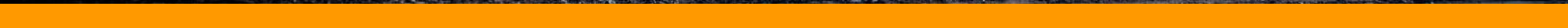




**PT. BAYAN RESOURCES Tbk.**

***First Quarter 2023  
Update Presentation***





# Overview

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- **Operationally 1Q 2023 has been a better quarter than last year. Coal production is currently in line with the Budget while SR was lower than the Budget.**
- **Overburden production significantly higher than same period last year and on track to reach our annual production target.**
- **Overall 1Q 2023 financial performance was lower than Budgeted across all financial matrix. This is principally due to lower market prices than Budgeted which has led to lower realized ASP, EBITDA and NPAT.**
- **Cash costs decreased and were lower than Budgeted and 4Q22, although did increase over same period last year.**
- **1Q 2023 financial performance is still generating very healthy margins and profit levels.**



# Bayan's Financial and Operational Performance

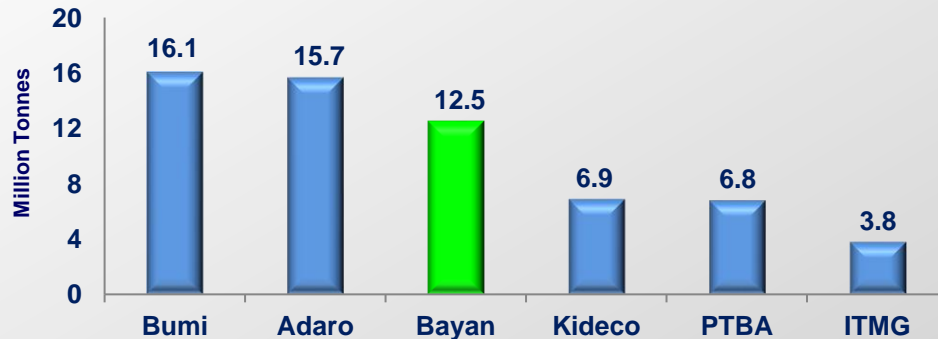
	2021	2022	1Q22	1Q23
<b>Financial Performance</b> (In Million USD)				
Revenue	2,852.2	4,703.6	783.8	1,049.0
Gross Profit <sup>*1</sup>	1,746.5	3,160.1	508.3	592.3
EBITDA	1,743.0	3,026.4	494.5	583.2
Net Profit After Tax	1,266.0	2,301.6	380.2	448.6
<b>Financial Ratios</b>				
Gross Profit Margin (%)	61.2%	67.2%	64.9%	56.5%
EBITDA Margin (%)	61.1%	64.3%	63.1%	55.6%
Net Profit Margin (%)	44.4%	48.9%	48.5%	42.8%
Net Debt to EBITDA (x)	Net Cash	Net Cash	Net Cash	Net Cash
<b>Operational Statistics</b>				
Overburden Removal (MBCM)	146.1	153.6	30.4	46.6
Strip Ratio (x) - based on production volume	3.9	3.9	4.4	3.7
Coal Production (MT)	37.6	38.9	6.9	12.5
Sales Volume (MT)	40.4	39.9	7.8	11.6
Average Selling Price (US\$/MT)	70.7	117.9	101.0	90.5
Average Cash Costs (US\$/MT)	27.5	42.5	37.4	41.6

\*1 Reclassification Barging expense from Selling expense to Cost of Revenue



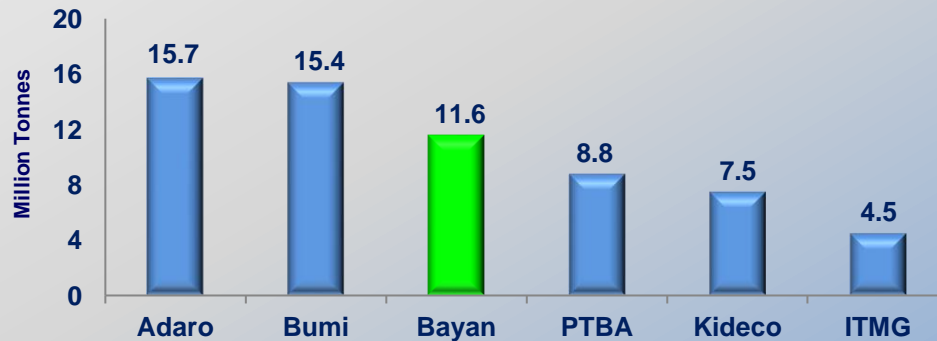
# One of the Largest Coal Producers

## 1Q23 Production



Source: Company Filings, Company Data

## 1Q23 Sales Volume



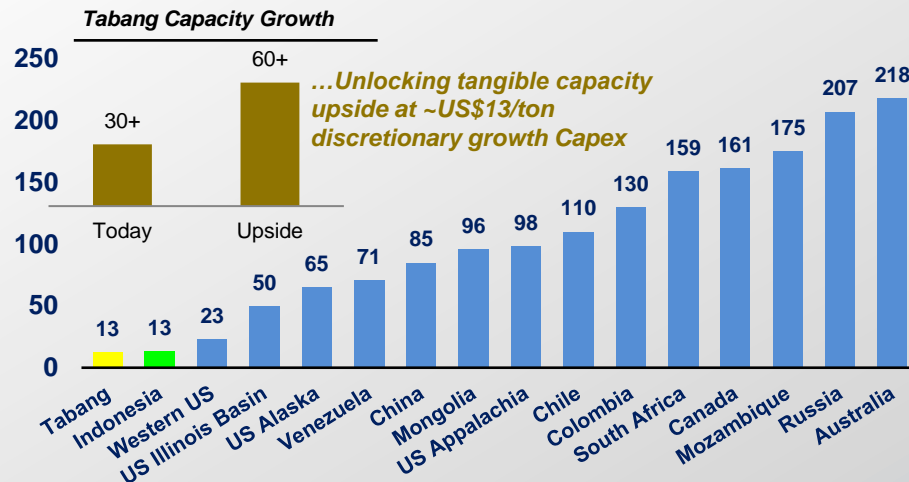
Source: Company Filings, Company Data

- Bayan is ranked 3rd by production and sales volumes in Indonesia.
- Bayan's sales volumes are anticipated to grow in the region of 10% to 20% in 2023 utilizing existing infrastructure.
- By the end of 2023, first phase of Muara Pahu will be open which will allow us to rapidly expand in 2024 and beyond.
- This will allow Bayan to expand production at Tabang and increase production to more than 60 mtpa.



# Low Cost Incremental Growth

## Capex Intensity by Country <sup>(1)</sup>



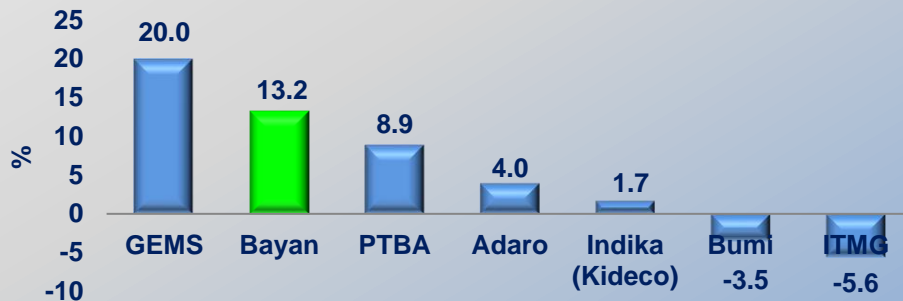
Source: Wood Mackenzie

**Notes**

(1) Based on 2012 real dollars

(2) US\$402m Capex (include BCT) divided by an incremental 30+ Mtpa production / sales capacity

## 2018 - 2022 CAGR (Production)



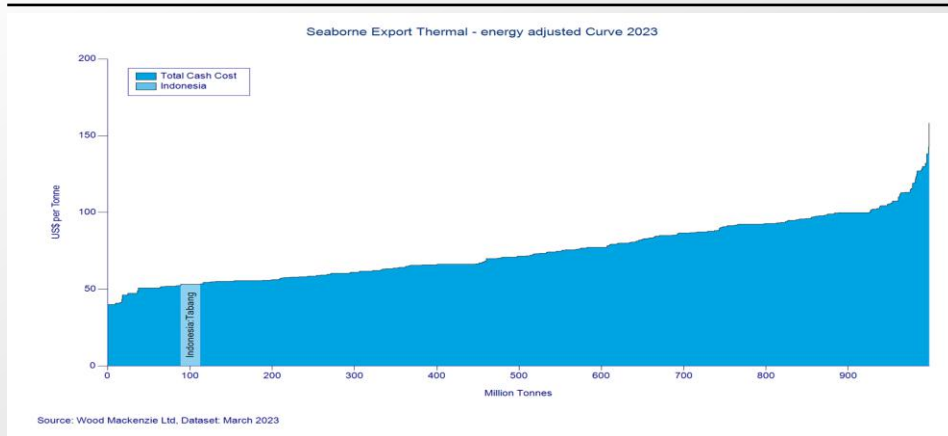
Source: Company Fillings. Company Data

- Our new coal haul road and the first barge loading facility will be completed by end of 2023.
- The second and third barge loaders, overland conveyors and side dumps will be completed within 1H2024.
- Once all three barge loaders have been completed, this will add an additional 30+ million MT to our existing capacity.
- Total forecasted capex in the region of US\$ 384 million (2023-2024) for the Group, of which US\$ 134 million is expansionary capex tied to the Tabang Project including upgrading the BCT.



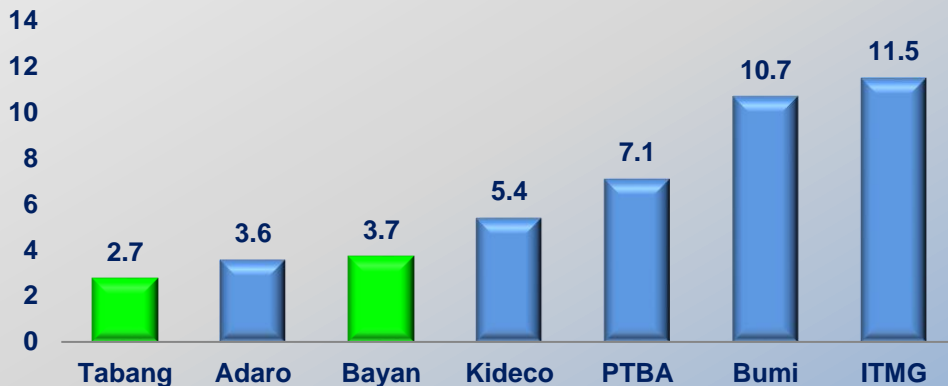
# One of the Lowest Cost Producers in Indonesia

## Global Cost Competitive Positioning



Source: Wood Mackenzie

## 1Q23 Strip Ratio



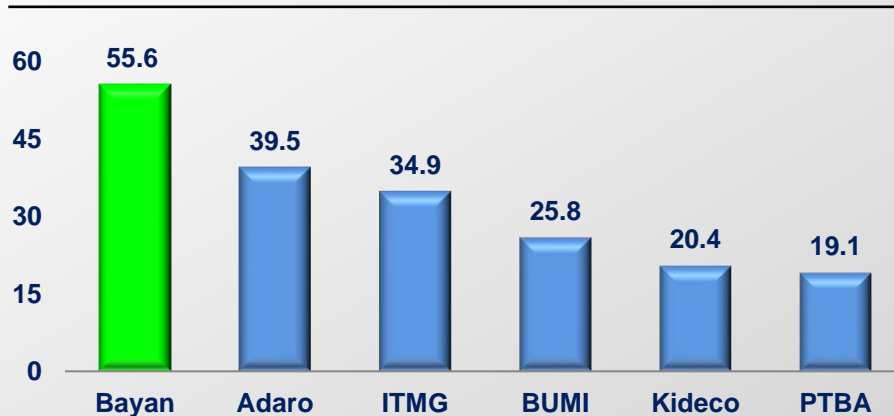
Source: Company Filings, Company Data

- Tabang is independently rated as one of the worlds lowest cost energy-adjusted producers of seaborne thermal coal.
- Tabang has large reserves and a very low Life of Mine stripping ratio of 4.3.
- A new JORC reserves statement in 2022 resulted in an increase of 18% in Tabang/North Pakar reserves to 1,692 million MT.
- Tabang has one of the lowest average stripping ratio's in Indonesia.



# And One of the Highest Margin Producers in Indonesia

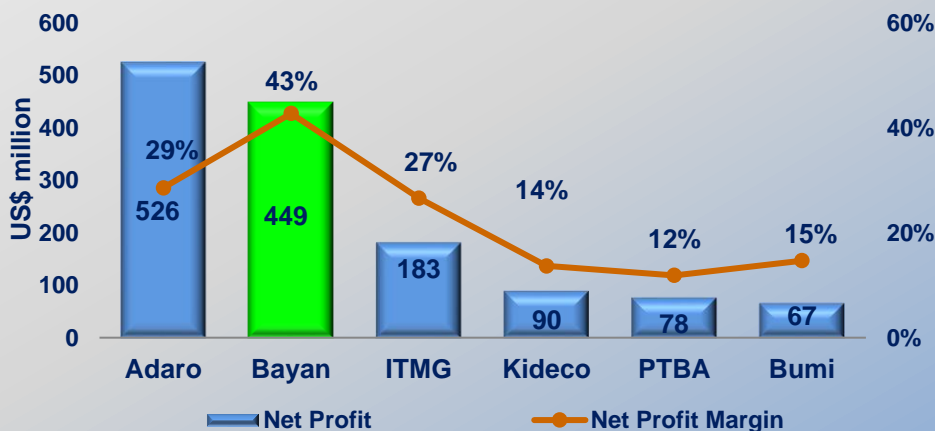
## 1Q23 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

- Over the last few years, Bayan has transformed itself into one of the highest margin producers in Indonesia.
- This is due to the ramp up of its world class Tabang coal complex, which is anticipated to continue to grow and produce industry leading margins.

## 1Q23 Net Profit and Net Profit Margin (%)



Source: Company Filings, Company Data

- Net profit margins are anticipated to continue to outperform the industry norms due to the low cost base and lower royalty rates than IUPK's.

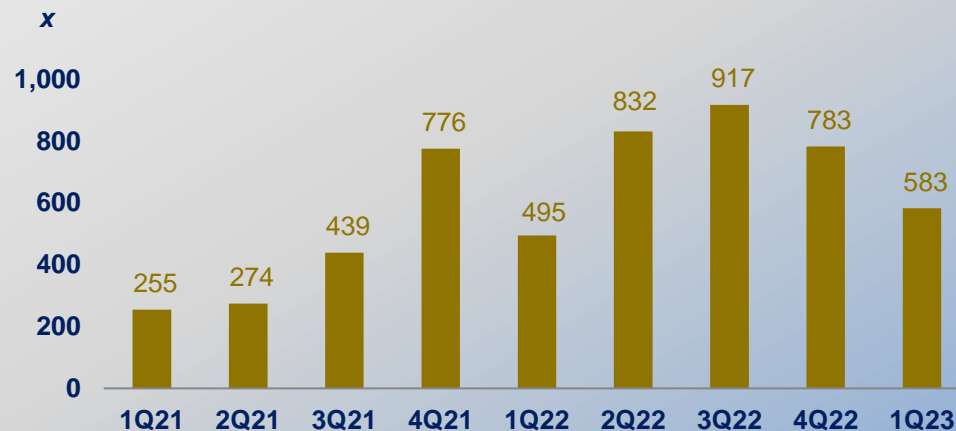


# Deleveraged the Group

## Net Debt / EBITDA



## Quarterly EBITDA



- In January 2020, the Company issued a 3 year Non-Call Life "NCL" bond of US\$ 400 million to ensure adequate liquidity going forward.
- In 4Q21 Bayan fully prepaid all the outstanding Bonds.
- Targeted net leverage of less than 2.5x EBITDA throughout the commodity cycle.
- Bayan has been re-assigned independent credit ratings of Ba2 by Moody's in December 2022 and BB- by Fitch in February 2022.
- 3Q22 EBITDA of 917.4 million was the best quarter ever in the history of Bayan.

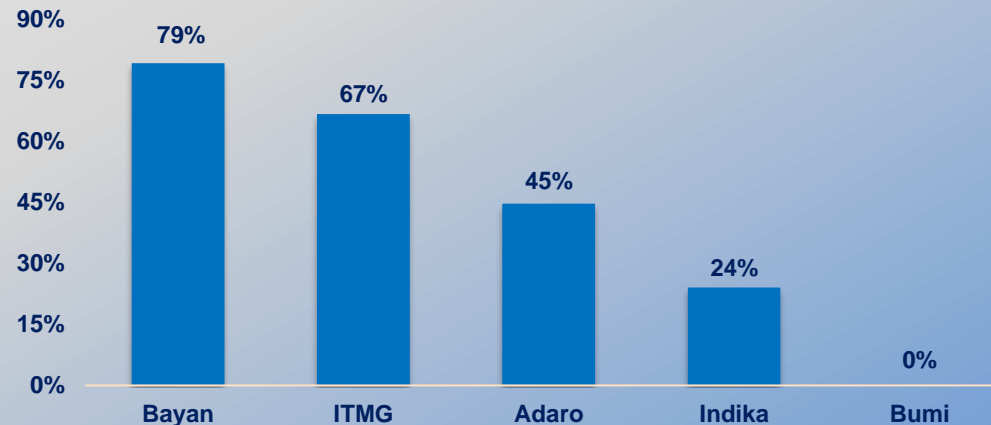




# DIVIDENDS

- **Bayan has a proven history of utilizing cash to reduce leverage and then return excess cash to shareholders.**
- **Bayan has paid a total of US\$ 3,100.0 million in dividends over the last three years.**
- **Its payout ratio over the same period is 79% of NPAT (2020 – 2022), which is one of the highest in the Indonesian coal sector.**

**Total Dividend payout ratio for 2020-2022**





# 1Q 2023

**Overburden Removal**

**Coal Production**

**Weighted Average Strip Ratio**

**Average Cash Costs**

**Coal Sales**

**Average Selling Price**

**Committed & Contracted Sales**

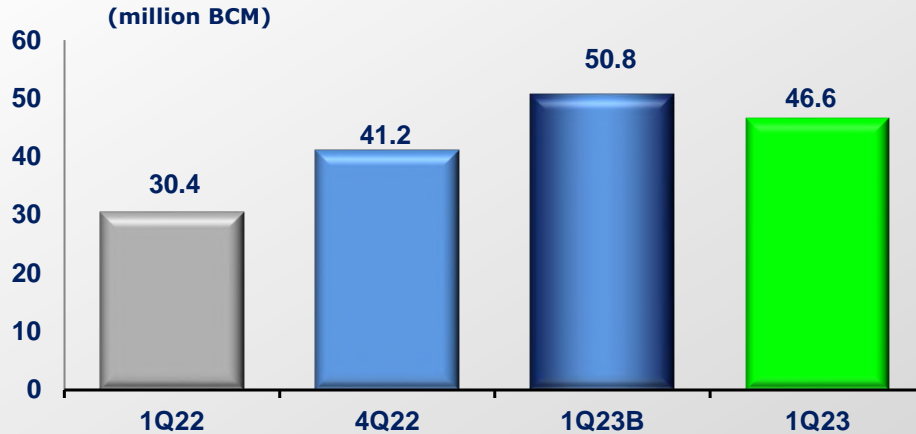
**EBITDA**

**Debt and Cash Position**

**Capital Expenditure**



# Overburden Removal (OB)



Note : B stands for Budget Figure

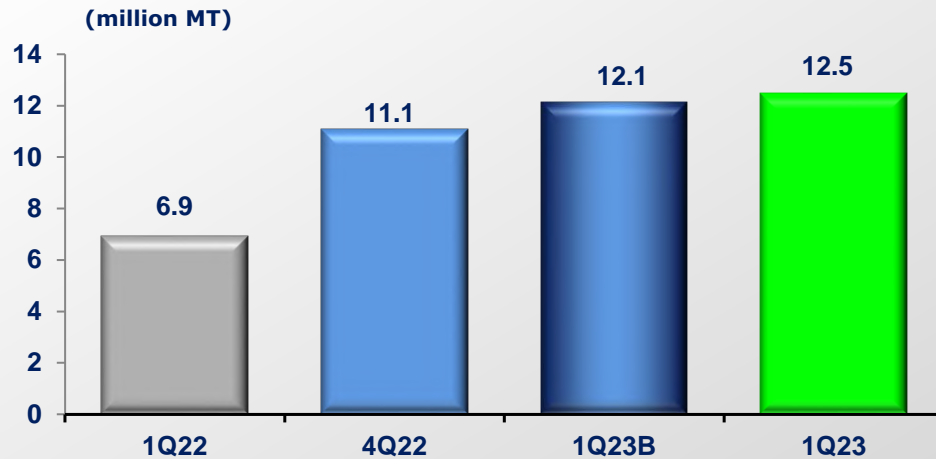
(in million BCM)	4Q22	1Q23B	1Q23
Teguh Sinarabadi / Firman Ketaun Perkasa	7.1	8.5	6.8
Perkasa Inakakerta	1.5	1.8	2.2
Wahana Baratama Mining	4.5	7.3	8.1
Tabang Concessions	25.0	26.0	22.1
North Pakar	3.0	7.1	7.4
<b>Total</b>	<b>41.2</b>	<b>50.8</b>	<b>46.6</b>

- **1Q23 OB of 46.6 million BCM was lower than the Budget due to:**
  - **Higher rainfall than anticipated.**
- **However, 1Q23 OB was higher than 4Q22 and same period last year due to:**
  - **Mobilization of additional equipment throughout 2022 which carried on into 1Q23.**

*Overburden higher compared to last quarter*



# Coal Production



Note : B stands for Budget Figure

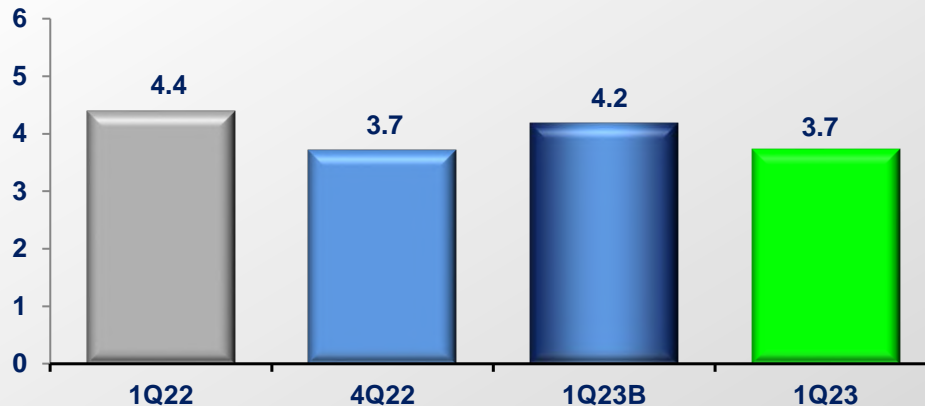
- 1Q23 coal production of 12.5 million MT was in line with the Budget.
- 1Q23 coal production of 12.5 million MT was slightly higher than 4Q22 of 11.1 million MT.

(in million MT)	4Q22	1Q23B	1Q23
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.6	0.7	0.5
Perkasa Inakakerta	0.2	0.3	0.3
Wahana Baratama Mining	0.6	0.4	0.4
Tabang Consessions	8.7	7.1	8.0
North Pakar	0.9	3.6	3.2
<b>Total</b>	<b>11.1</b>	<b>12.1</b>	<b>12.5</b>

**Coal production higher than Budget**



# Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

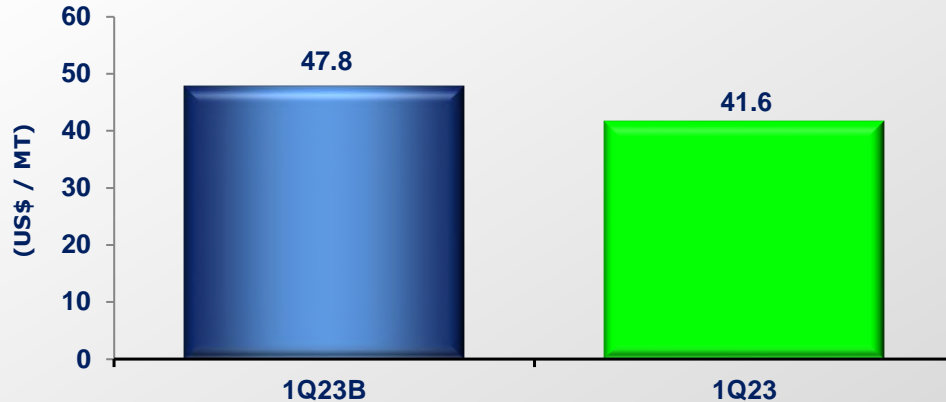
- 1Q23 weighted average stripping ratio was lower than the Budget due to change in mining sequence to maintain coal production at Budgeted levels.
- 1Q23 weighted average stripping ratio was in line with 4Q22.

Weighted Average SR (:1)	4Q22	1Q23B	1Q23
Teguh Sinarabadi / Firman Ketaun Perkasa	11.8	12.6	12.6
Perkasa Inakakerta	6.7	7.1	7.4
Wahana Baratama Mining	7.9	16.7	19.2
Tabang Concessions	2.9	3.7	2.7
North Pakar	3.2	1.9	2.3
<b>Total</b>	<b>3.7</b>	<b>4.2</b>	<b>3.7</b>

**1Q23 weighted average stripping ratio was in line with 1Q23**



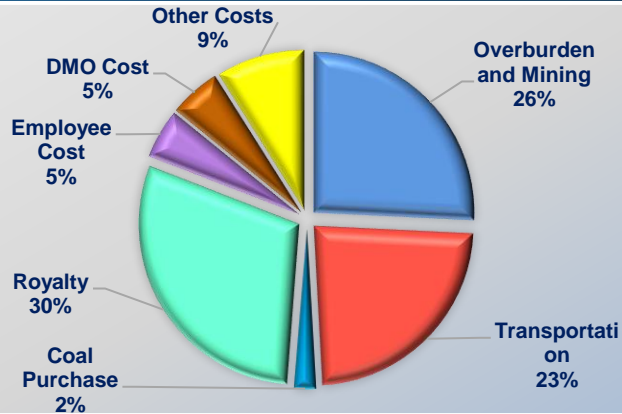
# Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

## Cash Cost per Expense – 1Q23



➤ **1Q23 Cash Costs were lower than Budget due to:**

- Lower overburden cost due to lower stripping ratio.
- Lower coal purchase due to lower quantity, quality and market prices.
- Lower fuel cost than Budgeted.
- Higher sales volumes which lowered the unit costs.

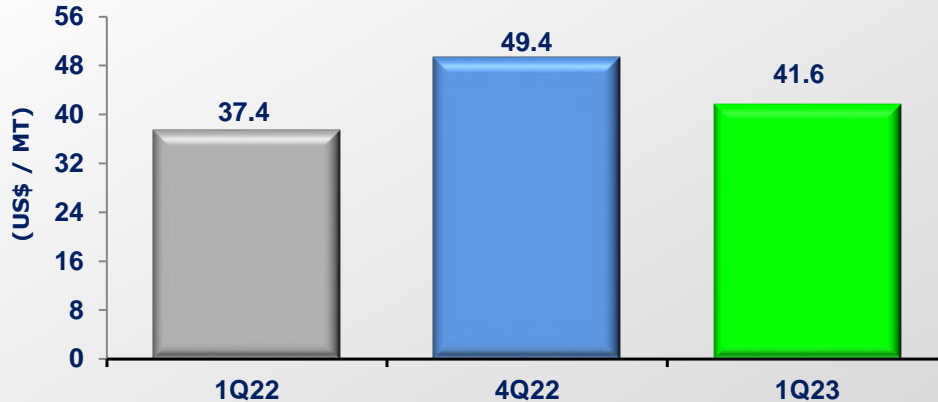
**Partially offset by:**

- Higher royalties cost due to the HBA being higher than the realize market price which increased the effective royalty rate.

**1Q23 cash costs were lower than the Budget**



# Average Cash Costs (1Q23 vs 4Q22)



Average Cash Costs include Royalty, Barging and SGA

➤ 1Q23 Cash Costs of US\$ 41.6/MT were lower than 4Q22 of US\$ 49.4/MT due to:

- Lower cost of purchased coal due to lower market prices and quantity.
- Lower DMO expense due to higher accrual of DMO in 4Q22 caused by the new regulation.
- Lower royalty due to lower ASP than 4Q22 despite increase in effective royalty rate.

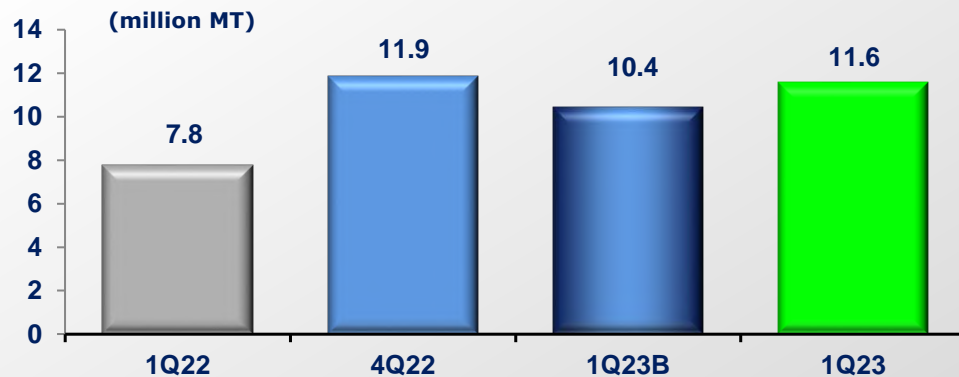
Partially offset by

- Lower fuel hedging settlements which generally increased the effective costs of our subcontractors.
- Higher other production costs due to higher accrual of land and building tax expense.

**1Q23 cash costs were lower than the 4Q22 levels**

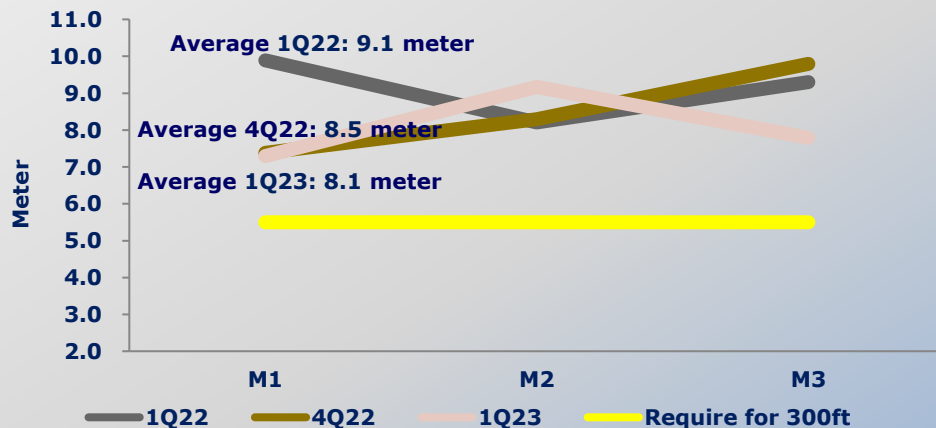


# Coal Sales (by volume)



Note : B stands for Budget Figure

## Average Senyuir Water Levels



- **1Q23 coal sales volumes of 11.6 million MT were higher than the Budget.**
- **In line with 4Q22 sales volume.**
- **Group inventory levels remain low at 3.5 million MT as at the end of March 2023.**
- **Quarterly barging at Tabang (includes TA) - Senyuir:**
  - **1Q22: 5.5 million MT.**
  - **4Q22: 9.4 million MT.**
  - **1Q23: 9.8 million MT.**

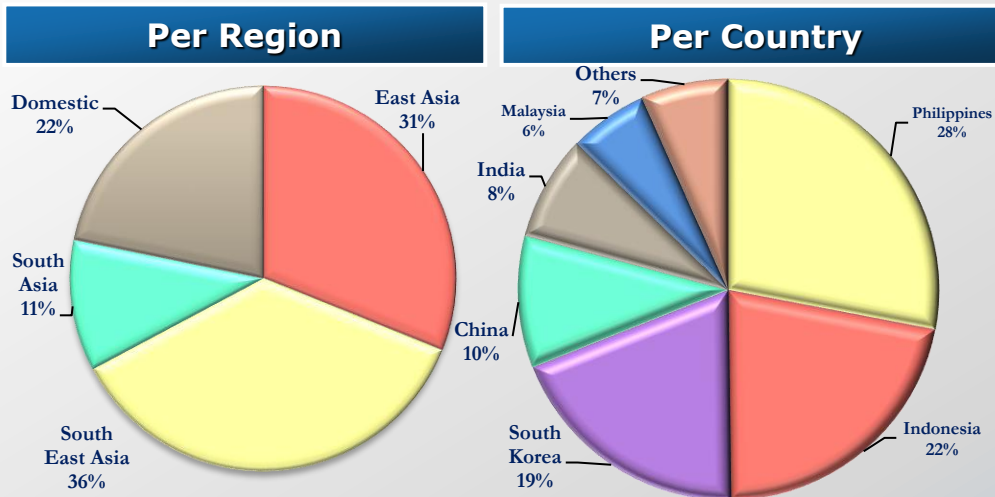
**1Q23 sales volume higher than Budget**



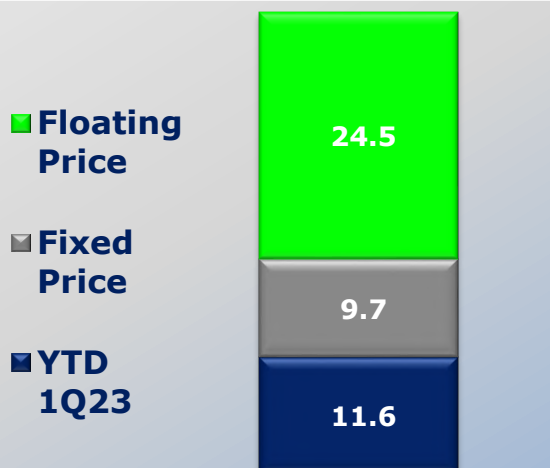


# Coal Sales (by volume) (continued)

## Geographic Distribution (1Q23) – by Volume



## Committed and Contracted Sales for 2023



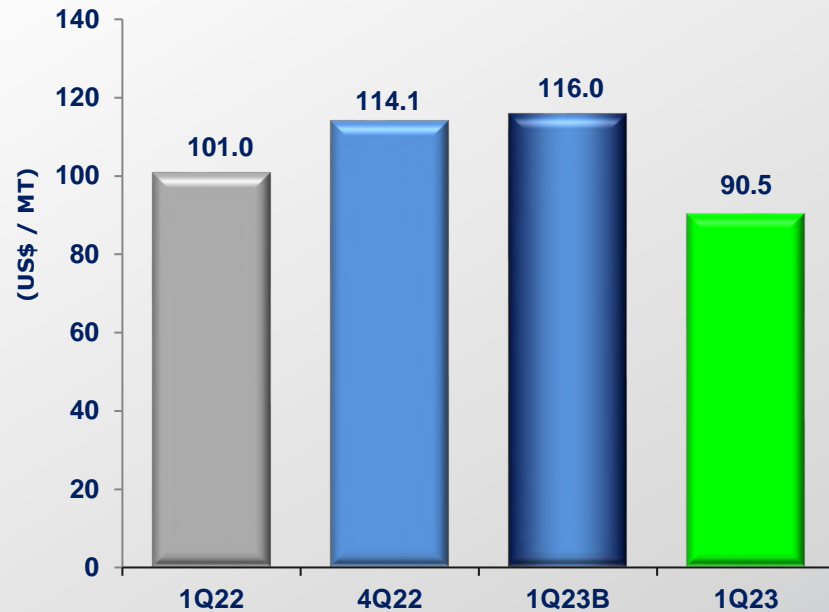
➤ The Company is focusing on continuing to build its long term contracts within Indonesia and with other South East Asian IPP's.

➤ As at May 2023, committed and contracted sales were 45.8 million MT for 2023 with an average CV of 4,399 kcal/kg GAR.

➤ Excluding 1Q23 deliveries we have 9.7 million MT of fixed prices contracts for the remainder of the year at US\$ 72.8/MT with an average CV of 4,277 kcal/kg GAR.



# Average Selling Price (ASP)



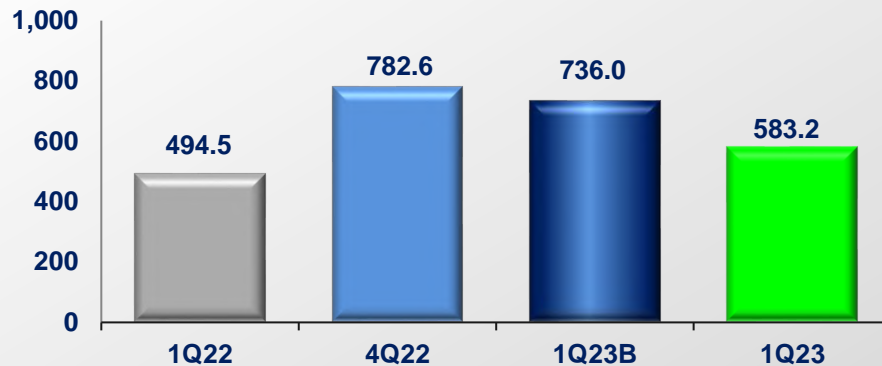
\* ASP includes coal and non-coal sales  
Note : B stands for Budget Figure

➤ **1Q23 ASP of US\$ 90.5/MT was lower than the Budget and 4Q22 due to the significant drop in market prices in the 1Q23.**

***Market prices have reduced but are still at historically elevated levels***



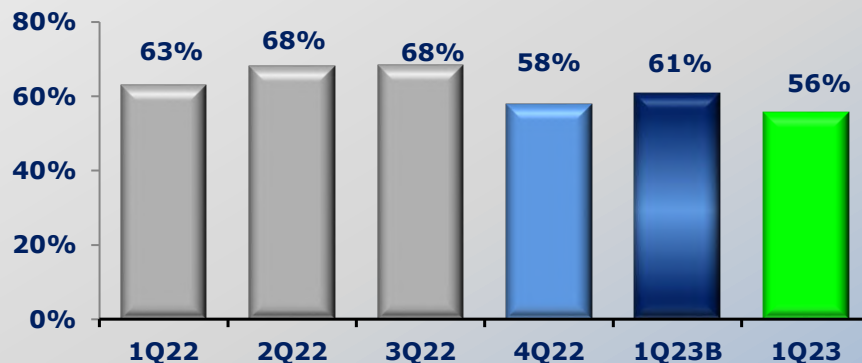
# EBITDA



Note : B stands for Budget Figure

➤ **1Q23 EBITDA was significantly lower than the Budget and 4Q22 due to lower ASP despite lower than Budgeted cash costs.**

## EBITDA Margin



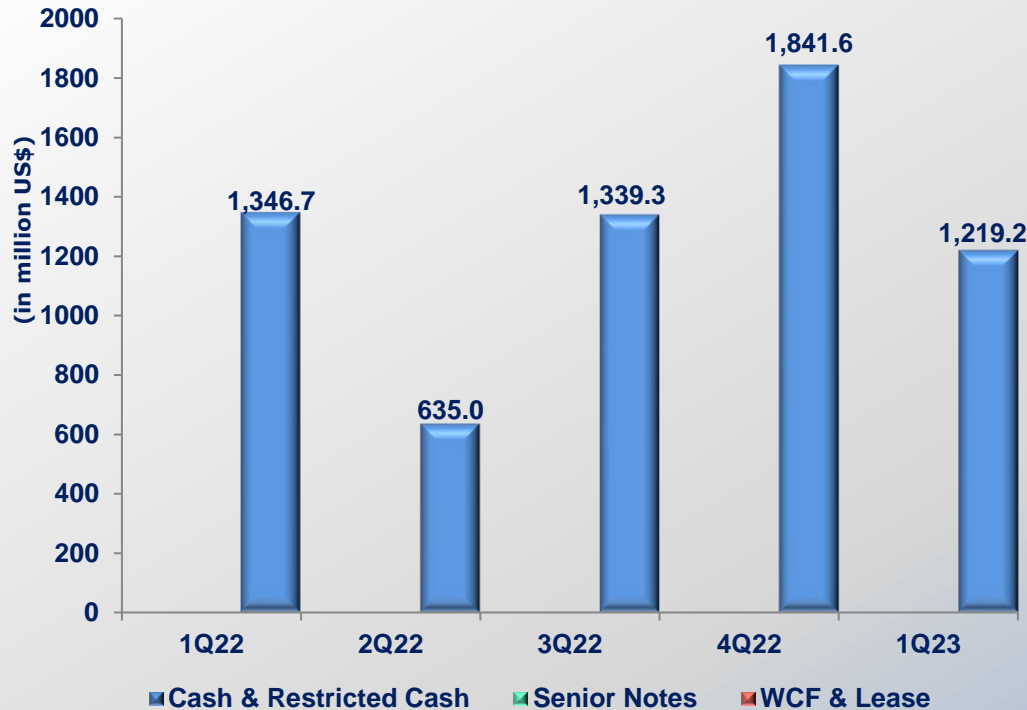
Note : B stands for Budget Figure

➤ **1Q23 EBITDA margin of 55.6% represents one of the best margins in the Indonesian coal sector.**

**One of the best EBITDA margin's in Indonesian coal sector**



# Total Debt and Cash Position

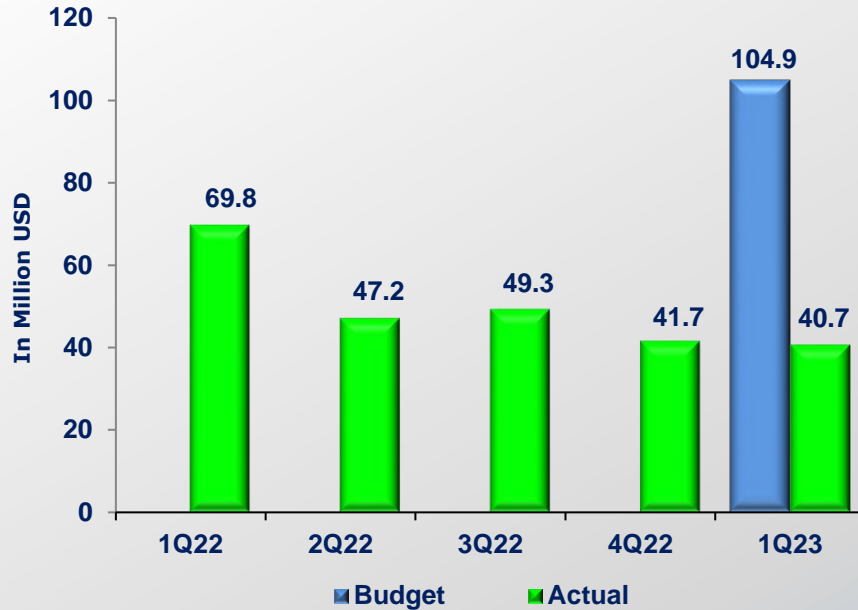


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Bayan fully repaid the Bond in 2021.
- Working capital facilities of approximately US\$ 280 million remain available.
- Turned net cash positive from 1Q21.

*Bayan continues to maintain low leverage and sufficient liquidity*



# Capital Expenditure



- **1Q23 Capex was US\$ 40.7 million, which was lower than the Budget (US\$ 104.9 million) due to the delayed commencement of the Tabang airstrip and slower than Budgeted progress on the BCT expansion.**
- **We currently expect the haul road, first OLC and barge loader to be completed by end of 2023.**
- **Total Budget capex in the region of US\$ 220 - 250 million in 2023.**
- **1Q23 spend included:**
  - **US\$ 18.7 million of progress payments for the 100km haul road, OLC and barge loading facilities.**
  - **US\$ 8.9 million of purchase variety of mobile equipment.**

***1Q23 Capex lower than Budget***



# Appendix

PT Perkasa Inakakerta	PIK
PT Teguh Sinarabadi	TSA
PT Firman Ketaun Perkasa	FKP
PT Wahana Baratama Mining	WBM
PT Brian Anjat Sentosa	BAS
PT Bara Tabang	BT
PT Fajar Sakti Prima	FSP
PT Dermaga Energi	DE
PT Tanur Jaya	TJ
PT Tiwa Abadi	TA
PT Silau Kencana	SK
PT Orkida Makmur	OM
PT Sumber Api	SA
PT Bara Sejati	BS
PT Apira Utama	AU
PT Cahaya Alam	CA
PT Mamahak Coal Mining	MCM
PT Bara Karsa Lestari	BKL
PT Mahakam Energi Lestari	MEL
PT Mahakam Bara Energi	MBE

Tabang

North  
Pakar

South  
Pakar

Mamahak



# Appendix

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Kangaroo Resources Pty Ltd	KRL
PT Dermaga Perkasapratama	DPP
PT Indonesia Pratama	IP
PT Muji Lines	Muji
PT Bayan Energy	BE
PT Metalindo Prosestama	MP
PT Sumber Aset Utama	SAU
PT Karsa Optima Jaya	KOJ
PT Gunungbayan Pratamacoal	GBP



# Disclaimer

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*This presentation contains forward-looking statements based on assumptions and forecasts made by PT. Bayan Resources Tbk management. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. These statements are based on current plans, estimates and projections, and speak only as of the date they are made. We undertake no obligation to update any of them in light of new information or future events.*

*These forward-looking statements involve inherent risks and are subject to a number of uncertainties, including trends in demand and prices for coal generally and for our products in particular, the success of our mining activities, both alone and with our partners, the changes in coal industry regulation, the availability of funds for planned expansion efforts, as well as other factors. We caution you that these and a number of other known and unknown risks, uncertainties and other factors could cause actual future results or outcomes to differ materially from those expressed in any forward-looking statement.*



**Thank You**