

GENTING PLANTATIONS REPORTS THIRD QUARTER 2021 FINANCIAL RESULTS

KUALA LUMPUR, Nov 24 – Genting Plantations Berhad today reported its financial results for the third quarter (“3Q 2021”) and first nine months of the year (“YTD 2021”) ended 30 September 2021. The Group registered higher year-on-year revenue of 14% and 17% respectively for 3Q 2021 and YTD 2021 mainly buoyed by the stronger performance of the Plantation segment, underpinned by a notable increase in palm products prices.

Meanwhile, the Downstream Manufacturing segment posted marginally lower year-on-year revenue for both 3Q 2021 and YTD 2021 on the back of lower sales volume although this was mitigated by the effect of higher palm products selling prices.

The Group’s achieved crude palm oil price in 3Q 2021 and YTD 2021 were RM3,502 per metric tonne (“mt”) and RM3,246 per mt respectively, whilst palm kernel price in 3Q 2021 and YTD 2021 were RM2,220 per mt and RM2,284 per mt respectively.

The Group’s FFB production in 3Q 2021 and YTD 2021 were flat year-on-year as the higher crop production in Indonesia, in line with increased harvesting areas and better yields, compensated for the lower harvest in Malaysia, which were impacted by the lagged effects of droughts coupled with progressive replanting activities.

EBITDA for the Plantation segment for 3Q 2021 and YTD 2021 surged year-on-year stemming from the effect of stronger palm products prices.

EBITDA for the Property segment for 3Q 2021 declined year-on-year consistent with its lower revenue. Meanwhile, EBITDA for YTD 2021 was marginally lower year-on-year despite higher revenue mainly due to the gain derived from sale of an investment property recognised in 2020.

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 2021 and YTD 2021 improved year-on-year mainly on account of higher margins but this was moderated by lower sales volume.

The Group’s prospects for the remaining months of 2021 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 Group expects palm oil prices for the remaining part of the year to remain resilient supported by a confluence of factors such as sustained demand on the back of global economic recovery, tightness in supply ahead of the upcoming monsoon season as well as historically high prices of other substitute oils and fats.

The Group's FFB production growth up to the first half of 2021 was mainly driven by its Indonesian operations as a result of additional harvesting areas and the progression of existing mature areas into higher yielding brackets. However, production growth has moderated since then, in line with seasonal cropping patterns coupled with unfavourable weather conditions curtailing operations. Taking into consideration the above as well as ongoing replanting activities in its Malaysian estates, Group FFB production is anticipated to be comparable to the level attained in 2020.

For the Property segment, the Group will continue to offer products which cater to a broader market segment given the prevailing market sentiments. Meanwhile, following the recent lifting of travel restrictions, the patronage and sales of the Premium Outlets® have shown encouraging recovery and is likely to rebound in 4Q 2021 subject to the COVID-19 situation.

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

For the Downstream Manufacturing segment, notwithstanding the historical high palm product prices, the demand for refined palm products is expected to stay resilient given its competitive pricing vis-à-vis other substitute soft oils. Meanwhile, the outlook for biodiesel will remain challenging due to the unfavourable palm oil-gas oil ("POGO") spread.

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

TABLE 1:

| RM' Million | 3Q 2021 | 3Q 2020 | % | 9M 2021 | 9M 2020 | % |
|--|---------|---------|------|---------|---------|------|
| Revenue | | | | | | |
| Plantation | 525.4 | 355.3 | +48 | 1,395.7 | 1,021.1 | +37 |
| Property | 16.5 | 18.6 | -11 | 71.1 | 47.5 | +50 |
| Biotechnology | 1.2 | 1.0 | +20 | 2.8 | 1.5 | +87 |
| Downstream Manufacturing | 383.9 | 399.6 | -4 | 1,059.4 | 1,078.0 | -2 |
| | 927.0 | 774.5 | +20 | 2,529.0 | 2,148.1 | +18 |
| Inter segment | (194.2) | (128.9) | -51 | (469.5) | (389.2) | -21 |
| Revenue - external | 732.8 | 645.6 | +14 | 2,059.5 | 1,758.9 | +17 |
| Adjusted EBITDA | | | | | | |
| Plantation | 234.3 | 120.7 | +94 | 621.8 | 340.0 | +83 |
| Property | 0.8 | 3.4 | -76 | 15.7 | 16.1 | -2 |
| Biotechnology | (0.7) | (2.9) | +76 | (2.1) | (7.6) | +72 |
| Downstream Manufacturing | 25.4 | 11.9 | >100 | 43.5 | 27.9 | +56 |
| Others* | 3.5 | 0.2 | >100 | 12.3 | 17.1 | -28 |
| | 263.3 | 133.3 | +98 | 691.2 | 393.5 | +76 |
| EBITDA | 249.0 | 133.2 | +87 | 658.9 | 400.1 | +65 |
| Profit before tax | 166.3 | 65.7 | >100 | 423.2 | 195.2 | >100 |
| Profit for the financial period | 117.4 | 50.9 | >100 | 301.2 | 152.4 | +98 |
| Basic EPS (sen) | 11.39 | 6.84 | +67 | 30.16 | 19.54 | +54 |

**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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