



# CHAIRMAN'S MESSAGE

## FY2022 IN REVIEW

I am pleased to report that the Group delivered an exceptional performance in FY2022. The team managed our operations well and all key segments achieved higher profits despite the volatility in the commodities markets and economic slowdown during the year. This resulted in a 27.1% jump in net profit to US\$2.40 billion while revenue increased by 11.6% to US\$73.40 billion in FY2022 (FY2021: US\$65.79 billion).

Diluted earnings per share rose to 38.3 US cents in FY2022, as compared to 29.9 US cents in FY2021. The Group's balance sheet remains strong, with total assets standing at US\$60.40 billion (FY2021: US\$58.72 billion) while shareholders' funds increased marginally to US\$19.99 billion (FY2021: US\$19.92 billion) due to the strengthening US Dollar which led to lower translation reserve as of 31 December 2022.

The Food Products segment was impacted by higher raw material costs especially during the first half of the year but nevertheless, its overall profit improved by 6.2% to US\$723.5 million (FY2021: US\$680.9 million). Overall sales volume grew by 2.8% due to stronger medium pack and bulk products sales.

The Feed and Industrial Products segment reported an increase of 23.5% in profit to US\$1.56 billion for FY2022 (FY2021: US\$1.26 billion) owing to sustained good performance from the tropical oils business as well as better margins from sugar merchandising activities. Overall volume increased marginally to 55.6 million MT in FY2022 (FY2021: 55.0 million MT).

The Plantation and Sugar Milling segment achieved a profit of US\$569.3 million for FY2022 (FY2021: US\$564.1 million). Palm oil prices weakened significantly in the second half of the year although favourable weather conditions and a better crop profile resulted in higher fresh fruit bunches production and yield. Sugar milling operations saw a slight drop in sales volume, but benefitted from higher sugar prices.

Contributions from the Group's joint ventures and associates improved by 24.7% to US\$273.8 million (FY2021: US\$219.5 million) on account of stronger performance by our investments in China and Europe.

In FY2022, we spent approximately S\$277.6 million in buying back Wilmar shares at an average price of S\$4.11 as we felt the share price does not fully reflect the value of the Group and will continue with our share buybacks at the appropriate opportunities.

## 2022 HIGHLIGHTS

Despite geo-political and pandemic challenges, the Group stayed its course and invested resources to deepen our operational presence in key markets so as to capture new opportunities and growth potential.

### China

Our Central Kitchen Food Park project is making good progress. Three projects, in Hangzhou, Zhoukou and Chongqing, have commenced operations in 2022, while another one in Xingping began operations in January 2023. Another two food parks in Langfang and Shenyang will begin operations later this year.

Our China business is continuing on its growth plan. In 2022, we added a new edible oil refinery, a crushing plant, flour mills, rice mills, as well as oil, flour and rice packing plants.



### Indonesia

Our Indonesian operations did very well in 2022. We are bullish on Indonesia and will continue to expand our rice and flour mills, downstream palm oil processing and fertiliser manufacturing capacities.

### Malaysia

Our new edible oil refinery in Port Klang commenced operations in September 2022, while the specialty fats plants will be commissioned this year at the same site. The expansion of the OPO (Oleic-Palmitic-Oleic) plant in Pasir Gudang and a new sodium lauryl sulfate line in Tanjung Langsat will be completed this year, while a new esters production plant in Pasir Gudang will be commissioned later this year.



### Vietnam

We completed expansion projects of our noodles and sauces and condiments businesses. In addition, we are expanding capacity of our joint venture's soybean crushing plant.

### Africa

We continue to improve and expand our African operations. In South Africa, the construction of a new edible oil refinery and packing plant is underway and expected to be completed in phases this year. We are also adding a new margarine plant each in Ghana, Zimbabwe and Ivory Coast.

## WILMAR IN INDIA

Wilmar established a presence in India through a 50:50 joint venture, Adani Wilmar Limited (AWL), with the Adani Group in 1999. Our first project was an edible oil refinery and consumer pack plant in Mundra, Gujarat. Today, AWL is the largest food and fast-moving consumer goods (FMCG) company in India with plants in many locations across the country. Its flagship brand "Fortune" is the top-selling edible oil brand with a local market share of over 18%.

AWL was listed on the National Stock Exchange of India and BSE on 8 February 2022. The successful initial public offering (IPO) raised US\$482 million of new capital which will be used to expand its existing manufacturing facilities, develop new sites as well as make strategic acquisitions and investments. As a result of the IPO, Wilmar's interest in AWL was diluted to 44% and a gain of US\$175.6 million was recognised in FY2022.

Wilmar also owns 62% of listed Shree Renuka Sugars Limited (SRSL), the leading sugar company in India which owns seven mills, the largest sugar refining and ethanol capacities and is also the largest seller of consumer pack sugar under the "Madhur" brand.

Through AWL and SRSL, Wilmar is a leader in edible oils and sugar refining, oleochemicals, specialty fats and ethanol manufacturing as well as consumer pack edible oils and sugar.

We are bullish on our prospects in India as it is forecasted to become the most populous country in the world in 2023 and also the second fastest growing economy in the G20 in FY2022-23. With their leading market food brands, an extensive distribution network, state-of-the-art manufacturing facilities and superior sourcing capabilities, both AWL and SRSL are well-positioned to tap on the huge opportunity in India.



Edible oil packaging line in Gujarat, India.



Adani Wilmar's flagship brand "Fortune" is the top-selling edible oil brand with a market share of over 18% in India.

## SUSTAINABILITY

Wilmar remains steadfast in our commitment to addressing climate change through eliminating deforestation from our supply chain and reducing greenhouse gas emissions.

Following Wilmar's commitment made collectively with 13 other leading agricultural trading and processing companies in 2021 to develop a sectoral roadmap for enhanced supply chain action consistent with a 1.5°C pathway, we have worked with our peers to complete a roadmap that builds on existing commitments and implementation progress made by the palm oil industry over the last decade, while identifying and addressing gaps that will allow us to achieve our collective emission reduction goals.



## CHAIRMAN'S MESSAGE

In October 2022, the Group signed up to the Science Based Targets initiative and we will be developing Group-wide timebound plans to achieve Near-Term and Net Zero emission reduction targets.

Wilmar continues to be recognised for our sustainability performance, notably our continued inclusion in renowned global sustainability indices. In 2022, Wilmar retained its inclusion as a constituent of the Dow Jones Sustainability Indices (DJSI) World Index. This puts us, for the second consecutive year, among the world's most sustainable food companies, including being listed as an S&P Global Sustainability Yearbook member. This also marks our third straight year on the DJSI Asia Pacific Index. We also retained our position in the FTSE4Good Index Series.

We are heartened to have been recognised as the best performing company globally among 310 of the world's most influential companies that were assessed by Global Child Forum's Food, Beverage and Personal Care benchmark in 2022. In addition to a zero tolerance for child labour and exploitation, we ensure the safety and well-being of children while providing them with access to quality education and an

enabling environment for them to thrive. We also support the education of more than 10,000 school-going children living in our plantations globally.

The 2022 Corporate Human Rights Benchmark (CHRB) ranked Wilmar second out of 127 companies globally. In the East Asia and Pacific region, Wilmar was ranked first. We scored highly in the Remedies and Grievance Mechanisms segment, which is an immense recognition as we were the first in the palm oil industry in 2015 to establish a public Grievance Procedure that is open to all internal and external stakeholders. We continue to improve our grievance systems and have put in place separate and dedicated site-level remedial mechanisms and resolution processes for grievances raised by Wilmar employees, workers, or the local communities.

For the second consecutive year, we ranked top in the Zoological Society of London's Sustainable Palm Oil Transparency Toolkit (SPOTT) assessment. We achieved an improved total score which is a reflection of our unwavering commitment to the transparency and public disclosure of our policies and efforts related to environmental, social and governance matters.



Children in the Humana school in Wilmar's oil palm plantation in Sabah, Malaysia.



With more than US\$2 billion of sustainability-linked loans signed to date since 2017, responsible financing remains part of our holistic approach to integrate sustainability principles into every aspect of Wilmar's business operations.

### PROSPECTS

We will continue to pursue our long-term growth strategy of developing new businesses that have synergies with our existing operations and new markets with high growth potential. We will keep improving the efficiency of our manufacturing operations, expanding our distribution network and building our brands in all the markets that we operate in, as well as strengthening the integration across the various segments of our business. Our integrated business model and diversified business portfolio enhance our resilience to weather the volatility inherent in the commodities markets and puts us in a better position to deliver more stable earnings performance.

### DIVIDENDS

The Board has proposed a final dividend of S\$0.11 per share. Including the interim dividend of S\$0.06 per share paid in August 2022, the total dividend for FY2022 is S\$0.17 per share (FY2021: S\$0.155 per share), representing the highest ordinary cash dividend since the Group's listing on the Singapore Exchange in 2006.

### BOARD CHANGES

On behalf of the Board, I am pleased to welcome Mr Gregory Morris who was appointed Non-Executive and Non-Independent Director on 1 July 2022 and Ms Tong Shao Ming who was appointed Alternate Director to Mr Kuok Khoon Hua, a Non-Executive and Non-Independent Director, on 27 October 2022.

Mr Morris replaces Mr Raymond Guy Young who stepped down on 1 July 2022. I would like to express the Board's appreciation to Mr Young for his valuable contributions during his tenure. Mr Morris' extensive senior management experience in Archer Daniels Midland will provide valuable insight into the agribusiness industry and contribute to the Board's deliberations.

We also look forward to Ms Tong bringing fresh perspectives from her extensive experience in investments, capital markets and corporate finance transactions.

### APPRECIATION

On behalf of the Group, I would like to convey my heartfelt gratitude to our two long-serving directors, Mr Tay Kah Chye and Mr Kwah Thiam Hock, who will be retiring after our Annual General Meeting on 20 April 2023 due to the Singapore Exchange Regulation (SGX RegCo)'s new rule limiting the tenure of Independent Directors to nine years, and deeming Independent Directors whose tenure exceeds the nine-year limit, as no longer independent. Mr Tay and Mr Kwah have served in and chaired several key committees of the Board and made significant contributions to the Group during their tenure.

Last but certainly not least, I would like to thank our shareholders, customers, business associates, bankers and dedicated employees over the years. Your support and belief in our long-term business strategy have enabled the Group to grow from strength to strength and achieve another record performance.

### **Kuok Khoon Hong**

Chairman & Chief Executive Officer  
14 March 2023