INDOFOOD AGRI RESOURCES Ltd.

COMPANY PRESENTATION
2Q 2019 RESULTS

31 JULY 2019

a subsidiary of:
Indofood
THE SYMBOL OF QUALITY FOODS

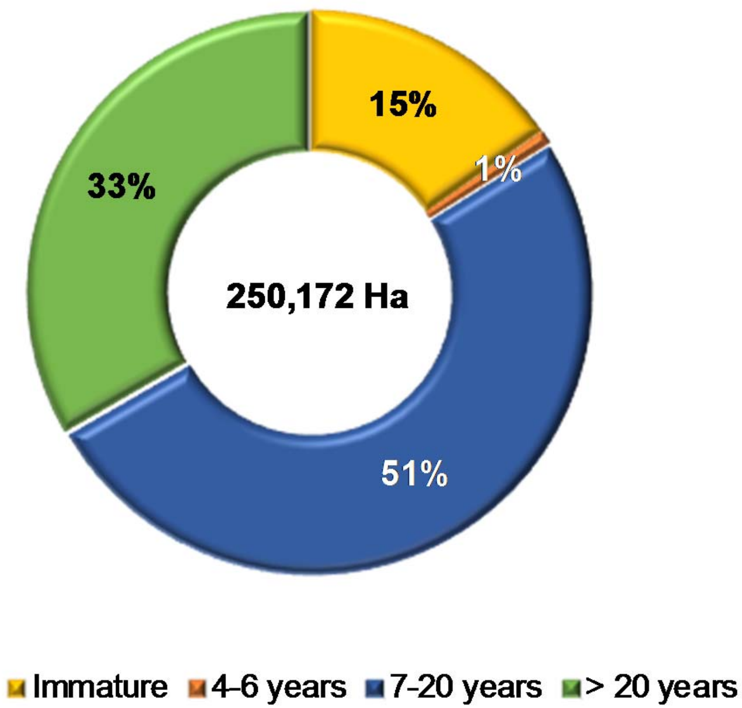
PRESENTATION OUTLINE


PLANTATION HIGHLIGHTS

PLANTED AREA

In Ha	30 Jun 2019	31 Dec 2018
Indonesia - Inti		
Planted area	**300,481**	**301,721**
Planted oil palm	**250,172**	**251,112**
- SIMP	153,973	155,073
- Lonsum	96,199	96,039
Planted other crops		
Rubber	16,888	16,678
- SIMP	851	851
- Lonsum	16,037	15,827
Sugar cane - SIMP	13,287	13,595
Others - timber, cocoa, tea	20,134	20,336
Indonesia - Plasma		
Oil palm	86,617	86,403
Brazil		
Sugar cane - CMAA	**89,734**	**79,268**
- Vale do Tijuco (UVT)	58,694	50,686
- Vale do Pontal (UVP)	31,040	28,582

Oil palm average age ≈ 16 years



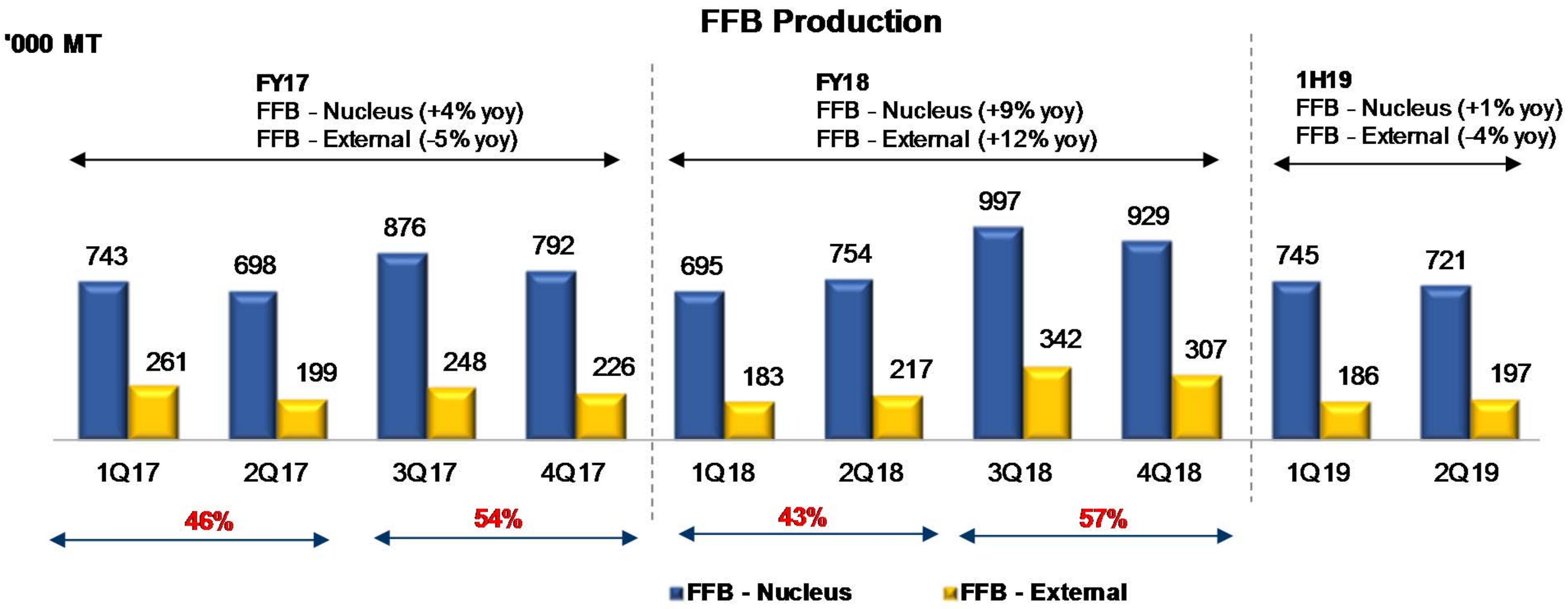
* *CMAA acquired UVP in July 2018. Of the 89,734 Ha planted sugar cane, 46% owned by CMAA and 54% contracted 3rd party farmers*

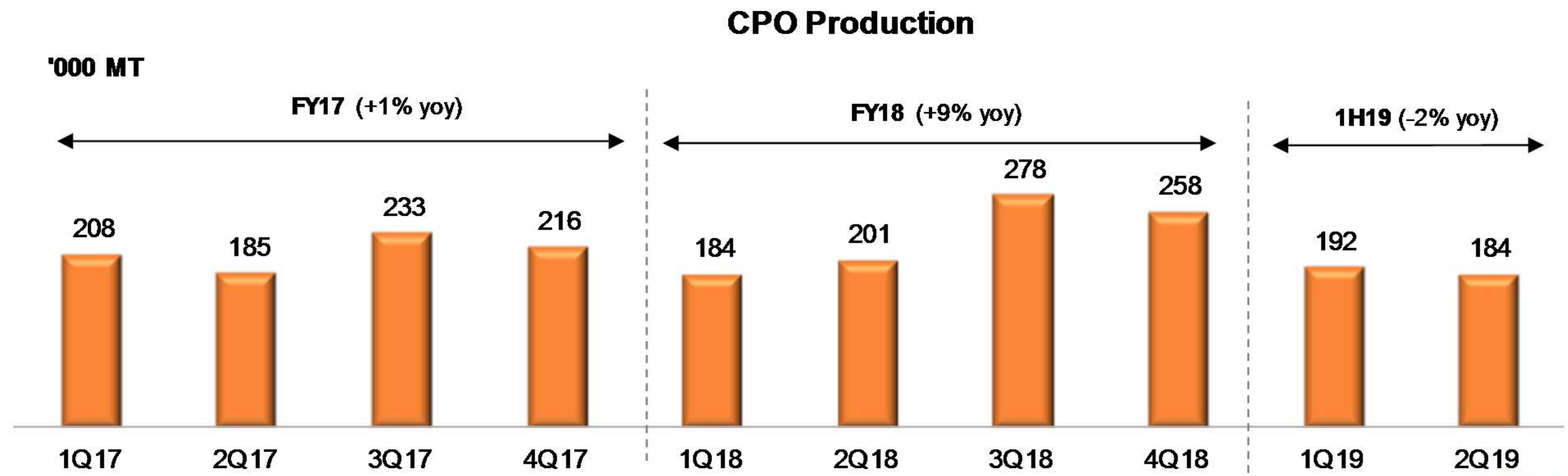
OIL PALM PLANTATION HIGHLIGHTS

		1H19	1H18	YoY Growth	2Q19	2Q18	YoY Growth	FY18
PRODUCTION								
Mature area	(Ha)	211,916	211,865		211,916	211,865		211,707
FFB	('000 MT)	1,849	1,849	0%	918	971	(5%)	4,424
- Nucleus	('000 MT)	1,466	1,449	1%	721	754	(4%)	3,375
- External	('000 MT)	383	400	(4%)	197	217	(9%)	1,049
CPO	('000 MT)	376	385	(2%)	183	201	(9%)	921
PK	('000 MT)	92	93	0%	45	48	(6%)	221
PRODUCTIVITY								
FFB yield – Nucleus	(MT/Ha)	6.9	6.8	↑	3.4	3.6	↓	15.9
CPO yield – Nucleus	(MT/Ha)	1.5	1.5	↔	0.7	0.8	↓	3.5
CPO extraction rate	(%)	21.8	22.1	↓	21.5	22.0	↓	22.0
PK extraction rate	(%)	5.4	5.3	↑	5.3	5.3	↔	5.3

* The listed figures in the tables are rounded to the nearest thousands, but the growth % are calculated based on the exact figures

OIL PALM PRODUCTION TRENDS





SUGAR PLANTATION HIGHLIGHTS

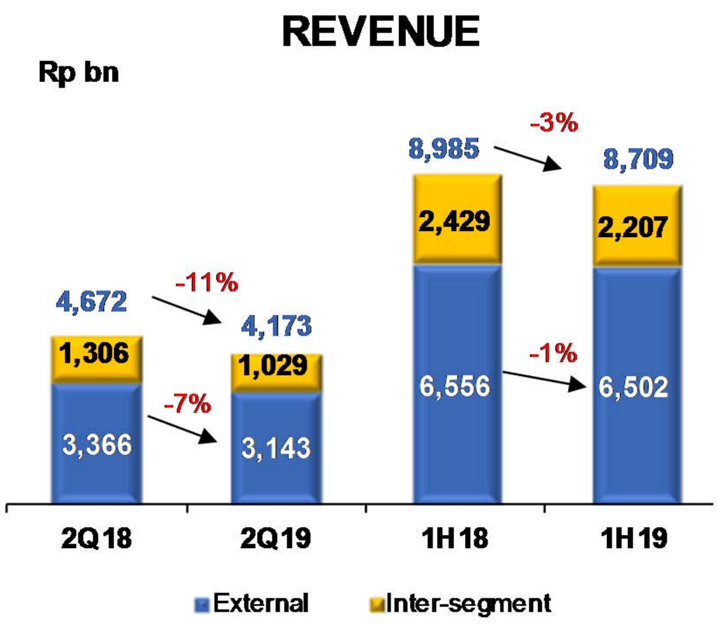
INDONESIA	1H19	1H18	YoY Growth	FY18
Planted area (Ha)	**13,287**	**12,977**		**13,595**
Sugar cane harvested ('000 MT)[1]	**233**	**188**	**24%**	**649**
Sugar production ('000 MT)	**16**	**16**	**(1%)**	**56**
- South Sumatra Plantation	14	11	31%	46
- Java (LPI's share)	2	5	(63%)	10

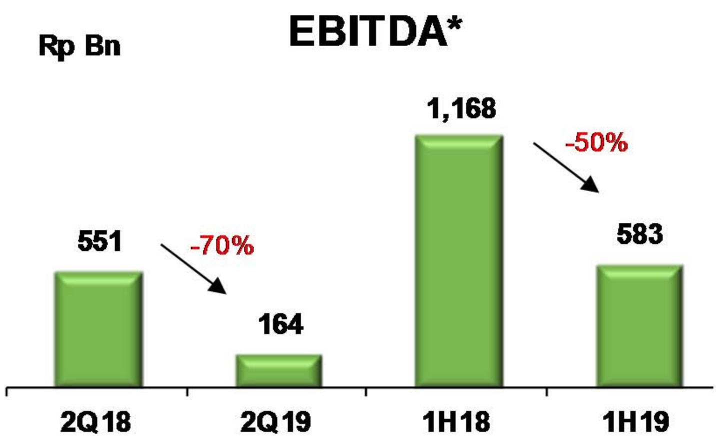
BRAZIL	Apr 19-Jun 19	Apr 18-Jun18 [3]	YoY Growth
Planted area (Ha)[2]	89,734	54,227	
Sugar cane harvested ('000 MT)	2,577	1,820	42%
Raw sugar production ('000 MT)	104	108	(4%)
Ethanol ('000 M^3)	127	71	79%

(1) Harvested cane related to Komering sugar cane plantation
(2) CMAA acquired UVP in July 2018. Of the 89,734 Ha planted sugar cane, 46% owned by CMAA and 54% contracted 3rd party farmer
(3) Refer to UVT's figures

FINANCIAL HIGHLIGHTS

RESULTS SUMMARY





* Earnings before interests and tax expense, depreciation and amortisation, the effects of forex and fair value gain/(loss) on biological assets.

Financial Highlights

- Weak agricultural commodity prices continued to affect negatively our plantation and sugar operations.
- Revenue down 7% yoy in 2Q19 and came in flat in 1H19 on weak selling prices of palm products. This was partly offset by higher sales growth in EOF division.
- EBITDA down 70% in 2Q19 and 50% in 1H19 mainly due to lower contribution from Plantation Division.
- Higher net losses of Rp393 billion in 2Q19 and Rp523 billion in 1H19 compared to the same periods in 2018.

Operational Highlights

- 1H19 FFB nucleus increased 1% yoy to 1,466,000 tonnes.
- CPO production declined 2% yoy to 376,000 tonnes on lower purchases from external.

SALES VOLUME PLANTATION

In '000 MT	1H19	1H18	YoY Growth	2Q19	2Q18	YoY Growth	FY18
CPO	390	355	10%	176	184	(4%)	881
PK products - PK, PKO, PKE	90	79	14%	43	35	21%	194
Sugar	19	20	(6%)	14	19	(25%)	57
Rubber	3.6	4.3	(16%)	1.3	1.7	(22%)	9.7
Oil palm seeds ('million)	2.7	5.4	(50%)	0.9	2.7	(66%)	11.3

- Lower CPO sales volume in 2Q19 was in line with lower production. In 1H19, higher CPO and PK products were helped by realisation of last year end stock.
- Rubber sales volume declined in 2Q19 and 1H19 due to conversion to oil palm.
- Low oil palm seeds sales in 2Q19 due to soft demand, leading to 50% decline in 1H19.

Note: Sales volume before elimination of inter-segment sales

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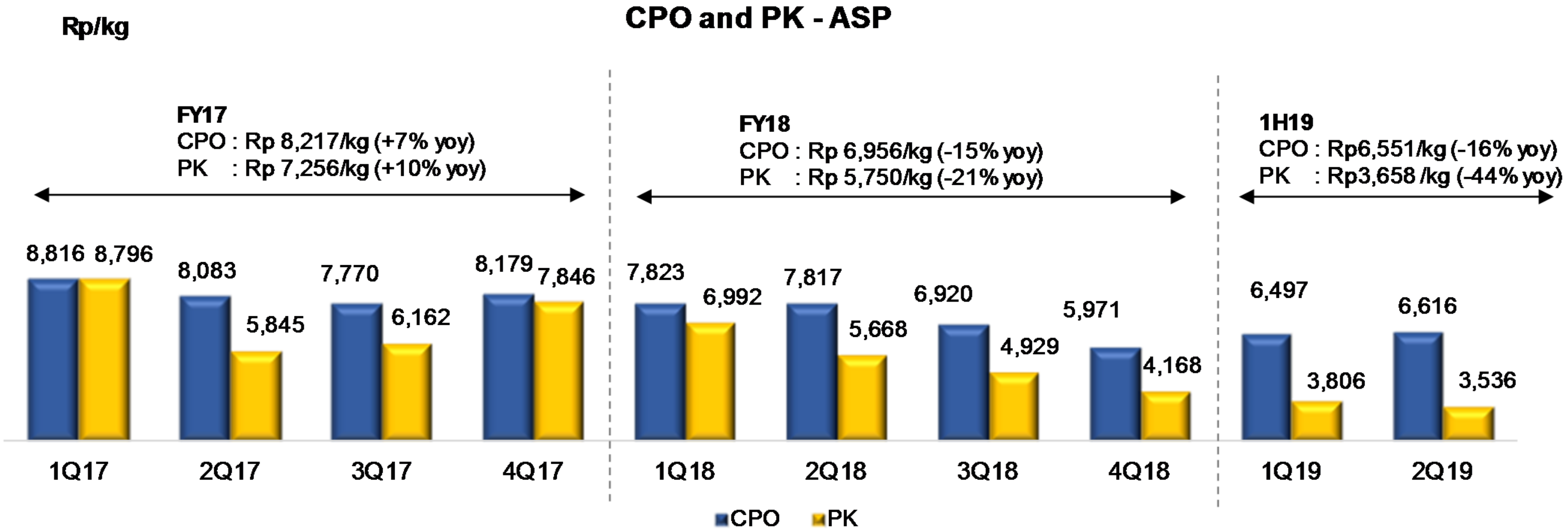
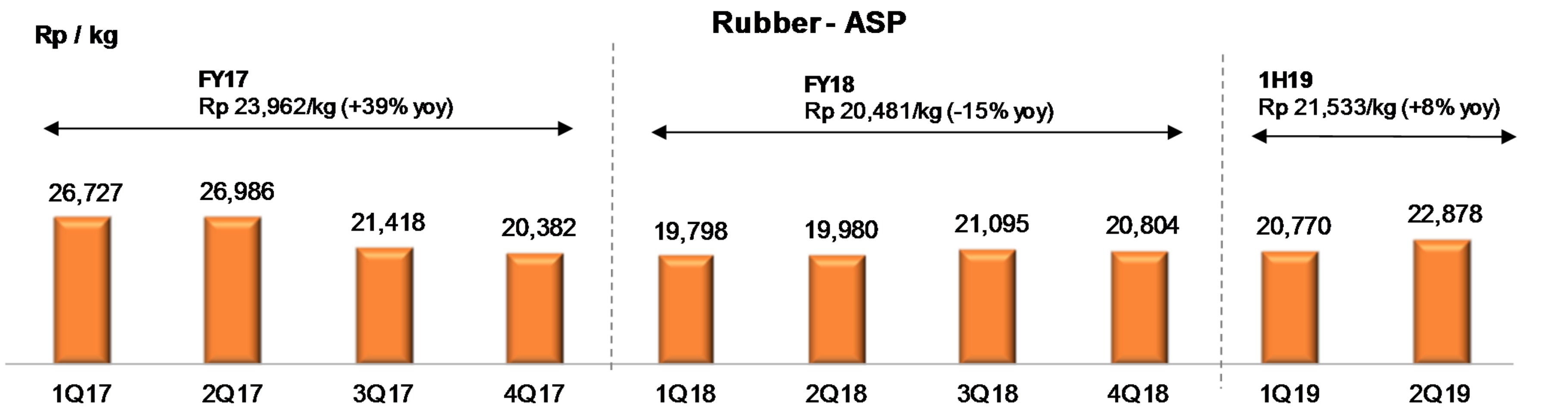
AVERAGE SELLING PRICE (ASP) TREND





FINANCIAL SUMMARY

	1H19	1H18	YoY Growth	2Q19	2Q18	YoY Growth	FY18
Sales	6,502	6,556	(1%)	3,143	3,366	(7%)	14,059
Gross profit	631	1,152	(45%)	170	506	(66%)	2,198
EBITDA[(1)]	583	1,168	(50%)	164	551	(70%)	2,295
Net loss after tax	(523)	(46)	n/m	(393)	(99)	297%	(427)
Core (loss)/profit [(2)]	(543)	72	n/m	(393)	(23)	n/m	(186)
Attributable loss	(274)	(19)	n/m	(217)	(69)	216%	(222)
EPS (fully diluted) - Rp	(197)	(14)	n/m	(155)	(49)	214%	(159)
Gross profit margin	10%	18%	⬇	5%	15%	⬇	16%
EBITDA margin	9%	18%	⬇	5%	16%	⬇	16%
Net loss margin	(8%)	(1%)	⬇	(12%)	(3%)	⬇	(3%)
Attributable loss margin	(4%)	(0%)	⬇	(7%)	(2%)	⬇	(2%)

- Weak agricultural commodity prices continued to affect negatively the Group's plantation and sugar operations
- Incurred higher net losses after tax of Rp393 billion in 2Q19, bringing 1H19 net losses to Rp523. This was mainly due to weak operating profit and higher financial expenses, but partly offset by positive forex impacts.

[(1)] Earnings before interests and tax expense, depreciation and amortisation, the effects of forex and fair value gain/(loss) on biological assets
[(2)] Earnings before the effects of forex, fair value gain/(loss) on biological assets and EIR amortisation of financial assets

SEGMENTAL RESULTS

In Rp Bn	1H19	1H18	YoY Growth	2Q19	2Q18	YoY Growth	FY18
Sales							
Plantations	3,452	3,838	(10%)	1,635	2,013	(19%)	8,585
Edible oils & fats	5,257	5,147	2%	2,538	2,659	(5%)	10,609
Elimination & adjustments	(2,207)	(2,429)	(9%)	(1,029)	(1,306)	(21%)	(5,134)
Total	**6,502**	**6,556**	**(1%)**	**3,144**	**3,366**	**(7%)**	**14,059**
EBITDA							
Plantations	295	944	(69%)	89	452	(80%)	1,562
EBITDA %	*9%*	*25%*		*5%*	*22%*		*18%*
Edible oils & fats	374	129	191%	91	77	19%	528
EBITDA %	*7%*	*2%*		*4%*	*3%*		*5%*
Share of results of associate companies & JV	(64)	22	n/m	(16)	31	(151%)	21
Elimination & adjustments[(1)]	(23)	74	n/m	(45)	(9)	n/m	184
Total	**583**	**1,168**	**(50%)**	**164**	**551**	**(70%)**	**2,295**

(1) Net effects arising from elimination of unrealised profit of inter-division inventories, SFRS adjustment and regional office costs.

FINANCIAL POSITION

Balance sheet (In Rp Bn)	30-Jun-19	31-Dec-18
TOTAL ASSETS	**37,991**	**37,514**
Cash	1,891	2,229
TOTAL LIABILITIES	**17,778**	**16,661**
Interest bearing debt	11,783	11,190
TOTAL EQUITY*	**20,212**	**20,853**
Net debt / EBITDA ratio	**8.49x**	**3.91x**
Net debt / Total equity ratio	**0.49x**	**0.43x**
Net assets value per share (in Rupiah)	**8,203**	**8,444**
Net assets value per share (in SGD) **	**0.79**	**0.81**

Cash flow (In Rp Bn)	1H19	1H18	Change
Net cash flow generated from operating activities	572	105	468
Net cash flow used in investing activities	(1,423)	(1,066)	(357)
Net cash flow generated from financing activities	528	815	(287)
Net decrease in cash & cash equivalents	**(323)**	**(147)**	**(176)**
Net effect of changes in forex	(15)	34	(49)
Sub-total	(338)	(112)	(225)
Cash & cash equivalent - Beginning	2,229	2,930	(701)
Cash & cash equivalent - Ending	**1,891**	**2,817**	**(926)**

* Total equity includes shareholders funds and minority interests
** Converted at Rp10,446/S$1

IndoAgri

a subsidiary of: Indofood

KEY STRATEGIES IN 2019

Plantation

- Replanting of older palms in North Sumatra and Riau.
- The construction of the chocolate factory has completed and operational in May 2019.
- Expansion of milling facilities - target completion of a 45MT FFB/ hour mill in Kalimantan in 4Q 2019.

Edible oils & fats

- Maintain competitive pricing strategy for Bimoli and expand Delima as 2nd brand to capture potential more affordable segment.
- Adding direct distribution network through e-commerce platforms

APPENDIX

PRODUCTION BREAKDOWN

		1H19	1H18	YoY Growth	2Q19	2Q18	YoY Growth	FY18
PRODUCTION								
Mature area	**(Ha)**	**211,916**	**211,865**		**211,916**	**211,865**		**211,707**
- SIMP	(Ha)	124,422	124,753		124,422	124,753		124,430
- Lonsum	(Ha)	87,494	87,112		87,494	87,112		87,277
FFB	**('000**	**1,849**	**1,849**	0%	**918**	**971**	(5%)	**4,424**
- Nucleus	**('000**	**1,466**	**1,449**	1%	**721**	**754**	(4%)	**3,375**
- SIMP	('000 MT)	809	813	0%	406	425	(5%)	1,859
- Lonsum	('000 MT)	657	637	3%	316	329	(4%)	1,516
- External	**('000**	**383**	**400**	(4%)	**197**	**217**	(9%)	**1,049**
- SIMP	('000 MT)	244	220	11%	128	114	12%	584
- Lonsum	('000 MT)	139	181	(23%)	69	104	(34%)	465
CPO	**('000**	**376**	**385**	(2%)	**184**	**201**	(8%)	**921**
- SIMP	('000 MT)	193	198	(3%)	97	103	(6%)	468
- Lonsum	('000 MT)	183	187	(2%)	87	98	(11%)	453
PK	**('000**	**92**	**93**	0%	**45**	**48**	(6%)	**221**
- SIMP	('000 MT)	41	43	(4%)	21	22	(6%)	100
- Lonsum	('000 MT)	51	50	3%	24	26	(7%)	121
PRODUCTIVITY								
FFB yield – Nucleus	**(MT/Ha)**	**6.9**	**6.8**	↑	**3.4**	**3.6**	↓	**15.9**
- SIMP	(MT/Ha)	6.5	6.5	↔	3.3	3.4	↓	14.9
- Lonsum	(MT/Ha)	7.5	7.3	↑	3.6	3.8	↓	17.4
CPO yield – Nucleus	**(MT/Ha)**	**1.5**	**1.5**	↔	**0.7**	**0.8**	↓	**3.5**
- SIMP	(MT/Ha)	1.3	1.4	↓	0.7	0.7	↔	3.1
- Lonsum	(MT/Ha)	1.7	1.7	↔	0.8	0.9	↓	4.0
CPO extraction rate	**(%)**	**21.8**	**22.1**	↓	**21.5**	**22.0**	↓	**22.0**
- SIMP	(%)	20.7	21.3	↓	20.4	21.2	↓	21.0
- Lonsum	(%)	23.2	23.1	↑	22.9	22.9	↔	23.0
PK extraction rate	**(%)**	**5.4**	**5.3**	↑	**5.3**	**5.3**	↔	**5.3**
- SIMP	(%)	4.4	4.6	↓	4.4	4.6	↓	4.5
- Lonsum	(%)	6.5	6.2	↑	6.4	6.2	↑	6.2

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