



富佳木業股份有限公司
Focus Lumber Berhad

FOCUS LUMBER BERHAD

1Q 2022 FINANCIAL RESULTS BRIEFING

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富佳木業股份有限公司
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AGENDA

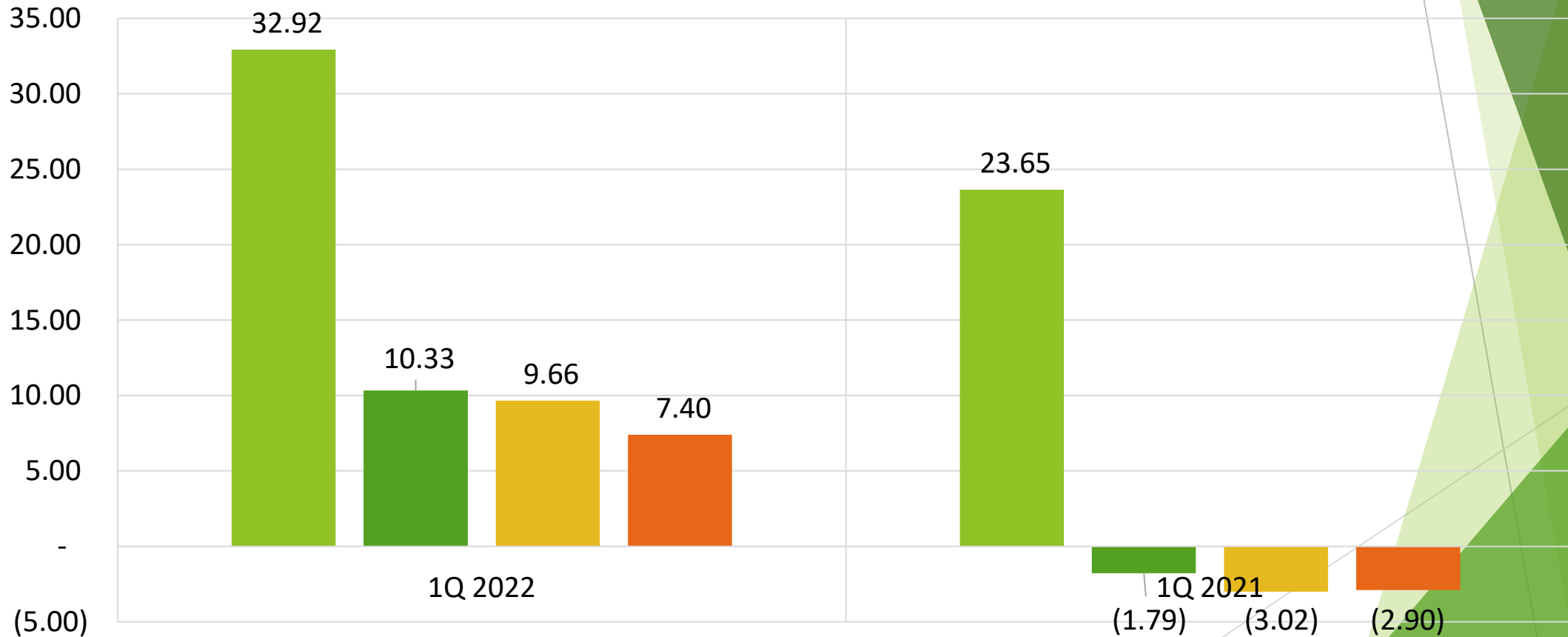
- ▶ 1Q 2022 vs 1Q 2021 financial review
 - ❖ Revenue and earnings review
 - ❖ Manufacturing segment
 - ❖ Other operating income/ expense
- ▶ 1Q 2022 vs 4Q 2021 financial review
 - ❖ Revenue and earnings review
 - ❖ Manufacturing segment
 - ❖ Other operating income/ expense
- ▶ Financial position review
- ▶ Cash flows review
- ▶ Dividends



FINANCIAL REVIEW

(IN RM MIL)

- Revenue
- Gross profit/ loss
- Profit/ Loss before tax
- Profit/ Loss after tax





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FINANCIAL REVIEW

	1Q 2022	1Q 2021	VARIANCE	COMMENT
	RM mil	RM mil	RM mil	
Revenue	32.92	23.65	9.27	Refer page 3,4
Cost of sales	(22.59)	(25.44)	(2.85)	Refer page 5
Gross profit/ (loss)	10.33	(1.79)		
Interest income	0.05	0.05	-	Immaterial
Other operating income	1.33	1.07	0.26	Refer page 6
Administrative expenses	(1.68)	(1.94)	(0.26)	Lower Covid-19 testing fee and lower share-based payment expense due to resignation of employee
Other operating expenses	(0.37)	(0.41)	(0.04)	Refer page 6
Profit/ (Loss) before tax	9.66	(3.02)		
Income tax	(2.26)	0.12	2.38	Higher profit
Profit/ (Loss) after tax	7.40	(2.90)		



REVENUE AND EARNINGS REVIEW

	1Q 2022	1Q 2021	COMMENT
<u>Revenue (RM mil)</u>			
Manufacturing	32.92	23.59	
Electricity	0.58	0.47	Immaterial to the Group figure
Elimination	(0.58)	(0.41)	
Total	32.92	23.65	
<u>Profit/ (loss) before tax (RM mil)</u>			
Manufacturing	9.39	(3.33)	
Electricity	0.03	0.09	Immaterial to the Group figure
Elimination and adjustment	0.24	0.22	
Total	9.66	(3.02)	



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MANUFACTURING SEGMENT

	1Q 2022	1Q 2021	VARIANCE	COMMENT
<u>Revenue (RM mil)</u>				
Sale of goods	25.95	21.24	4.71	Selling price increased by 55%
Freight income	6.97	2.35	4.62	Recognition of deferred income b/f from 31.12.2021 and higher freight rate due to increase in oil price
Total	32.92	23.59		
Sales volume (m3)	8,696	11,027	(2,331)	Chaos at ports and warehouses, especially at US, delaying shipping schedules
Average selling price of goods (RM)	2,985	1,927	1,058	Robust demand and tight supply of plywood increased selling price



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MANUFACTURING SEGMENT

	1Q 2022	1Q 2021	VARIANCE	COMMENT
<u>Cost of sales (RM mil)</u>				
Cost of goods	14.82	21.61	(6.79)	Lower sales volume
Selling & distribution costs	0.95	0.94	0.01	Loading charges increased >50% after change of warehouse operator in August 2021
Freight charges	6.97	2.35	4.62	Recognition of prepaid freight cost b/f from 31.12.2021 and higher freight rate due to increase in oil price
Total	22.74	24.90		
Average cost of goods sold (RM)	1,814	2,045	(231)	Higher allocation of fixed production overhead to P/L in 1Q 2021 due to production volume
GPM/ GLM for sale of goods	39%	(6%)		



OTHER OPERATING INCOME/ EXPENSE

	1Q 2022	1Q 2021	VARIANCE	COMMENT
	RM mil	RM mil	RM mil	
Rental income	0.07	0.07	-	Immaterial
Money market fund	0.22	0.21	0.01	Immaterial
Bad debt recovered	0.12	-	0.12	Bad debt recovered from log supplier
Foreign exchange	0.34	0.16	0.18	Strengthening of US dollar in 1Q 2022
Others	0.21	0.22	(0.01)	Immaterial
Total	0.96	0.66		



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FINANCIAL REVIEW

	1Q 2022	4Q 2021	VARIANCE	COMMENT
	RM mil	RM mil	RM mil	
Revenue	32.92	55.22	(22.30)	Refer page 8,9
Cost of sales	(22.59)	(37.98)	(15.39)	Refer page 10
Gross profit	10.33	17.24		
Interest income	0.05	0.07	(0.02)	Immaterial
Other operating income	1.33	2.73	(1.40)	Refer page 11
Administrative expenses	(1.68)	(3.04)	(1.36)	Lower bonus accrual and lower recruitment fee partly due to written off of certain recruiting fee not recoverable from workers in 4Q 2021
Other operating expenses	(0.37)	(0.67)	(0.30)	Refer page 11
Profit before tax	9.66	16.33		
Income tax	(2.26)	(3.86)	(1.60)	Lower profit
Profit after tax	7.40	12.47		



REVENUE AND EARNINGS REVIEW

	1Q 2022	4Q 2021	COMMENT
<u>Revenue (RM mil)</u>			
Manufacturing	32.92	55.22	
Electricity	0.58	0.70	Immaterial to the Group figure
Elimination	(0.58)	(0.70)	
Total	32.92	55.22	
<u>Profit before tax (RM mil)</u>			
Manufacturing	9.39	15.72	
Electricity	0.03	0.35	Immaterial to the Group figure
Elimination and adjustment	0.24	0.26	
Total	9.66	16.33	



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MANUFACTURING SEGMENT

	1Q 2022	4Q 2021	VARIANCE	COMMENT
<u>Revenue (RM mil)</u>				
Sale of goods	25.95	52.52	(26.57)	Lower sales volume and selling price
Freight income	6.97	2.70	4.27	Recognition of deferred income b/f from 31.12.2021 and higher freight rate due to increase in oil price
Total	32.92	55.22		
Sales volume (m3)	8,696	16,946	(8,250)	1 bulk carrier in 1Q 2022 (5,068m3) vs 2 bulk carriers in 4Q 2021 (11,954m3); Chaos at ports and warehouses, especially at US, delaying shipping schedules
Average selling price of goods (RM)	2,985	3,099	(114)	Sales mix ratio



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MANUFACTURING SEGMENT

	1Q 2022	4Q 2021	VARIANCE	COMMENT
<u>Cost of sales (RM mil)</u>				
Cost of goods	14.82	33.83	(19.01)	Lower sales volume
Selling & distribution costs	0.95	1.73	(0.78)	Lower sales volume
Freight charges	6.97	2.70	4.27	Recognition of prepaid freight cost b/f from 31.12.2021 and higher freight rate due to increase in oil price
Total	22.74	38.26		
Average cost of goods sold (RM)	1,814	2,098	(284)	Sales mix ratio
GPM/ GLM for sale of goods	39%	32%		



OTHER OPERATING INCOME/ EXPENSE

	1Q 2022	4Q 2021	VARIANCE	COMMENT
	RM mil	RM mil	RM mil	
Rental income	0.07	0.07	-	Immaterial
Money market fund	0.22	0.24	(0.02)	Immaterial
Bad debt recovered/ reversal of impairment on logs advances	0.12	1.73	(1.61)	Logs advances of RM1.53 million from one of the suppliers recovered in full in 4Q 2022
Foreign exchange	0.34	(0.21)	0.55	Strengthening of US dollar in 1Q 2022
Others	0.21	0.23	(0.02)	Immaterial
Total	0.96	2.06		



FINANCIAL POSITION REVIEW

MATERIAL CHANGES IN BALANCE SHEET ITEMS

	31.03.2022	31.12.2021	VARIANCE	COMMENT
	RM mil	RM mil	RM mil	
Inventories	40.68	30.85	9.83	Lower sales volume – 8,696m ³ vs net production volume – 12,952m ³ in 1Q 2022
Trade and other receivables	8.28	37.03	(28.75)	Lower sales in March 2022 – RM3.54 million vs December 2021 – RM50.63 million
Other current assets	6.53	9.09	(2.56)	Lower prepaid freight cost which is recognised overtime
Tax (payable)/ refundable	(0.97)	0.79	(1.76)	Actual tax higher than estimated tax paid to IRB, revision of estimate will be made in September 2022
Cash and bank balances	57.45	29.61	27.84	Mainly due to collection from debtors as at 31.12.2021
Trade and other payables	(9.13)	(7.14)	1.99	Dividend payable as at 31.03.2022, paid on 20.04.2022
Contract liabilities	(0.26)	(4.30)	(4.04)	Lower deferred freight income which is recognised overtime



CASH FLOWS REVIEW

	1Q 2022	COMMENT
	RM mil	
Net cash generated from operating activities	26.66	Mainly due to collection from trade debtors as at 31.12.2021
Net cash used in investing activities	(0.49)	Mainly capital expenditure
Net cash generated from financing activities	1.87	Issuance of share capital from ESOS exercised by employees
Net increase in cash and cash equivalents	28.04	
Effect of exchange rate changes	0.03	
Cash and cash equivalents at 01.01.2022	77.88	
Cash and cash equivalents at 31.03.2022	105.95	



DIVIDENDS

- ▶ Interim dividend – 3.00 sen per share (1Q 2021: NIL)
- ▶ Equals to pay out ratio of 40% (EPS of 7.43 sen)
- ▶ Ex date – 30.06.2022
- ▶ Payment date – 15.07.2022

Thank you
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