

Performance Update - First Quarter 2021

12 May 2021

1. FINANCIAL PERFORMANCE

US\$'million	Three months ended		Change
	31 Mar 2021 (1Q 2021)	31 Mar 2020 (1Q 2020)	
Revenue	2,048	1,657	24%
Gross Profit	485	198	145%
EBITDA ¹	232	84	174%
Underlying Profit/(Loss) ²	99	-25	n.m
Foreign Exchange Loss ³	-15	-30	-49%
Deferred Tax Expense	-14	-4	300%
Net Profit/(Loss) ⁴	41	-95	n.m

Notes:

- 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

Entering the year 2021, Golden Agri-Resources Ltd ("GAR" or the "Company") continues to record a robust quarterly performance. First quarter EBITDA more than doubled to US\$232 million compared to first quarter last year. Underlying profit and net profit saw a turnaround to US\$99 million and US\$41 million, respectively. This performance was achieved on the back of a 24 percent year-on-year increase in revenue to over US\$2 billion, primarily attributable to the continued appreciation of CPO market prices.

During first quarter 2021, CPO prices (FOB Belawan) averaged US\$1,057 per tonne, an increase of 57 percent compared to the same period last year. GAR's upstream business benefitted from this and made the largest contribution to our consolidated EBITDA. The performance of our downstream business also improved year-on-year as we successfully weathered the unprecedented COVID-19 challenges last year.

2. OPERATIONAL PERFORMANCE

'000 MT	Three months ended		Change
	31 Mar 2021 (1Q 2021)	31 Mar 2020 (1Q 2020)	
Upstream palm product output	812	615	32%
Downstream sales volume	2,252	2,339	-4%

As of 31 March 2021, GAR's planted area stood at 536 thousand hectares, comprising 498 thousand hectares of mature estates and 38 thousand hectares of immature estates. Nucleus and plasma estates amounted to 425 thousand and 111 thousand hectares, respectively. Fruit yield for first quarter 2021 reached 5.3 tonnes per hectare, a 22 percent increase from last year's period supported by favourable weather conditions.

Sales volume of our downstream business was lower in the current quarter due to timing of delivery resulting to higher inventory at the end of the quarter.

3. FINANCIAL POSITION

US\$ million	31 Mar 2021	31 Dec 2020	Change
Total Assets	9,087	9,126	-0.4%
<i>Cash and short-term investments</i>	1,100	1,097	0.2%
<i>Fixed assets¹</i>	4,071	4,127	-1%
Total Liabilities	4,610	4,695	-2%
Net Debt ²	849	1,108	-23%
<i>Total Debt³</i>	2,949	3,145	-6%
<i>Cash, short-term investments and liquid working capital⁴</i>	2,100	2,037	3%
Total Equity	4,477	4,432	1%
Net Debt ² /Equity	0.19x	0.25x	
Net Debt ² /Total Assets	0.09x	0.12x	
Net Debt ² /EBITDA ⁵	1.04x	1.66x	
EBITDA/Interest ⁵	5.64x	4.83x	

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
- 5 Calculated based on the last four quarter figures

4. PROGRESS ON SUSTAINABILITY

We continued with our sustainability programmes despite the on-going challenges due to the global pandemic. As of the first quarter 2021, we have achieved 94 percent Traceability to the Plantation (TTP) for our entire palm supply chain. Two of our six refineries, Surabaya and Lampung, are already performing at over 99 percent and 96 percent TTP respectively. Resources will focus on the remaining four refineries. On top of that, we have to date profiled 119,022 independent smallholders through our Ksatria Sawit programme. Smallholder palm oil fruit enters our supply chain through a network of dealers and suppliers. Our field teams collaborate with this network to meet with smallholders in person and to collect spatial and agronomical data. TTP and smallholder profiling enable supply chain monitoring, for example, to address deforestation alerts – towards achieving deforestation-free supply chains.

We have also boosted our capacity and capability to monitor deforestation risk in our own estates and in our supply chain. In Indonesia, deforestation linked to palm oil has declined consistently since 2012 thanks to government conservation policies and corporate deforestation-free commitments. However, the supply chain is long and complex involving many small companies and farmers. At the same time, customers want the confidence that suppliers like GAR are identifying and rapidly acting on any deforestation events in their supply chain. A satellite monitoring system and AI-driven dashboard give GAR the capability to identify and act rapidly on any deforestation events.

5. OUTLOOK

Global oilseed production has been distorted by extreme dry weather in South America and other parts of the world. Supply has been very tight so far and we foresee that this will continue for the rest of the year. Accordingly, tightness in global vegetable oil supply will also continue.

As COVID-19 vaccination is progressing worldwide, we are optimistic that demand for vegetable oils will remain strong both in the food and energy sectors. We remain vigilant and continue to monitor the development of the COVID-19 pandemic in major consuming countries. Nonetheless, the industry and its supply chains have learned from the lockdowns implemented last year and are better equipped in managing these issues.

Consumers are increasingly looking for healthier and responsibly sourced products to meet their food and energy demands. Palm oil's competitive attributes make GAR well-positioned to benefit from this trend.

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