



CIKARANG LISTRINDO
ENERGY

PT Cikarang Listrindo Tbk

Investor Presentation - FY2016



March 2017

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Key Operational Performances

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Financial Summary

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Construction Coal-Fired Power Plant Update

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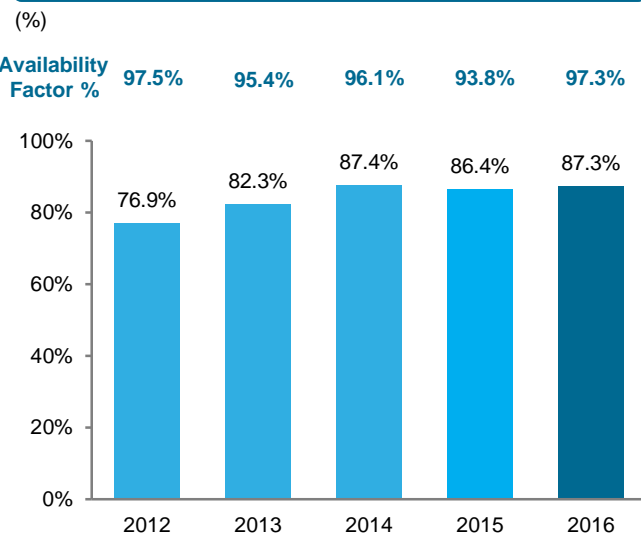
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Construction Coal-Fired Power Plant Update

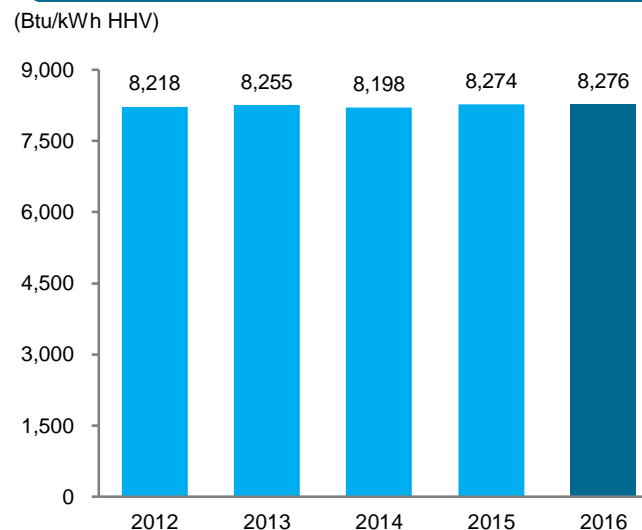
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Key Operational Performances

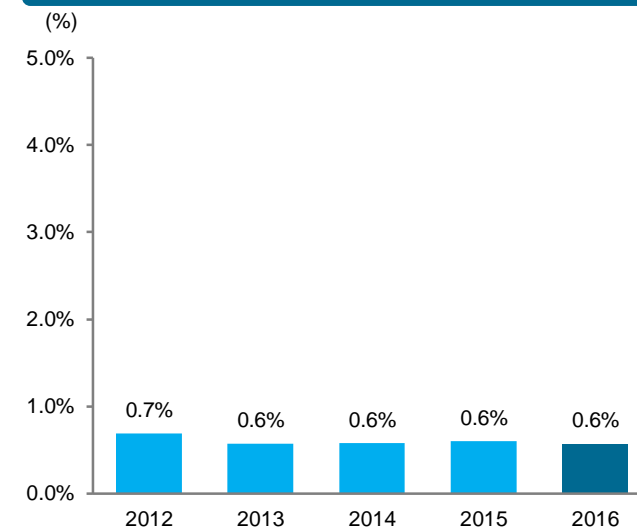
Net Capacity Factor¹



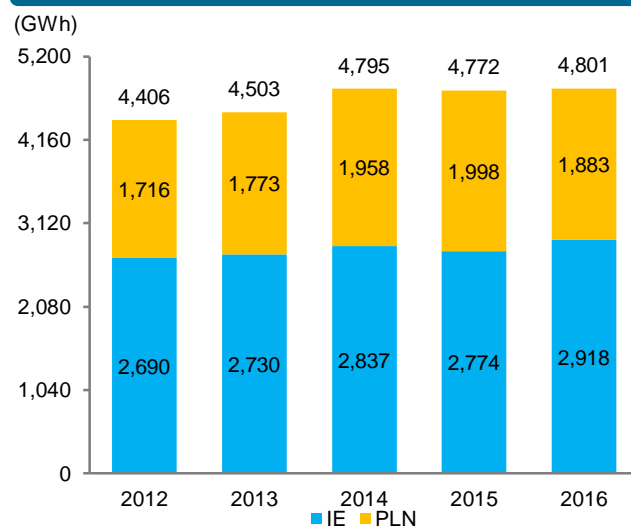
Net Plant Heat Rate



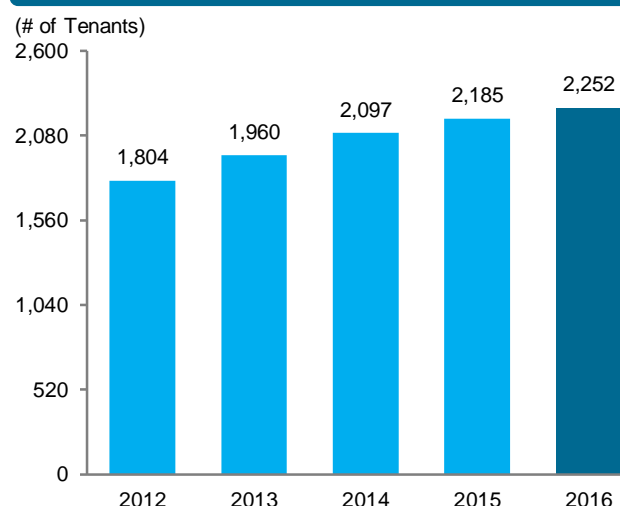
Network Distribution Losses



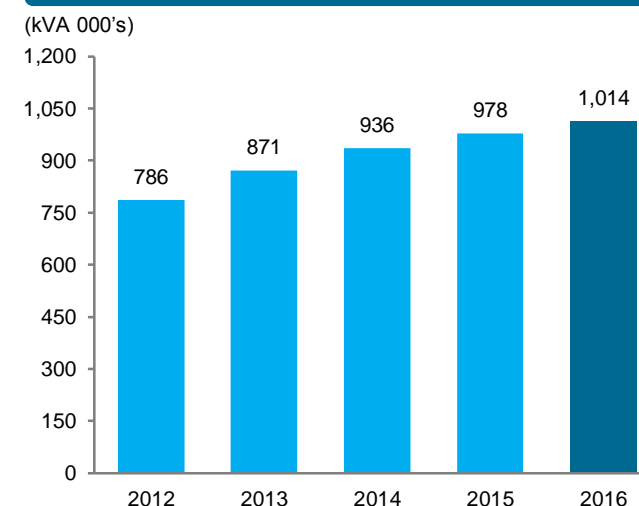
Historical Consumption Growth



Growing IE Customer Base...



...With Growing IE Customer Energized Capacity² Trend



Source: Company data.

1. Net capacity factor is the ratio of power plant's total kWh generation in a given period to its maximum possible kWh generation, based on 646MW from Mar 2011 onwards (109MW out of the 755MW from Jun 2012 is considered standby capacity); 218MW out of the 864MW from August 2015 is considered standby capacity.

2. Energized kVA represents the amount of capacity each IE customer has purchased for use under the offtake agreements.

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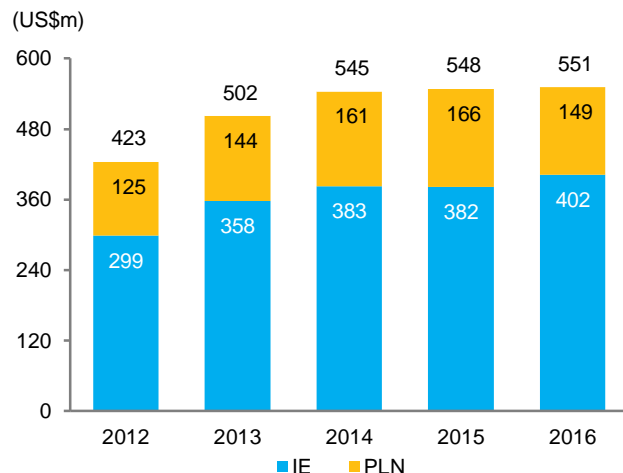
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Construction Coal-Fired Power Plant Update

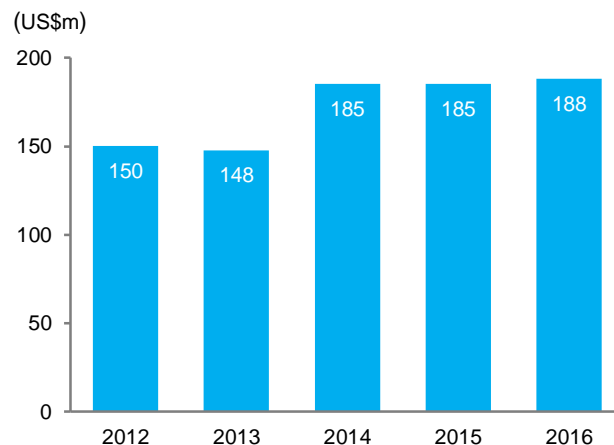
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Financial Summary

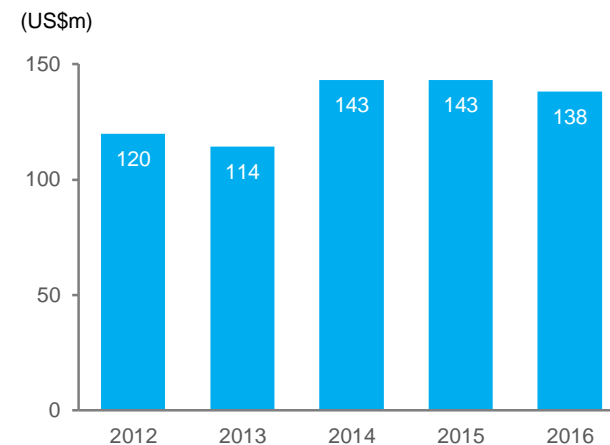
Revenue



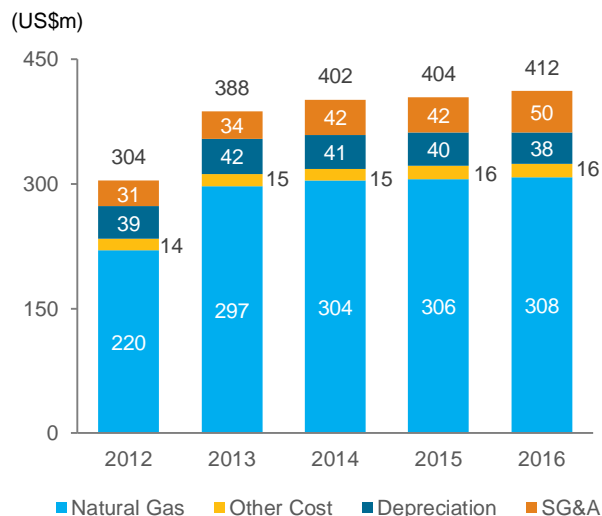
Gross Profit



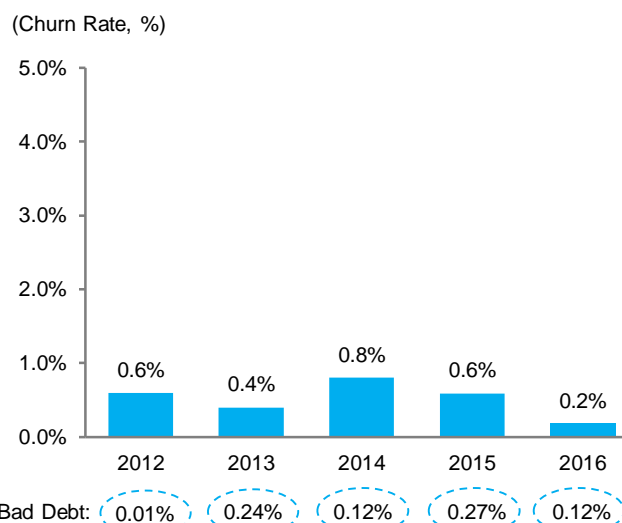
Operating Profit^{1,2}



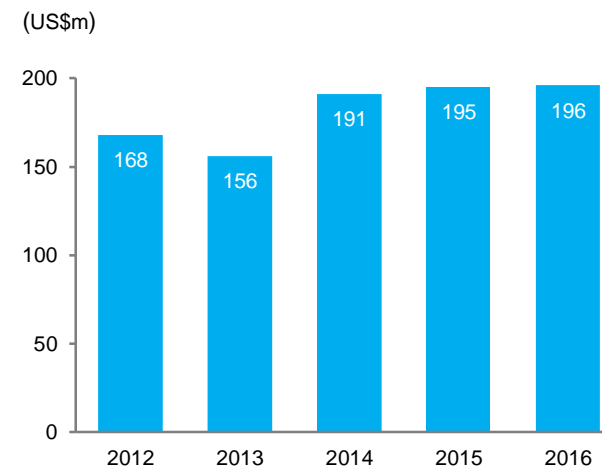
Operating Costs



Low Customer Churn Rate³ and Bad Debt



EBITDA⁴



Source: Company data

1. Calculated by deducting Gross Profit with SG&A expenses

2. The increase in SG&A in 2016 mainly due to additional human resources & annual salary increase and one-off expenses of Employee Stock Allocation during the IPO

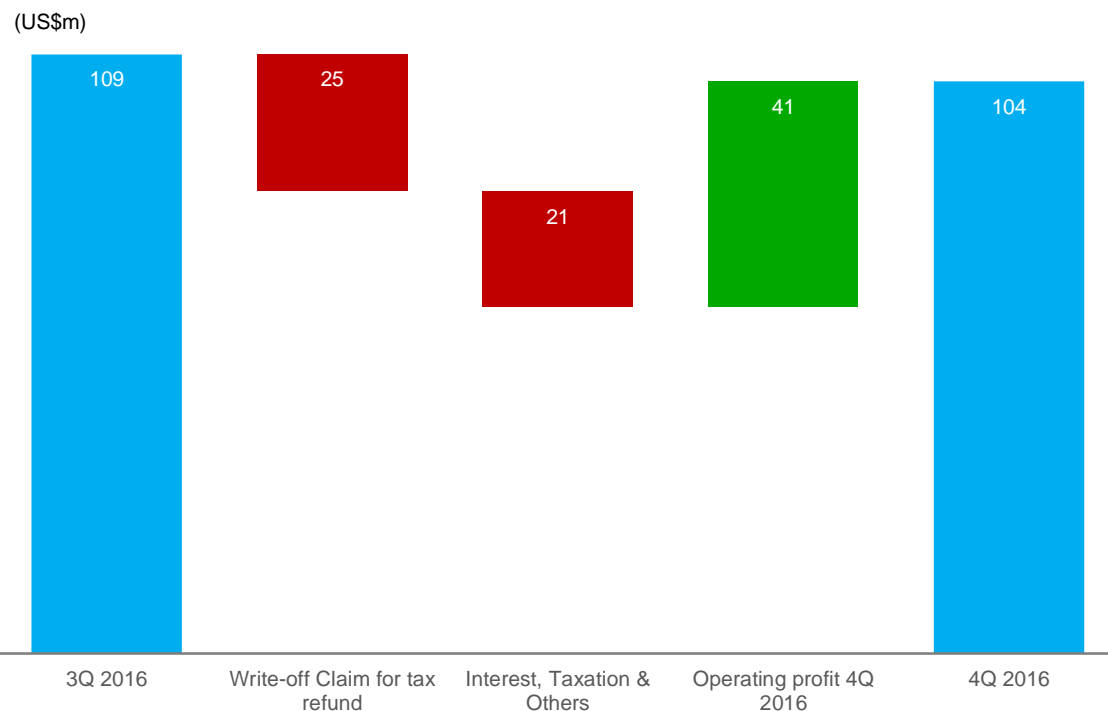
3. Churn rate defined as rate at which customers stop subscribing to Cikarang Litrindo's service

4. Calculated by adjusting Profit for the Period with items including corporate income tax expense, depreciation expense, consolidated interest expense, impairment loss on receivables, provision for inventory obsolescence, gain on sale of equipment, loss/(gain) on sale of investments, premium on redemption Senior Notes and foreign exchange loss

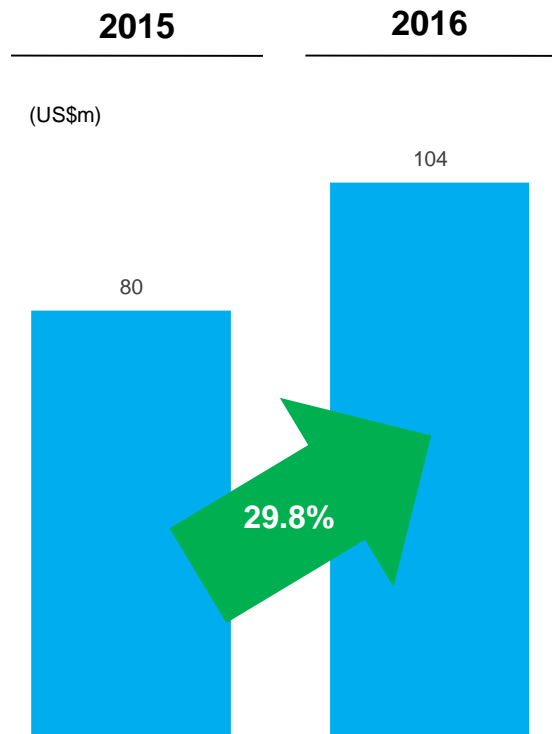
Financial Summary (cont.)

Net Income

4Q 2016 Net Income Gap Analysis



- Operating profit¹ of US\$41 mln in 4Q 2016 is a highest earnings over the last eight quarter
- Write-off claim for tax refund of US\$25 mln in 4Q 2016 was related to the tax assessment by Directorate General of Tax in relation to withholding tax article 26 for fiscal year 2010, 2011, 2012 and 2013. Our objection to the withholding tax was rejected.



- 1 Improvement in Gross Margin
- 2 Lower interest expense as a result lower coupon and higher interest capitalization for the year
- 3 Decline in loss on FX
- 4 Recognition of deferred tax benefit in connection with a revaluation of PP&E

Financial Summary (cont.)

Senior Notes Refinancing - Comparison

	Senior Notes due 2019	Senior Notes due 2026
Issue Size	US\$500 mln	US\$550 mln
Tenor	7-years non-call 4-years	10-years non-call 5-years
Coupon	6.95 %	4.95 %
Dividend Restriction Payment (RP)	Maximum 50% of Consolidated Net Income ("CNI") ¹	Able to make RP provided that : <ul style="list-style-type: none"> FCCR > 2.5x Leverage Ratio < 3.75x
Use of Proceed	<ul style="list-style-type: none"> Refinancing the 2015 Notes CAPEX for the new coal-fired plant General Corporate Purpose 	<ul style="list-style-type: none"> Refinancing the 2019 Notes Working Capital
Book	8.6x	7.3x

Source: Company data

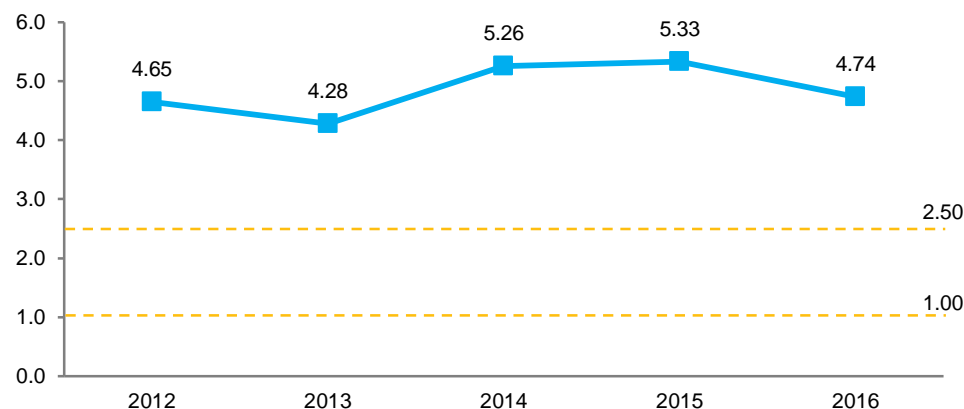
1. The Company is able to distribute dividend greater than 50% of CNI depends on amount available in restricted payments basket



Financial Summary (cont.)

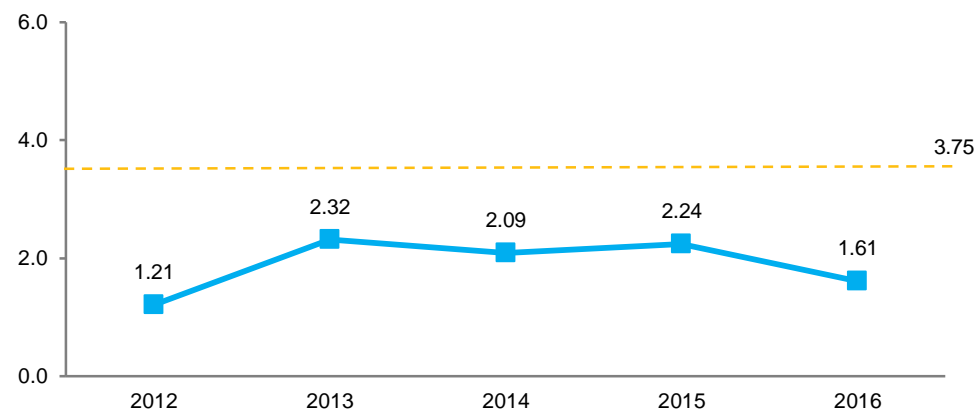
Key Financial Ratios

FCCR¹



FCCR is greater than 2.5

Leverage Ratio²



Leverage Ratio is less than 3.75

Dividend Policy

- The Company has already distributed USD10 million dividend in December 2016 and plan to distribute a minimum of 60% of 2016 consolidated net income that will be announced in the AGM planned in May 2017.

Source: Company data

1. Calculated by dividing EBITDA with fixed charges.

2. Calculated by dividing net debt with EBITDA. Net debt is defined as Total Debt less cash and cash equivalents.



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Coal Project Status



Construction fully completed
on Unit 1 & 2



Within budget



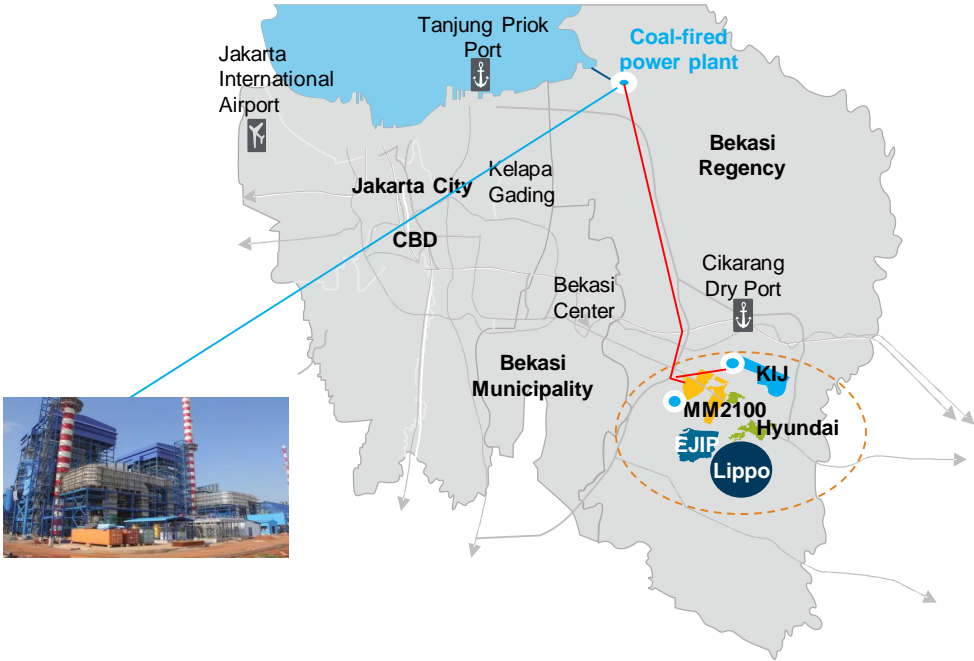
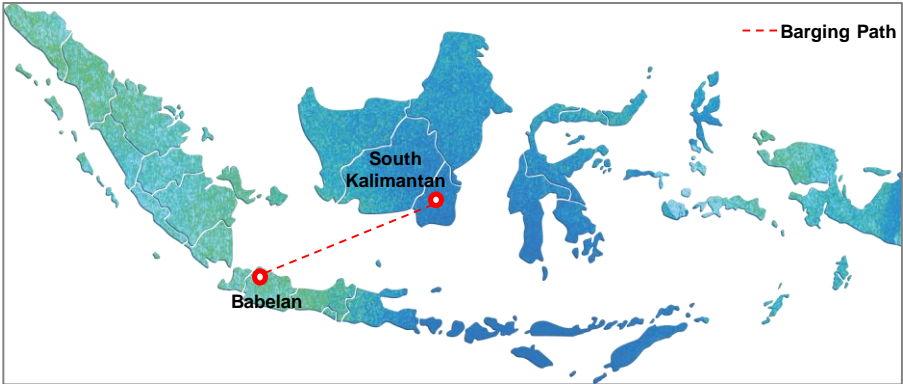
Ongoing commissioning

Project Overview

- Located at Muara Cikarang Bekasi Laut (“CBL”), Babelan, Bekasi, 20km east of Jakarta and 30km northwest of the Cikarang estate
- Construction on a 72 hectare site
 - Construction began in 2012
 - Located alongside CBL canal, allowing for barge transportation of coal
 - Site can accommodate construction of additional generation capacity as demand warrants; majority of the infrastructure already in place

Project Status (As at December 2016)

Funding		
Project Cost	US\$475mm	
Fully Funded	100%	✓
% Spent	91%	
Construction		
Unit 1	100%	✓
Unit 2	100%	✓
Commissioning		
Unit 1	90%	✓
Unit 2 (After completion of Unit 1, the commissioning on Unit 2 will accelerate)	30%	✓
Permitting and Coal Supply		
Permitting (AMDAL)	100%	✓
Coal supply	5 – year coal supply agreement from South Kalimantan signed	



Coal Fired Power Plant



Boilers



Tower Transmission



Boiler 2



Boiler 2 and Pipe Bridge to STG

Coal Fired Power Plant (cont.)



Generator



Steam Turbine Hall



Transfer Tower and Belt Conveyor



Stacker Reclaimer at coal yard

Coal Fired Power Plant (cont.)



Boilers



Stock pile and Transfer Tower



Water Treatment



Boilers, Steam Turbine Hall and Transfer Tower

Appendix

Acknowledgement on Corporate Actions



“Cikarang Listrindo’s US\$272 million offering was named Best IPO 2016 in Indonesia by The Asset”



“Cikarang Listrindo’s US\$272 million offering was named Best Indonesia Capital Markets Deal by IFR Asia”



“Cikarang Listrindo’s Senior Notes US\$550m 10NC5 was named Best High Yield Bond 2016 by FinanceAsia”

Emission Level Performance

Valmet CFB¹ Boiler has been designed for high-efficiency combustion of various solid fuels with low emissions

Valmet predicted that based on the coal quality in our current coal contract, the emission level of NO₂ at 100% MCR (Maximum continuous rating) operation can be as low as 200mg/Nm³ and that for SO₂ at about 300 mg/Nm³

Our Boiler
Specification

Valmet

Guarantee Value
(at 0 °C & 6% O₂)

Nitrogen oxides calculated as NO ₂ , 40-100 % MCR	mg/Nm ³	450
Sulphur Dioxide, SO ₂ , 40-100 % MCR	mg/Nm ³	700
Particulate 40-100 % MCR	mg/Nm ³	40

Conversion
0 °C → 25 °C
6% O₂ → 7% O₂

Guarantee Value
(at 25°C & 7% O₂)

Nitrogen oxides calculated as NO ₂ , 40-100 % MCR	mg/Nm ³	442
Sulphur Dioxide, SO ₂ , 40-100 % MCR	mg/Nm ³	688
Particulate 40-100 % MCR	mg/Nm ³	39

**Environmental, Health, and Safety
Guidelines, THERMAL POWER PLANTS.**
Allowable limits (at 0 °C & 6% O₂)

Nitrogen oxides calculated as NO ₂ , 40-100 % MCR	mg/Nm ³	510
Sulphur Dioxide, SO ₂ , 40-100 % MCR	mg/Nm ³	900
Particulate 40-100 % MCR	mg/Nm ³	50



Allowable Limits
(at 25°C & 7% O₂)

Nitrogen oxides calculated as NO ₂ , 40-100 % MCR	mg/Nm ³	750
Sulphur Dioxide, SO ₂ , 40-100 % MCR	mg/Nm ³	750
Particulate 40-100 % MCR	mg/Nm ³	100



All emission criteria are better than
standard required by IFC and the MoEF² Republic of Indonesia

1. Circulating Fluidized Bed (CFB)
2. Ministry of Environment and Forestry

Comparison Traditional PC¹ Boiler vs CFB² Boiler

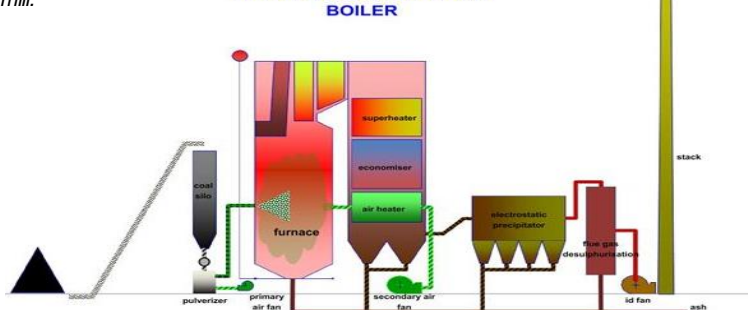
CFB Boiler has been designed for high-efficiency combustion of various solid fuels with low emissions

Traditional PC¹ Boiler

A traditional pulverized coal boiler requires very fine coal particle size.

The fuel burnt in pulverized coal boiler is coal that is pulverized in a coal grinding mill. Pulverized coal is often conveyed to the burners in boiler through pneumatic means (by forcing coal particles by using moving air) from the coal pulverizer mill.

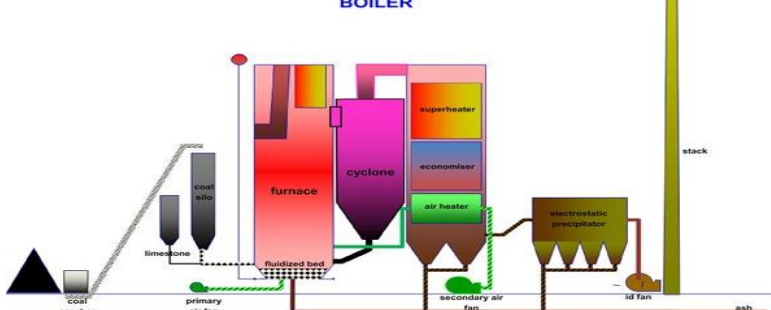
PULVERIZED COAL FIRED BOILER



CFB² Boiler

Coal is mixed with sand & limestone/dolomite and coal doesn't combust violently resulting into flames, but rather the heat resulting from combustion is instantaneously exchanged with the water tubes running through the coal-bed-air suspension bed.

CIRCULATING FLUIDIZED BED BOILER



Traditional PC ¹ Boiler		CFB ² Boiler	Comments
Economic & Reliability			
Fuel Flexibility	Sensitive to sudden changes in fuel quality	CFB ² can handle much wider range of fuels from low quality to high quality fuels	This create opportunity of procuring low cost fuels & more stable operation of boiler
Unburnt Coal Particles	Fast burn - unburnt coal particles can't be recycled, because there's no economical way to separate unburnt coal particles from the ash and flue gases	Unburnt coal particles are recycled back with the help of cyclone separators.	Unburnt coal particles increase combustion efficiency as benefit
O&M Costs	O&M Cost typically higher	O&M Cost typically 5-10% lower	<ul style="list-style-type: none">• Elimination of high maintenance pulverizes is beneficial in term of maintenance cost and efforts• Lower O&M costs and lower emission reduction cost provide lower non-fuel life cycle cost
Environmental			
Combustion Temperature	Combustion temperature 1300-1400°C	Combustion temperature 850-900°C	Lower firing temperatures reduce NO _x (oxides of Nitrogen) formation and facilitate chemical reactions required to capture SO ₂ (Oxides of Sulfur) with limestone injection in the furnace. As a result the CFB technology is associated with very low levels of SO ₂ and NO _x pollutants (without the need of expensive additional catalytic NO _x reduction and flue gas de-sulfurization equipment)
SO ₂ pollutants	Flue Gas Desulphurization required	No additional post combustion cleaning equipment required	
NO _x emission	SCR ³ (or SNCR ⁴) equipment required	No additional post combustion cleaning equipment required	

Source: Technology comparison of CFB versus pulverized-fuel firing for utility power generation. Inertial Fusion Sciences and Applications (IFSA) 2011, Industrial Fluidization South Africa: 91-99. Pulverized coal versus circulating fluidized-bed boilers Perspectives and challenges for South Africa. South African Journal of Chemical Engineering 2014: 72-81.

1. Pulverized Coal (PC) 3. Selective Catalytic Reduction (SCR)
2. Circulating Fluidized Bed (CFB) 4. Selective Non-Catalytic Reduction (SNCR)