

**WILMAR INTERNATIONAL LIMITED**

## **ANNUAL GENERAL MEETING**

25 April 2018



  
**wilmar**

# IMPORTANT NOTICE

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# Agenda

1	Business Update
2	2017 Financials
3	Business Outlook
4	AGM

# 1. Business Update

By Ho Kiam Kong  
Chief Financial Officer





# Vertically Integrated Across Business Segments ...

						
Tropical Oils		Oilseeds and Grains		Sugar		Others
Plantation	Manufacturing & Merchandising	Manufacturing	Consumer Products	Milling, Merchandising, Refining and Consumer Products		Others
One of the largest listed palm plantation companies in the World	Largest global processor and merchandiser of palm and lauric oils with a distribution network across more than 50 countries	Leading soybean crusher in China and one of the largest flour millers globally	World's largest producer of consumer pack edible oils with leading positions in many Asian and African countries	Largest raw sugar producer and refiner in Australia and leading sugar refiner in Indonesia		Fertiliser
Almost 100% of output is supplied to the Tropical Oil (Manufacturing & Merchandising) segment		Almost 100% of edible oil is supplied to Consumer Products		Leading consumer pack sugar manufacturer in Australia and New Zealand		Shipping
Strong Volumes and Profitability Across All Segments (FY2017)						
FFB: 3.9 m MT Revenue: US\$59.4 m	Volume: 23.2 m MT Revenue: US\$18.00 b	Volume: 27.9 m MT Revenue: US\$13.54 b	Volume: 5.4 m MT Revenue: US\$6.26 b	Volume: 11.9 m MT Revenue: US\$5.05 b	Revenue: US\$2.12 b	
Results: US\$426.2 m		Results: US\$735.0 m		Results: (US\$24.6 m)		Results: US\$242.0 m
						

# Continue to Invest in Our Businesses

Development	Highlights
<b>Tropical Oils</b>	<ul style="list-style-type: none"><li>Entered into a conditional 50:50 joint venture agreement with Tokyo-listed Lion Corporation for the manufacture and sale of methyl ester sulfonate, an ingredient used to produce detergents.</li><li>The JV, which is expected to complete by mid-2018, will enhance the competitiveness and growth of our oleochemicals business.</li></ul>
	<ul style="list-style-type: none"><li>Acquired a 50% equity interest in Aalst Chocolate Pte Ltd, a home-grown chocolate manufacturer in Singapore.</li><li>We are a leading manufacturer of specialty fats used in the production of chocolates and compounds and Aalst Chocolate possesses the expertise to expand our offering and services to confectionery manufacturers.</li></ul>





# Continue to Invest in Our Businesses

Development	Highlights
<b>Tropical Oils</b>	<ul style="list-style-type: none"><li>Entered into transactions to acquire two refineries in India, now building a new one and also expanding our refinery in Mundra, which when completed, will be the world's biggest soft oil refinery located at one site.</li><li>Entered into an agreement to purchase Cargill's edible oil facilities, including a palm oil refinery and a storage facility, in Kuantan, Malaysia.</li><li>This marks our first presence in the east coast of Peninsular Malaysia. The strategic location of this facility in the Kuantan Port will be an advantage for regional exports.</li><li>The transfer of ownership is expected to complete by the end of 2018.</li></ul>



# Continue to Invest in Our Businesses

Development	Highlights
<b>Oilseeds &amp; Grains Manufacturing</b>	<ul style="list-style-type: none"> <li>Expanding into flour and rice milling in India, having acquired a rice mill and will be increasing capacities in the flour and rice business.</li> </ul>
	<ul style="list-style-type: none"> <li>Commissioned our fourth flour mill in Vietnam and will start construction of the fifth mill in 2018.</li> </ul>
	<ul style="list-style-type: none"> <li>One new rice mill in Vietnam</li> </ul>
	<ul style="list-style-type: none"> <li>Expanding into flour and rice milling in Myanmar</li> </ul>
	<ul style="list-style-type: none"> <li>Two new flour mills in China</li> <li>One new flour mill in Malaysia</li> </ul>





# Continue to Invest in Our Businesses

Development	Highlights
<b>Consumer Products</b>	• Two new edible oils packing plants each in China and India
	• One new edible oils packing plant in South Africa
	• Two new rice packing plants in China
	• One new rice packing plant in Zimbabwe
	• Two new flour packing plants each in Malaysia and Vietnam
	• Two new dry noodle plants in China



# Continue to Invest in Our Businesses

Development	Highlights
<b>Sugar</b>	<ul style="list-style-type: none"><li>• Announced our plan to make an additional investment in Shree Renuka Sugars Limited (SRSL), which was completed in March 2018, raising our stake in SRSL from approximately 27% to 39%.</li><li>• Open offer to acquire up to 26% of SRSL's emerging equity share capital.</li></ul>



# Corporate awards in 2017

<ul style="list-style-type: none"> <li>World's Most Admired Company in Food Production Industry (ranked 4<sup>th</sup> in 2017 and improved to 2<sup>nd</sup> in 2018)</li> </ul>	Fortune Magazine
<ul style="list-style-type: none"> <li>Fortune Global 500 (ranked 239<sup>th</sup>)</li> </ul>	Fortune Magazine
<ul style="list-style-type: none"> <li>Forbes Global 2000 (ranked 388<sup>th</sup>)</li> </ul>	Forbes Magazine
<ul style="list-style-type: none"> <li>Top 100 Singapore Brands (ranked 4<sup>th</sup>)</li> </ul>	BrandFinance®
<ul style="list-style-type: none"> <li>Ranked 25<sup>th</sup> out of 606 companies on the Singapore Governance and Transparency Index</li> </ul>	The Business Times and the Centre for Governance, Institutions and Organisations
<ul style="list-style-type: none"> <li>Singapore Corporate Governance Award (Runner-up) in Consumer Staples category</li> </ul>	Securities Investors Association (Singapore)





# Recognised for its Leading Brands and Quality Products

China: <b>Arawana &amp; Wonderfarm</b>	<ul style="list-style-type: none"> <li>Consumers' Favourite Food Brand awarded by China National Food Industry Association</li> </ul>
Indonesia: <b>Sania</b>	<ul style="list-style-type: none"> <li>Superbrand by Superbrands Indonesia</li> <li>Top Brand Award (Cooking Oil Category) by Frontier Consulting Group and Majalah Marketing</li> <li>WOW Brand Award (Cooking Oil Category) by MarkPlus</li> </ul>
Indonesia: <b>Fortune Minyak Goreng</b>	<ul style="list-style-type: none"> <li>Best Product of the Year by Indonesia International Achievement Foundation</li> </ul>
India: <b>Fortune Cooking Oil</b>	<ul style="list-style-type: none"> <li>Superbrand by Superbrands India</li> </ul>
Bangladesh: <b>Rupchanda</b>	<ul style="list-style-type: none"> <li>Top 100 Most Admired Brands of Asia by White Page International</li> <li>3<sup>rd</sup> Best Brand in Overall Category by Bangladesh Brand Forum in Collaboration with Millward Brown Bangladesh</li> </ul>
Vietnam: <b>Simply</b>	<ul style="list-style-type: none"> <li>Vietnam Top 20 Golden Product by Vietnam Intellectual Property Association (VIPA) in cooperation with Vietnam Intellectual Property Research Institute</li> </ul>
Ivory Coast: <b>Dinor</b>	<ul style="list-style-type: none"> <li>Product of the Year by The Label of African Consumers</li> </ul>
Uganda: <b>White Star Bar, White Star Magic Washing Powder</b>	<ul style="list-style-type: none"> <li>Best Soap and Best Detergent by People's Choice Quality Awards</li> </ul>
Uganda: <b>Fortune Butto</b>	<ul style="list-style-type: none"> <li>Best Cooking Oil by People's Choice Quality Awards</li> </ul>
Zimbabwe: <b>Puredrop Cooking Oil &amp; Buttercup Margarine</b>	<ul style="list-style-type: none"> <li>Superbrand by Marketers Association Zimbabwe</li> </ul>



## 2. 2017 Financials



## 2017 Results at a Glance

		vs 2016
<b>Net Profit</b>	US\$ 1.22 billion	25.4%
<b>Core Net Profit</b>	US\$ 1.05 billion	7.3%
<b>Total Revenue</b>	US\$ 43.85 billion	5.9%
<b>EBITDA</b>	US\$ 2.58 billion	14.9%
<b>Earnings per share</b>	US\$ 0.193	25.3%
<b>Dividends per share</b>	S\$ 0.10	53.8%
<b>Net Debt/Equity</b>	0.79x	0.81x
<b>Net Cash Flow Generated from Operating Activities</b>	US\$ 386 million	US\$ 1.12 billion



# Key Segment Results

US\$ Million unless otherwise stated		2017	2016
Tropical Oils (Plantation, Manufacturing and Merchandising)	Volume (M MT) <sup>#</sup>	23.2	23.4
	Revenue	18,067.2	16,855.2
	PBT	426.2	689.2
Oilseeds and Grains (Manufacturing and Consumer Products)	Volume (M MT)	33.3	29.5
	Revenue	19,806.4	17,813.1
	PBT	735.0	251.1
Sugar (Milling, Merchandising, Refining and Consumer Products)	Volume (M MT)	11.9	13.5
	Revenue	5,054.7	5,861.8
	PBT	(24.6)	125.3
Others	Revenue	2,120.3	1,868.4
	PBT	242.0	100.6
Share of results of Associates & Joint Ventures	PBT	228.3	141.0
Unallocated Expenses	PBT	(9.2)	(7.2)
	<b>Total PBT</b>	<b>1,597.7</b>	<b>1,300.0</b>

<sup>#</sup> Excludes plantation volume

# Cash Flow Highlights

US\$ million	FY17	FY16
Operating cash flow before working capital changes	2,596	2,021
<b>Net cash flow generated from operating activities</b>	<b>386</b>	<b>1,124</b>
Less: Acquisitions of subsidiaries, joint ventures and associates	(132)	(145)
Capital expenditure	(938)	(777)
Net increase/(decrease) from bank borrowings*	4,119	(695)
(Increase)/decrease in other deposits and financial products with financial institutions	(2,848)	774
Dividends	(320)	(371)
Share buy-back	-	(9)
Others	101	140
<b>Net cash flow</b>	<b>368</b>	<b>41</b>
<b>Free cash flow</b>	<b>(156)</b>	<b>592</b>

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.

### 3. Business Outlook





## Business Outlook

- Our portfolio of high quality agribusiness enabled the Group to do well in 2017. Looking ahead, we expect our integrated business model to continue to achieve sustained growth. Barring unforeseen circumstances, performance in FY2018 is expected to be satisfactory.
- The internal restructuring of the Group's China operations, with a view to a possible separate listing, has been largely completed. We would like to emphasize that as the proposed listing is still at an evaluation stage, shareholders are advised to exercise caution in trading their shares. There is no certainty or assurance as at the date of this announcement that the listing proposal will be carried out.

## 4. AGM

