

# Analyst Meeting Earnings Call 1H2023

July 25th, 2023

Energizing Green **Future**



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# Management Team

## Board of Commissioner



**Sarman Simanjorang**  
President Commissioner /  
Independent Commissioner



**Sujit S. Parhar**  
Independent Commissioner



**Dannif Danusaputro**  
Commissioner



**Harris**  
Commissioner

## Board of Director



**Julfi Hadi**  
President Director



**Rachmat Hidajat**  
Director of Exploration and  
Development



**Ahmad Yani**  
Director Operation



**Nelwin Aldriansyah**  
Director of Finance

# 1H2023 Highlights

## Production

**2,397.2 GWh**  
Increase 7.7%  
YoY



## Total Revenue

**USD 206.7 million**  
Increase 11.9%  
YoY



## Total Asset

**USD 2.89 billion**  
Increase 16.7%  
From FY 2022



## Total Equity

**USD 1.89 billion**  
Increase 51.2%  
From FY 2022



## Cost of Revenue

**USD 82.9 million**  
Increase 0.9%  
YoY



## Gross Profit

**USD 123.8 million**  
Increase 20.7%  
YoY



## Net Profit

**USD 92.7 million**  
Increase 30.1%  
YoY



## Current Ratio

**3.59x**

## DER

**39%**

## ROA (Annualized)

**6.42%**





# Operation Performance

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# Key Operations Highlights – 1H2023



Kamojang



Lahendong



Ulubelu



Lumut Balai



Karaha



**869.8 GWh**  
+8.04% YoY

**442.6 GWh**  
+9.54% YoY

**798.0 GWh**  
+2.45% YoY

**239.4 GWh**  
+16.5% YoY

**47.4 GWh**  
+44.4% YoY



- Higher electricity **demand**
- **Improvement in availability factor** for Unit 4 and Unit 5

- Higher electricity **demand**
- **Improvement in availability factor** for all Unit
- **Zero outage rate** for all Unit

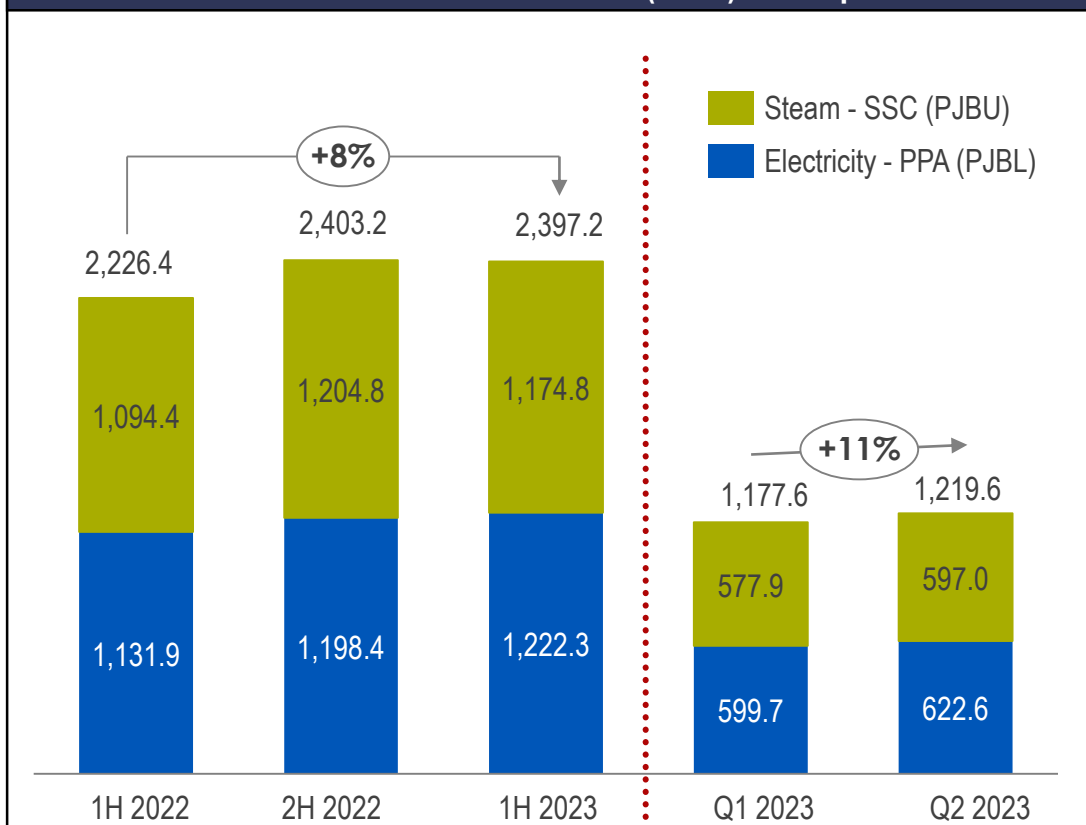
- Additional generation up to 20 MW from **SAGS Debottlenecking project**
- **Acceleration of Unit 4 Turn Around** implementation (from plan 21 to 16 days)

- Higher electricity **demand**
- Production achievement, **Higher Capacity Factor** of 97-101%
- Implementation of House Load, Free Governor and Power System Stabilizer Operations

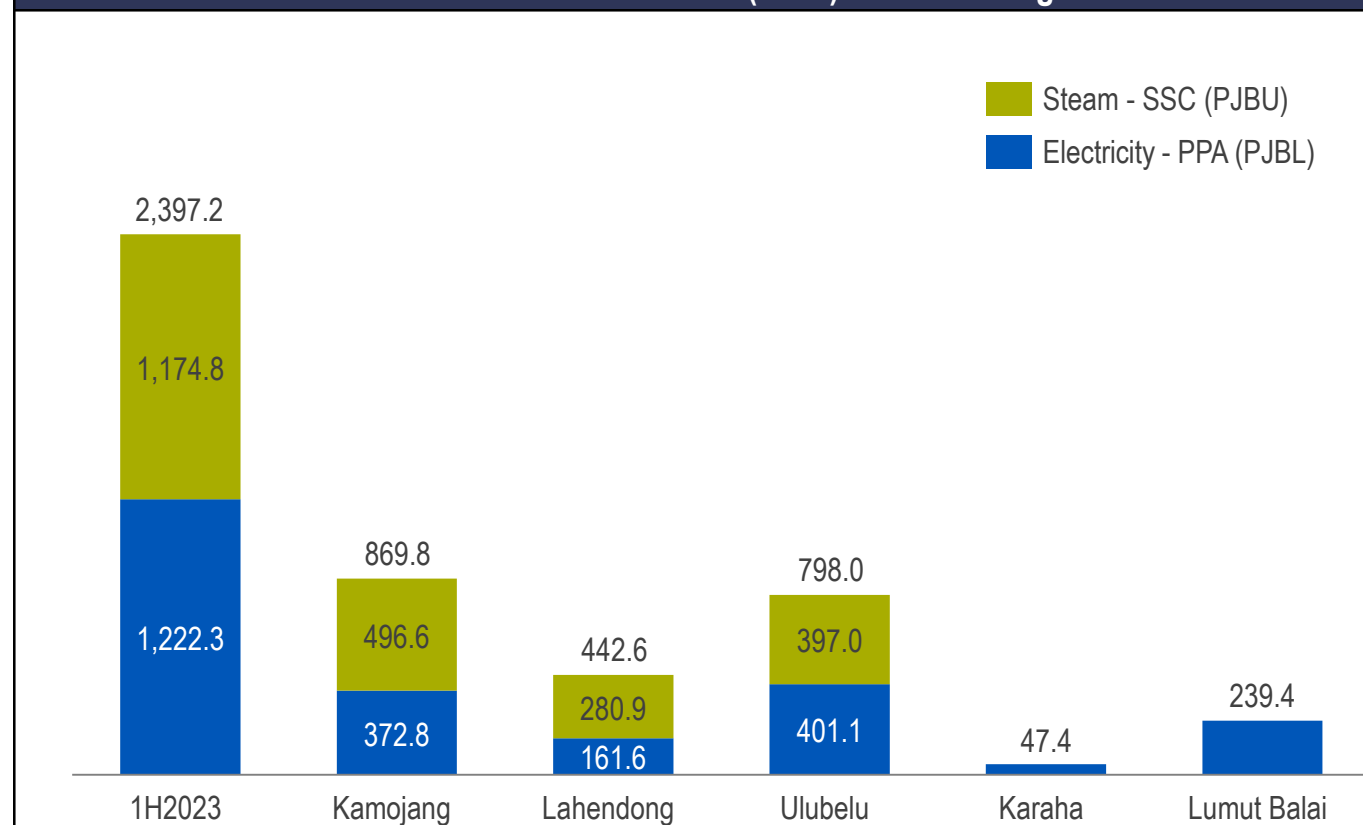
- Unplanned **shutdown decreased** from 2.5% (2022) to 0.7% (2023)
- The completion of **landslide mitigation infrastructure** in Karaha



## Production Performance 1H 2023 (GWh) – Comparison



## Production Performance 1H 2023 (GWh) – Per Working Area



**Total Production as of June 2023 reached +11% from Q1 2023 and +8% from 1H 2022 with the following summary:**

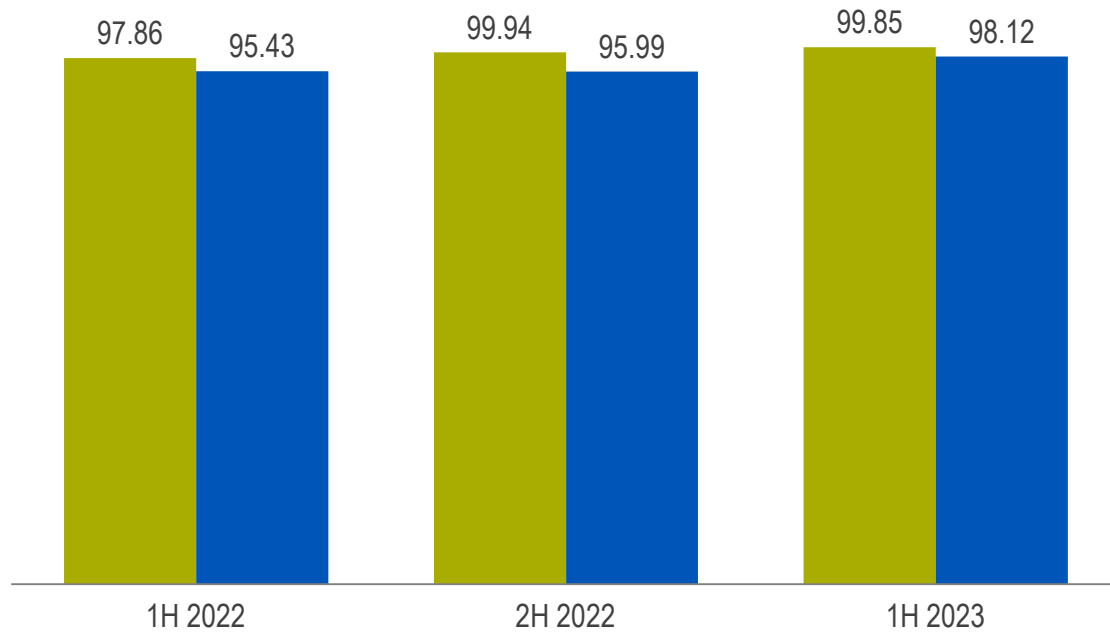
- **Acceleration of Unit 4 Turn Around** implementation (from plan 21 to 16 days)
- the completion of **landslide mitigation infrastructure** in karaha
- **high electricity demand** in Lumut Balai, Kamojang, and Lahendong
- Finishing of **debottlenecking project commissioning** on Area Ulubelu in Q1 2023

**Energizing Green Future**

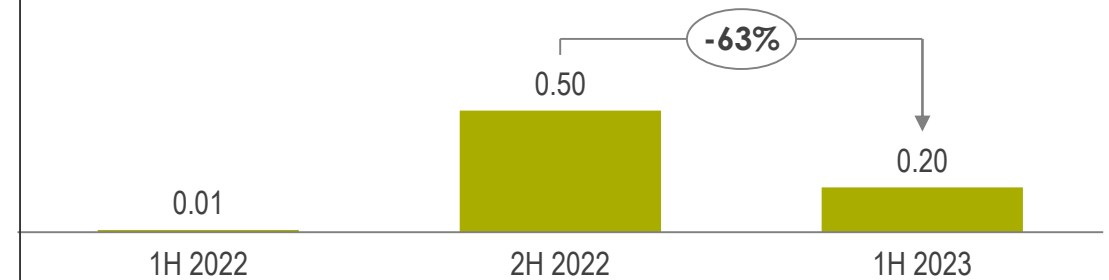
# Reliability Performance (Own Operation) – 1H2023

Availability Factor (%)

Steam  
Electricity



Outage Rate (%)



## Highlights :

- EFOR value in 1H2023 mainly effected by forced outage in Kamojang unit 4 and Karaha Unit 1





# Financial Performance

## 1H2023

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Income Statement	2022	2023		% QoQ	2022	2023	% YoY
(in US\$ millions)	Q2	Q1	Q2		1H	1H	
Revenue (Own Operation)	94.5	96.4	99.1	2.8	177.3	195.6	10.3
Production Allowance	4.0	6.2	5.0	-19.4	7.5	11.2	49.5
<b>Total Revenue</b>	<b>98.5</b>	<b>102.6</b>	<b>104.1</b>	<b>1.5</b>	<b>184.7</b>	<b>206.7</b>	<b>11.9</b>
Depreciation Expense	-26.9	-26.8	-26.8	0.2	-53.9	-53.6	-0.4
Other Cost of Revenue and Direct Costs	-15.3	-14.3	-15.0	4.3	-28.3	-29.3	3.5
<b>Gross Profit</b>	<b>56.2</b>	<b>61.5</b>	<b>62.3</b>	<b>1.3</b>	<b>102.6</b>	<b>123.8</b>	<b>20.7</b>
General and Administrative Expense	-0.5	-0.5	-1.4	165.6	-1.6	-1.9	21.9
Finance Income	0.2	2.8	4.9	76.3	0.3	7.6	2,570.6
Other Income/(Expense), net	8.2	12.9	8.1	-37.0	13.5	20.9	55.0
<b>Operating Profit</b>	<b>64.1</b>	<b>76.6</b>	<b>73.9</b>	<b>-3.5</b>	<b>114.8</b>	<b>150.5</b>	<b>31.1</b>
Finance Costs	-3.0	-6.40	-6.1	-5.8	-5.1	-12.5	146.0
<b>Profit before Income Tax Expense</b>	<b>61.1</b>	<b>70.1</b>	<b>67.8</b>	<b>-3.3</b>	<b>109.7</b>	<b>138</b>	<b>25.7</b>
Income Tax Expense	-21.3	-23.2	-22.0	-5.0	-38.4	-45.2	17.7
<b>Profit for the Period</b>	<b>39.9</b>	<b>46.9</b>	<b>45.8</b>	<b>-2.40</b>	<b>71.3</b>	<b>92.7</b>	<b>30.1</b>
EBITDA	82.7	87.8	87.8		154.9	175.6	
EBITDA Margin (%)	84%	86%	84%		84%	85%	
Net Profit Margin (%)	40%	46%	44%		39%	45%	

Highlight Profit/Loss H1 (Jan-June) 2023						
<ul style="list-style-type: none"> <li>Improvement in Karaha production performance</li> <li>Higher production allowance due to carry over of price escalation in JOC Wayang Windu for H2 2022.</li> <li>Average selling price 2.6% higher than the same period last year.</li> <li>Higher interest income of USD 7.64 million resulting from the optimization of funds</li> <li>Higher Other Income in H1 2023 driven by forward contract hedging for the IPO proceeds.</li> <li>Higher financing costs in H1 2023 were due to increase of LIBOR-based interest rates.</li> </ul>						

Average Selling Price	Q1	Q2	%	H1	H1	%
(US\$ Cent / KWh)	2023	2023	Change	2022	2023	Change
			QoQ			YoY
Weighted Steam & Electricity	8.19	8.13	-0.73%	7.95	8.16	2.64%
Steam	6.36	6.32	-0.63%	6.19	6.34	2.42%
Electricity	9.95	9.86	-0.90%	9.66	9.90	2.48%

# Balance Sheet 1H2023

Balance Sheet Items (stated in US\$ millions)	December 31		June 30	% Change
	2021	2022	2023	
Cash and Cash Equivalents	125.3	262.3	664.1	153.2
Trade Receivables	124.6	123.2	142.7	15.8
Other Current Assets	29.9	47.8	59.0	23.4
Fixed Asset, net	1,957.3	1,901.7	1,874.5	-1.4
Reimbursable VAT	108.8	103.9	105.2	1.3
Other Non-Current Assets	51.6	36.2	42.3	16.9
<b>TOTAL ASSETS</b>	<b>2,397.5</b>	<b>2,475.1</b>	<b>2,887.8</b>	<b>16.7</b>
Trade Payables	72.6	65.6	84.5	28.9
Bank Loans	-	600.0	-	-100.0
Other Short Term Liability	127.3	192.2	156.8	-18.4
Long-term Liability	338.1	327.7	313.3	-4.4
Bond Payable	-	-	398.9	100.0
Other Long-term Liability	630.5	34.1	36.1	5.9
<b>TOTAL LIABILITY</b>	<b>1,168.4</b>	<b>1,219.6</b>	<b>989.5</b>	<b>-18.9</b>
<b>TOTAL EQUITY</b>	<b>1,229.1</b>	<b>1,255.5</b>	<b>1,898.3</b>	<b>51.2</b>
Debt to Equity Ratio (DER)	78%	75%	39%	
Current Ratio	1.40x	0.51x	3.59x	
Net Debt/EBITDA (annualized)	2.84x	2.22x	0.19x	
Return on Assets (annualized)	3.55%	5.14%	6.42%	
Return on Equity (annualized)	6.92%	10.14%	9.77%	

## Highlight Balance Sheet Q1 2023

- Increase in cash and cash equivalents was due to receipt of IPO proceeds on 23 February 2023 amounting to **USD590 million**
- Decrease in Bank Loans due to full repayment of Bridge Loan Facilities on 5 May amounting to **USD400 million** (preceded by early repayment on 7 March of USD200 million)
- Green bond issuance for bridge loan refinancing, totaling **USD400 million** (nominal value) on 27 April.
- Decrease in Fixed Assets due to depreciation.
- Balance Sheet remains strong, as seen in our **Debt-to-Equity Ratio of 39%** and **Net Debt to EBITDA of 0.19**.





# Sustainability Performance

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## Environmental Aspects



### Emission Intensity

**0.004**

ton CO<sub>2</sub>eq/MWh  
Same intensity YOY



### Emission Avoidance

**2.004**

million tonCO<sub>2</sub>eq  
7% YoY



### Scope 1-3 Emission

**100,011.48**

ton CO<sub>2</sub>eq  
-10% YoY

Project Emission Scope 1 (NCG from GPP, Fuel Consumption or EDG and Vehicle)  
Project Emission Scope 2 (Electricity from PLN)  
Project Emission Scope 3 (Steam Sales, Drilling Activity)

## Social Aspects



### % Women in Management Level

**12%**

### % Women Top Nominated Talent

**24%**



### Commitment Realization of Corporate Social Responsibility (CSR)

**3.123**

Billion Rupiah



### Safe Working Hours

**7,841,289**

per June 30<sup>th</sup> 2023



### Community Development

**113** Partners

## Governance Aspects



### GCG Assessment Score

**93.15**

Very Good\*



### IT Cyber Security System & Device Availability

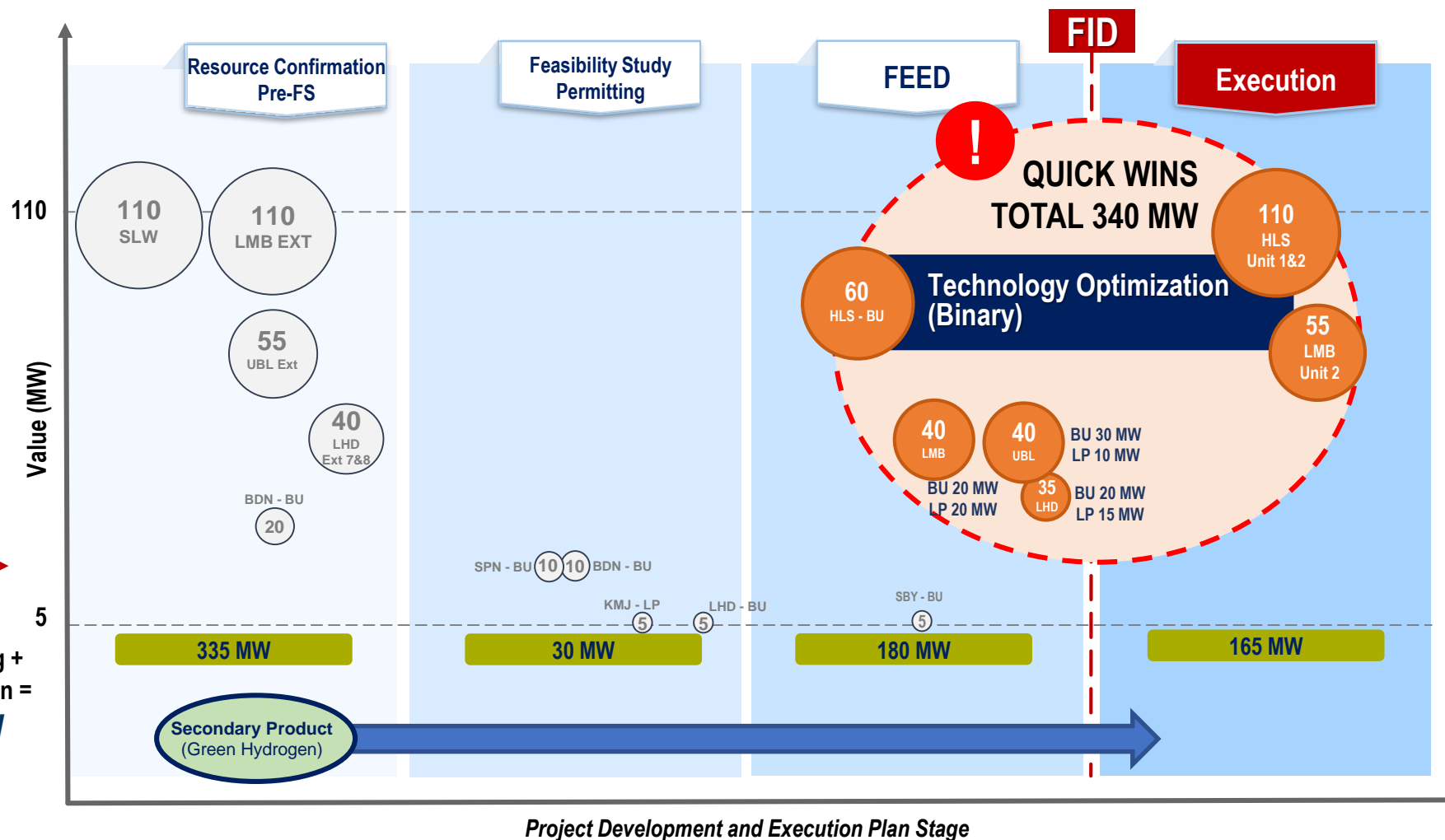
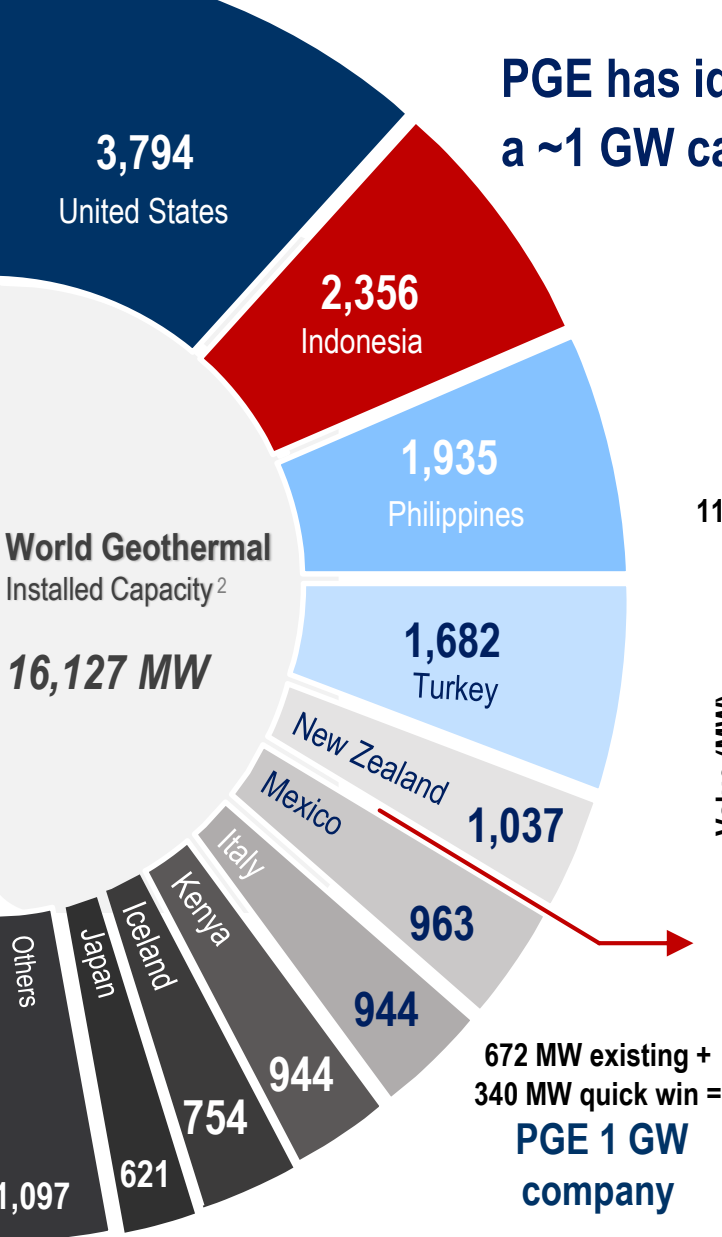
**100%**



# Development **Highlights** 1H2023

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PGE has identified an additional 340 MW to add to existing 672 MW to become a ~1 GW capacity Geothermal company in two years\*



**Energizing Green Future**

- Total additional installed capacity onwards : **710 MW**
- Note = LMB = Lumut Balai; HLS = Hululais; BDN = Bukit Daun; LHD = Lahendong; KMJ = Kamojang; SBY = Sibayak; UBL = Ulubelu; SPN = Sungai Penuh; SLW = Seulawah; BU = Binary Unit; LP = Low Pressure

\*After PPA Signed





# ... PGE has identified opportunities aiming to improve commercialization and unlock barriers



## Key Initiatives

### Technology to Maximize Energy Extraction

### Commercial Upscale Opportunities




#### Optimize Geothermal Binary Power Plant Technology

PGE will utilize excess resource for binary units and low-pressure units




#### PGE can Utilize Electrical Submersible Pump (ESP) Technology

MoU signing with Schlumberger Geophysics Nusantara (SGN)



#### Hub Creation – Increasing Regional Interconnectivity

PGE will scale-up capacity to optimize inter-connectivity to lower CAPEX & fulfill green energy demand



#### Expand Value-Chain Partnerships & Smaller MW Developments

PGE will form partnerships to facilitate shorter development times and lower CAPEX

## Unlocking Upside Opportunities



#### Direct Use

PGE to utilize steam & brine (other than for electricity) as various community goods (e.g., geotourism, direct heating)



#### Green Hydrogen Production

PGE to plan commercialization for green hydrogen production bundling with Binary Cycle Power Plants



#### Green Methanol Production

PGE to plan commercialization for green methanol production bundling with Binary Cycle Power Plant



#### Silica Extraction

PGE to research the silica extraction from the treatment process of excess brine for value-added products (e.g., semiconductors, glasses)

Lahendong Geothermal Power Plant PT Pertamina Geothermal Energy Tbk



# Project Updates

(Status Update June 30<sup>th</sup> 2023)



- Intensive engineering review
- Intensive finalization for importation document with authorized agency
- Test Piling activities
- GPP Earthwork activities
- Production facilities preparation



- Expansion drilling for A1 Well has been Started on Jun 23<sup>rd</sup>, 2023
- Ongoing Land Acquisition for 2 Cluster.
- Engineering design phase for infrastructure work



- Ongoing process of land Acquisition for Production Facilities
- Alignment with PLN for COD Plan

## Strategic Partnership

### Schlumberger



- Joint Study Agreement with **Schlumberger Geophysics Nusantara** for steam recovery method technology development
- Joint Study Agreement with **Chevron New Energies International** for the South Sumatra Grid Resources Confirmation of 900 MW
- MOU with **KS Orka Renewables** for binary technology development
- Head of Agreement with **PT Pembangunan Aceh (Perseroda)** for the development of the Geothermal Working Area in Seulawah (Aceh Province)

## Way Ratai Development

Location : Lampung  
 Poss. Reserve : 100 Mwe  
 (SNI 6009: 2017)  
 Est. Temp. : 203-247  
 Dev. Plan : 55 Mwe  
 Project type : Total Project



- Way Ratai located in Lampung Selatan
- **PGEO and Chevron bring together differentiated capabilities** in subsurface characterization, geothermal development and execution in novel geothermal and end-use technologies.
- Exploration commitment will leverage both Chevron's global geothermal experience and PGEO's execution expertise to achieve cost-effective results and capture the upside potential of the Way Ratai block.
- PGEO & Chevron Consortium has been declared the winner of the Way Ratai tender in June 2023 by the decision of Minister of Energy and Mineral Resources.

# Thank You

**Energizing Green Future**