



GOLDEN AGRI-RESOURCES LTD
Interim Performance Presentation
Second quarter and half year ended 30 June 2019
15 August 2019



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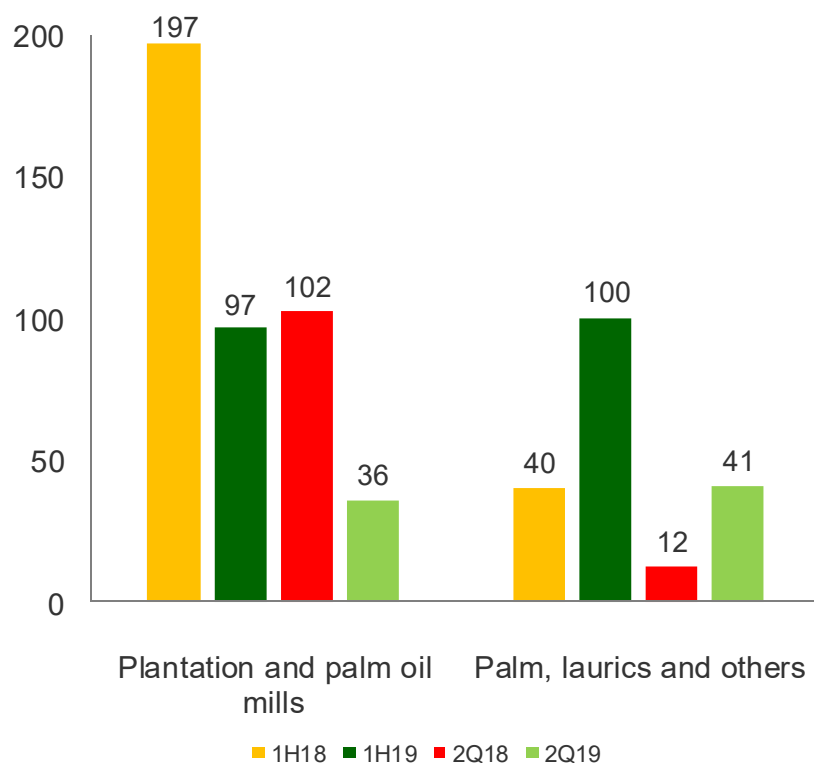
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EXECUTIVE SUMMARY



Downstream business mitigates low CPO market prices

EBITDA (US\$ million)



- 1H 2019 vs 1H 2018

Revenue	US\$3,167 mn	↓	14%
EBITDA	US\$198 mn	↓	17%
Underlying loss ¹	US\$15 mn	↓	n.m
Palm product output	1.29 mn MT	↓	2%
CPO FOB price	US\$496/MT	↓	22%

- 2Q 2019 vs 2Q 2018

Revenue	US\$1,549 mn	↓	17%
EBITDA	US\$77 mn	↓	34%
Underlying loss ¹	US\$27 mn	↓	n.m
Palm product output	664,000 MT	↓	6%
CPO FOB price	US\$479/MT	↓	22%

Note:

1. Net loss 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/loss and deferred tax income).

FINANCIAL HIGHLIGHTS



US\$ million	1H 2019	1H 2018	YoY	2Q 2019	2Q 2018	YoY
Revenue	3,167	3,676	-14%	1,549	1,860	-17%
Gross Profit	345	468	-26%	152	220	-31%
EBITDA	198	238	-17%	77	117	-34%
Underlying Profit/Loss ¹	-15	41	n.m	-27	17	n.m
<i>Net loss from changes in fair value of biological assets²</i>	-2	-12	-81%	-3	-11	-75%
<i>Depreciation of bearer plants²</i>	-47	-48	-2%	-24	-26	-8%
<i>Foreign exchange gain/loss²</i>	3	-16	n.m	-15	-21	-30%
<i>Deferred tax income²</i>	3	7	-53%	4	3	31%
<i>Exceptional items²</i>	11	-	n.m	-	-	-
Net loss attributable to owners of the Company	-46	-27	71%	-65	-39	66%

- Weaker performance mainly attributable to low CPO prices
- Stronger contribution from downstream business compensating weaker upstream performance

Notes:

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

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

FINANCIAL POSITION



US\$ million	30-Jun-19	31-Dec-18	Change
Total Assets	8,543	8,546	-0.03%
<i>Cash and short-term investments</i>	472	545	-13%
<i>Fixed assets¹</i>	3,723	3,716	0.2%
Total Liabilities	4,298	4,236	1%
Net Debt ²	2,001	1,734	15%
<i>Total debt³</i>	3,060	3,010	2%
<i>Cash, short-term investments and liquid working capital⁴</i>	1,059	1,276	-17%
Total Equity Attributable to Owners of the Company	4,103	4,169	-2%
Net Debt ² /Equity ⁵	0.49x	0.42x	
Net Debt ² /Total Assets	0.23x	0.20x	
Net Debt ² /EBITDA ⁶	3.75x	3.03x	
EBITDA/Interest ⁶	3.20x	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
6. Based on the last four quarter performance

SEGMENTAL PERFORMANCE



SEGMENTAL RESULTS

Plantations and Palm Oil Mills

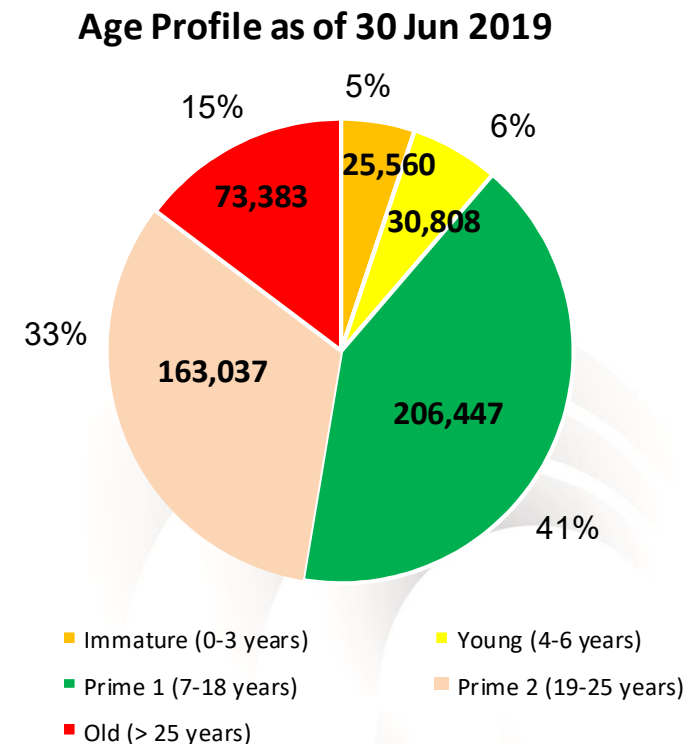
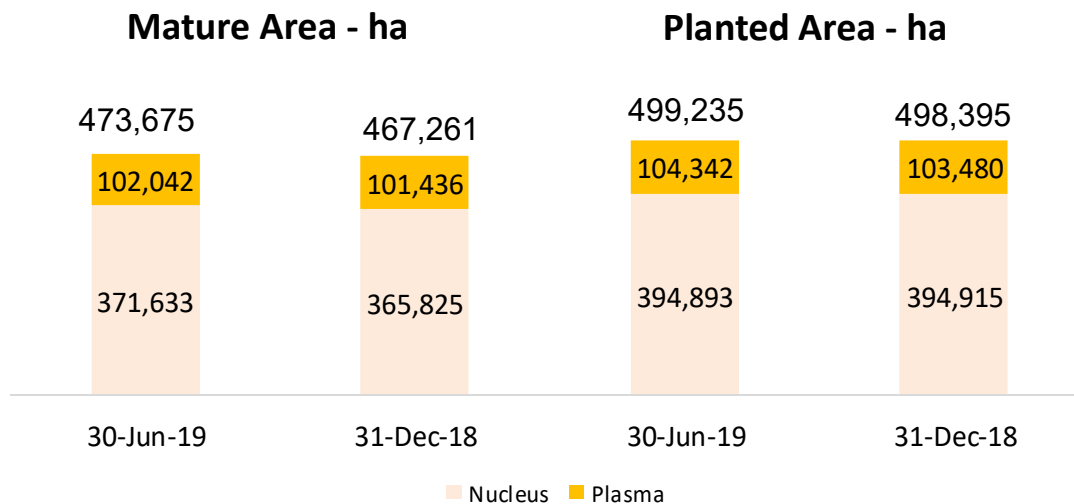


1H 2019 EBITDA margin impacted by lower CPO prices

	1H 2019	1H 2018	YoY	2Q 2019	2Q 2018	YoY
Revenue (US\$ million)	574	684	-16%	266	341	-22%
EBITDA (US\$ million)	97	197	-51%	36	102	-65%
<i>EBITDA margin</i>	17%	29%	-12%	14%	30%	-16%
CPO FOB Price (US\$/MT)	496	632	-22%	479	618	-22%
FFB Production ('000 tonnes)	4,455	4,598	-3%	2,281	2,473	-8%
Nucleus	3,444	3,638	-5%	1,761	1,946	-10%
Plasma	1,011	960	5%	520	527	-1%
FFB Yield (tonnes/ha)	9.4	9.6	-2%	4.8	5.2	-7%
Palm Product Output ('000 tonnes)	1,293	1,318	-2%	664	706	-6%
CPO	1,026	1,055	-3%	524	564	-7%
PK	267	263	2%	140	142	-1%
Oil Extraction Rate	21.3%	22.1%	-0.8%	20.9%	21.7%	-0.8%
Kernel Extraction Rate	5.6%	5.5%	0.1%	5.6%	5.5%	0.1%
Palm Product Yield (tonnes/ha)	2.5	2.7	-5%	1.3	1.4	-10%

Fruit production slowed down year-on-year after experiencing a bumper crop in 2018.

Focus on productivity growth through replanting and technological innovation



- Immature and younger estates use newer-generation higher-yielding seeds to sustain long-term production growth
- Replanting of 3,300 ha for 1H 2019

Notes:

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

SEGMENTAL RESULTS

Palm, Laurics and Others



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

	1H 2019	1H 2018	YoY	2Q 2019	2Q 2018	YoY
Revenue (US\$ million)	3,151	3,649	-14%	1,542	1,844	-16%
Sales Volume ('000 tonnes)	5,370	4,898	10%	2,650	2,508	6%
EBITDA (US\$ million)	100	40	149%	41	12	232%
<i>EBITDA margin</i>	<i>3.2%</i>	<i>1.1%</i>	<i>2.1%</i>	<i>2.7%</i>	<i>0.7%</i>	<i>2.0%</i>

- Despite continued low CPO prices during 1H 2019, EBITDA margin expanded by 2.1% year-on-year
- Indonesia biodiesel is still the major catalyst to the industry with on track realisation of B20 programme and the upcoming B30 mandate

Note:

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

STRATEGY AND OUTLOOK



GAR continues to enhance its integrated operation capabilities to optimise profit opportunities and cash flow generation 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



Downstream

- Extending product portfolio, global market reach and logistic facilities to enhance our integrated operations
- Evaluating strategic options and business model restructuring



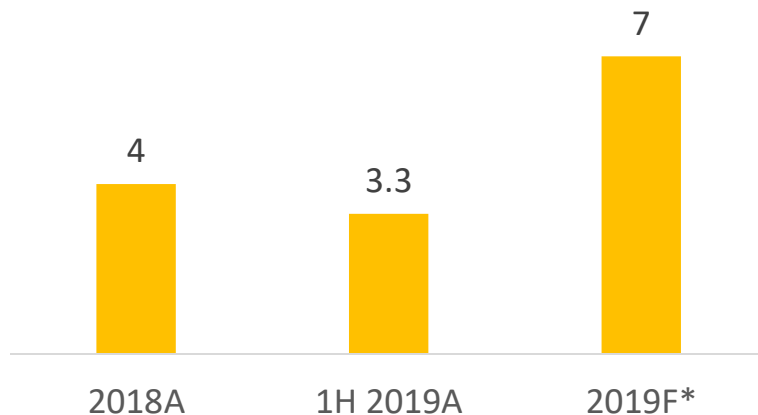
Outlook

- 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

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

- Global feedstock for biodiesel grew by 14% to 41 million MT in 2018 and expected to further expand by 9% in 2019
- Indonesia implemented a subsidised B20 programme in 2016 with full implementation since Sep 2018. B30 programme is expected to be implemented in fourth quarter 2019.
- Indonesian biodiesel production outperformed at six million kltr in 2018 versus 3.4 million kltr a year earlier, and estimated at approx. eight million kltr for 2019*

Indonesia Biodiesel Consumption in million kltr



- In 2018 Indonesia domestic biodiesel totaled four million kltr while 2019 volume is expected at seven million kltr
- Domestic biodiesel realisation in 2019 is on track
- Indonesia biodiesel export reached 530k MT in YTD May 2019

Notes:

* Assuming B30 programme implementation in fourth quarter 2019

Source: Data processed from the Company's estimates, Oil World, Ministry of Energy and Mineral Resources, and GAPKI

Full traceability

to the Plantation:



100%TTP

for GAR-owned mills achieved

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

62% of

GAR palm supply chain fully traceable in 2018



Progress on Traceability to the Plantation

- Full TTP for over 60% of the palm supply chain
- 58 third-party mills have reported full TTP with over 180 taking part in the TTP exercise

GAR in the FTSE4Good index for the 2nd year

- Following the latest annual assessment, GAR remains a constituent of the FTSE4Good index
- The index is designed to measure the performance of companies demonstrating strong ESG practices

Safe Water Garden Project

- System to treat/manage household wastewater in local communities
- Processed wastewater used as fertiliser in gardens
- Benefits include:
 - Improved sanitation, health & quality of life
 - Savings: reduced medical bills
 - Income generation for local communities from cash crops in garden
- Installed in 10 communities with another 10 planned in Sumatra



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>30 June 2019</u>						
Nucleus	23,260	29,139	181,547	109,032	51,915	394,893
Plasma	2,300	1,669	24,900	54,005	21,468	104,342
Total Area	25,560	30,808	206,447	163,037	73,383	499,235
% of total planted area	5%	6%	41%	33%	15%	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%

If you need further information, please contact:

Golden Agri-Resources Ltd
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

Telephone : +65 65900800
Facsimile : +65 65900887

www.goldenagri.com.sg

Contact Person : Richard Fung
richard@goldenagri.com.sg