



CSRA DELIVERED THE FIRST HALF WITH A LEAP RESULT: An Exceptional Performance generated over than 34% in revenue while continuing to make net earnings soar more than 2-fold.

JAKARTA, August 8, 2022 – PT Cisadane Sawit Raya Tbk (Bloomberg Stock Code: CSRA IJ) today announced unaudited Financial Statements for the period of six months ended June 30, 2022 (hereinafter referred to as 1H22) with noteworthy results.

Key Highlights:

❖ **Top-Line Leaps Amid Declining CPO Average Selling Prices**

1H22 net sales increased by 34.1% to Rp521.54 billion, from Rp388.88 billion in 1H21. Besides the ability of maintaining optimal productivity performance in all operational lines, this was driven by the FFB production being more than offset by higher internal production and coupled with lower FFB purchase from the farmer.

❖ **Financial Expenses and Other Expenses Remains Under Control**

1H22 Gross Profit recorded an increase of 74.6% to Rp349.12 billion from Rp199.96 billion in 1H21. Gross Margin strengthened to 66.9% in 1H22 from 51.4%. Consistently maintained efficiency made 1H22 Operating Profit also increased 80.7% to Rp258.3 billion, with an increase in operating margin to 49.5% from 36.7% on the same period last year.

❖ **Profitability is very prominent on all sides**

The Company's 1H22 net profit increased 113.3% to Rp178.01 billion or 2-fold from Rp83.45 billion in 1H21 resulting in an expansion of net margin to a level of 34.1%.

❖ **Financial Position Remains Solid with Balanced Proportion**

As of June 30, 2022, CSRA's asset position was at Rp1.78 trillion, higher than the position on December 31, 2021 at Rp1.75 trillion. Meanwhile, the company's total liabilities in 1H22 were decreased to Rp845.79 billion compared to Rp971.95 billion at the end of 2021.

❖ **Financial Ratios Shows Stronger Performance Indicators**

Compared to the position at the end of 2021, the 1H22 Current Ratio is in a much healthier position at the level of 2.94x with a safer interest-bearing debts/equity at the level of 0.72x.

This positive result is a clear evidence of the Company's commitment in pursuing business growth that is in line with sustainable development.

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Consolidated Income Statement Summary

In IDR Billion	1H22	1H21	Change (%)
Sales Revenue	521.54	388.88	34.1%
Gross Profit	349.12	199.96	74.6%
<i>Gross Margin (%)</i>	<i>66.9%</i>	<i>51.4%</i>	
Operating Profit	258.23	142.91	80.7%
<i>Operating Margin (%)</i>	<i>49.5%</i>	<i>36.7%</i>	
EBITDA	291,46	184,45	58.0%
<i>EBITDA Margin (%)</i>	<i>55.9%</i>	<i>47.4%</i>	
Net Income	178.01	83.45	113.3%
<i>Net Income Margin (%)</i>	<i>34.1%</i>	<i>21.5%</i>	

1H22 Top-line grew sharply: Securing profitability amid macro uncertainties

The progressive top-line during the second quarter, may disturbed in the first half of 2022 due to CPO price declining on May and June. 1H22 sales revenue increased by 34.1% to Rp521.54 billion from Rp388.88 billion in 1H21. The performance is still can be categorized as the best semi-annual achievement even compared to the same period before the pandemic. This is because a combination of cost control strategy, coupled with the consistency of internal achievements in terms of the ability of maintaining optimal productivity performance in all operational lines. In addition to that, consistent production line productivity also contributes to a strong top-line with FFB production yields being maintained at around 9.8ton/ha.

Up to June 2022, the total area of the Company's core planted area reached 19,147.9 ha. Of the planted plantation area, 16,439.7 ha is planted with mature plants. In general, the Company's plant profile is in the productive category, due to the young age of the plants. Plants aged 4-7 years occupying an area of 2,632.8 ha and plants aged 8-17 years occupying an area of 9,762.0 ha. The company sees a positive long-term production growth trend.

Table 1. Production Highlights

	1H22	1H21
Planted Area	19,148	18,605
FFB Nucleus (in MT)	159,391	152,150
<i>Yield TBS (ton/ha)</i>	<i>9.8</i>	<i>9.7</i>

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CPO Production (in MT)	16,379	19,091
<i>OER</i>	<i>20.5%</i>	<i>19.9%</i>
Kernel Production (in MT)	4,098	4,501
<i>KER</i>	<i>5.1%</i>	<i>4.7%</i>

In terms of profitability, the Company's entire Profit Margin also managed to strengthen, a strong signal that the combination of efficiency and productivity is optimally maintained. The Company's 1H22 gross margin rose 74.6% to Rp349.12 billion from Rp199.96 billion in 1H21 with 1H22 gross profit margin standing at 66.9% from 51.4% in 1H21. All operating expenses items, such operations & maintenance expenses, and other operating expenses during 1H22 were maintained efficiently so that the Company's Operating Profit increased sharply to Rp258.23 billion from Rp142.91 billion in 1H21. At the bottom-line level, financial interest expense and other non-operating net expenses were well maintained. This resulted in the Company's 1H22 net profit closing positively at Rp178.01 billion, an increase of more than double or 113.3% from Rp83.45 billion in 1H21.

Overall, this improvement in operational performance proves that the Company's long-term oriented business strategy which referring to sustainable growth, has a positive impact on a healthy productivity climate in the Company amidst all the current rapid changes.

Table 2. Highlights of Consolidated Statement of Income
In IDR billion

	1H22	1H21	%
Sales Revenue	521.54	388.88	34.1%
Cost of Goods Sold	-172.43	-188.93	-8.7%
Gross Profit	349.12	199.96	74.6%
<i>Gross Profit Margin</i>	<i>66.9%</i>	<i>51.4%</i>	
Operating Expense	-90.89	-57.05	59.3%
Operating Profit	258.23	142.91	80.7%
<i>Operating Profit Margin</i>	<i>49.5%</i>	<i>36.7%</i>	
Gain Arising from Changes in Fair Value of Biological Assets	-3.58	6.36	-159.3%
Gain (Loss) on Foreign Exchanges – Net	0.04	0.03	100.0%
Tax Penalties and Expenses	-0.01	-0.05	71.7%
Others – Net	-0.16	-0.40	60.0%
EBIT	256.22	136.10	88.3%

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	1H22	1H21	%
EBIT Margin	49.1%	35.0%	
Finance Income	1.71	0.31	451.6%
Finance Costs	-25.06	-45.49	-44.9%
Income Before Tax	231.14	103.67	122.9%
Income Tax	-53.13	-20.22	-44.9%
Income for the period	178.01	83.45	113.3%
Net Income Margin	34.1%	21.5%	
Non-Controlling Interest	0.00	0.00	0.0%
Income for The Year Attributable To Owners of the Parent Entity	178.01	83.45	113.3%
EBITDA	291.46	184.45	58.0%
	55.9%	47.4%	

Strong Focus the Principle of Prudence and Good Risk Management Amid Continued Price Uncertainties.

The balance sheet position on the first half 2022 recorded pretty healthy. Total assets as of June 30, 2022 were IDR1.78 trillion, an increase of 1.8% from the end of FY21 position of IDR1.75 trillion. The large increase occurred in inventory that increased by 82.5% from the position at the end of 2021, in line with the trend of increasing sales which needs to be anticipated. Of the total assets recorded at the end of 1H22, the non-current assets recorded at Rp1.25 trillion, an increase of 6.1% compared to the position at the end of 2021. In view of non-current assets in 1H22, it increased slightly compared to FY21 in line with the increase in the proportion of productive plants that produce. While the current assets recorded at Rp529.31 billion or 7.0% decreased compare to the end of 2021 mostly from cash and cash equivalent account due to time deposit guaranty for the bank credit facility.

Total 1H22 liabilities closed at Rp845.80 billion, a decrease of 12.9% compared to the end of 2021 due to a decrease in short-term interest debt. As of the end of 1H22, long-term banking debt was recorded at Rp542.96 billion, a decrease of 7.3% compared to the position at the end of 2021 after deducted by net of current maturities. On the other hand, short-term liabilities actually decreased by 31.7% after the payment of long-term bank loans that had matured.

The equity position is at the level of Rp939.21 billion as of June 30, 2022, an increase of 20.2% compared to the position at the end of 2021 due to a sharp increase in retained earnings on net profit for the period. With a good liquidity base, the Company believes that long-term business expansion can be fulfilled. The

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economy continues to do quite well despite headwinds related to the recession issue, inflation and supply chain bottlenecks.

Table 3. Consolidated Statement of Financial Position
In IDR Billion

	1H22	FY21
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	275.29	365.50
Trade Receivables from Third Parties - Net	13.01	7.75
Other Receivables from Third Parties	3.33	4.22
Inventories - net	45.49	24.92
Biological Assets	113.05	116.64
Prepaid Taxes	7.49	8.24
Advanced and Prepaid Expenses	71.63	41.95
TOTAL CURRENT ASSETS	529.31	569.22
NON-CURRENT ASSETS		
Due from Related Parties	31.74	2.85
Plasma Receivables	38.91	35.23
Investment Properties	0.68	0.68
Bearer Plants:		
- Mature Plantation - Net of Accumulated Depreciation	554.08	545.19
- Immature Plantations	114.33	151.36
- Nurseries	10.17	8.97
Fixed Assets - Net of Accumulated Depreciation	459.08	422.83
Tax Amnesty Assets - Net of Accumulated		
Deferred tax asset	0.44	0.52
Other Assets	-	-
Cultivation Rights (HGU)	-	-
Goodwill	14.67	14.67
TOTAL NON-CURRENT ASSETS	1,255.72	1,183.91
TOTAL ASSETS	1,785.02	1,753.24
LIABILITIES		
Bank Loan	-	100.00
Trade payables	25.42	22.33
Other Payables	16.79	10.26
Taxes Payables	40.94	41.37
Accrued Expenses	11.15	10.21

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	1H22	FY21
Advances from customers	0.83	0.01
Long-term Liabilities - Current Maturities:		
- Bank Loans	80.75	76.67
- Consumer Financing Loans	3.85	2.32
TOTAL CURRENT LIABILITIES	179.78	263.34
Due to Related Party	33.23	33.23
Long-term Employee Benefits Liability	49.28	51.09
Deferred Tax Liabilities	37.26	36.83
Long-term Liabilities - Net of Current Maturities:	-	
- Bank Loans	542.96	585.88
- Consumer Financing Loans	0.31	1.57
TOTAL NON-CURRENT LIABILITIES	666.03	708.60
TOTAL LIABILITIES	845.81	971.94
EQUITY		
Equity attributable to owners of the Parent Entity	939.21	781.27
Non-controlling interests	0.015	0.015
TOTAL EQUITY	939.21	781.28
TOTAL LIABILITY AND EQUITY	1,785.02	1,753.24

Key Financial Ratios

CSRA is squarely focused on improving productivity and cost efficiencies throughout its business. The price fluctuations will continue to overshadow the sentiment of CPO price movements going forward. The Company's 1H22 gross margin of 66.9% which increased significantly from 51.4% in 1H21 due to an increase in sales revenue with a stable margin. At middle line, operating margin expansion also increased sharply to 49.5% compared to 36.7% in 1H21. This is due to efficiency at all operational levels so that operating expenses can be controlled very well. From the bottom line, the Company also managed to increase its net margin to 34,1% in 1H22, from 21.5% in 1H21. This is where the success of good end-to-end strategic management in implementing business strategies as well as well-organized controls has an important role and ultimately makes optimal productivity.

The Company continues to show a solid leverage. 1H22 Current Ratio is in a much healthier position at 2.94x level compared to FY21. The company's assets/equity was 1.90x in 1H22, slightly lower than 2.24x in FY21, indicating more productive assets resulting in accumulated profits in equity side. Another

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favorable aspect, on the interest-bearing debts side, the disbursement of the new facility, made the net gearing ratio safer, at the level of 0.72x. It is a prove that management has maintained a prudent principle.

Table 4. Key Financial Ratios

	1H22	1H21
Profitability ratios		
Gross Margin	66.9%	51.4%
Operating Margin	49.5%	36.7%
EBITDA Margin	55.9%	47.4%
Net Margin	34.1%	21.5%
	1H22	FY21
Leverage		
Current Ratio	2.94 x	0.76 x
Asset/equity	1.90 x	2.44 x
Interest Bearing Debts/Equities	0.72 x	0.89 x
Net Debts/Equities	0.61 x	0.77 x

2022 Outlook

Despite CSRA favorable first semester performance, the CPO price is expected to remain vulnerable with increased volatility due to geopolitical and macro-economic uncertainties. Palm oil prices to decline gradually on June 2022 as output rises higher palm oil output in Indonesia and Malaysia that is likely to be a significant contributor to better vegetable oil supply in 2022. On the other side, the global market flooded with vegetable oil from America and Europe, in the midst of slower in demand due to recession issue. A prolonged Russia-Ukraine war is a key risk that may keep prices volatility risk in 2022-2023.

As commodities, CPO prices are very dependent on supply and demand conditions around the world. The CPO average selling price has shown a bullish trend, which heading to the highest increase from beginning of 2020 until March 2022 the CPO price trend continued to strengthen and recorded highest historically. However as of May and June 2022, the CPO reference price was decreased. It is despite the price of CPO having fallen from its peak recently. A possible pullback is much more likely in the second half of the year with more significant improvement in CPO supply chain distribution. The Company views that the prudent principle and risk management need to be strengthened. Although the current CPO price is still in the economy, the fluctuating conditions need to be paid attention with.

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For the second half, while uncertainties related to the macroeconomic environment and geopolitical issues are likely to persist, the Company will prioritize strengthening its organic growth by accelerate the progress of palm oil mill development in Tapanuli Selatan regency, overhaul palm oil mill – 1 at Labuhan Batu and planting on South Sumatera region landbank in accordance to the planned schedule. The palm oil mill development in Tapanuli Selatan regency has reached more than 50% works progress and commissioning target on first quarter of 2023. While the overhaul palm oil mill – 1 at Labuhan Batu had been accomplished at on July 15, 2022. Hence, its performance is expected to be more efficient and optimum.

In the third quarter, the Company will continue to improve the yield of the plans to secure its internal production rate. The yield improvement process is aimed to exceed the condition by improving the yield and adopting pricing strategies to ensure future sustainability. Furthermore, the Company will also continue its technology concern through mechanization.

“We once again achieved a record level of both revenues and earnings in the first half, exceeding the high end of our guidance, as a result of continued acceleration in the best management practice,” Seman Sendjaja said, Director of Finance & Strategic Development. “Our longstanding strategy remains the same – first and foremost maintaining cost control strategy and lean operations continued to show very strong results, growing year-over-year operating margins by 80.7%”, he added.

CSRA continues to maintain its strategic policies that are focused on maintaining smooth cash flow, cost efficiency in all business lines and monitoring production activities. Another strategic policy is a sustainability policy that is continuously being refined, which in the initial stage is to obtain Indonesia Sustainability Palm Oil (“ISPO”) certification for all of the Company's plantations. The plantations that have obtained ISPO certification are those located in Labuhan Batu district, as well as estates located in South Tapanuli district. The ISPO certification process is currently underway for PT SSG and PT ABI plantations located in South Sumatra, which are targeted to obtain ISPO certification in the mid-2023.

“We believe that the future business prospects are still quite good in line with the improving condition of the palm oil plantation sector which also has bright prospects. Despite a degree of recovery and growth expected with the reopening of economies, we will continue exercising prudent financial management and focus on maintaining smooth cash flow, and given our cautious outlook amid volatile geopolitical conditions” Seman continued.

“Our financial discipline, constant investment in mechanization and ongoing development of our sustainability business are what enabled us to persevere in our steadfast dedication to stakeholders. We will continue to strengthen our operational excellent to maximize value creation whilst intensifying our growth and sustainability agenda” Seman concluded.

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About PT Cisadane Sawit Raya Tbk at Glance:

PT Cisadane Sawit Raya Tbk. and its subsidiary entities are national players that develop palm oil plantations in North Sumatra Province and South Sumatra Province. The Company always prioritizes effectiveness and efficiency in utilizing resources to become reputable and integrated agribusiness companies. The company has a Palm Oil Mill (PKS) in the plantation area which began operating in 2007 with a capacity of 45 tons per hour (tph) after overhaul conducted on July 2022 and currently developing another PKS with the same capacity of 45 tph. The Company has a total area of 29,000 hectares with embedded area around 19,148 hectares. Its FFB production reached 319,071 tons per year. CSRA publicly listed on the Indonesian Stock Exchange (IDX) on 9th January 2020.

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Certain statements in this release are or may be forward-looking statements. These statements typically contain words such as "will", "expects" and "anticipates" and words of similar import. By their nature, forward-looking statements involve a number of risks and uncertainties that could cause actual events or results to differ materially from those described in this release. Factors that could cause actual results to differ include, but are not limited to, economic, social and political conditions in Indonesia; the state of the property industry in Indonesia; prevailing market conditions; increases in regulatory burdens in Indonesia, including environmental regulations and compliance costs; fluctuations in foreign currency exchange rates; interest rate trends, cost of capital and capital availability; the anticipated demand and selling prices for our developments and related capital expenditures and investments; the cost of construction; availability of real estate property; competition from other companies and venues; shifts in customer demands; changes in operation expenses, including employee wages, benefits and training, governmental and public policy changes; our ability to be and remain competitive; our financial condition, business strategy as well as the plans and remediation. Should one or more of these uncertainties or risks, among others, materialize, actual results may vary materially from those estimated, anticipated or projected. Specifically, but without limitation, capital costs could increase, projects could be delayed and anticipated improvements in production, capacity or performance might not be fully realized. Although we believe that the expectations of our management as reflected by such forward-looking statements are reasonable based on information currently available to us, no assurances can be given that such expectations will prove to have been correct. You should not unduly rely on such statements. In any event, these statements speak only as

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PRESS RELEASE

For Immediate Release



of the date hereof, and we undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

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