



INVESTOR NEWSLETTER

TAPG

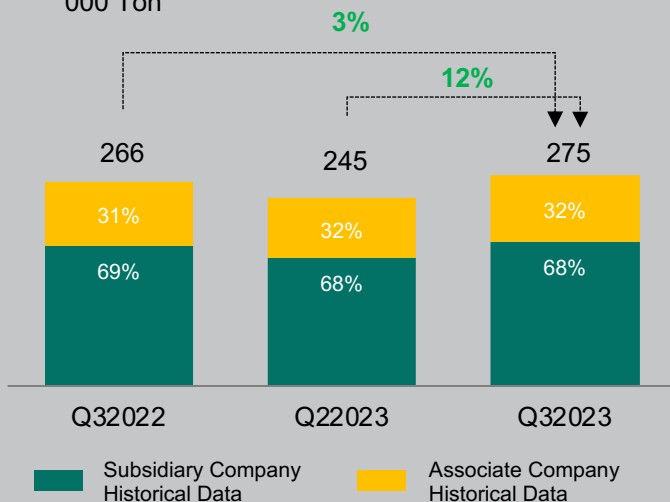
Volume 12, Oktober 2023

PT. Triputra Agro Persada Tbk (TAPG) is an oil palm, rubber, and processing industries company, with 23 oil palm plantation estates, 1 rubber plantation, 18 palm oil mills, 1 palm kernel oil mill and 1 RSS factory located in Jambi, Central Kalimantan and East Kalimantan (including the presence of associate company). In developing its business, TAPG upholds its sustainability commitment by adopting the global recognized standards and deployment of state-of-the-art technology in all of its operational activities.

Q3 2023 CPO Production

As of September 2023

'000 Ton



Business Highlight

- In the Q3 2023, CPO experienced modest growth of +12% QoQ and +3% YoY, respectively
- Good climate in early 2023 which improved pollination and continuous improvements at the mill, hence resulting in higher OER which directly drives CPO production in Q3 2023

Executive Summary

TAPG production FFB and CPO grew +10% and +12% QoQ respectively, estimated Q3 2023 would be the highest production for 2023.

Good climate in early 2023 which improved pollination, hence resulting in **higher OER** for Q3 2023 compared to last year and last quarter

TAPG is starting to sell Palm Kernel Oil and Palm Kernel Meal from Q3 2023 as the operate of new PKO mill with biogas from POME.

Selling Price levels are still **relatively high** and concurrently **COGS especially fertilizer** starting to **normalized** which will also boost TAPG EBITDA and Net Profit up to 169% and 268% QoQ





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Financial Highlight

In Q3 2023 revenue increased **+6% YoY** and **+23% QoQ** primarily driven by modest increase in production and relatively high CPO prices in Q3 2023 (**+5% YoY**) with higher CPO quantity sold.

Cost of Goods Sold in Q3 2023 YoY **▲18%** mainly from increased in production cost, especially in fertilizer **▲124%** and FFB Purchased Cost **▲20%** due to slightly higher in volume and buying price.

TAPG started selling Palm Kernel Oil and Palm Kernel Meal in Q3 2023 which are down stream product from Palm Kernel.

EBITDA and Net Profit in Q3 2023 increase significantly due to the increase in production with relatively high commodity prices compare than the great last year, increase in EBITDA and Net Profit up to **▲8%** and **▲14%** for Q3 YoY

Net Forex loss up to Q3 2023 **Rp 10,7 bio** due to currency depreciation of IDR to USD, compared to Forex Loss up to Q3 2022 **Rp 153.15 bio**.

The company's liabilities in 9M 2023 have decreased **▼35%** in line with the company's commitment to reduce debt.

Financial Performance

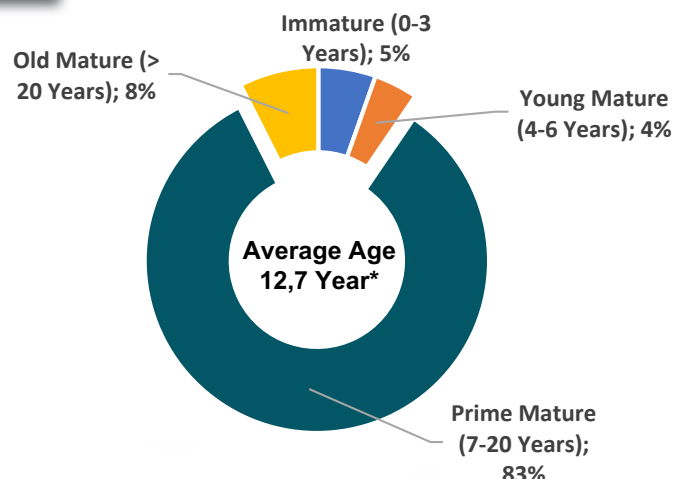
In IDR Mio

Descriptions	Q3 2023	Q3 2022	Growth (%)	9M 2023	9M 2022	Growth (%)
Revenue	2.266.354	2.131.435	6%	6.038.704	6.746.488	-10%
Cost of Goods Sold	-1.545.354	-1.312.384	18%	-4.530.548	-3.965.823	14%
Gross Profit	721.000	819.051	-12%	1.508.156	2.780.665	-46%
(GP Margin)	32%	38%		25%	41%	
Profit After Tax	655.449	577.102	14%	1.139.371	2.420.859	-53%
(PAT Margin)	29%	27%		19%	36%	
Core Income	683.105	610.614	12%	1.147.682	2.540.319	-55%
(CI Margin)	30%	29%		19%	38%	
EBITDA	1.010.380	933.113	8%	1.846.853	3.506.246	-47%
EBITDA Margin	45%	44%		31%	52%	

Descriptions	Q3 2023	Q3 2022	Growth (%)
Total Assets	13.563.379	13.995.303	-3%
Total Liabilities	2.765.644	4.274.747	-35%
Total Equity	10.797.735	9.720.556	11%

Age Profile Sept 2023

Including associate company
Total : 159.536 Ha (Palm Oil)



Prospects

Production in 2nd half will be higher than 1st half 2023, and in Q3 2023 estimated that it will be the highest production for 2023.

Prices are expected to remain stable at a high level considering that El Nino has started to effect in palm oil plantation to become drier. Global vegetable oil stocks which have not increased significantly will also influence commodity prices to remain at a high level

TAPG still experience continuous growth along with prime age of palm oil plants, barring unforeseen circumstances and confident to better results in 2H 2023



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Operational Highlight

In Q3 2023, even though climate starting to be drier, palm oil is currently entering its peak production period, hence resulting in higher FFB production QoQ. Production is expected to higher in the 2nd half of the year given seasonal factor.

Good climate in early 2023 which improved pollination, hence resulting in higher OER in Q3 2023. The performance of CPO and PK is catch up with last year's achievements and expected to close the gap smaller than last year.

Operational Performance

	Q3 2023	Q3 2022	Yoy (%)	Q2 2023	Last Q%
Plantation Performance FFB Production					
FFB Nucleus (Tons)	856.196	854.371	0%	779.166	10%
FFB Plasma (Tons)	98.879	101.341	-2%	86.273	15%
Mill Performance					
FFB Processed (Tons)	1.170.099	1.169.296	0%	1.070.039	9%
CPO Production (Tons)	274.833	265.843	3%	245.441	12%
PK Production (Tons)	60.035	55.962	7%	51.992	15%
OER (%)*	23,49%	22,74%	0,75%*	22,94%	0,55%*
KER (%)*	5,13%	4,79%	0,34%*	4,86%	0,27%*
Including associate company					
* In percentage points					

	Average Age (Yrs)	Planted Area ('000 Ha)		Additional Information
		Mature	Total	
Nucleus	12,6	129,8	136,0	Including planted area of associate company.
Plasma	12,9	21,1	23,5	
Total	12,7	150,9	159,5	

Rubber Segment

Rubber segment income in Q3 2023 increase ▲27% QoQ driven by delivery in Q3 2023 is increase ▲32% QoQ due to seasonal cycle. Due to softening of the demand, rubber price still under pressure.

	Q3 2023	Q3 2022	Yoy (%)	Q2 2023	Last Q%
Rubber Sales (Tons)					
Rubber	304	214	42%	160	90%
RSS	20	93	-78%	85	-76%

TAPG production for FFB and CPO in 2H23 will be higher than 1H23, and in Q3 2023 estimated will be the highest production for 2023. Prices of palm oil are expected to remain stable at a high level considering that El Nino has started to effect in palm oil plantation to become drier. Global vegetable oil stocks which have not increased significantly will also influence commodity prices to remain at a high level. The proportion of TAPG Revenue still dominated by Palm Oil segment.

TAPG incorporates the principles of Good Corporate Governance (GCG) in its policies, strategies, work systems, and business activities. The implementation of an integrated and reliable corporate governance will create a healthy and beneficial business environment for stakeholders. Each individual is expected to preserve integrity in the workplace under the Company's values, namely TAPG DNA. After the Company achieved a sustainable growth, it is time for the Company to develop its business to improve added value in its prime period to **Igniting The Company's Business Growth**.



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Three Pillars of Forest Fire Prevention and Control

Amidst the prolonged drought conditions caused by this year's El Niño, TAPG maintained its area, and ensuring that the surrounding villages remained free from wildfires. The three pillars of forest fire prevention and control, executed with excellence through the involvement of the community in the process, served as the primary rationale for this achievement.

High-Tech Early Warning System

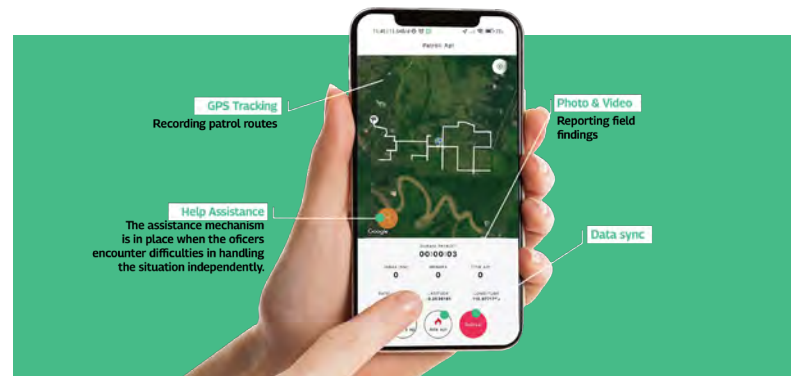
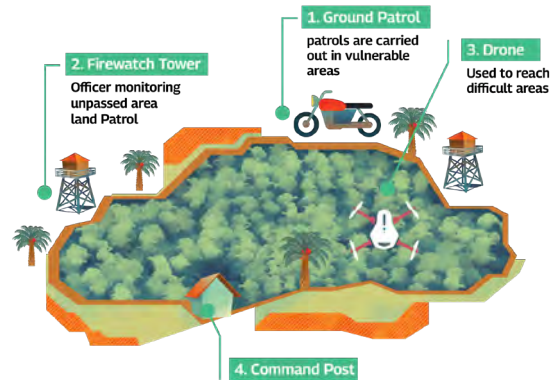
The early warning system serves as the core of TAPG's commitment to forest fire prevention. TAPG utilizes hotspot data from three LAPAN satellites: Tera, Aqua with Moderate Resolution Imaging Spectroradiometer (MODIS) sensors, and Suomi-National with Visible Infrared Imaging Radiometer Suite (VIIRS). Additionally, external parties also monitor hotspots in TAPG and its subsidiary companies. Satellite detection results are automatically transmitted to the Forest Fire Task Force Team for ground checks and necessary preventive measures.

This early warning system is complemented by fire patrols which scientifically developed by TAPG to optimize detection and early warnings. Fire patrols are conducted by patrol officers in high-risk areas, and during the dry season, patrols can be carried out up to 2-3 times a day. While conducting patrols, the officers are equipped with the Patroli Api (Fire Patrol) Application specially developed by the company.

With the Application, the officers can proactively engage in direct monitoring. This application features the capability to record patrol routes, report field findings, and implement assistance mechanisms. As a result, forest fire risk prevention and control can be carried out optimally.

Advanced Facilities and Infrastructure

TAPG ensures that all facilities and infrastructure for forest fire prevention and control are fully available in accordance with fire prevention and control regulations specified in Permentan 5/2018 and Permen KLHK 32/2016. The company has also constructed 261 fire watchtowers and 313 reservoirs to optimize prevention and control efforts in the surrounding areas and villages



Competent Task Force

TAPG has its internal Forest Fire Control Task Force (Satgas Dalkarhulta) and promotes the formation of the Farmer Fire Care Group (Kelompok Tani Peduli Api/KTPA), which also functions as an assistance team in preventing and combating forest fires in the company's surrounding areas.

At least twice a year, both the company's Forest Fire Task Force and KTPA receive training from the Balai Pengendalian Perubahan Iklim dan Kebakaran Hutan dan Lahan Manggala, the Ministry of Forestry and Environment. The training aims to enhance the competence and capability of the Task Force and KTPA to be more vigilant in facing the risks of forest fires

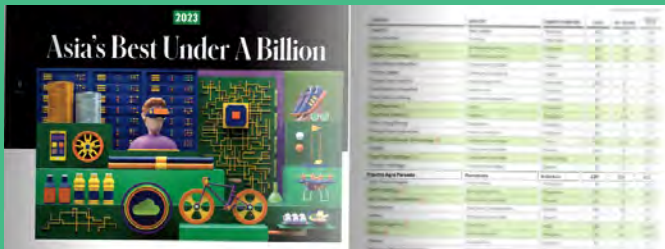




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Excellence in Sustainability and Technology Through People and Process



Forbes Asia Best Under A Billion 2023



TrenAsia ESG Award 2023



East Kalimantan Governor Award



Excellent Award IQPC

At the beginning of the second semester of 2023, the company achieved several awards and recognitions from many stakeholders for its performance and commitment to becoming a sustainable palm oil plantation with the aim of creating a better quality life.

Firstly, the company successfully made it to the **Forbes Asia's Best Under A Billion** list for the Asia-Pacific region. The companies in this list are not only selected based on their strong financial performance over the last five years but also evaluated for their commitment to sustainability, digitalization, and compliance with regulations.

The company has a strong commitment to promoting sustainable actions in its business operations and those that impact the planet, people, and prosperity. The company's commitment to sustainable actions was also recognized by TrenAsia, which awarded the company the **TrenAsia ESG Award in the agriculture category with the Action predicate**.

The company's sustainable actions were also appreciated by the government. **The Governor of East Kalimantan presented awards for land and plantation fire control to three subsidiary entities: PT Muaratoyu Subur Lestari, PT Kedap Sayaaq Dua, and PT Etam Bersama Lestari.** These awards were given because the subsidiary entities successfully contributed to keeping the surrounding villages free from land fires. The subsidiary entities also rewarded fire-free villages with development funds of IDR 50 million to villages that successfully kept their areas free from fires every year.

Lastly, the company achieved international recognition at the International Quality & Productivity Convention (IQPC) in Kuala Lumpur, Malaysia. Three teams sent by TAPG received the **Excellent** predicate, which is awarded to IQPC participants with the best improvement achievements.

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