



# First Resources Limited

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**Annual General Meeting**  
**26 April 2024**

*Delivering Growth and Returns*



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# Group Overview

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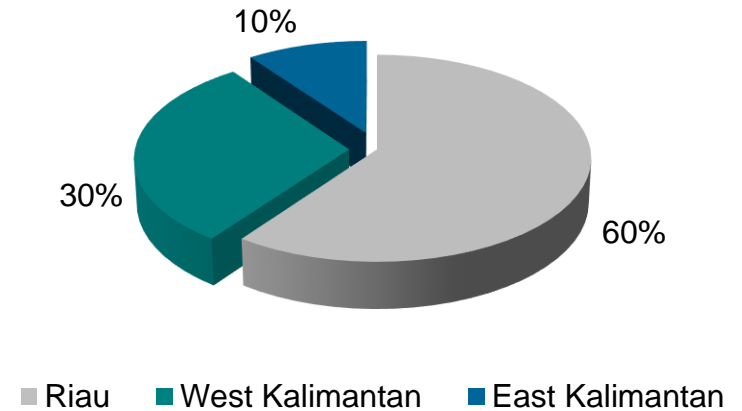
# About First Resources

## Locations



## Assets

Oil palm plantations are located in the Riau, West Kalimantan and East Kalimantan provinces of Indonesia



**213,421** ha  
of Oil Palm Plantations

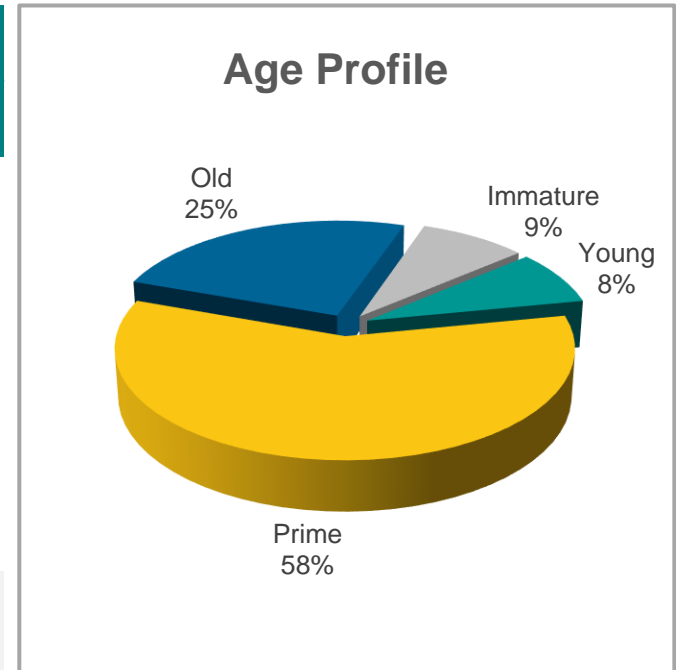
**45 to 90**  
FFB tonnes per hour  
of Mill Capacity

**850,000**  
tonnes per annum  
of Processing Capacity

Data as at 31 Dec 2023

# Plantation Age Profile

Age	As at 31 Dec 2023	
	Area (ha)	% of Total
0-3 years (Immature)	18,354	9%
4-7 years (Young)	17,241	8%
8-17 years (Prime)	124,749	58%
≥ 18 years (Old)	53,077	25%
<b>Total</b>	<b>213,421</b>	<b>100%</b>



**Weighted average age of ~ 14 years**

# Growth Strategy: Building on our Core Expertise

## Upstream Agri-Business Focus

- Develop and maintain high-quality plantation assets and ensure optimal milling capacity in line with FFB production growth
- To achieve sustainable production growth

## Active Cost Containment

- Maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- To achieve superior margins and greater resilience to price cycles by being at the low end of the industry cost curve

## Responsible Cultivation

- Continuously strengthen our multi-faceted sustainability policy across the Group's entire operations
- To maximise market access through sustainable palm oil production

# Dividend

## ■ Proposing final dividend of 3.70 Singapore cents per share

- Interim dividend of 2.50 Singapore cent per share paid in September 2023, bringing full-year ordinary dividends to 6.20 Singapore cents per share

Dividend History	FY2023	FY2022	FY2021	FY2020	FY2019
Interim (SGD cents per share)	2.50	2.50	1.25	1.00	0.625
Final (SGD cents per share)	3.70	12.00	5.10	2.00	1.725
Total (SGD cents per share)	6.20	14.50	6.35	3.00	2.350
<b>% of Underlying Net Profit</b>	50%	50%	50%	37%	31%

# 2023 Financial and Operational Highlights

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# Executive Summary – FY2023

## Healthy Performance with Record Production

### ■ Financial Performance

- EBITDA of US\$282.0 million, a decrease of 44.6%
- Underlying net profit of US\$146.6 million, a decrease of 56.1%
- Overall results reflect the effects of a moderation in palm oil prices against the historical highs in 2022

### ■ Operational Performance

- Fruit bunches (FFB) harvested increased by 0.5%
- CPO production volumes increased by 8.0%
- Cash cost of production for nucleus CPO came in at US\$327 per tonne (FY2022: US\$276)

# Income Statement Highlights

US\$' million	FY2023	FY2022	Change
Sales	980.6	1,225.4	(20.0%)
Cost of sales	(617.5)	(596.1)	3.6%
Gross profit	363.0	629.3	(42.3%)
Loss arising from changes in fair value of biological assets	(1.1)	(11.5)	(90.1%)
EBITDA <sup>(1)</sup>	282.0	508.8	(44.6%)
Net profit <sup>(2)</sup>	145.4	325.2	(55.3%)
Underlying net profit <sup>(3)</sup>	146.6	334.2	(56.1%)
Gross profit margin	37.0%	51.4%	↓
EBITDA margin	28.8%	41.5%	↓

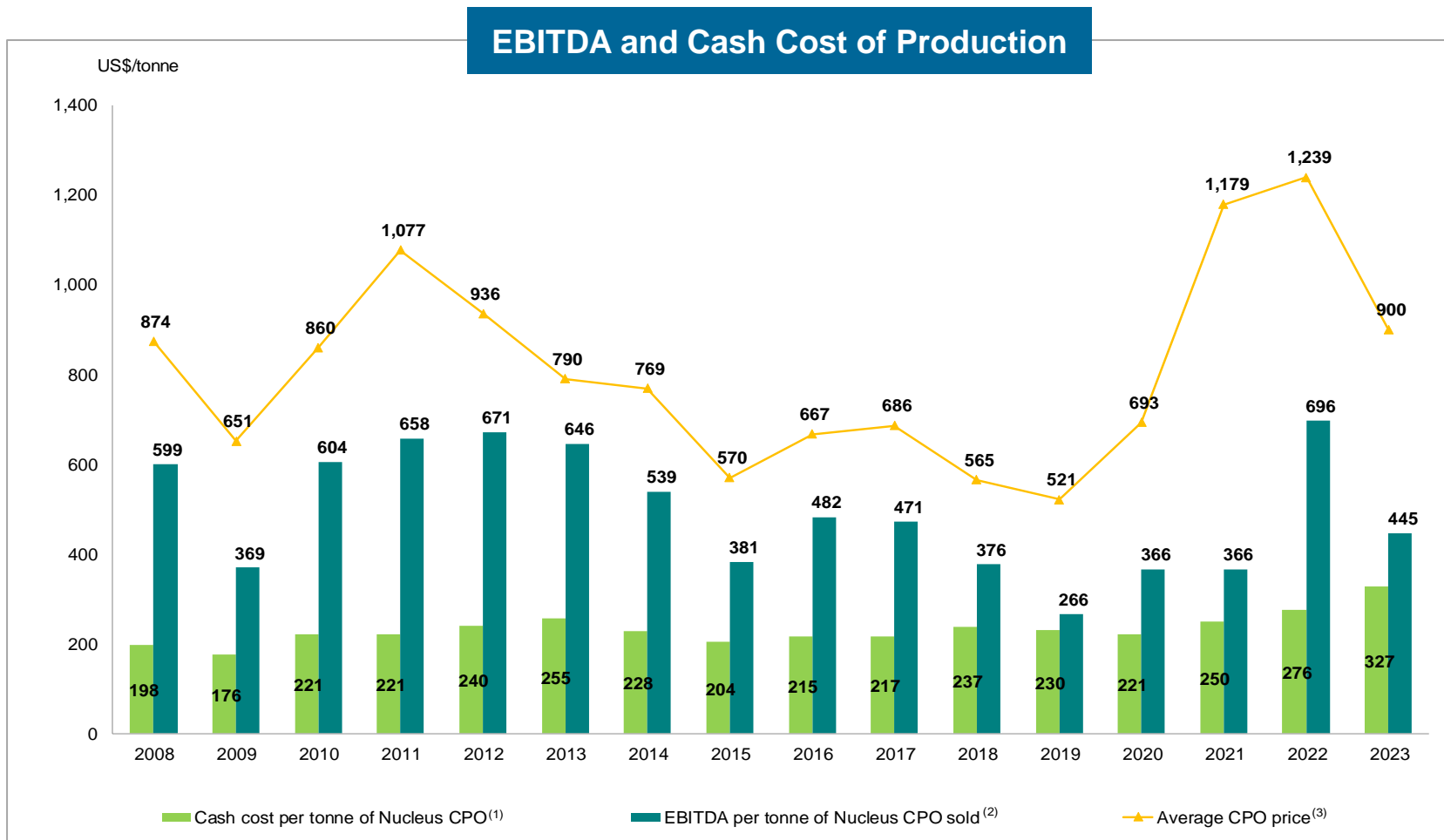
- Sales and profitability affected by softer palm oil prices, partially mitigated by an increase in overall sales volume for the year
- Full-year earnings impacted by US\$13.0 million of assets write-down relating to the conversion of rubber to oil palm plantations and US\$5.7 million of foreign exchange loss

(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

# Key Performance Metrics

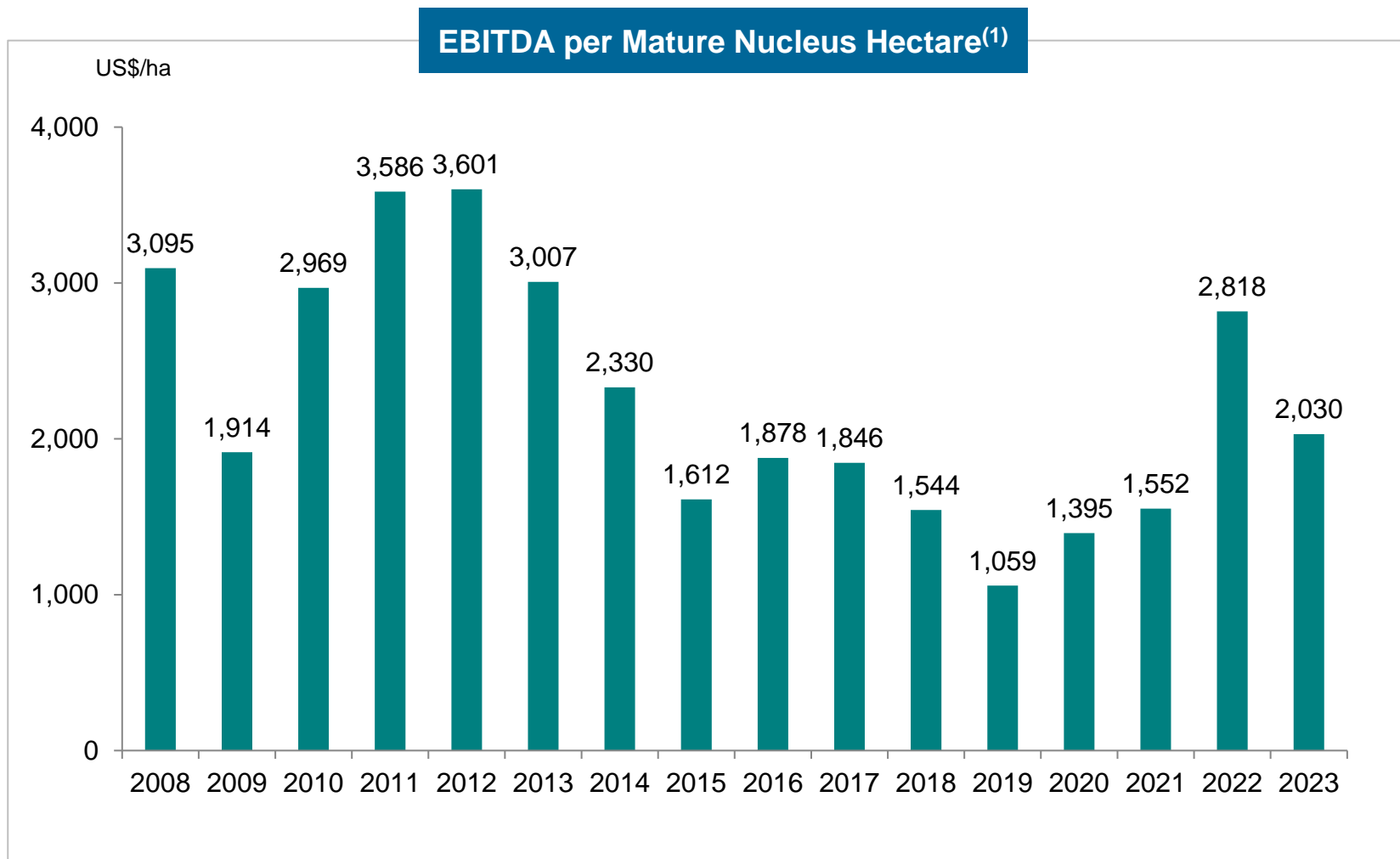


(1) Derived using total cash cost of producing nucleus CPO and PK (before selling & distribution expenses and general & administrative expenses), divided by the production volume of nucleus CPO

(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



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

# Balance Sheet Highlights

US\$' million	31 Dec 2023	31 Dec 2022
Total Assets	1,774.8	1,832.7
Cash and bank balances	162.9	440.3
Total Liabilities	373.1	433.8
Borrowings and debt securities <sup>(1)</sup>	237.7	295.7
Total Equity	1,401.8	1,398.9
Net Debt/(Cash) <sup>(2)</sup>	74.9	(144.6)
Gross gearing ratio	0.17x	0.21x
Net gearing ratio	0.05x	(0.10x)
Gross debt <sup>(1)</sup> to EBITDA ratio	0.84x	0.58x
Net debt/(cash) <sup>(2)</sup> to EBITDA ratio	0.27x	(0.28x)
EBITDA to interest <sup>(3)</sup> coverage	39.3x	54.6x

(1) Sum of borrowings from financial institutions

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

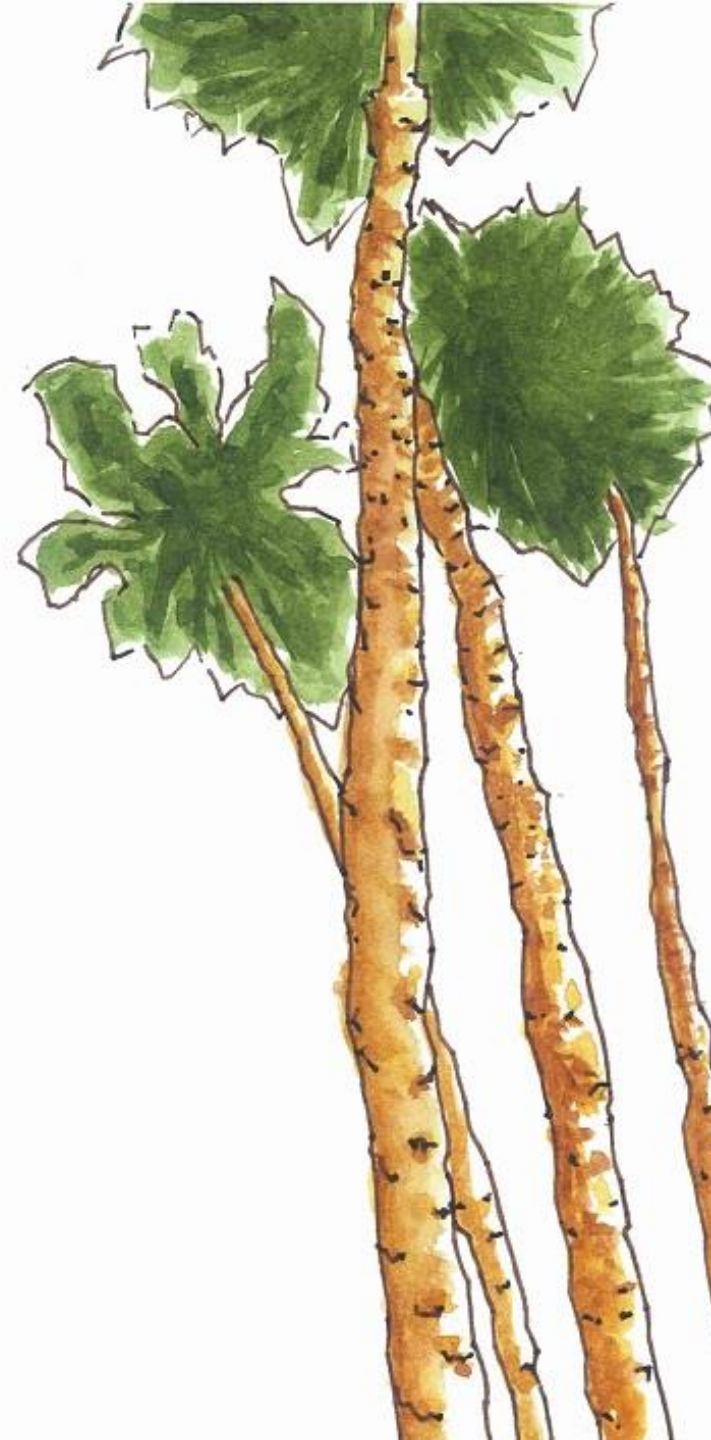
(3) Total interest paid/payable on borrowings and debt securities

# Operational Highlights

		FY2023	FY2022	Change
<b>Production</b>				
FFB harvested	(tonnes)	3,584,486	3,566,191	0.5%
• Nucleus		3,070,683	3,055,203	0.5%
• Plasma		513,803	510,988	0.6%
CPO	(tonnes)	951,425	881,062	8.0%
PK	(tonnes)	207,436	197,620	5.0%
<b>Efficiency</b>				
FFB Yield	(tonnes/ha)	18.4	18.2	↑
CPO Yield	(tonnes/ha)	4.2	4.1	↑
CPO Extraction Rate	(%)	22.7	22.3	↑
PK Extraction Rate	(%)	4.9	5.0	↓

# Group Updates

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# Capital Investments in 2024

## ■ Plantation Development

- Replanting of oil palms
- Conversion from rubber to oil palms
- Maintenance of immature oil palm plantations

## ■ Property, Equipment and Others

- Infrastructure for plantation management

## ■ CPO Mills

- Construction of our 20<sup>th</sup> mill
- Upgrading and maintenance of existing CPO mills

## ■ Processing Facilities

**Expected capital expenditure ~ US\$200 million**



# Updates

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## ■ RSPO Certifications

- In 2023, the Group received RSPO (Roundtable on Sustainable Palm Oil) certification for one additional subsidiary, covering 3,838 hectares of plantations in East Kalimantan.
- As at December 2023, we have received RSPO certifications for nine of our subsidiaries covering six mills and more than 63,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 36% 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.

# Question & Answer

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**Thank You**

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# Contact Information

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If you need further information, please contact:

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