



## REMARKABLE PERFORMANCE, PROFIT EVEN MORE ROBUST: Consistently Maintained Business Sustainability

**JAKARTA, March 31<sup>st</sup>, 2022** – PT Cisadane Sawit Raya Tbk (Bloomberg Stock Code: CSRA IJ) recorded its 2021 audited financial reports (FY21). At the start of 2021 the financial outlook was subject to high uncertainty relating to the COVID-19 pandemic, which impacted the Company has to impose work from home to its employees at certain circumstances. However, CSRA operations recovered well during 2021 and the financial performance was better than initially anticipated. The Company has booked sales revenues of IDR895.87 billion during FY21, increased 47.5% compared to the same period last year. This significant increase was mainly derived from the positive trend of rising average selling prices (ASP) of palm oil commodity prices as well as upsurge in the volume of production of fresh fruit bunch (FFB) and palm kernel (PK) shows implementation of production strategy and the positive impact of the ongoing cost optimization plans since the beginning of year starting to bear fruit.

The positive performance showed continued improvement in operating and financial results. The FY21 gross profit has strengthened to IDR507.73 billion or grew 90.9% compared to the same period last year of IDR265.93 billion with increased gross profit margin of 56.7%, compared to 43.8% in 2020. The FY21 operating expenses were maintained efficiently to result on almost triple operating profit of IDR388.55 billion, compared to IDR147.72 at FY20. As a result, the operational EBITDA rise more than doubled to IDR478.75 billion. This was driven by improved in disciplined capital allocation, prudent risk management, and further improvements in our efficiency and balance sheet strength, combined with a lean operation activity during the year.

CSRA continues to further leverage its strength in efficiency by manage to record significant rise in net earnings with more than fourfold increase to IDR260.26 billion or 314.1% increase compared to the same period last year of IDR62.85 billion. All those encouraging achievements have demonstrated the Company's efforts to maintain business growth in balance with sustainable development.

### Key Highlights

- Strong revenue growth in FY21 that is mainly driven by higher average selling price of CPO, FFB and PK. In addition, the Company has booked 7% higher internal production to 367.80 thousand tons from 343.89 thousand tons on last year because of its effective operational strategy and cost optimization plan.

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- FY21 Net Earnings closed at IDR260.26 billion or increased more than fourfold over the same period last year of IDR62.85 Billion. This, in turn, has resulted in an expansion in net margin to 29.1% compared to 10.4% last year.
- As of December 31, 2021, CSRA's asset position was at IDR 1.75 trillion, a 25.4% higher than the position of December 31, 2020 at IDR 1.39 trillion. Meanwhile, the company's total liabilities in 12M21 amounted to IDR971.95 billion compared to IDR826.29 billion at the end of 2020.
- Net Debt / Equity at 12M21 stands at 0.77x, lower than 2020 level at 1.37x signifies that CSRA poses a strengthened its capital structure.
- In December CSRA announced an interim distribution from 2021 earnings of IDR51.25 billion cash dividend. This interim distribution is now completed and final shareholder remuneration from 2021 earnings will be announced in the AGMS.

### Summary of Consolidated Statement of Income

In Billion IDR	FY2021	FY2020	Change (%)
Net Sales	895.87	607.25	47.5%
Gross Profit	507.73	265.93	90.9%
Gross Profit Margin (%)	56.7%	43.8%	
Operating Profit	388.55	147.72	163.0%
Operating Profit Margin (%)	43.4%	24.3%	
EBITDA	478.75	225.74	112.1%
EBITDA Margin (%)	53.44%	37.17%	
Net Profit	260.26	62.85	314.1%
Net Profit Margin (%)	29.1%	10.4%	

### Profitability robust with a strong margin, top line grew significantly

CSRA shows strong top-line growth throughout the full year ending December 2021. Sales revenue increased by 47.5% to IDR895.87 billion in FY21 compared to IDR607.25 billion in FY20.

The positive trend in FY21 sales was mainly affected by the increase of average selling price in line with strategic cost management to achieve sustainable growth. This was indicated by higher CPO, FFB, and PK average selling price that rise 36%, 47% and 63% YoY respectively.

Carrying forward from previous year, CSRA strategy is focusing on solid productivity and efficient operations, as well as consistent with its commitment to pursue sustainable development. As a result,

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the FFB production volume grew by 8.1% YoY and the yield of FFB production was maintained at 23.5 tones / ha. Moreover, with ideal plantation age profile, as the majority of which are under 18 years old - a prime production age, CSRA sees a positive long-term trend of production growth. The implementation of the Company's strategies in seizing the price momentum as well as opportunities also became the driver of the growth.

**Table 1. Production Highlights**

	FY2021	FY2020	Change
Planted Area (in Ha)	18,783	18,616	1.0%
FFB Nucleus (in MT)	319,071	295,125	8.1%
<i>Yield TBS (ton/ha)</i>	<i>23,50</i>	<i>19,30</i>	
CPO Production (in MT)	39,310	39,687	-1.0%
<i>OER</i>	<i>20,3%</i>	<i>20,1%</i>	
Kernel Production (in MT)	9,423	9,085	3.7%
<i>KER</i>	<i>4,90%</i>	<i>4,60%</i>	

CSRA continue to carefully monitor the profitability and maintained it positively with significant increases. Gross Profit reached IDR507.73 billion in FY21, increased by 90.9% compared to FY20, with expanded margin by 13 ppts to 56.6% in FY21 from 43.8% in FY20. This result was the effect of good control on cost management as indicated by COGS that only increased by 13.9% YoY amid double-digit sales surge.

Effectively manage operation has resulted a positive FY21 operating profit of IDR388.55 billion, over 163.0% higher compared to FY20, with a margin of 43.4%, or equals to 19 ppts expansion compared to the same period last year. This excellent operating performance had a positive impact on strong FY21 Net Profit of IDR260.26 billion, increased more than fourfold year on year. The solid profitability achievement also reflects CSRA's excellent cost control implementation.

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**Table 2. Highlights of Consolidated Statement of Income (Audited)**  
In Billion IDR

	FY 2021	FY 2020	%
Sales Revenue	895.87	607.25	47.5%
Cost of Goods Sold	-388.14	-341.35	13.7%
Gross Profit	507.73	265.93	90.9%
<b>Gross Profit Margin</b>	<b>56.7%</b>	<b>43.8%</b>	
Operating Expense	-119.18	-118.21	0.8%
Operating Profit	388.55	147.72	163.0%
<b>Operating Profit Margin</b>	<b>43.4%</b>	<b>24.3%</b>	
Gain Arising from Changes in Fair Value of Biological Assets	14.62	6.26	133.6%
Gain (Loss) on Foreign Exchanges – Net	0.012	0.035	-66.7%
Tax Penalties and Expenses	-0.2	-0.6	-66.7%
Others – Net	-0.9	-0.4	100.0%
EBIT	401.69	154.30	158.1%
<b>EBIT Margin</b>	<b>44.8%</b>	<b>25.4%</b>	
Finance Income	2.84	1.19	138.7%
Finance Costs	-73.74	-64.25	14.8%
Income Before Tax	337.13	90.43	272.8%
Income Tax	-77.47	-18.07	328.9%
Income for the period	259.65	72.36	259.7%
<b>Net Income Margin</b>	<b>29.0%</b>	<b>10.4%</b>	
Non-Controlling Interest	0.61	-9.51	-106.4%
Income for The Year Attributable To Owners of the Parent Entity	260.26	62.85	314.1%
EBITDA	478.75	225.74	108.3%
<b>EBITDA Margin</b>	<b>53.4%</b>	<b>37.2%</b>	

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### **Solid Performance Provides Strengthened Financial Position for further Growth**

CSRA balance sheets remain robust, underpinned by solid profitability. Total assets as of December 31, 2021 were at the level of IDR1.75 trillion, 25.4% increased from IDR1.39 trillion on FY20. Current assets were increased by 182.1% to IDR569.32 billion compared to the position at the end of 2020 of IDR201.81 billion. Largest increase came from liquid assets which are cash and cash equivalents, inventory as well as biological assets that are considered as productive assets in the industry, in line with the sales increase. The non-current assets of 12M21 decreased slightly compared to FY20 due from related parties.

The total liabilities of 12M21 closed at IDR971.94 billion, increased by 17.6% compared to the end of 2020 in line with the increased in sales performance. The equity position was at the level of IDR781.29 billion as of December 31, 2021, an increase of 36.5% compared to the position at the end of 2020 due to an increase in retained earnings on current period income. CSRA further strengthen the solid and scalable financial performance, which, with the strong balance sheet, gives the Company an attractive position for future growth.

**Table 3. Consolidated Statement of Financial Positions (Audited)**  
in billion IDR

	FY2021	FY2020
<b>Assets</b>		
<u>Current Assets</u>		
Cash and cash equivalents	365.5	41.85
Trade Receivables from Third Parties - Net	7.75	5.82
Other Receivables from Third Parties	4.22	2.41
Inventories - net	24.92	19.79
Biological Assets	116.64	102.03
Prepaid Taxes	8.34	12.85
Advanced and Prepaid Expenses	41.95	17.06
<b>Total Current Assets</b>	<b>569.33</b>	<b>201.81</b>
<u>Non-Current Assets</u>		
Due from Related Parties	2.85	25.52
Plasma Receivables	35.23	28.47
Investment Properties	0.68	0.68
Bearer Plants:	-	-
- Mature Plantation - Net of Accumulated Depreciation	545.19	572.39
- Immature Plantations	151.36	123.83
- Nurseries	8.97	5.62
Fixed Assets - Net of Accumulated Depreciation	422.83	420.24

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	FY2021	FY2020
Tax Amnesty Assets - Net of Accumulated	0.52	0.69
Deferred tax asset	-	2.87
Other Assets	-	-
Cultivation Rights (HGU)		
Goodwill	14.67	14.67
<b>Total Non-Current Assets</b>	<b>1,183.91</b>	<b>1,196.76</b>
<b>TOTAL ASSETS</b>	<b>1,753.24</b>	<b>1,398.57</b>

<b>LIABILITIES</b>		
Trade payables	22.33	32.79
Other Payables	10.26	18.41
Taxes Payables	41.37	15.53
Accrued Expenses	10.21	10.66
Advances from customers	0.01	0.01
Long-term Liabilities - Current Maturities:	-	-
- Bank Loans	176.47	184.92
- Consumer Financing Loans	2.32	1.66
- Rent Liabilities Payment	0.38	-
<b>Total Current Liabilities</b>	<b>263.34</b>	<b>263.99</b>
Due to Related Party	33.23	33.23
Long-term Employee Benefits Liability	51.09	59.75
Deferred Tax Liabilities	36.83	19.73
Long-term Liabilities - Net of Current Maturities:	-	-
- Bank Loans	585.88	448.43
- Consumer Financing Loans	1.57	1.21
<b>Total Non-Current Liabilities</b>	<b>708.60</b>	<b>562.35</b>
<b>TOTAL LIABILITIES</b>	<b>971.95</b>	<b>826.29</b>
<b>EQUITY</b>		
Equity attributable to owners of the Parent Entity	781.28	572.27
Non-controlling interests	0.015	0.015
<b>TOTAL EQUITY</b>	<b>781.29</b>	<b>572.28</b>
<b>TOTAL LIABILITY AND EQUITY</b>	<b>1,753.24</b>	<b>1,398.57</b>

### Key Financial Ratios

CSRA achieved remarkable result in term of profitability driven by strategic interrelated steps, one of which strategy evaluation and cost control. CSRA's gross margin in 12M21 was 56.7%, a significant increase compared to 12M20. This resulted in a 43.4% expansion in operating margin, an increase of around 19.1 ppts against 24.3% in 12M20. From the bottom-line side, the Company also managed to increase its net margin to 29.1% in 12M21, from 10.4% in 12M20.

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On the leverage side, the Company continues to display a solid balance sheet profile. The company's current ratio is at the level of 2.16x, increased from 0.76x, which was recorded at the end of 2020, a sign that the Company is sufficiently liquid and can easily pay off its current liabilities using current assets. The company's assets / equity was 2.24x in 12M21, slightly lower, 2.44x in FY20, which shows more productive assets generate profit accumulated in equity.

**Table 5. Financial Ratio Highlights**

	UOM	12M21	12M20
<b><u>Profitability ratios</u></b>			
Gross Margin		56.67%	43.80%
Operating Margin		43.37%	24.33%
EBITDA Margin		53.44%	37.27%
Net Margin		29.05%	10.45%
	UOM	12M21	12M20
<b><u>Leverage</u></b>			
Current Ratio	x	2.16	0.76
Asset/equity	x	2.24	2.44
Interest Bearing Debts/Equities	x	0.89	1.11
Net Debts/Equities	x	0.77	1.37

## 2022 Outlook

The company is aiming to accelerate development growth in 2022. As part of CSRA preparations for growth, the Company launched and progressed a series of initiatives across the businesses. The projects were launched to improve efficiency and production output. These initiatives included investments in Palm Oil Mill, a 45 tons per hour Palm Oil Processing Plant at Tapanuli Selatan Regency, North Sumatera which expected to be accomplished by December 2022. CSRA highlighted the construction for an IDR180 billion facility where the Company will develop palm oil processing, office, storage and distribution complex in the area. The financing of this project is obtained from internal cash flow and Bank Mandiri loan facility. The plant will complement the additional capacity of CSRA existing 60 tons per hour Palm Oil Mill in Labuhan Batu Regency, North Sumatera that was built on 2007 (POM-1).

Despite the slightly operations disturbance due to the pandemic, CSRA can still run optimally and have the opportunity to continue to grow. The price of CPO shows the highest increase in the last 9 (nine)

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years. This has resulted in the national palm oil plantation sector getting an overweight rating. As of December 2021, the CPO futures contract price delivery on the Malaysia Derivative Exchange has reached the level of RM6,500/ton, while the price of CPO FOB Indonesia has reached above IDR14,500/kg as at the end of December 2021. Moreover, although has no direct impact to Domestic Market Obligation (DMO) & Domestic Price Obligation (DPO), CSRA is respect that the government has repealed DMO & DPO policy. The problem is how to keep the mission contained in the regulation at the operational level can be realized optimally. The answer to these problems is a challenge for the government to formulate and implement the strategy of its implementation.

CSRA has to sustain profitability and has several initiatives ongoing. The main areas include a strong operation mindset, improved production efficiency by conducting overhaul on POM-1 and control of the cost level. To support profitability further, CSRA is focusing on having the relevant strategy that allowed us to fully capture the market recovery and to optimize our sustainable operations. One of which by conducting business according to healthy and correct palm oil business practices as set out in the standards set in Indonesia Sustainability Palm Oil (“ISPO”) certification.

CSRA’s Director of Finance & Strategic Development, Seman Sendjaja said “with net proceeds of about IDR260.26 billion from the sale now in hand, we are taking swift actions to de-risk our balance sheet and prudently manage our liquidity amid a challenging external environment. We continue to execute on our priorities, including solidifying our financial position by further reducing debt and improving our cash-flow management. We remain committed to achieving our leverage goals over the time”.

It is marked by CSRA shares price of IRD394 at the beginning of year and closed at IDRp500 at the end of 2021. Whereas the shares price when this report is released is IDR710. On December 3, 2021, the Company has distributed cash interim dividend to the shareholders of IDR51.25 billion,- or at IDR25,- per share.

As conclusion Seman added that the company believes in the future the business prospects are still very good in line with the condition of the palm oil plantation sector which also has a good chance. “I am pleased with our exceptionally strong financial performance, leaving us stronger and prepared to strengthen further in the years ahead. The positive achievement was a result of higher revenues and satisfactory execution on efficiency initiatives. Our businesses emerged in 2021 with financial performance that was better than originally expected. We made various footprint changes to increase our cost competitiveness across the business. Investing in producing capabilities and resources is a key to stay competitive and to secure our future success” he explained.

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**PT CISADANE SAWIT RAYA Tbk – CSRA 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 60 tons per hour (tph) and currently developing another PKS with a capacity of 45 tph. The Company has a total area of 29,000 hectares with embedded area around 18,783 hectares. Its FFB production reached 319,071 tons per year. CSRA publicly listed on the Indonesian Stock Exchange (IDX) on 9<sup>th</sup> January 2020.

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