

# JOHORE TIN BERHAD

CORPORATE  
PRESENTATION

DEC 2020

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*A growing Dairy, Foods and  
Metal Packaging company  
with extensive  
geographical customer base*

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JOHORE TIN BERHAD

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# 01

## Corporate Brief

Corporate Structure  
Overview  
Milestones

# 02

## Investment Merits

Key Investment Highlights

# 03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

# 04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

# 05

## Financial Overview

Steady Sales Performance  
Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

# 06

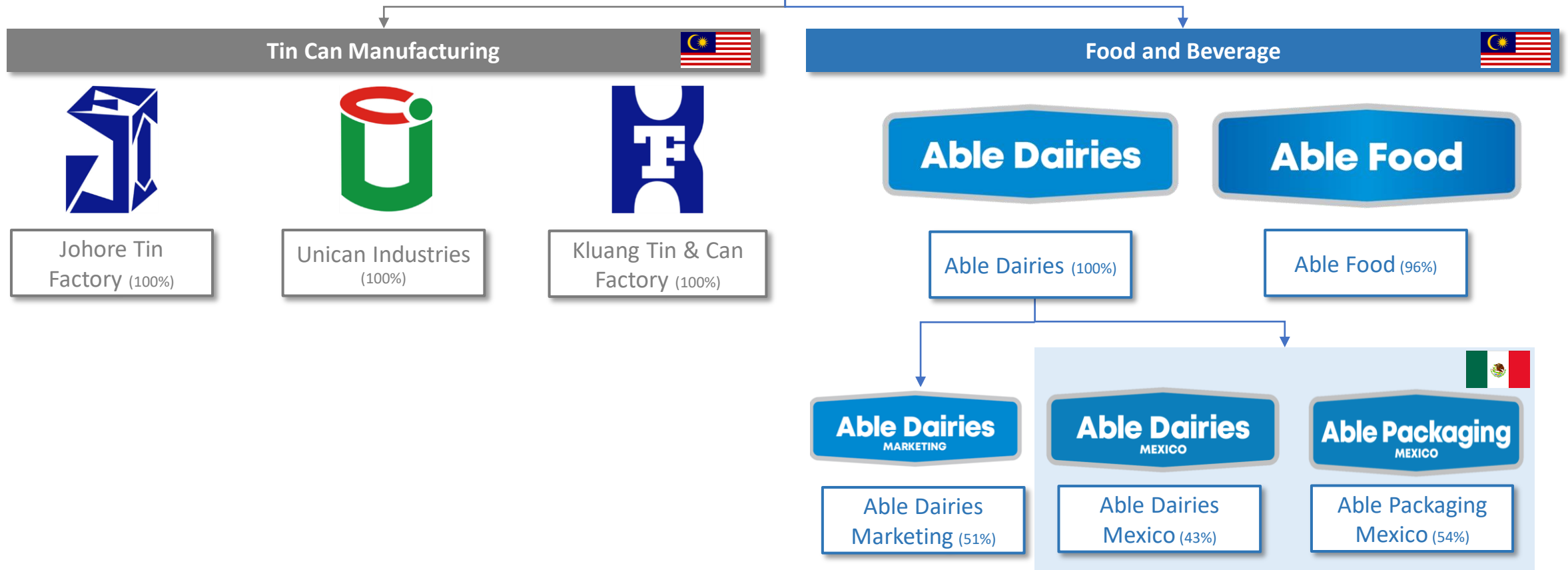
## Appendices

Share Snapshot  
Board of Directors  
Management Team

# Corporate Structure













JOHORE TIN BERHAD





# Overview

 <p>Core Business</p>	<p>Dairy Products      Tin Cans Manufacturing</p>
 <p>In-house Brands</p>	   
 <p>Production Capacity</p>	<p>Dairy: 280,000 MT <small>(Malaysia: 160k MT; Mexico: 120k MT)</small> Tins: 48,000 MT Total Capacity</p> <p>790 Employees</p>
 <p>Geographical Exposure</p>	<p>4 Continents      &gt;40 Countries</p>
 <p>Financial Highlights</p>	<p>37% PAT CAGR (3-Year)</p> <p>Revenue (As of 9M20)</p> <p>77% Dairy Product      23% Tin Cans Manufacturing</p> 

**Vision**

To be a Dairy, Foods and Metal packaging company of choice providing global consumers or businesses with **unrivalled quality products, exceptional value for money and outstanding customer service.**

**Mission**

Leverage our world class facilities to **expand our Dairy and Foods portfolio** with impactful house brands, leverage capabilities to be the **preferred resource for custom Tin packaging, extend geographies and provide quality products** to enable and ensure success of our customers or partners.

# Milestones

## Establishment

Manufacturing of various tins, cans, and containers  
Printing of tinplates

1973

## F&B Venture

Acquired Able Dairies to manufacture and sell milk and other dairy products (100% owned)

Aug  
2011

## Geographical Expansion

Subscribed to Able Dairies Mexico to produce dairy products targeting for American continent and surrounding regions (43.13% owned)

Apr  
2017

Subscribed **Able Packaging Mexico** to produce cans for dairy products packaging (54.02% owned)

Dec  
2018

2003 &  
2006

## Listing

Listed on Second Board of KLSE, transferred to Main Board of Bursa Malaysia

Feb  
2013

## Product Expansion

Establishment of Able Food to process, pack and sell infant formula and other F&B products (96% owned)

Jul  
2017

Incorporated **Able Dairies Marketing** to market dairy products (51% owned)

Sep  
2020

## Streamlining for Efficiency

Acquired 29 acres freehold land in Kapar, Selangor for expansion and consolidation



Able Dairies

Able Dairies  
MEXICO

Able Food

Able Dairies  
MARKETING

Able Packaging  
MEXICO



# Home of Premium Dairy Goodness

La maison des delices laitiers  
Casa de produtos lácteos premium



01

## Corporate Brief

Corporate Structure Overview  
Milestones

02

## Investment Merits

Key Investment Highlights

03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

05

## Financial Overview

Steady Sales Performance  
Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

06

## Appendices

Share Snapshot  
Corporate Structure And Shareholdings  
Board of Directors  
Management Team



## Mexico JV The Game Changer

First oversea dairy production facility with 120,000 MT capacity to be ready by 1H21  
Targeting to breakeven with 30% utilisation rate by first year of operation  
High earnings growth potential with ready customers to serve

## Diversified Geographical Exposure

Spread wings across 4 continents including Asia, Africa, America, and Oceania

Strengthening current global footprint in 40 countries including ASEAN, Mexico and sub Saharan Africa

## Established Track Record

37% of 3-year CAGR for PAT (up to 2019)

Strong balance sheet with low gearing at 0.2x and RM79m cash on hand (as of 3Q20)



## Enhancing Efficiency For Better Margins

Streamlining process and consolidating operation to optimise capacity and capability for better economies of scale  
Leveraging on OBM & OEM advantages

## Compelling Valuation

(as of 3Q20)

Fairly undemanding PE at 14x; 12% ROE, 9% ROA

Dividend payout ratio at 43% for 9M20 and a payout ratio range of 41-42% between FY17 to FY19







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## Corporate Brief

Corporate Structure  
Overview  
Milestones

02

## Investment Merits

Key Investment Highlights

03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

05

## Financial Overview

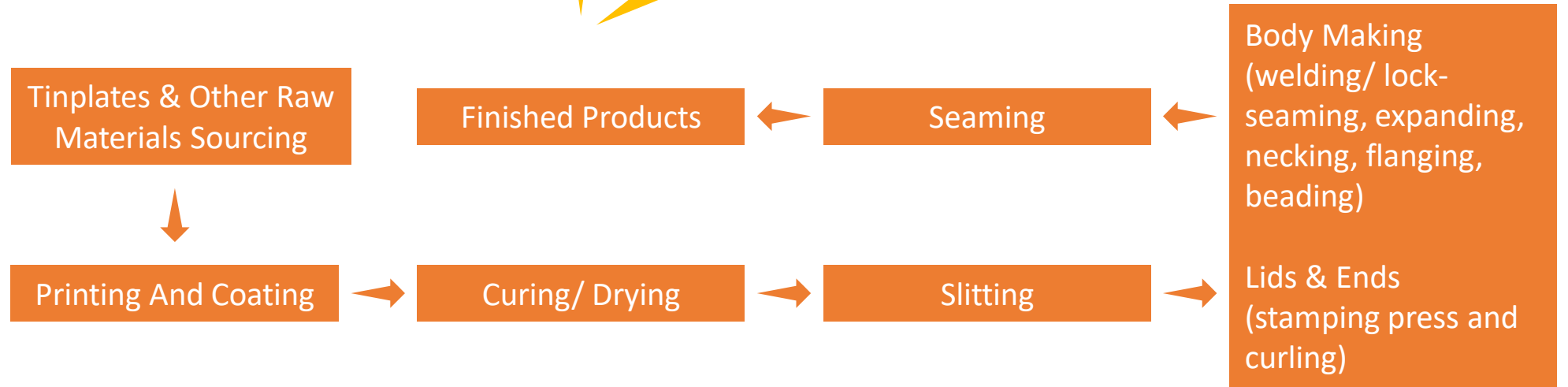
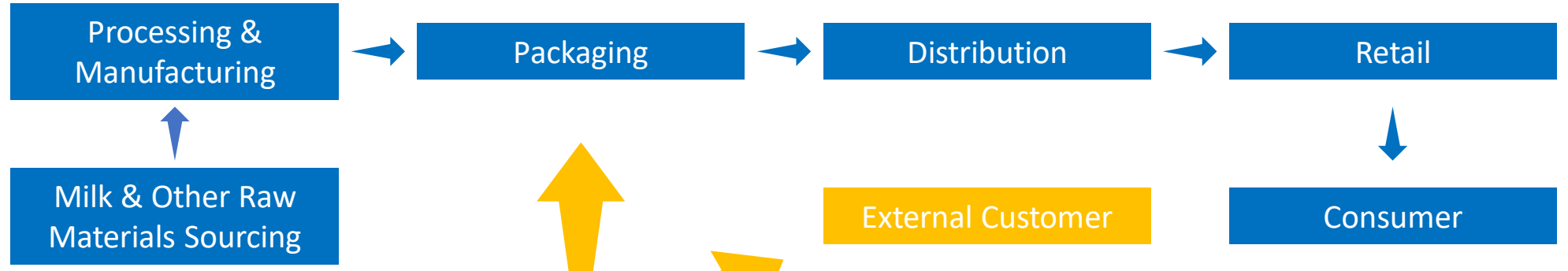
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Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

06

## Appendices

Share Snapshot  
Board of Directors  
Management Team

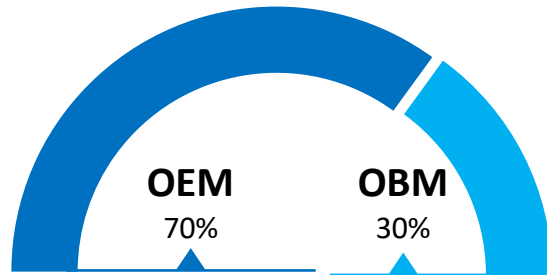
# How Do We Create Value



# Dairy Products The Key Driver

**Manufacturing, processing, packaging and distributing** milk and dairy related products  
In-house product development and **customization** competencies

## Sales Mix



**OEM: Original Equipment Manufacturer**

Supporting customers with their specifications

**OBM: Original Brand Manufacturer**

Growing house brands under Able Farm



## Diversified Markets

**80%** Export

**20%** Malaysia

**4** Continents

**>40** Countries





# Dairy Products (cont'd)

**Sweetened Condensed and Evaporated Milk**  
for All day Convenience



**Sweetened Condensed Milk**

- Full Cream
- Creamer / Filled Milk
- Caramelised Filled Milk

**Evaporated Milk**

- Full Cream
- Filled Milk
- Value Creamer

**Milk Powders**  
for Daily Nutrition



**Milk Powder**

- Full Cream
- Instant Fat Filled
- Instant Skim

**Plain and Flavoured UHT Milk**  
for Everyday Indulgence



**UHT Milk**

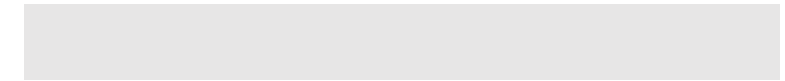
- Full Cream
- Chocolate Flavoured
- Strawberry Flavoured

**Life stage Nutrition**  
for Daily Wellness



**Life Stage Product**

- Infant Formula & Growing up Kids
- Maternal Nutrition
- Adult & Seniors



## Customised Blends & Ingredients

- In-bin Dry Blending Capability For Bespoke Customization
- Non Dairy Creamer / Whiteners
- Sweet Whey Powder
- De-mineralised Whey Powder
- Buttermilk Powder
- Anhydrous Milk Fats





# Dairy Products (cont'd)

MT	Condensed Milk*	Evaporated Milk*	Dried Milk Products**	Total
<b>Capacity</b>				
2020	120,000	10,000	30,000	160,000
2019	120,000	10,000	30,000	160,000
2018	80,000	7,000	30,000	117,000
<b>Output</b>				
Up to Oct 2020	62,706	3,559	8,300	74,565
2019	72,036	4,363	14,000	90,399
2018	66,737	4,278	7,450	78,465
<b>Utilisation</b>				
Up to Oct 2020	52%	36%	28%	47%
2019	60%	44%	47%	56%
2018	83%	61%	25%	67%

\* Based on 20 man hours per day x 24 days a month x 12 months per year

\*\* Based on 10 man hours per day x 24 days a month x 12 months per year



# Tin Cans Manufacturing The Synergistic Support

Leading manufacturer of **tin, can, and other container packaging** in Malaysia

Tinplates **printing** services

Product Range



Confectionary



F&B



Edible Oils



Paints & Chemicals



Fancy & Irregular Cans

Clientele

Manufacturer and Distributor



Market

80%  
Domestic

20%  
International



Able Dairies

Able Dairies MEXICO

Able Food

Able Dairies MARKETING

Able Packaging MEXICO



# Tin Cans Manufacturing (cont'd)

	Aggregated Quantity		
	Capacity MT	Output MT	Utilisation
2020	48,000	29,000*	60%*
2019	48,000	32,000	67%
2018	45,000	28,000	62%

\* Up to Oct 2020  
Based on 20 man hours per day x 24 days a month x 12 months per year





# 01

## Corporate Brief

Corporate Structure  
Overview  
Milestones

# 02

## Investment Merits

Key Investment Highlights

# 03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

# 04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

# 05

## Financial Overview

Steady Sales Performance  
Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

# 06

## Appendices

Share Snapshot  
Board of Directors  
Management Team





## Leveraging on Our Winning Edges

- World class manufacturing and processing facilities, supported by well-trained human resources
- The only dairy company from Malaysia with manufacturing and processing plants for milk powders as well as condensed / evaporated milk
- The only supplier from Malaysia capable to offer Dried and Liquid dairy products mixed container shipments for global markets
- Strong networks across international markets

## New Frontier & Rebranding Drive

- Mexico production lines are getting ready to step in and cater to the local market sweetened condensed milk and evaporated milk requirements that have till now been serviced by the Malaysia factory
- Rebranding – harnessing inhouse capabilities to build Able Farm as a reputed international brand

## Vision & Growth Strategy

- To be a Dairy , Foods and Metal packaging company of choice providing global consumers or businesses with unrivalled quality products, exceptional value for money and outstanding customer service
- Looking out for opportunities to expand into
  - New market territories
  - New F&B products

# Growth Strategies

# Mexican Production Lines Development Update

End  
2018

Began factory construction

4Q20

Started commissioning

1H21

1<sup>st</sup> batch of production



Operating Year	Targeted Utilisation
1 <sup>st</sup>	30-50% (Approx. 120,000 MT/year production capacity)
2 <sup>nd</sup>	60-70%
3 <sup>rd</sup>	80-90%





# REBRANDING

## Marketing Strategies

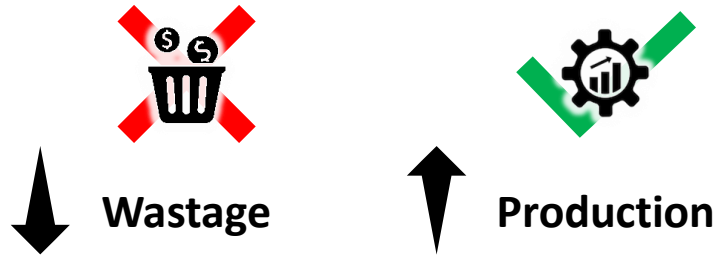
- Targeting low to medium income customer group
- Offering similar quality standard with more affordable price
- Penetrating to market that is not controlled by dominant brand
- Intensive distribution strategy complimented with brand awareness activities

**ABLE FARM** is our vehicle to fulfil our commitment of **A**dding **B**etterment to **L**ife's **E**xpectations for our consumers, through a portfolio of exceptional quality products, produced sustainably at modern manufacturing facilities, to deliver best value for money.

# Enhancing Efficiency

## Machine Automation

Automating the manufacturing process to minimise wastage and optimise productivity



## Raw Material Procurement

Streamlining raw material procurement through:

- Structured analytics and forecasting
- Material planning

Ensuring **procurement of top quality** raw materials at **competitive pricing**

## Production Process

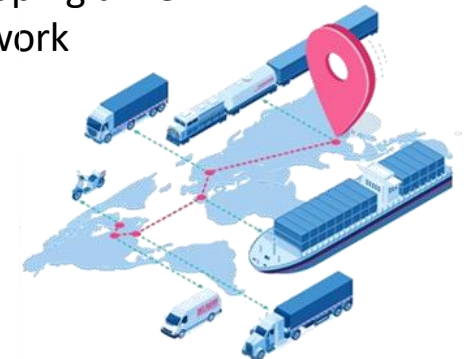
Production process improvement through:

- Reduction of idle machine time
- Asset analytics to address unforeseen planning roadblocks



## Supply Chain/Logistics

Continuous efforts in developing a well-connected distribution network for effect product export and delivery





# Prospects: Global Market Place



## Global Dairy Market

**5.00%**  
CAGR Projection  
for 2020-2025

**North America**  
Fastest Growing  
Market

**Asia Pacific**  
Largest Market



## Global Condensed Milk Market

**4.07%**  
CAGR Projection  
for 2020-2025

**North America**  
Largest Market

**Asia Pacific**  
Anticipated to grow faster owing to economic growth, changing dietary patterns, and supportive government regulations



## Global Milk Powder Market

**5.20%** CAGR Projection for 2018-2025

### Sources:

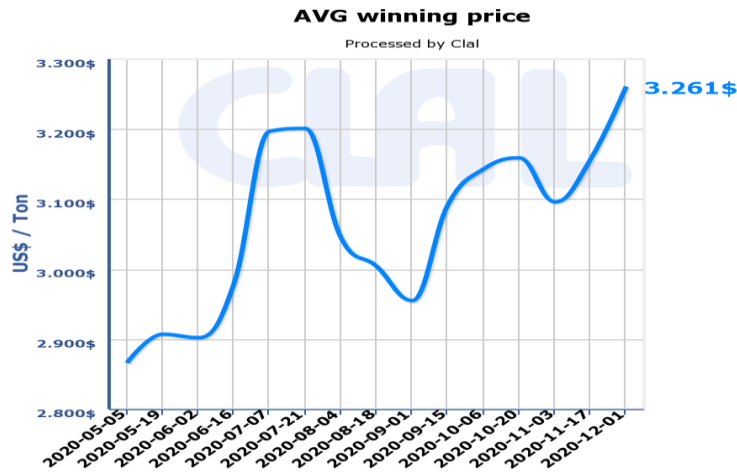
OECD/FAO(2020), OECD-FAO Agricultural Outlook 2020-2029; Grand View Research, Condensed Milk Market Size, Share & Trends Analysis Report By Application, Regional Outlook, Competitive Strategies, And Segment Forecasts, 2019 To 2025; Fior Markets, Global Milk Powder Market Is Expected to Reach USD 39.56 Billion by 2025 : Fior Markets; Transparency Market Research, Milk Powder Market - Global Industry Analysis, Size, Share, Growth, Trends, and Forecast, 2020 - 2030



# Business Prospects (cont'd)

## Milk

USD 3,261/ T  
(as at 1 Dec 2020)



25-35% of F&B's operating cost

## Commodity Prices

### London White Sugar

USD 413.30/ T  
(as at 1 Dec 2020)



Around 30% of F&B's operating cost

### Steel for Tinplate

4,125 Yuan/ MT  
(as at 23 Nov 2020)



55-70% of tin manufacturing's operating cost



Able Dairies

Able Dairies  
MEXICO

Able Food

Able Dairies  
MARKETING

Able Packaging  
MEXICO



Sources: CLAL.it; Investing.com; Trading Economics



# 01

## Corporate Brief

Corporate Structure  
Overview  
Milestones

# 02

## Investment Merits

Key Investment Highlights

# 03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

# 04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

# 05

## Financial Overview

Steady Sales Performance  
Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

# 06

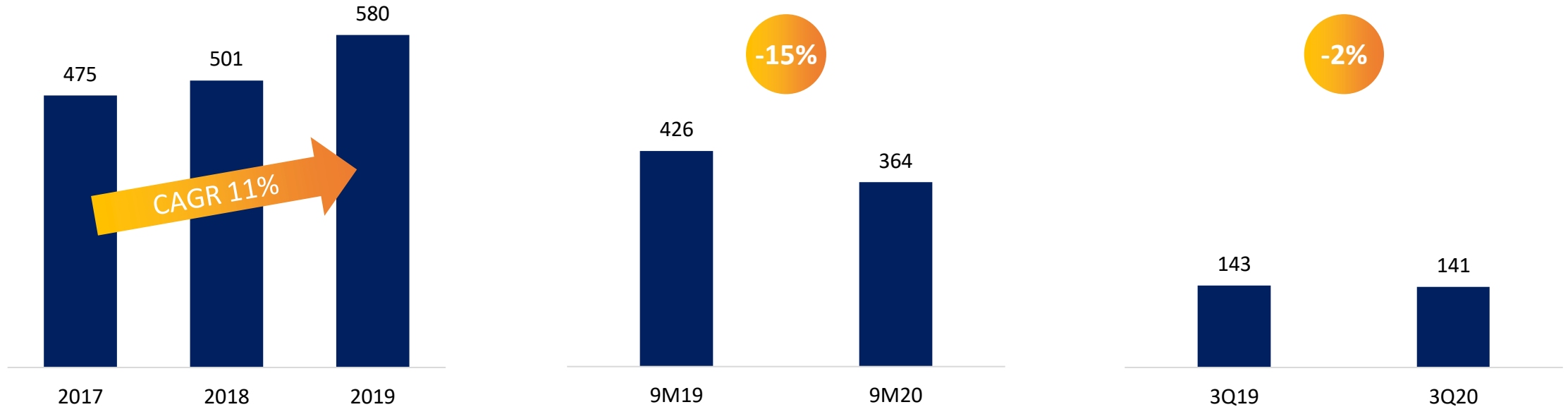
## Appendices

Share Snapshot  
Board of Directors  
Management Team



# Steady Sales Performance

Revenue (RM m)

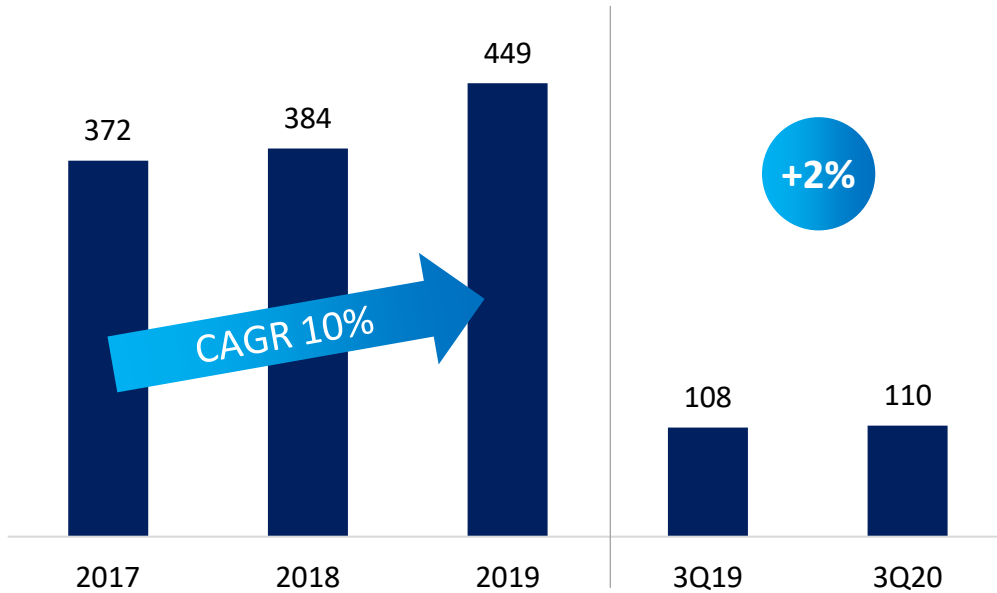


Revenue grew 11% over 2017 to 2019 due to the company's continuous effort to expand its F&B and tin manufacturing businesses.

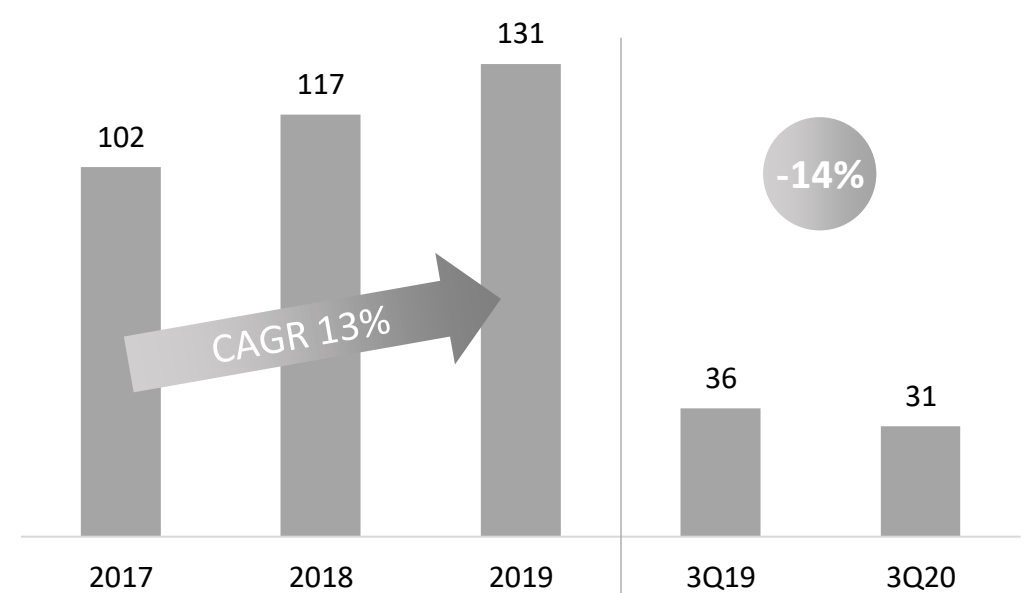
Sales performance declined by 2% YoY and 15% YoY for 3Q20 and 9M20, respectively amid global pandemic and the implementation of Movement Control Order in Malaysia. However, sales performance improved by 24% QoQ from RM115m in 2Q20 to RM141m in 3Q20 as businesses are recovering from the pandemic.

# Steady Sales Performance by Segment

External Revenue for F&B  
(RM m)



External Revenue for Tin Manufacturing  
(RM m)

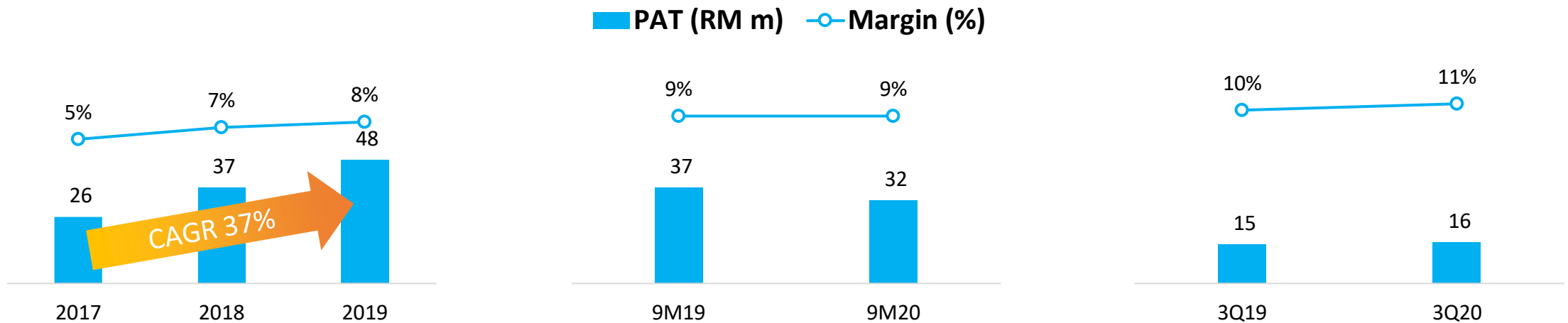
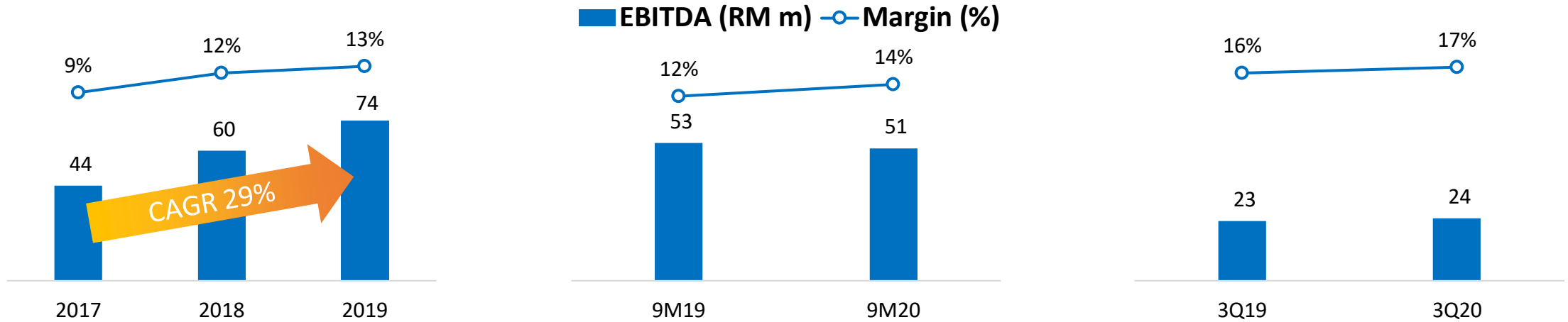


F&B grew by 10% over 2017 to 2019 due to strong demand for dairy products while Tin Manufacturing grew by 13% in the same period amid higher demand from the printing of tins services.

For 3Q20, F&B's revenue +2% YoY attributed to resilient demand for dairy products; Tin Manufacturing -14% YoY in 3Q20 due to slightly lower local and export sales.

# Solid Earnings Performance

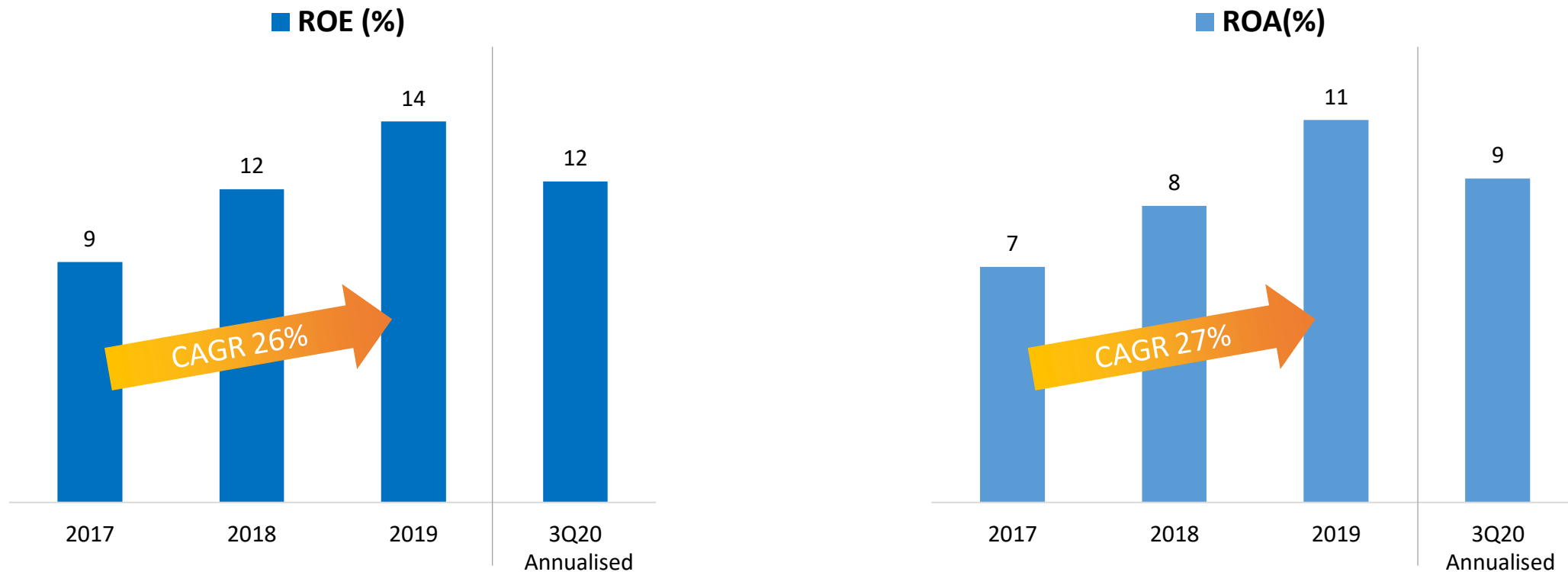
Profit margins improved over the years as a result of continuous initiatives focusing on efficiency enhancement





# Solid Earnings Performance (cont'd)

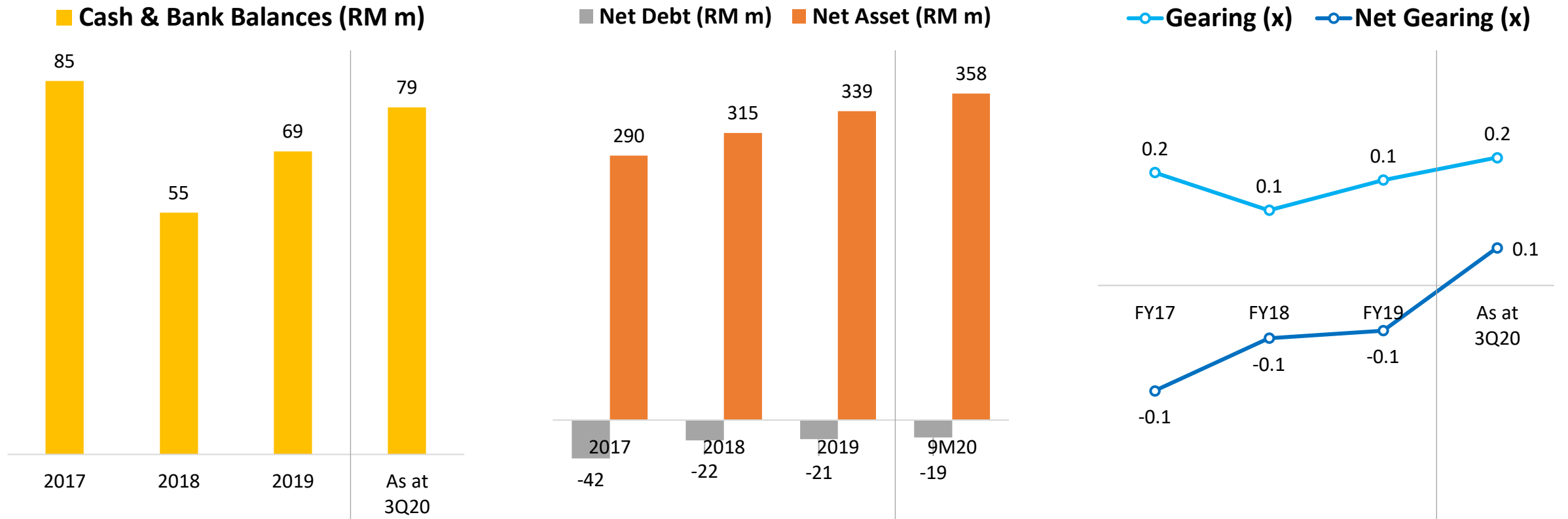
Deploying the company resources efficiently to safeguard shareholders' investment



2020 will be slightly impacted by lower sales and production experienced during the global onset of COVID-19 pandemic

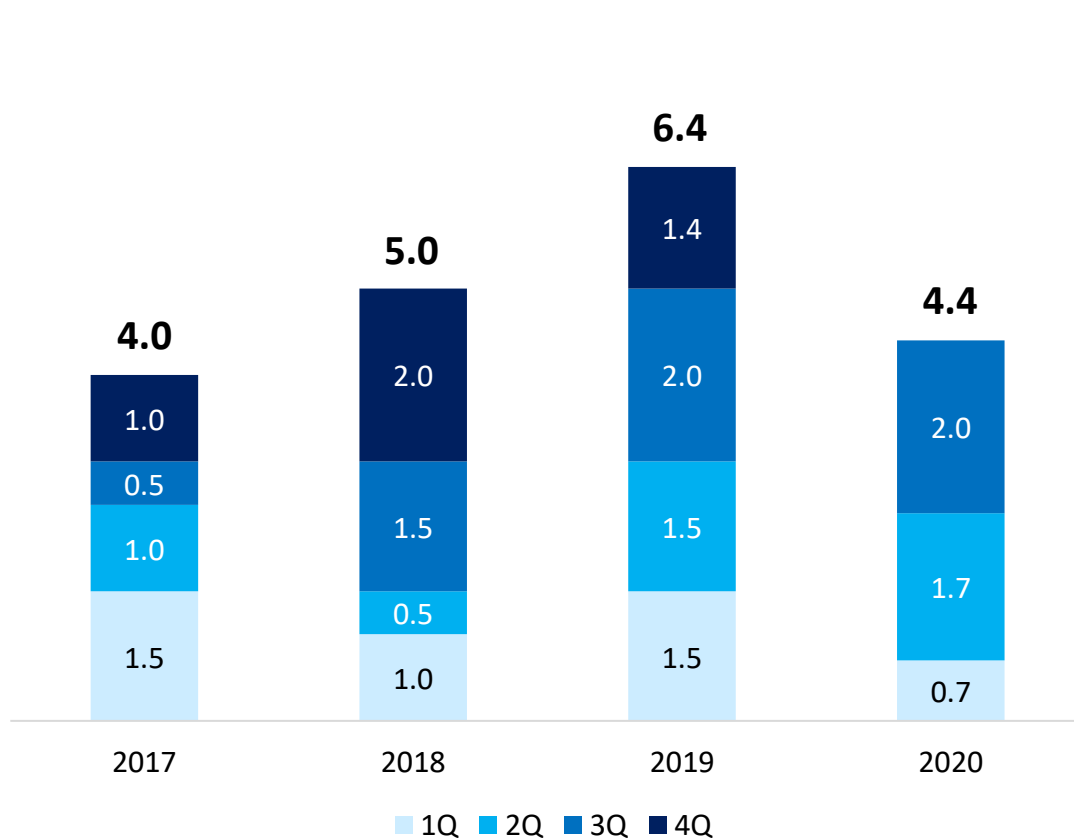
# Healthy Balance Sheet

Resilient financial position with sufficient cash and growing asset base without stressing debt level, ample gearing headroom for future expansion

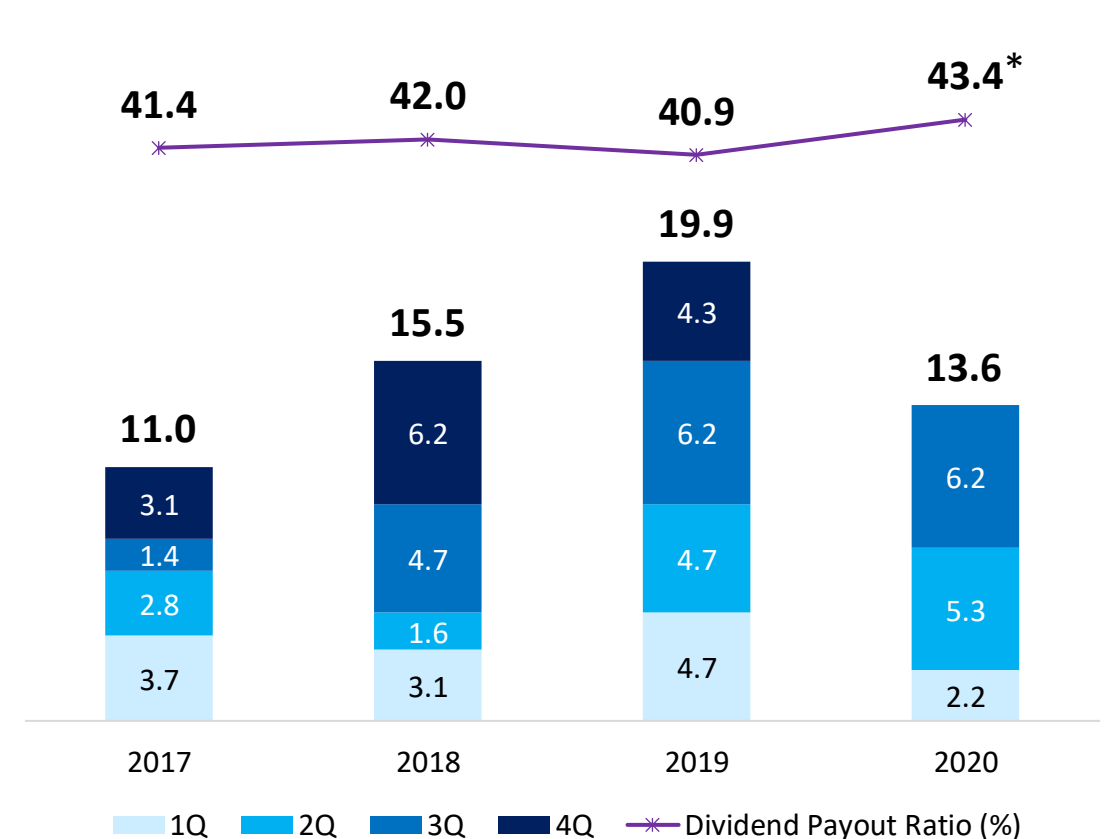


# Dividend Rewards for Shareholders

Dividend per Share (sen)



Dividend Payout (RM m)



\* Up to 9M20



# Compelling Valuation Vs Malaysia Landscape

Lowest PE valuation comparing with peers in Malaysia with similar operations

TTM = Trailing Twelve Months MRQ = Most Recent Quarter

	TTM PE (x)	TTM ROA (%)	TTM ROE (%)	TTM Net Margin (%)	TTM Dividend Yield (%)	MRQ PB (x)
<b>Johore Tin</b>	<b>14</b>	<b>9</b>	<b>12</b>	<b>8</b>	<b>3</b>	<b>2</b>
Spritzer	15	5	7	9	2	1
Power Root	20	13	18	13	4	3
Dutch Lady	30	18	50	7	2	14
F&N	29	12	16	10	2	4
Nestle	59	20	85	10	1	55
Can-One*	-	5	5	8	1	0.3
<b>Simple Average</b>	<b>28</b>	<b>12</b>	<b>28</b>	<b>9</b>	<b>2</b>	<b>11</b>

\*Based on 5-year average performance for comparison purpose as the company recorded loss in previous year

Source: Investing.com (as of 11 Dec 2020)

# Compelling Valuation Vs International Landscape

Undemanding valuation in comparison with peers in the region

TTM = Trailing Twelve Months MRQ = Most Recent Quarter

	TTM PE (x)	TTM ROA (%)	TTM ROE (%)	TTM Net Margin (%)	TTM Dividend Yield (%)	MRQ PB (x)
Abico Holdings	11	6	12	6	-	1
Juhayna Food	13	8	15	6	3	2
<b>Johore Tin</b>	<b>14</b>	<b>9</b>	<b>12</b>	<b>8</b>	<b>3</b>	<b>2</b>
Heritage Foods*	-	6	12	3	0.4	3
Amrit Corp.*	1,571	5	5	17	0.7	1
Grupo Lala	22	2	6	2	4	2
Milk Food	27	-	-	2	-	2
At-Tahur	36	3	4	5	-	1
<b>Simple Average</b>	<b>21 #</b>	<b>6</b>	<b>9</b>	<b>6</b>	<b>2</b>	<b>2</b>

Source: Investing.com (as of 11 Dec 2020)



\*Based on 5-year average performance for comparison purpose as the company recorded loss in previous year  
# Excluded Amrit Corp.



# THANK YOU

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[sinsin@esente.com.my](mailto:sinsin@esente.com.my)



# 01

## Corporate Brief

Corporate Structure  
Overview  
Milestones

# 02

## Investment Merits

Key Investment Highlights

# 03

## Business Overview

How Do We Create Value  
Dairy Products  
Tin Cans Manufacturing

# 04

## Strategy & Future Plan

Growth Strategies  
Mexican Production Lines  
Rebranding  
Enhancing Efficiency  
Business Prospects

# 05

## Financial Overview

Steady Sales Performance  
Solid Earnings Performance  
Healthy Balance Sheet  
Dividend  
Compelling Valuation

# 06

## Appendices

Share Snapshot  
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Bloomberg Ticker

**JOHO:MK**

Bursa Code

**JOHOTIN/ 7167**

Listing Board

**Main Market**

Industry

**Consumer Products  
& Services**

Shariah Requirement

**Shariah Compliant**

Share Price

**RM 1.96**

52-Week High/ Low

**RM 2.05/ 0.98**

Market Capital

**RM 609 Million**

Share Capital

**310 Million**

Free Float

**45.4%**

# Share Snapshot

YTD SHARE PRICE TREND: AS OF 11 DEC 2020



# Board of Directors

## **Datuk Kamaludin Bin Yusoff** Chairman

- Datuk Kamaludin started his career as Administration & Diplomatic Officer in the public sector in 1974 and has then served in various positions with the Ministry of Finance, Ministry of Defence, Road Transport Department and Ministry of Entrepreneurial Development

## **Ng Keng Hoe (Huang Qing He)** Executive Director

- Started his career as Chemical Engineer at Sime Darby Edible Products Pte Ltd
- Subsequently set up a dairy company, Able Perfect, and has served as President and CEO

## **Edward Goh Swee Wang** CEO

- More than 20 years of working experience in the tin can and dairy industries
- Oversees company planning, development, marketing and overall management

## **Siah Chin Leong** Independent Non-Executive Director

- Started as Manager in 1988 at the subsidiary of Tasek Maju Realty Sdn Bhd, a property developer, and promoted to Executive Director in 1990
- Joined Daiman Development Berhad, a property developer, as General Manager in 2006 and resigned in 2013
- Currently, serves as an Advisor to S & L Vintners, a wine importer

## **Yeow Ah Seng @ Yow Ah Seng** Executive Director

- Started his career in the tin can manufacturing industry since 1983
- Joined Kluang Tin and Can Factory (a subsidiary of JTB) in 1988 as Executive Director
- Subsequently appointed as Deputy Managing Director

## **Ng Lee Thin** Independent Non-Executive Director

- More than 20 years of experience in corporate finance, auditing, accounting and taxation at Ernst & Young, Chiang & Chiang and Artwright Marketing
- Financial Controller of Binaik Equity for 9 years
- Owns and runs Yellow Tax Services and NLT & Co

# Management Team

## **Edward Goh Swee Wang** CEO – Johore Tin Berhad

- More than 20 years of working experience in the tin can and dairy industries
- Oversees company planning, development, marketing and overall management of the Group

## **Oh Tat Hooi** General Manager- Able Food Sdn Bhd

- Oversees factory operations, sales and marketing, and is also in charge of plant set-up
- More than 30 years of working experience in the tin can industry and dairy industries
- In 2013, appointed as GM of a JTB subsidiary set up to incorporate Able Food

## **Ng Keng Hoe (Huang Qing He)**

### Managing Director – Able Dairies / Able Food/ Able Marketing

- Started his career as Chemical Engineer at Sime Darby Edible Products Pte Ltd
- Subsequently set up a dairy company, Able Perfect, and has served as President and CEO

## **Leo Aun Foo**

### Group Finance Manager – Johore Tin Berhad

- Started his career in auditing after completing the London Chamber of Commerce & Industry's Higher Diploma in Accounting; later also completed ACCA certification
- Worked as AR Executive under Credit Control Department in hospitality industry, then joined an audit firm as Audit Manager
- Joined JTB as Group Accountant and subsequently promoted as Group Finance Manager