



Photo: Corporate Communications

30 SEPTEMBER 2019 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the nine-month period ended 30 September 2019 (9M2019).

The Company ended 9M2019 by producing a total of 542,156 mt of Fresh Fruit Bunches (FFB), a decrease of 7.2% over last year’s production of 584,195 mt of FFB, mainly due to the impact of the replanting programs at our Belitung Island and North Sumatera I estates coupled with the impact of the palm resting period cycle in North Sumatera II estate. This comes on the heels of consistently high productivity for the last two years (FFB yield of 24.3 mt/Ha in 2018 and 25.6 mt/Ha in 2017). Meanwhile our newly mature West Kalimantan estate continued its positive FFB production trend with a 19.8% increase in 9M2019.

In 9M2019 we increased our FFB purchases from third parties to optimize mill utilization. Our FFB purchases from third parties for 9M2019 was 309,786mt, 7.2% higher than those made in 9M2018.

In line with the decrease in FFB production, Crude Palm Oil (CPO) and Palm Kernel (PK) production also decreased by 3.7% and 5.3% to 179,999 mt and 38,648 mt respectively in 9M2019. Meanwhile, the Company reported an increase in

Table 1 : Production and Sales

	9M2019	9M2018	Change
FFB Production (tonnes)			
FFB from our estates	542,156	584,195	-7.2%
Belitung Island	143,095	184,807	-22.6%
North Sumatra I	147,655	150,949	-2.2%
North Sumatra II	132,791	149,390	-11.1%
West Kalimantan	118,615	99,049	19.8%
FFB bought from third parties	309,786	289,105	7.2%
Total FFB processed	851,942	873,300	-2.4%
FFB YIELD (tonnes per hectare)			
Average yield	15.33	16.34	-6.2%
Belitung Island	14.42	17.95	-19.7%
North Sumatra I	17.21	16.25	5.9%
North Sumatra II	17.13	19.27	-11.1%
West Kalimantan	13.02	11.78	10.5%
CPO Production (tonnes)			
Total production	179,999	186,914	-3.7%
Belitung Island	47,900	56,977	-15.9%
North Sumatra I	49,972	50,456	-1.0%
North Sumatra II	42,671	45,773	-6.8%
West Kalimantan	39,456	33,708	17.1%
Palm Kernel production	38,648	40,823	-5.3%
Sales (tonnes)			
CPO Sales	174,050	173,459	0.3%
Belitung Island	48,050	51,900	-7.4%
North Sumatra I	46,350	49,059	-5.5%
North Sumatra II	42,450	44,000	-3.5%
West Kalimantan	37,200	28,500	30.5%
Palm Kernel sales	38,531	40,250	-4.3%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	21.16%	21.39%	-1.1%
CPO Average Selling Price (ex-mill) - USD	463	536	-13.6%
PK Average Selling Price (ex-mill) - USD	263	410	-35.9%

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 1,190
Lowest	Rp 725
Close	Rp 820

SHAREHOLDERS STRUCTURE

(as of 30 September 2019)	%
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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CPO sales volumes by 0.3% to 174,050 mt in 9M2019 compared to 173,459 mt in 9M2018.

During 9M2019 the CPO price trend continued to decline resulting in an Average Selling Price (ASP) for CPO in 9M2019 of USD 463/mt, 13.6% lower than the 9M2018 ASP of USD 536/mt. Meanwhile the ASP for PK in 9M2019 was USD 263/mt, 35.9% lower than the ASP in 9M2018 of USD 410/mt. The significant decrease in the ASPs for both CPO and PK during this period is mainly due to a plentiful supply of competing vegetable oils and lower demand from key growth markets including China.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	9M2019		9M2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	92,070	1,304,903	110,730	1,555,427	-16.9%
Cost of revenue	(80,510)	(1,141,074)	(81,090)	(1,139,069)	-0.7%
Gross profit	11,559	163,829	29,640	416,358	-61.0%
Total operating expenses, net	(8,595)	(121,817)	(24,458)	(343,564)	-65.1%
Operating profit	2,964	42,012	5,182	72,795	-41.5%
Interest income	716	10,144	689	9,683	3.8%
Finance charges	(1,704)	(24,150)	(1,251)	(17,572)	36.2%
Share of profit of equity-accounted investees	811	11,494	1,508	21,189	-50.5%
Profit before tax	2,788	39,500	6,129	86,094	-54.5%
Income tax expense	(8,722)	(123,610)	(6,520)	(91,592)	33.8%
Loss for the period	(5,934)	(84,110)	(391)	(5,497)	1416.1%
Other comprehensive income (loss)	3,233	45,823	(11,884)	(166,930)	-127.2%
Total comprehensive loss	(2,700)	(38,273)	(12,275)	(172,428)	-78.0%
EBITDA	15,521	219,979	24,434	343,224	-36.5%
EBITDA margin (%)	16.9%	16.9%	22.1%	22.1%	-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 14,173 to USD 1 for 9M2019 and and Rp 14,047 to USD 1 for 9M2018.

Revenue from Sales and Service Concessions

In 9M2019 ANJT posted total revenue of USD 92.1 million, a decline of 16.9% compared to 9M2018 mainly due to the lower ASPs of CPO and PK and lower PK sales volume. CPO and PK sales contributed 98.7% of our total revenue or USD 90.8 million, compared to USD 109.4 million or 98.8% of our total revenue in 9M2018.

Our sago segment contributed USD 689.9 thousand to our total revenue in 9M2019, an increase from USD 505.4 thousand in 9M2018 due to increases in both sales volume and sales price. Our renewable energy segment contributed USD 357.7 thousand in 9M2019, lower than the USD 393.7 thousand in 9M2018 due to several stoppages for maintenance at the Belitung biogas power plant in 2019. Meanwhile, our edamame sales revenue was USD 185.8 thousand, a decrease of 50.2% from USD 373.1 thousand in 9M2018, mainly due to reduced planting compared to the same period last year and lower rainfall in Q2 2019 which affected the planting yield.

Operating Expenses and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 8.6 million, a decrease of 64.9% from USD 24.5 million in 9M2018, which was primarily due to the recognition of a gain from the sale of our 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.

Our financial charges, which represent interest expense on our loans, increased to USD 1.7 million in 9M2019 from interest expense of USD 1.3 million in 9M2018, due to an increase in the short-term loans utilized for the West Kalimantan estate.

Net Loss

The Company recorded a net loss of USD 5.9 million, compared to a net loss of USD 0.4 million in 9M2018, primarily due to the lower ASPs for CPO and PK in 9M2019. This factor also contributed to the decrease in EBITDA from USD 24.4 million in 9M2018 to a USD 15.5 million in 9M2019 and an EBITDA margin of 22.1% in 9M2018 compared to 16.9% in 9M2019.

Total Comprehensive Loss

The appreciation of the Rupiah against the US Dollar from Rp 14,481 by the end of 2018 to Rp 14,174 by the end of September 2019 has increased the net assets of some of the Company's subsidiaries which maintain their bookkeeping records in Rupiah by USD 3.2 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a

total comprehensive loss of USD 2.7 million in 9M2019 compared to a comprehensive loss of USD 12.3 million in 9M2018.

Our Assets and Liabilities Position

As of 30 September 2019, total assets increased slightly by 4.4% to USD 628.7 million, mainly due to the Company's continued investment in palm plantation development and an increase in property, plant and equipment.

Table 3: Consolidated Statements of Financial Position

	30 September 2019		30 December 2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Current assets	91,647	1,299,002	93,473	1,353,579	-2.0%
Non-current assets	537,097	7,612,820	508,732	7,366,951	5.6%
Total Assets	628,744	8,911,821	602,205	8,720,529	4.4%
Current liabilities	47,668	675,646	56,069	811,941	-15.0%
Non-current liabilities	197,387	2,797,770	159,746	2,313,286	23.6%
Total Liabilities	245,055	3,473,416	215,816	3,125,227	13.5%
Equity attributable to the owners of the Company	382,439	5,420,696	385,405	5,581,047	-0.8%
Total Equity	383,689	5,438,405	386,389	5,595,302	-0.7%

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 2019 of Rp 14,173 to USD 1 and as of 30 December 2018 of Rp 14,481 to USD 1.

Total liabilities increased by 13.5% from USD 215.8 million to USD 245.1 million, primarily driven by a significant increase in long-term bank loans, in line with our continued investment in the development in West Papua. The Company was still able to maintain prudent debt to equity and debt to asset ratios amounting to 0.64 and 0.39 respectively as at 30 September 2019.

Financing Facilities

As of 30 September 2019, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 301.6 million, comprising short-term loan facilities of USD 49.3 million and long-term loan facilities of USD 252.3 million.

The long-term loan facilities are intended for our West Papua palm plantation projects, the second line at our CPO mill at the West Kalimantan, and our edamame processing facilities in East Java. The outstanding balance of the bank loans by the end of September 2019 was USD 193.9 million.

OTHER CORPORATE UPDATES

Issuance of Sustainability Report 2018

In September 2019, the Company issued its Sustainability Report for 2018 which discusses the social and environmental performance for 2018. The electronic copy of the Company's Sustainability Report is available at: <https://anj-group.com/en/sustainability-report>.

Construction Progress of New CPO and PKO Mills

The construction of a CPO and Palm Kernel Oil (PKO) mill at our West Papua estate reached 100% completion by the end of September 2019. Currently, the CPO mill and the PKO mill are at the commissioning stage. Commercial production is expected to commence in first quarter of 2020.



Construction Progress of New CPO and PKO Mills at West Papua
Photo: Corporate Communications

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