

# CHAIRMAN'S MESSAGE

## FY2024 IN REVIEW

FY2024 was marked by challenging operating conditions, characterised by fluctuating commodity prices and an uncertain geopolitical environment. While most of our core businesses reported higher profits, our sugar business, which did exceptionally well in 2023 was impacted by declining sugar prices for most of the year.

The Group recorded US\$1.16 billion core net profit and US\$67.38 billion revenue in FY2024, with diluted earnings per share of 18.7 US cents. Following a softer performance in 2H2024, core net profit fell 26% while revenue increased marginally. The decline in core net profit was mainly because we had a one-time US\$231.0 million gain, on disposal of our Moroccan associate (Cosumar) in FY2023 and a post-tax net loss of US\$22.8 million from a share swap exercise of our China associates and joint venture (Luhua) in FY2024. The Group's balance sheet remains strong, with total assets standing at US\$59.57 billion (FY2023: US\$61.81 billion) while shareholders' funds decreased to US\$19.86 billion (FY2023: US\$20.17 billion).

The Food Products segment reported an increase in pre-tax profit to US\$502.1 million (FY2023: US\$294.9 million), as a result of the Group's recognition of a pre-tax gain from the share swap exercise with Luhua during the period as well as stronger sales volume across most product categories. Overall sales volume rose by 8% to 33.0 million metric tonnes (MT) in FY2024 (FY2023: 30.7 million MT).

The Feed and Industrial Products segment saw a decrease in pre-tax profit to US\$829.5 million for FY2024 (FY2023: US\$926.7 million), mainly due to weaker performance from sugar merchandising activities. Nonetheless, overall sales volume for the segment remained healthy, increasing 12% to 68.7 million MT in FY2024 (FY2023: 61.3 million MT).

Excluding the gain recognised from the divestment of Cosumar, the Plantation and Sugar Milling segment posted a pre-tax profit of US\$269.1 million for FY2024 (FY2023: US\$269.1 million). Higher palm oil prices in the latter half of the year boosted performance of the palm plantation business, although unfavourable weather conditions decreased the production and yield of fresh fruit bunches.

Contributions from the Group's associates and joint ventures fell by 31% to US\$219.9 million (FY2023: US\$319.8 million), on account of weaker performance by our investments in Europe.

## 2024 HIGHLIGHTS

In 2024, we reduced our capital expenditure and focused on developing existing businesses and enhancing our operational efficiencies.

### China

In China, we continued to make strides in diversifying our product portfolio to meet evolving consumer demands. Focusing on healthier, safer and tastier food options, we launched a range of new rice, wheat flour, edible oils and central kitchen products. We also sold Arawana's rice bran oil in Costco stores across China and the United States of America (USA).



Arawana's rice bran oil.

Notably, it is the first Chinese-origin edible oil brand available in Costco's USA stores. This distribution was met with success, and we are working with Costco to introduce more of our products to their stores in Japan and other countries. We also continued to implement an integrated marketing strategy, expand our warehouse and channel networks, and use digital tools to reach new markets and build strong customer relationships. Our sixth food park in Shenyang also commenced partial operations in 2024.

On the innovation front, we increased our investment in research and development to improve product quality, reduce costs, and develop healthier products, including plant-based proteins. We also continued to use technology to enhance our production capabilities, improving efficiency to produce better and safer products. We are committed to operating sustainably and are the first company in China's grain and oil sector to launch a net-zero emissions roadmap, seeking to drive green development through low-carbon practices which contribute to global climate goals.



Shenyang food park commenced partial operations in 2024.

### India

In 2024, Adani Wilmar Limited (AWL) further reinforced its dominant position in India's fast-moving consumer goods (FMCG) market, expanding its distribution of oils, rice, flour, and other essential food products to over 121 million households, approximately a third of the country's total number of households. The company also broadened its operations with brownfield expansions at food processing plants in Madhya Pradesh, Gujarat, and Maharashtra, and acquired a 67% stake in Omkar Chemicals to boost its presence in the specialty chemicals sector. Furthermore, AWL launched one of India's largest greenfield projects, a state-of-the-art integrated food processing plant in Haryana, with a production capacity of over 627,000 MT of essential food and oil products.

We continue to see tremendous growth potential for AWL in India's agri-food industry. On 30 December 2024, we entered into an option agreement to acquire shares in AWL held by our joint venture partner, Adani Commodities LLP, which when completed, will result in AWL becoming a subsidiary of Wilmar.

### Malaysia

We expanded our fertiliser operations with a new fertiliser compaction plant in Port Klang, and are currently constructing another compaction plant at Lahad Datu, Sabah. Through our joint venture, Erca Cosmetic Ingredients Malaysia, we began commissioning our first cosmetic ingredients plant in Pasir Gudang at the end of 2024. This facility is expected to enter commercial production in 2025.

### Vietnam

We have successfully completed the expansion of our grains value-added processing plant and rice bran collection centre and are on track to commission the expansion of our joint venture soybean crushing plant in April 2025. Additionally, we are preparing to increase the capacity of our sauces and condiments plant.

### Africa

We remain bullish on the long-term potential for food consumption in Africa and will continue to expand our operations there. In Ethiopia, our new saponification plant began operations in early 2024, producing soap noodles that were previously imported from Asia. Our new specialty fats facility in Morocco which produces high-quality specialty fats products was also commissioned in 2024.



AWL's integrated food processing plant in Haryana, India.



Specialty fats facility in Morocco.



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## SUSTAINABILITY

With 2024 marking the warmest year on record, and extreme weather events becoming more frequent and intense, the need for collective action has become more pressing.

For the fifth consecutive year, Wilmar has been included in the Dow Jones Best-in-Class Asia Pacific Index, making us the only Singapore-based food products company recognised on the list, while also marking our fourth consecutive inclusion in the World Index. We also retained our inclusion in the FTSE4Good Index Series, which measures the performance of companies' Environmental, Social and Governance (ESG) practices and received an 'AA' rating in the Morgan Stanley Capital International (MSCI) ESG Rating Report.

As countries seek to introduce more progressive environmental policies, we strive to stay ahead of the curve, from commitments to net-zero emissions under the Science Based Targets initiative (SBTi) to aligning with the Paris Agreement's 1.5°C pathway. In 2025, our SBTi targets across Scope 1, 2 and 3 emissions were successfully validated.

On the social front, we were awarded a perfect score in the Global Child Forum Global Benchmark 2024 for efforts in safeguarding children's rights. We provide free, quality education to over 12,000 children of school-going age living in our plantations, equipping them with the necessary skills and knowledge to build a brighter future. We also conduct assessments to ensure that 100% of our employees and contractors receive a living wage.

We are committed to mobilising capital in ways that create a positive impact on the environment and the communities where we operate. Since 2017, we have signed a total of US\$4.27 billion in sustainability-linked loans. By leveraging our progress in sustainability, we enhance the resilience of our capital position while ensuring that our financial strategies align with our long-term objectives.

Sustainability has always been embedded in the fabric of our business. Beyond setting ambitious goals, we want to continue taking real and effective actions to build a greener future for all.



Class of children in our oil palm plantation in Sarawak, Malaysia.

## PROSPECTS

Despite facing challenging operating conditions during the year, the majority of our businesses, other than sugar, reported an increase in profits in FY2024. This growth across multiple sectors reflects our ability to adapt and thrive even in a difficult market environment, demonstrating the resilience and strength of our diversified business model.

Our strategic investments over the years have effectively positioned us for sustained growth and profitability. The scale and efficiency of our integrated complexes provide us with a competitive edge, while our solid reputation as a producer of high-quality food products further strengthens our market position. As we look ahead, we are focused on continuing to expand our market share in emerging markets to deliver stronger results.

## DIVIDENDS

The Board has proposed a final dividend of S\$0.10 per share, which, if approved by shareholders at the forthcoming Annual General Meeting, will be paid on 15 May 2025. Including the interim dividend of S\$0.06 per share paid in August 2024, the total dividend for FY2024 is S\$0.16 per share (FY2023: S\$0.17 per share).

## BOARD CHANGES

On behalf of the Board, I am pleased to welcome Mr George Yeo, who was appointed Non-Executive and Independent Director on 19 April 2024, Archer Daniels Midland (ADM)'s new nominee, Mr Gary McGuigan, who was appointed Non-Executive and Non-Independent Director on 21 August 2024, and Ms Lee Huay Leng, who has been appointed Non-Executive and Independent Director, effective 22 April 2025.

Mr McGuigan succeeds Mr Gregory Morris, who stepped down on 21 August 2024. I would like to express the Board's appreciation to Mr Morris for his valuable contributions. Mr McGuigan's extensive senior management experience in ADM and deep knowledge of the broader food and agriculture sector will bring beneficial insights to the Board's deliberations.

We also look forward to benefitting from Mr Yeo's perspectives on global business and political issues, which are especially important in light of the current dynamic geopolitical landscape, as well as Ms Lee's perspectives on current affairs in China.

## APPRECIATION

On behalf of the Group, I would like to express our gratitude to Mr Kishore Mahbubani, who will be retiring from the Board of Directors at the conclusion of the upcoming Annual General Meeting on 22 April 2025, having reached the maximum nine-year term of service as an Independent Director. Mr Mahbubani was first appointed to the Wilmar Board on 1 January 2016. The Board deeply appreciates Mr Mahbubani's valuable contributions, stemming from his deep knowledge of geopolitics through a long and distinguished career in diplomacy and public policy.

I would also like to thank all our employees for their hard work and dedication which has enabled us to weather the challenging environment and achieve satisfactory results. Additionally, I extend my sincere appreciation to our customers, shareholders, partners and bankers for their unwavering support.

## Kuok Khoon Hong

Chairman and Chief Executive Officer  
12 March 2025