



PT CIKARANG LISTRINDO TBK

Investor Presentation – 9M 2019



CIKARANG LISTRINDO
ENERGY

Reliable, Clean and Efficient Power

November 2019
Strictly Private & Confidential

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Recent Update on Cikarang Listrindo

Recent Update on Cikarang Listrindo

The Company distributed total dividend FY18 of US\$73 mio
(Dividend Yield of 5.7%¹)

May-19



Substitution of Senior Notes
2026 Issuer & Subsidiary
Divestment

Sep-19



Moody's revised the
Company's outlook to positive
and affirms Ba2 rating

Nov-19



BB+

Jun-19

S&P raised the Company's
rating from BB to BB+
(Outlook: Stable)

Oct-19



The Company was awarded as Top
50 Big Capitalization Public Listed
Company by Indonesian Institute for
Corporate Directorship



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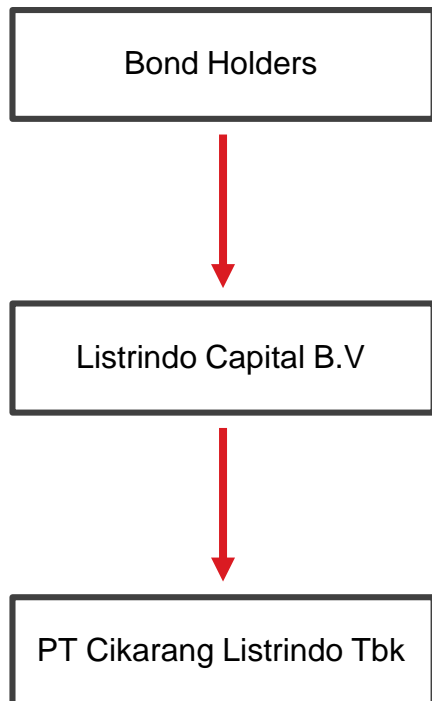
Source: Company data;
1. Share price as of September 30, 2019 (Rp1,160/share)



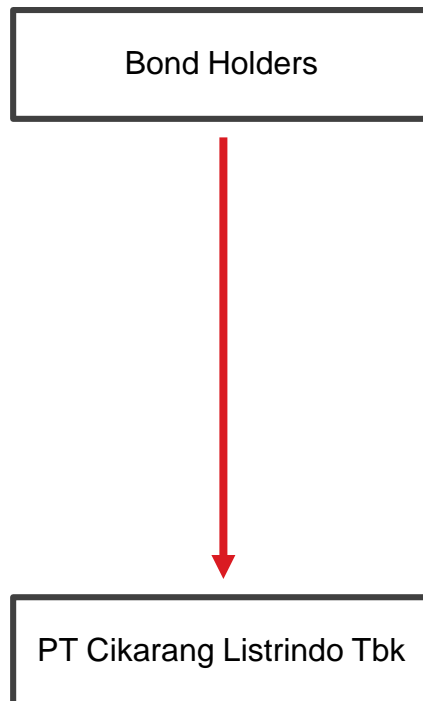
Substitution of Senior Notes 2026 Issuer

New structure that improve Company's credit quality

Previous Structure



Current Structure



● **Aug 29, 2019**

Execution of First Supplemental Indenture to enact certain proposed amendments which has been approved by the Senior Notes holders

● **Sep 25, 2019**

The Company succeeded and substituted Listrindo Capital B.V. as Issuer of the Senior Notes

● **Sep 28, 2019**

Divestment of Subsidiary

Moody's Revised Cikarang Listrindo's Rating Outlook



Cikarang Listrindo's debt rating ranks eighth on category of Indonesia's private non-bank companies, covered under Moody's coverage

POWR's Senior Notes Profile



US\$550 mio,



10NC5 Senior Notes at 4.95%,



Due in Sep-2026

Moody's revised rating outlook from Stable to Positive

“

The positive outlook reflects the continued improvement in POWR's business profile, and our expectation that the company will maintain a solid financial profile and strong liquidity,

”

“

POWR continues to benefit from stable cash flow generation, underpinned by (1) its exclusive licenses to supply electricity in five industrial estates with over 2,400 industrial customers, (2) its solid operating record, and (3) the supportive features in its long-term power supply agreements with customers, which help mitigate its exposure to fluctuations in fuel costs.

”

Moody's Top 10 Indonesian Private Companies (non SOE)

No	Company Name	Current Rating
1	PT Adira Dinamika Multi Finance Tbk	Baa2 (Outlook: Stable)
2	PT Astra Sedaya Finance	Baa2 (Outlook: Stable)
3	PT Federal International Finance	Baa2 (Outlook: Stable)
4	PT United Tractors Tbk	Baa2 (Outlook: Stable)
5	PT Profesional Telekomunikasi Indonesia	Baa3 (Outlook: Stable)
6	PT XL Axiata Tbk	Baa3 (Outlook: Stable)
7	PT Adaro Indonesia	Ba1 (Outlook: Stable)
8	PT Cikarang Listrindo Tbk	Ba2 (Outlook: Positive)
9	PT Pakuwon Jati Tbk	Ba2 (Outlook: Stable)
10	PT Bayan Resources Tbk	Ba3 (Outlook: Stable)



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Source: Moody's research and rating accessed on November 1, 2019



S&P Raised Cikarang Listrindo's Rating

S&P Global Ratings

- With the new rating, Cikarang Listrindo's debt rating ranks third on category of Indonesia's private non-bank companies covered under S&P coverage below PT Astra International and PT Profesional Telekomunikasi Indonesia (PT Protelindo)

POWR's Senior Notes Profile



- ✓ US\$550 mio,
- ✓ 10NC5 Senior Notes at 4.95%,
- ✓ Due in Sep-2026

S&P raised from BB to BB+ (Outlook: Stable)

“ We raised the rating on POWR because we believe the company is well positioned to benefit from Indonesia's solid growth prospects. This is given POWR's captive market position and the improved credit quality of its counterparties such as PLN. ”

“ The stable outlook on POWR reflects our expectation that the company will maintain stable cash flows, moderate leverage, and have efficient operations over the next 12-18 months. ”

S&P Top 10 Indonesian Private Companies (non SOE)

No	Company Name	Current Rating
1	PT Astra International	BBB+ (Outlook: Stable)
2	PT Protelindo	BBB (Outlook: Stable)
3	PT Cikarang Listrindo	BB+ (Outlook: Stable)
4	PT Pakuwon Jati	BB (Outlook: Stable)
5	PT Vale Indonesia	BB (Outlook: Stable)
6	PT Tower Bersama Infrastructure	BB (Outlook: Stable)
7	PT Japfa Comfeed Indonesia	BB- (Outlook: Stable)
8	PT Chandra Asri Petrochemical	BB- (Outlook: Stable)
9	PT Bayan Resources	B+ (Outlook: Stable)
10	PT Buana Lintas Lautan	B+ (Outlook: Stable)

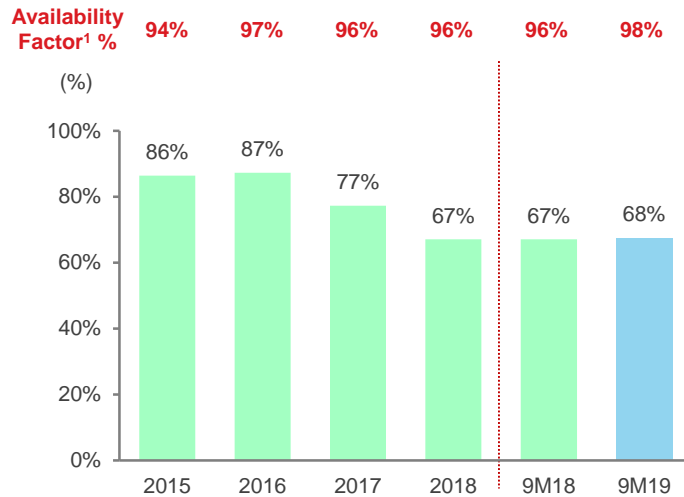




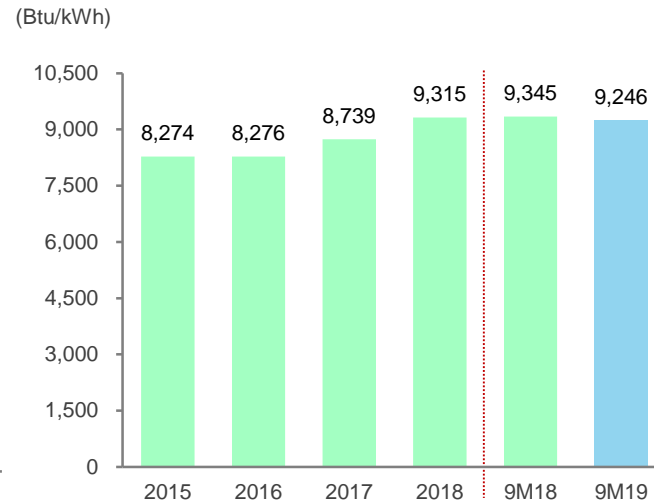
Operational Performance

Operational Performance

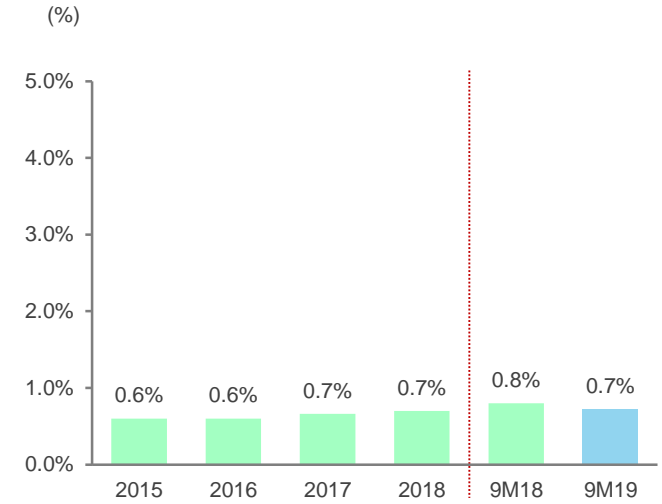
Net Capacity Factor^{1,2}



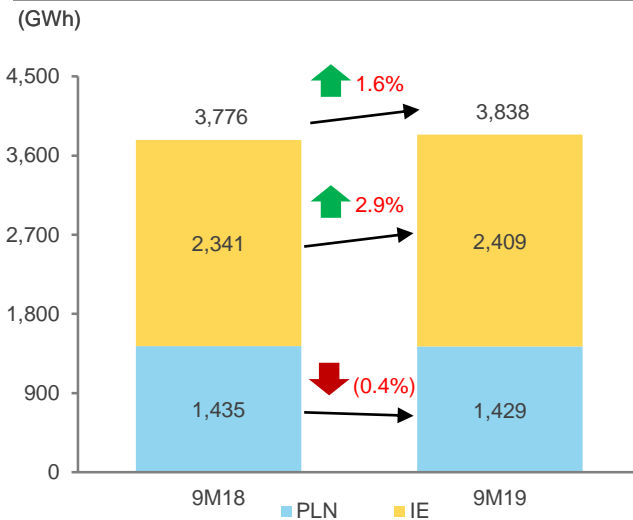
Net Plant Heat Rate¹



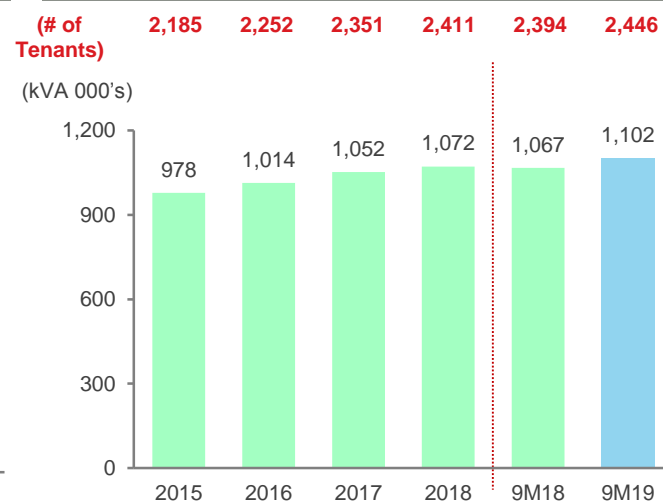
Network Distribution and Transmission Line Losses³



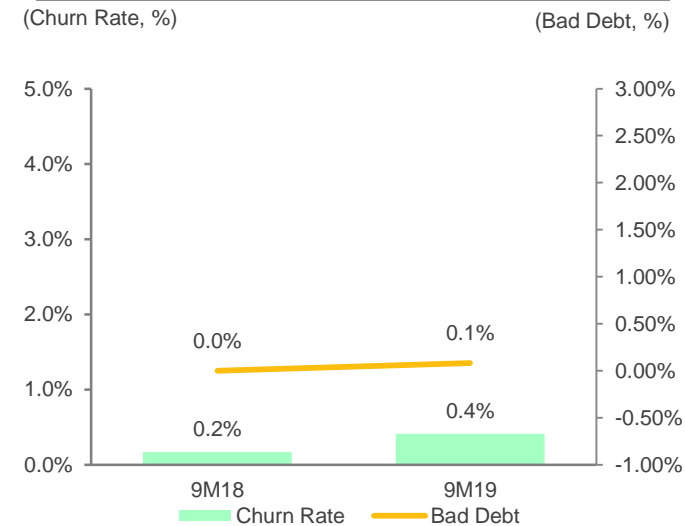
Historical Consumption Growth



IE Customer Energized⁴ Capacity



Low Customer Churn Rate⁵ and Bad Debt⁶



Source: Company data as at September 2019, 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. Network distribution and transmission line losses are electricity line energy losses in the process of supplying electricity from our plant to the customers; 4. Energized kVA represents the amount of capacity each IE customer has purchased for use under the offtake agreements; 5. Churn rate defined as rate at which customers stop subscribing to Cikarang Listrindo's service; 6. Calculated by dividing impairment loss on receivables with total net sales



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Financial Performance

Financial Performance

Profit & Loss (US\$m)	9M18	9M19	Δ %
Revenue	426.3	440.0	3.2%
- IE	315.9	324.0	2.6%
- PLN	110.4	116.0	5.1%
Cost of Sales	(271.2)	(279.0)	2.9%
Gross Profit	155.1	161.0	3.8%
Operating Expenses	(39.2)	(43.8)	11.6%
EBITDA	162.9	170.9	4.9%
Profit Before Income Tax	89.8	98.0	9.0%
Net Income	60.6	78.9	30.1%

Profitability Ratios (%)	9M18	9M19	9M19 ¹
Gross Margin	36%	37%	38%
EBITDA Margin	38%	39%	40%
Net Income Margin	14%	18%	18%






Balance Sheet (US\$m)	2018	9M19	Δ %
Cash and Cash Equivalents	156.4	168.5	7.8%
Claims for Tax Refund	15.4	59.6	287.9%
Property, Plant & Equipment ²	901.1	860.4	(4.5%)
Total Assets	1,309.0	1,318.9	0.8%
Taxes Payables	14.1	5.8	(59.3%)
Total Liabilities	668.5	663.6	(0.7%)
Treasury Shares	(1.1)	(17.6)	1,540.4%
Equity ³	640.4	655.3	2.3%

Financial Ratios (x)	2018	9M19
Current Ratio	5.5x	6.7x
FCCR ⁴	> 1-2.5x	7.9x
Net Debt ⁵ to EBITDA < 3.75x	1.7x	1.6x



Company's Replacement Value Analysis

Indicators indicate significant under value of POWR stocks

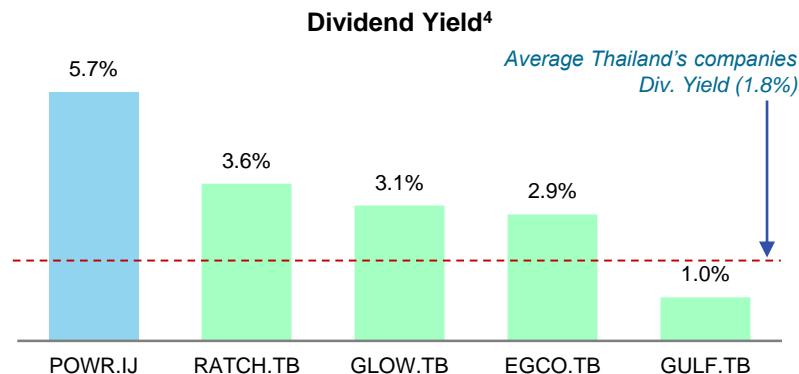
Description	Capacity (MW)	Book Value ¹ (US\$ mio)	Current Replacement Cost (US\$ mio per MW)	Implied Replacement Cost (US\$ mio)
 Gas Fired Combined Cycle	646	100	0.9	581
 Gas Fired Simple Cycle	218	94	0.5	109
 Coal Fired Power Plant	280	447	1.7	475
 Transmission & Distribution	-	48	-	112
 Land	-	70	-	121
	1,144	759	-	1,398



✓ Indicative replacement cost accepted by Jardine Lloyd Thompson (JLT), our insurer, to value Company's asset

✓ The Company's Enterprise Value of US\$1.7 bln^{1,2} is only marginally higher than the Asset's Replacement Value

✓ Dividend yield of 5.7%³ compared to Thailand's companies dividend yield with average of 1.8% and MSCI Emerging Market⁵ of 2.9%



Share Buyback Program

- The General Meeting of Shareholder (GMS) approved plan for a share buyback of a maximum 321.7 mio shares or 2% of total issued and paid up capital.
- The Company believes that the exercise of Shares Buyback transaction shall not cause a material negative impact to the business considering that the Company has enough working capital and cash flows to undertake Shares Buyback along with its business activity.
- Detail of the Share Buyback Plan:

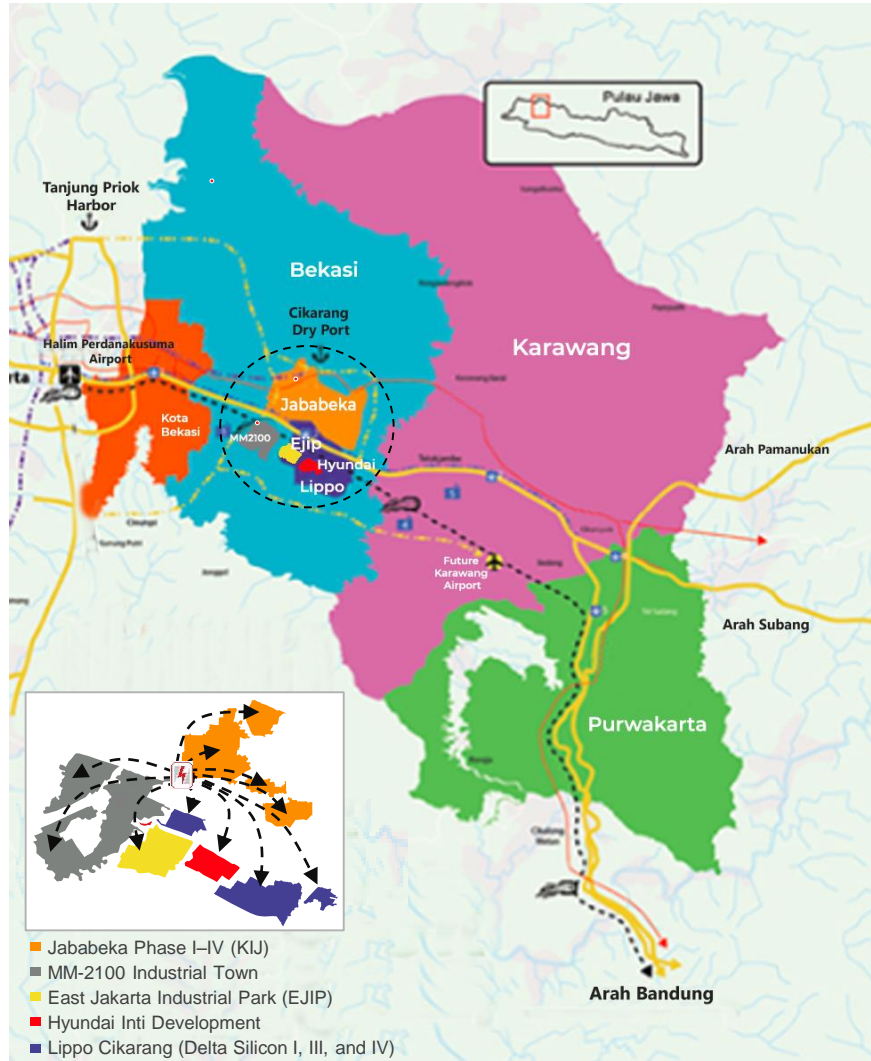
Total Shares	Maximum 321.7 mio shares or 2% of total issued & paid up capital
Allocated Fund	Maximum US\$20 mio
Source of fund	Internal Cash Flow
Buyback Period	Over 18 Months after the GMS
GMS Approval	October 24, 2018 (Approved)
Plan of repurchased shares	<p>The GMS on April 16, 2019, approved implementation of the share bonus plan for employees from the Company's treasury stock</p> <p>The management and implementation of share bonus from the Company's treasury shares would be handled by Board of Directors. Following are the criteria of Share Bonus Plan distribution:</p> <ol style="list-style-type: none"> 1. Share bonus is meant for every Company's employee excluding Board of Commissioners & Directors 2. Allocation of share bonus is based on annual performance assessment of each employee and to be executed once the performance assessment is completed and the employee meets the bonus payment criteria 3. Share bonus will replace a portion of annual cash bonus and the total amount received (shares + cash) will be the same if all are in cash
Share buyback as of September 30, 2019	278.9 mio shares (approximately US\$17.6 mio)

Appendix

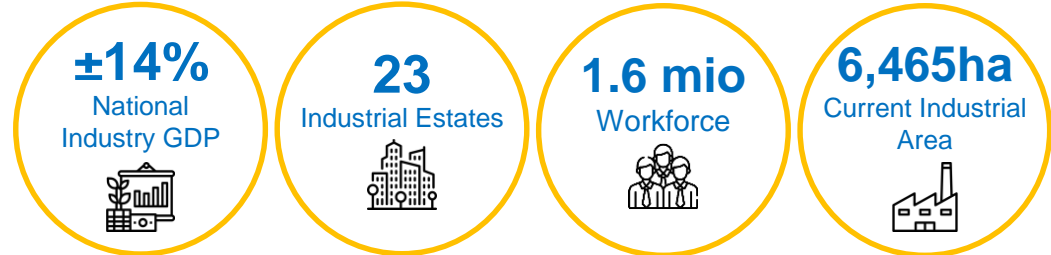


National Strategic Project: BEKAPUR¹ Industrial Area to Accelerate Industrialization & Anticipate Industrial Revolution 4.0

BEKAPUR Map

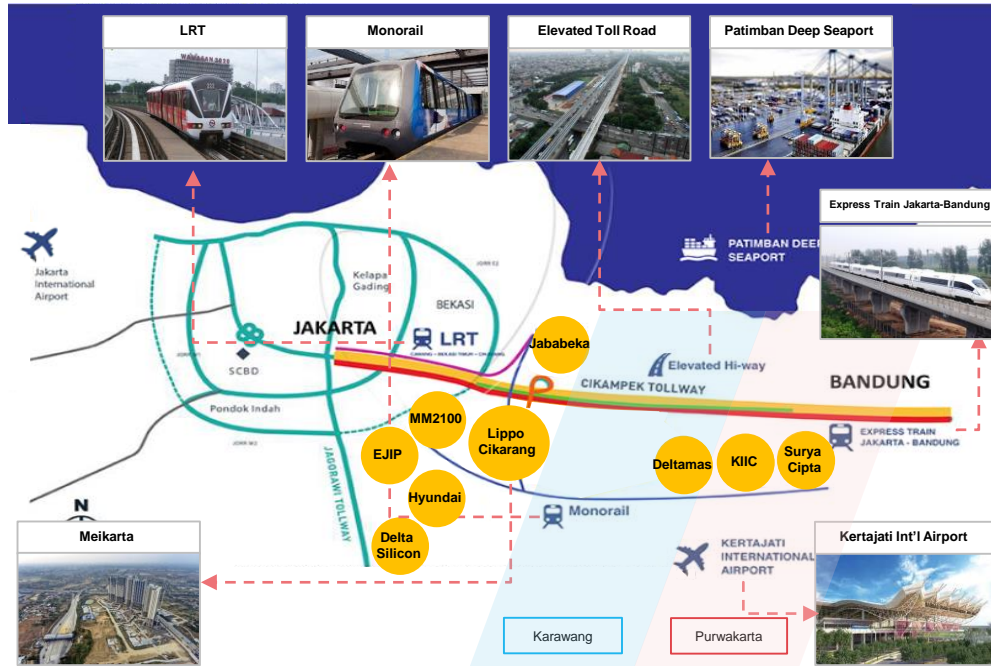


BEKAPUR¹'s Industrial Area Contribution



- 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



Infrastructures	Completion Target	Capacity
Kertajati International Airport	Completed	5.6 mio passenger/year & 1.5 MT/year cargo
Elevated toll road	End of 2019	Additional 125k vehicles per day
Patimban Deep Seaport	2020	3.5 mio TEU/year and 600k CBU vehicle
Automated People Mover (Monorail)	2020	N/A
Light Rapid Transportation (LRT)	1H 2021	40 – 45 min for 25 – 30 km
Express Train Jakarta Bandung	2021	44 minutes & 109K passenger/day
Cikarang Bekasi Laut (CBL) canal	2021	1.5 mio TEU/year

- 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

- 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