



Golden Agri-Resources Ltd (GAR)
Full Year 2021 Performance Presentation

1 March 2022

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GAR sustained its excellent performance in the second half 2021 resulting to a record set of results for the year

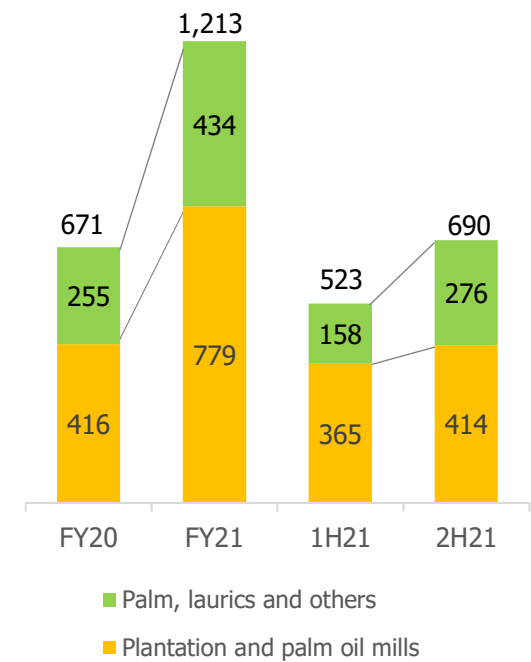
FY 2021 Financial Performance

Revenue	EBITDA	Underlying Profit ¹	Total Dividend ²
US\$10.18 bn +44%	US\$1.21 bn +81%	US\$603 mn +162%	S\$1.605 cents +234%

Contributing Factors

- Average CPO FOB price strongly appreciated by 69% to US\$1,168/MT
- Higher palm product output by 7%
- Downstream EBITDA margin reached 4.3% in line with a healthier business environment

Segmental EBITDA³ (US\$ million)



Notes:

1. 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/loss, and deferred tax expense
2. Consists of proposed dividend of S\$1.077 cents per share and interim dividend of S\$0.528 cents per share distributed on 30 November 2021
3. Before inter-segment eliminations



Financial Highlights



Record full year performance contributed from both upstream and downstream businesses

US\$ million	FY 2021	FY 2020	YoY	2H 2021	1H 2021	HoH
Revenue	10,183	7,078	44%	5,728	4,454	29%
Gross Profit	2,355	1,150	105%	1,294	1,061	22%
EBITDA ¹	1,214	669	81%	691	523	32%
Underlying Profit ²	603	230	162%	357	246	45%
<i>Net gain from changes in fair value of biological assets³</i>	<i>3</i>	<i>15</i>	<i>-82%</i>	<i>1</i>	<i>2</i>	<i>-60%</i>
<i>Depreciation of bearer plants³</i>	<i>-115</i>	<i>-111</i>	<i>4%</i>	<i>-55</i>	<i>-60</i>	<i>-9%</i>
<i>Foreign exchange gain/(loss)³</i>	<i>34</i>	<i>-30</i>	<i>n.m</i>	<i>42</i>	<i>-8</i>	<i>n.m</i>
<i>Deferred tax expense³</i>	<i>-48</i>	<i>-67</i>	<i>-28%</i>	<i>-21</i>	<i>-27</i>	<i>-21%</i>
<i>Exceptional items³</i>	<i>-1</i>	<i>-6</i>	<i>-88%</i>	<i>-1</i>	<i>-</i>	<i>-100%</i>
Net profit attributable to owners of the Company	476	32	n.m	323	153	111%

Notes:

- 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
- 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/loss, and deferred tax expense
- Net of tax and/or non-controlling interests

Prudent leverage and strong liquidity position amidst the continuing COVID-19 pandemic

US\$ million	31-Dec-21	31-Dec-20	Change
Total Assets	9,608	9,126	5%
<i>Cash and short-term investments</i>	666	1,097	-39%
<i>Fixed assets¹</i>	3,999	4,127	-3%
Total Liabilities	4,716	4,695	0.5%
Net Debt ²	970	1,108	-12%
<i>Interest bearing debt</i>	2,998	3,145	-5%
<i>Cash, short-term investments and liquid working capital³</i>	2,028	2,037	-0.5%
Total Equity	4,892	4,432	10%
Net Debt ² /Total Equity	0.20x	0.25x	
Net Debt ² /Total Assets	0.10x	0.12x	
Net Debt ² /EBITDA	0.80x	1.66x	
EBITDA/Interest	7.54x	4.83x	

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 consists of trade receivables, inventories (excluding consumables), deposits and advances to suppliers less trade payables and advances from customers

FY2021 Dividend Distribution



Considering GAR's robust performance, the Board declares final dividend of 1.077 Singapore cents per share, bringing total dividend to 1.605 Singapore cents per share for the full year 2021

Cash Dividend	2018	2019	2020	2021		
				Interim	Final	Total
Dividend per share (in S\$ cents)	0.580	0.580	0.480	0.528	1.077	1.605
Total Dividend (in S\$ million)	73.86	73.86	60.92	67.01	136.69	203.71
Underlying Profit ¹ (in US\$ million)	180.72	271.82	230.19			602.86
% to underlying profit	30%	20%	20%			25%

The Company's dividend policy is to distribute up to 30% of underlying profit, after considering:

- 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 from changes in fair value of biological assets, depreciation of bearer plants, exceptional items, foreign exchange gain/loss, and deferred tax expense

Share Buyback Programme



GAR will initiate a share buyback programme to reward our shareholders

Allocated Amount	Up to US\$100 million
Period	Year 2022
Objectives	<ul style="list-style-type: none">• Capital return to shareholders• Complementary to existing dividend policy• Shares will be held as treasury shares
Restrictions	<ul style="list-style-type: none">• Authorisation by shareholders at the Annual Meeting• Total maximum volume at 10% of outstanding number of shares (excluding treasury shares)• Maximum purchase price and black-out period under the Share Purchase Mandate



Segmental Performance



Segmental Results

Plantations and Palm Oil Mills



Higher margins supported by sustained strength in CPO prices and output growth

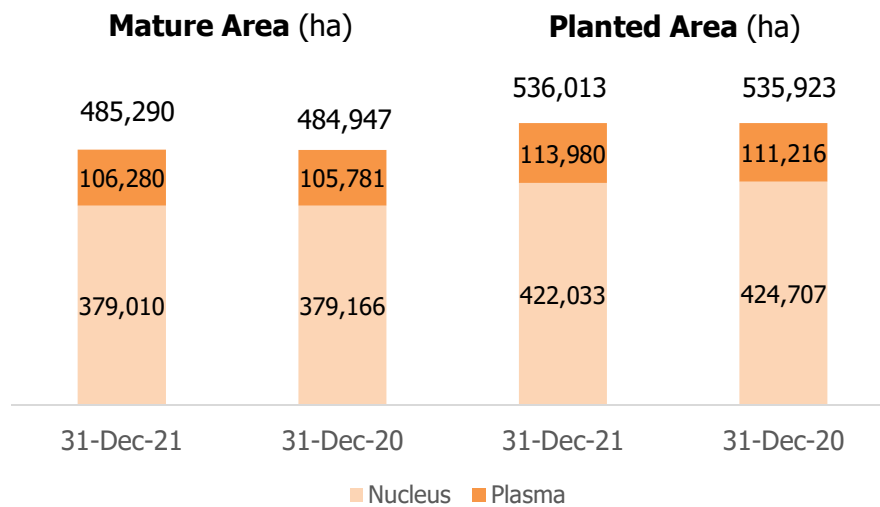
	FY 2021	FY 2020	YoY	2H 2021	1H 2021	HoH
Revenue (US\$ million)	2,190	1,482	48%	1,147	1,043	10%
EBITDA (US\$ million)	779	416	87%	414	365	13%
<i>EBITDA margin</i>	<i>36%</i>	<i>28%</i>	<i>8%</i>	<i>36%</i>	<i>35%</i>	<i>1%</i>
CPO FOB Market Price (US\$/MT)	1,168	691	69%	1,243	1,088	14%
<i>Net of export levy and tax (US\$/MT)</i>	<i>819</i>	<i>626</i>	<i>31%</i>	<i>912</i>	<i>721</i>	<i>26%</i>
FFB Production ('000 tonnes)	9,660	9,297	4%	4,477	5,183	-14%
Nucleus	7,503	7,302	3%	3,443	4,060	-15%
Plasma	2,158	1,995	8%	1,035	1,123	-8%
FFB Yield (tonnes/ha)	19.9	20.4	-2%	9.2	10.4	-11%
Palm Product Output ('000 tonnes)	2,961	2,775	7%	1,363	1,598	-15%
CPO	2,350	2,205	7%	1,078	1,273	-15%
PK	611	570	7%	286	325	-12%
Oil Extraction Rate	21.4%	21.4%	-	21.1%	21.6%	-0.5%
Kernel Extraction Rate	5.6%	5.5%	0.1%	5.6%	5.5%	0.1%
Palm Product Yield (tonnes/ha)	5.4	5.5	-2%	2.5	2.8	-13%

Note: EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$8 million, US\$-3 million, US\$3 million and US\$5 million in 2021, 2020, 2H 2021 and 1H 2021, respectively

Oil Palm Plantations

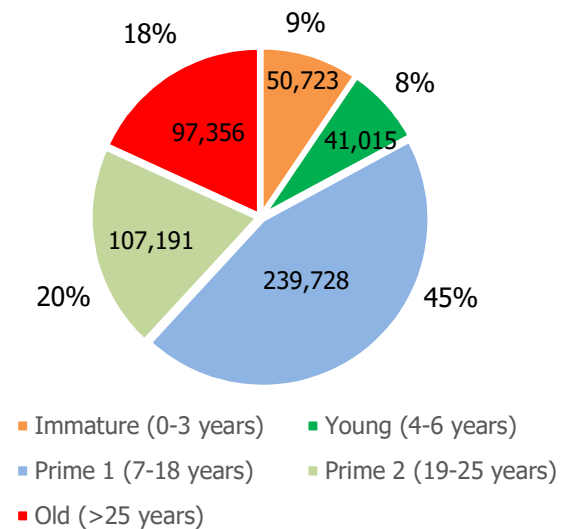


Continued long-term productivity growth through replanting and technological innovation



- Immature and young estates use next-generation, higher-yielding seeds for continued long-term production growth
- Replanting achieved at around 14,200 ha for FY 2021

Age Profile as of 31 December 2021



Notes:

1. Including plasma
2. Average age of plantations, including plasma, is 16 years

Segmental Results

Palm, Laurics and Others



Stronger margins were sustained in the second half 2021 resulting to a robust full year performance

	FY 2021	FY 2020	YoY	2H 2021	1H 2021	HoH
Revenue (US\$ million)	10,150	7,058	44%	5,716	4,433	29%
Sales Volume ('000 tonnes)	10,131	10,140	-0.1%	5,353	4,778	12%
EBITDA (US\$ million)	434	255	70%	276	158	74%
<i>EBITDA margin</i>	<i>4.3%</i>	<i>3.6%</i>	<i>0.7%</i>	<i>4.8%</i>	<i>3.6%</i>	<i>1.2%</i>

- Positive market developments with sales volume recovering in the second half 2021
- Indonesia B30 biodiesel programme continues to be a major catalyst to the industry with strong support from the Government and industry players

Notes:

1. This segment refers to processing and merchandising of palm and oilseed based products i.e. bulk, branded, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products mainly food and beverages
2. EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$35 million, US\$-5 million, US\$29 million and US\$6 million in 2021, 2020, 2H 2021 and 1H 2021, respectively



Competitive Strengths

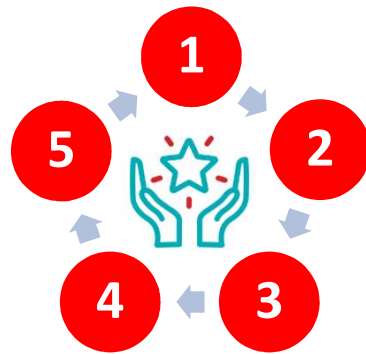


Building on Competitive Strengths for Sustainable Growth



Best-in-class plantations with managed age profile continues to deliver above-industry yields

Strong financial position and consistent dividend distribution



Integrated business model provides robust profit base

Science and technological innovation for sustained growth

Sustainability is our business imperative



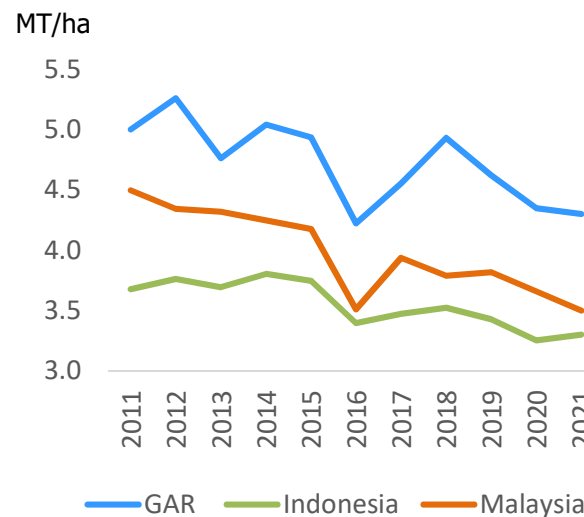
1. Best-in-class Plantations with Managed Age Profile Continues to Deliver Above-Industry Yields



Taking initiative in technological innovation allows GAR to stay ahead in yield growth

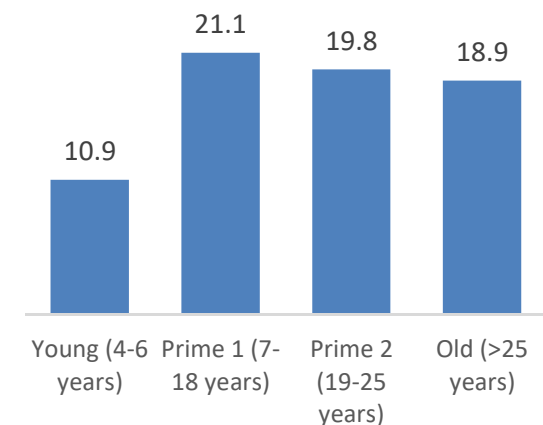
- **Precision Agriculture** through state-of-the-art proprietary IT system
- **Research and Development** in latest plant breeding biotechnology
- **Mechanisation** of farming hardware to enhance productivity
- **Digitalisation** of business processes using the latest mobile technology as enabler
- **Artificial Intelligence** to make insightful decisions, drive efficiencies and improve logistical capability

GAR's 2021 CPO yield was 30% higher than Indonesia average and 23% higher than Malaysia average

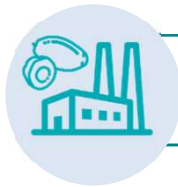


Our high-quality nucleus estates produce superior yields

Nucleus FFB Yield in 2021 - MT/ha



2. Integrated Business Model Provides Robust Profit Base



Origination of Raw Materials



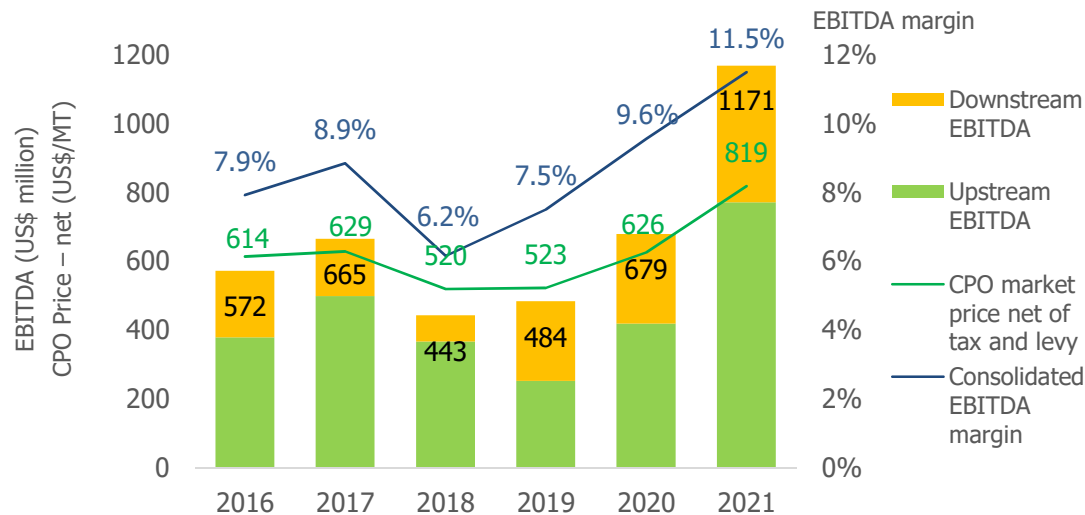
Processing and Product Customisation



Logistic Excellence



Destination Market Expertise



Note: EBITDA excluding fair value gain/loss on financial assets

Our end-to-end ability in managing across the integrated value chain enabling us to optimally monetise production and better respond to any external changes

- High margins from core upstream with leading scale and above-average yield
- Additional margin from downstream business with strong capability in each area along the supply chain

3. Sustainability is Our Business Imperative



Strong commitment to responsible palm oil production

Driving sustainability from the source through traceability to the plantation (TTP)

- To date, 95% of palm supply chain is fully traceable to the plantation
- Nearly 120,000 smallholders registered
- As supply chain fluctuates every year due to new suppliers joining, we are devising action plans for these and minority of existing suppliers who have not completed TTP
- Phase II of supply chain transformation: specific support programmes for smallholders



The GAR Social and Environmental Policy (GSEP) represents GAR's No Deforestation, No Peat and No Exploitation (NDPE) related commitments



Environmental Management



Social and Community Engagement



Work Environment and Industrial Relations



Marketplace and Supply Chain



3. GAR Scores Strongly on ESG



FTSE4Good

Since 2018, GAR is part of FTSE4Good index with score 3.3/5 and 59 percentile rank



Ranks 38/519 on the Singapore Governance and Transparency Index 2021



CDP rating A- for forests



Won in two categories in the Sustainable Business Awards 2021 – Supply Chain Management and Business Ethics & Responsibility, with recognition of Special Achievements in two more categories – Community and Land Use & Biodiversity



Ranks 14/100 on the SPOTT ESG policy transparency assessment



Runner Up for the Most Transparent Company Award 2021 for Consumer Staples category by Securities Investors Association (Singapore)



Shortlisted as the finalist of the 11th Annual Responsible Business Awards 2020 under the category of Responsible Supply Chain

GAR's positive differentiation in sustainability ensures access to global markets and opportunities for premium pricing

4. Science and Technological Innovation

Embracing science and technological innovation for responsible growth and margin enhancement

Aim for high-productivity and zero-waste precision agriculture for sustainable growth



High-yielding, drought-and-disease-resistant planting materials



New product research and development to meet our customers' evolving nutrition and health needs



In-house developed technologies combining automation, digitalisation, artificial intelligence with operational excellence



Delivering digital experience to the customers with full-service distribution capability, from end-to-end supply chain management to sales and marketing



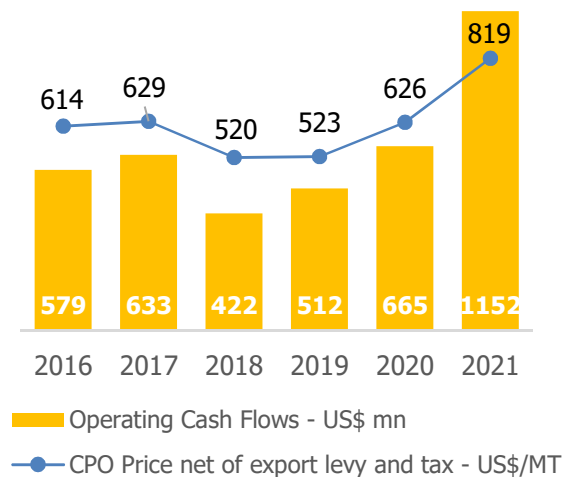
Partnering with technology companies through strategic technology investments, bringing synergies to our capabilities and scale



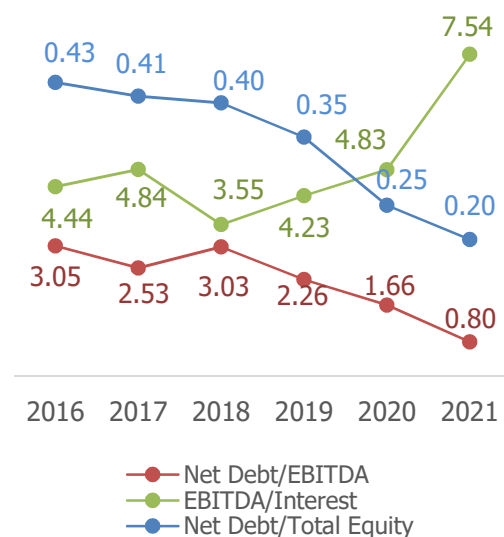
5. Strong financial position and consistent dividend distribution



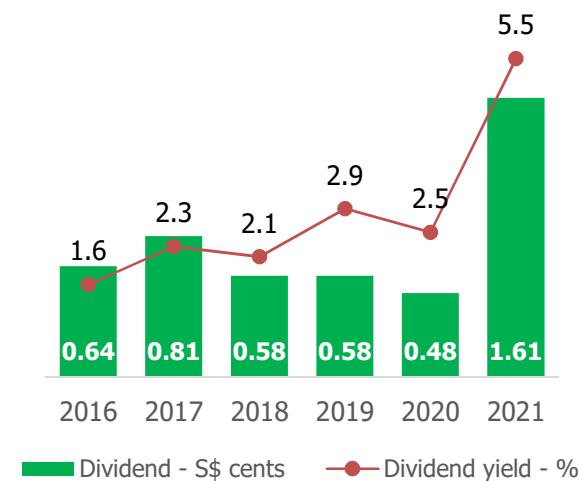
Strong growth in operating cash flows¹



Strengthened financial ratios amidst the continuing pandemic



Consistent dividend yield of above 2% in the past five years



Note:

1. Before working capital changes



Strategy and Outlook



Strategic Focus

- Continue to develop capability in serving growing global demand of health-friendly and sustainably-produced products, leveraging the strengths as a leading technology-driven soil-to-table agribusiness
- Targeted capital expenditure at US\$175-200 million in 2022 mainly for replanting, completion of biodiesel capacity expansion, and capability enhancement in producing higher-value products

Industry Outlook

- Fundamental supply and demand balance is expected to remain tight
- Robust long-term industry outlook bolstered by palm oil's competitive advantages in serving growing population and income per capita





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 December 2021</u>						
Nucleus	43,024	37,539	212,205	73,323	55,942	422,033
Plasma	7,699	3,476	27,523	33,868	41,414	113,980
Total Planted Area	50,723	41,015	239,728	107,191	97,356	536,013
% of total	9%	8%	45%	20%	18%	100%
<u>31 December 2020</u>						
Nucleus	45,541	34,386	204,735	100,165	39,880	424,707
Plasma	5,435	2,069	27,917	45,890	29,905	111,216
Total Planted Area	50,976	36,455	232,652	146,055	69,785	535,923
% of total	10%	7%	43%	27%	13%	100%



If you need further information, please contact:

Golden Agri-Resources Ltd
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535
Tel: +65 6590 0800
Fax: +65 6590 0887
www.goldenagri.com.sg

Richard Fung - Director, Investor Relations
richard@goldenagri.com.sg

-  golden-agri-resources-ltd
-  @GAR_Sinarmas
-  @sinarmas_agri
-  @GARSinarmasagri
-  Sinar Mas Agribusiness and Food