



RE-ENERGISED



FRASER & NEAVE HOLDINGS BHD

**FY2023 FULL YEAR
FINANCIAL RESULTS BRIEFING**

Important Notice



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.

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FY2023 F&NHB Group Financial Highlights



F&NHB Group achieved higher revenue (RM5 billion) and profit after tax (RM542 million), attributable to positive recovery across all markets, channel management strategies and contribution from Cocoaland.

REVENUE

RM5,001.4 mil

▲ 11.9%



OPERATING PROFIT

RM642.9 mil

▲ 43.5%



ADJUSTED OPERATING PROFIT *

RM592.1 mil

▲ 26.8%



PROFIT BEFORE TAX ("PBT")

RM624.7 mil

▲ 37.6%



ADJUSTED PBT *

RM573.9 mil

▲ 21.3%



ADJUSTED PBT MARGIN *

11.5%

▲ 0.9 p.p



PROFIT AFTER TAX

RM542.0 mil

▲ 41.8%



ADJUSTED EBITDA

RM738.4 mil

▲ 24.5%



EARNINGS PER SHARE (BASIC)

146.5 sen

▲ 42.0 sen



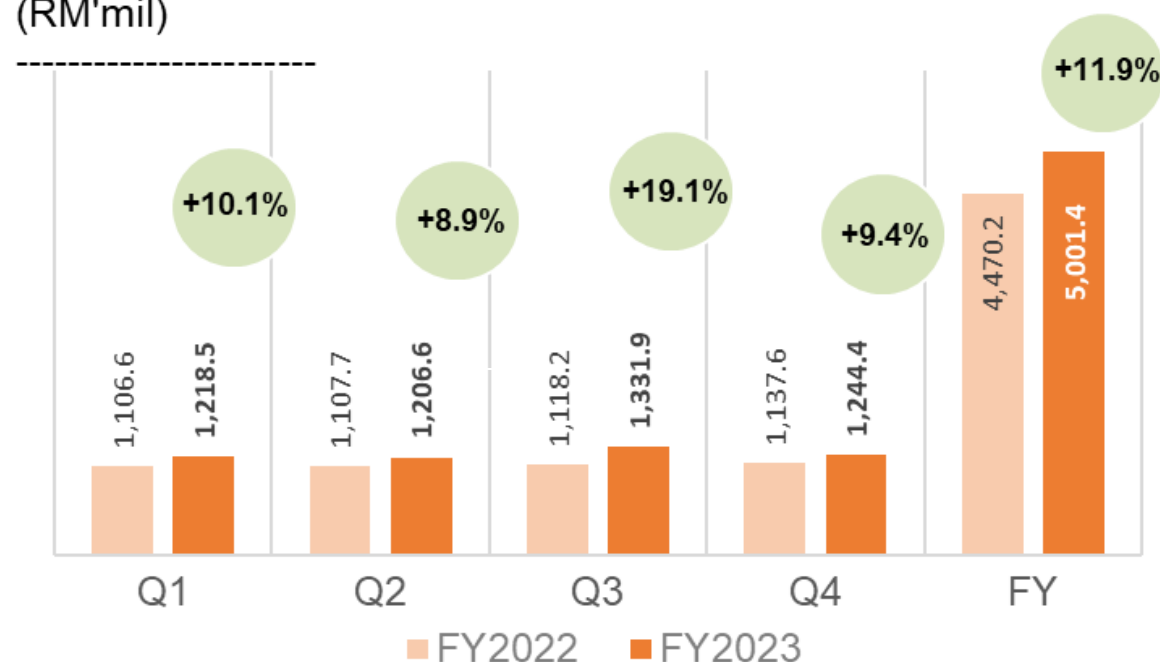
* Excluding one-off non-operating items i.e. fair value gain on remeasurement of Cocoaland (+RM89.3 million), insurance claim received (+RM8.0 million), impairment of property, plant and equipment (-RM35.4 million) etc.

FY2023 F&NHB Group Financial Performance

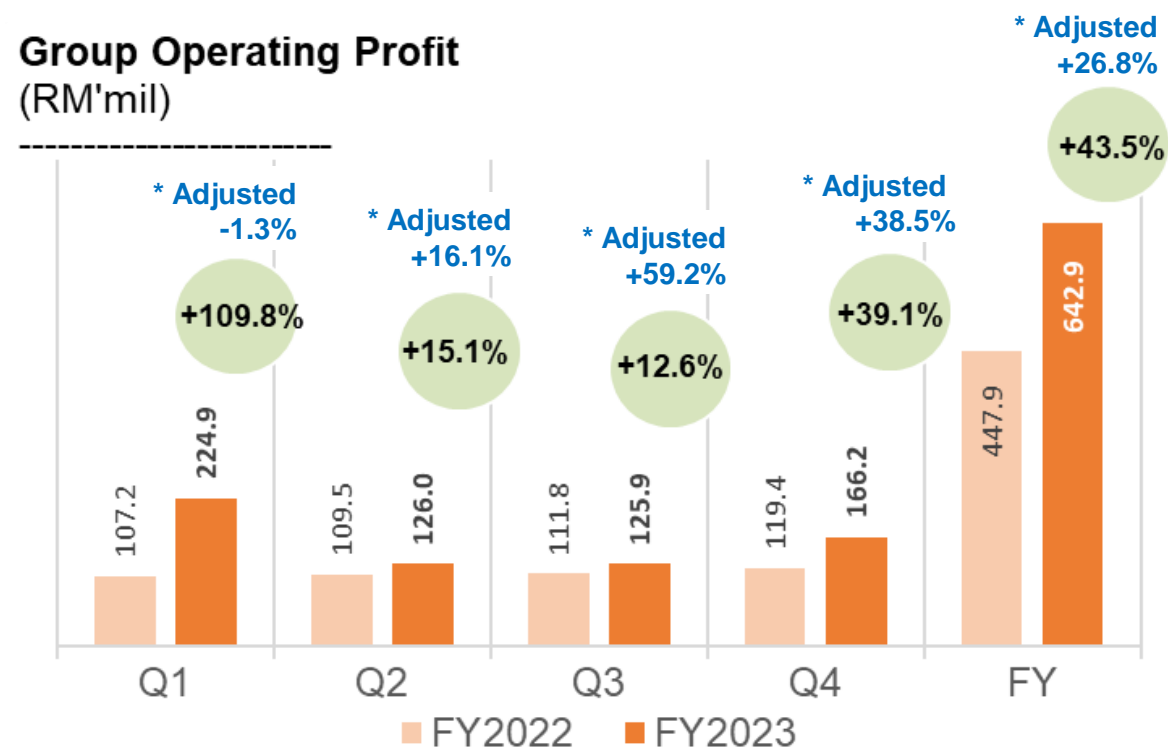


Continued momentum in revenue and operating profit through the quarters

Group Revenue
(RM'mil)



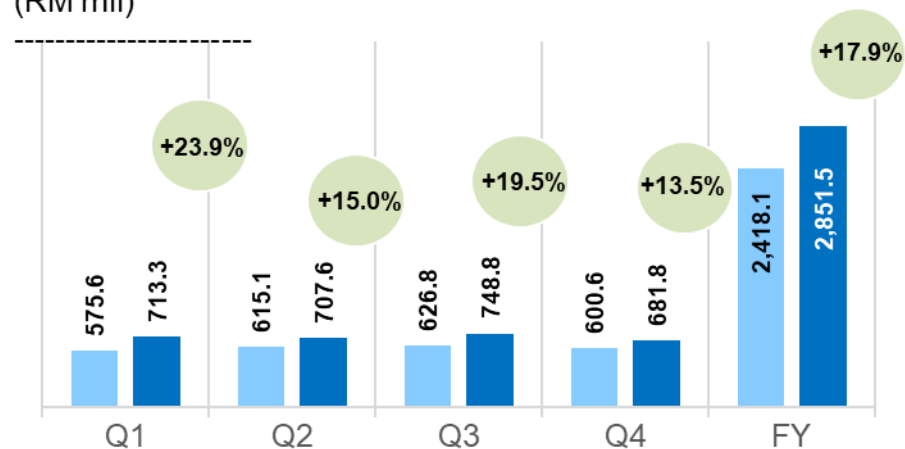
Group Operating Profit
(RM'mil)



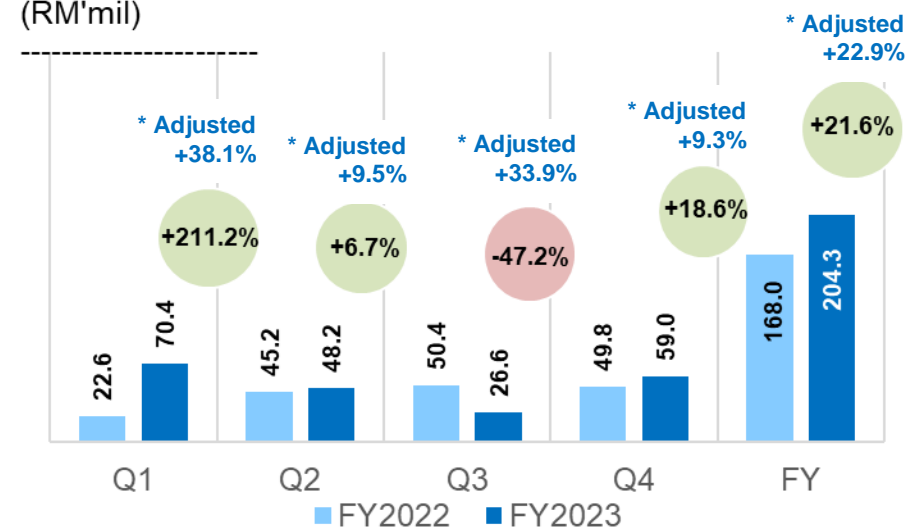
* Excluding one-off non-operating items i.e. fair value gain on remeasurement of Cocoland (+RM89.3 million), insurance claim received (+RM8.0 million), impairment of property, plant and equipment (-RM35.4 million), etc.



F&B Malaysia Revenue
(RM'mil)



F&B Malaysia Operating profit
(RM'mil)



Strong double-digit growth in revenue and operating profit on the back of continuing sales momentum in domestic and export market, operational excellence and Cocoaland contribution.

FY2023 v FY2022

➤ Revenue +17.9%

- Continuing sales momentum in domestic market
- Improvement in festive sales and out-of-home consumption
- Notable volume growth in beverages
- Full year impact on successful trade execution and price adjustment exercise
- Improved export performance following sales recovery for Africa, Greater China and ASEAN regions

➤ Operating profit +21.6% (*Adjusted operating profit +22.9%)

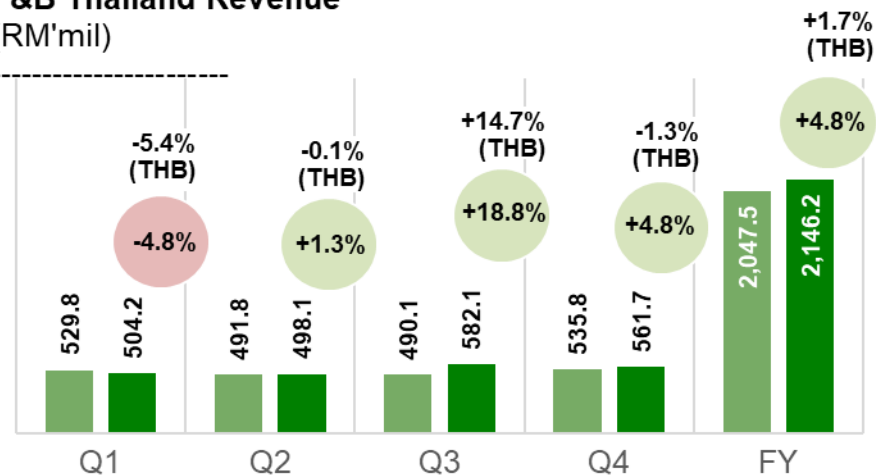
- Higher revenue
- Improved operational and cost efficiencies
- Improved contribution from exports – better region/product mix
- Offset by higher A&P spending and brand investment

* Excluding one-off non-operating items i.e. insurance claim received (+RM8.0 million), impairment of property, plant and equipment (-RM28.9 million), etc.

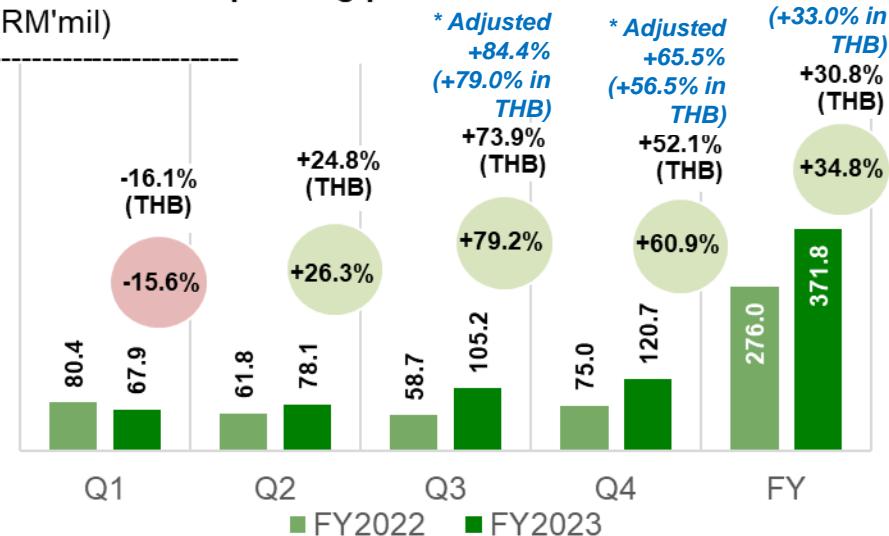




F&B Thailand Revenue
(RM'mil)



F&B Thailand Operating profit
(RM'mil)



* Adjusted for one-off non-operating item (Impairment of PPE)

Maintained its market leadership in the sweetened condensed milk and evaporated milk categories

FY2023 v FY2022

➤ Revenue +4.8% (+1.7% in THB)

- Improved out-of-home consumption
- Recovery in export markets
- Full year impact on price adjustment exercise
- Focused route-to-market strategies, in-store execution
- Consistency in brand building and consumer engagement
 - Consumer and hawker loyalty programs
- Aided by favourable forex translation gain from stronger Thai Baht

• Operating profit +34.8% (+30.8% in THB)

- Improvement in margin
- Despite higher input and packaging costs (mainly sugar, milk and tin can), the impact is mitigated by operational savings and efficiencies
- Higher A&P spending and brand investment activities and consumer campaigns

Our Global Presence

Contribution of Export Revenue to Segment Revenue FY2023

F&B
MALAYSIA

23%

F&B
THAILAND

17%

Group
Revenue

21%

Export revenue crossed **RM1.0 billion** mark (+22%), contributed to 21% of Group revenue due to:

- recovery in export markets,
- tactical pricing strategy
- portfolio/country mix;
- expansion in B2B channel; and
- export contribution from **Cocoaland**.

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EXPORT MARKET

COUNTRIES WORLDWIDE

TOP
EXPORTED
PRODUCTS

Condensed and
evaporated milk



Proposed Final Dividend of 33 sen and Special Dividend of 17 sen in conjunction with 140th Anniversary



	FY2023	FY2022	Change
Total equity (RM'mil)	3,343.2	2,982.5	▲ 12.1%
Total assets (RM'mil)	5,111.6	4,190.6	▲ 22.0%
Total debt (RM'mil)	767.9	310.1	▲ 147.6%
Cash & cash equivalents (RM'mil)	1,031.5	461.9	▲ 123.3%
Net assets per share (RM)	9.1	8.1	▲ 0.98
Gearing ratio (%)	23.0%	10.4%	▲ 12.6%

Note:

1 Total equity exclude non-controlling interest

2 Total debt comprise borrowings and lease liabilities

* Adjusted for one-off non-operating items i.e. fair value gain on remeasurement of Cocoland (+RM89.3 million), insurance claim received (+RM8.0 million), impairment of property, plant and equipment (-RM35.4 million), flood related expenses, and etc.

Dividend payout ratio: 52.6%

- Directors recommend a final single tier dividend of **33.0 sen per share** (2022: 33.0 sen per share) and an additional special single tier dividend of **17.0 sen per share** in conjunction with F&N 140th year anniversary.
- If approved by shareholders, the total dividends for the year would amount to **77.0 sen per share** (2022: 60.0 sen per share), bringing the total dividend payout for FY2023 to **RM282.4 million** (2022: RM220.1 million).
- Takes into account the Group's capital position, working capital requirements and capital expenditure investments.
- Normalised* dividend payout ratio: **58.3%**



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FULL YEAR HIGHLIGHTS



Completed Capital Expenditure (CAPEX)



RM128m Liquid Milk & Plant-based Beverages Factory in Wang Muang, Thailand
- Operating since October 2022



RM20m Drinking Water Production Plant at KKIP Manufacturing Plant
- Operating since November 2022



RM182m Automatic Storage Retrieval System (ASRS) Integrated Warehouse in Shah Alam, Malaysia
- Fully operational in 1H FY2023



RM5m Sri Nona's Automated Ketupat Line in Rawang
- Completed in 1H FY2023

Optimising Synergies From Our Halal Packaged Food Pillar



FNBM distributing Nona Products

Distribution of Nona products effective 1 July 2023. Some anticipated one-off expenses incurred during the transition.



Business Synergies Expected

Synergies are expected from the collaboration in the new financial year, i.e. FY24.



What's Next?

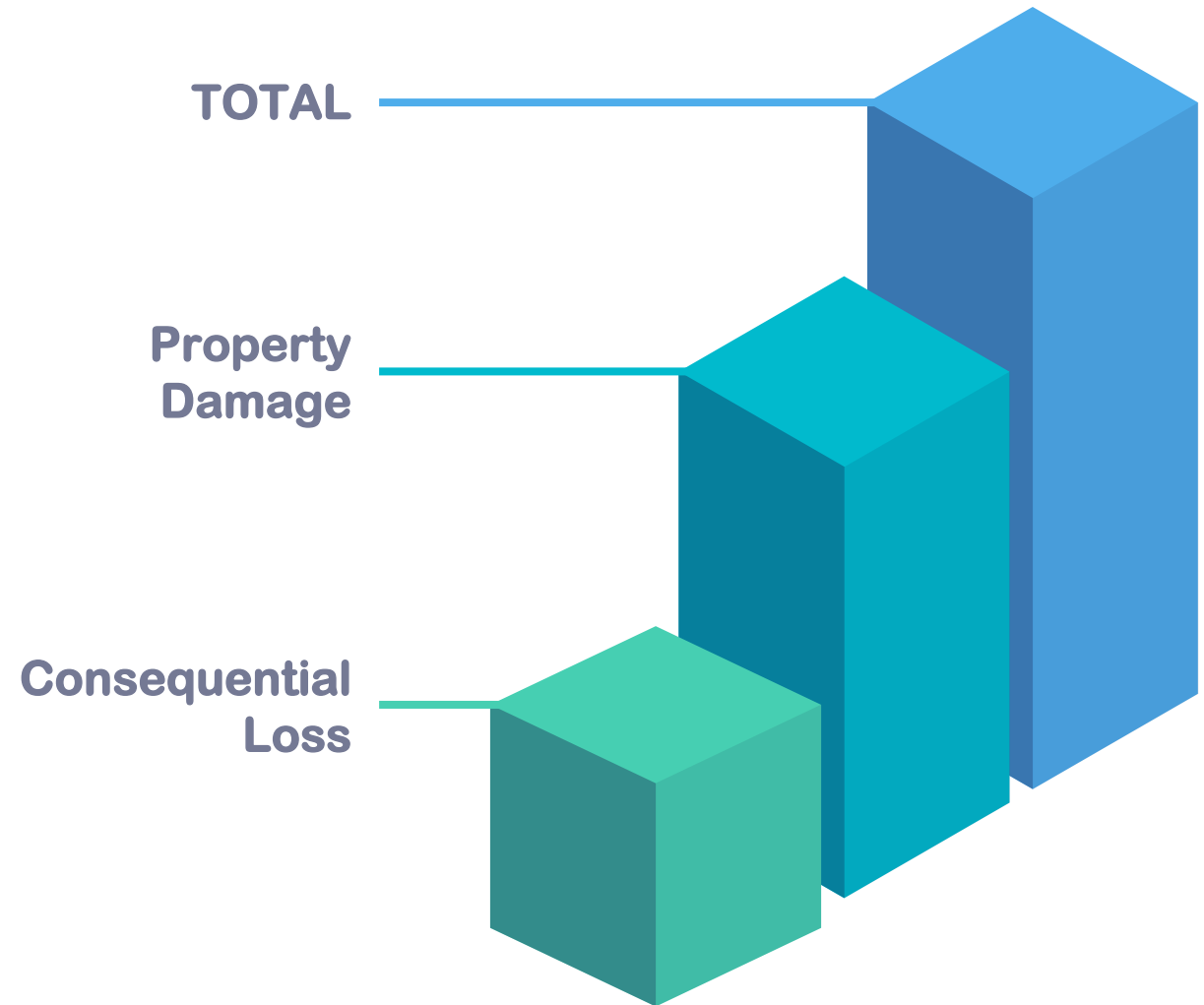
Next phase of synergistic value from Sri Nona + Cocoaland for further value mining.



Update On Flood Insurance Claims



- Total insurance claims expected to be received is approximately RM40mil as updated earlier.
- Out of the total amount, the property damage claims (e.g. stocks, property, plant & equipment) had been confirmed and offered by our insurer for settlement based on replacement value.
- Insurance claims under Consequential Loss is still ongoing.





CELEBRATING 140TH ANNIVERSARY WITH A TRIBUTE TO HERITAGE & UNWAVERING SUPPORT FROM MALAYSIANS



PENINSULAR MALAYSIA
23rd – 27th August 2023
@ 1Utama Shopping Centre

EAST MALAYSIA
14th – 17th September 2023
@ Suria Sabah Shopping Mall

OUR NEW OFFERINGS IN FY2023



NONA
KETUPAT
WANGI



TEAPOT
Nom Yen SCM
Squeeze Tube



TEAPOT UHT
Evaporated Creamer

100PLUS
PRO

100PLUS
Zero

Lot100
Kurma Gummy
Raya Edition

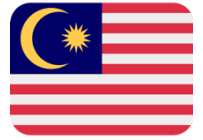


INTRODUCING THE REFRESHED LOOK OF F&N SEASONS

The advertisement features a dynamic splash of brown tea liquid against a blue background. On the left, a bottle of F&N Seasons Ice Lemon Tea is shown, tilted as if pouring. The bottle is blue with a white cap and has the brand name 'SEASONS' in red and green, and 'ice lemon tea' in white script. A red speech bubble next to the bottle says 'WAJAH BAHARU' (New Face). The central text 'JOM! SEGARKAN Dengan' is in a large, bubbly, blue-outlined font. Below it is the 'SEASONS' logo. At the bottom right, a dark blue banner contains the hashtag '#VIBINGDENGANSEASONS'. The entire scene is decorated with lemon slices and green leaves.

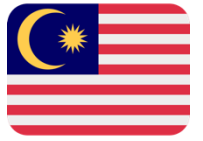
CELEBRATING WORLD HYDRATION DAY WITH 100PLUS

Spreading public awareness on importance of staying hydrated



NURTURING SPORTS TALENT TODAY & BEYOND

Introducing our latest brand ambassadors



**DATUK AZIZULHASNI
AWANG**



National Track Cyclist

NG TZE YONG



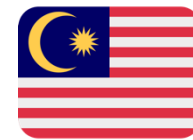
**National Shuttler
(Men's Single)**

**CHEN TANG JIE &
TOH EE WEI**



**National Shuttlers
(Mixed Doubles)**

100PLUS PROUDLY CARRIES THE “SOLAR EMBLEM” ACROSS ITS PACKAGING



11,000 solar panels
@ Shah Alam plant



Generates clean energy to cover
>50% of electricity demand
to produce 100PLUS

*Kini dihasilkan
sebahagiannya oleh*

TENAGA SOLAR





**F&N partners with GRAB,
KLEAN and MRANTI
to launch
18 AI-DRIVEN
Reverse Vending Machines
in strategic locations
across the Klang Valley**



As part of our strategy to continue working closely with partners in the public and private sector on environmental initiatives

OUR AWARDS & RECOGNITION



HR EXCELLENCE AWARDS 2023

**Bronze Award for Excellence
in Digital Transformation**

Fraser & Neave Holdings Bhd



THAILAND LABOUR MANAGEMENT EXCELLENCE AWARD 2023

F&N Dairies Thailand



EMPLOYEE EXPERIENCE AWARDS (MALAYSIA)

**Gold Award for Best HR Digital
Transformation Strategy**

**Silver Award for
Best Onboarding Experience**
Fraser & Neave Holdings Bhd



THAILAND NATIONAL SAFETY AWARD 2023

F&N Dairies Thailand

WORLD HALAL EXCELLENCE AWARDS 2022

WORLD HALAL EXCELLENCE AWARD 2022

**Halal Innovation
Excellence Award**

Fraser & Neave Holdings Bhd

KANTAR WORLD PANEL

KANTAR WORLD PANEL'S BRAND FOOTPRINT AWARD 2023

Top Growing Beverage in 2022
100PLUS

RECOGNITION TOWARDS OUR ESG PERFORMANCE



**THE EDGE
ESG AWARDS 2023**

GOLD
in Consumer Products & Services
(Second consecutive year)



Top 1%

**within our global FTSE Industry
Classification Benchmark Supersector
(F&B Supersector)**

**with overall ESG Rating
@ 4.6 out of 5.0**



**A Proud Constituent of
FTSEGOOD BURSA MALAYSIA INDEX
(5th consecutive year)**

**FTSEGOOD BURSA MALAYSIA
SHARIAH INDEX
(3rd consecutive year)**





**Another year of “Pure Enjoyment, Pure Goodness” in Thailand
Stay tuned for more sharing by Khun Suchit Riewcharoon...**



Outlook

- **Encouraging momentum of recovery in economic activities in Malaysia and Thailand**
 - To continue to drive sales for the coming festive seasons.
- **Commodity prices to remain volatile due to geopolitical factors** - Prices of aluminium, sugar, PET resin, palm oil are expected to be volatile.
- **Rising inflation and strong US Dollar** - further compound the cost pressure.
 - **Exports** remain a key focus for the Group, which also serve as a **natural hedge** to cushion the forex impact.
 - Forward purchase of key commodities and **hedging** strategy.
- **Priorities:**
 - **Dairy farm project**
 - **Food pillar integration**
 - **Driving volume in ensuring sustainable and profitable growth**
 - **Focus on operational efficiency, commercial excellence and fiscal discipline across our value chain**



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WHAT'S
COMING NEXT?
“A sneak preview”

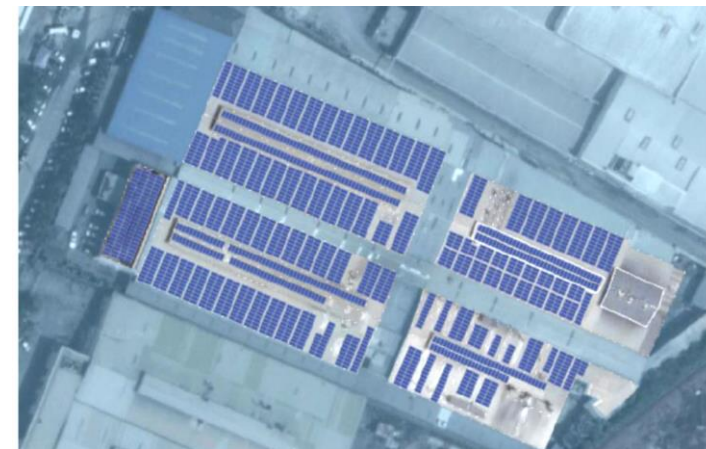
New CAPEX (To install solar photovoltaic panels at 5 locations)



Shah Alam – Main Parking, CDE Warehouse & CDEW Parking (1,542 kWp)



Lot 88, Rawang (1,636 kWp)



Lot 10, Rawang - 1,165 kWp



FNDM Pulau Indah (1,488 kWp) – Warehouse, Admin Block, Carpark Roof



Lot 28, Rawang – 553 kWp

- Solar PV panels in Shah Alam, Pulau Indah and Bentong Plant has generated energy progressively since August 2022
- Yielded a good return and partially mitigated rising energy costs due to the increased of electricity tariff / ICPT this year.
- To install solar PV panels at 5 locations (RM19m).
- Aligned to our sustainability goal to reduce Group's GHG emissions intensity ratio at our plants by 8% from 2020 by 2025.



TASTE THE PURITY

PRISTINE WATER FROM A
140-MILLION-YEAR-OLD RAINFOREST.



I'm made
from
**Sugar
Cane!**



COMING
SOON



1st in MALAYSIA:
SUSTAINABLE & RECYCLABLE PAPER CARTON

COMING
SOON



ÖMILK

**100% plant-based
with no transfat or
cholesterol**

**Crafted from non-GMO,
whole oat grains**



**Ready to roll out
plant-based beverages
in Thailand soon**



COMING
SOON



COCOALAND'S BRAND REHAUL WITH REFRESHED LOOK...



Our Food Manufacturing Hub In Rawang for Sri Nona & Cocoaland's Products



Cocoaland's factory in Rawang will be established as our food manufacturing hub in line with our plans to consolidate the manufacturing of our entire food business. The goal is to **increase production capacity while reducing complexity.**

Further plans are in place to **maximise the synergies** these two businesses have with each other and the Group.

What Are We Building?



We aim to build an integrated dairy farm of a herd size of:

> **20,000**

at Gemas in the Negeri Sembilan State, Peninsular Malaysia.

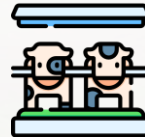


It will be a
VERTICALLY INTEGRATED OPERATION from:



Corn Planting

(the main feedstock for the cows)

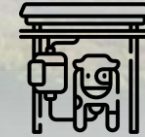


Dairy Farming



Milk Processing & Packaging

at the same site.



Our integrated farm will feature a milk processing capacity of producing

100mil

litres/annum (Phase 1)

It is likely to be the **LARGEST dairy farm in Southeast Asia.**



F&N Breaks Ground on New Integrated Dairy Farm in Gemas, Negeri Sembilan

Officiated by
Y.A.B. Dato' Seri Haji Aminuddin
bin Harun,
Menteri Besar of Negeri Sembilan



**On track to become
one of the largest
milk producers
in Malaysia**

Progress So Far... Key Milestones



Land acquisition was completed on 11 October 2022 for RM215.6m

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

First Milking
By early 2025

2023

2020

2021

2022

2024

2025

2026

2027

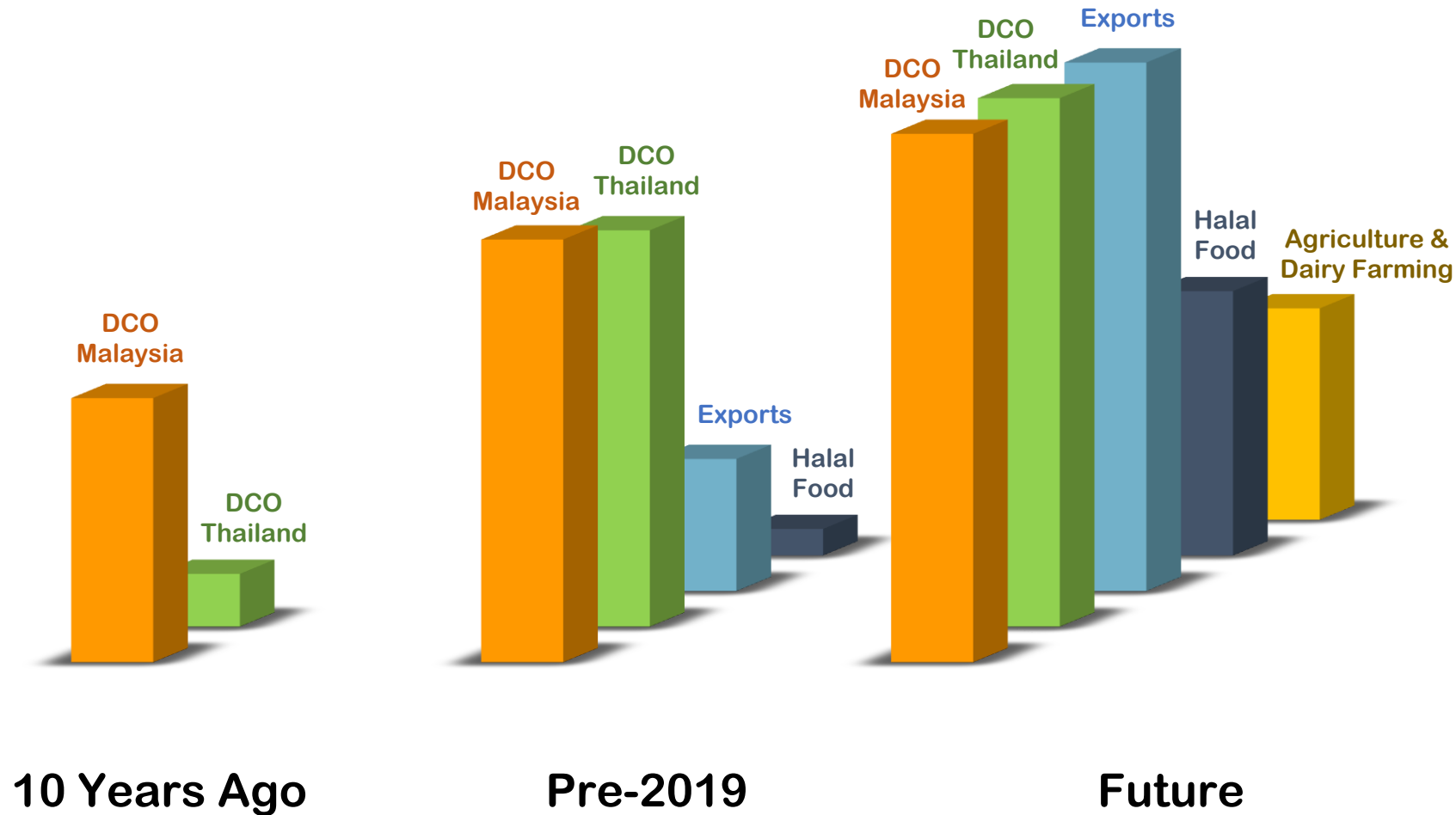
2028

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

Land Clearance Status
As At 15 Sept 2023 -
500 acres land cleared



With Strong Legacy Businesses + New Food Pillar + Dairy Farm Contribution, We Are Moving Closer To Our Vision





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Thank You