



Growth • Excellence • Integrity

Kencana Agri Limited



**1H2019
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

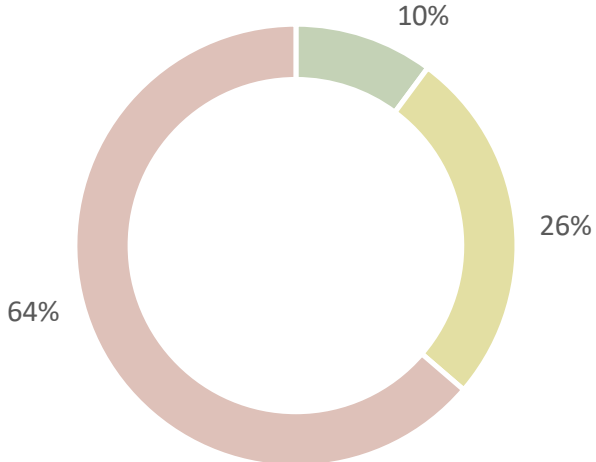


Biomass Power Plant - 3
Total Capacity : 19.5 MW

Planted Area



	Immature	%	Young Mature	%	Prime Mature	%	Total	%
Nucleus	5,125	10	14,934	28	32,770	62	52,829	100
Plasma	1,765	12	2,751	18	10,377	70	14,893	100
Total	6,890	10	17,685	26	43,147	64	67,722	100

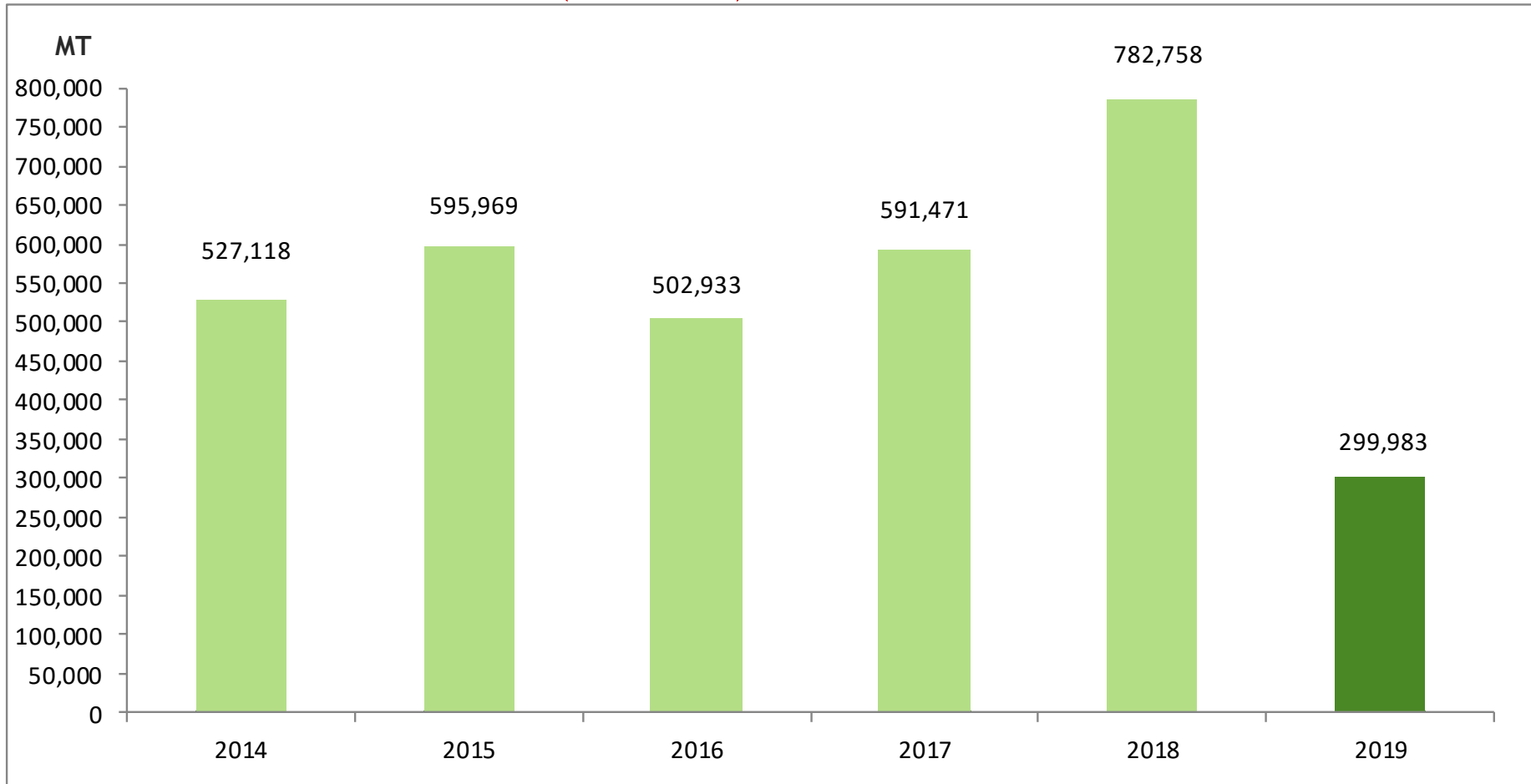


Operational Performance



Production Highlights	2Q 2019	2Q 2018	Change	1H 2019	1H 2018	Change
FFB Production (MT)	194,443	256,933	-24.3%	383,687	398,959	-3.8%
- Nucleus	153,571	203,320	-24.5%	299,983	312,591	-4.0%
- Plasma	40,872	53,613	-23.8%	83,704	86,368	-3.1%
FFB Processed (MT)	202,662	256,711	-21.1%	394,910	393,231	+0.4%
- Nucleus	147,172	180,349	-18.4%	284,930	278,559	+2.3%
- Plasma	40,368	51,102	-21.0%	82,757	82,269	+0.6%
- External Parties	15,122	25,260	-40.1%	27,223	32,403	-16.0%
Oil Extraction rates (%)						
- CPO	20.2%	20.2%	-0.0pp	20.7%	20.4%	+0.3pp
- CPKO	-	-	n/m	-	-	n/m
Oil Production (MT)						
- CPO (MT)	40,854	51,833	-21.2%	81,683	80,069	+2.0%
- CPKO (MT)	-	-	n/m	-	-	n/m
FFB Yield (MT/ha) - Nucleus	3.2	4.3	-25.6%	6.3	6.6	-4.5%

FFB Production Trend (Nucleus)



Financial Highlights

	2Q 2019	2Q 2018	Change	1H 2019	1H 2018	Change
Sales Volume (MT)						
- CPO	49,240	42,338	+16.3%	90,226	81,611	+10.6%
- CPKO	-	-	n/m	-	-	n/m
Sales Revenue (US\$'000)						
- CPO	21,994	23,415	-6.1%	39,385	46,948	-16.1%
- CPKO	-	-	n/m	-	-	n/m
- OTHERS*	3,181	5,926	-46.3%	6,291	10,383	-39.4%
Average Selling Price (US\$)						
- CPO	447	553	-19.2%	437	575	-24.0%
- CPKO	-	-	-	n/m	-	-

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

Financial Performance



Income Statement Highlights (US\$'000)

	2Q 2019	2Q 2018	Change	1H 2019	1H 2018	Change
Revenue	25,175	29,341	-14.2%	45,676	57,331	-20.3%
Gross profit	1,706	7,073	-75.9%	4,594	7,185	-36.1%
Operating profit	967	5,668	-82.9%	3,784	2,525	+49.9%
Loss before tax	(2,848)	(8,863)	-67.9%	(1,392)	(20,758)	-93.3%
Net loss for the period	(2,359)	(7,603)	-69.0%	(1,757)	(17,449)	-89.9%
EBITDA	4,006	(2,405)	n/m	10,593	(5,397)	n/m
Gross margin (%)	6.8	24.1	-17.3pp	10.1	12.5	-2.4pp
Net profit margin (%)	-9.4	-25.9	+16.5pp	-3.8	-30.4	+26.6pp
EBITDA margin (%)	15.2	-8.2	n/m	22.8	-9.4	n/m

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)

	As at 30 Jun 2019	As at 31 Dec 2018	Change
Current Assets	72,876	69,215	+5.3%
Non-current Assets	288,298	288,114	+0.1%
Total Assets	361,174	357,329	+1.1%
Current Liabilities	126,716	132,337	-4.2%
Non-current Liabilities	213,753	202,848	+5.4%
Total Liabilities	340,469	335,185	+1.6%
Shareholders' Equity	20,705	22,144	-6.5%
Net Debt/Equity Ratio (x)	12.3	11.5	+7.0%
Net Debt/Total Assets (x)	0.7	0.7	n/m
Net Debt/EBITDA (x)	24.1	21.2	+13.7%
EBITDA/Interest Expense (x)	1.0	0.6	+66.7%

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)

	1H2019	1H2018	Change
Cash at beginning of period	16,789	16,692	+0.6%
Net cash from operating activities	14,549	10,762	+35.2%
Net cash used in investing activities	(3,413)	(6,384)	-46.5%
Net cash used in financing activities	(13,284)	(1,330)	+898.8%
Net (decrease)/increase in cash	(2,148)	3,048	n/m
Net effect of exchange rate changes on cash and cash equivalents	417	(1,034)	n/m
Cash at end of period	15,058	18,706	-19.5%

n/m: not meaningful



Thank You

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