

**GENTING PLANTATIONS REPORTS THIRD QUARTER FINANCIAL YEAR 2020 FINANCIAL RESULTS**

KUALA LUMPUR, Nov 25 – Genting Plantations Berhad today reported its financial results for the third quarter (“3Q 2020”) and first nine months of the year (“YTD 2020”) ended 30 September 2020.

The Group’s revenue for 3Q 2020 improved year-on-year underpinned by the stronger palm products prices and higher demand for its refined palm products. The Group’s revenue for YTD 2020 was similarly higher year-on-year, buoyed by better palm products prices which more than compensated for the impact of weaker crop. On the other hand, the Property segment recorded lower year-on-year revenue for both 3Q 2020 and YTD 2020 on account of lower sales.

The Group’s achieved crude palm oil price in 3Q 2020 and YTD 2020 were RM2,504 per metric tonne (“mt”) and RM2,478 per mt respectively, whilst palm kernel price in 3Q 2020 and YTD 2020 were RM1,420 per mt and RM1,432 per mt respectively.

The Group’s FFB production in 3Q 2020 was marginally lower year-on-year, aided by a higher crop output in Malaysia which almost offset the weather induced weaker production in Indonesia. Meanwhile, FFB production for YTD 2020 declined year-on-year, mainly attributed to the lagged effect of dry weather conditions in 2019 which curtailed crop output this year.

EBITDA for the Plantation segment for 3Q 2020 improved year-on-year on the back of stronger palm product prices. EBITDA for YTD 2020 was similarly higher year-on-year as the impact of stronger palm product prices eclipsed that of lower FFB production.

EBITDA for the Property segment for 3Q 2020 and YTD 2020 were lower year-on-year consistent with its lower revenue.

The Biotechnology segment’s losses narrowed year-on-year in tandem with its lower research and development expenditure.

EBITDA for the Downstream Manufacturing segment for 3Q 2020 increased year-on-year mainly on account of higher sales volume from its refinery. However, EBITDA for YTD 2020 declined year-on-year as both its biodiesel and refinery operations registered lower capacity utilisation along with margin compression.

The Group's prospects for the remaining months of 2020 will track the performance of its mainstay Plantation segment, which is in turn dependent principally on the movements in palm products prices and the Group's FFB production.

Despite the headwinds from the COVID-19 pandemic, palm product prices have staged a rebound by the end of 3Q 2020, trading at levels prior to the pandemic outbreak. The Group expects palm products prices to continue to be influenced by factors such as the demand and supply dynamics of palm oil as well as substitute oils and fats, global economic conditions and the implementation of higher biodiesel mandates by Indonesia and Malaysia. These factors are in turn contingent on the impact of the COVID-19 pandemic.

The Group expects the recovery in crop output from the lagged effect of drought in 2019 to continue into the quarter ending 31 December 2020 ("4Q 2020"), barring any adverse impact arising from the forecasted La Nina weather event. Notwithstanding the crop recovery, production for the full year of 2020 is unlikely to surpass the level attained in 2019.

In view of the prevailing uncertain economic outlook weighing on purchasers' sentiments, the Property segment will focus on marketing its offerings to the broader market. Meanwhile, the patronage and sales of both the Premium Outlets® have shown encouraging recovery towards the end of 3Q 2020 but the recent upsurge in local COVID-19 cases and the reimposition of Conditional Movement Control Order in multiple states will adversely affect its performance in 4Q 2020.

The Biotechnology segment will continue developing commercial solutions and applications to enhance the yield and productivity of oil palm.

The outlook for the Downstream Manufacturing segment for the remaining months of the year continues to be challenging as demand for its products is expected to remain uncertain in the wake of the COVID-19 pandemic and the prevailing unfavourable palm oil gas oil ("POGO") spread.

A summary of the quarterly results is shown in Table 1.

**TABLE 1:**

RM' Million	3Q 2020	3Q 2019	%	9M 2020	9M 2019	%
<b>Revenue</b>						
Plantation	355.3	297.4	+19	1,021.1	891.7	+15
Property	18.6	39.0	-52	47.5	92.8	-49
Biotechnology	1.0	0.3	>100	1.5	0.3	>100
Downstream Manufacturing	399.6	266.1	+50	1,078.0	1,008.5	+7
	774.5	602.8	+28	2,148.1	1,993.3	+8
Inter segment	(128.9)	(127.4)	-1	(389.2)	(370.5)	-5
Revenue - external	645.6	475.4	+36	1,758.9	1,622.8	+8
<b>Adjusted EBITDA</b>						
Plantation	120.7	55.1	>100	340.0	226.3	+50
Property	3.4	12.1	-72	16.1	22.7	-29
Biotechnology	(2.9)	(3.7)	+22	(7.6)	(11.9)	+36
Downstream Manufacturing	11.9	10.0	+19	27.9	44.6	-37
Others*	0.2	4.9	-96	17.1	8.6	+99
	133.3	78.4	+70	393.5	290.3	+36
<b>EBITDA</b>	133.2	81.3	+64	400.1	295.9	+35
<b>Profit before tax</b>	65.7	18.6	>100	195.2	104.4	+87
<b>Profit for the financial period</b>	50.9	13.1	>100	152.4	73.5	>100
<b>Basic EPS (sen)</b>	6.84	2.00	>100	19.54	9.56	>100

*\*Changes in the "Others" category mainly reflect the impact from foreign currency translation position arising from foreign exchange movements.*

## **About Genting Plantations Berhad**

Genting Plantations, a subsidiary of Genting Berhad, commenced operations in 1980. It has a landbank of about 64,600 hectares in Malaysia and some 178,200 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and four in Indonesia, with a total milling capacity of 605 metric tonnes per hour. In addition, the Group has ventured into the manufacturing of downstream palm-based products.

Genting Plantations has also diversified into property development to unlock the value of its strategically-located landbank and has invested significantly in biotechnology in a major effort to apply genomics-based solutions to increase crop productivity and sustainability.

For more information, visit [www.gentingplantations.com](http://www.gentingplantations.com).

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