



First Resources Limited

Half Year ended 30 June 2024
Results Presentation
14 August 2024

Delivering Growth and Returns



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Executive Summary – 1H2024

■ Financial Performance

- EBITDA grew 26.3% to US\$167.8 million
- Underlying net profit came in at US\$90.6 million, an increase of 33.8%
- Better financial performance mainly driven by higher production volumes and improved processing margins

■ Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 5.9%
- Crude palm oil (CPO) production volumes increased by 5.8%

■ Dividend

- Declared interim dividend of 3.50 Singapore cents per share
- Equivalent to 44% of interim underlying net profit

Financial Performance



Income Statement Highlights

US\$' million	1H2024	1H2023	Change
Sales	457.2	448.8	1.9%
Cost of sales	(270.5)	(291.8)	(7.3%)
Gross profit	186.7	157.0	18.9%
Gain arising from changes in fair value of biological assets	17.1	4.8	255.6%
EBITDA ⁽¹⁾	167.8	132.9	26.3%
Net profit ⁽²⁾	103.9	71.5	45.4%
Underlying net profit ⁽³⁾	90.6	67.7	33.8%
Gross profit margin	40.8%	35.0%	↑
EBITDA margin	36.7%	29.6%	↑

- Fair value gain from biological assets in both periods mainly attributable to higher projected harvest quantities used in the valuation as compared to the preceding financial year-end, while that in 1H2024 also included the effect of an increase in domestic FFB prices during the period

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

Segmental Results

US\$' million	1H2024	1H2023	Change
Sales			
Plantations and Palm Oil Mills	371.3	376.2	(1.3%)
• Crude Palm Oil	328.7	338.8	(3.0%)
• Palm Kernel	39.4	34.3	14.8%
• Fresh Fruit Bunches	3.1	3.1	0.1%
Refinery and Processing	335.2	339.2	(1.2%)
Inter-segment elimination	(249.3)	(266.6)	(6.5%)
	457.2	448.8	1.9%
EBITDA			
Plantations and Palm Oil Mills	150.4	151.5	(0.8%)
Refinery and Processing	8.6	(24.0)	<i>n.m.</i>
Inter-segment elimination ⁽¹⁾	8.9	5.4	66.1%
	167.8	132.9	26.3%

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

Segmental Sales Volume

	1H2024	1H2023	Change
Sales Volume (tonnes)			
Plantations and Palm Oil Mills ⁽¹⁾			
• Crude Palm Oil	424,611	436,076	(2.6%)
• Palm Kernel	92,444	88,637	4.3%
Refinery and Processing	438,112	445,020	(1.6%)

- Sales volumes included the effects of a net inventory drawdown of 44,000 tonnes in 1H2024 (1H2023: 3,000 tonnes) as well as improved production volumes, partially offset by lower purchases of palm oil products from third parties for processing and sale

(1) Sales volumes include inter-segment sales

Balance Sheet Highlights

US\$' million	30 Jun 2024	31 Dec 2023
Total Assets	1,759.2	1,774.8
Cash and bank balances	147.8	162.9
Total Liabilities	402.7	373.1
Borrowings and debt securities ⁽¹⁾	274.5	237.7
Total Equity	1,356.4	1,401.8
Net Debt ⁽²⁾	126.7	74.9
Gross gearing ratio	0.20x	0.17x
Net gearing ratio	0.09x	0.05x
Gross debt ⁽¹⁾ to EBITDA ⁽³⁾ ratio	0.82x	0.84x
Net debt ⁽²⁾ to EBITDA ⁽³⁾ ratio	0.38x	0.27x
EBITDA to interest ⁽⁴⁾ coverage	32.3x	39.3x

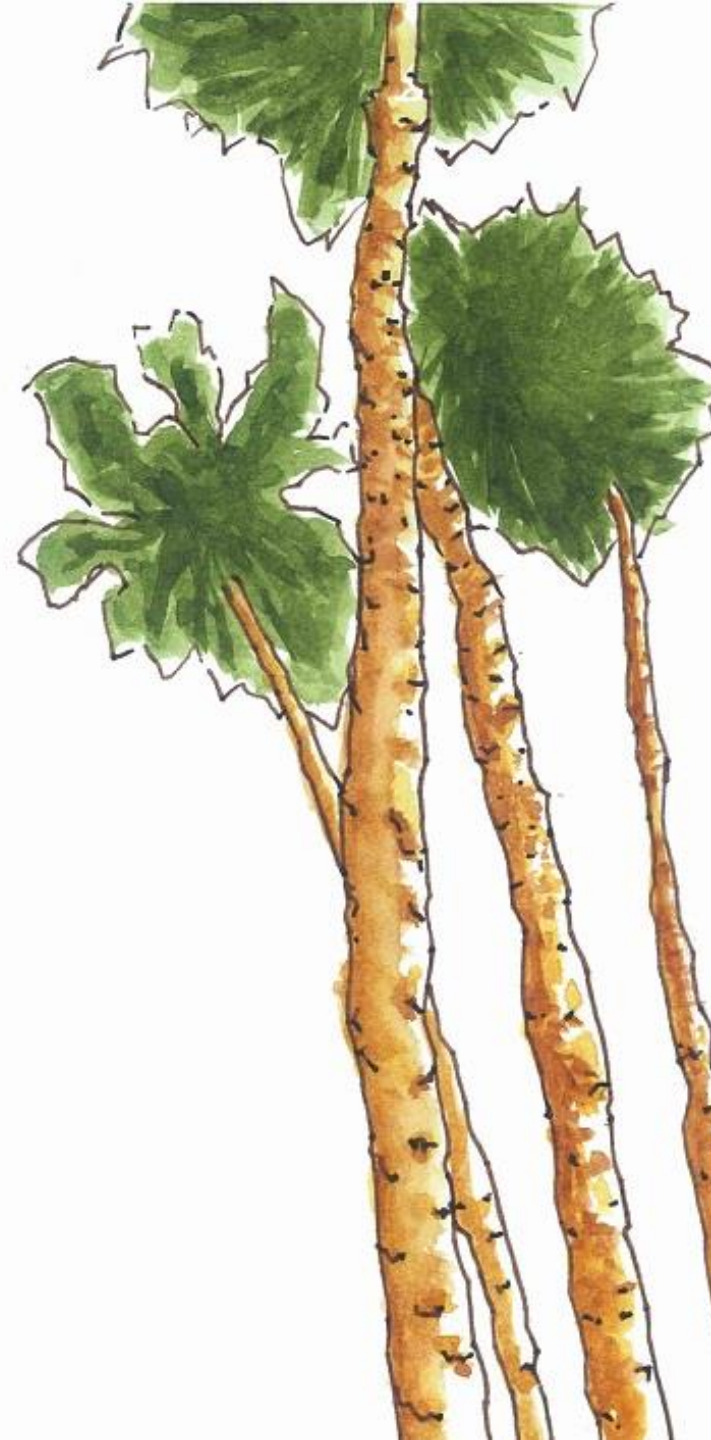
(1) Sum of borrowings from financial institutions

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

(3) Annualised

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

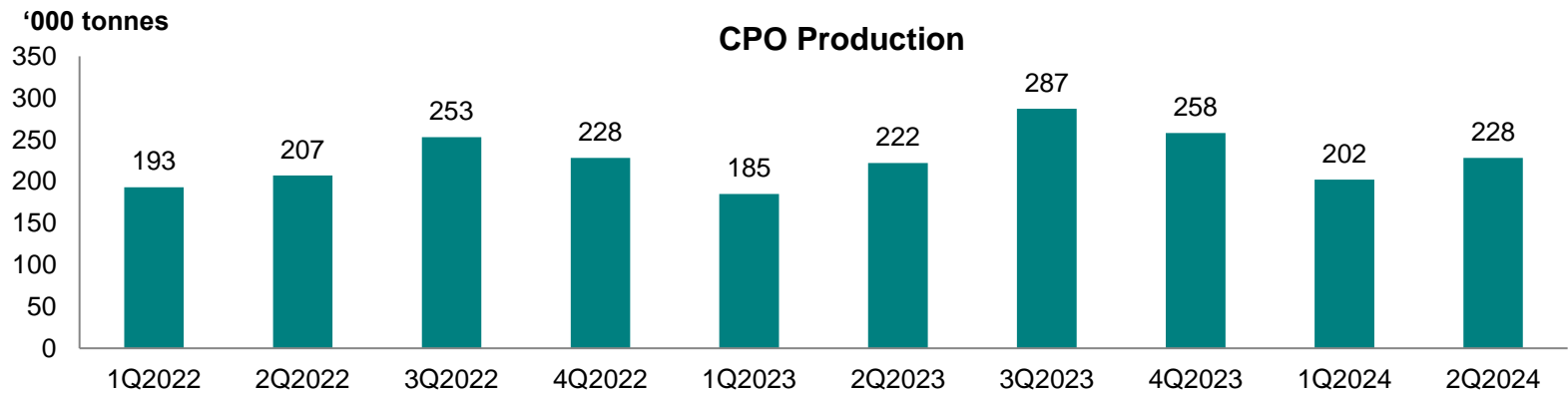
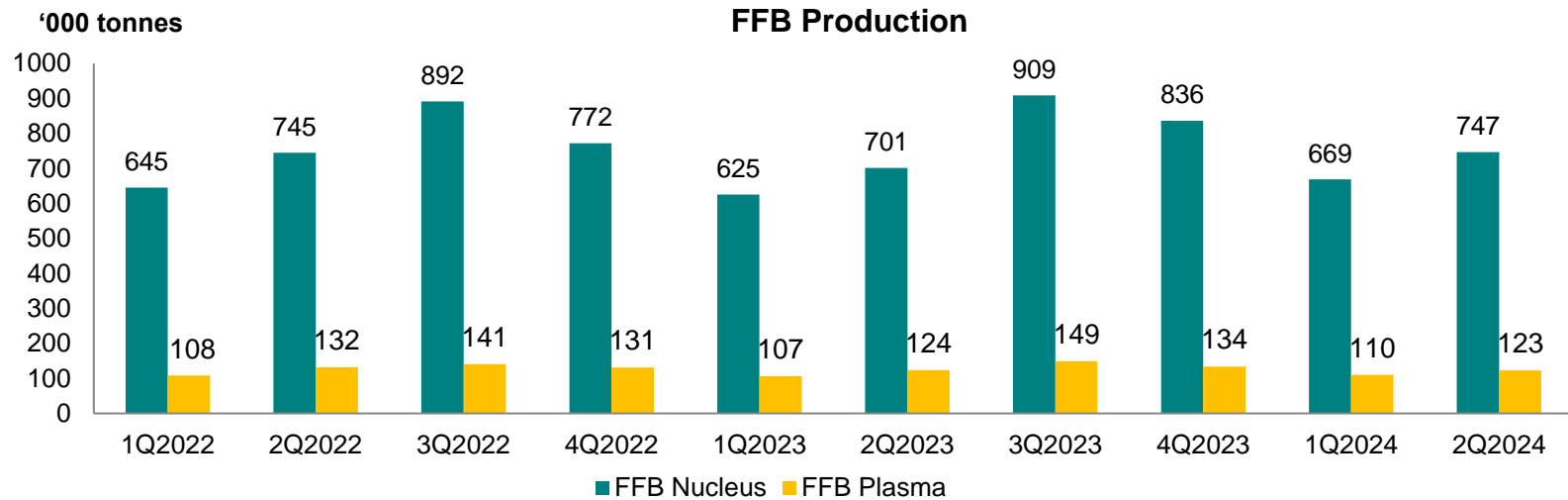
Operational Performance



Production Highlights

		1H2024	1H2023	Change
Production				
FFB harvested	(tonnes)	1,648,455	1,556,775	5.9%
• Nucleus		1,415,102	1,326,161	6.7%
• Plasma		233,353	230,614	1.2%
CPO	(tonnes)	430,246	406,648	5.8%
PK	(tonnes)	93,602	88,234	6.1%
Efficiency				
FFB Yield	(tonnes/ha)	8.4	7.9	↑
CPO Yield	(tonnes/ha)	1.9	1.8	↑
CPO Extraction Rate	(%)	22.3	22.6	↓
PK Extraction Rate	(%)	4.8	4.9	↓

Production Trends

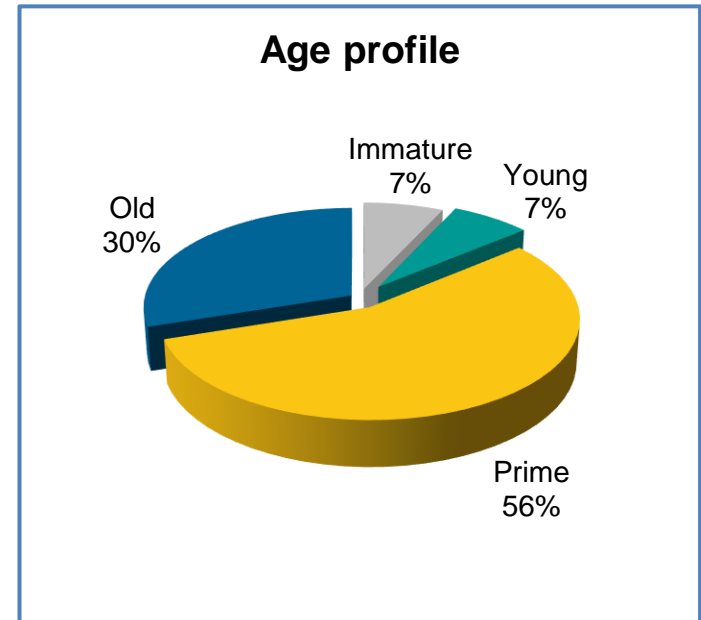


Oil Palm Plantation Area

	As at 30 Jun 2024		As at 30 Jun 2023		As at 31 Dec 2023
	Area (ha)	% of Total	Area (ha)	% of Total	Area (ha)
Planted Nucleus	176,810	83%	173,687	83%	177,930
- Mature	161,239	76%	161,373	77%	159,608
- Immature	15,571	7%	12,314	6%	18,322
Planted Plasma	35,449	17%	35,587	17%	35,491
- Mature	35,433	17%	35,570	17%	35,459
- Immature	16	0%	17	0%	32
Total Planted	212,259	100%	209,274	100%	213,421
- Mature	196,672	93%	196,943	94%	195,067
- Immature	15,587	7%	12,331	6%	18,354

Plantation Age Profile

Age	As at 30 Jun 2024	
	Area (ha)	% of Total
0-3 years (Immature)	15,587	7%
4-7 years (Young)	15,210	7%
8-17 years (Prime)	118,488	56%
≥ 18 years (Old)	62,974	30%
Total	212,259	100%



Weighted average age of 14.6 years

Group Updates



Updates

■ Outlook

- Palm oil prices have been restrained by expectations of a seasonal production upswing in the second half of the year, while being supported by low inventories. Looking ahead, export demand may face pressure from competing oils like soy, whereas Indonesian's local biodiesel mandate and Domestic Market Obligation (DMO) policy are expected to sustain strong domestic demand and consumption.
- The Group will remain vigilant regarding developments in weather conditions and macro factors such as the global economy and geopolitical conflicts, and their resultant impact on production and commodity prices.

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