

Bringing
Smiles



**PRESENTATION BY
CHIEF EXECUTIVE
OFFICER**

FRASER & NEAVE HOLDINGS BHD

FY2021

GROUP FINANCIAL HIGHLIGHTS

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

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

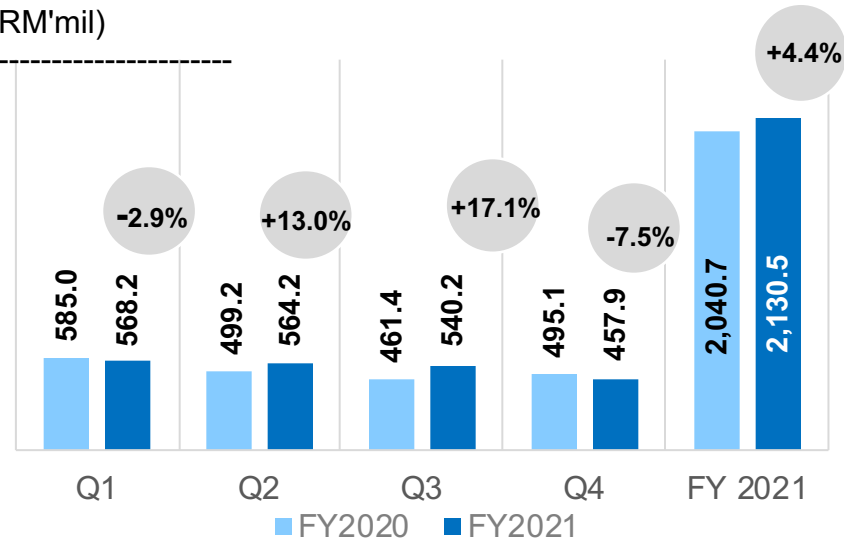
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Revenue	Operating profit
RM4,130.9 mil ▲ 3.6%	RM472.3 mil ▼ -8.3%
Profit before tax ("PBT")	PBT margin
RM479.4 mil ▼ -8.3%	11.6% ▼ -1.5 p.p
Profit after tax	Earnings per share (basic)
RM395.1 mil ▼ -3.7%	107.8 sen ▼ -4.1 sen

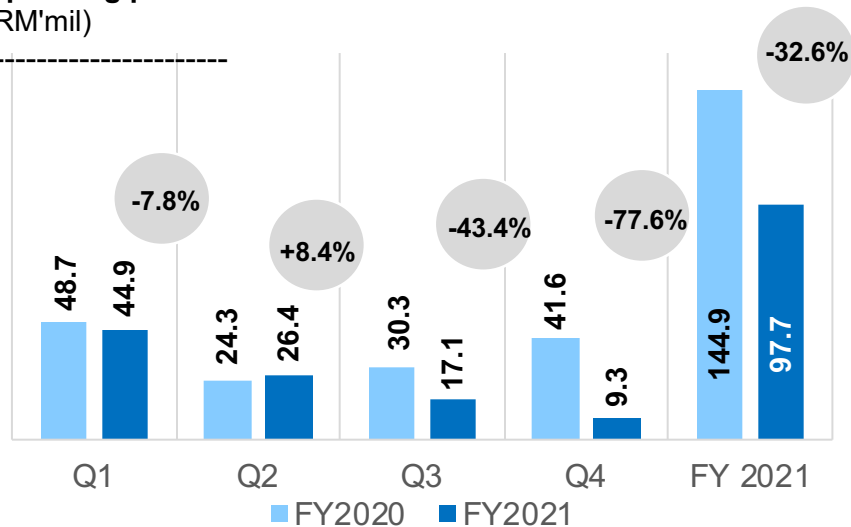


F&B Malaysia

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

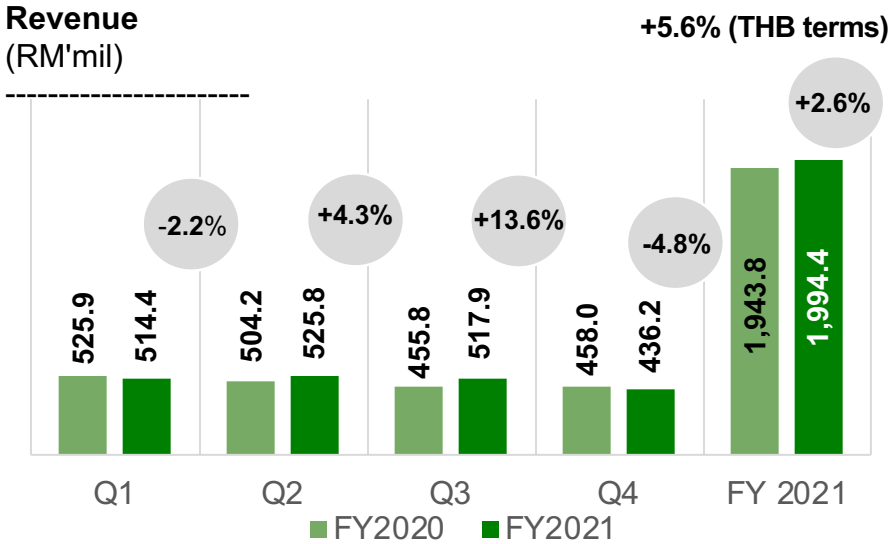
FY 2021 v FY 2020

- 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 in both years, operating profit declined by 15.0%

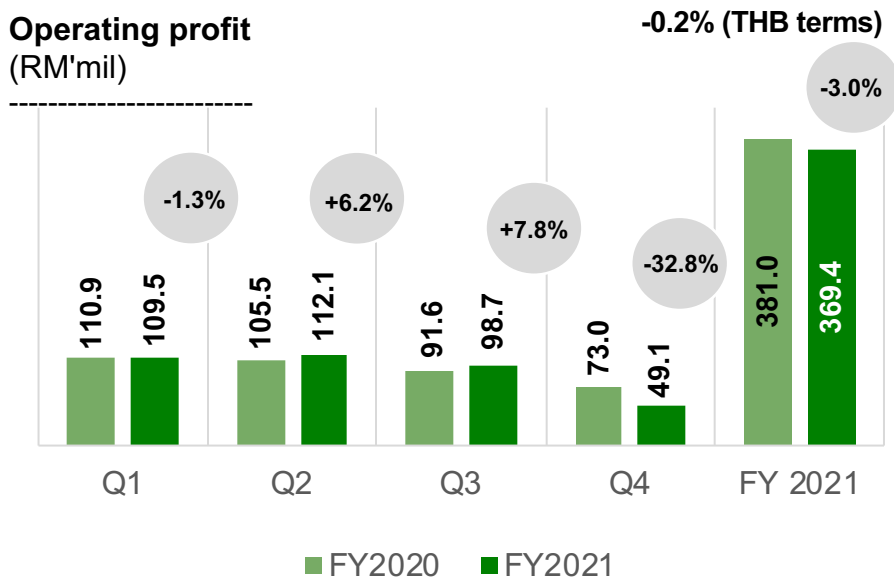


F&B Thailand

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

FY 2021 v FY 2020

- 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 by operational cost savings and tighter control over expenditure.



Group Export Revenue Close to RM900m Despite COVID-19 Uncertainties

- Gained Greater Traction in Halal Markets (20% of Group Export Revenue). Dubai Subsidiary Fully Operational.
- Good Performance in Indochina and Exports to Key OEM Accounts

- Exports ex-Malaysia: +16.0% vs FY2020
- Exports ex-Thailand: + 11.3% vs FY2020

CONTRIBUTION OF TOTAL EXPORTS FY2021



23.9%

F&B MALAYSIA



19.4%

F&B THAILAND

CONTRIBUTION OF TOTAL EXPORTS FY2021

21.7%

GROUP REVENUE





FINAL DIVIDEND



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.





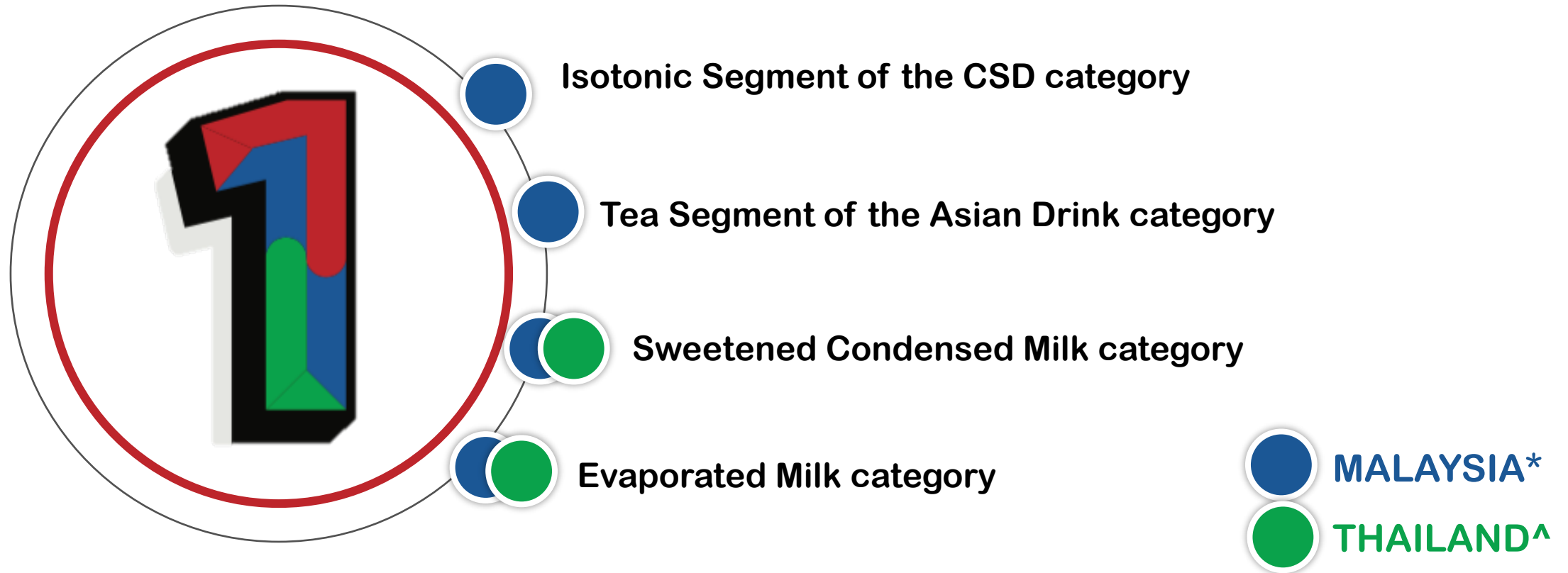
FY2021 HIGHLIGHTS



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.

WHAT'S NEW 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

PROGRAM "KEBERKATAN PLUS PLUS"



Distributing **RM 1 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.*

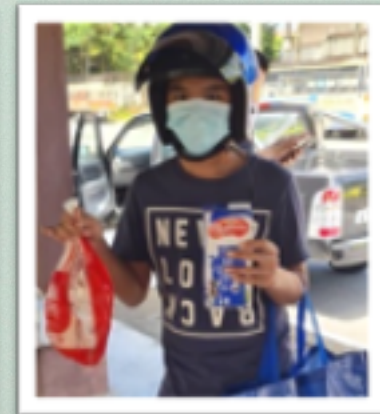
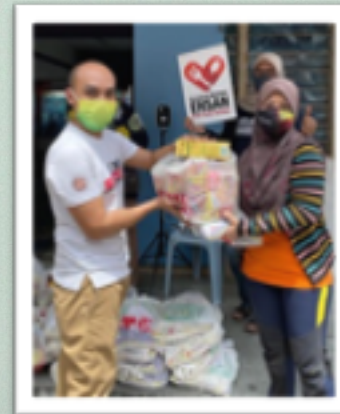
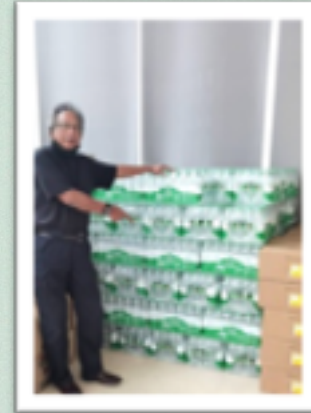


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SUPPORTING FRONTLINERS & COMMUNITY IN NEED DURING COVID-19 PANDEMIC

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



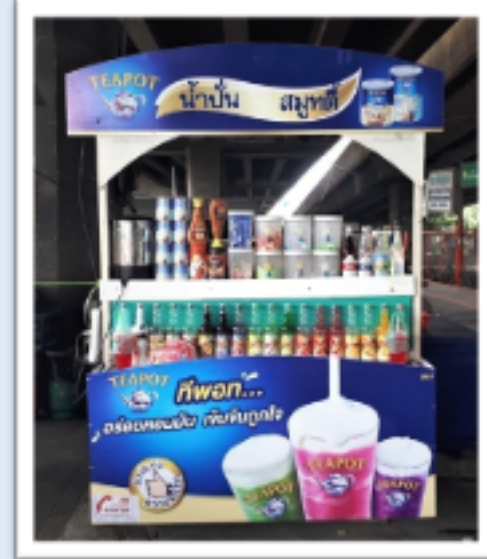
Distributed 100PLUS to vaccine recipients at major vaccination centres (PPVs) since June 2021

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 IN FY2021



MARKETPLACE

FRASER & NEAVE HOLDINGS BHD

Halal Food & Beverage Excellence Award
The World Halal Excellence Awards 2020

Silver Award for Best Sustainability Reporting
National Annual Corporate Report Awards

F&N DAIRIES THAILAND

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

100PLUS

Gold - Non-Alcoholic Beverage category
(5th consecutive year)
Putra Brand Awards

F&N TEH TARIK

Silver Award - Excellence in Virtual Event Marketing
Marketing Excellence Awards 2020

Gold Award in the Most Creative - Experiential
Gold Award in the Most Effective Use - Audio
Silver Award in the Most Creative - Audio category
MARKies Awards 2021

WORKPLACE

FRASER & NEAVE HOLDINGS BHD

Top 5 Malaysia's Most Attractive Graduate
Employers to Work For in 2021
- Fast Moving Consumer Goods category
Graduates' Choice Award 2020 (GCA)

Silver Award under the Excellence
in HR Communication Strategy
HR Excellence Awards 2020 Malaysia

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

Thailand's National Safety Award 2020
CSR-DIW Continuous Award 2020
Ministry of Industry Thailand

Thailand Labor Management
Excellence Award 2020
*Department of Labor Protection and Welfare,
Ministry of Labour Thailand*

ENVIRONMENT

F&N DAIRIES THAILAND

The Prime Minister's Best Industry Award 2020
- Productivity, Energy & Environment category
Ministry of Industry Thailand

F&N MALAYSIA

F&N Dairies Manufacturing Sdn Bhd

- Achievement Award
- State Award (Selangor)

F&N Beverages Manufacturing (Shah Alam)

- Notable Achievement Award
- 2019/20 Prime Minister's Hibiscus Award*

Kuching Plant

Merit Award - Medium Enterprise Category
(Manufacturing sector)
*9th Sarawak Chief Minister's
Environmental Award 2019/2020*



INVESTING FOR THE FUTURE



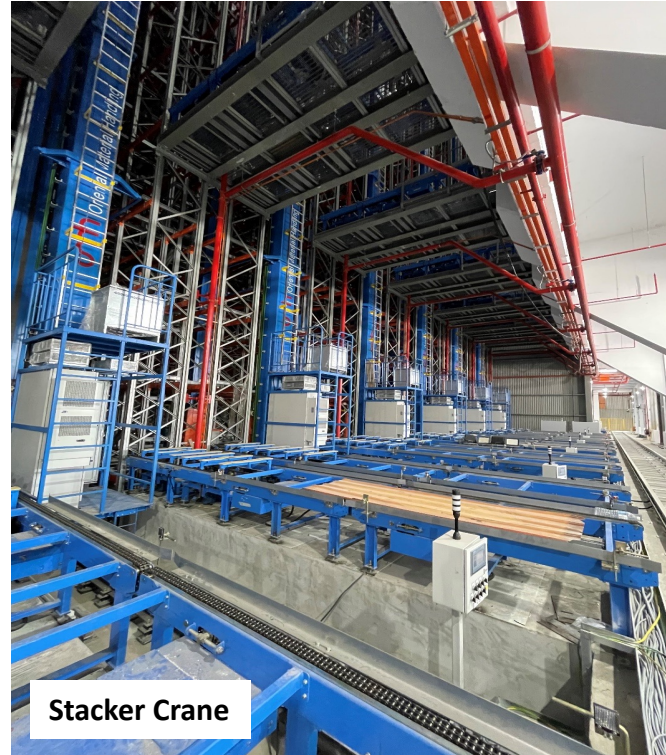
Integrated Warehouse

📍 Shah Alam Plant, Malaysia

In Progress [Target Completion: End of Year 2021]



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)

In progress [Target completion: By 1st Quarter of Year 2022]



- 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 CO_{2e} emission reduction a year**, equivalent to 2,000 cars driven annually.
- Estimated annual electricity cost avoidance: RM3 – RM4 million



Production Plant for Drinking Water & Warehouse

📍 Kota Kinabalu Industrial Park, Malaysia

In Progress [Target Completion: 1st Quarter of Year 2022]



KKIP Manufacturing Plant

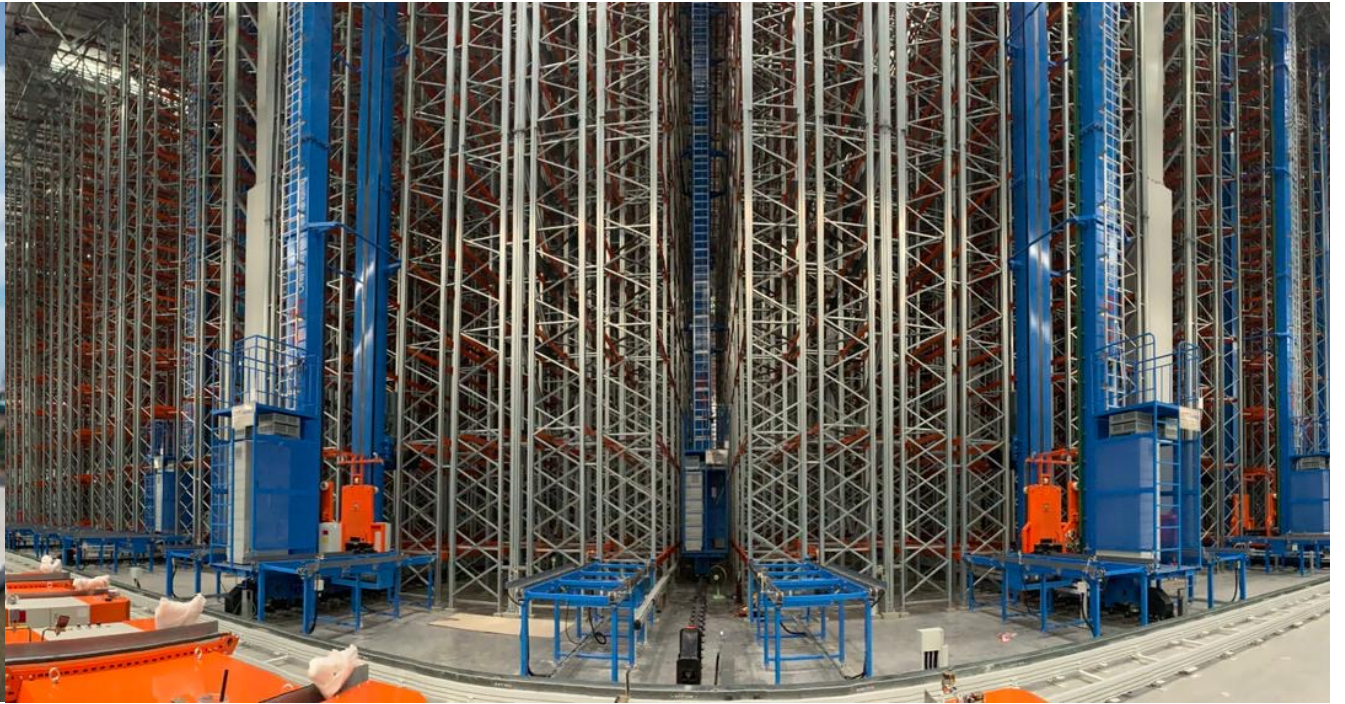
- The investment signals our entry into drinking water business in Sabah
- Cost savings by in-sourcing of warehousing needs in Kota Kinabalu



New Regional Distribution Centre (“RDC”)

📍 Rojana, Thailand

In Progress: Target Completion by end of 2021



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





SUSTAINABILITY @ F&N



FY2021 AT A GLANCE

Refreshed Materiality Matrix

- **18** material topics for F&N

Set new ESG Commitments

- **12** ESG commitments set for 2025

Underwent Human Rights Risk Assessment

- **100%** operations underwent human rights risk assessment



Proud Constituent

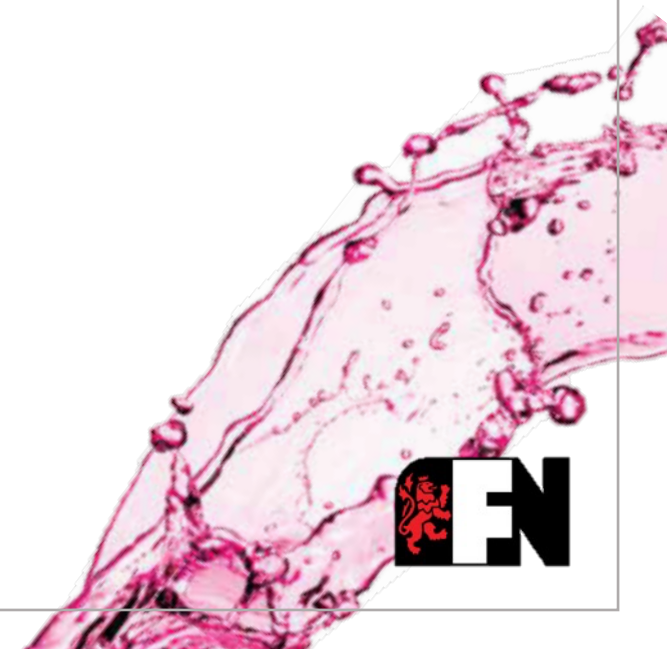
- FTSE4Good Bursa Malaysia Index
- FTSE4Good Bursa Malaysia Shariah Index



F&N Group is the highest scoring Asian company in WWF's Palm Oil Buyers Scorecard 2021



WHAT'S NEXT?





TOTAL PORTFOLIO PACKAGING UPLIFT

Getting Ready
for a Strong
CNY Recovery

CURRENT PACKAGING



REFRESHED PACKAGING





TOTAL PORTFOLIO PACKAGING UPLIFT

Getting Ready
for a Strong
CNY Recovery

CURRENT PACKAGING



REFRESHED PACKAGING



Nona Brand to Spearhead Expansion into Halal Food

- 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.



Nona Cooking Sauce (NCS) National Campaign

Senang dimasak,
Sedap dimakan.
Simply Delicious

SOS
MEE GORENG
MAMAK



SOS
CHAR KOAY TEOW



SOS
NASI GORENG



New! F&N Full Cream Evaporated Milk

First Full Cream Evaporated Milk Product in Thailand



- ✓ Made from Fresh Milk
- ✓ Storage at ambient temperature
- ✓ Shelf life of 9 months



นมข้นจืดเต็มมันเนย สำหรับเครื่องดื่มและเบเกอรี่ (ตราฟอนต์อิน)
Full Cream Recombined Unsweetened Condensed Milk for Beverage and Bakery (F&N Brand)

ใหม่! ไม่ลองไม่รู้



นมข้นจืดเต็มมันเนย
ตราฟอนต์อิน

MADE FROM FRESH MILK

ความอร่อย หอมมัน เข้มข้น จากนมโคแท้

- ✓ เป็นผลิตภัณฑ์ "นมข้นจืดเต็มมันเนย" แบริดแรกในประเทศไทย
- ✓ ผลิตจาก "น้ำนมโคแท้"
- ✓ เติมความหอมอร่อยอีกระดับให้เครื่องดื่มทุกแก้ว
- ✓ ให้ความเข้มข้นและความหอมแบบอย่างแท้จริง
- ✓ ช่วยต่อการเก็บ เพราะไม่ต้องแช่เย็น
- ✓ อายุผลิตภัณฑ์นานถึง 9 เดือน

Taiwan Boba Milk Tea

ส่วนผสม	ปริมาณ	ต้นทุน
นมข้นจืดเต็มมันเนย ตราฟอนต์อิน	45	4.74
น้ำเชื่อม Golden Syrup	30	1.00
นมข้นหวาน	10	0.53
น้ำชาไต้หวัน	140	4.20
ไข่มุก	50	1.95
น้ำเชื่อมสำหรับไข่มุก	0	0.75
ต้นทุนต่อแก้ว		13.17

สูตรใช้นมพาสเจอร์ไรซ์

ส่วนผสม	ปริมาณ	ต้นทุน
นมพาสเจอร์ไรซ์	100	4.55
น้ำเชื่อม Golden Syrup	20	0.67
นมข้นหวาน	25	1.32
น้ำชาไต้หวัน	80	4.20
ไข่มุก	50	1.95
น้ำเชื่อมสำหรับไข่มุก	0	0.75
ต้นทุนต่อแก้ว		13.44

Dirty Coffee

ส่วนผสม	ปริมาณ	ต้นทุน
นมข้นจืดเต็มมันเนย ตราฟอนต์อิน	75	7.91
น้ำเย็น	115	0.00
น้ำเชื่อม Vanilla Syrup	20	9.43
ช็อคโกแลตเพรสชิ่ง	30	8.00
ต้นทุนต่อแก้ว		25.34

สูตรใช้นมพาสเจอร์ไรซ์

ส่วนผสม	ปริมาณ	ต้นทุน
นมพาสเจอร์ไรซ์	190	8.65
น้ำเย็น	0	0.00
น้ำเชื่อม Vanilla Syrup	20	9.43
ช็อคโกแลตเพรสชิ่ง	30	8.00
ต้นทุนต่อแก้ว		26.08

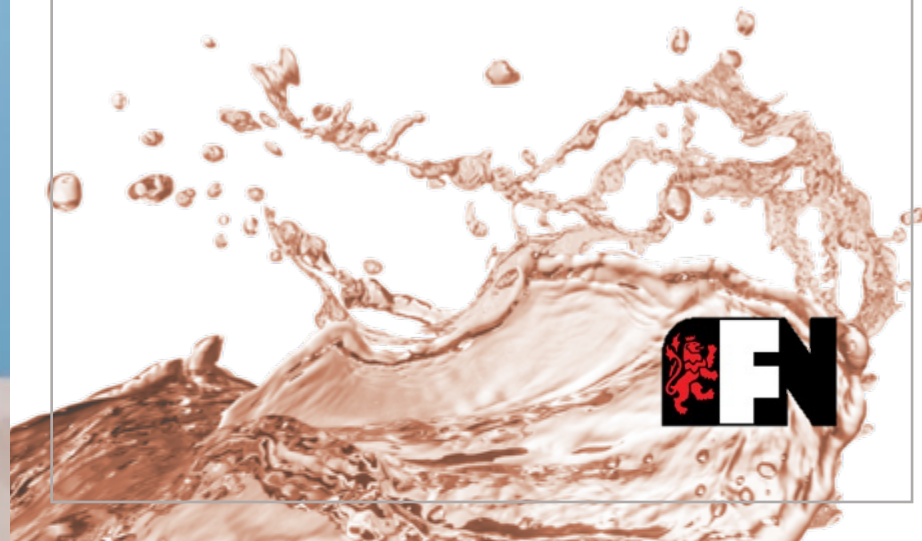
นมข้นจืดเต็มมันเนย ตราฟอนต์อิน ความอร่อย หอมมัน เข้มข้น จากนมโคแท้



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OUTLOOK AND GOING FORWARD



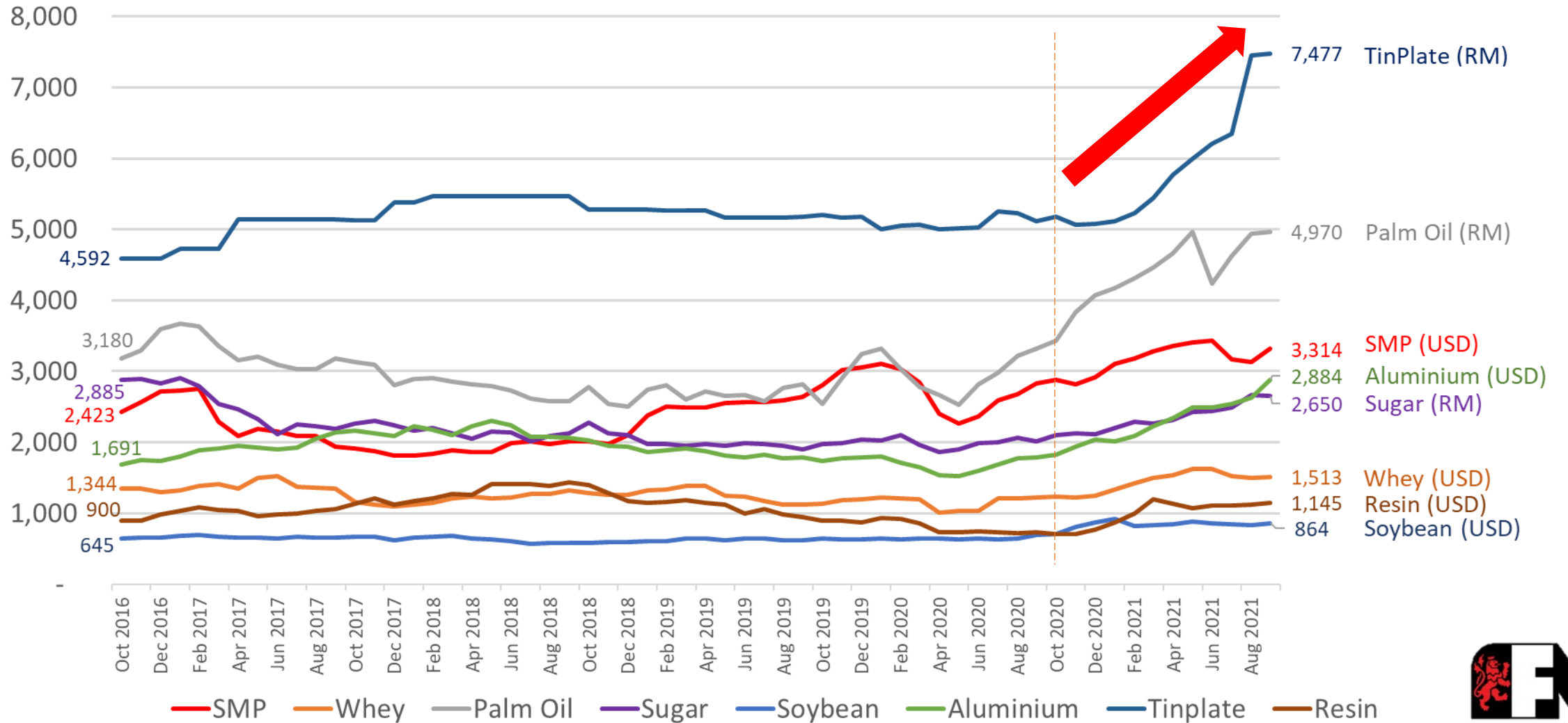
OUTLOOK

- 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
- **Reimagining** the way we work & reimagine 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 Not Retreating. We Need to Balance Sales & Profit

Key Commodity Spot Price chart (Oct 16 - Sept 21)





THANK YOU