



P&L (IDR Millions) – YoY	3M2018	3M2017	Change (%)
Revenue	2,140,720	2,236,471	-4.3%
Gross Profit	534,620	520,431	2.7%
Operating Profit	398,185	384,080	3.7%
NPAT <sup>1</sup>	203,463	269,210	-24.4%
EBITDA	527,650	499,702	5.6%
Unrealized forex gain/(loss)	(21,153)	19,549	-

BS (IDR Millions)	31 Mar 2018	31 Dec 2017	Change (%)
Asset	14,151,905	14,024,486	0.9%
Liability	9,948,496	10,024,540	-0.8%
Equity	4,203,409	3,999,946	5.1%
Interest Bearing Debt	6,852,780	5,772,459	18.7%
Cash	335,038	125,992	165.9%

Ratios	3M2018	3M2017
Gross margin	25.0%	23.3%
Operating margin	18.6%	17.2%
NPAT margin	9.50%	12.04%
EBITDA margin	24.6%	22.3%
ROE (Annualized)	5.8%	7.7%
ROA (Annualized)	19.4%	26.9%
Net Debt to Equity	1.6	1.4

Sales Volume	3M2018	3M2017	Change (%)
Palm Cooking Oil	83,855	56,880	47.4%
Sugar	64,859	63,821	1.6%
CPO	15,010	12,851	16.8%
PKO	5,333	11,700	-54.4%
Biodiesel	23,191	41,074	-43.5%

Sales Price (IDR/Kg) ex VAT	3M2018	3M2017	Change (%)
Palm Cooking Oil	9,367	10,235	-8.5%
Sugar	8,907	10,271	-13.3%
CPO	7,891	8,826	-10.6%
PKO	15,296	21,176	-27.8%
Biodiesel	8,308	9,051	-8.2%

**SALES & FINANCIAL HIGHLIGHTS**

Revenue went down by **4.3%** compared to 1Q2017 mainly due to lower average selling price (ASP) for all products. Volume wise, major revenue contributors: palm cooking oil and sugar were still booking Y-o-Y sales growth. Palm cooking oil sales volume booked yet another record breaking quarter at **83,855 ton**, up **47.4%** Y-o-Y and **1.9%** Q-o-Q. Sugar sales volume was relatively stable with a slight **1.6%** improvement from last year.

Despite lower ASP, Y-o-Y gross profit, operating profit and EBITDA went up compared to same period last year. Stable FFB harvest allowed the Company to utilize less external cpo for its downstream production this quarter, which helps maintain margin. On the sugar segment, all sugar sold in 1Q2018 came from TBLA's refinery (sugar mill only operates between 2<sup>nd</sup> and 4<sup>th</sup> quarter every year during cane harvest season), which solely using imported raw sugar as its base material. Since global sugar price has been trending downward since last year, sugar refinery's raw material cost has also since gone down, offsetting lower sugar ASP and helps maintain margin.

Y-o-Y NPAT highly impacted by unrealized forex loss and higher interest expense, went lower by **24.4%**. As the Company's reporting is done in IDR, TBLA has to periodically mark to market its USD liabilities, which could result in unrealized forex loss or gain. With the recent weakening of IDR, the Company booked **Rp21.2bn** of unrealized forex loss this quarter versus unrealized forex gain of **Rp19.5bn** in 1Q2017. Interest expense went up from **Rp63.3bn** in 1Q2017 to **Rp112.5bn** in 1Q2018 as interest expense relating to the sugar mill can no longer be capitalized.

The Company issued **USD200mn** global bond at **7.0%** coupon, as well as **Rp1tn** IDR bond at **9.5%** coupon both in 1Q2018. Most of the proceeds have already been used to repay and refinance pre-existing short to medium term payables and financings. Gradually improving gearing level will be one of TBLA's priorities going forward.



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

Wisma Budi, 8<sup>th</sup> – 9<sup>th</sup> Floor  
 Jl. H.R Rasuna Said Lot C-6, Jakarta  
 Telp: (021) 5213383 , Fax: (021) 5213332

## 3M2018 NEWSLETTER

Production Summary	3M2018	3M2017	Change (%)
<b>FFB Harvested</b>			
FFB Nucleus (MT)	175,990	98,248	79.1%
FFB Plasma (MT)	25,308	41,805	-39.5%
FFB 3 <sup>rd</sup> Party (MT)	206,394	167,460	23.2%
FFB Yield – Nucleus (MT/Ha)	5	3	-
<b>Crude Palm Oil (CPO)</b>			
CPO Production (MT)	71,397	62,850	13.6%
CPO Extraction Rate (OER)	20.20%	22.20%	-
<b>Palm Kernel Oil (PKO)</b>			
PKO Production (MT)	5,592	11,990	-53.4%
Kernel Extraction Rate (KER)	41.87%	41.77%	3%

Planted Area (Ha)	31 Mar 2018	31 Mar 2017
Oil Palm		
Mature	42,868	43,171
Immature	12,891	9,783
<b>Total Oil Palm</b>	<b>55,759</b>	<b>52,953</b>
<b>Sugar Cane</b>	<b>12,270</b>	<b>10,705</b>

### PRODUCTION SUMMARY

Y-o-Y FFB nucleus harvest increased by **79.1%**, whilst plasma harvest was down by **39.5%** compared to same period last year. In order to support the growing demand for the Company's cooking oil product, which went up both on annual and quarterly basis, external FFB purchase had to be boosted by **23.2%** versus 1Q2017.

Given that PKO price has slumped by **27.8%** since last year, the Company reduced PKO production (and therefore sales) by **53.4%** and maintains higher level of palm kernel stock this quarter.

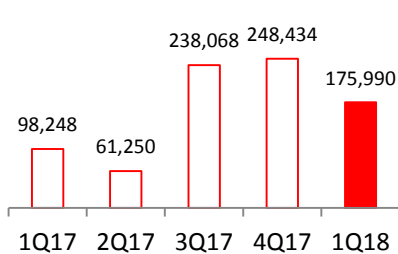
TBLA obtained its first 2018 raw sugar import quota allocation of **75,000 ton** in April 2018. Carry forward sugar inventory volume stood at around **100,000 ton** at the beginning of this year. More allocations are expected in the coming quarters.

Sugar production and sales volume is expected to pick up in the coming quarter as we enter cane harvest season in May. Better utilization rate from the sugar mill is targeted this year at around 60% - 70%.

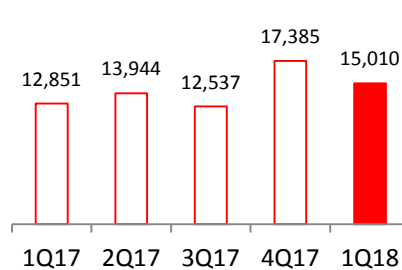
The Company was allocated around **48,000 kL** of biodiesel tender by Pertamina for May – October 2018 period.

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

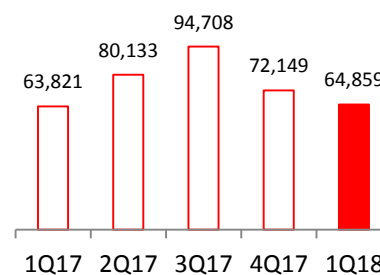
**FFB NUCLEUS HARVEST VOL**



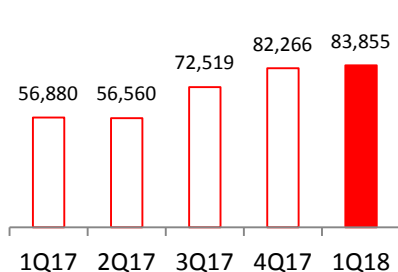
**CPO SALES VOL**



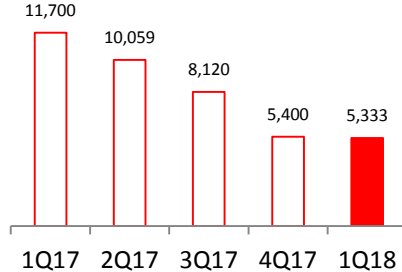
**SUGAR SALES VOL**



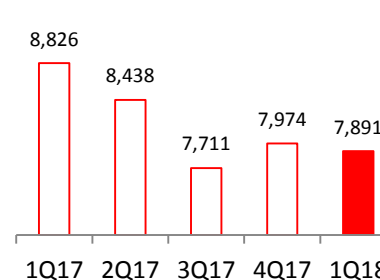
**PALM COOKING OIL SALES VOL**



**PKO SALES VOL**



**CPO ASP (IDR/KG)**



For more information, please contact Head of Investor Relations:

Eric Tirtana | email. [eric.tirtana@sungaibudi.com](mailto:eric.tirtana@sungaibudi.com) | Mob. +6285880242328 | Tel. (+62-21) 521 3383