

INVESTOR NEWSLETTER



PT TRIPUTRA AGRO PERSADA TBK

TAPG

Volume 4 – October 2021

Triputra Agro Persada Tbk (TAPG) is an oil palm, rubber, and processing industries company, with 24 oil palm plantation estates, 1 rubber plantation, 16 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.

Descriptions	9M 2021	9M 2020	%
Revenue	4,452,740	3,565,036	24.9%
Cost of Goods Sold	(3,407,582)	(2,823,783)	20.7%
Gross Profit	1,045,158	741,253	41.0%
Margin	23.5%	20.8%	
Operating Profit	716,673	491,364	45.9%
Margin	16.1%	13.8%	
Profit Before Tax	848,572	235,969	259.6%
Margin	19.1%	6.6%	
Profit After Tax	736,300	244,329	201.4%
Margin	16.5%	6.9%	
Core Income	768,039	464,961	65.2%
Margin	17.2%	13.0%	

Descriptions	9M 2021	2020	%
Total Assets	12,003,466	12,323,970	-2.6%
Total Liabilities	4,695,904	5,667,688	-17.1%
Total Equity	7,307,562	6,656,282	9.8%

In IDR Mio

Maintaining Growth in pace amid uncertain situations

During the 9M 2021, TAPG booked a net profit Rp 736 Bio, **▲ 201.4%** higher against the same period last year. Driven by higher productivity, delivery and average selling price, efficient production cost, lower in finance cost and foreign exchange

FFB Production in 9M 2021 increased **▲ 13.1%** compared to 9M 2020 production, due to larger area of premium age trees.

CPO Production in 9M 2021 reached 655 thousand tons increased **▲ 12.5%** from 9M 2020 and PK Production reached 132 thousand tons increased **▲ 9.3%** due to increase in FFB processed from internal nor external.

Revenue **▲ 24.9%** due to higher in productivity, delivery, and average selling price. TAPG benefiting higher CPO price despite the negative offset from hedge.

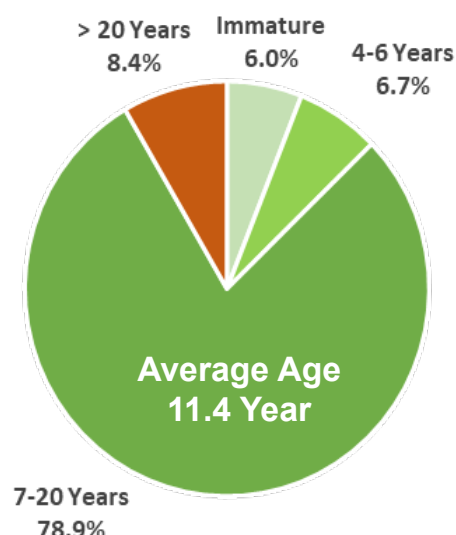
Cost of Goods Sold **▲ 20.7%** due to increase in FFB 3rd Parties purchased. While FFB production cost more efficient than last year.

Continuous growth driven by increased in FFB yield and selling price, efficient production cost, lower in finance cost

Core Income calculate from Profit After Tax excluding forex loss and tax implication for currency translation.

Age Profile September 2021

Including associate company



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	3Q 2021	3Q 2020	YoY%	9M 2021	9M 2020	YoY%
Plantation Performance						
FFB Production (Tons)						
FFB Nucleus	609,876	601,424	1.4%	2,057,445	1,819,686	13.1%
FFB Plasma	75,473	61,619	22.5%	232,531	186,765	24.5%
Mill Performance						
FFB Processed (Tons)	857,828	817,763	4.9%	2,845,940	2,506,883	13.5%
CPO Production (Tons)	196,103	184,578	6.2%	654,740	582,247	12.5%
PK Production (Tons)	41,329	37,868	9.1%	132,418	121,114	9.3%
OER (%)	22.9%	22.6%	1.3%	23.0%	23.2%	-0.9%
KER (%)	4.8%	4.6%	4.0%	4.7%	4.8%	-3.7%

Including associate company

	Average Age (Yrs)	Planted Area (000 Ha)	
		Mature	Total
Nucleus	11.3	130	137
Plasma	12.1	19	22
Total	11.4	149	159

As of September 2021, total planted area including nucleus and plasma reached 159 thousand hectares and mature 149 thousand hectares.

This including planted area for associate company 58 thousand hectares.

Rubber Segment

Rubber segment income in 9M 2021 increased ▲131.1% compared to last year. Supported by increased in sales volume drive by additional new harvest area and improved in selling price.

	3Q 2021	3Q 2020	YoY%	9M 2021	9M 2020	YoY%
Rubber Sales (Tons)						
Slab	151	142	6.7%	314	311	0.9%
RSS	98	55	79.4%	376	127	195.7%

2021 still a challenging year for all industry due to continuous COVID 19 pandemics. 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 fulfil the target. The Covid-19 pandemic is not over yet, we must keep the same pace to make sure we can sustainable and Staying Nimble in uncertain time.



Land Tenure Survey: Respecting Community Rights around Company's Concession

Land Tenure Survey: Respecting Community Rights around Company's Concession

TAPG operations both plantations and palm oil mills are surrounded by villages and communities, and thus living in harmony and growing together is crucial. Respecting the rights and aspirations of the communities surrounding the concession where TAPG does business is fundamental in our sustainability principles.

Land Tenure Study (LTS) is one of the efforts to identify land use in the community, this is important in developing the company's business, by which the negative impact of company operations can be minimized or protect having high ecological and cultural value for the community. Through this study, it is expected that the area used by the company is in accordance with its designation in accordance with the land use that has been prepared by the village, so that the collaboration with the company has a positive impact on both parties.

In the second quarter of 2021, simultaneous LTS reviews and revisits have been carried out within the TAP group as part of the company's commitment to implementing Free Prior Informed Consent (FPIC), and at the same time becoming the basis for an integrated HCV HCS Study that also carried out throughout the TAP Group.

In accordance to the Sustainability policy, the company upholds the rights of indigenous and local communities around the company's operational locations. The company prioritizes prudentiality in business development and ensures that the location for the development and partnership area is in accordance with village planning. The LTS activity, which is still ongoing and is expected to be completed by the end of October 2021, involves stakeholders from various parties such as the village government/ village head, traditional figures, religious leaders, community leaders, women and youth.

The result of this work will provide a clear picture of land use in the village. So that all forms of land use in the village area are in accordance with the designation plan. On the other hand, the results of this study will make it easier for the village to plan village development more comprehensively. TAPG is consistent with efforts to grow prosperously with the surrounding community



Land Tenure Study Activities in Long Lees Village, Busang district. East Kutai Province, East Kalimantan



TECHNOLOGY: TAPG MOBILE HARVESTING MANAGEMENT SYSTEM

In the palm oil plantation business, harvesting is one of key processes that will have direct impact to business performance, especially to ensure optimum output and good quality of Fresh Fruit Bunch (FFB).

The biggest challenges that involve thousands of harvesters in thousands of hectares every day are to make sure the availability of harvesters who have standard competencies, measuring harvester's productivity, ensuring the quality of the harvested FFB, the process of evacuating FFB to delivery to the factory in less than 24 hours, it requires instant feedback from what is happening in the field from Asisten Lapangan/ Field Assistants, Kepala Kebun/Head of Estates, Estate Manager, GM Area to CEO Region.

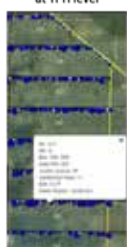


TAPG has built Mobile Harvesting Management System (MHMS) that helps the harvest process run at its best, for example in restan/ left-over FFB handling, it must be completed no later than the next day, is not an easy task. Without the help of technology, it is difficult to know which left over is in which location in what quantity, especially if there is a delay in reporting.

Restan/TPH can be monitored through the system



Production monitoring at TPH level



Control the accuracy of Krani Afdeling input through Asisten Afdeling validation



TAPG MHMS was built to help all users using the best technology today, covering harvesting planning, transaction input, validation, seamless integration to Enterprise Resource Planning (ERP) and control system.

In the planning process, all data needed for planning, available from integrated system, like master of gang, employee name, block code, vehicle running account or other information from previous process like harvest rotation, restan, etc. Planner simply drags and drops from the mobile device using all data above to create perfect planning in smooth-flow user interface every day.

At the data recording process by using TAPG MHMS, we have eliminated seven paper reconciliation process starts from Tempat Pengumpulan Hasil/ Place of Collection (TPH) data record until posted into production report. From this process improvement alone already give benefit of reducing human errors, speed up harvesting administration process while also greatly improve data integrity and data validity. Administration works reduce by 70%.

We also utilizing data geo-tagging, QR Code and pictures from camera to further enhance our harvesting fraud prevention system, providing management and audits more comprehensive detail data for every data record in TAPG MHMS.

TAPG performs two-pronged approach validation on the accuracy of transaction, first the enforced validation process by Asisten Lapangan, Kepala Kebun and Estate Manager. This auto validation process will cover 5% samples for every Krani Buah/FFB clerk every day ensuring control from their direct superior. On top of that we put AI machine learning auto validation covering 100% of the data to provide us instant alert for any data anomalies.

Combining beautiful harmony between human control and machine control that tightly embedded into TAPG MHMS has given us an undisputed single data source that converted further into near real-time information and distributed to key users at all management level through our highly customized Geographical Information System.

Since the implementation of TAPG system, it has recorded thousands of pictures per day, thousands of data points, which is prepared for the next stage of TAPG technology that utilizing AI and Machine Learning for data analytics.

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