



First Resources Limited

Half Year ended 30 June 2023
Results Presentation
11 August 2023

Delivering Growth and Returns



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Executive Summary – 1H2023

■ Financial Performance

- EBITDA came in at US\$132.9 million, a decrease of 42.3%
- Underlying net profit came in at US\$67.7 million, a decrease of 50.8%
- Overall financial performance reflects the impact of weaker average selling prices, despite an improvement in sales volumes

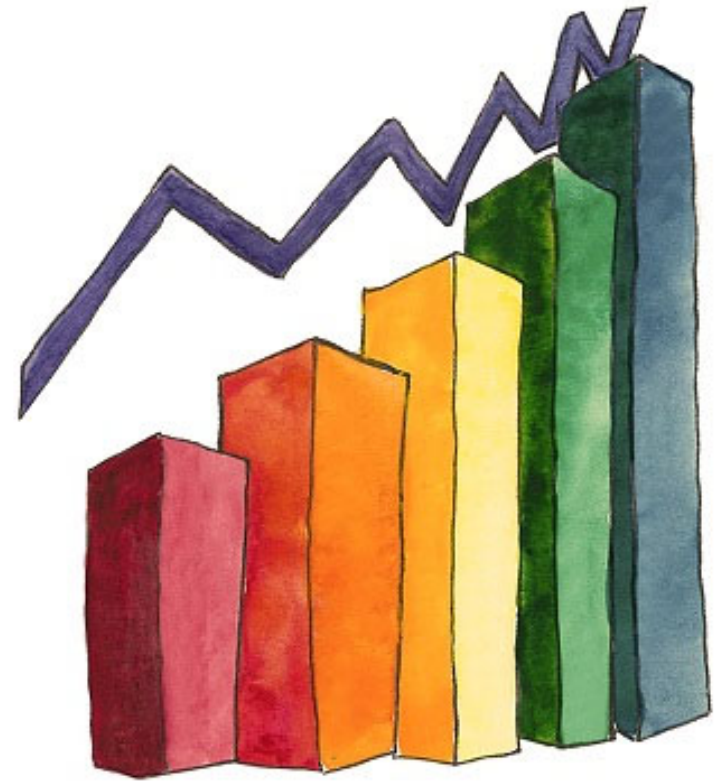
■ Operational Performance

- Fresh fruit bunches (FFB) harvested decreased by 4.5%
- Crude palm oil (CPO) production volumes increased by 1.6%

■ Dividend

- Declared interim dividend of 2.50 Singapore cents per share
- Equivalent to 43% of interim underlying net profit

Financial Performance



Income Statement Highlights

US\$' million	1H2023	1H2022	Change
Sales	448.8	535.2	(16.1%)
Cost of sales	(291.8)	(240.2)	21.5%
Gross profit	157.0	295.1	(46.8%)
Gain/(loss) arising from changes in fair value of biological assets	4.8	(12.3)	<i>n.m.</i>
EBITDA ⁽¹⁾	132.9	230.3	(42.3%)
Net profit ⁽²⁾	71.5	128.0	(44.1%)
Underlying net profit ⁽³⁾	67.7	137.6	(50.8%)
Gross profit margin	35.0%	55.1%	↓
EBITDA margin	29.6%	43.0%	↓

- Sales and earnings dampened by weaker palm oil prices, partially offset by higher sales volumes as compared to the same period last year, during which there was a large build-up in inventory
- Fair value gain from biological assets in 1H2023 mainly attributable to higher projected harvest quantities used in the valuation as compared to 31 December 2022

(1) Profit from operations before depreciation, amortisation and gains/(losses) arising from changes in fair value of biological assets

(2) Profit attributable to owners of the Company

(3) Profit attributable to owners of the Company excluding gains/(losses) arising from changes in fair value of biological assets

Segmental Results

US\$' million	1H2023	1H2022	Change
Sales			
Plantations and Palm Oil Mills	376.2	363.1	3.6%
• Crude Palm Oil	338.8	288.0	17.6%
• Palm Kernel	34.3	71.0	(51.6%)
• Fresh Fruit Bunches	3.1	4.2	(25.9%)
Refinery and Processing	339.2	514.8	(34.1%)
Inter-segment elimination	(266.6)	(342.7)	(22.2%)
	448.8	535.2	(16.1%)
EBITDA			
Plantations and Palm Oil Mills	151.5	197.8	(23.4%)
Refinery and Processing	(24.0)	58.2	n.m.
Inter-segment elimination ⁽¹⁾	5.4	(25.7)	n.m.
	132.9	230.3	(42.3%)

(1) Inter-segment elimination of EBITDA relates to the elimination of unrealised profit on inter-segment sales

Segmental Sales Volume

	1H2023	1H2022	Change
Sales Volume (tonnes)			
Plantations and Palm Oil Mills ⁽¹⁾			
• Crude Palm Oil	436,076	344,087	26.7%
• Palm Kernel	88,637	88,371	0.3%
Refinery and Processing	445,020	457,805	(2.8%)

- Sales volumes included the effects of a net inventory drawdown of 3,000 tonnes in 1H2023, as compared to a build-up of 131,000 tonnes in 1H2022

(1) Sales volumes include inter-segment sales

Balance Sheet Highlights

US\$' million	30 Jun 2023	31 Dec 2022
Total Assets	1,789.8	1,832.7
Cash and bank balances	286.4	440.3
Total Liabilities	377.9	433.8
Borrowings and debt securities ⁽¹⁾	258.2	295.7
Total Equity	1,411.8	1,398.9
Net Debt/(Cash) ⁽²⁾	(28.2)	(144.6)
Gross gearing ratio	0.18x	0.21x
Net gearing ratio	(0.02x)	(0.10x)
Gross debt ⁽¹⁾ to EBITDA ⁽³⁾ ratio	0.97x	0.58x
Net debt/(cash) ⁽²⁾ to EBITDA ⁽³⁾ ratio	(0.11x)	(0.28x)
EBITDA to interest ⁽⁴⁾ coverage	32.9x	54.6x

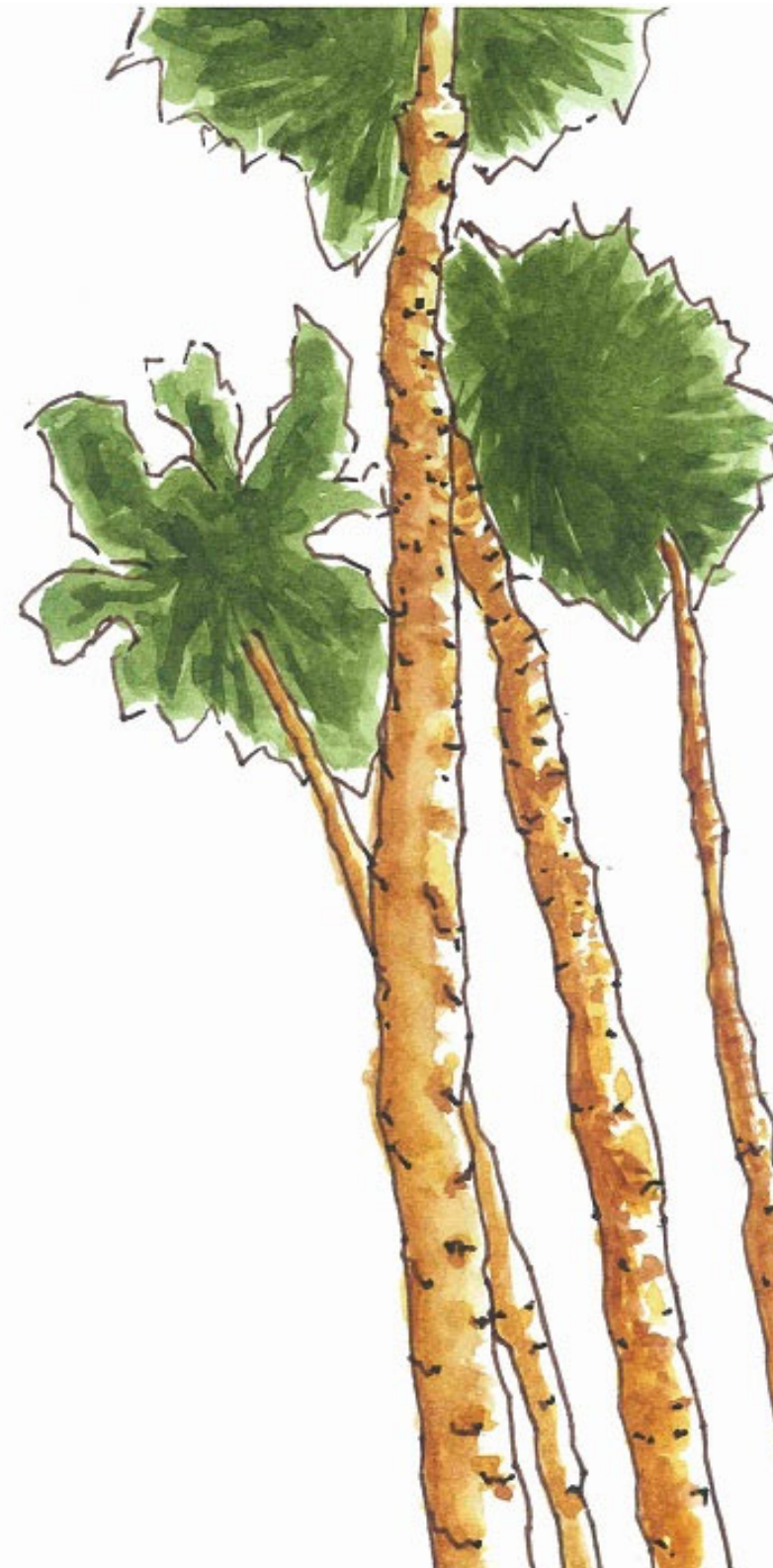
(1) Sum of borrowings from financial institutions

(2) Borrowings and debt securities less cash and bank balances

(3) Annualised

(4) Total interest paid/payable on borrowings and debt securities

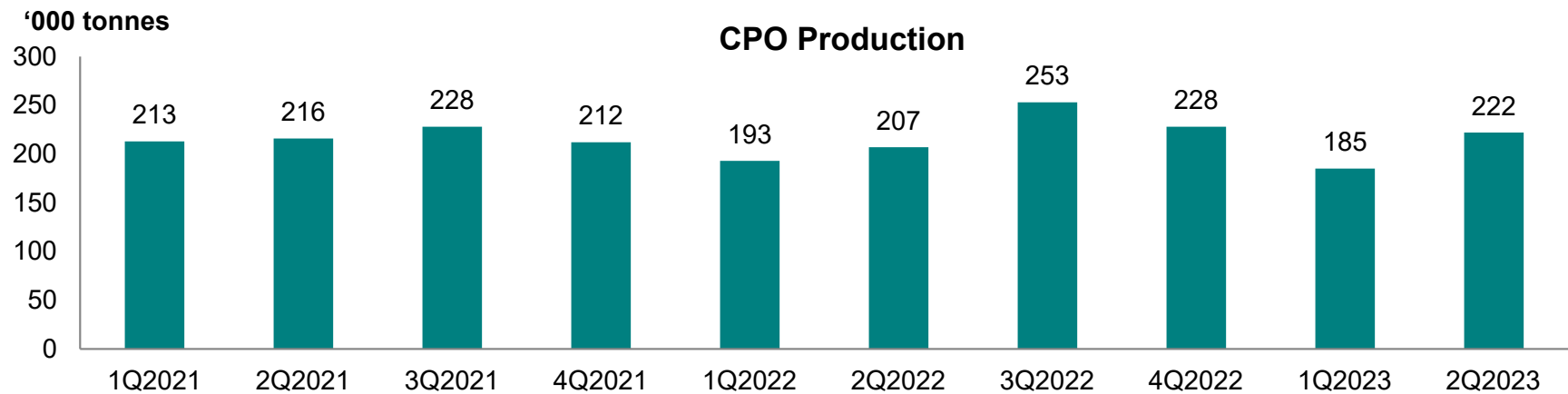
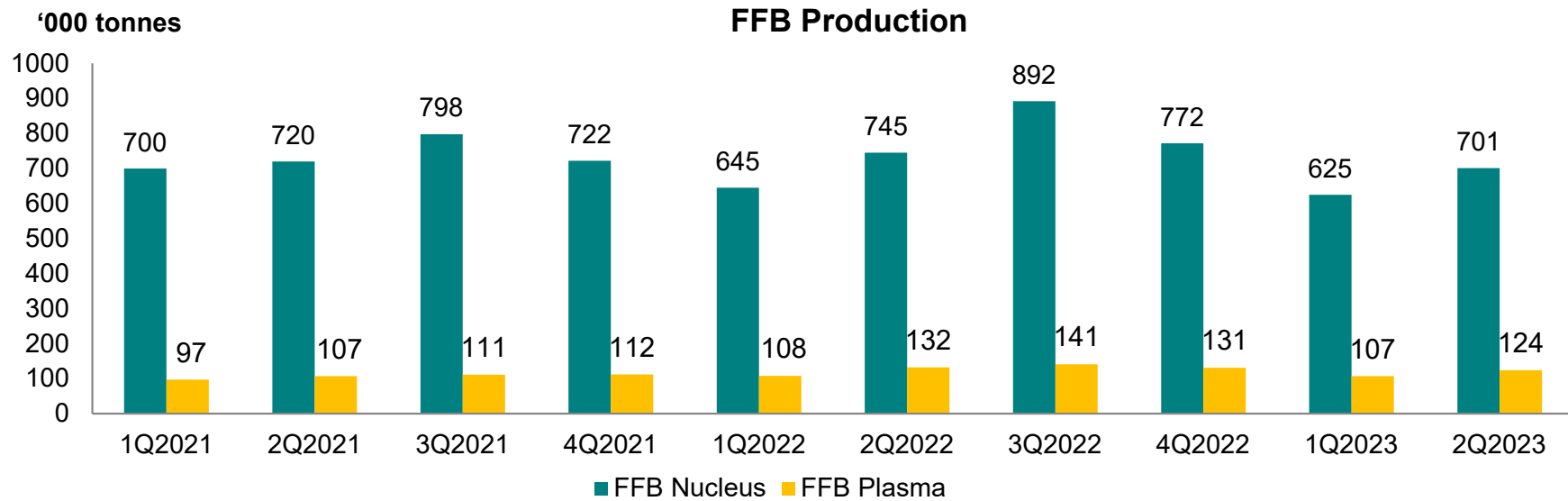
Operational Performance



Production Highlights

		1H2023	1H2022	Change
Production				
FFB harvested	(tonnes)	1,556,775	1,630,328	(4.5%)
• Nucleus		1,326,161	1,390,567	(4.6%)
• Plasma		230,614	239,761	(3.8%)
CPO	(tonnes)	406,648	400,159	1.6%
PK	(tonnes)	88,234	89,061	(0.9%)
Efficiency				
FFB Yield	(tonnes/ha)	7.9	8.2	↓
CPO Yield	(tonnes/ha)	1.8	1.8	—
CPO Extraction Rate	(%)	22.6	22.4	↑
PK Extraction Rate	(%)	4.9	5.0	↓

Production Trends

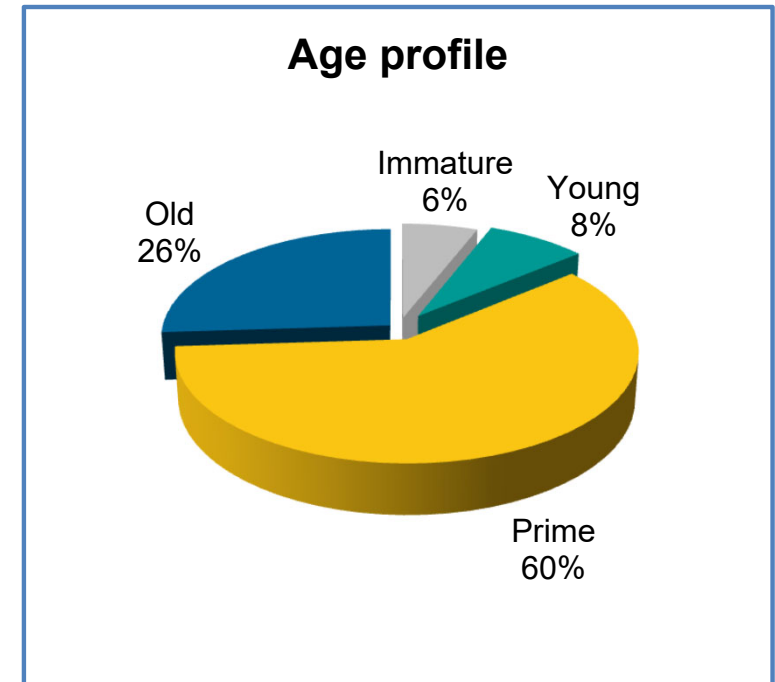


Oil Palm Plantation Area

	As at 30 Jun 2023		As at 30 Jun 2022		As at 31 Dec 2022
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	173,687	83%	175,051	83%	175,563
- Mature	161,373	77%	162,339	77%	160,095
- Immature	12,314	6%	12,712	6%	15,468
Planted Plasma	35,587	17%	35,837	17%	35,846
- Mature	35,570	17%	35,480	17%	35,480
- Immature	17	0%	357	0%	366
Total Planted	209,274	100%	210,888	100%	211,409
- Mature	196,943	94%	197,819	94%	195,575
- Immature	12,331	6%	13,069	6%	15,834

Plantation Age Profile

Age	As at 30 Jun 2023	
	Area (ha)	% of Total
0-3 years (Immature)	12,331	6%
4-7 years (Young)	17,266	8%
8-17 years (Prime)	125,182	60%
≥ 18 years (Old)	54,495	26%
Total	209,274	100%



Weighted average age of ~ 14 years

Group Updates



Updates

■ Outlook

- Against the record high palm oil prices seen in the first half of last year, CPO prices have moderated to come in lower in the first half of 2023.
- Looking ahead, prices in the near to mid-term are expected to be influenced by the geopolitical situation in the Black Sea, as well as the anticipated weather impact of El Nino on the output of palm and other competing oils. Nonetheless, the fundamentals of the palm oil industry remain supported by Indonesia's B35 biodiesel mandate and Domestic Market Obligation ("DMO") policy, which are expected to continue driving domestic demand and consumption, limiting the country's palm oil export volumes.
- On the production front, the Group expects production to pick up seasonally in the second half of the year.

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