



# 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

## 6M2016 NEWSLETTER

P&L (IDR Millions) Unaudited	6M2016	6M2015	Change (%)
Revenue	2,912,225	2,721,162	7.0%
Gross Profit	765,270	600,035	27.5%
Operating Profit	502,302	376,016	33.6%
NPAT	310,102	147,861	109.7%
Unrealized forex gain/(loss)	33,847	(94,459)	-
EBITDA	663,048	481,602	37.7%

\*Normalized for unrealized forex loss

BS (IDR Millions) Unaudited	30 June 2016	31 Dec 2015	Change (%)
Asset	10,405,588	9,293,023	12.0%
Liability	7,214,883	6,405,668	12.6%
Equity	3,190,705	2,887,355	10.5%
Interest Bearing Debt	5,197,535	4,690,464	10.8%
Cash & cash equivalent	326,129	295,969	10.2%

Ratios	6M2016	6M2015
Gross margin	26.3%	22.1%
Operating margin	17.2%	13.8%
NPAT margin	10.6%	5.4%
EBITDA margin	22.8%	17.7%
Net Debt to Equity	1.5	1.7
ROE	6.0%	3.8%
ROA	19.4%	11.7%

Sales Volume	6M2016	6M2015	Change (%)
CPO	24,210	73,460	-67.0%
Palm Cooking Oil	102,203	88,928	14.9%
PKO	23,147	38,763	-40.3%
Sugar	78,430	33,114	136.8%
Biodiesel	12,997	-	n/a

Sales Price (IDR/Kg) ex VAT	6M2016	6M2015	Change (%)
CPO	6,940	7,775	-10.7%
Palm Cooking Oil	8,646	8,902	-2.9%
PKO	12,932	12,260	5.5%
Sugar	11,074	8,426	31.4%
Biodiesel	8,816	-	n/a

### FINANCIAL HIGHLIGHTS

- Annual revenue grew by **7.0%** with strong contribution from TBLA's sugar refinery and oil palm downstream product. At around **30%** each, Sugar and cooking oil sales made up **60%** of TBLA's total revenue for 1H2016. As a comparison, sugar sales only contributed **±10%** of 1H2015's revenue.
- Revenue proportion from CPO sales went down considerably to just **±6%**, from **±21%** in 1H2015. Overall FFB harvest was much lower both annual and quarterly (see Page 2). On top of that, more CPO was utilized for downstream allocation, including biodiesel production. This is consistent with TBLA's long run strategy in creating sizeable and sustainable domestic market.
- TBLA participated in Pertamina's May to Oct 2016 biodiesel tender and was nominated to supply **51,763 kl** of biodiesel in the allocated time frame. In 2Q2016, the Company booked **12,997 kl** of biodiesel sale.
- Operating profit went up by **33.6%**, whilst NPAT more than doubled compared to 1H2015 at **Rp310bn** (and even exceeded 2015 full year NPAT of **Rp201bn**) with bigger contribution from sugar sales. Sugar sales went up by **136.8%** compared to previous year, as TBLA sold **78,430 ton** of sugar in 6M2016. Most of that, **64,110 ton** was booked in 2Q2016, as this year's import quota was only awarded at the very end of 1Q2016. The Company still has a sizable sugar stock for the year, as the total quota given is for **262,000 ton**. This should stabilize sugar sales contribution over the coming quarters.
- With less than expected raw sugar import in 2015 and poor domestic cane harvest this year, Indonesia's sugar deficit went from bad to worse as domestic sugar price shoots up drastically. TBLA's average sugar sales price went up by **31.4%** compared to previous year to **Rp11,074/kg**, whereas the prescribed 2016's sugar floor price (*harga patokan gula*) was only set at **Rp9,100/kg** by Ministry of Trade. This means price has been consistently higher at the auction and market compared to the said floor price. Obviously, this also plays a significant part in TBLA exceptional profitability this semester.
- Given current conditions, sugar business model offers higher margin than oil palm. Hence, bigger contribution from sugar automatically pushes TBLA profitability margins and return profile up. Operating margin went up from **13.8%** to **17.2%**, whilst NPAT margin up from **5.4%** to **10.6%**. ROA and ROE also went higher compared to last year's.
- With the construction of TBLA's sugar mill, net debt to equity level remains manageable and even went lower this 1H2016 to **1.5** from **1.7** last year.



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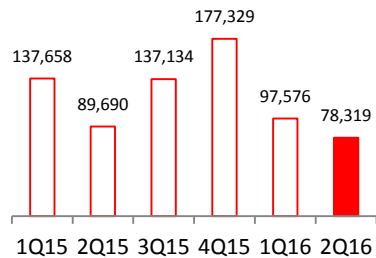
## 6M2016 NEWSLETTER

Production Summary	6M2016	6M2015	Change (%)
<b>FFB Harvested</b>			
FFB Nucleus (MT)	175,895	227,348	-22.6%
FFB Plasma (MT)	41,723	75,205	-44.5%
FFB 3 <sup>rd</sup> Party (MT)	252,261	422,504	-40.3%
FFB Yield – Nucleus (MT/Ha)	5.3	6.9	-23.2%
<b>Crude Palm Oil (CPO)</b>			
CPO Production (MT)	98,549	145,801	-32.4%
CPO Extraction Rate (OER)	22.6%	21.8%	3.7%
<b>Palm Kernel Oil (PKO)</b>			
PKO Production (MT)	31,521	35,136	-10.3%
Kernel Extraction Rate (KER)	40.0%	42.4%	-5.7%

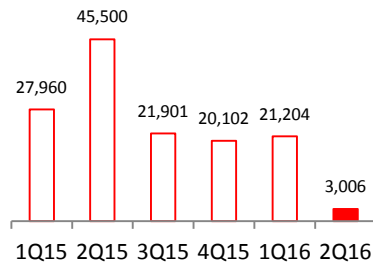
Planted Area (Ha)	30 Jun 2016	30 Jun 2015
Oil Palm		
Mature	44,967	44,128
Immature	7,737	9,388
<b>Total Oil Palm</b>	<b>52,704</b>	<b>53,516</b>
Sugar Cane	9,312	6,456

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

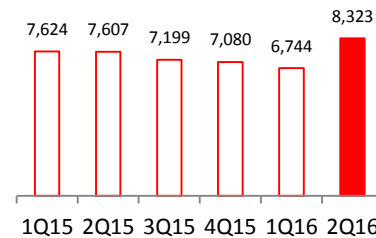
**FFB NUCLEUS HARVEST**



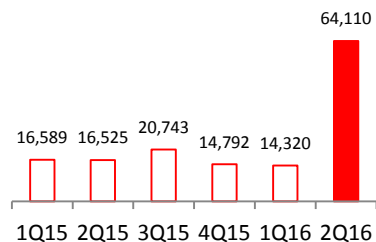
**CPO SALES VOL**



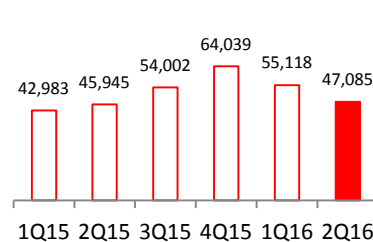
**CPO ASP (IDR/KG)**



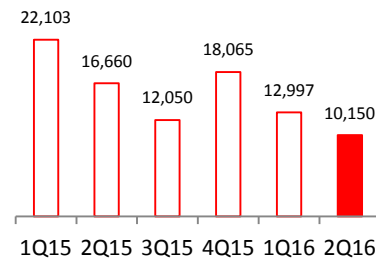
**SUGAR SALES VOL**



**PALM COOKING OIL SALES VOL**



**PKO SALES VOL**



### PRODUCTION & SALES SUMMARY

FFB nucleus and plasma harvest went down by **22.6%** and **44.5%** respectively in 1H2016 due to combined effect from the draught and last year's haze in Sumatera. This especially affected TBLA's Palembang estate. Overall harvest volume is lower by **28.1%** from previous year.

CPO ASP broke its downward trend in 2Q2016 as it went up higher on both annual and quarterly basis. Previously it has been going down for 10 consecutive quarters. TBLA's CPO sales contribution, however, is at its historic low this quarter, with weak harvest and more allocation towards downstream production.

Though lower than 1Q2016, cooking oil volume still relatively stable as it went up by **2.5%** compared to 2Q2015.

Cane plantation is growing rapidly, **44.3%** bigger than 1H2015. The Company aggressive expansion of its cane plantation is bearing fruit as it's almost reaches its initial target of opening **12,000ha** by end of 2016. This will ensure adequate cane supply when TBLA's sugar mill ready by the end of 2016. On top of that, TBLA also managed plasma cane estate of **+2,000ha**.

For more information, please contact Head of Investor Relations:

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