



Golden Agri-Resources Ltd
Annual Meeting
28 April 2021





Plantation Profile

Planted Area (as of 31 Dec 2020) ¹ :	535,923 ha
Output of Palm Products (CPO and PK)	
FY 2020 :	2,775,000 MT

Key Products

- Crude palm oil (CPO)
- Palm kernel (PK)
- Palm kernel oil (PKO)
- Palm kernel meal
- Soybean oil and meal
- Biodiesel
- Cooking oil
- Margarine
- Shortening
- Specialty fats
- Stearin
- Oleo-chemicals

- Listed on SGX since 1999
- A leading Indonesian plantation group with integrated operations for the production of a broad range of value added palm-based products
- Increasing presence in destination markets with on shore refining in China and India

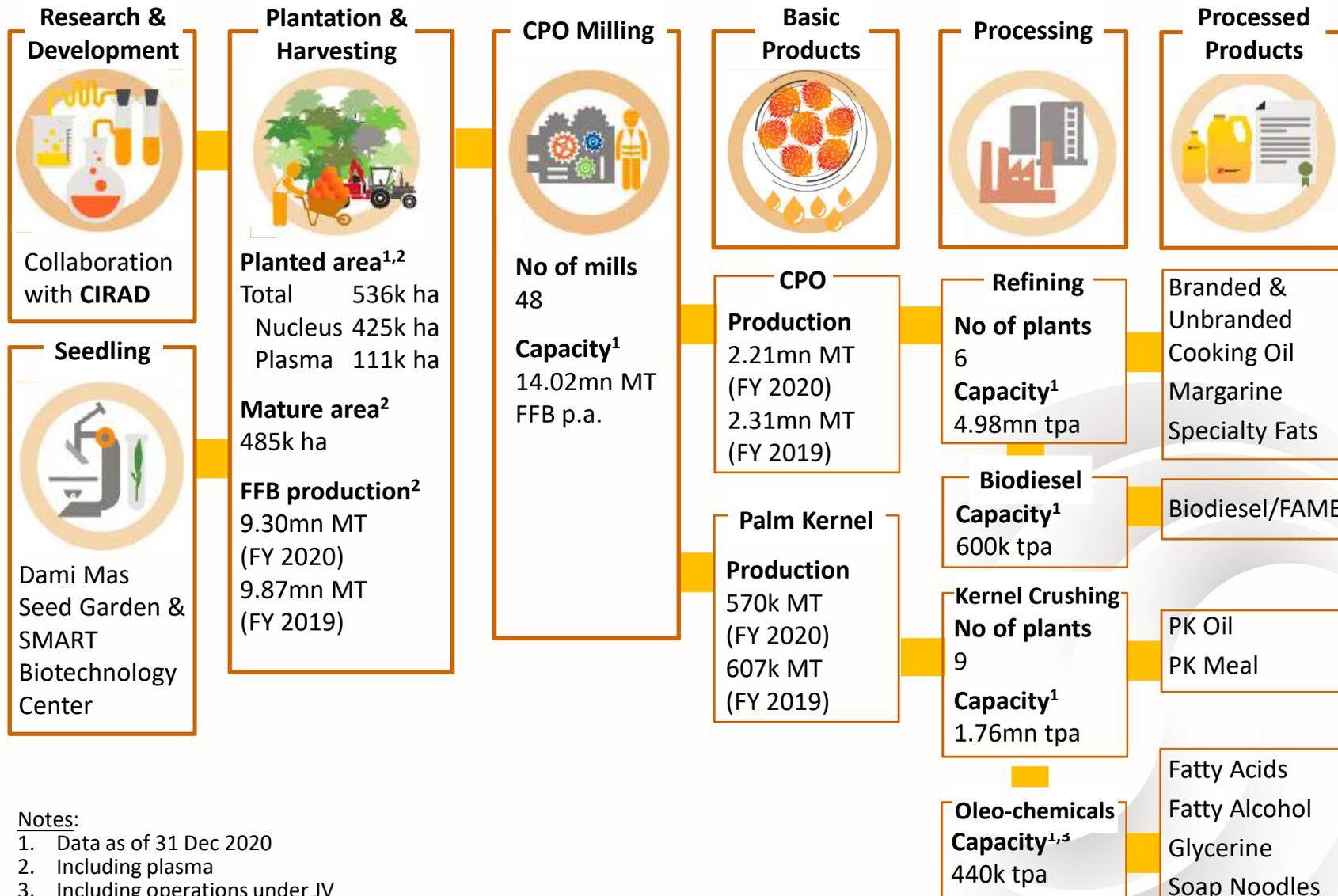
Financial Statistics (in US\$ million)

	FY 2020
Revenue	: 7,078
EBITDA ²	: 669
Underlying Profit ³	: 230
Equity ⁴	: 4,246

Notes:

1. Including plasma
2. Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain/loss from changes in fair value of biological assets, foreign exchange gain/loss and exceptional items
3. 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/expenses)
4. Attributable to owners of the Company

VERTICALLY INTEGRATED PALM OIL OPERATIONS



Notes:

1. Data as of 31 Dec 2020
2. Including plasma
3. Including operations under JV

STRONG POSITION ACROSS THE DOWNSTREAM VALUE CHAIN WITH GLOBAL DESTINATION PRESENCE



Our end-to-end ability in managing across the downstream value chain will enable us to better respond to supply chain disruption

Origination of Raw Materials



Sourcing with increasing traceability:

- Owned estates
- Third parties

Processing & Product Customisation



- Broad range of products including food, industrial products, biodiesel and oleochemicals
- Focusing on sales of higher value palm based derivative products

Logistic Excellence



- Operating the largest palm oil based charter through partnership
- JV with Stena Baycrest for export delivery
- JV with LDA (Louis Dreyfus Armateurs) for domestic distribution

Destination Market Expertise



- Increasing presence in destination markets
- On shore refining in China and India, and ex-tank operations in many countries

STRONG POSITION ACROSS THE DOWNSTREAM VALUE CHAIN WITH GLOBAL DESTINATION PRESENCE



FINANCIAL PERFORMANCE



US\$ million	FY 2020	FY 2019	YoY
Revenue	7,078	6,432	10%
Gross Profit	1,150	831	38%
EBITDA ¹	669	697	-4%
Underlying Profit/(Loss) ²	230	272	-15%
<i>Net gain/(loss) from changes in fair value of biological assets³</i>	<i>15</i>	<i>0.3</i>	<i>n.m</i>
<i>Depreciation of bearer plants³</i>	<i>-111</i>	<i>-99</i>	<i>11%</i>
<i>Foreign exchange gain/(loss)³</i>	<i>-30</i>	<i>38</i>	<i>n.m</i>
<i>Deferred tax expense³</i>	<i>-67</i>	<i>-19</i>	<i>250%</i>
<i>Exceptional items³</i>	<i>-6</i>	<i>2</i>	<i>n.m</i>
Net profit/(loss) attributable to owners of the Company	32	194	-84%

- Strong second half performance with CPO price appreciation and recovery of downstream business from supply chain disruption in early 2020
- Lower FY 2020 net profit impacted by foreign exchange loss and deferred tax expense, which are mainly non cash

Notes:

1. EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$-8 million and US\$213 million in 2020 and 2019, respectively
2. 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, foreign exchange gain/loss, and deferred tax income/expense
3. Net of tax and/or non-controlling interests

Our focus is on strong liquidity position amidst the COVID-19 pandemic

US\$ million	31-Dec-20	31-Dec-19	Change
Total Assets	9,126	8,779	4%
<i>Cash and short-term investments</i>	<i>1,097</i>	<i>784</i>	<i>40%</i>
<i>Fixed assets¹</i>	<i>4,127</i>	<i>3,720</i>	<i>11%</i>
Total Liabilities	4,695	4,274	10%
Net Debt ²	1,108	1,573	-30%
<i>Interest bearing debt</i>	<i>3,145</i>	<i>3,144</i>	<i>0.03%</i>
<i>Cash, short-term investments and liquid working capital³</i>	<i>2,037</i>	<i>1,571</i>	<i>30%</i>
Total Equity	4,432	4,505	-2%
Net Debt ² /Total Equity	0.25x	0.35x	
Net Debt ² /Total Assets	0.12x	0.18x	
Net Debt ² /EBITDA	1.66x	2.26x	
EBITDA/Interest	4.83x	4.23x	

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

The Board proposes final dividend distribution of 0.48 Singapore cents per share, subject to approval from shareholders

Cash Dividend	2016	2017	2018	2019	2020
Dividend per share (in S\$ cents)	0.635	0.809	0.580	0.580	0.480
Total Dividend (in S\$ million)	80.86	103.02	73.86	73.86	60.92
Underlying Profit ¹ (in US\$ million)	186.28	253.84	180.72	271.82	230.19
% to underlying profit	31%	30%	30%	20%	20%

- The proposed dividend is in line with the Company's dividend policy, which is to distribute up to 30% of underlying profit
- The proposed dividend includes the following considerations:
 - results of operations, cash flows and financial condition;
 - working capital requirements;
 - the dividend payment from subsidiaries; and
 - other factors deemed relevant by the Board of Directors and shareholders.

Note:

1. Net profit 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, foreign exchange gain/loss, and deferred tax income/expense

THANK YOU



QUESTIONS AND ANSWERS

Question from Shareholder No 1:

What is the outlook for the agribusiness industry? Any plans to generate higher return to shareholders?

Company's Response:

The palm oil industry remains very attractive. Entering the year 2021, we see continued CPO price appreciation on the back of tight global vegetable oil supply and demand positions. Global vegetable oil supplies will remain muted in the short term despite a forecasted recovery in palm oil output after a decline in 2020. This is because limited growth is expected in seed oil production combined with very low inventory levels at the start of the year.

At the same time, demand is expected to recover with the gradual improvement of global economies as vaccination programmes proliferate. Indonesian biodiesel demand is a major catalyst to the palm oil industry supported by continuous B30 implementation in 2021. New uses of palm oil and its derivative products are also being developed globally for food, industrial and bio-energy applications. Palm oil's competitiveness in serving expanding demand base is likewise increasing, given its cost advantage compared to other vegetable oils – palm oil productivity is 4 to 7 times higher.

In parallel with this positive development on the demand side, the industry is also replanting with newer generation seeds that will significantly bring down the investment and production cost per tonne of palm oil.

In term of sustainability, the industry has been progressing as well. In order to meet our sustainability commitments, we source our raw materials from suppliers who agree to follow the same high standards of responsible production. At GAR, we continue to make investments to help our supply chain transform. Aside from being able to tell our customers where and from whom we source our raw materials, traceability provides us with a ready-made and invaluable platform for relationship building with our suppliers.

All of these factors combined will result in higher return on capital which will ultimately translate to higher return to shareholders.

Question No 1 from Shareholder No 2:

Are we expecting a better result this year compared with last year?

Company's Response:

We don't formally provide result guidance. What we can say is that main factors impacting our financial performance are international CPO price, production volumes, our downstream's value added margins and our overall cost efficiencies.

- After a decline in 2020, we expect our upstream production to recover and grow by around 5% from last year.
- Despite expected CPO production recovery in 2021, stock level of vegetable oils is at a multi-year low as production growth of the other oils, such as soya, rapeseed, sunflower, is forecast to remain muted. On the other hand, demand is also expected to recover amidst the progressing vaccination globally. This will provide a firm foundation for a steady CPO price in 2021.
- In 2020, our downstream business was severely impacted by supply chain disruptions from the pandemic. Now, our downstream supply chain has normalised. Withstanding the continuing challenges from the COVID-19, the industry and its supply chain are better equipped to manage these issues. Overall, the operating environment is much better this year.

Question from Shareholder No 3:

What were the main changes to corporate strategy and plans, post-Covid in the coming years?

Question No 1 from Shareholder No 4:

What strategies have you put in place to maintain or accelerate the growth trajectory?

Question No 2 from Shareholder No 2:

Any programme in the pipeline to improve the shareholders value?

Question No 3 from Shareholder No 4:

What notable developments can shareholders expect from Golden Agri in the coming year(s)?

Company's Response:

The underlying core demand has continued despite of the COVID-19 pandemic given palm oil's use as an essential ingredient for food, industrial and energy-related applications. Our experience in 2020 has accelerated our drive in leveraging new technology including the adoption of digital transformation. That is to improve productivity, enhance cost efficiencies that can protect us better from volatile CPO prices, and at the same time enables greater collaboration amongst our people in a more efficient way throughout our diverse locations across Indonesia and the world that we operate in.

Our overall strategy aims to build profitability and shareholders' value through quality revenue growth, productivity improvement, higher product margins, cost efficiencies, and commitment to responsible production.

As a soil-to-table agribusiness player, GAR's strategy is built on palm oil's competitiveness based on the evolving global consumer preferences toward health-friendly and sustainably produced products.

We continue to develop a more extensive portfolio of palm-based products with an efficient end-to-end supply chain, from sustainable production and traceable third party sourcing to global delivery.

We aim to transform our upstream's productivity and cost efficiencies through replanting with higher-yielding planting materials seeds, mechanisation and automation initiatives. On the downstream part, we will grow the business sustainably, capitalising the capability in producing extensive portfolio of palm-based products with efficient end-to-end supply chain from sustainable sourcing to global delivery. Science and technological innovation are also applied across our integrated operations to create competitive advantages.

Question No 1 from Shareholder No 4:

Describe Golden Agri's financial performance over the past few years.

Company's Response:

The main factors impacting our financial performance are international CPO price, production volumes, our downstream value added margins and overall cost efficiencies. Over the past several years, GAR has invested and grown a diverse fully integrated operation to provide business resiliency against price fluctuations. Our integrated operations and broadened global destination have enabled us to benefit from the cyclical high of CPO prices and at the same time protected from the periods of low prices, such as in 2019 and in 2020 when the COVID-19 pandemic spread globally.

Question No 2 from Shareholder No 4:

What are the factors that are critical to Golden Agri's success against competition? What differentiates Golden Agri from competition?

Question No 5 from Shareholder No 4:

What is Golden Agri's value proposition to its shareholders and potential investors? What do you think investors may have overlooked about Golden Agri's business?

Company's Response:

As we execute our corporate strategy, there are four main value propositions or competitive advantages that differentiate GAR.

- First is our integrated operations underpinned by our own plantation base which is the largest oil palm plantation in Indonesia, managing almost 536 thousand hectares of planted area. This is complemented by the widest network of third-party suppliers. This is unique to GAR given our close relationship with third party plantations supported by our traceability to the plantation capability.
- Second is our capability in producing an industry-leading portfolio of palm-based value-added products with strong distribution channels and logistic options, enabling us to widen market reach and realise cost efficiencies in distribution.

- Third is our leading position and continued investments in research and development and embracing science and technological innovation in order to increase productivity, cost efficiencies and enhanced profit margins.
- Fourth is our leading position and strong commitment in responsible palm oil production, which is critical to our long-term success.

Question No 4 from Shareholder No 4:

What are some of the key ESG factors that are material to the Group?

Company's Response:

As an agribusiness player, we recognise that our long-term success relies on adopting sustainable business practices. At the heart of our approach to sustainability is the GAR Social and Environmental Policy, which embodies our belief that economic growth, social progress and environmental protection can and should go hand-in-hand. Four key initiatives that we have focused on:

- Continue to work towards completing Traceability to the Plantation (TTP). Despite COVID-19-related constraints, we achieved 90 percent full traceability at the end of 2020. Aside from guaranteeing the provenance of our raw materials, traceability gives us a ready-made platform for relationship-building with our third-party suppliers. This enables us to work with them to transform our supply chain and, by extension, the industry.
- GAR has been a strong supporter of the Independent Farmers Replanting Scheme. The programme encourages independent smallholders to replant with better quality, higher-yielding seeds, which will help boost productivity and incomes while potentially reducing the demand for new agricultural land.
- Continue to support our fire-free programme, Desa Makmur Peduli Api (DMPA). In 2020, we also launched an education programme aimed at elementary school pupils using a children's book Rumbun and Jungle Friends under the DMPA initiative to educate on the importance of preventing forest and land fires.

- With over a hundred thousand employees across our operations, we take our responsibility in providing a safe and healthy workplace very seriously. Our Occupational Health and Safety management aims to minimise workplace accidents, fatalities and other adverse health impacts. We also provide access to healthcare at 104 clinics across our plantations. These clinics offer a critical service to our employees and local communities, especially during the global pandemic.

We continue to work in these areas supporting the United Nations Sustainable Development Goals, particularly goals related to Zero Hunger (SDG2), Responsible Consumption and Production (SDG12), protection of Life on Land (SDG15) and Partnerships for the Goals (SDG17).

The details of GAR's endeavours are explained in GAR 2020 Annual Report on page 66-78, Continuing Responsible Practices During a Global Crisis.