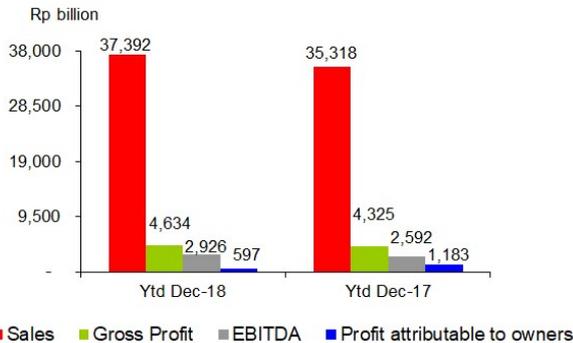


## Performance Summary



In 2018, SMART's revenue increased to Rp 37.39 trillion due to higher sales volume mostly from biodiesel, which was partly offset by a decline in average CPO selling prices year-on-year. SMART also registered an increase in EBITDA by 13% to Rp 2.93 trillion. However, the bottom line was impacted by a significant foreign exchange loss, which is mostly unrealised coming from the translation of USD denominated bank loans as IDR depreciated against USD during the year. This resulted in net profit attributable to owners of parent company of Rp 597 billion.

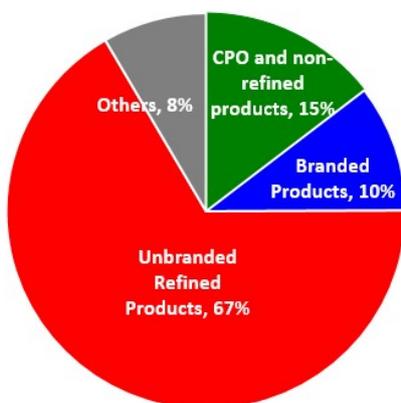
As of 31 December 2018, the Company's palm plantation area stood at approximately 137,900 hectares, comprising 133,800 hectares of mature estates and 4,100 hectares of immature estates. Nucleus and plasma estates amounted to 106,600 and 31,300 hectares, respectively.

## Plantation Statistics

Description	Ytd Dec-18	Ytd Dec-17	Growth
FFB produced - tonnes	2,860,678	2,696,864	6.1%
CPO produced - tonnes	664,605	625,911	6.2%
PK produced - tonnes	169,236	156,106	8.4%
Oil extraction rate - %	21.67	21.84	-0.17%
Kernel extraction rate - %	5.52	5.45	0.07%

Fruit production in 2018 saw an increase of 6% to 2.86 million tonnes as output surged supported by favourable weather conditions. CPO and PK production also grew to 664,605 tonnes and 169,236 tonnes, respectively. Oil extraction rate and kernel extraction rate were at 21.67% and 5.52%, respectively.

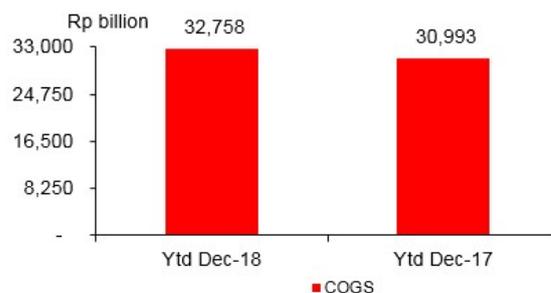
## Net Sales



Total net sales increased by 6% to Rp 37.39 trillion contributed from higher sales volume mostly from biodiesel, partly offset by lower selling prices. In line with our strategy to pursue higher value added products, combined sales of refined branded and unbranded products (including oleo-chemicals) represented 85% of total sales, while CPO and non-refined products represented the remaining 15%.

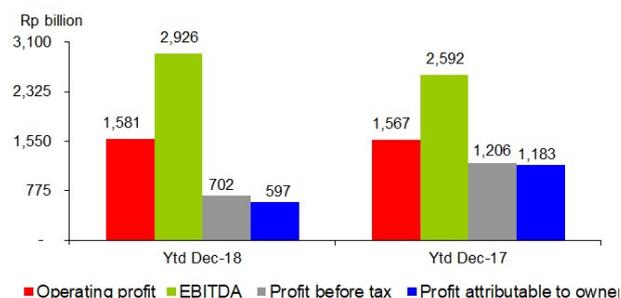
## Cost of goods sold

Cost of goods sold for the year 2018 increased by 6% to Rp 32.76 trillion from Rp 30.99 trillion, in line with the higher sales volume.



## Operating profit

Operating profit for the current year increased slightly to Rp 1.58 trillion due to higher gross profit, partly offset by higher operating expenses. The increase in operating expenses was mostly attributable to higher selling expenses in line with larger sales volume as well as increases in salaries, wages and employees' benefits.



## EBITDA

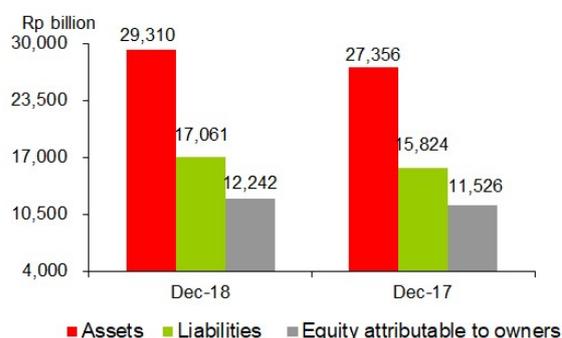
During the year, the Company recorded higher EBITDA of Rp 2.93 trillion compared to Rp 2.59 trillion in the previous year.

## Profit attributable to owners of parent company

SMART recorded lower net profit of Rp 597 billion in 2018, compared to Rp 1.18 trillion recorded in the previous year. The decrease was mainly caused by the unrealised loss on foreign exchange, as the Rupiah depreciated against US Dollar to Rp 14,481 as at end 2018 from Rp 13,548 as at end 2017. The profit per share for the year 2018 was Rp 208.

## Assets

As of 31 December 2018, the Company's total assets increased by 7% to Rp 29.31 trillion from Rp 27.36 trillion at the end of 2017. This was mainly attributable to higher inventories, fixed assets and other assets.



## *Liabilities*

Total liabilities as of 31 December 2018 stood at Rp 17.06 trillion, 8% higher than at the end of 2017. The increase was mostly attributable to a higher bank loans balance as Rupiah depreciated against US Dollar. As of 31 December 2018, bank loans and bonds payable totaled Rp 13.60 trillion, while adjusted net gearing remained healthy at 0.43x.

## *Equity attributable to owners of parent company*

Total equity attributable to owners of parent company increased to Rp 12.24 trillion as of 31 December 2018, from Rp 11.53 trillion as of 31 December 2017. The Company's retained earnings increased to Rp 9.60 trillion compared to Rp 8.93 trillion as at end of 2017 resulting from the current year's profit and partly offset by the distribution of dividend for 2017 profit.