

PT. Sawit Sumbermas Sarana Tbk Management Presentation 9M20



**Sawit
Sumbermas
Sarana**
Karya Nyata untuk Negeri

*“To Become A
World Class
Plantation Company”*

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I | Company Profile

Who We Are

SSMS is listed on IDX, with its Global Bond listed on SGX
SSMS is part of PT Citra Borneo Indah Group of Companies

Landbank + Inti and Plasma = 115.903 Ha.
Planted Inti = 69.380 Ha.
Planted Plasma = 12.232 Ha.

Mills

Total 8 mills with milling capacity up by 120MT/hour to
540MT/hour by end of 2019

Sustainability

On schedule to achieve full RSPO certification for total 8
companies by 2021 (6 already RSPO certified)

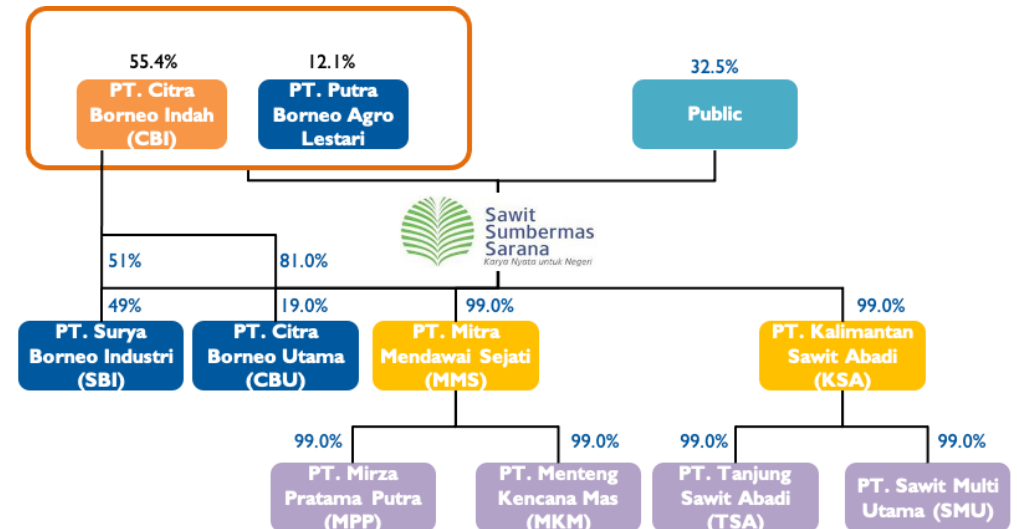
A High-Growth Indonesian Palm Oil Plantation Company ...

COMPANY OVERVIEW

- Founded in 1995, SSMS is a fast growing Central Kalimantan-based palm oil plantation company with young maturity profiles (11 years) and strong yields
- SSMS has 115.903 Ha of prime land under management, with most areas having mineral soil characteristics, flat terrain, as well as land permits / land rights, and are strategically located to key infrastructure
- SSMS owns and operates 23 oil palm estates Inti and Plasma covering 81.612 hectares of planted area, which includes eight palm oil mills and one kernel crushing plant
- SSMS's 5,031 Ha of potential areas serves as base for organic growth



SHAREHOLDING STRUCTURE



30 Sept 2020 ;

Planted Area
Inti : 69.380
Plasmas : 12.232

16,7 MT/ha
FFB Yield per
Mature Hectare

22.7%
Oil Extraction
Rate

3.8 MT/ha
CPO Yield per
Mature Ha

11 years
Average Plant
Maturity

31 Des 2019 ;

Planted Area
Inti : 68.298
Plasma : 9.380

22.3 MT/ha
FFB Yield per
Mature Hectare

23.1%
Oil Extraction
Rate

5.1 MT/ha
CPO Yield per
Mature Ha

11 Year
Average Plant
Maturity



Integrated and Sustainable Group Business Operations

Supported with Group livestock synergy

- Integration of cattle supports plantation operations;
- Reduction of weeding, integrated with breeding and fattening;
- Combined organic fertilizer to improve productivity and cost efficiency.




To support a range of both domestic and overseas customers

- An estimated 100% of 9M20 sales to local;
- Supported by a branch office in Jakarta; and
- Operated by 6,762 permanent employees (as of 31 Dec, 2019)



Plantation



Total 69,380 Ha planted area across Central Kalimantan

- Generating a high Oil Extraction Rate at the CPO milsl of 22.7% (CPO); 4.4% (Palm Kernel); and 41,8% (Crude PKO).
- Young and high-yielding plantations with average maturity profile of 11 years
- One of the world's highest yielding CPO plantations

Processing Plants



Processing Plant from FFB to CPO with a total current installed capacity of 540MT/hour.

- Installed milling capacity utilization set to improve in line with planted area growth

High Quality Products

To support customers for high quality Crude Palm Oil and Crude Palm Kernel Oil, which can be used as feedstock for diverse CPO refinery products:

- Cooking Oil
- Specialty Fats
- Functional Products
- Biodiesel
- Palm Wax and Candles
- Oleochemicals



Favorable Location Enables Higher Efficiency and Cost Control

Transportation and infrastructure benefits

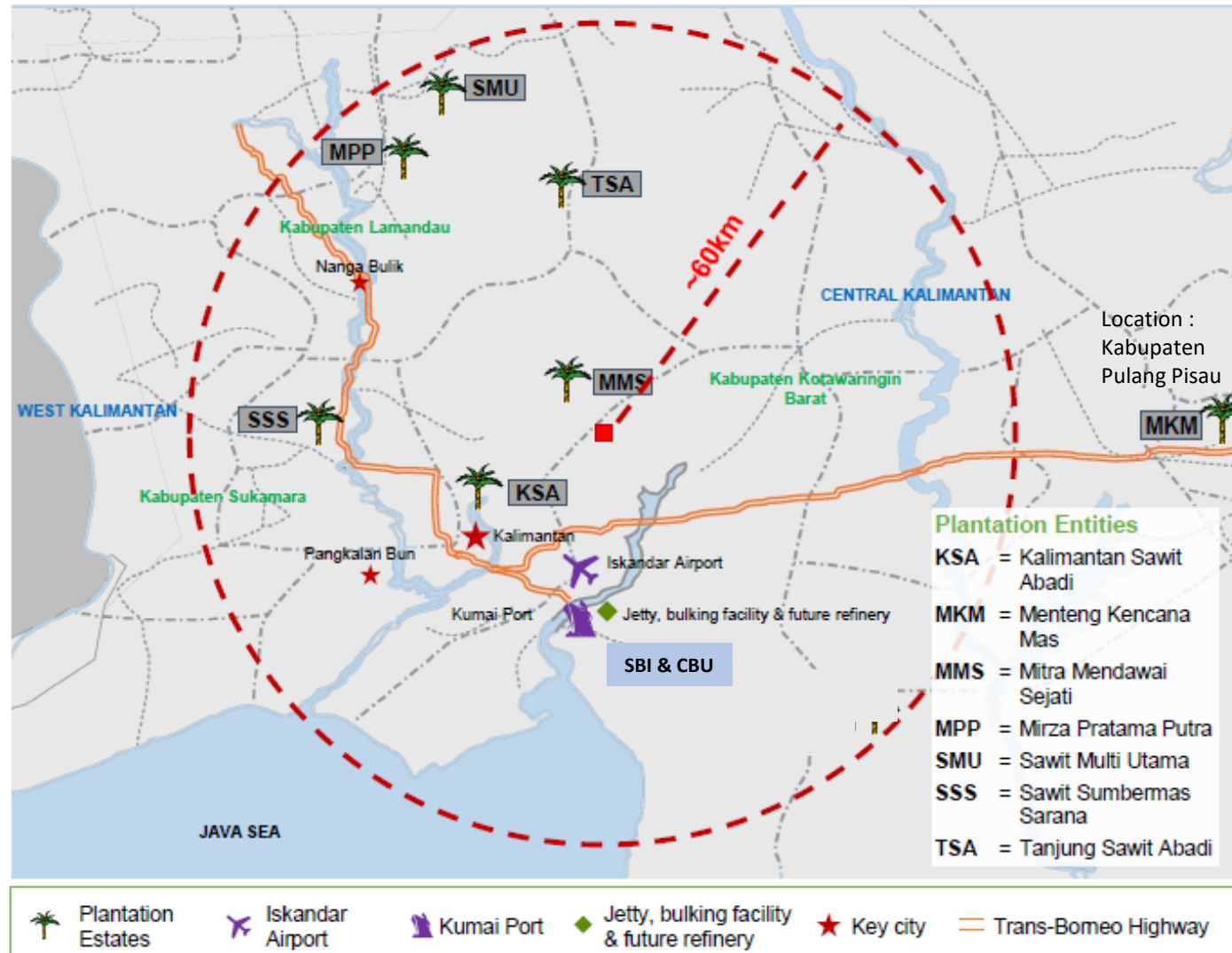
- ✓ All assets are concentrated in the same area within a 60km radius
- ✓ Covered by a dense network of "all weather" roads built to ensure that every part of the plantations is easily accessible at all times
- ✓ Proximity to Kumai Port and Iskandar Airport, and located along the Trans-Borneo highway
- ✓ Well established infrastructure

Cost benefits from operational synergies

- ✓ Lower transportation costs and optimal logistics
- ✓ Higher quality of FFB and CPO products due to efficient transportation (lower FFA %)

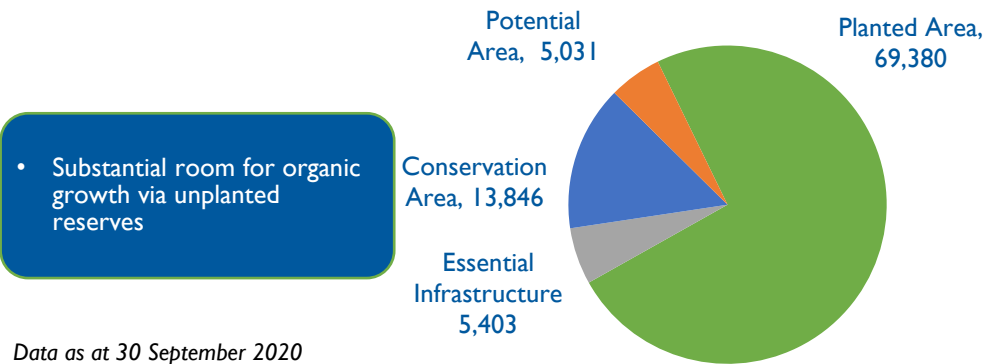
Central Kalimantan's climate is ideal for CPO production

- ✓ High rainfall levels at approximately 2,800mm – 3,000mm of rainfall a year with at least 4.5 – 5 hours of sunshine daily
- ✓ High mineral content soil with small proportion of shallow peat soil
- ✓ Mean annual temperature of 31° C and high humidity
- ✓ Relatively flat and undulating reduces planting, maintenance and harvesting costs



... With Young Trees and Strong Yields (Inti)

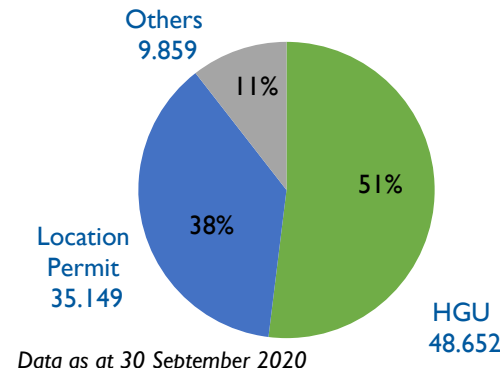
Sizable Landbank INTI with Potential Upside from Unplanted Area



- Substantial room for organic growth via unplanted reserves

Data as at 30 September 2020

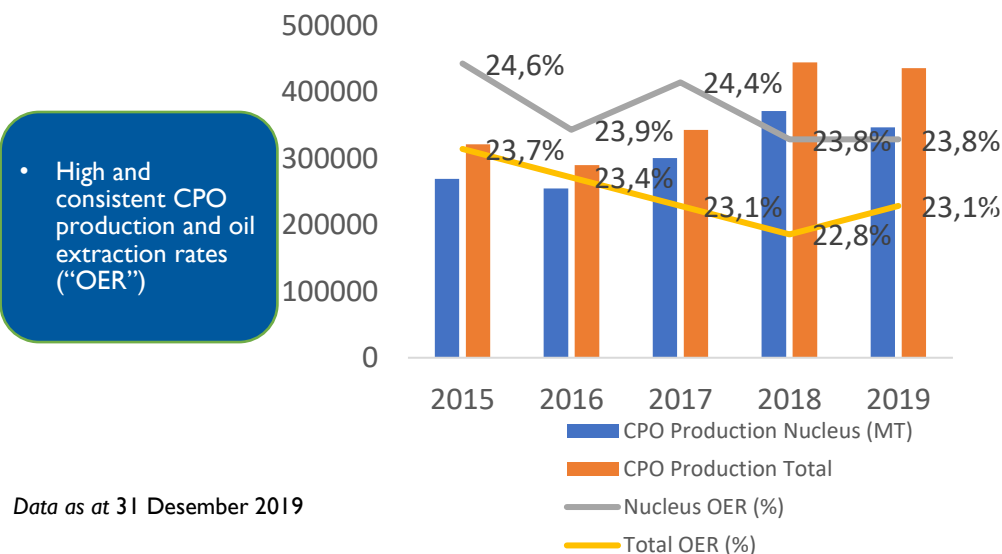
Land Rights Secured for Majority of Landbank



- Most of the landbank has already obtained location permits and land rights

Data as at 30 September 2020

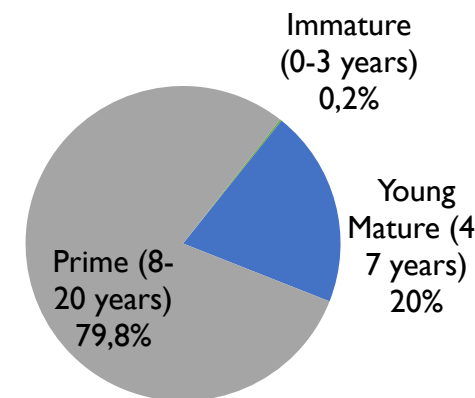
High Yielding Plantations



- High and consistent CPO production and oil extraction rates ("OER")

Data as at 31 Desember 2019

Despite Young Maturity Profile of Plantations



- Using high-yielding 3rd generation seeds from major providers including Lonsum, Socfin, Damimas and TopasAsianAgri

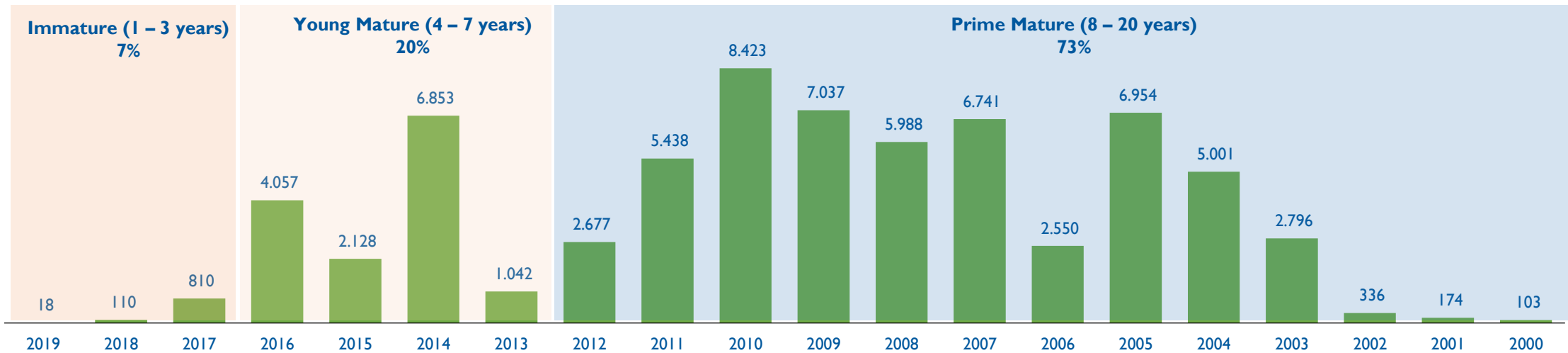
Data as at 30 September 2020

Note: I. Includes Cadastral (have gone through cadastral process but have yet to obtain HGU) and relinquished land area (from previous owners which have not been submitted for cadastral process).

Young Maturity Profile (Inti)

Young age profile will support a continued increased in production of FFB over the next several years with minimal increases in production costs or capital expenditures.

Total Planted Area by Planted Year (Ha)



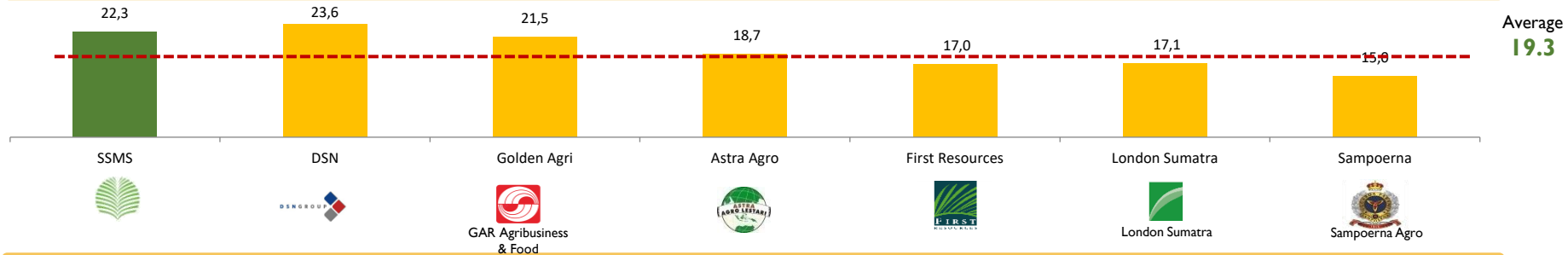
II | FY2019 and IH2020 Performance

High Yields and Efficiency with Low Cash Cost per Tonne

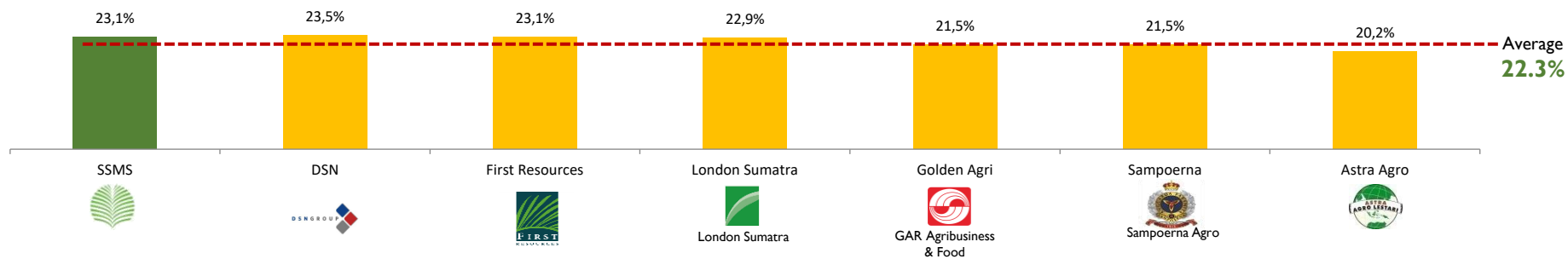
Plant Productivity FY19

Higher FFB yield, OER and CPO yield compared to average among peers

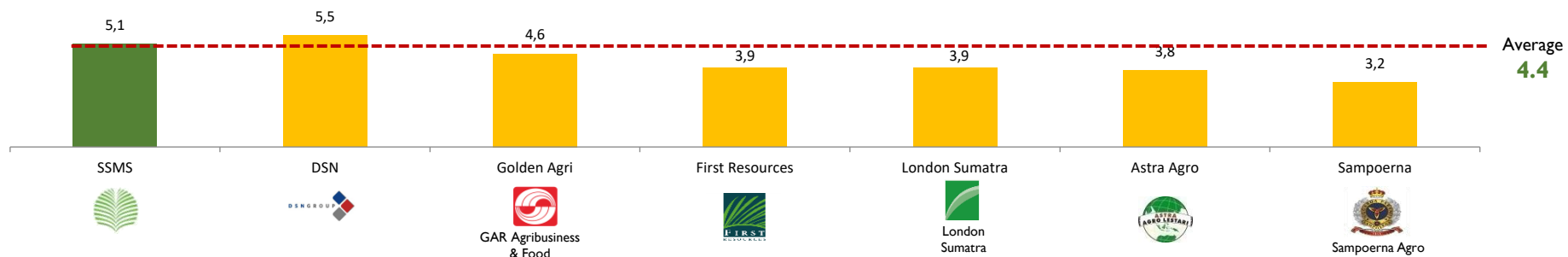
Peers Comparison – FFB Yield (MT/Ha)



Peers Comparison – OER (%)



Peers Comparison – CPO Yield (MT/Ha)



The respective companies' public filings for peer company data as 31 December 2019

Utilization Rate and Production Comparison 9M20 – 9M19 – FY19

(MT)	9M20	9M19	Change %	FY19
CPO	319,533	320,566	-0.3%	435,940
PK	61,610	61,057	0.9%	82,680
PKO	16,541	14,023	18.0%	20,355
FFB	1,150,941	1,117,769	3.0%	1,521,602

Utilization Rate	9M20	9M19	FY19
Mills	59%	66%	63%

III | Financial Performance

Financial Position 9M20 – 9M19 – FY19

Financial Position (In IDR mio.)	Change %	Growth	9M20	9M19	FY19
Total Current assets	-2%	↓	3,204,387	3,263,656	3,286,526
Total Non Current Assets	2%	↑	8,720,991	8,515,882	8,558,678
Total Assets	1%	↑	11,925,379	11,779,539	11,845,205
Current liabilities	-14%	↓	1,152,499	1,345,158	1,308,913
Total Non Current liabilities	6%	↑	6,738,317	6,360,751	6,467,724
Total Liabilities	2%	↑	7,890,817	7,705,910	7,776,637
Total Equity	-1%	↓	4,034,561	4,073,629	4,068,567
Total Liabilities and Equity	1%	↑	11,925,379	11,779,539	11,845,205

Summary P&L – 9M20 versus 9M19 and FY19 comparative

In mio IDR	Change %	Growth	9M20	9M19	FY19
Revenue	13%	↑	2,738,850	2,419,072	3,277,807
Cost of Goods Sold	-16%	↓	1,471,810	1,742,810	2,268,335
Gross Margin	87%	↑	1,267,040	676,261	1,009,471
Marketing Expense	-7%	↓	(57,981)	(62,386)	(82,650)
SG & A Expense	17%	↑	(388,278)	(331,524)	(522,937)
Gain (Loss) from Fair Value of Biological Assets	-43%	↓	47,115	82,867	104,032
Other Income (Expenses)	395%	↑	(169,164)	(34,188)	(61,549)
Operating Margin	111%	↑	698,731	331,029	446,367
Profit Before CIT	242%	↑	463,531	135,551	154,592
Corporate Income Tax	43%	↑	(195,874)	(136,868)	(142,510)
Profit (loss) Income	2,043%	↑	267,656	(1,317)	12,081
EBITDA	68%	↑	888,209	524,424	714,460

Sales Volume 9M20 – 9M19

Product	2020			2019			Change Value			Change Percentage		
	Quantity (MT)	Price/Kg	Amount in (Billion IDR)	Quantity (MT)	Price /Kg	Amount in (Billion IDR)	Quantity (MT)	Price /Kg	Amount in (Billion IDR)	Quantity (MT)	Price /Kg	Amount in (Billion IDR)
CPO	318,529	7.784	2.479	344.109	6.299	2.167	(25.580)	1.485	311	-7.4%	23%	14.4%
PK	19.448	3.941	76	26.842	3.542	95	(7.394)	399	(18)	-27.5%	11.3%	-19.4%
CPKO	18.500	9.885	182	9.538	8.160	77	8.962	1.724	105	94.0%	21.1%	134.9%
TBS	-	-	-	63.937	1.230	78	(63.937)	(1.230)	(78)	-100%	-100%	-100%
Total	356.477		2.738	444.426		2.419	(87.949)		319	-19,8%		13.2%

Comparison CPO Price 2020



Source : Reuters, Tropical, BMD, dan Kpbn

Comparative Ratios and Cash Cost – 9M20 – 9M19 - FY19

Financial ratio (X)	9M20	9M19	FY 19
Current Ratio	2.8	2.4	2.5
Debt to Equity	1.9	1.8	1.9
EBITDA to Interest	2.1	1.9	1.9

Cash Cost	9M20	9M19	FY 19
USD/Ton CPO	\$216	\$ 291	\$269



Visit our website at www.ssms.co.id

Mailing Address:

PT Sawit Sumbermas Sarana Tbk

Head Office

Jl. H. Udan Said No.47

Pangkalan Bun 74113

Kalimantan Tengah, Indonesia

Representative Office

Equity Tower, Suite 43D

Jl. Jend Sudirman Kav.52-53

Jakarta 12190, Indonesia

Thank You