

## Singapore

### ADD (previously HOLD)

Consensus ratings*:	Buy 5	Hold 5	Sell 0
Current price:		S\$1.53	
Target price:		S\$1.76	
Previous target:		S\$2.10	
Up/downside:		14.9%	
CGS-CIMB / Consensus:		-8.8%	
Reuters:	FRLD.SI		
Bloomberg:	FR SP		
Market cap:	US\$1,759m	S\$2,413m	
Average daily turnover:	US\$3.93m	S\$5.45m	
Current shares o/s:		1,577m	
Free float:		20.2%	

\*Source: Bloomberg

#### Key changes in this note

- FY22F net profit raised by 11% to reflect higher PK price assumptions, better processing margin and lower effective tax rate.
- FY23F net profit raised to reflect lower export tax, levy and effective tax rate.
- FY24F net profit raised to reflect lower export tax, levy and effective tax rate.



Source: Bloomberg

Price performance	1M	3M	12M
Absolute (%)	2.7	-27.2	8.5
Relative (%)	-1.2	-30.5	5.8

Major shareholders	% held
Eight Capital Inc	66.2
Fidelity Investment Trust	6.1
Infinite Capital Fund	5.6

#### Analyst(s)



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# First Resources Ltd

## Upgrade to Add for its dividend appeal

- 1H22 core net profit soared 738% yoy to US\$134m, above our expectation.
- We project flattish hoh earnings as higher sales volumes offset lower ASP.
- Upgrade to Add due to attractive dividend yield of 5-7.5% for FY22-23F.

### 1H results above; better refining margin offset inventory build-up

First Resources (FR) posted a 738% yoy jump in 1H22 net profit to US\$134m, thanks to higher CPO price achieved and downstream margins, which more than offset the impact from the export ban. We consider the 1H22 net profit to be above our expectation, at 56% of our full-year forecast but broadly in line with Bloomberg consensus's at 53%, driven mainly by better-than-expected downstream processing margin of US\$58/tonne in 1H22 and higher-than-expected average PK prices achieved (+63% to US\$803/tonne). In 1H22, FR posted a 30% rise in revenue despite a 7% decline in CPO output and a net inventory build-up of 131,000 tonnes during the period at both its estates and refineries. We deduce that the average CPO price achieved in 1H22 was US\$837/tonne (+82% higher yoy), more robust than the 43% yoy rise in 1H22 average Indonesia CPO price of US\$1,025/tonne, as the group used up significantly higher-than-normal forward sales locked in at end-2020 for its CPO sales in 1H21. Qoq, we estimate reported net profit fell by 27% to US\$54.4m. An interim dividend of S\$0.025 per share was declared, representing a dividend payout of 21% of underlying profit and interim dividend yield of 1.7%, within expectations. Other notable takeaways were that its 1H22 FFB output from nucleus estates fell 2% yoy due to a high production base in 1H21. However, FR maintained its guidance for 0-5% FFB output growth and increase in cost of production to US\$270-290/tonne in 2022F from US\$250/tonne in 2021 due to higher fertiliser costs (+60% yoy in FY22F). FR said its fertiliser application in 1H22 was behind target at 35% of annual budget. CPO output for 1H22 fell by 6.6% due to lower purchase of third party fruits.

### Upgrade to Add due to its strong dividend yield of 7.5%

We project FR to post flattish hoh earnings in 2H22F as we expect higher sales volumes (from build-up in stocks due to export ban) and FFB output to offset lower CPO prices and higher operating costs. FR said it expects palm oil inventory in Indonesia to normalise by Sep as demand for palm oil is healthy and as the palm oil export policy has been relaxed. However, this will likely be offset by lower current CPO and PK prices. Indonesia CPO price was US\$746/tonne as at 11 Aug vs. US\$1,025/tonne in 1H22. We raise our FY22-24F net profit forecasts by 0.2-13.1% to reflect lower export tax and levy (following recent revisions), better downstream margin and lower effective tax rate. We expect FR to post an 85% jump in its FY22F net profit, driven mainly by higher CPO price achievement. We cut our TP by 16% to S\$1.76, now based on 2023F P/E of 11.6x (-1 s.d. from historical 10-year avg P/E) vs. 16x P/E previously to reflect the group's earnings and CPO price likely peaking in FY22. As the stock has declined 27% since our last update on 16 May, FR's P/E valuations and dividend yields are attractive at 6.5x FY22 P/E and 7.7%. We upgrade to Add and see share price support from its EV/ha of US\$10,087.

#### Financial Summary

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue (US\$m)	660	1,032	1,203	991	955
Operating EBITDA (US\$m)	247.2	343.4	473.1	344.4	315.6
Net Profit (US\$m)	99.7	161.2	264.4	174.5	155.9
Core EPS (US\$)	0.07	0.09	0.17	0.11	0.10
Core EPS Growth	38.0%	25.1%	84.9%	(34.0%)	(10.6%)
FD Core P/E (x)	15.39	12.30	6.65	10.08	11.28
DPS (US\$)	0.022	0.047	0.084	0.055	0.049
Dividend Yield	2.01%	4.22%	7.51%	4.96%	4.43%
EV/EBITDA (x)	8.39	5.41	3.84	5.15	5.56
P/FCFE (x)	13.11	7.60	8.85	12.06	15.63
Net Gearing	21.9%	2.0%	(2.9%)	(6.5%)	(8.3%)
P/BV (x)	1.66	1.47	1.32	1.24	1.18
ROE	10.9%	12.7%	20.9%	12.7%	10.7%
% Change In Core EPS Estimates			11.1%	13.1%	0.2%
CGS-CIMB/Consensus EPS (x)			1.04	0.74	0.90

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## Upgrade to Add due to attractive yields

- We project FR to report US\$130.4m net profit in 2HFY22F as we see higher CPO sales volume (due to seasonally higher production in 2H and drawdown of inventories) offset by lower ASP achieved for CPO and PK, higher fertiliser and labour costs and lower processing margins.
- We estimate potentially up to US\$10m-20m net profit from 1H22 may have been brought forward into 2HFY22 due to Indonesia's three-week palm oil export ban in April and May, which affected FR's export sales volumes.
- In 1H22, FR's estates and mills produced 400,159 tonnes of CPO but sold only 344,087 of its CPO production. This suggests that 56,072 tonnes of CPO inventory will be brought forward to be sold in 2HFY22F.
- FR revealed that there was a net inventory build-up of 131,000 tonnes (including processed palm oil volumes) for 1H22 vs. 20,000 tonnes in 1H21 due to disruption to exports in 2Q22. We project FR to achieve lower average CPO price of US\$730 per tonne in 2HFY22 vs. US\$837 per tonne in 1H22. We also expect 2HFY22 refining and processing EBITDA to fall hoh due to the narrower disparity between export tax and levy of CPO vs. processed palm oil projected for 2HFY22 vs. 1HFY22.
- Although earnings prospects do not look exciting in the near term, we are raising the rating for the stock to Add from Hold as the share price has retraced 27% since our last update on 16 May, reflecting concerns over Indonesia's regulatory risk on palm oil exports and declining CPO prices.
- We are of the view that FR's risk-reward has turned more attractive following the strong 1H22F for the following reasons:
  - (1) FY22-23F P/E valuations of 6.7x to 10x are at a discount to its historical average 10-year mean P/E of 10.7x. Also, FY22 P/E valuation of 6.7x is more than 2 s.d. below its 10 year mean;
  - (2) Strong dividend yield of 7.5% in FY22, where the bulk of it will be paid out after the final earnings are announced. First Resources's dividend policy is to pay out 50% of its underlying profit annually. We project FR to report a net profit of US\$264m in FY22 and dividend payout of 50% will translate to dividend of US\$132m (or S\$0.11 per share). FR declared S\$0.025 per share in 1H22 and could declare S\$0.085 per share dividend in 2H22 (translating to dividend yield of 5.5% for 2H22 at the current share price).
  - (3) At the current share price, the stock is trading at EV/ha of US\$10,087/ha, which is below its mean EV/ha of US\$11,400 per ha for the past 5 years.
  - (4) At the current share price, FR is trading at P/BV of 1.32x, which is 2 s.d. below its 10-year average mean P/BV.
  - (5) Easing concerns of regulatory risks in Indonesia as the government there has raised DMO ratio to 9x and waived palm oil export levy from mid-July to Aug.
- Key re-rating catalysts are better-than-expected CPO price and production, leading to higher dividend yield.
- Key risks to our Add call are a sharp drop in CPO price, more restrictive export policies in Indonesia or higher export tax and levy.

**Figure 1: Results comparison**

FYE Dec 31 (US\$m)	1H		yoy % chg	2H		Prev. FY22F	Comments
	FY22	FY21		FY21	hoh % chg		
Revenue	535	413	30	619	(14)	1,224.8	Higher ASPs for palm products
Operating costs	(305)	(317)	(4)	(402)	(24)	(762.1)	Lower costs due to lower volume of FFB purchased and lower sales volumes
<b>EBITDA</b>	<b>230</b>	<b>96</b>	>100	<b>218</b>	<b>6</b>	<b>462.7</b>	<b>In line, at 50% of our full year forecasts</b>
EBITDA margin (%)	43	23	86	35	22	37.8	
Deprn & amort.	(41)	(43)	(5)	(42)	(2)	(92.4)	In line with expectations
EBIT	190	53	>100	176	8	370.3	Stronger earnings owing to higher ASPs
Interest expense	(5)	(8)	(31)	(7)	(21)	(7.2)	Reduction in interest expenses from repayment of term notes
Interest & invt inc	1	1	46	1	18	3.8	Higher cash balances
Exceptionals	(6)	16	nr	14	nr	-	Mainly refers to fv gains on bio assets and forex gains
<b>Pretax profit</b>	<b>179</b>	<b>62</b>	>100	<b>184</b>	<b>(2)</b>	<b>367.0</b>	<b>In line with expectations, at 49% of our full year forecasts.</b>
Tax	(43)	(23)	83	(46)	(8)	(106.4)	Lower than expected tax expenses
Tax rate (%)	24	37	(37)	25	(6)	29.0	
Minority interests	(9)	(6)	43	(9)	(2)	(22.6)	Higher earnings from subsidiaries
<b>Net profit</b>	<b>128</b>	<b>33</b>	>100	<b>129</b>	<b>(0)</b>	<b>237.9</b>	<b>Above, at 54% of our full year forecasts</b>
<b>Core net profit</b>	<b>134</b>	<b>16</b>	>100	<b>115</b>	<b>17</b>	<b>237.9</b>	<b>Core below reported net profit due to US\$12m loss from changes in</b>
EPS (US cents)	8.1	2.1	>100	8.1	(0)	15.1	fair value of biological assets
Core EPS (US cents)	8.5	1.0	>100	7.2	17	15.1	

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 2: Segmental breakdown**

FYE Dec 31 (US\$m)	1H		yoy % chg	2H		hoh % chg
	FY22	FY21		FY21	chg	
Plantations and palm oil mills	198	84	>100	168	18	
Refinery and Processing	58	26	>100	44	33	
Inter-segment elimination	(26)	(14)	80	5	nr	
<b>Total EBITDA</b>	<b>230</b>	<b>96</b>	<b>&gt;100</b>	<b>217</b>	<b>6</b>	

\*EBITDA as reported by First Resources

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 3: Plantation statistics**

FYE Dec 31	1H		yoy % chg	2H		hoh % chg
	FY22	FY21		FY21	chg	
<b>Production ('000 tonnes)</b>						
FFB harvested	1,630	1,624	0	1,744	(7)	
FFB - Nucleus	1,391	1,420	(2)	1,520	(9)	
FFB - Plasma	240	204	18	224	7	
FFB Purchased	156	239	(35)	223	(30)	
CPO produced	400	428	(7)	441	(9)	
PK produced	89	95	(6)	102	(13)	
<b>Efficiency</b>						
FFB Yield (tonne/ha)	8.2	8.2	-	8.9	(8)	
CPO Yield (tonne/ha)	1.8	1.9	(5)	2.0	(10)	
CPO extraction rate	22.4%	23.0%	(3)	22.4%	-	
PK extraction rate	5.0%	5.1%	(2)	5.2%	(4)	

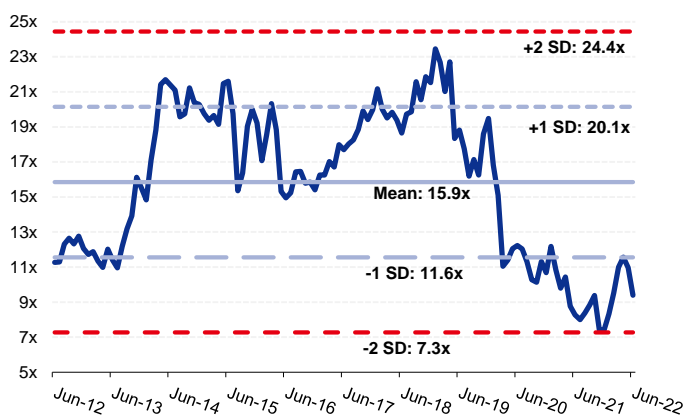
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 4: Sales breakdown**

FYE Dec 31	1H		yoy % chg	2H		hoh % chg
	FY22	FY21		FY21		
<b>Sales value (US\$ m)</b>						
Crude Palm Oil	288	210	37	312		(8)
Palm Kernel	71	51	40	63		13
FFB	4	3	46	4		14
Refinery and Processing	515	373	38	545		(5)
Inter-segment elimination	(343)	(224)	53	(303)		13
<b>Total sales</b>	<b>535</b>	<b>413</b>	<b>30</b>	<b>619</b>		<b>(14)</b>
<b>Sales volume ('000 tonnes)</b>						
Crude palm oil	344	458	(25)	453		(24)
Palm Kernel	88	103	(14)	111		(20)
Refinery and Processing	458	541	(15)	631		(27)
<b>Avg selling prices (US\$/tonne)</b>						
Crude palm oil	837	459	82	688		22
Palm Kernel	803	494	63	565		42
<b>EBITDA per tonne (US\$)</b>						
Palm products (CPO and PK)	457	150	>100	298		53
Refinery and processing	127	48	>100	69		83

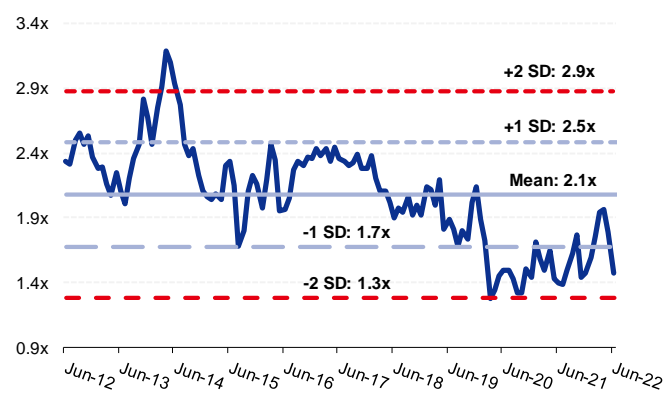
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 5: First Resources core P/E valuation (10 years)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 6: First Resources P/BV valuation (10 years)**



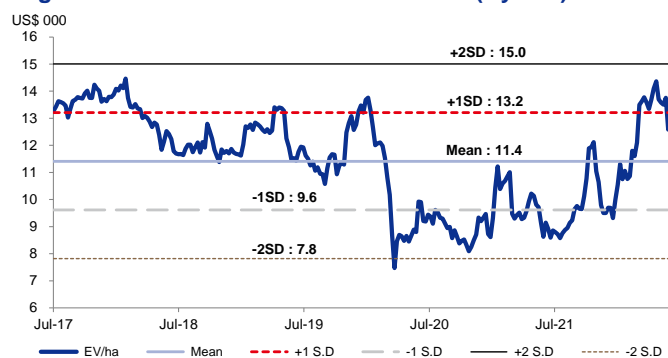
SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 7: First Resources EV/ha valuation (10 years)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 8: First Resources EV/ha valuation (5 years)**



SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 9: Indonesia quarterly average palm products' price, export tax and levy**

(US\$/ tonne)	1Q	2Q	3Q	4Q	1Q	2Q
	FY21				FY22	
Average Indonesia CPO price	702	735	854	991	1,090	934
Average Indonesia CPO export tax and levy	332	403	300	364	415	575
Average Indonesia RBD palm oil export tax and levy	211	253	169	206	248	386

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 10: Indonesia half-yearly average palm products' price, export tax and levy**


(US\$/ tonne)	1H	2H	1H
	FY21		FY22
Average Indonesia CPO price	719	920	1025
Average Indonesia CPO export tax and levy	367	332	484
Average Indonesia RBD palm oil export tax and levy	232	187	307

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

**Figure 11: FFB production peer comparison (combined nucleus and plasma estates)**

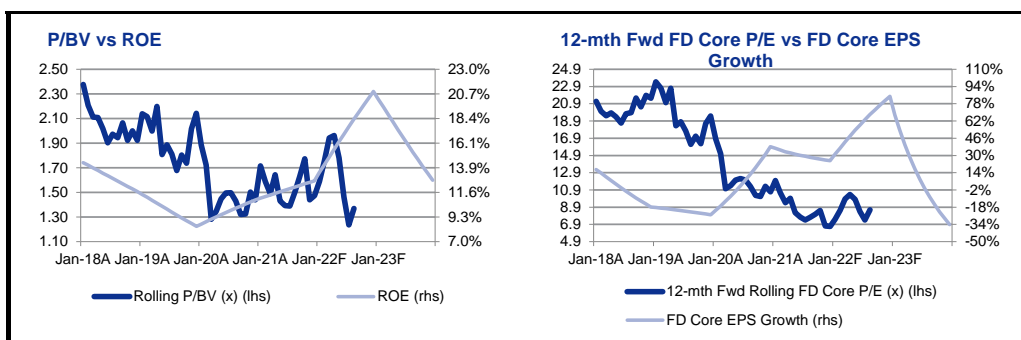
FFB production ( <sup>'000 tonnes</sup> )	2Q	2Q	yoy %	1Q	qoq %	6M	6M	yoy %
	2022	2021	chg	2022	chg	2022	2021	chg
PT SMART	626	636	(2)	491	28	1,117	1,306	(14)
DSNG	505	515	(2)	413	22	918	1,000	(8)
Eagle High Plantation	238	278	(14)	157	51	395	538	(27)
Sampoerna Agro	462	474	(2)	325	42	787	969	(19)
Austindo	206	218	(6)	173	19	379	400	(5)
<b>First Resources</b>	<b>877</b>	<b>826</b>	<b>6</b>	<b>753</b>	<b>17</b>	<b>1,630</b>	<b>1,624</b>	<b>0</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

<div style="display: flex; justify-content: space-between; align-items: center;"> <div style="text-align: left;"> <h2 style="margin: 0;">ESG in a nutshell</h2> </div> <div style="text-align: center;">  </div> <div style="text-align: right;"> <h3 style="margin: 0;">Refinitiv ESG Scores</h3> <table border="1" style="margin: 0 auto; border-collapse: collapse;"> <tr> <td style="background-color: #90EE90; text-align: center; padding: 5px;">C+ <small>ESG Score</small></td> <td style="background-color: #3CB371; color: white; text-align: center; padding: 5px;">A+ <small>ESG Controversies Score</small></td> <td style="background-color: #90EE90; text-align: center; padding: 5px;">C+ <small>ESG Combined Score</small></td> <td style="background-color: #3CB371; color: white; text-align: center; padding: 5px;">B+ <small>ESG Environment Pillar Score</small></td> <td style="background-color: #FFD700; text-align: center; padding: 5px;">C <small>ESG Social Pillar Score</small></td> <td style="background-color: #FFD700; text-align: center; padding: 5px;">C <small>ESG Government Pillar Score</small></td> </tr> </table> </div> </div>		C+ <small>ESG Score</small>	A+ <small>ESG Controversies Score</small>	C+ <small>ESG Combined Score</small>	B+ <small>ESG Environment Pillar Score</small>	C <small>ESG Social Pillar Score</small>	C <small>ESG Government Pillar Score</small>
C+ <small>ESG Score</small>	A+ <small>ESG Controversies Score</small>	C+ <small>ESG Combined Score</small>	B+ <small>ESG Environment Pillar Score</small>	C <small>ESG Social Pillar Score</small>	C <small>ESG Government Pillar Score</small>		
<p>First Resources's ESG Combined Score as rated by Refinitiv in 2021 was C+ broken down into B+ for Environmental, C for Social and C for Governance. The group's combined ESG score of C+ is below Bumitama Agri's 2020 ESG score of B but ahead of Astra Agri's combined ESG score of C. However, its ESG score is lower than Golden Agri's ESG Combined score of B+ as the latter fared better in the Social (A) pillar. First Resources did not fare as well under the Human Rights and Community Score compared to Golden Agri under the Social pillar.</p>							
<p><b>Keep your eye on</b></p> <p>There are currently three ongoing RSPO complaints filed against First Resources relating to (1) alleged deforestation, land clearing and landscape alteration of hills and high conservation value coastal secondary forest, (2) land compensation; and (3) the shareholder of First Resources allegedly having ownership, control and influence over Fangiono Agro Plantation and Ciliandry Anky but was not declared to be part of RSPO Group membership.</p>	<p><b>Implications</b></p> <p>We have not factored these complaints into our forecasts or valuations. These complaints are current under investigation by RSPO and FR revealed that it is working to resolve the issue via bilateral engagement or mediation with complainants.</p>						
<p><b>ESG highlights</b></p> <p>First Resources was ranked 27 out of 100 palm oil producers, processors and traders by SPOTT. It achieved a score of 65.4% in the latest assessment in November 2021. The group has been a member of RSPO since 2008 and targets to achieve 100% RSPO certification by 2026. In 2021, 15% of the group's plantations were RSPO certified and 49% were ISPO certified.</p>	<p><b>Implications</b></p> <p>There is room for the group to improve its ranking in SPOTT in the area of certification standards and deforestation and biodiversity. The group lags behind its peers like Golden Agri in terms of getting its estates and mills RSPO certified. Only 3 out of 18 mills are certified. First Resources revealed that that the certification progress for its mills and estates in 2021 were affected by the Covid-19 pandemic, which resulted in travel restrictions, and the suspension of the issuance of new RSPO certifications due to previous RSPO complaints that have since been addressed.</p>						
<p><b>Trends</b></p> <p>In 2021, the group added two additional methane capture facilities at two of its mills, bringing its total number of methane capture facilities to 7. In 2022, FR plan to construct a methane capture plant for another mill. The group expects the methane capture facility to help the group avoid an additional 28,000 tCO<sub>2</sub>e in GHG emissions, equivalent to the annual emissions of 6,033 passenger vehicles driven for one year<sup>1</sup></p>	<p><b>Implications</b></p> <p>We are positive on the group's efforts to reduce GHG emissions by building more methane capture facilities. In total, the group has 7 methane capture facilities, which will allow it to cut GHG emissions amounting to 180,000 TCO<sub>2</sub>e per annum. This is equivalent to the annual emissions of 38,784 passenger vehicles driven for one year.</p>						

SOURCES: CGS-CIMB RESEARCH, REFINITIV



**BY THE NUMBERS**

**Profit & Loss**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>Total Net Revenues</b>	<b>660.4</b>	<b>1,032.3</b>	<b>1,202.8</b>	<b>991.1</b>	<b>954.6</b>
<b>Gross Profit</b>	<b>292.4</b>	<b>461.6</b>	<b>841.0</b>	<b>448.2</b>	<b>394.1</b>
<b>Operating EBITDA</b>	<b>247.2</b>	<b>343.4</b>	<b>473.1</b>	<b>344.4</b>	<b>315.6</b>
Depreciation And Amortisation	(74.3)	(84.2)	(83.6)	(86.7)	(89.9)
<b>Operating EBIT</b>	<b>172.9</b>	<b>259.3</b>	<b>389.5</b>	<b>257.7</b>	<b>225.7</b>
Financial Income/(Expense)	(16.1)	(13.3)	(3.4)	0.5	5.1
Pretax Income/(Loss) from Assoc.	0.0	0.0	0.0	0.0	0.0
Non-Operating Income/(Expense)	0.0	0.0	0.0	0.0	0.0
<b>Profit Before Tax (pre-EI)</b>	<b>156.8</b>	<b>246.0</b>	<b>386.1</b>	<b>258.2</b>	<b>230.8</b>
Exceptional Items					
<b>Pre-tax Profit</b>	<b>156.8</b>	<b>246.0</b>	<b>386.1</b>	<b>258.2</b>	<b>230.8</b>
Taxation	(49.5)	(69.5)	(96.5)	(67.1)	(60.0)
Exceptional Income - post-tax					
<b>Profit After Tax</b>	<b>107.4</b>	<b>176.5</b>	<b>289.6</b>	<b>191.0</b>	<b>170.8</b>
Minority Interests	(7.7)	(15.3)	(25.2)	(16.6)	(14.8)
Preferred Dividends					
FX Gain/(Loss) - post tax					
Other Adjustments - post-tax					
<b>Net Profit</b>	<b>99.7</b>	<b>161.2</b>	<b>264.4</b>	<b>174.5</b>	<b>155.9</b>
Recurring Net Profit	114.7	143.0	264.4	174.5	155.9
<b>Fully Diluted Recurring Net Profit</b>	<b>114.7</b>	<b>143.0</b>	<b>264.4</b>	<b>174.5</b>	<b>155.9</b>

**Cash Flow**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
<b>EBITDA</b>	<b>247.2</b>	<b>343.4</b>	<b>473.1</b>	<b>344.4</b>	<b>315.6</b>
Cash Flow from Inv. & Assoc.					
Change In Working Capital	(18.7)	52.5	(24.3)	18.1	1.9
(Incr)/Decr in Total Provisions					
Other Non-Cash (Income)/Expense					
Other Operating Cashflow	2.0	(39.3)	0.0	0.0	0.0
Net Interest (Paid)/Received	(16.0)	(13.2)	(3.4)	0.5	5.1
Tax Paid	(22.3)	(51.2)	(96.5)	(67.1)	(60.0)
<b>Cashflow From Operations</b>	<b>192.3</b>	<b>292.2</b>	<b>348.8</b>	<b>295.8</b>	<b>262.6</b>
Capex	(76.2)	(45.5)	(150.0)	(150.0)	(150.0)
Disposals Of FAs/subsidiaries					
Acq. Of Subsidiaries/investments					
Other Investing Cashflow	39.1	44.2	0.0	0.0	0.0
<b>Cash Flow From Investing</b>	<b>(37.1)</b>	<b>(1.3)</b>	<b>(150.0)</b>	<b>(150.0)</b>	<b>(150.0)</b>
Debt Raised/(repaid)	(20.5)	(59.3)	0.0	0.0	0.0
Proceeds From Issue Of Shares	(5.6)	(1.1)	0.0	0.0	0.0
Shares Repurchased					
Dividends Paid	(33.1)	(41.5)	(132.2)	(87.2)	(78.0)
Preferred Dividends					
Other Financing Cashflow					
<b>Cash Flow From Financing</b>	<b>(59.2)</b>	<b>(101.9)</b>	<b>(132.2)</b>	<b>(87.2)</b>	<b>(78.0)</b>
Total Cash Generated	95.9	189.0	66.6	58.6	34.6
<b>Free Cashflow To Equity</b>	<b>134.6</b>	<b>231.6</b>	<b>198.8</b>	<b>145.8</b>	<b>112.6</b>
<b>Free Cashflow To Firm</b>	<b>172.5</b>	<b>305.5</b>	<b>206.0</b>	<b>149.8</b>	<b>112.6</b>

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

## BY THE NUMBERS... cont'd

**Balance Sheet**

(US\$m)	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Total Cash And Equivalents	195	381	448	507	541
Total Debtors	81	70	83	70	68
Inventories	103	100	147	120	117
Total Other Current Assets	73	87	87	87	87
<b>Total Current Assets</b>	<b>452</b>	<b>639</b>	<b>765</b>	<b>784</b>	<b>813</b>
Fixed Assets	433	415	434	450	463
Total Investments	0	0	0	0	0
Intangible Assets	112	111	109	106	104
Total Other Non-Current Assets	788	708	758	808	858
<b>Total Non-current Assets</b>	<b>1,334</b>	<b>1,234</b>	<b>1,301</b>	<b>1,364</b>	<b>1,424</b>
Short-term Debt	85	115	115	115	115
Current Portion of Long-Term Debt	99	0	0	0	0
Total Creditors	65	85	119	98	95
Other Current Liabilities	99	64	64	64	64
<b>Total Current Liabilities</b>	<b>349</b>	<b>263</b>	<b>298</b>	<b>277</b>	<b>273</b>
Total Long-term Debt	257	292	292	292	292
Hybrid Debt - Debt Component	0	0	0	0	0
Total Other Non-Current Liabilities	54	47	47	47	47
<b>Total Non-current Liabilities</b>	<b>311</b>	<b>339</b>	<b>339</b>	<b>339</b>	<b>339</b>
Total Provisions	0	0	0	0	0
<b>Total Liabilities</b>	<b>660</b>	<b>603</b>	<b>637</b>	<b>616</b>	<b>612</b>
Shareholders' Equity	1,064	1,197	1,329	1,417	1,495
Minority Interests	63	74	99	116	131
<b>Total Equity</b>	<b>1,126</b>	<b>1,271</b>	<b>1,428</b>	<b>1,532</b>	<b>1,625</b>

**Key Ratios**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Revenue Growth	7.4%	56.3%	16.5%	(17.6%)	(3.7%)
Operating EBITDA Growth	13.3%	38.9%	37.7%	(27.2%)	(8.3%)
Operating EBITDA Margin	37.4%	33.3%	39.3%	34.7%	33.1%
Net Cash Per Share (US\$)	-0.16	-0.02	0.03	0.06	0.09
BVPS (US\$)	0.67	0.76	0.84	0.90	0.95
Gross Interest Cover	9.95	17.65	54.18	64.42	N/A
Effective Tax Rate	31.5%	28.2%	25.0%	26.0%	26.0%
Net Dividend Payout Ratio	35.5%	46.0%	50.0%	50.0%	50.0%
Accounts Receivables Days	34.15	24.80	20.74	25.05	23.24
Inventory Days	91.8	64.9	124.4	89.7	77.4
Accounts Payables Days	59.2	47.8	102.8	73.0	62.9
ROIC (%)	9.7%	15.1%	24.1%	14.9%	12.7%
ROCE (%)	11.3%	16.1%	22.4%	13.9%	11.6%
Return On Average Assets	6.9%	10.3%	14.8%	9.0%	7.6%

**Key Drivers**

	Dec-20A	Dec-21A	Dec-22F	Dec-23F	Dec-24F
Planted Estates (ha)	213,461.0	212,207.0	215,207.0	215,207.0	215,207.0
Mature Estates (ha)	199,924.0	195,551.0	197,551.0	196,551.0	195,551.0
FFB Yield (tonnes/ha)	16.4	17.2	17.9	17.6	17.8
FFB Output Growth (%)	-3.5%	1.3%	4.4%	-2.7%	1.0%
CPO Price (US\$/tonne)	541.3	573.1	780.0	726.6	697.5

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS



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The survey result is as of the date appearing in the Corporate Governance Report of Thai Listed Companies. As a result, the survey result may be changed after that date. CGS-CIMB Thailand does not confirm nor certify the accuracy of such survey result.

<b>Score Range:</b>	90 - 100	80 – 89	70 - 79	Below 70	No Survey Result
<b>Description:</b>	Excellent	Very Good	Good	N/A	N/A

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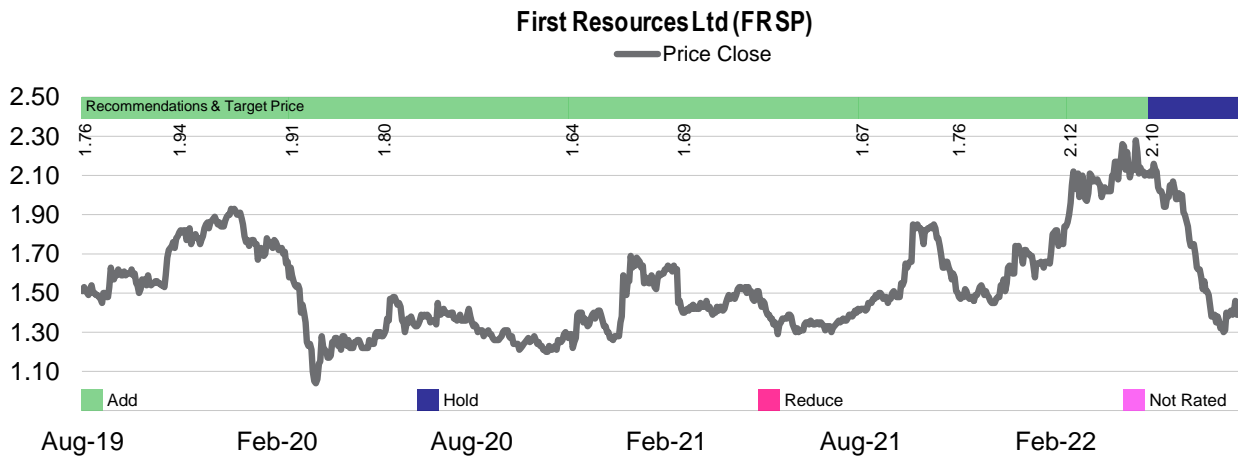
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Distribution of stock ratings and investment banking clients for quarter ended on 30 June 2022		
643 companies under coverage for quarter ended on 30 June 2022		
	Rating Distribution (%)	Investment Banking clients (%)
Add	68.4%	0.8%
Hold	24.6%	0.0%
Reduce	7.0%	0.2%

Spitzer Chart for stock being researched ( 2 year data )



**Recommendation Framework**

**Stock Ratings**

- Add** Definition: The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** Definition: The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** Definition: The stock's total return is expected to fall below 0% or more over the next 12 months.

The total expected return of a stock is defined as the sum of the: (i) percentage difference between the target price and the current price and (ii) the forward net dividend yields of the stock. Stock price targets have an investment horizon of 12 months.

**Sector Ratings**

- Overweight** Definition: An Overweight rating means stocks in the sector have, on a market cap-weighted basis, a positive absolute recommendation.
- Neutral** Definition: A Neutral rating means stocks in the sector have, on a market cap-weighted basis, a neutral absolute recommendation.
- Underweight** Definition: An Underweight rating means stocks in the sector have, on a market cap-weighted basis, a negative absolute recommendation.

**Country Ratings**

- Overweight** Definition: An Overweight rating means investors should be positioned with an above-market weight in this country relative to benchmark.
- Neutral** Definition: A Neutral rating means investors should be positioned with a neutral weight in this country relative to benchmark.
- Underweight** Definition: An Underweight rating means investors should be positioned with a below-market weight in this country relative to benchmark.