



**Bumitama Agri Ltd.**

*Excellence Through Discipline*

**Second Quarter & First Half**

**2018 Presentation**

**14 August 2018**





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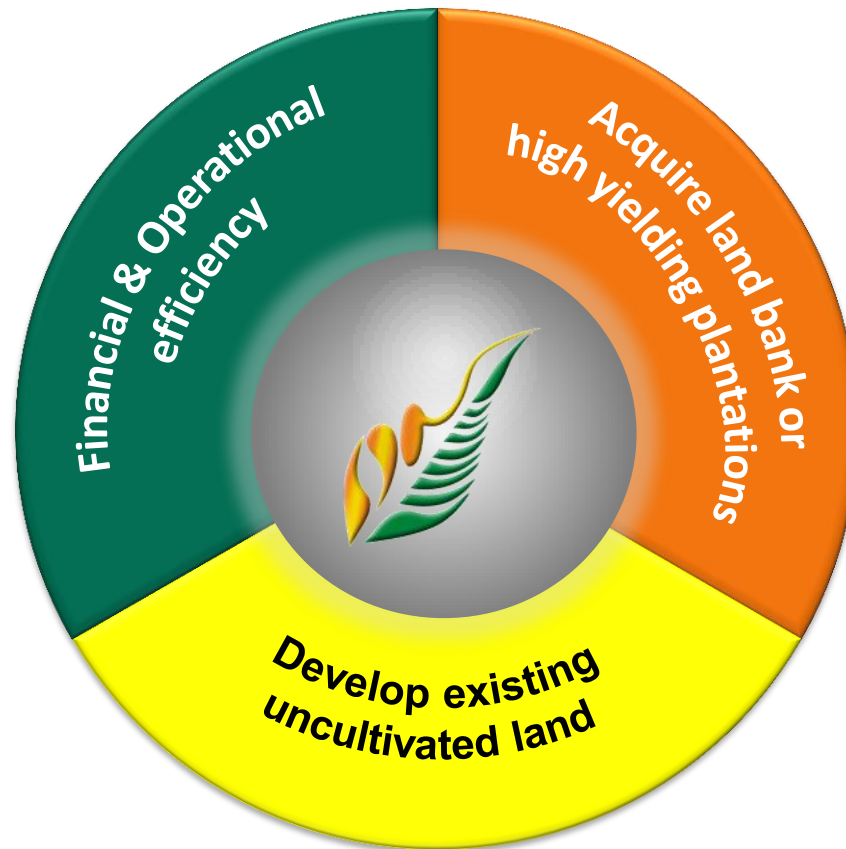
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# The 1, 2, 3 Growth Strategies





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# Executive Summary – 1H2018

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## ● **Production**

- FFB volumes increased 22.6% YoY to 1,594,737 mt.
- FFB yield increased 19.8% YoY from 8.1 mt/ha to 9.7 mt/ha.
- OER at 22.3%.
- Total planted area of 183,753 ha.

## ● **Financial Performance**

- Revenue increased by 5.9% YoY to IDR 4,258 billion.
- Gross Profit increased by 15.9% YoY to IDR 1,281 billion.
- EBITDA increased by 15.4% YoY to IDR 1,322 billion.

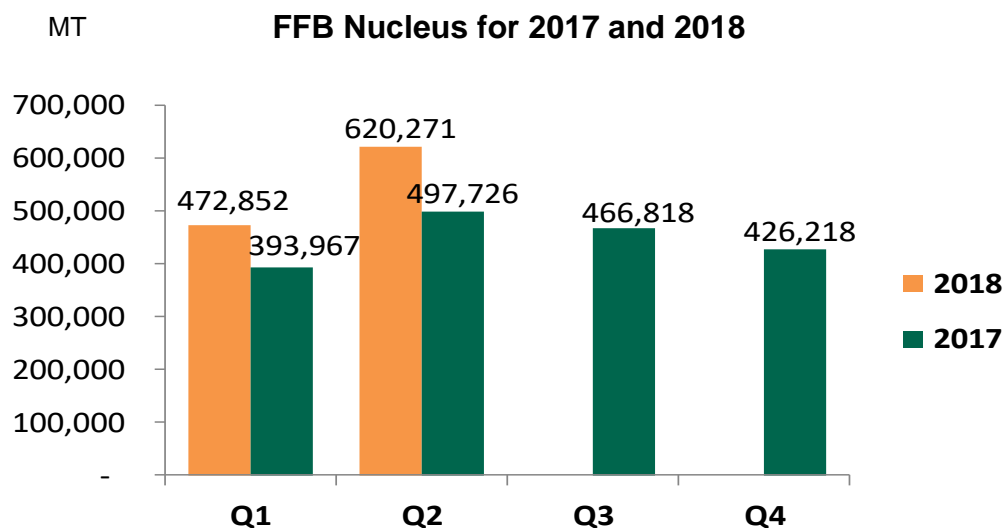


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# Operational Highlight

		2Q2018	%	2Q2017	%	Change	YoY	1H2018	%	1H2017	%	Change	YoY
<b>Production</b>													
<b>FFB Total</b>	(MT)	<b>1,267,989</b>	<b>100.0</b>	<b>963,471</b>	<b>100.0</b>	<b>31.6%</b>	↑	<b>2,235,050</b>	<b>100.0</b>	<b>1,775,106</b>	<b>100.0</b>	<b>25.9%</b>	↑
FFB Internal		911,229	71.9	731,033	75.9	24.6%	↑	1,594,737	71.4	1,300,456	73.3	22.6%	↑
FFB Nucleus		620,271	49.0	497,726	51.7	24.6%	↑	1,093,123	49.0	891,693	50.3	22.6%	↑
FFB Plasma		290,958	22.9	233,307	24.2	24.7%	↑	501,614	22.4	408,763	23.0	22.7%	↑
FFB External		356,760	28.1	232,438	24.1	53.5%	↑	640,313	28.6	474,650	26.7	34.9%	↑





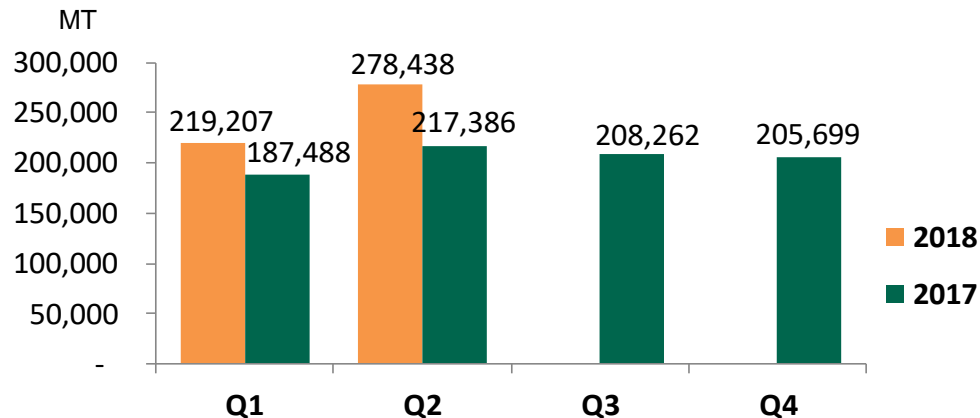
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# Operational Highlight (Cont')

		2Q2018	2Q2017	Change	YoY	1H2018	1H2017	Change	YoY
<b>CPO</b>	(MT)	<b>278,438</b>	<b>217,386</b>	<b>28.1%</b>	<b>↑</b>	<b>497,645</b>	<b>404,874</b>	<b>22.9%</b>	<b>↑</b>
<b>PK</b>	(MT)	<b>57,401</b>	<b>42,824</b>	<b>34.0%</b>	<b>↑</b>	<b>102,253</b>	<b>80,159</b>	<b>27.6%</b>	<b>↑</b>
<b>Yield and Extraction Rate</b>									
FFB Yield	(MT/ha)	5.5	4.6	19.6%	↑	9.7	8.1	19.8%	↑
CPO Yield	(MT/ha)	1.2	1.1	9.1%	↑	2.2	1.9	15.8%	↑
CPO Extraction Rate	(%)	22.0%	22.7%	-3.1%	↓	22.3%	22.9%	-2.6%	↓
PK Extraction Rate	(%)	4.5%	4.5%	0.0%	▬	4.6%	4.5%	2.2%	↑

**CPO Production for 2017 and 2018**





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# Planted Area

	As at 30 June 2018		As at 31 December 2017		Change	
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)	
<b>Planted Nucleus</b>	<b>131,161</b>	<b>71.4</b>	<b>131,421</b>	<b>71.9</b>	<b>-260</b>	<b>↓</b>
- Old & Mature	113,238	61.6	110,699	60.6	2,539	↑
- Immature	17,923	9.8	20,722	11.3	-2,799	↓

- As at 30 June 2018 the planted Plasma is 52,592 ha.

**Weighted average age of 8.9 years as at 1 January 2018**





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# Sales Revenue and Volume

	2Q2018	2Q2017	Change YoY	1H2018	1H2017	Change YoY
<b>Sales Revenue (IDR million)</b>						
- Crude Palm Oil	2,077,302	1,678,161	23.8%	3,689,678	3,369,535	9.5%
- Palm Kernel	272,513	210,457	29.5%	568,335	542,236	4.8%
- Biodiesel	-	31,680	-	-	108,572	-
- Glycerin	-	121	-	-	427	-
<b>Sales Volume (MT)</b>						
- Crude Palm Oil	266,802	208,295	28.1%	472,661	407,739	15.9%
- Palm Kernel	49,706	37,880	31.2%	94,393	77,231	22.2%
- Biodiesel	-	3,122	-	-	10,126	-
- Glycerin	-	398	-	-	1,552	-
<b>Average Sales Price (IDR/KG)</b>						
- Crude Palm Oil	7,786	8,057	-3.4%	7,806	8,264	-5.5%
- Palm Kernel	5,482	5,556	-1.3%	6,021	7,021	-14.2%
- Biodiesel	-	10,147	-	-	10,722	-
- Glycerin	-	304	-	-	275	-



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# Income Statement Highlight

IDR million	2Q2018	2Q2017	Change	YoY	1H2018	1H2017	Change	YoY
Revenue	2,349,815	1,920,419	22.4%	↑	4,258,013	4,020,770	5.9%	↑
Gross profit	762,311	562,115	35.6%	↑	1,280,558	1,104,906	15.9%	↑
Net profit	452,630	337,109	34.3%	↑	726,258	659,271	10.2%	↑
Net profit attributable to owners of the company	388,056	285,041	36.1%	↑	619,826	563,484	10.0%	↑
EBITDA	802,555	605,825	32.5%	↑	1,322,169	1,145,536	15.4%	↑
Gross margin (%)	32.4%	29.3%	10.6%	↑	30.1%	27.5%	9.5%	↑
Net profit margin (%)	19.3%	17.6%	9.7%	↑	17.1%	16.4%	4.3%	↑
EBITDA margin (%)	34.2%	31.5%	8.6%	↑	31.1%	28.5%	9.1%	↑



# Appendix to the Announcement 1H2018: Translation of Unaudited Financial Statements to USD

## Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Quarter			1st Half		
	2018 USD thousand	2017 USD thousand	Change %	2018 USD thousand	2017 USD thousand	Change %
<b>Revenue</b>	170,862	144,060	18.6%	309,613	301,617	2.7%
Cost of sales	(115,432)	(101,893)	13.3%	(216,500)	(218,733)	-1.0%
<b>Gross profit</b>	<b>55,430</b>	<b>42,167</b>	<b>31.5%</b>	<b>93,113</b>	<b>82,884</b>	<b>12.3%</b>
Interest Income	2,132	2,398	-11.1%	4,823	5,083	-5.1%
Selling expense	(3,237)	(2,430)	33.2%	(6,812)	(6,069)	12.2%
General and administrative expense	(3,943)	(3,700)	6.6%	(10,300)	(9,727)	5.9%
Finance cost	(3,550)	(3,097)	14.6%	(6,896)	(5,921)	16.5%
Foreign exchange gain	(2,401)	59	n.m.	(3,560)	906	n.m.
Other expenses	(39)	-	0.0%	(40)	-	0.0%
Other income	126	12	n.m.	160	52	n.m.
Share of loss of associate companies	-	-	0.0%	-	(171)	-100.0%
<b>Profit before income tax</b>	<b>44,518</b>	<b>35,409</b>	<b>25.7%</b>	<b>70,488</b>	<b>67,037</b>	<b>5.1%</b>
Income tax expense	(11,606)	(10,121)	14.7%	(17,681)	(17,582)	0.6%
<b>Profit for the period</b>	<b>32,912</b>	<b>25,288</b>	<b>30.1%</b>	<b>52,807</b>	<b>49,455</b>	<b>6.8%</b>
<b>Attributable to:</b>						
Owners of the Company	28,217	21,382	32.0%	45,069	42,270	6.6%
Non-controlling interests	4,695	3,906	20.2%	7,738	7,185	7.7%
	<b>32,912</b>	<b>25,288</b>	<b>30.1%</b>	<b>52,807</b>	<b>49,455</b>	<b>6.8%</b>
<b>EBITDA</b>	<b>58,356</b>	<b>45,446</b>	<b>28.4%</b>	<b>96,139</b>	<b>85,932</b>	<b>11.9%</b>

*Notes: The reporting currency for Bumitama is in IDR but for illustrative purpose USD is used here. The income and expense for each unaudited income statement presented are translated at average exchange rates at each respective period (Source: Bank Indonesia middle rate).*



# Appendix to the Announcement 1H2018: Translation of Unaudited Financial Statements to USD

**Statement of Financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

	Group		Company	
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
	USD thousand	USD thousand	USD thousand	USD thousand
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plasma receivables	109,659	92,888	-	-
Property, plant and equipment	235,207	254,158	149	3
Bearer plants	505,963	538,317	-	-
Land use rights	66,001	67,139	-	-
Investment in subsidiaries	-	-	103,517	103,517
Investment in associate companies	-	-	10,639	10,640
Intangible assets	12,026	12,855	-	-
Restricted cash	-	-	-	-
Derivative financial assets	-	-	-	-
Deferred tax assets	16,997	17,118	-	-
Deferred charges/other receivable	-	-	-	-
Due from subsidiaries	-	-	525,169	536,021
Loan to an associate company	5,525	5,354	5,525	5,354
Tax refundable	-	-	-	-
Other non current asset	-	-	-	-
<b>Total Non-current assets</b>	<b>951,378</b>	<b>987,829</b>	<b>644,999</b>	<b>655,535</b>
<b>Current assets</b>				
Biological assets	22,866	21,853	-	-
Inventories	50,281	32,740	-	-
Deferred charges	603	574	16	6
Trade and other receivables	24,446	21,148	-	-
Due from related companies	3	4	-	-
Due from subsidiaries	-	-	-	-
Plasma receivables	15,245	19,167	-	-
Prepayments and advances	1,258	786	11	5
Dividend receivables	-	-	-	-
Prepaid taxes	40,993	28,448	4	4
Cash and short-term deposits	23,094	15,996	1,611	2,084
<b>Total Current assets</b>	<b>178,789</b>	<b>140,716</b>	<b>1,642</b>	<b>2,099</b>
<b>Total Assets</b>	<b>1,130,167</b>	<b>1,128,545</b>	<b>646,641</b>	<b>657,634</b>

*Notes: The reporting currency for Bumitama is in IDR but for illustrative purpose USD is used here. The assets and liabilities for each unaudited statement of financial position presented are translated at closing exchange rates at each respective period (Source: Bank Indonesia middle rate).*

## Appendix to the Announcement 1H2018: Translation of Unaudited Financial Statements to USD

	Group		Company	
	30-Jun-2018	31-Dec-2017	30-Jun-2018	31-Dec-2017
	USD thousand	USD thousand	USD thousand	USD thousand
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Loans and borrowings	63,000	25,000	63,000	25,000
Islamic medium term notes	123,521	-	123,521	-
Trade and other payables	55,099	36,877	5	96
Accrued operating expenses	13,960	14,074	4,166	4,058
Dividend payables	-	-	-	-
Sales advances	1,470	3,727	-	-
Income taxes payable	15,767	14,641	-	-
Derivative financial liabilities	29,138	-	29,138	-
<b>Total Current liabilities</b>	<b>301,955</b>	<b>94,319</b>	<b>219,830</b>	<b>29,154</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	13,135	13,564	-	-
Loans and borrowings	51,832	79,542	51,832	79,542
Islamic medium term notes	123,605	245,986	123,605	245,986
Post employment benefits	2,717	2,889	-	-
Derivative financial liabilities	35,562	66,935	35,562	66,935
<b>Total Non-current liabilities</b>	<b>226,851</b>	<b>408,916</b>	<b>210,999</b>	<b>392,463</b>
<b>Total Liabilities</b>	<b>528,806</b>	<b>503,235</b>	<b>430,829</b>	<b>421,617</b>
<b>Net Assets</b>	<b>601,361</b>	<b>625,310</b>	<b>215,812</b>	<b>236,017</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	130,993	130,993	130,993	130,993
Treasury shares	(9,750)	(9,750)	(9,750)	(9,750)
Other reserves	(13,797)	(14,905)	(33)	(1,141)
Retained earnings	464,419	445,395	26,402	47,779
Foreign currency translation reserve	(55,301)	(3,482)	68,200	68,136
	<b>516,564</b>	<b>548,251</b>	<b>215,812</b>	<b>236,017</b>
<b>Non-controlling interests</b>	84,797	77,059	-	-
<b>Total Equity</b>	<b>601,361</b>	<b>625,310</b>	<b>215,812</b>	<b>236,017</b>

Notes: The reporting currency for Bumitama is in IDR but for illustrative purpose USD is used here. The assets and liabilities for each unaudited statement of financial position presented are translated at closing exchange rates at each respective period (Source: Bank Indonesia middle rate).



# Appendix to the Announcement 1H2018: Translation of Unaudited Financial Statements to USD

A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

CASH FLOW	Group			
	2nd Quarter		1st Half	
	2018	2017	2018	2017
	USD thousand	USD thousand	USD thousand	USD thousand
<b>Cash flows from operating activities</b>				
Cash receipts from customers	158,298	158,243	305,100	317,462
Cash payments to suppliers, employees and for other operating expenses	(117,603)	(105,902)	(224,034)	(228,201)
Corporate income tax paid	(12,542)	(11,955)	(21,826)	(16,466)
<b>Net cash flows generated from operating activities</b>	<b>28,153</b>	<b>40,386</b>	<b>59,240</b>	<b>72,795</b>
<b>Cash flows from investing activities</b>				
Decrease /(Increase) in plasma receivables	(1,300)	(3,960)	(14,220)	(5,133)
Investment in intangible assets	(21)	-	(21)	-
Investment in bearer plants	(1,679)	(6,999)	(8,886)	(11,756)
Investment in property, plant and equipment	(3,297)	(5,190)	(5,961)	(9,888)
Investment in land use rights	(1,116)	(1,373)	(3,603)	(2,176)
Net cash outflows for the acquisition of subsidiaries	-	(163)	-	(5,584)
Interest received	2,032	2,510	4,634	4,929
<b>Net cash flows used in investing activities</b>	<b>(5,381)</b>	<b>(15,175)</b>	<b>(28,057)</b>	<b>(29,608)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	18,292	14,988	18,292	14,988
Repayment of loan and borrowings	(7,569)	(29,945)	(7,569)	(39,949)
Decrease / (increase) in amount due from related companies	-	(7)	-	17
Payment of dividend	(26,552)	(18,861)	(26,552)	(18,966)
Buy-back of ordinary shares	-	(1,227)	-	(2,228)
Interest paid	(963)	(822)	(7,187)	(6,938)
<b>Net cash flows used in from financing activities</b>	<b>(16,792)</b>	<b>(35,874)</b>	<b>(23,016)</b>	<b>(53,076)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>5,980</b>	<b>(10,663)</b>	<b>8,167</b>	<b>(9,889)</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(25)</b>	<b>(100)</b>	<b>(1,069)</b>	<b>80</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17,139</b>	<b>39,440</b>	<b>15,996</b>	<b>38,486</b>
<b>Cash and cash equivalents at end of period</b>	<b>23,094</b>	<b>28,677</b>	<b>23,094</b>	<b>28,677</b>

Notes: The reporting currency for Bumitama is in IDR but for illustrative purpose USD is used here. The unaudited cash flow statement presented is translated at average exchange rates at each respective period (Source: Bank Indonesia middle rate).



## Appendix to the Announcement 1H2018: Translation of Unaudited Financial Statements to USD

Cash Flows from Operating Activities:	Group			
	2nd Quarter		1st Half	
	2018	2017	2018	2017
	USD thousand	USD thousand	USD thousand	USD thousand
Profit before income tax	44,518	35,409	70,488	67,037
Depreciation and amortisation	10,020	9,397	20,018	18,963
Finance cost	3,550	3,097	6,896	5,921
Interest income	(2,132)	(2,398)	(4,824)	(5,083)
Unrealized foreign exchange gain	(3,780)	(942)	(3,348)	(2,425)
Share of loss of associate companies	-	-	-	171
Operating cash flows before working capital changes	<b>52,176</b>	<b>44,563</b>	<b>89,230</b>	<b>84,584</b>
Decrease/(increase) in:				
- Trade and other receivables	(9,768)	9,520	(1,698)	9,297
- Inventories	(16,073)	(3,339)	(20,410)	6,848
- Prepaid taxes	(6,620)	(9,704)	(14,909)	(13,938)
- Prepayments and advances	221	(299)	(543)	(201)
- Deferred charges	(51)	19	(66)	17
(Decrease)/increase in:				
- Trade and other payables	19,673	630	26,590	(11,608)
- Accrued operating expenses	(234)	181	(689)	(1,127)
- Tax payable	3,852	4,303	5,693	7,187
- Sales advances	(2,481)	6,467	(2,132)	8,202
Cash flows generated from operations	<b>40,695</b>	<b>52,341</b>	<b>81,066</b>	<b>89,261</b>
Income tax paid	(12,542)	(11,955)	(21,826)	(16,466)
<b>Net cash flows generated from operating activities</b>	<b>28,153</b>	<b>40,386</b>	<b>59,240</b>	<b>72,795</b>

*Notes: The reporting currency for Bumitama is in IDR but for illustrative purpose USD is used here. The unaudited cash flow statement presented is translated at average exchange rates at each respective period (Source: Bank Indonesia middle rate).*



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# Contact Information

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## If you need further information, please contact:

Investor Relations

**Christina Lim** --- [clim@bumitama-agri.com](mailto:clim@bumitama-agri.com)

**Lim Sian Choo** --- [lim.sian.choo@bumitama-agri.com](mailto:lim.sian.choo@bumitama-agri.com)

**Glenn Ho** --- [glenn.ho@bumitama-agri.com](mailto:glenn.ho@bumitama-agri.com)

## **Bumitama Agri Ltd.**

10 Anson Road

#11-19 International Plaza

Singapore 079903

Tel: +65 6222 1332

Fax: +65 6222 1336

Website: [www.bumitama-agri.com](http://www.bumitama-agri.com)





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**THANK YOU**

