



PPB GROUP BERHAD

Press and Analyst Briefing Unaudited FY2017 Results

2 March 2018

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.

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- Developments for 2018

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Business Segments

Business Segments

Grains & Agribusiness	Consumer Products	Film Exhibition & Distribution	Environmental Engineering & Utilities	Property	Investments & Other Operations
<ul style="list-style-type: none">• flour milling• animal feed manufacturing• wheat & maize trading• production of day-old-chicks, eggs & related downstream activities• oil palm plantations	<ul style="list-style-type: none">• marketing & distribution of edible oils & consumer products• production & distribution of bakery products & frozen food• manufacturing of toiletry requisites & household products	<ul style="list-style-type: none">• exhibition & distribution of movies and content	<ul style="list-style-type: none">• construction works specialising in water & environmental industries• provision of waste management services	<ul style="list-style-type: none">• letting of commercial properties• development of residential & commercial properties	<ul style="list-style-type: none">• investments in quoted & unquoted shares• chemicals trading & manufacturing• packaging• investment holding• others

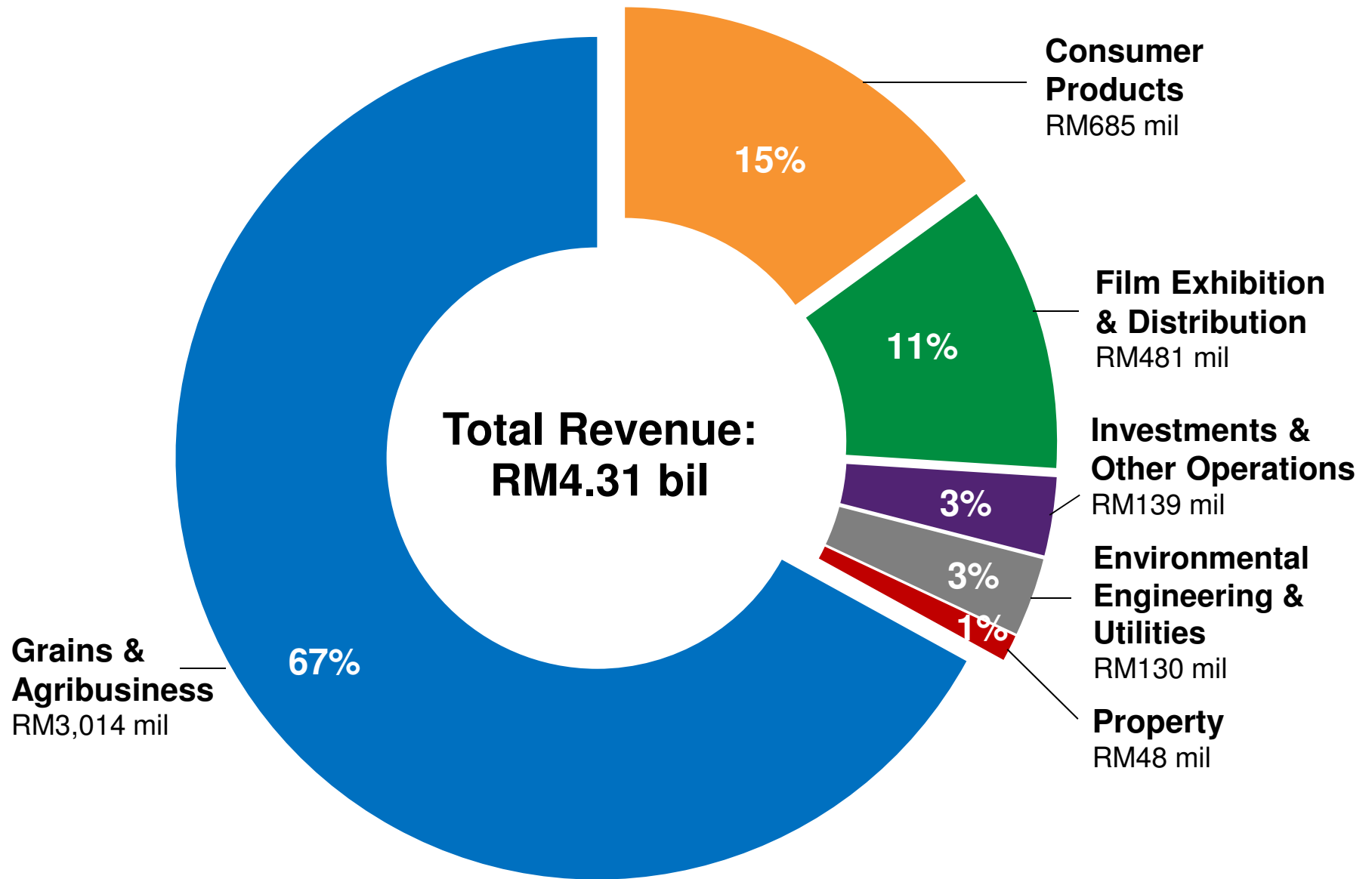


Group Financial Highlights

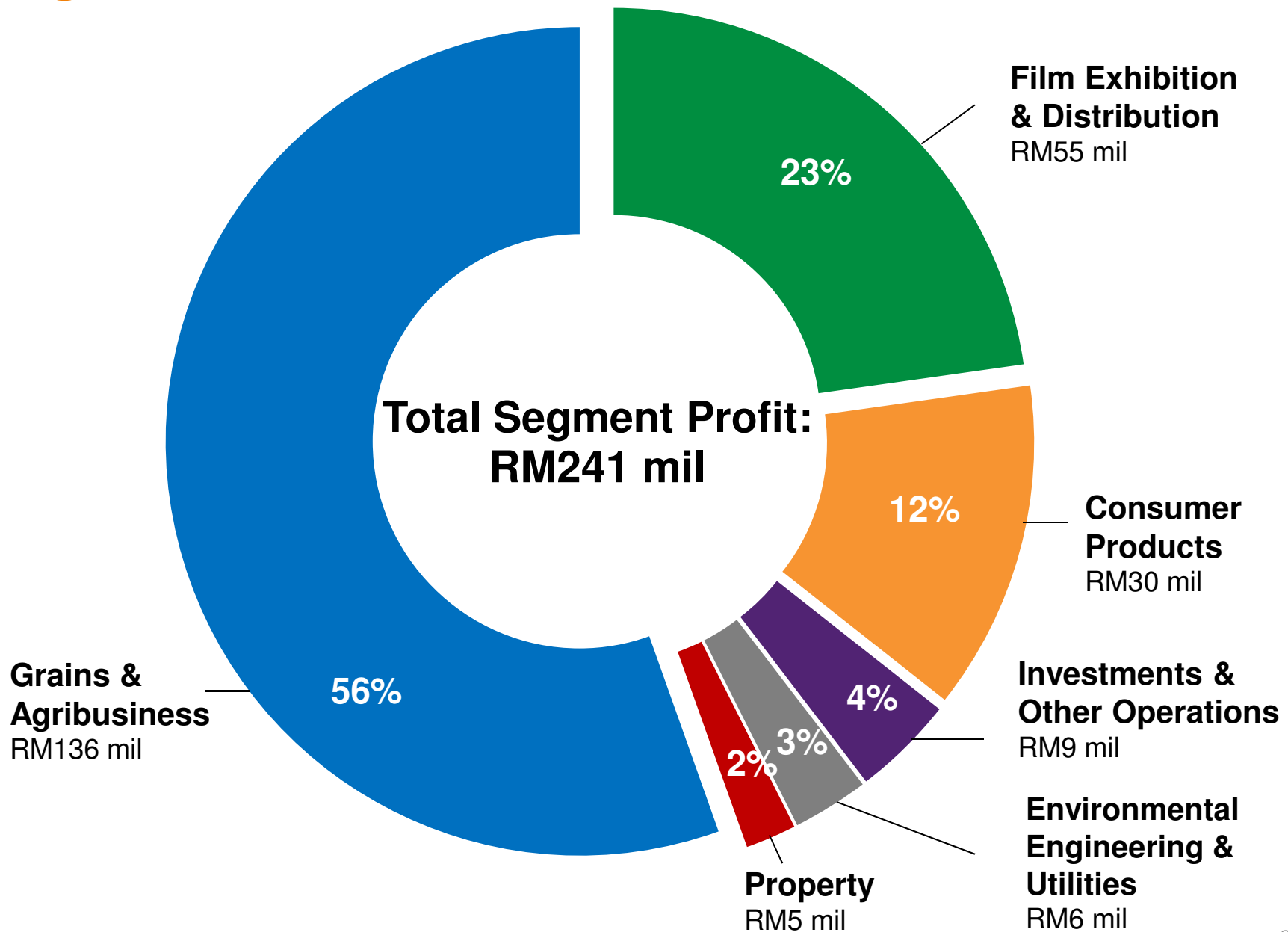
Financial Results FOR THE YEAR ENDED 31 DEC 2017

(Figures in RM)	2017	2016	Change
Revenue	4.31 bil	4.19 bil	▲ 3%
Operating Expenses	4.19 bil	3.96 bil	▲ 6%
Share of Wilmar's Profit	0.97 bil	0.75 bil	▲ 29%
PBT	1.29 bil	1.21 bil	▲ 7%
Profit for the Year	1.24 bil	1.11 bil	▲ 12%
EPS	101.68 sen	88.15 sen	▲ 15%
Net Assets Per Share Attributable to Owners of the Parent	RM17.63	RM17.69	▼ 0.3%

Segmental Information FOR THE YEAR ENDED 31 DEC 2017



Segmental Information FOR THE YEAR ENDED 31 DEC 2017



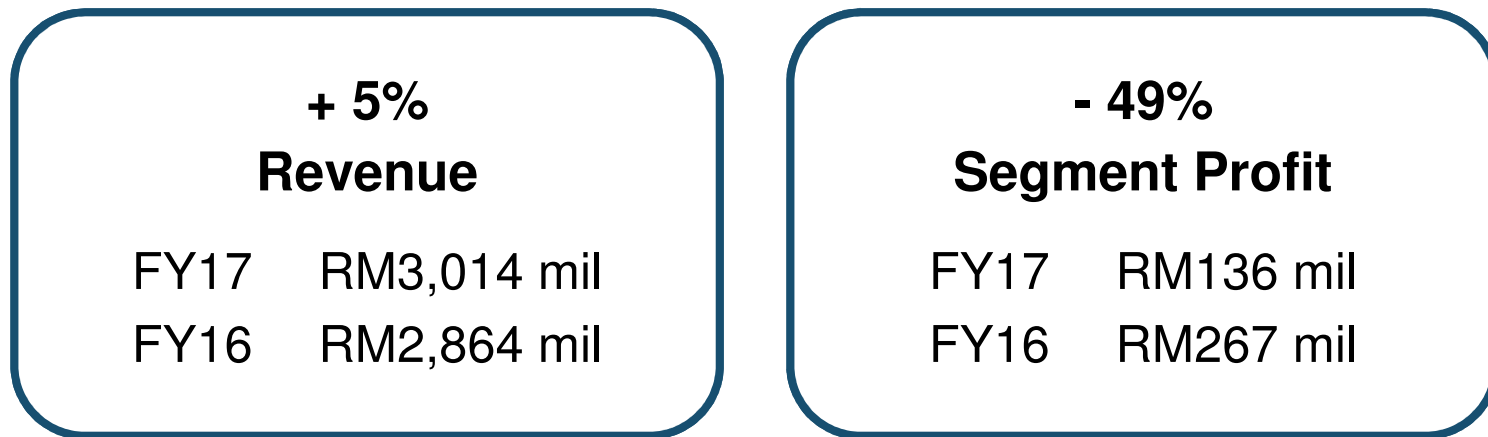




Review of Major Operations

- Financial Performance**
 - Key Events**
 - Developments for 2018**
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Grains & Agribusiness

Financial Performance



-  The higher revenue was primarily due to increased flour sales volume in Vietnam and Malaysia, coupled with higher feed sales volume and selling prices in Malaysia.
-  Segment profit decreased due to lower profit margin of flour.

Grains & Agribusiness

Key Events in 2017

-  Additional 500 mt/day wheat flour mill in South Vietnam was commissioned in June 2017.
-  FFM Group's flour mill in Kota Kinabalu was awarded the National Occupational Safety & Health Excellence Award 2017 under the SME category by the Department of Occupational Safety & Health (DOSH).

Grains & Agribusiness

Developments in 2018

-  The new 500 mt/day wheat flour mill in Pasir Gudang commenced operations in the 2nd week of January 2018.
-  VFM-Wilmar Flour Mills Co Ltd is expanding its milling capacity by setting up a new 500 mt/day wheat flour mill at its existing factory location in Quang Ninh Province, Vietnam at a budgeted cost of USD21 million.

Consumer Products



Financial Performance

+ 10%
Revenue

FY17	RM685 mil
FY16	RM626 mil

+ 37%
Segment Profit

FY17	RM30 mil
FY16	RM22 mil

-  The revenue growth was contributed by higher revenue from edible oils, bakery products as well as sales of other in-house and agency products.
-  Segment profit improved mainly attributed to gain on sale of land and building of RM8 million in 2017.

Consumer Products

Key Events in 2017

 FFM Marketing Sdn Bhd launched the following products:-

Product	Date of launch
Massimo Chiffon in a Cup - Cheese flavour	3 April 2017
Kart's Wholemeal Pau with Wheat Germ	15 April 2017
Kart's Puffy Pie	15 April 2017
V-Soy Golden Grain	15 May 2017
Snow Maternity Milk	1 July 2017

Consumer Products



Developments in 2018

-  FFM Marketing Sdn Bhd launched Massimo Ricco Chocolate in January 2018.
-  FFM is constructing a new production facility at a budget of RM20 million in Pulau Indah for use by Kart Food Industries Sdn Bhd, a 45%-owned associate of the Group.

Film Exhibition & Distribution

Financial Performance



-  The higher revenue was due to contribution from cinemas opened in 2017, improved box office, higher concession sales and screen advertising income.
-  Segment profit decreased mainly due to lower admission rates and increased film exhibition operating costs.

Film Exhibition & Distribution



Key Events in 2017

 New cinemas opened in 2017:-

Location	No. of screens	Opening date
<u>GSC, Malaysia</u>		
MyTOWN, Cheras	13	May 2017
Melawati Mall, Melawati	10	Aug 2017
Paradigm Mall, Johor Bahru	16	Dec 2017
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<u>Galaxy Studio JSC, Vietnam</u>		
Sense City Ca Mau, Ca Mau	6	May 2017
Trung Chanh, D12, HCMC	7	Jun 2017
Pham Van Chi D6, HCMC	8	Aug 2017
Co. Op Huynh Tan Phat, D7, HCMC	7	Oct 2017
Vinh City, North, Vinh	5	Nov 2017
Nguyen Kim Shopping Centre, Hai Phong	6	Dec 2017
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Film Exhibition & Distribution

Developments in 2018



-  Upgrading and refurbishing key cinemas namely, GSC 1 Utama, GSC Signature, The Gardens and GSC Pavilion.
-  New cinemas scheduled for opening in 2018:-

Location	No. of screens	Opening date
<u>Galaxy Studio JSC, Vietnam</u>		
Nguyen Van Qua, D12	7	Apr 2018
Co Op Buon Me Thuot	5	May 2018
Nguyen Kim, Trang Thi	4	Aug 2018
Co Op Tay Ninh	5	Sep 2018
Co Op Cao Lanh	5	Sep 2018
	26	

Environmental Engineering & Utilities




Financial Performance



-  Lower revenue was in line with lower contributions from newly-secured projects in 2017, the progress of which only began to accelerate towards 4Q2017.
-  Segment profit increased mainly due to improved project margins and lower operational expenses.


Environmental Engineering & Utilities

Key Events in 2017

-  Completed two sewage projects with a total contract value of RM160 million.
-  Secured three water and sewage projects with a total value of RM230 million.
-  Existing order book of RM270 million as at 31 December 2017.

Environmental Engineering & Utilities



Developments in 2018

-  Pursuing water and sewage related projects in various states with an estimated value of RM500 million.

Property




Financial Performance



-  The decrease in revenue was due to lower rental income and project management fees as well as completion of the Taman Tanah Aman project in 2016.
-  Segment profit decreased in line with the lower revenue.

Property

Key Events in 2017

-  **Cheras LeisureMall (CLM), Kuala Lumpur**
 - Refurbishment of existing mall completed.
 - Extension with a link bridge to Taman Mutiara MRT station completed, increasing lettable area and access to CLM.
-  **New World Park (NWP), Georgetown, Penang**
 - Embarked on the refurbishment of NWP to enhance facilities for existing tenants and visitors.
-  The soft launch of Megah Rise, a mixed development project in Taman Megah, Petaling Jaya was held in November 2017.

Property

Developments in 2018



Future launches as follows :-


- (i) **Taman Tanah Aman, Seberang Jaya**
 - Plan to launch Phases 3 & 4 comprising 3-storey bungalows.


- (ii) **Taman Sinar Mentari, Bedong, Kedah**
 - Plan to launch Phases 3 & 4 comprising single storey semi-detached houses.

Investments & Other Operations

Financial Performance



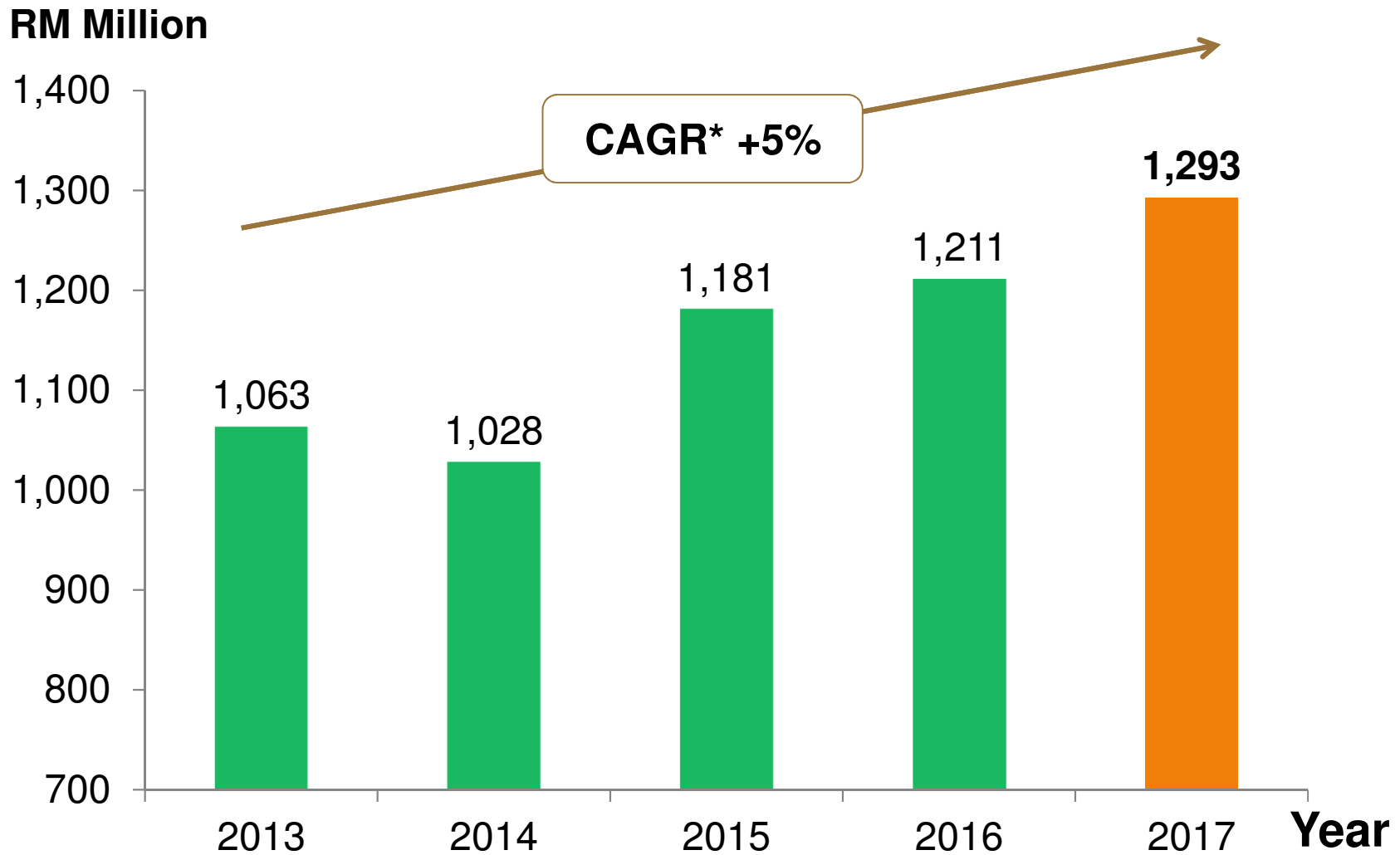
 The marginally lower combined segment revenue was due to lower revenue from the packaging division.

 Combined segment profit improved due to lower loss in the packaging division and higher dividend income.



5-Year PBT Track Record

5-Year PBT of PPB Group



* CAGR = Compound Annual Growth Rate



Capital Commitments

Capital Commitments by Segments

RM296 mil	RM259 mil	RM22 mil	RM20 mil	RM14 mil	RM11 mil
<ul style="list-style-type: none">• Film Exhibition & Distribution <ul style="list-style-type: none">• 9 new cinemas• Upgrading of cinema facilities	<ul style="list-style-type: none">• Grains & Agribusiness <ul style="list-style-type: none">• Investments in China flour mills• Construction of 500 mt/day flour mill in Vietnam	<ul style="list-style-type: none">• Consumer Products <ul style="list-style-type: none">• Construction of new production facility• Purchase of plant, machinery and intangible assets	<ul style="list-style-type: none">• Environmental Engineering & Utilities <ul style="list-style-type: none">• Purchase of property, equipment & motor vehicles	<ul style="list-style-type: none">• Others <ul style="list-style-type: none">• Purchase of plant & machineries	<ul style="list-style-type: none">• Property <ul style="list-style-type: none">• Extension and refurbishment of shopping mall

**TOTAL CAPITAL COMMITMENTS FOR THE NEXT 4 YEARS :
RM622 million**



Dividend Record

Dividend Record

Year	Single Tier	Net Dividend	Net	Payout Ratio	
	Dividend Per Share (sen)	Paid/ Payable (RM Million)	Dividend Yield (%)	Group (%)	Company (%)
2017					
- Interim	8	95	1.7 [#]	29.5	92.6
- Final*	<u>22</u>	<u>261</u>			
	<u>30</u>	<u>356</u>			
2016	25	296	1.6	28.4	80.5
2015	25	296	1.6	28.2	80.0
2014	23	273	1.6	29.7	96.4
2013	25	296	1.6	30.2	155.2

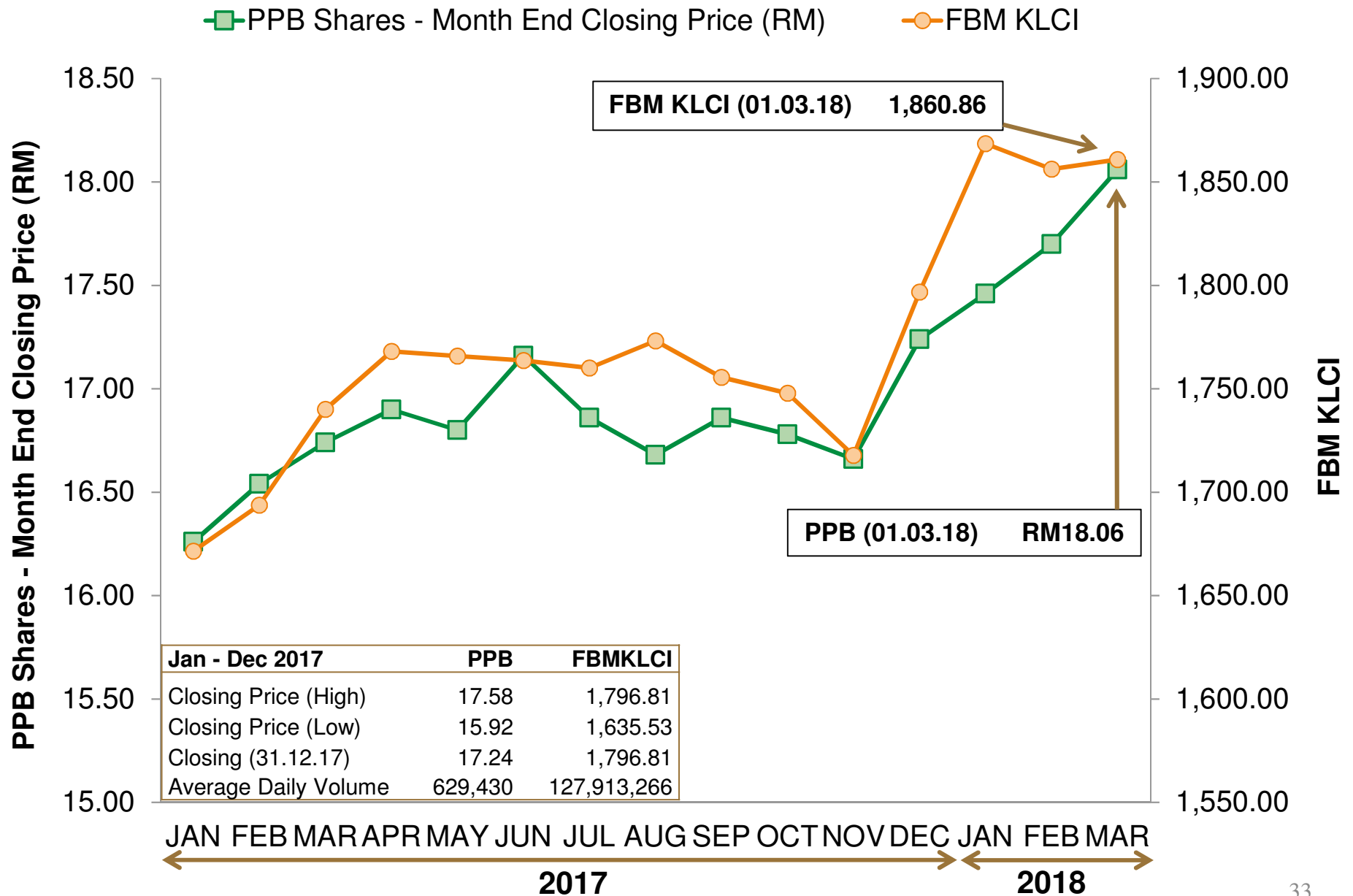
* PPB Board has recommended a final single tier dividend of 22 sen per share for the financial year ended 31 December 2017 payable on 31 May 2018.

Dividend yield was based on PPB share price of RM17.24 as at 31 December 2017.



Share Price Performance

Share Performance





Prospects for 2018

Prospects for 2018

Grains & Agribusiness is expected to perform satisfactorily amidst a competitive operating environment.

Performance of **Consumer Products** is expected to remain stable.

The **Film Exhibition and Distribution** business is expected to be supported by its newly-opened cinemas in Malaysia and Vietnam.

Environmental Engineering and Utilities segment will be focusing on timely completion of on-going projects and will participate in tendering for prospective projects.

The launch of Megah Rise project is expected to contribute positively to the **Property** segment going forward.

Prospects for 2018

Against the backdrop of a positive growth momentum in the domestic and global economies, the Group's main business segments are expected to perform satisfactorily in FY2018. The overall Group financial results will continue to be supported by the business performance of Wilmar.



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 24 November 2017.

