

PRESS RELEASE



Resilience with Portfolio Diversification, Elnusa Records Positive Performance in the Third Quarter

Jakarta, 30 November 2020 - PT Elnusa Tbk (Elnusa), a national company providing energy services, has successfully passed the third quarter of 2020 while still recording positive performance amidst the triple shock that looms. Fluctuations in world oil prices which resulted in reduced stretching of oil and gas activities, the Covid-19 pandemic which caused a decrease in national fuel consumption and the dynamic fluctuation of the Rupiah exchange rate were three external factors that overshadowed the energy and oil and gas industry today. However, with a balanced portfolio diversification strategy, Elnusa has succeeded in stabilizing its performance.

Elnusa's Managing Director, Ali Mundakir explained "The triple shock that Elnusa is currently facing has an impact on changes in the priority scale of several upstream oil and gas services, competitive profitability margins on EPCOM services, as well as dynamic fluctuations in the Rupiah exchange rate. However, as an energy services company that has been more than 50 years old, Elnusa has a proven DNA resilience throughout the years. Various external challenges that have occurred in the last 5 years have been successfully overcome with positive performance achievements. This is possible because of the complete and balanced diversification of the service portfolio from upstream to downstream of oil and gas. Each portfolio supports each other and supports the consolidated performance. "

In upstream oil and gas services, several large projects that support growth include the completion of the Jambi Merang 2D seismic survey work, as well as an increase in the productivity of the hydraulic workover unit & electric wireline logging. In the energy distribution and logistics services segment, Inmar's fuel transportation and fuel trading services are under a little pressure. However, the growth in sales of chemicals & lubricants has kept this segment stable. Meanwhile, supporting services have shown good performance. Marine support services as well as oil and gas equipment fabrication have succeeded in growing significantly.

As of the third quarter of 2020, Elnusa recorded an operating income of IDR 5.76 trillion, a gross profit of IDR 614 billion, an operating profit of IDR 376 billion and a net profit of IDR 187 billion.

"Positive performance amidst the current situation of the global and national oil and gas industry which is full of challenges, is certainly an achievement to be proud of. Not a few national and global service companies posted losses and even stopped their operations. Thus, this third quarter performance is the best effort that has been made. carried out by the Company ", added Ali.

Ali added that Elnusa's performance will get better in the future. This optimism is of course based on the factual condition that domestic energy consumption is still higher than the national production capacity. Thus, all activities to maintain and increase national oil and gas production will continue to increase. This condition is of course an opportunity that can be achieved. Moreover, various plans have been targeted

by the government in increasing national crude oil production to 1 million barrels, discovering new oil and gas reserves, distributing fuel to frontier, outermost and underdeveloped areas, to increasing the national energy mix. In addition, this opportunity will be even greater along with the adaptation of new habits, the progress of the discovery of the Covid-19 vaccine, and improvements in macroeconomic stability.

In terms of capital expenditure, Elnusa has allocated IDR 1 trillion at the beginning of the year. However, due to the triple shock, the capital expenditure allocation needs to be adjusted to Rp. 800 billion for various investments in oil and gas equipment that support growth, downstream infrastructure investment, and periodic equipment maintenance. By the end of 2020, it is estimated that 70% of the capital expenditure budget will be realized.

"The various opportunities that exist in the future are opportunities for business growth for Elnusa. With portfolio diversification, competence, long experience and investment that supports growth, of course Elnusa has a better chance of capturing these opportunities," concluded Ali.

***Glance at PT Elnusa Tbk (ELNUSA)**

ELNUSA is an energy service company with core competencies in upstream oil and gas services, namely seismic services (geoscience services: land, transition zone & marine and data processing), oil & gas field drilling & maintenance services (drilling & oilfield services), engineering services, procurement, construction & operation maintenance (EPC-OM), and other supporting services. ELNUSA currently serves national and international oil and gas companies, including Pertamina Group, British Petroleum, Conoco Phillips and others. ELNUSA has five subsidiaries engaged in the business of energy distribution & logistics services and other supporting services.

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