deleverage

Operating CF & FCF (US$M)



Net debt (US$M)



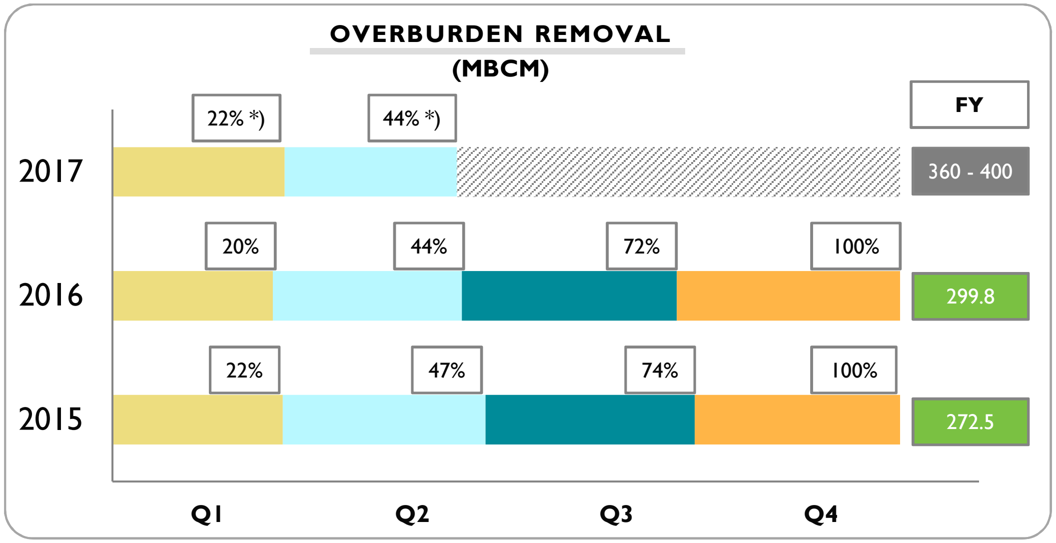
Stable EBITDA margins

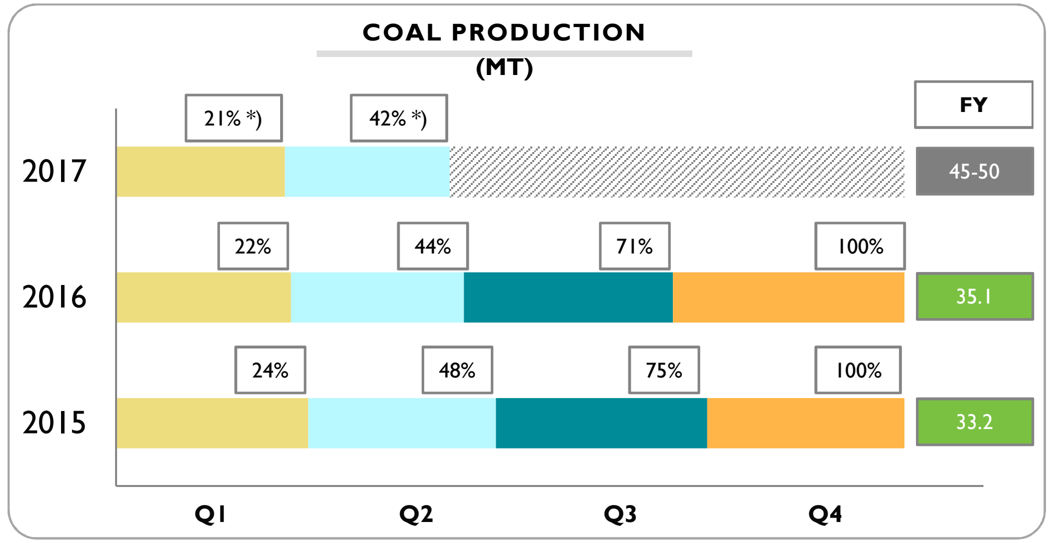
Liquidity management

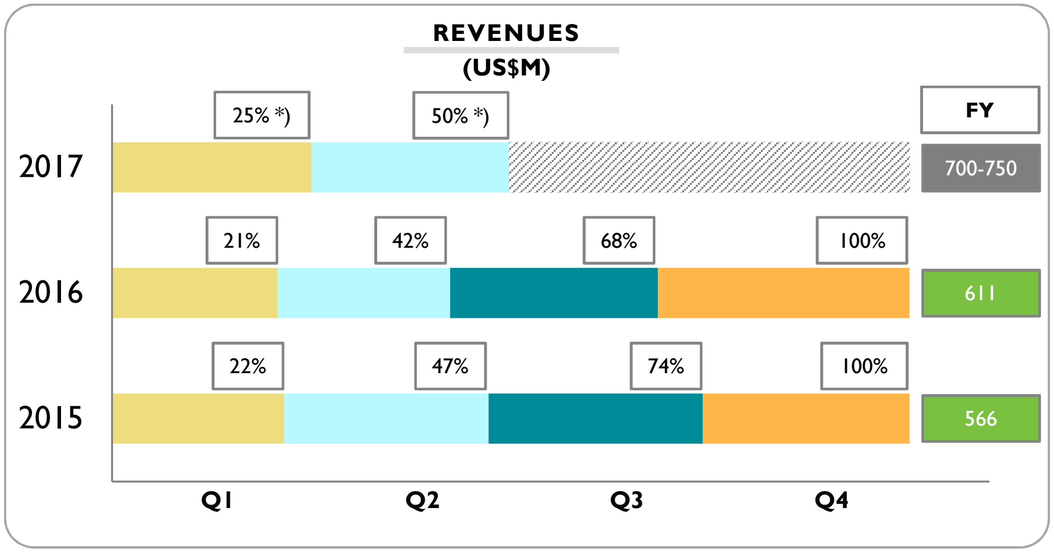
Positive FCF generation

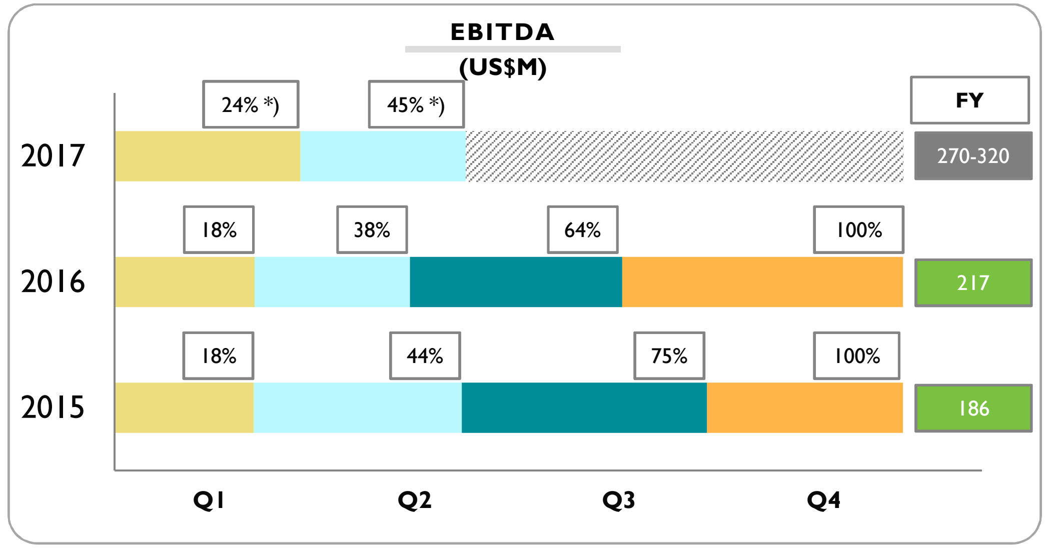
Significant deleveraging and investing for growth

Progress of 2017







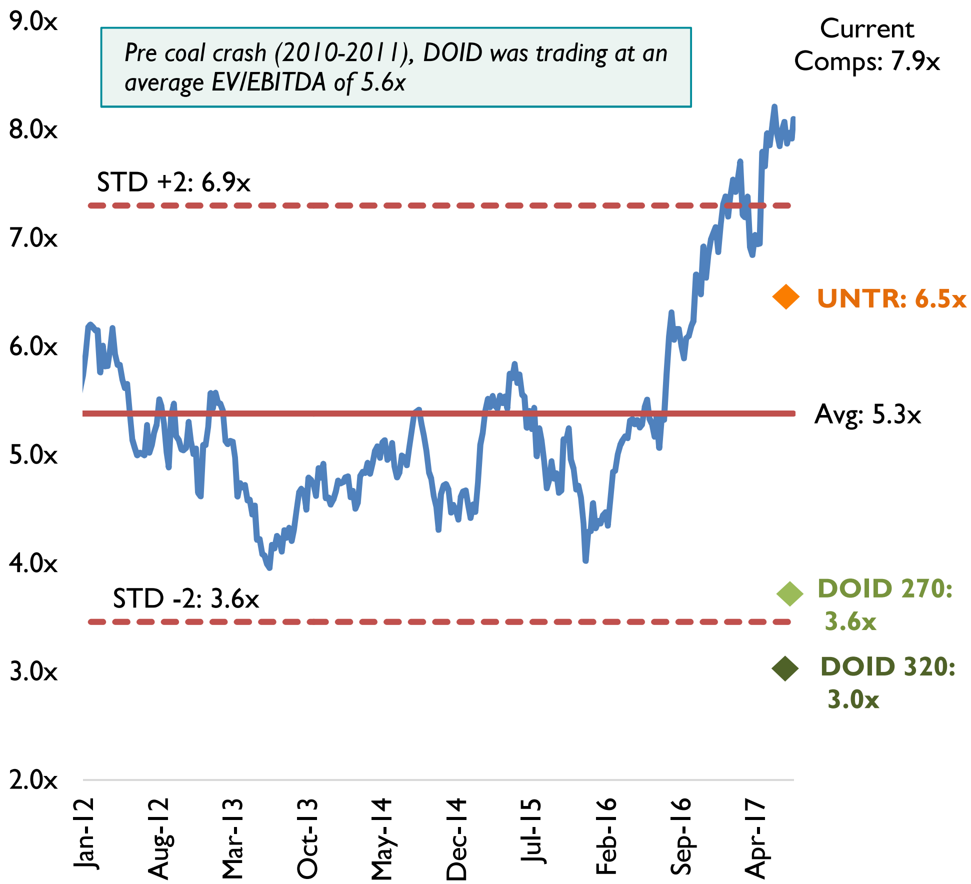


*) *% calculated from median of the guidance*

The Company is on track with its 2017 expected performance

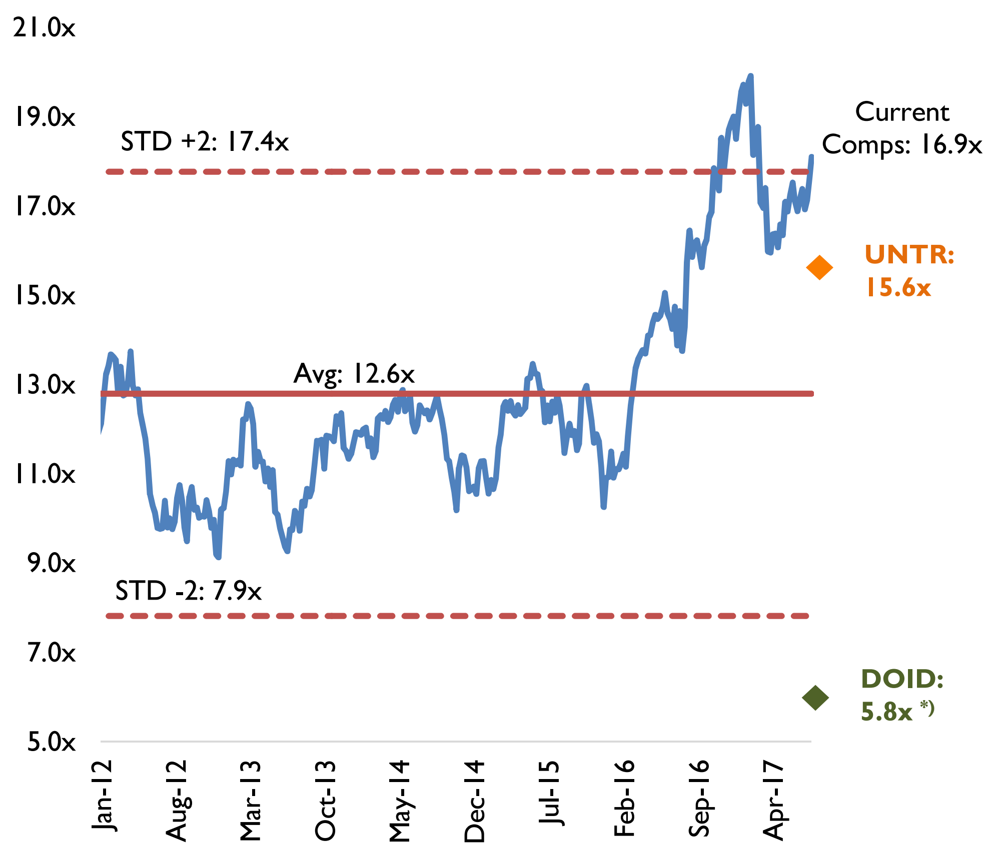
Comps trading multiples

EV/EBITDA OF COMPARABLE COMPANIES (x)



Source: Capital IQ

P/E OF COMPARABLE COMPANIES (x)



Source: Capital IQ

) Based on LTM recurring profit

Mining contractor sector has re-rated with DOID lagging its peers

End of Presentation

Appendix

Consolidated performance

Consolidated Statements of Financial Position

In US$ mn (unless otherwise stated)	**Jun-17**	**Dec-16**	**YTD**
Cash and cash equivalents	71	67	*6%*
Restricted cash in bank - current	11	-	*100%*
Trade receivables - current	164	144	*13%*
Other current assets	108	88	*23%*
Restricted cash in bank	-	29	*-100%*
Fixed assets - net	446	406	*10%*
Other non-current assets	65	148	*-56%*
TOTAL ASSETS	**865**	**882**	***-2%***
Trade payables	84	80	*6%*
LT liabilities - current	71	106	*-33%*
Other current liabilities	44	34	*30%*
LT liabilities - non current	488	501	*-3%*
Other non-current liabilities	38	35	*9%*
TOTAL LIABILITIES	**726**	**756**	***-4%***
TOTAL EQUITY	**139**	**126**	***10%***

Consolidated Statements of Profit or Loss and OCI

In US$ mn (unless otherwise stated)	**1H17**	**1H16**	**YoY**
Net revenues	361	259	*39%*
Revenue excl. fuel	*346*	*250*	*38%*
Cost of revenues	258	208	*24%*
Gross profit	**102**	**51**	***101%***
Operating expenses	(22)	(17)	*29%*
Finance cost	(28)	(23)	***20%***
Others - net	*(25)*	*3*	*-904%*
Pretax profit	**27**	**14**	***98%***
Tax expense	19	6	***224%***
Profit for the period	**9**	**8**	***8%***
Other comprehensive income - net	(0)	2	*-106%*
Comprehensive income	**9**	**10**	***-12%***
EBITDA	**131**	**81**	***62%***
Basic EPS (in Rp) [3]	*14*	*13*	***6%***

Consolidated Statements of Cash Flows

In US$ mn (unless otherwise stated)	**1H17**	**1H16**
Net CF from Operating Activities	97	25
Net CF from Investing Activities	(51)	2
Net CF from Financing Activities	(42)	(31)
Net change in cash & cash equivalents	4	(3)
Beginning balance cash & cash equivalents	67	71
Effect of foreign exchange rate changes	0	1
Ending balance cash & cash equivalents[2)]	**71**	**68**

Financial Ratios [1)]

	1H17	**1H16**
Gross margin	29.5%	20.4%
Operating margin	23.1%	13.5%
EBITDA margin	38.0%	32.5%
Pretax margin	7.9%	5.5%
Net margin	2.5%	3.2%

Notes:

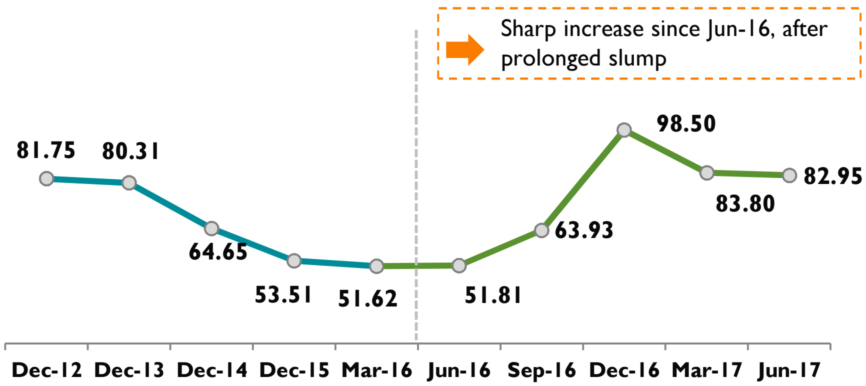
1) Margins are based on net revenues excluding fuel.

2) Excludes restricted cash in bank.

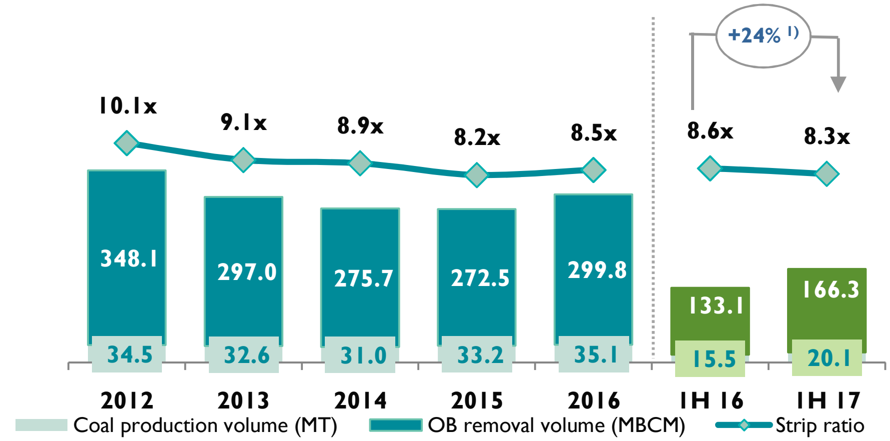
3) Reported EPS are translated into Rp using average exchange rate of Rp13,331 and Rp13,420 for 1H17 and 1H16, respectively.

Survival and turnaround

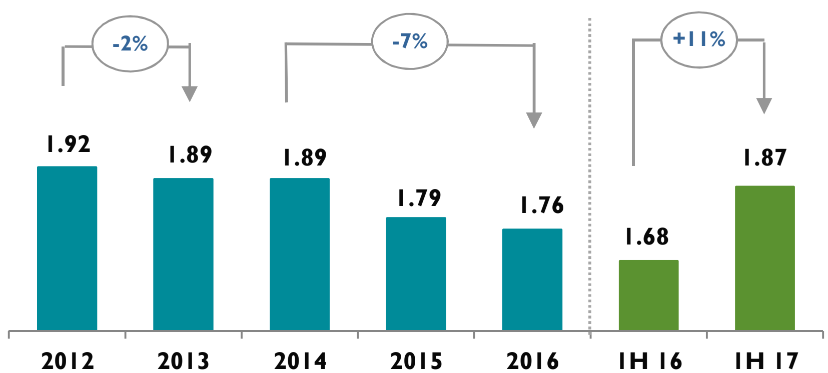
Newcastle coal price (US$)



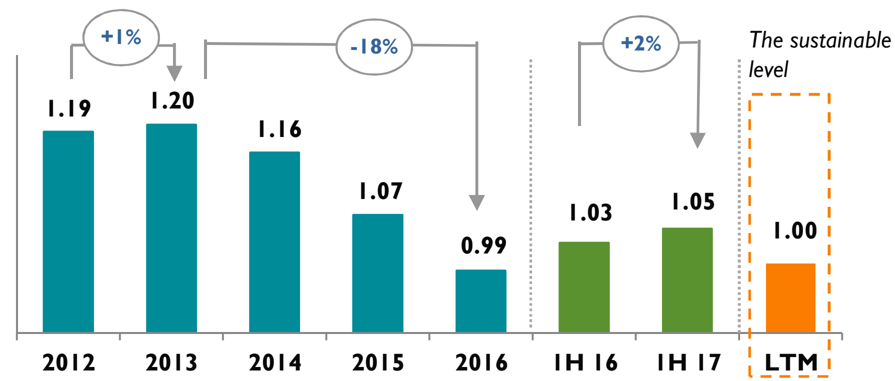
Historical volume



Revenue ex fuel (US$/unit)



Cash cost ex fuel (US$/unit)



Production ramp-up | **Operational excellence** | **Cost efficiencies**

Resilience during downturn, sustainable growth at recovery

1) Based on total unit volume, converted to bcm

2017 debt refinancing

BUMA Refinanced of its Syndicated (SMBC) and CIMB bank facility on February 14, 2017

Settlement of US$454 million

US$603 million
Syndicated Loan Facility

- Outstanding of USD442m
- Interest at LIBOR 3M + 450/475bps
- Back-end fee to be settled at 3%

US$15 million
CIMB Loan Facility

- Outstanding of USD12m
- Interest at LIBOR 3M + 450/475bps
- Back-end fee to be settled at 3%

US$350 million
Senior Notes

- Coupon of 7.75% p.a.
- Tenor of 5NC3
- Settlement at maturity (no amortization)
- Secured by DSRA

US$100 million
BTMU Loan Facility

- US$50m term loan + US$50m revolver
- Interest of LIBOR+3% p.a.
- Tenor of 4 years
- Straight-line amortization
- Same security package as previous loan

- Extended debt maturity
- Reduced amortization will improve cash flow flexibility
- Improved operational flexibility will support BUMA's future growth

Strategic partnership

Delta Dunia

Fleet type	Strategic partner	Strategy
Large fleet[1]	N/A	■ Fully deploy existing fleet to match LATI Life of Mine ■ Full utilization without incremental capex
Medium fleet[2]	CAT	■ Continue to invest to service contracts on hand ■ Most flexible fleet easily redeployed if required ■ Sign strategic partners to lock in long term benefits
Support equipment[3]	KOMATSU	
Coal hauler	SCANIA	

Investment strategy with supply partners

- Lock in partnership in down cycle to gain maximum benefits
- Ensure back-to-back investment and customer contracts esp. volume
- No annual "must" spend and flexibility to delay spending, if necessary

Partnership benefits with supply partners

- Guaranteed or cost cap for equipment lifecycle cost
- No price escalation or rise & fall scheme linked with certain coal index
- Longer & robust warranty scheme and promise to improve performance annually
- Guaranteed second life at lower price
- Provide more value add, such as training, improve technology & equipment buyback schemes
- Secured leasing facility for new equipment

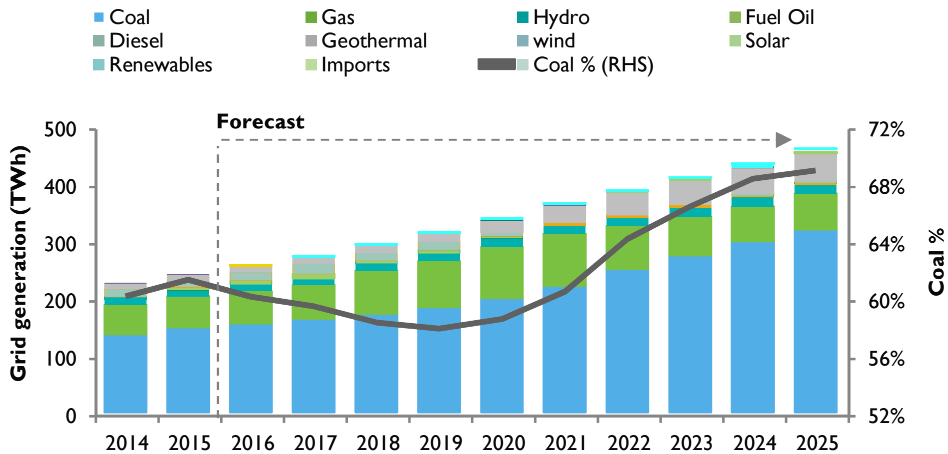
[1] Large: Loader > 300 ton; Hauler > 150 ton; [2] Medium: Loader > 100 ton; Hauler > 60ton; [3] Support equipment = Excavator > 20 ton

Strategic and flexible capex support plan to support contracted production volumes

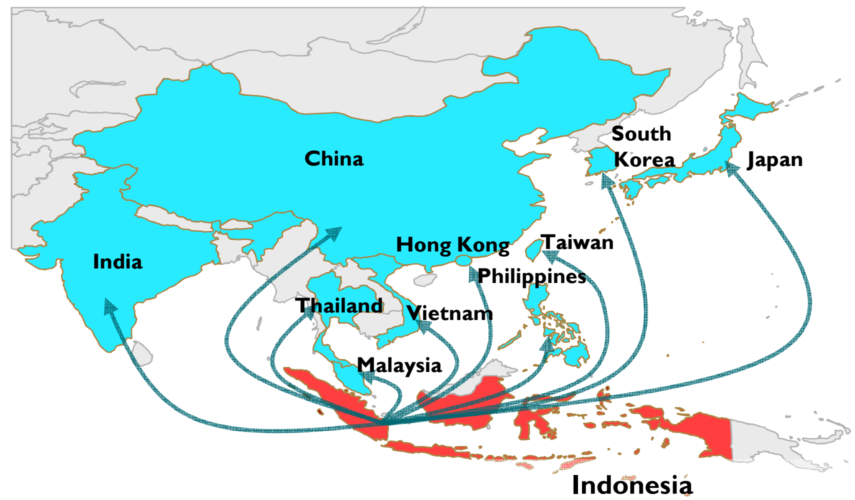
Indonesian coal market

Domestic | Foreign

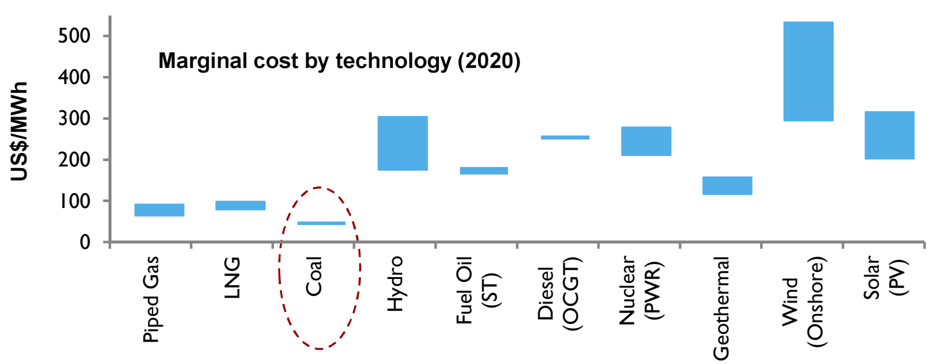
Coal will continue to dominate Indonesia's fuel mix demand



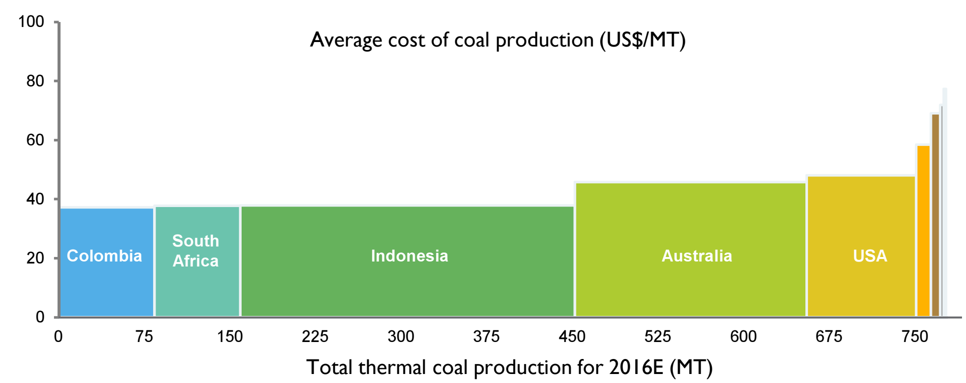
Indonesia has proximity to key export markets



Coal continues to be the preferred fuel for power generation in Indonesia



Indonesia is one of the lowest relative cost producing markets globally (US$/MT)



- ☑ **Strong foreign market demand due to proximity to key markets and the low cost**
- ☑ **Strong domestic market demand due to policy initiatives, electrification agenda**

The five pillars for investors

Value Creation

1 Volume

- Secured and contracted volume valued c.$5.0bn.
- Certain contract negotiation are still ongoing
- Higher coal price may bring additional volume

2 Cash Costs/ EBITDA Margin

- Sustainable cash cost reduction thru vendor price reduction, use of technology and operational excellence
- Mining service rate linked to coal price index

3 Capital Expenditure

- Strategic partnership with supplier – commitment in fix price of equipment, technology support, service & maintenance, and funding

4 Working Capital

- Timely AR collection
- Average AR collection days for last twelve months is c.75 days, whereas AP payment days is c.85 days.

5 Debt

- Accelerated debt repayments for the past few years
- Consolidated net debt to EBITDA of appx. 1.9x as of Jun-17
- Expected to reduce further with improved EBITDA
- Debt refinancing with bond and loan unlocked covenants and allow dividends

Strong management team

Delta Dunia senior management

Hagianto Kumala, *President Director* *30+ years*
- Has served as President Director of Delta Dunia since 2009
- Previously held various senior roles in Astra Group, including UNTR

Rani Sofjan, *Director* *22+ years*
- Has served as Director of Delta Dunia since 2009
- Also serves as an Executive Director of PT Northstar Pacific Capital

Eddy Porwanto, *Finance Director* *23+ years*
- Serves as Delta Dunia as Director and BUMA Commissioner since 2014
- Previously a Director at Archipelago Resources and Garuda Indonesia

BUMA senior management

Ronald Sutardja, *President Director* *23+ years*
- Appointed VP Director in June 2012, President Director in March 2014
- Previously a Director at PT Trikomsel Oke Tbk.

Una Lindasari, *Finance Director* *30+ years*
- Appointed as Director in August 2014
- Previously CFO of Noble Group from 2008

Jason Thompson, *Business Development Director* *25+ years*
- Appointed as Director in August 2014
- Previously held various positions in surface mining operations

Indra Kanoena, *Plant Director / HR &GA* *18+ years*
- Appointed as Director in January 2013
- Previously held various senior positions in Human Resources areas

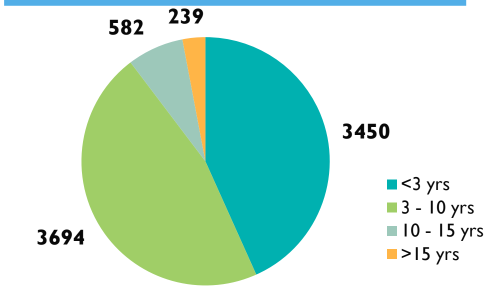
Sorimuda Pulungan, *Operations Director* *17+ years*
- Appointed as Director in January 2012
- Experienced in mining industry (gold/nickel/coal)

Experienced BUMA operational team 1)

General manager overview

- **15 people**
- **18 years average industry experience**
- **6 years average tenure with BUMA**

Years of service

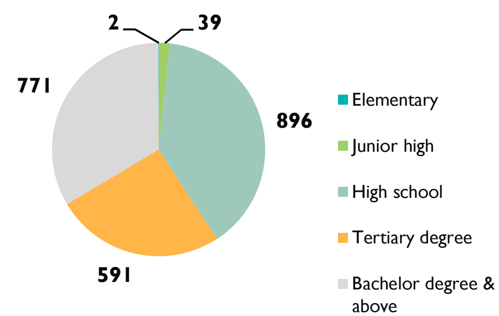


Skilled workers: 7,965 employees

Manager overview

- **51 people**
- **17 years average industry experience**
- **7 years average tenure with BUMA**

Employees education



Leadership positions: 2,299 employees

1) Data as per December 31, 2016

Management's vision and experienced BUMA operational team is key to the resilient performance of the Company

Thank You