

PT ADARO ANDALAN INDONESIA TBK (IDX: AADI) FY24 EARNINGS NEWS RELEASE

Jakarta, March 4, 2025 – PT Adaro Andalan Indonesia Tbk (“AAI”, IDX: “AADI”) today released its consolidated financial performance for the fiscal year ending December 31, 2024 to IDX/FSA.

President Director and Chief Executive Officer, Mr. Julius Aslan commented:

“We are pleased to report another year of outstanding performance, with higher achievements of overburden removal, production and sales volumes. The lower operational EBITDA we recorded in FY24 was mainly due to the weaker global coal prices, a condition beyond our control, as coal is a cyclical commodity. However, our solid track record of navigating through the coal cycle has been a testament of our resilience and expertise in this sector.”

Highlights

- AAI booked core earnings of \$1,044 million in FY24 and operational EBITDA of \$1,315 million. We generated solid operational EBITDA margin of 25%.
- We recorded a 7% increase in sales volume to 68.06 Mt (consisting of 65.85 Mt of thermal coal and 2.21 Mt of metallurgical coal sales), surpassing our thermal coal sales volume target of 61 – 62 Mt. However, as coal prices weakened, our revenue declined by 10% to \$5,320 million due to a 17% lower average selling price (ASP).
- In line with our investment plans, capex increased 36% to \$370 million. Capex spending was mainly for investment in PT Kaltara Power Indonesia (KPI), barges at PT Adaro Logistics and its subsidiaries, and supporting infrastructure at our supply chain.

PT ADARO ANDALAN INDONESIA TBK FY25 GUIDANCE

- Sales volume: 65 Mt to 67 Mt of thermal coal.
- Strip ratio: 4.3x, flat y-o-y from FY24.
- Capital expenditure: \$250 million to \$300 million.

Financial Performance

(\$ Millions, except otherwise stated)	FY24	FY23	% Change
Revenue	5,320	5,915	-10%
Cost of revenue	(3,854)	(4,187)	-8%
Gross profit	1,466	1,729	-15%
Operating income	1,481	1,391	6%
Core earnings ⁽¹⁾	1,044	1,325	-21%
Operational EBITDA ⁽²⁾	1,315	1,618	-19%
Total assets	5,993	7,063	-15%
Total liabilities	2,629	2,272	16%
Total equity	3,363	4,790	-30%
Interest bearing debt	1,481	949	56%
Cash and cash equivalents	1,519	2,534	-40%
Net debt (cash) ⁽³⁾	(90)	(1,634)	-94%
Capital expenditure ⁽⁴⁾	370	272	36%
Free cash flow ⁽⁵⁾	816	1,419	-42%
Basic earnings per share (EPS) in \$	0.1713	0.1632	5%

Financial Ratios

	FY24	FY23	% Change
Gross profit margin (%)	28%	29%	-1%
Operating margin (%)	28%	24%	4%
Operational EBITDA margin (%)	25%	27%	-2%
Net debt (Cash) to equity (x)	(0.03)	(0.34)	-92%
Net debt (Cash) to last 12 months operational EBITDA (x)	(0.07)	(1.01)	-93%
Cash from operations to capex (x)	3.24	2.19	48%

¹ Profit for the period, excluding non-operational items net of tax (amortization of mining properties, prior year tax assessment, allowance for uncollectible receivables, reversal of allowance for Government charges, gain from sales of ADMR, and loss on dilution of investment)

² EBITDA excluding prior year tax assessment, allowance for uncollectible receivables, gain from sales of ADMR, reversal of allowance for government charges, and loss on dilution of investment.

³ After deduction of cash and cash equivalent and current portion of other investments.

⁴ Capex spending defined as: purchase of fixed assets – proceed from disposal of fixed assets + payment for addition of mining properties + payment for addition of intangible asset.

⁵ Operational EBITDA – taxes – changes in trade receivables, inventories, and trade payables – capital expenditure.

Operating Segment

Segment (\$ Millions)	Revenue			Net Profit		
	FY24	FY23	% Change	FY24	FY23	% Change
Coal mining & trading	5,109	5,732	-11%	815	1,091	-25%
Logistics	572	523	9%	248	245	1%
Others	64	61	4%	218	-91	-340%
Elimination	(424)	(402)	6%	46	40	13%
Total	5,320	5,915	-10%	1,327	1,286	3%

FINANCIAL PERFORMANCE ANALYSIS FOR THE FULL YEAR 2024

Revenue, Average Selling Price and Production

We booked solid revenue of \$5,320 million in FY24, a 10% decrease compared to FY23, even though AAI achieved record production and sales which were 8% and 7% higher at 65.82 Mt and 68.06 Mt respectively, surpassing sales volume target of 61-62 Mt. This increment in operational results was offset by a 17% decline in the average selling price (ASP).

Cost of Revenue

Cost of revenues declined by 8% y-o-y to \$3,854 million, mainly due to decreased royalty expenses for PT Adaro Indonesia (AI) compared to a year ago period due to decline in ASP. We recorded a 7% increase in overburden removal to 286.01 Mbcm, and a strip ratio of 4.35x, in line with the increased mining costs by 3%.

Our total fuel consumption and fuel costs increased by 11% and 6% in FY24 due to higher production volume. Coal cash cost per tonne (excluding royalty) in FY24 decreased by 8% from FY23.

Operating Expenses

Operating expenses in FY24 relatively stable at \$316 million as compared to \$312 million at FY23.

Royalties to the Government and Income Tax Expense

Royalties to the Government declined 22% to \$1,020 million from \$1,308 million, while income tax expense also decreased 22% to \$213 million from \$274 million.

Operational EBITDA, Core Earnings and Net Profit

AAI's operational EBITDA declined by 19% y-o-y to \$1,315 million while core earnings was \$1,044 million for FY24, on the back of lower ASP. Our operational EBITDA margin in FY24 remained healthy at 25%. We exclude the one-time gain of \$323 million from the proceeds of sales in ADMR from our operational EBITDA and core earnings calculations. As a result, these metrics reflect the true performance of our operations. Net profit for the period is \$1,327 million.

Total Assets

Total assets at the end of FY24 declined by 15% to \$5,993 million compared with \$7,063 million at the end of FY23. Our cash balance at the end of FY24 also decreased by 40% to \$1,519 million. Cash and cash equivalents represented 25% of our total assets.

Current assets at the end of FY24 declined by 32% to \$2,214 million compared to \$3,270 million at end of FY23. Non-current assets at the end of FY24 were slightly lower from the year ago period at \$3,779 million due to decreased investments in associates and JV and decreased non-current loan to related party.

Fixed Assets

Fixed assets as at the end of FY24 of \$975 million were 83% higher than at the end of FY23 as we increased capex spending during the period mainly for investment in KPI, purchases of barges and supporting infrastructure of our supply chain. Fixed assets accounted for 16% of total assets.

Mining Properties

At the end of FY24, our mining properties were 5% lower y-o-y at \$416 million, due to regular amortization. Mining properties accounted for 7% of total assets.

Total Liabilities

Total liabilities at the end of FY24 were \$2,629 million, an increase of 16% compared to the same period last year. Current liabilities decreased by 51% y-o-y to \$873 million mainly due to decreased dividend payable and senior notes. Non-current liabilities increased by 270% y-o-y to \$1,756 million due to increased bank loan and increased loans from related parties. Interest bearing debts increased by 56% y-o-y to \$1,481 million

Liquidity

The company's cash balance at the end of FY24 declined by 40% to \$1,519 million from \$2,534 million y-o-y. AAI also had access to \$587 million in undrawn committed loan facilities from various outstanding loans at FY24.

Equity

At the end of FY24, shareholder's equity stood at \$3,363 million, representing a decrease of 30% y-o-y, mainly due to decreased unappropriated retained earnings.

Cash Flows from Operating Activities

In FY24, AAI's cash flows from operating activities increased by 101% to \$1,199 million from \$595 million y-o-y driven by lower payments of royalties and income tax, which were offset by lower receipts from customers. We paid \$256 million in corporate and final income tax.

Cash Flows from Investing Activities

The company reported \$198 million in net cash flows from investing activities, mainly driven by cash receipts from proceeds from sales of ADMR and receipts from repayment of loans given to related parties.

Capital Expenditure

Capital expenditure in FY24 increased by 36% to \$370 million from \$272 million in the year ago period. The capital expenditure spending in the period as mainly for investment in KPI, barges and supporting infrastructure at our supply chain.

Cash Flows from Financing Activities

Net cash outflow from financing activities in FY24 increased by 75% to \$2,390 million, mainly due to higher dividend payment and payment to Senior Notes, offset by higher receipts of bank loans. The company distributed \$2,972 million as cash dividend.

PT ADARO ANDALAN INDONESIA TBK (IDX: AADI) FY24 ACTIVITIES REPORT

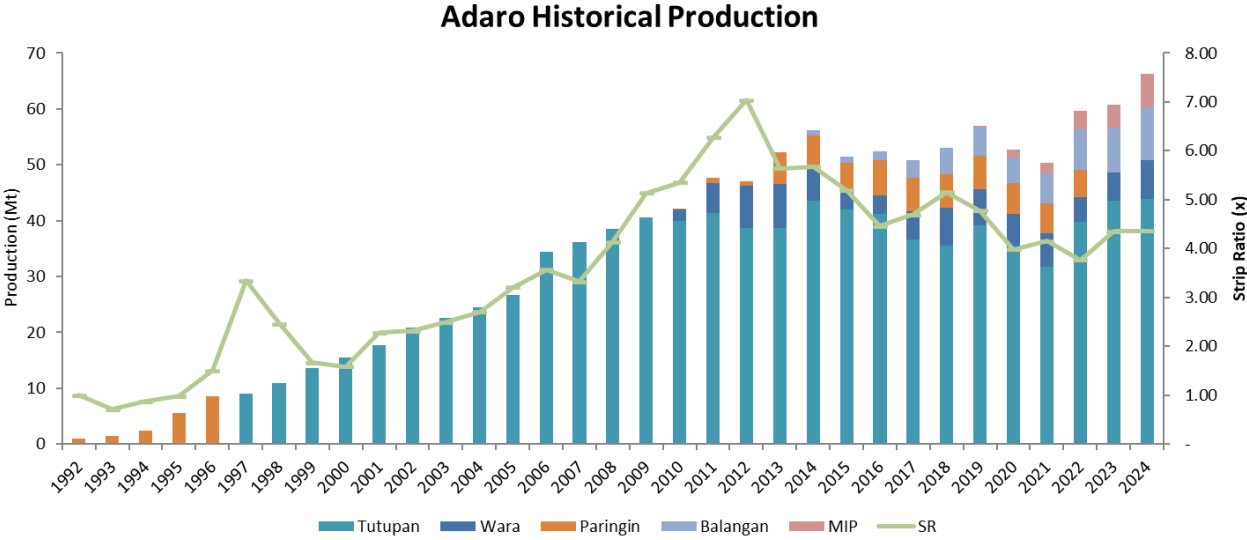
FY24 OPERATIONAL HIGHLIGHTS

- AAI recorded production volume of 65.82 million tonnes (Mt) in FY24, corresponding to an 8% increase from FY23. Sales volume for the period was 68.06 Mt (consisting of 65.85 Mt of thermal coal sales and 2.21 Mt of metallurgical coal sales) or 7% higher than FY23. This is a record-breaking achievement for AAI, supported by volume growth at all of its operational mining subsidiaries.
- Overburden removal volume increased by 7% y-o-y to 286.01 million bank cubic meter (Mbcm) in FY24, resulting in the strip ratio of 4.35x, or 1% lower than FY23.

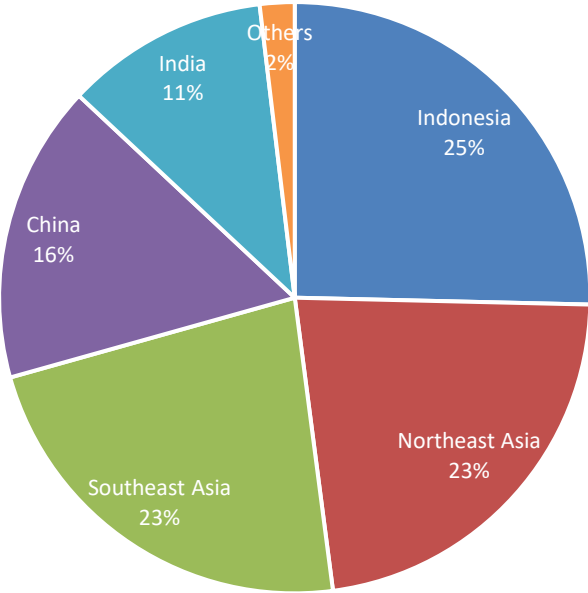
SUMMARY OF FY24 OPERATIONS

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Production Volume	Mt	15.08	17.99	-16%	14.04	7%	65.82	60.77	8%
AI	Mt	11.64	13.47	-14%	11.13	5%	50.80	48.60	5%
Balangan Coal Companies	Mt	2.09	2.49	-16%	1.73	21%	9.02	8.02	13%
MIP	Mt	1.35	2.03	-34%	1.18	14%	6.00	4.15	44%
Sales Volume	Mt	16.59	18.15	-9%	15.75	5%	68.06	63.40	7%
Overburden Removal	Mbcm	68.22	86.58	-21%	64.03	7%	286.01	267.65	7%
AI	Mbcm	52.70	68.08	-23%	50.80	4%	227.40	219.39	4%
Balangan Coal Companies	Mbcm	10.50	11.77	-11%	9.97	5%	41.74	35.25	18%
MIP	Mbcm	5.03	6.73	-25%	3.27	54%	16.87	13.02	30%
Strip Ratio	x	4.52	4.81	-6%	4.57	-1%	4.35	4.40	-1%

Historical Production Volume (Mt) and Strip Ratio (SR)



THE ADARO GROUP'S SALES BY DESTINATION IN FY24



MINING BUSINESS

PT Adaro Indonesia (AI)

- In FY24, AI recorded production volume of 50.80 Mt and sales volume of 59.50 Mt, or increased 5% and 4% y-o-y, respectively. Meanwhile, total overburden removal increased by 4% to 227.40 Mbcm from 219.39 Mbcm in FY23, resulting in a strip ratio of 4.48x or a slight decline from 4.51x in FY23.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Overburden Removal	Mbcm	52.70	68.08	-23%	50.80	4%	227.40	219.39	4%
Production Volume	Mt	11.64	13.47	-14%	11.13	5%	50.80	48.60	5%
Sales Volume	Mt	14.10	15.84	-11%	14.20	-1%	59.50	57.35	4%

Balangan Coal Companies (BCC)

- Balangan Coal Companies consist of PT Semesta Centramas, PT Paramitha Cipta Sarana and PT Laskar Semesta Alam. BCC's production volume in FY24 totaled 9.02 Mt, 13% higher than in FY23. Total overburden removal of 41.74 Mbcm was 18% higher than in FY23, leading to a strip ratio of 4.63x in FY24.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Overburden Removal	Mbcm	10.50	11.77	-11%	9.97	5%	41.74	35.25	18%
Production Volume	Mt	2.09	2.49	-16%	1.73	21%	9.02	8.02	13%

PT Mustika Indah Permai (MIP)

- MIP recorded production volume of 6.00 Mt in FY24, or 44% higher y-o-y, with sales volume of 6.35 Mt, 58% higher than in FY23.
- MIP's overburden removal volume in FY24 of 16.87 Mbcm was 30% higher than in FY23, while its FY24 strip ratio declined 10% to 2.81x.
- MIP's sales destination in FY24 was dominated by the export market, led by India and China.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Overburden Removal	Mbcm	5.03	6.73	-25%	3.27	54%	16.87	13.02	30%
Production Volume	Mt	1.35	2.03	-34%	1.18	14%	6.00	4.15	44%
Sales Volume	Mt	1.80	1.70	6%	0.97	86%	6.35	4.01	58%

Kestrel Mine (Kestrel)

- In FY24, Kestrel recorded saleable coal production volume of 4,35 Mt, 22% lower compared to FY23. Kestrel's sales volume in FY24 was 4.47 Mt, or 20% lower than in FY23.
- Kestrel's sales destinations consist of customers in major Asian markets. Japan was Kestrel's largest sales destination in FY24 followed by India and South Korea.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Saleable Production	Mt	0.41	1.62	-75%	1.41	-71%	4.35	5.57	-22%
Sales Volume	Mt	0.97	1.20	-20%	1.55	-38%	4.47	5.56	-20%

LOGISTICS BUSINESS

PT Maritim Barito Perkasa (MBP)

- MBP's barging volume in FY24 increased by 10% to 70.10 Mt compared to FY23. The Adaro Group's volume constituted almost the entire portion of MBP's total barging volume in the period, and the rest comes from the Alamtri Group's volume.

	Units	4Q24	3Q24	4Q24 vs. 3Q24	4Q23	4Q24 vs. 4Q23	FY24	FY23	FY24 vs. FY23
Barging Volume	Mt	17.42	18.06	-4%	15.83	10%	70.10	63.53	10%

WATER BUSINESS

- In the water treatment business, Adaro Water, through its subsidiaries, operates four water treatment plants (WTP) with a total capacity of 1,470 liters per second. During the fourth quarter, the WTP project in Bekasi commenced operations with an initial capacity of 70 liters per second in November 2024 and will gradually increase to its full capacity of 200 liters per second. Our two other projects, namely the WTPs in North Sumatra and North Kalimantan, are expected to begin commissioning in the first quarter of 2025.
- During FY24, PT Adaro Wamco Prima slurry volume decreased 4.1% compared to FY23, while PT Adaro Tirta Sarana increased its dewatering volume by 63.1% compared to FY23.
- PT Adaro Tirta Wening (ATW) in the non-revenue water business has established the water distribution networks in 72 District Meter Areas (DMAs) out of the total 72 target areas, while continuing to identify and repair water leakages, produce smart water meters, and replace customer water meters, ensuring efficient water usage.

HEALTH, SAFETY AND ENVIRONMENT (HSE)

We recorded four lost-time injuries (LTI) and two fatal incidents throughout the Adaro Group's operations in FY24, resulting in lost-time injury frequency rate (LTIFR) of 0.05 and severity rate (SR) of 107.43 out of 112,980,518 man-hours. We deeply regret these incidents and have conducted thorough investigations on them to prevent the recurrence of such incidents or other

similar incidents in the future. Our safety protocols will be continuously reviewed and updated alongside stricter implementation of the Adaro Zero Accident Mindset (AZAM) throughout all subsidiaries to improve the safety culture and hence safety performance across the Adaro Group.

CORPORATE ACTIVITIES AND AWARD

October 2024

- In celebration of its 32nd anniversary, Adaro Group held its CSR program “Adaro Hidupkan Hati” by distributing 27,400 food packages to underprivileged communities across the provinces where the Adaro Group operates.
- PT Adaro Indonesia (AI) received the 2024 Subroto Award as the Most Innovative Community Development category (PPM) from the Ministry of Energy and Mineral Resources (ESDM). AI won the award through its positive contributions to the communities around its operational area, in particular the Taman Wisata Menanti Laburan (TWML) program in Tabalong Regency, South Kalimantan. The program focuses on social innovation development, by promoting eco sport concept.
- AI received the Stevie Awards in the 2024 International Business Awards for its Corporate Social Responsibility Program of the Year – in Asia, Australia and New Zealand category, for its work in the Bakut Island conservation initiative: Fostering the Paradise of Proboscis Monkeys.

November 2024

- AI and MIP received awards for Best Community Development and Empowerment Performance in the Mining and Coal Sector (TAMASYA Awards) for these categories:
 - AI: Best Booth Category at Minerba Expo
 - MIP: Medium Scale Mining Business
- PT Semesta Centramas (SCM) received Gold Awards at the Indonesia Corporate Awards (ICA) and Indonesia Sustainable Development Awards (ISDA) 2024, organised by the Corporate Forum for Community Development. From ISDA, SCM won the Gold Award for its Stunting Management Award. SCM also won the Gold Award from ICA for its program in improving public health through the development of the village Integrated Health Post (Posyandu).

December 2024

- PT Adaro Andalan Indonesia Tbk (AAI) was listed on 5 December 2024, after a successful IPO that raised Rp4.3 trillion for listing 10% of the company’s shares.

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