



Spraying Nursery  
Photo: Corporate Communication

## Q1 2018 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance for first quarter of 2018.

The Company started 2018 with relatively stable Fresh Fruit Bunches (FFB) production of 149,403 mt in Q1 2018, compared to 150,494 mt FFB production in Q1 2017. Our North Sumatra I estate and our newly mature West Kalimantan estate continued their positive trend in FFB production, especially the marked increase from the North Sumatra I estate, which is recovering from the long drought in mid-2016. In line with our strategy to manage our productivity, the FFB production increase in those two estates helped to neutralize the impact of the replanting program in our Belitung Island, which contributed to a decrease in FFB production from that estate in Q1 of 29.1%. The replanting program will have a positive impact on the productivity and the estate cost in the long term.

In line with the increase in FFB bought from third parties which contributed to an increase in total FFB processed, Crude Palm Oil (CPO) and Palm Kernel (PK) production also increased by 14.2% and 20.6% to 50,246 mt and 10,626 mt respectively in

Table 1 : Production and Sales

	Q1 2018	Q1 2017	Change
<b>FFB Production (tonnes)</b>			
FFB from our estates	149,403	150,494	-0.7%
<i>Belitung Island</i>	39,643	55,909	-29.1%
<i>North Sumatra I</i>	42,509	23,183	83.4%
<i>North Sumatra II</i>	39,239	46,417	-15.5%
<i>West Kalimantan</i>	28,013	24,986	12.1%
FFB bought from third parties	77,906	49,921	56.1%
<b>Total FFB processed</b>	<b>227,309</b>	<b>200,416</b>	<b>13.4%</b>
<b>FFB YIELD (tonnes per hectare)</b>			
Average yield	4.00	3.74	7.1%
<i>Belitung Island</i>	3.50	4.28	-18.2%
<i>North Sumatra I</i>	4.30	2.37	81.7%
<i>North Sumatra II</i>	5.00	5.87	-14.8%
<i>West Kalimantan</i>	3.50	3.22	8.8%
<b>CPO Production (tonnes)</b>			
<b>Total production</b>	<b>50,246</b>	<b>43,992</b>	<b>14.2%</b>
<i>Belitung Island</i>	14,015	13,921	0.7%
<i>North Sumatra I</i>	13,569	9,387	44.5%
<i>North Sumatra II</i>	13,475	13,315	1.2%
<i>West Kalimantan</i>	9,187	7,369	24.7%
<b>Palm Kernel production</b>	<b>10,626</b>	<b>8,811</b>	<b>20.6%</b>
<b>Sales (tonnes)</b>			
<b>CPO Sales</b>	<b>42,833</b>	<b>42,300</b>	<b>1.3%</b>
<i>Belitung Island</i>	11,500	14,000	-17.9%
<i>North Sumatra I</i>	11,800	7,950	48.4%
<i>North Sumatra II</i>	11,900	11,350	4.8%
<i>West Kalimantan</i>	7,633	9,000	-15.2%
<b>Palm Kernel sales</b>	<b>11,450</b>	<b>7,935</b>	<b>44.3%</b>
<b>PRODUCTIVITY</b>			
Extraction Rate - CPO (Mixed)	22.10%	22.00%	0.5%
CPO Average Selling Price (ex-mill)	581	662	-12.2%
- USD			
PK Average Selling Price (ex-mill)	499	617	-19.1%
- USD			

### 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 1,400
Lowest	Rp 1,195
Close	Rp 1,330

### SHAREHOLDERS STRUCTURE

(as of 31 March 2018)	%
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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Q1 2018. Meanwhile, the Company also reported an increase in CPO and PK sales volumes by 1.3% and 44.3% to 42,833 mt and 11,450 mt in Q1 2018 compared to 42,300 mt and 7,935 mt in Q1 2017.

During the first quarter of 2018 the CPO market price trend continued to decline resulting in an Average Selling Price (ASP) for CPO of USD 581/mt, below the first quarter of 2017 ASP of USD 662. Meanwhile the ASP for PK in Q1 2018 was USD 499/mt, lower than the ASP in Q1 2017 of USD 617/mt.

## FINANCIAL HIGHLIGHTS

### Our Financial Performance Results

**Table 2: Consolidated Statements of Profit or Loss and Others Comprehensive Income**

	Q1 2018		Q1 2017		Change
	"USD Thousands"	"Rp. Millions (1)"	"USD Thousands"	"Rp. Millions (1)"	
Revenue	30,956	420,167	34,800	464,552	-11.0%
Cost of revenue	(24,513)	(332,713)	(30,648)	(409,118)	-20.0%
<b>Gross Profit</b>	<b>6,443</b>	<b>87,454</b>	<b>4,153</b>	<b>55,434</b>	<b>55.2%</b>
Total operating (expenses) income, net	(6,537)	(88,729)	29,585	394,931	-122.1%
<b>Operating (Loss) Profit</b>	<b>(94)</b>	<b>(1,276)</b>	<b>33,738</b>	<b>450,365</b>	<b>-100.3%</b>
Share of profit of equity-accounted investees	314	4,255	702	9,369	-55.3%
Finance costs, net	(51)	(689)	(1,011)	(13,494)	-95.0%
<b>Profit Before Tax</b>	<b>169</b>	<b>2,290</b>	<b>33,429</b>	<b>446,240</b>	<b>-99.5%</b>
Income tax expense	(1,373)	(18,632)	(9,527)	(127,176)	-85.6%
<b>Net (Loss) Income for the period</b>	<b>(1,204)</b>	<b>(16,341)</b>	<b>23,902</b>	<b>319,064</b>	<b>-105.0%</b>
Other comprehensive (Loss)	(1,581)	(21,460)	(3,351)	(44,732)	-52.8%
<b>Total Comprehensive (Loss) Income</b>	<b>(2,785)</b>	<b>(37,802)</b>	<b>20,551</b>	<b>274,332</b>	<b>-113.6%</b>
<b>EBITDA</b>	<b>5,935</b>	<b>80,556</b>	<b>38,896</b>	<b>519,227</b>	<b>-84.7%</b>
<b>EBITDA margin (%)</b>	<b>19.2%</b>	<b>19.2%</b>	<b>111.8%</b>	<b>111.8%</b>	<b>-82.8%</b>

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 13,573 to USD 1 for Q1 2018 and Rp 13,349 to USD 1 for Q1 2017.



CPO for the world  
Photo: Corporate Communication

### Revenue from Sales and Service Concessions

99% of our total revenue or USD 30.6 million was derived from our sales of CPO and PK, a decrease from USD 32.9 million or 95% of our total revenue in Q1 2017 mainly due to the decrease in the ASP. Our edamame sales revenue was USD 106.8 thousand, an increase of 78.6% from USD 59.7 thousand in Q1 2017. Our renewable energy segment contributed USD 143.9 thousand in Q1 2018, lower than the USD 1.8 million in Q1 2017 due to the sale of PT Darajat Geothermal Indonesia (DGI), our subsidiary in the geothermal energy business, in September 2017. Meanwhile, our sago segment which started commercial operation in 2017 contributed USD 114.3 thousand to our total revenue.

### Operating Income (Expenses) and Financial Charges

Our cost of revenue decreased by 20% to USD 24.5 million, mainly due to a decrease in palm oil production costs and a provision for a decline in the value of our sago inventories.

The Company recorded an operating expense (net of operating income) of USD 6.5 million, a significant decrease from an operating income of USD 29.6 million in Q1 2017, which was primarily due to the recognition of a gain from the sale of our investment in PT Agro Muko in March 2017.

Our finance costs, which represent interest expenses on our borrowing, decreased to USD 50.8 thousand in Q1 2018 from interest expense of USD 1.0 million in Q1 2017, in line with the lower borrowings utilized by our subsidiaries which have started commercial operation. A substantial portion of our borrowings is utilized to finance our project costs, where the interest expenses can be capitalized as an asset until commercial operations commence.



### Net Loss

The Company recorded a net loss of USD 1.2 million, compared to net income of USD 23.9 million in Q1 2017, due to the lower ASP for CPO and PK in Q1 2018 combined with a favorable gain from the sale of our investments in Q1 2017. Meanwhile, EBITDA also decreased to USD 5.9 million in Q1 2018 from USD 38.9 million in Q1 2017, and the EBITDA margin decreased from 111.8% to 19.2% in Q1 2018.

### Total Comprehensive Loss

The depreciation of the Rupiah against the US Dollar from Rp 13,548 by end of 2017 to Rp 13,756 by the end of Q1 2018 has reduced the net assets of some of the Company's subsidiaries which maintain their bookkeeping records in Rupiah by USD 1.6 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported total comprehensive loss of USD 2.8 million compared to comprehensive income of USD 20.6 million in Q1 2017.

### Our Assets and Liabilities Position

As of 31 March 2018, the total assets increased by 2.3% to USD 579.6 million from USD 566.5 million as of 31 December 2017, mainly due to the Company's continued investment in the palm plantation development and a higher CPO inventory balance.

Total liabilities increased by 9.1% from USD 174.1 million to USD 190.0 million, primarily driven by a significant increase in both short term bank loans and long-term bank loans, in line with our continued investment for the development in West Papua and the edamame processing facility in East Java. The Company was still able to maintain prudent debt to equity and debt to asset ratios amounting to 0.49 and 0.33 respectively at the end of Q1 2018.

**Table 3: Consolidated Statements of Financial Position**

	Q1 2018		31-Dec-17		Change
	"USD Thousands"	"Rp. Millions (2)"	"USD Thousands"	"Rp. Millions (2)"	
Current assets	96,672	1,329,815	80,797	1,094,637	19.6%
Non-current assets	482,897	6,642,729	485,727	6,580,630	-0.6%
<b>Total Assets</b>	<b>579,568</b>	<b>7,972,543</b>	<b>566,524</b>	<b>7,675,266</b>	<b>2.3%</b>
Current liabilities	65,351	898,969	55,603	753,309	17.5%
Non-current liabilities	124,620	1,714,277	118,539	1,605,963	5.1%
<b>Total Liabilities</b>	<b>189,971</b>	<b>2,613,246</b>	<b>174,142</b>	<b>2,359,272</b>	<b>9.1%</b>
Equity attributable to the owners of the Company	389,152	5,353,171	391,899	5,309,442	-0.7%
<b>Total Equity</b>	<b>389,597</b>	<b>5,359,298</b>	<b>392,382</b>	<b>5,315,994</b>	<b>-0.7%</b>

2) 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 March 2018 of Rp 13,756 to USD 1 and as of 31 December 2017 of Rp 13,548 to USD 1.

### Financing Facilities

As of 31 March 2018, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 239.5 million, comprising short-term loan facilities of USD 50.4 million and long-term loan facilities of USD 189.1 million.

The long-term loan facilities are intended for our West Papua projects, our CPO mill at West Kalimantan and our edamame processing facilities in East Java. The outstanding balance of the bank loans by the end of Q1 2018 was USD 125.5 million.





Audit Process by ISCC  
Photo: Corporate Communication

## OTHER CORPORATE UPDATES

### Issuance of Annual Report 2017

In April 2018, the Company issued its Annual Report for 2017 which discusses the Company's performance for 2017 and its target and strategy for 2018. The Electronic copy of the Company's Annual Report is available at:

<https://anj-group.com/en/annual-report>

### International Sustainability and Carbon Certification ("ISCC")

The Company renewed the International Sustainability and Carbon Certification ("ISCC") for the Belitung Island plantation in January 2018 upon the completion of the audit by TÜV Nord Germany last year. ISCC is a European sustainability standard that assesses greenhouse gas emissions, preservation of biodiversity, agricultural practices and respect for labor and land rights. The certificate renewal demonstrates our continuing commitment to sustainable development.

### Occupational Health and Safety Assessment Series ("OHSAS 18001")

The Company has achieved the globally recognized UK-based OHSAS 18001 certification for the West Kalimantan plantation in January 2018. OHSAS 18001 is an internationally recognized British standard for occupational health and safety management systems which can be used by any industry as a framework to establish and maintain a sound occupational health and safety performance.

### ISO 14001

The Company has received ISO 14001 certification for the West Kalimantan plantation in January 2018. ISO 14001 is the International standard for environmental management systems. Certification is valid for 3 years, and each year the certified company is subject to an audit by a certification body accredited by the National Accreditation Committee.