

SIPEF

Analyst presentation
February 15, 2024



Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF group - Prospects

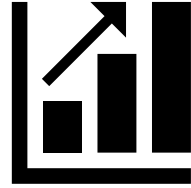
The Connection to the world of Sustainable Tropical Agriculture

SIPEF business strategy is built **on controlled growth** as an **upstream player** and be the **preferred supplier of traceable, sustainable, high-quality products** looking at diversification into the targeted markets

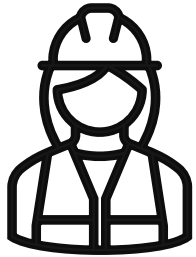
SIPEF AT A GLANCE



Belgium
Headquarters
1919



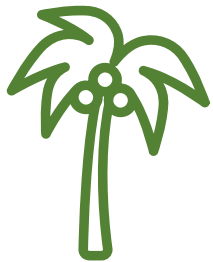
USD 444 million
Total sales in FY2023



More than
22.000
employees



More than
40.000 T
of bananas produced



More than
390.000 T
of CPO produced



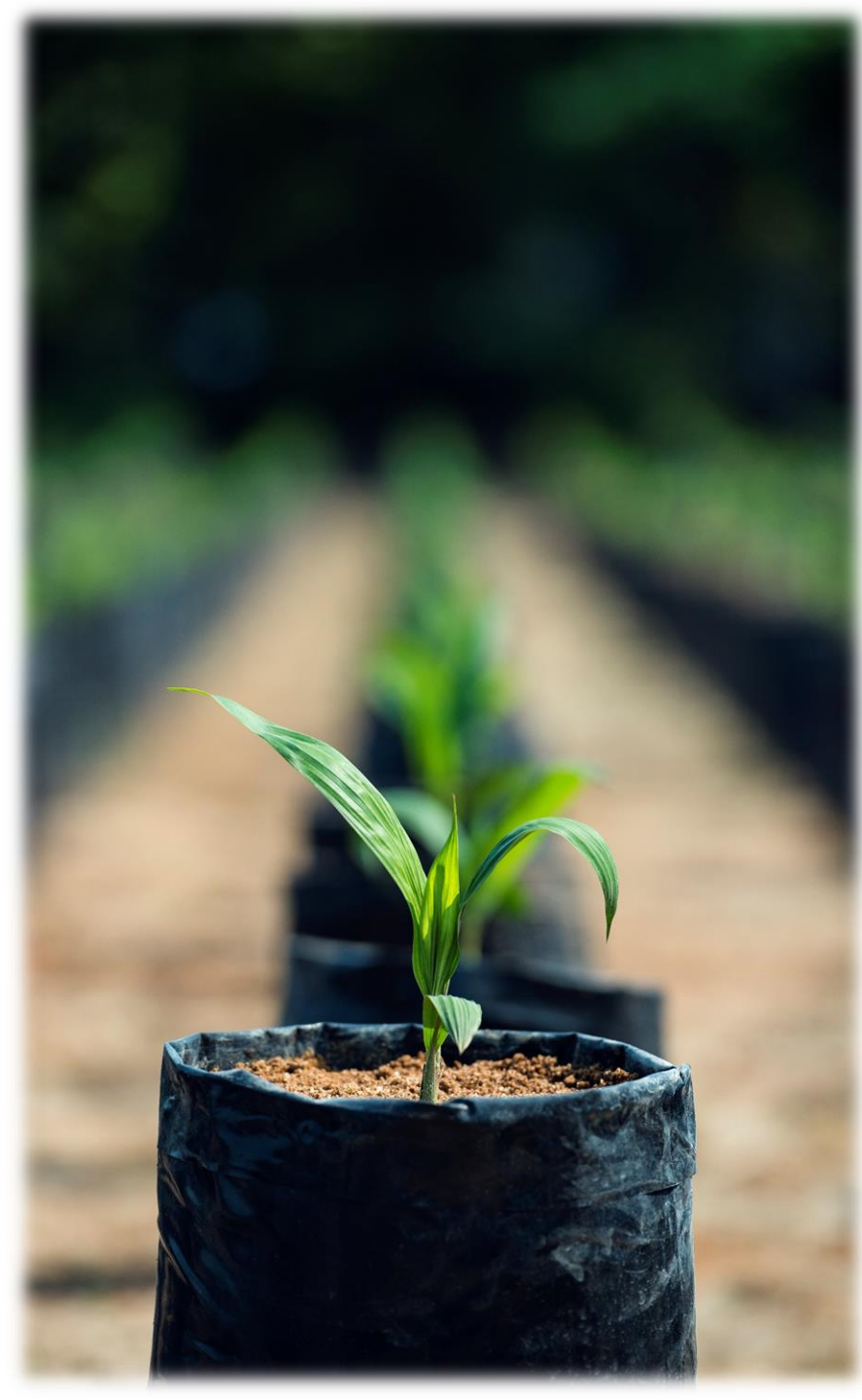
Listed on the
EURONEXT
stock exchange

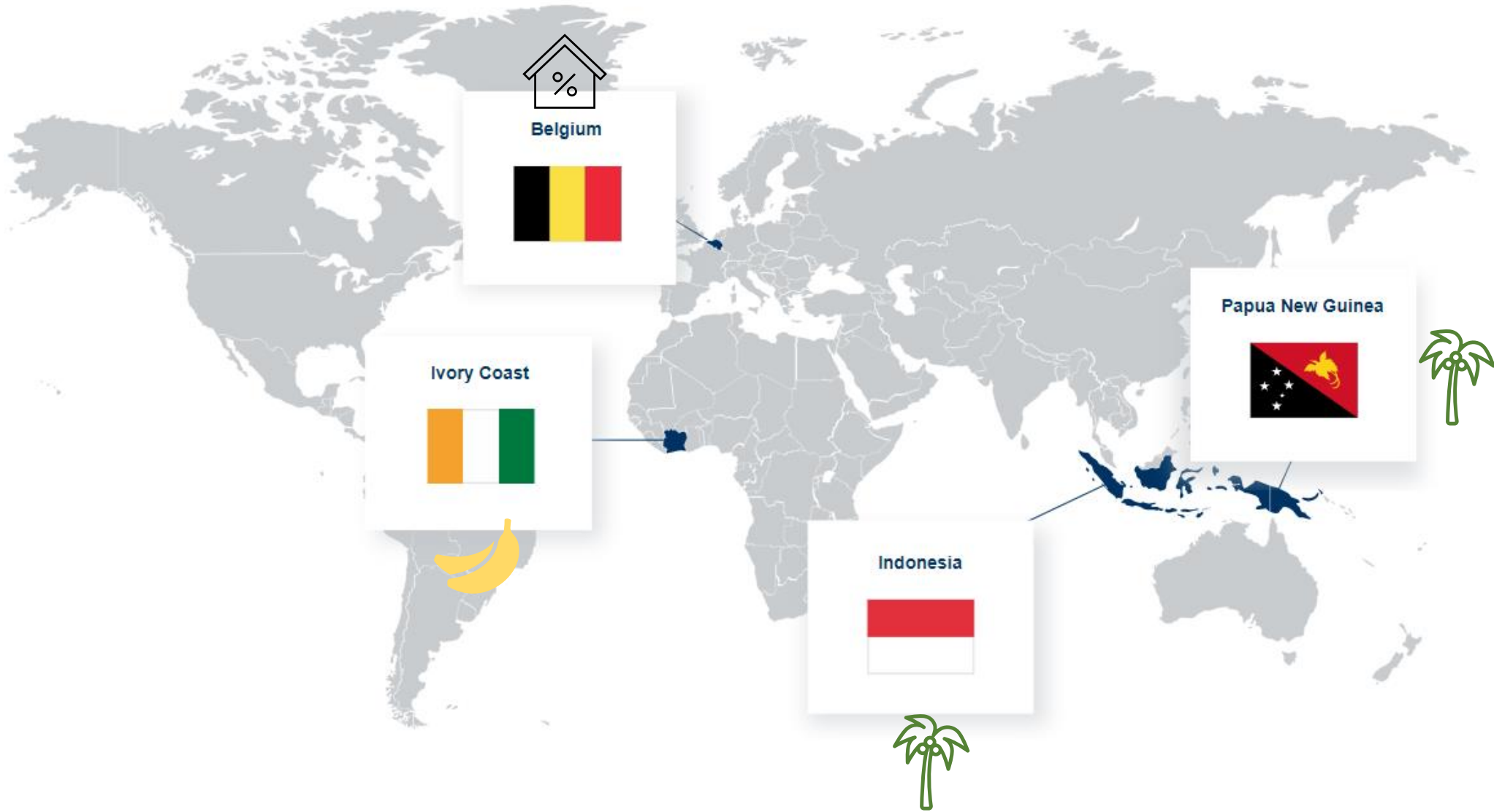


100%
RSPO COMPLIANT



Rainforest alliance
CERTIFIED





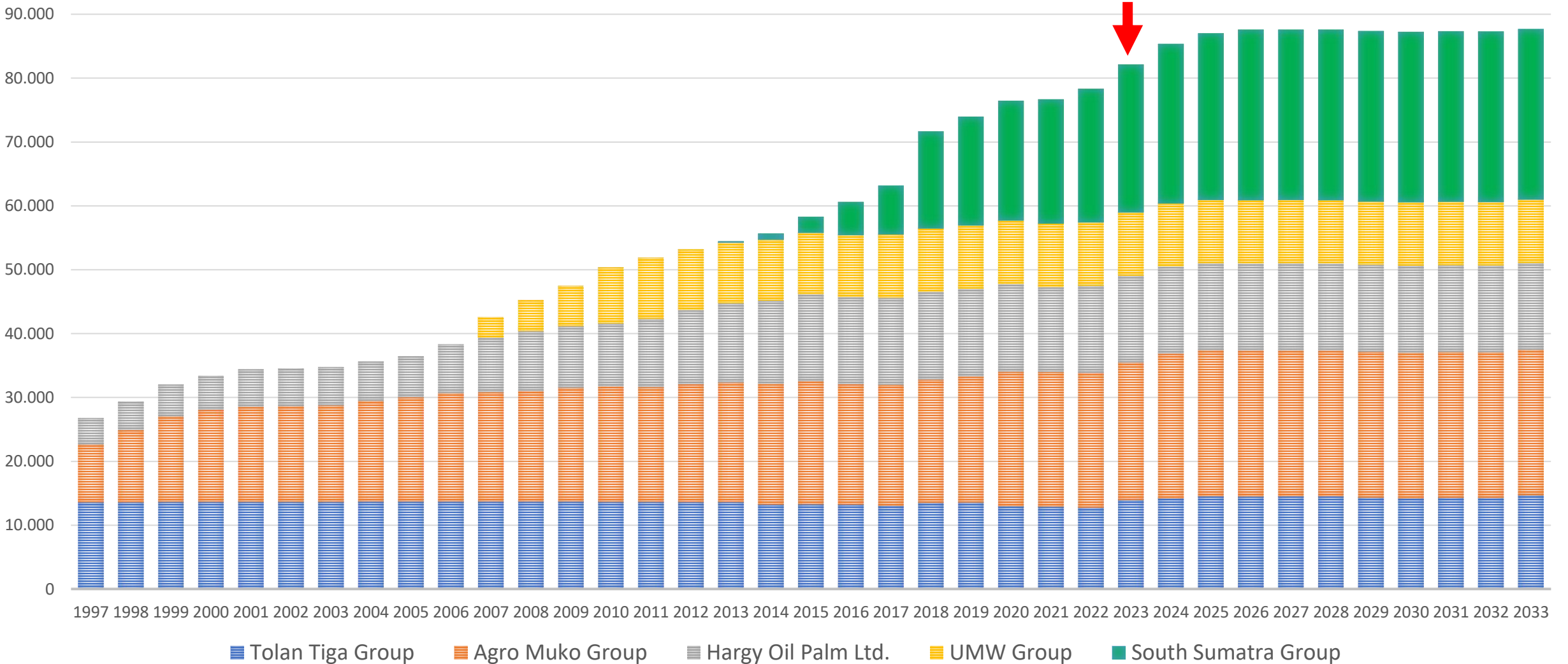
PLANTED HECTARES PER 31 DECEMBER 2023

2023	Indonesia	PNG	Ivory Coast	Hectares 100%
Palm	68.621	13.550	0	82.171
Rubber	1.901	0	0	1.901
Bananas	0	0	1.229	1.229
Other	0	0	29	29
Total planted	70.522	13.550	1.258	85.329

EVOLUTION PLANTED HECTARES PALM

EVOLUTION OWN PALM HECTARES

+227%



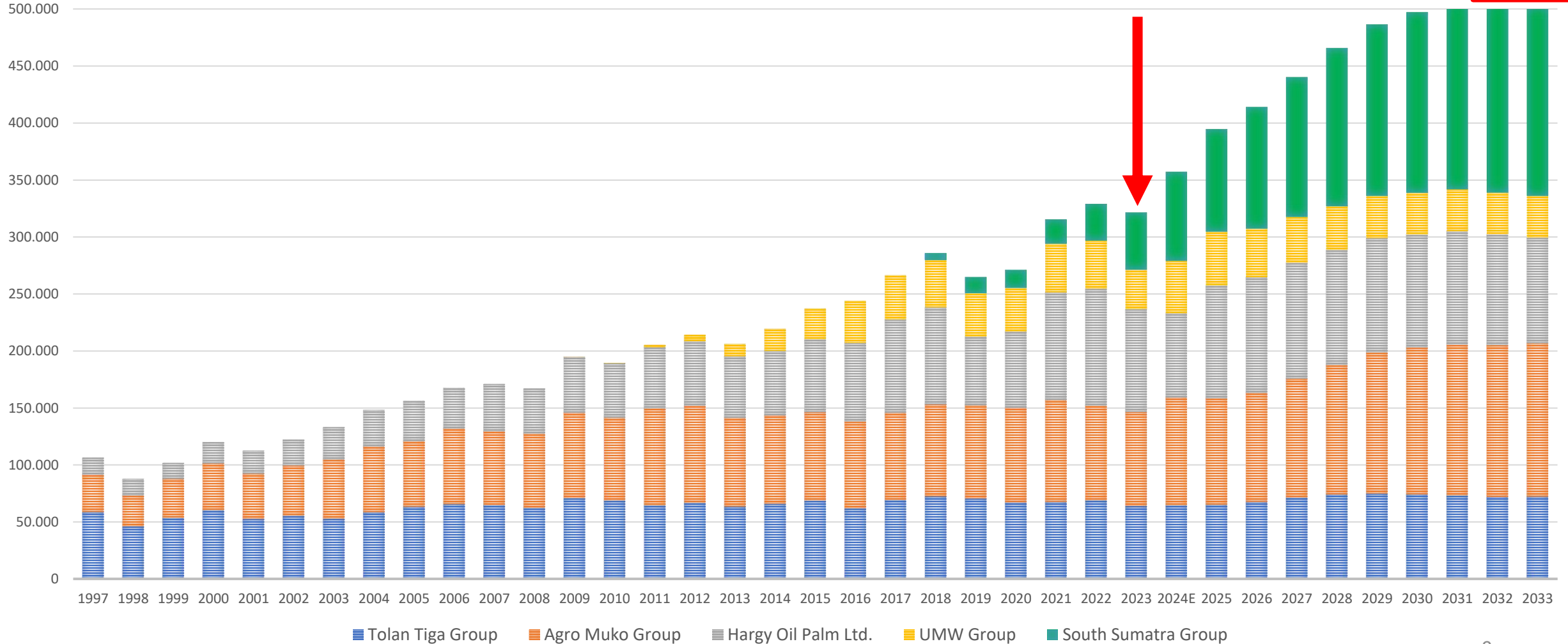
EVOLUTION OWN CPO PRODUCTIONS



500.000 tons

+371%

EVOLUTION OWN CPO PRODUCED

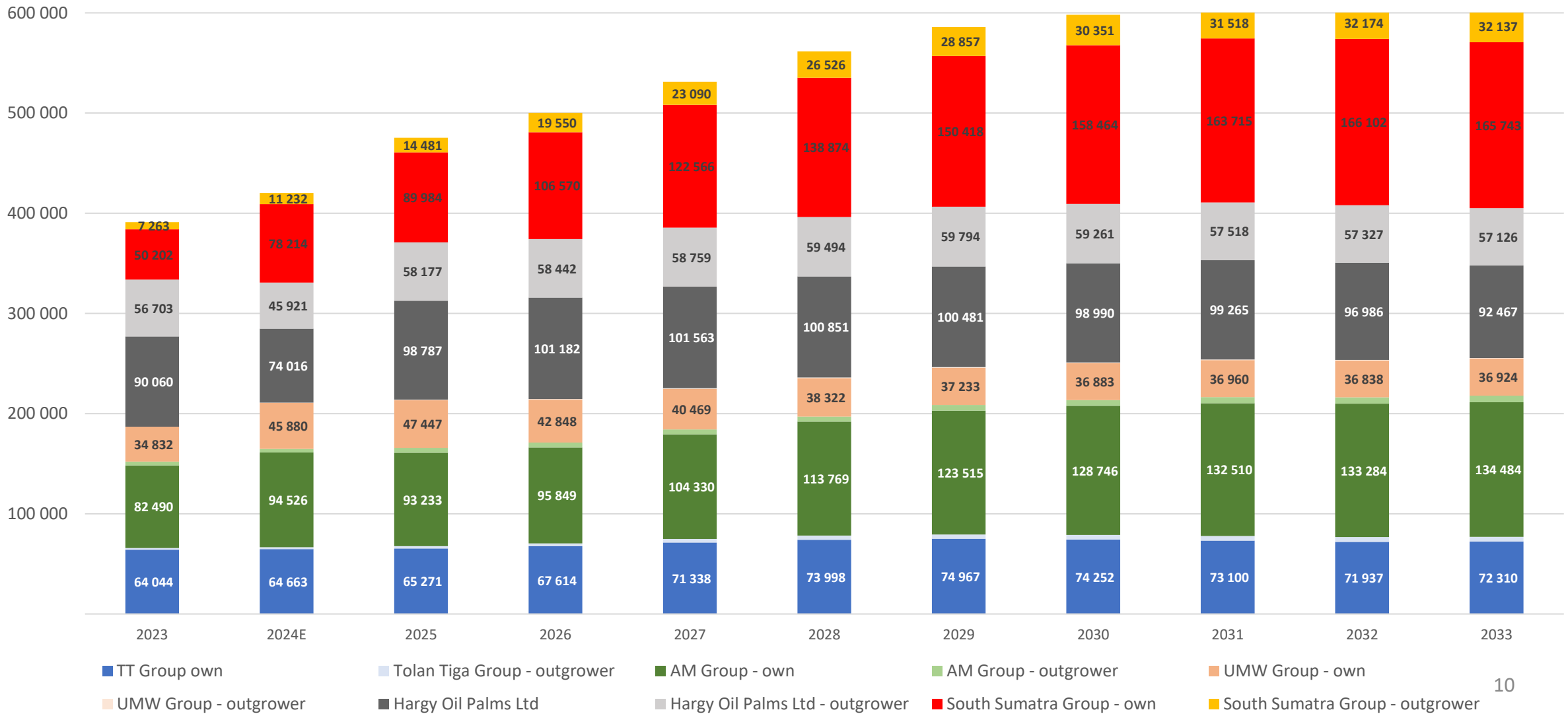


EVOLUTION TOTAL CPO PRODUCTIONS

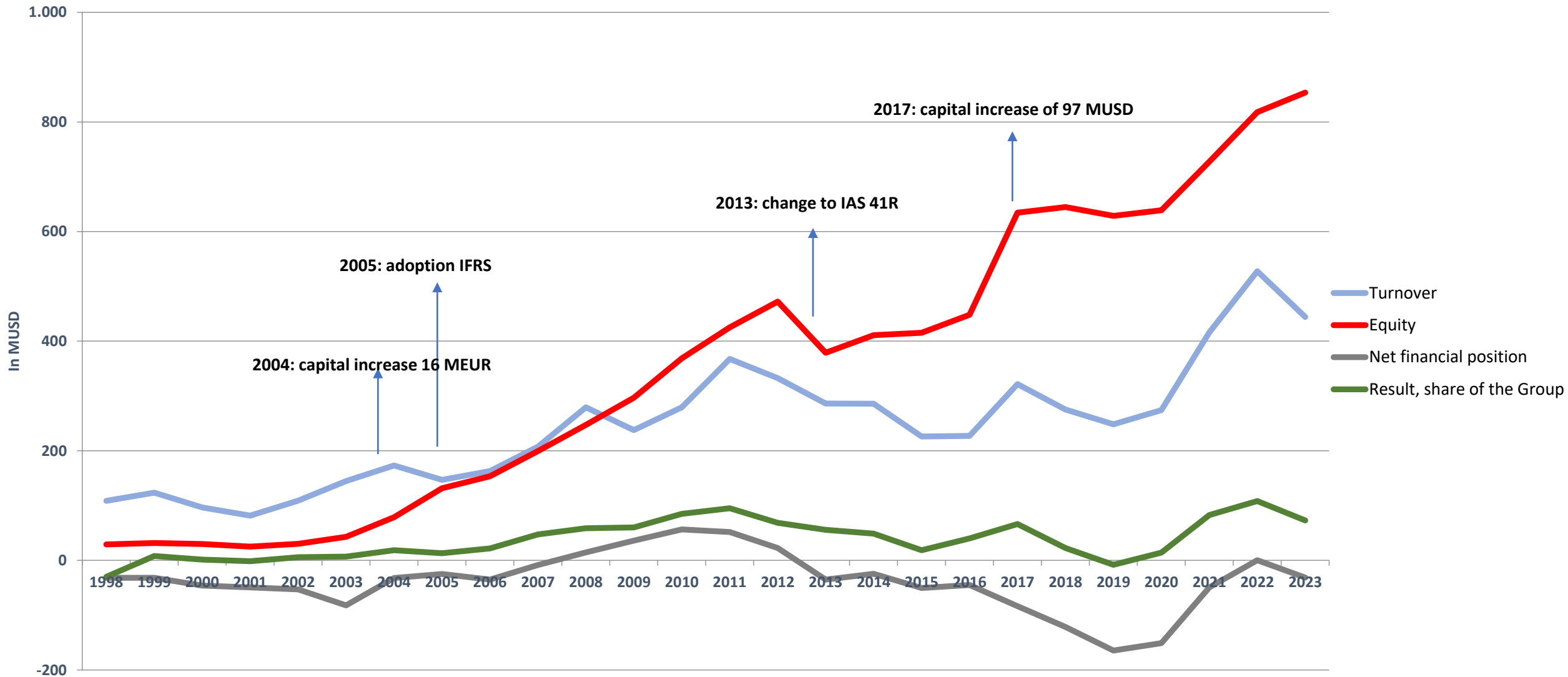


600.000 tons

Total CPO production



EVOLUTION TURNOVER - EQUITY – NFP - RESULT



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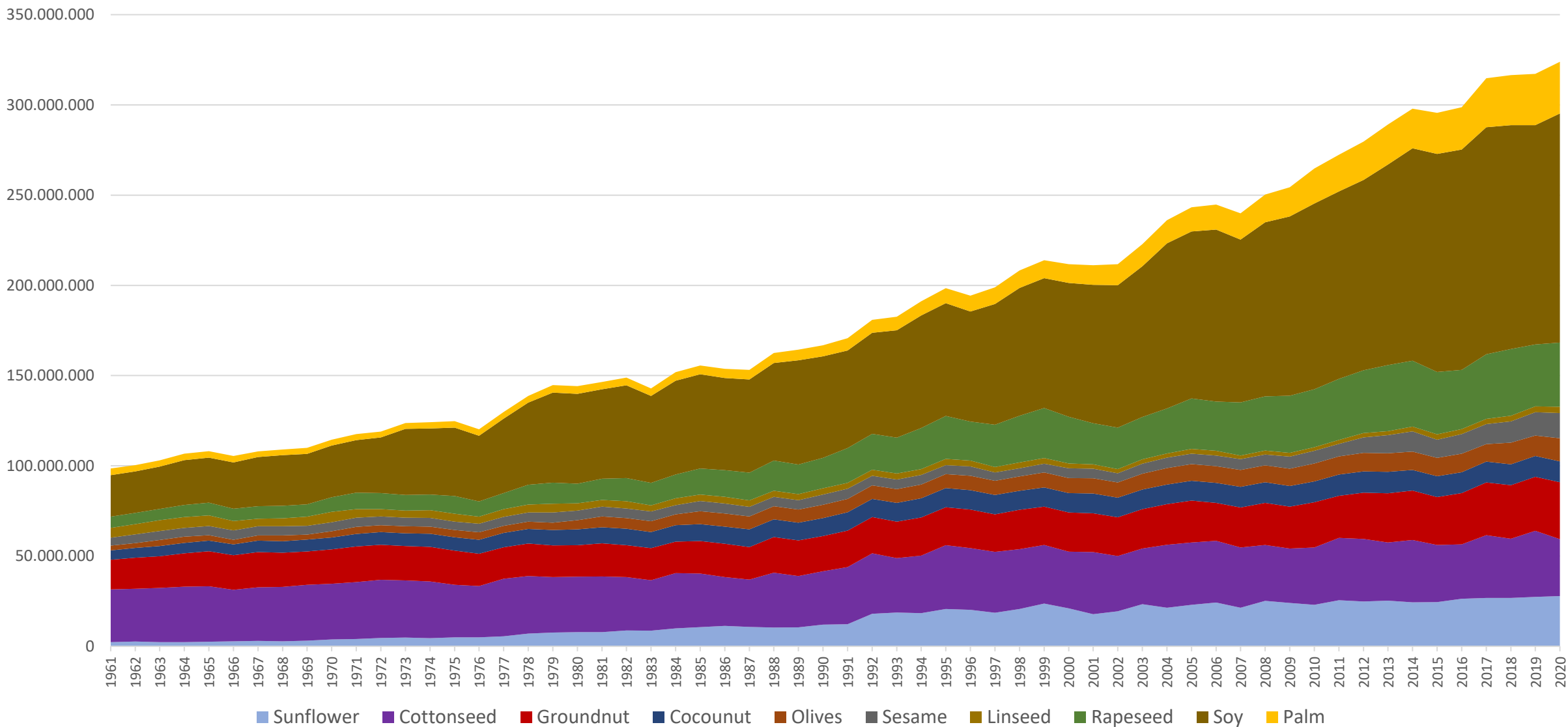


SIPEF group – Financial performance



SIPEF group - Prospects

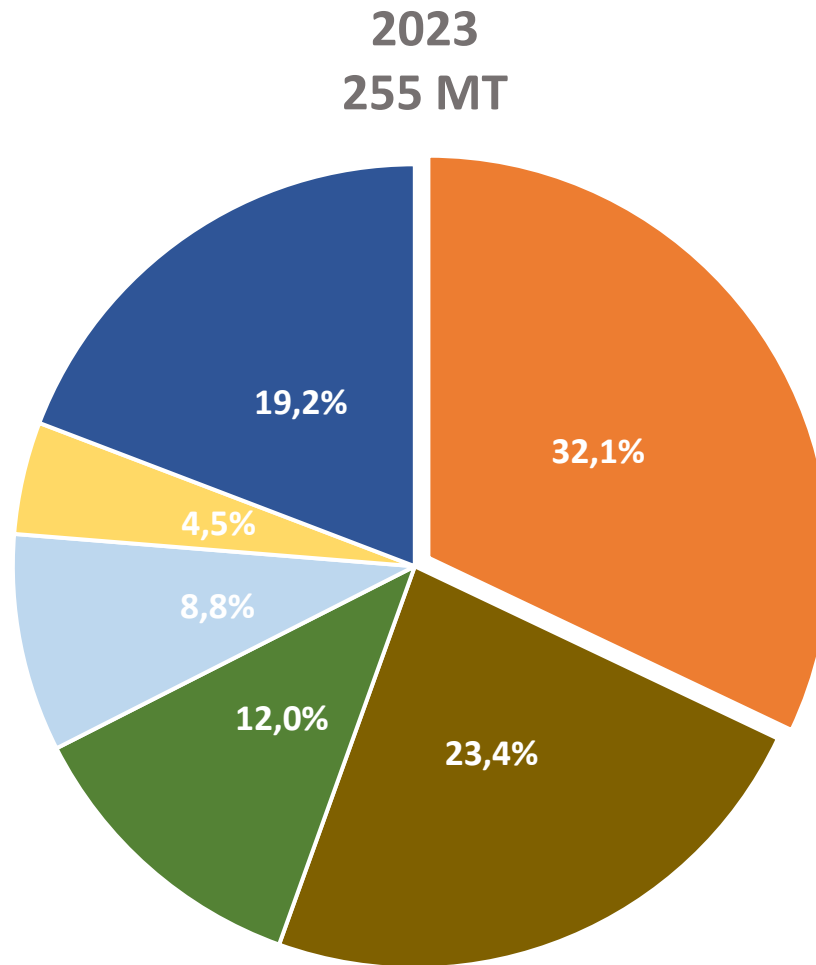
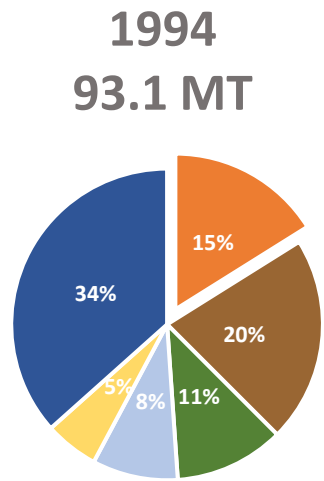
LAND USE FOR VEGETABLE OILS IN HECTARES



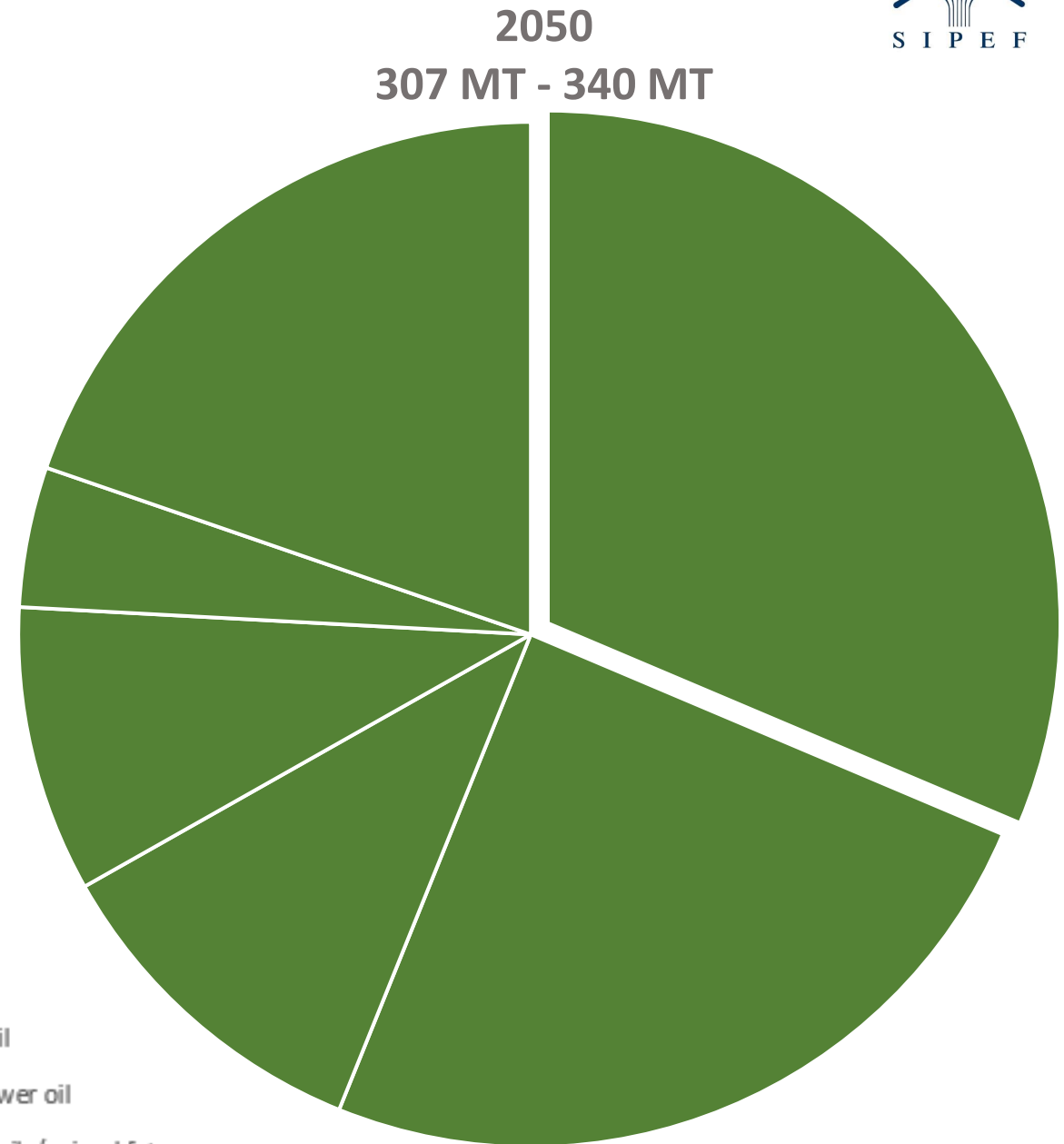
To feed a global population that is set to reach 9.8 billion by 2050 we will need to use less land to produce 60% more food

United Nations. Feeding the World Sustainably. 2012.

VEGETABLE OIL PRODUCTION

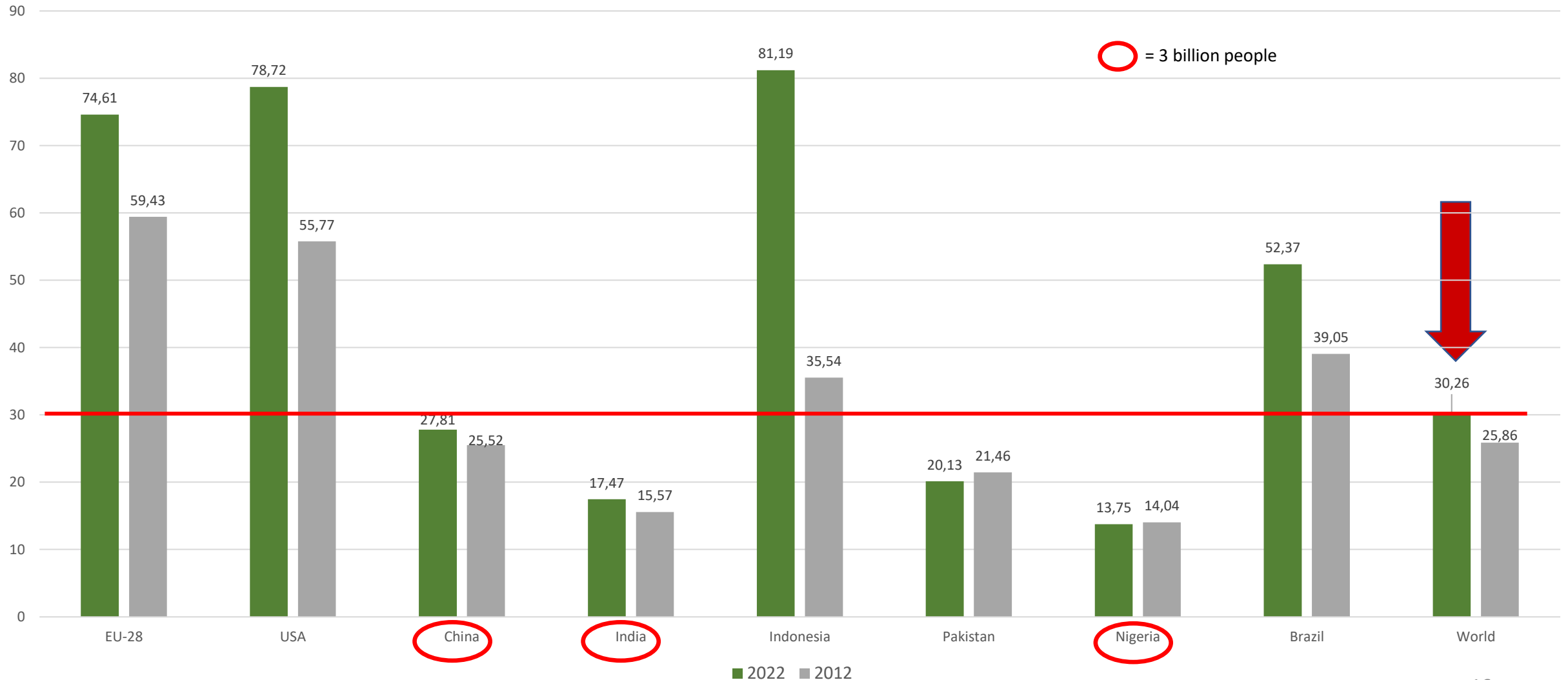


- Palm oil
- Rape oil
- Palm kernel and coconut oil
- Soya oil
- Sunflower oil
- Other oils/animal fats



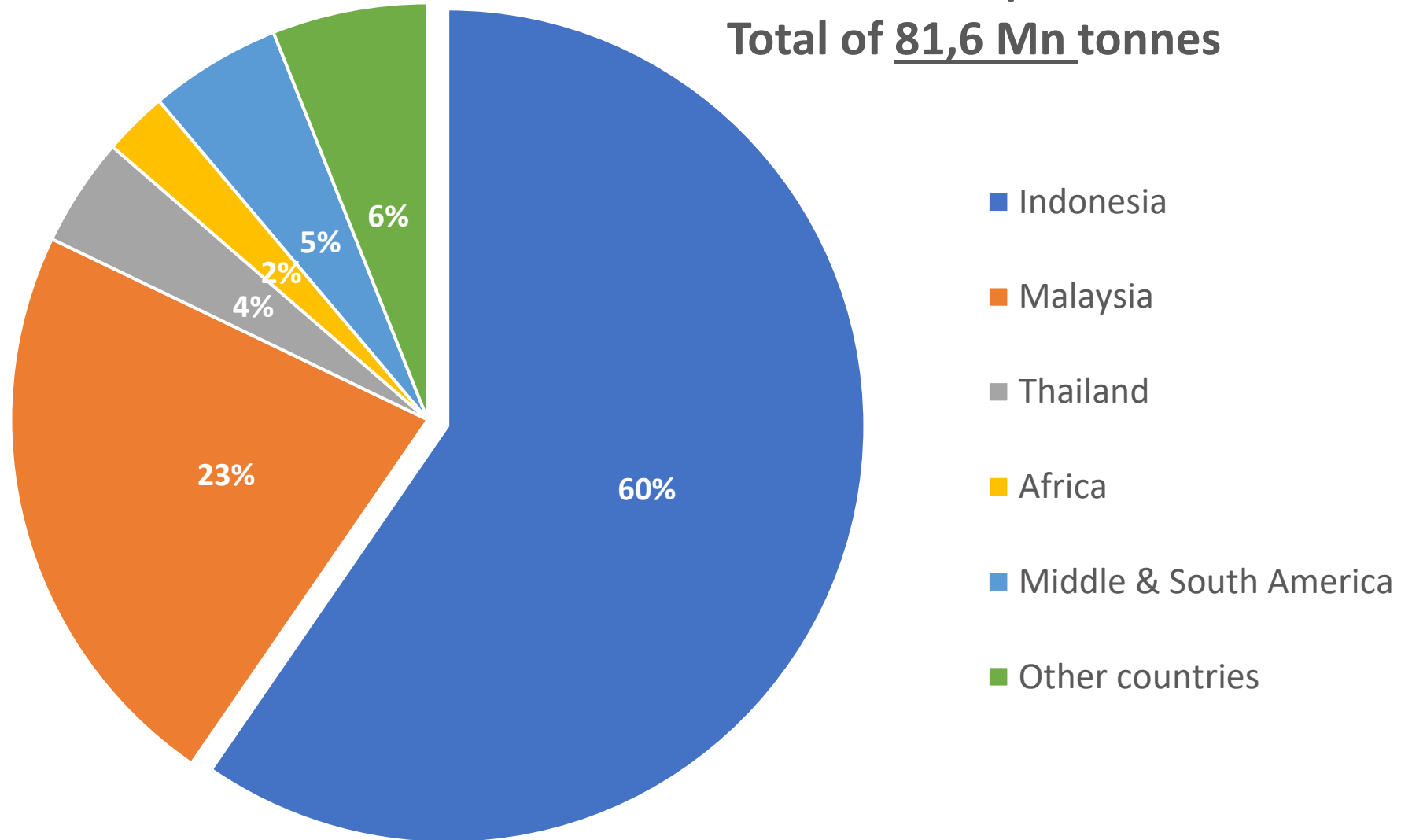
OIL AND FAT CONSUMPTION PER CAPITA

Oil and fat per capita consumption (in Kg)



PALM OIL PRODUCTION IN THE WORLD

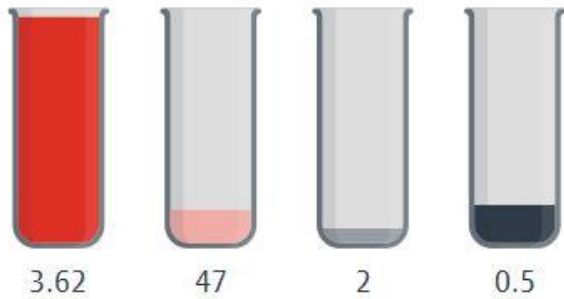
2023 Palm oil production
Total of 81,6 Mn tonnes



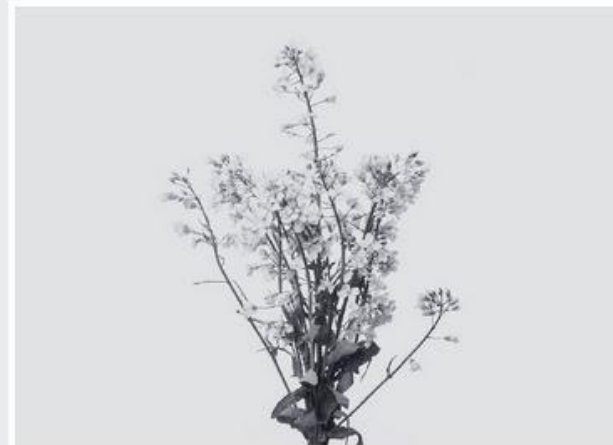
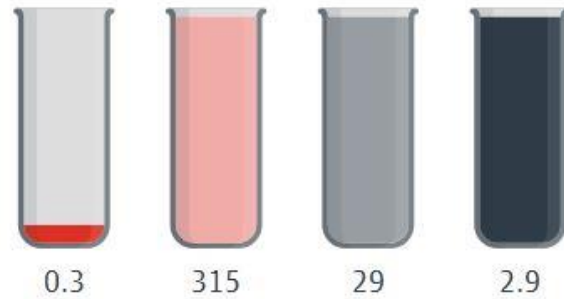
RESOURCES USED PER VEGETABLE OIL



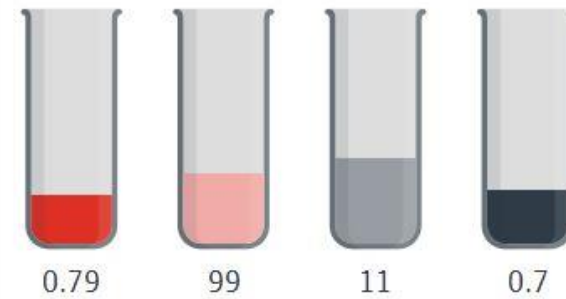
Palm



Soybean



Rapeseed



● Yield
Tonnes of oil produced per hectare

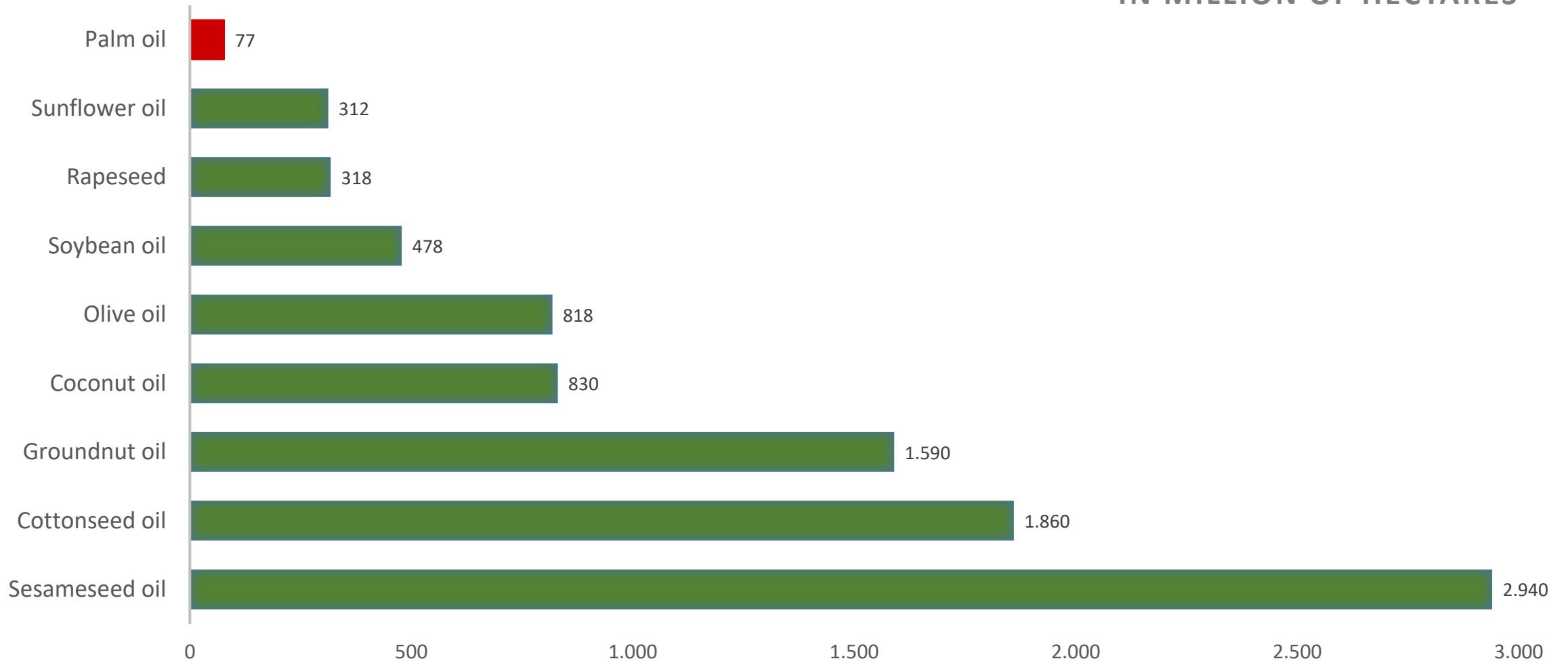
● Fertiliser
Kg to produce one tonne of oil

● Pesticides
Kg to produce one tonne of oil

● Energy input
Gigajoules to produce one tonne of oil

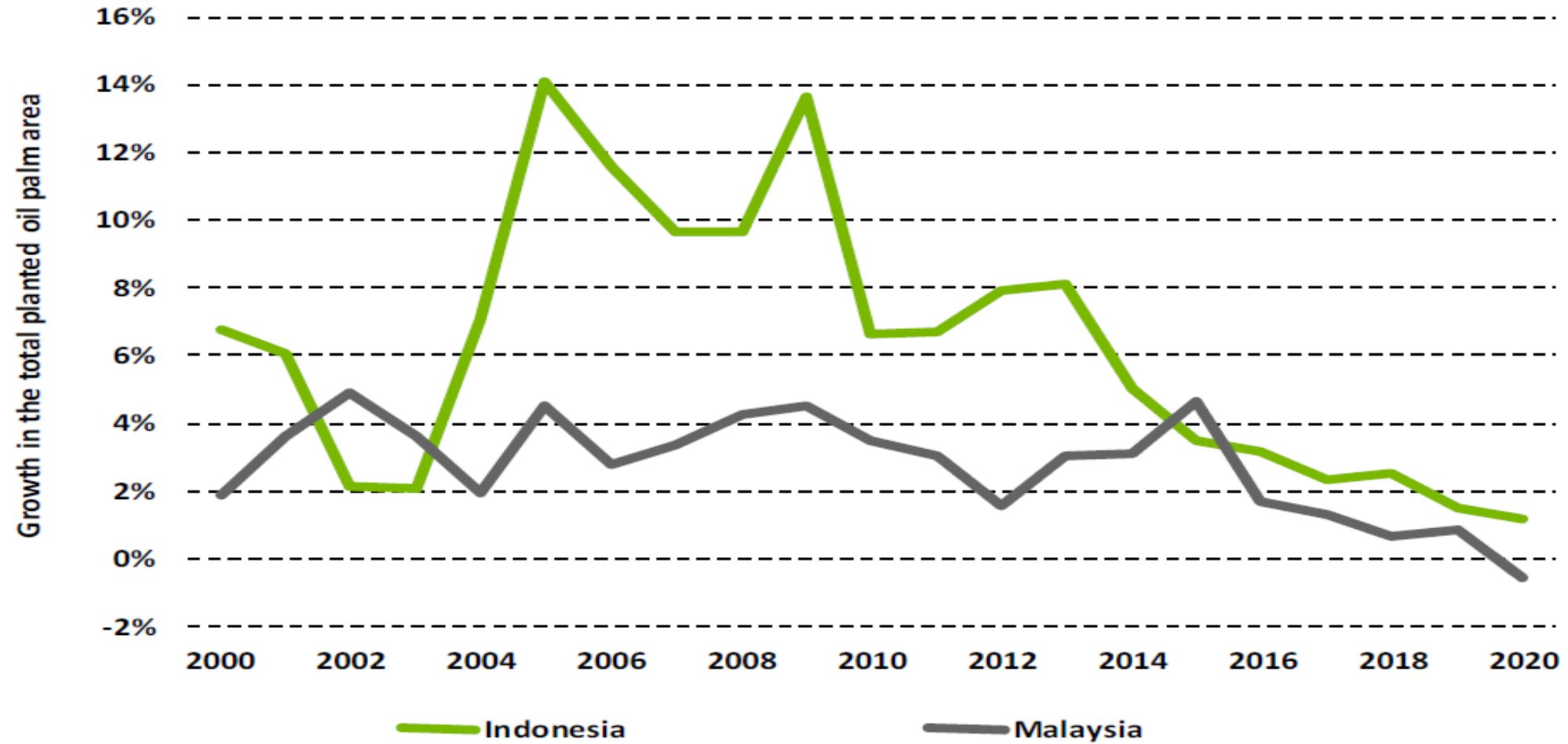
AREA OF LAND NEEDED TO MEET TOTAL GLOBAL VEGETABLE DEMAND PER VEGETABLE OIL (2019)

IN MILLION OF HECTARES



Growth in the total planted oil palm area in Indonesia and Malaysia

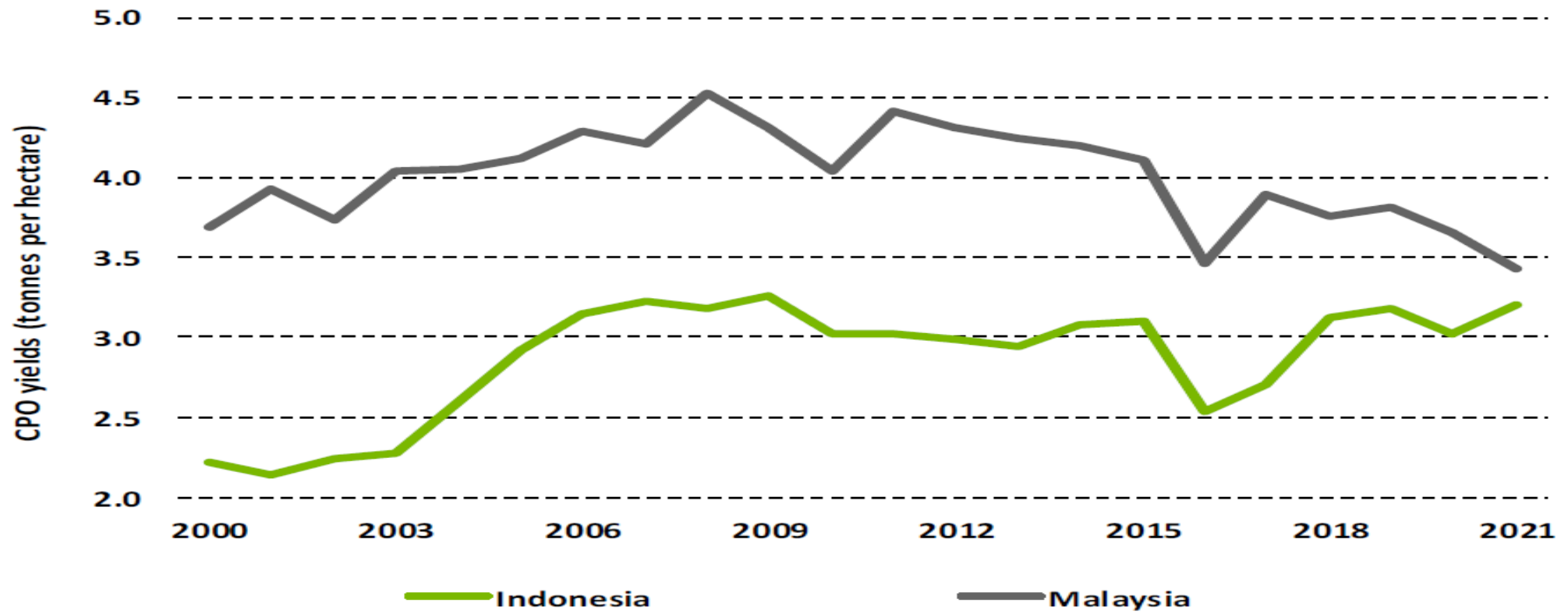
Sipef CAGR since 1997 = **4,67%**



YIELD PER HECTARE INDONESIA AND MALAYSIA

Indonesian and Malaysian CPO yields

Sipef average CPO yield 2023 = **4,89 T/Ha**



SUSTAINABLE PALM OIL

A SUSTAINABLE SOLUTION

- HALTING DEFORESTATION;
- TREATING COMMUNITIES AND WORKERS FAIRLY;
- PROTECTING WILDLIFE AND THE ENVIRONMENT.



18.9%

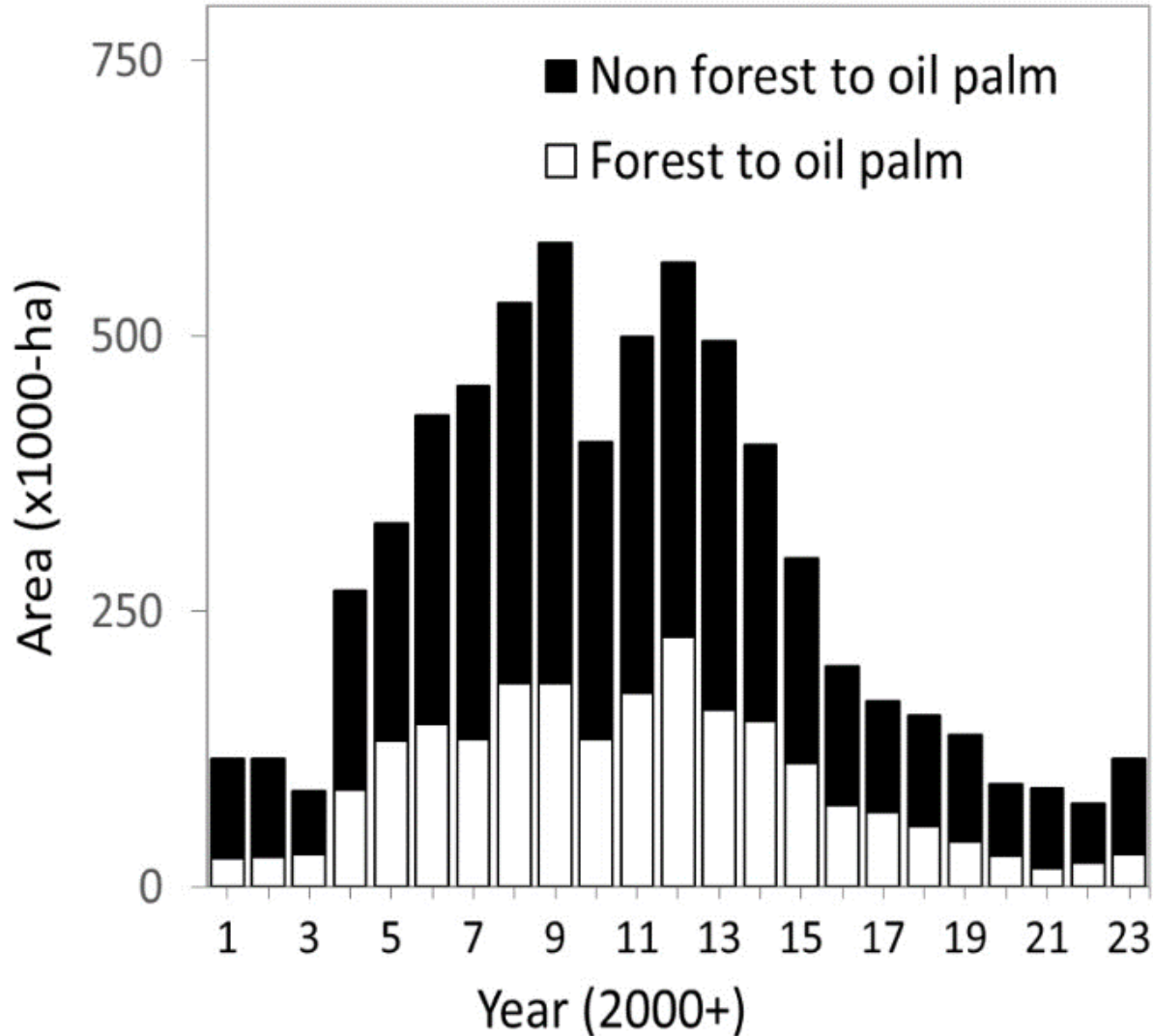
Proportion of global palm oil certified
by RSPO

Less than 3 million tons is sold as IP/‘segregated’ (100% traceable)

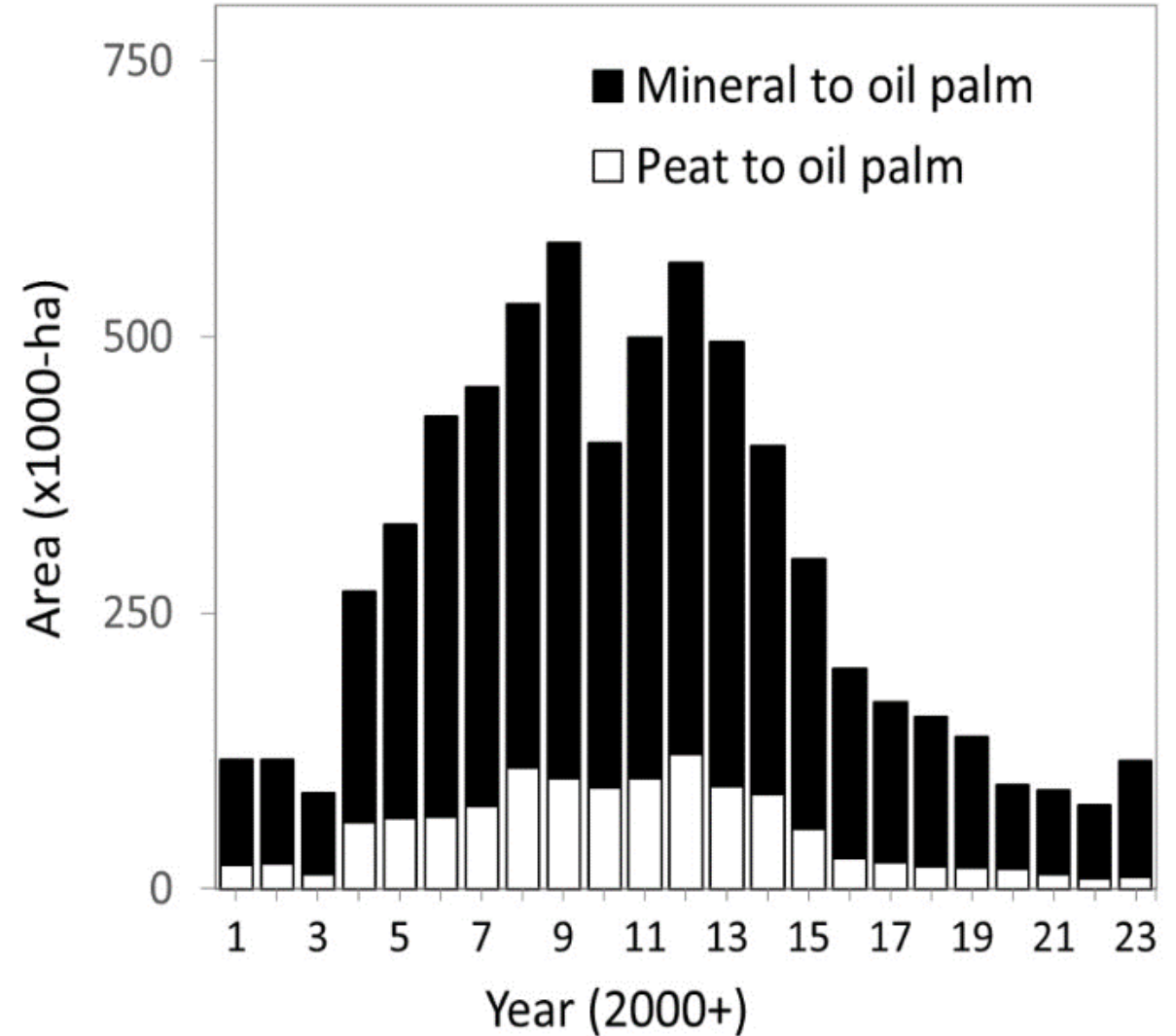
SIPEF = 100% compliant and > 390 000 tons (palm products) ‘segregated’

INDUSTRIAL OIL PALM EXPANSION

Industrial Oil Palm Expansion

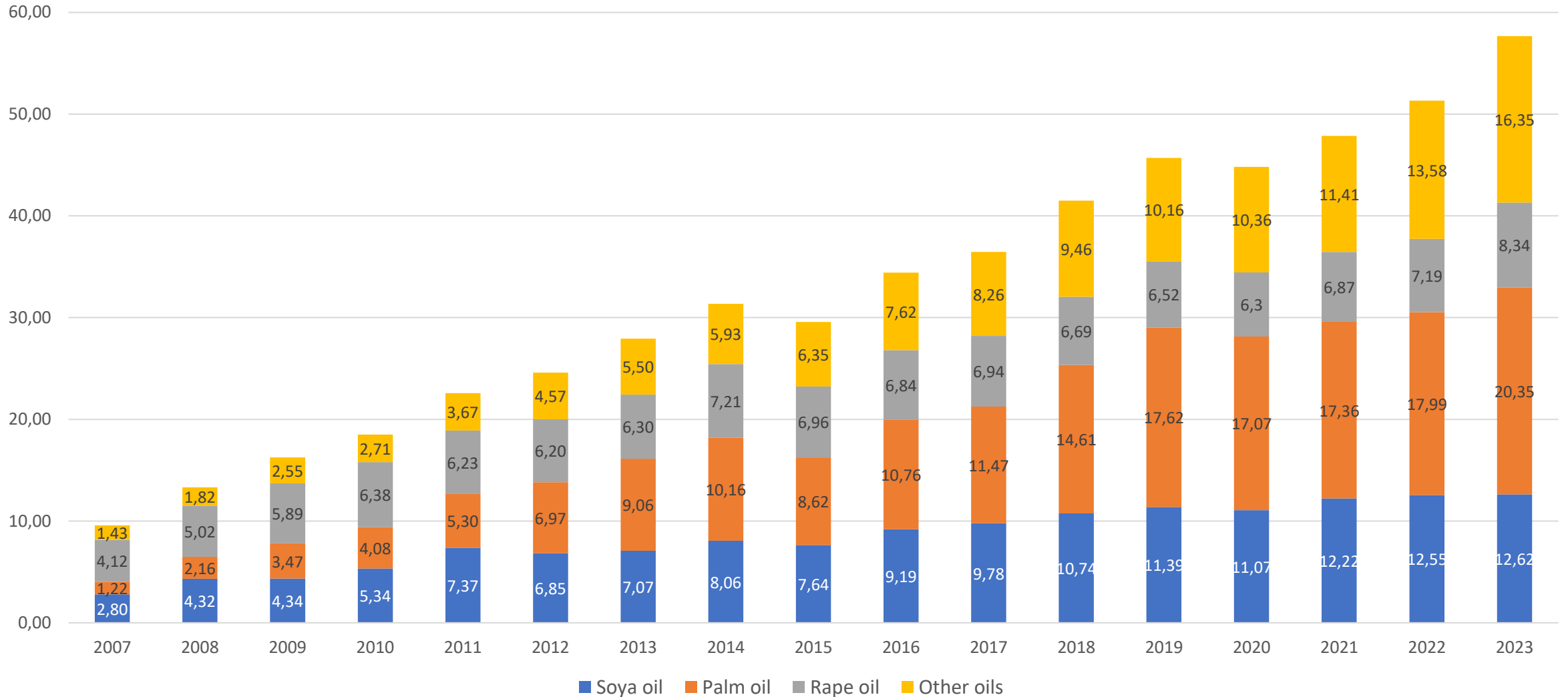


Industrial Oil Palm Expansion



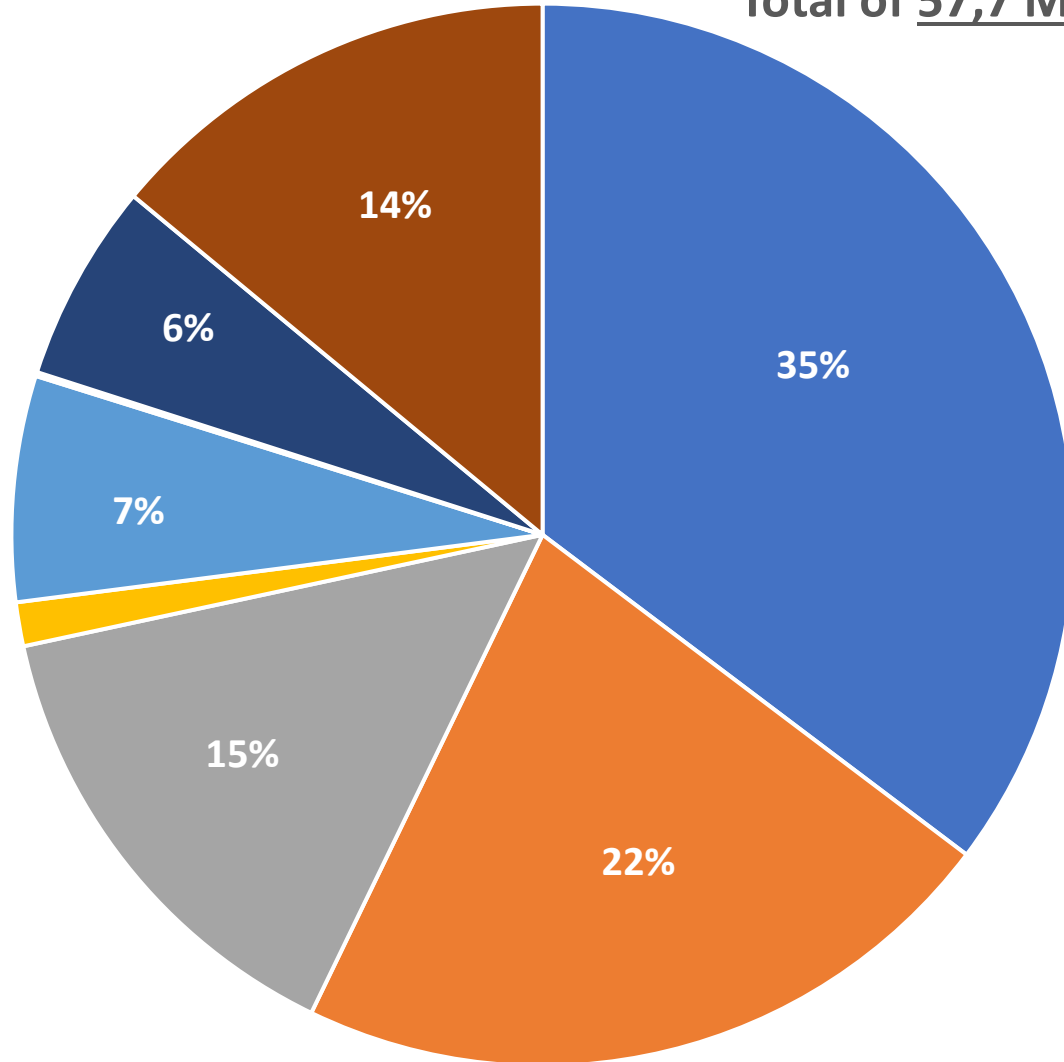
BIODIESEL USE OF MAJOR FEEDSTOCK

Biodiesel use of major feedstock (Mn T)



BIODIESEL WORLDWIDE

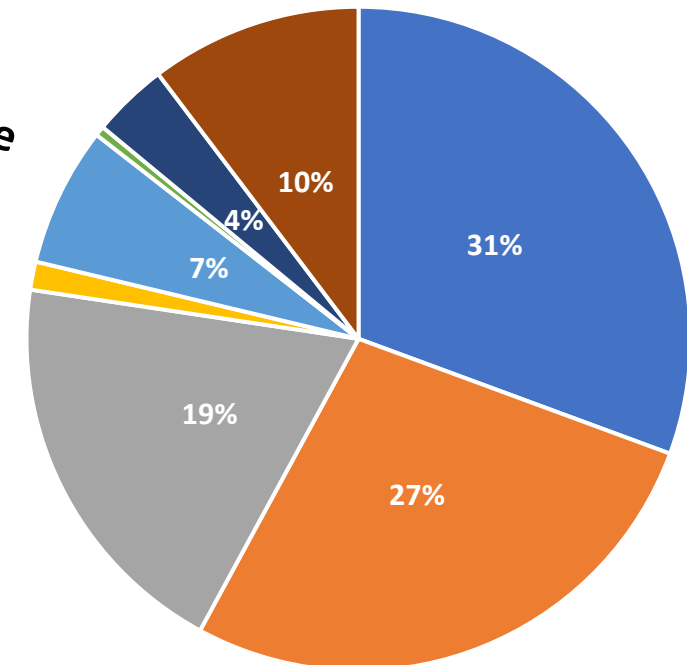
Biodiesel worldwide 2023
Total of 57,7 Mn tonnes



+60% increase



Biodiesel worldwide 2017
Total of 35,8 Mn tonnes



■ Palm Oil
■ Tallow

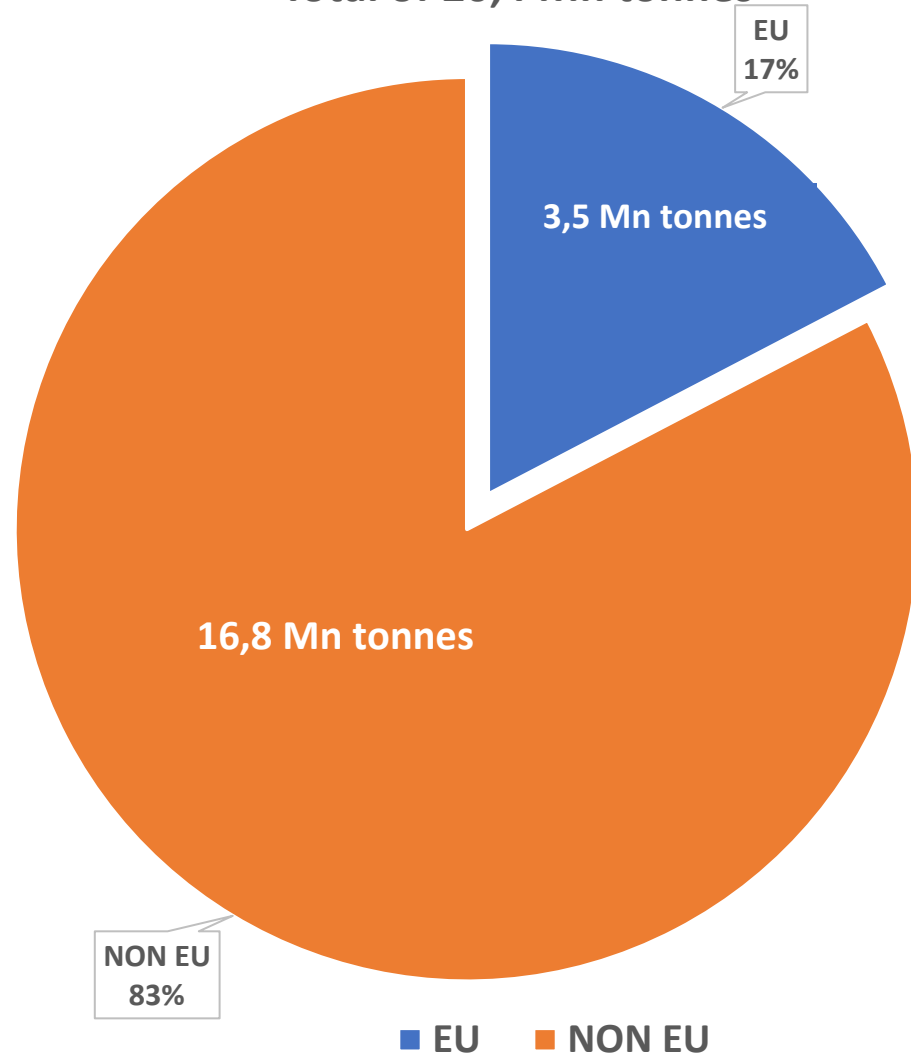
■ Soya Oil
■ Coconut oil

■ Rapeseed Oil
■ Other oils & fats

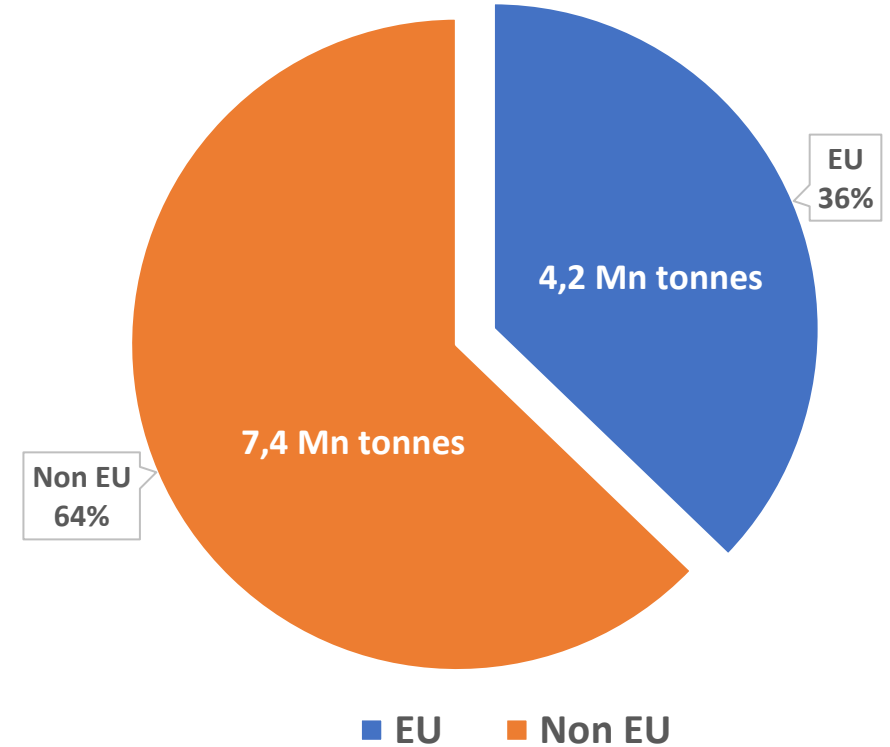
■ Sunflower Oil
■ Used cooking oil

PALM OIL USE FOR BIODIESEL EU

2023: Palm oil use for Biodiesel
Total of 20,4 Mn tonnes



2017 Palm oil use for Biodiesel
Total of 11,6 Mn tonnes



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GROUP PRODUCTIONS – CRUDE PALM OIL

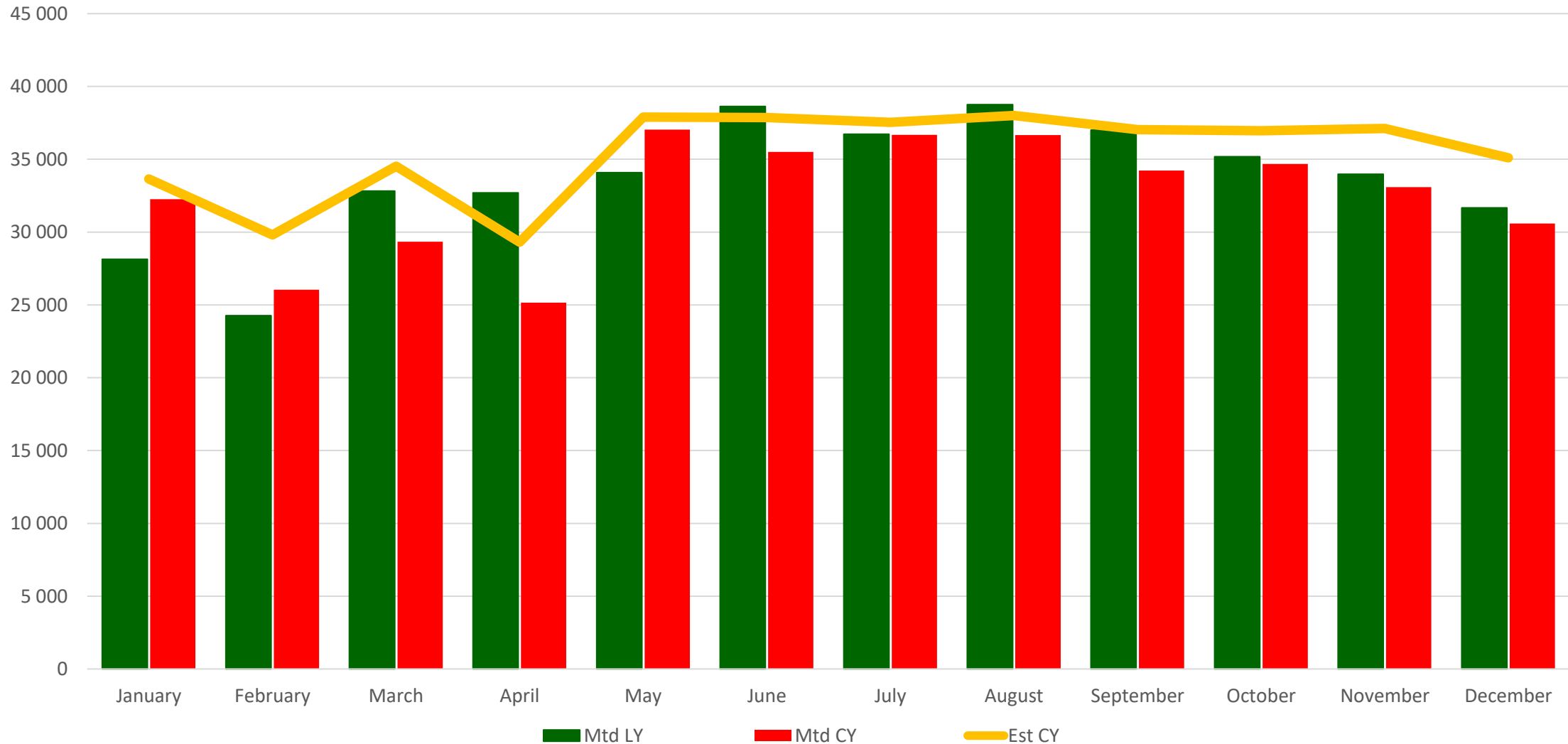
Palm Oil	Dec-23	Dec-22	Variance
Own			
Tolan Tiga Group	64 044	68 975	-7,15%
Umbul Mas Wisesa Group	34 832	42 272	-17,60%
Agro Muko Group	82 490	83 075	-0,70%
South Sumatra Group	50 202	32 289	55,48%
Hargy Oil Palms	90 060	102 479	-12,12%
Total own	321 629	329 090	-2,27%
Outgrowers			
Tolan Tiga Group	1 773	1 532	15,73%
Umbul Mas Wisesa Group	152	148	2,70%
Agro Muko Group	3 695	3 542	4,32%
South Sumatra Group	7 263	5 453	33,19%
Hargy Oil Palms	56 703	64 162	-11,63%
Total outgrowers	69 586	74 837	-7,02%
Total Palm Oil	391 215	403 927	-3,15%
Indonesia	244 451	237 286	3,02%
PNG	146 763	166 641	-11,93%



MONTHLY GROUP PRODUCTIONS – CRUDE PALM OIL 2023

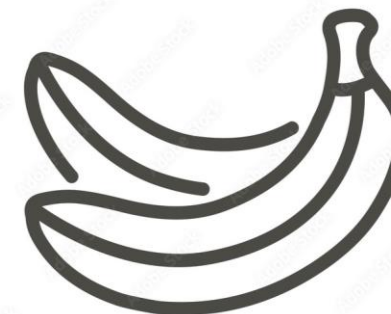


CPO productions 2023



GROUP PRODUCTIONS – BANANAS

Bananas	Dec-23	Dec-22	Variance
Azaguie	11 702	12 833	-8,81%
Agboville	8 003	9 383	-14,71%
Motobé	6 424	7 543	-14,83%
Lumen	12 676	2 511	404,82%
Akoudje	2 171	0	0,00%
Total Bananas	40 976	32 270	26,98%



BULL AND BEAR

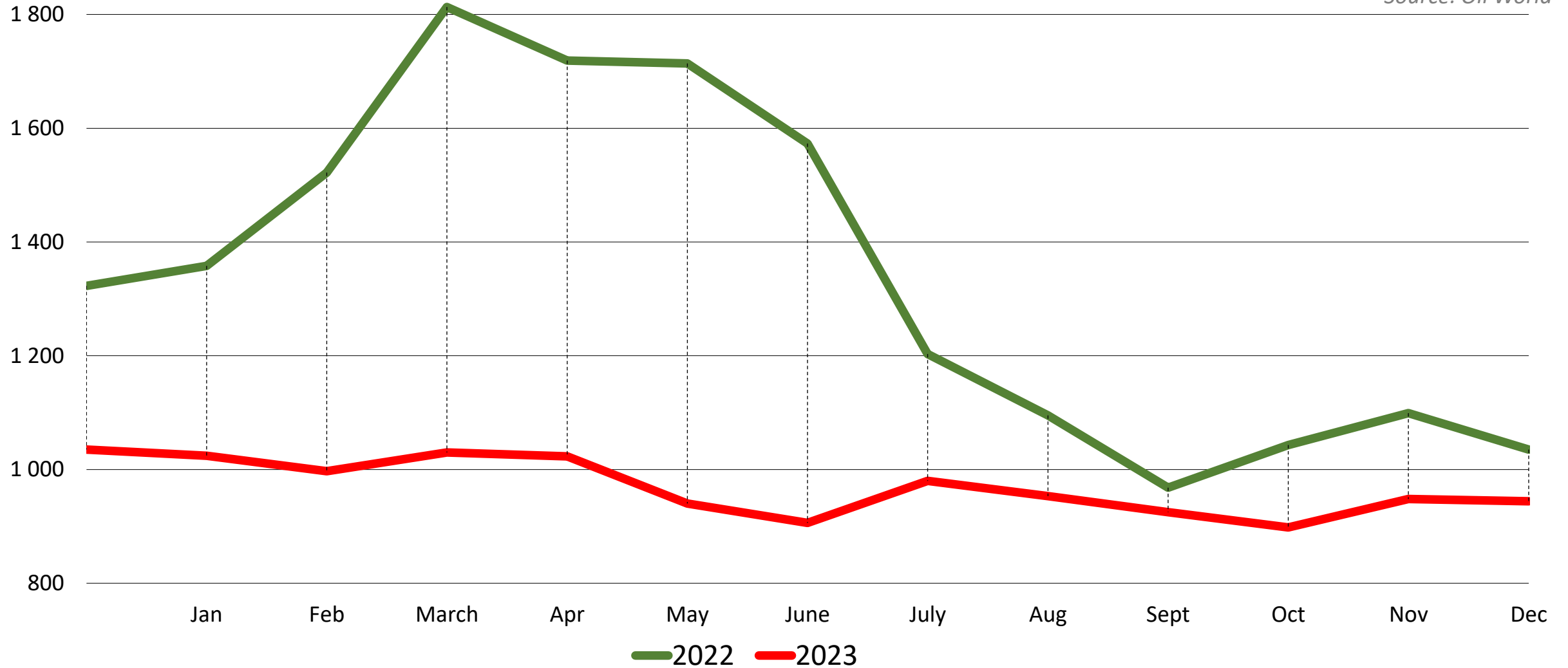
	Rating	Bullish inputs	Bearish inputs
Palm Oil	Neutral	- Palm, production will be equal to 2023. Expected to plateau in 2024	- Palm is a premium to Sun, Rape and Soyoil.
Feb 950		- Biofuel demand keeps growing. Particularly US renewable diesel capacity grew strongly. But also expected growth in Indonesia, Brazil and India	- El Nino has brought a lot of rain to SO-Asia, could be beneficial for crops.
March 950		- Ramadan demand kicks in early, when production is in downcycle.	- Latam Soybean crop is record, despite draught in Brazil. Argentina super big crop and more relevant for oil.
April 945		- Global vegoils will grow relatively small in 2024, where demand is expected to outpace.	- Current RINS values in US give negative biodiesel margins.
May 935			- Freight rates higher after Red Sea attacks.
June 925			- Still a big macro uncertainty. Chinese property giant Evergrande liquidation could drag the economy further down. Elections in several countries.
JAS 910			- Geopolitical instability. How will crude oil react?
OND 900			

CPO PRICES 2022 – 2023

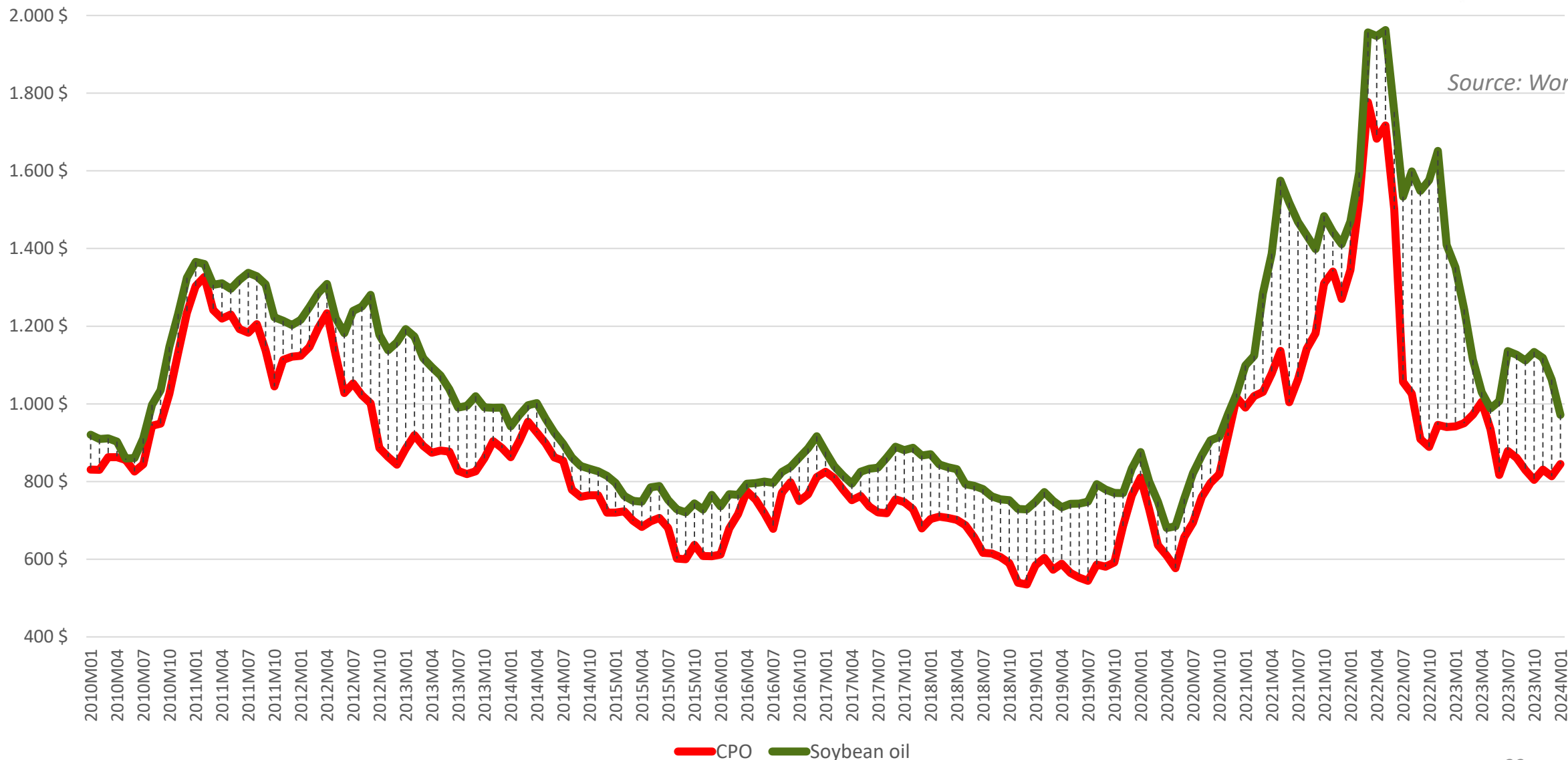


Crude Palm Oil in \$/mt
CIF Rotterdam

Source: Oil World



Spread crude palm oil – soybean oil



Source: Worldbank

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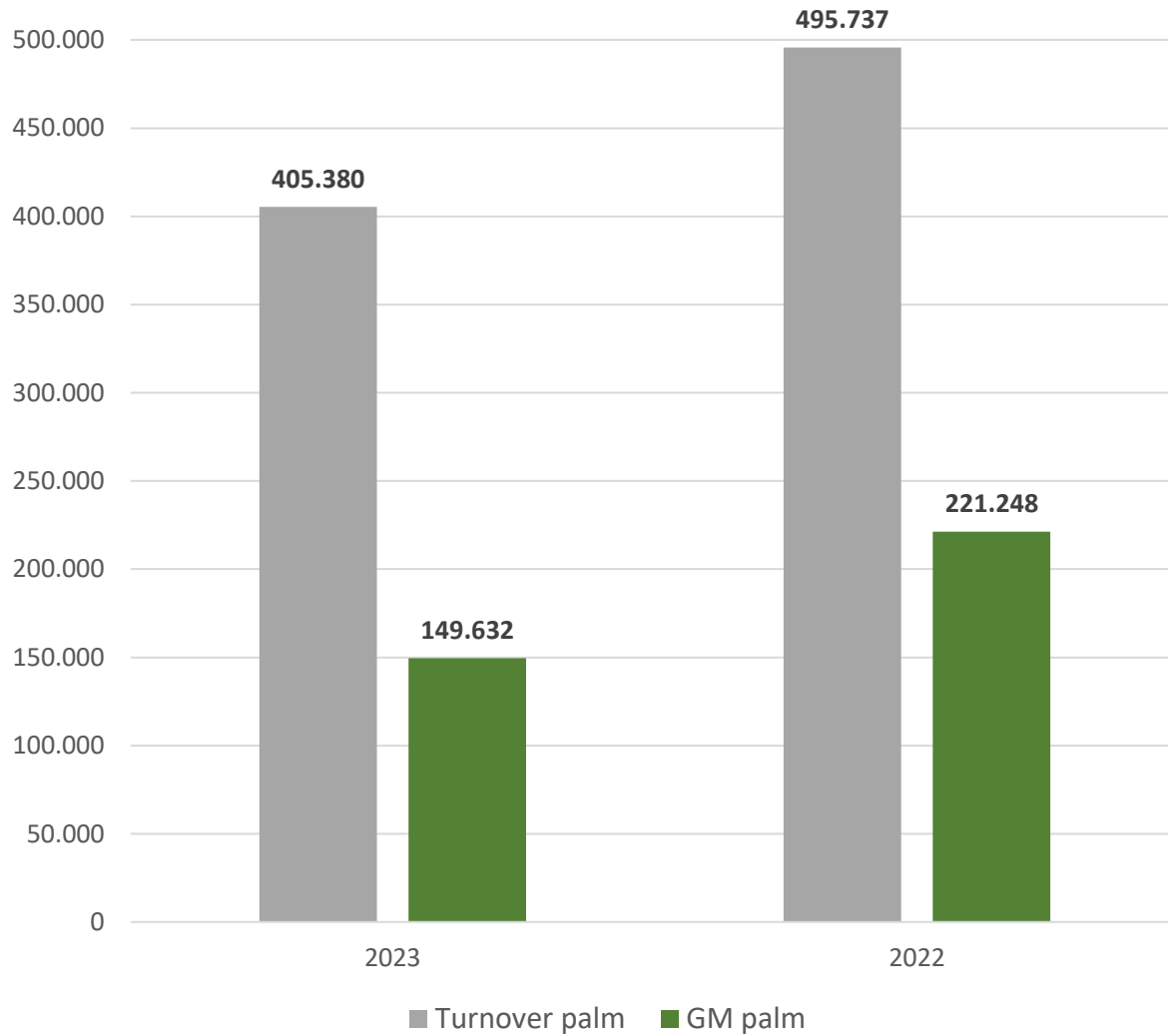
SIPEF group – Financial performance



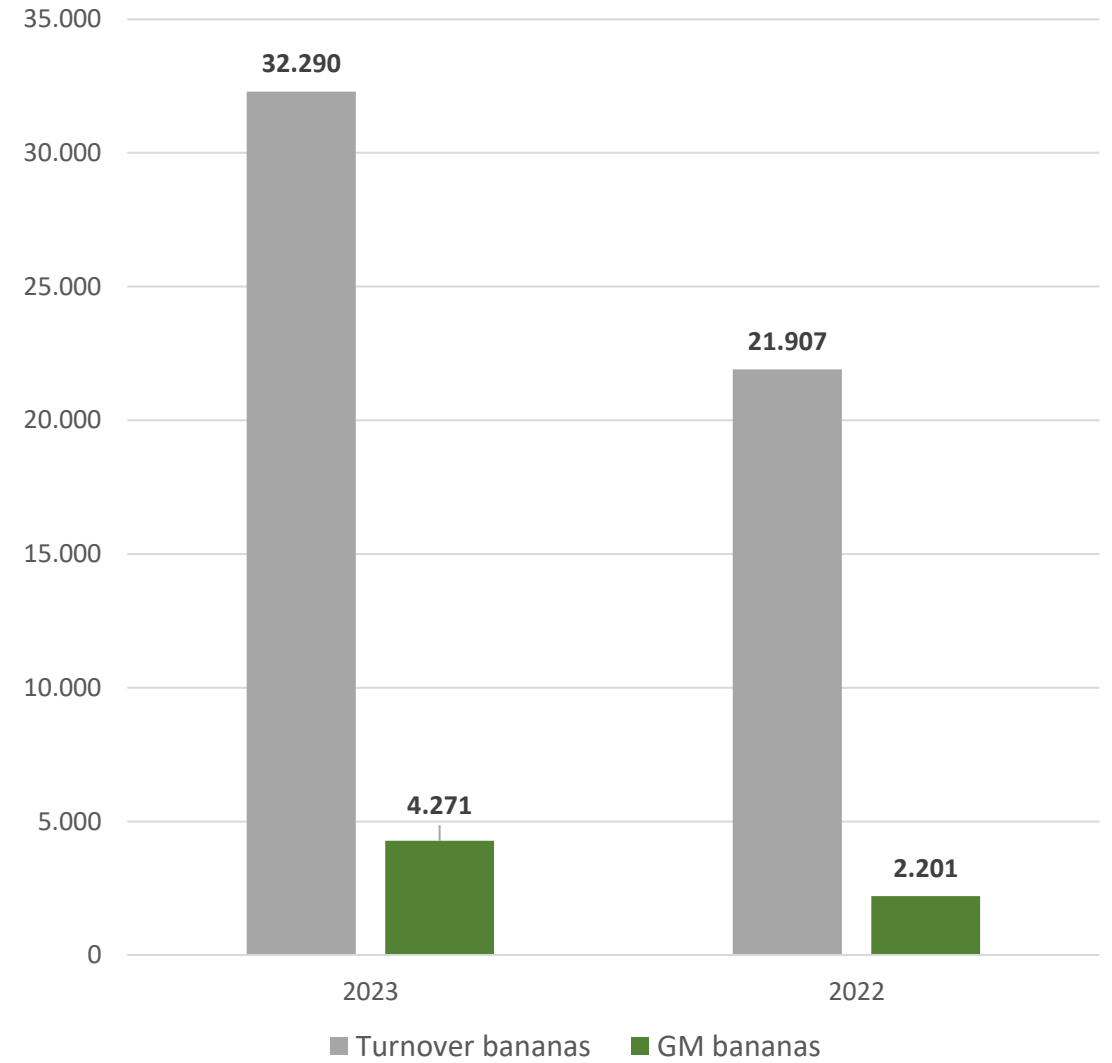
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DECEMBER GROSS MARGIN IN KUSD

Gross margin palm



Gross margin bananas



INCOME STATEMENT – DECEMBER 2023 (1/2)



In KUSD		Act. 2023	Act. 2022	Difference
Gross margin	Palm	149 632	221 248	-32%
	Rubber	-5 861	-4 105	43%
	Tea	139	195	-29%
	Bananas	4 271	2 201	94%
	Horticulture	86	93	-7%
G&A including corporate		-44 799	-42 027	
Other operating		4 509	705	
Operating result		107 978	178 312	

INCOME STATEMENT – DECEMBER 2023 (2/2)



In KUSD	Act. 2023	Act. 2022
Operating result	107 978	178 312
Finance income/charges	- 270	-2 503
Exchange	1 108	-3 251
Financial result	839	-5 754
Profit before tax	108 817	172 557
Tax	-31 128	-59 536
Profit after tax	77 689	113 021
Associated companies	-1 335	- 566
Profit for the period	76 354	112 455
Group share	72 735	108 157
Minority interests	3 619	4 298

BALANCE SHEET – DECEMBER 2023



In KUSD (management presentation)	31/12/2023	31/12/2022
Biological assets (depreciated costs) - bearer plants	326 656	316 714
Goodwill	104 782	104 782
Other fixed assets	426 965	383 287
Receivables > 1 year	34 229	28 287
Assets held for sale	13 520	13 520
Net current assets, net of cash	75 362	58 679
Net cash position	-31 418	122
Total net assets	950 097	905 392
Shareholders' equity, group share	853 777	817 803
Non-controlling interest	35 042	32 341
Provisions and deferred tax liabilities	61 278	55 248
Total net liabilities	950 097	905 392

CASHFLOW– DECEMBER 2023



In KUSD (management presentation)	31/12/2023	31/12/2022
Cash flow from operating activities before change in net working capital	162 768	216 714
Change in net working capital	16 080	-6 455
Income taxes paid	-56 216	-44 964
Cash flow from operating activities after tax	122 632	165 295
Acquisitions intangible and tangible assets	-106 986	-79 294
Financing plasma advances	-7 799	-4 504
Selling price of PP&E and financial assets	889	1 517
Use of advance PT Melania	-2 924	-3 502
Free cash flow	5 813	79 512
Other financing activities	-38 619	-30 198
Net movement in investments, cash and cash equivalents	-32 806	49 313

EVOLUTION NON-RECURRING NET TAX POSITION



- The evolution of the net tax position can be split into:

	2019	2020	2021	2022	2023
Indonesia	7 908	409	-10 214	-3.242	6 877
PNG	6 635	6 907	-7 770	-28.690	-9 180
Europe + IC	-236	-237	108	-408	-1 378
Total	14 307	7 079	-17 877	-32 340	- 3 681

VALUE PER HECTARE

Sensitivity December 2023	
Stock price @	USD per hectare
40,00	5.224
50,00	6.625
60,00	8.025
70,00	9.426
80,00	10.826
90,00	12.226

BOOKVALUE PER HECTARE = 10 039 USD/Ha

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PROSPECTS – 15/02/2024



❖ Production

- Stable and promising production year
- 300.000 tons CPO production in Indonesia expected in 2024
- Impact of the volcanic eruption estimated to result in a decrease of up to 20% of the production volumes but productions still exceeding the 120.000 tons
- Total CPO group production to reach 420.000 tons
- Banana production of 50.000 tons in 2024

❖ Markets

- A favorable price outlook for the medium to long term for palm oil
- Anticipation of declining stocks by markets
- Spot prices maintain a premium over forward positions
- Global biofuel demand remains robust, driven by USA, Brazil and Indonesia

PROSPECTS – 15/02/2024



❖ Results

- 19% of the projected palm oil volume sold at USD 867 per tonne EMG
 - ❑ PNG 33% at 955USD/tonne EMG
 - ❑ Indonesia 12% at 728 USD/tonne EMG
- Sales prices continue to be impacted by local export levy/taxes in Indonesia
- Unit production cost of palm remain well under control
- Final recurrent result of 2024 might be lower than 2023 due to the effects of the volcanic eruption

❖ Cash flow and expansion

- Expansion in South Sumatra is ongoing
- Construction 10th mill in progress with finalization date Q1 2024
- 18 367 Ha of the 28 362 Ha in South Sumatra classified ‘young mature’
- Expansion in Ivory Coast evolving to be completed → 1 338 Ha by end 2024 with expected production up to 60.000 tons
- CAPEX of more than 100 mio USD in 2024
- 2024 to end with a well-managed net financial debt at year-end in line with 2023



The Connection to the world of Sustainable Tropical Agriculture