



NEWS RELEASE

WILMAR 4Q2019 NET PROFIT INCREASES 120% TO US\$438 MILLION; FY2019 NET PROFIT INCREASES 15% TO US\$1.29 BILLION

- 4Q2019 core net profit increased 23% to US\$410 million; FY2019 core net profit declined 3% to US\$1.26 billion
- All business segments did well especially Tropical Oils and Oilseeds & Grains
- FY2019 EBITDA up 3% to a record US\$3.02 billion, generating cash flow of US\$3.34 billion from operations
- Total dividend of S\$0.125 for FY2019, the highest cash dividend declared since listing

Highlights

In US\$ million	4Q2019	4Q2018*	Change	FY2019	FY2018*	Change
Revenue	11,250.4	11,190.3	0.5%	42,640.5	44,497.7	-4.2%
EBITDA	928.8	771.9	20.3%	3,023.8	2,936.5	3.0%
Net profit	438.4	199.4	119.9%	1,293.4	1,125.0	15.0%
Net profit from continuing operations	438.4	197.2	122.3%	1,268.0	1,150.3	10.2%
Core net profit	410.0	333.2	23.1%	1,256.4	1,301.7	-3.5%
Earnings per share – fully diluted (US cents)	6.9	3.2	115.6%	20.4	17.8	14.6%
Earnings per share – from continuing operations - (US cents)	6.9	3.1	122.6%	20.0	18.2	9.9%

* Prior period figures were restated upon adoption of SFRS (I) 15 Revenue from Contracts with Customers and in accordance with SFRS (I) 3, the Group has restated prior year's figures subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries

Singapore, February 20, 2020 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported a 120% improvement in net profit to US\$438.4 million for the quarter ended December 31, 2019 ("4Q2019") (4Q2018: US\$199.4 million), driven by strong performances from Tropical Oils and Oilseeds &

Grains, coupled with the absence of impairment loss in Sugar. However, these improved results were partially offset by lower contributions from the Group's associates and joint ventures. Excluding gains from non-operating items and changes in fair value of biological assets, core net profit for the quarter improved 23% to US\$410.0 million.

For the year ended 31 December 2019 ("FY2019"), the Group's net profit increased 15% to US\$1.29 billion led by strong performances from Tropical Oils and Consumer Products. The oilseeds crushing business, though affected by the African swine fever outbreak in China, turned around with better than expected results in the second half of 2019.

Revenue increased marginally to US\$11.25 billion in 4Q2019 (4Q2018: US\$11.19 billion), on the back of increased consumer products sales and sugar merchandising activities. This increase was partially offset by lower commodity prices during the quarter.

For FY2019, overall sales volume increased by 4% but lower commodity prices resulted in a 4% decline in revenue to US\$42.64 billion (FY2018: US\$44.50 billion).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) reported a 114% increase in pre-tax profit to US\$287.3 million in 4Q2019 (4Q2018: US\$134.1 million), boosted by good performance from merchandising activities and downstream processing margins. This was further supported by higher contributions from the plantation business, in line with higher palm oil prices during the quarter leading to higher gains arising from changes in fair value of biological assets. For FY2019, overall profit for the segment increased 54% to US\$841.6 million for FY2019 (FY2018: US\$546.1 million).

Production yield decreased by 6% to 4.9 metric tonnes per hectare ("MT/ha") in 4Q2019 (4Q2018: 5.3 MT/ha) and by 7% to 20.1 MT/ha in FY2019 (FY2018: 21.6 MT/ha), impacted by the Group's younger plantation age profile due to its recent replanting activities and unfavourable weather conditions. Production of fresh fruit bunches ("FFB") decreased 4% to 960,428 MT for 4Q2019 (4Q2018: 1,005,625 MT) and 7% to 3,914,613 MT for FY2019 (FY2018: 4,189,728 MT).

In Tropical Oils (Manufacturing & Merchandising), sales volume declined marginally to 6.6 million MT in 4Q2019 (4Q2018: 6.6 million MT). Supported by strong sales volume in the first nine months of the year, overall sales volume for the segment increased by 5% to 25.6 million MT in FY2019 (FY2018: 24.3 million MT).

Oilseeds & Grains (Manufacturing & Consumer Products) achieved a 61% increase in pre-tax profit to US\$185.4 million in 4Q2019 (4Q2018: US\$115.2 million), driven by improvement in crush margins and the seasonal demand for consumer products. This was further supported by strong performance from the rice and flour businesses. For FY2019, pre-tax profit decreased by 27% to US\$636.9 million (FY2018: US\$875.0 million) as overall crush volume and margins were impacted by the African swine fever outbreak in the first half of the year.

Consumer Products sales improved by 3% to 1.6 million MT in 4Q2019 (4Q2018: 1.5 million MT) and by 7% to 6.4 million MT in FY2019 (FY2018: 6.0 million MT) as a result of the earlier Chinese Spring Festival in January 2020.

Sugar (Milling, Merchandising, Refining & Consumer Products) recorded a lower pre-tax loss of US\$9.7 million in 4Q2019 (4Q2018: US\$116.8 million loss), mainly due to the absence of a US\$138.6 million impairment loss recognised in 4Q2018 relating to the milling operations in Australia. Together with the profits from the refining business in the first nine months of the year, the segment reported an overall profit of US\$2.6 million for FY2019 (FY2018: US\$128.2 million loss)

Overall sales volume for the segment improved by 11% to 4.1 million MT in 4Q2019 (4Q2018: 3.7 million MT) and 16% to 13.6 million MT in FY2019 (FY2018: 11.7 million MT).

The **Others** segment recorded a pre-tax profit of US\$53.0 million in 4Q2019 (4Q2018: US\$17.5 million), mainly from profits from the Shipping business and mark-to-market gains from the Group's investment portfolio. For FY2019, the segment recorded a profit of US\$74.9 million (FY2018: US\$19.9 million).

Joint Ventures & Associates recorded lower contributions of US\$85.3 million in 4Q2019 (4Q2018: US\$152.8 million), mainly due to weaker performance from the Group's investments in China, Africa and Vietnam. Together with the weaker performance from these investments in the first nine months of the year, share of results of joint ventures and associates for FY2019 was lower at US\$153.0 million (FY2018: US\$310.3 million)

Dividend

The Board has proposed a final tax exempt (one-tier) dividend of S\$0.095 per share. Including the interim dividend of S\$0.03 per share paid in August 2019, the total dividend paid and proposed for FY2019 is S\$0.125 per share. This represents the highest cash dividend declared by the Group since listing.

Strong Balance Sheet and Cash Flows

As at December 31, 2019, total assets stood at US\$47.05 billion while shareholders' funds was US\$16.76 billion.

Net debt decreased by US\$241.6 million to US\$13.22 billion on the back of strong operating cash flows. Correspondingly, net gearing ratio improved to 0.79x (FY2018: 0.84x). In FY2019, the Group generated US\$3.34 billion in net cash flow from operating activities, resulting in free cash flow of US\$2.06 billion.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO of Wilmar said, "We achieved a strong set of results in FY2019 amidst the challenging global environment. Tropical Oils' performance for the coming year should benefit from higher palm oil prices, especially in our oil palm plantations. The current 2019 novel coronavirus ("COVID-19") outbreak has brought volatility to the commodity markets and further challenges to our operating environment, especially in China. At the moment, we do not expect major impact to our businesses as we are mainly operating in the food products industry. Nevertheless, a prolonged outbreak of COVID-19 may have a greater impact on our operations.

"Our China listing is undergoing the approval process and progressing within the standard time frame, with no significant issues encountered to date. We expect the listing

to be approved this year even though it may be slightly delayed by the COVID-19 outbreak. We would like to emphasize that as work on the proposed listing is still in progress, shareholders are advised to exercise caution in trading their shares in the Company. There is no certainty or assurance as at the date of this announcement that the listing proposal will be carried out.”

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.

Wilmar's business activities include oil palm cultivation, oilseed crushing, edible oils refining, sugar milling and refining, manufacturing of consumer products, specialty fats, oleochemicals, biodiesel and fertilisers as well as rice and flour milling. 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, processing, merchandising to manufacturing of a wide range of branded agricultural products. It has over 500 manufacturing plants and an extensive distribution network covering China, India, Indonesia and some 50 other countries and regions. The Group has a multinational workforce of about 90,000 people.

Wilmar's portfolio of high quality processed agricultural products is the preferred choice of consumers and the food manufacturing industry. Its consumer-packed products have a leading share in many Asian and African markets. 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. Wilmar is a firm advocate of sustainable growth and is committed to its role as a responsible corporate citizen.

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