

SD Guthrie 1Q FY2024 Net Profit triples to RM211 million

- *Upstream Malaysia's crop production saw a 33% increase YoY*
- *The company officially takes control of its identity by rebranding to SD Guthrie Berhad*

Petaling Jaya, 31 May 2024 – SD Guthrie Berhad (SD Guthrie or the Group), formerly known as Sime Darby Plantation Berhad, registered a three-fold year-on-year (YoY) increase in net profit to RM211 million in the first quarter of the financial year ending 31 December 2024 (1Q FY2024).

The Group recorded a 9% YoY increase in fresh fruit bunch (FFB) production during the period, underpinned by a 33% increase in its Malaysian operations. This improved performance was the result of intensive rehabilitation efforts, supported by the regularisation of labour requirements.

The Group's average realised crude palm oil (CPO) price of RM3,880 per metric ton (MT) was relatively flat YoY, whilst average realised palm kernel (PK) prices of RM1,940 per MT was 8% higher YoY, as compared to the previous corresponding period.

SD Guthrie's downstream arm, SD Guthrie International, registered a profit before interest and tax (PBIT) of RM121 million in 1Q FY2024, a healthy 78% YoY increase. This strong performance was driven by higher volume demand for bulk and differentiated products in the Group's Asia Pacific refineries and improved margins in Europe, which mitigated the lower profit contribution from its joint ventures.

Following shareholders' approval on 28 May 2024, the Group rebranded to SD Guthrie. This rebranding marks a significant milestone for the company, reflecting its ambition to future growth. With a legacy spanning over 200 years, the new name honours the rich heritage and pioneering spirit of the original founders and the bold ambition of its first Malaysian shareholders. SD Guthrie today is driven by the same spirit and ambition, to create value and drive success, adapting to the dynamic global market.

Key Highlights

	1Q FY2024	1Q FY2023	YoY +/(–)
Revenue (RM mil)	4,342	4,069	7%
PBIT (RM mil)	376	303	24%
Net Profit (RM mil)	211	69	>100%
CPO Price Realised (RM/ MT)	3,880	3,887	-
FFB Production (MT mil)	1.98	1.82	9%
Oil Extraction Rate (OER) (%)	21.20	21.02	0.18

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

“Now that we are in a position to craft our own direction, I am excited for what the future holds for us and all our stakeholders. With the rebranding, we are exploring new strategies that will take the company into an exciting and dynamic future. I am confident that with the proactive mindset of our people, we will continue to deliver value to our shareholders.”

Group Managing Director, Datuk Mohamad Helmy Othman Basha said:

“SD Guthrie started the year on a stronger footing, registering improved performance and successfully turning around its Malaysian upstream operations. In the last two years, we have achieved much in various areas – from being independently cleared of forced labour, recognised for our standards of integrity and governance and to being the first palm oil company to have net-zero targets validated by the SBTi. With all this in place, we are well-positioned to enter a new era for SD Guthrie.”

OUTLOOK FOR FY2024:

In the near term, the Group expects CPO price to remain supported due to continued geopolitical tensions and the anticipated effects of extreme weather events in producing countries which may impact supply of vegetable oils globally.

Through the Group’s concerted efforts to rehabilitate its Malaysian upstream operations and accelerating its mechanisation and automation efforts, it anticipates continued growth in FFB production in 2024. The Group will continue to focus on its efforts to reduce costs through various transformational initiatives, and to drive operational excellence.

The Group also remains committed to pursuing new opportunities for business growth. The Group’s recently announced plans to utilise its vast landbank in Malaysia to create sustainable revenue streams, include its participation in the proposed 1,000 acres Kerian Integrated Green Industrial Park (KIGIP), in Perak. The project also involves the development of a further 660 acres for solar farms to be owned and operated by the Group, being the principal green energy source for KIGIP.

Barring any unforeseen circumstances, the Group is cautiously optimistic as it looks ahead to another satisfactory performance in FY2024.

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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: SIMEPLT) with a market capitalisation of RM29.46 billion (US\$6.26 billion) as of 30 May 2024. Supported by a large institutional base, we are a strategic company of Permodalan Nasional Berhad, Malaysia’s largest unit trust company and our major shareholder.

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 84,000 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.

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.