



First Resources Limited

Half Year ended 30 June 2020
Results Presentation
14 August 2020

Delivering Growth and Returns



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Executive Summary – 1H2020

■ Improved Financial Performance

- Net profit came in at US\$43.2 million, an increase of 47.8%
- EBITDA came in at US\$106.9 million, an increase of 31.2%
- Better financial performance attributed to higher average selling prices, despite a decline in sales volume

■ Resilient Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 0.3%
- Crude palm oil (CPO) production volumes increased by 6.6%

■ Dividend

- Declared interim dividend of 1.00 Singapore cent per share
- Equivalent to 26% of interim net profit

Financial Performance



Income Statement Highlights

US\$' million	1H2020	1H2019	Change
Sales	278.2	293.0	(5.1%)
Cost of sales	(164.1)	(208.4)	(21.2%)
Gross profit	114.1	84.7	34.8%
EBITDA ⁽¹⁾	106.9	81.5	31.2%
Net profit ⁽²⁾	43.2	29.3	47.8%
Gross profit margin	41.0%	28.9%	↑
EBITDA margin	38.4%	27.8%	↑

- Overall results were boosted by the stronger palm oil prices, partially offset by lower sales volumes of palm based products
- Better margins for 1H2020 driven by the higher average selling prices

(1) Profit from operations before depreciation and amortisation

(2) Profit attributable to owners of the Company

Segmental Results

US\$' million	1H2020	1H2019	Change
Sales			
Plantations and Palm Oil Mills	254.4	206.9	23.0%
• Crude Palm Oil	221.4	175.3	26.3%
• Palm Kernel	27.9	24.5	14.1%
• Fresh Fruit Bunches	5.2	7.1	(27.5%)
Refinery and Processing	272.4	284.8	(4.4%)
Inter-segment elimination	(248.6)	(198.7)	25.1%
	278.2	293.0	(5.1%)
EBITDA			
Plantations and Palm Oil Mills	104.5	67.1	55.7%
Refinery and Processing	9.9	3.0	226.7%
Inter-segment elimination ⁽¹⁾	(7.5)	11.4	<i>n.m.</i>
	106.9	81.5	31.2%

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

Segmental Sales Volume

	1H2020	1H2019	Change
Sales Volume (tonnes)			
Plantations and Palm Oil Mills ⁽¹⁾			
• Crude Palm Oil	401,827	368,375	9.1%
• Palm Kernel	90,599	78,829	14.9%
Refinery and Processing	475,650	563,288	(15.6%)

- Sales volumes in 1H2020 were impacted by a net inventory build-up of ~19,000 tonnes (1H2019: drawdown of ~48,000 tonnes)

(1) Sales volume includes inter-segment sales

Balance Sheet Highlights

US\$' million	30 Jun 2020	31 Dec 2019
Total Assets	1,681.9	1,708.9
Cash and bank balances	129.1	102.0
Total Liabilities	602.5	607.0
Borrowings and debt securities ⁽¹⁾	459.4	411.3
Total Equity	1,079.4	1,101.9
Net Debt	330.3	309.3
Gross Debt ⁽¹⁾ /Total Equity	0.43x	0.37x
Net Debt ⁽²⁾ /Total Equity	0.31x	0.28x
Gross Debt ⁽¹⁾ /EBITDA ⁽³⁾	2.15x	1.88x
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	1.54x	1.41x
EBITDA/Interest Expense ⁽⁴⁾	12.5x	12.8x

(1) Sum of Islamic MTNs and borrowings from financial institutions

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

(3) Annualised

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

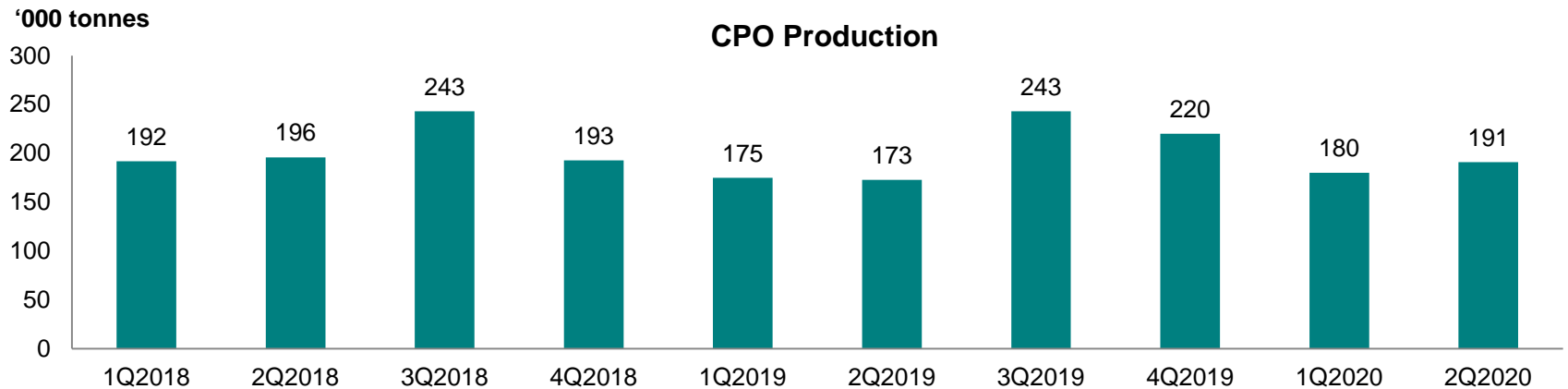
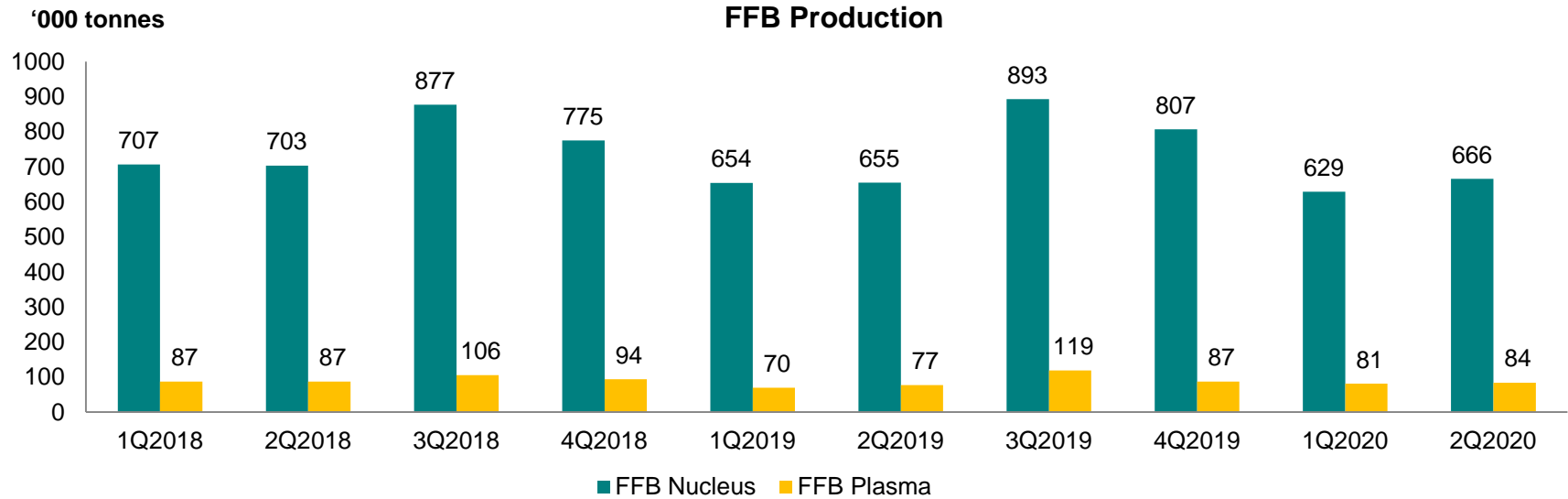
Operational Performance



Production Highlights

		1H2020	1H2019	Change
Production				
FFB harvested	(tonnes)	1,459,549	1,455,796	0.3%
• Nucleus		1,294,875	1,309,188	(1.1%)
• Plasma		164,674	146,608	12.3%
CPO	(tonnes)	371,182	348,102	6.6%
PK	(tonnes)	82,632	80,034	3.2%
Efficiency				
FFB Yield	(tonnes/ha)	7.3	7.3	—
CPO Yield	(tonnes/ha)	1.7	1.7	—
CPO Extraction Rate	(%)	23.4	23.1	↑
PK Extraction Rate	(%)	5.2	5.3	↓

Production Trends

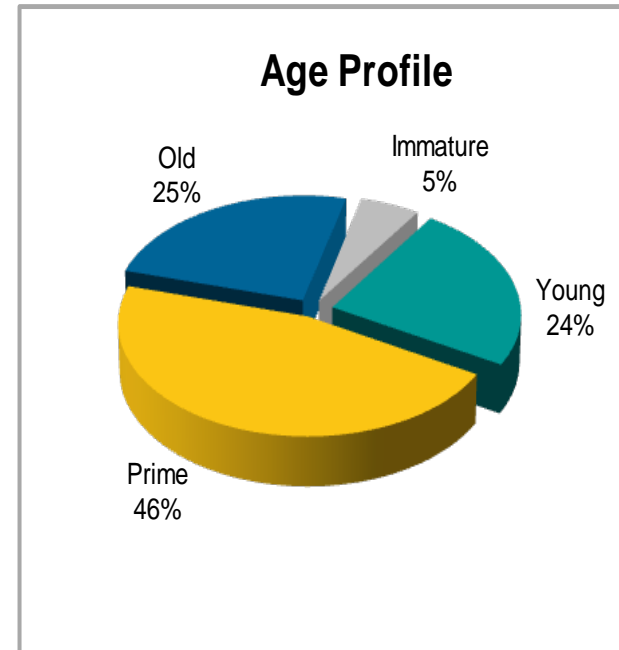


Oil Palm Plantation Area

	As at 30 Jun 2020		As at 30 Jun 2019		As at 31 Dec 2019
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	181,366	85%	180,737	86%	181,065
- Mature	170,385	80%	168,329	80%	167,124
- Immature	10,981	5%	12,408	6%	13,941
Planted Plasma	31,336	15%	30,873	14%	31,008
- Mature	30,798	15%	30,144	14%	30,260
- Immature	538	0%	729	0%	748
Total Planted	212,702	100%	211,610	100%	212,073
- Mature	201,183	95%	198,473	94%	197,384
- Immature	11,519	5%	13,137	6%	14,689

Plantation Age Profile

Age	As at 30 Jun 2020	
	Area (ha)	% of Total
0-3 years (Immature)	11,519	5%
4-7 years (Young)	51,024	24%
8-17 years (Prime)	98,043	46%
≥ 18 years (Old)	52,116	25%
Total	212,702	100%



Weighted average age of ~ 13 years

Group Updates



Updates

■ Outlook

- Whilst the economic impact from the COVID-19 pandemic continues to be felt globally, the gradual opening of major markets and restocking of palm oil inventories by importing countries have contributed to the recovery in palm oil prices in recent weeks.
- Looking forward, the Group expects the supply-demand dynamics of the palm oil industry to be supported by limited industry supply growth and Indonesia's steady realisation of its B30 biodiesel mandate, although macro developments in the US-China trade relations and crude oil market will continue to influence agricultural commodity prices.

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Contact Information

If you need further information, please contact:

Investor Relations

investor@first-resources.com

First Resources Limited

8 Temasek Boulevard

#36-02 Suntec Tower Three

Singapore 038988

Tel: +65 6602 0200

Fax: +65 6333 6711

Website: www.first-resources.com