



Growth • Excellence • Integrity

**Kencana Agri Limited**



**1H2020  
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

## Supporting Business



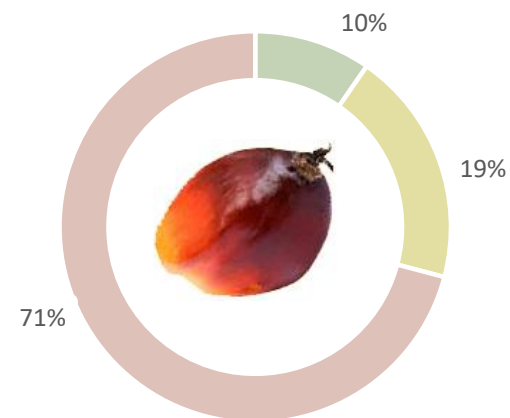
Biomass Power Plant - 3  
Total Capacity : 19.5 MW

*As announced on 12 December 2019, 23 January 2020, 24 March 2020 and 5 May 2020, the Company and its wholly owned subsidiary, PT Sawindo Kencana, entered into a Conditional Share Sale and Purchase Agreement with a related party, PT Kencana Energi Lestari Tbk. for the sale and purchase of 78.5% of the issued and paid-up share capital of PT Cahaya Permata Gemilang.*

# Planted Area



	Immature	%	Young Mature	%	Prime Mature	%	Total	%
Nucleus	3,899	8	11,268	22	36,513	71	51,680	100
Plasma	2,680	16	1,998	12	11,792	72	16,470	100
Total	6,579	10	13,266	19	48,305	71	68,150	100



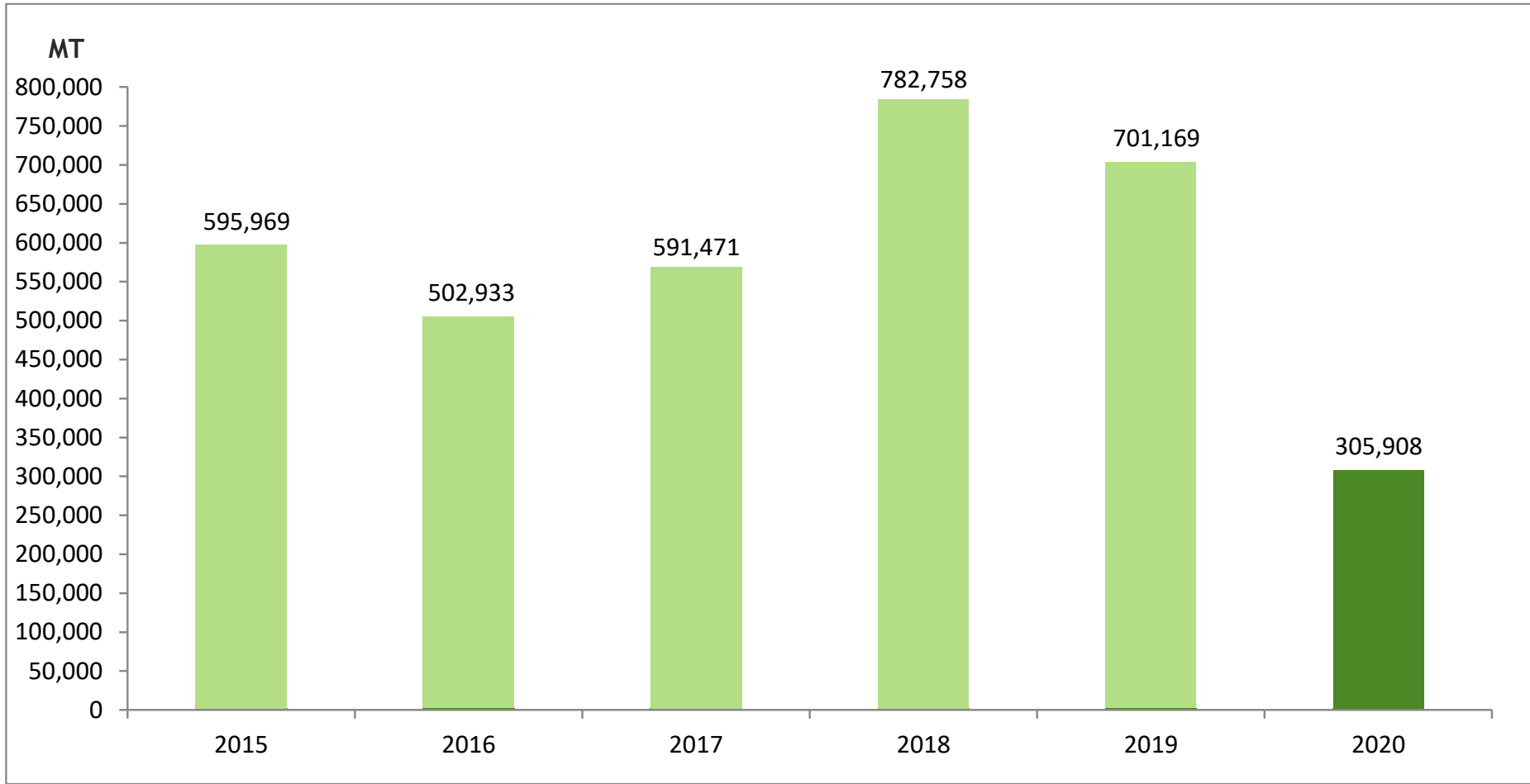
# Operational Performance



<b>Production Highlights</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>Change</b>
<b>FFB Production (MT)</b>	<b>377,931</b>	<b>383,687</b>	<b>-1.5%</b>
- Nucleus	305,908	299,983	+2.0%
- Plasma	72,023	83,704	-14.0%
<b>FFB Processed (MT)</b>	<b>370,308</b>	<b>394,910</b>	<b>-6.2%</b>
- Nucleus	286,691	284,930	+0.6%
- Plasma	68,613	82,757	-17.1%
- External Parties	15,004	27,223	-44.9%
<b>Oil Extraction rates (%)</b>			
- CPO	22.3%	20.7%	+1.6%
- CPKO	-	-	n/m
<b>Oil Production (MT)</b>			
- CPO (MT)	82,669	81,683	+1.2%
- CPKO (MT)	-	-	n/m
<b>FFB Yield (MT/ha) – Nucleus</b>	<b>6.4</b>	<b>6.3</b>	<b>+1.7%</b>



## FFB Production Trend (Nucleus)



# Financial Performance



<b>Financial Highlights</b>	<b>1H 2020</b>	<b>1H 2019</b>	<b>Change</b>
<b>Sales Volume (MT)</b>			
- CPO	99,917	90,226	+10.7%
- CPKO	-	-	n/m
<b>Sales Revenue (US\$'000)</b>			
- CPO	54,180	39,385	+37.6%
- CPKO	-	-	n/m
- OTHERS*	7,504	6,291	+19.3%
<b>Average Selling Price (US\$)</b>			
- CPO	542	437	+24.0%
- CPKO	-	-	n/m

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

# Financial Performance



## Income Statement Highlights (US\$'000)

	1H 2020	1H 2019	Change
Revenue	61,684	45,676	+35.0%
Gross profit	19,680	4,594	+328.4%
Operating profit	14,005	3,784	+270.1%
Gain/(Loss) before tax from continuing operations	1,074	(929)	n/m
Discontinued operations	-	(463)	n/m
Profit/(Loss) for the period	408	(1,757)	n/m
EBITDA	17,649	10,593	+66.6%
Gross margin (%)	31.9	10.1	+21.8pp
Net profit margin (%)	0.7	-3.8	+4.5pp
EBITDA margin (%)	28.6	23.2	+5.4pp

n/m: not meaningful

# Financial Performance



## Balance Sheet Highlights (US\$'000)

	As at 30 June 2020	As at 31 Dec 2019	Change
<b>Current Assets</b>	87,108	93,351	-6.7%
<b>Non-current Assets</b>	252,622	265,145	-4.7%
<b>Total Assets</b>	339,730	358,496	-5.2%
<b>Current Liabilities</b>	120,711	147,761	-18.3%
<b>Non-current Liabilities</b>	208,879	200,879	+4.0%
<b>Total Liabilities</b>	329,590	348,640	-5.5%
<b>Shareholders' Equity</b>	10,140	9,856	2.9%
<b>Net Debt/Equity Ratio (x)</b>	22.9	24.0	-4.6%
<b>Net Debt/Total Assets (x)</b>	0.7	0.7	n/m
<b>Net Debt/EBITDA (x)</b>	13.1	9.9	32.3%
<b>EBITDA/Interest Expense (x)</b>	2.0	1.2	66.7%

n/m: not meaningful



# Financial Performance



## Cash Flow (US\$'000)

	1H 2020	1H 2019	Change
Cash at beginning of period	12,028	16,789	-28.4%
Net cash from operating activities	11,928	14,549	-18.0%
Net cash used in investing activities	(710)	(3,413)	-79.2%
Net cash used in financing activities	(14,628)	(13,284)	+10.1%
Net decrease in cash	(3,410)	(2,148)	+58.7%
Net effect of exchange rate changes on cash and cash equivalents	(922)	417	n/m
Cash at end of period	7,696	15,058	-48.9%

n/m: not meaningful

- 🌿 No cases of Covid-19 within the Group to date.
- 🌿 Standard Operating Procedures have been set up to address and mitigate the spread of Covid-19.
  - 🌿 Routine temperature taking
  - 🌿 Provision of hand sanitizers, face masks and face shields
  - 🌿 Restrictions in business travel
  - 🌿 Restrictions of access to offices and sites
  - 🌿 Conduct meetings electronically
  - 🌿 Observe social distancing
  - 🌿 Work from home arrangements
  - 🌿 Staggered working hours
  - 🌿 Disinfection of workspace regularly
  - 🌿 Regular briefings on personal hygiene



# Thank You

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