



ANJ

INVESTOR NEWSLETTER

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6M2020 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the sixth-month period ended 30 June 2020 (6M2020).

The Company ended 6M2020 by producing a total of 338,961 mt of Fresh Fruit Bunches (FFB), an increase of 9.0% compared to the 311,046 mt of FFB production in 6M2019. Our newly mature West Papua estate contributed a total FFB production of 31,621 mt in 6M2020. Meanwhile, the Belitung Island estate experienced a decrease in FFB production of 8.3% 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 a decrease in FFB production of 16.0% due to the impact of drought conditions in the second half of 2019. Meanwhile our North Sumatera I and II estates recorded an increase in FFB production of 5.6% and 14.6% respectively.

In the 6M2020 period, our Crude Palm Oil (CPO) production increased by 3.8% to 112,034 mt. Meanwhile, the Company also reported an increase in CPO sales volume of 5.1% to 115,139 mt in 6M2020 compared to 109,599 mt in 6M2019.

During 6M2020 the CPO price trended sharply lower at the onset of the Covid-19 pandemic, but has since improved, resulting in an Average Selling Price (ASP) for CPO of USD 548/mt, 18.1% higher than the 6M2019 ASP of USD 464/mt. Meanwhile the ASP for PK in 6M2020 was USD 294/mt, higher than the ASP in 6M2019 of USD 276/mt.

Table 1 : Production and Sales

	6M2020	6M2019	Change
FFB Production (tonnes)			
FFB from our estates	338,961	311,046	9.0%
Belitung Island	83,541	91,106	-8.3%
North Sumatera I	70,418	66,706	5.6%
North Sumatera II	92,197	80,425	14.6%
West Kalimantan	61,184	72,809	-16.0%
West Papua	31,621	-	100.0%
FFB bought from third parties	199,473	205,127	-2.8%
Total FFB processed	538,434	516,173	4.3%
FFB YIELD (tonnes per hectare)			
Average yield	8.9	8.8	1.1%
Belitung Island	8.2	9.0	-8.9%
North Sumatera I	8.4	7.7	9.1%
North Sumatera II	11.9	10.4	14.4%
West Kalimantan	6.7	8.4	-20.2%
West Papua	12.0	-	100.0%
CPO Production (tonnes)			
Total production	112,034	107,900	3.8%
Belitung Island	28,957	30,215	-4.2%
North Sumatera I	25,846	26,955	-4.1%
North Sumatera II	28,966	26,803	8.1%
West Kalimantan	21,614	23,927	-9.7%
West Papua	6,651	-	100.0%
Palm Kernel production	23,230	23,233	0.0%
PKO production	287	-	100.0%
Sales (tonnes)			
CPO Sales	115,139	109,599	5.1%
Belitung Island	27,700	30,250	-8.4%
North Sumatera I	25,600	27,450	-6.7%
North Sumatera II	28,350	27,300	3.8%
West Kalimantan	23,600	24,599	-4.1%
West Papua	9,889	-	100.0%
Palm Kernel sales	22,360	23,846	-6.2%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.9%	20.9%	-0.1%
CPO Average Selling Price (ex-mill) - USD	548	464	18.1%
PK Average Selling Price (ex-mill) - USD	294	276	6.5%

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 1,000
Lowest	Rp 408
Close	Rp 488

SHAREHOLDERS STRUCTURE

(as of 30 June 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

	6M2020		6M2019		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	72,653	1,060,739	58,208	826,384	24.8%
Cost of revenue	(59,689)	(871,464)	(57,986)	(823,224)	2.9%
Gross profit	12,964	189,276	223	3,160	-5724.6%
Total operating expenses, net	(11,883)	(173,499)	(12,297)	(174,587)	-3.4%
Operating profit (loss)	1,081	15,777	(12,075)	(171,427)	108.9%
Interest income	553	8,077	620	8,800	-10.7%
Finance charges	(1,953)	(28,515)	(1,284)	(18,226)	52.1%
Share of profit of equity-accounted investees	-	-	574	8,154	-100.0%
Loss before tax	(319)	(4,662)	(12,165)	(172,700)	97.4%
Income tax expense	(5,133)	(74,940)	(419)	(5,954)	-1123.9%
Loss for the period	(5,452)	(79,602)	(12,584)	(178,654)	56.7%
Other comprehensive income (loss)	969	14,141	3,579	50,810	-72.9%
Total comprehensive loss	(4,484)	(65,461)	(9,005)	(127,843)	-50.2%
EBITDA	8,046	117,475	(3,089)	(43,855)	360.5%
EBITDA margin (%)	11.1%	11.1%	-5.3%	-5.3%	308.7%

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 average of the exchange rates of Rp 14,600 to USD 1 for 6M2020 and Rp 14,197 to USD 1 for 6M2019.

Revenue from Sales and Service Concessions

In the 6M2020 period ANJT posted total revenue of USD 72.7 million, an increase of 24.8% compared to 6M2019 mainly due to the higher ASPs of CPO and PK.

CPO and PK sales contributed 98.5% of our total revenue or USD 71.5 million, compared to USD 57.4 million or 98.6% of our total revenue in 6M2019. Our sago segment contributed USD 642.8 thousand to our total revenue in 6M2020, an increase from USD 458.6 thousand in 6M2019 due to increases in both sales volume and sales price. Our renewable energy segment contributed USD 285.6 thousand in 6M2020, higher than USD 231.8 thousand in 6M2019 due to lesser frequency of engine shutdown in 6M2020 compared to 6M2019, in line with the improvement in PLN grid. Meanwhile, our edamame sales revenue was USD 188.4 thousand, an increase from USD 124.4 thousand in 6M2019 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 11.9 million, a decrease of 3.4% from USD 12.3 million in 6M2019. Included in operating expense in 6M2020 is

a foreign exchange gain of USD 2.8 million, an increase from the foreign exchange gain of USD 0.02 million in 6M2019, due to the depreciation of the Rupiah against the US Dollar from Rp 13,901/USD 1 at the end of 2019 to Rp 14,302/USD 1 at the end of 6M2020.

Our financial charges, which mainly represent interest expenses on our loans, increased to USD 2.0 million in 6M2020 from interest expenses of USD 1.3 million in 6M2019, 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 become productive. As a result, interest on the borrowings used to fund the development of those assets can no longer be capitalized.

Net Loss

The Company recorded a net loss of USD 5.5 million, compared to the net loss of USD 12.6 million in 6M2019, mainly due to the higher ASPs for CPO and PK in 6M2020. This factor also contributed to an increase in EBITDA from a negative USD 3.1 million in 6M2019 to USD 8.0 million in 6M2020 and an EBITDA margin of -5.3% in 6M2019 compared to 11.1% in 6M2020.

Total Comprehensive Loss

The Company recorded other comprehensive income of USD 1.0 million as 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 loss of USD 4.5 million in 6M2020 compared to a comprehensive loss of USD 9.0 million in 6M2019.

Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	30 June 2020		31 December 2019		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Current assets	60,569	866,265	66,837	929,101	-9.4%
Non-current assets	558,167	7,982,903	558,871	7,768,867	-0.1%
Total Assets	618,736	8,849,168	625,708	8,697,968	-1.1%
Current liabilities	28,827	412,282	31,441	437,060	-8.3%
Non-current liabilities	204,476	2,924,416	205,559	2,857,477	-0.5%
Total Liabilities	233,303	3,336,699	237,000	3,294,538	-1.6%
Equity attributable to the owners of the Company	383,377	5,483,055	387,919	5,392,466	-1.2%
Total Equity	385,433	5,512,469	388,708	5,403,431	-0.8%

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 30 June 2020 of Rp 14,302 to USD 1 and as of 31 December 2019 of Rp 13,901 to USD 1.

As of 30 June 2020, total assets decreased by 1.1% to USD 618.7 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.

Total liabilities decreased by 1.6% from USD 237.0 million to USD 233.3 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 of 0.61 and 0.38, respectively as at 30 June 2020.

Financing Facilities

As of 30 June 2020, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 296.5 million, comprising short-term loan facilities of USD 66.2 million and long-term loan facilities of USD 230.3 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 June 2020 was USD 193.2 million.

OTHER CORPORATE UPDATES

Issuance of Annual Report 2019

In May 2020, the Company issued its Annual Report for 2019 which discusses the Company's performance for 2019 and its targets and strategy for 2020. The electronic copy of the Company's Annual Report is available at: <https://anj-group.com/en/annual-report>.

Issuance of Sustainability Report 2019

In June 2020, the Company issued its Sustainability Report for 2019 which discusses the social and environmental performance for 2019. The Company's 2019 Sustainability Report includes an independent assurance opinion assessment issued by PT TUV Rheinland Indonesia, an independent assessor, who rendered an opinion that the Company's 2019 Sustainability Report fairly presents the Company's CSR programs and performances during 2019. This marked a significant recognition of the Company's commitment to sustainability, transparency and accountability. The electronic copy of the Company's Sustainability Report is available at: <https://anj-group.com/en/sustainability-report>.



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