

INDOFOOD AGRI RESOURCES Ltd.

# COMPANY PRESENTATION FY 2021 RESULTS

1 March 2022



a subsidiary of:

**Indofood**  
THE SYMBOL OF QUALITY FOODS

# PRESENTATION OUTLINE

- **Plantation Highlights**
- **Financial Highlights**
- **Strategies and Expansion**





**PLANTATION  
HIGHLIGHTS**



# PLANTED AREA

31 Dec 2021 31 Dec 2020

In Ha

## Indonesia - Inti

**Planted area** 300,749 303,149

**Planted oil palm** 250,615 253,061

- SIMP 156,762 156,987

- Lonsum 93,853 96,074

## **Planted other crops**

Rubber 16,228 15,976

Sugar cane 14,411 14,153

Others - timber, cocoa, tea 19,495 19,959

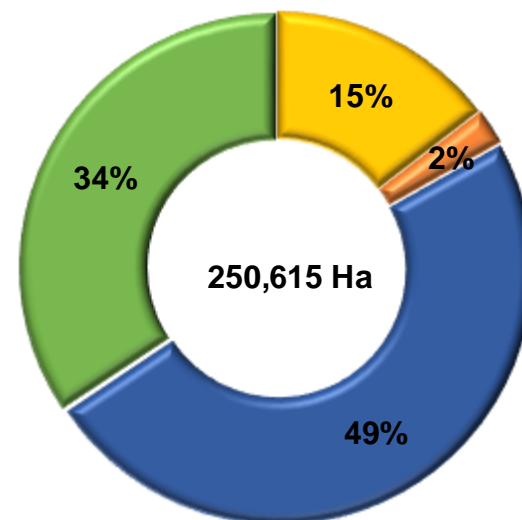
## Indonesia - Plasma

Oil palm 86,970 87,066

## Brazil

**Sugar cane\*** 114,152 106,945

Oil palm average age ≈ 17 years



■ Immature ■ 4-6 years ■ 7-20 years ■ > 20 years

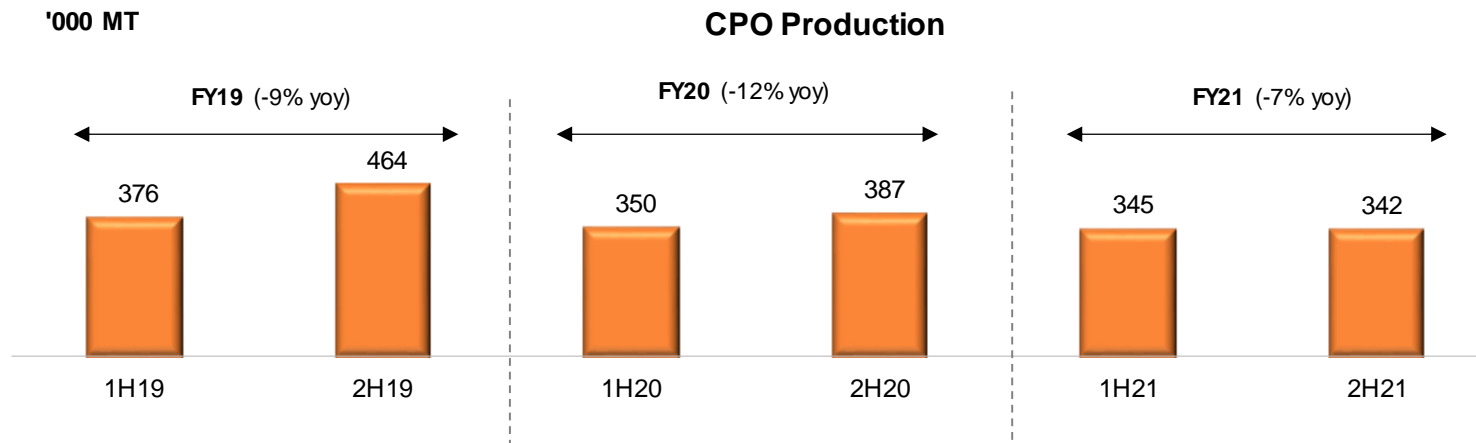
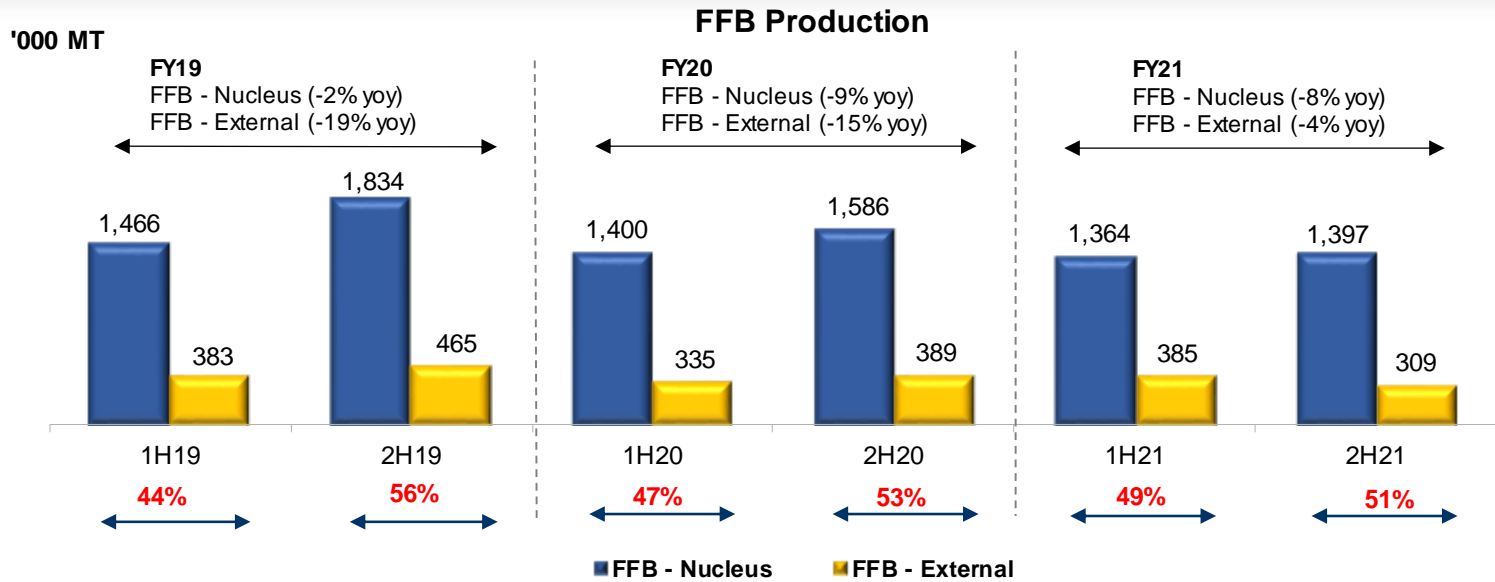
\* For the planted sugar cane areas, 45% of owned by the company and 55% contracted 3rd party farmers

# OIL PALM PLANTATION HIGHLIGHTS

- Total nucleus FFB production declined by 8% to 2,761,000 tonnes due to lower nucleus output as a result of replanting activities and adverse weather patterns. Particularly, heavy rainfalls in Indonesia had an impact on harvesting activities and crop production.
- CPO production decreased by 7% to 687,000 tonnes on lower nucleus FFB, as well as lower purchase from external parties.

		FY21	FY20	YoY Growth	2H21	2H20	YoY Growth
<b>PRODUCTION</b>							
Mature area	(Ha)	214,053	211,626		214,053	211,626	
FFB	('000 MT)	3,455	3,710	(7%)	1,707	1,975	(14%)
- Nucleus	('000 MT)	2,761	2,986	(8%)	1,398	1,587	(12%)
- External	('000 MT)	694	724	(4%)	309	389	(21%)
CPO	('000 MT)	687	737	(7%)	342	387	(12%)
PK	('000 MT)	168	178	(6%)	84	96	(13%)
<b>PRODUCTIVITY</b>							
CPO extraction rate	(%)	21.0	21.0	↔	21.0	20.6	↑
PK extraction rate	(%)	5.1	5.1	↔	5.1	5.1	↔

# OIL PALM PRODUCTION TRENDS



# SUGAR PLANTATION HIGHLIGHTS

<b>INDONESIA</b>	<b>FY21</b>	<b>FY20</b>	<b>YoY Growth</b>	<b>2H21</b>	<b>2H20</b>	<b>YoY Growth</b>
Planted area (Ha)	14,411	14,153		14,411	14,153	
Sugar cane harvested ('000 MT) <sup>(1)</sup>	914	895	2%	521	651	(20%)
Sugar production ('000 MT) <sup>(2)</sup>	57	55	4%	33	42	(22%)

<b>BRAZIL</b>	<b>FY21</b>	<b>FY20</b>	<b>YoY Growth</b>	<b>2H21</b>	<b>2H20</b>	<b>YoY Growth</b>
Planted area (Ha)	114,152	106,945		114,152	106,945	
Sugar cane harvested ('000 MT)	7,794	7,655	2%	4,107	4,733	(13%)
Raw sugar production ('000 MT)	570	528	8%	322	348	(7%)
Ethanol ('000 M <sup>3</sup> )	312	314	(1%)	173	208	(17%)

(1) Harvested cane related to South Sumatra sugar cane plantation.

(2) Sugar production related to South Sumatra plantation & LPI share in Java.



**FINANCIAL  
HIGHLIGHTS**



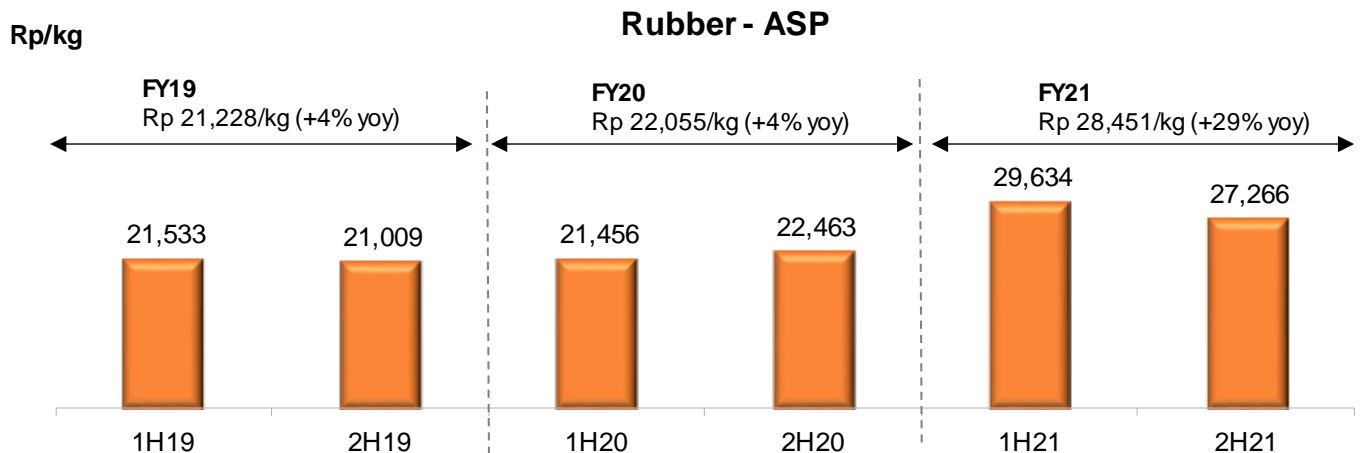
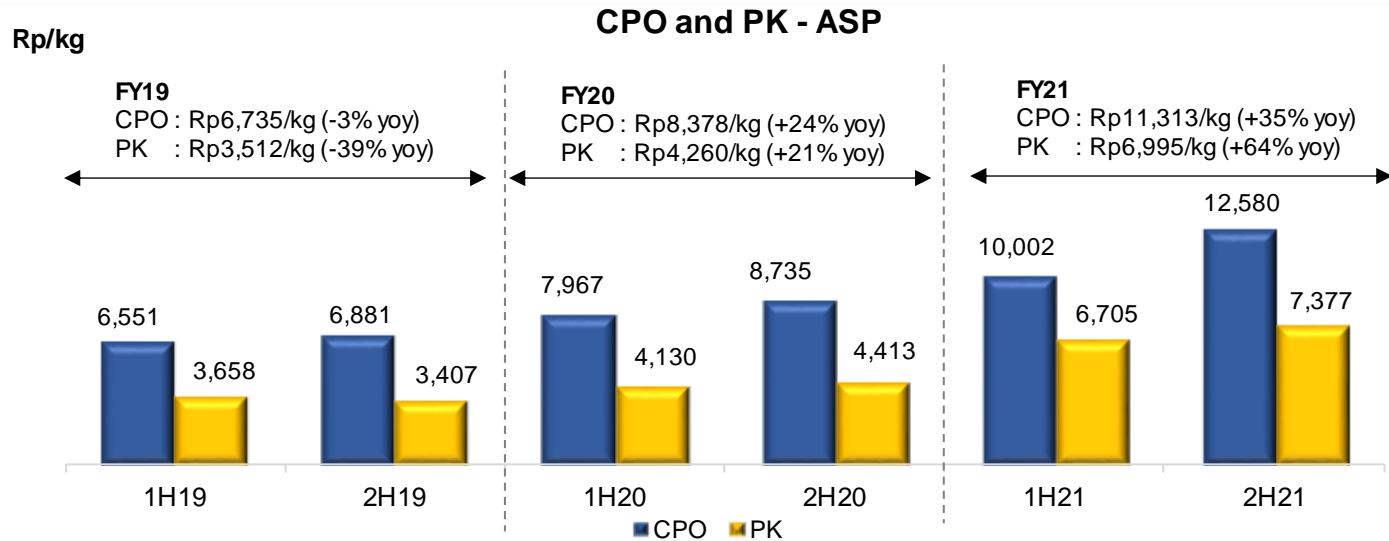
# SALES VOLUME PLANTATION

In '000 MT	FY21	FY20	YoY Growth	2H21	2H20	YoY Growth
CPO	698	748	(7%)	355	401	(11%)
PK products - PK, PKO, PKE	162	183	(11%)	79	97	(19%)
Oil palm seeds ('million)	6.3	5.9	7%	3.7	3.6	1%

*Note: Sales volume before elimination of inter-segment sales*

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

# AVERAGE SELLING PRICE (ASP) TREND



# FINANCIAL SUMMARY

- Despite the continued impact of COVID-19 on the global economy, the Group reported a strong set of results 2H2021 net profit grew 31% to Rp965 bn, while FY2021 grew 683% to Rp1,280 bn vs.FY2020.
- The significant improved results were mainly due to a strong turnaround in the Plantation Division on higher selling prices of palm products. While the EOF Division achieved steady profitability with higher sales volume of EOF products.

In Rp Bn	FY21	FY20	YoY Growth	2H21	2H20	YoY Growth
Sales	19,659	14,475	36%	10,701	7,602	41%
Gross profit	5,073	2,919	74%	3,050	1,966	55%
Adjusted EBITDA <sup>(1)</sup>	4,490	3,181	41%	2,693	2,230	21%
Net profit after tax	1,280	164	n/m	965	739	31%
Core profit <sup>(2)</sup>	1,774	695	n/m	1,299	732	77%
Attributable profit	755	20	n/m	602	449	34%
EPS (fully diluted) - Rp	541	14	n/m	431	322	34%
Gross profit margin	26%	20%	↑	28%	26%	↑
EBITDA margin	23%	22%	↑	25%	29%	↓
Net profit margin	7%	1%	↑	9%	10%	↓
Attributable profit margin	4%	0%	↑	6%	6%	↔

(1) EBIT, depreciation and amortisation, the effects of forex, FV gain/(loss) on biological assets, impairment of FA and share of non-recurring loss of an associate company.

(2) Net profit before accounting for the effects of foreign exchange, FV gain on biological assets, ECL for plasma receivables, adjustment of deferred tax due to changes in tax rate, share of non-recurring loss of an associate company and rationalisation costs

# SEGMENTAL RESULTS

In Rp Bn	FY21	FY20	YoY Growth	2H21	2H20	YoY Growth
<b><u>Sales</u></b>						
Plantations	10,561	8,457	25%	5,939	4,885	22%
Edible oils & fats	16,276	11,451	42%	8,811	5,906	49%
Elimination & adjustments	(7,178)	(5,433)	32%	(4,049)	(3,189)	27%
<b>Total</b>	<b>19,659</b>	<b>14,475</b>	<b>36%</b>	<b>10,701</b>	<b>7,602</b>	<b>41%</b>

## **Adjusted EBITDA**

Plantations	3,809	2,660	43%	2,222	1,977	12%
<i>EBITDA %</i>	<b>36%</b>	<b>31%</b>		<b>37%</b>	<b>40%</b>	
Edible oils & fats	628	633	(1%)	355	355	(0%)
<i>EBITDA %</i>	<b>4%</b>	<b>6%</b>		<b>4%</b>	<b>6%</b>	
Share of results of associate companies & JVs	43	(123)	n/m	47	(115)	n/m
Elimination & adjustments <sup>(1)</sup>	10	11	(9%)	69	12	n/m
<b>Total</b>	<b>4,490</b>	<b>3,181</b>	<b>41%</b>	<b>2,693</b>	<b>2,230</b>	<b>21%</b>

# FINANCIAL POSITION

Balance sheet (In Rp Bn)	31-Dec-21	31-Dec-20
<b>Total Assets</b>	<b>37,651</b>	<b>37,490</b>
Cash	3,764	2,446
<b>Total Liabilities</b>	<b>16,281</b>	<b>17,043</b>
Interest bearing debt	10,334	11,356
<b>Total Equity*</b>	<b>21,370</b>	<b>20,447</b>
<b>Net debt / EBITDA ratio</b>	<b>1.46x</b>	<b>2.80x</b>
<b>Net debt / Total equity ratio</b>	<b>0.31x</b>	<b>0.44x</b>
<b>Net assets value per share (in Rupiah)</b>	<b>8,283</b>	<b>8,104</b>
<b>Net assets value per share (in SGD) **</b>	<b>0.79</b>	<b>0.77</b>
<b>Cash flow (In Rp Bn)</b>	<b>FY21</b>	<b>FY20</b>
Net cash flow generated from operating activities	3,724	2,539
Net cash flow used in investing activities	(1,327)	(1,576)
Net cash flow used in financing activities	(1,088)	(314)
<b>Net increase in cash &amp; cash equivalents</b>	<b>1,309</b>	<b>649</b>
Net effect of changes in forex	9	10
<b>Sub-total</b>	<b>1,318</b>	<b>659</b>
Cash & cash equivalent - Beginning	2,446	1,787
<b>Cash &amp; cash equivalent - Ending</b>	<b>3,764</b>	<b>2,446</b>



# **STRATEGIES & EXPANSION**



# KEY ACHIEVEMENTS IN 2021 & STRATEGIES IN 2022

## **Plantation**

- Continue to prioritise our capital investment in replanting of older palms in North Sumatra and Riau, and critical infrastructure;
- Improving FFB yields through active crop management and pursuing innovations and mechanisation to raise plantation productivity;
- Continue to focus on cost control improvements and drive greater efficiency through digitalisation and streamlining of work processes; and
- Expansion of milling facilities – completed the construction of a 45MT FFB/ hour mill in East Kalimantan in June 2021.

## **Edible oils & fats**

- Capacity expansion for Tanjung Priok refinery with target completion in 2023 to capture the growing domestic demand and new opportunities;
- Competitive marketing strategy for Bimoli to maintain its leading brand position;
- Continue to rejuvenate the formats and packaging designs of our cooking oils to cater to evolving consumer needs;
- Optimizing various digital and e-commerce platforms to increase market reach and penetration;
- To drive volume through higher promotion frequency and depth; and
- Capitalise on growth of in home consumption, consumer cooking oil & margarine.

# CONTACT US

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