GENTING PLANTATIONS REPORTS SECOND QUARTER AND FIRST HALF 2023 FINANCIAL RESULTS

KUALA LUMPUR, Aug 23 – Genting Plantations Berhad today reported its financial results for the second quarter ("2Q 2023") and first half ("1H 2023") ended 30 June 2023.

The Group registered a year-on-year decline in revenue for 2Q 2023 and for 1H 2023 owing to notably weaker palm product prices.

The Group's achieved crude palm oil price in 2Q 2023 and 1H 2023 were similar at RM3,584 per metric tonne ("mt"), whilst palm kernel price in 2Q 2023 and 1H 2023 were RM1,945 per mt and RM1,963 per mt respectively.

The Group's FFB production in 2Q 2023 and 1H 2023 increased year-on-year primarily driven by improved production in Indonesia, attributable to its favourable age profile and expanded harvesting area. This has more than compensated for the marginally lower output in Malaysia as a result of its ongoing replanting activities.

EBITDA for the Plantation segment for 2Q 2023 and 1H 2023 was lower year-on-year on account of weaker palm product prices.

EBITDA for the Property segment declined year-on-year in 2Q 2023, in line with lower revenue. Notwithstanding lower revenue in 1H 2023, the segment's EBITDA was higher year-on-year attributable to gain on disposal of investment properties.

The AgTech segment posted higher year-on-year losses for 2Q 2023 and 1H 2023 due to higher operating expenses.

The Downstream Manufacturing segment recorded losses for 2Q 2023 while its EBITDA for 1H 2023 was lower year-on-year owing to margin deterioration.

The Group's prospects for the second half of 2023 ("2H 2023") 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.

In the short run, the Group expects palm product prices to remain supported as palm oil production is expected to be impacted by the looming El Nino phenomenon in major palm oil producing regions. Additionally, palm product prices have gained strength amidst the geopolitical tension in the Black Sea region which disrupted supply of sunflower oil, along with drought in North America potentially affecting production of soya and canola oil.

The Group anticipates a modest year-on-year growth in FFB production for 2H 2023, spurred by the favourable age profile and expanded harvesting area in Indonesia. Nevertheless, the ongoing replanting activities in Malaysia may have a moderating effect on the Group's production growth. Furthermore, the potential occurrence of El Nino could also impact the Group's production in 2H 2023, the extent of which will depend on the timing and severity of the phenomenon.

The Property segment will continue to offer products which cater to a broader market segment, taking into consideration the prevailing market sentiments. The Premium Outlets® is expected to continue its growth trajectory underpinned by its enhanced tenant portfolio. Meanwhile, the Premium Outlets has recently conducted a groundbreaking event for its first foreign expansion, namely the Jakarta Premium Outlets®, situated in Alam Sutera, to the southwest of Greater Jakarta.

The AgTech segment will continue to expand the application of biological solutions, superior planting material, automation, mechanisation and digital solutions at the Group's estates with the goal of improving operating efficiency, enabling traceability and enhancing sustainability.

The Downstream Manufacturing segment continues to face stiff competition for its refined palm products due to Indonesia's export tax structure. On the other hand, the segment's palm-based biodiesel will cater mainly for Malaysian biodiesel mandate as biodiesel export remain challenging.

The Board of Directors has declared an interim single-tier dividend of 8.0 sen per ordinary share. In comparison, the interim single-tier dividend declared for the corresponding period of 2022 amounted to 15.0 sen per ordinary share.

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

TABLE 1:

RM' Million	2Q 2023	2Q 2022	%	1H 2023	1H 2022	%
Revenue						
Plantation	571.2	732.3	*-22*	1,062.5	1,297.9	*-18*
Property	19.2	33.2	*-42*	41.6	49.7	*-16*
AgTech	4.0	3.9	*+3*	6.7	7.0	*-4*
Downstream Manufacturing	371.0	501.3	*-26*	581.4	654.0	*-11*
	965.4	1,270.7	*-24*	1,692.2	2,008.6	*-16*
Inter segment	(159.5)	(224.9)	*+29*	(302.0)	(432.4)	*+30*
Revenue - external	805.9	1,045.8	*-23*	1,390.2	1,576.2	*-12*
Adjusted EBITDA						
Plantation	185.5	369.0	*-50*	304.3	618.9	*-51*
Property	5.8	9.0	*-36*	15.6	10.6	*+47*
AgTech	(1.8)	(0.6)	*>100*	(4.3)	(0.7)	*>100*
Downstream Manufacturing	(3.6)	23.6	-	7.3	27.3	*-73*
Others*	1.5	8.2	*-82*	(1.2)	9.7	-
	187.4	409.2	*-54*	321.7	665.8	*-52*
EBITDA	187.1	409.6	*-54*	322.8	665.8	*-52*
Profit before tax	104.3	334.1	*-69*	159.9	515.7	*-69*
Profit for the financial period	77.6	244.4	*-68*	118.3	375.9	*-69*
Basic EPS (sen)	7.91	24.90	*-68*	12.24	37.90	*-68*

**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 64,500 hectares in Malaysia and some 178,900 hectares (including the *Plasma* scheme) in Indonesia. It owns seven oil mills in Malaysia and six in Indonesia, with a total milling capacity of 715 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 agriculture technology to provide total solutions and services to the Group's core agri-business in optimising yield, improving operating efficiency, enabling traceability and enhancing sustainability.

For more information, visit www.gentingplantations.com.

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