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Performance Update - First Quarter 2022
12 May 2022

1. FINANCIAL PERFORMANCE

US$ million	Three months ended		Change
	31 Mar 2022 (1Q 2022)	31 Mar 2021 (1Q 2021)	
Revenue	**2,700**	2,048	32%
Gross Profit	**673**	485	39%
EBITDA[1]	**372**	232	61%
Underlying Profit[2]	**173**	99	74%
Foreign Exchange Gain/(Loss)[3]	**26**	-15	n.m
Deferred Tax Income/(Expense)	**3**	-14	n.m
Net Profit[4]	**188**	41	361%

Notes:
1 Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain or loss, and exceptional items
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, exceptional items, foreign exchange gain or loss, and deferred tax income or 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") got off to a good start in 2022, achieving a record first quarter performance. EBITDA reached US$372 million, a 61 percent increase year on year. Underlying profit and net profit also realised robust results of US$173 million and US$188 million, respectively.

This strong performance was achieved on the back of a 32 percent year-on-year increase in revenue to over US$2.7 billion, primarily attributable to the continued appreciation of CPO market prices. During first quarter 2022, CPO market prices (FOB Belawan) increased by 49 percent compared to the same quarter last year, averaging US$1,579 per tonne.

Both the upstream and downstream businesses contributed to the excellent results. At the upstream, the strengthening of CPO prices more than offset the decrease in plantation output. Our downstream business also continued to deliver a healthy margin this quarter.

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2. OPERATIONAL PERFORMANCE

'000 MT	Three months ended		Change
	31 Mar 2022 (1Q 2022)	31 Mar 2021 (1Q 2021)	
Upstream palm product output	**668**	812	-18%
Downstream sales volume	**2,203**	2,252	-2%

As of 31 March 2022, GAR's planted area stood at 537 thousand hectares, comprising 511 thousand hectares of mature estates and 26 thousand hectares of immature estates. Nucleus and plasma estates amounted to 423 thousand and 114 thousand hectares, respectively. Fruit yield for the first quarter of 2022 decreased by 21 percent to 4.2 tonnes per hectare, from the first quarter of 2021's high base of production that experienced a rebound after the El Niño. The production was also impacted by high rainfalls and old estates being prepared for replanting.

The sales volume of downstream business in the current quarter declined slightly year-on-year affected by lower feedstock availability in the market.

3. FINANCIAL POSITION

Supported by the strong performance, GAR's financial position continued to strengthen with net gearing ratio reaching 0.18 times.

US$ million	31 Mar 2022	31 Dec 2021	Change
Total Assets	**10,045**	9,608	4.5%
Cash and short-term investments	***677***	*666*	*1.6%*
Fixed assets[1]	***3,953***	*3,999*	*-1.2%*
Total Liabilities	**4,924**	4,716	4.4%
Net Debt[2]	**904**	970	-6.9%
Total Debt[3]	***3,148***	*2,998*	*5.0%*
Cash, short-term investments and liquid working capital[4]	***2,244***	*2,028*	*10.7%*
Total Equity	**5,121**	4,892	*4.7%*
Net Debt[2]/Equity	**0.18x**	0.20x	
Net Debt[2]/Total Assets	**0.09x**	0.10x	
Net Debt[2]/EBITDA[5]	**0.67x**	0.80x	
EBITDA/Interest[5]	**8.55x**	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 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

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4. STRENGTHENING OUR ESG EFFORTS

We continue to pursue our goal of supply chain transformation. As of first quarter 2022, we have achieved 95 percent Traceability to Plantation (TTP) for our palm supply chain. Our supply chain is not static and there is always some turnover every year, making it challenging to achieve 100 percent TTP. New suppliers joining our supply chain require time to build capacity to implement TTP. We are engaging actively with these and the very few suppliers who have yet to complete their TTP and have devised action plans to support them to achieve TTP. We are also exploring ways to build a database of TTP-compliant suppliers for future sourcing.

We are also registering smallholders under the Ksatria Sawit programme which aims to accelerate TTP. This initiative reaches out to areas where many of our supplier mills buy from smallholders and traces their agents and farmers. Around 120,000 farmers have been registered under the programme.

Since we have reached this advanced stage of TTP, we are focusing our resources on the next phase of supply chain transformation, which is to deepen our engagement and design more targeted programmes to support our suppliers in their sustainability journey.

5. OUTLOOK

Global oilseed production growth is predicted to remain limited. Palm oil production is estimated to grow at a single digit pace this year. Adverse weather conditions in oilseed producing countries and the conflict in Ukraine have brought vegetable oil prices to historical highs. Many countries are relaxing COVID-19 restrictions resulting in increased spending which will support the global vegetable oil demand amid the high price situation.

The Indonesian Government has implemented a temporary export ban to tackle the food inflation in the country. GAR fully supports the Government's policy to ensure an adequate domestic supply of cooking oil at affordable prices. We believe that our well-established vertically integrated business model provides us with the flexibility to adjust our operations to adapt with the evolving industry changes, including optimising our facilities, logistic capability and product portfolio. However, the current uncertainties remain due to the ongoing geopolitical conflicts, new variants of COVID-19 and global supply chain issues which may affect our operations.

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