IOI GROUP

IOI CORPORATION BERHAD

FY2021 4th Quarter
Group Results Summary

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1. FINANCIAL RESULTS

Profit or Loss - Qtr on Qtr & Year-to-Date

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(in RM' million)

	Q4 FY21	Q4 FY20	% change	YTD FY21	YTD FY20	% change
				12 months	12 months	
Revenue	3,459.7	2,037.6	70%	11,251.7	7,802.2	44%
EBIT	**536.6**	**333.8**	**61%**	**1,740.6**	**1,137.9**	**53%**
Profit before tax	473.7	306.2	55%	1,739.8	826.7	110%
Profit after tax	**368.0**	**237.2**	**55%**	**1,416.3**	**601.7**	**135%**

Segment Results - Qtr on Qtr & Year-to-Date

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(in RM' million)

	Q4 FY21	Q4 FY20	% change	YTD FY21	YTD FY20	% change
				12 months	12 months	
Total Plantation	409.8	234.2	75%	1209.6	701.5	72%
Total Manufacturing	165.0	99.6	66%	668.0	385.1	73%
Total Others	4.1	14.4	-72%	8.1	19.0	-57%
Segment results	**578.9**	**348.2**	**66%**	**1,885.7**	**1,105.6**	**71%**

Q4 performance

Plantation
Higher profit due mainly to higher CPO and PK prices realised, partly offset by lower FFB production.

Resource-based Manufacturing
Higher profit due mainly to higher share of results from our specialty fats associate, Bunge Loders Croklaan Group B.V. ("Loders"). The refining sub-segment reported a decrease in contribution with lower margins, this was however cushioned by higher contribution from oleochemical sub-segment.

YTD performance (12 months)

Plantation
Higher profit due mainly to higher CPO and PK prices realised, partly offset by lower FFB production.

Resource-based Manufacturing
Higher profit due mainly to higher share of associate result from Loders which included a share of one-off gain of RM268.3 million from the sale of its refinery as well as better performance from N. America and Europe. Notwithstanding, lower contribution was reported by all sub-segments mainly due to lower margins.

2. OPERATING STATISTICS

Operating Statistics: Plantation (Qtr on Qtr)

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		Q4 FY21	Q4 FY20	% change	Q3 FY21	% change
CPO Price	**(RM/mt)**	**3,648**	**2,370**	**54%**	**3,211**	**14%**
PK Price	(RM/mt)	2,656	1,349	97%	2,616	2%
FFB Production	**('000 mt)**	**728**	**865**	**-16%**	**551**	**32%**
Average mature area	('000 Ha)	141	144	-2%	140	1%
FFB Yield	(mt/Ha)	5.18	6.00	-14%	3.95	31%
CPO Production	**('000 mt)**	**164**	**197**	**-16%**	**121**	**35%**
CPO extraction rate	(%)	21.57%	21.54%	0%	20.89%	3%

Operating Statistics: Plantation (Year-to-Date)

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		YTD FY21	YTD FY20	% change
CPO Price	**(RM/mt)**	**3,076**	**2,314**	***33%***
PK Price	(RM/mt)	2,115	1,375	54%
FFB Production	**('000 mt)**	**2,918**	**3,097**	**-6%**
Average mature area	('000 Ha)	140	146	-4%
FFB Yield	(mt/Ha)	20.78	21.24	-2%
CPO Production	**('000 mt)**	**647**	**708**	**-9%**
CPO extraction rate	(%)	21.39%	21.83%	-2%

Operating Statistics: Resource-based Manufacturing

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Sales Volume (Qtr on Qtr)

(in metric tonne)	Q4 FY21	Q4 FY20	% change	Q3 FY21	% change
Oleochemical	144,550	170,560	-15%	159,349	-9%
Refinery	599,464	574,058	4%	497,073	21%

Sales Volume (Year-to-Date)

(in metric tonne)	Q4 FY21	Q4 FY20	% change
Oleochemical	648,130	669,854	-3%
Refinery	2,217,089	1,973,792	12%

3. PROSPECTS

Prospects

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- Crude palm oil ("CPO") remains high and hovers between RM4,300 and RM4,500 per metric tonne (third month forward) in August 2021 as the end-July Malaysian palm stock fell to 1.5 million metric tonnes, mainly due to weaker than expected fresh fruit bunch ("FFB") production. The production weakness is largely attributed to workers shortage and restrictive measures contained in the pandemic-related SOPs. We anticipate that this challenging operating environment will continue for the near term, thus indirectly lending support to the strong CPO price trend at least for the next few months.

- For our plantation segment, the FFB production is expected to be stable in the new financial year ("FY2022") as the higher production from young palm trees in our Indonesian plantations will offset the production loss from our accelerated replanting programme in Sabah. We have accelerated our mechanisation programme in various field operations to alleviate the workers shortage challenge in our estates. Overall, with the anticipated strong CPO price during the first half of FY2022, we expect the plantation segment to continue to perform well in the new financial year.

- Palm refining margin remains the core challenge faced by the Malaysian refineries. However, our refinery and commodity marketing sub-segment is expected to perform satisfactorily in the new financial year with the efficient cost structure and varied product portfolio in our Sandakan refinery complex.

Prospects (cont'd)

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- As for the oleochemical sub-segment within the resource-based manufacturing segment, the stronger than anticipated palm feedstock price will moderate the product margin, although the price of palm kernel oil, the main raw material for our oleochemical sub-segment, has not increased as much as the price of palm stearin. The new fatty acid and soap noodle plants which will come on stream in Q3 and Q4 of FY2022 respectively are expected to contribute to the sub-segment's overall sales volume and margin growth in the future, although the contribution to profit in FY2022 will be minimal.

- For the specialty fats sub-segment comprising our associate company, Bunge Loders Croklaan, better performance is expected for FY2022 with the normalisation of the economy and social activities in Europe coupled with the strong economic performance in US and China.

- The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our USD-denominated borrowings is expected to remain volatile in the near term.

- The Group expects our overall financial performance in the new financial year to be better than the previous financial year, underpinned by the strong performance from our plantation segment.

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Thank you