

## Golden Agri-Resources concluded a challenging 2020 with a strong quarter

- Second half EBITDA reached US\$480 million, an increase of 154% from the previous semester, resulting in full year EBITDA of US\$669 million
- Better performance contributed by CPO price appreciation and improving downstream performance
- Proposed final dividend of 0.48 Singapore cents per share for 2020 performance

### FINANCIAL HIGHLIGHTS

US\$'million	Year ended		Change	Half year ended		Change
	31 Dec 2020 (FY 2020)	31 Dec 2019 (FY 2019)		31 Dec 2020 (2H 2020)	30 Jun 2020 (1H 2020)	
Revenue	7,078	6,432	10%	3,687	3,391	9%
Gross Profit	1,150	831	38%	762	389	96%
<b>EBITDA<sup>1</sup></b>	<b>669</b>	<b>697</b>	<b>-4%</b>	<b>480</b>	<b>189</b>	<b>154%</b>
<b>Underlying Profit/(Loss)<sup>2</sup></b>	<b>230</b>	<b>272</b>	<b>-15%</b>	<b>242</b>	<b>-11</b>	<b>n.m</b>
Foreign Exchange Gain/(Loss) <sup>3</sup>	-30	38	n.m	15	-45	n.m
Deferred Tax Expense <sup>3</sup>	-67	-19	250%	-36	-31	14%
Net Profit/(Loss) <sup>4</sup>	32	194	-84%	189	-157	n.m

<sup>1</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss, and exceptional items

<sup>2</sup> Net profit 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, exceptional items, foreign exchange gain/loss, and deferred tax income/expense

<sup>3</sup> Net of tax and/or non-controlling interests

<sup>4</sup> Attributable to owners of the Company

**Singapore, 25 February 2021** – Golden Agri-Resources Ltd (“GAR” or the “Company”) achieved a robust second half performance reaching US\$480 million EBITDA, more than double from the first half, resulting in a full year EBITDA of US\$669 million. Underlying profit continued its positive trajectory from the third quarter, totalling US\$242 million for second half 2020. Full year 2020 net profit stood at US\$32 million, after incorporating foreign exchange translation loss and deferred tax expense, which are mostly non-cash.

This performance was achieved on the back of a ten percent increase in revenue to over US\$7 billion in 2020, primarily attributable to the appreciation of CPO market prices. During 2020, CPO prices (FOB Belawan) averaged at US\$691 per tonne, an increase of 32 percent from the previous year. GAR’s upstream business benefitted from the uptrend in CPO market prices in the second half, making a larger contribution to the Company’s consolidated

EBITDA, while downstream business improved in line with the logistics recovery post COVID-19 lockdown in major consuming countries.

On the results and outlook, **Mr. Franky O. Widjaja, GAR Chairman and Chief Executive Officer** commented: "I am delighted to see GAR doing well in 2020 with more favourable market conditions towards end of the year. In the second half of the year, global economies started to open with CPO market prices strongly rebounding supported by extreme tightness in global vegetable oil supply and demand. Weather continues to hold the key to driving short-term vegetable oil supplies. Palm oil production is expected to grow next year after a decline in 2020. Demand is expected to remain strong with recovery from the COVID-19 pandemic including the demand from Indonesian biodiesel. However, we still need to anticipate volatility with the lingering COVID-19 pandemic."

Mr. Widjaja further added: "Our strategy is built on palm oil's competitiveness as an essential ingredient for everyday needs based on evolving global consumer preferences towards health-friendly and sustainably-produced products. Our position as a leading producer with strong sourcing capabilities, an extensive portfolio of palm-based products, and an efficient end-to-end supply chain, provides us a sound foundation for sustainable growth."

For GAR's 2020 performance, the Board proposes a final dividend of 0.48 Singapore cents per share or approximately US\$46 million in total, representing twenty percent of underlying profit. The proposed dividend will be distributed on 18 May 2021 subject to approval from GAR's shareholders at the Annual Meeting.

## SEGMENTAL PERFORMANCE

### Plantations and palm oil mills

As at 31 December 2020, GAR's planted area stood at over 536 thousand hectares, of which 21 percent is owned by plasma smallholders. GAR has replanted 18,400 hectares of old estates with higher-yielding, next-generation planting materials during the year.

Due to seasonality and recovery from the drought impact, second half fruit yield reached almost 11.0 tonnes per hectare, 22 percent higher than in the previous semester. However, full year yield of 20.4 tonnes per hectare was still five percent lower than previous year's performance. Palm product output was 2.78 million tonnes in 2020.

With the uptrend in CPO prices, upstream business delivered EBITDA<sup>1</sup> of US\$416 million during 2020, 39 percent stronger than in 2019. EBITDA margin also strengthened by five percent to 28 percent.

### Palm, laurics and others

Our downstream segment mostly consists of the processing and merchandising of palm and oilseed based products comprising bulk and branded products, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

The palm, laurics and others segment generated revenue of US\$7.1 billion during 2020, ten percent higher than the previous year due to higher selling prices that offset the decline in

sales volume. Sales volume decreased by seven percent attributable to lower availability of palm oil feedstock in the industry and logistics issues during the initial COVID-19 lockdowns.

Half year segmental EBITDA reached US\$197 million, more than triple the previous semester and translating to a strong margin of 5.4 percent. This performance was supported by gradual improvement in the economies of major consuming countries post COVID-19 lockdowns. For full year 2020, this segment contributed EBITDA of US\$255 million with a margin of 3.6 percent.

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### **About Golden Agri-Resources Ltd (GAR)**

GAR is one of the leading palm oil plantation companies with a total planted area of 535,923 hectares (including plasma smallholders) as at 31 December 2020, located in Indonesia. It has integrated operations focused on the production and distribution of an extensive portfolio of palm-based products.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US\$1.5 billion as at 31 December 2020. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.52 percent stake. GAR has several subsidiaries, including PT SMART Tbk which was listed on the Indonesia Stock Exchange in 1992.

GAR is focused on responsible palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; refining CPO into value-added products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as merchandising palm products globally. GAR's products are delivered to a diversified customer base in over 70 countries through its global distribution network with shipping and logistics capabilities, destination marketing, on-shore refining and ex-tank operations in many countries. GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, as well as sugar businesses.

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