



Plantation

PRESS RELEASE

For Immediate Release

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Sime Darby Plantation Registers a Higher Net Profit of RM1.2 billion for FY2020

The Group declares a total dividend of 9.44 sen per share for FY2020

Kuala Lumpur, 18 February 2021 – For the Financial Year Ended 31 December 2020 (FY2020), Sime Darby Plantation Berhad (SD Plantation) recorded a turnaround in its financial performance with a net profit of RM1.2 billion as compared to a net loss of RM200 million in FY2019.

Both the Group's Upstream and Downstream segments recorded better year-on-year (YoY) performances. The Group's Upstream segment enjoyed higher crude palm oil (CPO) and palm kernel (PK) prices, while Sime Darby Oils (SDO), representing the Group's Downstream segment, benefited from its on-going business transformation programme with improved margins and lower cost of production.

Key Highlights

| | Q4 FY2020 | Q4 FY2019 | YoY + / (-) | YE FY2020 | YE FY2019 | YoY + / (-) |
|---|--------------|--------------|----------------|--------------|--------------|----------------|
| Revenue (RM mil) | 3,639 | 3,376 | 8% | 13,081 | 12,062 | 8% |
| Profit Before Interest and Tax (PBIT) (RM mil) | 569 | 73 | >100% | 2,090 | 406 | >100% |
| Net Profit (RM mil) | 149 | (58) | >100% | 1,185 | (200) | >100% |
| CPO Price Realised (RM/ MT) | 2,664 | 2,240 | 19% | 2,532 | 2,063 | 23% |
| Fresh Fruit Bunch (FFB) Production (MT mil) | 2.30 | 2.23 | 3% | 9.28 | 9.58 | (3)% |
| Oil Extraction Rate (%) | 21.35 | 21.83 | (0.48) | 21.44 | 21.58 | (0.14) |

- **YE FY2020:** Higher realised prices and stronger contribution from SDO compensated for the impact of the labour shortage in Malaysia and extreme weather (dry weather in 2019 and recent flooding due to the La Nina) on the Group's FFB production.
- **Q4 FY2020:** The Group's continuing operations registered improved recurring PBIT whilst its discontinued operations recorded an impairment loss in a joint venture amounting to RM236 million.

Chairman, Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas said:

"The higher palm oil prices were a blessing for all industry players in what had been one of the most challenging years in recent history for the global economy. Sime Darby Plantation is encouraged with its overall significantly better financial performance in 2020 and the Group is hopeful that it will be able to carry this through in the current financial

year. The positive news on the rollout of a number of vaccines globally, provides a glimmer of hope along the road to recovery. We are cognisant of the continuing devastating threat of the COVID-19 pandemic and will remain vigilant in mitigating the spread of the virus to safeguard the lives of our employees and ensure our business continuity.”

Group Managing Director, Mohamad Helmy Othman Basha, said:

“I am proud of the hard work of our employees who have stayed focused and dedicated in the face of the challenges of an extremely difficult year. Their unwavering commitment to drive operational excellence was crucial in ensuring the Group was able to navigate through the effects of extreme weather, the new norm of this pandemic as well as the current labour shortage in our operations.

Whilst the Group continues to mitigate these challenges in 2021, one of our immediate priorities is to allay the concerns of our stakeholders over the Withhold Release Order issued recently by the U.S. Customs and Border Protection. We are working with independent and credible organisations to address this matter expeditiously and keeping all our stakeholders abreast on our progress. As part of our commitment to continuous improvement, Sime Darby Plantation is determined to proactively identify any gaps that may exist in our operations and to safeguard the well-being and safety of all our employees, especially the most vulnerable among us.”

OUTLOOK FOR FY2021:

Given market forecasts of elevated CPO prices, the Group is cautiously optimistic that it will achieve a satisfactory overall performance this year. The Group will remain focused on its efforts to create more value for its stakeholders by continuously driving operational improvements throughout its operations and further improving the balance of profit contribution between its Upstream and Downstream segments in 2021.

DIVIDEND:

The Group has declared a final dividend of 5.42 sen per share, which together with the interim dividend of 2.57 sen per share, amounts to a single tier dividend of 7.99 sen per share for FY2020. In addition, the Group also declared a special interim dividend of 1.45 sen per share which was paid on 22 November 2020.

Total dividends declared in 2020 amounted to 9.44 sen per share compared to 1.00 sen per share in 2019.

For further information, please contact:

Eliza Mohamed

Tel: 03-78485415 (Off), 012-2193059 (HP)

E-mail: eliza.mohamed@simedarbyplantation.com

Azneal Azam

Tel: 03-78485369 (Off), 016-3376160 (HP)

E-mail: azneal.azam@simedarbyplantation.com

Hisyam Samad

Tel: 0378484410 (Off), 012-6929358 (HP)

E-mail: hisyam.samad@simedarbyplantation.com

ABOUT SIME DARBY PLANTATION

Sime Darby Plantation is the world's largest producer of Certified Sustainable Palm Oil (CSPO), with a CSPO production of 2.496 million MT (as at 31 December 2019).

As a fully integrated global plantation company, SDP is involved in various activities along the full spectrum of the palm oil value chain including upstream plantations, downstream operations, Research & Development, renewables and agro-business. Its upstream operations are spread across Malaysia, Indonesia, Papua New Guinea and the Solomon Islands. Its downstream business, known as Sime Darby Oils, spans across 16 countries worldwide and involves the manufacturing as well as the sales and marketing of oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals and other palm oil derivatives.

With a workforce of over 88,000 employees and a strong focus on operational excellence, research, innovation and sustainability, Sime Darby Plantation is one of the largest companies on Bursa Malaysia with a market capitalisation of RM33.73bn (USD8.35bn) as at 17 February 2021.