



# PT. TUNAS BARU LAMPUNG, Tbk. (TBLA)

Wisma Budi, 8<sup>th</sup> – 9<sup>th</sup> Floor  
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## 6M2017 NEWSLETTER

P&L (IDR Millions) Unaudited	6M2017	6M2016	Change (%)
Revenue	4,243,635	2,912,225	45.7%
Gross Profit	1,043,565	765,270	36.4%
Operating Profit	774,483	502,302	54.2%
NPAT	505,001	310,102	62.8%
EBITDA	1,002,319	663,048	51.2%

BS (IDR Millions) Unaudited	30 June 2017	31 Dec 2016	Change (%)
Asset	13,430,086	12,596,824	6.6%
Liability	9,504,813	9,176,209	3.6%
Equity	3,925,273	3,420,615	14.8%
Interest Bearing Debt	5,600,378	5,780,166	-3.1%
Cash & cash equivalent	75,969	126,377	-39.9%

Ratios	6M2017	6M2016
Gross margin	24.6%	26.3%
Operating margin	18.3%	17.2%
NPAT margin	11.9%	10.6%
EBITDA margin	23.6%	22.8%
Debt to Equity	1.4	1.7
ROA	7.5%	4.9%
ROE	25.7%	18.1%

Sales Volume	6M2017	6M2016	Change (%)
CPO	26,795	24,210	10.7%
Palm Cooking Oil	113,440	102,203	11.0%
PKO	21,759	23,147	-6.0%
Sugar	143,954	78,430	83.5%
Biodiesel	61,669	12,997	374.5%

Sales Price (IDR/Kg) ex VAT	6M2017	6M2016	Change (%)
CPO	8,624	6,940	24.3%
Palm Cooking Oil	9,952	8,646	15.1%
PKO	18,190	12,932	40.7%
Sugar	9,974	11,074	-9.9%
Biodiesel	8,747	8,816	-0.8%

### FINANCIAL HIGHLIGHTS

Year-on-Year Revenue went up by 45.7% driven by higher sugar and biodiesel sales volume. Sugar sales up by 83.5%, whilst biodiesel sales almost quadrupled at 374.5% compared to the same period last year when the plant was just completed. Cooking oil and cpo also posted a healthy growth coupled with higher selling price compared to 6M2016.

All margins significantly improved and expanded due to bigger contribution from sugar and higher oil palm price this year. Operating margin and EBITDA went up by 54.2% and 51.2% respectively. This trend should continue given the upcoming contribution from the sugar mill that has already begun production this quarter. Furthermore, declining international raw sugar price would effectively lower refinery's production cost.

Quarterly NPAT is slightly lower by 10.9% in 2Q2017 at Rp238bn. This is due to seasonal drop in quarterly FFB harvest, less than expected biodiesel delivery volume due to technical delay from purchaser in 2Q2017, and also higher interest expense. With the sugar mill now in operation, interest expense for the mill is no longer being capitalized, thus resulting in higher interest expense. However, sales proceed from the sugar mill is expected to contribute by 3Q2017, thus negating the higher interest factor.

Debt equity position is still maintained at 1.4, despite TBLA's recent year engagement in major construction projects including sugar refinery, sugar mill & biodiesel plant. With all those projects fully completed, no significant capex plan in the foreseeable future and the incoming cash flow from the sugar business, the Company is in a good shape to progressively deleverage its gearing position in the coming years.

TBLA's dividend policy stipulates 40% payout when annual NPAT breaks the Rp500bn mark. This level has been breached just 2 quarters into 2017 with NPAT booked at Rp505bn.



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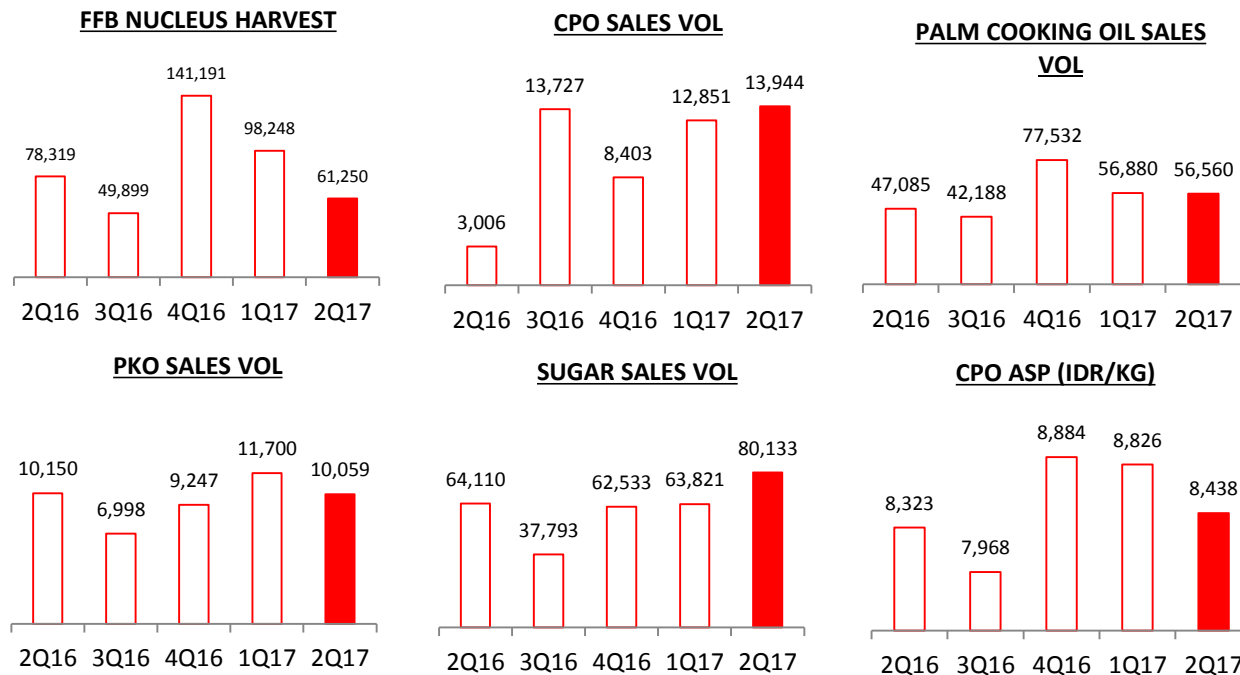
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Production Summary	6M2017	6M2016	Change (%)
<b>FFB Harvested</b>			
FFB Nucleus (MT)	159,498	175,895	-9.3%
FFB Plasma (MT)	61,507	41,723	47.4%
FFB 3 <sup>rd</sup> Party (MT)	390,361	252,261	54.7%
FFB Yield – Nucleus (MT/Ha)	5.3	5.3	-
<b>Crude Palm Oil (CPO)</b>			
CPO Production (MT)	119,470	98,549	21.2%
CPO Extraction Rate (OER)	21.0%	22.6%	-
<b>Palm Kernel Oil (PKO)</b>			
PKO Production (MT)	19,942	31,521	-36.7%
Kernel Extraction Rate (KER)	41.9%	40.0%	-

Planted Area (Ha)	30 Jun 2017	30 Jun 2016
Oil Palm		
Mature	41,766	44,967
Immature	11,771	7,737
<b>Total Oil Palm</b>	<b>53,537</b>	<b>52,704</b>
<b>Sugar Cane</b>	<b>10,762</b>	<b>9,312</b>

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



### PRODUCTION & SALES SUMMARY

6M2017's FFB nucleus harvest dropped by 9.3% with low harvest volume in 2Q2017 of 61,250 ton. With less than anticipated nucleus and plasma FFB harvest this quarter, 3<sup>rd</sup> party FFB purchase had to be increased proportionally in order to maintain downstream production level.

With sufficient FFB supply, quarterly cpo and cooking oil sales volume remains relatively stable in 2Q2017.

High demand leading to the festive season in 2Q2017 boosted sugar sales volume. Sugar sales booked at 80,133 ton in 2Q2017, the highest quarterly volume ever recorded. Quarterly sugar ASP is lower by 5.2% at Rp9,738/kg (exc VAT) in 2Q2017 entering the cane harvest season.

Majority of the sugar sold by 6M2017 was still predominantly produced from the Company's sugar refinery and sold mostly at wholesale level. With the mill now in operation, modern retail market proportion under **ROSE BRAND** would go up.