



Golden Agri-Resources Ltd
Interim Performance Presentation
Three-month period ended 31st March 2018

15 May 2018



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Executive Summary



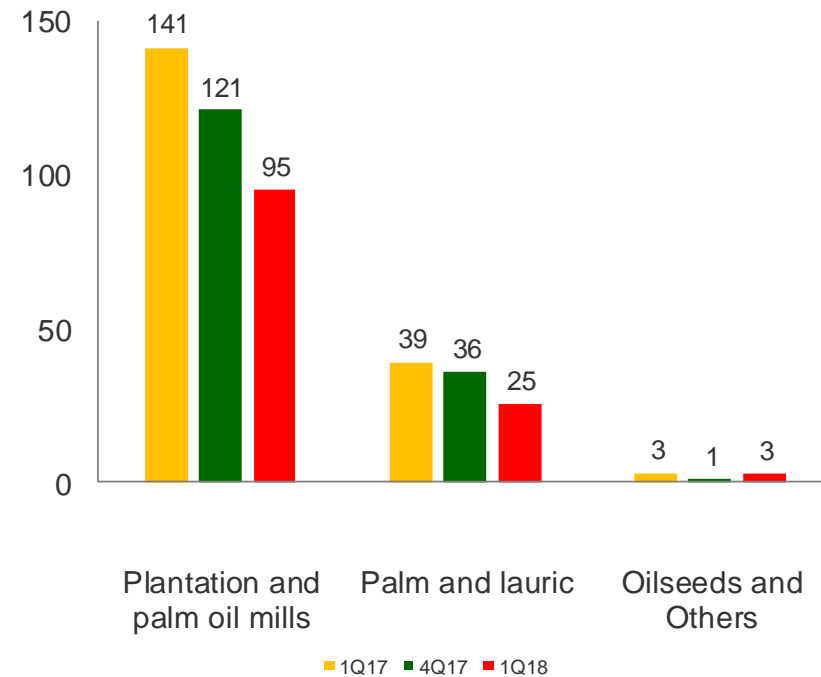
Executive Summary

1Q 2018 performance impacted by moderation in plantation output and palm oil prices

1Q 2018 vs 1Q 2017 results

Revenue	US\$1,816 mn	↓	11%
EBITDA	US\$121 mn	↓	34%
Underlying Profit ¹	US\$25 mn	↓	70%
Palm product output	612,000 MT	↓	12%
CPO FOB price	US\$645/MT	↓	12%

EBITDA (US\$ million)



Note:

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

Financial Highlights



Consolidated Financial Performance



US\$ million	1Q 2018	1Q 2017	YoY	4Q 2017	QoQ
Revenue	1,816	2,046	-11%	1,923	-6%
Gross Profit	248	291	-15%	261	-5%
EBITDA	121	183	-34%	156	-23%
Underlying Profit ¹	25	84	-70%	37	-34%
<i>Net loss from changes in fair value of biological assets²</i>	-0.3	-1	-51%	-6	-94%
<i>Depreciation of bearer plants²</i>	-22	-40	-44%	-36	-37%
<i>Foreign exchange gain/(loss)²</i>	5	-1	<i>n.m</i>	-16	<i>n.m</i>
<i>Deferred tax income/(expense)²</i>	4	-4	<i>n.m</i>	30	-85%
<i>Exceptional items²</i>	-	-	-	-39	<i>n.m</i>
Net profit/(loss) attributable to owners of the Company	12	38	-68%	-29	<i>n.m</i>

- Softer year-on-year and quarter-on-quarter results primarily from upstream business
- Palm-based downstream business experienced thinner margin impacted by governments intervention in commodity markets

Notes:

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

2. Net of tax and/or non-controlling interests.

Financial Position

Prudent balance sheet with healthy gearing ratios

US\$ million	31-Mar-18	31-Dec-17	Change
Total Assets	8,367	8,138	3%
<i>Cash and short-term investments</i>	368	394	-6%
<i>Fixed Assets¹</i>	3,671	3,692	-1%
Total Liabilities	4,246	4,029	5%
Adjusted Net Debt ²	1,744	1,684	4%
<i>Net Debt³</i>	2,742	2,598	6%
<i>Liquid Working Capital⁴</i>	998	914	9%
Total Equity Attributable to Owners of the Company	4,018	4,007	0.3%
Adjusted Net Debt ² /Equity ⁵ Ratio	0.43x	0.42x	
Adjusted Net Debt ² /Total Assets	0.21x	0.21x	
Adjusted Net Debt ² /EBITDA ⁶	3.60x	2.53x	
EBITDA/Interest	3.32x	4.84x	

Notes:

1. Includes Bearer Plants, Property, Plant and Equipment, and Investment Properties
2. Interest bearing debt less cash, short-term investments and liquid working capital
3. Interest bearing debt less cash and short-term investments

4. 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. 31 March 2018 figure is based on annualised EBITDA

Segmental Performance



Segmental Results

Plantations and Palm Oil Mills



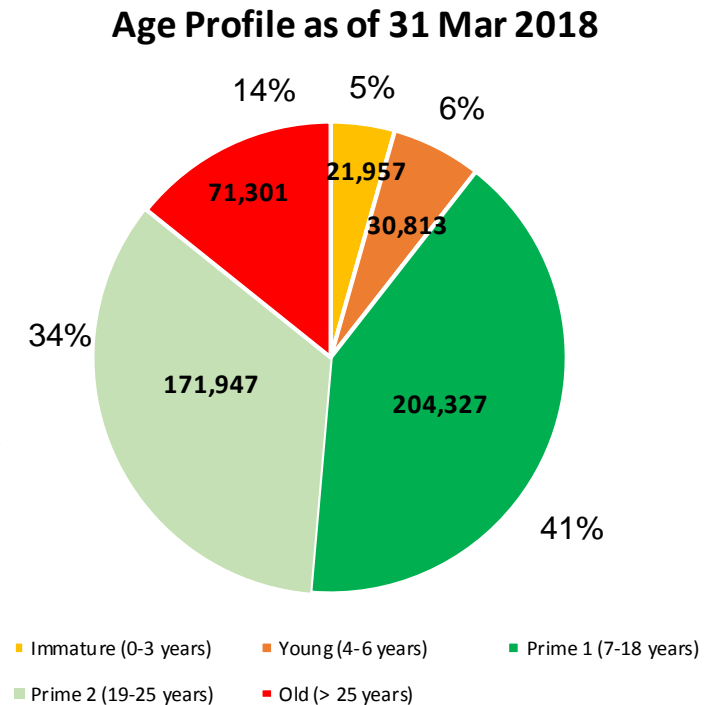
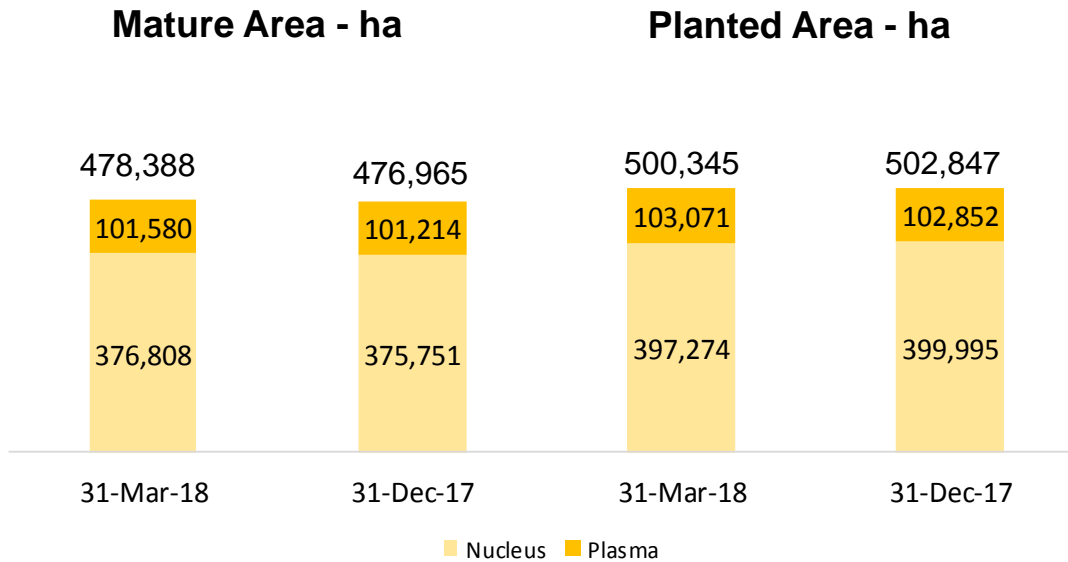
Resilient EBITDA margin despite lower output and prices

	1Q 2018	1Q 2017	YoY	4Q 2017	QoQ
Revenue (US\$ million)	343	475	-28%	421	-19%
EBITDA (US\$ million)	95	141	-33%	121	-21%
<i>EBITDA margin</i>	28%	30%	-2%	29%	-1%
FFB Production ('000 tonnes)	2,125	2,449	-13%	2,292	-7%
Nucleus	1,691	1,900	-11%	1,724	-2%
Plasma	433	549	-21%	568	-24%
FFB Yield (tonnes/ha)	4.4	5.1	-14%	4.9	-9%
Palm Product Output ('000 tonnes)	612	696	-12%	650	-6%
CPO	491	559	-12%	517	-5%
PK	121	137	-11%	133	-9%
Oil Extraction Rate	22.5%	22.6%	-0.1%	21.9%	0.6%
Kernel Extraction Rate	5.5%	5.5%	-	5.7%	-0.2%
Palm Product Yield (tonnes/ha)	1.2	1.4	-14%	1.3	-7%

1Q 2018 fruit production was weaker year-on-year compared to unusual high production last year due to the recovery from El Niño conditions. Several plantations in southern part of Kalimantan and Sumatra were still impacted by prolonged drought.

Plantation Area

GAR's oil palm plantations continue to be leading in scale and operational excellence



- Productivity of our old estates continues to be high with 1Q 2018 fruit yield of 4.5 MT per ha versus average of 4.4 MT
- Immature and young estates use newer-generation higher-yielding seeds to sustain long-term production growth

Notes:

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

Segmental Results

Palm and Lauric



Resilient EBITDA margin amidst competitive market environment

	1Q 2018	1Q 2017	YoY	4Q 2017	QoQ
Revenue (US\$ million)	1,610	1,855	-13%	1,666	-3%
Sales Volume ('000 tonnes)	2,162	2,455	-12%	2,222	-3%
EBITDA (US\$ million)	25	39	-35%	36	-30%
<i>EBITDA margin</i>	<i>1.6%</i>	<i>2.1%</i>	<i>-0.5%</i>	<i>2.2%</i>	<i>-0.6%</i>

- Softer downstream margin as CPO market prices affected by export tax suspension in Malaysia and import tax increase in India
- Downstream business will continue to focus on enhancing integration and pushing higher value added products to improve long-term margins

Segmental Results

Oilseeds and Others



Oilseed business maintains its positive contribution supported by prudent management

	1Q 2018	1Q 2017	YoY	4Q 2017	QoQ
<u>Oilseeds</u>					
Revenue (US\$ million)	144	187	-23%	190	-24%
Sales Volume ('000 tonnes)	228	324	-30%	382	-40%
EBITDA (US\$ million)	2.30	2.32	-0.7%	0.5	403%
<i>EBITDA margin</i>	1.6%	1.2%	0.4%	0.2%	1.4%
<u>Others</u>					
Revenue (US\$ million)	51	46	12%	46	11%
EBITDA (US\$ million)	0.5	0.6	-19%	0.2	130%
<i>EBITDA margin</i>	1.0%	1.3%	-0.3%	0.5%	0.5%

Divestment of Tianjin assets as part of our refocused China strategy was completed in April 2018.

Note:

1. Others segment includes other consumer products in China and Indonesia mainly in food and beverage

Strategy and Outlook



Responsible Growth through Innovation

Driving operational transformation for responsible growth and long-term shareholders return



Focus

TECHNOLOGY

CUSTOMER

SUSTAINABILITY

Goals

Digital leapfrog to achieve leadership in productivity and cost efficiency

Sustainable profit growth from high margin products

Responsible palm oil production

How to achieve

- Digitalisation and science driven solutions
- Mechanisation and automation
- Replanting with newer generation seeds
- R&D in new technology
- Analytics driven planning and operations

- Global merchandiser with best-in-class supply chain management
- Broad portfolio of quality value added products
- Customer services and solutions

- Stringent sustainability standard
- End-to-end traceability
- Comprehensive community programmes
- Stakeholders engagement

Capitalising on the robust fundamentals of the industry, GAR continues to enhance its integrated operation capabilities to optimise profit opportunities across the value chain



Upstream

- Focus on replanting with higher-yielding seeds to sustain production growth
- Continued efforts in yield improvement, cost efficiency and sustainability initiatives
- Projected 2018 capex US\$110 million



Downstream

- Extending product portfolio, global market reach and logistic facilities to enhance our integrated operations
- Projected 2018 capex US\$110 million



Outlook

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

Towards Responsible Palm Oil Production



100%

Traceability to
Plantation for GAR-owned
mills by end-2017

100%

Traceability to
Plantation for independent
mills by 2020

Full Traceability to the Plantation for GAR-owned mills

- 100% Traceability to the Plantation (TTP) achieved for GAR-owned mills - 39% of our total supply chain fully traceable
- Engagement with suppliers: with full TTP, GAR can now reach an additional 72 dealers buying from 11,000 smallholders who manage 40,000 ha
- This helps us share responsible practices and build a more resilient supply chain; since 2015, we have conducted 79 visits to 73 supplier mills to help them improve practices

Fire prevention preparation

- Continue to be vigilant on fire prevention as dry season starts
- Since January, only some 8 ha of our area have been affected by fires
- Extended our successful fire-free programme: 5 villages in Riau and 10 villages in Central Kalimantan

GAR joins industry initiative to address human and labour rights issues

- GAR has joined other industry players, Cargill, Musim Mas, Sime Darby Plantations and Wilmar in initiative with Forum for the Future
- The aim is to improve the protection of human and labour rights of workers in the agricultural sector and will focus initially on Indonesia

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>31 March 2018</u>						
Nucleus	20,466	26,967	175,631	121,153	53,057	397,274
Plasma	1,491	3,846	28,696	50,794	18,244	103,071
Total Area	21,957	30,813	204,327	171,947	71,301	500,345
% of total planted area	5%	6%	41%	34%	14%	100%
<hr/>						
<u>31 December 2017</u>						
Nucleus	24,244	33,134	180,682	130,807	31,128	399,995
Plasma	1,638	5,038	31,880	51,870	12,426	102,852
Total Area	25,882	38,172	212,562	182,677	43,554	502,847
% of total planted area	5%	8%	42%	36%	9%	100%

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