

## 2021 a record year for Golden Agri-Resources

- Second half EBITDA continued its strong growth, resulting in record full year EBITDA of US\$1.21 billion
- Excellent performance primarily supported by continued high CPO market prices and increased downstream business margins
- Proposed final dividend of 1.077 Singapore cents per share for a total of 1.605 Singapore cents per share for full year 2021, 234 percent higher than in the previous year

### FINANCIAL HIGHLIGHTS

US\$ million	Year ended		Change	Half year ended		Change
	31 Dec 2021 (FY 2021)	31 Dec 2020 (FY 2020)		31 Dec 2021 (2H 2021)	30 Jun 2021 (1H 2021)	
Revenue	10,183	7,078	44%	5,728	4,454	29%
Gross Profit	2,355	1,150	105%	1,294	1,061	22%
<b>EBITDA<sup>1</sup></b>	<b>1,214</b>	<b>669</b>	<b>81%</b>	<b>691</b>	<b>523</b>	<b>32%</b>
<b>Underlying Profit<sup>2</sup></b>	<b>603</b>	<b>230</b>	<b>162%</b>	<b>357</b>	<b>246</b>	<b>45%</b>
Foreign Exchange Gain/(Loss) <sup>3</sup>	34	-30	n.m	42	-8	n.m
Deferred Tax Expense <sup>3</sup>	-48	-67	-28%	-21	-27	-21%
Net Profit <sup>4</sup>	476	32	n.m	323	153	111%

Notes:

1 Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss, and exceptional items. EBITDA includes net fair value gain/(loss) on financial assets in accordance with IFRS 9 of US\$43 million, US\$-8 million, US\$32 million and US\$11 million in 2021, 2020, 2H 2021 and 1H 2021, respectively.

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 expense.

3 Net of tax and/or controlling interests.

4 Attributable to owners of the Company.

**Singapore, 1 March 2022** – Golden Agri-Resources Ltd (“GAR” or the “Company”) sustained its excellent performance in the second half of 2021, resulting in a record set of results. Revenue crossed the US\$10 billion level, an all-time high, primarily contributed to stronger CPO market prices.

Second semester EBITDA added US\$691 million to the full year 2021 figure of US\$1.21 billion, which climbed 81 percent over the previous year. During the year, underlying profit more than doubled totaling US\$603 million, whilst net profit recovered strongly to US\$476 million. Both the upstream and downstream businesses contributed to this stronger performance, largely

due to sustained high palm oil market prices and robust margins from the downstream business.

CPO market prices (FOB Belawan) increased by 69 percent from the prior year, averaging US\$1,168 per tonne. After deducting the export tax and levy, the average net CPO price was US\$819 per tonne, or 31 percent higher than previous year.

On the results, **Mr Franky O. Widjaja, GAR Chairman and Chief Executive Officer** commented: "This firm set of results achieved by GAR in 2021 demonstrates the resilience of our business, its competitive strengths and the hard work of our employees. Our strategy to develop an integrated business model has resulted in a robust profit base for GAR."

Mr. Widjaja further added: "Worldwide edible oil supply remained tight during the year whilst economic conditions in major consuming countries recovered gradually. Moving forward, we expect the tight vegetable oil situation to persist. Palm oil, as a key contributor to meet the world's demand for edible oils, is facing production challenges such as labour issues in Malaysia and under-fertilised smallholder plantations. Dry weather conditions in South America further strain global vegetable oil supply."

On the back of the Company's robust performance and successful efforts in prudently managing its financial position, the Board proposes a final dividend of 1.077 Singapore cents per share. After incorporating the interim dividend of the 0.528 Singapore cents per share distributed in November 2021, the total dividend for FY2021 will be 1.605 Singapore cents per share or approximately US\$151 million in total, representing 25 percent of underlying profit. The proposed final dividend will be distributed on 17 May 2022 subject to approval from GAR's shareholders at the 2022 Annual Meeting.

GAR will also initiate a share buyback programme to further reward our shareholders, allocating up to US\$100 million for year 2022. The share buyback will be conducted based on authority and limits under the Share Purchase Mandate authorised by GAR's shareholders at the Annual Meeting.

## **SEGMENTAL PERFORMANCE**

### Plantations and palm oil mills

As at 31 December 2021, GAR's planted area, including plasma, totaled 536 thousand hectares, of which 91 percent was mature. GAR has replanted 14,200 hectares of old estates with higher-yielding, next-generation planting materials during the year.

Second half fruit yield stood at 9.2 tonnes per hectare, 11 percent lower compared to the strong harvest in the first half. This brought full year yield of 19.9 tonnes per hectare, slightly lower than the previous year. However, palm product output grew by seven percent at 2.96 million tonnes in 2021.

With the uptrend in CPO prices, upstream business delivered EBITDA<sup>1</sup> of US\$779 million during 2021, 87 percent stronger than in 2020. Correspondingly, EBITDA margin strengthened by eight percent to 36 percent.

### Palm, laurics and others

Our downstream segment mostly consists of the processing and merchandising of palm and oilseed-based products comprising bulk and branded products, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

The palm, laurics and others segment generated revenue of US\$10.15 billion during 2021, 44 percent higher than in the previous year largely due to higher selling prices. Positive market developments in the second half resulted in higher sales volume, up by 12 percent compared to the first half of 2021, bringing the full year sales volume to the same level as the previous year.

Moreover, stronger EBITDA margin of the segment sustained in the second half of the year, reaching 4.8 percent. For full year 2021, the segment contributed 70 percent higher EBITDA of US\$434 million, with a margin of 4.3 percent compared to 3.6 percent achieved in 2020.

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### **About Golden Agri-Resources Ltd (GAR)**

GAR is one of the leading palm oil plantation companies with a total planted area of 536,013 hectares (including plasma smallholders) as at 31 December 2021, located in Indonesia. Its integrated operations focus on the technology-driven production and distribution of an extensive portfolio of palm-based products.

Founded in 1996, GAR was listed on the Singapore Exchange in 1999 and has a market capitalisation of US\$2.3 billion as at 31 December 2021. Flambo International Limited, an investment company, is currently GAR's largest shareholder, with a 50.52 percent stake. GAR has several subsidiaries, including PT SMART Tbk which 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 of oil palm trees; 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 70 countries through its global distribution network with shipping and logistics capabilities, destination marketing, on-shore refining and ex-tank operations in many countries. GAR also has complementary businesses such as soybean-based products in China, sunflower-based products in India, as well as sugar businesses.

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