



PPB GROUP BERHAD

Press and Analyst Briefing Unaudited FY2018 Results

7 March 2019

Disclaimer:

The contents of this presentation include materials which may be capable of being interpreted as forward-looking statements. Such statements are merely estimates and targets, based on circumstances and reasonable assumptions which apply only at the date of such statements. Accordingly, no reliance should be placed on any forward-looking statements, express or implied, contained in this presentation.

Agenda

Group Financial Highlights

Corporate Exercise

Review of Major Operations

- Financial Performance
- Key Events in 2018
- Developments for 2019

5-Year PBT Track Record

Capital and Other Commitments

Dividend Record

Shariah-compliance Status

FTSE4Good Index Series

Prospects for 2019

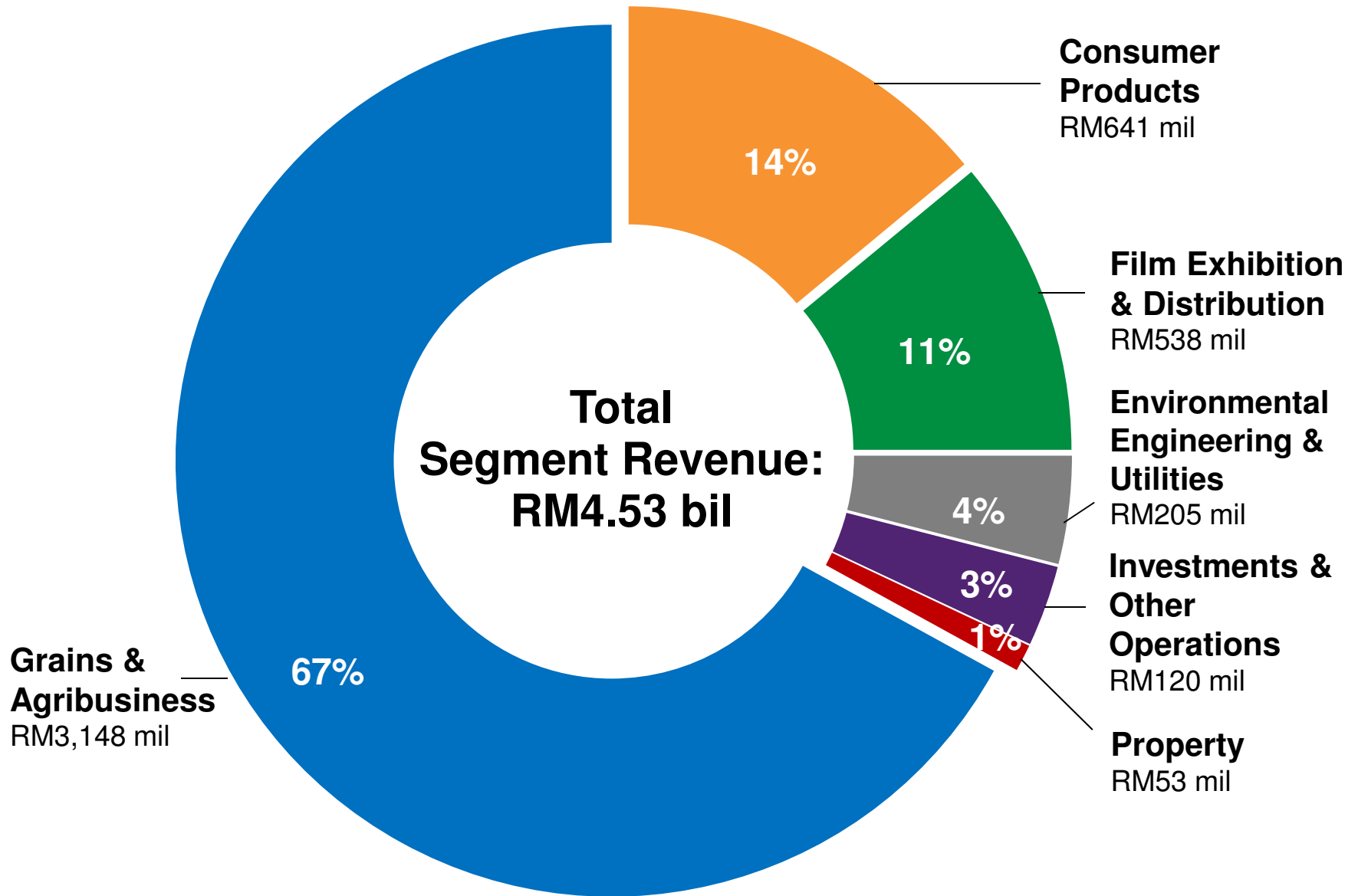


Group Financial Highlights

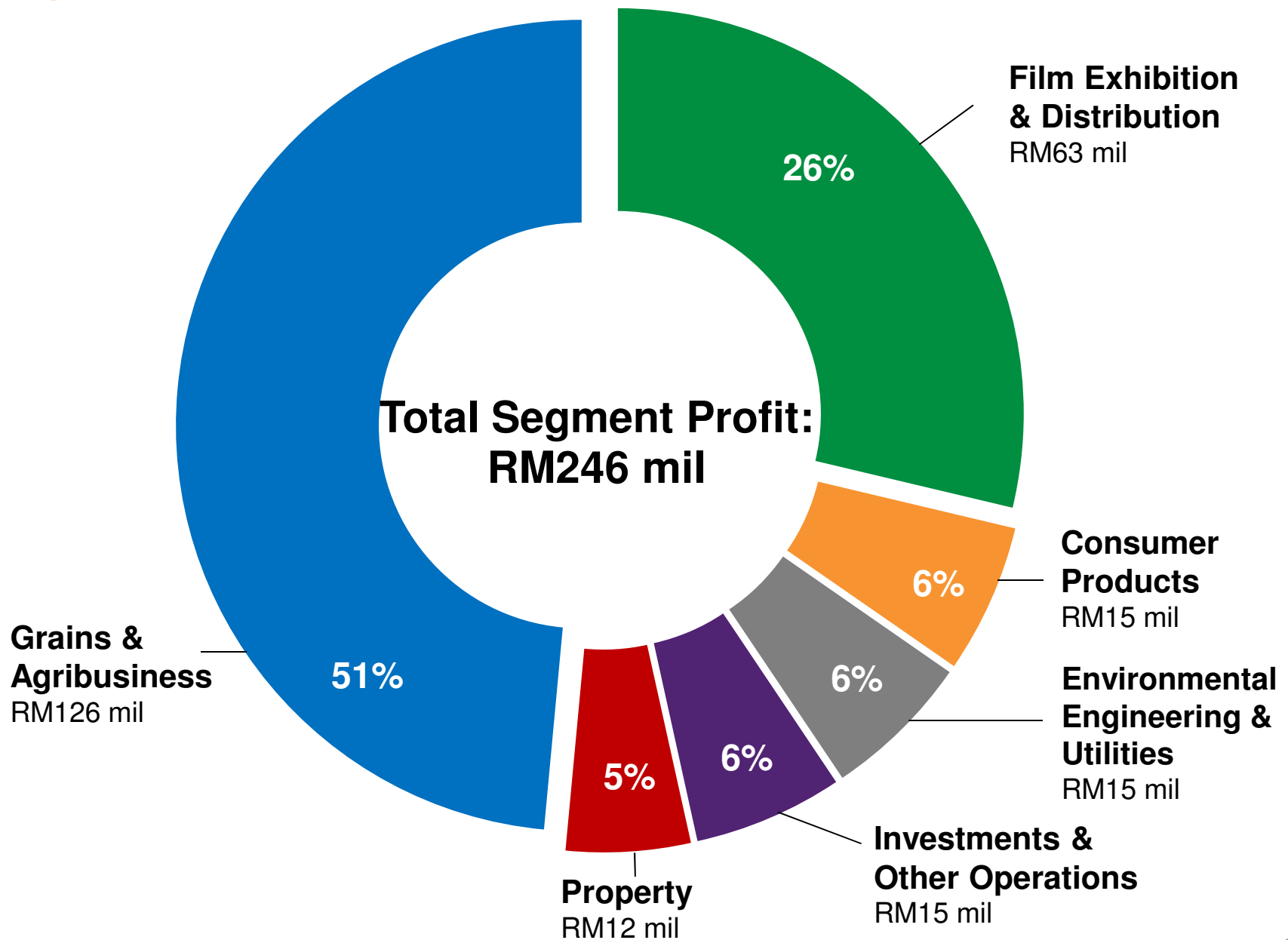
Financial Results FOR THE YEAR ENDED 31 DEC 2018

(Figures in RM)	2018	2017 (restated)	Change
Revenue	4.53 bil	4.28 bil	▲ 6%
Operating Expenses	4.35 bil	4.12 bil	▲ 5%
Share of Wilmar's Profit	0.84 bil	0.95 bil	▼ 12%
PBT	1.17 bil	1.27 bil	▼ 8%
Profit for the Year	1.10 bil	1.22 bil	▼ 9%
EPS	75.57 sen	83.20 sen	▼ 9%

Segmental Information FOR THE YEAR ENDED 31 DEC 2018



Segmental Information FOR THE YEAR ENDED 31 DEC 2018






Corporate Exercise

Corporate Exercise

1 FOR 5 BONUS ISSUE

-  PPB's 1 for 5 bonus issue was completed following the listing and quotation of 237,099,057 bonus shares on the Main Market of Bursa Securities on 27 July 2018.

PPB's issued share capital to date is RM1,429,314,334.



Review of Major Operations


- Financial Performance**
 - Key Events**
 - Developments for 2019**
-

Grains & Agribusiness

Financial Performance

+ 5%	
Revenue	
FY18	RM3,148 mil
FY17	RM3,006 mil

- 6%	
Segment Profit	
FY18	RM126 mil
FY17	RM134 mil

 Segment revenue increased on the back of higher sales from all flour mills.

 Lower segment profit due to higher raw material costs.


Grains & Agribusiness

Key Events in 2018

-  The new 500-mt/day wheat flour mill in Pasir Gudang commenced operations in January 2018.

Grains & Agribusiness

Developments in 2019



-  VFM-Wilmar Flour Mills Co Ltd's construction of a new 500-mt/day wheat flour mill at its existing factory location in Quang Ninh Province, in northern Vietnam at an estimated cost of USD19.7 million.

Consumer Products

Financial Performance

- 5%	
Revenue	
FY18	RM641 mil
FY17	RM673 mil

- 50%	
Segment Profit	
FY18	RM15 mil
FY17	RM30 mil

-  Segment revenue was lower mainly due to lower sales of in-house products.
-  Lower segment profit mainly due to the absence of a one-time gain on sale of land and building of RM8 million in 2017, higher raw materials costs and plant maintenance cost at the bakery division.

Consumer Products

Key Events in 2018

-  A new production facility for halal-certified frozen food was constructed in Pulau Indah for Kart Food Industries Sdn Bhd at an estimated cost of RM22 million.
-  FFM Marketing Sdn Bhd (FMSB) launched Massimo Ricco Chokolato in January 2018, Massimo Diletto Moist Cake in March 2018 and Massimo Bunbino in June 2018.
-  Massimo was accorded the “Superbrand Malaysia 2018” status by Superbrands Malaysia in May 2018 and the Putra Brand Award 2018 (Bronze) under the foodstuff category.

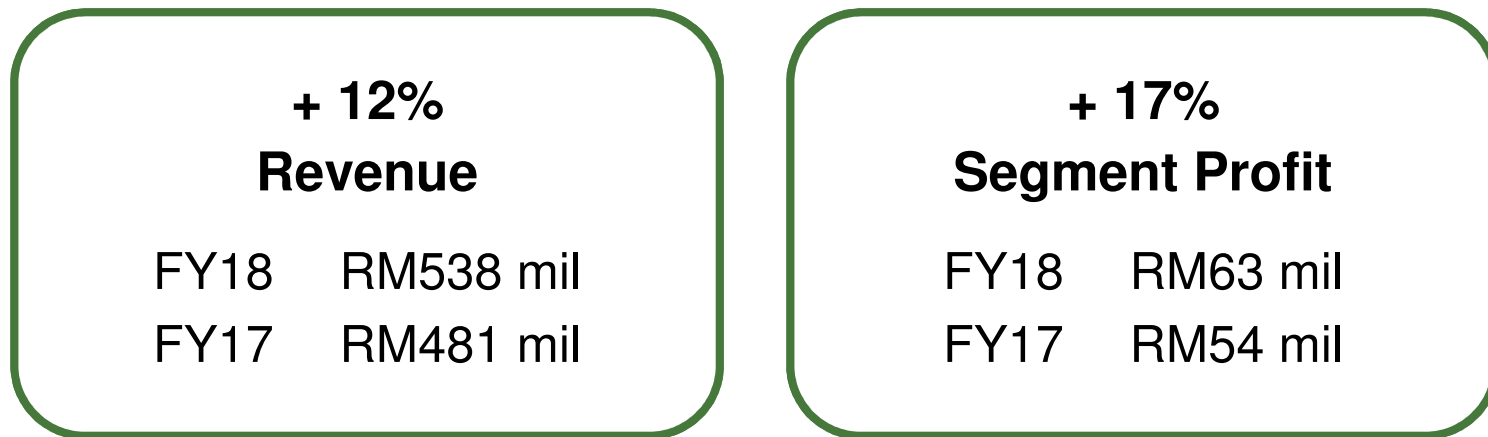
Consumer Products


Key Events in 2018

-  Super Food Marketing Sdn Bhd appointed FMSB as the exclusive distributor for certain areas (eg. East Coast, Penang, Central Region and Sarawak) and through selected channels for its range of products since September 2018.
-  FMSB also took over the distributorship of Goodman Fielder products range for Malaysia in November 2018.
-  FMSB was awarded “Best Employer” by Kumpulan Wang Simpanan Pekerja, Selangor in 2018 for the second consecutive year.

Film Exhibition & Distribution





Financial Performance



-  The higher segment revenue and profit were attributable mainly to the strong performance of local Malay titles and contribution from cinemas opened in 2017.

Film Exhibition & Distribution

Key Events in 2018

-  GSC launched Malaysia's first Onyx Cinema LED screen at GSC Mid Valley Megamall (Hall 11 – 102 seats) on 7 June 2018.
-  GSC co-produced two movies “Think Big Big” and “Paskal: The Movie”.
-  GSC One Utama re-opened its 6 halls after the major refurbishment (Phase 1) on 10 December 2018 and launched one 4DX hall on 20 December 2018.
-  GSC IOI Puchong re-opened its 5 halls after the major refurbishment on 21 November 2018.

Film Exhibition & Distribution

Key Events in 2018



GSC received the following awards -




- Gold in the entertainment category at the Putra Brand Awards 2018
- Brand of the Year Award – National Tier (Malaysia) at 2018 World Branding Awards
- Gold in HR Best Practices Award at the 2018 Malaysian International HR Awards



Galaxy Studio JSC, Vietnam opened a 7-screen cinema at Nguyen Van Qua, District 12 in April 2018.

Film Exhibition & Distribution

Developments for 2019

-  Major refurbishment of 3 key cinemas in Malaysia.
-  GSC will be adding 3 new screens at GSC Summit USJ.
-  GSC targets to open the following cinemas :

Location	No. of screens
Eko Cheras, Kuala Lumpur	8
Mid Valley Southkey, Johor Bahru	18
Total	26

Film Exhibition & Distribution

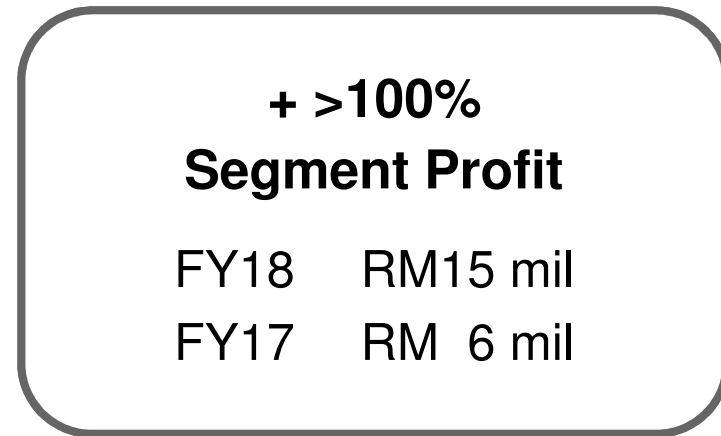
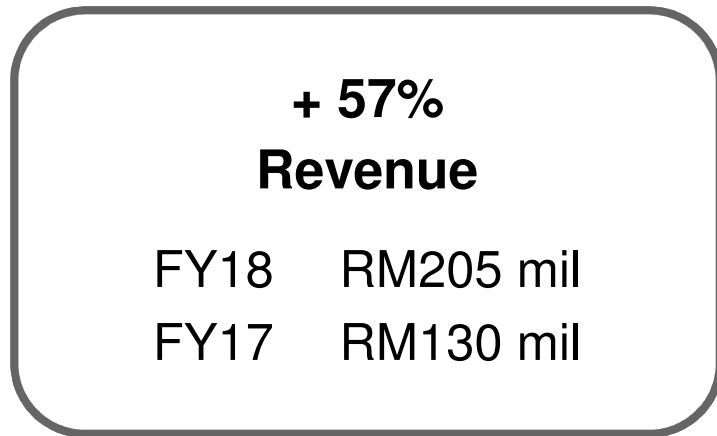
Developments for 2019

 In Vietnam, Galaxy Studio targets to open the following cinemas :

Location	No. of screens
Co Op Buon Me Thuot	5
Nguyen Kim, Trang Thi	4
Co Op Cao Lanh	5
Phan Khan, Da Nang	5
Vinh Long	5
Total	24

Environmental Engineering & Utilities




Financial Performance



The increase in segment revenue and profit were mainly attributable to progressive profits recognised from on-going water treatment plant projects.




Environmental Engineering & Utilities

Key Events in 2018

-  Completed and handed over a sewage treatment plant project and a sewage network pump station project with a total contract sum of RM52 million.
-  Secured two sewage projects with a total contract sum of RM157 million.
-  Order book of RM238 million as at 31 December 2018.

Environmental Engineering & Utilities

Developments in 2019

-  Secured two water projects in Sarawak with a total contract sum of RM88 million.
-  Tendered projects in Peninsular Malaysia and Sarawak valued at RM368 million.
-  The existing order book todate is RM320 million.

Property

Financial Performance

+ 11%
Revenue

FY18 RM53 mil

FY17 RM48 mil

+ >100%
Segment Profit

FY18 RM12 mil



FY17 RM 6 mil



Segment revenue and profit increased due mainly to higher project management fee income and higher rental income on completion of the Cheras LeisureMall extension.

Property

Key Events in 2018

-  Cheras LeisureMall launched a link bridge to Taman Mutiara MRT station in January 2018, increasing lettable area and improving access to the Mall.
-  Southern Marina Residences – the Tower 1 and Tower 2 condominiums obtained the Certificate of Completion and Compliance on 13 December 2018.

Property



Developments in 2019

-  Continue with the on-going development of the Megah Rise project.

Investments & Other Operations

Financial Performance

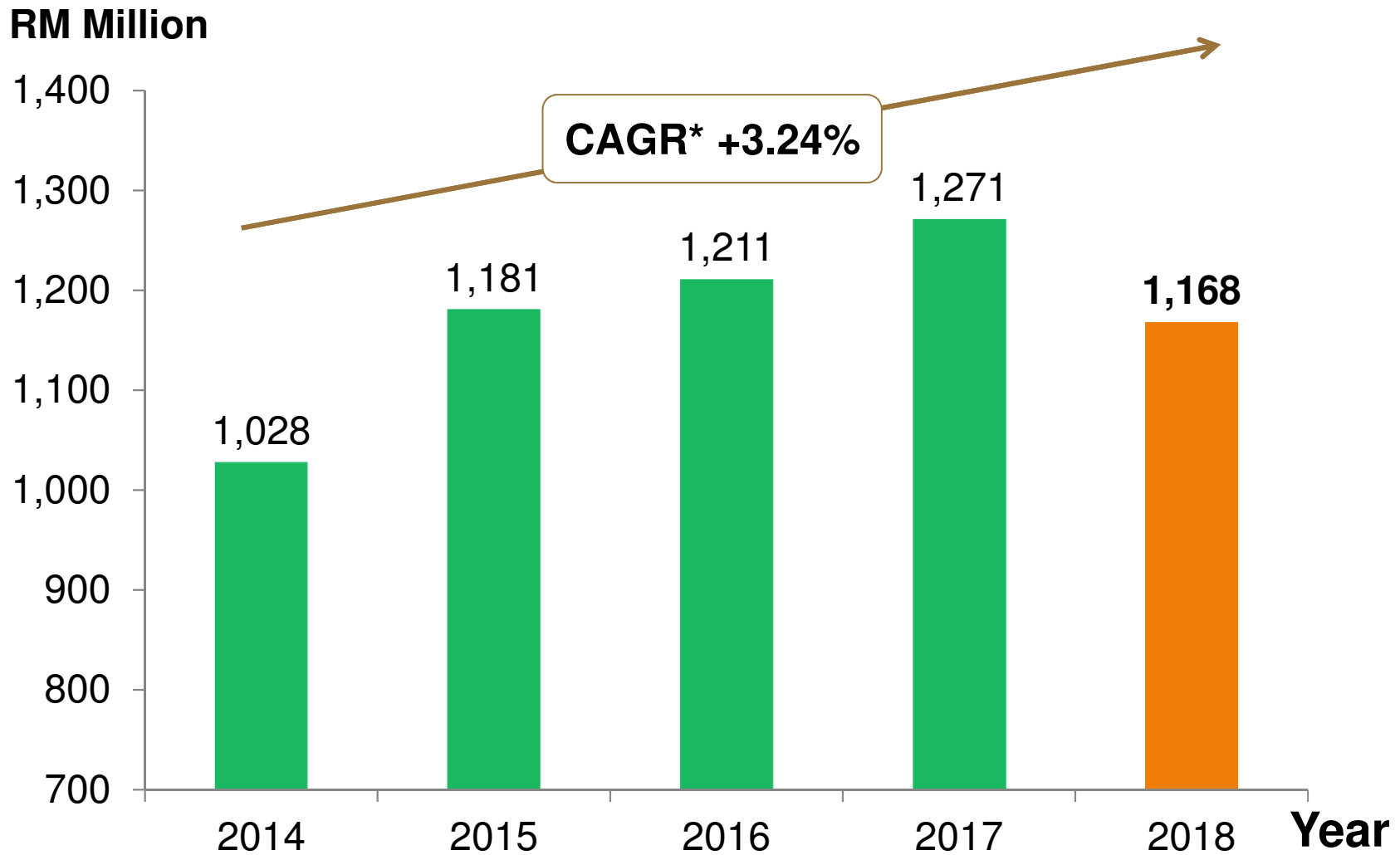


-  The lower combined segment revenue was due to the disposal of Myanmar packaging business in June 2018.
-  Combined segment profit increased mainly attributable to higher investment income and de-consolidation of the loss-making packaging business.



5-Year PBT Track Record

5-Year PBT of PPB Group

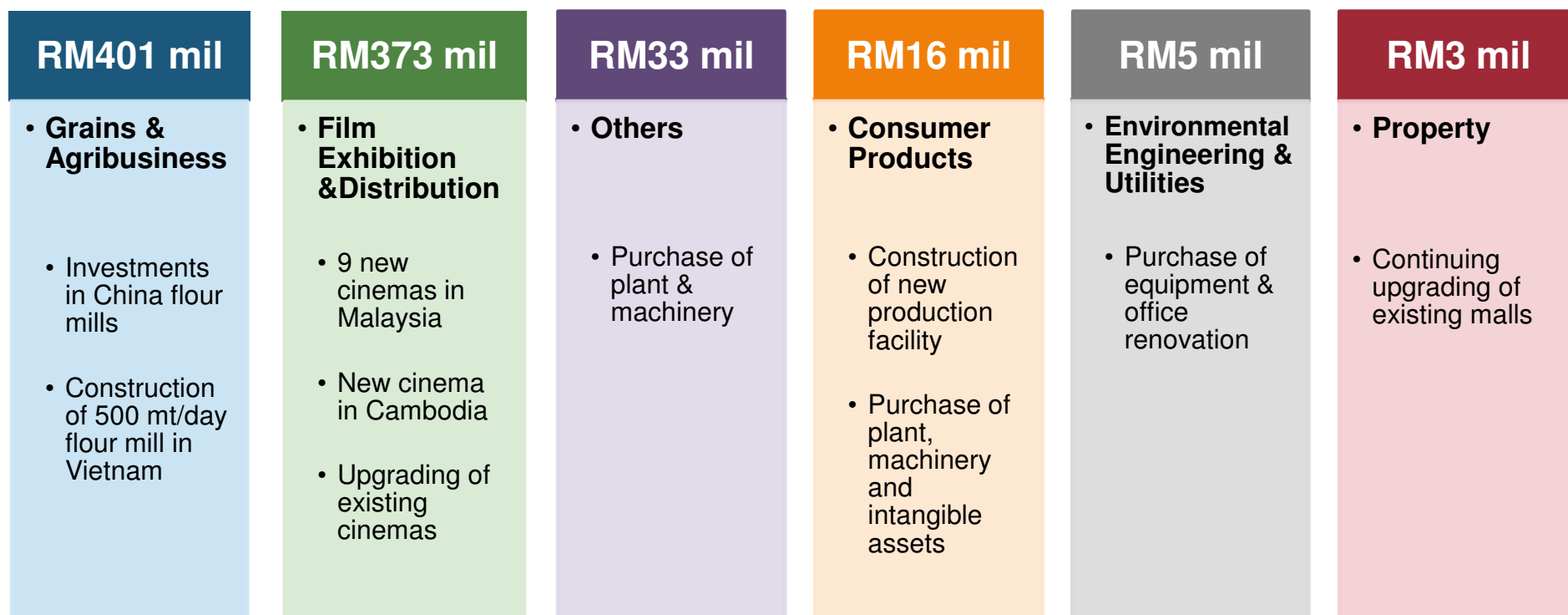


* CAGR = Compound Annual Growth Rate



Capital and Other Commitments

Capital and Other Commitments by Segment



**TOTAL CAPITAL AND OTHER COMMITMENTS FOR THE NEXT 4 YEARS :
RM831 million**



Dividend Record

Dividend Record

Year	Dividend Per Share (sen)	Dividend Paid/ Payable (RM Million)	Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
2018					
- Interim	8	114	1.6 [#]	37	89
- Final*	<u>20</u>	<u>285</u>			
	<u>28</u>	<u>399</u>			
2017 (restated)	30	356	1.7	30	93
2016	25	296	1.6	28	81
2015	25	296	1.6	28	80
2014	23	273	1.6	30	97


* PPB Board has recommended a final dividend of 20 sen per share for the financial year ended 31 December 2018 payable on 10 June 2019.

Dividend yield was based on PPB share price of RM17.58 as at 31 December 2018.



Status of Shariah-compliance




Status of Shariah-compliance

-  PPB is classified as shariah-compliant based on an updated list of shariah-compliant securities by the Securities Commission's Shariah Advisory Council dated **30 November 2018**.



FTSE4Good Index Series

FTSE4Good Index Series

-  Effective from 24 December 2018, PPB Group Berhad has been included in the FTSE4Good Bursa Malaysia, FTSE4Good Emerging Markets and the FTSE4Good Asean5 indices.
-  The FTSE4Good Index Series, which is reviewed twice annually, identifies companies which demonstrate strong environmental, social and governance practices measured against globally recognised standards.
-  PPB's inclusion in the indices demonstrates a leading approach within the Malaysian market to address relevant corporate responsibility risks and our commitment to responsible business practices.



Prospects for 2019

