PPB GROUP BERHAD

51ST ANNUAL GENERAL MEETING

Presented by:
LIM SOON HUAT  YAP CHOI FOONG
Managing Director  Chief Financial Officer
2019 Key Financial Highlights

Key Business Update

Prospects
# 2019 Financial Highlights

<table>
<thead>
<tr>
<th>(In RM’million)</th>
<th>2019</th>
<th>2018</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,684</td>
<td>4,528</td>
<td>3.4%</td>
</tr>
<tr>
<td>Profit before taxation</td>
<td>1,272</td>
<td>1,168</td>
<td>8.9%</td>
</tr>
<tr>
<td>Net profit</td>
<td>1,153</td>
<td>1,075</td>
<td>7.3%</td>
</tr>
<tr>
<td>Earnings per share (sen)</td>
<td>81.0</td>
<td>75.6</td>
<td>7.1%</td>
</tr>
<tr>
<td>Net dividend per share (sen)</td>
<td>31.0</td>
<td>28.0</td>
<td>10.7%</td>
</tr>
<tr>
<td>Net assets per share (RM)</td>
<td>15.1</td>
<td>14.8</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

- Two interim dividends were declared and paid in respect of FY2019

<table>
<thead>
<tr>
<th></th>
<th>2019</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>First interim (sen)</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Second interim (sen)</td>
<td>23</td>
<td>-</td>
</tr>
<tr>
<td>Final (sen)</td>
<td>-</td>
<td>20</td>
</tr>
<tr>
<td>Total (sen)</td>
<td>31</td>
<td>28</td>
</tr>
</tbody>
</table>
## Business Segment Financial Highlights

<table>
<thead>
<tr>
<th>(In RM’million)</th>
<th>Segmental Revenue</th>
<th>Segmental Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Grains and agribusiness</strong></td>
<td><strong>3,304</strong></td>
<td><strong>3,146</strong></td>
</tr>
</tbody>
</table>

### Grains and agribusiness
- Revenue increased by 5% due mainly to higher flour prices.
- Profit was higher by 17% attributable to higher flour prices, partially offset by higher raw material costs.

<table>
<thead>
<tr>
<th>(In RM’million)</th>
<th>Segmental Revenue</th>
<th>Segmental Profit</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2019</td>
<td>2018</td>
</tr>
<tr>
<td><strong>Consumer Products</strong></td>
<td><strong>627</strong></td>
<td><strong>640</strong></td>
</tr>
</tbody>
</table>

### Consumer Products
- Revenue was lower by 2% due mainly to lower sales of in-house products.
- Profit was lower due to weaker performance at the bakery division.
Film exhibition and distribution

- Revenue was higher by 2% due mainly to improved F&B sales and screen advertising income.
- Segment profit remained at RM67 million due mainly to higher cinema operating costs.
Environmental engineering and utilities
- Segment profit decreased by 45% due mainly to a one-off impairment of an overseas joint venture.

<table>
<thead>
<tr>
<th>Business Segment Financial Highlights (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(In RM’million)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Environmental engineering &amp; utilities</td>
</tr>
</tbody>
</table>

Property
- Lower profit was mainly attributable to weaker performance of an associated company.
2019 Key Financial Highlights

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Grains and agribusiness

- Owns 9 flour mills — 5 in Malaysia, 2 in Vietnam and 1 in Thailand and 1 in Indonesia - with a total flour milling capacity of 7,040 mt/day.

- Construction of a 500-mt/day wheat flour mill plant in Vietnam is expected to be completed by Q3 2021.
Consumer products

- New Products launched: Meadow Fresh UHT Milk, Neptune Lite in 5kg, V-soy Low Sugar Soybean Milk, Kart’s Quick Meal To Go (RTE).

- Commenced distribution of ProDental – Band and Zennlab Pharmasen oral care range of products.
Consumer products (continued)

Bakery business - Massimo brand of products

- Continue to enjoy strong demand from consumers. We are committed to ensuring our breads reach our customers through more than 20,000 outlets nationwide.

- Added Kurma Milk Loaf to supplement the existing white, wheat germ, whole wheat, fine wholemeal and Ricco Chocolato loaves.

Construction of a new production facility for halal-certified frozen food in Pulau Indah. Expected to be completed by Q2 2020.
Film exhibition and distribution

- Operates 469 screens in 55 locations across Malaysia and Vietnam.

- Opened 2 new cinemas in 2019:
  - GSC Eko Cheras (8 halls with 1,161 seats) GSC
  - Southkey Johor Bahru (18 halls with 1,650 seats)

- Introduced Aurum Theatre in Southkey Johor Bahru and Mid Valley Garden Mall. New concept cinemas which provide extra comfort and luxury experience.

Environmental engineering and utilities

- Completed 2 water projects and 10 sewage network pump stations with a total contract value of RM272 million.

- Secured 3 water projects and 1 infrastructure project with a total contract value of RM544 million.

Property

- Construction work of Megah Rise has progressed up to Level 10 of the tower block. Expected to be completed by end 2021.

- Completed Phase one of Southern Marina Residences and handed over to purchasers.
2019 Key Financial Highlights

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Prospects

**Grains & agribusiness segment**
- In the production of essential food products.
- On-going commodity and foreign exchange market volatility may affect production costs and margins.
- Will remain vigilant and react swiftly to changing consumer demand and operating landscape.

**Consumer products segment**
- Facing consumer demand and supply challenges, particularly evolving changes in consumer buying preferences and behaviors.
- Will remain agile and adaptive whilst maximizing its extensive delivery footprint.
- In Apr 2020, launched Massimo Primo Sandwich Roll (Bun Sandwic) – economic plain bun.
- Will be launching more new products that will target wider base of consumers.
Prospects (continued)

Film exhibition and distribution segment
- Expected to be significantly impacted by the prolonged MCO and disruptions from the Covid-19 pandemic.
- Most blockbuster movies have been postponed to the later part of 2020 and 2021.
- Various cost-reduction and stringent cashflow management measures have been put in place.
- New promotions and initiatives are planned to bring customers back to the cinemas for the 2\textsuperscript{nd} half of 2020.

Environmental engineering and utilities segment
- Will continue to focus on replenishing the order book and exploring new project opportunities.
- We will continue to focus on replenishing the order book and exploring new project opportunities in the water, flood mitigation and infrastructure industries.
Prospects (continued)

Property segment

- Expected to be challenging, both in investment properties and property development.
- Various measures are being put in place to address the reduced footfall in our malls as well as slower sales of properties.
Group Prospects

Whilst the *Film exhibition and distribution* and *Property* segment will be impacted by the Covid-19 pandemic, the Group's other main business segments are expected to perform satisfactorily. Wilmar's performance will continue to contribute substantially to the overall profitability of the Group.
Thank You