



First Resources Limited

**Full Year and Second Half 2022
Results Presentation
1 March 2023**

Delivering Growth and Returns



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Executive Summary – FY2022

Best Performance since SGX Listing

■ Record Financial Performance

- EBITDA of US\$508.8 million, an increase of 62.6%
- Underlying net profit of US\$334.2 million, an increase of 123.9%
- Robust financial performance driven by higher average selling prices

■ Strong Operational Performance

- Fruit bunches (FFB) harvested increased by 5.9%
- CPO production volumes increased by 1.4%
- Cash cost of production for nucleus CPO came in at US\$276 per tonne (FY2021: US\$250)

Dividend Proposal

- **Proposing final dividend of 12.00 Singapore cents per share**

- Interim dividend of 2.50 Singapore cent per share paid in September 2022, bringing full-year ordinary dividends to 14.50 Singapore cents per share

	FY2022	FY2021	FY2020	FY2019	FY2018
Interim (SGD cents per share)	2.50	1.25	1.00	0.625	1.25
Final (SGD cents per share)	12.00	5.10	2.00	1.725	2.00
Total (SGD cents per share)	14.50	6.35	3.00	2.350	3.25
% of Underlying Net Profit	50%	50%	37%	31%	31%

Financial Performance



Income Statement Highlights

US\$' million	FY2022	FY2021	Change	2H2022	2H2021	Change
Sales	1,225.4	1,032.3	18.7%	690.2	619.4	11.4%
Cost of sales	(596.1)	(570.7)	4.5%	(356.0)	(331.1)	7.5%
Gross profit	629.3	461.6	36.3%	334.3	288.3	16.0%
(Loss)/gain arising from changes in fair value of biological assets	(11.5)	16.0	<i>n.m.</i>	0.9	12.9	(93.3%)
EBITDA ⁽¹⁾	508.8	312.9	62.6%	278.4	217.4	28.1%
Net profit ⁽²⁾	325.2	161.1	101.8%	197.2	128.6	53.4%
Underlying net profit ⁽³⁾	334.2	149.2	123.9%	196.6	119.1	65.1%
Gross profit margin	51.4%	44.7%	↑	48.4%	46.5%	↑
EBITDA margin	41.5%	30.3%	↑	40.3%	35.1%	↑

- Overall improvement in sales and margins driven by higher average selling prices achieved
- Indonesia's export levy suspension from mid-July to mid-November 2022 also contributed to the increase in EBITDA and underlying net profit

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

Segmental Results

US\$' million	FY2022	FY2021	Change	2H2022	2H2021	Change
Sales						
Plantations and Palm Oil Mills	845.8	642.1	31.7%	482.6	378.1	27.6%
• Crude Palm Oil	725.3	522.2	38.9%	437.4	311.9	40.2%
• Palm Kernel	112.3	113.3	(0.9%)	41.3	62.5	(34.0%)
• Fresh Fruit Bunches	8.2	6.6	24.4%	3.9	3.7	6.7%
Refinery and Processing	1,071.7	917.6	16.8%	556.9	544.7	2.2%
Inter-segment elimination	(692.0)	(527.4)	31.2%	(349.3)	(303.4)	15.1%
	1,225.4	1,032.3	18.7%	690.2	619.4	11.4%
EBITDA						
Plantations and Palm Oil Mills	451.1	252.3	78.8%	253.3	168.3	50.5%
Refinery and Processing	55.7	69.6	(19.9%)	(2.5)	43.7	n.m.
Inter-segment elimination ⁽¹⁾	2.0	(8.9)	n.m.	27.6	5.3	416.8%
	508.8	312.9	62.6%	278.4	217.4	28.1%

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

Segmental Sales Volume

	FY2022	FY2021	Change	2H2022	2H2021	Change
Sales Volume (tonnes)						
Plantations and Palm Oil Mills ⁽¹⁾						
• Crude Palm Oil	863,019	911,239	(5.3%)	518,932	453,391	14.5%
• Palm Kernel	199,614	213,530	(6.5%)	111,243	110,893	0.3%
Refinery and Processing	1,058,830	1,171,795	(9.6%)	601,025	630,778	(4.7%)

- Sales volumes were impacted by a net inventory build-up of ~40,000 tonnes for FY2022 (FY2021: drawdown of ~30,000 tonnes)
- For 2H2022, sales volumes included the effect of a net inventory drawdown of ~91,000 tonnes as compared to ~50,000 tonnes in 2H2021

(1) Sales volumes include inter-segment sales

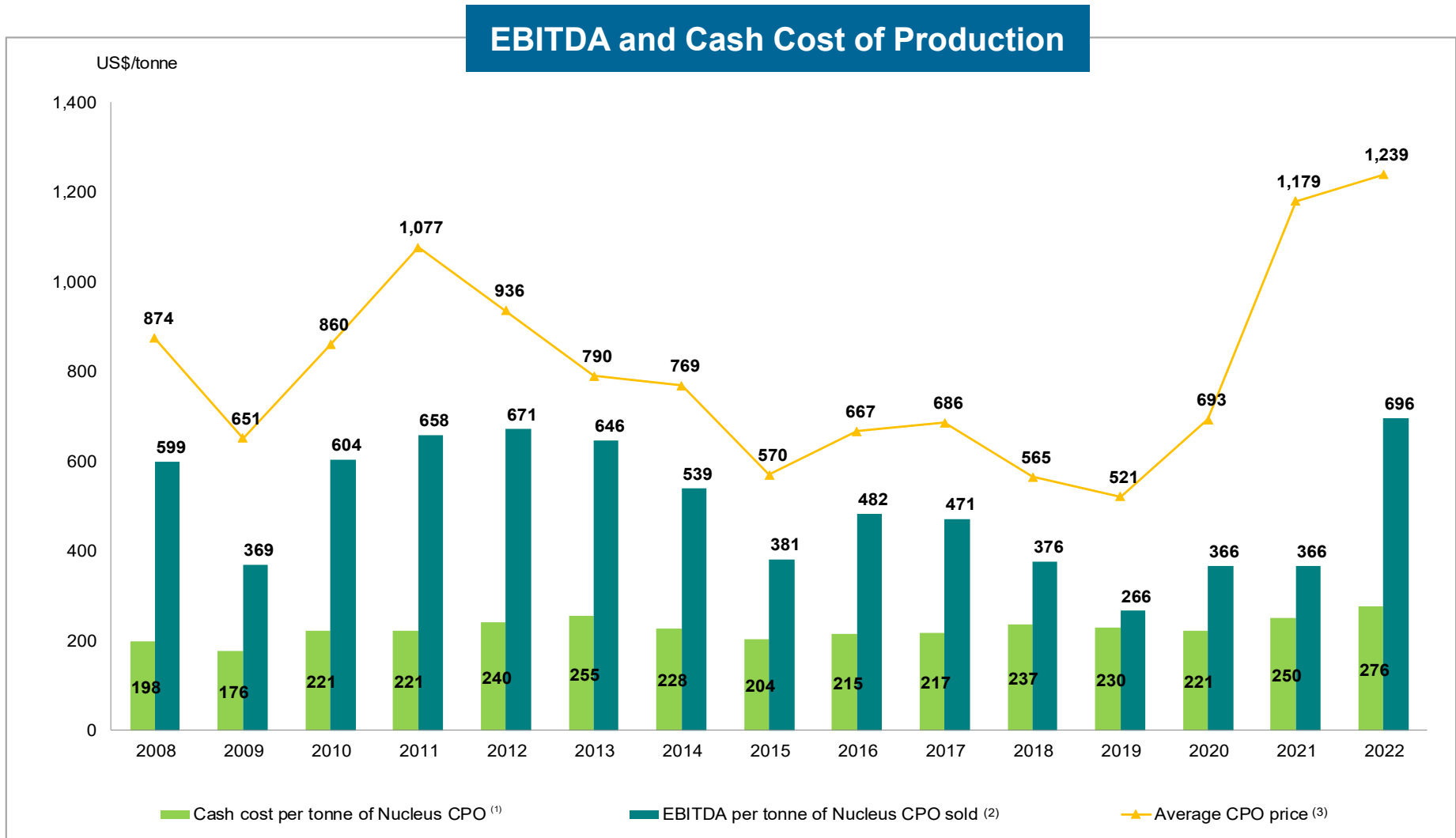
Review of Key Performance Metrics

Performance Metrics	FY2022	FY2021	Change
Unit Cash Cost of Production, Ex-Mill ⁽¹⁾ - Per tonne of Nucleus CPO produced	US\$276	US\$250	↑
Unit EBITDA ⁽²⁾ - Per tonne of Nucleus CPO sold	US\$696	US\$366	↑
Unit EBITDA ⁽²⁾ - Per mature Nucleus Hectare	US\$2,818	US\$1,552	↑

(1) Derived using total cash cost of producing nucleus CPO and PK (before selling & distribution expenses and general & 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

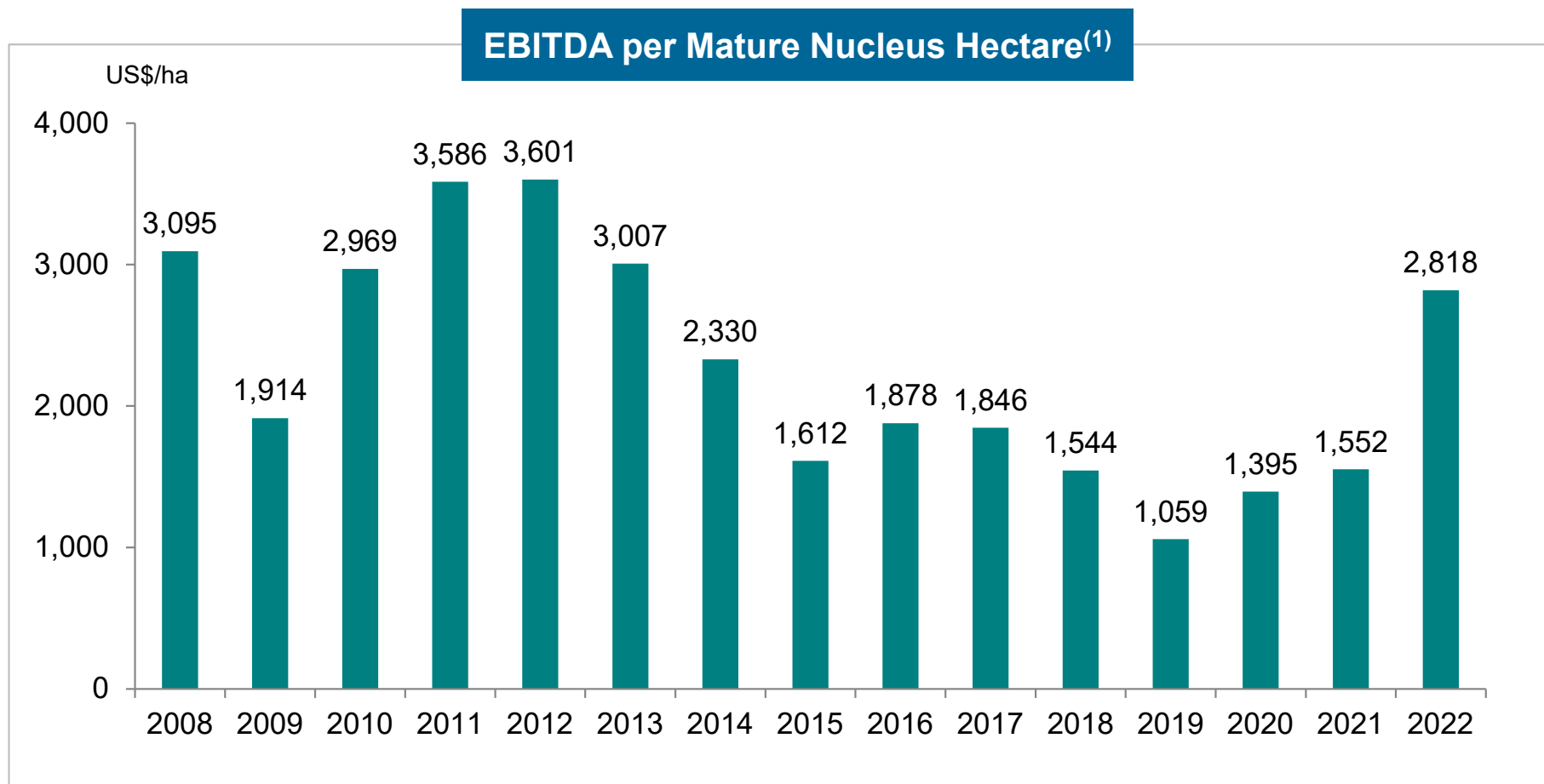


(1) Derived using total cash cost of producing nucleus CPO and PK (before selling & distribution expenses and general & administrative expenses), divided by the production volume of nucleus CPO

(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 prices published by Refinitiv Eikon

Key Performance Metrics



Improved unit EBITDA in FY2022 on stronger CPO prices

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

Balance Sheet Highlights

US\$' million	31 Dec 2022	31 Dec 2021
Total Assets	1,832.7	1,873.6
Cash and bank balances	440.3	381.5
Total Liabilities	433.8	602.5
Borrowings and debt securities ⁽¹⁾	295.7	406.7
Total Equity	1,398.9	1,271.1
Net (Cash)/Debt	(144.6)	25.2
Gross Debt ⁽¹⁾ /Total Equity	0.21x	0.32x
Net Debt ⁽²⁾ /Total Equity	Net cash	0.02x
Gross Debt ⁽¹⁾ /EBITDA	0.58x	1.30x
Net Debt ⁽²⁾ /EBITDA	Net cash	0.08x
EBITDA/Interest Expense ⁽³⁾	54.6x	22.8x

(1) Sum of borrowings from financial institutions

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

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

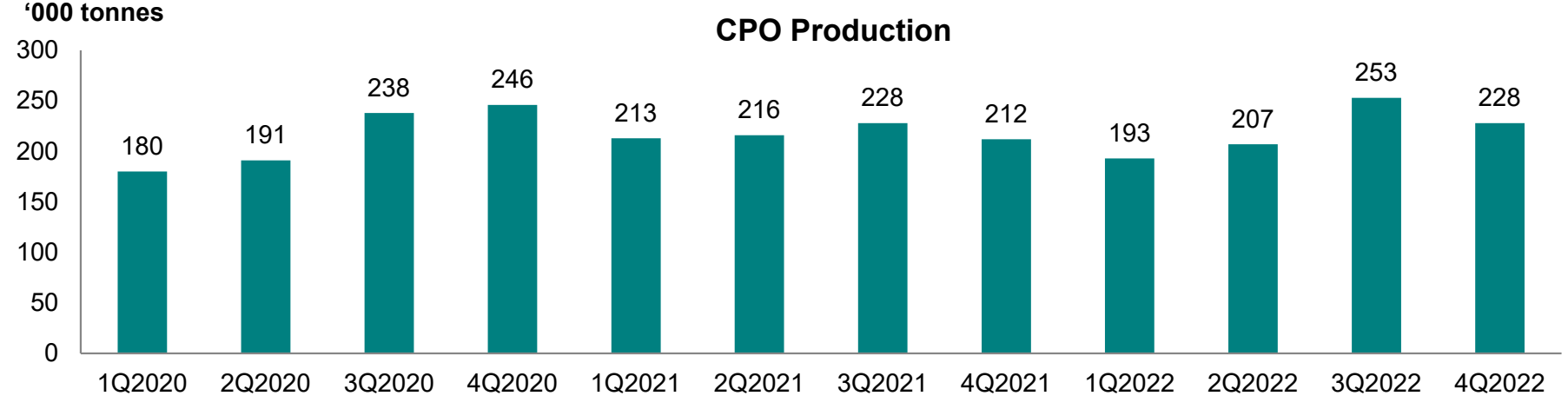
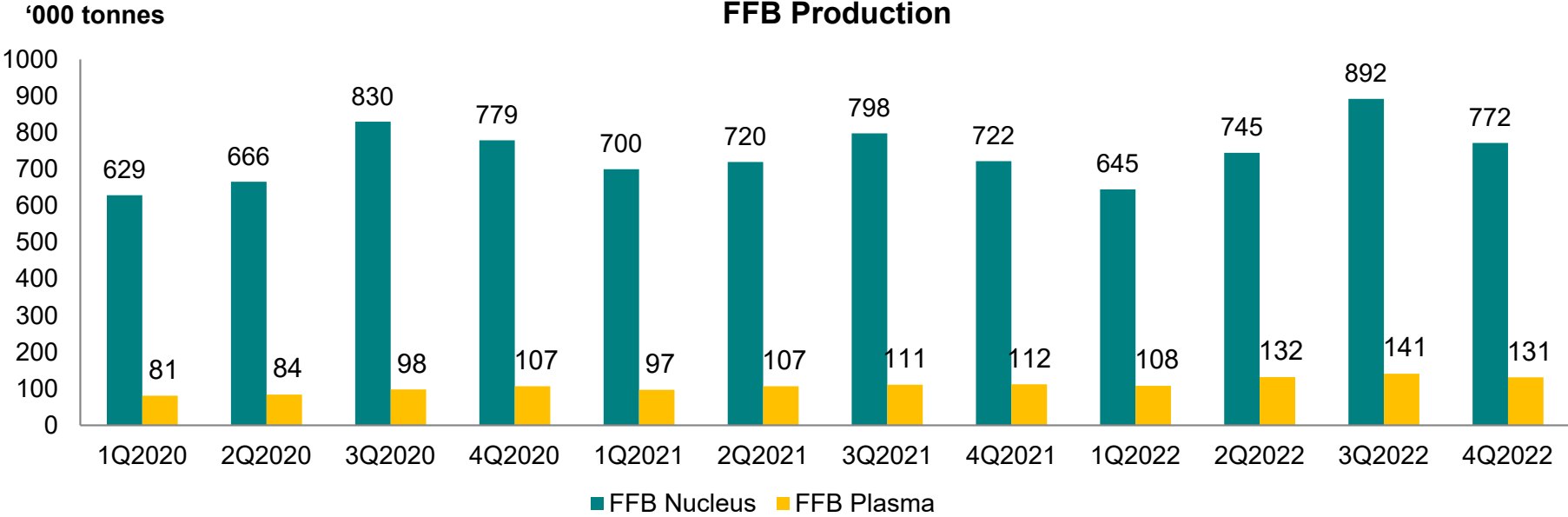
Operational Performance



Production Highlights

		FY2022	FY2021	Change	2H2022	2H2021	Change
Production							
FFB harvested	(tonnes)	3,566,191	3,367,668	5.9%	1,935,863	1,743,753	11.0%
• Nucleus		3,055,203	2,940,434	3.9%	1,664,636	1,520,066	9.5%
• Plasma		510,988	427,234	19.6%	271,227	223,687	21.3%
CPO	(tonnes)	881,062	869,241	1.4%	480,903	440,833	9.1%
PK	(tonnes)	197,620	197,384	0.1%	108,559	102,382	6.0%
Efficiency							
FFB Yield	(tonnes/ha)	18.2	17.2	↑	9.9	8.9	↑
CPO Yield	(tonnes/ha)	4.1	3.9	↑	2.2	2.0	↑
CPO Extraction Rate	(%)	22.3	22.7	↓	22.3	22.4	↓
PK Extraction Rate	(%)	5.0	5.2	↓	5.0	5.2	↓

Production Trends

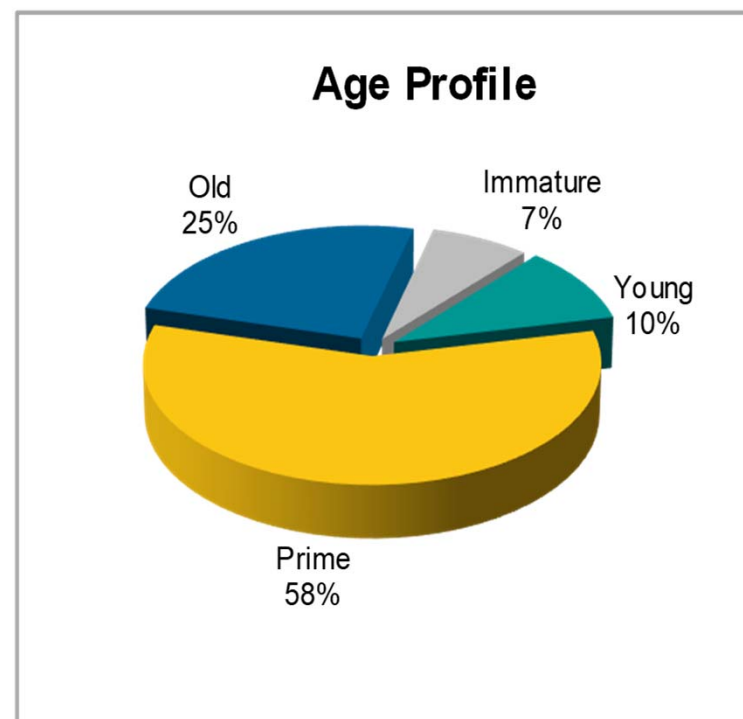


Oil Palm Plantation Area

	As at 31 Dec 2022		As at 31 Dec 2021	
	Area (ha)	% of Total	Area (ha)	% of Total
Planted Nucleus	175,563	83%	178,733	84%
- Mature	160,095	76%	162,560	76%
- Immature	15,468	7%	16,173	8%
Planted Plasma	35,846	17%	33,475	16%
- Mature	35,480	17%	32,991	16%
- Immature	366	0%	484	0%
Total Planted	211,409	100%	212,208	100%
- Mature	195,575	93%	195,551	92%
- Immature	15,834	7%	16,657	8%

Plantation Age Profile

Age	As at 31 Dec 2022	
	Area (ha)	% of Total
0-3 years (Immature)	15,834	7%
4-7 years (Young)	21,633	10%
8-17 years (Prime)	121,737	58%
≥ 18 years (Old)	52,205	25%
Total	211,409	100%



Weighted average age of ~ 13 years

Group Updates



Capital Investments in 2023

■ Plantation Development

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

■ Property, Equipment and Others

- Infrastructure for plantation management

■ CPO Mills

- Upgrading and maintenance of existing CPO mills

■ Processing Facilities

Expected capital expenditure ~ US\$170 million

Updates

■ RSPO Certifications

- In 2022, the Group received RSPO (Roundtable on Sustainable Palm Oil) certifications for four mills, covering 40,263 hectares of plantations in Riau.
- As at December 2022, we have received RSPO certifications for eight of our subsidiaries covering six mills and more than 59,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 34% of the Group's nucleus planted area.
- We are committed to progressing in our certification process and have set ourselves a goal to achieve 100% RSPO certification by 2026.

Updates

■ Outlook

- Palm oil prices touched new highs in the first half of 2022, owing to the tightening of global vegetable oil supplies from the Russia-Ukraine war and Indonesia's temporary export ban.
- While CPO prices have since moderated following the lifting of the export ban mid last year, the government's ongoing measures to ensure the affordability and sufficiency of cooking oil within Indonesia has continued to restrict the availability of global palm oil supplies in recent months. On the demand front, Indonesia's higher B35 biodiesel mandate in 2023 should remain supportive of domestic palm oil consumption demand in the year ahead.
- Whilst remaining cautiously optimistic that our performance for FY2023 will remain strong vis-a-vis historical levels, the Group expects its average selling prices and profitability to moderate in the near-term due to the high base effect from the record high palm oil prices seen in 2022.
- Amid the global market uncertainties, the Group will closely monitor developments in the regulatory and macro environment, including the geopolitical situation in the Black Sea and the reopening of China, which will exert an influence on the direction of palm oil prices going forward.

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