



ANJ

INVESTOR NEWSLETTER

Bloomberg: ANJT: IJ

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Photo: Corporate Communications

Table 1 : Production and Sales

	3M2024	3M2023	Change
FFB Production (tonnes)			
FFB from our estates	173,226	187,060	(7.4%)
<i>Belitung Island</i>	55,270	54,070	2.2%
<i>North Sumatra I</i>	27,037	29,911	(9.6%)
<i>North Sumatra II</i>	35,141	40,423	(13.1%)
<i>West Kalimantan</i>	37,576	39,241	(4.2%)
<i>Southwest Papua</i>	16,700	21,716	(23.1%)
<i>South Sumatra</i>	1,502	1,699	(11.6%)
FFB bought from third parties	101,503	110,383	(8.0%)
Total FFB processed	273,226	295,744	(7.6%)
FFB YIELD (tonnes per hectare)			
Average yield	4.0	4.2	(4.5%)
<i>Belitung Island</i>	4.7	4.3	9.6%
<i>North Sumatra I</i>	4.0	4.1	(2.6%)
<i>North Sumatra II</i>	4.5	5.2	(13.1%)
<i>West Kalimantan</i>	4.2	4.4	(4.2%)
<i>Southwest Papua</i>	2.3	2.9	(23.1%)
<i>South Sumatra</i>	2.1	2.3	(11.6%)
CPO Production (tonnes)			
Total production	56,601	60,051	(5.7%)
<i>Belitung Island</i>	16,068	18,223	(11.8%)
<i>North Sumatra I</i>	12,565	10,878	15.5%
<i>North Sumatra II</i>	10,646	12,991	(18.0%)
<i>West Kalimantan</i>	13,259	12,975	2.2%
<i>Southwest Papua</i>	4,063	4,984	(18.5%)
Palm Kernel production	11,454	11,517	(0.5%)
PKO production	150	239	(37.2%)
Sales (tonnes)			
CPO Sales	55,857	58,103	(3.9%)
<i>Belitung Island</i>	16,400	20,127	(18.5%)
<i>North Sumatra I</i>	13,598	10,314	31.8%
<i>North Sumatra II</i>	10,850	14,169	(23.4%)
<i>West Kalimantan</i>	13,209	11,000	20.1%
<i>Southwest Papua</i>	1,800	2,493	(27.8%)
PK Sales	11,135	12,349	(9.8%)
PKO Sales	650	-	N/A
PRODUCTIVITY			
Extraction Rate - CPO (Mixed)	20.8%	20.4%	2.0%
CPO Average Selling Price - USD	757	776	(2.5%)
PK Average Selling Price - USD	381	382	(0.2%)
PKO Average Selling Price - USD	760	-	N/A

3M2024 OPERATIONAL UPDATE

PT Austindo Nusantara Jaya Tbk (“ANJT” or “the Company”) announced its operational performance and financial results for the three-month period ended 31 March 2024 (“3M2024”).

In the last five years, global palm oil production has been impacted by extreme weather conditions. Following the El Nino event in 2019 and the subsequent three consecutive years of La Nina, the El Nino weather phenomenon reappeared in the second quarter of 2023, leading to drier conditions and drought in some regions in Indonesia while other areas experienced extreme rainfall that also affected our production performance. The Company produced a total of 173,226 metric tons (“mt”) of Fresh Fruit Bunches (“FFB”) from our nucleus plantations in 3M2024, 7.4% lower than the 187,060 mt FFB production in 3M2023. Lower FFB output brought the Company’s FFB yield per mature hectare down from 4.2 mt per hectare (“ha”) in 3M2023 to 4.0 mt per ha in 3M2024.

Despite the drought and dry weather in 2023, our Belitung estate, the Company’s main production contributor, recorded a total FFB production of 55,270 mt in 3M2024, an increase of 2.2% compared to 54,070 mt in 3M2023. In addition, our North Sumatra I estate produced 27,037 mt of FFB in 3M2024, a 9.6% lower than the 29,911 mt achieved in the same period last year. This decline primarily resulted from the ongoing

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	3,354.2mn
Listing date	8-5-2013
IPO Price	Rp 1,200
Highest	Rp 765
Lowest	Rp 700
Close	Rp 715

SHAREHOLDERS STRUCTURE

(as of 31 March 2024)	%
PT Austindo Kencana Jaya	40.85
PT Memimpin Dengan Nurani	40.85
George Santosa Tahija	4.74
Sjakon George Tahija	4.74
Yayasan Tahija	0.00
Public	8.83

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replanting activities, which reduced our mature areas by 7.2% to 6,780 ha compared to the same period last year.

The El Nino phenomenon in 2023 was quite different from El Nino in 2019. The drought and dry weather only hit certain areas, while our Southwest Papua and North Sumatra II estates experienced high rainfall. High humidity conditions in our Southwest Papua estate have exposed more areas to plant diseases, which affected productivity. In 3M2024, our Southwest Papua estate produced 16,700 mt of FFB, a decline of 23.1% compared to 3M2023. We have implemented comprehensive action plans to control these diseases since January 2024 and we anticipate the productivity in this estate will recover starting in April 2024, putting us back on track to achieve our target in 2024.

In addition, our North Sumatra II estate continued to face challenges from frequent high rainfall, triggering flooding from the nearby river. Aside from disrupting operational activities, these floods also affected the upkeep and fertilization activities. Therefore, the productivity of our palm trees is impacted. In 3M2024, this estate produced a total FFB of 35,141 mt, a decrease of 13.1% from 40,423 mt in 3M2023. The Company will focus on finishing the embankment piling project to mitigate the flood risk from the Batang Gadis river. Once this project is completed, we expect the production from this estate will be back on track.

Extreme weather also affected productivity from our West Kalimantan estate, where we saw a dip in our FFB production to 37,576 mt, a decrease of 4.2% compared to the 39,241 achieved in the same period last year. Dry weather causes heat stress to the pollinator beetles in this estate and affects the pollination process, so the fruit produced is not optimal. This is known as *parthenocarpy* causing the fruit bunches to have lower bunch weight and productivity.

Lastly, our development plantation in South Sumatra experienced a decrease in FFB production of 11.6% due to the resting period after higher fruit production last year. Our FFB output from this estate is anticipated to increase in the coming months as our field surveys of the fruit potential showed a positive improvement in the ripening process.

Lower FFB production from our nucleus plantations and less FFB purchased from third parties, lowered the Company's total FFB processed by 7.6% to 273,226 mt in 3M2024. As a result, we recorded a 5.7% YoY decrease in total CPO production of 56,601 mt compared to 60,051 mt of CPO production in 3M2023. This represented an extraction rate of 20.8%, a slight uptick from 20.4% in the same period last year. In addition, our Palm Kernel (PK) and Palm Kernel Oil (PKO) productions decreased by 0.5% and 37.2%, respectively, in line with the decrease in FFB production in 3M2024.

In 3M2024, the Company sold 55,857 mt of CPO, a decrease of 3.9% from 58,103 mt in the same period last year, which aligns with lower CPO production in 3M2024. In addition, our PK sales volume decreased by 9.8% to 11,135 mt from 12,349 mt in 3M2023. Meanwhile, our sales volume from PKO stood at 650 mt in 3M2024. The Company recorded an Average Selling Price (ASP) for its CPO of USD 757 per mt in 3M2024, 2.5% lower than the 3M2023 ASP of USD 776 per mt. Meanwhile, the ASP for PK in 3M2024 was USD 381 per mt, a slight decrease from USD 382 per mt in the same period last year. In addition, the ASP for PKO was USD 760 per mt in 3M2024.

FINANCIAL HIGHLIGHTS

Our Financial Performance Results

Table 2: Consolidated Statements of Comprehensive Income

	3M2024		3M2023		
	USD Thousands	Rp. Millions ⁽¹⁾	USD Thousands	Rp. Millions ⁽¹⁾	
Revenue	48,914	765,796	51,128	779,289	(4.3%)
Cost of revenue	(44,757)	(700,714)	(48,875)	(744,946)	(8.4%)
Gross profit	4,157	65,082	2,253	34,343	84.5%
Total operating expenses, net	(4,052)	(63,446)	(2,460)	(37,500)	64.7%
Operating profit (loss)	105	1,637	(207)	(3,157)	150.5%
Finance income	99	1,550	84	1,283	17.6%
Finance charges	(2,554)	(39,988)	(2,361)	(35,986)	8.2%
Loss before tax	(2,351)	(36,801)	(2,484)	(37,859)	(5.4%)
Income tax expense	(1,402)	(21,946)	(1,430)	(21,797)	(2.0%)
Loss for the period	(3,752)	(58,747)	(3,914)	(59,656)	(4.1%)
Other comprehensive income (loss)	(5,211)	(81,586)	8,787	133,934	(159.3%)
Total comprehensive income (loss)	(8,964)	(140,333)	4,873	74,278	(283.9%)
EBITDA	8,485	132,837	6,597	100,544	28.6%
EBITDA margin (%)	17.3%	17.3%	12.9%	12.9%	34.4%

¹⁾ 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 15,656 to USD 1 for 3M2024 and Rp 15,242 to USD 1 for 3M2023.

Revenue from Sales and Service Concessions

The Company posted a total revenue of USD 48.9 million in 3M2024, a decrease of 4.3% compared to 3M2023, which aligns with the decrease in sales volume and ASPs for palm oil products. The palm oil segment contributed 98.4% of our total revenue, or USD 47.7 million, a decrease of 5.2% compared to the USD 50.3 million achieved in 3M2023. Meanwhile, our edamame business posted a positive performance in its sales revenue of USD 0.7 million in 3M2024, a significant increase of 97.1% from the USD 0.4 million in 3M2023 due to the increase in sales volume and higher ASPs for fresh and frozen edamame. Apart from the marketing channel of Asia Foods, we penetrated the Indian market by independently exporting our frozen edamame last year and successfully exported another batch of frozen edamame this year.

Our sago segment contributed USD 325.0 thousand to our total revenue in 3M2024, an increase of 14.1% from the USD 284.9 thousand in 3M2023, mainly due to the increase in sales volume and ASP. In addition, our renewable energy segment contributed USD 147.3 thousand in 3M2024, higher than the USD 140.4 thousand achieved in 3M2023 due to the increase in electricity production as the result of major maintenance in our biogas plant last year. Our biogas plant in Belitung sold a total of 2.7 million kWh of electricity in 3M2024, 8.4% higher than electricity sales of 2.5 million kWh in the same period last year.

Operating (Expenses) Income and Financial Charges

The Company recorded an operating expense (net of operating income) of USD 4.1 million, an increase of 64.7% from USD 2.5 million in 3M2023 mainly due to a foreign exchange loss of USD 0.8 million compared to a gain of USD 0.8 million in 3M2023 as a result of the depreciation of the Rupiah against the US Dollar from Rp 15,416/USD 1 at the end of 2023 to Rp 15,853/USD 1 on 31 March 2024.

Our financial charges, which represent interest expenses on our loans, increased by 8.2% to USD 2.6 million in 3M2024 from interest expenses of USD 2.4 million in 3M2023 mainly due to the increase in our outstanding bank loans and additional interest expense recognition from our newly matured in replanted area in North Sumatra I and Belitung Island.

Net Profit

The Company recorded a net loss of USD 3.8 million in 3M2024, a positive variance from a net loss of 3.9 million in the same period last year, due to the decrease in cost of revenue offset by the increase in interest and personnel expenses in 3M2024. Despite this, our Net Profit Margin (NPM) ratio of negative 7.7% in 3M2024 remains equal to the NPM ratio in the same period last year.

The Company booked EBITDA for 3M2024 of USD 8.5 million, an increase of 28.6% compared to EBITDA of USD 6.6 million in 3M2023. Thus, our EBITDA margin increased from 12.9% in 3M2023 to 17.3% in 3M2024.

Total Comprehensive Income

The weakening of the Rupiah against the US Dollar from Rp 15,416 at the end of 2023 to Rp 15,853 by the end of March 2024 has depreciated the net assets of some of the Company's subsidiaries (those which maintain their bookkeeping records in Rupiah) by USD 5.2 million when their financial statements are translated from Rupiah to US Dollar, compared to a net profit of USD 8.8 million in 3M2023. As a result, the Company reported a negative comprehensive income of USD 9.0 million in 3M2024 compared to a comprehensive income of USD 4.9 million in 3M2023.



Our Assets and Liabilities Position

Table 3: Consolidated Statements of Financial Position

	31 March 2024		31 December 2023		Change
	USD Thousands	Rp. Millions ⁽¹⁾	USD Thousands	Rp. Millions ⁽¹⁾	
Current assets	61,691	977,994	54,978	847,545	12.2%
Non-current assets	553,748	8,778,560	559,094	8,618,993	(1.0%)
Total Assets	615,439	9,756,554	614,072	9,466,538	0.2%
Current liabilities	65,714	1,041,770	52,762	813,374	24.5%
Non-current liabilities	133,362	2,114,196	135,985	2,096,343	(1.9%)
Total Liabilities	199,077	3,155,965	188,747	2,909,717	5.5%
Equity attributable to the owners of the Company	415,113	6,580,790	423,896	6,534,785	(2.1%)
Total Equity	416,362	6,600,589	425,326	6,556,821	(2.1%)

¹⁾ 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 March 2024 of Rp 15,853 to USD 1 and as of 31 December 2023 of Rp 15,416 to USD 1.

As of 31 March 2024, total assets slightly increased by 0.2% to USD 615.4 million, mainly attributable to the increase in inventories and biological assets.

Total liabilities increased by 5.5% from USD 188.7 million at the end of 2023 to USD 199.1 million, primarily driven by the increase in short-term bank loans.

The Company was still able to maintain its prudent debt to equity and debt to asset ratios of 0.48 and 0.32, respectively as at 31 March 2024.

Financing Facilities

As of 31 December 2023, ANJT and its subsidiaries collectively maintained bank loan facilities amounting to the equivalent of USD 195.2 million, comprising short-term loan facilities of USD 66.9 million and long-term loan facilities of USD 128.3 million.

The outstanding balance of the Company's bank loans by the end of March 2024 was USD 158.4 million, an increase of USD 7.2 million from the USD 151.2 million as at the end of December 2023. This increase was mainly due to additional short-term bank loans of USD 7.8 million in 3M2024, offset by repayments of long-term bank loans of USD 0.5 million.



OUTLOOK 2024

Monetary policies and geopolitical issues will impact Indonesia's economic growth and CPO industry in 2024. Interest rates continue to remain high as sticky inflation will lead to a delay in US Federal Reserve to cut its benchmark interest rate and the Bank of Indonesia recently decided to increase the Rupiah benchmark interest rate to 6.25% on 24 April 2024. The persistently high interest rates are counter to the earlier market expectations, which expected interest rates to continue to decline during the course of 2024. Despite Bank of Indonesia's effort to stabilize the Rupiah exchange rate against the USD by increasing its benchmark rate, the Rupiah has depreciated to Rp 16,222/USD 1 as of 29 April 2024, compared to Rp 15,416/USD 1 as of 31 December 2023, a 5.2% decline.

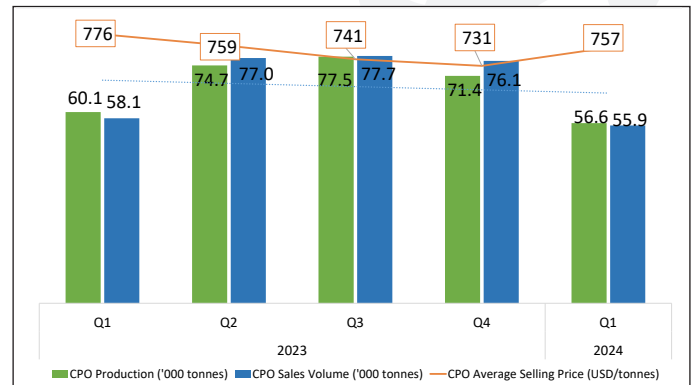
Considering these macro-economic issues combined with the geopolitical issues in the Middle East which have caused increases in crude oil prices, the Company has promptly taken measures to review all our work plans in 2024 and prioritize capital expenditures in key programs such as replanting in North Sumatera I and SMM and road infrastructure, especially in Southwest Papua estate that are critical to optimizing productivity. The management will also take active steps to optimize our cash cost and operational expenses.

OTHER CORPORATE UPDATES

In March 2024, Sustainalytics, a Morningstar ESG and corporate governance research and ratings firm, assessed us to have a Low-Risk Rating of 15.4, an improvement of 2.9 points compared to our previous rating. That we are able to maintain our outstanding performance in having a low ESG risk is due to our strong risk management. This achievement places ANJ in the first rank among global agriculture companies and the second rank among global food products industry companies, as assessed by Sustainalytics.

Key Performance (Quarterly)

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



Graph 2: Net Profit and EBITDA Growth

