



Growth • Excellence • Integrity

Kencana Agri Limited



**1H 2022
Performance Review**

Overview of Group's Operations



Plantation and Processing



Location :
Sumatra, Kalimantan, Sulawesi



Palm Oil Mills	: 6
Total Capacity	: 305 MT/hour
Kernel Crushing Plants	: 2
Total Capacity	: 435 MT/day

Products



Main products:
CPO (Crude Palm Oil)
CPKO (Crude Palm Kernel Oil)
PKC (Palm Kernel Cake)
PK (Palm Kernel)

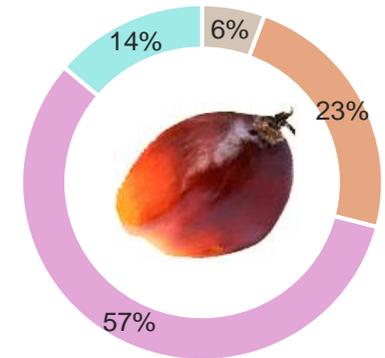
Renewable by-products:
Empty Fruit Bunches, Liquid
Waste, Kernel Shells, Fibre

As announced on 10 February 2022, the Company and its wholly owned subsidiary, PT Sawindo Kencana, completed the sale and purchase of 78.5% of the issued and paid-up share capital of PT Cahaya Permata Gemilang with related parties. Following completion of the disposal, the Group has ceased to have any shareholding interests in PT Cahaya Permata Gemilang and its subsidiaries, PT Listrindo Kencana and PT Energy Karya Persada.

Planted Area



	Immature	%	Young Mature	%	Prime Mature	%	Old Mature	%	Total	%
Nucleus	1,291	2	13,778	27	29,258	57	7,356	14	51,683	100
Plasma	2,540	15	2,170	13	9,699	59	2,059	13	16,468	100
Total	3,831	6	15,948	23	38,957	57	9,415	14	68,151	100



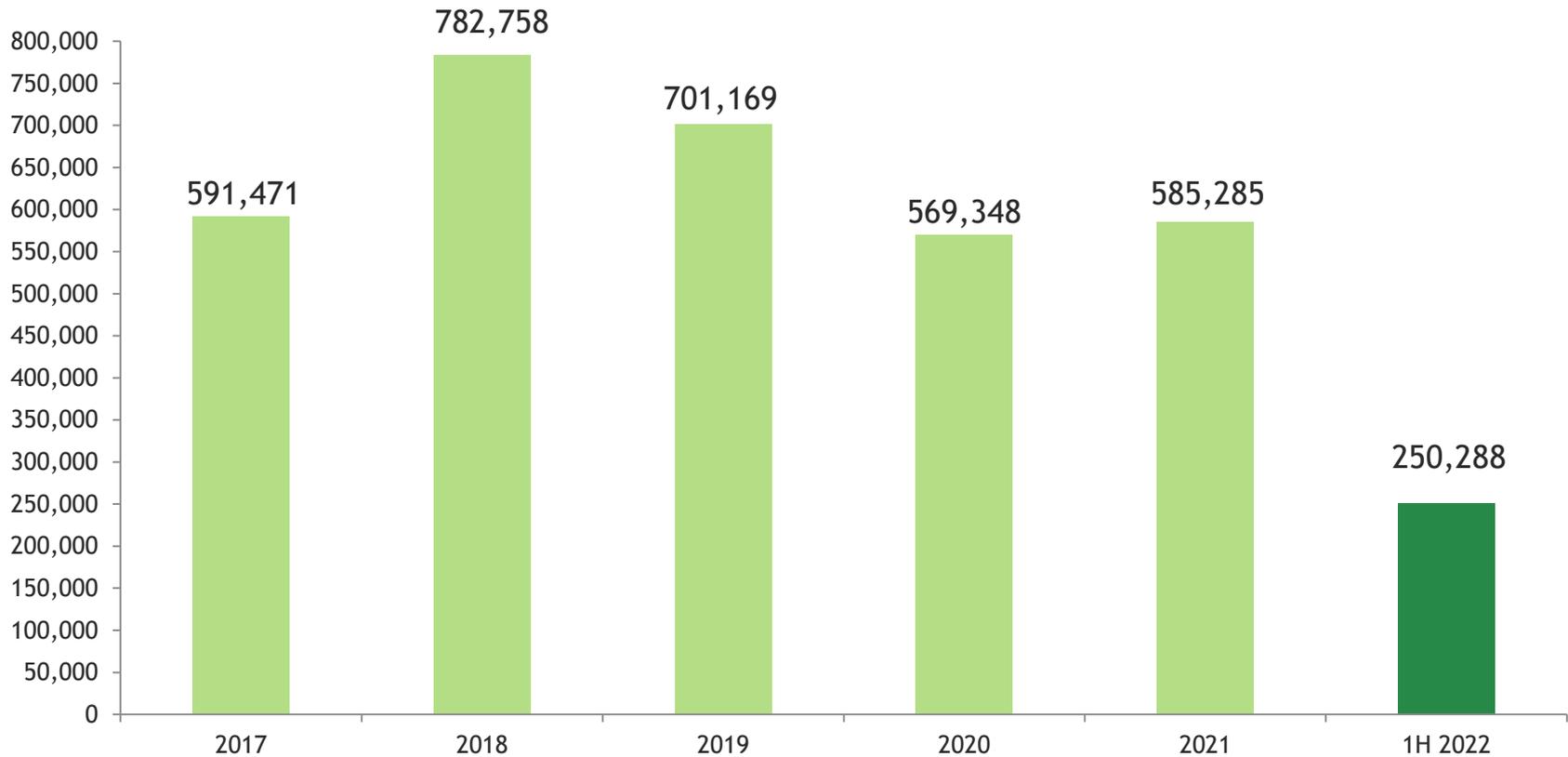
Operational Performance



Production Highlights	1H 2022	1H 2021	Change
FFB Production (MT)	310,965	377,298	-17.6%
- Nucleus	250,288	306,354	-18.3%
- Plasma	60,677	70,944	-14.5%
FFB Processed (MT)	336,304	373,149	-9.9%
- Nucleus	232,143	286,159	-18.9%
- Plasma	55,813	67,700	-17.6%
- External Parties	48,348	19,290	+150.6%
Oil Extraction rates (%)			
- CPO	20.6%	21.0%	-0.4pp
- CPKO	-	-	n/m
Oil Production (MT)			
- CPO (MT)	69,233	78,536	-11.8%
- CPKO (MT)	-	-	n/m
FFB Yield (MT/ha) – Nucleus	5.0	6.4	-21.9%

FFB Production Trend (Nucleus)

MT



Financial Performance



Financial Highlights	1H 2022	1H 2021	Change
Sales Volume (MT)			
- CPO	57,974	85,718	-32.4%
- CPKO	-	-	n/m
Sales Revenue (US\$'000)			
- CPO	54,233	54,078	0%
- CPKO	-	-	n/m
- OTHERS*	14,736	9,757	+51.0%
Average Selling Price (US\$)			
- CPO	935	631	+48.2%
- CPKO	-	-	n/m

*) Others include sales of Kernel, FFB and income from bulking

n/m: not meaningful

Financial Performance



Income Statement Highlights (US\$'000)

	1H 2022	1H 2021	Change
Revenue	68,969	63,835	+8.0%
Gross profit	23,131	22,616	+2.3%
Operating profit	15,874	24,980	-36.5%
Profit/(Loss) before tax from continuing operations	6,003	13,271	-54.8%
Discontinued operations	-	-	n/m
Profit/(Loss) for the period	3,551	10,026	-64.6%
EBITDA	22,150	20,521	+7.9%
Gross margin (%)	33.5	35.4	-1.9pp
Net profit margin (%)	5.1	15.7	-10.6pp
EBITDA margin (%)	32.1	32.1	-

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)

	As at 30 June 2022	As at 31 Dec 2021	Change
Current Assets	126,263	112,903	+11.8%
Non-current Assets	212,790	221,319	-3.9%
Total Assets	339,053	334,222	+1.4%
Current Liabilities	116,054	112,421	+3.2%
Non-current Liabilities	190,161	191,036	-0.5%
Total Liabilities	306,215	303,457	+0.9%
Shareholders' Equity	32,838	30,765	+6.7%
Net Debt/Equity Ratio (x)	6.1	6.9	-11.6%
Net Debt/Total Assets (x)	0.6	0.6	-
Net Debt/EBITDA (x)	8.9	4.9	+81.6%
EBITDA/Interest Expense (x)	3.0	2.6	+15.4%

Financial Performance



Cash Flow (US\$'000)

	1H 2022	1H 2021	Change
Cash at beginning of period	2,942	3,626	-18.9%
Net cash from operating activities	23,737	17,663	+34.4%
Net cash used in investing activities	(6,046)	(1,432)	+322.2%
Net cash used in financing activities	(18,181)	(14,232)	+27.7%
Net (decrease)/increase in cash	(490)	1,999	n/m
Net effect of exchange rate changes on cash and cash equivalents	594	(123)	n/m
Cash at end of period	3,046	5,502	-44.6%

- ✿ Since the government has gradually removed the restrictions, the Group will continue to assess COVID-19 situation from time to time and tighten the health protocol in accordance with existing Standard Operating Procedures whenever necessary, to ensure the health and safety of the workers and their families.



Thank You

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