



Volume 7 - July 2022

Triputra Agro Persada Tbk (TAPG) is an oil palm, rubber, and processing industries company, with 24 oil palm plantation estates, 1 rubber plantation, 18 palm oil mills and 1 Ribbed Smoke Sheet factory located in Jambi, Central Kalimantan and East Kalimantan (Including associate company). In developing its business TAPG uphold the sustainability commitment by adopting world recognized standards and deployment of state-of-the-art technology in operational activities.

- Revenue ▲ 61.6% due to contribution by jump in production especially in Q2 2022 and supported by high in selling price for both CPO & Palm Kernel. Several factor that increase production as the plantation in prime age period, good agricultural practices and supported by good climate.
- Cost of Goods Sold ▲21.1% mainly from purchased of FFB external ▲53%, increased production cost especially in fertilizer, other cost which is inline with higher production growth. Production cost still controllable offset with jump in nucleus production
- Net Profit ▲342.4% goes up high driven by high growth in production which supported by controllable cost & high selling price
- Core Income excluding forex loss and tax implication for currency translation.
- Forex Loss 6M 2022 Rp 110.19 bill and Forex Loss 6M 2021 Rp 82.96 bill (▲30%).

Descriptions	2Q '22	2Q '21	%
Revenue	2,424,143	1,505,234	61.0%
Cost of Goods Sold	-1,287,680	-1,132,248	13.7%
Gross Profit	1,136,463	372,986	204.7%
Margin	46.9%	24.8%	
Profit After Tax	939,810	272,769	244.5%
Margin	38.8%	18.1%	
Core Income	1,011,985	247,597	308.7%
Margin	41.7%	16.4%	
EBITDA	1,343,439	496,104	170.8%
Margin	55.4%	33.0%	

6M '22	6M '21	%
4,615,053	2,856,405	61.6%
-2,653,439	-2,190,517	21.1%
1,961,614	665,888	194.6%
42.5%	233%	
1,843,757	416,792	342.4%
40.0%	14.6%	
1,929,705	481,529	300.7%
41.8%	16.9%	
2,573,133	818,858	214.2%
55.8%	28.7%	

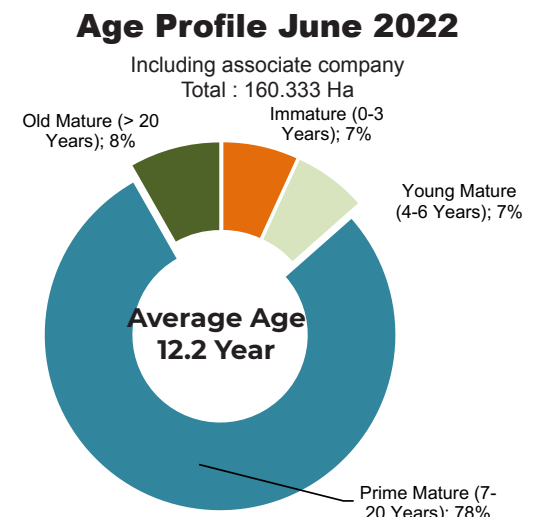
Descriptions	6M '22	6M '21	%
Total Assets	13,913,692	12,207,808	14.0%
Total Liabilities	4,770,238	5,267,075	-9.4%
Total Equity	9,143,454	6,940,733	31.7%

In IDR Mio

High growth in production which supported by controllable cost & high selling price Boosts Net Profit

During the 6M 2022, TAPG booked a net profit Rp 1,843.8 bio ▲342.4% jump from last year number. Growth in production with high average selling price and controllable production cost are the main factor that increase net profit.

Good climate in 2020-2021 resulted in an increase in CPO production by ▲ 24% from Q1 2022 to Q2 2022 and also increased by ▲7% compared to 1st half last year. TAPG age profile (average 12.2 years) which is one of the main factors in production growth compared to others and potential for higher growth in 2H 2022.



INVESTOR NEWSLETTER



TRIPUTRA AGRO PERSADA

TAPG

Plantation Performance	Q2 '22	Q2 '21	YoY%	Q1 '22	Last Q%	6M '22	6M '21	YoY%
FFB Production (Tons)								
FFB Nucleus	892,084	734,926	21.4%	703,792	26.8%	1,595,876	1,447,569	10.2%
FFB Plasma	94,804	81,968	15.7%	69,131	37.1%	163,934	157,058	4.4%
Mill Performance								
FFB Processed (Tons)	1,218,699	1,016,990	19.8%	964,768	26.3%	2,183,466	1,988,111	9.8%
CPO Production (Tons)	272,815	235,162	16.0%	220,055	24.0%	492,870	458,636	7.5%
PK Production (Tons)	57,493	46,990	22.4%	46,714	23.1%	104,207	91,089	14.4%
OER (%)	22.4%	23.1%	-3.0%	22.8%	-1.8%	22.6%	23.1%	-2.2%
KER (%)	4.7%	4.6%	2.2%	4.8%	-2.1%	4.8%	4.6%	4.2%

Including associate company

	Average Age (Yrs)	Planted Area ('000 Ha)		Additional Information
		Mature	Total	
Nucleus	12.1	131	138	As of June 2022, total planted area including nucleus and plasma reached 160k hectares and Mature 151k hectares.
Plasma	12.5	20	22	
Total	12.2	151	160	This including planted area for associate company 58k hectares.

Rubber Segment

Rubber segment income in Q2 2022 increased ▲35% YoY and ▼23% compared last quarter. Changes in the contribution of the rubber sector due to softening price in Q2 2022 (rubber contribution to total revenue only 0,3%)

	Q2 '22	Q2 '21	YoY%	Q1 '22	Last Q%	6M '22	6M '21	YoY%
Rubber Sales (Tons)								
Slab	233	77	203.0%	294	-20.6%	527	163	223.5%
RSS	46	117	-60.4%	57	-18.7%	103	278	-62.8%

Production is increased compared to last year and significantly increased compared to the last quarter due to good climate and mostly plants are in the productive period. TAPG benefiting high commodity price especially CPO and PK. Production from the rubber sector has also improved because it has been able to recover from fungus attacks.

In 2022 we will continue to implement health protocols during the Covid-19 pandemic. TAPG estate operation, mill processing, and delivery are operated under strictly COVID 19 protocol. We understand safety and healthy for our employee is our priority. By doing that we can ensure company to keep operate and achieve higher standard to achieve the best in the class. The Covid-19 pandemic is not over yet, we must keep the same pace to make sure driving sustainable and inclusive growth.



TECHNOLOGY: TAPG Mobile Inspection Activities

As a partner for field staff, Mobile Inspection comes with a variety of features. On this occasion, we would like to present the inspection features for field conditions regularly done by the field staff.

The Field inspection is mandatory. They begin with a process of determining or recommending a location or block and putting it up for inspection. The current rules stipulate that a Field Assistant is obligated to inspect at least two blocks per day, while Plantation Chiefs and Estate Managers are tasked with verifying the conditions of any block that has already been inspected.

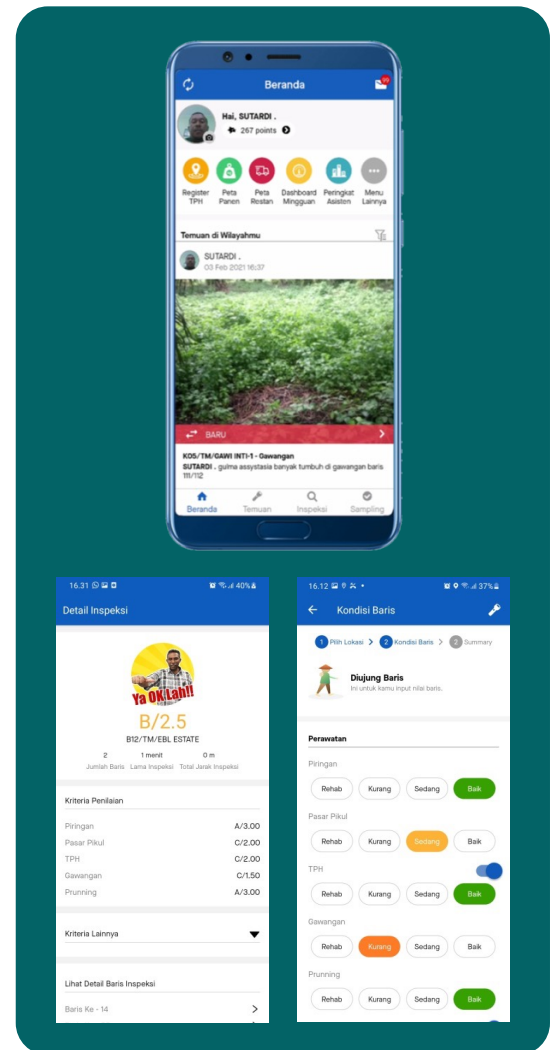
The company has established a priority system that determines the importance of inspecting a location based on four criteria: The first criterion is for locations that have not been inspected for 30 days. The second criterion is for locations that have had harvests the previous day. The third criterion is for locations that have had maintenance activities such as CPT spraying in the past 14 days. The fourth criterion is for locations chosen based on directions from higher-ups.

The app will automatically pick the most important blocks for inspection based on criteria 1, 2 and 3 in that order of importance. At the same time, any recommendations made by this app can be ignored if overridden by directions or requests from those higher up.

Any staff member about to carry out an inspection is obligated to do two things: Taking a photograph of the initial line by the entrance of the location being inspected, and having the inspector take a selfie as proof that the activity is being carried out. The company is currently developing an inspection validation mechanism that uses facial recognition to identify and verify the face of the staff performing inspections. The app will refuse to move onto the next phase if the face does not match with the device's owner.

The items in each of the locations being inspected are categorized into three different conditions: post-harvest, maintenance and post-fertilization. In addition, there are further details for each of these items that can be assessed according to management decisions. In order to make more accurate and automatic comparisons, these assessments can be further divided into four different conditions: (A) Good - Score 3, (B) Moderate - Score 2, (C) Less - Score 1, and (F) Rehab - Score 0. The final results of each inspection are displayed through scoring numbers that represent the current condition of the inspected block.

The results of these inspections will be used to monitor plantation conditions and to establish what work needs to be done to improve conditions. The management will then monitor the conditions of locations for an entire month.





Traceable Supply Chain



As part of PT Triputra Agro Persada Tbk's efforts on improving our sustainability commitment further, we have been running a traceability program to every part of our supply chain. Essentially, this trace-and-track system from our Fresh Fruit Bunches Sourcing Department is being routinely done to make sure that our products are consistently the best quality to be processed and consumed, based on the national and international sustainability standards. Traceability is well-recognized as part of the transparency implementation from the companies, palm oil companies are no exception. Roundtable on Sustainable Palm Oil (RSPO), Indonesia Sustainable Palm Oil (ISPO), and some other certifications decided that traceability system is now required to be implemented on all parts of the supply chain.

To run this system, PT Triputra Agro Persada Tbk has been using Commodity Trace or known as *Commtrace*. We are actively updating our *CommTrace* by listing all of our third-party suppliers to our mills. We list our supplier of all types and their locations, and some more details so that we are able track and contact suppliers, to make sure that we get our third-party fresh fruit bunches (FFB) only from the trusted, legitimate suppliers, with clear backgrounds and full compliance with our sustainability standards, without deforestation, peat land, and any kind of exploitation. With this *Commtrace* data, our team can better communicate with our respected buyers of crude palm oil (CPO) and palm kernels (PK) by providing them the necessary, accurate, and reliable data.

Our traceability system is working well as intended, and we are going to do our best to keep our supply chain 100% traceable. There is still room for improvement. In the future, we hope to make our system more reliable, easier to gather, and faster to access so that we can provide more accurate, transparent data to our buyers, for even better products for the people.

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TAPG Investor Newsletter – For further information, contact corporate secretary (TAP.corsec@tap-agri.com)
PT Triputra Agro Persada Tbk
The East Building, Lantai 23
Jl. DR Idris Anak Agung Gde Agung, Kav E3-2, No.1
Jakarta 12950 - Indonesia



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