

# WILMAR INTERNATIONAL LIMITED

## ANNUAL GENERAL MEETING

19 April 2024



  
wilmar

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# Agenda

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# 1. 2023 Financials

By Charles Loo Cheau Leong  
Deputy Chief Operating Officer and Chief Financial Officer



## 2023 Results at a Glance

vs 2022

<b>Total Revenue</b>	US\$ 67.16 billion	-9%
<b>EBITDA</b>	US\$ 3.96 billion	-16%
<b>Net Profit</b>	US\$ 1.52 billion	-37%
<b>Core Net Profit</b>	US\$ 1.57 billion	-35%
<b>Earnings per share</b> (fully diluted)	US\$ 0.244	-36%
<b>Dividends per share</b>	S\$ 0.170	0%
<b>Net Debt/Equity</b>	0.88x	0.94x

# Vertically Integrated Across Business Segments



ORIGINATION



PROCESSING



PRODUCTS TRADING, MERCHANDISING & DISTRIBUTION



CUSTOMERS

## PLANTATION AND SUGAR MILLING

Oil palm plantation and sugar milling activities, which include the cultivation and milling of palm oil and sugarcane.

OIL PALM PLANTATION

SUGAR MILLING

Fresh Fruit Bunches  
4.5m MT

Volume  
3.6m MT

Revenue  
**US\$3.98b**  
Results  
**US\$500.1m**

## FEED AND INDUSTRIAL PRODUCTS

Processing, merchandising and distribution of products, which include animal feeds, non-edible palm and lauric products, agricultural commodities, oleochemicals, gas oil and biodiesel.

TROPICAL OILS

OILSEEDS & GRAINS

SUGAR

Volume  
24.7m MT

Volume  
23.2m MT

Volume  
13.3m MT

Revenue  
**US\$41.37b**  
Results  
**US\$926.7m**

## FOOD PRODUCTS

Processing, branding and distribution of a wide range of edible food products, which include vegetable oils, sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products, ready-to-eat meals and central kitchen products. These food products are sold in either consumer and medium packaging or in bulk, depending on consumer requirements.

CONSUMER PRODUCTS

MEDIUM PACK AND BULK

Volume  
8.0m MT

Volume  
22.7m MT

Revenue  
**US\$28.33b**  
Results  
**US\$294.9m**

## LOGISTICS

**45**  
Liquid Bulk Vessels

**16**  
Dry Bulk Vessels

**9**  
Ports in Indonesia

**7**  
Ports in China

**1**  
Port in Myanmar

## Key Segment Results

US\$ million unless otherwise stated		2023	2022
Food Products (Consumer Products, Medium Pack and Bulk)	Volume (M MT)	30.7	29.1
	Revenue	28,326.4	31,516.4
	PBT	294.9	730.1
Feed and Industrial Products (Tropical Oils, Oilseeds and Grains, Sugar)	Volume (M MT)	61.3	55.6
	Revenue	41,369.2	44,545.6
	PBT	926.7	1,559.5
Plantation and Sugar Milling	Volume (M MT) <sup>(1)</sup>	3.6	3.2
	Revenue	3980.6	4,737.3
	PBT	500.1	569.3
Others	Revenue	441.6	372.5
	PBT	(55.2)	3.6
Share of Results of Associates & Joint Ventures	PBT	319.8	273.8
Unallocated Expenses	PBT	(30.1)	(19.7)
<b>Total PBT</b>		<b>1,956.2</b>	<b>3,116.6</b>

<sup>(1)</sup> Excludes oil palm plantation volume

## Cash Flow Highlights

US\$ million	FY2023	FY2022
Operating cash flow before working capital changes	2,953	3,951
Add/(less): Changes in working capital, interest (paid)/received and income taxes paid	932	(1,903)
Acquisitions of subsidiaries, joint ventures and associates	(298)	(141)
Capital expenditure	(2,281)	(2,483)
Net increase from bank borrowings*	525	1,786
Share buyback	-	(200)
Increase in other deposits and financial products with financial institutions	(217)	(11)
Dividends	(848)	(803)
Others**	768	63
<b>Net cash flow</b>	<b>1,534</b>	<b>259</b>
<b>Free cash flow</b>	<b>1,894</b>	<b>614</b>

*Note :*

\* Net bank borrowings include proceeds/repayments of loans and borrowings net of fixed deposits pledged with financial institutions for bank facilities and unpledged fixed deposits with maturity more than 3 months.

\*\* Includes proceeds from sale of Cosumar S.A. of US\$583 million.



## Funding and Liquidity

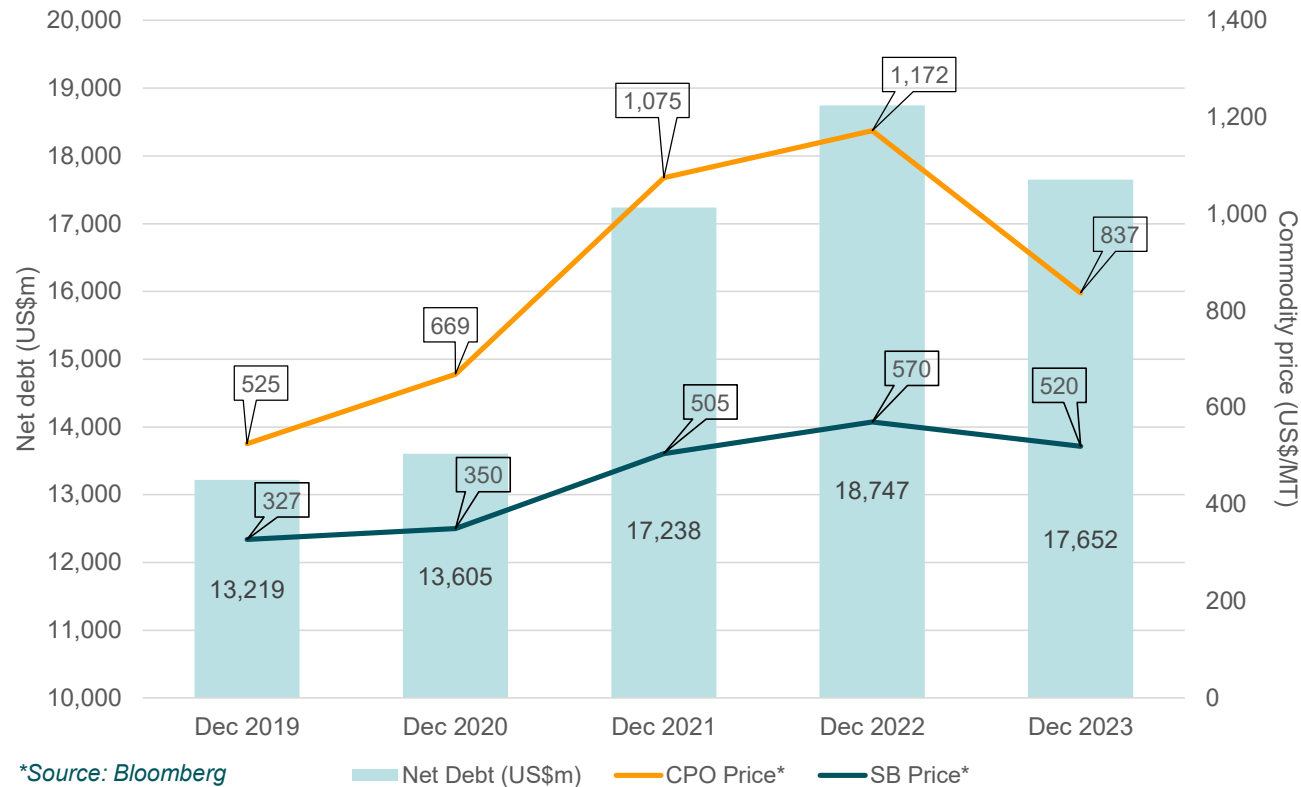
US\$ million	31 Dec 2023	31 Dec 2022
Liquid working capital	10,174	12,662
Cash & bank balances (current)	8,156	5,722
Structured deposits	3,815	3,585
	<b>22,145</b>	<b>21,969</b>
<b>Total short-term borrowings</b>	<b>22,242</b>	<b>23,435</b>

US\$ million	As at Dec 31, 2023		Balance
	Available	Utilised	
Credit facilities :			
Committed	11,418	8,583	2,835
Trade finance	48,620	21,831	26,789
Short term	1,411	287	1,124
<b>Total credit facilities</b>	<b>61,449</b>	<b>30,701</b>	<b>30,748</b>

<b>Available facilities</b>	<b>30,748</b>
<b>Available cash not pledged</b>	<b>4,381</b>
<b>Total liquidity</b>	<b>35,129</b>

- 71% of utilised facilities were trade financing lines as at December 31, 2023.
- 50% of total facilities were utilised as at December 31, 2023.

## Commodity Price / Net Debt



- We expect our net finance cost to have peaked in FY2023 due to softening of commodity prices (our debts are predominately trade related) and peak in global interest rates.
- We also borrow in Renminbi for our China operations and interest rates there are expected to remain low in FY2024 due to the weak domestic economic environment.
- Financing cost is lower than most major economies' central bank policy rates.

## CAPEX – Funded Internally

US\$ million	FY2023	FY2022	FY2021	FY2020	FY2019	FY2018
<b>EBITDA</b>	<b>3,963</b>	<b>4,734</b>	<b>4,172</b>	<b>3,609</b>	<b>3,024</b>	<b>2,937</b>
Less: net tax paid	(499)	(685)	(687)	(407)	(247)	(388)
Less: net interest paid	(635)	(471)	(266)	(213)	(450)	(253)
Less: dividend (ordinary)	(848)	(803)	(741)	(699)	(555)	(532)
Less: special dividend	-	-	(309)	-	-	-
Less: share buyback	-	(200)	(98)	(141)	-	-
Less: non-cash gain on dilution of interest in Adani Wilmar Limited	-	(176)	-	-	-	-
Add: funds from IPO used to purchase Capex	212	364	414	621	-	-
	<b>2,193</b>	<b>2,763</b>	<b>2,485</b>	<b>2,770</b>	<b>1,772</b>	<b>1,764</b>
Less: CAPEX spent	(2,281)	(2,483)	(2,527)	(1,976)	(1,813)	(1,325)
<b>(Deficit)/surplus funds</b>	<b>(88)</b>	<b>280</b>	<b>(42)</b>	<b>794</b>	<b>(41)</b>	<b>439</b>

- Healthy returns to shareholders via dividends / share buyback each year.
- Adequate internally generated funds used for capital expenditure.

## 2. Business Developments



# Business Developments

Country/Region	Highlights
<b>China</b>	<ul style="list-style-type: none"><li>Continued to expand existing projects and completed two new major complexes in Qiqihar and Zhoukou.</li><li>Expanded our food park and central kitchen projects.</li></ul>
<b>Malaysia</b>	<ul style="list-style-type: none"><li>Our new specialty fats short path distillation plant in Pasir Gudang commenced operations in December 2023, while the upgrading of our shortening line, which produces chilled margarine at the same site, is due to be completed in 2024.</li></ul>
<b>Indonesia</b>	<ul style="list-style-type: none"><li>Expanded our rice and flour milling, and oleochemicals manufacturing capacities.</li></ul>





# Business Developments

Country/Region	Highlights
<b>Vietnam</b>	<ul style="list-style-type: none"> <li>Expanded capacities of our grains value-added processing, sauces and condiments manufacturing, homecare products, rice bran stabilisation as well as joint venture's soybean crushing plants in existing sites.</li> <li>Completed acquisition of minority shareholder interest in Calofic Corporation, the largest manufacturer and distributor of vegetable oils and associated products in the country. It is now an indirect wholly-owned subsidiary.</li> </ul>
<b>India</b>	<ul style="list-style-type: none"> <li>Our 62.5% owned subsidiary, Shree Renuka Sugars Limited, completed 100% equity acquisition of Anamika Sugar Mills in October 2023, allowing us to establish a presence in Uttar Pradesh and cater to the markets of Northern India in addition to our existing milling footprint in Maharashtra and Karnataka.</li> <li>Added new flour and rice mills.</li> </ul>



# Business Developments

Country/Region	Highlights
<b>Africa</b>	<ul style="list-style-type: none"><li>• Added new shea crushing, solvent extraction and specialty fats plants in <b>Ghana</b>.</li><li>• Completed expansion of our saponification capacities in <b>Ethiopia</b>.</li><li>• Expanded our oil palm plantation acreage in <b>Uganda</b>.</li><li>• Planning to expand capacity of our rice mill in <b>Tanzania</b> to double production by end 2024.</li></ul>
<b>Pakistan</b>	<ul style="list-style-type: none"><li>• Expanded our flour and rice milling capacities.</li></ul>



# Recognised for its Leading Brands and Quality Products

China: <b>Arawana</b>	<ul style="list-style-type: none"> <li>• 2023年C-BPI食用油品牌力榜首 by 中国北京-品牌评级机构Chnbrand</li> <li>• 深圳老字号 by 深圳市商业联合会、深圳市老字号协会、深圳广播电影电视集团、深圳报业集团·深圳商报</li> <li>• 第十三届中国粮油榜-中国粮油最具影响力品牌 by 粮油市场报</li> </ul>
Indonesia: <b>Sania</b>	<ul style="list-style-type: none"> <li>• Superbrand (Cooking Oil Category) by Superbrands Indonesia</li> <li>• Top Brand Award 2023 in Recognition of Outstanding Achievement in Building the Top Brand (Cooking Oil &amp; Rice Category) by Frontier Consulting Group and Majalah Marketing</li> <li>• WOW Brand Award 2023, Bronze Champion (Cooking Oil Category) by MarkPlus</li> </ul>
Bangladesh: <b>Rupchanda</b>	<ul style="list-style-type: none"> <li>• The Most Loved Brand (Edible Oil) by Bangladesh Brand Forum</li> </ul>
Vietnam: <b>Simply</b>	<ul style="list-style-type: none"> <li>• Top 10 Most Chosen Packaged Food Brands by Consumer Reach Points by Brand Footprint Report</li> </ul>
Nigeria: <b>Devon King's</b>	<ul style="list-style-type: none"> <li>• Most Innovative Cooking Oil Brand of the Year 2023 by Brand Communicator</li> <li>• Edible Oil of the Year 2023 by MediaConsortium Award</li> </ul>
<b>Mamador</b>	<ul style="list-style-type: none"> <li>• Most Outstanding Cooking Oil Brand in Consumers Engagement by Brand Communicator</li> </ul>
Zimbabwe: <b>Buttercup Margarine</b> <b>Puredrop</b> <b>Olivine Cooking Oil</b>	<ul style="list-style-type: none"> <li>• Winner (Spreads Category) by Marketers Association Zimbabwe Superbrands</li> <li>• 1<sup>st</sup> Runner-up (Cooking Oil Category) by Marketers Association Zimbabwe Superbrands</li> <li>• 2<sup>nd</sup> Runner-up (Cooking Oil Category) by Marketers Association Zimbabwe Superbrands</li> </ul>
Uganda: <b>White Star Bar</b> <b>Magic Detergent</b> <b>Fortune Butto</b>	<ul style="list-style-type: none"> <li>• Best Laundry Soap by People's Choice Quality Awards</li> <li>• Best Detergent by People's Choice Quality Awards</li> <li>• Best Oil by People's Choice Quality Awards</li> </ul>
Ghana: <b>Frytol</b>	<ul style="list-style-type: none"> <li>• Consumers' Choice Brand of the Year by National FMCG Awards 2023</li> </ul>





### 3. Food Parks and Central Kitchens in China



## Expansion into Food Parks

- With more than 30 years as an agri-commodities processor in China and built manufacturing complexes in more than 60 locations in the country, we are well positioned to establish high quality food parks to facilitate the production of quality, safe and tasty products at a lower cost.



We source our vegetables and meats from farmers located near to or around our food parks, which effectively promote the development of local agriculture.

## Our Food Parks



Layout of our food park ecosystem in Hangzhou.

- Open concept approach, where the food parks are designed to be inclusive and not limited to our own exclusive use.
  - Storage space available for rent
  - Tenants operate their own food processing facilities and central kitchens
  - Manufacturer food products for other restaurants and brands
  - Offer procurement services to help them reduce costs
  - Tap on our vast distribution network

- Where possible, we will locate the food parks next to our existing integrated manufacturing complexes. Resources and infrastructures are shared among tenants of the complex, further improving efficiency.



## Energy Conservation and Emission Reduction to Create Low-Carbon Food Parks in China

- Our food park in **Hangzhou** is strategically positioned as it is not only connected through highways but also leverages waterway transportation for logistical operations.
  - Reduction in energy consumption through independent metering for each unit, intelligent monitoring systems for central air conditioning and refrigeration storages and sharing of steam and compressed air
  - New energy infrastructure, energy-efficient vehicles and intelligent warehouse management system
  - Modern processing technology to standardise operations and maintenance to minimise food waste during production



## Our Central Kitchens

- We produce a comprehensive range of products for different demographics and dietary requirements, including student meals, ready-to-eat lunch boxes, microwaveable foods, seasoning sauces, hot pot soup bases, rice and noodle products, and more.
- To stay competitive, our **WKitchen** products go through rounds of research and development to achieve better taste, nutrition and safety.



Food packing line in the CK.



Ready-to-eat meals, including traditional dishes like braised pork balls in brown sauce.



Food packing line in the CK.

## Supporting the Hangzhou Asian Games and Asian Para Games

- Hangzhou Central Kitchen was selected as the catering service provider of the Hangzhou Asian Games and Asian Para Games, which were held in September and October 2023. As a fruits and vegetables processing centre, we provided meals and fresh vegetables to the athletes at the Asian Games Village.



Employees of Hangzhou CK serving meals at the Asian Games.



Bento meal provided at the Hangzhou Asian Games.



# Progress

- Our first food park in Hangzhou commenced operations in April 2022. To date, we have launched five food parks and are constructing five more.

1 HANGZHOU (APRIL 2022)



2 ZHOUKOU (SEPTEMBER 2022)



3 CHONGQING (DECEMBER 2022)



4 XINGPING (FEBRUARY 2023)



5 LANGFANG (NOVEMBER 2023)



## 4. ESG Initiatives





## Our Sustainability Progress

- In 2023, we celebrated our 10<sup>th</sup> anniversary of our pioneering **No Deforestation, No Peat, No Exploitation (NDPE)** policy.
- We are committed to the preservation of biodiversity within our operations and supply chain, maintaining a total **conservation area of over 32,000 hectares** across the Group.
- We are a steadfast advocate of children's rights and a staunch believer of the transformative power of education in securing bright futures. To date, we support the education of **over 12,000 children** living in our plantations globally.
- We believe in the use of responsible financing to build a more sustainable financing framework. Since 2017, we have signed more than **US\$3.37 billion of sustainability-linked loans**. The funds secured play a crucial role in advancing our business objectives, shoring up our financial strength while incentivising continuous improvement in our ESG initiatives.

- ✓ Ranked **1<sup>st</sup> globally** and recognised as a **Leader** in the Children's Rights Benchmark by Global Child Forum
- ✓ Maintained inclusion in the Dow Jones Sustainability World Index (**DJSI World**) and the **FTSE4Good** Developed and ASEAN 5 Index
- ✓ Received an **"AA" rating** in the Morgan Stanley Capital International (MSCI) report
- ✓ Ranked **32<sup>nd</sup> out of 474** companies on the Singapore Governance and Transparency Index



Thank you



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