



# First Resources Limited

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**Annual General Meeting**  
**29 April 2021**

*Delivering Growth and Returns*



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# Group Overview

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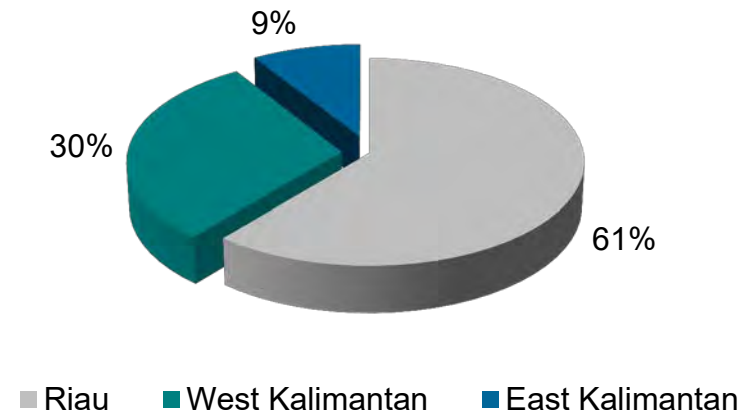
# About First Resources

## Locations



## Assets

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



**213,461** ha  
of Oil Palm Plantations

**18**  
Palm Oil Mills

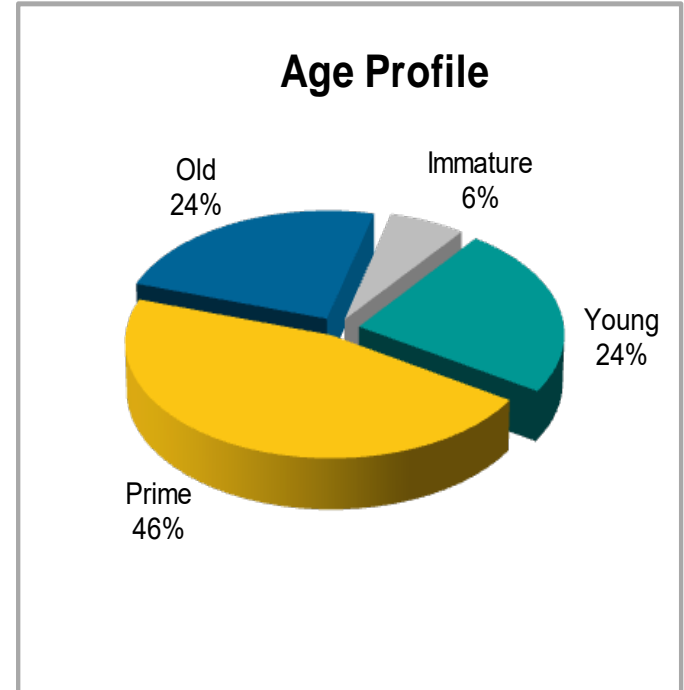
**850,000**  
tonnes per annum  
of Processing Capacity

Data as at 31 Dec 2020



# Plantation Age Profile

Age	As at 31 Dec 2020	
	Area (ha)	% of Total
0-3 years (Immature)	13,537	6%
4-7 years (Young)	51,020	24%
8-17 years (Prime)	98,043	46%
≥ 18 years (Old)	50,861	24%
<b>Total</b>	<b>213,461</b>	<b>100%</b>



**Weighted average age of ~ 12 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 2.00 Singapore cents per share**

- Interim dividend of 1.00 Singapore cent per share paid in September 2020, bringing full-year ordinary dividends to 3.00 Singapore cents per share

- **Revised dividend policy going forward**

- To distribute up to 50% of underlying net profit annually, an increase from 30%

Dividend History	FY2020	FY2019	FY2018	FY2017	FY2016
Interim (SGD cents per share)	1.00	0.625	1.25	1.25	0.625
Final (SGD cents per share)	2.00	1.725	2.00	2.15	2.375
Special (SGD cents per share)	-	-	-	3.40	-
<b>Total (SGD cents per share)</b>	<b>3.00</b>	<b>2.350</b>	<b>3.25</b>	<b>6.80</b>	<b>3.000</b>

## % of Underlying Net Profit

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

# 2020 Financial and Operational Highlights

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# Executive Summary – FY2020

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## Delivers profitability growth on stronger palm oil prices

### ■ Financial Performance

- EBITDA came in at US\$259.2 million, an increase of 18.5%
- Underlying net profit came in at US\$97.1 million, an increase of 9.0%
- Better financial performance attributed to higher average selling prices

### ■ Operational Performance

- Fresh fruit bunches (FFB) harvested decreased by 2.6%
- CPO production volumes increased by 5.4%
- Cash cost of production for nucleus CPO remained low at US\$221 per tonne (FY2019: US\$230)

# Income Statement Highlights

US\$' million	FY2020	FY2019	Change
Sales	660.4	614.9	7.4%
Cost of sales	(368.0)	(387.7)	(5.1%)
Gross profit	292.4	227.2	28.7%
Gain arising from changes in fair value of biological assets	3.9	7.9	(51.1%)
EBITDA <sup>(1)</sup>	259.2	218.8	18.5%
Net profit <sup>(2)</sup>	99.7	89.1	11.8%
Underlying net profit <sup>(3)</sup>	97.1	89.1	9.0%
Gross profit margin	44.3%	36.9%	↑
EBITDA margin	39.2%	35.6%	↑

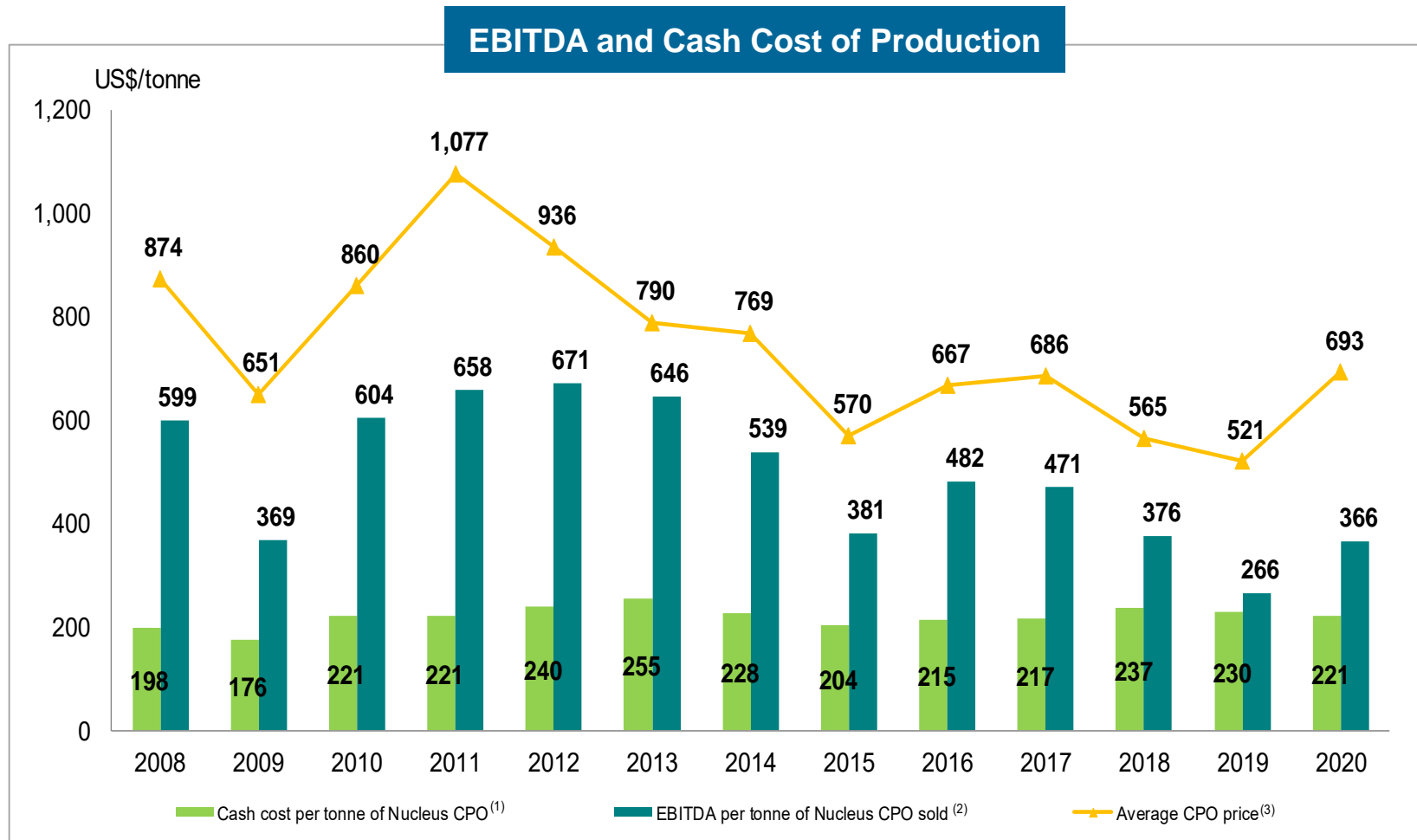
- Overall profitability boosted by the stronger palm oil prices despite a slight dip in production volumes

(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

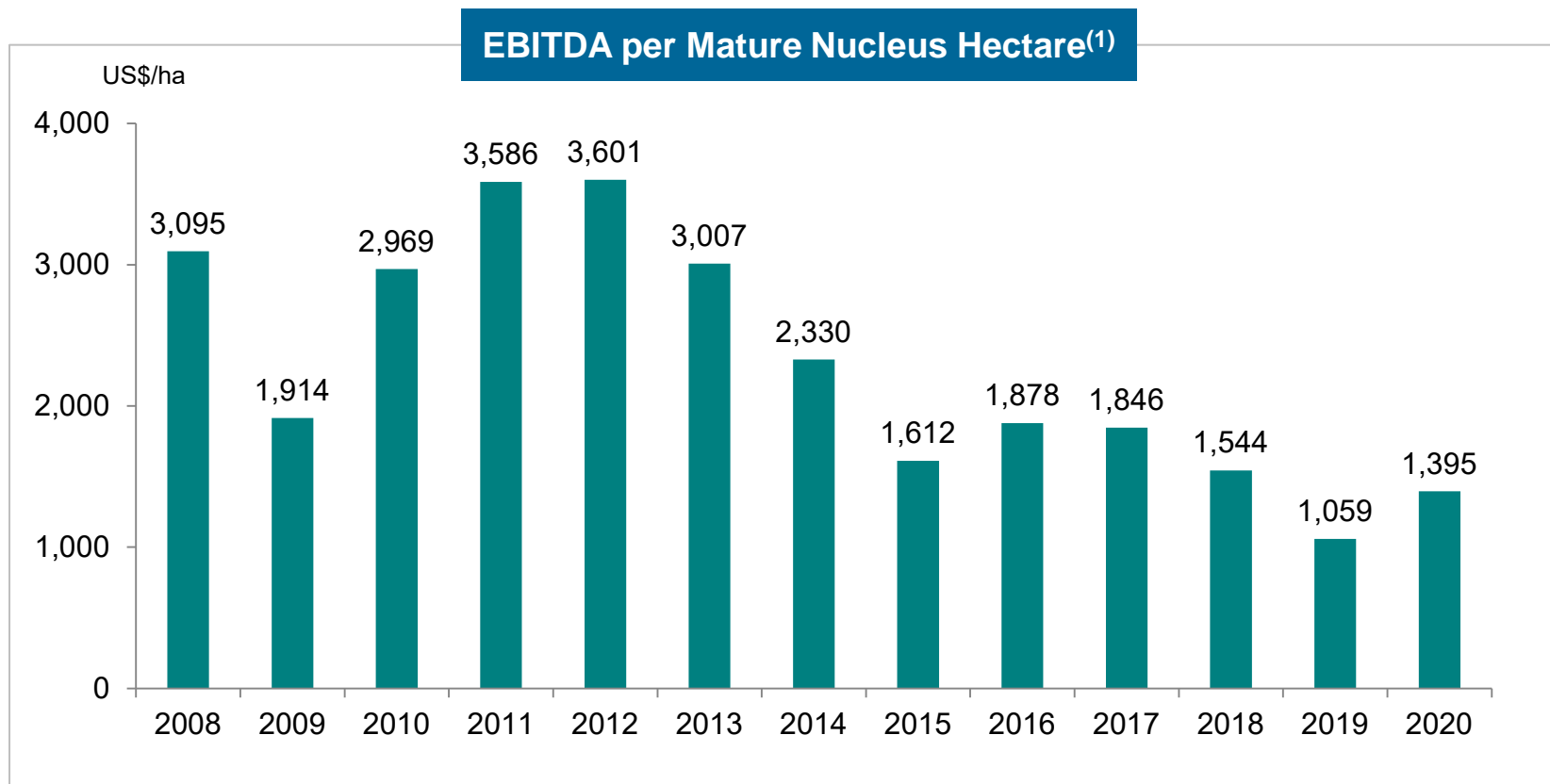
(3) Profit attributable to owners of the Company excluding expected credit losses and gains/(losses) arising from changes in fair value of biological assets and unquoted investment

# Key Performance Metrics



- (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 on stronger CPO prices in FY2020**

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

# Balance Sheet Highlights

US\$' million	31 Dec 2020	31 Dec 2019
Total Assets	1,785.9	1,708.9
Cash and bank balances	195.1	102.0
Total Liabilities	659.8	607.0
Borrowings and debt securities <sup>(1)</sup>	441.6	411.3
Total Equity	1,126.1	1,101.9
Net Debt	246.5	309.3
Gross Debt <sup>(1)</sup> /Total Equity	0.39x	0.37x
Net Debt <sup>(2)</sup> /Total Equity	0.22x	0.28x
Gross Debt <sup>(1)</sup> /EBITDA	1.70x	1.88x
Net Debt <sup>(2)</sup> /EBITDA	0.95x	1.41x
EBITDA/Interest Expense <sup>(3)</sup>	15.6x	12.8x

(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 Highlights

		FY2020	FY2019	Change
<b>Production</b>				
FFB harvested	(tonnes)	3,273,584	3,362,364	(2.6%)
• Nucleus		2,903,800	3,009,424	(3.5%)
• Plasma		369,784	352,940	4.8%
CPO	(tonnes)	855,668	811,947	5.4%
PK	(tonnes)	192,840	185,599	3.9%
<b>Efficiency</b>				
FFB Yield	(tonnes/ha)	16.4	17.0	↓
CPO Yield	(tonnes/ha)	3.8	3.9	↓
CPO Extraction Rate	(%)	23.2	23.1	↑
PK Extraction Rate	(%)	5.2	5.3	↓

# Group Updates

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# Impact of COVID-19

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- The COVID-19 pandemic has affected almost all countries of the world, resulting in border closures, movement controls and other measures imposed by the various governments.
- In line with advisories from the relevant government agencies, the Group has implemented measures to prevent the spread of COVID-19 within its operations, including putting in place health and safety protocols like social distancing rules and work-from-home arrangements.
- Amidst the macro-economic uncertainties and volatility in commodity markets caused by the pandemic, there has been no significant disruptions to the Group's operational activities during the financial year ended 31 December 2020.



# Capital Investments in 2021

- **Plantation Development**
  - Replanting of oil palms
  - Maintenance of immature oil palm and rubber plantations
  
- **Property, Equipment and Others**
  - Infrastructure for plantation management
  
- **CPO mills**
  - Upgrading and maintenance of existing CPO mills
  
- **Processing Facilities**

**Expected capital expenditure ~ US\$70 million**

# Thank You

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# Contact Information

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