



GOLDEN AGRI-RESOURCES LTD
Interim Performance Presentation
Third quarter ended 30 September 2019
14 November 2019



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1 Executive Summary 4

2 Financial Highlights 6

3 Segmental Performance 9

4 Strategy and Outlook 13

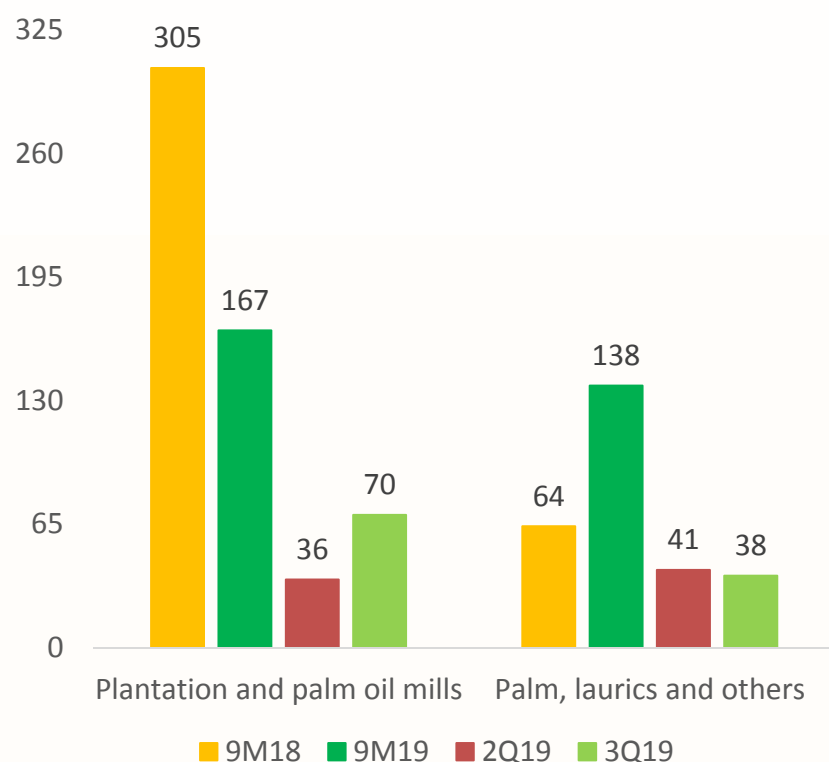
5 Appendix 17

EXECUTIVE SUMMARY



Third quarter 2019 performance improved quarterly with higher plantation output

EBITDA (US\$ million)



• 9M 2019 vs 9M 2018

Revenue	US\$4,730 mn	↓	14%
EBITDA	US\$305 mn	↓	18%
Underlying loss ¹	US\$12 mn	↓	n.m
Palm product output	2.13 mn MT	↓	5%
CPO FOB price	US\$494/MT	↓	18%

• 3Q 2019 vs 2Q 2019

Revenue	US\$1,563 mn	↑	1%
EBITDA	US\$107 mn	↑	38%
Underlying profit ¹	US\$3 mn	↑	n.m
Palm product output	832,000 MT	↑	25%
CPO FOB price	US\$490/MT	↑	2%

Note:

1. Net profit/loss 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 and other non-operating items (foreign exchange gain/loss and deferred tax income/expenditure).

FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE



US\$ million	9M 2019	9M 2018	YoY	3Q 2019	2Q 2019	QoQ
Revenue	4,730	5,515	-14%	1,563	1,549	1%
Gross Profit	532	745	-29%	188	152	24%
EBITDA	305	370	-18%	107	77	38%
Underlying (Loss)/Profit ¹	-12	79	n.m	3	-27	n.m
<i>Net gain/(loss) from changes in fair value of biological assets²</i>	<i>0.4</i>	<i>-12</i>	<i>n.m</i>	<i>3</i>	<i>-3</i>	<i>n.m</i>
<i>Depreciation of bearer plants²</i>	<i>-71</i>	<i>-74</i>	<i>-4%</i>	<i>-24</i>	<i>-24</i>	<i>-</i>
<i>Foreign exchange gain/(loss)²</i>	<i>24</i>	<i>-43</i>	<i>n.m</i>	<i>20</i>	<i>-15</i>	<i>n.m</i>
<i>Deferred tax income/(expense)²</i>	<i>2</i>	<i>-31</i>	<i>n.m</i>	<i>-2</i>	<i>4</i>	<i>n.m</i>
<i>Exceptional items²</i>	<i>11</i>	<i>-</i>	<i>n.m</i>	<i>-</i>	<i>-</i>	<i>-</i>
Net profit/(loss) attributable to owners of the Company	-46	-81	-44%	0.8	-64	n.m

- Continued low CPO prices impacting 2019 performance
- Stronger quarter-on-quarter performance on the back of higher plantation output

Notes:

1. Net profit/loss attributable to owners of the Company, excluding net effect of net gain/loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional items and other non-operating items (foreign exchange gain/loss and deferred tax income/expense)
2. Net of tax and/or non-controlling interests

FINANCIAL POSITION



US\$ million	30-Sep-19	31-Dec-18	Change
Total Assets	8,497	8,546	-0.6%
<i>Cash and short-term investments</i>	513	545	-6%
<i>Fixed assets¹</i>	3,720	3,716	0.1%
Total Liabilities	4,246	4,236	0.2%
Net Debt ²	2,019	1,734	16%
<i>Total debt³</i>	3,129	3,010	4%
<i>Cash, short-term investments and liquid working capital⁴</i>	1,109	1,276	-13%
Total Equity Attributable to Owners of the Company	4,106	4,169	-2%
Net Debt ² /Equity ⁵	0.49x	0.42x	
Net Debt ² /Total Assets	0.24x	0.20x	
Net Debt ² /EBITDA ⁶	3.98x	3.03x	
EBITDA/Interest ⁶	3.07x	3.55x	

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. Equity attributable to owners of the Company
6. Based on the last four quarter performance

SEGMENTAL PERFORMANCE



SEGMENTAL RESULTS

Plantations and Palm Oil Mills



9M 2019 EBITDA impacted by lower CPO prices and output

	9M 2019	9M 2018	YoY	3Q 2019	2Q 2019	QoQ
Revenue (US\$ million)	930	1,100	-16%	356	266	34%
EBITDA (US\$ million)	167	305	-45%	70	36	95%
<i>EBITDA margin</i>	18%	28%	-10%	20%	14%	6%
CPO FOB Price (US\$/MT)	494	600	-18%	490	479	2%
FFB Production ('000 tonnes)	7,233	7,731	-6%	2,778	2,281	22%
Nucleus	5,604	6,022	-7%	2,160	1,761	23%
Plasma	1,629	1,709	-5%	618	520	19%
FFB Yield (tonnes/ha)	15.5	16.3	-5%	5.9	4.8	22%
Palm Product Output ('000 tonnes)	2,125	2,235	-5%	832	664	25%
CPO	1,682	1,785	-6%	656	524	25%
PK	443	450	-2%	176	140	26%
Oil Extraction Rate	21.5%	22.0%	-0.5%	21.7%	20.9%	0.8%
Kernel Extraction Rate	5.7%	5.5%	0.2%	5.8%	5.6%	0.2%
Palm Product Yield (tonnes/ha)	4.2	4.5	-6%	1.6	1.3	27%

3Q 2019 performance improved quarterly with seasonal rebound in production.

Focus on productivity growth through replanting and technological innovation

Mature Area - ha

467,621

101,740

365,881

30-Sep-19

467,261

101,436

365,825

31-Dec-18

Planted Area - ha

495,247

104,138

391,109

30-Sep-19

498,395

103,480

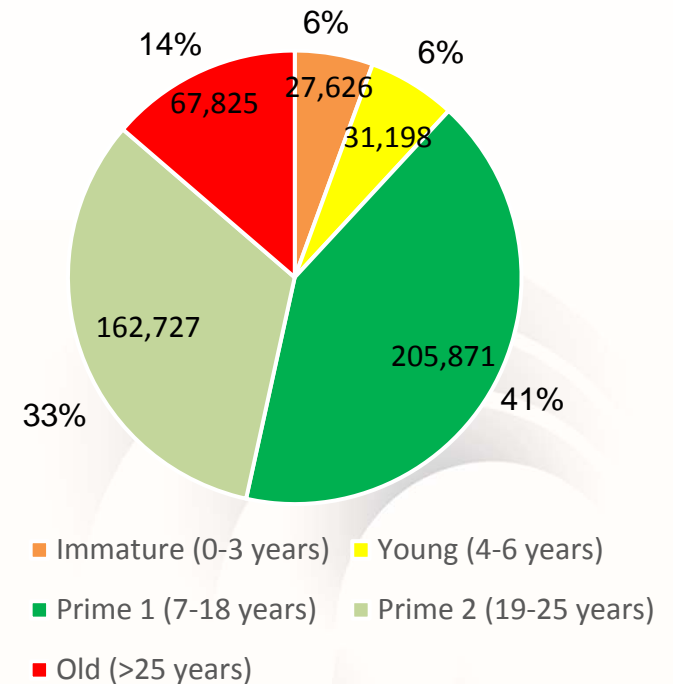
394,915

31-Dec-18

■ Nucleus ■ Plasma

- Immature and younger estates use newer-generation higher-yielding seeds to sustain long-term production growth
- Replanting of 6,400 ha for 9M 2019 versus 3,100 ha for 9M 2018

Age Profile as of 30 Sep 2019



Notes:

1. Total planted area, including plasma
2. Average age of plantations, including plasma, is 17 years

SEGMENTAL RESULTS

Palm, Laurics and Others



The integrated business model has helped GAR to weather low CPO prices

	9M 2019	9M 2018	YoY	3Q 2019	2Q 2019	QoQ
Revenue (US\$ million)	4,698	5,469	-14%	1,547	1,542	0.3%
Sales Volume ('000 tonnes)	8,067	7,622	6%	2,697	2,650	1.8%
EBITDA (US\$ million)	138	64	116%	38	41	-8%
<i>EBITDA margin</i>	<i>2.9%</i>	<i>1.2%</i>	<i>1.7%</i>	<i>2.5%</i>	<i>2.7%</i>	<i>-0.2%</i>

- 9M 2019 EBITDA margin expanded by 1.7% year-on-year
- Indonesia biodiesel is still the major catalyst to the industry with realisation of B20 programme and the upcoming B30 mandate on track

Note:

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 in China and Indonesia mainly food and beverages

STRATEGY AND OUTLOOK



GAR continues to enhance its integrated operation capabilities to optimise profit opportunities and cash flow generation across the value chain



Upstream

- Focus on replanting with higher-yielding seeds to sustain production growth
- Accelerated efforts in yield improvement, cost efficiency and sustainability initiatives



Downstream

- Extending product and services portfolio, global market reach and logistic facilities to enhance our integrated operations and optimise margin
- Evaluating strategic options and business model restructuring



Outlook

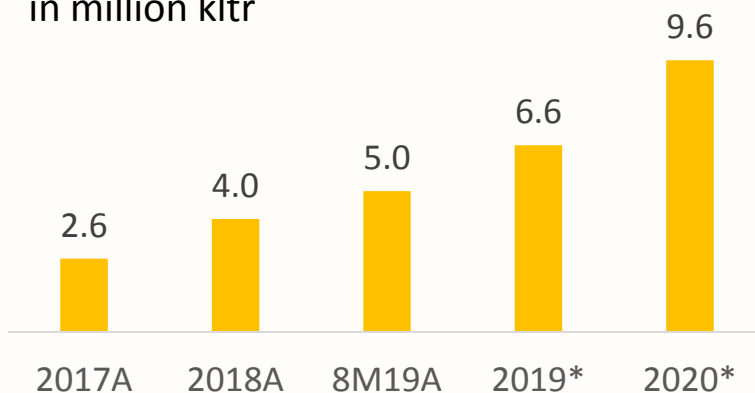
- GAR remains confident in the robust supply and demand fundamentals for palm oil in the long term
- We expect CPO price to remain supported by global demand growth including from biodiesel

Indonesia growing biodiesel mixture mandate is a major catalyst to the industry

- Global feedstock for biodiesel grew by 14% to 41 million MT in 2018 and expected to further expand by 10% in 2019
- Indonesia implemented a subsidised B20 programme in 2016 with full implementation since Sep 2018. B30 programme will be implemented in early 2020

Indonesia Biodiesel Consumption

in million kltr



- Since 2017, Indonesian biodiesel production has boosted from 3.4 million kltr in 2017 to estimated almost 11 million kltr in 2020
- Domestic biodiesel realisation in 2019 is on track
- Indonesia biodiesel export reached 1.1 million kltr in YTD Aug 2019

Notes:

* Based on Indonesian government allocation

Source: Oil World, Ministry of Energy and Mineral Resources, and Aprobi

Full traceability

to the Plantation:



100%TTP

for GAR-owned mills achieved

70% of

GAR palm supply chain fully traceable by Q3 2019



Target **100%**
TTP 3rd-party mills by 2020



Progress on Traceability to the Plantation

- Full TTP for nearly 70% of the palm supply chain
- 69 third-party mills have reported full TTP with around 190 taking part in the exercise
- On track to achieve 100% TTP for palm supply chain at end 2020

Managing Fire and Haze

- In 3Q 2019, over 1,700 ha were affected by fire – 0.3% of GAR's total area
- Mainly caused by external parties clearing land with fire
- Global Forest Watch reported that 85% of fire alerts were outside palm oil concessions
- GAR remains vigilant and adheres strictly to the Zero Burning Policy
- GAR also continues to work with villages under the Desa Makmur Peduli Api (DMPA) on long-term fire prevention
- We encourage the collaboration with the government on DMPA as part of Private Public Partnership (Gotong Royong)

Radar Monitoring of Deforestation

- GAR taking part in industry initiative to support and fund development of new, publicly available radar-based forest monitoring system
- The Radar Alerts for Detecting Deforestation or (RADD) will make it easier and more transparent to see deforestation in near-real-time
- Developed by Wageningen University and Satelligence, and facilitated by World Resources Institute

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 September 2019</u>						
Nucleus	25,228	29,139	181,344	108,722	46,676	391,109
Plasma	2,398	2,059	24,527	54,005	21,149	104,138
Total Area	27,626	31,198	205,871	162,727	67,825	495,247
% of total planted area	6%	6%	41%	33%	14%	100%
<u>31 December 2018</u>						
Nucleus	29,090	27,744	175,676	117,866	44,539	394,915
Plasma	2,044	3,910	28,709	50,794	18,023	103,480
Total Area	31,134	31,654	204,385	168,660	62,562	498,395
% of total planted area	6%	6%	41%	34%	13%	100%

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