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NEWS RELEASE

WILMAR REPORTS HIGHER NET PROFIT OF US$924 MILLION FOR 2H2020 AND US$1.53 BILLION FOR FY2020

- **Core net profit increased 3% to US$851 million in 2H2020 and 18% to US$1.49 billion in FY2020**
- **Strong sales volume growth in FY2020 as momentum continued in 2H2020, especially in Food Products and Feed & Industrial Products**
- **Improved contribution across all core segments in FY2020**
- **EBITDA up 19% to US$3.61 billion, generating free cash flow of US$916 million**
- **Record total dividend of S$0.13 per share and special dividend of S$0.065 per share for FY2020**

Highlights

In US$ million	2H2020	2H2019	*Change*	FY2020	FY2019	Change
Revenue	27,869.1	22,414.0	*24.3%*	50,526.8	42,640.5	*18.5%*
EBITDA	2,120.8	1,836.6	*15.5%*	3,609.4	3,023.8	*19.4%*
Net profit	923.6	885.5	*4.3%*	1,534.1	1,293.4	*18.6%*
Net profit from continuing operations	923.6	827.7	*11.6%*	1,534.1	1,268.0	*21.0%*
Core net profit	850.8	829.3	*2.6%*	1,486.3	1,256.4	*18.3%*
Earnings per share – fully diluted (US cents)	14.5	14.0	*4.1%*	24.1	20.4	*18.3%*
Earnings per share – fully diluted - from continuing operations (US cents)	14.5	13.0	*11.4%*	24.1	20.0	*20.7%*

Singapore, February 22, 2021 – Wilmar International Limited (“Wilmar” or “the Group”), Asia’s leading agribusiness group, reported a 19% improvement in net profit to US$1.53 billion for the year ended December 31, 2020 (“FY2020”) (FY2019: US$1.29 billion), on the back of robust performance across all core segments. Excluding gains from nonoperating items and changes in fair value of biological assets, core net profit for FY2020 improved 18% to US$1.49 billion (FY2019: US$1.26 billion).

For the six months ended December 31, 2020 ("2H2020"), net profit increased 4% to US$923.6 million (2H2019: US$885.5 million) while core net profit increased 3% to US$850.8 million (2H2019: US$829.3 million). All segments except for Feed & Industrial Products recorded improved performance. Feed & Industrial Products saw marginally lower profits as its performance was affected by mark-to-market losses on hedging derivatives in the last quarter of 2020, though these mark-to-market losses will reverse in the coming quarters. In addition, during the last quarter of the year, net profit was unfavourably impacted by higher tax expenses and higher allocation of profit to non-controlling interests which was mainly due to the 10% dilution of the Group's interest in Yihai Kerry Arawana Holdings Co., Ltd, ("YKA") following its listing in October 2020.

Revenue increased 24% to US$27.87 billion in 2H2020 (2H2019: US$22.41 billion) and 19% to US$50.53 billion in FY2020 (FY2019: US$42.64 billion). The higher revenues were achieved on the back of strong volume growth, firmer commodity prices as well as consolidation of Goodman Fielder's results.

Business Segment Performance

Food Products (Consumer Products, Medium Pack and Bulk) registered a 16% increase in pre-tax profit to US$657.4 million in 2H2020 (2H2019: US$566.3 million), driven by strong sales volume growth and better margins in the oil, flour and sugar businesses. As China recovered from the Covid-19 outbreak in 2H2020, the Group saw a sharp recovery in volume for its medium pack and bulk products with increased demand from the hotel/restaurant/catering ("HORECA") sector.

In 2H2020, consumer products sales volume grew 16% to 4.7 million MT (2H2019: 4.1 million MT) while medium pack and bulk volume grew 22% to 10.3 million MT (2H2019: 8.4 million MT). Increasing brand awareness and consumers' confidence in the quality food staples which the Group produces helped to drive volume growth.

For FY2020, consumer products sales volume grew 22% to 9.4 million MT (FY2019: 7.7 million MT) while medium pack and bulk sales increased 7% to 17.8 million MT (FY2019: 16.6 million MT). Overall profit for the segment improved by 18% to US$1.15 billion in FY2020 (FY2019: US$974.5 million).

Feed and Industrial Products (Tropical Oils, Oilseed & Grains and Sugar) saw a 5% decline in pre-tax profit to US$425.1 million in 2H2020 (2H2019: US$449.3 million) even as crushing margins and volume remained healthy, supported by steady recovery in hog production in China which created sustained demand for animal feeds. The tropical oils and sugar merchandising businesses also performed well. However, the segment was impacted by mark-to-market losses on hedging derivatives which will reverse in the coming quarters.

For FY2020, segment profit increased by 26% to US$795.9 million (FY2019: US$630.3 million) on the back of strong oilseeds crushing activities in the first half of the year.

Overall volume for the segment increased by 12% to 31.7 million MT in 2H2020 (2H2019: 28.3 million MT) and by 11% to 58.1 million MT in FY2020 (FY2019: 52.4 million MT), mainly driven by improved sales in both the oilseeds & grains and sugar businesses.

Plantation and Sugar Milling tripled its pre-tax profit to US$187.8 million in 2H2020 (2H2019: US$62.2 million) as it benefitted from firmer palm and sugar prices. Production yield for palm plantations increased by 4% to 10.8 MT per hectare in 2H2020 (2H2019: 10.4 MT per hectare) due to favourable weather conditions. Total fresh fruit bunches ("FFB") production increased 5% to 2,121,508 MT (2H2019: 2,015,899 MT).

The sustained firm prices during the year also led the segment to turnaround from a loss of US$41.3 million in FY2019 to a profit of US$104.8 million in FY2020. Production yield increased by 2% to 20.4 MT per hectare in FY2020 (FY2019: 20.1 MT per hectare) while total FFB production increased by 3% to 4,030,264 MT (FY2019: 3,914,613 MT). While the recovery of sugar prices in the second half of the year improved performance of the sugar milling business, the results were partly offset by the US$20.0 million impairment of sugar milling assets in India in 1H2020. Excluding this non-cash impairment, the sugar milling business broke even in FY2020.

Sales volume for sugar milling operations decreased by 26% to 2.2 million MT in 2H2020 (2H2019: 3.0 million MT) and by 12% to 3.5 million MT in FY2020 (FY2019: 4.0 million MT).

The **Others** segment recorded a pre-tax profit of US$100.7 million in 2H2020 (2H2019: US$8.1 million loss), mainly from mark-to-market gains and investment income from the Group's investment portfolio. The weak equity market conditions in the first half of the year impacted the overall performance of the Group's investment portfolio, reducing the full year profit of the segment to US$59.2 million in FY2020 (FY2019: US$7.5 million loss).

Joint Ventures & Associates improved their contributions by 7% to US$118.1 million in 2H2020 (2H2019: US$110.2 million) mainly due to better results from the Group's investments in Africa and Asia. Together with the improved contributions from these investments in 1H2020, overall share of results increased by 32% to US$202.2 million (FY2019: US$153.0 million).

Dividend

The Board has proposed a final tax exempt (one-tier) dividend of S$0.09 per share and a special dividend of S$0.065 per share. Including the interim dividend of S$0.04 per share paid in August 2020, the total dividend paid and proposed for FY2020 is S$0.195. This represents the highest cash dividend by the Group since listing.

Strong Balance Sheet and Cash Flows

As at December 31, 2020, total assets stood at US$51.02 billion while shareholders' funds was US$18.88 billion.

Net debt increased by US$386.8 million to US$13.61 billion mainly due to higher working capital requirements. Nonetheless, net gearing ratio improved to 0.72x (FY2019: 0.79x) due to the strong results in FY2020.

In FY2020, the Group generated US$552.8 million in net cash flow from operating activities. In addition, the listing of YKA generated positive cash inflow, bringing overall free cash flow to US$916.3 million.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, "The Group produced a good set of results for all its core businesses during the year despite the severe impact of COVID-19. The improved performance of the Group once again demonstrated the resilience of the integrated business model that we have developed over the years. We are continuing to build, especially in China, more integrated plants in new locations and develop new high growth and complementary businesses like central kitchen, soy sauce, vinegar and yeast. This will widen our range of food product offerings and help us reduce manufacturing, distribution and marketing costs. We believe our business model will help us achieve long term sustainable growth even though our results might fluctuate from time to time. To demonstrate our belief in our business model, and the prospects of our business, in FY2020, we bought back about S$190 million of Wilmar shares, the second highest buyback consideration on the Singapore Exchange during the year. We are also proposing a record dividend of S$0.13 per share (including interim of S$0.04 per share paid in August 2020) and a special dividend of S$0.065 per share for the financial year ended 31 December 2020.

"We believe demand for our Food Products will continue to be strong, as we have gained a reputation for being a producer of high quality and healthy food products. We also expect the Feed & Industrial Products segment to remain satisfactory on the back of continued strong recovery of hog farming in China and positive manufacturing margins. Oil Palm Plantation and Sugar Milling segment will benefit from higher palm oil and sugar prices.

"Our 89.99%-owned China subsidiary, Yihai Kerry Arawana Holdings Co. Ltd ("YKA"), which was officially listed on the Shenzhen Stock Exchange ChiNext Board on 15 October 2020, was included in the Shenzhen-Hong Kong Stock Connect ("SZHKSC") with effect from 14 December 2020. With the inclusion of YKA in the SZHKSC, investors can now trade in YKA shares through Hong Kong brokers. YKA will also be added to the MSCI Global Standard Index as of the close of 26 February 2021. Market capitalisation of YKA as at 29 January 2021 was RMB 661.00 billion, equivalent to approximately US$102.51 billion."

Change in Segment Reporting

With effect from January 2020, the Group adopted a new segment classification for reporting its segment revenue and results. The change in segments better reflects the Group's core businesses and strategy. Previously, the Group has segmented its business based on different agricultural commodities, mainly Tropical Oils, Oilseeds and Grains, Sugar and Others. Going forward, the four reporting segments will be based on the types of products, namely Food Products, Feed and Industrial Products, Plantation and Sugar Milling and Others.

- Food Products

This segment comprises the processing, branding and distribution of a wide range of edible food products, which includes vegetable oil produced from palm and oilseeds, sugar, flour, rice, noodles, specialty fats, snacks, bakery and dairy products. These food products are sold in either consumer and medium packaging or in bulk depending on customer requirements.

- Feed and Industrial Products

This segment comprises the processing, merchandising and distribution of products, which includes animal feeds, non-edible palm and lauric products, agricultural commodities, oleochemicals, gas oil and biodiesel.

- Plantation and Sugar Milling

This segment comprises oil palm plantation and sugar milling activities, which includes the cultivation and milling of palm oil and sugarcane.

- Others

  This segment includes logistics & jetty port services and investment activities.

Beginning in FY2020, our financial statements will reflect the new reporting segments with prior periods adjusted accordingly. This reclassification will have no impact on the consolidated revenue, operating income or profit for the Group.

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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