3Q FY2023

RESULTS ANNOUNCEMENT

Wednesday, 29 November 2023| 4.30 PM – 5.30 PM

FGV HOLDINGS BERHAD

Financial Results Briefing

3rd Quarter FY2023

29 November 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 3Q FY2023

PLANTATION

- Identified approximately 13,000 Ha of rehabilitated areas that have difficulties to do harvesting due to excessive under-pruning and under-weeding to enhance productivity. As of Oct, around 4,200 Ha have been successfully rehabilitated.
- Continuously monitoring crop harvesting and mill efficiency, optimising planting material performance tailored to site suitability, enhancing FFB quality and delivery, and minimising leakages caused by pest and disease damage.
- Conducted awareness programmes with suppliers, including dealers and smallholders to ensure adherence to the Group Sustainability Policy, RSPO principles and FFB quality requirements.

SUGAR

- The price of raw sugar continues to rise, reaching approximately USD25.0 cents per pound due to tight global supply and extreme weather conditions in producing countries.
- The stronger USD rate exacerbated the losses in the sugar business.
- Energy prices remain high, with a 30% increase YoY due to the supply constraint.

LOGISTICS

- Lower vegetable oil throughput as players are keeping stockpiles, despite higher CPO production. Nevertheless, oleochemical throughput has improved due to higher demand in Europe.

SUSTAINABILITY

- FGV has reimbursed its current workers through three payments made in March, June and September 2023, totalling RM72.2 mn.
- Elevate is currently verifying the second and third payments and will conduct a verification assessment on the implementation of FGV's overall remediation plan.
- Engaged and actively participated in various impactful initiatives, such as the Child Protection Programme, the Sun Bear Conservation Programme, the International ESG conference, and Sustainability Week, aiming to cultivate awareness and foster active stakeholder engagement.
- As of Sep, FGV has invested around RM227.0 mn in sustainability activities, emphasising the Company's commitment to complying with the highest standards for a sustainable future.

FGV registered a **Profit Before Tax of RM83 mn, against RM385 mn** achieved in the same quarter last year.
This result was recorded on the back of **RM4,907 mn revenue, a 21% decline from RM6,182 mn** in 3Q FY2022.

TODAY'S AGENDA

9M FY2023 FINANCIAL HIGHLIGHTS

FGV registered an Operating Profit of RM414 mn due to lower contributions from Palm Upstream and losses in the Sugar Sector.

INCOME STATEMENT (RM mn)	9M FY2023	9M FY2022	VAR. (%)	
Revenue	**13,994**	19,463	*(28)*	▼
Operating Profit	**414**	1,786	*(77_*	▼
Fair value charge in LLA	**(127)**	(268)	*(53)*	▼
Impairment (net)	**(63)**	(11)	*>(100)*	▼
EBIT	**224**	1,507	*(85)*	▼
Share of results - Assoc & JV	**1**	46	*(98)*	▼
Finance costs (net)	**(68)**	(66)	*(3)*	▼
PBT	**157**	1,487	*(89)*	▼
Zakat and Taxation	**(144)**	(547)	*(74)*	▼
PAT	**13**	940	*(99)*	▼
PATAMI	**31**	985	*(97)*	▼

Operating Profit was impacted by the following:

- Margin squeezed due to lower FFB processed, stemming from the decline in external crops that led to a 35% increase in CPO cost ex-mill. The margin for palm products was further impacted by a 21% reduction in the average CPO price realised.
- Losses in the Sugar Sector due to an increase in production costs by 15%, driven by higher refining costs following the increase in gas prices. However, the losses were cushioned by the 15% increase in the average selling price.
- Nevertheless, the Logistics Sector recorded higher profits as a result of improved tank rental and other operating income.

The impairments and lower share of profits from JV and associates also impacted profit.

Operating Profit

BUSINESS (RM mn)	9M FY2023	9M FY2022	VAR. (%)	
Plantation	**375**	1,809	*(79)*	▼
Sugar	**(50)**	(113)	*(56)*	▼
Logistics	**95**	86	*10*	▲
Others	**(6)**	4	*>(100)*	▼
Total	**414**	1,786	*(77)*	▼

3Q FY2023 FINANCIAL HIGHLIGHTS

FGV recorded an Operating Profit of RM207 mn due to lower FFB processed and lower palm products' margins resulting from the decline in average CPO prices and the higher CPO cost ex-mill.

INCOME STATEMENT (RM mn)	3Q FY2023	3Q FY2022	VAR. (%)
Revenue	**4,907**	6,182	*(21)* ▼
Operating Profit	**207**	449	*(54)* ▼
Fair value charge in LLA	**(67)**	(51)	*(31)* ▲
Impairment (net)	**(24)**	(13)	*(85)* ▲
EBIT	**116**	385	*(70)* ▼
Share of results - Assoc & JV	**(11)**	10	*>(100)* ▼
Finance costs (net)	**(22)**	(10)	*>(100)* ▼
PBT	**83**	385	*(78)* ▼
Zakat and Taxation	**(60)**	(168)	*(64)* ▼
PAT	**23**	217	*(89)* ▼
(L)/PATAMI	**32**	242	*(87)* ▼

Operating Profit was impacted by the following:

- Margin squeezed due to lower FFB processed, stemming from the decline in external crops that led to a 25% increase in CPO cost ex-mill. The margin for palm products was further impacted by a 20% reduction in the average CPO price realised.
- Narrowing losses from higher margins and better capacity utilisation despite the high input costs, as well as the reversal of onerous and NRV provisions.

Nevertheless, the Logistics Sector recorded higher profits as a result of improved tank rental and other operating income.

Profit was also impacted by an impairment of RM24 mn during the quarter.

Operating Profit

BUSINESS (RM mn)	3Q FY2023	3Q FY2022	VAR. (%)
Plantation	**208**	486	*(57)* ▼
Sugar	**(21)**	(67)	*(69)* ▼
Logistics	**37**	34	9 ▲
Others	**(17)**	(4)	*>(100)* ▼
Total	**207**	449	*(54)* ▼

SECTOR PERFORMANCE: PLANTATION

The Sector's profit was impacted by the lower FFB processed, lower average CPO price and higher CPO cost ex-mill.

PLANTATION (RM mn)	3Q FY2023	3Q FY2022	VAR. (%)
REVENUE			
Upstream	**2,702**	**3,715**	*(27)* ▼
Downstream	**1,107**	**1,444**	*(23)* ▼
R&D and Fertiliser	**146**	**241**	*(39)* ▼
Total Revenue	**3,955**	**5,400**	*(27)* ▼
OPERATING PROFIT			
Upstream	**180**	**449**	*(60)* ▼
Downstream	**14**	**30**	*(53)* ▼
R&D and Fertiliser	**14**	**7**	*100* ▲
Total Operating Profit	**208**	**486**	*(57)* ▼
Fair Value charge in LLA	**(67)**	**(51)**	*(31)* ▲

Upstream

- The margin was squeezed due to a reduction in FFB processed, resulting in a 12% decrease in CPO sales volume. The margin was further impacted by a 25% increase in CPO cost ex-mill driven by higher upkeep & maintenance, manuring and labour costs, along with a 20% decrease in the average CPO price realised.
- FFB production and yield decreased by 7% and 5%, respectively.

Downstream

- Lower profit margins due to higher refining and processing costs, combined with a decline in CPKO and oleochemical sales volume resulting from the impact of the European Deforestation Regulation (EUDR) on Malaysia and Indonesia, and fragile economic conditions in the US affecting the demand for household and beauty products.
- Lower sales volume for bulk and repacker segments due to CPO price volatility and intense price competition from local and regional brands.

R&D and Fertiliser

- Increase in seed sales volume by 21%.
- Higher fertiliser gross margin by 27%, driven by a higher sales volume in the compact and compound segments.

SECTOR PERFORMANCE: PLANTATION

Upstream Operations

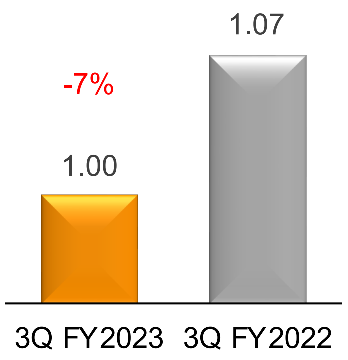
FFB (MT)	3Q FY2023	3Q FY2022	VAR. (%)
Internal	986,865	1,054,860	(6) ▼
External (Third Party)	1,007,094	1,144,441	(12) ▼
Settlers	1,361,919	1,746,772	(22) ▼
Total FFB Received	**3,355,878**	**3,946,073**	(15) ▼

- Total FFB received decreased by 15% in 3Q FY2023 to 3.36 mn MT compared to 3.95 mn MT in the same quarter last year. In total, 0.99 mn MT (29%) were produced internally, 1.05 mn MT (30%) came from third parties, and 1.36 mn MT (41%) were received from FELDA Settlers.
- The nation's decline in FFB production is mainly due to lesser rainfall and increased dryness nationwide. The decreases of 22% and 12% in settlers' and external parties' crops align with the overall reduction in the nation's FFB output. Additionally, strict due diligence on sustainability compliance for external parties has further contributed to the decrease in the number of FFB received.

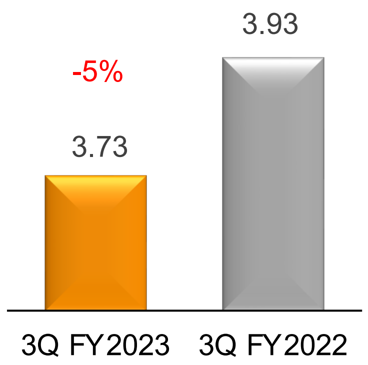
SECTOR PERFORMANCE: PLANTATION

Upstream Operations

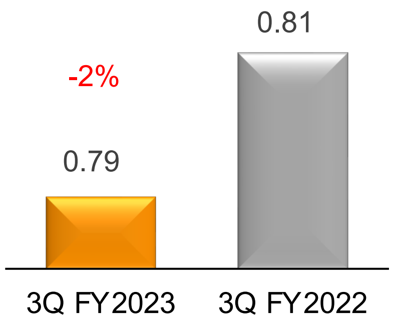
FFB Production (mn MT)



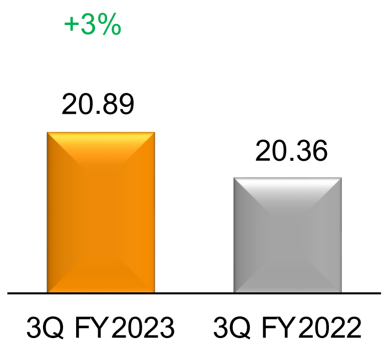
FFB Yield[1] (MT/Ha)



Oil Yield (MT/Ha)



OER (%)



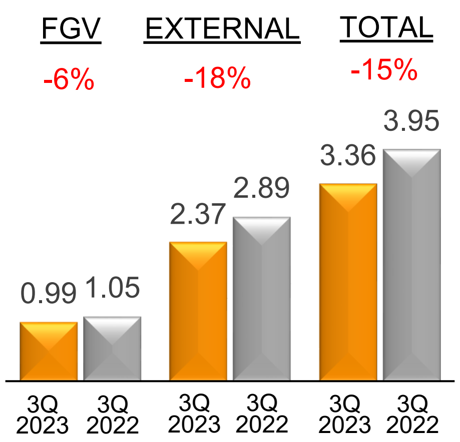
- FFB production and yield decreased by 7% and 5%, respectively. The yield was affected by the lower average bunch weight due to lower fertiliser application over several years following labour shortages and the MCO period.
- The oil yield was reduced by 2% in tandem with the reduction in FFB yield.
- Despite the decrease in production, OER increased by 3% as a result of better mill performance from the OER improvement programme.

[1] *Based on mature area of 267,813 Ha (3Q FY2022: 273,875 Ha)*

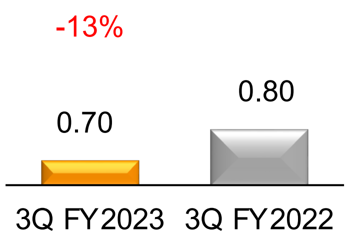
SECTOR PERFORMANCE: PLANTATION

Upstream Operations

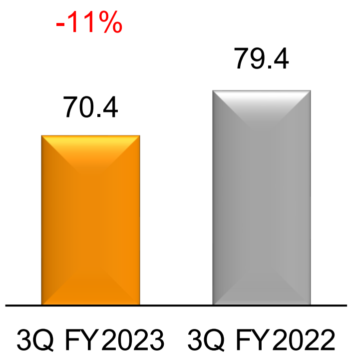
FFB Received[2] (mn MT)



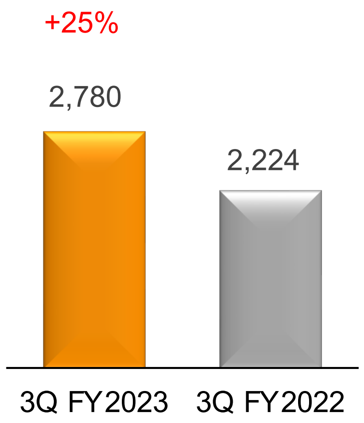
CPO Production (mn MT)



Utilisation Factor (%)



CPO Cost Ex-Mill[3] (RM/MT)

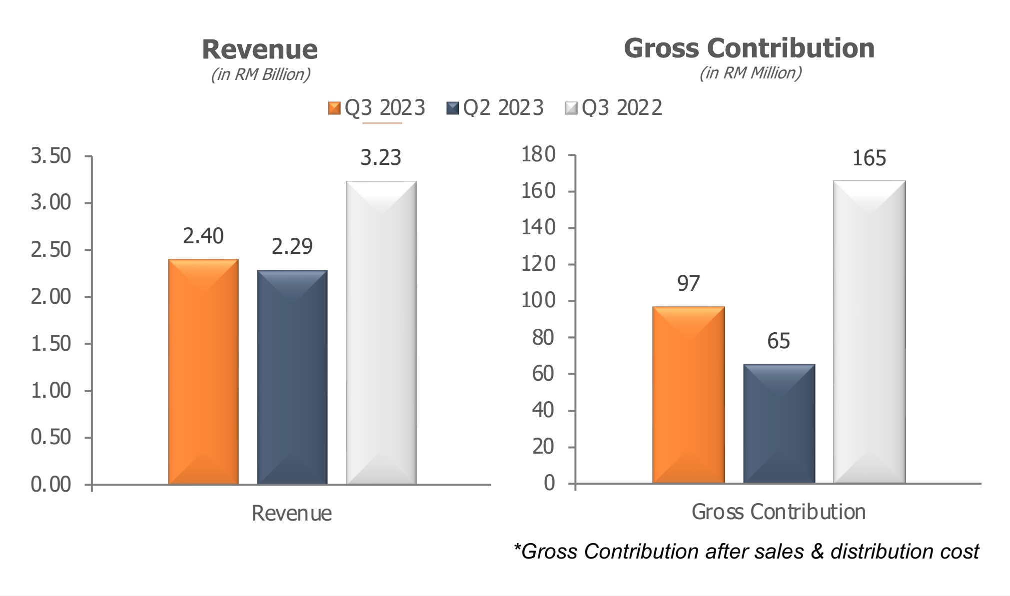


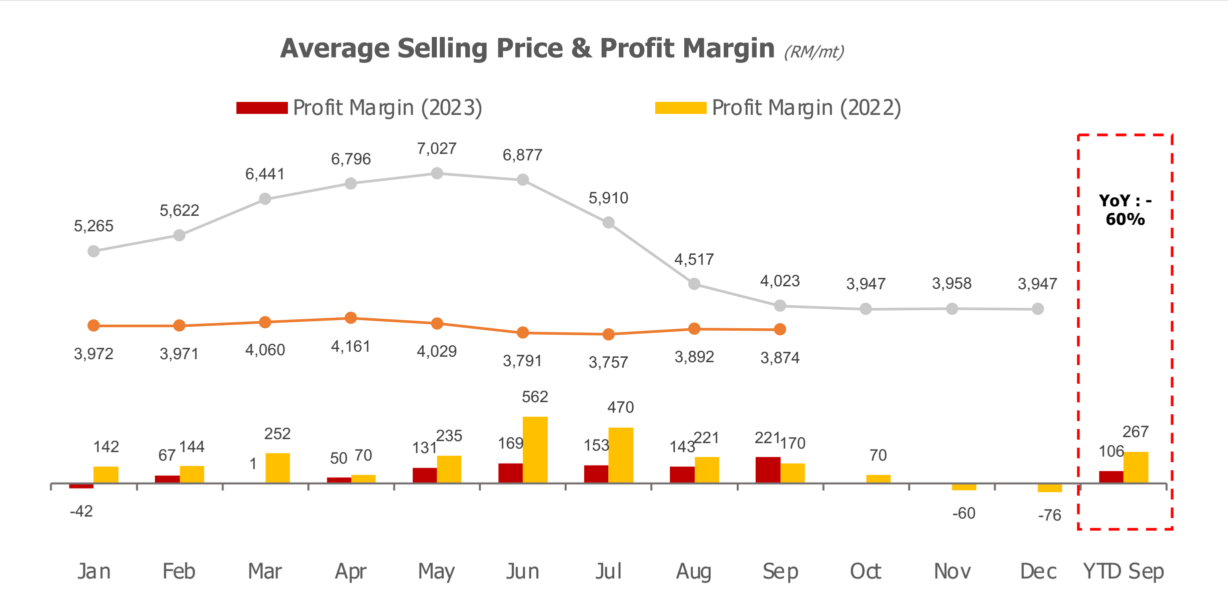
- Total FFB received decreased by 15% due to lower crop volume during the quarter, which reduced CPO production and UF by 13% and 11%, respectively.
- The CPO cost ex-mill increased by 25% due to higher upkeep and maintenance, manuring and labour costs.

[2] *External FFB received includes settlers and third-party crops*
[3] *CPO cost ex-mill includes estate cost for internal FFB production only and milling cost for the internal and external FFB processed*

EXTERNAL FFB MILLING MARGIN

3Q FY2023





- External FFB recorded a gross contribution of RM97 mn, which increased by 48% from the preceding quarter (RM65 mn) but 42% lower compared to the same quarter last year (RM165 mn).

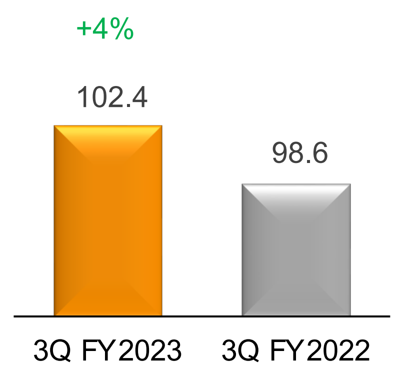
- The decrease in gross contribution YoY was primarily attributable to a **lower margin** achieved at RM178/MT CPO (Q3 2022: RM275/MT) as a result of a **lower realised price** by 19% (Q3 2023: RM3,847/MT; Q3 2022: RM4,747/MT). However, the lower margin was compensated with a 57% increase in **oil margin** during the quarter compared to the same period last year (Q3 2023: 1.61%; Q3 2022: 1.02%).

- The amount of FFB processed during the third quarter of 2023 reduced by 16% to 3.21 mn mt compared to the same period in 2022 at 3.80 mn mt which is in line with the lower production from Felda (-14%) and external crop (-12%).

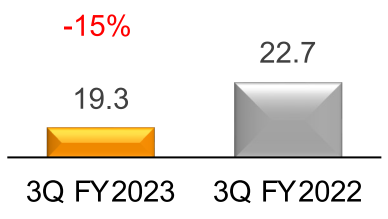
SECTOR PERFORMANCE: PLANTATION

Downstream Operations

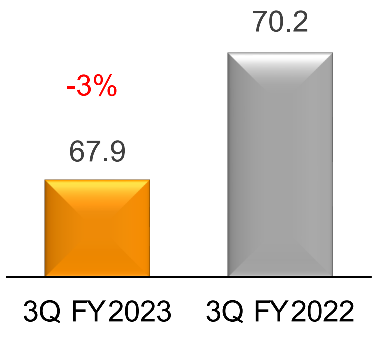
Processed Packed Palm Oil (PPO) Sales Volume ('000 MT)



Biodiesel Sales Volume ('000 MT)



Oleochemical Sales Volume (mn lbs)



- The PPO sales volume increased by 4%, contributed by the local demand following the Government's RAHMAH programme, which featured Saji cooking oil as one of the key products.
- Biodiesel sales volume decreased by 15% due to lower local diesel consumption.
- The oleochemical sales volume decreased by 3% due to lower demand for fatty acids across all market segments.

SECTOR PERFORMANCE: SUGAR

FINANCIAL

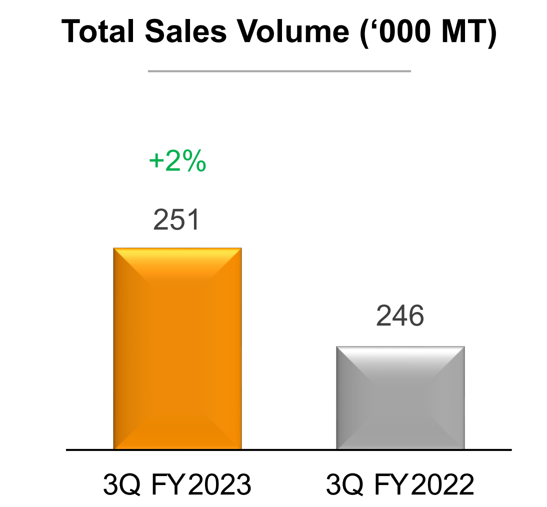
(RM mn)	3Q FY2023	3Q FY2022	VAR (%)
Revenue	**807**	665	21 ▲
(L)BT	**(32)**	(71)	(55) ▼

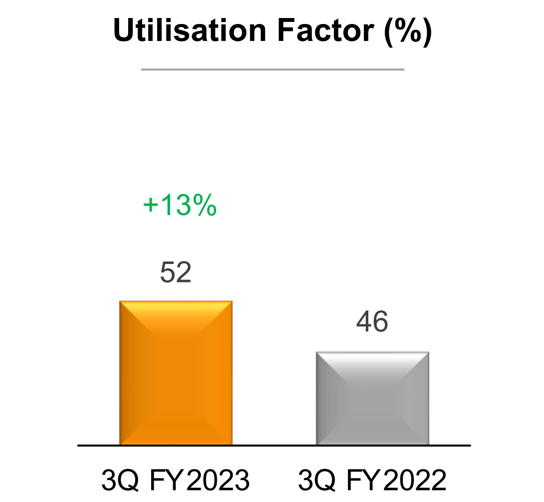
The Sugar Sector recorded losses of RM32 mn primarily due to the following:

- A 19% increase in production costs resulted from higher refining costs due to a 5% surge in gas prices and a higher NY11, despite a decrease in freight costs.

However, the lower loss was attributable to an increase in the overall average selling price by 18% and better capacity utilisation.

OPERATIONS





- Increased total sales volume by 2%, driven by higher demand for wholesale and export segments.
- Improved average UF to 52%, in line with higher total sales volume.

SECTOR PERFORMANCE: LOGISTICS

FINANCIAL

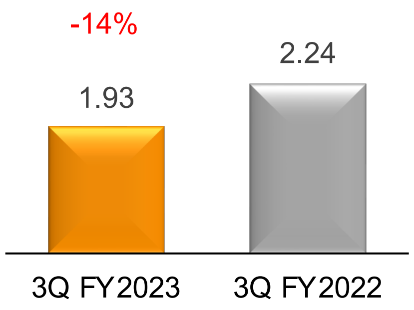
BULKING				
(RM mn)	3Q FY2023	3Q FY2022	VAR. (%)	
Revenue	77	67	15	▲
PBT	35	35	-	-

TRANSPORT				
(RM mn)	3Q FY2023	3Q FY2022	VAR. (%)	
Revenue	71	81	12	▼
PBT	2	-2	>100	▲

The Logistics business registered a profit of RM37 mn, driven by improved tank rental and other operating income.

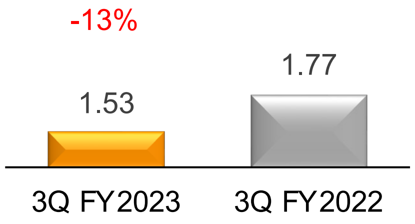
OPERATIONS

Bulking Volume (mn MT)



- Lower bulking volume was in line with lower CPO production and a decline in exports to China and India.

Transport Volume (mn MT)



- Lower transport volume was in line with lower CPO production.

KEY FINANCIAL HIGHLIGHTS

	30.09.2023	31.12.2022	Changes (%)
Cash and Cash Equivalents (RM mn)	1,240	1,397	-11
Total Borrowings without LLA (RM mn)	3,684	3,059	+20
Liquidity Ratio (times)	1.08	1.17	-8
Gearing Ratio* (times)	0.49	0.39	+26

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

TODAY'S AGENDA

BUSINESS UPDATES (1/2)

CORPORATE UPDATES

- Achieved multiple awards and recognitions as a testament to our efforts in becoming a sustainable company:
  - Felda Travel was awarded **'The Most Active Supplier in the Travel and Logistic Category'** by the Malaysian Communications and Multimedia Commission (MCMC).

  - MSM received **the MSOSH OSH Award 2023** in the Manufacturing and Chemical Sectors category.

PLANTATION

- Completed **12,629 Ha of felling** and **planted 12,326 Ha** to achieve the FY2023 replanting target.
- To date, **around 193,000 MT of fertiliser have been applied,** equivalent to **73% coverage** against the FY2023 target.
- **The labour shortage maintained at 13%** due to ongoing sustainability enhancements in source countries. Despite this, there has been a reduction in both abscondments and repatriations during this period.
- The application of power barrows to assist in FFB evacuation has been implemented in **around 13,500 Ha of hilly terrace areas.**
- **Expansion of the PPO market into new areas** such as Lebanon and Togo.

LOGISTICS AND SUPPORT BUSINESSES

- Felda Travel successfully managed **311 Hajj pilgrims,** contributing approximately **RM20.0 mn in revenue.**
- Sahabat Bulking Installation has been **approved as Bursa Malaysia's Port Tank Installation for CPO** effective 1st September 2023.
- FGV Prodata was **awarded two contracts** with a total value of around RM50.0 mn.
  - Supply of 6,157 laptops to the Ministry of Education for the Northern Region.
  - Enhancement of Smart Plantation Management Solution 3.0 for FELDA.

BUSINESS UPDATES (2/2)

SUGAR

- Completed the new warehouse with an **additional capacity of 10,000 MT** to minimise external warehouse rental and support plant ramp-up.
- Introduced its **first 100% Electric Vehicle (EV) van for last-mile delivery in Klang Valley** as part of its ongoing ESG initiatives.

- To date, the new Gula Super has recorded **total sales of around 11,000 MT** and contributed around 13% of revenue in the wholesale segment.

FOODS

- **Increased export of MD2 pineapple** to the Middle East with a sales volume of 30MT in August 2023.
- Launched two new products, **Acerola Yoghurt and UHT milk** to the market.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

- Completed the reimbursement of its current workers through three payments made in March, June and September 2023, **totalling RM72.2 mn.**
- Organised a **Child Protection Programme in Lahad Datu** to raise awareness of the child labour issue, emphasising the importance of child protection in business operations.
- **Participated in Environmental and conservation programmes,** such as the Sun Bear Conservation CSR programme in Sandakan and International Environment, Social and Governance 2023 (i-ESG).
- Organised **Sustainability Week in conjunction with Malaysia's National Environment Day (NED),** with the aim of raising awareness on sustainability issues, best practices and innovation.

FY2023 OUTLOOK

PLANTATION

- The nation's palm oil production is expected to remain stagnant at 18.5 million MT for 2023 - 2024.
- Feedstock for fertilisers is expected to stabilise as supply improves.
- The cost of production is expected to remain challenging for FY2023.
- The CPO price is expected to remain between RM3,800 and RM4,000 per MT.

LOGISTICS AND SUPPORT BUSINESSES

- The bulking and storage industry anticipates growth opportunities driven by increased cross-border trades and domestic demand.
- A decrease in FFB production vs FY2022 is forecaste to reduce the tonnage carried for CPO and Palm Kernel.
- Malaysia's Software as a Service (SaaS) market is expected to grow at an encouraging CAGR of 11.6% from 2023 to 2028.
- The travel industry is expected to improve with the resumption of tourism and travel.

SUGAR

- The surge in global raw sugar prices, and elevated freight and oil costs, have resulted in negative margins. The volatility of the Malaysian ringgit against the USD is additionally driving up material costs. The price of raw sugar is expected to remain high, hovering between USD 24 cents and USD 27.50 cents/lbs for 2023 – 2024.
- The government's special incentive of RM1,000/MT for 24,000 MT/month of CGS 1kg/2kg and FGS 1kg in Nov and Dec 2023 will alleviate the negative margin faced by the Sugar Sector.

FOODS

- Resilient demand for staple-related products, improved domestic consumption, increased tourism activities, and the decline in global commodity prices, such as wheat, dairy, and vegetable oils, are expected to provide a positive outlook for the sector.
- Inflationary pressures are expected to decrease gradually, averaging around 2.5%.
- As inflation started to moderate in 2023, it offered some relief and improved consumer purchasing power and affordability.

Sources:
MPOB, Trading Economics, Statista 2023, the Malaysian Reserve

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

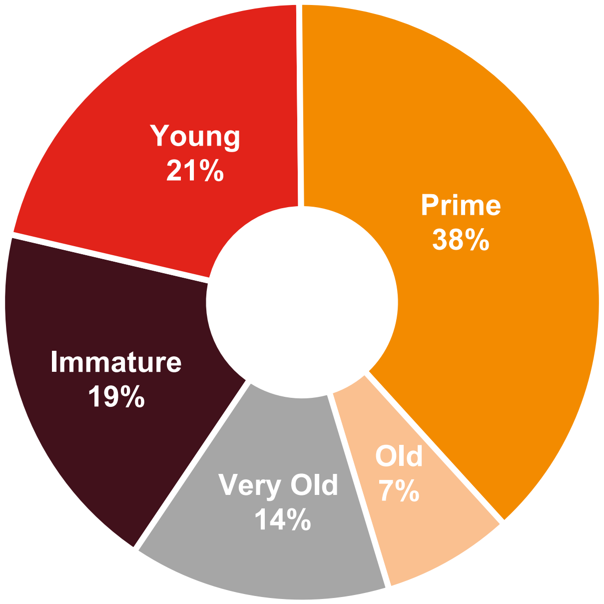
RM million	Q1 2023	Q2 2023	Q3 2023	2023	Q1 2022	Q2 2022	Q3 2022	Q4 2022	2022
At the start of the period	3,680.4	3,602.0	3,564.0	3,680.4	3,804.8	3,833.2	3,773.8	3,708.3	3,804.8
Total payments made during the period	(110.6)	(65.5)	(60.9)	(237.0)	(130.7)	(117.3)	(116.9)	(112.4)	(477.2)
Recurring income statement charges/(credits)	59.5	54.0	72.4	185.9	68.4	62.7	85.7	99.0	315.7
Total income statement charges/(credits) from revisions in projections	(27.3)	(26.5)	(5.3)	(59.1)	90.7	(4.8)	(34.3)	(14.5)	37.1
Total charges/(credits) to the income statement	32.2	27.5	67.1	126.8	159.1	57.9	51.4	84.5	352.8
Closing LLA liability balance	**3,602.0**	**3,564.0**	**3,570.2**	**3,570.2**	**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	246.9	171.7
Under accrual for current quarter	(61.0)	(40.6)
Revisions in projections and other adjustments	(59.1)	85.9
Total charges to the Income Statement	**126.8**	**217.0**

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.



Total Planted Area : 333,764 Ha

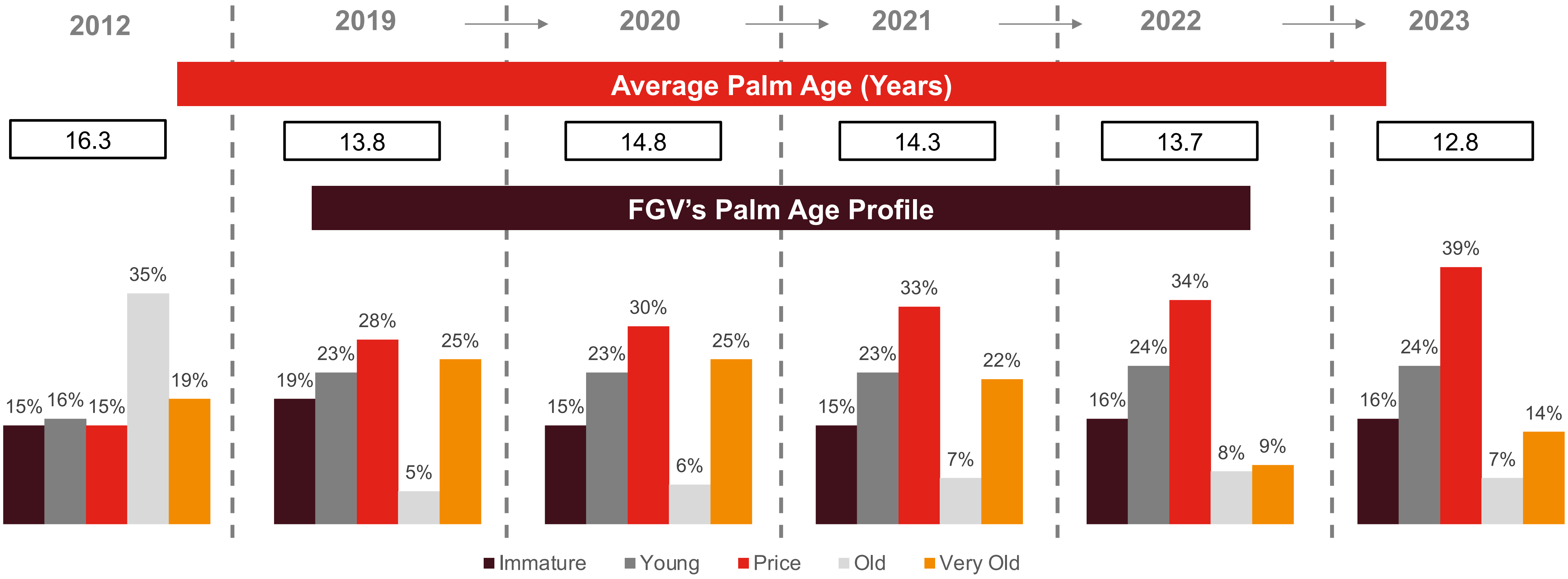
Avg. Oil Palm Age Profile :12.77 years

CATEGORY	AGE (YEAR)	FGV GROUP	
		Ha	%
IMMATURE	0 – 3	62,938	19%
YOUNG	4 – 8	71,059	21%
PRIME	9 – 20	128,390	38%
OLD	21 – 25	24,308	7%
VERY OLD	> 25	47,070	14%
TOTAL		333,764	100%

TOPOGRAPHY	TOTAL HECTARAGE (Ha)	%
FLAT	113,989	34%
UNDULATING	98,956	30%
HILLY	120,820	36%

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.



9M FY2023 OPERATIONAL HIGHLIGHTS

	3Q FY2023	3Q FY2022	YOY	9M FY2023	9M FY2022	YOY
FFB Production ('000 MT)	999	1,075	-7%	2,595	2,861	-9%
FFB Yield* (MT/Ha)	3.73	3.93	-5%	9.69	10.44	-7%
CPO Production ('000 MT)	698	801	-13%	1,855	2,067	-10%
PK Production ('000 MT)	162	200	-19%	454	514	-12%
OER (%)	20.89	20.36	+3%	20.52	20.43	+1%
KER (%)	4.85	5.08	-5%	5.03	5.08	-1%
Avg. PK Price (RM/MT)	2,016	2,427	-17%	2,000	3,318	-40%
Avg. CPO Price (RM/MT)	3,879	4,830	-20%	3,948	4,989	-21%
CPO Cost Ex-mill (RM/MT)	2,780	2,224	+25%	2,871	2,125	+35%
CPKO Sales Volume (MT)	51,128	63,197	-19%	170,180	183,147	-7%
Oleochemical Sales Volume ('000 lbs)	67.9	70.2	-3%	196.7	220.4	-11%