

Company Update

PT CENTRAL PROTEINA PRIMA TBK
(IDX Ticker: CPRO)
December 2021





Disclaimer



- THESE MATERIALS HAVE BEEN PREPARED BY PT CENTRAL PROTEINA PRIMA TBK (THE “COMPANY”) AND MAY CONTAIN STATEMENTS THAT CONSTITUTE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS INCLUDE DESCRIPTIONS REGARDING THE INTENT, BELIEF OR CURRENT EXPECTATIONS OF THE COMPANY OR ITS OFFICERS WITH RESPECT TO THE CONSOLIDATED RESULTS OF OPERATIONS AND FINANCIAL CONDITION OF THE COMPANY. THESE STATEMENTS CAN BE RECOGNIZED BY THE USE OF WORDS SUCH AS “EXPECTS,” “PLAN,” “WILL,” “ESTIMATES,” “PROJECTS,” “INTENDS,” OR WORDS OF SIMILAR MEANING. SUCH FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE AND INVOLVE RISKS AND UNCERTAINTIES, AND ACTUAL RESULTS MAY DIFFER FROM THOSE IN THE FORWARD-LOOKING STATEMENTS AS A RESULT OF VARIOUS FACTORS AND ASSUMPTIONS. THE COMPANY HAS NO OBLIGATION AND DOES NOT UNDERTAKE TO REVISE THESE MATERIALS TO ENSURE ACCURACY, COMPLETENESS AND TO REFLECT FUTURE EVENTS OR CIRCUMSTANCES.
- THESE MATERIALS ARE FOR INFORMATION PURPOSES ONLY AND DO NOT CONSTITUTE OR FORM PART OF AN OFFER, SOLICITATION OR INVITATION OF ANY OFFER TO BUY OR SUBSCRIBE FOR ANY SECURITIES OF THE COMPANY, IN ANY JURISDICTION, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH, ANY CONTRACT, COMMITMENT OR INVESTMENT DECISION WHATSOEVER. ANY DECISION TO PURCHASE OR SUBSCRIBE FOR ANY SECURITIES OF THE COMPANY SHOULD BE MADE AFTER SEEKING APPROPRIATE PROFESSIONAL ADVICE.

Speakers



Hendri Laiman
President Director



Saleh
Vice President Director



Contents

1

Introduction to PT Central Proteina Prima Tbk

2

Background : Bond Issuance & Business Transformation

3

Business Transformation

4

Results of Bond Restructuring

5

Financial Performance

6

Segment in Focus



Introduction to PT Central Proteina Prima Tbk



Integrated Business

Fry, feed, probiotic and food production

Global Player

Rp7.7 trillion Sales in 2020, 14% from export sales, 79% from feed sales

Feed Products

Shrimp feed, fish feed and pet food

Food Products

Over 80 variants of food products specially catered for export and domestic markets

Certified Seafood

Indonesia's #1 certification for ASC (2015)

Experience

40+ years of aquaculture operations

Expertise

300 aquaculture professionals

Excellence

Leading aqua feed market shares nationwide, supported by more than 1600 feed agents located throughout Indonesia



Fish Feed, Shrimp Feed, Pet Food, Food and Fry Products

PAKAN IKAN | FISH FEED



PRODUK MAKANAN | FOOD PRODUCTS



Benur | Shrimp Fry



PAKAN UDANG | SHRIMP FEED



MAKANAN HEWAN KESAYANGAN | PET FOOD

- Fish Food -



- Bird Food -



- Rabbit Food -



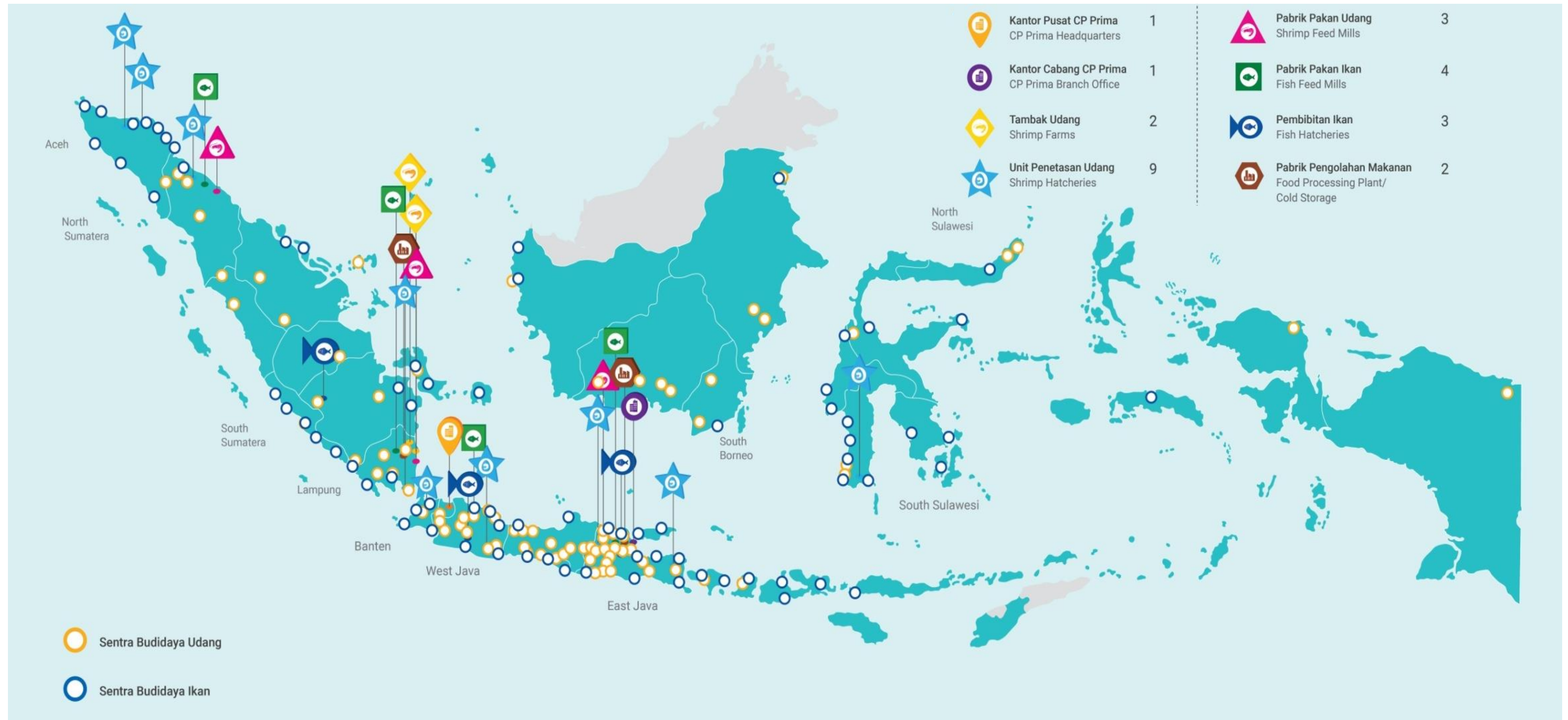
PRODUK PROBIOTIK | PROBIOTIC PRODUCTS



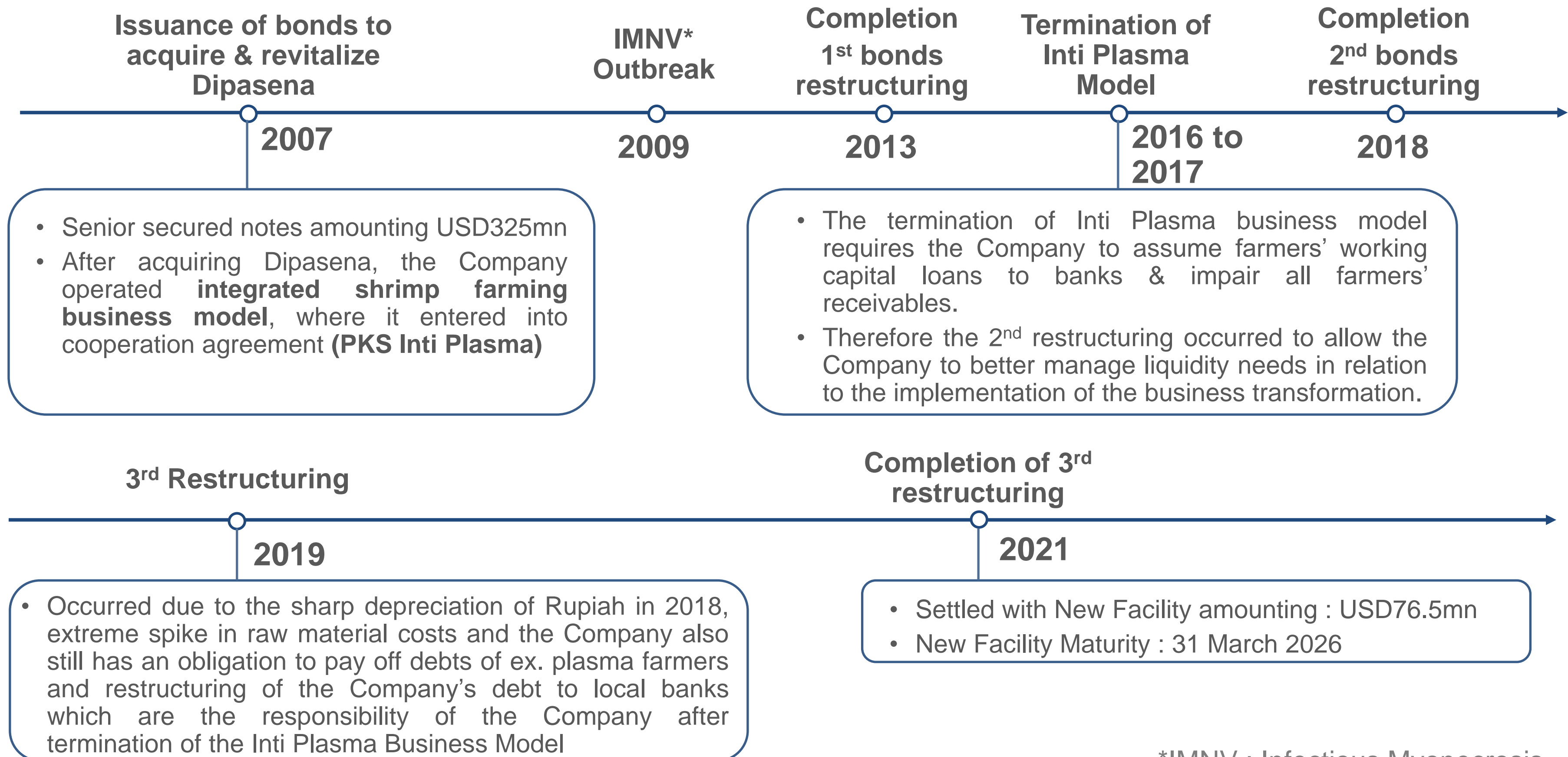
- Dog Food -



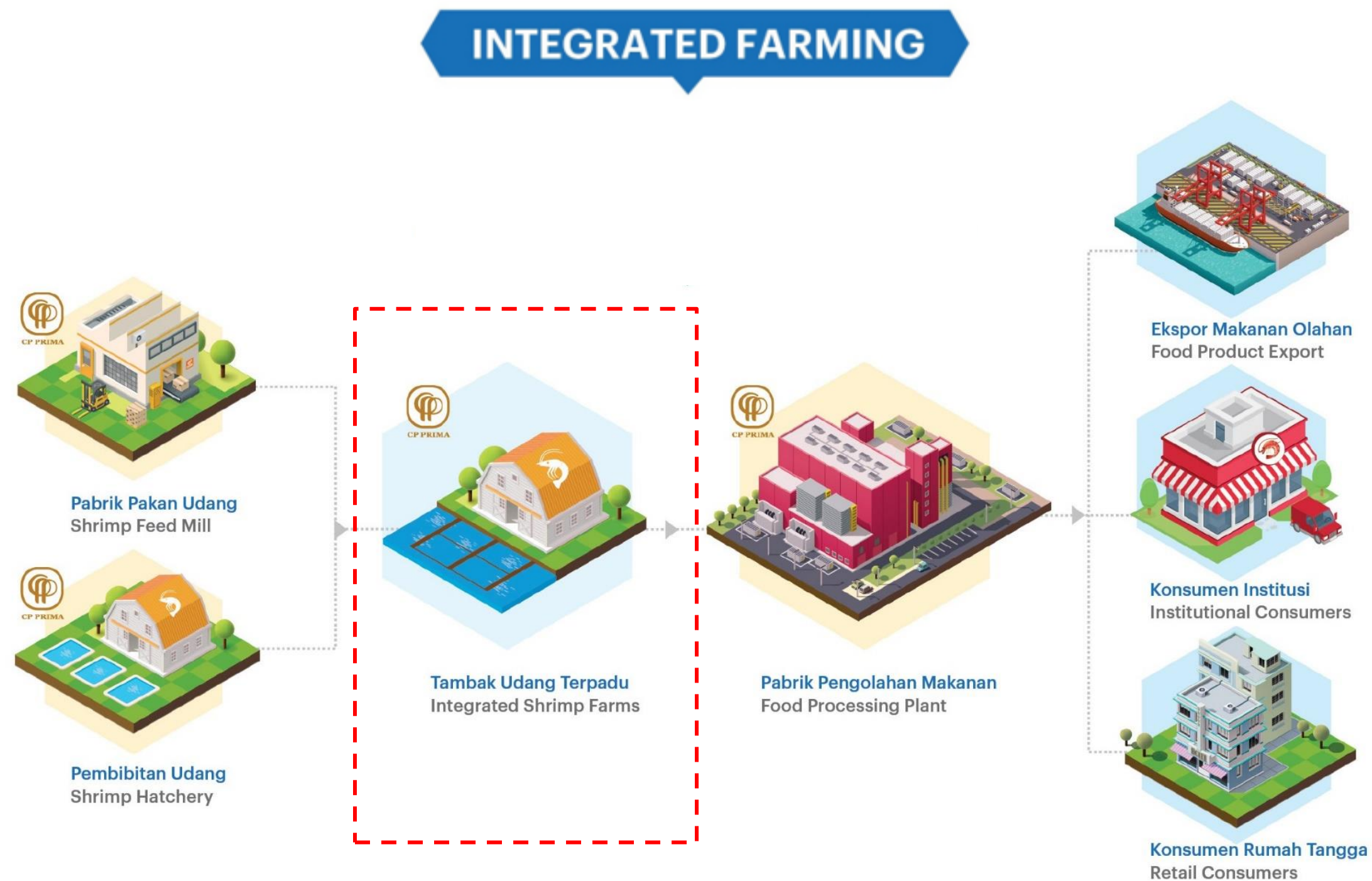
Operation Locations



Background : Bond Issuance & Trigger of Business Transformation



Integrated Shrimp Farming Business Model : Company is directly impacted by shrimp farmers cultivation failure



- In Integrated shrimp farming business model, the Company was obliged under cooperation agreement (PKS Inti Plasma) to **provide working capital and living costs to the farmers even though the business is not profitable.**
- Farmers failure in cultivation will have significant adverse effects to the Company's ability to service the bonds and limiting the Company's ability to expand.

Business Transformation to Free Market model : Less impacted by cultivation risk



- The Company terminated Inti Plasma model in 2016 – 2017. Since then, Company's overall operation is less impacted by cultivation's risks.
- After such business transformation, feed business became the most dominant business segment of the Company, representing almost 80% of the Company total net sales.

Completion of Bond Restructuring : Towards more sustainable debt servicing

The Company and the bondholders **signed a Senior Facilities Agreement (SFA) on September 15, 2021**

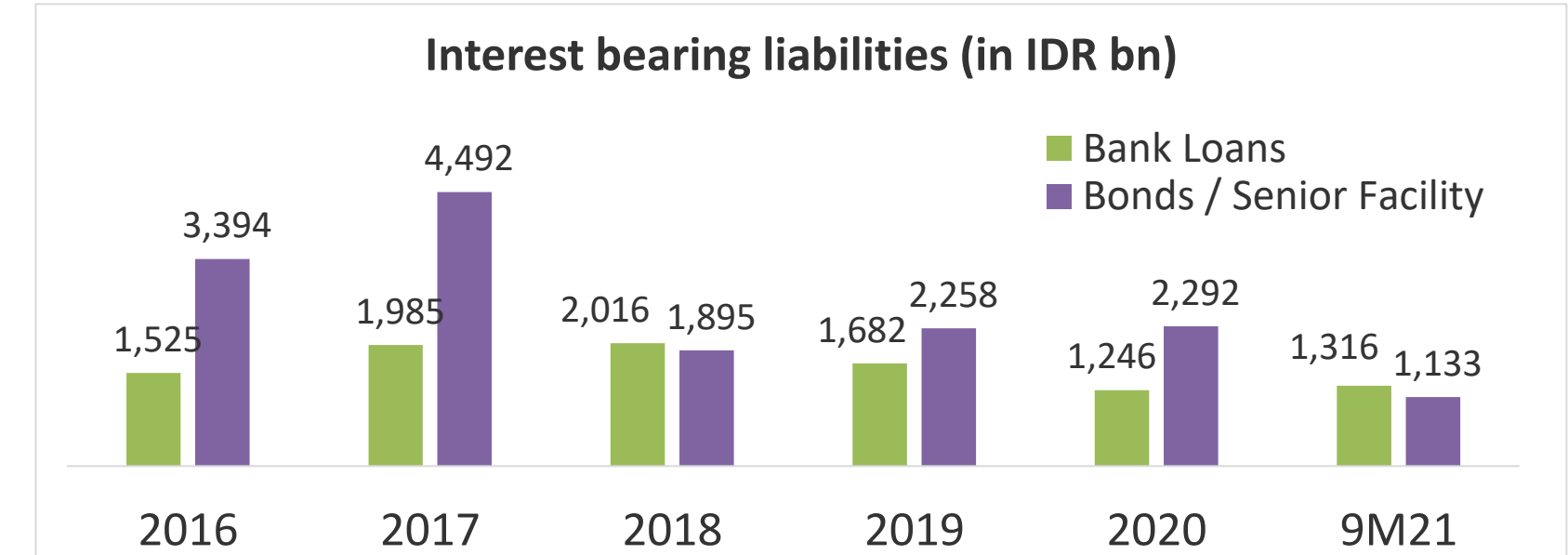
Key comparison of the key terms and conditions of the Existing Notes (EN) and the SFA are as follows

Key Terms and Conditions	Existing Notes	SFA
Principal Amount	USD162.5mn	USD76.5mn
Existing Notes Deferred Interest & Penalties	USD28.3mn	n.a.
Interest Rate	8.0% p.a.	10.0% p.a.

Proceeds from the SFA is used to settle the Existing Notes principal amount, interest payable and penalties. Completion of bond restructuring will result in approximately **41% less interest amount per annum. This will support the Company towards more sustainable debt servicing going forward.**

Robust financial performance & reduced financial risk through deleveraging

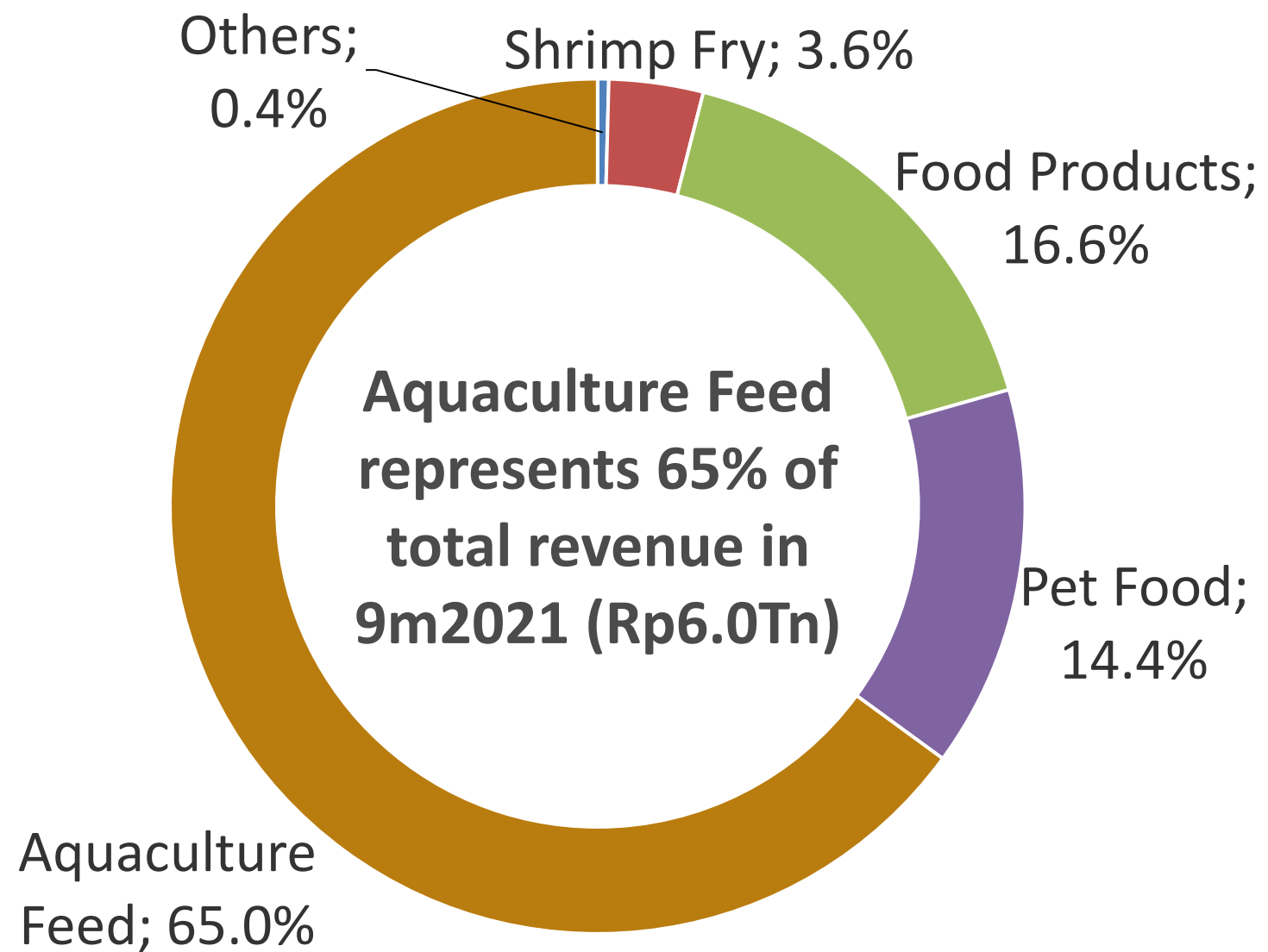
<i>in IDRbn</i>	2016	2017	2018	2019	2020	9M21
Sales	8,597	6,575	7,390	7,176	7,574	6,000
Gross Profit	1,423	1,161	1,235	1,342	1,346	1,148
EBITDA	468	465	536	621	810	673
Net Income	(2,005)	(2,630)	1,723	(349)	381	2,119
SG&A expense to revenue	14.4%	14.3%	11.2%	11.7%	9.1%	9.6%
Gross Margin	16.6%	17.7%	16.7%	18.7%	17.8%	19.1%
EBITDA Margin	5.4%	7.1%	7.3%	8.7%	10.7%	11.2%



	2016	2017	2018	2019	2020	9M21
EBITDA / Interest expense	1.30	1.21	1.37	1.58	2.04	3.66
Net Debt / Equity	27.80	NM*	5.63	11.57	4.66	0.82

- **EBITDA continues to improve** and revenue is stable even in pandemic situation.
 - Increase in pet food and food sales (mainly export of frozen shrimp) due to stay-at-home and social distancing practices.
 - **Improved operating efficiency** and enhanced management of raw material purchase.
- Net Income in 9M21 was largely due to non-cash gain resulting from bond settlement in the amount of IDR1.78 trillion.
 - Net Income from operations in 9M21 was IDR385.8 billion.
- **Interest bearing liabilities has decreased from approximately IDR6.5 trillion in 2017 to IDR2.4 trillion in 9M21.** Through deleveraging, the Company managed to improve its financial ratio and debt servicing capabilities.
 - **With reduced financial risk, the Company expects to lower overall financing costs for its operation, hence improving its profitability margin going forward.**

Segment in Focus : Aquaculture Feed Continues to be the backbone of the Company's operation



The Company aims to maintain it's position as a market leader in Aquaculture Feed segment due to these competitive advantages :

Technology

- Advanced technology supporting the development of end to end aquaculture products.

Genetics

- Continuous R&D in genetic improvement to create more value to farmers.

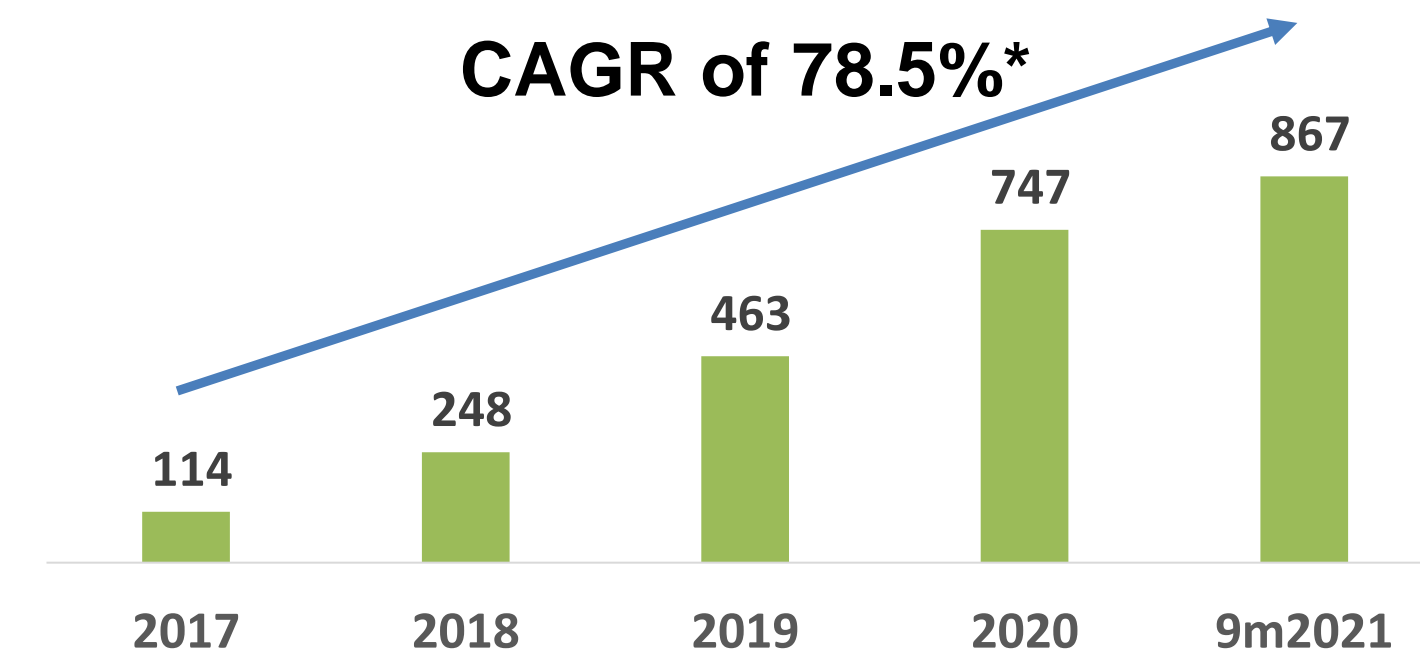
Technical Service

- CPP Technical Partner Team

Segment in Focus : Pet Food

Exciting growth story & growth potential

Pet Food Sales (in IDRbn)



*) CAGR 2017 – Annualized 2021



- Established in 1990 with bird and ornamental fish food, branching to cat and dog food in recent years.
- Indonesia's market leader in cat food and ornamental fish food category
- The first local producer to export pet food.
- Currently developing new production facility to cover future growth.

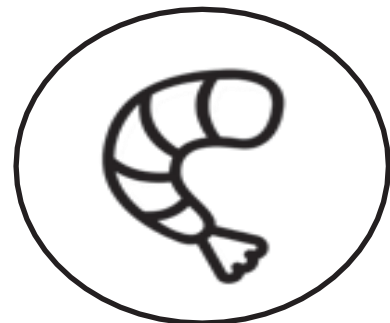
The Company's pet food segment are supported by 4 branch offices, as well as a vast distribution network of agents and pet shops.



The benefit of favorable demographic background and tendency of pet humanization trend in Indonesia is expected to be reaped by the Company as the market leader in the segment equipped with vast distribution networks.

Segment in Focus : Food Business

Focusing on recovery of consumer goods

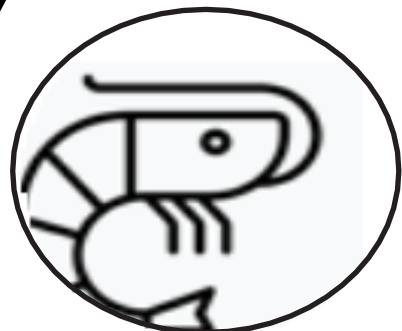


**Domestic
Market**

- **Domestic Market**

- Easing of social restriction and robust recovery of Indonesia from pandemic condition is expected to revive demand in consumer goods.
- The company aims **to build a new food processing plant** in anticipation of demand recovery of the segment. With new food processing plant, the Company expects to increase market share of domestic frozen processed seafood to 6% - 7% in 2022.

Brand



**Export
Market**

- **Export Market**

- The Company owns various key certifications which proves its continuous commitment to maintain excellent operations and to supply high quality seafood products in export market

Brand



Key Takeaways :

1 Business Transformation

Termination of Inti Plasma Business Model

- Company is less impacted by farmers cultivation risks
- Feed become dominant business segment, represents approximately 80% of the total net sales.

2 Completion of Bond Restructuring

Signed a Senior Facilities Agreement (SFA) on September 15, 2021

- Supports the Company towards more sustainable debt servicing

3 Robust financial performance

Improvement in profitability margins and reduced financial risks

- Improvement in operating efficiency supports profitability margin
- Reduced financial risk is expected to lower Company's financial cost for ops.

4 Aquaculture Feed : Solid backbone segment

Aims to maintain position as market leader

- Competitive advantage in **Technology, Genetics & Technical Service**

5 Pet Food : Exciting growth story & potential

Segment with stellar growth and better margin

- **Sales CAGR of 78.5%** (2017 to annualized 2021)
- Market leader in the segment equipped with vast distribution networks.
- The first local producer to export pet food.

6 Food Business : Focus on recovery of consumer goods

Increase brands presence amidst recovery in consumer goods

- Aims to build a new food processing plant
- With new food processing plant, aims to increase market share of domestic frozen processed seafood to 6% - 7% in 2022.

Discussion Q&A





Focus on sustainable business
activities by delivering
impeccable nutrients to our
customers