



Photo: Corporate Communications

2019 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the year ended 31 December 2019.

The Company ended 2019 by producing a total of 732,837 mt of Fresh Fruit Bunches (FFB), a decrease of 6.8% over the previous year’s production of 786,104 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 the North Sumatera II estate, as a result of high productivity for the last two years. Meanwhile our newly mature West Kalimantan estate continued its positive FFB production trend with a 15.8% increase in 2019.

In 2019 we increased our FFB purchases from third parties to optimize mill utilization. Our FFB purchases from third parties for 2019 was 405,754 mt, 8.1% higher than those made in 2018.

In line with the decrease in FFB production, Crude Palm Oil (CPO) and Palm Kernel (PK) production also decreased by 3.2% and 4.5% to 240,844 mt and 51,585 mt respectively in 2019. As a result, the Company reported a decrease in CPO and PK sales volumes by 2.6% and 4.0% to 239,800 mt and 52,115 mt in 2019 compared to 246,138 mt and 54,285 mt in 2018.

During 2019 the CPO price trend continued to decline and only started to recover in the fourth quarter of 2019, resulting in an Average Selling Price (ASP) for CPO in 2019 of USD 479/mt, 5.0% lower than the 2018 ASP of USD 504/mt. Meanwhile

Table 1 : Production and Sales

	2019	2018	Change
FFB Production (tonnes)			
FFB from our estates	732,837	786,104	-6.8%
Belitung Island	195,613	253,263	-22.8%
North Sumatera I	204,203	211,788	-3.6%
North Sumatera II	179,184	188,209	-4.8%
West Kalimantan	153,837	132,844	15.8%
FFB bought from third parties	405,754	375,181	8.1%
Total FFB processed	1,138,591	1,161,285	-2.0%
FFB YIELD (tonnes per hectare)			
Average yield	20.90	22.00	-5.0%
Belitung Island	19.70	24.60	-19.9%
North Sumatera I	24.50	22.80	7.5%
North Sumatera II	23.10	24.30	-4.9%
West Kalimantan	16.90	15.80	7.0%
CPO Production (tonnes)			
Total production	240,844	248,694	-3.2%
Belitung Island	66,624	76,975	-13.4%
North Sumatera I	66,640	68,733	-3.0%
North Sumatera II	56,584	58,186	-2.8%
West Kalimantan	50,996	44,800	13.8%
Palm Kernel production	51,585	54,033	-4.5%
Sales (tonnes)			
CPO Sales	239,800	246,138	-2.6%
Belitung Island	67,250	75,250	-10.6%
North Sumatera I	66,450	70,238	-5.4%
North Sumatera II	55,900	58,000	-3.6%
West Kalimantan	50,200	42,650	17.7%
Palm Kernel sales	52,115	54,285	-4.0%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	21.14%	21.37%	-1.1%
CPO Average Selling Price (ex-mill) - USD	479	504	-5.0%
PK Average Selling Price (ex-mill) - USD	261	381	-31.5%

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 31 December 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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the ASP for PK in 2019 was USD 261/mt, 31.5% lower than the ASP in 2018 of USD 381/mt. The significant decrease in the ASPs for both CPO and PK during this period is mainly due to an oversupply of vegetable oils and lower demand from key growth markets including China.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	2019		2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	130,355	1,844,006	151,701	2,161,744	-14.1%
Cost of revenue	(106,590)	(1,507,826)	(110,786)	(1,578,702)	-3.8%
Gross profit	23,765	336,180	40,915	583,043	-41.9%
Total operating expenses, net	(16,960)	(239,913)	(35,923)	(511,906)	-52.8%
Operating profit	6,805	96,267	4,992	71,136	36.3%
Interest income	1,689	23,889	1,628	23,197	3.7%
Finance charges	(1,829)	(25,871)	(1,983)	(28,253)	-7.8%
Share of profit of equity-accounted investees	812	11,484	2,001	28,521	-59.4%
Profit before tax	7,477	105,769	6,639	94,602	12.6%
Income tax expense	(12,035)	(170,249)	(7,130)	(101,607)	68.8%
Loss for the year	(4,558)	(64,480)	(492)	(7,005)	827.2%
Other comprehensive income (loss)	6,755	95,557	(6,640)	(94,620)	-201.7%
Total comprehensive loss	2,197	31,077	(7,132)	(101,625)	-130.8%
EBITDA	22,875	323,590	25,055	357,034	-8.7%
EBITDA margin (%)	17.5%	17.5%	16.5%	16.5%	6.2%

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 14,146 to USD 1 for 2019 and and Rp 14,250 to USD 1 for 2018.

Revenue from Sales and Service Concessions

In 2019 ANJT posted total revenue of USD 130.4 million, a decline of 14.1% compared to 2018 mainly due to the lower ASPs and sales volume of CPO and PK. CPO and PK sales contributed 98.6% of our total revenue or USD 128.5 million, compared to USD 150.0 million or 98.8% of our total revenue in 2018.

Our sago segment contributed USD 1.0 million to our total revenue in 2019, an increase from USD 0.7 million in 2018 due to increases in both sales volume and sales price. Our renewable energy segment contributed USD 444.3 thousand in 2019, lower than the USD 555.5 thousand in 2018 due to several stoppages for maintenance at the Belitung biogas power plant in 2019. Meanwhile, our edamame sales revenue was USD 332.0

thousand, a decrease of 25.5% from USD 445.7 thousand in 2018, mainly due to a reduced planting area compared to the same period last year and lower rainfall which affected the planting yield. We reduced the planting area for edamame because we are in the process of replacing the front-end processing equipment which we expect to be completed in the third quarter of 2020.

Operating Expenses and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 17.0 million, a decrease of 52.8% from USD 35.9 million in 2018, 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, decreased to USD 1.8 million in 2019 from interest expense of USD 2.0 million in 2018, due to a decrease in the short-term loans and lower effective interest rates per annum compared to 2018.

Net Loss

The Company recorded a net loss of USD 4.6 million, compared to a net loss of USD 0.5 million in 2018, primarily due to the lower ASPs and sales volume for CPO and PK in 2019. This factor also contributed to the decrease in EBITDA from USD 25.1 million in 2018 to USD 22.9 million in 2019.

Total Comprehensive Loss

The appreciation of the Rupiah against the US Dollar from Rp 14,481 by the end of 2018 to Rp 13,901 by the end of 2019 has increased the net assets of some of the Company's subsidiaries which maintain their bookkeeping records in Rupiah by USD 6.2 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a total comprehensive income of USD 2.2 million in 2019 compared to a comprehensive loss of USD 7.1 million in 2018.

Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	31 December 2019		31 December 2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Current assets	66,837	929,101	93,473	1,353,579	-28.5%
Non-current assets	558,871	7,768,867	508,732	7,366,951	9.9%
Total Assets	625,708	8,697,968	602,205	8,720,529	3.9%
Current liabilities	31,441	437,060	56,069	811,941	-43.9%
Non-current liabilities	205,559	2,857,477	159,746	2,313,286	28.7%
Total Liabilities	237,000	3,294,538	215,816	3,125,227	9.8%
Equity attributable to the owners of the Company	387,919	5,392,466	385,405	5,581,047	0.7%
Total Equity	388,708	5,403,431	386,389	5,595,302	0.6%

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 Bank Indonesia middle rate as of 31 December 2019 of Rp 13,901 to USD 1 and as of 31 December 2018 of Rp 14,481 to USD 1.

As of 31 December 2019, total assets increased slightly by 3.9% to USD 625.7 million, mainly due to the Company's continued investment in palm plantation development and an increase in property, plant and equipment.

Total liabilities increased by 9.8% from USD 215.8 million to USD 237.0 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 0.61 and 0.38 respectively as at 31 December 2019.

Financing Facilities

As of 31 December 2019, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 257.7 million, comprising short-term loan facilities of USD 49.1 million and long-term loan facilities of USD 208.6 million.

The long-term loan facilities are intended for our West Papua palm plantation projects, the second line of our CPO mill at the West Kalimantan, and our upgraded edamame processing facilities in East Java. The outstanding balance of the bank loans by the end of 2019 was USD 192.8 million.



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OTHER CORPORATE UPDATES

Subsequent Events

1. Our West Papua palm oil mill has commenced commercial operation and completed its first shipment of palm oil in January 2020.
2. In March 2020, we started the construction for the second processing line in our West Kalimantan palm oil mill to increase the capacity from 45 mt per hour to 90 mt per hour.

Awards

In 2019, ANJT and its subsidiaries received the following awards:

1. A Gold Rank for our Sustainability Report 2018 from the National Center for Sustainability Reporting & Institute of Certified Sustainability Practitioners.
2. Tempo Country Contributor Award 2019 from Pusat Data & Analisis Tempo (Tempo Media Group) for being one of the most compliant and best contributing corporate taxpayers.
3. First place in the Green Industry competition for our North Sumatera I estate from the Department of Environment of North Sumatera Province.
4. Ministry of Health CSR Award 2019 for PT Putera Manunggal Perkasa regarding participation and support for CSR in the health sector (Maternal & Child Health Category) from Ministry of Health.
5. Annual Corporate Financial Statement 2019 Award for our subsidiaries AANE, KAL, SMM, ANJAP, and ANJAS for their commitment and compliance in submitting the annual financial statement correctly, routinely and on time from the Ministry of Trade.
6. PROPER (Green Category) for our Belitung Island and North Sumatera I estates with national rating beyond compliance for the performance in environmental management from the Ministry of Environment and Forestry.

Roundtable on Sustainable Palm Oil (RSPO)

The Company's West Kalimantan palm oil mill obtained RSPO certification in November 2019 and joins our other RSPO certified mills in North Sumatera I, North Sumatera II and Belitung. The newly commissioned mill at our West Papua estate will soon undergo an audit by RSPO as a pre-requisite process before certification.