



Plantation

PRESS RELEASE

For Immediate Release

Wednesday, 18 August 2021

Sime Darby Plantation's 2Q FY2021 Profits up by More Than 60%

The Group registered strong results for 1H FY2021 with all operating segments recording improved performance

Kuala Lumpur, 18 August 2021 – Sime Darby Plantation Berhad (SD Plantation) recorded a significantly higher profit before interest and tax (PBIT) of RM938 million and net profit of RM617 million for the second quarter of its financial year ending 31 December 2021 (2Q FY2021). This represents an increase of 71% and 63% respectively, compared to the previous corresponding period. The strong 2Q FY2021 performance contributed to the Group's PBIT of RM1.73 billion and net profit of RM1.18 billion for the six months ended 30 June 2021 (1H FY2021), an increase of 45% and 39% respectively from previous year. The Group's overall improvement in profit was attributable to higher realised crude palm oil (CPO) and palm kernel (PK) prices, as well as an increase in fresh fruit bunch (FFB) production.

The Group's PBIT for its Upstream segment more than doubled to RM1.33 billion in 1H FY2021, as compared to RM604 million in the previous corresponding period because of high CPO and PK prices realised which averaged at RM3,422 and RM2,312 per metric tonne (MT) respectively. Furthermore, the Group's FFB production increased by 2% year on year (YoY), driven by improved production in its Indonesia operations.

Sime Darby Oils, the Group's Downstream segment, also doubled its PBIT to RM253 million in 1H FY2021 as compared to RM113 million in the previous corresponding period, primarily attributable to improved sales volumes and margins in Asia Pacific.

Key Highlights

	2Q FY2021	2Q FY2020	YoY + / (-)	1H FY2021	1H FY2020	YoY + / (-)
Revenue (RM mil)	4,411	3,216	37%	8,084	6,260	29%
PBIT (RM mil)	938	547	71%	1,726	1,189	45%
Net Profit (RM mil)	617	378	63%	1,179	846	39%
CPO Price Realised (RM/ MT)	3,632	2,361	54%	3,422	2,475	38%
FFB Production (MT mil)	2.46	2.47	(1)%	4.66	4.59	2%
Oil Extraction Rate (OER) (%)	21.63	21.29	0.34	21.50	21.58	(0.08)

- **2Q FY2021:** Higher YoY palm prices and OER have more than compensated for the marginally lower FFB production.

- **1H FY2021:** The Group recorded a higher PBIT despite a reduction in profits from disposal of non-core assets (1HFY2021: RM125 million vs 1HFY2020:RM459 million).

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

"The Group is on track to achieve its financial targets for the financial year 2021, despite the challenges posed by the pandemic and the national level lockdown. In view of the persistently high Covid-19 cases in the Country, it is vital that we continue to remain vigilant and safeguard our employees. Sime Darby Plantation is actively collaborating with various government agencies to help in the ramping up of the nation's vaccination drive. To date, we have set up three industrial vaccination centres (PPVIN) for the plantation industry in the states of Sarawak and Selangor. More than 10,500 workers will be inoculated in these centres. We are also looking at setting up more centres in our operations across the country."

Group Managing Director, Mohamad Helmy Othman Basha said,

"The Group has performed well, despite the numerous challenges of the current environment, ranging from labour shortages to the Withhold Release Order imposed by the US Customs and Border Protection on our Malaysian products. The Board and Management are focused on protecting shareholder value and building on our strong foundation, while finding new solutions, to effect and implement the necessary improvements.

"We are also conscious of the fact that the pandemic has resulted in rising unemployment in Malaysia. We are fortunate to be in a position to help, and have launched campaigns to reach out to Malaysians who are seeking stable employment which comes with housing benefits among estate families and communities."

OUTLOOK FOR REMAINING FY2021:

The Group expects its Indonesia and Papua New Guinea operations to register higher FFB production this year supported by better weather conditions. This is expected to mitigate the impact of the prolonged labour shortages at its Malaysia plantations. Thus, FFB production for the financial year 2021 is expected to remain comparable to FY2020. With the continued impact of labour shortages on Malaysia's CPO production as well as tight global vegetable oil inventory levels, the Group expects prices to remain firm.

Barring any unforeseen circumstances, SD Plantation expects its performance for the financial year ending 31 December 2021 to be promising.

For further information, please contact:

Azneal Azam

Tel: 03-7848 5369 / 016-337 6160 (HP)

E-mail: azneal.azam@simedarbyplantation.com

Hisyam Samad

Tel: 03-78484410 (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 production of 2.097 million MT (as of 31 December 2020).

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 and downstream operations, Research & Development, renewables as well as agri-business. Its upstream operations are spread across Malaysia, Indonesia, Papua New Guinea and the Solomon Islands. Its downstream business, also known as Sime Darby Oils, spans across 14 countries worldwide and involves the trading, manufacturing, as well as the sales and marketing of refined oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals and other palm oil derivatives.

With a workforce of about 85,000 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 RM25.86bn (USD6.10bn) as of 17 August 2021.