



Plantation

Financial Year Ending 31 December 2021 Results Announcement

First Quarter ended 31 March 2021

20 May 2021

Financial Highlights

Continued improvement in earnings driven by stronger profits from all segments



<i>in RM'mn</i>	Q1 FY2021	Q1 FY2020	YOY
CONTINUING OPERATIONS			
Revenue	3,673	3,044	21%
PBIT	788	642	23%
PATAMI	562	394	43%
DISCONTINUED OPERATIONS*			
PATAMI	-	74	-100%
TOTAL			
PATAMI	562	468	20%
Basic EPS <i>(RM'sen)</i>	8.2	6.8	21%
Continuing Operations	8.2	5.7	44%
Discontinued Operations	-	1.1	-100%

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

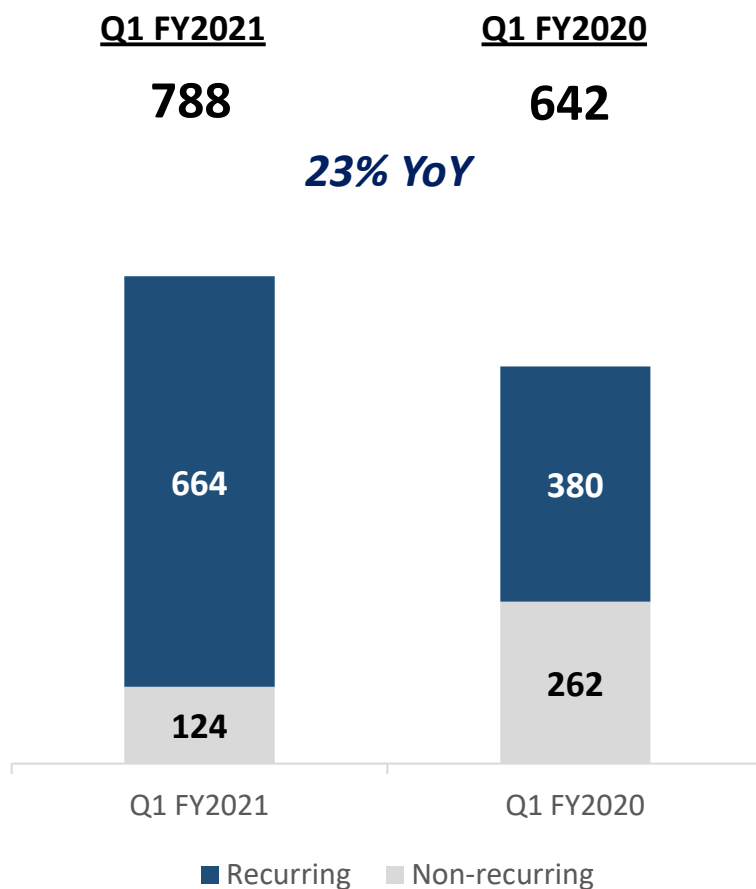
Financial Performance by Segment – Continuing Operations

Better earnings driven by sustained high prices and higher FFB production as well as better performance from the Downstream segment



in RM'mn

TOTAL PBIT



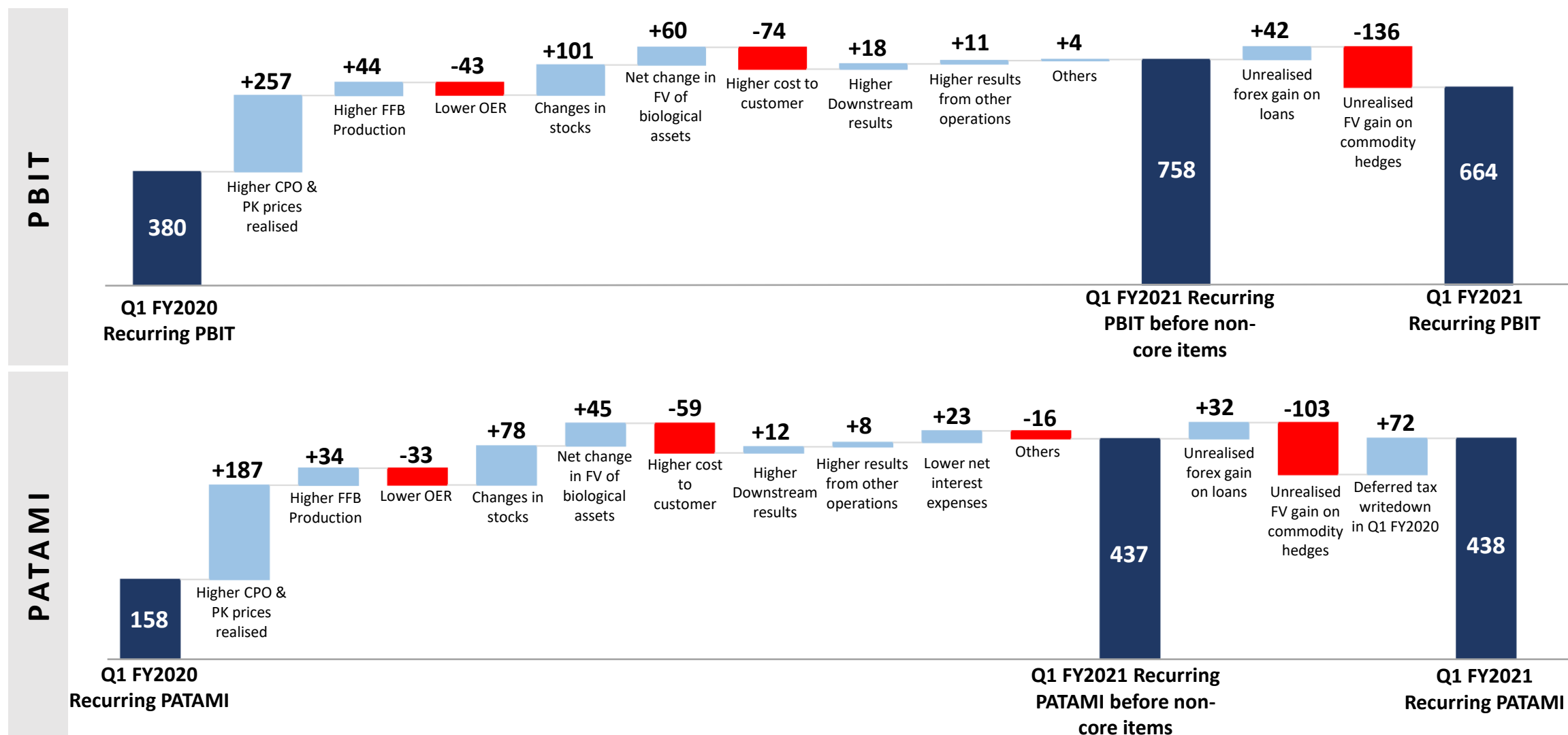
	Q1 FY2021	Q1 FY2020	YoY
<i>Recurring PBIT (RM'mn)</i>			
Upstream	543	288	89%
■ Upstream Malaysia	120	175	-31%
■ Upstream Indonesia	190	39	>100%
■ Upstream PNG/SI	233	74	>100%
Downstream	107	89	20%
Others*	14	3	>100%
Total	664	380	75%

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

Impact from higher palm oil prices outweighed the impact from lower OER and higher cost to customer as well as the previous year's FV gain on commodity hedges

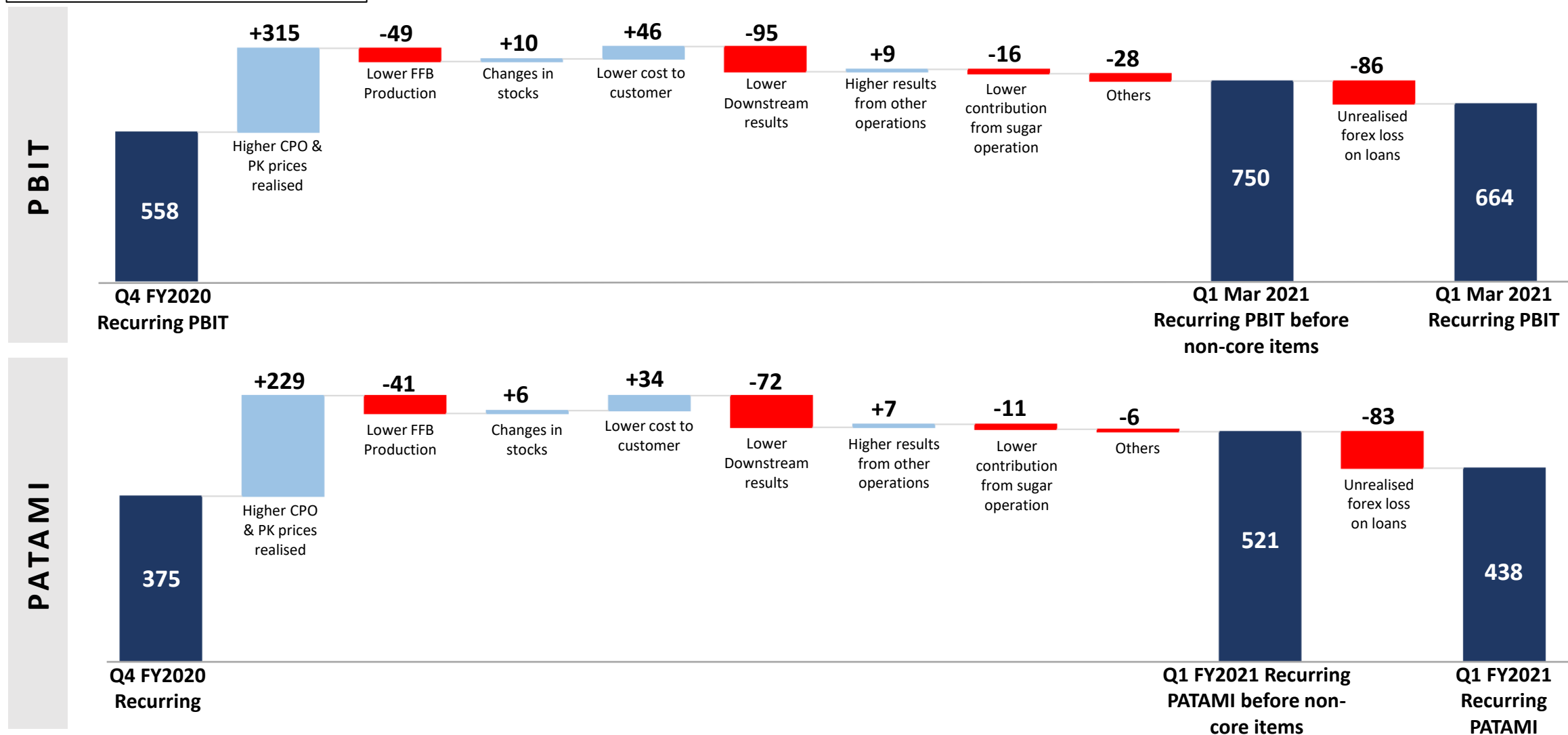
Q1 FY2021 vs Q1 FY2020



Recurring Profits – Continuing Operations

Higher realised prices compensated for the lower FFB production and Downstream results as well as the unrealised forex loss on loans due to the appreciation of USD against RM

Q1 FY2021 vs Q4 FY2020

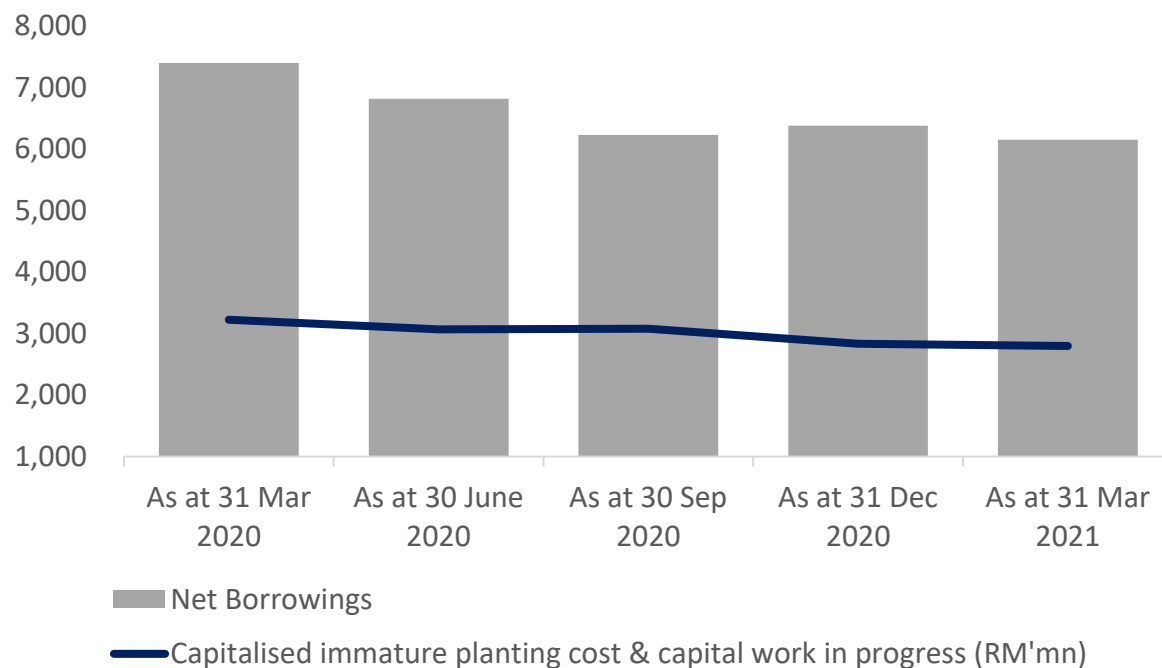


Borrowings & Gearing Ratios

Net Gearing improved supported by higher cash position



Net Gearing ¹ (in RM'mn)	47%	41%	39%	39%	38%
Borrowings	8,105	7,553	6,920	6,682	6,793
Bank balances, deposits & cash	714	742	695	309	648
Net Borrowings	7,391	6,811	6,224	6,373	6,145



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

FIRST QUARTER ENDED 31 MARCH 2021

+RM601mn
NET CASH GENERATED
FROM OPERATING
ACTIVITIES

-RM123mn²
NET CASH USED IN
INVESTING ACTIVITIES
(CAPEX: -RM252mn)

-RM135mn
NET CASH USED IN
FINANCING ACTIVITIES

Net Borrowings as at 31 March 2021 declined by RM228mn compared to 31 December 2020 mainly comprised of:

- Increase in cash balances of RM339mn during the quarter.
- Net borrowing repayment of RM31mn.
- Appreciation of USD against RM by 3% resulting in higher borrowings balance (RM140mn).

Note: ² Apart from CAPEX also consists of Proceeds from Disposals of RM126mn as well as Finance & Dividend income of RM3mn

Operational Performance – Upstream

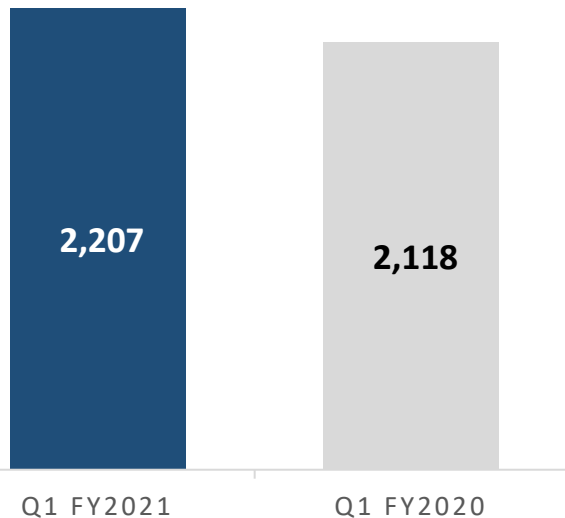
Recovery of FFB production in Indonesia compensated for the decline in Malaysia and PNG/SI

FFB PRODUCTION

in '000 MT

TOTAL UPSTREAM

4% YoY



FFB Production ('000 MT)	Q1 FY2021	Q1 FY2020	YoY
Upstream Malaysia	1,052	1,074	-2%
Upstream Indonesia	692	578	20%
Upstream PNG/SI	463	466	-1%
Total	2,207	2,118	4%

- **Malaysia:** continued impact from the growing labour shortage affecting FFB production (as at 31 March 2021: shortage of 5,139 workers).
- **Indonesia:** strong recovery from the impact of the 2019 severe El-Nino particularly seen in Kalimantan Selatan.
- **PNG/SI:** slight decline mainly due to lower production in Solomon Islands as well as impact of high rainfall (from February 2021 onwards) experienced in certain areas in PNG resulting in extended harvesting intervals.

Operational Performance – Upstream

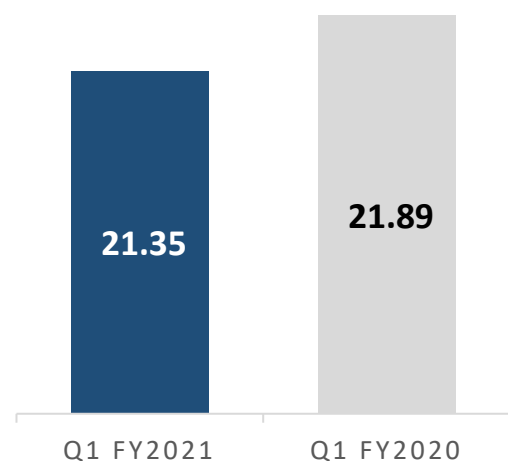
OER impacted by continued labour shortage in Malaysia as well as floods faced in Indonesia which inhibited evacuation of crops and affected crop quality

CPO EXTRACTION RATE

in %

TOTAL UPSTREAM

-0.54
p.p. YoY



CPO Extraction Rate (OER) (%)	Q1 FY2021	Q1 FY2020	p.p YoY
Upstream Malaysia	20.60	21.05	-0.45
Upstream Indonesia	21.44	22.93	-1.49
Upstream PNG/SI	22.70	22.40	0.30
Total	21.35	21.89	-0.54

▪ **Malaysia:** experienced relatively higher rainfall impacting crop quality. Potential OER also could not be optimised due to the continued labour shortage.

▪ **Indonesia:** affected by flooding in certain areas during the early part of Q1 FY2021.

▪ **PNG/SI:** most sites recorded higher OER due to relatively favourable weather enjoyed particularly in the month of January.

Operational Performance – Upstream

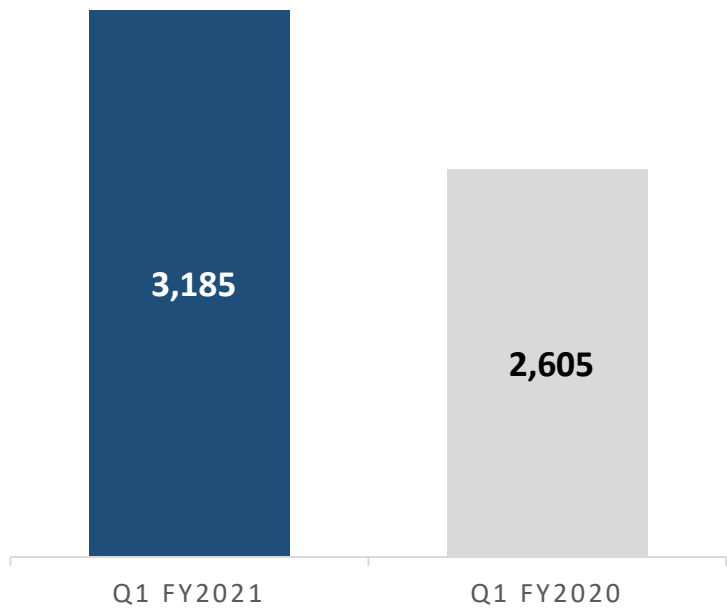
Higher CPO prices realised as elevated prices in the edible oil industry sustain

CPO REALISED PRICES

GROUP AVERAGE

in RM/MT

+22% YoY



Average CPO Realised Prices (RM/MT)	Q1 FY2021	Q1 FY2020	YoY
Upstream Malaysia	3,026	2,491	21%
Upstream Indonesia	2,886	2,613	10%
Upstream PNG/SI	3,890	2,828	38%
Total	3,185	2,605	22%

Financial Performance – Downstream

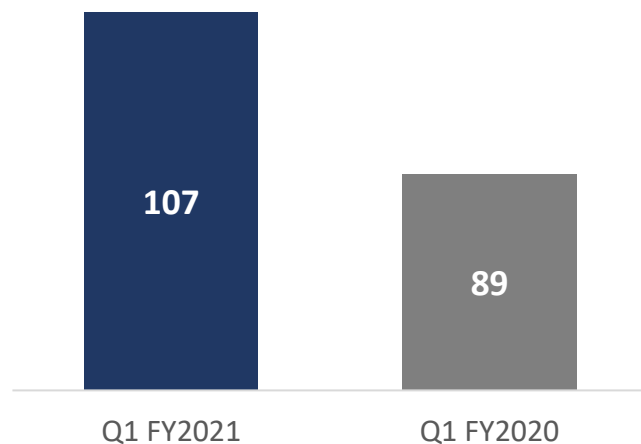
Higher profits driven by improved results from the Asia Pacific region

DOWNSTREAM

PBIT

in RM'mil

+20% YoY



	Recurring PBIT (RM'mn)	Q1 FY2021	Q1 FY2020	YoY
Downstream				
Differentiated		32	141	-77%
Trading		37	13	>100%
Bulk		45	-63	>100%
Total		107	89	20%

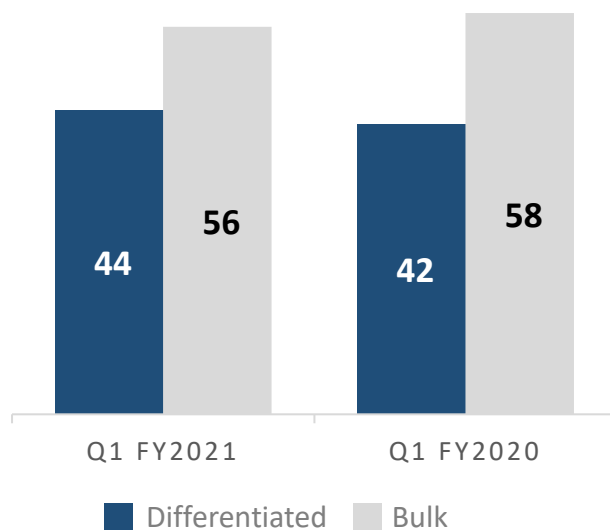
- The Asia Pacific region benefited from the market price uptrend as well as higher RSPO premiums, which compensated for the lower sales volume of bulk products.
- Whilst the Group's refineries in Europe and Africa recorded improved sales margins owing to higher selling prices and stringent cost control measures, it continues to be impacted by the depressed demand due to Covid-19.

Operational Performance – Downstream

Depressed demand continues to impact sales volume and capacity utilisation

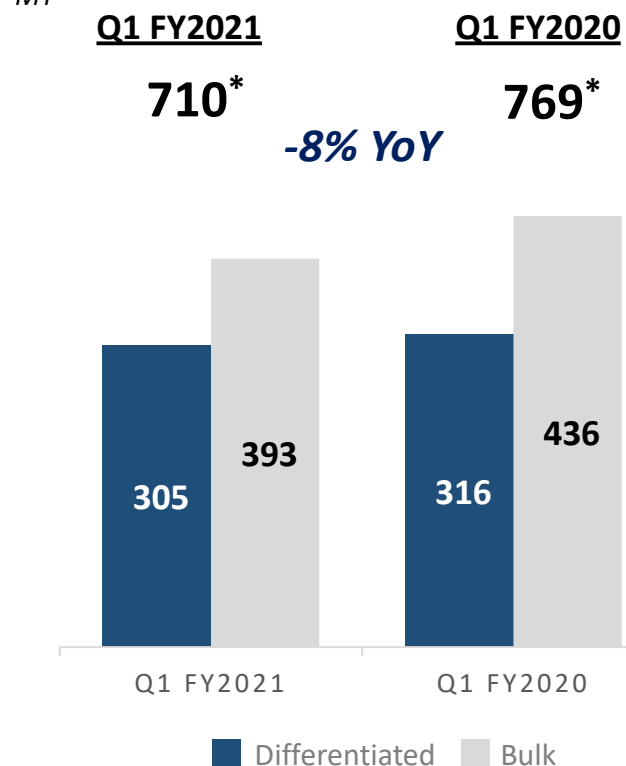
PRODUCT RATIO

in %



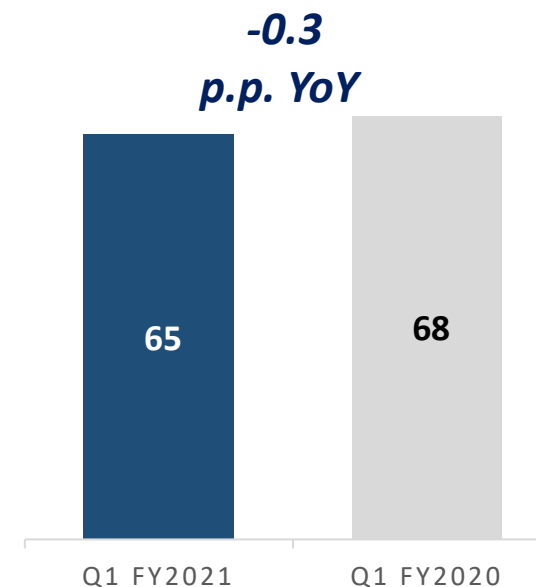
SALES VOLUME

in '000 MT



CAPACITY UTILISATION

in %



Note: * Inclusive of tolling volume

Note: p.p. – Percentage points

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.
- Has agreed to share details via the appointment of PwC Consulting Associates (M) Sdn Bhd (PwC) who was appointed in October 2020.

2. US CBP

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

3. PwC

- Engaged to retrieve details of allegations from LS.
- Report outlining further details of the petition has been provided to Impactt Ltd to be used as part of their evaluation.

4. Third Party Human Rights Assessment

- Impactt Ltd appointed to conduct assessment on entire Malaysian operations around 11 Forced Labour indicators
- Independent Commission set up to provide stakeholder input into the process, including Andy Hall and National Union of Plantation Workers. Other stakeholders currently being explored.

5. Engagement with Governments and Other Stakeholders

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

Expected Outcomes

1. Assessment on Malaysian operations around 11 ILO Forced Labour indicators

- On the ground assessment kicked off on 21 March.
- Expected completion of the assessment & report in June.
- Corrective Action Plans to be developed on gaps identified, if any.

2. Continuous report to US CBP on the progress made by SDP

- Provide periodic updates to US CBP via US legal counsel on the engagements and progress made.

3. Implementation of improvement plans to further strengthen SDP's compliance program around human rights

- 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 to Managers, Assistant Managers, Mandors and Workers on policies and procedures as well as forced labour identification.
 - **Grievance Channels** – enhancement of existing channels.

There have also been continuous engagements with other stakeholder groups, which include customers, shareholders, financial institutions, certification bodies and government ministries and agencies

Dividend



A Special Final Dividend of 2.13 sen per share in respect of the financial year ended 31 December 2020 (FY2020) was declared on 15 March 2021. This brings the total FY2020 dividend to 11.57 sen per share.

	FY 2020		FY 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
Total Normal Dividend	7.99	550	1.00	69
Special interim dividend, paid on 22 November 2020	1.45	100	-	-
Special final dividend	2.13	147		
Total Special Dividend	3.58	247		
TOTAL DIVIDEND	11.57	797	1.00	69

NORMAL DIVIDEND PAYOUT RATIO
(out of recurring PATAMI)

60%

78%

The dividend reinvestment plan (DRP) will apply to the whole amount of the Special Final Dividend with the issue price of the new shares elected fixed at RM4.10 per share.



Plantation

APPENDIX

Summary of Operational Statistics

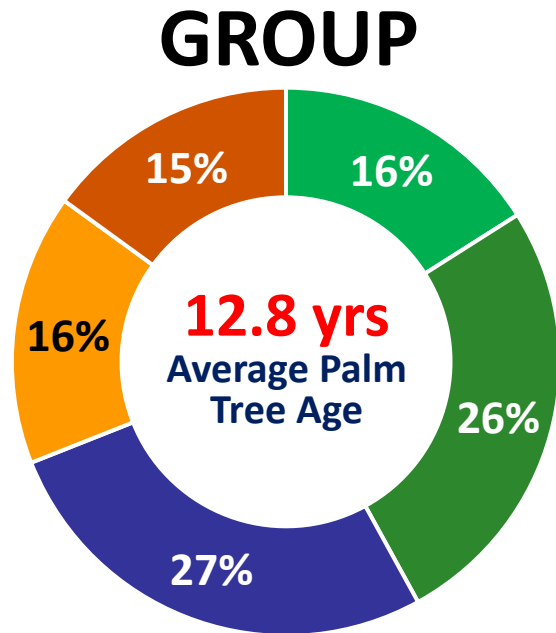
As at 31 March 2021



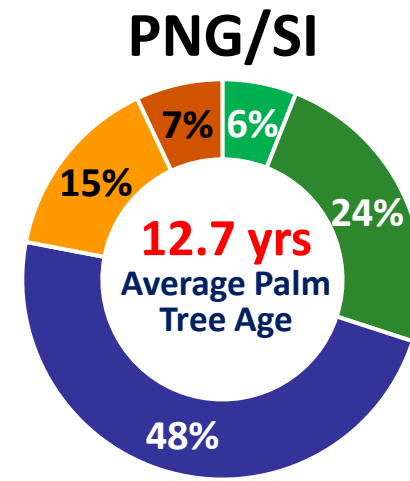
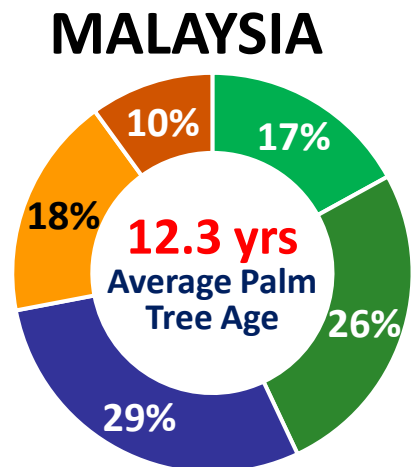
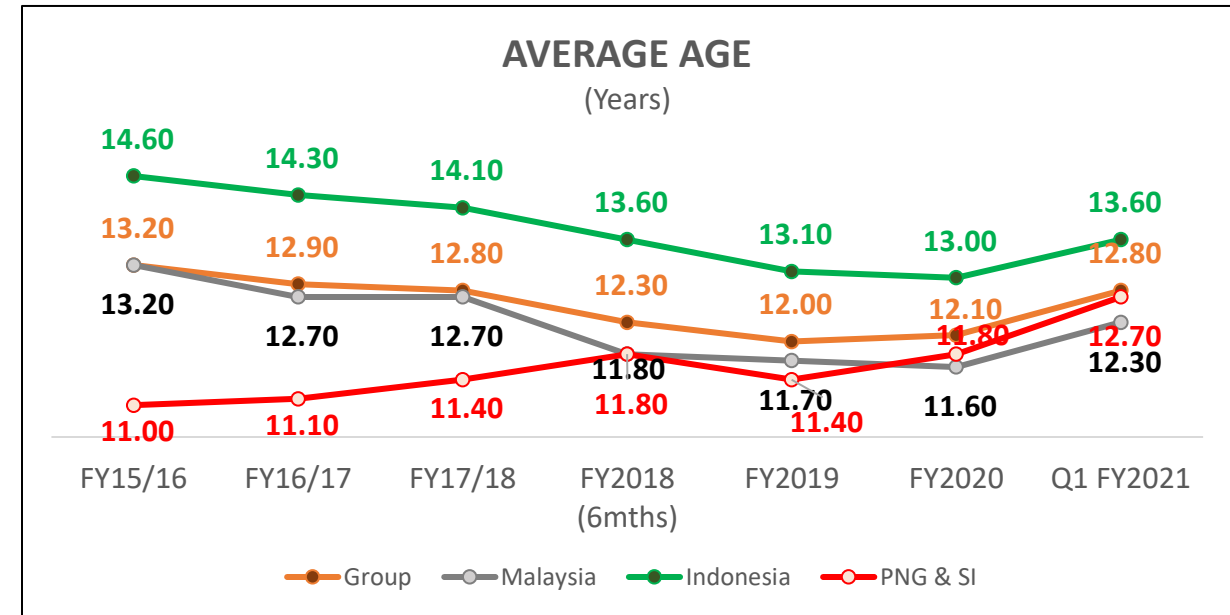
For the 3 Months Ended	Malaysia		YoY %	Indonesia		YoY %	PNG/SI		YoY %	GROUP		YoY %
	31 Mar 2021	31 Mar 2020		31 Mar 2021	31 Mar 2020		31 Mar 2021	31 Mar 2020		31 Mar 2021	31 Mar 2020	
FFB Production ('000 MT)	1,052	1,074	-2%	692	578	20%	463	466	-1%	2,207	2,118	4%
FFB Yield per mature ha (MT/Ha)	4.26	4.39	-3%	4.40	3.80	16%	5.41	5.81	-7%	4.50	4.44	1%
CPO Production (Own) ('000 MT)	218	228	-4%	148	132	12%	105	104	1%	472	465	1%
CPO Production (Total) ('000 MT)	247	266	-7%	187	164	14%	138	138	0%	572	569	1%
PK Production (Own) ('000 MT)	53	57	-6%	31	26	19%	26	26	0%	110	108	2%
PK Production (Total) ('000 MT)	60	66	-9%	40	32	23%	34	34	0%	133	132	1%
CPO Extraction Rate (%)	20.60	21.05	-0.45	21.44	22.93	-1.49	22.70	22.40	0.30	21.35	21.89	-0.54
PK Extraction Rate (%)	4.99	5.20	-0.21	4.54	4.51	0.03	5.54	5.49	0.05	4.97	5.08	-0.11
Average CPO Selling Price (RM/MT)	3,026	2,491	21%	2,886	2,613	10%	3,890	2,828	38%	3,185	2,605	22%
Average PK Selling Price (RM/MT)	2,511	1,667	51%	1,848	1,246	48%	-	-	-	2,230	1,519	47%

Breakdown of Age Profile

As at 31 March 2021



As at December 2020, SD Plantation has 582,563 ha of oil palm planted of which 84% is mature and 16% is immature.



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

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investor.relations@simedarbyplantation.com

+(603) 7848 4000

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