

**General Announcement for PLC (v13)**

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| <b>COMPANY INFORMATION SECTION</b> |   |  |  |
|------------------------------------|---|--|--|
| <b>Announcement Type</b>           | <input checked="" type="radio"/> New Announcement <input type="radio"/> Amended<br>Announcement |  |  |
| <b>Company Name</b>                | FRASER & NEAVE HOLDINGS BHD   |  |  |
| <b>Stock Name</b>                  | F&N   |  |  |
| <b>Stock Code</b>                  | 3689  |  |  |
| <b>Board</b>                       | Main Market   |  |  |
|                                    |   |  |  |

| <b>CONTACT DETAIL</b>       |                    |                   |                       |
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| <b>MAIN</b>  |   |                                       |             |
|--|---|---------------------------------------|-------------|
| <b>Type</b>  | Announcement  |                                       |             |
| <b>Subject</b>   | OTHERS  |                                       |             |
| <b>Description</b>   | News Release: F&NHB Recorded Stronger First Half Amidst Covid-19 Containment Measures |                                       |             |
| <b>Shareholder Approval</b>  | No  |                                       |             |
| <b>Announcement Details/Table Section</b>  |   |                                       |             |
| We attach herewith a news release dated 4 May 2021 entitled "F&NHB Recorded Stronger First Half Amidst Covid-19 Containment Measures". |   |                                       |             |
| <b>Attachment</b>  | <b>No</b>   | <b>File Name</b>                      | <b>Size</b> |
|  | 1   | FNHB-News Release for 1H 2QFY2021.pdf | 161.6KB     |



## FRASER & NEAVE HOLDINGS BHD

(Company No. 004205-V)

### NEWS RELEASE

4 MAY 2021

## F&NHB RECORDED STRONGER FIRST HALF AMIDST COVID-19 CONTAINMENT MEASURES

- Stronger Q2 FY2021 performance, driven both by domestic sales and exports amidst COVID-related constraints, led to a positive first half performance.
- Group revenue for Q2 FY2021 grew by 8.6% to RM1,091.8 million. Group profit before tax for Q2 FY2021 increased 3.9% to RM139.3 million.
- Food & Beverages Malaysia recorded double-digit revenue growth for Q2 FY2021 at RM564.2 million amidst subdued festive celebrations.
- Food & Beverages Thailand built on recovery in hawker and HORECA channels and exports to mitigate slower offtake in traditional trade. Revenue in Q2 FY2021 increased 4.3% to RM525.8 million.
- Exports volume remained strong fuelled by growth in the Middle East and Africa markets despite COVID-19 uncertainties. However, profit margin impacted by escalating commodity costs, and higher freight charges due to worldwide container shortage.
- Interim single tier dividend of 27.0 sen per share (2020: 27.0 sen per share) amounting to RM99.0 million to be paid on 16 June 2021.

### SECOND QUARTER FY2021 PERFORMANCE

| Financial Highlights           | Q2 FY2021 | Q2 FY2020 | Change |
|--------------------------------|-----------|-----------|--------|
| Revenue (RM million)           | 1,091.8   | 1,005.6   | 8.6%   |
| Profit before tax (RM million) | 139.3     | 134.1     | 3.9%   |
| Profit after tax (RM million)  | 103.5     | 102.2     | 1.3%   |
| Basic earnings per share (sen) | 28.2      | 27.9      | 1.1%   |

Fraser & Neave Holdings Bhd ('F&NHB' or 'the Group') registered a stronger second quarter ended 31 March 2021 (Q2 FY2021), with Group revenue growing 8.6% to RM1,091.8 million compared to the same period last year.

The Group's Q2 FY2021 profit before tax rose 3.9% to RM139.3 million, and profit after tax increased to RM103.5 million from RM102.2 million last year. Higher sales, favourable product mix, prudent control on A&P spend, and the maiden contribution from the Sri Nona Companies mitigated pressures from rising commodity prices and lower exports margin from higher freight costs.

Despite subdued Chinese New Year festivities due to Movement Control Order (MCO 2.0) restrictions in Malaysia, there was positive momentum in on-premise demand after the easing of restrictions in early March. The recovery in the domestic market, double digit growth in exports fuelled by growth in Middle East and Africa markets, and contribution from Sri Nona Companies spurred the growth in Food & Beverages Malaysia (F&B Malaysia) Q2 FY2021 revenue by 13.0% to RM564.2 million. Operating profit rose 8.4% to RM26.4 million during the same period despite higher COVID-19 related expenses incurred in the quarter to conduct proactive safety measures.

Food & Beverages Thailand (F&B Thailand) registered 4.3% revenue growth (+3.8% in Thai Baht terms) in Q2 FY2021 at RM525.8 million amidst recovery in domestic economic activities especially in the hawkers, restaurant/café operators and Cash and Carry channels. Exports from Thailand also grew from greater demand overseas, which helped mitigate the slower offtake in Indochina markets due to stronger Thai Baht (which led to higher price in trade) and escalating COVID-19 cases in the region. F&B Thailand's operating profit for the Q2 FY2021 increased 6.2% to RM112.1 million (+5.7% in Thai Baht terms).

## **HALF YEAR FY2021 PERFORMANCE**

| <b>Financial Highlights</b>    | <b>Half Year<br/>FY2021</b> | <b>Half Year<br/>FY2020</b> | <b>Change</b> |
|--------------------------------|-----------------------------|-----------------------------|---------------|
| Revenue (RM million)           | 2,175.0                     | 2,116.7                     | 2.8%          |
| Profit before tax (RM million) | 298.3                       | 294.7                       | 1.2%          |
| Profit after tax (RM million)  | 240.3                       | 230.5                       | 4.2%          |
| Basic earnings per share (sen) | 65.5                        | 62.9                        | 4.1%          |

Supported by the progressive recovery of domestic sales, resilient Exports volume and contribution from Sri Nona Companies, Group revenue increased by 2.8% to RM2,175.0 million for the first half year ended 31 March 2021, while Group profit before tax increased to RM298.3 million.

Group profit after tax for the period grew by 4.2% due to investment tax incentives at the Thai subsidiary; offset by lower share of profit from an associate.

Higher beverage sales and double-digit growth in exports in the second quarter, as well as sustained demand for dairy products, and contribution from Sri Nona Companies led to 4.4% revenue growth for F&B Malaysia at RM1,132.4 million in the first half. However, operating profit declined slightly to RM71.3 million from RM73.0 million last year due to lower export margins from the increase in commodity costs and international freight charges.

Meanwhile, F&B Thailand delivered a better first half performance supported by out-of-home consumption recovery and growth in export markets, which offset the slower offtake in traditional and modern trade channels. Revenue increased by 1.0% (2.2% in Thai Baht terms) to RM1,040.2 million while operating profit grew 2.4% (3.6% in Thai baht terms) to RM221.6 million during the period under review.

Commenting on F&NHB's first half financial results, F&NHB Chief Executive Officer, Lim Yew Hoe said that the Group's performance demonstrated its resilience and agility to adapt and capture opportunities in a fluid and uncertain environment.

"Against a challenging backdrop, we built on our adaptive route-to-market execution and channel strategies to reach out to consumers and meet their expectations. We are also fortunate to have strong brands such as 100PLUS which are the must-haves during the festivities."

"Meanwhile in Thailand, the team 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," Lim added.

## **GOING FORWARD**

"We remain cautious of the local and global uncertainties as the COVID-19 pandemic situation is yet to stabilise. Commodity prices are on the uptrend and expected to rise further. Regardless of the situation, we will continue to develop our rich portfolio of brands and expand our geographical presence, while adapting and refining our strategies to constraints imposed by the pandemic," Lim added.

Following the recent rise in Malaysia's COVID-19 cases, Lim said, "Safeguarding the health and wellbeing of our people is pivotal while ensuring continued availability and accessibility of our products in the market. We continue to conduct proactive safety measures, including regular COVID-19 screening in our plants in Selangor to alleviate infection risk and ensure minimal impact to operations. Similarly, we are keeping a close watch on Thailand's spike in new cases to ensure timely and appropriate mitigation measures."

This year, F&NHB continued to respond to the needs of vulnerable communities throughout Malaysia and frontliners who have shown extraordinary commitment in battling COVID-19. During the Ramadan month, F&NHB, through its 100PLUS brand, will distribute over RM1 million worth of F&N products and daily essentials to 20,000 beneficiaries nationwide, including B40 families and 100 underprivileged homes through its 'Keberkatan Plus Plus' programme.

The programme also offers Malaysians a convenient channel that empowers them to join in the spirit of giving by purchasing 'F&N Pek Penyayang' packages from the [F&N Life website](#), which will enable them to donate to a charitable group of their choice.

F&NHB Chairman Tengku Syed Badarudin Jamalullail said, "Even though Ramadan has been different since the past year, the spirit of giving has not changed. We remain committed to pursuing sustainable and inclusive growth with our people, business partners and the community. The 'Keberkatan Plus Plus' programme is part of F&NHB's annual Corporate Responsibility efforts since 2004, which spreads the bliss of Ramadan to the less fortunate community during the holy month".

"Our ability to weather the challenges and navigate safely through the uncertainty has proven that we have effectively implemented initiatives 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," he concluded.

In line with the Group's performance, the Board declared an interim single-tier dividend of 27 sen per share (2020: 27.0 sen) for the financial year ending 30 September 2021. This dividend amounting to approximately RM 99 million will be paid on 16 June 2021.

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## **ABOUT FRASER & NEAVE HOLDINGS BHD**

Fraser & Neave Holdings Bhd (F&NHB) is a Malaysian-incorporated company listed on Bursa Malaysia's Main Board with expertise and a prominent standing in the food and beverage business. F&NHB has a rich history spanning 138 years and today is synonymous with high quality and halal products trusted by generations.

A Syariah compliant company, the Group has an annual turnover of RM4 billion from its core businesses in the manufacture, sales and marketing of beverages and dairy products. F&NHB boasts a portfolio of brands which are leaders in many segments, namely 100PLUS, F&N Fun Flavours, F&N SEASONS, OYOSHI, F&N Magnolia, FARMHOUSE, F&N ICE MOUNTAIN, F&N Fruit Tree, and its range of Condensed and Evaporated Milk under F&N, TEAPOT, Gold Coin, Cap Junjung, IDEAL and CARNATION brands. F&NHB recently added the NONA brand of rice cakes and sauces to its portfolio with the acquisition of Sri Nona companies.

F&NHB is a constituent of FTSE4Good Bursa Malaysia (F4GBM) Index for its strong commitment to environmental, social and governance (ESG) practices. The Group employs over 2,600 people across its operations in Malaysia, Brunei, Thailand and Indochina. For more information, please visit [www.fn.com.my](http://www.fn.com.my).

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