



P&L (IDR Millions) – YoY	FY2019	FY2018	Change (%)
Revenue	8,533,183	8,614,889	-0.9%
Gross Profit	2,094,793	2,302,760	-9.0%
Operating Profit	1,424,796	1,694,186	-15.9%
NPAT	661,034	764,380	-13.5%
EBITDA	2,217,728	2,367,323	-6.3%
Unrealized forex gain/(loss)	41,545	(52,859)	-

BS (IDR Millions)	31 Dec 2019	31 Dec 2018	Change (%)
Asset	17,363,003	16,339,916	6.3%
Liability	12,000,079	11,556,300	3.8%
Equity	5,362,924	4,783,616	12.1%
Interest Bearing Debt	8,043,000	7,485,907	7.4%
Cash & cash equivalent*	522,307	325,701	60.4%

\*included in cash & cash equivalent, restricted cash under “other current asset”

Financial Ratios	FY2019	FY2018
Gross margin	24.5%	26.7%
Operating margin	16.7%	19.7%
Net margin	7.7%	8.9%
EBITDA margin	26.0%	27.5%
Net Debt to Equity	1.40	1.50
ROA	3.8%	4.7%
ROE	12.3%	16.0%

Sales Volume	FY2019	FY2018	Change (%)
Palm Cooking Oil	209,595	286,201	-26.8%
PKO	44,133	37,084	19.0%
Sugar	267,204	268,356	-0.4%
Biodiesel (FAME)	289,145	145,847	98.3%

Sales Price (IDR/Kg) ex VAT	FY2019	FY2018	Change (%)
Palm Cooking Oil	9,004	9,317	-3.4%
PKO	8,428	12,134	-30.5%
Sugar	10,188	9,151	11.3%
Biodiesel (FAME)	7,698	8,148	-5.5%

**FINANCIAL HIGHLIGHT**

Full year revenue remains stable despite lower pricing of all TBLA’s oil palm related products. US-China trade war that continues over the course of FY2019 has disrupted global demand for edible oil, triggered industry oversupply, and consequently lead to depressed pricing. Luckily for CPO, demand is still supported by Indonesia’s emerging biodiesel program, which absorbed around 15%-16% of domestic production, under the B20 blending mandate.

CPO price fell by **17.9%** on annual basis, while the drop in PKO price was even more severe at **30.5%**. The Company’s revenue was mainly cushioned by doubling FAME/Biodiesel sales, and also due the fact that majority of TBLA’s oil palm revenue comes from downstream consumer products which pricing are relatively more resilient. Over the same period, palm cooking oil and FAME/Biodiesel price “only” dropped by **3.4%** and **5.5%** respectively. Nevertheless, overall weaker pricing still affected profitability, which is reflected by lower operating margin and EBITDA.

Sugar sales volume relatively unchanged from FY2018, despite only one quota allocation received in FY2019 of **70,050 ton**. Having gone through similar experience in regards to unfavorable quota allocation during the last election year in FY2015, the Company bumped up carry forward inventory from FY2018 to avoid volume fluctuation, whilst capturing seasonal price hike this year. Recent history then repeat itself, as it was in FY2015, the delays and restriction in quota allocation put more pressure to the much-distressed domestic sugar supply and inevitably drive price up. Sugar price began to rise in 4Q2019, but the full extent of this extreme supply constraint will be evident in 1H2020, where sugar disappeared from most supermarket shelf and price doubled at retail level.

TBLA tapped the global bond market and successfully raised **\$50million** in December 2019. Transaction is leverage neutral as the proceed was used to replace existing bank facilities. Similar to the previous issuance, most of the bond principal will be hedged. In line with the Company’s deleveraging plan, net debt equity continues to improve at 1.4 from 1.5 last year.



Production Summary	FY2019	FY2018	Change (%)
<b>FFB Harvested</b>			
<i>FFB Nucleus (MT)</i>	593,251	723,315	<b>-18.0%</b>
<i>FFB Plasma (MT)</i>	197,210	218,927	<b>-9.9%</b>
<i>FFB 3<sup>rd</sup> Party (MT)</i>	828,816	1,002,144	<b>-17.3%</b>
<i>FFB Yield – Nucleus (MT/Ha)</i>	17.5	21.7	<b>-19.4%</b>
<b>Crude Palm Oil Production (MT)</b>	335,134	374,692	<b>-10.6%</b>
<i>CPO Extraction Rate (OER)</i>	22%	21%	-
<b>Palm Kernel Oil Production (MT)</b>	28,994	34,480	<b>-15.9%</b>
<i>Kernel Extraction Rate (KER)</i>	42%	42%	-
<b>Cooking Oil (MT)</b>	208,048	271,255	<b>-23.3%</b>
<b>FAME (Biodiesel)</b>	281,755	137,818	<b>104.4%</b>

Planted Area (Ha)	31 Dec 2019	31 Dec 2018
<b>Oil Palm</b>		
<i>Mature</i>	45,229	43,908
<i>Immature</i>	12,067	12,544
<b>Total Oil Palm</b>	<b>57,296</b>	<b>56,452</b>
<b>Sugar Cane</b>	<b>12,493</b>	<b>10,455</b>

**PRODUCTION HIGHLIGHT**

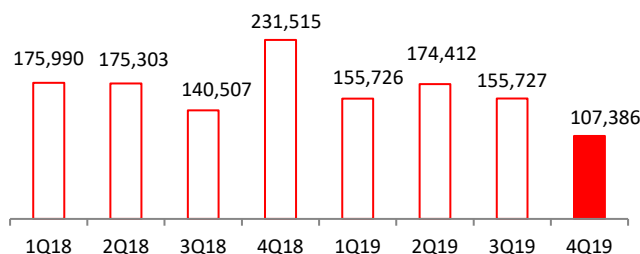
FFB harvest went down on both nucleus and plasma estate due to prolonged drought in Sumatera last year. With the entire region affected, 3<sup>rd</sup> party FFB purchase was also down as procurement gets harder. Overall CPO production was consequently affected as it dropped by **10.6%**

As the government continues to push Indonesia’s biodiesel program, demand for FAME continues to rise. Pertamina contracted around **260k ton** of biodiesel/FAME to TBLA in FY2019, up from around **120k ton** last year. Biodiesel/Fame contract will further go up in FY2020 with confirmed B30 blending. On top of domestic sales, there was also export delivery to China this year. In order to deliver all these contractual obligations, TBLA’s doubled its FY2019 biodiesel/FAME production to **281k ton**, up from **138k ton** last year.

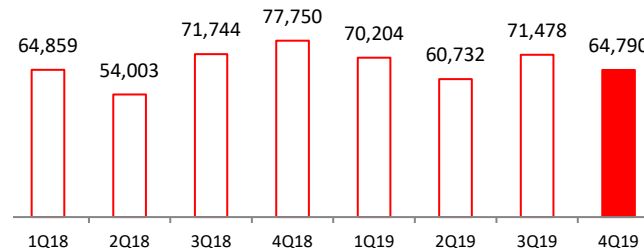
Higher biodiesel/FAME contract volume coupled with lower internal CPO production means that more external CPO was needed to meet production demand. External CPO purchase was recorded at **250k ton** net, up from **162k ton** net (224k ton less 62k cpo sold) last year. At present level, external CPO made up around **44%** of TBLA’s downstream feedstock. At the same time, cooking oil production was adjusted lower to make room for higher biodiesel/FAME production.

The Company’s second biodiesel plant of **450k ton/annum** capacity is well under construction and expected to complete by 3Q2020. Once completed, TBLA’s annual production capacity will rise to **750k ton/annum**.

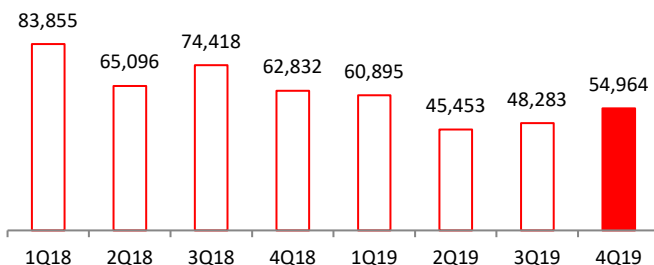
**FFB NUCLEUS HARVEST VOL**



**SUGAR SALES VOL**



**PALM COOKING OIL SALES VOL**



**BIODIESEL SALES VOL**

