



PPB GROUP BERHAD

52nd ANNUAL GENERAL MEETING

Presented by :

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AGENDA

FYE2020 Key Financial Highlights

Key Business Update

Community Investment

Prospects

RESILIENCE
THROUGH
AGILITY AND
DIVERSITY



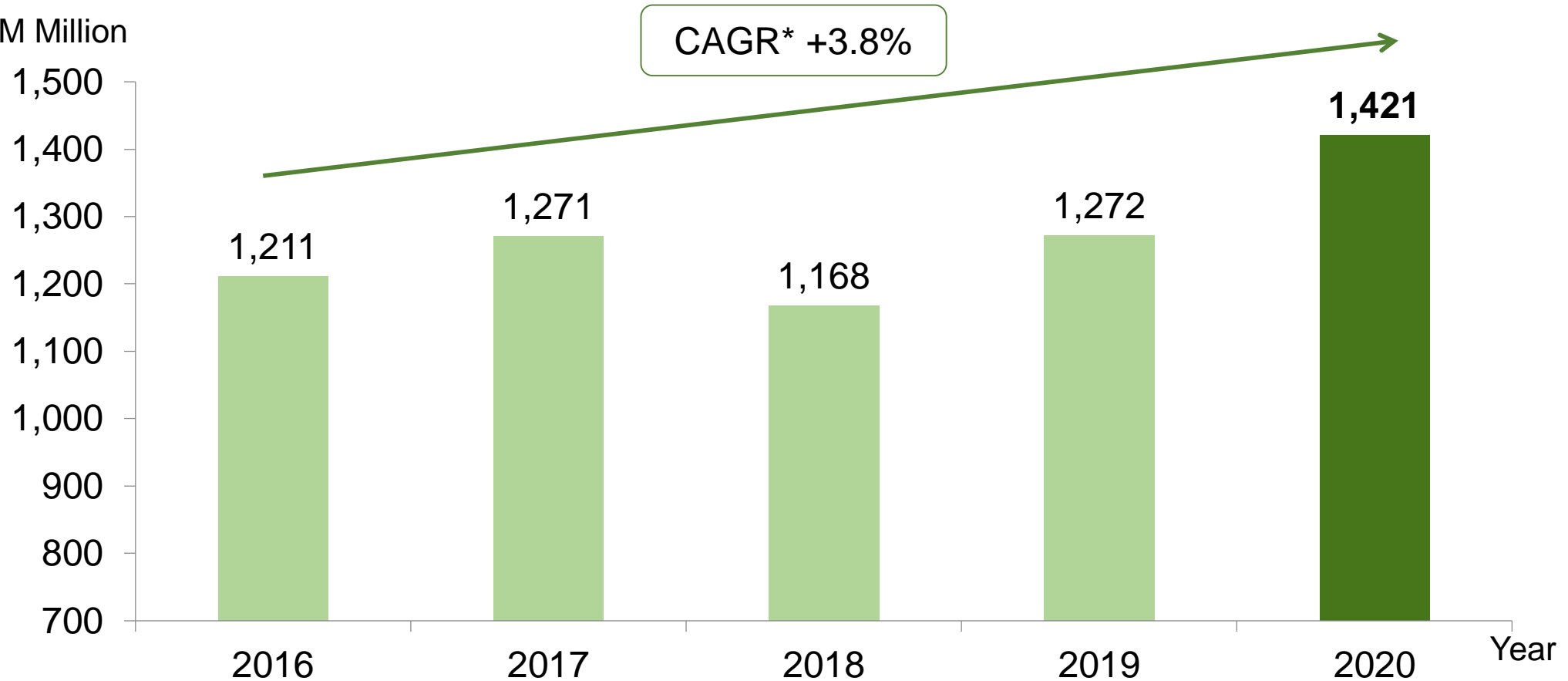


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Strongest performance in 5 years – FYE2020 profit before tax at RM1.42 billion

Profit before tax

RM Million



* CAGR = Compounded Annual Growth Rate



FYE2020 Key Financial Highlights

(RM'million)	2020	2019	Change
Revenue	4,191	4,684	-10.5%
Profit Before Taxation	1,421	1,272	11.7%
Net Profit	1,317	1,153	14.2%
Earnings per share (sen)	92.6	81.0	14.3%
Net assets per share (RM)	16.0	15.1	6.0%
Dividend per share (sen)	46.0	31.0	48.4%

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



Major Segments at a Glance

Grains and agribusiness		
Flour milling & manufacturing of animal feed, wheat & maize trading, production of day-old-chicks, eggs & other related downstream activities		
Flour Milling	Animal Feed Milling	Livestock Farming
2,820 mt/day	67,200 mt/month	3 mil DOC/month

Segment revenue (RM'000)	
<u>2020</u>	<u>2019</u>
3,291,130	3,304,147
Segment profit (RM'000)	
<u>2020</u>	<u>2019</u>
271,682	213,010

Segment profit increased by 28% attributable to:

- lower raw material costs, and
- higher share of profit from associates



Major Segments at a Glance (continued)

Consumer products	
Marketing and distribution of edible oils & consumer products , production & distribution of frozen food & bakery products	
Consumer Products Distribution	Bakery
300,000 sq ft warehouse capacity	10,000 loaves/hour

Segment revenue (RM'000)	
<u>2020</u>	<u>2019</u>
628,275	627,440
Segment profit (RM'000)	
<u>2020</u>	<u>2019</u>
31,548	647

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)

Film exhibition and distribution		
Exhibition & distribution of movies and content		
Film Exhibition		Film Distribution
447 screens	68,815 seats	53 films

Segment revenue (RM'000)	
<u>2020</u>	<u>2019</u>
114,255	556,127
Segment (loss)/profit (RM'000)	
<u>2020</u>	<u>2019</u>
(135,598)	66,838

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

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



Major Segments at a Glance (continued)

Environmental engineering and utilities	
Construction works specializing in the water & environmental industries & provision of waste management services	
Water Engineering	Sewage Treatment
Solid Waste Management	Floor Mitigation
Track record with contract value > RM3.3 bil	

Segment revenue (RM'000)	
<u>2020</u>	<u>2019</u>
189,543	194,839
Segment profit (RM'000)	
<u>2020</u>	<u>2019</u>
14,382	11,272

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



Major Segments at a Glance (continued)

Property		
Letting of commercial properties and development of residential and commercial properties		
Investment Properties	Property Development	Project Management
Cheras LeisureMall	Megah Rise	Southern Marina Residences

Segment revenue (RM'000)	
<u>2020</u>	<u>2019</u>
67,046	64,635
Segment profit (RM'000)	
<u>2020</u>	<u>2019</u>
3,940	13,891

Segment profit declined by 72%, due mainly to:

- lower rental income as the Covid-19 pandemic disrupted the operations of our investment properties, and
- 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

**Wilmar
Revenue**

USD 50.5 billion

**Wilmar
Profit before tax**

USD 2.3 billion

Segment revenue (RM'000)

2020

61,293

2019

92,372

Segment profit (RM'000)

2020

1,263,906

2019

1,009,320

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



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Grains and agribusiness

- 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.





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Consumer products

- 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



- Massimo Primo sandwich roll



- Marina Pasta Sauce with Tuna



- Massimo Lemon Krunch cream roll





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Film exhibition and distribution

- Todate, the Group operates :-

Country	Screens	Locations
Malaysia	339	33
Vietnam	108	18

- 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.





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Film exhibition and distribution (continued)

- 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
- 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





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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





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Community Investment

- 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



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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



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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



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Prospects (continued)

- 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