



## Plantation

# PRESS RELEASE

**For Immediate Release**  
**Thursday, 20 May 2021**

## **Sime Darby Plantation Net Profit Up 20%**

Higher PBIT driven by favourable CPO prices, increased production and improved Downstream performance

**Kuala Lumpur, 20 May 2021** – Sime Darby Plantation Berhad (SD Plantation) posted a net profit of RM562 million for 1QFY2021, an improvement of 20% as compared to the previous corresponding quarter.

The Group's Upstream performance improved to a profit before interest and tax (PBIT) of RM543 million (1QFY2020: RM288 million) on the back of sustained higher crude palm oil (CPO) and palm kernel (PK) prices as well as increased Fresh Fruit Bunch (FFB) production. In the same period, the Group's Downstream operations, Sime Darby Oils, recorded a 20% increase in PBIT totalling RM107 million, primarily attributable to improved performance in the Asia Pacific region.

### Key Highlights

	<b>Q1 FY2021</b>	<b>Q1 FY2020</b>	<b>YoY + / (-)</b>
<b>Revenue (RM mil)</b>	3,673	3,044	21%
<b>PBIT (RM mil)</b>	788	642	23%
<b>Net Profit (RM mil)</b>	562	468	20%
<b>CPO Price Realised (RM/ MT)</b>	3,185	2,605	22%
<b>FFB Production (MT mil)</b>	2.21	2.12	4%
<b>Oil Extraction Rate (OER) (%)</b>	21.35	21.89	(0.54)

- The higher realised prices and increase in FFB production compensated for the lower OER, which was primarily the result of the acute labour shortage in Malaysia and adverse weather conditions in Indonesia.
- The Group's recurring PBIT improved by 75% year-on-year. However, its non-recurring PBIT declined by RM138 million due to reduced disposals of non-core assets.

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

"Whilst the sustained high CPO price has certainly been a boon for the industry, I am also encouraged by our operational performance despite the challenges presented by the COVID-19 pandemic. With this strong showing in the first quarter, we are on-track to achieve our financial targets for the rest of FY2021.

"With the current spike in infection cases in certain parts of the world, including Malaysia, we are cognisant of the continuing risks and threats from the pandemic. The Group will remain vigilant in safeguarding our operations and employees, even as the current global roll out of vaccines progresses."

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

"We saw an improvement in the results of Sime Darby Oils in the Asia Pacific, which benefited from the market price uptrend. However, demand has yet to fully recover from the impact of COVID-19.

"The Group is working with several parties to address the withhold release order that was imposed by the US Customs and Border Protection at the end of 2020. The Group had appointed a third-party assessor to undertake a comprehensive review of all its Malaysian operations. This exercise is expected to be completed in June.

"We are committed to protecting the rights and safety of our workforce regardless of race, nationality or gender. As such, we are focused on ensuring safe working and living conditions for all our employees."

**OUTLOOK FOR REMAINING FY2021:**

CPO price in the first quarter was driven primarily by record high prices of substitute oils and is expected to soften in the second half of 2021 as production increases. On the operational front, the Group anticipates improved production this year whilst sustaining its efforts to increase efficiency and productivity through digitalisation, automation and mechanisation. Barring any unforeseen circumstances, SD Plantation expects its performance for the financial year ending 31 December 2021 to be promising.

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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 2.097 million MT (as of 31 December 2020).*

*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 14 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 85,000 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 RM30.36bn (USD7.36bn) as at 19 May 2021.*