

Bringing
Smiles



**PRESENTATION BY
CHIEF EXECUTIVE
OFFICER**

FRASER & NEAVE HOLDINGS BHD

1HFY21

GROUP FINANCIAL HIGHLIGHTS

Important notice

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1H FY2021 F&NHB GROUP FINANCIAL PERFORMANCE



Stronger First Half Amidst COVID-19 Containment Measures

“

Stronger Q2 FY2021 performance, driven both by domestic sales and exports as well as maiden contribution from Sri Nona Companies, led to a positive first half performance.

”

Revenue

RM2,175.0 mil

▲ 2.8%

Operating profit

RM294.7 mil

▲ 2.2%

Profit before tax ("PBT")

RM298.3 mil

▲ 1.2%

PBT margin

13.7%

▼ -0.2 p.p

Profit after tax

RM240.3 mil

▲ 4.2%

Earnings per share (basic)

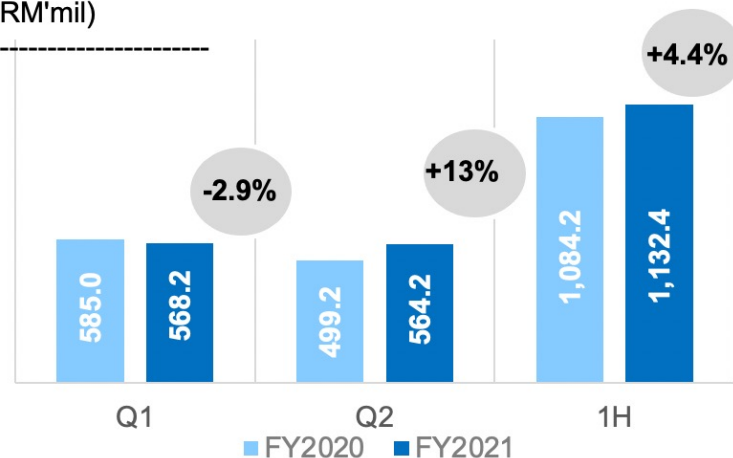
65.5 sen

▲ 2.6 sen

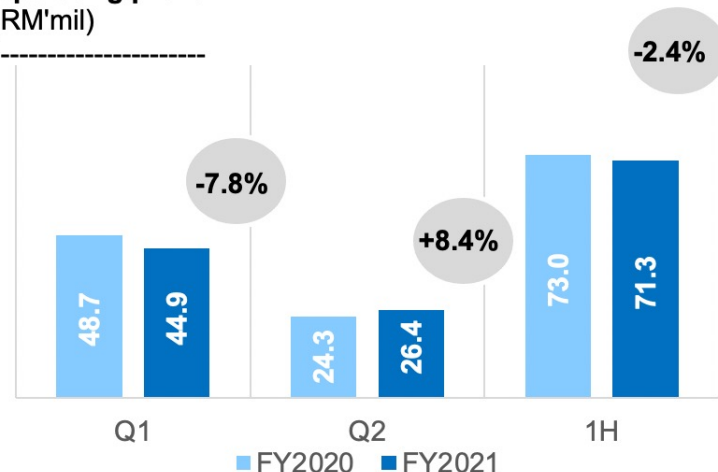


F&B Malaysia

Revenue
(RM'mil)



Operating profit
(RM'mil)



- **13.0% growth** for Q2 FY2021 amidst subdued festive celebrations.
- Built on our **adaptive route-to-market execution** and **channel strategies** to reach out to consumers and meet their expectations.

2Q 2021 v 2Q 2020

- Amidst subdued Chinese New Year festivities due to MCO 2.0 restrictions in Malaysia, F&B Malaysia Q2 revenue grew by 13.0% to RM564.2 million due to:
 - **positive momentum in out-of-home consumption** after the easing of movement restrictions early March.
 - **double digit growth in exports fuelled by growth in Middle East and Africa markets**; and
 - **contribution from Sri Nona Companies**.
- Operating profit rose 8.4% mainly due to:
 - higher revenue, **favourable product mix, prudent A&P spending**; and
 - partially offset by **lower export margins** due to commodity costs pressures and rising freight costs.

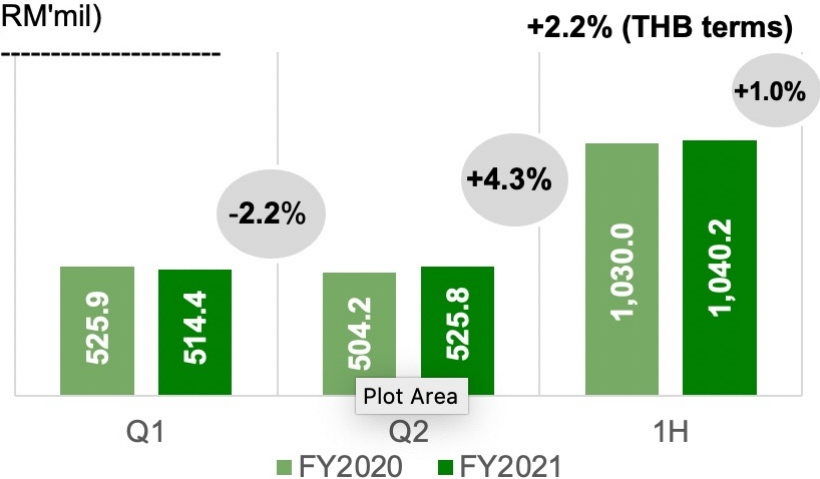
1H 2021 v 1H 2020

- Revenue grew by 4.4% due to:
 - **higher beverage sales**, double digit growth in exports in Q2, **sustained demand for dairy products**, and contribution from Sri Nona Companies.
- Operating profit declined slightly by 2.4% mainly due to lower export margins.

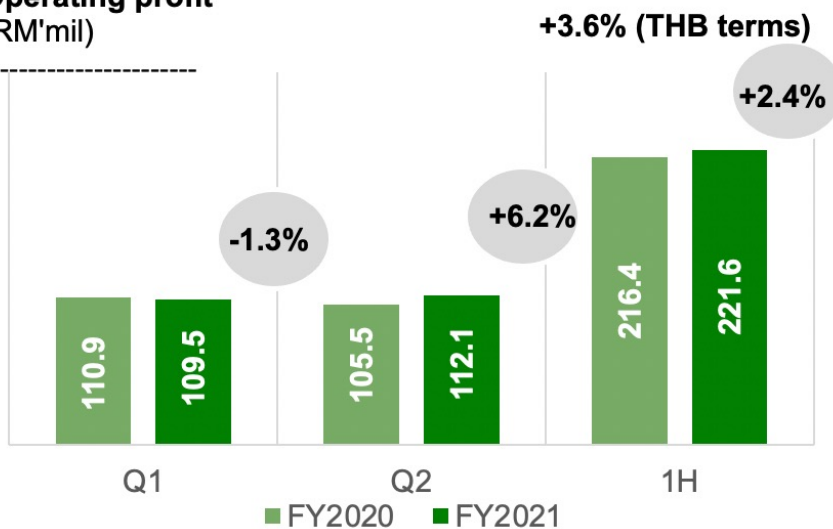


F&B Thailand

Revenue
(RM'mil)



Operating profit
(RM'mil)



- Supported the trade with value offers and attractive promotions to help hawkers, café and restaurant operators to quickly restart their business activity as economic activities begin to pick up.

2Q 2021 v 2Q 2020

- Revenue grew by 4.3% (+3.8% in THB Terms) to RM525.8m due to:
 - recovery in domestic activities (hawkers, restaurant/café operators);
 - higher exports

Operating profit for F&B Thailand increased by 6.2% (+5.7% in THB terms) from:

- higher sales, phasing of A&P and partially offset by unfavourable commodity costs.

1H 2021 v 1H 2020

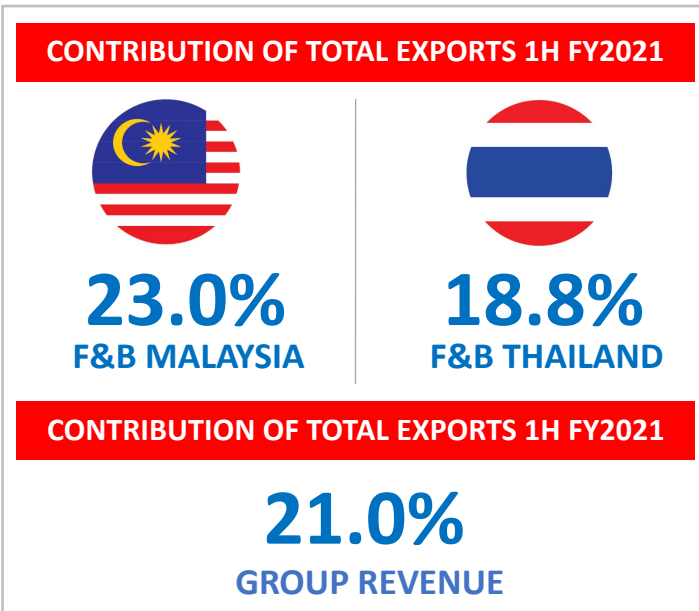
- Revenue for F&B Thailand grew by 1.0% (+2.2% in THB terms) supported by:
 - out-of home consumption recovery;
 - growth in export market – mitigated the slower offtake in traditional trade and modern trade channels.
- Operating profit improved by 2.4% (+3.6% in THB terms) from:
 - higher revenue, phasing of A&P spending; and
 - partially offset by higher commodity costs.



Group Export revenue remained strong (+5.7%) fuelled by growth in the Middle East and Africa markets despite COVID-19 uncertainties

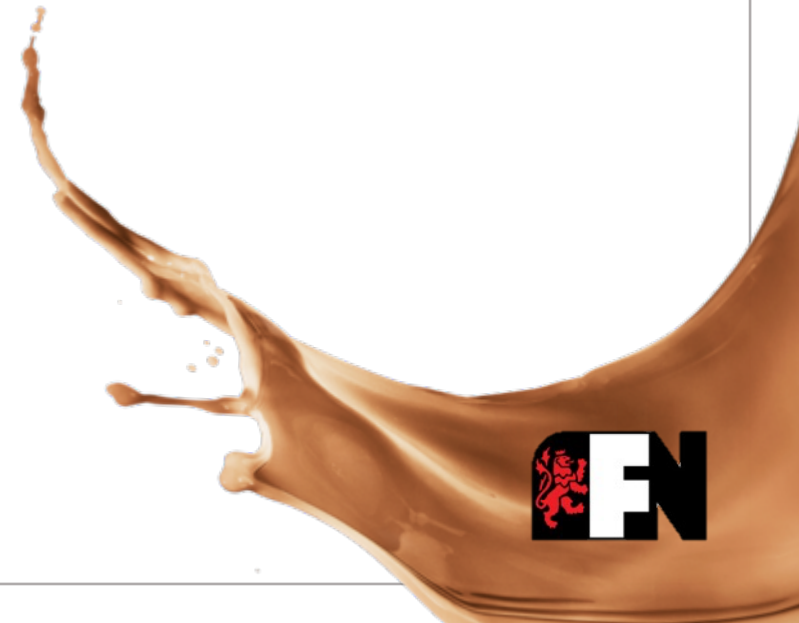
Revenue from Halal Markets contributed close to RM100m (35% of exports from Malaysia) for 1H FY2021

- Exports ex-Malaysia: + 6.9% vs 1H FY2020
- Exports ex-Thailand: + 5.3% vs 1H FY2020





OUR NEW HALAL FOOD PILLAR - INTRODUCTION ON SRI NONA



Nona brand is to spearhead our expansion into Halal Food category

Market Leading Brands



No. 1 Rice Cake Producer in Malaysia



Only brand offering Ketupat Palas & Lemang in Ready-to-cook format

Award Winning SKU



First rice cake brand in Malaysia to win Golden Award in MIFT Award (2019 Product Innovation)

Healthy Choice



Oyster Sauce

Meets the Nutritional Guidelines set by Health Promotion Board (SG) as **Healthier Choice** (Lower in Sodium) for Oyster Sauce range



*Jauh Di Mata,
Dekat Di Hati*



BUAT YANG
Tersayang
FOR OUR TREASURED ONES



**Jenama Sebenar,
Pilihan Asli.**



KETUPAT NONA MEMENANGI
ANUGERAH EMAS MIFT
melalui produk Ketupat Palas Pulut Hitam

*Malaysia Institute of Food Technology

Golden Award in MIFT Award (2019 Product Innovation for its Ketupat Palas Pulut Hitam)



"Tahniah Ketupat Nona!"
Anugerah EMAS MIFT,*
Produk Inovasi 2019,
melalui produk Ketupat Palas Pulut Hitam.

*Malaysian Institute of Food Technology.



Meets Nutritional Guidelines set by Health Promotion Board (SG) as Healthier Choice (Lower in Sodium)



*Citarasa Sekeluarga
Cintarasa Malaysia*



Innovative Cooking Sauces and Sachets that understand local tastes

Senang dimasak,
Sedap dimakan.
Simply Delicious

SOS
MEE GORENG
MAMAK



SOS
CHAR KOAY TEOW



SOS
NASI GORENG





INTERIM DIVIDEND



Interim Dividend Maintained at 27 sen/share (2020: 27 sen/share)

	31 Mar 2021	30 Sep 2020	Change ⁴
Total equity ¹ (RM'mil)	2,821.2	2,690.4	▲ 4.9%
Total assets (RM'mil)	3,735.8	3,520.1	▲ 6.1%
Net cash ² (RM'mil)	578.8	401.7	▲ 44.1%
Net assets per share (RM)	7.69	7.34	▲ 0.36
Gearing ratio ³ (%)	2.8%	3.4%	▼ 0.6%

1 Includes non-controlling interest

2 Net cash is higher due to higher net cash from operating activities

3 Total debt / Total equity

4 Comparison against 30 September 2020

- Takes into account Group's capital position, working capital requirements and capital expenditure investments.
- **Entitlement date : 20 May 2021**
- **Payment date : 16 June 2021**





1H FY2021 HIGHLIGHTS



WHAT'S NEW IN FY2021?



F&N ICE MOUNTAIN
MINERAL WATER
(6L)

NEW

EST COLA
BROWN SUGAR

F&N
BANDUNG



F&N SPARKLING



TEAPOT SCM
(500g Pouch)



TEAPOT
SQUEEZE TUBE
(STRAWBERRY)



GOLD COIN
JUARA



PROGRAM "KEBERKATAN PLUS PLUS"



DISTRIBUTING **RM1 MILLION** WORTH OF PRODUCTS AND DAILY ESSENTIALS TO **20,000 BENEFICIARIES** NATIONWIDE, INCLUDING B40 FAMILIES AND 100 UNDERPRIVILEGED HOMES

Keberkatan
PLUS PLUS



*Indahkan Ramadan,
buat lebih banyak
kebaikan.*





F&NHB teamed up with **9 other key industry leaders** in the **FMCG sector** to establish the **Malaysian Recycling Alliance (MAREA)**.

MAREA launched to **improve collection and recycling of post-consumer packaging** in Malaysia.



Visit www.marea.com.my for more info.

OUR LATEST AWARDS & RECOGNITION



**PRIME MINISTER'S
BEST INDUSTRY AWARD
2020**

F&N DAIRIES THAILAND



**SILVER AWARD FOR
BEST SUSTAINABILITY
REPORTING**

FRASER & NEAVE HOLDINGS BHD



**SILVER AWARD FOR
EXCELLENCE IN EVENT
MARKETING (VIRTUAL)**

F&N TEH TARIK



**TOP 5 MALAYSIA'S MOST
ATTRACTIVE GRADUATE
EMPLOYERS - FMCG**

FRASER & NEAVE HOLDINGS BHD



**SILVER AWARD FOR
EXCELLENCE IN
HR COMMUNICATION
STRATEGY**

FRASER & NEAVE HOLDINGS BHD



**9TH GOLD FOR
NON-ALCOHOLIC
BEVERAGE**

100PLUS

STRONG RECOGNITION TOWARDS OUR ENVIRONMENTAL STEWARDSHIP

PRIME MINISTER'S HIBISCUS AWARD 2019/20



A premier environmental award for business and industry in Malaysia endorsed by the Ministry of Environment and Water, which recognises the achievement of top industry players in their efforts towards environmental excellence.

F&N Dairies Manufacturing Pulau Indah

- ★ Exceptional Achievement Award
- ★ State Award (Selangor)

F&N Beverages Manufacturing Shah Alam

- ★ Notable Achievement Award





INVESTING FOR THE FUTURE



Integrated Warehouse

📍 Shah Alam Plant, Malaysia

In progress [Target completion: End of Year 2021]



- Integrated warehouse building with Automatic Storage & Retrieval System (ASRS) with capacity to store over 50,000 pallets
- Able to maximise storage efficiency, reduce operational costs, shorten 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

📍 Kota Kinabalu Industrial Park, Malaysia

In Progress [Target completion: End of Year 2021]



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

New Regional Distribution Centre (“RDC”)

📍 Rojana, Thailand

In Progress [Target Completion: In Year 2021]



- New 20,000 square metres RDC in Rojana, Thailand, equipped with RM57.4 million ASRS.
- Fully integrated distribution centre with an enterprise resource planning system and efficient information flow.
- Expected to be operational in 2021.



Solar Photovoltaic (PV) System

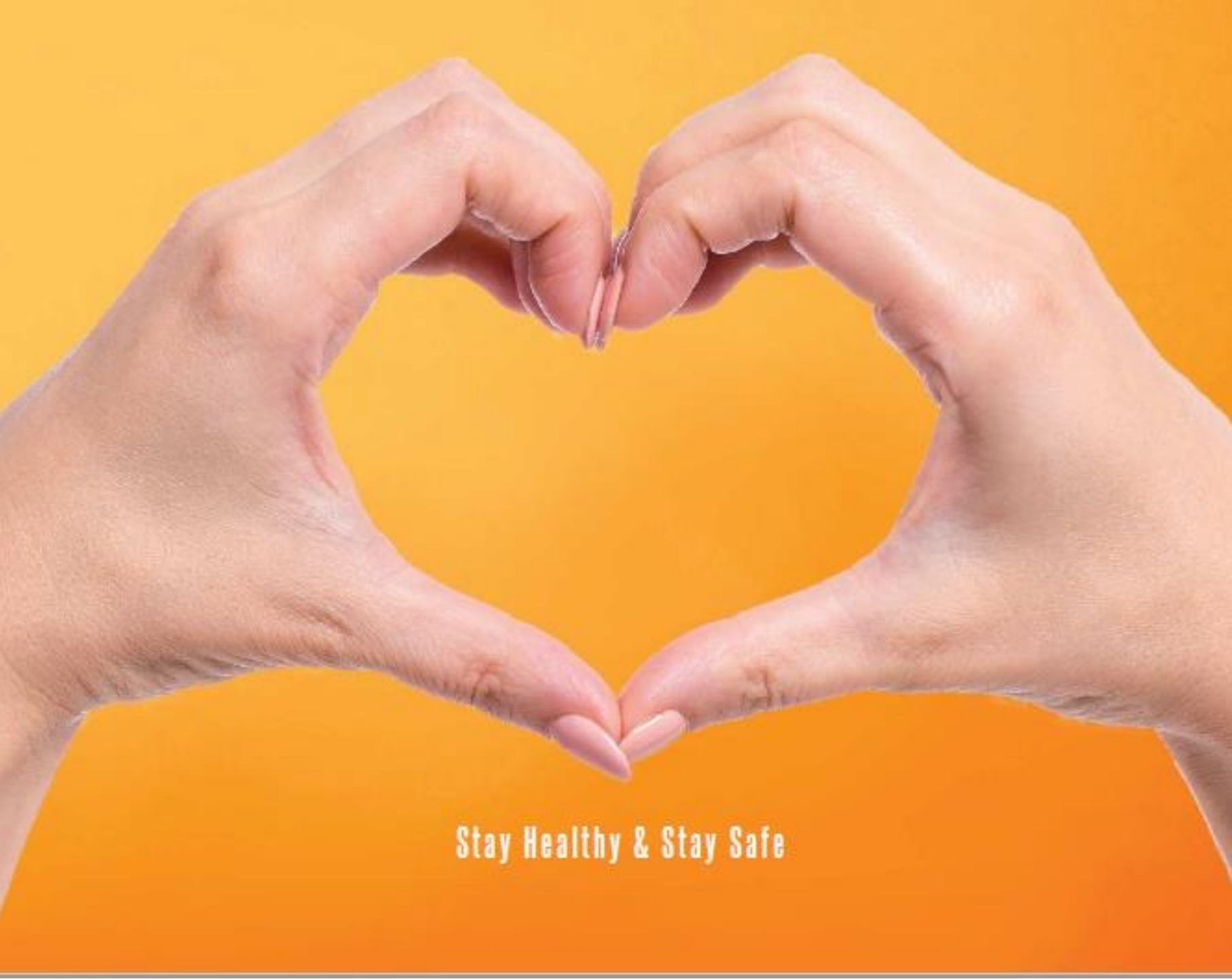
📍 3 plants in Malaysia (Shah Alam, Pulau Indah, Bentong)

In progress [Target completion: By end of year 2021]



- 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





Stay Healthy & Stay Safe

**KEEPING OUR
PEOPLE SAFE**



Safeguarding the Health & Well-being of Our People



Preventive & protective measures to safeguard our employees

- Daily sanitisation and cleaning after each work shift, and regular chemical dry sanitisation
- Regular COVID-19 screenings in our plants at Selangor
- Masks, hand sanitisers and mask keepers are provided to all employees



Strict SOPs & restricted movements at our premises to ensure proper risk management

- Daily contactless temperature screening for all staff
- Safe distancing measures at all workplaces
- Rigorous contact tracing for employees who fall into categories of close contact, and further testing where applicable and home-quarantine as per KKM guidelines



Flexible working arrangement to ensure business continuity

- Implement work-from-home or split team arrangement where applicable



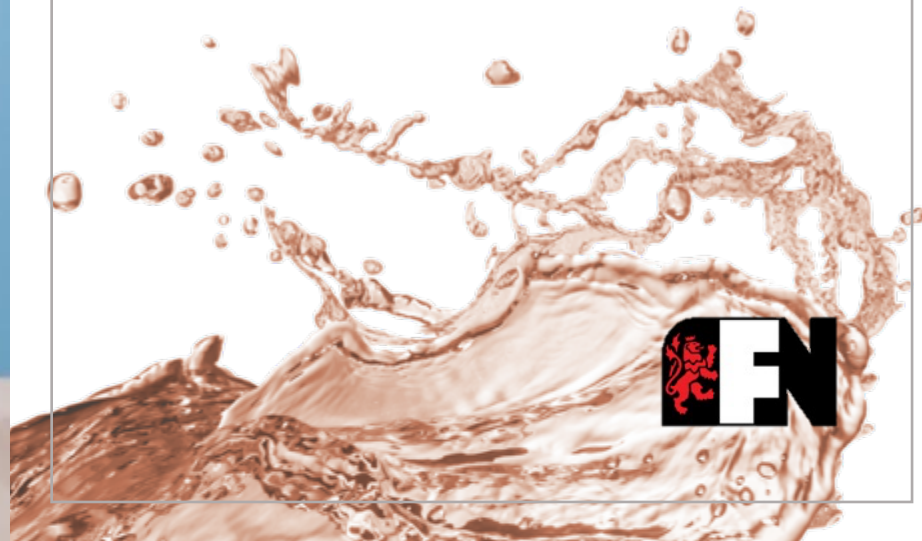
Help employees to improve their productivity in the new norm environment

- Upskill and reskill through e-Learning and virtual classrooms
- A dedicated 24-hour employee careline to address any work-related or health and well-being concerns





OUTLOOK AND GOING FORWARD



OUTLOOK

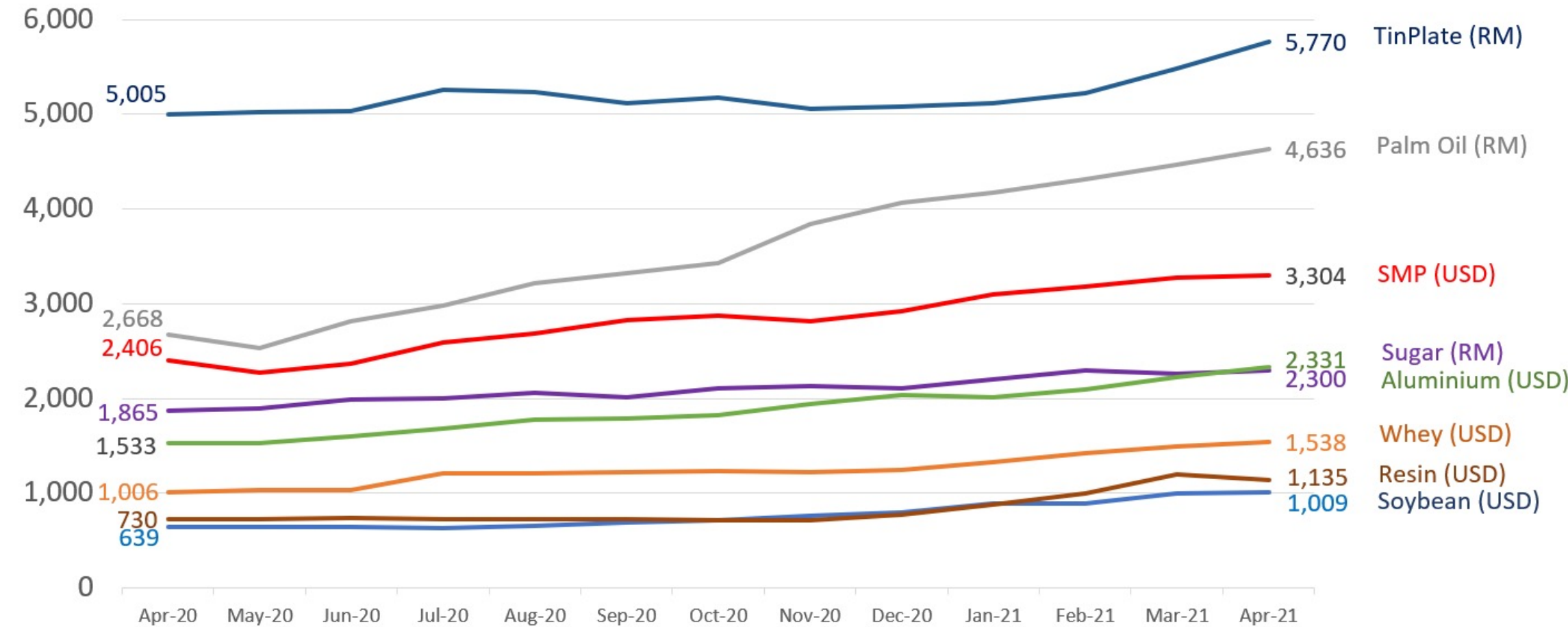
- Remain cautious of the local and global uncertainties as the COVID-19 pandemic situation remains fluid and uncertain.
- **Commodity prices are on an uptrend and expected to rise further.**
- Continue to **develop our rich portfolio of brands** and **geographical presence**, while adapting and **refining our strategies** to constraints imposed by the pandemic.
- Implemented appropriate measures to build a stronger future for the Group.
 - We are confident that our **long-term strategies are well placed** to manage the risk of the current landscape while **keeping us on track to drive future growth.**



Input costs are on an uptrend and expected to rise further

USD/RM

Key Commodity Spot Price chart (Apr 20 - Apr 21)



— SMP — Whey — Palm Oil — Sugar — Soybean — Aluminium — Tinplate — Resin





THANK YOU