



CIKARANG LISTRINDO
ENERGY

PT CIKARANG LISTRINDO TBK

Investor Presentation
9M 2020

November 2020
Strictly Private & Confidential

Reliable, Clean and Efficient Power



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Agenda

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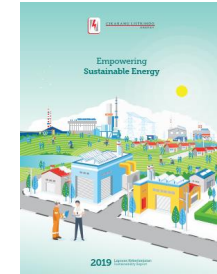
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01

Recent Update



Recent Update



Jul-20

Based on the GMS held on July 17, 2020, the Company distributed a total dividend for FY19 of US\$73 million equals to dividend yield of 11.7%¹.

The GMS also approved the plan for share repurchase with maximum amount of US\$10 million or equivalent to Rp146.3 billion² and will be funded by our internal cash flow.

Sep-20

The Company's GSPP in Jababeka and GFPP in MM-2100 has received an Assurance Statement, issued by Transpacific Certifications Limited, confirming Company's 2019 GHG emission in accordance with ISO 14064:2006. This completes earlier Assurance Statement obtained by the Company for its CFPP in Babelan, issued by Lloyd's Register.

Sep-20

The Company was awarded as the Best CSR for Indonesia CSRxPKBL Award 2020 in the infrastructure, utilities and transportation category, subsector energy from Warta Ekonomi.

Oct-20

The Company published its first Sustainability Report (SR) for the year 2019, separated from the Company's Annual Report (AR).

This is an early adoption of the OJK Regulation No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies.



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Source: Company data.

1. Shares price as of September 30, 2020 (Rp570) and excluding treasury shares as of September 30, 2020 (338.8 million shares)
2. Using middle rate as of July 16, 2020 (Rp14,632)



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02

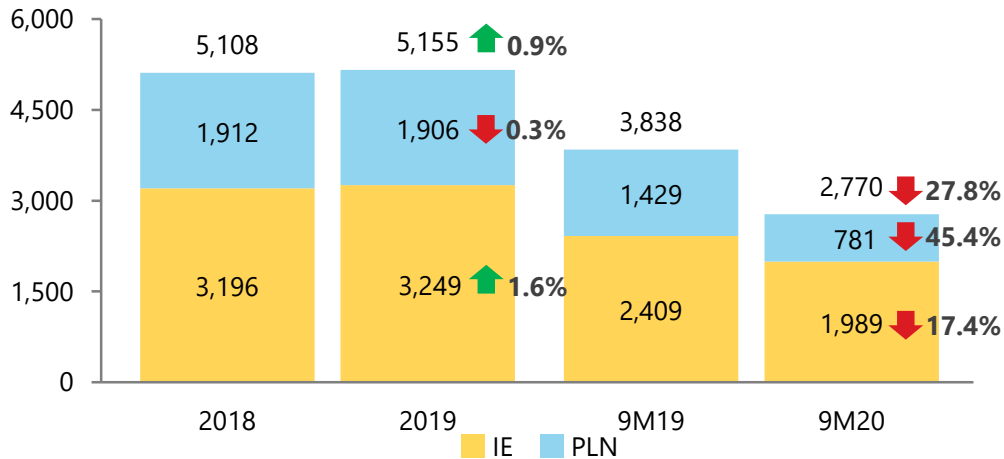
Operational Performance



Operational Performance (1/2)

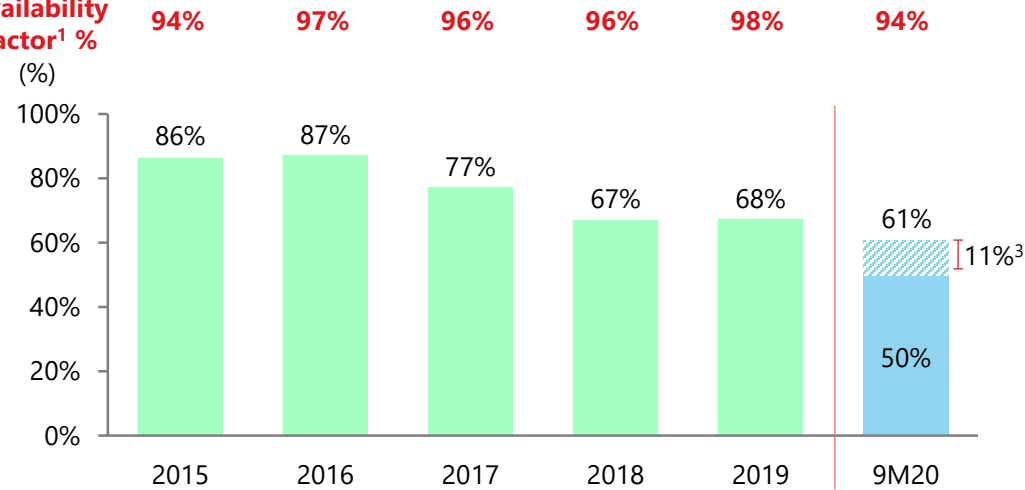
Historical Consumption Growth

(GWh)



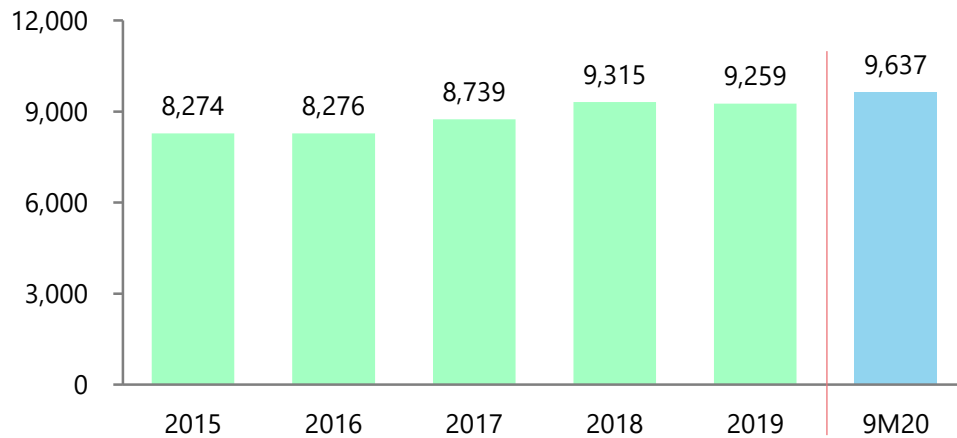
Net Capacity Factor^{1,2}

Availability Factor¹ %



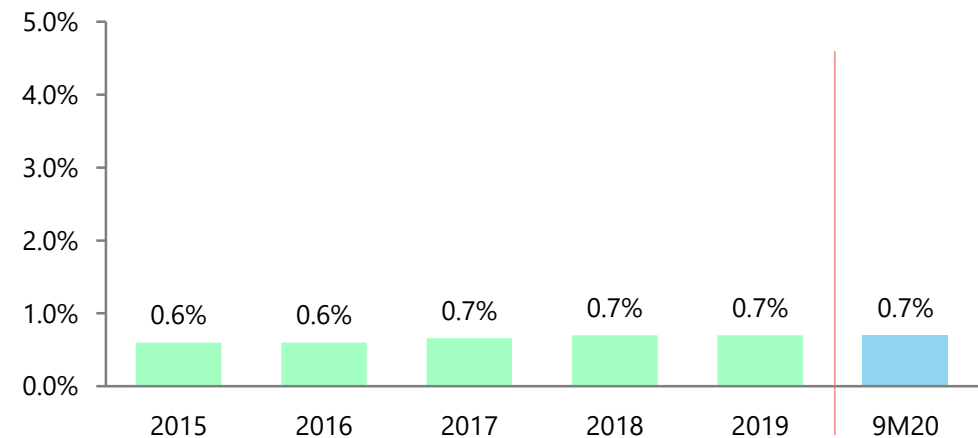
Net Plant Heat Rate¹

(Btu/kWh)



Network Distribution and Transmission Line Losses⁴

(%)



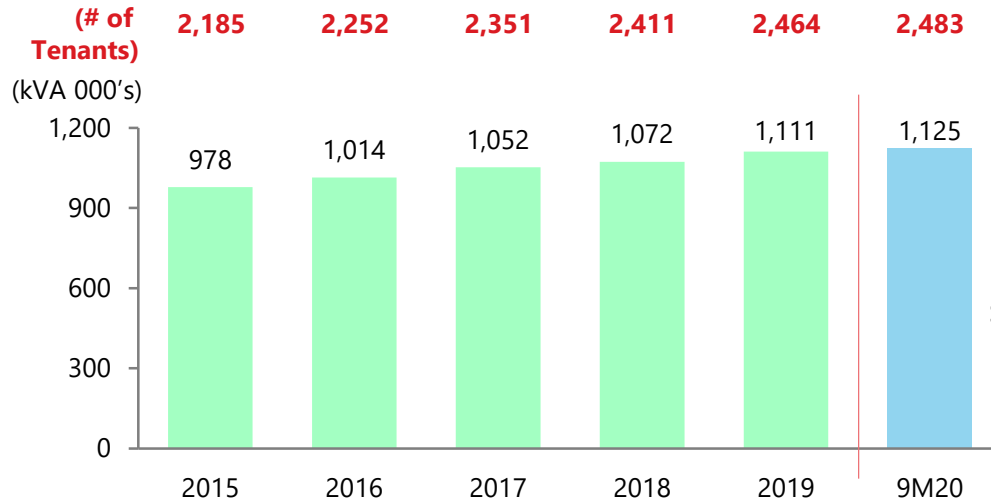
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Source: Company data as at September 2020, unless otherwise indicated.

1. Combination of Gas-Fired Power Plant and Coal-Fired Power Plant. 2. 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 (109MW installed in Jun 2012 and another 109MW in August 2015 out of 864MW are considered as standby capacity); 786MW from May 2017 (140MW added in May 2017); 926MW from Sep 2017 (140MW added in Sep 2017); 3. Adjusted with the effect of discontinued PLN-1; 4. Network distribution and transmission line losses are electricity line energy losses in the process of supplying electricity from our plant to the customers.

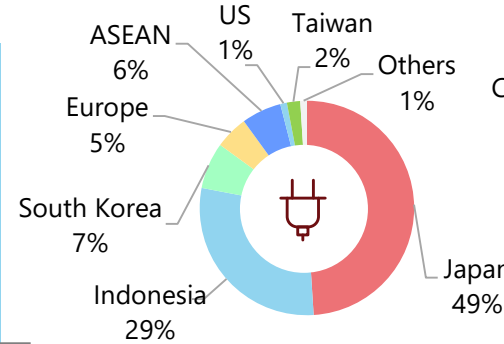
Operational Performance (2/2)

IE Customer Energized¹ Capacity

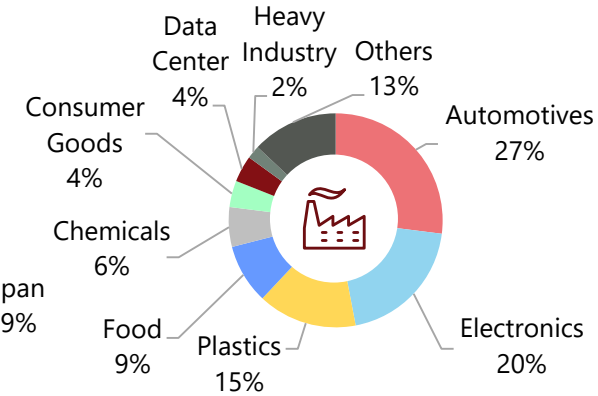


IE Customer Breakdown

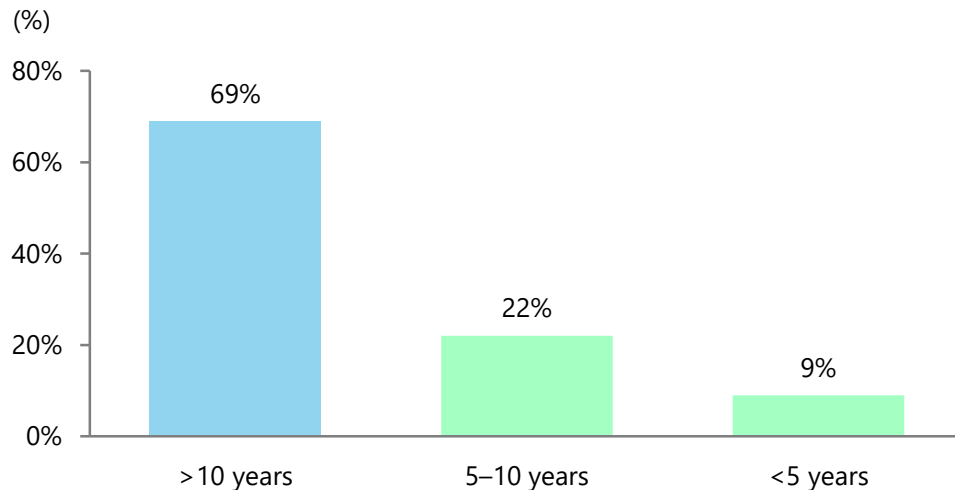
Share of Energized Capacity by Geography²



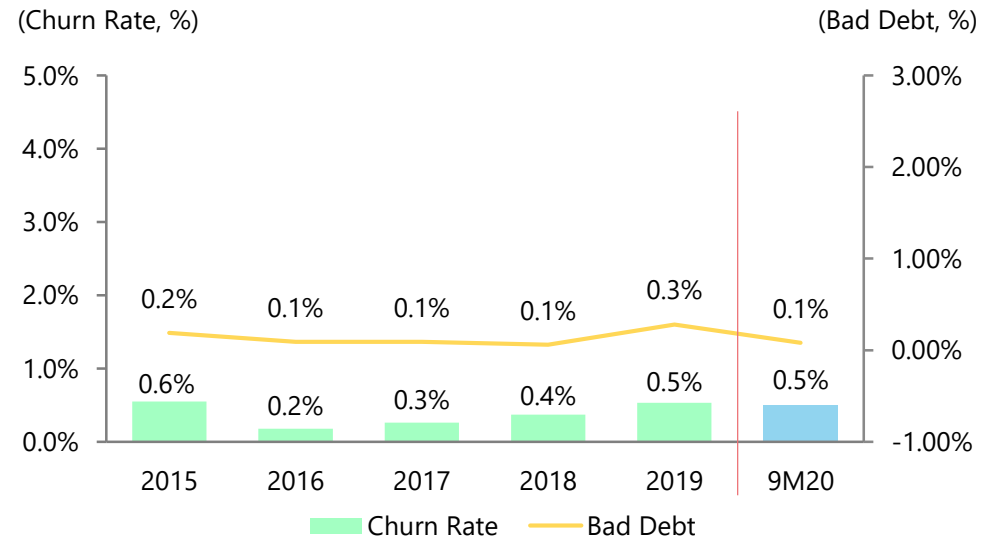
Share of KWH Sold by Industry



Length of Customer Relationship



Low Customer Churn Rate³ and Bad Debt⁴



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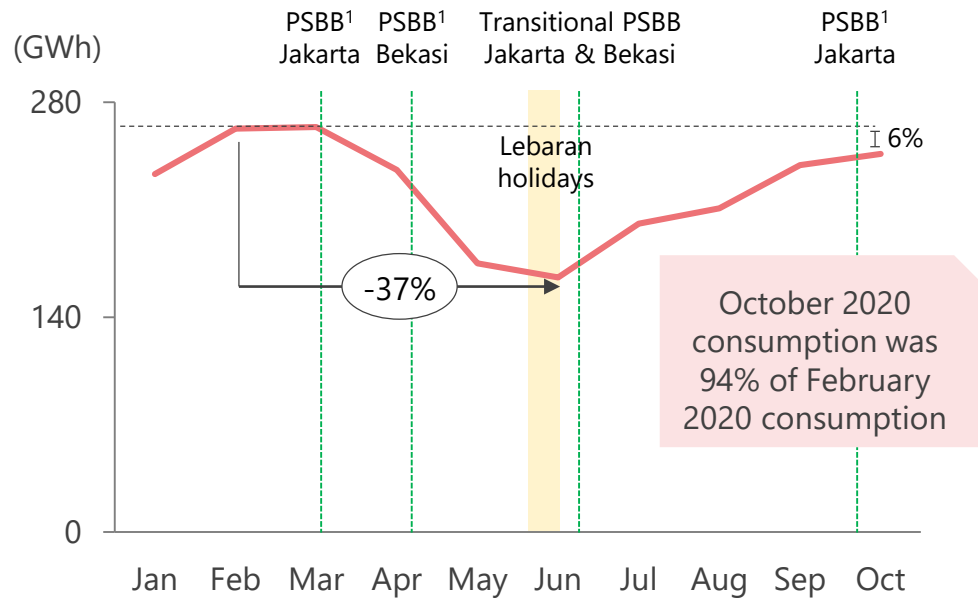
Source: Company data as at September 2020, unless otherwise indicated.

1. Energized kVA represents the amount of capacity each IE customer has purchased for use under the offtake agreements; 2. Based on nationality of customers' corporate parent; 3. Churn rate defined as rate at which customers stop subscribing to Cikarang Listrindo's service; 4. Calculated by dividing impairment loss on receivables with total net sales.

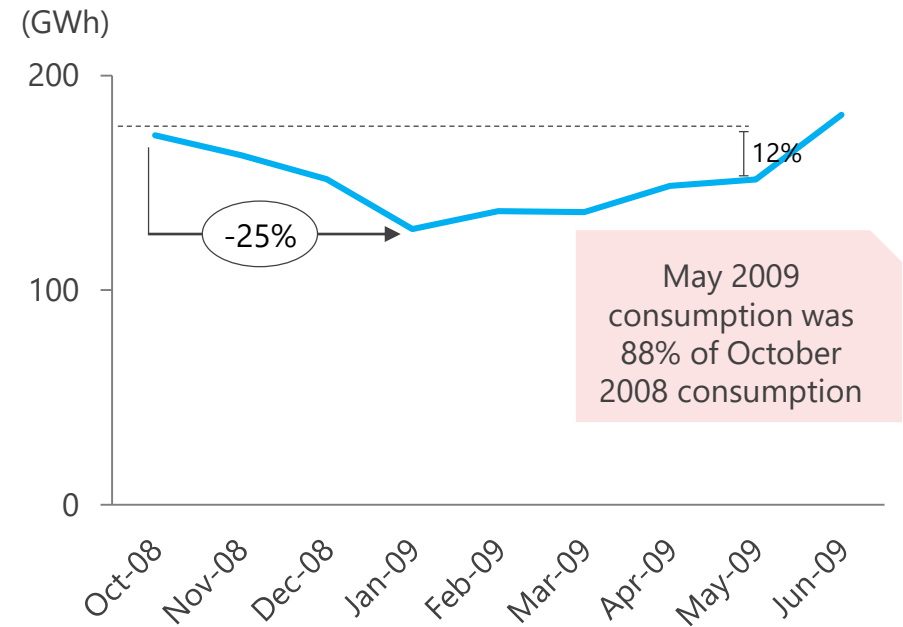
Operational Performance during Crisis

COVID-19 vs 2008-2009 Global Financial Crisis

**Industrial Estates Customers'
Monthly Consumption 2020**



**Industrial Estates Customers'
Monthly Consumption 2008 - 2009**



- Q3 2020 has been recovered to 91% of pre-covid period and the recovery trend continues to October.
- Industrial Estates customers' consumption starts recovering as the result of the economy reopening through relaxation of Large-Scale Social Restrictions¹ (PSBB¹) by provincial government



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03

Financial Performance



Financial Performance

Profit & Loss (US\$ million)	9M20	9M19	Δ	Δ %
Revenue	341.8	440.0	(98.2)	(22.3%)
- IE	266.0	324.0	(58.0)	(17.9%)
- PLN	75.8	116.0	(40.2)	(34.7%)
Cost of Sales	(204.0)	(279.0)	75.0	(26.9%)
Gross Profit	137.8	161.0	(23.2)	(14.4%)
Operating Expenses	(37.4)	(43.8)	6.4	(14.5%)
EBITDA	142.3	170.9	(28.6)	(16.8%)
Gain (Loss) on Foreign Exchange, Net	(12.2)	1.1	(13.4)	(1,180.1%)
Profit Before Income Tax	71.0	97.9	(26.8)	(27.4%)
Income Tax Benefit (Expense)	(22.4)	(19.0)	(3.4)	17.7%
- Current	(4.8)	(8.8)	4.0	(45.2%)
- Deferred	(17.6)	(10.2)	(7.3)	71.8%
Net Income	48.6	78.9	(30.2)	(38.3%)

Profitability Ratios (%)	9M20	9M19
Gross Margin	40%	37%
EBITDA Margin	42%	39%
Net Income Margin	14%	18%

Cash Flows (US\$ million)	9M20	9M19	Δ	Δ %
Net Cash Provided by Operating Activities	109.1	82.6	26.5	32.1%
Net Cash Used in Investing Activities	(15.5)	(8.1)	(7.3)	90.4%
Cash Used in Financing Activities	(46.0)	(64.1)	18.0	(28.2%)
Net Increase in Cash and Cash Equivalents	47.6	10.4	37.2	356.2%
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(7.1)	1.7	(8.8)	(513.8%)
Cash and Cash Equivalents at End of Period	283.2	168.5	114.7	68.0%

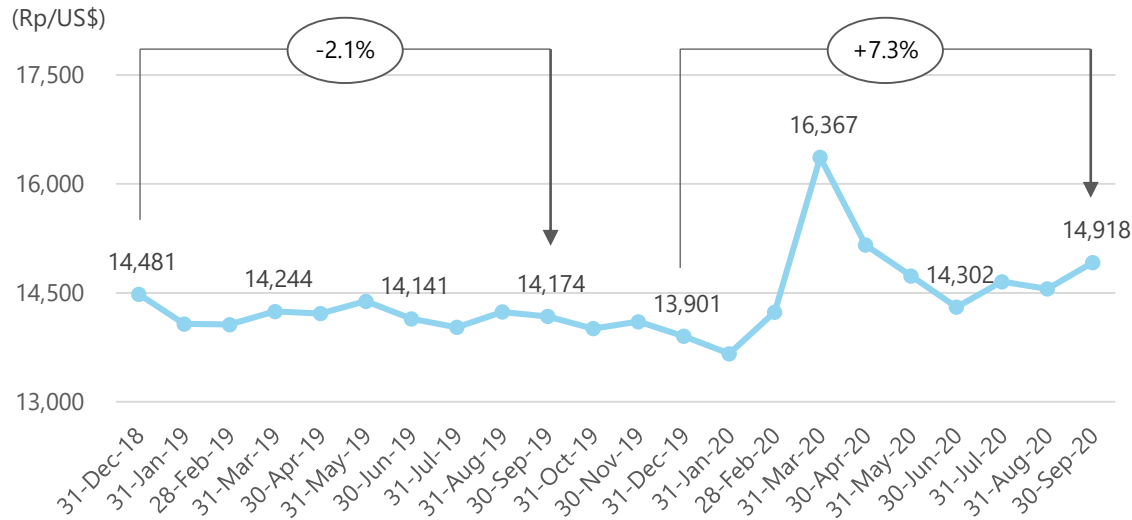
Balance Sheet (US\$ million)	9M20	2019	Δ	Δ %
Total Assets	1,310.4	1,324.8	(14.4)	(1.1%)
Total Liabilities	648.3	665.2	(16.8)	(2.5%)
Treasury Shares ¹	(21.0)	(19.7)	(1.3)	6.8%
Equity ²	662.1	659.6	2.4	0.4%

Financial Ratios (x)	9M20	2019
Current Ratio	10.2x	6.7x
FCCR ³	> 1-2.5x	6.6x
Net Debt ⁴ to EBITDA ⁵	< 3.75x	1.3x



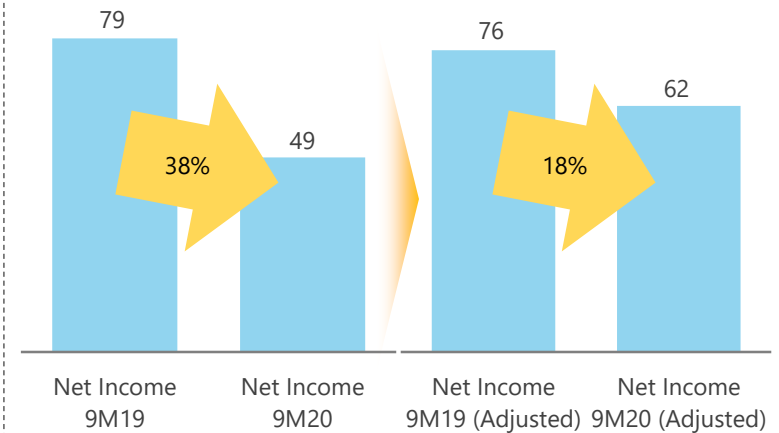
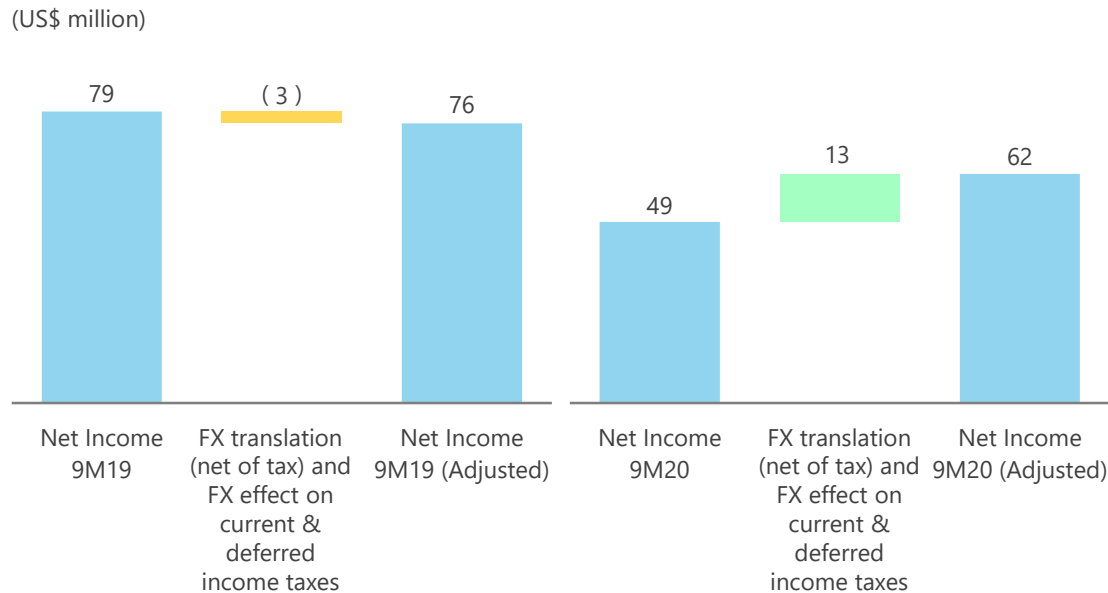
FX Translation Impact to the Financial Statement

FX Movement



- As of September 30, 2020, the Rupiah has depreciated by 4.3% compared to June 30, 2020 and depreciated by 7.3% compared to December 31, 2019.
- The Company booked FX loss incurred from weakening Rupiah against US\$ for the first 9 months in 2020. FX loss impact mainly came from the translation of net monetary assets derived from cash and cash equivalents & receivables which were recorded in Rupiah.
- This also impacted the corporate income tax and deferred income tax expense as our tax report is in Rupiah.

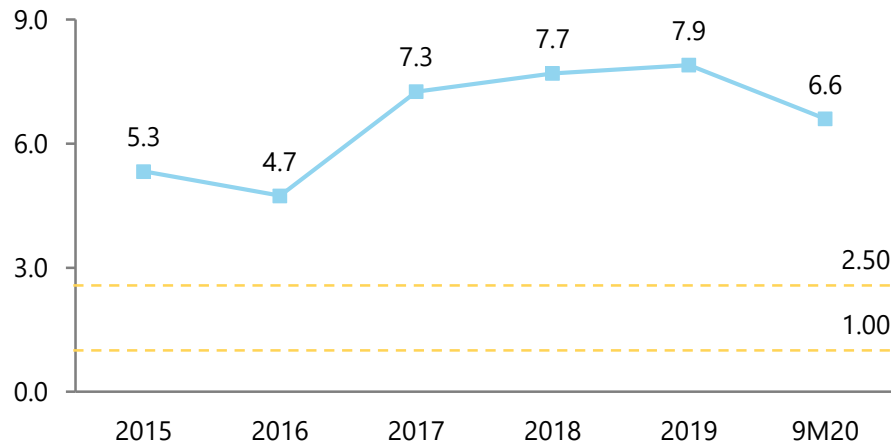
Net Income Gap Analysis



Key Financial Ratios

FCCR

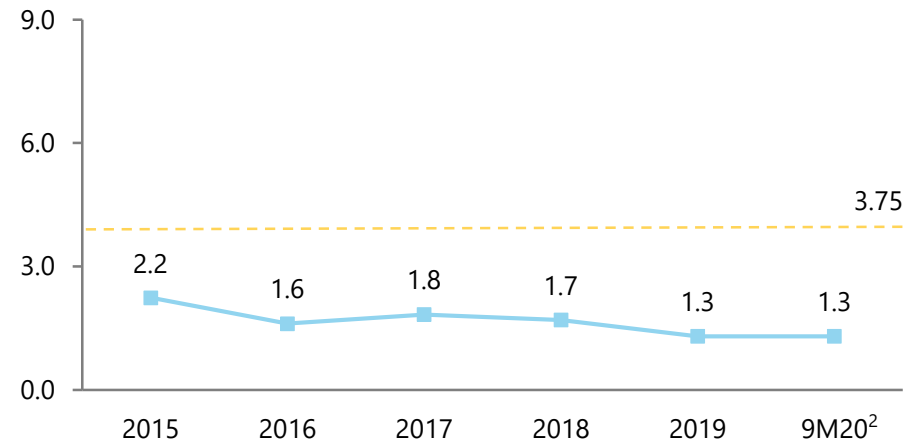
- Ratio of the aggregate amount of Consolidated EBITDA divided by Fixed Charges for the last four quarters.
- The Company for the past 5 years has consistently met the FCCR bond covenant (should not be less than 1 - 2.5x).



FCCR is greater than 1 - 2.5x

Leverage Ratio

- Ratio of Net Debt¹ to Consolidated EBITDA for the last four quarters.
- The Company for the past 5 years has consistently met the leverage ratio bond covenant (should not be greater than 3.75x).

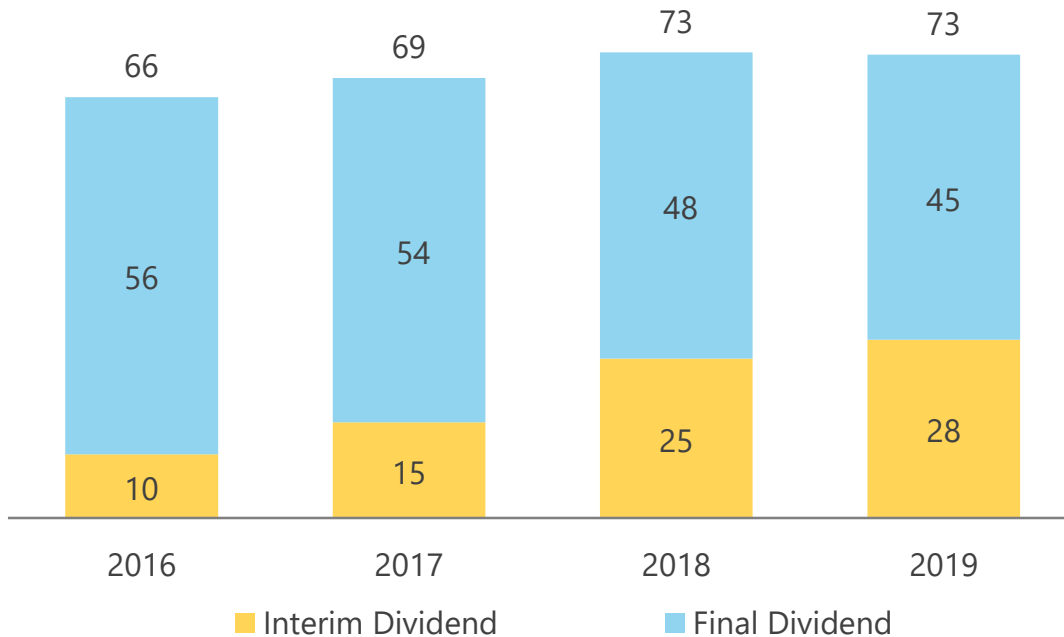


Leverage Ratio is less than 3.75x

Dividend Payout

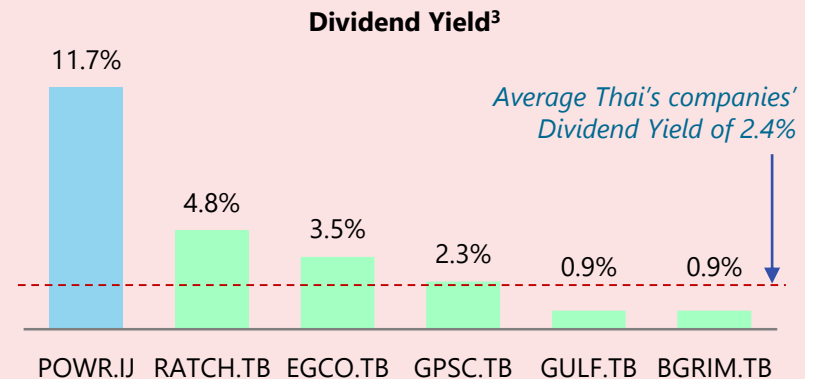
Historical Dividend since IPO

(US\$ million)



	2016	2017	2018	2019
Dividend Payout	64%	64%	92%	64%
Total Dividend/Share¹	Rp56/share	Rp60/share	Rp67/share	Rp67/share
Dividend Yield²	9.9%	10.5%	11.7%	11.7%

- The historical dividend payout is above the dividend payout communicated during IPO of 60%.
- Management is committed to distribute a regular dividend (interim and final dividend) with careful consideration to the Company's cash flow.
- POWR dividend yield of 11.7% is amongst the top 15 highest dividend yield on the IDX⁵.
- That dividend yield is also greater than average Thai's power companies' dividend yield³ of 2.4% and MSCI Emerging Market⁴ of 2.4%.



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Source: Company data

1. Excluding treasury shares as of September 30, 2020 (338.8 million shares)

2. Share price as of September 30, 2020 (Rp570/share)






3. Data Dividend for the period 2019 and share price as per September 30, 2020

4. MSCI Emerging market Index (USD) as per September 30, 2020

5. Data compiled from tradingview accessed on October 27, 2020 and calculated using share price as of September 30, 2020

Replacement Value Analysis

Indicators indicate significant under value of POWR stocks

	Description	Capacity (MW)	Book Value ¹ (US\$ million)	JLT's Implied Replacement Cost (US\$ million)
	Gas Fired Combined Cycle	646	88	581 ²
	Gas Fired Simple Cycle	218	87	109 ²
	Coal Fired Power Plant	280	417	475
	Transmission & Distribution	-	46	112
	Land	-	70	121
	Total	1,144	706	1,398
	The Company's Enterprise Value as of September 30, 2020³			859



- ✓ Indicative replacement cost accepted by Jardine Lloyd Thompson (JLT), our insurer, to value Company's asset
- ✓ The Company's Enterprise Value of US\$859 million³ is lower than the Asset's Replacement Value



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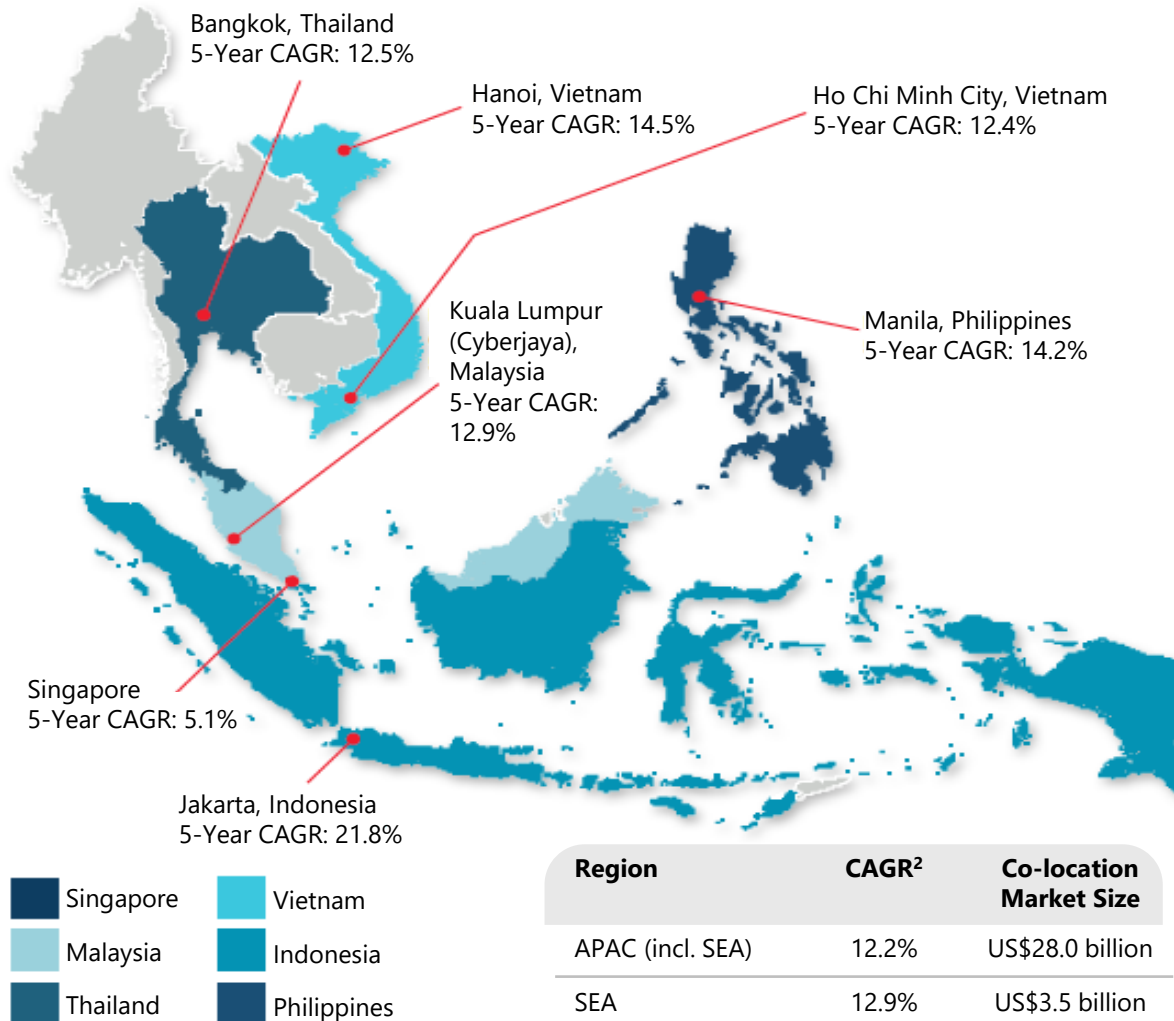
04

Future Development



Potential Capacity Growth from Data Center Market (1/3)

CAGR of Data Center Market Size in SEA¹ Region (2019 – 2024F)

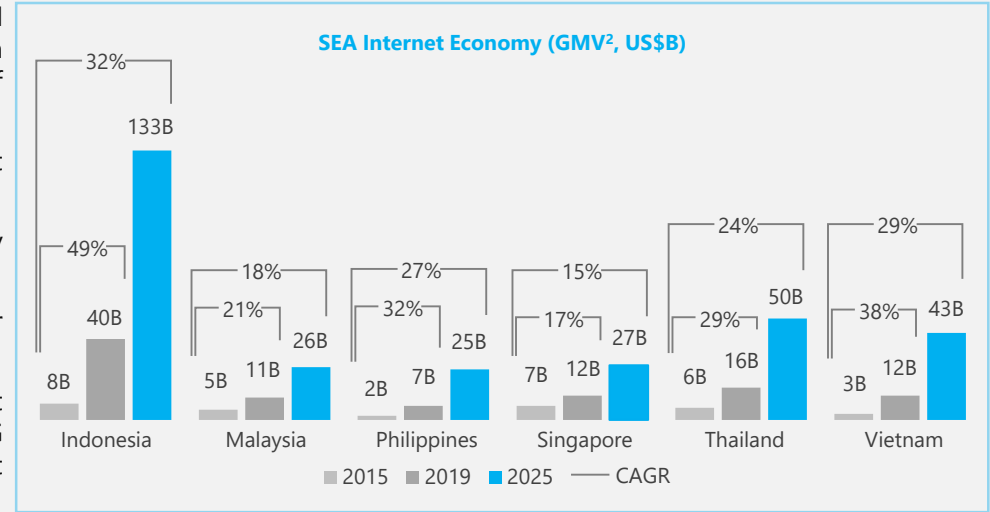


- › The global pace of ICT development and implementation has not been slowed by the on going global pandemic.
- › This rapid digitalization and the surge in demand for cloud-based services will make SEA¹ region the fastest growing region for co-location of data centers over the next five years. Its market size is projected to be expanding by a CAGR of 13% between 2019 and 2024F.
- › Indonesia is set to be the fastest growing market for data centers in SEA¹, with an expected growth rate of 22% per annum over the next five years. Google's entry into Indonesia demonstrates a developing interest in the country as a potential alternative to Singapore.
- › Land owners and real estate landlords are increasingly open to catering to the development of data centers.

Potential Capacity Growth from Data Center Market (2/3)

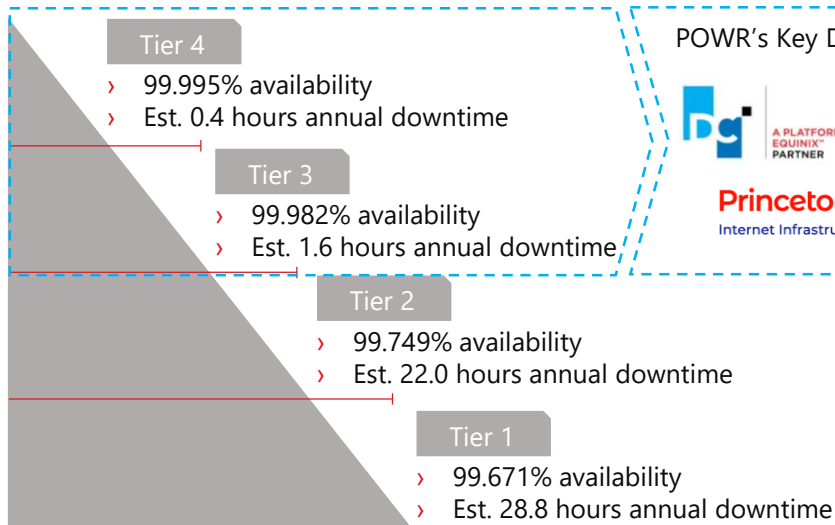
Indonesia Data Center Market

- Indonesia is one of the rising star which are developing rapidly and expected to increase the share of the SEA region's data center pie, with abundance of land mass for data center operations to expand, ease of access and lower cost of entry compared to Singapore.
- Indonesia's digital economy is the largest and fastest-growing in Southeast Asia and expected to reach some US\$130 billion by 2025.
- Rapid growth of startup companies in Indonesia – the country currently have 6 of 13 unicorn companies in ASEAN¹.
- Favorable Government regulations support the development data center infrastructure.
- In late 2019, Government announced the completion of Palapa Ring project – a priority infrastructure project that aimed to provide access to 4G internet services to more than 500 regencies across the country. The project features more than 35,000km of land and undersea fiber-optic cables.



Power: an Integral Part of Data Center

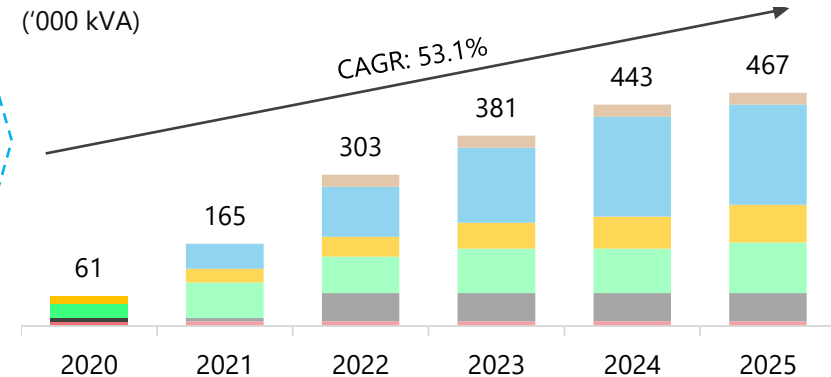
Data Center Tiers



POWR's Key Data Center Players³



Projected Energized Capacity from Data Center



As of 9M20, data center industry contracted capacity is 49MVA and projected will grow to 61MVA by the end of 2020.

In addition to current customers' expansion, we are expecting 2 more new data centers.



Potential Capacity Growth from Data Center Market (3/3)

- › Indonesia is among the Asian countries tightening requirements to house consumer data locally for the purpose of data protection.
- › Supportive regulations play a critical role in unlocking growth opportunities in Indonesia data center market.

Public Domain

Government Regulation No. 71/2019

- › Public domain of electronic system operator must then conduct its management, processing and/or storage of their electronic system and data within Indonesian territory, unless the technology for storage is unavailable in Indonesia, as determined by the Ministry.
- › The public domain of electronic system operator must comply with this stipulation within two years after the issuance of this regulation (4 October 2021).

Banking and Insurance Sector

OJK regulation No. 38/POJK/03/2019 for Bank OJK No. 69/POJK/05/2016 for Insurance

- › Banks and Insurance Company are required to place the Electronic System on Data Centers and Disaster Recovery Centers in the region of Indonesia, or outside Indonesia by getting approval form OJK.
- › For them who have placed it outside the territory of Indonesia, must move Data Centers to Indonesia.

“ I’ve seen many global players in the likes of Microsoft, Amazon, Alibaba, Google who have expressed interest to join and have even begun to develop their data centers in Indonesia.

Indonesia has great potentials and the most active startup ecosystem as well as the largest digital market in Southeast Asia.

-President of Indonesia ”

Green Energy Initiatives

We are committed to develop Renewable Energy to our generation mix



Solar Rooftop

- ❑ Starting 2019, we have started our commitment to Renewable Energy through the installation of solar panel in our customer's rooftop. This could be made possible after our successful pilot project on our own office rooftop in Jababeka.
- ❑ We have installed 200kWp solar rooftop over the customer's office. In 2020, we expect to add 150kWp in Q4 of 2020.



Co-firing with Biomass in CFB Boiler

- ❑ In 2017, Company managed to have successfully commissioned its Coal Fired Power Plant with Circulating Fluidized Bed (CFB) boiler technology. This allows the Company to diversify its generation mix, due to the lack of availability of affordable natural gas.
- ❑ Despite that, our focus on the environment never wavered. The investment in the CFB boiler technology supplied by Valmet, a Finnish company, allows us to burn wider range of coal and even biomass. This technology allows us to burn lower calorific value coal that contains lower pollutants and producing a better emission. It also allows us to burn biomass such as Palm Kernel Shells / Woodchips / Rice Husks as fuel source.
- ❑ In 2019, Company performed pilot projects using PKS as alternative biomass. The pilot project confirmed of 1,089ton of PKS or equal to 1,635MWh of power.



The Company's commitment toward environmental aspect is also proven by securing the Assurance Statement conforming its 2019 GHG emission in accordance with ISO 14064:2006. The assurance statement has been verified and certified by international certification bodies, Lloyd's Register (LRQA) for CFPP Babelan, issued on March 20, 2020 and Transpacific Certifications Limited (TCL) for GSPP Jababeka and GFPP MM-2100, issued on September 14, 2020.

National Strategic Project: BEKAPUR¹ Industrial Area to Accelerate Industrialization & Anticipate Industrial Revolution 4.0

BEKAPUR Map



BEKAPUR¹'s Industrial Area Contribution

±14%
National
Industry GDP



23
Industrial Estates



1.6
million
Workforce



6,465ha
Current Industrial
Area



- ❑ Government plans to integrate the entire industrial estates in West Java regencies, namely Bekasi, Karawang and Purwakarta (BEKAPUR) to become a National Strategic Area to enhance industrial development and productivity, which will bring multiplier effects to the national economy.
- ❑ Full utilization of entire BEKAPUR¹ industrial area (11,636ha) could become the biggest industrial estate area in the world or bigger than Jubail Industrial Estate in Saudi Arabia of 8,000 ha. Current land utilization in this area is approximately 55% (as per December 2018).
- ❑ It is estimated that this area will eventually housed 60% of total industries in Indonesia.

Significant Infrastructure Development to Increase Connectivity in BEKAPUR¹ area



❑ Government understands in order to accelerate industrialization, the key feature is to improve the connectivity surrounding the industrial estates in BEKAPUR¹

❑ There are various significant infrastructure development ongoing to support the integrated industrial estates in West Java, especially BEKAPUR¹ area

Infrastructures	Completion Target	Capacity
Kertajati International Airport	Completed	5.6 million passenger/year & 1.5 MT/year cargo
Elevated toll road	Completed	Additional 125k vehicles per day
Patimban Deep Seaport	2020	3.5 million TEU/year and 600k CBU vehicle
Cibitung – Cilincing Toll Road	2021	34 km
Cikarang Bekasi Laut (CBL) canal	2021	1.5 million TEU/year
Express Train Jakarta – Bandung	2022	44 minutes & 109K passenger/day
Light Rapid Transportation (LRT)	2H 2022	40 – 45 minutes for 25 – 30 km
Express Train Jakarta – Semarang	2024	3.5 hours

❑ Infrastructure development will provide better connectivity between the industries. Government expect this will attract massive economic activities in the BEKAPUR¹ area due to:

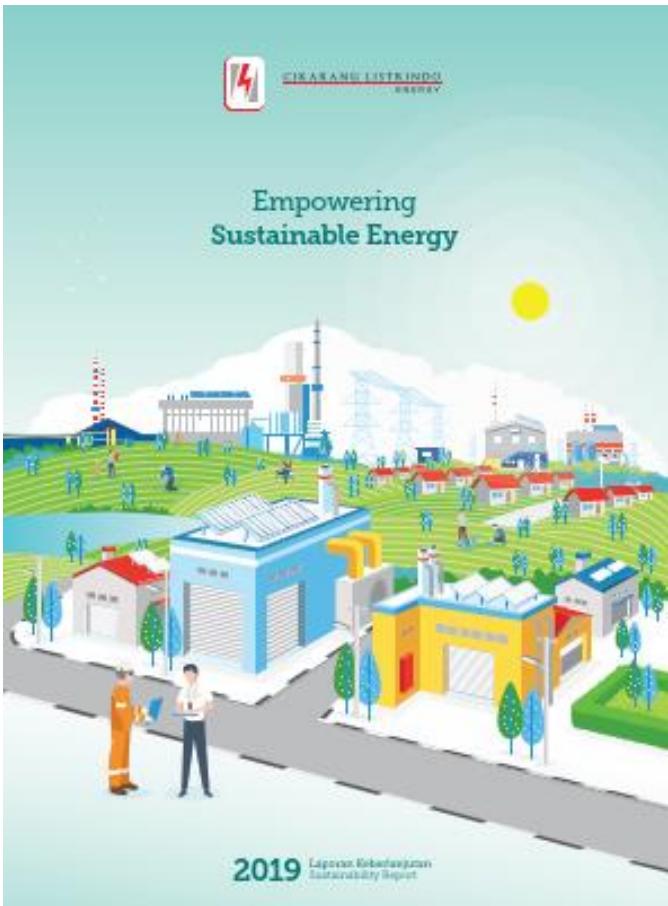
- ✓ Lower logistic costs and increase efficiency in distribution
- ✓ Better supply chain connectivity
- ✓ Improve economic purchasing power and ability to provide significant number of job creation

❑ Further, the President of Indonesia, on September 2020 has instructed to accelerate the development of Patimban Deep Seaport to be connected to Kertajati Airport, Majalengka and the industrial areas of BEKAPUR¹

Appendix

2019 Sustainability Report

Early adoption of the OJK Regulation No. 51/POJK/03/2017
concerning the Implementation of Sustainable Finance for Financial Service Institutions, Issuers and Public Companies



- ✓ Since its establishment, the Company is committed towards building a sustainable business and commits to supporting communities.
- ✓ The Company spirit in strengthening its sustainability commitment by carrying out the SDGs goals, is embedded in the Company's STAR (Service, Trustworthiness, Accountability and Reliability) values.

Economic	Social	Environmental
US\$509.7 million Total economic value distributed in 2019	3.3% Employee turnover rate ⬇ 13.2% from 2018	50,559,934GJ Energy required ⬆ 3.1% from 2018
US\$784K Total CSR funds disbursed throughout 2019	44 Training hours/employee ⬆ 46.7% from 2018	3,668kTon GHGe CO ₂ emissions certified by international certification bodies

Cikarang Listrindo's Response to COVID-19

Our Business



We have formulated a **Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP)** to address the **COVID-19 pandemic**.



We implemented **strict health protocols**; such as health screening every employee, outsource personnel, contractor and visitor to the site.



Commitment to our customers remains the same, if not improved.



Implementing **work from home policy** for our back office employees.



Establishing **COVID-19 Response Team** to ensure all business processes are in line with the Government's COVID-19 pandemic policies.

Our Communities



We are deploying multiple **assistance to support the Government of Indonesia and all those who are at the front line** of the COVID-19 fight, as follows :

- ✓ Contributing to the Government's efforts in **providing 15 ventilators to be distributed to state-owned hospitals.**
- ✓ Supporting medical personnel at the frontlines by **providing temporary shelter and also 499,420 personal protective equipments**, which consist of 485,100 medical masks, 6,170 hazmat suits and 8,150 face shields as well as 1,000 rapid test tools.
- ✓ **Enhancing health and safety of the communities in our operating areas.**

