



First Resources Limited

**Half Year ended 30 June 2022
Results Presentation
12 August 2022**

Delivering Growth and Returns



Table of Contents

Executive Summary	3
Financial Performance	4
Operational Performance	9
Group Updates	14

Executive Summary – 1H2022

■ Financial Performance

- EBITDA came in at US\$230.3 million, an increase of 141.1%
- Underlying net profit came in at US\$137.6 million, an increase of 356.5%
- Better financial performance attributed to higher average selling prices, despite lower sales volumes from inventory build-up

■ Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 0.4%
- Crude palm oil (CPO) production volumes decreased by 6.6%

■ Dividend

- Declared interim dividend of 2.50 Singapore cents per share
- Equivalent to 21% of interim underlying net profit

Financial Performance



Income Statement Highlights

US\$' million	1H2022	1H2021	Change
Sales	535.2	412.9	29.6%
Cost of sales	(240.2)	(239.6)	0.2%
Gross profit	295.1	173.3	70.2%
(Loss)/gain arising from changes in fair value of biological assets	(12.3)	3.1	<i>n.m.</i>
EBITDA ⁽¹⁾	230.3	95.5	141.1%
Net profit ⁽²⁾	128.0	32.6	293.1%
Underlying net profit ⁽³⁾	137.6	30.1	356.5%
Gross profit margin	55.1%	42.0%	↑
EBITDA margin	43.0%	23.1%	↑

- Sales boosted by stronger palm oil prices, partially offset by lower sales volumes
- Better margins driven by the higher average selling prices achieved
- Fair value loss from biological assets in 1H2022 mainly attributable to lower domestic FFB prices used in the valuation as compared to 31 December 2021

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

Segmental Results

US\$' million	1H2022	1H2021	Change
Sales			
Plantations and Palm Oil Mills	363.1	264.0	37.6%
• Crude Palm Oil	288.0	210.3	36.9%
• Palm Kernel	71.0	50.7	39.8%
• Fresh Fruit Bunches	4.2	2.9	46.8%
Refinery and Processing	514.8	373.0	38.0%
Inter-segment elimination	(342.7)	(224.0)	53.0%
	535.2	412.9	29.6%
EBITDA			
Plantations and Palm Oil Mills	197.8	84.0	135.6%
Refinery and Processing	58.2	25.8	125.3%
Inter-segment elimination ⁽¹⁾	(25.7)	(14.2)	80.3%
	230.3	95.5	141.1%

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

Segmental Sales Volume

	1H2022	1H2021	Change
Sales Volume (tonnes)			
Plantations and Palm Oil Mills ⁽¹⁾			
• Crude Palm Oil	344,087	457,848	(24.8%)
• Palm Kernel	88,371	102,637	(13.9%)
Refinery and Processing	457,805	541,017	(15.4%)

- Sales volumes were impacted by a net inventory build-up of ~131,000 tonnes for 1H2022 (1H2021: ~20,000 tonnes)

(1) Sales volumes include inter-segment sales

Balance Sheet Highlights

US\$' million	30 Jun 2022	31 Dec 2021
Total Assets	1,828.5	1,873.6
Cash and bank balances	256.3	381.5
Total Liabilities	499.7	602.5
Borrowings and debt securities ⁽¹⁾	347.8	406.7
Total Equity	1,328.8	1,271.1
Net Debt	91.4	25.2
Gross Debt ⁽¹⁾ /Total Equity	0.26x	0.32x
Net Debt ⁽²⁾ /Total Equity	0.07x	0.02x
Gross Debt ⁽¹⁾ /EBITDA ⁽³⁾	0.75x	1.30x
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	0.20x	0.08x
EBITDA/Interest Expense ⁽⁴⁾	48.7x	22.8x

(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

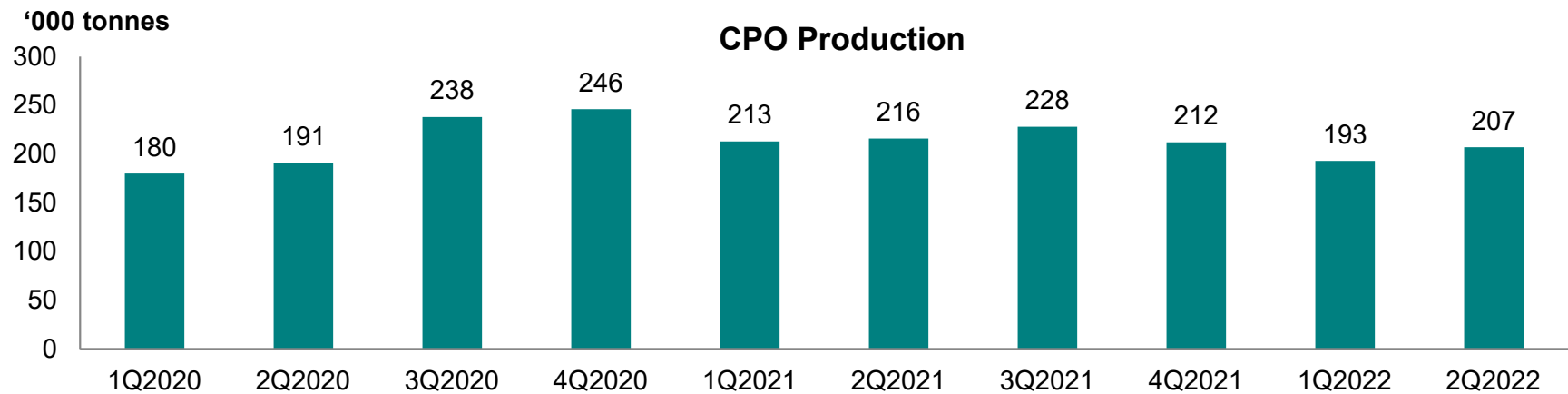
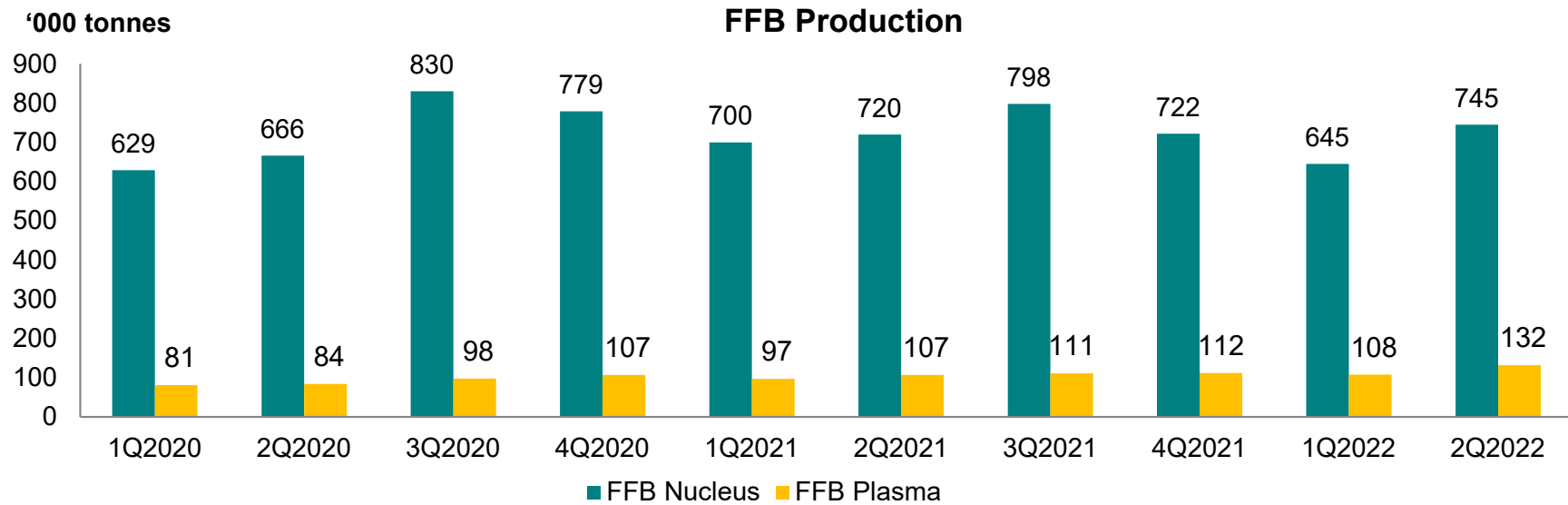
Operational Performance



Production Highlights

		1H2022	1H2021	Change
Production				
FFB harvested	(tonnes)	1,630,328	1,623,915	0.4%
• Nucleus		1,390,567	1,420,368	(2.1%)
• Plasma		239,761	203,547	17.8%
CPO	(tonnes)	400,159	428,408	(6.6%)
PK	(tonnes)	89,061	95,002	(6.3%)
Efficiency				
FFB Yield	(tonnes/ha)	8.2	8.2	—
CPO Yield	(tonnes/ha)	1.8	1.9	↓
CPO Extraction Rate	(%)	22.4	23.0	↓
PK Extraction Rate	(%)	5.0	5.1	↓

Production Trends

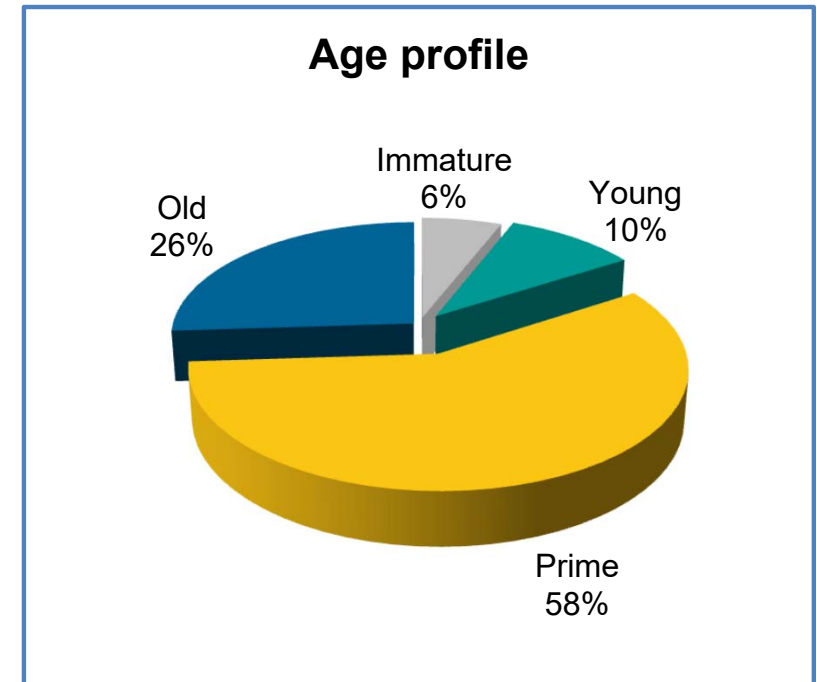


Oil Palm Plantation Area

	As at 30 Jun 2022		As at 30 Jun 2021		As at 31 Dec 2021
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	175,051	83%	179,416	85%	178,733
- Mature	162,339	77%	166,711	79%	162,560
- Immature	12,712	6%	12,705	6%	16,173
Planted Plasma	35,837	17%	31,511	15%	33,475
- Mature	35,480	17%	31,123	15%	32,991
- Immature	357	0%	388	0%	484
Total Planted	210,888	100%	210,927	100%	212,208
- Mature	197,819	94%	197,834	94%	195,551
- Immature	13,069	6%	13,093	6%	16,657

Plantation Age Profile

Age	As at 30 Jun 2022	
	Area (ha)	% of Total
0-3 years (Immature)	13,069	6%
4-7 years (Young)	21,641	10%
8-17 years (Prime)	122,557	58%
≥ 18 years (Old)	53,621	26%
Total	210,888	100%



Weighted average age of ~ 14 years

Group Updates



Updates

■ Outlook

- Since the start of 2022, palm oil prices have been affected by macroeconomic uncertainties and government policy changes in Indonesia, culminating in the temporary export ban that drove CPO prices towards its historical highs.
- The export ban had since been lifted on 23 May 2022 although the pace of exports in June was still hampered by the ensuing Domestic Market Obligation (DMO), under which exporters are required to sell a portion of their production domestically before being granted export permits. As the Indonesian government continues its bid to boost palm oil exports through relaxation of the DMO policy and reduction in export taxes, stockpiles in Indonesia should normalise in the coming months.
- On the demand front, with palm oil's attractive relative pricing against other competing edible oils encouraging replenishment of inventories by importing countries, palm oil consumption demand should remain supportive.

Disclaimer

This presentation has been prepared by First Resources Limited (“Company”) for informational purposes, and may contain projections and forward-looking statements that reflect the Company’s current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company’s assumptions are correct.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed herein reflect the judgement of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

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