



Golden Agri-Resources Ltd (GAR)
Interim Performance Presentation
Half year ended 30 June 2021

13 August 2021

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GAR continued its robust performance in second quarter 2021 contributed from both upstream and downstream businesses

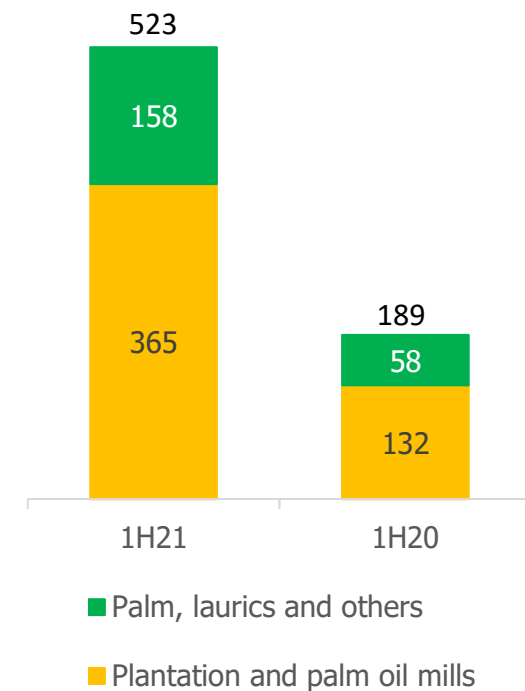
- 1H 2021 Financial Performance

| Revenue | EBITDA | Underlying Profit ¹ |
|-----------------------------------|-----------------------------------|---------------------------------|
| US\$4.45 bn +31% | US\$523 mn +176% | US\$246 mn n.m |

- 2Q 2021 Financial Performance (QoQ)

| Revenue | EBITDA | Underlying Profit ¹ |
|-----------------------------------|----------------------------------|----------------------------------|
| US\$2.41 bn +17% | US\$291 mn +26% | US\$147 mn +48% |

EBITDA (in US\$ million)



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, depreciation of bearer plants, exceptional items, foreign exchange gain/loss, and deferred tax income/expense



Financial Highlights



Financial Performance



| US\$ million | 1H 2021 | 1H 2020 | YoY | 2Q 2021 | 1Q 2021 | QoQ |
|--|---------|---------|-------|---------|---------|------|
| Revenue | 4,454 | 3,391 | 31% | 2,406 | 2,048 | 17% |
| Gross Profit | 1,061 | 389 | 173% | 576 | 485 | 19% |
| EBITDA ¹ | 523 | 189 | 176% | 291 | 232 | 26% |
| Underlying Profit/(Loss) ² | 246 | -11 | n.m | 147 | 99 | 48% |
| <i>Net gain/(loss) from changes in fair value of biological assets³</i> | 2 | -4 | n.m | 2 | 0.2 | 920% |
| <i>Depreciation of bearer plants³</i> | -60 | -59 | 1% | -31 | -29 | 7% |
| <i>Foreign exchange gain/(loss)³</i> | -8 | -45 | -83% | 8 | -15 | n.m |
| <i>Deferred tax expense³</i> | -27 | -31 | -14% | -13 | -14 | -9% |
| <i>Exceptional item³</i> | - | -5 | -100% | - | - | - |
| Net profit/(loss) attributable to owners of the Company | 153 | -157 | n.m | 112 | 41 | 176% |

- Strong performance on the back of CPO price appreciation and plantation output growth, partly offset by higher export levy and tax
- Healthier downstream business environment after supply chain disruptions in first half 2020

Notes:

1. EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$11 million, US\$-14 million, US\$13 million and US\$-2 million in 1H 2021, 1H 2020, 2Q 2021 and 1Q 2021, respectively.
2. 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, exceptional items, foreign exchange gain/loss, and deferred tax expense
3. Net of tax and/or non-controlling interests

Lower leverage and strengthened liquidity position amidst the COVID-19 pandemic

| US\$ million | 30-Jun-21 | 31-Dec-20 | Change |
|--|-----------|-----------|--------|
| Total Assets | 9,240 | 9,126 | 1% |
| <i>Cash and short-term investments</i> | 1,041 | 1,097 | -5% |
| <i>Fixed assets¹</i> | 4,017 | 4,127 | -3% |
| Total Liabilities | 4,615 | 4,695 | -2% |
| Net Debt ² | 747 | 1,108 | -32% |
| <i>Interest bearing debt</i> | 3,060 | 3,145 | -3% |
| <i>Cash, short-term investments and liquid working capital³</i> | 2,313 | 2,037 | 14% |
| Total Equity | 4,625 | 4,432 | 4% |
| Net Debt ² /Total Equity | 0.16x | 0.25x | |
| Net Debt ² /Total Assets | 0.08x | 0.12x | |
| Net Debt ² /EBITDA ⁴ | 0.75x | 1.66x | |
| EBITDA/Interest ⁴ | 6.67x | 4.83x | |

Notes:

1. Includes Property, Plant and Equipment, Bearer Plants, Right-of-use Assets and Investment Properties
2. Interest bearing debt less cash, short-term investments and liquid working capital
3. Liquid working capital is trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers
4. Calculated based on the last four quarters figures

Interim Dividend



Considering GAR's robust performance during first half 2021, the Board declares interim dividend of 0.528 Singapore cents per share

| Cash Dividend | 2016 | 2017 | 2018 | 2019 | 2020 | 1H 2021 |
|--|--------|--------|--------|--------|--------|---------|
| Dividend per share (in S\$ cents) | 0.635 | 0.809 | 0.580 | 0.580 | 0.480 | 0.528 |
| Total Dividend (in S\$ million) | 80.86 | 103.02 | 73.86 | 73.86 | 60.92 | 67.01 |
| Underlying Profit ¹ (in US\$ million) | 186.28 | 253.84 | 180.72 | 271.82 | 230.19 | 245.96 |
| % to underlying profit | 31% | 30% | 30% | 20% | 20% | 20% |

The Company's dividend policy is to distribute up to 30% of underlying profit, after considering:

- results of operations, cash flows and financial condition;
- working capital requirements;
- the dividend payment from subsidiaries; and
- other factors deemed relevant by the Board of Directors and shareholders.

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, depreciation of bearer plants, exceptional items, foreign exchange gain/loss, and deferred tax income/expense



Segmental Performance



Segmental Results

Plantations and Palm Oil Mills

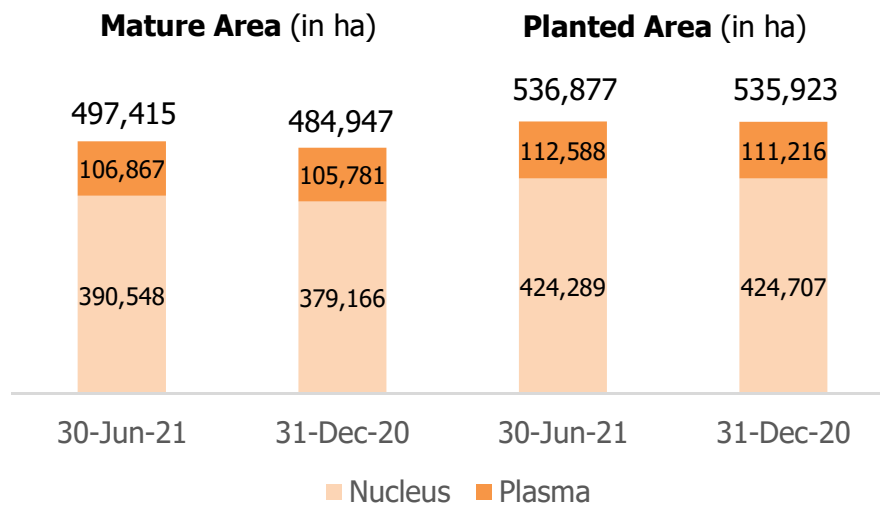


Higher margins supported by sustained strength in CPO prices and production recovery

| | 1H 2021 | 1H 2020 | YoY |
|-----------------------------------|------------|------------|------------|
| Revenue (US\$ million) | 1,043 | 625 | 67% |
| EBITDA (US\$ million) | 365 | 132 | 177% |
| <i>EBITDA margin</i> | <i>35%</i> | <i>21%</i> | <i>14%</i> |
| CPO FOB Price (US\$/MT) | 1,088 | 616 | 77% |
| FFB Production ('000 tonnes) | 5,183 | 4,084 | 27% |
| Nucleus | 4,060 | 3,215 | 26% |
| Plasma | 1,123 | 870 | 29% |
| FFB Yield (tonnes/ha) | 10.4 | 8.8 | 18% |
| Palm Product Output ('000 tonnes) | 1,598 | 1,219 | 31% |
| CPO | 1,273 | 973 | 31% |
| PK | 325 | 246 | 32% |
| Oil Extraction Rate | 21.6% | 21.6% | - |
| Kernel Extraction Rate | 5.5% | 5.5% | - |
| Palm Product Yield (tonnes/ha) | 2.8 | 2.4 | 19% |

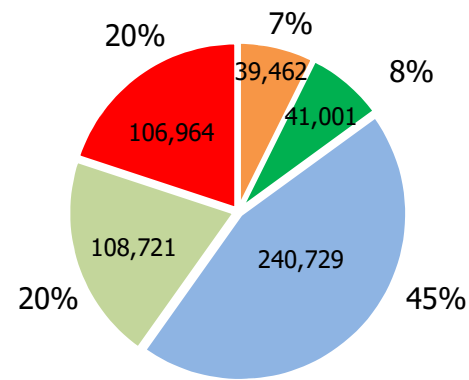
Note: EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$5 million and US\$-3 million in 1H 2021 and 1H 2020, respectively

Continued long-term productivity growth through replanting and technological innovation



- Immature and young estates use next-generation, higher-yielding seeds for continued long-term production growth
- Our high-quality estates continue to produce superior CPO yields, even at over 25 years
- Replanting achieved at around 8,700 ha in 1H 2021

Age Profile as of 30 June 2021



- Immature (0-3 years)
- Young (4-6 years)
- Prime 1 (7-18 years)
- Prime 2 (19-25 years)
- Old (>25 years)

Notes:

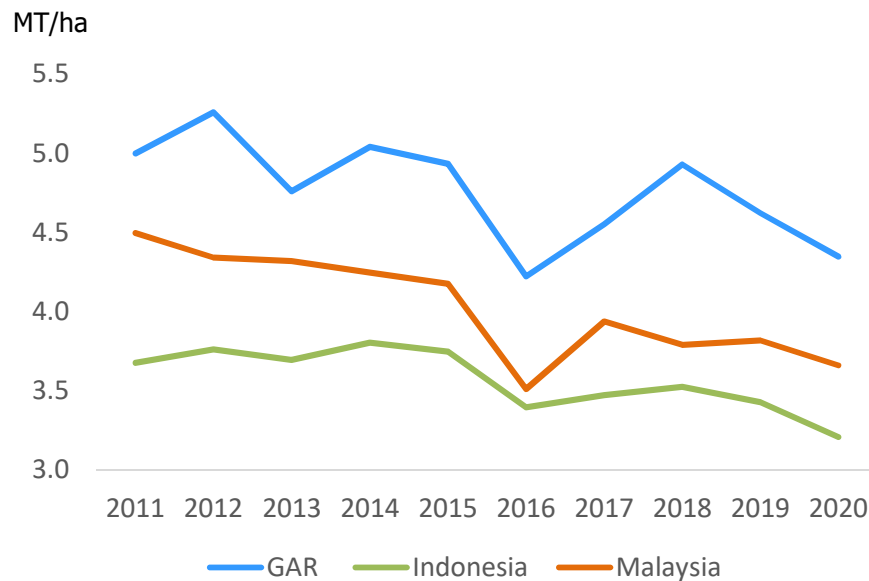
1. Including plasma
2. Average age of plantations, including plasma, is 17 years

Managed Age Profile Provides Continued High Yields

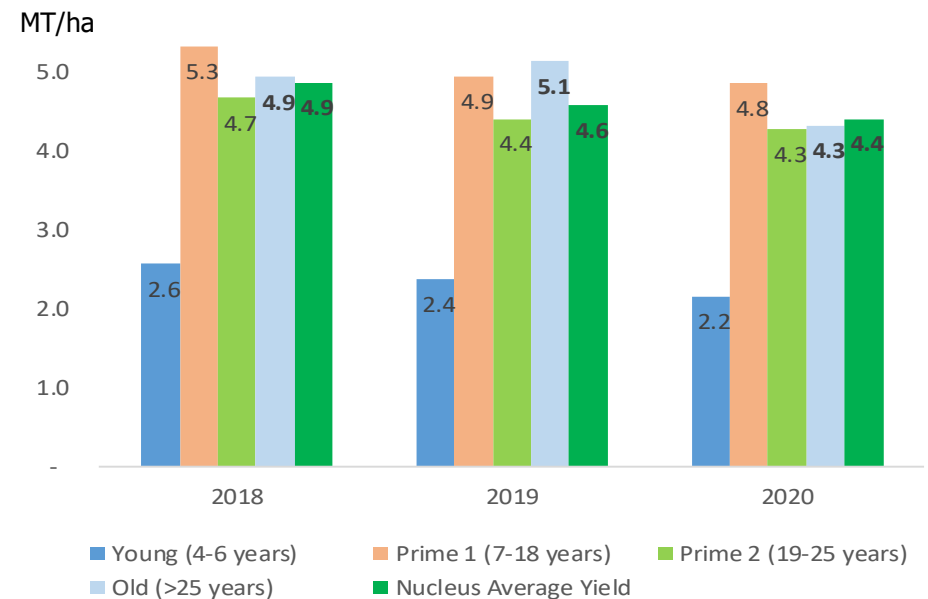


GAR sustains its high yields despite higher average age

GAR's best-in-class plantations consistently deliver above-industry CPO yields



Our high-quality estates continue to produce superior CPO yields, even at over 25 years



Our yields will continue to increase through replanting with next-generation higher-yielding seeds and increased mechanisation

Segmental Results

Palm, Laurics and Others



Strong margin recovery after impact from the COVID-19 outbreak in early 2020

| | 1H 2021 | 1H 2020 | YoY |
|----------------------------|-------------|-------------|-------------|
| Revenue (US\$ million) | 4,433 | 3,382 | 31% |
| Sales Volume ('000 tonnes) | 4,778 | 4,971 | -4% |
| EBITDA (US\$ million) | 158 | 58 | 172% |
| <i>EBITDA margin</i> | <i>3.6%</i> | <i>1.7%</i> | <i>1.9%</i> |

- Lower sales volume in first half 2021 due to timing of delivery resulting to higher inventory at end of the period
- Indonesia B30 biodiesel programme is a major catalyst to the industry with strong support from the Government and industry players

Notes:

1. This segment refers to processing and merchandising of palm and oilseed based products i.e. bulk, branded, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products mainly food and beverages
2. EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$6 million and US\$-11 million in 1H 2021 and 1H 2020, respectively



Strategy and Outlook



Strategic Outlook



Strategic Focus

- Continue to develop capability in serving growing global demand of health-friendly and sustainably-produced products, leveraging the strengths as a leading soil-to-table agribusiness
- Budgeted capital expenditure of US\$150 million in 2021 mainly for replanting, biodiesel capacity expansion, and enhancing capability to produce higher-value products
- Gemini Edibles & Fats India, a 56.27% subsidiary of GAR has initiated the process for its proposed listing on the BSE and the National Stock Exchange of India¹

Industry Outlook

- Fundamental supply and demand balance is expected to remain tight
- Long-term outlook of the industry continue to be positive supported by palm oil's competitive advantages in serving growing population and income per capita

Note:

¹ For further details, kindly refer to GAR's announcement regarding Gemini Edibles & Fats India Limited, released on 8 August 2021. As there is no assurance that the Proposed IPO will proceed, and the terms thereof have not been finalised, shareholders and potential investors are advised to exercise caution when dealing with the Company's securities, and to refrain from taking any action in respect of their securities which may be prejudicial to their interests



Towards Responsible Palm Oil Production



TTP for palm supply chain

- To date, 94% of palm supply chain is fully traceable to the plantation
- Aim to go beyond 100% TTP to reflect entire supply shed and maintain full traceability
- This is because supply chain fluctuates every year due to suppliers joining or leaving

GAR scores strongly on ESG

- Continues to be part of FTSE4Good with score 3.3/5 and 59 percentile rank
- Ranks 10/100 on the SPOTT ESG policy transparency assessment
- Ranks 38/519 on the Singapore Governance and Transparency Index 2021

Expanding deforestation monitoring

- Near real-time satellite monitoring of deforestation
- Covers palm oil concessions and supply chain across all of Indonesia

Traceability to the Plantation:

94% palm oil supply chain fully traceable (GAR-owned mills and third-party mills)





Appendix



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 June 2021</u> | | | | | | |
| Nucleus | 33,741 | 37,525 | 213,195 | 74,853 | 64,975 | 424,289 |
| Plasma | 5,721 | 3,476 | 27,534 | 33,868 | 41,989 | 112,588 |
| Total Planted Area | 39,462 | 41,001 | 240,729 | 108,721 | 106,964 | 536,877 |
| % of total | 7% | 8% | 45% | 20% | 20% | 100% |
| <u>31 December 2020</u> | | | | | | |
| Nucleus | 45,541 | 34,386 | 204,735 | 100,165 | 39,880 | 424,707 |
| Plasma | 5,435 | 2,069 | 27,917 | 45,890 | 29,905 | 111,216 |
| Total Planted Area | 50,976 | 36,455 | 232,652 | 146,055 | 69,785 | 535,923 |
| % of total | 10% | 7% | 43% | 27% | 13% | 100% |



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