



FRASER & NEAVE HOLDINGS BHD

FY2024 FULL YEAR FINANCIAL RESULTS BRIEFING



CEO PRESENTATION
LIM YEW HOE



WELCOME

**TO FRASER & NEAVE
HOLDINGS BHD**



IMPORTANT INFORMATION

Certain statements in this Presentation constitute “forward-looking statements”, including forward-looking financial information. Such forward looking statements and financial information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Fraser & Neave Holdings Bhd (“F&NHB”), or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements and financial information. Such forward-looking statements and financial information are based on numerous assumptions regarding F&NHB’s present and future business strategies and the environment in which F&NHB will operate in the future. Because these statements and financial information reflect F&NHB’s current views concerning future events, these statements and financial information necessarily involve risks, uncertainties and assumptions. Actual future performance could differ materially from these forward-looking statements and financial information.

F&NHB expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statement or financial information contained in this Presentation to reflect any change in F&NHB’s expectations with regard there to or any change in events, conditions or circumstances on which any such statement or information is based, subject to compliance with all applicable laws and regulations and/or the Bursa Malaysia Securities Berhad Listing Requirements and/or any other regulatory or supervisory body or agency.

This Presentation includes market and industry data and forecast that have been obtained from internal survey, reports and studies, where appropriate, as well as market research, publicly available information and industry publications. Industry publications, surveys and forecasts generally state that the information they contain has been obtained from sources believed to be reliable, but there can be no assurance as to the accuracy or completeness of such included information. While F&NHB has taken reasonable steps to ensure that the information is extracted accurately and in its proper context, F&NHB has not independently verified any of the data from third party sources or ascertained the underlying economic assumptions relied upon therein.

FY2024
F&NHB

GROUP FINANCIAL HIGHLIGHTS

REVENUE

RM

5,245.6

MILLION



4.9%

OPERATING PROFIT

RM

709.5

MILLION



10.4%

PROFIT BEFORE TAX

RM

697.0

MILLION



11.6%

PROFIT AFTER TAX

RM

544.3

MILLION



0.4%

EFFECTIVE TAX RATE

21.9%



-8.7 P.P

EARNINGS PER SHARE (BASIC)

148.2 sen



1.7 sen

NET ASSET PER SHARE

RM

9.75



63 sen

GEARING RATIO

21.3%



-1.7 P.P

KEY DRIVERS

**Strong Festive
Demand**

**Successful
Promotional
Activities**

**Diversified Brand
Portfolio,
Businesses,
Geographical
Presence**

**Lower
Input Costs**

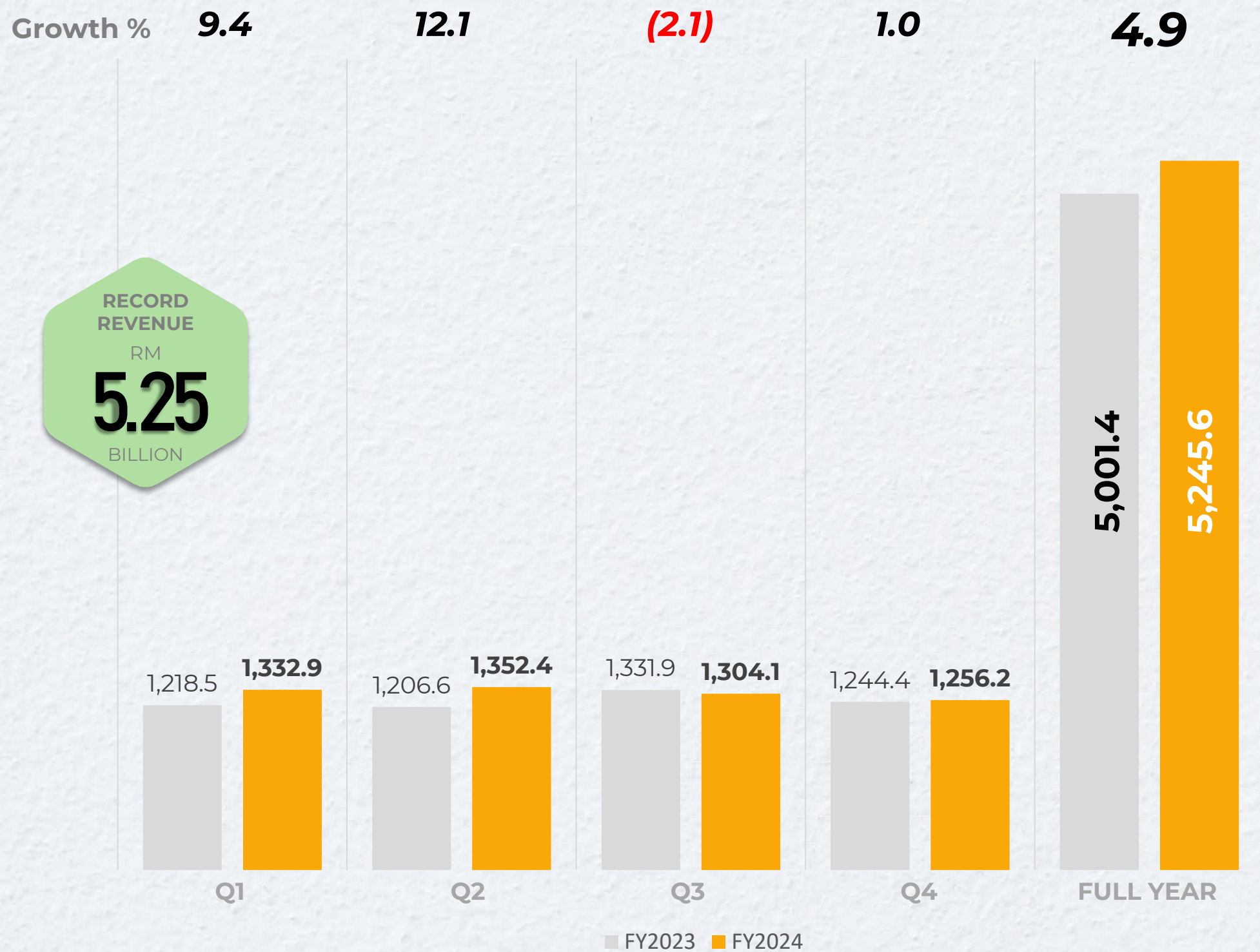
**Supply Chain
Savings**

FY2024 FINANCIAL HIGHLIGHTS

F&NHB GROUP

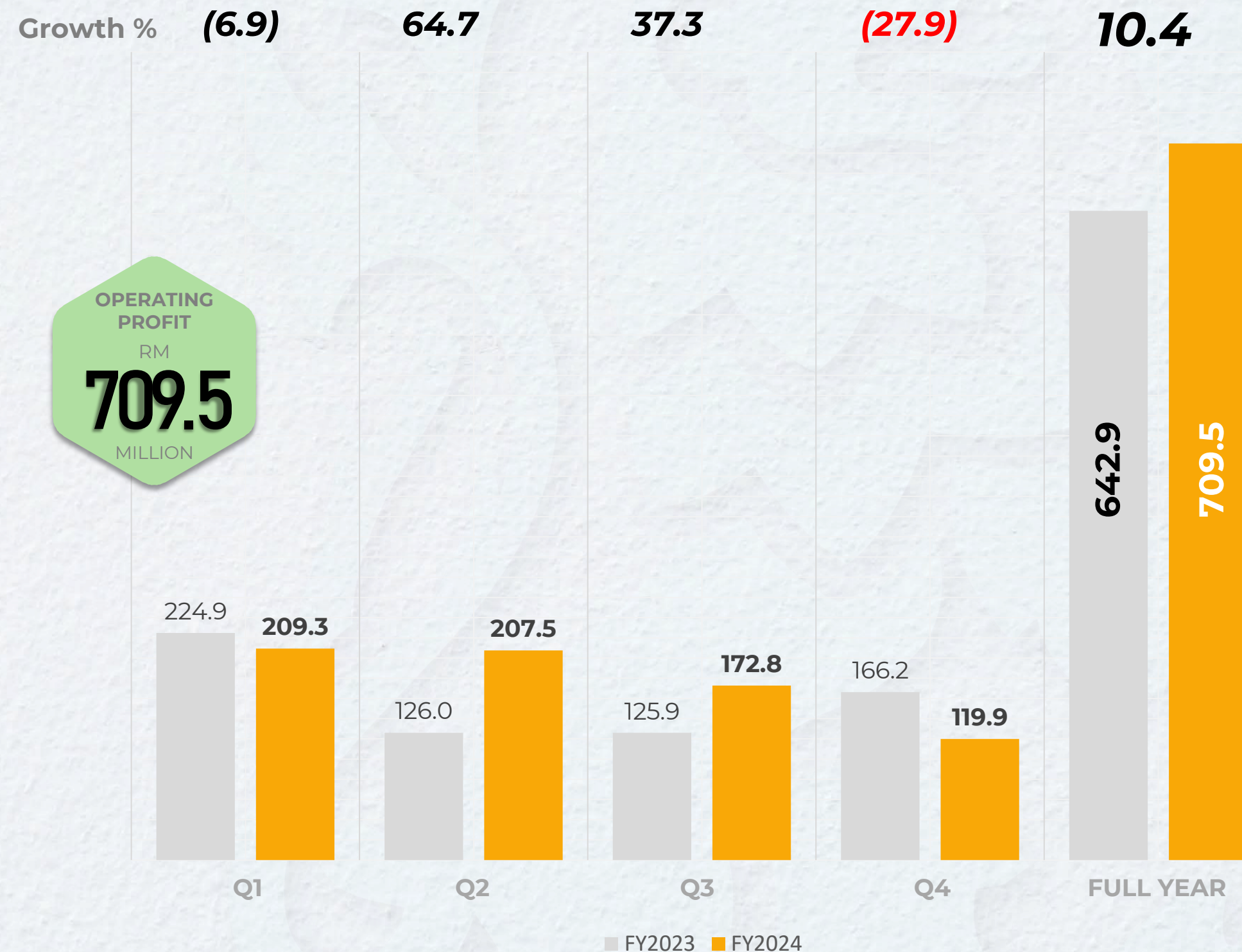
GROUP REVENUE

RM Million



GROUP OPERATING PROFIT

RM Million



Higher domestic sales from Malaysia and Thailand



Sales to Cambodia



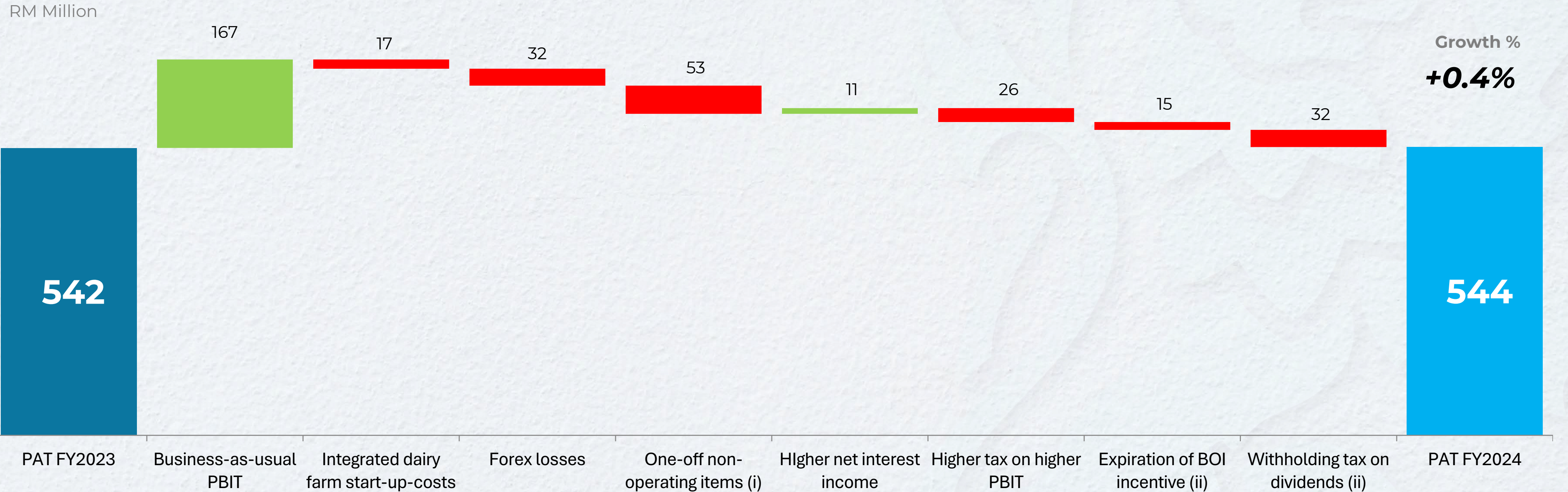
Higher profits from both F&B Malaysia and F&B Thailand



Adjusted operating profit at RM545.2m (+11.3% vs LY) (FY2023: RM489.7m)

Profit after tax (PAT)

improvement



Remarks:

- (i) Consists of remeasurement gain of Cocoland amounted to RM89.3m in FY2023, impairment loss on plant and equipment in FY2023, insurance claim and restructuring costs.
- (ii) Due to expiration of Board of Investment Incentive (BOI) for F&B Thailand in April 2024, additional taxes were incurred for foreign withholding tax on dividends repatriated and higher taxes from our Thai subsidiary. Thailand income tax rate is 20%.



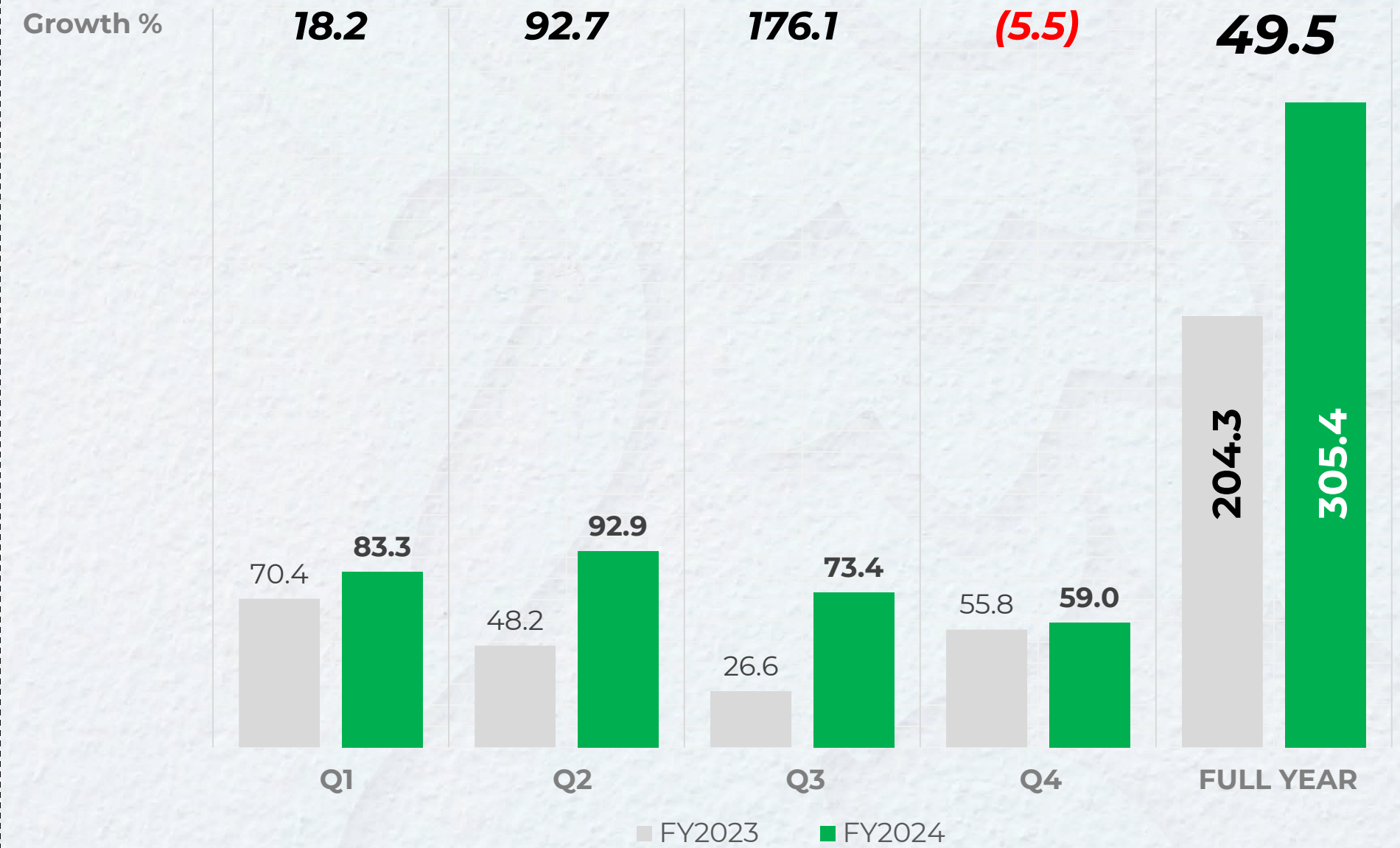
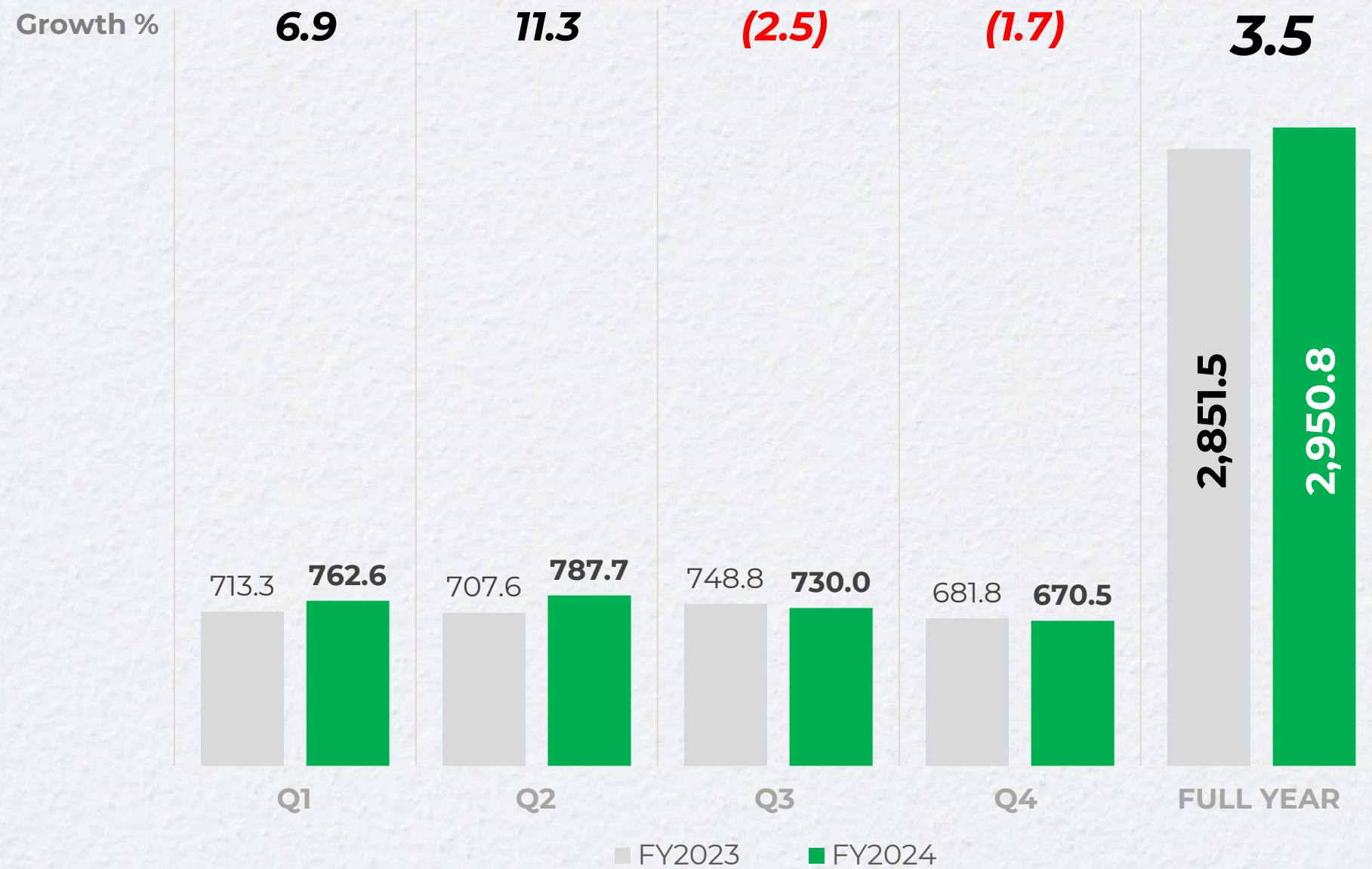
OPERATIONAL HIGHLIGHTS: F&B MALAYSIA

F&B MALAYSIA REVENUE

RM Million

F&B MALAYSIA OPERATING PROFIT

RM Million



REVENUE +3.5%

- ▲ Strong domestic sales from festive
- ▲ Notable growth in beverages, dairies and water
- ▲ Contribution from food pillar
- ▼ Geopolitical tensions affecting exports

OPERATING PROFIT +49%

- ▲ Higher revenue
- ▲ Contribution from export – better region and product mix
- ▲ Lower input costs
- ▼ Higher A&P spending and brand activities
- ▼ Adjusted operating profit at RM305.6m (+33.4% vs LY) (FY2023: RM229.1m)

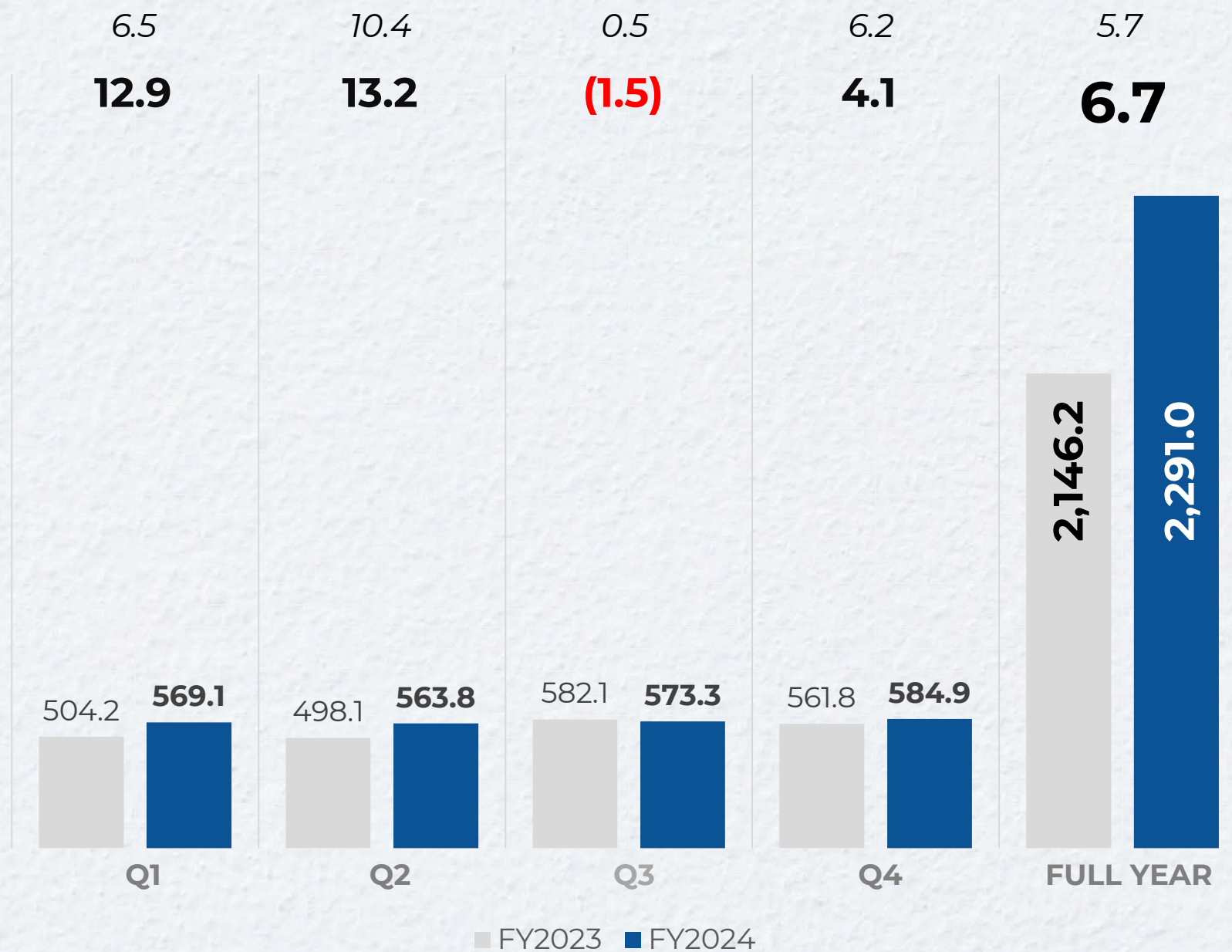


OPERATIONAL HIGHLIGHTS: F&B THAILAND

F&B THAILAND REVENUE

RM Million

Growth % THB
Growth %



REVENUE +6.7% (5.7% in THB)



Higher sales to Cambodia (full year Bear Brand sales)



Dampened sales of liquid milk category due to limited supply of fresh milk

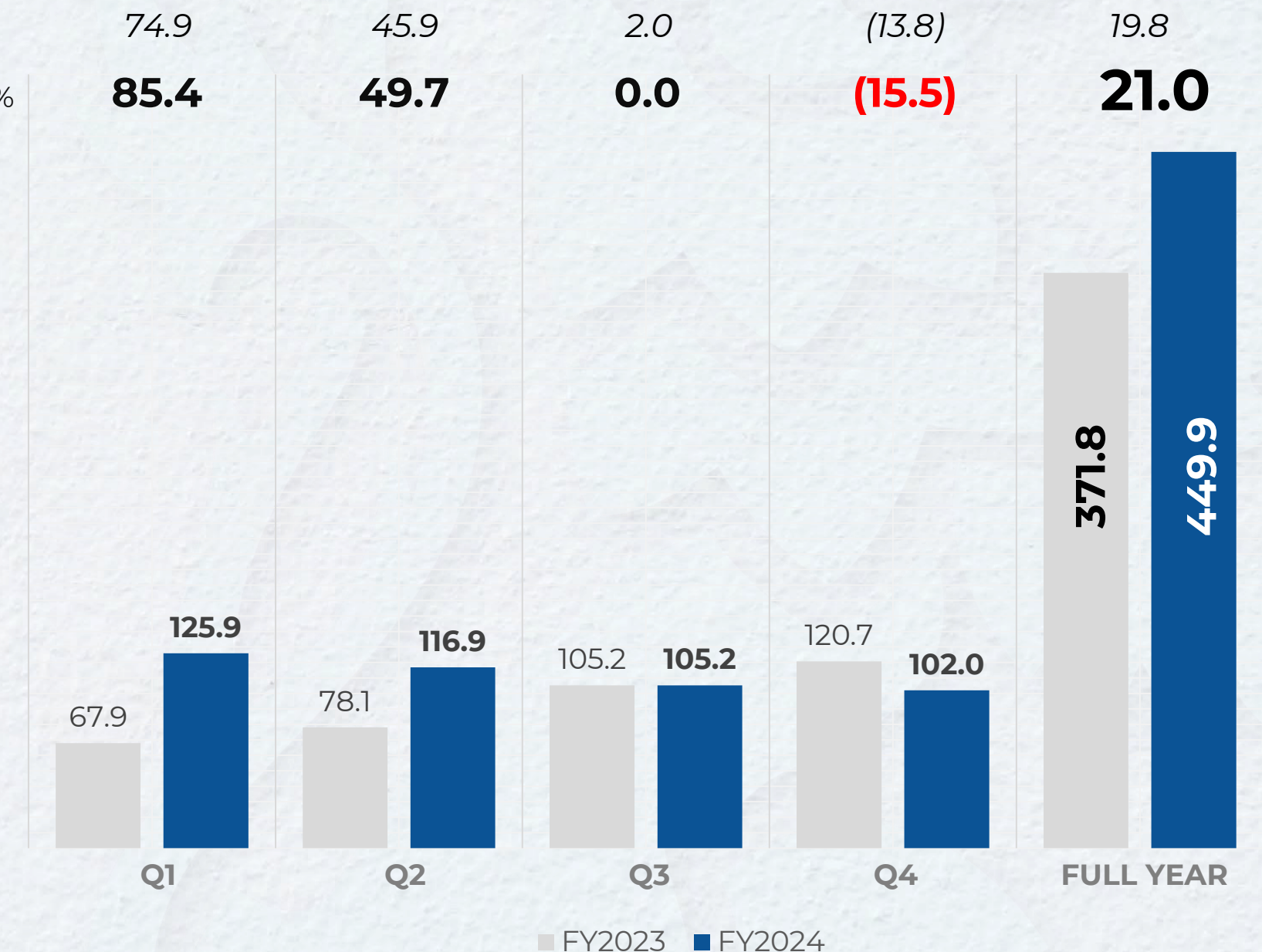


Growth in sales of condensed milk

F&B THAILAND OPERATING PROFIT

RM Million

Growth % THB
Growth %



OPERATING PROFIT +21.0% (19.8% in THB)



Higher volume



Savings from logistics



Higher A&P spending and investment activities



Favourable commodity prices

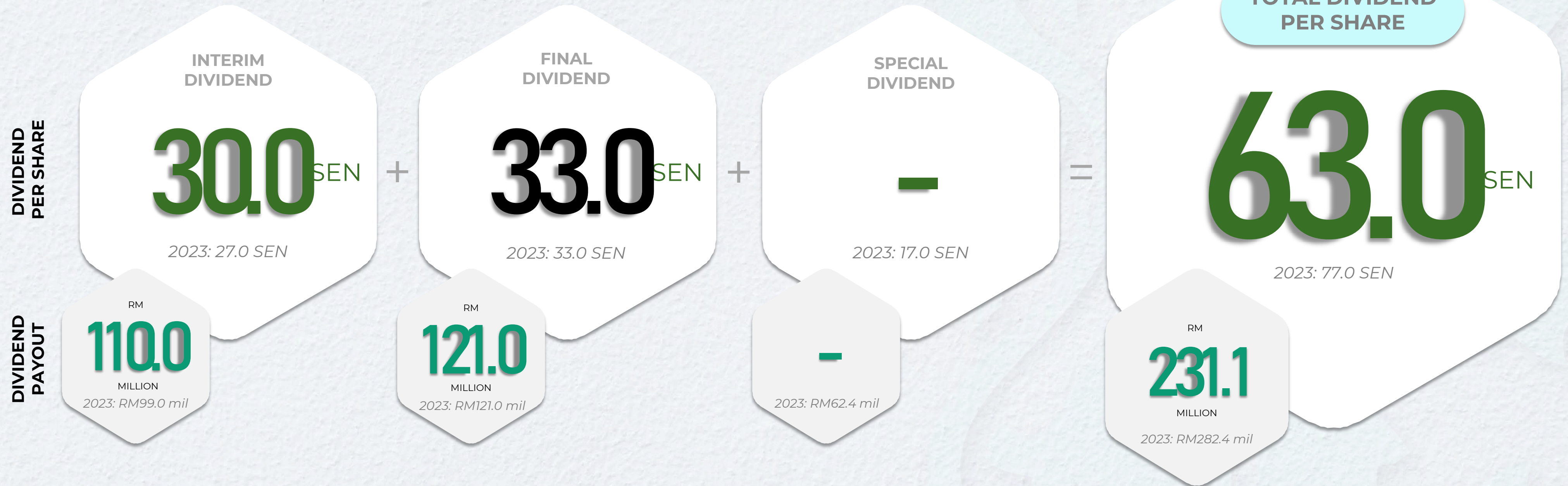


Adjusted operating profit +18.9% due to impairment loss on plant and equipment in previous year (FY2023: RM378.3m)

PROPOSED FINAL DIVIDEND

33 SEN PER SHARE

Subject to shareholders' approval at the forthcoming Annual General Meeting



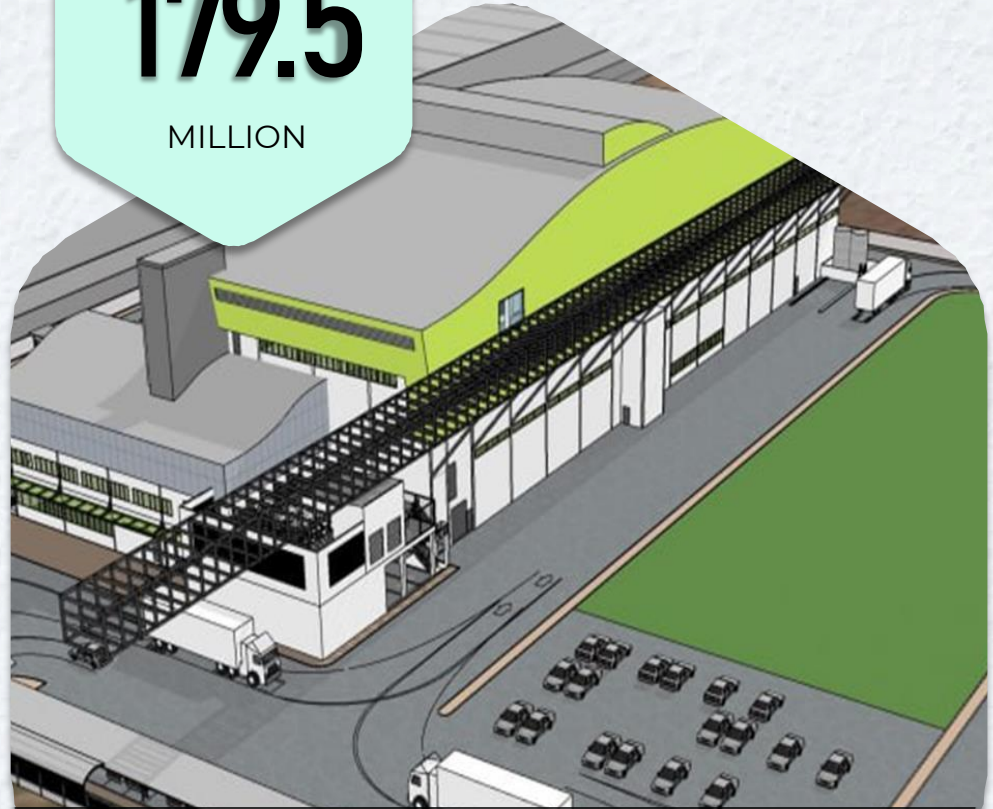
	2024	2023
DIVIDEND PAYOUT RATIO	43%	53%
NORMALISED DIVIDEND PAYOUT RATIO *	42%	58%

* Excluding one-off non-operating items

MAJOR CAPEX 2024

RM
1,426*
MILLION

RM
179.5
MILLION



DAIRY PLANT IN CAMBODIA
Svannaphum Special
Economic Zone,
Phnom Penh

Groundbreaking ceremony in
September 2024.
To be completed in 2026



DAIRY FARM IN GEMAS
Negeri Sembilan

* Image for illustration purposes

Total investment for Phase 1 (incl. land) @ RM1,850 Million
Operational 2025

RM
48.5
MILLION



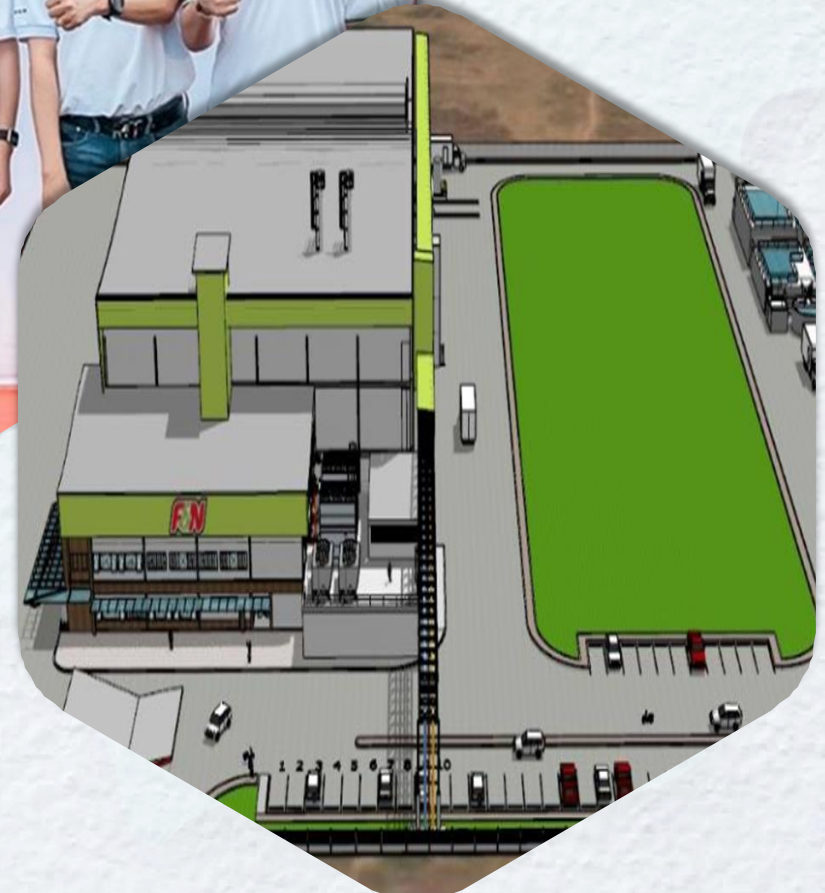
CSD AND DRINKING WATER LINE
Butterworth
Plant (new)

Operational
in 2026

GROUND BREAKING IN SEZ CAMBODIA



F&N
pure enjoyment . pure goodness
GROUND BREAKING AND MAIN PILING CER
F&N FOODS (CAMBODIA) CO., LTD.



Air Connectivity

- 50 km to Phnom Penh International airport
- Suvannaphum located in same province of The New Cambodia airport in Kandal province

Water Connectivity

- Suvannaphum river port link to Cai-Map (Point 4) sea port in Vietnam via Mekong river

Road Connectivity

- 45 km to Phnom Penh City (Point 1)
- 170 km to Sihanoukville Port on national road no.4 (Point 2)
- 250 km to Ho Chi Minh city on nation road no.1 (Point 3), main road to Vietnam
- 12 km close to Phnom Penh river port

MAJOR CAPEX 2024

RM
18.5
MILLION



SOLAR PV PROJECTS (PHASE 2)

Shah Alam, Pulau Indah and Rawang

Completion in 2025

RM
123
MILLION



STERILISED CAN MILK FILLING & PACKING LINE

Pulau Indah Plant

** Image for illustration purposes*

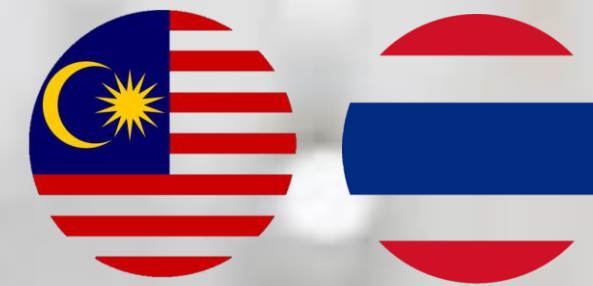
Operational in 2025



MARKETING HIGHLIGHTS

F&B MALAYSIA

NEW OFFERINGS IN FY2024



Jom Sihat Kekal Cergas

dengan



WIDENING OUR
HEALTHIER
CHOICE
RANGE





NURTURING SPORTS TALENTS TODAY AND BEYOND



- **KIPID100 MALAYSIA**
- SRIXON to advance junior golf
- GOLD Sponsor of SUKMA XXI Sarawak 2024 and PARA SUKMA XXI Sarawak 2024
- Malaysia Open 2024

F&N "Mengisi
Hati Setiap Hari"



TEAPOT On-
Premise (OP)
branding

CANNED MILK MARKETING CAMPAIGNS



TEAPOT Spill
the Tea

Terima KaC Campaign in conjunction with Parents' Day

Collaboration with Shin Ramyun



CNY Campaign



CARNATION
MARKETING
HIGHLIGHTS

MAGNOLIA

KEY INITIATIVES

PURR-FECT GOODNESS IN EVERY DROP

PERCUMA*

1 Beg Garfield

Dengan pembelian Susu Magnolia bernilai RM 25 dan ke atas



Magnolia +
Gardenia



Magnolia
Deepavali
contest



Collaboration with more KOL

SRI NONA'S KEY INITIATIVES



Collaboration with the famous KHAIRUL AMING

Hari Raya Activation



"A Majestic Feast in the Year of the Dragon, with Healthier Flavours of Lee Shun Hing"



**NEW
PACKAGING
LAUNCH**





FRASER & NEAVE HOLDINGS BHD

MARKETING HIGHLIGHTS

F&B THAILAND

MAGNOLIA ENGAGES WITH STUDENTS



รวมมูลค่ากว่า 8 ล้านบาท

แจกใหญ่



แจก ลุ้น

สังเกตความอร่อย

REWARDS CAMPAIGN

CARNATION REACHES OUT TO OPERATORS

โปรดักต์ นวัตกรรม
เลือกคาร์เนชัน



SBC+EXTRA OPERATOR CAMPAIGN

CARNATION DRIVES IN-HOME USAGE



ยำปลา



หอยนางรม



อร่อยหอมมัน เข้มข้นถูกใจ

ทีพอก ฉลอง 15 ปี

ลุ้นรางวัลมากกว่า

8 ล้าน

บาท

5 บาท 15 สัปดาห์
แท่งหนัก 1 บาท มูลค่า 31,500 บาท
จำนวน 225 รางวัล รวม 15 สัปดาห์

ลุ้นรางวัลประจำสัปดาห์ใหญ่

TEAPOT

APPEALS TO
CONSUMERS &
OPERATORS



ทีพอก
อร่อยลื่นมัน
รางวัลถูกใจ ปี 3

เพียงส่งรหัสที่ สติกเกอร์ / ฉลาก / ถุง / ฝา ทีพอก
ส่งมาที่ @TEAPOTHAPPYREWARDS



นมสตรอโรไลส์ตราหมี
ห่วงใยกันได้ทุกวัย



BEAR BRAND
TARGETS YOUNG
ADULTS



NEW

F&N Nutri Well

Freshly Squeezed Soy Milk
Rich in Nutrition and
Creamy Delicious

Try Now



OUR **AWARDS** AND **ACCOLADES**



HR ASIA BEST COMPANIES
TO WORK FOR

Best Employer to Work For



THE BUILDING TRUST
AWARDS 2023

Winner
FBM Mid 70 Index
Fraser & Neave Holdings Bhd



PUTRA BRAND
AWARDS 2023

Gold
Non-Alcoholic Beverage
100PLUS



NACGSA 2024

Top 50 Excellence
Award for companies
listed on Bursa
Malaysia



F&N AGRIVALLEY PROJECT WHOLESOME

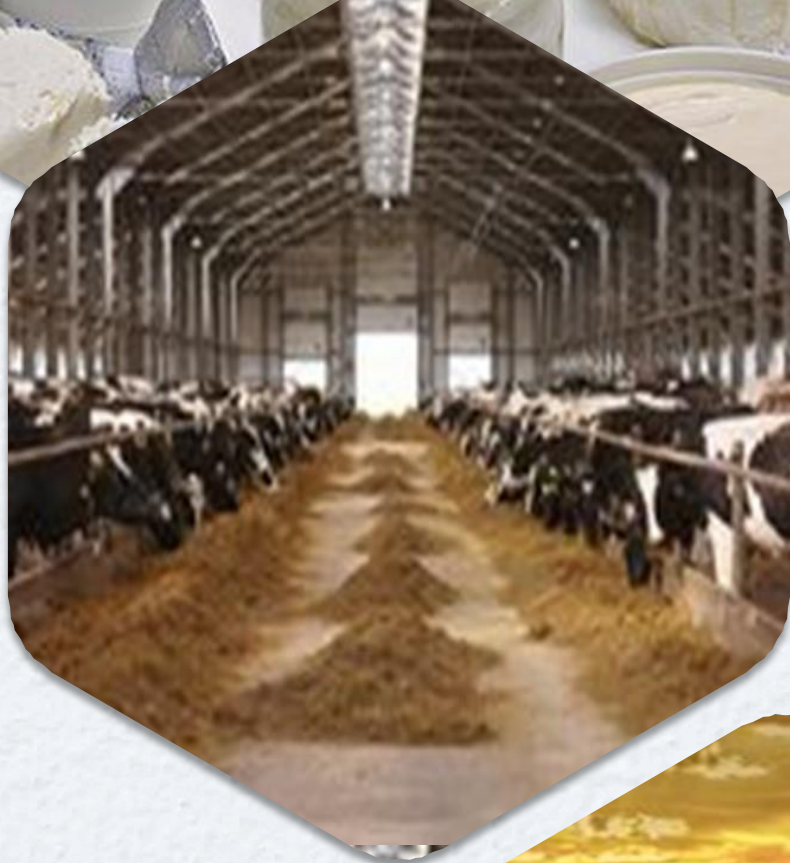
F&N'S INTEGRATED DAIRY FARM

VISION

To improve the nutrient intake of Malaysians by making fresh milk available in every Malaysian household.

MISSION

To produce world-class milk at lowest possible cost via an integrated farming model and by partnering every stakeholder in our society and marketplace to make our vision a success.



Making Fresh Milk Affordable **in Malaysia and** Creating **a Healthier Nation**

6

Liter/capita

While Malaysia's dairy consumption per capita is not low, there is very little **fresh milk**.

100x

Great potential for higher fresh milk consumption if we benchmark against Vietnam

Vietnamese drink 10 litres of fresh milk for every litre of recombined. Malaysians the other way round



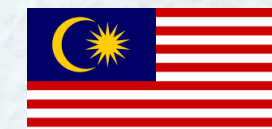


Fresh Milk Has High Growth Potential In Malaysia **But Hindered By Lack Of Local Supply And High Milk Prices**

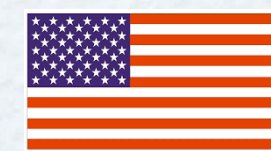


Current Fresh Milk Price/litre

RM 8 -15



RM 4.50



NATIONAL Self-Sufficiency

5%



All these factors continue to drive **Malaysian milk prices to 2x more than global milk countries.**

Integrated Dairy Farm To Be Developed In Phases. Our Contribution To Food Security Comes In 3 Forms...

Phase 1 capex RM2 bil
Total RM3+ bil



Ultimately reaching 200 million litres of fresh milk yearly with 20,000 milking cows



Each female / milking cow would be retired after 3 to 5 years. In addition, male calves will be raised. Both combined would supply up to 10,000 animals yearly



Tens of thousands of tons of corn grain and other animal feed



F&N expands from manufacturer to an integrated dairy player

PROJECT WHOLESOME

Artist impression



To produce world class milk, we need quality feed. Most feed will be grown in-house, saving Malaysia import of tens of thousands of tons of corn grain. Eventually, we hope to expand corn farming and animal feed into separate businesses.

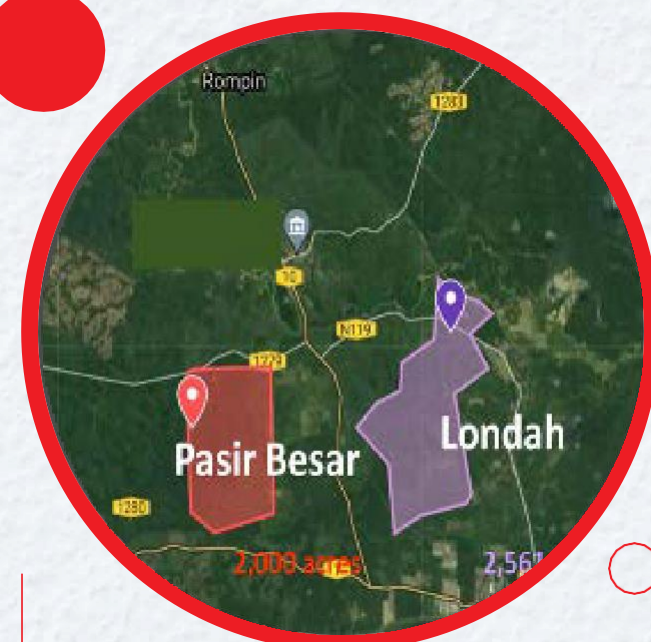
PROGRESS SO FAR.. KEY MILESTONES OF AGRIVALLEY

2023

Started the approval process with the relevant authorities such as Environment Impact Assessment (EIA); Planning and Building (KM) to facilitate compliance on construction and land clearance

Land Clearance Status as of 15 Sept 2023 – 500 acres land cleared

Land Preparation Progress – ON TRACK



2022

Land acquisition was completed on 10 October 2022 for **RM215.6m**



Ground-breaking Ceremony in Gemas, Negeri Sembilan on 15 June 2023



2024

First batch of heifers selected

2025

First Milking by early 2025 (planned)

Acquisition of **Pregnant Heifers** from the US



Departure Port:

**Port of Everett,
Washington State**

Planned boarding:

26 Oct 2024

Planned departure from US :

29 Oct 2024

First Batch of 2,500 pregnant heifers

received the import permit in September for the importation between 19 Nov and 16 Dec 2024.

In Preparation for departure and taking into consideration recent bouts of avian flu, some precautionary measures have been taken:

1. Pregnant heifers were sent in advance to Washington State (an Avian flu FREE state) from California about 4 months ago.
2. The pregnant heifers were compartmentalised according to livestock export protocols.

SITUATION UP TO TWO WEEKS AGO

Quarantine Protocol & Stakeholders Engagement

1. The cows have been tested for diseases (but not avian flu) following the protocol agreed upon by Malaysian and US authorities. All clear.
2. Provided regular progress updates to the relevant Malaysian authorities, and no negative response received.

DVS' Unilateral Action Suspending Importation of American Breeding Cattle

Thursday, 24 October 2024
(2 days before boarding)

- 24 October 2024 Thursday, the Department of Veterinary Services (DVS) issued a letter cancelling the import permit for the dairy cows from the US. The Director of DVS cited the risks posed to the poultry industry, a big export industry for Malaysia.
- DVS also notified the Animal and Plant Health Inspection Service/United States Department of Agriculture (APHIS/USDA) of the same.
- Despite all efforts including from the US Embassy and USDA issuing attestations and certifications that the cows have been isolated for at least 30 days, it was too late to save the shipment.
- The cow-less vessel left Washington port on Monday.

What are the Implications?

The pregnant heifers will be sold to the US domestic market.

- At this stage, our vendors are finding buyers for the suddenly available cows.

This will affect our milking plans:

- We will not commence milking in January 2025.
- We are discussing with our vendors and regulators here in Malaysia on alternative sourcing.

More importantly, F&N (**and Malaysia**) has lost the opportunity to receive some of the best American dairy cows.

Average GTPI (Genomic Total Performance Index) for the cows exceed 2,500, with some as high as 3,100. This is the highest genetics of any exported cattle in dairy farming history.

- These cows could deliver 40 litres/day of fresh milk.
- Comparatively, Australian cows could be below 2,000.
- Typically, Malaysian productivity is under 15 litres/day.

What's Next?

We want to lower fresh milk cost, hence price to consumers in Malaysia.

Our investment model is simple:

- Build the best, most comfortable dairy barn.
- Bring in the best possible cattle and feed them the best self-planted feed.
- Investment is high, but over time, per litre cost of milk will be very affordable.



The barns are ready.

We are working with relevant stakeholders to source for similar high-performing cows.

PROSPECTS

FY2025

F&N AgriValley:

- The Group maintains a balanced focus on optimising the current businesses and its growth initiatives in agriculture, through F&N AgriValley.
- The construction of the integrated dairy farm in Gemas is progressing on schedule, although there is unexpected setback in the arrival of the livestock.
- First milking will be delayed.

Overall:

- Despite recent setbacks, the Group is confident in its financial strength, solid cash flow position and strategic plans moving forward.
- Meanwhile, the development of our dairy manufacturing plant in Cambodia is also on track to bolster our presence in that market.
- Other new capital expenditures include new carbonated beverages and drinking water line in Butterworth, a new sterilised milk filling and packing line in Pulau Indah, as well as a new chocolate manufacturing line in Rawang.
- As we look forward to the year ahead, the Group is committed to driving growth, enhancing route-to-market capabilities, and optimising operational efficiencies while remaining vigilant and agile in response to market shifts, geopolitical uncertainties and macroeconomic changes.



Thank You

Visit us at
www.fn.com.my

