

MEDIA RELEASE

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TDM POSTED SIGNIFICANT IMPROVEMENT IN 1QFY2022 WITH INCREASED EBITDA OF RM 40.8 MILLION AND PROFIT BEFORE TAX OF RM17.0 MILLION

Key Highlights:

- **Plantation Division: Higher revenue from higher average of CPO and PK prices.**
- **Healthcare Division: Transition to endemicity further boosts healthcare performance.**

Kuala Terengganu, 30 May 2022 – TDM Berhad (“TDM” or “the Group”) today announced its financial results for the first quarter ended 31 March 2022 (1QFY2022).

The Group Revenue for the 1QFY2022 improved by 40% compared to the previous corresponding quarter as a result of higher revenue generated from both the Plantation and Healthcare Divisions by 67% and 13%, respectively. Higher revenue from the Plantation Division was mainly driven by higher average crude palm oil (CPO) and palm kernel (PK) prices of 51% and 83%, respectively. Meanwhile, the positive revenue growth from TDM’s Healthcare Division was contributed by a recovering occupancy rate of 18% and higher numbers of inpatients and outpatients by 17% and 6%, respectively.

The Group recorded a Profit Before Tax (PBT) of RM17.0 million during the quarter, an increase of RM20.3 million compared to a Loss Before Tax (LBT) of RM3.3 million in the previous corresponding period. The Group’s Earnings Before Interest, Taxes, Depreciation and Amortisation (EBITDA) also improved from RM23.3 million to RM40.8 million during this quarter.

	Quarter Ended		
	Q1 2022 RM'000	Q1 2021 RM'000	Variance %
Revenue:			
Plantation	84,567	50,489	67
Healthcare	59,104	52,286	13
Investment holding and others	-	-	-
Total Revenue	143,671	102,775	40
PBT/(LBT):			
Plantation	25,511	4,255	>100
Healthcare	1,942	(555)	>100
Investment holding and others	(10,484)	(7,032)	-49
Total PBT/(LBT)	16,969	(3,332)	>100
EBITDA:			
Plantation	41,137	21,232	94
Healthcare	6,569	5,966	10
Investment holding and others	(6,955)	(3,925)	-77
Total EBITDA	40,751	23,273	75

Plantation Malaysia

TDM's Plantation Division registered an EBITDA of RM41.1 million for the 1QFY2022, compared to RM21.2 million from the previous corresponding quarter. The division also reported a higher PBT of RM25.5 million from RM4.3 million in the same quarter of FY2021. Both EBITDA and PBT recorded an impressive improvement of 1.9 and 5.9 times, respectively.

The Plantation Division recorded a higher revenue by 67% on the back of higher CPO and PK average prices of 51% and 83%, respectively. During the reported quarter, PK sales volume grew to 3,481 mt (1FY2021: 3,091 mt) and kernel extraction rate improved to 5.02% (1QFY2021: 4.53%). However, these rates were offset by a 3% decrease in CPO sales volume to 11,944 mt (1QFY2021: 12,285 mt) and a 2% reduction in oil extraction rate to 18.74% (1QFY2021: 19.04%).

The Group's Malaysia palm oil plantations experienced multiple challenges stemming from foreign labour shortage, particularly for fresh fruit bunches (FFB) harvesters during the quarter. Despite these difficulties, Malaysia FFB yield and CPO production improved by 2.2% and 5%, respectively. The price of CPO also improved substantially, averaging at RM6,099/mt – 55% higher than 1QFY2021 and 18% higher than the previous quarter (4QFY2021).

Healthcare

For the 1QFY2022, the Healthcare Division clocked an EBITDA of RM6.6 million compared to RM6.0 million in the previous corresponding quarter. The division moved into the black after recording a PBT of RM1.9 million in contrast to an LBT of RM0.6 million in 1QFY2021.

The transition into endemicity and relaxation of several COVID-19 Standard Operating Procedures (SOP) are expected to further boost healthcare spending as the population feels safer seeking treatment in hospitals. Since the previous relaxation of SOPs, there has been an increase in patient footprints, and the momentum continues to date. With the end of fasting month and Hari Raya celebrations, the Group's Healthcare operations are expecting the comeback of bigger patient traffic undergoing treatments and surgical procedures.

The division also continues to enhance existing facilities and services by opening more Operation Theaters (OT) and introducing a new Centre of Excellence (COE). KMI Kuantan Medical Centre will soon open an Eye Centre and a Brain & Spine Centre, equipped with sub-specialties, to cater for the needs of residents from the East Coast of Peninsular Malaysia.

Continued focus on expansion through inorganic growth remains a major thrust with the potential acquisition of brownfield hospitals to enhance the Group's brand presence in the industry. In addition, with the completion of the business transfer of Tawau Specialist Hospital at the end of May 2022, the management will embark on the post-acquisition plan for KMI Tawau Medical Centre.

The ongoing establishment of Ambulatory Care Centres (ACC) at strategic locations along the East Coast of Malaysia, connecting them with the Group's hospitals, will expedite the attainment of the required geographical reach. On the other hand, collaborations with other major hospital entities on specific healthcare services are at exploratory stages. The move is anticipated to benefit the TDM's image and uplift its brand awareness.

Divestment of Plantation Indonesia Division

The intended divestment process is progressing well. On 21 March 2022, the Company accepted an offer from Ikhasas CPO Sdn. Bhd. in respect of the proposed disposal by the Company and the minority shareholders of the entire equity interest in PT Rafi Kamajaya Abadi (RKA) and PT Sawit Rezki Abadi (SRA) for an aggregate cash consideration of RM115,000,000.

Dividend proposed

At the forthcoming Annual General Meeting, a single-tier final dividend in respect of the financial year ended 31 December 2021, of 0.35% on 1,722,881,001 ordinary shares, amounting to a dividend payable of RM6,000,000 (0.35 sen per ordinary share) will be proposed for shareholders' approval. The financial statements for the current quarter do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

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About TDM Berhad

Incorporated in 1965, TDM Berhad is one of the Shariah-compliant securities listed on the Main Market of Bursa Malaysia's with core businesses in oil palm plantation and healthcare services.

The Group's plantation arm, TDM Plantation Sdn. Bhd., is a premium producer of Certified Sustainable Palm Oil (CSPO) and Certified Sustainable Palm Kernel (CSPK) with Roundtable on Sustainable Palm Oil (RSPO), Malaysian Sustainable Palm Oil (MSPO) and International Sustainability and Carbon Certification approved by the European Commission (ISCC EU) certifications. It manages 15 oil palm estates and three (3) palm oil mills, three (3) Bio-Composting plants and three (3) Biogas plants located in Terengganu and Indonesia.

Under Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), TDM owns five (5) community specialist hospitals that provide quality and affordable secondary healthcare services. The hospitals are KMI Kelana Jaya Medical Centre, Petaling Jaya, Selangor, KMI Kuantan Medical Centre, Kuantan, Pahang, KMI Kuala Terengganu Medical Centre, Kuala Terengganu, KMI Taman Desa Medical Centre, Kuala Lumpur and KMI Tawau Medical Centre, Sabah.

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