

# UNAUDITED RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2021

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**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.

# AGENDA

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## **GROUP FINANCIAL HIGHLIGHTS**

## **REVIEW OF MAIN OPERATIONS**

- Financial Performance
- Key Events in 1H2021
- Developments for 2H2021

## **CAPITAL AND OTHER COMMITMENTS**

## **DIVIDEND RECORD**

## **SHARIAH-COMPLIANCE STATUS**

## **PROSPECTS FOR 2021**



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# GROUP FINANCIAL HIGHLIGHTS

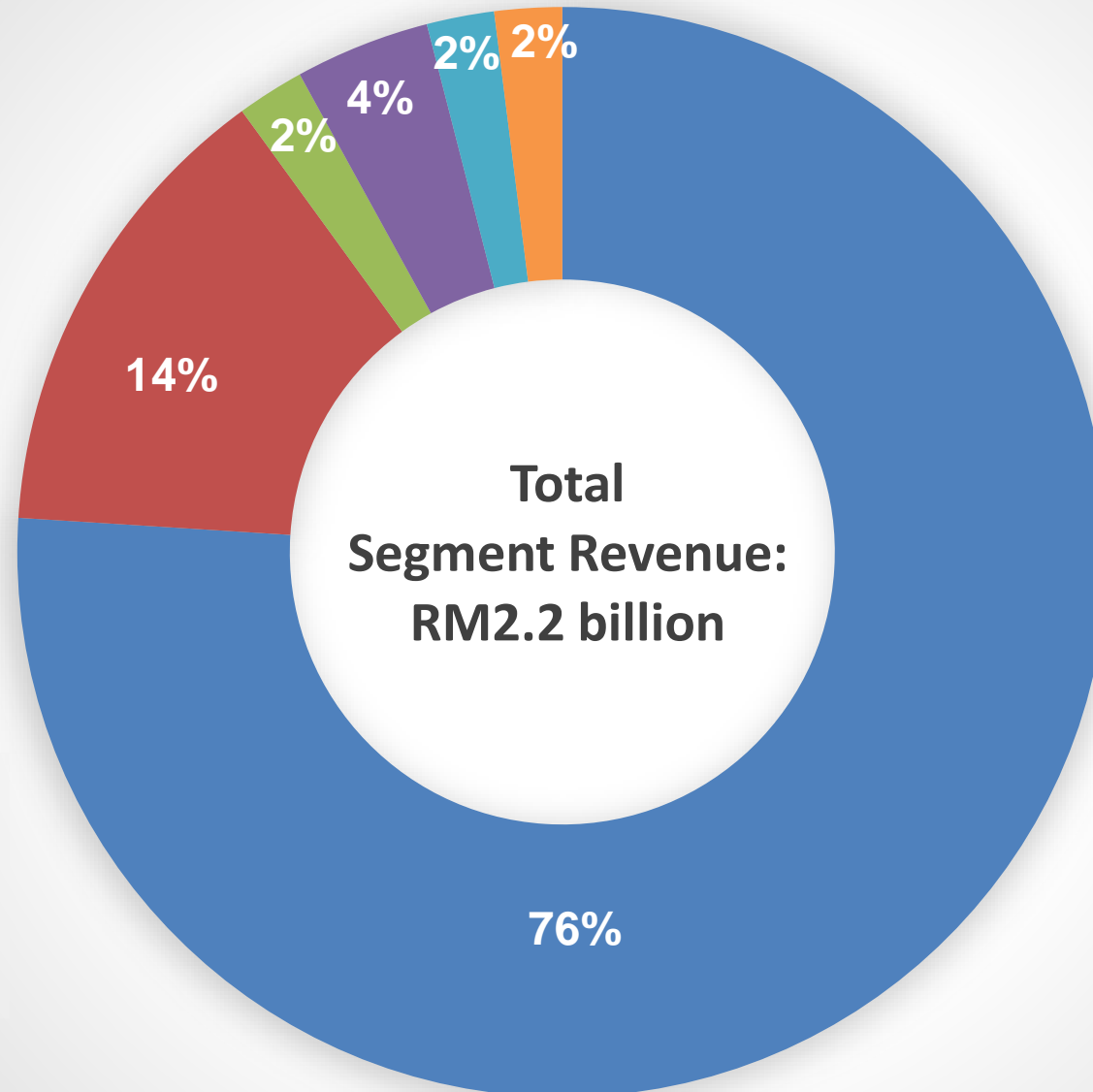
# FINANCIAL RESULTS

FOR THE 6 MONTHS ENDED 30 JUNE 2021

<b>(Figures in RM)</b>	<b>1H2021</b>	<b>1H2020</b>	<b>Change</b>
Revenue	2.2 bil	2.0 bil	9%
Operating Expenses	2.2 bil	2.0 bil	11%
Share of Wilmar's Profit	594 mil	446 mil	33%
PBT	591 mil	591 mil	0%
Profit attributable to owners of the parent	585 mil	520 mil	13%
EPS	41.2 sen	36.6 sen	13%

# SEGMENTAL INFORMATION

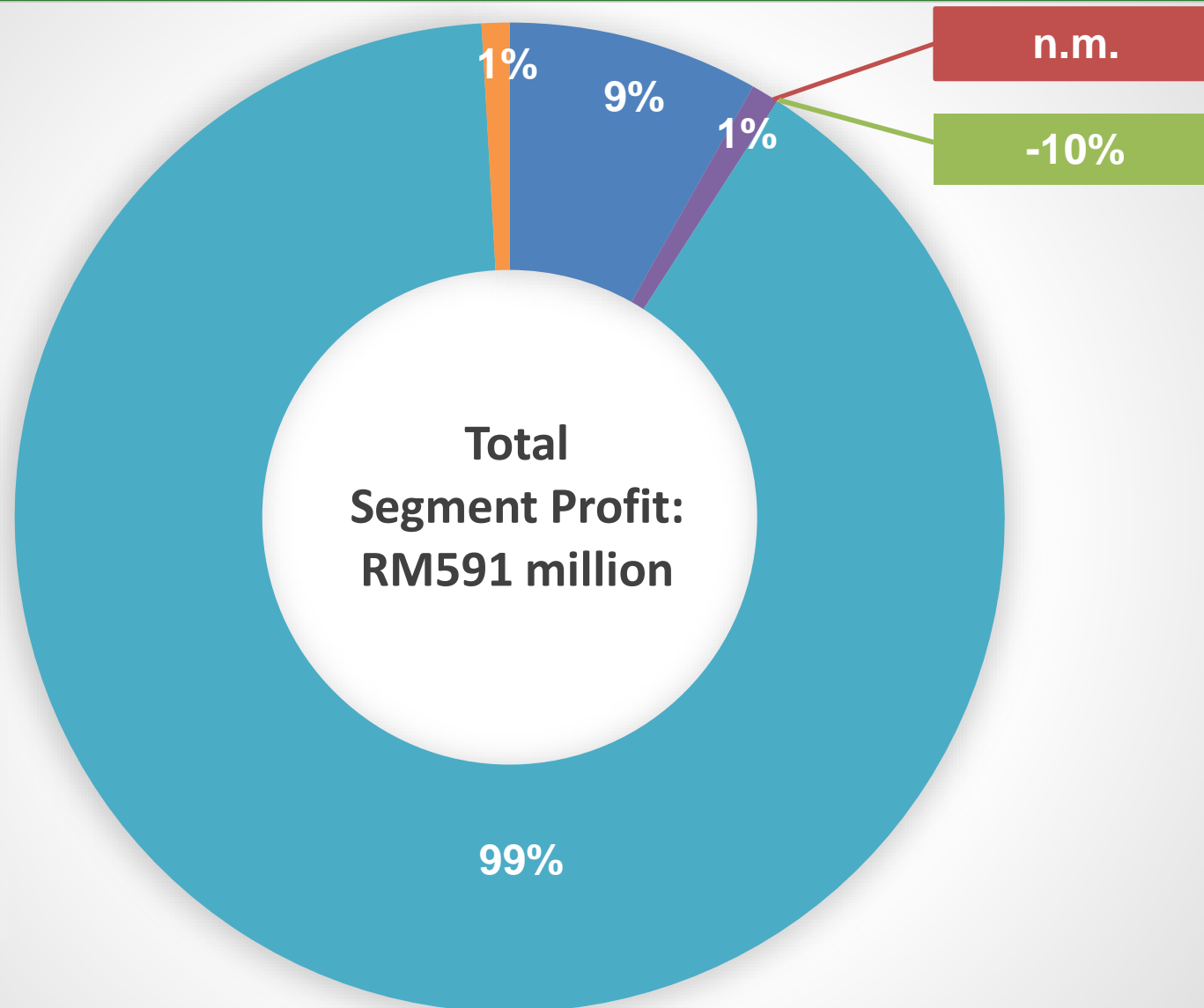
FOR THE 6 MONTHS ENDED 30 JUNE 2021



- Grains & Agribusiness
- Consumer Products
- Film Exhibition & Distribution
- Environmental Engineering & Utilities
- Other operations
- Property

# SEGMENTAL INFORMATION

FOR THE 6 MONTHS ENDED 30 JUNE 2021



- Grains & Agribusiness
- Consumer Products
- Film Exhibition & Distribution
- Environmental Engineering & Utilities
- Other operations
- Property

n.m. = not material



PPB GROUP BERHAD

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# REVIEW OF MAIN OPERATIONS

- Financial Performance**
- Key Events in 1H2021**
- Developments for 2H2021**

# FINANCIAL PERFORMANCE

**+ 9%**

## Revenue

1H21 RM1.70 bil

1H20 RM1.55 bil

**- 72%**

## Segment Profit

1H21 RM52 mil

1H20 RM181 mil

- The sharp rise in commodity prices has led to a significant increase in raw material costs of flour and feed products; with limited price-in mechanism, gross profit margin compression was seen across the sub-segments.



# DEVELOPMENTS IN 2H2021

- Construction of a new 500-mt/day wheat flour mill by VFM-Wilmar Flour Mills Co Ltd at its existing factory in Quang Ninh Province, in northern Vietnam at an estimated cost of USD19.7 million.  
(Expected completion : 3Q2021)

**- 2%**

## Revenue

1H21 RM320 mil

1H20 RM326 mil

**- 98%**

## Segment Profit

1H21 RM0.4 mil

1H20 RM20 mil

- Included in the 1H2020 results was a one-off gain on the step-acquisition of an associate which amounted to RM10 million.
- Performance was significantly impacted by the increased cost of goods sold on the back of rising commodity prices.

# KEY EVENTS IN 1H2021

FFM Marketing Sdn Bhd launched :-

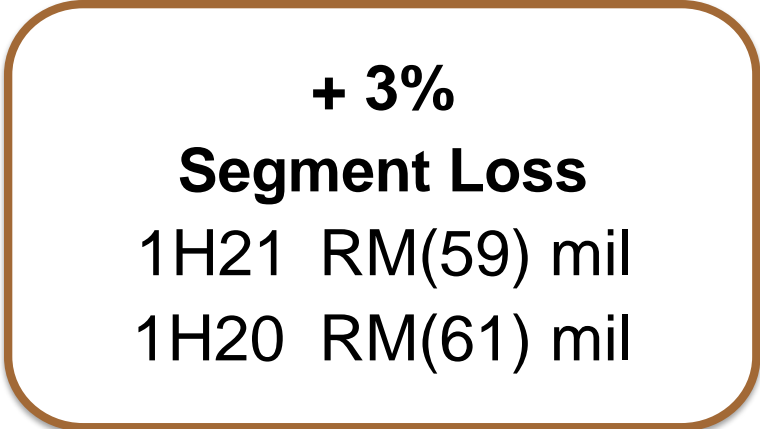
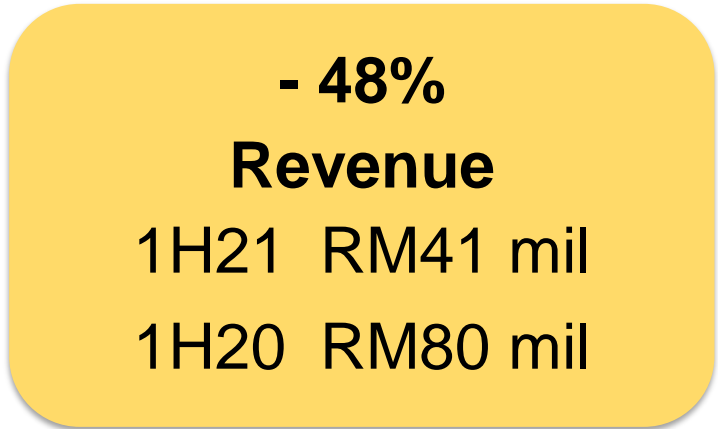
- V-Soy Original No Sugar Added Soya Bean Milk in June 2021.

The Italian Baker Sdn Bhd launched :-

- Massimo Tamper-Evident bread bag packaging in February 2021.
- Massimo Peanut Butter cream roll in February 2021.
- Massimo Seeded Multigrain with Barley loaf in June 2021.



# FINANCIAL PERFORMANCE



- Cinema operations were significantly impacted by the prolonged cinema closures throughout 1H2021 as the country enforced strict Movement Control Orders (“MCO”) to contain the Covid-19 pandemic.

# KEY EVENTS IN 1H2021

- On 23 February 2021, GSC signed an Asset Sale Agreement to acquire 18 MBO Cinemas' assets. The completion date of the acquisition has been extended to mid-Sep 2021.
- Expanded food delivery service through Foodpanda platform in May 2021.
- Accelerated co-production of local content by GSC Movies.
- Continued to expand online revenue initiatives (e.g. social media packages, Keepsake).

# NEW DEVELOPMENTS IN 2H2021



- GSC Rewards is scheduled to launch in Q4 2021 to drive more admissions, retain cinemagoers, build customer loyalty and attract new cinemagoers.
- Happy Food Co, our new F&B brand, expects to launch its first cafe in Southkey, Johor Bahru in Q4 2021.

# FINANCIAL PERFORMANCE

**+ 63%**

**Revenue**

1H21 RM94 mil

1H20 RM58 mil

**- 39%**

**Segment Profit**

1H21 RM4.2 mil

1H20 RM6.9 mil

- Segment operations were also impacted by the lockdown and reduced operation capacity with the MCO in place during most of 1H2021.

# KEY EVENTS IN 1H2021

- Completed one water treatment plant in Johor with a contract value of RM21 million.
- Secured two water projects in Sarawak and Johor with a total contract value of RM126 million.
- Order book of RM402 million as at 30 June 2021.



# DEVELOPMENTS IN 2H2021

- Tendered for water projects in Malaysia and Brunei valued at RM480 million.
- Continue to focus on opportunities in our core sectors.

**+ >100%**

**Revenue**

1H21 RM53 mil

1H20 RM22 mil

**+ >100%**

**Segment Profit/(Loss)**

1H21 RM6 mil

1H20 RM(4) mil

- The increase in segment revenue and profit were mainly attributable to higher revenue recognised from the development of the Megah Rise project.

- Construction progress of Megah Rise has reached the roof level.

## MEGAH RISE



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# CAPITAL AND OTHER COMMITMENTS

# CAPITAL AND OTHER COMMITMENTS BY SEGMENT



**TOTAL CAPITAL AND OTHER COMMITMENTS FOR THE NEXT 4 YEARS : RM956 million**



# DIVIDEND RECORD

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Financial Year	Dividend Per Share (sen)	Dividend Paid/ Payable (RM Million)	Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
<b>2021</b>					
- Interim*	<b>10</b>	<b>142</b>	<b>0.5<sup>#</sup></b>	<b>24</b>	<b>26</b>
2020					
- Interim	8	114			
- Final	22	313	2.5	50	>100
- Special	<u>16</u>	<u>228</u>			
	<u>46</u>	<u>655</u>			
2019	31	441	1.6	38	94
2018	28	399	1.6	37	89
2017	30	356	1.7	30	93

\* The interim dividend of 10 sen per share is payable on 28 September 2021.

# Dividend yield is based on PPB share price of RM18.30 as at 30 June 2021.

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# SHARIAH COMPLIANCE STATUS



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PPB is classified as shariah-compliant based on an updated list of shariah-compliant securities by the Securities Commission's Shariah Advisory Council dated **28 May 2021**.



# PROSPECTS

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Global agricultural commodity prices have risen substantially this year, particularly for food commodities. It is expected that the food commodity prices will remain highly volatile given the potential disruption of supply in major producing countries affected by poor weather and rising demand of the grains as more countries' economies start to reopen.

# PROSPECTS

Performance of the ***Grains and agribusiness*** segment has been adversely impacted by the spike in commodity prices, particularly in the second quarter of this year. Gross Profit margin compression was seen across various sub-segments of this segment.

Management will continue to navigate the challenging situation in dealing with a highly volatile commodity market. Riding on the Group's experience in both the commercial and technical aspects, we aim to deliver an improved set of results for the following quarters.

# PROSPECTS

The **Consumer products** segment is expected to perform satisfactorily as it continues to expand its market place through the food services channel and e-commerce platform.

The acceleration of the National Immunization Program (NIP) and the subsequent lifting of restrictions will be key for the recovery of the **Film exhibition and distribution** segment. During this transition period of the NIP, management will continue its efforts to expand online business initiatives pending the reopening of our enlarged cinema chain with the newly acquired cinema assets of the former MBO cinema circuit. Stringent cost control remains as our top priority to improve operating cash flow and financial performance.

# PROSPECTS

The ***Environmental engineering and utilities*** segment will continue to focus on replenishing its order book and exploring new project opportunities.

Performance of the ***Property*** segment continued to be impacted by the ongoing Movement Control Order. Management remains steadfast in working on various initiatives to improve footfall in our malls and completing the development of the Megah Rise project.

# PROSPECTS

The Covid-19 pandemic will continue to weigh down on the ***Film exhibition and distribution*** and ***Property*** segments. The ***Grains and agribusiness*** segment, which is in the production and distribution of staple food and services, is expected to ride through the challenging operating environment and to deliver a satisfactory set of results for the rest of the year. Wilmar's performance will continue to contribute substantially to the overall profitability of the Group.



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