



# ANJ

# INVESTOR NEWSLETTER

Bloomberg: ANJT: IJ

30 APRIL 2020



Photo: Corporate Communications

## Q1 2020 OPERATIONAL UPDATE

**PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”)** announced its operational performance and financial results for the first quarter (Q1) of 2020.

The Company started 2020 by producing a total 152,965 mt of Fresh Fruit Bunches (FFB), an increase of 2.8% compared to the 148,796 mt of FFB production in Q1 2019. In Q1 2020, our newly mature West Papua estate contributed a total FFB production of 12,354 mt with a FFB yield of 4.7 mt/ha. Our Belitung Island and West Kalimantan estates experienced a decrease in FFB production of 11.8% and 19.8% respectively due to the impact of the resting period after higher fruit production in the first semester of last year. In addition, our West Kalimantan estate suffered from drought conditions in the second half of 2019. Meanwhile our North Sumatera I and II estates recorded an increase of FFB production of 2.7% and 9.7% respectively.

In Q1 2020, our Crude Palm Oil (CPO) and Palm Kernel (PK) production decreased by 0.8% and 6.3% to 51,811 mt and 10,599 mt respectively. Meanwhile, the Company also reported a decrease in CPO sales volume by 2.6% to 49,400 mt in Q1 2020 compared to 50,700 in Q1 2019.

During Q1 2020 the CPO price showed an improvement, resulting in an Average Selling Price (ASP) for CPO of USD 625/mt, 33.5% higher than the Q1 2019 ASP of USD 468/mt. Meanwhile the ASP for PK in Q1 2020 was USD 338/mt, higher than the ASP in Q1 2019 of USD 303/mt.

**Table 1 : Production and Sales**

	Q1 2020	Q1 2019	Change
<b>FFB Production (tonnes)</b>			
FFB from our estates	152,965	148,796	2.8%
Belitung Island	42,209	47,866	-11.8%
North Sumatera I	28,157	27,407	2.7%
North Sumatera II	41,919	38,215	9.7%
West Kalimantan	28,326	35,308	-19.8%
West Papua	12,354	-	100.0%
<b>FFB bought from third parties</b>	<b>92,785</b>	<b>97,872</b>	<b>-5.2%</b>
<b>Total FFB processed</b>	<b>245,271</b>	<b>246,668</b>	<b>-0.6%</b>
<b>FFB YIELD (tonnes per hectare)</b>			
Average yield	4.0	4.2	-4.8%
Belitung Island	4.1	4.6	-10.9%
North Sumatera I	3.4	3.1	9.7%
North Sumatera II	5.4	4.9	10.2%
West Kalimantan	3.1	4.1	-24.4%
West Papua	4.7	-	100.0%
<b>CPO Production (tonnes)</b>			
<b>Total production</b>	<b>51,811</b>	<b>52,224</b>	<b>-0.8%</b>
Belitung Island	14,992	15,247	-1.7%
North Sumatera I	11,236	12,295	-8.6%
North Sumatera II	13,122	12,957	1.3%
West Kalimantan	9,966	11,725	-15.0%
West Papua	2,495	-	100.0%
<b>Palm Kernel production</b>	<b>10,599</b>	<b>11,312</b>	<b>-6.3%</b>
<b>PKO production</b>	<b>44</b>	<b>-</b>	<b>100.0%</b>
<b>Sales (tonnes)</b>			
<b>CPO Sales</b>	<b>49,400</b>	<b>50,700</b>	<b>-2.6%</b>
Belitung Island	16,700	13,850	20.6%
North Sumatera I	9,700	11,150	-13.0%
North Sumatera II	13,100	13,900	-5.8%
West Kalimantan	9,900	11,800	-16.1%
West Papua	3,600	-	100.0%
<b>Palm Kernel sales</b>	<b>9,406</b>	<b>11,265</b>	<b>-16.5%</b>
<b>PRODUCTIVITY</b>			
Extraction Rate - CPO (Mixed)	21.1%	21.3%	-0.7%
CPO Average Selling Price (ex-mill) - USD	625	468	33.5%
PK Average Selling Price (ex-mill) - USD	338	303	11.6%

### 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 610
Close	Rp 610

### SHAREHOLDERS STRUCTURE

(as of 31 March 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

## FINANCIAL HIGHLIGHTS

### Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	Q1 2020		Q1 2019		Change
	"USD Thousands"	"Rp. Millions <sup>(1)</sup> "	"USD Thousands"	"Rp. Millions <sup>(1)</sup> "	
Revenue	36,791	523,678	27,556	389,621	33.5%
Cost of revenue	(28,440)	(404,822)	(28,195)	(398,654)	0.9%
<b>Gross profit (loss)</b>	<b>8,350</b>	<b>118,857</b>	<b>(639)</b>	<b>(9,034)</b>	<b>1406.9%</b>
Total operating expenses, net	(4,885)	(69,528)	(4,788)	(67,691)	2.0%
<b>Operating profit</b>	<b>3,466</b>	<b>49,328</b>	<b>(5,426)</b>	<b>(76,725)</b>	<b>163.9%</b>
Interest income	275	3,915	340	4,811	-19.2%
Finance charges	(1,087)	(15,468)	(698)	(9,872)	55.6%
Share of profit of equity-accounted investees	-	-	278	3,925	-100.0%
<b>Profit before tax</b>	<b>2,654</b>	<b>37,776</b>	<b>(5,507)</b>	<b>(77,861)</b>	<b>148.2%</b>
Income tax expense	(3,898)	(55,490)	(353)	(4,994)	-1003.8%
<b>Loss for the period</b>	<b>(1,244)</b>	<b>(17,714)</b>	<b>(5,860)</b>	<b>(82,854)</b>	<b>78.8%</b>
Other comprehensive income (loss)	(29,973)	(426,642)	2,475	34,988	-1311.2%
<b>Total comprehensive loss</b>	<b>(31,218)</b>	<b>(444,356)</b>	<b>(3,385)</b>	<b>(47,866)</b>	<b>822.1%</b>
<b>EBITDA</b>	<b>6,325</b>	<b>90,030</b>	<b>(1,146)</b>	<b>(16,203)</b>	<b>651.9%</b>
<b>EBITDA margin (%)</b>	<b>17.2%</b>	<b>17.2%</b>	<b>-4.2%</b>	<b>-4.2%</b>	<b>513.4%</b>

<sup>1)</sup> 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 14,234 to USD 1 for Q1 2020 and Rp 14,139 to USD 1 for Q1 2019.

#### Revenue from Sales and Service Concessions

In Q1 2020 ANJT posted total revenue of USD 36.8 million, an increase of 33.5% compared to Q1 2019 mainly due to the higher ASPs of CPO and PK.

CPO and PK sales contributed 98.5% of our total revenue or USD 36.2 million, compared to USD 27.2 million or 98.6% of our total revenue in Q1 2019. Our sago segment contributed USD 306.9 thousand to our total revenue in Q1 2020, an increase from USD 204.7 thousand in Q1 2019 due to the increases in both sales volume and sales price. Our renewable energy segment contributed USD 156.8 thousand in Q1 2020, higher than the USD 99.9 thousand in Q1 2019 due to lower maintenance costs at the biogas power plant compared to Q1 2019. Meanwhile, our edamame sales revenue was USD 89.1 thousand, a decrease of 4.3% from USD 93.2 thousand in Q1 2019 mainly due to a reduced planting area compared to the same period last year. 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 second semester of 2020.

#### Expenses, Financial Charges and Income Taxes

To manage the volatility in CPO prices the Company, towards the end of 2019 and early in 2020, entered into a derivative contract in line with the Company's risk management policy. As a result, in Q1 2020, the Company recognized a gain of USD 3.6 million due to the weaker CPO prices in March 2020. The gain was largely offset by a write down in the fair value of our biological assets as well as an inventory write down of USD 1.3 million. This inventory write down was primarily due to the commencement of commercial operations at our West Papua palm oil mill. Production volume is still low at this early stage, hence resulting in higher production unit costs. The Company expects production unit costs at our West Papua palm oil mill will continue to fall as FFB production there continues to ramp up.

The Company recorded an operating expense (net of operating income) of USD 4.9 million, an increase of 2.0% from USD 4.8 million in Q1 2019. Included in operating expense in Q1 2020 is a foreign exchange gain of USD 2.1 million, an increase from the foreign exchange gain of USD 0.2 million in Q1 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 16,367/USD 1 at the end of Q1 2020.

Our financial charges, which represent interest expenses on our loans, increased to USD 1.1 million in Q1 2020 from interest expenses of USD 0.7 million in Q1 2019, due an increase in the short-term and long-term loans, which are mainly utilized for our West Papua estate.

On 31 March 2020, the Government of Indonesia issued fiscal incentives, which among others included a reduction in the corporate tax rate from 25% to 22%, effective from fiscal year 2020 and declining to 20% from fiscal year 2022 onwards. The Company recognized a deferred income tax expense of USD 1.6 million, primarily because of a deferred tax assets write down to reflect the corporate income tax rate reduction.

#### Net Loss

The Company recorded a net loss of USD 1.2 million, compared to the net loss of USD 5.9 million in Q1 2019, due to the higher ASP for CPO and PK in Q1 2020. This factor also contributed to an increase in EBITDA from negative USD 1.1 million in Q1 2019 to USD 6.3 million in Q1 2020 and an EBITDA margin of -4.2% in Q1 2019 compared to 17.2% in Q1 2020.

#### Total Comprehensive Loss

The significant depreciation of the Rupiah against the US Dollar from Rp 13,901 at the end of 2019 to Rp 16,367 by the end of March 2020 has reduced the net assets of some of the Company's subsidiaries (those which maintain their bookkeeping records in Rupiah), by USD 30 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a total comprehensive loss of USD 31.2 million in Q1 2020 compared to a comprehensive loss of USD 3.4 million in Q1 2019.

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

	Q1 2020		31 December 2019		Change
	"USD Thousands"	"Rp. Millions" <sup>(1)</sup>	"USD Thousands"	"Rp. Millions" <sup>(1)</sup>	
Current assets	69,239	1,133,231	66,837	929,101	3.6%
Non-current assets	510,564	8,356,402	558,871	7,768,867	-8.6%
<b>Total Assets</b>	<b>579,803</b>	<b>9,489,633</b>	<b>625,708</b>	<b>8,697,968</b>	<b>-7.3%</b>
Current liabilities	34,236	560,346	31,441	437,060	8.9%
Non-current liabilities	187,076	3,061,878	205,559	2,857,477	-9.0%
<b>Total Liabilities</b>	<b>221,313</b>	<b>3,622,225</b>	<b>237,000</b>	<b>3,294,538</b>	<b>-6.6%</b>
Equity attributable to the owners of the Company	356,906	5,841,484	387,919	5,392,466	-8.0%
<b>Total Equity</b>	<b>358,490</b>	<b>5,867,408</b>	<b>388,708</b>	<b>5,403,431</b>	<b>-7.8%</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 Bank Indonesia middle rate as of 31 March 2020 of Rp 16,367 to USD 1 and as of 31 December 2019 of Rp 13,901 to USD 1.*

### Our Assets and Liabilities Position

As of 31 March 2020, total assets decreased by 7.3% to USD 579.8 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, as discussed above.

Total liabilities decreased by 6.6% from USD 237.0 million to USD 221.3 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 amounting to 0.62 and 0.38, respectively as at 31 March 2020.

### Financing Facilities

As of 31 March 2020, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 306.5 million, comprising short-term loan facilities of USD 53.6 million and long-term loan facilities of USD 252.9 million.

The long-term loan facilities are intended for our West Papua palm plantation projects, the second line of our CPO mill at West Kalimantan, and our upgraded edamame processing facilities in East Java. The outstanding balance of the bank loans by the end of March 2020 was USD 184.6 million.

## OTHER CORPORATE UPDATES

### Commercial Run of New CPO and PKO Mills

In January 2020, we started the commercial operation of our new CPO and PKO mills at the West Papua estate. In Q1 2020, we processed 11,871 mt of FFB and produced 2,495 mt of CPO and 44 mt of PKO respectively.

### Global Economic Uncertainty due to Covid 19 pandemic

Many countries, including Indonesia, have experienced and reported outbreaks of Covid-19. This global pandemic has created significant uncertainty in the macroeconomic conditions, including volatility in exchange rates and interest rates, volatility in commodity prices, disruption to supply chains and significant slowdown in demand for commodity products, including palm oil. The Government of the Republic of Indonesia has launched various fiscal and monetary policy measures to counter the adverse impact of the Covid-19 outbreak, the outcome of which cannot be determined at present.

As of the date of issuance of this newsletter, there has been no significant adverse impact from the Covid-19 outbreak on the Company's operations. The Company has implemented policies and procedures at all its operational sites to monitor and manage the risks associated with Covid-19. However, much depends on how long the outbreak will continue, the success of the Government's efforts to contain it and the successful implementation of the Government's fiscal and monetary policies. All these factors will affect the Company's operations in the near future and the Company's ability to achieve its target for 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