

# Nestlé (Malaysia) Berhad

Financial Analysts' Briefing, April 27<sup>th</sup>, 2012



# Agenda

Introduction & overview

Financials

Questions & answers

# Disclaimer

This presentation contains forward looking statements which reflect Management's current views and estimates. The forward looking statements involve certain risks and uncertainties that could cause actual results to differ materially from those contained in the forward looking statements. Potential risks and uncertainties include such factors as general economic conditions, foreign exchange fluctuations, competitive product and pricing pressures and regulatory developments.

# FINANCIALS

# Focus on 7 value drivers

**Operational**



1. SALES GROWTH
2. PROFIT MARGIN
3. WORKING CAPITAL INTENSITY
4. FIXED CAPITAL INTENSITY

**Financial**



5. INCOME TAX RATE
6. COST OF CAPITAL

**Strategic**



7. VALUE GROWTH DURATION

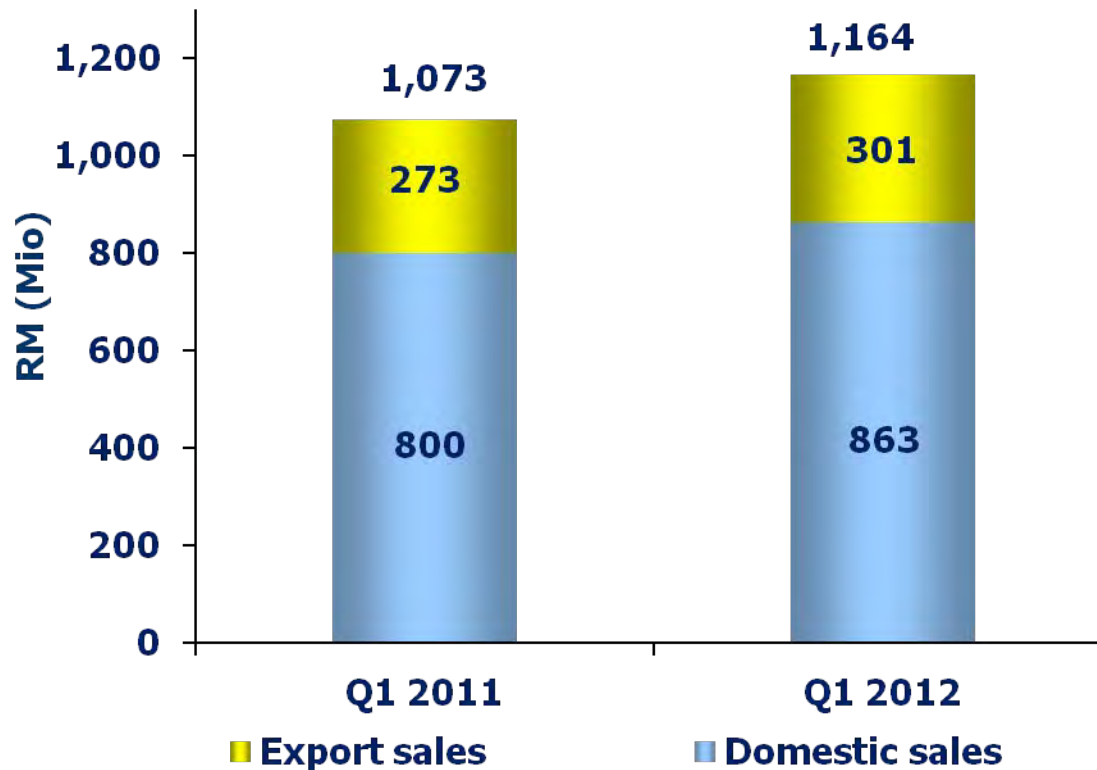
## VALUE DRIVERS

1. SALES GROWTH
2. PROFIT MARGIN
3. WORKING CAPITAL INTENSITY
4. FIXED CAPITAL INTENSITY
5. INCOME TAX RATE
6. COST OF CAPITAL
7. VALUE GROWTH DURATION

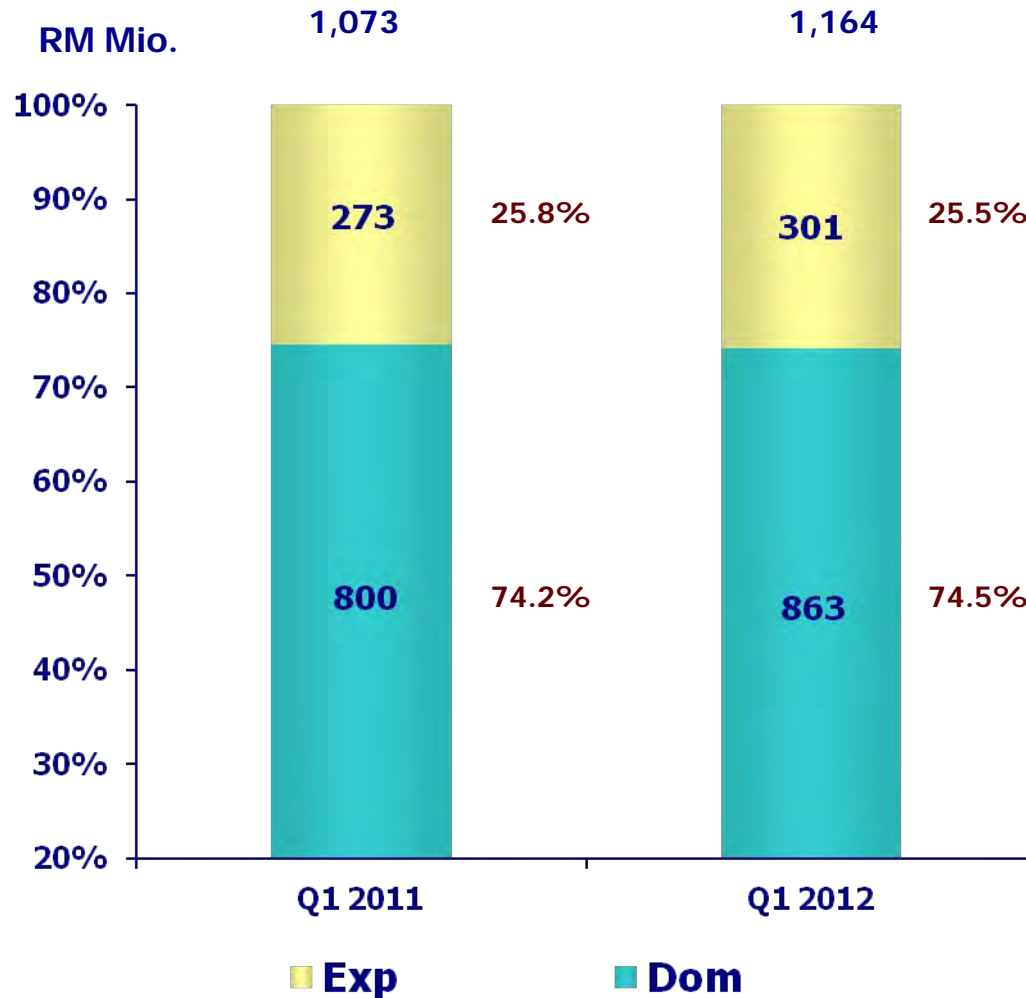
# SALES GROWTH

# Sales Evolution Q1 2012

- Domestic Sales +8.0%
  - Export Sales +10.0%
- } +8.5%

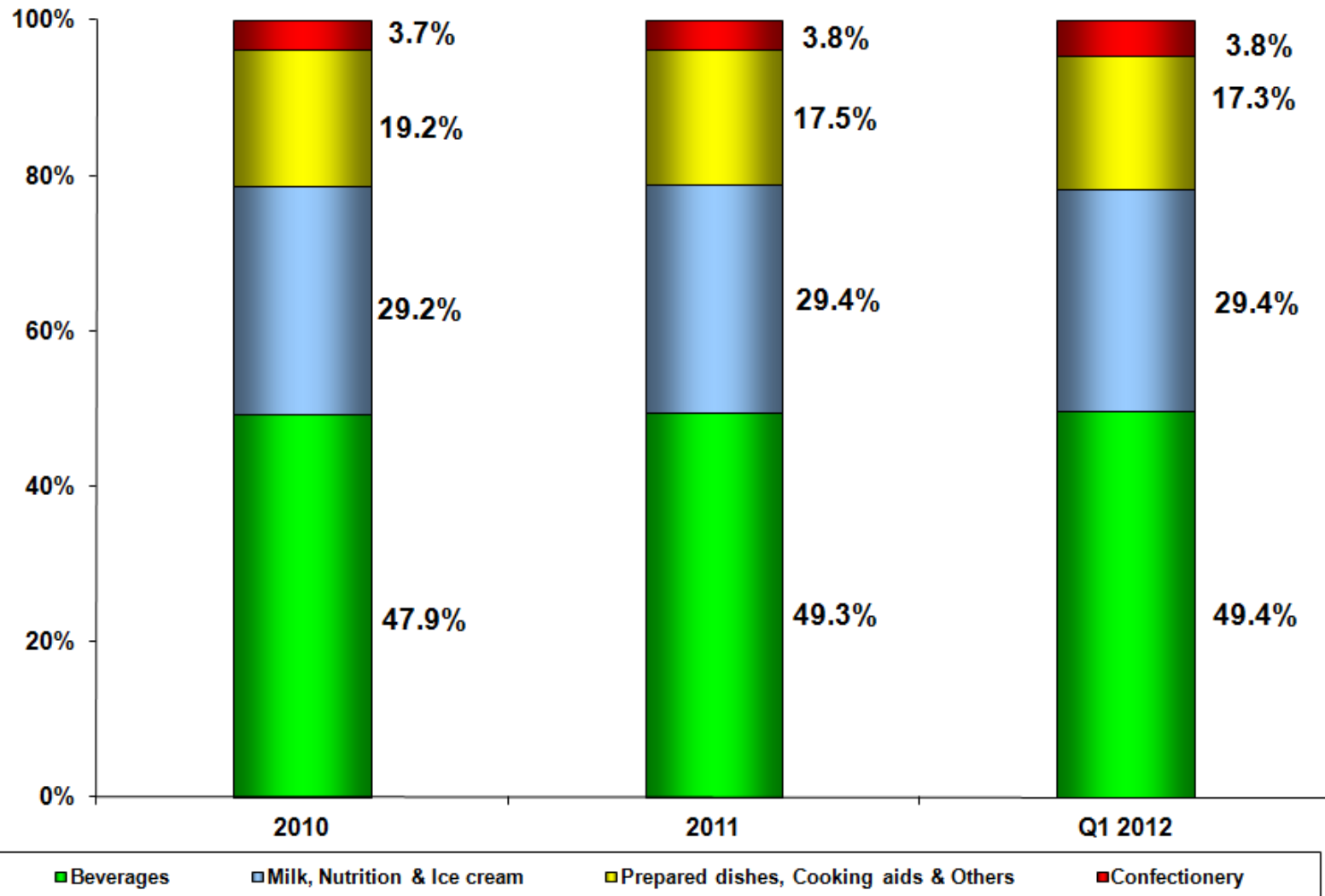


# Channel Sales



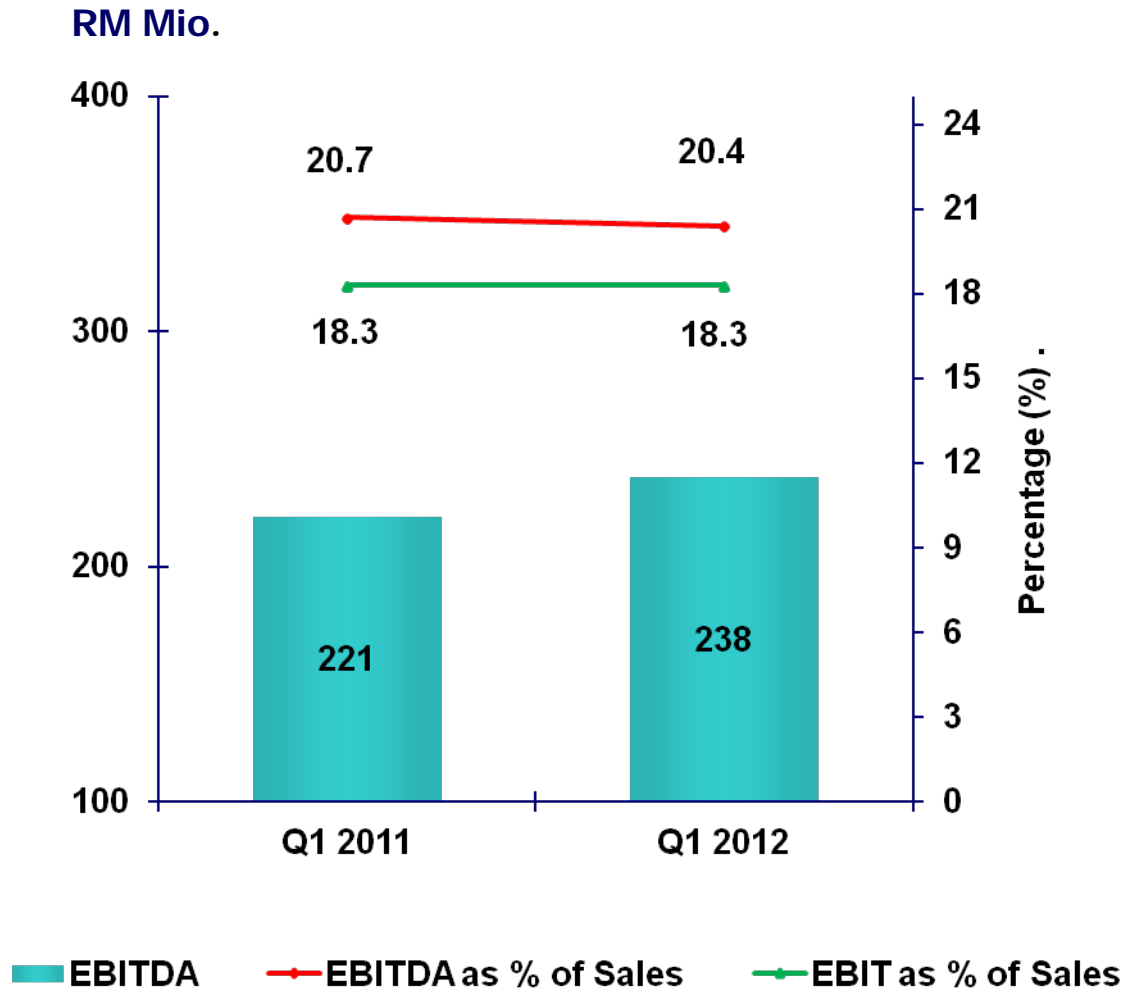


# Sales by Product Categories

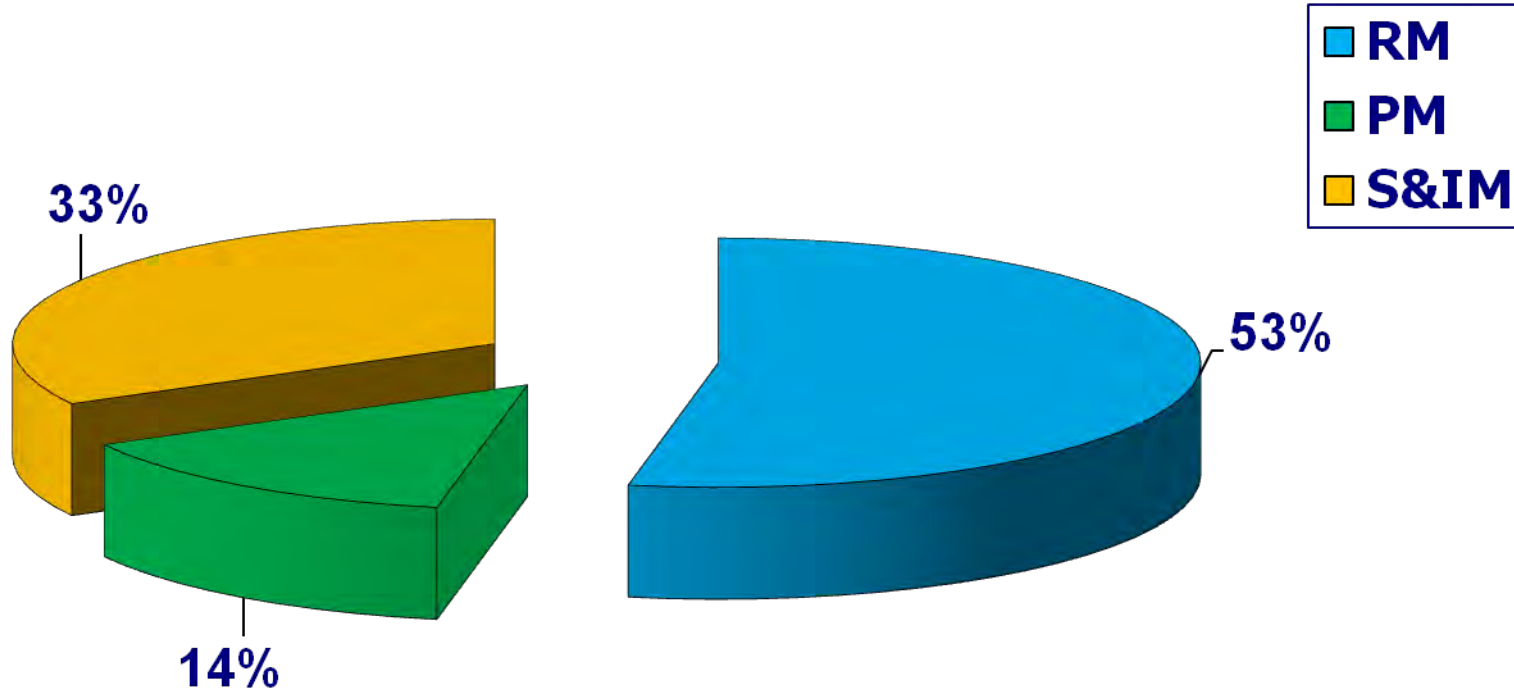


# EBITDA MARGIN

# Evolution of EBITDA



# Breakdown of Material & Services Consumed Jan '12 – Mar'12

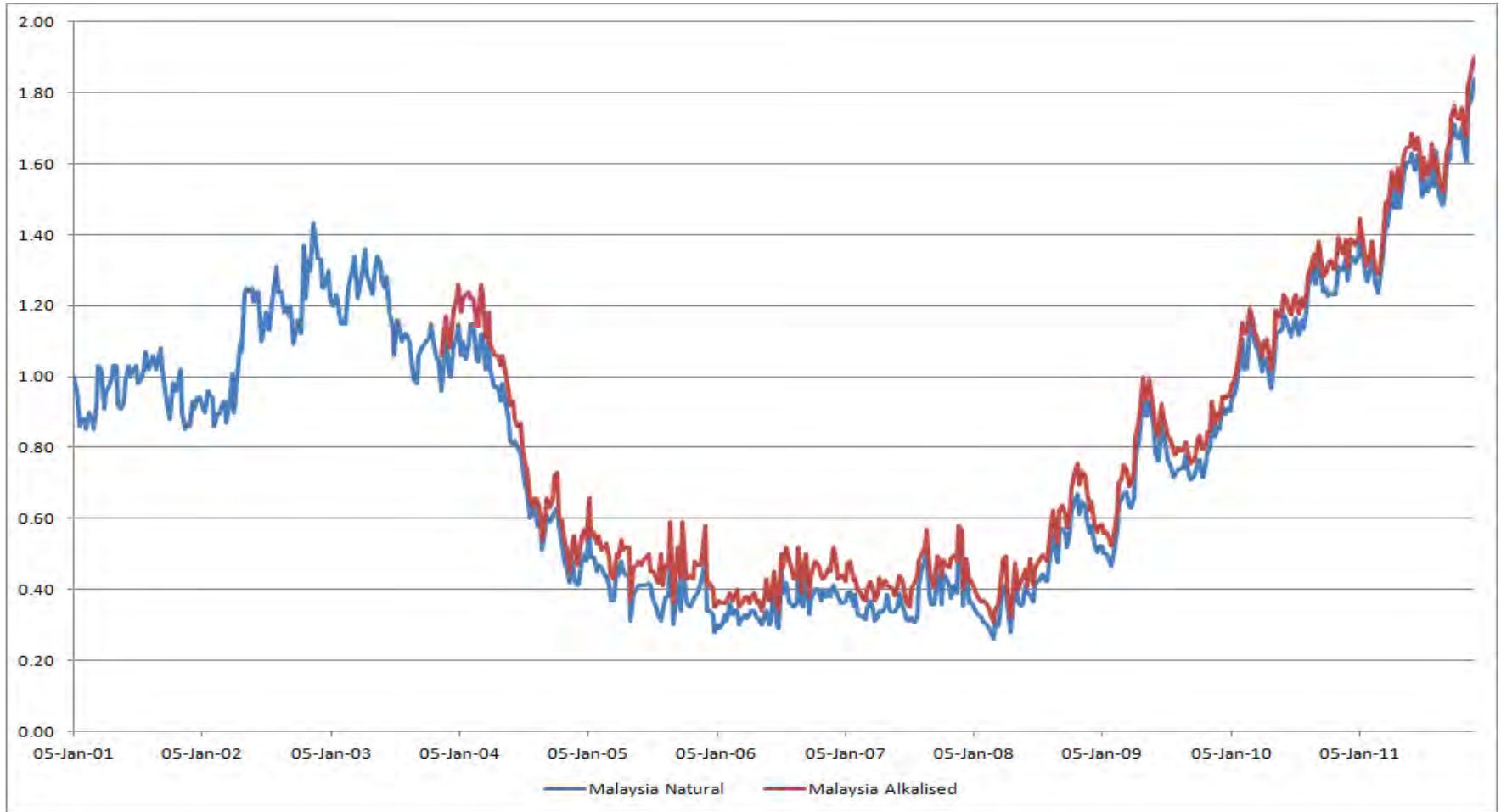


**Total = RM 0.73 Bio.**

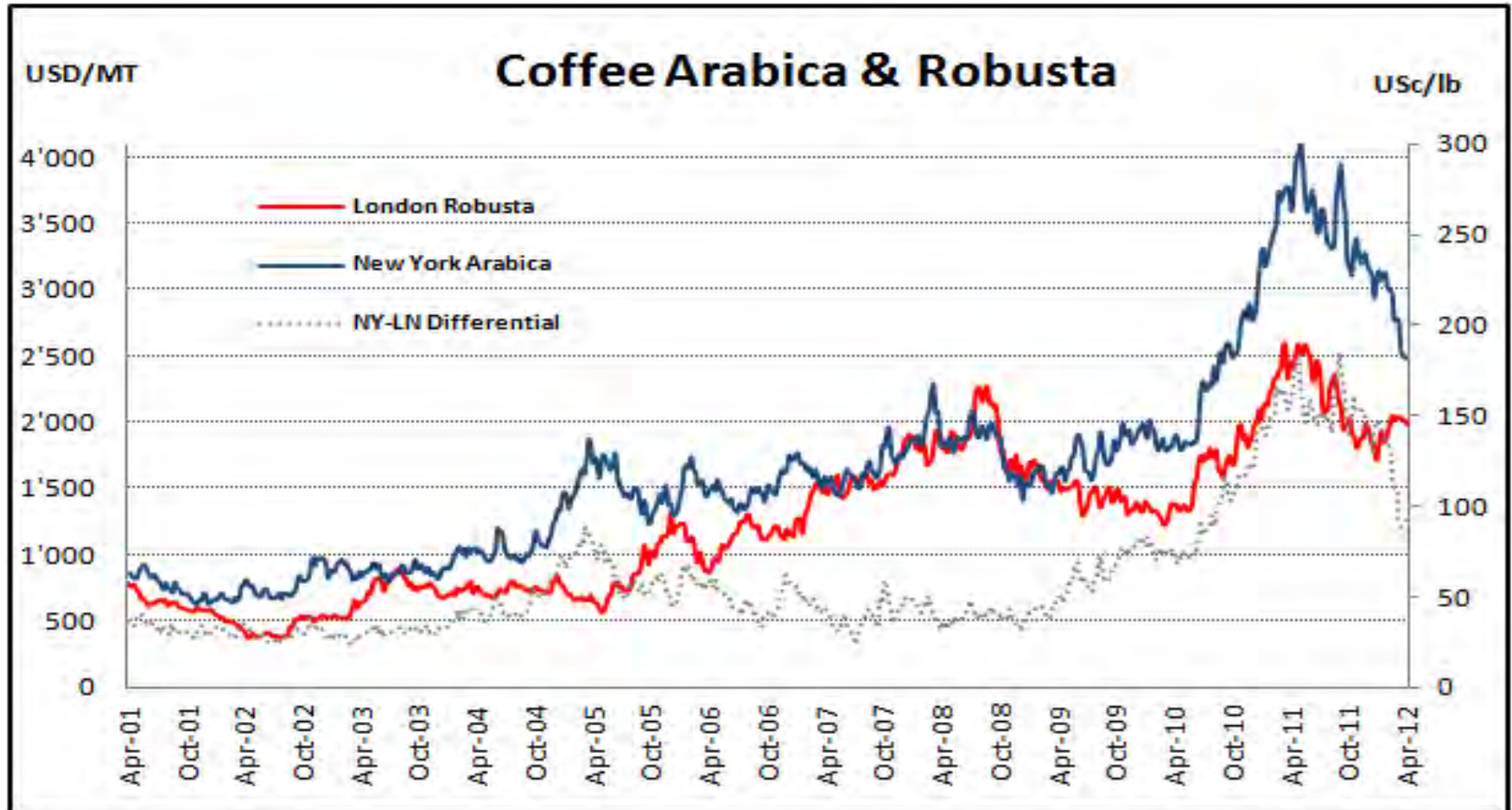
# Cocoa Bean Price



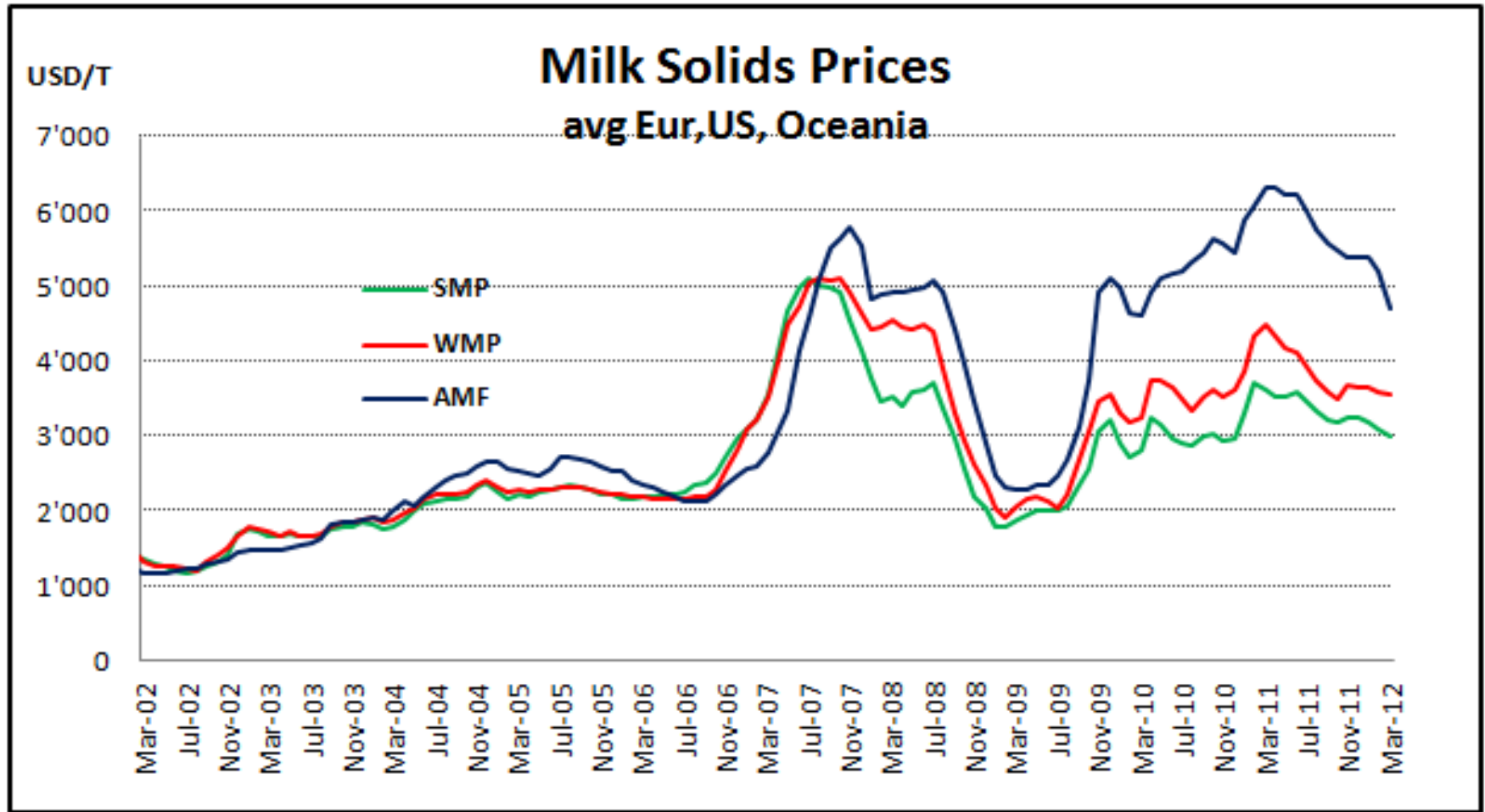
# Cocoa Powder Ratio



# Coffee



# Milk Solids





# Crude Palm Oil



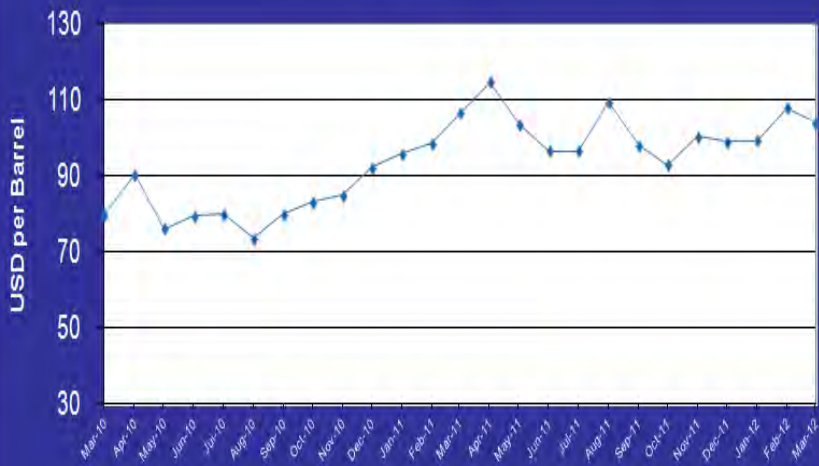
# Wheat Flour



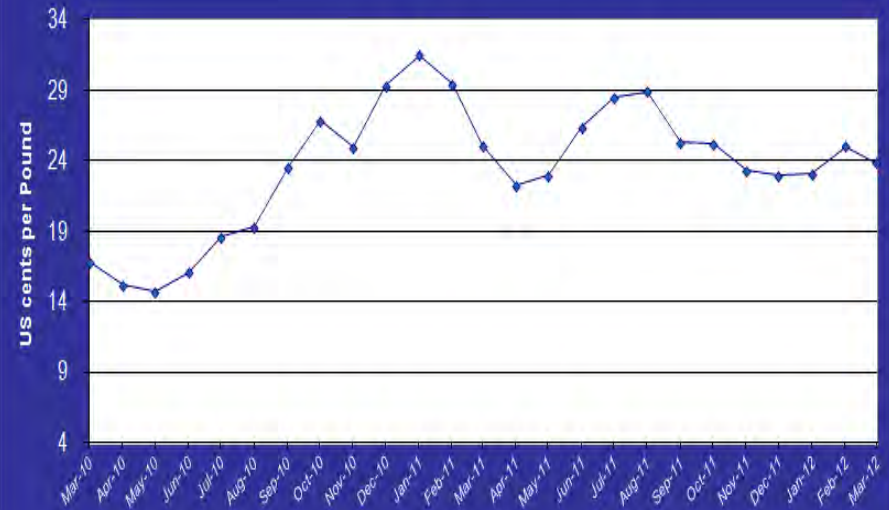
Above Graph is CBOT Wheat Futures (US cents/bushel)

# Major Commodities

## CRUDE OIL



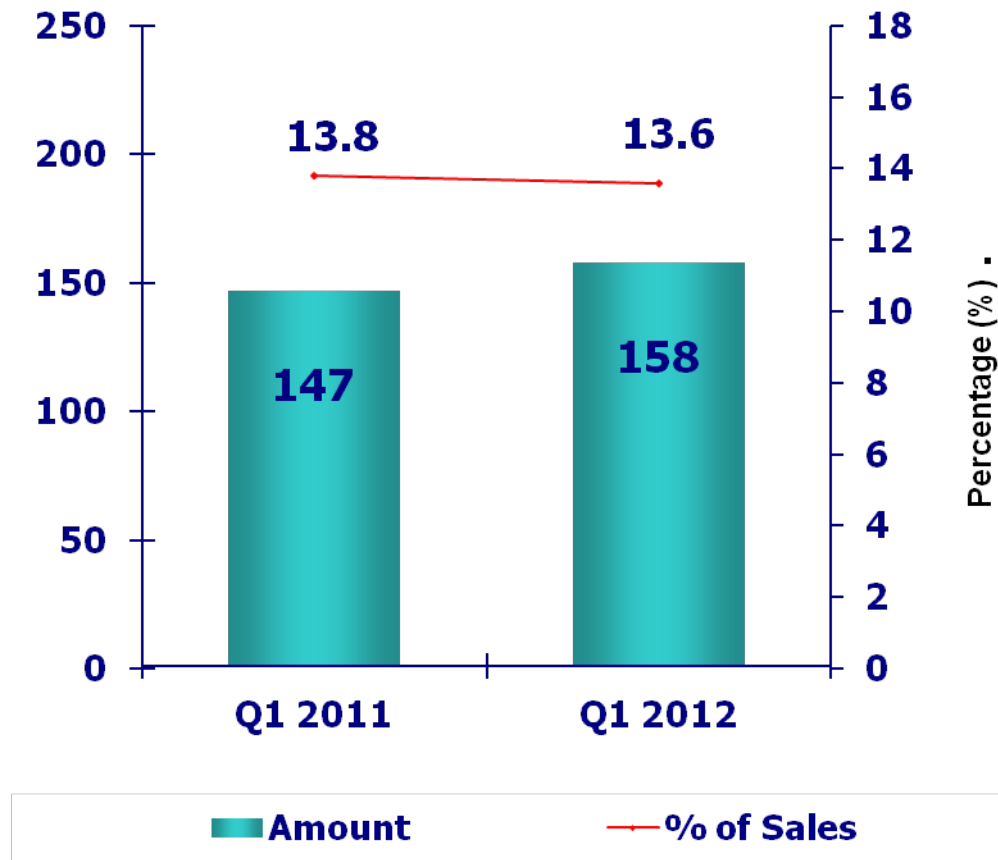
## SUGAR



# NET PROFIT MARGIN

# Evolution of Net Profit Margins

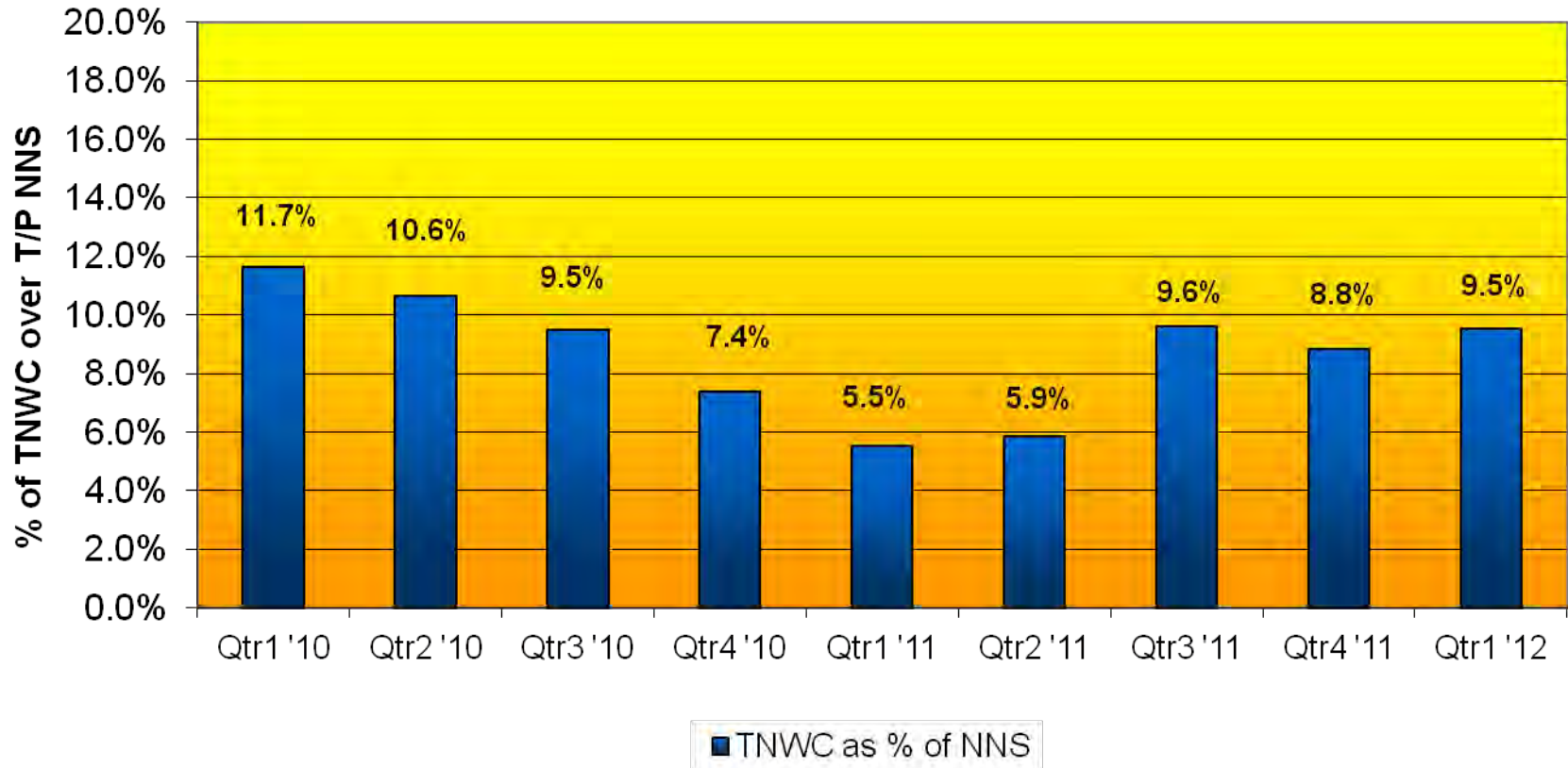
RM Mio.



# Key Figures

| NESTLÉ MALAYSIA BERHAD         |              |              |             |
|--------------------------------|--------------|--------------|-------------|
| Q1 2012 KEY FIGURES            |              |              |             |
| <i>Amounts in RM mio</i>       | 2012         | 2011         | % Change    |
| <b>Sales</b>                   | <b>1,164</b> | <b>1,068</b> | <b>9.0</b>  |
| Domestic                       | 864          | 795          | 8.7         |
| Export                         | 301          | 273          | 10.0        |
| <b>Operating Profit/(Loss)</b> | <b>213</b>   | <b>196</b>   | <b>8.6</b>  |
| <i>% of Sales</i>              | <b>18.3</b>  | <b>18.3</b>  |             |
| <b>Net Profit</b>              | <b>158</b>   | <b>147</b>   | <b>7.4</b>  |
| <i>% of Sales</i>              | <b>13.6</b>  | <b>13.8</b>  |             |
| <b>Operating Expenses</b>      | <b>173</b>   | <b>162</b>   | <b>6.6</b>  |
| <b>Current Assets</b>          | <b>973</b>   | <b>804</b>   | <b>21.1</b> |
| <b>Inventories</b>             | <b>460</b>   | <b>349</b>   | <b>32.0</b> |
| <i>Days</i>                    | <b>17</b>    | <b>13</b>    |             |
| <b>Trade Receivable</b>        | <b>231</b>   | <b>198</b>   | <b>17.0</b> |
| <i>Days</i>                    | <b>19</b>    | <b>18</b>    |             |
| <b>Capital Expenditure</b>     | <b>12</b>    | <b>7</b>     | <b>72.9</b> |

# MY Trade Net Working Capital (Individual Qtr position)



# Free Cash Flow Q1 2012

|  | <u>MYR(Mio)</u>     |
|--|---------------------|
| ➤ <b>Cash flow from operating activities</b> | <b>237</b>          |
| ➤ <b>(Less)/Add</b>                          |                     |
| ➔ Increase in working capital                | (150)               |
| ➔ Income tax & others                        | (11)                |
| ➔ Capital investment                         | (12)                |
| <b>Total impact</b>                          | <b><u>(173)</u></b> |
| <br>   |                     |
| ➤ <b>Free Cash Flow FY2011</b>               | <b><u>64</u></b>    |
| <br>   |                     |
| ➤ <b>Free Cash Flow FY2010</b>               | <b><u>234</u></b>   |



# QUESTIONS



*Thank You*