



# PPB GROUP BERHAD

## PRESS AND ANALYST BRIEFING 1H2015 Results

4 September 2015

**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

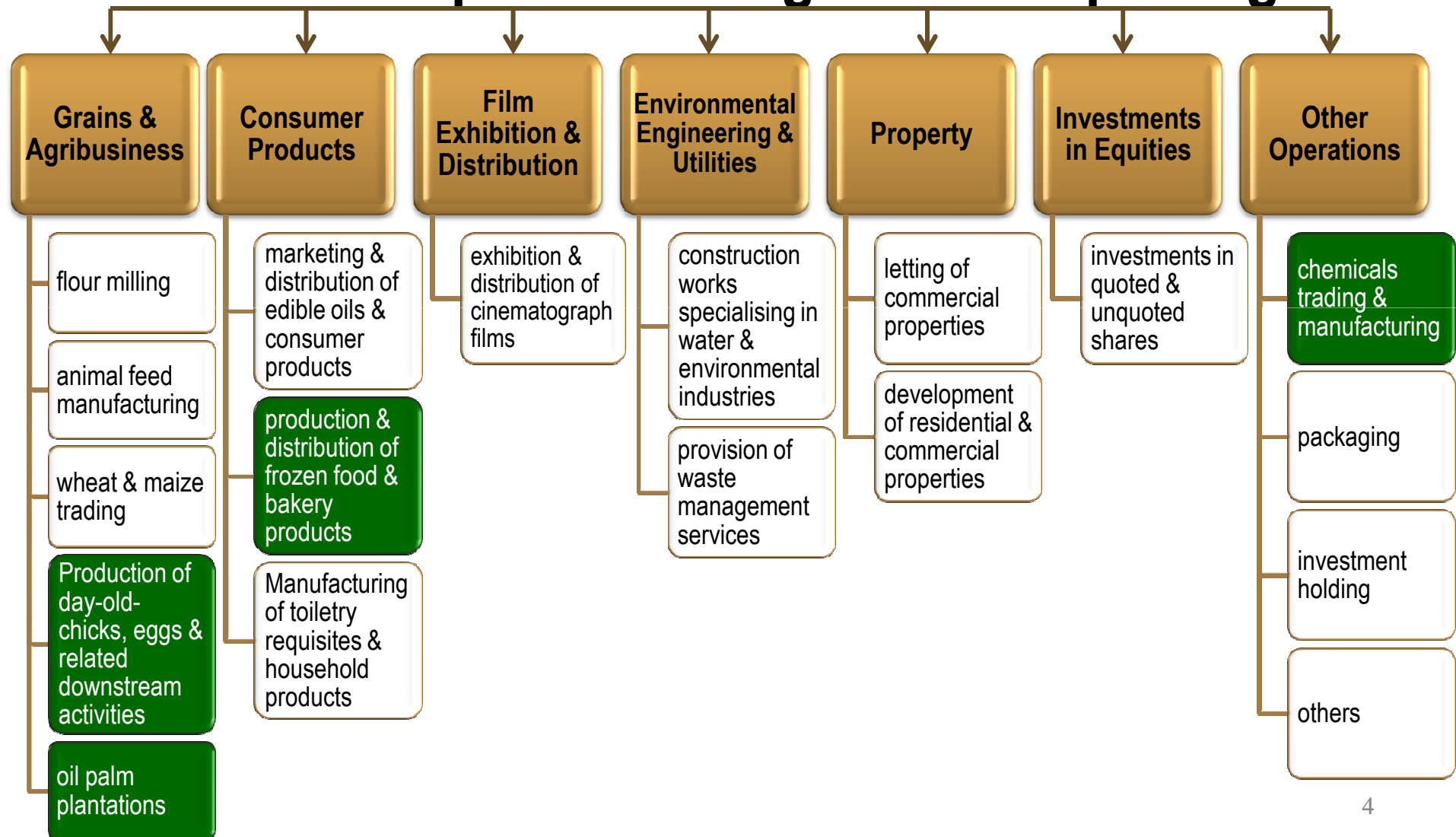
- **Group Financial Highlights**
- **Review of Major Operations**
- **Key Events in 1H2015**
- **Developments in 2H2015**
- **5-Year Financial Performance**
- **Capital Commitments**
- **Dividend Record**
- **Share Price Performance**
- **Prospects for 2015**



# Group Financial Highlights

# GROUP OPERATIONS

## PPB Group Berhad Segmental Reporting



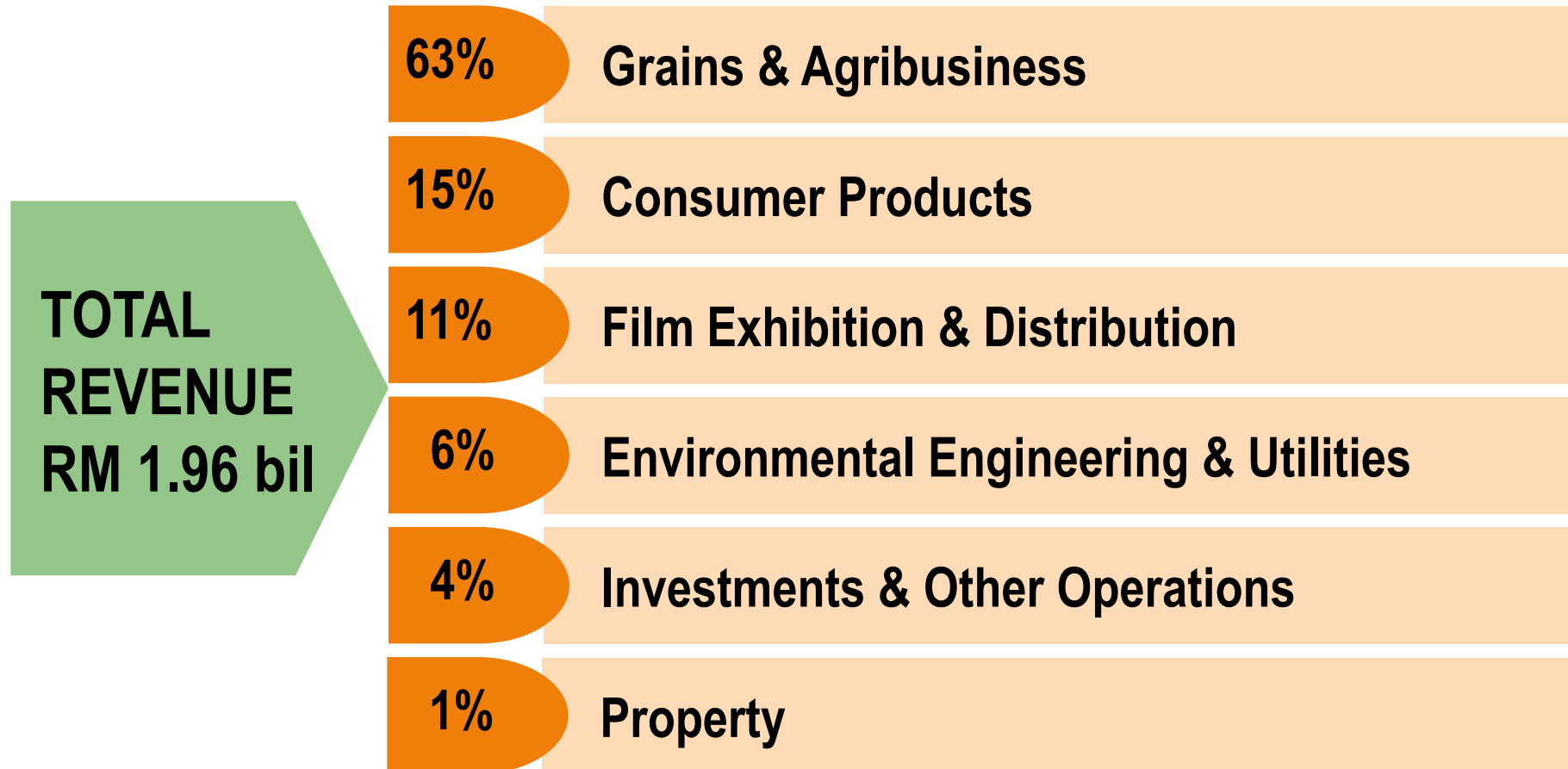
# Financial Results FOR THE 6 MONTHS ENDED 30 JUNE 2015

<b>(Figures in RM)</b>	<b>1H2015</b>	<b>1H2014</b>	<b>CHANGE</b>
Revenue	1.96 bil	1.84 bil	↑ 7%
Operating Expenses	1.88 bil	1.71 bil	↑ 10%
Share of Wilmar's Profit	294 mil	196 mil	↑ 50%
PBT	465 mil	366 mil	↑ 27%
Profit for the Period	418 mil	326 mil	↑ 28%
EPS	35.05 sen	26.20 sen	↑ 34%

# Financial Ratios FOR THE 6 MONTHS ENDED 30 JUNE 2015

	<b>1H2015</b>	<b>1H2014</b>
EPS	<b>35.05 sen</b>	<b>26.20 sen</b>
ROE Attributable to Owners of the Parent	<b>2.3%</b>	<b>2.0%</b>
Net Assets Per Share Attributable to Owners of the Parent	<b>RM15.13</b>	<b>RM13.04</b>

# Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2015



\* Chemicals Trading & Manufacturing [2%], Packaging [1%] & Others [1%]

# Segmental Information FOR THE 6 MONTHS ENDED 30 JUNE 2015

**TOTAL  
SEGMENT  
PROFITS  
RM 171.5 mil**

**58%** Grains & Agribusiness

**21%** Film Exhibition & Distribution

**8%** Property

**7%** Consumer Products

**3%** Environmental Engineering & Utilities

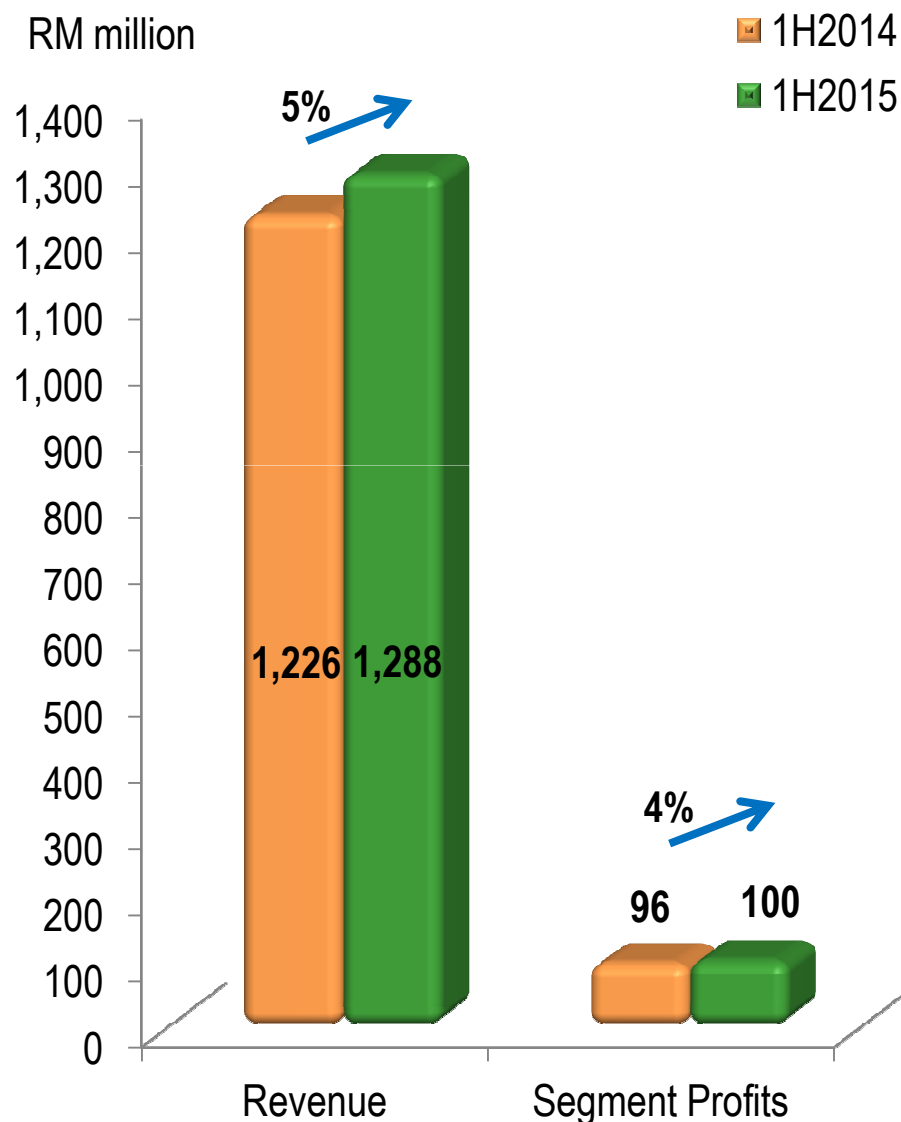
**3%** Investments & Other Operations





# Review Of Major Operations

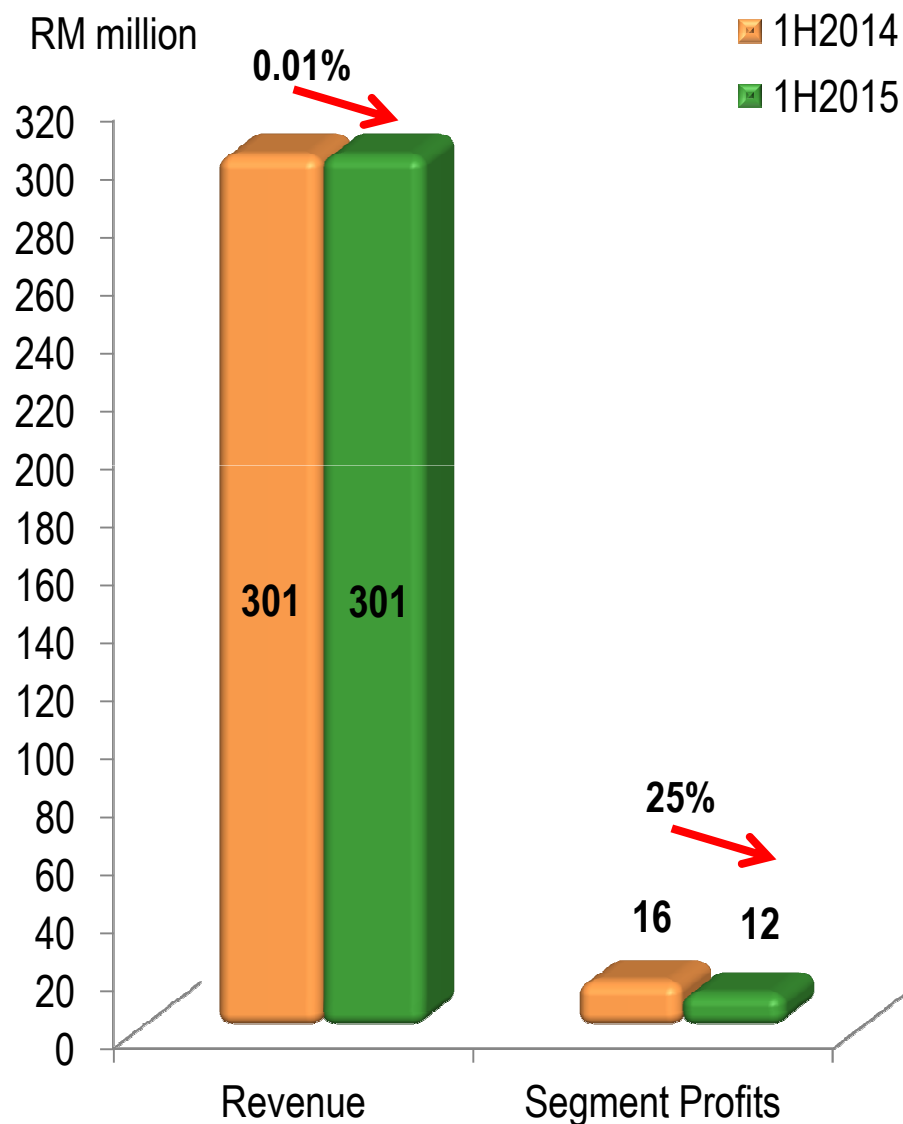
# Review of Major Operations



## GRAINS & AGRIBUSINESS

- Revenue increased due to:-
  - Higher animal feed and maize sales volumes.
  - Increased flour volume in Vietnam.
  - Improved selling prices of flour in Malaysia.
- Segment profit increased slightly due to:-
  - Improved foreign exchange translation positions.
  - Favourable raw material costs.
- The livestock farming business and Indonesia flour mill incurred losses in 1H2015 due to difficult operating environments.

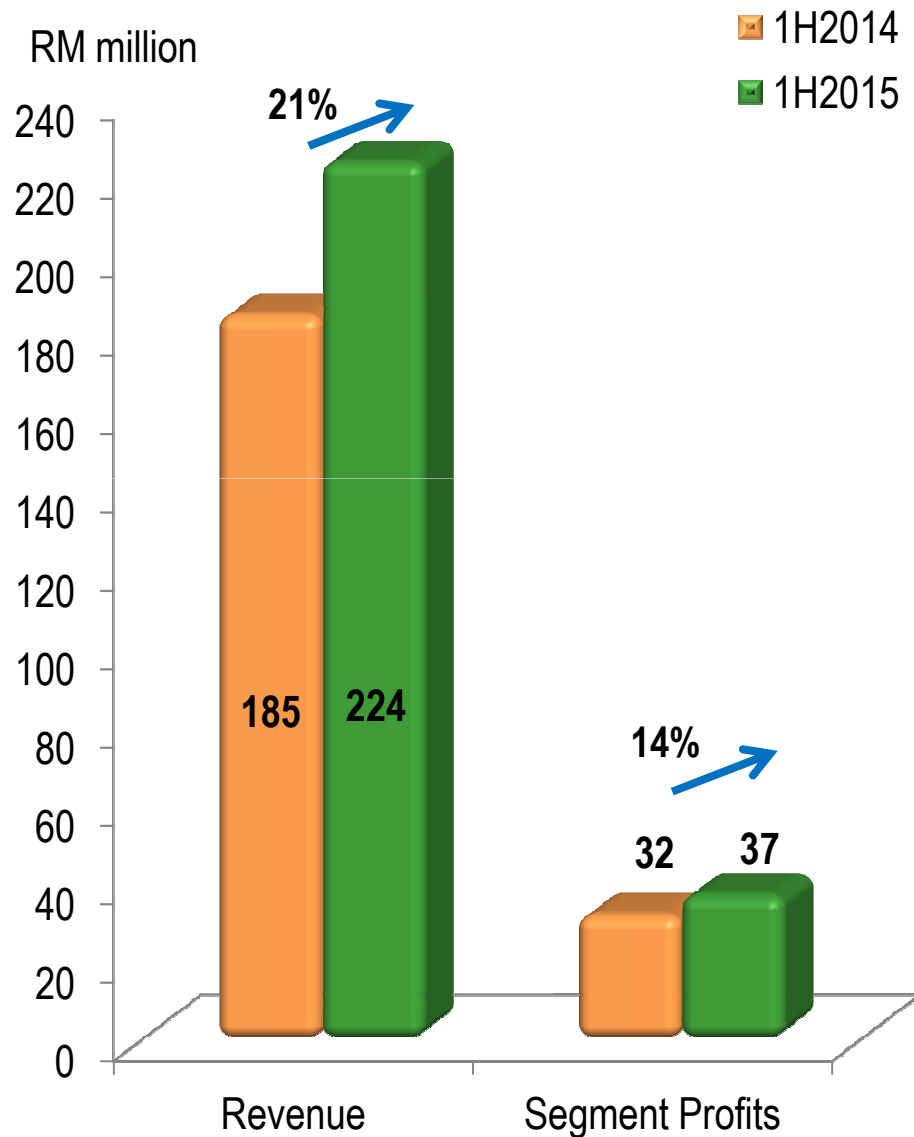
# Review of Major Operations



## CONSUMER PRODUCTS

- Revenue was broadly the same as 1H2014. The opening of new distribution centres for bakery products contributed to the revenue growth but was negated by lower revenue generated from agency products.
- Segment profit decreased due to higher advertising, promotional & selling expenses.

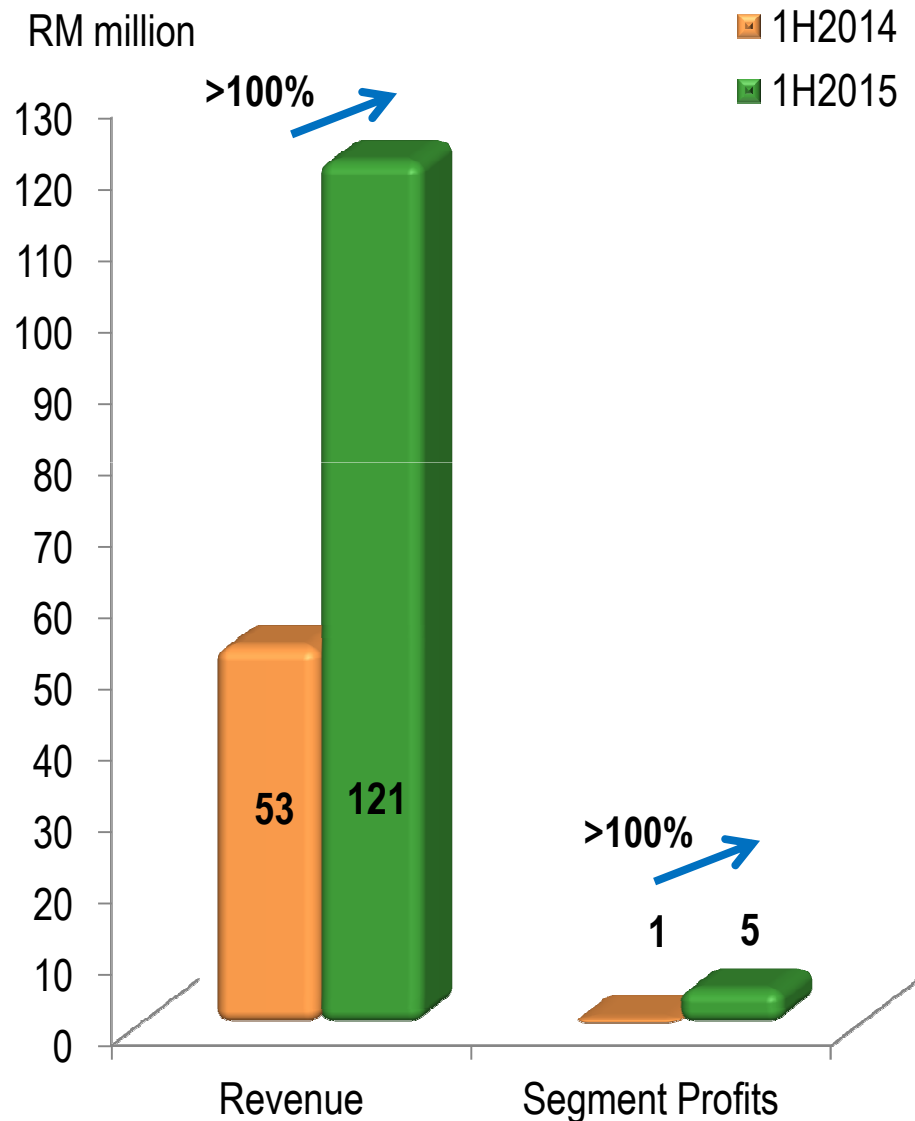
# Review of Major Operations



## FILM EXHIBITION & DISTRIBUTION

- Revenue increased due to:-
  - Opening of six new cinemas
  - Release of summer blockbuster movies.
- Segment profit increased in line with revenue growth.

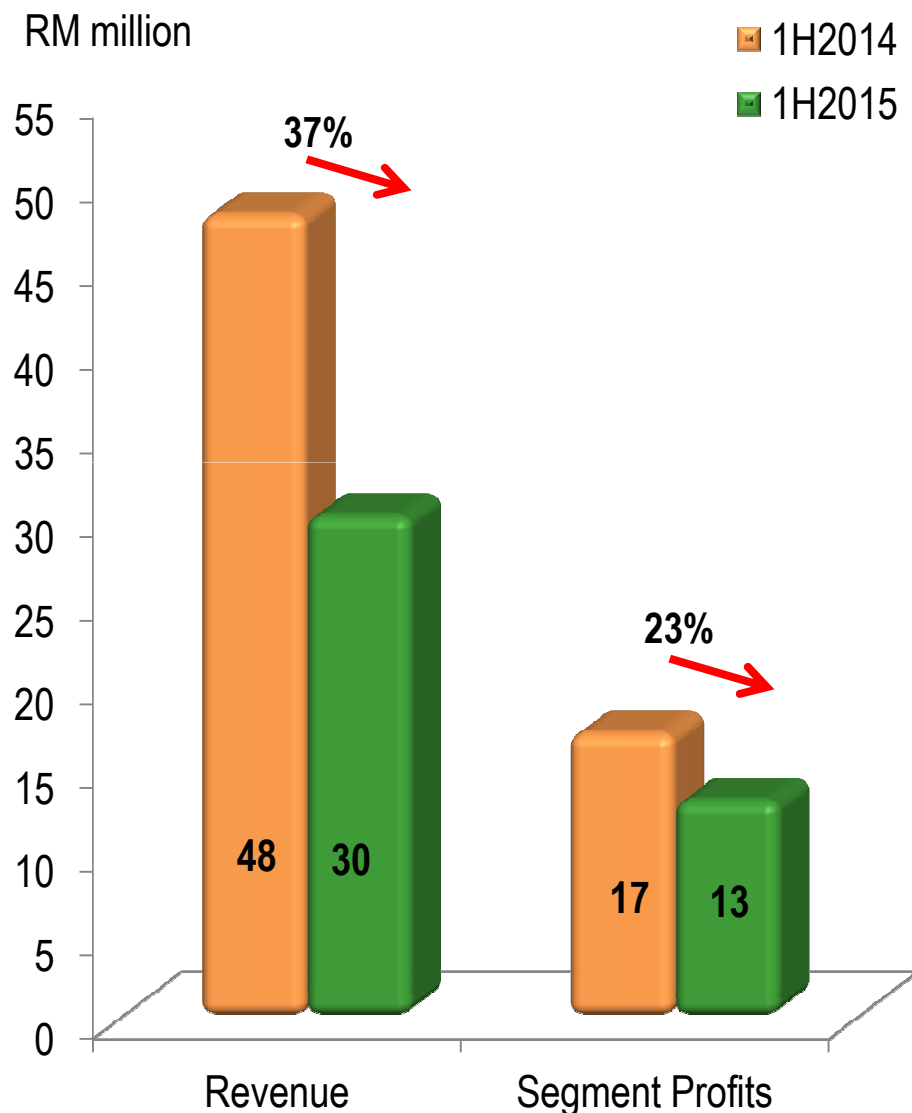
# Review of Major Operations



## ENVIRONMENTAL ENGINEERING & UTILITIES

- Revenue increased due to:-
  - More on-going projects.
  - Revenue being progressively recognised from a raw water supply project.
  - Most of the sewage treatment projects being at the construction stages.
- Segment profit grew in tandem with higher revenue.

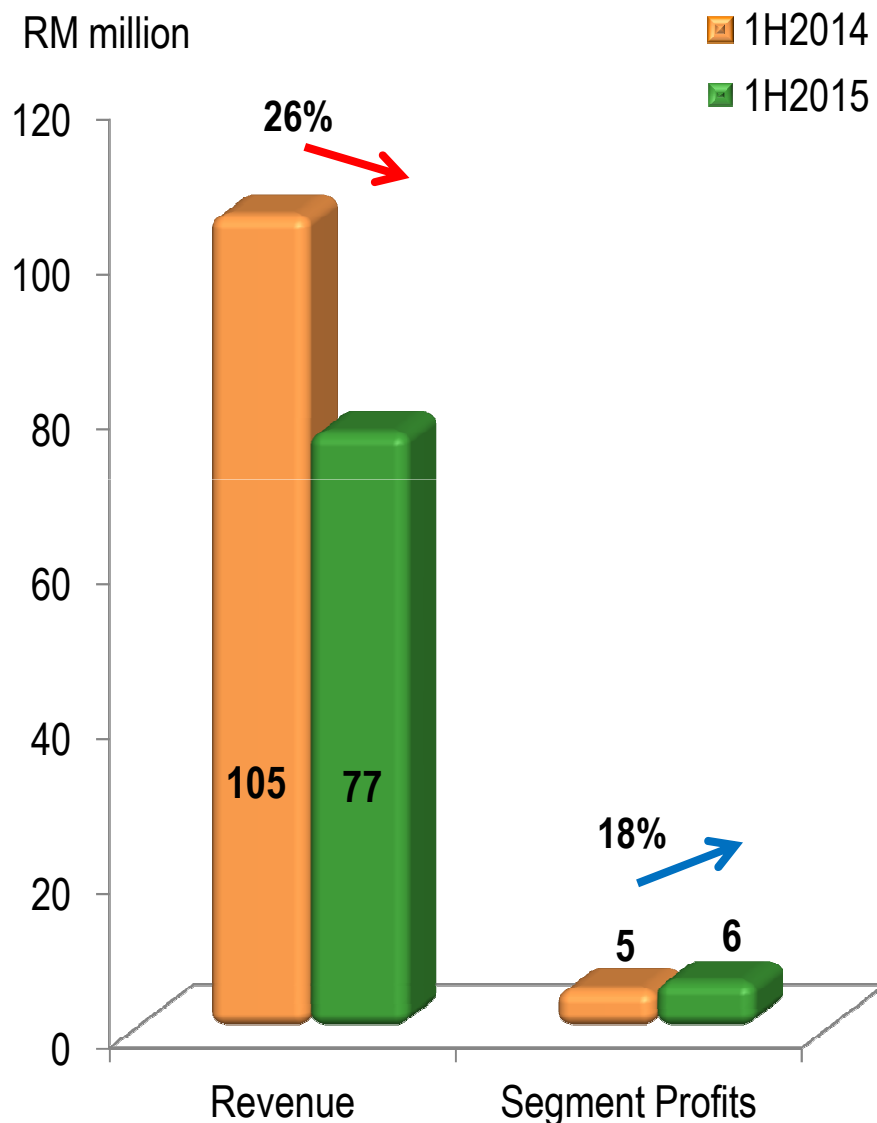
# Review of Major Operations



## PROPERTY

- Revenue decreased due to:-
  - Lower progress billings from property sales.
  - The current billings from bungalows sales in Seberang Perai Tengah are of lesser values compared with the billings in 1H2014 on delivery of vacant possession of the Masera bungalows in Kuala Lumpur.
- Segment profit decreased due to lesser progress billings after completion of the Masera bungalows in 2014.

# Review of Major Operations



## INVESTMENTS & OTHER OPERATIONS

- Revenue from the combined segment decreased due to:-
  - Lower revenue from chemicals trading & manufacturing business as management tightened credit control policies & streamlined sales.
  - Relocation of packaging production facilities from Malaysia to Myanmar.
  - Discontinuation of shipping business.
  - Lower dividends received.
- Combined segment profit increased due to:-
  - Lower raw material costs.
  - Favourable foreign exchange transactions from export sales in the chemicals trading & manufacturing division.




# Key Events in 1H2015



# Key Events in 1H2015

## GRAINS & AGRIBUSINESS

-  On 20 April 2015, Glowland Ltd (“Glowland”), a 100% subsidiary of FFM Berhad, entered into a Members’ Contract with Siteki Investments Pte Ltd (“Siteki”), a 100% subsidiary of Wilmar to set up Meizan CLV Corporation (“MCC”) in Vietnam to produce and sell egg noodles, rice macaroni and flour/ rice premixes in Vietnam.

The charter capital and total investment capital of MCC is USD2.6 million and USD8.06 million respectively. Glowland and Siteki will each contribute 50% to the charter capital of MCC.

# Key Events in 1H2015

## FILM EXHIBITION AND DISTRIBUTION



**GSC opened the following new cinemas:-**

Cinema	No. of screens	Date
GSC Nu Sentral	11	29 Jan 2015
GSC Ipoh Parade	11	5 Feb 2015
GSC IOI City Mall Putrajaya	13	12 Feb 2015
GSC Klang Parade Mall	8	11 Jun 2015
<b>TOTAL</b>	<b>43</b>	

# Key Events in 1H2015

## ENVIRONMENTAL ENGINEERING & UTILITIES

-  Handed over 2 water projects in Melaka and Negeri Sembilan.
-  Current order book valued at RM340 million.

# Key Events in 1H2015

## PROPERTY



**Southern Marina Development S/B in which PPB has 28% effective interest officially launched its Southern Marina Residences (SMR), the 1<sup>st</sup> phase of a 12.5-acre freehold integrated waterfront development in Puteri Harbour on 27 June 2015.**

**The project was launched with the opening of the Southern Marina Puteri Harbour Sales Gallery and Show Units.**


**SMR comprise 456 units of condominium housed in 2 towers with a combined gross development value of RM550 million.**



# Developments in 2H2015




# Developments in 2H2015

## GRAINS & AGRIBUSINESS

-  Vietnam Flour Mills Ltd, a 100% subsidiary of FFM Berhad, will be setting up another 500-mt per day wheat mill in its Vung Tau factory in south Vietnam. The cost of the mill is budgeted at USD16.2 million and targeted to be completed in early 2017.

# Developments in 2H2015

## FILM EXHIBITION AND DISTRIBUTION

-  **GSC will open a new cinema in Aman Central, Alor Setar (10 screens) in 4Q2015.**
-  **There are another 7 cinema projects in the pipeline to be opened in the next 2 years.**
-  **GSC is installing the Dolby Atmos system in 9 halls and by end-2016, the GSC circuit will have 16 Dolby Atmos halls.**

# Developments in 2H2015

## PROPERTY

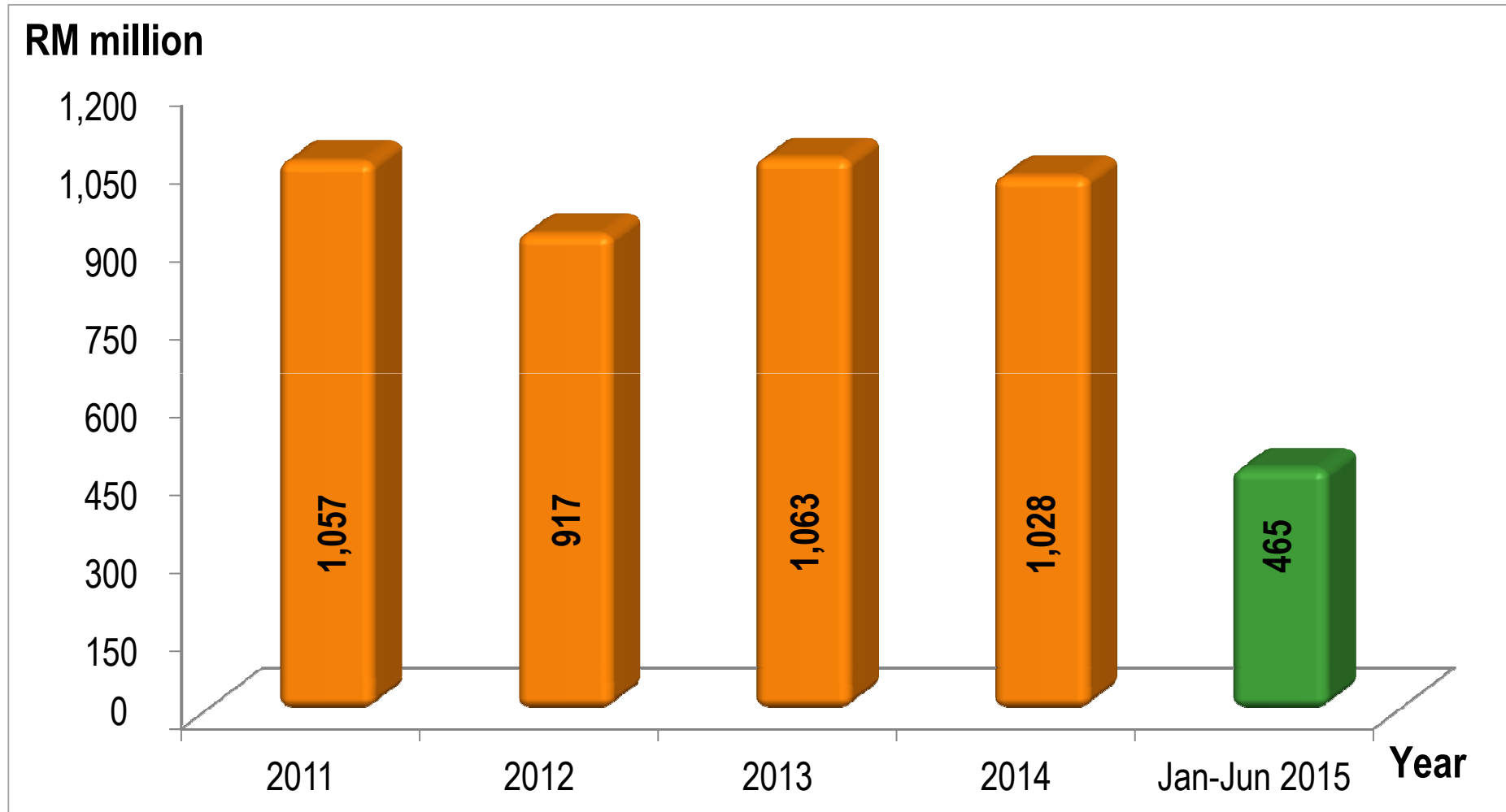
-  **Taman Megah land in Petaling Jaya and New World Park in Penang are currently under design and planning stage for mixed development. More information will be disclosed when approvals from authorities are secured.**





# 5-Year Financial Performance

# 5-Year PBT of PPB Group





# Capital Commitments

# Capital Commitments AS AT 30 JUNE 2015

<b>(All figures in RM'million)</b>	<b>2015</b>
As reported previously (5 March 2015)	535
Additions/ Project Revision	87
	<b>622</b>
Amount Spent	(52)
<b>Balance to be Spent</b>	<b>570</b>

# Capital Commitments AS AT 30 JUNE 2015

**CAPITAL  
COMMITMENTS  
RM 570 mil**

**RM293 mil**

## **Grains & Agribusiness**

- Investments in China associates
- Construction of a new flour mill to replace the old mills in Johor
- 500 mt/day flour mill in Vietnam

**RM241 mil**

## **Film Exhibition & Distribution**

- Opening of 8 new cinemas
- Upgrading of equipment in existing cinemas
- Investments in Vietnam & Cambodia

**RM18 mil**

## **Consumer Products**

- Frozen food processing plant expansion
- Purchase of sales vans
- New warehouse & office buildings

**RM13 mil**

## **Property**

- Upgrading of facilities in shopping mall & office building

**RM5 mil**

## **Others**



# Dividend Record

# Dividend Record

	Dividend Per Share		Net Dividend	Net Dividend	Payout Ratio	
	Gross	Net	Paid/payable	Yield	Group	Company
Year	(sen)	(sen)	(RM million)	(%)	(%)	(%)
<b>2015 Interim#</b>	<b>8</b>	<b>8</b>	<b>95</b>	<b>0.5</b>	<b>22.8</b>	<b>40.3</b>
<b>2014</b>	23	23	273	1.6	29.7	96.4
<b>2013</b>	25	25	296	1.6	30.2	155.2
<b>2012</b>	20	20	237	1.7	28.2	63.0
<b>2011</b>	23	23	273	1.3	27.8	28.4

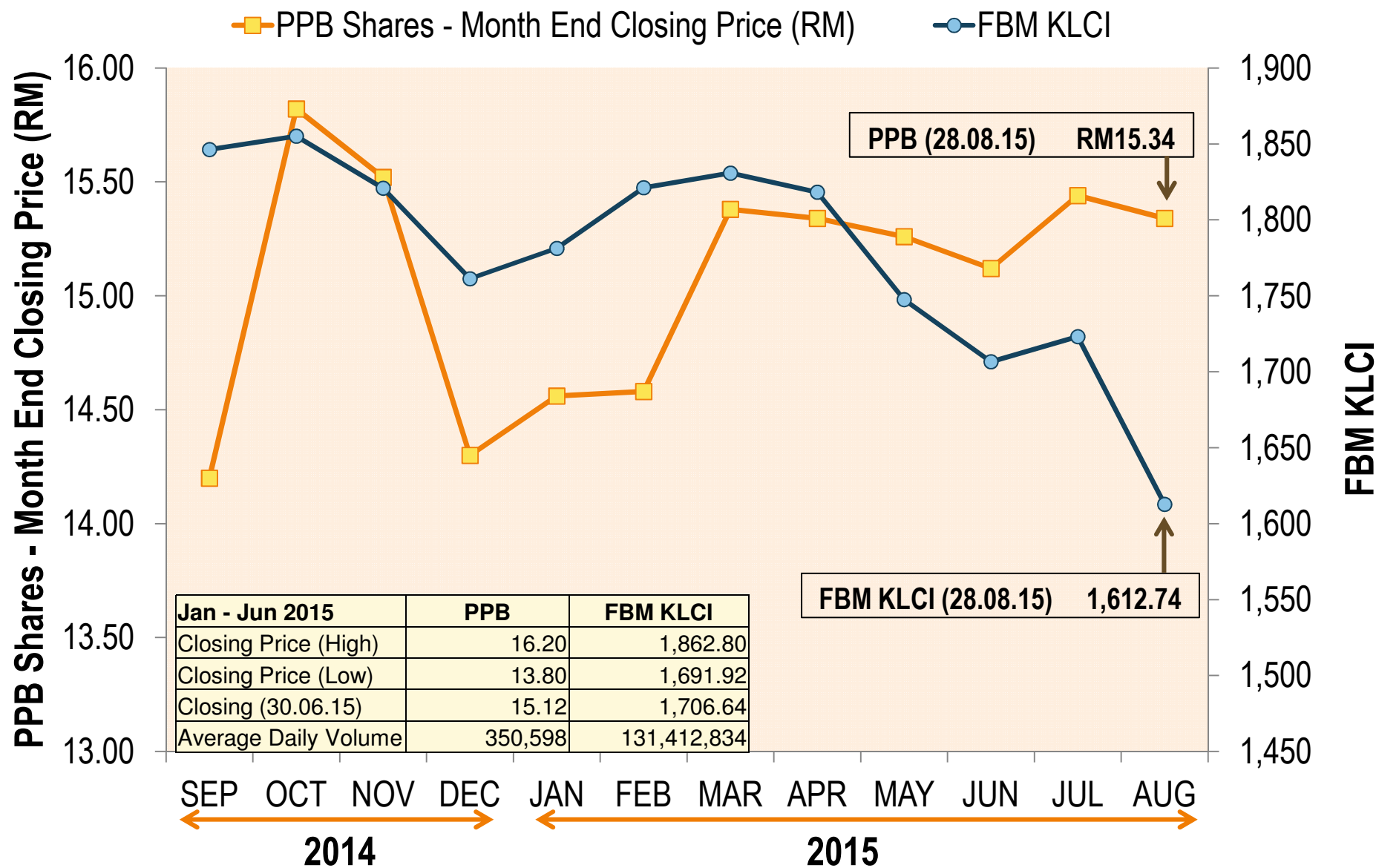
# The interim single tier dividend of 8 sen per share is payable on 28 September 2015.



# Share Price Performance






# Share Performance







# Prospects for 2015

# Prospects for 2015

-  **Management is confident that the Group's consumer products, grains and agribusiness results will remain positive despite the soft market.**
-  **Cinema admissions will continue be driven by strong movie title releases and the newly-opened cinemas.**
-  **The environmental engineering segment should achieve higher revenue in line with the construction progress of contracts in hand.**

# Prospects for 2015

-  **Property sales are expected to be weak for the rest of the year as the local property market goes through challenging times.**
-  **Overall, the Group anticipates to achieve similar performance in the second half of the year while the consolidated financial results in 2015 will continue to be substantially supported by Wilmar's business performance.**



# Questions & Answers