

INVESTOR CIRCULAR

The Story Behind the Numbers

PRICE RECOVERY

Singapore, 14 August 2024 – Mainboard-listed Bumitama Agri Ltd. (“Bumitama” or “The Group”), Indonesia-based palm oil plantation with crude palm oil (“CPO”) and palm kernel (“PK”) as key products, has released its performance results for the six months ending in June 2024, today.

The Group recorded IDR7.60 trillion in revenue in the first six months of 2024 (“1H24”), or 1% higher than the IDR7.50 trillion in the same period last year (“1H23”). It was the 15% spike in sales contribution from PK that drove consolidated revenue higher in 1H24. PK contributed IDR703.36 billion in sales within the period, accounting for 9% of consolidated revenue. Both price and volume climbed, by 11% and 4% respectively, to reach IDR6,201 per kg and 113,421 tons in 1H24. CPO sales on the other hand, was relatively flat as the 2% increase in price was offset by 1% decline in volume.

A closer look at quarterly performance breakdown by the Group reveals considerable strengthening of financial performance in the second quarter 2024 (“2Q24”). EBITDA surged 41% QoQ to reach IDR1.05 trillion while core profit spiked 43% to reach IDR533.47 billion. EBITDA margin recovered to 28% in 2Q24, or 9 percentage points higher than 1Q24, driven by escalating quarterly prices of both CPO and PK as market dynamics improved. Average Selling Price (“ASP”) for CPO in 2Q24 rose 5% QoQ to reach IDR12,257 per kg, while PK surged 21% to IDR6,822 per kg. The question is, will it hold?

According to a recent Bloomberg survey, the median of 30 estimates by the industry traders puts benchmark futures in Malaysia at MYR4,000 per ton by year end. Factoring in export tax differentials between Malaysia and Indonesia as well as today’s foreign exchange rates, the price equivalent in Indonesia market would be around IDR12,750 per kg. Compared to Bumitama’s ASP in 1Q24 and 2Q24 of IDR11,620 and IDR12,257, the rising trend for palm oil prices in the near term is likely to be continued.

Another supportive indicator comes from the price spread between palm oil and the other vegetable oil substitutes. Not only it has normalized of late, but the discount gap has also been widening, making palm oil more enticing to price sensitive buyers. Key reason behind the 32% MoM spike in palm oil exports from Malaysia in the first 25-day July to 1.17 million tons, according to AmSpec Agri.

In specific, palm oil price discount versus soybean oil has widened to USD180 per ton in the third week of July, from USD107 in early June, and its year-to-date average of USD172. The same applies with sunflower and canola oil, the price discount of palm oil versus these two oils has widened to USD110 and USD260 respectively, higher than its year-to-date averages of USD19 and USD193.

In the longer term, price-friendly support comes from a recently published report by Oilworld, reaffirming an earlier forecast by USDA which predicted an extension of supply deficit among major vegetable oils into 2025 as well, resulting in a consecutive decline in world inventory.

** YoY refers to comparison of 1H24 vs 1H23 periods, QoQ refers to 2Q24 vs 1Q24, and core profit is profit attributable to owners of the Group*

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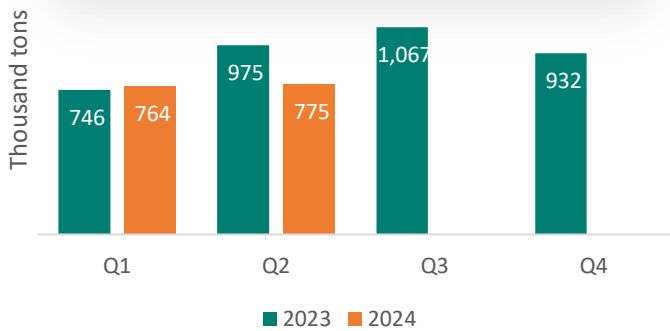


The Numbers

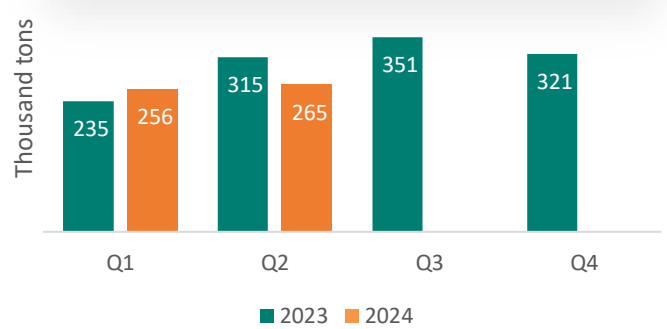
Production Highlight

	Unit	2Q24	2Q23	YoY	1H24	1H23	YoY
FFB Nucleus	ton	504,401	679,217	-25.7%	1,003,008	1,197,594	-16.2%
FFB Plasma	ton	271,463	296,063	-8.3%	536,476	523,271	2.5%
FFB Yield	ton/ha	4.3	5.3	↓	8.5	9.4	↓
FFB External	ton	425,892	417,437	2.0%	812,881	739,811	9.9%
CPO Production	ton	265,200	314,759	-15.7%	521,692	549,643	-5.1%
OER	%	22.0%	22.6%	↓	22.2%	22.4%	↓
PK Production	ton	55,440	63,866	-13.2%	108,921	111,563	-2.4%

FFB – Internal Production



CPO Production

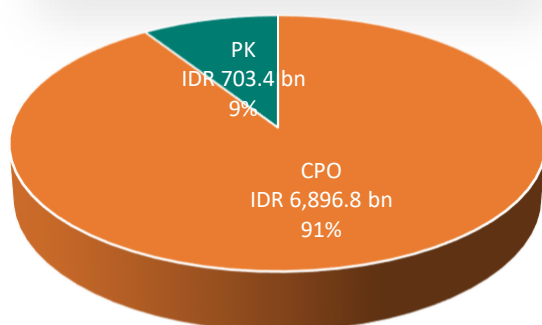


Financial Highlight

	Unit	2Q24	2Q23	YoY	1H24	1H23	YoY
Revenue	IDR million	3,726,419	3,900,763	-4.5%	7,600,129	7,495,925	1.4%
Gross profit	IDR million	977,093	1,342,413	-27.2%	1,799,365	2,153,667	-16.5%
Gross margin	%	26.2%	34.4%	↓	23.7%	28.7%	↓
Net profit*	IDR million	528,409	759,769	-30.5%	856,789	1,188,885	-27.9%
Core Profit*	IDR million	533,471	748,746	-28.8%	907,165	1,052,941	-13.8%
EBITDA	IDR million	1,048,546	1,369,286	-23.4%	1,791,752	2,056,659	-12.9%
EBITDA margin	%	28.1%	35.1%	↑	23.6%	27.4%	↓

*Profit attributable to Owners of the Company

Revenue



Sales Volume

