

Golden Agri-Resources performance continues to strengthen in first half 2021

- Net profit for the first half 2021 increased to US\$153 million whilst EBITDA¹ more than doubled to US\$523 million
- First half 2021 palm product output recovered strongly by 31 percent to 1.60 million tonnes, supported by favourable weather conditions
- The Board declares interim dividend of 0.528 Singapore cents per share amidst robust performance and outlook

FINANCIAL HIGHLIGHTS

US\$ million	First half ended		Change
	30 Jun 2021 (1H 2021)	30 Jun 2020 (1H 2020)	
Revenue	4,454	3,391	31%
Gross Profit	1,061	389	173%
EBITDA¹	523	189	176%
Underlying Profit/(Loss)²	246	-11	n.m
Foreign Exchange Loss ³	-8	-45	-83%
Deferred Tax Expense ³	-27	-31	-14%
Net Profit/(Loss)⁴	153	-157	n.m

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

² Net profit attributable to owners of the Company, excluding net effect of net gain or loss from changes in fair value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange loss, and deferred tax expense

³ Net of tax and/or non-controlling interests

⁴ Attributable to owners of the Company

Singapore, 13 August 2021 – Golden Agri-Resources Ltd (“GAR” or the “Company”) achieved a strong set of results during the first semester of 2021 with a more favourable environment despite the continued COVID-19 pandemic. This robust performance was primarily attributable to recovery in palm product output and sustained strong CPO market prices during the year, resulting in a 31 percent increase in revenue to almost US\$4.5 billion. Average CPO market price (FOB Belawan) during first half 2021 was US\$1,088 per tonne, an increase of 77 percent from last year.

On the results, **Mr. Franky O. Widjaja, GAR Chairman and Chief Executive Officer** commented: “The Board is proud of the continued strong performance delivered by GAR during the first semester of the year. Our financial position is also healthier resulting to lower leverage and a strengthened liquidity position. With its confidence towards the Company’s performance and industry outlook, the Board declares the distribution of an interim dividend of 0.528 Singapore cents per share.”

Despite the much higher export tax and levy charged during 2021, first-half EBITDA grew by 176 percent to US\$523 million. Underlying profit and net profit saw a significant turnaround to US\$246 million and US\$153 million, respectively. The downstream business also contributed to these solid results as the industry environment was more favourable after the pandemic lockdowns last year.

Mr. Widjaja added: "Global vegetable oil supply has been very tight because of weather uncertainties in some producing countries. Particularly for palm oil, production recovery is also weaker than expected primarily due to the foreign labour shortage in Malaysia. These conditions are expected to remain until late 2021. Global demand, on the other hand, has been very encouraging and palm oil exports will continue to be strong in line with the improving market conditions in major consuming countries. We remain positive while staying prudent by closely monitoring industry supply and demand dynamics to be able to benefit from any prospective developments."

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

As at 30 June 2021, GAR's planted area stood at 537 thousand hectares, of which 21 percent is owned by plasma smallholders. The replanting of old estates reached 8,700 hectares in first half 2021. This effort aims to rejuvenate the estates with next-generation, higher yielding planting materials and to introduce increased mechanisation.

First half 2021 fruit yield reached 10.4 tonnes per hectare with a total output of 5.2 million tonnes, which was processed into almost 1.6 million tonnes of palm products. The palm product output recovered by 31 percent during the semester, after a decline last year.

Higher plantation output and strengthening CPO prices during the period resulted in significant improvement in first half upstream EBITDA to US\$365 million, with an expanded EBITDA margin of 35 percent from 21 percent during the same period last year.

Palm, laurics and others

The downstream business 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.

The palm, laurics and others segment generated revenue of over US\$4.4 billion during first half 2021, 31 percent higher than last year, resulting primarily from higher average selling prices. In line with a more conducive business environment, the segmental EBITDA grew strongly to US\$158 million from US\$58 million in the previous year, with increased margin at 3.6 percent from 1.7 percent last year.

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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 536,877 hectares (including plasma smallholders) as at 30 June 2021, 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\$2.2 billion as at 30 June 2021. 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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