

**Wilmar International Limited (“Wilmar” or the “Company”)
For the period ended 31 March 2022
Executive Summary**

Key highlights of Wilmar Group results for the period ended 31 March 2022:

	1Q2022	1Q2021	
	US\$'000	US\$'000	Change
Revenue	17,576,155	14,263,334	23.2%
Net Profit	530,349	450,227	17.8%
Core Net Profit	503,353	423,685	18.8%
EBITDA	1,107,691	1,087,332	1.9%
Other Comprehensive Income	(163,498)	(112,122)	-45.8%
Sales volume ('000MT)			
Food Products			
- Consumer Products	2,330	2,485	-6.2%
- Medium Pack and Bulk	4,575	4,494	1.8%
	6,905	6,979	-1.1%
Feed and Industrial Products			
- Tropical Oils	5,058	5,193	-2.6%
- Oilseeds and Grains	4,098	4,142	-1.1%
- Sugar	2,718	2,433	11.7%
	11,874	11,768	0.9%
Operating cash flows before working capital changes	654,329	1,055,980	-38.0%
Cash flows from operating activities	(496,142)	96,414	n.m
	31.03.2022	31.12.2021	
Net debt	18,471,282	17,237,705	7.2%
Equity attributable to owners of the Company	20,303,341	19,923,875	1.9%

Performance for 1Q2022

The Group continues to perform well with core net profit increasing by 18.8% to US\$503.4 million (1Q2021: US\$423.7 million). The robust set of results was achieved on the back of strong performance in the Plantation and Sugar Milling segment, which was aided by firm palm oil prices. Performance for Food Products segment was favourable due to an exceptional gain on dilution of interest in Adani Wilmar Limited amounting to US\$175.6 million, as well as operational profits for the quarter even though margins were impacted by rising commodity prices. Feed and Industrial Products segment was affected by weak crush margins in China due to the sudden and sharp increase in soybeans prices, as well as lower meal demand due to poor poultry and pig farming margins. Further, demand for consumer pack oil was weaker due to the recent outbreak of Covid-19 cases in China and the slowdown in its economy. Share of results of joint ventures and associates was also lower in 1Q2022, mainly from weaker contributions from China and Europe. Together with non-operating gains recorded from the Group's investment portfolio, net profit for the quarter increased by 17.8% to US\$530.3 million (1Q2021: US\$450.2 million).

Sales volume for medium pack and bulk Food Products increased by 1.8% to 4.6 million MT (1Q2021: 4.5 million MT) driven by volume growth for flour products. The Group's expansion into more flour milling plants in the previous year enabled us to fulfil the increased demand. Nevertheless, sales volume for consumer products decreased to 2.3 million MT in 1Q2022 (1Q2021: 2.5 million MT).

Overall sales volume for Feed and Industrial Products increased by 0.9% to 11.9 million MT in 1Q2022 (1Q2021: 11.8 million MT) as a result of higher sugar merchandising activities, though this was partially dragged down by weaker demand for downstream tropical oil products during the quarter.

Cash Flow

Sustained stable operating profits during the quarter led the Group to generate operating cash flows before working capital changes of US\$654.3 million. However, the continuous increase in commodity prices during the quarter resulted in higher working capital requirements, leading to an overall operating cash outflow of US\$496.1 million. This led net debt to increase by US\$1.23 billion to US\$18.47 billion as of 31 March 2022, while gearing ratio increased to 0.91x (FY2021: 0.87x). Adjusted net gearing ratio (excluding liquid working capital) was at a lower 0.31x. The Group remains focused on its business expansion plans and invested US\$626.9 million on capital expenditure during the quarter.

At the end of the reporting period, the Group had unutilised banking facilities amounting to US\$25.85 billion.

Outlook

Our performance for the quarter was satisfactory given the tough operating environment.

We are pleased to share that we have officially commenced our first central kitchen operations in Hangzhou, China in early April 2022. This new operation has met our expectations and we will continue, as planned, to build more central kitchens in China.

Our newly listed Indian associate, Adani Wilmar Ltd, has done extremely well. From an IPO valuation of US\$4 billion when it listed on 8 February 2022, its market capitalisation has increased by more than 3 times to above US\$13 billion as at 28 April 2022. In addition, valuation for Shree Renuka Sugars Limited, our 62.5% owned Indian sugar subsidiary, has also gone up sharply from US\$863 million on 31 December 2021 to US\$1.6 billion as at 28 April 2022.

Commodity prices have surged since the onset of the Russian and Ukraine conflict in February 2022. Contribution from our Russian and Ukrainian investments is not material but the sustained high commodity prices will benefit our Plantation and Sugar Milling segment in the coming months. However, the high commodity prices are also expected to impact margins in our Food Products segment. Our tropical oils operations will likely be affected by several changes in Indonesian government policies. Despite the tough environment, we are cautiously optimistic that performance for the rest of the year will be satisfactory.

29 April 2022