

## 2<sup>nd</sup> Quarter 2018

PT. Resource Alam Indonesia Tbk (“Resource Alam” or “the Company”) is an Indonesian coal mining company. Resource Alam focuses on the production and sales of thermal coal through its wholly owned subsidiary PT. Insani Bara Perkasa (“IBP”). IBP holds and operates a 24,477 hectare, 3<sup>rd</sup> Generation Coal Contract of Work (CCOW) concession in East Kalimantan.

Share Price Data:  
 (As of 30 June 2018)

IDX : **KKGI**  
 Bloomberg : **KKGI.IJ**  
 Reuters : **KKGI.JK**

Price:  
**Rp 346**

52 Weeks Hi/Lo:  
**Rp 294/Rp 484**

Market Capitalization:  
**Rp1.73 Tn / 120.1US\$MM**  
**US\$ million**

Rp/US\$ (June 30<sup>th</sup>):  
**Rp 14,404**

### Board of Commissioners:

- **Hendro Martowardojo**  
President Commissioner
- **Swandono Adijanto**  
Commissioner
- **Ge Luiyanto Yamin**  
Commissioner
- **Andrew J. Wilson**  
Commissioner
- **Suria M. Tjahaja**  
Commissioner

### Board of Directors:

- **Pintarso Adijanto**  
President Director
- **Bambang Prijonohadi**  
Director
- **Chamilus Salimbo**  
Director
- **AgoesSoegiarto**  
Director
- **Wimpy Salim**  
Director
- **Winanto**  
Director

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### A. FINANCIAL HIGHLIGHTS

Financial	2Q2018 USD MM	2Q2017 USD MM	Change (%)	6M2018 USD MM	6M2017 USD MM	Change (%)
Revenue	5.72	15.57	-63.3	15.85	38.06	-58.4
Gross Profit	1.30	4.43	-70.7	4.56	12.41	-63.3
Operating Profit	0.14	2.80	-95.0	1.86	9.01	-79.4
Net Profit After Tax	-0.72	2.28	-131.6	0.10	6.69	-98.5
				30/06/2018	30/06/2017	
Total Asset				102.03	100.54	1.5
Total Liability				15.90	14.95	6.4
Equity				86.13	85.59	0.6
Debt <sup>1</sup>				5.00	0.61	719.7
<b>RATIOS</b>	<b>2Q2018 USD MM</b>	<b>2Q2017 USD MM</b>		<b>6M2018</b>	<b>6M2017</b>	
Gross Margin	22.73%	28.45%		28.77%	32.61%	
Operating Margin	2.45%	17.98%		11.74%	23.67%	
NPAT Margin	-12.59%	14.64%		0.63%	17.58%	
Return On Asset (ROA)				0.20%	13.31%	
Return On Equity (ROE)				0.23%	15.63%	
Debt to Equity				5.81%	0.71%	

Exchange rate USD/IDR: 30/06/2018 = 14,404; 30/06/2017 = 13,319;

<sup>1</sup>Interest bearing liabilities only (e.g: vehicle leasing, etc.)

## **B. PERFORMANCE SUMMARY**

### **2<sup>nd</sup> Quarter 2018**

- PT Resource Alam's net Revenue in the 2nd Q of 2018 was US\$5.72 million compared to the previous period last year of US\$ 15.57 million. This decline was largely due to the lower production volume caused by the changing of our main mining contractor. We believe that appointing PT BUMA as our main mining contractor is the necessary strategic step needed to support our Company's future growth plans.
- Gross profit for the 2nd Quarter 2018 was US\$ 1.30 million, declined from US\$4.43 million of the same quarter last year. The lower gross profit was attributed to the higher cash cost at US\$ 45.31 per MT compared to US\$ 23.38 per MT.  

The increase in cash cost was due to the higher removal of over burden by PT BUMA in our new pit. With PT BUMA's large scale equipment and a more effective long term mine plan, we expect production to increase and our average cash cost should decrease.
- Average Selling Price, in Q2 2018 remained strong at US\$ 48.45 per MT, higher if compared to US\$ 47.11 per MT of the previous year.
- As revenue was lower, our operating profit declined to US\$ 140,000 from previously US\$ 2.80 million. Consequently, we booked a net loss of US\$ 719,541 at the end of Q2 2018.

## **B. RINGKASAN KINERJA**

### **Kwartal ke 2, 2018**

- Pendapatan bersih PT Resource Alam di Q2 2018 adalah US\$5,72 juta lebih rendah jika dibandingkan dengan periode tahun sebelumnya sebesar US\$15,57 juta. Penurunan ini sebagian besar disebabkan oleh penurunan volume produksi, yang dikarenakan oleh perubahan kontraktor penambangan utama kami. Secara strategis, kami percaya bahwa penunjukan PT BUMA sebagai kontraktor penambangan utama kami adalah langkah tepat yang diperlukan untuk mendukung rencana pertumbuhan masa depan Perusahaan kami.
- Laba kotor untuk kuartal kedua 2018 tercatat US\$1,30 juta, turun dari sebelumnya US\$4,43 juta pada kuartal yang sama tahun lalu. Laba kotor yang lebih rendah disebabkan oleh biaya kas (cash cost) yang lebih tinggi yaitu US\$45,31 per MT, dari sebelumnya US\$23,38 per MT.  

Peningkatan biaya kas disebabkan oleh pengupasan beban tanah (overburden) yang lebih tinggi oleh PT BUMA di pit baru kami. Bersama PT BUMA, yang mempergunakan alat berat lebih besar dan penerapan rencana tambang (mine plan) jangka panjang yang lebih efektif, kami yakin jumlah produksi akan meningkat dan biaya kas kami juga akan menurun.
- Harga Jual Rata-rata, di Q2 2018 tetap stabil di US\$48,45 per MT, lebih tinggi jika dibandingkan dengan US\$47,11 per MT dari tahun sebelumnya.
- Karena pendapatan lebih rendah, laba operasi kami menurun menjadi US\$140.000 dari sebelumnya US\$2,80 juta. Hal ini mengakibatkan kami membukukan rugi bersih sebesar US\$719.541 pada akhir Q2 2018.

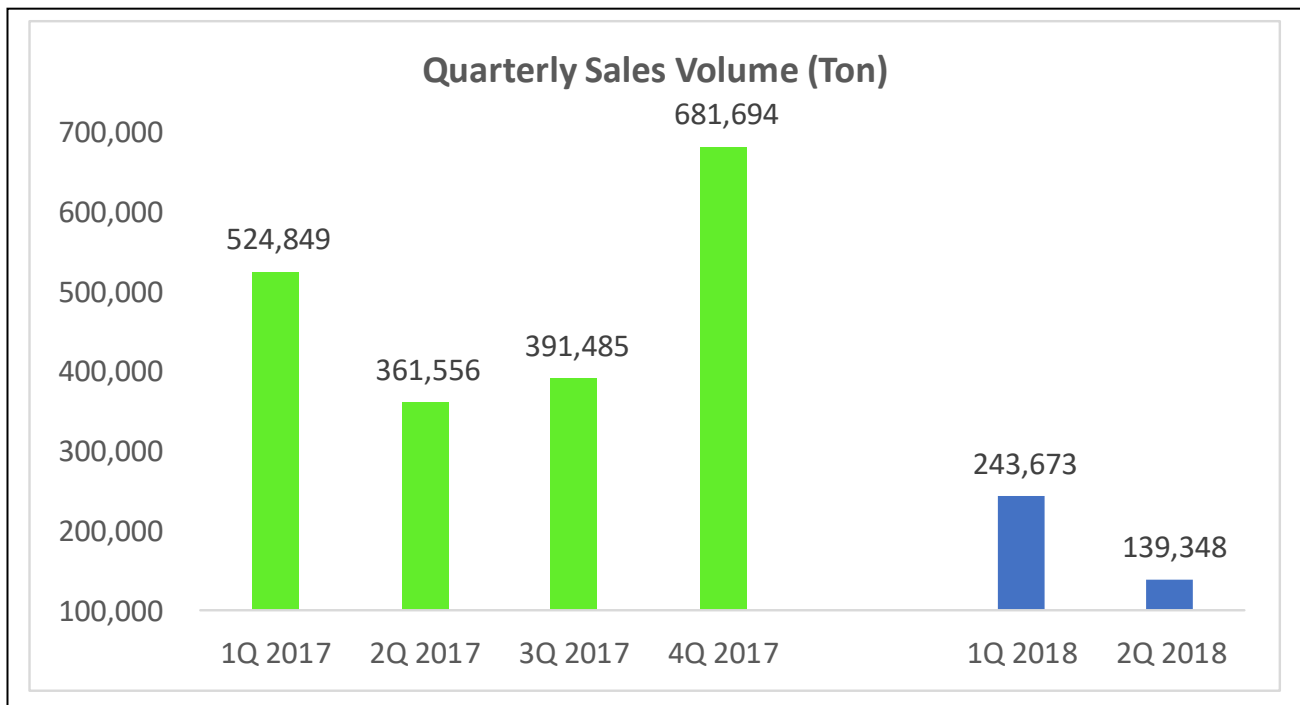
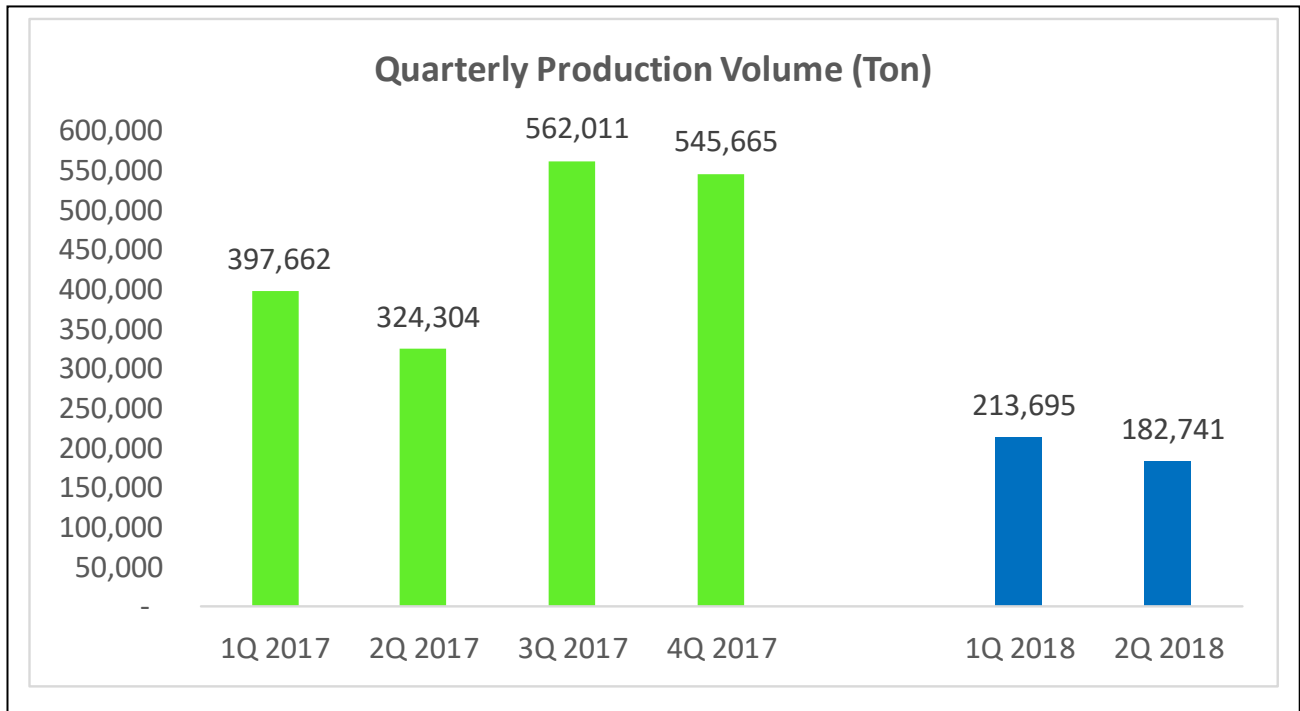
**6 Months 2018**

- In the first 6 months, Resource Alam's net revenue was US\$15.85 million, compared to previously US\$38.06 million. The lower revenue was attributable to the decline in sales volume to 383,021 MT from previously 886,405 MT. During the 6 month period of 2018, production was 396,436 MT, as compared to previously 721,965 MT.
- Average Selling Price in the 6 months of 2018, was US\$47.97 per MT, vs US\$47.18 per MT previously.
- As a result of the lower revenue, both Gross Profit and Operating Profit declined to US\$4.56 million and US\$1.86 million respectively. For the first half of 2018 Cash Cost was US\$33.49 per MT vs US\$23.66 per MT in the same period in 2017.
- The Company posted Net Income for the 6 months 2018 of US\$ 101,852 from US\$ 6.7 million for the 6 months of 2017.

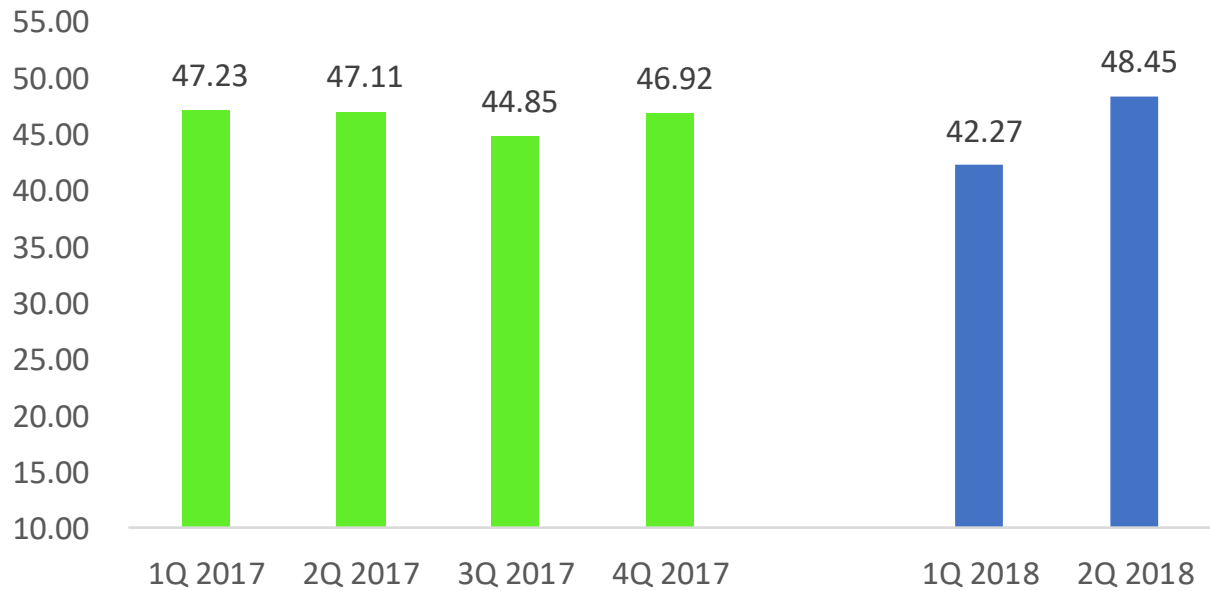
**6 Bulan 2018**

- Pada 6 bulan pertama tahun 2018 ini, pendapatan bersih Resource Alam adalah US\$15,85 juta, lebih rendah dibandingkan sebelumnya US\$38,06 juta. Pendapatan yang lebih rendah ini disebabkan oleh penurunan volume penjualan menjadi 383.021 MT dari sebelumnya 886.405 MT. Pada periode yang sama, hasil produksi tercatat 396.436 MT, turun dibandingkan dengan periode sebelumnya 721.965 MT.
- Pada periode 6 bulan pertama 2018, harga jual rata rata (ASP) tercatat US\$47,97 per MT, stabil dari sebelumnya US\$47,18 per MT
- Akibat dari pendapatan yang lebih rendah, baik Laba Kotor dan Laba Operasional masing-masing menurun menjadi US\$4,56 juta dan US\$1,86 juta. Biaya Kas untuk 6 bulan 2018 tercatat US \$ 33,49 per MT vs US \$ 23,66 per MT dari periode yang sama tahun 2017.
- Perusahaan membukukan Laba Bersih untuk 6 bulan 2018 sebesar US\$101.852 dari sebelumnya US\$6,7 juta.

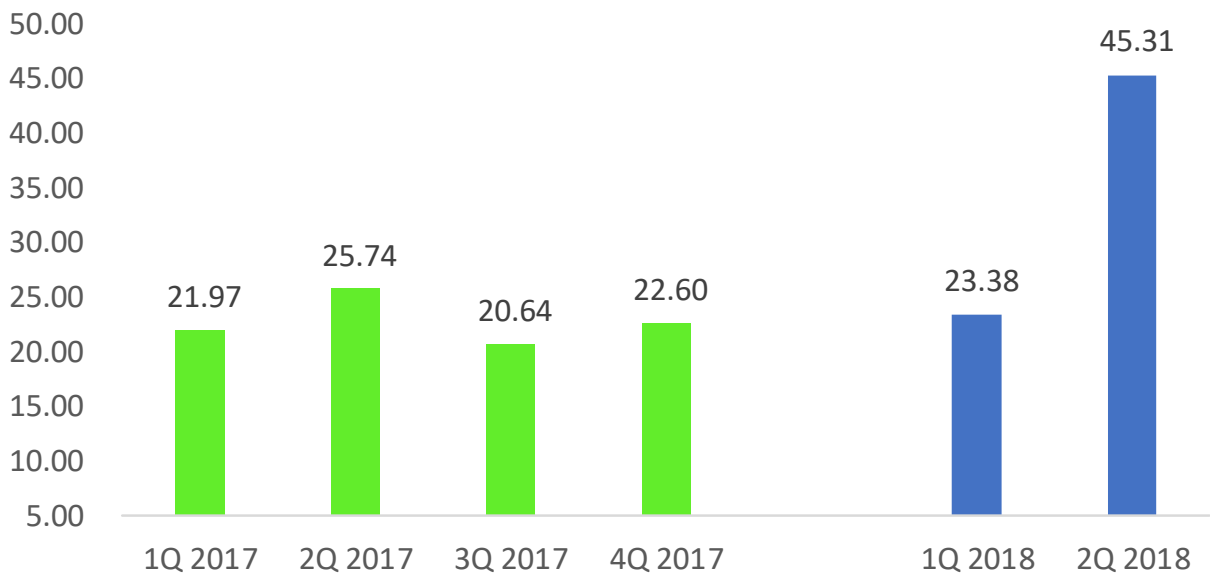
**C. OPERATIONAL HIGHLIGHTS**



**Quarterly Average Selling Price (USD/Ton)**



**Quarterly Average Cash Cost (USD/Ton)**



**Note: Cash Cost excludes depreciation, royalty, barging, and trans-shipment**



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## NEWSLETTER

### Year To Date:

