

GENTING PLANTATIONS REPORTS FIRST QUARTER FINANCIAL YEAR 2021 RESULTS

KUALA LUMPUR, May 24 – Genting Plantations Berhad reported its financial results for the first quarter ended 31 March 2021 (“1Q 2021”) with a 4% decline in pre-tax profit to RM87 million from the previous corresponding period.

The Group achieved crude palm oil and palm kernel prices of RM2,916 per metric tonne (mt) and RM2,243 per mt respectively. Reflective of the higher palm products selling prices, 1Q 2021 EBITDA for the Plantation segment improved year-on-year, on account of better margins.

FFB production in 1Q 2021 was 2% lower year-on-year, arising from production setbacks in Malaysia largely attributed to the compounded lagged effects of droughts in early 2019 and early 2020. On the other hand, the Group’s Indonesia operations saw production growth from an enlarged harvesting area and improving age profile.

EBITDA from the Property segment for 1Q 2021 declined year-on-year in line with lower revenue.

The Biotechnology segment’s results improved year-on-year, on the back of lower research and development expenditure.

The Downstream Manufacturing segment registered a LBITDA for 1Q 2021 against a positive contribution in 1Q 2020, attributed to lower sales volume and squeezed margins.

The Group’s prospects for the rest of the year 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.

The impact of the COVID-19 pandemic continues to be felt worldwide with the renewed containment measures from countries facing resurgent infection waves. Thus, the Group expects palm oil prices to be primarily influenced by the impact of the pandemic on global economic conditions as well as the demand and supply dynamics of palm oil and other substitute oils and fats.

Notwithstanding lacklustre production in 1Q 2021, the Group expects a recovery in crop output and overall growth in FFB production for the year underpinned by additional mature areas and favourable age profile of its Indonesia operations. On the other hand, replanting activities are likely to moderate production from Malaysian estates.

For the Property segment, the Group will continue to offer products which cater to a broader market segment given the prevailing soft market sentiments. Meanwhile, patronage and sales of the Premium Outlets® will continue to be adversely affected until the COVID-19 situation has eased.

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

The outlook for the Downstream Manufacturing segment for the rest of this year will remain challenging due to the unfavourable palm oil-gas oil (“POGO”) spread and squeezed margins for its products. Nevertheless, the demand for refined palm products is expected to be sustained given its competitive pricing vis-à-vis other substitute soft oils.

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

TABLE 1:

RM' Million	1Q 2021	1Q 2020	%
Revenue			
Plantation	361.9	340.1	+6
Property	23.9	25.3	-6
Biotechnology	0.3	0.1	>100
Downstream Manufacturing	249.8	344.9	-28
	635.9	710.4	-10
Inter segment	(99.3)	(141.4)	+30
Revenue – external	536.6	569.0	-6
Adjusted EBITDA			
Plantation	155.2	118.5	+31
Property	5.0	5.5	-9
Biotechnology	(0.8)	(3.2)	+75
Downstream Manufacturing	(5.9)	14.1	-
Others*	6.0	13.1	-54
	159.5	148.0	+8
EBITDA	159.0	155.0	+3
Profit before tax	87.0	90.7	-4
Profit for the financial period	62.7	70.7	-11
Basic EPS (sen)	7.10	10.18	-30

**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 178,900 hectares (including the *Plasma* scheme) in Indonesia held through joint ventures. It owns seven oil mills in Malaysia and five in Indonesia, with a total milling capacity of 665 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.

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