



# PPB GROUP BERHAD

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## PRESS AND ANALYST BRIEFING Unaudited FY2015 Results

1 March 2016

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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

**Business Segments**

**Group Financial Highlights**

**Review & Key Achievements of Major Operations**

**5-Year Financial Performance**

**Capital Commitments**

**Dividend Record**

**Share Price Performance**

**Prospects for 2016**



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# Business Segments

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# Business Segments

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



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# Group Financial Highlights

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# Financial Results FOR THE YEAR ENDED 31 DEC 2015

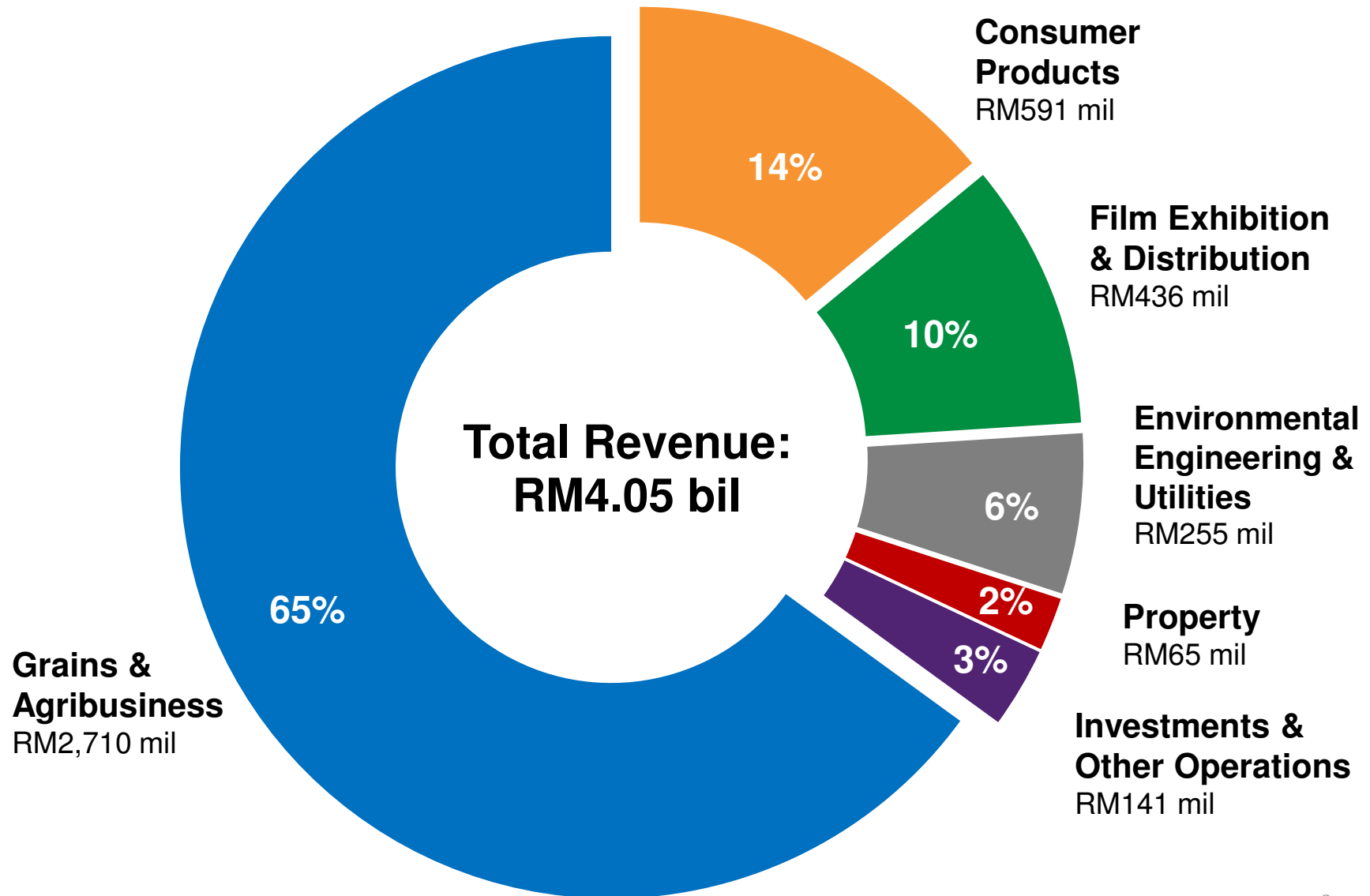
<b>(Figures in RM)</b>	<b>2015</b>	<b>2014</b>	<b>Change</b>
Revenue	4.05 bil	3.70 bil	▲ 9%
Operating Expenses	3.84 bil	3.48 bil	▲ 11%
Share of Wilmar's Profit	0.77 bil	0.70 bil	▲ 10%
PBT	1.18 bil	1.03 bil	▲ 15%
Profit for the Year	1.08 bil	0.94 bil	▲ 15%
EPS	88.68 sen	77.33 sen	▲ 15%

# Financial Ratios

FOR THE YEAR ENDED 31 DEC 2015

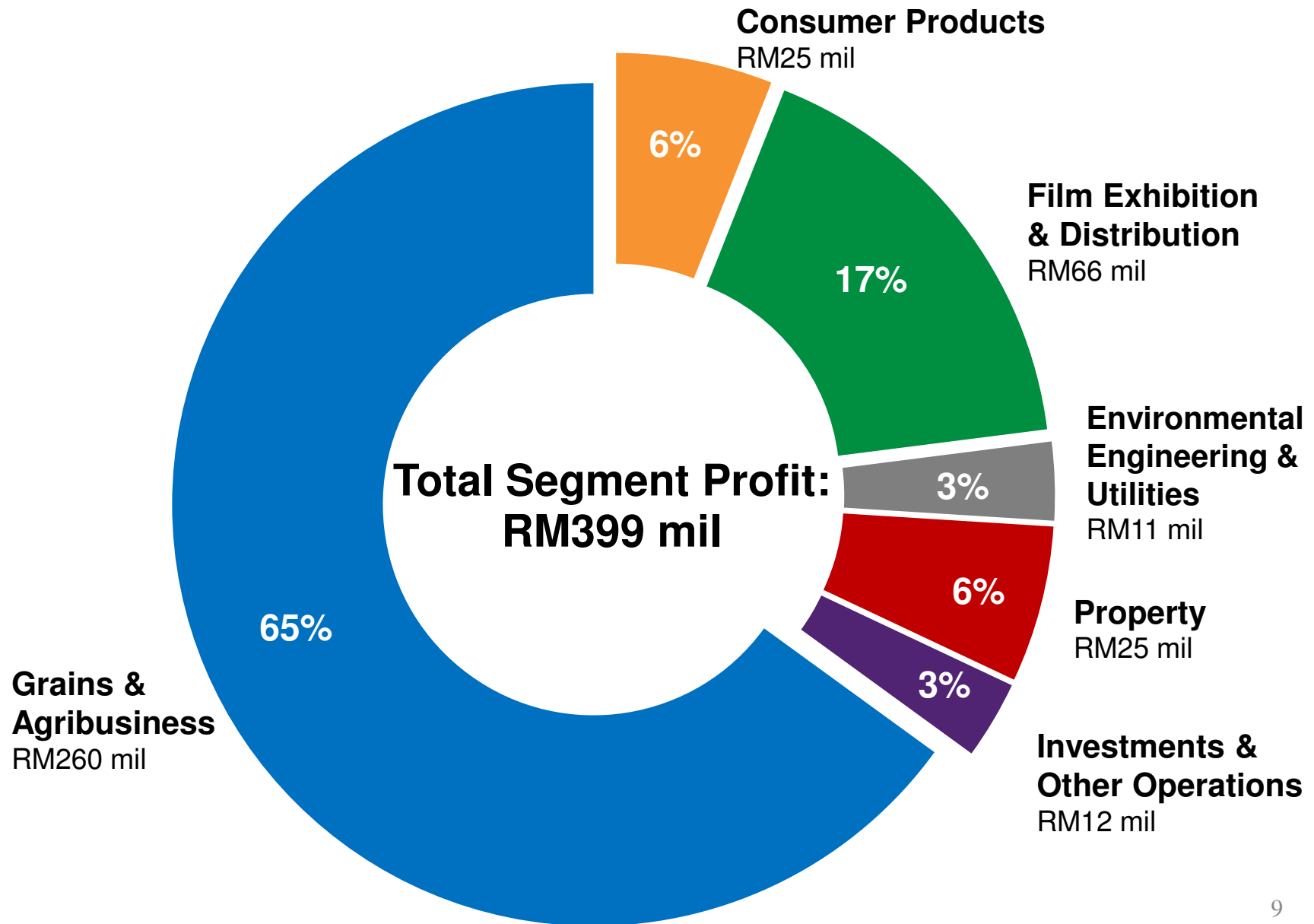
	<b>2015</b>	<b>2014</b>
EPS	88.68 sen	77.33 sen
ROE Attributable to Owners of the Parent	5.30%	5.50%
Net Assets Per Share Attributable to Owners of the Parent	RM16.80	RM14.19

# Segmental Information FOR THE YEAR ENDED 31 DEC 2015





# Segmental Information FOR THE YEAR ENDED 31 DEC 2015





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# **Review & Key Achievements Of Major Operations in 2015**

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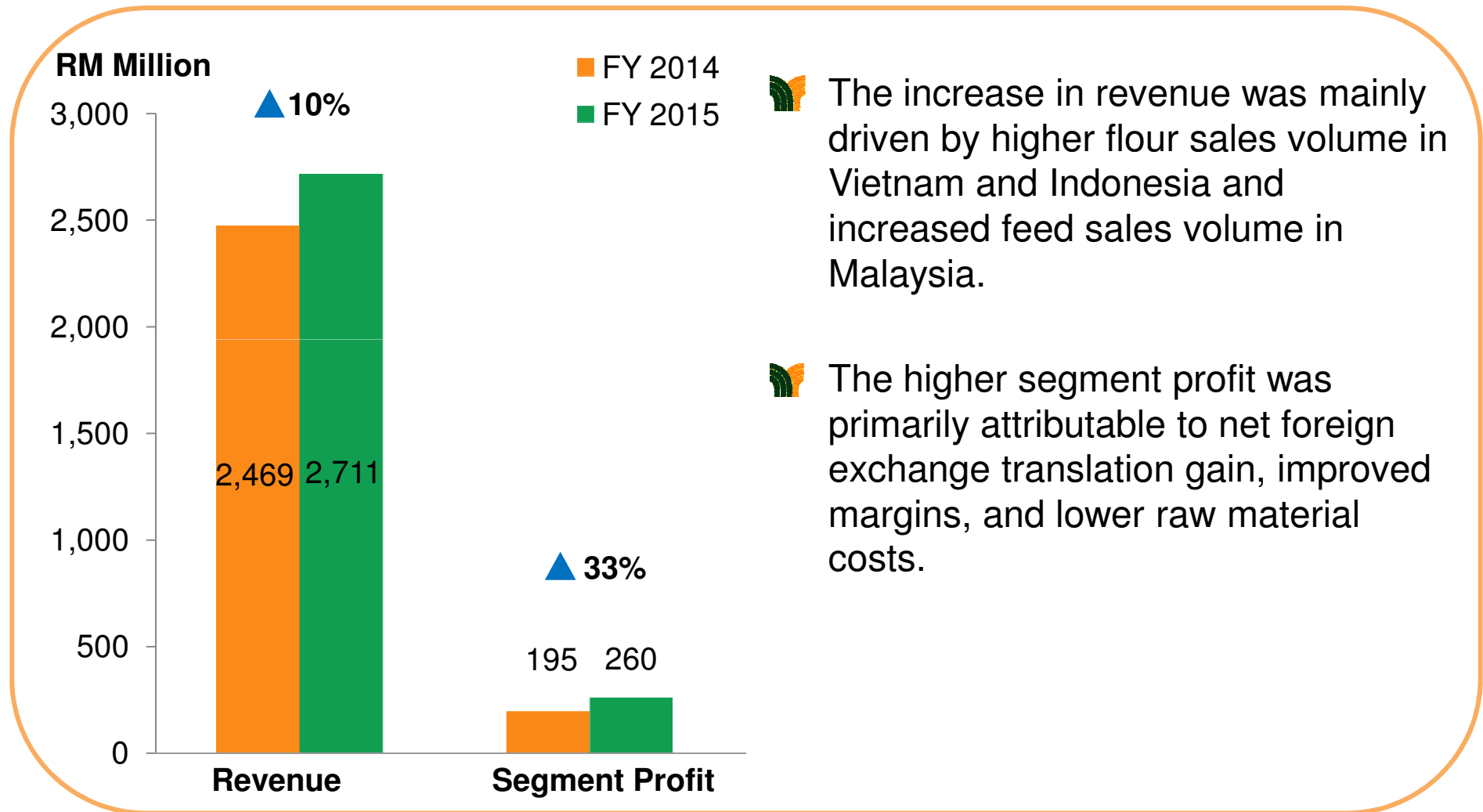
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# grains & agribusiness

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# Grains & Agribusiness

## Review of Major Operations



# Grains & Agribusiness

## Key Achievements in 2015

-  VFM-Wilmar Flour Mills Co. Ltd, a 51%-owned subsidiary of FFM Berhad (FFM), commenced operations of its 500mt wheat per day flour mill in Quang Ninh, Northern Vietnam in February 2015.
-  FFM was awarded the Winner of the Outstanding Feedmiller Award 2015 at the 8<sup>th</sup> Malaysian Livestock Industry Awards 2015. FFM received the biennial award on 21 September 2015 from the Minister of Agriculture and Agro-based Industry at the Livestock Asia 2015 Expo & Forum held at the Kuala Lumpur Convention Centre.
-  FFM's flour mill at Pulau Indah has successfully completed the assessment for Food Safety System Certification 22000-Food version 3:2013 certification (FSSC 22000) on 29 October 2015. FSSC 22000 certification demonstrates that the entity has a robust and effective food safety management system in place to meet the requirement of regulators, customers and consumers.



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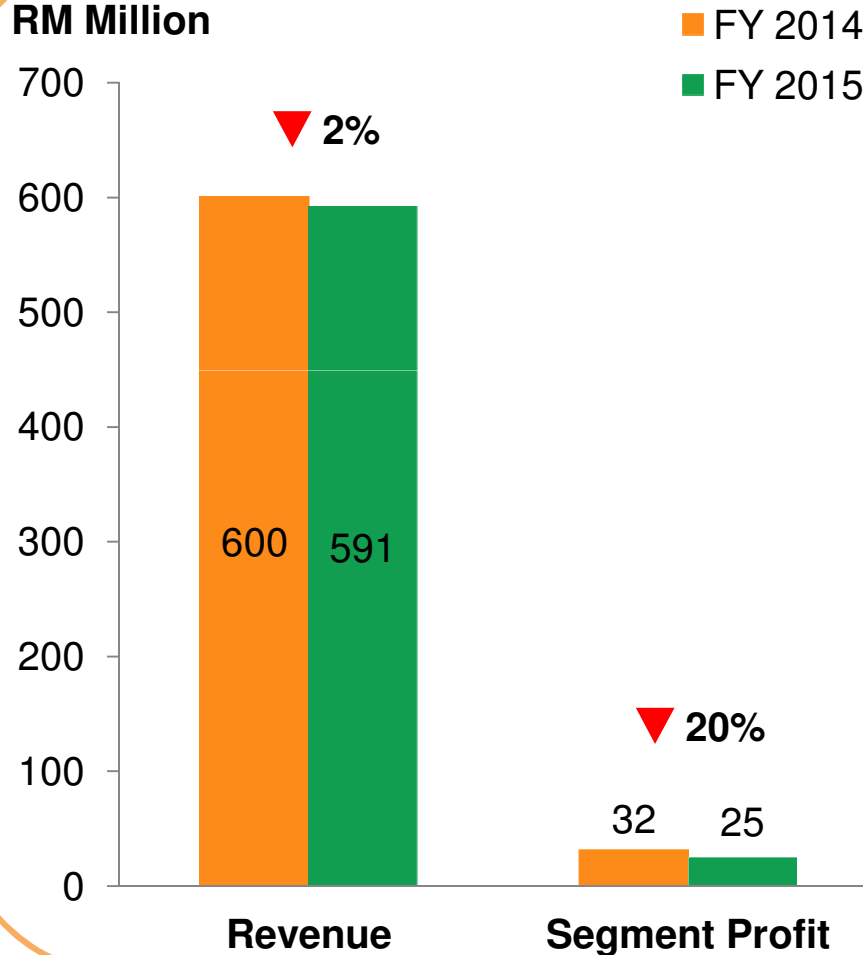
# consumer products

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# Consumer Products

## Review of Major Operations

RM Million



The marginal decrease in revenue was due to discontinuance of an agency product and lower revenue from certain agency products.



Lower revenue amid higher staff costs and higher depreciation charge resulted in lower segment profit.

# Consumer Products

## Key Achievements in 2015

### **Consumer Products**

- FFM Marketing Sdn Bhd (FMSB) was awarded one of the best employers by EPF, Shah Alam branch on 27 October 2015.

### **Food Processing**

- FFM Further Processing Sdn Bhd (FFP) commissioned a new production line at its processing plant with a production capacity of 1,000kg per hour formed products (nuggets, burgers, chick-fried) in January 2015.
- During the year, FFP obtained ISO 22000 Food Safety Management System certified by Lloyd's Register.



# Consumer Products

## Key Achievements in 2015

### Bakery

- FMSB expanded distribution of its Massimo Chiffon in a Cup to East Malaysia in May 2015.
- FMSB won the silver medal in the foodstuff category at the Putra Brand Awards in August 2015.



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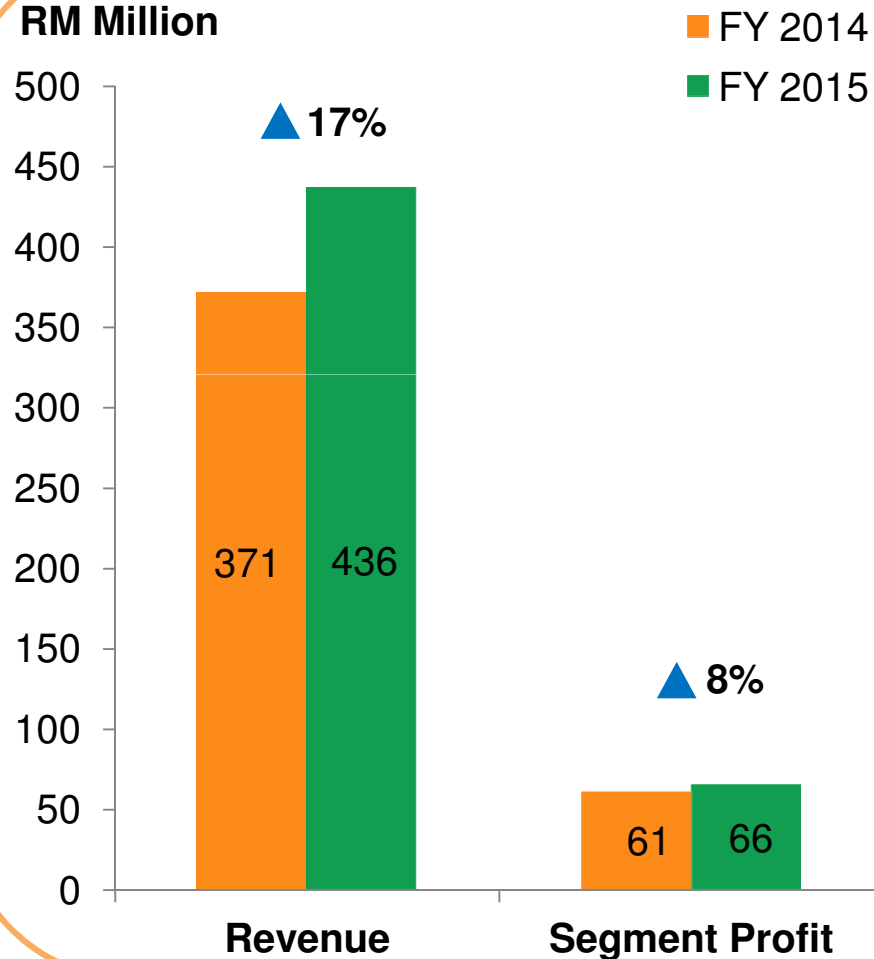
# film exhibition & distribution

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# Film Exhibition & Distribution

## Review of Major Operations

RM Million



The higher revenue was due to contribution from new cinemas opened in 2015 and improved cinema collections from blockbuster movies released.



Better segment profit was mainly from higher cinema exhibition and distribution revenue.

# Film Exhibition & Distribution

## Key Achievements in 2015

 GSC opened 5 new cinemas in 2015:-

Cinema	No. of screens	Opening Date
GSC Nu Sentral, KL	11	29 Jan 2015
GSC Ipoh Parade, Ipoh	11	5 Feb 2015
GSC IOI City Mall, Putrajaya	13	12 Feb 2015
GSC Klang Parade Mall, Klang	8	11 Jun 2015
GSC Aman Central, Alor Setar	10	22 Oct 2015
	<b>53</b>	

Cinema	No. of screens	Closure Date
Closure of old GSC Ipoh Parade	(3)	30 Jan 2015
<b>TOTAL</b>	<b>50</b>	

 The Group has increased its equity interest in Galaxy Studio JSC, Vietnam from 25% to 40% in 4Q2015.



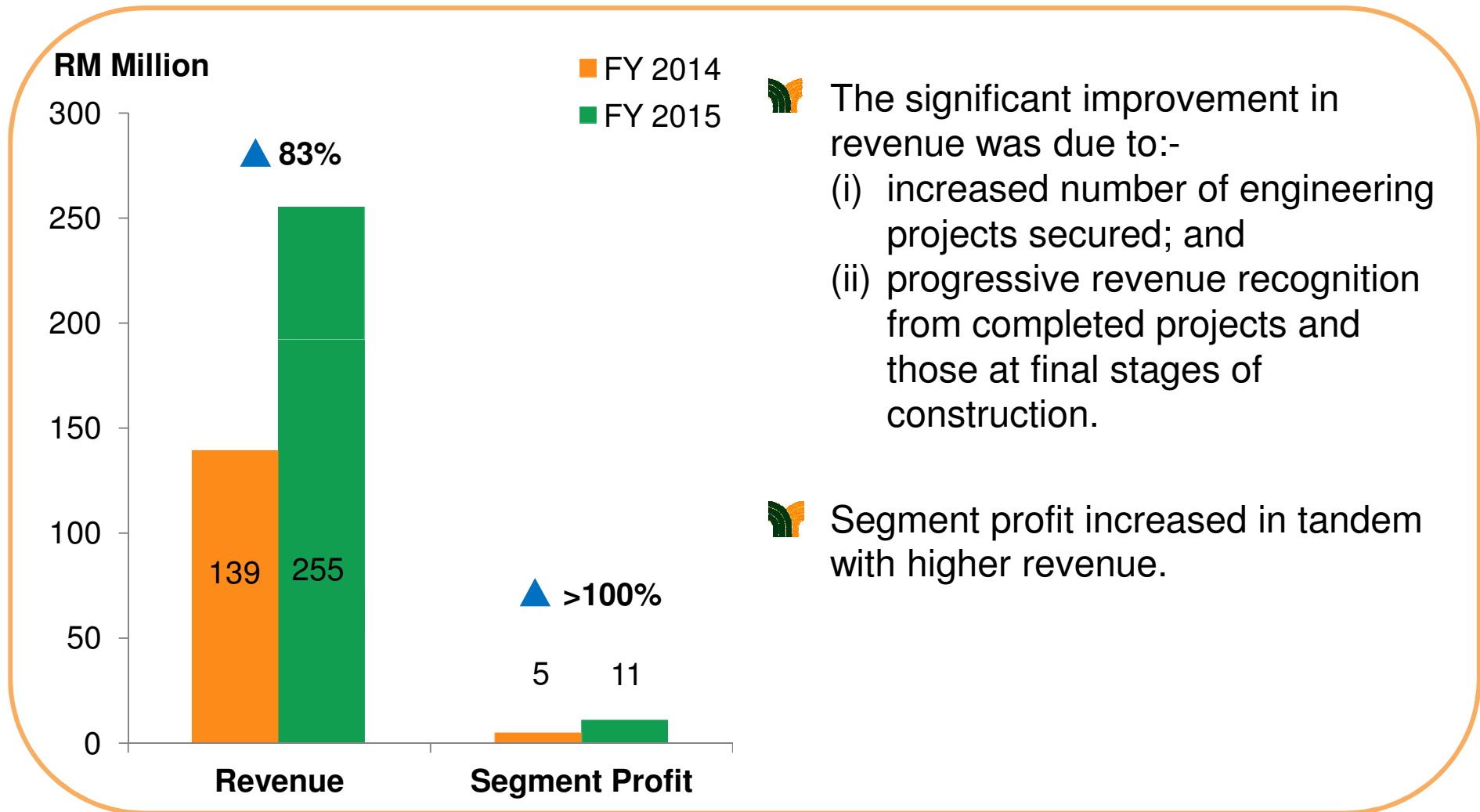
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# **environmental engineering & utilities**

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# Environmental Engineering & Utilities

## Review of Major Operations



# Environmental Engineering & Utilities

## Key Achievements in 2015

-  Achieved record turnover of RM255 million for the year with 14 projects in the order book.
-  Timely completion and handover of 3 projects including a sewage treatment plant in Kuala Lumpur, a water treatment plant in Sarawak and a sludge treatment plant in Melaka.
-  Registered significant market presence in sewage network pump station (NPS) projects with 12 NPS secured to-date, valued at RM71 million in total.



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**property**

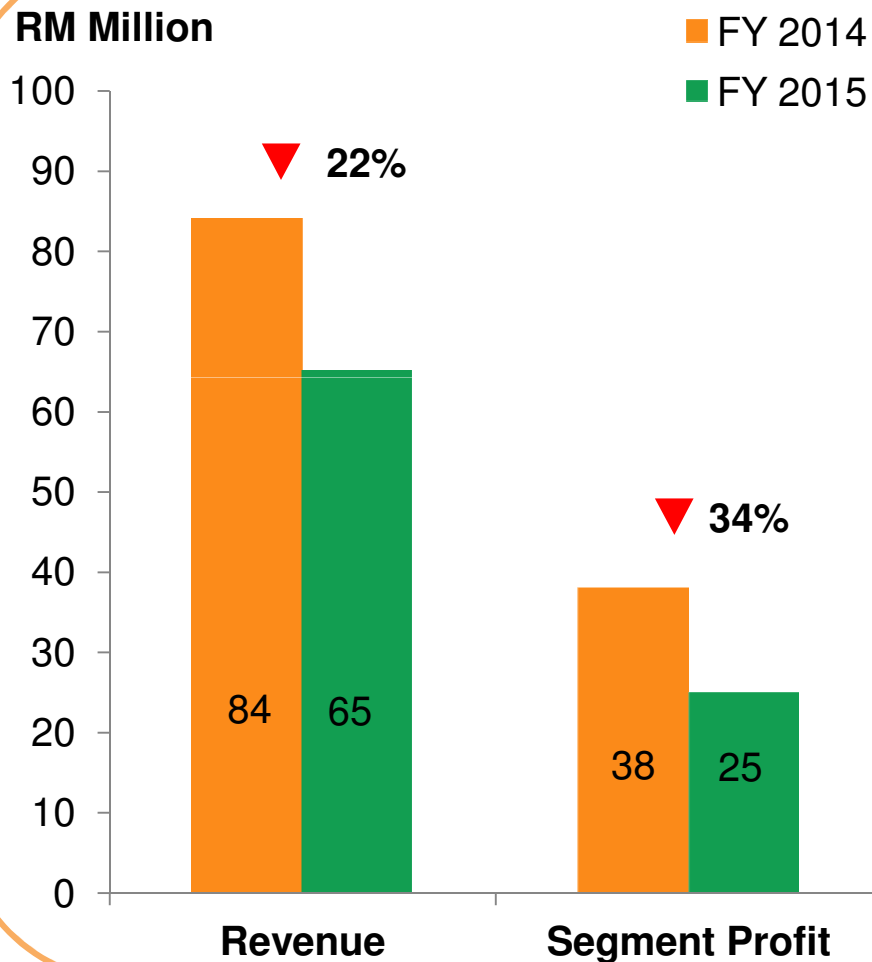
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# Property

## Review of Major Operations

RM Million



Revenue decreased was mainly due to lower revenue from progress billings of bungalow sales in Seberang Perai Tengah compared with billings in 2014 on delivery of vacant possession of the Masera bungalows in KL.


However, project management and marketing activities generated higher fee income to cushion the lower segment revenue.



Lower segment profit was mainly due to lesser progress billings after completion of the Masera bungalow project in 2014.

# Property

## Key Achievements in 2015

 Southern Marina Development (SMD), a joint venture between Kuok Brothers Sdn Bhd, PPB and Khazanah Nasional Berhad in development of a piece of land in Puteri Harbour, Nusajaya, Johor into a mixed development, consists of 2 deluxe apartment towers (Towers 1 & 2), 1 block of premium condominiums, 1 block of serviced apartments, 1 block of serviced offices and a retail complex.

In June 2015, SMD officially launched the sales of Tower 1 to the public, followed by Tower 2 in August 2015.



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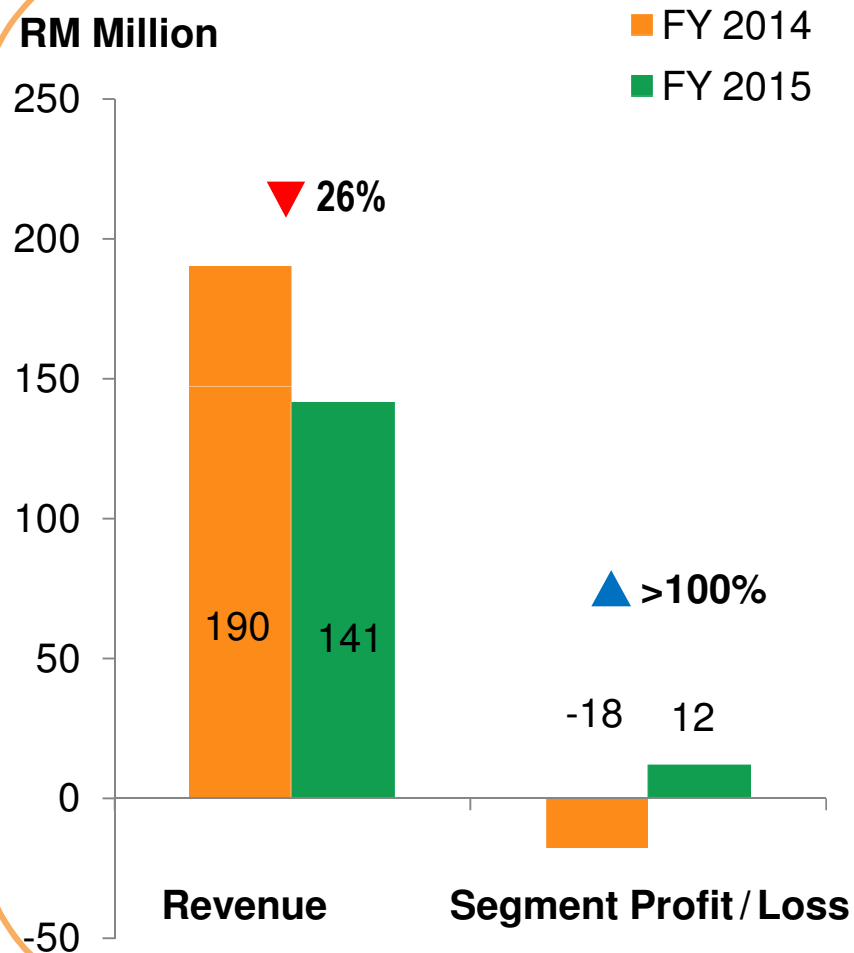
# **investments & other operations**

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# Investments & Other Operations

## Review of Major Operations

RM Million



Revenue decreased due to:-

- (i) tightened credit control policies by chemicals trading and manufacturing business;
- (ii) relocation of packaging production facilities from Malaysia to Myanmar;
- (iii) lesser dividend income received from quoted investments; and
- (iv) discontinuance of the shipping business.



Profits grew marginally due to:-

- (i) favourable foreign exchange gain from export sales in chemical trading and manufacturing business;
- (ii) lower losses in the packaging business; and
- (iii) gain of RM5.3 million on liquidation of a subsidiary in 2015.



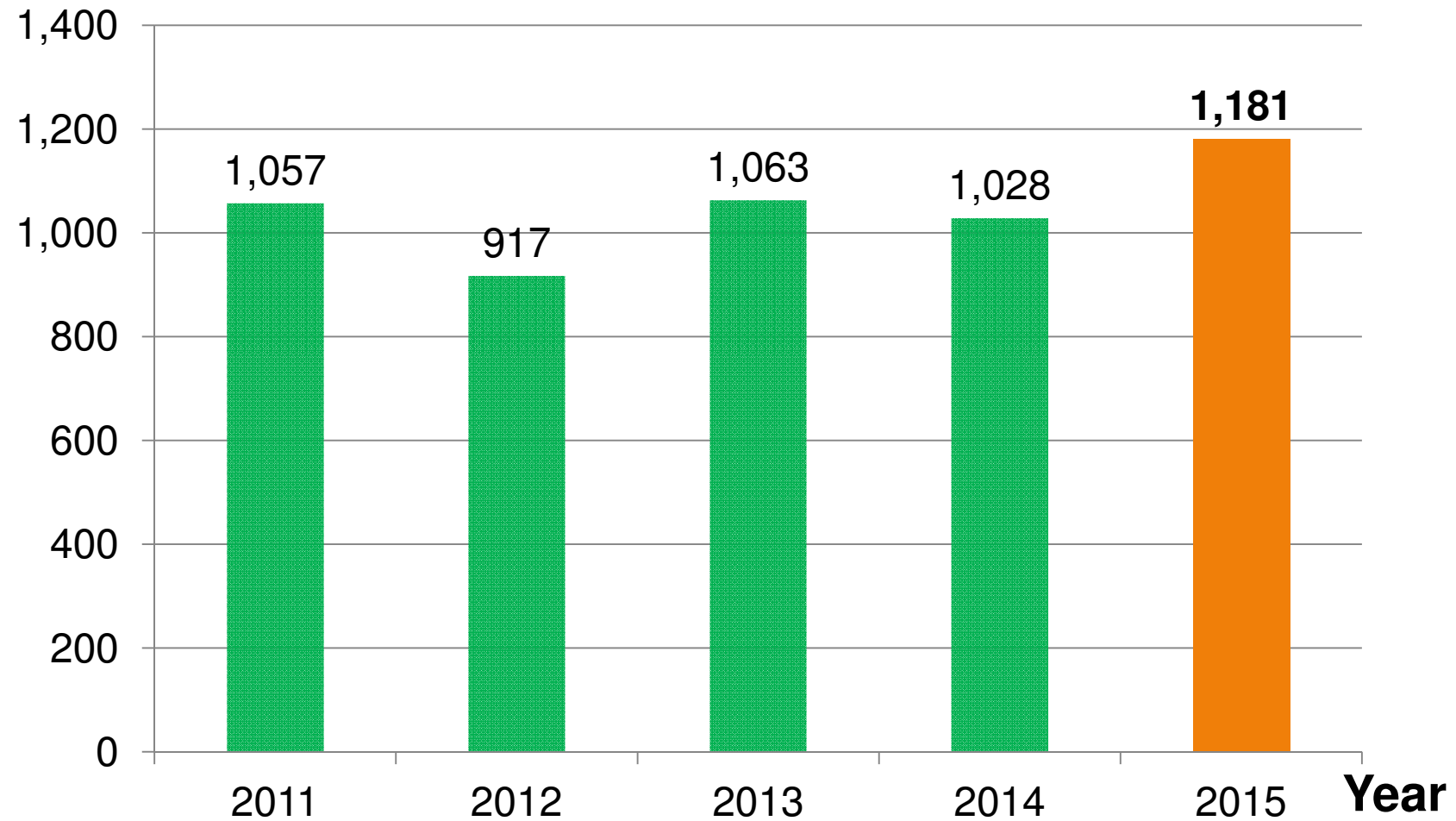
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# 5-Year Financial Performance

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# 5-Year PBT of PPB Group

RM Million



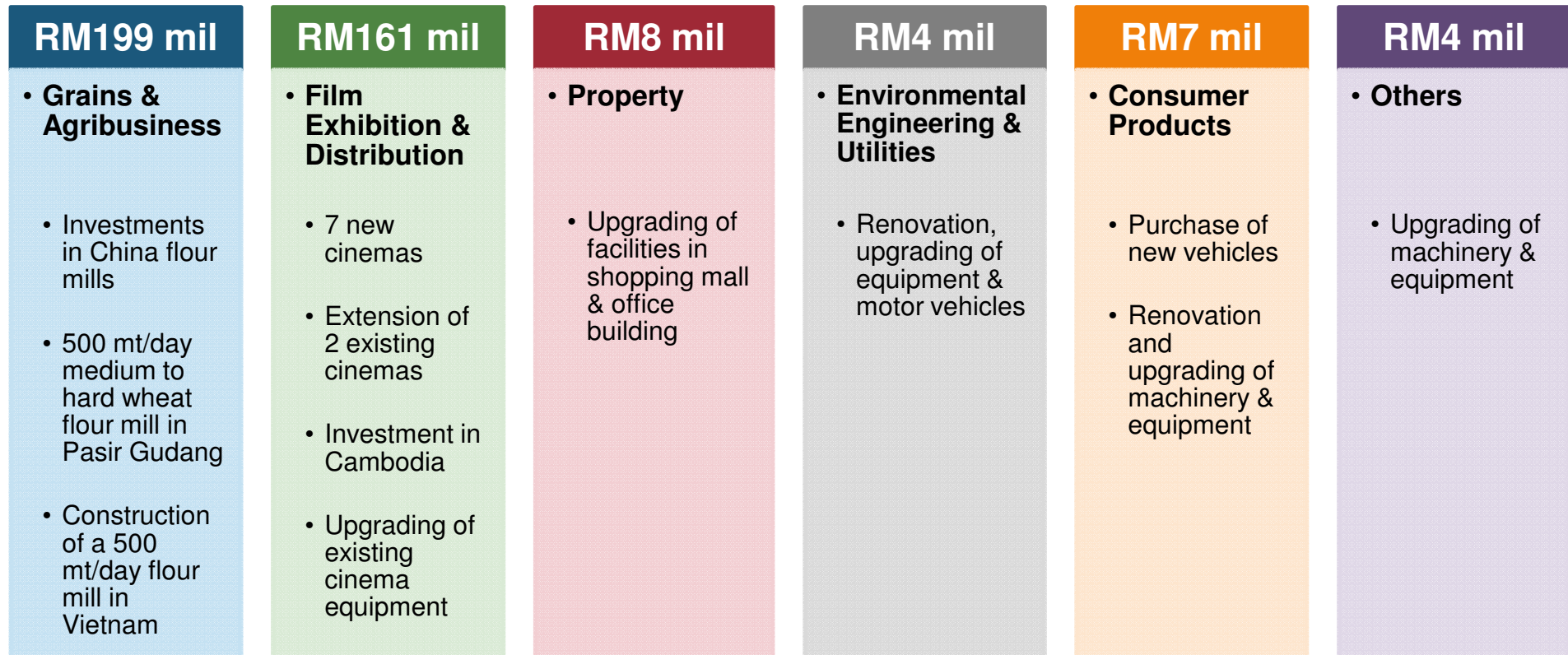


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# Capital Commitments

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# Capital Commitments by Segments



**TOTAL CAPITAL COMMITMENTS : RM383 mil**





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# Dividend Record

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# Dividend Record

Year	Single Tier Dividend Per Share (sen)	Net Dividend Paid/ Payable (RM Million)	Net Dividend Yield (%)	Payout Ratio	
				Group (%)	Company (%)
<b>2015 - Interim - Final*</b>	<b>8</b>	<b>95</b>	<b>1.6<sup>#</sup></b>	<b>28.2</b>	<b>80.0</b>
	<b><u>17</u></b>	<b><u>201</u></b>			
	<b><u>25</u></b>	<b><u>296</u></b>			
2014	23	273	1.6	29.7	96.4
2013	25	296	1.6	30.2	155.2
2012	20	237	1.7	28.2	63.0
2011	23	273	1.3	27.8	28.4

\* PPB Board has recommended a final single tier dividend of 17 sen per share for the financial year ended 31 December 2015 payable on 25 May 2016.

# Dividend yield was based on PPB share price of RM15.90 as at 31 December 2015.

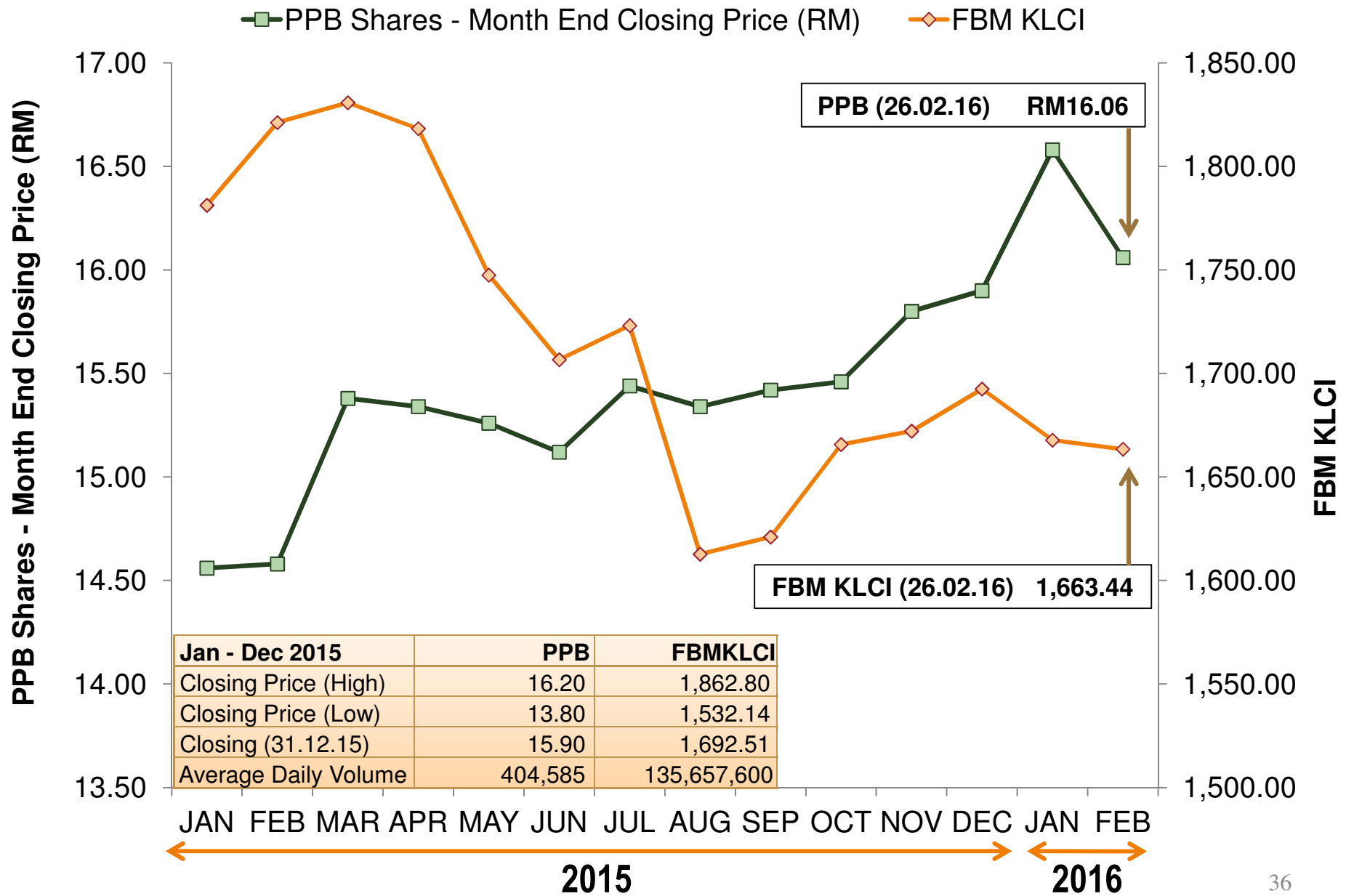


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# Share Price Performance

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# Share Performance





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# Prospects for 2016

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# Prospects for 2016

Despite a challenging environment, management believes that the Group's established market position in the **Grains and Agribusiness segment** as well as the extensive distribution network in the **Consumer Products segment** will help PPB Group to remain resilient in the year ahead.

The **Film Exhibition and Distribution segment** should continue to deliver healthy performance from strong movie title line-ups and the newly-opened cinemas.

The **Environmental Engineering and Utilities segment** will achieve lower revenue in the year, reflecting the current contracts in hand, while **property** sales are expected to be affected by the weak property market sentiment.

The Group's consolidated financial results will continue to be supported by Wilmar's business performance.

