



Interim Performance Presentation
Third quarter ended 30th September 2018
Golden Agri-Resources Ltd
13 November 2018



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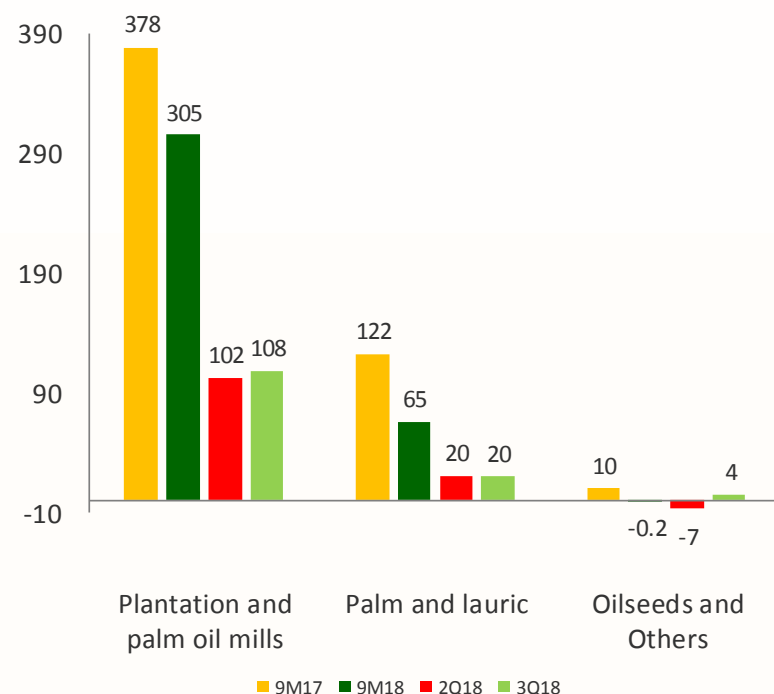
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EXECUTIVE SUMMARY



3Q 2018 performance improved quarter-on-quarter despite further decline in CPO prices

EBITDA¹ (US\$ million)



- 3Q 2018 vs 2Q 2018

Revenue	US\$1,839 mn	↓	1%
EBITDA	US\$132 mn	↑	13%
Underlying Profit ¹	US\$38 mn	↑	129%
Palm product output	917,000 MT	↑	30%
CPO FOB price	US\$536/MT	↓	13%

- YTD Sep 2018 vs YTD Sep 2017

Revenue	US\$5,515 mn	↓	1%
EBITDA	US\$370 mn	↓	27%
Underlying Profit ¹	US\$79 mn	↓	63%
Palm product output	2.24 mn MT	↑	8%
CPO FOB price	US\$600/MT	↓	13%

Note:

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

FINANCIAL HIGHLIGHTS



CONSOLIDATED FINANCIAL PERFORMANCE



US\$ million	9M 2018	9M 2017	YoY	3Q 2018	2Q 2018	QoQ
Revenue	5,515	5,584	-1%	1,839	1,860	-1%
Gross Profit	745	836	-11%	277	220	26%
EBITDA	370	508	-27%	132	117	13%
Underlying Profit ¹	79	217	-63%	38	17	129%
<i>Net gain/(loss) from changes in fair value of biological assets²</i>	-12	4	<i>n.m</i>	-1	-11	-93%
<i>Depreciation of bearer plants²</i>	-74	-114	-35%	-26	-26	-
<i>Foreign exchange loss^{2,3}</i>	-43	-4	<i>n.m</i>	-27	-22	27%
<i>Deferred tax income/(expense)²</i>	-31	-0.2	<i>n.m</i>	-38	3	<i>n.m</i>
Net profit/(loss) attributable to owners of the Company	-81	103	<i>n.m</i>	-54	-39	38%

Improvement in quarter-on-quarter results across the segments, 9M 2018 results continued to be impacted by weaker CPO prices

Notes:

1. Net profit/loss 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, as well as other non-operating items (foreign exchange loss, net tax impact from tax-based asset revaluations, and other deferred tax income/expense).

2. Net of tax and/or non-controlling interests.

3. Foreign exchange loss in 2018 was primarily unrealised and came from the strengthening of US Dollar against Rupiah, Renminbi, and Rupee.

Strong balance sheet amidst challenging environment

US\$ million	30-Sep-18	31-Dec-17	Change
Total Assets	8,110	8,138	-0.3%
<i>Cash and short-term investments</i>	373	394	-5%
<i>Fixed Assets¹</i>	3,693	3,692	0.04%
Total Liabilities	4,157	4,029	3%
Adjusted Net Debt ²	1,888	1,684	12%
<i>Net Debt³</i>	2,744	2,598	6%
<i>Liquid Working Capital⁴</i>	856	914	-6%
Total Equity Attributable to Owners of the Company	3,851	4,007	-4%
Adjusted Net Debt ² /Equity ⁵ Ratio	0.49x	0.42x	
Adjusted Net Debt ² /Total Assets	0.23x	0.21x	
Adjusted Net Debt ² /EBITDA ⁶	3.83x	2.53x	
EBITDA/Interest	3.12x	4.84x	

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 2018 figure is based on annualised EBITDA

SEGMENTAL PERFORMANCE



SEGMENTAL RESULTS

Plantations and Palm Oil Mills

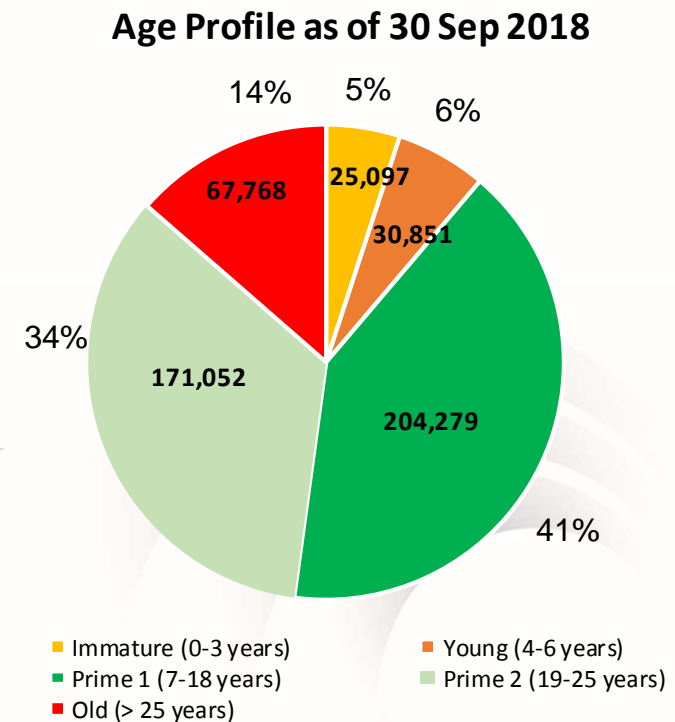
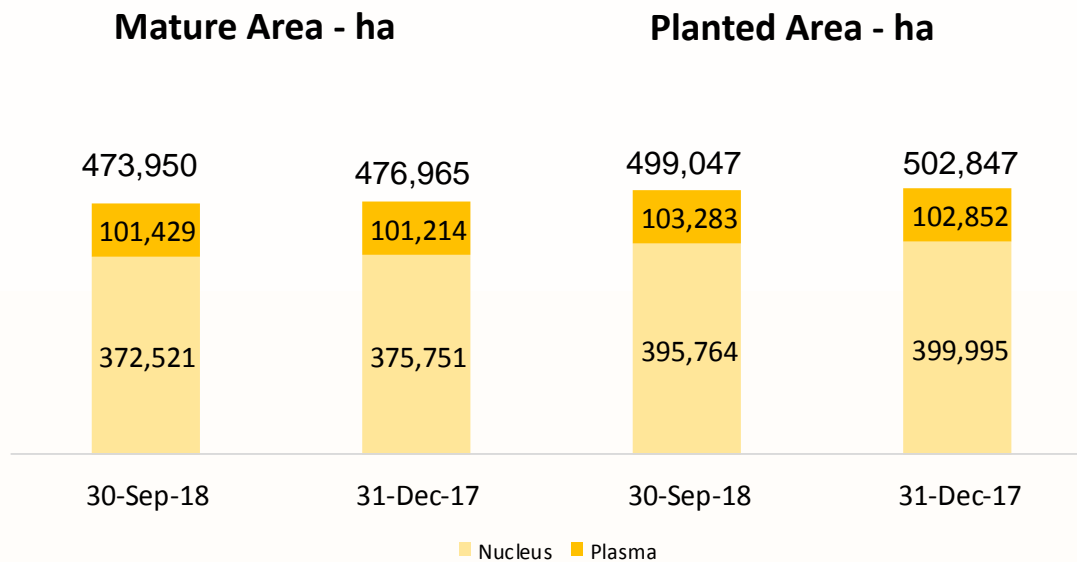


Continued recovery in fruit production

	9M 2018	9M 2017	YoY	3Q 2018	2Q 2018	QoQ
Revenue (US\$ million)	1,100	1,252	-12%	416	341	22%
EBITDA (US\$ million)	305	378	-19%	108	102	5%
<i>EBITDA margin</i>	<i>28%</i>	<i>30%</i>	<i>-2%</i>	<i>26%</i>	<i>30%</i>	<i>-4%</i>
FFB Production ('000 tonnes)	7,731	7,315	6%	3,133	2,473	27%
Nucleus	6,022	5,774	4%	2,384	1,946	23%
Plasma	1,709	1,541	11%	749	527	42%
FFB Yield (tonnes/ha)	16.3	15.5	5%	6.6	5.1	27%
Palm Product Output ('000 tonnes)	2,235	2,074	8%	917	706	30%
CPO	1,785	1,663	7%	729	564	29%
PK	450	411	9%	188	142	33%
Oil Extraction Rate	22.0%	22.3%	-0.3%	21.8%	21.7%	0.1%
Kernel Extraction Rate	5.5%	5.5%	-	5.6%	5.5%	0.1%
Palm Product Yield (tonnes/ha)	4.5	4.3	4%	1.8	1.4	29%

- Strong recovery in 3Q 2018 fruit production with quarter-on-quarter growth of 27%
- 9M 2018 revenue and EBITDA impacted by weaker prices and higher inventory

To sustain growth, GAR focuses on productivity through replanting and operational excellence



- Immature and younger estates use newer-generation higher-yielding seeds to sustain long-term production growth
- Replanting latest target for FY2018 is approximately 10,000 ha

Notes:

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

SEGMENTAL RESULTS

Palm and Lauric



Sustained 3Q 2018 EBITDA margin as demand was able to absorb strong supply growth

	9M 2018	9M 2017	YoY	3Q 2018	2Q 2018	QoQ
Revenue (US\$ million)	4,960	4,913	1%	1,653	1,697	-3%
Sales Volume ('000 tonnes)	6,992	6,656	5%	2,511	2,319	8%
EBITDA (US\$ million)	65	122	-47%	20	20	-
<i>EBITDA margin</i>	<i>1.3%</i>	<i>2.5%</i>	<i>-1.2%</i>	<i>1.2%</i>	<i>1.2%</i>	<i>-</i>

- CPO market disrupted by import tax increase in India, export tax suspension in Malaysia, and changes in trade policies between US and China
- Downstream business will continue to focus on enhancing integration and pushing higher value added products to improve long-term margins

SEGMENTAL RESULTS

Oilseeds and Others



	9M 2018	9M 2017	YoY	3Q 2018	2Q 2018	QoQ
<u>Oilseeds</u>						
Revenue (US\$ million)	362	471	-23%	119	99	21%
Sales Volume ('000 tonnes)	609	940	-35%	205	176	16%
EBITDA (US\$ million)	0.4	7.6	-94%	5.0	-6.9	n.m
<i>EBITDA margin</i>	<i>0.1%</i>	<i>1.6%</i>	<i>-1.5%</i>	<i>4.2%</i>	<i>-7.0%</i>	<i>11.2%</i>
<u>Others</u>						
Revenue (US\$ million)	147	147	-	47	48	-2%
EBITDA (US\$ million)	-0.6	2.0	n.m	-0.9	-0.2	-337%
<i>EBITDA margin</i>	<i>-0.4%</i>	<i>1.3%</i>	<i>-1.7%</i>	<i>-1.9%</i>	<i>-0.4%</i>	<i>-1.5%</i>

Turnaround in oilseed business in 3Q 2018 after last quarter impact from the 25% import tax on US soybeans

Note:

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

STRATEGY AND OUTLOOK



Driving operational transformation for responsible growth and long-term shareholders return



Focus	TECHNOLOGY	CUSTOMER	SUSTAINABILITY
Goals	Digital leapfrog to achieve leadership in productivity and cost efficiency	Sustainable profit growth from high margin products	Responsible palm oil production
How to achieve	<ul style="list-style-type: none"> • Digitalisation and science driven solutions • Mechanisation and automation • Replanting with next generation seeds • R&D in new technology • Analytics driven planning and operations 	<ul style="list-style-type: none"> • Global merchandiser with best-in-class supply chain management • Broad portfolio of quality value added products • Customer services and solutions 	<ul style="list-style-type: none"> • Stringent sustainability standard • End-to-end traceability • Comprehensive community programmes • Stakeholders engagement

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 2018 capex US\$110 million



Downstream

- Extending product portfolio, global market reach and logistic facilities to enhance our integrated operations
- Evaluating strategic options and business model restructuring
- Projected 2018 capex US\$110 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 from biodiesel



100%

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

100%

Traceability to
Plantation for independent
mills by 2020



100
wild-born orangutans
rehabilitated &
released since 2011

Progress on Traceability to the Plantation for third-party suppliers

- Full TTP for 49% of the palm supply chain (GAR-owned mills and third-party suppliers)
- 52 third-party mills have been engaged by GAR on TTP with 17 reporting 100% TTP as of Q3 2018
- This helps us share responsible practices and build a more resilient supply chain

GAR continues partnership to rehabilitate orangutans

- GAR has renewed partnership with Orangutan Foundation International (OFI)
- Plan to release 60 orangutans back into the wild over the next 3 years
- Since 2011, OFI with support from GAR has released 100 orangutans in Central Kalimantan
- Updated programme will include community education on maintaining biodiversity



Immature and younger estates use newer-generation higher-yielding planting materials that will further boost production growth in the future

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 2018</u>						
Nucleus	22,243	26,941	175,584	120,258	49,738	395,764
Plasma	1,854	3,910	28,695	50,794	18,030	103,283
Total Area	25,097	30,851	204,279	171,052	67,768	499,047
% of total planted area	5%	6%	41%	34%	14%	100%
<u>31 December 2017</u>						
Nucleus	24,244	33,134	180,682	130,807	31,128	399,995
Plasma	1,638	5,038	31,880	51,870	12,426	102,852
Total Area	25,882	38,172	212,562	182,677	43,554	502,847
% of total planted area	5%	8%	42%	36%	9%	100%

If you need further information, please contact:

Golden Agri-Resources Ltd
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

Telephone : +65 65900800
Facsimile : +65 65900887

www.goldenagri.com.sg

Contact Person : Richard Fung
richard@goldenagri.com.sg