



Growth • Excellence • Integrity

Kencana Agri Limited



**9M2019
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

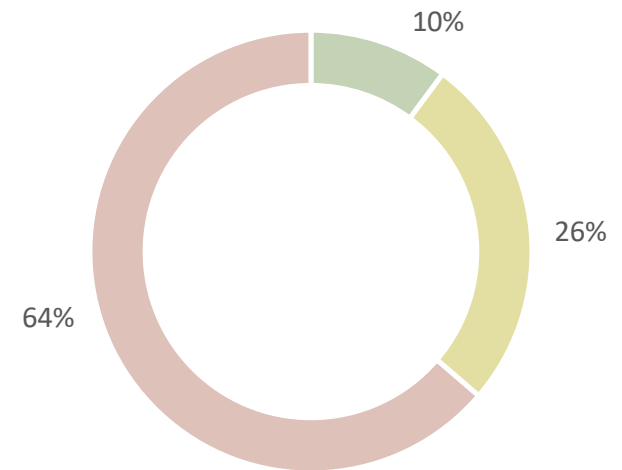


Biomass Power Plant - 3
Total Capacity : 19.5 MW

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

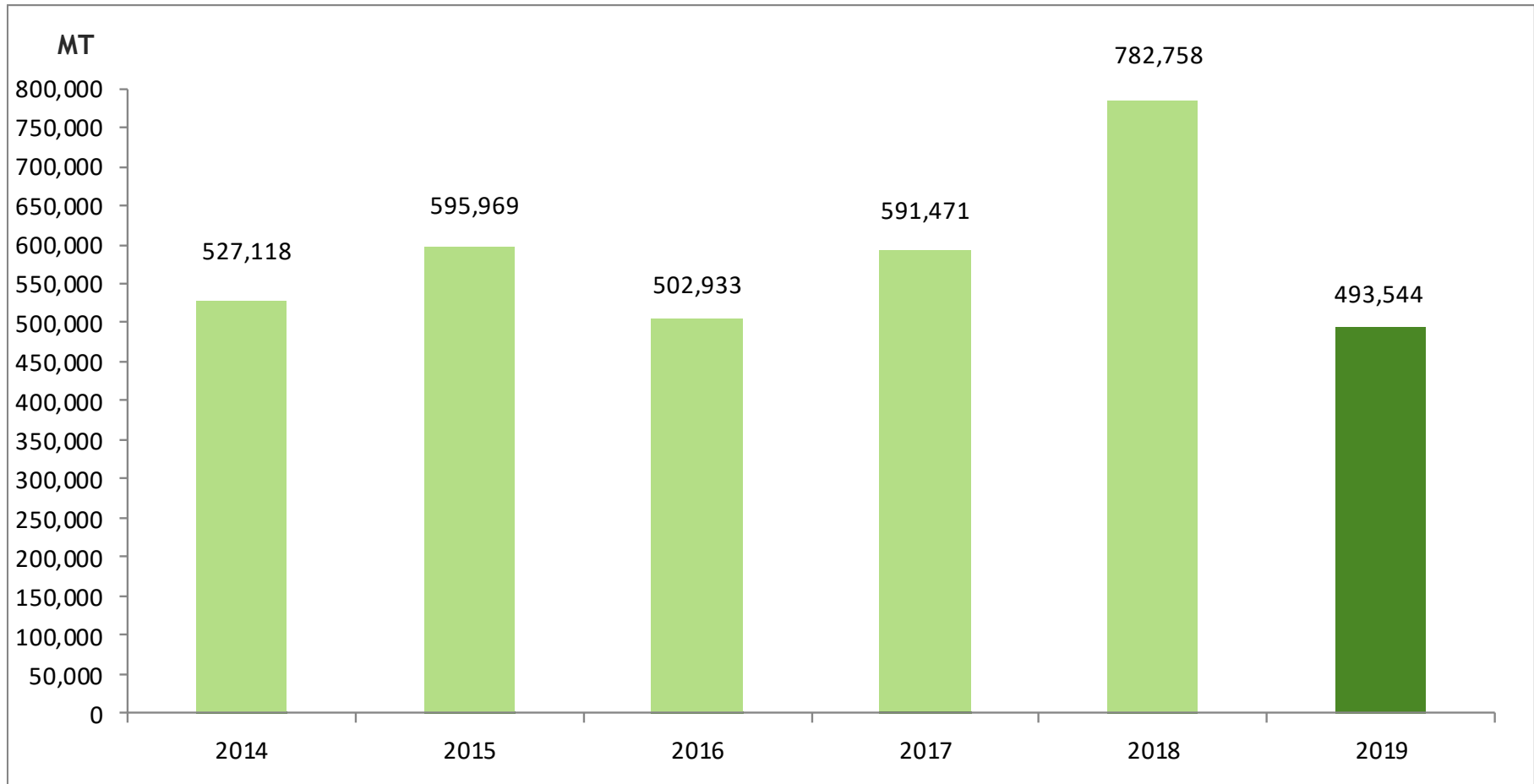


Operational Performance



Production Highlights	3Q 2019	3Q 2018	Change	9M 2019	9M 2018	Change
FFB Production (MT)	243,838	317,138	-23.1%	627,525	716,098	-12.4%
- Nucleus	193,561	253,165	-23.5%	493,544	565,756	-12.8%
- Plasma	50,277	63,973	-21.4%	133,981	150,342	-10.9%
FFB Processed (MT)	248,518	318,868	-22.1%	643,428	712,099	-9.6%
- Nucleus	186,047	239,536	-22.3%	470,977	518,094	-9.1%
- Plasma	49,683	63,085	-21.2%	132,440	145,354	-8.9%
- External Parties	12,788	16,247	-21.3%	40,011	48,651	-17.8%
Oil Extraction rates (%)						
- CPO	21.0%	19.7%	+1.3pp	20.7%	20.1%	+0.6pp
- CPKO	-	-	n/m	-	-	n/m
Oil Production (MT)						
- CPO (MT)	52,168	62,926	-17.1%	133,851	142,995	-6.4%
- CPKO (MT)	-	-	n/m	-	-	n/m
FFB Yield (MT/ha) - Nucleus	4.1	5.4	-24.1%	10.3	12.1	-14.9%

FFB Production Trend (Nucleus)



Financial Performance



Financial Highlights

	3Q 2019	3Q 2018	Change	9M 2019	9M 2018	Change
Sales Volume (MT)						
- CPO	51,283	57,423	-10.7%	141,510	139,034	+1.8%
- CPKO	-	-	n/m	-	-	n/m
Sales Revenue (US\$'000)						
- CPO	22,135	28,650	-22.7%	61,520	75,598	-18.6%
- CPKO	-	-	n/m	-	-	n/m
- OTHERS*	2,841	5,780	-50.8%	9,132	16,163	-43.5%
Average Selling Price (US\$)						
- CPO	432	499	-13.4%	435	544	-20.0%
- CPKO	-	-	n/m	-	-	n/m

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

Financial Performance



Income Statement Highlights (US\$'000)

	3Q 2019	3Q 2018 Restated	Change	9M 2019	9M 2018 Restated	Change
Revenue	24,976	33,894	-26.3%	70,652	91,225	-22.6%
Gross profit	6,648	10,759	-38.2%	11,242	17,944	-37.3%
Operating profit	3,653	4,097	-10.8%	7,437	6,622	+12.3%
Loss before tax	(1,231)	(7,393)	-83.3%	(2,623)	(28,151)	-90.7%
Net loss for the period	(1,228)	(6,338)	-80.6%	(2,985)	(23,787)	-87.5%
EBITDA	7,991	3,951	102.3%	18,584	(1,446)	n/m
Gross margin (%)	26.6	31.7	-5.1pp	15.9	19.7	-3.8pp
Net profit margin (%)	-4.9	-18.7	+13.8pp	-4.2	-26.1	+21.9pp
EBITDA margin (%)	32.0	11.6	+20.3pp	26.3	-1.6	n/m

n/m: not meaningful

Financial Performance



Balance Sheet Highlights (US\$'000)	As at 30 Sep 2019	As at 31 Dec 2018	Change
Current Assets	66,521	69,215	-3.9%
Non-current Assets	285,963	288,114	-0.7%
Total Assets	352,484	357,329	-1.4%
Current Liabilities	129,113	132,337	-2.4%
Non-current Liabilities	203,923	202,848	+0.5%
Total Liabilities	333,036	335,185	-0.6%
Shareholders' Equity	19,448	22,144	-12.2%
Net Debt/Equity Ratio (x)	12.9	11.5	+12.2%
Net Debt/Total Assets (x)	0,7	0.7	n/m
Net Debt/EBITDA (x)	13.5	21.2	-36.3%
EBITDA/Interest Expense (x)	1.2	0.6	+100.0%

n/m: not meaningful

Financial Performance



Cash Flow (US\$'000)	9M2019	9M2018	Change
Cash at beginning of year	16,789	16,692	+0.6%
Net cash from operating activities	24,869	20,685	+20.2%
Net cash used in investing activities	(3,448)	(6,504)	-47.0%
Net cash used in financing activities	(24,502)	(13,073)	+87.4%
Net (decrease)/increase in cash	(3,081)	1,108	n/m
Net effect of exchange rate changes on cash and cash equivalents	376	(1,609)	n/m
Cash at end of period	14,084	16,191	-13.0%

n/m: not meaningful



Thank You

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