

Golden Agri-Resources Ltd

Interim Performance Presentation

Third quarter ended 30th September 2017

14 November 2017



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Executive Summary



Executive Summary

Strong performance continues in 3Q 2017 with recovery in plantation output and robust CPO prices

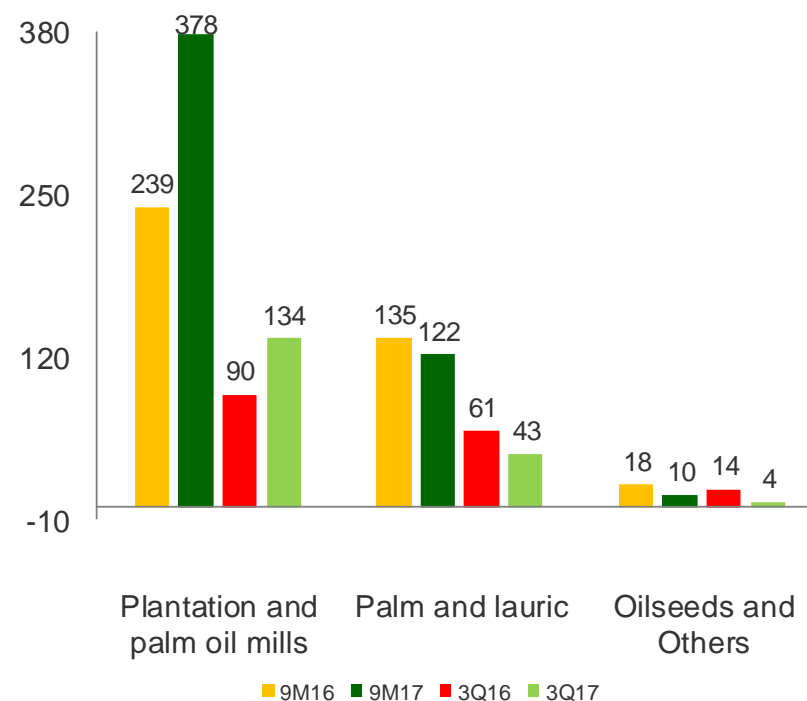
• YTD Sep 2017 vs YTD Sep 2016

Revenue	US\$5,584 mn	↑	10%
EBITDA	US\$508 mn	↑	29%
Underlying Profit ¹	US\$217 mn	↑	80%
Palm product output	2.07 mn MT	↑	27%
CPO FOB price	US\$689/MT	↑	6%

• 3Q 2017 vs 3Q 2016

Revenue	US\$1,782 mn	↓	3%
EBITDA	US\$180 mn	↑	9%
Underlying Profit ¹	US\$79 mn	↑	3%
Palm product output	739,000 MT	↑	18%
CPO FOB price	US\$663/MT	↓	2%

EBITDA¹ (US\$ million)



Note:

1. Net profit attributable to owners of the Company, excluding net effect of net gain from changes in fair value of biological assets and depreciation of bearer plants, as well as other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).

Financial Highlights



Consolidated Financial Performance



US\$ million	9M 2017	9M 2016	YoY	3Q 2017	3Q 2016	YoY
Revenue	5,584	5,071	10%	1,782	1,836	-3%
Gross Profit	836	707	18%	290	281	3%
EBITDA	508	393	29%	180	165	9%
Underlying Profit ¹	217	120	80%	79	77	3%
<i>Net gain from changes in fair value of biological assets²</i>	4	38	-88%	4	34	-87%
<i>Depreciation of bearer plants²</i>	-114	-117	-3%	-36	-39	-8%
<i>Foreign exchange gain/(loss)²</i>	-4	50	n.m	-7	20	n.m
<i>Deferred tax income²</i>	-	262	n.m	3	128	-98%
Net profit attributable to owners of the Company	103	353	-71%	44	220	-80%

9M 2017 and 3Q 2017 EBITDA experienced year-on-year growth of 29% and 9% respectively, contributed by Plantation and Palm Oil Mills segment

Notes:

1. Net profit attributable to owners of the Company, excluding net effect of net gain from changes in fair value of biological assets and depreciation of bearer plants, as well as other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).
2. Net of tax and/or non-controlling interests.

Financial Position

Prudent balance sheet with improving gearing ratios

US\$ million	30-Sep-17	31-Dec-16	Change
Total Assets	8,324	8,306	0.2%
<i>Cash and short-term investments</i>	349	355	-2%
<i>Fixed Assets¹</i>	3,694	3,891	-5%
Total Liabilities	4,143	4,210	-2%
Adjusted Net Debt ²	1,680	1,745	-4%
<i>Net Debt³</i>	2,775	2,711	2%
<i>Liquid Working Capital⁴</i>	1,095	967	13%
Total Equity Attributable to Owners of the Company	4,084	4,054	0.7%
Adjusted Net Debt ² /Equity ⁵ Ratio	0.41x	0.43x	
Adjusted Net Debt ² /Total Assets	0.20x	0.21x	
Adjusted Net Debt ² /EBITDA ⁶	2.48x	3.05x	
EBITDA/Interest	5.00x	4.44x	

Notes:

1. Includes Bearer Plants, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debt less cash, short-term investments and liquid working capital
3. Interest bearing debt less cash and short-term investments

4. Trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
5. Equity attributable to owners of the Company
6. 30 September 2017 figure is based on annualised EBITDA

Interim Dividend

The Board declared interim dividend distribution of 0.693 Singapore cents per share, representing 30% of our underlying profit for YTD Sep 2017

Cash Dividend	2013	2014	2015	2016	Interim 2017
Dividend per share (in S\$ cents)	1.100	0.585	0.502	0.635	0.693
Total Dividend (in S\$ million)	141.21	75.10	63.93	80.86	88.25
Underlying Profit ¹ (in US\$ million)	320.34	189.68	180.91	186.28	216.53
% to underlying profit	35%	30%	26%	31%	30%

- The proposed dividend includes the following considerations:
 - results of operations, cash flows and financial condition;
 - working capital requirements;
 - the dividend payment from subsidiaries; and
 - other factors deemed relevant by shareholders, including controlling shareholders.
- The proposed dividend is in line with the Company's dividend policy, which is to distribute up to 30% of underlying profit

Note:

1. Net profit attributable to owners of the Company excluding net effect of net gain/loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items, and other non-operating items (foreign exchange gain/loss, net tax impact from tax-based asset revaluations, and other deferred tax income/expense)

Segmental Performance



Segmental Results

Plantations and Palm Oil Mills

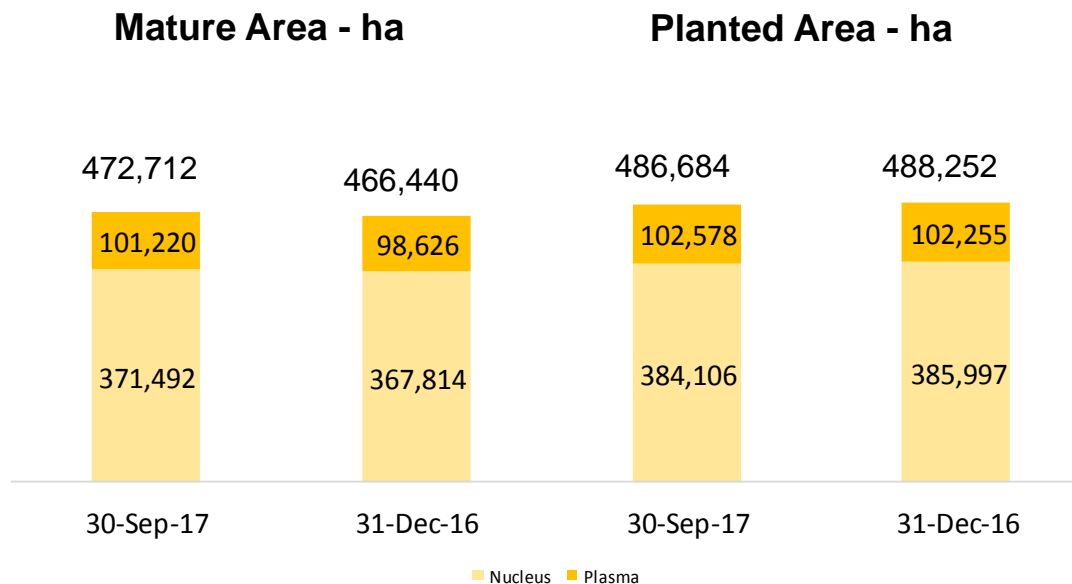


Substantial growth in EBITDA as palm production recovers from El Niño

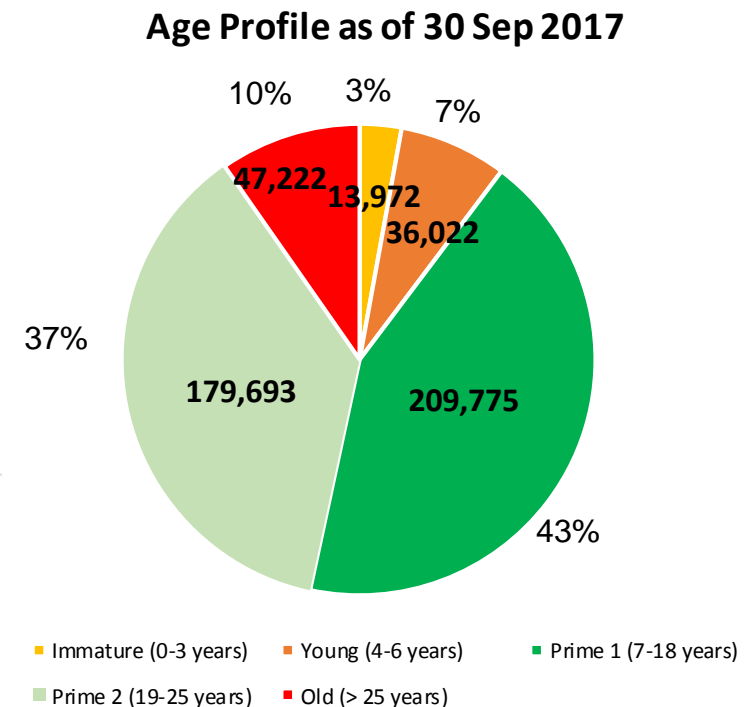
	9M 2017	9M 2016	YoY	3Q 2017	3Q 2016	YoY
Revenue (US\$ million)	1,252	978	28%	408	379	8%
EBITDA (US\$ million)	378	239	58%	134	90	49%
<i>EBITDA margin</i>	<i>30%</i>	<i>24%</i>	<i>6%</i>	<i>33%</i>	<i>24%</i>	<i>9%</i>
FFB Production ('000 tonnes)	7,315	5,745	27%	2,620	2,260	16%
Nucleus	5,774	4,531	27%	2,069	1,785	16%
Plasma	1,541	1,214	27%	551	475	16%
FFB Yield (tonnes/ha)	15.5	12.4	25%	5.5	4.9	14%
Palm Product Output ('000 tonnes)	2,074	1,633	27%	739	624	18%
CPO	1,663	1,314	27%	590	501	18%
PK	411	319	29%	149	123	21%
Oil Extraction Rate	22.33%	22.29%	0.04%	22.08%	21.78%	0.30%
Kernel Extraction Rate	5.53%	5.42%	0.11%	5.56%	5.34%	0.22%
Palm Product Yield (tonnes/ha)	4.3	3.4	26%	1.5	1.3	16%

- Fruit output growth in 3Q 2017 increased by 16% as the impact of El Niño subsides

GAR's oil palm plantations continue to be leading in scale and operational excellence



- Increase in mature area by 6,300 hectares
- Focus on replanting to enhance long term productivity (9M 2017: 3,100 hectares)



Notes:

1. Total planted area, including plasma
2. Average age of plantations, including plasma, is 16 years

Segmental Results

Palm and Lauric

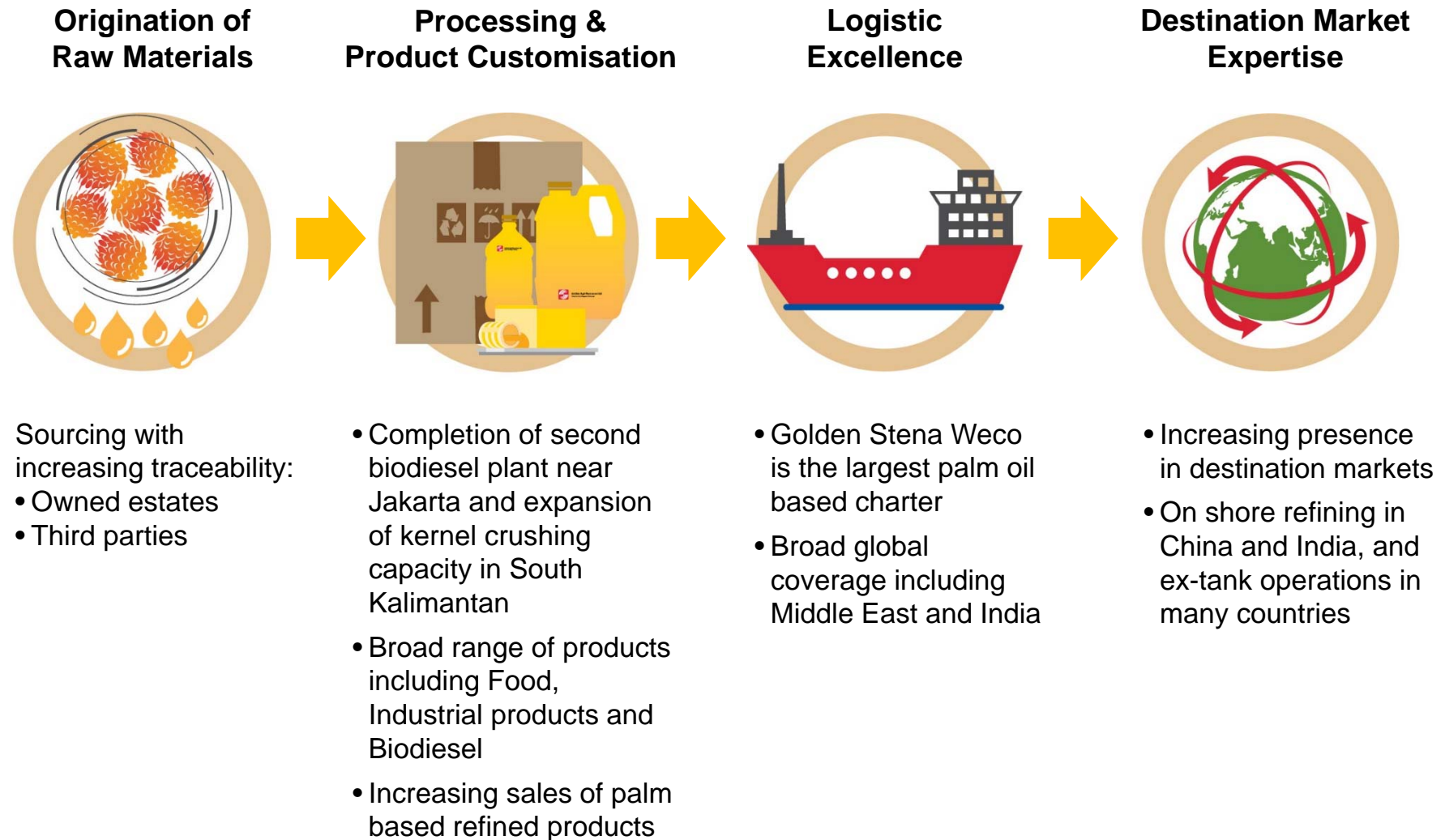


Healthy EBITDA margin despite higher input prices and competitive market environment

	9M 2017	9M 2016	YoY	3Q 2017	3Q 2016	YoY
Revenue (US\$ million)	4,913	4,425	11%	1,527	1,626	-6%
Sales Volume ('000 tonnes)	6,656	6,499	2%	2,171	2,227	-3%
EBITDA (US\$ million)	122	135	-10%	43	61	-30%
<i>EBITDA margin</i>	<i>2.5%</i>	<i>3.1%</i>	<i>-0.6%</i>	<i>2.8%</i>	<i>3.7%</i>	<i>-0.9%</i>

We continue to focus on enhancing integration and operational excellence to improve long-term margins

Strong Position Across the Downstream Value Chain



Segmental Results

Oilseeds and Others



Oilseed business maintains its positive contribution supported by prudent management

	9M 2017	9M 2016	YoY	3Q 2017	3Q 2016	YoY
<u>Oilseeds</u>						
Revenue (US\$ million)	471	490	-4%	117	142	-18%
Sales Volume ('000 tonnes)	940	953	-1%	284	256	11%
EBITDA (US\$ million)	8	16	-54%	3	14	-77%
<i>EBITDA margin</i>	1.6%	3.4%	-1.8%	2.7%	9.6%	-6.9%
<u>Others</u>						
Revenue (US\$ million)	147	143	3%	49	51	-2%
EBITDA (US\$ million)	2.0	1.6	27%	0.8	0.4	90%
<i>EBITDA margin</i>	1.3%	1.1%	0.2%	1.7%	0.9%	0.8%

Note:

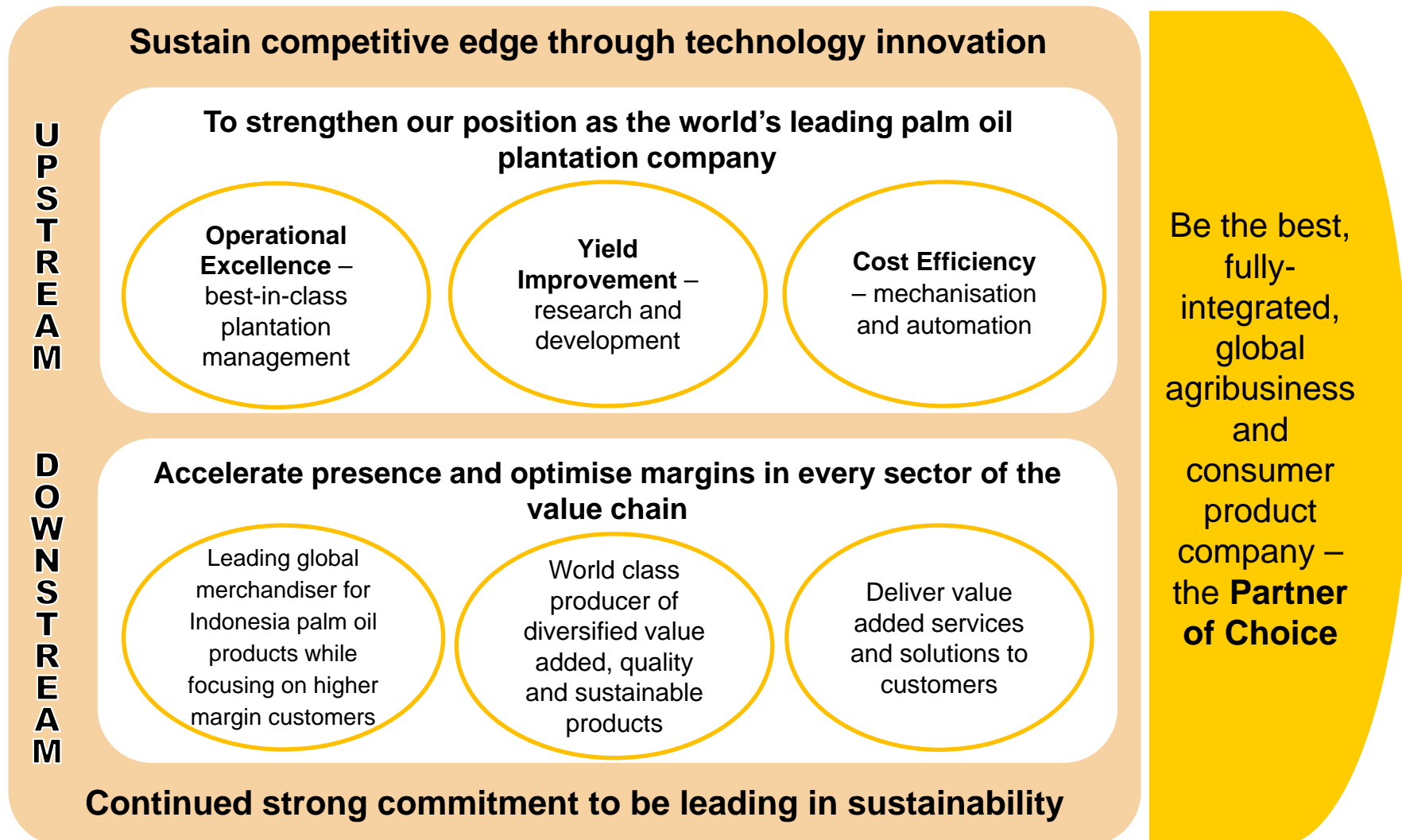
1. Others segment includes other consumer products in China and Indonesia mainly in food and beverage

Strategy and Outlook



Strategic Priorities

Build on core competitive strengths and leverage scale to maximise long-term shareholder returns



Growth Strategy and Outlook

Capitalising on the robust fundamentals of the industry, GAR continues to enhance its integrated operation capabilities to optimise profit opportunities across the value chain



Upstream

- Focus on replanting with higher-yielding seeds to sustain production growth
- Continued efforts in yield improvement, cost efficiency and sustainability initiatives
- Projected 2017 capex US\$75 million



Downstream

- Extending product portfolio, global market reach and logistic facilities to enhance our integrated operations
- Completion of biodiesel processing capacity expansion
- Strategic overview of China Oilseed business in final stage
- Logistics and processing operations in India performing well
- Projected 2017 capex US\$75 million



Outlook

- GAR remains confident in the robust demand growth for palm oil in the long term
- We expect CPO price to remain supported by global demand growth, including tight stock position and the implementation of Indonesia biodiesel mandate

Towards Responsible Palm Oil Production



Membership in DJSI

- GAR is now a member of the Dow Jones Sustainability Indices (DJSI), longest-established and most recognised global sustainability index
- Only Southeast Asian palm oil company to be included in DJSI Asia-Pacific index; 1 out of only 5 Singapore-listed companies on the index

MEMBER OF
**Dow Jones
Sustainability Indices**
In Collaboration with RobecoSAM

Progress in Traceability

- On track to achieve full Traceability to the Plantation for GAR mills by end 2017
- In Q3 2017, GAR mills achieved 98% TTP; 29 mills have 100% TTP

Fire Incidents

- Year to date, less than 0.01% of total GAR area has been affected by fires, with majority on community land
- GAR continues to work with communities to strengthen long-term fire prevention under a special programme of Desa Makmur Peduli Api



100%

Traceability to
Plantation for GAR-owned
mills by end-2017

100%

Traceability to
Plantation for independent
mills by 2020

Appendix



The average age of GAR's plantations is 16 years, securing the long-term growth of its production

hectares	Immature (0-3 years)	Young (4-6 years)	Prime 1 (7-18 years)	Prime 2 (19-25 years)	Old (>25 years)	Total
<u>30 September 2017</u>						
Nucleus	12,614	30,984	177,895	127,823	34,790	384,106
Plasma	1,358	5,038	31,880	51,870	12,432	102,578
Total Area	13,972	36,022	209,775	179,693	47,222	486,684
% of total planted area	3%	7%	43%	37%	10%	100%
<u>31 December 2016</u>						
Nucleus	18,183	35,478	179,704	130,725	21,907	385,997
Plasma	3,629	5,818	30,565	55,652	6,591	102,255
Total Area	21,812	41,296	210,269	186,377	28,498	488,252
% of total planted area	4%	9%	43%	38%	6%	100%

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