



ANJ

INVESTOR NEWSLETTER

Bloomberg: ANJT: IJ

26 MARCH 2021



Photo: Corporate Communications

2020 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the year ended 31 December 2020.

The Company ended 2020 by producing a total of 771,290 mt of Fresh Fruit Bunches (FFB), an increase of 5.2% compared to the 732,837 mt of FFB production in 2019. Our newly mature West Papua estate contributed a total FFB production of 46,444 mt in 2020. Our Belitung Island and North Sumatera I estates experienced a decrease in FFB production of 6.3% and 3.4% respectively. This was mainly due to the impact of the replanting program and the resting period after higher fruit production in the first semester of last year. Meanwhile, our North Sumatera II and West Kalimantan estates recorded an increase in FFB production of 2.8% and 4.1% respectively.

In 2020 we generally maintained the level of our FFB purchases from third parties to optimize mill utilization. Our FFB purchases from third parties for 2020 amounted to 408,554 mt, 0.7% higher than those made in 2019.

In 2020, our Crude Palm Oil (CPO) production increased by 0.5% to 241,958 mt. Meanwhile, the Company reported a slight decrease in CPO sales volume of 0.6% to 238,464 mt in 2020 compared to 239,800 mt in 2019.

The CPO price started the year by maintaining the momentum from 2019, but 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 economic activities in CPO importing countries and amplified by concerns over

Table 1 : Production and Sales

	2020	2019	Change
FFB Production (tonnes)			
FFB from our estates	771,290	732,837	5.2%
<i>Belitung Island</i>	183,193	195,613	-6.3%
<i>North Sumatera I</i>	197,301	204,203	-3.4%
<i>North Sumatera II</i>	184,233	179,184	2.8%
<i>West Kalimantan</i>	160,119	153,837	4.1%
<i>West Papua</i>	46,444	-	100.0%
FFB bought from third parties	408,554	405,754	0.7%
Total FFB processed	1,179,844	1,138,591	3.6%
FFB YIELD (tonnes per hectare)			
Average yield	20.1	20.9	-3.8%
<i>Belitung Island</i>	18.1	19.7	-8.1%
<i>North Sumatera I</i>	24.1	24.5	-1.6%
<i>North Sumatera II</i>	23.8	23.1	3.0%
<i>West Kalimantan</i>	17.4	16.9	3.0%
<i>West Papua</i>	13.6	-	100.0%
CPO Production (tonnes)			
Total production	241,958	240,844	0.5%
<i>Belitung Island</i>	61,662	66,624	-7.4%
<i>North Sumatera I</i>	62,257	66,640	-6.6%
<i>North Sumatera II</i>	56,607	56,584	0.0%
<i>West Kalimantan</i>	50,685	50,996	-0.6%
<i>West Papua</i>	10,748	-	100.0%
Palm Kernel production	49,286	51,585	-4.5%
PKO production	581	-	100.0%
Sales (tonnes)			
CPO Sales	238,464	239,800	-0.6%
<i>Belitung Island</i>	57,700	67,250	-14.2%
<i>North Sumatera I</i>	64,270	66,450	-3.3%
<i>North Sumatera II</i>	56,700	55,900	1.4%
<i>West Kalimantan</i>	50,231	50,200	0.1%
<i>West Papua</i>	9,563	-	100.0%
Palm Kernel sales	48,660	52,115	-6.6%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.5%	21.1%	-3.0%
CPO Average Selling Price (ex-mill) - USD	581	479	21.2%
PK Average Selling Price (ex-mill) - USD	315	261	20.7%
PKO Average Selling Price (ex-mill) - USD	667	-	100.0%

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 735

SHAREHOLDERS STRUCTURE

(as of 31 December 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	

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reduced CPO supply in 2020 due to the impact of the drought in 2019 and now higher rainfall (La Nina) in 2020, which may affect the global vegetable oil supply. The Company recorded an Average Selling Price (ASP) for CPO of USD 581/mt, 21.2% higher than the 2019 ASP of USD 479/mt. Meanwhile, the ASP for PK in 2020 was USD 315/mt, 20.7% higher than the ASP in 2019 of USD 261/mt.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	2020		2019		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	164,100	2,391,752	130,355	1,844,006	25.9%
Cost of revenue	(124,011)	(1,807,453)	(106,590)	(1,507,826)	16.3%
Gross profit	40,089	584,299	23,765	336,180	68.7%
Total operating expenses, net	(22,506)	(328,024)	(16,960)	(239,913)	32.7%
Operating profit	17,583	256,275	6,805	96,267	158.4%
Interest income	766	11,170	1,689	23,889	-54.6%
Finance charges	(3,326)	(48,476)	(1,829)	(25,871)	81.9%
Share of profit of equity-accounted investees	-	-	812	11,484	-100.0%
Profit before tax	15,024	218,969	7,477	105,769	100.9%
Income tax expense	(12,813)	(186,746)	(12,035)	(170,249)	6.5%
Profit (Loss) for the year	2,211	32,223	(4,558)	(64,480)	148.5%
Other comprehensive income	3,629	52,900	6,755	95,557	-46.3%
Total comprehensive loss	5,840	85,122	2,197	31,077	165.8%
EBITDA	34,306	500,010	22,875	323,590	50.0%
EBITDA margin (%)	20.9%	20.9%	17.5%	17.5%	19.1%

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 14,575 to USD 1 for 2020 and Rp 14,146 to USD 1 for 2019

Revenue from Sales and Service Concessions

In 2020 ANJT posted total revenue of USD 164.1 million, an increase of 25.9% compared to 2019 mainly due to the higher ASPs of CPO and PK.

CPO and PK sales contributed 98.6% of our total revenue or USD 161.2 million, compared to USD 128.5 million or 98.6% of our total revenue in 2019. Our sago segment contributed USD 1.2 million to our total revenue in 2020, an increase from USD 1.0 million in 2019 due to an increase in sales volume. Our renewable energy segment contributed USD 574.2 thousand in 2020, higher than the USD 444.3 thousand in 2019 due to fewer stoppages in 2020 compared to 2019, in line with an improvement in the PLN grid. Meanwhile, our edamame sales revenue was USD 461.3 thousand, an increase from USD 332.0 thousand in 2019 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 22.5 million, an increase of 32.7% from USD 17.0 million in 2019 due to higher selling expenses resulting from the increase in the export levy to USD 180/MT in December 2020 from USD 55/MT in June 2020, up from USD 50/MT in January 2020 and USD 25/MT in 2019 in line with the increase in the CPO price. In addition, the Government imposed a CPO export tax in December 2020, which is triggered when the CPO price reaches USD 750/mt. The structure of the export tax and export levy mean that the benefits of price rises above USD 800/mt go mainly to the Government. 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 2020 is a foreign exchange gain of USD 3.1 million, an increase from the foreign exchange loss of USD 0.6 million in 2019, due to the depreciation of the Rupiah against the US Dollar from Rp 13,901/USD 1 at the end of 2019 to Rp 14,105/USD 1 at the end of 2020.

Our financial charges, which mainly represent interest expenses on our loans, rose to USD 3.3 million in 2020 from interest expenses of USD 1.8 million in 2019, 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 2.2 million, compared to the net loss of USD 4.6 million in 2019, mainly due to the higher ASPs for CPO and PK in 2020. This factor also contributed to an increase in EBITDA from USD 22.9 million in 2019 to USD 34.3 million in 2020 and an EBITDA margin of 17.5% in 2019 compared to 20.9% in 2020.

Total Comprehensive Income

The Company recorded other comprehensive income of USD 3.6 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 income of USD 5.8 million in 2020 compared to a total comprehensive income of USD 2.2 million in 2019.



Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	31 December 2020		31 December 2019		Change
	"USD Thousands"	"Rp. Millions" ⁽¹⁾	"USD Thousands"	"Rp. Millions" ⁽¹⁾	
Current assets	66,509	938,104	66,837	929,101	-0.5%
Non-current assets	569,635	8,034,705	558,871	7,768,867	1.9%
Total Assets	636,144	8,972,808	625,708	8,697,968	1.7%
Current liabilities	28,406	400,668	31,441	437,060	-9.7%
Non-current liabilities	211,980	2,989,983	205,559	2,857,477	3.1%
Total Liabilities	240,386	3,390,651	237,000	3,294,538	1.4%
Equity attributable to the owners of the Company	393,764	5,554,044	387,919	5,392,466	1.5%
Total Equity	395,758	5,582,157	388,708	5,403,431	1.8%

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 31 December 2020 of Rp 14,105 to USD 1 and as of 31 December 2019 of Rp 13,901 to USD 1

As of 31 December 2020, total assets increased by 1.7% to USD 636.1 million. This was mainly due to additional capitalized costs for immature plantations and replanting programs in North Sumatera I and Belitung Island plantations coupled with additional purchases of property, plant, and equipment, primarily relating to our West Papua palm oil mill and capacity expansion of our West Kalimantan palm oil mill (see below).

Total liabilities increased by 1.4% from USD 237.0 million to USD 240.4 million, primarily driven by an increase in long-term bank loans for our West Papua estate.

The Company was still able to maintain prudent debt to equity and debt to asset ratios of 0.61 and 0.38, respectively as of 31 December 2020.

Financing Facilities

As of 31 December 2020, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 296.7 million, comprising short-term loan facilities of USD 66.3 million and long-term loan facilities of USD 230.4 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 December 2020 was USD 196.5 million.

OTHER CORPORATE UPDATES

Awards

In 2020, ANJT and its subsidiaries received the following awards:

1. Award from BPJS Kesehatan Kabupaten Tapanuli Selatan for PT Austindo Nusantara Jaya Agri Siaias as "Badan Usaha Terbaik 2020".
2. Indonesia Green Companies 2020 award for PT Austindo Nusantara Jaya Agri from Yayasan Kehati and SWA Magazine.
3. PROPER Gold and Green Category for our Belitung Island and North Sumatera I estates respectively from the Ministry of Environment and Forestry.
4. TOP 5 CSR for Indonesia CSR x PKBL Award 2020, Agriculture Category, Plantation Subsector from Warta Ekonomi.
5. ESG Awards 2020 "Peringkat Keterbukaan ESG Emiten Sektor Pertanian dan Peternakan Terbaik 2019" from Bumi Global Karbon & Beritasatu.
6. Tempo Country Contributor Award 2020 for PT Austindo Nusantara Jaya Tbk, as one of the "The Most Appreciated Corporate Social Responsibility-Country Contributor 2020" from Pusat Data and Analisis Tempo (PDAT - Tempo Media Group) and Center for Indonesia Taxation Analysis (CITA).
7. Platinum Rank" for our Sustainability Report by Asia Sustainability Reporting Rating (ASRRAT) 2020 with the theme Responsible Development: "Resolving Challenges With Resilience And Innovation" from National Center for Sustainability Reporting (NCSR) and Institute of Certified Sustainability Practitioners. This Sustainability Report is available on our website at <https://anj-group.com/en/sustainability-report>.

Construction Progress at West Kalimantan CPO Mill Capacity Expansion

As of 31 December 2020, the construction of the second line at our West Kalimantan palm oil mill, which doubles the mill's capacity to 90 ton per hour, had reached 97% completion. The expansion was since completed in January 2021, followed by the commissioning tests. We expect to start the commercial operation of the second line in July 2021, in time to process the expected increase in FFB production and FFB purchased from third parties.

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