



Growth • Excellence • Integrity

Kencana Agri Limited



**1Q2019
Performance Review**

Overview of Group's Operations



Plantation and Processing



Location :
Sumatra, Kalimantan, Sulawesi



Palm Oil Mills	: 5
Total Capacity	: 275 MT/hour
Palm Oil Mill under construction	: 1
Total Capacity	: 30 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

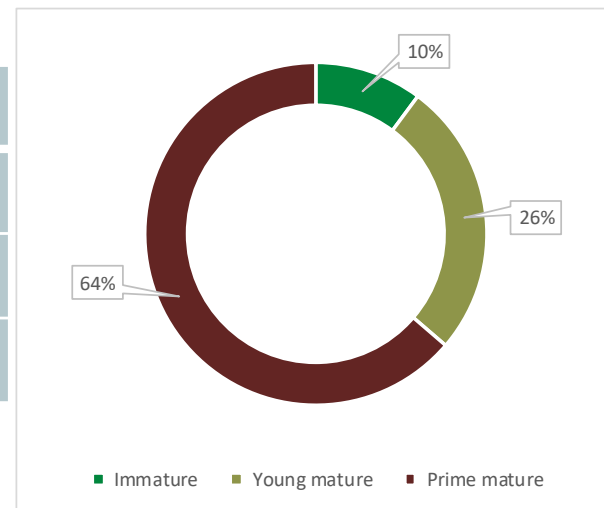


Biomass Power Plant - 3
Total Capacity : 19.5 MW

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	20	90,377	70	14,893	100
Total	6,890	10	17,685	26	43,147	64	67,722	100

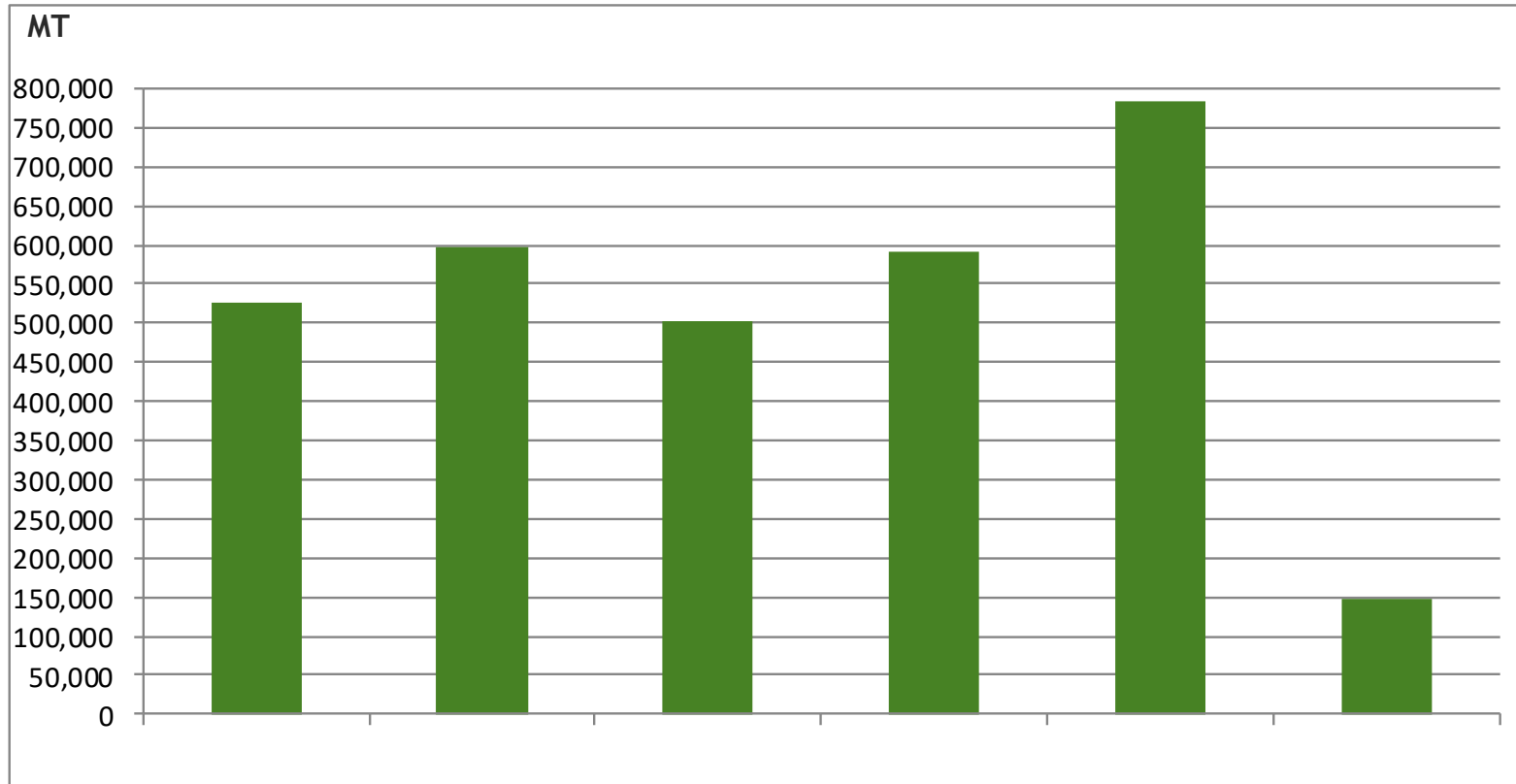


Operational Performance



Production Highlights	1Q2019	1Q2018	Change
FFB Production (MT)	189,244	142,027	33.2%
- Nucleus	146,412	109,271	34.0%
- Plasma	42,832	32,756	30.8%
FFB Processed (MT)	192,249	136,519	40.8%
- Nucleus	137,758	98,210	40.3%
- Plasma	42,389	31,166	36.0%
- External Parties	12,102	7,143	69.4%
Oil Extraction rates (%)			
- CPO	21.2%	20.7%	+0.6pp
- CPKO	-	-	n/m
Oil Production (MT)			
- CPO (MT)	40,829	28,236	+44.6%
- CPKO (MT)	-	-	n/m
FFB Yield (MT/ha) – Nucleus	3.1	2.3	+34.8%

FFB Production Trend (Nucleus)



2014	2015	2016	2017	2018	1Q 2019
527,118	595,696	502,933	591,471	782,758	146,412

Financial Performance



Financial Highlights	1Q2019	1Q2018	Change
Sales Volume (MT)			
- CPO	40,986	39,273	4.4%
- CPKO	-	-	n/m
Sales Revenue (US\$'000)			
- CPO	17,391	23,533	-26.1%
- CPKO	-	-	n/m
- OTHERS*	3,110	4,457	-30.2%
Average Selling Price (US\$)			
- CPO	424	599	-29.2%
- CPKO	-	-	n/m

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

Financial Performance



Income Statement Highlights (US\$'000)	1Q2019	1Q2018	Change
Revenue	20,501	27,990	-26.8%
Gross profit	2,888	112	2478.6%
Operating profit	2,817	(3,143)	n/m
Profit/(loss) before tax	1,456	(11,895)	n/m
Profit/(loss) for the year	602	(9,846)	n/m
EBITDA	6,587	(2,992)	n/m
Gross margin (%)	14.1	0.4	-13.7pp
Net profit margin (%)	2.9	-35.2	n/m
EBITDA margin (%)	32.1	-10.7	n/m

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)	As at 31 Mar 2019	As at 31 Dec 2018	Change
Current Assets	66,136	69,215	-4.4%
Non-current Assets	287,223	288,114	-0.3%
Total Assets	353,359	357,329	-1.1%
Current Liabilities	134,477	132,337	1.6%
Non-current Liabilities	195,918	202,848	-3.4%
Total Liabilities	330,395	335,185	-1.4%
Shareholders' Equity	22,964	22,144	3.7%
Net Debt/Equity Ratio (%)	1,115.9	1,148.0	-32.1pp
Net Debt/Total Assets (%)	72.5	71.1	+1.4pp
Net Debt/EBITDA (x)	38.9	21.2	n/m
EBITDA/Interest Expense (x)	1.4	0.6	+133%

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)	1Q2019	1Q2018	Change
Cash at beginning of year	16,789	16,692	0.6%
Net cash from operating activities	5,990	1,885	217.8%
Net cash used in investing activities	(1,607)	(4,132)	-61.1%
Net cash used in financing activities	(8,001)	(912)	777.3%
Net increase in cash	(3,618)	(3,159)	14.5%
Net effect of exchange rate changes on cash and cash equivalents	289	(263)	n/m
Cash at end of year	13,460	13,270	1.4%

n/m: not meaningful



Thank You

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