



PT Darma Henwa Tbk (IDX: DEWA) was established in 1991 as a general mining contractor company providing an integrated mining services from land clearing, overburden removal, coal mining to port operations. Our diverse contracting project experience throughout multiple operational areas from reputable companies bring us as one of the major mining contractors.

Share Price Data

| | |
|-------------------------------------|----------|
| Ticker @IDX | DEWA |
| Last Price (IDR) | 50 |
| Outstanding Shares | 21.853 B |
| Market Capitalization (IDR) | 1.093 T |
| FY19 Earnings per 1,000 Share (USD) | 0.17 |

Shareholder Structure

| | |
|-----------------------------|--------|
| Goldwave Capital Ltd. | 17.46% |
| Zurich Assets International | 11.50% |
| Public | 71.04% |

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Quarterly Summary

DEWA recorded a better financial results for the full year of 2019, as company's production improves. In 2019, DEWA's revenue reached USD344.64 million or increased by 24.83% compared to 2018. For the bottom line, DEWA's could lift its profit to USD3.45 million. However, this improvement may have yet to show the full picture of DEWA's turnaround that began in the mid-2019.

During the fourth quarter, DEWA did some actions in order to enhance company's performance. In October, DEWA bought 8 units of dump truck BELAZ-75131 from Belazia Pte. Ltd. The equipment purchase is in accordance with company's hauler overburden needs in Bengalon Coal Project in East Kalimantan. This decision was carried out with the idea of catering to the client's ever growing production target in the years ahead.

In December, DEWA along with Thriveni Resomin Pte. Ltd. agreed on establishing joint venture company which engages in heavy equipment provision, heavy equipment maintenance, and other services. DEWA and Thriveni are also cooperating for mining consultancy services, to improve operational efficiencies, control and efficiency of cost, increase in production volumes as well as overall management and financial prudence. This will lead to enhanced profitability.

Performance Highlights

| Volume | Q419 | Q418 | YoY (%) | FY19 | FY18 | YoY (%) |
|-----------------------------|--------------|--------------|---------|--------|--------|---------|
| Overburden removal (m bcm) | 37.02 | 26.08 | 41.96 | 119.73 | 101.86 | 17.54 |
| Coal delivery (mt) | 5.49 | 3.93 | 39.83 | 16.94 | 13.30 | 27.27 |
| Profitability (million USD) | Q419 | Q418 | YoY (%) | FY19 | FY18 | YoY (%) |
| Revenue | 106.72 | 87.22 | 22.34 | 344.64 | 276.09 | 24.83 |
| EBITDA | 13.16 | 14.08 | -6.51 | 41.91 | 37.57 | 11.54 |
| Gross profit | 3.39 | 17.20 | -80.24 | 20.71 | 23.81 | -12.98 |
| Operating profit | 4.00 | 6.41 | -37.52 | 11.16 | 11.26 | -0.84 |
| Net profit (loss) | 2.26 | 2.41 | -6.51 | 3.45 | 3.25 | 6.38 |
| Capital expenditure | 19.99 | 5.36 | 189.08 | 43.67 | 22.51 | 94.00 |
| Assets (million USD) | As of Dec 19 | As of Dec 18 | YoY (%) | | | |
| Total assets | 549.51 | 415.09 | 32.38 | | | |
| Current assets | 204.83 | 108.98 | 87.95 | | | |
| Non-current assets | 344.68 | 306.11 | 12.60 | | | |

Operational Highlights

- Company's commitment in increasing coal delivery volume was shown in 2019's fourth quarter that coal delivery heightened by 39.83% to 5.49 million tonnes compared to the fourth quarter of 2018. Furthermore, DEWA's coal delivery in 2019 reached 16.94 million tonnes, increased by 27.27% compared to 2018.
- Improvement also presented in DEWA's overburden that significantly raised by 41.96% from 26.08 million bcm in the fourth quarter of 2018 to 37.02 million bcm in the same period this year. To this extent, DEWA's overburden was recorded at 101.86 million tonnes during 2019, or 17.54% higher than 2018.

Profitability Highlights

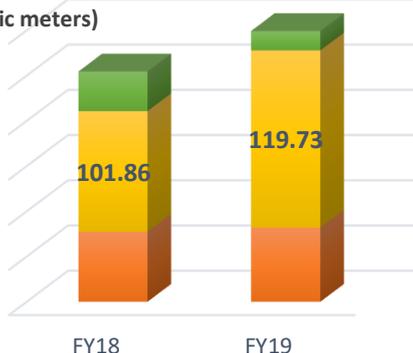
- In line with the coal delivery raise, DEWA's revenue increased by 22.34% to USD106.72 million in the Q4 of 2019, compared the Q4 of 2018. For the FY 2019, DEWA's revenue stepped up by 24.83% to USD344.64 million than FY 2018.
- Gross profit and operating profit reached USD3.39 million and USD4.00 million respectively in the Q4 2019. It led company to record USD20.71 million gross profit and USD11.16 million operating profit for the FY 2019.
- DEWA gained USD2.26 million net profit in the Q4 2019, allowing company to improve its full year net profit to USD3.45 million.

Asset Highlights

- In 2019, DEWA spent USD43.67 million capital expenditure (capex), mostly used for machines and equipment maintenance. The 94.00% higher-than-2018 capex showed company's effort to accelerate its performance.
- As of December 2019, company's total assets increased from USD415.09 million to USD549.51 million, with 87.95% escalation in current assets which were contributed by cash and cash equivalents, trade receivables, due from related parties, inventories, advance to suppliers, and other receivables.

Overburden Removal
(million bank cubic meters)

- Satui
- Bengalon
- Asam Asam



Coal Delivery
(million tonnes)

- Satui
- Bengalon
- Asam Asam



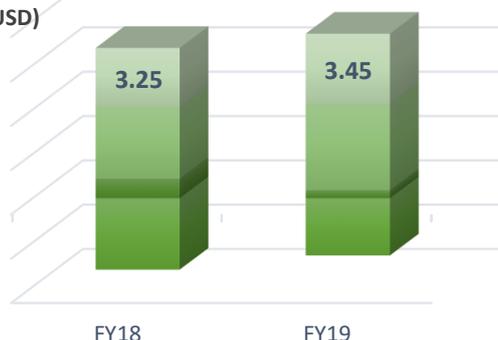
Revenue Trend
(million USD)

- 4Q
- 3Q
- 2Q
- 1Q



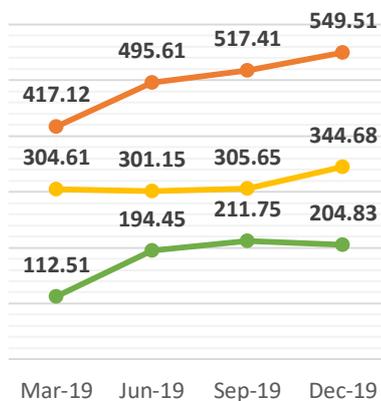
Net Profit Trend
(million USD)

- 4Q
- 3Q
- 2Q
- 1Q

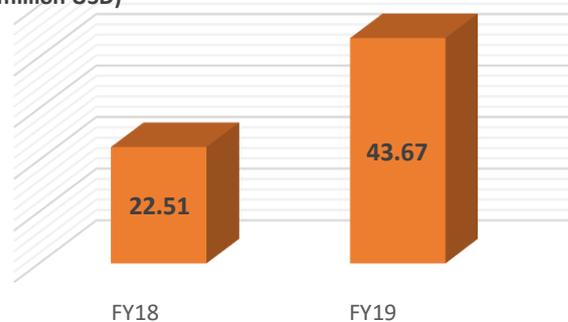


Assets
(million USD)

- Total Assets
- Non-Current Assets
- Current Assets



Capital Expenditure
(million USD)



| In million USD | FY19 | FY18 | YoY (%) |
|---|----------|----------|---------|
| Revenues | 344.64 | 276.09 | 24.83 |
| Cost of revenues | (323.92) | (252.28) | 28.40 |
| Gross Profit | 20.71 | 23.81 | (12.98) |
| Total other expenses – net | (9.55) | (12.54) | 23.88 |
| Operating profit (loss) | 11.16 | 11.26 | (0.84) |
| Gain before tax expense | 4.00 | 6.81 | (41.17) |
| Income (loss) tax expense | (0.23) | (4.24) | 94.50 |
| Profit for the current year | 3.77 | 2.56 | 47.11 |
| Total comprehensive income current year | 3.45 | 3.25 | 6.38 |
| Basic & diluted earnings per share | 0.17 | 0.12 | 41.67 |

| In million USD | Dec 2019 | Dec 2018 | YTD (%) |
|-------------------------------|----------|----------|---------|
| Cash and cash equivalent | 26.50 | 6.26 | 323.10 |
| Other current assets | 40.38 | 7.21 | 459.64 |
| Total current assets | 204.83 | 108.98 | 87.95 |
| Other non-current assets | 73.17 | 61.93 | 18.14 |
| Total non-current assets | 344.68 | 306.11 | 12.60 |
| TOTAL ASSETS | 549.51 | 415.09 | 32.38 |
| Total current liabilities | 197.03 | 137.06 | 43.75 |
| Total non-current liabilities | 118.21 | 47.22 | 150.31 |
| TOTAL LIABILITIES | 315.25 | 184.29 | 71.06 |
| TOTAL EQUITY | 234.26 | 230.80 | 1.50 |
| TOTAL LIABILITIES AND EQUITY | 549.51 | 415.09 | 32.38 |

| Financial Ratios (%) | FY19 | FY18 |
|--------------------------|--------|-------|
| EBITDA Margin | 12.16 | 13.61 |
| Return on Assets | 0.69 | 0.62 |
| Net Income (Loss) Margin | 1.10 | 0.93 |
| Return on Equity | 1.61 | 1.11 |
| Current Ratio | 103.96 | 79.51 |
| Debt to Assets | 46.76 | 31.68 |
| Long Term Debt to Equity | 42.63 | 11.71 |