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NEWS RELEASE

WILMAR 3Q2019 NET EARNINGS INCREASES 10% TO US$447 MILLION; CORE NET EARNINGS DECLINES 3% TO US$419 MILLION

- **Stronger performance across all key businesses**
- **Lower contributions from Associates and Joint Ventures**
- **Generated net cash flows from operating activities of US$3.62 billion and free cash flow of US$2.74 billion in 9M2019**

Highlights

In US$ million	3Q2019	3Q2018*	*Change*	9M2019	9M2018*	*Change*
Revenue	11,163.6	11,418.9	*-2.2%*	31,390.2	33,307.4	*-5.8%*
EBITDA	907.9	906.3	*0.2%*	2,095.0	2,164.6	*-3.2%*
Net profit	447.1	405.9	*10.2%*	855.0	925.6	*-7.6%*
Net profit from continuing operations	389.3	433.4	*-10.2%*	829.6	953.1	*-13.0%*
Core net profit	419.2	433.2	*-3.2%*	846.4	968.5	*-12.6%*
Earnings per share – fully diluted (US cents)	7.0	6.4	*9.4%*	13.5	14.6	*-7.5%*
Earnings per share from continuing operations - fully diluted (US cents)	6.1	6.8	*-10.3%*	13.1	15.1	*-13.2%*

** 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 the 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, November 12, 2019 – Wilmar International Limited ("Wilmar" or "the Group"), Asia's leading agribusiness group, reported a 10% increase in net profit to US$447.1 million for the quarter ended September 30, 2019 ("3Q2019") (3Q2018: US$405.9 million). The stronger performance was driven by better results in Tropical Oils and Consumer Products as well as the recognition of a gain from the disposal of the Group's discontinued operations in Brazil. Crushing also performed better than expected. These were partially offset by lower contributions from associates and joint ventures. Excluding gains from discontinued operations and non-operating items, core net profit for the quarter was 3% lower at US$419.2 million (3Q2018: US$433.2 million).

For the nine months ended September 30, 2019 (“9M2019”), the Group achieved core net profit of US$846.4 million (9M2018: US$968.5 million) and net profit of US$855.0 million (9M2018: US$925.6 million).

Overall sales volume increased 6% whilst revenue declined 2% to US$11.16 billion in 3Q2019 (3Q2018: US$ 11.42 billion), due to lower commodity prices during the quarter. Similarly, overall sales volume increased 5% in 9M2019 whilst revenue decreased 6% to US$31.39 billion (9M2018: US$33.31 billion).

Business Segment Performance

Tropical Oils (Plantation, Manufacturing & Merchandising) reported a 24% increase in pretax profit to US$193.2 million in 3Q2019 (3Q2018: US$155.5 million), boosted by stronger performance from the manufacturing and merchandising business, including oleochemicals. This was achieved on the back of higher sales volume and improved processing margins during the quarter which was partially offset by lower crude palm oil (CPO) prices and production yields, reducing contributions from the plantations business.

Volumes for Tropical Oils (Manufacturing & Merchandising) increased by 5% to 6.6 million metric tonnes (“MT”) in 3Q2019 (3Q2018: 6.3 million MT).

Production yield for plantations decreased 5% to 5.4 MT per hectare in 3Q2019 (3Q2018: 5.7 MT per hectare) due to unfavourable weather conditions. Production of fresh fruit bunches decreased 6% to 1,055,471 MT (3Q2018: 1,117,679 MT).

Oilseeds & Grains (Manufacturing & Consumer Products) registered a 1% increase in pretax profit to US$301.3 million in 3Q2019 (3Q2018: US$296.9 million) mainly due to good performances by both Manufacturing and Consumer Products. Compared to the first half of 2019, crush margins and volume also continued to improve.

The Group continued to post volume growth in Consumer Products, but in Manufacturing, sales volume was dragged down by the effects of African swine fever. Overall sales volume decreased marginally by 1% to 10.0 million MT in 3Q2019 (3Q2018: 10.2 million MT) and 27.4 million MT in 9M2019 (9M2018: 27.7 million MT).

Sugar (Milling, Merchandising, Refining & Consumer Products) reported a 9% increase in pretax profit to US$80.1 million in 3Q2019 (3Q2018: US$73.8 million). The improvement was driven by stronger performance from sugar refineries.

Sales volume for Milling increased 14% to 0.7 million MT in 3Q2019 (3Q2018: 0.6 million MT) due to higher contributions from the Australian milling operations. Higher sales activities in Merchandising and Refining in 3Q2019 resulted in a 36% increase in overall sales volume to 3.3 million MT (3Q2018: 2.4 million MT).

The **Others** segment recorded a pretax loss of US$20.7 million in 3Q2019 (3Q2018: US$7.4 million loss), mainly due to mark-to-market losses from the Group's investment portfolio and corporate costs, partially offset by stronger performance in Shipping and Fertiliser.

Joint Ventures & Associates recorded lower contributions of US$24.8 million in 3Q2019 (3Q2018: US$66.4 million)**,** mainly due to weaker performance from the Group's investments in Africa, India and Vietnam.

Strong Balance Sheet and Positive Cash Flow

As at September 30, 2019, total assets stood at US$43.98 billion while shareholders' funds was US$16.12 billion.

Net debt decreased by US$1.73 billion to US$11.74 billion on the back of strong operating cash flows. Correspondingly, net gearing ratio improved to 0.73x (FY2018: 0.84x). During the 9M2019 period, the Group generated US$3.62 billion in net cash flow from operating activities, resulting in free cash flow of US$2.74 billion.

Prospects

Mr. Kuok Khoon Hong, Chairman and CEO, said, "Despite the challenging operating environment, we performed well because of our integrated and diversified business model. Our operations in most countries also did well in 3Q2019. Barring unforeseen circumstances, we expect to do reasonably well in 4Q2019."

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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