

COMMODITIES RESEARCH

Palm Oil Sector Report



Note: Picture of Fresh Fruit Bunches ("FFB") with one having exposed palm fruit flesh (from which Crude Palm Oil or "CPO" is derived) and Palm Kernel ("PK"; the white part).

Source: [Wikimedia Commons](#)

Summary

Palm oil is an edible oil with a variety of uses, including in food, consumer products, and as biodiesel feedstock. One growing use is biodiesel, with Indonesian domestic consumption of palm oil for biodiesel exceeding that for food in around June 2023. Accordingly, Crude Palm Oil ("CPO") prices have been showing some correlation with crude oil prices, such that the recent rise in crude oil prices amid the ongoing U.S.-Israeli war against Iran may have raised CPO prices.

Based on estimates by the U.S. Department of Agriculture ("USDA"), Indonesia has been the largest palm oil producer output, followed by Malaysia. Indonesia and Malaysia have also been estimated to collectively produce over 80% of global palm oil. Accordingly, it might come as no surprise that the company-owned oil palm plantations of SGX-listed palm oil-related companies are located mainly in Indonesia.

To produce palm oil, Fresh Fruit Bunches ("FFB") are harvested from oil palm trees and transported to palm oil mills. FFB are then processed to produce CPO and Palm Kernel ("PK"), and PK crushed to produce PK Oil ("PKO"), before both are refined, fractionated, and otherwise processed further to eventually produce downstream products.

Factors affecting FFB yields, as well as CPO and PK extraction yields, include seed quality, post-harvest processing delays, weather, and oil palm plantation age. In particular, the palm oil yield of oil palm trees may start to deteriorate upon the trees reaching 19 years of age. We refer to production figures disclosed by, and comments from, SGX-listed palm oil producers, to briefly assess their respective operational performance.

The upstream production of CPO and PK may have higher margins than the mid- and downstream refining and processing thereof into industrial and consumer products. In fact, we find that the upstream segments' earnings margins of SGX-listed palm oil-related companies, as averaged from 1H 2021 to 1H 2026, have generally been higher than those of the mid- and downstream segments, both within the same companies and across companies.

Demand factors affecting CPO prices include rising crude oil prices, Indonesia's B50 mandate, supply disruption of competing vegetable oils, global economic and population growth, and potentially rising preference for healthier edible oil. Meanwhile, supply factors include weather, palm oil supply chain disruption, oil palm replanting, and a potential rise in new oil palm planting. Higher CPO prices may not necessarily mean improved earnings for all SGX-listed palm oil-related companies, though: while the upstream earnings margins are more likely to improve, the impact on mid- and downstream earnings margins may not be as clear.

CPO prices are likely to rise in the near-term, and having some familiarity with the palm oil industry could help investors better identify companies whose earnings, thus perhaps share prices and dividends, are more likely to improve from rising CPO prices. Accordingly, in this report, we cover some background on the palm oil industry, with a focus on SGX-listed palm oil-related companies, before reviewing the valuation of the SGX-listed palm oil-related companies.

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INTRODUCTION

Crude Palm Oil (“CPO”) prices rose in recent months amid the U.S.-Israeli war against Iran, weather-related supply disruption, and Indonesia mandating a higher biodiesel blend.

The Business Times (“BT”) reported in August 2026, [“the price of palm oil futures have risen by around 17 per cent in the year to date, supported by tightening supply expectations from El Nino, Indonesia’s energy mandate and renewed concerns that the disruption to Red Sea shipping could lift crude oil prices and increase demand for palm oil-based biodiesel.”](#)

Accordingly, SGX-listed palm oil-related companies were expected to benefit from rising CPO prices.

However, not all locally-listed palm oil-related companies saw notable growth in net earnings in the first half of 2026 (1H 2026). While the [net earnings of First Resources \(SGX:EB5\) rose by 57.4% year-on-year \(“y-o-y”\) in 1H 2026, those of Wilmar International \(“Wilmar”; SGX:F34\) rose more moderately by 2.3% y-o-y.](#)

Three even saw decreases in their net earnings in 1H 2026:

- [those of Oilek International Limited \(“Oilek”; SGX:HQU\) fell by 6.9% y-o-y](#)
- [those of TSH Resources Berhad \(“TSH”; SGX:TSH\) fell by 24.2% y-o-y](#)
- [those of Mewah International Inc \(“Mewah”; SGX:MV4\) fell by 68.7% y-o-y](#)

The net earnings of SGX-listed palm oil-related companies in 1H 2026 vs in 1H 2025 are shown in **Exhibit 1**.

Exhibit 1: Net Earnings of SGX-Listed Palm Oil-Related Companies (1H 2026 vs 1H 2025)

(in respective units)	Actual		1H 2026 vs 1H 2025	
	1H 2026	1H 2025	Absolute Change	Change (%)
First Resources - Profit attributable to owners of the Company (in US\$ '000)	234,929	149,236	85,693	57.4%
Bumitama - Profit attributable to owners of the Company (in IDR million)	1,827,482	1,266,622	560,860	44.3%
IndoAgri - Profit for the period attributable to owners of the Company (in IDR million)	444,527	337,849	106,678	31.6%
Kencana - Profit for the period (in US\$ '000)	11,800	9,782	2,018	20.6%
GAR - Profit attributable to owners of the Company (in US\$ '000)	167,244	160,259	6,985	4.4%
Wilmar - Profit attributable to owners of the Company (in US\$ '000)	608,858	594,935	13,923	2.3%
Oilek - Profit for the period (in RM '000)	13,157	14,132	(975)	(6.9%)
TSH - Profit attributable to owners of the Company (in RM '000)	73,799	97,420	(23,621)	(24.2%)
Mewah - Profit attributable to equity holders of the Company (in US\$ '000)	11,781	37,602	(25,821)	(68.7%)

Source: respective companies, FPA

CPO prices are likely to rise further in the near-term, with Reuters citing Malaysian [palm oil producer](#) SD Guthrie in August 2026 as expecting CPO prices to [“range between 4,600 and 5,000 ringgit over the remainder of this year, before potentially rising to 5,200 ringgit in the first quarter of next year”](#) from RM4,723 per Metric Ton (“MT”).

Having some familiarity with the palm oil industry could help investors better identify companies whose earnings, thus perhaps share prices and dividends, are more likely to improve from rising CPO prices.

Hence, in this report, we shall cover some background on the palm oil industry, with a focus on SGX-listed palm oil-related companies¹, before reviewing the valuation of SGX-listed palm oil-related companies.

¹ This report is funded by the [Monetary Authority of Singapore \(“MAS”\)’s Grant for Equity Market Singapore \(“GEMS”\) scheme.](#)

(I) WHAT IS PALM OIL?

According to the World Wildlife Fund (“WWF”), palm oil is an [“edible vegetable oil that comes from the fruit of oil palm trees”](#).

As noted by WWF, “Two types of oil can be produced;”

- i. “crude palm oil comes from squeezing the fleshy fruit, and”
- ii. “palm kernel oil which comes from crushing the kernel, or the stone in the middle of the fruit.”

As separately noted by WWF, palm oil is used in [“close to 50% of the packaged products we find in supermarkets, everything from pizza, doughnuts and chocolate, to deodorant, shampoo, toothpaste and lipstick.”](#)

Some uses of palm oil are shown in **Exhibit 2**.

Exhibit 2: Uses of Palm Oil



Culinary Uses

Ideal for frying, baking, and processed foods due to its high smoke point and long shelf life.



Cosmetic Applications

Used in soaps, creams, and hair care products for moisturizing and nourishing properties.



Industrial Uses

Key ingredient in biofuel, lubricants, and other industrial products.



Pharmaceuticals

Serves as a base in creams, capsules, and supplements.



Sustainability

High-yield crop, making it efficient and sustainable when cultivated responsibly.



Cultural Importance

Traditional ingredient in African and Southeast Asian cuisines and ceremonies.



Versatility
OF PALM OIL

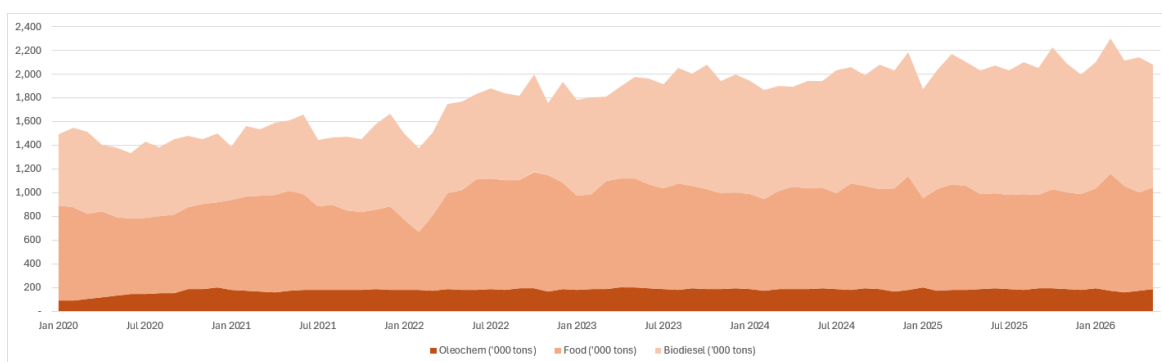
Source: [Cuisine228](#)

(II) BIODIESEL USE OF PALM OIL

One growing use of palm oil is biodiesel.

Based on data from the Indonesian Palm Oil Association ([Gabungan Pengusaha Kelapa Sawit Indonesia](#) or “GAPKI”), biodiesel share of Indonesian domestic palm oil consumption rose to 49.8% in May 2026 from 40.4% in January 2020, as illustrated in **Exhibit 3**.

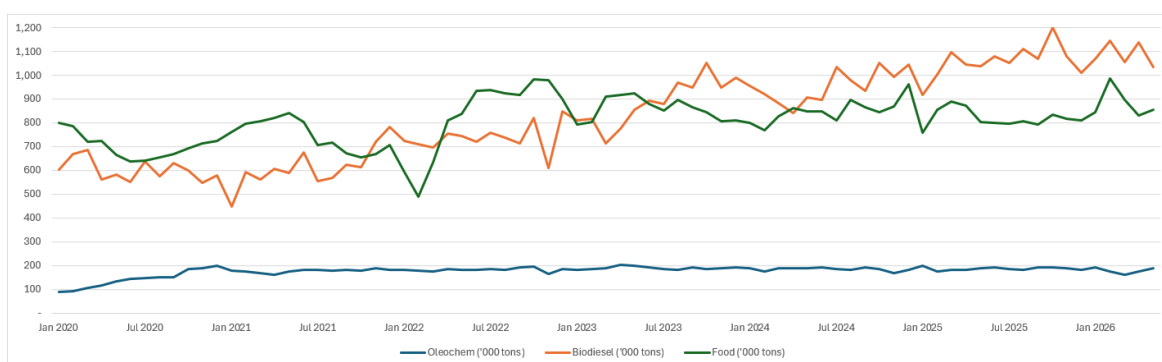
Exhibit 3: Indonesian Domestic Consumption of Palm Oil – Stacked Graph (January 2020 to May 2026)



Source: GAPKI, FPA

Indonesian domestic palm oil consumption for biodiesel use exceeded that for food use in around June 2023, as shown in **Exhibit 4**.

Exhibit 4: Indonesian Domestic Consumption of Palm Oil – Line Graph (January 2020 to May 2026)



Source: GAPKI, FPA

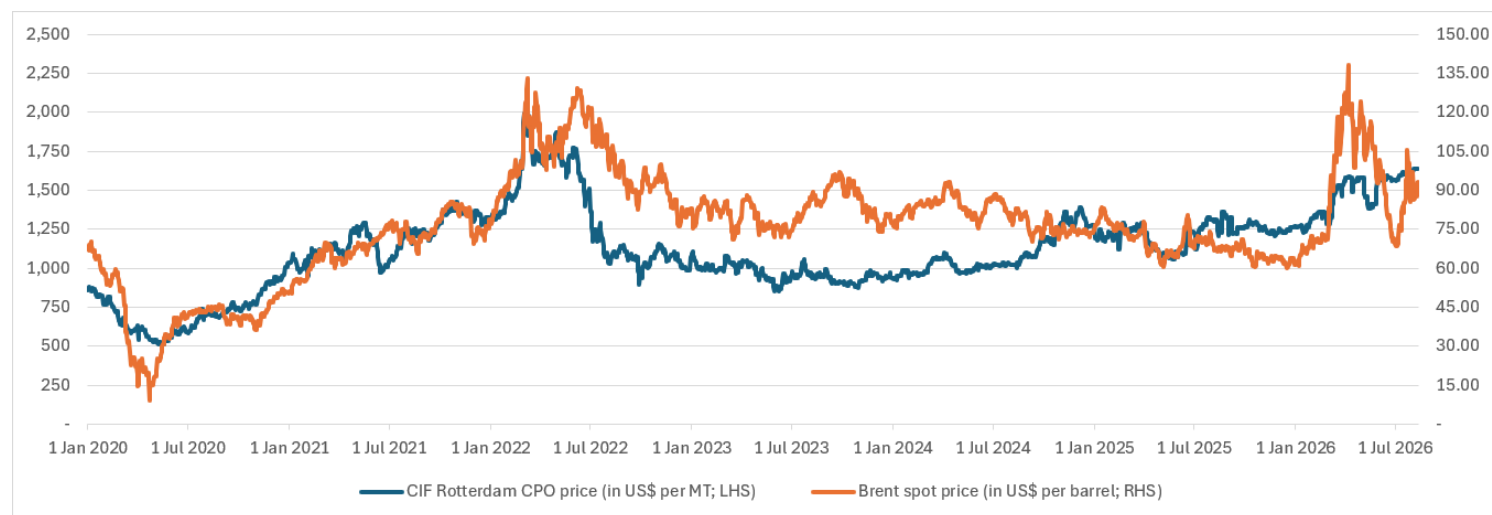
As similarly noted in our [IndoAgri update report \(dated August 2026\)](#)¹, one contributing factor may be Indonesia’s biofuel mandate, [which began in 2008](#). Under the mandate, diesel is required to be blended with a percentage of biofuel. [The percentage has risen from 30% \(under Indonesia’s B30 mandate\) in 2020 to 50% \(B50\) in July 2026](#).

Reuters cited the Indonesian Minister of Energy and Mineral Resources of Indonesia, Bahlil Lahadalia, in July 2026, as noting that [“Indonesia’s mandate to raise the biodiesel blend to 50% palm oil-based fuel from 40% will increase crude palm oil use to between 16.3 million and 17 million metric tons from 15.2 million tons”](#).

¹ Discussed in a slightly different but related context, of how the Indonesian KPB Nusantara CPO price showed some correlation with the Brent crude oil price. The international CIF Rotterdam CPO price and the Brent spot price from January 2020 to August 2026 are shown in **Exhibit 5** on the next page.

Accordingly, as also similarly noted in our [IndoAgri update report \(dated August 2026\)](#), the [international CIF Rotterdam CPO price](#)¹ has been showing some correlation with the [Brent crude oil price](#), as may be seen in **Exhibit 5**.

Exhibit 5: CIF Rotterdam CPO Price vs Brent Crude Oil Spot Price (January 2020 to August 2026)



Source: U.S. Energy Information Administration ("EIA" for Brent spot price), M.P. Evans Group PLC (for CIF Rotterdam CPO price), FPA

CPO prices were thus likely affected by the recent rise in crude oil prices amid the ongoing U.S.-Israeli war against Iran.

BT reported in March 2026 that, amid the Middle Eastern war, ["Higher oil prices have lifted the price of diesel, which is derived from crude oil as a fuel source. As diesel prices rise, biodiesel has become more attractive to produce, increasing demand for palm oil as a feedstock and driving palm oil prices higher."](#)

BT also reported in May 2026, ["the closure of the Strait of Hormuz has driven up energy prices; since palm oil can be substituted for mineral oils in some fuels and consumer products, higher oil and gas prices also tend to raise prices for palm oil."](#)

¹ According to GAPKI, the CIF Rotterdam CPO price "represents the price of CPO inclusive of all shipping costs up to the point where the cargo arrives at the Port of Rotterdam in the Netherlands—one of Europe's largest and busiest seaports and a primary gateway for vegetable oils entering the European Union (EU) market." GAPKI added, "CIF stands for Cost, Insurance, and Freight", and that these costs are covered by the CPO seller "until the vessel arrives at the Port of Rotterdam."

(III) PALM OIL-RELATED COMPANIES LISTED ON SGX

Before we discuss further the palm oil industry, we briefly introduce the cast of SGX-listed palm oil-related companies that we will refer to throughout the report.

i. Wilmar International (“Wilmar”; SGX:F34)

Wilmar’s market capitalisation is S\$23.2 billion as at 21 August 2026. According to Wilmar, it runs an “integrated agribusiness model that encompasses the entire value chain of the agricultural commodity business, from origination, to processing, branding, merchandising and distribution of a wide range of edible food and industrial products.” Wilmar added that its “business activities include oil palm cultivation, oilseed crushing, edible oils refining, flour and rice milling, sugar milling and refining, manufacturing of consumer products, ready-to-eat meals, central kitchen products, specialty fats, oleochemicals, biodiesel and fertilisers as well as food park operations.”

ii. First Resources (SGX:EB5)

First Resources’ market capitalisation is S\$6.8 billion as at 21 August 2026. According to First Resources, its “core business activities include cultivating oil palms, harvesting the fresh fruit bunches (“FFB”) and milling them into crude palm oil (“CPO”) and palm kernel (“PK”). First Resources added, “In addition to plantations and palm oil mills, the Group through its refinery, fractionation, biodiesel and kernel crushing plants, processes its CPO and PK into higher value palm-based products such as biodiesel, refined, bleached and deodorised (“RBD”) olein, RBD stearin, palm kernel oil and palm kernel expeller.”

iii. Golden Agri-Resources (“GAR”; SGX:E5H)

GAR’s market capitalisation is S\$3.9 billion as at 21 August 2026. According to GAR, its “integrated operations focus on the technology-driven production and distribution of an extensive portfolio of palm-based products through its established international marketing network.” GAR added, “Our primary activities start from cultivating 531,000 hectares of oil palm plantations in Indonesia, including plasma smallholders; to harvesting and extracting fresh fruit bunches into crude palm oil and palm kernel; and further processing them into a broad range of value-added products such as cooking oil, margarine, shortening, biodiesel and oleochemicals; as well as merchandising palm products globally.”

iv. Bumitama Agri (“Bumitama”; SGX:P8Z)

Bumitama’s market capitalisation is S\$3.7 billion as at 21 August 2026. Bumitama noted that the “principal activities of the subsidiaries are that of investment holding, operating oil palm plantations and palm oil mills located across the Indonesian provinces of Central Kalimantan, West Kalimantan and Riau, the production and trading of crude palm oil and related products, as well as operating a fertiliser blending plant.”

v. TSH Resources Berhad (“TSH”; SGX:TSH)

TSH’s market capitalisation is S\$512.4 million as at 21 August 2026. According to TSH, its “operations are centred on oil palm plantations and related upstream activities.” TSH added that it “also produces renewable energy from palm oil waste, and together these account for about 96% of total revenue.” TSH noted on palm products, “As at 31 December 2025, the Group has a planted area of approximately 39,000 hectares (“Ha”), comprising about 3,000 Ha in Sabah and 36,000 Ha in Indonesia.” TSH also noted that it “operates five (5) palm oil mills—one (1) in Sabah and two (2) each in Kalimantan and Sumatera, Indonesia.” The secondary listing of TSH on SGX was completed on 26 September 2023; TSH’s primary listing is on Bursa Malaysia.

vi. Indofood Agri Resources (“IndoAgri”; SGX:5JS)

IndoAgri's market capitalisation is S\$474.6 million as at 21 August 2026. According to IndoAgri, it is “a vertically-integrated agribusiness group, with its principal activities comprising research and development, oil palm seed breeding, cultivation of oil palm plantations, production and refining of crude palm oil (“CPO”), cultivation of rubber, sugar cane, cocoa, tea, and industrial timber plantations, and marketing and selling these end products.”

vii. Mewah International Inc. (“Mewah”; SGX:MV4)

Mewah's market capitalisation is S\$420.2 million as at 21 August 2026. According to Mewah, it “is a global food and agri-business with integrated edible oils and fats operations in Malaysia, Singapore and Indonesia.” Mewah added, “Today, Mewah operates refining, food manufacturing and bioenergy facilities with total refining capacity exceeding 4.5 million MT annually. The Group markets and distributes a wide range of edible oils, fats, food ingredients, dairy based products, food premixes, soap, FMCG and agri-products such as rice, cashew and cocoa etc to more than 100 countries through its global sales and distribution network, supported by its well established brands including OKI and MOI.” Mewah does have an Indonesian plantation, but Mewah also noted that the “Plantation in Indonesia is insignificant to the Group”.

viii. Kencana Agri Limited (“Kencana”; SGX:BNE)

Kencana's market capitalisation is S\$157.9 million as at 21 August 2026. According to Kencana, it “is a fast-growing producer of Crude Palm Oil (“CPO”) with oil palm plantations strategically located in the Sumatra, Kalimantan and Sulawesi regions.” Kencana also noted, “As at 30 June 2026, Kencana's total planted area (including Plasma Programme) was 67,862 ha.”

ix. Oiltek International Limited (“Oiltek”; SGX:HQU)

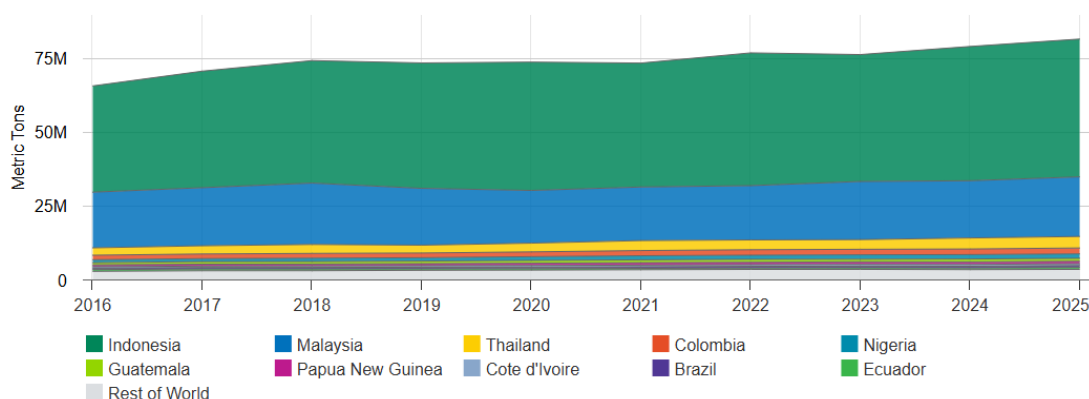
Oiltek's market capitalisation is S\$596.3 million as at 21 August 2026. Unlike other SGX-listed palm oil-related companies we have identified, Oiltek may not directly deal with CPO (e.g., through producing CPO, or processing or refining CPO to produce downstream products). Instead, Oiltek noted in its AR for FY2025 that its Edible & Non-Edible Oil Refinery segment does “Engineering, procurement, designing, construction and commissioning (“EPCC”) of edible and non-edible oil refining plants, downstream specialty products and processing plants”. Accordingly, we make limited reference to Oiltek in this report.

PALM OIL PRODUCTION

(I) INDONESIA AND MALAYSIA AS LARGEST PRODUCERS OF PALM OIL

Based on estimates by the U.S. Department of Agriculture (“USDA”), [Indonesia has been the largest producer of palm oil by output, followed by Malaysia, since Marketing Year \(“MY”\) 2005/06 \(year ended September 2006\)](#)¹. We also note that, collectively, Indonesia and Malaysia have been producing over 80% of global palm oil from MY 1998/99. USDA illustrated its estimated breakdown of global palm oil production from MY 2016/17 to MY 2025/26, as shown in **Exhibit 6**.

Exhibit 6: Global Palm Oil Production (MY 2016/17 to MY 2025/26)



Source: USDA

A numerical breakdown of the USDA palm oil production estimates from MY 2016/17 to MY 2025/26 is shown in **Exhibit 7**.

Exhibit 7: Breakdown of Global Palm Oil Production (MY 2016/17 to MY 2025/26)

(Palm oil production in '000 MT)	Based on USDA estimates (for each Marketing Year)									
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Indonesia	36,000	39,500	41,500	42,500	43,500	42,000	45,000	43,000	45,500	46,700
Malaysia	18,858	19,683	20,800	19,255	17,854	18,152	18,389	19,710	19,380	20,200
Indonesia + Malaysia	54,858	59,183	62,300	61,755	61,354	60,152	63,389	62,710	64,880	66,900
Thailand	2,500	2,778	3,034	2,652	2,963	3,376	3,321	3,274	3,740	3,900
Colombia	1,537	1,574	1,626	1,598	1,628	1,762	1,853	1,875	1,900	2,000
Nigeria	990	1,025	1,130	1,140	1,275	1,400	1,400	1,500	1,500	1,500
Others	5,681	6,029	6,069	6,222	6,438	6,632	6,818	6,845	6,924	7,161
World	65,566	70,589	74,159	73,367	73,658	73,322	76,781	76,204	78,944	81,461

As % of World:

Indonesia	54.9%	56.0%	56.0%	57.9%	59.1%	57.3%	58.6%	56.4%	57.6%	57.3%
Malaysia	28.8%	27.9%	28.0%	26.2%	24.2%	24.8%	23.9%	25.9%	24.5%	24.8%
Indonesia + Malaysia	83.7%	83.8%	84.0%	84.2%	83.3%	82.0%	82.6%	82.3%	82.2%	82.1%
Thailand	3.8%	3.9%	4.1%	3.6%	4.0%	4.6%	4.3%	4.3%	4.7%	4.8%
Colombia	2.3%	2.2%	2.2%	2.2%	2.2%	2.4%	2.4%	2.5%	2.4%	2.5%
Nigeria	1.5%	1.5%	1.5%	1.6%	1.7%	1.9%	1.8%	2.0%	1.9%	1.8%
Others	8.7%	8.5%	8.2%	8.5%	8.7%	9.0%	8.9%	9.0%	8.8%	8.8%
World	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: USDA, FPA

¹ Based on USDA's estimates, the combined global palm oil production share of Indonesia and Malaysia rose to 81.6% in the Marketing Year (“MY”) 1998/99 from 79.9% in MY 1997/98. USDA noted in December 2025, [“USDA's marketing year for Indonesia palm oil begins in October and ends in September.”](#)

It might, therefore, come as no surprise that the nucleus (i.e., owned by the respective companies) oil palm plantations of SGX-listed palm oil-related companies are also located mainly in Indonesia, as shown in **Exhibit 8**. Note that figures in **Exhibit 8** exclude plasma (as opposed to nucleus) plantations, which are owned by smallholders¹, or “small scale” farmers²—a distinction which matters when we discuss the palm oil production process in the next sub-section.

Exhibit 8: Nucleus Oil Palm Plantation Area of SGX-Listed Palm Oil-Related Companies

(in Ha unless otherwise stated)	Actual*				As at
	Indonesia	Malaysia	Others	Total	
Wilmar - Planted area ⁽¹⁾	148,475	58,693	19,987	227,155	30 Jun 2026
First Resources - Planted area	232,062	-	-	232,062	30 Jun 2026
GAR - Total Planted Area	410,745	-	-	410,745	30 Jun 2026
Bumitama - Total planted area ⁽²⁾	122,427	-	-	122,427	31 Dec 2025
IndoAgri - Planted Oil Palm	236,176	-	-	236,176	30 Jun 2026
Kencana - Planted Area	51,151	-	-	51,151	30 Jun 2026
TSH - Planted Area ⁽³⁾	35,316	3,338	-	38,654	31 Dec 2025
Mewah - Plantation Area ⁽⁴⁾	1,838	-	-	1,838	31 Dec 2025

Malaysia - Oil Palm Planted Area n.a. 5,700,050 n.a. 5,700,050 31 Dec 2025

Indonesia - Total Oil Palm Planted Area⁽⁵⁾ 16,833,985 n.a. n.a. 16,833,985 Undated

* unless indicated or noted as estimate. n.a. = not applicable.

⁽¹⁾ Wilmar noted in its Annual Report (“AR”) for FY2025, [“As at 31 December 2025, our total planted area for oil palm stands at 234,334 hectares \(ha\).”](#) Wilmar added that it “also directly manages 36,597 ha under smallholder schemes in Indonesia and Africa, and another 189,806 ha under smallholder schemes through associates in Africa.” (Emphasis ours.) Given that Wilmar distinguished its “total planted area” and its directly managed plantations, we consider it likely that Wilmar’s total planted area of 227,155 Ha as at 30 June 2026 excludes plasma plantation.

⁽²⁾ We cite the figure of [122,427 Ha as at 31 Dec 2025](#), as Bumitama [disclosed only a rounded figure of 122K Ha as at 30 June 2026](#).

⁽³⁾ We assume that the [planted area stated in the AR for FY2025](#) excludes plasma plantation, as we have yet to see disclosed a separate plasma plantation area figure.

⁽⁴⁾ Mewah disclosed that [its Indonesian plantation area was 1,953 Ha, “with 79.63 hectares set aside as high conservation sites and 35.82 hectares as riparian buffer zones.”](#) We assume that the plantation is fully used for FFB production as Mewah measured the plantation business’ emission intensity by kgCO₂ per MT of FFB. Mewah also noted that the “Plantation in Indonesia is insignificant to the Group”.

⁽⁵⁾ Figure [reiterated by the Indonesian Agriculture Ministry in July 2026](#). Inclusive of area not yet confirmed (Luas Akan Dikonfirmasi or “LAD”), or area not yet recorded via provincial-level administrative data collection (Source noted, [“besaran areal kelapa sawit yang belum terdata melalui pengumpulan data administratif di tingkat provinsi dikategorikan sebagai Luas Yang Akan Dikonfirmasi \(LAD\).”](#) Source identified and interpreted with aid of Claude.) Same figure stated for each of 2021 to 2024.

Note: We exclude Oiltek as it does not seem to own any plantation.

Source: [Malaysian Palm Oil Board \(“MPOB”\)](#), [Indonesian Ministry of Agriculture \(cited by InfoSAWIT\)](#), resp. companies, FPA

¹ As noted by GAR in its Annual Report (“AR”) for FY2025, [“At the end of 2025, the Company managed oil palm estates with total planted area of 531,355 hectares, of which 78% owned by GAR \(called “nucleus”\) and 22% owned by smallholders \(called “plasma”\).”](#)

² As noted by German life science and “healthcare, agriculture and nutrition” company Bayer AG, [“A smallholder farmer is a producer who rears livestock, raises fish, or cultivates crops on a small scale.”](#)

(II) PALM OIL PRODUCTION PROCESS AND PRODUCERS' OPERATIONAL PERFORMANCE

To produce palm oil, Fresh Fruit Bunches ("FFB") are harvested from oil palm trees and transported to palm oil mills.

FFB are then processed to produce CPO and Palm Kernel ("PK"). As noted by the Sustainable Palm Oil Choice ("SPOC")¹ initiative, [FFB are sterilised, and threshed to separate the palm fruits](#). SPOC added, "The separated palm fruits are then processed for oil extraction. The fruits are initially pressed to extract the crude palm oil (CPO). This process separates the oil from the solid components, such as the palm kernel and fiber."

PK are also [crushed to produce PK Oil \("PKO"\) at a kernel mill](#), as separately noted by SPOC.

CPO and PKO are then refined, and fractionated (i.e., [separation of higher and lower melting point fractions](#)), before being eventually used to produce [downstream products](#).

As mentioned on page 8, while Oiltek may not directly deal with CPO (e.g., through producing CPO, or processing or refining CPO to produce downstream products), Oiltek noted in its AR for FY2025 that [its Edible & Non-Edible Oil Refinery segment does "Engineering, procurement, designing, construction and commissioning \("EPCC"\) of edible and non-edible oil refining plants, downstream specialty products and processing plants"](#).

Factors affecting FFB yields, as well as CPO and PK extraction yields, include:

- **Seed quality:** Higher-quality seeds may grow into oil palms with higher FFB and CPO yields. For instance, [Indonesian palm oil producer Asian Agri touted its "Topaz" palm oil seeds as providing "superior yields in a variety of environments."](#) Asian Agri also noted, "Palm oil trees grown using Topaz seeds also have slow vertical growth", which would make it "much easier to harvest its fruit." Seed quality may be improved through Research & Development ("R&D").
- **Post-harvest processing delays:** as noted by USDA in December 2025, ["Harvest-ready palm oil \(fruit bunches\) must be processed within 24 hours to achieve optimal yield performance."](#) USDA added, "When disruptions to harvest operations occur," (e.g., heavy rainfall which may lead to localised flooding) "thus elongating the process time, yields are negatively impacted."
- **Weather:** Besides heavy rainfall potentially delaying transport of FFB to mills, rainfall (or lack thereof) [may affect soil moisture](#). BT also reported in May 2026, ["The general expectation is that higher surface temperatures due to the El Nino effect this year could hurt palm oil production, which would raise prices."](#)

¹ SPOC noted on its website, ["SPOC's participants unite a group of companies and organisations who are convinced that palm oil can play a positive role in society when produced sustainably. We are committed to either use, produce or support the production and consumption of sustainable palm oil and inspire others to do the same."](#) SPOC also noted, "SPOC is co-financed by SD Guthrie and Ferrero. These organisations are also members of the SPOC Steering Board."

Another factor that may affect FFB yield is oil palm plantation age. USDA also noted in November 2023 that mature oil palm [“increases its yield potential from year 3 to 4 and tends to peak at year 10” before plateauing](#). USDA noted too that, at 19 years of age, oil palm yield potential starts to “rapidly” decline. USDA illustrated the yield profile of oil palms as shown in **Exhibit 9**.

Exhibit 9: Oil Palm Yield Profile

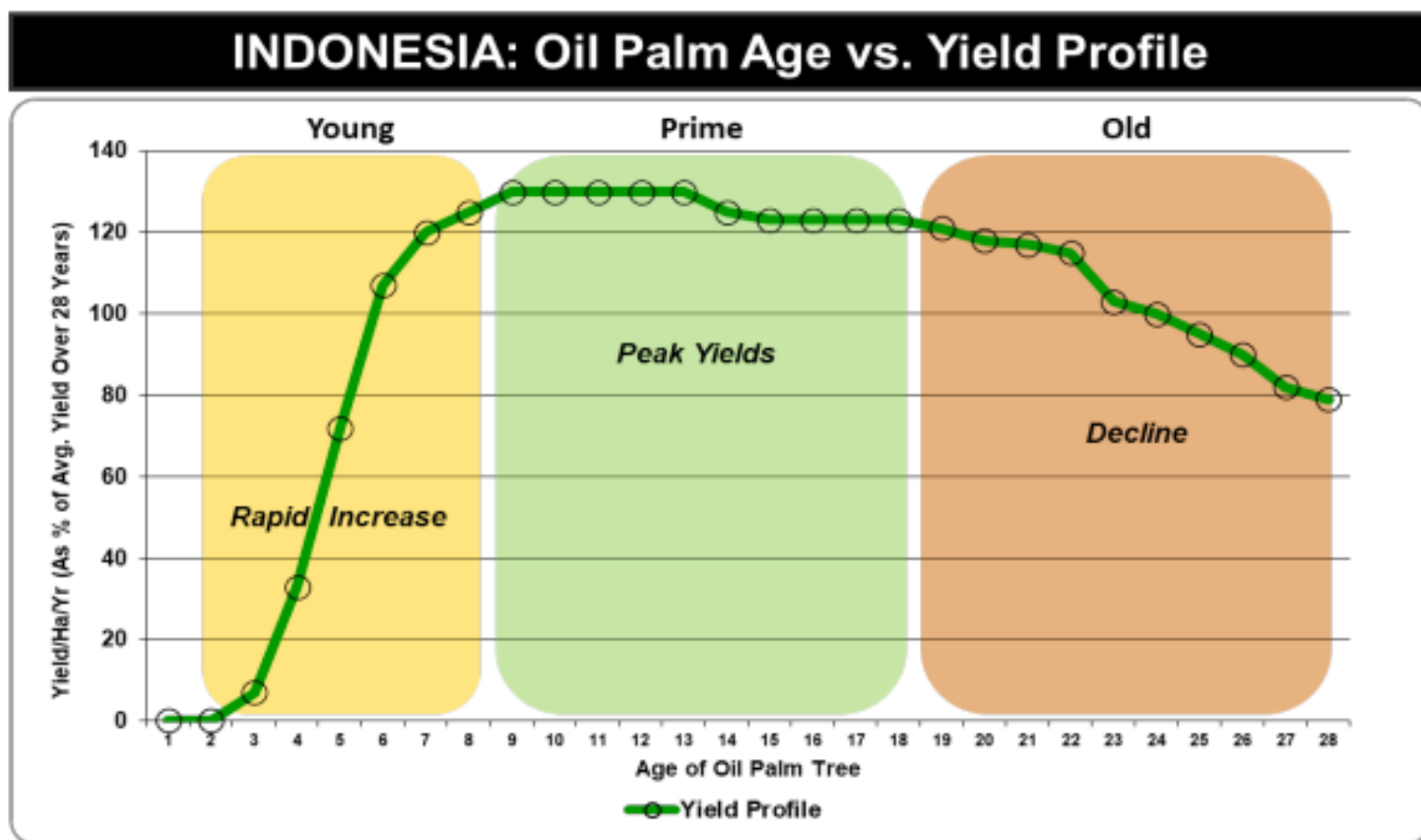


Figure 13. Indonesia palm oil tree age compared to yield profile. Source: Adapted from A.H. Ling – Malaysian Palm Oil Conference, Oct 2012

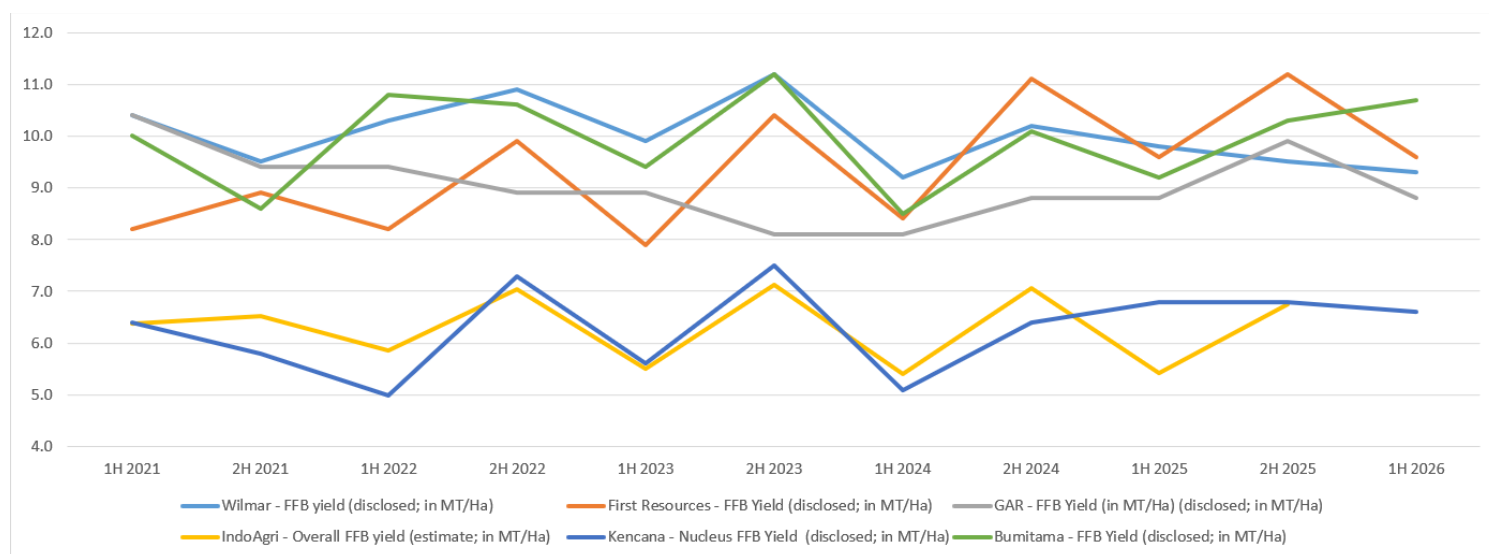
Source: USDA

We highlight how SGX-listed palm oil producers' FFB yields may have been affected by their respective plantation ages in the next few pages.

SGX-listed palm oil producers¹ often disclose production figures such as FFB production and yield, which can be used to assess the respective companies' operational performance.

For instance, we note that the FFB yields (often calculated by [Nucleus FFB production ÷ Mature nucleus plantation area]²) of Wilmar, First Resources, GAR, and Bumitama (the four larger SGX-listed palm oil producers by market capitalisation) have been higher than those of IndoAgri and Kencana (the two smaller SGX-listed palm oil producers) from 1H 2021 to 1H 2026 (or 2H 2025 for IndoAgri due to data availability), as shown in **Exhibit 10**³.

Exhibit 10: FFB Yields of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)



Source: respective companies, FPA

¹ Excluding Oiltek, which is not a palm oil producer, and Mewah, which is involved mainly in the downstream consumer products segment and noted that its plantation "is insignificant to the Group".

² "Nucleus" refers to company-owned plantations, unless one wishes to calculate figures inclusive of smallholder-owned "plasma" plantations.

³ We exclude TSH Resources as we did not find semi-annual disclosure of mature planted area.

The breakdown of FFB yields of SGX-listed palm oil-related companies from 1H 2021 to 1H 2026 is shown in **Exhibit 11**.

Exhibit 11: Breakdown of FFB Yields of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)

(in respective units)	Actual (unless indicated as estimate)										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Wilmar											
FFB production (MT)	2,071,579	1,933,504	2,132,339	2,301,672	2,079,749	2,370,703	1,947,213	2,162,031	2,042,802	1,996,961	1,916,697
Divide by: Mature area harvested (in Ha)	199,709	204,277	207,683	211,136	210,100	211,862	211,211	211,053	208,483	209,346	205,766
Wilmar - FFB yield (estimate; in MT/Ha)	10.4	9.5	10.3	10.9	9.9	11.2	9.2	10.2	9.8	9.5	9.3
Wilmar - FFB yield (disclosed; in MT/Ha)	10.4	9.5	10.3	10.9	9.9	11.2	9.2	10.2	9.8	9.5	9.3
First Resources											
FFB Harvested - Total (tonnes)	1,623,915	1,743,753	1,630,328	1,935,863	1,556,775	2,027,711	1,648,455	2,149,301	2,027,054	2,651,009	2,234,776
Divide by: Total Planted - Total (in Ha)	210,927	212,208	210,888	211,409	209,274	213,421	212,259	215,128	269,712	272,616	273,156
Overall FFB yield (in MT/Ha)	7.7	8.2	7.7	9.2	7.4	9.5	7.8	10.0	7.5	9.7	8.2
FFB Harvested - Nucleus (tonnes)	1,420,368	1,520,066	1,390,567	1,664,636	1,326,161	1,744,522	1,415,102	1,851,754	1,742,882	2,287,859	1,911,374
Divide by: Planted Nucleus - Mature (in Ha)	166,711	162,560	162,339	160,095	161,373	159,608	161,239	158,931	202,738	193,198	192,195
Nucleus FFB yield (in MT/Ha)	8.5	9.4	8.6	10.4	8.2	10.9	8.8	11.7	8.6	11.8	9.9
FFB Harvested - Plasma (tonnes)	203,547	223,687	239,761	271,227	230,614	283,189	233,353	297,547	284,172	363,150	323,402
Divide by: Planted Plasma - Mature (in Ha)	31,123	32,991	35,480	35,480	35,570	35,459	35,433	35,433	40,721	39,745	39,870
Plasma FFB yield (in MT/Ha)	6.5	6.8	6.8	7.6	6.5	8.0	6.6	8.4	7.0	9.1	8.1
First Resources - FFB Yield (disclosed; in MT/Ha)	8.2	8.9	8.2	9.9	7.9	10.4	8.4	11.1	9.6	11.2	9.6
GAR											
FFB Production - Total (in MT '000)	5,183	4,765	4,765	4,432	4,432	3,970	3,970	4,364	4,364	4,789	4,228
Divide by: Total Planted - Mature (in Ha)	485,290	485,290	497,353	497,353	486,834	486,834	481,521	481,521	482,056	482,056	479,214
Overall FFB yield (in MT/Ha)	10.7	9.8	9.6	8.9	9.1	8.2	8.2	9.1	9.1	9.9	8.8
FFB Production - Nucleus (in MT '000)	4,060	3,796	3,796	3,436	3,436	3,122	3,122	3,467	3,467	3,799	3,344
Divide by: Planted Nucleus - Mature (in Ha)	379,010	379,010	389,279	389,279	377,599	377,599	374,062	374,062	375,098	375,098	371,856
Nucleus FFB yield (in MT/Ha)	10.7	10.0	9.8	8.8	9.1	8.3	8.3	9.3	9.2	10.1	9.0
FFB Production - Plasma (in MT '000)	1,123	969	969	996	996	848	848	897	897	990	884
Divide by: Planted Plasma - Mature (in Ha)	106,280	106,280	108,074	108,074	109,235	109,235	107,459	107,459	106,958	106,958	107,358
Plasma FFB yield (in MT/Ha)	10.6	9.1	9.0	9.2	9.1	7.8	7.9	8.3	8.4	9.3	8.2
GAR - FFB Yield (in MT/Ha) (disclosed; in MT/Ha)	10.4	9.4	9.4	8.9	8.9	8.1	8.1	8.8	8.8	9.9	8.8
Bumitama											
FFB Harvest - Internal (i.e., nucleus + plasma; in MT '000)	1,819	1,555	1,961	1,902	1,721	1,999	1,539	1,822	1,652	1,778	1,862
Divide by: Total Planted Area (in Ha '000)	188	188	188	188	187	187	186	187	186	184	184
Internal FFB yield (estimate; in MT/Ha)	9.7	8.3	10.4	10.1	9.2	10.7	8.3	9.7	8.9	9.6	10.1
Bumitama - FFB Yield (disclosed; in MT/Ha)	10.0	8.6	10.8	10.6	9.4	11.2	8.5	10.1	9.2	10.3	10.7
IndoAgri											
Nucleus FFB production ('000 MT)	1,364	1,397	1,277	1,535	1,211	1,573	1,200	1,558	1,220	1,494	1,168
Divide by: Mature area (in Ha)	213,623	214,053	217,835	218,064	220,002	220,531	221,958	220,318	224,880	221,459	n.a.
IndoAgri - Overall FFB yield (estimate; in MT/Ha)	6.4	6.5	5.9	7.0	5.5	7.1	5.4	7.1	5.4	6.7	n.a.
Kencana											
Nucleus Plantation - Total (in Ha)	51,680	51,680	51,683	51,683	50,573	50,436	50,617	51,283	51,305	51,215	51,151
Divide by: Nucleus Plantation - Immature (in Ha)	(3,849)	(3,849)	(1,291)	(1,291)	(1,276)	(2,783)	(2,999)	(3,665)	(3,537)	(4,194)	(4,466)
Nucleus Plantation - Mature (estimate; in Ha)	47,831	47,831	50,392	50,392	49,297	47,653	47,618	47,618	47,768	47,021	46,685
FFB Production - Nucleus (in MT)	306,354	278,931	250,288	367,166	277,960	345,108	241,184	306,277	322,466	317,369	306,385
Divide by: Nucleus Plantation - Immature (in Ha)	47,831	47,831	50,392	50,392	49,297	47,653	47,618	47,618	47,768	47,021	46,685
Nucleus FFB yield (estimate; in MT/Ha)	6.4	5.8	5.0	7.3	5.6	7.2	5.1	6.4	6.8	6.7	6.6
Kencana - Nucleus FFB Yield (disclosed; in MT/Ha)	6.4	5.8	5.0	7.3	5.6	7.5	5.1	6.4	6.8	6.8	6.6

n.a. = not available (IndoAgri's mature oil palm plantation area for 1H 2026 did not seem to be disclosed.)

Source: respective companies, FPA

The four larger palm oil producers (Wilmar, First Resources, GAR, and Bumitama) may have higher FFB yields than the two smaller palm oil producers (IndoAgri and Kencana) due to their respective lower weighted average plantation ages.

For instance, we note that:

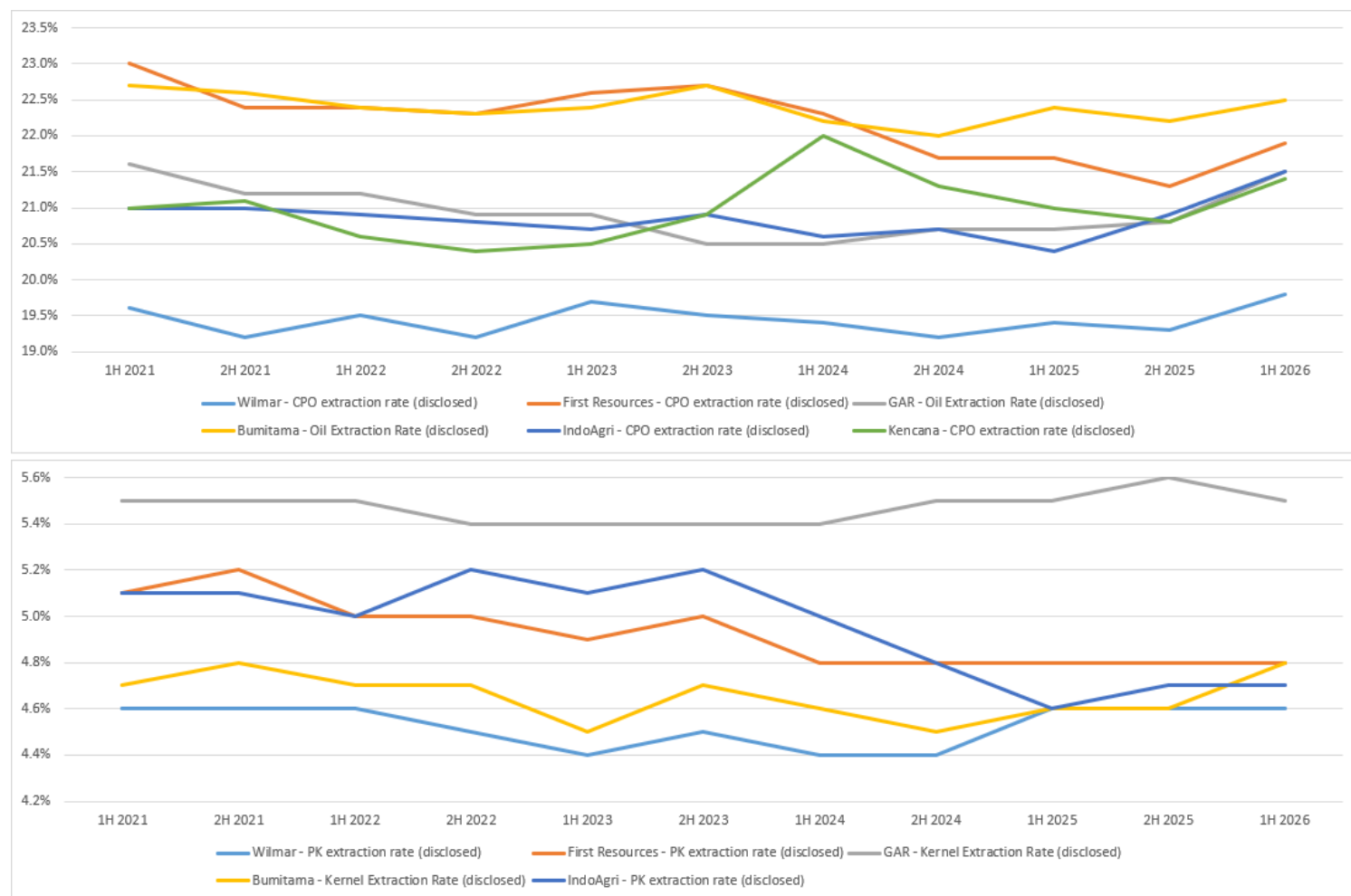
- Wilmar noted in its presentation for 1H 2026, [“Weighted average age of our plantations is approximately 14 years”](#)
- First Resources noted in its presentation for 1H 2026, [“Weighted average age of 14.3 years”](#)
- GAR noted in its presentation for 1H 2026, [“Majority of the nucleus planted area is in the prime age segment, with average age of around 15 years \(17 years including plasma\)”](#)
- Bumitama noted in its presentation for 1H 2026 that its [“average plantation age” was 15.1 years](#)
- IndoAgri previously disclosed in its presentation for 2H 2023, [“Oil palm average age ≈ 19 years”](#), and did not seem to disclose the weighted average age of its oil palm plantations thereafter in its presentations for [1H 2024](#) to [1H 2026](#)
- Kencana did not seem to disclose the weighted average age of its oil palm plantations in its presentations for [1H 2021](#) to [1H 2026](#) (although, like most other SGX-listed palm oil producers, it disclosed the age profile of its plantations).

Even IndoAgri acknowledged in April/May 2026, [“The Company has a relatively older plantation age profile compared to some peers, which explains the lower yields per hectare. We are currently in a replanting cycle using higher-yielding material. When we replant, there is a three-year immature phase with no production and another five to six years before the crop reaches peak production.”](#)

In contrast, First Resources noted in its AR for FY2025, [“By systematically replanting the existing oil palms with our proprietary high-yielding and fast-maturing seed clones, the Group has steadily managed the age profile of our plantations. As at 31 December 2025, 47% of our oil palms are within the prime production age of eight to 17 years, with a further 23% in the young and immature phase that will progressively enter maturity over the next few years. Reflecting this ongoing rejuvenation of our plantation base, the weighted average age of our oil palms declined from 14.2 years as at 31 December 2024 to 13.8 years as at 31 December 2025.”](#)

SGX-listed palm oil producers also often disclose their CPO and PK extraction rates, as shown in **Exhibit 12** (top and bottom, respectively).

Exhibit 12: CPO and PK Extraction Rates of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)



Source: respective companies, FPA

The breakdown of CPO and PK extraction rates of SGX-listed palm oil-related companies from 1H 2021 to 1H 2026 is shown in **Exhibit 13**.

Exhibit 13: Breakdown of CPO and PK Extraction Rates of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)

(in respective units)	Actual (unless indicated as Estimate)										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Wilmar											
CPO production (MT)	850,556	891,247	868,620	1,000,641	810,726	937,541	729,900	777,474	748,354	766,732	715,828
Divide by: FFB production (MT)	2,071,579	1,933,504	2,132,339	2,301,672	2,079,749	2,370,703	1,947,213	2,162,031	2,042,802	1,996,961	1,916,697
CPO extraction rate (estimate)	41.1%	46.1%	40.7%	43.5%	39.0%	39.5%	37.5%	36.0%	36.6%	38.4%	37.3%
Wilmar - CPO extraction rate (disclosed)	19.6%	19.2%	19.5%	19.2%	19.7%	19.5%	19.4%	19.2%	19.4%	19.3%	19.8%
PK production (MT)	204,228	214,819	207,761	236,055	186,895	217,644	168,622	177,323	175,947	182,332	166,847
Divide by: FFB production (MT)	2,071,579	1,933,504	2,132,339	2,301,672	2,079,749	2,370,703	1,947,213	2,162,031	2,042,802	1,996,961	1,916,697
PK extraction rate (estimate)	9.9%	11.1%	9.7%	10.3%	9.0%	9.2%	8.7%	8.2%	8.6%	9.1%	8.7%
Wilmar - PK extraction rate (disclosed)	4.6%	4.6%	4.6%	4.5%	4.4%	4.5%	4.4%	4.4%	4.6%	4.6%	4.6%
First Resources											
CPO production (MT)	428,408	440,833	400,159	480,903	406,648	544,777	430,246	573,676	554,519	748,974	656,605
Divide by: FFB Harvested - Total (tonnes)	1,623,915	1,743,753	1,630,328	1,935,863	1,556,775	2,027,711	1,648,455	2,149,301	2,027,054	2,651,009	2,234,776
CPO extraction rate (estimate)	26.4%	25.3%	24.5%	24.8%	26.1%	26.9%	26.1%	26.7%	27.4%	28.3%	29.4%
First Resources - CPO extraction rate (disclosed)	23.0%	22.4%	22.4%	22.3%	22.6%	22.7%	22.3%	21.7%	21.7%	21.3%	21.9%
PK production (MT)	95,002	102,382	89,061	108,559	88,234	119,202	93,602	125,974	122,164	167,835	143,066
Divide by: FFB Harvested - Total (tonnes)	1,623,915	1,743,753	1,630,328	1,935,863	1,556,775	2,027,711	1,648,455	2,149,301	2,027,054	2,651,009	2,234,776
PK extraction rate (estimate)	5.9%	5.9%	5.5%	5.6%	5.7%	5.9%	5.7%	5.9%	6.0%	6.3%	6.4%
First Resources - PK extraction rate (disclosed)	5.1%	5.2%	5.0%	5.0%	4.9%	5.0%	4.8%	4.8%	4.8%	4.8%	4.8%
GAR											
Palm Product Output - CPO (in MT '000)	1,273	1,154	1,154	1,055	1,055	955	955	1,042	1,042	1,145	1,049
Divide by: FFB Production - Total (in MT '000)	5,183	4,765	4,765	4,432	4,432	3,970	3,970	4,364	4,364	4,789	4,228
CPO extraction rate (estimate)	24.6%	24.2%	24.2%	23.8%	23.8%	24.1%	24.1%	23.9%	23.9%	23.9%	24.8%
GAR - Oil Extraction Rate (disclosed)	21.6%	21.2%	21.2%	20.9%	20.9%	20.5%	20.5%	20.7%	20.7%	20.8%	21.5%
Palm Product Output - PK (in MT '000)	325	298	298	274	274	252	252	276	276	306	267
Divide by: FFB Production - Total (in MT '000)	5,183	4,765	4,765	4,432	4,432	3,970	3,970	4,364	4,364	4,789	4,228
PK extraction rate (estimate)	6.3%	6.3%	6.3%	6.2%	6.2%	6.3%	6.3%	6.3%	6.3%	6.4%	6.3%
GAR - Kernel Extraction Rate (disclosed)	5.5%	5.5%	5.5%	5.4%	5.4%	5.4%	5.4%	5.5%	5.5%	5.6%	5.5%
Bumitama											
CPO Production Volume (in MT '000)	564	488	603	585	550	672	522	620	609	644	673
Divide by: FFB Harvest - Total (in MT '000)	2,486	2,157	2,704	2,627	2,461	2,924	2,352	2,831	2,732	2,918	3,004
CPO extraction rate (estimate)	22.7%	22.6%	22.3%	22.3%	22.3%	23.0%	22.2%	21.9%	22.3%	22.1%	22.4%
Bumitama - Oil Extraction Rate (disclosed)	22.7%	22.6%	22.4%	22.3%	22.4%	22.7%	22.2%	22.0%	22.4%	22.2%	22.5%
PK Production Volume (in MT '000)	117	106	128	123	112	141	109	125	125	138	142
Divide by: FFB Harvest - Total (in MT '000)	2,486	2,157	2,704	2,627	2,461	2,924	2,352	2,831	2,732	2,918	3,004
PK extraction rate (estimate)	4.7%	4.9%	4.7%	4.7%	4.6%	4.8%	4.6%	4.4%	4.6%	4.7%	4.7%
Bumitama - Kernel Extraction Rate (disclosed)	4.7%	4.8%	4.7%	4.7%	4.5%	4.7%	4.6%	4.5%	4.6%	4.6%	4.8%
IndoAgri											
CPO production ('000 MT)	345	342	327	409	309	399	306	399	326	407	338
Divide by: FFB production ('000 MT)	1,749	1,706	1,663	2,078	1,603	2,029	1,591	2,054	1,686	2,039	1,661
CPO extraction rate (estimate)	19.7%	20.0%	19.7%	19.7%	19.3%	19.7%	19.2%	19.4%	19.3%	20.0%	20.3%
IndoAgri - CPO extraction rate (disclosed)	21.0%	21.0%	20.9%	20.8%	20.7%	20.9%	20.6%	20.7%	20.4%	20.9%	21.5%
PK production ('000 MT)	85	84	78	103	76	100	74	93	74	91	74
Divide by: FFB production ('000 MT)	1,749	1,706	1,663	2,078	1,603	2,029	1,591	2,054	1,686	2,039	1,661
PK extraction rate (estimate)	4.9%	4.9%	4.7%	5.0%	4.7%	4.9%	4.7%	4.5%	4.4%	4.5%	4.5%
IndoAgri - PK extraction rate (disclosed)	5.1%	5.1%	5.0%	5.2%	5.1%	5.2%	5.0%	4.8%	4.6%	4.7%	4.7%
Kencana											
FFB Processed - Total (in MT)	373,149	337,655	336,304	464,748	362,954	455,670	322,299	445,022	448,088	450,417	463,104
Divide by: FFB Production - Total (in MT)	377,298	342,224	310,965	456,897	346,954	428,326	304,856	375,622	394,131	391,702	378,225
FFB processed as % of FFB produced	98.9%	98.7%	108.1%	101.7%	104.6%	106.4%	105.7%	118.5%	113.7%	115.0%	122.4%
CPO production (in MT)	78,536	71,110	69,233	94,018	74,570	96,897	70,960	92,529	93,981	93,314	99,201
Divide by: FFB Processed - Total (in MT)	373,149	337,655	336,304	464,748	362,954	455,670	322,299	445,022	448,088	450,417	463,104
CPO extraction rate (estimate)	21.0%	21.1%	20.6%	20.2%	20.5%	21.3%	22.0%	20.8%	21.0%	20.7%	21.4%
Kencana - CPO extraction rate (disclosed)	21.0%	21.1%	20.6%	20.4%	20.5%	20.9%	22.0%	21.3%	21.0%	20.8%	21.4%

Source: respective companies, FPA

Sales volumes of CPO and PK often comprise around (and, sometimes, over) 100.0% of the respective production volumes, as shown in **Exhibit 14**.

Exhibit 14: Sales Volumes as % of CPO and PK Production of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)

(in respective units)	Actual										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
First Resources											
Sales volume (tonnes) - CPO	457,848	453,391	344,087	518,932	436,076	568,285	424,611	558,585	537,817	740,774	690,728
Divide by: CPO production (MT)	428,408	440,833	400,159	480,903	406,648	544,777	430,246	573,676	554,519	748,974	656,605
Sales volume as a % of CPO production	106.9%	102.8%	86.0%	107.9%	107.2%	104.3%	98.7%	97.4%	97.0%	98.9%	105.2%
Sales volume (tonnes) - PK	102,637	110,893	88,371	111,243	88,637	120,278	92,444	123,923	120,653	164,017	144,437
Divide by: PK production (MT)	95,002	102,382	89,061	108,559	88,234	119,202	93,602	125,974	122,164	167,835	143,066
Sales volume as a % of PK production	108.0%	108.3%	99.2%	102.5%	100.5%	100.9%	98.8%	98.4%	98.8%	97.7%	101.0%
Bumitama											
Sales Volume - CPO (in MT '000)	568	513	531	571	587	663	579	597	574	602	696
Divide by: CPO Production Volume (in MT '000)	564	488	603	585	550	672	522	620	609	644	673
Sales volume as a % of CPO production	100.7%	105.1%	88.1%	97.6%	106.7%	98.7%	110.9%	96.3%	94.3%	93.5%	103.4%
Sales Volume - PK (in MT '000)	114	112	120	126	109	143	113	131	119	135	134
Divide by: PK Production Volume (in MT '000)	117	106	128	123	112	141	109	125	125	138	142
Sales volume as a % of PK production	97.4%	105.7%	93.8%	102.4%	97.3%	101.4%	103.7%	104.8%	95.2%	97.8%	94.4%
IndoAgri											
CPO sales volume ('000 MT)	343	355	295	406	313	430	302	388	308	416	355
Divide by: CPO production ('000 MT)	345	342	327	409	309	399	306	399	326	407	338
Sales volume as a % of CPO production	99.4%	103.8%	90.2%	99.3%	101.3%	107.8%	98.7%	97.2%	94.5%	102.2%	105.0%
PK production ('000 MT)	85	84	78	103	76	100	74	93	74	91	74
Divide by: PK sales volume ('000 MT)	84	78	62	104	83	101	70	89	74	97	76
Sales volume as a % of PK production	101.2%	107.7%	125.8%	99.0%	91.6%	99.0%	105.7%	104.5%	100.0%	93.8%	97.4%
Kencana											
CPO sales volume (in MT)	85,718	66,283	57,974	107,795	68,565	106,033	69,139	104,184	88,274	124,301	111,408
Divide by: CPO production (in MT)	78,536	71,110	69,233	94,018	74,570	96,897	70,960	92,529	93,981	93,314	99,201
Sales volume as a % of CPO production	109.1%	93.2%	83.7%	114.7%	91.9%	109.4%	97.4%	112.6%	93.9%	133.2%	112.3%

Source: respective companies, FPA

Accordingly, we note that raising FFB yields, as well as CPO and PK extraction rates, would allow palm oil producers to produce and sell more CPO and PK, thus (assuming all else equal) earn higher revenues.

Given that CPO is derived from the palm fruit's flesh, and PK is, as we cite Asian Agri, the "[hard seed in the centre](#)", it might also come as no surprise that PK production is often around 20–25% of CPO production, as shown in **Exhibit 15**.

Exhibit 15: PK Production as % of CPO Production of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)

(in respective units)	Actual										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Wilmar											
PK production (MT)	204,228	214,819	207,761	236,055	186,895	217,644	168,622	177,323	175,947	182,332	166,847
Divide by: CPO production (MT)	850,556	891,247	868,620	1,000,641	810,726	937,541	729,900	777,474	748,354	766,732	715,828
PK production as a % of CPO production	24.0%	24.1%	23.9%	23.6%	23.1%	23.2%	23.1%	22.8%	23.5%	23.8%	23.3%
First Resources											
PK production (MT)	95,002	102,382	89,061	108,559	88,234	119,202	93,602	125,974	122,164	167,835	143,066
Divide by: CPO production (MT)	428,408	440,833	400,159	480,903	406,648	544,777	430,246	573,676	554,519	748,974	656,605
PK production as a % of CPO production	22.2%	23.2%	22.3%	22.6%	21.7%	21.9%	21.8%	22.0%	22.0%	22.4%	21.8%
GAR											
Palm Product Output - PK (in MT '000)	325	298	298	274	274	252	252	276	276	306	267
Divide by: Palm Product Output - CPO (in MT '000)	1,273	1,154	1,154	1,055	1,055	955	955	1,042	1,042	1,145	1,049
PK production as a % of CPO production	25.5%	25.8%	25.8%	26.0%	26.0%	26.4%	26.4%	26.5%	26.5%	26.7%	25.5%
Bumitama											
PK Production Volume (in MT '000)	117	106	128	123	112	141	109	125	125	138	142
Divide by: CPO Production Volume (in MT '000)	564	488	603	585	550	672	522	620	609	644	673
PK production as a % of CPO production	20.7%	21.7%	21.2%	21.0%	20.4%	21.0%	20.9%	20.2%	20.5%	21.4%	21.1%
IndoAgri											
PK production ('000 MT)	85	84	78	103	76	100	74	93	74	91	74
Divide by: CPO production ('000 MT)	345	342	327	409	309	399	306	399	326	407	338
PK production as a % of CPO production	24.6%	24.6%	23.9%	25.2%	24.6%	25.1%	24.2%	23.3%	22.7%	22.4%	21.9%

Source: respective companies, FPA

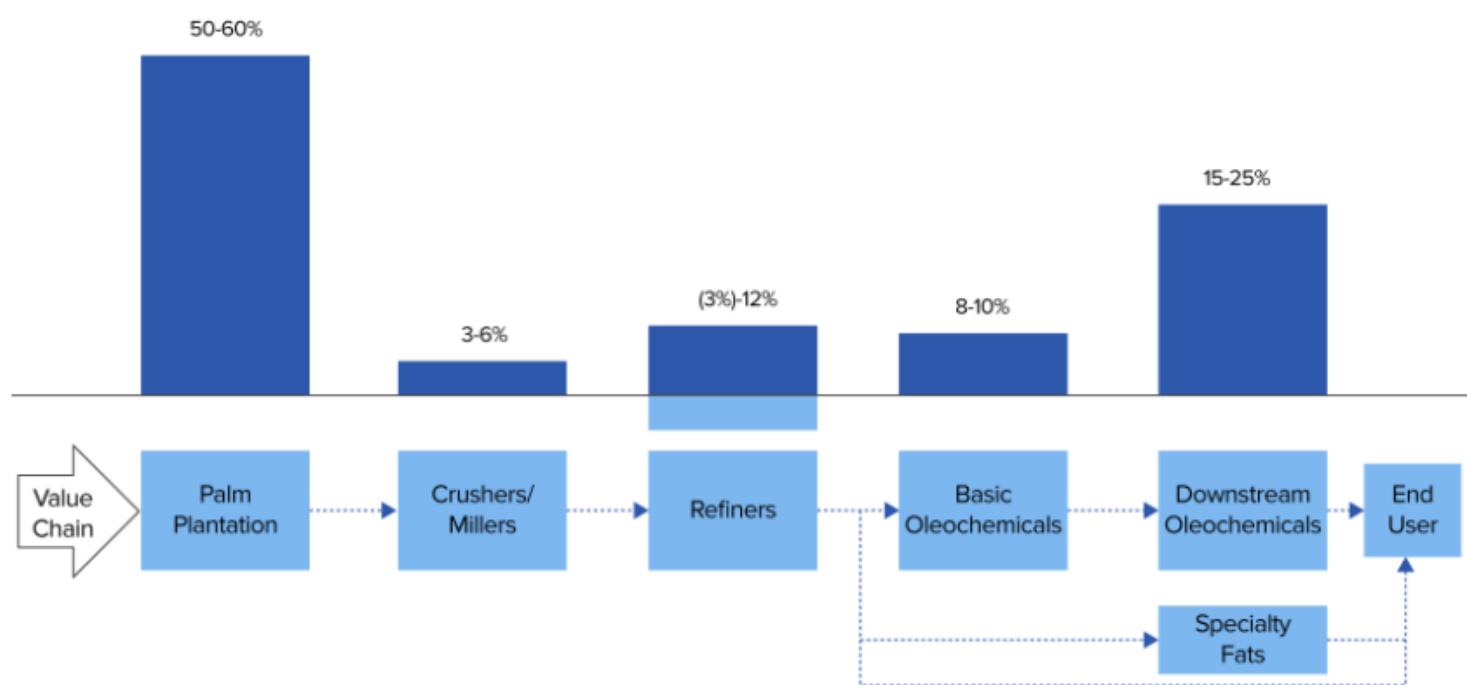
(III) EARNINGS MARGINS ACROSS THE SUPPLY CHAIN

The upstream production of CPO and PK may have higher earnings margins than the downstream refining and processing thereof into industrial and consumer products¹.

An article published on the site of [professional services company Toptal](#), and updated in June 2024, noted that “upstream plantations” were the “most lucrative”², as illustrated in **Exhibit 16**.

Exhibit 16: Profit Profile of Segments of the Palm Oil Value Chain

Figure 9: Palm Oil Profit Profile, by Segment of Value Chain



Source: Frost & Sullivan



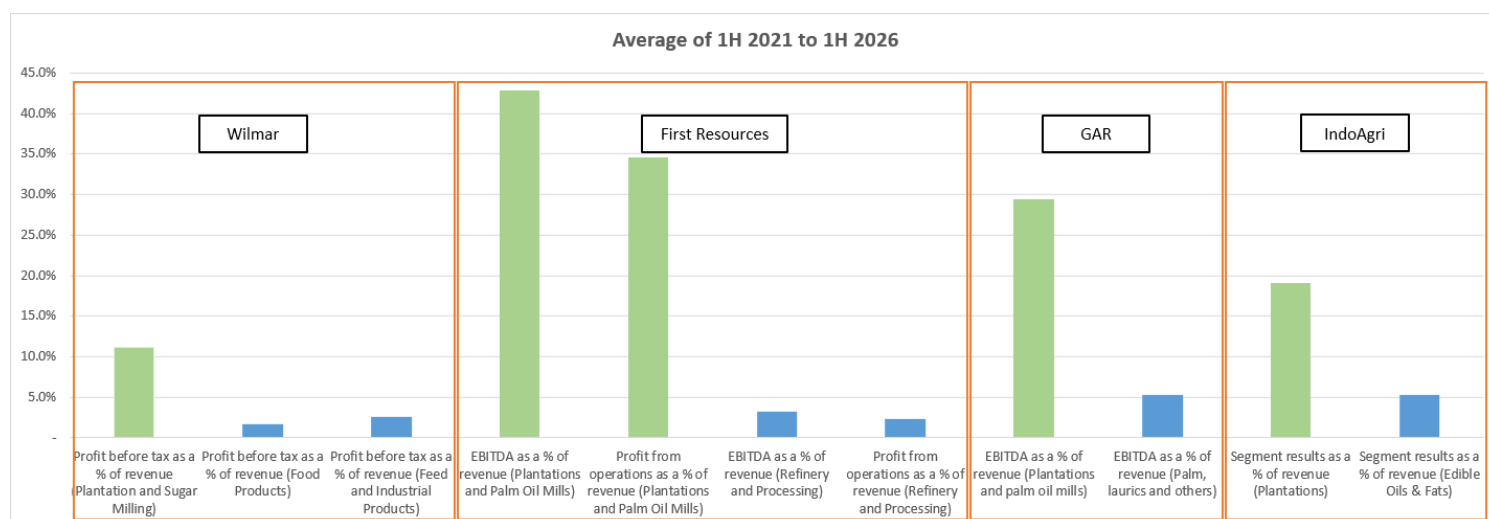
Source: Toptal

¹ The idea for this section came from an article by Ong Xien Fong, then-member of NTU Investment Interactive Club, who cited the Toptal article and noted in around April 2020, “upstream business (Plantation/ Mills) is actually the most lucrative (accounting for 50-60% profit of the value chain) followed by downstream oleochemical processing (15-25% profit of the value chain).” In the article, Ong also illustrated the EBITDA margins of upstream vs downstream businesses for First Resources and GAR.

² The Toptal article also noted, “From a financial market perspective, palm oil production and trading companies are principally listed across four global exchanges: (1) Malaysia’s Stock Exchange (Bursa Malaysia/MYX); (2) the Indonesian Stock Exchange (IDX); (3) the Stock Exchange of Singapore; and (4) the London Stock Exchange (AIM).” We cover the upstream vs downstream margins of SGX-listed palm oil-related companies in the next two pages.

Indeed, we find that the average earnings margins (1H 2021 to 1H 2026) of SGX-listed palm oil producers' upstream segments (in green) generally remained above those of downstream segments (in blue), both within the same producers and across producers, as shown in **Exhibit 17**.

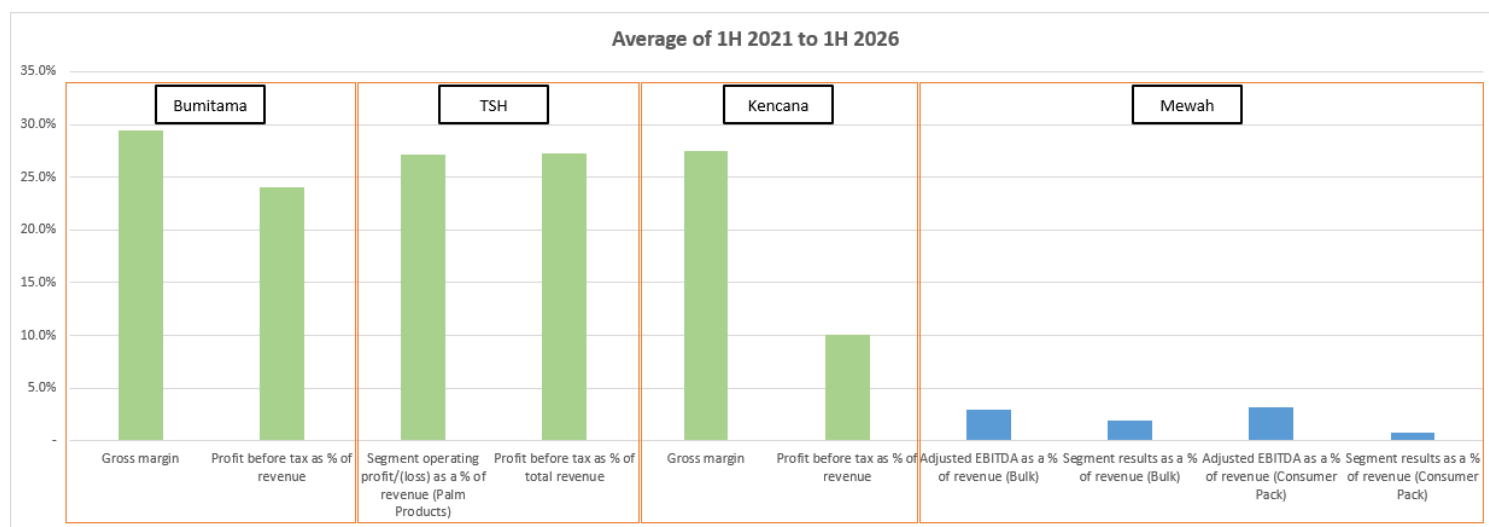
Exhibit 17: Upstream vs Mid- and Downstream Earnings Margins of SGX-Listed Palm Oil Producers (Average of 1H 2021 to 1H 2026)



Source: respective companies, FPA

The average earnings margins (1H 2021 to 1H 2026) of Bumitama, Kencana, and TSH, which likely operate mainly or only in the upstream segment, also generally remained above those of Mewah, which operates mainly in the mid- and downstream segments, as shown in **Exhibit 18**.

Exhibit 18: Earnings Margins of SGX-Listed Palm Oil-Related Companies Across Supply Chain (Average of 1H 2021 to 1H 2026)



Source: respective companies, FPA

For reference, the earnings margins of Wilmar and First Resources from 1H 2021 to 1H 2026 (of which the respective averages over the period were illustrated in **Exhibit 17** on page 20) are shown in **Exhibit 19**. We also include the breakdowns of their respective revenues and earnings.

Exhibit 19: Upstream vs Mid- and Downstream Earnings Margins of Wilmar and First Resources (1H 2021 to 1H 2026)

(in respective units)	Actual										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Wilmar											
Profit before tax - Plantation and Sugar Milling (in US\$ '000)	163,952	400,099	435,789	133,531	62,930	437,219	53,880	215,263	202,007	154,458	137,710
Divide by: Revenue - Plantation and Sugar Milling (total; in US\$ '000)	1,446,222	2,204,717	2,177,752	2,559,557	1,889,923	2,090,702	1,317,358	2,043,418	1,528,470	1,993,087	1,608,169
Profit before tax as a % of revenue (Plantation and Sugar Milling)	11.3%	18.1%	20.0%	5.2%	3.3%	20.9%	4.1%	10.5%	13.2%	7.7%	8.6%
Profit before tax - Food Products (in US\$ '000)	428,334	252,602	521,507	208,616	82,664	212,271	146,269	355,823	195,670	254,035	304,635
Divide by: Revenue - Food Products (total; in US\$ '000)	13,645,391	15,862,759	15,915,593	15,600,783	14,168,173	14,158,281	13,660,235	15,169,107	14,321,708	16,564,085	19,363,325
Profit before tax as a % of revenue (Food Products)	3.1%	1.6%	3.3%	1.3%	0.6%	1.5%	1.1%	2.3%	1.4%	1.5%	1.6%
Profit before tax - Feed and Industrial Products (in US\$ '000)	478,831	782,195	503,047	1,056,399	398,959	527,740	534,044	295,440	381,649	479,350	591,013
Divide by: Revenue - Feed and Industrial Products (total; in US\$ '000)	17,164,093	21,730,430	21,660,643	22,884,955	19,409,495	21,959,735	18,987,661	23,266,412	20,273,183	22,598,611	20,726,744
Profit before tax as a % of revenue (Feed and Industrial Products)	2.8%	3.6%	2.3%	4.6%	2.1%	2.4%	2.8%	1.3%	1.9%	2.1%	2.9%
Breakdown of revenue and profit before tax:											
Food Products (total; in US\$ '000)	46.2%	43.7%	44.0%	41.9%	43.5%	40.9%	44.2%	41.6%	43.5%	44.1%	50.2%
Feed and Industrial Products (total; in US\$ '000)	58.1%	59.9%	59.9%	61.4%	59.7%	63.4%	61.4%	63.8%	61.6%	60.2%	53.8%
Plantation and Sugar Milling (total; in US\$ '000)	4.9%	6.1%	6.0%	6.9%	5.8%	6.0%	4.3%	5.6%	4.6%	5.3%	4.2%
Others (total; in US\$ '000)	0.5%	0.4%	0.5%	0.5%	0.7%	0.6%	0.6%	0.6%	0.6%	0.6%	0.9%
Eliminations (inter-segment and total; in US\$ '000)	(9.7%)	(10.2%)	(10.5%)	(10.6%)	(9.7%)	(11.0%)	(10.4%)	(11.7%)	(10.4%)	(10.3%)	(9.0%)
Revenue (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Profit before tax - Food Products (in US\$ '000)	35.2%	16.3%	32.4%	13.9%	11.8%	16.9%	19.7%	35.5%	20.9%	22.0%	28.8%
Profit before tax - Feed and Industrial Products (in US\$ '000)	39.4%	50.5%	31.2%	70.2%	57.2%	41.9%	72.0%	29.5%	40.7%	41.6%	55.9%
Profit before tax - Plantation and Sugar Milling (in US\$ '000)	13.5%	25.8%	27.0%	8.9%	9.0%	34.7%	7.3%	21.5%	21.5%	13.4%	13.0%
Profit before tax - Others (in US\$ '000)	0.7%	2.5%	0.2%	0.1%	(4.3%)	(2.0%)	(8.0%)	2.1%	(1.8%)	3.2%	(5.7%)
Profit before tax - Share of results of joint ventures (in US\$ '000)	3.3%	1.5%	1.7%	1.6%	7.9%	4.0%	4.3%	0.9%	6.8%	2.1%	2.7%
Profit before tax - Share of results of associates (in US\$ '000)	8.2%	3.7%	7.8%	6.4%	20.6%	5.6%	6.9%	12.7%	14.2%	10.3%	8.0%
Profit before tax - Unallocated (in US\$ '000)	(0.3%)	(0.2%)	(0.3%)	(1.0%)	(2.2%)	(1.2%)	(2.2%)	(2.1%)	(2.3%)	7.4%	(2.7%)
Total profit before tax (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
First Resources											
EBITDA - Plantations and Palm Oil Mills (in US\$ '000)	83,966	168,291	197,846	253,265	151,520	172,467	150,362	243,078	247,135	328,235	279,333
Divide by: Revenue - Plantations and Palm Oil Mills (total; in US\$ '000)	263,956	378,138	363,146	482,624	376,231	474,350	371,271	552,262	560,756	761,962	712,550
EBITDA as a % of revenue (Plantations and Palm Oil Mills)	31.8%	44.5%	54.5%	52.5%	40.3%	36.4%	40.5%	44.0%	44.1%	43.1%	39.2%
Profit from operations - Plantations and Palm Oil Mills (in US\$ '000)	48,446	143,657	148,668	219,072	118,845	128,532	129,692	209,510	199,796	267,073	250,702
Divide by: Revenue - Plantations and Palm Oil Mills (total; in US\$ '000)	263,956	378,138	363,146	482,624	376,231	474,350	371,271	552,262	560,756	761,962	712,550
Profit from operations as a % of revenue (Plantations and Palm Oil Mills)	18.4%	38.0%	40.9%	45.4%	31.6%	27.1%	34.9%	37.9%	35.6%	35.1%	35.2%
EBITDA - Refinery and Processing (in US\$ '000)	25,821	43,733	58,170	(2,475)	(24,022)	(16,607)	8,558	9,847	32,230	32,415	62,760
Divide by: Revenue - Refinery and Processing (external; in US\$ '000)	372,950	544,653	514,806	556,867	339,158	342,216	335,239	484,575	590,264	869,150	858,213
EBITDA as a % of revenue (Refinery and Processing)	6.9%	8.0%	11.3%	(0.4%)	(7.1%)	(4.9%)	2.6%	2.0%	5.5%	3.7%	7.3%
Profit from operations - Refinery and Processing (in US\$ '000)	21,842	39,937	54,343	(6,158)	(27,823)	(20,187)	4,885	5,830	25,930	26,913	58,318
Divide by: Revenue - Refinery and Processing (external; in US\$ '000)	372,950	544,653	514,806	556,867	339,158	342,216	335,239	484,575	590,264	869,150	858,213
Profit from operations as a % of revenue (Refinery and Processing)	5.9%	7.3%	10.6%	(1.1%)	(8.2%)	(5.9%)	1.5%	1.2%	4.4%	3.1%	6.8%
Breakdown of revenue, EBITDA, and profit from operations:											
Plantations and Palm Oil Mills (total; in US\$ '000)	63.9%	61.1%	67.9%	69.9%	83.8%	89.2%	81.2%	95.0%	83.2%	77.2%	73.2%
Refinery and Processing (total; in US\$ '000)	90.3%	87.9%	96.2%	80.7%	75.6%	64.4%	73.3%	83.3%	87.6%	88.0%	88.2%
Inter-segment elimination (inter-segment & total; in US\$ '000)	(54.2%)	(49.0%)	(64.0%)	(50.6%)	(59.4%)	(53.5%)	(54.5%)	(78.3%)	(70.8%)	(65.2%)	(61.3%)
Sales (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA - Plantations and Palm Oil Mills (in US\$ '000)	87.9%	77.4%	85.9%	91.0%	114.0%	115.6%	89.6%	105.2%	94.2%	93.1%	81.1%
EBITDA - Refinery and Processing (in US\$ '000)	27.0%	20.1%	25.3%	(0.9%)	(18.1%)	(11.1%)	5.1%	4.3%	12.3%	9.2%	18.2%
EBITDA - Inter-segment elimination (in US\$ '000)	(14.9%)	2.5%	(11.1%)	9.9%	4.0%	(4.5%)	5.3%	(9.4%)	(6.5%)	(2.3%)	0.7%
EBITDA - Total (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Profit from operations - Plantations and Palm Oil Mills (in US\$ '000)	86.4%	76.0%	83.8%	91.1%	123.3%	126.4%	90.4%	108.3%	95.8%	93.4%	80.5%
Profit from operations - Refinery and Processing (in US\$ '000)	39.0%	21.1%	30.6%	(2.6%)	(28.9%)	(19.9%)	3.4%	3.0%	12.4%	9.4%	18.7%
Profit from operations - Inter-segment elimination (in US\$ '000)	(25.4%)	2.8%	(14.5%)	11.5%	5.6%	(6.6%)	6.2%	(11.3%)	(8.2%)	(2.8%)	0.7%
Profit from operations - Total (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: respective companies, FPA

Meanwhile, the earnings margins of GAR and IndoAgri from 1H 2021 to 1H 2026 (of which the respective averages over the period were illustrated in **Exhibit 17** on page 20) are shown in **Exhibit 20**. We also include the breakdowns of their respective revenues and earnings.

Exhibit 20: Upstream vs Mid- and Downstream Earnings Margins of GAR and IndoAgri (1H 2021 to 1H 2026)

(in respective units)	Actual										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
GAR											
EBITDA - Plantations and palm oil mills (in US\$ '000)	365,041	414,174	520,463	283,942	218,745	259,349	212,633	354,748	320,406	388,355	309,286
Divide by: Revenue - Plantations and palm oil mills (total; in US\$ '000)	1,043,111	1,146,975	1,248,974	1,019,417	916,647	1,090,372	907,832	1,265,989	1,184,223	1,274,458	1,156,976
EBITDA as a % of revenue (Plantations and palm oil mills)	35.0%	36.1%	41.7%	27.9%	23.9%	23.8%	23.4%	28.0%	27.1%	30.5%	26.7%
EBITDA - Palm, laurics and others (in US\$ '000)	158,406	275,948	287,748	734,226	258,454	248,721	281,771	252,602	245,685	304,798	246,536
Divide by: Revenue - Palm laurics and others (external; in US\$ '000)	4,433,248	5,716,397	5,466,602	5,899,428	4,834,016	4,808,712	5,093,398	5,706,766	6,098,489	6,740,580	6,543,794
EBITDA as a % of revenue (Palm, laurics and others)	3.6%	4.8%	5.3%	12.4%	5.3%	5.2%	5.5%	4.4%	4.0%	4.5%	3.8%
Breakdown of revenue and EBITDA:											
Plantations and palm oil mills (total; in US\$ '000)	23.4%	20.0%	22.7%	17.1%	18.8%	22.3%	17.7%	21.9%	19.2%	18.7%	17.5%
Palm laurics and others (external; in US\$ '000)	99.5%	99.8%	99.6%	99.2%	99.1%	98.5%	99.1%	98.9%	99.1%	99.1%	99.1%
Eliminations (inter-segment & total; in US\$ '000)	(22.9%)	(19.8%)	(22.3%)	(16.3%)	(17.9%)	(20.9%)	(16.7%)	(20.9%)	(18.4%)	(17.9%)	(16.6%)
Total revenue (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
EBITDA - Plantations and palm oil mills (in US\$ '000)	69.8%	59.9%	64.5%	27.9%	45.8%	51.1%	43.0%	58.5%	56.6%	56.1%	55.7%
EBITDA - Palm, laurics and others (in US\$ '000)	30.3%	39.9%	35.6%	72.1%	54.1%	49.0%	57.0%	41.6%	43.4%	44.0%	44.4%
EBITDA - Eliminations (in US\$ '000)	(0.1%)	0.2%	(0.1%)	0.1%	0.1%	(0.0%)	0.0%	(0.1%)	0.0%	(0.1%)	(0.0%)
EBITDA - Total (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
IndoAgri											
Segment results - Plantations (in IDR million)	918,648	1,751,887	1,291,124	801,375	221,779	1,150,516	745,495	2,026,515	1,037,908	1,927,996	1,243,294
Divide by: Revenue - Plantations (total; in IDR million)	4,622,731	5,938,621	5,654,725	6,072,585	4,678,500	6,170,335	4,653,341	7,303,781	6,142,588	8,317,231	7,064,982
Segment results as a % of revenue (Plantations)	19.9%	29.5%	22.8%	13.2%	4.7%	18.6%	16.0%	27.7%	16.9%	23.2%	17.6%
Segment results - Edible Oils & Fats (in IDR million)	197,503	283,089	195,976	646,251	333,546	313,749	337,794	479,208	305,119	461,256	377,207
Divide by: Revenue - Edible Oils & Fats (total; in IDR million)	7,464,976	8,811,464	6,108,303	6,570,897	5,917,138	5,397,359	5,828,437	6,510,952	6,964,853	8,031,086	7,476,924
Segment results as a % of revenue (Edible Oils & Fats)	2.6%	3.2%	3.2%	9.8%	5.6%	5.8%	5.8%	7.4%	4.4%	5.7%	5.0%
Breakdown of revenue and segment results:											
Plantations (total; in IDR million)	51.6%	55.5%	70.0%	62.4%	61.5%	73.5%	66.0%	81.9%	65.4%	71.3%	73.4%
Edible Oils & Fats (total; in IDR million)	83.3%	82.3%	75.7%	67.6%	77.8%	64.3%	82.6%	73.0%	74.1%	68.9%	77.7%
Others/eliminations (in IDR million)	(34.9%)	(37.8%)	(45.7%)	(30.0%)	(39.3%)	(37.8%)	(48.6%)	(55.0%)	(39.5%)	(40.2%)	(51.1%)
Revenue (in IDR million)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Segment results - Plantations (in IDR million)	87.7%	85.4%	102.2%	48.7%	39.3%	73.9%	70.0%	86.4%	72.1%	81.6%	78.3%
Segment results - Edible Oils & Fats (in IDR million)	18.9%	13.8%	15.5%	39.3%	59.1%	20.2%	31.7%	20.4%	21.2%	19.5%	23.8%
Segment results - Others/eliminations (in IDR million)	(6.6%)	0.8%	(17.7%)	12.0%	1.6%	6.0%	(1.8%)	(6.9%)	6.7%	(1.2%)	(2.1%)
Segment results - Total (in IDR million)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: respective companies, FPA

The earnings margins of Bumitama, TSH, Kencana, and Mewah, from 1H 2021 to 1H 2026 (of which the respective averages over the period were illustrated in **Exhibit 18** on page 20) are shown in **Exhibit 21**. We also include the breakdowns of their respective revenues and earnings.

Exhibit 21: Upstream vs Mid- and Downstream Earnings Margins of Bumitama, TSH, Kencana, and Mewah (1H 2021 to 1H 2026)

(in respective units)	Actual										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Bumitama (likely only upstream)											
Gross profit (in IDR million)	1,164,834	2,291,821	3,772,241	1,960,614	2,153,667	2,564,985	1,799,365	2,557,334	2,572,728	3,005,589	3,562,283
Divide by: Revenue (in IDR million)	5,438,195	6,810,435	8,968,347	6,860,934	7,495,925	7,946,968	7,600,129	9,131,910	9,742,713	10,208,730	12,083,727
Gross margin	21.4%	33.7%	42.1%	28.6%	28.7%	32.3%	23.7%	28.0%	26.4%	29.4%	29.5%
Profit before taxation (in IDR million)	744,658	2,118,929	3,278,910	1,291,667	1,834,101	2,027,795	1,279,603	2,369,751	2,080,602	2,579,828	2,951,473
Divide by: Revenue (in IDR million)	5,438,195	6,810,435	8,968,347	6,860,934	7,495,925	7,946,968	7,600,129	9,131,910	9,742,713	10,208,730	12,083,727
Profit before tax as % of revenue	13.7%	31.1%	36.6%	18.8%	24.5%	25.5%	16.8%	26.0%	21.4%	25.3%	24.4%
Breakdown of revenue:											
Revenue - CPO (in IDR million)	85.7%	87.9%	84.9%	90.1%	91.8%	90.8%	90.7%	87.5%	85.4%	83.8%	84.9%
Revenue - PK (in IDR million)	14.3%	12.1%	15.1%	9.9%	8.2%	9.2%	9.3%	12.5%	14.6%	16.2%	15.1%
Revenue - Total (in IDR million)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
TSH (likely mainly upstream)											
Segment operating profit/(loss) - Palm Products (in RM '000)	136,919	149,178	172,307	129,517	101,906	124,343	105,419	147,505	161,779	163,517	146,815
Divide by: Revenue - Palm Products (in RM '000)	509,737	584,806	708,915	493,123	473,633	524,447	467,700	498,814	517,586	492,795	440,286
Segment operating profit/(loss) as a % of revenue (Palm Products)	26.9%	25.5%	24.3%	26.3%	21.5%	23.7%	22.5%	29.6%	31.3%	33.2%	33.3%
Profit before tax (in RM '000)	103,693	150,391	196,315	360,982	81,728	116,109	70,973	148,897	150,012	152,269	129,020
Divide by: Revenue (in RM '000)	551,495	637,424	761,762	544,237	506,868	559,648	494,905	524,902	544,105	518,069	456,178
Profit before tax as % of total revenue	18.8%	23.6%	25.8%	66.3%	16.1%	20.7%	14.3%	28.4%	27.6%	29.4%	28.3%
Breakdown of revenue:											
Revenue - Palm Products (in RM '000)	92.4%	91.7%	93.1%	90.6%	93.4%	93.7%	94.5%	95.0%	95.1%	95.1%	96.5%
Revenue - Others (in RM '000)	7.6%	8.3%	6.9%	9.4%	6.6%	6.3%	5.5%	5.0%	4.9%	4.9%	3.5%
Revenue (in RM '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Segment operating profit/(loss) - Palm Products (in RM '000)	100.6%	108.3%	103.6%	135.2%	105.4%	105.6%	105.6%	104.7%	104.7%	105.4%	106.6%
Segment operating profit/(loss) - Others (in RM '000)	(0.6%)	(8.3%)	(3.6%)	(35.2%)	(5.4%)	(5.6%)	(5.6%)	(4.7%)	(4.7%)	(5.4%)	(6.6%)
Segment operating profit/(loss) - Total (in RM '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Kencana (likely mainly upstream)											
Gross profit (in US\$ '000)	22,616	18,549	23,131	20,464	9,908	16,510	14,317	29,020	28,211	27,443	32,083
Divide by: Revenue (in US\$ '000)	63,835	64,619	68,969	83,572	61,775	74,591	54,531	99,203	87,148	111,504	110,804
Gross margin	35.4%	28.7%	33.5%	24.5%	16.0%	22.1%	26.3%	29.3%	32.4%	24.6%	29.0%
Profit before tax (in US\$ '000)	13,271	11,944	6,003	(2,978)	392	(1,202)	2,213	20,512	13,132	11,644	18,860
Divide by: Revenue (in US\$ '000)	63,835	64,619	68,969	83,572	61,775	74,591	54,531	99,203	87,148	111,504	110,804
Profit before tax as % of revenue	20.8%	18.5%	8.7%	(3.6%)	0.6%	(1.6%)	4.1%	20.7%	15.1%	10.4%	17.0%
Mewah (mainly mid/downstream)											
Adjusted EBITDA - Bulk (total; in US\$ '000)	45,398	73,514	34,135	138,889	22,823	40,890	29,485	30,729	64,079	65,538	60,249
Divide by: Revenue - Bulk (total; in US\$ '000)	1,586,862	1,673,700	2,082,815	1,945,618	1,484,365	1,402,467	1,314,807	2,203,674	2,244,972	2,302,017	2,218,058
Adjusted EBITDA as a % of revenue (Bulk)	2.9%	4.4%	1.6%	7.1%	1.5%	2.9%	2.2%	1.4%	2.9%	2.8%	2.7%
Segment results - Bulk (total; in US\$ '000)	31,518	61,755	21,239	115,935	5,212	23,210	13,532	9,220	38,791	38,668	36,135
Divide by: Revenue - Bulk (total; in US\$ '000)	1,586,862	1,673,700	2,082,815	1,945,618	1,484,365	1,402,467	1,314,807	2,203,674	2,244,972	2,302,017	2,218,058
Segment results as a % of revenue (Bulk)	2.0%	3.7%	1.0%	6.0%	0.4%	1.7%	1.0%	0.4%	1.7%	1.7%	1.6%
Adjusted EBITDA - Consumer Pack (total; in US\$ '000)	6,860	27,695	613	35,473	17,697	30,599	23,274	34,527	29,997	17,699	155
Divide by: Revenue - Consumer Pack (total; in US\$ '000)	530,453	557,803	619,762	780,333	651,447	585,517	594,995	668,500	743,747	686,610	593,229
Adjusted EBITDA as a % of revenue (Consumer Pack)	1.3%	5.0%	0.1%	4.5%	2.7%	5.2%	3.9%	5.2%	4.0%	2.6%	0.0%
Segment results - Consumer Pack (total; in US\$ '000)	1,110	15,389	(6,601)	11,533	6,814	19,878	9,294	14,057	15,608	(17,702)	(12,469)
Divide by: Revenue - Consumer Pack (total; in US\$ '000)	530,453	557,803	619,762	780,333	651,447	585,517	594,995	668,500	743,747	686,610	593,229
Segment results as a % of revenue (Consumer Pack)	0.2%	2.8%	(1.1%)	1.5%	1.0%	3.4%	1.6%	2.1%	2.1%	(2.6%)	(2.1%)
Breakdown of revenue, adjusted EBITDA, and segment results:											
Bulk (total; in US\$ '000)	74.9%	75.0%	77.1%	71.4%	69.5%	70.5%	68.8%	76.7%	75.1%	77.0%	78.9%
Consumer Pack (total; in US\$ '000)	25.1%	25.0%	22.9%	28.6%	30.5%	29.5%	31.2%	23.3%	24.9%	23.0%	21.1%
Revenue (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Adjusted EBITDA - Bulk (total; in US\$ '000)	86.9%	72.6%	98.2%	79.7%	56.3%	57.2%	55.9%	47.1%	68.1%	78.7%	99.7%
Adjusted EBITDA - Consumer Pack (total; in US\$ '000)	13.1%	27.4%	1.8%	20.3%	43.7%	42.8%	44.1%	52.9%	31.9%	21.3%	0.3%
Adjusted EBITDA - Total (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Segment results - Bulk (total; in US\$ '000)	96.6%	80.1%	145.1%	91.0%	43.3%	53.9%	59.3%	39.6%	71.3%	184.4%	152.7%
Segment results - Consumer Pack (total; in US\$ '000)	3.4%	19.9%	(45.1%)	9.0%	56.7%	46.1%	40.7%	60.4%	28.7%	(84.4%)	(52.7%)
Segment results - Total (in US\$ '000)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: respective companies, FPA

FACTORS AFFECTING CRUDE PALM OIL (“CPO”) PRICE

Higher (lower) CPO demand, or lower (higher) CPO supply, could raise (lower) CPO prices.

(I) DEMAND FACTORS

Demand factors include:

(i) Rising crude oil prices

In recent months, elevated crude oil prices amid the U.S.-Israeli war against Iran have contributed to an increase in CPO prices.

As mentioned on page 6, BT reported that, amid the Middle Eastern war, [“Higher oil prices have lifted the price of diesel, which is derived from crude oil as a fuel source. As diesel prices rise, biodiesel has become more attractive to produce, increasing demand for palm oil as a feedstock and driving palm oil prices higher.”](#) BT also reported that [“the closure of the Strait of Hormuz has driven up energy prices; since palm oil can be substituted for mineral oils in some fuels and consumer products, higher oil and gas prices also tend to raise prices for palm oil.”](#)

Accordingly, rising crude oil prices may make biodiesel seem more attractively-priced in comparison, thereby increasing quantity demanded of biodiesel and, in turn, palm oil which is used as feedstock.

(ii) Indonesia’s implementation of B50 mandate

On 1 July 2026, Indonesia raised its biodiesel mandate to B50 from B40.

As mentioned on page 5, under the mandate, diesel is required to be blended with a percentage of biofuel. [The percentage has risen from 30% \(under Indonesia’s B30 mandate\) in 2020 to 50% \(B50\) in July 2026.](#) Reuters cited the Indonesian Minister of Energy and Mineral Resources of Indonesia, Bahlil Lahadalia, in July 2026, as noting that [“Indonesia’s mandate to raise the biodiesel blend to 50% palm oil-based fuel from 40% will increase crude palm oil use to between 16.3 million and 17 million metric tons from 15.2 million tons”.](#)

Indonesian domestic palm oil consumption for biodiesel use exceeded that for food use in around June 2023, as illustrated in **Exhibit 4** on page 5. Indonesia’s B50 mandate is expected to further increase its local palm oil consumption for biodiesel use.

(iii) Supply disruption of competing vegetable oils

Rising prices of competing vegetable oils amid supply disruption may also raise demand for CPO.

Malaysian news site New Straits Times (“NST”) cited the Malaysian Palm Oil Council (“MPOC”) in August 2026 as noting that [“ongoing geopolitical disruptions are reshaping global vegetable oil trade flows.”](#) NST noted from MPOC, “Shipping through the Bab al-Mandeb Strait and the Red Sea has been disrupted, while traffic through the Strait of Hormuz has declined following the expiry of the 60-day ceasefire between the US and Iran on 17 August”. NST also noted from MPOC that downside risks to CPO price include “easing of Black Sea logistical bottlenecks” and “the arrival of new-crop sunflower oil supplies in the export market”.

[Commodities and petrochemical news site ChemAnalyst](#) noted in August 2026, [“Palm oil often follows movements in competing vegetable oils because buyers can switch between different feedstocks depending on relative prices, availability and demand. When soyoil prices rise, palm oil can become more competitive, encouraging traders to lift palm oil prices.”](#)

(iv) Global economic and population growth

Rising global economic and population growth may raise consumer products and food demand, hence derived demand for CPO.

(v) Rising preference for healthier edible oil

Alternatively, past a point, rising economic growth could spur consumers to be more health-conscious and reduce their demand for CPO-derived cooking oil.

As noted in our [Mewah initiation report \(dated 21 November 2025\)](#), according to Harvard Health Publishing, palm oil is “[50% saturated](#)”. Harvard Health Publishing noted in July 2024, “In general, the higher the saturated fat content, the more solid a fat is at room temperature.” Harvard Health Publishing added that while palm oil is “less saturated than butter and contains no trans fat”, “vegetable oils that are naturally liquid at room temperature, such as olive oil and canola oil, should still be” consumers’ “first choice.”

Consumers may consider [switching to oil with lower saturated fat content, such as canola oil and olive oil](#), as their per-capita income rises, thereby reducing derived demand for CPO.

(II) SUPPLY FACTORS

Supply factors include:

(i) Weather

Higher- or lower-than-optimal rainfall could reduce palm oil production.

As mentioned on page 3, BT reported in August 2026 that [“the price of palm oil futures have risen by around 17 per cent in the year to date,” partly “supported by tightening supply expectations from El Nino”](#).

Bloomberg (article as re-published on The Edge Malaysia) also reported in August 2026, [“Palm oil climbed to its highest level in about 20 months, as rising biofuel demand and mounting production risks from the strengthening El Niño underpin prices.”](#)

Bloomberg commented, “The El Niño weather pattern is known for bringing dryness to much of Southeast Asia, weighing on production of the tropical oil. The US Department of Agriculture forecast global palm oil reserves to fall to a nine-year low in the 2026-27 season.”

Heavy rainfall could also delay FFB processing after harvest, hence reduce FFB yield and CPO supply.

As mentioned on page 11, USDA noted in December 2025, [“Harvest-ready palm oil \(fruit bunches\) must be processed within 24 hours to achieve optimal yield performance.”](#) USDA added, “When disruptions to harvest operations occur” (e.g., heavy rainfall which may lead to localised flooding), “thus elongating the process time, yields are negatively impacted.”

(ii) Supply chain disruption

BT also reported in August 2026, [“analysts noted that supply chain disruptions linked to the Gulf crisis are driving up the cost of essential plantation inputs, such as fertiliser and diesel.”](#)

Supply chain disruptions could raise the price of oil palm plantation inputs, such that CPO producers may either allow for reduced FFB yield or pass down costs, which, in either case, would likely result in higher CPO prices.

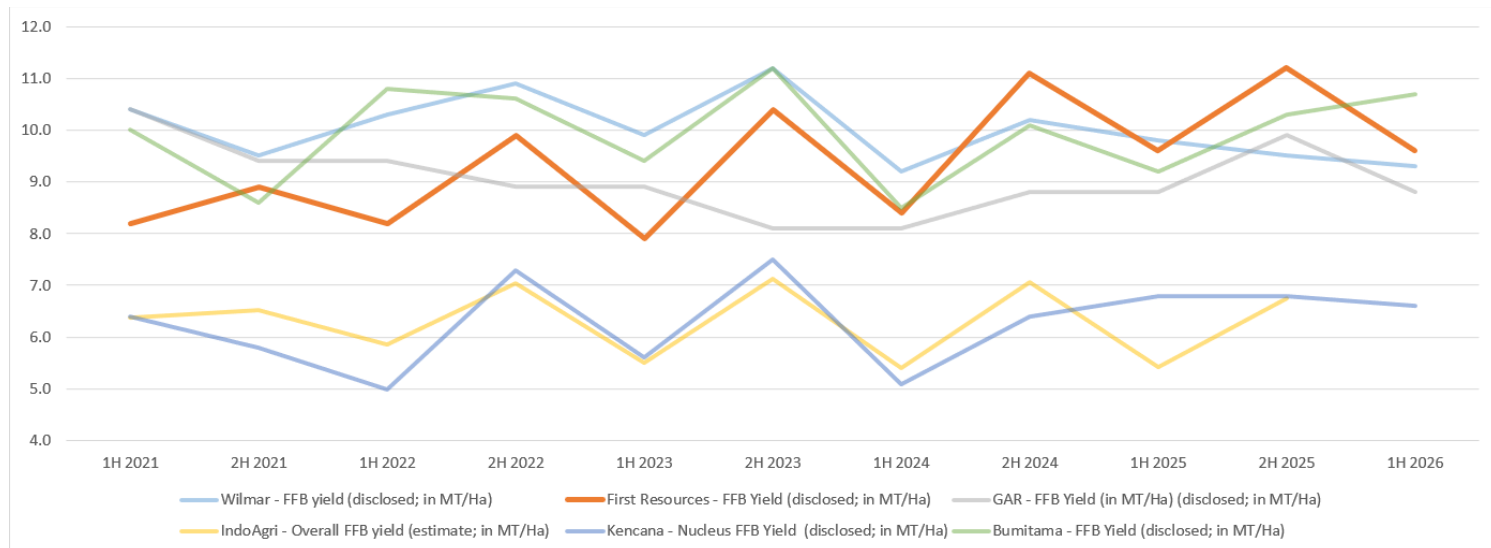
(iii) Oil palm replanting

Oil palm replanting by palm oil producers can increase FFB yield, hence FFB production and CPO supply.

For instance, as mentioned on page 15, First Resources noted in its AR for FY2025, [“By systematically replanting the existing oil palms with our proprietary high-yielding and fast-maturing seed clones, the Group has steadily managed the age profile of our plantations. As at 31 December 2025, 47% of our oil palms are within the prime production age of eight to 17 years, with a further 23% in the young and immature phase that will progressively enter maturity over the next few years. Reflecting this ongoing rejuvenation of our plantation base, the weighted average age of our oil palms declined from 14.2 years as at 31 December 2024 to 13.8 years as at 31 December 2025.”](#)

Accordingly, we note that while the FFB yields of most SGX-listed palm oil producers generally remained stable¹, the FFB yield of First Resources generally rose from 1H 2021 to 1H 2026, as shown in **Exhibit 22**².

Exhibit 22: Fresh Fruit Bunches Yield of SGX-Listed Palm Oil Producers (1H 2021 to 1H 2026)



Source: respective companies, FPA

(iv) Rise in oil palm planting

We consider that higher CPO prices could encourage other palm oil producing countries to produce more palm oil.

For instance, countries with vast land and similar tropical climates to Indonesia and Malaysia could allocate more land for palm oil production. Such countries could include those in West Africa, which GAPKI noted the [higher oil yielding oil palm species *Elaeis guineensis* is native to](#), as well as those in Central and South America, which GAPKI noted the other more commonly known oil palm species *Elaeis oleifera* is native to.

¹ Other SGX-listed palm oil producers may have also been replanting their oil palms. However, their FFB yields may have yet to reflect their efforts. For instance, as also mentioned on page 15, IndoAgri indicated in April/May 2026, [“We are currently in a replanting cycle using higher-yielding material. When we replant, there is a three-year immature phase with no production and another five to six years before the crop reaches peak production.”](#)

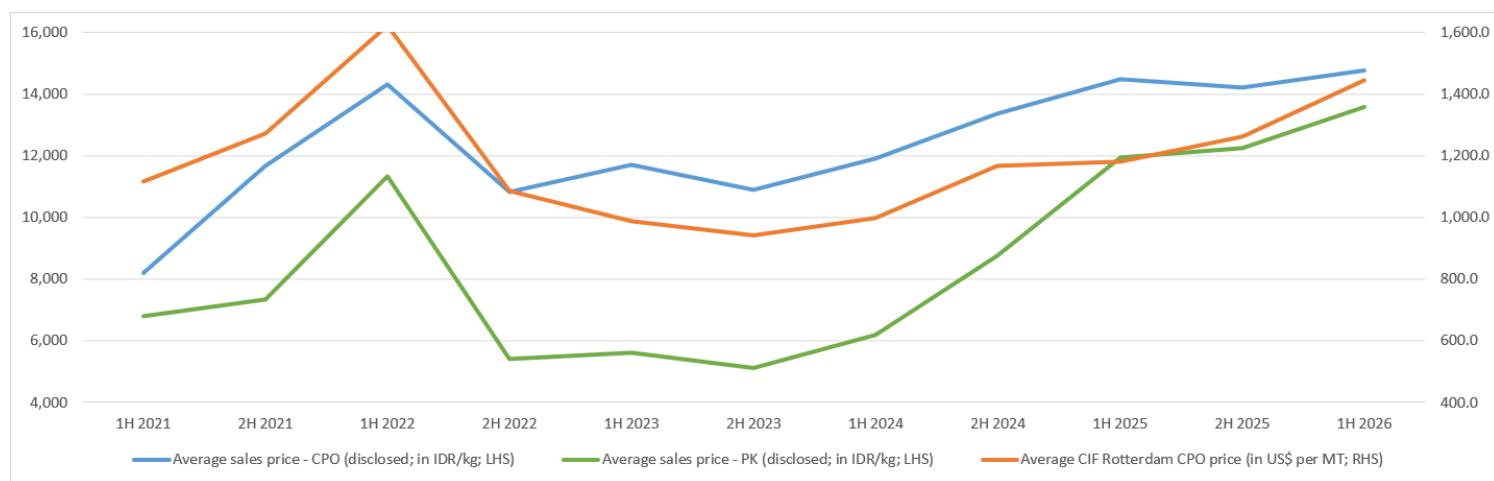
² Reproduction of **Exhibit 10**, as shown on page 13, but edited to emphasise First Resources' FFB yield.

IMPACT OF CPO PRICE ON SGX-LISTED PALM OIL-RELATED COMPANIES

In general, higher CPO prices may raise the Average Selling Prices (“ASPs”) of both CPO and PK, thus the respective revenues and gross or profit margins, of SGX-listed palm oil producers’ oil palm plantation-related (or upstream) segments.

For instance, Bumitama’s ASPs of CPO and PK trended with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 23**.

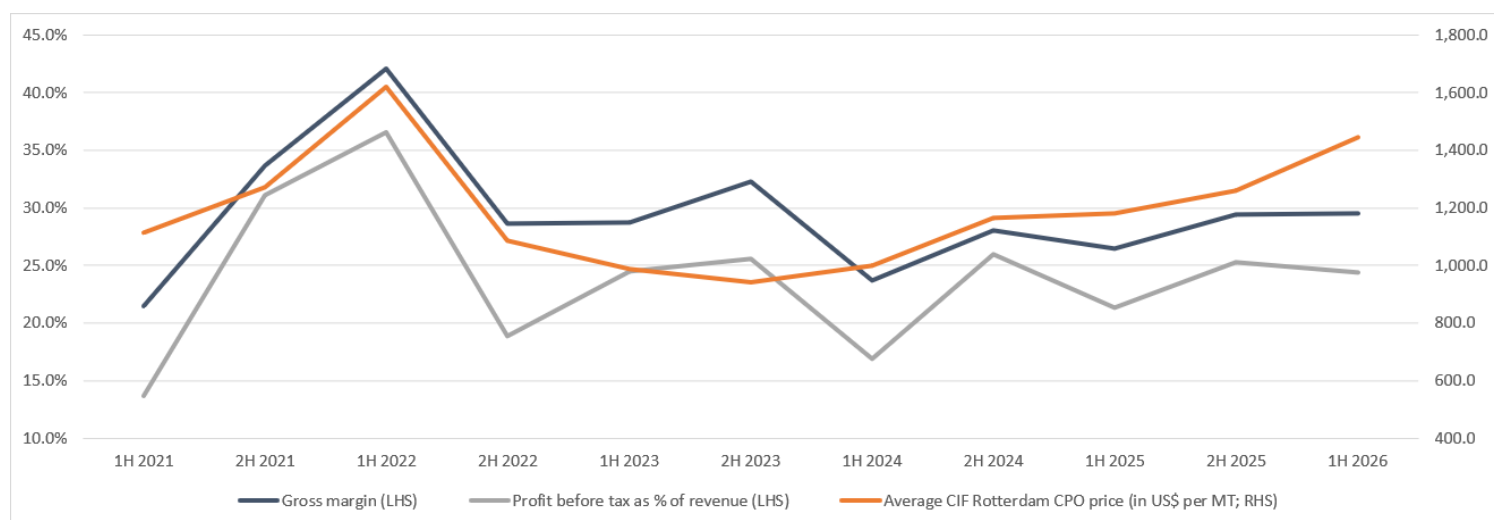
Exhibit 23: Bumitama’s CPO and PK ASPs vs Average CPO Price (1H 2021 to 1H 2026)



Source: Bumitama, M.P. Evans, FPA

Bumitama’s gross margin and profit before tax margin also trended with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 24**.

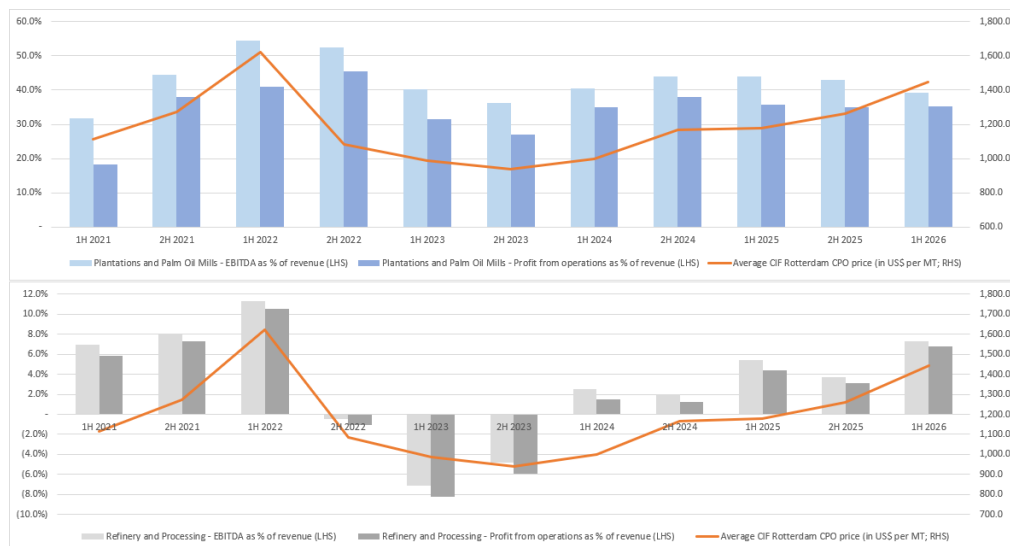
Exhibit 24: Bumitama’s Gross Margin and Profit Before Tax Margin vs Average CPO Price (1H 2021 to 1H 2026)



Source: Bumitama, M.P. Evans, FPA

Another example is First Resources, whose EBITDA and Profit from Operations margins of both the Plantations & Palm Oil Mills and Refinery & Processing segments trended with the average CIF Rotterdam CPO price over the same period, as shown in **Exhibit 25**.

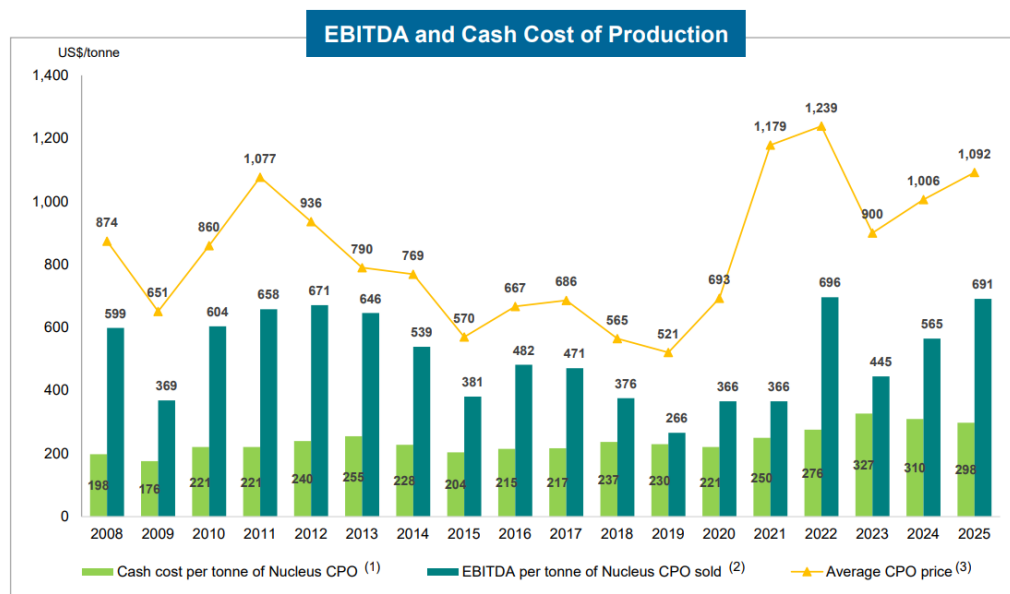
Exhibit 25: First Resources' EBITDA and Profit from Ops Margins of Segments vs Avg. CPO Price (1H 2021 to 1H 2026)



Source: First Resources, M.P. Evans, FPA

First Resources even illustrated in its slides for its Annual General Meeting ("AGM") held in April 2026 [how EBITDA per tonne of Nucleus CPO sold trended with average CPO price from 2008 to 2025](#), as shown in **Exhibit 26**.

Exhibit 26: First Resources' EBITDA Per Tonne of Nucleus CPO Sold vs Average CPO Price (2008 to 2025)



(1) Derived using total cash cost of producing nucleus CPO and PK (before selling and distribution expenses and general and administrative expenses), divided by the production volume of nucleus CPO

(2) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

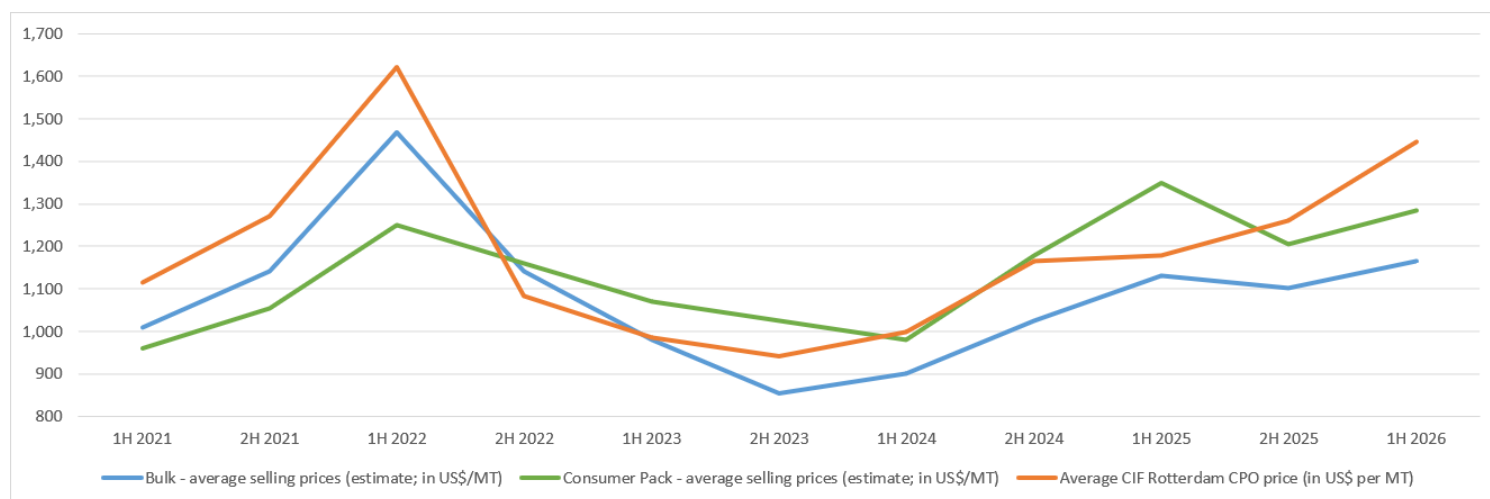
(3) Based on Indonesia FOB Crude Palm Oil spot price published by Refinitive Eikon

Source: First Resources

The ASPs or revenues of mid- and downstream segments may also rise with rising CPO prices.

For instance, the ASPs of Mewah's Bulk and Consumer Pack segments also trended with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 27**. Mewah noted in its AR for FY2025, "[Bulk segment produces and sells vegetable-based edible oil and fat products in bulk form primarily to distributors and factories involved in the production of confectionery, bakery products and other food items.](#)" Mewah also noted, "Our Consumer Pack segment offers a comprehensive portfolio of vegetable-based edible oils and specialty fats, produced in consumer-ready formats and marketed under both our own brands and those of third parties."

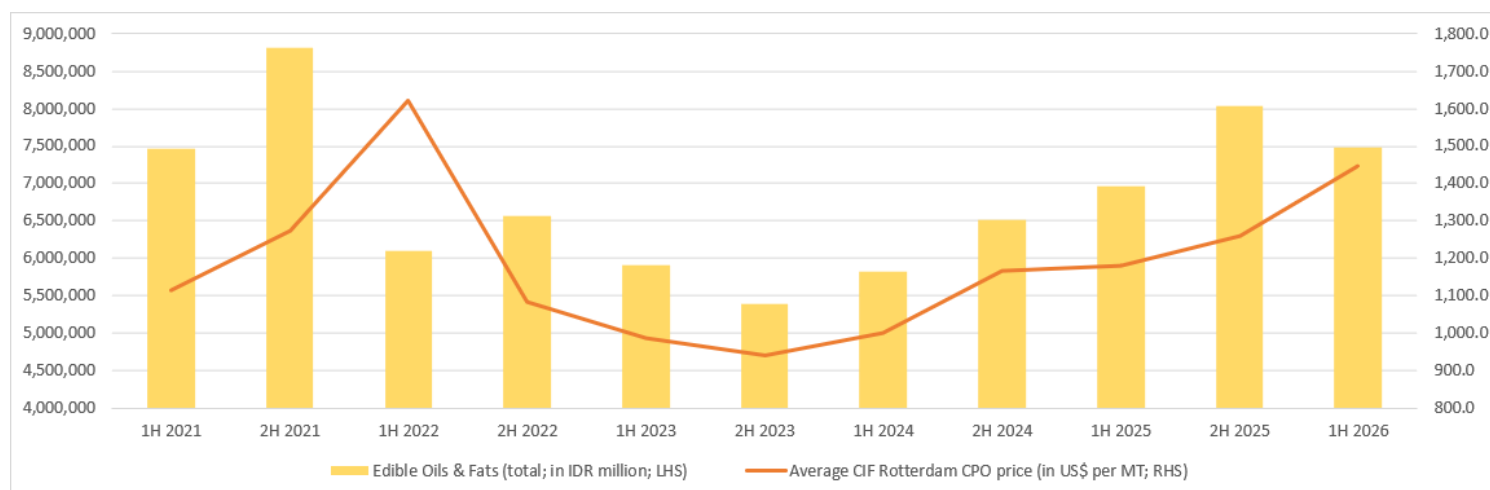
Exhibit 27: Mewah's Bulk and Consumer Pack ASPs vs Average CPO Price (1H 2021 to 1H 2026)



Source: Mewah, M.P. Evans, FPA

Another example is IndoAgri's Edible Oils & Fats ("EOF") segment, whose revenue trended too with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 28**. As noted by IndoAgri in its AR for FY2025, "[The Group's Edible Oils and Fats Division owns and operates five refineries across Indonesia to produce a wide range of branded cooking oils, margarine, shortening and specialty fats.](#)"

Exhibit 28: IndoAgri's Edible Oils & Fats Segment Revenue vs Average CPO Price (1H 2021 to 1H 2026)



Source: IndoAgri, M.P. Evans, FPA

The profit margins of mid- and downstream segments may not improve, though, even if their respective ASPs and revenues rise amid higher CPO prices. This may be seen in the case of Mewah, as shown in **Exhibit 29**...

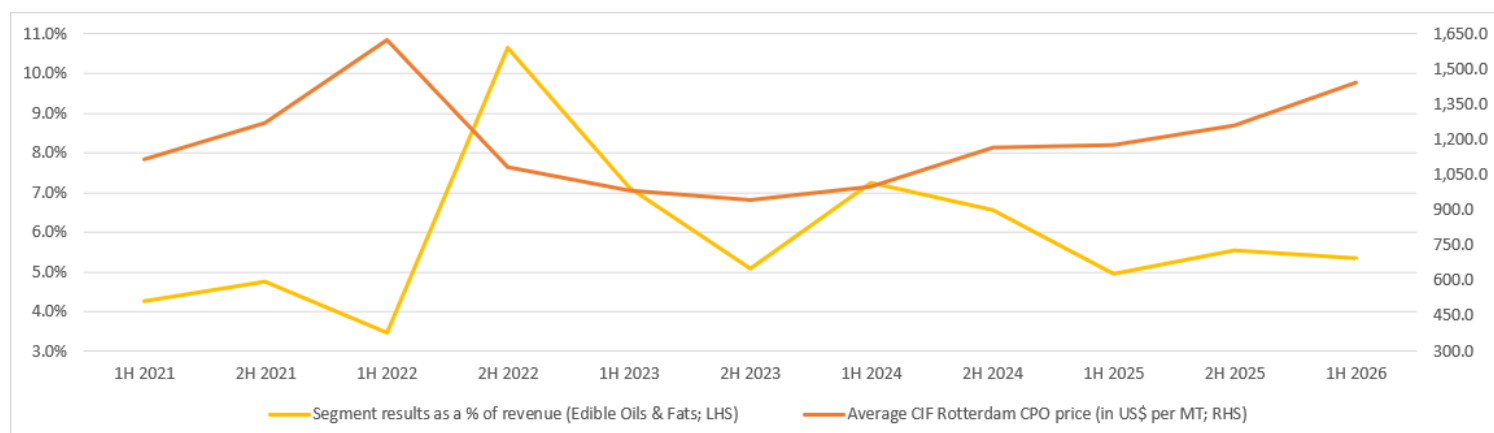
Exhibit 29: Mewah's Adj. EBITDA and Segment Results Margins vs Average CPO Price (1H 2021 to 1H 2026)



Source: Mewah, M.P. Evans, FPA

... and IndoAgri, as shown in **Exhibit 30**.

Exhibit 30: IndoAgri's Segment Results Margin of EOF Segment vs Average CPO Price (1H 2021 to 1H 2026)

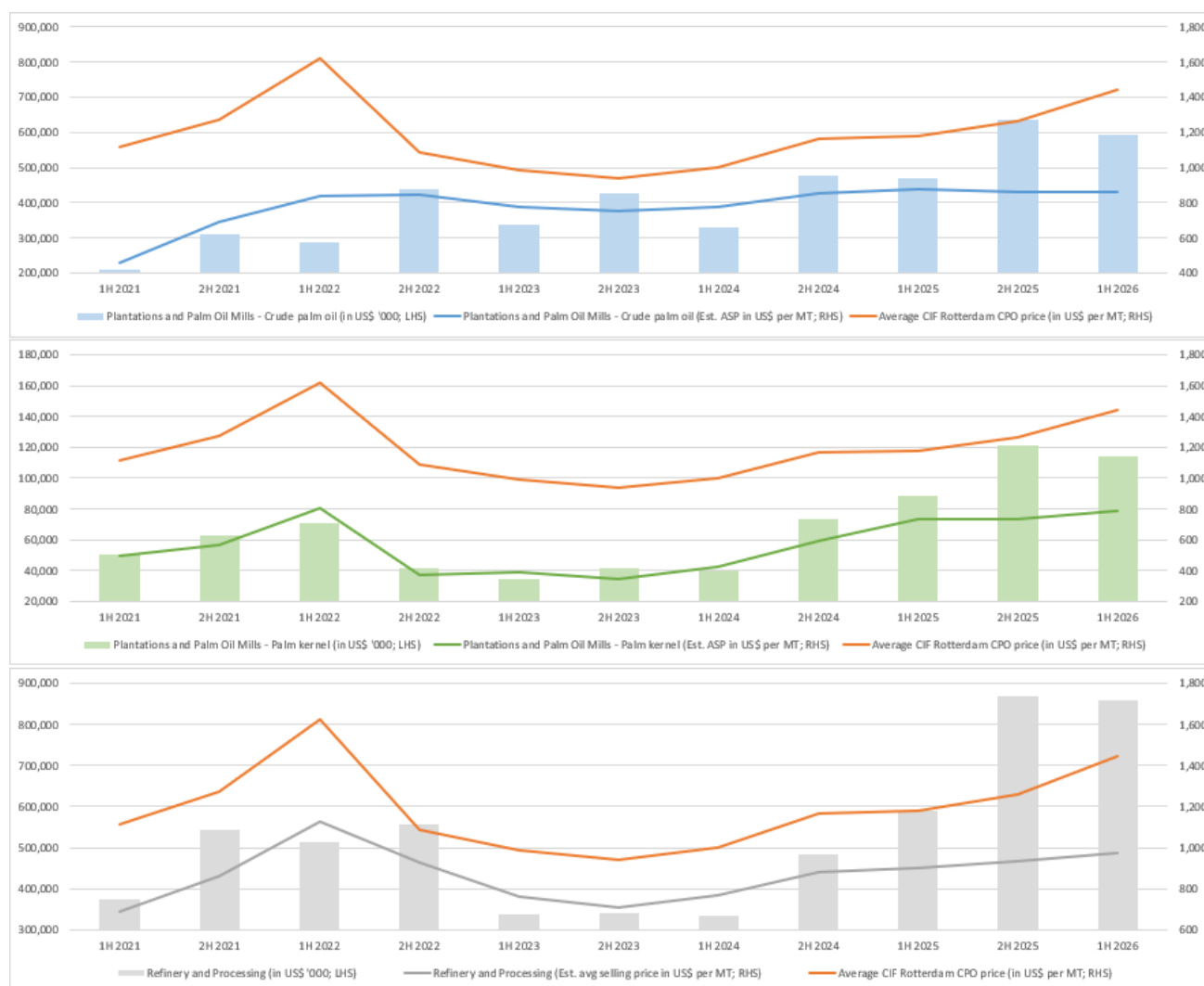


Source: IndoAgri, M.P. Evans, FPA

The impact of rising CPO prices on the revenues and margins of upstream segments may not always be clear too.

For instance, even though the ASPs of First Resources' PK subsegment and Refinery and Processing segment trended with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 31** (middle and bottom, respectively), the CPO subsegment's ASP seemed to remain stable when the average CIF Rotterdam CPO price rose from 2H 2024 to 1H 2026, as shown in **Exhibit 31** (top).

Exhibit 31: ASPs and Revenues of First Resources' CPO and PK Subsegments and Refinery & Processing Segment vs Average CPO Price (1H 2021 to 1H 2026)



Source: First Resources, M.P. Evans, FPA

First Resources noted in its AGM held in April 2026, "As part of our ongoing risk management policy, the Group may hedge up to a certain proportion of its forecast production through forward sales and other hedging arrangements. This provides downside price protection on hedged volumes, while retaining exposure to potential upside from higher crude palm oil ("CPO") prices on unhedged volumes."

First Resources also noted on risk management in April 2023, "In times when CPO prices are on a downward trend, the Group will benefit from the realisation of forward sales and lower export levies from the weakening market prices, and vice versa."

Another instance is GAR, whose Plantations & Palm Oil Mills segment's revenue and ASP did not seem to trend with the average CIF Rotterdam CPO price from 1H 2021 to 1H 2026, as shown in **Exhibit 32** (top), even though its EBITDA margin seemed to trend with average CPO price over the same period, as shown in **Exhibit 32** (bottom).

Exhibit 32: GAR's Plantations & Palm Oil Mills Revenue, ASP, and EBITDA Margin vs Average CPO Price (1H 2021 to 1H 2026)



Source: GAR, M.P. Evans, FPA

It might be worthwhile to note that, when asked on “how would higher CPO prices impact the Group’s overall profitability, particularly in terms of potential gains from the upstream segment versus possible margin compression in the downstream segment”, GAR’s Board [did not seem to directly address the question](#). The response of GAR’s Board is shown in **Exhibit 33**.

Exhibit 33: GAR’s Response to Shareholder Question (AGM held in April 2026)

Shareholder:

With the implementation of the B50 biodiesel mandate, CPO prices may increase due to stronger demand. Could the Board elaborate on whether the Group’s upstream production is sufficient to support its downstream operations, or whether the Group needs to procure additional palm oil products from third parties? In addition, [how would higher CPO prices impact the Group’s overall profitability, particularly in terms of potential gains from the upstream segment versus possible margin compression in the downstream segment?](#)

Company’s Response:

The Board explained that the B50 biodiesel mandate will drive higher domestic CPO consumption, which in turn supports stronger CPO prices. In Indonesia, mechanisms such as export levies, DMO (Domestic Market Obligations) requirements and “green certificates” are used to sustain the biodiesel programme and manage supply obligations. The export levy serves as a reserve fund to cover biofuel price differentials. Currently no differential exists given high crude oil prices. [As one of the largest industry players, the Group helps meet market needs and currently purchases about two-thirds to three-quarters of its downstream operation feedstock requirements from the market.](#)

Source: GAR (highlights by FPA)

Instead, GAR did note, “As one of the largest industry players, the Group helps meet market needs and currently purchases about two-thirds to three-quarters of its downstream operation feedstock requirements from the market.”

Accordingly, we note that GAR may incur higher input costs, which may contribute to, as we cite the shareholder, “possible margin compression in the downstream segment”.

Wilmar may have addressed more clearly the impact of higher CPO prices on its profitability.

Wilmar indicated in April 2024, [“Rising CPO prices benefit our upstream plantation business. But for our downstream consumer pack cooking oil business, this will result in higher input costs. For our midstream business, the impact of higher CPO prices is less direct as other factors will also need to be considered, such as, the relative demand and supply of palm oil against other substitute oils.”](#)

Wilmar also indicated in April 2022, [“While higher crude palm oil \(CPO\) prices will directly benefit our upstream plantations business, the impact on our midstream refining business will depend on various factors such as how well we manage the procurement of CPO, our ability to pass on higher costs to customers and availability of substitute oils. It is therefore difficult to precisely quantify the net impact. Nonetheless, we expect the benefit of higher CPO prices to more than offset the negative impact on our downstream operations.”](#)

Overall, we note that rising CPO prices are likely to benefit the upstream operations of SGX-listed palm oil-related companies, but the impact on mid- and downstream operations may not be as clear.

For reference, the ASPs and earnings margins of Wilmar and First Resources from 1H 2021 to 1H 2026, versus the average CIF Rotterdam CPO price in the same period, are shown in **Exhibit 34**.

Exhibit 34: ASPs and Earnings Margins of Wilmar and First Resources vs Average CPO Price (1H 2021 to 1H 2026)

(in respective units)	Actual (unless indicated as estimate)										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Average CIF Rotterdam CPO price (estimate; in US\$ per MT)	1,115.0	1,272.5	1,621.9	1,084.2	986.2	941.1	998.9	1,165.8	1,179.8	1,261.3	1,445.3
Wilmar											
Revenues and Average Selling Prices ("ASPs"):											
Plantation and Sugar Milling - Oil Palm Plantation (in US\$ '000)	1,018,625	1,416,461	1,728,913	1,712,467	1,421,310	1,061,367	946,175	1,129,378	1,106,784	1,223,958	1,135,808
Divide by: CPO production (MT)	850,556	891,247	868,620	1,000,641	810,726	937,541	729,900	777,474	748,354	766,732	715,828
Plantation and Sugar Milling - Oil Palm Plantation (Est. ASP in US\$ per MT)	1.198	1.589	1.990	1.711	1.753	1.132	1.296	1.453	1.479	1.596	1.587
Feed and Industrial Products - Tropical Oils (in US\$ '000)	10,509,828	13,708,802	14,057,260	13,218,999	11,015,308	11,414,766	10,580,441	12,927,894	12,902,129	14,147,111	13,215,868
Divide by: Feed and Industrial Products - Tropical Oils (in MT '000)	10,969	11,839	9,948	12,213	11,404	13,318	12,015	13,570	12,594	13,836	12,746
Feed and Industrial Products - Tropical Oils (Est. ASP in US\$ per MT)	958	1,158	1,413	1,082	966	857	881	953	1,024	1,022	1,037
Earnings margins:											
Profit before tax - Plantation and Sugar Milling (in US\$ '000)	163,952	400,099	435,789	133,531	62,930	437,219	53,880	215,263	202,007	154,458	137,710
Divide by: Plantation and Sugar Milling (total; in US\$ '000)	1,446,222	2,204,717	2,177,752	2,559,557	1,889,923	2,090,702	1,317,358	2,043,418	1,528,470	1,993,087	1,608,169
Profit before tax as a % of revenue (Plantation and Sugar Milling)	11.3%	18.1%	20.0%	5.2%	3.3%	20.9%	4.1%	10.5%	13.2%	7.7%	8.6%
Profit before tax - Food Products (in US\$ '000)	428,334	252,602	521,507	208,616	82,664	212,271	146,269	355,823	195,670	254,035	304,635
Divide by: Food Products (total; in US\$ '000)	13,645,391	15,862,759	15,915,593	15,600,783	14,168,173	14,158,281	13,660,235	15,169,107	14,321,708	16,564,085	19,363,325
Profit before tax as a % of revenue (Food Products)	3.1%	1.6%	3.3%	1.3%	0.6%	1.5%	1.1%	2.3%	1.4%	1.5%	1.6%
Profit before tax - Feed and Industrial Products (in US\$ '000)	478,831	782,195	503,047	1,056,399	398,959	527,740	534,044	295,440	381,649	479,350	591,013
Divide by: Feed and Industrial Products (total; in US\$ '000)	17,164,093	21,730,430	21,660,643	22,884,955	19,409,495	21,959,735	18,987,661	23,266,412	20,273,183	22,598,611	20,726,744
Profit before tax as a % of revenue (Feed and Industrial Products)	2.8%	3.6%	2.3%	4.6%	2.1%	2.4%	2.8%	1.3%	1.9%	2.1%	2.9%
First Resources											
Revenues and ASPs:											
Plantations and Palm Oil Mills - Crude palm oil (in US\$ '000)	210,334	311,911	287,954	437,390	338,777	428,231	328,748	475,282	469,303	636,743	594,066
Divide by: Plantations and Palm Oil Mills - Crude palm oil (incl. inter-segment; in MT)	457,848	453,391	344,087	518,932	436,076	568,285	424,611	558,585	537,817	740,774	690,728
Plantations and Palm Oil Mills - Crude palm oil (Est. ASP in US\$ per MT)	459	688	837	843	777	754	774	851	873	860	860
Plantations and Palm Oil Mills - Palm kernel (in US\$ '000)	50,738	62,547	70,957	41,306	34,314	41,818	39,378	73,607	88,272	120,961	114,209
Divide by: Plantations and Palm Oil Mills - Palm kernel (incl. inter-segment; in MT)	102,637	110,893	88,371	111,243	88,637	120,278	92,444	123,923	120,653	164,017	144,437
Plantations and Palm Oil Mills - Palm kernel (Est. ASP in US\$ per MT)	494	564	803	371	387	348	426	594	732	737	791
Refinery and Processing (in US\$ '000)	372,950	544,653	514,806	556,867	339,158	342,216	335,239	484,575	590,264	869,150	858,213
Divide by: Refinery and Processing (incl. inter-segment; in MT)	541,017	630,778	457,805	601,025	445,020	481,894	438,112	548,493	656,393	928,480	879,851
Refinery and Processing (Est. ASP in US\$ per MT)	689	863	1,125	927	762	710	765	883	899	936	975
Earnings margins:											
EBITDA - Plantations and Palm Oil Mills (in US\$ '000)	83,966	168,291	197,846	253,265	151,520	172,467	150,362	243,078	247,135	328,235	279,333
Divide by: Revenue - Plantations and Palm Oil Mills (total; in US\$ '000)	263,956	378,138	363,146	482,624	376,231	474,350	371,271	552,262	560,756	761,962	712,550
EBITDA as a % of revenue (Plantations and Palm Oil Mills)	31.8%	44.5%	54.5%	52.5%	40.3%	36.4%	40.5%	44.0%	44.1%	43.1%	39.2%
Profit from operations - Plantations and Palm Oil Mills (in US\$ '000)	48,446	143,657	148,668	219,072	118,845	128,532	129,692	209,510	199,796	267,073	250,702
Divide by: Revenue - Plantations and Palm Oil Mills (total; in US\$ '000)	263,956	378,138	363,146	482,624	376,231	474,350	371,271	552,262	560,756	761,962	712,550
Profit from operations as a % of revenue (Plantations and Palm Oil Mills)	18.4%	38.0%	40.9%	45.4%	31.6%	27.1%	34.9%	37.9%	35.6%	35.1%	35.2%
EBITDA - Refinery and Processing (in US\$ '000)	25,821	43,733	58,170	(2,475)	(24,022)	(16,607)	8,558	9,847	32,230	32,415	62,760
Divide by: Revenue - Refinery and Processing (external; in US\$ '000)	372,950	544,653	514,806	556,867	339,158	342,216	335,239	484,575	590,264	869,150	858,213
EBITDA as a % of revenue (Refinery and Processing)	6.9%	8.0%	11.3%	(0.4%)	(7.1%)	(4.9%)	2.6%	2.0%	5.5%	3.7%	7.3%
Profit from operations - Refinery and Processing (in US\$ '000)	21,842	39,937	54,343	(6,158)	(27,823)	(20,187)	4,885	5,830	25,930	26,913	58,318
Divide by: Revenue - Refinery and Processing (external; in US\$ '000)	372,950	544,653	514,806	556,867	339,158	342,216	335,239	484,575	590,264	869,150	858,213
Profit from operations as a % of revenue (Refinery and Processing)	5.9%	7.3%	10.6%	(1.1%)	(8.2%)	(5.9%)	1.5%	1.2%	4.4%	3.1%	6.8%

Source: M.P. Evans, respective companies, FPA

Meanwhile, the ASPs and earnings margins of GAR, IndoAgri, and Bumitama from 1H 2021 to 1H 2026, versus the average CIF Rotterdam CPO price in the same period, are shown in **Exhibit 35**.

Exhibit 35: ASPs and Earnings Margins of GAR, IndoAgri, and Bumitama vs Average CPO Price (1H 2021 to 1H 2026)

(in respective units)	Actual (unless indicated as estimate)										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Average CIF Rotterdam CPO price (estimate; in US\$ per MT)	1,115.0	1,272.5	1,621.9	1,084.2	986.2	941.1	998.9	1,165.8	1,179.8	1,261.3	1,445.3
GAR											
Revenues and ASP:											
Plantations and palm oil mills (total; in US\$ '000; LHS)	1,043,111	1,146,975	1,248,974	1,019,417	916,647	1,090,372	907,832	1,265,989	1,184,223	1,274,458	1,156,976
Divide by: Palm Product Output (in MT '000)	1,598	1,453	1,453	1,329	1,329	1,207	1,207	1,318	1,318	1,451	1,316
Plantations and palm oil mills (Est. ASP in US\$ per MT)	653	789	860	767	690	903	752	961	899	878	879
Palm laurics and others (external; in US\$ '000)	4,433,248	5,716,397	5,466,602	5,899,428	4,834,016	4,808,712	5,093,398	5,706,766	6,098,489	6,740,580	6,543,794
Earnings margins:											
EBITDA - Plantations and palm oil mills (in US\$ '000)	365,041	414,174	520,463	283,942	218,745	259,349	212,633	354,748	320,406	388,355	309,286
Divide by: Revenue - Plantations and palm oil mills (total; in US\$ '000)	1,043,111	1,146,975	1,248,974	1,019,417	916,647	1,090,372	907,832	1,265,989	1,184,223	1,274,458	1,156,976
EBITDA as a % of revenue (Plantations and palm oil mills)	35.0%	36.1%	41.7%	27.9%	23.9%	23.8%	23.4%	28.0%	27.1%	30.5%	26.7%
EBITDA - Palm, laurics and others (in US\$ '000)	158,406	275,948	287,748	734,226	258,454	248,721	281,771	252,602	245,685	304,798	246,536
Divide by: Revenue - Palm laurics and others (external; in US\$ '000)	4,433,248	5,716,397	5,466,602	5,899,428	4,834,016	4,808,712	5,093,398	5,706,766	6,098,489	6,740,580	6,543,794
EBITDA as a % of revenue (Palm, laurics and others)	3.6%	4.8%	5.3%	12.4%	5.3%	5.2%	5.5%	4.4%	4.0%	4.5%	3.8%
IndoAgri											
Revenues and ASPs:											
Plantations (Crude Palm Oil or "CPO"; in IDR million)	3,430,553	4,464,617	4,282,091	4,454,025	3,572,538	4,655,226	3,595,944	5,239,534	4,374,229	5,837,322	5,194,571
Divide by: CPO sales volume ('000 MT)	343	355	295	406	313	430	302	388	308	416	355
Average selling price - CPO (estimate; in IDR/kg)	10,002	12,576	14,516	10,971	11,414	10,826	11,907	13,504	14,202	14,032	14,633
CPO ASP (disclosed; in IDR/kg)	10,002	12,580	14,519	10,950	11,408	10,834	11,897	13,516	14,213	14,018	14,615
Plantations (Palm Kernel or "PK", and related products; in IDR million)	582,628	581,365	664,086	658,763	464,681	534,029	430,094	805,697	914,573	1,175,225	990,500
Divide by: PK sales volume ('000 MT)	84	78	62	104	83	101	70	89	74	97	76
Average selling price - PK (estimate; in IDR per kg)	6,936	7,453	10,711	6,334	5,599	5,287	6,144	9,053	12,359	12,116	13,033
PK ASP (disclosed; in IDR/kg)	6,705	7,377	11,576	5,603	5,539	5,010	6,309	9,130	11,852	11,963	13,091
Edible Oils & Fats (total; in IDR million; LHS)	7,464,976	8,811,464	6,108,303	6,570,897	5,917,138	5,397,359	5,828,437	6,510,952	6,964,853	8,031,086	7,476,924
Earnings margins:											
Segment results - Plantations (in IDR million)	918,648	1,751,887	1,291,124	801,375	221,779	1,150,516	745,495	2,026,515	1,037,908	1,927,996	1,243,294
Divide by: Revenue - Plantations (total; in IDR million)	4,622,731	5,938,621	5,654,725	6,072,585	4,678,500	6,170,335	4,653,341	7,303,781	6,142,588	8,317,231	7,064,982
Segment results as a % of revenue (Plantations)	19.9%	29.5%	22.8%	13.2%	4.7%	18.6%	16.0%	27.7%	16.9%	23.2%	17.6%
Segment results - Edible Oils & Fats (in IDR million)	197,503	283,089	195,976	646,251	333,546	313,749	337,794	479,208	305,119	461,256	377,207
Divide by: Revenue - Edible Oils & Fats (total; in IDR million)	7,464,976	8,811,464	6,108,303	6,570,897	5,917,138	5,397,359	5,828,437	6,510,952	6,964,853	8,031,086	7,476,924
Segment results as a % of revenue (Edible Oils & Fats)	2.6%	3.2%	3.2%	9.8%	5.6%	5.8%	5.8%	7.4%	4.4%	5.7%	5.0%
Bumitama (likely only upstream)											
Revenues and ASPs:											
Revenue - CPO (in IDR million)	4,661,177	5,988,924	7,612,303	6,179,812	6,882,578	7,219,104	6,896,769	7,987,957	8,324,438	8,554,494	10,265,009
Divide by: Sales volume - CPO (in MT)	568,358	512,610	531,317	570,406	587,251	662,590	578,529	597,081	574,386	601,430	696,060
Average sales price - CPO (estimate; in IDR/kg)	8,201	11,683	14,327	10,834	11,720	10,895	11,921	13,378	14,493	14,224	14,747
Average sales price - CPO (disclosed; in IDR/kg)	8,201	11,683	14,327	10,834	11,720	10,895	11,921	13,378	14,493	14,224	14,747
Revenue - PK (in IDR million)	777,018	821,511	1,356,044	681,122	613,347	727,864	703,360	1,143,953	1,418,275	1,654,236	1,818,718
Divide by: Sales volume - PK (in MT)	114,423	111,891	119,686	126,212	109,382	142,138	113,421	130,769	118,864	135,209	133,958
Average sales price - PK (estimate; in IDR/kg)	6,791	7,342	11,330	5,397	5,607	5,121	6,201	8,748	11,932	12,235	13,577
Average sales price - PK (disclosed; in IDR/kg)	6,791	7,342	11,330	5,397	5,607	5,121	6,201	8,748	11,932	12,235	13,577
Earnings margins:											
Gross profit (in IDR million)	1,164,834	2,291,821	3,772,241	1,960,614	2,153,667	2,564,985	1,799,365	2,557,334	2,572,728	3,005,589	3,562,283
Divide by: Revenue - Revenue (in IDR million)	5,438,195	6,810,435	8,968,347	6,860,934	7,495,925	7,946,968	7,600,129	9,131,910	9,742,713	10,208,730	12,083,727
Gross margin	21.4%	33.7%	42.1%	28.6%	28.7%	32.3%	23.7%	28.0%	26.4%	29.4%	29.5%
Profit before taxation (in IDR million)	744,658	2,118,929	3,278,910	1,291,667	1,834,101	2,027,795	1,279,603	2,369,751	2,080,602	2,579,828	2,951,473
Divide by: Revenue - Revenue (in IDR million)	5,438,195	6,810,435	8,968,347	6,860,934	7,495,925	7,946,968	7,600,129	9,131,910	9,742,713	10,208,730	12,083,727
Profit before tax as % of revenue	13.7%	31.1%	36.6%	18.8%	24.5%	25.5%	16.8%	26.0%	21.4%	25.3%	24.4%

Source: M.P. Evans, respective companies, FPA

The ASPs and earnings margins of TSH, Kencana, and Mewah from 1H 2021 to 1H 2026, versus the average CIF Rotterdam CPO price in the same period, are shown in **Exhibit 36**.

Exhibit 36: ASPs and Earnings Margins of TSH, Kencana, and Mewah vs Average CPO Price (1H 2021 to 1H 2026)

(in respective units)	Actual (unless indicated as estimate)										
	1H 2021	2H 2021	1H 2022	2H 2022	1H 2023	2H 2023	1H 2024	2H 2024	1H 2025	2H 2025	1H 2026
Average CIF Rotterdam CPO price (estimate; in US\$ per MT)	1,115.0	1,272.5	1,621.9	1,084.2	986.2	941.1	998.9	1,165.8	1,179.8	1,261.3	1,445.3
TSH (likely mainly upstream)											
ASPs:											
ASPs - CPO (in RM/MT; disclosed for 1H, est. for 2H)	3,242	3,898	4,941	3,259	3,523	3,363	3,645	3,951	3,932	3,726	3,556
ASPs - PK (in RM/MT; disclosed for 1H, est. for 2H)	2,204	2,522	3,586	1,750	1,778	1,676	2,088	2,712	3,261	3,137	3,175
Earnings margins:											
Segment operating profit/(loss) - Palm Products (in RM '000)	136,919	149,178	172,307	129,517	101,906	124,343	105,419	147,505	161,779	163,517	146,815
Divide by: Revenue - Revenue - Palm Products (in RM '000)	509,737	584,806	708,915	493,123	473,633	524,447	467,700	498,814	517,586	492,795	440,286
Segment operating profit/(loss) as a % of revenue (Palm Products)	26.9%	25.5%	24.3%	26.3%	21.5%	23.7%	22.5%	29.6%	31.3%	33.2%	33.3%
Profit before tax (in RM '000)	103,693	150,391	196,315	360,982	81,728	116,109	70,973	148,897	150,012	152,269	129,020
Divide by: Revenue - Revenue (in RM '000)	551,495	637,424	761,762	544,237	506,868	559,648	494,905	524,902	544,105	518,069	456,178
Profit before tax as % of total revenue	18.8%	23.6%	25.8%	66.3%	16.1%	20.7%	14.3%	28.4%	27.6%	29.4%	28.3%
Kencana (likely mainly upstream)											
Revenue and ASP:											
Revenue (in US\$ '000)	63,835	64,619	68,969	83,572	61,775	74,591	54,531	99,203	87,148	111,504	110,804
Divide by: CPO sales volume (in MT)	85,718	66,283	57,974	107,795	68,565	106,033	69,139	104,184	88,274	124,301	111,408
Average sales price - CPO (estimate; in IDR/kg)	745	975	1,190	775	901	703	789	952	987	897	995
Earnings margins:											
Gross profit (in US\$ '000)	22,616	18,549	23,131	20,464	9,908	16,510	14,317	29,020	28,211	27,443	32,083
Divide by: Revenue - Revenue (in US\$ '000)	63,835	64,619	68,969	83,572	61,775	74,591	54,531	99,203	87,148	111,504	110,804
Gross margin	35.4%	28.7%	33.5%	24.5%	16.0%	22.1%	26.3%	29.3%	32.4%	24.6%	29.0%
Profit before tax (in US\$ '000)	13,271	11,944	6,003	(2,978)	392	(1,202)	2,213	20,512	13,132	11,644	18,860
Divide by: Revenue - Revenue (in US\$ '000)	63,835	64,619	68,969	83,572	61,775	74,591	54,531	99,203	87,148	111,504	110,804
Profit before tax as % of revenue	20.8%	18.5%	8.7%	(3.6%)	0.6%	(1.6%)	4.1%	20.7%	15.1%	10.4%	17.0%
Mewah (mainly mid/downstream)											
Revenues and ASPs:											
Bulk (total; in US\$ '000)	1,586,862	1,673,700	2,082,815	1,945,618	1,484,365	1,402,467	1,314,807	2,203,674	2,244,972	2,302,017	2,218,058
Divide by: Bulk - sales volume (in MT '000)	1,572	1,466	1,418	1,706	1,516	1,640	1,458	2,149	1,986	2,089	1,903
Bulk - average selling prices (estimate; in US\$/MT)	1,010	1,142	1,469	1,140	979	855	902	1,025	1,130	1,102	1,165
Consumer Pack (total; in US\$ '000)	530,453	557,803	619,762	780,333	651,447	585,517	594,995	668,500	743,747	686,610	593,229
Divide by: Consumer Pack - sales volume (in MT '000)	553	529	496	673	608	571	607	567	551	569	462
Consumer Pack - average selling prices (estimate; in US\$/MT)	959	1,054	1,249	1,160	1,071	1,026	981	1,178	1,350	1,206	1,285
Earnings margins:											
Adjusted EBITDA - Bulk (total; in US\$ '000)	45,398	73,514	34,135	138,889	22,823	40,890	29,485	30,729	64,079	65,538	60,249
Divide by: Revenue - Bulk (total; in US\$ '000)	1,586,862	1,673,700	2,082,815	1,945,618	1,484,365	1,402,467	1,314,807	2,203,674	2,244,972	2,302,017	2,218,058
Adjusted EBITDA as a % of revenue (Bulk)	2.9%	4.4%	1.6%	7.1%	1.5%	2.9%	2.2%	1.4%	2.9%	2.8%	2.7%
Segment results - Bulk (total; in US\$ '000)	31,518	61,755	21,239	115,935	5,212	23,210	13,532	9,220	38,791	38,668	36,135
Divide by: Revenue - Bulk (total; in US\$ '000)	1,586,862	1,673,700	2,082,815	1,945,618	1,484,365	1,402,467	1,314,807	2,203,674	2,244,972	2,302,017	2,218,058
Segment results as a % of revenue (Bulk)	2.0%	3.7%	1.0%	6.0%	0.4%	1.7%	1.0%	0.4%	1.7%	1.7%	1.6%
Adjusted EBITDA - Consumer Pack (total; in US\$ '000)	6,860	27,695	613	35,473	17,697	30,599	23,274	34,527	29,997	17,699	155
Divide by: Revenue - Consumer Pack (total; in US\$ '000)	530,453	557,803	619,762	780,333	651,447	585,517	594,995	668,500	743,747	686,610	593,229
Adjusted EBITDA as a % of revenue (Consumer Pack)	1.3%	5.0%	0.1%	4.5%	2.7%	5.2%	3.9%	5.2%	4.0%	2.6%	0.0%
Segment results - Consumer Pack (total; in US\$ '000)	1,110	15,389	(6,601)	11,533	6,814	19,878	9,294	14,057	15,608	(17,702)	(12,469)
Divide by: Revenue - Consumer Pack (total; in US\$ '000)	530,453	557,803	619,762	780,333	651,447	585,517	594,995	668,500	743,747	686,610	593,229
Segment results as a % of revenue (Consumer Pack)	0.2%	2.8%	(1.1%)	1.5%	1.0%	3.4%	1.6%	2.1%	2.1%	(2.6%)	(2.1%)

Note: TSH's ASPs of CPO and PK estimated for 2H by [(ASP for full FY × sales volume for full FY - ASP for 1H × sales volume for 1H) ÷ sales volume for 2H] where sales volume data is available, else by [ASP for full FY × 2 - ASP for 1H] which assumes equal sales volume for 1H and 2H of the given FY. Kencana's ASP of CPO estimated by assuming 100.0% of revenue was from sales of CPO.

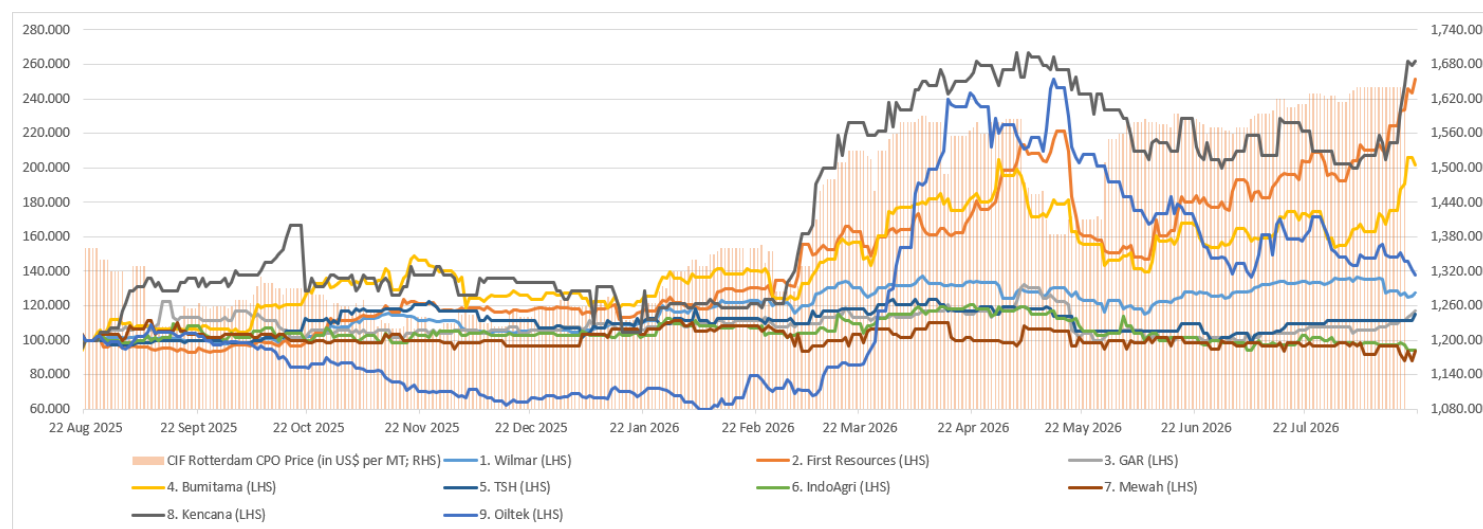
Source: M.P. Evans, respective companies, FPA

VALUATION OF SGX-LISTED PALM OIL-RELATED COMPANIES

Having covered some background on the palm oil industry, we now turn our attention to the valuation of SGX-listed palm oil-related companies.

Amid an increase in the CIF Rotterdam CPO price, the share prices of SGX-listed palm oil-related companies have risen by up to 161.9% over the last twelve months, as shown in **Exhibit 37**.

Exhibit 37: Share Price Performance of SGX-Listed Palm Oil-Related Companies vs CPO Price (22 Aug 2025 = 100.00)



Source: Yahoo! Finance, M.P. Evans, FPA

The valuation metrics of SGX-listed palm oil-related companies as at 21 August 2026 are shown in **Exhibit 38**.

Exhibit 38: Valuation Metrics of SGX-Listed Palm Oil-Related Companies (As at 21 August 2026)

Company	Stock Symbol	Price as at 21 Aug '26	Market Cap (\$ million)	Diluted EPS (cents)	P/E	DPS (cents)	Dividend Yield (%)	NAV per share (\$)	P/B
Wilmar International ("Wilmar")	F34	3.710	23,161.5	29.25	12.7 x	15.00	4.04%	4.59	0.81 x
First Resources	EB5	4.420	6,842.8	36.43	12.1 x	18.20	4.12%	1.28	3.46 x
Golden Agri-Resources ("GAR")	E5H	0.310	3,931.3	4.13	7.5 x	0.95	3.07%	0.59	0.53 x
Bumitama Agri ("Bumitama")	P8Z	2.140	3,711.1	14.76	14.5 x	9.82	4.59%	0.65	3.30 x
TSH Resources Berhad ("TSH")	TSH	0.415	512.4	3.95	10.5 x	1.61	3.88%	0.46	0.90 x
Indofood Agri Resources ("IndoAgri")	5JS	0.340	474.6	7.59	4.5 x	1.20	3.53%	0.83	0.41 x
Mewah International Inc. ("Mewah")	MV4	0.280	420.2	2.37	11.8 x	0.76	2.71%	0.78	0.36 x
Kencana Agri Limited ("Kencana")	BNE	0.550	157.9	9.14	6.0 x	1.50	2.73%	0.28	1.98 x
Industry average					10.0 x		3.58%		1.47 x

Excluded from industry average:

Oiltex International Limited ("Oiltex") HQU 1.390 596.3 2.27 61.4 x 1.20 0.86% 0.08 18.20 x

Note: Market capitalisation based on [share price × total issued shares excluding treasury shares (most recent source)]. Diluted Earnings Per Share ("EPS") and Dividend Per Share ("DPS") based on Trailing Twelve-Month ("TTM") of most recent financials. TTM EPS converted to SGD using the respective average SGD-to-IDR or USD-to-SGD exchange rates (based on Yahoo! Finance data) for each reference period that the EPS was extracted. NAV per share based on last disclosed figures, and converted to SGD using the respective end-of-period exchange rates for each respective period that the NAV per share figure was extracted. [SGD-to-IDR exchange rate of 13,806 used by IndoAgri to convert its NAV per share \(as at 30 June 2026\) to SGD](#) was also used for converting Bumitama's NAV per share (as at 30 June 2026) to SGD.

Source: SGX Stock Screener, Yahoo! Finance (exchange rates), respective companies, FPA

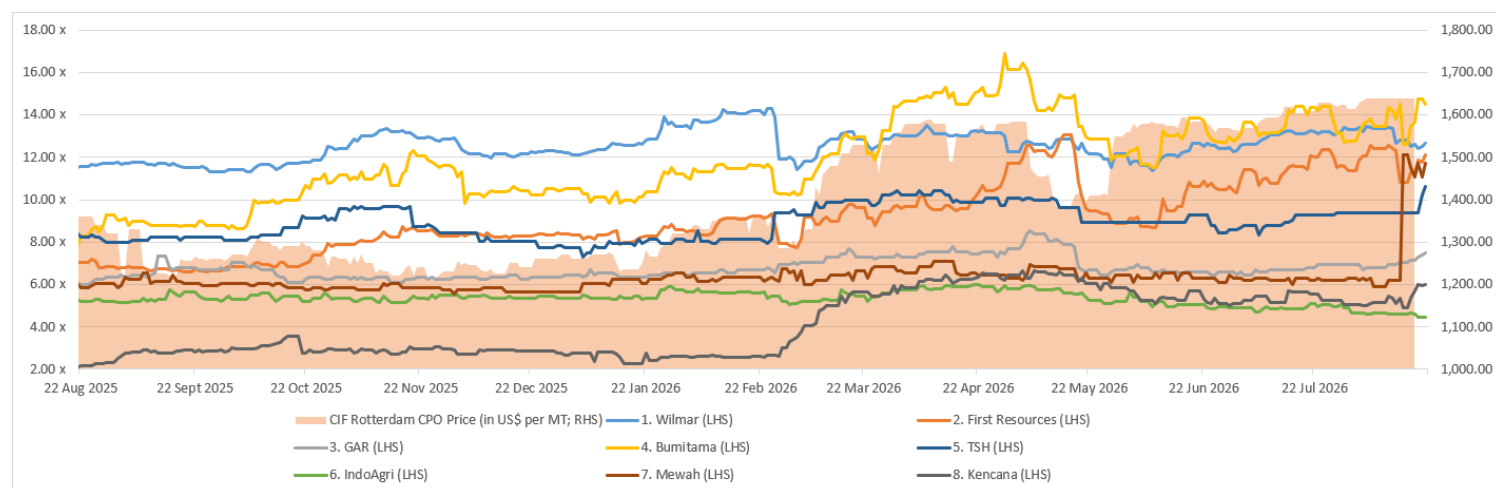
As mentioned on page 8, unlike other SGX-listed palm oil-related companies we have identified, Oiltek may not directly deal with CPO (e.g., through producing CPO, or processing or refining CPO to produce downstream products). Thus, we exclude Oiltek from our following discussion on each selected valuation metric.

(I) P/E MULTIPLE

Based on **Exhibit 38** (on page 37), the industry average P/E multiple is 10.0x as at 21 August 2026.

P/E multiples of most SGX-listed palm oil-related companies generally remained stable over the last twelve months, although some rose and thereafter fell in line with changes in the CIF Rotterdam CPO price, as may be seen in **Exhibit 39**.

Exhibit 39: P/E Multiples of SGX-Listed Palm Oil-Related Companies vs CPO Price (22 August 2025 to 21 August 2026)



Source: Yahoo! Finance, M.P. Evans, respective companies, FPA

We note that, over the last twelve months, the P/E multiples of Wilmar and Bumitama generally remained above those of First Resources and TSH—which, in turn, generally remained above those of GAR, Mewah, IndoAgri, and Kencana.

(II) P/B MULTIPLE

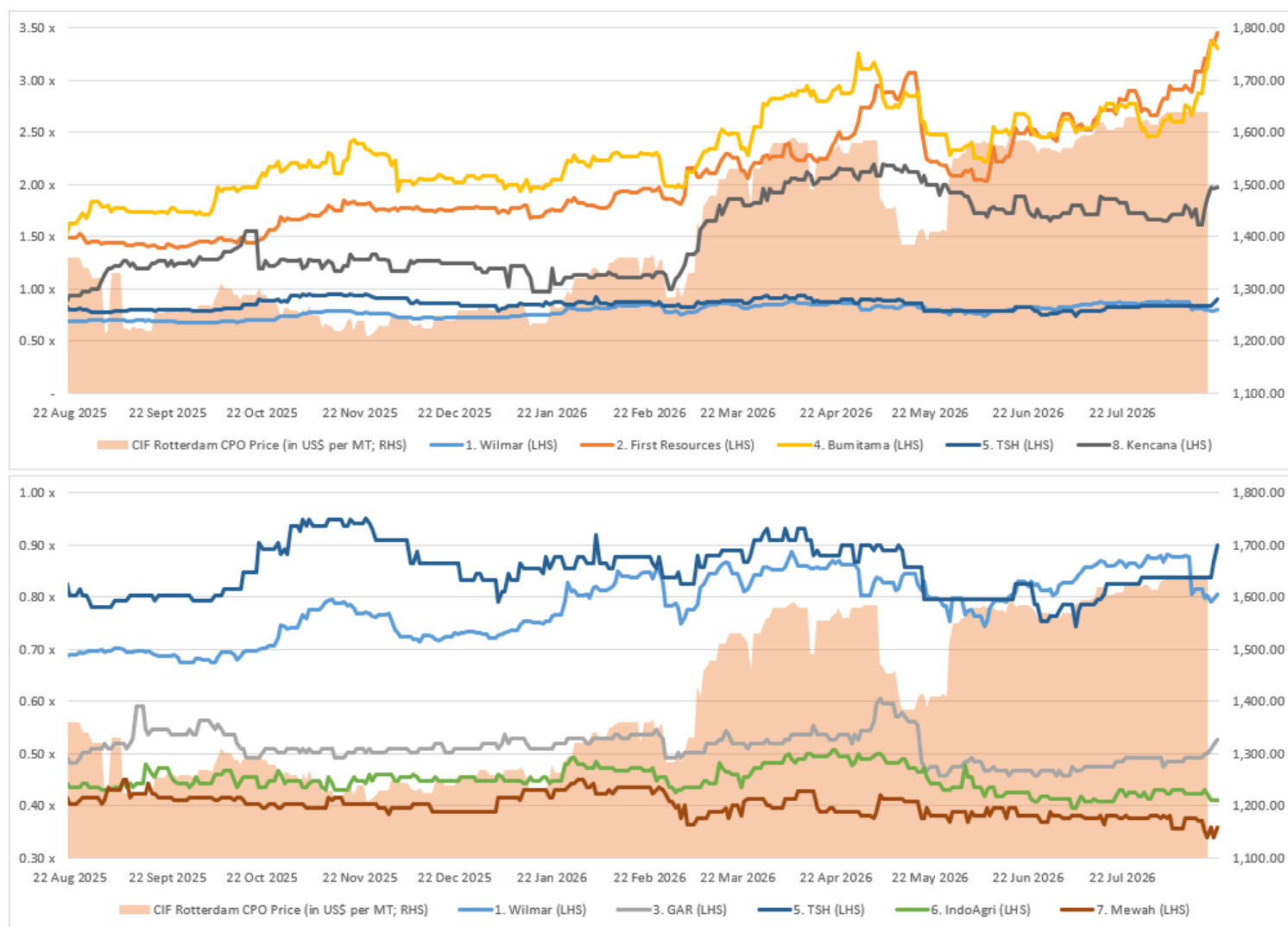
Perhaps more interesting are the P/B multiples of SGX-listed palm oil-related companies, of which some companies have commented on their own P/B multiples during their respective AGMs.

Based on **Exhibit 38** (on page 37), the industry average P/B multiple is 1.47x as at 21 August 2026.

Over the last twelve months, the P/B multiples of First Resources and Bumitama rose to near 3.50x as at 21 August 2026 from around 1.50x as at 22 August 2025, amid generally rising CIF Rotterdam CPO price, as may be seen in **Exhibit 40** (top). The P/B multiple of Kencana Agri also rose to around 2.00x from near 1.00x, as may be seen in **Exhibit 40** (top).

In contrast, the P/B multiples of Wilmar and TSH remained between 0.67x and 0.94x, as may be seen in **Exhibit 40** (top & bottom), while the P/B multiples of GAR (as well as IndoAgri and Mewah) mostly remained below 0.60x (0.50x), as may be seen in **Exhibit 40** (bottom).

Exhibit 40: P/B Multiples of SGX-Listed Palm Oil-Related Companies vs CPO Price (22 August 2025 to 21 August 2026)

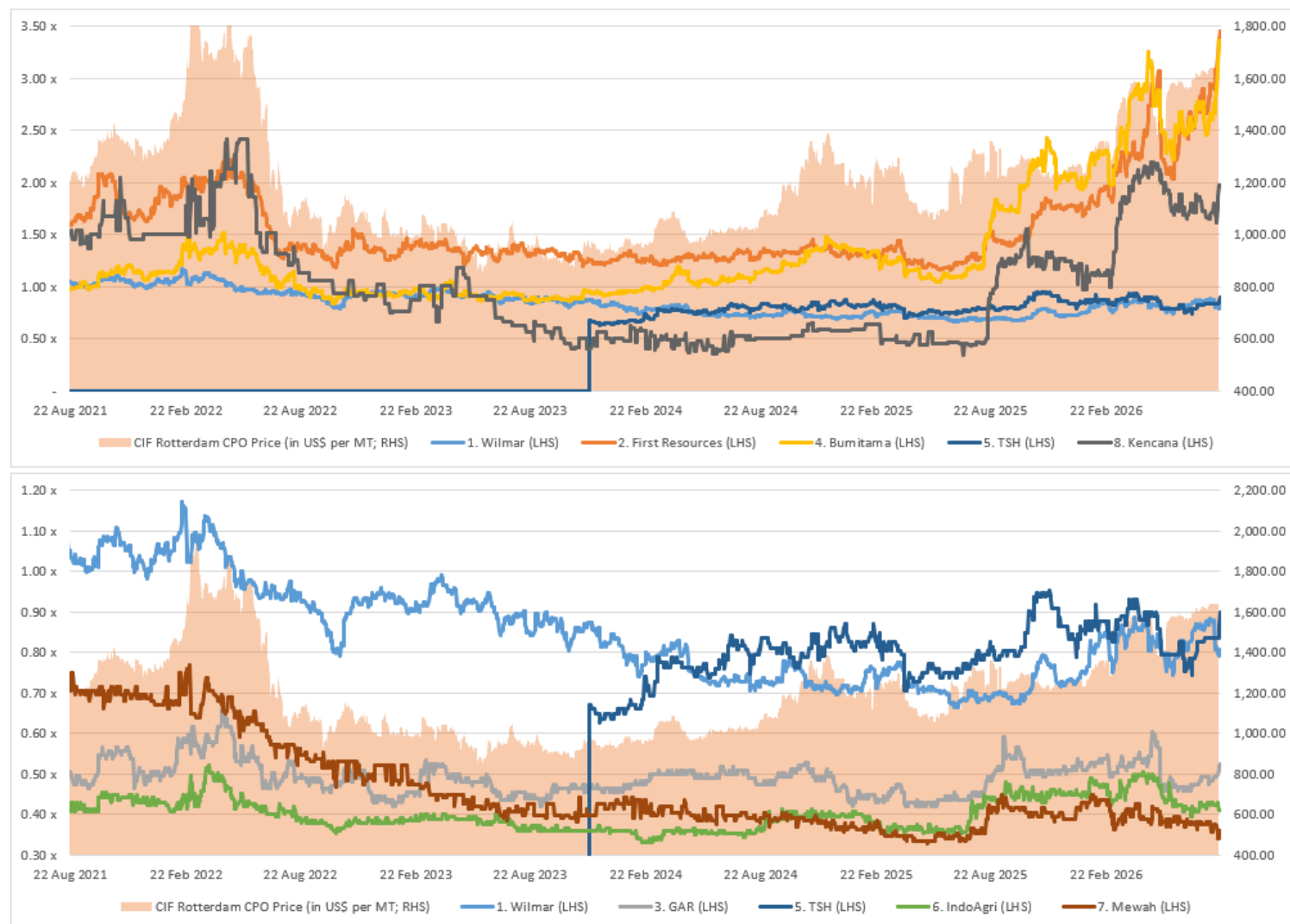


Source: Yahoo! Finance, M.P. Evans, respective companies, FPA

We note that, over the past five years, the P/B multiples of First Resources, Bumitama, and Kencana also trended with the CIF Rotterdam CPO price, as illustrated in **Exhibit 41** (top).

In contrast, the P/B multiples of Wilmar, TSH, Mewah, GAR, and IndoAgri did not seem to trend with the CIF Rotterdam CPO price, as illustrated in **Exhibit 41** (top & bottom for Wilmar and TSH; bottom only for the rest). Instead, the P/B multiples of Wilmar and Mewah fell to 0.81x and 0.36x as at 21 August 2026, respectively, from 1.05x and 0.72x as at 22 August 2021.

Exhibit 41: P/B Multiples of SGX-Listed Palm Oil-Related Companies vs CPO Price (22 August 2021 to 21 August 2026)



Note: As mentioned on page 7, [the secondary listing of TSH on SGX was completed on 26 September 2023; TSH's primary listing is on Bursa Malaysia](#). Accordingly, there is no SGX share price (nor P/B multiple) data for TSH prior to its secondary listing on 26 September 2023.

Source: Yahoo! Finance, M.P. Evans, respective companies, FPA

Wilmar (P/B multiple of **0.81x** as at 21 August 2026, as shown in **Exhibit 38** on page 37) commented on its share price valuation in its [Responses to Questions Received After 7 April 2025](#), “Our share price while depressed, did not do too badly compared to other listed global and regional agri companies. It also does not reflect the true value of the company. For example, the market capitalisation of our Chinese subsidiary, Yihai Kerry Arawana is about USD23.6b, our 90% share is worth about USD21.2b. Our Indian associate, AWL Agri Business’ market capitalisation is about USD4.3b, and our 44% share is worth about USD1.9b. The total value of our shares in these two companies alone is USD23.1b while Wilmar’s market capitalisation is USD15.3b. This means even if Wilmar’s substantial assets in the rest of the world is worthless, our Chinese subsidiary and Indian associate alone are worth more than Wilmar’s market cap.”

Wilmar also commented, “The low share price is partly due to a lack of understanding of our business model and the poor liquidity of the Singapore market. We have considered various options including privatisation or re-listing in another exchange, but we have not made any decision yet as we do not want to be too concerned about short-term valuation of the company.”

Meanwhile, Mewah (P/B multiple of **0.36x** as at 21 August 2026) released in April 2026 its [responses to queries from the Securities Investors Association \(Singapore\) \(“SIAS”\)](#), in which Mewah commented on its P/B multiple, “The Board is aware that the Company trades at a discount to book value, which is not uncommon for companies with limited share liquidity and stable, dividend-oriented return profiles. Market valuation is influenced by a range of factors, including trading liquidity, earnings outlook, return on capital and broader market conditions, many of which are outside the Company’s direct control.”

Mewah added, “Rather than focusing on market valuation in isolation, the Board’s priority is on enhancing capital efficiency, maintaining earnings sustainability and exercising disciplined capital management. The Board believes that maintaining a resilient balance sheet and strengthening the underlying fundamentals of the business remain the most appropriate and sustainable ways to support shareholder value over time.”

We note that Mewah made mention of dividends, which we will discuss in the next sub-section.

As similarly mentioned on page 15, IndoAgri (P/B of **0.41x** as at 21 August 2026) also [noted in April/May 2026 on its valuation](#), “The Company has a relatively older plantation age profile compared to some peers, which explains the lower yields per hectare. We are currently in a replanting cycle using higher-yielding material. When we replant, there is a three-year immature phase with no production and another five to six years before the crop reaches peak production.”

IndoAgri added, “In addition, institutional interest in palm oil has declined over the past decade due to ESG-related considerations, which has weighed on sector valuations in Singapore. More recently, SGX initiatives to improve coverage of mid-cap companies, may help support increased market interest over time.”

We note that IndoAgri made mention of its plantation age profile. As indicated on page 15, IndoAgri disclosed in its presentation for 2H 2023 that its plantations’ weighted average age was “ $\approx$ 19 years”, while its peers disclosed in their respective presentations for 1H 2026 that their respective plantations’ weighted average ages were around 14 to 15 years. We also note that IndoAgri mentioned too during its AGM held in April 2024 (over two years ago) that it was already [“in the process of replanting older trees with higher-yielding seed materials”](#), and that it saw “an improved yield profile from the newly mature replanted trees.” Accordingly, we consider that IndoAgri may be suggesting its valuation will improve in the next few years, when its replanted oil palms mature and approach peak production ages—which, in our view, remains to be seen.

IndoAgri also indicated in April/May 2024 that it was asked whether there would “be a relaunch of buyout offer by the major shareholder”, to which IndoAgri responded, “This is the controlling shareholder’s decision. The Board of the Company is not in a position to comment on their intention.”

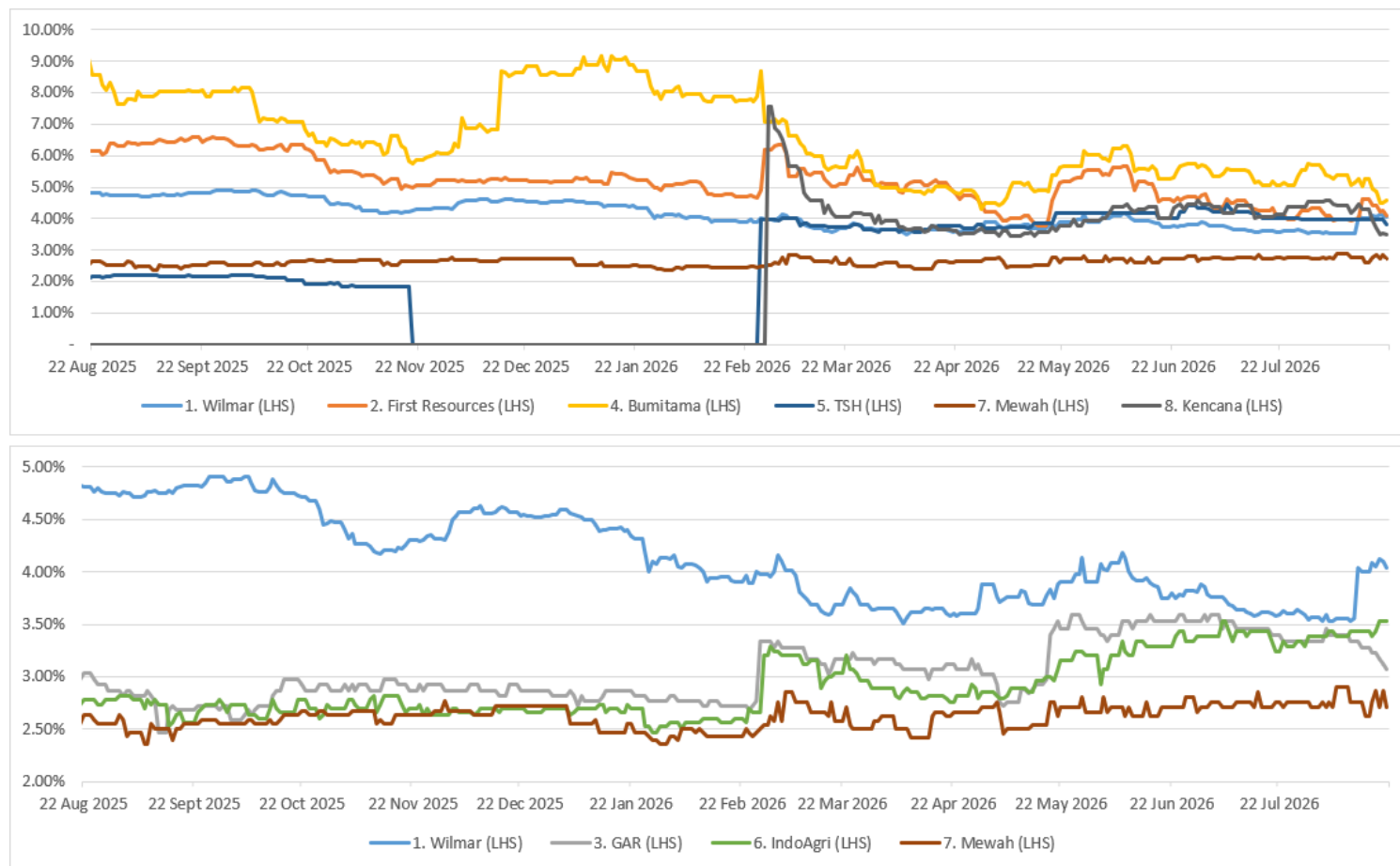
As mentioned in our [IndoAgri update report \(dated August 2026\)](#), we note that PT Indofood Sukses Makmur Tbk (“PT ISM”), an intermediate holding company of IndoAgri which [holds 85.90% total interest in IndoAgri as at 13 March 2026](#), [made a takeover offer for IndoAgri in April 2019 at an initial offer price of S\\$0.28 \(premium of 7.7% from last undisturbed price of S\\$0.26 as at 5 April 2019\) that was later revised to an ex-dividend offer of S\\$0.3275 \(premium of 26.0% from last undisturbed price\)](#).

(III) DIVIDEND YIELD

Based on **Exhibit 38** (on page 37), the industry average yield is 3.58% as at 21 August 2026.

Over the last twelve months, Bumitama generally had the highest yield based on TTM DPS, while Mewah had the lowest yield (excluding those whose yields were, for a period, zero), as shown in **Exhibit 42** (top only for Bumitama; top & bottom for Mewah).

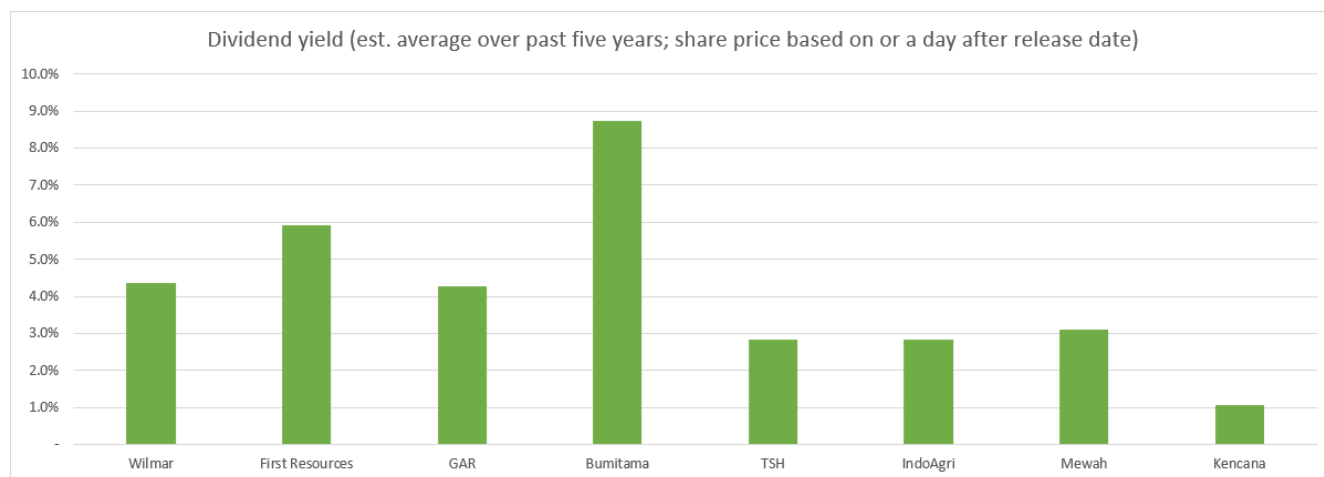
Exhibit 42: Dividend Yields of SGX-Listed Palm Oil-Related Companies (22 August 2025 to 21 August 2026)



Source: Yahoo! Finance, respective companies, FPA

In fact, we estimate that Bumitama had the highest average yield over the past five years, based on share price on results release date or the next trading day¹, as shown in **Exhibit 43**.

Exhibit 43: Estimated Dividend Yields of SGX-Listed Palm Oil-Related Companies (Average of Past Five Years)

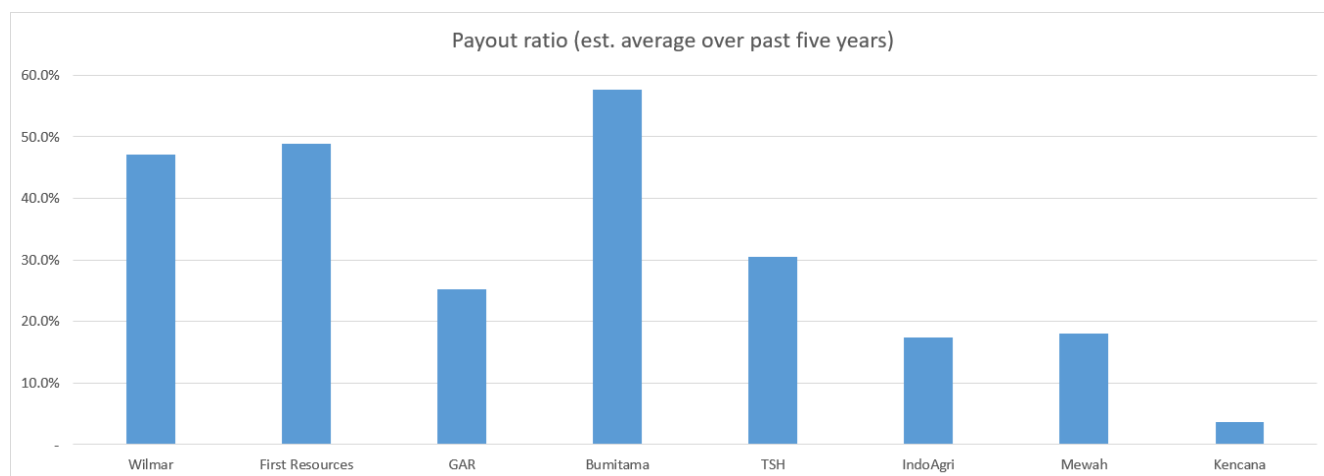


Source: Yahoo! Finance, respective companies, FPA

Meanwhile, besides Kencana, bottom contenders for average yield include TSH, IndoAgri, and Mewah. Kencana had the lowest average yield as, over the past five years, it declared dividends only for 2025.

We also estimate that Bumitama had the highest average payout ratio (as estimated by [dividends paid/payable for the full year ÷ net profit attributable to owners of the company]) over the past five years, as shown in **Exhibit 44**.

Exhibit 44: Estimated Payout Ratios of SGX-Listed Palm Oil-Related Companies (Average of Past Five Years)



Source: respective companies, FPA

Besides Kencana, bottom contenders for average payout ratio include IndoAgri and Mewah. Kencana had the lowest average payout ratio as, over the past five years, it declared dividends only for 2025.

¹ Share price based on results release date if: (1) release date is a trading day; and (2) release timing was before 2:00pm (we assume that results released afterwards may not be reflected in the release date's closing price). Else, share price based on next trading day after results release date.

IndoAgri indicated in May 2026 that [shareholder\(s\) commented the then-yield of “around 3%” was “too low”, and asked IndoAgri if IndoAgri would “consider higher dividend payout in the future”](#). IndoAgri responded, “The listed entity is an investment holding company in Singapore, with its principal operating assets held under two IDX-listed subsidiaries in Indonesia. The holding company distributes substantially all dividends received from its Indonesian subsidiaries to its shareholders.”

IndoAgri also noted, “At the operating level, the Indonesian company follows its own dividend policy, with a maximum payout ratio of 50% of profits to shareholders.” Accordingly, IndoAgri commented that dividends “are dependent on the dividend distributions from the Indonesian subsidiaries.”

IndoAgri also indicated in May 2025 that [shareholder\(s\) commented:](#)

- “In FY2024, the Group recorded earnings per ordinary share of S\$0.067 and the proposed dividend seemed to be low at S\$0.01 per ordinary share”; and
- that IndoAgri “should consider a higher dividend payout of approximately 50% to 60% like some plantation companies because this will help to improve the Company’s share price and valuation.”

IndoAgri responded that it “noted the comments and highlighted that the dividend had increased by 25% for FY2024 which is an increased yield of approximately 3.2%.”

Before Kencana declared dividends in FY2025, Kencana also [indicated in May 2024 that a shareholder commented on dividends, “although the industry peers also faced the impacts of climate change and rising cost pressures, they still declared dividends to shareholders.”](#) Kencana responded that “the Company needs to carry out replanting as most of the plantations are mature and the yield is relatively low.” Kencana added, “Hence, the Company’s primary focus is on improving yield. Therefore, they have been allocating resources to replanting programs and enhancing infrastructure, including construction of mill, port, bridge, road and housing etc. With the increased application of fertilizer in 2023 and 2024, the Company’s average yield per ha is improving.”

The estimated yields of Wilmar, First Resources, and GAR, from 2021 to 2025 (and as averaged in **Exhibit 43** on page 43), are shown in **Exhibit 45**.

Exhibit 45: Estimated Dividend Yields of Wilmar, First Resources, and GAR (2021 to 2025)

(in respective units)	Actual (unless indicated as estimate)				
	2021	2022	2023	2024	2025

Wilmar					
Dividends declared (in SG cents):					
Interim	5.000	6.000	6.000	6.000	4.000
Final	10.500	11.000	11.000	10.000	10.000
Total	15.500	17.000	17.000	16.000	14.000
Dividend yield:					
Release date of results for 2H/4Q	22 Feb 2022	21 Feb 2023	21 Feb 2024	20 Feb 2025	26 Feb 2026
Release time of results for 2H/4Q	5:36 pm	5:22 pm	5:24 pm	5:17 pm	5:19 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	23 Feb 2022	22 Feb 2023	22 Feb 2024	21 Feb 2025	27 Feb 2026
Share price (at reference date; in S\$)	4.560	3.980	3.410	3.080	3.520
Dividends declared (in SG cents)	15.500	17.000	17.000	16.000	14.000
Divide by: Share price (at reference date; in S\$)	4.560	3.980	3.410	3.080	3.520
Dividend yield (estimate)	3.4%	4.3%	5.0%	5.2%	4.0%

First Resources					
Dividends declared (in SG cents):					
Interim	1.250	2.500	2.500	3.500	4.500
Final	5.100	12.000	3.700	6.300	10.200
Total	6.350	14.500	6.200	9.800	14.700
Dividend yield:					
Release date of results for 2H/4Q	25 Feb 2022	1 Mar 2023	29 Feb 2024	28 Feb 2025	27 Feb 2026
Release time of results for 2H/4Q	7:13 am	6:52 am	7:08 am	6:52 am	7:03 am
Reference date (next trading day if release date is not trading day or time > 2PM)	25 Feb 2022	1 Mar 2023	29 Feb 2024	28 Feb 2025	27 Feb 2026
Share price (at reference date; in S\$)	1.840	1.630	1.420	1.460	2.370
Dividends declared (in SG cents)	6.350	14.500	6.200	9.800	14.700
Divide by: Share price (at reference date; in S\$)	1.840	1.630	1.420	1.460	2.370
Dividend yield (estimate)	3.5%	8.9%	4.4%	6.7%	6.2%

GAR					
Dividends declared (in SG cents):					
Interim	0.528	0.800	-	-	-
Final	1.077	0.991	0.613	0.804	0.952
Total	1.605	1.791	0.613	0.804	0.952
Dividend yield:					
Release date of results for 2H/4Q	1 Mar 2022	28 Feb 2023	28 Feb 2024	27 Feb 2025	26 Feb 2026
Release time of results for 2H/4Q	6:57 am	7:14 am	7:30 am	7:14 am	5:21 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	1 Mar 2022	28 Feb 2023	28 Feb 2024	27 Feb 2025	27 Feb 2026
Share price (at reference date; in S\$)	0.290	0.255	0.270	0.250	0.285
Dividends declared (in SG cents)	1.605	1.791	0.613	0.804	0.952
Divide by: Share price (at reference date; in S\$)	0.290	0.255	0.270	0.250	0.285
Dividend yield (estimate)	5.5%	7.0%	2.3%	3.2%	3.3%

Source: Yahoo! Finance, respective companies, FPA

The estimated yields of Bumitama, TSH, and IndoAgri, from 2021 to 2025 (and as averaged in **Exhibit 43** on page 43), are shown in **Exhibit 46**.

Exhibit 46: Estimated Dividend Yields of Bumitama, TSH, and IndoAgri (2021 to 2025)

(in respective units)	Actual (unless indicated as estimate)				
	2021	2022	2023	2024	2025
Bumitama					
<u>Dividends declared (in SG cents):</u>					
Interim	0.450	1.250	1.250	1.200	3.630
Interim #2/Special	-	2.130	1.920	-	2.500
Final	3.300	4.420	3.630	5.440	3.220
Total	3.750	7.800	6.800	6.640	9.350

Dividend yield:

Release date of results for 2H/4Q	28 Feb 2022	1 Mar 2023	27 Feb 2024	27 Feb 2025	27 Feb 2026
Release time of results for 2H/4Q	7:20 am	7:28 am	7:22 am	7:23 am	7:32 am
Reference date (next trading day if release date is not trading day or time > 2PM)	28 Feb 2022	1 Mar 2023	27 Feb 2024	27 Feb 2025	27 Feb 2026
Share price (at reference date; in S\$)	0.725	0.615	0.645	0.810	1.320
Dividends declared (in SG cents)	3.750	7.800	6.800	6.640	9.350
Divide by: Share price (at reference date; in S\$)	0.725	0.615	0.645	0.810	1.320
Dividend yield (estimate)	5.2%	12.7%	10.5%	8.2%	7.1%

TSH

Dividends declared (in sen):

Q3	-	8.000	-	2.500	-
Q4	3.000	2.500	2.500	-	5.000
Total	3.000	10.500	2.500	2.500	5.000

Dividend yield:

Release date of results for 2H/4Q	n.a.	n.a.	22 Feb 2024	27 Feb 2025	25 Feb 2026
Release time of results for 2H/4Q	n.a.	n.a.	5:29 pm	5:43 pm	6:36 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	n.a.	n.a.	23 Feb 2024	28 Feb 2025	26 Feb 2026
Share price (at reference date; in S\$)	n.a.	n.a.	0.300	0.360	0.400
Dividends declared (converted to SG cents)	3.000	10.500	0.712	0.757	1.609
Divide by: Share price (at reference date; in S\$)	n.a.	n.a.	0.300	0.360	0.400
Dividend yield (estimate)	n.a.	n.a.	2.4%	2.1%	4.0%

IndoAgri

Dividends declared (in SG cents):

Final	0.800	0.800	0.800	1.000	1.200
Total	0.800	0.800	0.800	1.000	1.200

Dividend yield:

Release date of results for 2H/4Q	1 Mar 2022	28 Feb 2023	29 Feb 2024	28 Feb 2025	27 Feb 2026
Release time of results for 2H/4Q	9:21 pm	10:26 pm	8:18 pm	6:30 pm	7:19 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	2 Mar 2022	1 Mar 2023	1 Mar 2024	3 Mar 2025	2 Mar 2026
Share price (at reference date; in S\$)	0.355	0.320	0.275	0.310	0.365
Dividends declared (in SG cents)	0.800	0.800	0.800	1.000	1.200
Divide by: Share price (at reference date; in S\$)	0.355	0.320	0.275	0.310	0.365
Dividend yield (estimate)	2.3%	2.5%	2.9%	3.2%	3.3%

n.a. = not available (as mentioned on page 7, [the secondary listing of TSH on SGX was completed on 26 September 2023.](#))

Source: Yahoo! Finance, respective companies, FPA

The estimated yields of Mewah and Kencana, from 2021 to 2025 (and as averaged in **Exhibit 43** on page 43), are shown in **Exhibit 47**.

Exhibit 47: Estimated Dividend Yields of Mewah and Kencana (2021 to 2025)

(in respective units)	Actual (unless indicated as estimate)				
	2021	2022	2023	2024	2025
Mewah					
<u>Dividends declared (in SG cents):</u>					
Interim	0.270	0.150	0.140	0.140	0.180
Final	0.810	1.400	0.610	0.610	0.620
Total	1.080	1.550	0.750	0.750	0.800

Dividend yield:

Release date of results for 2H/4Q	28 Feb 2022	28 Feb 2023	29 Feb 2024	28 Feb 2025	27 Feb 2026
Release time of results for 2H/4Q	5:43 pm	5:20 pm	5:31 pm	5:18 pm	5:21 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	1 Mar 2022	1 Mar 2023	1 Mar 2024	3 Mar 2025	2 Mar 2026
Share price (at reference date; in S\$)	0.410	0.325	0.275	0.265	0.305
Dividends declared (in SG cents)	1.080	1.550	0.750	0.750	0.800
Divide by: Share price (at reference date; in S\$)	0.410	0.325	0.275	0.265	0.305
Dividend yield (estimate)	2.6%	4.8%	2.7%	2.8%	2.6%

Kencana					
<u>Dividends declared (in SG cents):</u>					
Final	-	-	-	-	1.500
Total	-	-	-	-	1.500

Dividend yield:

Release date of results for 2H/4Q	25 Feb 2022	27 Feb 2023	28 Feb 2024	28 Feb 2025	27 Feb 2026
Release time of results for 2H/4Q	9:23 pm	8:51 pm	7:25 pm	9:14 pm	11:16 pm
Reference date (next trading day if release date is not trading day or time > 2PM)	28 Feb 2022	28 Feb 2023	29 Feb 2024	3 Mar 2025	2 Mar 2026
Share price (at reference date; in S\$)	0.235	0.145	0.080	0.088	0.280
Dividends declared (in SG cents)	-	-	-	-	1.500
Divide by: Share price (at reference date; in S\$)	0.235	0.145	0.080	0.088	0.280
Dividend yield (estimate)	-	-	-	-	5.4%

Source: Yahoo! Finance, respective companies, FPA

The estimated payout ratios of Wilmar, First Resources, GAR, and Bumitama, from 2021 to 2025 (and as averaged in **Exhibit 44** on page 43), are shown in **Exhibit 48**.

Exhibit 48: Estimated Payout Ratios of Wilmar, First Resources, GAR, and Bumitama (2021 to 2025)

(in respective units)	Actual (unless indicated as estimate)				
	2021	2022	2023	2024	2025
Wilmar					
<u>Payout ratio:</u>					
Interim	231,768	273,009	280,885	285,305	194,154
Final	482,426	514,091	511,005	469,131	492,679
Dividends paid/payable (in US\$ '000)	714,194	787,100	791,890	754,436	686,833
Divide by: Profit attributable to owners of the Company (in US\$ '000)	1,890,390	2,402,478	1,524,829	1,169,814	1,410,872
Payout ratio (estimate)	37.8%	32.8%	51.9%	64.5%	48.7%
First Resources					
<u>Payout ratio:</u>					
Interim	14,659	28,148	29,015	41,634	54,266
Final	57,831	141,960	42,443	75,531	124,604
Dividends paid/payable (in US\$ '000)	72,490	170,108	71,458	117,165	178,870
Divide by: Profit attributable to owners of the Company (in US\$ '000)	161,108	325,196	145,395	245,792	353,933
Payout ratio (estimate)	45.0%	52.3%	49.1%	47.7%	50.5%
GAR					
<u>Payout ratio:</u>					
Interim	49,523	72,337	-	-	-
Final	98,647	93,966	57,337	78,337	94,503
Dividends paid/payable (in US\$ '000)	148,170	166,303	57,337	78,337	94,503
Divide by: Profit attributable to owners of the Company (in US\$ '000)	476,179	782,103	197,601	364,552	400,198
Payout ratio (estimate)	31.1%	21.3%	29.0%	21.5%	23.6%
Bumitama					
<u>Payout ratio:</u>					
Interim	82,869	230,385	244,593	246,794	796,658
Interim #2/Special	-	410,592	395,425	-	567,917
Final	597,963	853,645	747,600	1,201,209	768,393
Dividends paid/payable (in IDR million)	680,832	1,494,622	1,387,618	1,448,003	2,132,968
Divide by: Profit attributable to owners of the Company (in IDR million)	1,721,367	2,826,110	2,449,160	2,287,032	2,802,592
Payout ratio (estimate)	39.6%	52.9%	56.7%	63.3%	76.1%

Source: Yahoo! Finance, respective companies, FPA

The estimated payout ratios of TSH, IndoAgri, Mewah, and Kencana, from 2021 to 2025 (and as averaged in **Exhibit 44** on page 43), are shown in **Exhibit 49**.

Exhibit 49: Estimated Payout Ratios of TSH, IndoAgri, Mewah, and Kencana (2021 to 2025)

(in respective units)	Actual (unless indicated as estimate)				
	2021	2022	2023	2024	2025
TSH					
<u>Payout ratio:</u>					
Q3	-	110,414	-	34,552	-
Q4	41,406	34,505	34,458	-	62,665
Dividends paid/payable (estimate; in RM '000)	41,406	144,919	34,458	34,552	62,665
Divide by: Profit attributable to owners of the Company (in RM '000)	169,415	456,407	95,122	135,662	182,943
Payout ratio (estimate)	24.4%	31.8%	36.2%	25.5%	34.3%
IndoAgri					
<u>Payout ratio:</u>					
Final	117,815	123,561	132,838	177,270	230,449
Dividends paid/payable (in IDR million)	117,815	123,561	132,838	177,270	230,449
Divide by: Profit for the period attributable to owners of the Company (in IDR million)	759,127	769,977	614,244	1,118,685	1,270,236
Payout ratio (estimate)	15.5%	16.0%	21.6%	15.8%	18.1%
Mewah					
<u>Payout ratio:</u>					
Interim	2,995	1,633	1,580	1,595	2,119
Final	8,806	15,717	6,735	7,007	7,279
Dividends paid/payable (in US\$ '000)	11,801	17,350	8,315	8,602	9,398
Divide by: Profit attributable to equity holders of the Company (in US\$ '000)	80,171	113,644	40,581	38,807	53,611
Payout ratio (estimate)	14.7%	15.3%	20.5%	22.2%	17.5%
Kencana					
<u>Payout ratio:</u>					
Final	-	-	-	-	3,375
Dividends paid/payable (in US\$ '000)	-	-	-	-	3,375
Divide by: Profit for the period (in US\$ '000)	16,799	2,618	(283)	11,942	18,442
Payout ratio (estimate)	-	-	-	-	18.3%

Source: Yahoo! Finance, respective companies, FPA

CONCLUSION

Palm oil is an edible oil with a variety of uses, including in food, consumer products, and as biodiesel feedstock. One growing use is biodiesel, with Indonesian domestic consumption of palm oil for biodiesel exceeding that for food in around June 2023. Accordingly, CPO prices have been showing some correlation with crude oil prices, such that the recent rise in crude oil prices amid the ongoing U.S.-Israeli war against Iran may have raised CPO prices.

Based on USDA's estimates, Indonesia has been the largest palm oil producer by output, followed by Malaysia. Indonesia and Malaysia have also been estimated to collectively produce over 80% of global palm oil. Accordingly, it might come as no surprise that the company-owned oil palm plantations of SGX-listed palm oil-related companies are also located mainly in Indonesia.

To produce palm oil, FFB are harvested from oil palm trees and transported to palm oil mills. FFB are then processed to produce CPO and PK, and PK crushed to produce PKO, before both are refined, fractionated, and otherwise processed further to eventually produce downstream products.

Factors affecting FFB yields, as well as CPO and PK extraction yields, include seed quality, post-harvest processing delays, weather, and oil palm plantation age. In particular, the palm oil yield of oil palm trees may start to deteriorate upon the trees reaching 19 years of age. Based on production figures disclosed by, and comments from, SGX-listed palm oil producers, IndoAgri's FFB yield may be lower than most of its peers amid its higher-than-peers weighted average plantation age, while First Resources' FFB yield may have generally been rising from 1H 2021 to 1H 2026 amid its oil palm replanting efforts.

Upstream production of CPO and PK may have higher margins than the mid- and downstream refining and processing thereof into industrial and consumer products. In fact, the upstream earnings margins of SGX-listed palm oil-related companies have generally been higher than mid- and downstream earnings margins, both within the same companies and across companies.

Demand factors affecting CPO prices include rising crude oil prices, Indonesia's B50 mandate, supply disruption of competing vegetable oils, global economic and population growth, and potentially rising preference for healthier edible oil. Meanwhile, supply factors include weather, palm oil supply chain disruption, oil palm replanting, and a potential rise in new oil palm planting.

Higher CPO prices may not necessarily mean improved earnings for all SGX-listed palm oil-related companies. While rising CPO prices may raise the ASPs hence revenues across the supply chain, only the upstream earnings margins are more likely to improve; the impact of higher CPO prices on mid- and downstream earnings margins may not be as clear.

In terms of valuation metrics, the P/E multiples of most SGX-listed palm oil-related companies generally remained stable over the last twelve months, although some rose and thereafter fell in line with changes in the CIF Rotterdam CPO price. The P/E multiples of Wilmar and Bumitama generally remained above those of First Resources and TSH—which, in turn, generally remained above those of GAR, Mewah, IndoAgri, and Kencana.

Perhaps more interesting, though, are the P/B multiples of SGX-listed palm oil-related companies. The P/B multiples of First Resources, Bumitama and Kencana rose over the last twelve months amid generally rising CIF Rotterdam CPO price, and have also trended with CPO price over the past five years. In contrast, those of Wilmar and Mewah fell over the past five years.

Meanwhile, over the last twelve months, Bumitama generally had the highest yield based on TTM DPS, while Mewah had the lowest yield (excluding those whose yields were, for a period, zero). In fact, we estimate that Bumitama had the highest average yield and payout ratio over the past five years. We also estimate that bottom contenders for both include IndoAgri, Mewah, and Kencana, while bottom contenders for average yield also include TSH.

CPO prices are likely to rise in the near-term, and having some familiarity with the palm oil industry could help investors better identify companies whose earnings, thus perhaps share prices and dividends, are more likely to improve from rising CPO prices. Accordingly, we hope that our report has provided the reader some familiarity with the palm oil industry, such that he or she may better discern between, at the very least, SGX-listed palm oil-related companies.

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