



ANJ

INVESTOR NEWSLETTER

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Photo: Corporate Communications

9M2022 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the nine-month period ending 30 September 2022 (9M2022).

The Company recorded an increase in Fresh Fruit Bunches (FFB) production of 14.2% in Q3 2022 from 206,011 mt in Q2 2022 to 235,208 mt in Q3 2022. This brought the FFB production for 9M2022 to 614,558 mt, a decrease of 4.8% compared to the 645,299 mt of FFB production in 9M2021. We expect that the positive trend in our Q3 2022 FFB production will continue in Q4 2022. In the 9M2022, our newly mature West Papua estate contributed a total FFB production of 80,706 mt, 6.9% higher than the 9M2021 production of 75,518 mt. Our Belitung Island and North Sumatra I estates experienced reductions in FFB production of 5.7% and 10.9%, respectively due to the impact of the replanting program in these two estates as well as the resting period after higher fruit production last year. As for North Sumatra II, the decline of 12% was due to a flood at the beginning of 2022 that disrupted FFB supplies to the mill and which also affected harvesting in the plantation. Meanwhile, our West Kalimantan estates recorded an increase in FFB production of 3.6%.

Table 1 : Production and Sales

	9M2022	9M2021	Change
FFB Production (tonnes)			
FFB from our estates	614,558	645,299	-4.8%
Belitung Island	155,103	164,534	-5.7%
North Sumatra I	105,593	118,576	-10.9%
North Sumatra II	134,417	152,768	-12.0%
West Kalimantan	138,739	133,903	3.6%
West Papua*	80,706	75,518	6.9%
FFB bought from third parties	398,235	328,578	21.2%
Total FFB processed	1,012,793	973,877	4.0%
FFB YIELD (tonnes per hectare)			
Average yield	14.3	15.5	-7.2%
Belitung Island	12.8	14.4	-10.7%
North Sumatra I	14.9	15.8	-6.2%
North Sumatra II	17.3	19.7	-12.0%
West Kalimantan	15.5	14.6	6.8%
West Papua	11.2	12.5	-10.0%
CPO Production (tonnes)			
Total production	204,220	200,661	1.8%
Belitung Island	53,436	53,240	0.4%
North Sumatra I	43,138	42,467	1.6%
North Sumatra II	43,503	42,071	3.4%
West Kalimantan	46,911	45,788	2.5%
West Papua*	17,232	17,095	0.8%
Palm Kernel production	40,720	39,146	4.0%
PKO production*	758	773	-1.9%
Sales (tonnes)			
CPO Sales	197,215	204,372	-3.5%
Belitung Island	53,400	56,161	-4.9%
North Sumatra I	44,652	42,250	5.7%
North Sumatra II	41,768	42,900	-2.6%
West Kalimantan	42,800	48,369	-11.5%
West Papua	14,596	14,692	-0.7%
PK sales	39,976	39,871	0.3%
PKO Sales	428	620	-31.1%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.2%	20.6%	-2.1%
CPO Average Selling Price - USD	878	752	16.8%
PK Average Selling Price - USD	630	479	31.5%
PKO Average Selling Price - USD	1,509	993	51.9%

Notes: *West Papua Estate production includes the scout harvesting production.

COMPANY PROFILE

PT Austindo Nusantara Jaya Tbk (“ANJT”) is an Indonesian agribusiness based food company committed to responsible development. The company is primarily engaged in the production of crude palm oil at its established and developing estates. ANJT also engages in the production of sago starch and edamame.

SHARE INFORMATION

# shares	3,354.2 mn
# free float	3,333.2 mn
# treasury stocks	21.0 mn
Listing date	8-5-2013
IPO Price	Rp 1,200
Highest	Rp 895
Lowest	Rp 715
Close	Rp 725

SHAREHOLDERS STRUCTURE*

(as of 30 Sept 2022)	%
PT Austindo Kencana Jaya	41.10
PT Memimpin Dengan Nurani	41.10
George Santosa Tahija	4.77
Sjaton George Tahija	4.77
Yayasan Tahija	0.00
Public	8.26

*exclude treasury stocks

CONTACT US

PT Austindo Nusantara Jaya Tbk.
Menara BTPN Lantai 40 Floor
Jalan Dr. Ide Anak Agung Gde Agung
Kav 5.5 – 5.6, Kawasan Mega Kuningan
Jakarta 12950
T: +62 21 29651777 | F: +62 21 29651788
E: investor.relations@anj-group.com
www.anj-group.com

During 9M2022, we increased FFB purchases from third parties to maximize mill utilization. As a result, our Crude Palm Oil (CPO) and Palm Kernel (PK) production in 9M2022 increased by 1.8% and 4.0% to 204,220 mt and 40,720 mt, respectively. However, the Company reported a decrease in CPO sales volume by 3.5% to 197,215 mt in 9M2022 compared to 204,372 mt in 9M2021, due to a delay in sales shipments from September 2022 to October 2022.

The CPO price extended its decline during Q3 2022 as the impact of a rise in global supply became apparent. This was due to several factors including higher production output in Malaysia, the scrapping of the export levy in Indonesia to ease high domestic inventories, and sluggish demand from developing countries due to the global recession concerns and prolonged lockdowns in China. Nevertheless, the Company recorded an Average Selling Price (ASP) for CPO of USD 878/mt in 9M2022, which was still 16.8% higher than the 9M2021 ASP of USD 752/mt. Meanwhile, the ASP for PK in 9M2022 was USD 630/mt, 31.5% higher than the ASP in 9M2021. The ASP for PKO increased 51.9% to USD 1,509/mt in 9M2022 from USD 933/mt in 9M2021.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	9M2022		9M2021 ⁽¹⁾		Change
	"USD Thousands"	"Rp. Millions ⁽²⁾ "	"USD Thousands"	"Rp. Millions ⁽²⁾ "	
Revenue	201,869	2,951,520	190,932	2,735,865	5.7%
Cost of revenue	(155,504)	(2,273,617)	(123,229)	(1,765,751)	26.2%
Gross profit	46,365	677,903	67,703	970,114	-31.5%
Total operating expenses, net	(10,806)	(157,989)	(27,919)	(400,054)	-61.3%
Operating profit	35,559	519,914	39,784	570,059	-10.6%
Finance income	395	5,771	505	7,236	-21.8%
Finance charges	(3,784)	(55,331)	(3,875)	(55,524)	-2.3%
Profit before tax	32,170	470,354	36,414	521,772	-11.7%
Income tax expense	(11,210)	(163,897)	(11,741)	(168,232)	-4.5%
Profit for the period	20,960	306,457	24,673	353,539	-15.0%
Other comprehensive (loss) income	(13,363)	(195,381)	(3,485)	(49,941)	283.4%
Total comprehensive income (loss)	7,597	111,076	21,188	303,599	-64.1%
EBITDA	57,866	846,059	58,057	831,899	-0.3%
EBITDA margin (%)	28.7%	28.7%	30.4%	30.4%	-5.7%

1) As restated due to the adoption of Amendment of PSAK 16: "Fixed Assets – Proceeds before Intended Use.

2) The translation of US Dollar amounts into the Indonesian Rupiah amounts are included solely for the convenience of the readers and has been made using the average of the exchange rates of Rp 14,621 to USD 1 for 9M2022 and Rp 14,329 to USD 1 for 9M2021.

Revenue from Sales and Service Concessions

In 9M2022 ANJT posted total revenue of USD 201.9 million, an increase of 5.7% compared to 9M2021 mainly due to the higher ASPs of CPO and PK.

CPO, PK, and CPKO sales contributed 98.5% of our total revenue or USD 198.9 million, an increase of 5.3% compared to the USD 188.9 million achieved in 9M2021. Our sago segment contributed USD 1.3 million to our total revenue in 9M2022, an increase of 51.7% from USD 855.5 thousand in 9M2021 due to higher sales volume and price. Our renewable energy segment contributed USD 440.0 thousand in 9M2022, higher than USD 436.3 thousand in 9M2021 due to higher electricity production at our biogas power plant compared to 9M2021. Meanwhile, our edamame sales revenue was USD 1.2 million, a significant increase of 66.9% from the USD 716.3 thousand in 9M2021 mainly due to higher frozen edamame sales volume and prices. Our frozen edamame line started commercial operation in Q3 2021.

Operating (Expenses) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 10.8 million, a decrease of 61.3% from USD 27.9 million in 9M2021 mainly due to lower selling expenses as a result of our decision in December 2021 to sell all of our CPO, PK and CPKO products to the domestic market thus avoiding the imposition of the export tax and export levy. Included in operating expenses in 9M2022 is a foreign exchange loss of USD 1.7 million, an increase from the foreign exchange loss of USD 0.4 million in 9M2021, due to a depreciation of the Rupiah against the US Dollar in 9M2022.

Our financial charges, which represent interest expenses on our loans, slightly increased by 2.4% to USD 3.6 million in 9M2022 from interest expenses of USD 3.5 million in 9M2021 mainly due to additional interest expense recognition from our West Papua estate. As more of this estate becomes classified as mature, the lower the interest expense that can be capitalized.

Net Profit

The Company recorded a net profit of USD 21.0 million, a decrease of 15.0% from a net profit of USD 24.7 million in 9M2021, due to a higher cost of revenue in 9M2022 because of higher FFB purchases and increases in fertilizer and diesel fuel costs. This resulted in our Net Profit Margin (NPM) in 9M2022 falling to 10.4% from 12.9% in 9M2021. Our NPM from the mature Palm Oil Segment (excluding our West Papua estates as young matured estates) in 9M2022 was 19.9%.

The Company also booked a lower EBITDA of USD 57.9 million in 9M2022 compared to USD 58.1 million in 9M2021 and a decrease in EBITDA margin from 30.4% in 9M2021 to 28.7% in 9M2022.



Total Comprehensive Income

The depreciation of the Rupiah against the US Dollar from Rp 14,269 at the end of 2021 to Rp 15,247 by the end of September 2022 has reduced the net assets of some of the Company's subsidiaries (those which maintain their bookkeeping records in Rupiah) by USD 13.4 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a total comprehensive income of USD 7.6 million in 9M2022 compared to a comprehensive income of USD 21.2 million in 9M2021.

Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	30 September 2022		31 December 2021 ⁽¹⁾		Change
	"USD Thousands"	"Rp. Millions ⁽²⁾ "	"USD Thousands"	"Rp. Millions ⁽²⁾ "	
Current assets	80,187	1,222,610	78,228	1,116,243	2.5%
Non-current assets	545,032	8,310,106	568,135	8,106,715	-4.1%
Total Assets	625,219	9,532,716	646,363	9,222,958	-3.3%
Current liabilities	39,426	601,127	48,778	696,016	-19.2%
Non-current liabilities	159,511	2,432,065	170,596	2,434,233	-6.5%
Total Liabilities	198,937	3,033,192	219,374	3,130,249	-9.3%
Equity attributable to the owners of the Company	424,359	6,470,197	424,332	6,054,792	0.0%
Total Equity	426,282	6,499,524	426,989	6,092,709	-0.2%

1) As restated due to the adoption of Amendment of PSAK 16: "Fixed Assets – Proceeds before Intended Use.

2) The translation of US Dollar amounts into the Indonesian Rupiah amounts are included solely for the convenience of the readers and has been made using the Bank Indonesia middle rate as of 30 September 2022 of Rp 15,247 to USD 1 and as of 31 December 2021 of Rp 14,269 to USD 1.

As of 30 September 2022, total assets fell by 3.3% to USD 625.2 million. This was mainly due to depreciation of the bearer plants and property, plant and equipment.

Total liabilities decreased by 9.3% from USD 219.4 million to USD 198.9 million, primarily driven by the decrease in long-term bank loans due to earlier than scheduled loan repayments made during 9M2022.

The Company was still able to maintain its prudent debt to equity and debt to asset ratios of 0.47 and 0.32 respectively, as at 30 September 2022.

Financing Facilities

As of 30 September 2022, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 223.2 million, comprising short-term loan facilities of USD 65.9 million and long-term loan facilities of USD 157.3 million.

The outstanding balance of the Company's bank loans by the end of September 2022 was USD 151.0 million, a decrease of USD 18.8 million from the USD 169.8 million as at the end of December 2021, mainly due to loan repayments.

Other Corporate Updates

Regulatory Update

On 5 January 2022, the Ministry of Environment and Forestry ("MOEF") issued Decree No. SK.01/MENLHK/SETJEN/KUM.1/1/2022 regarding the Revocation of Forest Area Concession Permits ("SK01"), which revokes a number of forestry concession licenses, including those under the Approval for Relinquishment of Forestry Areas (Persetujuan Pelepasan Kawasan Hutan). SK01, however, calls for a decree to be issued by three Director Generals under the MOEF for an "official" revocation of forestry concession licenses ("Official Revocation Decree"). The Company has three concessions in West Papua under the land cultivation right (Hak Guna Usaha, "HGU") which are legally owned directly by the Company and through our two subsidiaries, PPM and PMP. These three concessions were included in the list of concession permits which were revoked. Subsequently on 12 April 2022, the Minister of Agrarian and Spatial Affairs / Head of National Land Agency issued a letter No. HT.01.01/528/IV/2022 to the Chairman of the Indonesian Palm Oil Association regarding the Status of the HGU License for those companies. Included in this list are Companies / Forest Area Concession Permit Holders which have been or will be Revoked or Evaluated by the Ministry of Environment and Forestry ("HT 01 Letter"). The HT 01 Letter confirmed that the HGU for PPM and PMP remains valid since these areas have been utilized or developed in line with the HGU license, whereas the HGU of the Company remains valid at "status quo" until data verification and spatial analysis have been completed and a decree by the Task Force for Land Use and Investment Affairs is issued. On 14 June 2022, PPM and PMP obtained a final decree from the MOEF to exclude PPM and PMP from the list of Companies whose concession permits were revoked in the SK01. As of the issuance date of this Newsletter, the Company has yet to receive a decision from the Task Force for Land Use and Investment Affairs regarding the status of the Company's HGU.

Awards

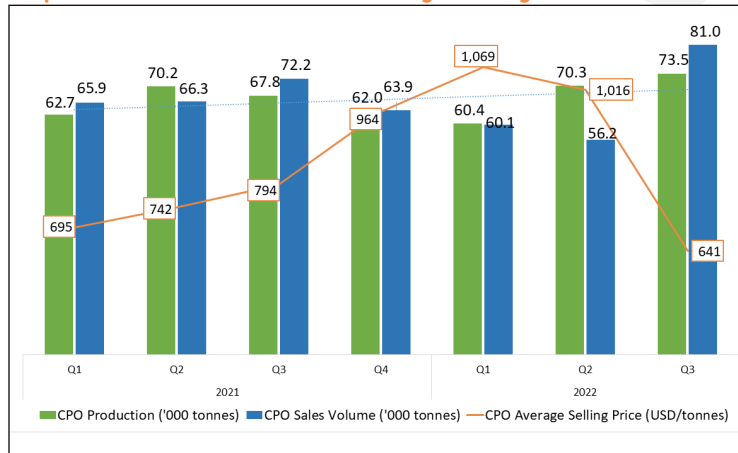
The Company has maintained its full commitment to its sustainability programs across all its operations and was pleased to receive the following recognitions:

1. Awards from IDX Channel at the Anugerah Inovasi Indonesia 2022 for its innovative "Responsible Development Program" and an award in the Green Economy Category for the innovation "Sapu Tangan Jarwo Planting System".
2. Environmental and Social Innovation Awards (ENSIA) from Sucofindo as an appreciation of the Company's commitment to protecting the environment and empowering the community.
3. ESG Awards 2022 "Disclosure Rating Leadership A" from Berita Satu and Bumi Global Karbon.

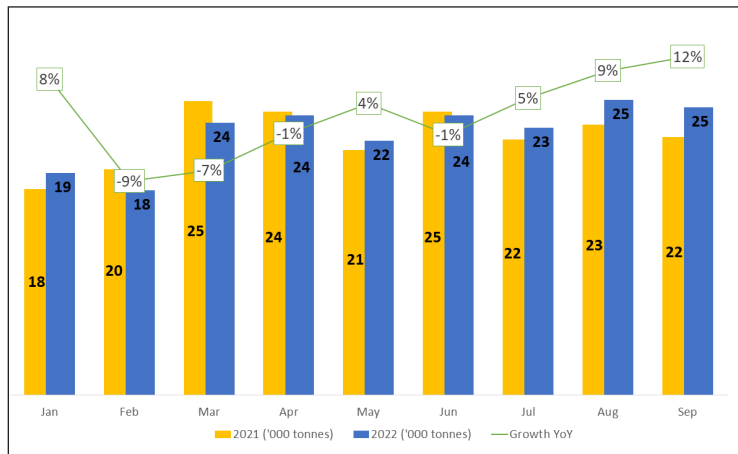


Key Performance

Graph 1: CPO Sales Volume and Average Selling Price Each Quarter



Graph 2: CPO Production Volume and Its Growth Each Month



Graph 3: Net Profit and EBITDA Growth

