



**PT. BAYAN RESOURCES Tbk.**



***Fourth Quarter 2021  
Update Presentation***



# Overview

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- **2021 has been a very strong year as market prices have increased significantly and are currently forecast to remain strong throughout the remainder of 2022.**
- **We have utilised this strong financial performance to fully prepay our remaining Bonds, invest in expansionary infrastructure and build our cash position.**
- **4Q21 and full year 2021 generated the highest EBITDA ever in Bayan's history primarily due to the significantly higher ASP combined with higher sales volumes.**
- **2021 Net income and EBITDA increased 268% and 389% compared to 2020.**
- **We ended the year with over USD980 million in cash.**



# Bayan's Financial and Operational Performance

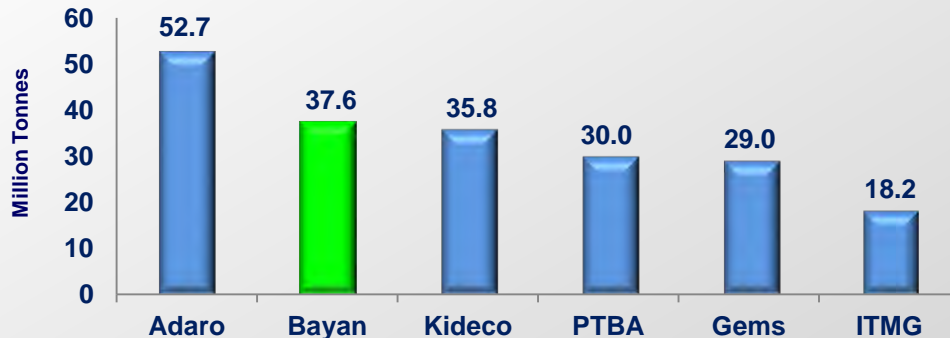
	2020	4Q20	4Q21	2021
<b>Financial Performance</b> (In Million USD)				
Revenue	1,395.1	391.9	1,103.1	2,852.2
Gross Profit	462.9	162.3	824.6	1,901.1
EBITDA	356.7	137.2	775.8	1,743.0
Net Profit After Tax * <sup>1</sup>	344.5	226.3	585.8	1,266.0
<b>Financial Ratios</b>				
Gross Profit Margin (%)	33.2%	41.4%	74.8%	66.7%
EBITDA Margin (%)	25.6%	35.0%	70.3%	61.1%
Net Profit Margin (%)	24.7%	57.7%	53.1%	44.4%
Net Debt to EBITDA (x)	0.1	0.1	Net Cash	Net Cash
<b>Operational Statistics</b>				
Overburden Removal (MBCM)	120.9	28.5	39.3	146.1
Strip Ratio (x) - based on production volume	4.0	3.3	3.8	3.9
Coal Production (MT)	30.2	8.7	10.3	37.6
Sales Volume (MT)	36.3	10.4	11.1	40.4
Average Selling Price (US\$/MT)	38.4	37.8	99.5	70.7
Average Cash Costs (US\$/MT)	28.8	24.9	29.6	27.5

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



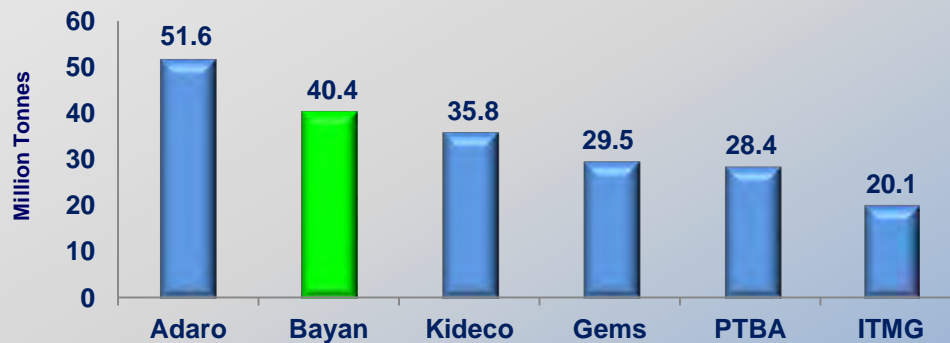
# One of the Largest Coal Producers

## YTD 2021 Production



Source: Company Filings, Company Data

## YTD 2021 Sales Volume



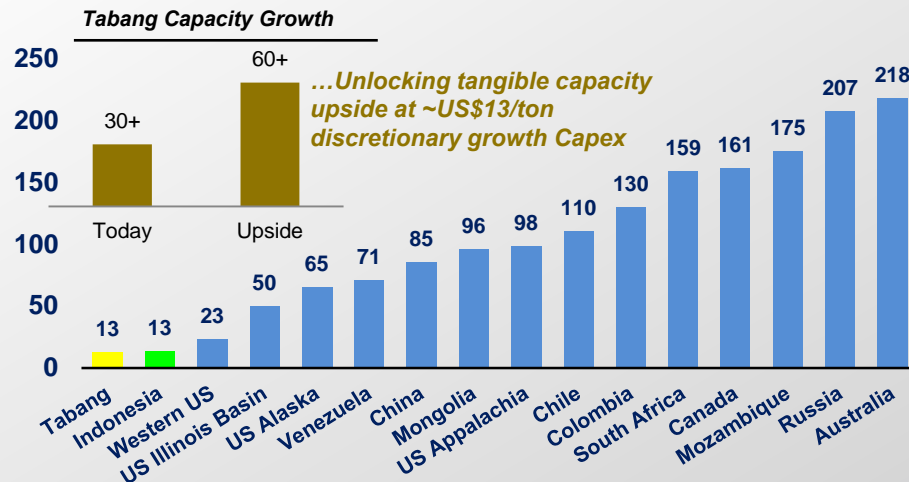
Source: Company Filings, Company Data

- Bayan is ranked 2<sup>nd</sup> by production volume and in terms of sales volumes in Indonesia.
- Bayan's sales volume will remain at similar in 2022 until the new coal haul road to the Mahakam River and the first barge loading facility is completed in 2023.
- This will unleash Bayan's next level of expansion to more than 60 mtpa.



# Low Cost Incremental Growth

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



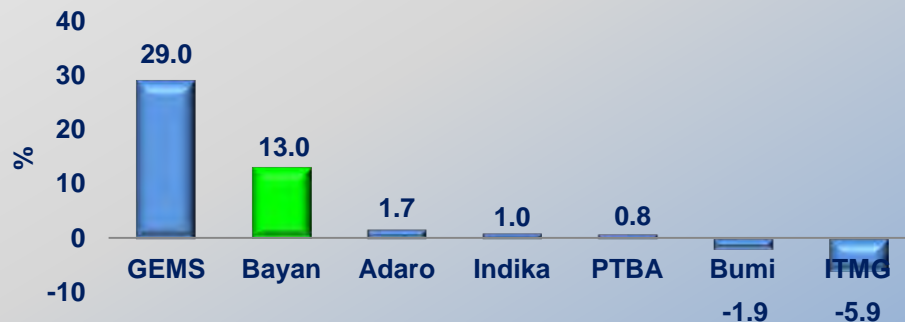
Source: Wood Mackenzie

Notes

(1) Based on 2012 real dollars

(2) US\$345m Capex (include BCT) divided by an incremental 30+ Mtpa production / sales capacity

## 2017 - 2020 CAGR (Production)



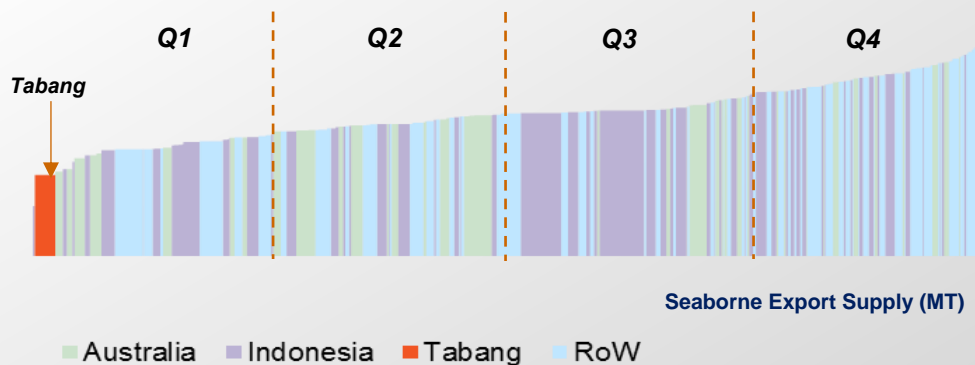
Source: Company Filings, Company Data

- Construction of the new haul road commenced in December 2019 and is progressing albeit slightly behind schedule.
- Due to the high rainfall throughout 2021, our new coal haul road and the first barge loading facility are now targeted to be brought into operation in 2023. Once all three barge loaders have been completed this will add an additional 25-30 million MT to our existing capacity.
- Total forecasted capex in the region of USD 393 million (2022-2023) for the Group, of which US\$ 351 million is expansionary capex tied to the Tabang Project and upgrading the BCT.



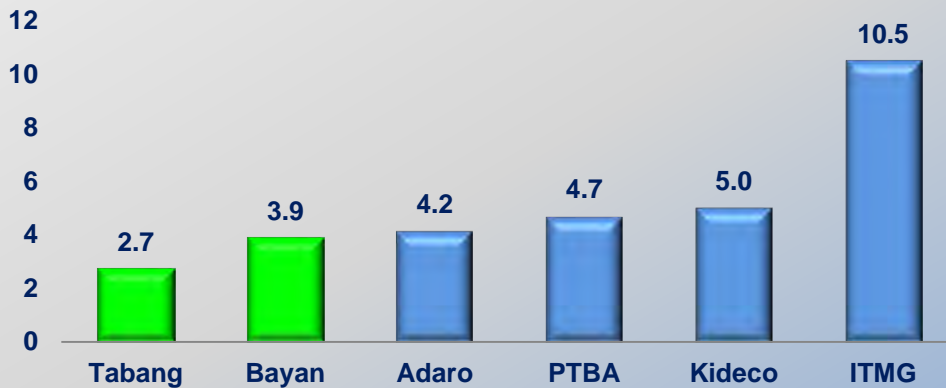
# One of the Lowest Cost Producers in Indonesia

## Global Cost Competitive Positioning



Source: Wood Mackenzie, Company Data

## YTD 2021 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 3.8.
- A new JORC reserves statement in 2021 resulted in an increase of 72% in Tabang/North Pakar reserves to 1,475 million MT.
- Tabang has one of the lowest average stripping ratios in Indonesia.



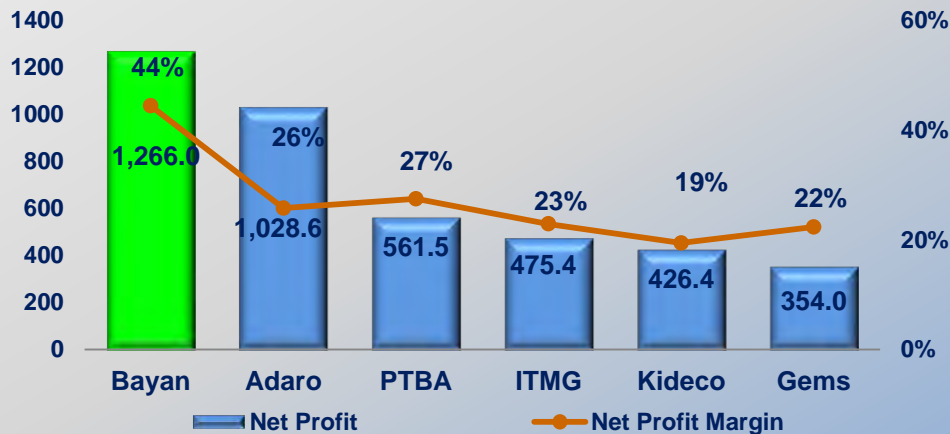
# And One of the Highest Margin Producers in Indonesia

## YTD 2021 EBITDA Margin (%)



Source: Company Filings, EBITDA estimated using Company Data

## YTD 2021 Net Profit and Net Profit Margin (%)



Source: Company Filings, 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.
- 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.



# 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\$ 300 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 November 2020 and Ba2 by Moody's in September 2021.





# 4Q 2021

**Overburden Removal**

**Coal Production**

**Weighted Average Strip Ratio**

**Average Cash Costs**

**Coal Sales**

**Average Selling Price**

**Committed & Contracted Sales**

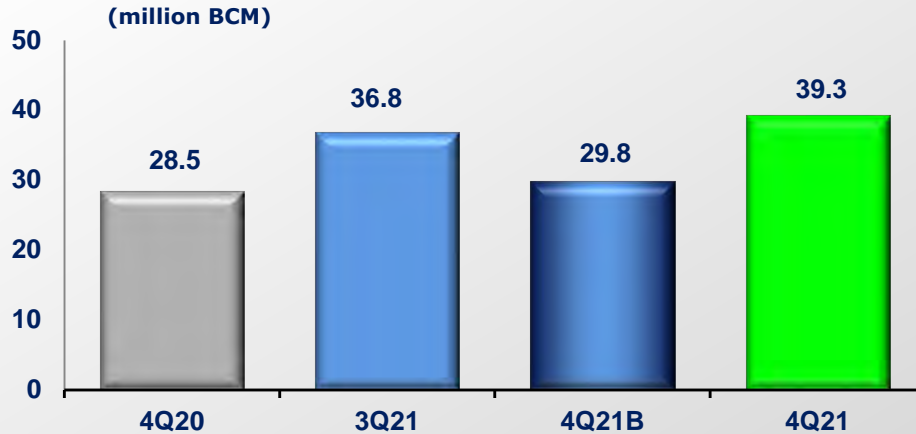
**EBITDA**

**Debt and Cash Position**

**Capital Expenditure**



# Overburden Removal (OB)



Note : B stands for Budget Figure

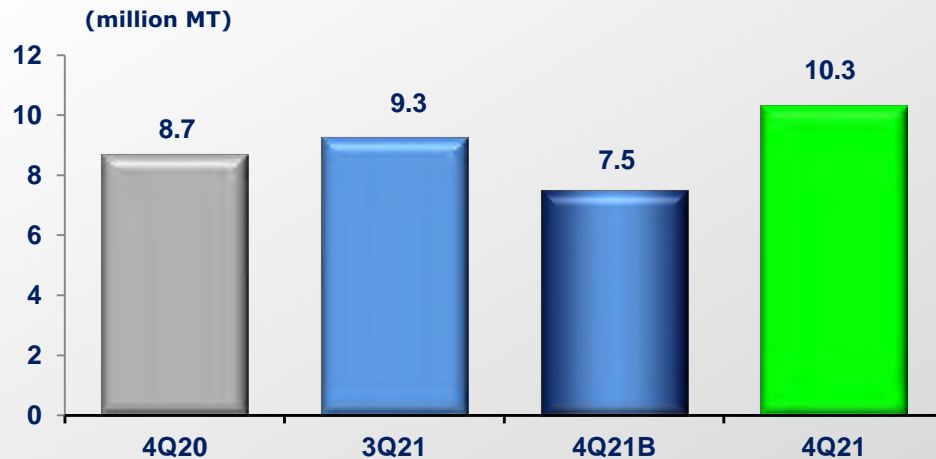
- 4Q21 OB of 39.3 million BCM was significantly higher than the Budget and 3Q 21 due to additional fleets being mobilised to Tabang.

(in million BCM)	3Q21	4Q21B	4Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	8.7	8.4	8.3
Perkasa Inakakerta	1.6	1.9	1.5
Wahana Baratama Mining	3.2	2.6	3.7
Tabang Concessions	23.2	15.1	25.0
Pakar North	-	1.8	0.8
<b>Total</b>	<b>36.8</b>	<b>29.8</b>	<b>39.3</b>

**Overburden was 32% higher than the Budget**



# Coal Production



Note : B stands for Budget Figure

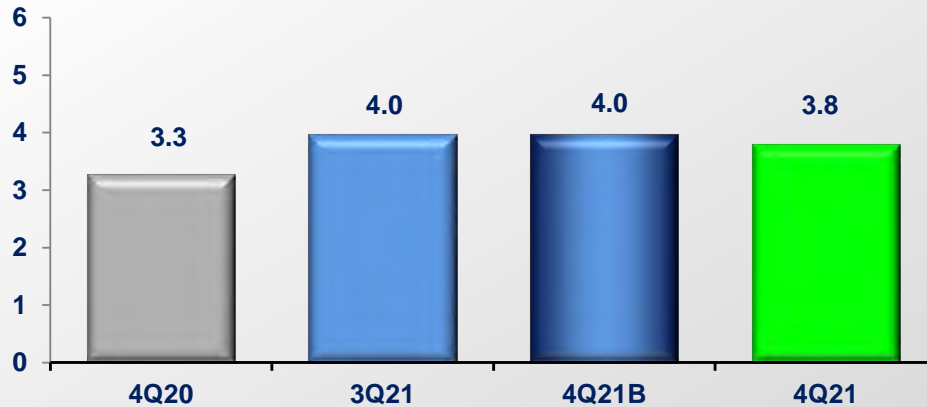
(in million MT)	3Q21	4Q21B	4Q21
Teguh Sinarabadi/ Firman Ketaun Perkasa	0.7	0.8	0.7
Perkasa Inakakerta	0.3	0.3	0.3
Wahana Baratama Mining	0.3	0.4	0.4
Tabang Consessions	8.0	5.7	8.9
Pakar North	-	0.3	0.1
<b>Total</b>	<b>9.3</b>	<b>7.5</b>	<b>10.3</b>

- 4Q21 coal production of 10.3 million MT was significantly higher than the Budget due to additional equipment utilized at Tabang as site pushed to reach revised RKAB levels and take advantage of higher water levels that facilitated additional barging.
- 4Q21 coal production was higher than the 3Q21 due to the additional equipment utilised.
- Full year coal production of 37.6 million MT exceeded the Budget of 33.8 million MT by 11%.

**Coal production was 38% over Budget for the quarter**



# Weighted Average Stripping Ratio (SR)



Note : B stands for Budget Figure

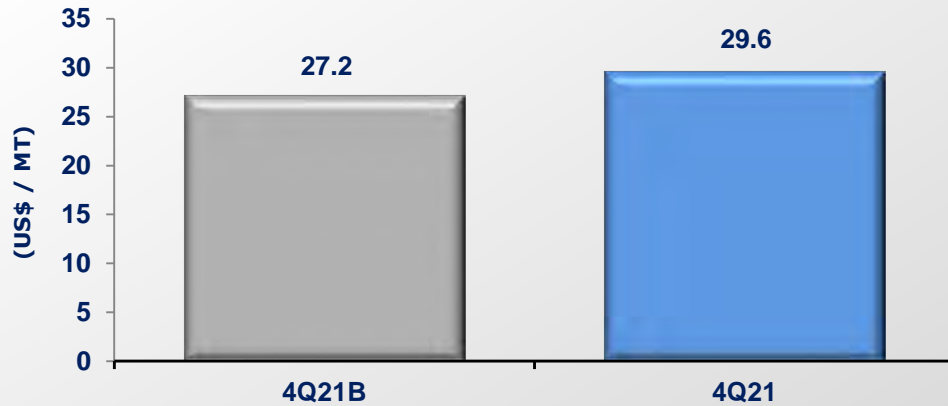
- 4Q21 weighted average stripping ratio was slightly lower than the Budget due to changes in the mine sequence caused by the higher rainfall at most sites.
- 4Q21 weighted average stripping ratio was however slightly lower than 3Q21 as Tabang accounted for a higher proportion.

Weighted Average SR (:1)	3Q21	4Q21B	4Q21
Teguh Sinarabadi / Firman Ketaun Perkasa	12.0	10.8	12.3
Perkasa Inakakerta	5.4	6.0	4.8
Wahana Baratama Mining	11.1	6.3	10.3
Tabang Concessions	2.9	2.6	2.8
Pakar North	-	7.0	9.0
<b>Total</b>	<b>4.0</b>	<b>4.0</b>	<b>3.8</b>

**3Q21 weighted average stripping ratio was lower compared to Budgeted SR**



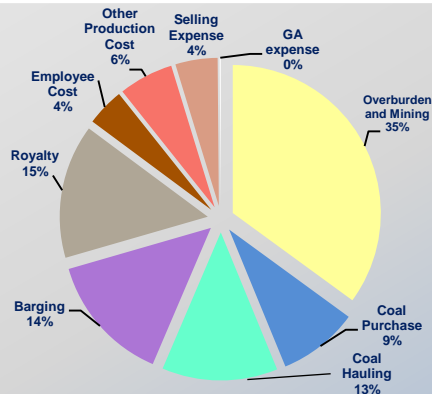
# Average Cash Costs (Budget vs Actual)



Average Cash Costs include Royalty, Barging and SGA

Note : B stands for Budget Figure

## Cash Cost per Expense –4Q21



➤ 4Q21 Cash Costs were US\$ 29.6/MT which was higher than the Budget due to:

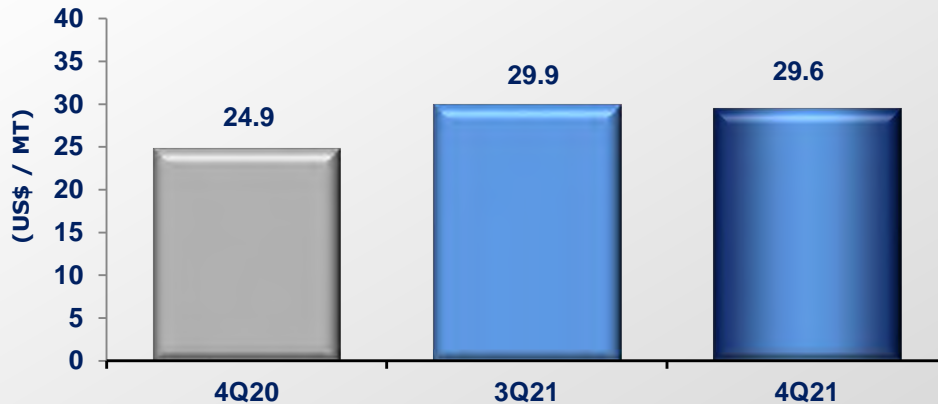
- Higher royalties due to significantly higher than Budgeted ASP.
- Higher DMO expense due to change in regulation governing compensation / penalty.
- Higher unit costs of purchased coal due to higher market price.
- Higher barging due to higher barging volume and higher fuel price.
- Higher OB due to general increase in fuel price and blasting cost.

Partially offset by higher sales volume.

**4Q21 cash costs were higher than the Budget**



# Average Cash Costs (4Q21 vs 3Q21)



Average Cash Costs include Royalty, Barging and SGA

➤ **4Q21 Cash Costs of US\$ 29.6/MT were in line with 3Q21 of US\$ 29.9/MT despite**

- **Lower wages and salaries due to no payment of annual bonuses in 4Q21, while 3Q21 had 2<sup>nd</sup> installment of annual bonuses.**
- **Lower unit costs of coal purchases due to lower quantity bought.**
- **Lower OB due to lower average SR.**
- **General impact due to higher sales volumes.**

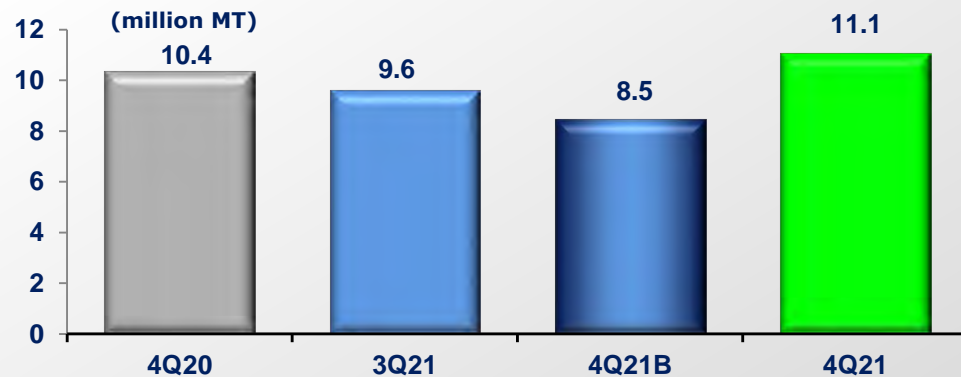
**Partially offset by**

- **Higher royalty due to significantly higher ASP than 3Q21.**
- **Higher DMO expense due to change in regulation governing compensation / penalty.**

**4Q21 cash costs inline with 3Q21 levels**

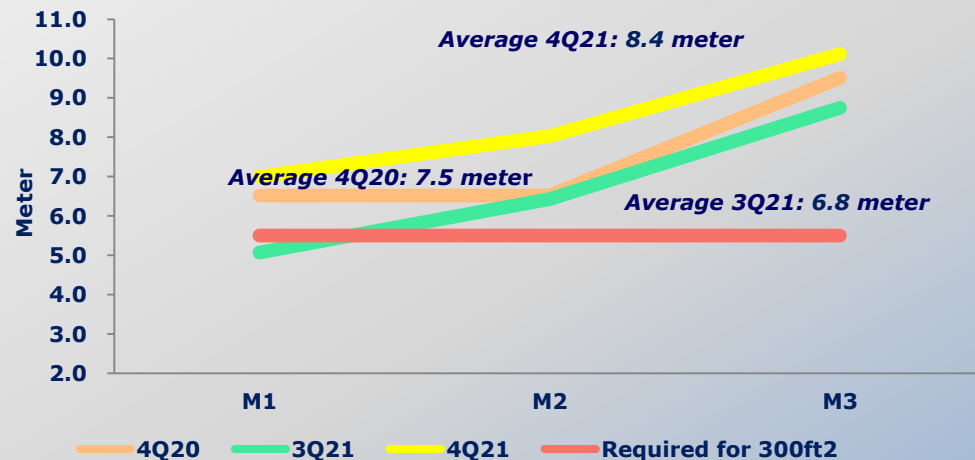


# Coal Sales (by volume)



Note : B stands for Budget Figure

## Average Senyuir Water Levels



➤ 4Q21 coal sales volumes of 11.1 million MT were significantly higher than the Budget and 3Q21 due to increase in production volumes.

➤ Full year sales volume of 40.4 million MT exceeded the Budget of 36.6 million MT by 10%.

➤ Group inventory levels of 2.2 million MT as at the end of December 2021.

➤ Quarterly barging at Tabang - Senyuir:

- 4Q20: 7.9 million MT.
- 3Q21: 7.7 million MT.
- 4Q21: 8.5 million MT.

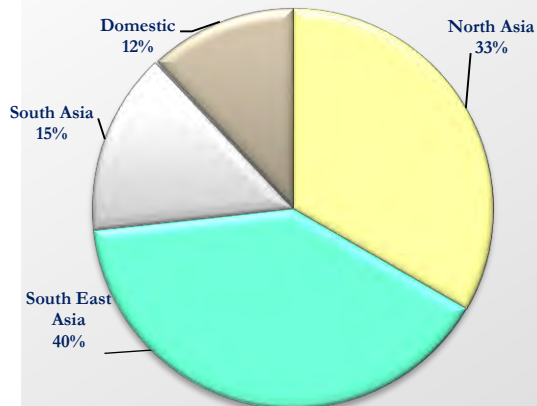
**4Q21 sales volume was 31% higher than the Budget**



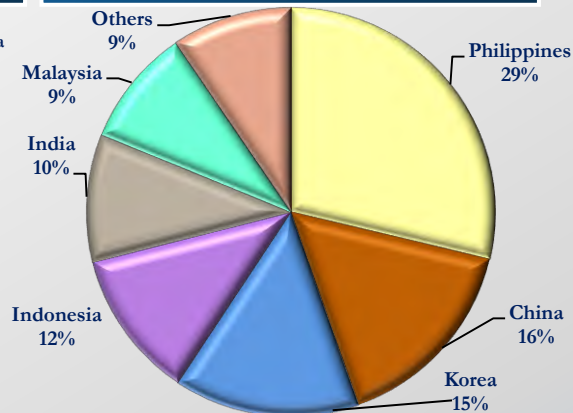
# Coal Sales (by volume) (continued)

## Geographic Distribution (YTD 4Q21) – by Volume

### Per Region



### Per Country



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

➤ As at January 2022, committed and contracted sales were 36.3 million MT for 2022 with an average CV of 4,581 kcal/kg GAR.

## Committed and Contracted Sales for 2022

36.3 million MT

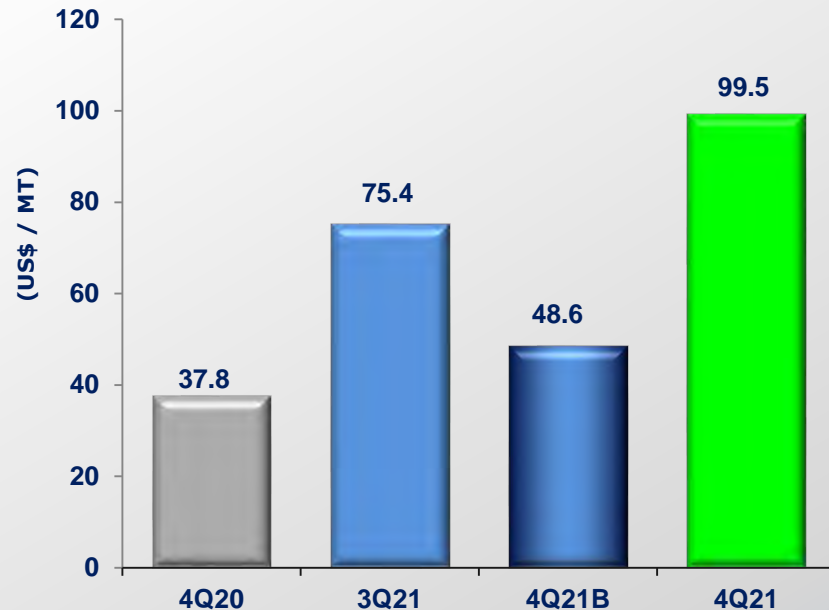
- Floating Price
- Fixed Price







# Average Selling Price (ASP)



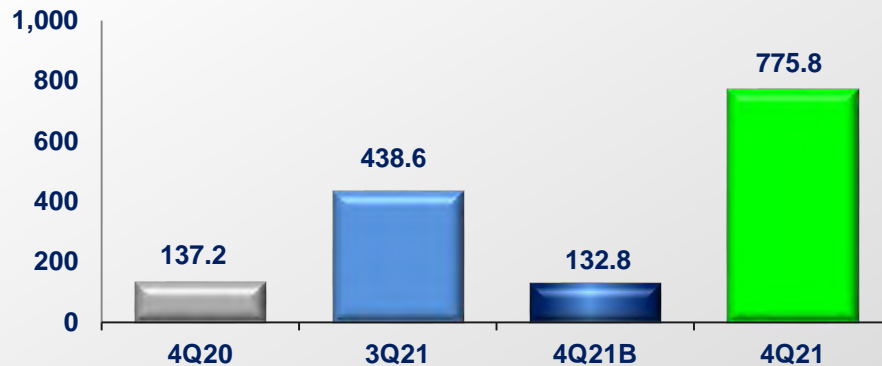
\* ASP includes coal and non-coal sales  
Note : B stands for Budget Figure

- 4Q21 ASP of US\$ 99.5/MT was significantly higher than the Budget and 3Q21 due to market prices continuing to strengthen during the 4Q21.
- Forecasts by Wood Mackenzie are for market prices to remain strong, at an average of around USD/MT 220 for 2022.
- However, due to the Russian / Ukraine conflict, current prices have seen a significant increase and are currently around US\$ 270/MT.
- We anticipate that the current market will trade lower, however we will continue to benefit from strong market prices, throughout 2022.

**ASP continued to increase significantly in 4Q21**



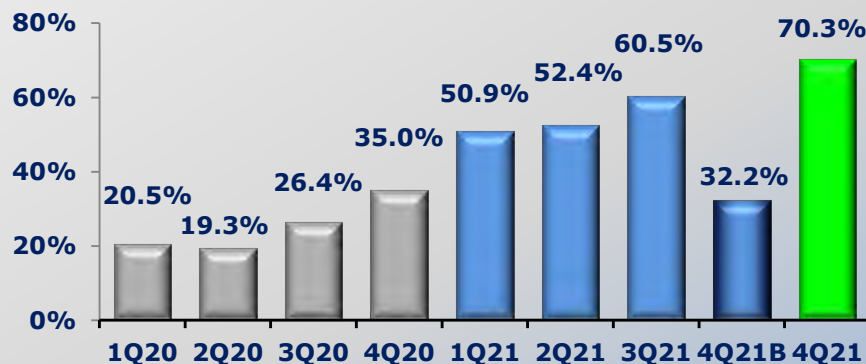
# EBITDA



Note : B stands for Budget Figure

- **4Q21 EBITDA significantly increased compared to the Budget and 3Q21 due to significantly higher ASP and higher sales volume.**
- **4Q21 EBITDA was the best quarter ever in the history of Bayan.**

## EBITDA Margin



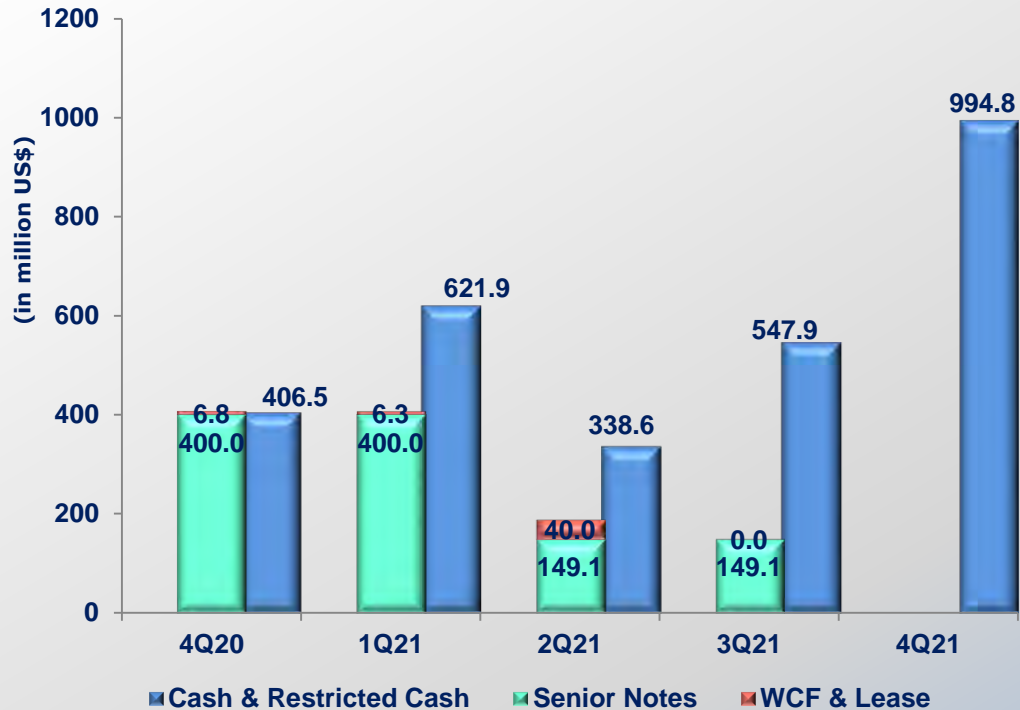
Note : B stands for Budget Figure

- **Full year EBITDA of \$1,743.0 million exceeded the Budget of \$764.1 million by 128%.**
- **4Q21 EBITDA margin of 70.5% 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

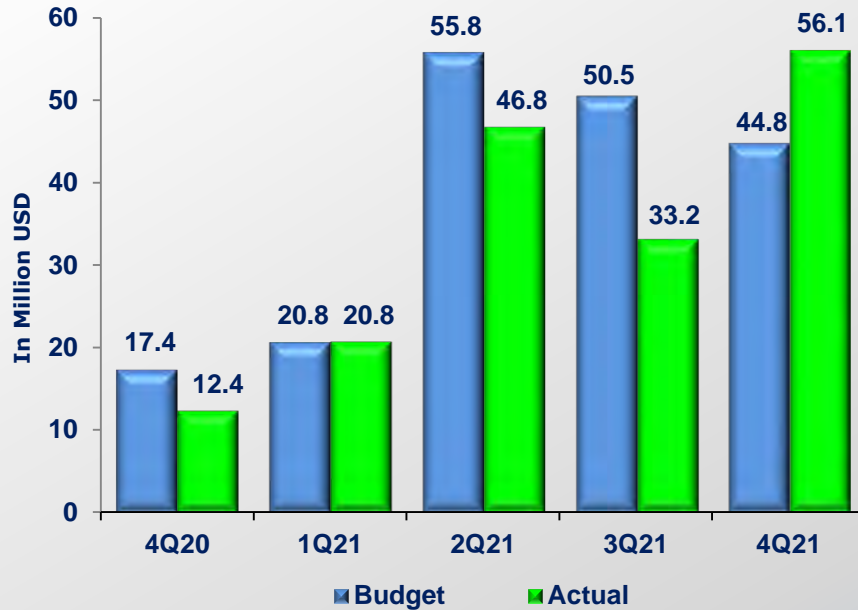


- Issued US\$ 400 million 3NCL Bonds at 6.125% coupon on 24 January 2020.
- Bayan bought back US\$ 250.9 million on 18 May 2021.
- On 21 October 2021, Bayan fully repaid the remaining US\$ 149.1 million of Bonds.
- Working capital facilities of approximately US\$ 300 million remain available.
- Turned net cash from 1Q21.

*Bayan continues to maintain low leverage and sufficient liquidity*



# Capital Expenditure



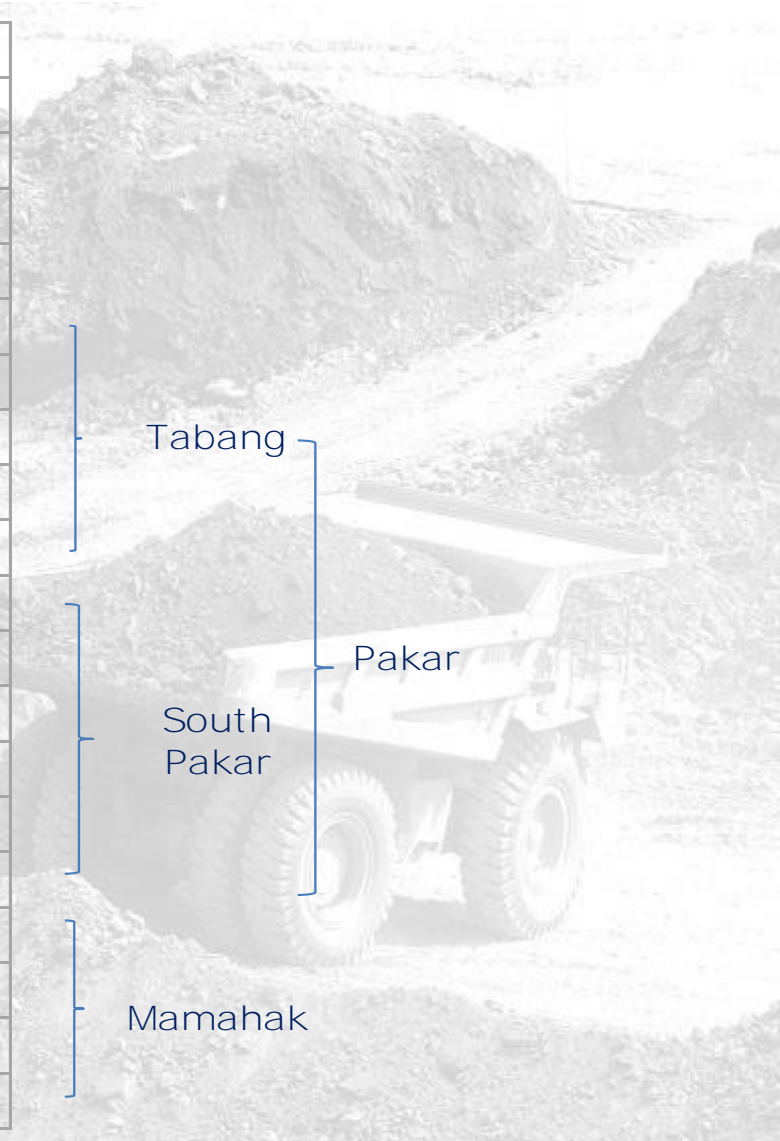
- YTD Capex 2021 was US\$ 156.9 million, which was below the Budget (US\$ 171.9 million) due to slower than Budgeted progress on the new Tabang 100km coal hauling road and barge loading facilities primarily as a result of the high rainfall due to La Nina.
- We currently expect the haul road and barge loading facility to be completed in 2023.
- Major capex payments in 4Q21 totaled US\$ 42.3 million for progress payments for the 100km haul road and barge loading facilities.

*2021 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**