

Downstream Business Continues to Increase Contribution to GAR's Financial Performance in the First Half of 2024

- EBITDA margin remained robust at almost 10% despite lower plantation output
- Downstream business makes strong contribution to consolidated performance
- Underlying profit impacted by increased financial expenses due to high interest rates

FINANCIAL HIGHLIGHTS

US\$ million	Half year ended		Change	Three months ended		Change
	30 Jun 2024 (1H 2024)	30 Jun 2023 (1H 2023)		30 Jun 2024 (2Q 2024)	31 Mar 2024 (1Q 2024)	
Revenue	5,142	4,876	5%	2,580	2,562	1%
Gross Profit	920	882	4%	493	427	15%
EBITDA¹	495	478	4%	263	231	14%
Underlying Profit²	189	220	-14%	110	79	40%
Foreign Exchange Gain/(Loss) ³	-48	20	n.m.	-26	-22	17%
Deferred Tax Income/(Expense) ³	5	-5	n.m.	1	4	-75%
Net Profit ⁴	102	182	-44%	65	37	76%

Notes:

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 controlling interests

4 Attributable to owners of the Company

Singapore, 13 August 2024: Golden Agri-Resources Ltd ("GAR" or the "Company") continued to deliver resilient results during the first half of 2024, expanding its sales volume despite slightly softer CPO prices to grow the Company's revenue by 5% year on year to US\$5.14 billion.

EBITDA stood at US\$495 million, preserving a margin of almost 10%. Underlying profit and net profit for this period fell year on year to US\$189 million and US\$102 million respectively, primarily due to higher financial expenses and unrealised foreign exchange loss. However, financial performance has improved quarter on quarter in 2024 as a result of increased plantation output.

With its prudent financial management, GAR's balance sheet remained healthy, reflected by a low gearing ratio of 0.61 times and net debt to EBITDA of 0.53 times as of 30 June 2024.

On the results, **Mr. Franky O. Widjaja, GAR Chairman and Chief Executive Officer** commented: "GAR has achieved resilient results during the first six months of 2024. We are committed to further enhancing profitability through creating additional value across our integrated business model. Our key priorities include intensifying long-term yield, improving cost efficiency, and developing more value-added products. This strategic approach will ensure GAR continues to deliver value amidst the dynamic industry environment."

Mr. Widjaja added: "The supply of palm oil and other vegetable oils is highly susceptible to extreme weather conditions and we are now seeing the impact of El Niño conditions from 2023 on Indonesia's palm oil production. Escalating geopolitical tensions are also disrupting global logistics and the world's economic stability. Hence, despite the industry's robust fundamentals, we are carefully monitoring the development of these factors as they could influence our business operations and impact CPO price trends."

SEGMENTAL PERFORMANCE

Plantations and palm oil mills

At the end of June 2024, GAR's total planted area was almost 534,000 hectares, of which 92% was mature. Plasma plantations made up 116,000 hectares of this total area. GAR accelerated its replanting activity to reach 10,800 hectares in the first half of 2024, up by 66% from the same period last year. As a result, the average age of the Company's nucleus area remained at 15.5 years. This replanting effort is part of GAR's yield intensification programme, rejuvenating its existing plantations to achieve long-term production growth.

GAR harvested around 4 million tonnes of fresh fruit bunches (FFB) in the first half of 2024, down from 4.4 million tonnes in the same period last year. Adverse weather caused by El Niño conditions that peaked in the third quarter of 2023 was the major driver of this decline, along with preparation of old estates for replanting. Palm product output for this period was 1.21 million tonnes, 9% lower than the same period last year.

Nevertheless, EBITDA for the first half of 2024 was sustained at US\$213 million with a resilient margin of 23.4%. Strategic procurement decisions helped the Company to lower production costs and take advantage of declining fertiliser prices to offset reduced plantation output.

Palm, laurics and others

GAR's downstream segment consists of the processing and global merchandising of palm and oilseed-based products comprising bulk and branded products, oleochemicals, sugar and other vegetable oils. Expanding value-added downstream products is a core part of GAR's growth strategy.

Downstream sales volume expanded strongly by 11% to 5.7 million tonnes in the first half of 2024, generating a revenue of US\$5.09 billion. This segment successfully delivered EBITDA of US\$282 million with a robust margin of 5.5%, contributing 57% of the Company's consolidated EBITDA.

ONGOING SUSTAINABILITY INITIATIVES

GAR's focus on enhancing and expanding sustainability initiatives aims to meet the growing demand for sustainable products while navigating regulatory changes to future-proof the business.

Through investments into Traceability to the Plantation (TTP), satellite monitoring and information systems, GAR has built a strong foundation for compliance with the EU Deforestation Regulation (EUDR). The Company is actively engaging regulators, stakeholders and customers to ensure readiness when the regulation comes into force in 2025.

GAR has also extended its commitment to supply chain traceability to include its global supply chain and non-palm commodities. The Company has achieved full TTM for soy, sugar, and coconut as well as 50% TTM for sunflower oil. GAR will continue to leverage its traceability experience to extend oversight and enhance sustainable practices among its non-palm suppliers.

[ENDS]

About Golden Agri-Resources Ltd (GAR)

GAR is a leading fully-integrated agribusiness company. In Indonesia, it manages oil palm plantation area of 533,821 hectares (including plasma smallholders) as of 30 June 2024. It has integrated operations focused on the technology-driven production and distribution of an extensive portfolio of palm-based products throughout its established international marketing network.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US\$2.5 billion as of 30 June 2024. Flambo International Limited, an investment company, is GAR's largest shareholder, with a 50.56% stake. In addition, GAR's subsidiary, PT SMART Tbk was listed on the Indonesia Stock Exchange in 1992.

As an integrated agribusiness, GAR delivers an efficient end-to-end supply chain, from responsible production to global delivery. In Indonesia, its primary activities include cultivating and harvesting oil palm trees; the processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; refining CPO into value-added products such as cooking oil, margarine, shortening, biodiesel and oleo-chemicals; as well as merchandising palm products globally.

GAR's products are delivered to a diversified customer base in over 100 countries through its global distribution network with shipping and logistics capabilities, destination marketing, on-shore refining and ex-tank operations. GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, and sugar businesses.

For media enquiries, please contact:

Andrew Compton
Direct Dial: +65 6590 0859
Email: andrew.compton@goldenagri.com.sg