



Plantation

Financial Year Ending 31 December 2020 Results Announcement Fourth Quarter ended 31 December 2020

18 February 2021

Financial Highlights

Turnaround in financial performance primarily driven by higher CPO and PK prices as well as improved Downstream results



<i>in RM'mn</i>	Q4 FY2020	FY2020
CONTINUING OPERATIONS		
Revenue	3,639 Q4 FY2019: 3,376 (8%)	13,081 FY2019: 12,062 (8%)
PBIT	569 Q4 FY2019: 73 (>100%)	2,090 FY2019: 406 (>100%)
PATAMI	385 Q4 FY2019: -45 (>100%)	1,347 FY2019: 122 (>100%)
DISCONTINUED OPERATIONS*		
PATAMI	-236 Q4 FY2019: -13 (>-100%)	-162 FY2019: -322 (50%)
TOTAL		
PATAMI	149 Q4 FY2019: -58 (>100%)	1,185 FY2019: -200 (>100%)
Basic EPS <i>(RM'sen)</i>		
Continuing Operations	2.2 Q4 FY2019: -0.9 (>100%)	17.2 FY2019: -2.9 (>100%)
Discontinued Operations	5.6 Q4 FY2019: -0.7 (>100%)	19.6 FY2019: 1.8 (>100%)
	-3.4 Q4 FY2019: -0.2 (>-100%)	-2.4 FY2019: -4.7 (49%)

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

Financial Performance by Segment – Continuing Operations

All operating segments registered improved financial performance of >100% YoY



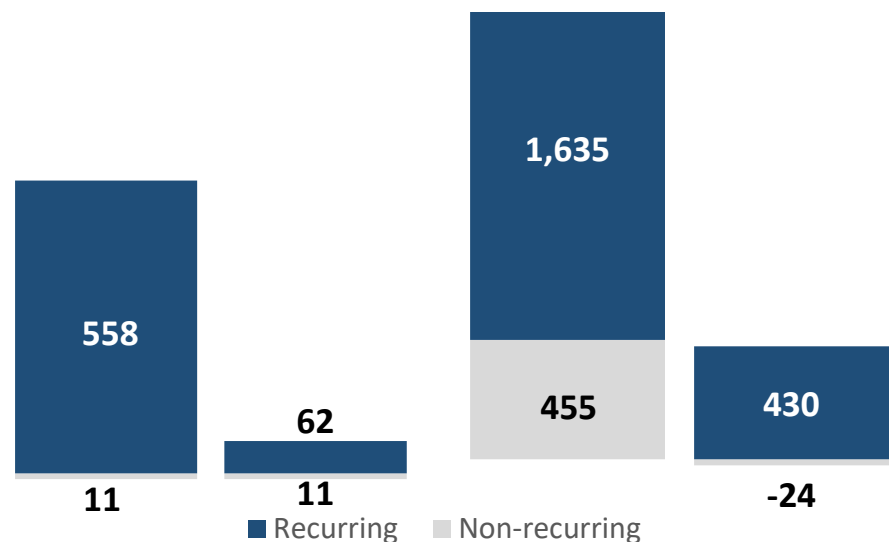
TOTAL PBIT

in RM'mn

<u>Q4 FY2020</u>	<u>Q4 FY2019</u>	<u>YE FY2020</u>	<u>YE FY2019</u>
569	73	2,090	406

>100% YoY

>100% YoY



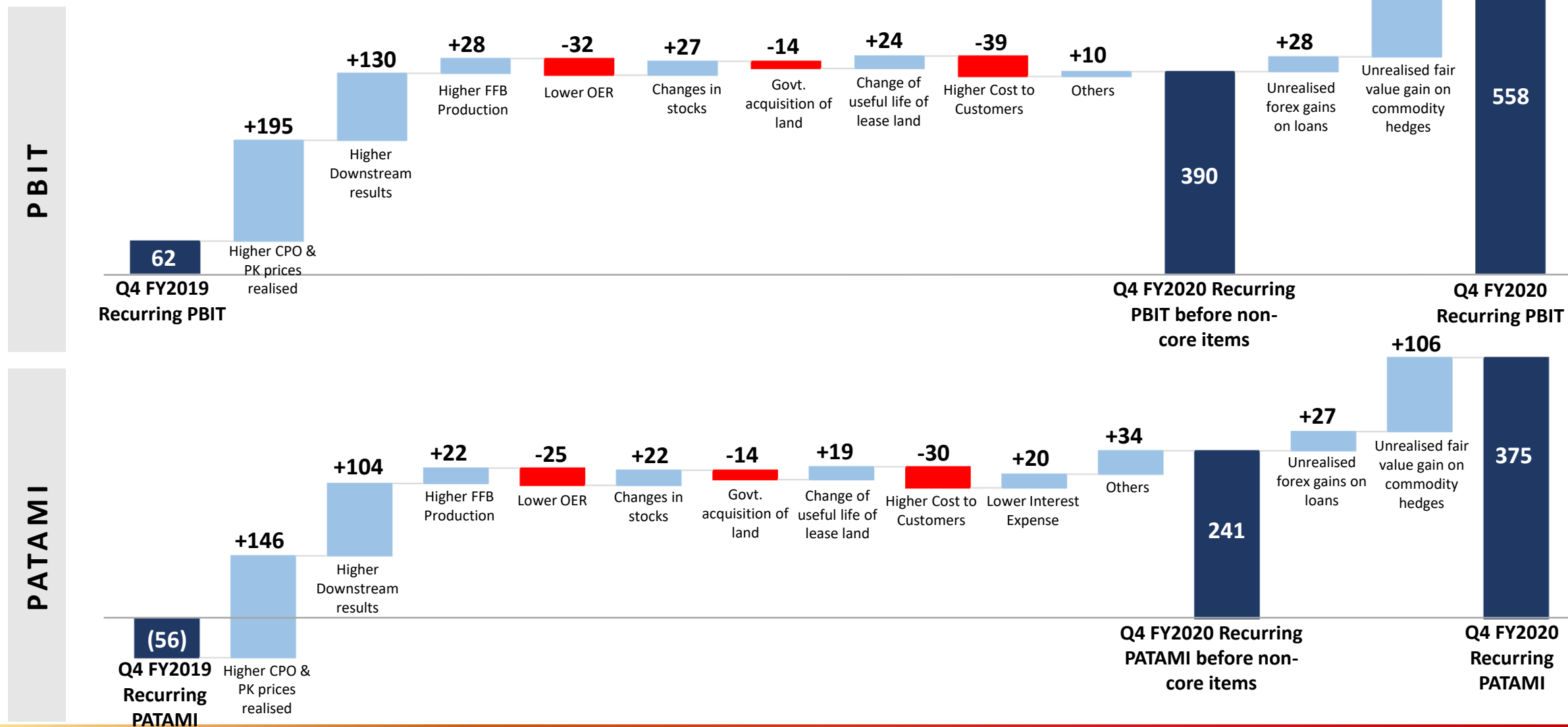
Note: * Others (Continuing operations) refers to Sime Darby Agri-Bio Sdn Bhd, Sime Darby Research Sdn Bhd, Sime Darby Technology Sdn Bhd, Sime Darby Biotech Lab Sdn Bhd, Sime Darby Seeds Sdn Bhd, as well as investment holding companies, associates and JVs

	Q4 FY2020	FY2020
Recurring PBIT (RM'mn)		
Upstream	351	1,228
	Q4 FY2019: -10 (>100%)	FY2019: 125 (>100%)
Upstream Malaysia	80	686
	Q4 FY2019: -67 (>100%)	FY2019: 177 (>100%)
Upstream Indonesia	247	454
	Q4 FY2019: 99 (>100%)	FY2019: 187 (>100%)
Upstream PNG/SI	24	88
	Q4 FY2019: -42 (>100%)	FY2019: -239 (>100%)
Downstream	202	386
	Q4 FY2019: 72 (>100%)	FY2019: 276 (40%)
Others*	5	21
	Q4 FY2019: 0 (>100%)	FY2019: 29 (-28%)
Total Recurring PBIT	558	1,635
	Q4 FY2019: 62 (>100%)	FY2019: 430 (>100%)

Recurring Profits – Continuing Operations

Higher realised prices, FFB production and Downstream results as well as fair value gains on commodity hedges outweighed the impact of lower OER and higher cost to customers

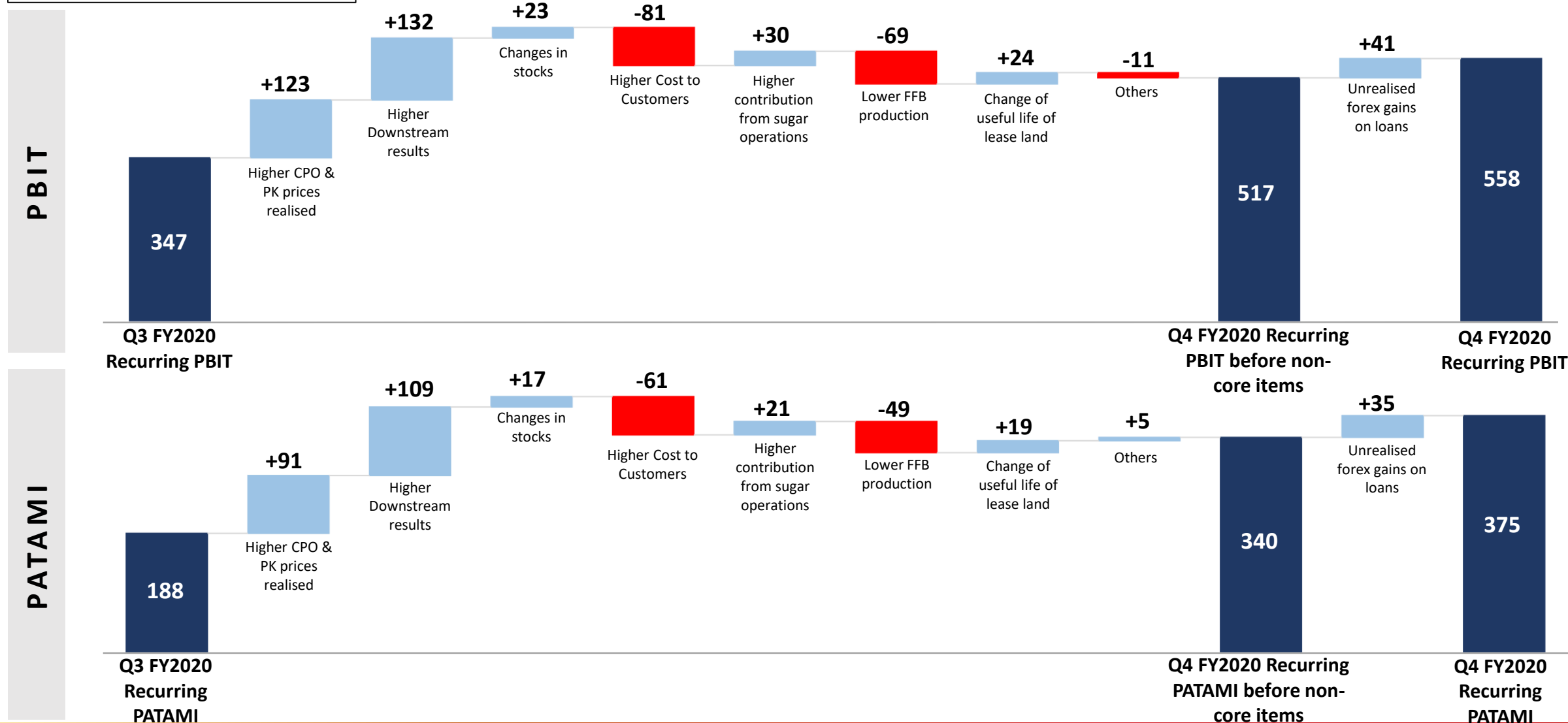
Q4 FY2020 vs Q4 FY2019



Recurring Profits – Continuing Operations

Higher realised prices as well as higher contributions from Downstream and Sugar operations offset the impact of higher cost to customers due to catch up in activities and lower FFB production

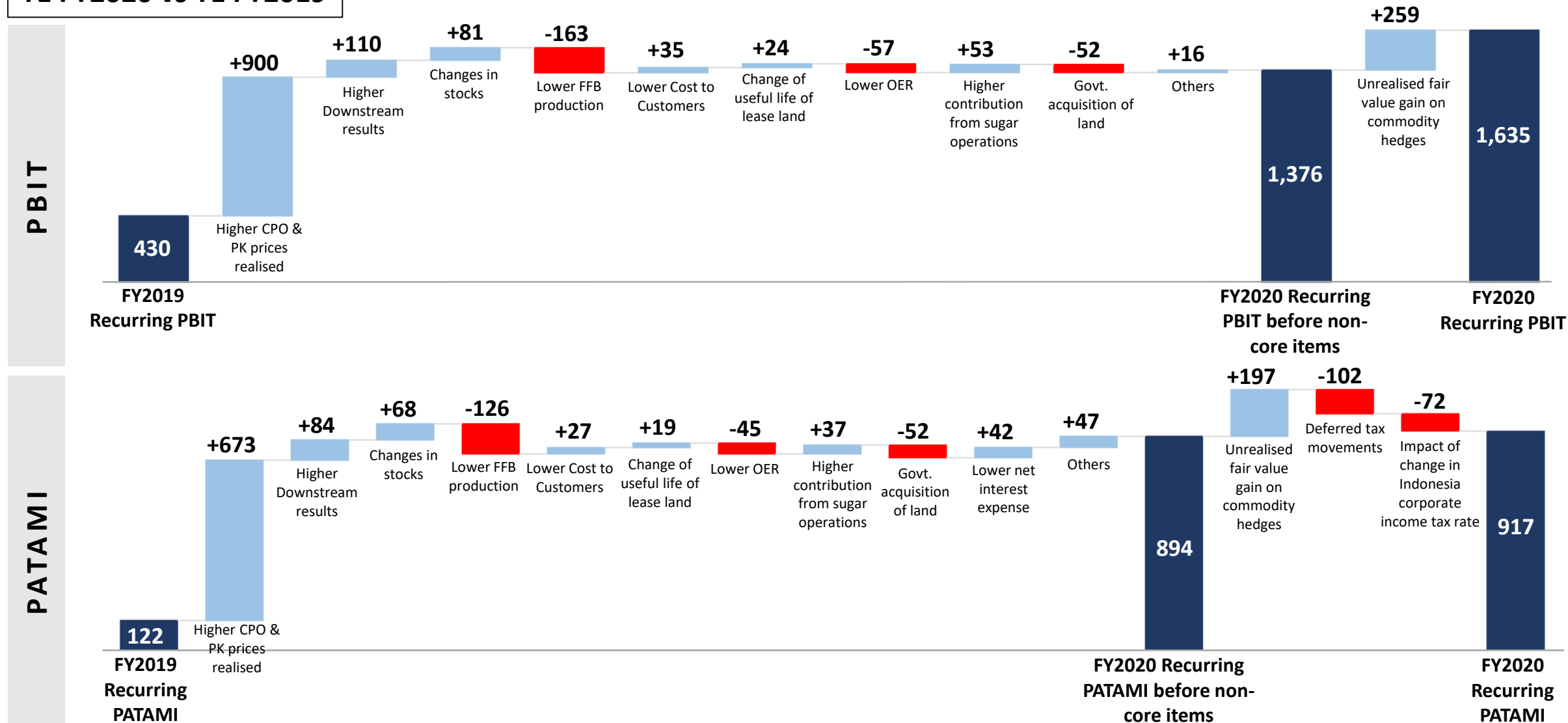
Q4 FY2020 vs Q3 FY2020



Recurring Profits – Continuing Operations

Improved results mainly from higher realized prices and Downstream results which compensated for the lower FFB production and lower OER

YE FY2020 vs YE FY2019



Non-Recurring Profits



Q4 FY2020 saw gains on disposal of land while full year profits was mainly made up of gains on disposal of land and subsidiaries which compensated for impairment charges

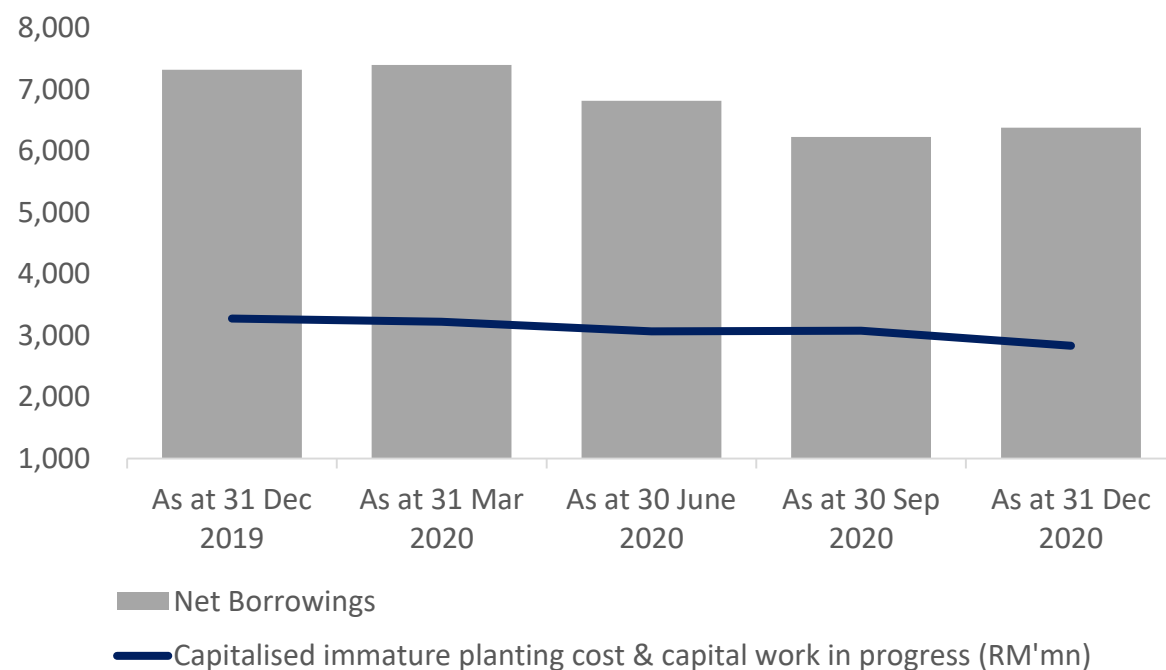
<i>in RM'mn</i>	Q4 FY2020	Q4 FY2019	YoY	FY2020	FY2019	YoY
Non-recurring PBIT - Continuing	11	11	-	455	(24)	>100%
■ Gains on land disposal in Malaysia	11	11		414	11	
■ Gains on disposal of subsidiaries	-	-		53	9	
■ Impairment of composting assets	-	-		(12)	(19)	
■ Impairment of a loan due from a JV in China	-	-		-	(25)	

Borrowings & Gearing Ratios

Net Gearing maintained below 40%



Net Gearing ¹ (in RM'mn)	46%	47%	41%	39%	39%
Borrowings	7,745	8,105	7,553	6,920	6,682
Bank balances, deposits & cash	431	714	742	695	309
Net Borrowings	7,314	7,391	6,811	6,224	6,373



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

FINANCIAL YEAR ENDED 31 DECEMBER 2020

+RM2,431mn

NET CASH GENERATED
FROM OPERATING
ACTIVITIES

-RM837mn²

NET CASH USED IN
INVESTING ACTIVITIES
(CAPEX: -RM1,324mn)

-RM1,730mn

NET CASH USED IN
FINANCING ACTIVITIES

Borrowings as at 31 December 2020 decreased by RM1,063mn compared to 31 December 2019 due to:

- Net borrowing repayment of RM1,012mn.
- Depreciation of the USD against RM by 2% (RM51mn).

Note: ² Apart from CAPEX also consists of Finance Income of RM17 mn and Proceeds from disposals of RM509 mn

Operational Performance – Upstream

Higher FFB production mainly due to better performance in Indonesia and PNG/SI

FFB PRODUCTION

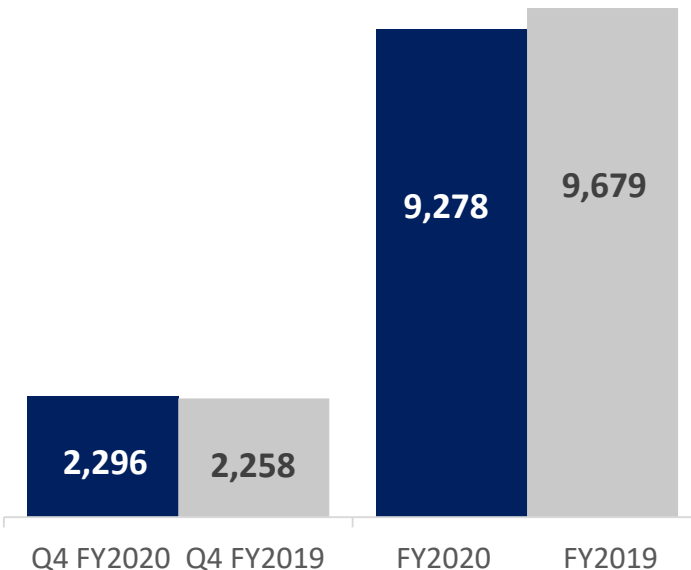
TOTAL UPSTREAM

for all operations

in '000 MT

+2% YoY

-4% YoY



	Q4 FY2020	FY2020
<i>FFB Production ('000 MT)</i>		
Continuing	2,296	9,278
	<i>Q4 FY2019: 2,231 (3%)</i>	<i>FY2019: 9,579 (-3%)</i>
Upstream Malaysia	1,117	4,944
	<i>Q4 FY2019: 1,120 (0%)</i>	<i>FY2019: 5,102 (-3%)</i>
Upstream Indonesia	790	2,522
	<i>Q4 FY2019: 729 (8%)</i>	<i>FY2019: 2,663 (-5%)</i>
Upstream PNG/SI	389	1,812
	<i>Q4 FY2019: 382 (2%)</i>	<i>FY2019: 1,814 (0%)</i>
Discontinued operations*		
Upstream Liberia	-	-
	<i>Q4 FY2019: 27 (-100%)</i>	<i>FY2019: 100 (-100%)</i>
Total	2,296	9,278
	<i>Q4 FY2019: 2,258 (2%)</i>	<i>FY2019: 9,679 (-4%)</i>

- Malaysia:** Production in Q4 FY2020 was impacted by floods in some parts of Johor, Pahang & Sarawak which hindered harvesting activities, on average for 6 days. This was further exacerbated by the worsening labour shortage (as at 31 December 2020: shortage of 3,100 workers).
- Indonesia:** Recorded a surge in FFB production in Q4 FY2020 due to higher seasonal cropping which helped narrow the YoY decline in the Group's production volume for FY2020.
- PNG/SI:** Q4 volume represents only 21% of full year production. Production was impacted by unfavourable weather conditions from heavy rainfall.

Operational Performance – Upstream

Lower OER attributable to heavy rainfall hampering collection and evacuation activities which adversely impacted crop quality



CPO EXTRACTION RATE

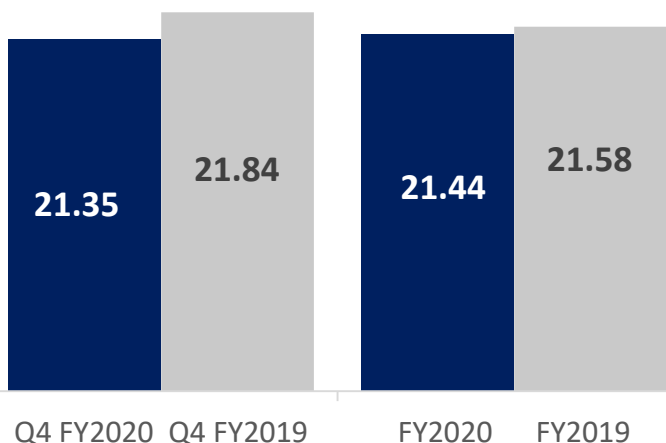
TOTAL UPSTREAM

for all operations

in %

-0.49
p.p. YoY

-0.14
p.p. YoY



Note: p.p. – Percentage points

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

CPO Extraction Rate (OER)
(%)

Q4
FY2020

FY2020

Continuing

21.35

21.44

Q4 FY2019: 21.83 (-0.48 pp)

FY2019: 21.58 (-0.14 pp)

Upstream Malaysia

20.99

20.91

Q4 FY2019: 21.05 (-0.06 pp)

FY2019: 21.18 (-0.27 pp)

Upstream Indonesia

20.98

21.61

Q4 FY2019: 22.24 (-1.26 pp)

FY2019: 21.92 (-0.31 pp)

Upstream PNG/SI

22.95

22.50

Q4 FY2019: 23.15 (-0.20 pp)

FY2019: 22.10 (0.40 pp)

Discontinued operations*

Upstream Liberia

-

-

Q4 FY2019: 22.86 (-22.86 pp)

FY2019: 22.35 (-22.35 pp)

Total

21.35

21.44

Q4 FY2019: 21.84 (-0.49 pp)

FY2019: 21.58 (-0.14 pp)

- **Malaysia:** OER in Q4 FY2020 was affected by heavy rainfall and floods brought about by La Nina which adversely impacted crop quality.
- **Indonesia:** Similarly, adverse weather conditions in Q4 FY2020 hampered collection and evacuation activities.
- **PNG/SI:** Significantly higher rainfall experience in Q4 FY2020 adversely impacted OER. However, full year OER was higher YoY owing to improvements in road & bridges facilities which allowed for better crop delivery & evacuation.

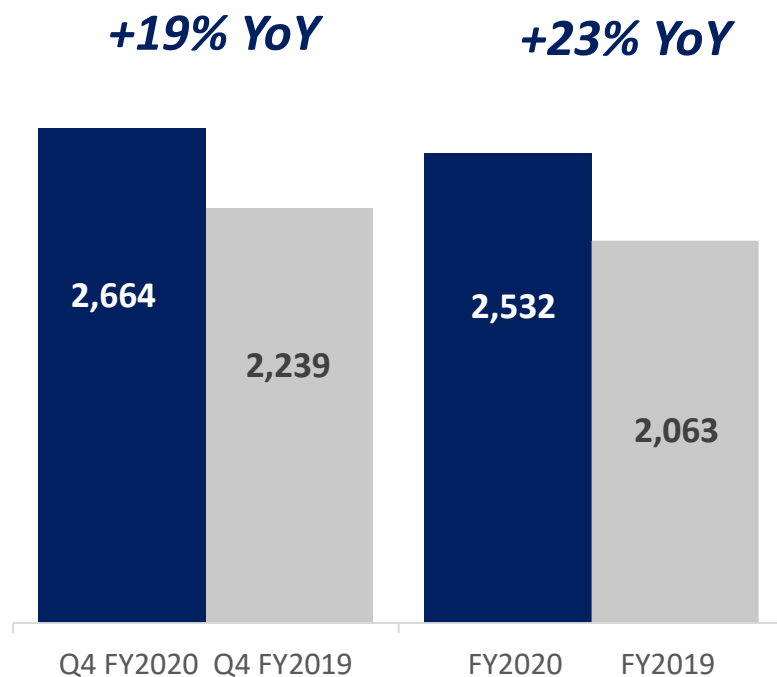
Operational Performance – Upstream

Higher CPO prices realised due to rally in prices, however, was slightly dampened by forward sales particularly in Malaysia

AVERAGE CPO PRICES REALISED

GROUP AVERAGE for all operations

in RM/MT



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

Average CPO Prices Realised (RM/MT)

	Q4 FY2020	FY2020
Continuing	2,664	2,532
	<i>Q4 FY2019: 2,240 (19%)</i>	<i>FY2019: 2,063 (23%)</i>
Upstream Malaysia	2,523	2,465
	<i>Q4 FY2019: 2,229 (13%)</i>	<i>FY2019: 2,069 (19%)</i>
Upstream Indonesia	2,809	2,587
	<i>Q4 FY2019: 2,274 (24%)</i>	<i>FY2019: 2,048 (26%)</i>
Upstream PNG/SI	2,753	2,606
	<i>Q4 FY2019: 2,190 (26%)</i>	<i>FY2019: 2,074 (26%)</i>
Discontinued operations*		
Upstream Liberia	-	-
	<i>Q4 FY2019: 2,180 (-100%)</i>	<i>FY2019: 2,037 (-100%)</i>
Total	2,664	2,532
	<i>Q4 FY2019: 2,239 (19%)</i>	<i>FY2019: 2,063 (23%)</i>

Financial Performance – Downstream

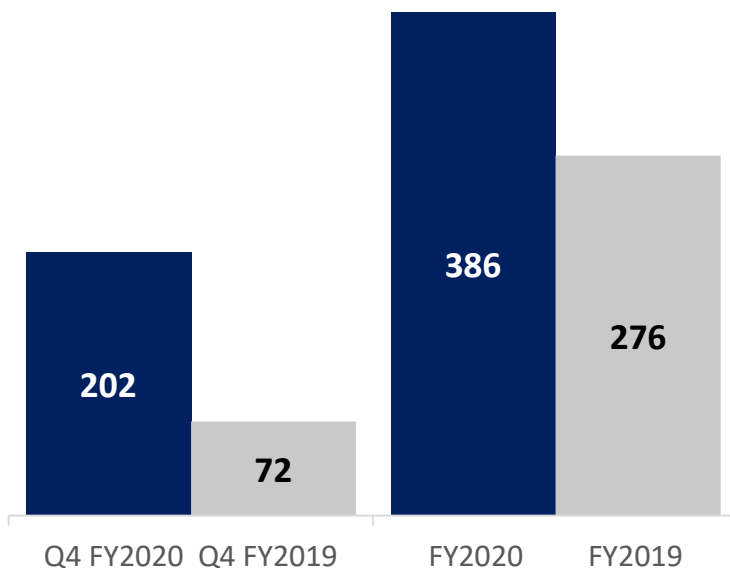
Recurring PBIT tripled resulting in the best ever Sime Darby Oils performance to-date

TOTAL DOWNSTREAM

in RM'mil

+>100% YoY

+40% YoY



	Q4	
Recurring PBIT (RM'mn)	FY2020	FY2020

Downstream

Differentiated	47	197
	Q4 FY2019: 3 (>100%)	FY2019: 98 (101%)
Trading	74	129
	Q4 FY2019: 23 (>100%)	FY2019: 84 (54%)
Bulk	91	81
	Q4 FY2019: 51 (78%)	FY2019: 109 (-26%)

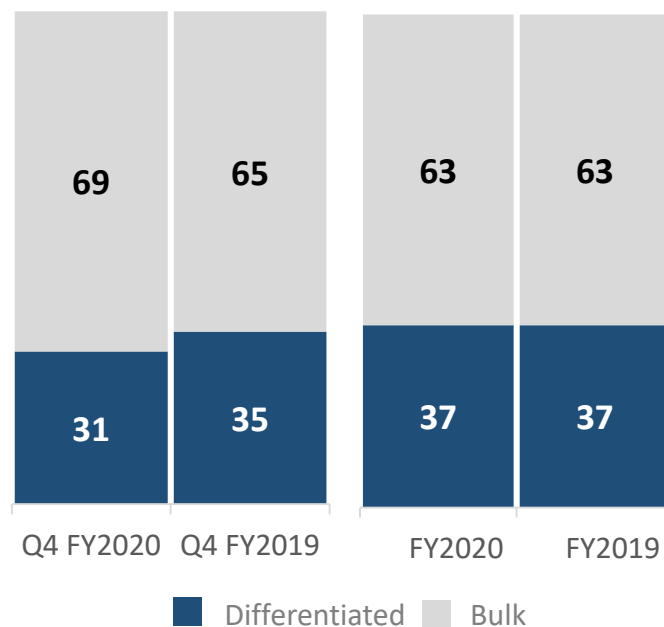
- Contributing to Sime Darby Oil's improved results was the bulk and trading operations in the Asia Pacific region which enjoyed better margins attributable to an uptrend in market prices and higher premiums from sale of RSPO products.
- The differentiated businesses in Europe also saw an improvement in sales margins due to higher selling prices and stringent cost control measures.

Operational Performance – Downstream

Higher YoY sales volume attributable to an improvement in demand from the Asia Pacific region

PRODUCT RATIO

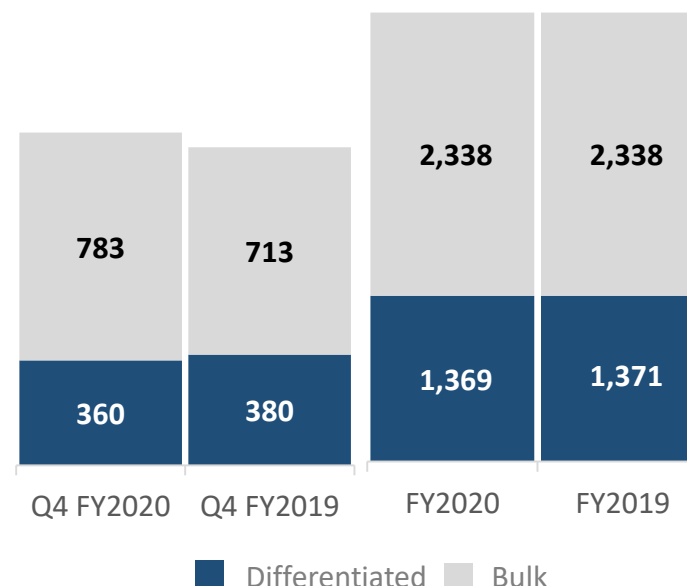
in %



SALES VOLUME

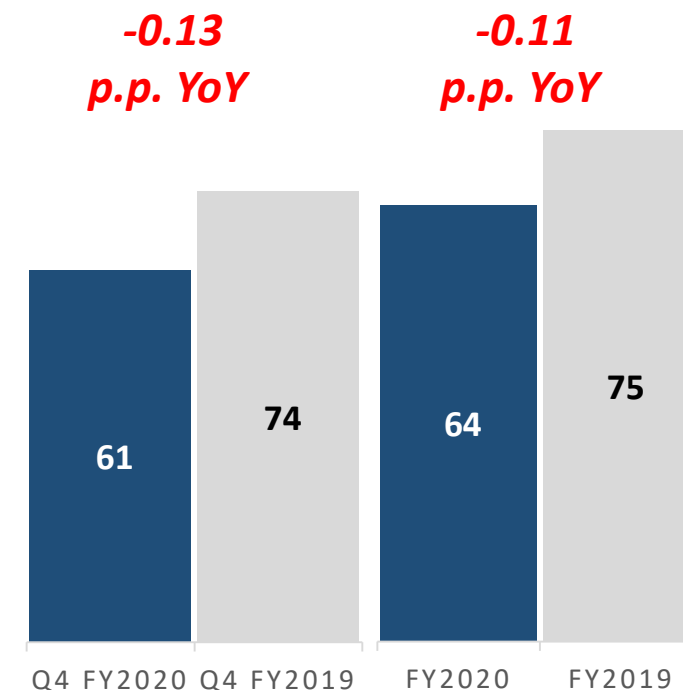
in '000 MT

Q4 FY2020	Q4 FY2019	FY2020	FY2019
1,159	1,121	3,769	3,828
+3% YoY		-2% YoY	



CAPACITY UTILISATION

in %



Key Update

Update on the Withhold Release Order (WRO) Issued by the U.S. Customs and Border Protection (US CBP)



Engagements

1. Liberty Shared (LS)

- Continuous engagements since the summary petition to the CBP was made public in July 2020 to further understand details of the allegations.
- PwC Consulting Associates (M) Sdn Bhd (PwC) was appointed in October 2020 to establish effective platforms and channels of communication with LS.

2. US CBP

- Continuous engagements since October 2020. This includes periodic updates on SDP's progress.

3. PwC

- PwC's report which would outline further details of the allegations as well as suggested recommendations by LS will be referred to as part of the Independent Third-Party Human Rights Commission.

4. Independent Migrant Worker Rights Specialist

- Appointed in October 2020 with the objective to further strengthen SDP's human rights commitments and compliance.

5. Communication with Governments and Officials

- Continuous engagement with the Ministry of Human Resources, Labour Department, Ministry of Plantation Industries and Commodity, Wisma Putra, Ministry of Foreign Affairs, RSPO and MPOB.

Expected Outcomes

1. Independent Human Rights Commission

- To commence with an Independent Third-Party Human Rights Assessment of SDP's Malaysian operations.

2. Implementation of initiatives to further strengthen SDP's human rights compliance

- Internal action plans have been identified as part of continuous improvement. This includes amongst others:
 - **Passport lockers** – ensuring unrestricted access of migrant workers passports through individual lockers.
 - **Training and engagements** – training on policies and procedures as well as forced labour identification provided to all managers, assistant managers, mandors and workers.
 - **Grievance Channels** – enhancement of existing channels.
- Implementation of initiatives shall also be monitored and evaluated for effectiveness as part of the Independent Third-Party Human Rights Commission.

There has also been continuous on-going engagements with other stakeholder groups, which includes customers, shareholders, financial institutions, certification bodies and government ministries and agencies

Dividend

The Board has declared a final dividend which together with the interim dividend and special interim dividend translates into a single tier dividend of 9.44 sen per share for the financial year ended 31 December 2020.

	FY Dec 2020		FY Dec 2019	
	Net per share (sen)	Total Net Dividend (RM'mn)	Net per share (sen)	Total Net Dividend (RM'mn)
Interim dividend, paid on 22 November 2020	2.57	177	-	-
Final dividend	5.42	373	1.00	69
	7.99	550	1.00	69
Special interim dividend, paid on 22 November 2020	1.45	100	-	-
Total Dividend	9.44	650	1.00	69
Payout Ratio (out of recurring PATAMI)	60%		78%	

APPENDIX

Summary of Operational Statistics

As at 31 December 2020

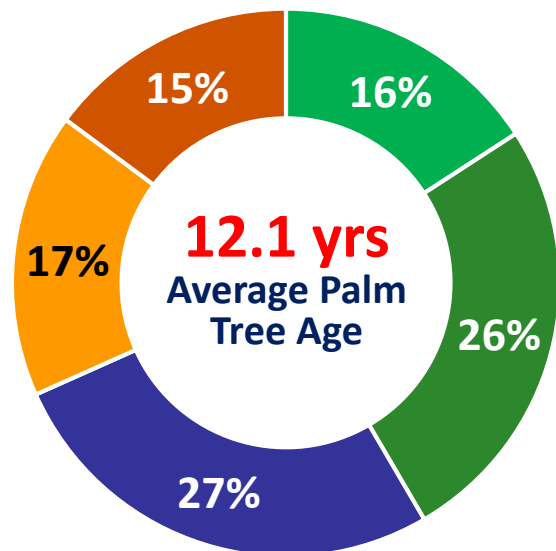
For the 12 Months Ended	Malaysia		YoY %	Indonesia		YoY %	PNG		YoY %	GROUP (Continuing Operations)		YoY %	Liberia		YoY %*	GROUP (all operations)		YoY %
	31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019		31 Dec 2020	31 Dec 2019	
FFB Production ('000 MT)	4,944	5,102	-3.1%	2,522	2,663	-5.3%	1,812	1,814	-0.1%	9,278	9,579	-3.1%	-	100	-*	9,278	9,679	-4.2%
FFB Yield per mature ha (MT/Ha)	20.14	20.96	-3.9%	16.29	17.14	-5.0%	21.48	22.44	-4.3%	19.14	19.97	-4.2%	-	9.90	-*	19.14	19.77	-3.1%
CPO Production (Own) ('000 MT)	1,040	1,086	-4.3%	546	583	-6.4%	408	401	1.7%	1,993	2,070	-3.7%	-	22	-*	1,993	2,093	-4.7%
CPO Production (Total) ('000 MT)	1,174	1,252	-6.2%	659	731	-9.8%	529	518	2.2%	2,363	2,501	-5.5%	-	22	-*	2,363	2,523	-6.4%
PK Production (Own) ('000 MT)	253	267	-5.4%	114	128	-10.7%	103	105	-1.7%	470	500	-6.0%	-	6	-*	470	506	-7.1%
PK Production (Total) ('000 MT)	285	308	-7.5%	139	161	-13.9	134	135	-1.1%	557	604	-7.8%	-	6	-*	557	610	-8.6%
CPO Extraction Rate (%)	20.91	21.18	-0.27	21.61	21.92	0.31	22.50	22.10	0.40	21.44	21.58	-0.14	-	22.35	-*	21.44	21.58	-0.14
PK Extraction Rate (%)	5.07	5.20	-0.14	4.54	4.83	-0.29	5.69	5.78	-0.09	5.06	5.21	-0.16	-	5.72	-*	5.06	5.22	-0.16
Average CPO Selling Price (RM/MT)	2,465	2,069	19.2%	2,587	2,048	26.3%	2,606	2,074	25.7%	2,532	2,063	22.7%	-	2,037	-*	2,532	2,063	22.7%
Average PK Selling Price (RM/MT)	1,583	1,220	29.7%	1,226	933	31.4%	-	-	-	1,463	1,118	30.8%	-	399	-*	1,463	1,106	32.2%

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

Breakdown of Age Profile

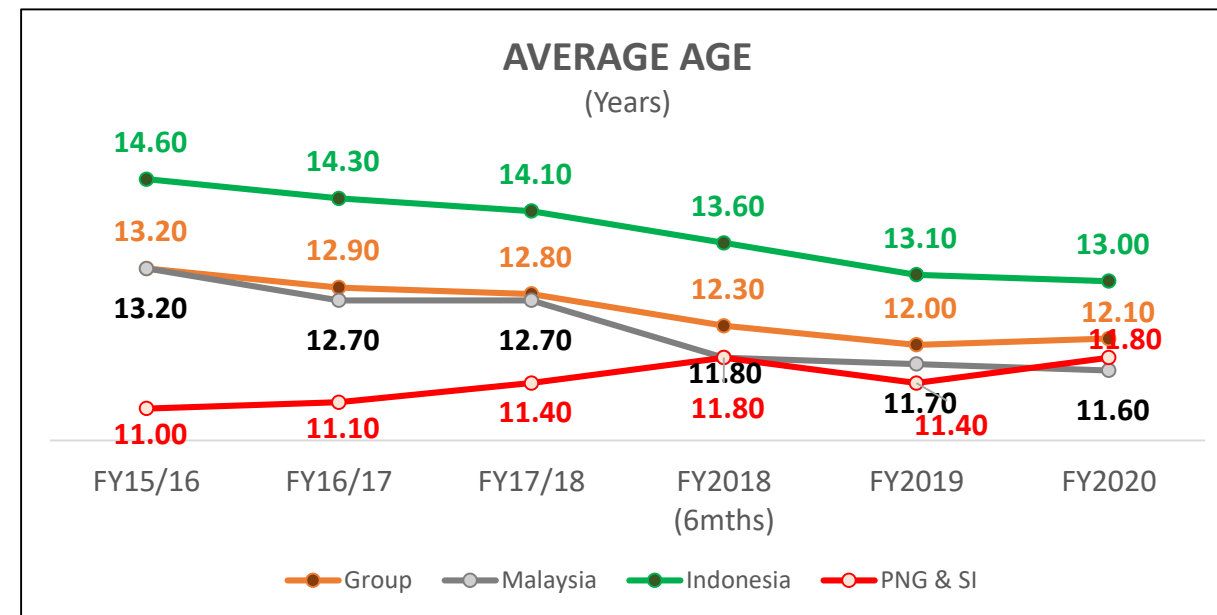
As at 31 December 2020

GROUP

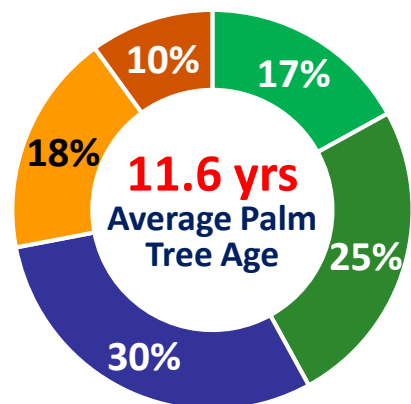


As at December 2020, SD Plantation has 583,339 ha of oil palm planted of which 84% is mature and 16% is immature.

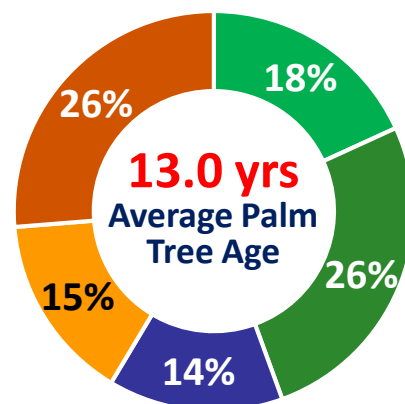
Thanks to our accelerated replanting programme we have been able to improve the average age of the Group's palm to 12.1 years (as at December 2020) from 13.2 years (in June 2016).



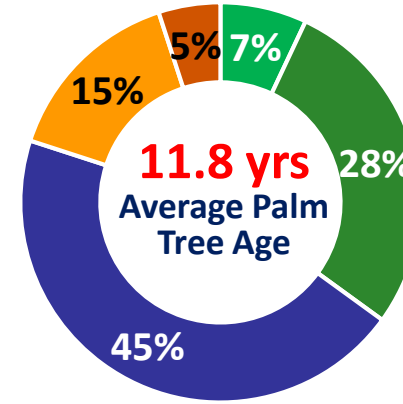
MALAYSIA



INDONESIA



PNG



Disclaimer



This document is strictly confidential to the recipient. It is being supplied to you solely for your information and may not be reproduced, redistributed or passed on, directly or indirectly, to any other person or published, in whole or in part, for any purpose. Upon request, you shall promptly return this document all other information made available in connection with this document, without retaining any copies. The distribution of this document in other jurisdictions may be restricted by law, and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions.

This document does not constitute and is not an offer or invitation to sell, or any solicitation of any offer to subscribe for or purchase any securities of any company referred to in this document in any jurisdiction. The companies referred to herein have not registered and do not intend to register any securities under the US Securities Act of 1933, as amended (the “**Securities Act**”), and any securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration under the Securities Act. By attending the presentation you will be deemed to represent, warrant and agree that to the extent that you purchase any securities in any of the companies referred to in the presentation, you either (i) are a “qualified institutional buyer” within the meaning of Rule 144A under the Securities Act, or (ii) you will do so in an “offshore transaction” within the meaning of Regulation S under the Securities Act

By attending this presentation and accepting a copy of this document, you represent and warrant that (i) you have read and agreed to comply with the contents of this notice; (ii) you will maintain absolute confidentiality regarding the information contained in this document including information presented orally or otherwise in accordance with your confidentiality obligation; and (iii) you are lawfully able to receive this document and attend this presentation under the laws of other jurisdiction in which you are subjected and other applicable laws.

This document is for the purposes of information only and is not intended to form the basis of any investment decision. This presentation may contain forward-looking statements by Sime Darby Plantation that reflect management’s current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies and accordingly, actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of Sime Darby Plantation and Sime Darby Plantation assumes no obligation or responsibility to update any such statements.

No representation or warranty, express or implied, is given by or on behalf of Sime Darby Plantation or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers) (collectively, the “**Parties**”) as to the quality, accuracy, reliability, fairness or completeness of the information contained in this presentation or its contents or any oral or written communication in connection with the contents contained in this presentation (collectively, the “**Information**”), or that reasonable care has been taken in compiling or preparing the Information. None of the Parties shall be liable or responsible for any budget, forecast or forward-looking statements or other projections of any nature or any opinion which may have been expressed or otherwise contained or referred to in the Information.

The Information is and shall remain the exclusive property of Sime Darby Plantation and nothing herein shall give, or shall be construed as giving, to any recipient(s) or party any right, title, ownership, interest, license or any other right whatsoever in or to the Information herein. The recipient(s) acknowledges and agrees that this presentation and the Information are confidential and shall be held in complete confidence by the recipient(s).

All the images, pictures and photos including design drawings in relation to the company’s property development projects contained in this document are artist impression only and are subject to variation, modifications and substitution as may be recommended by the company’s consultants and/or relevant authorities.

THANK YOU



SIME DARBY PLANTATION INVESTOR RELATIONS

investor.relations@simedarbyplantation.com

+(603) 7848 4000

<http://www.simedarbyplantation.com/investor-relations>