



## Plantation

# PRESS RELEASE

**For Immediate Release**  
**Monday, 23 November 2020**

## **Sime Darby Plantation Registers a Net Profit of More Than RM1 billion for The Nine Months Ended 30 September 2020**

**Kuala Lumpur, 23 November 2020** – Sime Darby Plantation (SD Plantation) Group recorded improved year-on-year (YoY) results bolstered by higher crude palm oil (CPO) and palm kernel (PK) prices realised.

The Group's downstream segment, Sime Darby Oils (SDO), tripled its profit before interest and tax ("PBIT") to RM71 million in Q3 FY2020 versus RM24 million in the immediate preceding quarter, from improved performance particularly in Asia Pacific.

### Key Highlights

	<b>Q3 FY2020</b>	<b>Q3 FY2019</b>	<b>YoY + / (-)</b>	<b>9M FY2020</b>	<b>9M FY2019</b>	<b>YoY + / (-)</b>
<b>Revenue (RM mil)</b>	3,182	2,821	13%	9,442	8,686	9%
<b>PBIT (RM mil)</b>	332	118	181%	1,521	333	357%
<b>Net Profit (RM mil)</b>	190	(243)	178%	1,036	(142)	830%
<b>CPO Price Realised (RM/ MT)</b>	2,504	1,990	26%	2,485	2,007	24%
<b>FFB Production (MT mil)</b>	2.39	2.44	(2)%	6.98	7.35	(5)%
<b>OER (%)</b>	21.27	21.85	(0.59)	21.47	21.50	(0.03)

- **9M FY2020:** Recurring PBIT increased threefold YoY from RM368 million to RM1,077 million. Higher non-recurring PBIT of RM444 million was largely made up of gains from assets disposals.
- **Q3 FY2020:** Higher realised prices and improved contribution from SDO compensated for the lower OER and FFB production.

### **Chairman, Tan Sri Dato' Seri Haji Megat Najmuddin bin Datuk Seri Dr Haji Megat Khas said:**

"Whilst we continue to monitor and address the impact of COVID-19 on our business, we are indeed encouraged to have recorded a higher year-on-year performance thus far. For the rest of the financial year, the Group will remain focused on delivering value to our stakeholders as we navigate through the current challenging environment. We will continue to prioritise the health and safety of our stakeholders, the job security of our employees, our commitment to sustainable practices, protection of human rights as well as our R&D and innovation initiatives."

**Group Managing Director, Mohamad Helmy Othman Basha, said:**

“Despite the challenges posed by the pandemic on global markets, CPO prices continue to be supported in the second half of the year, whilst palm oil demand has improved and is expected to grow further in 2021. As a sector that provides essential products to the world, this industry is showing resilience amid global uncertainties. Given these challenging times, we urge more unemployed Malaysians to seize the job opportunities available in the palm oil industry today. As a measure to further mitigate the industry’s current labour shortage, we also hope the government will continue with its efforts to alleviate restrictions on foreign labour, whilst the Group continues to ramp up mechanisation and digitalisation efforts to increase productivity and reduce reliance on labour in the medium to long term.”

The Group’s financial performance for the financial year ending 31 December 2020 is expected to be better than last year.

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**ABOUT SIME DARBY PLANTATION**

*Sime Darby Plantation is the world’s largest producer of Certified Sustainable Palm Oil (CSPO), with a CSPO production of 2.496 million MT (as at 31 December 2019).*

*As a fully integrated global plantation company, SDP is involved in various activities along the full spectrum of the palm oil value chain including upstream plantations, downstream operations, Research & Development, renewables and agro-business. Its upstream operations are spread across Malaysia, Indonesia, Papua New Guinea and the Solomon Islands. Its downstream business, known as Sime Darby Oils, spans across 16 countries worldwide and involves the manufacturing as well as the sales and marketing of oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals and other palm oil derivatives.*

*With a workforce of over 88,000 employees and a strong focus on operational excellence, research, innovation and sustainability, Sime Darby Plantation is one of the largest companies on Bursa Malaysia with a market capitalisation of RM35.59bn (USD8.70bn) as at 20 November 2020.*