



IOI GROUP

IOI CORPORATION BERHAD

FY2021 3rd Quarter Group Results Summary



1. Financial results
2. Operating statistics
3. Prospects



1. FINANCIAL RESULTS



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

(in RM' million)

	Q3 FY21	Q3 FY20	% change	YTD FY21	YTD FY20	% change
				9 months	9 months	
Revenue	2,860.1	2,033.9	41%	7,792.0	5,764.6	35%
EBIT	546.2	317.8	72%	1,204.0	804.1	50%
Profit before tax	475.9	52.6	805%	1,266.1	520.5	143%
Profit after tax	402.7	2.9	<i>nm</i>	1,048.3	364.5	188%

Note: nm – not meaningful

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



IOI GROUP

(in RM' million)

	Q3 FY21	Q3 FY20	% change	YTD FY21	YTD FY20	% change
				9 months	9 months	
Total Plantation	185.9	165.4	12%	799.8	467.3	71%
Total Manufacturing	442.2	119.1	271%	503	285.5	76%
Total Others	0.3	0.2	50%	4.0	4.6	-13%
Segment results	628.4	284.7	121%	1,306.8	757.4	73%

Q3 performance

Plantation

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

Resource-based Manufacturing

Higher share of results from Bunge Loders Croklaan ("Loders") which included a share of one-off gain of RM267.9 million from the sale of its refinery located in Rotterdam. Higher contribution from oleochemical sub-segment with higher sales volume, partly offset by lower contribution from refining sub-segment.

YTD performance (9 months)

Plantation

Higher profit due mainly to higher CPO and PK prices realised.

Resource-based Manufacturing

Higher share of results from Loders which included a share of one-off gain of RM267.9 million from the sale of its refinery located in Rotterdam. Oleochemical sub-segment reported a decrease in contribution with lower margins, this was mitigated by higher contribution from the refining sub-segment.



2. OPERATING STATISTICS

Operating Statistics: Plantation (Qtr on Qtr)



		Q3 FY21	Q3 FY20	% change	Q2 FY21	% change
CPO Price	(RM/mt)	3,211	2,704	19%	2,992	7%
PK Price	(RM/mt)	2,616	1,688	55%	1,982	32%
FFB Production	(‘000 mt)	551	632	-13%	761	-28%
Average mature area	(‘000 Ha)	140	145	-3%	140	0%
FFB Yield	(mt/Ha)	3.95	4.37	-10%	5.46	-28%
CPO Production	(‘000 mt)	121	146	-17%	169	-28%
CPO extraction rate	(%)	20.89%	21.87%	-4%	21.40%	-2%

Operating Statistics: Plantation (Year-to-Date)



		YTD FY21	YTD FY20	% change
CPO Price	(RM/mt)	2,888	2,294	26%
PK Price	(RM/mt)	1,939	1,384	40%
FFB Production	('000 mt)	2,190	2,232	-2%
Average mature area	('000 Ha)	140	146	-4%
FFB Yield	(mt/Ha)	15.60	15.24	2%
CPO Production	('000 mt)	483	512	-6%
CPO extraction rate	(%)	21.33%	21.94%	-3%

Sales Volume (Qtr on Qtr)

(in metric tonne)	Q3 FY21	Q3 FY20	% change	Q2 FY21	% Change
Oleochemical	159,349	146,794	9%	171,602	-7%
Refinery	496,096	422,107	18%	519,470	-4%

Sales Volume (Year-to-Date)

(in metric tonne)	Q3 FY21	Q3 FY20	% change
Oleochemical	503,580	499,294	1%
Refinery	1,617,626	1,399,735	16%



3. PROSPECTS

- Crude palm oil (“CPO”) price has been rallying over the recent months and remains high at well above RM4,000 level (third month forward) in May 2021 on the back of low palm oil stock and generally tight supply situation in major competing vegetable oils as well as strong demand in some key importing countries as their economies start to ramp up. Although palm oil stock is expected to increase due to seasonal production increase, the current large price premium of competing vegetable oils against palm oil will underpin this strong palm oil price trend over the next few months.
- For our plantation segment, in line with the seasonal trend, our crop production is expected to recover in Q4 FY2021. Coupled with the expectation of CPO price to remain strong in Q4 FY2021, we foresee that the plantation segment will perform well in Q4 FY2021.
- For the refinery and commodity marketing sub-segment within the resource-based manufacturing segment, the industry refinery margin continues to be affected by the high palm oil price and the big difference in the CPO export duty and CPO levy between Malaysia and Indonesia. Nevertheless, our refinery in Sandakan, Sabah is anticipated to perform satisfactorily in this challenging operating environment due to its efficient cost structure.
- As for the oleochemical sub-segment, sales margin is expected to be affected by the high palm oil and palm kernel oil prices. However, we expect the sub-segment to continue to benefit from the good demand from the personal hygiene sector as well as the recovery of global economy with the ongoing COVID-19 vaccination worldwide.

- For the specialty fats sub-segment comprising our associate company, Bunge Loders Croklaan, the performance is expected to be better for Q4 FY2021 with the continued strong performance from North American region and improvement in the European economy as the COVID-19 vaccination gains its momentum there. Availability of international shipping freight and its high cost remain a concern for the Asian region, and also for the oleochemical sub-segment which rely on extensive exports.
- The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our USD-denominated borrowings is expected to be volatile in the near term.
- Overall, the Group anticipates its overall financial performance for Q4 FY2021 to remain good, supported by high CPO price and increase in crop production from the plantation segment as well as the expected demand improvement in the resource-based manufacturing segment as the global economy recovers gradually.



IOI GROUP

Thank you