



PPB GROUP BERHAD

Press and Analyst Briefing Unaudited 1H2018 Results

4 September 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.

Agenda

Group Financial Highlights

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Review of Major Operations

- Financial Performance
- Key Events in 1H2018
- Developments in 2H2018

Capital Commitments

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Prospects for 2018

Shariah-compliance Status



Group Financial Highlights

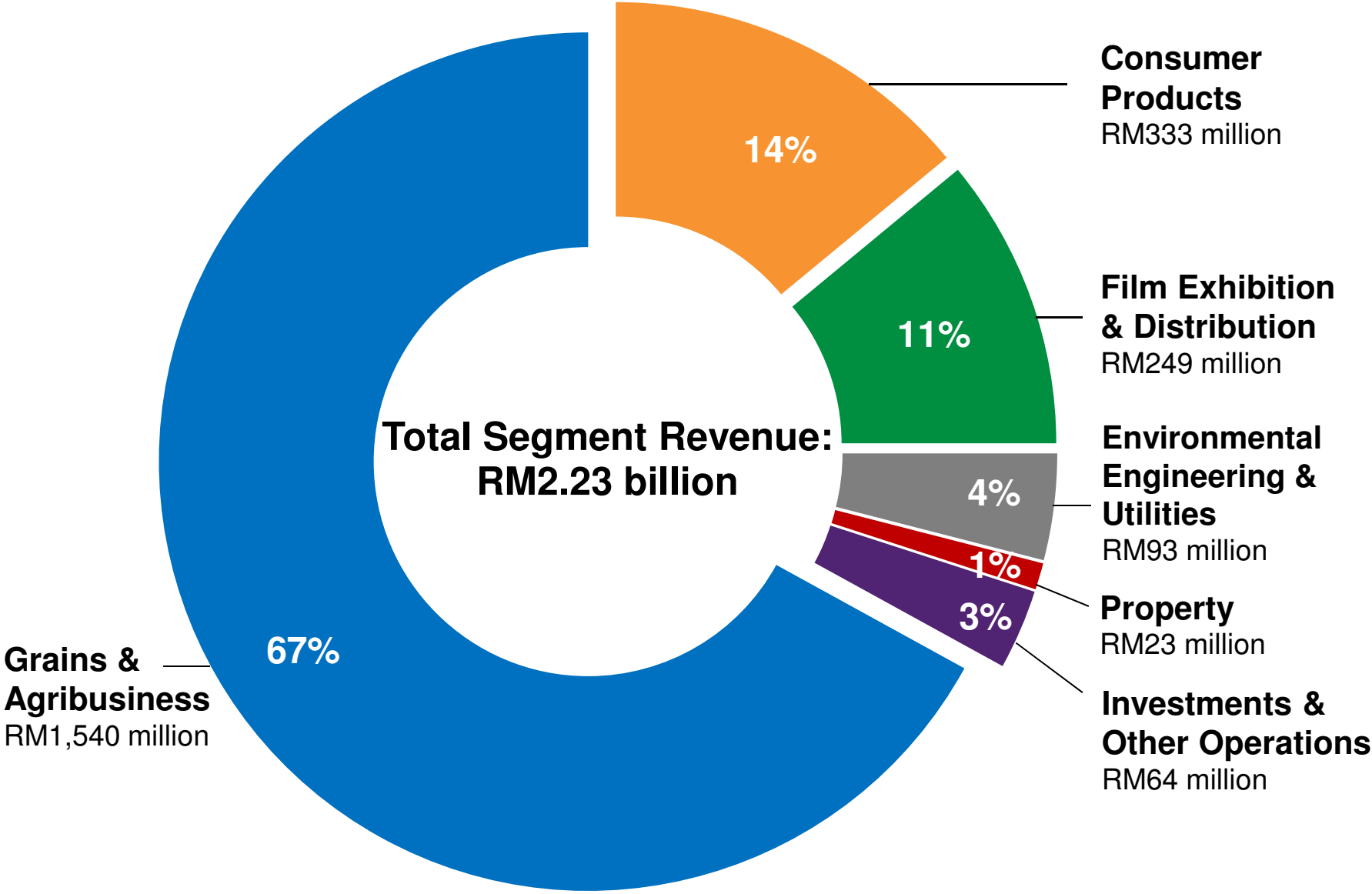
Financial Results FOR THE 6 MONTHS ENDED 30 JUNE 2018

(Figures in RM)	1H2018	1H2017 (Restated)	Change	
Revenue	2.23 bil	2.08 bil	▲	7%
Operating Expenses	2.14 bil	1.99 bil	▲	7%
Share of Wilmar's Profit	376 mil	323 mil	▲	16%
PBT	546 mil	480 mil	▲	14%
Profit for the Period	507 mil	443 mil	▲	14%
EPS*	34.7 sen	30.3 sen	▲	14%
Net Assets Per Share*	RM14.49	RM14.56	▼	-

* EPS and net assets per share were computed based on 1,422,598,939 ordinary shares after 1:5 bonus issue.

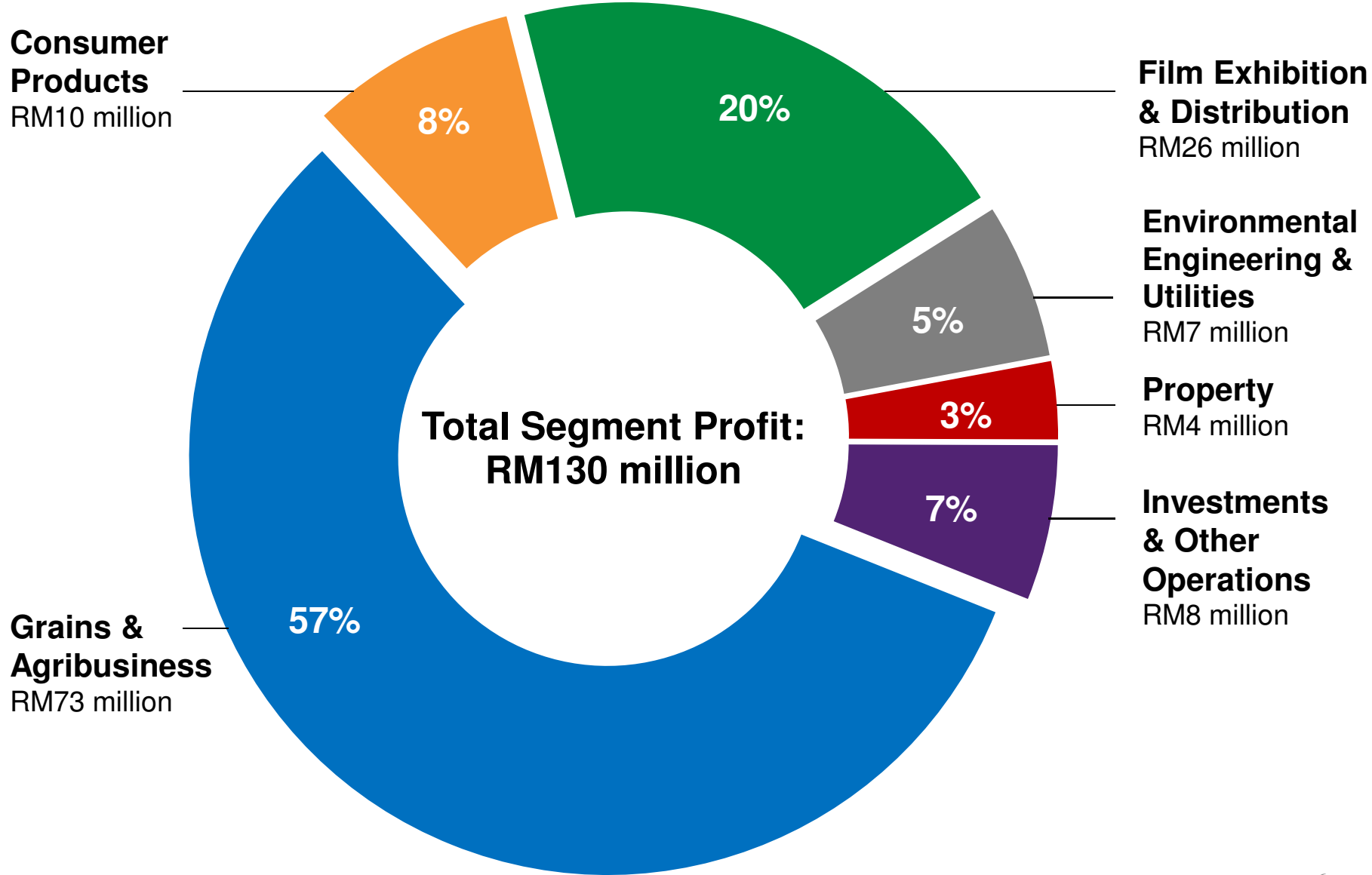
Segmental Information

FOR THE 6 MONTHS ENDED 30 JUNE 2018




Segmental Information

FOR THE 6 MONTHS ENDED 30 JUNE 2018



Corporate Exercise

1 FOR 5 BONUS ISSUE

-  PPB's 1 for 5 bonus issue was completed following the listing and quotation of 237,099,057 bonus shares on the Main Market of Bursa Securities on 27 July 2018.

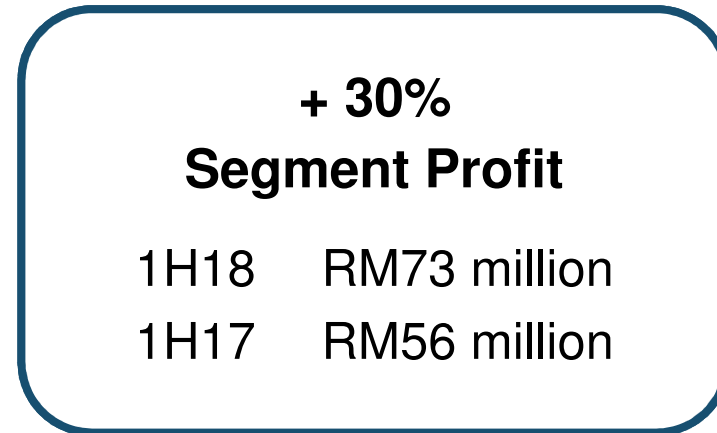
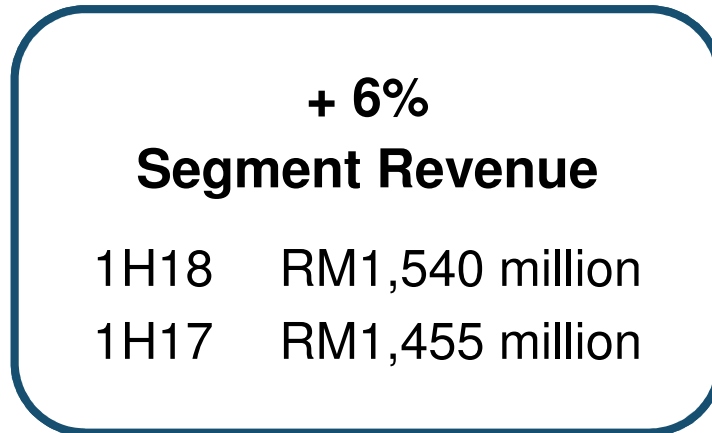




Review of Major Operations

- Financial Performance**
 - Key Events in 1H2018**
 - Developments in 2H2018**
-

Grains & Agribusiness

Financial Performance



-  Segment revenue increased mainly attributable to higher sales volume from all flour mills.
-  Segment profit was higher due to lower raw material costs and improved product margins from feed division.

Grains & Agribusiness

Key Events in 1H2018

-  The new 500-mt/day wheat flour mill in Pasir Gudang commenced operations in 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, in Northern Vietnam at an estimated cost of RM89 million.


Consumer Products

Financial Performance

- 3%	
Segment Revenue	
1H18	RM333 million
1H17	RM343 million

- 46%	
Segment Profit	
1H18	RM10 million
1H17	RM19 million

 The lower revenue was due to lower sales of in-house products.

 Segment profit decreased due to a one-time gain in 1H2017 on sale of land and building of RM8.0 million and weaker performance by the bakery division.

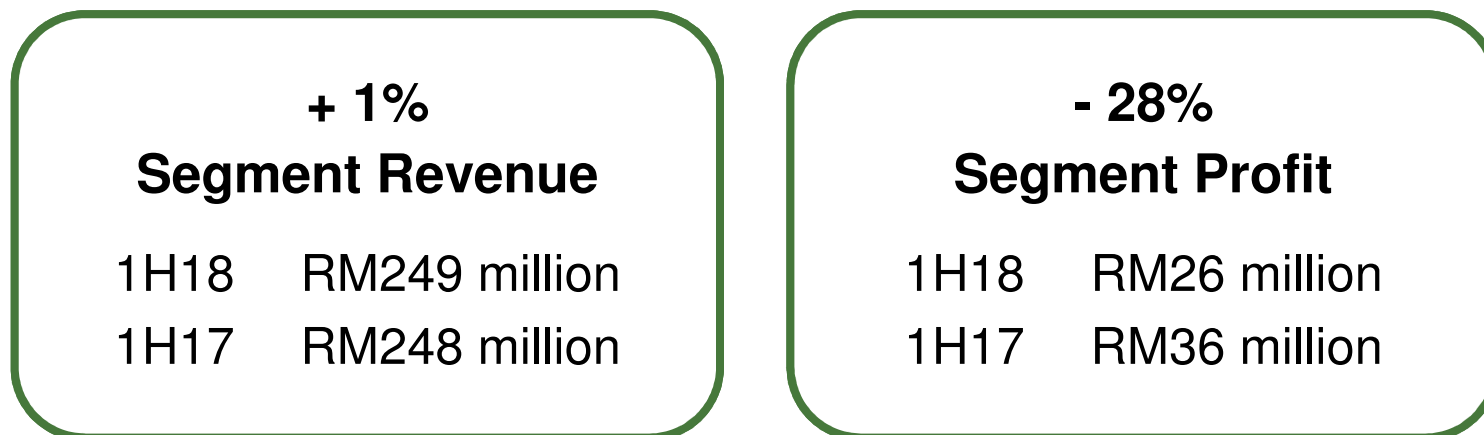
Consumer Products

Key Events in 1H2018

-  FFM Marketing Sdn Bhd launched Massimo Ricco Chocolato in January 2018 and Massimo Bunbino in June 2018.
-  Massimo was accorded the “Superbrand Malaysia 2018” status by Superbrands Malaysia in May 2018.
-  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.

Film Exhibition & Distribution

Financial Performance



Segment revenue was relatively unchanged.



The lower segment profit was mainly due to losses from the film distribution business as movie titles released were weaker than last year.



Film Exhibition & Distribution

Key Events in 1H2018

-  GSC launched Malaysia's first Onyx Cinema LED screen at GSC Mid Valley Megamall (Hall 11 – 102 seats) on 7 June 2018.
-  GSC co-produced two movies “Think Big Big” and “Paskal: The Movie”.
-  Galaxy Studio JSC, Vietnam opened a 7-screen cinema at Nguyen Van Qua, District 12 in April 2018.

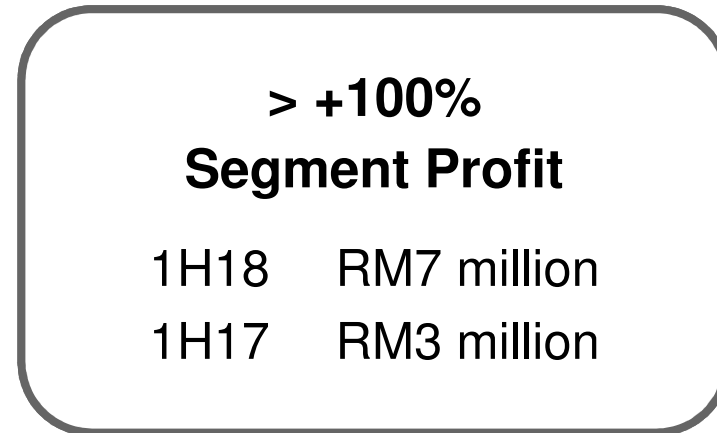
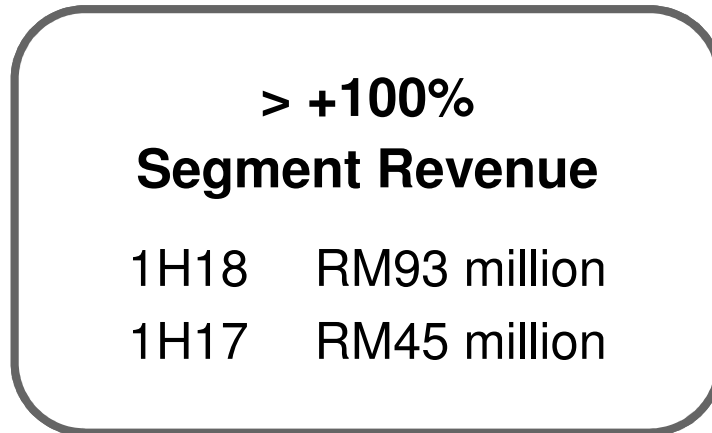
Film Exhibition & Distribution



Developments in 2H2018

-  Upgrading and refurbishing key cinemas namely, GSC IOI Puchong and GSC 1 Utama.
-  GSC will be adding 3 new screens at GSC Summit USJ.

Environmental Engineering & Utilities



Financial Performance





-  The higher revenue was due to progressive billings for the construction of projects secured in 2H2017.
-  The increase in segment profit was in line with higher revenue.

Environmental Engineering & Utilities

Key Events in 1H2018

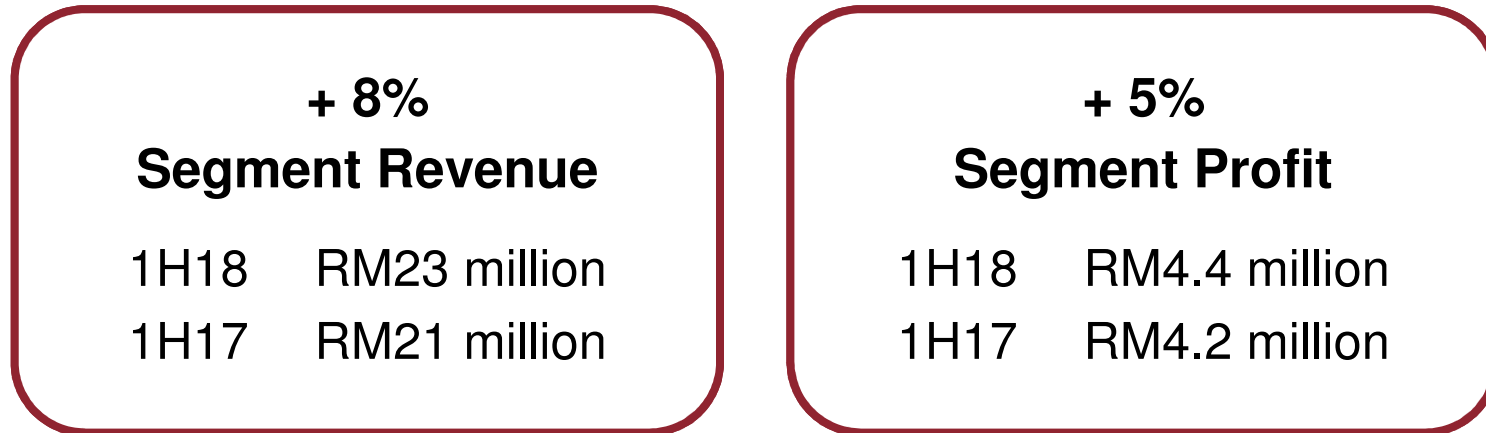
-  Completed the construction of a sewage network pump station with a contract sum of RM24 million.
-  Secured two sewage projects with a total value of RM157 million.



Developments in 2H2018

-  Existing order book of RM329 million as at 31 July 2018.
-  Pursuing tenders with an estimated value of RM700 million.

Property


Financial Performance




-  The higher segment revenue was mainly driven by higher project management fee income.
-  The increase in segment profit was due to the one-time gain on the sale of vacant land which was offset by higher operating cost.

Property

Key Events in 1H2018

-  Cheras LeisureMall launched its link bridge to Taman Mutiara MRT station in January 2018, increasing lettable area and improving access to the Mall.

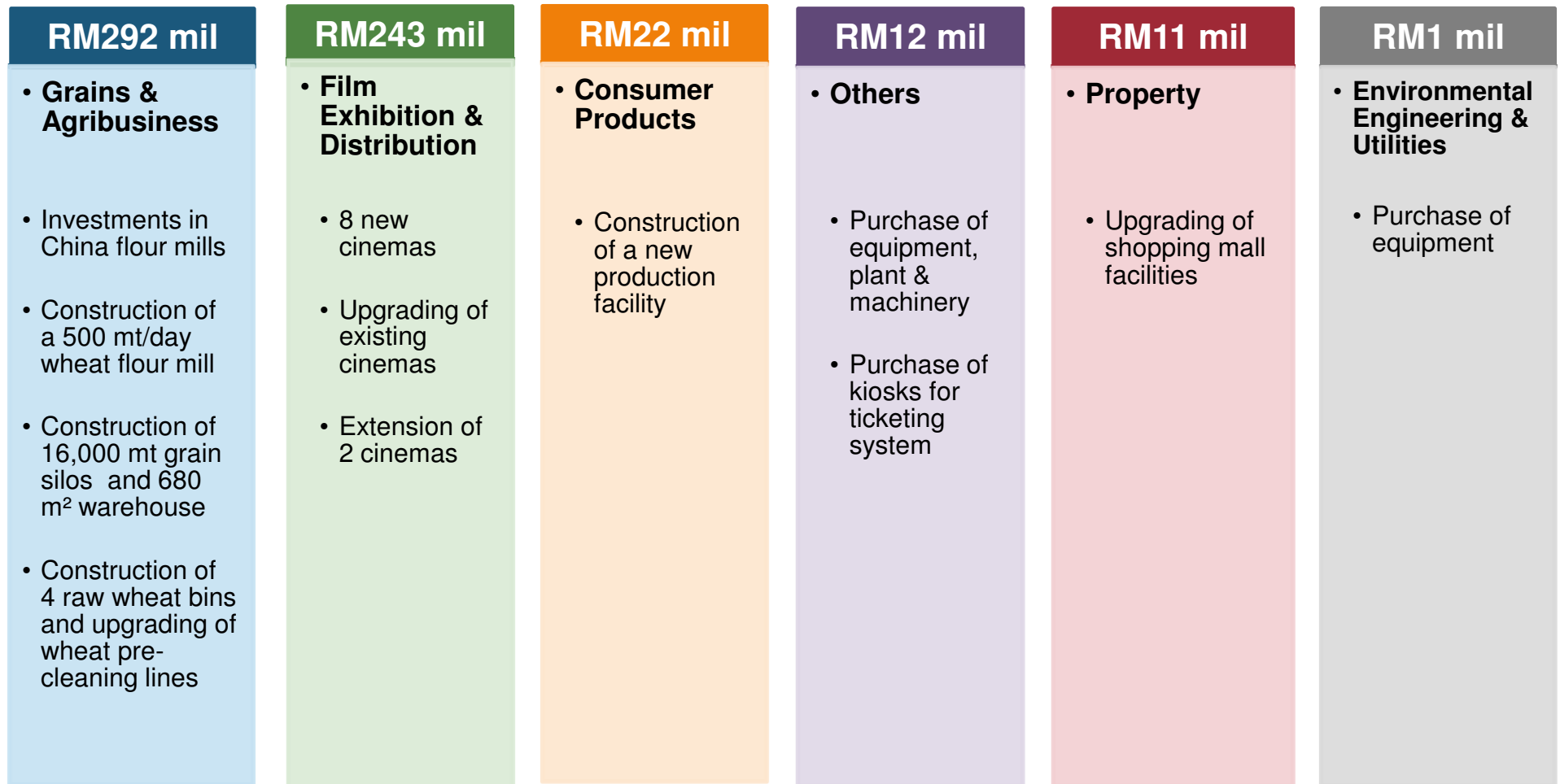
Developments in 2H2018

-  The Property Division plans to launch Phases 3 & 4 comprising 3-storey bungalows in Taman Tanah Aman, Seberang Jaya.



Capital Commitments

Capital Commitments by Segments as at 30 June 2018



TOTAL CAPITAL COMMITMENTS : RM581 mil



Dividend Record

Dividend Record

Year	Single Tier Dividend Per Share (sen)	Dividend Paid/ Payable (RM million)	Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
2018 - Interim*	8	114	0.5	23.1	43.4
2017	30	356	1.7	29.5	92.6
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

* The interim single tier dividend of 8 sen per share is payable on 4 October 2018.



Prospects for 2018

Prospects for 2018

Grains and Agribusiness

Expected to perform satisfactorily with stable demand in 2H2018 coupled by continuous efforts to strive for cost efficiency and focus on product quality.

Consumer Products

Expected to remain stable with more promotional activities and campaigns planned for 2H2018.

Film Exhibition and Distribution

Expected to be supported by a strong movie line-up and contribution from newly opened cinemas in Malaysia for 2H2018.


Environmental Engineering and Utilities

In line with the construction progress of contracts in hand, the segment is expected to perform better in 2H2018.

Prospects for 2018

Property

With encouraging sales of the Megah Rise project in Petaling Jaya and improved tenancy from the extended and refurbished Cheras LeisureMall operations, the segment is expected to perform satisfactorily.

 PPB Group's main business segments are expected to perform satisfactorily for the current financial year. However, 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 25 May 2018.

