



**PT. BAYAN RESOURCES Tbk.**

***Third Quarter 2022  
Update Presentation***



# Overview

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- **Market prices have remained strong and are currently forecast to continue at elevated levels throughout the remainder of 2022.**
- **Operationally 2022 has been a challenging period with the Government of Indonesia's export ban and significantly higher rainfall than anticipated which reduced production volumes and caused geotechnical slips at Tabang's waste dumps.**
- **Cash costs increased and were higher than Budgeted principally due to higher royalties due to both higher than anticipated ASP combined with increases in royalty rates.**
- **However, despite these challenges, overall YTD 2022 actual financial performance has exceeded the Budget principally due to the higher ASP.**
- **YTD 2022's financial performance already exceeds 2021's full year levels.**



# Bayan's Financial and Operational Performance

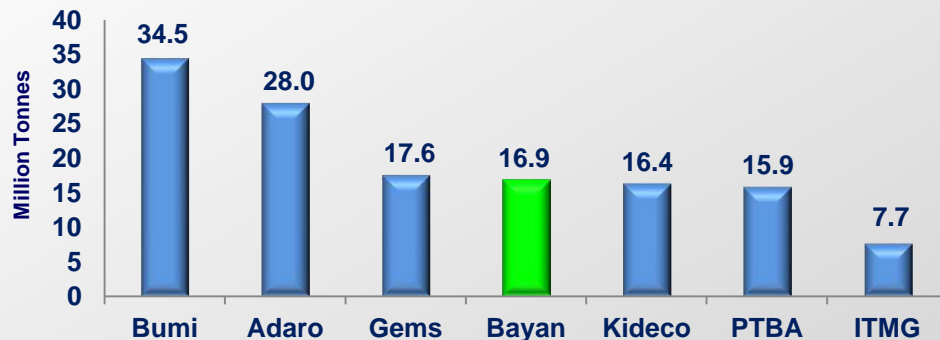
	2020	2021	YTD 3Q22	3Q21	3Q22
<b>Financial Performance</b> (In Million USD)					
Revenue	1,395.1	2,852.2	3,348.2	725.4	1,343.1
Gross Profit	462.9	1,901.1	2,420.6	484.8	970.4
EBITDA	356.7	1,743.0	2,243.8	438.6	917.4
Net Profit After Tax	344.5 <sup>*1</sup>	1,266.0	1,707.6	321.1	699.6
<b>Financial Ratios</b>					
Gross Profit Margin (%)	33.2%	66.7%	72.3%	66.8%	72.2%
EBITDA Margin (%)	25.6%	61.1%	67.0%	60.5%	68.3%
Net Profit Margin (%)	24.7%	44.4%	51.0%	44.3%	52.1%
Net Debt to EBITDA (x)	0.1	Net Cash	Net Cash	Net Cash	Net Cash
<b>Operational Statistics</b>					
Overburden Removal (MBCM)	120.9	146.1	112.5	36.8	44.3
Strip Ratio (x) - based on production volume	4.0	3.9	4.0	4.0	4.0
Coal Production (MT)	30.2	37.6	27.8	9.3	11.0
Sales Volume (MT)	36.3	40.4	28.0	9.6	10.7
Average Selling Price (US\$/MT)	38.4	70.7	119.4	75.4	125.2
Average Cash Costs (US\$/MT)	28.8	27.5	39.5	29.9	39.9

\*1 2020 Includes reversal of impairment provision net USD 165.8 million.



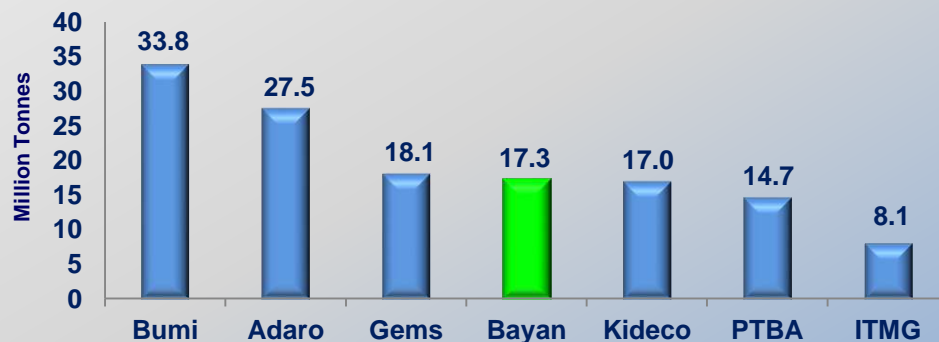
# One of the Largest Coal Producers

## 1H22 Production



Source: Company Filings, Company Data

## 1H22 Sales Volume



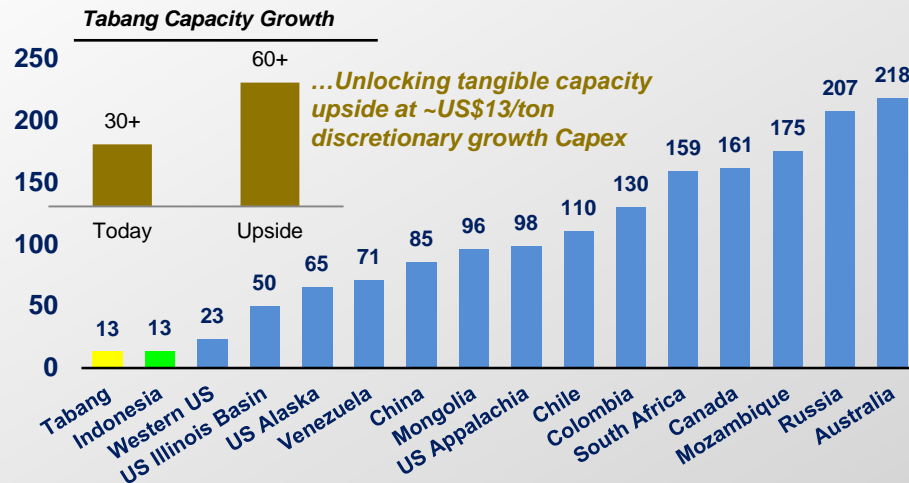
Source: Company Filings, Company Data

- Bayan is ranked 4<sup>th</sup> by production and sales volumes in Indonesia.
- Even though we expect 2H 2022 production to be higher than 1H 2022, Bayan's sales volumes will remain at similar levels to those of 2021 until the new coal haul road to the Mahakam River and the first barge loading facility are completed by end of 2023.
- 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>



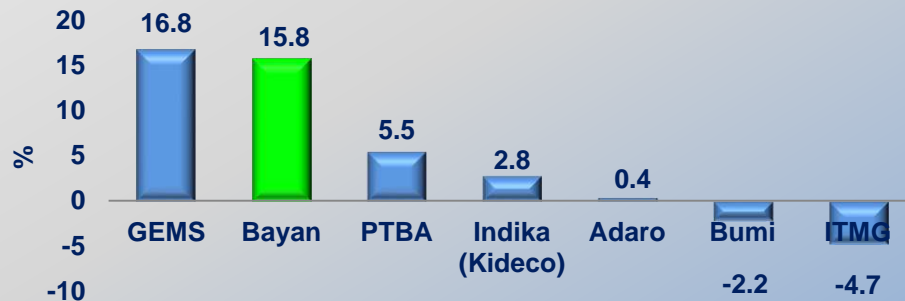
Source: Wood Mackenzie

**Notes**

(1) Based on 2012 real dollars

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

## 2017 - 2021 CAGR (Production)



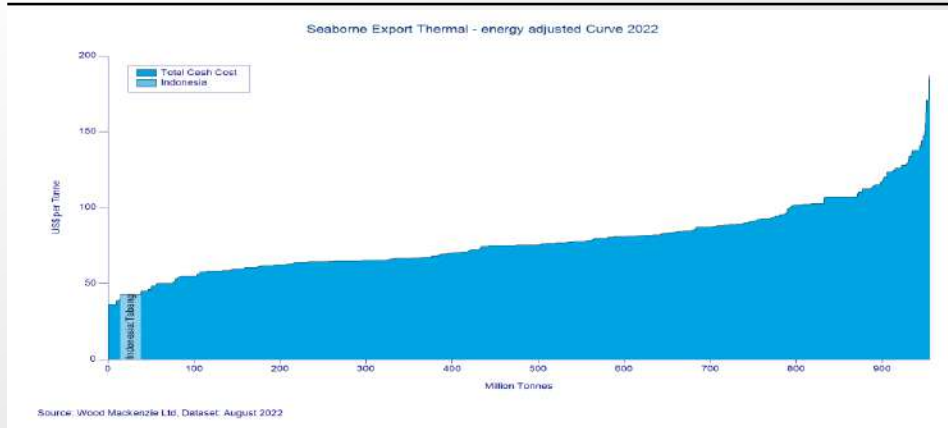
Source: Company Filings, Company Data

- Construction of the new haul road commenced in December 2019 and is progressing albeit behind schedule.
- Due to the high rainfall throughout 2021 which continued into 1H22, our new coal haul road and the first barge loading facility are now estimated to be completed by end of 2023.
- 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\$ 393 million (2022-2023) for the Group, of which US\$ 351 million is expansionary capex tied to the Tabang Project including upgrading the BCT.



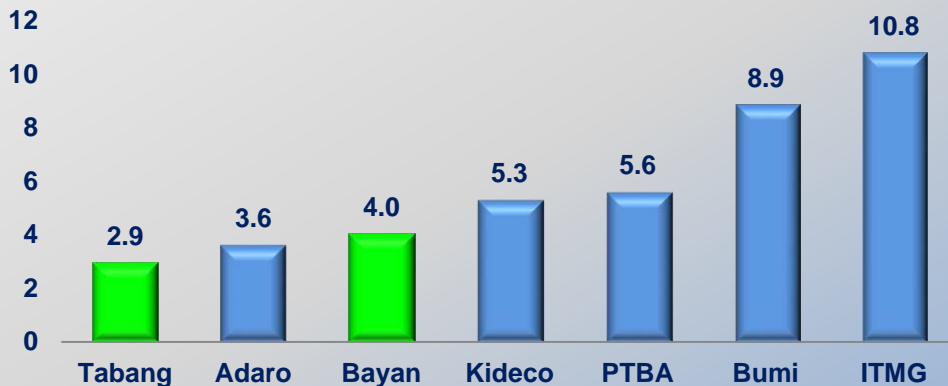
# One of the Lowest Cost Producers in Indonesia

## Global Cost Competitive Positioning



Source: Wood Mackenzie

## 1H22 Strip Ratio



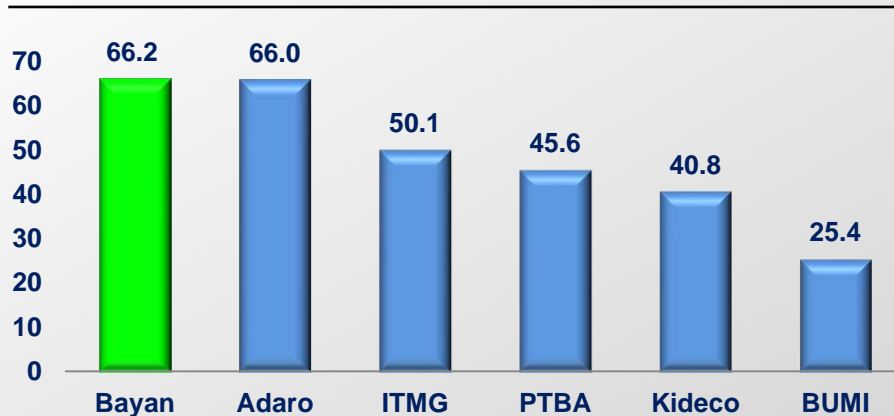
Source: Company Filings, Company Data

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



# And One of the Highest Margin Producers in Indonesia

## 1H22 EBITDA Margin (%)

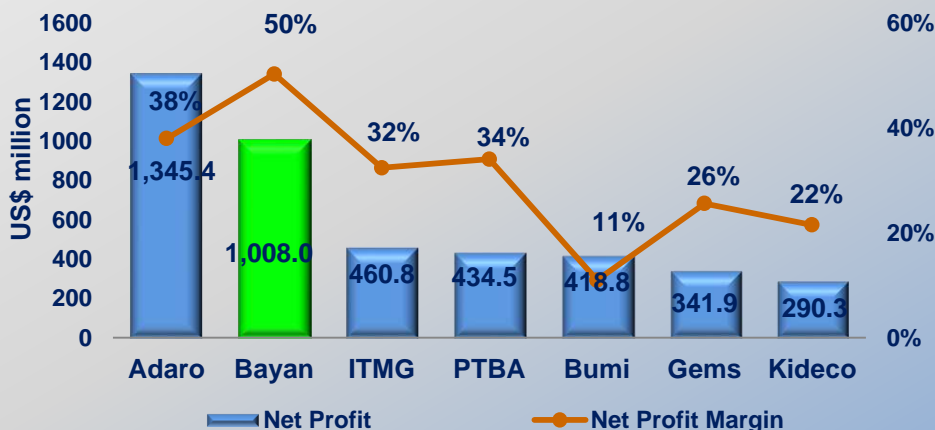


Source: Company Filings, EBITDA estimated using Company Data

➤ 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.

## 1H22 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, low royalty rates and lower corporate tax than first Gen CCOW's/IUPK's.



# Deleveraged the Group

## Net Debt / EBITDA



## EBITDA / Interest Expense



- 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.
- Existing Working Capital Facilities of approximately US\$ 280 million are still available.
- Targeted net leverage of less than 2.5x EBITDA throughout the commodity cycle.
- Bayan has been re-assigned independent credit ratings of BB- by Fitch in February 2022 and Ba2 by Moody’s in September 2021.





# **3Q 2022**

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**Overburden Removal**

**Coal Production**

**Weighted Average Strip Ratio**

**Average Cash Costs**

**Coal Sales**

**Average Selling Price**

**Committed & Contracted Sales**

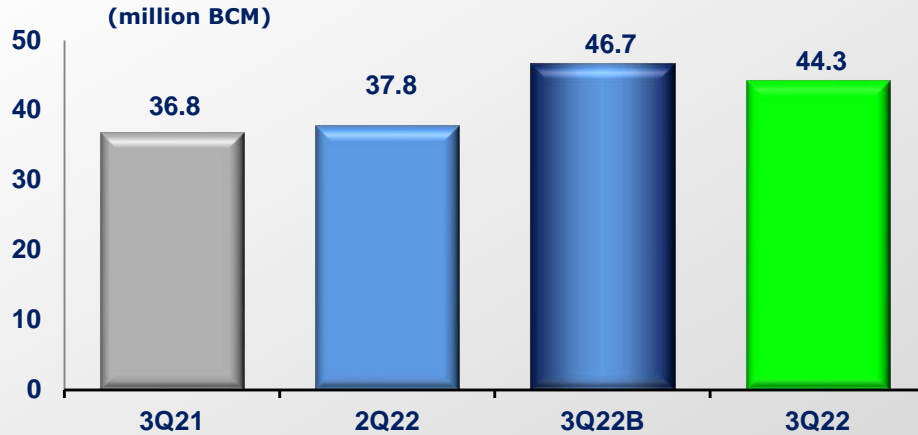
**EBITDA**

**Debt and Cash Position**

**Capital Expenditure**



# Overburden Removal (OB)



Note : B stands for Budget Figure

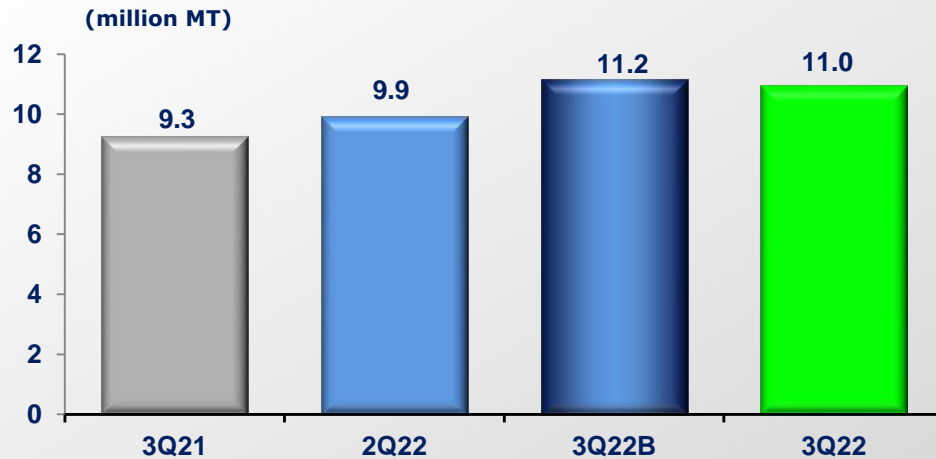
(in million BCM)	2Q22	3Q22B	3Q22
Teguh Sinarabadi / Firman Ketaun Perkasa	7.3	9.4	8.5
Perkasa Inakakerta	1.6	2.2	1.8
Wahana Baratama Mining	3.6	3.5	3.6
Tabang Concessions	22.9	28.8	28.9
Gunungbayan Pratamacoal	-	1.3	-
Pakar North	2.4	1.5	1.5
<b>Total</b>	<b>37.8</b>	<b>46.7</b>	<b>44.3</b>

- 3Q22 OB of 44.3 million BCM was lower than the Budget due to higher rainfall mainly at TSA/FKP mine.
- 3Q22 OB was higher than 2Q22 due to Tabang having completed the rectification work on the geotechnical slippage which happened in 1Q22.

*Overburden increased from 2Q22 low's*



# Coal Production



Note : B stands for Budget Figure

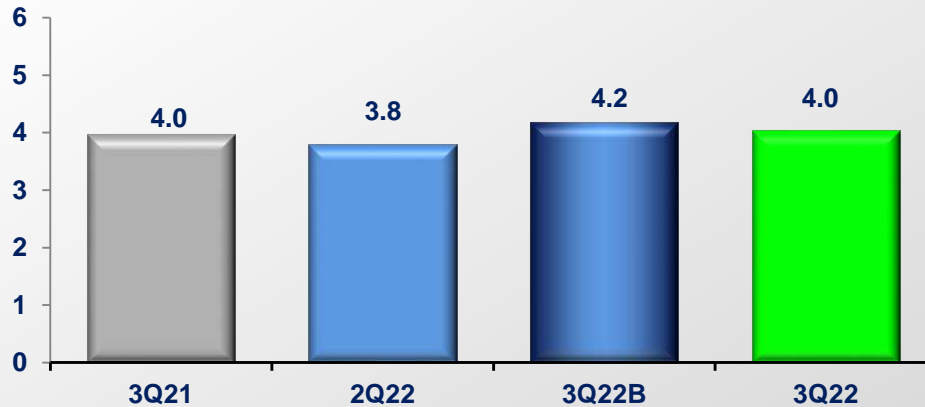
- 3Q22 coal production of 11.0 million MT was marginally lower than the Budget but higher than 2Q22 as Tabang improved performance to catch up for the production loss in 1Q22.

(in million MT)	2Q22	3Q22B	3Q22
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.7	0.9	0.8
Perkasa Inakakerta	0.2	0.3	0.2
Wahana Baratama Mining	0.2	0.3	0.2
Tabang Consessions	7.9	9.3	9.1
Gunungbayan Pratamacoal	-	0.1	-
Pakar North	0.9	0.3	0.6
<b>Total</b>	<b>9.9</b>	<b>11.2</b>	<b>11.0</b>

**Coal production was higher than 2Q22**



# Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

Weighted Average SR (:1)	2Q22	3Q22B	3Q22
Teguh Sinarabadi / Firman Ketaun Perkasa	10.8	10.7	10.6
Perkasa Inakakerta	6.8	6.8	7.3
Wahana Baratama Mining	14.9	13.2	15.6
Tabang Concessions	2.9	3.1	3.2
Gunungbayan Pratamacoal	-	14.7	-
Pakar North	2.6	5.0	2.7
<b>Total</b>	<b>3.8</b>	<b>4.2</b>	<b>4.0</b>

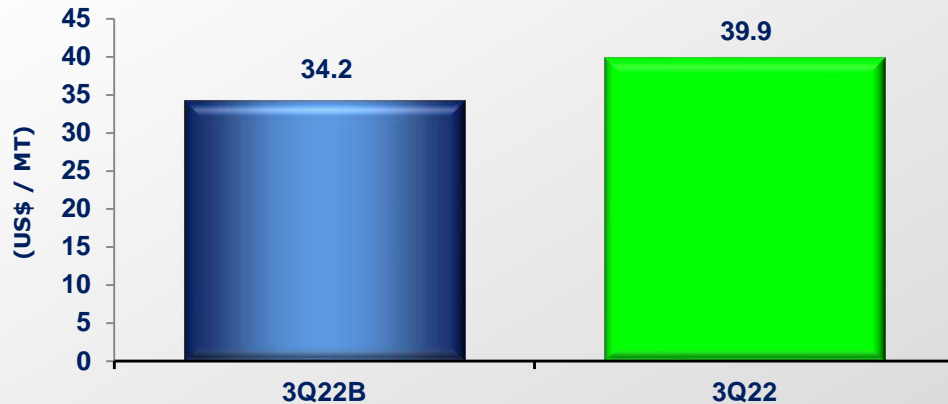
➤ 3Q22 weighted average stripping ratio was slightly lower than the Budget due to:

- Expansion of Pakar North in low SR areas.

**3Q22 weighted average stripping ratio was lower than the Budget**



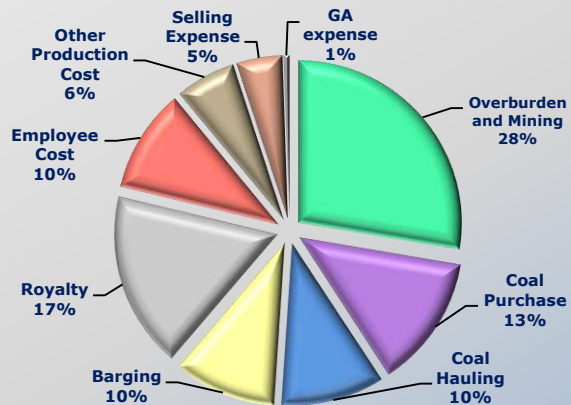
# Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

## Cash Cost per Expense – YTD 3Q22



➤ 3Q22 Cash Costs were higher than Budget due to:

- Higher royalties due to significantly higher ASP.
- Higher subcontractor charges due to higher fuel price.
- Higher accrual of DMO expenses due to implementation of the new regulation.
- Higher agency fee due to actual fee's being linked to ASP.

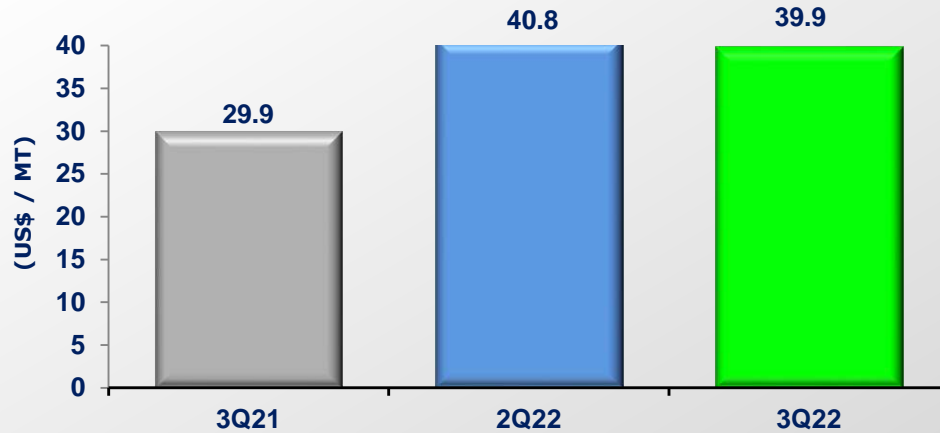
Partially offset by:

- Lower salaries and wages due to the Budget spreading the cost over the whole year.
- Higher fuel hedging settlement than Budgeted.

**3Q22 cash costs were higher than the Budget**



# Average Cash Costs (3Q22 vs 2Q22)



Average Cash Costs include Royalty, Barging and SGA

➤ 3Q22 Cash Costs of US\$ 39.9/MT were generally in line with 2Q22 of US\$ 40.8/MT due to:

- Full bonus paid in 2Q22 whilst no bonus paid in 3Q22.
- Lower cost of purchased coal due to lower purchase price and quantity purchased.

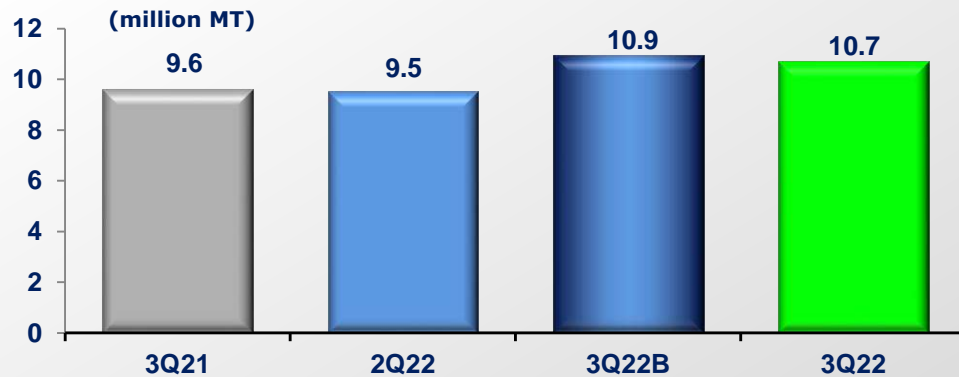
Partially offset by

- Higher royalty due to introduction of new royalty rate which was revised in September 2022.

*3Q22 cash costs were generally in line with 2Q22 levels*

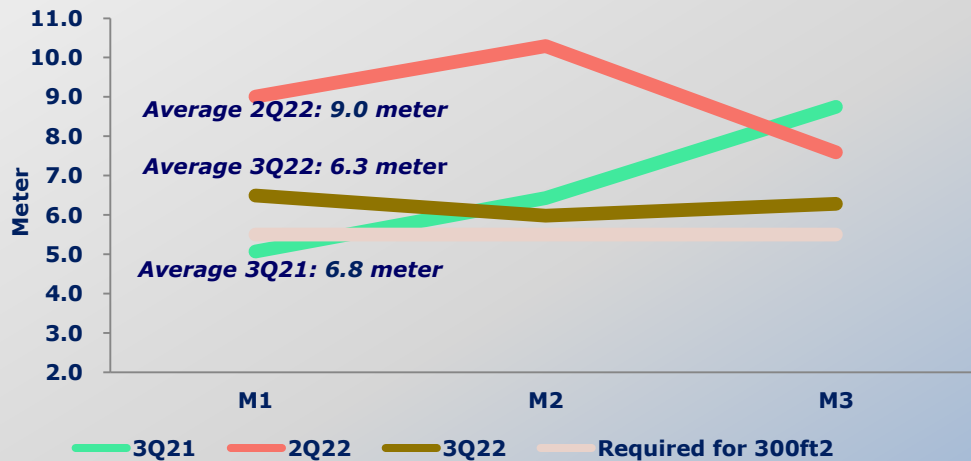


# Coal Sales (by volume)



Note : B stands for Budget Figure

## Average Senyuir Water Levels



➤ 3Q22 coal sales volumes of 10.7 million MT were principally in line with Budget.

➤ Higher sales volume compare to 2Q22 due to higher production despite lower water level at Senyuir compared to the 2Q22, as lower water level still allowed full barging.

➤ Group inventory levels low at 2.9 million MT as at the end of September 2022.

➤ Quarterly barging at Tabang - Senyuir:

- 3Q21: 7.7 million MT.
- 2Q22: 8.3 million MT.
- 3Q22: 9.0 million MT.

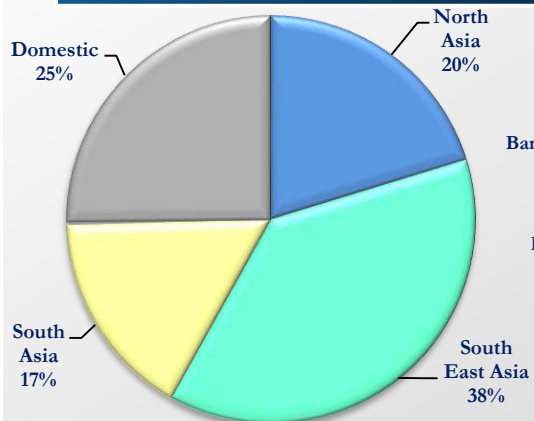
**3Q22 sales volume improved from 2Q22 low's**



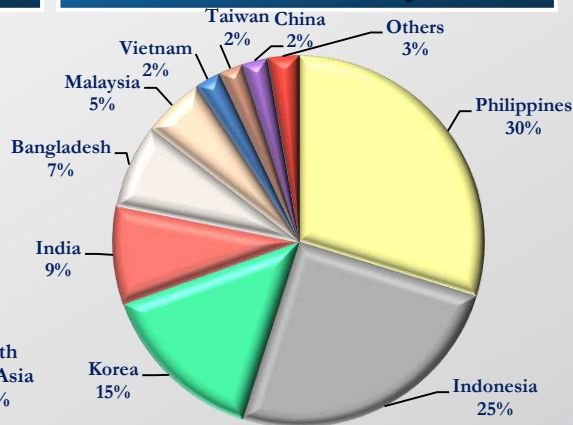
# Coal Sales (by volume) (continued)

## Geographic Distribution (YTD 3Q22) – by Volume

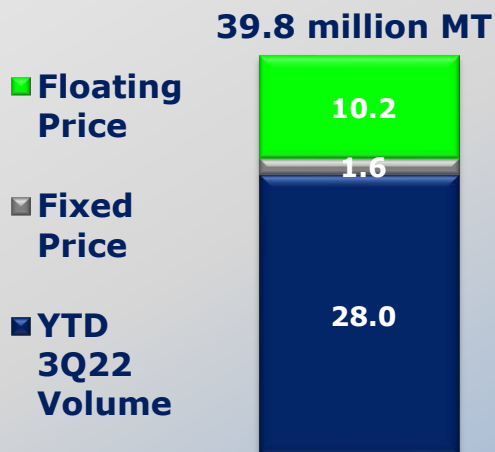
### Per Region



### Per Country



## Committed and Contracted Sales for 2022



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

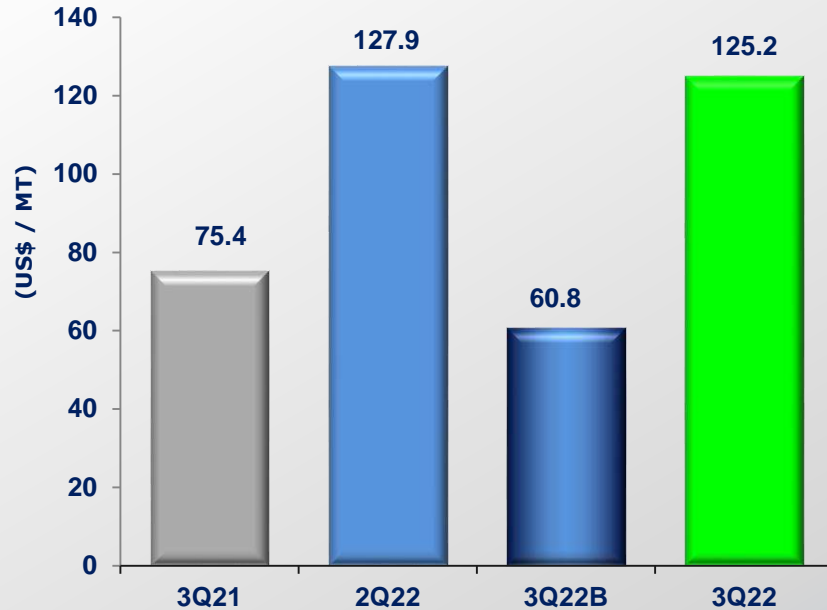
➤ Excluding YTD 3Q22 deliveries we have 1.6 million MT of fixed prices contracts for the remainder of the year at US\$ 56.1/MT with an average CV of 4,215 kcal/kg GAR.

➤ As at the end of September 2022, committed and contracted sales were 39.8 and 33.0 million MT for 2022 and 2023 with an average CV of 4,493 and 4,497 kcal/kg GAR.





# Average Selling Price (ASP)



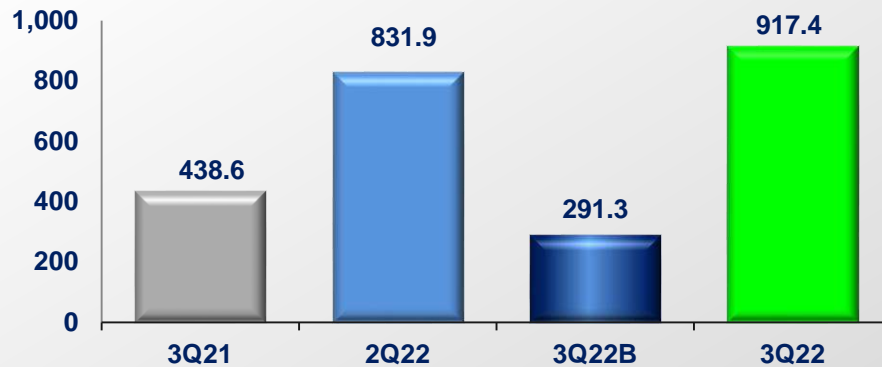
\* ASP includes coal and non-coal sales  
Note : B stands for Budget Figure

- 3Q22 ASP of US\$ 125.2/MT was significantly higher than the Budget due to market prices continuing to be strong.
- 3Q22 ASP was slightly lower than 2Q22 as certain renegotiated fixed prices deliveries commenced.
- Forecasts by Wood Mackenzie as per October 2022 were for market prices to remain strong, at an average of around US\$ 353.1/MT for the remainder of 2022 and US\$ 246.6/MT for 2023.
- We anticipate that the current spot market will trade lower, however we will continue to benefit from strong market prices throughout 2022.

**ASP continued to exceed Budgeted levels**

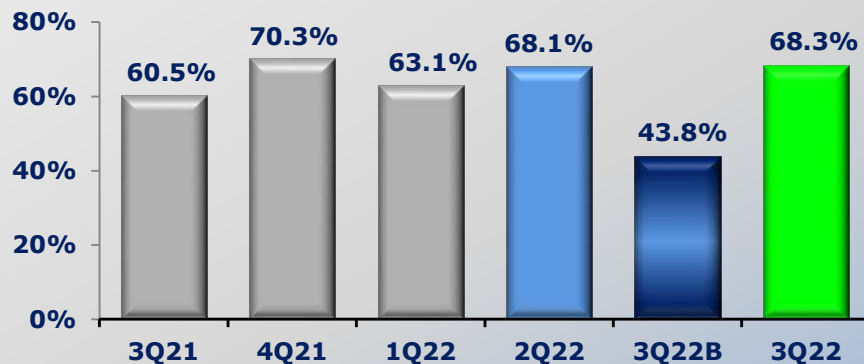


# EBITDA



Note : B stands for Budget Figure

## EBITDA Margin



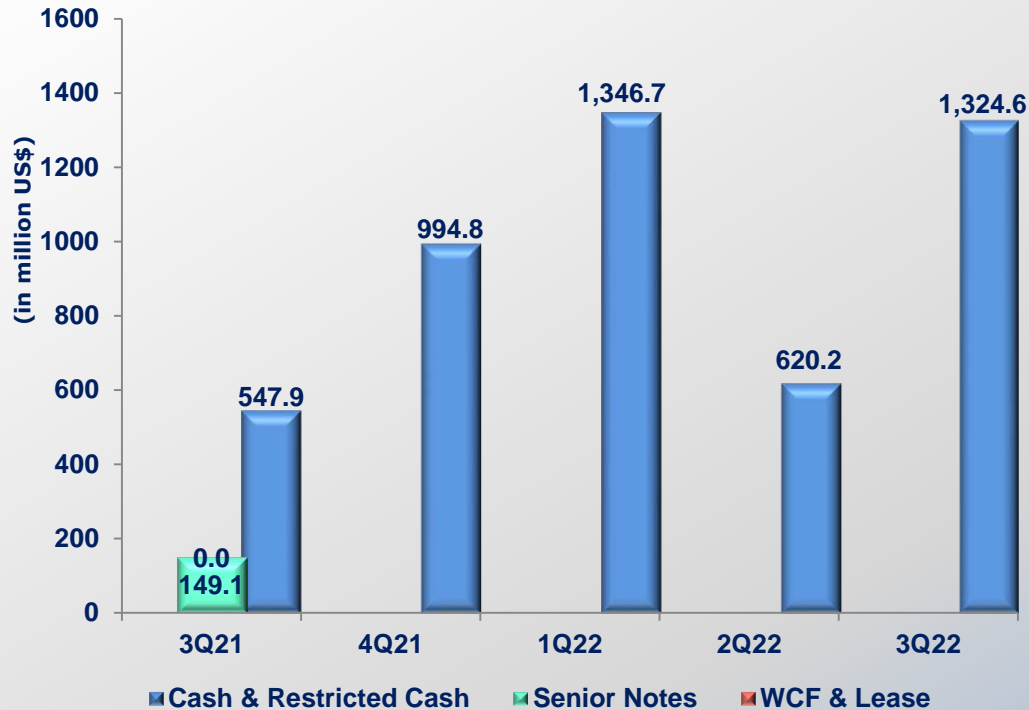
Note : B stands for Budget Figure

- 3Q22 EBITDA was significantly higher than the Budget due to significantly higher ASP.
- 3Q22 EBITDA was higher than 2Q22 due to higher sales volume.
- 3Q22 EBITDA was the best quarter ever in the history of Bayan.
- YTD EBITDA already exceed full year 2021 levels.
- 3Q22 EBITDA margin of 68.3% 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

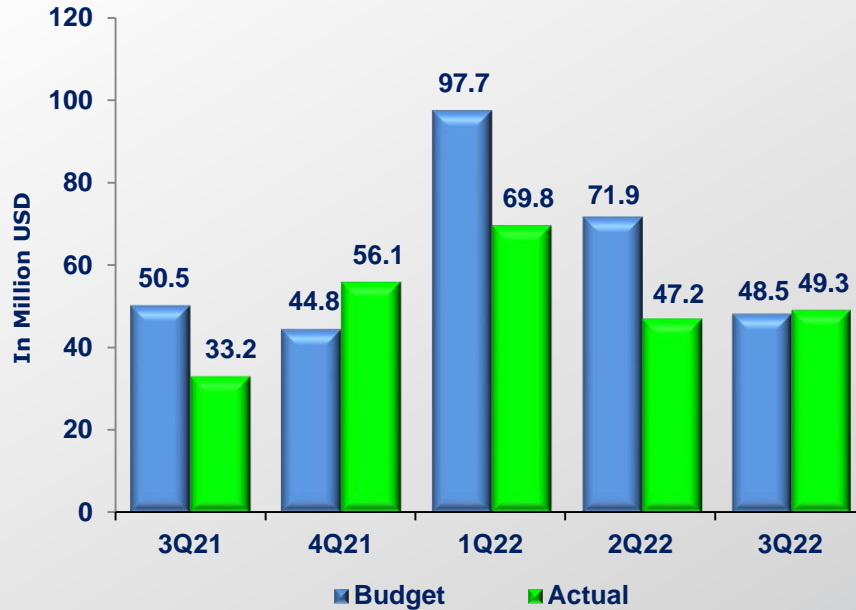


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Bayan fully repaid the Bond in 2021.
- Working capital facilities of approximately US\$ 280 million remain available.
- Turned net cash positive from 1Q21.

*Bayan continues to maintain low leverage and sufficient liquidity*



# Capital Expenditure



➤ YTD 3Q22 Capex was US\$ 166.2 million, which was lower than the Budget (US\$ 218.1 million) due to slower than Budgeted progress on the new Tabang 100km coal hauling road and overland conveyor (“OLC”) facilities primarily as a result of the heavy rainfall especially in the 1H22.

➤ We currently expect the haul road, OLC and barge loading facilities to be completed by end of 2023.

➤ Major items included:

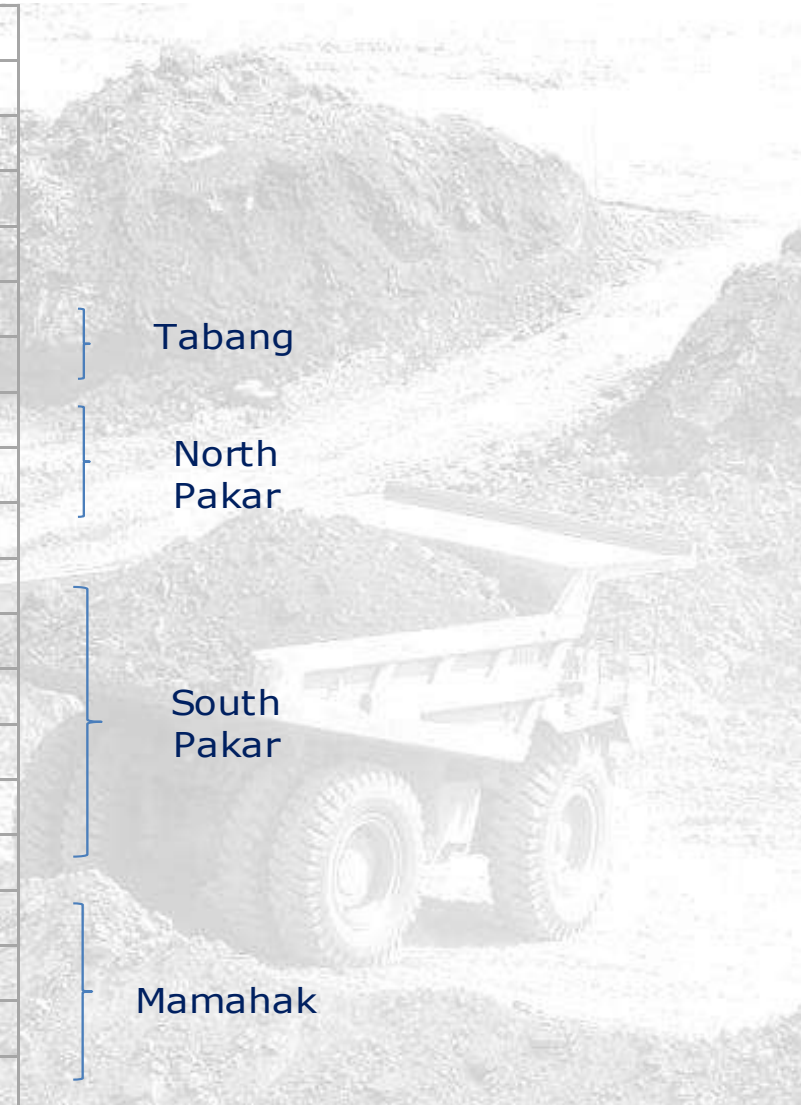
- US\$ 101.4 million of progress payments for the 100km haul road, OLC and barge loading facilities.

*YTD 3Q22 Capex lower than Budget due to heavy rain*



# 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





# 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**