



gar

agribusiness and food

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Company Presentation

March 2023



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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)

	FY 2022	FY 2021
Revenue	11,439	10,183
EBITDA ²	1,826	1,214
Underlying Profit ³	922	603
Total Equity	5,254	4,892

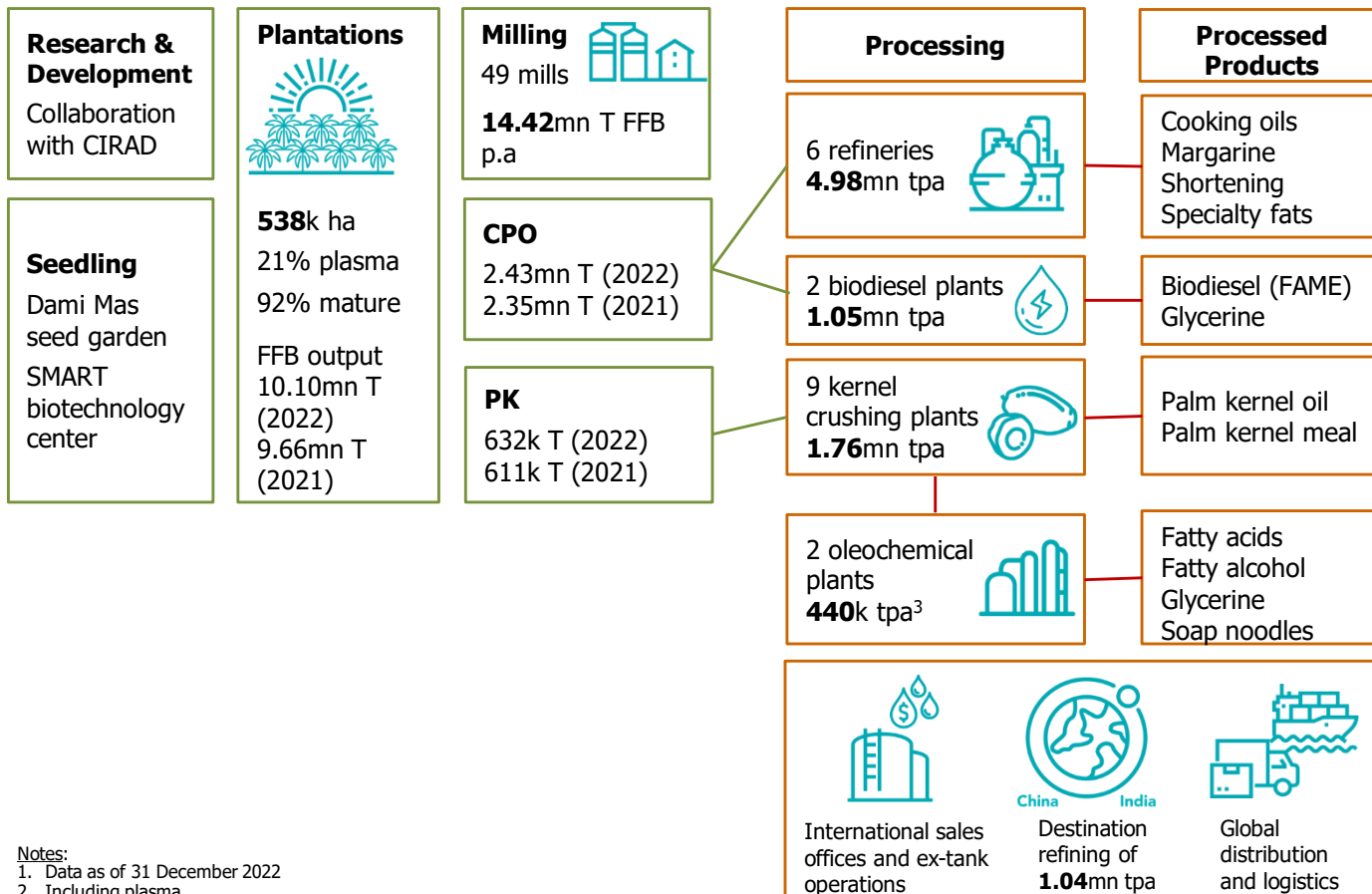
Plantation Profile

Planted Area (as of 31 Dec 2022) ¹	537,700 ha
Output of Palm Products (CPO and PK)	
FY 2022	3,060,000 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/loss on financial assets (IFRS 9) of US\$(205) million and US\$43 million in 2022 and 2021, 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 31 December 2022
2. Including plasma
3. Including operations under JV

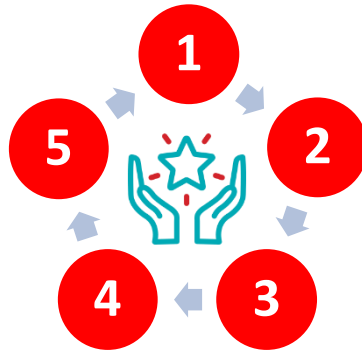


KEY COMPETITIVE STRENGTHS



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

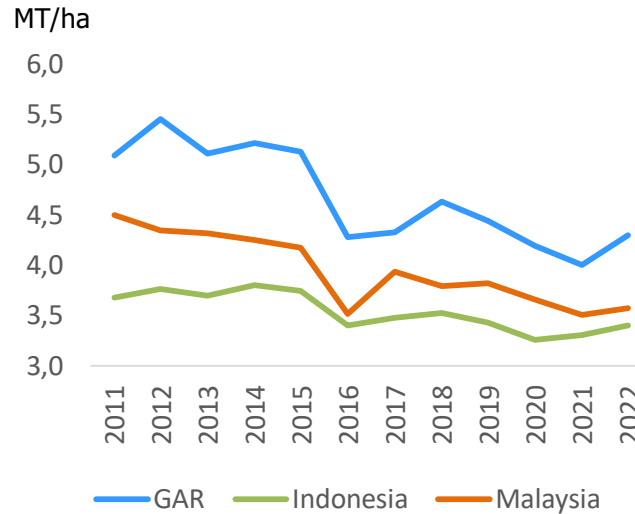


1. Best-in-class Plantations with Managed Age Profile Continues to Deliver Above-Industry Yields

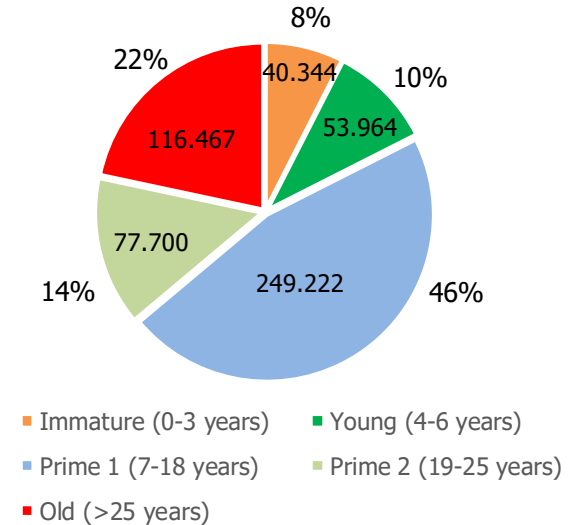
Taking initiative in technological innovation allows GAR to stay ahead in yield growth

- **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 2022 CPO yield was 26% higher than Indonesia average and 20% higher than Malaysia average



GAR's Age Profile



Note: Data as of 31 December 2022, include plasma.
Average age is 16 years

2. Integrated Business Model Provides Robust Profit Base



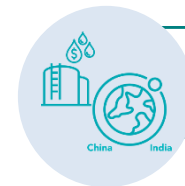
Origination of Raw Materials



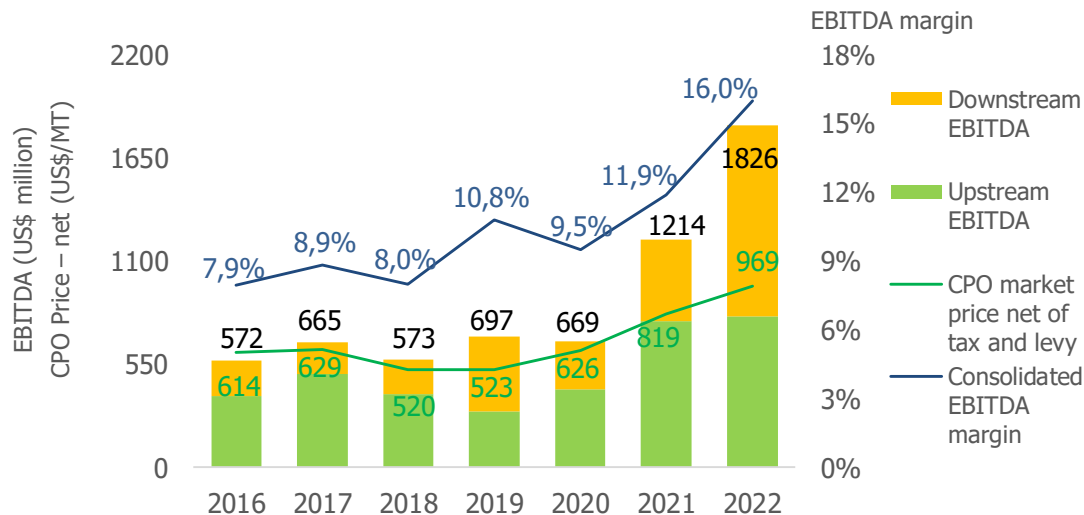
Processing and Product Customisation



Logistic Excellence



Destination Market Expertise



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

Committing to climate action

- GAR and 13 companies signed Agriculture Sector Roadmap to 1.5°C at COP27
- Accelerating action in supply chains to stop commodity-linked deforestation
- GAR also implementing Task Force for Climate-related Financial Disclosures (TCFD) recommendations

Fully traceable palm supply chain

- Achieved around 98% full traceability to the plantation for the palm supply chain
- Phase II of supply chain transformation: projects supporting Tier 2 suppliers/ smallholders
- TTP enables GAR to carry out supply chain No Deforestation, Peat, Exploitation Implementation Reporting Framework assessments

Supporting farmers

- Working with TaniFoundation to boost agricultural literacy among 80 farmer groups
- Training on environmentally friendly agricultural practices: zero burning, production of organic fertilisers and pesticides, seed preparation

Sustainability awards

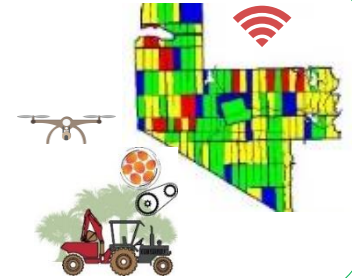
- PT SMART Tbk was **Overall Winner in the Sustainable Business Award (SBA) Indonesia**
- Also won awards for Supply Chain Management, Land Use & Biodiversity, Business Ethics & Responsibility, and Significant Achievement on Sustainability Strategy
- GAR won **2022 Singapore Environmental Achievement Awards (SEAA)** – Regional Award (Merit)



Embracing science and technological innovation for responsible growth and margin enhancement

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

- Monitor and manage widely spread operations efficiently through War Room, a state-of-the-art proprietary information technology system with block-by-block Performance Analysis (@30 ha)
- Accurate fertiliser programme with dosage based on cost/benefit analysis using leaf sampling
- In-house developed technologies combining automation, digitalisation, artificial intelligence with operational excellence



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



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



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

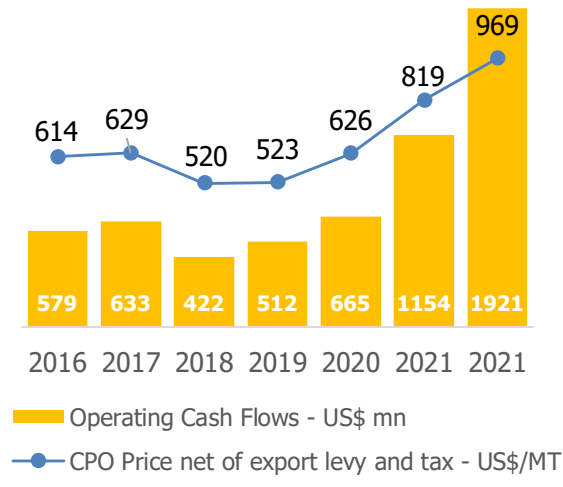


Partnering with technology companies through strategic technology investments, bringing synergies to our capabilities and scale

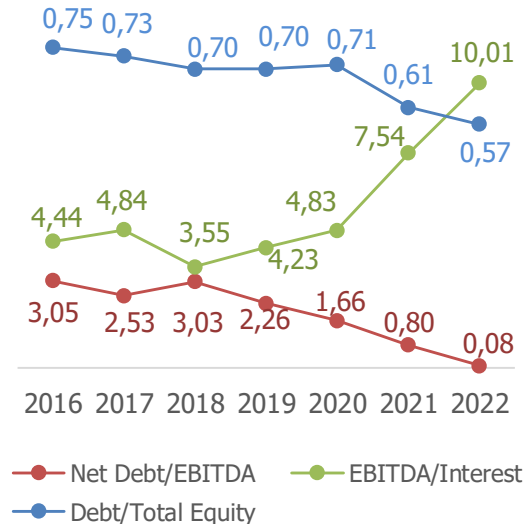


5. Strong Financial Position and Consistent Dividend Distribution

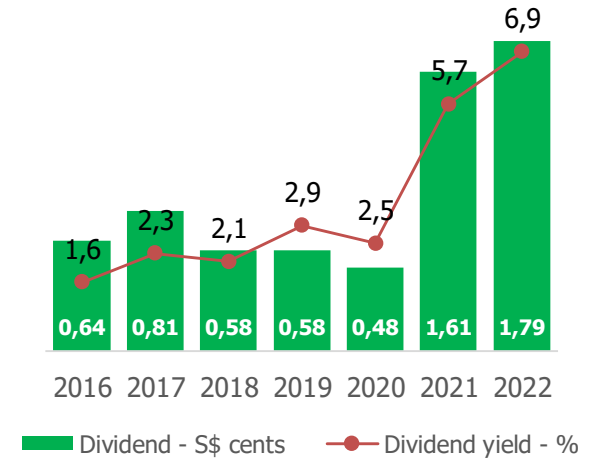
Strong growth in operating cash flows¹



Strengthened financial ratios despite industry volatility



Increasing trend of dividend yield



Note:

1. Before working capital changes



STRATEGY AND OUTLOOK



Strategic Focus

- Continue to bolster our competitive strengths as a **leading technology-driven soil-to-table agribusiness company**
 - Leveraging **cutting-edge technology** and **agri-science innovation** throughout our business value chain, advancing our operational excellence to the next level
 - Enhancing capability in serving growing global demand of **health-friendly and sustainably-produced products**
- Targeted capital expenditure of **up to US\$240 million** in 2023 mainly for replanting, expansion of kernel crushing and oleochemical plants, enhancement of downstream facilities, and carbon emission reduction initiatives

Industry Outlook

- Fundamental supply and demand balance is expected to remain tight
 - **Supply growth remains limited** with aging plantations and replanting activities for the industry
 - Additional demand from **Indonesia's B35 commitment** to provide support in the expected global economic slowdown
- Robust long-term industry outlook underpinned by palm oil's high productivity, competitive price and wide range of uses, along with continuing extreme weather conditions that also support prices





FINANCIAL PERFORMANCE



Record full year performance in 2022 through optimal realisation of our integrated business model

(in US\$ million)	2022	2021	YoY	2020
Revenue	11,439	10,183	12%	7,078
Gross Profit	3,026	2,355	28%	1,150
<i>Gross Profit Margin</i>	<i>26%</i>	<i>23%</i>	<i>3%</i>	<i>16%</i>
EBITDA ¹	1,826	1,214	50%	669
<i>EBITDA margin</i>	<i>16%</i>	<i>12%</i>	<i>4%</i>	<i>9%</i>
Underlying Profit ²	922	603	53%	230
Foreign Exchange Gain/(Loss) ³	12	34	-66%	(30)
Deferred Tax Expense ³	(30)	(48)	-38%	(67)
Net Profit attributable to owners of the Company	782	476	64%	32

Notes:

- EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$(205) million, US\$43 million, and US\$(8) million in 2022, 2021, and 2020, respectively
- 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
- Net of tax and/or non-controlling interests

Segmental Results

Plantations and Palm Oil Mills



	2022	2021	YoY	2020
Revenue (US\$ million)	2,268	2,190	4%	1,482
EBITDA (US\$ million)	804	779	3%	416
<i>EBITDA margin</i>	<i>35.5%</i>	<i>35.6%</i>	<i>-0.1%</i>	<i>28.1%</i>
CPO FOB Market Price (US\$/MT)	1,248	1,168	7%	691
<i>Net of export levy and tax (US\$/MT)</i>	<i>969</i>	<i>819</i>	<i>18%</i>	<i>626</i>
FFB Production (‘000 tonnes)	10,101	9,660	5%	9,297
Nucleus	7,812	7,503	4%	7,302
Plasma	2,289	2,158	6%	1,995
FFB Yield (tonnes/ha)	20.3	19.9	2%	20.4
Palm Product Output (‘000 tonnes)	3,060	2,961	3%	2,775
CPO	2,428	2,350	3%	2,205
PK	632	611	4%	570
Oil Extraction Rate	21.0%	21.4%	-0.4%	21.4%
Kernel Extraction Rate	5.5%	5.6%	-0.1%	5.5%
Palm Product Yield (tonnes/ha)	5.4	5.4	-	5.5

Note: EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$(48) million, US\$8 million, and US\$(3) million in 2022, 2021 and 2020, respectively

Exceptional performance in the second half of 2022 led to record downstream EBITDA exceeding US\$1 billion for the full year

	2022	2021	YoY	2020
Revenue (US\$ million)	11,366	10,150	12%	7,058
Sales Volume ('000 tonnes)	9,698	10,131	-4%	10,140
EBITDA (US\$ million)	1,022	434	135%	255
<i>EBITDA margin</i>	<i>9.0%</i>	<i>4.3%</i>	<i>4.7%</i>	<i>3.6%</i>

- Optimal realisation of integrated business model resulted in margins more than doubling
- Sales volume recovered in the second half 2022 following the lifting of the temporary export ban

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\$(158) million, US\$35 million, and US\$(5) million in 2022, 2021 and 2020, respectively

Healthy financial position supported by strong performance and prudent management

US\$ million	31-Dec-22	31-Dec-21	Change
Total Assets	9,902	9,608	3%
<i>Cash and short-term investments</i>	<i>1,145</i>	<i>666</i>	<i>72%</i>
<i>Fixed assets¹</i>	<i>3,820</i>	<i>3,999</i>	<i>-4%</i>
Total Liabilities	4,648	4,716	-1%
Net Debt ²	142	970	-85%
<i>Interest bearing debt</i>	<i>2,984</i>	<i>2,998</i>	<i>-0.5%</i>
<i>Cash, short-term investments and liquid working capital³</i>	<i>2,841</i>	<i>2,028</i>	<i>40%</i>
Total Equity	5,254	4,892	7%
Current Ratio	1.30x	1.17x	
Debt/Total Equity	0.57x	0.61x	
Net Debt ² /EBITDA	0.08x	0.80x	
EBITDA/Interest	10.01x	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 consists of trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers



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