

FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT::THIRD QUARTER RESULTS

Issuer & Securities

Issuer/ Manager

GOLDEN AGRI-RESOURCES LTD

Securities

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Designation

Director, Corporate Secretarial

Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)

Golden Agri-Resources Ltd has released the Group's Performance Update for the third quarter ended 30 September 2021. Please see attached.

Additional Details

For Financial Period Ended

30/09/2021

Attachments

[GAR38-12-11-2021-3Q2021 Performance Update.pdf](#)

Total size =492K MB

Performance Update - Third Quarter 2021

12 November 2021

1. FINANCIAL PERFORMANCE

US\$'million	Nine-month period ended		Change	Quarter ended		Change
	30 Sep 2021 (9M 2021)	30 Sep 2020 (9M 2020)		30 Sep 2021 (3Q 2021)	30 Sep 2020 (3Q 2020)	
Revenue	7,282	4,995	46%	2,828	1,605	76%
Gross Profit	1,690	628	169%	629	240	163%
EBITDA¹	828	314	164%	305	124	145%
Underlying Profit²	386	9	4084%	140	21	580%
Foreign Exchange Gain/(Loss) ³	8	-60	n.m	15	-14	n.m
Deferred Tax Expense ³	-40	-31	30%	-13	1	n.m
Net Profit/(Loss) ⁴	268	-162	n.m	115	-5	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 gain or loss, and exceptional items.

2 Net profit or loss 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 gain or loss, and deferred tax expense or income.

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

4 Attributable to owners of the Company.

Golden Agri-Resources Ltd ("GAR" or the "Company") achieved a record revenue of US\$7.3 billion for the nine-month period, after another robust performance in the third quarter of 2021. This represented a 46 percent increase over last year's performance for the same period and was largely due to continued strong production and palm oil market prices. During the nine-months, CPO market prices (FOB Belawan) increased by 74 percent from the same period last year, averaging US\$1,110 per tonne. After deducting the export tax and levy, the average net CPO price was US\$765 per tonne, or 31 percent higher than in previous year's period. For the third quarter only, revenue reached US\$2.8 billion, a year-on-year increase of 76 percent, based on both higher average selling prices and an increase in sales volume.

The sustained increase in palm oil prices propelled EBITDA for the third quarter to US\$305 million, contributing to year-to-date EBITDA of US\$828 million. This was a substantial increase by 164 percent and a record nine-month period EBITDA for the Company. Year-to-date underlying profit reached US\$386 million, also much higher than the US\$9 million achieved in the previous year.

The plantations and palm oil mills segment benefitted from the higher plantation output and continuing uptrend in CPO market prices. The performance of palm, laurics and others segment also continued to be favourable in line with the healthier business environment.

2. OPERATIONAL PERFORMANCE

'000 MT	Nine-month period ended		Change	Quarter ended		Change
	30 Sep 2021 (9M 2021)	30 Sep 2020 (9M 2020)		30 Sep 2021 (3Q 2021)	30 Sep 2020 (3Q 2020)	
Upstream palm product	2,295	1,885	22%	697	665	5%
Downstream sales volume	7,560	7,448	2%	2,782	2,478	12%

As of 30 September 2021, GAR's planted area, including plasma, stood at approximately 537 thousand hectares, of which 495 thousand hectares was mature and the remaining immature. Nucleus and plasma estates amounted to 423 thousand and 114 thousand hectares, respectively.

Third-quarter palm product output saw a five percent increase compared to last year, with a 4.7 tonnes per hectare fruit yield. Nine-month yield registered at 15.2 tonnes per hectare, ten percent higher than last year. The total output of palm product during the first nine months of 2021 was higher by 22 percent, reaching 2.3 million tonnes.

Sales volume of our downstream business in the third quarter and year-to-date 2021 expanded by twelve and two percent, respectively, compared to the same periods last year.

3. FINANCIAL POSITION

US\$ million	30 Sep 2021	31 Dec 2020	Change
Total Assets	9,295	9,126	2%
<i>Cash and short-term investments</i>	1,056	1,097	-4%
<i>Fixed assets¹</i>	3,980	4,127	-4%
Total Liabilities	4,512	4,695	-4%
Net Debt ²	613	1,108	-45%
<i>Total Debt³</i>	2,827	3,145	-10%
<i>Cash, short-term investments and liquid working capital⁴</i>	2,214	2,037	9%
Total Equity	4,783	4,432	8%

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 Interest bearing debt.
- 4 Liquid working capital is trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers.

Ratios	30 Sep 2021	31 Dec 2020
Net Debt ¹ /Equity	0.13x	0.25x
Net Debt ¹ /Total Assets	0.07x	0.12x
Net Debt ¹ /EBITDA ²	0.52x	1.66x
EBITDA ² /Interest ²	7.39x	4.83x

Notes:

- 1 Interest bearing debt less cash, short-term investments and liquid working capital.
- 2 Calculated based on the last four quarter figures.

4. PROGRESS ON SUSTAINABILITY

Recognising the need for a strategic approach to sustainability that encompasses GAR's upstream, downstream and corporate units and functions, the Company has restructured its sustainability division, appointing Anita Neville as Chief Sustainability & Communications Officer. GAR will further strengthen its sustainability efforts, aligning with Government of Indonesia targets on climate change and reinforcing its commitment to responsible sourcing.

In relation to sourcing, as of the third quarter of 2021, we have achieved 94 percent Traceability to Plantation for our palm supply chain and expect to achieve 100 percent by end of 2021. Our effort has included the profiling of 91,910 independent smallholders through our Ksatria Sawit programme. Smallholder palm fruit enters our supply chain through a network of dealers and suppliers. In order to improve their productivity and incomes while observing sustainable production practices, our field teams engage with these suppliers providing training, while collecting valuable data to help us achieve our dual objective of reducing deforestation while supporting economic development

5. INDUSTRY OUTLOOK

Tight global vegetable oil supply persists and the ongoing La Niña is another risk factor that can impact supply in the short term. Extremely high rainfalls in Southeast Asia may hinder the oil palm harvesting process, while extreme drought could impact oilseeds production in South America and the United States. Meanwhile, demand has not been significantly affected despite high prices, as is reflected in the tight stock positions. These factors are expected to support continued strong CPO market prices. Notwithstanding the more conducive market environment, we remain cautious of any uncertainties from the lingering global COVID-19 pandemic.

Looking forward, industry prospects continue to be positive given palm oil's important role in supplying the growing global vegetable oil demand. Compared to other vegetable oils, oil palm plantation utilises up to seven times less land to produce the same amount of oil. This is crucial in solving the challenging food security amidst a growing world population.

For investor enquiries, please contact:

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