



Plantation

Financial Year Ending 31 December 2020 Results Announcement Third Quarter ended 30 September 2020

23 November 2020

Financial Highlights

Improved Q3 year-on-year (YoY) results bolstered by higher CPO and PK prices realised



<i>in RM'mn</i>	Q3 FY2020	9M FY2020
CONTINUING OPERATIONS		
Revenue	3,182 Q3 FY2019: 2,821 (13%)	9,442 9M FY2019: 8,686 (9%)
PBIT	332 Q3 FY2019: 118 (>100%)	1,521 9M FY2019: 333 (>100%)
PATAMI	190 Q3 FY2019: 32 (>100%)	962 9M FY2019: 167 (>100%)
DISCONTINUED OPERATIONS*		
PATAMI	- Q3 FY2019: -275 (100%)	74 9M FY2019: -309 (>100%)
TOTAL		
PATAMI	190 Q3 FY2019: -243 (>100%)	1,036 9M FY2019: -142 (>100%)
Basic EPS (RM'sen)		
Continuing Operations	2.8 Q3 FY2019: -3.5 (>100%)	15.0 9M FY2019: -2.1 (>100%)
Discontinued Operations	2.8 Q3 FY2019: 0.5 (>100%)	13.9 9M FY2019: 2.4 (>100%)
	- Q3 FY2019: -4.0 (100%)	1.1 9M FY2019: -4.5 (>100%)

Financial Performance by Segment – Continuing Operations

Higher prices enjoyed in Upstream mitigated the impact on Downstream's demand & margins as well as impact of other operations



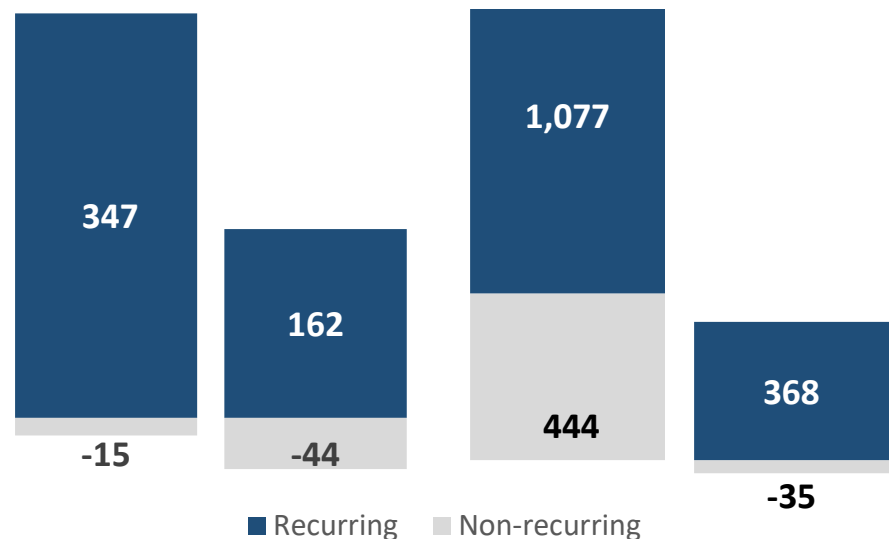
TOTAL PBIT

in RM'mn

<u>Q3 FY2020</u>	<u>Q3 FY2019</u>	<u>9M FY2020</u>	<u>9M FY2019</u>
332	118	1,521	333

>100% YoY

>100% YoY



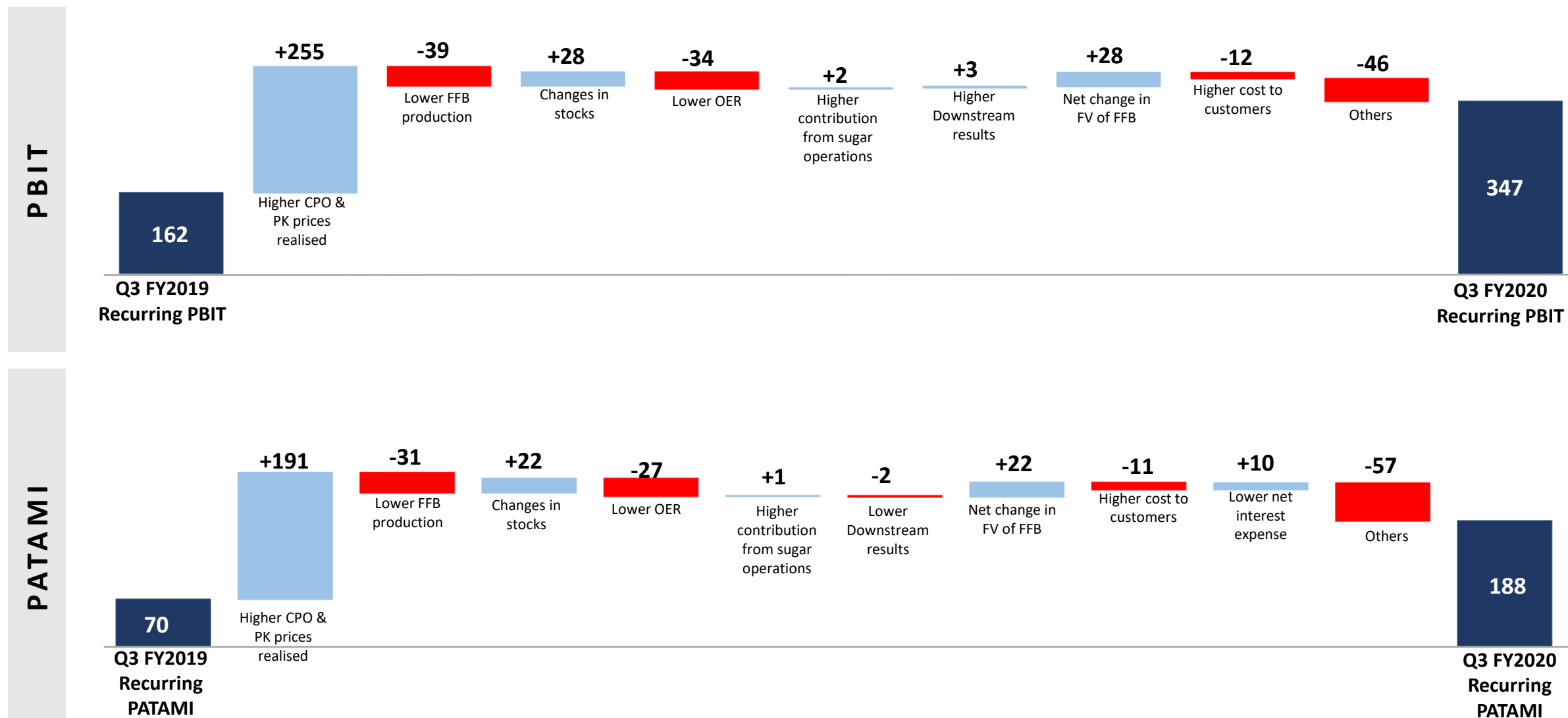
	Q3 FY2020	9M FY2020
<i>Recurring PBIT (RM'mn)</i>		
Upstream	273	877
	<i>Q3 FY2019: 76 (>100%)</i>	<i>9M FY2019: 135 (>100%)</i>
Upstream Malaysia	231	606
	<i>Q3 FY2019: 88 (>100%)</i>	<i>9M FY2019: 244 (>100%)</i>
Upstream Indonesia	75	207
	<i>Q3 FY2019: 90 (-17%)</i>	<i>9M FY2019: 88 (>100%)</i>
Upstream PNG/SI	-33	64
	<i>Q3 FY2019: -102 (68%)</i>	<i>9M FY2019: -197 (>100%)</i>
Downstream	71	184
	<i>Q3 FY2019: 68 (4%)</i>	<i>9M FY2019: 204 (-10%)</i>
Others*	3	16
	<i>Q3 FY2019: 18 (-83%)</i>	<i>9M FY2019: 29 (-45%)</i>
Total Recurring PBIT	347	1,077
	<i>Q3 FY2019: 162 (>100%)</i>	<i>9M FY2019: 368 (>100%)</i>

Note: * Others (Continuing operations) 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 JVs

Recurring Profits – Continuing Operations

Higher realized prices offset lower FFB production and OER as well as higher cost to customers due to catch up in activities

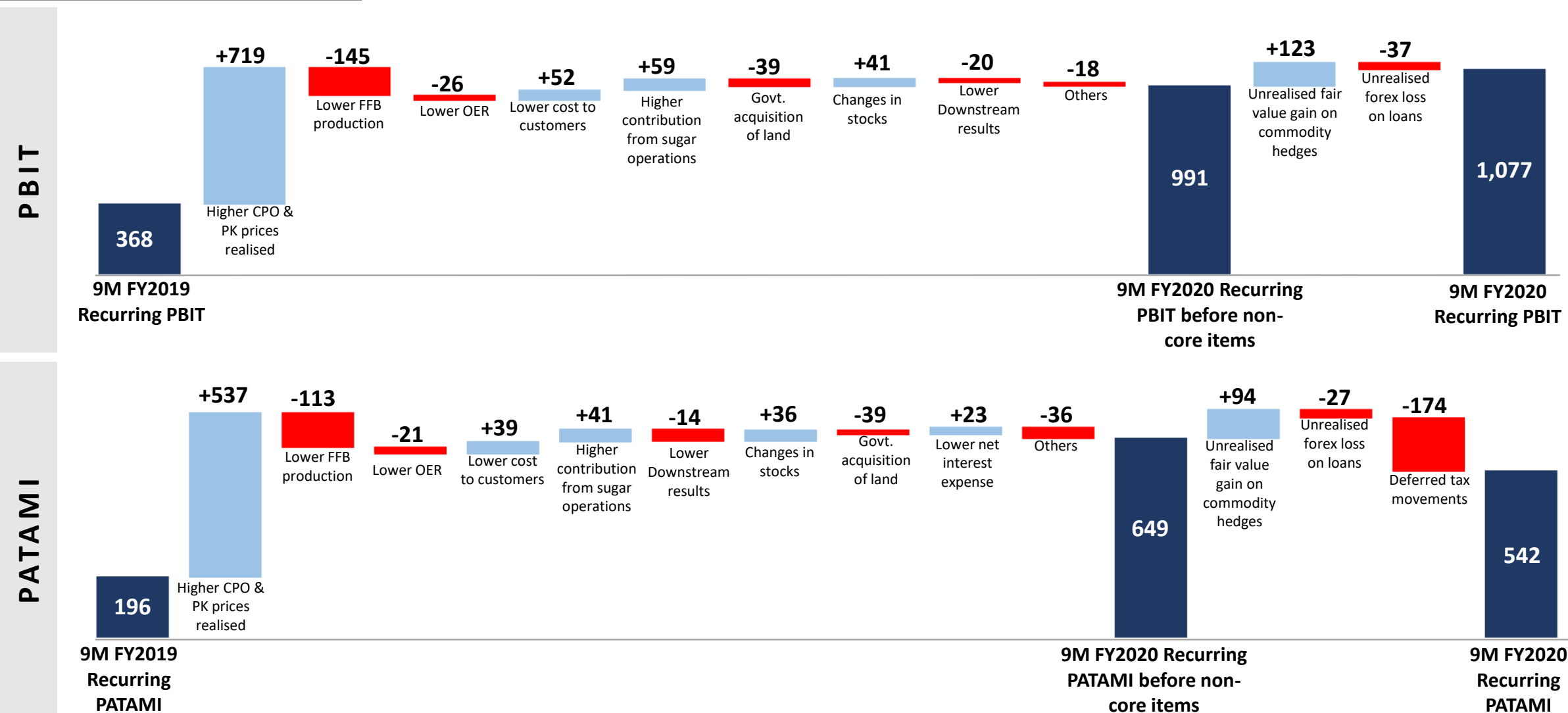
Q3 FY2020 vs Q3 FY2019



Recurring Profits – Continuing Operations

Higher CPO & PK prices realized, lower cost to customers and recovery in sugar operations compensated for lower FFB production & OER as well as lower results from Downstream and lower gains from land disposals

9M FY2020 vs 9M FY2019



Non-Recurring Profits

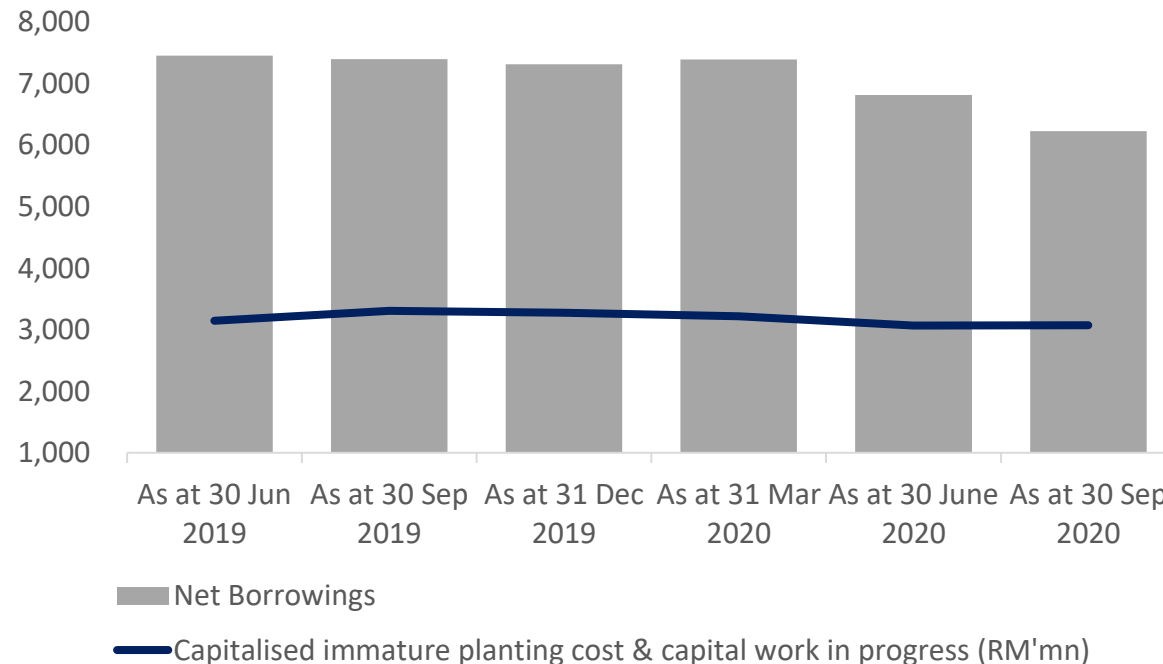
Impact from the impairment of plantation assets in Indonesia in Q3 FY2020 was reduced by the gains on disposal of land in Malaysia

<i>in RM'mn</i>	Q3 FY2020	Q3 FY2019	YoY	9M FY2020	9M FY2019	YoY
Non-recurring PBIT - Continuing	(15)	(44)	66%	444	(35)	>100%
■ Gains on land disposal in Malaysia	2	-		405	-	
■ Gain on disposal of a subsidiary in Indonesia	-	-		-	9	
■ Gain on disposal of Verdant group	-	-		56	-	
■ Impairment of assets in Indonesia	(17)	(19)		(17)	(19)	
■ Impairment of a loan due from a JV in China	-	(25)		-	(25)	
Non-recurring PBIT - Discontinued	-	(264)		74	(264)	>100%

Borrowings & Gearing Ratios

Continued improvement in gearing driven by lower borrowings due to loan repayments

Net Gearing ¹ (in RM'mn)	46%	46%	46%	47%	41%	39%
Borrowings	7,819	7,899	7,745	8,105	7,553	6,920
Bank balances, deposits & cash	364	501	431	714	742	695
Net Borrowings	7,455	7,398	7,314	7,391	6,811	6,224



Note: ¹ Net Gearing is based on Total Borrowings less Bank Balances, Deposits & Cash divided by Total Equity

NINE MONTHS ENDED 30 SEPTEMBER 2020

RM2,009mn
NET CASH GENERATED
FROM OPERATING
ACTIVITIES

-RM409mn²
NET CASH USED IN
INVESTING ACTIVITIES
(CAPEX: -RM864mn)

-RM1,317mn
NET CASH USED IN
FINANCING ACTIVITIES

Net borrowings as at 30 September 2020 decreased by RM587mn compared to position as at 30 June 2020 mainly attributable to:

- Net borrowing repayment of RM466mn due to higher cash generated from operations
- Depreciation of USD against RM by 3% resulting in lower borrowing balance of RM170mn

Note: ² Apart from CAPEX also consists of Finance Income of RM9 mn and Proceeds from disposals of RM478 mn

Operational Performance – Upstream

Overall lower FFB production in Q3 FY2020 mainly due to unfavourable weather and low productivity from older palms in Indonesia



FFB PRODUCTION

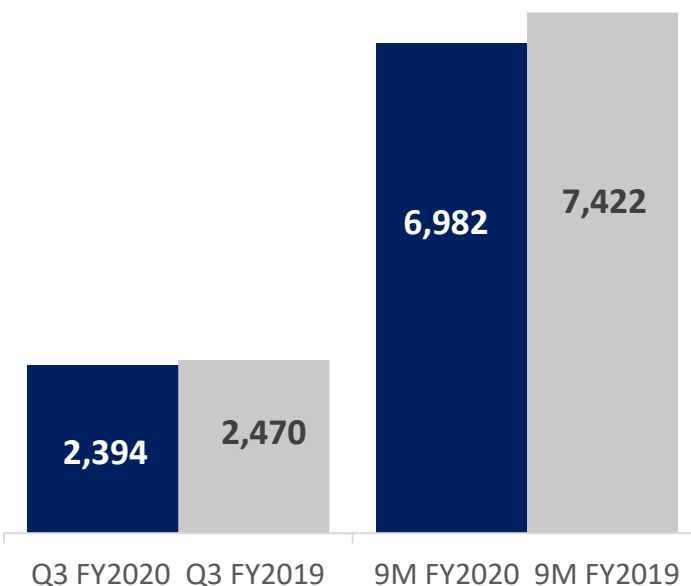
TOTAL UPSTREAM

for all operations

in '000 MT

-3% YoY

-6% YoY



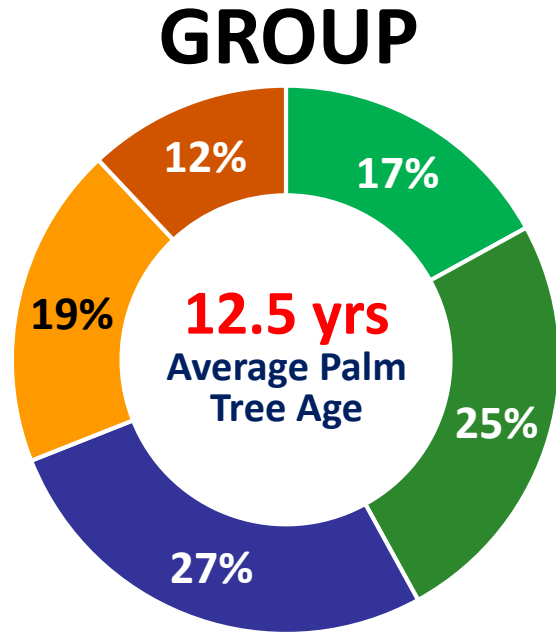
	Q3 FY2020	9M FY2020
<i>FFB Production ('000 MT)</i>		
Continuing	2,394	6,982
	<i>Q3 FY2019: 2,439 (-2%)</i>	<i>9M FY2019: 7,349 (-5%)</i>
Upstream Malaysia	1,367	3,828
	<i>Q3 FY2019: 1,275 (7%)</i>	<i>9M FY2019: 3,982 (-4%)</i>
Upstream Indonesia	591	1,731
	<i>Q3 FY2019: 742 (-20%)</i>	<i>9M FY2019: 1,935 (-11%)</i>
Upstream PNG/SI	436	1,422
	<i>Q3 FY2019: 422 (3%)</i>	<i>9M FY2019: 1,432 (-1%)</i>
Discontinued operations*		
Upstream Liberia	-	-
	<i>Q3 FY2019: 31 (-100%)</i>	<i>9M FY2019: 73 (-100%)</i>
Total	2,394	6,982
	<i>Q3 FY2019: 2,470 (-3%)</i>	<i>9M FY2019: 7,422 (-6%)</i>

- Malaysia:** Higher FFB production in Q3 FY2020 as a result of more young areas with start-up yields coming into prime.
- Indonesia:** Lower FFB production due to impact of last year's prolonged drought as well as disruptions to harvesting operations from mild La-Nina conditions experienced in Q3 FY2020.
- PNG/SI:** Although FFB production in Q3 FY2020 was comparable to Q3 FY2019 it was 16% lower to Q2 FY2020 given change in production pattern.

*Divestment of Sime Darby Plantation (Liberia) Inc completed on 16 Jan 2020

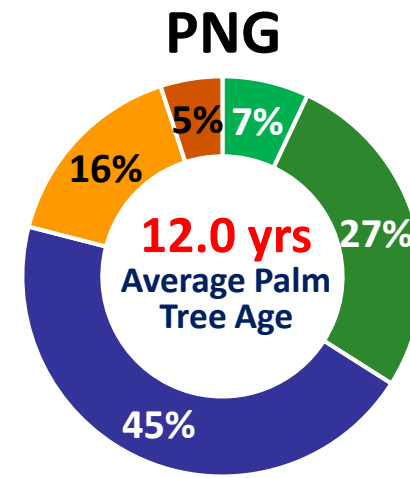
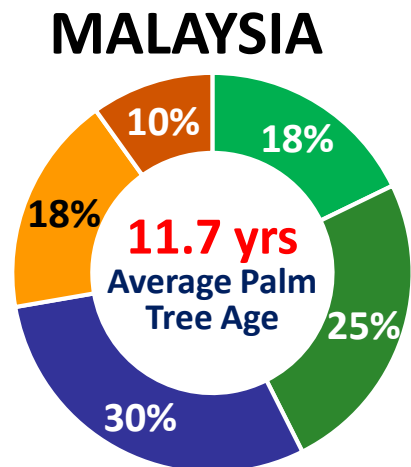
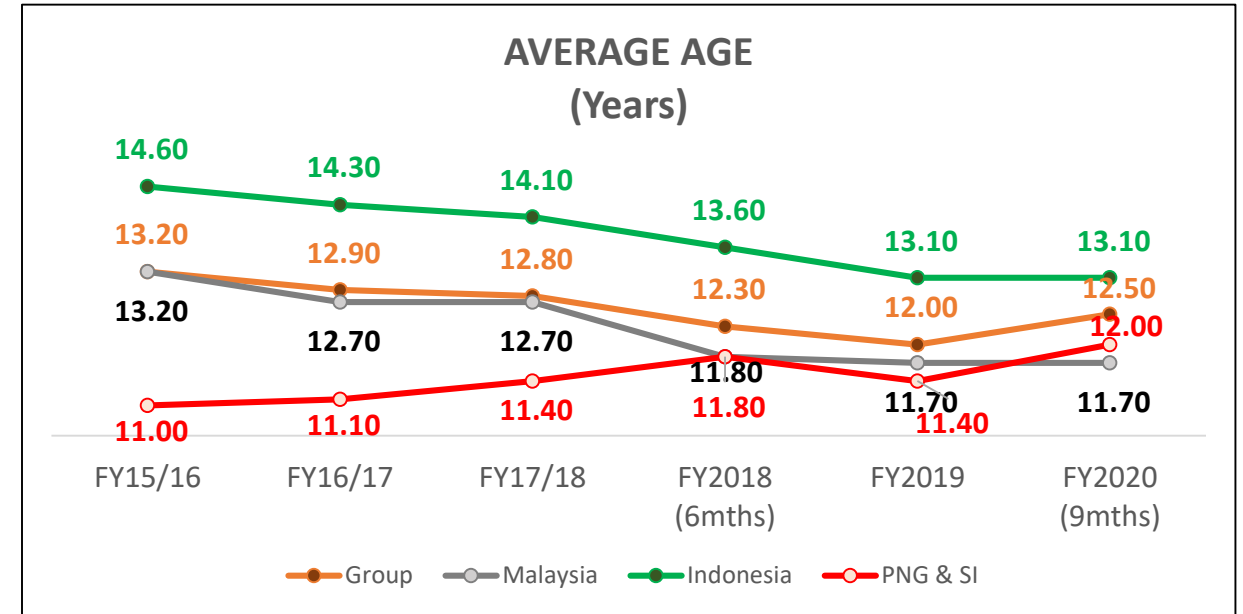
Operational Performance – Upstream

Breakdown of Age Profile as at 30 September 2020



As at September 2020, SD Plantation has 583,892 ha of oil palm planted of which 83% is mature and 17% is immature.

Thanks to our accelerated replanting programme we have been able to improve the average age of the Group's palm to 12.5 years (as at September 2020) from 13.2 years (in June 2016).



Immature 4 – 8 Years 9 – 18 Years 19 – 22 Years Above 22 Years

Operational Performance – Upstream

Higher OER in PNG/SI in Q3 FY2020 partially mitigated the lower OER recorded in the remaining regions primarily due to high rainfall affecting harvesting in both regions and shortage of labour in Malaysia



CPO EXTRACTION RATE

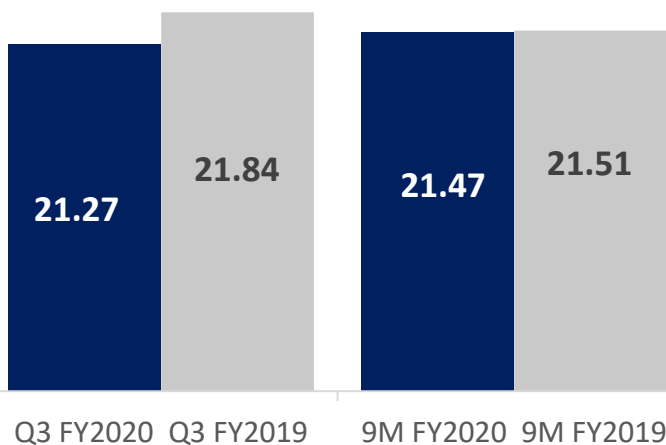
TOTAL UPSTREAM

for all operations

in %

-0.57
p.p. YoY

-0.02
p.p. YoY



CPO Extraction Rate (OER)
(%)

Q3
FY2020

9M
FY2020

Continuing

21.27

21.47

Q3 FY2019: 21.85 (-0.59 pp)

9M FY2019: 21.50 (-0.03 pp)

Upstream Malaysia

21.03

20.88

Q3 FY2019: 21.59 (-0.56 pp)

9M FY2019: 21.21 (-0.33 pp)

Upstream Indonesia

20.95

21.92

Q3 FY2019: 22.19 (-1.24 pp)

9M FY2019: 21.81 (0.11 pp)

Upstream PNG/SI

22.31

22.38

Q3 FY2019: 22.01 (0.30 pp)

9M FY2019: 21.81 (0.57 pp)

Discontinued operations*

Upstream Liberia

-

-

Q3 FY2019: 20.49 (-20.49 pp)

9M FY2019: 22.16 (-22.16 pp)

Total

21.27

21.47

Q3 FY2019: 21.84 (-0.57 pp)

9M FY2019: 21.51 (-0.02 pp)

■ **Malaysia:** Lower OER attributable to the chain effect from the shortage of labour affecting harvesting intervals, crop quality and crop recovery, coupled with higher rainfall affecting harvesting.

■ **Indonesia:** Lower OER in Q3 FY2020 due to mild La-Nina affecting harvesting operations.

■ **PNG/SI:** Enjoyed better crop quality and timeliness of crop delivery from field to the mill.

Note: p.p. – Percentage points

*Divestment of Sime Darby Plantation (Liberia) Inc completed on 16 Jan 2020

Operational Performance – Upstream

Higher CPO prices realised in Q3 FY2020 and 9M FY2020 by 26% and 24% respectively



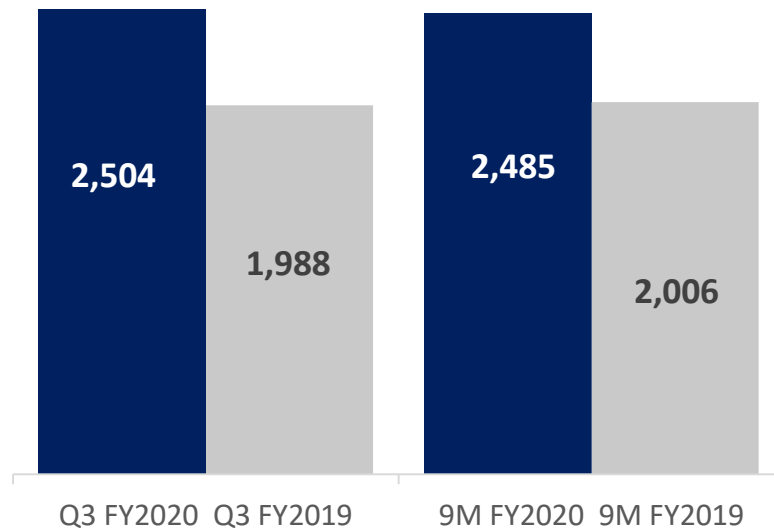
AVERAGE CPO PRICES REALISED

GROUP AVERAGE for all operations

in RM/MT

+26% YoY

+24% YoY



Average CPO Prices Realised (RM/MT)

	Q3 FY2020	9M FY2020
Continuing	2,504	2,485
	<i>Q3 FY2019: 1,990 (26%)</i>	<i>9M FY2019: 2,007 (24%)</i>
Upstream Malaysia	2,548	2,446
	<i>Q3 FY2019: 2,028 (26%)</i>	<i>9M FY2019: 2,019 (21%)</i>
Upstream Indonesia	2,563	2,481
	<i>Q3 FY2019: 1,929 (33%)</i>	<i>9M FY2019: 1,956 (27%)</i>
Upstream PNG/SI	2,366	2,567
	<i>Q3 FY2019: 1,985 (19%)</i>	<i>9M FY2019: 2,050 (25%)</i>
Discontinued operations*		
Upstream Liberia	-	-
	<i>Q2 FY2019: 1,775 (-100%)</i>	<i>9M FY2019: 1,929 (-100%)</i>
Total	2,504	2,485
	<i>Q3 FY2019: 1,988 (26%)</i>	<i>9M FY2019: 2,006 (24%)</i>

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Financial Performance – Downstream



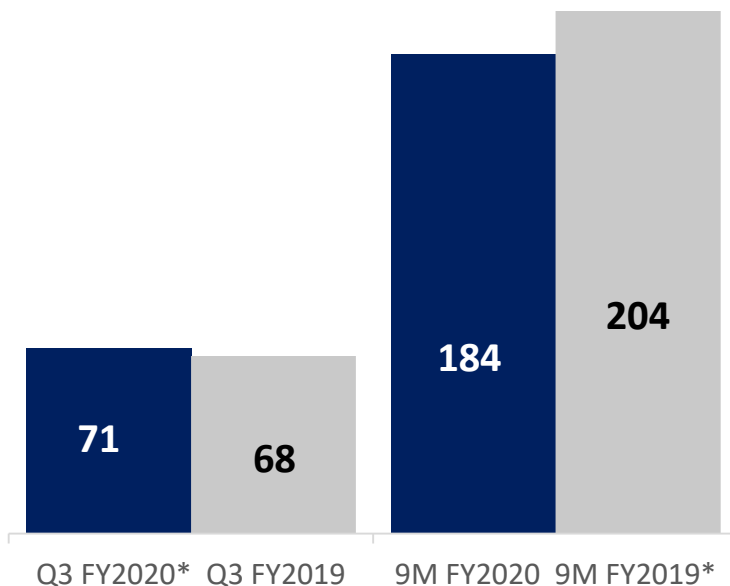
Higher PBIT in Q3 FY2020 mainly attributable to stronger performance from the bulk businesses in the Asia Pacific region

TOTAL DOWNSTREAM

in RM'mil

+4% YoY

-10% YoY



*Recurring PBIT
(RM'mn)*

**Q3
FY2020**

**9M
FY2020**

Downstream

Differentiated

-13

151

Q3 FY2019: 25 (>-100%)

9M FY2019: 95 (58%)

Trading

26

55

Q3 FY2019: 27 (-1%)

9M FY2019: 61 (-10%)

Bulk

62

-11

Q3 FY2019: 19 (>100%)

9M FY2019: 57 (>-100%)

- Sime Darby Oils registered higher PBIT (+4%) in Q3 FY2020 as compared to the previous year corresponding quarter.
- The improved results was attributable to higher contributions from the bulk businesses, driven by better margins which compensated for the loss reported in its differentiated businesses, due to weaker performance from its Europe operations affected by fair value losses on commodity contracts.

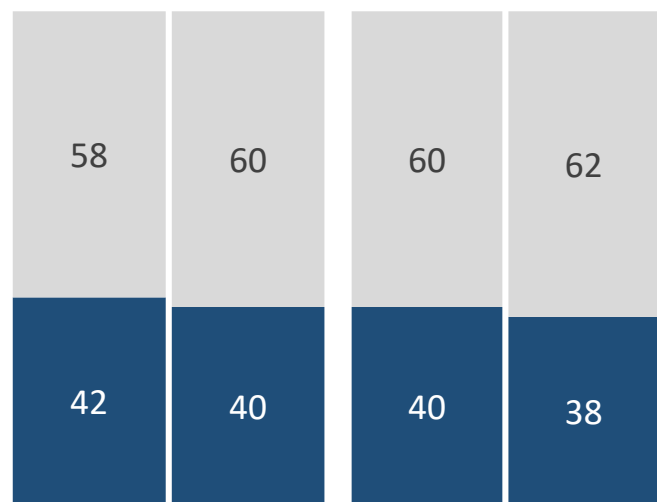
Note: * After deducting corporate expenses of RM5 million registered in Q3 FY2020 and RM11 million in 9M FY2019

Operational Performance – Downstream

Lower capacity utilization and sales volume from the impact on demand in the Business-to-Business (B2B) and HORECA businesses due to COVID-19

PRODUCT RATIO

in %

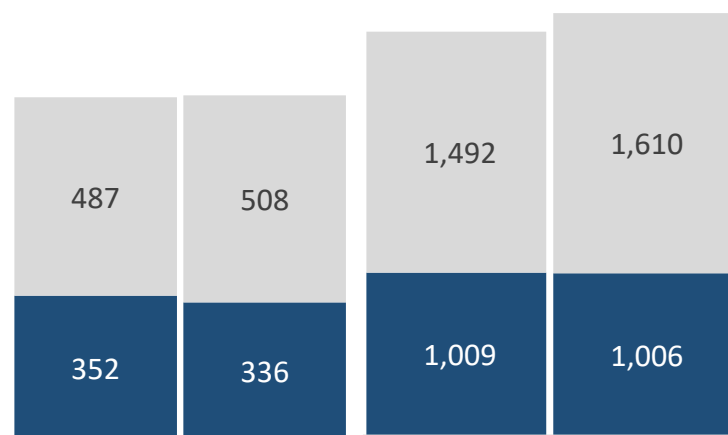


■ Differentiated ■ Bulk

SALES VOLUME

in '000 MT

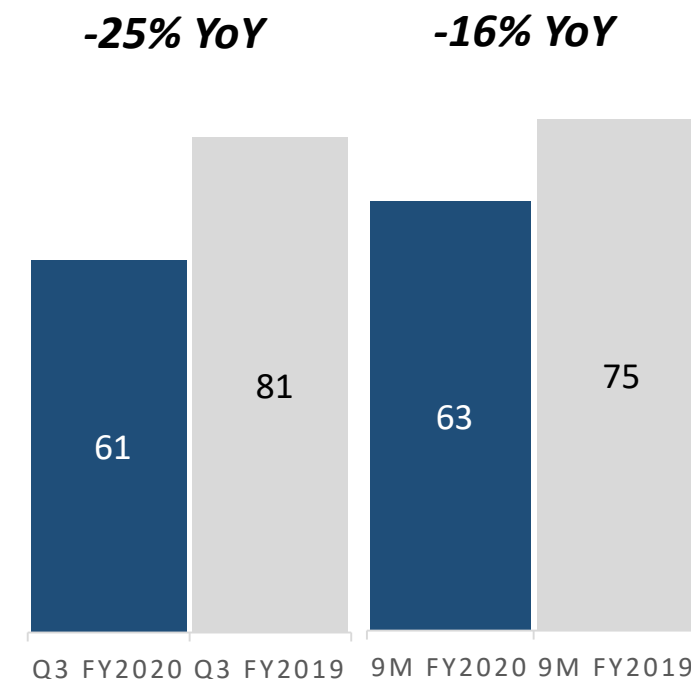
Q3 FY2020	Q3 FY2019	9M FY2020	9M FY2019
839	844	2,501	2,616
-0.6% YoY		-4.4% YoY	



■ Differentiated ■ Bulk

CAPACITY UTILISATION

in %



Q3 FY2020 Q3 FY2019 9M FY2020 9M FY2019

Sustainability

SD Plantation's sustainability agenda remains at the forefront of the company's operations



Sustainable Palm Oil Transparency Toolkit (SPOTT) assessments

- SPOTT assesses 100 palm oil producers, processors and traders on the public disclosure of their policies, operations and commitments to environmental, social and governance (ESG) best practice. Each company receives a percentage score as a measure of its transparency in relation to ESG risks.
- Key highlights from SPOTT assessments released on 10 November are as follows:
 - ✓ SDP's SPOTT scores have improved by 10.39% to 82.49%
 - ✓ SDP's rating has improved from 12th (2019) to joint 8th (2020)
 - ✓ NBPOL has been ranked separately and has been recognised as the top scorer in 2020 with a score of 94.4%



Recognised as a leader in the palm oil industry in addressing issues on deforestation

- CDP ranks 27 of the largest and highest impact palm oil, timber, soy and cattle traders and producers on the extent to which they are managing risks and seeking opportunities to tackle deforestation within their supply chains.
- The report, which also looks at other commodities (soy, cattle, timber) states that palm oil companies are held to higher standards for tackling deforestation than soy and cattle companies.
 - ✓ SDP scored highest in transition risks - on our land use associated with commodity production, as well as supply chain traceability and deforestation-related certification
 - ✓ SDP was also rated favourably in governance and strategy, where companies' deforestation-related commitments, targets, risk management policies and board level expertise were assessed



APPENDIX

Summary of Operational Statistics

As at 30 September 2020

For the 9 Months Ended	Malaysia		YoY %	Indonesia		YoY %	PNG		YoY %	GROUP (Continuing Operations)		YoY %	Liberia		YoY %*	GROUP (all operations)		YoY %
	30 Sep 2020	30 Sep 2019		30 Sep 2020	30 Sep 2019		30 Sep 2020	30 Sep 2019		30 Sep 2020	30 Sep 2019		30 Sep 2020	30 Sep 2019		30 Sep 2020	30 Sep 2019	
FFB Production ('000 MT)	3,828	3,982	-3.9%	1,731	1,935	-10.5%	1,422	1,432	-0.7%	6,982	7,349	-5.0%	-	73	-*	6,982	7,422	-5.9%
FFB Yield per mature ha (MT/Ha)	15.59	16.36	-4.7%	11.25	12.37	-9.0%	16.88	17.78	-5.1%	14.44	15.30	-5.7%	-	7.18	-*	14.44	15.13	-4.6%
CPO Production (Own) ('000 MT)	804	849	-5.3%	380	421	-9.9%	318	312	1.9%	1,502	1,583	-5.1%	-	16	-*	1,502	1,599	-6.1%
CPO Production (Total) ('000 MT)	909	978	-7.0%	451	535	-15.7%	412	402	2.6%	1,772	1,915	-7.4%	-	16	-*	1,772	1,931	-8.2%
PK Production (Own) ('000 MT)	197	210	-6.5%	77	93	-16.5%	81	83	-2.8%	355	386	-8.1%	-	4	-*	355	390	-9.1%
PK Production (Total) ('000 MT)	222	242	-8.2%	92	118	-22.1	105	107	-2.1%	419	467	-10.3%	-	4	-*	419	471	-11.2%
CPO Extraction Rate (%)	20.88	21.21	-0.33	21.92	21.81	0.11	22.38	21.81	0.56	21.47	21.50	-0.03	-	22.16	-*	21.47	21.51	-0.03
PK Extraction Rate (%)	5.10	5.24	-0.15	4.48	4.82	-0.35	5.68	5.80	-0.12	5.07	5.24	-0.17	-	5.79	-*	5.07	5.25	-0.18
Average CPO Selling Price (RM/MT)	2,446	2,019	21.2%	2,481	1,956	26.8%	2,567	2,050	25.2%	2,485	2,007	23.8%	-	1,929	-*	2,485	2,006	23.9%
Average PK Selling Price (RM/MT)	1,502	1,192	26.0%	1,126	912	23.5%	-	-	-	1,386	1,097	26.3%	-	384	-*	1,386	1,085	27.8%

*Divestment of Sime Darby Plantation (Liberia) Inc on 16 Jan 2020

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investor.relations@simedarbyplantation.com

+(603) 7848 4000

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