

SD Guthrie Registers a 27% Increase in Nine-Month Recurring Profits of RM1.8 billion

- *Strong crude palm oil prices & Malaysian upstream operations bolstered profits*
- *Continued strong performance in global downstream operations*

Petaling Jaya, 20 November 2024 – SD Guthrie Berhad (SD Guthrie or the Group), formerly known as Sime Darby Plantation Berhad, registered a Recurring Profit Before Interest and Tax (Recurring PBIT) of RM1.8 billion for the nine months ended 30 September 2024 (9M FY2024), representing a 27% year-on-year (YoY) increase from the previous corresponding period (9M FY2023).

The Group's strong Recurring PBIT performance was driven by the continued financial and operational improvements demonstrated in the Malaysian upstream operations, which saw a commendable 23% YoY increase in fresh fruit bunch (FFB) production, compensating for lower production in Indonesia. Strong crude palm oil (CPO) and palm kernel (PK) prices also contributed to this performance, with the average realised CPO and PK prices increasing by 4% and 25% YoY, to RM3,957 per metric ton (MT) and RM2,194 per MT respectively.

For the third quarter of the financial year ending 31 December 2024 (3Q FY2024), the Group registered a net profit of RM766 million, a decline of 37% from the previous corresponding quarter in FY2023 (3Q FY2023). The decline was mainly due to the disposal gain of RM600 million registered in 3Q FY2023 arising from the sale of 384 hectares of land located in Mukim Kapar. Net profit stood at RM1.39 billion during 9M FY2024, a 16% YoY decrease from 9M FY2023.

SD Guthrie International (SDGI), the Group's downstream segment, reported a PBIT of RM476 million for 9M FY2024, an increase of 14% compared to RM417 million in 9M FY2023. This improvement was driven by stronger profits in all regions, on the back of higher volume demand for the Asia Pacific bulk and differentiated refineries, and improved margins in Europe and Oceania.

The non-recurring profits for 9M FY2024 of RM359 million (9M FY2023: RM1,072 million) largely comprised net gains from land disposals in Malaysia.

Key Highlights

	3Q FY2024	3Q FY2023	YoY +/(–)	9M FY2024	9M FY2023	YoY +/(–)
Revenue (RM mil)	5,267	4,774	10%	14,574	13,148	11%
PBIT (RM mil)	1,151	1,661	(31)%	2,156	2,491	(13)%
<i>Recurring PBIT (RM mil)</i>	765	785	(3)%	1,797	1,419	27%
<i>Non-recurring PBIT (RM mil)</i>	386	876	(56)%	359	1,072	(67)%
Net Profit (RM mil)	766	1,211	(37)%	1,392	1,660	(16)%

CPO Price Realised (RM/ MT)	3,949	3,777	5%	3,957	3,806	4%
FFB Production (MT mil)	2.29	2.45	(7)%	6.46	6.31	2%
Oil Extraction Rate (OER) (%)	20.85	21.12	(0.27)	20.95	21.12	(0.17)

Chairman, Tan Sri Dr Nik Norzrul Thani Nik Hassan Thani said:

“SD Guthrie’s performance reflects the resilience of our global footprint and integrated operations. As the core businesses of SD Guthrie strengthen and aim for sustained optimal performance, we will use these strong foundations to develop our new business verticals, namely the development of industrial parks and renewable energy. We will drive these initiatives while instilling financial and operational discipline, with the goal of delivering sustainable value to our stakeholders.”

Group Managing Director, Datuk Mohamad Helmy Othman Basha said:

“Strong CPO and PKO prices are expected to contribute to the overall performance of the Group, supported by the strong growth in downstream business that is performing well amidst global challenges.

With regards to our new business verticals, the partnership announced with AME Elite Consortium Berhad on 4 November 2024 to develop a green industrial park with a dedicated solar park within the Johor-Singapore Special Economic Zone (JS-SEZ) reflects SD Guthrie’s progress towards expanding into industrial parks and renewable energy. Meanwhile, there are ongoing discussions with established business partners in industrial park development in collaboration with state agencies for the development of selected land parcels throughout Malaysia. This will unlock the potential of our strategically located land assets creating long term, sustainable value for all stakeholders.”

OUTLOOK FOR REMAINING FY2024:

The Group forecasts that CPO prices will be sustained at current levels, driven by tighter supply as a result of Indonesia's prolonged adverse weather conditions impacting CPO output, and the recent change in its B40 biodiesel mandate. Any further upside to CPO prices may be limited by the supply outlook and trading premiums of substitute vegetable oils.

For the remaining period of FY2024, the Group expects to see positive results arising from strong CPO and PK prices, and continued strong performance of its European downstream operations.

Barring any unforeseen circumstances, the Group expects its performance for the financial year ending 31 December 2024 to be satisfactory.

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About SD Guthrie Berhad (formerly known as Sime Darby Plantation Berhad)

SD Guthrie Berhad (SD Guthrie) is one of the world's leading producers of Certified Sustainable Palm Oil (CSPO), representing approximately 12% of the global market share (as of 31 December 2022). We are listed on Bursa Malaysia (KLSE: SDG) with a market capitalisation of RM33.96 billion (US\$7.59 billion) as of 19 November 2024. We are a strategic company of Permodalan Nasional Berhad, Malaysia's largest unit trust company and our major shareholder. We are also supported by our substantial shareholders - Kumpulan Wang Simpanan Pekerja (Employees Provident Fund) and Kumpulan Wang Persaraan (Diperbadankan) (Retirement Fund (Incorporated)).

With over two centuries of heritage, SD Guthrie has evolved into an integrated company operating throughout the entire spectrum of the palm oil value chain. Our dedicated workforce of more than 80,000 employees across 12 countries serve customers in over 90 countries worldwide.

We operate 234 plantation estates in Malaysia, Indonesia, Papua New Guinea, and the Solomon Islands, supported by 11 refineries globally with a total refining capacity of 4 million metric tonnes per year. Our downstream businesses engage in trading, manufacturing, and sales of a diverse range of palm oil derivatives, including oleochemicals, biodiesel, and nutraceuticals. We are equipped with 5 R&D Centres, 3 Innovation Centres, and 1 Genetic Testing Facility to support our R&D efforts spearheaded by lab scientists, data engineers, and tech innovators. Our focus is on next-gen robotics and tech-driven solutions for the palm oil and agri-business sector, alongside renewable energy initiatives and expansion into green industrial parks.

We are the world's first palm oil company to have our net-zero GHG emissions reduction targets approved by the Science Based Targets initiative (SBTi).

For more information, visit www.sdguthrie.com