



FRASER & NEAVE HOLDINGS BHD

FULL YEAR FY2020 Fraser & Neave Holdings Bhd Group Financial Highlights

4 November 2020

PURE ENJOYMENT
GOODNESS

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**FY2020
F&NHB GROUP
FINANCIAL
PERFORMANCE**



FULL YEAR FY2020 F&NHB GROUP FINANCIAL PERFORMANCE

F&NHB recorded resilient full year performance amidst COVID-19

Full Year 2020

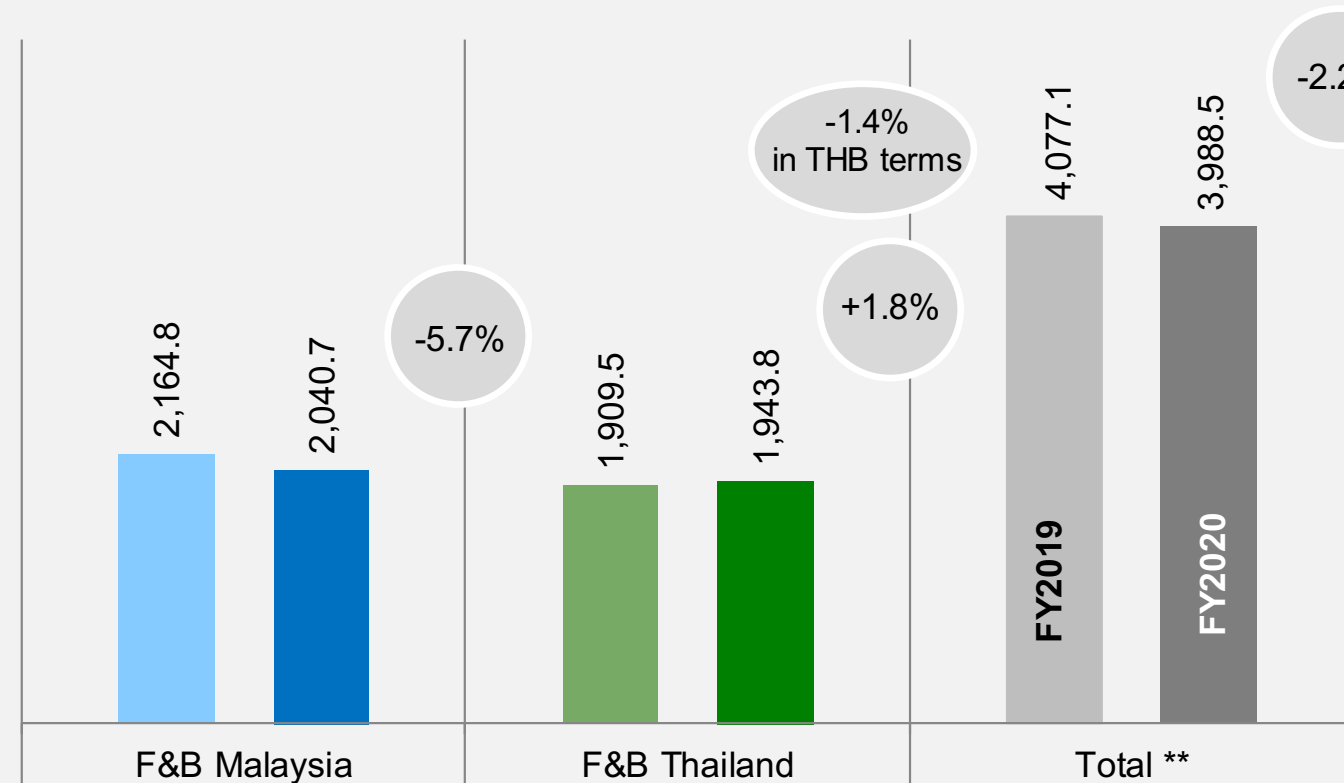
Revenue (RM'mil)	Operating profit (RM'mil)
RM3,988.5 ▼ -2.2%	RM515.2 ▼ -1.0%
Profit before tax ("PBT") (RM'mil)	PBT margin (%)
RM522.9 ▼ -1.9%	13.1% ▲ 0.0 p.p
Profit after tax (RM'mil)	Earnings per share (basic) (sen)
RM410.1 ▲ 0.0%	111.9 sen ▲ 0 sen



Group Revenue Contracted Minimally to RM3.99 bil amidst COVID-19 Pandemic - Sustained by Strong 1Q, 4Q Domestic Recovery and Robust Exports

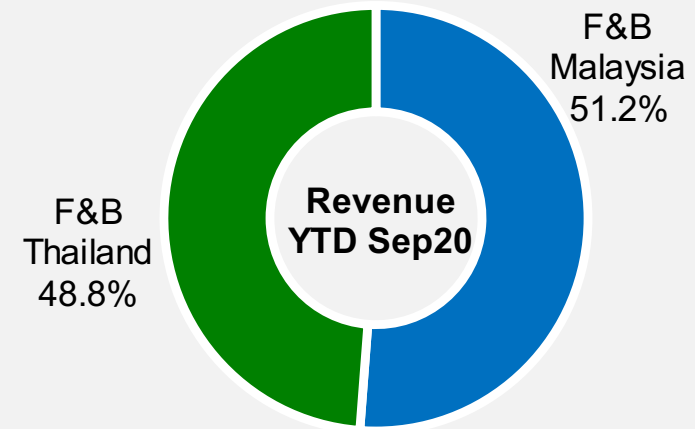
Revenue FY2020

by Business Segment (RM'mil)



Revenue

F&B Malaysia : F&B Thailand (%)



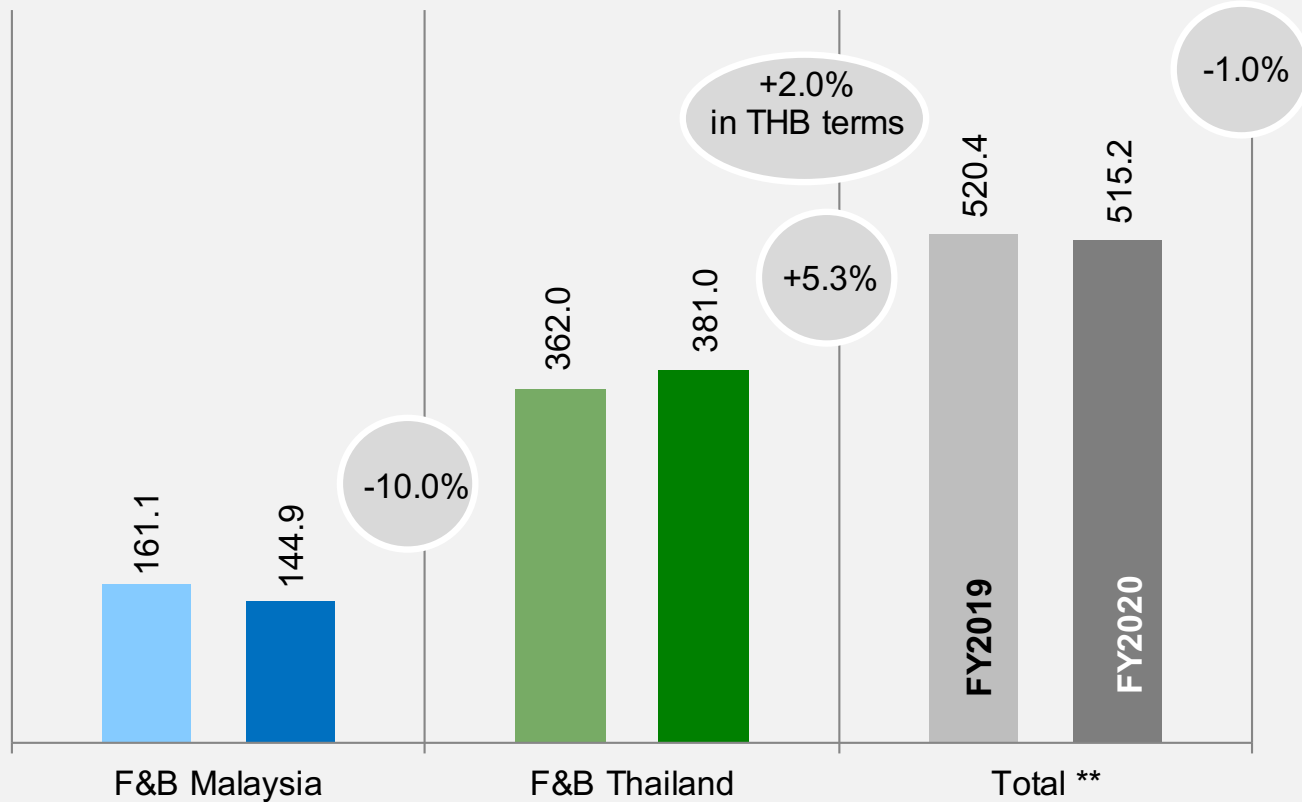
** Property and Others segment are not shown in the chart



Group Operating Profit Remained Stable at -1.0% vs FY19
- Strong F&B Thailand Performance and Concerted Efforts to Manage Costs

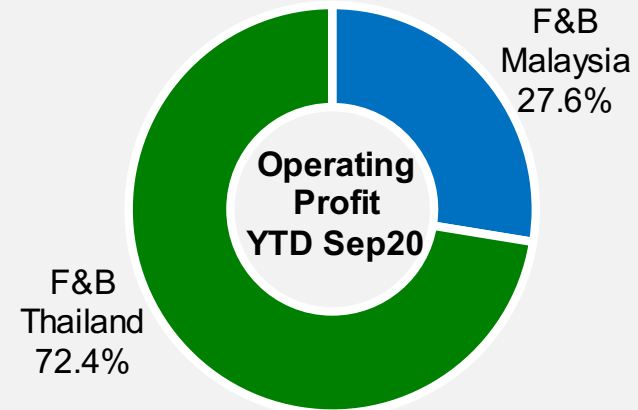
Operating Profit FY2020

by Business Segment (RM'mil)



Operating Profit

F&B Malaysia : F&B Thailand (%)

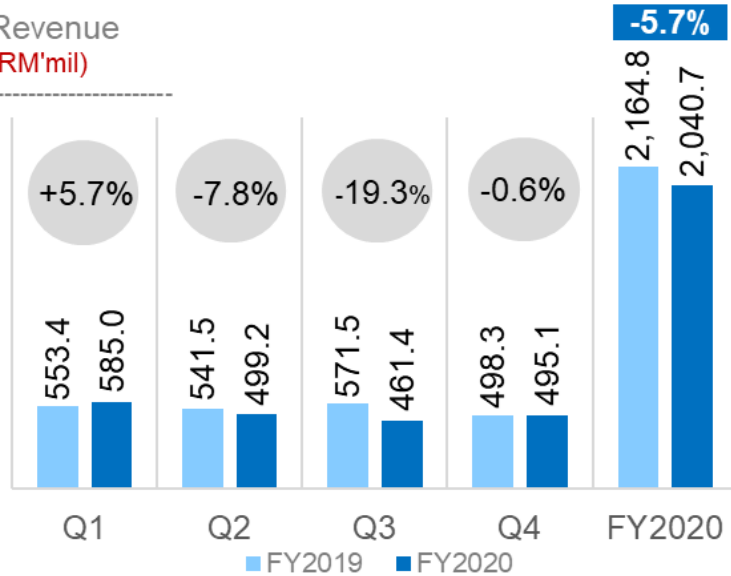


** Property and Others segment, adjustments and eliminations are not shown in the chart

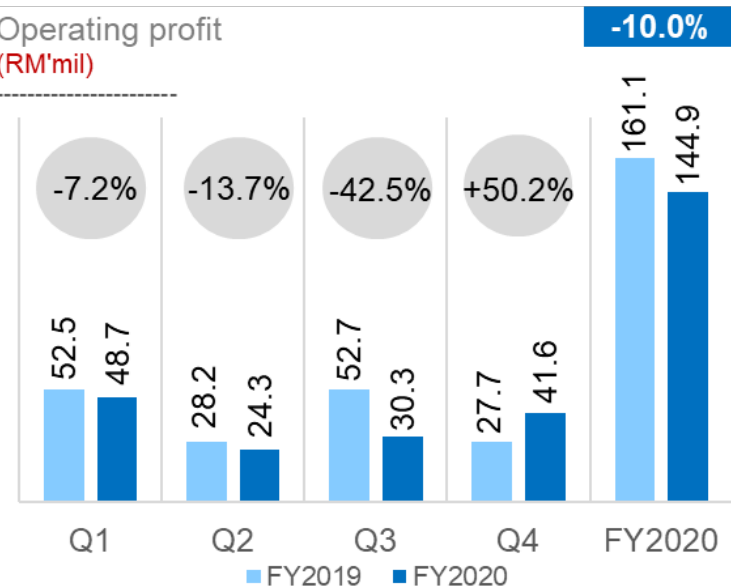


F&B Malaysia

Revenue
(RM'mil)



Operating profit
(RM'mil)



- Fast tracked e-commerce strategies: *F&N Life* platform launched
- Fast track MENA growth : A subsidiary in Dubai set up

4Q 2020 v 4Q 2019

- Q4 revenue - marginal 0.6% decline
 - Led by the export markets (export revenue grew 2.4%)
 - Recovery in domestic market – marginal decline
- Q4 operating profit grew 50.2%
 - Gain on disposal of “TEAPOT” trademark of RM7.8m
 - Improved by 8.3% (excluding one-off/non-operating items) – mainly due to reduction in A&P spending and cost savings

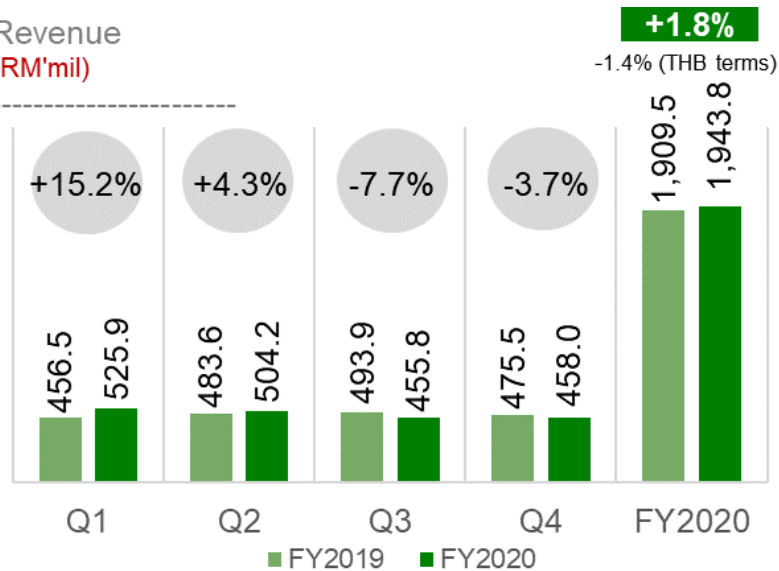
Full Year FY2020 v FY2019

- Revenue -5.7% (domestic decline mitigated by export growth)
 - Good Q1 and Q4 recovery, punctuated by two quarters of COVID-19 impacted declines.
 - Sustained demand for dairy products and in-home consumption
- Operating profit -10%
 - Lower revenue and higher dairy input costs
 - Declined by 16.8% excluding one-off/non-operating items

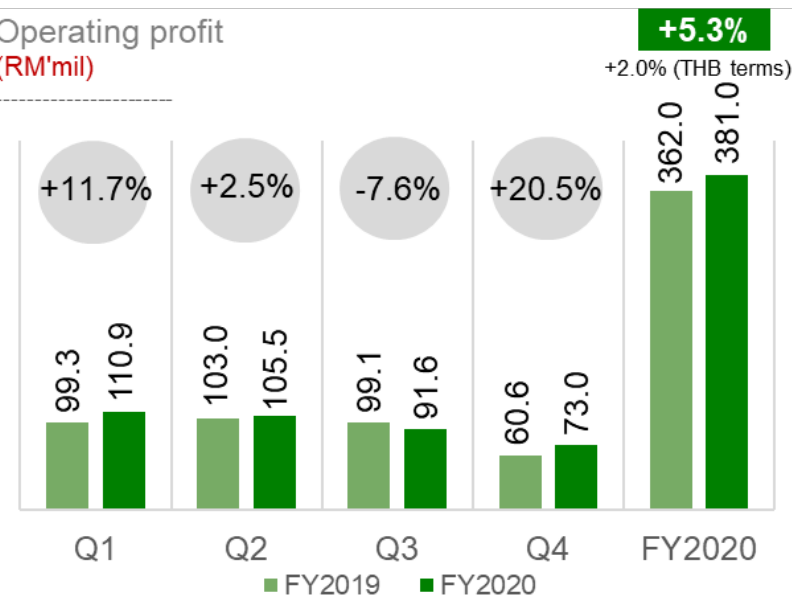


F&B Thailand

Revenue
(RM'mil)



Operating profit
(RM'mil)



- Moderate domestic decline mitigated by strong exports
- Exports (Cambodia, Laos, Others) grew 8.7% to RM357 mil

Q4 2020 v Q4 2019

- Q4 revenue : slight decline of 3.7% (- 1.7% in Thai Baht terms)
 - Managing higher Q3 trade stocks in the domestic Thai market
 - Mitigated by growth in Indochina
- Q4 Operating profit : improved 20.5% (+26.7% in Thai Baht terms)
 - Lower A&P spending
 - Partially offset by the weaker Thai Baht

Full Year FY2020 v FY 2019

- Revenue +1.8% (-1.4% in Thai Baht terms) aided by strong Thai Baht in Q1-Q3
 - Strong operational execution, consistent brand strategies
 - Marginal decline in general trade and food service, mitigated by export
- Operating profit +5.3% (+2.0% in Thai Baht terms)
 - Aided by favourable full year RM/THB forex translation
 - Tightened cost control on overheads and A&P spending



Export Markets Contributed Close to RM800 Mil Revenue Amidst the Pandemic

- Export to 82 countries worldwide
- Comprise 20.0% of total revenue of the Group (2019: 17.9%)
- Exports ex-Malaysia: ▲ 9.7% vs 2019
- Exports ex-Thailand: ▲ 8.7% vs 2019



Final Dividend Maintained at 33 sen/share (2019: 33 sen/share)

	FY 2020	Change ⁴
Total equity ¹ (RM'mil)	2,690.4	▲ 6.4%
Total assets (RM'mil)	3,520.1	▲ 0.5%
Net cash ² (RM'mil)	401.7	▼ -10.0%
Net assets per share (RM)	7.34	▲ 0.44
Gearing ratio ³ (%)	3.4%	▲ 1.5%

1 Includes non-controlling interest

2 Net cash is lower mainly due to capex spending

3 Total debt / Total equity

4 Comparison against 30 September 2019

- **Final single tier dividend of 33 sen per share (2019: 33 sen per share)**
- Takes into account Group's capital position, working capital requirements and capital expenditure investments.
- **Entitlement date: 21 January 2021**
- **Payment date: 5 February 2021**





FULL YEAR HIGHLIGHTS



What's New?

- **100PLUS Zero**
- **F&N Ice Mountain Sparkling Water** – Original, Grapefruit & Lemon
- **F&N Teh Tarik** – Ori & Less Sweet
- **OYOSHI Gold No Sugar Green Tea** – Kabusecha & Sencha
- **Sunkist Pure Juice Drink** – Orange & Lemon Apple
- **TEAPOT Sweetened Condensed Milk Squeeze Tube** – Original, Gula Melaka & Pandan
- **F&N Fruit Tree Reduced Sugar Soursop with Nata De Coco**



- **CARNATION Plus Sweetened Condensed Milk with 0% Fat**
- **TEAPOT Sweetened Condensed Milk Squeeze Tube** – Matcha
- **F&N Magnolia Milkies Milk Tablets** – Classic Malt, Hokkaido Milk, Strawberry Yogurt



10 new products launched in FY2020





OFFICIAL LAUNCH OF



Official Launch
in January 2020



Scaled up
in March 2020
during MCO



20,000
App downloads
to-date



250 SKUs
Available



Largest Virtual 'Teh Tarik' Mamak Session Hosted by F&N Teh Tarik Ori



Record-breaking event



Most Number of Participants in a Virtual 'Teh Tarik' Mamak Session



Participated by 667 Malaysians





**OUR SUPPORT
TOWARDS
NATION'S
FRONTLINERS &
COMMUNITY
IN NEED
DURING
MCO**

Contributed
>650,000 products
to keep them
hydrated and
energised



Tabahkan Hatimu, Sinarkan Ramadannmu

**“TABAHKAN
RAKYAT
MALAYSIA DI
RAMADAN
MULIA”
PROGRAMME**

F&N has distributed
>500,000 products
to about 10,000
underprivileged
families in Malaysia

*Semoga semuanya
dipermudahkan.*



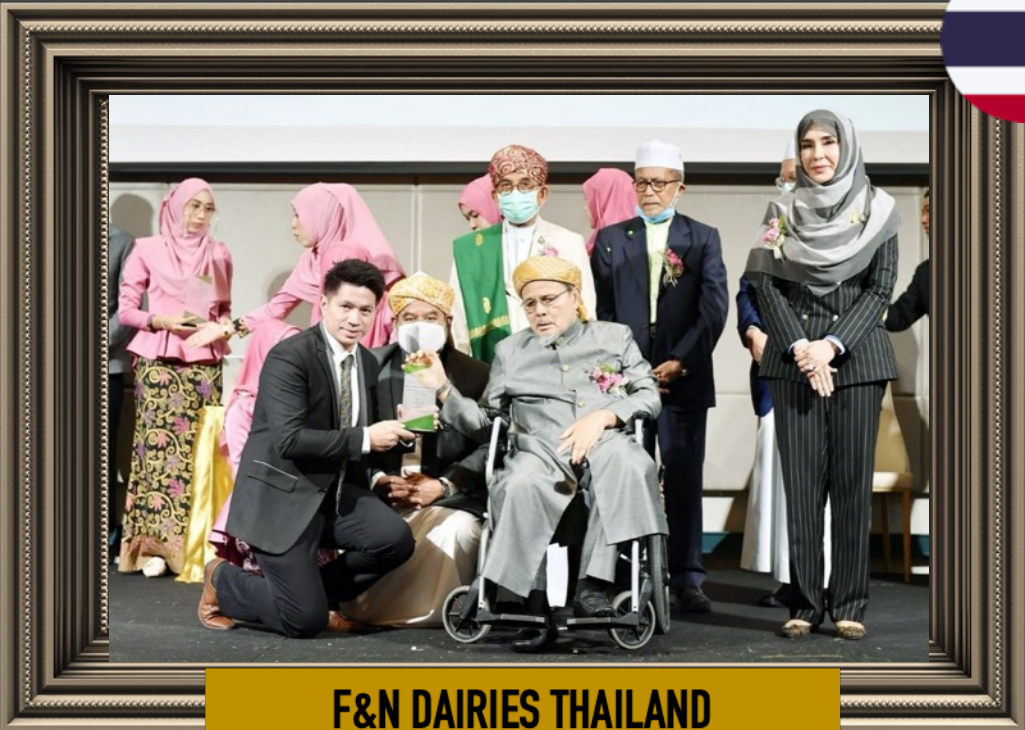
H&N membantu pengamal tempatan menghasilkan produk yang lebih selamat dan berkualiti melalui inisiatif Tabahkan Hatimu, Sinarkan Ramadannmu. © 2015 F&N (M) Sdn Bhd. Semua hak cipta terpeliharakan. F&N, 100 PLUS dan logo F&N adalah tanda dagangan F&N (M) Sdn Bhd. Semua hak cipta terpeliharakan.

Recognition towards Our Strong Halal Commitment



FRASER & NEAVE HOLDINGS BHD

*Halal Food and Beverage
Excellence Award*
from Halal Development Corporation



F&N DAIRIES THAILAND

*Thailand Best Halal Company
of the Year 2020*
from Central Islamic Council of Thailand

Prospects

- Cautious amidst prolong COVID-19 pandemic and uncertainties both local and global.
- Crisis provides opportunity for reset and 'reimagine' to fuel growth and innovation.
- Focus on three strategic priorities : **Innovation, Cost Competitiveness and Excellence in Execution (I.C.E.)** provides clarity and purpose to navigate through these unprecedented times
 - process improvements and digitalisation
 - pursue opportunities to build a stronger and more sustainable business for the future
 - continued investments in CAPEX and our brands
 - **e-commerce strategies** – both F&N Life platform and e-commerce partners.
- Strong fundamentals will see us through these challenging times
 - leverage on our **strong balance sheet**, bank facilities and low funding cost to support our operations and capitalise on opportunities that may arise.
- The pandemic has delayed some of our longer-term strategic initiatives, but it has also given us more time to reassess these initiatives for the 'new normal'.



INVESTING FOR THE FUTURE

“

*Our long heritage
taught us to
look beyond crisis*

”



Milk tablet line - Completed

📍 Rojana Plant, Thailand



- Commercialised new line to produce *F&N Magnolia Milkies* in February 2020
- Entered a new adjacent product category
- Small revenue but high visibility



Solar Photovoltaic (PV) System - Completed

📍 Rojana Plant, Thailand



- Commissioned since April 2020
- Cost 30 mil Baht
- 1MWp generating capacity
- Reduce the plant's energy offtake from the grid, lowering both energy cost as well as carbon footprint

Chilled Production Capability - Completed

📍 Pulau Indah Plant, Malaysia



- The chilled in-sourcing initiative is part of RM40 mil investment in Pulau Indah to support health & wellness growth
- More cost competitive, better control of quality and inventory, and for future capacity planning



Expansion of Production Capability - Completed

📍 Shah Alam Plant, Malaysia

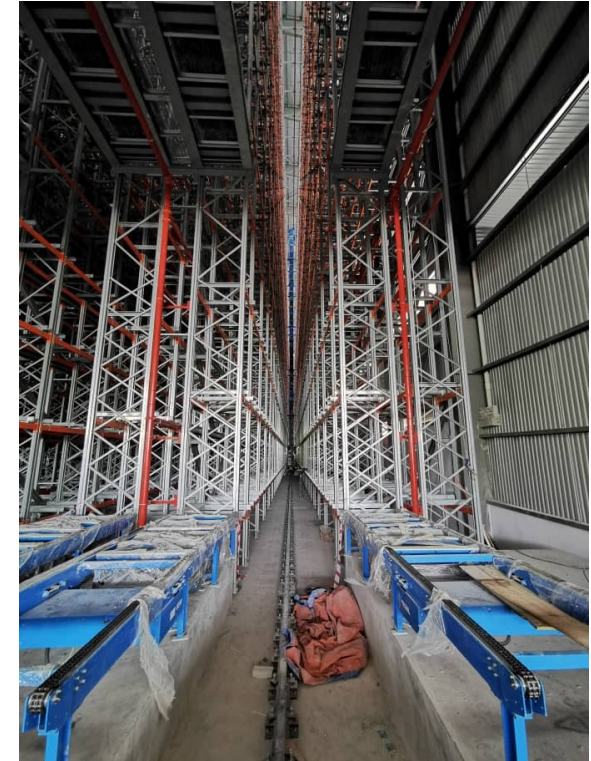


- Upgrade and expansion of product & new pack-types at Shah Alam Plant
- Investments to cater to changing consumers' needs; and reduce carbon footprint (cordial line)



Integrated Warehouse – In progress

📍 Shah Alam Plant, Malaysia



- Integrated warehouse building with Automatic Storage & Retrieval System (ASRS) with capacity of over 50,000 pallets
- Able to maximise storage efficiency, reduce operational costs, shorten the delivery lead time to customers and reduce carbon footprint
- Largely eliminated the use of forklifts – less fuel usage and emissions



Production Plant for Drinking Water & Warehouse – In Progress

📍 Kota Kinabalu Industrial Park, Malaysia



- The investment signals our impending entry into drinking water business in Sabah
- Cost savings by in-sourcing of warehousing needs in Kota Kinabalu



Solar Photovoltaic (PV) System to be Installed

📍 3 plants in Malaysia (Shah Alam, Pulau Indah, Bentong)



- Part of RM30 mil commitment over two years into renewable energy programmes and projects that contribute to energy efficiency and carbon emission reduction
- The 10 MWp of total solar energy capacity, once completed, will generate enough clean energy to power the equivalent of 3,700 typical homes

New Regional Distribution Centre (“RDC”)

📍 Rojana, Thailand



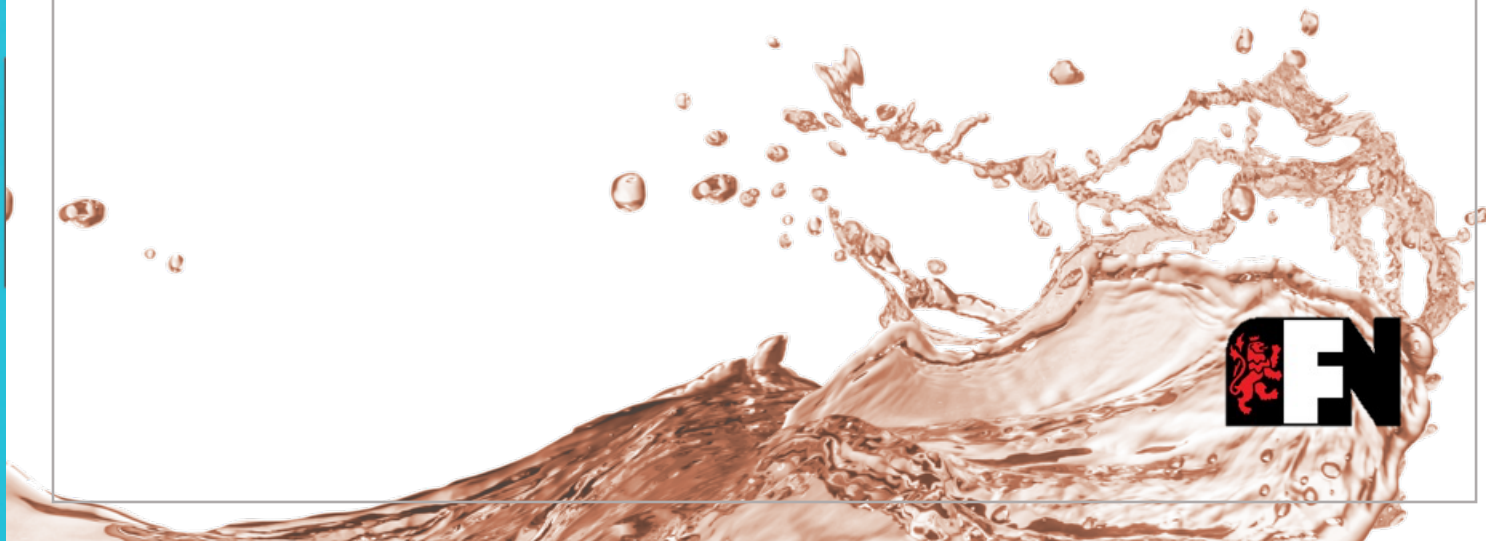
- New 20,000 square metres RDC in Rojana, Thailand, equipped with ASRS - RM57 million
- Fully integrated distribution centre with an enterprise resource planning system and efficient information flow.
- Expected to be operational in 2021.





**“ To
sustain our
137 years legacy,
we will continue to
explore further
investments
including fresh capex projects
in Malaysia and Thailand.
We will announce when ready.**

”





THANK YOU