

GENTING PLANTATIONS REPORTS THIRD QUARTER 2023 FINANCIAL RESULTS

KUALA LUMPUR, Nov 22 – Genting Plantations Berhad today reported its financial results for the third quarter (“3Q 2023”) and first nine months of the year (“YTD 2023”) ended 30 September 2023.

The Group registered a year-on-year decline in revenue for 3Q 2023 due to lower sales volume at the Downstream Manufacturing segment, partly compensated by the Plantation segment which recorded higher revenue on the back of stronger fresh fruit bunch (“FFB”) production.

Meanwhile, the Group’s revenue for YTD 2023 was similarly lower, primarily attributed to weaker palm products prices which outweighed the improvement in FFB production, when compared to the previous corresponding period.

The Group’s achieved crude palm oil price in 3Q 2023 and YTD 2023 were RM3,409 per metric tonne (“mt”) and RM3,517 per mt respectively, whilst palm kernel price in 3Q 2023 and YTD 2023 were RM1,776 per mt and RM1,888 per mt respectively.

The Group’s FFB production in 3Q 2023 and YTD 2023 increased year-on-year mainly driven by the Indonesian estates arising from their favourable age profile and expanded harvesting area. Meanwhile, the Malaysian estates experienced a relatively muted growth as a result of its ongoing replanting activities.

The Plantation segment's EBITDA for 3Q 2023 was higher year-on-year, in line with stronger FFB production. However, EBITDA for YTD 2023 was lower year-on-year on account of weaker palm product prices.

EBITDA for the Property segment declined year-on-year in 3Q 2023 due to lower sales. Notwithstanding lower revenue in YTD 2023, the segment's EBITDA was higher year-on-year attributed to gain on disposal of investment properties.

The AgTech segment posted lower year-on-year losses in 3Q 2023 due to lower research and development expenditures. However, the segment posted higher year-on-year losses for YTD 2023 due to higher operating expenses incurred.

The Downstream Manufacturing segment recorded losses for 3Q 2023 whilst EBITDA for YTD 2023 was lower year-on-year owing to margin deterioration.

The Group's prospects for the remaining months of 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 immediate term, the Group anticipates palm oil price to be under pressure in view of the steadily rising inventory in Malaysia and key importing countries. In addition, palm oil had to contend with larger supply of competitor vegetable oils in view of the recovery in production of soybean in Argentina and sunflower in the Black Sea region. However, in the longer term, palm oil price would remain supported by weaker production prospects owing to slow down of new planting, deferral of replanting and uncertainties of weather conditions.

The Group's year-on-year production growth for YTD 2023 was mainly driven by its Indonesian operations and this growth is expected to extend into the remaining months of the year, compensating for the muted growth in the Malaysian operations consequential to its ongoing replanting activities. Nevertheless, the impact of El Niño on the Group's production remains to be seen as the Group is experiencing mixed weather patterns in different geographical locations.

The Property segment will continue to offer products which cater to a broader market segment, taking into consideration the prevailing market sentiments. Meanwhile, the Premium Outlets® remain steadfast in looking out for opportunities to expand regionally and enhancing its tenant portfolio.

Capitalising on the encouraging results of its research and development activities, the AgTech segment is working towards the commercialisation of its flagship products, namely GT, a high yielding disease tolerant seed and the Yield Booster™ microbial bio-products.

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 continue to cater mainly for Malaysian biodiesel mandate as biodiesel export remain challenging.

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

TABLE 1:

RM' Million	3Q 2023	3Q 2022	%	9M 2023	9M 2022	%
Revenue						
Plantation	625.9	550.1	+14	1,688.4	1,848.0	-9
Property	29.4	24.5	+20	71.0	74.2	-4
AgTech	4.2	4.1	+2	10.9	11.1	-2
Downstream Manufacturing	270.7	438.7	-38	852.1	1,092.7	-22
	930.2	1,017.4	-9	2,622.4	3,026.0	-13
Inter segment	(154.4)	(195.0)	+21	(456.4)	(627.4)	+27
Revenue - external	775.8	822.4	-6	2,166.0	2,398.6	-10
Adjusted EBITDA						
Plantation	207.9	161.1	+29	512.2	780.0	-34
Property	7.8	11.0	-29	23.4	21.6	+8
AgTech	(1.2)	(1.7)	+29	(5.5)	(2.4)	>100
Downstream Manufacturing	(3.2)	7.8	-	4.1	35.1	-88
Others*	1.9	8.1	-77	0.7	17.8	-96
	213.2	186.3	+14	534.9	852.1	-37
EBITDA	207.1	186.2	+11	529.9	852.0	-38
Profit before tax	123.7	106.1	+17	283.6	621.8	-54
Profit for the financial period	86.9	74.4	+17	205.2	450.2	-54
Basic EPS (sen)	8.97	8.41	+7	21.21	46.32	-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 64,500 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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