



ANJ

INVESTOR NEWSLETTER

Bloomberg: ANJT: IJ

30 OCTOBER 2020



Photo: Corporate Communications

9M2020 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the nine - month period up to 30 September 2020 (9M2020).

The Company ended 9M2020 by producing a total of 553,698 mt of Fresh Fruit Bunches (FFB), an increase of 2.1% compared to the 542,156 mt of FFB production in 9M2019. Our newly mature West Papua estate contributed a total FFB production of 30,552 mt in 9M2020. Meanwhile, the Belitung Island estate experienced a decrease in FFB production of 17.4% due to the impact of the replanting program and the resting period after higher fruit production in the first semester of last year. In addition, our West Kalimantan estate suffered a decrease in FFB production of 4.7% due to the impact of drought conditions in the second half of 2019. Meanwhile our North Sumatera I and II estates recorded an increase in FFB production of 1.1% and 7.4% respectively.

In the 9M2020 period, our Crude Palm Oil (CPO) production decreased by 2.6% to 175,367 mt. Meanwhile, the Company reported an increase in CPO sales volume of 2.3% to 178,009 mt in 9M2020 compared to 174,050 mt in 9M2019 due to a higher CPO inventory balance at 1 January 2020.

The CPO price, which started the year by maintaining the momentum from 2019, declined sharply in March 2020 due to concerns over demand disruption as a result of the Covid-19 pandemic outbreak. However, the CPO price has improved since June 2020 following the gradual resumption of economy activities in CPO importing countries and amplified by concern over reduced CPO supply in 2020 due to the impact of drought in 2019 and now higher rainfall (La Nina) in 2020, which may

Table 1 : Production and Sales

	9M2020	9M2019	Change
FFB Production (tonnes)			
FFB from our estates	553,698	542,156	2.1%
Belitung Island	118,168	143,095	-17.4%
North Sumatra I	149,219	147,655	1.1%
North Sumatra II	142,676	132,791	7.4%
West Kalimantan	113,083	118,615	-4.7%
West Papua	30,552	-	100.0%
FFB bought from third parties	301,687	309,786	-2.6%
Total FFB processed	855,384	851,942	0.4%
FFB YIELD (tonnes per hectare)			
Average yield	14.6	15.3	-4.9%
Belitung Island	11.7	14.4	-18.8%
North Sumatra I	17.9	17.2	4.1%
North Sumatra II	18.4	17.1	7.6%
West Kalimantan	12.3	13.0	-5.4%
West Papua	11.6	-	100.0%
CPO Production (tonnes)			
Total production	175,367	179,999	-2.6%
Belitung Island	40,947	47,900	-14.5%
North Sumatra I	46,613	49,972	-6.7%
North Sumatra II	44,558	42,671	4.4%
West Kalimantan	36,260	39,456	-8.1%
West Papua	6,989	-	100.0%
Palm Kernel production	36,755	38,648	-4.9%
PKO production	405	-	100.0%
Sales (tonnes)			
CPO Sales	178,009	174,050	2.3%
Belitung Island	41,200	48,050	-14.3%
North Sumatra I	47,150	46,350	1.7%
North Sumatra II	46,600	42,450	9.8%
West Kalimantan	35,465	37,200	-4.7%
West Papua	7,594	-	100.0%
Palm Kernel sales	35,743	38,531	-7.2%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.8%	21.3%	-2.3%
CPO Average Selling Price (ex-mill) - USD	561	463	21.1%
PK Average Selling Price (ex-mill) - USD	297	263	12.9%

COMPANY PROFILE

PT Austindo Nusantara Jaya Tbk (“ANJT”) is an Indonesian agribusiness based food company committed to responsible development. The company is primarily engaged in the production of crude palm oil at its established and developing estates. ANJT also engages in the production of sago starch and edamame.

SHARE INFORMATION

# shares	3,354.2 mn
# free float	3,311.5 mn
# treasury stocks	42.7 mn
Listing date	8-5-2013
IPO Price	Rp 1,200
Highest	Rp 1,000
Lowest	Rp 408
Close	Rp 492

SHAREHOLDERS STRUCTURE

(as of 30 September 2020)	%
PT Austindo Kencana Jaya	41.372
PT Memimpin Dengan Nurani	41.372
George Santosa Tahija	4.801
Sjakon George Tahija	4.798
Yayasan Tahija	0.000
Public	7.657
*exclude treasury stocks	

CONTACT US

PT Austindo Nusantara Jaya Tbk.
Menara BTPN Lantai 40
Jalan Dr. Ide Anak Agung Gde Agung
Kav 5.5 – 5.6, Kawasan Mega Kuningan
Jakarta 12950
T: +62 21 29651777 | F: +62 21 29651788
E: investor.relations@anj-group.com
www.anj-group.com

affect global vegetable oil supply. The Company recorded an Average Selling Price (ASP) for CPO of USD 561/mt, 21.1% higher than the 9M2019 ASP of USD 463/mt. Meanwhile the ASP for PK in 9M2020 was USD 297/mt, higher than the ASP in 9M2019 of USD 263/mt.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	9M2020		9M2019		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	118,390	1,733,236	92,070	1,304,903	28.6%
Cost of revenue	(89,160)	(1,305,298)	(80,510)	(1,141,074)	10.7%
Gross profit	29,231	427,939	11,559	163,829	152.9%
Total operating expenses, net	(16,553)	(242,334)	(8,595)	(121,814)	92.6%
Operating profit	12,678	185,605	2,964	42,015	327.7%
Interest income	575	8,424	716	10,144	-19.6%
Finance charges	(2,629)	(38,488)	(1,704)	(24,150)	54.3%
Share of profit of equity-accounted investees	-	-	812	11,506	-100.0%
Profit before tax	10,624	155,541	2,788	39,514	281.1%
Income tax expense	(9,189)	(134,522)	(8,722)	(123,610)	5.4%
Profit (Loss) for the period	1,436	21,019	(5,934)	(84,096)	124.2%
Other comprehensive income	(9,435)	(138,134)	3,233	45,827	-391.8%
Total comprehensive loss	(8,000)	(117,115)	(2,700)	(38,270)	196.3%
EBITDA	24,664	361,081	15,521	219,979	58.9%
EBITDA margin [%]	20.8%	20.8%	16.9%	16.9%	23.6%

1) The translation of US Dollar amounts into the Indonesian Rupiah amounts are included solely for the convenience of the readers and has been made using the average of the exchange rates of Rp 14,640 to USD 1 for 9M2020 and Rp 14,173 to USD 1 for 9M2019.

Revenue from Sales and Service Concessions

In the 9M2020 period ANJT posted total revenue of USD 118.4 million, an increase of 28.6% compared to 9M2019 mainly due to the higher ASPs of CPO and PK.

CPO and PK sales contributed 98.6% of our total revenue or USD 116.7 million, compared to USD 90.8 million or 98.7% of our total revenue in 9M2019. Our sago segment contributed USD 953.8 thousand to our total revenue in 9M2020, an increase from USD 693.9 thousand in 9M2019 due to increase in sales volume. Our renewable energy segment contributed USD 418.8 thousand in 9M2020, higher than the USD 357.7 thousand in 9M2019 due to fewer stoppages in 9M2020 compared to 9M2019, in line with an improvement in the PLN grid. Meanwhile, our edamame sales revenue was USD 342.7 thousand, an increase from USD 185.8 thousand in 9M2019 mainly due to the increase in both sales volume and sales price.

Operating (Expenses) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 16.6 million, an increase of 92.6% from USD 8.6 million in 9M2019 due to higher selling expenses resulting from the Government imposed CPO export tax, which is triggered when the CPO price reaches USD 750/mt, and an increase in levy from USD 25/mt to USD 55/mt in line with the increase in the CPO price. In addition, the Company also recognized a gain from the sale of its investment in PT Puncak Jaya Power and several minority investments in palm oil plantations in March and September 2019, respectively, amounting to USD 14.0 million. Included in operating expenses in 9M2020 is a foreign exchange gain of USD 2.9 million, an increase from the foreign exchange loss of USD 0.8 million in 9M2019, due to the depreciation of the Rupiah against the US Dollar from Rp 13,901/USD 1 at the end of 2019 to Rp 14,918/USD 1 at the end of 9M2020.

Our financial charges, which mainly represent interest expenses on our loans, rose to USD 2.6 million in 9M2020 from interest expenses of USD 1.7 million in 9M2019, due to the commencement of commercial operations at our West Papua mill since 1 January 2020 along with some planted areas of our West Papua plantation that have been declared mature. As a result, interest on the borrowings used to fund the development of those assets can no longer be capitalized.

Net Profit (Loss)

The Company recorded a net profit of USD 1.4 million, compared to the net loss of USD 5.9 million in 9M2019, mainly due to the higher ASPs for CPO and PK in 9M2020. This factor also contributed to an increase in EBITDA from USD 15.5 million in 9M2019 to USD 24.7 million in 9M2020 and an EBITDA margin of 16.9% in 9M2019 compared to 20.8% in 9M2020.

Total Comprehensive Loss

The Company recorded other comprehensive loss of USD 9.4 million due to the impact of translation adjustments from Rupiah to US Dollar on certain subsidiaries' financial statements (those which maintain their bookkeeping records in Rupiah). As a result, the Company reported a total comprehensive loss of USD 8.0 million in 9M2020 compared to a comprehensive loss of USD 2.7 million in 9M2019.





Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	30 September 2020		31 December 2019		Change
	"USD Thousands"	"Rp. Millions" ⁽¹⁾	"USD Thousands"	"Rp. Millions" ⁽¹⁾	
Current assets	69,136	1,031,374	66,837	929,101	3.4%
Non-current assets	542,677	8,095,661	558,871	7,768,867	-2.9%
Total Assets	611,814	9,127,035	625,708	8,697,968	-2.2%
Current liabilities	29,268	436,621	31,441	437,060	-6.9%
Non-current liabilities	200,628	2,992,970	205,559	2,857,477	-2.4%
Total Liabilities	229,896	3,429,591	237,000	3,294,538	-3.0%
Equity attributable to the owners of the Company	379,974	5,668,457	387,919	5,392,466	-2.0%
Total Equity	381,917	5,697,443	388,708	5,403,431	-1.7%

¹⁾ The translation of US Dollar amounts into the Indonesian Rupiah amounts are included solely for the convenience of the readers and has been made using the Bank Indonesia middle rate as of 30 September 2020 of Rp 14,918 to USD 1 and as of 31 December 2019 of Rp 13,901 to USD 1.

As of 30 September 2020, total assets decreased by 2.2% to USD 611.8 million. This was mainly due to the decrease of the assets of some of the Company's subsidiaries which maintain their bookkeeping records in Rupiah, when their financial statements are translated from Rupiah to US Dollar as a result of the depreciation of the Rupiah against the US Dollar.

Total liabilities decreased by 3.0% from USD 237.0 million to USD 229.9 million, primarily driven by the decrease of long-term bank loans denominated in Rupiah in line with the depreciation of the Rupiah against the US Dollar.

The Company was still able to maintain prudent debt to equity and debt to asset ratios of 0.60 and 0.38, respectively as at 30 September 2020.

Financing Facilities

As of 30 September 2020, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 295.7 million, comprising short-term loan facilities of USD 66.0 million and long-term loan facilities of USD 229.7 million.

The long-term loan facilities are primarily intended for our West Papua palm plantation projects and the second line of our CPO mill in West Kalimantan. The outstanding balance of the bank loans by the end of September 2020 was USD 188.1 million.

OTHER CORPORATE UPDATES

ISPO Certification

The Company renewed the ISPO certification for its North Sumatera II plantation in September 2020.

DISCLAIMER: This document has been prepared by PT Austindo Nusantara Jaya Tbk. ("ANJ" or the "Company") for informational purposes only. Certain statements herein may constitute "forward-looking statements", including statements regarding the Company's expectations and projections for future operating performance and business prospects. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. Such forward-looking statements speak only as of the date on which they are made. Accordingly, the Company expressly disclaims any obligation to update or revise any forward-looking statements contained herein to reflect any change in the Company's expectations with regard to new information, future events or other circumstances. The Company does not make any representation, warranty or prediction that the results anticipated by such forward-looking statements will be achieved and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standard scenario. By reviewing this document, you acknowledge that you will be solely responsible for your own assessment of the market and the market position of the Company and that you will conduct your own analysis and be solely responsible for forming your own view of the potential future performance of the business of the Company