

Performance Update - Third Quarter 2024

14 November 2024

1. FINANCIAL PERFORMANCE

| US\$'million | Nine-month period ended | | Change | Quarter ended | | Change |
|--|--------------------------|--------------------------|-------------|--------------------------|--------------------------|-------------|
| | 30 Sep 2024 (9M 2024) | 30 Sep 2023 (9M 2023) | | 30 Sep 2024 (3Q 2024) | 30 Jun 2024 (2Q 2024) | |
| Revenue | 7,899 | 7,324 | 8% | 2,757 | 2,580 | 7% |
| Gross Profit | 1,416 | 1,376 | 3% | 496 | 493 | 0.6% |
| EBITDA¹ | 758 | 739 | 3% | 264 | 263 | 0.2% |
| Underlying Profit² | 279 | 327 | -15% | 91 | 110 | -18% |
| Foreign Exchange Gain/(Loss) ³ | 0.5 | 9 | -95% | 48 | -26 | n.m |
| Deferred Tax Income/(Expense) ³ | 3 | -8 | n.m | -2 | 1 | n.m |
| Net Profit ⁴ | 220 | 250 | -12% | 118 | 65 | 80% |

1 Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, and foreign exchange gain/loss

2 Net profit attributable to owners of the Company, excluding net effect of net gain 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

4 Attributable to owners of the Company

Golden Agri-Resources Ltd ("GAR" or the "Company")'s financial performance for the nine-month period of 2024 remained resilient. We successfully expanded our sales volume despite lower plantation output. Coupled with a slight increase in average CPO prices, the Company recorded a revenue growth of eight percent, reaching close to US\$7.9 billion.

EBITDA rose by three percent to US\$758 million, preserving a healthy margin of 9.6 percent. However, underlying profit and net profit for the period decreased to US\$279 million and US\$220 million, respectively. The decline was driven primarily by increasing financial expenses in line with higher interest rate environment and greater income tax expenses with more profits recorded in several subsidiaries operating in higher income tax countries.

Third quarter 2024 EBITDA stood at US\$264 million, maintaining a margin of 9.6 percent. Underlying profit declined by 18 percent compared to the previous quarter to US\$91 million, mainly due to higher income tax expenses. Net profit came in higher at US\$118 million, primarily contributed from foreign exchange gain recorded in the quarter compared to a loss in the previous quarter.

Overall, both our plantation and downstream businesses performed well during the nine-month period of 2024. Strengthening of CPO prices and expansion in sales volume mitigated the impact of weaker plantation output.

2. OPERATIONAL PERFORMANCE

| '000 MT | Nine-month period ended | | Change | Quarter ended | | Change |
|---|--------------------------|--------------------------|--------|--------------------------|--------------------------|--------|
| | 30 Sep 2024 (9M 2024) | 30 Sep 2023 (9M 2023) | | 30 Sep 2024 (3Q 2024) | 30 Jun 2024 (2Q 2024) | |
| Upstream palm product output (CPO and PK) | 1,881 | 2,167 | -13% | 674 | 617 | 9% |
| Downstream sales volume | 8,636 | 8,012 | 8% | 2,917 | 2,825 | 3% |

As of 30 September 2024, GAR's planted area was almost 534,000 hectares, of which 486,000 hectares were mature. Nucleus and plasma estates made up 417,000 and 117,000 hectares of this area, respectively.

Fruit yield for the nine months of 2024 decreased to 12.8 tonnes from 14.4 tonnes per hectare in the previous year's period, primarily impacted by last year's El Niño conditions and our replanting preparation. The recovery trend in production from the second quarter continued in the third quarter, however for the nine-month period of 2024, palm product output was still weaker at 1.88 million tonnes compared to 2.17 million tonnes last year. We expect the peak crop season to shift to the fourth quarter this year.

Elsewhere, sales volume in GAR's downstream business expanded by eight percent during the nine months of 2024, demonstrating the efficacy of the Company's integrated business model and focus on pursuing higher value-added products.

3. FINANCIAL POSITION

GAR's financial position remained strong with a low gearing ratio of 0.61 times and net debt to EBITDA of 0.53 times.

| US\$ million | 30 Sep 2024 | 31 Dec 2023 | Change |
|--|---------------|-------------|--------|
| Total Assets | 10,219 | 9,716 | 5% |
| <i>Cash and short-term investments</i> | 1,033 | 1,135 | -9% |
| <i>Fixed assets¹</i> | 3,813 | 3,817 | -0.1% |
| Total Liabilities | 4,839 | 4,537 | 7% |
| Net Debt ² | 535 | 391 | 37% |
| <i>Interest bearing debts</i> | 3,307 | 3,065 | 8% |
| <i>Cash, short-term investments and liquid working capital³</i> | 2,772 | 2,674 | 4% |
| Total Equity | 5,380 | 5,180 | 4% |

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

| | 30 Sep 2024 | 31 Dec 2023 |
|--|--------------|-------------|
| Current ratio | 1.59x | 1.42x |
| Debt/Total Equity | 0.61x | 0.59x |
| Net Debt ¹ /EBITDA ² | 0.53x | 0.40x |
| EBITDA/Interest ² | 4.13x | 4.47x |

Notes:

1 Interest bearing debts less cash, short-term investments and liquid working capital

2 Calculated based on the last four quarter figures

4. ONGOING INVESTMENT IN SUSTAINABILITY

GAR can trace 100 percent of the palm produced on our estates to plantation level. As of the third quarter of 2024, we have extended Traceability to the Plantation (TTP) to 99 percent of our total palm oil supply chain in Indonesia, including independent smallholder farmers. We continue to provide capacity building and training to ensure smallholders, who make up around 40 percent of the country's production, are not left out of traceable, sustainable supply chains.

The Company has built on this foundation to extend traceability to its global supply chains for palm and other commodities. GAR can now trace 100 percent of its soy, sugar, and coconut and 50 percent sunflower oil supplies to mill level. This commitment to traceability across our supply chains is fundamental to ensure GAR can meet growing customer and regulatory demands. The Company will continue to prioritise EU Deforestation-free Regulation (EUDR) readiness and is working closely with customers on compliance despite the potential delay to implementation.

5. INDUSTRY OUTLOOK

The impact of the El Niño phenomenon in the second half of 2023 on Indonesia's palm oil output this year is worse than initially estimated by the industry. Sunflower oil and rapeseed oil production have also been disrupted by some crop losses due to unfavourable weather conditions. The recent increase in production of soybean oil has alleviated the tightness in global rapeseed and sunflower oil supply, although prices remain elevated. The market anticipates a seasonally low production period for palm oil in first half next year, while Indonesia is planning for the implementation of an increased B40 biodiesel blending mandate.

Unpredictable weather conditions in key producing countries and escalating geopolitical tensions remain critical factors, likely to support vegetable oil prices. Nevertheless, the possibility of demand rationing, especially in price-sensitive markets, amidst the current high prices is an important factor to monitor.

6. RECENT UPDATE

Following the passing of Mr. Irwan Tirtariyadi, the Head of our Upstream Operations on 3 November 2024, and in order to ensure the continued smooth operation of our Upstream business, the Company has appointed Ms. The Biao Ling as interim Head of Upstream.

For investor enquiries, please contact:

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