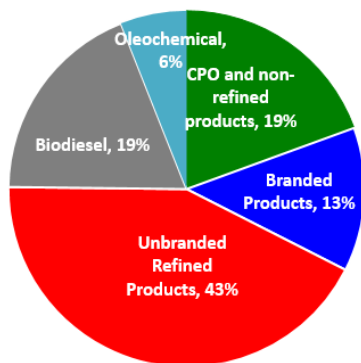


Smartnews - December 2023

- SMART presented a solid performance for full year 2023 marking a normalisation of CPO prices following a record-high in 2022
- Continued focus on optimising value extraction along the operational chain has led to a healthy consolidated EBITDA margin of 5.7%

FINANCIAL PERFORMANCE

In billion Rupiah	FY 2023	FY 2022	Change
Net sales	66,531	75,046	-11%
Cost of goods sold	59,770	61,734	-3%
Gross profit	6,761	13,312	-49%
Income from operations	1,483	6,601	-78%
EBITDA	3,799	9,531	-60%
Net profit attributable to owners of the parent company	918	5,501	-83%



Average CPO market prices (FOB Belawan) during the current year normalised to US\$ 901 per MT, declining by 28% compared to a high base of US\$1,248 per MT in the previous year. Despite much lower selling prices, net sales for the current year decreased by only 11% to Rp 66.53 trillion, partly compensated by expanded sales volume.

Most of our revenue came from palm-based derivative products, i.e. refined branded and unbranded products (including biodiesel and oleochemicals), which accounted for 81% of total sales. CPO and other non-refined product sales represented the remaining 19%.

Cost of goods sold decreased by 3% to Rp 59.77 trillion from Rp 61.73 trillion in the previous year primarily contributed from lower purchase cost of raw materials in line with the decline in CPO market prices, which partly offset by increase in factory overhead costs.

Income from operations was lower by 78% year-on-year to Rp 1.48 trillion due to the decrease in gross profit, partially offset by the decrease in operating expenses. The reduction in operating expenses was primarily attributable to lower export tax and levy charged.

Corresponding to the decrease in income from operations, the Company booked a lower EBITDA of Rp 3.80 trillion. Net profit attributable to owners of the parent company stood at Rp 918 billion, which translated into earnings per share of Rp 320.

FINANCIAL POSITION

In billion Rupiah	31-Dec-23	31-Dec-22	Change
Assets	39,716	42,601	-7%
Liabilities	20,644	23,353	-12%
Equity attributable to owners of the parent company	19,059	19,235	-1%
Debt to Equity ratio (times)	0.84x	0.95x	

As of 31 December 2023, the Company's total assets decreased by 7% to Rp 39.72 trillion from Rp 42.60 trillion at the end of 2022, mainly attributable to lower trade accounts receivable as well as cash and cash equivalents.

Total liabilities as per end of December 2023 stood at Rp 20.64 trillion, 12% lower compared to that at the end of 2022. The decrease primarily came from the settlement of some bank loans and bonds payable. As of 31 December 2023, bank loans (including bonds payable) totaled Rp 16.01 trillion with lower gearing of 0.84x.

Total equity attributable to owners of parent company decreased to Rp 19.06 trillion as of 31 December 2023, from Rp 19.23 trillion at the end of 2022. The Company's retained earnings was lower at Rp 16.31 trillion compared to Rp 16.46 trillion as at end 2022 primarily due to final dividend distribution for 2022's net profit, which was partly offset by addition from the current period's income.

PLANTATION STATISTICS

As of 31 December 2023, the Company's palm plantation area stood at approximately 134,200 hectares, comprising 126,400 hectares of mature estates and 7,800 hectares of immature estates. Nucleus and plasma estates amounted to 102,900 and 31,300 hectares, respectively.

Description	FY 2023	FY 2022	Change
FFB produced - MT	2,410,011	2,480,463	-3%
CPO produced - MT	567,015	571,771	-1%
PK produced - MT	155,404	157,257	-1%
Oil extraction rate - %	20.8	20.8	-
Kernel extraction rate - %	5.7	5.7	-

During 2023, SMART's fruit production decreased by 3% to 2.41 million tonnes, impacted by high rainfall in Kalimantan in the early part of the year and old estates being prepared for replanting. As a result, CPO and PK production declined to 567 thousand and 155 thousand tonnes, respectively, whilst oil and kernel extraction rates remained at 20.8% and 5.7%, respectively.

For further information, please contact:

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