

INVESTOR NEWSLETTER



PT TRIPUTRA AGRO PERSADA TBK

TAPG

Volume 2 – May 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	1Q 2021	1Q 2020	%
Revenue	1,351,171	1,360,032	-0.7%
Cost of Goods Sold	(1,058,269)	(1,014,882)	4.3%
Gross Profit	292,902	345,150	-15.1%
Margin	21.7%	25.4%	
Operating Profit	187,676	243,643	-23.0%
Margin	13.9%	17.9%	
Profit Before Tax	146,577	(468,231)	n/a
Margin	10.8%	-34.4%	
Profit After Tax	144,023	(347,143)	n/a
Margin	10.7%	-25.5%	
Core Income	233,932	204,917	14.2%
Margin	17.3%	15.1%	

Revenue ▼ **0.7%** impact from delivery CPO and PK slightly down due to build up in stock level. Sales contract for subsidiary consist of ± 2/3 floating market and ± 1/3 Forward.

Cost of Goods Sold ▲ **4.3%** due to increase in FFB 3rd Parties purchased. While production cost more efficient than last year.

Profit Before Tax increased supported by increased in production, efficient production cost, lower in finance cost and foreign exchange.

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

Descriptions	1Q 2021	2020	%
Total Assets	11,924,087	12,323,970	-3.2%
Total Liabilities	5,123,782	5,667,688	-9.6%
Total Equity	6,800,305	6,656,282	2.2%

Larger Area of Premium Age Trees

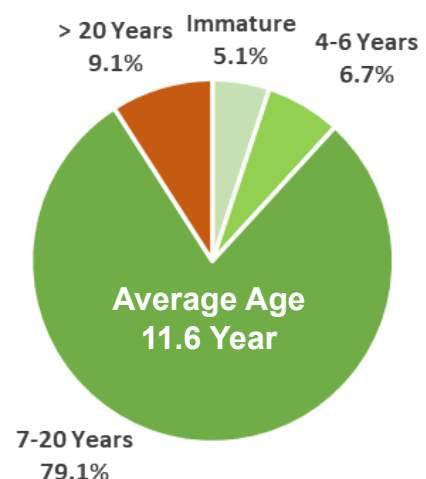
TAPG palm oil segment profit rose significantly compared to 1Q 2020 drive by higher productivity, efficient production cost, lower in Finance cost and foreign exchange.

FFB Production in 1Q 2021 increased ▲ **16.5%** compared to Q1 2020 production, due to larger area of premium age trees.

CPO Production in 1Q 2021 reached 223 thousand tons increased ▲ **10.7%** from Q1 2020 and PK Production reached 44 thousand tons increased ▲ **4.2%** due to FFB Production and FFB purchase increased.

Age Profile March 2021

Including Associate and Plasma



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	Q1 2021	Q1 2020	YoY%
Plantation Performance			
FFB Production (Tons)			
FFB Nucleus	712,643	611,494	16.5%
FFB Plasma	75,090	63,427	18.4%
Mill Performance			
FFB Processed (Tons)	971,122	852,724	13.9%
CPO Production (Tons)	223,474	201,787	10.7%
PK Production (Tons)	44,099	42,323	4.2%
OER (%)	23.0%	23.7%	-2.8%
KER (%)	4.5%	5.0%	-8.5%

Including associate company

Hike in productivity with more mature age profile, larger area of prime matured.

Slightly down in Oil Extraction Rate (OER) ▼ 2.8% and Kernel Extraction Rate (KER) ▼ 8.5% as high rain fall cause challenge in FFB evacuation especially in East Kalimantan area. Also higher in FFB 3rd Party purchased.

FFB Processed growth inline with increased in FFB internal dan third party purchased.

	Average Age (Yrs)	Planted Area (000 Ha)	
		Mature	Total
Nucleus	11.5	131	137
Plasma	12.3	19	22
Total	11.6	151	159

As of March 2021, total planted area including nucleus and plasma reached 159 thousand hectares and mature 151 thousand hectares.

This including planted area for associate company 58 thousand hectares.

Rubber Segment

Rubber segment income in Q1 2021 increased ▲ 148.8% compared to last year. Supported by increased in sales volume drive by additional new harvest area and improved in selling price.

	Q1 2021	Q1 2020	YoY%
Rubber Sales (Tons)			
Slab	86	57	52.5%
RSS	161	72	122.8%

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. Pandemic 2019 is not over yet, we must keep the same pace to make sure we can sustainable and Staying Nimble in uncertain time.



Land Fire Free Village Award

Delapan "Desa Peduli Api" di Batanghari dan Muarojambi terima penghargaan dari perusahaan perkebunan

© Kamis, 4 Maret 2021 16:42 WIB



Quoted from Antaranews.com, PT Brahma Binabakti (BBB), an oil palm plantation subsidiary of Triputra Agro Persada (TAPG) group, presented the Land Fire Free Village (Reward DBKL) award to eight villages in Muaro Jambi and Batanghari Districts, Jambi Province, for their efforts in achieving Zero Fire along the year of 2020. This reward is part of the Desa Makmur Peduli Api (DMPA) program which aims to empower the village economy to grow prosperously as well as to prevent Forest and Land Fires (Karhutla).

The government appreciated the initiative of the company to build and engage with communities in economic-based activities for preventing and overcoming Karhutla. Muaro Jambi Police Chief AKBP Ardiyanto explained that all companies in the Muaro Jambi Regency area must have facilities and infrastructure for Karhutla prevention and specially appointed personnel to deal with Karhutla. "Thank you to the company (PT BBB) which has given awards to 4 villages around the company in Muaro Jambi Regency which during 2020 have succeeded in protecting their land from fire," Ardiyanto said.

Meanwhile, Muaro Jambi Regional Secretary Ir. Azrin encouraged that the award program as an effort to prevent Karhutla should be used as an example by other companies in Muaro Jambi Regency. Other companies are also expected to work together and provide

education to local communities about the dangers of clearing land by burning. "PT BBB has done very good thing, meaning that the company has invited the local community to prevent Karhutla around the company," said Azrin.

In 2021, the Company (TAPG) will continue its programs regarding the prevention and control of Karhutla based on economic aspects and changes in community behavior. The DMPA program to build and develop the economic potential of villages in an inclusive manner is a long-term program to increase economic standards while changing the habits of local communities to clear land by burning.

The Company also provides full support and actively collaborates with the Fire Concerned Farmer Group (KTPA) through organizing socialization, training programs and providing infrastructure for prevention and response to potential hazards of forest and land fires. Incentive programs in the form of DBKL rewards are given by companies to villages that have succeeded in preventing Karhutla within a period of one year. This program is expected to motivate the community to give their best efforts in preventing Karhutla. For 2020, 28 villages have won this award, which are spread across 3 provinces (Jambi, Central Kalimantan and East Kalimantan). This award will also support DMPA activities which will later become BUMDES capital participation for the development of village economic activities.

Source <https://jambi.antaranews.com/berita/434448/delapan-des-peduli-api-di-batanghari-dan-muarojambi-terima-penghargaan-dari-perusahaan-perkebunan>



TECHNOLOGY:

Embracing TECHNOLOGY TRANSFORMATION - TAPG DIGITAL VILLAGE in REMOTE AREA



TAPG Staff video calling her mother from one of TAPG Estate Site: YWA, 3 hours from Berau (East Kalimantan).

These days, the era of you have to travel hours from estates just to make a phone call and connect to family or your beloved one already become history. Our young millennial talents can conveniently make video calls from our residence areas, accessing their favorite YouTube channel, following their Instagram idols, exists in social media, almost as convenient as their friends living in big cities. Technology has become their way of life.

And for TAPG, it also means that they are now ready to start the technology transformation journey that we already set the path for years to come. IT Infrastructure: ready! Our People: ready!

Early IT Deployment sequences in TAPG is quite straight forward: Reliable and efficient ERP, Paperless Workflow with approved anywhere features to accommodate high mobility organization, automatic escalation flow to reduce process bottle necks, digital automation to reduce clerical works and eliminate human errors. All of these when combined with uniquely designed PUSHED REPORTS (Library of key performance dashboards, being pushed directly to registered user and devices during resting hours 2am-4am) has creating a fact-based culture in TAPG Site Operations. Yesterday's yield performance, left over fruits, cost achievements, productivity can be instantly accessed once they put their hand on their device. The information is used later during Morning Daily Briefing where they coordinate and finalize plan for their daily activities. Remembering that Management at Head Office also have the same level of transparencies as to Field Assistant Managers also give impact on accelerating the PICA cycles at the ground. High performance individuals also automatically being recognized and rewarded from this transparent system, motivating everyone to do only their best. These digital-transparent-continuous improvement culture in TAPG is one of the key ingredients in the realization journey of our vision "Excellent Plantation for the World" – and the journey is started.

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