



PPB GROUP BERHAD

Press and Analyst Briefing Unaudited 1H2019 Results

4 September 2019

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

Group Financial Highlights

Review of Major Operations

- Financial Performance
- Key Events in 1H2019
- Developments in 2H2019

Capital and Other Commitments

Dividend Record

Shariah-compliance Status

Prospects for 2019



Group Financial Highlights

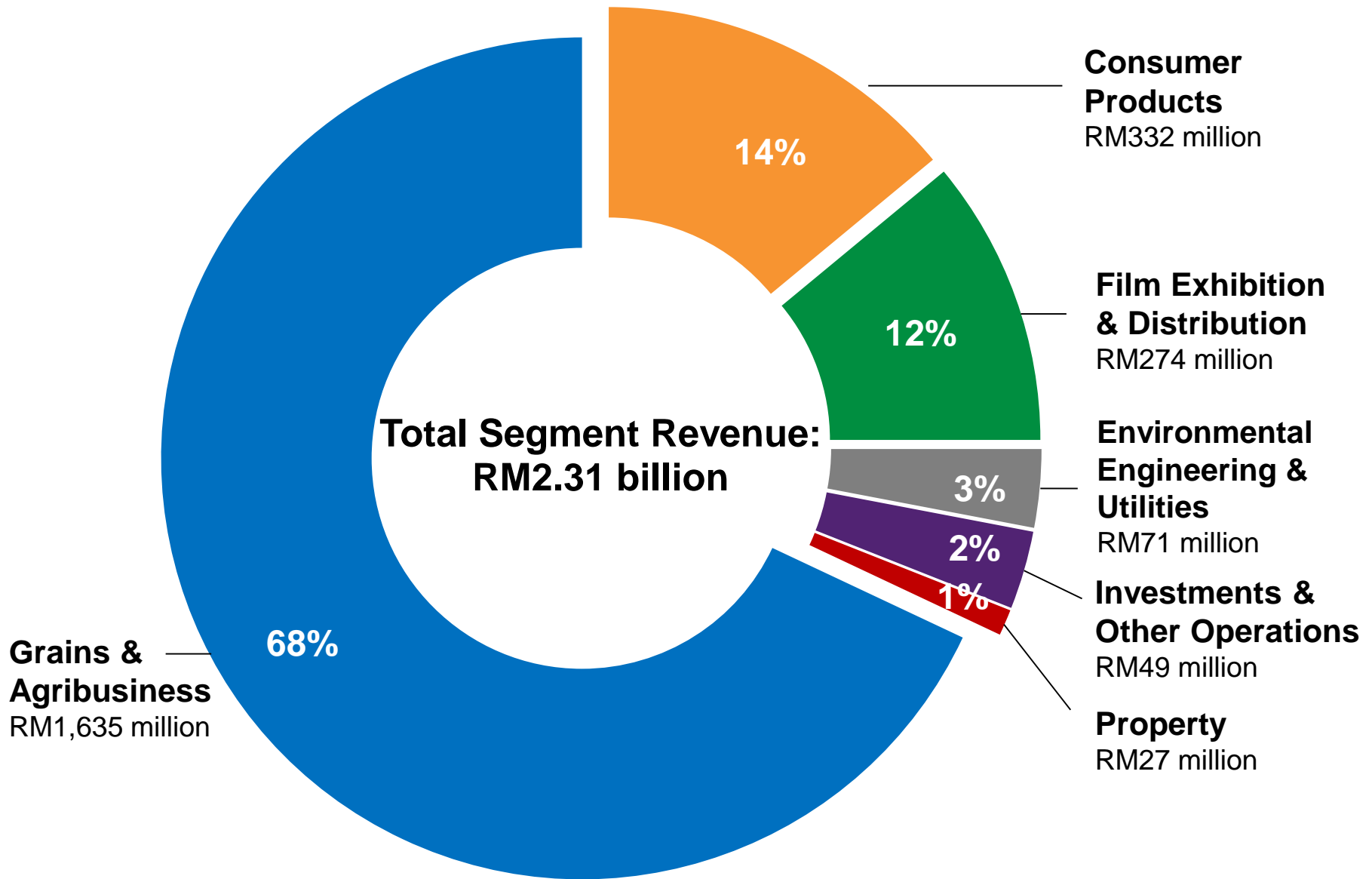
Financial Results

FOR THE 6 MONTHS ENDED 30 JUNE 2019

(Figures in RM)	1H2019	1H2018	Change
Revenue	2.31 bil	2.23 bil	▲ 4%
Operating Expenses	2.22 bil	2.14 bil	▲ 4%
Operating Profit	89 mil	92 mil	▼ 2%
Share of Wilmar's Profit	310 mil	376 mil	▼ 18%
PBT	461 mil	546 mil	▼ 15%
Profit for the Period	428 mil	507 mil	▼ 16%
EPS	28.71 sen	34.72 sen	▼ 17%
Net Assets Per Share	RM14.90	RM14.49	▲ 3%

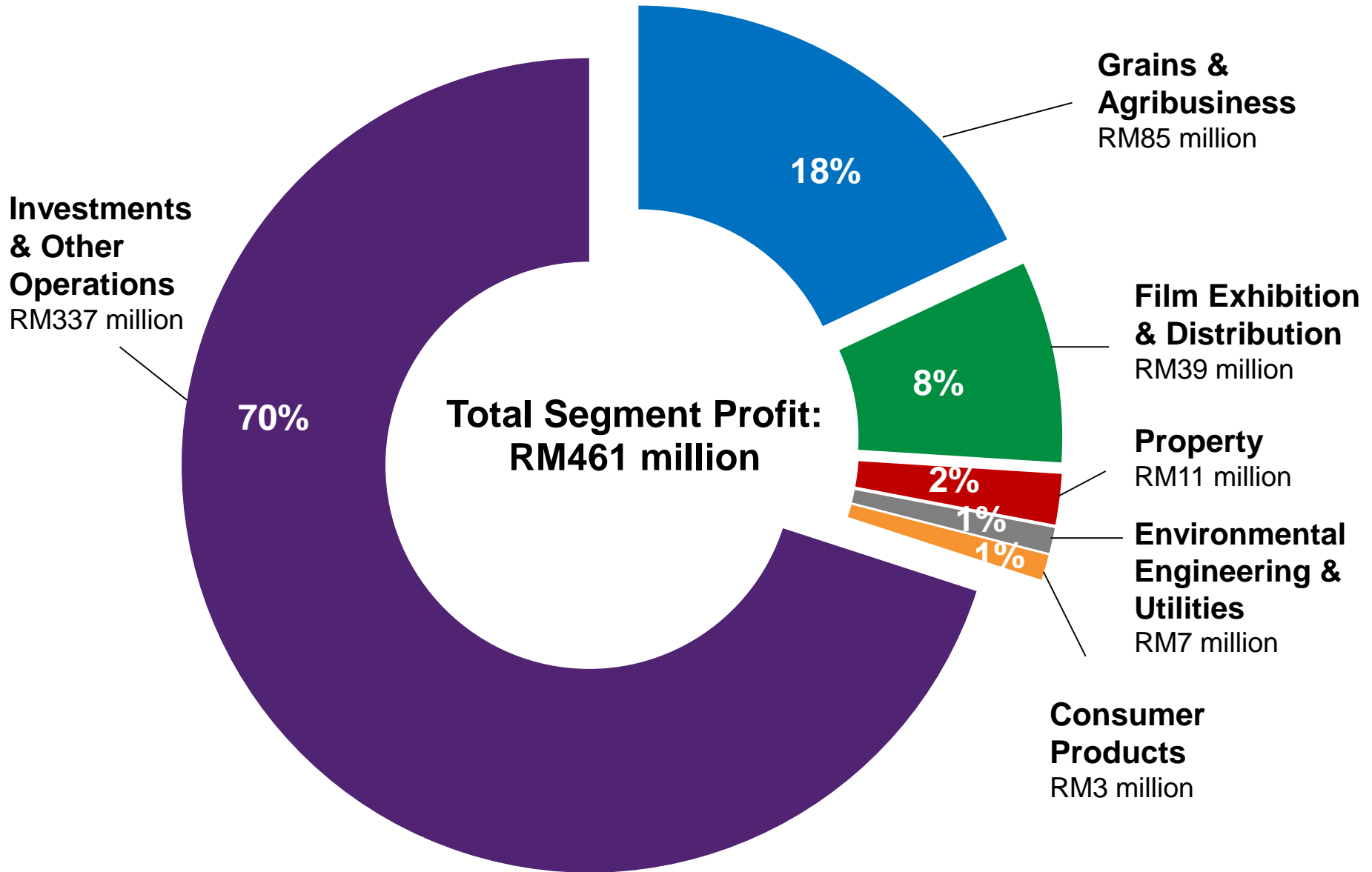
Segmental Information

FOR THE 6 MONTHS ENDED 30 JUNE 2019



Segmental Information

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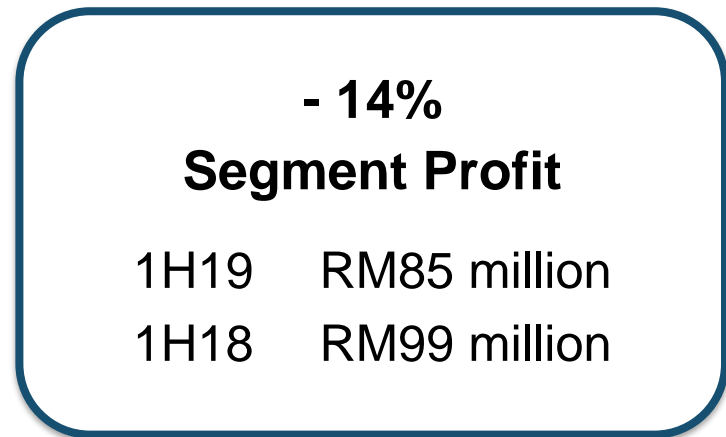
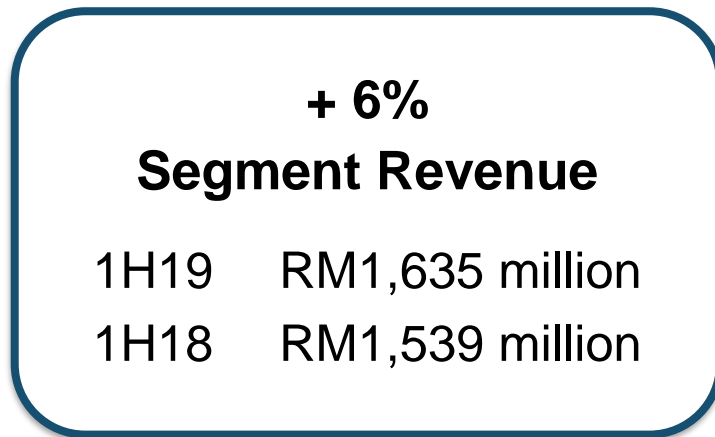



Review of Major Operations


- Financial Performance**
 - Key Events in 1H2019**
 - Developments in 2H2019**
-

Grains & Agribusiness

Financial Performance




 Segment revenue increased mainly attributable to higher flour sales.

 Segment profit was lower by 14% mainly due to weaker performance from the animal feed division.

Grains & Agribusiness

Development in 2H2019

-  VFM-Wilmar Flour Mills Co Ltd's construction of a new 500-mt/day wheat flour mill at its existing factory location in Quang Ninh Province, in northern Vietnam at an estimated cost of USD19.7 million.

(Expected date of completion: 4Q2020)

Consumer Products

Financial Performance

- 0.3%	
Segment Revenue	
1H19	RM332 million
1H18	RM333 million

- 62%	
Segment Profit	
1H19	RM3 million
1H18	RM7 million



Segment revenue was relatively unchanged.



Segment profit decreased due to lower sales of in-house products and higher operating costs at bakery division.

Consumer Products


Key Event in 1H2019

- FFM Marketing Sdn Bhd (FMSB) launched Massimo Kurma and Milk Loaf in May 2019.



Consumer Products

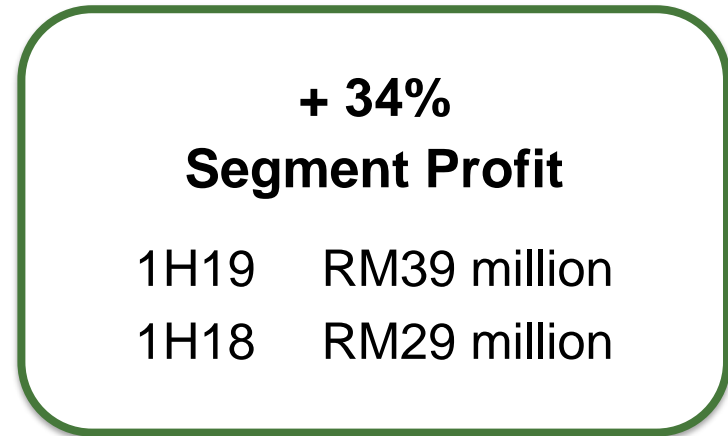
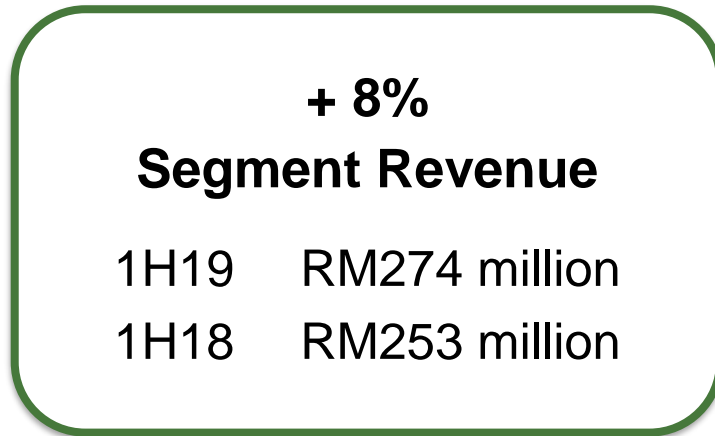
Development in 2H2019

-  A new production facility for halal-certified frozen food is being constructed in Pulau Indah for Kart Food Industries Sdn Bhd at an estimated cost of RM22 million.

(Expected date of completion : 4Q2019)

Film Exhibition & Distribution




Financial Performance



The improved segment revenue and profit were due to higher contribution from the distribution of Chinese New Year and local Malay titles as well as release of strong titles.

Film Exhibition & Distribution

Key Events in 1H2019

-  GSC launched its first family-friendly hall, PlayPlus at GSC IOI Puchong on 9 March 2019. PlayPlus is a new sub-brand of GSC, specially crafted to meet the needs of families and children.
-  GSC launched its second 4DX hall in the Klang Valley (third in Malaysia) at GSC IOI City Mall, Putrajaya on 27 March 2019.
-  On 1 April 2019, GSC embarked on a total brand refresh to enhance its branding to become more youthful, fun and dynamic with new GSC Logo.




-  Galaxy Studio JSC, Vietnam opened a 4-screen cinema at Trang Thi on 27 April 2019.



PlayPlus Hall at GSC IOI Mall, Puchong

Film Exhibition & Distribution

Developments in 2H2019

-  GSC launched Malaysia's first ever Screen X, 270° Panoramic Cinema at GSC One Utama on 5 August 2019, providing moviegoers a 270 degree viewing experience.
-  GSC plans to launch :-
 - Virtual Reality Boxes in cinemas
 - Loyalty program
-  GSC invested in co-production of the movie "Wira" which will be released in November 2019.
-  Major refurbishment of 3 key cinemas in Malaysia.
-  GSC will add 3 new screens at GSC Summit USJ in 4Q2019.




Screen X at GSC 1 Utama

Film Exhibition & Distribution

Developments in 2H2019

 GSC targets to open the following cinemas :

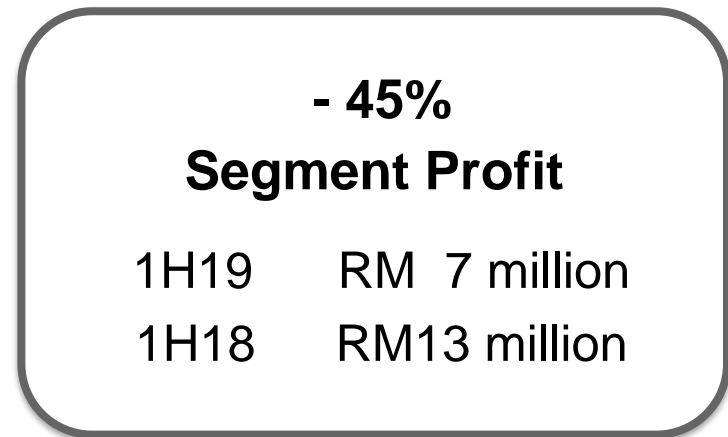
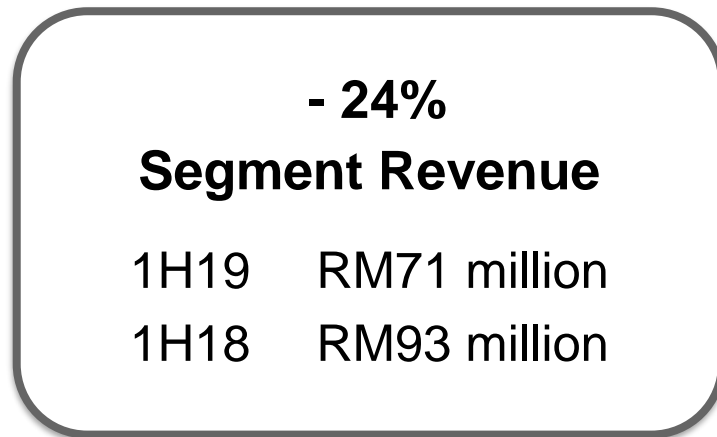
Location	No. of screens	Opening Date
Eko Cheras, Kuala Lumpur	8	26 July 2019
Mid Valley Southkey, Johor Bahru	18	4Q2019
Total	26	

 Galaxy Studio targets to open the following cinemas :

Location	No. of screens	Opening Date
Buon Ma Thuot, Daklak	5	26 July 2019
Long Xuyen, Mekong	5	4Q2019
Linh Trung, HCMC	5	4Q2019
Total	15	

Environmental Engineering & Utilities




Financial Performance



Segment revenue and profit were lower in 1H2019 mainly due to several new projects being at the initial stage of implementation.

Environmental Engineering & Utilities

Key Events in 1H2019

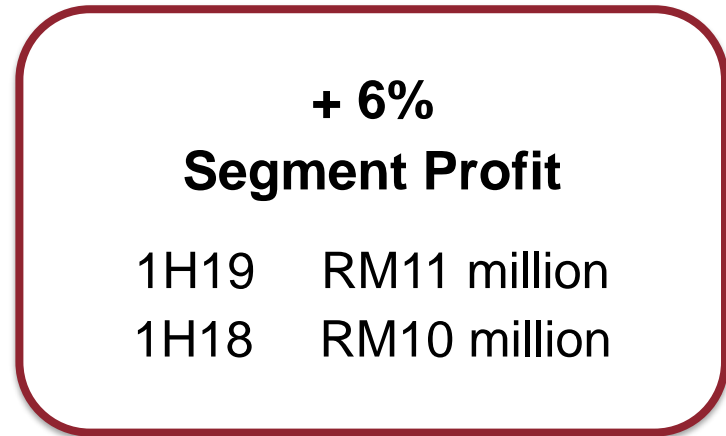
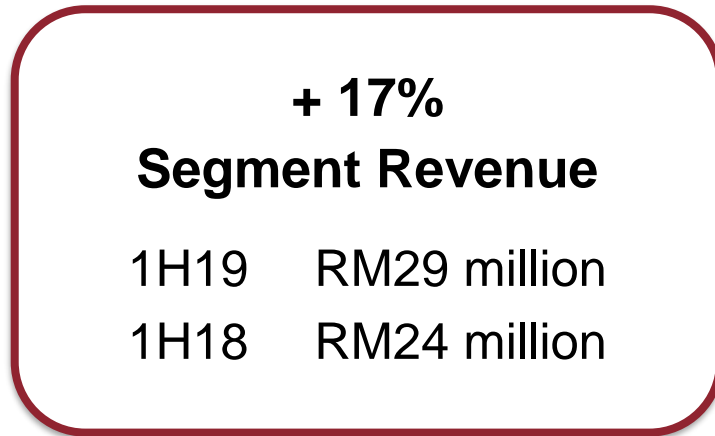
-  Completed two water projects and four network sewage pump stations with a total contract value of RM212 million.
-  Secured two water projects and one infrastructure project with a total contract value of RM524 million.
-  Order book of RM676 million as at 31 July 2019.



Handover Ceremony of Labohan Dagang Water Treatment Plant in Kuala Langat, officiated by Menteri Besar Selangor, Dato' Amirudin Sharion on 25 June 2019.

Property

Financial Performance



The higher segment revenue was mainly attributable to higher progress billings from the Megah Rise project.



Excluding one-off gain from sale of land and building amounted to RM5 million (2018: RM1 million), the segment profit for 1H2019 was at RM6 million (1H2018: RM9 million).



The lower segment profit was mainly due to lower contribution from mall operations as well as lower profit from property development businesses.

Property



Key Event in 1H 2019

-  Megah Rise super-structure works are in progress and within the targeted timeline.



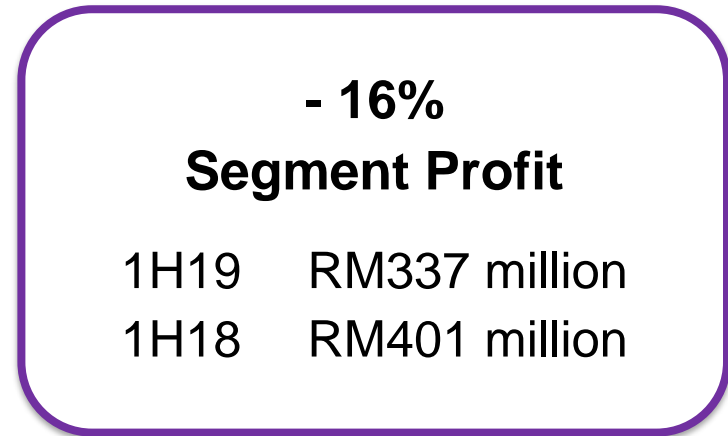
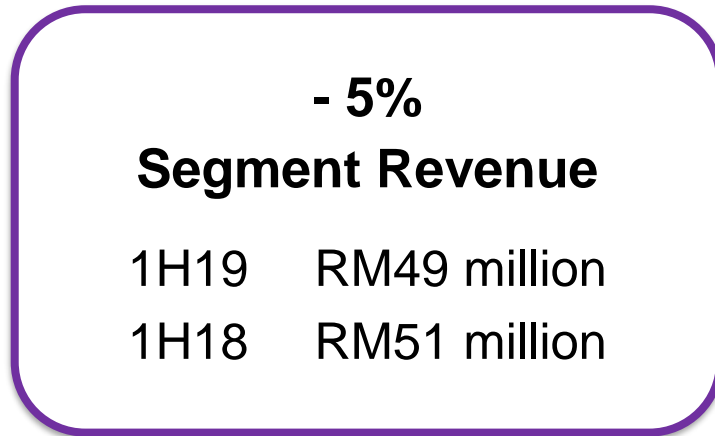
Property

Developments in 2H2019

-  Megah Rise has achieved sales of 49% of the total units as of 31 August 2019.
-  Southern Marina mixed development will focus on the retail podium which is expected to be completed by mid-2020.

Investments & Other Operations

Financial Performance



Segment profit decreased due to lower profit contribution from Wilmar International Ltd.



Capital and Other Commitments

Capital and other Commitments by Segments

as at 30 June 2019

RM395 mil

- **Grains & Agribusiness**
- Investments in China flour mills
- Construction of a 500 mt/day wheat flour mill
- Construction of 16,000 mt grain silos and 680 m² warehouse
- Construction of 4 raw wheat bins and upgrading of wheat pre-cleaning lines

RM379 mil

- **Film Exhibition & Distribution**
- 10 new cinemas
- Upgrading of existing cinemas

RM11 mil

- **Consumer Products**
- Construction of a new production facility
- Purchase of equipments

RM4 mil

- **Environmental Engineering & Utilities**
- Purchase of equipments

RM3 mil

- **Property**
- Upgrading works for investment properties

RM2 mil

- **Others**
- Purchase of equipment, plant & machinery

TOTAL CAPITAL AND OTHER COMMITMENTS : RM794 mil



Dividend Record

Dividend Record

Year	Dividend Per Share (sen)	Dividend Paid/ Payable (RM million)	Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
2019 - Interim*	8	114	0.4	28	41
2018	30	399	1.6	37	89
2017	30	356	1.7	30	93
2016	25	296	1.6	28	81
2015	25	296	1.6	28	80
2014	23	273	1.6	30	97

* The interim dividend of 8 sen per share is payable on 2 October 2019.



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 31 May 2019.



Prospects for 2019

Prospects for 2019

Grains and Agribusiness

The segment will capitalise on its established market position and synergistic strategies to remain resilient and is expected to perform satisfactorily.

Consumer Products

Expected to remain stable for the rest of the year.

Film Exhibition and Distribution

Expected to be supported by introduction of new cinematic technology and facilities in selected locations, opening of new cinemas and strong title releases.


Environmental Engineering and Utilities

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

Prospects for 2019

Property

The segment will continue to execute its existing projects and improve yield of its existing investment properties.

 PPB Group's main business segments are expected to perform satisfactorily. Wilmar's performance will continue to contribute substantially to the overall profitability of the Group.

