

WILMAR INTERNATIONAL LIMITED

ANNUAL GENERAL MEETING

12 June 2020



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1. 2019 Financials

By Charles Loo Cheau Leong
Chief Financial Officer



2019 Results at a Glance

		vs 2018
Total Revenue	US\$ 42.64 billion	-4%
EBITDA	US\$ 3.02 billion	3%
Net Profit	US\$ 1.29 billion	15%
Net Profit – excl discontinued operations	US\$ 1.27 billion	10%
Core Net Profit	US\$ 1.26 billion	-4%
Earnings per share	US\$ 0.204	15%
Dividends per share	S\$ 0.125	19%
Net Debt/Equity	0.79x	0.84x
Net Cash Flow Generated from Operating Activities	US\$ 3.34 billion	US\$ 1.50 billion

Key Segment Results

US\$ Million unless otherwise stated		2019	2018 ⁽¹⁾
Tropical Oils (Plantation, Manufacturing and Merchandising)	Volume (M MT) ⁽²⁾	25.6	24.3
	Revenue	15,541.5	17,058.7
	PBT	841.6	546.1
Oilseeds and Grains (Manufacturing and Consumer Products)	Volume (M MT)	36.8	37.2
	Revenue	21,515.0	22,477.3
	PBT	636.9	875.0
Sugar (Milling, Merchandising, Refining and Consumer Products)	Volume (M MT)	13.6	11.7
	Revenue	4,706.0	4,014.4
	PBT	2.6	(128.2)
Others	Revenue	2,145.2	2,296.7
	PBT	74.9	19.9
Share of results of Associates & Joint Ventures	PBT	153.0	310.3
Unallocated Expenses	PBT	(10.5)	(10.9)
	Total PBT	1,698.5	1,612.2

(1) 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.

(2) Excludes plantation volume

Cash Flow Highlights

US\$ million	FY2019	FY2018 ⁽¹⁾
Operating cash flow before working capital changes	2,894	1,956
Net cash flow generated from operating activities	3,338	1,501
Less: Acquisitions of subsidiaries, joint ventures and associates	(129)	(417)
Capital expenditure	(1,813)	(1,325)
Net (decrease)/increase from bank borrowings*	(385)	3,051
Increase in other deposits and financial products with financial institutions	(238)	(2,400)
Dividends	(462)	(495)
Others	142	245
Net cash flow	453	160
Free cash flow	2,065	398

(1) Prior year figures were restated in accordance with SFRS(I) 3 subsequent to the finalisation of purchase price allocation exercise for the acquisition of Shree Renuka Sugars Limited ("SRSL") and its subsidiaries.

Note :

* Net bank borrowings include proceeds/repayments of loans and borrowings net of fixed deposits pledged with financial institutions for bank facilities and unpledged fixed deposits with maturity more than 3 months.

Free Cash Flow = Cashflows generated from/(used in) operations – Capital expenditure – Acquisitions/disposals of subsidiaries, joint ventures and associates.

2. Business Updates



Continue to Invest in Our Businesses

Development	Highlights
Food Products	<p>In China:</p> <ul style="list-style-type: none">Continued our expansion in edible oils refining, flour and rice milling, corn processing, consumer products, soy sauce and vinegar manufacturing plants in existing and new sites. <p>In Myanmar:</p> <ul style="list-style-type: none">Commenced operation of edible oil packing plant and flour mill in Thilawa, Myanmar in October 2019.Begun the construction of a rice milling complex which, when completed, will be the largest in Myanmar, and in the process of acquiring another rice mill.



Continue to Invest in Our Businesses

Development	Highlights
Food Products	<p>In India:</p> <ul style="list-style-type: none">• Expanded into rice and rice milling, as well as enhanced its consumer product offering.• Increasing refining and specialty fats capacities in existing and new sites. <p>• Continue to expand our flour and rice milling, refining and packaging capacities in existing and new sites in Indonesia.</p> <p>• Completed the purchase of two palm oil refineries in Kuantan and Kuching and started construction of a new refinery and a specialty fats plant in Port Klang in Malaysia.</p> <p>• Expanding flour and rice milling capacity in Vietnam.</p>



Continue to Invest in Our Businesses

Development	Highlights
<p>Food Products</p>	<ul style="list-style-type: none"> Completed the acquisition of the balance 50% interest in Goodman Fielder from First Pacific Company Limited in December 2019. Goodman Fielder is Australasia’s leading food company with a portfolio of well-known brands in some of Australia’s and New Zealand’s largest grocery categories. We are looking into expanding our operations in Australia, New Zealand, Papua New Guinea and the Pacific Islands. <p>In Africa:</p> <ul style="list-style-type: none"> Commenced operation of a rice mill in Tanzania. New projects in the pipeline include an integrated edible oils refinery and a spread and shortening plant in South Africa.



Continue to Invest in Our Businesses

Development	Highlights
Feed and Industrial Products <i>Tropical Oils</i>	<ul style="list-style-type: none">Continuing with expansion in oleochemicals in China.Continue to expand oleochemicals and biodiesel capacities in Indonesia.
Feed and Industrial Products <i>Oilseeds & Grains</i>	<p>In Africa:</p> <ul style="list-style-type: none">Commenced operation of an oilseed crushing plant in South Africa.Continued our expansion in oilseed crushing, and oleochemicals plants in existing and new sites in China.



Recognised for its Leading Brands and Quality Products

China: Arawana	<ul style="list-style-type: none"> • 金龙鱼阳光鲜榨原香葵花仁油 - 国际产品创新大奖 by 国际葵花籽油协会 • 金龙鱼乳玉皇妃五常稻花香 - 2019世界高端米品鉴大赛优秀品质奖 by 2019世界高端米业大会大米组委会
Indonesia: Sania	<ul style="list-style-type: none"> • Superbrand (Cooking Oil Category) by Superbrands Indonesia • Top Brand Award (Cooking Oil Category) by Frontier Consulting Group and Majalah Marketing • WOW Brand Award (Cooking Oil Category) by MarkPlus
Zimbabwe: Buttercup Margarine	<ul style="list-style-type: none"> • Superbrands Winner 2019 (Spreads Category) by Superbrands • Product of the Year 2019 by BUY Zimbabwe
Zimbabwe: Puredrop Cooking Oil	<ul style="list-style-type: none"> • Superbrands 1st Runner Up 2019 (Cooking Oil Category) by Superbrands
Vietnam: Neptune Gold	<ul style="list-style-type: none"> • Vietnam Top 20 Golden Products by Vietnam Intellectual Property Association (VIPA) in cooperation with Vietnam Intellectual Property Research Institute
Ivory Coast: Dinor Olein Oil	<ul style="list-style-type: none"> • Product of the Year by The Label of African Consumers
Uganda: White Star Bar Magic Detergent Fortune Butto	<ul style="list-style-type: none"> • Best Laundry Soap by People's Choice Quality Awards • Best Detergent by People's Choice Quality Awards • Best Oil by People's Choice Quality Awards



3. 1Q2020 Financial Executive Summary



Key Highlights

	1Q2020 (US\$ million)	1Q2019 (US\$ million)	△
Revenue	10,921	10,444	5%
EBITDA	707	645	10%
Net profit	224	257	-13%
Core net profit	307	250	22%
Cash flow from operating activities	1,944	1,694	15%

	31 Mar 2020 (US\$ million)	31 Dec 2019 (US\$ million)	△
Net Debt	11,793	13,219	-11%
Shareholders' Funds	16,521	16,763	-1%

Group Total Liquidity

US\$ Million	As at 31 Mar 2020		
	Available	Utilised	Balance
Credit Facilities:			
<i>Committed</i>	9,434	7,583	1,851
<i>Trade Finance</i>	35,165	15,290	19,875
<i>Short Term</i>	1,049	223	826
Total Credit Facilities	45,648	23,096	22,552
Available Cash Not Pledged			2,263
Total Liquidity			24,815

Business Outlook

- The Group's consumer products business is expected to continue its strong growth in the second quarter due to the quality and range of our products. With the easing of lockdown measures globally, we expect the demand from the HORECA businesses will start to recover in 2Q2020.
- While the Palm plantation division will be affected by lower palm oil prices, downstream operations are expected to continue doing well.
- Feed demand should improve with the recovery of economic activities and increase in pig production in China.
- Our Sugar refining operations should perform well in the coming quarters due to the improvement in the premium for white sugar, whereas Sugar milling will be impacted by the lower sugar prices.
- With the recovery of China's economy, we are optimistic that our second quarter operations will not be significantly impacted.

Supporting the Fight Against COVID-19

- Together with our Associates and Joint Ventures, the Group has contributed a total of US\$19.1 million in the fight against Covid, including :



In **China**, Wilmar's subsidiary, Yihai Kerry, has donated about RMB33 million (~US\$4.5 million) in a combination of cash and relief aid through the "Arawana Charity Foundation" to support the fight against COVID-19.



In **Singapore**, Wilmar has pledged to donate S\$4 million to The Straits Times School Pocket Money Fund over the next three years. The donation will go towards providing school pocket money for primary, secondary and post-secondary students from low-income families. This is in addition to the S\$3 million pledged by Wilmar's Chairman and CEO, Mr Kuok Khoon Hong.



In **Africa**, our publicly listed associate, Cosumar S.A., donated MAD100 million (~US\$10.3 million) to Morocco's Special Fund for the Coronavirus Pandemic Management.

** As at 20 May 2020*

4. Proposed Listing of Wilmar's China Operations



Proposed Listing of Wilmar's China Operations

Issuer	Yihai Kerry Arawana Holdings Co., Ltd. ("YKA")
Offering Type	Initial Public Offering ("IPO") and listing on the ChiNext of Shenzhen Stock Exchange
Indicative Offering Size	Offering of 542,159,154 shares (10% of enlarged share capital)
Primary / Secondary Split	100% Primary
Use of Proceeds	To fund YKA's future capital expenditure over the next few years
Indicative Timeline	Subject to, among other things, approval from CSRC for the Proposed Listing, relevant regulatory and other approvals being obtained and market conditions

Transaction Rationale



With an established history in China of over 30 years, YKA is well positioned to further extend its market leadership and positioning in China's growing food sector



Allows Wilmar to accelerate its growth in China, the world's largest consumer food market



Enhances public awareness of YKA's quality products and extensive manufacturing operations



Unlocks shareholder value by crystallising the value of Wilmar's China operations

5. Appendix



Change in Segment Reporting

With effect from 1Q2020, 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. 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. Beginning with the quarter ended 31 March 2020, 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.

Food Products

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

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

Oil palm plantation and sugar milling activities, which includes the cultivation and milling of palm oil and sugarcane.

Others

Manufacturing and distribution of fertiliser products, logistics & jetty port services, and investment activities.