



Bumitama Agri Ltd.

Excellence Through Discipline

**Nine Months & Third Quarter
2015 Presentation**

12 November 2015



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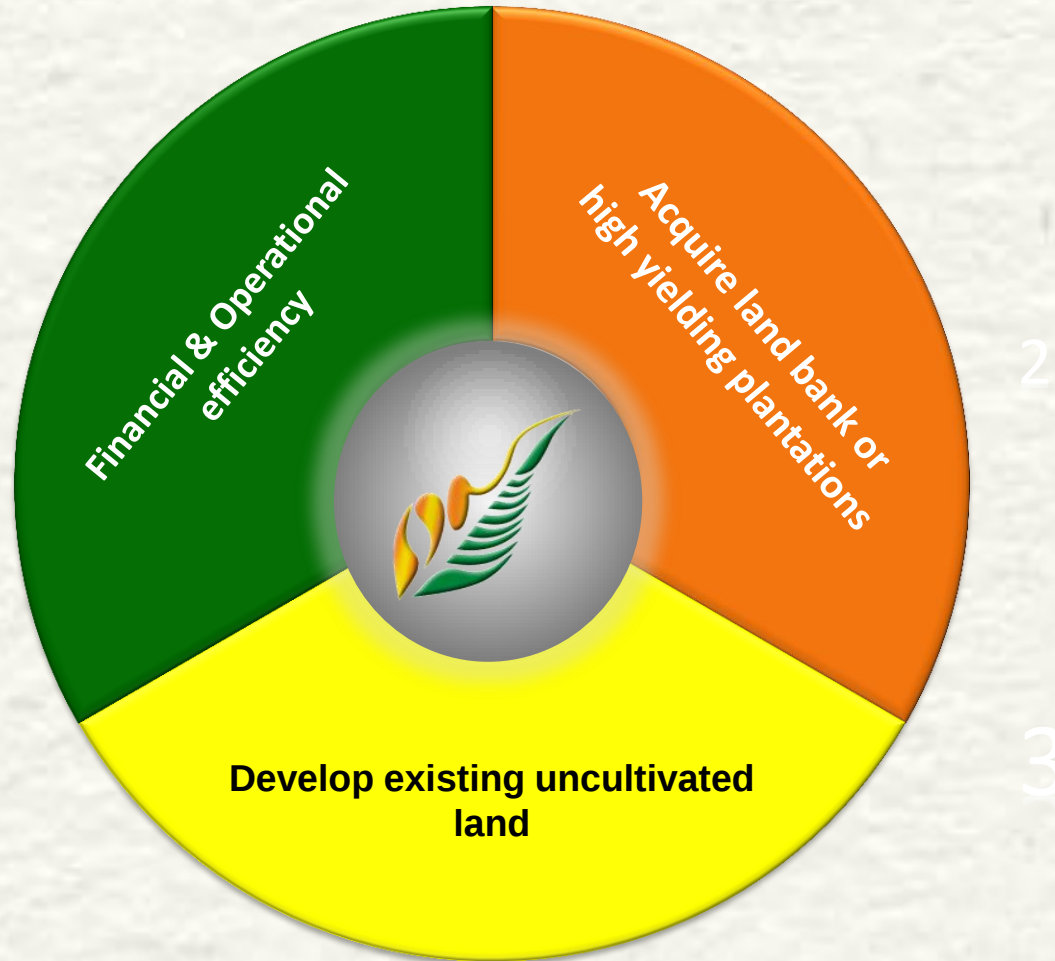
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The 1, 2, 3 Growth Strategies





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Executive Summary



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Executive Summary – 9M2015

● **Production Growth**

- FFB volumes increased 8.2% YoY to 1,575,587 mt.
- FFB yield dropped 5.2% YoY from 13.4 mt/ha to 12.7 mt/ha.
- OER at 23.1%.
- Total planted area of 158,168 ha.
- FFB internal forecast for 2015 revised to 15.0% instead of 20.0%.

● **Financial Performance Impacted By CPO Price**

- Revenue dropped by 2.2% YoY to IDR 4,094 billion.
- Gross Profit dropped by 28.5% YoY to IDR 1,278 billion.
- EBITDA dropped by 33.4% YoY to IDR 1,068 billion.



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Operational & Financial Performance



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Operational Highlight

		3Q 2015	%	3Q 2014	%	Change	YoY	9M 2015	%	9M 2014	%	Change	YoY
Production													
FFB Total	(MT)	794,921	100.0	648,761	100.0	22.5%	↑	2,270,195	100.0	1,908,313	100.0	19.0%	↑
FFB Internal		562,787	70.8	468,962	72.3	20.0%	↑	1,575,587	69.4	1,456,310	76.3	8.2%	↑
FFB Nucleus		383,448	48.2	333,399	51.4	15.0%	↑	1,079,603	47.6	1,013,469	53.1	6.5%	↑
FFB Plasma		179,339	22.6	135,563	20.9	32.3%	↑	495,984	21.8	442,841	23.2	12.0%	↑
FFB External		232,134	29.2	179,799	27.7	29.1%	↑	694,608	30.6	452,003	23.7	53.7%	↑
CPO	(MT)	181,975		150,661		20.8%	↑	520,713		444,255		17.2%	↑
PK	(MT)	31,814		27,818		14.4%	↑	98,346		82,057		19.9%	↑
Yield and Extraction Rate													
FFB Yield	(MT/ha)	4.4		4.3		2.3%	↑	12.7		13.4		-5.2%	↓
CPO Yield	(MT/ha)	1.0		1.0		0.0%	=	2.9		3.1		-6.5%	↓
CPO Extraction Rate (%)		23.2%		23.2%		0.0%	=	23.1%		23.3%		-0.9%	↓
PK Extraction Rate	(%)	4.0%		4.3%		-7.0%	↓	4.4%		4.3%		2.3%	↑



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Sales Revenue and Volume

	3Q 2015	3Q 2014	Change YoY	9M 2015	9M 2014	Change YoY
Sales Revenue (IDR in Million)						
- Crude Palm Oil	1,056,370	1,242,692	-15.0%	3,659,627	3,763,848	-2.8%
- Palm Kernel	106,395	123,458	-13.8%	418,027	423,555	-1.3%
- Biodiesel	16,122	-	N/A	16,122	-	N/A
- Glycerin	-	-	-	288	-	N/A
Sales Volume (MT)						
- Crude Palm Oil	156,601	152,666	2.6%	497,627	440,831	12.9%
- Palm Kernel	29,832	26,650	11.9%	94,870	80,210	18.3%
- Biodiesel	1,915	-	N/A	1,915	-	N/A
- Glycerin	-	-	-	121	-	N/A
Average Sales Price (IDR/KG)						
- Crude Palm Oil	6,746	8,140	-17.1%	7,354	8,538	-13.9%
- Palm Kernel	3,566	4,633	-23.0%	4,406	5,281	-16.6%
- Biodiesel	8,418	-	N/A	8,418	-	N/A
- Glycerin	-	-	-	2,375	-	N/A



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Income Statement Highlight

IDR million	3Q 2015	3Q 2014	Change	YoY	9M 2015	9M 2014	Change	YoY
Revenue	1,178,887	1,366,150	-13.7%	↓	4,094,064	4,187,403	-2.2%	↓
Gross profit	409,383	610,012	-32.9%	↓	1,277,959	1,786,242	-28.5%	↓
Net profit	221,625	339,018	-34.6%	↓	674,322	1,038,056	-35.0%	↓
Net profit attributable to owners of the company	199,768	285,406	-30.0%	↓	598,430	886,577	-32.5%	↓
EBITDA	354,132	528,215	-33.0%	↓	1,068,320	1,604,905	-33.4%	↓
Gross margin (%)	34.7%	44.7%	-22.4%	↓	31.2%	42.7%	-26.9%	↓
Net profit margin (%)	18.8%	24.8%	-24.2%	↓	16.5%	24.8%	-33.5%	↓
EBITDA margin (%)	30.0%	38.7%	-22.5%	↓	26.1%	38.3%	-31.9%	↓



Planting Area

	As at 30 September 2015		As at 31 December 2014		Change	
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)	
Planted Nucleus	116,161	73.4	115,463	75.3	698	↑
- Mature	87,994	55.6	77,177	50.4	10,817	↑
- Immature	28,167	17.8	38,286	25.0	-10,119	↓

- As at 30 September 2015 the planted Plasma is 42,007 ha, inclusive of 4,685 ha from collaboration with cooperatives in West Kalimantan.

Weighted average age of 6.9 years as at 1 January 2015



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Amendments to FRS 41

Current	New (effective as of January 1 st , 2016)
● All plantation assets are measured and accounted for at their fair value less cost to sell. ● Any fair value gain/loss arisen is charged to Profit or Loss. ● No depreciation charged to the plantation assets.	Plantation assets are separated between bearer plants and agricultural produce. ▪ Agricultural produce (palm fruits) growing on the bearer plants are biological assets measured at fair value less cost to sell (FRS 41) and should be accounted for as current assets. ▪ Bearer plants (palm trees) should be accounted for as property, plant and equipment (FRS 16), where depreciation will be charged based on its productive useful life.

The Group will opt to apply the **historical costs** as the depreciation base of the bearer plants, where the assets will be adjusted back to their historical costs less accumulated depreciation.



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Estimated Financial Impact of the Amendments to FRS 41

in IDR million	Audited 31 Dec 2014	Estimated Adjustment	Proforma 31 Dec 2014
Biological assets	7,517,948	(7,517,948)	-
Property, plant and equipment (PPE)	2,865,809	5,601,919	8,467,728
Deferred tax liabilities	690,933	(288,673)	402,260
Equity	7,108,726	(1,627,355)	5,481,371
Additional annual depreciation of bearer plants, net of tax	-	110,339	110,339

Notes:

- The fair value of agricultural produce has not been taken into consideration as the computation methodology is still being discussed
- The above calculation is still subject to audit



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Thank You