



Golden Agri-Resources Ltd (GAR)
Interim Performance Presentation - Half year ended 30 June 2023

14 August 2023

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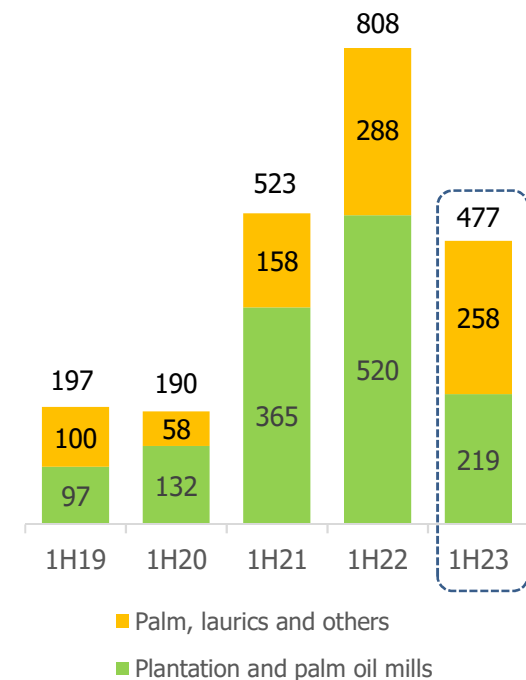
Robust first half 2023 results moderated by CPO price normalisation after record high in 2022

1H 2023 Financial Performance

Revenue	EBITDA	Underlying Profit ¹
US\$4.88 bn -11%	US\$478 mn -41%	US\$220 mn -46%

- Average CPO FOB prices declined by 40% to US\$949 per MT (CPO FOB price for first half 2022 was US\$1,595 per MT)
- Fruit production decreased by 7% due to heavy rainfall and replanting
- Downstream EBITDA margin was healthy at 5%

Segmental EBITDA² (US\$ million)



Notes:

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, foreign exchange gain, and deferred tax income/expense
2. Before inter-segment eliminations



Financial Highlights



Solid first half 2023 results moderated by CPO price normalisation and production slowdown, while downstream performance was resilient

US\$ million	1H 2023	1H 2022	YoY	2Q 2023	1Q 2023	QoQ
Revenue	4,876	5,490	-11%	2,338	2,539	-8%
Gross Profit	882	1,369	-36%	396	487	-19%
EBITDA ¹	478	807	-41%	230	247	-7%
Underlying Profit ²	220	407	-46%	108	112	-3%
<i>Net gain/(loss) from changes in fair value of biological assets³</i>	5	-5	<i>n.m</i>	1	4	-65%
<i>Depreciation of bearer plants³</i>	-57	-54	6%	-26	-31	-16%
<i>Foreign exchange gain³</i>	20	41	-52%	9	11	-11%
<i>Deferred tax income/(expense)³</i>	-5	1	<i>n.m</i>	-2	-3	-24%
Net profit attributable to owners of the Company	182	390	-53%	90	92	-2%

Notes:

- EBITDA includes net fair value gain/loss on financial assets in accordance with IFRS 9 of US\$(2.3) million, US\$1.9 million, US\$(1.1) million and US\$(1.3) million in 1H 2023, 1H 2022, 2Q 2023 and 1Q 2023, respectively.
- 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, foreign exchange gain, and deferred tax income/expense
- Net of tax and/or non-controlling interests

Financial Position



Healthy financial position maintained

US\$ million	30-Jun-23	31-Dec-22	Change
Total Assets	9,852	9,902	-0.5%
<i>Cash and short-term investments</i>	1,201	1,145	5%
<i>Fixed assets¹</i>	3,795	3,820	-1%
Total Liabilities	4,512	4,648	-3%
Net Debt ²	317	142	123%
<i>Interest bearing debt</i>	3,100	2,984	4%
<i>Cash, short-term investments and liquid working capital³</i>	2,783	2,841	-2%
Total Equity	5,339	5,254	2%
Current Ratio	1.52x	1.30x	
Debt/Total Equity	0.58x	0.57x	
Net Debt ² /EBITDA ⁴	0.21x	0.08x	
EBITDA/Interest ⁴	7.44x	10.01x	

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
4. Calculated based on the last four quarters figures



Segmental Performance



Segmental Results

Plantations and Palm Oil Mills



	1H 2023	1H 2022	YoY
Revenue (US\$ million)	917	1,249	-27%
EBITDA (US\$ million)	219	520	-58%
<i>EBITDA margin</i>	<i>24%</i>	<i>42%</i>	<i>-18%</i>
CPO FOB Market Price (US\$/MT)	949	1,595	-40%
<i>Net of export levy and tax (US\$/MT)</i>	<i>789</i>	<i>1,135</i>	<i>-30%</i>
FFB Production ('000 tonnes)	4,432	4,765	-7%
Nucleus	3,436	3,796	-9%
Plasma	996	969	3%
FFB Yield (tonnes/ha)	8.9	9.4	-5%
Palm Product Output ('000 tonnes)	1,329	1,453	-9%
CPO	1,055	1,154	-9%
PK	274	298	-8%
Oil Extraction Rate	20.9%	21.2%	-0.3%
Kernel Extraction Rate	5.4%	5.5%	-0.1%
Palm Product Yield (tonnes/ha)	2.3	2.5	-7%

First half results were impacted by:

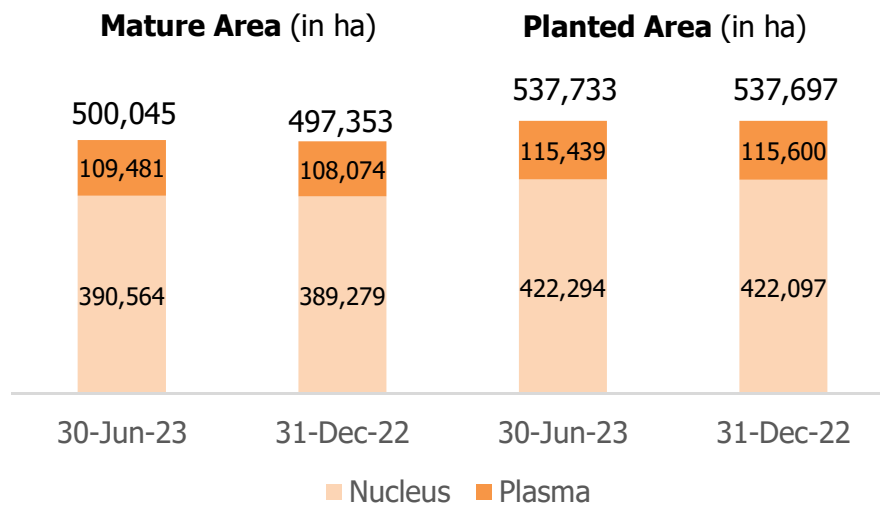
- 40% decline in CPO market price;
- lower palm product output from heavy rainfalls in the early part of the year;
- estates prepared for replanting; and
- high fertiliser cost carryover from last year

Note: EBITDA includes allocated net fair value gain/(loss) on financial assets (IFRS 9) of US\$(0.7) million and US\$0.6 million in 1H 2023 and 1H 2022, respectively

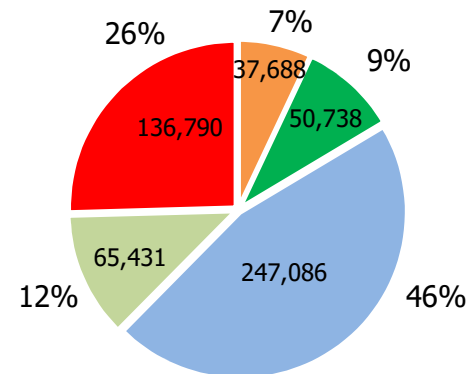
Oil Palm Plantations



Continued long-term productivity growth through technological innovation and replanting with higher yielding seeds



Age Profile as of 30 June 2023



- Immature (0-3 years)
- Young (4-6 years)
- Prime 1 (7-18 years)
- Prime 2 (19-25 years)
- Old (>25 years)

- Immature and young estates use next-generation, higher-yielding seeds for continued long-term production growth
- Replanting achieved at around 6,500 ha in 1H 2023

Notes:

1. Including plasma
2. Average age of plantations, including plasma, is 17 years

Segmental Results

Palm, Laurics and Others



Continued healthy EBITDA margin from further advancing our integrated business model

	1H 2023	1H 2022	YoY
Revenue (US\$ million)	4,834	5,467	-12%
Sales Volume ('000 tonnes)	5,148	4,193	23%
EBITDA (US\$ million)	258	288	-10%
<i>EBITDA margin</i>	<i>5.3%</i>	<i>5.3%</i>	-

- Substantial increase in sales volume in the first half 2023, recovering after the lifting of the temporary export ban

Notes:

1. This segment refers to processing and global merchandising of palm and oilseed-based products comprising bulk and branded products, oleochemicals, sugar and other vegetable oils
2. EBITDA includes allocated net fair value gain/loss on financial assets (IFRS 9) of US\$(1.6) million and US\$1.2 million in 1H 2023 and 1H 2022, respectively



Strategy and Outlook



Strategy and Outlook



Strategic Focus

- Continue to bolster our competitive strengths as a **leading technology-driven soil-to-table agribusiness company**
 - Leveraging **cutting-edge technology** and **agri-science innovation** throughout our business value chain, advancing our operational excellence to the next level
 - Enhancing capability in serving growing global demand of **health-friendly and sustainably-produced products**
- Targeted capital expenditure of **up to US\$240 million** in 2023 mainly for replanting, expansion of kernel crushing and oleochemical plants, enhancement of downstream facilities, and carbon emission reduction initiatives

Industry Outlook

- Fundamental supply and demand balance is estimated to remain tight
 - **Supply growth remains limited** with aging plantations and replanting activities for the industry
 - El Niño and geopolitical tensions further limiting short-term supply
 - Expected **demand recovery** and additional demand from biodiesel, including **Indonesia's B35 commitment**
- Robust long-term industry outlook underpinned by palm oil's high productivity, competitive price and wide range of uses, whilst continuing extreme weather conditions will also support prices



Towards Responsible Palm Oil Production



Managing Conservation Areas and Biodiversity

- Protecting and restoring mangrove forests near our Tarjun Refinery in South Kalimantan
- In partnership with a major buyer, commencing a project to rehabilitate degraded peatlands in Jambi
- Continue to scale our Bank Sampah (Waste Bank) pilot project reducing plastic waste throughout our operations in Indonesia.

Caring for families and communities

- Improving Child Care Centres and building Community Learning Centres (CLC) in collaboration with Tzu Chi Foundation
- Scaling up our strategic partnerships with local communities through assisting the development of Micro, Small and Medium Enterprises (MSMEs) across our operations
- Continue to implement a WASH (water, sanitation and hygiene) project, facilitated by Safe Water Garden (SWG).

Fully traceable palm supply chain

- Achieved around 98% full traceability to the plantation (TTP) for the palm supply chain
- Phase II of supply chain transformation: capacity building of Tier 2 suppliers/ smallholders, including Sawit Terampil programme
- TTP enables GAR to help our customers comply with EU deforestation regulation.

Committing to climate action

- GAR and 13 companies signed Agriculture Sector Roadmap to 1.5°C at COP27
- Continue our effort to accelerate action in supply chains to stop commodity-linked deforestation
- GAR also implementing Task Force for Climate-related Financial Disclosures (TCFD) recommendations.





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 2023</u>						
Nucleus	31,730	46,575	218,208	48,738	77,043	422,294
Plasma	5,958	4,163	28,878	16,693	59,747	115,439
Total Planted Area	37,688	50,738	247,086	65,431	136,790	537,733
% of total	7%	9%	46%	12%	26%	100%
<u>31 December 2022</u>						
Nucleus	32,818	50,130	220,622	53,154	65,373	422,097
Plasma	7,526	3,834	28,600	24,546	51,094	115,600
Total Planted Area	40,344	53,964	249,222	77,700	116,467	537,697
% of total	8%	10%	46%	14%	22%	100%



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