



FRASER & NEAVE HOLDINGS BHD

60TH ANNUAL GENERAL MEETING

**PRESENTATION BY
CHIEF EXECUTIVE OFFICER**



**FY2021
F&NHB GROUP
FINANCIAL
PERFORMANCE**



F&NHB Recorded Revenue Growth for FY2021 Amidst COVID-19 Disruptions



“

FY2021 was undoubtedly difficult in both demand and cost aspects.

Contributions from **diversified product** and **geographic presence** was key to the Group's resilient performance for the year.

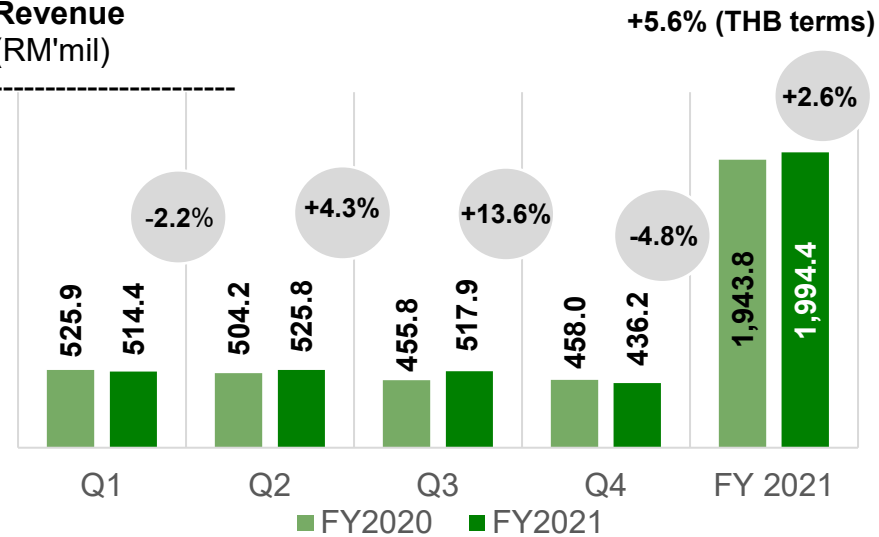
We remained steadfast in our long-term priorities and **launched a fourth business pillar** – Halal Packaged Food – with the acquisition of Sri Nona Companies.

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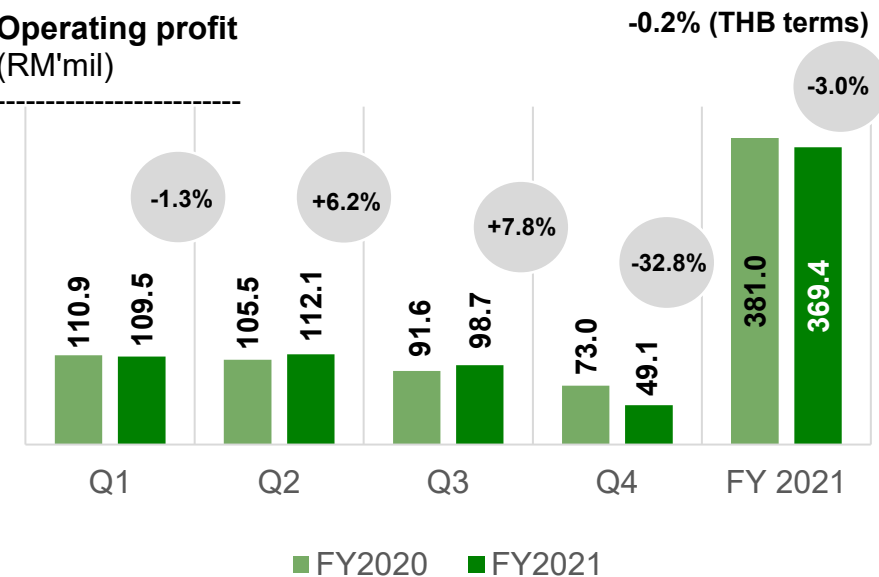
Revenue	Operating profit
RM4,130.9 mil	RM472.3 mil
▲ 3.6%	▼ -8.3%
Profit before tax ("PBT")	PBT margin
RM479.4 mil	11.6%
▼ -8.3%	▼ -1.5 p.p
Profit after tax	Earnings per share (basic)
RM395.1 mil	107.8 sen
▼ -3.7%	▼ -4.1 sen

F&B Thailand

Revenue
(RM'mil)



Operating profit
(RM'mil)



- Domestic Demand Remains Resilient in Thailand
- Increased Market Share Despite Overall Market Decline
- Continued to Expand Distribution Network in Thailand and Indochina Despite Challenges from COVID-19

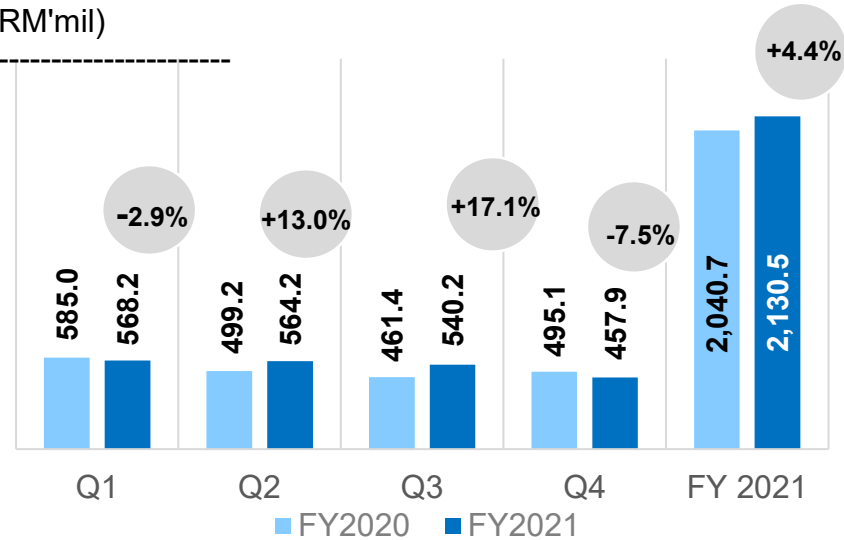
FY2021 v FY2020

- Revenue +2.6% (+5.6% in THB terms):
 - **resilient domestic demand**
 - supported by **higher sales to Indochina** with double-digit growth in Cambodia, as well as **higher OEM exports**
 - partially offset by unfavourable MYR/THB forex translation.
- Operating profit -3.0% (-0.2% in THB terms):
 - significantly higher commodity costs;
 - royalty expenses;
 - partially offset by operational cost savings and tighter control over expenditure.

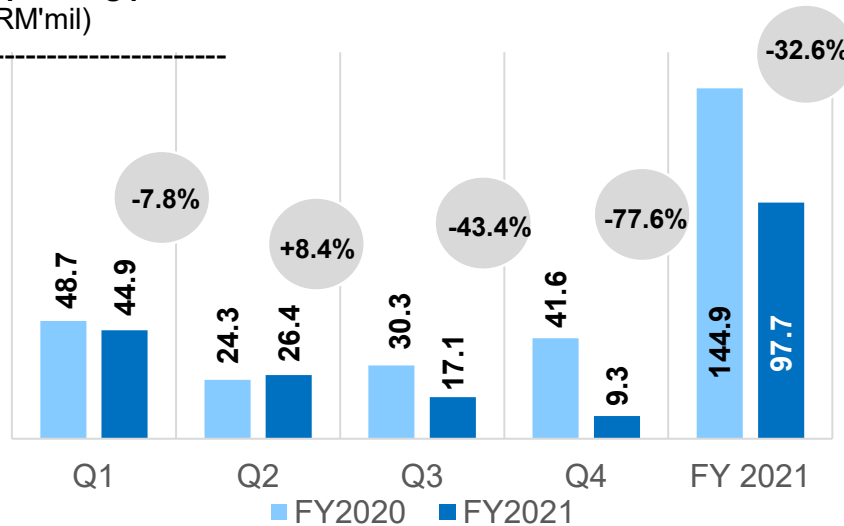


F&B Malaysia

Revenue
(RM'mil)



Operating profit
(RM'mil)



- Adapted Strategies to Suit Fast Changing Circumstances
- Turnaround in East Malaysia Operations
- Building the 4th Pillar of Growth 'Halal Packaged Food' with Acquisition of Sri Nona Companies

FY2021 v FY2020

- Revenue +4.4% :
 - double digit growth in exports
 - sustained demand on dairies segment
 - maiden contribution from Food business; offset by
 - lower beverages sales - muted festive celebrations and out-of-home consumption due to tightened SOPs, dining-in restrictions
 - delay and phasing of price increase for dairy products.
- Operating profit -32.6%:
 - spike in commodity prices and other packaging costs
 - lower export margins
 - higher supply chain - freight costs especially for export business
 - restructuring costs (RM18.6m); partially offset by
 - prudent cost management and cost saving initiatives.
- Excluding restructuring costs and one-off/non-operating items, operating profit declined by 15.0%



Group Export Revenue Close to RM900m Despite COVID-19 Uncertainties

- Gained Greater Traction in Halal Markets (20% of Group Export Revenue). Revenue in Halal Market Grew by about 40%.
- Good Performance in Indochina and Exports to Key OEM Accounts.

CONTRIBUTION OF EXPORT REVENUE TO SEGMENT REVENUE FY2021



24%

F&B MALAYSIA



19%

F&B THAILAND

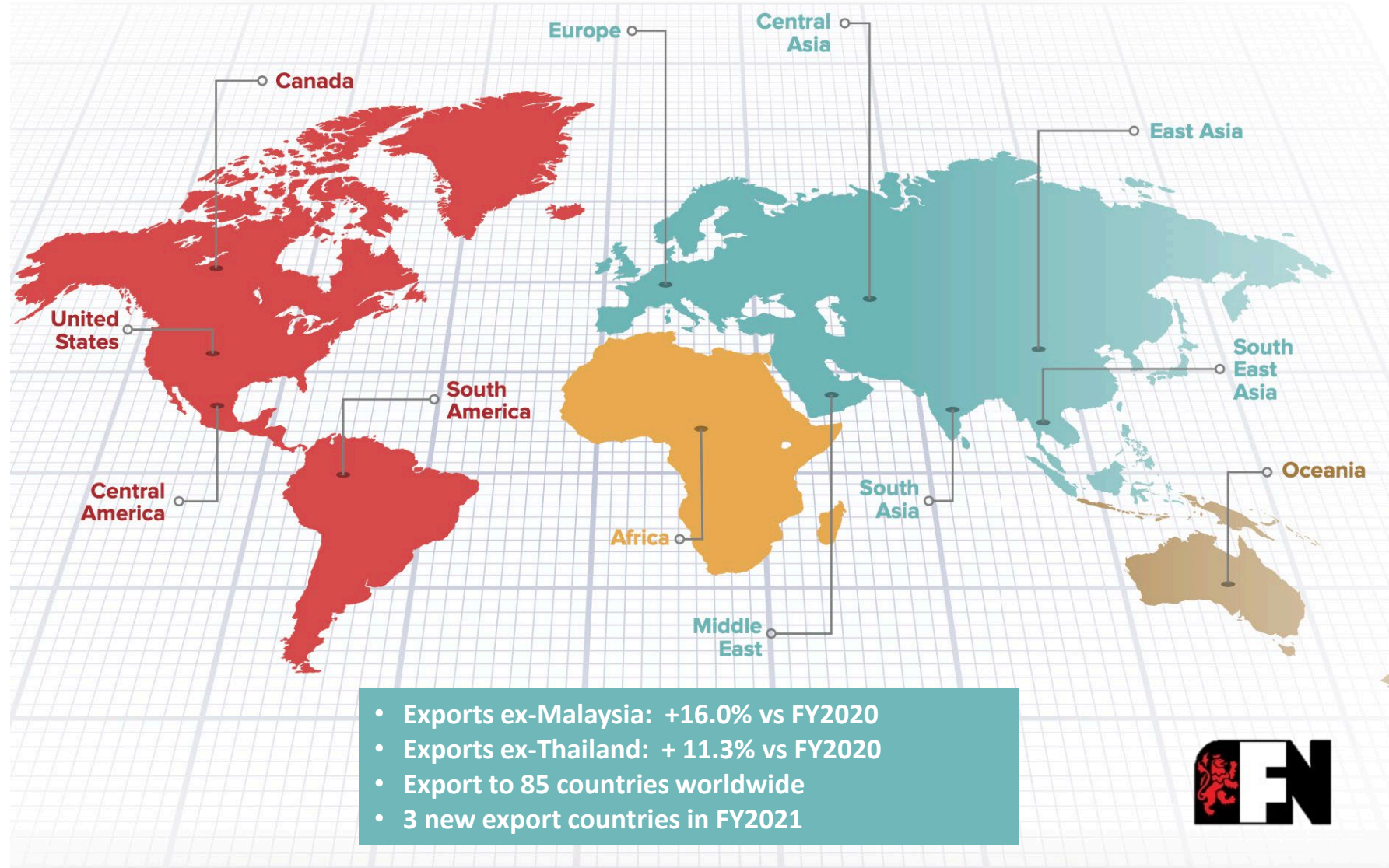
CONTRIBUTION TO GROUP REVENUE FY2021

22%

GROUP REVENUE



Our first subsidiary in Dubai is fully operational



Proposed Final Dividend Maintained at 33 sen/share (2020: 33 sen/share)



	30 Sep 2021	30 Sep 2020	Change ⁴
Total equity ¹ (RM'mil)	2,819.0	2,690.6	▲ 4.8%
Total assets (RM'mil)	3,631.7	3,520.1	▲ 3.2%
Net cash ² (RM'mil)	554.4	401.7	▲ 38.0%
Net assets per share (RM)	7.69	7.34	▲ 0.35
Gearing ratio ³ (%)	0.0%	3.4%	▼ 3.4%

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

- Directors recommend a final single tier dividend of **33.0 sen per share** for approval by shareholders at the forthcoming Annual General Meeting.
- If approved by shareholders, total dividends for the year would amount to **60 sen (2020: 60 sen per share)**.
- Takes into account the Group's capital position, working capital requirements and capital expenditure investments.



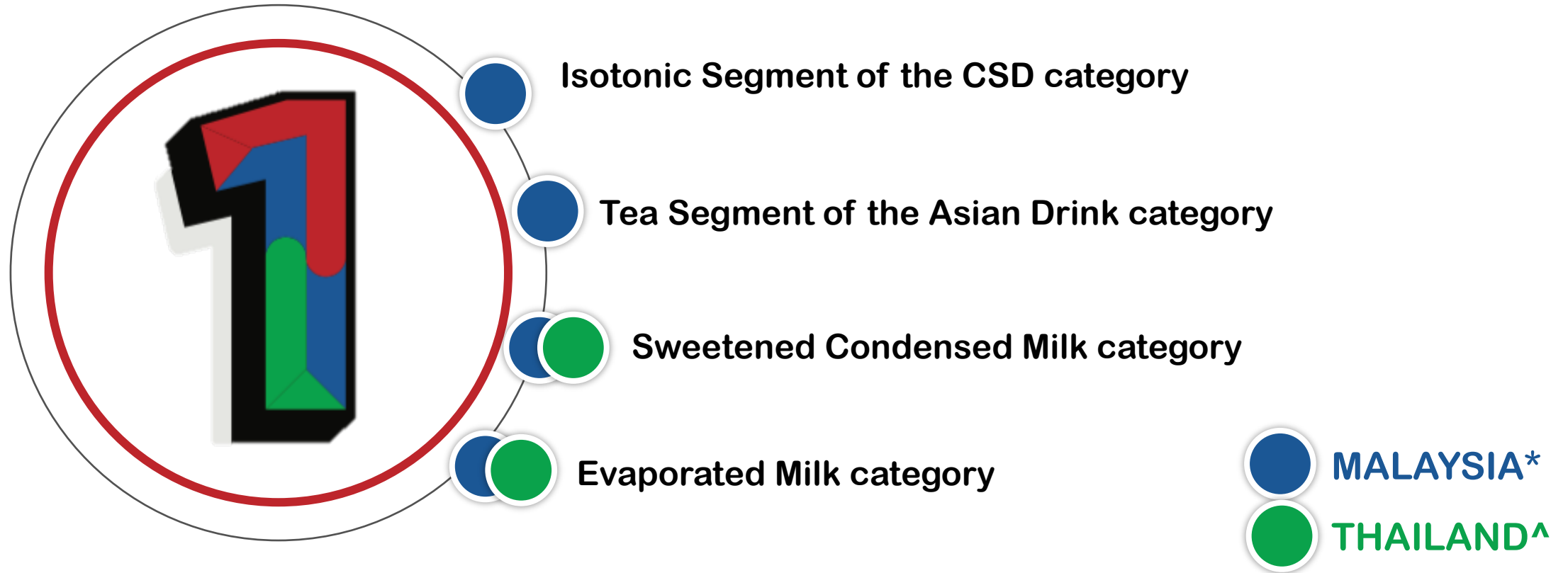


FULL YEAR HIGHLIGHTS

OUR MARKET LEADING POSITIONS



Maintaining Market Leaderships in Malaysia and Thailand within our Core Categories



*Based on Retail Index Service for the 12 months ending July 2021 in Total Malaysia. (© 2021 Nielsen Consumer LLC.)

^F&N Dairies (Thailand) Limited ranked first as a manufacturer in both value share and volume share in total Condensed Milk Market since 1 August 2016 to 30 September 2021. The Nielsen retail index report covers Supermarkets, Hypermarkets, Convenience Stores and Traditional Trades.

NEW PRODUCTS IN FY2021



Offering More Options in Different Product Categories,
Healthier Options without Compromising Taste and Convenience



- F&N Sparkling
- est Cola Brown Sugar
- F&N ICE MOUNTAIN 6L
- F&N Magnolia Choc Malt Milk (50% less sucrose)
- BEAR BRAND Sterilised Milk Tall Can
- BEAR BRAND GOLD Acerola Cherry

- GOLD COIN Juara SCM
- Sun Valley Mango Cordial
- TEAPOT SCM 500g Pouch Strawberry
- TEAPOT SCM Duo Sachet

- F&N Bandung
- Sun Valley Kurma & Madu Cordial

LIMITED EDITION



Supporting the Nation's Badminton Agenda



DATUK WIRA LEE CHONG WEI

*Badminton Legend &
100PLUS Ambassador*



THINAAH
Duta 100PLUS



AARON CHIA
Duta 100PLUS



LEE ZII JIA
Duta 100PLUS



SOH WAI YIK
Duta 100PLUS



PEARLY TAN
Duta 100PLUS

100PLUS Brand Ambassadors

SUPPORTING FRONTLINERS & COMMUNITY IN NEED DURING COVID-19 PANDEMIC

Distributed **> 2 MILLION** products to beneficiaries in Malaysia directly or through **NGO / Community Groups**.

Contributed medical equipment and products to hospitals in Thailand.



SUPPORTING NATION'S COVID-19 IMMUNISATION PROGRAMME



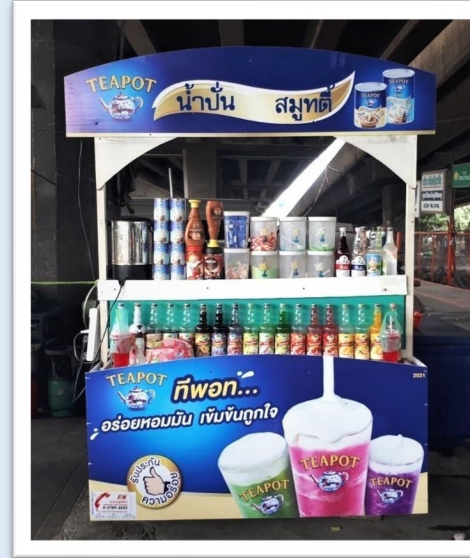
Distributed 100PLUS to vaccine recipients at major vaccination centres (PPVs) since June 2021

Kept frontliners on duty at PPVs hydrated and energised with our beverages.

Over **1 MILLION** products have been distributed to vaccine recipients & frontliners through the **#HidratkanDiriSihatkanBadan** campaign.



In Thailand, Supported Hawkers with Collaterals and Decorations that are Both Functional and Attractive while Increasing Brand Visibility



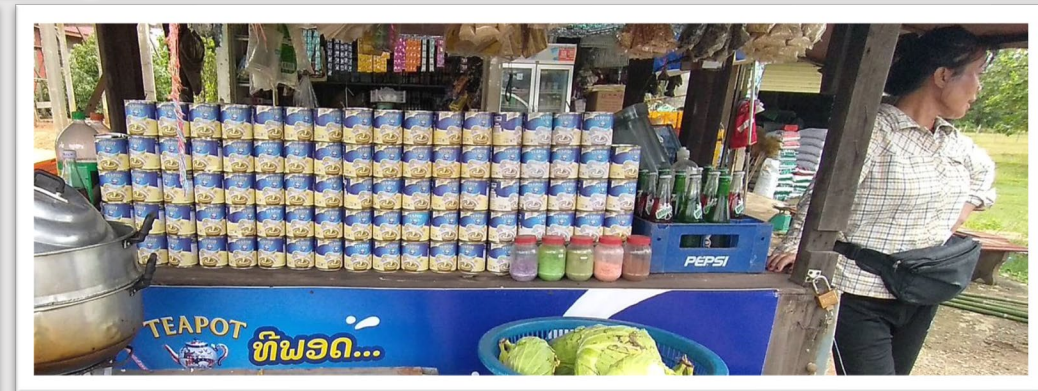
F&B THAILAND CHARGING AHEAD IN CAMBODIA WITH DOUBLE DIGIT GROWTH IN REVENUE

Launched



in Cambodia and Laos

Supported hawkers with decorations



OUR AWARDS & RECOGNITION



MARKETPLACE



- **FRASER & NEAVE HOLDINGS BHD**
Halal Food and Beverage Excellence Award
The World Halal Excellence Awards 2020

Platinum Award for Best Sustainability Reporting
National Annual Corporate Report Awards 2021
- **F&N DAIRIES (THAILAND) LIMITED**
Thailand Best Halal Company of the Year 2020
Central Islamic Council of Thailand
- **100PLUS**
Gold in the Non-Alcoholic Beverage category
(5th consecutive years)
Putra Brand Awards
- **F&N TEH TARIK**
Gold Award in the Most Creative – Experiential category
Gold Award in the Most Effective Use – Audio category
Silver Award in the Most Creative – Audio category
MARKies Awards 2021

ENVIRONMENT



- **F&N DAIRIES MANUFACTURING SDN BHD**
PULAU INDAH
Exceptional Achievement Award State Award (Selangor)
2019/20 Prime Minister's Hibiscus Award
- **SHAH ALAM**
Notable Achievement Award
2019/20 Prime Minister's Hibiscus Award
- **KUCHING**
Merit Award under the Medium Enterprise Category
(Manufacturing sector)
9th Sarawak Chief Minister's Environmental Award
2019/2020
- **F&N DAIRIES (THAILAND) LIMITED**
The Prime Minister's Best Industry Award 2020
The Prime Minister's Industry Award 2021
in the category of Quality Management
Ministry of Industry Thailand

OUR AWARDS & RECOGNITION



WORKPLACE



- **FRASER & NEAVE HOLDINGS BHD**
Top 5 Malaysia's Most Attractive Graduate Employers to Work For in 2021 – FMCG category
Graduates' Choice Award 2020 (GCA)

Award for Best HR Strategy in line with Business
Award for Excellence in HR through Technology
Awards for Managing Health at Work
Organisation with Innovative HR Practices
Asia's Best Employer Brands 2021
- **F&N DAIRIES (THAILAND) LIMITED**
Health Promotion Enterprise Awards
Association for the Development of Environmental Quality

ESG INDICES & RATINGS

- **FRASER & NEAVE HOLDINGS BHD**
A Proud Constituent of
FTSE4Good Bursa Malaysia Index
FTSE4Good Bursa Malaysia Shariah Index

86th Percentile in the Beverages Industry
S&P Global Corporate Sustainability Assessment
(Score Date: November 12, 2021)
- **FRASER & NEAVE GROUP**
No. 1 Asian Company
WWF's Palm Oil Buyers Scorecard 2021



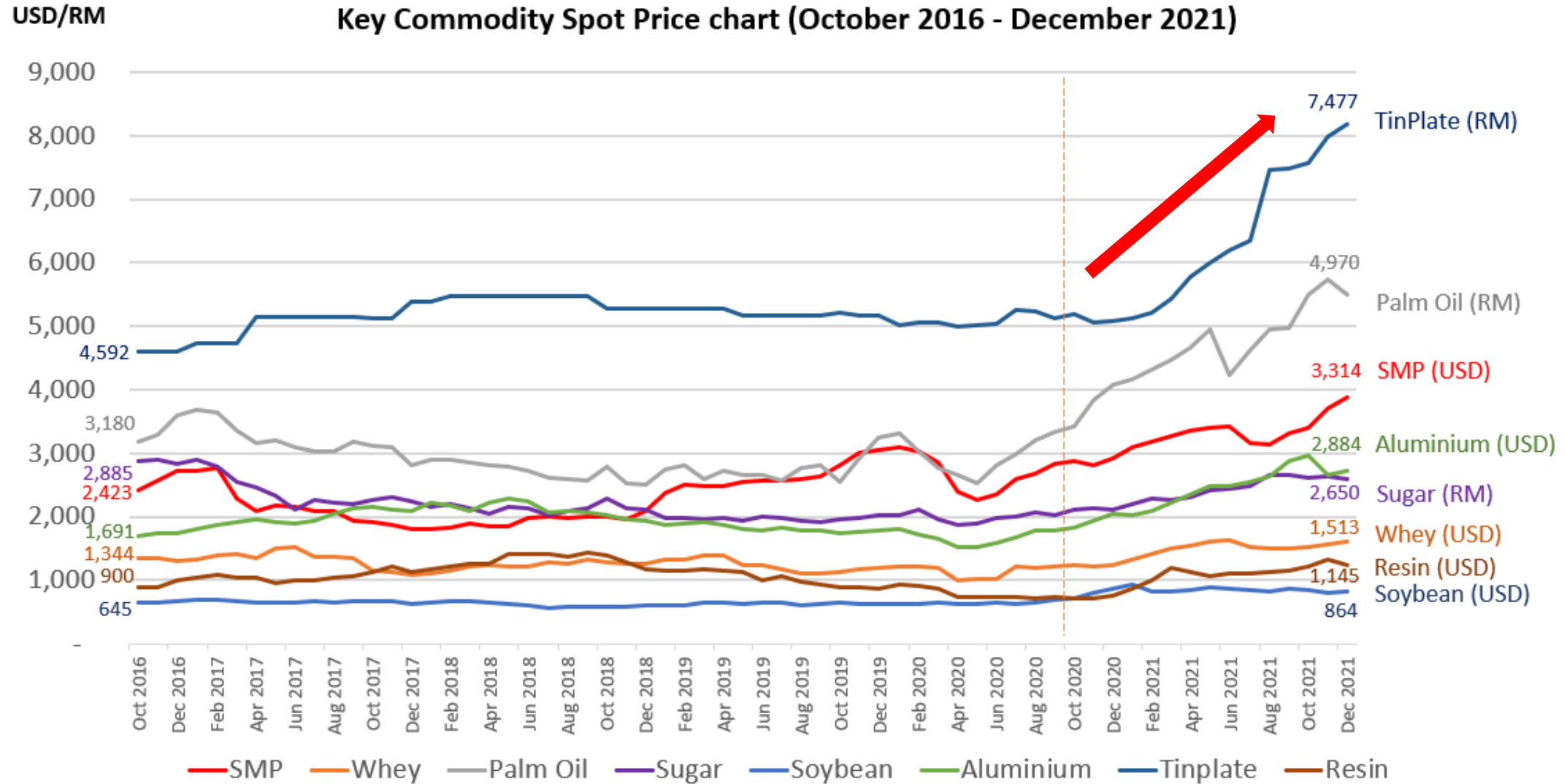
Outlook



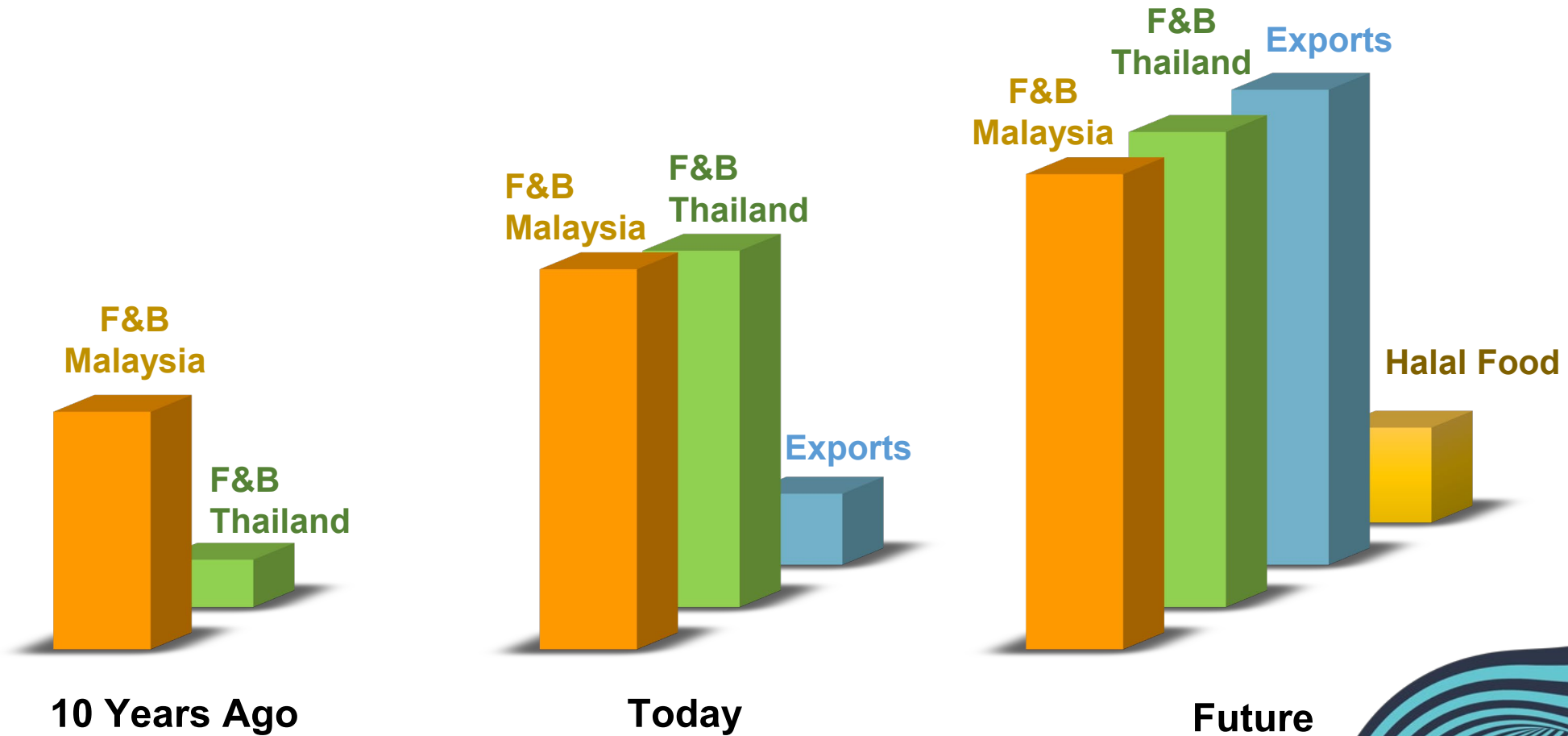
- Market projected to remain challenging moving forward
- **Commodity prices** and other input costs expected to rise further
- **Exports** will remain a key focus for both F&B Malaysia and F&B Thailand
- Focus on building the new **Halal Packaged Food** pillar
- **Reimagine** the way we work & our business strategies to fit the future
- Strengthening Our Core Business with **Effective Execution**
- Aim to achieve further operational and cost efficiencies and carbon footprint reduction
- Long term strategies executed or in progress should deliver cushions against further deteriorations or prolonged weak market sentiments.



Reality : Commodity Prices Are Still Trending High



F&NHB of Today and Tomorrow



Nona Brand to Spearhead Expansion into Halal Food Segment

- Sri Nona provides a platform to **expand into more halal food segments** and innovative offerings.
- Leveraging on partnerships within our Group to **expand route-to-market coverage** and **supply chain synergies**.
- **Expanding our production capacity** to support further increase in sales in this segment.



Nona Sup Uncang is soup mix that can be used to cook a variety of Soup Based Dishes and as flavour enhancer together with rice and various dishes.

It contains ingredients such as cumin, coriander and star anise that enhances the rice soup taste.





**INVESTING FOR THE
FUTURE**

New Regional Distribution Centre (“RDC”) 📍 Rojana, Thailand *Completed end of FY2021*



- ASRS-equipped RDC in Rojana, Thailand with a capacity of 30,000 pallets – allows greater distribution and cost efficiencies.
- Fully integrated distribution centre with an enterprise resource planning system and efficient information flow.

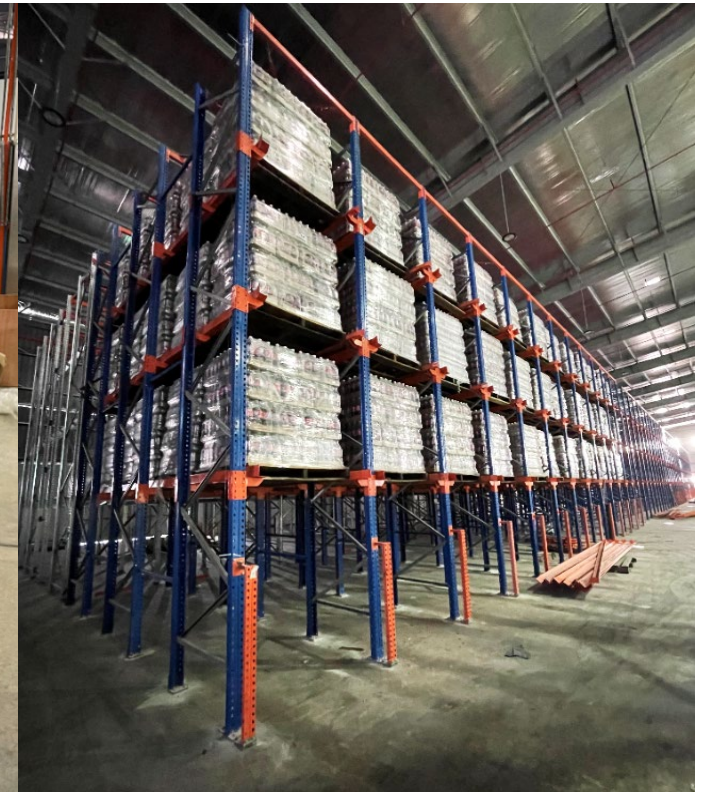
Production Plant for Drinking Water & Warehouse

📍 Kota Kinabalu Industrial Park, Malaysia

Line Commissioning in Progress [Target Completion: 1st Quarter of Year 2022]



KKIP Manufacturing Plant

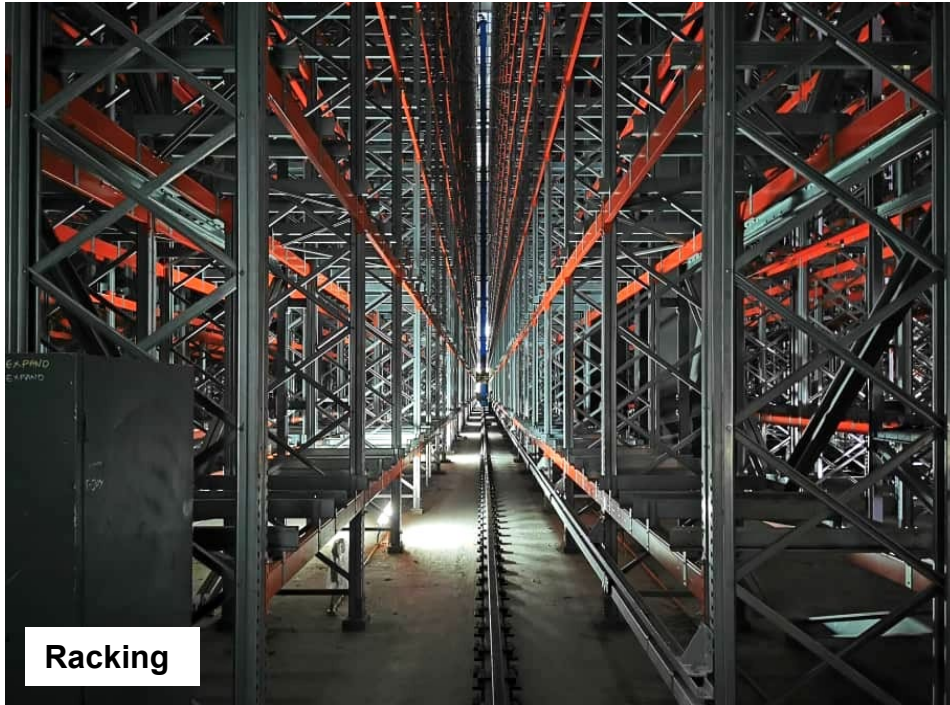


- The investment signals our entry into drinking water business in Sabah
- Cost savings by in-sourcing of warehousing needs in Kota Kinabalu

Integrated Warehouse

📍 Shah Alam Plant, Malaysia

[Target Completion: Delayed due to Flood]



Racking



Stacker Crane



RGV

- 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 (**600 tonnes[^] of CO₂e emission reduction annually**)
^ estimated based on 8 hours of forklift operating hours

Solar Photovoltaic (PV) System

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



Shah Alam Manufacturing Plant



Pulau Indah Manufacturing Plant



- 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. This also translates to an estimated **9,000 tonnes of CO₂e emission reduction a year**, equivalent to 2,000 cars driven annually.
- Estimated annual electricity cost avoidance: RM3 – RM4 million



Special Report on Flood

Flash Floods

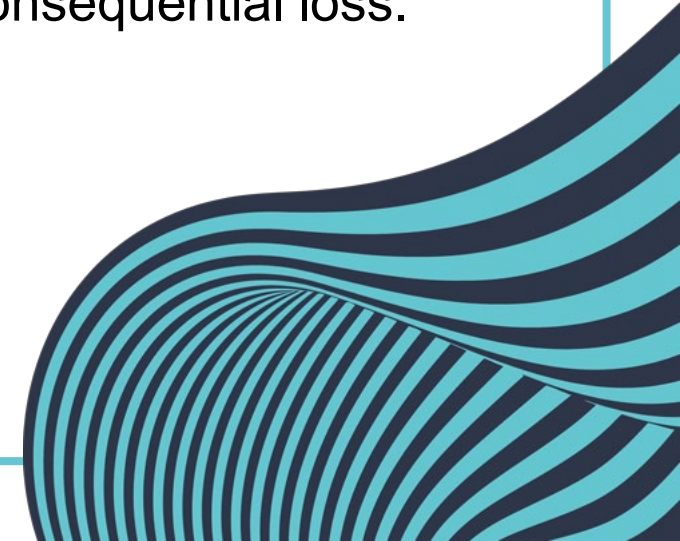
- Shah Alam factory was affected by the flood from 18 – 19 December 2021.
- Immediately isolated the factory main power supply and shut down substation power supply when water level started to rise.
- Crisis management teams was activated and the management's priority was to ensure the **continued safety of employees** and to **minimise disruptions to its customers**.
- Our plants in Pulau Indah and Bentong – not affected, access to the plant were affected for a few days.
- For our employees, we have distributed about RM400,000 in **crisis assistance funds to 224 employees** affected by the flood.



Recovery Post Flood and Current Status



- As we have built up inventories to prepare for the upcoming festive, net impact on business has been mitigated to an extent.
- Production lines were being restarted cautiously, with submerged motors and parts checked and repaired or changed.
- Estimated impact to-date is approximately RM40 million and assessment is still on-going.
- The biggest impact came from damaged finished goods, packaging and raw materials.
- **We have in place a property all risk and business interruption insurance cover.**
- We are working with our insurers on claims for property damage and consequential loss. Further information will be shared in due course.



Recovery Efforts and Quick Turnaround



Gratitude to Our F&N Heroes



Thanks to our **F&N HEROES**, most of our lines are back in action.



FLOOD RELIEF in Peninsular Malaysia

Distributed

> 25,000
products



including 100PLUS,
F&N Ice Mountain
Drinking Water and
F&N Condensed Milk
to affected communities
directly or via NGOs.





Thank You



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Read our latest annual and
sustainability report at
<http://www.fn.com.my/investors/ar2021>