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Kumpulan Fima Berhad 50th Annual General Meeting

23 August 2022



*Honouring the Past,
Positioning for the Future*

About Us

Incorporated in 1972, Kumpulan Fima Berhad (“KFIMA”) is a diversified group with business in Manufacturing, Plantation, Bulking and Food. KFima was listed on the Main Market of Bursa Malaysia in 1996. Currently, The Group employs 3,175 people.

Our Presence



Malaysia

- Kuala Lumpur
- Selangor
- Perak
- Pulau Pinang
- Kelantan
- Terengganu
- Johor
- Sarawak

Indonesia

- Kabupaten Nunukan, Kalimantan Utara

Papua New Guinea

- Lae

What We Do

Manufacturing

Production and trading of security & confidential documents

Plantation

Development, cultivation & processing of oil palm products

Bulking

Storage facilities

Food

Manufacturer and distribution of canned fish/trading & packaging

Facilities & Capabilities

Produce a wide range of products and services which include **travel documents, licences, and other security and confidential documents** for the local and overseas markets

16 estates in Malaysia and Indonesia **18,877** hectares of plantable land bank **14,429** hectares of planted area **45 MT/HR** palm oil mill in Kalimantan Utara

3 terminals in North Port **2** terminals in Butterworth **282** tanks with **380,845** cbm of storage capacity Biodiesel plant with **60,000 MT** capacity

Manufactures and distributes of **canned mackerel, tuna and frozen tuna loins**

Trading & packaging services of powdered beverages and condiments

Brands: Besta, Besta Mcflakes, Besta Choice & Besta White, Instanco & Farmtree

FYE2022 Highlights



Delivered record results generating revenue growth of **37.3%**



Improved FFB production **6.2%** y-o-y of our Malaysian estates



Construction of **27,200 cbm** new capacity in North Port, Port Klang (completed in Q1 FY2023)



Corned beef product range in **4 variants** launched in PNG



Embedded **Value Creation Model** in our Annual Report



GHG emission intensity improved **16.9%** y-o-y



Lower **Accident Rate** and **Zero Fatality** recorded

FYE2022 Financial Highlights

Revenue

RM683.50 mil
(FYE2021: RM497.79 mil)

+37.3%
y-o-y

EBIT

RM192.16 mil
(FYE2021: RM95.68 mil)

+100.8%
y-o-y

PBT

RM185.31 mil
(FYE2021: RM91.85 mil)

+101.8%
y-o-y

PAT

RM150.97 mil
(FYE2021: RM61.71 mil)

+144.6%
y-o-y

Earning Per Share

37.05 sen
(FYE2021: 17.96 sen)

+106.3%
y-o-y

Net Assets Per Share

RM3.16
(FYE2021: RM2.92)

+8.2%
y-o-y

Return on Capital Employed

13.6%
(FYE2021: 8.3%)

+63.9%
y-o-y

CAPEX

RM42.62 mil
(FYE2021: RM31.61 mil)

+34.8%
y-o-y

Group Revenue Breakdown (Core Divisions only)

PLANTATION

RM245.50 million

+54.9% y-o-y

(FYE2021:RM158.47 million)

- Higher CPO and CPKO prices
- Improved in CPO volumes
- Higher FFB produced by Malaysian estates

FOOD

RM165.72 million

+17.9% y-o-y

(FYE2021:RM140.53 million)

- Strong sales of domestic canned mackerel and tuna
- Improved sales export of canned tuna and loins

BULKING

RM163.90 million

+77.6% y-o-y

(FYE2021:RM92.30 million)

- Higher throughput achieved by the biofuel, oleochemicals, base oil and transportation segments

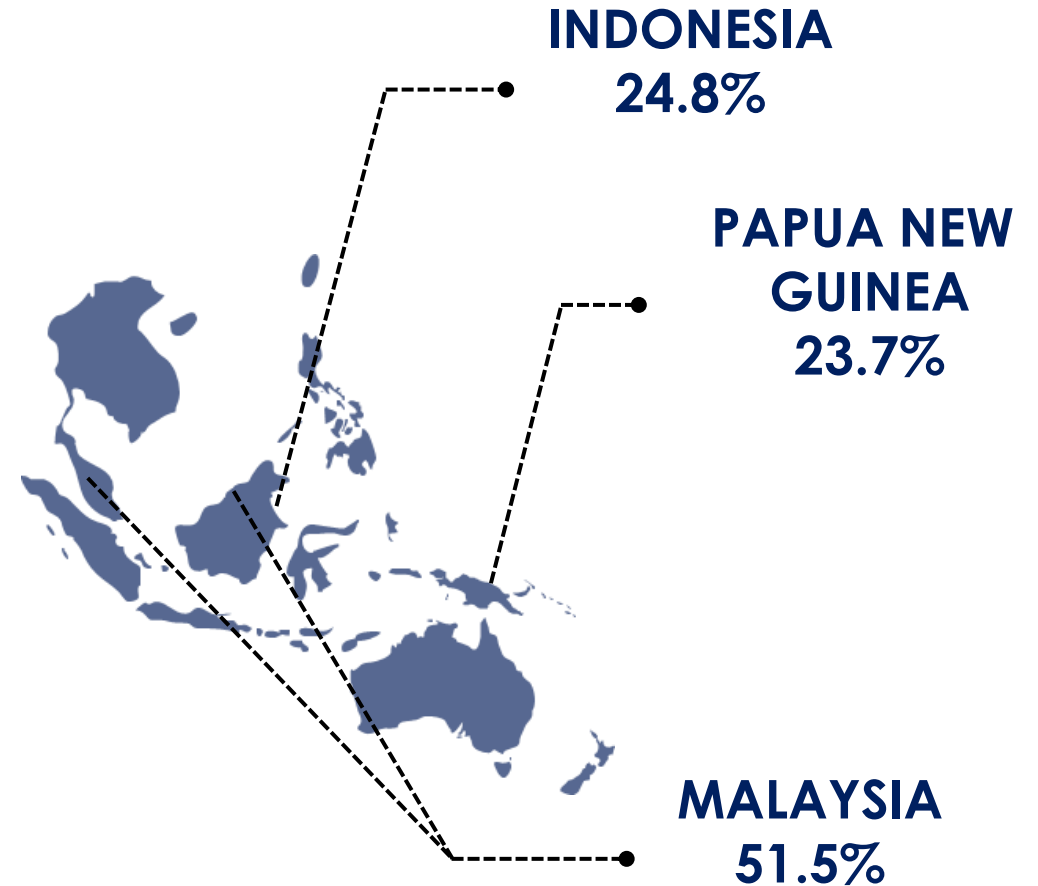
MANUFACTURING

RM104.13 million

+2.2% y-o-y

(FYE2021:RM101.93 million)

- Improved sales volumes in transport, travel, foreign travel and confidential document segments



Group PBT Breakdown

(Core Divisions only)

PLANTATION

RM108.75 million

+364.3% y-o-y

(FYE2021:RM23.42 million)

- Higher CPO and CPKO prices
- Sustained improvement in operational efficiencies

BULKING

RM56.26 million

+31.9% y-o-y

(FYE2021:RM42.66 million)

- Higher contributions biofuel, oleochemicals, base oil and transportation segments

FOOD

RM20.72 million

+61.4% y-o-y

(FYE2021:RM12.84 million)

- Higher contributions from PNG subsidiary IFC

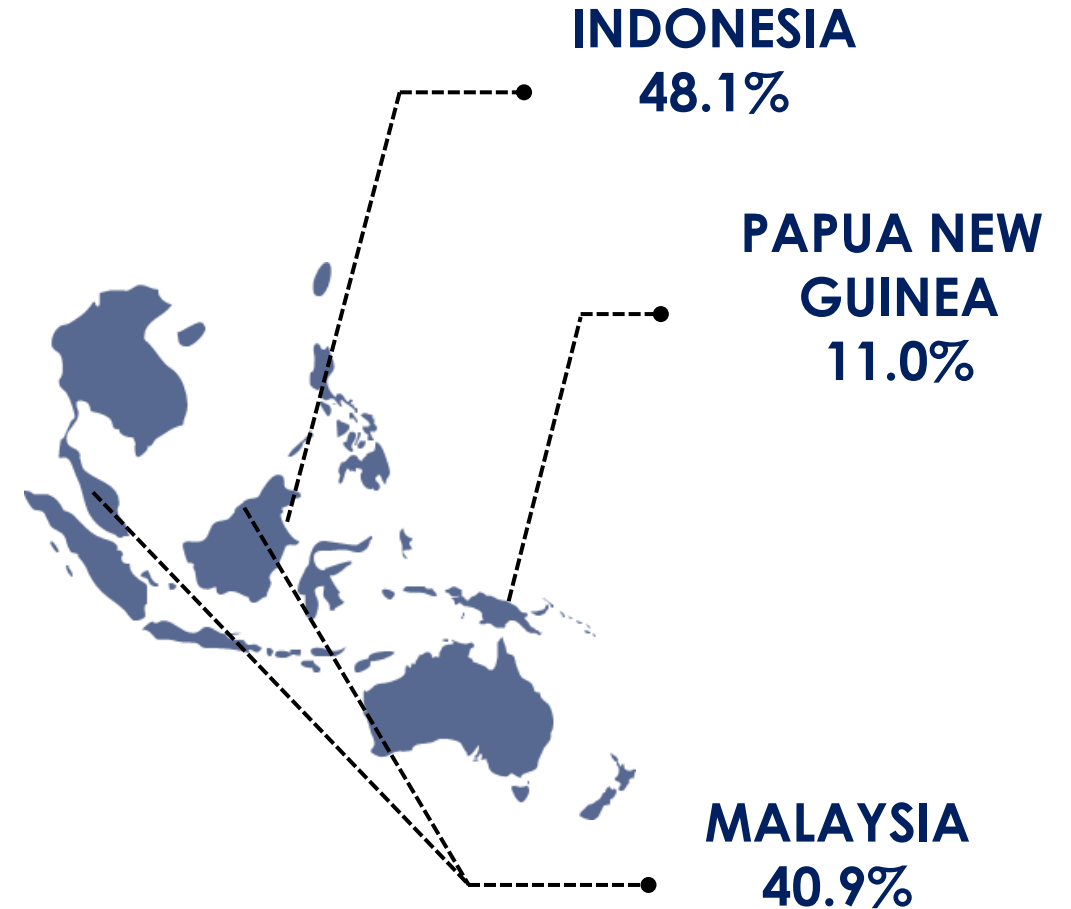
MANUFACTURING

RM8.49 million

-41.8% y-o-y

(FYE2021:RM14.60 million)

- Reduced due to revenue reversal of RM4.34 million



Year To Date Performance

	YEAR TO DATE			
	FY2023 RM'000	FY2022 RM'000	VARIANCE	
			RM'000	%
Revenue	179,923	126,461	53,462	▲42.3
Cost of sales	(109,026)	(69,947)	39,079	▲55.9
Gross profit	70,897	56,514	14,383	▲25.5
<i>GP Margin (%)</i>	<i>39.4%</i>	<i>44.7%</i>		▼(5.3)
Other Income	1,876	2,090	(214)	▼(10.2)
Other items of expense :				
Administrative expenses	(22,178)	(23,257)	(1,079)	▼(4.6)
Selling and marketing expenses	(5,088)	(7,991)	(2,903)	▼(36.3)
Other operating expenses	(5,091)	(3,716)	1,375	▲37.0
Forex gain/(loss)	2,483	(743)	(3,226)	▼(434.2)
	42,899	22,897	20,002	▲87.4
Finance costs	(2,881)	(853)	2,028	▲237.7
Share of results of associates	1,227	600	627	▲104.5
Profit before tax	41,245	22,644	18,601	▲82.1

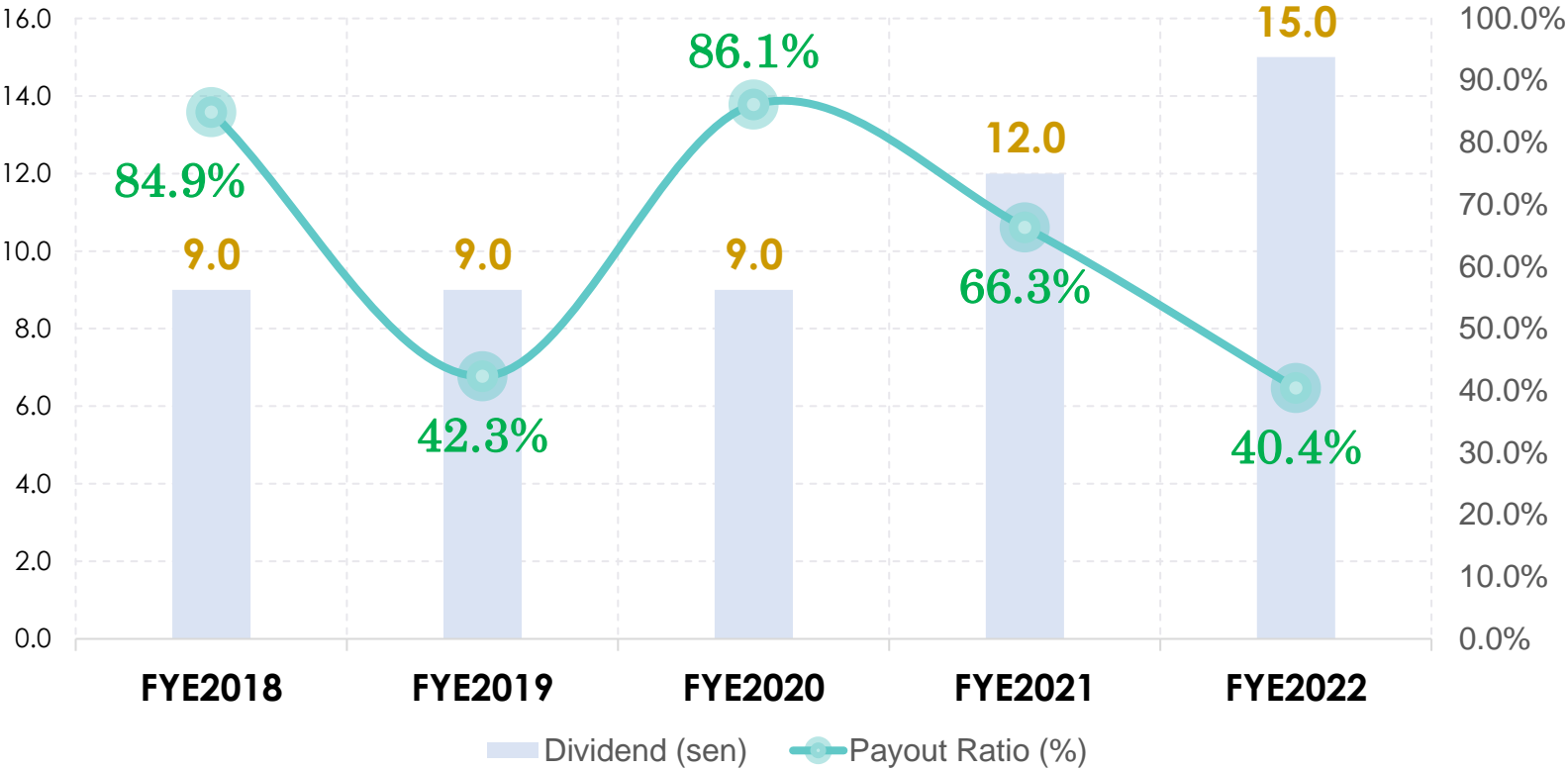
Revenue

Division	YTD (3 Months Cumulative)			
	Q1 2023 RM'000	Q1 2022 RM'000	Variance	
			RM'000	%
Manufacturing	29,788	13,164	16,624	▲126.3
Plantation	59,254	37,042	22,212	▲60.0
Bulking	43,059	38,012	5,047	▲13.3
Food	46,722	37,088	9,634	▲26.0
Others	1,100	1,155	(55)	▼(4.8)
	179,923	126,461	53,462	▲42.3

PBT

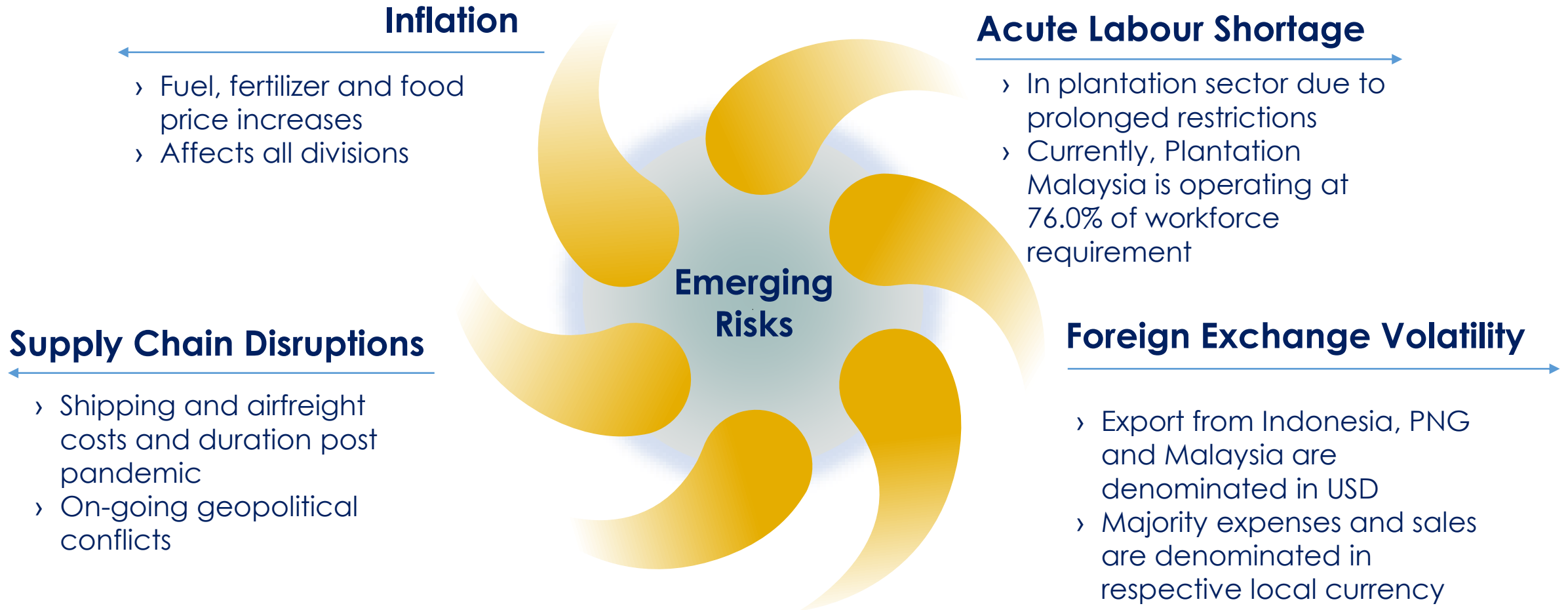
Division	YTD (3 Months Cumulative)			
	Q1 2023 RM'000	Q1 2022 RM'000	Variance	
			RM'000	%
Manufacturing	2,952	(855)	3,807	▼(445.3)
Plantation	21,382	8,235	13,147	▲159.6
Bulking	15,301	15,288	13	▲0.1
Food	3,562	2,330	1,232	▲52.9
Others	(3,179)	(2,954)	(225)	▼(7.6)
Assoc Companies	1,227	600	627	▲104.5
	41,245	22,644	18,601	▲82.1

Dividend



Our Dividend policy targets to pay at least **40.0%** of Profit After Tax and Non-Controlling Interests (PATANCI), subject to the Company's financial position

Emerging Risks



STRATEGIC FOCUS & OUTLOOK

PLANTATION DIVISION

Strategic Focus

- Landbank expansion
- Increase productivity and cost efficiency through mechanisation
- Best estate management practices
- Rehabilitation/new planting for newly acquired estates

Outlook for FYE2023

- Projecting further growth in FFB production:
 - Based on the expectation of increased contributions from **rising yields of young fields** as well as **harvests from new fields from our Malaysian estates** subject to labour situation and weather conditions
 - Our FFB projection for Malaysia this FY2023 is **109,000 MT, 42.4% increase** from last year (76,558 MT)



STRATEGIC FOCUS & OUTLOOK

BULKING DIVISION

Strategic Focus

- Maximise asset utilization i.e. new tanks on existing land
- Expand premium product handling portfolio
- Shift towards more long-term contracts

Outlook for FYE2023

- Continued headwinds from ongoing global supply chain pressures and rising cost inflation, especially higher fuel costs and building materials
- Expect the division's growth momentum to continue especially with the delivery of new storage capacity in North Port
 - Construction of **11 new tanks (27,200 cbm)** have been completed and fully rented out
 - The development of additional **30,640 cbm** is in progress
 - Expected to be immediately accretive once they are placed in service
- New greenfield development at Tanjung Langsat Industrial Complex



STRATEGIC FOCUS & OUTLOOK

FOOD DIVISION

Strategic Focus

- Product line expansion under flagship Besta brand
- Expand market share in PNG
- Improve productivity & efficiencies

Outlook for FYE2023

- Upward pressures on commodity prices and supply disruptions expected to continue
- Taking aggressive actions to optimize our existing footprint, add new capacity to enhance our portfolio and to better serve demand through introduction of new products lines
 - Besta Delight (tuna) – **launched in February 2022**
 - Besta Mychoklat (malt drink) – **launched in May 2022**
 - Instant Noodles – **expected to launch in FY2024**



STRATEGIC FOCUS & OUTLOOK

MANUFACTURING DIVISION

Strategic Focus

- Strategic partnerships & alliances
 - Streamlining costs to maintain competitiveness
 - Protection of niche markets
-

Outlook for FYE2023

- Reopening of economies to further strengthen demand for travel and transport
- Promising outlook travel document, confidential document and transport document segments





KUMPULAN FIMA BERHAD

(11817-V)

Suite 4.1, Level 4, Block C,
Plaza Damansara,
No. 45, Jalan Medan Setia 1, Bukit Damansara,
50490 Kuala Lumpur.



(+603) 2092-1211



info@fima.com.my



<http://www.fima.com.my/>



Thank You & Stay Safe!