

MEDIA RELEASE

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TDM RECORDS 30% YEAR-ON-YEAR EBITDA IMPROVEMENT IN 2QFY2022 ON HIGHER CPO PRICES

Key Highlights:

- **Plantation Division: Improved bottom-line resulting from higher average prices of CPO and PK**
- **Healthcare Division: Higher patient footprint as pandemic fear eased; Completion of KMI Tawau Medical Centre acquisition increases overall bed capacity.**

Kuala Terengganu, 29 August 2022 – TDM Berhad (“TDM” or “the Group”) today announced its financial results for the second quarter ended 30 June 2022 (“2QFY2022”).

2QFY2022 revenue came in at RM159.4 million, increasing by 44% year-on-year (“YoY”) from the RM111.0 million reported in the corresponding quarter last year. The Plantation and Healthcare Divisions reported respective YoY top-line improvements of 70% and 16%. Correspondingly, TDM registered a Profit Before Tax (“PBT”) of RM4.7 million this quarter, turning around from the Loss Before Tax (“LBT”) of RM1.4 million in 2QFY2021. At the same time, Earnings Before Interest, Taxes, Depreciation and Amortisation (“EBITDA”) jumped 30% YoY from RM22.7 million to RM29.6 million over the same period.

For the six months ended 30 June 2022 (“1HFY2022”), TDM’s revenue increased by 42% YoY to RM303.0 million. Revenue from the Plantation Division grew by 69% YoY while Healthcare Division recorded a 14% YoY growth. Meanwhile, the Group reported PBT of RM21.6 million during the period under review, improving from a LBT of RM4.7 million recorded last year. EBITDA surged by 53% from RM46.0 million in 1HFY2021 to RM70.3 million in 1HFY2022.

	Quarter Ended			Six Month Ended		
	Q2 2022 RM'000	Q2 2021 RM'000	Var %	1H 2022 RM'000	1H 2021 RM'000	Var %
Revenue:						
Plantation	97,204	57,331	70	181,771	107,820	69
Healthcare	62,150	53,683	16	121,254	105,969	14
Investment holding and others	-	-	-	-	-	-
Total Revenue	159,354	111,014	44	303,025	213,789	42
PBT/(LBT):						
Plantation	17,510	5,623	>100	43,021	10,216	>100
Healthcare	(2,130)	(222)	> (100)	(188)	(740)	75
Investment holding and others	(10,730)	(6,792)	(58)	(21,214)	(14,199)	(49)
Total PBT/(LBT)	4,650	(1,391)		21,619	(4,723)	

EBITDA:						
Plantation	34,498	19,852	74	75,635	41,084	84
Healthcare	2,573	6,150	(58)	9,142	12,116	(25)
Investment holding and other	(7,507)	(3,324)	> (100)	(14,462)	(7,249)	(100)
Total EBITDA	29,564	22,678	30	70,315	45,951	53

Malaysia Plantation Division

The 70% YoY rise in revenue in 2QFY2022 to RM97.2 million was mainly attributed to the higher average prices of Crude Palm Oil ("CPO") at 54% YoY and Palm Kernel ("PK") at 32% YoY. The elevated prices more than offset the marginal decline in CPO sales volume at 3% while higher PK sales volume by 4% further enhanced the segment's turnover. Segmental PBT and EBITDA improved by 3-fold and 74% YoY to RM17.5 million and RM34.5 million, respectively.

For the 1HFY2022, revenue from the Plantation Division improved by 69% YoY to RM181.8 million from RM107.8 million a year ago. CPO and PK average prices were up by 53% and 58% YoY, respectively. CPO sales volume dropped 3% YoY while PK sales volume increased by 8% YoY. The Group registered an EBITDA of RM75.6 million in 1HFY2022 versus RM41.1 million in the previous corresponding period.

The shortage of plantation workers faced in 1HFY2022, which contributed to the Group's lower fresh fruit bunches ("FFB") production, is expected to prevail going into 2HFY2022. Despite Indonesia lifting its ban on sending workers to Malaysia, the lead time to obtain new workers is expected to be long and will likely mute the positive impact of the peak production period for CPO between August and October 2022.

On the brighter side, CPO prices are expected to remain elevated due to tight edible oil stocks, high crude oil prices, and uncertainties of sunflower and rapeseed oil supplies from the Black Sea region due to the conflict in Ukraine.

Divestment of Indonesia Plantation Division

The divestment has been confirmed with TDM signing the Conditional Share Purchase Agreement ("CSPA") with Ikkhasas Sawit Sdn Bhd on 29 July 2022 for the disposal of PT Rafi Kamajaya Abadi ("RKA") and PT Sawit Rezki Abadi ("SRA") for a total consideration of RM115 million. Pending sale completion expected in 1QFY2025, RKA will be fully operated by PT Ikkhasas Sawit Indo Makmur through a management services arrangement starting 1 August 2022.

Healthcare Division

For the quarter under review, TDM's Healthcare Division registered a revenue of RM62.2 million, translating to a YoY increase of 16%. Higher number of inpatients (up 34% YoY), inpatient days (up 24% YoY), and bed occupancy rate (up 19% YoY) were primary growth drivers. However, LBT expanded from RM0.2 million in 2QFY2021 to RM2.1 million in 2QFY2022 while EBITDA dropped 58% YoY from RM6.2 million to RM2.6 million over the same period.

Meanwhile, for the 1HFY2022, revenue came in stronger at RM121.3 million compared to RM106.0 million for the corresponding period last year. Top line growth was attributed to higher number of inpatients (up 25% YoY), inpatient days (up 14% YoY), and bed occupancy rate (up 3% YoY). Correspondingly, LBT narrowed from RM0.7 million to RM0.2 million over the same period. Though, EBITDA declined by 25% YoY to RM9.1 million.

The Group is simultaneously focusing on expanding its current array of medical services offered across its multi-disciplinary hospitals through the introduction of sub-specialty services in addition to the seven core principles for secondary care, namely physician, general surgery, obstetrics & gynaecology, paediatric, radiology, anaesthesiology, orthopaedics, and traumatology surgery. The recently opened Eye Centre serving as a new addition to the Centre of Excellence at KMI Kuantan Medical Centre ("KMI Kuantan") is evidence of the Group's patient-centric initiatives.

In respect of East Malaysia operations, the post-acquisition plan for KMI Tawau Medical Centre ("KMI Tawau") is currently undergoing further enhancement in terms of its capability and capacity growth, preparing it as a centre for the medical tourism industry in the future.

Dividend

On 20 July 2022, TDM paid out a single-tier final dividend amounting to RM6,030,079 million (0.35 sen per ordinary share) in respect of the financial year ended 2021. A final dividend is accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

Comments from TDM Executive Director, Haji Najman Kamaruddin

"We are pleased with the overall improvement of the Group, particularly in the Plantation Division. The Group is largely positive about the segment's prospects with CPO prices expected to stay higher than the historical average. As for the Healthcare Division, we are anticipating even greater patient footprint as Malaysia works its way towards endemicity. In addition, the integration of the newly acquired KMI Tawau Medical Centre into our hospital line-up will also boost bed capacity, which would ultimately translate into better earnings moving forward."

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

Under Kumpulan Medic Iman Sdn. Bhd. (KMI Healthcare), TDM owns five 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.

For further details, please visit our website www.tdmberhad.com.my

Released on behalf of TDM Berhad by Capital Front Investor Relations.

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