

INDOFOOD AGRI RESOURCES Ltd.

COMPANY PRESENTATION 1H 2021 RESULTS

13 August 2021



a subsidiary of:

Indofood
THE SYMBOL OF QUALITY FOODS

PRESENTATION OUTLINE

- **Plantation Highlights**
- **Financial Highlights**
- **Strategies and Expansion**





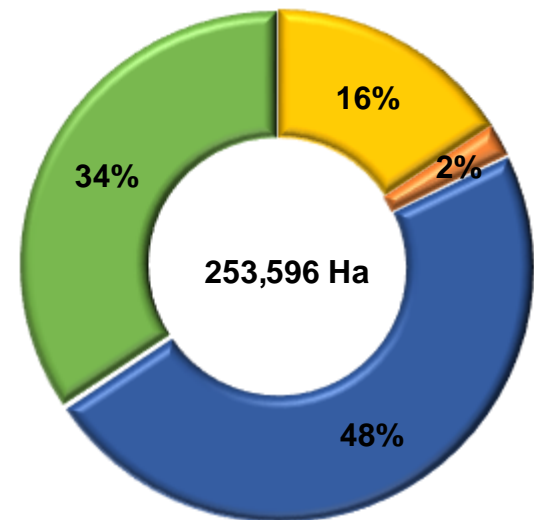
PLANTATION HIGHLIGHTS



PLANTED AREA

In Ha	30 Jun 2021	31 Dec 2020
<u>Indonesia - Inti</u>		
Planted area	302,497	303,149
Planted oil palm	253,596	253,061
- SIMP	157,218	156,987
- Lonsum	96,378	96,074
Planted other crops		
Rubber	16,320	15,976
Sugar cane	12,749	14,153
Others - timber, cocoa, tea	19,832	19,959
<u>Indonesia - Plasma</u>		
Oil palm	87,076	87,066
<u>Brazil</u>		
Sugar cane *	123,797	106,945

Oil palm average age ≈ 17 years



■ Immature
 ■ 4-6 years
 ■ 7-20 years
 ■ > 20 years

* For the planted sugar cane areas, 44% of owned by the company and 56% contracted 3rd party farmers

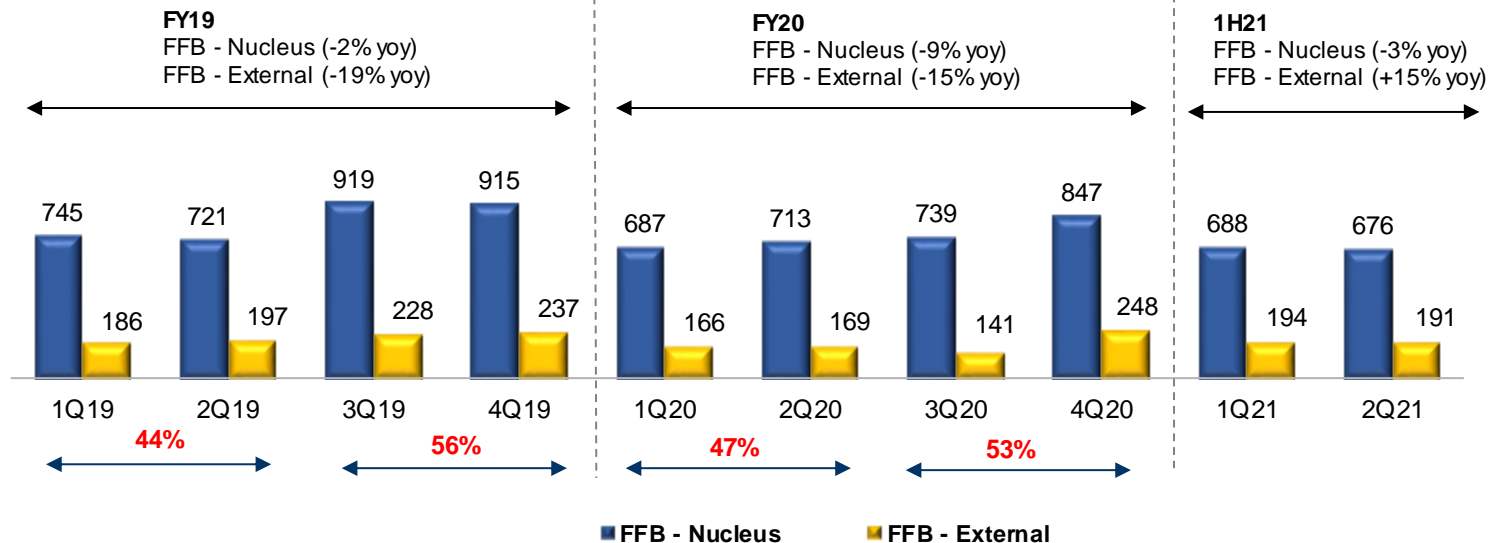
OIL PALM PLANTATION HIGHLIGHTS

		1H21	1H20	YoY Growth	FY20
PRODUCTION					
Mature area	(Ha)	213,623	211,730		211,626
FFB	('000 MT)	1,749	1,735	1%	3,710
- Nucleus	('000 MT)	1,364	1,400	(3%)	2,986
- External	('000 MT)	385	335	15%	724
CPO	('000 MT)	345	350	(1%)	737
PK	('000 MT)	85	82	3%	178
PRODUCTIVITY					
CPO extraction rate	(%)	21.0	21.4	↓	21.0
PK extraction rate	(%)	5.1	5.0	↑	5.1

OIL PALM PRODUCTION TRENDS

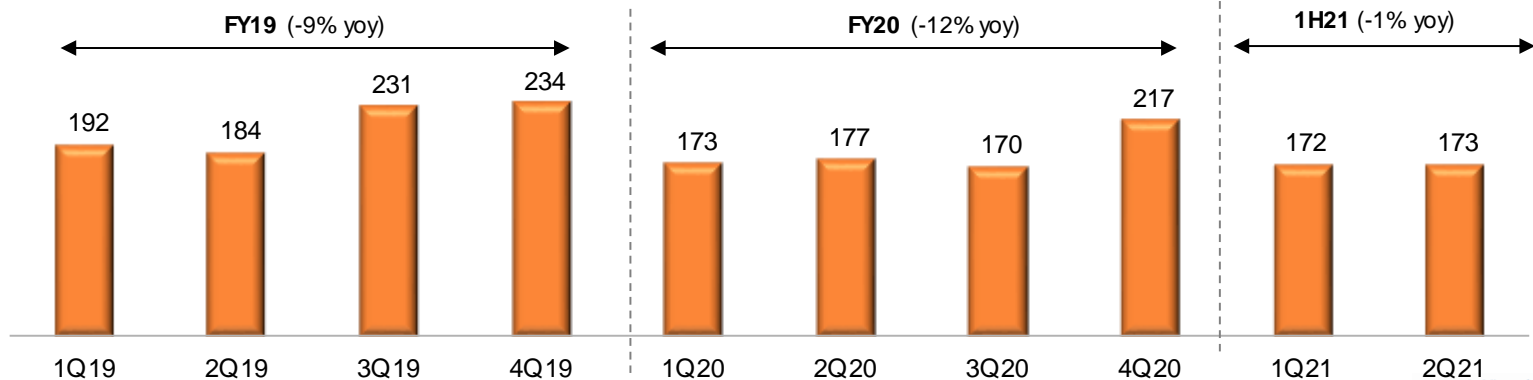
'000 MT

FFB Production



CPO Production

'000 MT



SUGAR PLANTATION HIGHLIGHTS

INDONESIA	1H21	1H20	YoY Growth	FY20
Planted area (Ha)	12,749	12,458		14,153
Sugar cane harvested ('000 MT) ⁽¹⁾	393	244	61%	895
Sugar production ('000 MT) ⁽²⁾	24	13	91%	55

BRAZIL	1H21	1H20	YoY Growth	FY20
Planted area (Ha)	123,797	108,286		106,945
Sugar cane harvested ('000 MT)	3,687	2,922	26%	7,655
Raw sugar production ('000 MT)	248	180	38%	528
Ethanol ('000 M ³)	139	106	31%	314

(1) Harvested cane related to South Sumatra sugar cane plantation.

(2) Sugar production related to South Sumatra plantation & LPI share in Java.



FINANCIAL HIGHLIGHTS



SALES VOLUME PLANTATION

In '000 MT	1H21	1H20	YoY Growth	FY20
CPO	343	348	(1%)	748
PK products - PK, PKO, PKE	84	86	(3%)	183
Oil palm seeds ('million)	2.7	2.3	16%	5.9

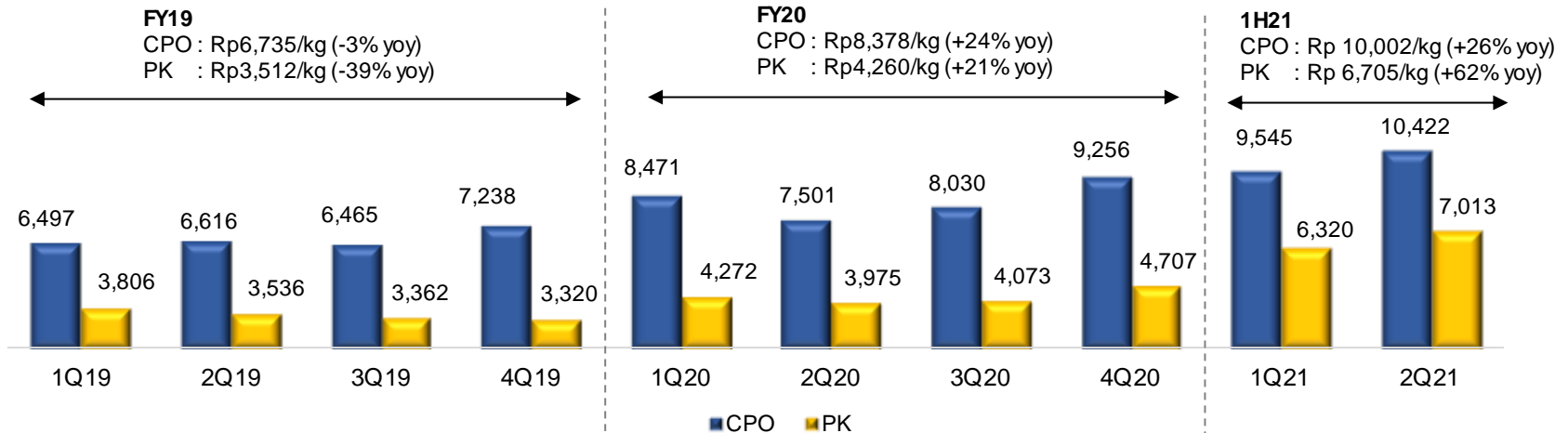
Note: Sales volume before elimination of inter-segment sales

* The listed figures in the tables are rounded to the nearest thousands, but the growth % are calculated based on the exact figures

AVERAGE SELLING PRICE (ASP) TREND

Rp/kg

CPO and PK - ASP



Rp / kg

Rubber - ASP



FINANCIAL SUMMARY

In Rp Bn	1H21	1H20	YoY Growth	FY20
Sales	8,958	6,873	30%	14,475
Gross profit	2,023	953	112%	2,919
Adjusted EBITDA ⁽¹⁾	1,797	951	89%	3,181
Net profit/(loss) after tax	315	(575)	n/m	164
Core profit/ (loss) ⁽²⁾	475	(37)	n/m	695
Attributable profit/(loss)	153	(429)	n/m	20
EPS (fully diluted) - Rp	109	(308)	n/m	14
Gross profit margin	23%	14%	↑	20%
EBITDA margin	20%	14%	↑	22%
Net profit/(loss) margin	4%	(8%)	↑	1%
Attributable profit/(loss) margin	2%	(6%)	↑	0%

- Despite the continued impact of COVID-19 on the global economy, the Group reported a net profit after tax of Rp315 billion in 1H2021, reversing from a net loss of Rp575 billion in the same period last year.
- The significant improvement in profitability was attributable to a remarkable turnaround in the Plantation Division on higher selling prices of palm products.

(1) Earnings before interests and tax expense, depreciation and amortisation, the effects of forex, FV gain/(loss) on biological assets, impairment of fixed assets and share of non-recurring loss of an associate company.

(2) Net profit/ (loss) before accounting for the effects of foreign exchange, fair value loss on biological assets, expected credit losses for plasma receivables, adjustment of deferred tax due to changes in tax rate, share of non-recurring loss of an associate company and rationalisation costs

SEGMENTAL RESULTS

In Rp Bn	1H21	1H20	YoY Growth	FY20
<u>Sales</u>				
Plantations	4,623	3,572	29%	8,457
Edible oils & fats	7,465	5,545	35%	11,451
Elimination & adjustments	(3,130)	(2,244)	39%	(5,433)
Total	8,958	6,873	30%	14,475

Adjusted EBITDA

Plantations	1,586	683	132%	2,660
<i>EBITDA %</i>	34%	19%		31%
Edible oils & fats	273	277	(1%)	633
<i>EBITDA %</i>	4%	5%		6%
Share of results of associate companies & JVs	(4)	(8)	(49%)	(123)
Elimination & adjustments ⁽¹⁾	(58)	(1)	n/m	12
Total	1,797	951	89%	3,181

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment, regional office costs and share of non-recurring loss on an associate company.

FINANCIAL POSITION

Balance sheet (In Rp Bn)	30-Jun-21	31-Dec-20
Total Assets	37,932	37,490
Cash	3,055	2,446
Total Liabilities	17,306	17,043
Interest bearing debt	11,147	11,356
Total Equity*	20,627	20,447
Net debt / EBITDA ratio	2.25x	2.80x
Net debt / Total equity ratio	0.39x	0.44x
Net assets value per share (in Rupiah)	7,981	8,104
Net assets value per share (in SGD) **	0.74	0.75
Cash flow (In Rp Bn)	1H21	1H20
Net cash flow generated from operating activities	1,446	1,709
Net cash flow used in investing activities	(599)	(726)
Net cash flow used in financing activities	(257)	(95)
Net increase in cash & cash equivalents	589	887
Net effect of changes in forex	19	26
Sub-total	609	913
Cash & cash equivalent - Beginning	2,446	1,787
Cash & cash equivalent - Ending	3,055	2,700

* Total equity includes shareholders funds and minority interests

** Converted at Rp10,781/\$1



STRATEGIES & EXPANSION



KEY STRATEGIES IN 2021

Plantation

- Prioritise our capital investment in replanting of older palms in North Sumatra and Riau, improve cost control, and pursue innovations that can raise plantation productivity;
- Increase FFB yields through active crop management; and
- Expansion of milling facilities – completed the construction of a 45MT FFB/hour mill in East Kalimantan in April 2021.

Edible oils & fats

- Competitive marketing strategy for Bimoli to maintain its leading brand position;
- Optimizing all digital platform and e-commerce to drive Bimoli sales volume
- To drive volume through higher promotion frequency and depth;
- Incrementally increasing capacity, to meet growing consumer demand in Indonesia; and
- Capitalise on growth of in home consumption, consumer cooking oil & margarine.

CONTACT US

**Indofood Agri Resources Ltd.
8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818
Tel: +65 6557 2389
Fax: +65 6557 2387**

www.indofoodagri.com

This presentation was prepared solely and exclusively for the parties presently being invited for the purpose of discussion. Neither this presentation nor any of its content may be reproduced, disclosed or used without the prior written consent of Indofood Agri Resources Ltd.

This presentation may contain statements that convey future oriented expectations which represent the Company's present views on the probable future events and financial plans. Such views are presented on the basis of current assumptions, are exposed to various risks, and are subject to considerable changes at any time. Presented assumptions are presumed correct at the, and based on the data available on the, date at which this presentation is assembled. The Company warrants no assurance that such outlook will, in part or as a whole, eventually be materialized. Actual results may diverge significantly from those projected.

© *Indofood Agri Resources Ltd. All rights reserved.*