



PPB GROUP BERHAD

PRESS AND ANALYST BRIEFING

Unaudited FY2014 Results

5 March 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 Achievements in 2014**
-  **5-Year Financial Performance**
-  **Capital Commitments**
-  **Dividend Record**
-  **Share Price Performance**
-  **Prospects for 2015**









Group Financial Highlights

Financial Results FOR THE YEAR ENDED 31 DEC 2014



Financial Results FOR THE YEAR ENDED 31 DEC 2014

(Figures in RM)	2014	2013	CHANGE
Revenue	3.701 bil	3.313 bil	 12%
Operating Expenses	3.477 bil	3.145 bil	 11%
Share of Wilmar's Profit	0.695 bil	0.764 bil	 9%
PBT	1.028 bil	1.063 bil	 3%
Profit for the Year	0.939 bil	0.991 bil	 5%
EPS	77.33 sen	82.88 sen	 7%

Financial Ratios FOR THE YEAR ENDED 31 DEC 2014

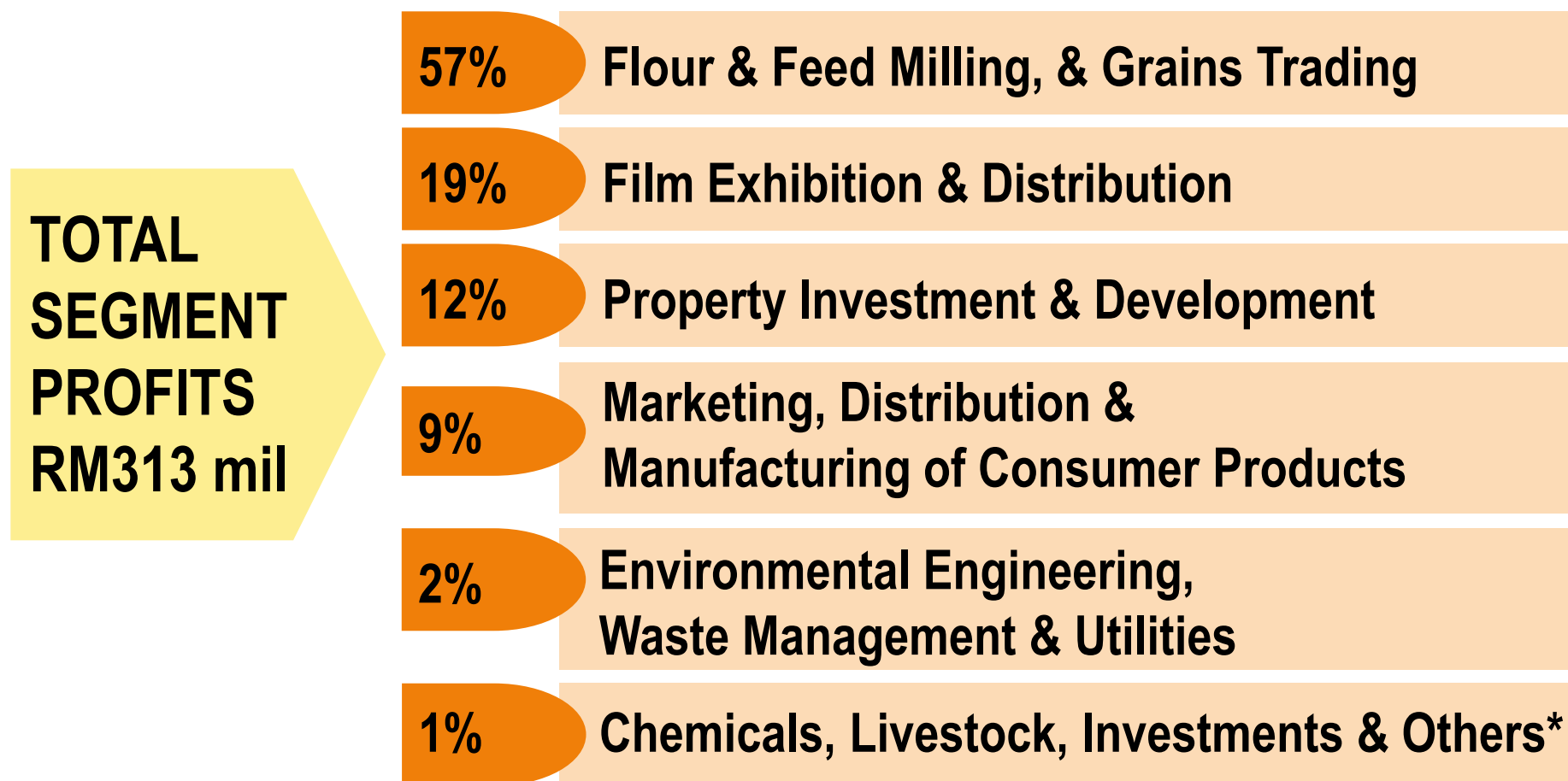
	2014	2013
EPS	77.33 sen	82.88 sen
ROE Attributable to Owners of the Parent	5.5%	6.3%
Net Assets Per Share Attributable to Owners of the Parent	RM14.19	RM13.20

Segmental Information FOR THE YEAR ENDED 31 DEC 2014



* Chemicals Trading & Manufacturing [3%], Livestock Farming [3%], Bakery [3%], Frozen Food [1%] & Others [2%]

Segmental Information FOR THE YEAR ENDED 31 DEC 2014

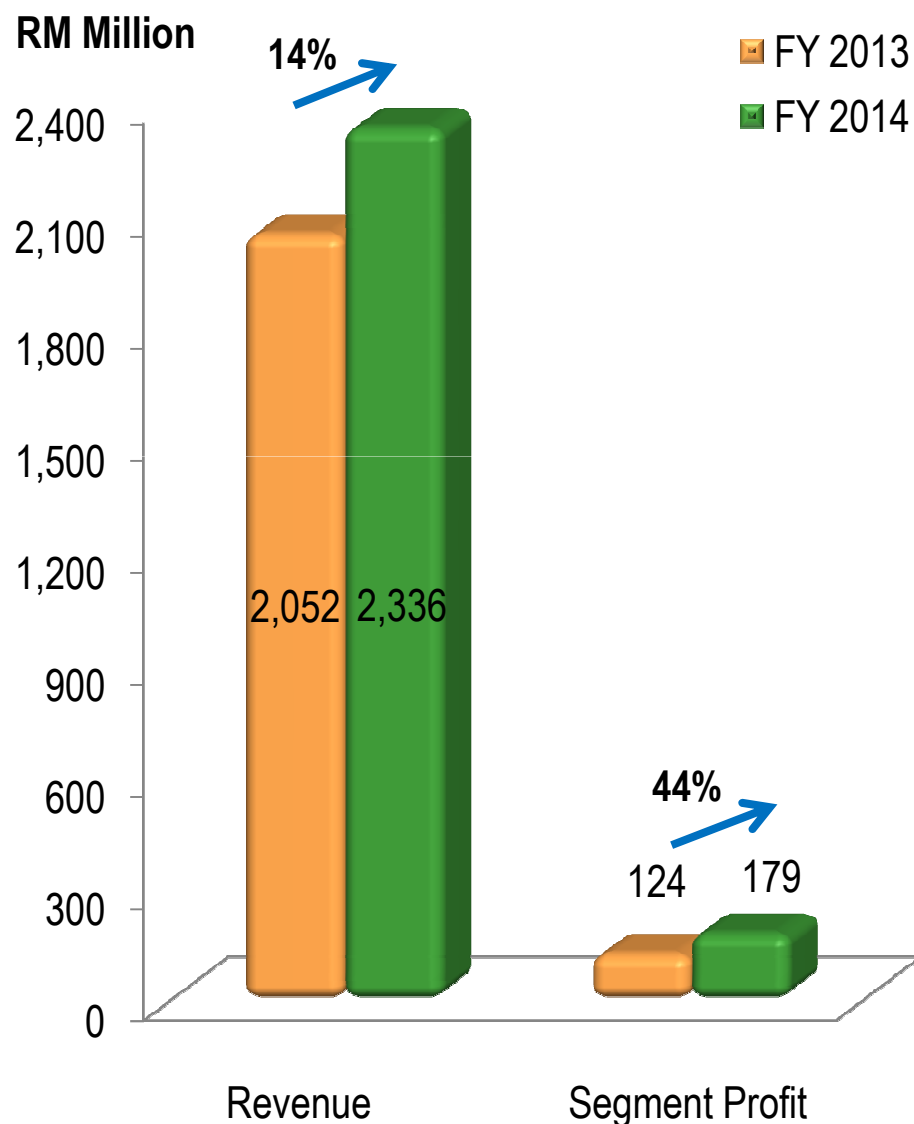


* Chemicals Trading & Manufacturing [1%], Livestock Farming [5%], Investment Income [3%] Bakery [1%] & Others [-9%]



Review Of Major Operations

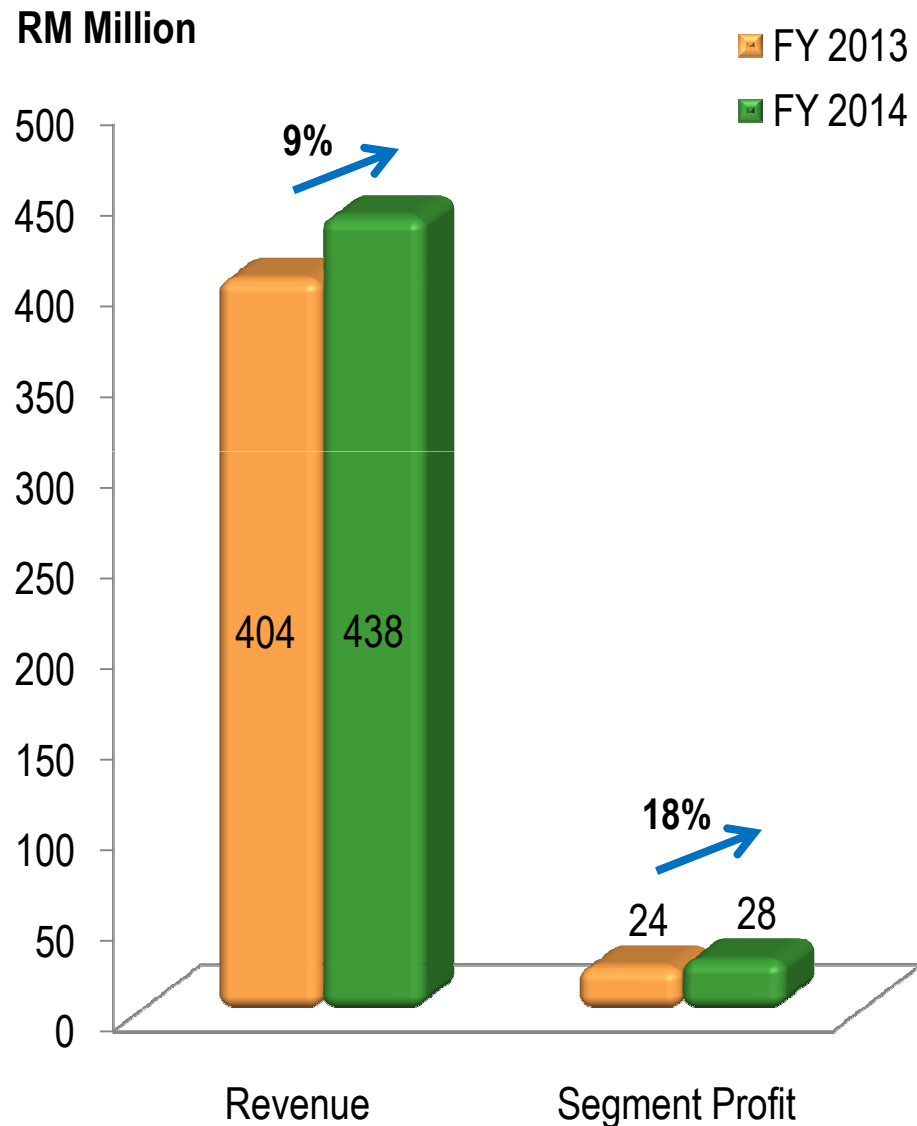
Review of Major Operations



FLOUR & FEED MILLING, & GRAINS TRADING

- The increase in revenue for 2014 was due to higher flour sales volume in Indonesia, Vietnam and Malaysia, and increased animal feed sales volume.
- The higher segment profit for 2014 was primarily due to the improved net foreign exchange translation position, higher sales volume, better recovery of fixed costs and better margins.

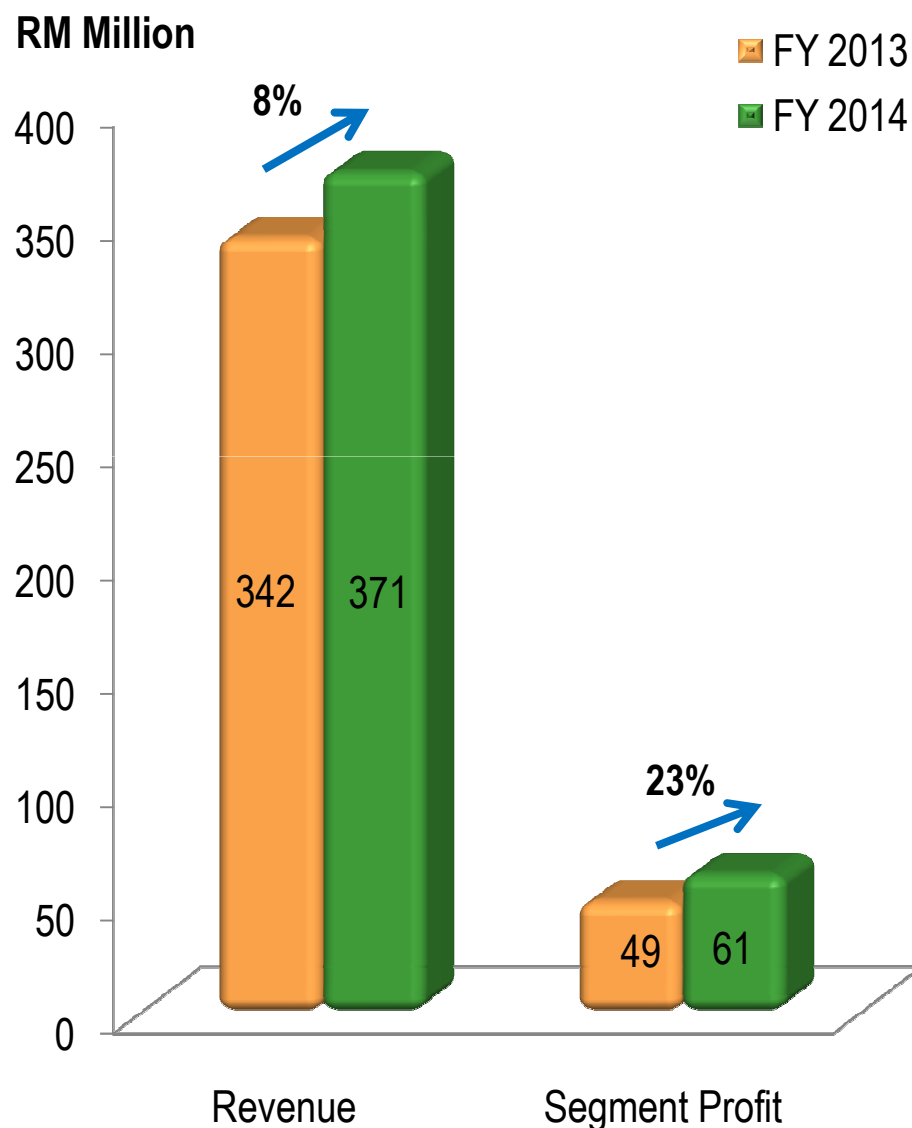
Review of Major Operations



MARKETING, DISTRIBUTION & MANUFACTURING OF CONSUMER PRODUCTS

- The increase in revenue for 2014 was due to the enlarged distributorship granted for an agency product.
- Higher segment profit for 2014 was in line with the revenue growth and higher sales of agency products with better margins.

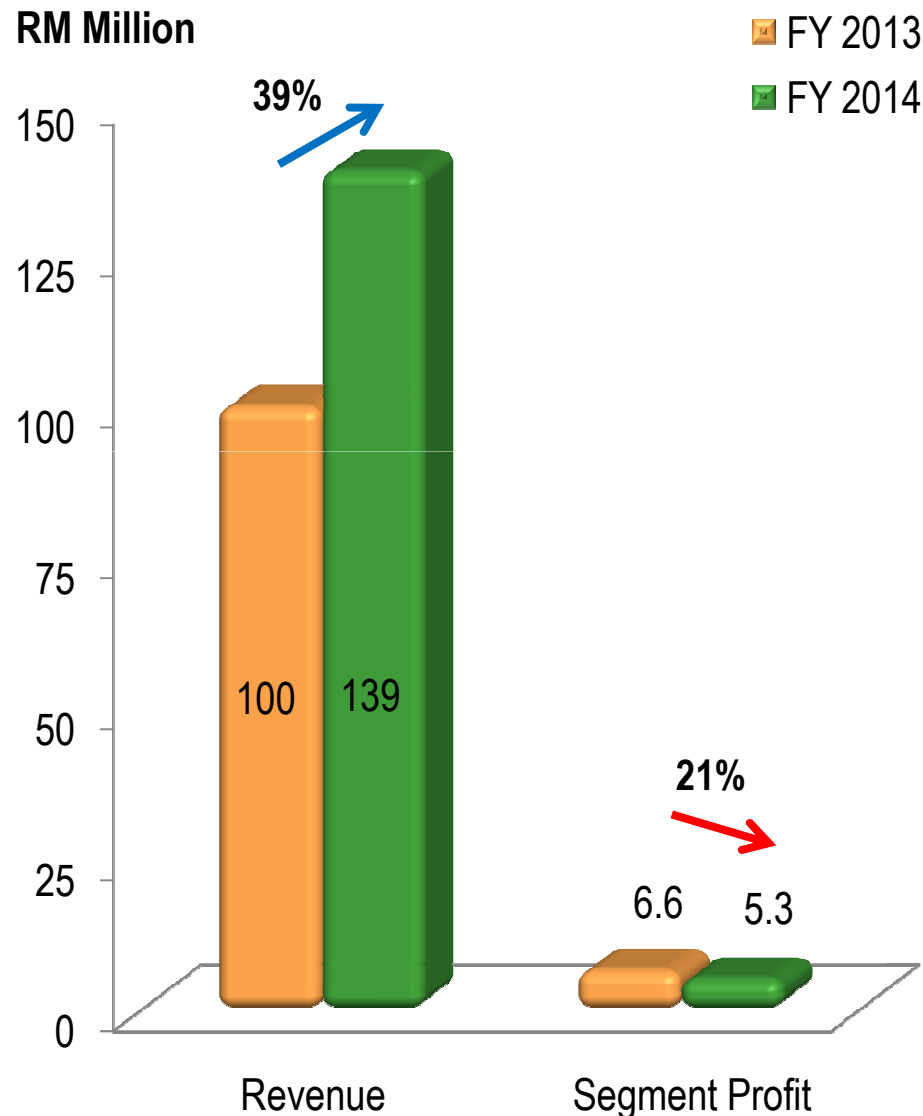
Review of Major Operations



FILM EXHIBITION & DISTRIBUTION

- The higher revenue for 2014 was due to improved cinema collections from blockbuster movies released, higher contribution from concessions and screen advertising income, higher average ticket prices with digitalisation of cinema halls as well as additional revenue from new cinemas opened in 2013 & 2014.
- Higher profit for 2014 was in line with revenue growth.

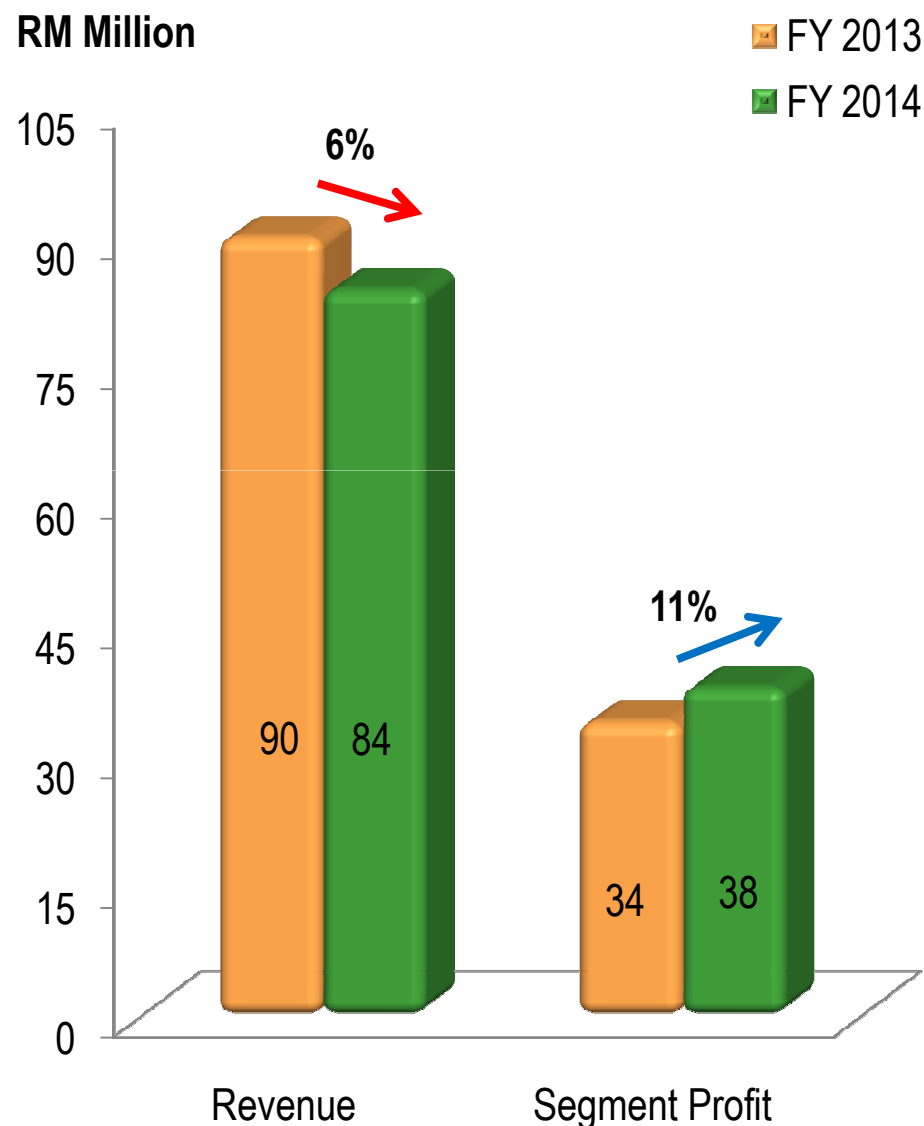
Review of Major Operations



ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT & UTILITIES

- The increase in revenue for 2014 was contributed by projects secured in 2013 & 2014 which have reached their procurement and construction stages.
- Profit for 2014 decreased due to exceptional profit recognised in 2013 from a completed project; and an impairment of goodwill in 2014 of RM739K.

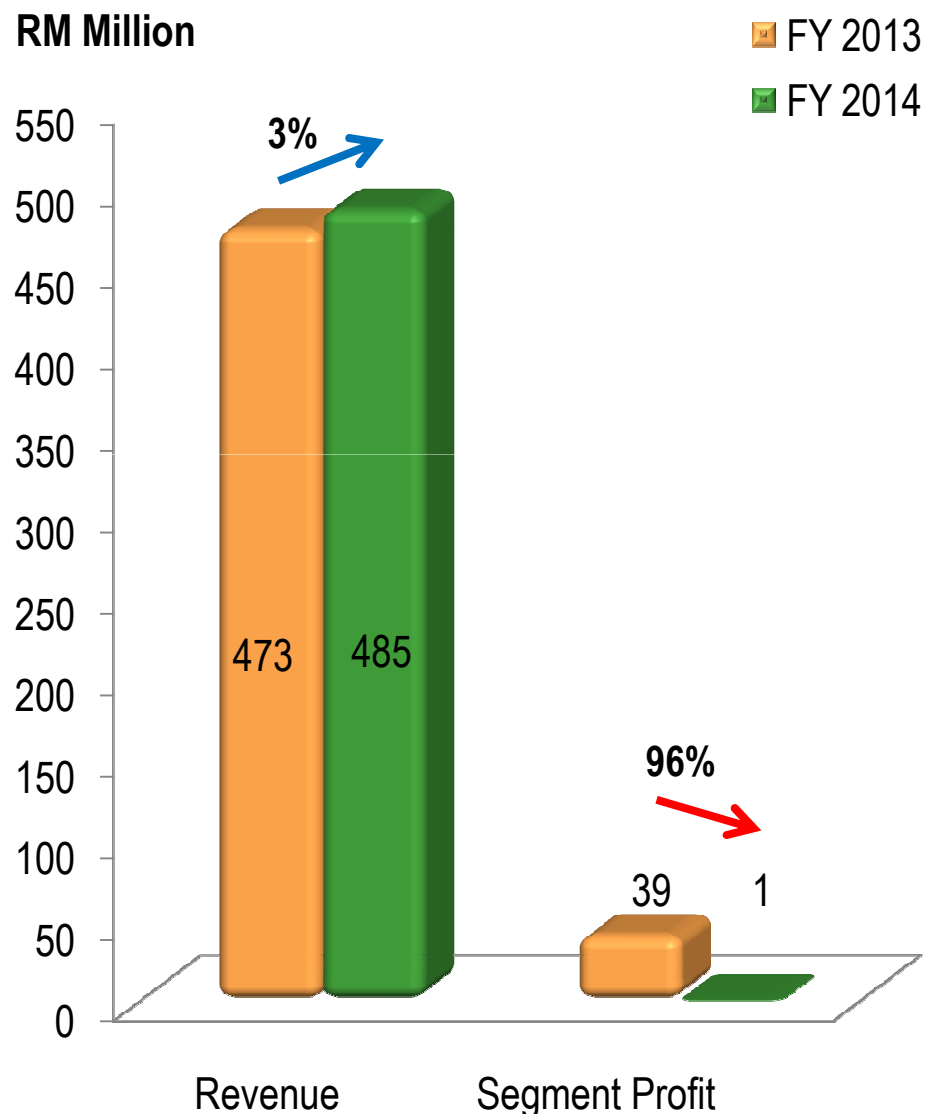
Review of Major Operations



PROPERTY INVESTMENT & DEVELOPMENT

- Revenue for 2014 decreased due to lower project management fees received. However, this was mitigated by higher rental income from increased rental rates upon renewal of tenancies and increased occupancy rates.
- Higher segment profit for 2014 due to profits recognised from finalisation of accounts for the Masera project, increase in rental income and profit from sale of an investment property.

Review of Major Operations



CHEMICALS, LIVESTOCK, INVESTMENTS & OTHER OPERATIONS



- Revenue grew marginally in 2014 mainly attributed to higher revenue generated from livestock farming arising from increased sales volume and higher selling prices of day-old-chicks and eggs.
- Profits decreased due to losses incurred in the packaging business. The profit for year 2013 was lifted by a one-time gain of RM16 million on disposal of the Group's Tradewinds shares and an exceptional dividend income of RM13 million from a quoted investment.



Key Achievements in 2014



Key Achievements in 2014

FLOUR & FEED MILLING, & GRAINS TRADING

-  In July 2014, Johor Bahru Flour Mill S/B completed the acquisition of a neighbouring piece of land measuring 2.3 hectares in Pasir Gudang, Johor for expansion of its feed milling activities.
-  Vietnam Flour Mills Ltd, a 100% subsidiary of FFM Group, commissioned its additional 150-tpd flour mill line in Ba Ria-Vung Tau Province, Vietnam in January 2014.
-  The construction of a new 500-tpd flour mill in northern Vietnam by VFM-Wilmar, a 51%-subsidiary was completed and commissioned in January 2015.





Key Achievements in 2014

MARKETING & DISTRIBUTION OF CONSUMER PRODUCTS

-  **FFM Marketing took over the distribution of Goodmaid, manufacturer of household cleaning products.**
-  **Launched Gem-Brite, a range of dishwashing liquid manufactured by Products Manufacturing Sdn Bhd, a 100% subsidiary of Chemquest Group.**





Key Achievements in 2014

FILM EXHIBITION & DISTRIBUTION

-  **GSC opened its 10-screen cinema at Palm Mall Seremban on 23 July 2014 and another 10-screen cinema at Quill City Mall, KL on 18 December 2014.**
-  **GSC commenced renovations at its flagship cinema, GSC Mid Valley to increase the number of screens from 18 to 21.**
-  **GSC extended its second Dolby Atmos hall at GSC KL Pavilion on 12 June 2014. The first Dolby Atmos hall was at GSC 1 Utama.**
-  **57 units of DBox seats were launched at GSC 1Utama and GSC KL Pavilion in August 2014 and November 2014 respectively.**




Key Achievements in 2014

ENVIRONMENTAL ENGINEERING, WASTE MANAGEMENT & UTILITIES

-  Handed over 4 sewage treatment plants under the Greater KL scheme and a fluoride plant for the Kuching Water Board.
-  Secured subcontract for mechanical and electrical works for Project Air Mentah RAPID in Pengerang, Johor.
-  Secured 6 projects with combined contract sums of RM261 million.
-  Current construction order book stands at RM413 million.



Key Achievements in 2014

PROPERTY INVESTMENT & DEVELOPMENT


-  Launched 14 units of luxury bungalows at Taman Tanah Aman in Seberang Prai in February 2014 and achieved 65% sales to-date.
-  Maseru Bukit Segar comprising 13 units of luxury bungalows of which 12 units have been sold and 9 units handed over to buyers in March 2014. The project achieved a GDV of RM104 million.
-  Southern Marina Development S/B in which PPB has 28% effective interest soft launched the 1st phase comprising 2 towers of 456 condominium units in its integrated waterfront development in Puteri Harbour, Iskandar Malaysia in January 2015 and has sold approximately 50% of the units in Tower I. The estimated GDV of the 1st phase is RM650 million.

Key Achievements in 2014

BAKERY

-  Commenced commercial production of its new production line of 6,000 loaves-per-hour bread line in May 2014 which increased its bread line capacity by 60%.
-  Launched “Chiffon in a Cup” cake range.

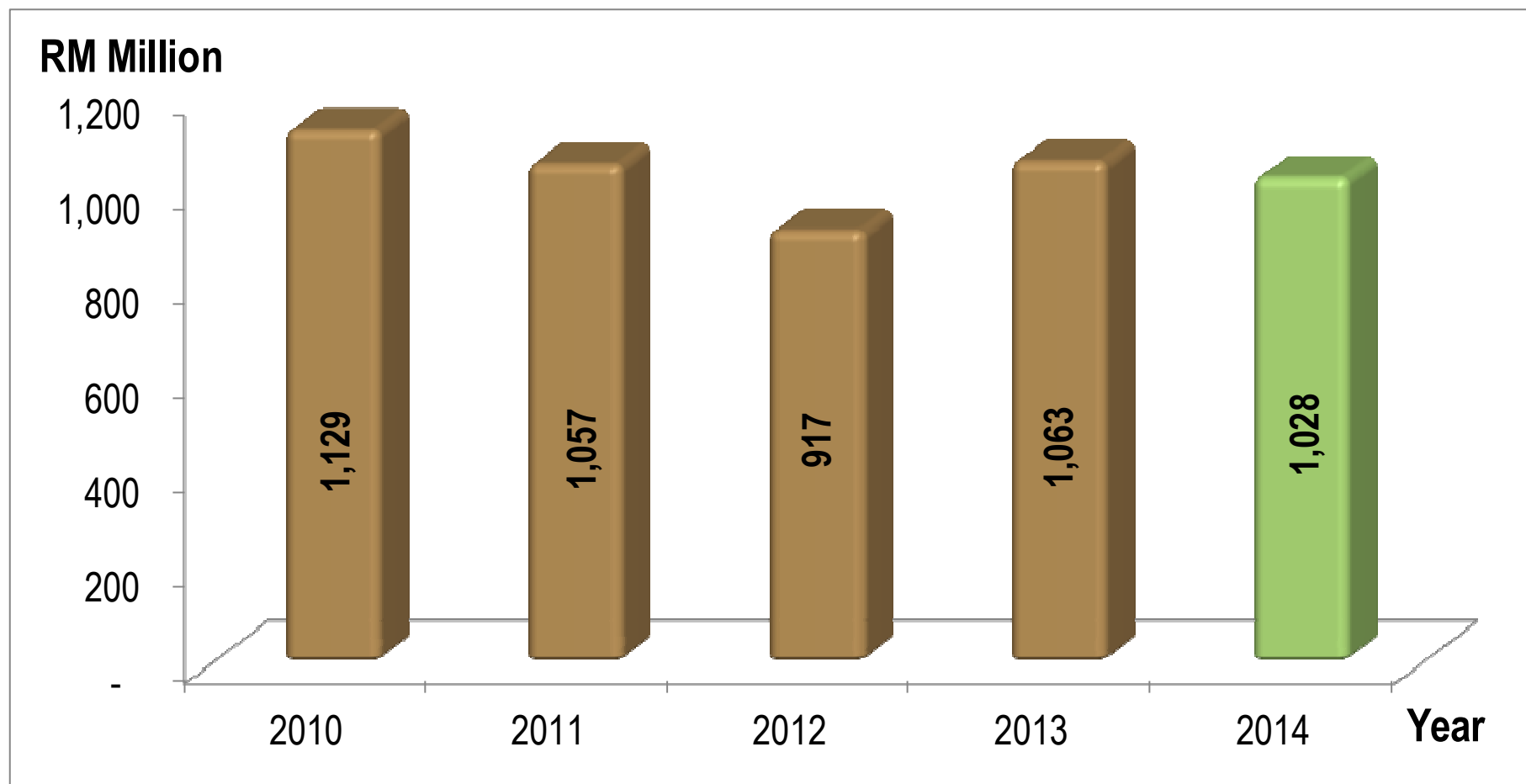
LIVESTOCK FARMING

-  Commenced operations of its new layer house in Trong, Perak in June 2014 which contributed an increase in egg production by 12%.



5-Year Financial Performance

5-Year PBT of PPB Group



Note : PBT for FY2010 excludes the one-time gain of RM841 million from the disposal of the sugar-related assets, to be comparable with the profits of the existing businesses.



Capital Commitments

Capital Commitments by Segments

**CAPITAL
COMMITMENTS
RM535 mil**

RM283 mil

Film Exhibition & Distribution

- Opening of 11 new cinemas
- Upgrading of existing cinema equipment
- Extension of 3 existing cinemas
- Increase investment in Galaxy

RM208 mil

Flour & Feed Milling, & Grains Trading

- Investment in China associates
- Expansion & upgrading of plant & machineries

RM19 mil

Frozen Food Processing

- Processing plant expansion

RM9 mil

Property Investment & Development

- Upgrading of facilities in shopping mall & office building

RM6 mil

Marketing, Dist. & Mftg of Consumer Products

- New warehouse & office buildings
- Upgrading of machinery & equipment

RM3 mil

Bakery

- Acquisition of bakery support equipment & sales vans

RM7 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)	(%)	(%)	(%)
2014 -Interim -Final*	7	7	83	1.6	29.7	96.4
	<u>16</u>	<u>16</u>	<u>190</u>			
	<u>23</u>	<u>23</u>	<u>273</u>			
2013	25	25	296	1.6	30.2	155.2
2012	20	20	237	1.7	28.2	63.0
2011	23	23	273	1.3	27.8	28.4
2010 #	88	88	1,043	5.1	100.1	294.1

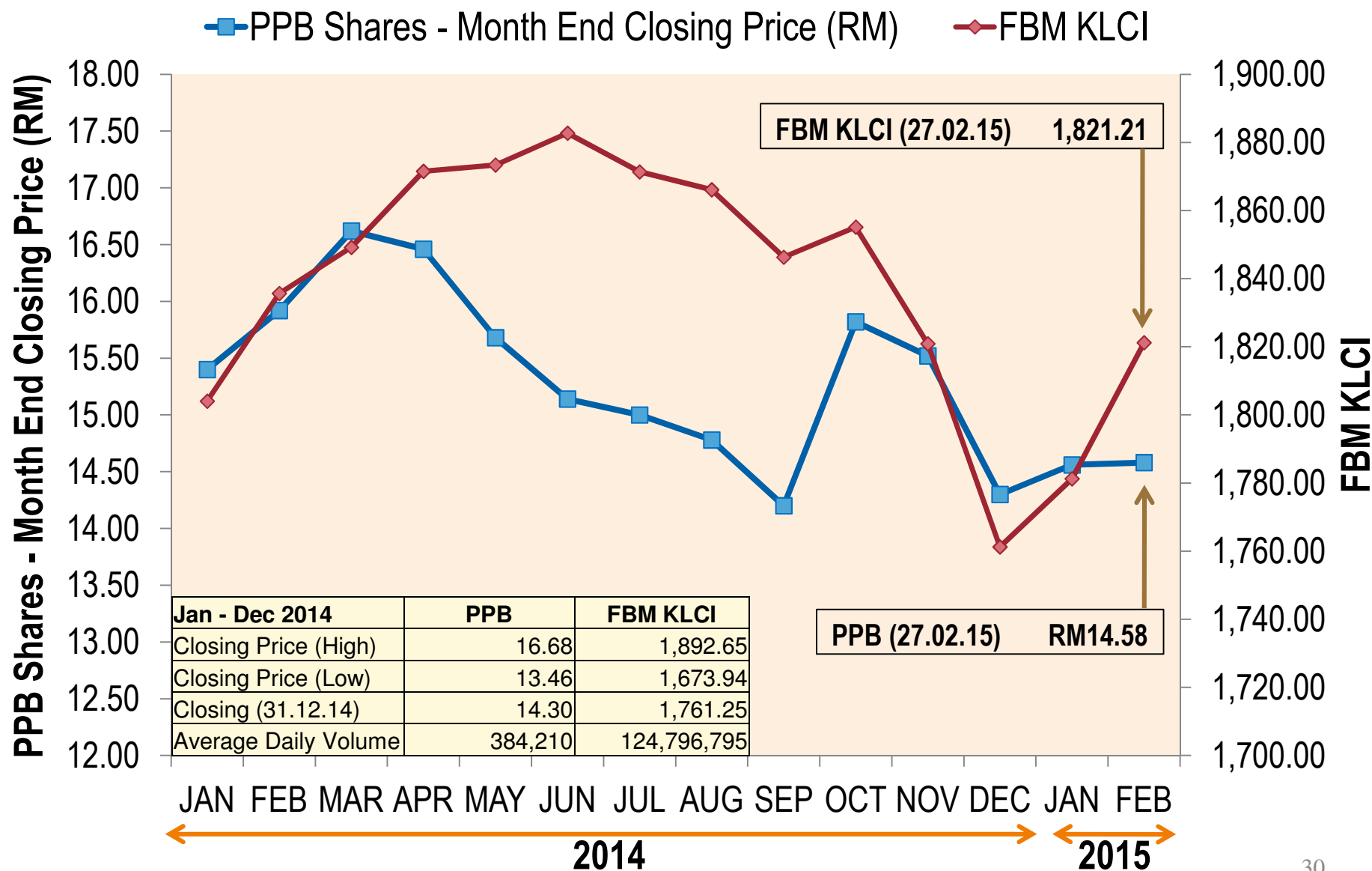
* PPB Board has recommended a final single tier dividend of 16 sen per share for the financial year ended 31 December 2014 payable on 29 May 2015.

Including Special Dividends of 65 sen per share in year 2010.



Share Price Performance




Share Performance







Prospects for 2015

Prospects for 2015

-  **The performance of the Group's flour, feed and other food-related businesses should be sustainable based on their enlarged distribution channels and market share.**
-  **The cinema business looks forward to the strong line-up of film titles releases in 2015 which should drive higher admissions to the existing cinemas as well as new cinemas to be opened in the coming year.**
-  **The property division is expected to perform satisfactorily despite subdued sentiments in the local property market.**

Prospects for 2015

-  **The environmental engineering segment should achieve higher revenue in the year as the contracts in hand progress to the main construction phase.**
-  **Domestic demand will remain as the main driving factor for the Group's core businesses while the overall consolidated financial results in 2015 will continue to be substantially supported by Wilmar's business performance.**



Questions & Answers