

SIPEF

Analyst presentation
February 13, 2025



Summary



SIPEF group - Company profile



SIPEF group - Palm oil in the world



SIPEF group - Production & prices



SIPEF group – Financial performance



SIPEF group - Prospects

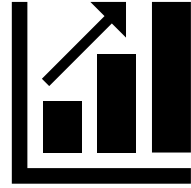
The Connection to the world of Sustainable Tropical Agriculture

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

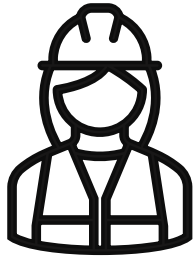
SIPEF AT A GLANCE



Belgium
Headquarters
1919



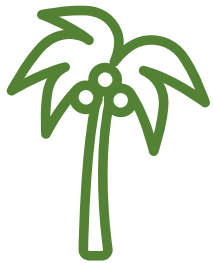
USD 444 million
Total sales in FY2024



More than
23.000
employees



More than
50.000 T
of bananas produced



More than
360.000 T
of CPO produced



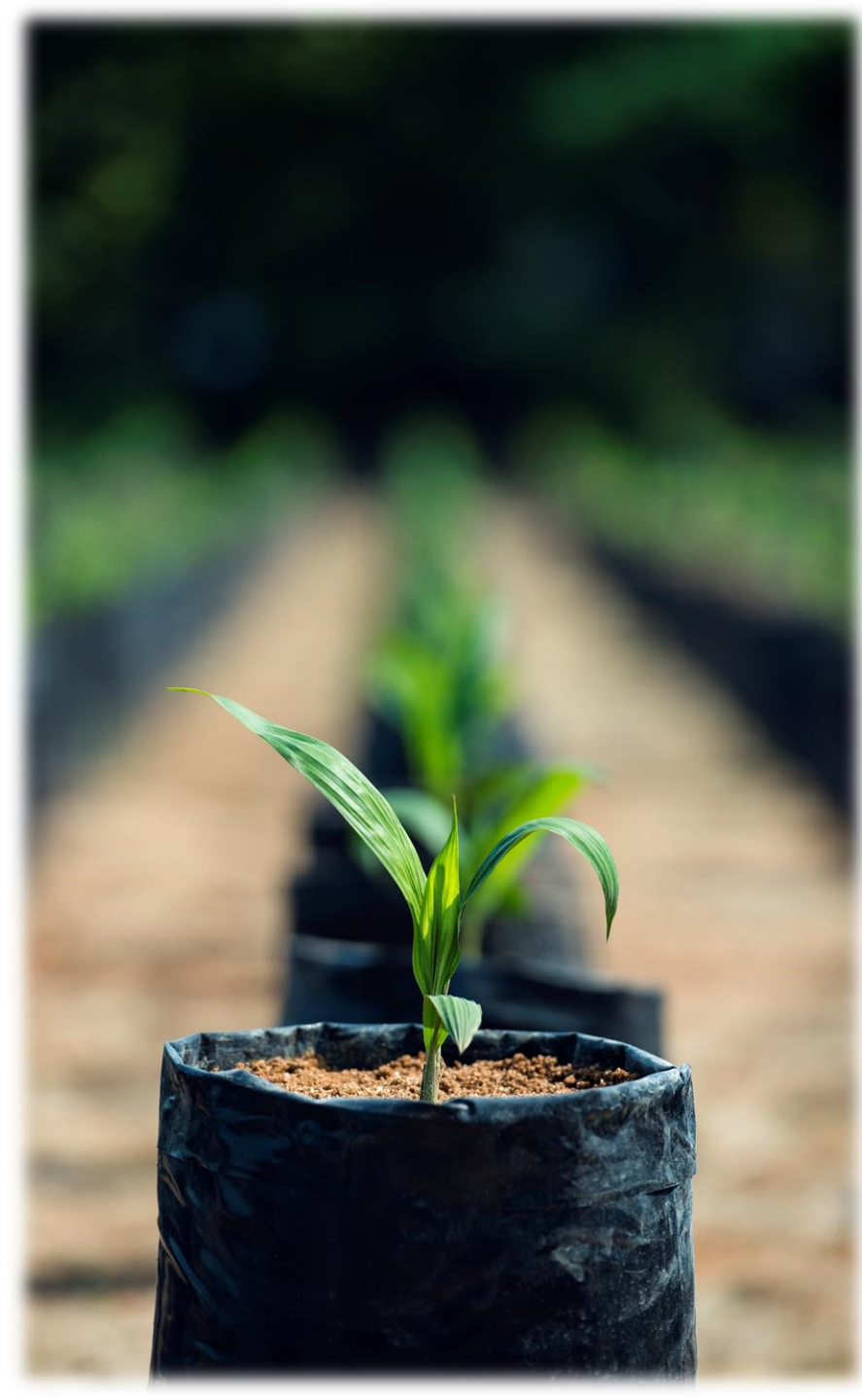
Listed on the
EURONEXT
stock exchange

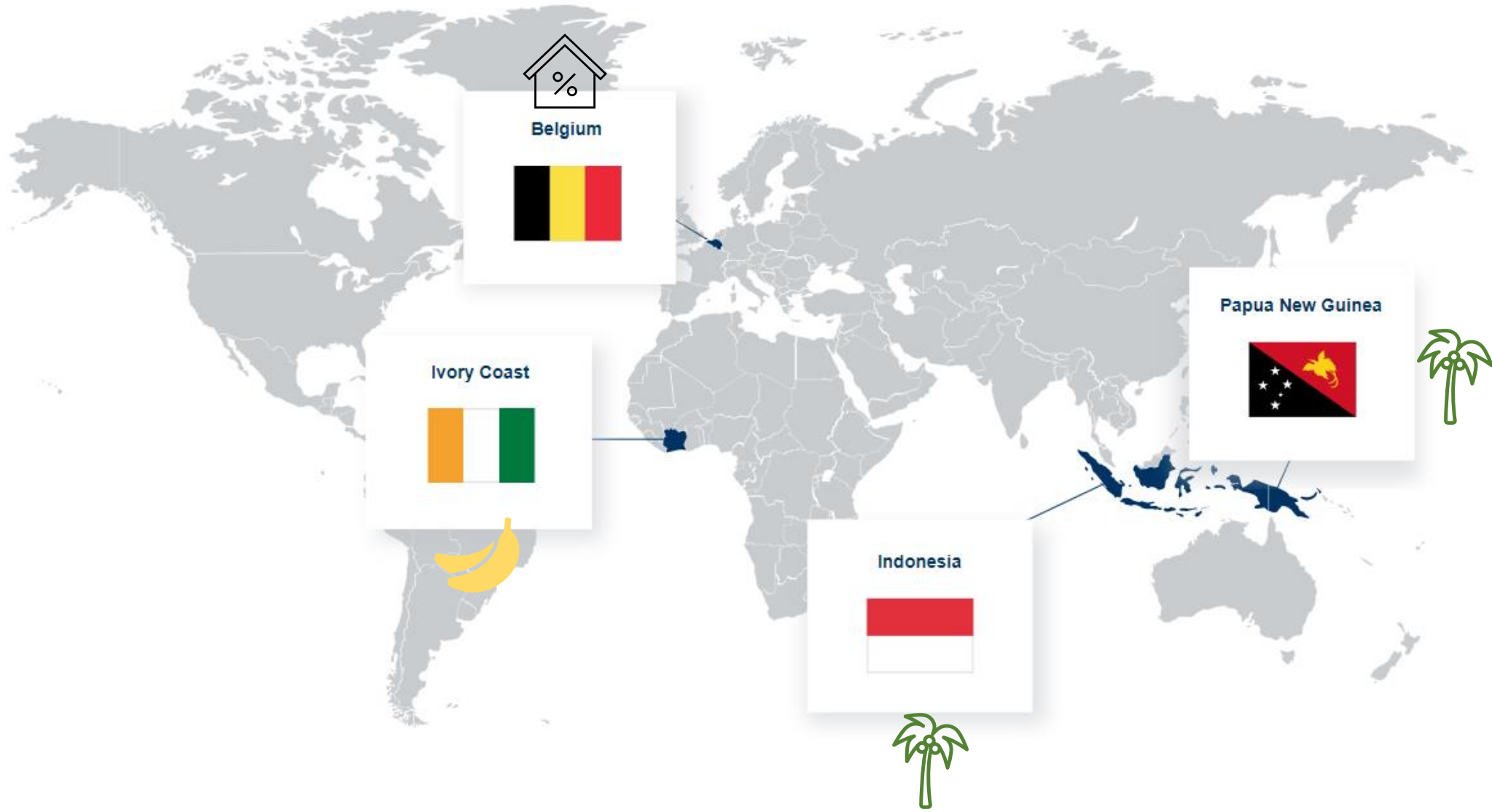


100%
RSPO COMPLIANT



Rainforest alliance
CERTIFIED





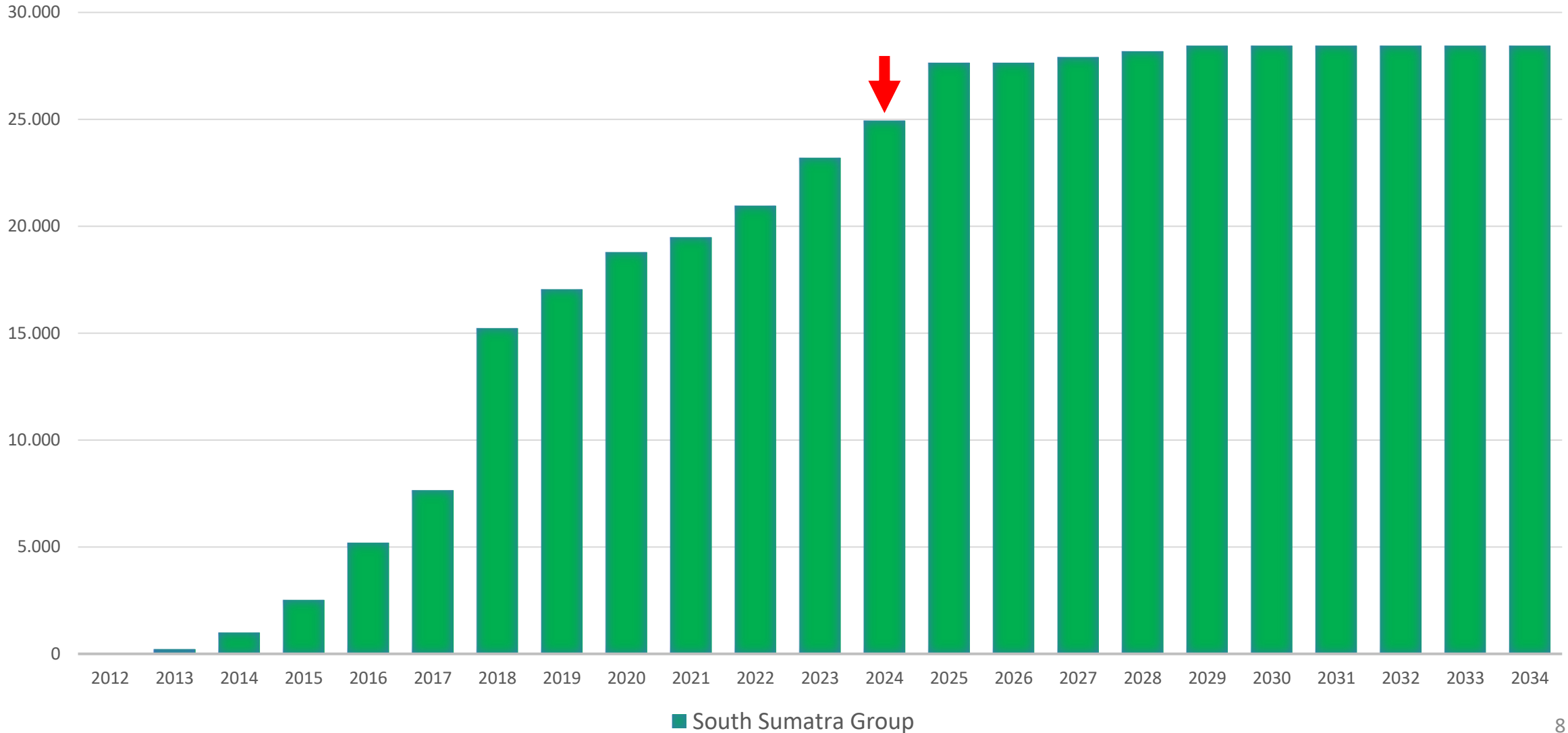
PLANTED HECTARES PER 31 DECEMBER 2024

2024	Indonesia	PNG	Ivory Coast	Hectares 100%
Palm	71.951	13.550	0	85.500
Rubber	0	0	0	0
Bananas	0	0	1.257	1.257
Horticulture	0	0	0	0
Total planted	71.951	13.550	1.257	86.757

PLANTED HECTARES - SOUTH SUMATRA

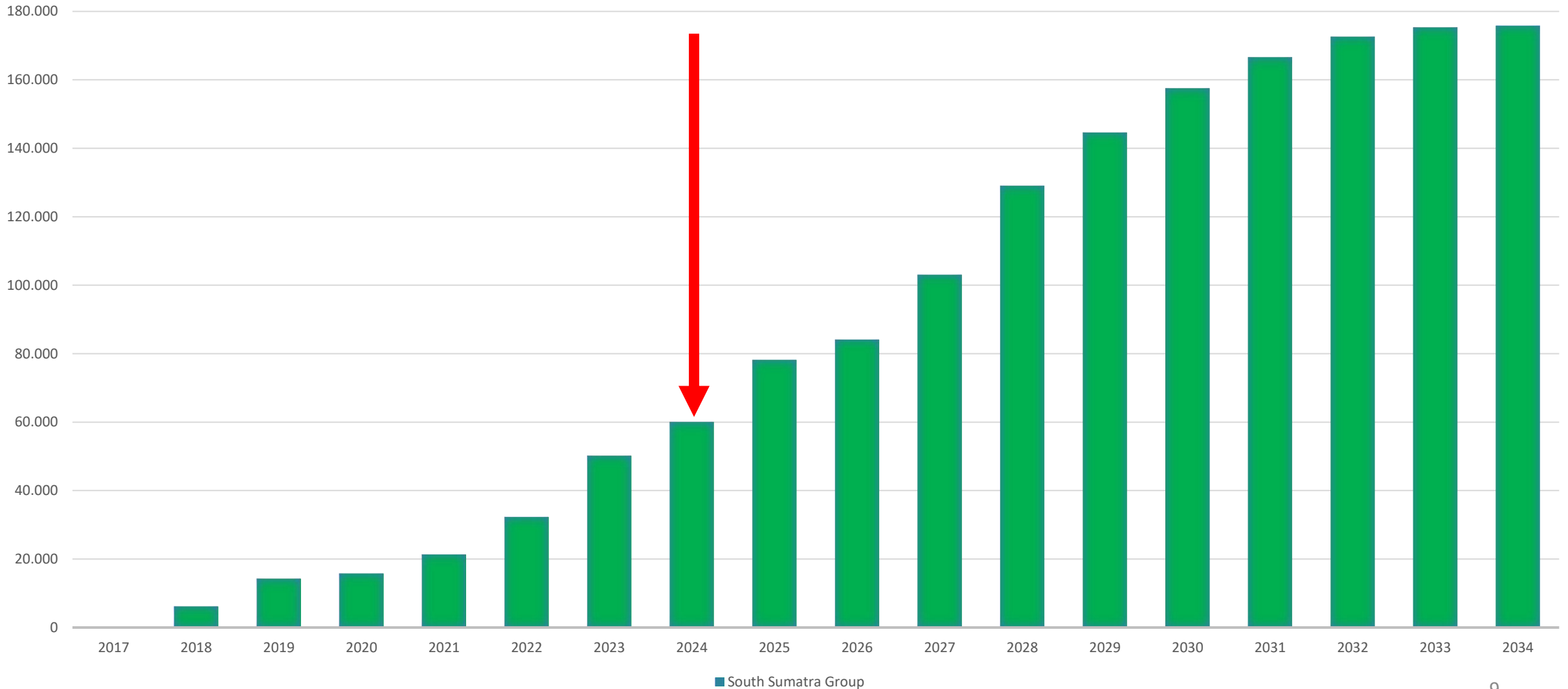


EVOLUTION OWN PALM HECTARES - SOUTH SUMATRA



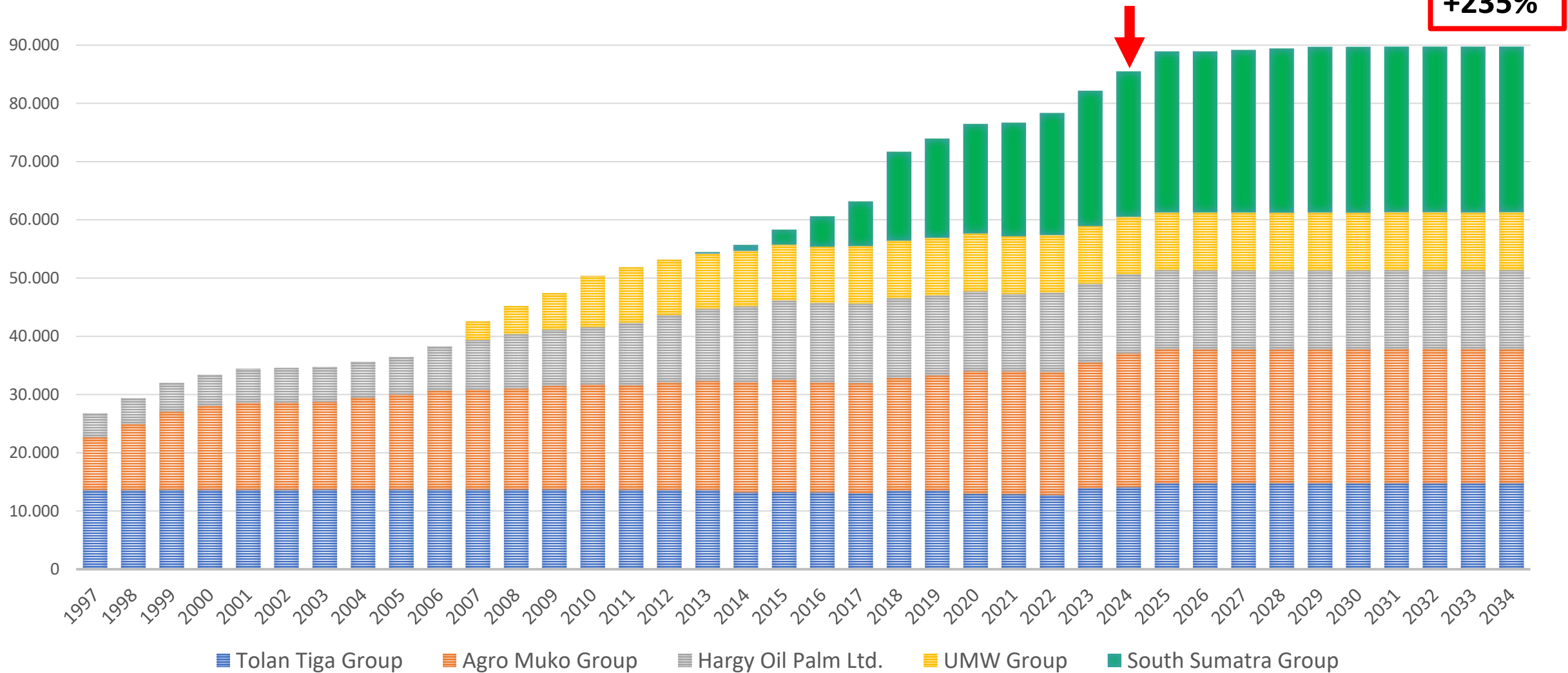
OWN CPO PRODUCTIONS - SOUTH SUMATRA

EVOLUTION OWN CPO PRODUCED - SOUTH SUMATRA



EVOLUTION PLANTED HECTARES PALM

EVOLUTION OWN PALM HECTARES



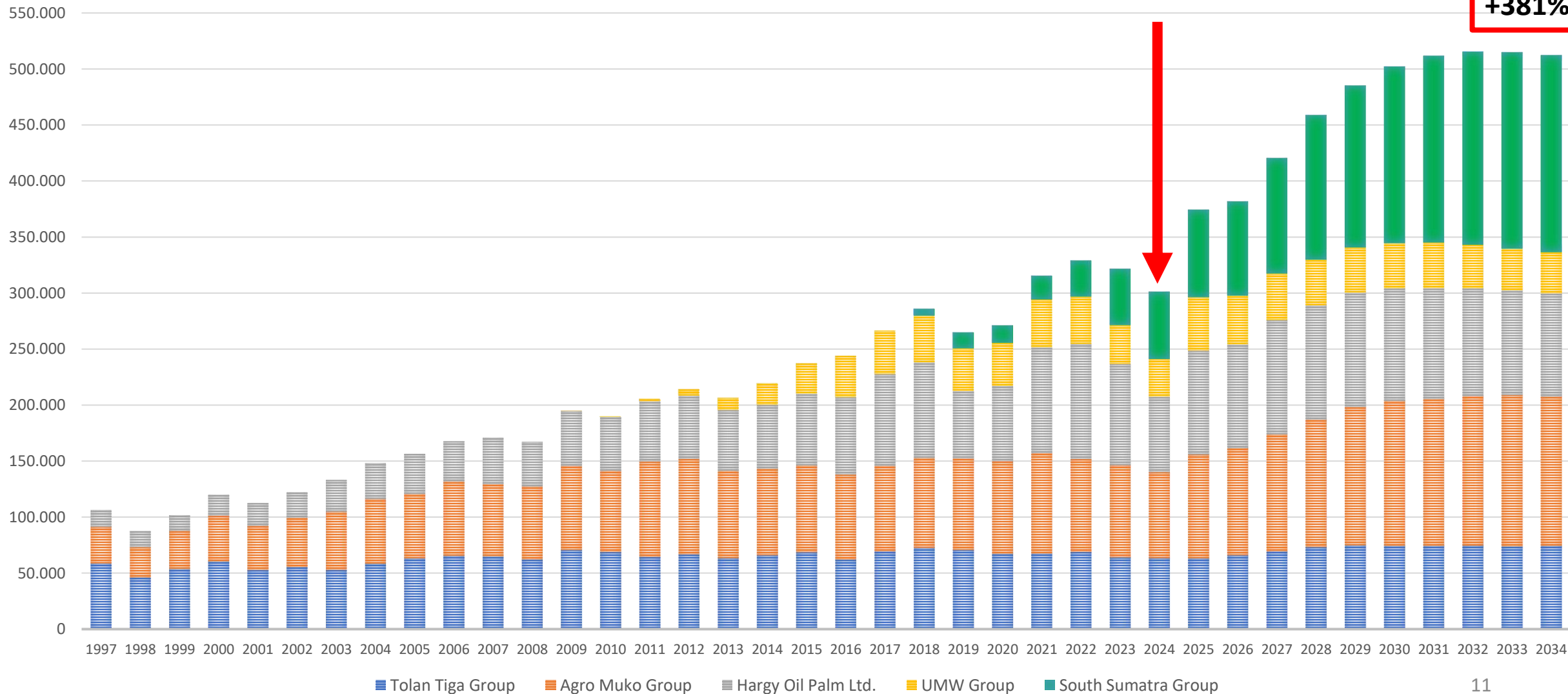
EVOLUTION OWN CPO PRODUCTIONS



500.000 tons

+381%

EVOLUTION OWN CPO PRODUCED

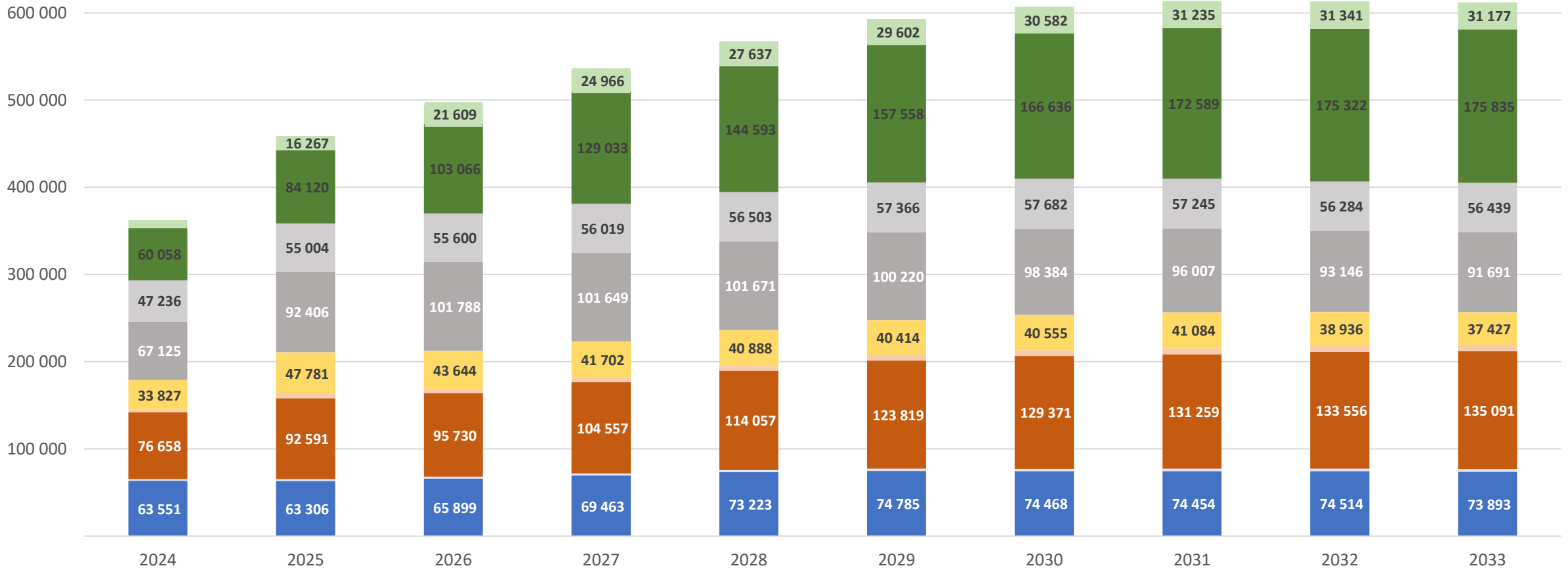


EVOLUTION TOTAL CPO PRODUCTIONS



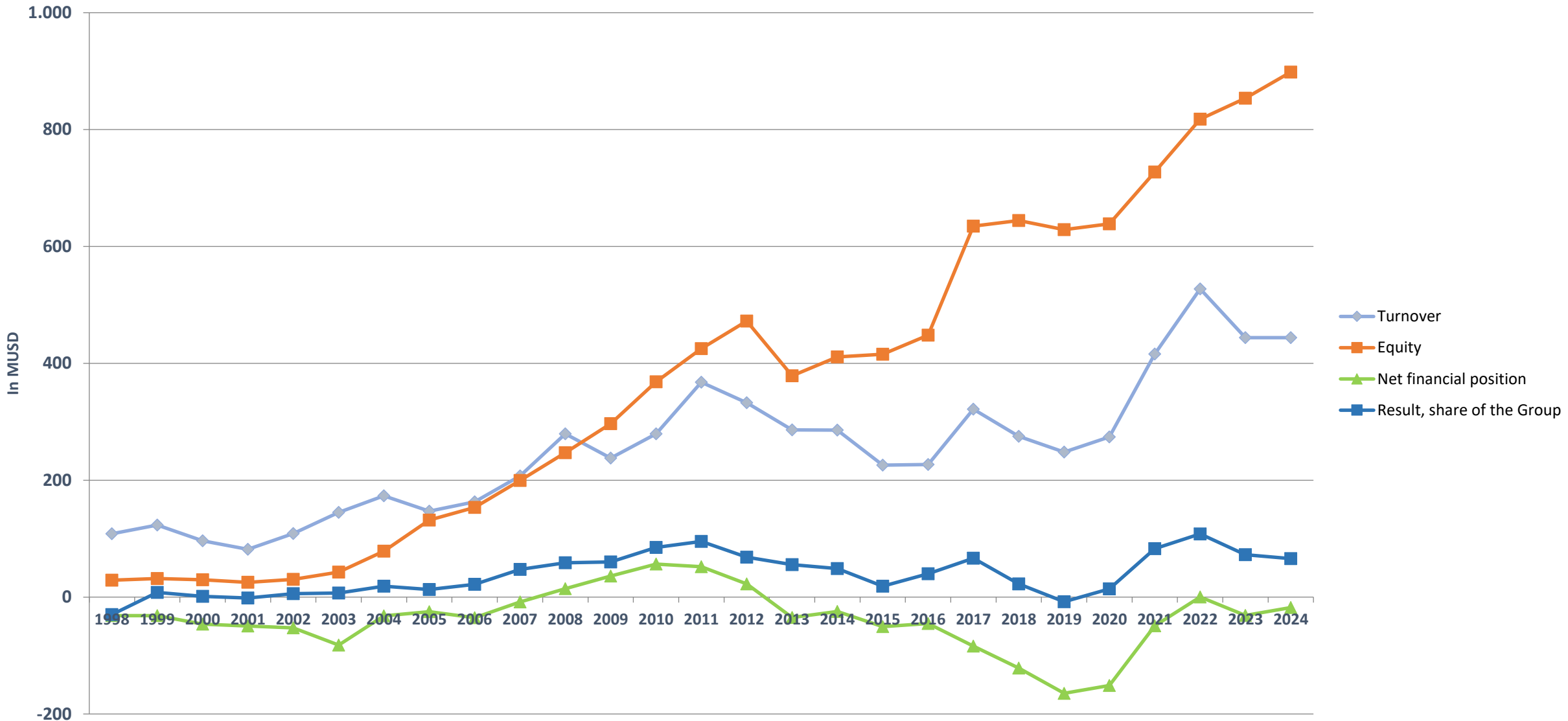
Total CPO production

600.000 tons



- TT Group own
- Tolan Tiga Group - outgrower
- AM Group - own
- AM Group - outgrower
- UMW Group - own
- UMW Group - outgrower
- Hargy Oil Palms Ltd
- Hargy Oil Palms Ltd - outgrower
- South Sumatra Group - own
- South Sumatra Group - outgrower

EVOLUTION TURNOVER - EQUITY – NFP - RESULT



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SIPEF group – Financial performance

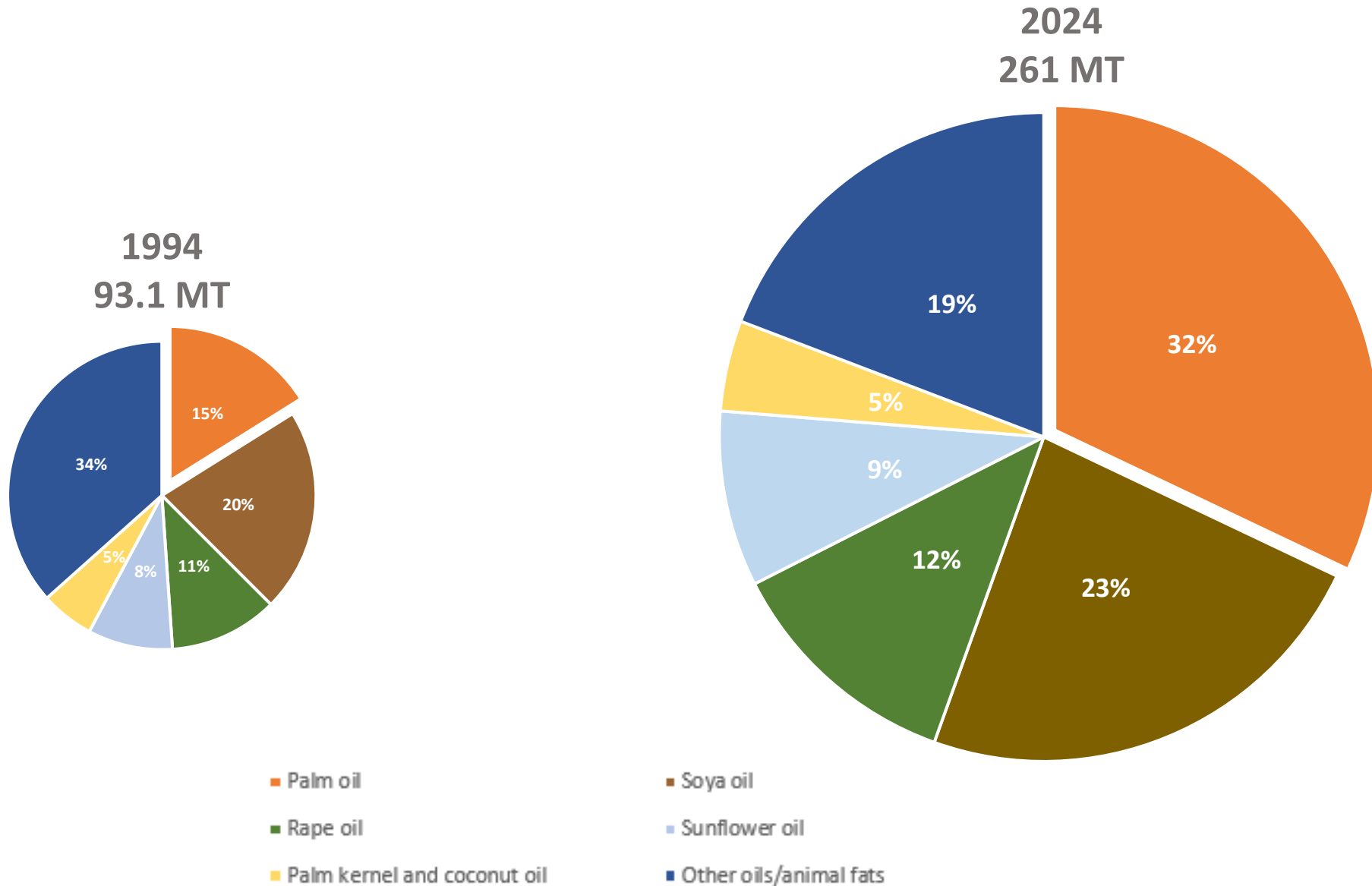


SIPEF group - Prospects



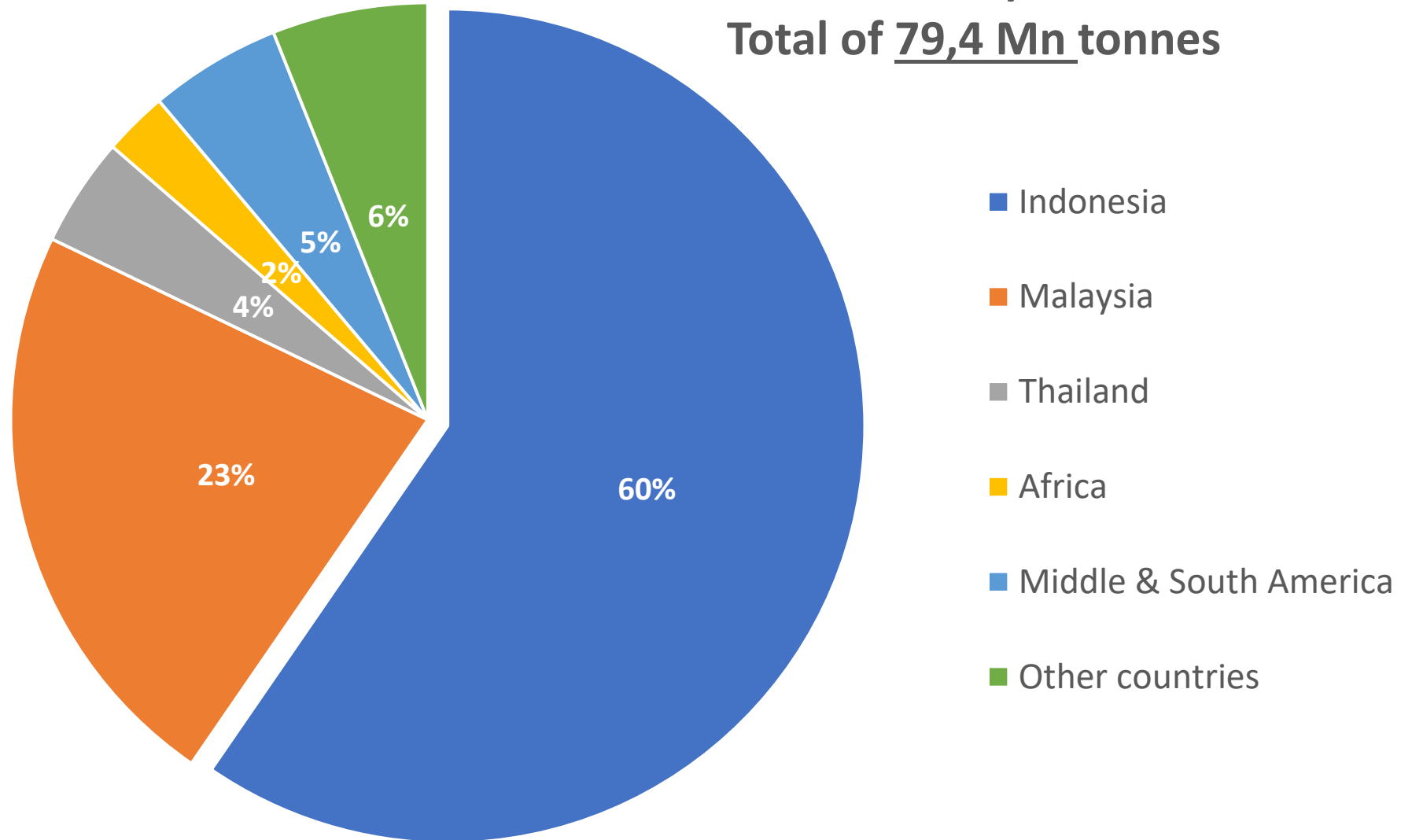
**PALM OIL
A LEADER IN THE
VEGETABLE OIL
MARKET**

VEGETABLE OIL PRODUCTION

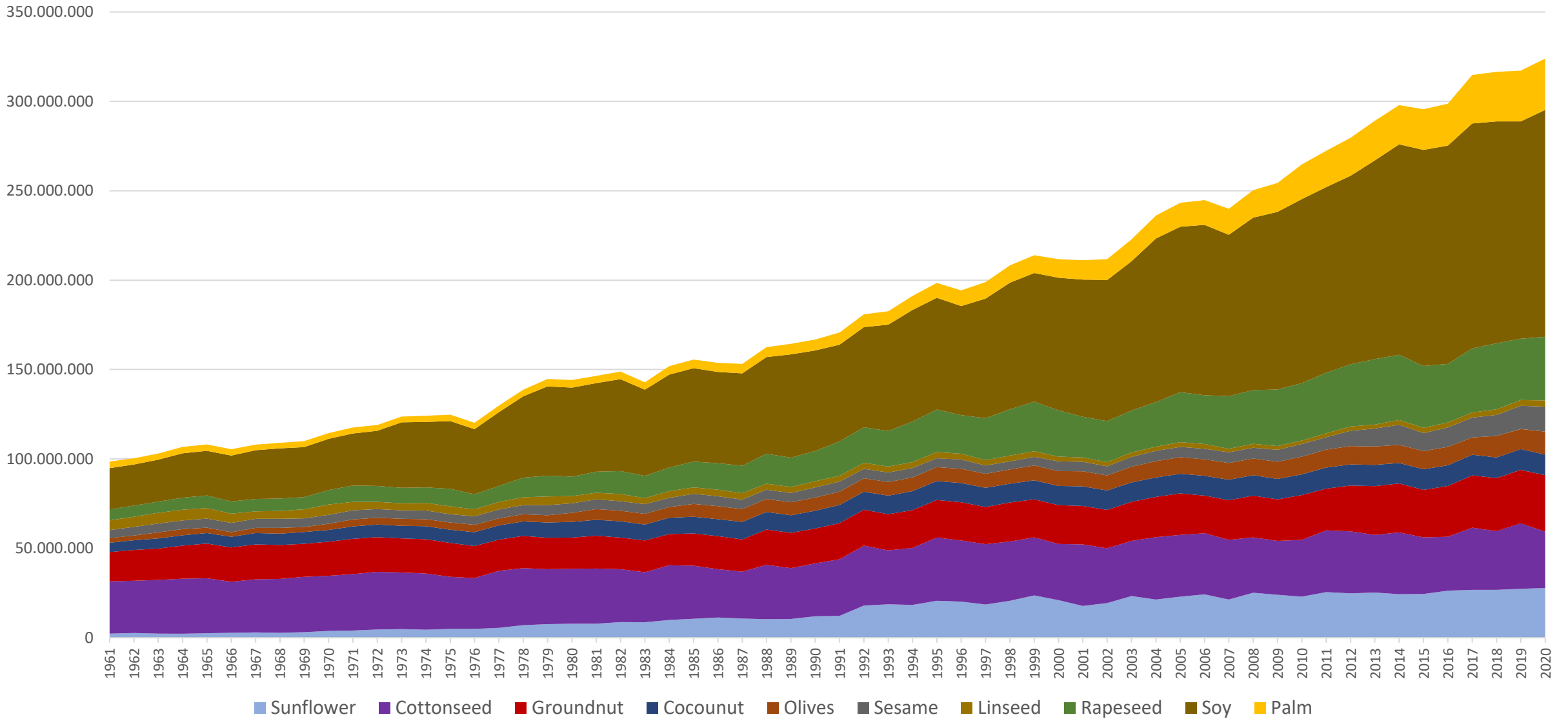


PALM OIL PRODUCTION IN THE WORLD

2024 Palm oil production
Total of 79,4 Mn tonnes



LAND USE FOR VEGETABLE OILS IN HECTARES



Palm oil myths



As a demonstration a video will be played
https://npo.nl/start/serie/alles-op-tafel/seizoen-1/alles-op-tafel_6/

Solidaridad



Publicatie datum: 06-02-2024

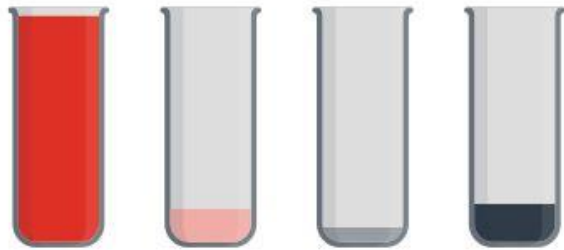
Slimme marketeers laten consumenten geloven dat 'palmolievrij' synoniem is aan 'duurzaam'. Maar aangezien de alternatieven voor palmolie méér landbouwgrond vereisen, is het risico op natuurvernietiging groter. Consumenten hebben recht op eerlijke informatie over duurzame producten. Om te ontdekken of je de waarheid kent over palmolie, kun je vanaf nu een kennistest doen.



RESOURCES USED PER VEGETABLE OIL



Palm



3.62 47 2 0.5



Soybean



0.3 315 29 2.9



Rapeseed



0.79 99 11 0.7

● Yield
Tonnes of oil produced per hectare

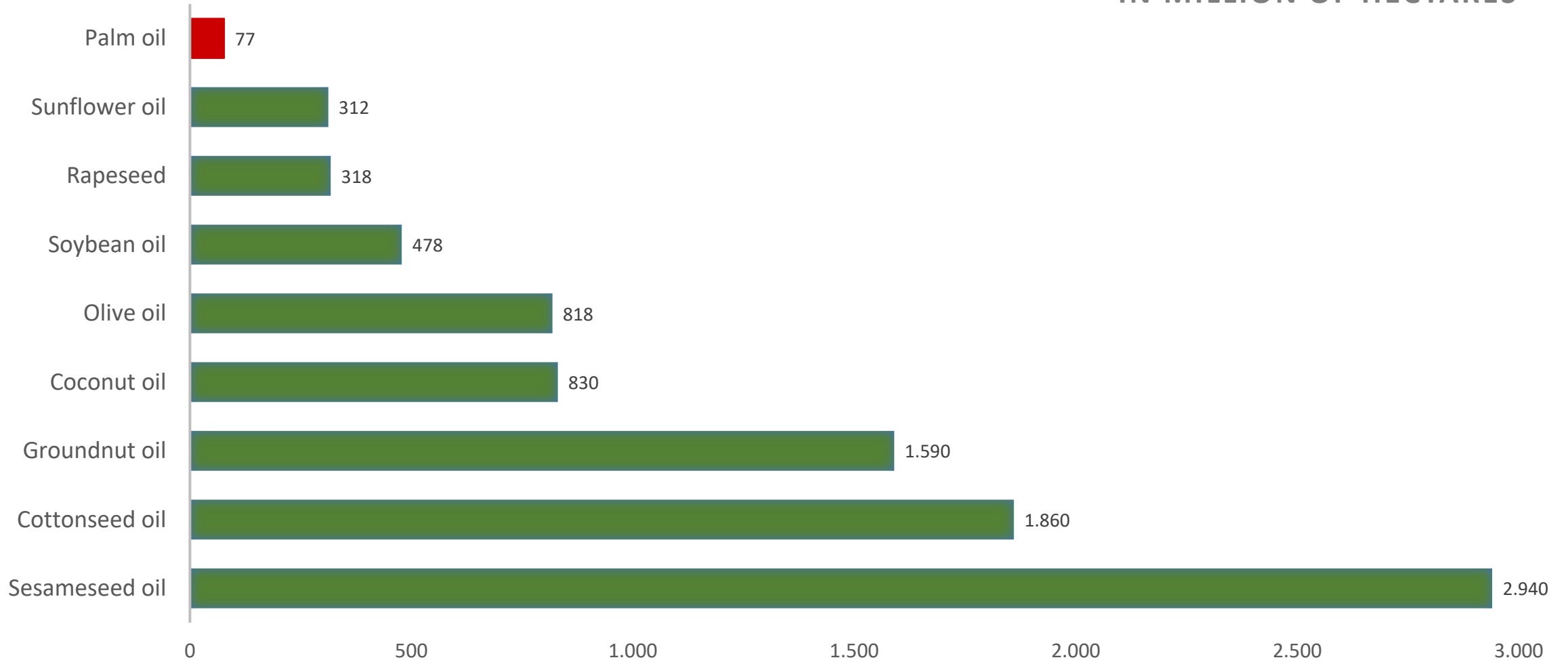
● Fertiliser
Kg to produce one tonne of oil

● 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

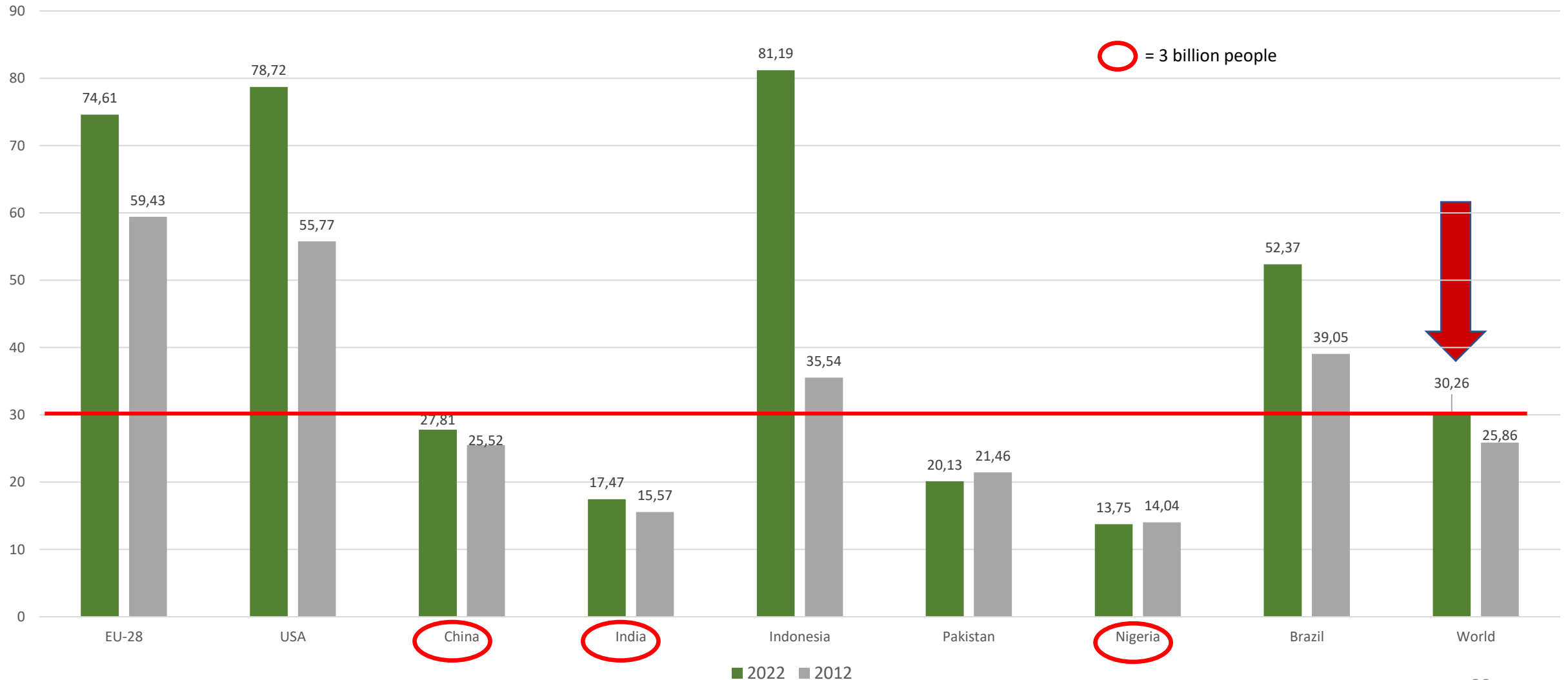




Future potential

OIL AND FAT CONSUMPTION PER CAPITA

Oil and fat per capita consumption (in Kg)



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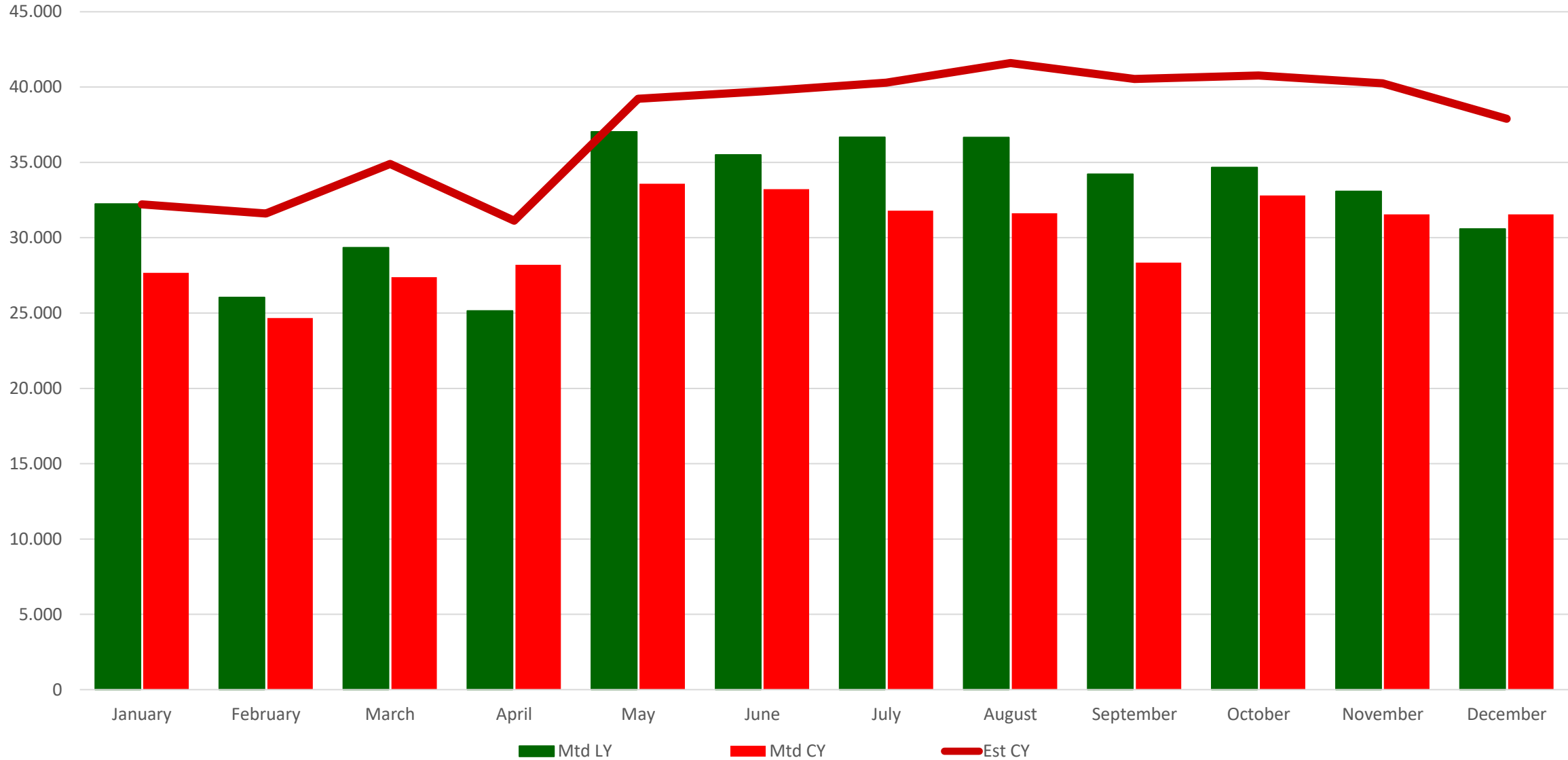
SIPEF group - Prospects

GROUP PRODUCTIONS – CRUDE PALM OIL

Palm Oil	Dec-24	Dec-23	Variance
Own			
Tolan Tiga Group	63 551	64 044	-0,77%
Umbul Mas Wisesa Group	33 827	34 832	-2,89%
Agro Muko Group	76 658	82 490	-7,07%
South Sumatra Group	60 058	50 202	19,63%
Hargy Oil Palms	67 125	90 060	-25,47%
Total own	301 219	321 629	-6,35%
Outgrowers			
Tolan Tiga Group	1 814	1 773	2,31%
Umbul Mas Wisesa Group	172	152	13,16%
Agro Muko Group	3 015	3 695	-18,40%
South Sumatra Group	8 948	7 263	23,20%
Hargy Oil Palms	47 236	56 703	-16,70%
Total outgrowers	61 185	69 586	-12,07%
Total Palm Oil	362 404	391 215	-7,36%
Indonesia	248 043	244 451	1,47%
PNG	114 361	146 763	-22,08%



MONTHLY GROUP PRODUCTIONS – CRUDE PALM OIL 2024



HOPL recovery – 2023 planting (immature)



Nov 2023



Dec 2023



Jan 2024



Feb 2024



Mar 2024



Apr 2024



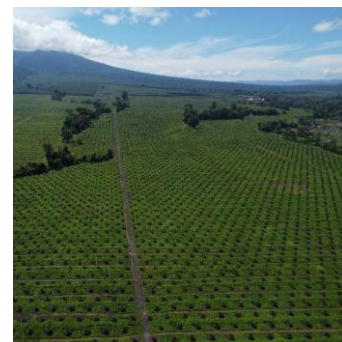
May 2024



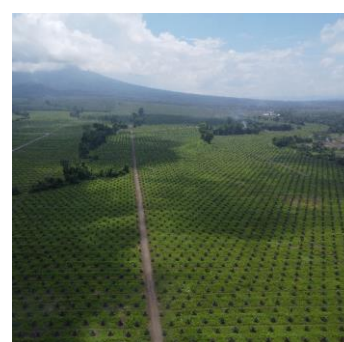
Jun 2024



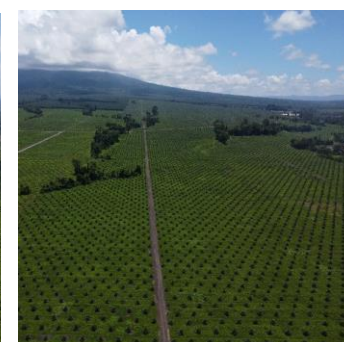
Jul 2024



Aug 2024



Sep 2024



Oct 2024



Dec 2024



Jan 2025

HOPL recovery– 2014 planting (mature)



Jan 2024



Feb 2024



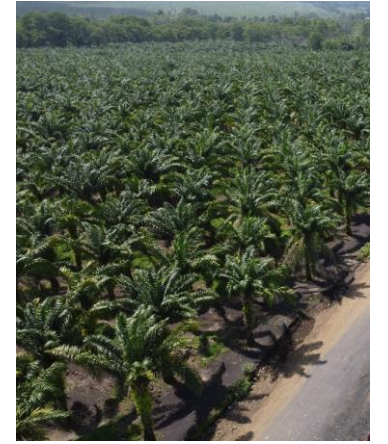
Mar 2024



Apr 2024



May 2024



Jun 2024



Jul 2024



Aug 2024



Sep 2024



Oct 2024



Nov 2024



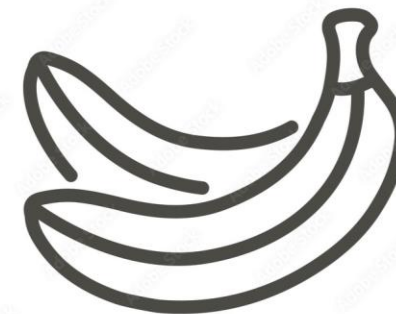
Dec 2024



Jan 2025

GROUP PRODUCTIONS – BANANAS

Bananas	Dec-24	Dec-23	Variance
Azaguie	9 922	11 702	-15,21%
Agboville	8 938	8 003	11,68%
Motobé	6 165	6 424	-4,03%
Lumen	19 389	12 676	52,96%
Akoudje	6 624	2 171	205,11%
Total Bananas	51 038	40 976	24,56%



BULL AND BEAR

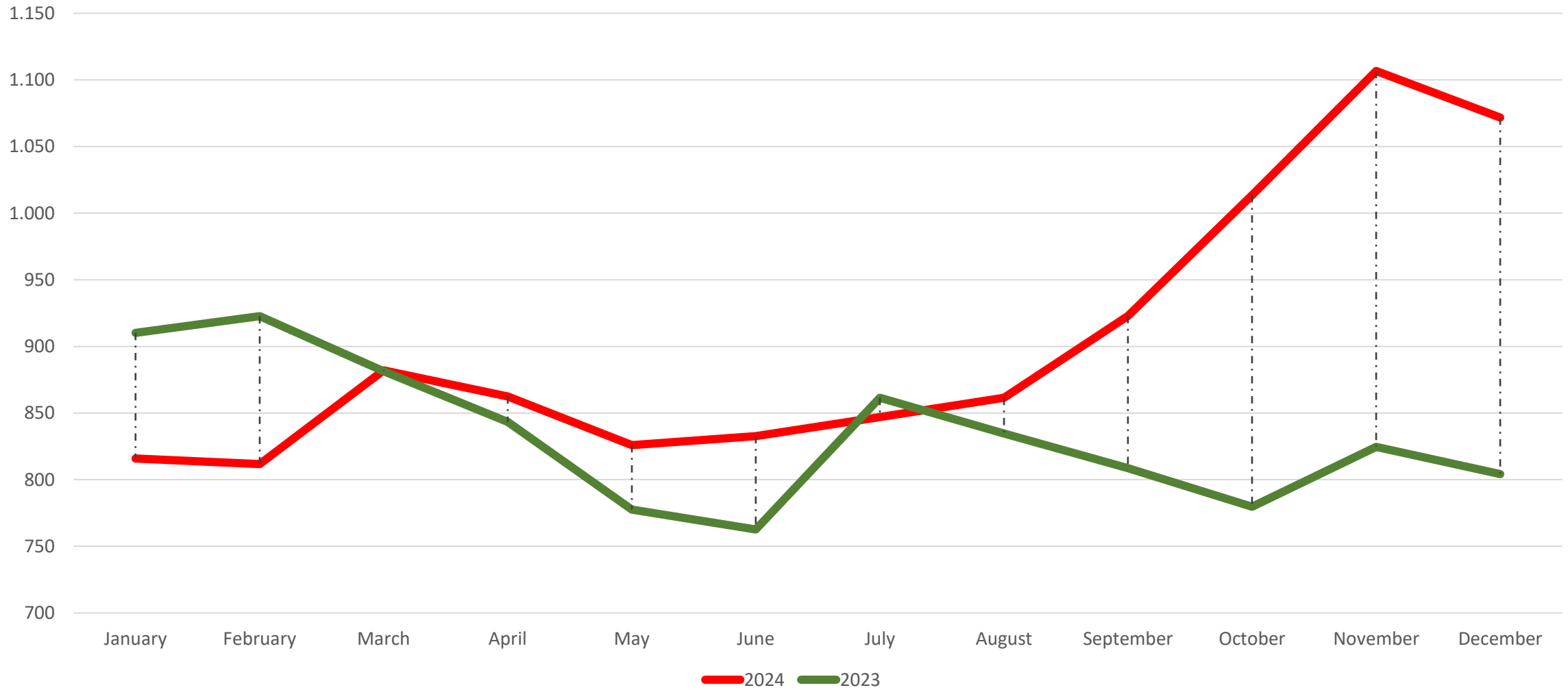
MDEX	Rating	Bullish inputs	Bearish inputs
Palm Oil	Steady / correction	<ul style="list-style-type: none"> - Palm stocks in Mal are tight at end of year, but likely growing a little. - Malaysia suffering floods - “only” 2.5 mln mt growth - Big correction in US soybean crop - Dry weather in Argentina and South Brazil curtailing new crop. - Friendly corn and wheat outlook, could impact new planting in US 	<ul style="list-style-type: none"> - Palm oil is still too expensive - Exports dropped off a cliff for Jan and Feb - India taking less than 50% of usual at expense of soybean oil - Indo price is a steep discount to Mal, anticipating a change in export levy - Indo stocks are growing - B40 only to kick in from March onwards - Brazil still looking at record soybean crop - Weakish freight market - US biodiesel blending rates / subsidy - Uncertainty with Trump
Feb 1 220			
March 1 190			
April 1 160			
May 1 145			
June 1 125			
JAS 1 110			
OND 1 115			

CPO PRICES 2023 – 2024

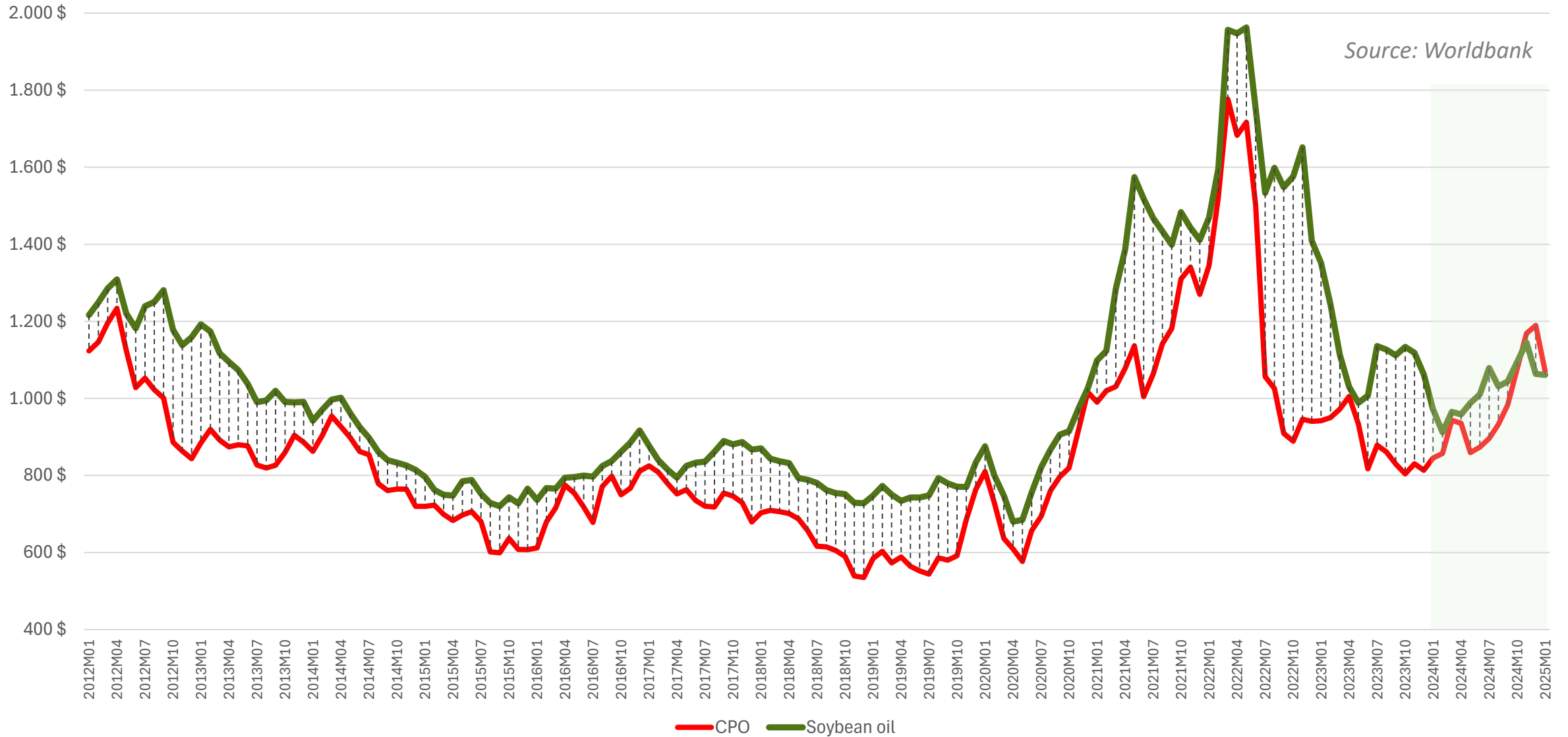


Crude Palm Oil in \$/mt
MDEX

Source: Bursa Malaysia



SPREAD CRUDE PALM OIL – SOYBEAN OIL



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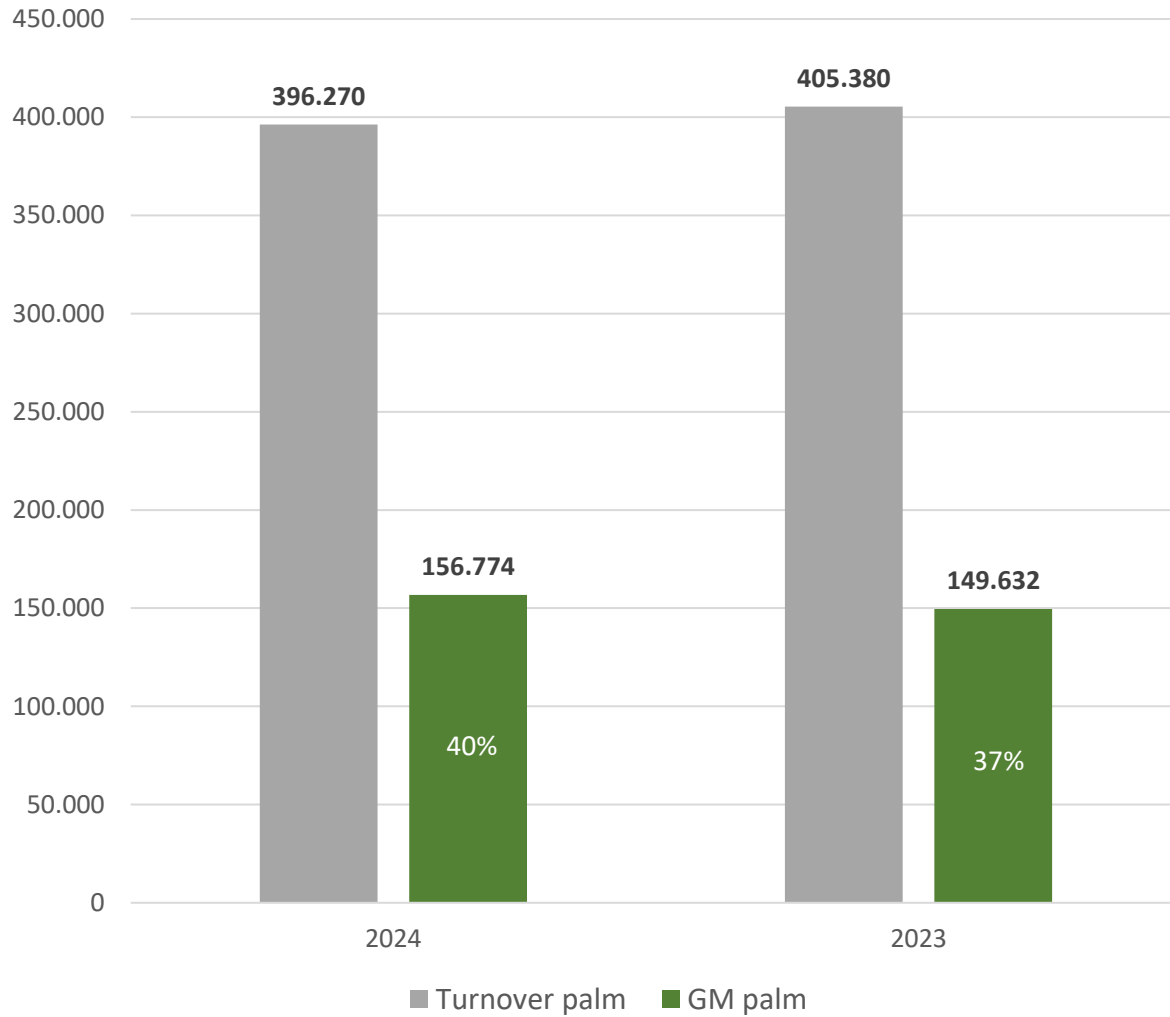
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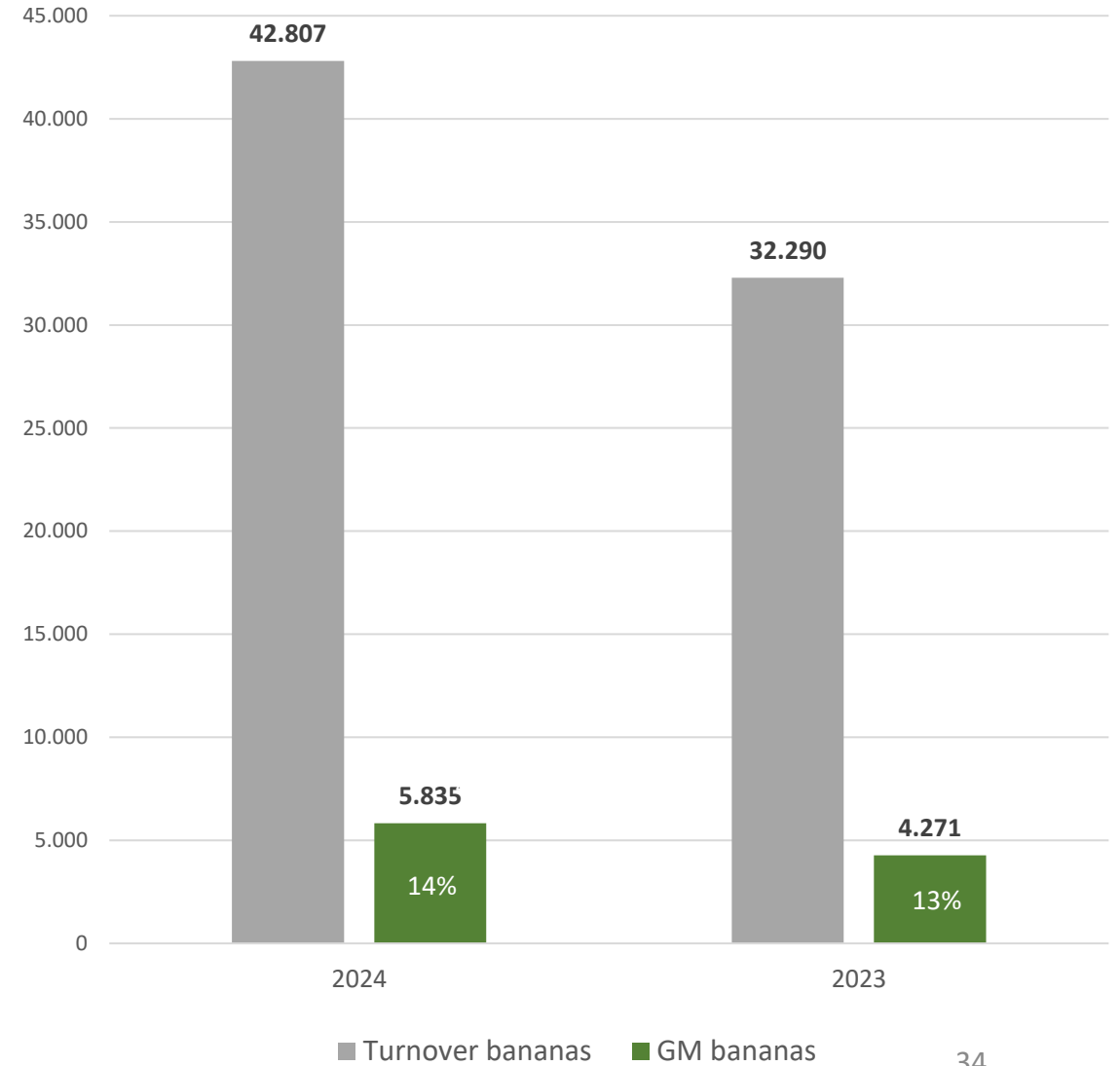
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DECEMBER GROSS MARGIN IN KUSD

Gross margin palm



Gross margin bananas



INCOME STATEMENT – DECEMBER 2024 (1/2)



In KUSD		Act. 2024	Act. 2023	Diff
Gross margin	Palm	156.774	149.632	7.141
	Rubber	-5.006	-5.861	855
	Tea	118	139	-21
	Bananas	5.835	4.271	1.564
	Horticulture	-37	86	-123
G&A including corporate		-46.528	-44.799	-1.729
Other operating		-657	4.509	-5.166
Operating result		110.499	107.978	2.521

INCOME STATEMENT – DECEMBER 2024 (2/2)



KUSD	Act. 2024	Act. 2023	Diff
Operating result	110.499	107.978	2.521
Finance income/charges	-1.364	-270	-1.094
Exchange	-5.277	1.108	-6.385
Financial result	-6.640	839	-7.479
Profit before tax	103.859	108.817	-4.958
Tax	-25.851	-31.128	5.277
Profit after tax	78.008	77.689	319
Associated companies	-1.366	-1.335	-31
Profit for the period	76.642	76.354	288
Fair value adjustment sale Melania	-6.394	0	-6.394
Net profit for the period	70.247	76.354	-6.107
Group share	65.838	72.735	-6.897
Minority interests	4.409	3.619	790

BALANCE SHEET – DECEMBER 2024



In KUSD (management presentation)	31/12/2024	31/12/2023
Biological assets (depreciated costs) - bearer plants	320 851	326 656
Goodwill	104 782	104 782
Other fixed assets	458 282	426 965
Receivables > 1 year	45 581	34 229
Assets held for sale	7 126	13 520
Net current assets, net of cash	77 688	75 362
Net cash position	- 18 087	-31 418
Total net assets	996 224	950 097
Shareholders' equity, group share	898 427	853 777
Non-controlling interest	37 355	35 042
Provisions and deferred tax liabilities	60 442	61 278
Total net liabilities	996 224	950 097

CASHFLOW– DECEMBER 2024



In KUSD (management presentation)	31/12/2024	31/12/2023
Cash flow from operating activities before change in net working capital	162 900	162 768
Change in net working capital	1 768	16 080
Income taxes paid	- 31 625	-56 216
Cash flow from operating activities after change in net working capital	133 043	122 632
Acquisitions intangible and tangible assets	- 86 858	-106 986
Financing plasma advances	- 4 282	-7 799
Selling price of PP&E and financial assets	571	889
Payments to fulfill SPA PT Melania	- 4 179	-2 924
Free cash flow	38 295	5 813
Other financing activities	- 29 965	-38 619
Net movement in investments, cash and cash equivalents	8 331	-32 806

EVOLUTION NON-RECURRING NET TAX POSITION



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

	2019	2020	2021	2022	2023	2024
Indonesia	7 908	409	-10 214	-3.242	6 877	5 906
PNG	6 635	6 907	-7 770	-28.690	-9 180	- 3 302
Europe + IC	-236	-237	108	-408	-1 378	- 1 663
Total	14 307	7 079	-17 877	-32 340	- 3 681	942

VALUE PER HECTARE

Sensitivity December 2024	
Stock price @	USD per hectare
40,00	4.543
50,00	5.842
60,00	7.142
70,00	8.441
80,00	9.740
90,00	11.039

BOOKVALUE PER HECTARE = 10 183 USD/Ha

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PROSPECTS – 13/02/2025



❖ Production

- Strong 2025 expected due to recovering productions in Indonesia and PNG
- Significant pick-up expected in PNG as of May 2025
- Favorable weather conditions in 2024 will contribute to crop improvements across regions
- 300.000 tons CPO production in Indonesia expected in 2025
- Total CPO group production to surpass 430.000 tons
- Banana production set to exceed 59.000 tons in 2025

❖ Markets

- Correction of high palm oil prices started mid-December as palm oil was simply too expensive
- Brazil and Argentina on track for record harvest → increased supply of soybean oil
- What will the impact be of the Trump administration on import tariffs and biofuel regulations?
- No significant production growth expected in Malaysia and Indonesia
- B40 biodiesel program kickstarts in March
- With the first successful export of 18.000 tons of washed oil from Agro Muko in 2024, SIPEF is set to expand its supply of low-contaminant washed palm oil in 2025, strengthening its European market position and enhancing financial returns through premium pricing
- Overall outlook is favorable for a strong palm oil market in 2025

❖ Results

- 24% of the projected palm oil volume sold at USD 1 051 per tonne EMG
 - ❑ PNG 62% at 1 098 USD /tonne EMG
 - ❑ Indonesia 7% at 861 USD/tonne EMG
- Sales prices continue to be impacted by local export levy/taxes in Indonesia
- Unit production cost of palm remains under control and in line with last year
- SIPEF looks forward to a strong performance year 2025 and expects that the final recurrent result for 2025 will surpass the recurrent result of 2024.

❖ Cash flow and expansion

- In 2025, SIPEF will continue its investment programs in South Sumatra
- Further steps taken for investments in quality improvement program
- 21 867 Ha of the 30 052 Ha in South Sumatra mature and harvested
- Expansion in Ivory Coast almost completed by end 2024 → total planted area 1 338 Ha
 - ✓ This will lead to a total production up to almost 60.000 tons in 2025
- CAPEX expected to exceed more than 100 mio USD in 2025
- 2025 to end with a well-managed net financial debt at year-end in line with 2024



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