

26 March 2018

Share Price Data (as of 23 March 2018)

Ticker @IDX	DOID
Last Price (Rp)	XXX
Outstanding Shares (mn)	8,553
Market Capitalization (Rp bn)	7,955
Market Capitalization (USD mn)*	577

*based on exchange rate of Rp13,780

Shareholder Structure

Northstar Tambang Persada Ltd	38.2%
Public	61.8%

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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.

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 a 26% higher net profit YoY at US\$47 million, despite challenging weather condition, extensive ramp-up process, and certain non-recurring charges. Recurring profit stands at US\$87 million, reflecting 69% growth YoY.

HIGHLIGHTS OF CONSOLIDATED RESULTS (in US\$M unless otherwise stated)				QUARTERLY RESULTS (in US\$M unless otherwise stated)								
Profitability	FY17	FY16	YoY	Volume	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
EBITDA	281	217	30%	OB Removal (mbcm)	61.2	71.9	81.8	84.9	83.2	83.1	91.3	82.6
EBITDA Margin ³⁾	38.6%	37.1%	1.5%	Coal (mt)	7.8	7.7	9.3	10.3	10.2	9.9	10.5	9.6
Operating Profit	172	122	40%	Financials	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17
Operating Margin ³⁾	23.6%	20.9%	2.7%	Revenue	127	132	159	193	181	180	198	206
Net Profit	47	37	26%	EBITDA	39	43	58	77	70	61	76	74
Recurring Profit	87	51	69%	EBITDA Margin ³⁾	31.6%	33.4%	38.5%	42.1%	40.3%	35.7%	40.2%	38.2%
EPS (in Rp)	Rp 74	Rp 59	25%	Operating Profit	15	19	35	53	44	35	47	45
Cash Flows	FY17	FY16	YoY	Operating Margin ³⁾	11.9%	14.9%	23.3%	29.1%	25.8%	20.4%	25.2%	23.0%
Capex	186	126	48%	Net Profit (Loss)	3	5	17	12	24	(15)	23	15
Free Cash Flow ⁴⁾	77	107	-28%	Balance Sheet	Dec-17	Dec-16	Δ					
				Cash Position ¹⁾	94	96	(2)					
				Net Debt ²⁾	488	497	(9)					

FULL YEAR 2017 HIGHLIGHTS

- Overburden removal volume grew by 13% YoY to 340.2 million bcm for the full year 2017. Whereas coal production grew by 14% YoY to 40.2 million tonnes. The volume growth at Berau and Geo Energy work sites were the primary contributors.
- Net revenue increased by 25% from US\$611 million for FY 2016 to US\$765 million for FY 2017 on the back of volume growth and higher rate from coal index linked contracts. Whereas EBITDA grew by 30% from US\$217 million at 37.1% margin in 2016 to US\$281 million at 38.6% margin in 2017, despite higher costs from supporting extensive growth in operations and accommodating customers’ operational adjustments.
- Net income increased by 26% YoY from US\$37 million for FY 2016 to US\$47 million for FY 2017, after taking into account certain non-recurring charges. Meanwhile, recurring profit grew more significantly by 69% from US\$51 million in 2016 to US\$87 million in 2017.
- Free cash flows amounted to US\$77 million for FY 2017, 28% lower YoY, due to higher capital expenditure that grew 48% from US\$126 million in 2016 to US\$186 million in 2017 for production growth and replacement cycle.
- As of December 31, 2017, consolidated net debt was US\$488 million with consolidated net debt to EBITDA of 1.7x. The Company remains reliant primarily on its internal cash generation to fund its capital expenditure, with the possibility to tap the bank loans and leasing facilities when needed.
- The Company focuses on optimization of its resources that aims for operational excellence in order to deliver its commitments to customers and all stakeholders.

OTHER UPDATES

A. NEW CONTRACTS

- In August 2017, BUMA entered into a new contract with PT Pada Idi, a subsidiary of Petro Energy, who is a new coal player with in-demand, good quality coal assets, with great potentials for future growth. The contract value was estimated to be over Rp 5 trillion or equivalent to approximately US\$385 million, with current expected volume of over 200 million bcm overburden removal and over 15 million tonnes of coal.
- In March 2018, BUMA entered into a new life-of-mine contract with PT Tanah Bumbu Resources (“**TBR**”), a subsidiary of Geo Energy Resources Limited (“**Geo Energy**”), SGX-listed integrated coal mining group, through whom BUMA works with its two other customers, PT Sungai Danau Jaya (“**SDJ**”) and PT Angsana Jaya Energi (“**AJE**”). The life-of-mine contract is expected to contribute a total volume of around 169 million bcm of overburden removal and 47 million tonnes of coal, bearing an estimated contract value of over Rp 7 trillion or equivalent to over US\$500 million.
- With the new contracts above, BUMA’s order book now amounts to US\$5.5 billion.

B. DEBT FINANCING

- On February 14, 2017, BUMA completed the refinancing of its bank loan facilities, consisting of US\$603 million syndicated loan facilities, with SMBC as the Facility Agent (“**SMBC Facilities**”), and US\$15 million loan facility with PT CIMB Niaga Tbk (“**CIMB Facility**”) with (i) the proceeds from BUMA’s 5-year 7.75% US\$350 million Senior Notes issuance (“**Senior Notes**”), (ii) US\$100 million LIBOR+3% loan facilities from The Bank of Tokyo Mitsubishi UFJ, Ltd. (“**BTMU Facilities**”), and (iii) BUMA’s internal cash. The refinancing allows for operational and financial flexibility to support BUMA’s growth.
- As of December 31, 2017, outstanding debt was US\$582 million, whereas net debt was US\$488 million, with net debt to EBITDA ratio of 1.7x, which reflects a healthy debt level for a capital-intensive business such as BUMA’s.

C. TAX RECEIVABLES

- Tax policies related to coal mining have historically resulted in tax overpayment for BUMA, the primary operating Subsidiary. Thus, the high tax receivables asset recorded on the balance sheet under “claims for tax refund”. BUMA consistently and diligently exerts every possible effort under prevailing tax law to recover all of its tax receivables.
- In 2017, BUMA received US\$60 million year-to-date related to favorable outcome on various tax proceedings.
- Throughout June – July 2017, BUMA received unfavorable decisions from Supreme Court related to certain old, long-outstanding cases, which originated under previous ownership. These decisions do not affect BUMA’s cash flows, as all related tax liabilities has been previously settled. While BUMA was considering its next course of legal action to recover the respective tax receivables, US\$33 million had been provisioned as of June 30, 2017, in compliance with accounting standard. In September 2017, BUMA filed its second Motion for Reconsideration to the Supreme Court in the effort to recover the disputed amount.

Exhibit 1: Quarterly Production

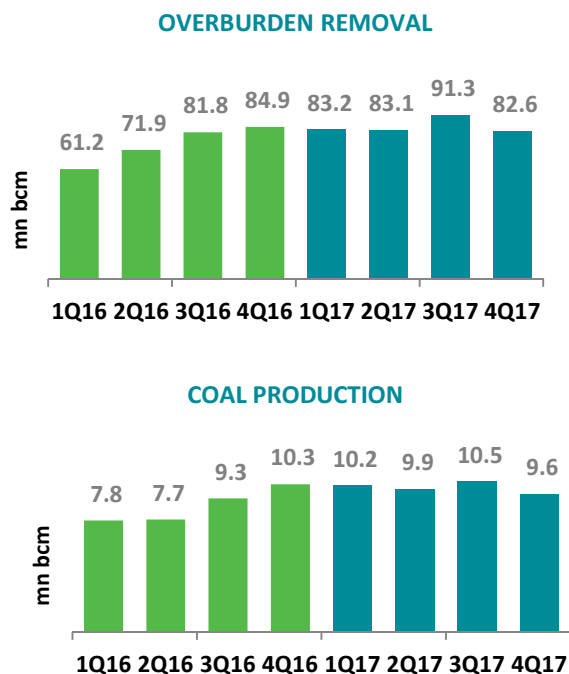


Exhibit 2: Net Debt

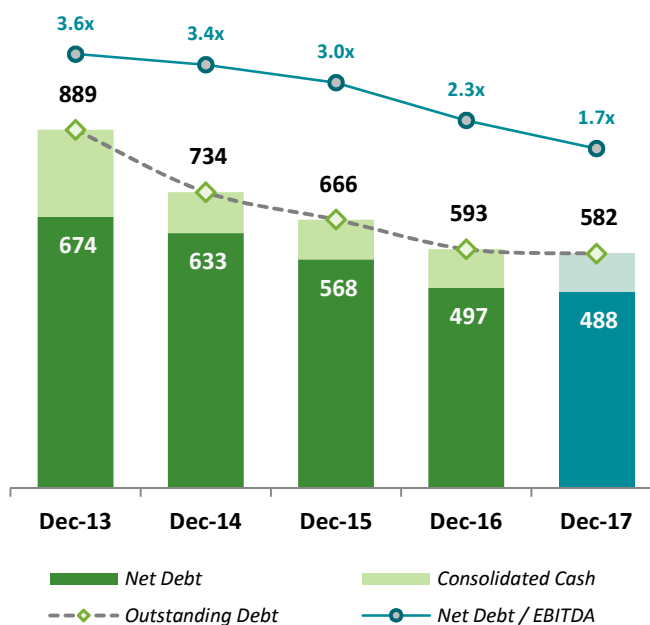


Exhibit 3: Consolidated Cash Flows²⁾

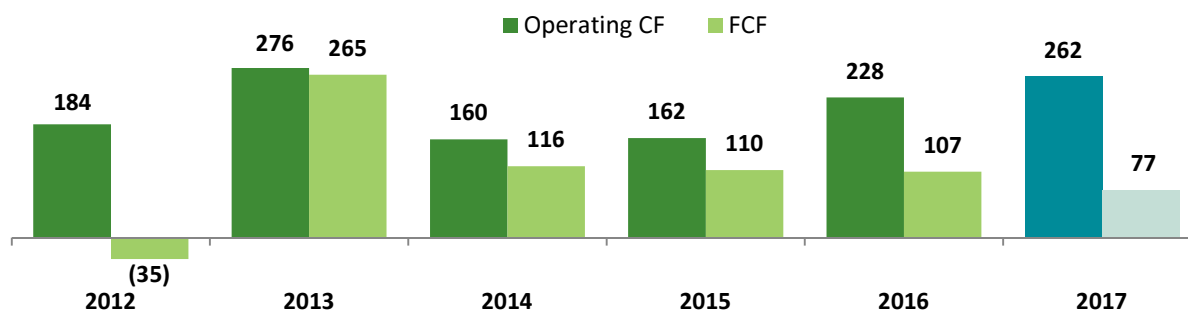
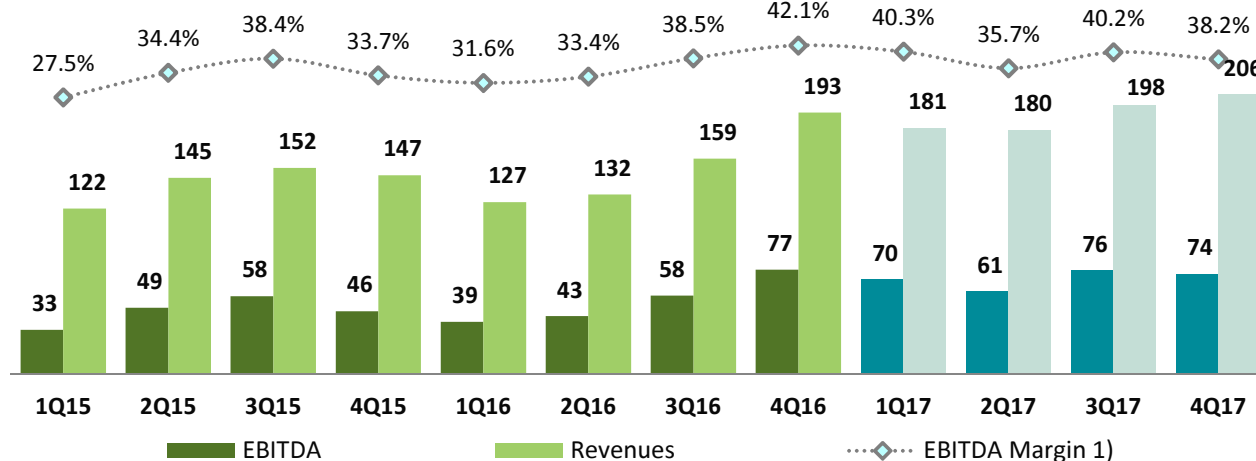


Exhibit 4: Quarterly Profitability Trend



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>	FY17	FY16	YoY
Net revenues	765	611	25%
<i>Revenue excl. fuel</i>	727	584	24%
Cost of revenues	539	447	21%
Gross profit	225	164	37%
Operating expenses	(53)	(42)	28%
Finance cost	(52)	(53)	-3%
Others - net	(33)	(8)	313%
Pretax profit	87	61	43%
Tax expense	40	24	69%
Profit for the year	47	37	26%
Other comprehensive income - net	(4)	1	-378%
Comprehensive income	43	39	11%
EBITDA	281	217	30%
Basic EPS (in Rp) ³⁾	74	59	25%

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

<i>In US\$ mn (unless otherwise stated)</i>	Dec-17	Dec-16	YTD
Cash and cash equivalents	68	67	1%
Other financial assets - current	26	-	100%
Trade receivables - current	175	144	21%
Other current assets	84	88	-4%
Trade receivables - non-current	4	-	100%
Other financial assets	-	29	-100%
Fixed assets - net	484	406	19%
Other non-current assets	104	148	-30%
TOTAL ASSETS	946	882	7%
Trade payables	102	80	28%
LT liabilities - current	67	106	-36%
Other current liabilities	49	34	45%
LT liabilities - non current	502	501	0%
Other non-current liabilities	48	35	36%
TOTAL LIABILITIES	768	756	2%
TOTAL EQUITY	177	126	40%

DOID'S FINANCIAL RATIOS ¹⁾

	FY17	FY16
Gross margin	31.0%	28.0%
Operating margin	23.6%	20.9%
EBITDA margin	38.6%	37.1%
Pretax margin	11.9%	10.4%
Net margin	6.4%	6.3%

DOID'S CONSOLIDATED STATEMENTS OF CASH FLOWS

<i>In US\$ mn (unless otherwise stated)</i>	FY17	FY16
Net CF from Operating Activities	162	190
Net CF from Investing Activities	(63)	(36)
Net CF from Financing Activities	(99)	(159)
Net change in cash & cash equivalents	1	(5)
Beginning balance cash & cash equivalents	67	71
Effect of foreign exchange rate changes	(0)	1
Ending balance cash & cash equivalents²⁾	68	67

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 Rp13,384 and Rp13,307 for FY17 and FY16, respectively.

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

<i>In US\$ mn (unless otherwise stated)</i>	FY17	FY16	YoY
Net revenues	765	611	25%
<i>Revenue excl. fuel</i>	727	584	24%
Cost of revenues	539	447	21%
Gross profit	225	164	37%
Operating expenses	(50)	(39)	29%
Finance cost	(52)	(53)	-3%
Others - net	(33)	(1)	2564%
Pretax profit	90	71	28%
Tax expense	40	22	79%
Profit for the year	50	48	4%
Other comprehensive income - net	(4)	1	-376%
Comprehensive income	46	50	-7%
EBITDA	284	220	30%

**BUMA'S STATEMENTS
OF FINANCIAL POSITION**

<i>In US\$ mn (unless otherwise stated)</i>	Dec-17	Dec-16	YTD
Cash	40	49	-18%
Restricted cash in bank - current	11	-	100%
Trade receivables - current	175	144	21%
Due from related party - current	150	182	-18%
Other current assets	84	88	-4%
Trade receivables - non-current	4	-	100%
Restricted cash in bank	-	29	-100%
Fixed assets - net	484	405	19%
Other non-current assets	104	148	-30%
TOTAL ASSETS	1,052	1,045	1%
Trade payables	102	80	28%
LT liabilities - current	67	106	-36%
Other current liabilities	51	35	44%
LT liabilities - non-current	502	501	0%
Other non-current liabilities	48	35	36%
TOTAL LIABILITIES	770	757	2%
TOTAL EQUITY	283	288	-2%

BUMA'S STATEMENTS OF CASH FLOWS

<i>In US\$ mn (unless otherwise stated)</i>	FY17	FY16
Net CF from Operating Activities	163	194
Net CF from Investing Activities	(48)	(36)
Net CF from Financing Activities	(124)	(159)
Net change in cash	(9)	(1)
Beginning balance cash	49	50
Effect of foreign exchange rate changes	(0)	1
Ending balance cash¹⁾	40	49

Notes:

1) Excludes restricted cash in bank.