



gar

agribusiness and food

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Company Presentation

November 2022

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CORPORATE OVERVIEW





- Listed on SGX since 1999
- A leading Indonesian plantation group with integrated operations for the production of a wide range of value added palm-based products
- Global marketing presence with refining facilities in China and India, sales representative offices and ex-tank operations in many large consuming countries

Financial Statistics (in US\$ million)

	9M 2022	FY 2021
Revenue	8,570	10,183
EBITDA ²	1,340	1,214
Underlying Profit ³	726	603
Total Equity	5,429	4,892

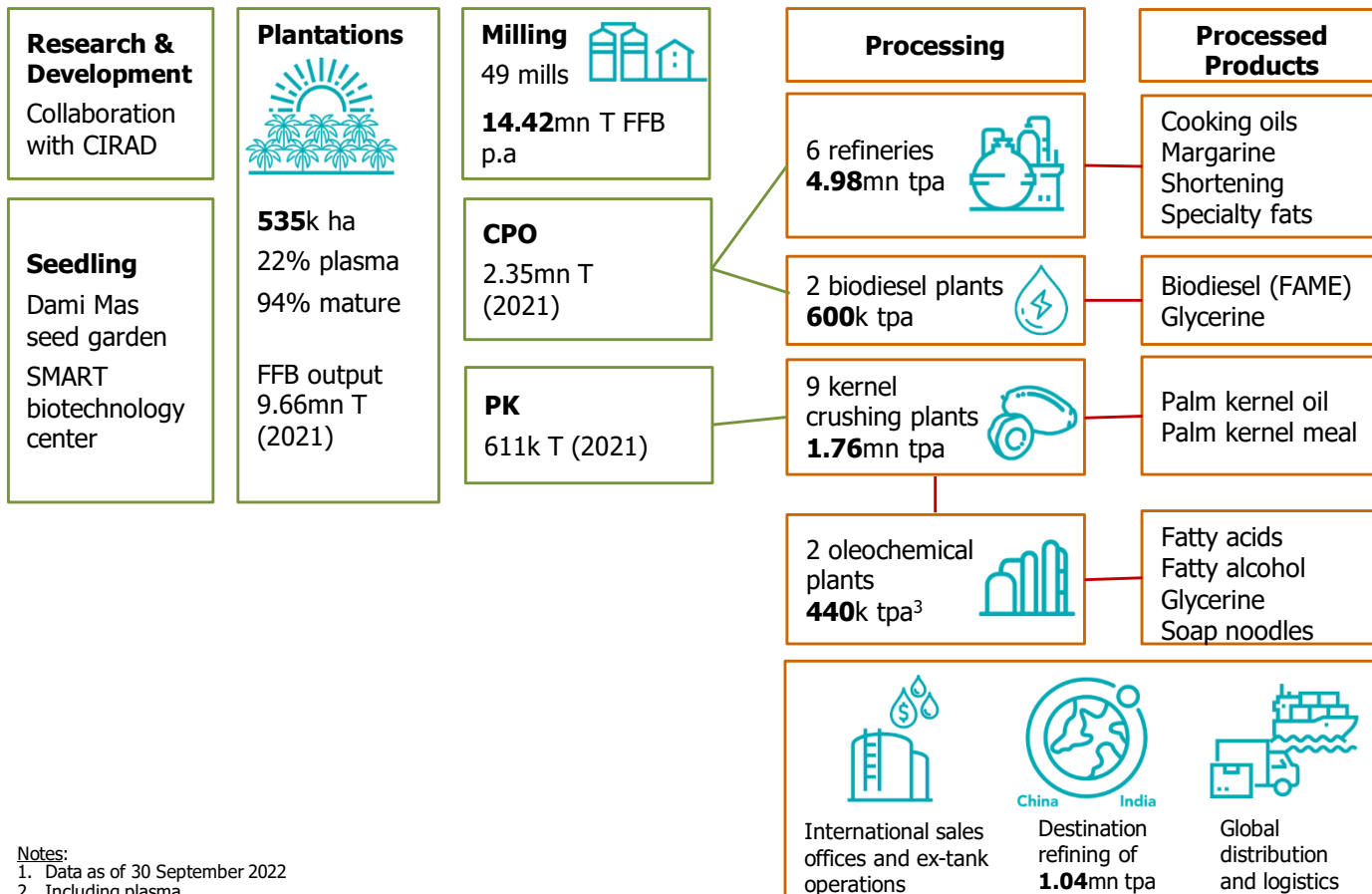
Plantation Profile

Planted Area (as of 30 Sep 2022) ¹	534,800 ha
Output of Palm Products (CPO and PK)	
9M 2022	2,294,000 MT
FY 2021	2,961,000 MT

Notes:

1. Including plasma
2. 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. EBITDA includes allocated net fair value gain on financial assets (IFRS 9) of US\$4 million and US\$43 million in 9M2022 and FY2021, respectively.
3. Net profit attributable to owners of the Company, excluding 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

Leading Indonesian Plantation Group with Integrated Operations and Global Presence



Notes:

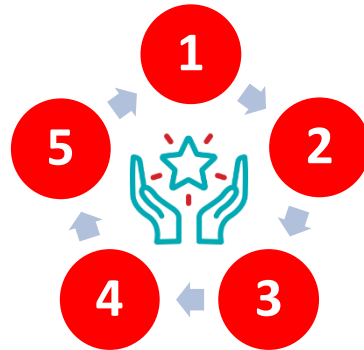
1. Data as of 30 September 2022
2. Including plasma
3. Including operations under JV

KEY COMPETITIVE STRENGTHS



Best-in-class plantations with managed age profile continues to deliver above-industry yields

Strong financial position and consistent dividend distribution



Integrated business model provides robust profit base

Science and technological innovation for sustained growth

Sustainability is our business imperative

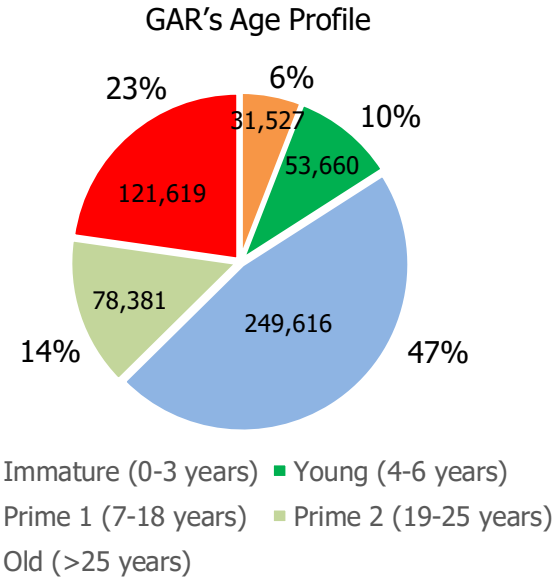
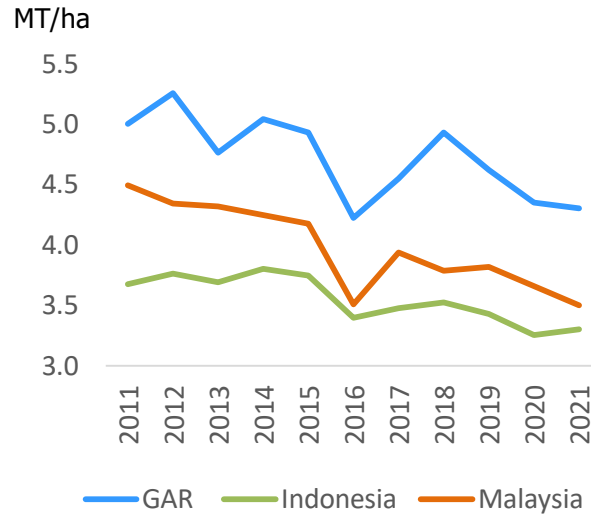


1. Best-in-class Plantations with Managed Age Profile Continues to Deliver Above-Industry Yields

Taking initiative in technological innovation allows GAR to stay ahead in yield growth

- **Precision Agriculture** through state-of-the-art proprietary IT system
- **Research and Development** in latest plant breeding biotechnology
- **Mechanisation** of farming hardware to enhance productivity
- **Digitalisation** of business processes using the latest mobile technology as enabler
- **Artificial Intelligence** to make insightful decisions, drive efficiencies and improve logistical capability

GAR's 2021 CPO yield was 30% higher than Indonesia average and 23% higher than Malaysia average



Note: Data as of 30 September 2022, include plasma.
Average age is 17 years

2. Integrated Business Model Provides Robust Profit Base



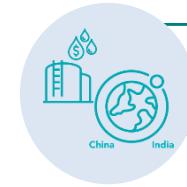
Origination of
Raw Materials



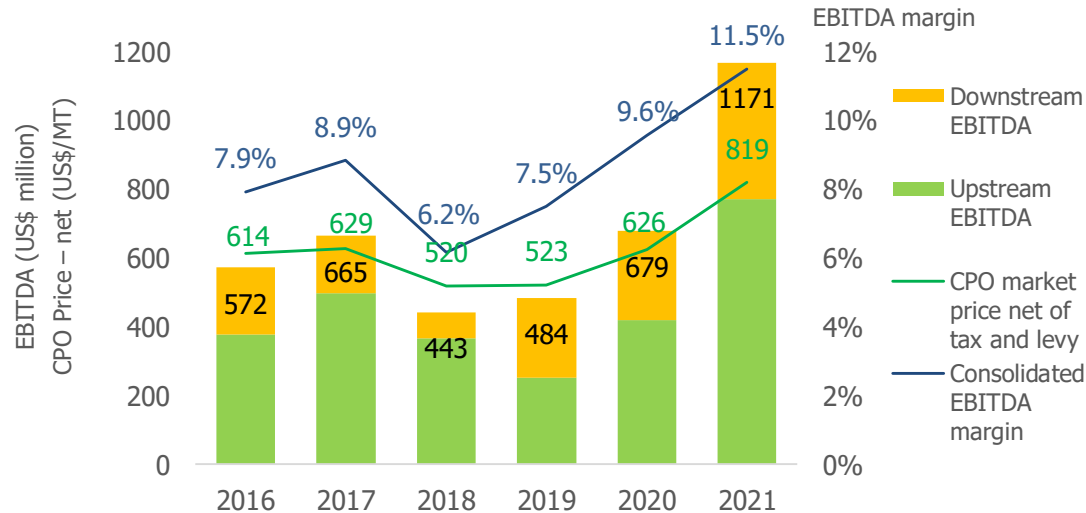
Processing and
Product Customisation



Logistic
Excellence



Destination Market
Expertise



Note: EBITDA excluding fair value gain/loss on financial assets

Our end-to-end ability in managing across the integrated value chain enabling us to optimally monetise production and better respond to any external changes

- High margins from core upstream with leading scale and above-average yield
- Additional margin from downstream business with strong capability in each area along the supply chain

Strong commitment to responsible palm oil production

Driving sustainability from the source through traceability to the plantation (TTP)

- To date, more than 96% of palm supply chain is fully traceable to the plantation
- More than 125,000 smallholders registered under the [Ksatria Sawit programme](#)
- As supply chain fluctuates every year due to new suppliers joining, we are devising action plans for these and minority of existing suppliers who have not completed TTP
- Phase II of supply chain transformation: specific support programmes for smallholders

79,900 ha
conservation area
(HCV/HCS)

Forest conservation helps store large amounts of carbon and maintains freshwater resources



Supporting the conservation of
117,000 ha of forests by our suppliers

Conservation of
43,000 ha of forests with local communities



99.97% of GAR area **NOT** affected by fires in 2021



The GAR Social and Environmental Policy (GSEP) represents GAR's No Deforestation, No Peat and No Exploitation (NDPE) related commitments



Environmental Management



Social and Community Engagement



Work Environment and Industrial Relations



Marketplace and Supply Chain

Embracing science and technological innovation for responsible growth and margin enhancement

Aim for high-productivity and zero-waste precision agriculture for sustainable growth



High-yielding, drought-and-disease-resistant planting materials



New product research and development to meet our customers' evolving nutrition and health needs



In-house developed technologies combining automation, digitalisation, artificial intelligence with operational excellence



Delivering digital experience to the customers with full-service distribution capability, from end-to-end supply chain management to sales and marketing

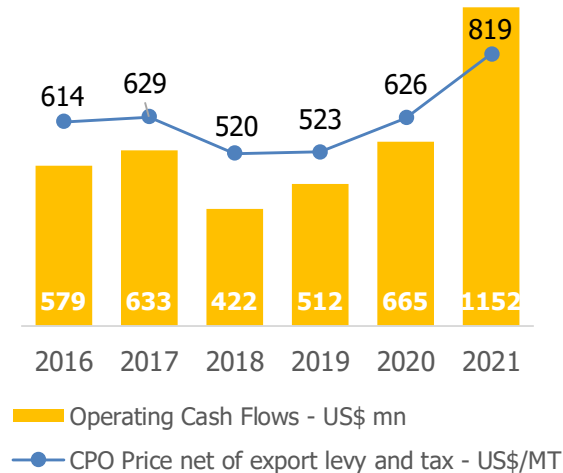


Partnering with technology companies through strategic technology investments, bringing synergies to our capabilities and scale

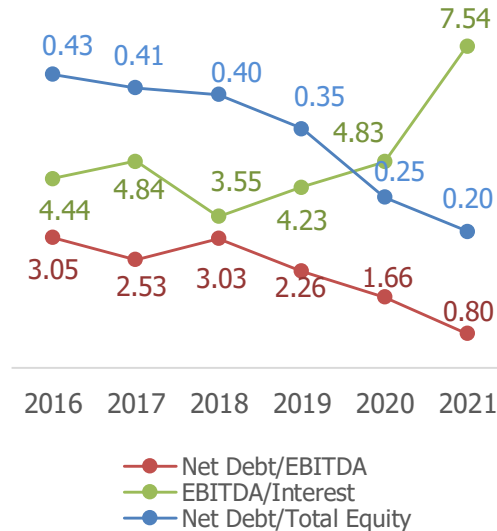


5. Strong Financial Position and Consistent Dividend Distribution

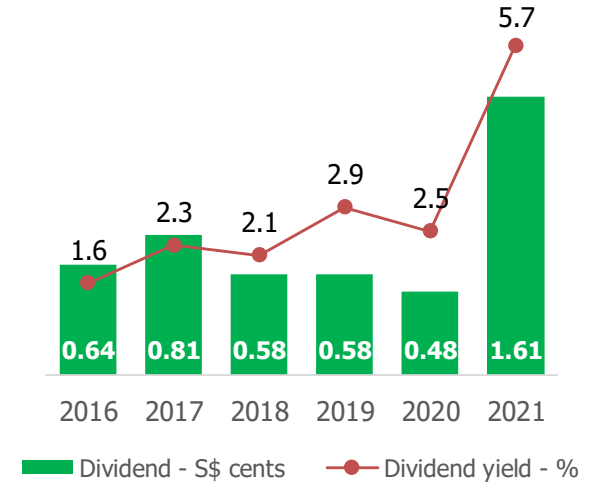
Strong growth in operating cash flows¹



Strengthened financial ratios amidst the continuing pandemic



Consistent dividend yield of above 2% in the past five years



Note:

1. Before working capital changes



STRATEGY AND 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 technology-driven soil-to-table agribusiness
- Capital expenditure targeted at US\$175-200 million in 2022 mainly for replanting, completion of biodiesel capacity expansion, and capability enhancement in producing higher-value products

Industry Outlook

- Fundamental supply and demand balance for vegetable oils is expected to remain tight
- Robust long-term industry outlook bolstered by palm oil as the cheapest vegetable oil, continue to be an attractive alternative for both food and energy consumption
- We remain cautious of any uncertainties affecting the market, i.e. changes in trade policies both in consumer and producing countries, potential global recession, weather conditions, increasing interest rate, and developments in vegetable oil and crude oil prices





FINANCIAL PERFORMANCE



Record performance through optimal utilisation of our integrated business model

(in US\$ million)	9M 2022	9M 2021	2021	2020
Revenue	8,570	7,282	10,183	7,078
Gross Profit	2,180	1,690	2,355	1,150
<i>Gross Profit Margin</i>	<i>25%</i>	<i>23%</i>	<i>23%</i>	<i>16%</i>
EBITDA ¹	1,340	828	1,214	669
<i>EBITDA margin</i>	<i>16%</i>	<i>11%</i>	<i>12%</i>	<i>9%</i>
Underlying Profit ²	726	386	603	230
Foreign Exchange Gain/(Loss) ³	55	8	34	(30)
Deferred Tax Expense ³	(15)	(40)	(48)	(67)
Net Profit attributable to owners of the Company	675	268	476	32

Notes:

1. EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$4 million, US\$15 million, US\$43 million, and US\$(8) million in 9M 2022, 9M 2021, 2021, and 2020, respectively
2. 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
3. Net of tax and/or non-controlling interests

Expanded EBITDA supported by stronger CPO prices despite seasonally lower production

	1H 2022	1H 2021	YoY	FY 2021	FY 2020
Revenue (US\$ million)	1,249	1,043	20%	2,190	1,482
EBITDA (US\$ million)	520	365	43%	779	416
<i>EBITDA margin</i>	<i>42%</i>	<i>35%</i>	<i>7%</i>	<i>36%</i>	<i>28%</i>
CPO FOB Market Price (US\$/MT)	1,595	1,088	47%	1,168	691
<i>Net of export levy and tax (US\$/MT)</i>	<i>1,135</i>	<i>721</i>	<i>57%</i>	<i>819</i>	<i>626</i>
FFB Production (‘000 tonnes)	4,765	5,183	-8%	9,660	9,297
Nucleus	3,796	4,060	-7%	7,503	7,302
Plasma	969	1,123	-14%	2,158	1,995
FFB Yield (tonnes/ha)	9.4	10.4	-10%	19.9	20.4
Palm Product Output (‘000 tonnes)	1,453	1,598	-9%	2,961	2,775
CPO	1,154	1,273	-9%	2,350	2,205
PK	298	325	-8%	611	570
Oil Extraction Rate	21.2%	21.6%	-0.4%	21.4%	21.4%
Kernel Extraction Rate	5.5%	5.5%	-	5.6%	5.5%
Palm Product Yield (tonnes/ha)	2.5	2.8	-11%	5.4	5.5

Note: EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$0.6 million, US\$5.2 million, US\$7.7 million, and US\$(3.3) million in 1H 2022, 1H 2021, FY 2021, and FY 2020, respectively

Record downstream contribution in the first half 2022 despite lower sales volume

	1H 2022	1H 2021	YoY	FY 2021	FY 2020
Revenue (US\$ million)	5,467	4,433	23%	10,150	7,058
Sales Volume ('000 tonnes)	4,193	4,778	-12%	10,131	10,140
EBITDA (US\$ million)	288	158	82%	434	255
<i>EBITDA margin</i>	<i>5.3%</i>	<i>3.6%</i>	<i>1.7%</i>	<i>4.3%</i>	<i>3.6%</i>

- Enhanced downstream margins through optimal utilisation of integrated business model, leveraging our sustainability efforts, food safety initiatives, traceability to the plantation, and successfully extract value throughout the value chain, including optimising the usage of our facilities, logistic capabilities, product portfolio, and geographical presence
- Lower sales volume in the first half 2022 affected by the temporary export ban in Indonesia

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\$1.2 million, US\$6.1 million, US\$35.2 million, and US\$(4.8) million in 1H 2022, 1H 2021, FY 2021, and FY 2020, respectively

Healthy financial ratios and liquidity position supported by strong performance

US\$ million	30-Sep-22	31-Dec-21	Change
Total Assets	9,806	9,608	2%
<i>Cash and short-term investments</i>	687	666	3%
<i>Fixed assets¹</i>	3,841	3,999	-4%
Total Liabilities	4,378	4,716	-7%
Net Debt ²	355	970	-63%
<i>Interest bearing debt</i>	2,729	2,998	-9%
<i>Cash, short-term investments and liquid working capital³</i>	2,374	2,028	17%
Total Equity	5,429	4,892	11%
Current Ratio	1.40x	1.17x	
Debt/Total Equity	0.50x	0.61x	
Net Debt ² /EBITDA ⁴	0.21x	0.80x	
EBITDA/Interest ⁴	10.21x	7.54x	

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



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