



Plantation

FY2017/2018 Results Announcement Third Quarter ended 31 March 2018

31 May 2018

Financial Highlights

SD Plantation registers 93% increase in net profit for nine months ended 31 March 2018



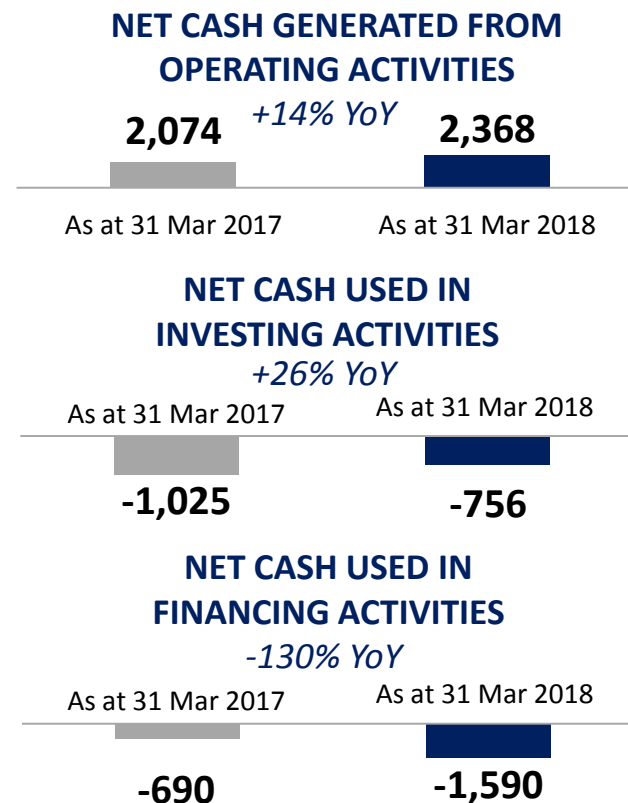
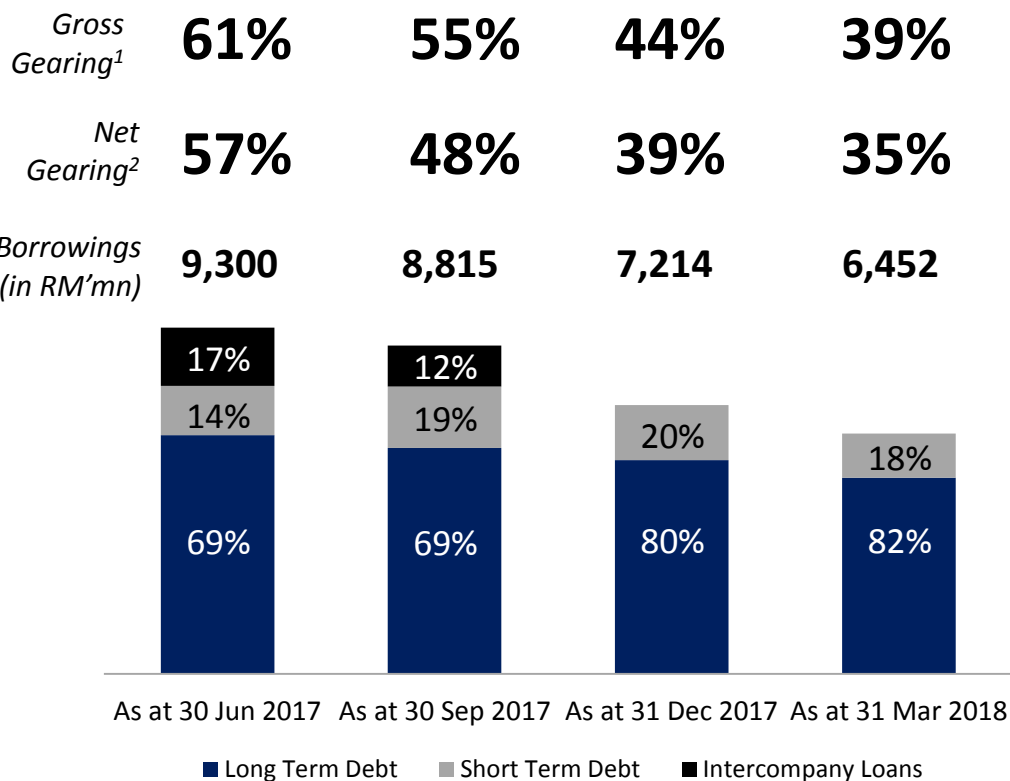
<i>in RM'mn (YoY %)</i>	3QFY2018		9MFY2018	
Revenue	3,659	-16%	11,285	+2%
	3QFY17: 4,348		9MFY17: 11,093	
PBIT	390	-46%	2,347	+45%
	3QFY17: 721		9MFY17: 1,621	
■ Recurring PBIT	362		1,547	
■ Non-Recurring PBIT ¹	28		800	
PBT	352	-42%	2,228	+70%
	3QFY17: 610		9MFY17: 1,309	
PATAMI	249	-39%	1,697	+93%
Attributable to owners of the Company	3QFY17: 410		9MFY17: 879	
■ Recurring PATAMI	223		923	
■ Non-Recurring PATAMI ¹	26		774	
Basic EPS²	3.7	-39%	25.0	+93%
(RM'sen)	3QFY17: 6.0		9MFY17: 12.9	

¹ Non-recurring items: Gain on sale of land in Melaka of RM118mn, impairment of rubber asset in Indonesia of RM68mn and write-down of a simple investment of RM22mn in 3QFY2018, as well as gain on sale of land to SD Property of RM676mn and a writeback of donation of RM95mn in 1QFY2018

² Based on weighted average number of ordinary shares post-listing of SD Plantation

Borrowings & Cash Flow

Improving gearing and cash generated from operations



- **Gearing levels as at 31 March 2018 has declined** on the back of **lower borrowings**
- **Borrowings reduced by 11%** compared to 31 Dec 2017, as a result of loan repayments
- **Finance costs were 61% lower YoY** in 3QFY18 at RM139mn (3QFY17: RM352mn)

¹ Gross Gearing is based on Total Borrowings (including intercompany loans) divided by Total Equity

² Net Gearing is based on Total Borrowings (including intercompany loans) less Bank Balances, Deposits & Cash divided by Total Equity

Financial Performance by Segment

3QFY18 recurring PBIT declined due to lower FFB production in Indonesia and PNG/SI, as well as weaker average CPO price realised

Recurring PBIT in RM'mn (YoY %)		3QFY2018	9MFY2018
Upstream		283 3QFY17: 669	1,296 9MFY17: 1,391
	Upstream Malaysia	253 3QFY17: 417	971 9MFY17: 819
	Upstream Indonesia	11 3QFY17: 138	272 9MFY17: 456
	Upstream PNG/SI	38 3QFY17: 181	115 9MFY17: 210
	Upstream Liberia	-19 3QFY17: -67	-62 9MFY17: -94
Downstream		65 3QFY17: 43	199 9MFY17: 225
Others¹		13 3QFY17: 9	51 9MFY17: 5

¹ Others refers to Sime Darby Agri-Bio Sdn Bhd, Sime Darby Research Sdn Bhd, Sime Darby Technology Sdn Bhd, Sime Darby Biotech Lab Sdn Bhd, Sime Darby Seeds Sdn Bhd, as well as investment holding companies, associates and joint ventures

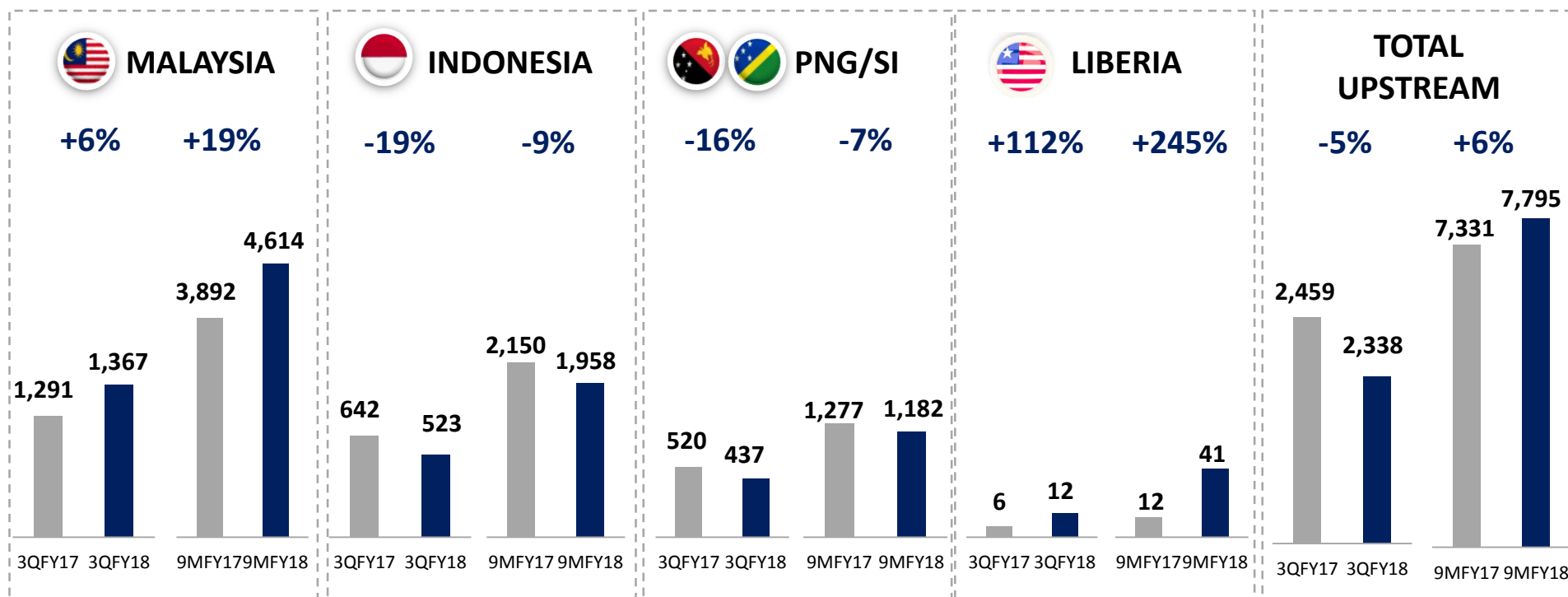
Operational Performance – Upstream

Weaker 3QFY18 FFB production in Indonesia and PNG/SI mitigated by improvements in Malaysia and Liberia



FFB PRODUCTION

in '000 MT (YoY %)



- FFB production in Malaysia improved by 6% YoY in 3QFY18 mainly due to replanting activities showing positive yields
- Lower production in Indonesia of -19% YoY in 3QFY18 due to adverse weather conditions

Operational Performance – Upstream

Better 3QFY18 OER performance in Malaysia, Indonesia and Liberia

CPO EXTRACTION RATE (OER)

in % (YoY %)



MALAYSIA

+1% -2%

20.35 20.48 20.64 20.29

3QFY17 3QFY18 9MFY17 9MFY18



INDONESIA

+1% +2%

21.67 21.79 21.33 21.65

3QFY17 3QFY18 9MFY17 9MFY18



PNG/SI

-6% -3%

23.35 22.00 23.08 22.45

3QFY17 3QFY18 9MFY17 9MFY18



LIBERIA

+11% -1%

16.27 18.12 18.17 17.98

3QFY17 3QFY18 9MFY17 9MFY18

TOTAL UPSTREAM

-2% -2%

21.41 21.03 21.33 20.98

3QFY17 3QFY18 9MFY17 9MFY18

Operational Performance – Upstream

Lower average CPO price realised resulting from weaker market sentiment

AVERAGE CPO PRICE REALISED

in RM/MT (YoY %)



MALAYSIA

-17% -7%



INDONESIA

-23% -10%



PNG/SI

-20% -14%

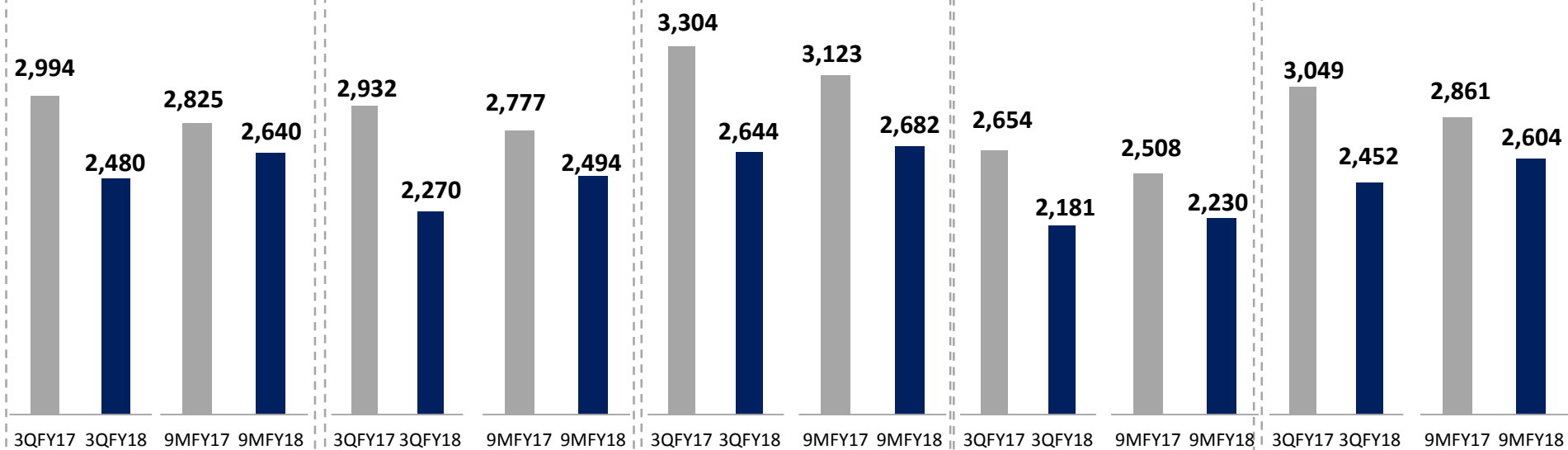


LIBERIA

-18% -11%

TOTAL UPSTREAM

-20% -9%



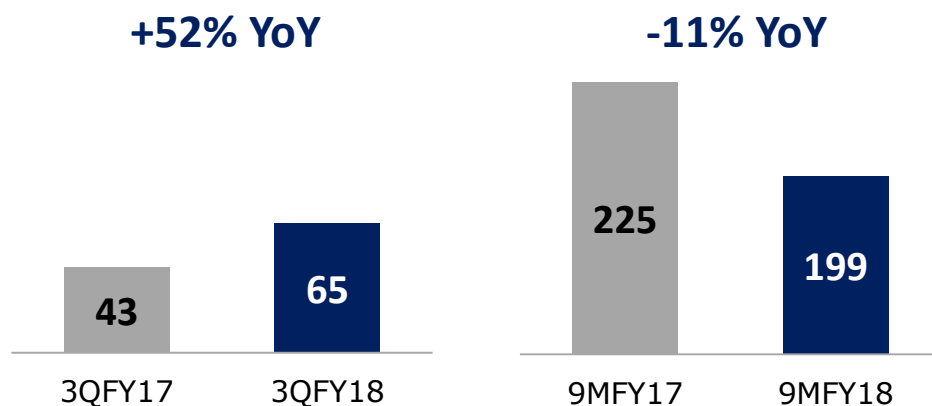
Financial Performance – Downstream

Higher PBIT driven by better sales volume and contribution margin from Differentiated products



DOWNSTREAM PBIT

in RM'mn

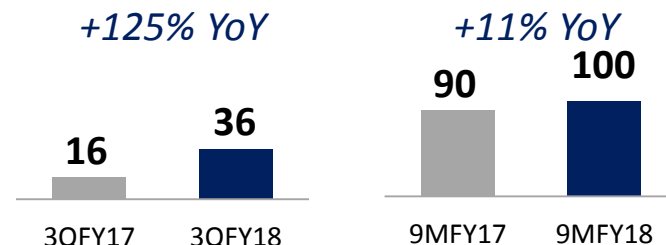


Downstream PBIT strengthened in 3QFY18 due to:

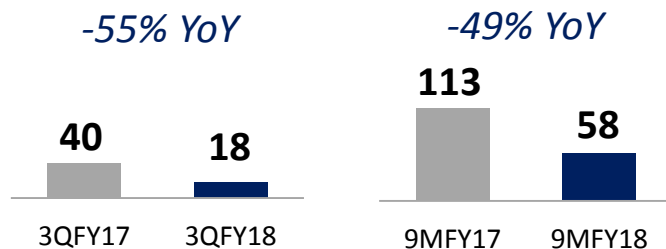
- **Higher sales volume and improved margins** from Differentiated products
- **Greater capacity utilisation** of our speciality refineries

PBIT BY SEGMENT

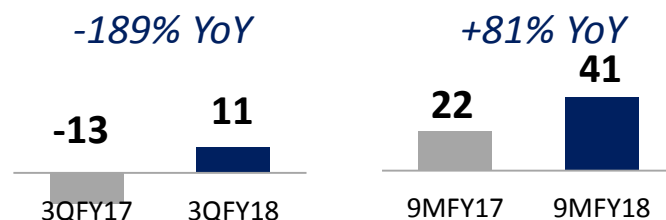
DIFFERENTIATED



BULK



TRADING



MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

On 29 March 2018, SD Plantation achieved 100% MSPO certification for its 124 estates and 33 mills throughout the country



Plantation

100% MSPO-certified

1.2 million MT CPO production capacity

As at 31 Mar 2018

ROUNDTABLE ON SUSTAINABLE PALM OIL (RSPO)



Plantation

SD PLANTATION

97% RSPO-certified

As at 31 Mar 2018



MALAYSIA
100%



INDONESIA
96%



PNG & SI
100%

Background

- SD Plantation holds 43.58% interest in VDZ since 2014, a US-based company which owns proprietary industrial biotechnology platforms. The investment is an effort to create a new revenue stream by producing higher value materials.
 - Nurture technologies relevant to a bio-based green economy.

POTENTIAL FEEDSTOCK



CPO (high FFAs), PFAD,
PKO, Lauric Acid, Ethyl
Laurate

END PRODUCTS



Dodecanedioic (DDDA),
Adipic, Sebacic
& Other Organic Acids

POTENTIAL APPLICATIONS



Nylons, Fibers, Thermoplastics

Development

- Challenging macro-economic conditions as well as changing business landscape had adversely affected the project's viability.
- Winding-up process is underway.
- US financial advisor has been appointed as trustee for VDZ, who will amongst others, value and sell VDZ's assets.

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Plantation

THANK YOU

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Appendix

Summary of Operational Statistics

As at 31 March 2018 (9MFY2018)

	Malaysia		YoY %	Indonesia		YoY %	PNG		YoY %	Liberia		YoY %	Group		YoY %
	31 Mar '18	31 Mar '17		31 Mar '18	31 Mar '17		31 Mar '18	31 Mar '17		31 Mar '18	31 Mar '17		31 Mar '18	31 Mar '17	
FFB Production (mn MT)	4.614	3.892	19%	1.958	2.150	-9%	1.182	1.277	-7%	0.041	0.012	245%	7.795	7.331	6%
FFB Yield per mature ha (MT/Ha)	18.31	15.25	20%	12.24	12.81	-5%	13.65	17.06	-20%	4.33	2.03	113%	15.31	14.55	5%
CPO Production (mn MT)	0.944	0.804	17%	0.423	0.458	-8%	0.265	0.295	-10%	0.008	0.002	230%	1.641	1.559	5%
PK Production (mn MT)	0.236	0.191	24%	0.095	0.101	-5%	0.068	0.073	-7%	0.001	0.000	100%	0.401	0.365	10%
CPO Extraction Rate (%)	20.29	20.64	-2%	21.65	21.33	2%	22.45	23.08	-3%	17.98	18.17	-1%	20.98	21.33	-2%
PK Extraction Rate (%)	5.14	4.90	5%	4.87	4.69	4%	5.74	5.72	0%	2.72	0.00	100%	5.15	4.99	3%
Average CPO Selling Price (RM/MT)	2,640	2,825	-7%	2,494	2,777	-10%	2,682	3,123	-14%	2,230	2,508	-11%	2,604	2,861	-9%
Average PK Selling Price (RM/MT)	2,341	2,805	-17%	2,047	2,384	-14%	-	-	0%	1,165	-	100%	2,284	2,697	-15%