



P&L (IDR Millions) – YoY	6M2019	6M2018	Change (%)
Revenue	4,122,001	4,002,255	3.0%
Gross Profit	1,086,974	1,083,206	0.3%
Operating Profit	818,789	808,261	1.3%
NPAT	360,157	351,807	2.4%
EBITDA	1,095,067	1,061,174	3.2%

BS (IDR Millions)	30 June 2019	31 June 2018	Change (%)
Asset	16,858,480	14,913,847	13.0%
Liability	11,441,707	10,801,944	5.9%
Equity	5,143,773	4,111,903	25.1%
Interest Bearing Debt	7,547,988	7,215,926	4.6%
Cash & cash equivalent*	525,246	322,758	62.7%

*included in cash & cash equivalent, restricted cash under "other current asset"

Financial Ratios	6M2019	6M2018
Gross margin	26.4%	27.1%
Operating margin	19.9%	20.2%
Net margin	8.7%	8.8%
EBITDA margin	26.6%	26.5%
Net Debt to Equity	1.4	1.7
ROA	4.3%	4.7%
ROE	14.0%	17.1%

Sales Volume	6M2019	6M2018	Change (%)
CPO	5,814	26,196	-77.8%
Palm Cooking Oil	106,348	148,951	-28.6%
PKO	19,275	16,333	18.0%
Sugar	130,936	118,862	10.2%
Biodiesel (FAME)	134,262	40,385	232.5%

Sales Price (IDR/Kg) ex VAT	6M2019	6M2018	Change (%)
CPO	5,988	8,009	-25.2%
Palm Cooking Oil	8,928	9,511	-6.1%
PKO	9,069	14,024	-35.3%
Sugar	9,747	9,282	5.0%
Biodiesel (FAME)	7,621	8,360	-8.8%

FINANCIAL HIGHLIGHT

Year-on-year revenue up by **3.0%** on the back of higher biodiesel (FAME) and sugar sales. FAME sales volume increased by threefold compared to same period last year with successful rolling out of B20 initiative. Pertamina's shipment of around **110k ton** made up bulk of the sales, while export to China counts for around **20k ton** in 1H2019. Pertamina contracted **219k ton** of TBLA's FAME for the whole duration of FY2019. Higher sales volume has not been accompanied with better pricing as FAME pricing formula is directly linked to cpo price.

In order to meet Pertamina's contractual shipment, more cpo feedstock was directed towards FAME production, which in effect impacted cooking oil production and sales volume. In any case, this is a commercially viable strategy given FAME's present margin outweigh cooking oil.

With more inventory on hand, sugar sales volume up by **10.2%** versus same period last year. Selling price was higher by **5.0%** as constrained allocation of raw sugar import quota is beginning to put pressure on market supply and drove price up. Up until 1H2019, TBLA has not received FY2019 quota allocation. Given current market shortage, the Company expects some import quota distribution in second half of the year.

Despite annual CPO price tumbling by **25.2%**, Operating profit, NPAT and EBITDA were still booking mild growth versus 1H2018. Profitability margins also remains strong, due to higher contribution from the sugar business and lower production cost of downstream oil palm products. TBLA has been increasing external cpo purchase to support significant jump in FAME production. Given 3rd party cpo purchase made up half of TBLA's downstream feedstock, weak cpo price combined with relatively more stable FAME (and also cooking oil) price has shielded margin from contracting.

With no major ongoing capex plan, TBLA's gearing parameter has been improving along with higher cash position and expanding equity position. The Company has also temporarily reduced dividend payout in order to expedite deleveraging process.



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6M2019 NEWSLETTER

Production Summary	6M2019	6M2018	Change (%)
FFB Harvested			
<i>FFB Nucleus (MT)</i>	330,138	351,293	-6.0%
<i>FFB Plasma (MT)</i>	72,949	67,325	8.4%
<i>FFB 3rd Party (MT)</i>	276,349	480,466	-42.5%
<i>FFB Yield – Nucleus (MT/Ha)</i>	8.0	11.0	
Crude Palm Oil Production (MT)	138,018	162,892	-15.3%
<i>CPO Extraction Rate (OER)</i>	21.5%	20.6%	
Palm Kernel Oil Production (MT)	10,855	10,033	8.2%
<i>PKO Extraction Rate (KER)</i>	42.3%	41.9%	
Cooking Oil (MT)	111,573	158,996	-29.8%
FAME (Biodiesel)	110,341	33,569	228.7%

Planted Area (Ha)	30 Jun 2019	30 Jun 2018
Oil Palm		
<i>Mature</i>	45,411	43,400
<i>Immature</i>	10,839	12,620
Total Oil Palm	56,250	56,020
Sugar Cane	11,405	10,078

PRODUCTION HIGHLIGHT

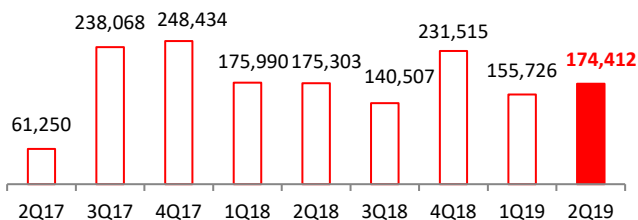
Overall internal FFB harvest was stable with higher quarterly production in both nucleus and plasma estates. 3rd party FFB purchase volume dropped as prolonged pressure on cpo price is beginning to take its toll on farmers FFB production. Lower FFB processed reduced cpo production by **15.3%** compared to 1H2018.

In order to make up for lower cpo production and to meet downstream production demand, TBLA increased its external cpo purchase to **146,421 ton** of in 1H2019.

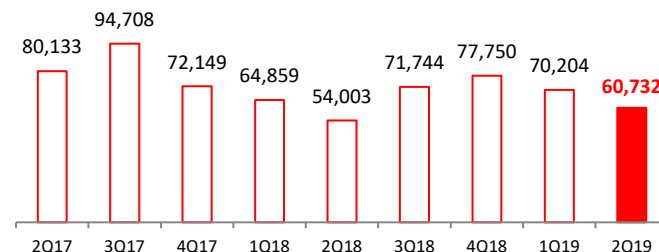
2Q2019 cooking oil sales volume went down both on quarterly and annual basis, as production was strategically curtailed. With significant increase in FAME contractual demand, more cpo feedstock was urgently needed to meet FAME production and shipment.

Quarterly biodiesel shipment went down in 2Q2019 with shorter working days due to holiday season.

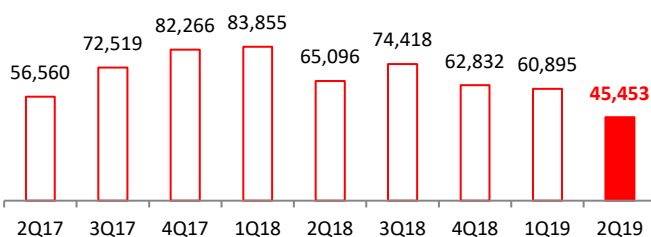
FFB NUCLEUS HARVEST VOL



SUGAR SALES VOL



PALM COOKING OIL SALES VOL



BIODIESEL SALES VOL

