



## Plantation

# PRESS RELEASE

**For Immediate Release**  
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## **Sime Darby Plantation chalks up higher FY2022 Net Profit of RM2.49 billion**

- Declares a final dividend of 6.04 sen per share
- Continues to make strides on the ESG front as the USCBP modifies its Finding

**Petaling Jaya, 17 February 2023** – Sime Darby Plantation Berhad registered a net profit of RM2.49 billion for the Financial Year Ended 31 December 2022 (FY2022), a year-on-year (YoY) increase of 10%.

This strong showing was registered on the back of a record performance by the Group's downstream operations, Sime Darby Oils (SDO), which achieved a profit before interest and tax (PBIT) of RM859 million in FY2022, 61% higher than the previous year. Meanwhile, higher average realised crude palm oil (CPO) price, a 20% increase on the previous year, mitigated the 10% decline in fresh fruit bunch (FFB) production. The Group's FFB production in FY2022 was particularly challenged in Malaysia, the impact of which was partially compensated by better production in its operations in Indonesia as well as Papua New Guinea and the Solomon Islands. The Group anticipates that with the expected arrival of a full complement of workers by the end of June 2023, its Malaysian operations will see improved performance in FY2023.

For the quarter ended 31 December 2022 (4Q FY2022), the Group's net profit increased by 20% to RM562 million, despite a 2% and a 4% decline in FFB production and realised CPO prices respectively as compared to the previous year's corresponding period. During the period, SDO was also impacted by lower overall sales volumes as well as lower margins in its European operations.

### Key Highlights

	4Q FY2022	4Q FY2021	YoY + / (-)	FY2022	FY2021	YoY + / (-)
<b>Revenue (RM mil)</b>	5,670	5,550	2%	21,030	18,695	12%
<b>PBIT (RM mil)</b>	787	1,079	(27%)	3,615	3,674	(2%)
<b>Net Profit (RM mil)</b>	562	467	20%	2,488	2,255	10%
<b>CPO Price Realised (RM/ MT)</b>	4,005	4,179	(4%)	4,456	3,711	20%
<b>FFB Production (MT mil)</b>	2.07	2.12	(2%)	8.21	9.13	(10%)
<b>Oil Extraction Rate (OER) (%)</b>	20.92	21.79	(0.87)	21.10	21.59	(0.49)

- **4Q FY2022:** The previous corresponding period (4Q FY2021) was impacted by an impairment charge of RM279 million in respect of the Group's immature rubber plantation in Malaysia.

- **FY2022:** Further to a solid performance by SDO, the Group's profits were also bolstered by higher contributions from the Group's other operations (+10% YoY), as well as higher non-recurring profits of RM291 million, arising from gains on the disposal of land in Malaysia as well as the "earn out" settlement for the disposal of a former subsidiary in Liberia.

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

"This is indeed a promising start to the new year. Sime Darby Plantation has delivered a commendable performance in FY2022 and has been cleared by the United States Customs and Border Protection (USCBP) to resume exports to the US. We have come out better and stronger from this challenging period, thanks largely to the continued resilience and dedication of our employees. I am truly proud of what we have achieved, and I believe we are now well-positioned to deliver even greater value to our shareholders whilst upholding our unwavering commitment to sustainable development."

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

"For three years we were tested in ways we could never have imagined. First, it was the pandemic, movement controls and the acute labour shortage, and then it was the finding by the USCBP that there were forced labour indicators present in our Malaysian operations.

Today, in this post-pandemic era, and having been cleared by the USCBP, we have emerged stronger and with an exciting new outlook. We have launched our Net Zero roadmap to achieve clear goals and targets by 2030 and 2050. A new drive to mechanise, automate and digitalise have delivered promising results. And of course, the tremendous effort undertaken by my colleagues across the Group to address the USCBP's findings has delivered results, restoring our reputation as a leader in all areas of sustainability.

Moving ahead, we are driving all our operations to deliver sustained and strong financial performance. If 2022 was a transformative year for the Group, we are now progressing into a new financial year with renewed vigour and determination to build on our strengths and rise to greater heights."

**OUTLOOK FOR FY2023:**

CPO prices are expected to hold at current levels for the first quarter of 2023, on the back of continued strong demand. This is due, in part, to the considerable price advantage when compared to alternative oils and supply concerns resulting from Indonesia's anticipated higher biodiesel mandate as well as tighter export policies.

With the arrival of more foreign workers into Malaysia, particularly harvesters, the Group expects its FFB production in Malaysia to improve in 2023 after a challenging two years.

Barring any unforeseen circumstances, the Group expects to perform satisfactorily in FY2023.

**DIVIDEND:**

The Group has declared a final dividend of 6.04 sen per share, which together with the interim dividend of 10.00 sen per share, amounts to a total single tier dividend of 16.04 sen per share for FY2022.

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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 production of 2.150 million MT (as of 31 December 2021).*

*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 and downstream operations, Research & Development, renewables as well as agri-business. Its upstream operations are spread across Malaysia, Indonesia, Papua New Guinea and the Solomon Islands. Its downstream business, also known as Sime Darby Oils, spans 12 countries worldwide and involves the trading, manufacturing, as well as the sales and marketing of refined oils and fats products, oleochemicals, palm oil-based biodiesel, nutraceuticals and other palm oil derivatives.*

*With a workforce of about 80,000 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 RM30.08 bil (USD6.83 bil) as of 16 February 2023.*