



CIKARANG LISTRINDO  
ENERGY

# PT CIKARANG LISTRINDO TBK

Investor Presentation  
1Q 2022

April 2022



*Reliable, Clean, and Efficient Power*

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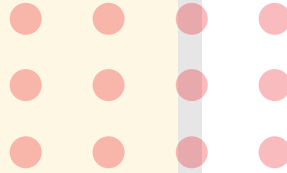
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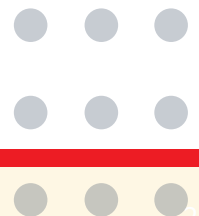




# AGENDA

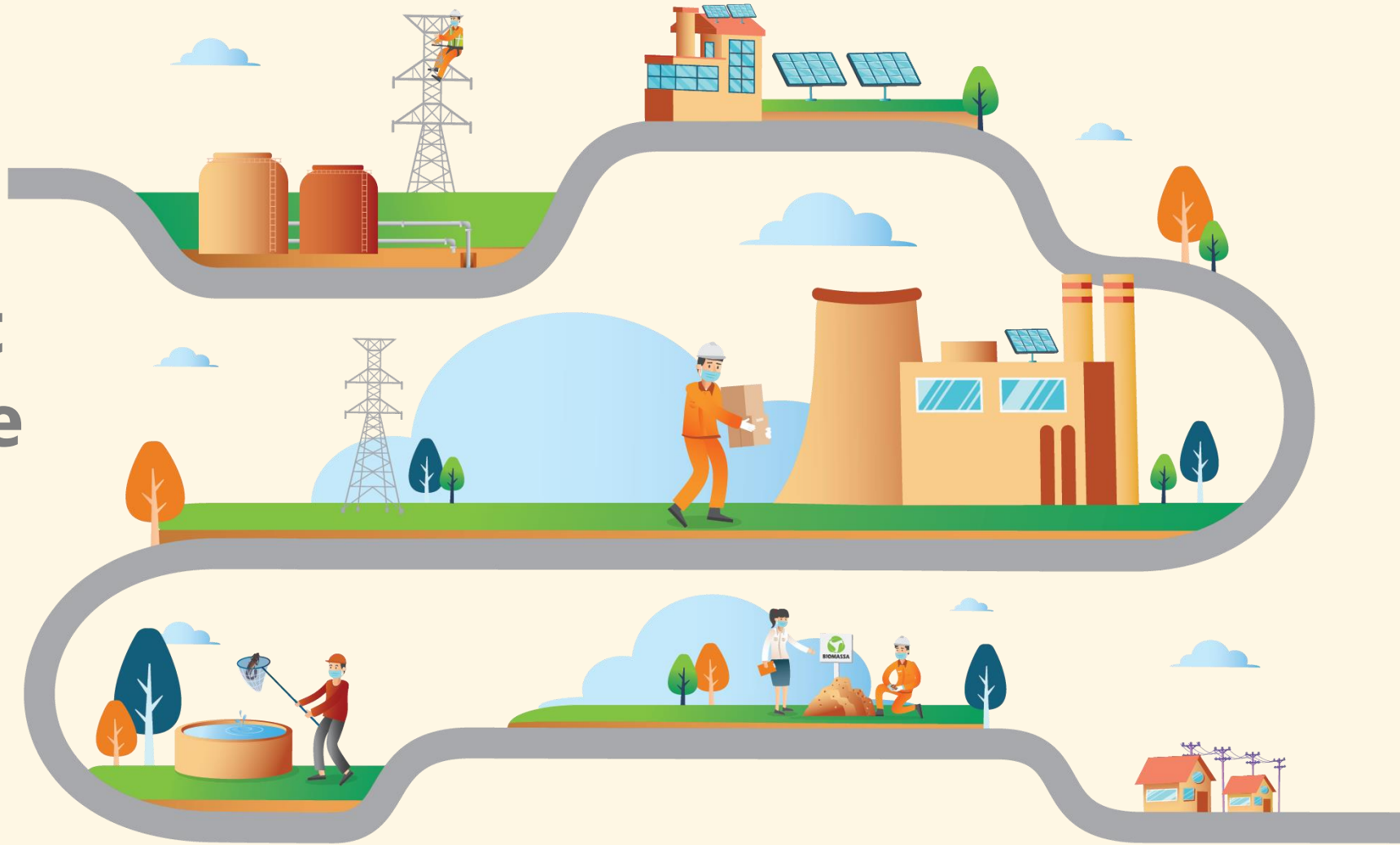


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# 01

## Recent Update



# Recent Update

April 2022



As of April 2022, **rooftop solar power installed capacity reached 5.5 MWp**. There are 6.5 MWp currently under construction

With a target of adding 10 MWp per year, the Company targets the total capacity to reach 21.3 MWp in 2022



The Company obtained **Assurance Statement on 2021 GHG calculation based on ISO 14064:1-2018**. The certification is given by Transpacific Certifications Limited



The Company won **Green Elite title for emission reductions and Platinum Plus title for emissions calculations** by Bumi Global Karbon Foundation and Investor Magazine. Both are the highest-title awarded in the event



The Company's **2021 Annual Report and Sustainability Report will be released on April 30, 2022**



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Source: Company data.

# 02

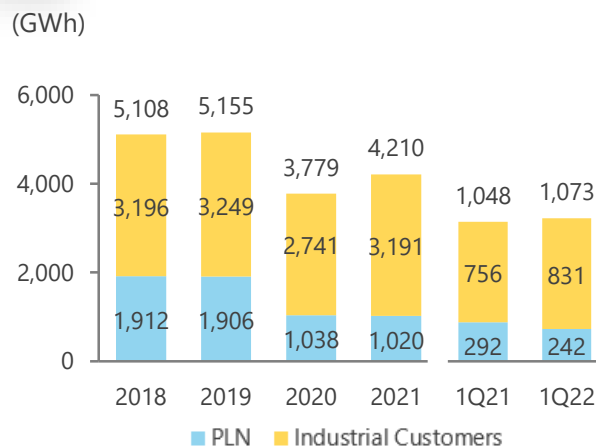
## Operational Performance



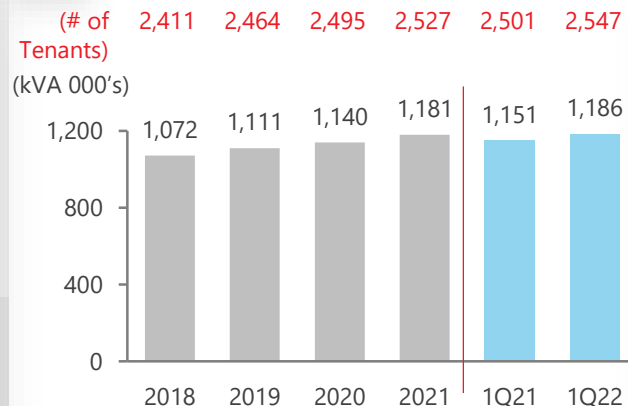
# Operational Performance



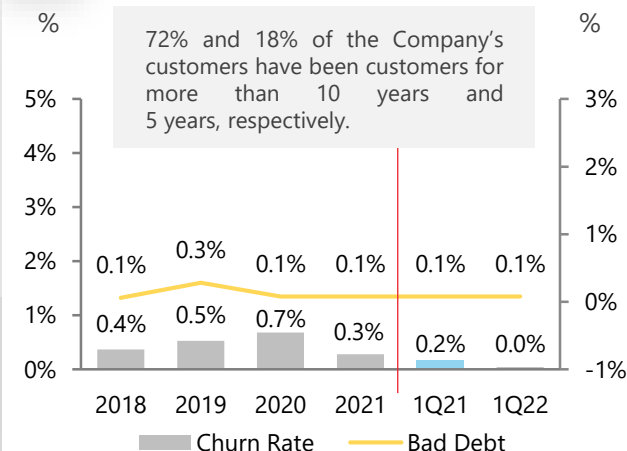
## Historical Consumption Growth



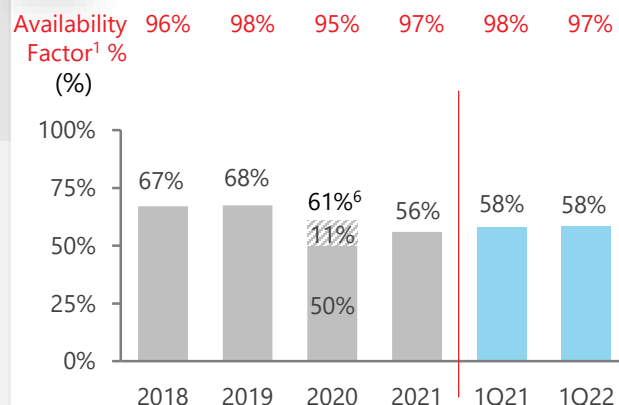
## Industrial Customers' Energized<sup>1</sup> Capacity



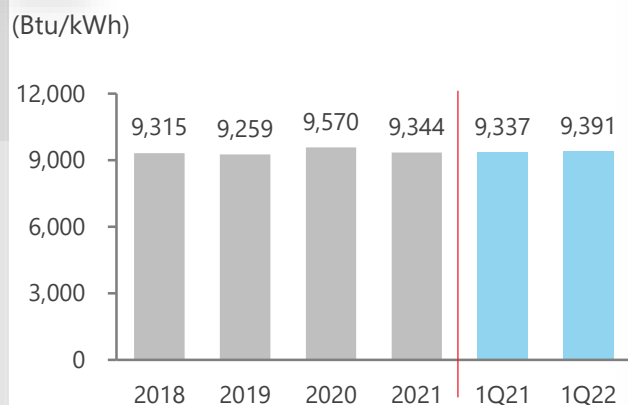
## Low Customer Churn Rate<sup>2</sup> and Bad Debt<sup>3</sup>



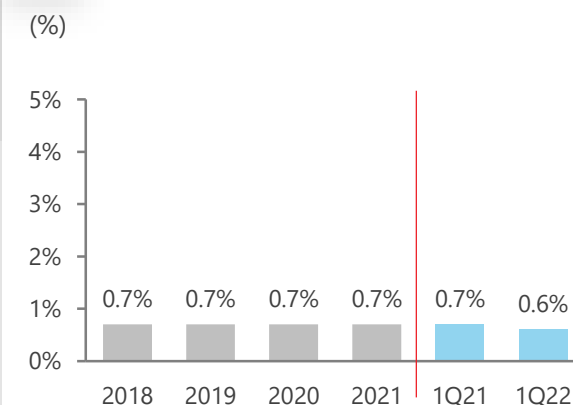
## Net Capacity Factor<sup>4,5</sup>



## Net Plant Heat Rate<sup>4</sup>

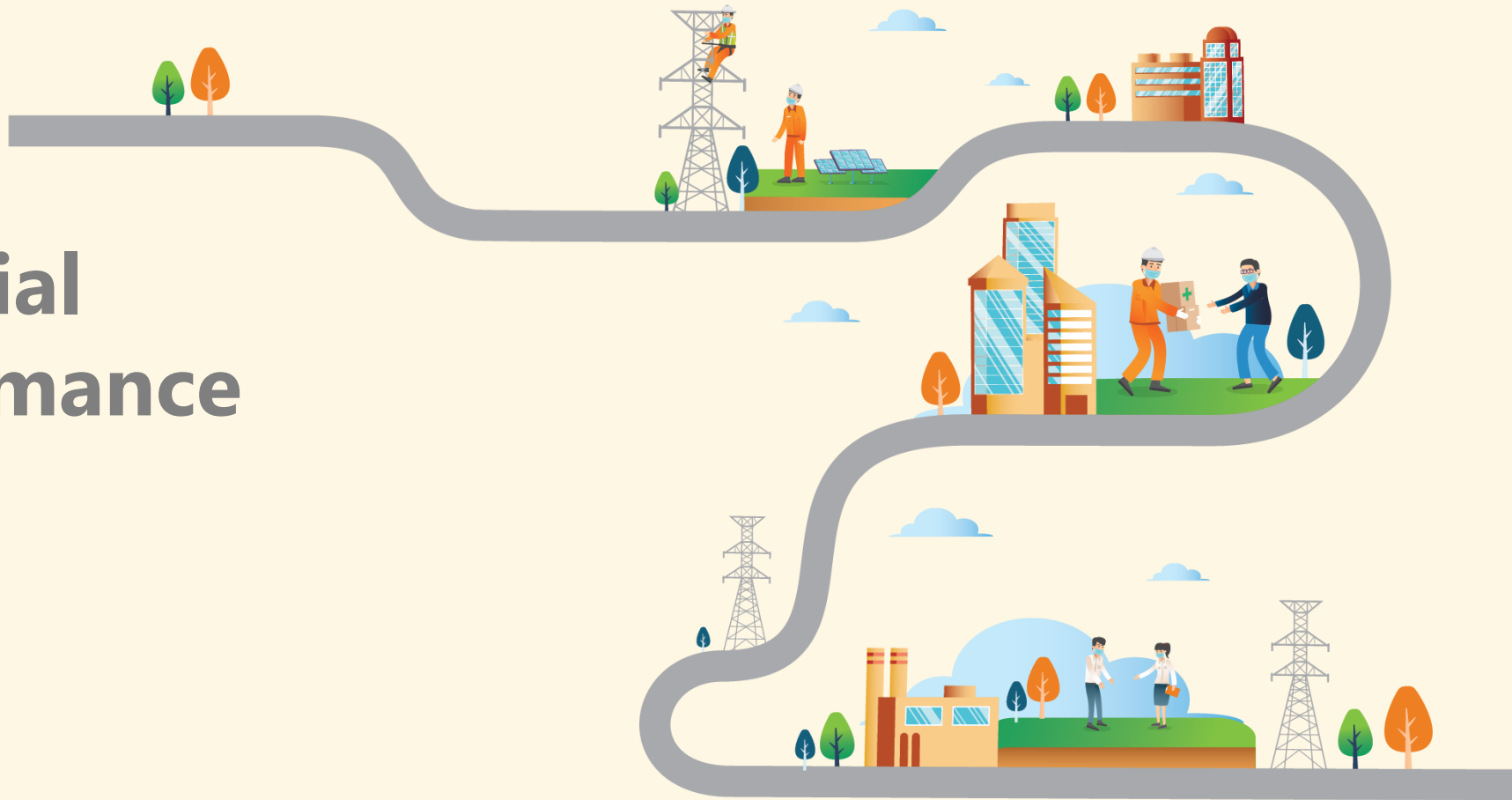


## Network Distribution and Transmission Line Losses<sup>7</sup>



# 03

## Financial Performance



# Financial Performance

Profit & Loss (US\$ million)	1Q22	1Q21	Δ	Δ %
Revenue	132.3	129.2	↑ 3.1	↑ 2.4%
- Industrial Customers	113.7	100.9	↑ 12.8	↑ 12.7%
- PLN	18.6	28.2	↓ 9.7	↓ 34.3%
Operating Expenses	(94.3)	(92.8)	↑ 1.5	↑ 1.6%
- Fuel Expenses	(59.6)	(57.7)	↑ 1.9	↑ 3.3%
- Depreciation Expenses	(14.1)	(13.9)	↑ 0.2	↑ 1.5%
- Employee Expenses	(12.2)	(8.9)	↑ 3.3	↑ 37.0%
- R&M <sup>1</sup> Expenses	(3.7)	(3.1)	↑ 0.6	↑ 18.3%
- Other Operating Exp.	(4.2)	(4.1)	↑ 0.1	↑ 2.8%
- Other Income	0.5	0.4	↑ 0.1	↑ 28.2%
- Other Expenses	(1.0)	(5.5)	↓ 4.5	↓ 82.2%
Operating Profit	38.0	36.4	↑ 1.6	↑ 4.4%
EBITDA	54.5	53.6	↑ 1.0	↑ 1.8%
Profit Before Income Tax	31.8	30.3	↑ 1.5	↑ 4.9%
Income Tax Expense	(8.0)	(10.7)	↓ 2.7	↓ 25.2%
- Current	(5.3)	(4.5)	↑ 0.8	↑ 18.6%
- Deferred	(2.7)	(6.2)	↓ 3.5	↓ 56.7%
Net Income	23.8	19.6	↑ 4.2	↑ 21.3%

Profitability Ratios (%)	1Q22	1Q21
Operating Profit Margin	28.7%	28.1%
EBITDA Margin	41.2%	41.5%
Net Income Margin	18.0%	15.2%

Cash Flows (US\$ million)	1Q22	1Q21	Δ	Δ %
Net Cash Provided by Operating Activities	15.9	38.9	↓ 23.0	↓ 59.2%
Net Cash (Used in) Provided by Investing Activities	(42.0)	10.9	↓ 53.0	↓ 483.9%
Cash Used in Financing Activities	(0.5)	(0.6)	↓ 0.1	↓ 15.2%
Net Increase (Decrease) in Cash and Cash Equivalents	(26.6)	49.3	↓ 75.9	↓ 154.0%
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(0.5)	(3.0)	↓ 2.6	↓ 85.2%
Cash and Cash Equivalents at Beginning of Period	277.7	272.5	↑ 5.2	↑ 1.9%
Cash and Cash Equivalents at End of Period	250.6	318.7	↓ 68.1	↓ 21.4%

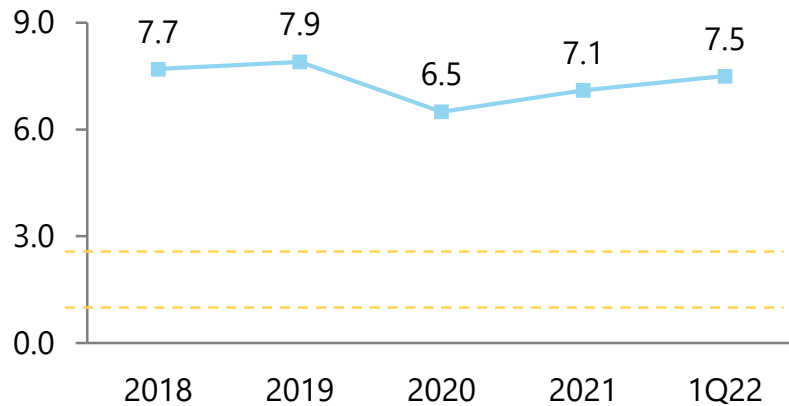


# Key Financial Ratios



## 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)

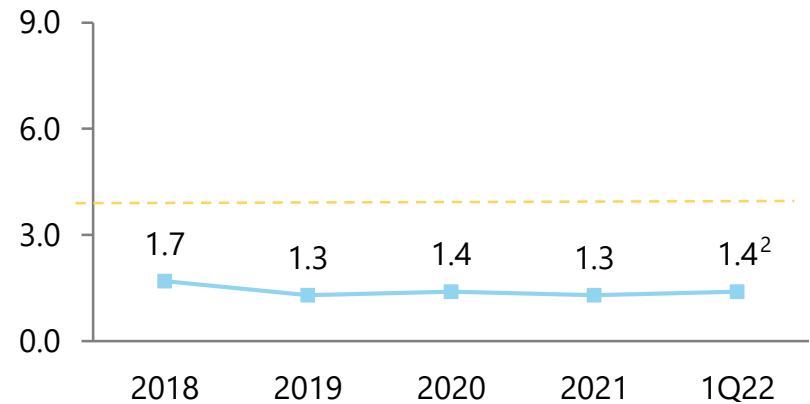


**FCCR is greater than 1 - 2.5x**



## Leverage Ratio

- Ratio of Net Debt<sup>1</sup> 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)



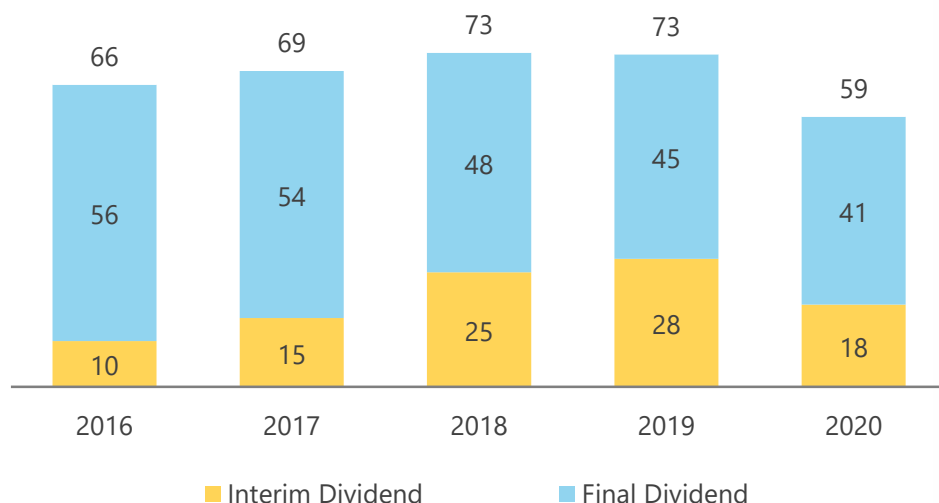
**Leverage Ratio is less than 3.75x**



# Dividend Payment

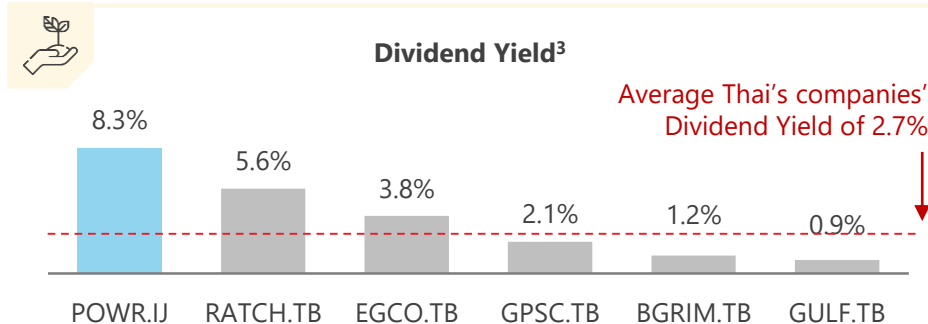
## Historical Dividend since IPO

(US\$ million)








	2016	2017	2018	2019	2020
Dividend Payout	64%	64%	92%	64%	79%
Total Dividend/Share <sup>1</sup>	Rp56	Rp60	Rp67	Rp67	Rp53
Dividend Yield <sup>2</sup>	8.7%	9.3%	10.3%	10.4%	8.3%

- > 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
- > In December 2021, the Company distributed **an interim dividend for FY2021 of US\$22.9 million**  
**Final Dividend will be announced in the upcoming GMS, scheduled to be held in June 2022**
- > **POWR dividend yield average of 9.4% (2016-2020) is amongst the top 20 highest dividend yield on the IDX<sup>5</sup>**
- > That dividend yield is also **greater than average Thai's power companies' dividend yield<sup>3</sup> of 2.7% and MSCI Emerging Market<sup>4</sup> of 2.5%**
- > POWR is **included in the SRI-KEHATI Stock Index<sup>6</sup>** for the period of July 2021 – May 2022 and **PEFINDO Stock Index<sup>7</sup>** for the period of November 2021 – July 2022



# Replacement Value Analysis

Indicators indicate significant under value of POWR stocks

Description	Capacity (MW)	Book Value <sup>1</sup> (US\$ million)	JLT's Implied Replacement Cost (US\$ million)
 Gas-Fired Combined Cycle	646	74	581 <sup>2</sup>
 Gas-Fired Simple Cycle	218	77	109 <sup>2</sup>
 Coal-Fired Power Plant	280	381	475
 Transmission & Distribution	-	42	116
 Land	-	73	152
<b>Total</b>	<b>1,144</b>	<b>647</b>	<b>1,432</b>

The Company's Enterprise Value as of March 31, 2022<sup>3</sup>

1,001



Indicative Asset's Replacement Cost accepted by Jardine Lloyd Thompson (JLT), our insurer



The Company's Enterprise Value of US\$1.0 billion<sup>3</sup> is lower than the Asset's Replacement Value



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1. Data as per March 31, 2022.

2. Data from Jardine Lloyd Thompson (Company's insurer).

3. EV as per March 31, 2022 using share price as of March 31, 2022 (Rp645/share).

# 04

## Future Development



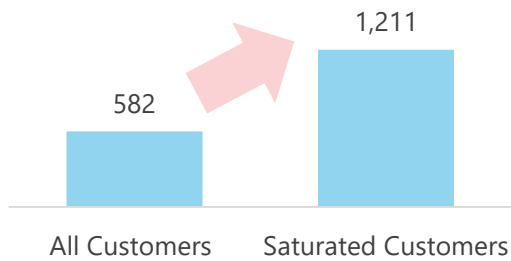
# Potential Capacity Growth from the Industrial Estates



## Energized Capacity Intensity

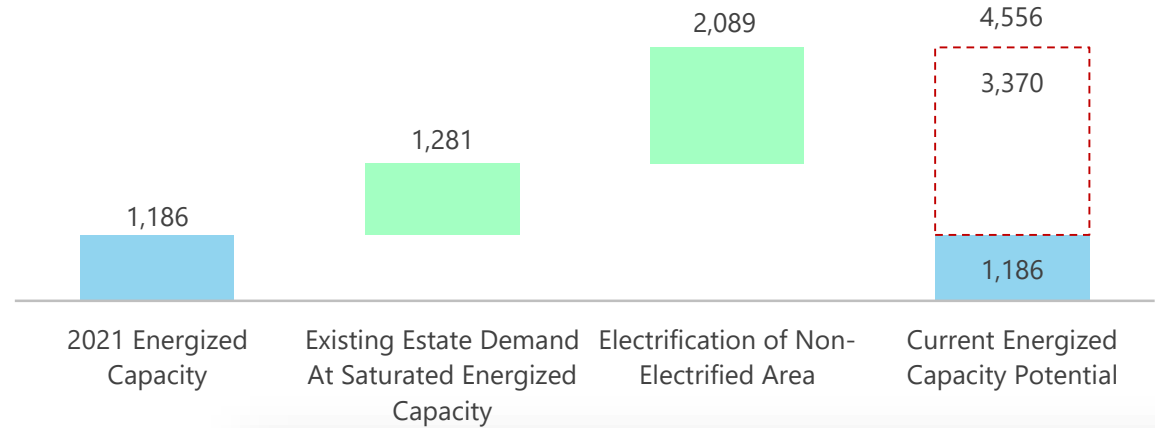
(KVA/ha)

From total area of 5,542 ha;  
only 57%<sup>1</sup> has been electrified



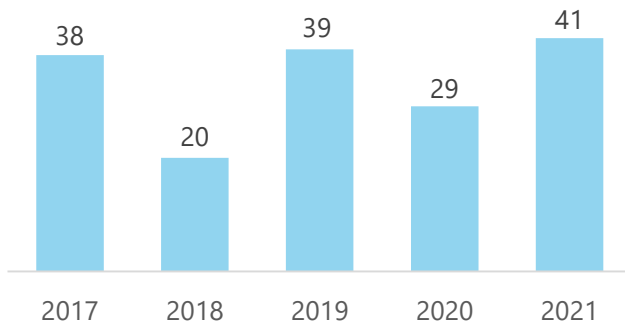
## Energized Capacity Potential

('000 kVA)



## Additional Energized Capacity

('000 kVA)



Annual energized capacity addition for the past 5 years amounted to 34 MVA; or equivalent with the whole industry sector of East Nusa Tenggara province energized capacity as of December 2021<sup>2</sup>

## Various catalyst event that will support and boost the growth of the industrial estates, such as:

- ✓ Infrastructure development to provide better supply chain connectivity, lower logistic costs, and improve efficiency in distribution
  - Cilincing-Cibitung Toll Road which connects industrial areas in Bekasi with Tanjung Priok Port & Marunda Port. Completion target in 2022
- ✓ Government program to integrate BEKAPUR<sup>3</sup> industrial area by building massive infrastructures, to enhance industrial development and productivity
  - Jakarta-Cikampek Selatan Toll Road which connects the industrial estates in Bekasi to Purwakarta, and complements the current Jakarta-Cikampek toll road. Completion target in 2025
  - Other significant infrastructure development includes, Light Rapid Transportation (2022), Express Train Jakarta-Bandung (2023), Patimban Deep Sea Port Access Toll Road (2023) and Express Train Jakarta-Semarang (2024)



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Source: Company data.

1. Total area includes 30% of public spaces and pre-1993 industrial customers. We excludes public space area in the calculation of electrified area percentage.

2. East Nusa Tenggara province's data from PLN's 2021 Statistics.

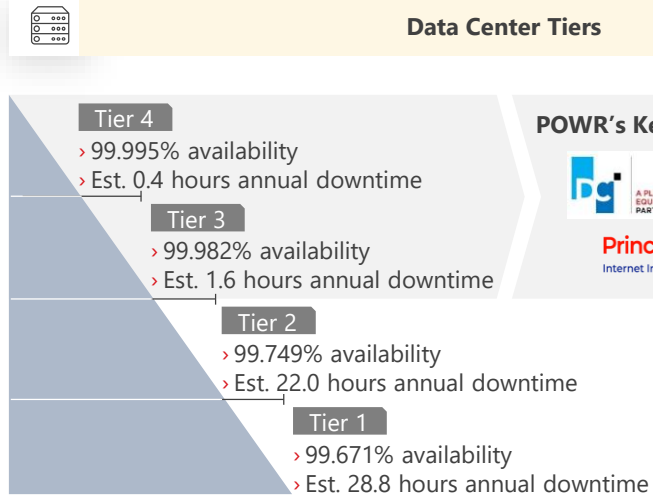
3. Bekasi, Karawang, and Purwakarta

# Potential Capacity Growth from Data Center Market

## Indonesia Data Center Market

- Indonesia's digital economy is the largest and fastest-growing in Southeast Asia with around 273 million people, and expected to reach GMV<sup>3</sup> around US\$146 billion by 2025
- Rapid growth of startup companies in Indonesia – the country currently has 1 decacorn and 8 unicorn out of 33 unicorn companies in ASEAN<sup>2</sup>
- Indonesia is one of the rising stars which are developing rapidly and expected to increase the share of the SEA region's data center pie. The expected growth rate of 24% per annum<sup>1</sup> supported by abundance of land mass for data center operations to expand, ease of access, and lower cost of entry compared to Singapore
- Favorable Government regulations support the development data center infrastructure, among others: Regulation No. 71/2019 for Public Domain, OJK Regulation No. 38/2019 for Bank, and No. 69/2016 for Insurance

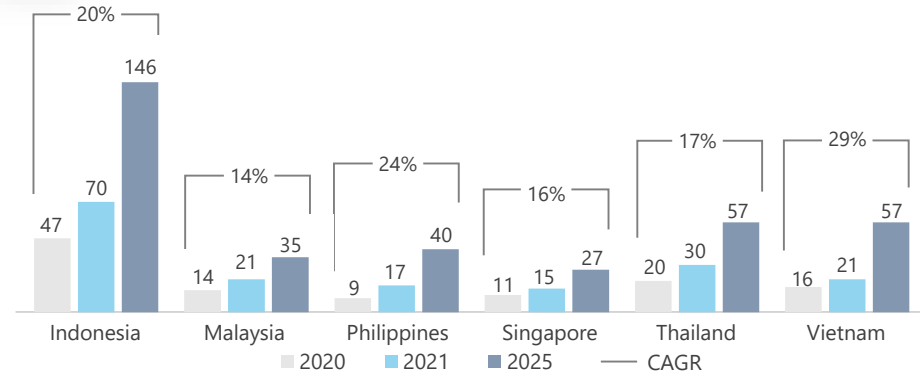
## Power: An Integral Part of Data Center



### POWR's Key Data Center Players<sup>4</sup>

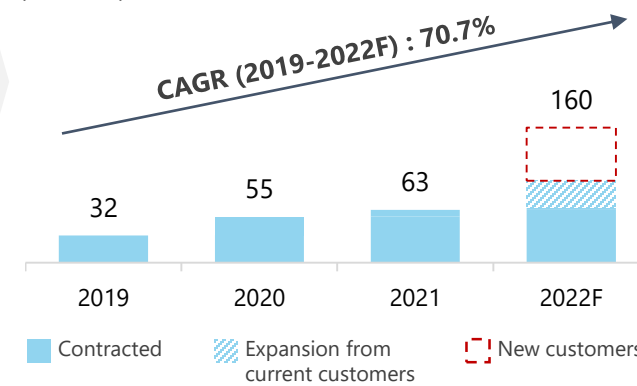


### SEA Internet Economy (GMV<sup>3</sup>, US\$B)



### Projected Energized Capacity from Data Center

('000 kVA)



As of March 2022, data center industry contracted capacity reached 65 MVA.

Based on discussions with data center players, we're expecting a total of 32 MVA expansion from current customers and 2 more data center customers, who have purchased land, with approx. 60 MVA of demand



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Source: Frost & Sullivan, 2019; Jakarta DCI Report 2020: Data Center Colocation, Hyperscale Cloud & Interconnection by Structure Research; e-Economy SEA 2021 Report by Google, Temasek & Bain & Company; The Future of Data Centers in the Face of Climate Change by Digital Realty and Eco Business; The Complete List of Unicorn Companies by CB Insights; Data Vantage: SEA Welcomes Five New Unicorns in 2021 + Other SEA Deal Updates by Dealstreet Asia; News titled 273 Million Indonesian Population (Updated Version of the Ministry of Home Affairs) dated February 24, 2022.  
1. CAGR between 2019 – 2024F; 2. A decacorn company is a privately held startup company valued at over US\$10 billion. A unicorn company is a privately held startup company valued at over US\$1 billion. Total of decacorn and unicorn company still includes Gojek and Tokopedia; 3. Gross Merchandise Value; 4. Princeton Digital Group, previously XL Axiata.

# POWR's Climate Goals

The Company strengthening its commitment to sustainability by setting a climate goal for its operations, inline with Indonesia's Nationally Determined Contribution<sup>1</sup>

## Indonesia

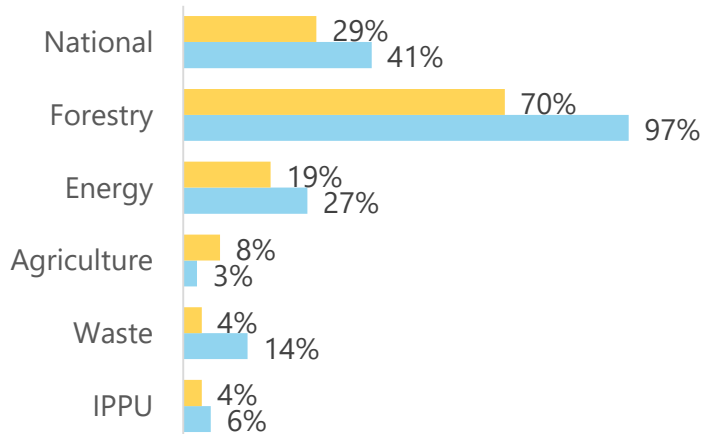


### 2030 GHG Emissions Reduction Targets (Energy Sector)<sup>2</sup>

**19%** unconditional reductions



### National & 5 Key Sectors Categories<sup>2</sup>



■ Unconditional reductions ■ With international assistance

## The Company



### GHG Emissions Reduction Targets

**10%** reductions by 2025 **20%** reductions by 2030



### Main Actions

Actions to reduce emissions, includes:

- Increase Solar PV generation by 10 MWp p.a.
- Increase use of biomass to replace coal. By 2025, we plan to replace up to 20% of boiler capacity, with biofuels
- Continuously searching technical possibilities to improve the efficiency of our units but also optimize the operation of the power generation fleet

In 2021, the Company's managed to reduce its emission intensity by 6.8% from 0.73 GHGe/MWh in 2020 to 0.68 GHGe/MWh in 2021



# Rooftop Solar Power

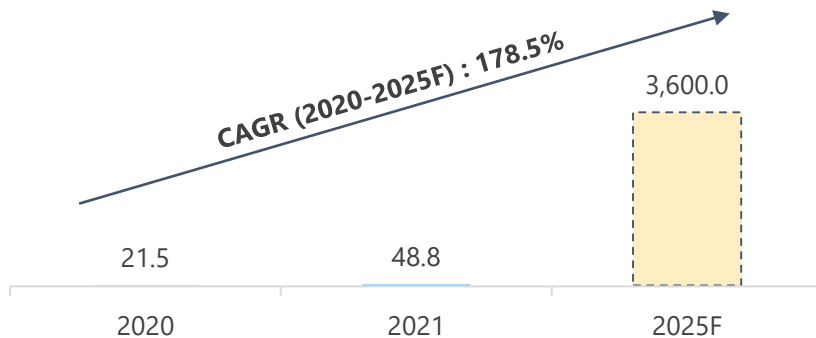


## Indonesia's Rooftop Solar Power Potential

- Indonesia's rooftop solar power expansion is expected to gain momentum with supportive regulations introduced by the Government
- Huge solar energy potential combined with strong commitment to accelerate renewables energy in Indonesia. Based on target set by the MEMR, rooftop solar power capacity in Indonesia is expected to reach 3.6 GWp by 2025
- This also provides opportunities for rooftop solar power demand growth from the industrial estates
- Customers will be more interested with our rooftop solar power approach as it provides integrated generating system with our power plants to cover solar power intermittency



## Government's Rooftop Solar Power Target 2021-2030 (MWp)

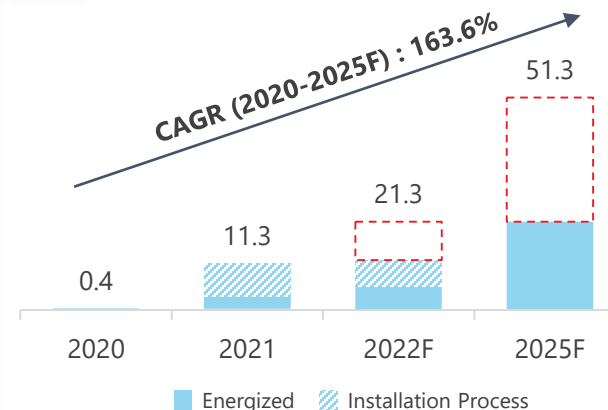


## Company's Rooftop Solar Power Initiatives

- After successfully installing 52.5 kWp rooftop solar power at the Company's operational office in Jababeka, in 2019 we began to commercialize the option for rooftop solar power as renewable energy sources to customers



## Projected Energized Capacity from Rooftop Solar Power (MWp)



As of April 2022, rooftop solar power installed capacity reached 5.5 MWp. There are 6.5 MWp currently under construction

With a target of adding 10 MWp per year, the Company targets the total capacity to reach 21.3 MWp in 2022



# Co-firing with Biomass in CFB Boiler



To diversify its generation mix, in 2017, Company successfully commissioned its Coal-Fired Power Plant with Circulating Fluidized Bed (CFB) boiler technology



Despite that, our focus on the environment has never wavered. The investment in the CFB boiler supplied by Valmet, a Finnish company, allows us to utilize a wide range of solid fuels, including biomass, and lower emissions by the relatively low firing temperature of the CFB (limiting  $\text{NO}_x$ ) coupled with limestone injection to reduce Sulphur ( $\text{SO}_2$ ). At the same time, this CFB Boiler technology also has the ability to burn biomass



In 2021, we replaced coal with 18,645 ton of biomass or equal to 30,220 MWh of power (2020: 1,403 ton of biomass or equal to 2,271 MWh of power)

In 2022, we are targeting to replace coal with minimum 20,000 ton of biomass



The Company has successfully commissioned the biomass handling system in Q3 2021. Palm Kernel Shells and Woodchips will be used as feedstocks in the beginning. Other biomass options will be later taken into consideration as other alternatives



The Company's commitment toward environmental aspect is also proven by securing the Assurance Statement conforming all Company's work area' GHG emission in accordance with ISO 14064-1:2008

The assurance statement has been verified and certified by international certification body, Transpacific Certifications Limited (TCL)