

FGV HOLDINGS BERHAD

Session with FGV Management

Monday, 10 February 2020



DISCLAIMER



These materials have been prepared by FGV Holdings Berhad (“FGV” or the “Company”) solely for informational purposes, and are strictly confidential and may not be taken away, reproduced or redistributed to any other person. By attending this presentation, participants agree not to remove this document from the conference room where such documents are provided without express written consent from the Company. Participants agree further not to photograph, copy or otherwise reproduce these materials at any point of time during the presentation or while in your possession. By attending this presentation, you are agreeing to be bound by the foregoing restrictions. Any failure to comply with these restrictions may result in a violation of applicable laws and commencement of legal proceedings against you.

It is not the Company’s intention to provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company’s financial position or prospects. The information contained in these materials has not been independently verified and is subject to verification, completion and change without notice. The information contained in these materials is current as of the date hereof and are subject to change without notice, and its accuracy is not guaranteed. The Company is not under any obligation to update or keep current the information contained in these materials subsequent to the date hereof. Accordingly, no representation or warranty, express or implied, is made or given by or on behalf of the Company, or any of its directors and affiliates or any other person, as to, and no reliance should be placed for any purposes whatsoever on, the fairness, accuracy, completeness or correctness of, or any errors or omissions in, the information contained in these materials. Neither the Company, its directors, officers or employees nor any other person accepts any liability whatsoever for any loss howsoever arising from any use of these materials or their contents or otherwise arising in connection therewith.

These materials contain historical information of the Company which should not be regarded as an indication of future performance or results. These materials may also contain forward-looking statements that are, by their nature, subject to significant risks and uncertainties. These forward-looking statements reflect the Company’s current views with respect to future events and are not a guarantee of future performance or results. Actual results, performance or achievements of the Company may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future, and must be read together with such assumptions. Predictions, projections or forecasts of the economy or economic trends of the markets are not necessarily indicative of the future or likely performance of the Company, and the forecast financial performance of the Company is not guaranteed. No reliance should be placed on these forward-looking statements, if any.

OVERVIEW

FGV AT A GLANCE



Corporate



2012

Listed on Main Market
of Bursa Malaysia.

RM 5.55 billion
Market Capitalization
as at 31 Dec 2019

Shareholders

FELDA	33.66%
UJSB	7.78%
KWAP	6.40%
KPF	5.24%
PAHANG	5.00%
SABAH	4.64%
OTHERS	37.28%

~440,000 Ha

Landbank (*Oil Palm & Rubber*)

186 Oil Palm Estates

~3,000,000 MT

CPO Produced

68 Mills

Plantation



YANGAMBI

Award winning planting
material.

SAJI

Flagship cooking oil brand.



OUR VISION

**World's Leading,
Integrated &
Sustainable
Agribusiness**

51%

Stake in MSM Malaysia
Holdings Berhad.



No. 8 largest in the World
by capacity.

>900,000 MT*

Vegetable oil storage capacity in
Malaysia, Indonesia & Pakistan.

Multimodal Transport Operator &
Foreign Military Sales License.

- Basic Chemical Handling.
- 3PL Solution.
- Hajj Baggage Handling.

Sugar



GULA PRAI

Flagship sugar brand.

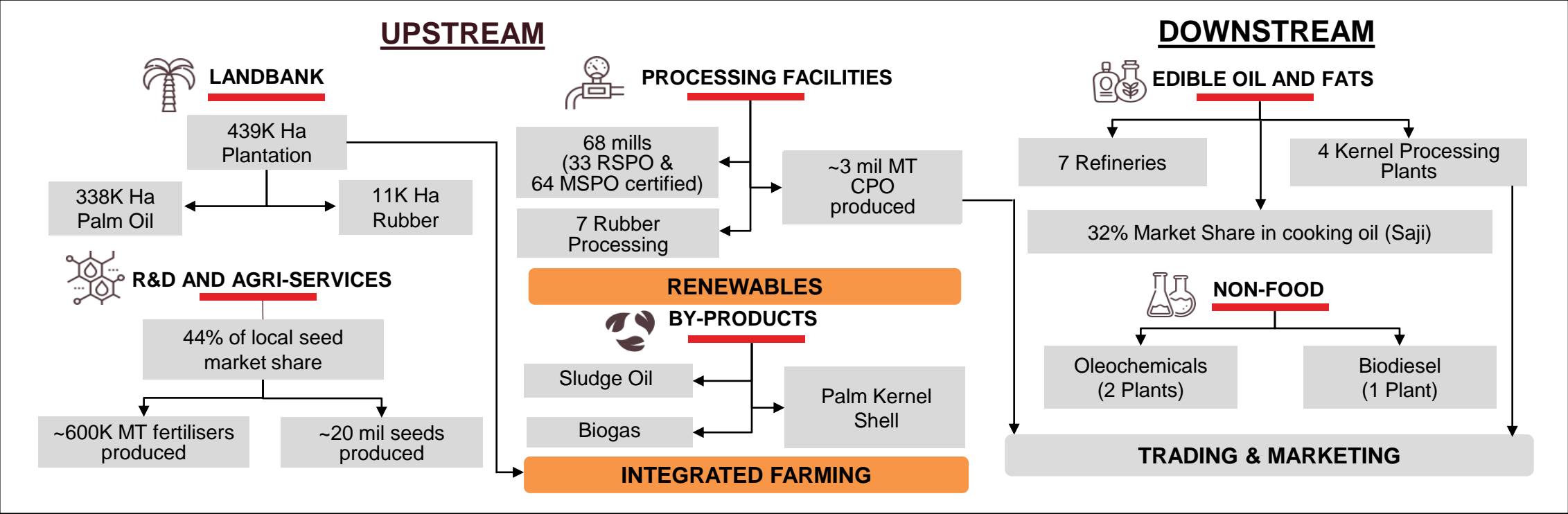


Logistics



**2nd largest in the world based on storage capacity, Internal research.*

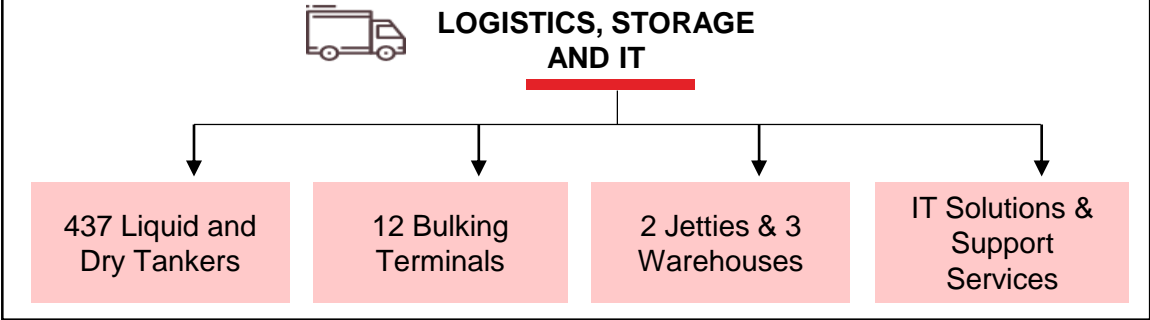
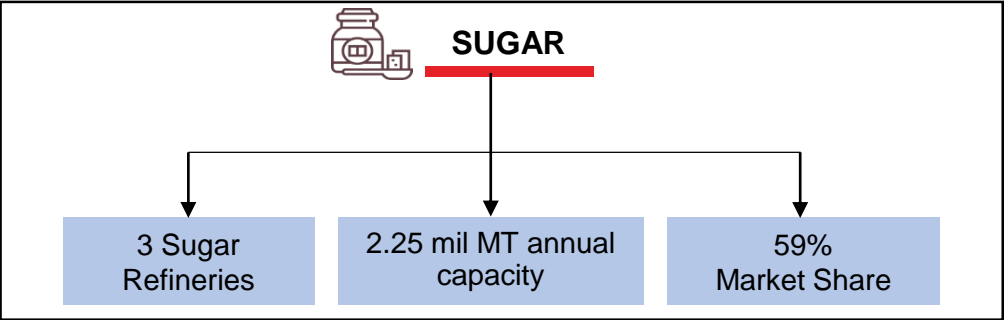
MAXIMIZING OUR VALUE CHAIN



Sugar

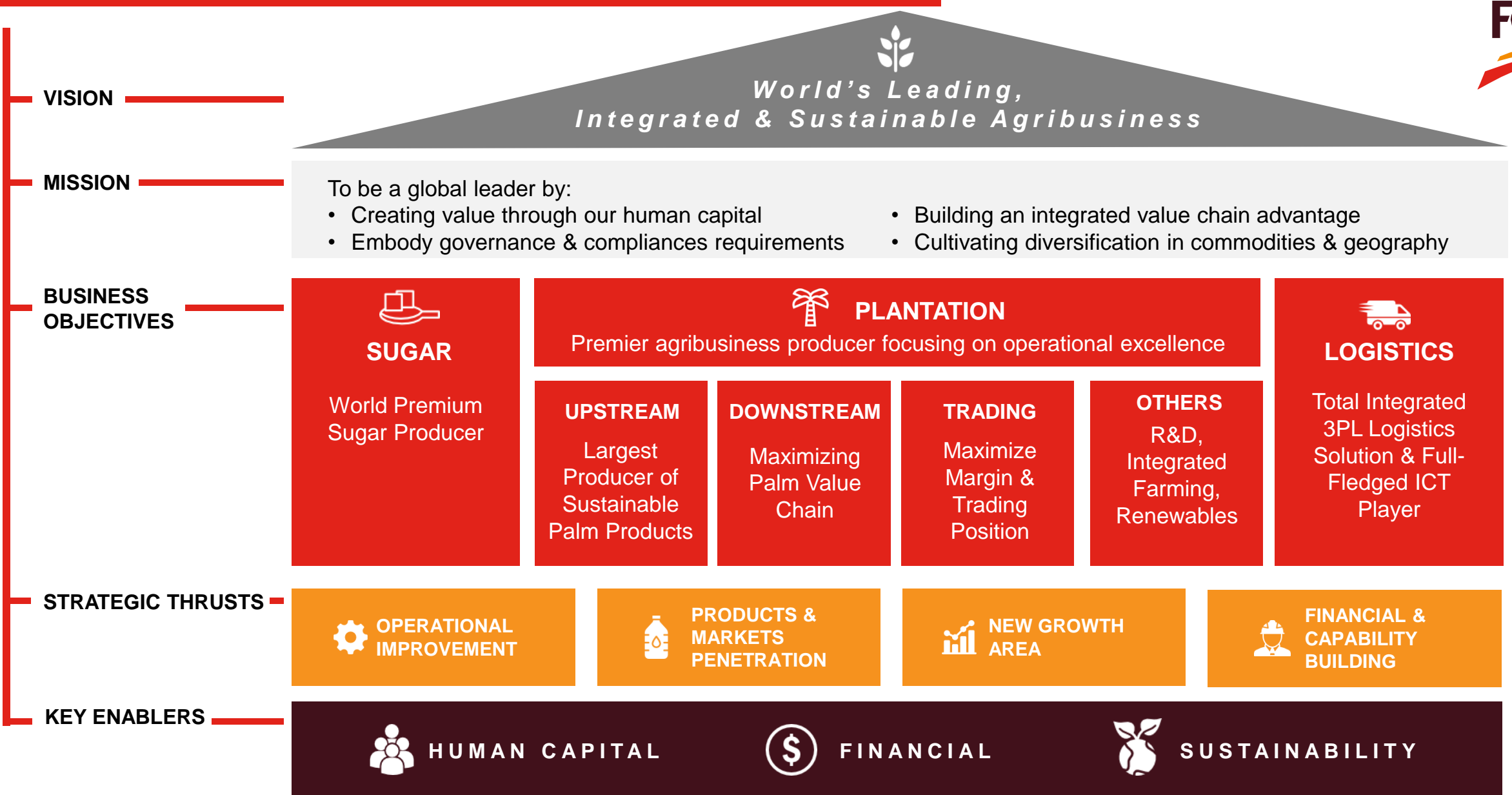
Plantation

Logistics

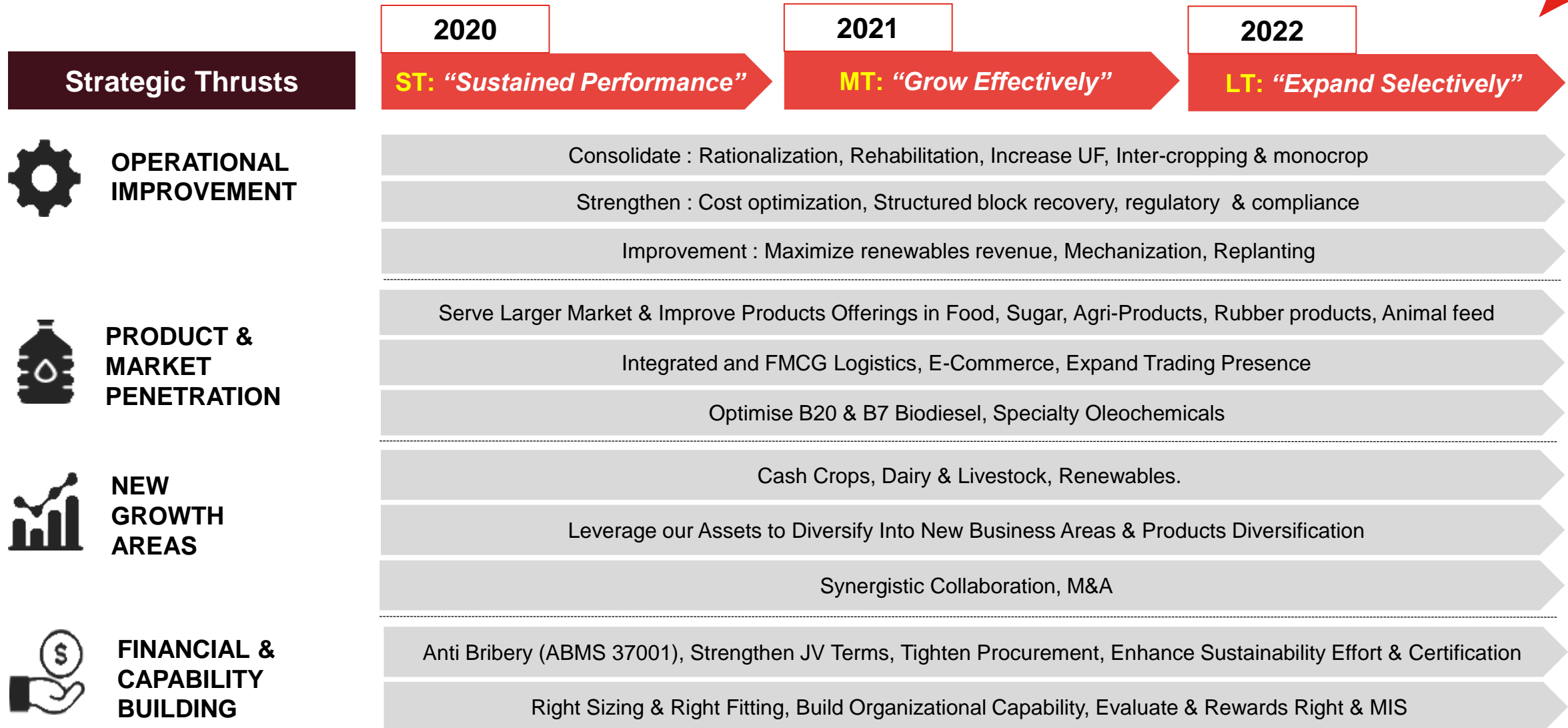


STRATEGY FOR GROWTH

STRATEGY MAP



POSITIONING FOR VALUE CREATION & SUSTAINABLE GROWTH



KEY STRATEGIC INITIATIVES



PLANTATION SECTOR

- Yield enhancement.
- Quality replanting.
- Grow higher value-add businesses.
- Premium Quality oil, specialty fats and specialty oleo.
- International market expansion.
- Optimize JV position.
- Maximise sales price and trading position.
- Effective mechanization to reduce labour.
- Integrated farming.
- Improving Utilization Factor (UF).



SUGAR SECTOR

- Consolidate production in MSM Johor to increase refinery's utilisation.
- Portfolio diversification into Downstream i.e. Food-related products.
- New Wholesale Business Model to fatten Domestic margin.
- Expand value added sugar production e.g. Premix for export market.
- Initiate energy cost savings through biomass operated boiler in MSM Johor.
- Better payment structure for long term customers.



LOGISTICS SECTOR

- Strategic partnership in transportation & bulking.
- Securing external business for Land Transport (e.g. oil & gas, automotive parts).
- Venturing into E-Commerce business.
- Growth in Courier and warehouse business.
- Growth in FMCG, Cash Crops, Cold Chain & 3PL.

SUSTAINABILITY & TRACEABILITY

TOWARDS FULL SUSTAINABILITY & TRACEABILITY

SUSTAINABILITY ISSUES

Ensuring responsible business practices throughout FGV.

Ensuring responsible sourcing.

Enhancing labour practice.

Promoting effective engagement with stakeholders.

Protecting, conserving and enhancing ecosystems and the environment.

100% traceability of CPO and CPKO to the mills and 80% to the estates.

KEY INITIATIVES (2020-2022)

**Sustainability
Certification Programme
GSP Socialization**

**Traceability & Supply
Chain Management**

Strategic Partnerships
(FLA, FGV-IOM-Earthworm,
SUHAKAM, Tenaganita & Shift)

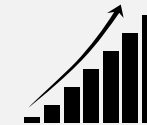
Smallholder Programme
(Collaboration with P&G)

**Conservation
Programmes**

INDUSTRY REQUIREMENT



Market Penetration



**Sustaining Market
Share**



Reputation

SETTING NEW STANDARD

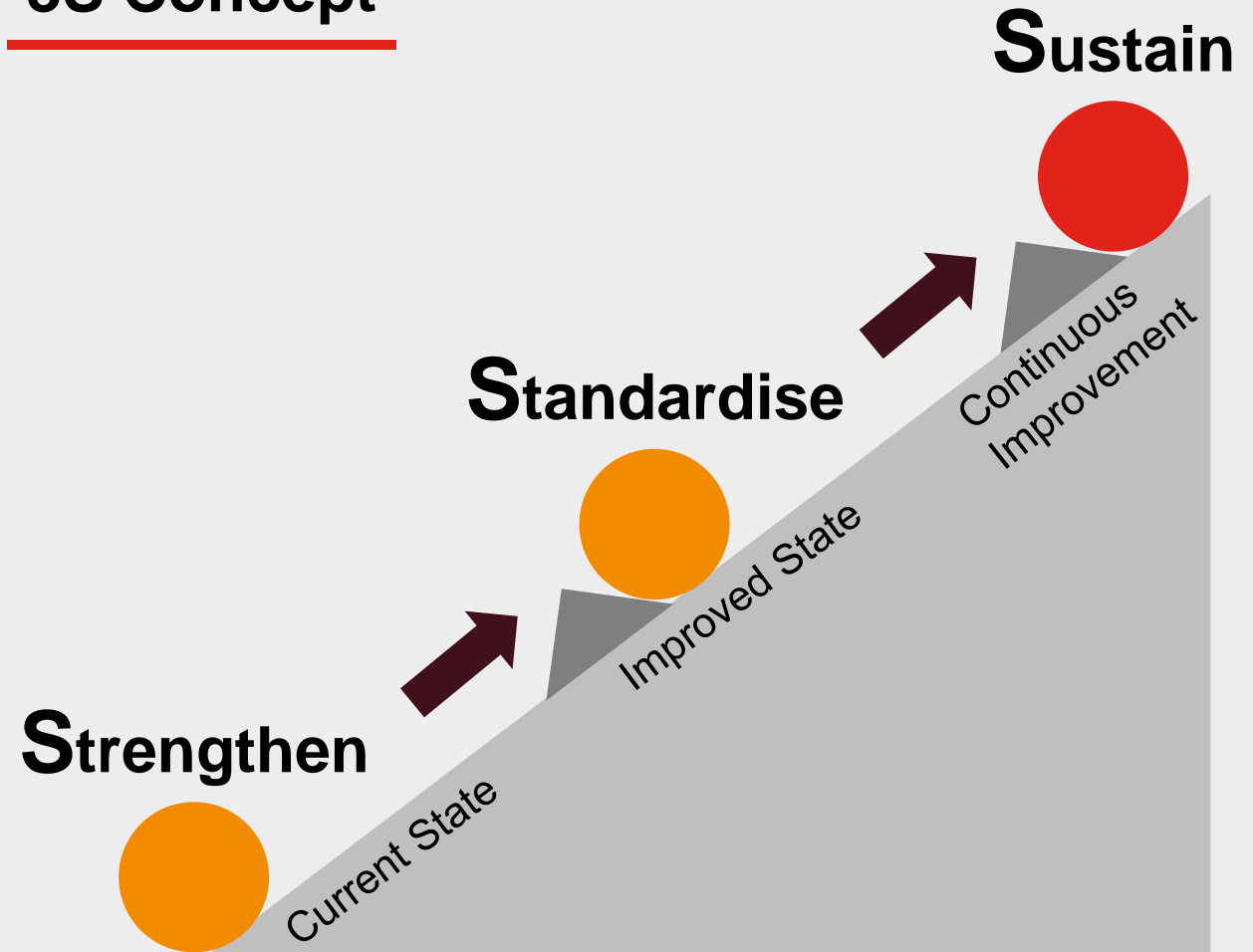
FGV introduced 2 Model Estates & 2 Model Mills to implement Best & Lean Practices.

Setting new standards in our
operations through “**Best in class**”

- 1) Operating Model
- 2) Financial Model
- 3) Quality Model
- 4) Competence & Skills Model
- 5) Management Model

- Model estates and mills managed to maintain its average cost lower than target by 20% - 30%.
- The model project will be implemented in Sabah, Rubber plant and Downstream refinery as well as roll out to other estates and mills.
- **Status update:** replication commenced in January for East Malaysia and is still in early stages. For Peninsular, replication commenced in February.

3S Concept



OUTLOOK

OUTLOOK & CATALYSTS



FGV anticipates CPO prices to be favourable with downside risk and may be capped between RM2,200 – RM2,400 per tonne for 2020.



Notable factors that may impact the CPO prices going forward:

Lower production to persist in 2H 2020 due to poor fertilising and extreme weather.

Impact of coronavirus outbreak causes lower demand from China.

Uncertainty caused by the U.S. – China trade war.

Prolonged trade spat between Malaysia and India.

Bilateral trade with Pakistan.

GUIDANCE

2020 OPERATIONAL GUIDANCE

	PARAMETERS	GROWTH %
Increase in manpower and mature area.	FFB Yield	4% – 6%
	FFB Volume	2% – 4%
Better crop quality	OER	1% – 2%
Increase in FFB Processed.	CPO Production	4% – 6%
Better export market volume and new value-added products.	Sugar Sales Volume	1% – 3%
Supported by Palm Oil business and strategic partnership.	Transport Volume	6% – 8%
	Bulking Volume	4% – 6%

A large, bold, black "THANK YOU" message is centered within a white rectangular box with a thin red border. This box is flanked by two solid red horizontal bars of equal length.

Investor Relations

FGV Holdings Berhad (HQ)

Level 20, Wisma FGV, Jalan Raja Laut,
50350 Kuala Lumpur, Malaysia.

T +603 2789 0000

F +603 2789 0001

E fgv.investors@fgvholdings.com