



First Resources Limited

**Full Year and Second Half 2021
Results Presentation
25 February 2022**

Delivering Growth and Returns



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Executive Summary – FY2021

Delivers robust set of results with record revenue of US\$1 billion

■ Financial Performance

- EBITDA came in at US\$312.9 million, an increase of 20.7%
- Underlying net profit came in at US\$149.2 million, an increase of 53.8%
- Better financial performance attributed to higher average selling prices and stronger sales volumes

■ Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 2.9%
- Crude palm oil (CPO) production volumes increased by 1.6%
- Cash cost of production for nucleus CPO came in at US\$250 per tonne (FY2020: US\$221)

Dividend Proposal

- **Proposing final dividend of 5.10 Singapore cents per share**

- Interim dividend of 1.25 Singapore cent per share paid in September 2021, bringing full-year ordinary dividends to 6.35 Singapore cents per share

- **Dividend policy**

- Revised last year to distribute up to 50% of underlying net profit annually, an increase from the 30% previously

	FY2021	FY2020	FY2019	FY2018	FY2017
Interim (SGD cents per share)	1.25	1.00	0.625	1.25	1.25
Final (SGD cents per share)	5.10	2.00	1.725	2.00	2.15
Special (SGD cents per share)	-	-	-	-	3.40
Total (SGD cents per share)	6.35	3.00	2.350	3.25	6.80

% of Underlying Net Profit

- Ordinary dividend	50%	37%	31%	31%	29%
- Special dividend	-	-	-	-	29%

Financial Performance



Income Statement Highlights

US\$' million	FY2021	FY2020	Change	2H2021	2H2020 ⁽⁴⁾	Change
Sales	1,032.3	660.4	56.3%	619.4	382.2	62.0%
Cost of sales	(570.7)	(368.0)	55.1%	(331.1)	(203.9)	62.4%
Gross profit	461.6	292.4	57.9%	288.3	178.3	61.7%
Gains arising from changes in fair value of biological assets	16.0	3.9	312.4%	12.9	7.7	66.3%
EBITDA ⁽¹⁾	312.9	259.2	20.7%	217.4	152.2	42.8%
Net profit ⁽²⁾	161.1	99.7	61.6%	128.6	60.6	112.1%
Underlying net profit ⁽³⁾	149.2	97.1	53.8%	119.1	55.0	116.7%
Gross profit margin	44.7%	44.3%	↑	46.5%	46.7%	↓
EBITDA margin	30.3%	39.2%	↓	35.1%	39.8%	↓

- Increase in sales was driven by a combination of higher average selling prices and sales volumes
- EBITDA and underlying net profit in FY2021 continued to reflect the impact of higher export taxes from the progressive export levy structure implemented in Indonesia since December 2020, while the reduction in export levies effective 2 July 2021 have and will benefit the Group's results in 2H2021 and going forward

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

(4) Restated to take into account the fair valuation of biological assets and amortisation of land use rights in the six months ended 30 June 2020 so as to be comparable with 2H2021

Segmental Results

US\$' million	FY2021	FY2020	Change	2H2021	2H2020	Change
Sales						
Plantations and Palm Oil Mills	642.1	544.6	17.9%	378.1	290.2	30.3%
• Crude Palm Oil	522.2	471.2	10.8%	311.9	249.8	24.9%
• Palm Kernel	113.3	63.3	79.0%	62.5	35.4	76.8%
• Fresh Fruit Bunches	6.6	10.2	(35.3%)	3.7	5.0	(26.1%)
Refinery and Processing	917.6	640.0	43.4%	544.7	367.6	48.1%
Inter-segment elimination	(527.4)	(524.2)	0.6%	(303.4)	(275.6)	10.1%
	1,032.3	660.4	56.3%	619.4	382.2	62.0%
EBITDA						
Plantations and Palm Oil Mills	252.3	235.8	7.0%	168.3	131.4	28.1%
Refinery and Processing	69.6	31.5	121.1%	43.7	21.5	103.2%
Inter-segment elimination ⁽¹⁾	(8.9)	(8.1)	9.9%	5.3	(0.6)	n.m.
	312.9	259.2	20.7%	217.4	152.2	42.8%

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

Segmental Sales Volume

	FY2021	FY2020	Change	2H2021	2H2020	Change
Sales Volume (tonnes)						
Plantations and Palm Oil Mills ⁽¹⁾						
• Crude Palm Oil	911,239	870,433	4.7%	453,391	468,606	(3.2%)
• Palm Kernel	213,530	195,634	9.1%	110,893	105,035	5.6%
Refinery and Processing	1,171,795	1,078,105	8.7%	630,778	602,455	4.7%

- Sales volumes in FY2021 were boosted by a net inventory drawdown of ~30,000 tonnes (FY2020: build-up of ~44,000 tonnes) and increased purchases of CPO from third parties
- For 2H2021, the higher sales volumes were similarly driven by a net inventory drawdown of ~50,000 tonnes (2H2020: build-up of ~25,000 tonnes) and higher purchases of CPO from third parties

(1) Sales volumes include inter-segment sales

Review of Key Performance Metrics

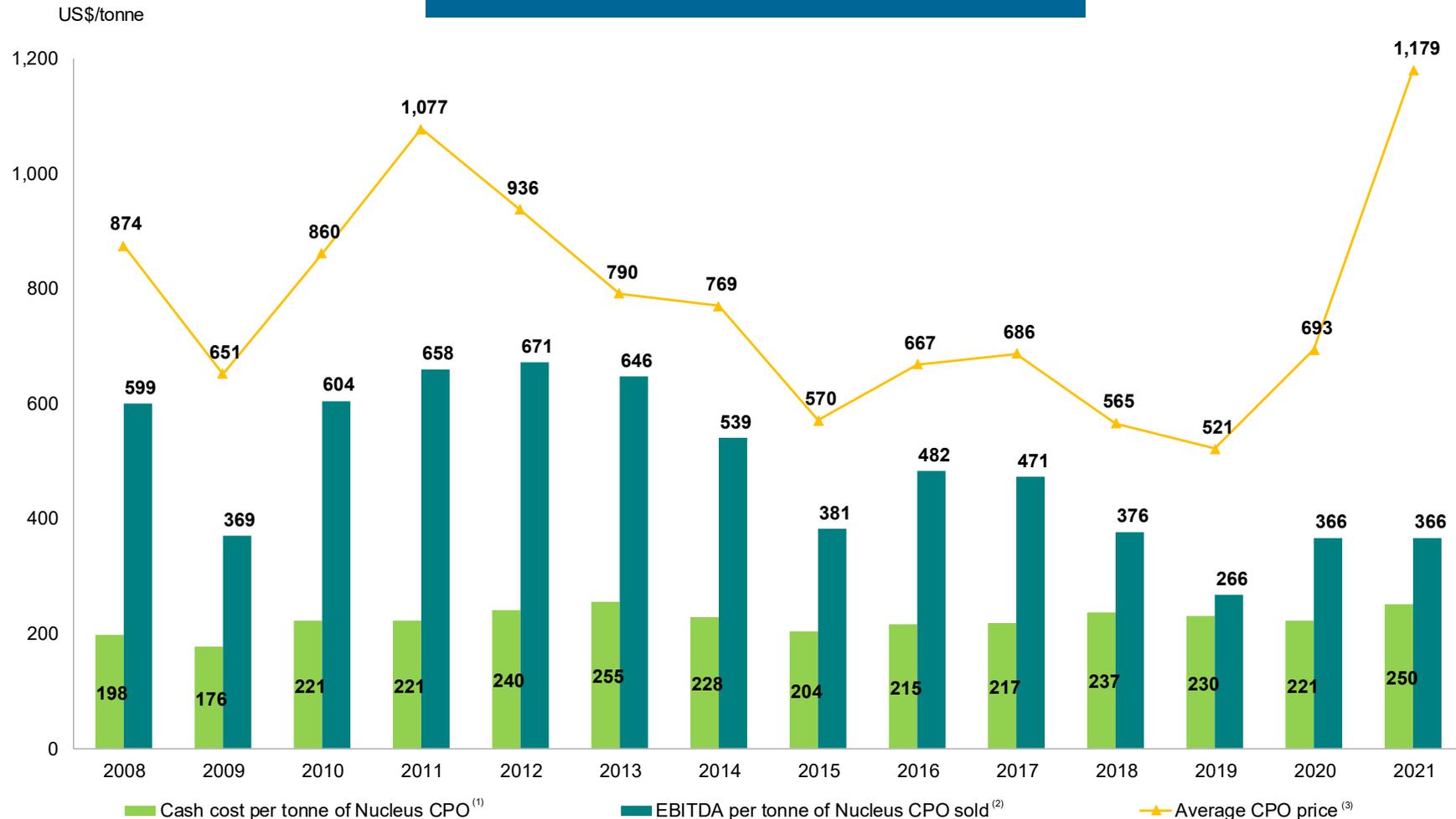
Performance Metrics	FY2021	FY2020	Change
Unit Cash Cost of Production, Ex-Mill ⁽¹⁾ - Per tonne of Nucleus CPO produced	US\$250	US\$221	↑
Unit EBITDA ⁽²⁾ - Per tonne of Nucleus CPO sold	US\$366	US\$366	—
Unit EBITDA ⁽²⁾ - Per mature Nucleus Hectare	US\$1,552	US\$1,395	↑

(1) Derived using total cash cost of producing nucleus CPO and PK (before selling and distribution expenses and general and administrative expenses), divided by the production volume of nucleus CPO

(2) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

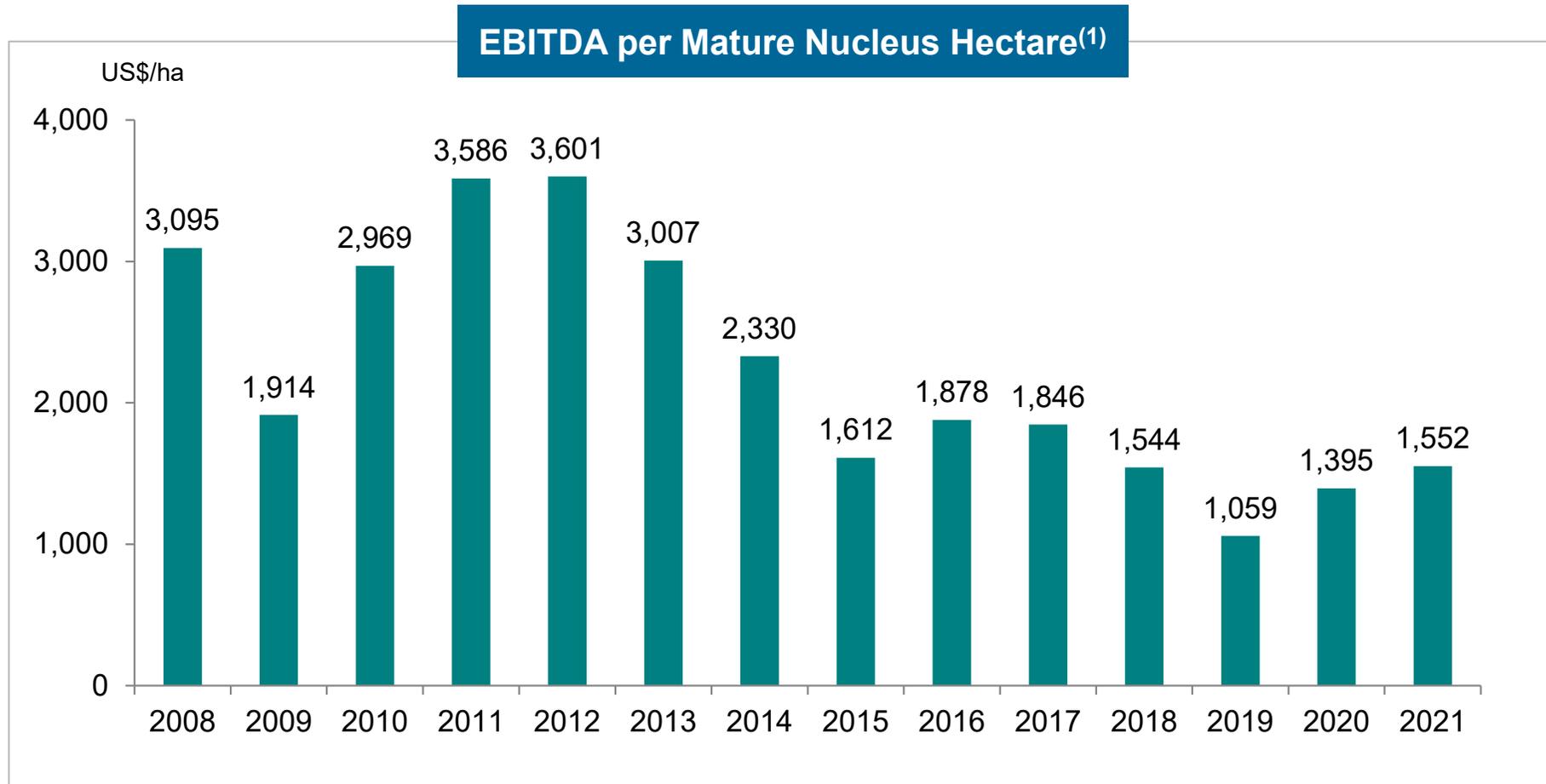
Key Performance Metrics

EBITDA and Cash Cost of Production



- (1) Derived using total cash cost of producing nucleus CPO and PK (before selling and distribution expenses and general and administrative expenses), divided by the production volume of nucleus CPO
- (2) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA
- (3) Based on Indonesia FOB Crude Palm Oil spot price

Key Performance Metrics



Improved unit EBITDA in FY2021 on stronger CPO prices despite higher export taxes

(1) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

Balance Sheet Highlights

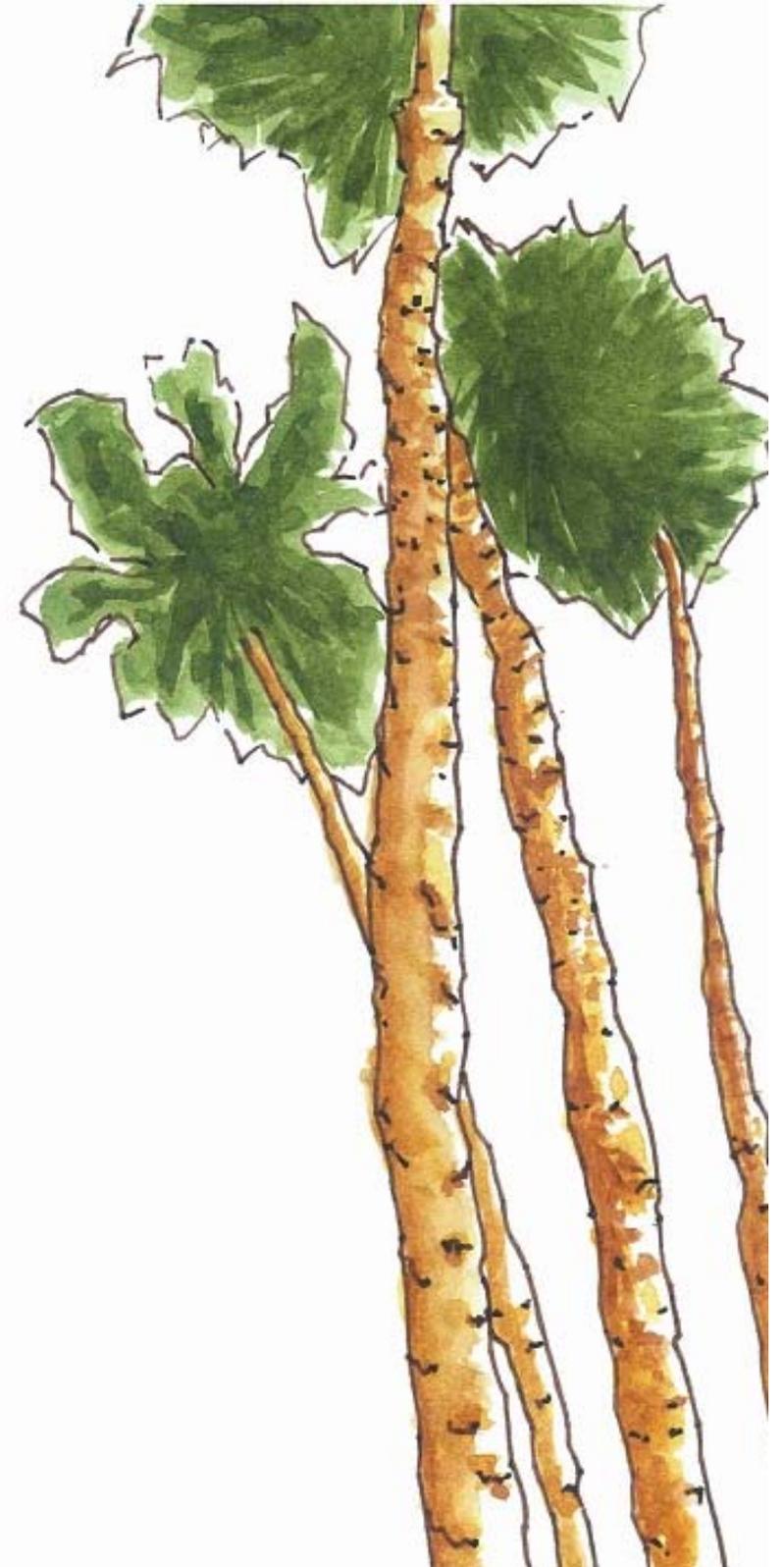
US\$' million	31 Dec 2021	31 Dec 2020
Total Assets	1,873.6	1,785.9
Cash and bank balances	381.5	195.1
Total Liabilities	602.5	659.8
Borrowings and debt securities ⁽¹⁾	406.7	441.6
Total Equity	1,271.1	1,126.1
Net Debt	25.2	246.5
Gross Debt ⁽¹⁾ /Total Equity	0.32x	0.39x
Net Debt ⁽²⁾ /Total Equity	0.02x	0.22x
Gross Debt ⁽¹⁾ /EBITDA	1.30x	1.70x
Net Debt ⁽²⁾ /EBITDA	0.08x	0.95x
EBITDA/Interest Expense ⁽³⁾	22.8x	15.6x

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

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

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

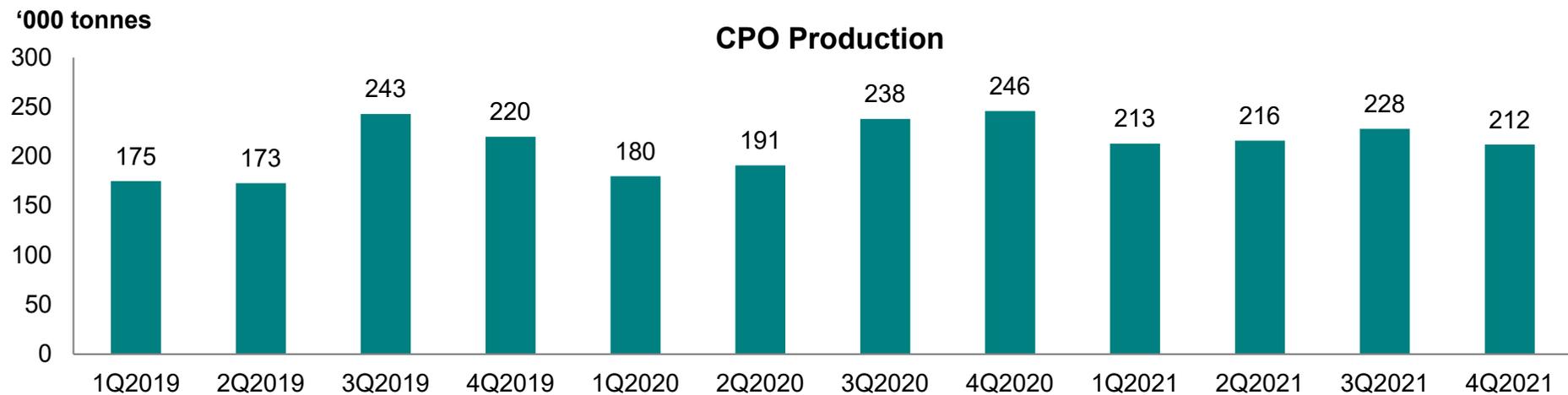
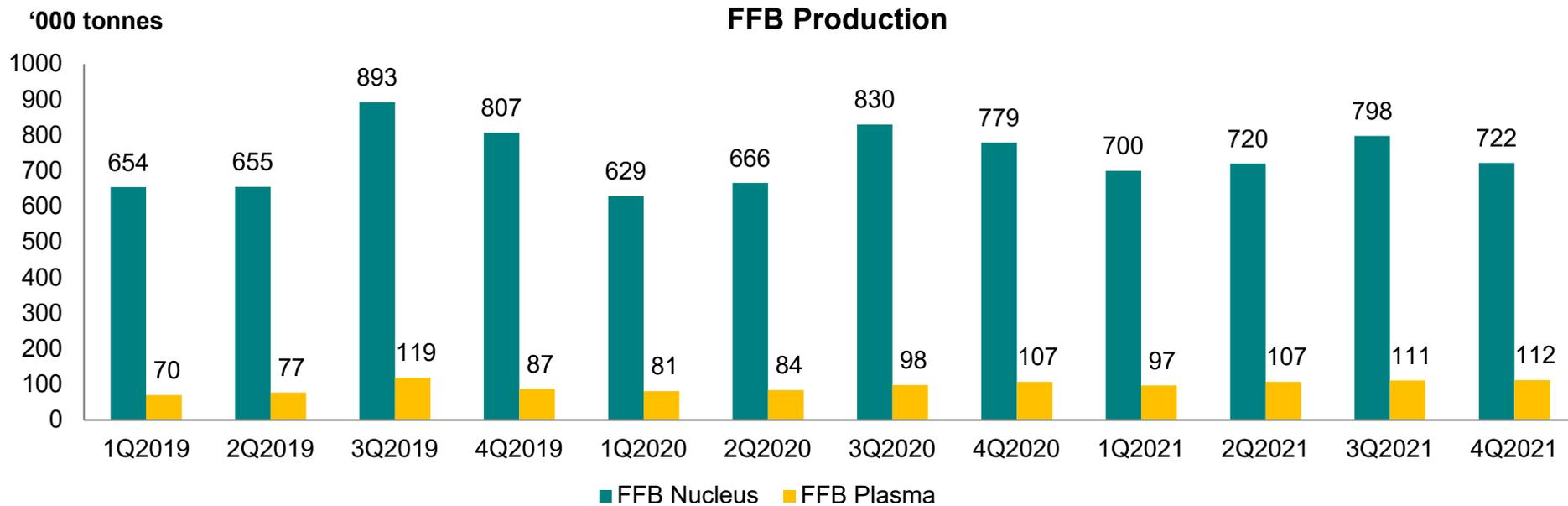
Operational Performance



Production Highlights

		FY2021	FY2020	Change	2H2021	2H2020	Change
Production							
FFB harvested	(tonnes)	3,367,668	3,273,584	2.9%	1,743,753	1,814,035	(3.9%)
• Nucleus		2,940,434	2,903,800	1.3%	1,520,066	1,608,925	(5.5%)
• Plasma		427,234	369,784	15.5%	223,687	205,110	9.1%
CPO	(tonnes)	869,241	855,668	1.6%	440,833	484,486	(9.0%)
PK	(tonnes)	197,384	192,840	2.4%	102,382	110,208	(7.1%)
Efficiency							
FFB Yield	(tonnes/ha)	17.2	16.4	↑	8.9	9.1	↓
CPO Yield	(tonnes/ha)	3.9	3.8	↑	2.0	2.1	↓
CPO Extraction Rate	(%)	22.7	23.2	↓	22.4	23.0	↓
PK Extraction Rate	(%)	5.2	5.2	—	5.2	5.2	—

Production Trends

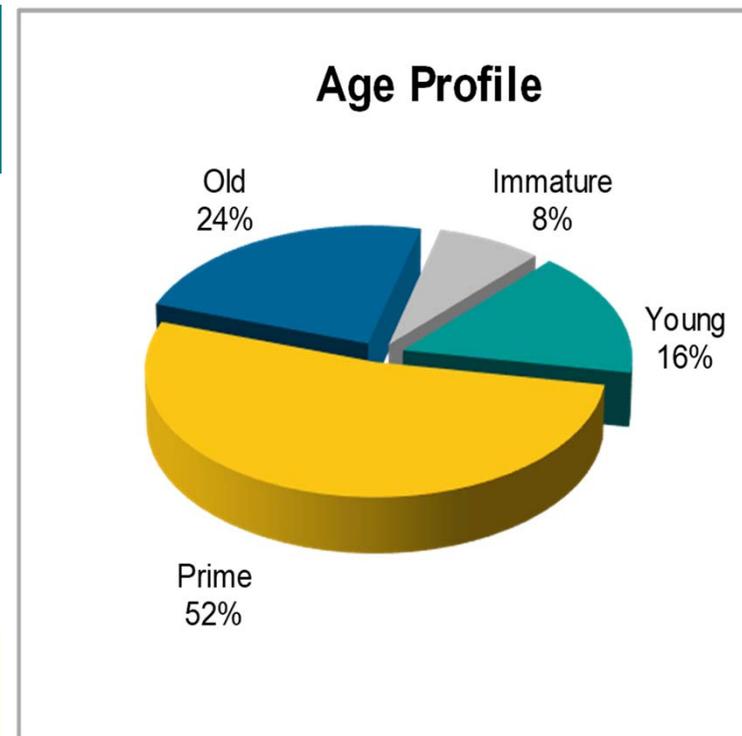


Oil Palm Plantation Area

	As at 31 Dec 2021		As at 31 Dec 2020	
	Area (ha)	% of Total	Area (ha)	% of Total
Planted Nucleus	178,733	84%	182,029	85%
- Mature	162,560	76%	169,106	79%
- Immature	16,173	8%	12,923	6%
Planted Plasma	33,475	16%	31,432	15%
- Mature	32,991	16%	30,818	15%
- Immature	484	0%	614	0%
Total Planted	212,208	100%	213,461	100%
- Mature	195,551	92%	199,924	94%
- Immature	16,657	8%	13,537	6%

Plantation Age Profile

Age	As at 31 Dec 2021	
	Area (ha)	% of Total
0-3 years (Immature)	16,657	8%
4-7 years (Young)	34,165	16%
8-17 years (Prime)	111,142	52%
≥ 18 years (Old)	50,244	24%
Total	212,208	100%



Weighted average age of ~ 13 years

Group Updates



Capital Investments in 2022

■ Plantation Development

- Replanting of oil palms
- Maintenance of immature oil palm plantations

■ Property, Equipment and Others

- Infrastructure for plantation management

■ CPO Mills

- Construction of our 19th mill
- Upgrading and maintenance of existing CPO mills

■ Processing Facilities

Expected capital expenditure ~ US\$120 million

Updates

■ Outlook

- Palm oil prices rallied to record highs in the second half of 2021, fuelled by lower-than-expected supplies from key producing regions Malaysia and Indonesia, higher global energy prices and Indonesia's continued commitment to its biodiesel mandate.
- In the near-term, global vegetable oil supplies remain tight due to weather influences impacting production of palm oil and other soft oils, as well as continuing labour shortages at the Malaysian palm oil plantations. This is further exacerbated by export supply disruptions from Indonesia's new Domestic Market Obligation (DMO) policy enforcing palm oil exporters to sell 20% of their export volumes domestically at a stipulated price.
- While the near-term supply tightness has been supportive of palm oil price, its relative pricing against other competing oils and the pace of supply recovery in the rest of the year will exert an influence on the direction of palm oil prices going forward.

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