



GOLDEN AGRI-RESOURCES LTD
Full Year 2019 Results Presentation
28 February 2020



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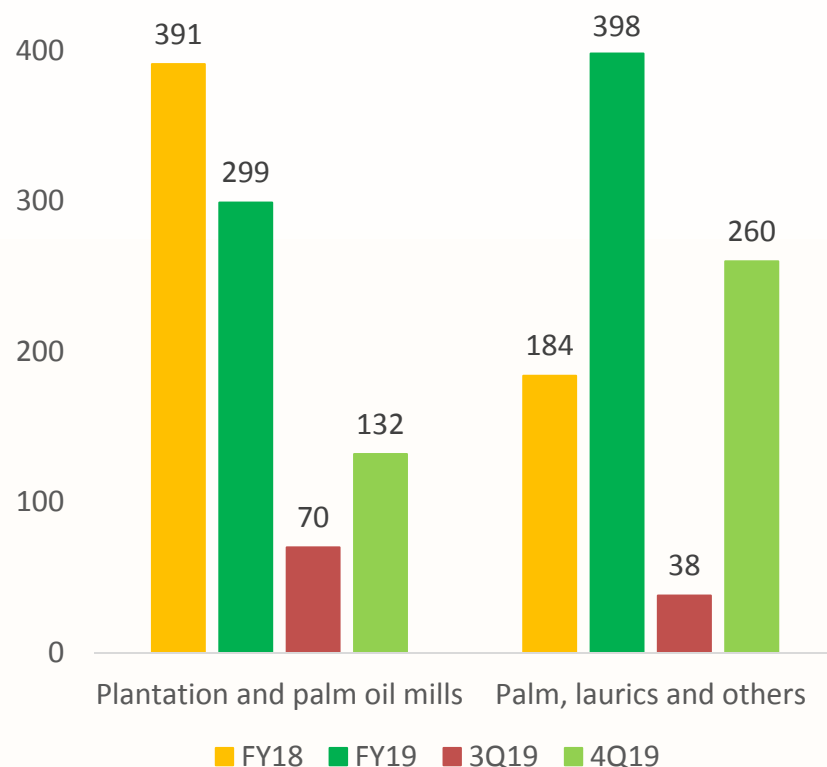
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EXECUTIVE SUMMARY



Improved results in fourth quarter 2019 contributed by upstream and downstream performance

EBITDA (US\$ million)



- FY 2019 vs FY 2018

Revenue	US\$6,432 mn	↓	10%
EBITDA	US\$697 mn	↑	22%
Underlying profit ¹	US\$272 mn	↑	50%
Palm product output	2.91 mn MT	↓	4%
CPO FOB price	US\$523/MT	↓	7%

- 4Q 2019 vs 3Q 2019

Revenue	US\$1,702 mn	↑	9%
EBITDA	US\$392 mn	↑	267%
Underlying profit ¹	US\$284 mn	↑	n.m
Palm product output	788,000 MT	↓	5%
CPO FOB price	US\$605/MT	↑	24%

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 expense

FINANCIAL HIGHLIGHTS



FINANCIAL PERFORMANCE



US\$ million	FY 2019	FY 2018	YoY	4Q 2019	3Q 2019	QoQ
Revenue	6,432	7,167	-10%	1,702	1,563	9%
Gross Profit	831	1,007	-17%	299	188	59%
EBITDA ¹	697	573	22%	392	107	267%
Underlying Profit ²	272	181	50%	284	3	n.m
<i>Net gain/(loss) from changes in fair value of biological assets³</i>	0.3	-15	n.m	-0.1	3	n.m
<i>Depreciation of bearer plants³</i>	-99	-98	1%	-29	-24	21%
<i>Foreign exchange gain/(loss)³</i>	38	-19	n.m	15	20	-28%
<i>Deferred tax expense³</i>	-19	-50	-61%	-21	-2	1147%
<i>Exceptional items³</i>	2	-1	n.m	-9	-	-100%
Net profit/(loss) attributable to owners of the Company	194	-2	n.m	240	0.8	n.m

- Year 2019 ended with strong fourth quarter performance contributed by both upstream and downstream businesses
- Performance was enhanced by CPO price appreciation in the fourth quarter and fair value gain on financial assets in line with the IFRS 9

Notes:

1. EBITDA includes net fair value gain on financial assets in accordance with IFRS 9 of US\$214 million in 2019 and US\$132 million in 2018

2. 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 expense

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

FINANCIAL POSITION



US\$ million	31-Dec-19	31-Dec-18	Change
Total Assets	8,787	8,546	3%
<i>Cash and short-term investments</i>	784	545	44%
<i>Fixed assets¹</i>	3,720	3,716	0.1%
Total Liabilities	4,274	4,236	1%
Net Debt ²	1,573	1,734	-9%
<i>Total debt³</i>	3,144	3,010	4%
<i>Cash, short-term investments and liquid working capital⁴</i>	1,571	1,276	23%
Total Equity Attributable to Owners of the Company	4,364	4,169	5%
Net Debt ² /Equity ⁵	0.36x	0.42x	
Net Debt ² /Total Assets	0.18x	0.20x	
Net Debt ² /EBITDA	2.26x	3.03x	
EBITDA/Interest	4.23x	3.55x	

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. Equity attributable to owners of the Company

The Board proposes final dividend distribution of 0.580 Singapore cents per share, subject to approval from shareholders, same with the previous year's distribution

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

- 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.
- The proposed dividend is in line with the Company's dividend policy, which is to distribute up to 30% of underlying profit

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

SEGMENTAL PERFORMANCE



SEGMENTAL RESULTS

Plantations and Palm Oil Mills



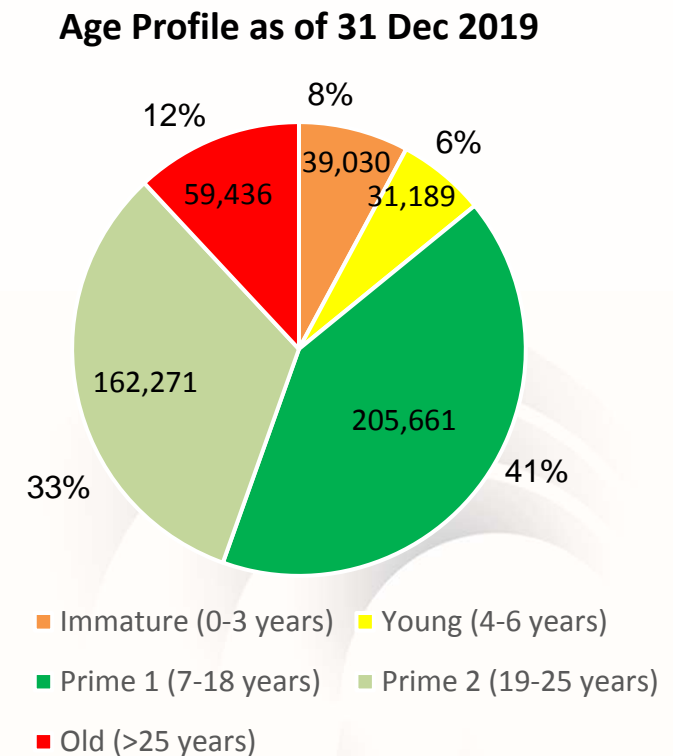
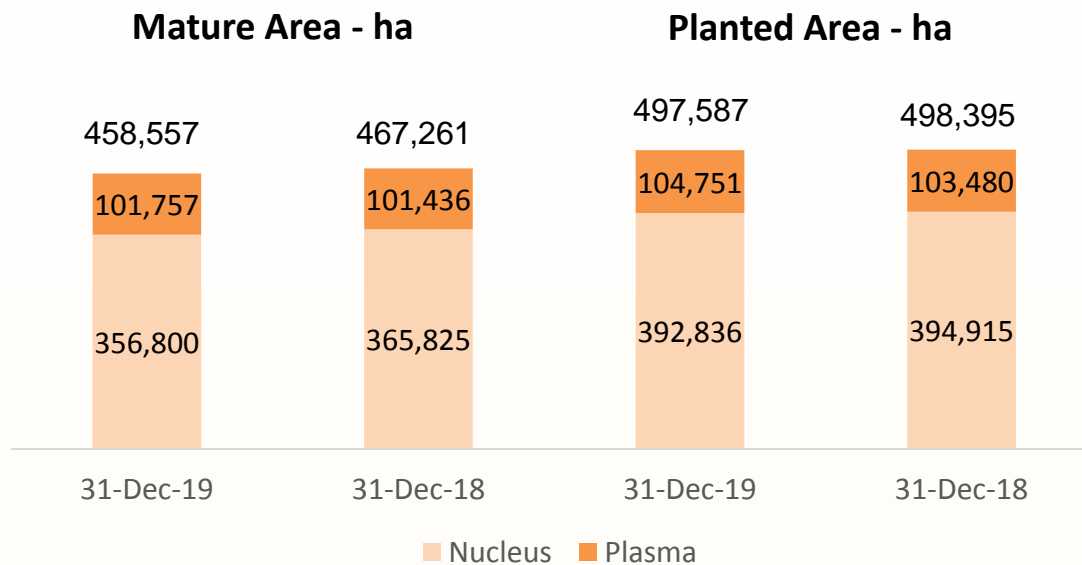
4Q 2019 performance saw quarterly improvement with the rebound in CPO prices

	FY 2019	FY 2018	YoY	4Q 2019	3Q 2019	QoQ
Revenue (US\$ million)	1,324	1,451	-9%	394	356	11%
EBITDA (US\$ million)	299	391	-24%	132	70	88%
<i>EBITDA margin</i>	23%	27%	-4%	34%	20%	14%
CPO FOB Price (US\$/MT)	523	565	-7%	605	490	24%
FFB Production ('000 tonnes)	9,871	10,525	-6%	2,638	2,778	-5%
Nucleus	7,617	8,112	-6%	2,012	2,160	-7%
Plasma	2,254	2,413	-7%	626	618	1%
FFB Yield (tonnes/ha)	21.5	22.5	-4%	5.8	5.9	-3%
Palm Product Output ('000 tonnes)	2,913	3,049	-4%	787	832	-5%
CPO	2,306	2,436	-5%	624	656	-5%
PK	607	613	-1%	163	176	-7%
Oil Extraction Rate	21.5%	21.9%	-0.4%	21.5%	21.7%	-0.2%
Kernel Extraction Rate	5.7%	5.5%	0.2%	5.6%	5.8%	-0.2%
Palm Product Yield (tonnes/ha)	5.8	6.2	-5%	1.6	1.6	-3%

- FY 2019 upstream EBITDA impacted by the declines in CPO prices and output
- Lower production due to dry weather conditions and the replanting programme

Note: EBITDA includes allocated net fair value gain on financial assets (IFRS 9) of US\$47 million and US\$23 million in 2019 and 2018, respectively

Continued long-term productivity growth through replanting and technological innovation



- Immature and younger estates use newer-generation higher-yielding seeds for continued long-term production growth
- Lowering average age of plantations through accelerated replanting to around 17,200 ha in 2019

Notes:

1. Total planted area including plasma
2. Average age of plantations, including plasma, is 16 years

SEGMENTAL RESULTS

Palm, Laurics and Others



The integrated business model has helped GAR to weather low CPO prices

	FY 2019	FY 2018	YoY	4Q 2019	3Q 2019	QoQ
Revenue (US\$ million)	6,392	7,102	-10%	1,693	1,547	9%
Sales Volume ('000 tonnes)	10,843	10,210	6%	2,776	2,697	2.9%
EBITDA (US\$ million)	398	184	116%	260	38	584%
<i>EBITDA margin</i>	<i>6.2%</i>	<i>2.6%</i>	<i>3.6%</i>	<i>15.3%</i>	<i>2.5%</i>	<i>12.8%</i>

- FY 2019 EBITDA margin more than doubled mainly attributable to contribution from biodiesel and destination sales. EBITDA also includes fair value gain on financial assets
- Indonesia biodiesel is still the major catalyst to the industry with realisation of B30 programme

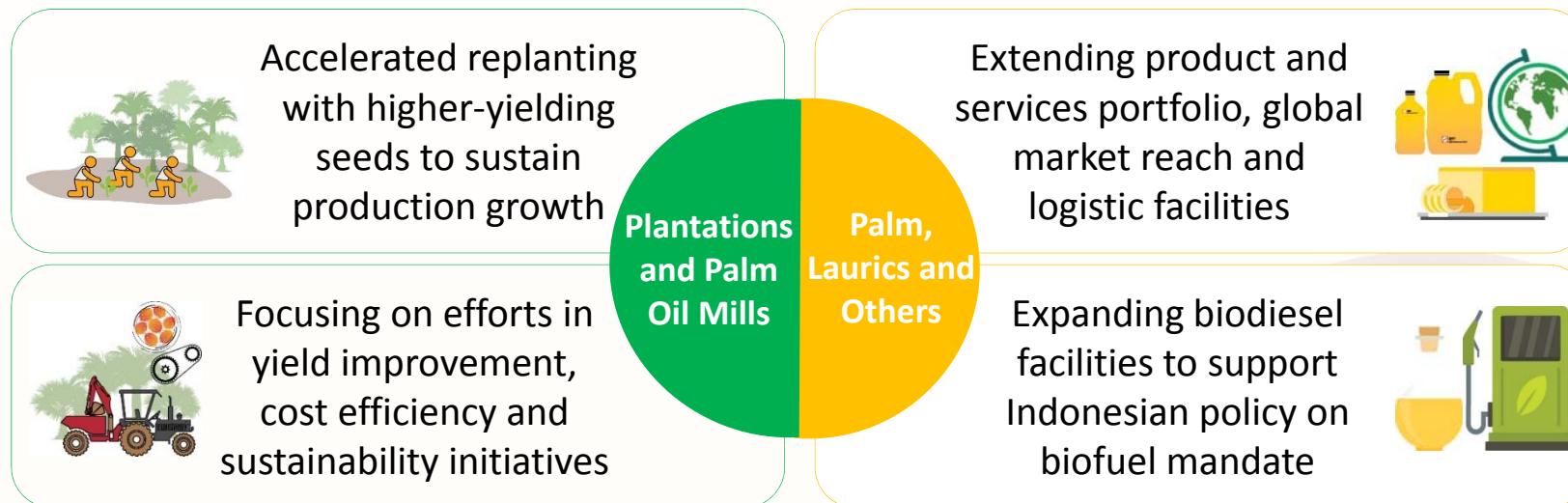
Notes:

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 in China and Indonesia mainly food and beverages
2. EBITDA includes allocated net fair value gain on financial assets in accordance with IFRS 9 of US\$166 million in 2019 and US\$108 million in 2018

STRATEGY AND OUTLOOK



GAR continues to enhance its integrated operation capabilities to optimise profit opportunities and cash flow generation across the value chain

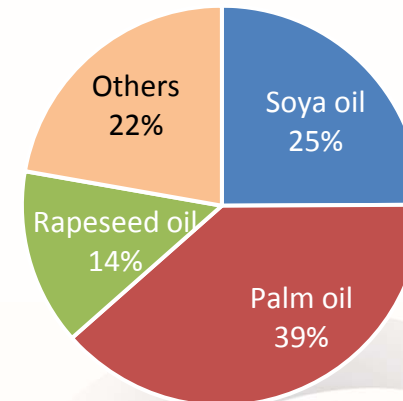


- 2020 capex is targeted at US\$100 million each for upstream and for downstream
- GAR remains confident in the robust long-term supply and demand fundamentals for palm oil supported by global demand growth including from biodiesel
- The impact from the coronavirus epidemic is expected to be short term but it will depend on the severity and length of the outbreak

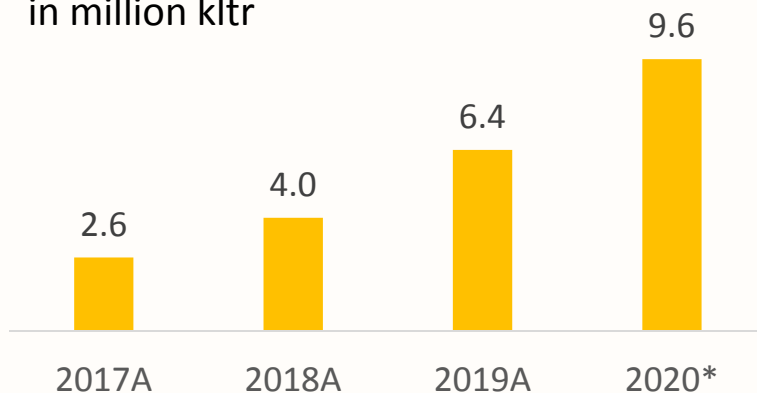
Indonesia growing biodiesel mixture mandate is a major catalyst to the industry

- Global feedstock for biodiesel grew by an estimated 10% in 2019 to 45.7 million MT and by another 4% in 2020
- Palm oil has the largest market share of feedstock and continues to expand – almost 40% in 2019 from 31% in 2016

Feedstock Use for Biodiesel in 2019E



Indonesia Biodiesel Consumption in million kltr



Notes:

* Based on Indonesian government allocation

Source: Oil World, Ministry of Energy and Mineral Resources, and Aprobi

- Since 2017, Indonesian biodiesel production has soared from 3.4 million kltr in 2017 to estimated 9.6 million kltr in 2020, mostly for domestic consumption
 - Indonesia is implementing full B30 since Jan 2020 after full B20 since Sep 2018
- Indonesia biodiesel export was around 1.3 million kltr in 2019

Full traceability

to the Plantation:



100%TTP

for GAR-owned mills achieved

78% of

GAR palm supply chain fully traceable at end 2019



Target **100%**
TTP 3rd-party mills by 2020



On track to achieve 100% TTP for palm supply chain at end 2020

- Full TTP for 78% of palm supply chain at end 2019
- 90 third-party mills reported full TTP; > 220 are doing TTP

Managing fire and haze

- With challenging 2019 fire season, around 0.5% of GAR area affected
- Mainly caused by external parties clearing land with fire
- Global Forest Watch reported 85% of fire alerts outside palm oil concessions
- GAR continues to work with 32 villages on long-term fire prevention, raising the community's wellbeing and environmental awareness through Desa Makmur Peduli Api

Radar monitoring of deforestation

- GAR in industry initiative to support and fund development of new radar-based forest monitoring system
- Radar Alerts for Detecting Deforestation or (RADD) makes it easier to see deforestation in near-real-time
- Developed by Wageningen University and Satelligence, and facilitated by World Resources Institute

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 2019</u>						
Nucleus	36,036	29,130	181,134	108,266	38,270	392,836
Plasma	2,994	2,059	24,527	54,005	21,166	104,751
Total Area	39,030	31,189	205,661	162,271	59,436	497,587
% of total planted area	8%	6%	41%	33%	12%	100%
<u>31 December 2018</u>						
Nucleus	29,090	27,744	175,676	117,866	44,539	394,915
Plasma	2,044	3,910	28,709	50,794	18,023	103,480
Total Area	31,134	31,654	204,385	168,660	62,562	498,395
% of total planted area	6%	6%	41%	34%	13%	100%

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