RAIN GROUP

PT. RESOURCE ALAM INDONESIA, Tbk. (KKGI)

Bumi Raya Utama Building
Jl. Pembangunan I No. 3, Jakarta 10130
Telp: (021) 633 3036 I Fax: (021) 6333802

NEWSLETTER

Q3 and 9M 2020

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, 3rd Generation Coal Contract of Work (CCOW) concession in East Kalimantan.

Share Price Data:
(As of 30 September 2020)

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

Price:
Rp 196

52 Weeks Hi/Lo:
Rp 270/Rp 141

Market Capitalization:
Rp 980 Bn / 65.69 US$MM US$ million

Rp/US$ (September 30th):
Rp 14,918

Board of Commissioners:

- **Hendro Martowardojo**
  President Commissioner
- **Suparno Adijanto**
  Commissioner
- **CH Lee**
  Commissioner
- **Ge Luiyanto Yamin**
  Commissioner
- **Suria M. Tjahaja**
  Commissioner

Board of Directors:

- **Pintarso Adijanto**
  President Director
- **Wimpy Salim**
  Director
- **Agoes Soegiarto**
  Director
- **Bambang Prijonohadi**
  Director
- **Winanto**
  Director

For informationcontact:

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A. FINANCIAL HIGHLIGHTS

Financial	3Q2020 USD MM	3Q2019 USD MM	Change (%)	9M2020 USD MM	9M2019 USD MM	Change (%)
Revenue	10.10	29.09	*-65.3*	57.13	80.94	*-29.4*
Gross Profit	0.06	4.11	*-98.5*	5.01	10.51	*-52.3*
Operating Profit	-1.19	2.14	*-155.6*	-0.29	4.13	*-107.0*
Net Profit After Tax	-7.20	1.88	*-483.0*	-8.14	4.16	*-295.7*
				30/09/2020	31/12/2019	
Total Asset				109.62	126.35	*-13.2*
Total Liability				27.09	32.97	*-17.8*
Equity				82.54	93.38	*-11.6*
Debt[1]				6.83	7.84	*-12.9*
RATIOS	**3Q2020 USD MM**	**3Q2019 USD MM**		**9M2020**	**9M2019**	
Gross Margin	0.59%	14.13%		8.77%	12.98%	
Operating Margin	-11.78%	7.36%		-0.51%	5.10%	
NPAT Margin	-71.29%	6.46%		-14.25%	5.14%	
Return On Asset (ROA)				-9.90%	4.39%	
Return On Equity (ROE)				-13.15%	5.94%	
Debt to Equity				8.27%	8.40%	

Exchange rate USD/IDR: 30/09/2020 = 14,918; 30/09/2019 = 14,174;
[1]Interest bearing liabilities only (e.g: vehicle leasing, etc.)

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B. PERFORMANCE SUMMARY

3rd Quarter 2020

- PT Resource Alam Indonesia Tbk.'s reported revenue in the 3rd Quarter of 2020 was US$ 10.10 million, 65% lower from previously US$ 29.09 million. Revenue from hydro power contributed about US$ 384,287. The lower revenue was mainly due to the lower selling price and selling volume during the period.

- Due to the weak global coal market, Q3 2020 production volume was 467,662 MT, lower compared to 1,183,297 MT of the same period last year. Consequently, sales volume also declined to 479,176 MT from previously 988,940 MT.

- During the quarter under review, Average Selling Price for Q3 2020 was US$ 24.75 per MT lower compared to US$ 34.06 per MT.

- Gross profit during the 3rd Q 2020 was reported at US$ 61,690, lower compared to previously US$ 4.11 million. Cash Cost were US$ 15.50 per MT for Q3 2020 and US$ 21.27 per MT for Q3 2019.

- In Q3 2020, the Company reported an operating loss of US$ 1.19 million.

- As a result, the Company posted a Net Loss of US$ 7.20 million in Q3 2020.

  The additional losses were mainly due to a loss of US$ 1.13 million in foreign exchange reporting rate and US$ 5.0 million of other losses due to assets impairments, consisting mainly of obsolete inventories of high pressure laminated products, and impairments of investment assets/ advances in mines.

This impairment does not reduce the legal right of the Company, in the even of future potential economic benefits

B. RINGKASAN KINERJA

Kwartal ke 3, 2020

- Pendapatan PT Resource Alam Indonesia Tbk. Pada kuartal ketiga tahun 2020 tercatat sebesar US$ 10,10 juta, turun 65% dari sebelumnya US$ 29,09 juta. Pendapatan dari pembangkit listrik tenaga air memberikan kontribusi sekitar US$ 384.287. Penurunan pendapatan ini terutama disebabkan oleh penurunan harga jual dan volume penjualan selama periode tersebut.

- Dikarenakan pasar batubara global yang lemah, volume produksi Q3 2020 adalah 467.662 MT, lebih rendah dibandingkan 1.183.297 MT pada periode yang sama tahun lalu. Volume penjualan juga turun menjadi 479.176 MT dari sebelumnya 988.940 MT.

- Harga Jual Rata-rata untuk Q3 2020 adalah US$ 24,75 per MT lebih rendah dibandingkan dengan sebelumnya US$ 34,06 per MT.

- Laba kotor pada Q3 2020 tercatat sebesar US$ 61.690, turun dari sebelumnya US$ 4,11 juta. Biaya Tunai adalah US$ 15,50 per MT untuk Q3 2020 dan US$ 21,27 per MT untuk Q3 2019.

- Pada Q3 2020, Perseroan melaporkan kerugian usaha sebesar US $ 1,19 juta.

- Oleh karenanya, pada Q3 2020 Perseroan mencatat Rugi Bersih sebesar US$ 7,20 juta.

  Penambahan kerugian tersebut terutama dikarenakan, pada Triwulan ke-3 tahun 2020, Perseroan mencatat kerugian sebesar US$ 1,13 juta dalam kurs pelaporan valuta asing dan US$ 5,0 juta dari kerugian lain-lain akibat penurunan nilai aset, terdiri dari persediaan produk HPL (papan berlaminasi) yang rusak, dan penurunan nilai investasi aset tambang.

  Penurunan nilai asset ini tidak mengurangi hak Perseroan, apabila suatu saat asset tersebut masih mempunyai nilai ekonomis.

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9 Months 2020

- For period ended 30th September 2020, PT Resource Alam Indonesia Tbk.'s reported revenue was US$ 57.13 million, 29% lower compared to US$ 80.94 million of the same period previously. In 2020, Sales contribution from the recently operated hydro power was US$ 1.44 million, about 2.5% of total revenue.
- The Covid 19 pandemic has adversely affected global economic conditions. In the coal industry, demand and prices have both weakened. Reflecting this difficult condition, the Company is compelled to adjust and lower its production volume. Production volume for the 9 months of 2020 was 2,190,552 MT from previously 2,727,784 MT, a decline of 19.7%.
- Likewise, sales volume in the 9 months of 2020 was 2,196,585 MT, 16% lower compared to 2,613,299 MT previously.
- During the same period, average selling price (ASP) declined 15% to US$ 29.78 per MT from previously US$ 35.03 per MT. The Company has managed to lower cash cost to US$ 18.91 per MT for the 9M 2020 compared to previously US$ 21.68 per MT. This has somewhat lessened the impact to gross profit due to the lower selling price.
- Gross profit reported was US$ 5,01 million, lower compared to US$ 10.51 million previously. Gross margins were 8.8% and 13.0% in 9M 2020 and 9M 2019 respectively.
- Inline with the Company's continuous cost cutting efforts, operating expenses declined 16.9% to US$ 5.31 million compared to US$ 6.38 million previously. However, the cost savings could not compensate the losses due to the decline in sales revenue. The Company posted an operating loss of US$ 294,406 compared to operating profit of US$ 4.13 million previously.
- During the period under review, the Company reported US$ 7.85 million of net non-cash of other losses, consisting mainly of Loss on Foreign Exchange of US$ 3.46 million and Asset impairments of US$ 5.0 million.

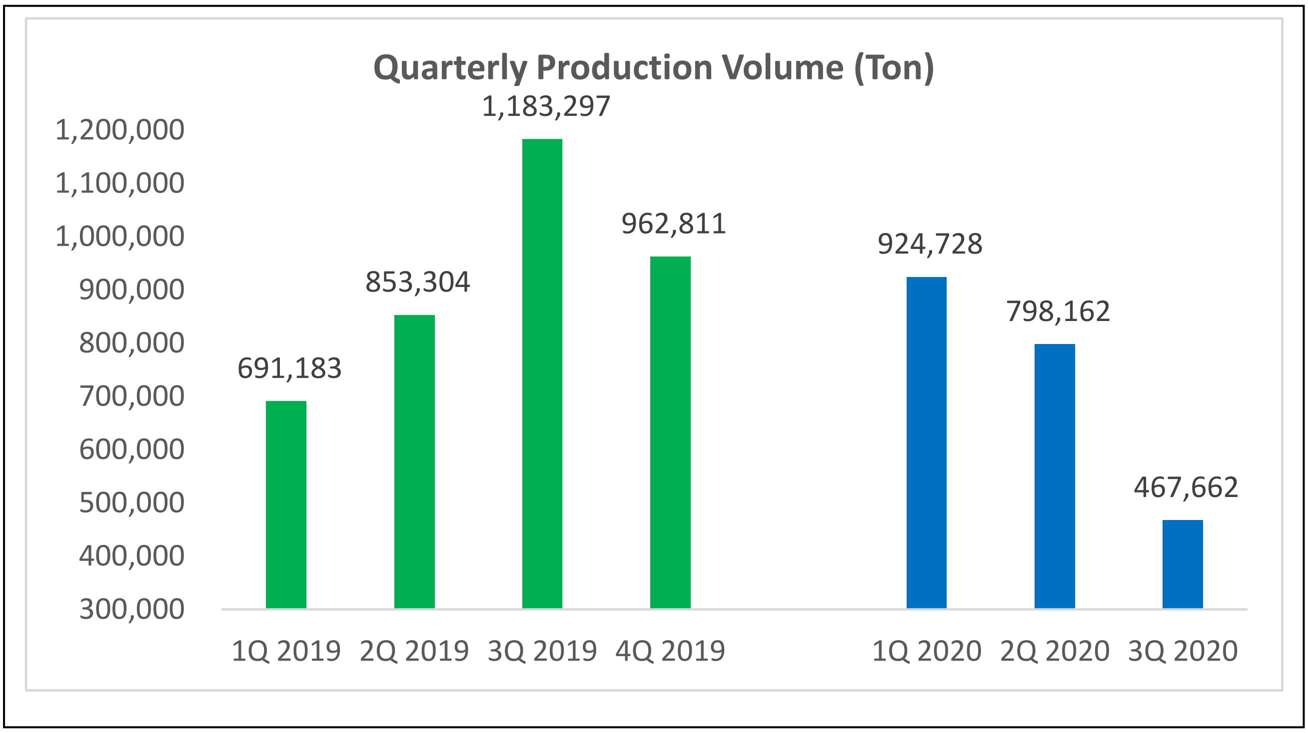
  This impairment does not reduce the legal right of the Company, in the event of future potential economic benefits
- For period ended 30th September 2020, the Company posted a net loss of US$ 8.14 million, compared to a net profit of US$ 4,16 million previously.

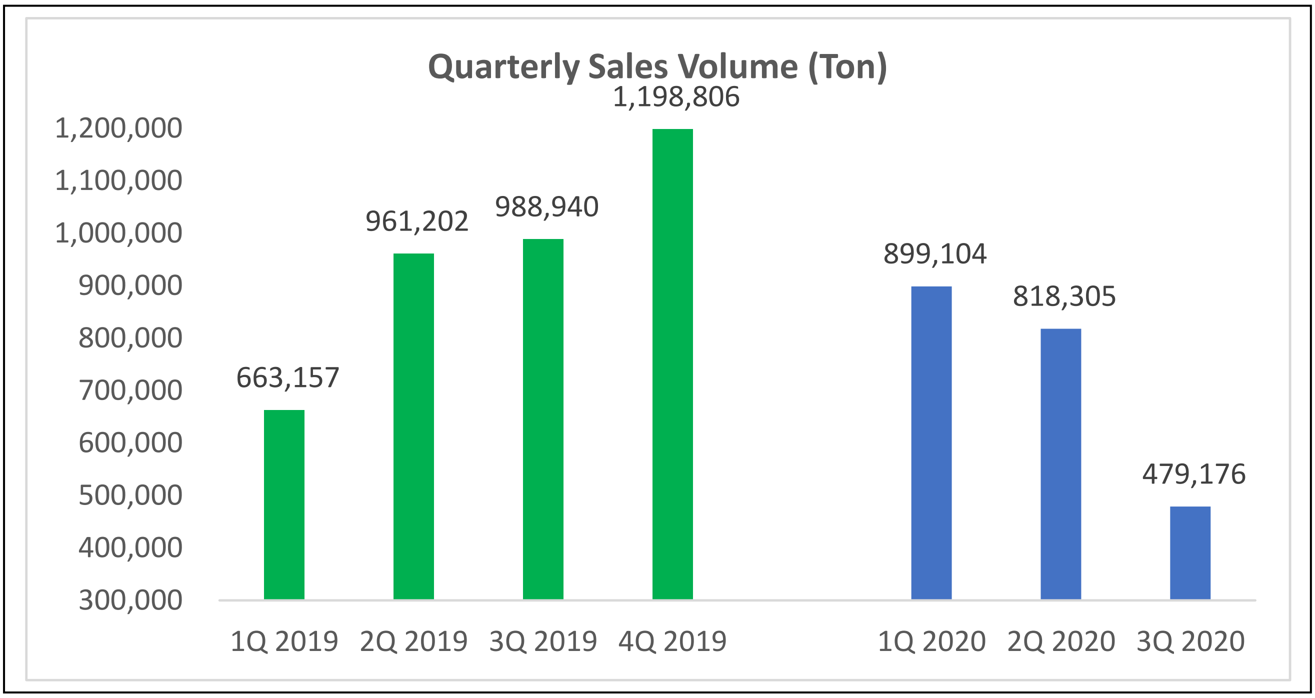
9 Bulan 2020

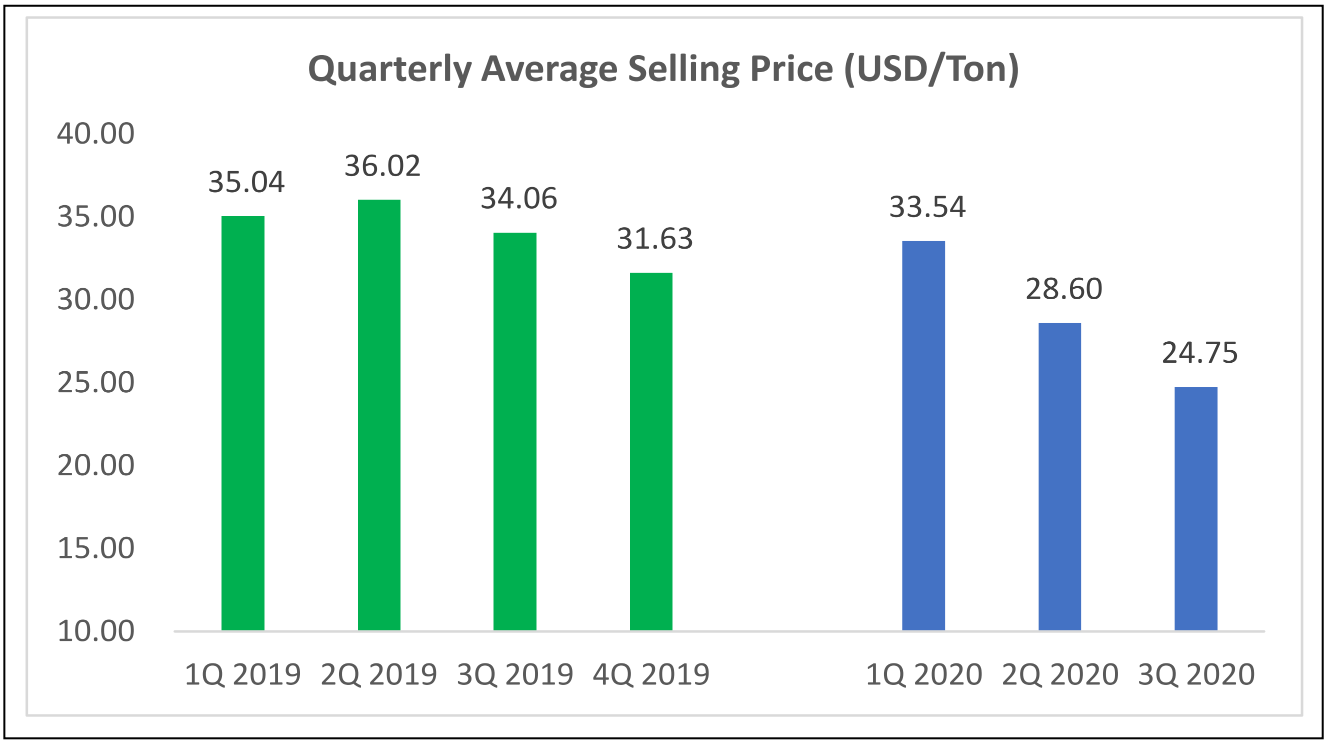
- Untuk periode yang berakhir 30 September 2020, pendapatan PT Resource Alam Indonesia Tbk. mencapai US $ 57,13 juta, turun 29% dibandingkan US $ 80,94 juta pada periode yang sama sebelumnya. Pada tahun 2020, kontribusi penjualan dari pembangkit listrik tenaga air adalah US $ 1,44 juta, 2,5% dari total pendapatan.
- Pandemi Covid 19 berdampak buruk pada kondisi perekonomian global. Pada industri batubara, jumlah permintaan dan harga juga turun. Dikarenakan kondisi sulit tersebut, Perseroan telah menyesuaikan dan menurunkan volume produksinya. Volume produksi untuk 9 bulan 2020 adalah 2.190.552 MT dari sebelumnya 2.727.784 MT, penurunan 19,7%.
- Demikian juga dengan volume penjualan selama 9 bulan 2020 menjadi 2.196.585 MT, lebih rendah 16% dibandingkan dengan 2.613.299 MT sebelumnya.
- Pada periode yang sama, harga jual rata-rata (ASP) turun 15% menjadi US $ 29,78 per MT dari sebelumnya US $ 35,03 per MT. Perseroan berhasil menurunkan biaya kas menjadi US $ 18,91 per MT untuk 9M 2020 dibandingkan sebelumnya US $ 21,68 per MT. Hal ini agak mengurangi dampak terhadap penurunan laba kotor akibat harga jual yang lebih rendah.
- Laba kotor yang dilaporkan mencapai US $ 5,01 juta, dibandingkan sebelumnya US $ 10,51 juta. Margin kotor masing-masing adalah 8,8% dan 13,0% pada 9M 2020 dan 9M 2019.
- Sejalan dengan upaya pemotongan biaya yang terus menerus dilakukan Perusahaan, beban operasional turun 16,9% menjadi US $ 5,31 juta dibandingkan sebelumnya sebesar US $ 6,38 juta. Namun, penghematan biaya tidak dapat mengkompensasi kerugian akibat penurunan pendapatan penjualan. Perseroan membukukan rugi usaha sebesar US $ 294.406 dibandingkan laba usaha sebelumnya sebesar US $ 4,13 juta.
- Selama periode laporan, Perusahaan melaporkan kerugian non tunai lainnya sebesar US $ 7,85 juta, terutama terdiri dari Kerugian Selisih Kurs sebesar US $ 3,46 juta dan penurunan nilai Aset sebesar US $ 5,0 juta.

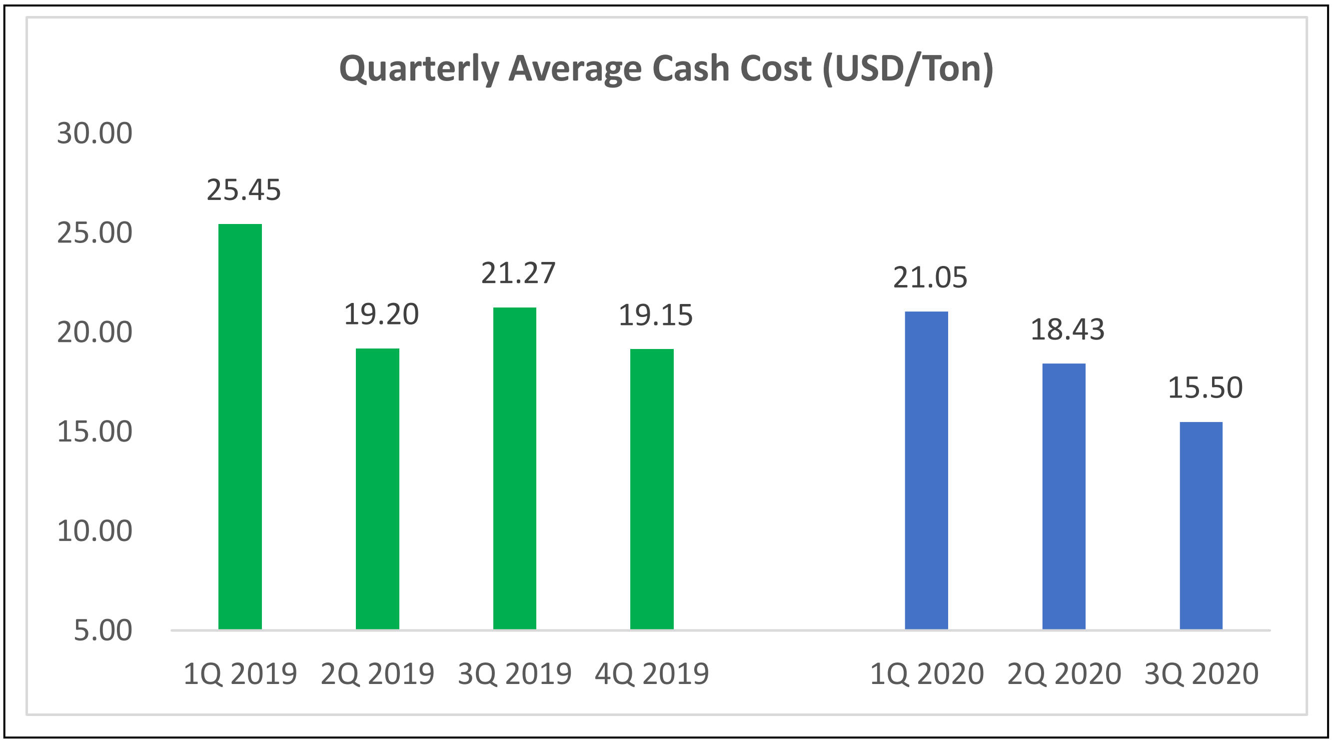
  Penurunan nilai asset ini tidak mengurangi hak Perseroan, apabila suatu saat asset tersebut masih mempunyai nilai ekonomis.
- Untuk periode yang berakhir 30 September 2020, Perseroan membukukan rugi bersih sebesar US $ 8,14 juta, dibandingkan dengan laba bersih sebelumnya sebesar US $ 4,16 juta.

C. OPERATIONAL HIGHLIGHTS









Note:

- **Average Selling Price (ASP), based on FOB MV (mother vessel)**
- **Cash Cost excludes depreciation, royalty, barging, and trans-shipment**

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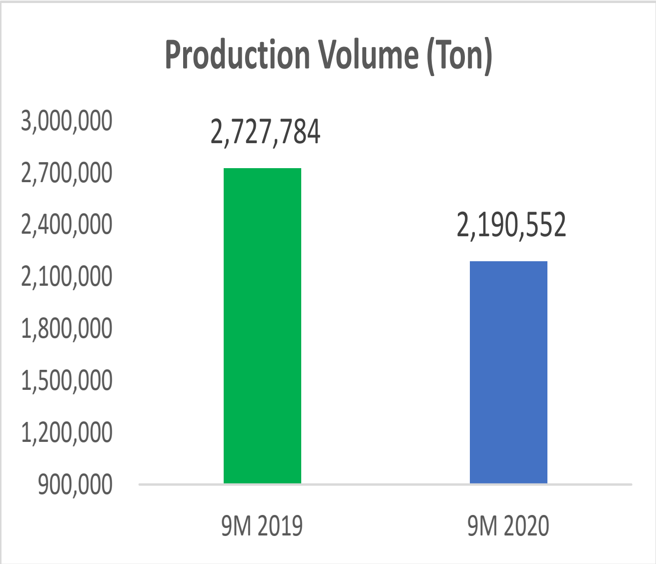
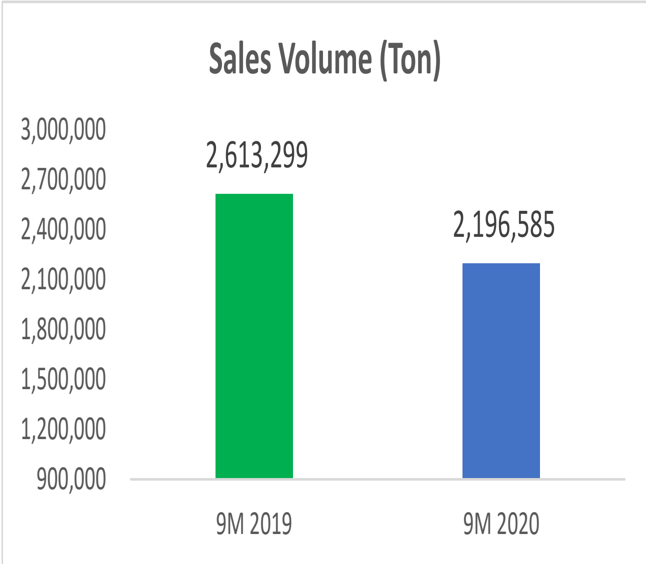
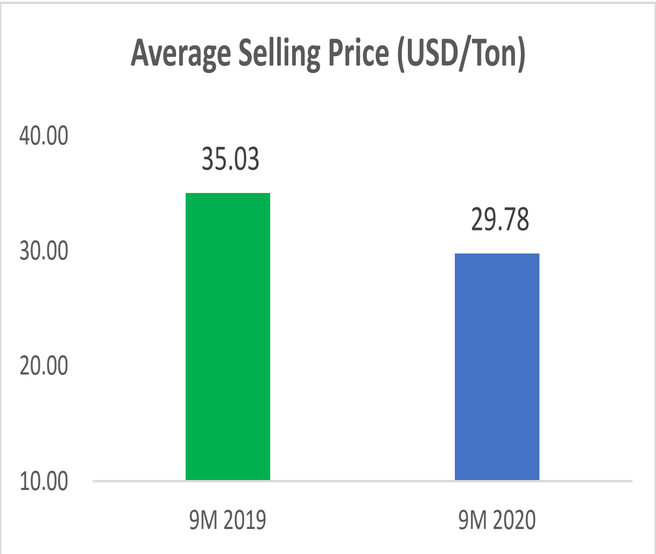
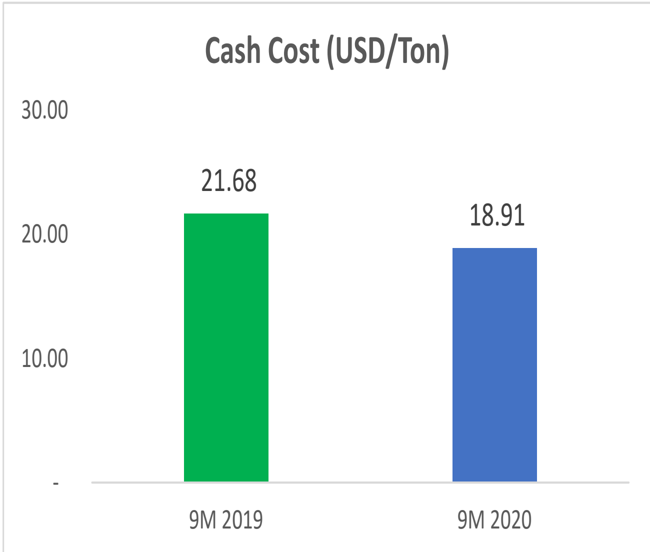
Year To Date:









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For more information, please refer to Resource Alam's website, www.raintbk.com