



ANJ

INVESTOR NEWSLETTER

Bloomberg: ANJT: IJ

28 MARCH 2023

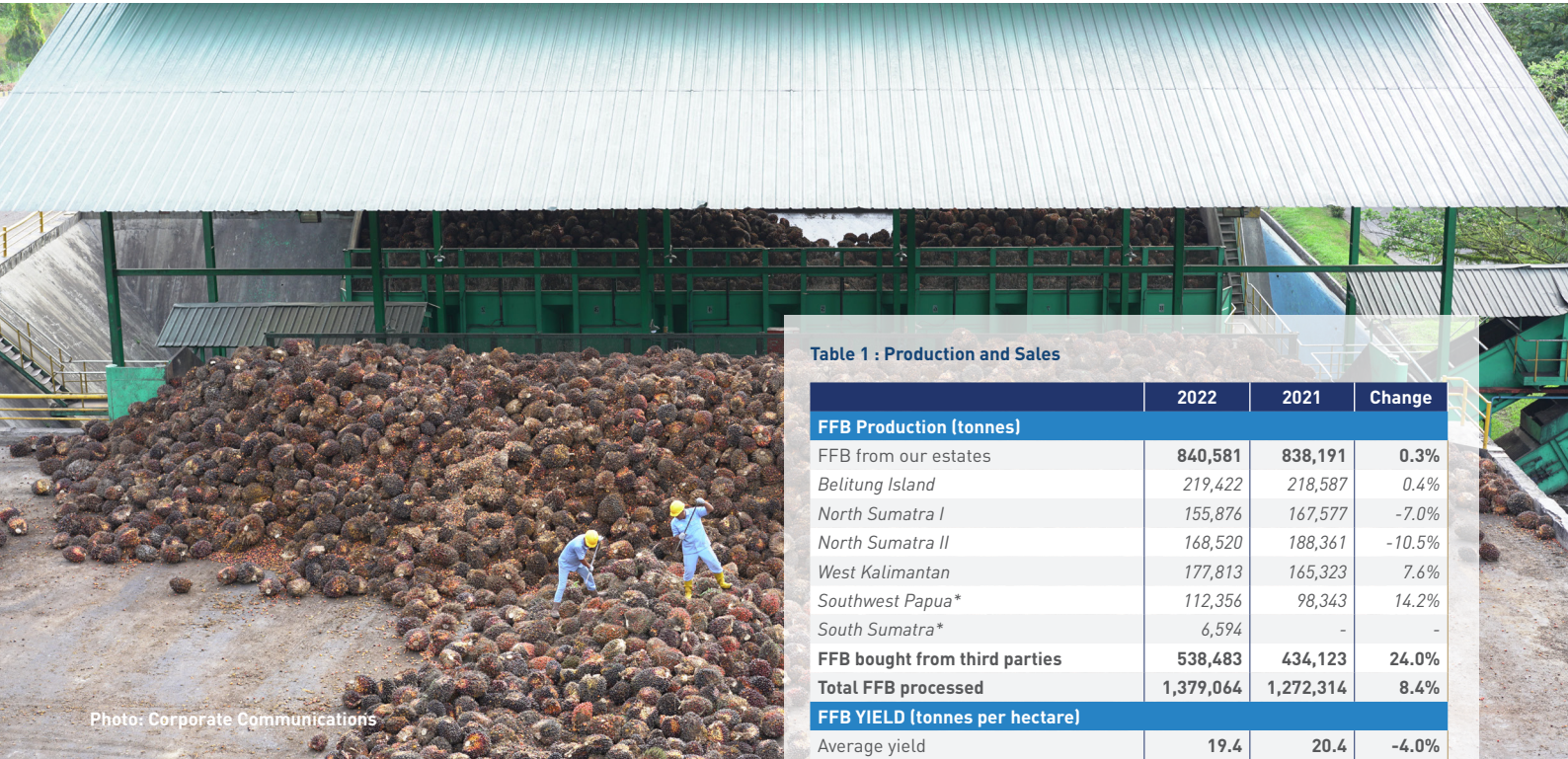


Photo: Corporate Communications

Table 1 : Production and Sales

	2022	2021	Change
FFB Production (tonnes)			
FFB from our estates	840,581	838,191	0.3%
<i>Belitung Island</i>	219,422	218,587	0.4%
<i>North Sumatra I</i>	155,876	167,577	-7.0%
<i>North Sumatra II</i>	168,520	188,361	-10.5%
<i>West Kalimantan</i>	177,813	165,323	7.6%
<i>Southwest Papua*</i>	112,356	98,343	14.2%
<i>South Sumatra*</i>	6,594	-	-
FFB bought from third parties	538,483	434,123	24.0%
Total FFB processed	1,379,064	1,272,314	8.4%
FFB YIELD (tonnes per hectare)			
Average yield	19.4	20.4	-4.0%
<i>Belitung Island</i>	18.3	19.1	-4.2%
<i>North Sumatra I</i>	22.8	23.0	-1.1%
<i>North Sumatra II</i>	21.7	24.3	-10.5%
<i>West Kalimantan</i>	19.9	18.8	5.9%
<i>Southwest Papua*</i>	15.3	16.1	-5.0%
<i>South Sumatra*</i>	10.5	-	-
CPO Production (tonnes)			
Total production	275,769	262,683	5.0%
<i>Belitung Island</i>	73,769	68,931	7.0%
<i>North Sumatra I</i>	62,183	60,483	2.8%
<i>North Sumatra II</i>	55,119	53,791	2.5%
<i>West Kalimantan</i>	60,795	57,326	6.1%
<i>Southwest Papua*</i>	23,903	22,152	7.9%
Palm Kernel production	55,011	51,531	6.8%
PKO production*	1,052	1,080	-2.6%
Sales (tonnes)			
CPO Sales	275,320	268,289	2.6%
<i>Belitung Island</i>	74,600	71,500	4.3%
<i>North Sumatra I</i>	61,986	59,800	3.7%
<i>North Sumatra II</i>	53,882	54,950	-1.9%
<i>West Kalimantan</i>	60,800	60,369	0.7%
<i>Southwest Papua</i>	24,053	21,670	11.0%
PK sales	54,996	51,991	5.8%
PKO Sales	928	1,113	-16.6%
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.1%	20.6%	-3.1%
CPO Average Selling Price - USD	842	801	5.1%
PK Average Selling Price - USD	559	527	6.1%
PKO Average Selling Price - USD	1,081	1,308	-17.3%

Notes: *Southwest Papua and South Sumatra Estates production includes the scout harvesting production.

2022 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the year ending 31 December 2022.

The Company ended 2022 by producing 840,581 mt of Fresh Fruit Bunches (FFB), a slight increase of 0.3% compared to the 838,191 mt FFB production in 2021. In 2022, we declared 589 ha as a mature area in our newly planted estate in South Sumatra, which contributed 6,594 mt of FFB production with a FFB yield of 10.5 mt/ha. Meanwhile, our Southwest Papua estate recorded a total FFB production of 112,356 mt, an increase of 14.2% compared to the 2021 production of 98,343 mt. Our West Kalimantan estate recorded an increase in FFB production of 7.6% compared to 165,323 mt in 2021. In addition, our Belitung estate recorded a total production of 219,422 mt, slightly above the total FFB production in 2021 of 218,587 mt. Meanwhile, the North Sumatera I estate experienced a drop in FFB production of 7.0% due to the impact of the replanting program. As for North Sumatera II, the decline of 10.5% was due to a flood at the beginning of 2022 that disrupted FFB supplies to the mill and which also affected harvesting on the plantation.

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 1,140
Lowest	Rp 645
Close	Rp 665

SHAREHOLDERS STRUCTURE*

(as of 31 December 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

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During 2022, 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 2022 increased by 5.0% and 6.8% to 275,769 mt and 55,011 mt, respectively. Meanwhile, the Company also reported an increase in CPO sales volume by 2.6% to 275,320 mt in 2022 compared to 262,683 mt in 2021.

The CPO price extended its rally and peaked in the first half of 2022 due to supply concerns following the invasion of Ukraine by Russia, and subsequently fluctuated in the range of USD 800-1,000 per mt in the second half of 2022. The Company recorded an Average Selling Price (ASP) for CPO of USD 842 per ton in 2022, which was 5.1% higher than the 2021 ASP of USD 801 per ton. Meanwhile, the ASP for PK in 2022 was USD 559/mt, 6.1% higher than the ASP in 2021 of USD 527/mt. However, the ASP for PKO fell 17.3% to USD 1,081/mt in 2022 from USD 1,308/mt in 2021.

2022 FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	2022		2021 ⁽¹⁾		Change
	USD Thousands	Rp. Millions ⁽²⁾	USD Thousands	Rp. Millions ⁽²⁾	
Revenue	269,167	4,002,640	267,384	3,826,799	0.7%
Cost of revenue	(215,295)	(3,201,539)	(169,492)	(2,425,765)	27.0%
Gross profit	53,872	801,101	97,892	1,401,034	-45.0%
Total operating expenses, net	(14,595)	(217,030)	(38,465)	(550,505)	-62.1%
Operating profit	39,277	584,072	59,428	850,529	-33.9%
Finance income	471	7,011	614	8,782	-23.2%
Finance charges	(5,241)	(77,935)	(4,733)	(67,733)	10.7%
Profit before tax	34,508	513,148	55,309	791,578	-37.6%
Income tax expense	(13,353)	(198,559)	(18,722)	(267,946)	-28.7%
Profit for the period	21,155	314,589	36,587	523,632	-42.2%
Other comprehensive (loss) income	(15,046)	(223,745)	(2,690)	(38,495)	459.4%
Total comprehensive income (loss)	6,109	90,845	33,897	485,137	-82.0%
EBITDA	69,332	1,030,995	83,988	1,202,042	-18.1%
EBITDA margin (%)	25.8%	25.8%	31.4%	31.4%	-18.7%

1) As restated due to the early 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 14,870 to USD 1 for 12M2022 and Rp 14,312 to USD 1 for 12M2021.

Revenue from Sales and Service Concessions

In 2022 ANJT posted total revenue of USD 269.2 million, a slight increase of 0.7% compared to 2021 due to the higher ASPs and sales volumes of CPO and PK. The palm oil segment contributed 98.6% of our total revenue or USD 265.3 million, an increase of 0.3% compared to the USD 264.5 million achieved in 2021.

Our sago segment contributed USD 1.6 million to our total revenue in 2022, an increase of 22.2% from USD 1.3 million in 2021 due to higher sales price variance. Our renewable energy segment contributed USD 579.8 thousand in 2022, higher than the USD 577.2 thousand in 2021 due to higher electricity sales from our biogas power plant compared to 2021. Meanwhile, our edamame sales revenue was USD 1.7 million, a significant increase of 63.6% from the USD 1.0 million in 2021 mainly due to higher frozen edamame sales volume and prices.

Operating (Expenses) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 14.6 million, a decrease of 62.1% from USD 38.5 million in 2021 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 levy. Included in operating expenses in 2022 is a foreign exchange loss of USD 2.6 million, an increase from the foreign exchange loss of USD 0.4 million in 2021, due to a depreciation of the Rupiah against the US Dollar from Rp 14,269/USD 1 at the end of 2021 to Rp 15,731/USD 1 at the end of 2022. Our financial assets in Rupiah currency are primarily attributable to taxes receivable and receivables from Plasma smallholder cooperatives.

Our financial charges, which represent interest expenses on our loans, increased by 10.7% to USD 5.2 million in 2022 from interest expenses of USD 4.7 million in 2021 mainly due to additional interest expense recognition from our Southwest 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 21.2 million, a decrease of 42.2% from a net profit of USD 36.6 million in 2021, mainly due to a higher expenses resulting from decline in FFB fair value of USD 8.2 million in line with a lower FFB price as of 31 December 2022 than the FFB price at the beginning of the year. We also recorded higher input costs due to the impact of the increase in fertilizer and diesel fuel costs. Our bottom line was also affected by a USD 2.6 million foreign exchange loss due to the depreciation of the Indonesian Rupiah against the US Dollar. This resulted in our Net Profit Margin (NPM) in 2022 falling to 7.9% from 13.7% in 2021. Our NPM from the mature Palm Oil Segment (excluding our Southwest Papua and South Sumatra estates, which are classified as young matured estates) in 2022 was 17.9%, as compared to 22.2% in 2021.

The Company also booked a lower EBITDA of USD 69.3 million in 2022 compared to USD 84.0 million in 2021 and a decrease in EBITDA margin from 31.4% in 2021 to 25.8% in 2022.



Total Comprehensive Income

The depreciation of the Rupiah against the US Dollar from Rp 14,269 at the end of 2021 to Rp 15,731 by the end of December 2022 has reduced the net assets of some of the Company's subsidiaries (those which maintain their bookkeeping records in Rupiah) by USD 19.6 million when their financial statements are translated from Rupiah to US Dollar. As a result, the Company reported a total comprehensive income of USD 6.1 million in 2022 compared to a comprehensive income of USD 33.9 million in 2021.

Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	31 December 2022		31 December 2021 ⁽¹⁾		Change
	"USD Thousands"	"Rp. Millions ⁽²⁾ "	"USD Thousands"	"Rp. Millions ⁽²⁾ "	
Current assets	59,148	930,457	77,799	1,110,119	-24.0%
Non-current assets	543,443	8,548,894	567,408	8,096,341	-4.2%
Total Assets	602,590	9,479,351	645,207	9,206,460	-6.6%
Current liabilities	40,470	636,635	48,778	696,016	-17.0%
Non-current liabilities	138,009	2,171,023	170,573	2,433,902	-19.1%
Total Liabilities	178,479	2,807,658	219,351	3,129,918	-18.6%
Equity attributable to the owners of the Company	422,006	6,638,574	423,438	6,042,031	-0.3%
Total Equity	424,111	6,671,693	425,856	6,076,542	-0.4%

1) As restated due to the early 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 31 December 2022 of Rp 15,731 to USD 1 and as of 31 December 2021 of Rp 14,269 to USD 1.

As of 31 December 2022, total assets decreased by 6.6% to USD 602.6 million, mainly attributable to the decrease in cash and cash equivalents, bearer plants and property, plant and equipment due to the impact of the depreciation of Rupiah and higher assets depreciation in 2022. The Company also booked a decrease in investments in equity securities by USD 5.4 million from the sale of the investment in Agro Muko.

Total liabilities decreased by 18.6% from USD 219.4 million to USD 178.5 million, primarily driven by the decrease in long-term bank loans due to earlier than scheduled loan repayments made during 2022.

The Company was still able to maintain its prudent debt to equity and debt to asset ratios of 0.42 and 0.30 respectively, as at 31 December 2022.

Financing Facilities

As of 31 December 2022, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 202.7 million, comprising short-term loan facilities of USD 65.8 million and long-term loan facilities of USD 137.0 million.

The outstanding balance of the Company's bank loans by the end of December 2022 was USD 134.6 million, a decrease of USD 35.2 million from the USD 169.8 million as at the end of December 2021, mainly due to early repayments on long-term bank loans.

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 revoked 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 Southwest 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 and Recognitions

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

- Corporate Emission Awards 2022** for PT Austindo Nusantara Jaya Tbk in the category of Corporate Emission Transparency from Berita Satu & Bumi Global Karbon Foundation.
- Awards from **Bisnis Indonesia Corporate Social Responsibility Award (BISRA)** for PT Austindo Nusantara Jaya Tbk as Gold Champion in Corporate Social Responsibility Programs.
- Green Economy Awards** for Cultivating System Innovation "Sapu Tangan Jarwo" from IDX Channel
- ESG Disclosure Awards 2022: Leadership A Category** from Investor Magazine and Bumi Global Karbon Foundation.
- An outstanding achievement for PT Austindo Nusantara Jaya Agri (ANJA) from **Roundtable on Sustainable Palm Oil (RSPO)**.
- Gold PROPER** for PT Sahabat Makmur & Mewah (SMM) and PT Austindo Nusantara Jaya Agri (ANJA) from the Ministry of Environment and Forestry. Meanwhile, PT Kayung Agro Lestari (KAL) and PT Austindo Nusantara Jaya Agri Siais (ANJAS) received a **Green PROPER**.

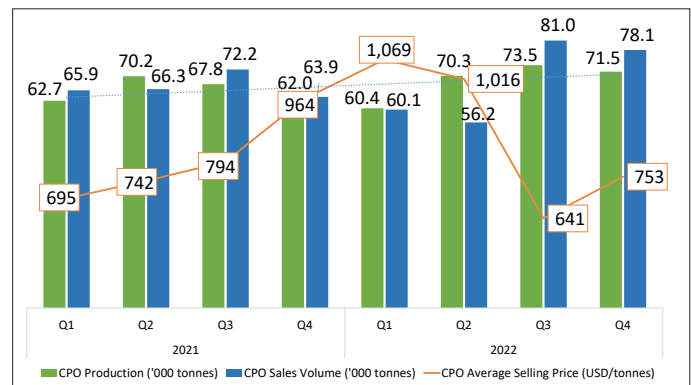
The Company was also recognized by the following global organizations for our Environmental, Social and Governance (ESG) performance in 2022:

- Sustainalytics**, a Morningstar ESG and corporate governance research and ratings firm assessed us to have a Low Risk Rating score of 18.3, an improvement of 7.9 points compared to our previous rating. Nevertheless, we are ranked in the first place among the global agriculture companies and in the 10th rank among the global food products industry companies, as assessed by Sustainalytics.
- SPOTT**, a transparency assessment platform assessed us with a score of 91.1%, an improvement of 8.2 points compared to our previous rating. We ranked in the first place among Indonesian assessed companies and in the 4th rank of companies assessed globally.
- ASEAN Corporate Governance Scorecard (ACGS)**, based on the International Good Corporate Governance (GCG) standards. Our total score of GCG practices according to ACGS was 99.74, an improvement of 12.17 points compared to the previous assessment. Overall, the results of our GCG implementation assessment place the Company in a "Very Good" category, meaning the Company's GCG practices are fully in line with international standards.

- CDP**, a global non-profit that run the world's environmental disclosure system for investors, companies, cities and governments to assess their impact and take urgent action to build a truly sustainable economy. The result of our assessment is presented below:
 - CDP Forest Palm Oil Score: A-
 - CDP Climate Change Score: A-
 - CDP Forest Soy Score: B
 - CDP Water Security Score: B

Key Performance (Quarterly)

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



Graph 2: Net Profit and EBITDA Growth

