



Photo: Corporate Communications

30 JUNE 2019 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the six-month period ended 30 June 2019 (6M2019).

The Company ended 6M2019 by producing a total 311,046 mt of Fresh Fruit Bunches (FFB), a decrease of 5.6% over last year’s production of 329,603 mt of FFB, mainly due to the impact of the replanting program at our Belitung Island and North Sumatera I estates coupled with the impact of the palm resting period cycle in North Sumatera II estate following 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 19.4% increase in the first half of 2019.

In 6M2019 we increased our FFB purchases from third parties to optimize mill utilization. Our FFB purchases from third parties for 6M2019 was 6.9% higher than those made in 6M2018.

In line with the decrease in FFB production, Crude Palm Oil (CPO) and Palm Kernel (PK) production also decreased by 3.6% and 2.2% to 107,900 mt and 23,233 mt respectively in

Table 1 : Production and Sales

	6M2019	6M2018	Change
FFB Production (tonnes)			
FFB from our estates	311,046	329,603	-5.6%
Belitung Island	91,106	97,929	-7.0%
North Sumatera I	66,706	82,285	-18.9%
North Sumatera II	80,425	88,394	-9.0%
West Kalimantan	72,809	60,995	19.4%
FFB bought from third parties	205,127	191,885	6.9%
Total FFB processed	516,173	521,488	-1.0%
FFB YIELD (tonnes per hectare)			
Average yield	8.80	8.90	-1.1%
Belitung Island	9.00	8.90	1.1%
North Sumatera I	7.70	8.50	-9.4%
North Sumatera II	10.40	11.20	-7.1%
West Kalimantan	8.40	7.30	15.1%
CPO Production (tonnes)			
Total production	107,900	111,949	-3.6%
Belitung Island	30,215	32,317	-6.5%
North Sumatera I	26,955	29,996	-10.1%
North Sumatera II	26,803	28,820	-7.0%
West Kalimantan	23,927	20,816	14.9%
Palm Kernel production	23,233	23,763	-2.2%
Sales (tonnes)			
CPO Sales	109,599	102,179	7.3%
Belitung Island	30,250	30,079	0.6%
North Sumatera I	27,450	28,000	-2.0%
North Sumatera II	27,300	25,200	8.3%
West Kalimantan	24,599	18,900	30.2%
Palm Kernel sales	23,846	23,799	0.2%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.93%	21.53%	-2.8%
CPO Average Selling Price (ex-mill) - USD	464	570	-18.6%
PK Average Selling Price (ex-mill) - USD	276	451	-38.8%

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 1,020
Lowest	Rp 865
Close	Rp 910

SHAREHOLDERS STRUCTURE

(as of 30 June 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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6M2019. Meanwhile, the Company reported an increase in CPO sales volumes by 7.3% to 109,599 mt in 6M2019 compared to 102,179 mt in 6M2018.

During the first half of 2019 the CPO price trend continued to decline resulting in an Average Selling Price (ASP) for CPO in 6M2019 of USD 464/mt, 18.6% lower than the 6M2018 ASP of USD 570/mt. Meanwhile the ASP for PK in 6M2019 was USD 276/mt, 38.8% lower than the ASP in 6M2018 of USD 451/mt. The significant decrease in the ASPs for CPO and PK is mainly due to the abundant supply of vegetable oils from palm oil and soybean oil.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	6M2019		6M2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Revenue	58,208	826,384	69,775	959,619	-16.6%
Cost of revenue	(58,353)	(828,437)	(48,245)	(663,519)	21.0%
Gross profit	(145)	(2,053)	21,530	296,100	-100.7%
Total operating (expenses) income, net	(11,930)	(169,374)	(17,481)	(240,415)	-31.8%
Operating (loss) profit	(12,075)	(171,427)	4,049	55,685	-398.2%
Interest income	620	8,800	472	6,495	31.2%
Finance charges	(1,284)	(18,226)	(685)	(9,420)	87.4%
Share of profit of equity-accounted investees	574	8,154	958	13,171	-40.0%
(Loss) profit before tax	(12,165)	(172,700)	4,794	65,931	-353.7%
Income tax expense	(419)	(5,954)	(4,651)	(139,798)	-91.0%
(Loss) profit for the period	(12,584)	(178,654)	143	(73,867)	-8909.5%
Other comprehensive income	3,579	50,810	(6,929)	(41,455)	-151.6%
Total comprehensive loss	(9,005)	(127,843)	(6,786)	(115,322)	32.7%
EBITDA	(3,089)	(43,855)	17,715	243,634	-117.4%
EBITDA margin (%)	-5.3%	-5.3%	25.4%	25.4%	-120.9%

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 14,197 to USD 1 for 30 June 2019 and Rp 13,753 to USD 1 for 30 June 2018.

Revenue from Sales and Service Concessions

In the first half of 2019 ANJT posted total revenue of USD 58.2 million, a decline of 16.6% compared to 6M2018 mainly due to the lower ASPs of CPO and PK. Although CPO sales volumes increased by 7.3%, the increases were not enough to offset the decline in the ASPs of CPO and PK.

CPO and PK sales contributed 98.6% of our total revenue or USD 57.4 million, compared to USD 69.0 million or 98.9% of our total revenue in 6M2018. Our sago segment contributed USD 458.6 thousand to our total revenue in 6M2019, an increase from USD 263.8 thousand in 6M2018 due to increases in both sales volume and sales price. Our renewable energy segment contributed USD 231.8 thousand in 6M2019, lower than the USD 252.7 thousand in 6M2018 due to maintenance at the biogas power plant in January and February 2019. Meanwhile, our edamame sales revenue was USD 124.4 thousand, a decrease of 44.6% from USD 224.6 thousand in 6M2018, mainly due to high rainfall in Q1 2019 which affected the planting yield.

Operating (Expenses) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 12.3 million, a decrease of 29.7% from USD 17.5 million in 6M2018, which was primarily due to the recognition of a gain from the sale of our investment in PT Puncakjaya Power in March 2019 which amounted to USD 1.8 million.

Our financial charges, which represent interest expenses on our loans, increased to USD 1.3 million in 6M2019 from interest expenses of USD 0.7 million in 6M2018, due to an increase in the short-term loans utilized for the West Kalimantan estate.

Net (Loss) Income

The Company recorded a net loss of USD 12.6 million, compared to a net income of USD 0.1 million in 6M2018, primarily due to the lower ASPs for CPO and PK in 6M2019. This factor also contributed to the decrease in EBITDA from USD 17.7 million in 6M2018 to a negative USD 3.1 million in 6M2019 and an EBITDA margin of 25.4% in 6M2018 compared to -5.3% in 6M2019.

Total Comprehensive (Loss) Income

The appreciation of the Rupiah against the US Dollar from Rp 14,481 by the end of 2018 to Rp 14,141 by the end of June 2019 has increased the net assets of some of the Company's subsidiaries which maintain their bookkeeping records in Rupiah by USD 3.6 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a total comprehensive loss of USD 9.0 million in the first half of 2019 compared to a comprehensive loss of USD 6.8 million in 6M2018.

Our Assets and Liabilities Position

As of 30 June 2019, total assets increased slightly by 1.4% to USD 610.5 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 8.0% from USD 215.8 million to USD 233.1 million, primarily driven by a significant increase in long-term bank loans, in line with our continued investment

Table 3: Consolidated Statements of Financial Position

	30 June 2019		30 June 2018		Change
	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	"USD Thousands"	"Rp. Millions ⁽¹⁾ "	
Current assets	65,613	927,838	93,473	1,353,579	-29.8%
Non-current assets	544,836	7,704,528	508,732	7,366,951	7.1%
Total Assets	610,449	8,632,366	602,205	8,720,529	1.4%
Current liabilities	46,733	660,845	56,069	811,941	-16.7%
Non-current liabilities	186,333	2,634,930	159,746	2,313,286	16.6%
Total Liabilities	233,065	3,295,776	215,816	3,125,227	8.0%
Equity attributable to the owners of the Company	376,257	5,320,645	385,405	5,581,047	-2.4%
Total Equity	377,384	5,336,591	386,389	5,595,302	-2.3%

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 2019 of Rp 14,141 to USD 1 and as of 30 June 2018 of Rp 14,481 to USD 1.

for the development in West Papua. 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 30 June 2019.

Financing Facilities

As of 30 June 2019, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 337.9 million comprising short-term loan facilities of USD 60.0 million and long-term loan facilities of USD 277.9 million.

The long-term loan facilities are intended for our West Papua palm plantation 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 June 2019 was USD 191.3 million.

OTHER CORPORATE UPDATES

Issuance of Annual Report 2018

In April 2019, the Company issued its Annual Report for 2018 which discusses the Company's performance for 2018 and its targets and strategy for 2019. The electronic copy of the Company's Annual Report is available at: <https://anj-group.com/en/annual-report>.

Change in Board of Directors

At the Company's Annual General Meeting on the 15th of May 2019, the shareholders approved the appointment of Mr. Fakri Karim as its incoming Director of Sustainability.

Construction Progress of New CPO and PKO Mills

The construction of a CPO and Palm Kernel Oil (PKO) mill at our West Papua estate had reached 98.3% completion by the end of June 2019. Currently, the CPO mill and the PKO mill are in the commissioning stage. The first commercial production is expected to be in first quarter 2020.

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