

# COMPANY PRESENTATION FY 2022 RESULTS

28 February 2023



a subsidiary of:

**Indofood**  
THE SYMBOL OF QUALITY FOODS

**INDOFOOD AGRI RESOURCES Ltd.**



# **PRESENTATION OUTLINE**



**1** **Plantation Highlights**



**2** **Financial Highlights**



**3** **Strategies and Expansion**





# **PLANTATION HIGHLIGHTS**

# Plantation Area

**Planted Area (in Ha)**      **31 Dec 2022**   **31 Dec 2021**

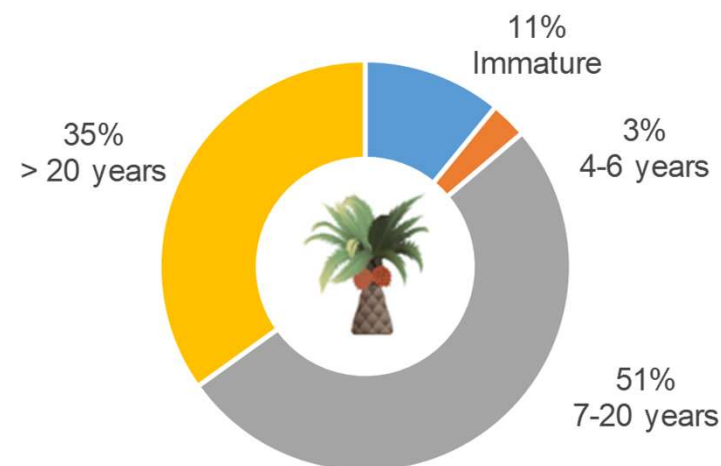
## Indonesia - Nucleus

<b>Total Planted Area</b>	<b>294,488</b>	<b>300,749</b>
<b>Planted Oil Palm</b>	<b>244,768</b>	<b>250,615</b>
SIMP	153,617	156,762
Lonsum	91,151	93,853
<b>Planted Other Crops</b>		
Rubber	16,074	16,228
Sugar cane	14,056	14,411
Others - timber, cocoa, tea	19,590	19,495

## Brazil

Sugar cane <sup>#</sup>	119,693	114,152
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**Oil palm average age ≈ 18 years**



\* As at 31 Dec 2022, oil palm plasma partnership was 87,292 ha

# For the planted sugar cane areas as of Dec 2022, 49% of owned by CMAA and 51% contracted 3rd party farmers

# Oil Palm Plantation Highlights

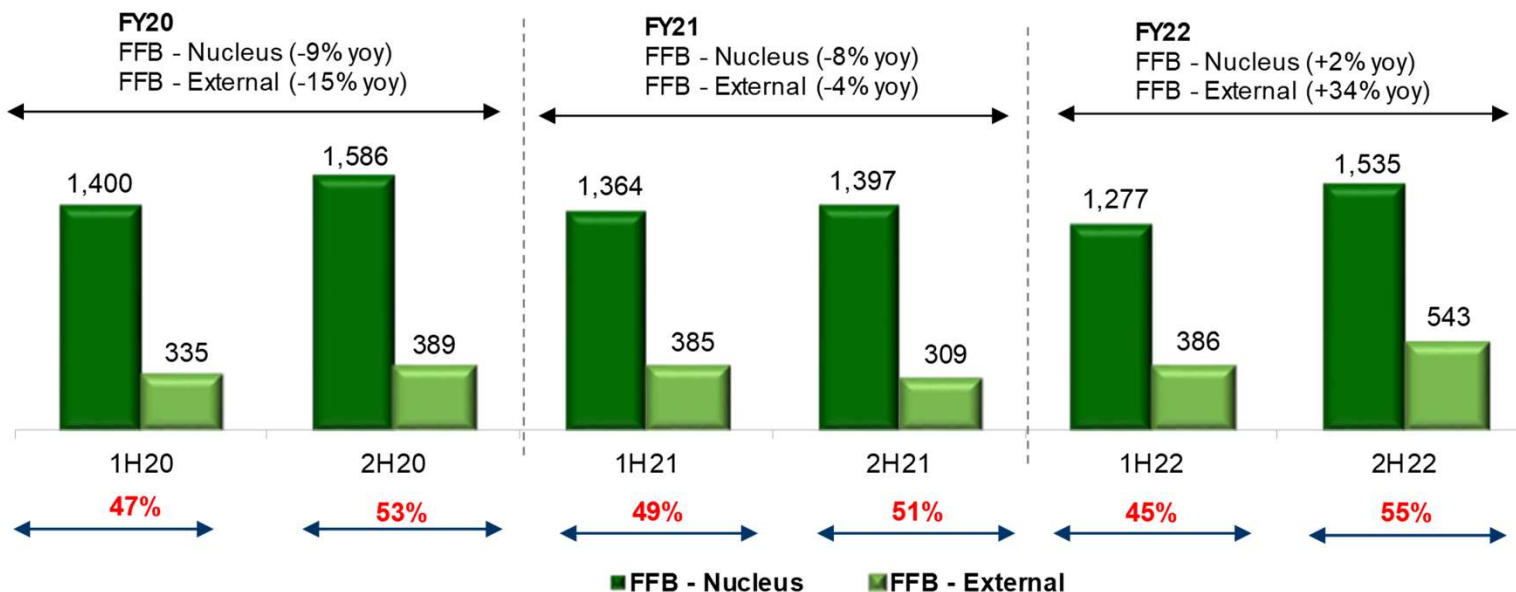
- A strong 10% recovery in FFB nucleus production in 2H22, leading to FY22 growth of 2%.
- This, coupled with higher purchases of FFB from external parties, enabled CPO production to grow strongly by 20% in 2H22 and 7% for FY22, respectively.

		FY22	FY21	△	2H22	2H21	△
<b><u>Production</u></b>							
Mature area	(Ha)	218,064	214,053		218,064	214,053	
FFB	('000 MT)	3,741	3,455	8%	2,078	1,706	22%
Nucleus	('000 MT)	2,812	2,761	2%	1,535	1,397	10%
External	('000 MT)	929	694	34%	543	309	76%
CPO	('000 MT)	736	687	7%	409	342	20%
PK	('000 MT)	180	168	7%	103	84	23%
<b><u>Productivity</u></b>							
CPO extraction rate (%)		20.9	21.0	↓	20.8	21.0	↓
PK extraction rate (%)		5.1	5.1	↔	5.2	5.1	↑

# Oil Palm Production Trends

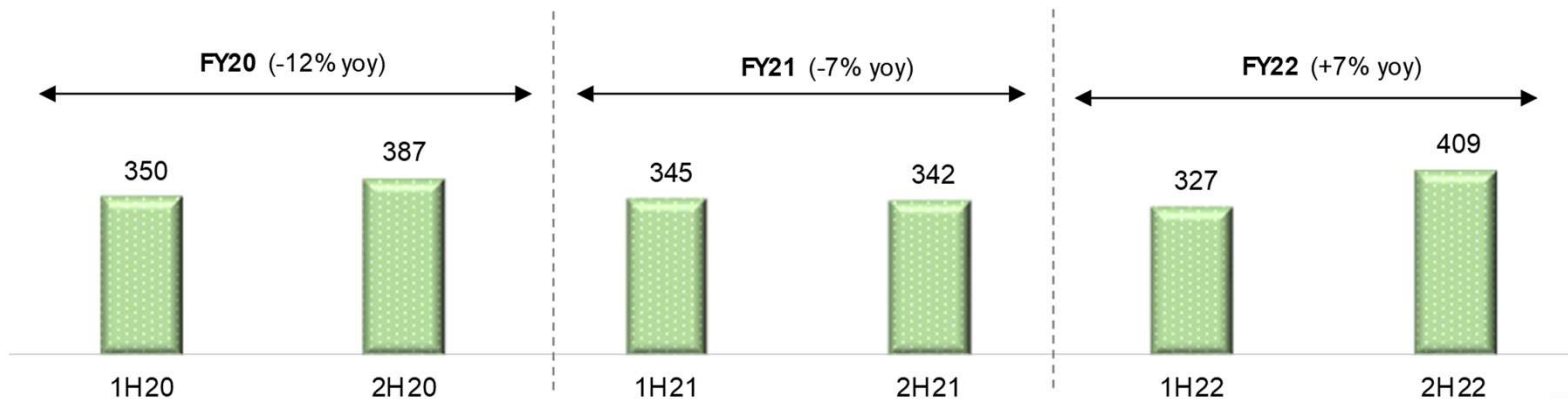
## FFB Production

'000 MT



## CPO Production

'000 MT



# Sugar Plantation Highlights

Indonesia	FY22	FY21	△	2H22	2H21	△
Planted area (Ha)	14,056	14,411		14,056	14,411	
Sugar cane harvested ('000 MT) <sup>(1)</sup>	890	914	(3%)	489	521	(6%)
Sugar production ('000 MT) <sup>(2)</sup>	57	57	(0%)	33	33	(1%)

Brazil	FY22	FY21	△	2H22	2H21	△
Planted area (Ha)	119,693	114,152		119,693	114,152	
Sugar cane harvested ('000 MT)	8,228	7,794	6%	5,078	4,107	24%
Raw sugar production ('000 MT)	650	570	14%	429	322	33%
Ethanol ('000 M <sup>3</sup> )	303	312	(3%)	187	173	8%

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

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



# **FINANCIAL HIGHLIGHTS**

# Sales Volume Plantation

- Higher sales volume of palm products in 2H22 was in line with higher production.
- Despite this, FY22 sales volume of palm products remained flattish partly due to a net build-up of 40,000 tonnes of CPO stock.
- Sales volume of oil palm seeds recovered strongly, increasing 47% yoy to 9.3m in FY22.

In '000 MT	FY22	FY21	△	2H22	2H21	△
CPO	701	698	1%	406	355	15%
PK products - PK, PKO, PKE	166	162	2%	104	79	32%
Oil palm seeds ('million)	9.3	6.3	47%	4.7	3.7	27%

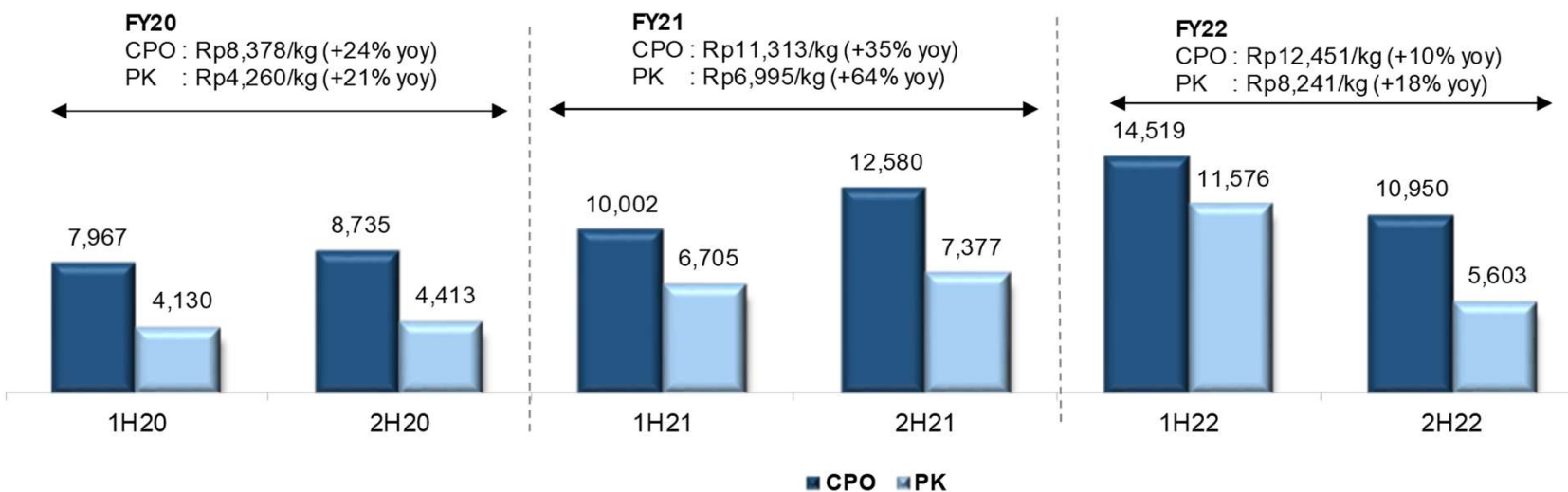
*Note: Sales volume before elimination of inter-segment sales*

\* 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

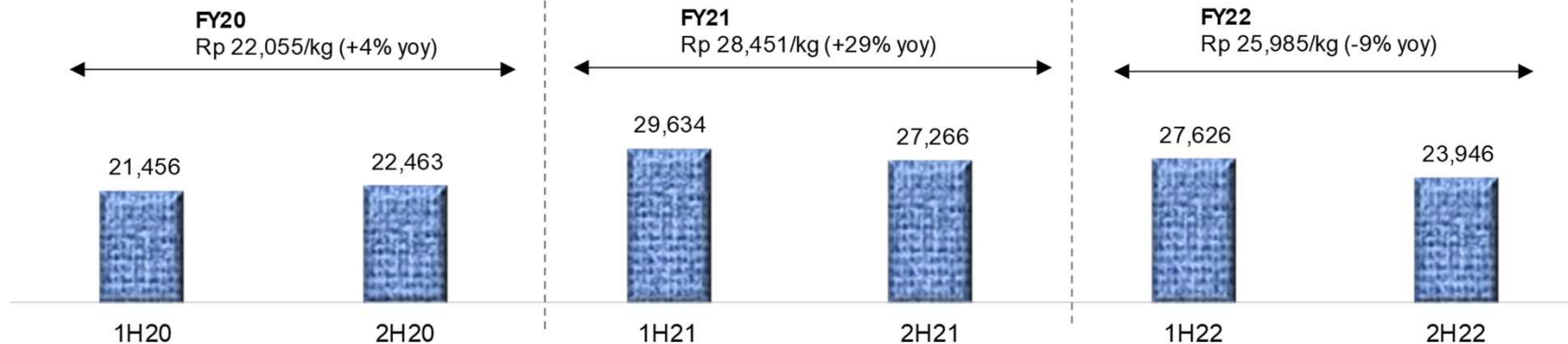
## CPO and PK - ASP

Rp/kg



## Rubber - ASP

Rp/kg



# Financial Summary

- Sales declined in 2H22 and FY22 on lower sales volume of EOF products.
- Lower net profit in 2H22 was mainly due to lower palm prices and higher production costs.
- Despite lower gross profit, FY22 net profit increased by 2% due to lower sales and distribution expenses, and lower impairment and write-off of property, plant and equipment.

In Rp Bn	FY22	FY21 (Restated)	△	2H22	2H21 (Restated)	△
Sales	17,797	19,659	(10%)	9,724	10,701	(9%)
Gross profit	4,559	5,073	(10%)	2,396	3,050	(21%)
Adjusted EBITDA <sup>(1)</sup>	4,530	4,465	1%	2,510	2,668	(6%)
Net profit after tax	1,318	1,287	2%	776	971	(20%)
Core profit <sup>(2)</sup>	1,965	1,781	10%	1,149	1,306	(12%)
Attributable profit	770	759	1%	518	606	(15%)
EPS (fully diluted) - Rp	552	544	2%	371	434	(14%)
Gross profit margin	26%	26%	↔	25%	28%	↓
EBITDA margin	25%	23%	↑	26%	25%	↑
Net profit margin	7%	7%	↔	8%	9%	↓
Attributable profit margin	4%	4%	↔	5%	6%	↓

(1) EBITDA excluding forex, FV gain on biological assets and impairment of property, plant and equipment (PPE).

(2) NPAT before accounting for the effects of forex, FV gain on biological assets, ECL for plasma receivables, impairment of PPE, impairment of goodwill, adjustment of deferred tax due to changes in tax rate and rationalisation costs.

# Segmental Results

- Despite higher palm prices and cost control measures, Plantation Division reported lower profitability due to a net build-up of 40,000 tonnes of CPO stock and higher palm production costs.
- The downstream refinery delivered higher profitability as a result of competitive pricing strategies, despite lower sales volume and higher CPO input costs.

In Rp Bn	FY22	FY21 (Restated)	△	2H22	2H21 (Restated)	△
<b><u>Sales</u></b>						
Plantations	11,727	10,561	11%	6,072	5,939	2%
Edible oils & fats	12,679	16,276	(22%)	6,571	8,811	(25%)
Elimination & adjustments	(6,609)	(7,178)	(8%)	(2,919)	(4,049)	(28%)
<b>Total</b>	<b>17,797</b>	<b>19,659</b>	<b>(10%)</b>	<b>9,724</b>	<b>10,701</b>	<b>(9%)</b>

## **Adjusted EBITDA**

Plantations	3,546	3,823	(7%)	1,516	2,241	(32%)
<i>EBITDA %</i>	<b>30%</b>	<b>36%</b>		<b>25%</b>	<b>38%</b>	
Edible oils & fats	996	632	58%	724	359	102%
<i>EBITDA %</i>	<b>8%</b>	<b>4%</b>		<b>11%</b>	<b>4%</b>	
Elimination & adjustments <sup>(1)</sup>	(12)	10	n/m	270	68	297%
<b>Total</b>	<b>4,530</b>	<b>4,465</b>	<b>1%</b>	<b>2,510</b>	<b>2,668</b>	<b>(6%)</b>

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office income/(expenses).

# Financial Position

Balance sheet (In Rp Bn)	31-Dec-22	31-Dec-21 (Restated)
<b>Total Assets</b>	<b>38,266</b>	<b>37,636</b>
Cash	4,422	3,764
<b>Total Liabilities</b>	<b>15,114</b>	<b>16,200</b>
Interest bearing debt	9,144	10,334
<b>Total Equity*</b>	<b>23,152</b>	<b>21,436</b>
Net debt / EBITDA ratio	1.04x	1.46x
Net debt / Total equity ratio	0.20x	0.31x
Net assets value per share (in Rupiah)	9,241	8,310
Net assets value per share (in SGD) **	0.79	0.71

Cash flow (In Rp Bn)	FY22	FY21 (Restated)
Net cash flow generated from operating activities	3,590	3,724
Net cash flow used in investing activities	(1,424)	(1,327)
Net cash flow used in financing activities	(1,628)	(1,088)
<b>Net increase in cash &amp; cash equivalents</b>	<b>539</b>	<b>1,308</b>
Net effect of changes in forex	120	9
Cash & cash equivalent - Beginning	3,764	2,446
<b>Cash &amp; cash equivalent - Ending</b>	<b>4,422</b>	<b>3,764</b>



# STRATEGIES & EXPANSION

# Key Strategies in 2023

## Plantation

- Continue to prioritise our capital expenditure on replanting older palms and critical infrastructure;
- Improving FFB yields through active crop management and explore relevant innovations and mechanisation programmes to raise plantation productivity; and
- Continue to focus on cost control improvements and drive greater efficiency through digitalisation and streamlining of work processes.



## Edible oils & fats

- Focus on the growth of EOF sales volumes through competitive pricing strategies;
- Continue to rejuvenate the formats and packaging designs of our cooking oils to cater to evolving consumer needs;
- To drive volume through higher promotion frequency and depth;
- Efforts will be supported by targeted advertising campaigns; and
- Packaging designs will be enhanced with auto-sealing mechanisms.





# CONTACT US

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