PPB GROUP BERHAD

52nd ANNUAL GENERAL MEETING

Presented by:

LIM SOON HUAT YAP CHOI FOONG
Managing Director Chief Financial Officer
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AGENDA

FYE2020 Key Financial Highlights

Key Business Update

Community Investment

Prospects

RESILIENCE THROUGH AGILITY AND DIVERSITY
PPB GROUP BERHAD

Strongest performance in 5 years – FYE2020 profit before tax at RM1.42 billion

Profit before tax

RM Million

Year | 2016 | 2017 | 2018 | 2019 | 2020
--- | --- | --- | --- | --- | ---
RM Million | 1,211 | 1,271 | 1,168 | 1,272 | 1,421

CAGR* +3.8%

* CAGR = Compounded Annual Growth Rate
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FYE2020 Key Financial Highlights

<table>
<thead>
<tr>
<th>(RM’million)</th>
<th>2020</th>
<th>2019</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>4,191</td>
<td>4,684</td>
<td>-10.5%</td>
</tr>
<tr>
<td>Profit Before Taxation</td>
<td>1,421</td>
<td>1,272</td>
<td>11.7%</td>
</tr>
<tr>
<td>Net Profit</td>
<td>1,317</td>
<td>1,153</td>
<td>14.2%</td>
</tr>
<tr>
<td>Earnings per share (sen)</td>
<td>92.6</td>
<td>81.0</td>
<td>14.3%</td>
</tr>
<tr>
<td>Net assets per share (RM)</td>
<td>16.0</td>
<td>15.1</td>
<td>6.0%</td>
</tr>
<tr>
<td>Dividend per share (sen)</td>
<td>46.0</td>
<td>31.0</td>
<td>48.4%</td>
</tr>
</tbody>
</table>

Resilience through agility and diversity

- Revenue down by 10.5%, mainly attributable to the Film Exhibition and Distribution segment
- All other key indicators were up, underscoring our diverse portfolio of businesses, and the good performance of our 18.6% stake in Wilmar International Limited
- Subject to shareholders’ approval, a special dividend of 16 sen per share and a final dividend of 22 sen per share will be paid in cash
Grains and agribusiness

Flour milling & manufacturing of animal feed, wheat & maize trading, production of day-old-chicks, eggs & other related downstream activities

<table>
<thead>
<tr>
<th></th>
<th>Flour Milling</th>
<th>Animal Feed Milling</th>
<th>Livestock Farming</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,820 mt/day</td>
<td>67,200 mt/month</td>
<td>3 mil DOC/month</td>
</tr>
</tbody>
</table>

Segment revenue (RM’000)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>3,291,130</td>
<td>3,304,147</td>
</tr>
</tbody>
</table>

Segment profit (RM’000)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>271,682</td>
<td>213,010</td>
</tr>
</tbody>
</table>

Segment profit increased by 28% attributable to:

- lower raw material costs, and
- higher share of profit from associates
Major Segments at a Glance (continued)

<table>
<thead>
<tr>
<th>Consumer products</th>
<th>Bakery</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing and distribution of edible oils &amp; consumer products, production &amp; distribution of frozen food &amp; bakery products</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment revenue (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>628,275</td>
<td></td>
<td>627,440</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment profit (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>31,548</td>
<td></td>
<td>647</td>
</tr>
</tbody>
</table>

The segment recorded a profit of RM32 million, mainly due to:
- a one-off step-acquisition gain of an associate amounted to RM21 million, and
- better performance at the bakery division
**Major Segments at a Glance** (continued)

<table>
<thead>
<tr>
<th>Segment revenue (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>114,255</td>
<td>556,127</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment (loss)/profit (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(135,598)</td>
<td>66,838</td>
</tr>
</tbody>
</table>

Performance was significantly impacted by the Covid-19 pandemic resulting in:

- reduced admissions
- intermittent closure of cinemas, and
- deferment of movie titles

<table>
<thead>
<tr>
<th>Film Exhibition</th>
<th>Film Distribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>447 screens</td>
<td>68,815 seats</td>
</tr>
<tr>
<td></td>
<td>53 films</td>
</tr>
</tbody>
</table>
Environmental engineering and utilities

Construction works specializing in the water & environmental industries & provision of waste management services

<table>
<thead>
<tr>
<th>Water Engineering</th>
<th>Sewage Treatment</th>
<th>Solid Waste Management</th>
<th>Floor Mitigation</th>
<th>Track record with contract value &gt; RM3.3 bil</th>
</tr>
</thead>
</table>

Segment revenue (RM’000)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>189,543</td>
<td>194,839</td>
</tr>
</tbody>
</table>

Segment profit (RM’000)

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>14,382</td>
<td>11,272</td>
</tr>
</tbody>
</table>

Segment profit increased by 28%:

- Included in FYE2019 results was a one-time impairment of an overseas joint venture amounted to RM8.9 million, and
- FYE2020 performance was also affected by the slower project activities due to the MCO
Segment profit declined by 72%, due mainly to:

- lower rental income as the Covid-19 pandemic disrupted the operations of our investment properties,
- the absence of a gain on disposal of property of RM4.7 million recorded in FYE2019
Major Segments at a Glance (continued)

Other operations

Comprising mainly - 18.6% equity interest in Wilmar International Limited (“Wilmar”), Asia’s largest integrated agribusiness groups, and others

<table>
<thead>
<tr>
<th>Segment revenue (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>61,293</td>
<td>92,372</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Segment profit (RM’000)</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1,263,906</td>
<td>1,009,320</td>
</tr>
</tbody>
</table>

Segment profit increased by 25% with contribution from Wilmar increased by 29% to RM1.24 billion for FYE2020

<table>
<thead>
<tr>
<th>Wilmar Revenue</th>
<th>Wilmar Profit before tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>USD 50.5 billion</td>
<td>USD 2.3 billion</td>
</tr>
</tbody>
</table>
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- Community Investment
- Prospects

RESILIENCE THROUGH AGILITY AND DIVERSITY
Our 51% owned subsidiary, VFM Wilmar Flour Mills Limited, located in Quang Ninh, Vietnam, is expanding its capacity to 1,000 mt per day by constructing a new 500 mt per day wheat flour mill, at an estimated cost of USD19.7 million.

Expected to be completed by Q3 2021.
On 24 June 2020, the Group acquired remaining 70% not already owned in FFM Further Processing Sdn Bhd for a total consideration of RM 31.5 million.

Completed the construction of a new production facility for halal-certified frozen food in Pulau Indah at an estimated cost of RM22 million.
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Consumer products (continued)

New products launched during the year :-

- Snow Brand MBP® NeoMilk
- Marina Pasta Sauce with Tuna
- Massimo Primo sandwich roll
- Massimo Lemon Krunch cream roll
Film exhibition and distribution

- Todate, the Group operates:

<table>
<thead>
<tr>
<th>Country</th>
<th>Screens</th>
<th>Locations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malaysia</td>
<td>339</td>
<td>33</td>
</tr>
<tr>
<td>Vietnam</td>
<td>108</td>
<td>18</td>
</tr>
</tbody>
</table>

- Various movement restrictions only allowed cinemas to open for about 6 months throughout 2020 with reduced capacity of 50%

- Adopted the new norm in cinema operating procedures to ensure the safety and well-being of moviegoers and cinema staff
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Film exhibition and distribution (continued)

- Launched Keepsake, an e-Commerce platform on 17 August 2020.

- Launch GSC Rewards – allow moviegoers to earn GSCoins (points) for redemption of complimentary movie ticket & concession vouchers.

- Grabfood popcorn and concession snack delivery.
Entered into agreement in February 2021 to acquire cinema assets from the former operator of the MBO cinema circuit, target to be completed by June 2021

Launching a new F&B Brand, Happy Food Co, across our cinemas. The 1st cafe will be launched in Southkey Johor Bahru in 2H 2021
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Environmental engineering and utilities

- Key highlights for FYE 2020:

- **Completed projects (Sarawak & Kuala Lumpur)**
  - RM33 million

- **Order book**
  - RM410 million

- **New projects secured (Johor & Sarawak)**
  - RM110 million

- **Tendered projects**
  - RM400 million
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Property

- Rebranded to PPB Properties to strengthen its identity and increase brand awareness
- Construction of Megah Rise has progressed up to level 40, the roof top of the tower block in May 2021, expected completion by January 2022
AGENDA

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The Group has contributed a total of RM2.6 million towards Covid-19 initiatives in FY2020
We will continue to support the vulnerable communities and those in need

- **> 150,000 ITEMS**
  - Food & beverages
  - 1.515 mil PCS
  - Massimo Primo
  - Provided food items to foodbanks, government hospitals, police & armed forces, orang asli community, needy families and welfare homes

- **3,500L**
  - Hand sanitisers
  - 16,648 bottles
  - Cleaning products
  - Donated to government hospitals & clinics, orang asli communities, prison and welfare homes

- **60,000 PCS**
  - N95 masks
  - Contributed to government hospitals & clinics, fire department & prisons

- **7,760 PCS**
  - Coveralls
  - Personal protective equipment (PPE)
  - Sponsored to government hospitals, prisons, and KLIA health office

- **5,000 PCS**
  - Reusable face masks
  - Supplied reusable face masks to welfare homes and NGOs

- **Electricity bills**
  - Subsidised various needy families and welfare homes in paying their electricity bills that are in arrears
AGENDA

FYE2020 Key Financial Highlights
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RESILIENCE THROUGH AGILITY AND DIVERSITY
Prospects

- **Grains and agribusiness**
  - Flour milling – focus on growth opportunities in institutional buyers and developing export markets
  - Livestock farming & animal feed milling – gradual recovery expected as the pandemic situation improves
  - More cautious on rising grain prices. Managing rising prices through hedging

- **Consumer products**
  - Focus on expanding market share of our own brand of FMCG products, diversify into food services sector and tap into the e-commerce space

- **Film exhibition and distribution**
  - Confident on the long term prospect of the movie industry
  - The acquisition of the MBO assets will accelerate our recovery when the industry returns to normalcy
  - Continue to be prudent, ensure stringent cash flow management and diversify revenue sources
Prospects (continued)

Environmental engineering and utilities

- Continue to focus on replenishing our order book and exploring new project opportunities

Property

- Outlook remains challenging
- Various initiatives are being put in place to improve footfall in our malls and boost sales of our development properties
- Key focus is to complete the Megah Rise development
The Covid-19 pandemic will continue to weigh down the *Film exhibition and distribution* and *Property* segments.

Expect the performance of the *Grain and agribusiness* segment to be satisfactory, with key focus on managing the volatility of grain prices.

Wilmar’s performance will continue to contribute substantially to the overall profitability of the PPB Group.
Thank You