



First Resources Limited

First Quarter 2017 Results Presentation
11 May 2017

Delivering Growth and Returns



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Executive Summary – 1Q2017

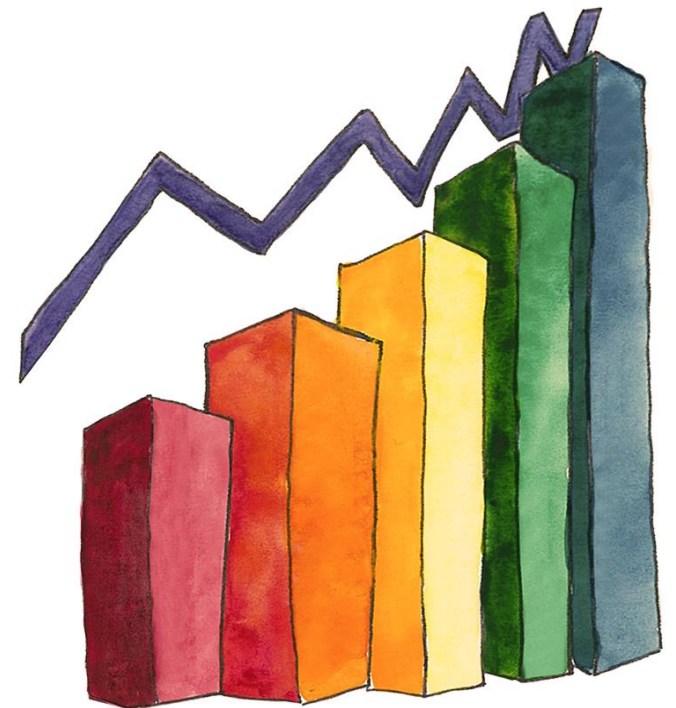
■ Strong Financial Performance

- EBITDA came in at US\$87.6 million, an increase of 194.2%
- Net profit came in at US\$48.5 million, an increase of 807.0%
- Increase mainly driven by higher average selling prices and sales volumes

■ Robust Recovery in Production

- Overall improvement in production volumes and yields strengthening as El Nino effects continue to taper off
- Fresh fruit bunches (FFB) harvested increased by 43.7%
- Correspondingly, crude palm oil (CPO) production volumes increased by 33.9%

Financial Performance – 1Q2017



Income Statement Highlights

US\$' million	1Q2017	1Q2016	Change
Sales	194.1	113.1	71.6%
Cost of sales	(102.1)	(78.3)	30.4%
Gross profit	92.0	34.8	164.3%
EBITDA ⁽¹⁾	87.6	29.8	194.2%
Net profit ⁽²⁾	48.5	5.3	807.0%
Gross profit margin	47.4%	30.8%	↑
EBITDA margin	45.1%	26.3%	↑

- Increase in sales driven by a combination of higher average selling prices and sales volumes
- Overall improvement in margins were mainly contributed by higher average selling prices

(1) Profit from operations adjusted for depreciation and amortisation

(2) Profit attributable to owners of the Company

Segmental Results

US\$' million	1Q2017	1Q2016	Change
Sales			
Plantations and Palm Oil Mills	134.5	86.2	56.0%
• Crude Palm Oil	104.8	72.3	45.0%
• Palm Kernel	25.5	12.3	107.2%
• Fresh Fruit Bunches	4.2	1.7	156.9%
Refinery and Processing	181.8	103.0	76.6%
Inter-segment elimination	(122.2)	(76.1)	60.6%
	194.1	113.1	71.6%
EBITDA			
Plantations and Palm Oil Mills	75.4	22.3	238.8%
Refinery and Processing	7.3	3.1	137.5%
Inter-segment elimination ⁽¹⁾	4.8	4.4	9.0%
	87.6	29.8	194.2%

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

Segmental Sales Volume

	1Q2017	1Q2016	Change
Sales Volume (tonnes)			
Plantations and Palm Oil Mills ⁽¹⁾			
• Crude Palm Oil	164,924	152,005	8.5%
• Palm Kernel	40,706	34,759	17.1%
Refinery and Processing	252,164	195,897	28.7%

- The higher sales volumes of CPO and palm kernel were driven by improved production volumes and yields from our plantations
- In addition, there was also a net inventory drawdown of ~46,000 tonnes in 1Q2017 (1Q2016: ~9,000 tonnes) which contributed to the overall increase in sales volumes

(1) Sales volume includes inter-segment sales

Balance Sheet Highlights

US\$' million	31 Mar 2017	31 Dec 2016
Total Assets	1,778.2	1,699.6
Cash and bank balances	302.8	258.2
Total Liabilities	788.9	773.4
Borrowings and debt securities ⁽¹⁾	454.1	447.9
Total Equity	989.4	926.2
Net Debt ⁽²⁾	151.3	189.6
Gross Debt ⁽¹⁾ /Total Equity	0.46x	0.48x
Net Debt ⁽²⁾ /Total Equity	0.15x	0.20x
Gross Debt ⁽¹⁾ /EBITDA ⁽³⁾	1.30x	1.78x
Net Debt ⁽²⁾ /EBITDA ⁽³⁾	0.43x	0.75x
EBITDA/Interest Expense ⁽⁴⁾	15.2x	10.1x

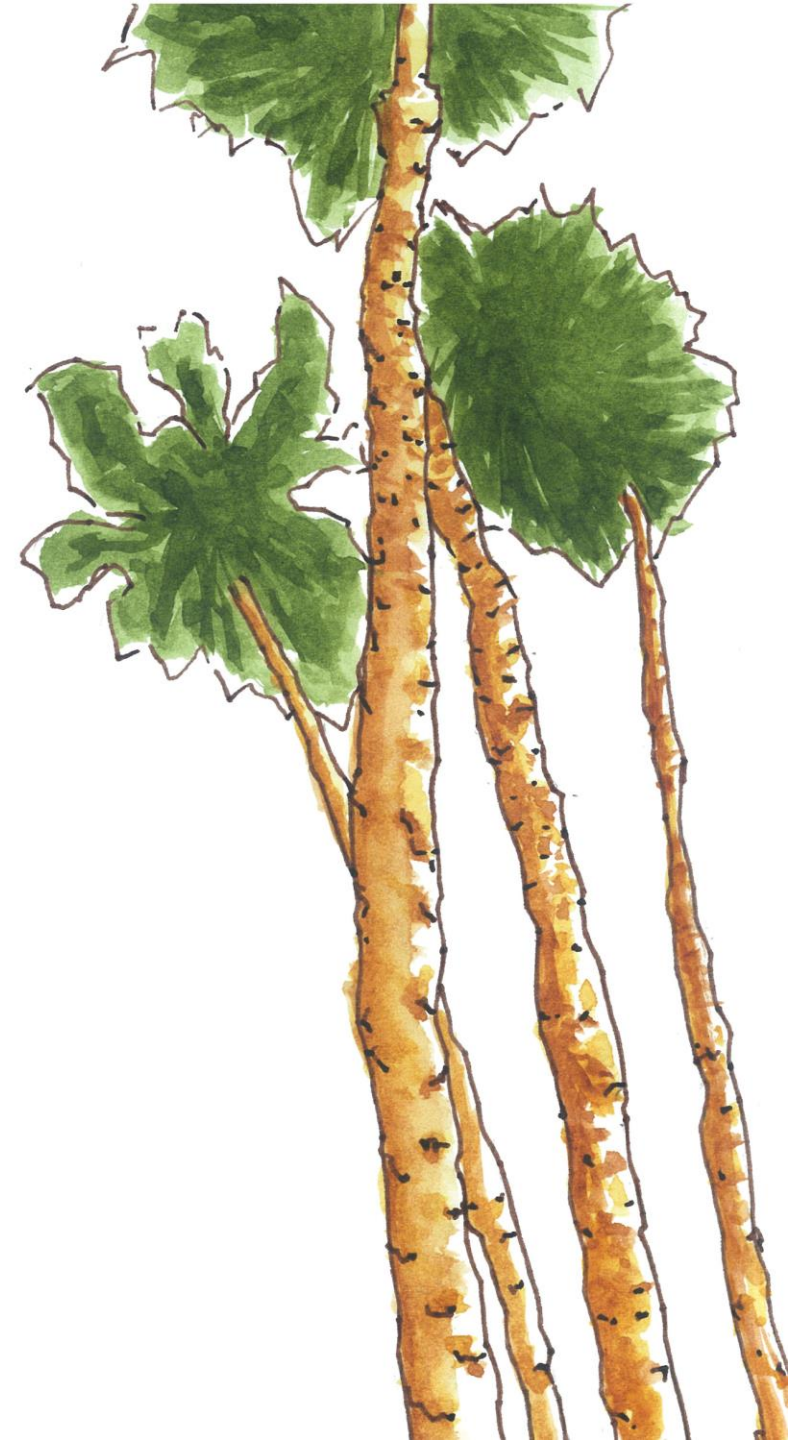
(1) Sum of Islamic MTNs and borrowings from financial institutions

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

(3) Annualised

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

Operational Performance – 1Q2017



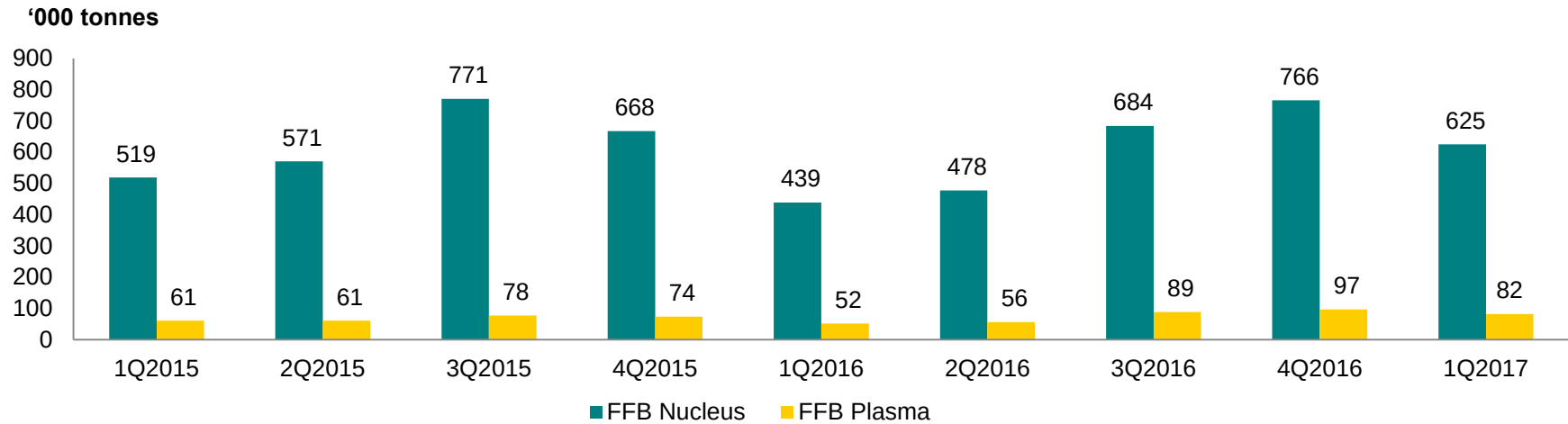
Production Highlights

		1Q2017	1Q2016	Change
Production				
FFB harvested	(tonnes)	706,264	491,478	43.7%
• Nucleus		624,688	439,311	42.2%
• Plasma		81,576	52,167	56.4%
FFB purchased	(tonnes)	44,942	47,869	(6.1%)
CPO	(tonnes)	161,194	120,411	33.9%
PK	(tonnes)	39,996	29,077	37.6%
Efficiency				
FFB Yield	(tonnes/ha)	4.0	3.1	↑
CPO Yield	(tonnes/ha)	0.9	0.7	↑
CPO Extraction Rate	(%)	22.4	23.0	↓
PK Extraction Rate	(%)	5.6	5.5	↑

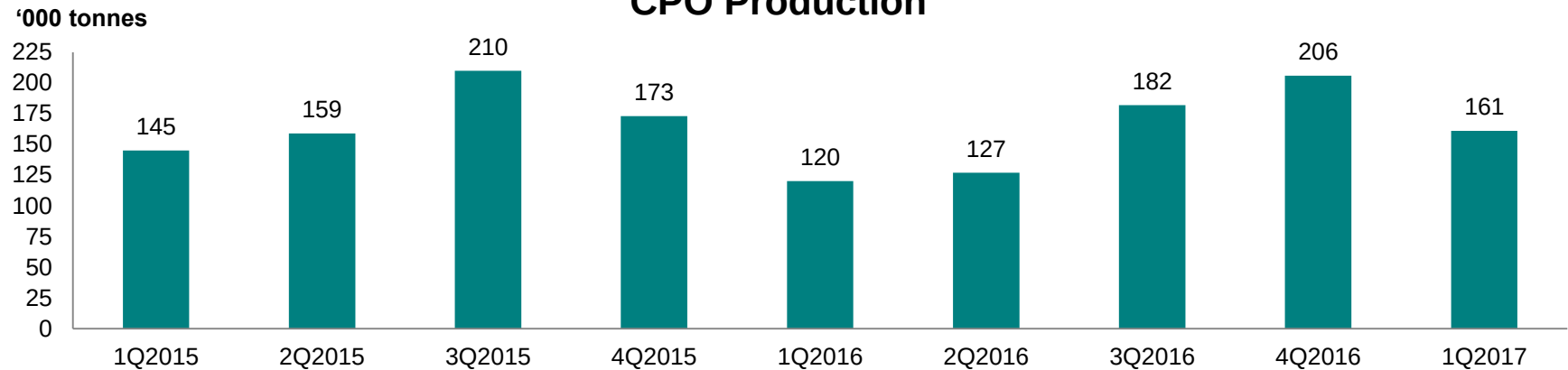
- Production in 1Q2017 increased significantly due to strong recovery and increase in mature hectareage
- Overall production and yields are strengthening as El Nino impact continues to taper off

Production Trends

FFB Production



CPO Production



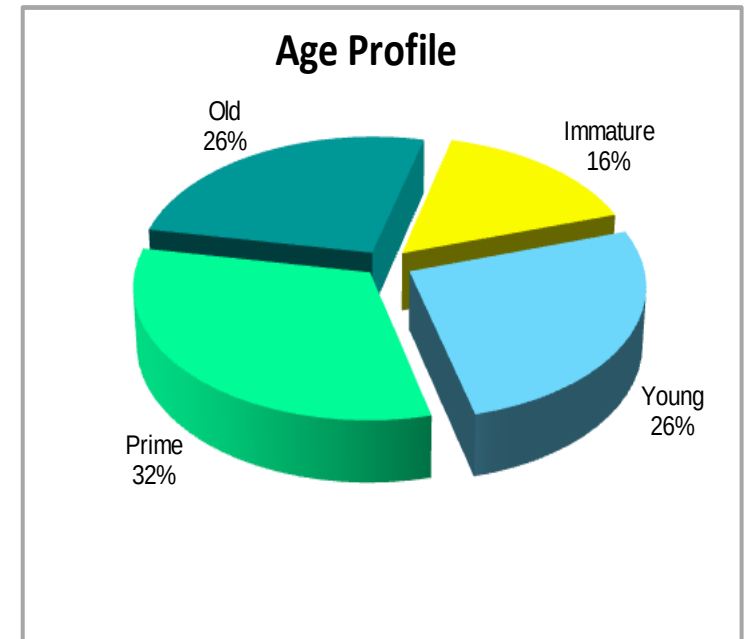
Oil Palm Plantation Area

	As at 31 Mar 2017		As at 31 Mar 2016		As at 31 Dec 2016
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	179,040	86%	178,592	86%	179,398
- Mature	149,858	72%	136,797	66%	136,798
- Immature	29,182	14%	41,795	20%	42,600
Planted Plasma	29,883	14%	29,207	14%	29,293
- Mature	25,434	12%	21,799	10%	21,799
- Immature	4,449	2%	7,408	4%	7,494
Total Planted	208,923	100%	207,799	100%	208,691
- Mature	175,292	84%	158,596	76%	158,597
- Immature	33,631	16%	49,203	24%	50,094

Approximately 17,000 hectares came into maturity in 2017

Plantation Age Profile

Age	As at 31 Mar 2017	
	Area (ha)	% of Total
0-3 years (Immature)	33,631	16%
4-7 years (Young)	54,620	26%
8-17 years (Prime)	66,472	32%
≥ 18 years (Old)	54,200	26%
Total	208,923	100%



Weighted average age of ~ 11 years

Growth Strategy and Updates



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

A Leading Plantation Group with Integrated Operations Throughout the Value Chain

	Plantations	Milling	Processing
Activity			
Products	■ Fresh Fruit Bunches	■ Crude Palm Oil ■ Palm Kernel	■ RBDPO ■ PFAD ■ RBD Olein ■ RBD Stearin ■ Biodiesel ■ PKE ■ PKO ■ Crude Glycerine
Assets	➤ 208,923 ha of plantations • Nucleus : 179,040 ha • Plasma : 29,883 ha	➤ 14 CPO mills	➤ Refinery, fractionation & biodiesel plants ➤ Kernel crushing plant

Note: Data as at 31 Mar 2017

Updates

■ Outlook

- Prices have moderated since early 2017 on improving supply prospects for palm oil and other edible oils as well as muted demand. Lower prices are expected to persist as production continues to recover especially in the second half of 2017.
- The Group's production growth has been strong since 4Q2016, and yield recovery is expected to continue for the rest of the year. However, after the strong production in 1Q2017, production in 2Q2017 is expected to slow down before recovering in 2H2017.
- The longer term fundamentals of the industry remain positive, underpinned by the Indonesian biodiesel mandate and underlying demand growth from emerging markets.

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