



1Q FY2023 RESULTS ANNOUNCEMENT

Wednesday, 31 May 2023 | 10.00 AM – 11.00 AM



FGV HOLDINGS BERHAD

Financial Results Briefing
1st Quarter FY2023

31 May 2023



DISCLAIMER

These materials have been prepared by FGV Holdings Berhad (“FGV” or the “Company”) solely for informational purposes, and are strictly confidential and may not be taken away, reproduced or redistributed to any other person. By attending this presentation, participants agree not to remove this document from the conference room where such documents are provided without express written consent from the Company. Participants agree further not to photograph, copy or otherwise reproduce these materials at any point of time during the presentation or while in your possession. By attending this presentation, you are agreeing to be bound by the foregoing restrictions. Any failure to comply with these restrictions may result in a violation of applicable laws and commencement of legal proceedings against you.

It is not the Company’s intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial position or prospects. The information contained in these materials has not been independently verified and is subject to verification, completion and change without notice. The information contained in these materials is current as of the date hereof and are subject to change without notice, and its accuracy is not guaranteed. The Company is not under any obligation to update or keep current the information contained in these materials subsequent to the date hereof. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors and affiliates or any other person, as to, and no reliance should be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, the information contained in these materials. Neither the Company, its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of these materials or their contents or otherwise arising in connection therewith.

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results. These materials may also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company’s current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company, and the forecast financial performance of the Company is not guaranteed. No reliance should be placed on these forward-looking statements, if any.

TODAY'S AGENDA



Overview of 1Q FY2023

4

1Q FY2023 Results

6

Business Updates & Market Outlook

18

OVERVIEW OF 1Q FY2023



PLANTATION

- Heavy rainfall at the start of FY2023 affected palm oil production and the quality of FFB ripeness.
- The average price of fertiliser increased by 34% to around RM2,000 per MT. (1Q FY2022: RM1,490 per MT)
- The foreign worker shortage was reduced from 13% to 11%.
- The CPO cost ex-mill increased by 45% to RM2,944 per MT. (1Q FY2022: RM2,057 per MT)
- The average CPO price was recorded at RM3,988 per MT (1Q FY2022: RM5,058 per MT) a decrease of 21% YoY.



SUGAR

- The price of raw sugar continues to be elevated at around USD21.0 cents per pound (1Q FY2022: USD18.5 cents per pound) due to estimates of low sugar production from producing countries such as Thailand and Brazil.
- Energy prices remain high, with a 65% increase YoY due to tighter global supply in the market.



LOGISTICS

- The increased traction on biofuel and premium oil activities in global markets has contributed to better storage utilisation at strategic locations.



SUSTAINABILITY

- FGV has committed to reimbursing recruitment fees to its former and current migrant workers which will be paid in three tranches (Mar, Jun & Sep 2023).
- ELEVATE is currently conducting a verification of the first tranche of FGV's reimbursement to around 20,000 migrant workers.
- FGV is finalising the implementation of other aspects of the remediation plan, covering 12 focus areas.
- Organised a panel session on Women's Empowerment and Gender Equality in the Palm Oil Sector.

FGV's PATAMI decreased significantly by **97% to RM12 mn from RM369 mn** recorded in the same quarter last year. This result was recorded on the back of **RM4,593 mn revenue, which fell 22% from RM5,854 mn** in 1Q FY2022.

TODAY'S AGENDA



Overview of 1Q FY2023

4

1Q FY2023 Results

6

Business Updates & Market Outlook

18

1Q FY2023 FINANCIAL HIGHLIGHTS

FGV recorded an Operating Profit of RM102 mn due to lower palm products' margins and losses in the Sugar Sector.

INCOME STATEMENT (RM mn)	1Q FY2023	1Q FY2022	VAR. (%)	
Revenue	4,593	5,854	(22)	▼
Operating Profit	102	670	(85)	▼
Fair value charge in LLA	(32)	(159)	(80)	▼
Impairment (net)	7	(2)	>100	▲
EBIT	77	509	(85)	▼
Share of results - Assoc & JV	7	23	(70)	▼
Finance costs (net)	(24)	(31)	(23)	▼
PBT	60	501	(88)	▼
Zakat and Taxation	(52)	(134)	(61)	▼
PAT	8	367	(98)	▼
PATAMI	12	369	(97)	▼

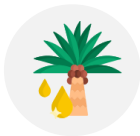
Operating Profit was impacted by the following:

- Lower palm product margins resulted from a 21% decrease in the average CPO price realised and higher CPO cost ex-mill by 45%.
- Lower fertiliser margin.
- Lower external FFB milling margin.
- Losses in the Sugar Sector due to increase in production costs as a result of higher refining costs and increase in gas prices.

Nevertheless, the Logistics Sector recorded higher profits as a result of improved tank rental income, higher revenue from premium oil storage and higher tonnage carried.

Operating Profit

BUSINESS (RM mn)	1Q FY2023	1Q FY2022	VAR. (%)	
Plantation	82	664	(88)	▼
Sugar	(24)	(25)	(4)	▼
Logistics	32	27	19	▲
Others	12	4	>100	▲
Total	102	670	(85)	▼



SECTOR PERFORMANCE: PLANTATION

The Sector's profit was impacted by the lower CPO price, higher CPO cost ex-mill and negative rubber margin.

PLANTATION (RM mn)	1Q FY2023	1Q FY2022	VAR. (%)
REVENUE			
Upstream	2,623	3,184	(18) ▼
Downstream	1,103	1,650	(33) ▼
R&D and Fertiliser	171	331	(48) ▼
Total Revenue	3,897	5,165	(25) ▼
OPERATING PROFIT			
Upstream	59	489	(88) ▼
Downstream	19	55	(65) ▼
R&D and Fertiliser	4	120	(97) ▼
Total Operating Profit	82	664	(88) ▼
Fair Value charge in LLA	(32)	(159)	(80) ▼

Upstream

- Lower palm product margins resulted from a decrease in the average CPO price realised, coupled with a 45% increase in CPO cost ex-mill to RM2,944/MT (1Q FY2022: RM2,036/MT) resulting from increased manuring, upkeep & maintenance, and labour costs.
- Negative rubber margins due to lower average selling price and higher production cost.

Downstream

- Lower profit margins due to higher refining and processing costs.
- Increase in sales volume for packed products contributed by higher intake from Export and Repackers segments.

R&D and Fertiliser

- Lower margins in the seed and fertiliser businesses due to lower sales volume.
- Fertiliser production volume decreased by 53% due to the annual shutdown activities.

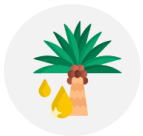


SECTOR PERFORMANCE: PLANTATION

Upstream Operations

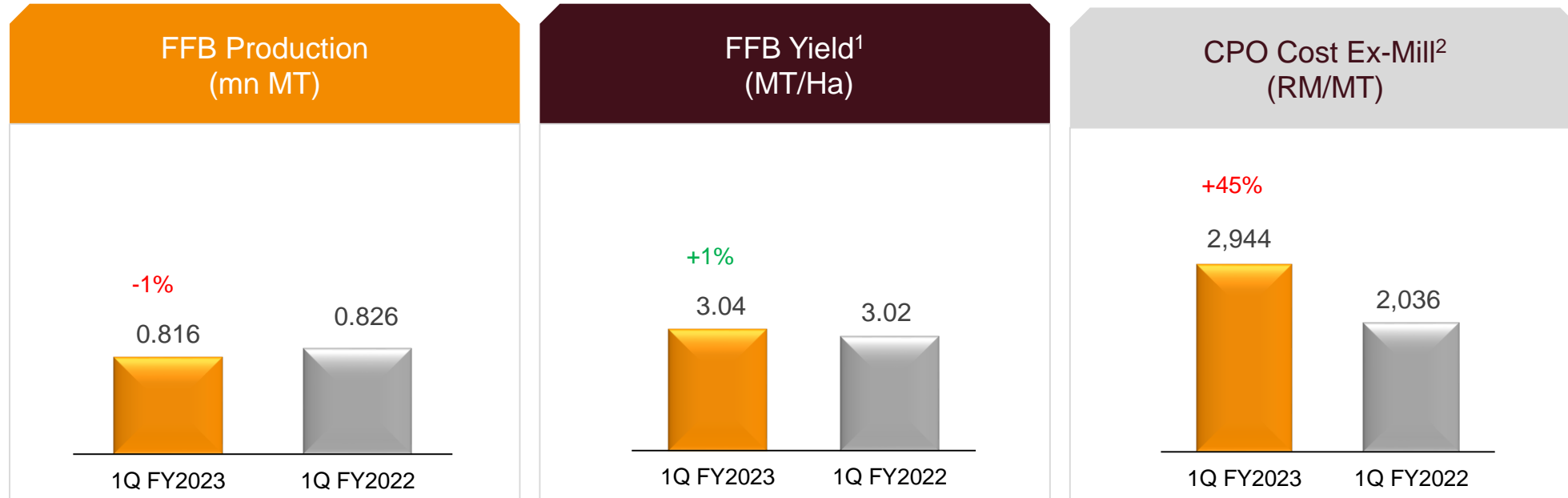
FFB (MT)	1Q FY2023	1Q FY2022	VAR. (%)
Internal	800,656	814,322	(2) ▼
External (Third Party)	887,431	684,851	30 ▲
Settlers	1,280,242	1,297,767	(1) ▼
Total FFB Processed	2,968,329	2,796,939	6 ▲

- Total FFB processed increased by 6% in 1Q FY2023 to 2.97 mn MT compared to 2.80 mn MT in the same quarter last year. In total, 0.80 mn MT (27%) were produced internally, 1.28 mn MT (43%) came from FELDA Settlers, and 0.89 mn MT (30%) were received from third parties.
- The additional FFB purchased by the two main suppliers following the newly awarded offtake contracts contributed to the 30% increase in FFB received from third parties.



SECTOR PERFORMANCE: PLANTATION

Upstream Operations (for internal FFB)



- The FFB production decreased marginally by 1% to 0.816 mn MT due to unfavourable weather conditions. Meanwhile, FFB yield increased slightly to 3.04 MT/Ha contributed by the increase in prime areas and the higher number of workers for harvesting activities.
- With the arrival of additional migrant workers in 1Q FY2023, FGV's labour shortages reduced to 11% from 13% recorded at the end of FY2022.
- Increased CPO cost ex-mill by 45% due to higher manuring, upkeep & maintenance and labour costs.

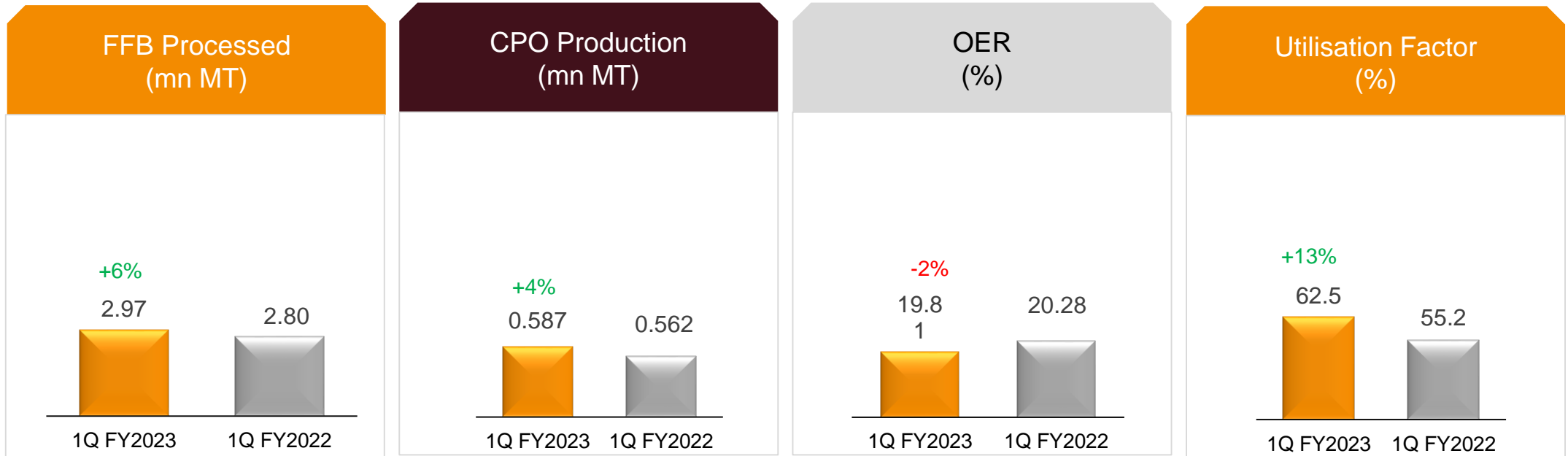
¹ Based on mature area of 267,994 Ha (1Q FY2022: 273,922 Ha)

² CPO cost ex-mill includes estate cost for internal FFB production only and milling cost for the internal and external FFB processed



SECTOR PERFORMANCE: PLANTATION

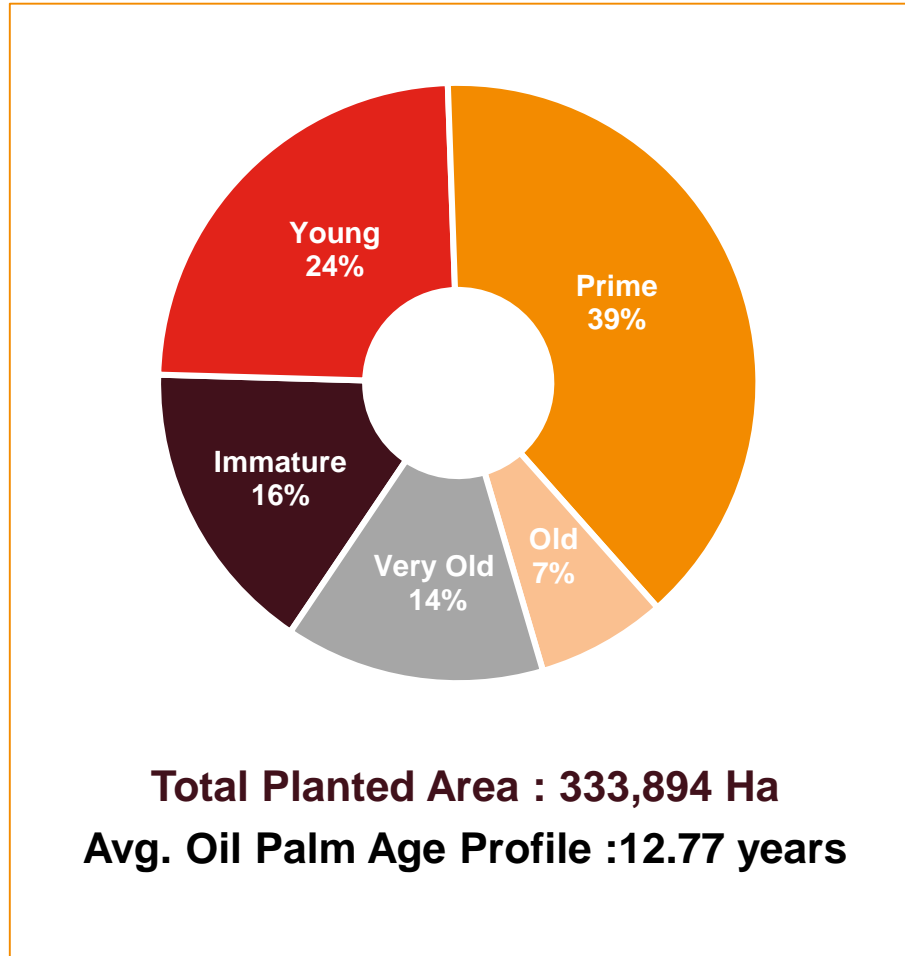
Upstream Operations *(for internal and external FFB)*



- FFB processed increased by 6% following the newly awarded offtake contracts, contributing to the significant increase in FFB received from third parties.
- CPO production increased by 4% to 0.587 mn MT, in tandem with higher FFB processed during the quarter.
- OER decreased by 2% due to the lower quality of FFB ripeness impacted by adverse weather conditions.
- UF increased by 13% as a result of higher FFB processed during the quarter.

OIL PALM AREA BY AGE PROFILE

FGV's current age profile has improved with bigger area of prime palm oils and reduction in old palm trees in FY2023.

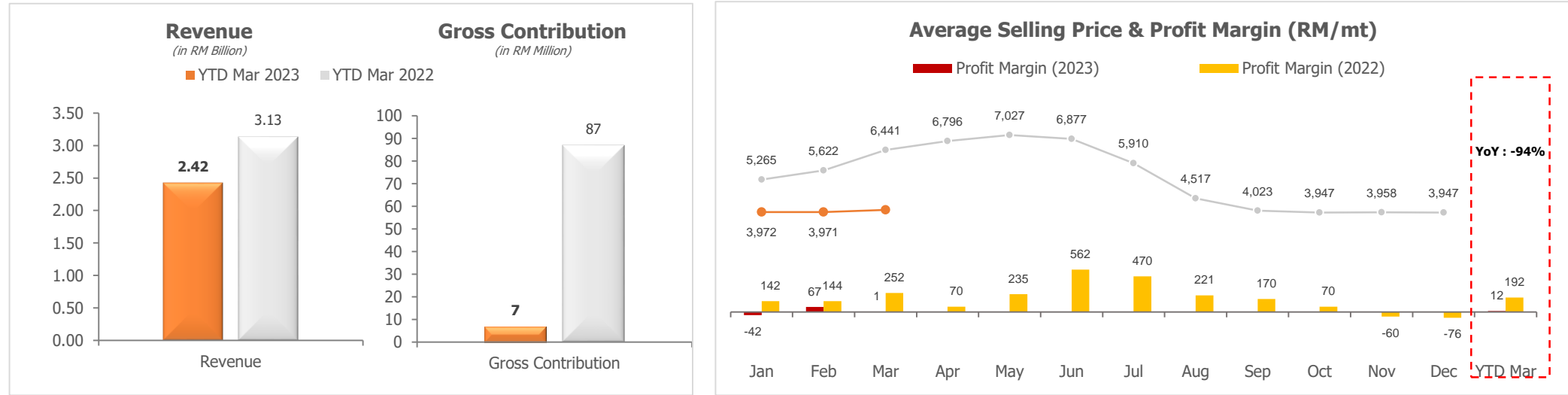


CATEGORY	AGE (YEAR)	FGV GROUP	
		Ha	%
IMMATURE	0 – 3	54,230	16%
YOUNG	4 – 8	79,296	24%
PRIME	9 – 20	128,951	39%
OLD	21 – 25	24,336	7%
VERY OLD	> 25	47,080	14%
TOTAL		333,894	100%

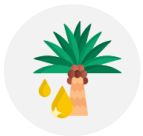
TOPOGRAPHY	TOTAL HECTARAGE (Ha)	%
FLAT	114,018	34%
UNDULATING	98,983	30%
HILLY	120,892	36%

EXTERNAL FFB MILLING MARGIN

1Q FY2023

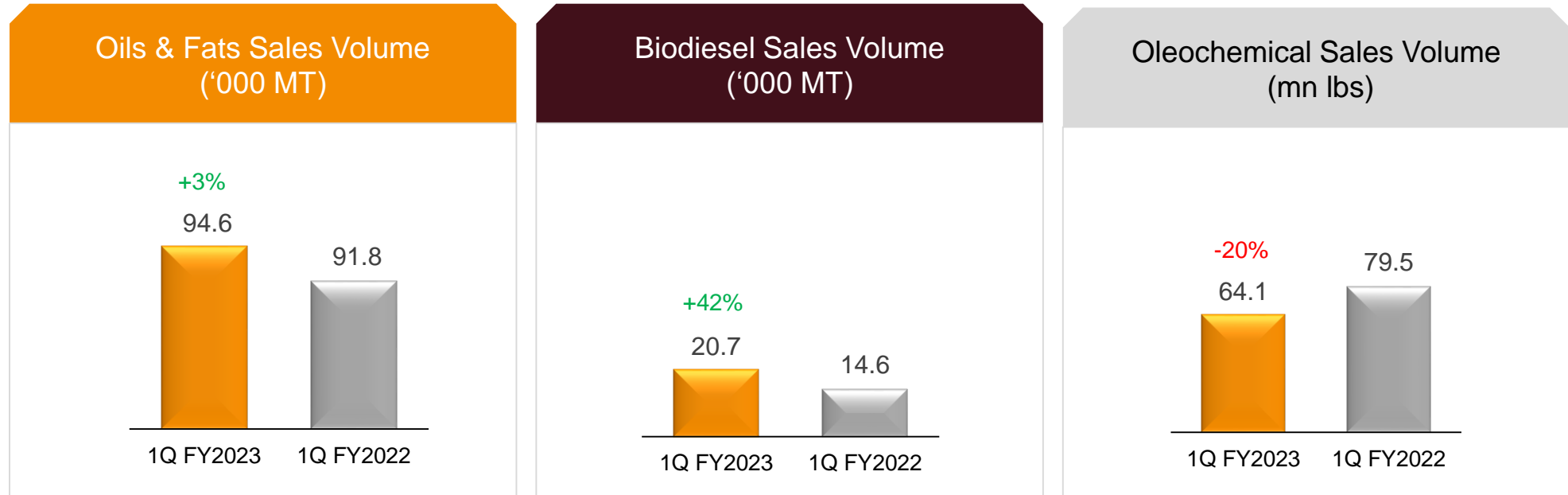


- External FFB reported a gross contribution gain of RM7 mn after OER margin, a decrease of RM80 mn (>100%) compared to the previous year. The reduction in gross contribution was primarily due to **higher external CPO/PPO deliveries** (YTD March 2023: 535,055 MT) with a **lower margin** of RM12/MT, compared to prior year deliveries of 448,980 MT with a profit margin of RM192/MT. The lower margin was caused primarily by higher material costs, which drove up COGS (YTD March 2023: RM3,991/MT) as commodity prices fluctuated between RM3,900/MT to RM4,150/MT since January.
- As of March 2023, the **oil margin** has decreased by 23% to 0.77% compared to 1.00% during the same period last year, in line with lower OER achieved at 19.83% (YoY: -2%)
- The amount of FFB processed for YTD March 2023 increased by 6% over the same period last year, supported by better production from Felda/Settlers (+30%) and higher FFB supply from third parties (+22%).



SECTOR PERFORMANCE: PLANTATION

Downstream Operations



- The increase of 3% in oils and fats sales volume was driven by the higher intake from Export and Repackers segments.
- A 42% increase in biodiesel sales volume as a result of improved demand following the nation's economic recovery.
- The oleochemical sales volume decreased by 20% due to lower demand for fatty acids across all market segments.

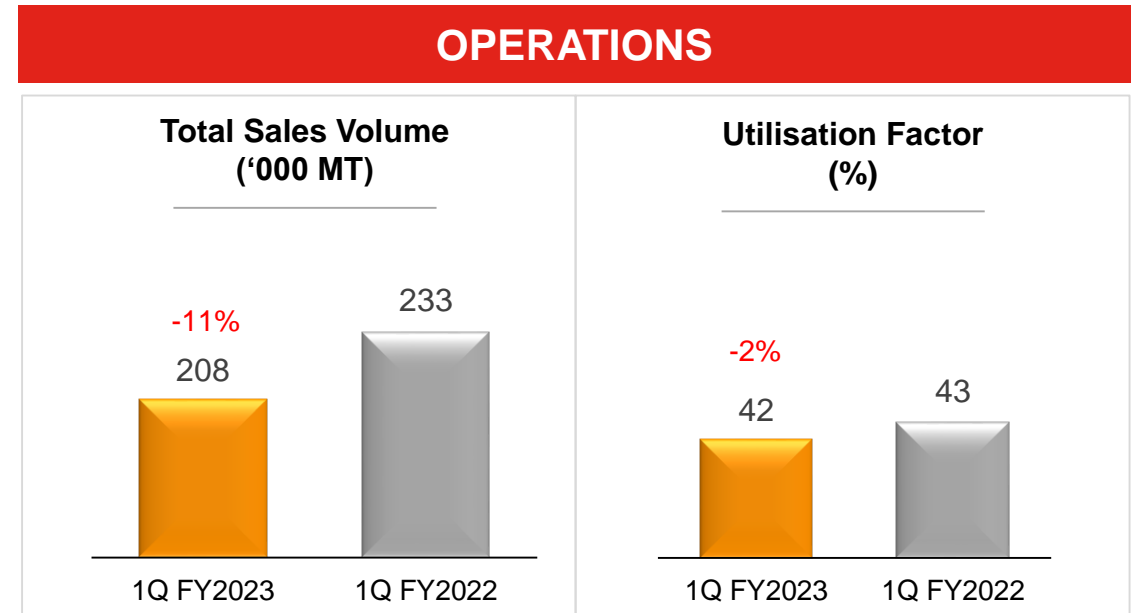


SECTOR PERFORMANCE: SUGAR

FINANCIAL			
(RM mn)	1Q FY2023	1Q FY2022	VAR (%)
Revenue	588	593	(1) ▼
PBT	(32)	(31)	(3) ▲

The Sugar Sector recorded a loss of RM32 mn primarily due to the following:

- A 10% increase in production costs resulted from higher refining costs by 40% driven by higher gas prices by 65%, despite lower NY11 and freight costs.



- Decreased sales volume by 11% due to lower demand from export and industry segments.
- The lower UF of 42% was due to lower production volume in MSM Prai, despite an improvement in MSM Johor's UF to 20% (1Q FY2022: 12%).



SECTOR PERFORMANCE: LOGISTICS



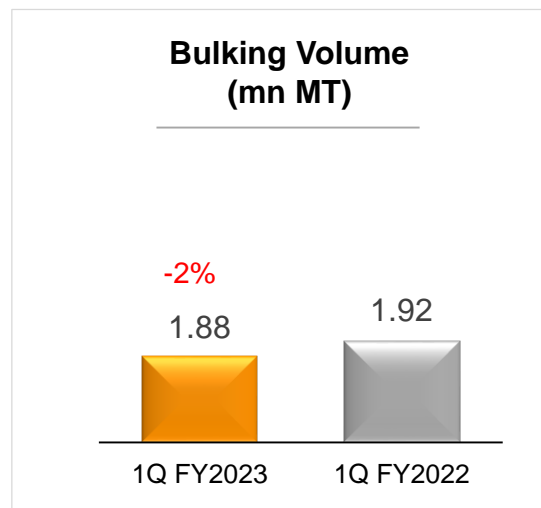
FINANCIAL

BULKING				
(RM mn)	1Q FY2023	1Q FY2022	VAR. (%)	
Revenue	71	55	29	▲
PBT	30	21	43	▲

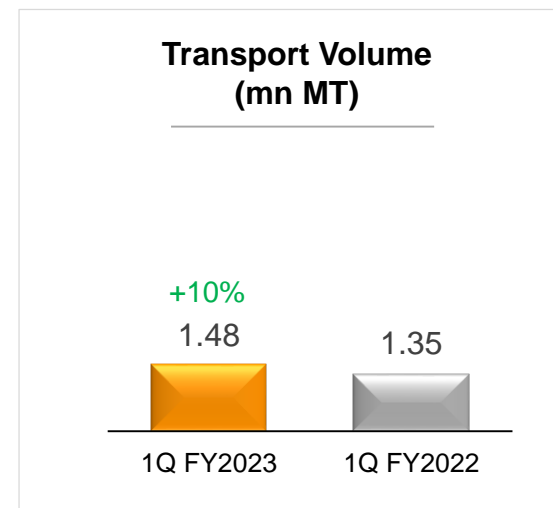
TRANSPORT				
(RM mn)	1Q FY2023	1Q FY2022	VAR. (%)	
Revenue	65	69	(6)	▼
PBT	2	6	(67)	▼

The Logistics business recorded a profit of RM32 mn as a result of improved tank rental income, higher revenue from premium oil storage and higher tonnage carried.

OPERATIONS



- Bulking volume decreased by 2% due to lower palm oil throughput handled.



- Transport volume increased by 10% contributed by higher tonnage carried.

KEY FINANCIAL HIGHLIGHTS



	31.03.2023	31.12.2022	Changes (%)
Cash and Cash Equivalents (RM mn)	1,536	1,397	+10
Total Borrowings without LLA (RM mn)	3,267	3,059	+7
Liquidity Ratio (times)	1.06	1.17	-9
Gearing Ratio* (times)	0.44	0.39	+13

*Gearing ratio equals to Borrowings, Loans due to ultimate holding company divided by Total Equity.

TODAY'S AGENDA



Overview of 1Q FY2023 4

1Q FY2023 Results 6

Business Updates & Market Outlook 18

PLANTATION

FGV recruited 1,077 migrant workers from Indonesia and India. FGV's current shortage of workers is at 11% of the total workforce requirement.

Applied 58,217 MT of fertiliser, covering 20% of the 2023 target.

Completed 1,673 Ha of felling, with a replanting target of around 23,000 Ha for FY2023.

Started the upgrading work for workers' housing at our estates in Serting, Tenggaroh Timor and Aring A, with a total allocation of RM46 mn.

SUGAR

MSM is introducing a new SKU, 'Premium Gula Super', a clear refined white sugar, effective immediately.

MSM adopted the Women's Empowerment Principles and is listed among the 100 signatories of Malaysian companies that are committed to providing a safe and inclusive workplace.

MSM Prai Berhad received the Penang Business Excellence Award for its contribution to shaping Penang's sustainable future.

LOGISTICS

FGV Transport was awarded a contract with Tabung Haji to handle FY2023's Hajj pilgrims' baggage valued at approximately RM10.0 mn.

Purchased additional six prime movers to enhance the efficiency and capacity of liquid tanker operations.

Established long-term storage contracts with three new customers for acid oils, utilising about 13,000 MT of storage space.

FOODS

SAJI received the BrandLaureate Sustainable Business and Brand Inspiring Achievement Award for 2022-2023 in the category of Consumer Cooking Oil.

Launched the 'SAJI Seikhlas Hati' campaign as part of FGV's CSR initiative for 2023 with an allocation of RM0.5 mn.

- Introduced 'Program Pembangunan Asnaf' in Kedah to expand their family income and uplift their business to a commercial base.
- Distribution of 'Pek Rahmah' to the PPR residents.

WITHHOLD RELEASE ORDER

FGV is committed to reimbursing recruitment fees to its current and former migrant workers with a total allocation of RM112 mn that will be paid in three tranches, in Mar, Jun and Sep 2023.

ELEVATE is currently conducting a verification of the first tranche of FGV's reimbursement to around 20,000 migrant workers through interviews with the migrant workers and documentation reviews.

FGV is finalising the implementation of other aspects of the remediation plan, covering 12 focus areas.

In May 2023, FGV engaged with the US CBP to provide updates and developments on FGV's actions to address the WRO, particularly on the reimbursement of recruitment fees.

WOMEN'S EMPOWERMENT AND GENDER EQUALITY

Collaborated with LeadWomen to organise a panel session on Women's Empowerment and Gender Equality in the Palm Oil Sector with 103 attendants from government, corporate, civil society, UN agencies and diplomatic corporations.

INDEPENDENT SMALLHOLDERS PROGRAMME

Embarked on the Programme to raise awareness among independent smallholders on sustainability-related matters and to gather feedback and input from them for continuous improvement of our operation.

Nine sessions with a total of 401 participants were held throughout Malaysia.

ENVIRONMENT & CLIMATE ACTION

Developed several strategies to address climate action and protect the environment within FGV's operations and in its supply chain, focusing on three areas:

- 1 Climate Action**
Focuses on reducing GHG emissions in line with FGV's net zero emission target by 2050.
- 2 Biodiversity / HCV Management**
Manages all HCVs within and around the FGV operational area and conserves some of the significant Endangered, Rare and Threatened (ERT) species. It also covers the awareness and commitment of supply chain partners.
- 3 Supplier Management**
Create awareness and commitment among suppliers and vendors to comply with FGV's sustainability commitments and ensure a responsible palm oil supply chain.

FY2023 MARKET OUTLOOK

PLANTATION

- The ongoing Russia-Ukraine conflict, Indonesia's announcement to increase its biofuel blending ratio, and ongoing demand from India are expected to support palm oil demand.
- The risk of lower rainfall in the second half of 2023 as the El Nino weather pattern develops may cause lower output and yield.
- For FY2023, the CPO price range is forecasted between RM3,800 per MT and RM4,000 per MT.




LOGISTICS & OTHERS

- The logistics industry anticipates improved growth opportunities driven by increased cross-border trade, higher domestic demand, and the growth of e-commerce and last-mile delivery services.
- The travel industry is observing a consistent revival with the resumption of tourism and travel, indicating a steady recovery.




SUGAR

- The price of raw sugar is projected to remain high, with the benchmark NY11 expected to reach USD 22.9 cents per pound in FY2023.
- Demand for refined sugar is expected to remain high amid food security concerns, the growing food and beverage industry, and the increase in the global population.



FOODS

- Countries around the world are ramping up their food security measures amid supply chain disruptions, higher input costs for agricultural products and an increasing world population.
- The food industry is expected to chart an annual growth rate of 18.3% from 2023 to 2027.
- In Malaysia, main segments like cooking ingredients, fresh produce and dairy continue to demonstrate robust growth potential.



THANK YOU

FGV Holdings Berhad

200701042133 (800165-P)

Group Investor Relations
Level 20, Wisma FGV,
Jalan Raja Laut, 50350 Kuala Lumpur, Malaysia

 +603 2789 0000  fgv.investors@fgvholdings.com

 www.fgvholdings.com



MOVEMENT IN LAND LEASE LIABILITY IN FGVPM

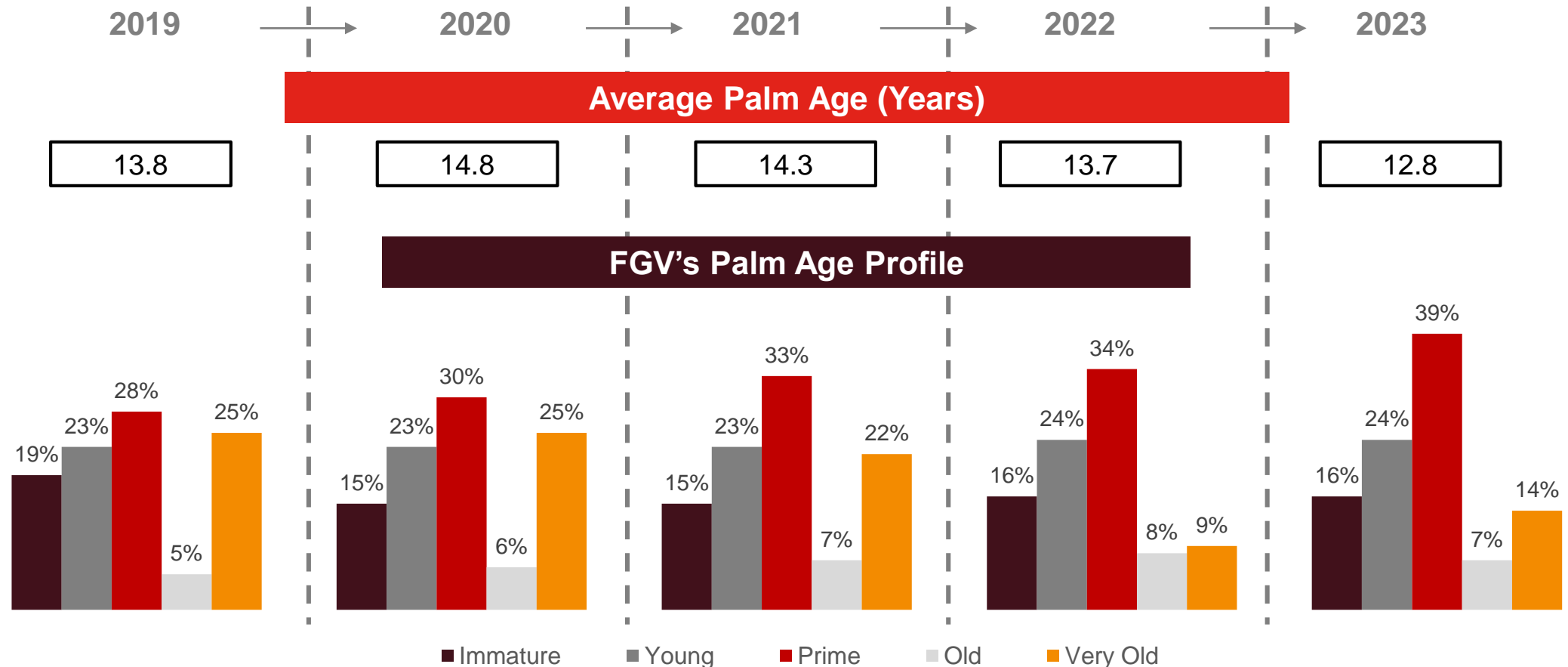
RM million	Q1 2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022
At the start of the period	3,680.4	3,804.8	3,833.2	3,773.8	3,708.3	3,804.8
Total payments made during the period	(110.6)	(130.7)	(117.3)	(116.9)	(112.4)	(477.2)
Recurring income statement charges/(credits)	59.5	68.4	62.7	85.7	99.0	315.7
Total income statement charges/(credits) from revisions in projections	(27.3)	90.7	(4.8)	(34.3)	(14.5)	37.1
Total charges/(credits) to the income statement	32.2	159.1	57.9	51.4	84.5	352.8
Closing LLA liability balance	3,602.0	3,833.2	3,773.8	3,708.3	3,683.7	3,680.4

Total charges/(credits) to Income Statement

RM million	FY2023	FY2022
Unwinding of discounts	83.1	85.3
Under accrual for current quarter	(23.6)	(16.9)
Revisions in projections and other adjustments	(27.3)	90.7
Total charges to the Income Statement	32.2	159.1

AGE PROFILE

Our current age profile has improved with bigger area of prime palm oils and reduction in old palm trees in 2023 compared to 2022



FY2023 OPERATIONAL HIGHLIGHTS



	1Q FY2023	1Q FY2022	QoQ
FFB Production ('000 MT)	816	826	-1%
FFB Yield* (MT/Ha)	3.04	3.02	+1%
CPO Production ('000 MT)	587	562	+4%
PK Production ('000 MT)	152	141	+8%
OER (%)	19.81	20.28	- 2%
KER (%)	5.14	5.09	+1%
Avg. PK Price (RM/MT)	2,018	4,594	- 56%
Avg. CPO Price (RM/MT)	3,988	5,058	- 21%
CPO Cost Ex-mill (RM/MT)	2,944	2,036	- 45%
CPKO Sales Volume ('000 MT)	57,884	58,548	- 1%
Oleochemical Sales Volume (mn lbs)	64.1	79.5	- 17%