News Release

21st February 2019

2018 Results Highlight

Banpu has submitted to the SET its 2018 financial performance with full details.

The consolidated financial statement for 2018 indicates robust performance in coal, gas, and power generation business. **Group EBITDA for 2018 was USD 1,104 million** or 14% higher than the previous year, comprising of EBITDA from coal USD 820 million, EBITDA from gas USD 152 million and EBITDA from power USD 132 million.

The consolidated **net profit was concluded at USD 205 million** which is 12% lower from last year. The net profit was impacted by the strengthening of Thai Baht against US Dollar, causing a translation loss of USD 19 million. A financial derivatives loss was recorded at USD 63 million, mostly due to coal hedging loss from strong increase in coal prices during the year. The company also recorded USD 86 million as compensation to the Hongsa court case.

In 4Q18 the group EBITDA was USD 278 million, 10% lower QoQ due to seasonally low contribution from power business. Net profit was USD 45.30 million or 40% lower QoQ.

In 4Q18 Indonesia coal achieved the highest coal sale of the year at 7.61 million tonnes, higher 14% QoQ, with an average selling price (ASP) of USD 77 per tonne which declined 13% QoQ due to easing coal market prices. The cost of sale slightly increased 8% to USD 47.98 per tonne with diesel price unchanged at USD 0.67 per litre. Gross profit margin was slimmer at 39% versus 47% in previous quarter.

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Australia coal sale volume in 4Q18 was 3.76 million tonnes, improving 13% QoQ. The ASP remained firm at AUD 105.36 per tonne while cost of sale declined 6% QoQ to AUD 75.91 per tonne, reflecting improvement in production efficiency. Gross profit margin was 28% compared to 20% in previous quarter.

China coal reported a strong equity income of USD 24 million supported by favorable coal prices as the country approaching winter season.

In power business, the Combined Heat and Power (CHP) plants in China contributed a net profit of USD 2.44 million in 4Q18 due to high seasonal demand for both power and steam products while power plants still facing high coal cost. BLCP successfully completed the Extended Major Overhaul for Unit 2 earlier than plan. It reported an equity loss of USD 1.35 million. Hongsa achieved a strong level of plant utilization allowing it to dispatch additional electricity. It reported an equity income of USD 19 million.

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Summary of 2018 results

Year-end Dec ('M.USD)	4Q18	3Q18	4Q17	Note
Coal sales volume (M.Tonnes)	11.5	10.1	10.3	Indonesia7.6mt (+14%QoQ, +13%YoY), Australia3.8mt (+13%QoQ, +4%YoY)
Sales revenues	1,003.3	964.6	891.3	ASP Indo US$77.3/t, ASP Australia A$105.4/t , Gas revenue +11%QoQ
Cost of sales	(654.9)	(608.7)	(540.5)	
Gross profit	348.4	355.9	350.8	GPM from coal 35% (GPM Indo coal 39%, GPM Australia coal 28%)
GPM	***35%***	***37%***	***39%***	GPM from Power 23% , GPM from Gas 53%
Adminstrative expenses	(51.4)	(34.7)	(43.1)	
Selling expenses	(47.7)	(49.5)	(44.0)	
Royalty	(85.2)	(84.4)	(81.8)	
Equity income	43.5	65.3	25.3	Equity income from BLCP (US$1.4m) due to major overhaul,
Dividend income - Coal & Power	0.6	-	0.3	Hongsa US$ 21m and China coal US$24.9m
Other income	15.1	4.6	22.2	
Mining property	(11.5)	(7.7)	(7.3)	
EBIT	**211.7**	**249.5**	**222.4**	
EBIT margin	***21%***	***26%***	***25%***	
Interest expenses	(44.4)	(43.0)	(36.3)	
Financial expenses	(0.1)	(1.7)	(1.6)	
Income tax - Core business	(29.6)	(42.5)	(34.0)	
Minorities	(23.3)	(36.1)	(29.7)	
Net profit before extra items	**114.3**	**126.1**	**120.7**	
Non-recurring items	(17.5)	(3.4)	(20.5)	Write-off projects under studies in Indonesia US$11.6m
Gain (Loss) on Derivatives	(27.5)	(29.0)	(1.5)	Loss from coal swap against higher coal price and ASP
Income tax - Non core business	(7.1)	(0.0)	(7.1)	
Deferred tax income/expenses	(19.3)	6.9	(4.0)	
Net profit	**43.0**	**100.6**	**87.6**	
Net gains (losses) on exchange rate	2.3	(24.8)	(21.4)	FX gain from the depreciation of Thai Baht against USD Dollar
Net profit	**45.3**	**75.8**	**66.2**	China Power net profit US$ 3.6m
EPS (USD/share)	0.009	0.015	0.013	
Depreciation	54.7	53.2	44.4	
Amortization	11.2	7.5	7.0	
Depre & Amortization	65.9	60.6	51.4	
EBITDA	**277.6**	**310.1**	**273.8**	EBITDA from coal of US$213m, from power US$28m, and from gas US$36m
EBITDA margin	***28%***	***32%***	***31%***	

Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		2018	2017
FC Production (M. tonnes)			
INDO : (100% basis)			
Indominco		9.94	13.01
Trubaindo		6.21	4.85
Bharinto		3.00	2.39
Jorong		1.46	0.89
Kitadin - Embalut		1.12	0.94
Kitadin - Tandung Mayang		0.26	-
Total production of Coal Indonesia		**22.00**	**22.08**
Total production of Coal Australia		**11.70**	**12.32**
Total Production	**M.Ton**	**33.70**	**34.40**
Coal sales volume (M tonnes)			
Indominco - East Block		12.47	13.14
Trubaindo		4.50	4.98
Bharinto		2.36	2.30
Jorong		1.03	0.85
Kitadin - Embalut		1.12	0.94
Coal Sales - Coal Indonesia		**21.49**	**22.21**
Other Source		2.52	1.07
Coal Sales - Coal Indonesia		**24.01**	**23.28**
Coal Sales - Coal Australia		**13.70**	**13.36**
Coal Sales - China (traded Coal)		**0.31**	**-**
Total sale volume	**M.Ton**	**38.03**	**36.63**
Sales revenue (M.USD)			
Indominco		889.5	879.9
Trubaindo		505.4	463.2
Bharinto		254.6	202.2
Jorong		54.8	43.1
Kitadin - Embalut		96.3	67.3
Sales revenue - ITMG		1,800.6	1,655.6
Other Sources		183.1	66.5
Sales revenue - Coal Indonesia		1,983.8	1,722.1
Sales revenue - Coal Australia		1,013.9	882.5
Sales revenue - China (traded Coal)		22.6	23.9
Revenue from COAL business		**3,020.3**	**2,628.6**
Revenue from POWER business		**196.2**	**189.2**
Revenue from GAS business		**143.7**	**37.0**
Revenue from FUEL business		**94.8**	**2.8**
Revenue from OTHER business		**26.4**	**19.1**
Total revenues	**M.USD**	**3,481.4**	**2,876.6**

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DETAIL OF PROFIT&LOSS STATEMENT		2018	2017
Cost of sale (M USD)			
Indominco		(541.9)	(512.1)
Trubaindo		(246.0)	(245.3)
Bharinto		(114.4)	(98.8)
Jorong		(42.9)	(27.8)
Kitadin - Embalut		(43.3)	(40.1)
Cost of sales - ITMG		(988.5)	(924.0)
Other Sources		(163.4)	(53.2)
Cost of sales - Coal Indonesia		(1,151.9)	(977.2)
Cost of sales - Coal Australia		(743.2)	(583.4)
Sales revenue - China (traded Coal)		(21.7)	(20.8)
COST OF SALE - COAL business		**(1,916.8)**	**(1,581.5)**
COST OF SALE - POWER business		**(155.4)**	**(143.9)**
COST OF SALE - GAS business		**(75.7)**	**(23.7)**
COST OF SALE - FUEL business		**(90.3)**	**(1.7)**
COST OF SALE - OTHER business		**(14.7)**	**(15.7)**
Total cost of sale	**M.USD**	**(2,253.0)**	**(1,766.4)**
Gross profit (M USD)			
Indominco		347.7	367.8
Trubaindo		259.4	217.9
Bharinto		140.2	103.5
Jorong		11.9	15.3
Kitadin - Embalut		53.0	27.2
Gross profit - ITMG		812.1	731.6
Other Sources		19.7	13.3
Gross profit - Coal Indonesia		831.8	744.9
Gross profit - Coal Australia		270.7	299.1
Gross profit - China (traded Coal)		0.9	3.1
Gross profit from COAL business		**1,103.5**	**1,047.1**
Gross profit from POWER business		**40.8**	**45.4**
Gross profit from GAS business		**68.0**	**13.2**
Gross profit from FUEL business		**4.5**	**1.2**
Gross profit from OTHER business		**11.7**	**3.4**
Total Gross profit	**M.USD**	**1,228.5**	**1,110.2**

DETAIL OF PROFIT&LOSS STATEMENT	2018	2017
Gross profit margin		
Indominco	39%	42%
Trubaindo	51%	47%
Bharinto	55%	51%
Jorong	22%	35%
Kitadin - Embalut	55%	40%
GPM - ITMG	45%	44%
Other Sources	11%	20%
GPM - Coal Indonesia	42%	43%
GPM -Coal Australia	27%	34%
GPM - China (traded Coal)	4%	13%
GPM from COAL business	**37%**	**40%**
GPM from POWER business	**21%**	**24%**
GPM from GAS business	**47%**	**36%**
GPM from FUEL business	**5%**	**42%**
GPM from OTHER business	**44%**	**18%**
GPM for Banpu group	**35%**	**39%**

Summary of Q4/2018 results

Year-end Dec ('M.USD)	4Q18	3Q18	4Q17	Note
Coal sales volume (M.Tonnes)	11.5	10.1	10.3	Indonesia 7.6mt (+14%QoQ, +13%YoY), Australia 3.8mt (+13%QoQ, +4%YoY)
Sales revenues	1,003.3	964.6	891.3	ASP Indo US$77.3/t, ASP Australia A$105.4/t , Gas revenue +11%QoQ
Cost of sales	(654.9)	(608.7)	(540.5)	
Gross profit	348.4	355.9	350.8	GPM from coal 35% (GPM Indo coal 39%, GPM Australia coal 28%)
GPM	***35%***	***37%***	***39%***	GPM from Power 23% , GPM from Gas 53%
Adminstrative expenses	(51.4)	(34.7)	(43.1)	
Selling expenses	(47.7)	(49.5)	(44.0)	
Royalty	(85.2)	(84.4)	(81.8)	
Equity income	43.5	65.3	25.3	Equity income from BLCP (US$1.4m) due to major overhaul,
Dividend income - Coal & Power	0.6	-	0.3	Hongsa US$ 21m and China coal US$24.9m
Other income	15.1	4.6	22.2	
Mining property	(11.5)	(7.7)	(7.3)	
EBIT	**211.7**	**249.5**	**222.4**	
EBIT margin	***21%***	***26%***	***25%***	
Interest expenses	(44.4)	(43.0)	(36.3)	
Financial expenses	(0.1)	(1.7)	(1.6)	
Income tax - Core business	(29.6)	(42.5)	(34.0)	
Minorities	(23.3)	(36.1)	(29.7)	
Net profit before extra items	**114.3**	**126.1**	**120.7**	
Non-recurring items	(17.5)	(3.4)	(20.5)	Write-off projects under studies in Indonesia US$11.6m
Gain (Loss) on Derivatives	(27.5)	(29.0)	(1.5)	Loss from coal swap against higher coal price and ASP
Income tax - Non core business	(7.1)	(0.0)	(7.1)	
Deferred tax income/expenses	(19.3)	6.9	(4.0)	
Net profit	**43.0**	**100.6**	**87.6**	
Net gains (losses) on exchange rate	2.3	(24.8)	(21.4)	FX gain from the depreciation of Thai Baht against USD Dollar
Net profit	**45.3**	**75.8**	**66.2**	China Power net profit US$ 3.6m
EPS (USD/share)	0.009	0.015	0.013	
Depreciation	54.7	53.2	44.4	
Amortization	11.2	7.5	7.0	
Depre & Amortization	65.9	60.6	51.4	
EBITDA	**277.6**	**310.1**	**273.8**	EBITDA from coal of US$243m, from power US$37m, and from gas US$30m
EBITDA margin	***28%***	***32%***	***31%***	

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Segmentation by sources

DETAIL OF PROFIT&LOSS STATEMENT		4Q18	3Q18	4Q17
FC Production (M. tonnes)				
INDO : (100% basis)				
Indominco		3.98	3.55	3.27
Trubaindo		1.33	1.25	1.49
Bharinto		0.71	0.60	0.60
Jorong		0.26	0.29	0.32
Kitadin - Embalut		0.28	0.33	0.28
Kitadin - Embalut		-	-	-
Total production of Coal Indonesia		**6.56**	**6.03**	**5.95**
Total production of Coal Australia		**3.41**	**2.37**	**3.01**
Total Production	**M.Ton**	**9.97**	**8.41**	**8.96**
Coal sales volume (M tonnes)				
Indominco		4.22	3.30	3.43
Trubaindo		1.24	1.43	1.72
Bharinto		0.65	0.67	0.65
Jorong		0.29	0.16	0.27
Kitadin - Embalut		0.32	0.31	0.30
Total ITMG own		**6.72**	**5.86**	**6.38**
Other Source		0.89	0.79	0.35
Coal Sales - Indonesia		**7.61**	**6.65**	**6.73**
Coal Sales - Coal Australia		**3.76**	**3.31**	**3.61**
Coal Sales - China (traded Coal)		**0.14**	**0.11**	**-**
Total sale volume	**M.Ton**	**11.50**	**10.07**	**10.34**
Sales revenue (M.USD)				
Indominco		270.7	242.1	250.2
Trubaindo		156.7	173.1	170.8
Bharinto		65.0	78.2	63.5
Jorong		14.1	8.7	14.3
Kitadin - Embalut		24.3	29.6	23.0
Sales revenue - ITMG		530.8	531.7	521.9
Other Sources		57.0	61.1	20.4
Sales revenue - Coal Indonesia		587.8	592.8	542.2
Sales revenue - Coal Australia		285.3	244.4	259.2
Sales revenue - China (traded Coal)		6.3	9.2	-
Revenue from COAL business		**879.4**	**846.4**	**801.4**
Revenue from POWER business		**52.2**	**36.6**	**57.3**
Revenue from GAS business		**43.3**	**39.1**	**13.5**
Revenue from FUEL business		**28.4**	**37.5**	**-**
Revenue from OTHER business		**(0.0)**	**5.0**	**5.2**
Total revenues	**M.USD**	**1,003.3**	**964.6**	**877.3**

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DETAIL OF PROFIT&LOSS STATEMENT		4Q18	3Q18	4Q17
Cost of sale (M USD)				
Indominco		(187.4)	(134.4)	(151.5)
Trubaindo		(61.5)	(79.4)	(84.3)
Bharinto		(32.7)	(28.7)	(33.2)
Jorong		(12.0)	(6.7)	(7.6)
Kitadin - Embalut		(12.7)	(11.0)	(11.6)
Cost of sales - ITMG		(306.4)	(260.1)	(288.2)
Other Sources		(51.7)	(52.1)	(20.1)
Cost of sales - Coal Indonesia		(358.1)	(312.2)	(308.3)
Cost of sales - Coal Australia		(204.5)	(196.3)	(166.7)
Sales revenue - China (traded Coal)		(6.1)	(8.8)	(8.3)
COST OF SALE - COAL business		**(568.7)**	**(517.3)**	**(483.3)**
COST OF SALE - POWER business		**(40.4)**	**(30.7)**	**(41.7)**
COST OF SALE - GAS business		**(20.4)**	**(18.9)**	**(9.4)**
COST OF SALE - FUEL business		**(24.8)**	**(38.1)**	**-**
COST OF SALE - OTHER business		**(0.6)**	**(3.7)**	**(4.5)**
Total cost of sale	**M.USD**	**(654.9)**	**(608.7)**	**(538.8)**
Gross profit (M USD)				
Indominco		83.2	107.7	98.7
Trubaindo		95.2	93.7	86.5
Bharinto		32.3	49.5	30.3
Jorong		2.1	2.1	6.7
Kitadin - Embalut		11.6	18.6	11.4
Gross profit - ITMG		224.5	271.5	233.6
Other Sources		5.3	9.0	0.3
Gross profit - Coal Indonesia		229.8	280.6	233.9
Gross profit - Coal Australia		80.7	48.1	92.4
Gross profit - China (traded Coal)		0.2	0.4	(8.3)
Gross profit from COAL business		**310.7**	**329.1**	**318.1**
Gross profit from POWER business		**11.8**	**5.9**	**15.6**
Gross profit from GAS business		**22.9**	**20.2**	**4.1**
Gross profit from FUEL business		**3.6**	**(0.6)**	**-**
Gross profit from OTHER business		**(0.6)**	**1.3**	**0.7**
Total Gross profit	**M.USD**	**348.4**	**355.9**	**338.5**

DETAIL OF PROFIT&LOSS STATEMENT	4Q18	3Q18	4Q17
Gross profit margin			
Indominco	31%	44%	39%
Trubaindo	61%	54%	51%
Bharinto	50%	63%	48%
Jorong	15%	24%	47%
Kitadin - Embalut	48%	63%	50%
GPM - ITMG	42%	51%	45%
Other Sources	9%	15%	1%
GPM - Coal Indonesia	39%	47%	43%
GPM -Coal Australia	28%	20%	36%
GPM - China (traded Coal)	4%	5%	
GPM from COAL business	**35%**	**39%**	**40%**
GPM from POWER business	**23%**	**16%**	**27%**
GPM from GAS business	**53%**	**52%**	**31%**
GPM from FUEL business	**13%**	**-2%**	**0%**
GPM from OTHER business	**12985%**	**26%**	**14%**
GPM for Banpu group	**35%**	**37%**	**39%**

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