Wilmar International Limited
Co. Reg. No. 199904785Z

28 Biopolis Road, Singapore 138568
Tel (65) 6216 0244
info@wilmar.com.sg

www.wilmar-international.com

NEWS RELEASE

WILMAR REPORTS RECORD NET PROFIT OF US$2.40 BILLION FOR FY2022

- **Core net profit increased 31% to US$2.42 billion in FY2022**
- **Strong performance from Feed and Industrial Products**
- **FY2022 EBITDA rose 13% to a high of US$4.73 billion, generating strong cash flow of US$2.05 billion from operations**
- **Record total dividend of S$0.17 per share for FY2022**

Highlights

In US$ million	2H2022	2H2021	*Change*	FY2022	FY2021	Change
Revenue	37,265.2	36,259.2	*2.8%*	73,399.0	65,793.6	*11.6%*
EBITDA	2,383.7	2,287.8	*4.2%*	4,733.5	4,171.9	*13.5%*
Profit before tax	1,505.1	1,550.4	*-2.9%*	3,116.6	2,765.9	*12.7%*
Net profit	1,237.5	1,139.5	*8.6%*	2,402.5	1,890.4	*27.1%*
Core net profit	1,264.3	1,110.2	*13.9%*	2,419.7	1,842.4	*31.3%*
Earnings per share – fully diluted (US cents)	19.8	18.1	*9.6%*	38.3	29.9	*28.0%*

Singapore, February 21, 2023 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported a record US$2.40 billion net profit for the year ended December 31, 2022 ("FY2022") (FY2021: US$1.89 billion), with all key segments reporting higher profits. Excluding non-operating items and changes in fair value of biological assets, core net profit for FY2022 improved 31% to US$2.42 billion (FY2021: US$1.84 billion).

For the six months ended December 31, 2022 ("2H2022"), the Feed and Industrial Products segment performed strongly, with segment profits soaring by 35% to US$1.05 billion (2H2021: US$782.2 million). The robust segment performance was led by sustained good performance from the tropical oils business and better margins from sugar merchandising activities, though these were partially impacted by weaker crush margins from the oilseeds business. However, the Food Products segment reported lower profits in 2H2022 due to lower contributions from bulk products despite margin improvements in both consumer products and medium pack businesses as a result of upward price adjustments introduced since mid-2022. Plantation and Sugar Milling segment also contributed favourably to the Group's performance despite lower palm oil prices during the period. In addition, stronger share of results from the Group's joint ventures and associates in China, Europe and India, together with lower effective tax rate during the period, further boosted the Group's results. These led core net profit for the period to increase to US$1.26 billion (2H2021: US$1.11 billion) and net profit to US$1.24 billion (2H2021: US$1.14 billion).

Revenue increased 3% to US$37.27 billion in 2H2022 (2H2021: US$36.26 billion), led by stronger revenue in both the Feed and Industrial Products and the Plantation and Sugar Milling segments. However, revenue for the Food Products segment was dampened by weaker consumer products sales during the period. Revenue for the full year increased by 12% to US$73.40 billion (FY2021: US$65.79 billion).

Business Segment Performance

Food Products (Consumer Products, Medium Pack and Bulk) registered an overall volume growth of 2%, with sales volume increasing to 15.2 million MT in 2H2022 (2H2021: 14.9 million MT), driven by higher consumption of medium pack and bulk products. Sales volume for rice and flour increased during the period, in line with the Group's capacity expansion in these businesses. The improvements were partially offset by a decrease in consumer products sales in China in 2H2022 as the widespread outbreak of Covid-19 virus resulted in a slowdown in sales. Coupled with higher raw material costs during the period, segment profit for 2H2022 was lower at US$203.0 million (2H2021: US$252.6 million).

Similarly for the full year, sales volume for Food Products grew by 3% to 29.1 million MT (FY2021: 28.3 million MT) on the back of stronger medium pack and bulk products sales. Although the segment was impacted by higher raw material costs especially during the first half of the year, overall profit for FY2022 improved by 6% to US$723.5 million (FY2021: US$680.9 million) mainly due to the gain on dilution of interest in Adani Wilmar Limited amounting to US$175.6 million recognised in 1Q2022.

Feed and Industrial Products (Tropical Oils, Oilseed & Grains and Sugar) achieved a 35% increase in pre-tax profit to US$1.05 billion in 2H2022 (2H2021: US$782.2 million) on the back of sustained good performance from the tropical oils business and better margins from sugar merchandising activities. However, these were partially impacted by weaker crush margins from the oilseeds business. Overall sales volume increased by 7% to 30.8 million MT in 2H2022 (2H2021: 28.8 million MT), driven by improvement in sales across all businesses.

For FY2022, overall volume for the segment increased to 55.6 million MT (FY2021: 55.0 million MT). Profit for the segment improved by 23% to US$1.56 billion (FY2021: US$1.26 billion).

Plantation and Sugar Milling registered lower pre-tax profit of US$133.5 million in 2H2022 (2H2021: US$400.1 million) as palm oil prices weakened significantly during the period but this was mitigated by higher crop production. Favourable weather conditions and a better crop profile resulted in higher fresh fruit bunches (FFB) production across all the Group's plantation regions, with total production growing by 19% to 2,301,672 MT in 2H2022 (2H2021: 1,933,504 MT) while production yield for palm plantations grew by 15% to 10.9 MT per hectare in 2H2022 (2H2021: 9.5 MT per hectare). The segment results were further aided by higher volume of sugar sold during the period, which grew by 4% to 2.3 million MT in 2H2022 (2H2021: 2.2 million MT).

Together with the strong segment results in 1H2022, segment profit for the year improved to US$569.3 million (FY2021: US$564.1 million). FFB production for FY2022 increased by 11% to 4,434,011 MT (FY2021: 4,005,083 MT) while production yield improved to 21.0 MT per hectare (FY2021: 19.6 MT per hectare). Sales volume for sugar milling operations decreased by 2% to 3.2 million MT in FY2022 (FY2021: 3.3 million MT).

The **Others** segment recorded a pre-tax loss of US$2.2 million in 2H2022 (2H2021: US$38.5 million profit), mainly due to mark-to-market losses from the Group's investment portfolio. Together with investment income in 1H2022, profit for the segment in FY2022 was US$0.1 million (FY2021: US$47.2 million).

Share of results of Joint Ventures & Associates improved by 50% to US$120.7 million in 2H2022 (2H2021: US$80.3 million) on the back of stronger contributions from the Group's investments in China, Europe and India. Together with contributions in 1H2022, overall share of results of joint ventures & associates increased by 25% to US$273.8 million in FY2022 (FY2021: US$219.5 million).

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 2022, the total dividend paid and proposed for FY2022 is S$0.17. This represents the highest ordinary cash dividend by the Group since listing.

Strong Balance Sheet and Cash Flows

For FY2022, the Group generated strong cash inflow of US$2.05 billion from operating activities, with free cash flow of US$613.6 million. Including capital expenditure of US$2.48 billion, dividend distribution of US$803.2 million, share buyback of US$199.5 million and US$141.0 million used for acquisition of subsidiaries, joint ventures and associates, the Group had a cash inflow of US$259.1 million at the end of the reporting period. As at 31 December 2022, the Group has US$26.74 billion of unutilised banking facilities.

Nevertheless, higher inventory balance led to a US$1.51 billion increase in net debt to US$18.75 billion. Although the Group reported a strong set of results in FY2022, shareholders' funds increased marginally to US$19.99 billion (FY2021: US$19.92 billion) due to the strengthening US Dollar which led to lower translation reserve as of 31 December 2022. These factors led gearing ratio to increase to 0.94x in FY2022 (FY2021: 0.87x) while adjusted net gearing ratio was 0.30x (FY2021: 0.27x).

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, "FY2022 was an exceptional year. Our team managed our operations well despite the volatility in the commodities markets and general economic slowdown during the past year. We benefitted from increased palm oil and sugar prices, good palm processing margins and higher shipping profit due to increased freight rates.

"FY2023 will be challenging as plantation profits and palm processing margins are expected to be under pressure but China should perform better due to the ending of its zero-Covid policy. We will continue to build on our strategy and work towards expanding our footprint in the food and agri-business globally, as well as strengthening the integration across the various segments of our business. Our team will do its best to meet the challenges and barring unforeseen circumstances, we are reasonably confident that FY2023 results will be satisfactory."

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.

ISSUED BY	:	Wilmar International Limited
CONTACT	:	Ms LIM Li Chuen (Investor Relations)/ Ms Iris CHAN (Corporate Communications)
DURING OFFICE HOURS	:	+(65) 6507-0592 / +(65) 6216-0870
EMAIL	:	lim.lichuen@wilmar.com.sg / iris.chan@wilmar.com.sg

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