

Bringing  
*Smiles*



**PRESENTATION BY  
CHIEF EXECUTIVE  
OFFICER**

FRASER & NEAVE HOLDINGS BHD

**59<sup>th</sup> ANNUAL  
GENERAL  
MEETING**

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**FY2020  
F&NHB GROUP  
FINANCIAL  
PERFORMANCE**



## Commendable top and bottom-line performance amidst Covid-19 crisis

“

We made good progress in strategic plans set out for the year 2020 despite the unfavourable circumstances.

This was mainly the result of years of focus on creating greater efficiencies as part of our transformation to become a sustainable beverage leader in the region.

”

## Full Year 2020

Revenue

RM3,988.5 mil

▼ -2.2%

Operating profit

RM515.2 mil

▼ -1.0%

Profit before tax ("PBT")

RM522.9 mil

▼ -1.9%

PBT margin

13.1%

▲ 0.0 p.p

Profit after tax

RM410.1 mil

▲ 0.0%

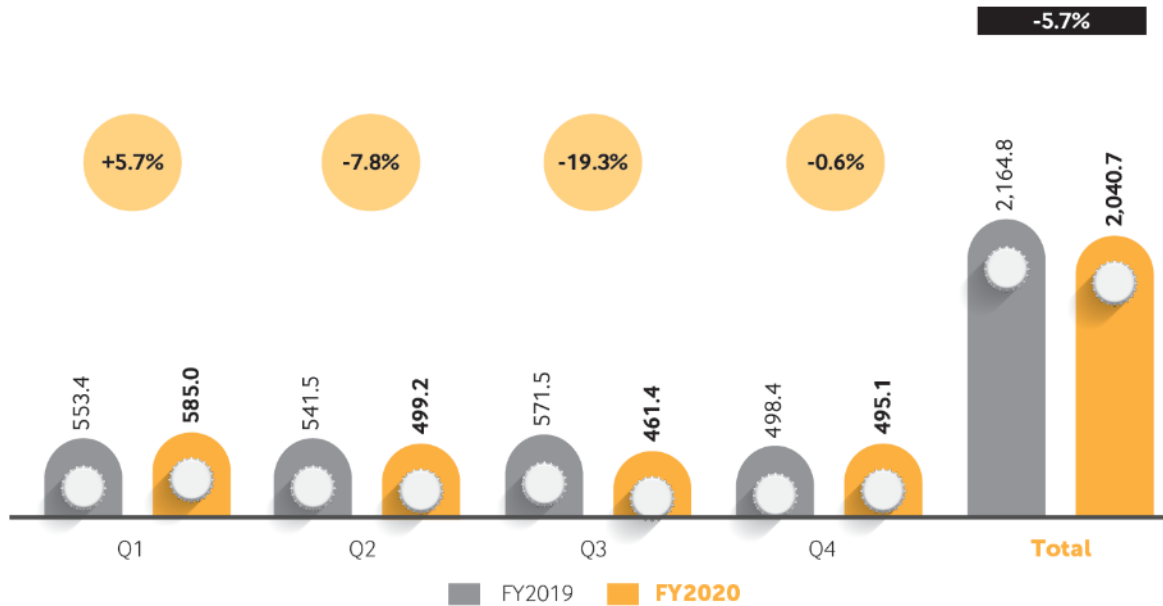
Earnings per share (basic)

111.9 sen

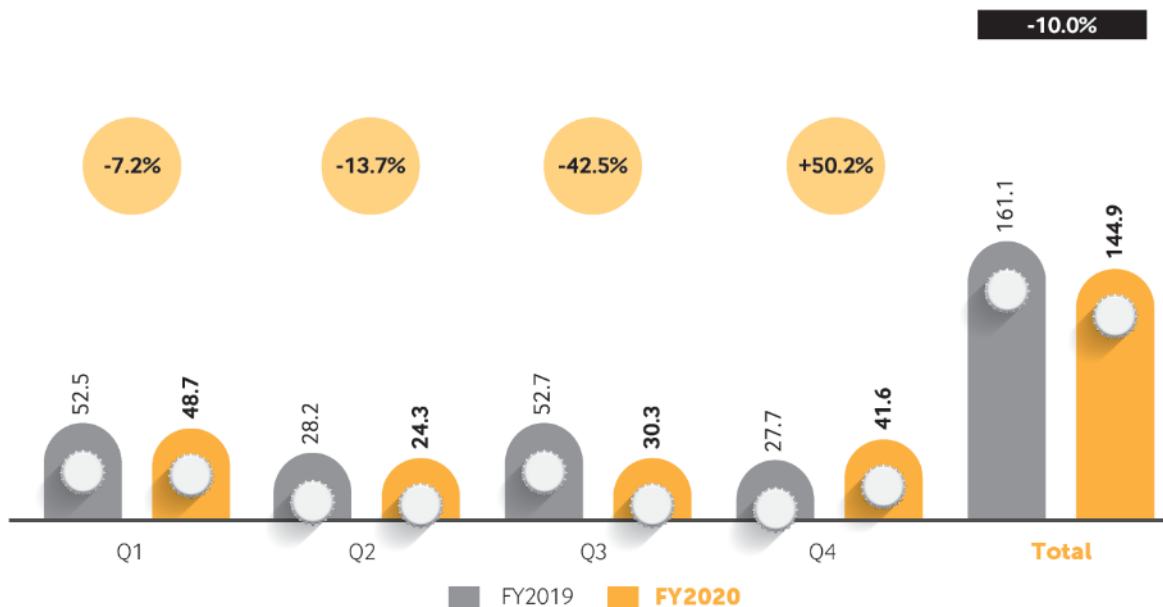
▲ 0 sen



## REVENUE (RM million)



## OPERATING PROFIT (RM million)



## FOOD & BEVERAGES

# MALAYSIA

- Fast tracked e-commerce strategies: *F&N Life* platform launched
- Focus on product and marketing innovations
- Executions refined to meet new norms in the marketplace
- Continued to strengthen in-store presence
- Fast track MENA growth : Dubai subsidiary set up

## FY2020 v FY2019

- **Revenue -5.7% (Export continued to grow)**
  - Good Q1, then two big Covid-19 impact quarters; and ended with Q4 recovery.
  - Sustained demand for dairy products and in-home consumption
- **Operating profit -10%**
  - Lower revenue + higher dairy input costs
  - Declined by 16.8% excluding one-off/non-operating items

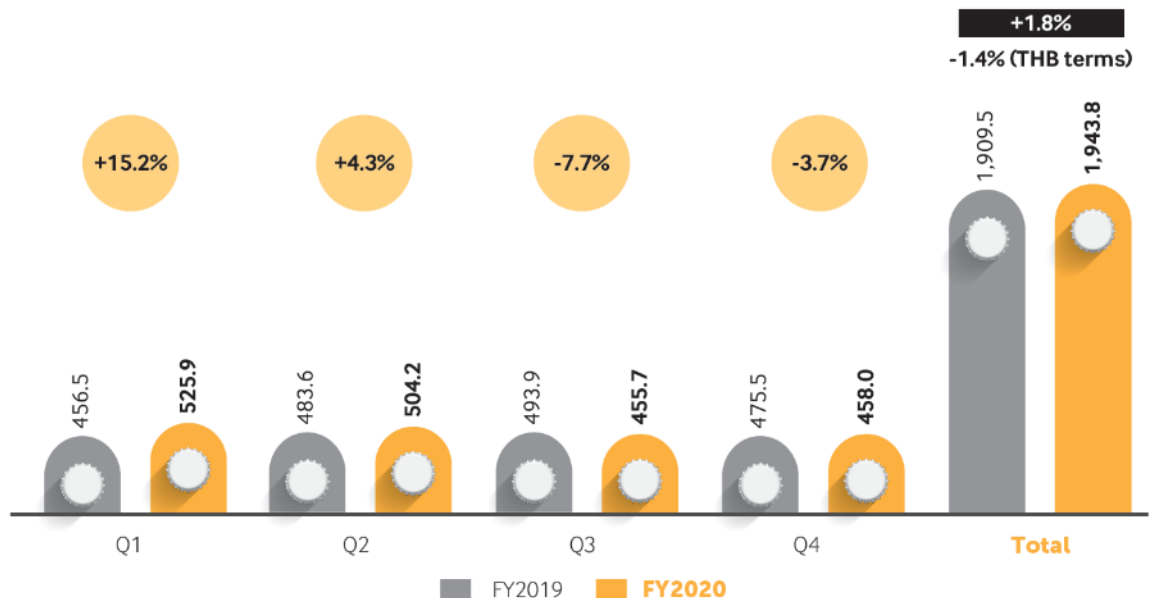
## THAILAND

- Similar to F&B Malaysia, exports (Cambodia, Laos, Others) grew 8.7% to RM357 mil to partially mitigate slowdown in domestic market due to Emergency Decree, etc.)
- Continued focus on hawker stall channel in both domestic Thailand and Indochina.

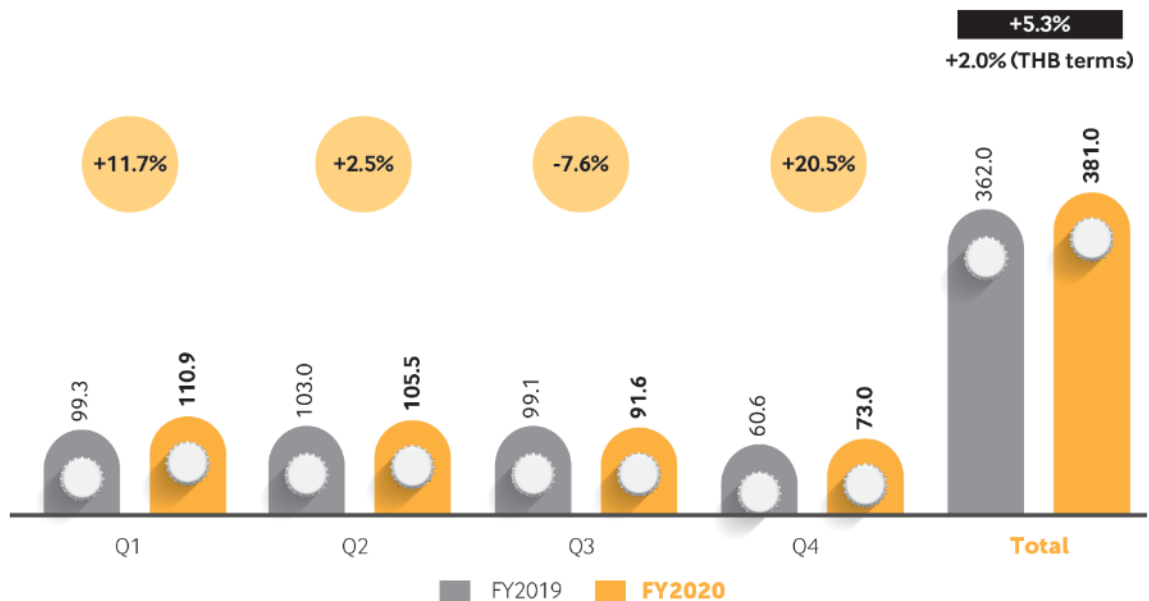
## FY2020 v FY2019

- **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

## REVENUE (RM million)



## OPERATING PROFIT (RM million)



# Export Markets from Malaysia and Thailand Contributed RM796 Mil Revenue Amidst the Pandemic

- Exports ex-Malaysia: + 9.7% vs 2019
- Exports ex-Thailand: + 8.7% vs 2019

Revenue from **halal markets** surpassed **RM100m** revenue target



For the export market, we introduced **1 metric tonne packaging** for sweetened condensed milk (catering specifically to F&B manufacturers)

## EXPORT HIGHLIGHTS:

### TOP EXPORTED PRODUCTS:



- Condensed Milk and Evaporated Milk

### DIFFERENTIATION IN PACKAGING FORMAT CATERING TO THE DIFFERENT NEEDS OF OUR CONSUMERS:



- Stick pack
- 2.5kg pouch
- 20kg bag-in-box (BIB)
- 1 Metric Tonne Chep Pallecon (for Industrial)



- 7 new export countries in FY2020



- Established first international office in Dubai

## CONTRIBUTION OF EXPORT REVENUE TO SEGMENT REVENUE FY2020



## CONTRIBUTION OF TOTAL EXPORTS FY2020



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

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





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# 59<sup>th</sup> ANNUAL GENERAL MEETING

## FY2020 HIGHLIGHTS



# 10 new products launched in FY2020



- 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 Yoghurt

“ *Products carrying the Healthier Choice Logo (HCL) endorsed by Malaysian Ministry of Health or Thailand’s Ministry of Public Health increased from 41 at end FY2019 to 47 in 2020.* ”



CATERING TO EVERY NEED AND PREFERENCE THROUGH INNOVATION IN PACKAGING

# NEW SUSTAINABLE AND RECYCLABLE PAPER CARTON

GOOD FOR YOU. GREAT FOR THE ENVIRONMENT.



Bio-based cap made from sugar cane

## NEW LOOK!



Easy To Open



Easy To Pour From



No Spillage



FARMHOUSE



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MS 1001:2009  
1046-20/2011

For more information, please visit <https://www.fn.com.my/brands>



1 metric tonne packaging for sweetened condensed milk (catering specifically to F&B manufacturers for export markets)



**LAUNCHED F&N FLAGSHIP ONLINE STORE – F&N LIFE**



**Launched**  
in January 2020



**Scaled up**  
in March 2020  
during MCO



**>20,000**  
App downloads  
to-date



**250 SKUs**  
Available



**1<sup>st</sup> Fulfilment**  
**Center** in KL  
opened in January  
2021



# 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**



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





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

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



# New in FY2021



3 UNIQUE

FLAVOURS TO SPARK YOUR DAY!

F&N  
SPARKLING



**APPLE  
BARLEY**  
Delicious  
& Bubbly!



**ESPRESSO**  
Power, Bro!



**HONEY  
LEMON**  
Your  
perfect  
companion!





New in FY2021

# สตรอเบอร์รี่โยเกิร์ต หอมหวาน ต้องลอง!

TEAPOT Squeeze Sweetened Beverage Creamer  
Strawberry Yoghurt

ใหม่



# Our Latest Awards & Recognition



**F&N DAIRIES THAILAND**

*Prime Minister's  
Best Industry Award 2020*  
from the Ministry of Industry, Thailand



**FRASER & NEAVE HOLDINGS BHD**

*National Annual Corporate  
Reporting Award 2020*  
- Silver Award for  
Best Sustainability Reporting

# Our Awards & Recognition in 2020



## MARKETPLACE AWARDS

NEW

### Prime Minister's Best Industry Award 2020

from the Ministry of Industry, Thailand  
(F&N Dairies Thailand)

NEW

### National Annual Corporate Reporting Award 2020

Silver Award for Best Sustainability Reporting  
(Fraser & Neave Holdings Bhd)

### Halal Food and Beverage Excellence Award

from Halal Development Council  
(Fraser & Neave Holdings Bhd)

### Thailand Best Halal Company of the Year 2020

from the Central Islamic Council of Thailand  
(F&N Dairies Thailand)

### Most Number of Participants in a virtual 'Teh Tarik' Mamak session

from The Malaysia Book of Records  
(F&N Ready-to-drink Teh Tarik)

### The Best 6-seconds Storytelling Award

from YouTube Malaysia Ad Awards 2019  
(F&N Dairies – "Nikmati Kepuasan Teh Tarik Ori F&N" Ad)

### Gold in Best Marketer in Media & Content Partnership Marketing

from CMO Asia (100PLUS)

### Bronze in Best Use of Influencer for Aktifkan AME 2019

from Effie Award (100PLUS)

## WORKPLACE AWARDS

### Top 5 in Graduates' Choice Award 2020

Malaysia's Most Attractive Graduate Employers to Work  
in the Fast Moving Consumer Goods category  
(Fraser & Neave Holdings Bhd)

### National Occupational Health & Safety Award 2020

Diamond Level from the Ministry of Labour, Thailand  
(F&N Dairies Thailand)

### Zero Accident Campaign 2020 - Silver Level

from the Ministry of Labour, Thailand  
(F&N Dairies Thailand)

### Excellent Establishment on Labour Relations and Welfare 2020

from the Ministry of Labour, Thailand for 8 consecutive years  
(F&N Dairies Thailand)



## 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
- In-sourcing for better management of costs, quality and supply guarantee



## Expansion of Production Capability - Completed

### 📍 Shah Alam Plant, Malaysia

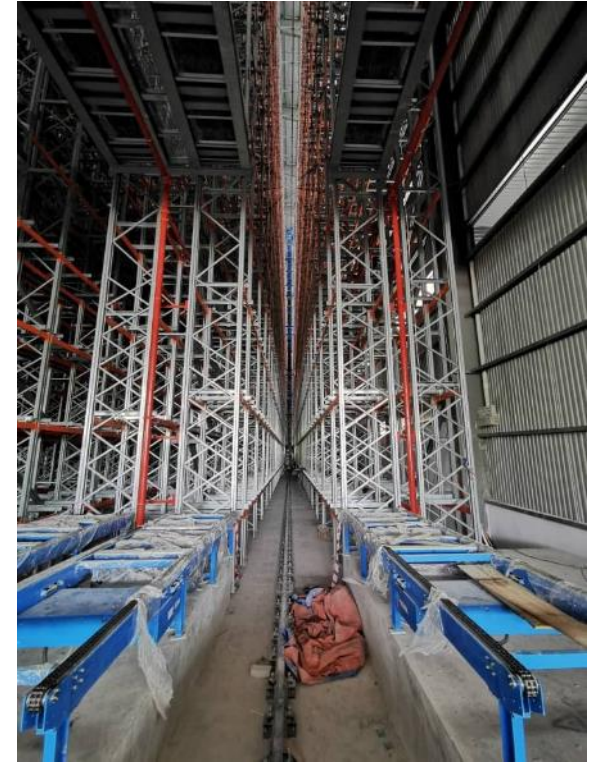


- Upgrade and expansion of product & new pack-types at Shah Alam Plant
- Investments to cater to changing consumers' needs; and reduce carbon footprint (cordial line)



## Integrated Warehouse – In progress

📍 Shah Alam Plant, Malaysia



- Integrated warehouse building with Automatic Storage & Retrieval System (ASRS) with capacity to store 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



## New Regional Distribution Centre (“RDC”) - New 📍 Rojana, Thailand



- 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 to be Installed - **New** 📍 3 plants in Malaysia (Shah Alam, Pulau Indah, Bentong)

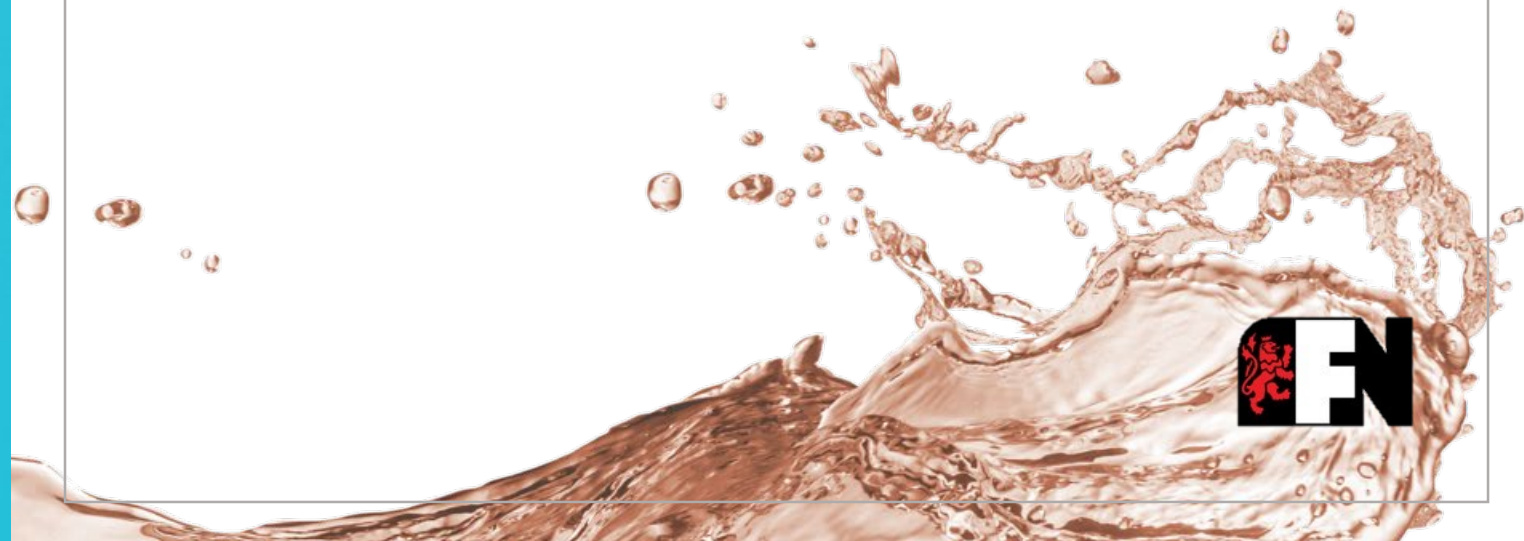


- Part of RM30 mil commitment over two years into renewable energy programmes and projects that contribute to energy efficiency and carbon emission reduction
- The 10 MWp of total solar energy capacity, once completed, will generate enough clean energy to power the equivalent of 3,700 typical homes



**“** *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.*

**”**

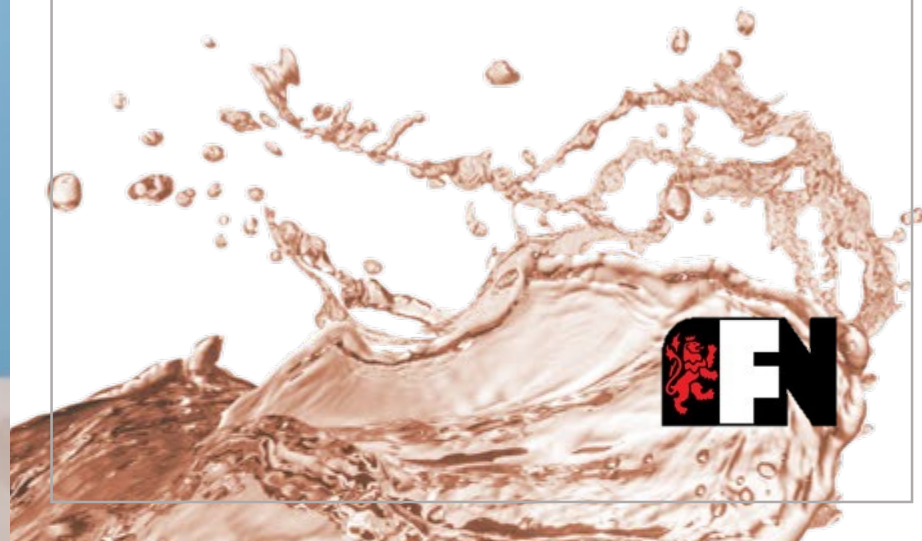




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**OUTLOOK AND  
GOING FORWARD**



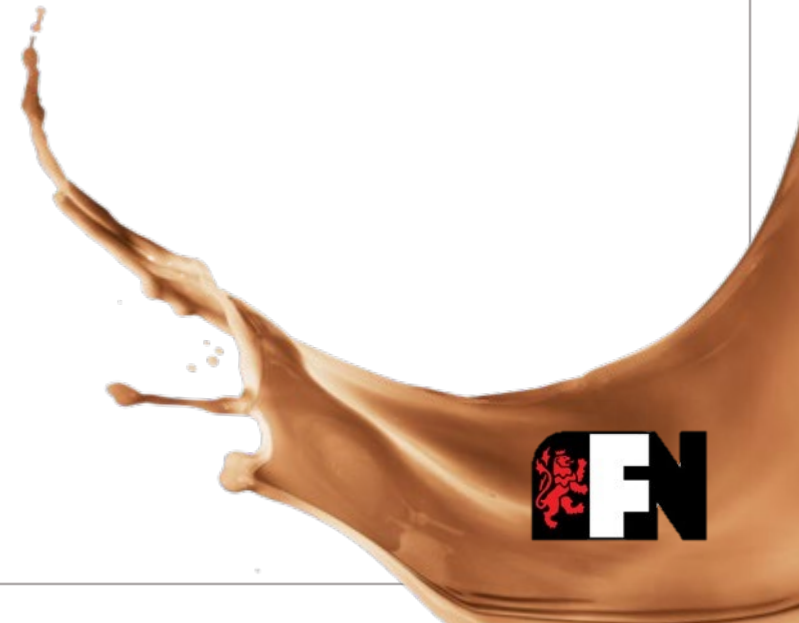
## OUTLOOK

- Cautious amidst prolonged COVID-19 pandemic and uncertainties both local and global.
- Crisis provides opportunity for reset and 'reimagine' our business strategies 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
  - innovations that resonate with consumers
  - **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.
- Our journey forward will be driven by a **new five-year roadmap** called **Passion 2025** - focus on further developing our brands, reach and professionalism.
  - Our goal is **to be more significant in significant markets.**



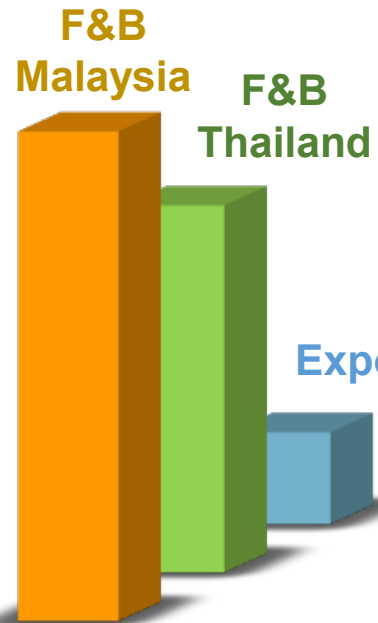
**PURSUE SUSTAINABLE GROWTH IN THE  
MIDST OF PANDEMIC**

**NEW PILLAR: HALAL FOOD**

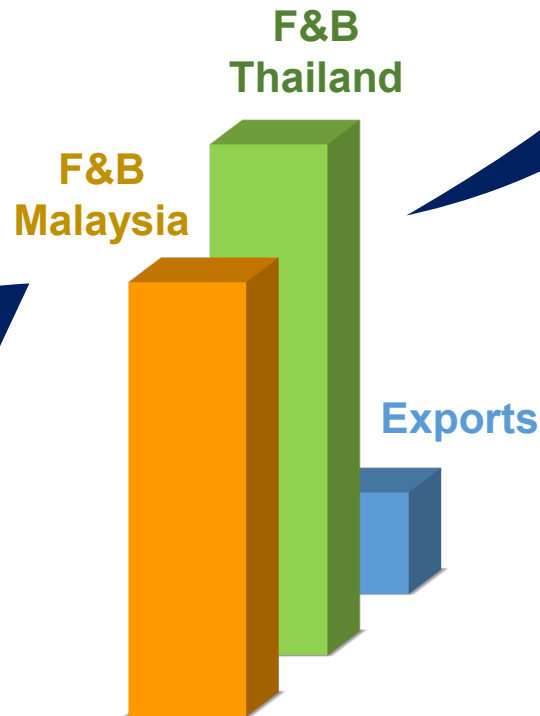


# HALAL FOOD: THE 4<sup>TH</sup> GROWTH PILLAR

2015



2020



Future



**TheStar** #26YearsOnline

# F&N acquires Sri Nona companies for RM60mil cash



**CORPORATE NEWS**

Tuesday, 15 Dec 2020

3:57 PM MYT





*Citarasa Sekeluarga  
Cintarasa Malaysia*

**No.1 for Ready to Cook Ketupat (Nona)**

**No.1 for Vegetarian Oyster Sauce (Lee Shun Hing)**

**Potential for Growth (both organic and new product categories)**



**Rice Cake  
Products**



**Condiment  
Sauces**



**Beverages**



**Desserts**



**Spreads &  
Jams**





**THANK YOU**