



Excellence Through Discipline

# **Bumitama Agri – AGM 2024**

## **FY23 Performance**

# Table of Contents

Corporate Overview

Performance Highlights

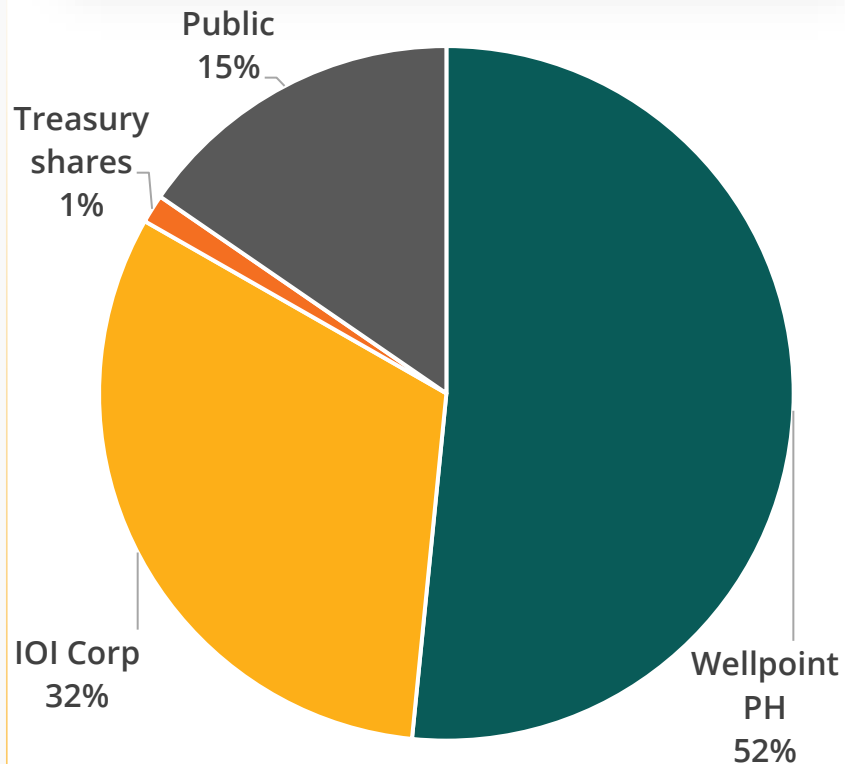
Industry Overview

Contact Us

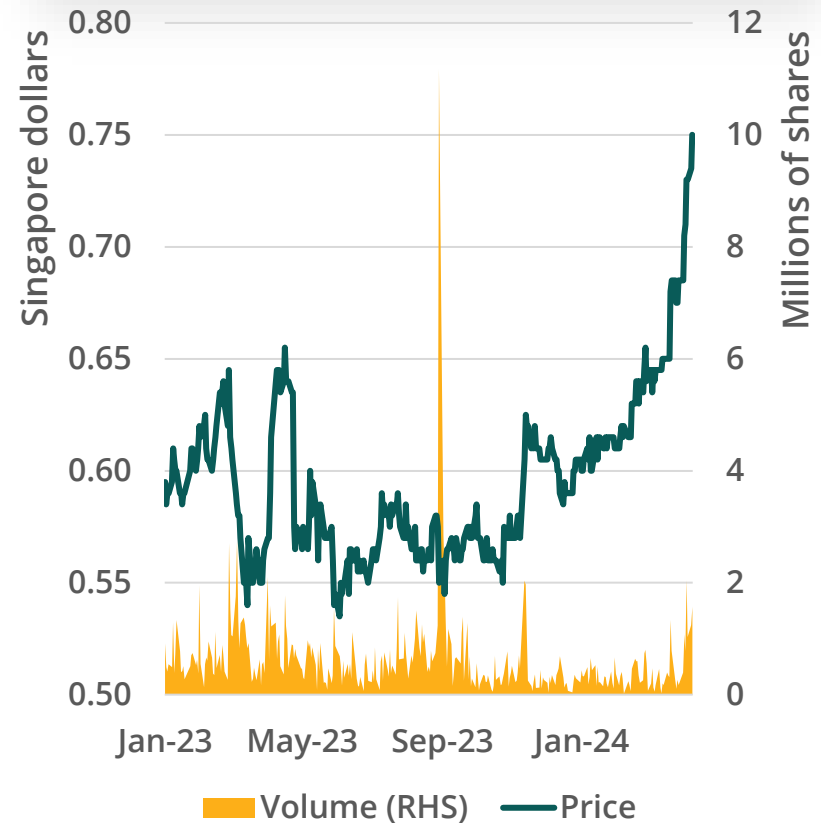
# Corporate Profile

Having been in the business for nearly three decades, Bumitama Agri is one of the leading oil palm plantation operators in Indonesia that is publicly listed in SGX

## Ownership Structure



## Share Performance

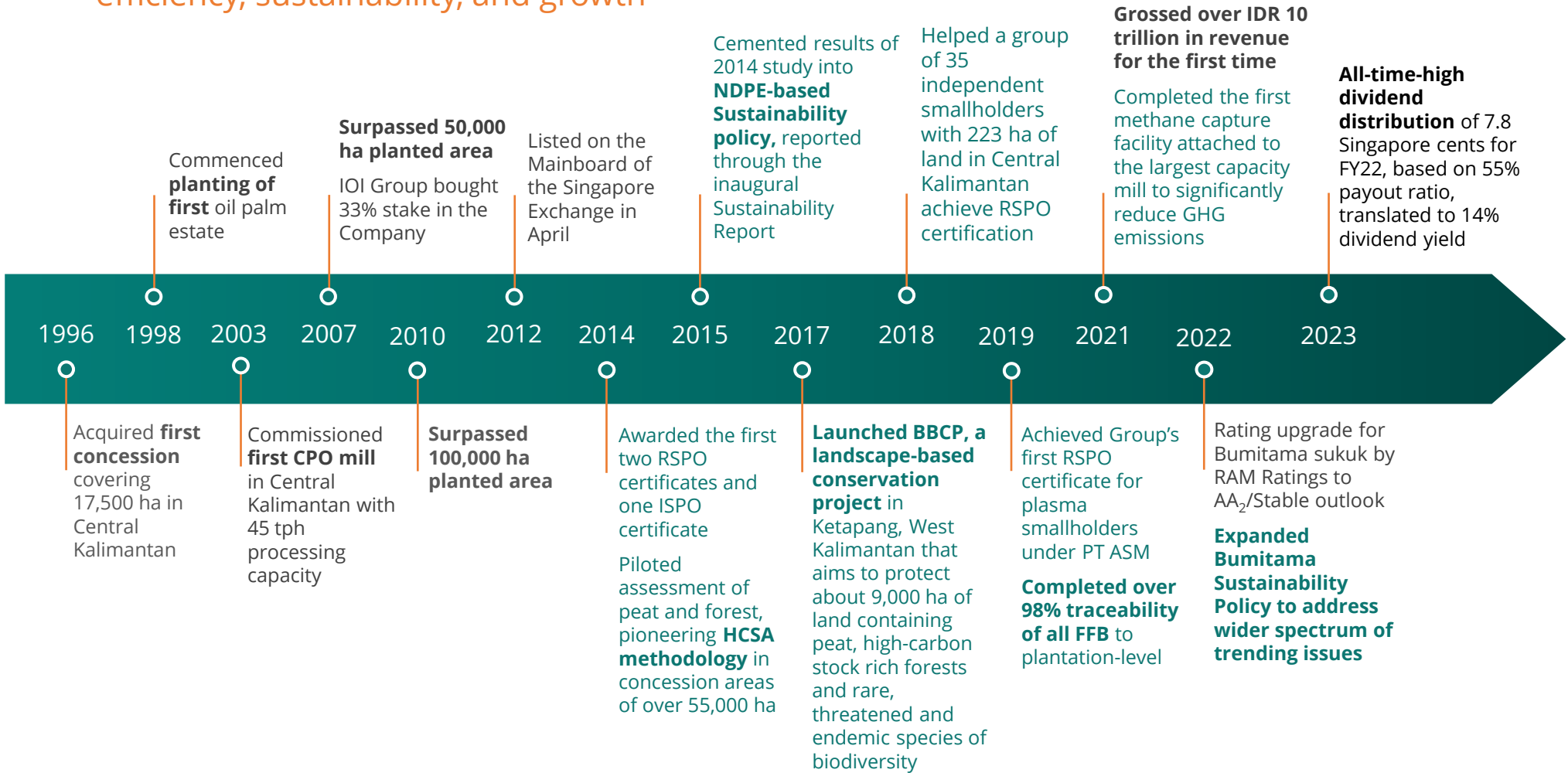


- Shares issued: 1,757,531,844 units (including treasury shares)  
 - As of 31 Dec 2023



# Milestones

Empowered by our motto: Excellence through Discipline, the Group endeavors to be a leading CPO producer through continuous improvement, focusing on productivity, cost efficiency, sustainability, and growth



# Area of Operations

Considerable amount of our planted surface is strategically located in areas of good precipitation and temperature, well suited for oil palm cultivation



## Notes

- Plantation
- Mill
- Province/District

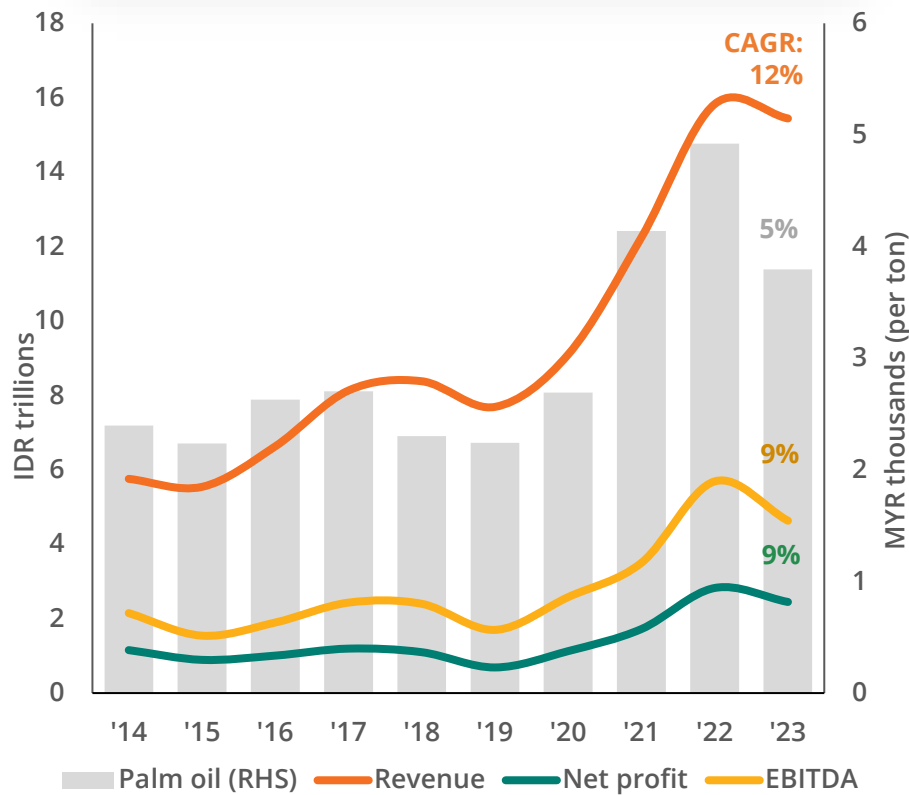
## Consolidated

- Total planted area: 187k ha
  - Nucleus estates: 131k ha
  - Plasma estates: 56k ha
- Processing capacity: 6.39 mn tons per annum (15 mills)

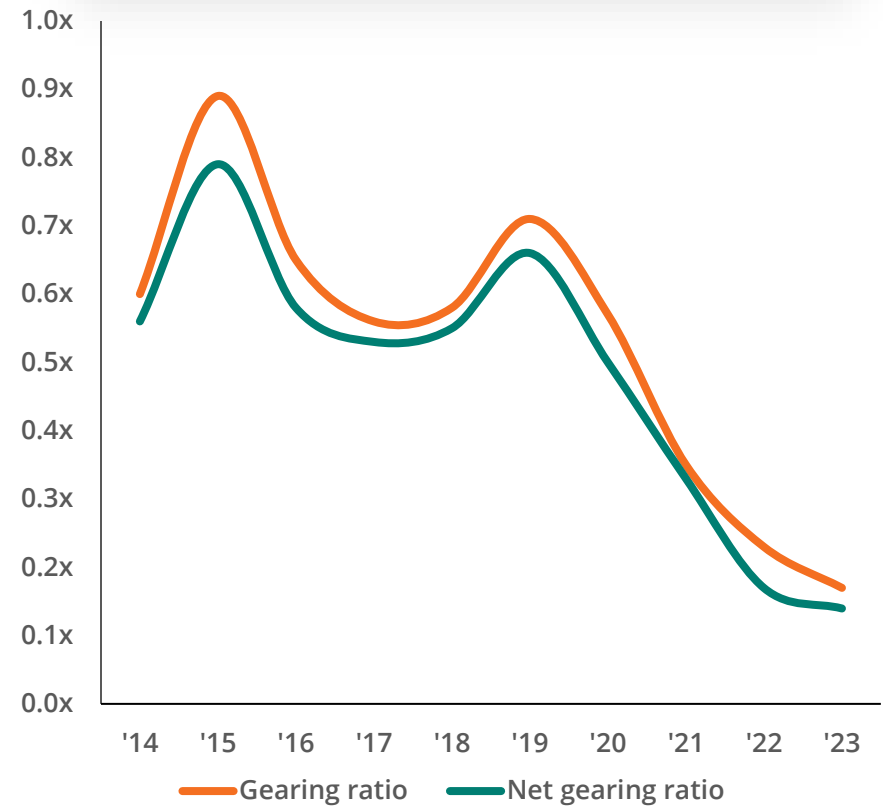
# Fundamentally strong

Improving industry prospects in the past five years have resulted in robust financial performance and paved the way for significant deleveraging

Post dip from record high prices in 2022, palm oil remains at elevated level



Financial well-being following plentiful cash flow from operations in recent years

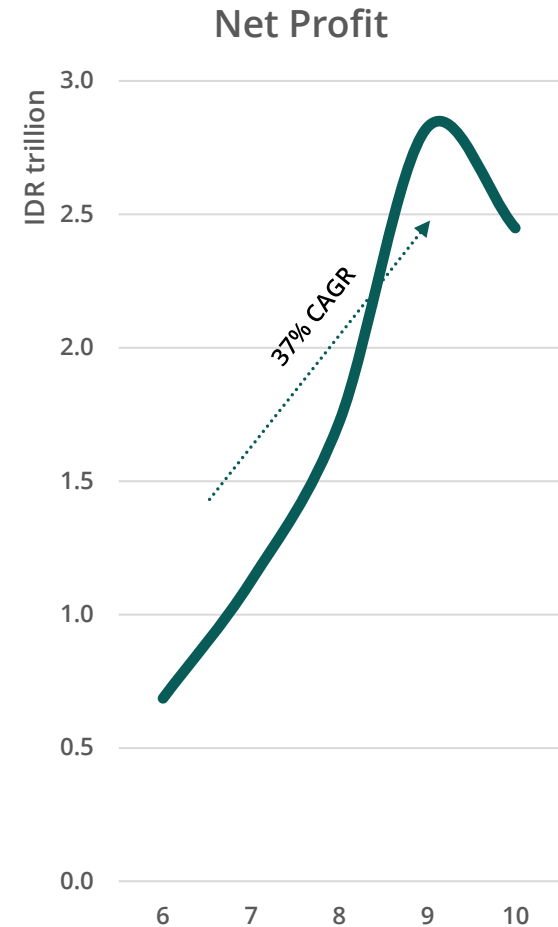
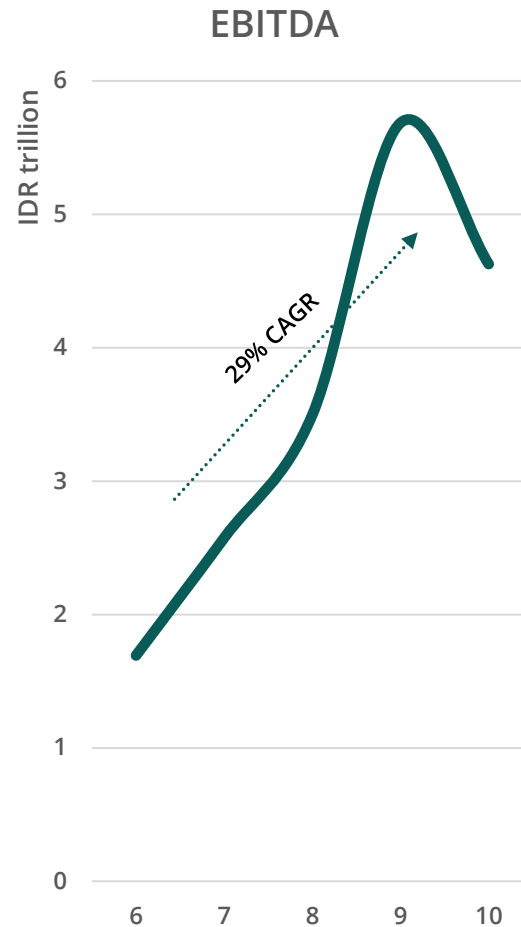
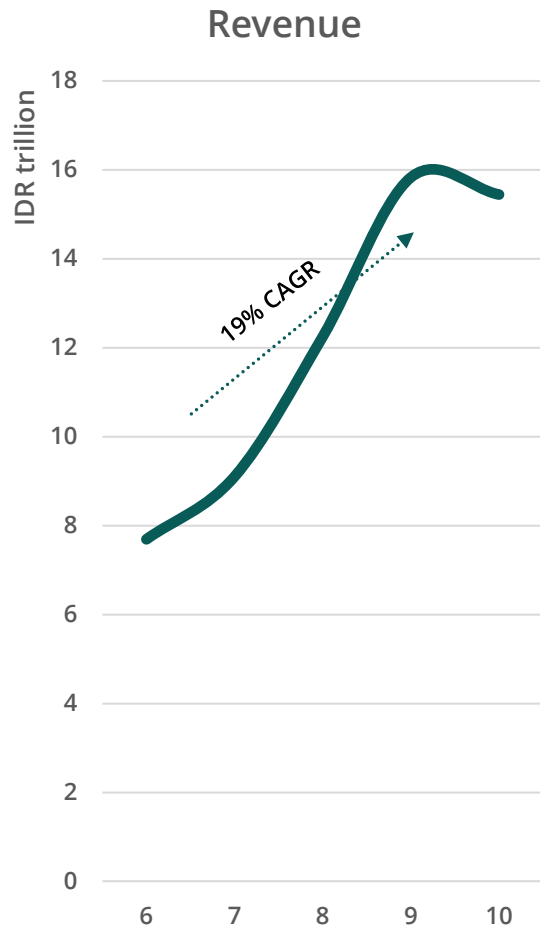


**Notes:**

MDEX 3<sup>rd</sup> month contract | Net profit is attributable to Owners of the Company

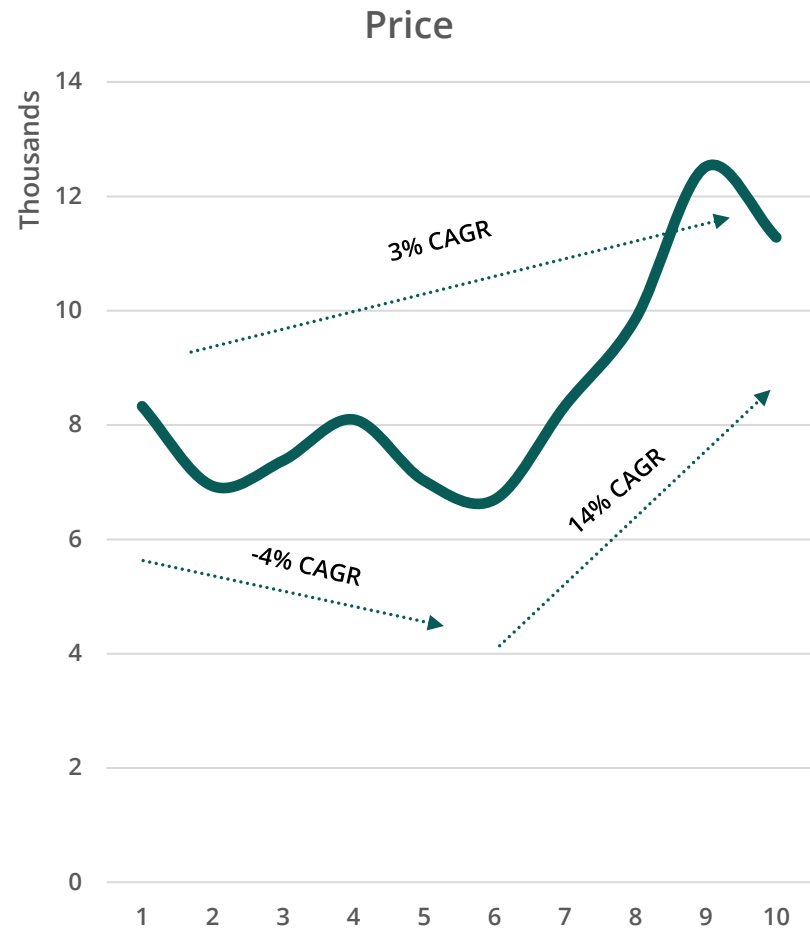
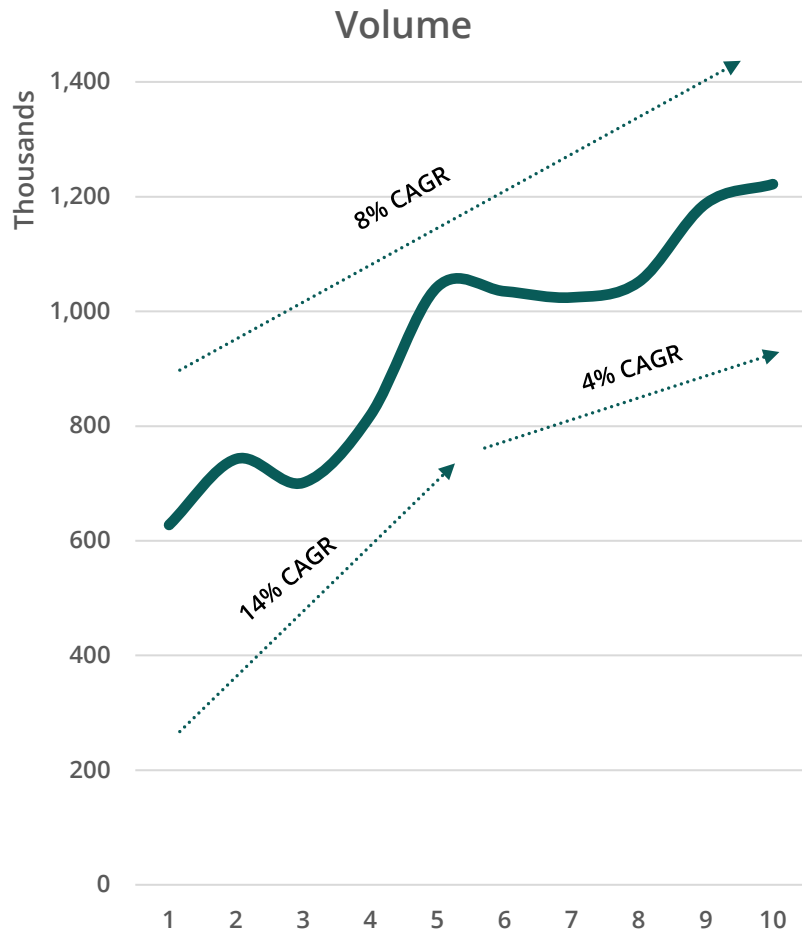
# Elevated palm oil price environment

In the past five years, Bumitama's key financial metrics have surged across the board, versus the pre-covid19 period



# Palm oil price to stay elevated?

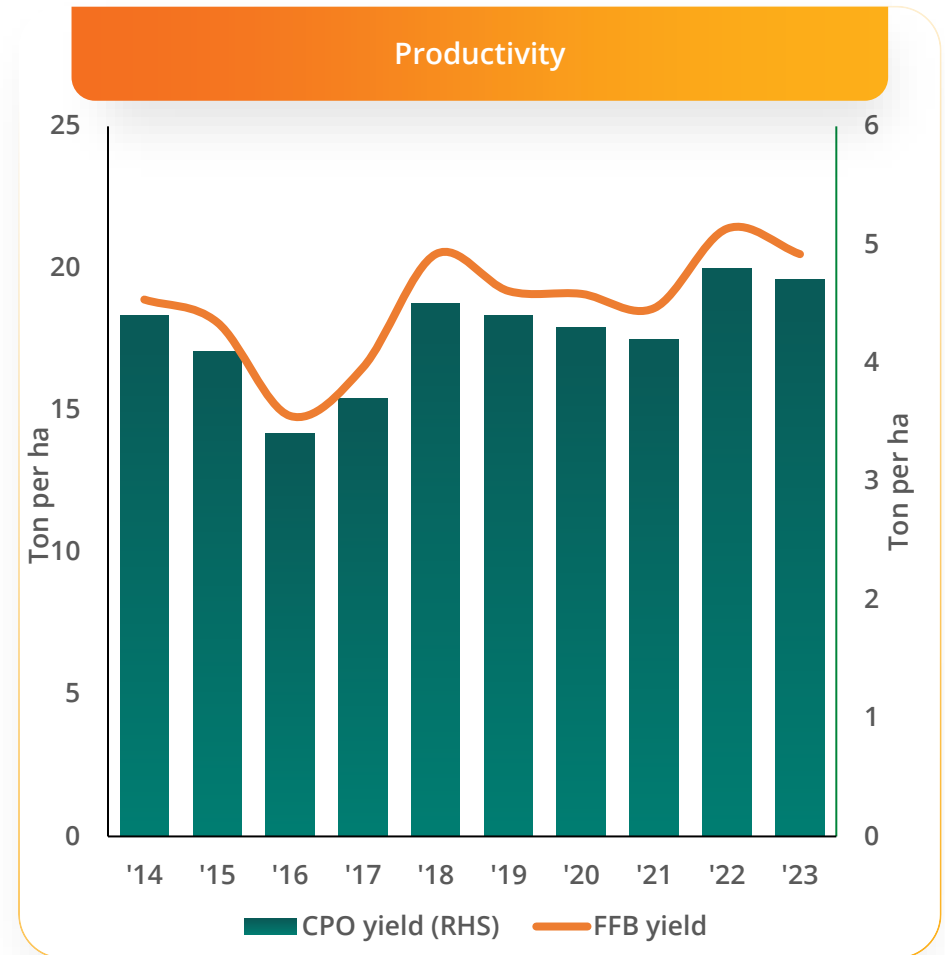
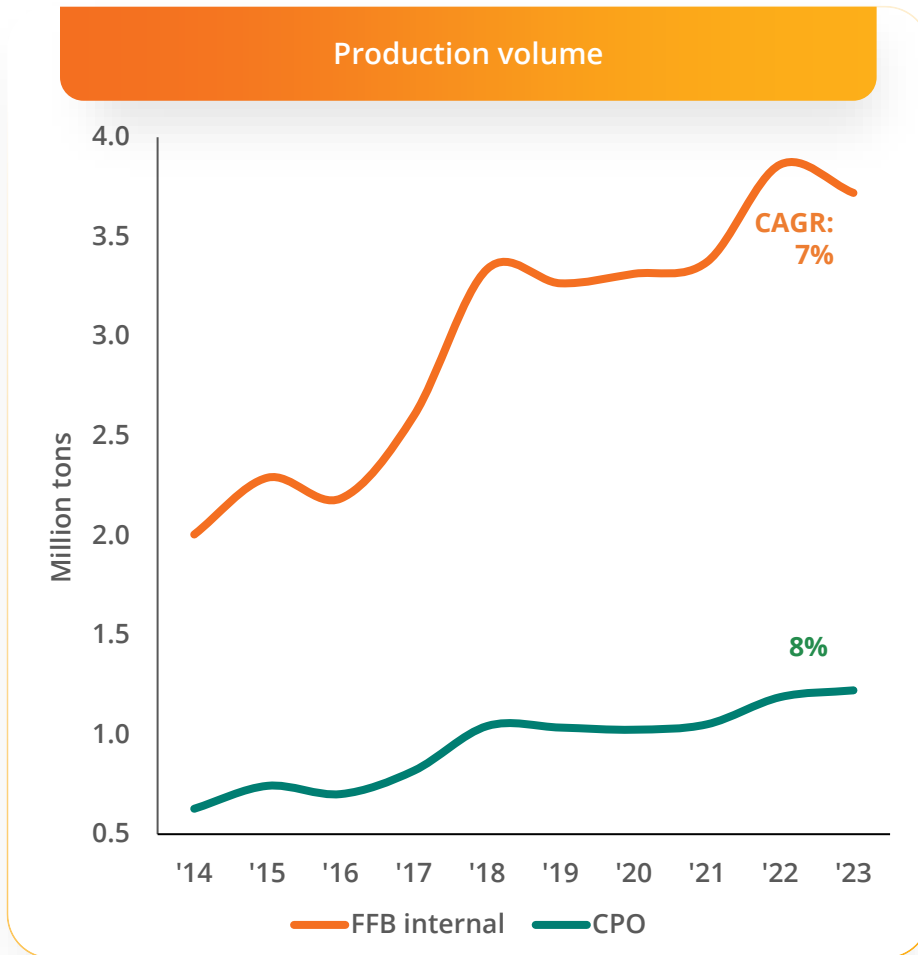
Transformation of two key drivers behind Bumitama's performance in the past decade





# Operational outperformance and resilience

Excellence through discipline is the driving force behind our best agronomy practices through synergy creation amongst tens of thousands of individuals working in unity



**Notes:**

CPO yield is calculated using consolidated OER

# Table of Contents



Corporate Overview



Performance Highlights



Industry Overview



Contact Us

# Executive Summary – Full Year 2023



Significantly bigger production in the second semester, increased contribution from external FFB supplier, and higher extraction rates **helped raise output in 2023**, which were instrumental in a **declining price environment**

- Total CPO output reached 1.22 million tons in 2023, or 3% higher than 2022
  - Production spread in 2023 normalized, characterized by bigger contribution in the second semester as output **climbed 19%** versus 1H23, **accounting 54%** for 2023, compared to the 49% proportion in 2022
  - FFB external **spiked 13%** versus the previous year, resulting in **31% proportion** in 2023, or highest on record
  - Oil extraction rates have also **improved by 0.4 percentage points**, amounting **22.7%** within the year

## Respectable financial performance in 2023

- **Revenue declined 2%** to IDR15.44 trillion in 2023, primarily due to record-high base of commodity prices in 2022
  - CPO sales in 2023, accounting 91% of total revenue, climbed 2% vs 2022 due to 13% more sales volume
  - On the other hand, PK sales suffered 34% setback due to 36% fall in average selling price and settled at normalized range at the close of 2023
- Despite the retreat in 2023 performance, **Bumitama's key financial metrics had surged to more than double since 2019**, the pre-covid period
  - Revenue, EBITDA, and net profit have booked **CAGR of 19%, 29%, and 37%** respectively

## Management is proposing another round of special dividend

- Special dividend is non-recurring but gives a signal to the market that our financials are sound while delivering attractive returns to our shareholders, in line with our mission statement

# The YoY decline in 2023 has been anticipated

Despite falling from the record high prices of early 2022 triggered by conflict in the Black Sea region, palm oil price has stayed elevated versus its 10-yr average, at 45% higher

3<sup>rd</sup> month contract in MDEX

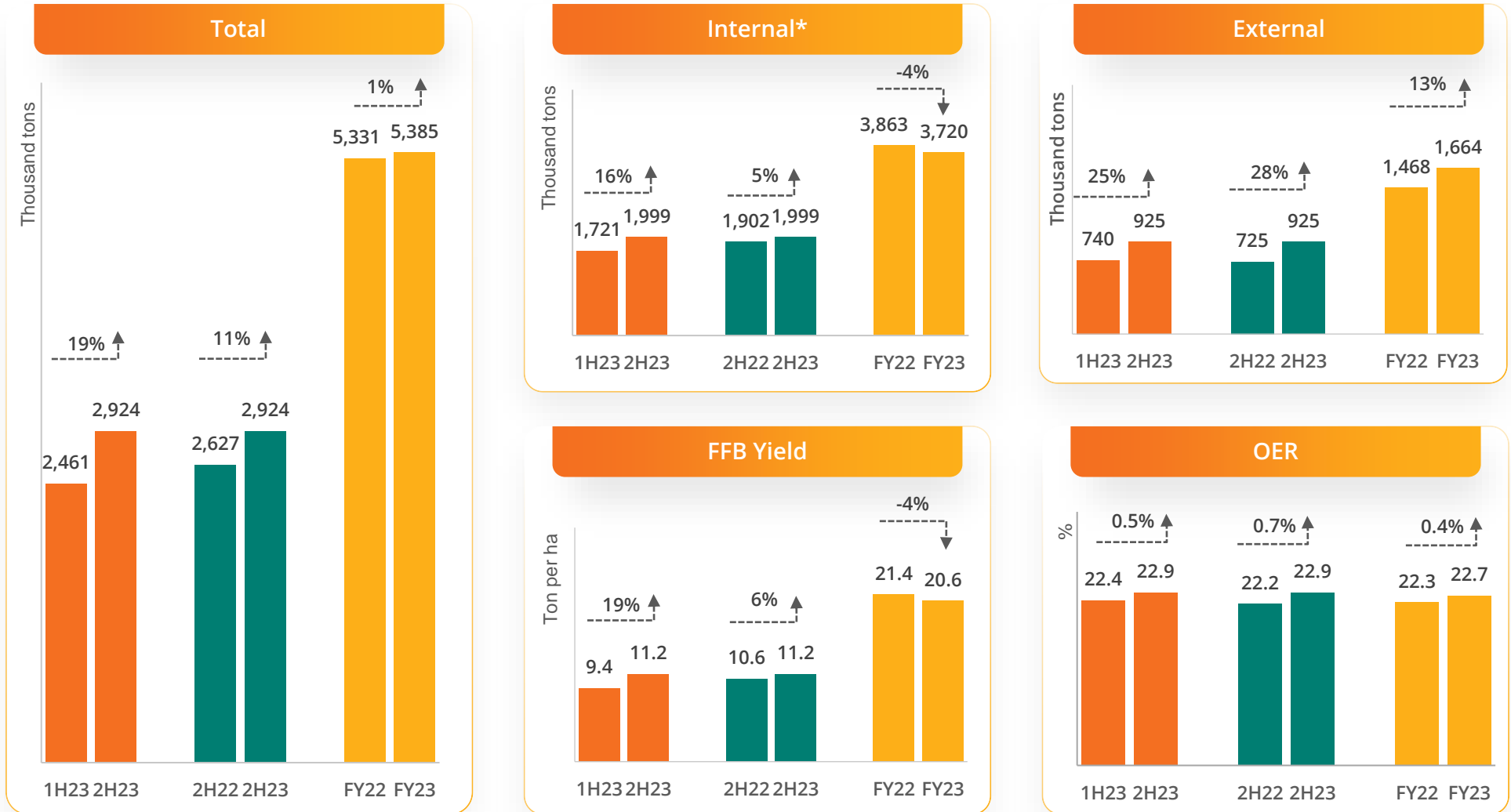


Daily tender price by KPBN



# FFB Harvest

Internal production spread normalized in 2023 with second half output accounting 54% of total, from 49% in 2022

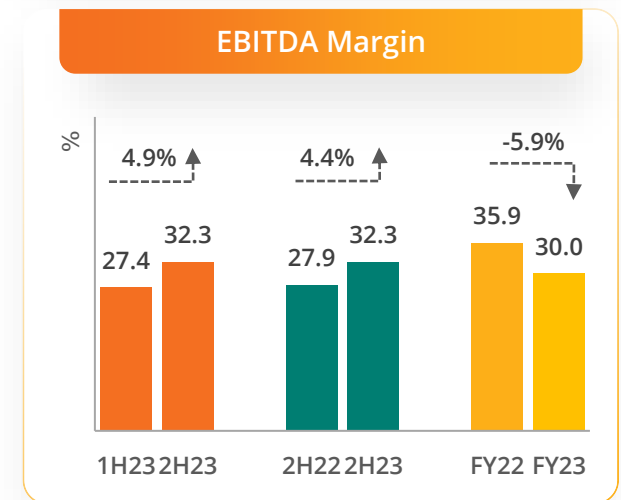
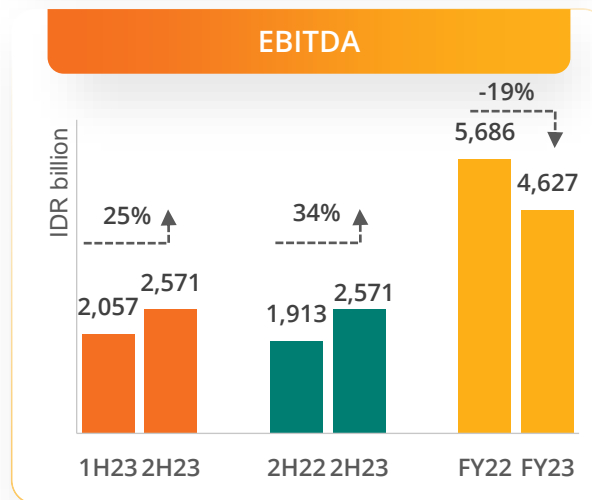
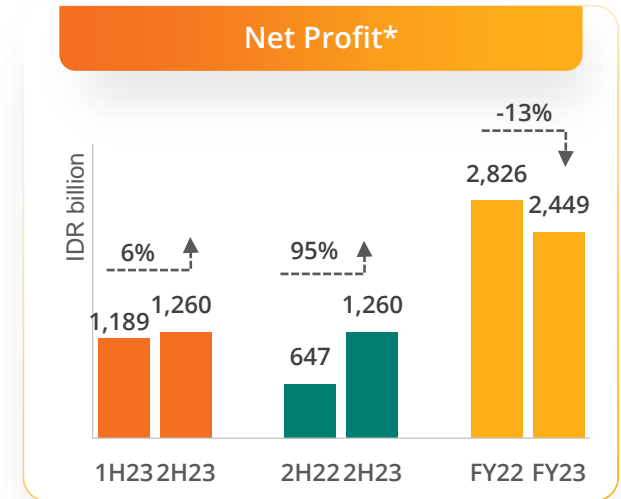
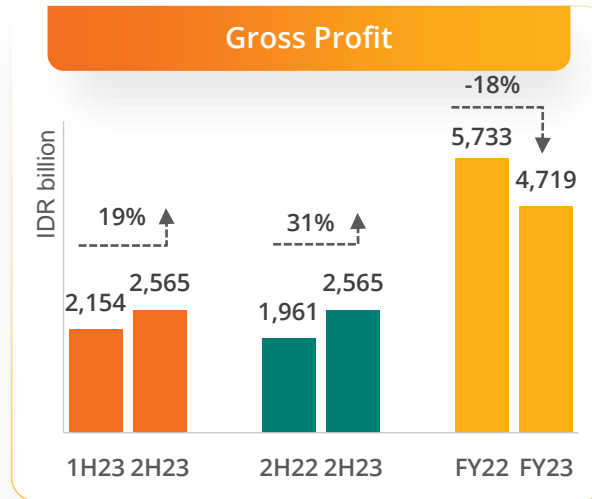
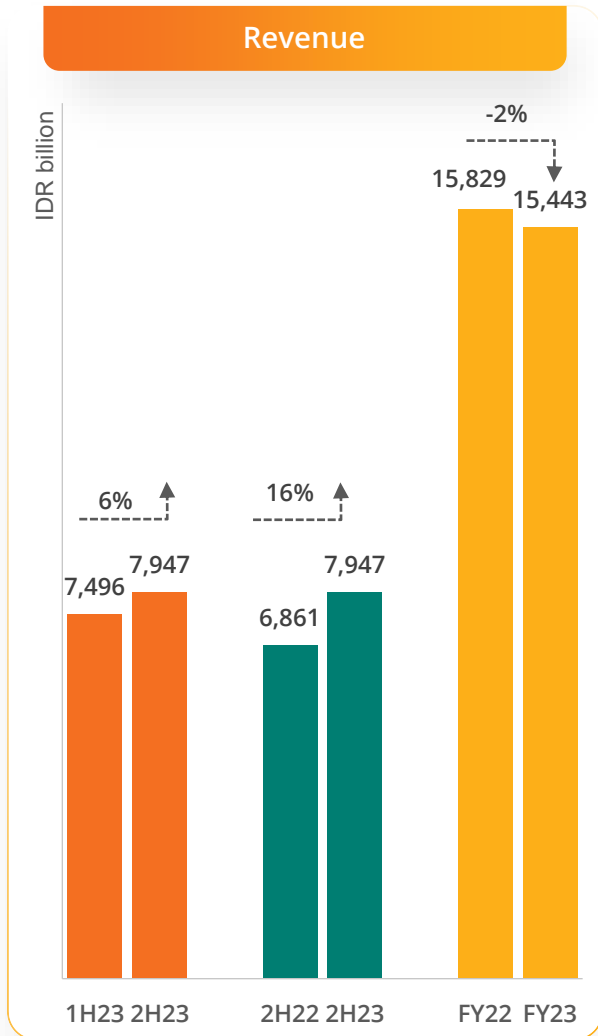


**Notes:**

\* FFB production from internal sources refers to harvested volume from nucleus and plasma estates under management

# Income Statement Highlights

Despite fallback in key financial metrics, 2023 figures were the second highest in history. EBITDA margin in 2023 reached 30% in 2023, higher than the 5-year average of 29%



**Notes:**

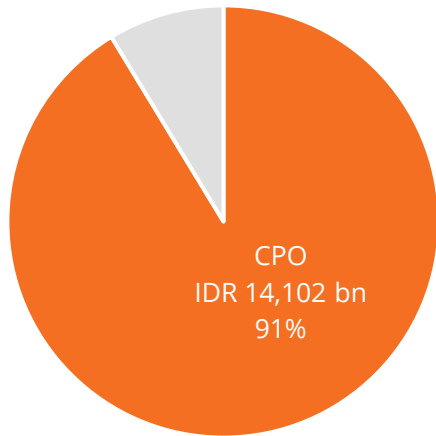
\* Net profit is attributable to Owners of the Company

o n.m. - not meaningful

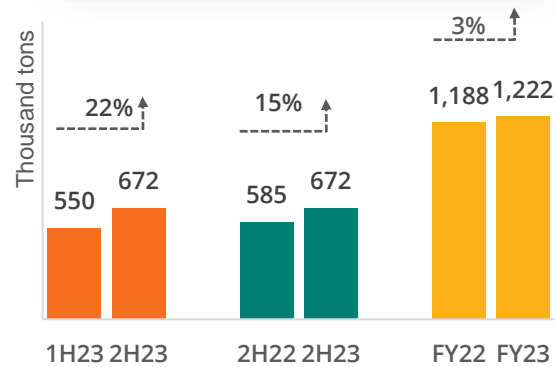


# Crude Palm Oil (CPO)

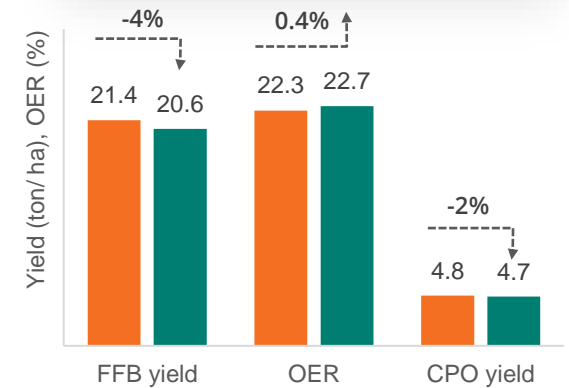
Sales contribution from CPO in 2023 climbed 2%, attributable to 13% higher sales volume which more than offset 10% decline in price



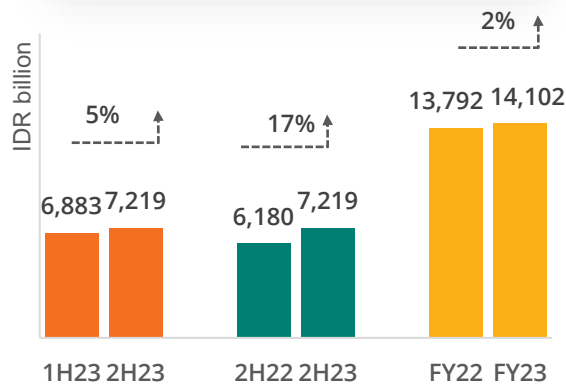
### Production Volume



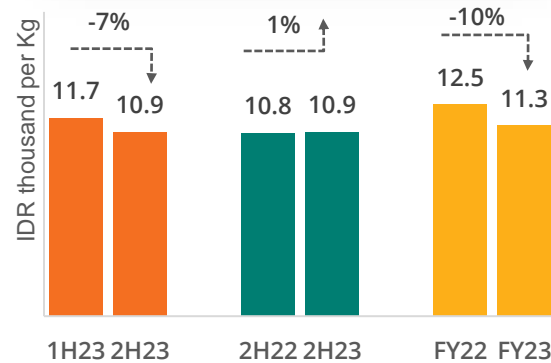
### Productivity (FY22 vs FY23)



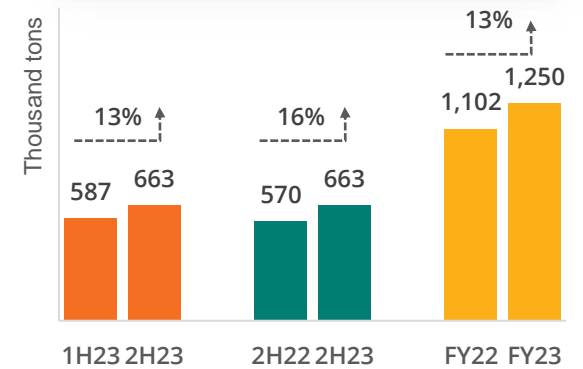
### Revenue Contribution



### Average Selling Price

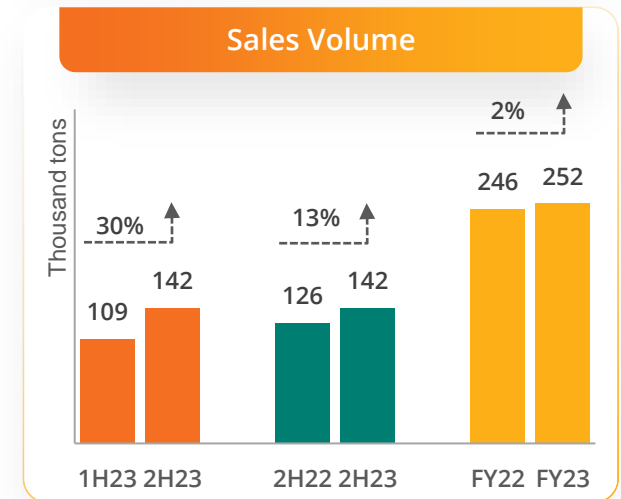
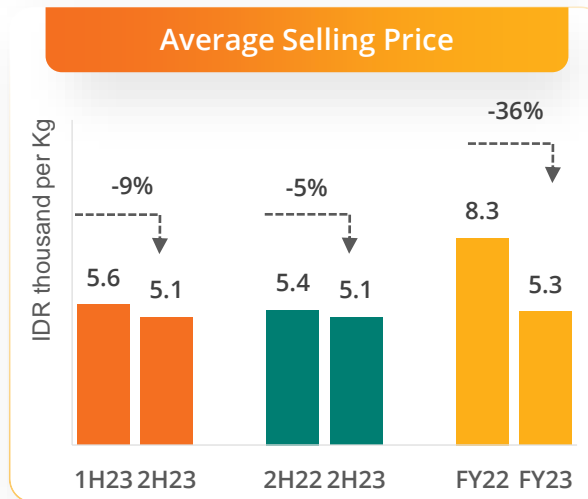
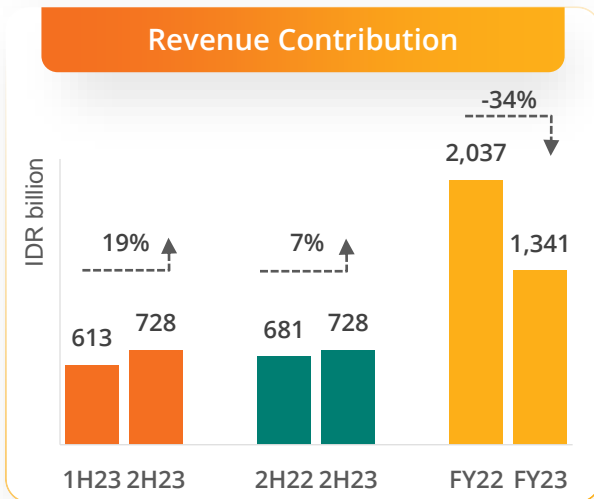
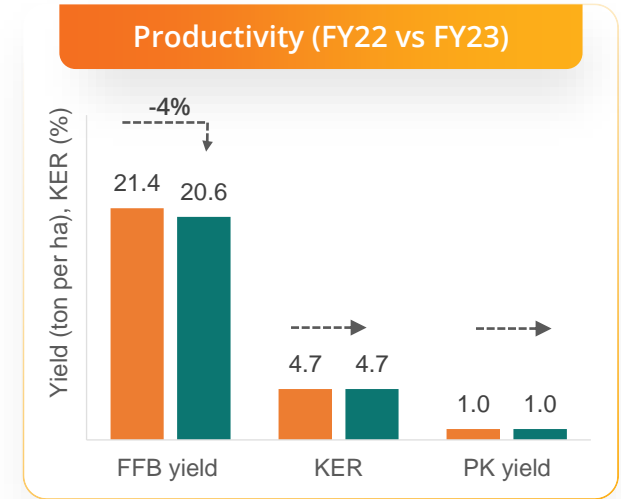
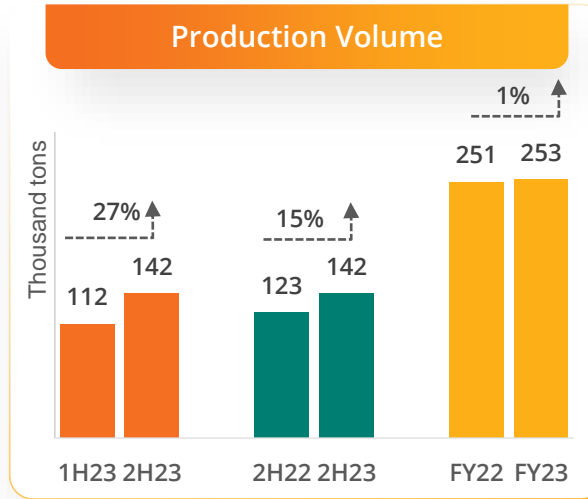
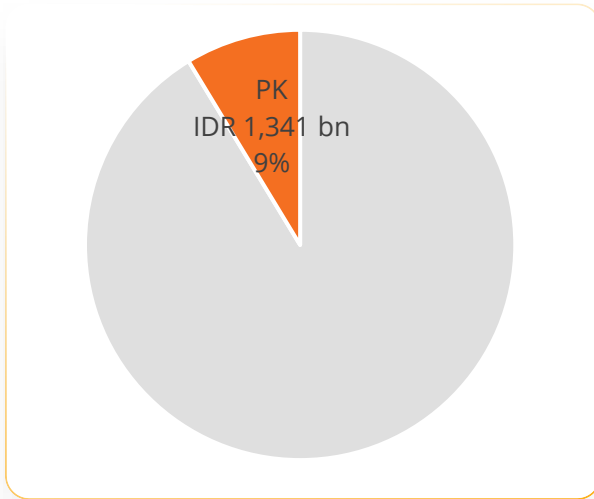


### Sales Volume



# Palm Kernel (PK)

Average selling price of PK retreated 36% in 2023 due to high-base effect of market imbalance in 2022



# Proposing another round of special dividend

Management is proposing a special dividend of 15% for FY2023, on top of the 40% limit stated in our dividend policy, for a total distribution of 5.55 Singapore cents

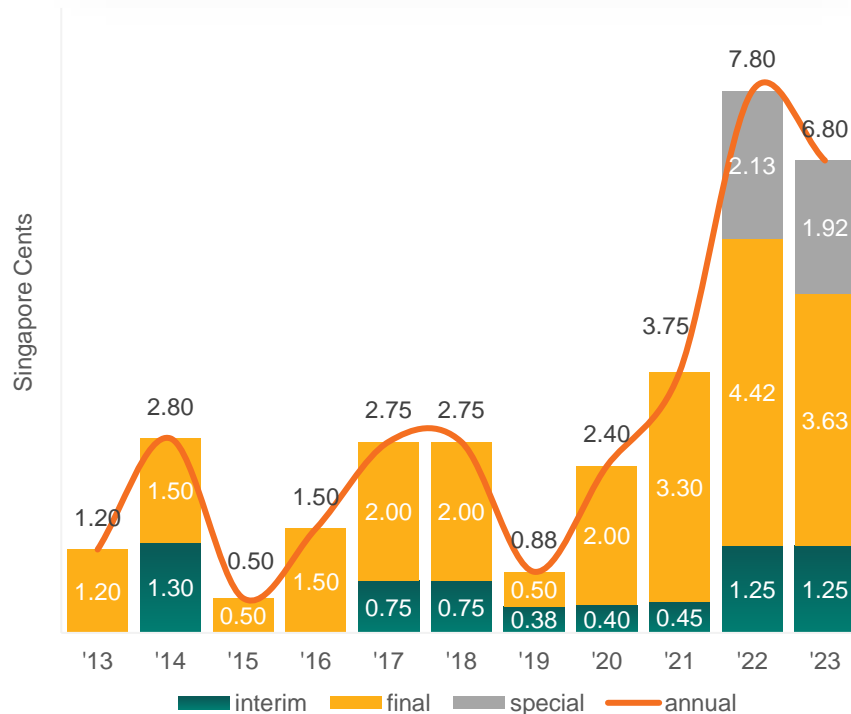
- The reason for such proposal is due to the surplus cash and low leverage ratio, owing to the strong cash flow from operations last year
- Despite challenges that brought our revenue down, both EBITDA and net profit margin stood at respectable levels, at 30% and 16%, as we remain consistent and meticulous in both operational and financial management
- Special dividend is non-recurring but gives a signal to the market that our financials are sound while delivering attractive returns to our shareholders, in line with our mission statement



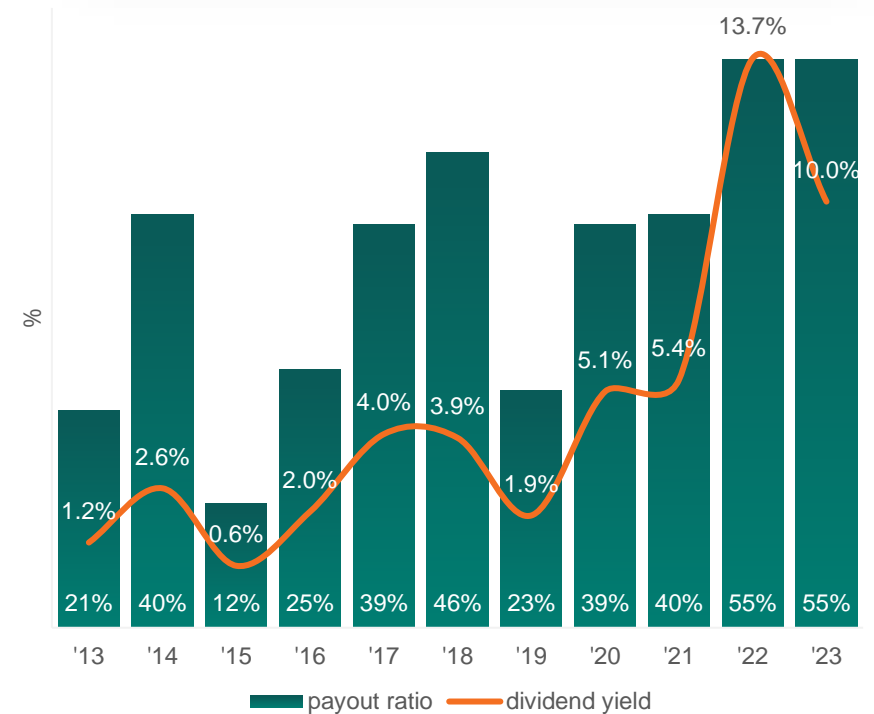
# Committed to shareholders value creation

Special dividends – though non-recurring – give strong signal that our financials are sound while delivering attractive returns to our shareholders, in line with our mission statement

Dividend distribution (per share)



Dividend payout ratio and yield



**Notes:**

- Payout ratio is calculated based on net profit attributable to owners of the company
- Dividend yield is a weighted average of dividend types at respective announcement dates

# Table of Contents



Corporate Overview



Performance Highlights



Industry Overview



Contact Us

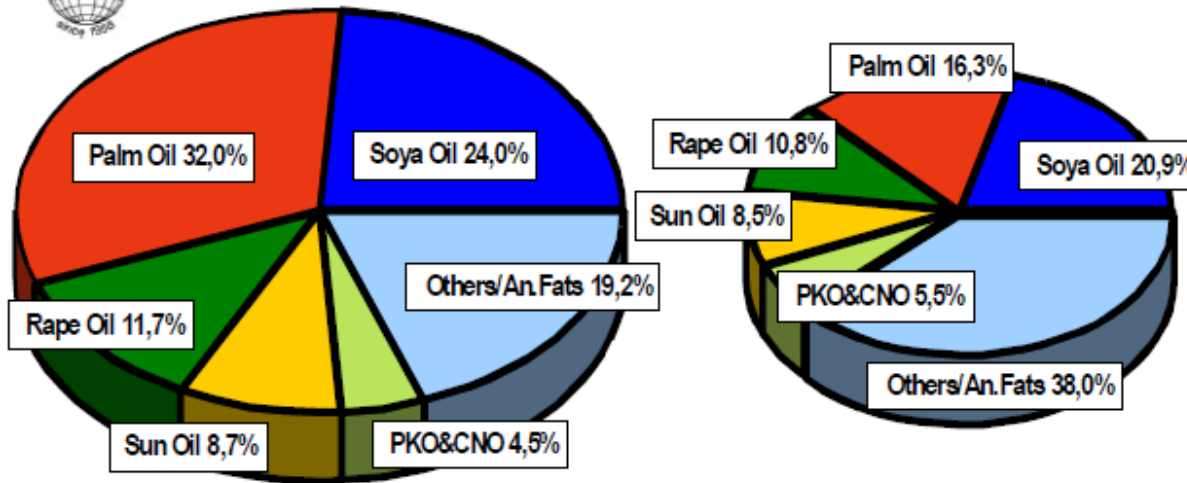
# Rapid growth of palm oil share in past few decades

Palm oil is the most consumed edible oil today, accounting 32% of global oils & fats. It has grown by almost six-fold in the past three decades

## World Consumption of 17 Oils & Fats

2023/24F -- 257.0 Mn T

1993/94 -- 88.4 Mn T



Strong demand growth of oils & fats worldwide in the past 20 years for food, energy and oleochemicals

Average annual growth in the 10 years ended

- 2003/04: +4.1 Mn T
- 2013/14: +7.1 Mn T
- 2023/24: +5.6 Mn T

The challenge for the years ahead is produce sufficient supplies, in good quality and at reasonable prices in a sustainable way

The focus must be to raise yields per ha, owing to the limitations of land.

Yield increases in sunflowerseed, rapeseed & canola and in soybeans have been better than in oil palms.



# However, palm oil has lost its growth dynamics

Palm oil production – largely plateauing since 2019 – still makes up 53% of global exports of edible oils and fats, from only 6% of the area

## Palm oil has lost its growth dynamics.

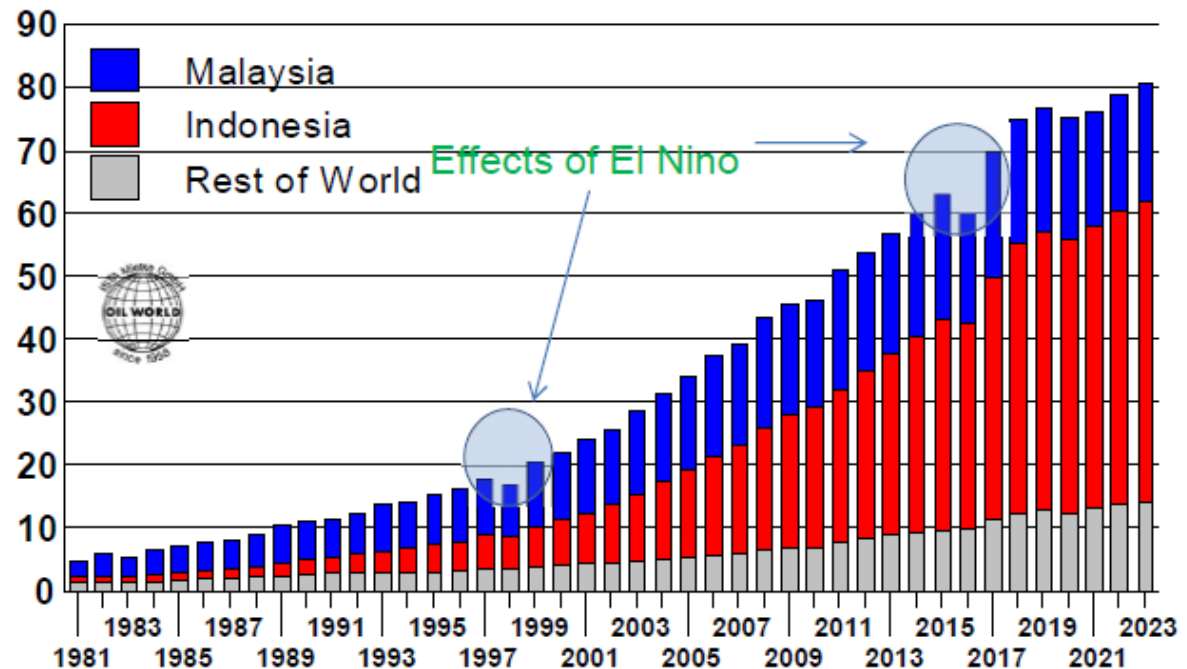
Annual growth is likely to slow to only 1.7 Mn T or less in the 10 years to 2030 from an average annual growth of 2.9 Mn T in the 10 years to 2020

Threat of El Nino to cause dryness in Sept/Dec 2023 and/or in early 2024

Palm oil is still dominating the global market of oils/fats with a production share of 32% and a export share of 53% (from only 6% of the area).

Palm oil the price leader

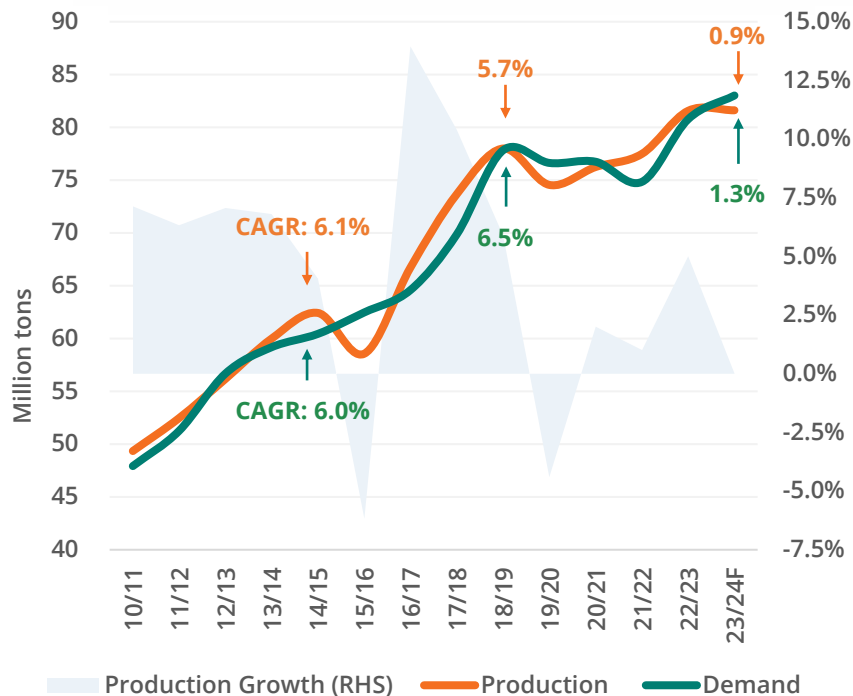
### Palm Oil Production 1981 - 2023 in Major Countries (Mn T)



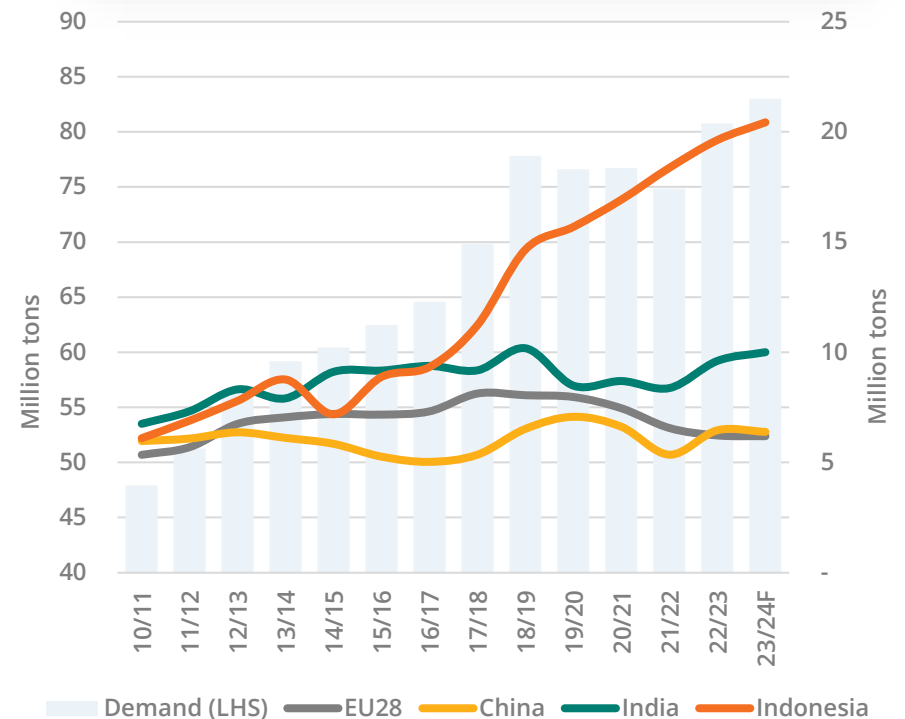
# Structurally changed supply demand dynamics

Amid the slow down in output, palm oil is expected to be in deficit for the current season, while Indonesia is soaking up more of it

World production growth is slowing down notably



Rapid demand growth in Indonesia since 2015



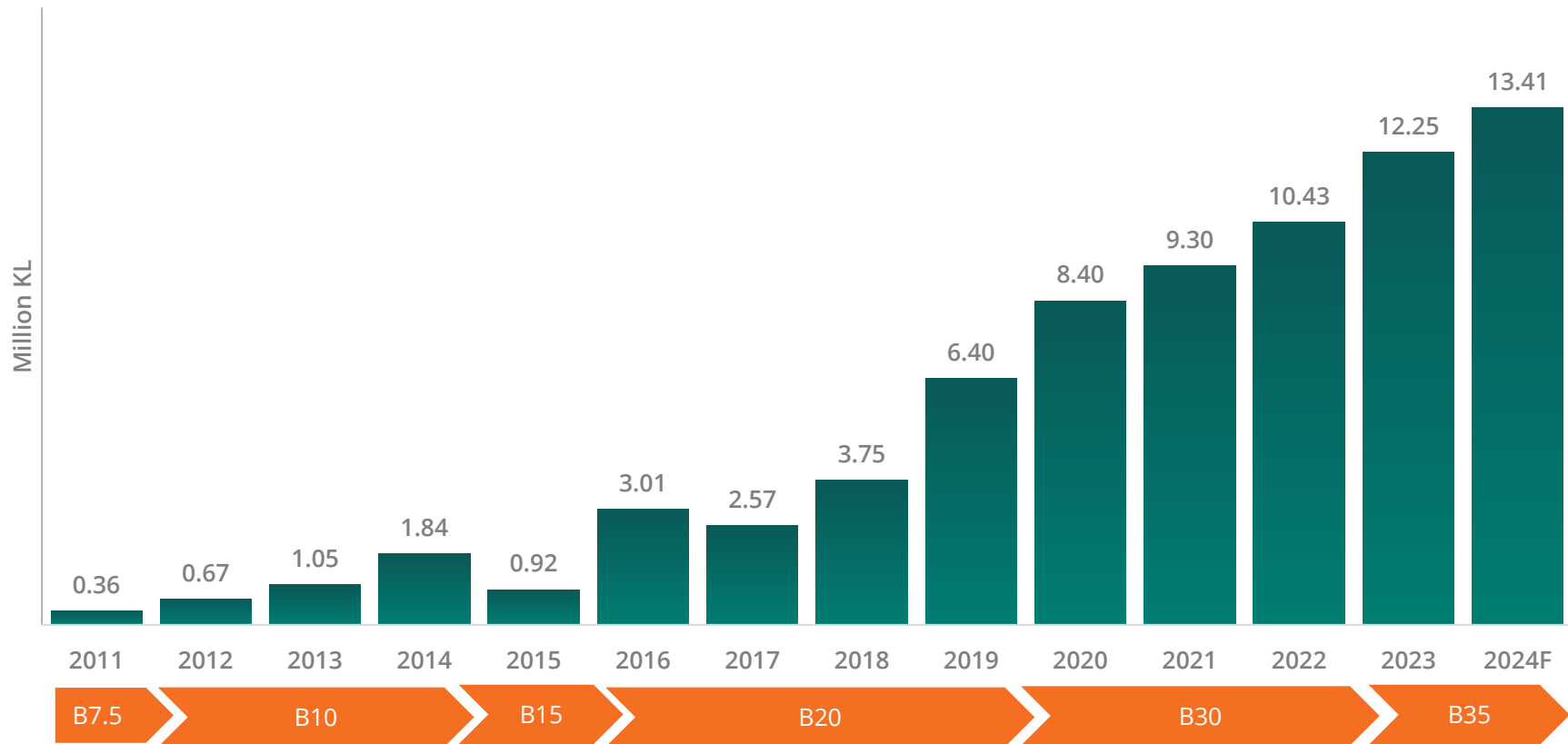
**Notes:**

- Oilworld estimates
- Periods are stated in 12-month cycle, between Oct/Sep

# Rapidly rising demand from Indonesia

Since its establishment in 2005, the palm oil fund has supported the mandate effectively

- In 2023, blending volume reached 12.25mn KL, mere 7% short of target, or 18% higher YoY
- For 2024, the ministry has targeted 13.41 million KL, implying 9% growth



Source: Ministry of Energy and Mineral Resources

# Table of Contents

Corporate Overview

Performance Highlights

Industry Overview

Contact Us



# Contact Us

If you need further information, please email us at [investor.relations@bumitama-agri.com](mailto:investor.relations@bumitama-agri.com)



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# Thank You



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