



PT. TUNAS BARU LAMPUNG, Tbk. (TBLA)

Wisma Budi, 8th – 9th Floor
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Telp: (021) 5213383 , Fax: (021) 5213332

6M2020 NEWSLETTER

P&L (IDR Millions) – YoY	6M2020	6M2019	Change (%)
Revenue	5,686,581	4,122,001	38.0%
Gross profit	1,255,648	1,086,974	15.5%
Operating profit	905,116	818,789	10.5%
NPAT	321,309	360,157	-10.8%
EBITDA	1,198,702	1,096,601	9.3%
Unrealized forex gain/(loss)	(54,502)	21,778	n.a

USD:IDR = Rp14,302 (30 June 2020), Rp13,901 (31 Dec 2019)

BS (IDR Millions)	30 June 2020	30 June 2019	Change (%)
Asset	19,341,824	16,585,480	16.6%
Liability	13,687,389	11,441,707	19.6%
Equity	5,654,435	5,143,773	9.9%
Interest bearing debt	9,460,192	7,547,988	25.3%
Cash & cash equivalent*	1,125,328	525,246	114.2%

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

Financial Ratios	6M2020	6M2019
Gross margin	22.1%	26.4%
Operating margin	15.9%	19.9%
Net margin	5.7%	8.7%
EBITDA margin	21.1%	26.6%
Net Debt to Equity	1.47	1.37
ROA	3.3%	4.3%
ROE	11.4%	14.0%

Sales Volume	6M2020	6M2019	Change (%)
Palm Cooking Oil	148,864	106,348	40.0%
PKO	15,100	19,275	-21.7%
Sugar	140,211	130,936	7.1%
Biodiesel	172,339	134,262	28.4%

Sales Price (IDR/Kg) ex VAT	6M2020	6M2019	Change (%)
Palm Cooking Oil	10,431	8,928	16.8%
PKO	10,040	9,069	10.7%
Sugar	12,570	9,747	29.0%
Biodiesel	8,802	7,621	15.5%

FINANCIAL HIGHLIGHT

Revenue went up by **38.0%** on the back of higher sales volume and pricing for all TBLA's major products (cooking oil, biodiesel and sugar). Demand was especially high for cooking oil, as early pandemic scares boosted household demand. This was soon followed by institutional demand from both government and private organizations alike through their nationwide handout programs, which relief package in most cases, would include cooking oil (and also sugar).

Gross profit, Operating profit and EBITDA growth were milder compared to Revenue, at **15.5%**, **10.5%** and **9.3%** respectively. Margin contracted due to higher utilization of external cpo, and also the government decision to discount Pertamina's FAME (Biodiesel) purchase price formula, effective June 2020.

Sudden jump in downstream demand coupled with lower internal CPO production, led the Company to increase external CPO purchase in 6M2020. TBLA purchased **215,314 ton** of external CPO so far this year, which was around **70%** of total CPO feedstock. This higher utilization of the more expensive external CPO inevitably caused margin contraction, especially given the increasing CPO price of late.

Following the collapse of crude oil price and weak biodiesel consumption due to the pandemic, the Ministry of Energy and Mineral Resources issued a ministerial decree (**No.105 K/12/MEM/2020**) on 20th May 2020, which essentially revised down Pertamina's FAME (biodiesel) purchase formula from **CPO Market Price + USD100 per ton**, to **CPO Market Price + USD80 per ton**. The Ministry stated that this decision was taken to ensure the continuation of the B30 program during this challenging time.

NPAT booked negative growth for the period, mostly due to unrealized forex losses. As the USD strengthen against IDR over the last 6 months, marking to market the Company's USD liabilities resulted in this accounting loss of **Rp54.5bn**, with no impact to cashflow. Normalizing NPAT for the said item, will take it back to positive growth track.

TBLA continues to increase the Company's cash reserve to record level of **Rp1.1tn** as per end of June 2020. This accumulation of cash is part of the Company's current strategy to ensure available liquidity in the event of prolonged pandemic.



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Production Summary	6M2020	6M2019	Change (%)
FFB Harvested			
<i>FFB Nucleus (MT)</i>	219,741	330,138	-33.4%
<i>FFB Plasma (MT)</i>	60,751	72,949	-16.7%
<i>FFB 3rd Party (MT)</i>	177,662	276,349	-35.7%
<i>FFB Yield – Nucleus (MT/Ha)</i>	6.1	9.8	-
Crude Palm Oil Production (MT)	96,778	138,018	-29.9%
<i>CPO Extraction Rate (OER)</i>	22.2%	21.5%	-
Palm Kernel Oil Production (MT)	12,554	10,855	15.7%
<i>PKO Extraction Rate (KER)</i>	42.1%	42.3%	-
Cooking Oil (MT)	143,084	111,573	28.2%
FAME (Biodiesel)	140,964	110,341	27.8%

Planted Area (Ha)	30 Jun 2020	30 Jun 2019
Oil Palm		
<i>Mature</i>	48,468	45,411
<i>Immature</i>	10,307	10,839
Total Oil Palm	58,775	56,250
Sugar Cane	12,609	11,405

PRODUCTION HIGHLIGHT

Overall FFB collection went down as the full impact of last year's drought felt around the Sumatera region. In 6M2020, TBLA's CPO production dropped by **29.9%**, affected by the lower harvest. To manage downstream production need, the Company had to increase external cpo purchase, which consequently altered internal versus external cpo usage proportion from 50:50 last year, to 30:70 so far this year.

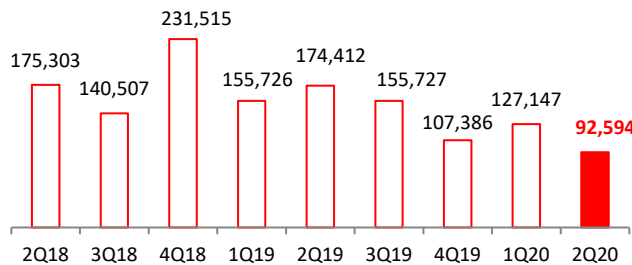
Cooking oil production was up by **28.2%** compared to same period last year. Covid-19 epidemic triggered sudden surge in household demand, as well as institutional demand created through the nationwide handout programs.

FAME (Biodiesel) production up by **27.8%** compared to 6M2019, as the B30 blending mandate came into effect this year. In 2Q2020, TBLA recorded the highest quarterly FAME (Biodiesel) sales at **95k ton**. Despite pandemic related demand disruption and global crude price concern, delivery to Pertamina stays consistent so far. TBLA already delivered around **170k ton** of FAME to Pertamina in 6M2020, which is exactly half of full year contracted volume.

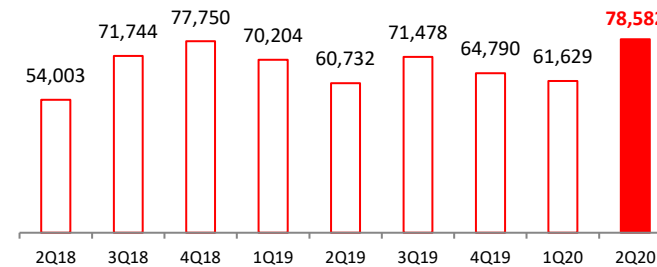
In order to facilitate Indonesia's growing biodiesel industry, the Company is currently building new supporting infrastructures. TBLA's new palm oil refinery and biodiesel plant will be completed by first half of 2021, which will then bring total FAME (Biodiesel) production capacity up to **750k ton per annum**.

Sugar sales remains strong in 2Q2020 as supply deficit continues to plague the market. The Company was allocated **170k ton** of raw sugar import quota in 6M2020, plus another **10k ton** in July 2020.

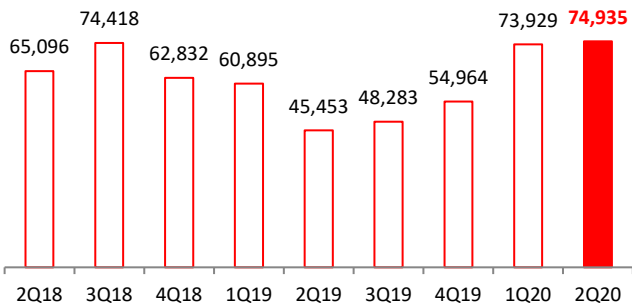
FFB NUCLEUS HARVEST VOL



SUGAR SALES VOL



PALM COOKING OIL SALES VOL



BIODIESEL SALES VOL

