



PT. TUNAS BARU LAMPUNG, Tbk. (TBLA)

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FY2017 NEWSLETTER

P&L (IDR Millions) – YoY	FY2017	FY2016	Change (%)
Revenue	8,974,708	6,513,980	37.8%
Gross Profit	2,265,623	1,625,325	39.4%
Operating Profit	1,669,709	1,104,195	51.2%
NPAT	954,357	621,011	53.7%
EBITDA	2,137,157	1,438,345	48.6%
Unrealized forex (loss)/gain	(24,591)	(5,066)	-

BS (IDR Millions)	FY2017	FY2016	Change (%)
Asset	14,024,486	12,596,824	11.3%
Liability	10,024,540	9,176,209	9.2%
Equity	3,999,946	3,420,615	16.9%
Interest Bearing Debt	5,801,470	5,809,831	-0.1%
Cash & cash equivalent	125,992	126,377	-0.3%

Financial Ratios	FY2017	FY2016
Gross margin	25.2%	25.0%
Operating margin	18.6%	17.0%
Net margin	10.6%	9.5%
EBITDA margin	23.7%	22.1%
Net Debt to Equity	1.42	1.66
ROA	6.8%	4.9%
ROE	23.9%	18.2%

Sales Volume	FY2017	FY2016	Change (%)
CPO	56,717	46,340	22.4%
Palm Cooking Oil	268,225	221,923	20.9%
PKO	35,279	39,392	-10.4%
Sugar	310,811	178,756	73.9%
Biodiesel	96,791	61,145	58.3%

Sales Price (IDR/Kg) ex VAT	FY2017	FY2016	Change (%)
CPO	8,223	7,597	8.2%
Palm Cooking Oil	9,872	9,294	6.2%
PKO	17,117	13,449	27.3%
Sugar	9,719	10,715	-9.3%
Biodiesel	9,052	8,624	5.0%

FINANCIAL HIGHLIGHTS

TBLA booked record high revenue from improved CPO production, stronger sugar refining business contributions and new revenue stream from sugar mill operation.

FFB nucleus harvest went up to pre El Nino level at **646k ton** (from **367k ton** in FY2016) which naturally increases CPO production. FY2017 refined sugar sales volume went up to **275k ton** compared **178k ton** in FY2016. The Company's sugar mill was completed just in time for 2017 cane harvest season and already started contributing. However, the mill was still running at around half of its capacity since there were many operational parameters that need to be overcome during its first year. Higher output is expected in FY2018.

Profitability margins improved on all levels from higher pricing of oil palm products and also increasing portion of TBLA's sugar refining business. Although domestic sugar price was lower by around 10%, refining margin remains intact as raw material (raw sugar) cost also went down in FY2017. The Company still hold around 100k ton of sugar inventory at the end of the year.

TBLA was engaged in several major construction projects (e.g: sugar mill, biodiesel plant), in the past few years. As a result, gearing level went up with Net Debt to Equity peaked at **1.66** in FY2016. With those projects now completed and no current major capital expenditure plan in the coming terms, TBLA will seek to gradually lower its gearing position.

Cooking oil booked yet another record high annual sales volume at **268k ton**. Leveraging on Rose Brand and nationwide distribution platform, the Company's strategy to build a strong domestic outlet for refined oil palm products has proven to be successful. Today, TBLA has minimal exposure to export risk, especially risks associated with protectionist policies asserted by certain importing regions in recent times.

Biodiesel also experiencing improved volume with Pertamina increasing their uptake. This trend could continue in a favorable direction for producers, especially with recent crude oil price trend.



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Production Summary	FY2017	FY2016	Change (%)
FFB Harvested			
<i>FFB Nucleus (MT)</i>	646,000	366,985	76.0%
<i>FFB Plasma (MT)</i>	172,414	148,783	15.9%
<i>FFB 3rd Party (MT)</i>	619,561	693,422	-10.7%
<i>FFB Yield – Nucleus (MT/Ha)</i>	21.6	12.0	
Crude Palm Oil Production (MT)	281,638	240,081	17.3%
<i>CPO Extraction Rate (OER)</i>	21%	22%	
Palm Kernel Oil Production (MT)	68,690	37,719	82.1%
<i>Kernel Extraction Rate (KER)</i>	42%	43%	
Cooking Oil (MT)	273,159	222,820	22.6%

Planted Area (Ha)	FY2017	FY2016
Oil Palm		
<i>Mature</i>	42,900	43,123
<i>Immature</i>	12,097	9,461
Total Oil Palm	54,997	52,584
Sugar Cane	12,105	10,640

PRODUCTION HIGHLIGHT

FFB harvest bounced back from previous year's El Nino effect as annual nucleus volume went up by **76.0%** to **646k ton**, whilst quarterly volume also went up by **4.4%** to **248k ton**. With better harvest, 3rd party FFB was reduced by **10.7%** from previous year's uptake.

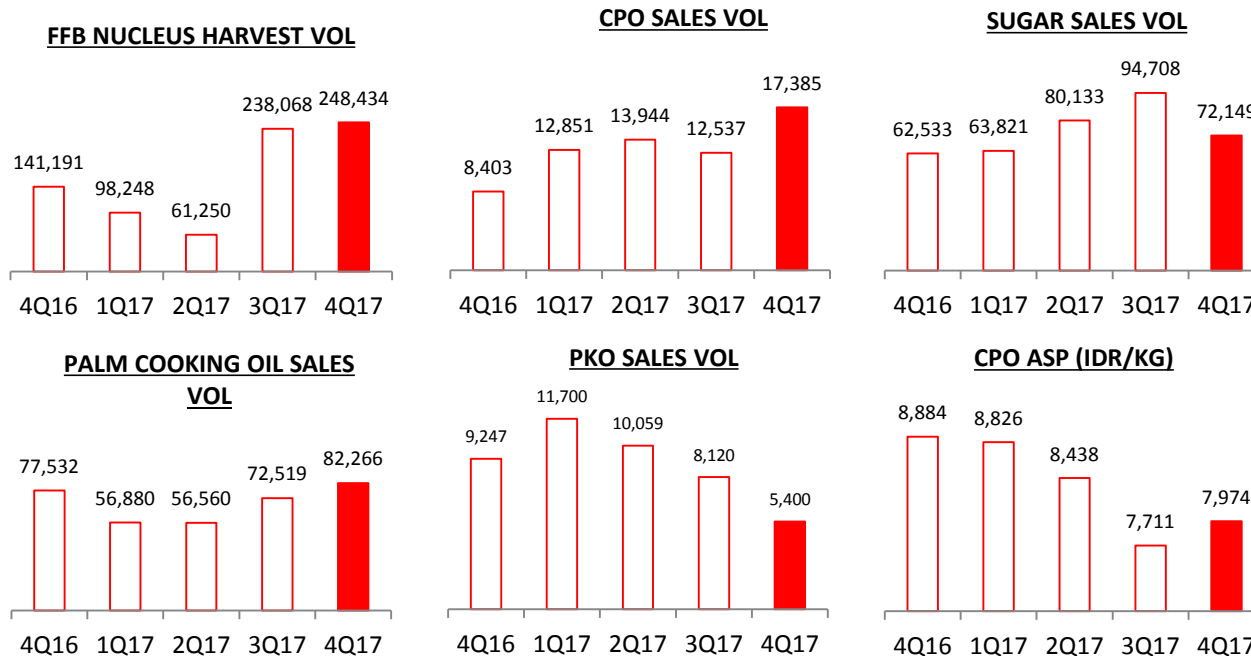
Better overall harvest and bigger contribution from TBLA's Palembang estate continue to push up average FFB yield. FY2017's FFB yield went up significantly to **21.6 ton/hectare** from **12.0 ton/hectare** in FY2016.

Quarterly cpo production improved along with higher FFB harvest. 4Q2017 cpo production recorded at **81,565 ton**, higher than **80,603 ton** and **56,620 ton** in 3Q2017 and 2Q2017 respectively.

Cooking oil booked yet another all-time high quarterly sales volume at **82,266 ton**. In order to support the growing domestic demand of refined oil palm products, external CPO has to be procured. Internal cpo was sufficient to support around 70% of downstream production, whilst the remaining has to be procure externally. Bigger contributions from TBLA's newer estates could lessen CPO purchase in FY2018 and beyond.

At the end of FY2017, TBLA's cane plantation is already at **12,105 ha**. The Company is targeting to convert further around **3,000 ha** of old oil palm plantation in Lampung to sugar cane in FY2018.

QUARTERLY TREND *(all figures in metric ton except for CPO ASP)*



For more information, please contact Head of Investor Relations:

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