

GENTING PLANTATIONS REPORTS 2023 FINANCIAL YEAR RESULTS

KUALA LUMPUR, Feb 28 – Genting Plantations Berhad today reported its financial results for the year ended 31 December 2023 (“FY 2023”), with net profit of RM265.8 million, representing a 45% decline over the previous year.

The Group registered a 7% year-on-year decline in revenue for FY 2023, primarily attributed to weaker palm products prices which outweighed the higher fresh fruit bunch (“FFB”) production.

FFB production for FY 2023 increased year-on-year mainly driven by the Group’s Indonesian estates, arising from their favourable age profile and expanded harvesting area. Meanwhile, the Malaysian estates experienced a marginal setback as a result of its ongoing replanting activities.

The Group achieved lower crude palm oil and palm kernel prices of RM3,483 per metric tonne (“mt”) and RM1,875 per mt respectively in FY 2023.

The Plantation segment's EBITDA for FY 2023 was lower year-on-year on account of weaker palm product prices, partly mitigated by improved FFB production.

Notwithstanding higher revenue in FY 2023, EBITDA for the Property segment declined year-on-year mainly attributed to higher gain on disposal of investment properties recorded in the previous year.

The AgTech segment posted higher year-on-year losses in FY 2023 due to higher research and development expenditures.

The Downstream Manufacturing segment recorded lower EBITDA year-on-year in FY 2023 owing to margin deterioration.

The Group’s prospects for 2024 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 expects palm oil prices to remain supported by global supply tightness owing to weaker production prospects and uncertain weather conditions. Other contributing factor include growing biodiesel demand globally following the rise in biodiesel mandates.

Barring any adverse weather conditions, the Group anticipates a better harvest for 2024, spurred by additional harvesting areas and progression of existing mature areas into higher yielding brackets in Indonesia. However, the production growth may be moderated by on-going replanting activities in Malaysia.

For the Property segment, the Group will continue to offer products catering to a broader market segment in its Batu Pahat and Kulai-based projects, which have been well received. Upcoming catalytic developments, inter alia the Johor-Singapore Special Economic Zone and Rapid Transit System is generally expected to generate interest and demand in the Johor property market. Meanwhile, the Premium Outlets® remain resolute in seeking out opportunities to increase its earnings base, which include diversifying its reach domestically and internationally as well as enhancing the brand names in its portfolio.

The AgTech segment will continue to focus on innovation solutions to enhance agri-business through the adoption of big data, artificial intelligence and precision agriculture. The segment will focus on broadening the application of biological solutions, superior planting material and advance technologies such as automation and digital solutions across the Group. This aligns with the segment's objective of improving operational efficiency, enabling traceability and enhancing sustainability in agri-business.

The Downstream Manufacturing segment is anticipated to face stiffer competition from its Indonesian counterparts, which enjoy competitive pricing for feedstock due to price differential arising from the imposition of export levy. Additionally, the rising cost of production continue to pose challenges to the segment. Meanwhile, the segment's palm-based biodiesel will continue to cater mainly for Malaysian biodiesel mandate as biodiesel export remain challenging.

The Board of Directors has declared a final single-tier dividend of 4.0 sen per ordinary share for FY 2023. The Board also declared a special single-tier dividend of 9.0 sen per ordinary share. Total dividend (including the interim dividend of 8.0 sen) for FY 2023 will amount to 21.0 sen per ordinary share. In comparison, the total dividend amounted to 34.0 sen for FY 2022.

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

TABLE 1:

RM' Million	4Q 2023	4Q 2022	%	FY 2023	FY 2022	%
Revenue						
Plantation	650.1	560.3	+16	2,338.5	2,408.3	-3
Property	31.0	14.8	>100	102.0	89.0	+15
AgTech	3.5	3.3	+6	14.4	14.4	-
Downstream Manufacturing	264.9	419.5	-37	1,117.0	1,512.2	-26
	949.5	997.9	-5	3,571.9	4,023.9	-11
Inter segment	(149.0)	(206.7)	+28	(605.4)	(834.1)	+27
Revenue - external	800.5	791.2	+1	2,966.5	3,189.8	-7
Adjusted EBITDA						
Plantation	188.9	167.6	+13	701.1	947.6	-26
Property	8.6	12.3	-30	32.0	33.9	-6
AgTech	(2.9)	(1.6)	-81	(8.4)	(4.0)	>100
Downstream Manufacturing	2.0	15.8	-87	6.1	50.9	-88
Others*	-	(16.4)	-	0.7	1.4	-50
	196.6	177.7	+11	731.5	1,029.8	-29
EBITDA	185.3	138.5	+34	715.2	990.5	-28
Profit before tax	100.5	67.1	+50	384.1	688.9	-44
Profit for the financial period/year	60.6	33.1	+83	265.8	483.3	-45
Basic EPS (sen)	7.04	6.23	+13	28.25	52.54	-46

**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 725 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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