

31 July 2018

Share Price Data (as of 30 July 2018)

Ticker @IDX	DOID
Last Price (Rp)	810
Outstanding Shares (mn)	8,564
Market Capitalization (Rp bn)	6,937
Market Capitalization (USD mn)*	481

*based on exchange rate of Rp14,409

Shareholder Structure

Northstar Tambang Persada Ltd	38.1%
Public	61.9%

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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\$18 million net profit for 1H 2018, doubled from 1H 2017. During the first half of 2018, the Company remain focused on ramping-up its operations with weather being a challenge, particularly in the first quarter.

HIGHLIGHTS OF CONSOLIDATED RESULTS (in US\$M unless otherwise stated)			
Profitability	1H18	1H17	YoY
EBITDA	121	131	-8%
EBITDA Margin ³⁾	33.8%	38.0%	-4.2%
Operating Profit	57	80	-29%
Operating Margin ³⁾	16.0%	23.1%	-7.1%
Net Profit	18	9	110%
EPS (in Rp)	Rp 29	Rp 14	112%
Cash Flows			
	1H18	1H17	YoY
Capex	155	91	70%
Operating Cash Flow	79	127	-38%
Free Cash Flow ⁴⁾	(76)	36	-309%
Balance Sheet			
	Jun-18	Dec-17	Δ
Cash Position ¹⁾	102	94	8
Net Debt ²⁾	588	488	100

QUARTERLY RESULTS (in US\$M unless otherwise stated)						
Volume	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
OB Removal (mbcm)	83.2	83.1	91.3	82.6	79.8	89.6
Coal (mt)	10.2	9.9	10.5	9.6	9.7	10.2
Financials						
	1Q17	2Q17	3Q17	4Q17	1Q18	2Q18
Revenue	181	180	198	206	182	202
EBITDA	70	61	76	74	57	64
EBITDA Margin ³⁾	40.3%	35.7%	40.2%	38.2%	34.0%	33.7%
Operating Profit	44	35	47	45	26	31
Operating Margin ³⁾	25.8%	20.4%	25.2%	23.0%	15.6%	16.2%
Net Profit (Loss)	24	(15)	23	15	10	8

- Overburden removal volume for 2Q 2018 was 89.6 million bcm, improved by 8% from 2Q 2017, and 12% from 1Q 2018. Whereas coal production was 10.2 million tonnes in 2Q 2018, improved by 2% from 2Q 2017 and 5% from 1Q 2018. Due to expected growth from its order book, the Company has increased its production capacity by around 20% since the beginning of the year.
- Net revenues for 2Q 2018 was US\$202 million, 13% higher than 2Q 2017, and 11% higher than 1Q 2018. EBITDA was US\$64 million for 2Q 2018, also increased by 2% compared to 2Q 2017 and by 11% compared to 1Q 2018. After being impacted by severe weather and progressing ramp-up during the first half, the Company expects to deliver improved performance in the second half of the year from optimizing the utilization of its assets and achieving higher productivity level as the ramp-up process stabilizes. Given supportive weather condition, the Company plans to fully utilize its increased operational capacity.
- Net profit was US\$8 million for 2Q 2018 vs. US\$15 million loss booked for 2Q 2017 due to one-off non-recurring provision at the time. Compared to 1Q 2018, net profit was 27% lower. Net profit in 2Q 2018 was impacted by US\$6 million foreign exchange loss due to Rupiah depreciation.
- Capital expenditure was US\$155 million for 1H 2018 as the Company invested heavily on equipment to capture growth opportunities from new contracts as well as replacements, resulting in a US\$76 million net free cash outflow for 1H 2018. Operating cash flows remained positive at US\$79 million for 1H 2018.
- As of June 30, 2018, consolidated net debt was US\$588 million with consolidated net debt to EBITDA of 2.18x. The Company remains reliant on its own cash flow generation, leasing facilities and bank loans to support its capital expenditure needs.
- The Company expects increase in volume in the second half of 2018, which translates into higher efficiency as well as productivity, and in turn, expected to deliver improved profitability.

Notes:

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

OTHER UPDATES

A. NEW CONTRACTS

- In May 2018, BUMA entered into an 8-year mining services contract with PT Indonesia Pratama (“**IPR**”), a subsidiary of an IDX-listed PT Bayan Resources Tbk. (“**BYAN**”). The contract is valued at more than US\$1.0 billion, with estimated volume of 287 million bcm of overburden removal, and 96 million tonnes of coal. The contract also include hauling services for the extracted coal. This contract reflects re-establishment of relationship with Bayan Group, a notable name in Indonesia coal industry, with whom BUMA has worked in the recent past.
- With the additional 3 (three) contracts previously 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 brought its total order book from US\$5.0 billion to a total of US\$7.0 billion. 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 June 30, 2018, consolidated outstanding debt was US\$689 million, whereas net debt was US\$588 million, with net debt to EBITDA ratio of 2.18x. Net debt to EBITDA level is expected to improve when profitability recovers to the targeted level. Debt to EBITDA was 2.55x, which remains within the covenant limitation of 3.50x.

C. CORPORATE GOVERNANCE

- Based on shareholders approval during the Annual General Meeting of Shareholders conducted in May 2018, the new management structure is as follows:

DOID Board of Commissioners	
President Commissioner and Independent Commissioner	: Hamid Awaludin
Independent Commissioner	: Nurdin Zainal
Independent Commissioner	: Muhammad Syarkawi Rauf
Independent Commissioner	: Fei Zou
Commissioner	: Sugito Walujo
Commissioner	: Sunata Tjiterosampurno
Commissioner	: Wang Ou
DOID Board of Directors	
President Director and Independent Director	: Hagianto Kumala
Director	: Eddy Porwanto Poo
Director	: Ariani Vidya Sofjan

Exhibit 1: Quarterly Production

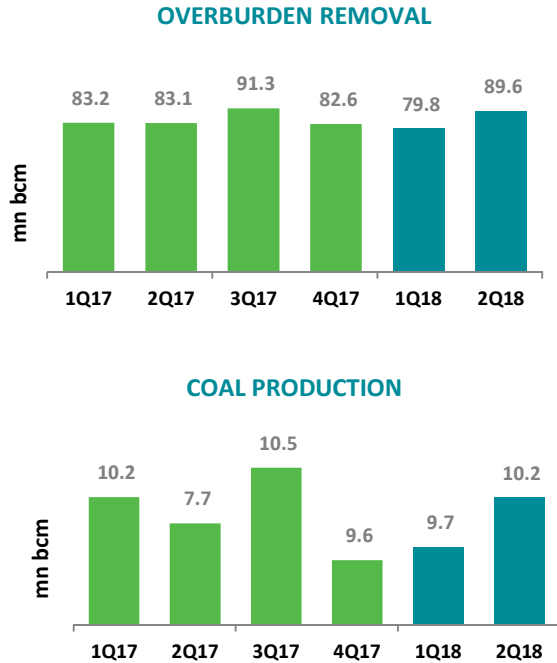


Exhibit 2: Debt Status

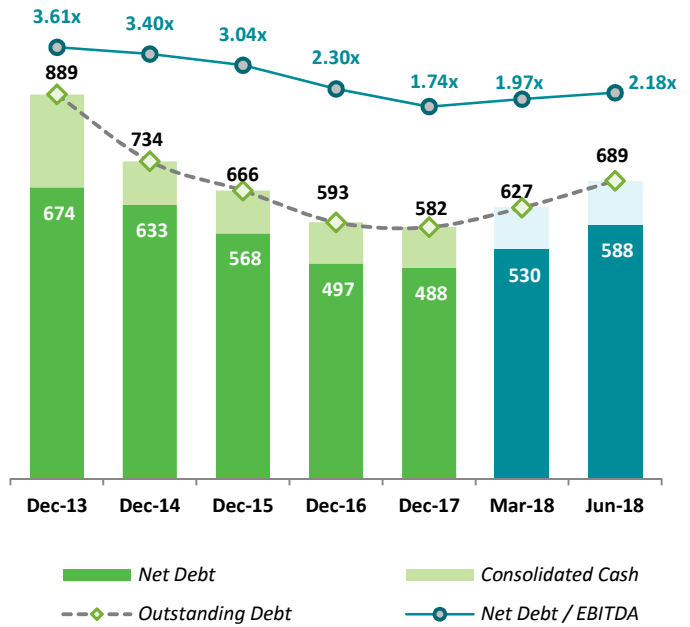


Exhibit 3: Consolidated Cash Flows²⁾

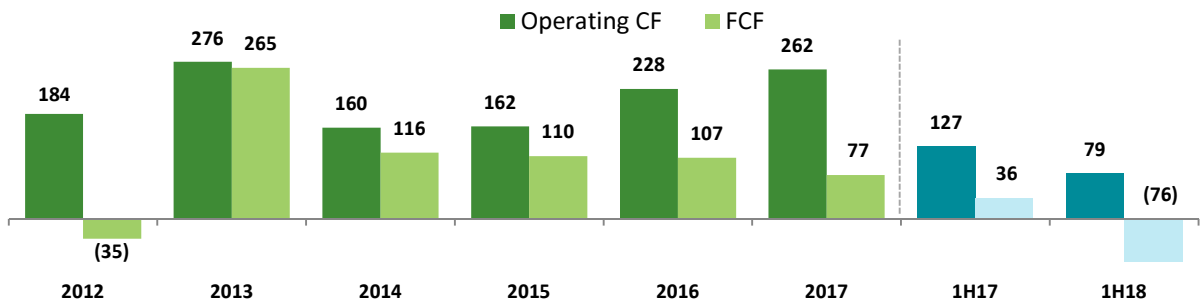
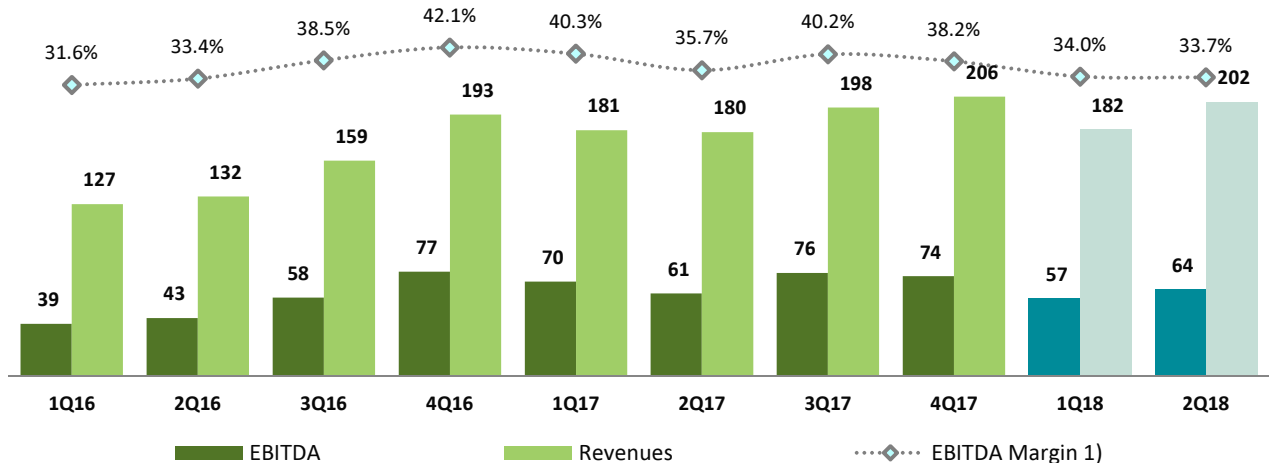


Exhibit 4: Quarterly Profitability Trend



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>	1H18	1H17	YoY
Net revenues	384	361	7%
<i>Revenue excl. fuel</i>	356	346	3%
Cost of revenues	304	258	18%
Gross profit	80	102	-22%
Operating expenses	(23)	(22)	2%
Finance cost	(25)	(28)	-8%
Others - net	(4)	(25)	-86%
Pretax profit	28	28	2%
Tax expense	10	19	-48%
Profit for the year	18	9	110%
Other comprehensive income - net	(0)	(0)	<i>n.a.</i>
Comprehensive income	18	9	110%
EBITDA	121	131	-8%
Basic EPS (in Rp) ³⁾	29	14	112%

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

<i>In US\$ mn (unless otherwise stated)</i>	Jun-18	Dec-17	YTD
Cash and cash equivalents	66	68	-3%
Other financial assets - current	36	26	36%
Trade receivables - current	189	175	8%
Other current assets	93	84	10%
Trade receivables - non-current	-	4	-100%
Fixed assets - net	577	484	19%
Other non-current assets	113	104	9%
TOTAL ASSETS	1,074	945	14%
Trade payables	107	102	5%
LT liabilities - current	128	67	90%
Other current liabilities	44	49	-12%
LT liabilities - non current	551	502	10%
Other non-current liabilities	49	48	3%
TOTAL LIABILITIES	879	768	14%
TOTAL EQUITY	195	177	10%

DOID'S FINANCIAL RATIOS ¹⁾

	1H18	1H17
Gross margin	22.4%	29.5%
Operating margin	16.0%	23.1%
EBITDA margin	33.8%	38.0%
Pretax margin	7.8%	7.9%
Net margin	5.1%	2.5%

Notes:

1) Margins are based on net revenues excluding fuel.

2) Excludes other financial assets which consists of restricted cash in bank and current investments.

3) Reported EPS are translated into Rp using average exchange rate of Rp13,753 and Rp13,331 for 1H18 and 1H17, 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>	1H18	1H17	YoY
Net revenues	384	361	7%
<i>Revenue excl. fuel</i>	356	346	3%
Cost of revenues	304	258	18%
Gross profit	80	102	-22%
Operating expenses	(22)	(21)	3%
Finance cost	(25)	(28)	-8%
Others - net	(3)	(25)	-88%
Pretax profit	30	29	4%
Tax expense	10	19	-47%
Profit for the year	20	10	100%
Other comprehensive income - net	0	(0)	<i>n.a.</i>
Comprehensive income	20	10	104%
EBITDA	122	133	-8%

<i>In US\$ mn (unless otherwise stated)</i>	Jun-18	Dec-17	YTD
Cash	48	40	18%
Restricted cash in bank - current	12	11	2%
Trade receivables - current	189	175	8%
Due from related party - current	100	150	-33%
Other current assets	93	84	10%
Trade receivables - non-current	0	4	-100%
Fixed assets - net	576	484	19%
Other non-current assets	113	104	8%
TOTAL ASSETS	1,131	1,052	8%
Trade payables	107	102	5%
LT liabilities - current	128	67	90%
Other current liabilities	44	50	-15%
LT liabilities - non-current	551	502	10%
Other non-current liabilities	49	48	3%
TOTAL LIABILITIES	879	769	14%
TOTAL EQUITY	252	283	-11%

Notes:

1) Excludes restricted cash in bank.