

Smartnews - March 2021

- EBITDA for the first three months 2021 more than doubled year-on-year to Rp 1.08 trillion, as CPO market prices continued to rise
- First quarter 2021 palm product output improved significantly by 12% supported by favourable weather conditions

PLANTATION STATISTICS

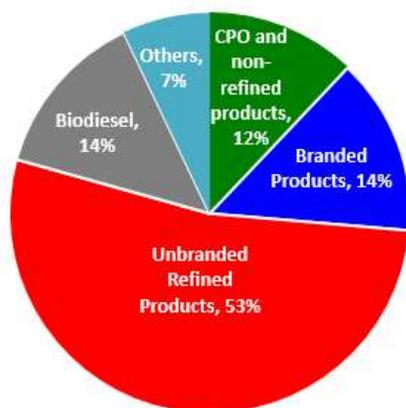
As of 31 March 2021, the Company's palm plantation area stood at approximately 137,600 hectares, comprising 130,100 hectares of mature estates and 7,500 hectares of immature estates. Nucleus and plasma estates amounted to 106,300 and 31,300 hectares, respectively.

Descriptions	1Q 2021	1Q 2020	Change
FFB produced - MT	670,070	595,807	12.5%
CPO produced - MT	151,950	135,744	11.9%
PK produced - MT	40,227	35,967	11.8%
Oil extraction rate - %	21.17	21.39	-0.22%
Kernel extraction rate - %	5.60	5.67	-0.07%

During first quarter 2021, SMART's fruit production increased by 12.5% to 670 thousand tonnes as production recovered after declining last year. CPO and PK production expanded to 151,950 and 40,227 tonnes, respectively. Oil and kernel extraction rates stood at 21.17% and 5.60%, respectively.

FINANCIAL PERFORMANCE

In billion Rupiah	1Q 2021	1Q 2020	Change
Net sales	11,100	9,619	15.4%
Cost of goods sold	9,001	8,624	4.4%
Gross profit	2,099	995	111.0%
Income from operations	574	127	351.4%
EBITDA	1,083	502	115.7%
Net profit/(loss) attributable to owners of the parent company	250	(1,411)	n.m



Total net sales increased by 15% to Rp 11.10 trillion resulting from higher average selling prices, partly offset by lower sales volume. The lower volume was due to timing of delivery resulting to higher inventory at the end of the quarter. In line with our strategy to pursue higher value added products, refined products contributed the majority of revenue. Combined sales of refined branded and unbranded products (including biodiesel and oleo-chemicals) represented 88% of total sales, while CPO and other non-refined products represented the remaining 12%.

Cost of goods sold for the three-month period ended 31 March 2021 increased by 4% to Rp 9.01 trillion from Rp 8.62 trillion in the previous year's period, in line with the higher raw materials costs.

During the current period, income from operations increased more than fourfold to Rp 574 billion resulting from higher gross profit, partly offset by higher selling expenses. The increase in selling expenses was mostly attributable to the higher export tax and levy charges under the new scheme effective since 10 December 2020.

During the current period, the Company recorded significantly higher EBITDA of Rp 1.08 trillion, more than double compared to Rp 502 billion in the same period last year, in line with the increase in income from operations.

As a result, SMART recorded net profit attributable to owners of the parent company of Rp 250 billion during the first quarter 2021, a turnaround from last year's loss of Rp 1.41 trillion. The net profit translated into earnings per share of Rp 87.

FINANCIAL POSITION

In billion Rupiah	31-Mar-21	31-Dec-20	Change
Assets	36,283	35,026	3.6%
Liabilities	23,474	22,502	4.3%
Equity attributable to owners of the parent company	12,801	12,516	2.3%

As of 31 March 2021, the Company's total assets increased by 4% to Rp 36.28 trillion from Rp 35.03 trillion at the end of 2020. This was mainly attributable to higher inventories and short-term investments which was partly offset by lower trade receivables.

Total liabilities as per end March 2021 stood at Rp 23.47 trillion, an increase by 4% compared to at the end of 2020. The increase was mostly due to the issuance of bonds on the Indonesia Stock Exchange in February 2021 and higher bank loans balance attributable to depreciation of Indonesian Rupiah to US Dollar as most of the bank loans are denominated in US Dollar. As of 31 March 2021, bank loans (including bonds payable) totaled Rp 18.92 trillion, with healthy lower net gearing¹ of 0.33x.

Total equity attributable to owners of parent company increased to Rp 12.80 trillion as of 31 March 2021, from Rp 12.52 trillion at the end of 2020. The Company's retained earnings expanded to Rp 10.15 trillion compared to Rp 9.90 trillion as at end of 2020 resulting from the current period's income.

For further information, please contact:

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¹ Total borrowings less cash and cash equivalents less liquid working capital divided by total equity