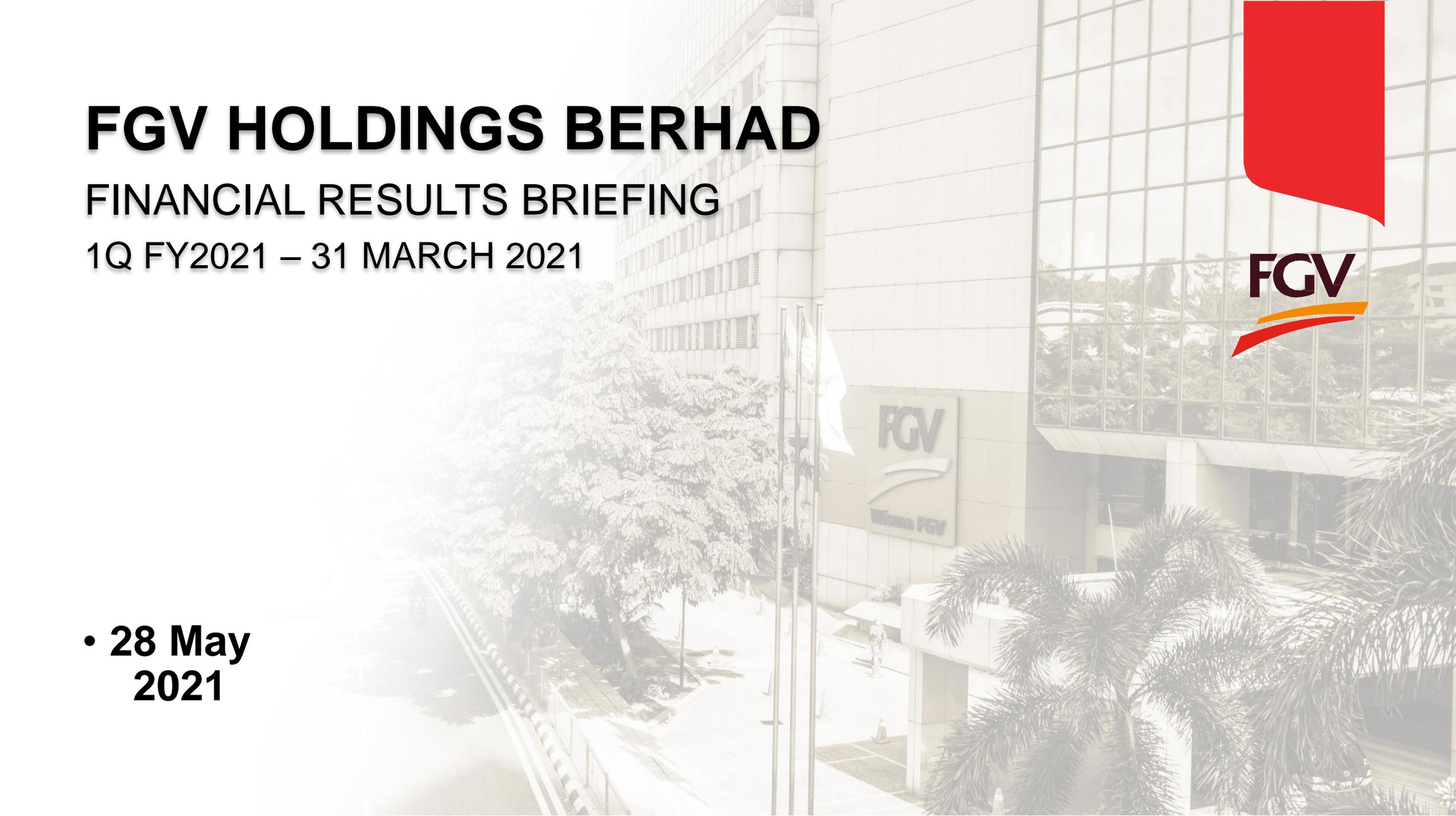


FGV HOLDINGS BERHAD

FINANCIAL RESULTS BRIEFING

1Q FY2021 – 31 MARCH 2021

• 28 May
2021



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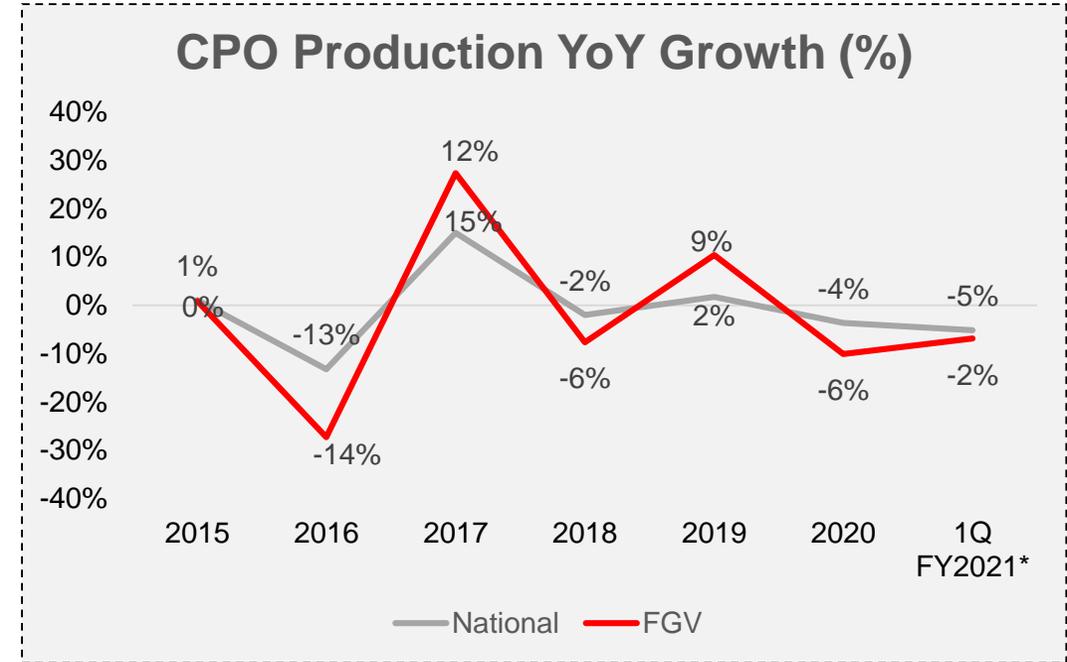
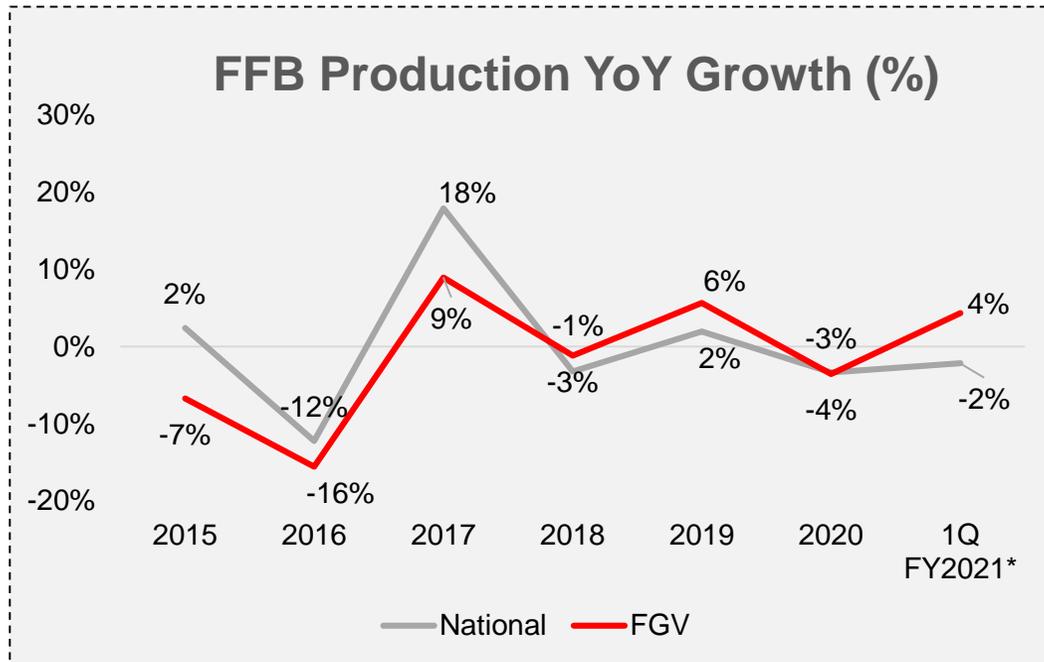


Executive Summary



- COVID-19 developments continue to influence palm oil industry with CPO prices being volatile and traded in the range of RM3,200/MT – RM4,200/MT during the 1Q FY2021.
- In line with sustained high CPO and PPO average prices realised, the Group has recorded stronger operating profit attributed by higher margin in Plantation and Sugar businesses. Our bottom line was affected by adjustment on LLA fair value charges.
- During the quarter under review, our plantation business were affected by a shortage of migrant workers and torrential rains which impacted both our external FFB production and FFB processed.
- Sugar business has kept its momentum and posted second consecutive quarter positive result attributed by better gross margin due to better average selling price.
- Meanwhile, our Logistic business slightly improved on its operating profit mainly due to higher handling and transportation rates.
- The Group expects CPO price to remain high but the Plantation Sector operating environment will remain challenging due to COVID-19 pandemic and the tight labour situation. Our Sugar business remains optimistic on its turnaround plan and the ability to achieve sustainable growth with additional focus on export. Domestic sugar consumption is expected to remain stable due to Movement Control Order. Logistic business will continue with strategies to improve sales volume, margins and operational efficiencies

FGV's Production vs. National Production Growth



FGV's FFB production continues to outpace the National FFB production due to its 15% increase in productivity areas. Relatively, the size of prime and old palm age areas are bigger in 2021 compared to 2020.

Meanwhile, our CPO production volume recorded below the National production level resulted from lower FFB purchased from external parties.

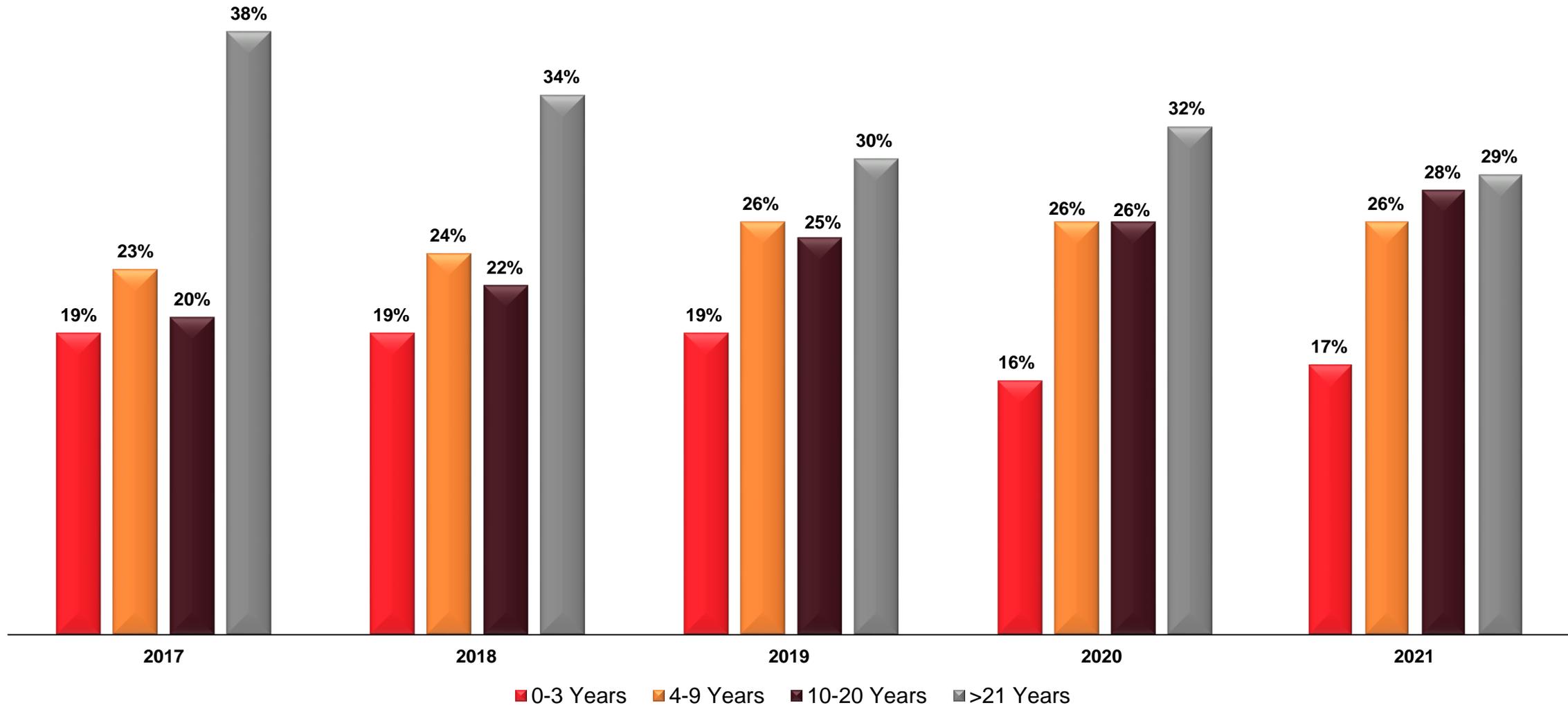
Sources: MPOB, Company internal data
 * Against previous corresponding quarter in 2020.

Age Profile

Our current age profile has improved with bigger area of prime palm oils and reduction in old palm trees in 2021 compared to 2020.



FGV's Historical Age Profile (Years)



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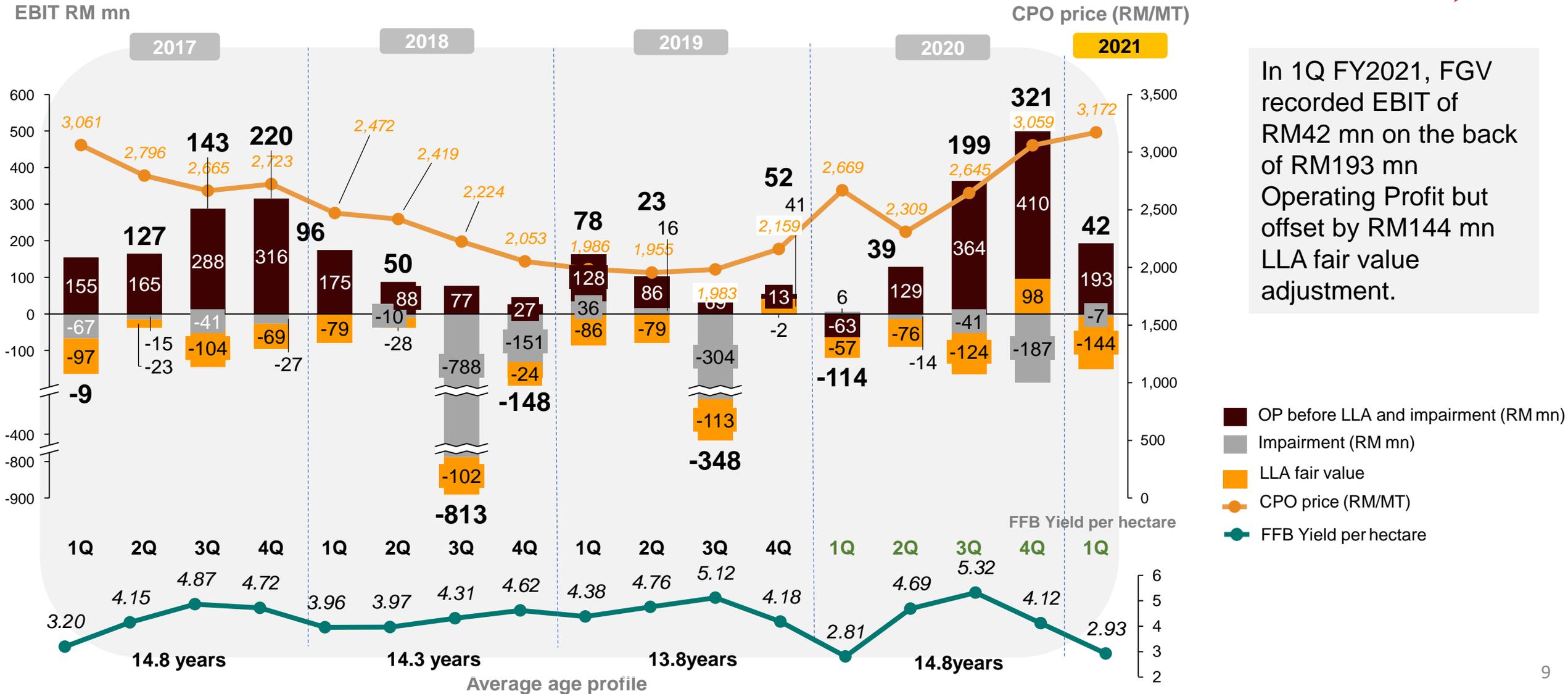
FGV recorded HIGHER operating profit of RM193 mn in 1Q FY2021 contributed by higher margin of palm products and better result from Sugar business.

**1Q
FY2021**

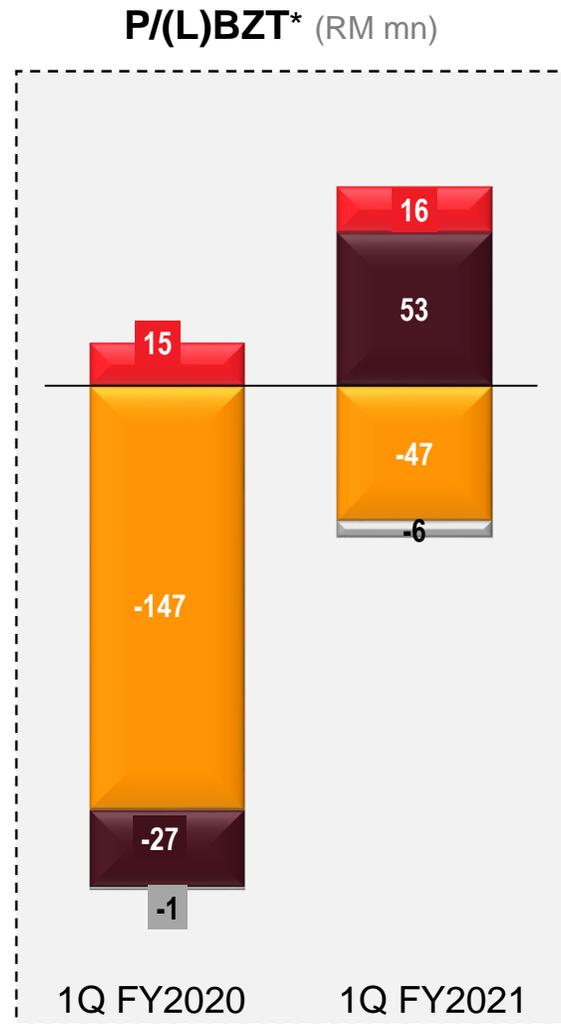


* before LLA & Impairment

Quarterly EBIT vs. CPO Price vs. FFB Yield



Businesses Profit / (Loss) Before Zakat and Tax (P/(L)BZT)



■ Plantation ■ Sugar
■ Logistics ■ Impairment

Variance	Plantation	Sugar	Logistics
1Q FY2021 vs. 1Q FY2020	▲ 68%	▲ >100%	▲ 7%

* P/(L)BZT by Business is excluding Others, Corporate HQ and elimination.

1Q FY2021 vs. 1Q FY2020

- **Plantation** Business recorded a lower LBZT attributed to improvement in CPO margin in tandem with higher CPO price realised and lower CPO cost ex-mill.
- **Sugar** Business recorded significant improvement in PBZT due to higher margin attributed to the better average selling price.
- **Logistics** Business recorded higher PBZT due to better handling and transportation rates.

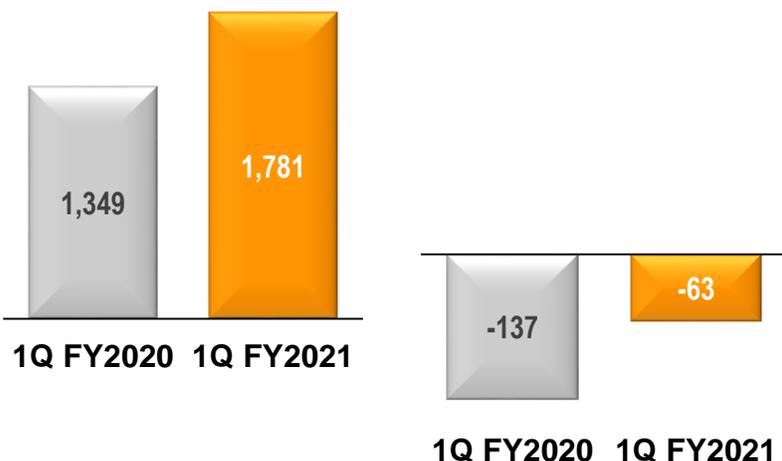
Plantation Business: 1Q FY2021



Upstream & Trading

Revenue (RM mn)

P/(L)BZT (RM mn)



1Q FY2021 vs. 1Q FY2020

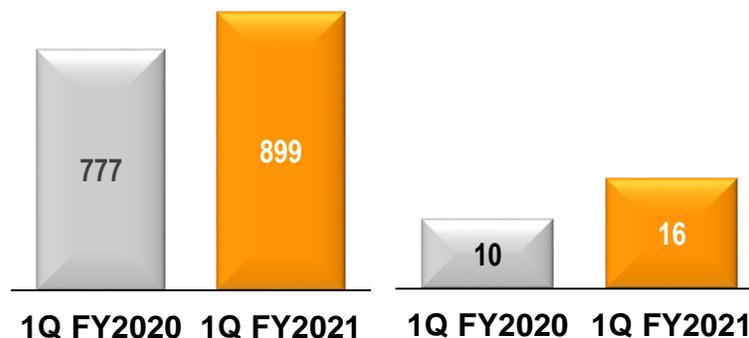
Lower LBZT of RM63 mn in 1Q FY2021 attributed by:

- Higher margin in palm products as a result of increase in CPO price and lower CPO cost ex-mill.
- Offset by higher LLA fair value charged.

Downstream

Revenue (RM mn)

P/(L)BZT (RM mn)



1Q FY2021 vs. 1Q FY2020

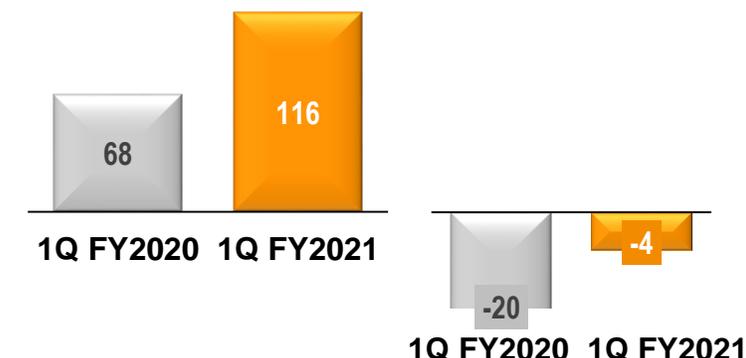
Improved PBZT of RM16 mn in 1Q FY2021 contributed by:

- Higher margin realised from CPKO sales.
- Higher share of profit in JV - FPG and FGV IFFCO Group.

R&D and Fertiliser

Revenue (RM mn)

P/(L)BZT (RM mn)



1Q FY2021 vs. 1Q FY2020

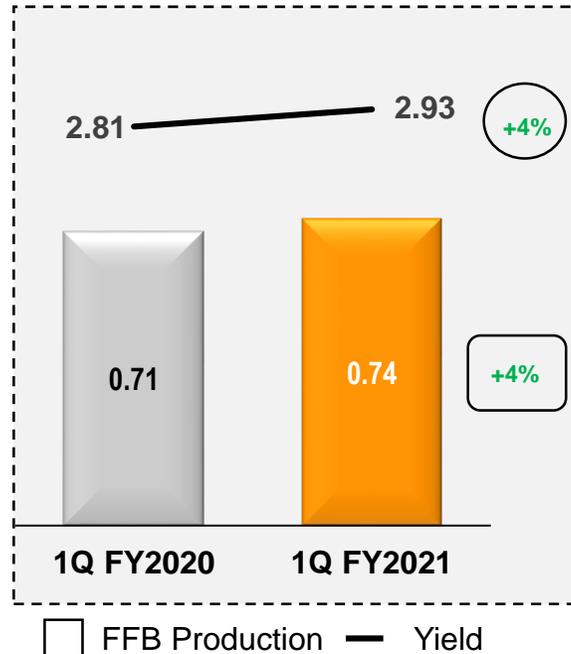
Lower LBZT of RM4 mn in 1Q FY2021 attributed by:

- Higher sales volume from fertilizer products and seeds business.

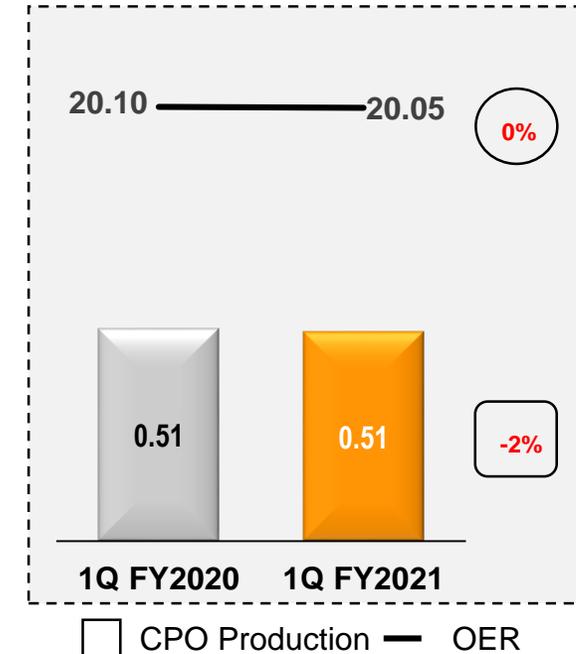
Plantation Business: Upstream Operational Report



FFB Production (mn MT) & FFB Yield (MT/Ha)



CPO Production (mn MT) & OER (%)



1Q FY2021 vs. 1Q FY2020

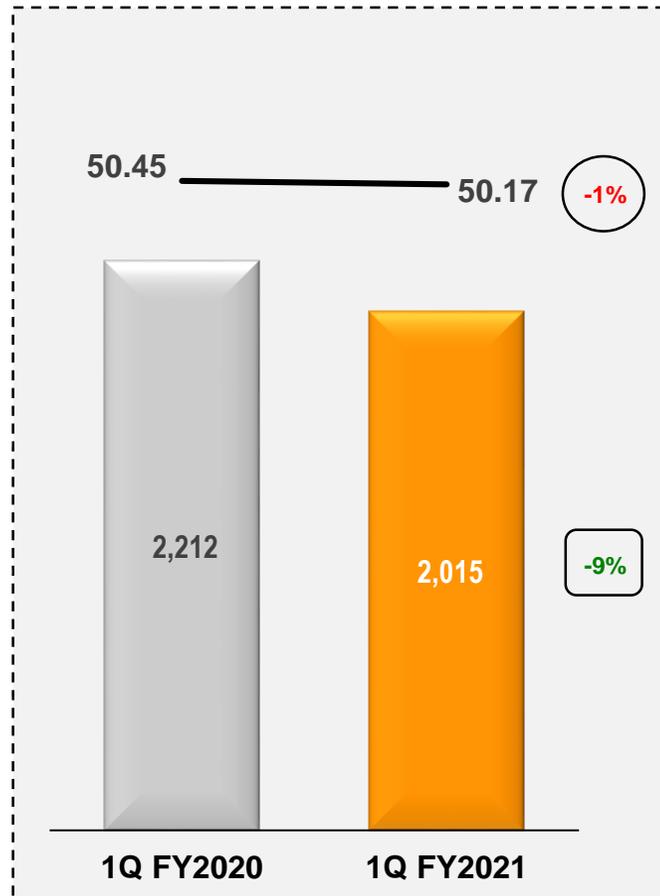
- FFB production and yield increased by 4% YoY due to improved crops recovery and higher prime and reduced old palm age areas.

1Q FY2021 vs. 1Q FY2020

- CPO production decreased by 2% YoY due to decrease in FFB processed especially from external parties.
- Slight decreased in OER due to lower quality of FFB processed resulted from heavy rainfalls.

Plantation Business: Upstream Operational Report

CPO Cost Ex-Mill (RM/MT) & Utilisation Factor (%)



□ CPO Cost Ex-Mill — UF

1Q FY2021 vs. 1Q FY2020

- CPO Cost Ex-Mill decreased by 9% YoY due to reduction in estate cost.
- Utilisation factor decreased by 1% due to lower volume of 3rd party crops.

Profit/(Loss) from External Crop

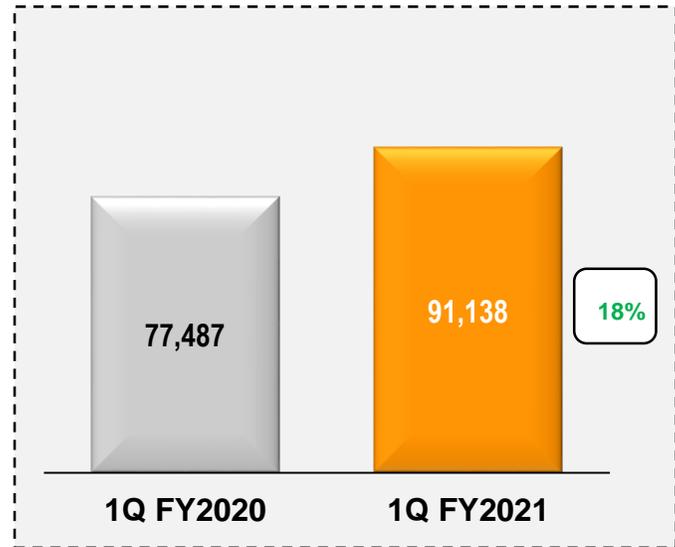
Description	1Q FY2021			1Q FY2020		
	RM	RM/MT FFB	RM/MT CPO	RM	RM/MT FFB	RM/MT CPO
Financial (in RM mn)						
Revenue	1,312.51		3,853	971.05		2,668
Less:						
FFB Purchase	1,457.96	811	4,213	987.61	532	2,775
Less:						
Estate Cost						
Mill Cost	104.51	59	304	101.89	55	287
Less:						
Unrealised Mark-to-Market	15.14		44	(57.39)		-162
Other Cost ¹	14.33		43	19.39		56
Add:						
PK Credit	214.33		624	128.55		360
Profit/(Loss) from External Crop	(65.10)		(128)	48.10		71

Note:

1. Exclude stock valuation amounting to –RM9 mn in Q1 2021 and RM76 mn in the same period last year.

Plantation Business: Downstream Operational Report

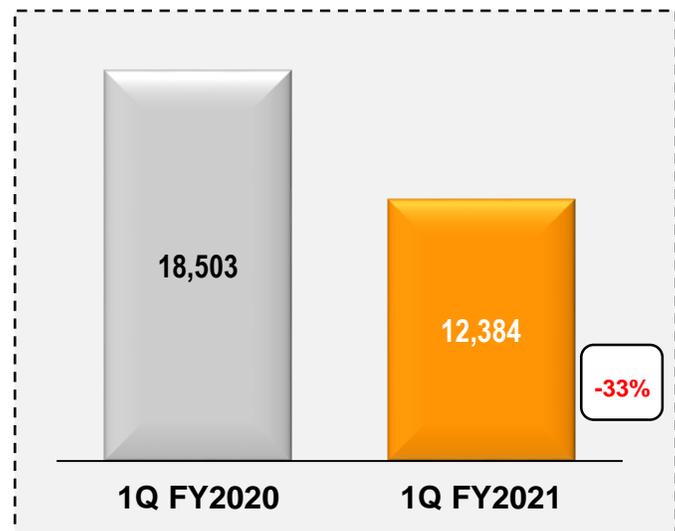
Consumer Products Sales Volume (MT)



1Q FY2021 vs. 1Q FY2020

- The surge in sales volume in bulk segment was mainly due to increase export market.

Biodiesel Sales Volume (MT)

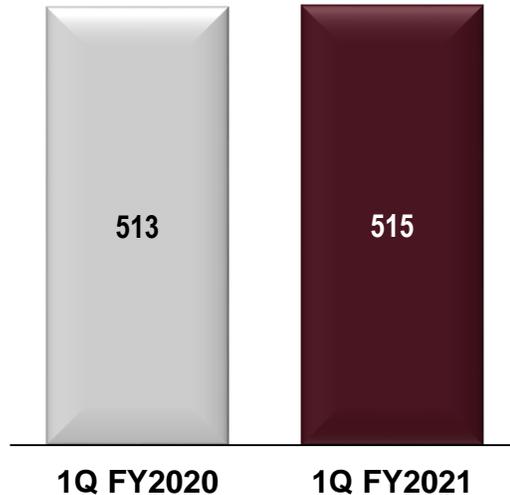


1Q FY2021 vs. 1Q FY2020

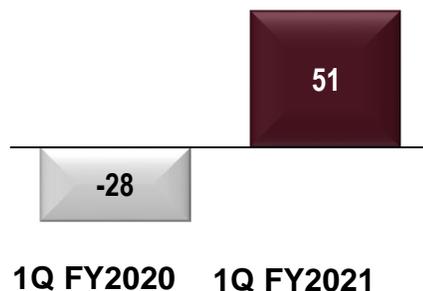
- Lower demand of PME local mandate by petroleum companies effected by COVID-19 outbreak and MCO 2.0.

Sugar Business: 1Q FY2021

Revenue (RM mn)



P/(L)BZT (RM mn)



	1Q FY2020	1Q FY2021	%
Avg. Selling Price (RM/MT)	2,157	2,236	+4%

1Q FY2021 vs. 1Q FY2020

Recorded RM51 mn of PBZT in 1Q FY2021 primarily driven by **HIGHER** gross profit margin of 13% resulted from :

- Higher average selling price by 4% due to increase in premium for export and industry segments.
- Improvement in overall utilisation rate to 47% from 43%.
- Lower finance cost due to full and early loan settlement in FY2020.

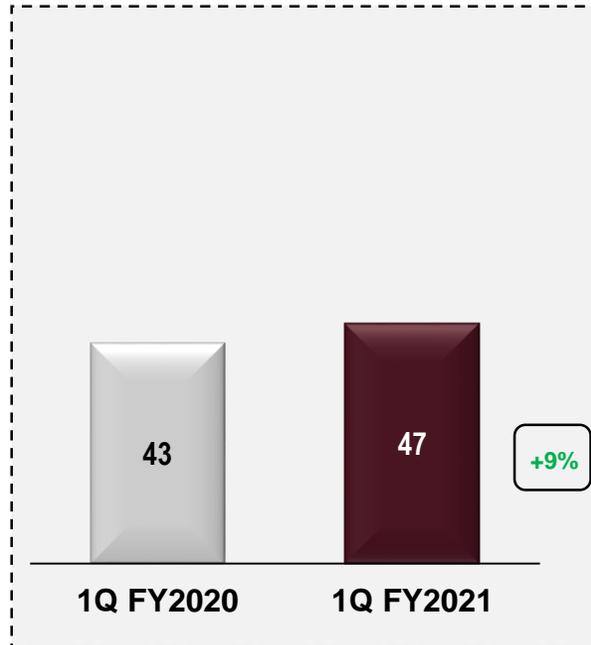
However, the profit was partially offset by:

- Lower domestic sales volume due to re-imposition of MCO during the 1Q FY2021.

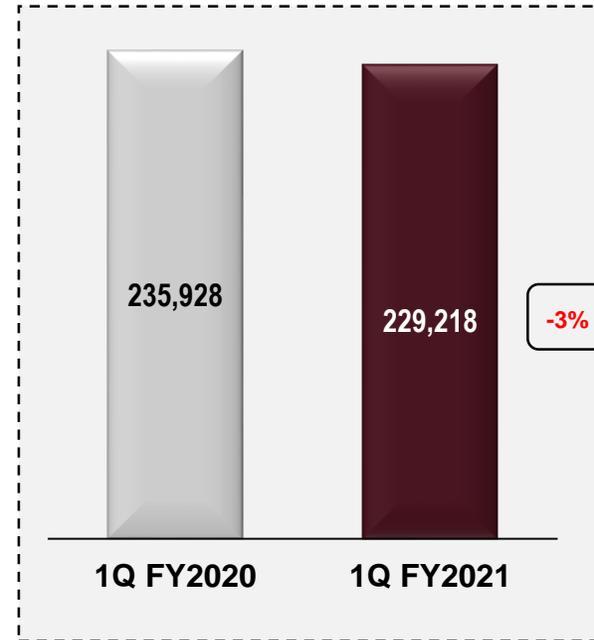
Sugar Business: Operational Report



Group Utilisation Factor (%)



Sales Volume (MT)



1Q FY2021 vs. 1Q FY2020

- Improved in overall UF in 1Q FY2021 due to consolidation of production volume in line with the MSM's strategy to improve capacity utilisation particularly in MSM Johor.

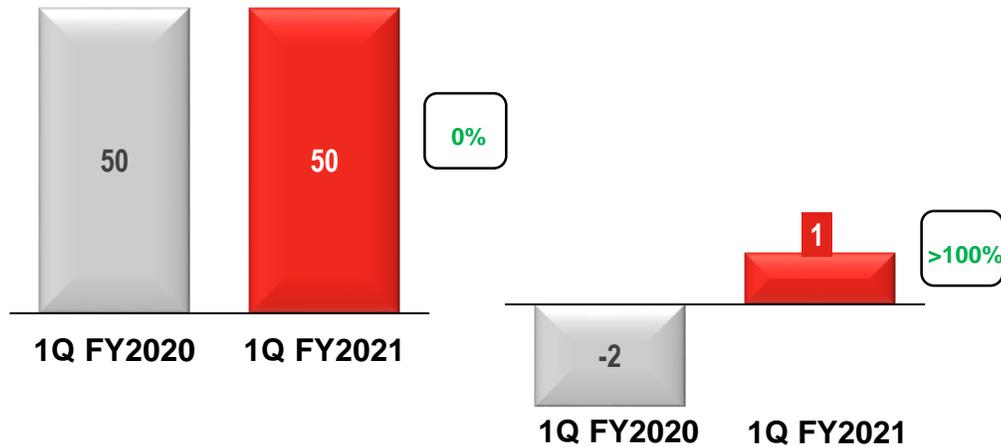
Logistics Business: 1Q FY2021



Transport

Revenue (RM mn)

P/(L)BZT (RM mn)



1Q FY2021 vs. 1Q FY2020

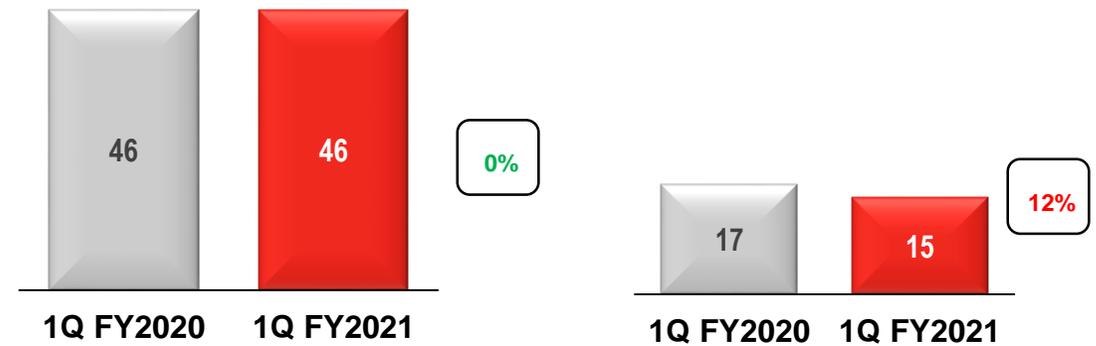
Improved PBZT of RM1 mn in 1Q FY2021 due to:

- Increased in transportation rate charged and higher tonnage carried by 5%.

Bulking

Revenue (RM mn)

P/(L)BZT (RM mn)



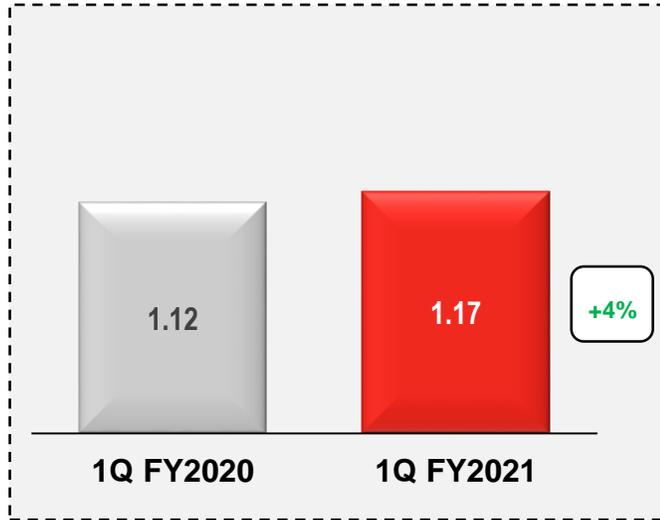
1Q FY2021 vs. 1Q FY2020

Lower PBZT of RM15 mn in 1Q FY2021 due to:

- Decrease in throughput volume by 1% but offset by 9% higher in average handling rate by FJB Group.

Logistics Business: Operational Report

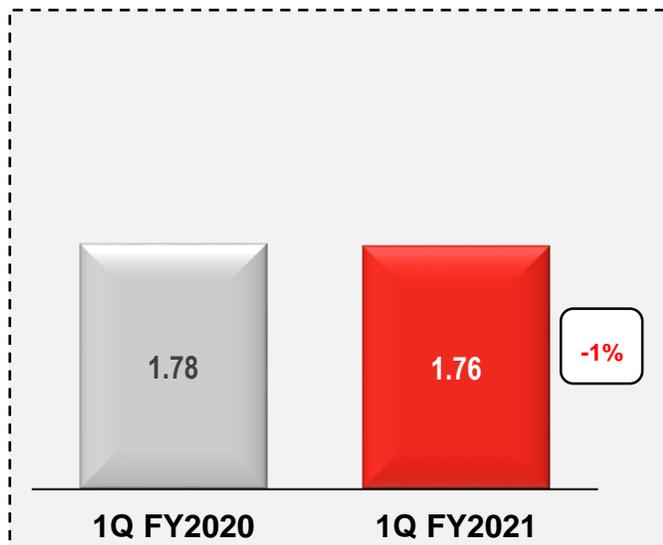
Transport Volume (mn MT)



1Q FY2021 vs. 1Q FY2020

- Transport volume increased by 4% due to increase in cargo handled.

Bulking Volume (mn MT)



1Q FY2021 vs. 1Q FY2020

- Bulking volume decreased by 1% due to lower throughput from major customers.

Key Financial Highlights



	31.3.2021	31.12.2020	Changes (%)
Cash and Cash Equivalents (RM mn)	1,421	1,729	-18%
Total Borrowings without LLA (RM mn)	4,216	4,293	-2%
Liquidity Ratio (times)	1.04	1.07	-3%
Gearing Ratio* without LLA (times)	0.70	0.70	0%

*Gearing ratio equals to Borrowings, Loan due to a significant shareholder divided by Total Equity.

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A. Affiliation to the Fair Labor Association (FLA)

- i. FLA completed 2nd validation exercise – report published on 31 March 2021 on FLA’s and FGV’s websites.
- ii. Independent External Assessment (IEA) by FLA involving on-the-ground assessments scheduled to be conducted in July 2021.
- iii. FGV continues to implement FGV-FLA action plan to improve labour practices covering various aspects including code alignment, recruitment process, training, grievance mechanism and monitoring systems.

B. RSPO

- i. Verification exercise by RSPO-appointed auditor involving six FGV complexes completed in April 2021.
- ii. FGV awaiting draft report from RSPO Secretariat.
- iii. Verification audit report expected to be deliberated by RSPO Complaints Panel (CP) in June 2021.

C. Withhold Release Order (WRO) by US Customs and Border Protection (CBP)

- i. Foreign Workers Working Committee (FWWC) established in November 2020 to focus on continuous improvements on the ground to ensure rights and welfare of workers fulfilled:
 - Housing – further enhancement of workers accommodation
 - Healthcare – construction of clinics in remote areas
 - Basic amenities – uninterrupted electric and water supply in remote areas
 - FGV e-Wallet – for more convenient salary payment and cashless transactions
 - FGV mobile shops – for constant access to fresh food supplies
 - Community Learning Centres – as alternative learning centres for migrant children in Sabah who are not enrolled in formal education
- ii. FGV will revisit appointment of independent auditor in June 2021 – currently exploring potential independent auditing firms.

Business Updates

CPO Price Outlook



- CPO price will remain volatile and expected to hovering within the range of RM3,700 – RM4,200 in 3Q FY2021.

Plantation Business



- The Group expect operational growth to increase in the range of 2% - 4% due to improved and bigger area of young and prime palm.
- Replanting activities between 10,000 – 15,000 ha.

Sugar Business



- The rectification work for MSM Johor Refinery is on-going and on track to resume its operation in June 2021.
- Lower fuel cost due to revised gas tariff imposed by Gas Malaysia Berhad.
- On the export front, seaport segment is poised to grow further in 2021 as global trade recovery gains further momentum.

Logistic Business



- Successfully acquired a 3-year Framework Agreement with national oil and gas company.
- To commence our cold chain business in 3Q FY2021.

Integrated Farming



- Launch of Ladang 57 Brand (Pineapple & Banana) on 9 February 2021.
- Launch of Alma Brand (animal feed) at Jabatan Perkhidmatan Veterinar, Putrajaya on February 2021.
- Progress on the construction of FGVDF Milk Processing Centre in Linggi is at 69%.

Divestment of Non-Core Business



- We aim to continue with our plan to divest non-strategic and non-performing assets during the year which should be completed by 4Q FY2021.
- The Trurich divestment is at the final stage to execute the SPA after FGV receive the consent from relevant parties.

Writ of Summons from VDSL Technology Sdn. Bhd.



- FGV is currently seeking the advice of external counsel. FGV strongly refutes VDSL's claim at this time and intends to defend itself against VDSL fully.

THANK YOU

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Operational Highlights



	1Q FY2021	1Q FY2020	YOY
FFB Prod ('000 MT)	742.25	711.78	+4%
FFB Yield (MT/Ha)	2.93	2.81	+4%
CPO Production ('000 MT)	505	514	-2%
PK Production ('000 MT)	128	135	-5%
OER (%)	20.05	20.10	-0.2%
KER (%)	5.07	5.27	-4%
Avg. PK Price (RM/MT)	2,495	1,596	+56%
Avg. CPO Price (RM/MT)	3,172	2,669	+19%
CPO Cost Ex-mill (RM/MT)	2,015	2,212	-9%
Lauric Sales Vol. (MT)	-	55,255	<100%
CPKO Sales Vol. (MT)	38,546	3,067	>100%
Oleochemical Sales Vol. ('000 lbs)	68,765	75,871	-9%

Movement in Land Lease Liability in FGVPM



RM million	Q1 2021	Q1 2020	Q2 2020	Q3 2020	Q4 2020	2020
At the start of the period	4,213.8	4,316.1	4,312.5	4,327.5	4,405.3	4,316.1
Total payments made during the period	(90.5)	(60.9)	(60.9)	(45.9)	(93.1)	(260.8)
Recurring income statement charges/(credits)	99.7	84.3	101.7	103.7	99.3	389.0
Total income statement (credits)/charges from revisions in projections	44.1	(27.0)	(25.8)	20.0	(197.7)	(230.5)
Total charge/(credit) to the income statement	143.8	57.3	75.9	123.7	(98.4)	158.5
Closing LLA liability balance	4,267.1	4,312.5	4,327.5	4,405.3	4,213.8	4,213.8

Total charge/(credit) to Income Statement

RM million	YTD Q1 2021	YTD Q1 2020
Unwinding of discounts	102.1	101.5
Reversal of over accrual for current quarter	(2.4)	(17.2)
Revisions in projections and other adjustments	44.1	(27.0)
Total charge/(credit) to the Income Statement	143.8	57.3