



Bumitama Agri Ltd.

Excellence Through Discipline

Fourth Quarter & Full Year

2018 Presentation

26 February 2019





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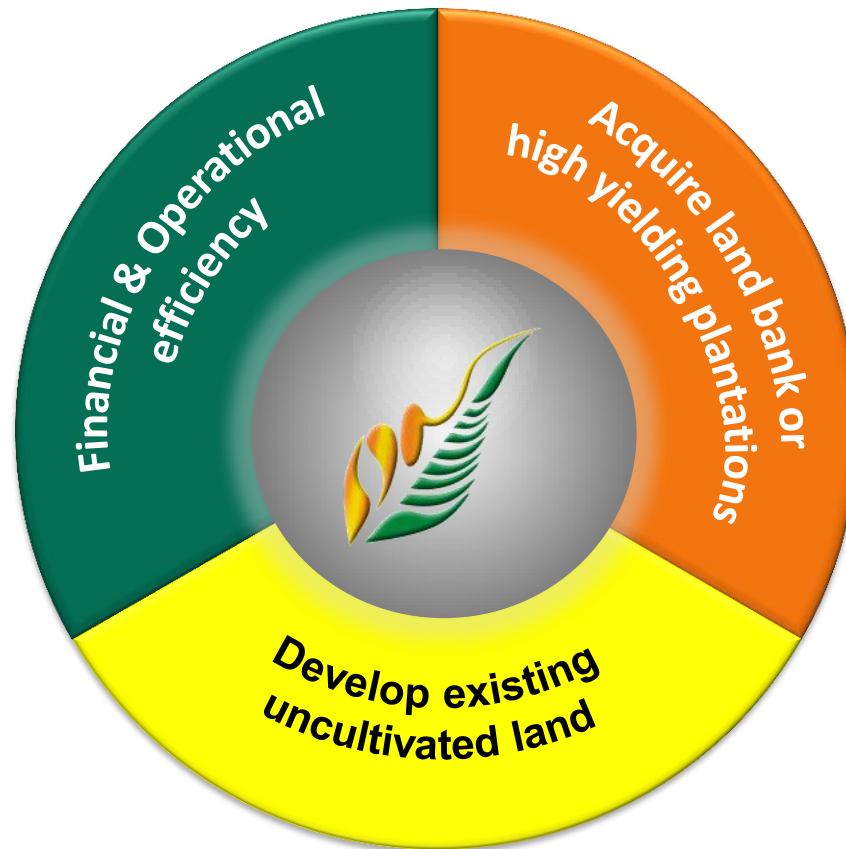
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The 1, 2, 3 Growth Strategies





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To be a Leading Palm Oil Producer

**Planting & Cultivating Oil
Palms
Harvesting FFB**



Nursery



Fresh Fruit Bunches

**Processing FFB into
CPO and PK**



Storage Tanks



Palm Oil mill

Products: CPO and PK



Crude Palm Oil



Palm Kernel

**Total Planted: 185,165 ha
(including Plasma) for 31 Dec 2018**

**Expansion Plan for 2019:
Target new planting of 2,000 ha**

**Total Investment for 2018:
around IDR 0.7 trillion**

**Targeted Investment for 2019:
around IDR 1.0 trillion**

**For 31 Dec 2018:
Production of CPO: 1,043,045 mt
Production of PK: 208,311 mt**

**FFB internal growth up to
15% for 2019**



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Executive Summary – FY2018

● **Production**

- FFB volumes increased 28.3% YoY to 3,338,234 mt.
- FFB yield increased 24.4% YoY from 16.4 mt/ha to 20.4 mt/ha.
- OER at 22.1%.
- Total planted area of 185,165 ha.

● **Financial Performance**

- Revenue increased by 3.1% YoY to IDR 8,381 billion.
- Gross Profit increased by 0.1% YoY to IDR 2,391 billion.
- EBITDA decreased by 1.3% YoY to IDR 2,395 billion.

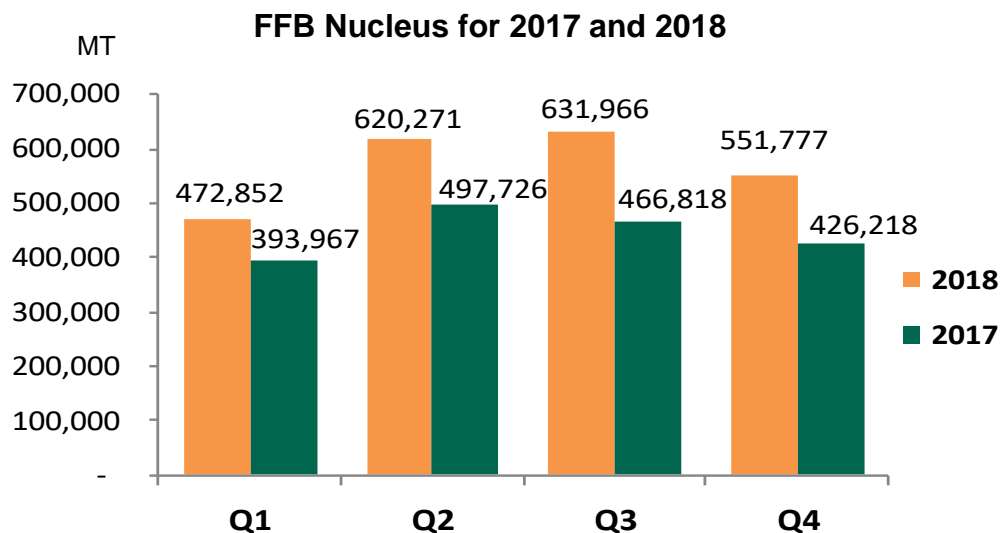


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Operational Highlight

		4Q2018	%	4Q2017	%	Change	YoY	FY2018	%	FY2017	%	Change	YoY
Production													
FFB Total	(MT)	1,133,050	100.0	910,025	100.0	24.5%	⬆️	4,713,113	100.0	3,610,202	100.0	30.5%	⬆️
FFB Internal		807,805	71.3	617,882	67.9	30.7%	⬆️	3,338,234	70.8	2,602,224	72.1	28.3%	⬆️
FFB Nucleus		551,777	48.7	426,218	46.8	29.5%	⬆️	2,276,866	48.3	1,784,729	49.5	27.6%	⬆️
FFB Plasma		256,028	22.6	191,664	21.1	33.6%	⬆️	1,061,368	22.5	817,495	22.6	29.8%	⬆️
FFB External		325,245	28.7	292,143	32.1	11.3%	⬆️	1,374,879	29.2	1,007,978	27.9	36.4%	⬆️





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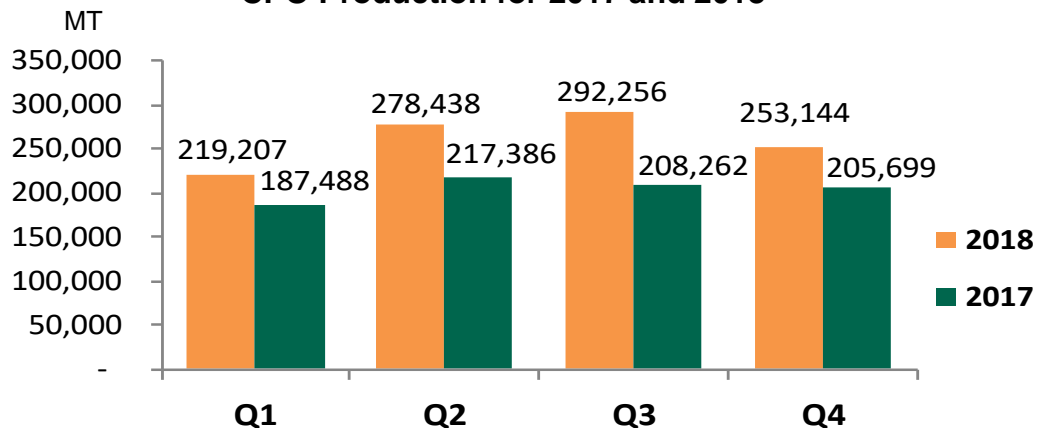
Operational Highlight

		4Q2018	4Q2017	Change	YoY	FY2018	FY2017	Change	YoY
CPO	(MT)	253,144	205,699	23.1%	↑	1,043,045	818,835	27.4%	↑
PK	(MT)	48,042	44,856	7.1%	↑	208,311	166,224	25.3%	↑

Yield and Extraction Rate

FFB Yield	(MT/ha)	4.9	4.0	22.5%	↑	20.4	16.4	24.4%	↑
CPO Yield	(MT/ha)	1.1	0.9	22.2%	↑	4.5	3.7	21.6%	↑
CPO Extraction Rate (%)		22.2%	22.6%	-1.8%	↓	22.1%	22.7%	-2.6%	↓
PK Extraction Rate (%)		4.2%	4.9%	-14.3%	↓	4.4%	4.6%	-4.3%	↓

CPO Production for 2017 and 2018





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Planted Area

	As at 31 December 2018		As at 31 December 2017		Change	
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)	
Planted Nucleus	132,431	71.5	131,421	71.9	1,010	↑
- Old & Mature	113,238	61.1	110,699	60.6	2,539	↑
- Immature	19,193	10.4	20,722	11.3	-1,529	↓

- As at 31 December 2018 the planted Plasma is 52,734 ha.

Weighted average age of 9.8 years as at 1 January 2019



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Sales Revenue and Volume

	4Q2018	4Q2017	Change YoY	FY2018	FY2017	Change YoY
Sales Revenue (IDR million)						
- Crude Palm Oil	1,973,252	1,683,950	17.2%	7,299,413	6,744,121	8.2%
- Palm Kernel	231,415	310,723	-25.5%	1,081,772	1,118,711	-3.3%
- Biodiesel	-	63,572	-	-	265,326	-
- Glycerin	-	1,505	-	-	3,226	-
Sales Volume (MT)						
- Crude Palm Oil	325,389	207,617	56.7%	1,038,471	832,723	24.7%
- Palm Kernel	53,162	41,647	27.6%	204,605	163,061	25.5%
- Biodiesel	-	6,414	-	-	26,575	-
- Glycerin	-	982	-	-	4,246	-
Average Sales Price (IDR/KG)						
- Crude Palm Oil	6,064	8,111	-25.2%	7,029	8,099	-13.2%
- Palm Kernel	4,353	7,461	-41.7%	5,287	6,861	-22.9%
- Biodiesel	-	9,911	-	-	9,984	-
- Glycerin	-	1,533	-	-	760	-



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Income Statement Highlight

IDR million	4Q2018	4Q2017	Change	YoY	FY2018	FY2017	Change	YoY
Revenue	2,204,667	2,059,750	7.0%	↑	8,381,185	8,131,384	3.1%	↑
Gross profit	523,648	674,785	-22.4%	↓	2,391,052	2,389,170	0.1%	↑
Net profit	253,671	455,143	-44.3%	↓	1,295,338	1,424,196	-9.0%	↓
Net profit attributable to owners of the company	207,369	363,607	-43.0%	↓	1,097,080	1,193,341	-8.1%	↓
EBITDA	508,438	705,172	-27.9%	↓	2,394,650	2,426,916	-1.3%	↓
Gross margin (%)	23.8%	32.8%	-27.4%	↓	28.5%	29.4%	-3.1%	↓
Net profit margin (%)	11.5%	22.1%	-48.0%	↓	15.5%	17.5%	-11.4%	↓
EBITDA margin (%)	23.1%	34.2%	-32.5%	↓	28.6%	29.8%	-4.0%	↓

Appendix to the Announcement FY2018: 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

	4th Quarter			FY		
	2018 USD thousand	2017 USD thousand	Change %	2018 USD thousand	2017 USD thousand	Change %
Revenue	154,752	153,903	0.6%	588,301	607,570	-3.2%
Cost of sales	(117,996)	(103,483)	14.0%	(420,465)	(429,053)	-2.0%
Gross profit	36,756	50,420	-27.1%	167,836	178,517	-6.0%
Interest Income	3,149	3,479	-9.5%	11,571	11,052	4.7%
Fair value changes in biological assets	(3,345)	2,676	n.m.	(3,345)	2,676	n.m.
Selling expense	(6,297)	(4,706)	33.8%	(19,664)	(15,512)	26.8%
General and administrative expense	(3,928)	(3,929)	0.0%	(18,440)	(18,063)	2.1%
Finance cost	(3,773)	(3,516)	7.3%	(14,025)	(12,405)	13.1%
Foreign exchange gain/(loss)	1,357	(857)	n.m.	(4,011)	(435)	n.m.
Other expenses	(925)	(2,153)	-57.0%	(1,019)	(5,358)	-81.0%
Other income	366	866	-57.7%	797	1,250	-36.2%
Share of loss of associate companies	-	-	-	-	(171)	n.m.
Profit before income tax	23,360	42,280	-44.7%	119,700	141,551	-15.4%
Income tax expense	(5,554)	(8,273)	-32.9%	(28,776)	(35,137)	-18.1%
Profit for the period	17,806	34,007	-47.6%	90,924	106,414	-14.6%
Attributable to:						
Owners of the Company	14,556	27,168	-46.4%	77,008	89,166	-13.6%
Non-controlling interests	3,250	6,839	-52.5%	13,916	17,248	-19.3%
	17,806	34,007	-47.6%	90,924	106,414	-14.6%

n.m. – not meaningful

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 FY2018: 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		
	31-Dec-2018	31-Dec-2017	1-Jan-17	31-Dec-2018	31-Dec-2017	1-Jan-17
	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand
ASSETS						
Non-current assets						
Plasma receivables	118,519	92,888	68,721	-	-	-
Property, plant and equipment	238,850	254,158	246,158	239	3	6
Bearer plants	518,164	538,317	522,826	-	-	-
Land use rights	66,213	67,139	60,660	-	-	-
Investment in subsidiaries	-	-	-	147,166	103,517	63,588
Investment in associate companies	-	-	170	10,639	10,640	10,639
Intangible assets	12,252	12,855	13,102	-	-	-
Deferred tax assets	15,967	17,118	11,098	-	-	-
Deferred charges	-	-	464	-	-	464
Due from subsidiaries	-	-	-	495,480	536,021	598,482
Loan to an associate company	5,710	5,354	5,067	5,710	5,354	5,067
Total Non-current assets	975,675	987,829	928,266	659,234	655,535	678,246
Current assets						
Biological assets	17,154	21,853	19,370	-	-	-
Inventories	40,909	32,740	45,521	-	-	-
Deferred charges	590	574	397	4	6	4
Trade and other receivables	33,136	21,148	20,674	13	-	-
Due from related companies	3	4	36	-	-	-
Plasma receivables	15,164	19,167	22,495	-	-	-
Prepayments and advances	1,289	786	803	74	5	8
Dividend receivables	-	-	-	-	-	991
Prepaid taxes	37,531	28,448	23,015	6	4	3
Cash and short-term deposits	20,651	15,996	38,486	2,806	2,084	1,764
Total Current assets	166,427	140,716	170,797	2,903	2,099	2,770
Total Assets	1,142,102	1,128,545	1,099,063	662,137	657,634	681,016

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 FY2018: Translation of Unaudited Financial Statements to USD

	Group			Company		
	31-Dec-2018	31-Dec-2017	1-Jan-17	31-Dec-2018	31-Dec-2017	1-Jan-17
	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand	USD thousand
LIABILITIES AND EQUITY						
Current liabilities						
Loans and borrowings	55,000	25,000	75,000	55,000	25,000	75,000
Islamic medium term notes	241,185	-	-	241,185	-	-
Trade and other payables	53,509	36,877	42,574	154	96	1
Accrued operating expenses	14,490	14,074	12,728	4,460	4,058	4,195
Dividend payables	-	-	104	-	-	-
Sales advances	893	3,727	2,307	-	-	-
Income taxes payable	7,735	14,641	9,842	-	-	-
Derivative financial liabilities	71,025	-	-	71,025	-	-
Total Current liabilities	443,837	94,319	142,555	371,824	29,154	79,196
Non-current liabilities						
Deferred tax liabilities	8,858	13,564	12,242	-	-	-
Loans and borrowings	64,560	79,542	64,650	64,560	79,542	64,650
Islamic medium term notes	-	245,986	222,673	-	245,986	222,673
Post employment benefits	3,363	2,889	2,909	-	-	-
Derivative financial liabilities	-	66,935	94,216	-	66,935	94,216
Total Non-current liabilities	76,781	408,916	396,690	64,560	392,463	381,539
Total Liabilities	520,618	503,235	539,245	436,384	421,617	460,735
Net Assets	621,484	625,310	559,818	225,753	236,017	220,281
Equity attributable to owners of the Company						
Share capital	130,993	130,993	130,993	130,993	130,993	130,993
Treasury shares	(9,938)	(9,750)	(1,301)	(9,938)	(9,750)	(1,301)
Other reserves	(15,602)	(14,905)	(18,974)	(330)	(1,141)	(5,210)
Retained earnings	487,009	445,495	384,194	36,935	47,780	26,804
Foreign currency translation reserve	(69,976)	(10,089)	5,095	68,093	68,135	68,995
Total Equity	522,486	541,744	500,007	225,753	236,017	220,281
Non-controlling interests	98,998	83,566	59,811	-	-	-
Total Equity	621,484	625,310	559,818	225,753	236,017	220,281

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 FY2018: 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	4th Quarter		FY	
	2018	2017	2018	2017
	USD thousand	USD thousand	USD thousand	USD thousand
Cash flows from operating activities				
Cash receipts from customers	124,331	148,083	571,090	608,027
Cash payments to suppliers, employees and for other operating expenses	(95,086)	(107,938)	(432,505)	(440,360)
Income tax paid	(4,633)	(5,460)	(32,070)	(26,986)
Net cash flows generated from operating activities	24,612	34,685	106,516	140,681
Cash flows from investing activities				
Increase in plasma receivables	(6,015)	(7,021)	(26,611)	(16,640)
Investment in intangible assets	-	(43)	(244)	(43)
Investment in bearer plants	(11,600)	(10,339)	(23,783)	(31,689)
Investment in property, plant and equipment	(9,453)	(8,864)	(20,380)	(27,799)
Investment in land use rights	(845)	(2,606)	(5,366)	(5,927)
Net cash outflows for the acquisition of subsidiaries	-	-	-	(5,562)
Interest received	3,040	3,394	11,175	10,733
Net cash flows used in investing activities	(24,873)	(25,479)	(65,210)	(76,927)
Cash flows from financing activities				
Proceeds from loans and borrowings	5,346	-	35,712	14,929
Repayment of loan and borrowings	-	(10,145)	(20,455)	(49,936)
Decrease in amount due from related companies	-	22	-	32
Payment of dividend	(4,499)	-	(40,018)	(28,532)
Buy-back of ordinary shares	(188)	(2,401)	(188)	(8,449)
Contribution from non-controlling interests	4,318	-	4,318	-
Interest paid	(781)	(781)	(15,263)	(14,016)
Net cash flows generated from/(used) in financing activities	4,196	(13,305)	(35,895)	(85,972)
Net increase/(decrease) in cash and cash equivalents	3,935	(4,099)	5,411	(22,218)
Effect of exchange rate changes on cash and cash equivalents	281	(84)	(756)	(272)
Cash and cash equivalents at beginning of period / year	16,435	20,179	15,996	38,486
Cash and cash equivalents at end of period / year	20,651	15,996	20,651	15,996

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Appendix to the Announcement FY2018: Translation of Unaudited Financial Statements to USD

Cash Flows from Operating Activities:	4th Quarter		FY	
	2018	2017	2018	2017
	USD thousand	USD thousand	USD thousand	USD thousand
Profit before income tax	23,360	42,280	119,700	141,551
Depreciation and amortisation	9,717	10,334	38,578	38,708
Finance cost	3,773	3,516	14,025	12,405
Interest income	(3,149)	(3,479)	(11,571)	(11,052)
Unrealized foreign exchange gain	6,799	875	3,402	1,786
Impairment of property, plant and equipment	-	1,858	-	1,858
Share of loss of associate companies	-	-	-	171
Fair value changes in biological assets	3,345	(2,676)	3,345	(2,676)
Operating cash flows before working capital changes	45,128	54,028	168,762	184,071
Decrease/(increase) in:				
- Trade and other receivables	(20,961)	(3,287)	(13,433)	(506)
- Inventories	31,029	(3,841)	(10,448)	12,377
- Prepaid taxes	13,282	18,309	(11,095)	(6,810)
- Prepayments and advances	108	297	(562)	24
- Deferred charges	11	(79)	(53)	(104)
(Decrease)/increase in:				
- Trade and other payables	(9,438)	433	17,177	(11,098)
- Accrued operating expenses	(578)	(1,582)	(1,158)	(2,344)
- Other taxes payable	(20,761)	(19,282)	(7,423)	(8,223)
- Sales advances	(8,031)	(3,674)	(2,637)	1,457
Employee benefits contribution paid	(544)	(1,177)	(544)	(1,177)
Cash flows generated from operations	29,245	40,145	138,586	167,667
Income tax paid	(4,633)	(5,460)	(32,070)	(26,986)
Net cash flows generated from operating activities	24,612	34,685	106,516	140,681

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

If you need further information, please contact:

Investor Relations

Christina Lim	--- clim@bumitama-agri.com
Lim Sian Choo	--- lim.sian.choo@bumitama-agri.com
Glenn Ho	--- 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



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THANK YOU

