



**CIKARANG LISTRINDO  
ENERGY**

# **PT CIKARANG LISTRINDO TBK**

**Investor Presentation**  
1H 2022

July 2022



*Reliable, Clean, and Efficient Power*

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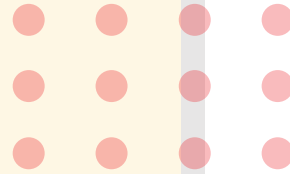
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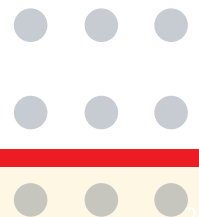




# AGENDA

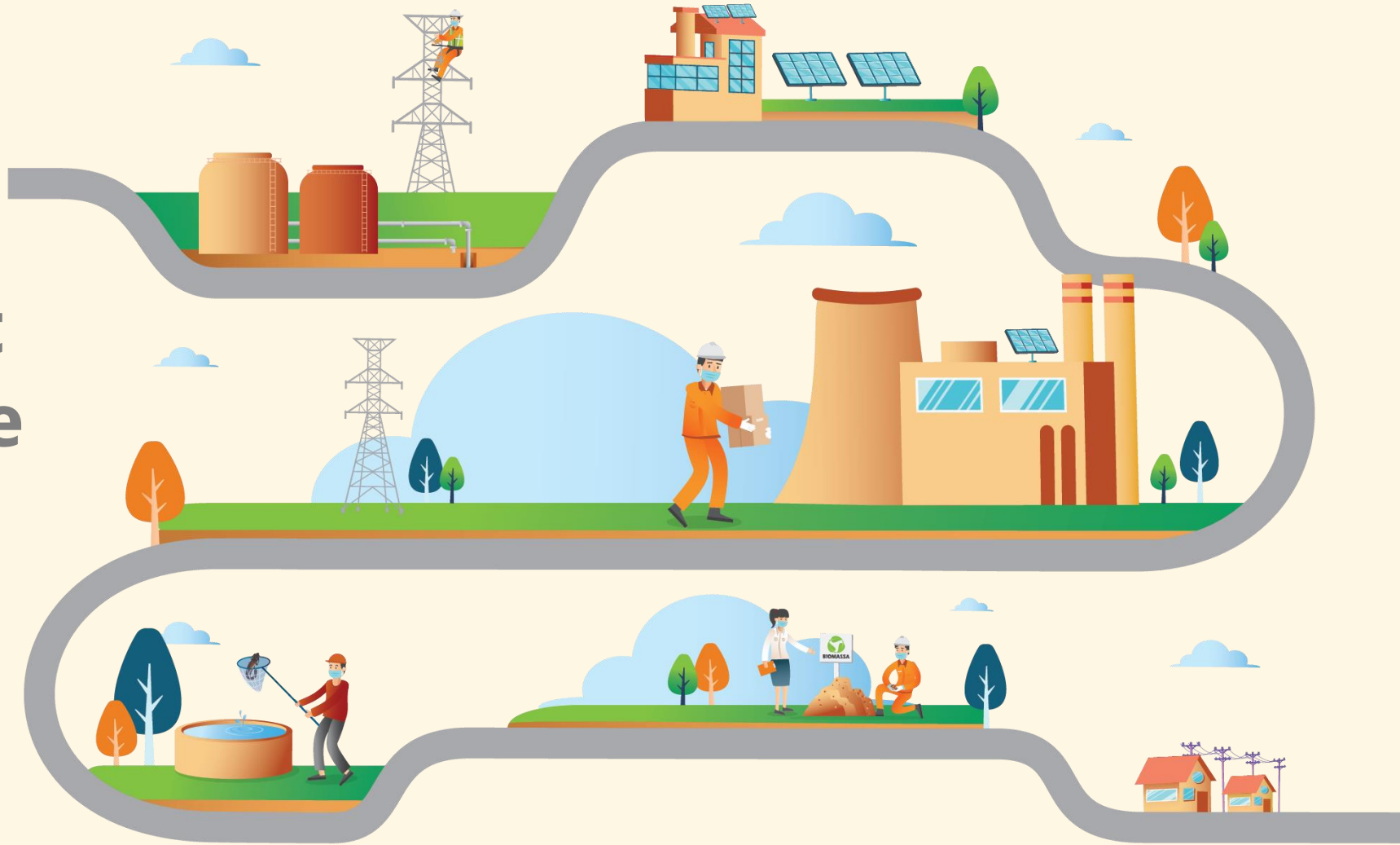


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# 01

## Recent Update



# Recent Update

## May 2022



The Company was awarded **"Top 50 Mid Capitalization Public Listed Company"** and **"Best Disclosure and Transparency"** by Indonesian Institute of Directorship

## July 2022



The Company obtained the **Security Management System Certification with Gold rating** from the State Police of the Republic of Indonesia

## S&P Global Ratings

S&P affirmed the Company's **BB+ rating (Outlook: stable)**, supported by a sound financial policy, improving 2021 leverage in-line with EBITDA growth

## PEFINDO25 SME INDEX

The Company was **reselected in the Pefindo25 index<sup>2</sup>** for the August 2022 – January 2023 period

## June 2022



On June 16, 2022, the GMS approved 6 agendas in AGMS and 1 agenda in EGMS, among others: approved a **total dividend for FY21 of US\$66 million**. This translates to **dividend yield of 9.0%<sup>1</sup>**

EGMS approved the plan for **share repurchase with maximum amount of US\$10 million or equivalent to Rp144.8 billion**, by using middle rate as of May 9, 2022 (Rp14,480) and will be funded by our internal cash flow



The Company won **Silver for its contribution to the acceleration of village development in achieving villages' SDGs** through Village-Owned Enterprises (BUMDes) and other CSR programs, by the Minister of Villages, Disadvantaged Regions and Transmigration



The Company won **Gold Champion in Corporate Social Responsibility Program** for the Public Company category by Bisnis Indonesia and Habitat for Humanity and **"Indonesia Best CSR Award 2022 with Outstanding Program in Social and Community Development"** in the energy and mining sector by Warta Ekonomi



As of June 2022, **rooftop solar power installed capacity reached 6.8 MWp**. There is a total of 8.0 MWp currently under construction. **Target 21.3 MWp as of December 2022 is still on schedule**



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Source: Company data.

1. Share price as of June 30, 2022 (Rp680/share) and excluding treasury shares as of June 30, 2022 (317.2 million shares); 2. PEFINDO Stock Index is an index that measures the stock price performance of 25 stocks of small and medium enterprises (SME) that have relatively good growth potential selected by PEFINDO based on financial performance and stock trading liquidity. PEFINDO25 is a jointly developed index with PT Pemeringkat Efek Indonesia (PEFINDO), an Indonesia credit rating agency.

# 02

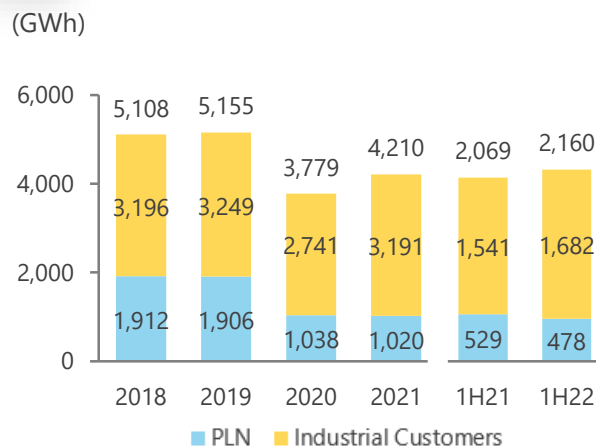
## Operational Performance



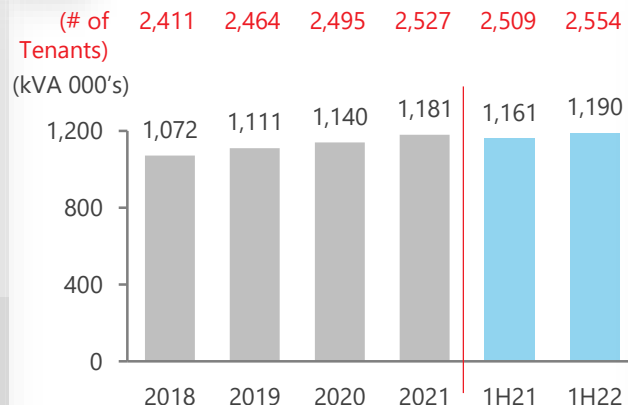
# Operational Performance



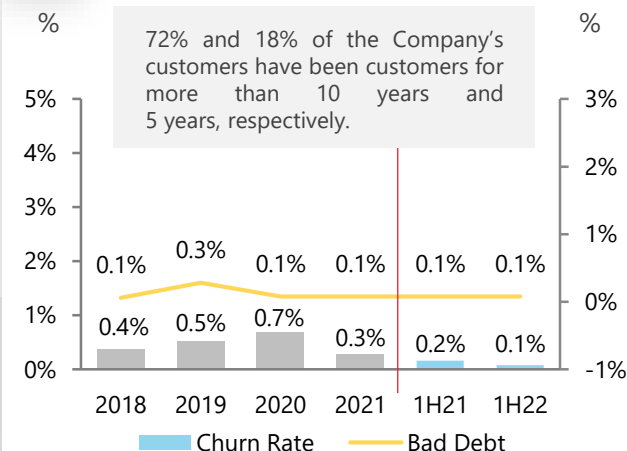
## Historical Consumption Growth



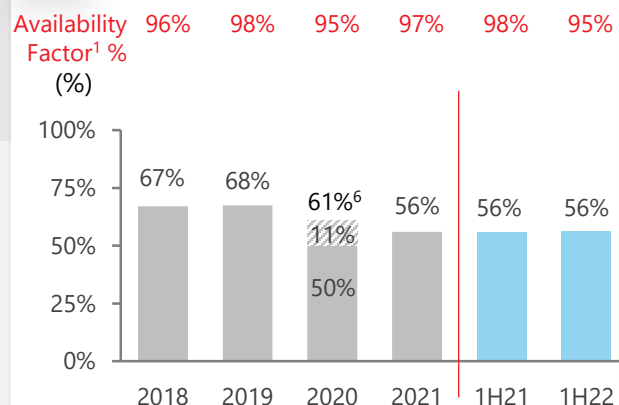
## Industrial Customers' Energized<sup>1</sup> Capacity



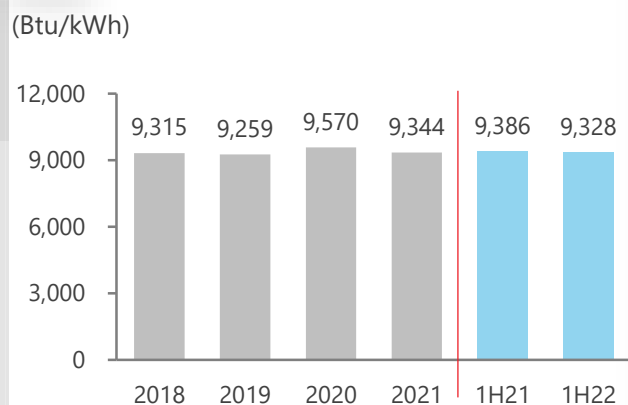
## Low Customer Churn Rate<sup>2</sup> and Bad Debt<sup>3</sup>



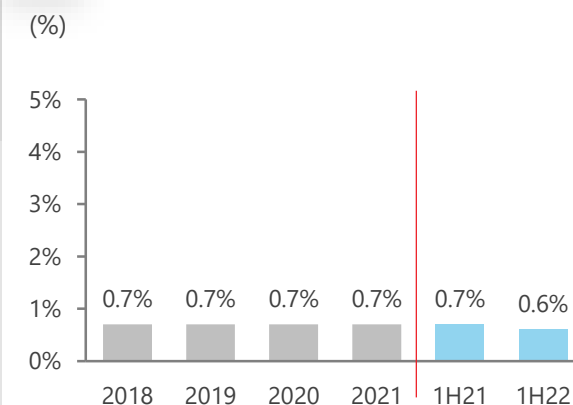
## Net Capacity Factor<sup>4,5</sup>



## 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)	1H22	1H21	Δ	Δ %
Revenue	268.2	257.7	↑ 10.5	↑ 4.1%
- Industrial Customers	231.4	206.2	↑ 25.3	↑ 12.3%
- PLN	36.7	51.5	↓ 14.8	↓ 28.7%
Operating Expenses	(198.9)	(188.3)	↑ 10.6	↑ 5.6%
- Fuel Expenses	(121.3)	(111.8)	↑ 9.5	↑ 8.5%
- Depreciation Expenses	(28.2)	(28.0)	↑ 0.3	↑ 0.9%
- Employee Expenses	(26.6)	(23.2)	↑ 3.4	↑ 14.5%
- R&M <sup>1</sup> Expenses	(7.2)	(6.3)	↑ 0.8	↑ 12.8%
- Other Operating Exp.	(8.1)	(8.7)	↓ 0.6	↓ 7.2%
- Other Income	0.9	0.6	↑ 0.2	↑ 35.2%
- Other Expenses	(8.3)	(10.8)	↓ 2.5	↓ 23.1%
Operating Profit	69.3	69.4	↓ 0.1	↓ 0.2%
EBITDA	104.9	104.5	↑ 0.4	↑ 0.4%
Profit Before Income Tax	57.4	57.4	↓ 0.0	↓ 0.1%
Income Tax Expense	(16.9)	(17.1)	↓ 0.2	↓ 1.2%
- Current	(10.2)	(11.1)	↓ 0.9	↓ 8.3%
- Deferred	(6.7)	(6.0)	↑ 0.7	↑ 12.0%
Net Income	40.5	40.3	↑ 0.2	↑ 0.4%

Profitability Ratios (%)	1H22	1H21
Operating Profit Margin	25.8%	26.9%
EBITDA Margin	39.1%	40.6%
Net Income Margin	15.1%	15.6%

Cash Flows (US\$ million)	1H22	1H21	Δ	Δ %
Net Cash Provided by Operating Activities	59.6	60.6	↓ 1.1	↓ 1.8%
Net Cash (Used in) Provided by Investing Activities	(85.5)	(22.1)	↑ 63.5	↑ 287.3%
Cash Used in Financing Activities	(0.8)	(41.5)	↓ 40.7	↓ 98.1%
Net Increase (Decrease) in Cash and Cash Equivalents	(26.8)	(3.0)	↑ 23.8	↑ 805.7%
Effect of Exchange Rate Changes on Cash and Cash Equivalents	(3.8)	(2.3)	↑ 1.4	↑ 61.5%
Cash and Cash Equivalents at Beginning of Period	277.7	272.5	↑ 5.2	↑ 1.9%
Cash and Cash Equivalents at End of Period	247.2	267.2	↓ 20.0	↓ 7.5%

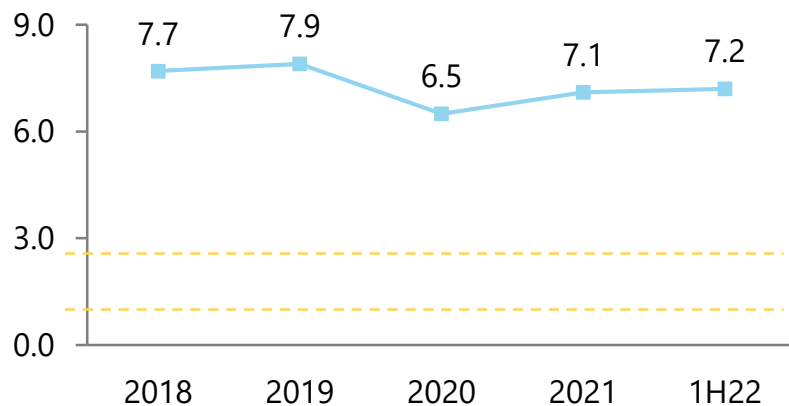


# Key Financial Ratios



## 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)

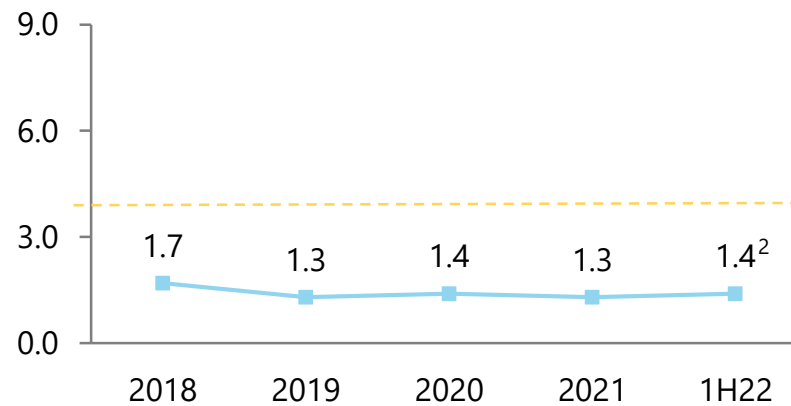


**FCCR is greater than 1 - 2.5x**



## 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)



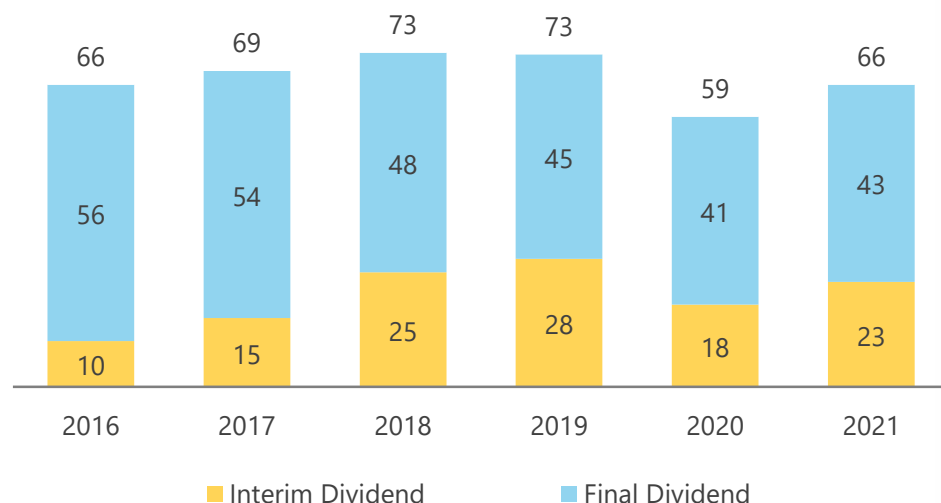
**Leverage Ratio is less than 3.75x**



# Dividend Payment

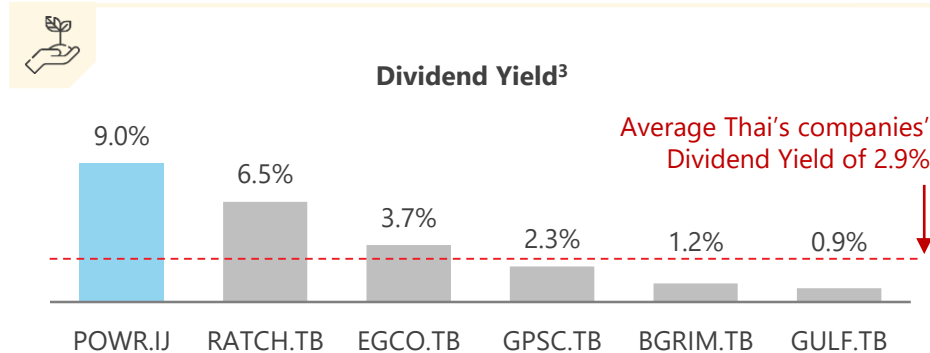
## Historical Dividend since IPO

(US\$ million)








	2016	2017	2018	2019	2020	2021
Dividend Payout	64%	64%	92%	64%	79%	73%
Total Dividend/Share <sup>1</sup>	Rp56	Rp60	Rp67	Rp67	Rp53	Rp61
Dividend Yield <sup>2</sup>	8.3%	8.8%	9.8%	9.8%	7.8%	9.0%

- > 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 average of 8.9% (2016-2021) 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 2.9% and MSCI Emerging Market<sup>4</sup> of 3.1%**
- > POWR is **included in the PEFINDO Stock Index<sup>6</sup>** for the period of November 2021 – January 2023



# 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	72	581 <sup>2</sup>
 Gas-Fired Simple Cycle	218	76	109 <sup>2</sup>
 Coal-Fired Power Plant	280	379	475
 Transmission & Distribution	-	41	116
 Land	-	73	152
<b>Total</b>	<b>1,144</b>	<b>640</b>	<b>1,432</b>

The Company's Enterprise Value as of June 30, 2022<sup>3</sup>

1,018



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 June 30, 2022.

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

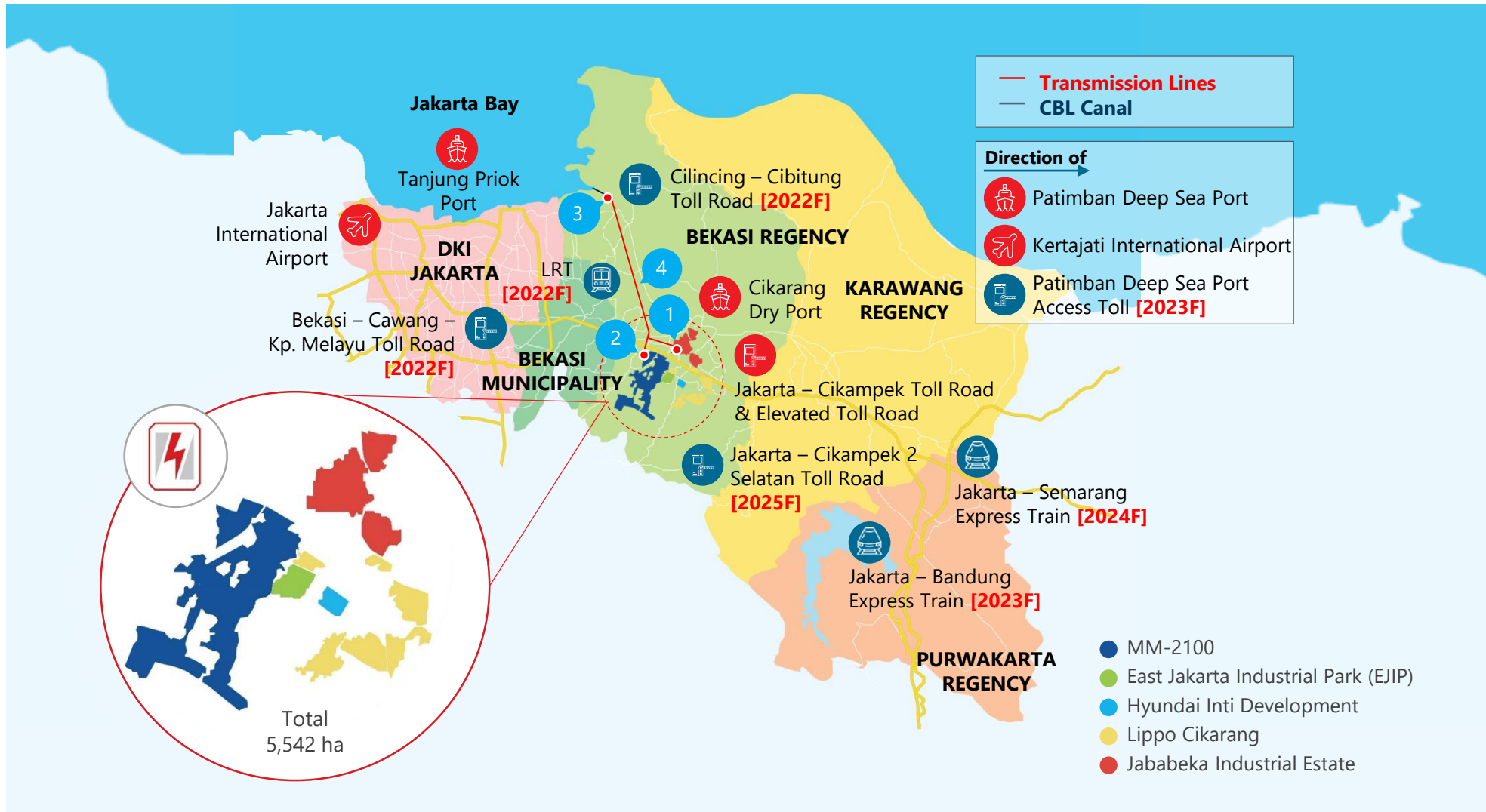
3. EV as per June 30, 2022 using share price as of June 30, 2022 (Rp680/share).

# 04

## Future Development



# BEKAPUR<sup>1</sup> Infrastructure Development Map

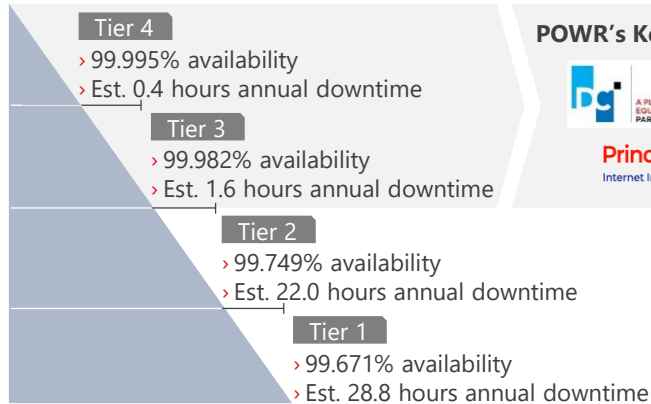


# Potential Capacity Growth from Data Center Market

## 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 8 unicorn out of 28 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 23% 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

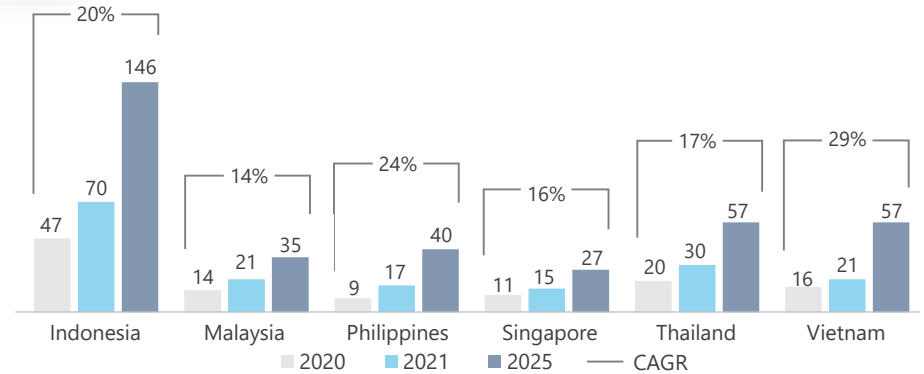
## Power: An Integral Part of Data Center



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

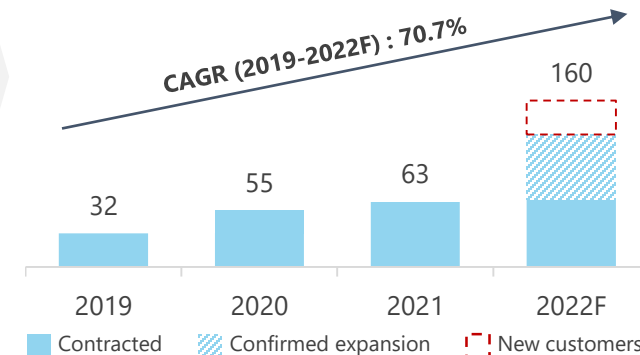


### SEA Internet Economy (GMV<sup>3</sup>, US\$B)



### Projected Energized Capacity from Data Center

('000 kVA)



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

Based on the latest confirmation from the data center customers 62 MVA will be added in the 2<sup>nd</sup> half of 2022.

We are still expecting 1 new data center customer who already purchased the land in MM2100 area



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Source: Frost & Sullivan, 2019; Jakarta DCI Report 2022: 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 2022 – 2027F; 2. A unicorn company is a privately held startup company valued at over US\$1 billion. Listed company not included in the total of unicorn companies; 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

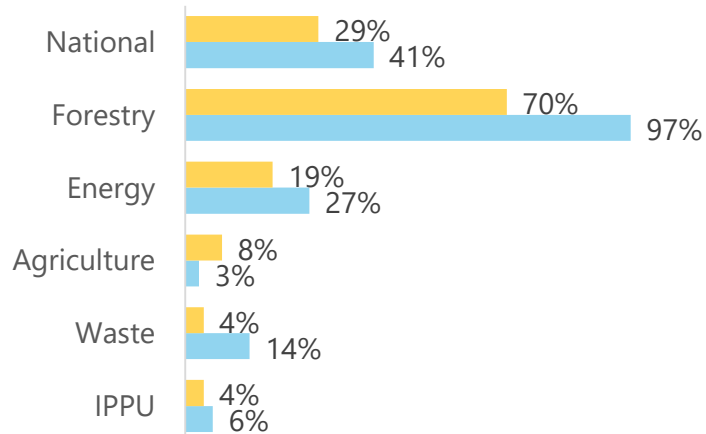


### 2030 GHG Emissions Reduction Targets (Energy Sector)<sup>2</sup>

**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



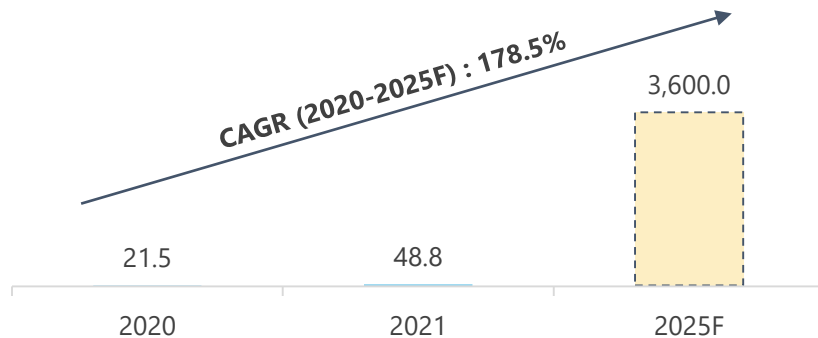
## Indonesia's Rooftop Solar Power Potential

- 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)



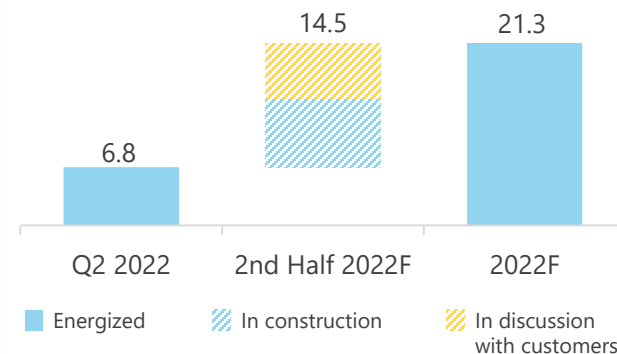
## Company's Rooftop Solar Power Initiatives

- 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 June 2022, rooftop solar power installed capacity reached 6.8 MWp. There is a total of 8.0 MWp currently under construction

Target 21.3 MWp as of December 2022 is still on schedule



# 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)



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



**Biomass**  
Palm Kernel Shells



**Biomass**  
Woodchips



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)