

NEWS RELEASE

WILMAR REPORTS CORE NET PROFIT OF US\$577 MILLION FOR 1H2023, 50% LOWER THAN 1H2022

- Lower contributions from Food Products and Feed & Industrial Products despite higher sales volume
- Contributions from Plantation & Sugar Milling also lower
- Stronger contributions from Sugar merchandising, Shipping, Joint Ventures & Associates
- Generated US\$3.19 billion net cash from operating activities, free cash flow of US\$1.89 billion
- Better results expected for 2H2023
- Interim tax-exempt dividend maintained at S\$0.06 per share

Highlights

In US\$ million	1H2023	1H2022	Change
Revenue	32,538.0	36,133.8	-10.0%
EBITDA	1,654.3	2,349.8	-29.6%
Profit before tax	697.7	1,611.4	-56.7%
Net profit	550.9	1,165.0	-52.7%
Core net profit	577.2	1,155.4	-50.0%
Earnings per share – fully diluted (US cents)	8.8	18.5	-52.4%

Singapore, August 11, 2023 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, reported a net profit of US\$550.9 million for the six months ended June 30, 2023 (“1H2023”) (1H2022: US\$1.16 billion). Excluding losses

from non-operating items, core net profit was US\$577.2 million (1H2022: US\$1.16 billion).

The lower profit was mainly due to weaker performances in the Food Products and Plantation and Sugar Milling segments but partially offset by improved contributions from the Sugar merchandising and Shipping divisions as well as strong performances from European associates and joint ventures.

Revenue for 1H2023 declined 10% to US\$32.54 billion (1H2022: US\$36.13 billion) as prices of most commodities decreased. This was partially offset by higher sales volume during the period.

Business Segment Performance

Food Products (Consumer Products, Medium Pack and Bulk) registered a 5% increase in sales volume to 14.6 million MT (1H2022: 13.8 million MT), with stronger sales volume recorded for medium pack and bulk products. Rice and flour products saw robust volume growth, in line with the Group's capacity expansion for these products. However, sales of consumer products slowed down as more people resumed dining out following lifting of lockdown restrictions in China and also due to weaker consumer demand from a slowdown in the economy.

Pre-tax profit declined to US\$82.7 million in 1H2023 (1H2022: US\$521.5 million) mainly due to unfavourable sales mix, lower sales from consumer products and weaker margins as a result of high feedstock costs for the flour business. The decline was further impacted by the absence of the gain on dilution of interest in Adani Wilmar Limited (US\$175.6 million) which was recognised in the previous corresponding period.

Feed and Industrial Products (Tropical Oils, Oilseeds & Grains and Sugar) achieved a 13% increase in sales volume to 27.9 million MT (1H2022: 24.8 million MT), driven by higher sales volume across all its main businesses. However, pre-tax profit declined 21% to US\$399.0 million (1H2022: US\$503.0 million) mainly due to much lower margins for the mid and downstream tropical oils operations. Weak crush margins arising from lower demand from the poultry and hog industries as well as elevated soybean prices during

the second quarter further impacted profits. These were partially offset by good contributions from both Sugar merchandising and Shipping operations.

Plantation and Sugar Milling recorded a pre-tax profit US\$62.9 million in 1H2023 (1H2022: US\$435.8 million), due to weaker performance across palm plantation and sugar milling businesses as well as losses in fertiliser operations. Profit for palm plantation business was much lower due to lower palm oil prices. In addition, fresh fruit bunches production decreased by 2% to 2,079,749 MT in 1H2023 (1H2022: 2,132,339 MT), mainly impacted by weaker production in Indonesia resulting from poorer weather conditions and crop profile. While sugar prices remained higher in 1H2023 compared to 1H2022, performance for sugar milling business during the period was partially impacted by weaker volume of sugar sales. Fertiliser division reported losses due to a sharp drop in fertiliser prices during the period.

The **Others** segment recorded a pre-tax loss of US\$30.2 million in 1H2023 (1H2022: US\$2.8 million profit), mainly due to higher losses on investment securities and lower investment income.

Joint Ventures & Associates improved by 30% to US\$198.9 million in 1H2023 (1H2022: US\$153.1 million), mainly due to stronger performance from the Group's investments in Europe.

Dividend

The Board has approved an interim tax exempt (one-tier) dividend for 1H2023 of S\$0.06 per share, unchanged from the 1H2022 interim dividend, despite the lower profits in 1H2023. The interim dividend for 1H2023 will be paid on August 30, 2023.

Strong Balance Sheet and Cash Flows

Even though prices of soy and sugar-related commodities increased compared to prior year end, prices of palm commodities fell at a relatively steeper rate. Correspondingly, net loans and borrowings decreased by US\$1.45 billion to US\$17.30 billion as of 30 June 2023. This also led to an improvement in net gearing ratio, from 0.94x in FY2022 to 0.89x in 1H2023.

During the period, the Group generated strong operating cash flows of US\$3.19 billion. Capital expenditure for the period (including advances paid) was lower at US\$1.16 billion (1H2022: US\$1.26 billion) while US\$142.2 million (1H2022: US\$103.2 million) was used for the acquisition of subsidiaries, joint ventures and associates. Together with dividend distribution of US\$542.6 million and the US\$1.45 billion decrease in net debt, the Group had a cash inflow of US\$1.22 billion and free cash flow of US\$1.89 billion at the end of the reporting period.

As at 30 June 2023, total assets stood at US\$59.79 billion and shareholders' funds at US\$19.43 billion. The Group also had US\$25.67 billion of unutilised banking facilities.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, "Results for 1H2023 were significantly lower than 1H2022 as most of our markets, with the exception of India, experienced a slowdown in the second quarter of 2023. Our results were further impacted by lower palm oil and fertiliser prices, as well as lower processing margins for our mid and downstream operations. These were partially offset by strong performance from Sugar and Shipping divisions. The Group has made good progress in our new businesses like condiments, Food Park and Central Kitchen projects which we believe will become significant contributors to the Group's operations in future. Barring unforeseen circumstances, we believe the second half of 2023 will be better than 1H2023."

About Wilmar

Wilmar International Limited, founded in 1991 and headquartered in Singapore, is today Asia's leading agribusiness group. Wilmar is ranked amongst the largest listed companies by market capitalisation on the Singapore Exchange.

At the core of Wilmar's strategy is an integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from cultivation and milling of palm oil and sugarcane, to processing, branding and distribution of a wide range of edible food products in consumer, medium and bulk packaging, animal feeds and industrial agri-products such as oleochemicals and biodiesel. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions. Through scale, integration and the logistical advantages of its business model, Wilmar is able to extract margins at every step of the value chain, thereby reaping operational synergies and cost efficiencies.

Supported by a multinational workforce of about 100,000 people, Wilmar embraces sustainability in its global operations, supply chain and communities.

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