



FGV HOLDINGS BERHAD

Session with FGV Management

Monday, 10 February 2020

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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

51%

Stake in MSM Malaysia Holdings Berhad.



Sugar



No. 8 largest in the World by capacity.

GULA PRAI

Flagship sugar brand.



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.



>900,000 MT*

Vegetable oil storage capacity in Malaysia, Indonesia & Pakistan.

Multimodal Transport Operator & Foreign Military Sales License.

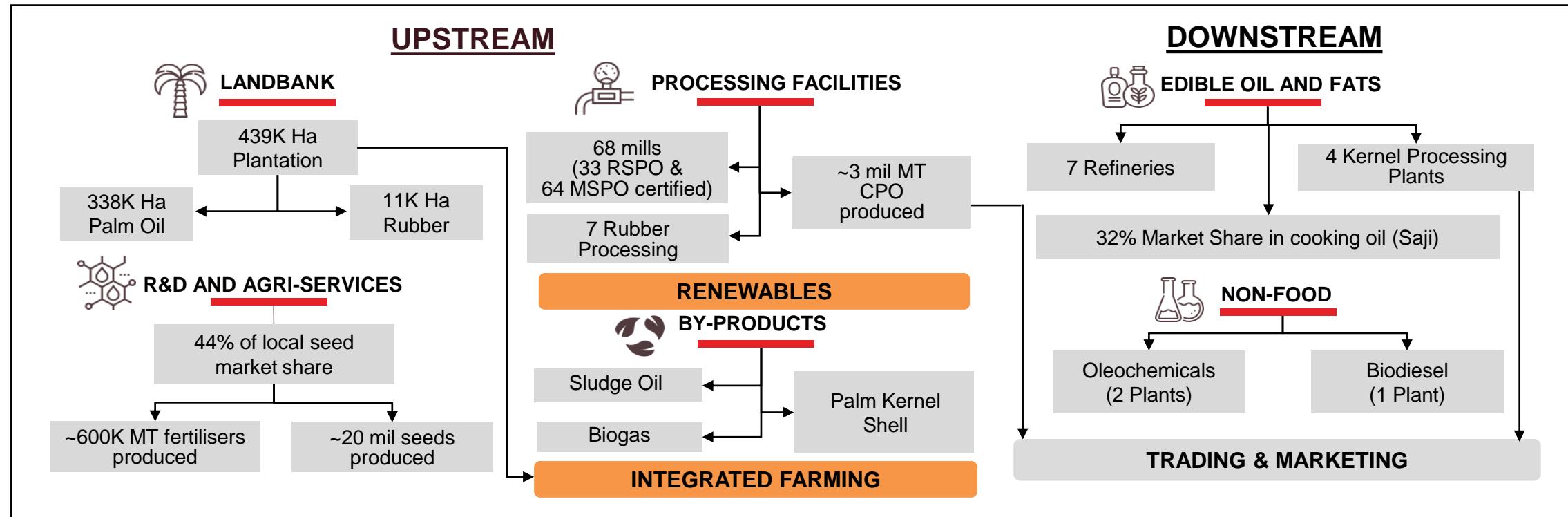
- Basic Chemical Handling.
- 3PL Solution.
- Hajj Baggage Handling.

Logistics



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

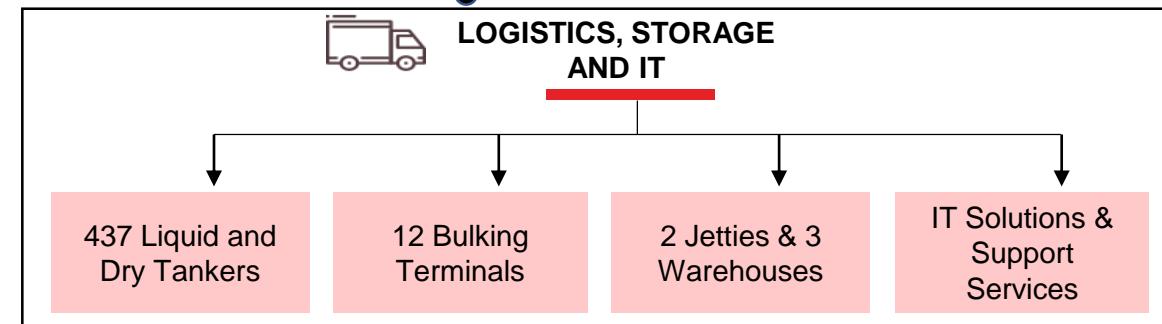
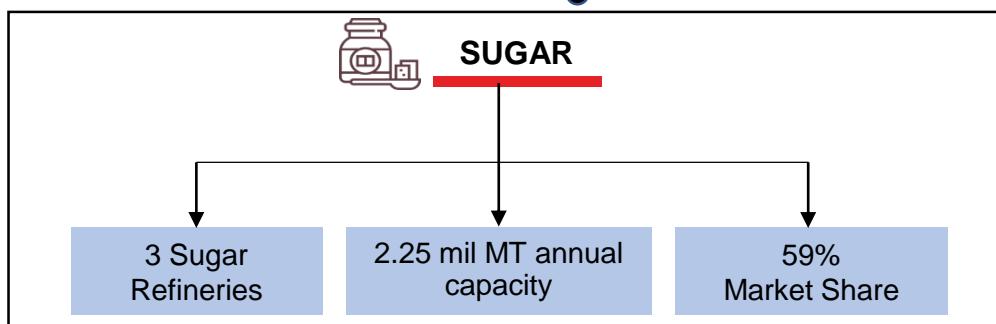
MAXIMIZING OUR VALUE CHAIN



Sugar

Plantation

Logistics



STRATEGY FOR GROWTH

STRATEGY MAP



*World's Leading,
Integrated & Sustainable Agribusiness*

VISION

MISSION

BUSINESS
OBJECTIVES

STRATEGIC THRUSTS

KEY ENABLERS

To be a global leader by:

- Creating value through our human capital
- Embody governance & compliances requirements
- Building an integrated value chain advantage
- Cultivating diversification in commodities & geography



SUGAR

World Premium
Sugar Producer



PLANTATION

Premier agribusiness producer focusing on operational excellence

UPSTREAM

Largest
Producer of
Sustainable
Palm Products

DOWNSTREAM

Maximizing
Palm Value
Chain

TRADING

Maximize
Margin &
Trading
Position

OTHERS

R&D,
Integrated
Farming,
Renewables



LOGISTICS

Total Integrated
3PL Logistics
Solution & Full-
Fledged ICT
Player



**OPERATIONAL
IMPROVEMENT**



**PRODUCTS &
MARKETS
PENETRATION**



**NEW GROWTH
AREA**



**FINANCIAL &
CAPABILITY
BUILDING**



HUMAN CAPITAL

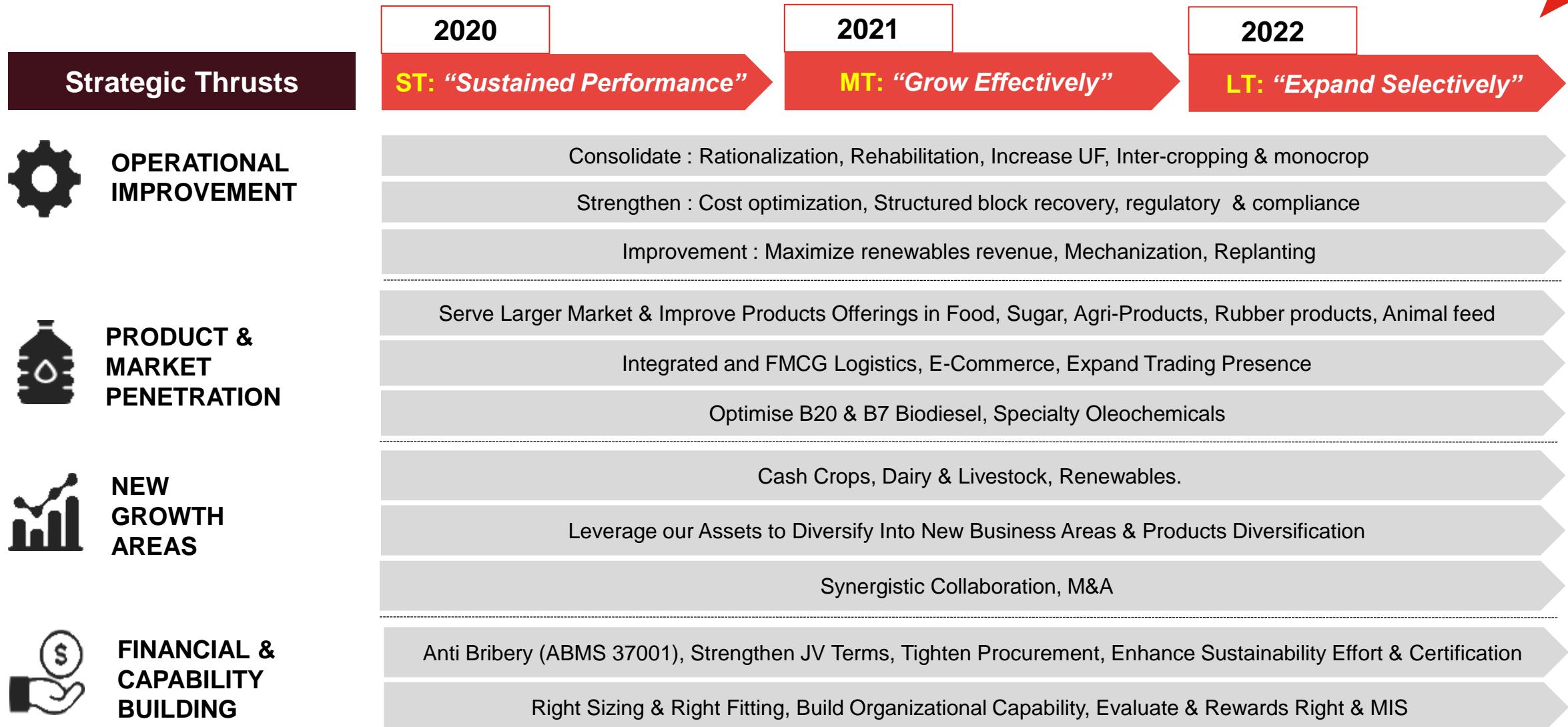


FINANCIAL



SUSTAINABILITY

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

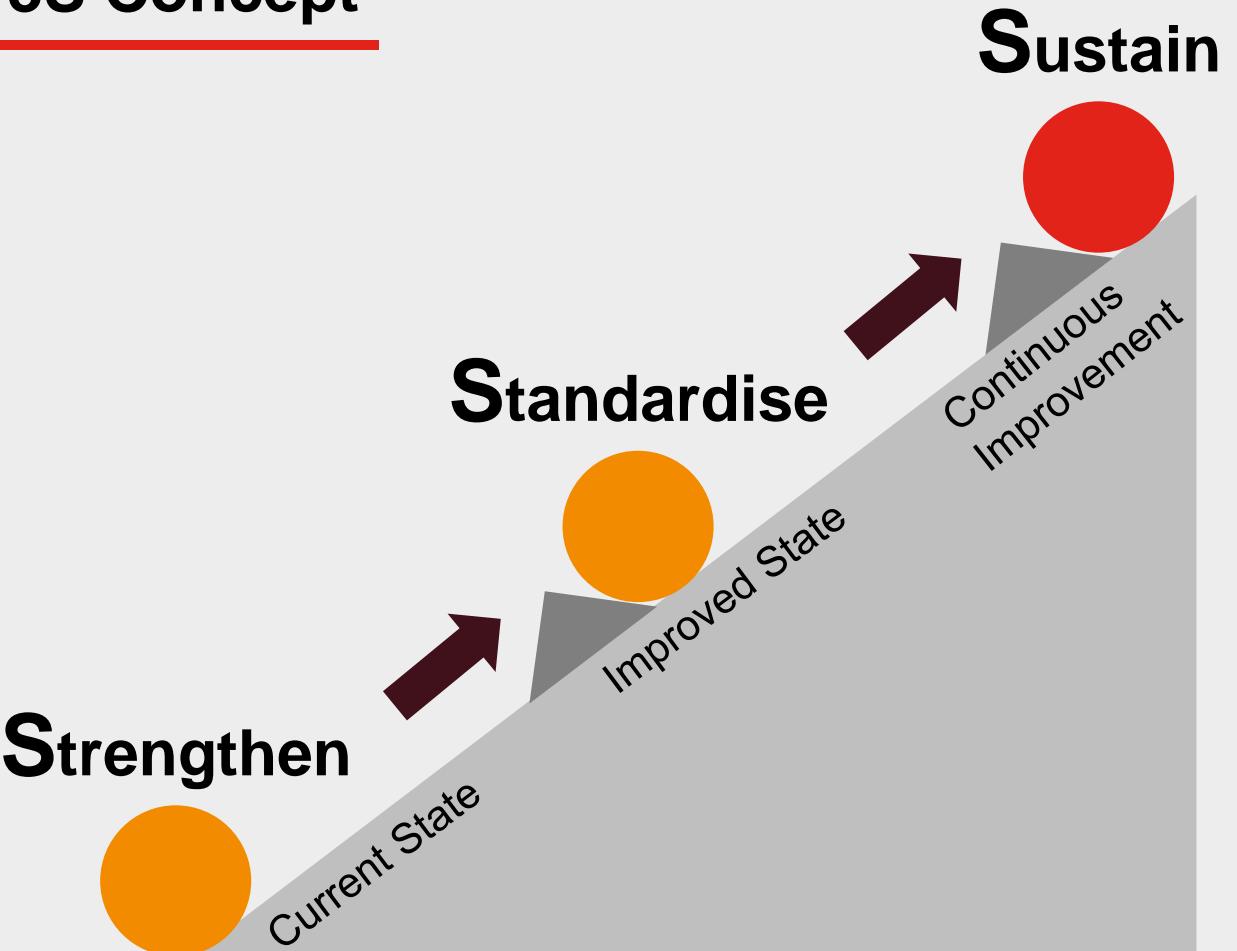
FGV introduced 2 Model Estates & 2 Model Mills to implement Best & Lean Practices.

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

THANK YOU

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