

IND©FOOD AGRI RESOURCES LTD.

COMPANY PRESENTATION 1H 2020 RESULTS

30 JULY 2020



a subsidiary of:

Indofood
THE SYMBOL OF QUALITY FOODS

PRESENTATION OUTLINE

-  **Plantation Highlights**
-  **Financial Highlights**
-  **Strategies and Expansion**
-  **Appendix**

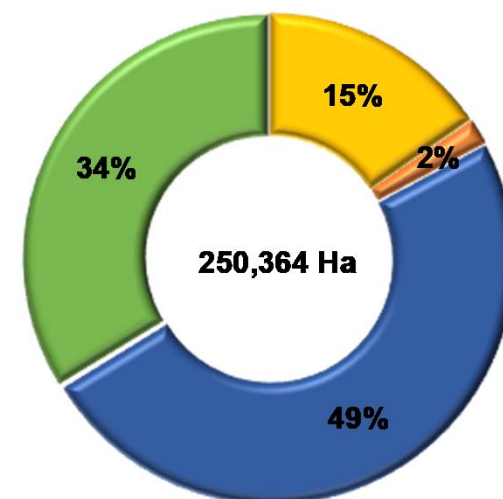
An aerial photograph of a vast plantation, likely a rubber or palm oil plantation, showing rows of green trees stretching towards the horizon. A large, semi-transparent yellow sun graphic is overlaid in the upper center of the image. The sun is composed of three concentric circles: a small, solid yellow center, a medium-width yellow ring, and a larger, wider yellow ring that fades into the background. The text "PLANTATION HIGHLIGHTS" is centered within the sun graphic.

PLANTATION HIGHLIGHTS

PLANTED AREA

In Ha	30 Jun 2020	31 Dec 2019
Indonesia - Inti		
Planted area	299,165	302,372
Planted oil palm	250,364	251,819
- SIMP	155,319	156,182
- Lonsum	95,045	95,637
Planted other crops		
Rubber	16,098	16,796
- SIMP	-	851
- Lonsum	16,098	15,945
Sugar cane - SIMP	12,458	13,543
Others - timber, cocoa, tea	20,245	20,214
Indonesia - Plasma		
Oil palm	86,950	86,671
Brazil		
Sugar cane	108,286[*]	94,851

Oil palm average age ≈ 17 years



■ Immature ■ 4-6 years ■ 7-20 years ■ > 20 years

* For the planted sugar cane areas, 41% of owned by the company and 59% contracted 3rd party farmers

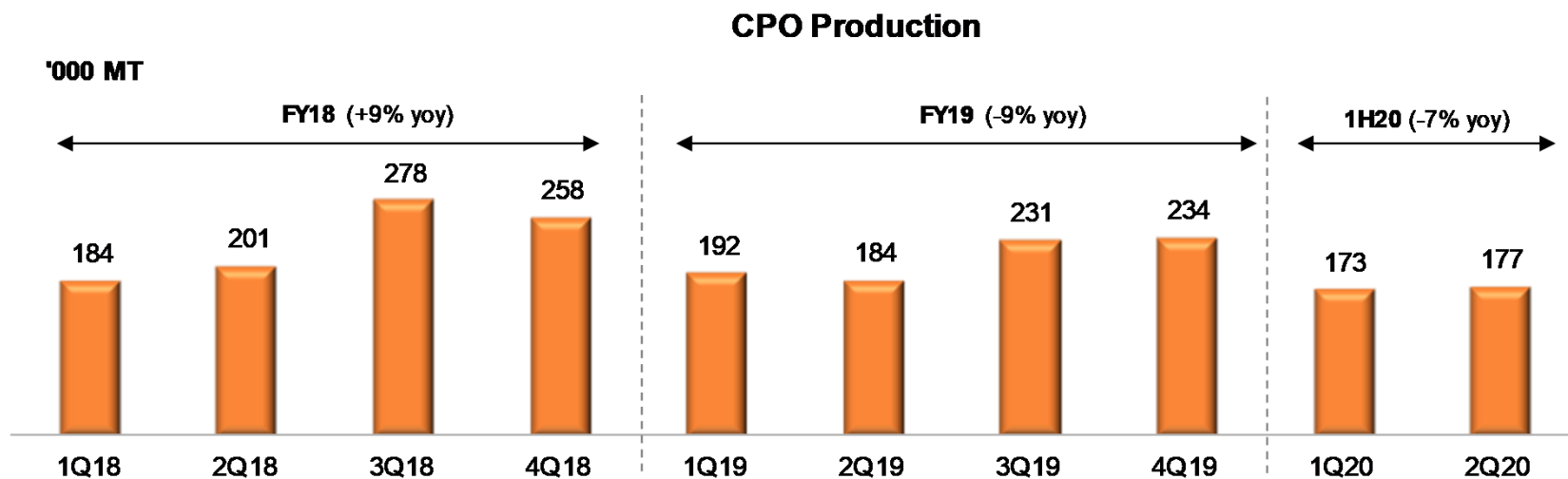
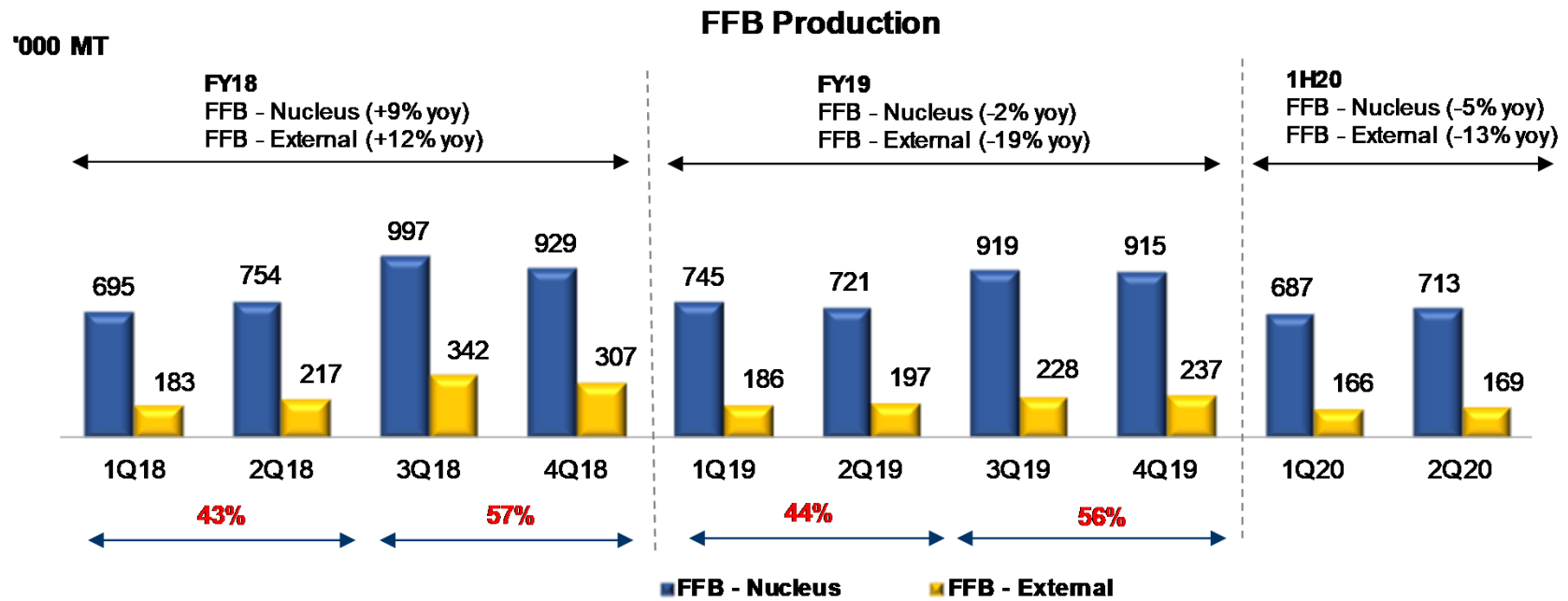
OIL PALM PLANTATION HIGHLIGHTS

		1H20	1H19	YoY Growth	FY19
PRODUCTION					
Mature area	(Ha)	211,730	211,916		210,548
FFB	('000 MT)	1,735	1,849	(6%)	4,148
- Nucleus	('000 MT)	1,400	1,466	(5%)	3,300
- External	('000 MT)	335	383	(13%)	848
CPO	('000 MT)	350	376	(7%)	840
PK	('000 MT)	82	92	(11%)	206
PRODUCTIVITY					
FFB yield – Nucleus	(MT/Ha)	6.6	6.9	↓	15.7
CPO yield – Nucleus	(MT/Ha)	1.4	1.5	↓	3.4
CPO extraction rate	(%)	21.4	21.8	↓	21.6
PK extraction rate	(%)	5.0	5.4	↓	5.3

- 1H20 FFB nucleus declined 5% yoy mainly due to replanting activities and adverse weather.
- CPO production declined 7% yoy on lower FFB nucleus and purchases from external.

* The listed figures in the tables are rounded to the nearest thousands, but the growth % are calculated based on the exact figures

OIL PALM PRODUCTION TRENDS



SUGAR PLANTATION HIGHLIGHTS

INDONESIA	1H20	1H19	YoY Growth	FY19
Planted area (Ha)	12,458	13,287		13,543
Sugar cane harvested ('000 MT) ⁽¹⁾	244	233	5%	804
Sugar production ('000 MT) ⁽²⁾	13	16	(21%)	67

BRAZIL	1H20	1H19	YoY Growth
Planted area (Ha)	108,286	94,851	
Sugar cane harvested ('000 MT)	2,922	2,577	13%
Raw sugar production ('000 MT)	180	104	73%
Ethanol ('000 M ³)	106	127	(17%)

(1) Harvested cane related to South Sumatra sugar cane plantation.

(2) Sugar production related to South Sumatra plantation & LPI share in Java.

The image features a wide-angle aerial photograph of a lush green agricultural field, likely a plantation, stretching towards a hazy horizon. In the center of the image, there is a large, stylized sun graphic composed of three concentric circles in shades of yellow and gold. Overlaid on this sun graphic is the text "FINANCIAL HIGHLIGHTS" in a bold, black, sans-serif font.

FINANCIAL HIGHLIGHTS

SALES VOLUME PLANTATION

In '000 MT	1H20	1H19	YoY Growth	FY19
CPO	348	390	(11%)	882
PK products - PK, PKO, PKE	86	90	(4%)	220
Oil palm seeds ('million)	2.3	2.7	(14%)	5.5

- In 1H20, lower sales volume of CPO and PK products was mainly due to lower production.
- Low oil palm seeds sales in 1H20 due to soft demand.

Note: Sales volume before elimination of inter-segment sales

* The listed figures in the tables are rounded to the nearest thousands, but the growth % are calculated based on the exact figures

AVERAGE SELLING PRICE (ASP) TREND

Rp/kg

CPO and PK - ASP

FY18

CPO : Rp 6,956/kg (-15% yoy)

PK : Rp 5,750/kg (-21% yoy)

FY19

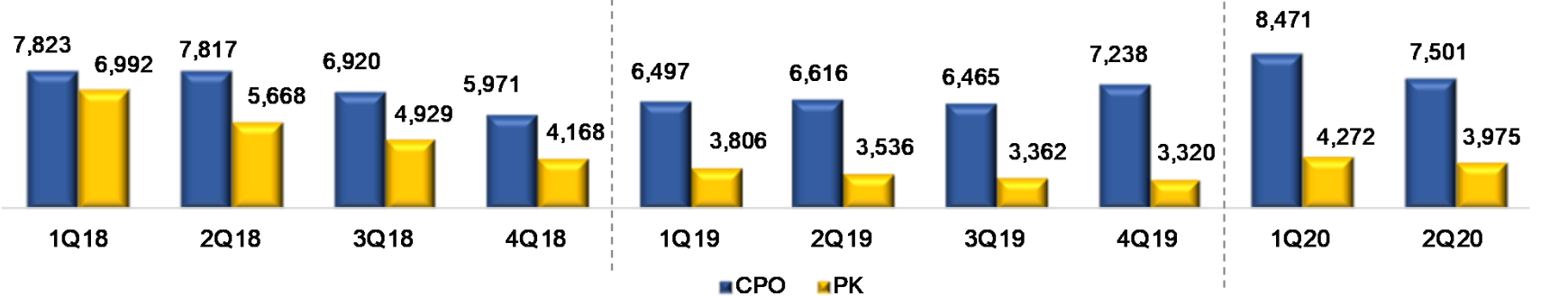
CPO : Rp6,735/kg (-3% yoy)

PK : Rp3,512/kg (-43% yoy)

1H20

CPO : Rp7,967/kg (+22% yoy)

PK : Rp4,130/kg (+13% yoy)



Rp / kg

Rubber - ASP

FY18

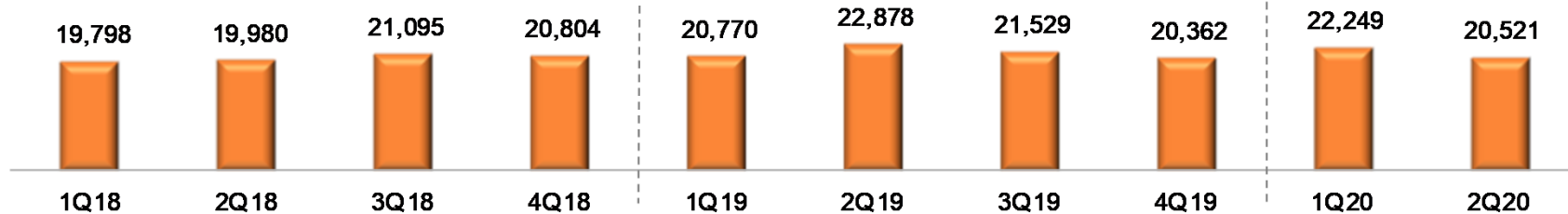
Rp 20,481/kg (-15% yoy)

FY19

Rp 21,228/kg (+4% yoy)

1H20

Rp 21,456/kg (-0.4% yoy)



FINANCIAL SUMMARY

In Rp Bn	YoY			FY19
	1H20	1H19	Growth	
Sales	6,873	6,502	6%	13,650
Gross profit	953	631	51%	2,026
Adjusted EBITDA ⁽¹⁾	951	583	63%	1,909
Net loss after tax	(575)	(523)	10%	(710)
Core loss ⁽²⁾	(157)	(543)	(71%)	(697)
Attributable loss	(429)	(274)	57%	(411)
EPS (fully diluted) - Rp	(308)	(197)	57%	(295)
Gross profit margin	14%	10%	↑	15%
EBITDA margin	14%	9%	↑	14%
Net loss margin	(8%)	(8%)	↔	(5%)
Attributable loss margin	(6%)	(4%)	↓	(3%)

- Higher revenue and gross profit in 1H20 on higher selling prices of palm and edible oils products despite challenging market conditions and Covid-19.
- Higher net loss in 1H20 was mainly due to biological assets loss as a result of lower volume and prices of FFB, higher losses of associate companies, and higher income tax expenses arising deferred tax adjustments as a result of tax rate changes in Indonesia.
- 1H20 core loss was 71% lower compared to the same period last year.

(1) Earnings before interests and tax expense, depreciation and amortisation, the effects of forex, FV gain/(loss) on biological assets and share of non-recurring loss of an associate company.

(2) Net loss before accounting for the effects of forex, FV gain/(loss) on biological assets, expected credit losses for plasma receivables and share of non-recurring loss of an associate company.

SEGMENTAL RESULTS

In Rp Bn	1H20	1H19	YoY Growth	FY19
<u>Sales</u>				
Plantations	3,572	3,452	3%	8,292
Edible oils & fats	5,545	5,257	5%	10,268
Elimination & adjustments	(2,244)	(2,207)	2%	(4,909)
Total	6,873	6,502	6%	13,650
<u>Adjusted EBITDA</u>				
Plantations	683	295	132%	1,369
<i>EBITDA %</i>	<i>19%</i>	<i>9%</i>		<i>17%</i>
Edible oils & fats	277	374	(26%)	645
<i>EBITDA %</i>	<i>5%</i>	<i>7%</i>		<i>6%</i>
Share of results of associate companies & JVs	(8)	(64)	(88%)	(51)
Elimination & adjustments ⁽¹⁾	(1)	(23)	(95%)	(54)
Total	951	583	63%	1,909

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment, regional office costs and share of non-recurring loss on an associate company.

FINANCIAL POSITION

Balance sheet (In Rp Bn)	30-Jun-20	31-Dec-19
Total Assets	36,986	37,613
Cash	2,700	1,787
Total Liabilities	17,723	17,449
Interest bearing debt	11,520	11,552
Total Equity*	19,263	20,163
Net debt / EBITDA ratio	5.60x	5.34x
Net debt / Total equity ratio	0.46x	0.48x
Net assets value per share (in Rupiah)	7,568	8,104
Net assets value per share (in SGD) **	0.74	0.79
Cash flow (In Rp Bn)	1H20	1H19
Net cash flow from operating activities	1,709	572
Net cash flow used in investing activities	(726)	(1,423)
Net cash flow (used in)/ from financing activities	(95)	528
Net decrease in cash & cash equivalents	887	(323)
Net effect of changes in forex	26	(15)
Sub-total	913	(338)
Cash & cash equivalent - Beginning	1,787	2,229
Cash & cash equivalent - Ending	2,700	1,891

* Total equity includes shareholders funds and minority interests

** Converted at Rp10,265/S\$1



**STRATEGIES
AND
EXPANSION**

KEY STRATEGIES IN 2020

Plantation

- Replanting of older palms in North Sumatra and Riau with higher yielding seed varieties.
- Expansion of milling facilities – target completion of a 45MT FFB/ hour mill in East Kalimantan in 4Q 2020.

Edible oils & fats

- Competitive marketing strategy for Bimoli to maintain its leading brand position;
- Continue to capitalize on Delima as 2nd brand in the more affordable segment;
- Increase penetration of the premium Palmia Margarine with new and improved products and;
- Incrementally increasing capacity, to meet growing consumer demand in Indonesia.

PRODUCTION BREAKDOWN

		1H20	1H19	YoY Growth	FY19
PRODUCTION					
Mature area	(Ha)	211,730	211,916		210,548
- SIMP	(Ha)	126,100	124,422		124,812
- Lonsum	(Ha)	85,629	87,494		85,737
FFB	('000 MT)	1,735	1,849	(6%)	4,148
- Nucleus	('000 MT)	1,400	1,466	(5%)	3,300
- SIMP	('000 MT)	790	809	(2%)	1,834
- Lonsum	('000 MT)	610	657	(7%)	1,466
- External	('000 MT)	335	383	(13%)	848
- SIMP	('000 MT)	251	244	3%	562
- Lonsum	('000 MT)	84	139	(40%)	286
CPO	('000 MT)	350	376	(7%)	840
- SIMP	('000 MT)	192	193	(1%)	442
- Lonsum	('000 MT)	158	183	(14%)	398
PK	('000 MT)	82	92	(11%)	206
- SIMP	('000 MT)	39	41	(6%)	94
- Lonsum	('000 MT)	43	51	(16%)	112
PRODUCTIVITY					
FFB yield – Nucleus	(MT/Ha)	6.6	6.9	↓	15.7
- SIMP	(MT/Ha)	6.3	6.5	↓	14.7
- Lonsum	(MT/Ha)	7.1	7.5	↓	17.1
CPO yield – Nucleus	(MT/Ha)	1.4	1.5	↓	3.4
- SIMP	(MT/Ha)	1.3	1.3	↔	3.0
- Lonsum	(MT/Ha)	1.6	1.7	↓	3.9
CPO extraction rate	(%)	21.4	21.8	↓	21.6
- SIMP	(%)	20.2	20.7	↓	20.6
- Lonsum	(%)	23.0	23.2	↓	22.9
PK extraction rate	(%)	5.0	5.4	↓	5.3
- SIMP	(%)	4.1	4.4	↓	4.4
- Lonsum	(%)	6.3	6.5	↓	6.4

CONTACT US

**Indofood Agri Resources Ltd.
8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818
Tel: +65 6557 2389
Fax: +65 6557 2387**

www.indofoodagri.com

This presentation was prepared solely and exclusively for the parties presently being invited for the purpose of discussion. Neither this presentation nor any of its content may be reproduced, disclosed or used without the prior written consent of Indofood Agri Resources Ltd.

This presentation may contain statements that convey future oriented expectations which represent the Company's present views on the probable future events and financial plans. Such views are presented on the basis of current assumptions, are exposed to various risks, and are subject to considerable changes at any time. Presented assumptions are presumed correct at the, and based on the data available on the, date at which this presentation is assembled. The Company warrants no assurance that such outlook will, in part or as a whole, eventually be materialized. Actual results may diverge significantly from those projected.

© *Indofood Agri Resources Ltd. All rights reserved.*