

Wilmar International Limited
For the period ended 31 March 2021
Executive Summary

Key highlights of Wilmar Group results in 1Q2021:

	1Q2021	1Q2020	
	US\$'000	US\$'000	Change
Revenue	14,263,334	10,920,742	30.6%
EBITDA	1,087,332	707,483	53.7%
Net Profit	450,227	224,111	100.9%
Core Net Profit	423,685	306,371	38.3%
Sales statistics ('000MT)			
Food Products			
- Consumer Products	2,485	2,418	2.8%
- Medium Pack and Bulk	4,494	3,752	19.8%
	6,979	6,170	13.1%
Feed and Industrial Products			
- Tropical Oils	5,193	5,237	-0.8%
- Oilseeds and Grains	4,142	4,280	-3.2%
- Sugar	2,433	2,082	16.9%
	11,768	11,599	1.5%
Operating cash flows before working capital changes	1,055,980	871,897	21.1%
Cash flow from operating activities	96,414	1,944,222	-95.0%
	31 Mar 2021	31 Dec 2020	
Net Debt	14,114,173	13,605,466	3.7%
Shareholders' Funds	19,196,629	18,882,355	1.7%

Performance for 1Q2021

The Group's net profit doubled to US\$450.2 million (1Q2020: US\$224.1 million), recording its highest first quarter results since listing. All core segments reported growth in both revenue and profits for 1Q2021 on the back of strong performance across all its core businesses. Results for the quarter were further aided by a reversal of mark-to-market losses on hedging derivatives recorded in the last quarter of 2020. In addition, good manufacturing margins were recognised in the Feed & Industrial Products segment. Profit for the Plantation & Sugar Milling segment was also higher for the quarter, supported by stronger commodity prices in 1Q2021 and the capitalisation of maintenance costs during the sugar milling off-season. These maintenance costs will be amortised over the sugar milling season. The results were further boosted by favourable contributions from the Group's associates and joint ventures during the quarter, as well as non-operating gains from the Group's investment activities. Core profit for the quarter improved by 38.3% to US\$423.7 million (1Q2020: US\$306.4 million).

Sales for Food Products segment increased by 13.1% to 7.0 million MT in 1Q2021 (1Q2020: 6.2 million MT), with medium pack and bulk businesses driving overall sales growth for the segment. China, the Group's key market, has shown strong recovery from the Covid-19 pandemic and lockdowns of the previous year. This enabled more people to dine out during the quarter, resulting in stronger demand

for food products from the Hotel/Restaurant/Catering (HORECA) and food processing industries. Even though consumer products sales volume had been particularly high last year, consumer products sales for the current quarter continued to grow by 2.8% in 1Q2021 to 2.5 million MT (1Q2020: 2.4 million MT). The growth was also supported by a shift in consumer preference towards better quality food products. Overall, sales volume for both consumer products, medium pack and bulk products in 1Q2021 was higher than pre-Covid-19 levels.

Strong sugar merchandising activities in 1Q2021 led the sales growth for the Feed & Industrial Products segment, with overall sales volume increasing from 11.6 million MT in 1Q2020 to 11.8 million MT in 1Q2021. However, this was partially offset by lower soybean crushing activities during the quarter.

As of 31 March 2021, shareholders' funds increased to US\$19.20 billion mainly on the back of profits recognised during the quarter, with net gearing increasing marginally to 0.74x (31 Dec 2020: 0.72x).

Cashflow

The Group generated strong operating cash flows before working capital changes on the back of strong operating profit for the quarter. However, overall cash flow from operating activities for 1Q2021 was lower at US\$96.4 million due to higher commodity prices driving an increase in working capital requirements during the quarter. Consequently, net debt increased to US\$14.11 billion as at 31 March 2021. As at 31 March 2021, the Group also has unutilised banking facilities amounting to US\$22.48 billion.

Outlook

We achieved good results to start the year in a challenging market environment. We will continue to strengthen our existing operations and build new complementary businesses which will help in our long-term growth. The sustained high palm oil price is expected to benefit our Oil Palm Plantation business in the coming months although it will have an impact on our manufacturing margins. Earnings in the Feed & Industrial Products segment will likely be lower due to lower crush margins. However, higher sugar price will benefit our sugar milling business. With regard to recent developments in India and Myanmar, as we are a provider of essential food products, our operations in those markets have not experienced significant disruptions. We will continue to monitor these situations closely, especially the health and safety of our employees. Whilst the pace of economic recovery around the world from the pandemic is uneven, we are cautiously optimistic that we will perform satisfactorily for the rest of the year.

29 April 2021