



**Bumitama Agri Ltd.**

*Excellence Through Discipline*



**Nine Months 2020**

**Key Updates**

**10 November 2020**



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# The 1, 2, 3 Growth Strategies





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# Executive Summary – 9M2020

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## ● Financial Performance

- Revenue increased by 12.6% YoY to IDR 6,080 billion.
- Gross Profit increased by 33.4% YoY to IDR 1,539 billion.
- EBITDA increased by 43.3% YoY to IDR 1,599 billion.

## ● Production

- FFB volumes decreased by 6.0% YoY to 2,281,539 mt.
- FFB yield decreased by 7.7% YoY from 14.2 mt/ha to 13.1 mt/ha.
- OER at 22.7%.
- FFB internal growth FY2020 at flat to -5.0%.



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# Income Statement Highlight

| <b>IDR million</b>                               | <b>9M2020</b> | <b>9M2019</b> | <b>Change</b> |
|--|---------------|---------------|---------------|
| Revenue  | 6,079,660     | 5,399,403     | 12.6%         |
| Gross profit                                     | 1,538,800     | 1,153,323     | 33.4%         |
| Net profit                                       | 737,326       | 514,283       | 43.4%         |
| Net profit attributable to owners of the company | 632,135       | 424,858       | 48.8%         |
| EBITDA   | 1,599,208     | 1,115,918     | 43.3%         |
| Gross margin (%)                                 | 25.3%         | 21.4%         | 18.2%         |
| Net profit margin (%)                            | 12.1%         | 9.5%          | 27.4%         |
| EBITDA margin (%)                                | 26.3%         | 20.7%         | 27.1%         |



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# Sales Revenue and Volume

|                                     | 9M2020    | 9M2019    | Change |
|-------------------------------------|-----------|-----------|--------|
| <b>Sales Revenue (IDR million)</b>  |           |           |        |
| - Crude Palm Oil                    | 5,484,131 | 4,840,066 | 13.3%  |
| - Palm Kernel                       | 595,529   | 559,337   | 6.5%   |
| <b>Sales Volume (MT)</b>            |           |           |        |
| - Crude Palm Oil                    | 670,073   | 742,973   | -9.8%  |
| - Palm Kernel                       | 144,252   | 160,835   | -10.3% |
| <b>Average Sales Price (IDR/KG)</b> |           |           |        |
| - Crude Palm Oil                    | 8,184     | 6,514     | 25.6%  |
| - Palm Kernel                       | 4,128     | 3,478     | 18.7%  |



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# Financial Performance Overview

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The Group's financial performance for the nine months ended 30 September 2020 ("9M2020") has strengthened due to increase in palm oil prices compared to the previous corresponding period.

- Total cost of sales increased by 6.9%, arising from higher average purchase prices of external FFB, which is in tandem with the increase in palm oil prices.
- The Group recorded a 43.3% increase in EBITDA YoY and 43.4% increase in net profit YoY.

The Group reported a positive cash flow due to improved collection from customers which reduced the Group's payables and borrowings. This has resulted in a lower YoY gearing ratio to 0.71 as at 30 September 2020.



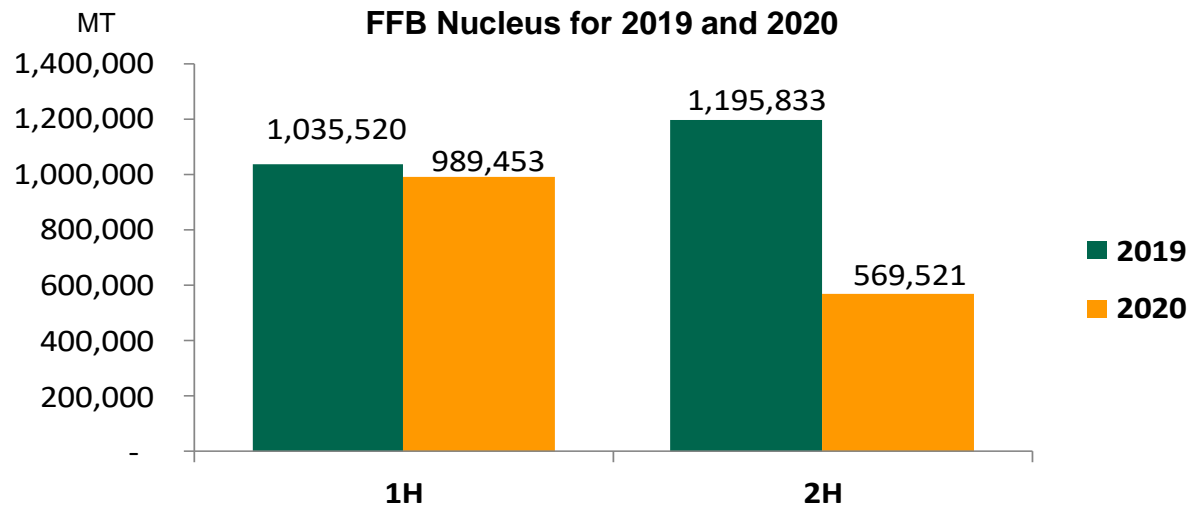


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# Operational Highlight

|                   |      | 9M2020           | %            | 9M2019           | %            | Change |
|-------------------|------|------------------|--------------|------------------|--------------|--------|
| <b>Production</b> |      |                  |              |                  |              |        |
| <b>FFB Total</b>  | (MT) | <b>3,162,165</b> | <b>100.0</b> | <b>3,372,306</b> | <b>100.0</b> | -6.2%  |
| FFB Internal      |      | 2,281,539        | 72.2         | 2,427,649        | 72.0         | -6.0%  |
| FFB Nucleus       |      | 1,558,974        | 49.3         | 1,659,162        | 49.2         | -6.0%  |
| FFB Plasma        |      | 722,565          | 22.9         | 768,487          | 22.8         | -6.0%  |
| FFB External      |      | 880,626          | 27.8         | 944,657          | 28.0         | -6.8%  |



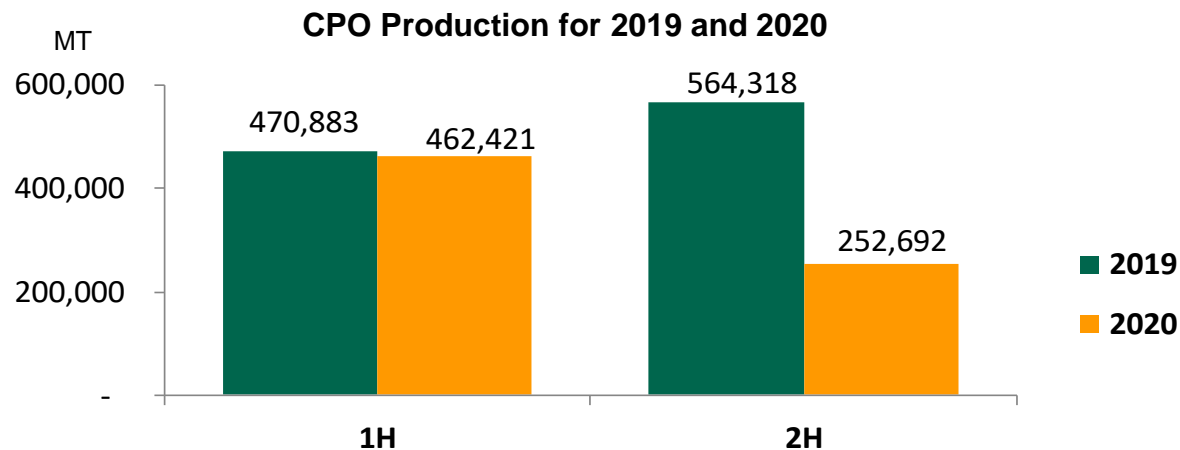


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# Operational Highlight

|                                  |         | 9M2020         | 9M2019         | Change       |
|----------------------------------|---------|----------------|----------------|--------------|
| <b>CPO</b>                       | (MT)    | <b>715,113</b> | <b>759,700</b> | <b>-5.9%</b> |
| <b>PK</b>                        | (MT)    | <b>150,319</b> | <b>155,558</b> | <b>-3.4%</b> |
| <b>Yield and Extraction Rate</b> |         |                |                |              |
| FFB Yield                        | (MT/ha) | 13.1           | 14.2           | -7.7%        |
| CPO Yield                        | (MT/ha) | 3.0            | 3.2            | -6.3%        |
| CPO Extraction Rate              | (%)     | 22.7%          | 22.6%          | 0.4%         |
| PK Extraction Rate               | (%)     | 4.8%           | 4.6%           | 4.3%         |





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# Operational Performance Overview

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The Group's overall operational performance for the nine months ended 30 September 2020 ("9M2020") was impacted by the lagged effects of El Nino in 2019.

- FFB yield decreased by 7.7% YoY due to the negative impact of the extreme weather on palm trees.
- The Group achieved 45% fertiliser application in the first half 2020 and the rest will be completed in the second semester of this year.
- Kalimantan experienced La Nina starting from August 2020 which brought about heavy rainfall and caused flooding in some parts of Kalimantan. Nevertheless, our operations had not been effected by these floods.



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# The Covid-19 Pandemic Impact to the Group's Business



- All the estates and mills of Bumitama have remained in full operation since the start of the Large-Scale Social Restrictions (PSBB) in Indonesia in March 2020.
- The Group's Crisis Management Centers have implemented and monitored all protocols to the highest standards for the safety and well-being of our employees, and minimised impact to our business.
- Since early September 2020, our Head office has 25% of our staff working in the office, while the rest work from home. This is in line with the guidance provided by the Jakarta Governor's office.
- As an additional precautionary measure, all staff leaving for the estates need to be tested prior to leaving, then quarantined and retested again, before being allowed to carry out their duties at the estates.



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# Contact Information

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