



Golden Agri-Resources Ltd (GAR)
Interim Performance Presentation - Half year ended 30 June 2022

12 August 2022

Disclaimer



This presentation has been prepared by Golden Agri-Resources Ltd. ("GAR" or "Company") for informational purposes, and may contain projections and forward looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Actual results may differ materially from those projected. A prospective investor must make its own independent decision regarding investment in securities.

Opinions expressed herein reflect the judgement of the Company as of the date of this presentation and may be subject to change without notice if the Company becomes aware of any information, whether specific to the Company, its business, or in general, which may have a material impact on any such opinions.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of GAR since such date. This presentation may be updated from time to time and there is no undertaking by GAR to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

GAR continued its robust performance in first half 2022 amidst industry volatility

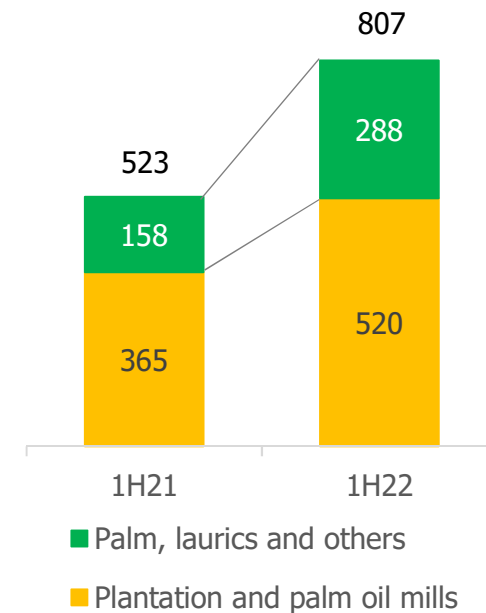
1H 2022 Financial Performance

Revenue	EBITDA	Underlying Profit ¹	Interim Dividend
US\$5.49 bn +23%	US\$807 mn +54%	US\$407 mn +65%	S\$0.8 cents +52%

Contributing Factors

- Average CPO FOB price appreciated strongly by 47% to US\$1,595/MT, compensating seasonally lower palm product output
- Stronger downstream EBITDA margin reaching 5.3%

Segmental EBITDA (US\$ million)



Note:

1. Net profit attributable to owners of the Company, excluding net effect of net loss from changes in fair value of biological assets, depreciation of bearer plants, foreign exchange gain, and deferred tax income



Financial Highlights



Financial Performance



US\$ million	1H 2022	1H 2021	YoY	2Q 2022	1Q 2022	QoQ
Revenue	5,490	4,454	23%	2,790	2,700	3%
Gross Profit	1,369	1,061	29%	697	673	4%
EBITDA ¹	807	523	54%	435	372	17%
Underlying Profit ²	407	246	65%	234	173	36%
<i>Net gain/(loss) from changes in fair value of biological assets³</i>	-5	2	<i>n.m</i>	-19	14	<i>n.m</i>
<i>Depreciation of bearer plants³</i>	-54	-60	-10%	-27	-27	-
<i>Foreign exchange gain/(loss)³</i>	41	-8	<i>n.m</i>	16	26	-39%
<i>Deferred tax income/(expense)³</i>	1	-27	<i>n.m</i>	-2	3	<i>n.m</i>
Net profit attributable to owners of the Company	390	153	154%	202	188	7%

- Strong upstream performance on the back of CPO price appreciation amidst the seasonally lower plantation output
- Record downstream contribution through optimal utilisation of our integrated business model

Notes:

1. EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$1.9 million, US\$11.3 million, US\$0.6 million and US\$1.3 million in 1H 2022, 1H 2021, 2Q 2022 and 1Q 2022, 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, foreign exchange gain/loss, and deferred tax income/expense

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

Strengthened financial ratios and liquidity position despite higher working capital requirements

US\$ million	30-Jun-22	31-Dec-21	Change
Total Assets	10,337	9,608	8%
<i>Cash and short-term investments</i>	883	666	33%
<i>Fixed assets¹</i>	3,910	3,999	-2%
Total Liabilities	5,156	4,716	9%
Net Debt ²	442	970	-54%
<i>Interest bearing debt</i>	3,082	2,998	3%
<i>Cash, short-term investments and liquid working capital³</i>	2,640	2,028	30%
Total Equity	5,181	4,892	6%
Current Ratio	1.29x	1.17x	
Debt/Total Equity	0.59x	0.61x	
Net Debt ² /EBITDA ⁴	0.29x	0.80x	
EBITDA/Interest ⁴	9.20x	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

Interim Dividend



Considering GAR's robust performance during first half 2022, the Board declares interim dividend of 0.80 Singapore cents per share

Cash Dividend	2021			Interim 2022
	Interim	Final	Total	
Dividend per share (in S\$ cents)	0.528	1.077	1.605	0.800
Total Dividend (in S\$ million)	67.01	136.69	203.71	101.45
Underlying Profit ¹ (in US\$ million)	245.96	356.90	602.86	406.74
% to underlying profit	20%	28%	25%	18%

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

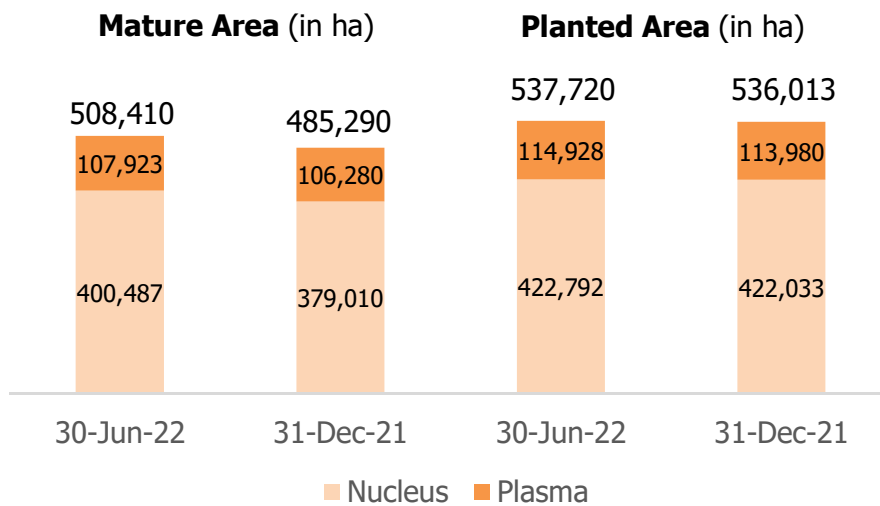


Expanded EBITDA supported by stronger CPO prices despite seasonally lower production

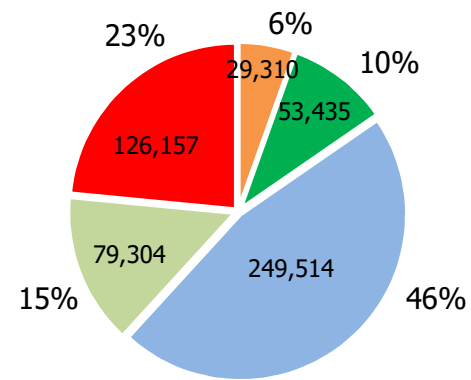
	1H 2022	1H 2021	YoY
Revenue (US\$ million)	1,249	1,043	20%
EBITDA (US\$ million)	520	365	43%
<i>EBITDA margin</i>	<i>42%</i>	<i>35%</i>	<i>7%</i>
CPO FOB Market Price (US\$/MT)	1,595	1,088	47%
<i>Net of export levy and tax (US\$/MT)</i>	<i>1,135</i>	<i>721</i>	<i>57%</i>
FFB Production ('000 tonnes)	4,765	5,183	-8%
Nucleus	3,796	4,060	-7%
Plasma	969	1,123	-14%
FFB Yield (tonnes/ha)	9.4	10.4	-10%
Palm Product Output ('000 tonnes)	1,453	1,598	-9%
CPO	1,154	1,273	-9%
PK	298	325	-8%
Oil Extraction Rate	21.2%	21.6%	-0.4%
Kernel Extraction Rate	5.5%	5.5%	-
Palm Product Yield (tonnes/ha)	2.5	2.8	-11%

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

Long-term productivity growth through replanting and technological innovation



Age Profile as of 30 June 2022



- 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

- Immature and young estates use next-generation, higher-yielding seeds for long-term productivity growth
- Replanting achieved at around 5,800 ha in 1H 2022

Segmental Results

Palm, Laurics and Others



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

	1H 2022	1H 2021	YoY
Revenue (US\$ million)	5,467	4,433	23%
Sales Volume ('000 tonnes)	4,193	4,778	-12%
EBITDA (US\$ million)	288	158	82%
<i>EBITDA margin</i>	<i>5.3%</i>	<i>3.6%</i>	<i>1.7%</i>

- Enhanced downstream margins through optimal utilisation of integrated business model
- 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 on financial assets (IFRS 9) of US\$1.2 million and US\$6.1 million in 1H 2022 and 1H 2021 respectively



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's competitive advantages in serving growing population and income per capita



Towards Responsible Palm Oil Production



Strengthening carbon reporting and climate action

- GAR is reporting Scope 1 and Scope 2 emissions for all operations
- Working on Scope 3 emission data collection
- Preparing for Taskforce on Climate-related Financial Disclosure (TCFD) implementation

GAR & FTSE4Good index

- June 2022, GAR confirmed on the FTSE4Good index
- GAR debuted on FTSE4Good in 2018

TTP for palm supply chain

- GAR maintains around 95% full traceability to the plantation for the palm supply chain

Sustainability awards

- Our main subsidiary, PT SMART Tbk was **Overall Winner in the Sustainable Business Award (SBA) Indonesia 2020/21**
- Also won awards for Supply Chain Management, Land Use & Biodiversity, Business Ethics & Responsibility, and Significant Achievement on Sustainability Strategy





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 2022</u>						
Nucleus	22,305	49,721	220,944	54,759	75,063	422,792
Plasma	7,005	3,714	28,570	24,545	51,094	114,928
Total Planted Area	29,310	53,435	249,514	79,304	126,157	537,720
% of total	6%	10%	46%	15%	23%	100%
<u>31 December 2021</u>						
Nucleus	43,024	37,539	212,205	73,323	55,942	422,033
Plasma	7,699	3,476	27,523	33,868	41,414	113,980
Total Planted Area	50,723	41,015	239,728	107,191	97,356	536,013
% of total	9%	8%	45%	20%	18%	100%



If you need further information, please contact:

Golden Agri-Resources Ltd
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535
Tel: +65 6590 0800
Fax: +65 6590 0887
www.goldenagri.com.sg

Richard Fung - Director, Investor Relations
richard@goldenagri.com.sg

-  golden-agri-resources-ltd
-  @GAR_Sinarmas
-  @sinarmas_agri
-  @GARSinarmasagri
-  Sinar Mas Agribusiness and Food