



MEDIA RELEASE

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HEALTHCARE DIVISION ACHIEVES IMPRESSIVE PROGRESS, BOLSTERING GROUP'S OVERALL PERFORMANCE

Key Highlights:

- **Healthcare Division: Achieves Remarkable Progress with Enhanced Profit and EBITDA Performance.**
- **Plantation Division: Demonstrates Marked Recovery with Increased Sales Volume and Improved OER.**

Kuala Terengganu, 27 August 2023 –TDM Berhad ("TDM" or "the Group") announced its financial results for the second quarter ended 30 June 2023 ("2QFY2023") today.

Revenue for 2QFY2023 was RM129.3 million, down 19% year-on-year ("YoY") from RM159.4 million reported for the same quarter last year, primarily as a result of a 41% YoY decline in revenue for the Plantation Division. Healthcare Division top-line results increased by 16% YoY to RM72.0 million from RM62.2 million in 2QFY2023, according to the report. TDM also reported a Loss Before Tax ("LBT") of RM9.5 million for the current quarter compared to a Profit Before Tax ("PBT") of RM4.7 million in 2QFY2022. Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") also decreased by 43% YoY from RM29.6 million to RM16.7 million over the same time period.

For the six months ended 30 June 2023 ("1HFY2023"), TDM's total revenue decreased by 14% YoY to RM260.4 million. The Plantation Division saw a 39% YoY decline, while the Healthcare Division achieved a remarkable 24% YoY growth. The Group reported a LBT of RM27.0 million for the period, down from a PBT of RM21.6 million last year. EBITDA also dropped by 65%, falling from RM70.3 million in 1HFY2022 to RM24.3 million in 1HFY2023.

	Quarter Ended			Six Months Ended		
	Q2 2023 RM'000	Q2 2022 RM'000	Var %	1H 2023 RM'000	1H 2022 RM'000	Var %
Revenue:						
Plantation	57,253	97,204	(41)	110,376	181,771	(39)
Healthcare	72,010	62,150	16	149,982	121,254	24
Investment holding and others	-	-	-	-	-	-
Total Revenue	129,263	159,354	(19)	260,358	303,025	(14)
(LBT)/PBT:						
Plantation	(4,198)	17,510	>(100)	(20,311)	43,021	>(100)
Healthcare	2,827	(2,130)	>100	9,218	(188)	>100
Investment holding and others	(8,121)	(10,730)	24	(15,925)	(21,214)	25
Total (LBT)/PBT	(9,492)	4,650	>(100)	(27,018)	21,619	>(100)

EBITDA:						
Plantation	13,605	34,498	(61)	13,916	75,635	(82)
Healthcare	8,255	2,573	>100	20,058	9,142	>100
Investment holding and others	(5,119)	(7,507)	32	(9,644)	(14,462)	33
Total EBITDA	16,741	29,564	(43)	24,330	70,315	(65)

Malaysia Plantation Division

In 2QFY2023, the Plantation Division's revenue dropped by 41% YoY due to a 38% and 40% decrease in average prices for Crude Palm Oil ("CPO") and Palm Kernel ("PK") respectively. Sales volumes for both CPO and PK also declined by 1% YoY, linked to a 2% YoY reduction in Fresh Fruit Bunch ("FFB") production during the quarter. Consequently, the division's EBITDA decreased to RM13.6 million in 2QFY2023 from RM34.5 million in 2QFY2022.

In 1HFY2023, Plantation Division revenue dropped by 39% YoY to RM110.4 million as compared to RM181.8 million in the previous year, with CPO and PK prices down 35% and 48%, respectively. Sales volumes for CPO and PK also fell by 1% and 12% YoY, respectively. EBITDA for the Division was RM13.9 million in 1HFY2023, compared to RM75.6 million in the previous corresponding period.

External variables continue to offer strong support for the CPO price at this point. After the US government disclosed smaller soybean planted areas for this year, soybean oil prices is expected to be well supported. In the second half of FY2023, palm oil exports are rebounding, helped by an increase in shipments to India and China, as well as to Africa and the Middle East. The relative weakness of the Ringgit and the relative bargains on palm oil compared to other competitive edible oils are being seized upon by large purchasers. The support level for the Bursa Malaysia Derivatives Exchange is currently between RM3,800–RM4,000 per metric ton and is most likely to trade inside the ascending wedge.

TDM will keep focusing on cost rationalization and increasing sales of Certified Sustainable Palm Oil ("CSPO") and Certified Sustainable Palm Kernel ("CSPK") to capture higher CSPO and CSPK premiums for 2023 in order to mitigate the anticipated negative of price changes.

Healthcare Division

With a 16% increase in revenue from RM62.2 million to RM72.0 million during the quarter compared to the previous corresponding period, our Healthcare Division continued to perform well. This was principally brought on by an increase of 3% in the number of inpatients and an increase of 2% and 7%, respectively, in inpatient days and bed occupancy rates. However, compared to the prior quarter's corresponding period, there is a 7% decline in the number of outpatients.

In 1HFY2023, revenue surged to RM150.0 million, a substantial increase from RM121.3 million in the same period last year. This growth was driven by a rise in inpatients (up 19% YoY), inpatient days (up 23% YoY), and bed occupancy rate (up 26% YoY). Correspondingly, PBT improved from LBT of RM0.2 million to RM9.2 million, while EBITDA doubled from RM9.1 million to RM20.1 million YoY.

Healthcare Division (cont'd.)

Building upon the strong performance in the 1H of FY2023, the Group foresees its growth momentum persisting into the latter half of the fiscal year. A strategy of organic expansion will involve refining current services and introducing fresh offerings, bolstering revenue and driving towards a new peak this year. Additionally, the Group expects its inorganic growth endeavor, set to conclude in the 2H of FY2023, to make a positive impact on the overall performance of the Group.

Nevertheless, private healthcare service providers continue to grapple with obstacles such as operational cost pressures, a heightened inflation rate, and increased drug costs, all of which impact the overall profit margin. The shortage of nursing personnel in the country is anticipated to continue for an extended duration before reaching a point of recovery. Initiatives are currently undertaken inclusive of liaising with nursing colleges, upskilling existing nurses and considering scholarship program for potential nurses to minimize the impact of shortages to a manageable level.

Presently, the Group is exploring to create a global patient service hub, International Patient Service centre, as part of its endeavors to stimulate patient expansion and delve into the potential of the medical tourism industry. Furthermore, the Group's forthcoming plans encompass extending its footprint into strategically positioned regions to tap into the escalating demand from international patients.

Divestment of Plantation Indonesia Division

The Conditional Share Purchase Agreement ("CSPA") for the disposal of PT Rafi Kamajaya Abadi ("PT RKA") and PT Sawit Rezki Abadi ("PT SRA") was signed between TDM and Ikhasas Sawit Sdn. Bhd. on July 29, 2022. PT RKA continues to be fully managed by PT Ikhasas Sawit Indo Makmur through a management services arrangement starting August 1, 2022.

The Conditions Precedent are being fulfilled as of the initial stop date of August 1, 2023, and as per the CSPA, the disposal process is extended to the long stop date of August 1, 2024.

Comments from TDM Executive Director, Haji Najman Kamaruddin

"We are pleased by the remarkable performance of healthcare division in the preceding quarter. Our objective of extending the Group's footprint to strategically significant regions, in response to the escalating demand from global patients, will also constitute a pivotal aspect of our forthcoming strategic initiatives. Concurrently, we remain steadfast in our dedication to elevating the sustainability and profitability of our Plantation Division. We are committed to leveraging innovative techniques to enhance operational efficiency, elevate mechanization and achieve optimal long-term yields."

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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) and Roundtable on Sustainable Palm Oil (RSPO). It manages 13 oil palm estates and two (2) palm oil mills, two (2) Bio-Composting plants and two (2) Biogas plants located in Terengganu.

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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