

PT. TUNAS BARU LAMPUNG TBK (IDX: TBLA)
Investor Presentation
2020

Nov 2020

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Company Milestones



1974

2000

2004

2006

2012

2013

2016

2017

2018

Public listing
in the IDX.

2nd CPO mill
commence
operation

Join RSPO
and extend
FOSFA
membership

Sugar
refinery
commence
operation

Sugar mill
commence
operation

PT. Tunas
Baru
Lampung
was
established

TBLA's first
corporate
bond
issuance

Acquired 3rd
CPO mill

Started oil
palm to
sugar cane
conversion
program in
Lampung
estate

First
biodiesel
plant
commence
operation

Successful
issuance of
US\$200mn
global bond
and IDR1tn
IDR bond

Company Structure



Shareholding & Subsidiaries (30 Sept 2020)



Business Model

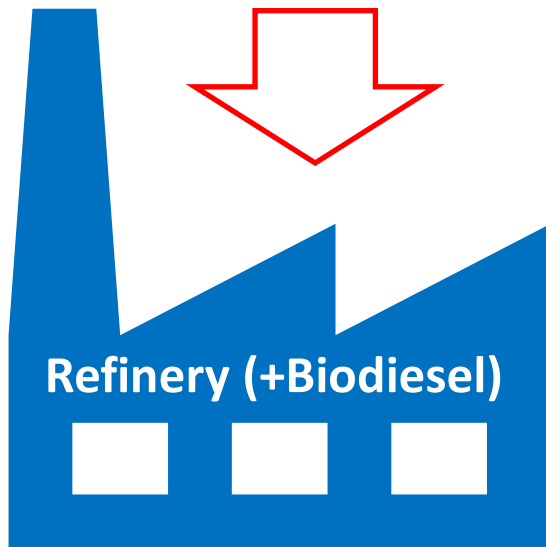


Revenue Drivers

1. PALM OIL

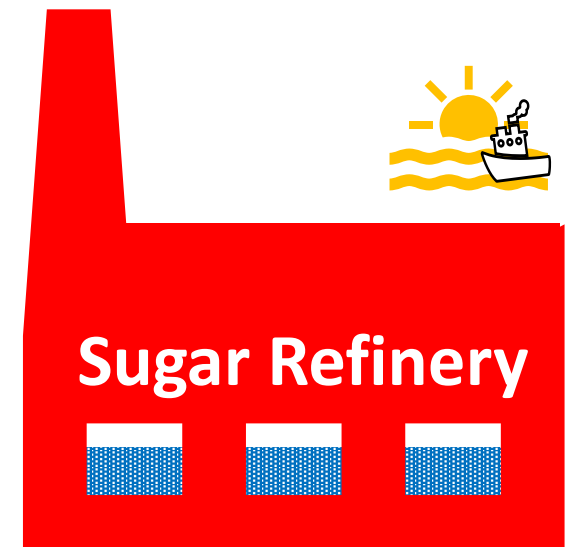


Upstream: CPO



Downstream: Cooking oil, Biodiesel, Etc

2. SUGAR



Business Model

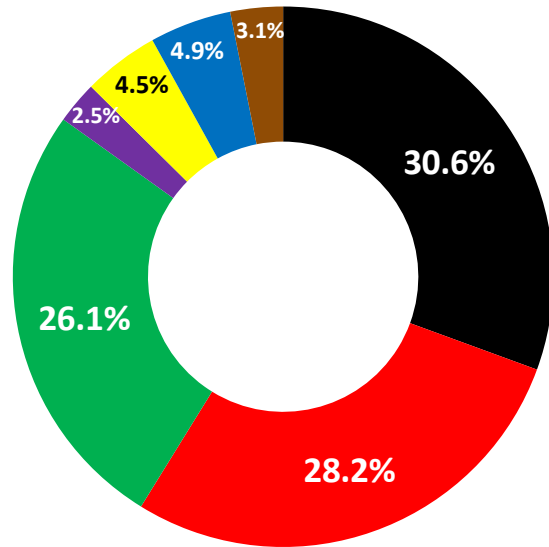


Revenue breakdown

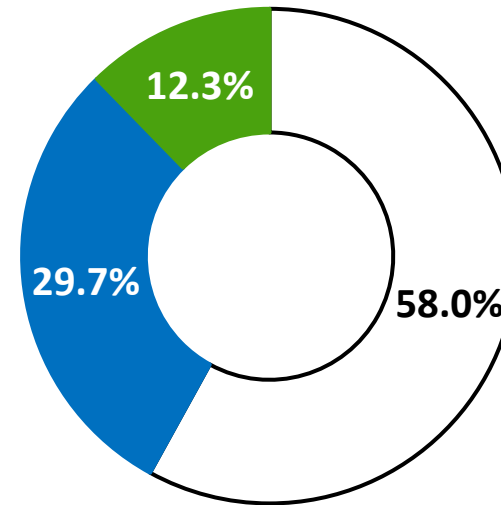
IDR/USD at Rp14,000 for illustration purpose

9M2020 - REVENUE Rp8.1tn / USD576mn

9M2020 "Others" include: CPO, Margarine, Soaps, Palm expeller, Glycerin, Biogas, Molases



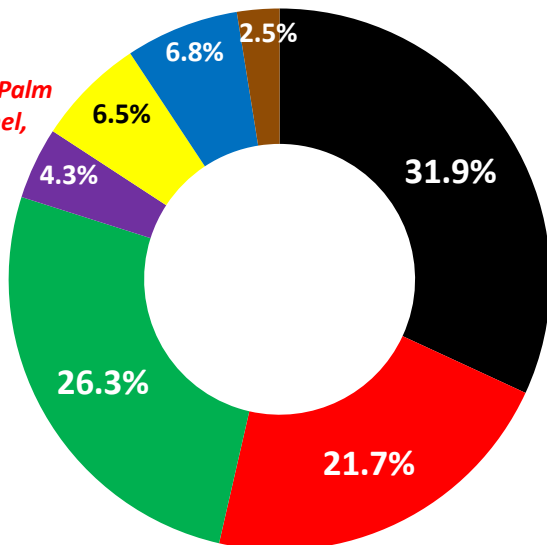
- SUGAR
- COOKING OIL
- BIODIESEL
- PKO
- STEARINE
- OTHERS
- FFA



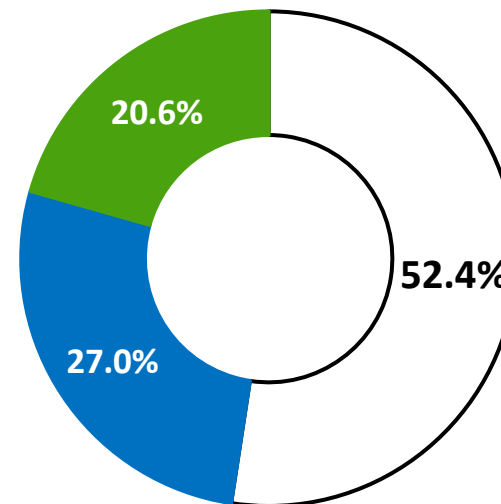
- DOMESTIC (IDR)
- DOMESTIC (USD Linked)
- EXPORT (USD)

9M2019 – REVENUE Rp6.3tn / USD453mn

9M2019 "Others" include: CPO, Margarine, Soaps, Palm expeller, Palm kernel, Biogas, Molases



- SUGAR
- COOKING OIL
- BIODIESEL
- PKO
- STEARINE
- OTHERS
- FFA



- DOMESTIC (IDR)
- DOMESTIC (USD Linked)
- EXPORT (USD)

Palm Oil Plantation



Estate Location & Size – 30 Sept 2020

PALEMBANG

Total Area : 33,752Ha
 Planted : 21,007 Ha
 Mature : 13,922Ha

Included in "Total Area", plasma of 2,800 ha and in "Planted", plasma of 2,752 Ha

LAMPUNG

Total Area : 35,511Ha
 Planted : 30,314Ha
 Mature : 28,468Ha

Included in "Total Area", "Planted" & "Mature" – Plasma of 9,792 Ha

PONTIANAK

Total Area : 8,908Ha
 Planted : 2,812Ha
 Mature : 6,078Ha

TOTAL

Total Area : 78,171Ha
 Planted : 59,133Ha
 Mature : 48,468Ha

Note: Included in "Total Area", plasma of 12,544 ha; in "Planted", plasma of 12,472 Ha & in "Mature", plasma of 12,472Ha

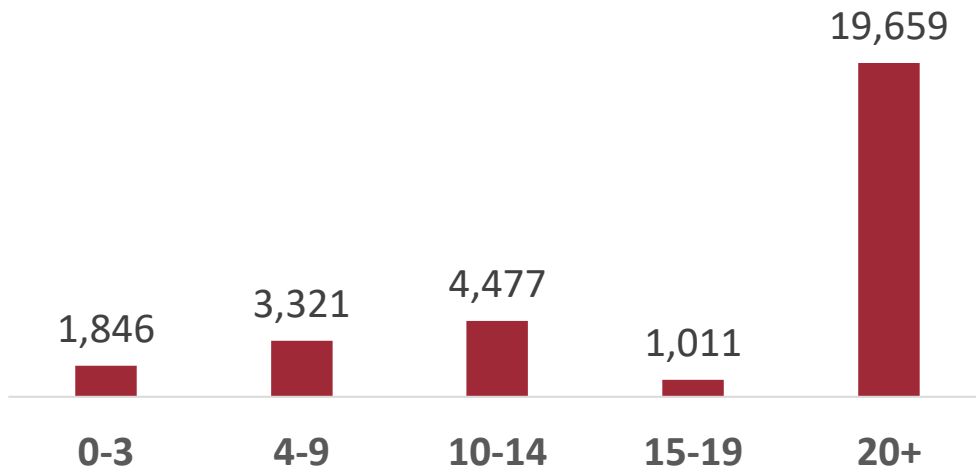


Palm oil Plantation Age Profile

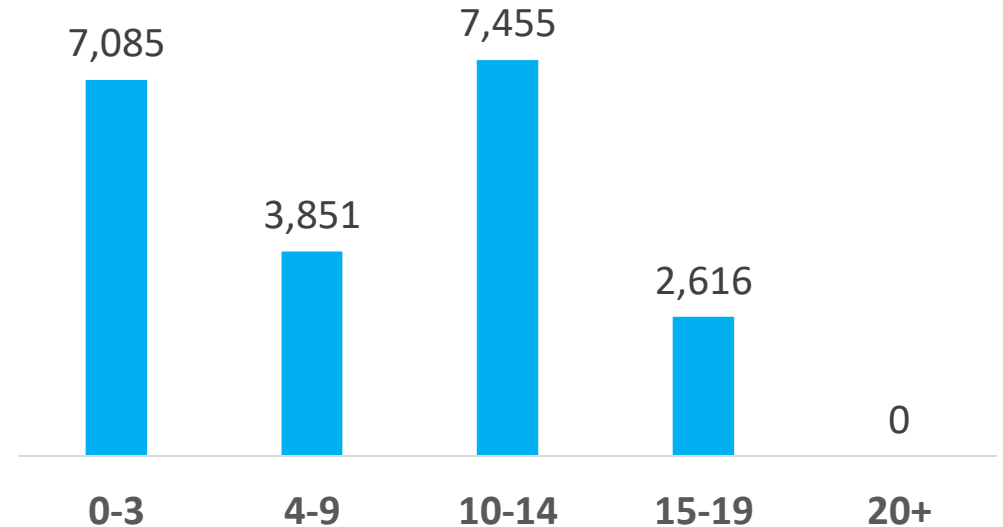
Hectares – 30 Sept 2020



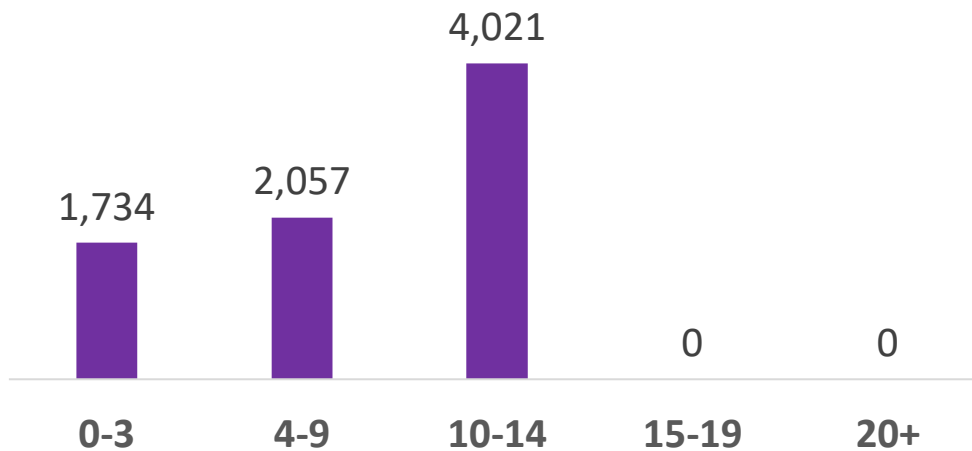
Lampung



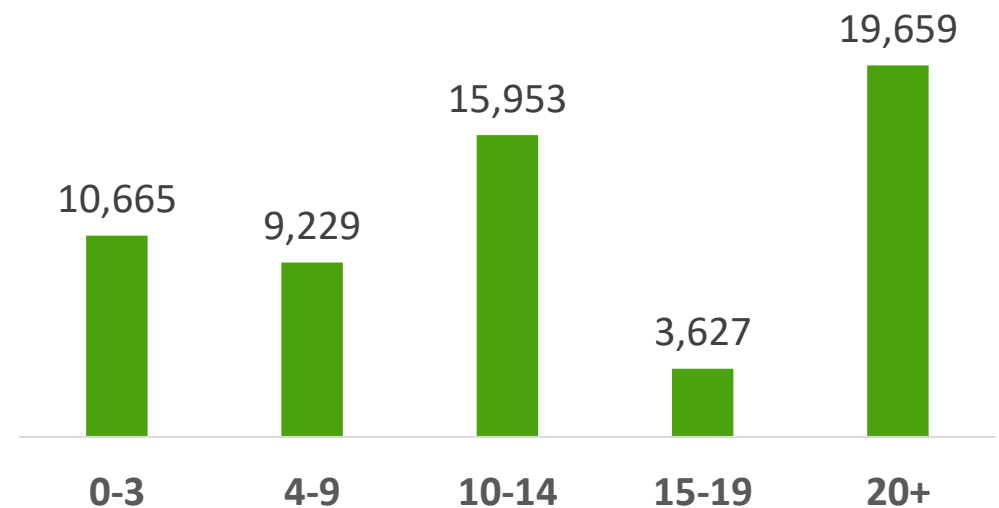
Palembang



Pontianak



Total



Production Facilities



Palm Oil

Biodiesel

Location	MT/annum	MT/day
Lampung	315,000	1,050
Lampung*	450,000	1,500
TOTAL	765,000	2,550

*Under construction (Exp completion 2Q2021)

CPO Mills

Location	MT/annum	MT/hour
Lampung	1,125,000	225
Palembang	450,000	90
Pontianak	225,000	45
TOTAL	1,800,000	360

PKO Mills

Location	MT/annum	MT/day
Lampung	210,000	700
Palembang	60,000	200
TOTAL	270,000	900



Palm oil refinery

Location	MT/annum	MT/day
Lampung	510,000	1,700
Lampung*	750,000	2,500
Palembang	300,000	1,000
East Java	300,000	1,000
TOTAL	1860,000	6,200

*Under construction (Exp completion 1Q2021)

Margarine

Location	MT/annum	MT/hour
East Java	36,000	6

FFA Esterification Plant

Location	MT/annum	MT/day
Lampung*	30,000	100

*Under construction (Exp completion 1Q2021)

Soap

Location	MT/annum	MT/hour
Lampung	13,750	2.25
Palembang	13,750	2.25
TOTAL	27,500	4.5

Refined Glycerin Plant

Location	MT/annum	MT/day
Lampung*	36,000	120

*Under construction (Exp completion 1Q2021)

Production Facilities



Oil Palm Mill (45 ton/hour) – Sukadana, Lampung



Production Facilities



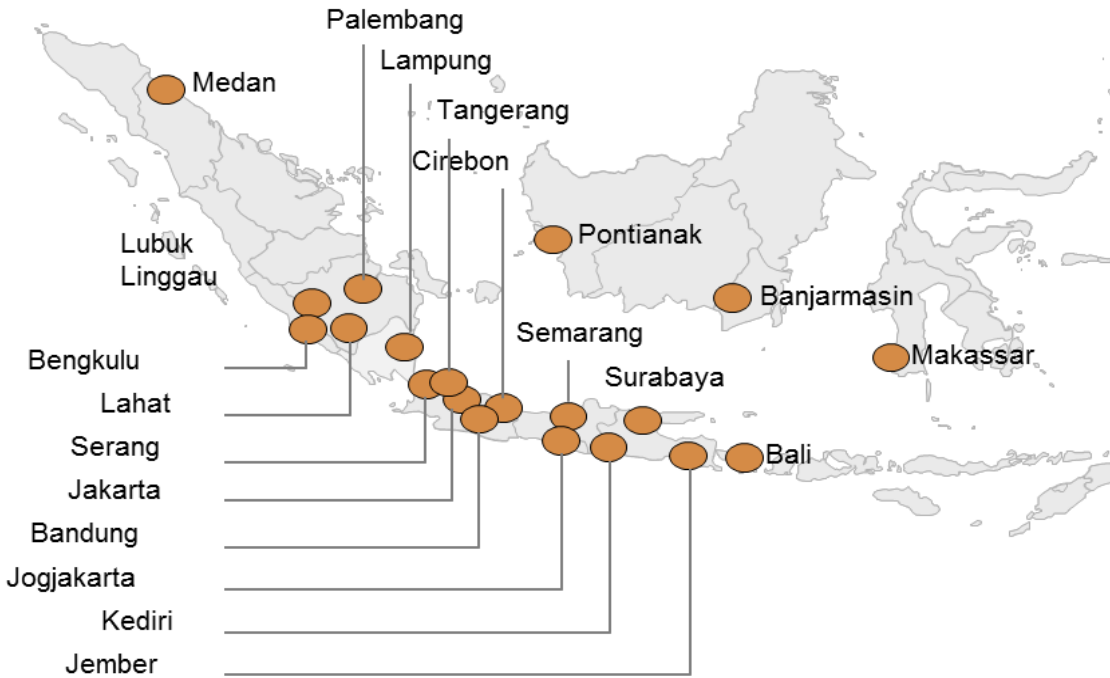
New Oil Palm Mill (45 ton/hour) – Pontianak, West Kalimantan



Consumer Products



Palm Oil



Nation wide distribution
21 marketing offices
48,000 plus outlets

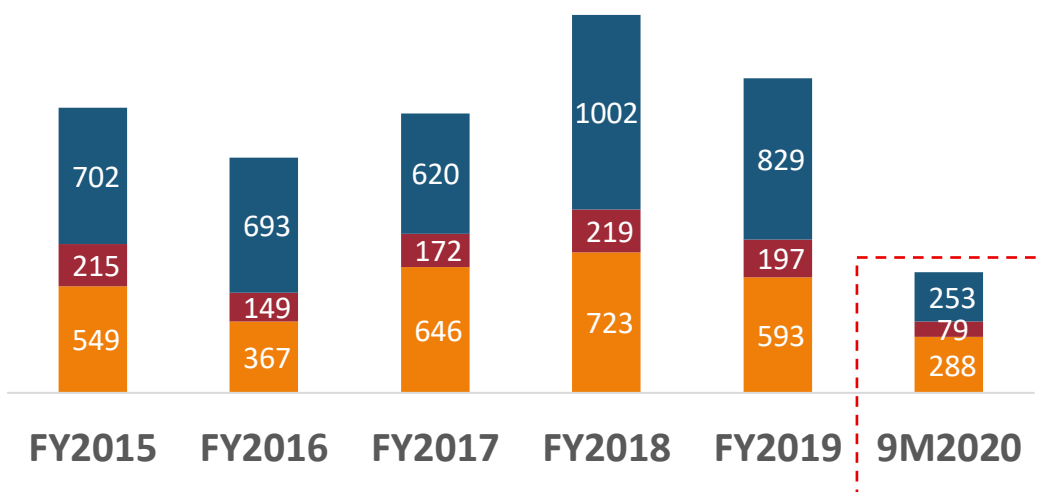


Palm Oil Production Highlights

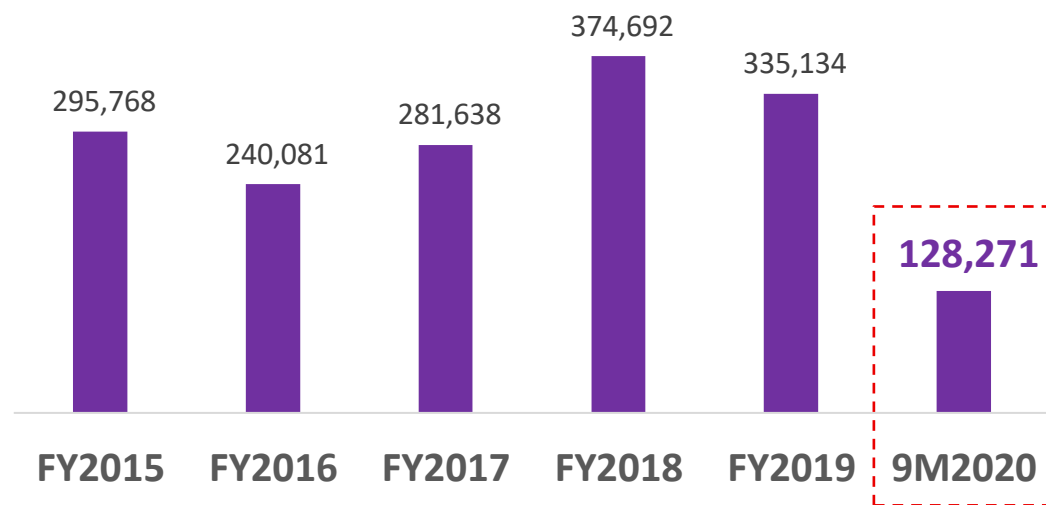


FFB Harvest Volume ('000 Ton)

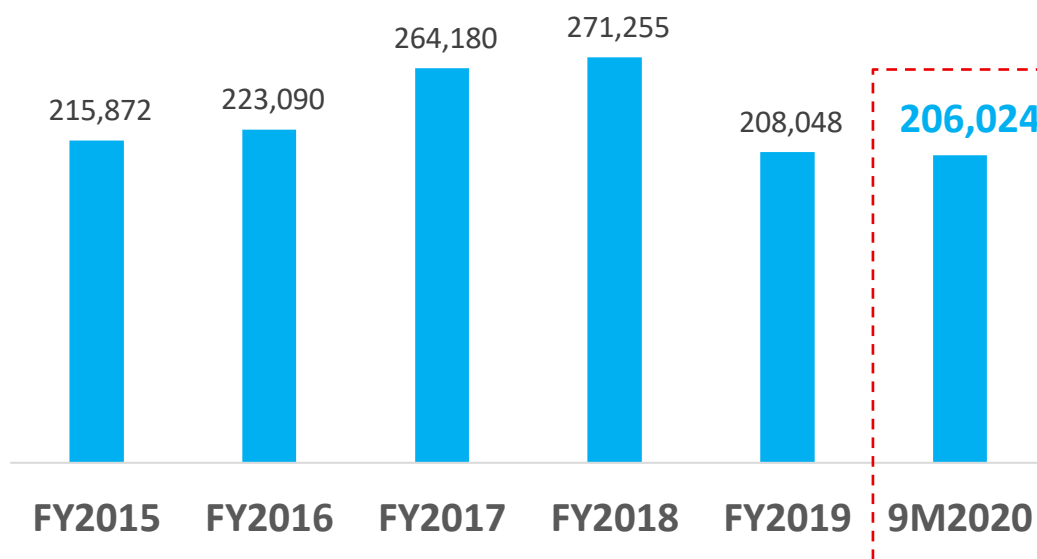
■ Nucleus ■ Plasma ■ 3rd party purchase



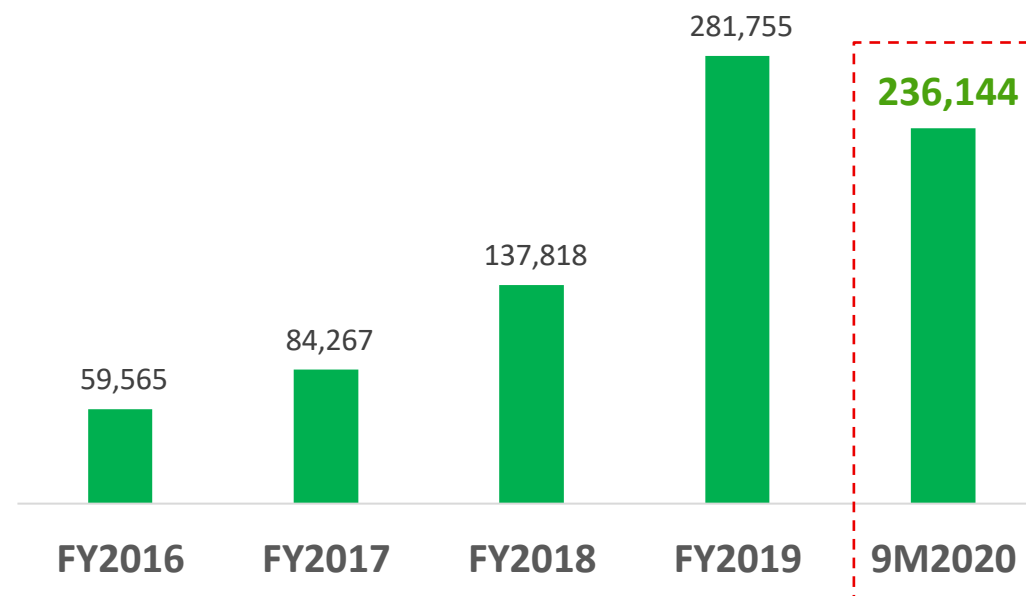
CPO



Cooking Oil



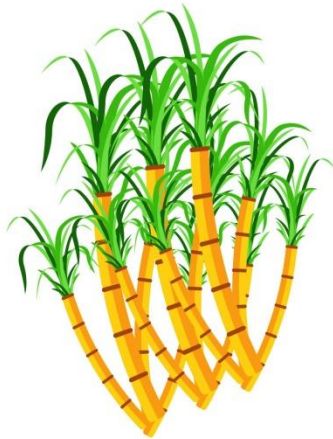
Biodiesel (FAME)



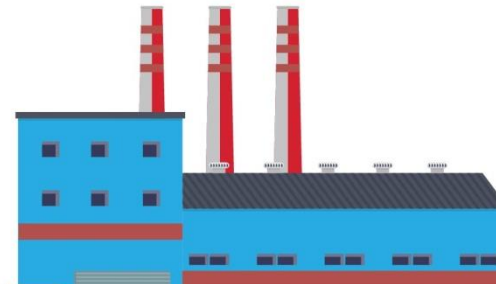
Sugar – Industry Dynamics



① SUGAR MILLING



CANE PLANTATION



SUGAR MILL



MILL WHITE SUGAR

② SUGAR REFINING



IMPORTED RAW SUGAR

(Thailand , Brazil or Australia)

NOTE: Governed by quota system through
Ministry of Trade



SUGAR REFINERY



REFINED SUGAR

Integrated Sugar Production

Plantation, Mill & Refinery



Sugar Refinery



900 TON/DAY
324,000 TON/ANNUM



Sugar Refinery



900 TON/DAY
324,000 TON/ANNUM



Sugar Mill

8,000 TCD (Ton Cane Day)



Sugar Mill

8,000 TCD (Ton Cane Day)



Sugar Cane Plantation



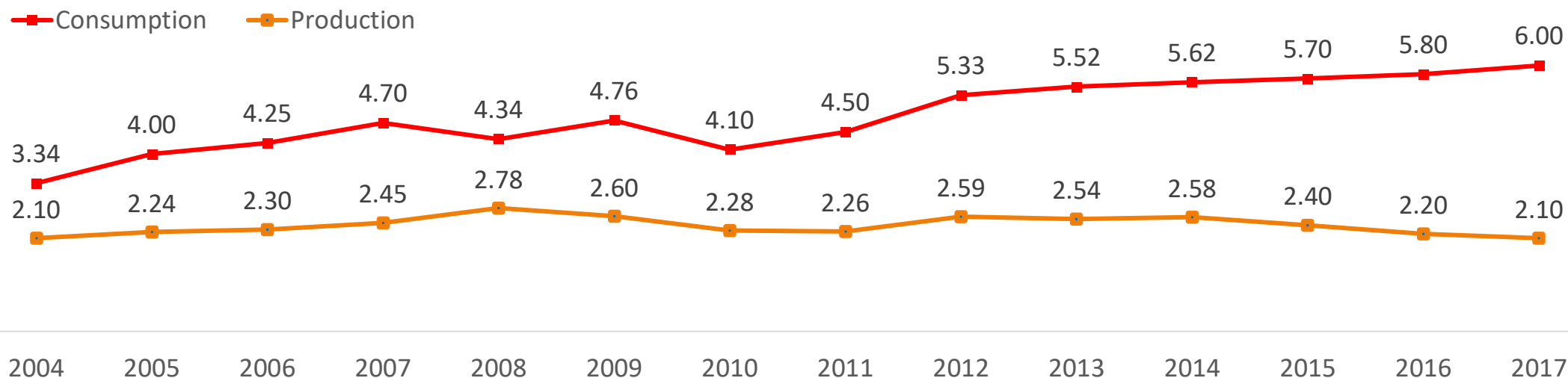
Conversion of old oil palm to sugar cane estate



Sugar – Industry Dynamics

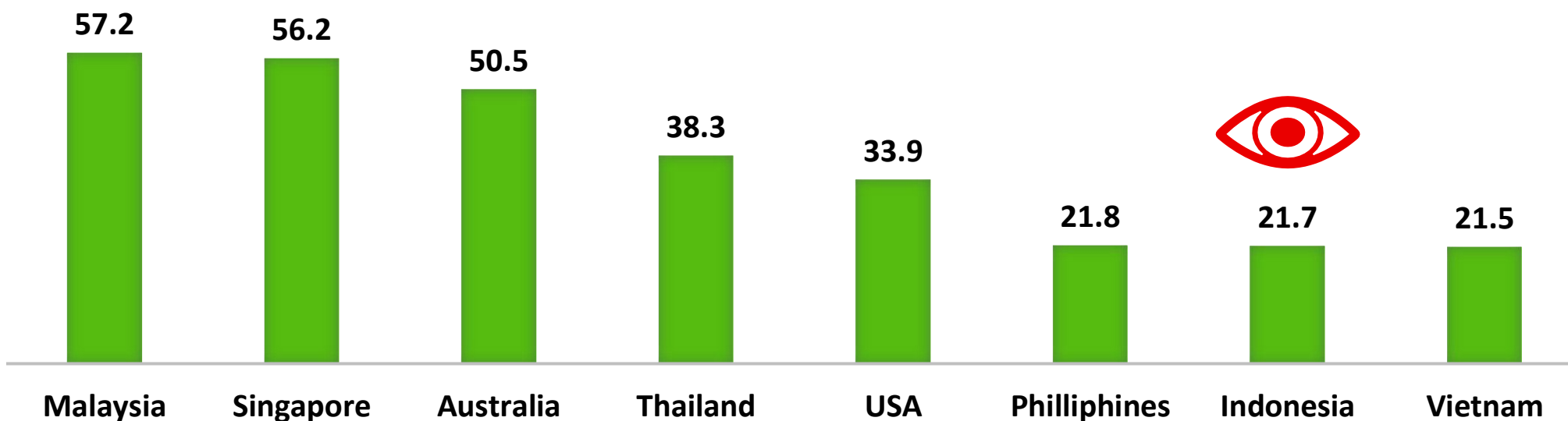


Indonesia's sugar production vs consumption



Source: Kontan, Kemendag, Agroindonesia

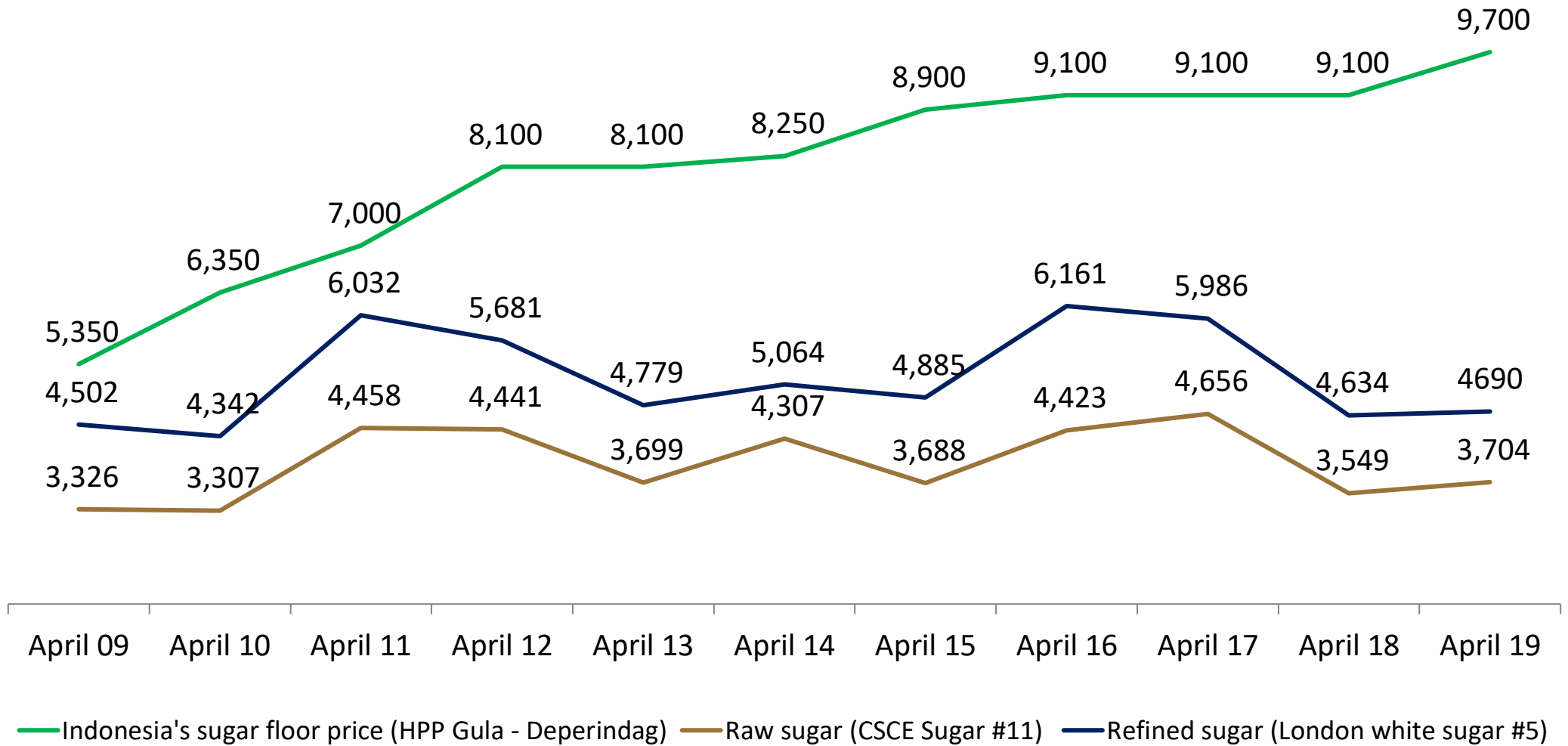
SUGAR CONSUMPTION PER CAPITA 2015/2016 (KGS)



Sugar – Industry Dynamics



Sugar Price (IDR/Kg)



Note:

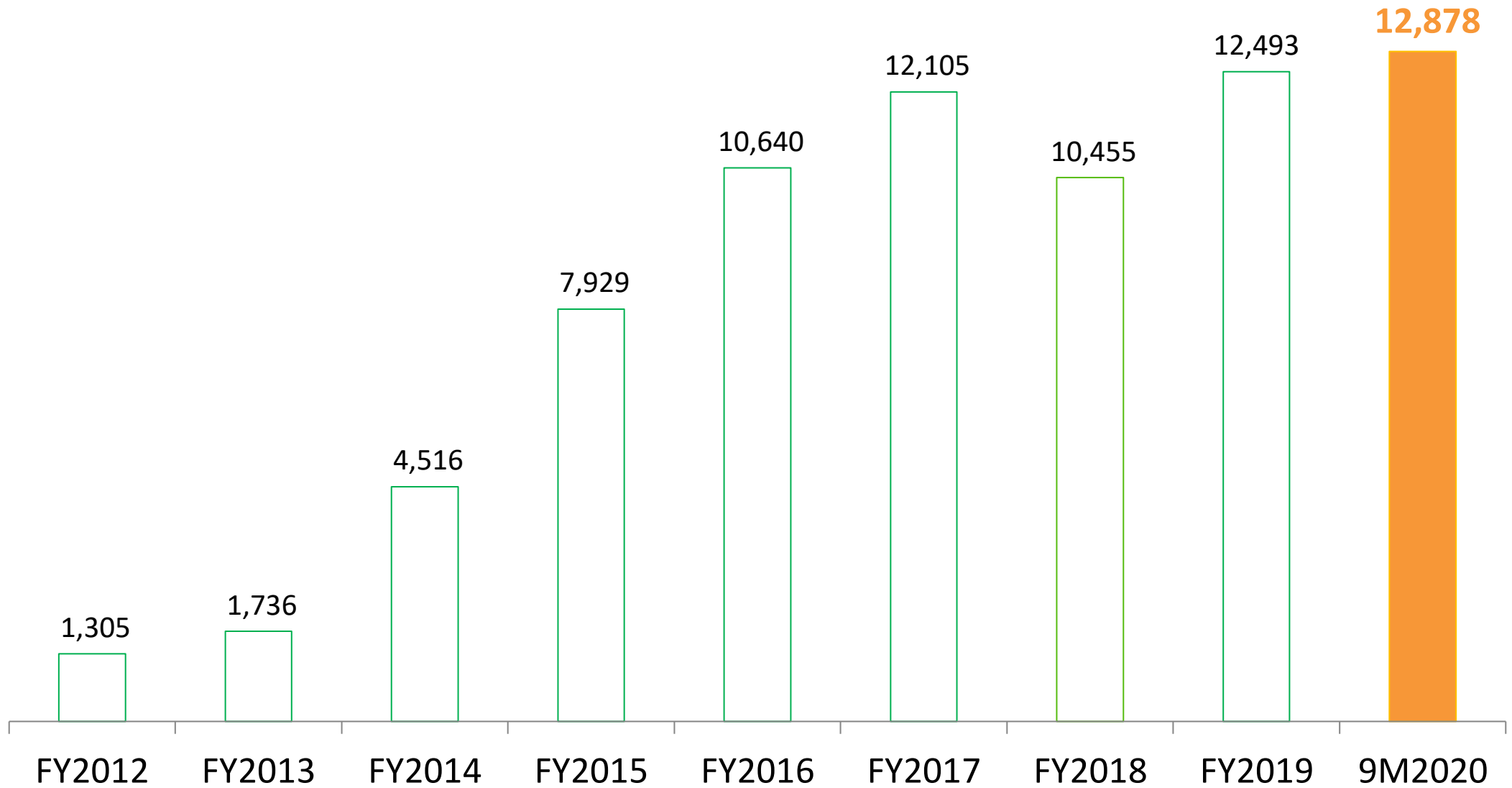
- Indonesia's floor price for sugar is set by the Ministry of Trade before the start of the milling season in April of each year.
- Raw sugar price as quoted on the New York Coffee, Sugar and Cocoa Exchange (CSCE).
- Refined sugar price as quoted on the LIFFE
- For illustration purposes, Price for International raw and refined sugar were converted from USD/Pound to IDR/Kg based on the average USD:IDR exchange on the first week of April of each particular year: April 2009 = Rp11,200, April 2010 = Rp8,880; April 2011 = Rp8,460; April 2012 = Rp8,960; April 2013 = Rp9,500; April 2014 = Rp11,100, April 2015 = Rp12,900, April 2016 = Rp13,182, April 2017 = Rp13,200, April 2018 = Rp14,000, April 2019 = Rp14,000

Sugar Cane Plantation



Accelerated Growth

Cane Plantation (Ha)

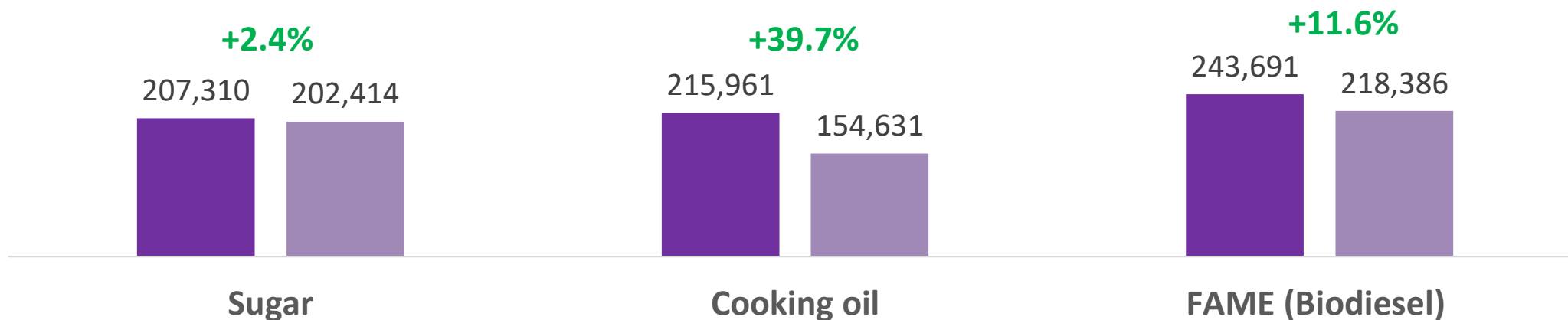


Sales highlight



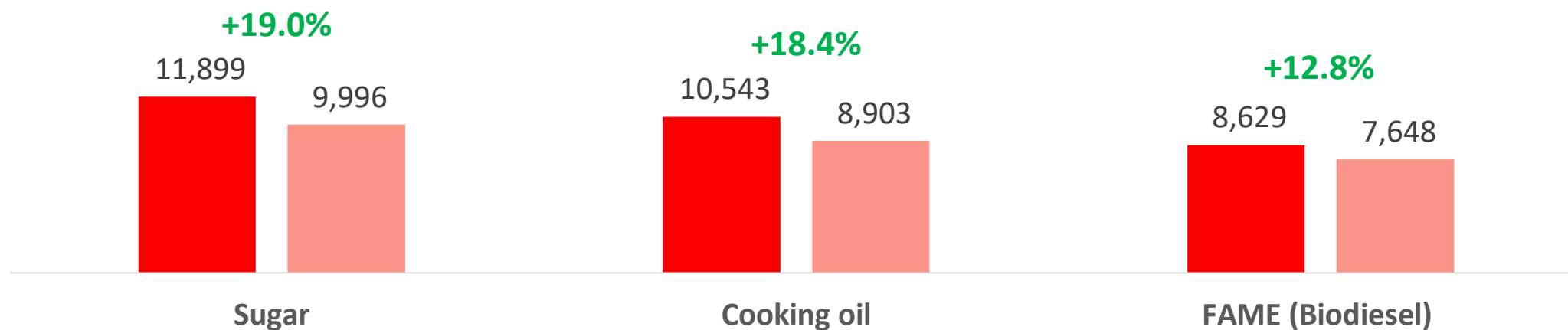
■ 9M2020 ■ 9M2019

SALES VOLUME (TON)



■ 9M2020 ■ 9M2019

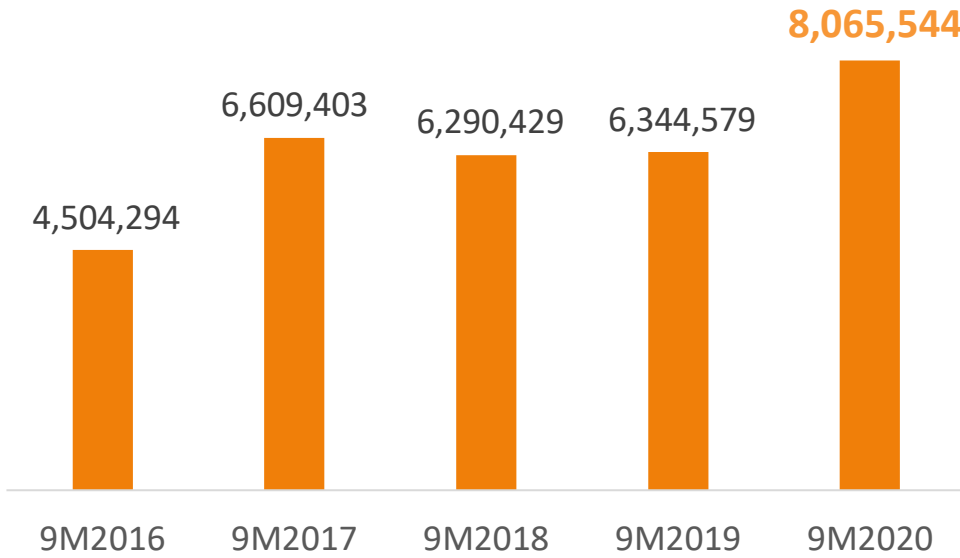
ASP (Rp/Kg)



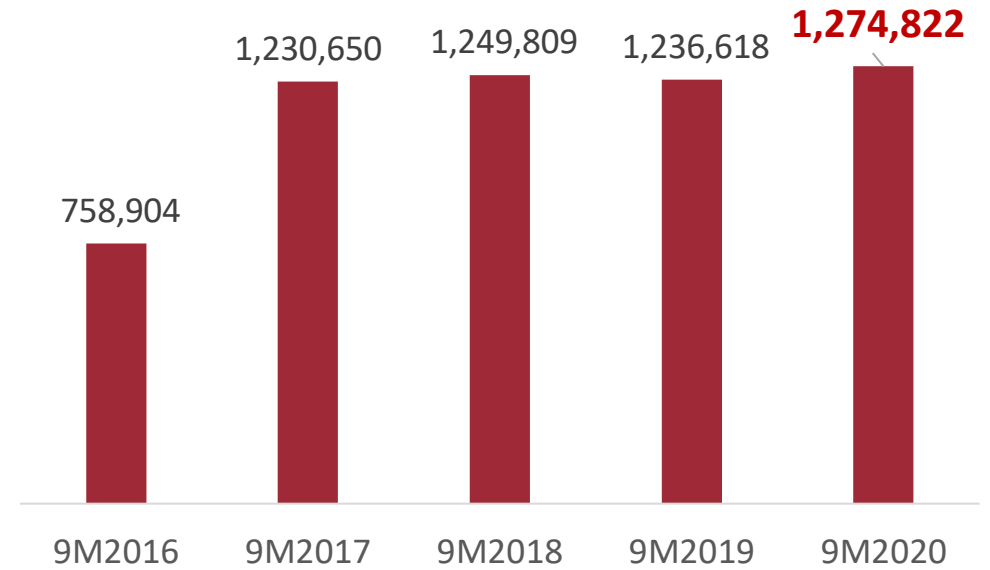
P&L Highlight



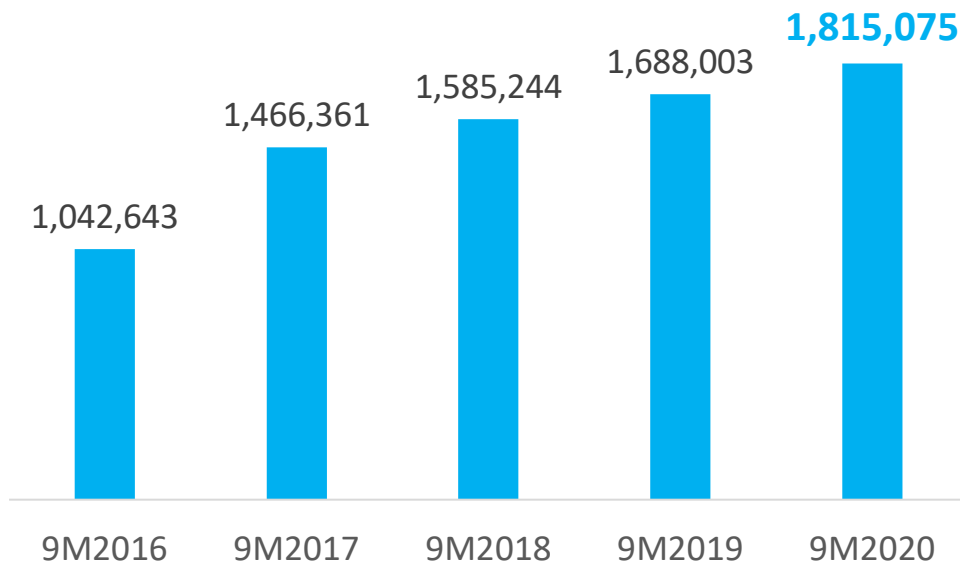
REVENUE



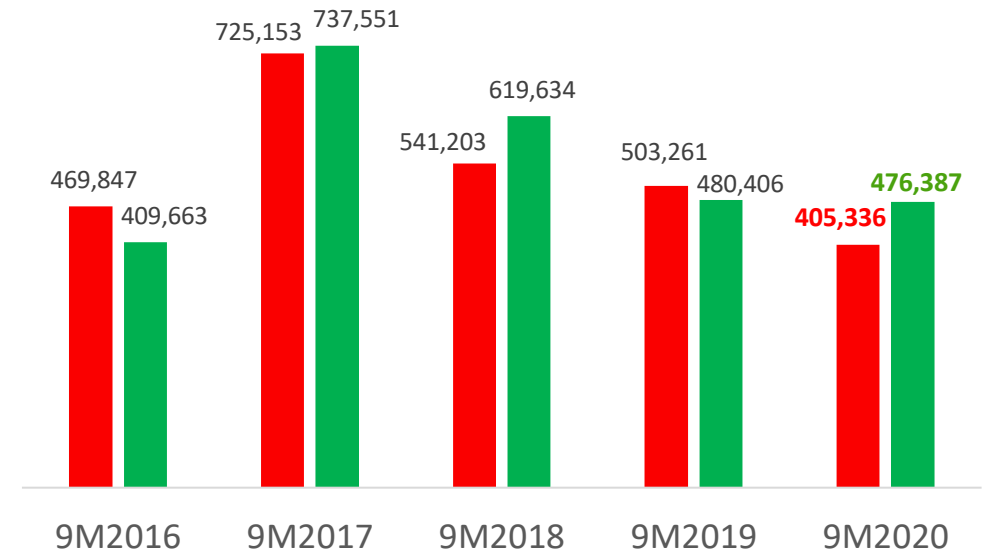
OPERATING PROFIT



EBITDA



■ NPAT ■ Normalized NPAT (Ex unrealized forex loss/gain)

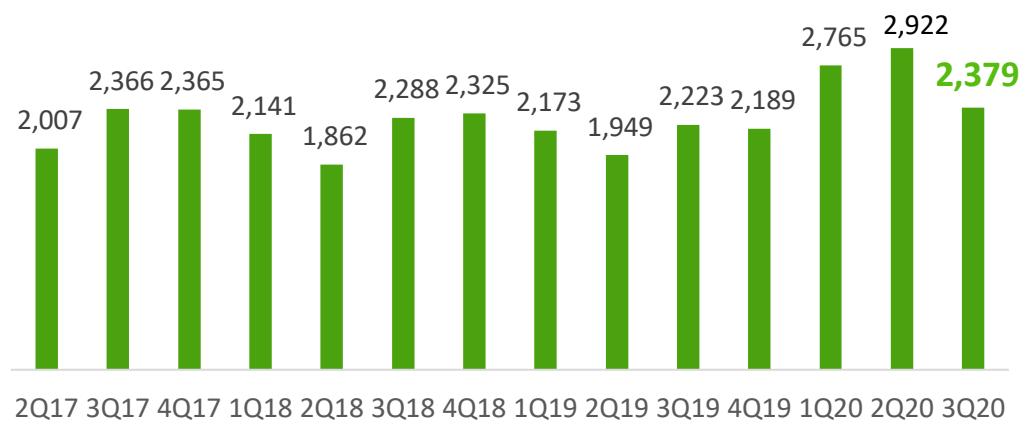


Quarterly P&L

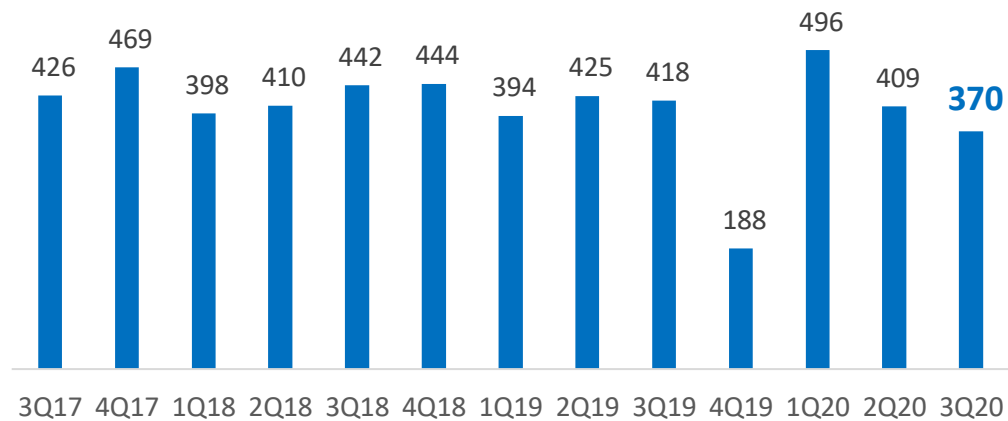
(Figures in Rp. billions)



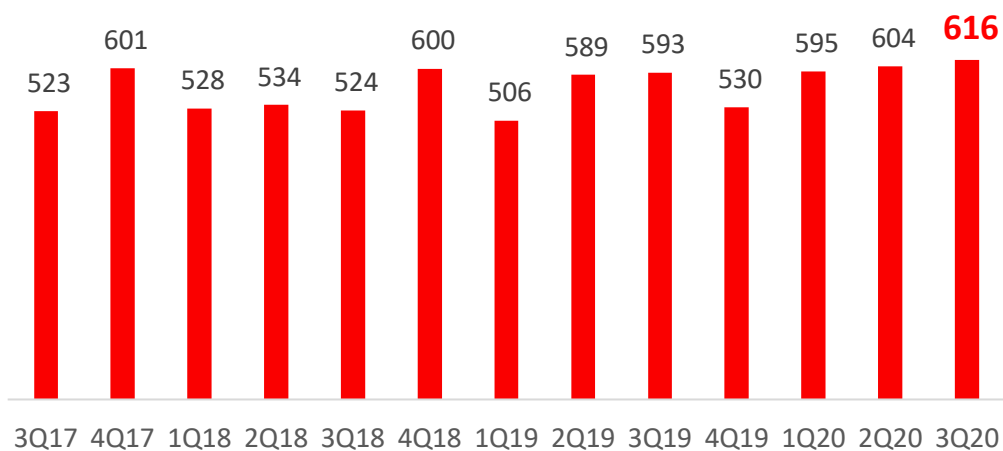
Revenue



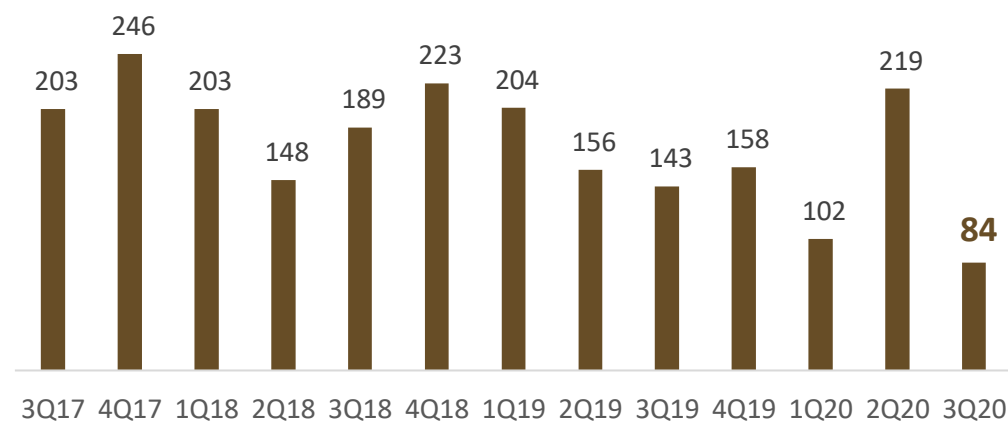
Operating profit



EBITDA



NPAT

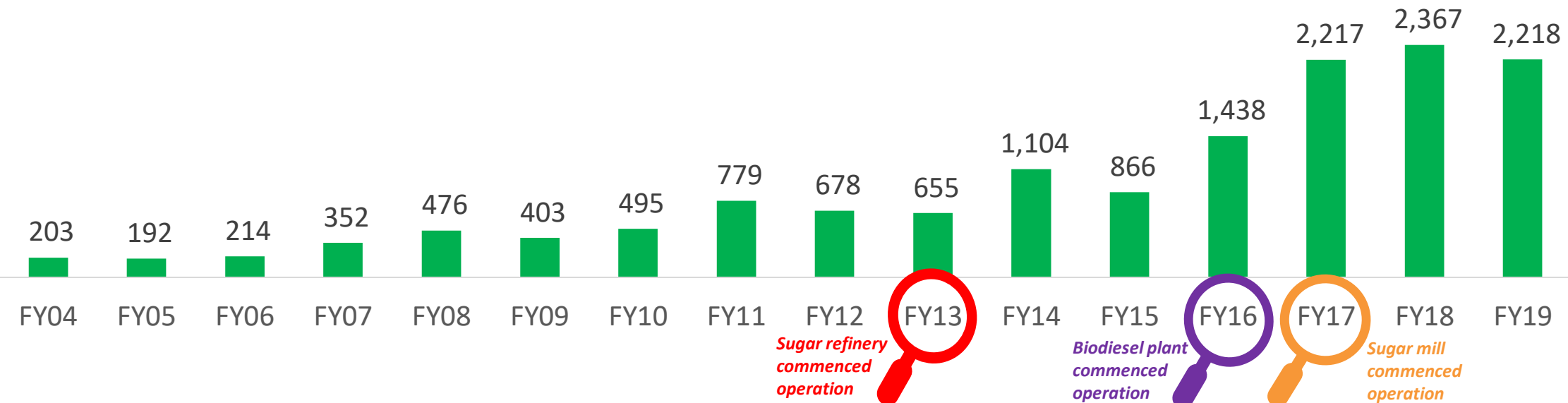


EBITDA

(Figures in Rp. billions)



ANNUAL EBITDA



EBITDA

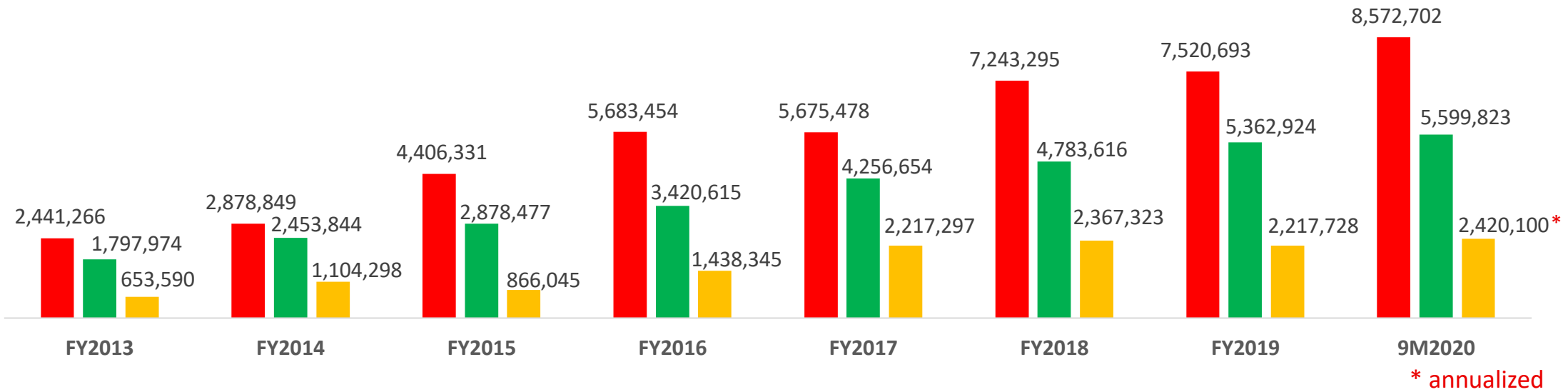


Financial Summary

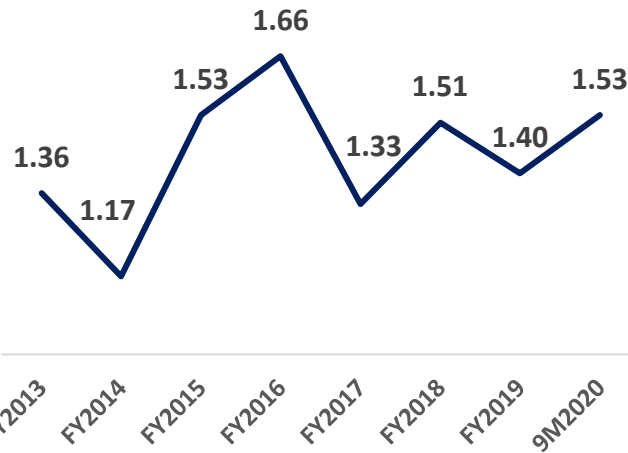


Debt Coverage Ratios

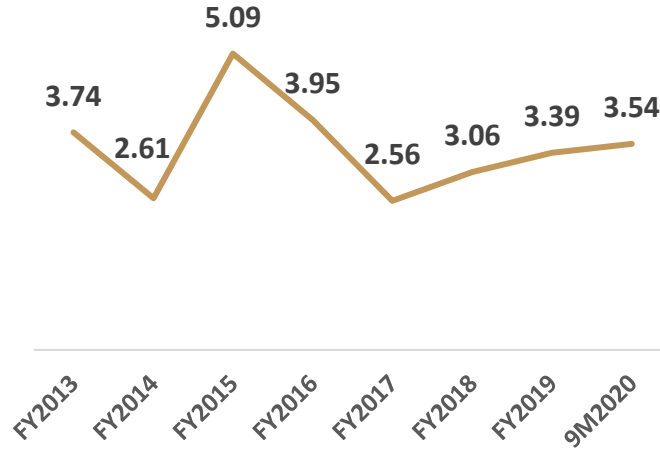
■ Net Debt ■ Equity ■ EBITDA



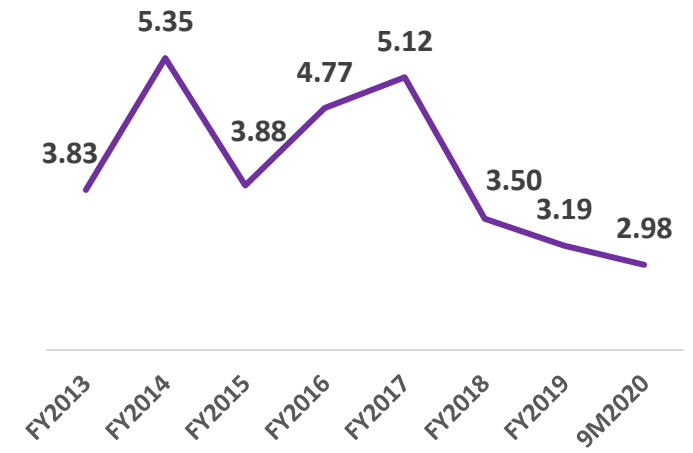
Net Debt / Equity



Net Debt / EBITDA



EBITDA / Interest Exp



Contact Us

Strengths Through Integration



For further information, please contact:

Eric Tirtana

Mobile : (+62) 858 8024 2328

Email : eric.tirtana@sungaibudi.com

Phone : (+62 21) 521 3383

Fax : (+62 21) 521 3392

www.tunasbarulampung.com

APPENDIX – Management Profile



Board of Commissioner

A



D



E



F



J



Board of Directors



B



C



G



H



I

A. SANTOSO WINATA *President Commissioner*

Indonesian. Joined Sungai Budi Group in 1982. Mr. Winata is also the Vice Chairman of Sungai Budi Group and President Director of PT Budi Starch & Sweetener Tbk since 1987. He has been the President Commissioner of TBLA since 1990.

B. OEY, ALBERT *Commissioner*

Indonesian. Joined Sungai Budi Group since 1998. Mr. Oey is also a director at PT Budi Starch & Sweetener Tbk . He was appointed as Commissioner of TBLA in 1999.

C. JUSTINUS ADITYA SIDHARTA *Commissioner*

Indonesian. Joined the Company since 2016 as an Independent Commissioner. His past and current appointment include: Independent Commissioner at PT. Catur Sentosa Adiprana Tbk (2015 – Present), Managing Director at justinus a Sidharta CPA firm (2011 – present), Deputy Managing Director at Johan Malonda Astika & Partners (1998 – 2010).

APPENDIX - Management Profile



D. WIDARTO *President Director*

Indonesian. Joined Sungai Budi Group in 1966 and appointed as Chairman of the group in 1985. Mr. Widarto has been in charged as President Director of TBLA since 1986. He is also currently the President Commissioner of PT Budi Starch & Sweetener Tbk .

E. SUDARMO TASMIN *Deputy President Director*

Indonesian. Obtained Master of Economic degree from Trisakti University in 1981. Started his career as auditor in Public Accountant Firm Santoso Reskoatmojo (1981-1982) before serving as internal auditor in PT. Inti Salim Corpora (1982-1984). Mr. Tasmin joined Sungai Budi Group in 1984 and was appointed as director in 1986. Mr. Tasmin was put in charge as Deputy President Director of TBLA in 1999. He also presently serves as Vice-President Director of PT Budi Starch & Sweetener Tbk .

F. OEY, ALFRED *Director*

Indonesian. Obtained Bachelor of Science in Business Administration Major Finance of Ohio State University, Colombus, USA in 2000. Joined Sungai Budi Group in 2000 and was appointed as the Director of TBLA in 2002.

G. DJUNAEDI NUR *Director*

Indonesian. Obtained Master of Economic degree from Trisakti University in 1978. Previously served as Manager of Administration and university instructor of Economics Faculty both at Trisakti University (1972-1982). He joined Sungai Budi Group in 1982 and was appointed as General Manager in a number of Sungai Budi group companies until 1990. He was appointed as Director of Sungai Budi Group since 1991, Commissioner of PT Budi Starch & Sweetener Tbk since 1994 and Director of TBLA since 1997.

H. MAWARTI WONGSO *Director*

Indonesian. Obtained Bachelor of Economics from Trisakti University, Jakarta. Started her career at Malonda & partners public accountant in 1990. Joined Sungai Budi group in 1994 as a financial controller. Ms Wongso previously served as corporate secretary at PT. Budi Starch & Sweetener Tbk up until 2015.

I. MURUGAIAH PERIASAMY *Director*

Malaysian. Joined TBLA Board of Director in 2018. Obtained executive master degree in plantation & estate management from e-Malaysia University. Started his career in Guthrie Malaysia in 1972 as senior conductor. Joined Sungai Budi in 1998 as Plantation Manager and holds various position within the group over the last 20 years. Last position hold was plantation general manager from 2015 – 2018.

J. CHIN POH PENG *Director*

Malaysian. Joined TBLA Board of Director in 2018. Obtained bachelor degree in agriculture from Malaysia Agriculture University. Worked for Guthrie Malaysia from 1979 to 1997 where last position hold was agronomist consultant. Joined Tropicrop group as CEO from 1997 up until 2010. Worked for PT. SMART Tbk as Head agronomy audit & advisory up until 2014. Joined Sungai Budi group in 2016 as Head of Plantations.

APPENDIX – 9M2020 Newsletter



PT. TUNAS BARU LAMPUNG, Tbk. (TBLA)

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

9M2020 NEWSLETTER

P&L (IDR Millions)	9M2020	9M2019	Change (%)
Revenue	8,065,544	6,344,579	27.1%
Gross profit	1,803,182	1,670,161	8.0%
Operating profit	1,274,822	1,236,618	3.1%
NPAT	405,336	503,261	-19.5%
Normalized NPAT*	476,387	480,406	-0.8%
EBITDA	1,815,075	1,688,003	7.5%
Unrealized forex gain/(loss)	(71,051)	22,855	-

USD:IDR = Rp14,918 [30 Sept 2020], Rp14,174 [30 Sept 2019]; *(Ex Unrealized forex gain/loss)

BS (IDR Millions)	30 Sept 2020	30 Sept 2019	Change (%)
Asset	19,984,233	16,593,130	20.4%
Liability	14,384,410	11,439,805	25.7%
Equity	5,599,823	5,153,325	8.7%
Net interest bearing debt	8,572,702	7,567,963	13.3%
Cash & cash equivalent**	1,632,133	231,667	604.5%

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

Financial Ratios	9M2020	9M2019
Gross margin	22.4%	26.3%
Operating margin	15.8%	19.5%
Net margin	5.0%	7.9%
EBITDA margin	22.5%	26.6%
Net Debt to Equity	1.53	1.47
Normalized ROA	3.2%	3.9%
Normalized ROE	11.3%	12.4%

Sales Volume	9M2020	9M2019	Change (%)
Palm Cooking Oil	215,961	154,631	39.7%
FAME (Biodiesel)	243,691	218,386	11.6%
Sugar	207,310	202,414	2.4%
PKO	21,350	32,131	-33.6%

Sales Price (IDR per kg/Liter for FAME)	9M2020	9M2019	Change (%)
Palm Cooking Oil	10,543	8,903	18.4%
FAME (Biodiesel)	8,629	7,648	12.8%
Sugar	11,899	9,996	19.0%
PKO	9,565	8,487	12.70%

FINANCIAL HIGHLIGHT

Year-on-Year Revenue, EBITDA and Operating profit went up by **27.1%**, **7.5%** and **3.1%** respectively. This growth was mainly contributed by higher sales volume and pricing of the 3 main products (cooking oil, biodiesel and sugar). NPAT went down by **19.5%** compared to same period last year, mostly due to unrealized forex loss of **Rp71bn** (versus unrealized forex gain of **Rp23bn** in 9M2019).

Basic staple's demand and pricing were slowly normalizing from the initial pandemic shock. Cooking oil ASP went up by **4.5%** compared to last quarter, following higher cpo price. Though still up on annual basis, sugar ASP dropped by **15.5%** from last quarter as demand subdued, and supply from domestic harvest and sufficient import were able to loosen market constraint. Biodiesel ASP was slightly down from last quarter with FAME pricing formula being revised twice this year. FAME conversion cost was temporarily adjusted down from **\$100 to \$80 per ton** between end of *May to August 2020*, citing pandemic related reasons. It was then re-adjusted up from **\$80 to \$85 per ton** effective *September 2020*. The later price revision showed the Government's willingness to hear and support producers during this difficult time, which is crucial in ensuring the continuation of Indonesia's B30 biodiesel program.

Operating margin relatively stable, but still under some pressure from lower quarterly sugar and biodiesel price, and higher external cpo purchase. Strong cooking oil and biodiesel demand coupled with lower internal cpo production compelled the Company to maintain high external cpo utilization rate of 70:30 (compared to 50:50 in 9M2019) for downstream feedstock, so far this year. TBLA recorded **312K ton** of external cpo purchase, up from **206k ton** in 9M2019.

Cash position was still maintained at higher level of **Rp1.6tn** at the end of September 2020, to anticipate tightening liquidity in the event of prolonged pandemic.

APPENDIX – 9M2020 Newsletter



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 Jl. H.R Rasuna Said Lot C-6, Jakarta
 Telp: (021) 5213383, Fax: (021) 5213332

9M2020 NEWSLETTER

Production Summary	9M2020	9M2019	Change (%)
FFB Harvested			
<i>FFB Nucleus (MT)</i>	288,099	485,865	-40.7%
<i>FFB Plasma (MT)</i>	79,265	125,245	-36.7%
<i>FFB 3rd Party (MT)</i>	253,381	517,442	-51.0%
<i>FFB Yield – Nucleus (MT/Ha)</i>	8.0	14.3	-
Crude Palm Oil Production (MT)	128,271	220,371	-41.8%
<i>CPO Extraction Rate (OER)</i>	21.7%	20.7%	-
Palm Kernel Oil Production (MT)	15,501	19,861	-22.0%
<i>PKO Extraction Rate (KER)</i>	42.3%	42.3%	-
Cooking Oil (MT)	206,024	156,614	31.5%
FAME (KL)	236,144	202,456	16.6%

Planted Area (Ha)	30 Sept 2020	30 Sept 2019
Oil Palm		
<i>Mature</i>	48,468	45,614
<i>Immature</i>	10,669	11,453
Total Oil Palm	59,133	57,067
Sugar Cane	12,878	11,362

PRODUCTION HIGHLIGHT

The effect of last year's drought continues to plague FFB harvest around Sumatera. Both internal production and external purchase volume dropped considerably compared to last year as it gets harder to procure fruits in the region. Looking at historical and ongoing trend, harvest is expected to turn around towards the latter part of the year.

Weak harvest consequently affected internal cpo production, which dropped by 41.8%, compared to 9M2019. This had to be supplemented with more external cpo purchase to ensure downstream demand was fulfilled.

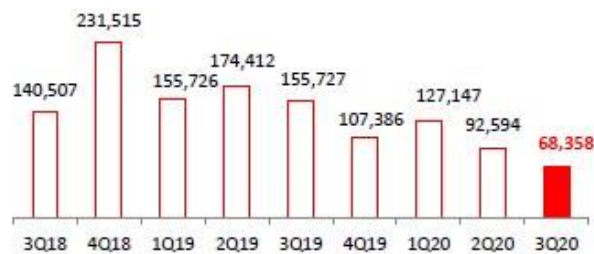
TBLA continued to boost cooking oil production as demand stayed robust amidst the ongoing pandemic. Cooking oil production was up by 31.5% compared to same period last year.

FAME (Biodiesel) production up by 16.6% compared to 9M2019, as the B30 blending mandate came into effect this year. TBLA have sold 244k KL of FAME so far this year, with total FY2020 contracted volume of 341k KL to Pertamina.

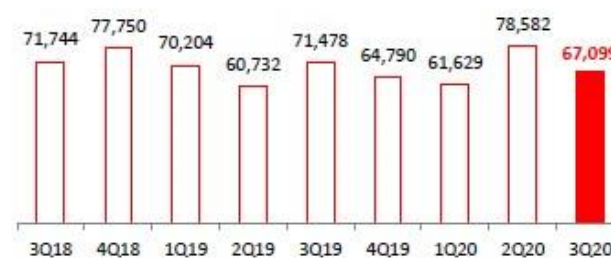
The Company is currently expanding biodiesel related infrastructures including new palm oil refinery and biodiesel plant in Lampung. Those facilities are scheduled for completion by the end of 1H2021.

The Company has been allocated 180k ton of raw sugar import quota so far this year.

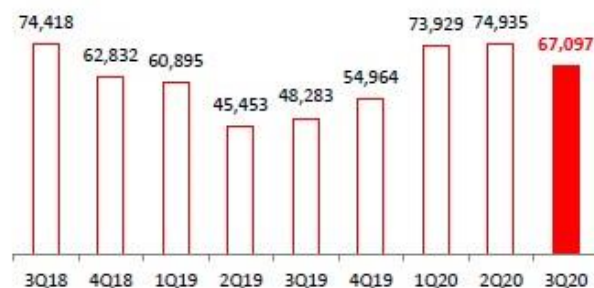
FFB NUCLEUS HARVEST VOL (Ton)



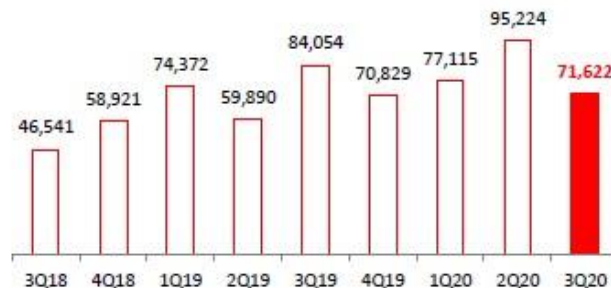
SUGAR SALES VOL (Ton)



PALM COOKING OIL SALES VOL (Ton)



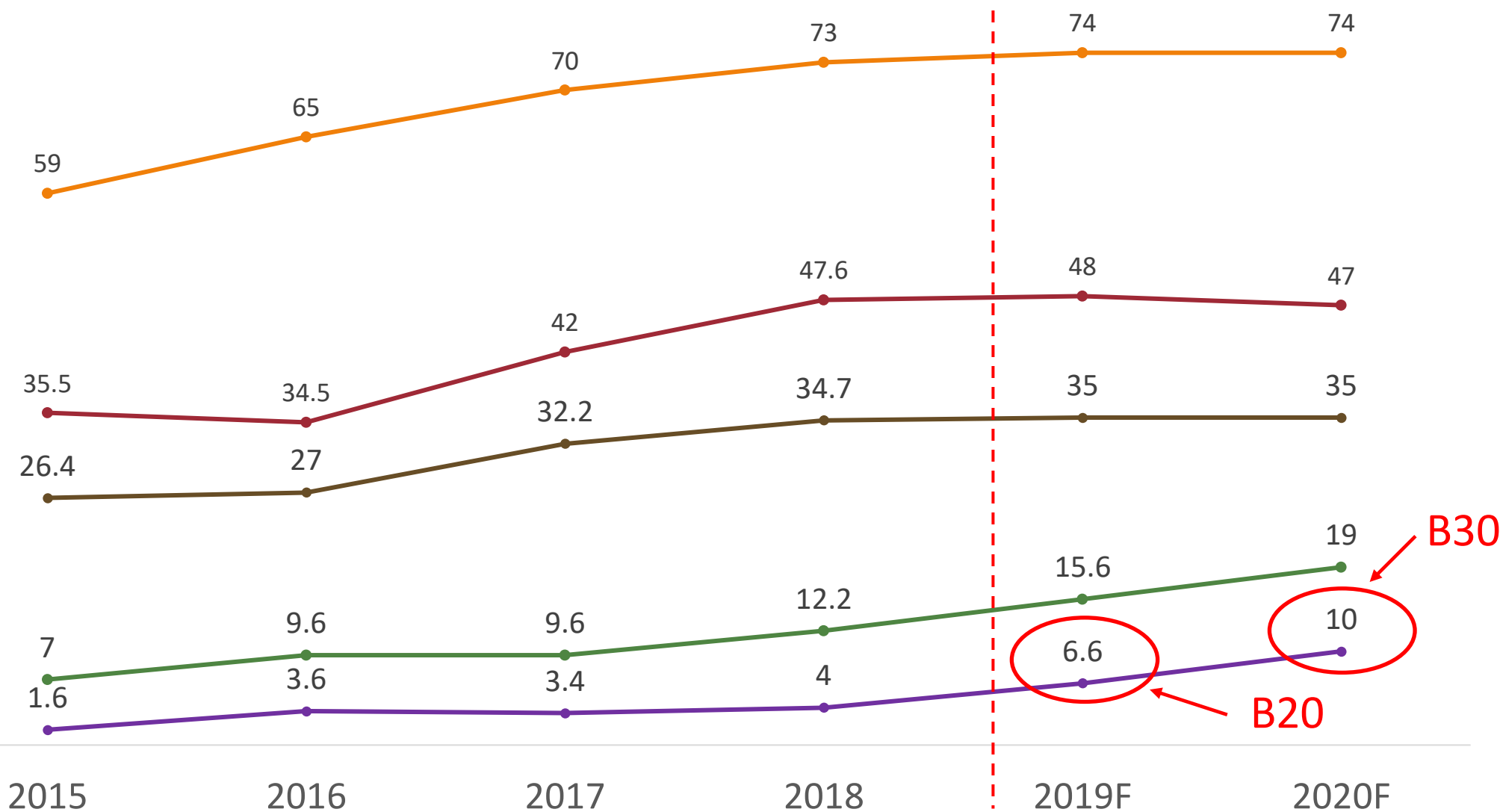
BIODIESEL SALES VOL (KL)



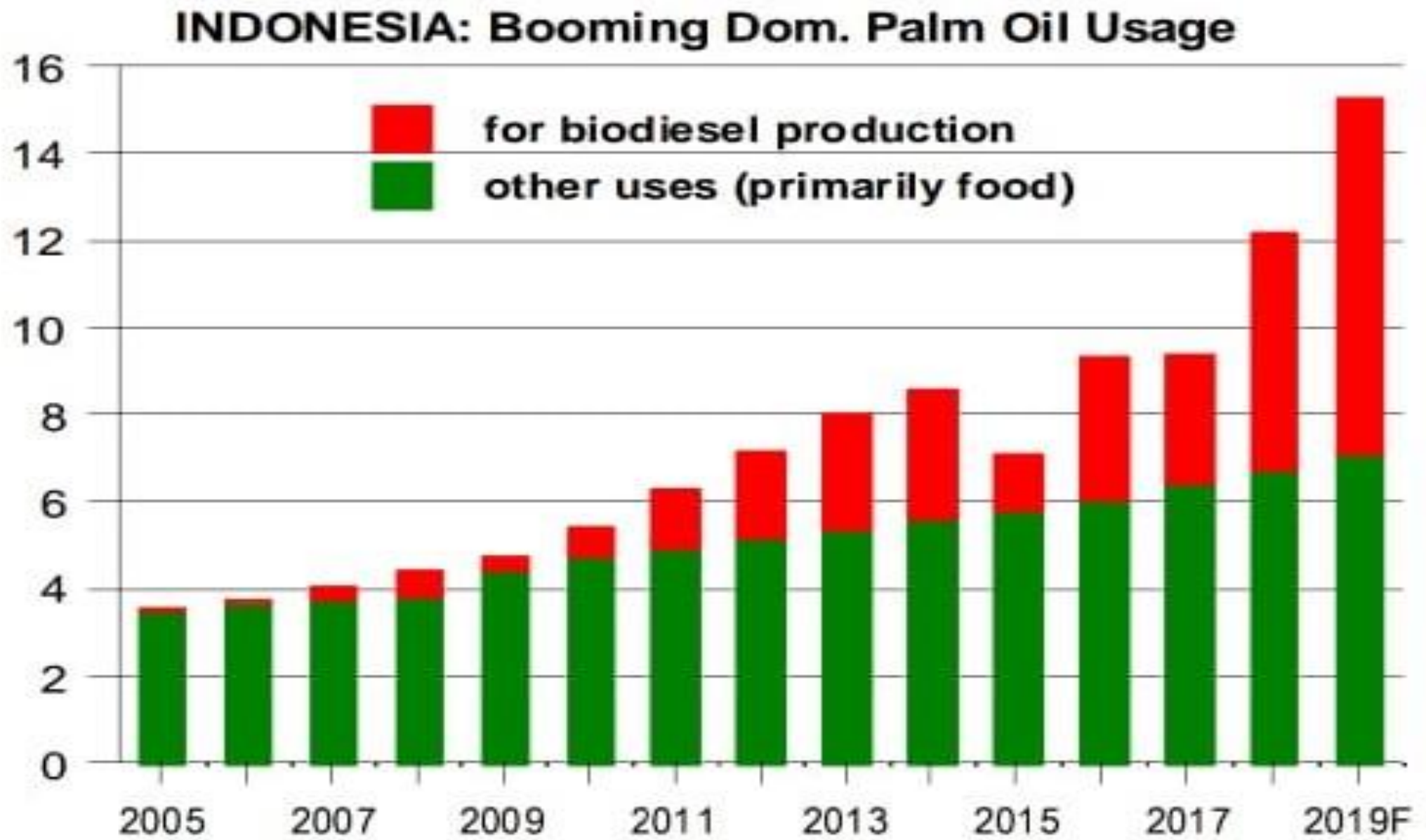
APPENDIX



Global Production Indo Production Indo Export Total Indo Consumption (Inc Biodiesel) Indo biodiesel



Source: GAPKI, Oilworld



Source: Thomas Mielke, ISTA Mielke GmbH, Oil World, Globoil India 26 Sep 2019