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NEWS RELEASE

WILMAR REPORTS CORE NET PROFIT OF US$989 MILLION FOR 2H2023 AND US$1.57 BILLION FOR FY2023

- **Net profit declined 21% to US$974 million in 2H2023 and 37% to US$1.52 billion in FY2023**
- **Lower contributions from Feed & Industrial Products despite higher sales volume**
- **Improved performance from Plantations & Sugar Milling and Food Products in 2H2023**
- **Generated strong cash flow from operations of US$3.89 billion and free cash flow of US$1.89 billion**
- **Maintained total dividend of S$0.17 per share for FY2023**

Highlights

In US$ million	2H2023	2H2022	*Change*	FY2023	FY2022	Change
Revenue	34,617.2	37,265.2	*-7.1%*	67,155.3	73,399.0	*-8.5%*
EBITDA	2,308.8	2,383.7	*-3.1%*	3,963.1	4,733.5	*-16.3%*
Profit before tax	1,258.5	1,505.1	*-16.4%*	1,956.3	3,116.6	*-37.2%*
Net profit	973.9	1,237.5	*-21.3%*	1,524.8	2,402.5	*-36.5%*
Core net profit	989.3	1,264.3	*-21.7%*	1,566.5	2,419.7	*-35.3%*
Earnings per share – fully diluted (US cents)	15.6	19.8	*-21.2%*	24.4	38.3	*-36.3%*

Singapore, February 21, 2024 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported core net profit of US$989.3 million for the half year ended December 31, 2023 ("2H2023") (2H2022: US$1.26 billion), with improved performance from Plantations & Sugar Milling and Food Products but weaker performance from Feed & Industrial Products. Together with non-operating losses in 2H2023, net profit declined 21% to US$973.9 million (2H2022: US$1.24 billion).

For the year ended December 31, 2023 ("FY2023"), core net profit was lower at US$1.57 billion (FY2022: US$2.42 billion) while net profit declined to US$1.52 billion (FY2022: US$2.40 billion). The lower results were mainly attributable to weaker performance in 1H2023.

Revenue declined by 7% to US$34.62 billion in 2H2023 (2H2022: US$37.27 billion) as most commodity prices decreased during the period. However, this was partially offset by higher sales volume across all the Group's core segments and higher sugar prices. Revenue for the full year declined by 9% to US$67.16 billion (FY2022: US$73.40 billion).

Business Segment Performance

Food Products (Consumer Products, Medium Pack and Bulk) registered a 2% increase in pre-tax profit to US$212.3 million in 2H2023 (2H2022: US$208.6 million) while overall sales volume grew by 6% to 16.1 million MT (2H2022: 15.2 million MT), with stronger sales volume recorded from medium pack and bulk products. Volume growth was mainly driven by higher flour and rice sales, in line with the Group's expanded flour and rice capacities.

For FY2023, profit for the segment declined 60% to US$294.9 million (FY2022: US$730.1 million). The Group suffered from weaker margins as a result of high feedstock cost for the flour business during the first half of the year. This was further impacted by the absence of a gain on dilution of interest in the Group's Indian associate, Adani Wilmar Limited, which had been recognised in the previous year (US$175.6 million). Overall sales volume grew by 6% to 30.7 million MT in FY2023 (FY2022: 29.1 million MT).

Feed and Industrial Products (Tropical Oils, Oilseeds & Grains and Sugar) posted lower profit of US$527.7 million in 2H2023 (2H2022: US$1.06 billion) mainly as the tropical oils business experienced weaker margins for its mid and downstream operations. However, this was offset by better performance from the oilseeds and sugar businesses during the period. Oilseeds division recorded higher crushing margins in 2H2023. The sugar division also achieved better performance during the period on the back of higher merchandising activities. The Group continued to grow its volume during the period and recorded higher volume of sales across all its main businesses, with overall sales volume increasing by 8% to 33.3 million MT (2H2022: 30.8 million MT).

Overall sales volume for the segment increased by 10% to 61.3 million MT in FY2023 (FY2022: 55.6 million MT) even though profit for the year was lower at US$926.7 million (FY2022: US$1.56 billion).

Plantation and Sugar Milling saw profit increasing more than three-fold to US$437.2 million in 2H2023 (2H2022: US$133.5 million) mainly as the Group recognised a gain on disposal of its Moroccan associate, Cosumar S.A., amounting to US$231.0 million. In addition, firm sugar prices and higher sales volume during the period further supported the steady performance of the sugar milling business, with sales volume growing by 15% to 2.7 million MT in 2H2023 (2H2022: 2.3 million MT). The palm plantation business also performed favourably despite lower palm oil prices as fresh fruit bunches production increased by 3% to 2,370,703 MT in 2H2023 (2H2022: 2,301,672 MT) while production yield for palm plantation improved by 3% to 11.2 MT per hectare in 2H2023 (2H2022: 10.9 MT per hectare).

For the full year, segment profit decreased by 12% to US$500.1 million (FY2022: US$569.3 million), mainly due to lower profit from the palm plantation business as a result of lower palm oil prices during the year. Fresh fruit bunches production for FY2023 only increased marginally by 0.4% to 4,450,452 MT (FY2022: 4,434,011 MT) while production yield remained comparable at 21.0 MT per hectare. However, this was offset by improvements in the segment results in 2H2023.

The **Others** segment recorded losses of US$25.0 million in 2H2023 (2H2022: US$0.8 million profit), mainly due to mark-to-market losses from the Group's investment securities and losses from the port business. Weaker equity market conditions, especially in 1H2023, led to higher mark-to-market losses for the Group's investment securities, causing the segment to report losses of US$55.2 million for FY2023 (FY2022: US$3.6 million profit).

Share of results of Joint Ventures & Associates for 2H2023 was comparable to the previous corresponding period at US$120.9 million (2H2022: US$120.7 million), with contributions mainly from the Group's investments in Europe and China. For FY2023, share of results of joint ventures and associates improved by 17% to US$319.8 million (FY2022: US$273.8 million) mainly on the back of stronger performance by its investments in Europe.

Dividend

The Board has proposed a final tax exempt (one-tier) dividend of S$0.11 per share. Including the interim dividend of S$0.06 per share paid in August 2023, the total dividend paid and proposed for FY2023 is S$0.17, unchanged from the previous year.

Strong Balance Sheet and Cash Flows

As prices of most commodities fell compared to prior year end, working capital requirements also decreased during FY2023. Correspondingly, net debt decreased by US$1.09 billion to US$17.65 billion as of 31 December 2023. This also led to an improvement in net gearing ratio, from 0.94x in FY2022 to 0.88x in FY2023.

For FY2023, the Group generated strong cash inflow of US$3.89 billion from operating activities, with free cash flow of US$1.89 billion. Capital expenditure for the year was lower at US$2.28 billion (FY2022: US$2.48 billion) while US$298.4 million (FY2022: US$141.0 million) was used for the acquisition of subsidiaries, joint ventures and associates. Together with dividend distribution of US$847.6 million, proceeds from disposal of associates of US$584.6 million and the decrease in net debt by US$1.09 billion, the Group had a cash inflow of US$1.53 billion at the end of FY2023. As at 31 December 2023, the Group also had US$30.75 billion of unutilised banking facilities.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, "Following an exceptional year in FY2022, we recorded a satisfactory set of results in FY2023 despite headwinds faced across various businesses during the year. We expect the tough operating conditions to continue into FY2024. Tropical oils margins are expected to remain depressed, sugar milling margins will be affected by lower sugar prices and operating conditions in China are expected to remain challenging.

“We are confident that our integrated and diversified business model will continue to help us weather through the coming year. In 2024, we will continue to focus on improving efficiencies of our operations, reducing capital expenditure and extracting benefits from our past expansion especially those that started operations in the last few years.”

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 origination, to processing, branding, merchandising and distribution of a wide range of edible food and industrial products. The Group's business activities include oil palm cultivation, oilseed crushing, edible oils refining, flour and rice milling, sugar milling and refining, manufacturing of consumer products, ready-to-eat meals, central kitchen products, specialty fats, oleochemicals, biodiesel and fertilisers as well as food park operations. It has over 1,000 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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