

Nestlé Malaysia Bhd

First Half Results 2014

Financial Analysts' Briefing 13th August 2014





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



Financial



Strategic



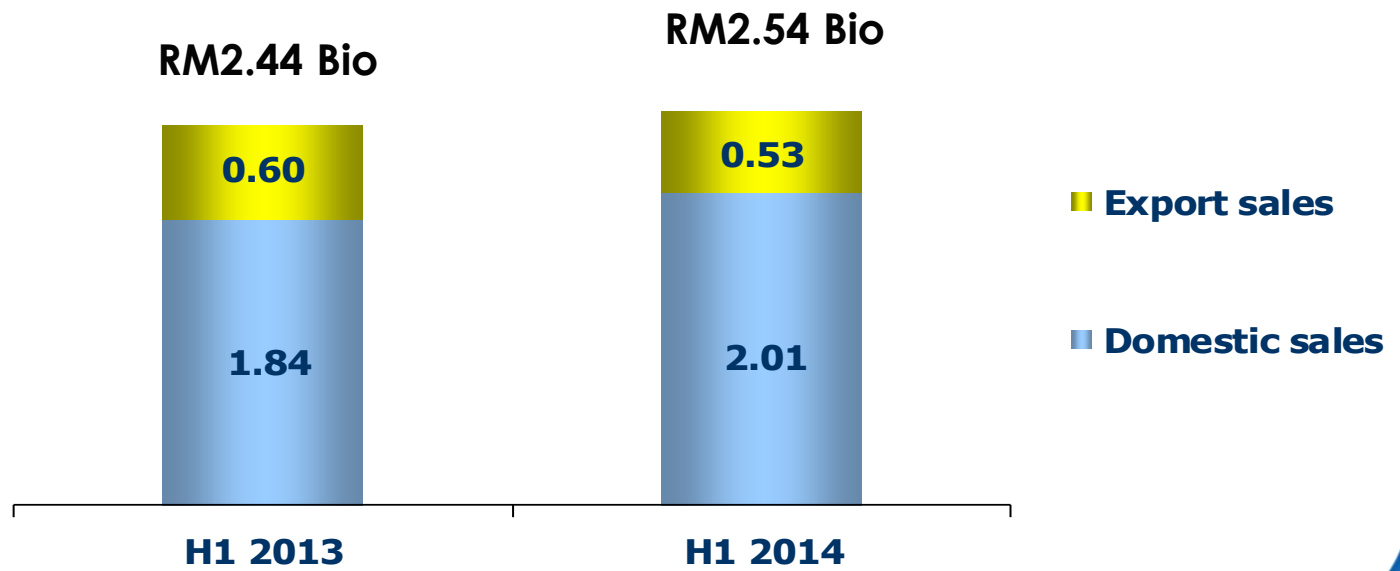
VALUE DRIVERS

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

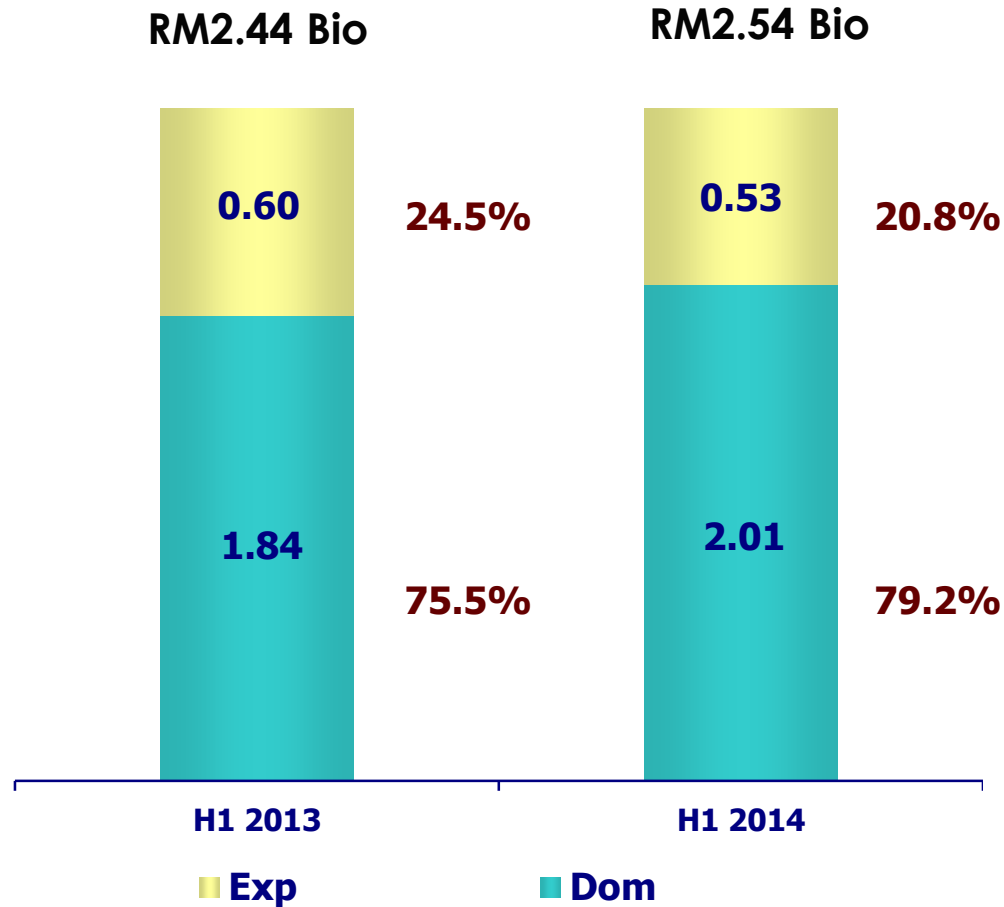
SALES GROWTH

Sales Evolution

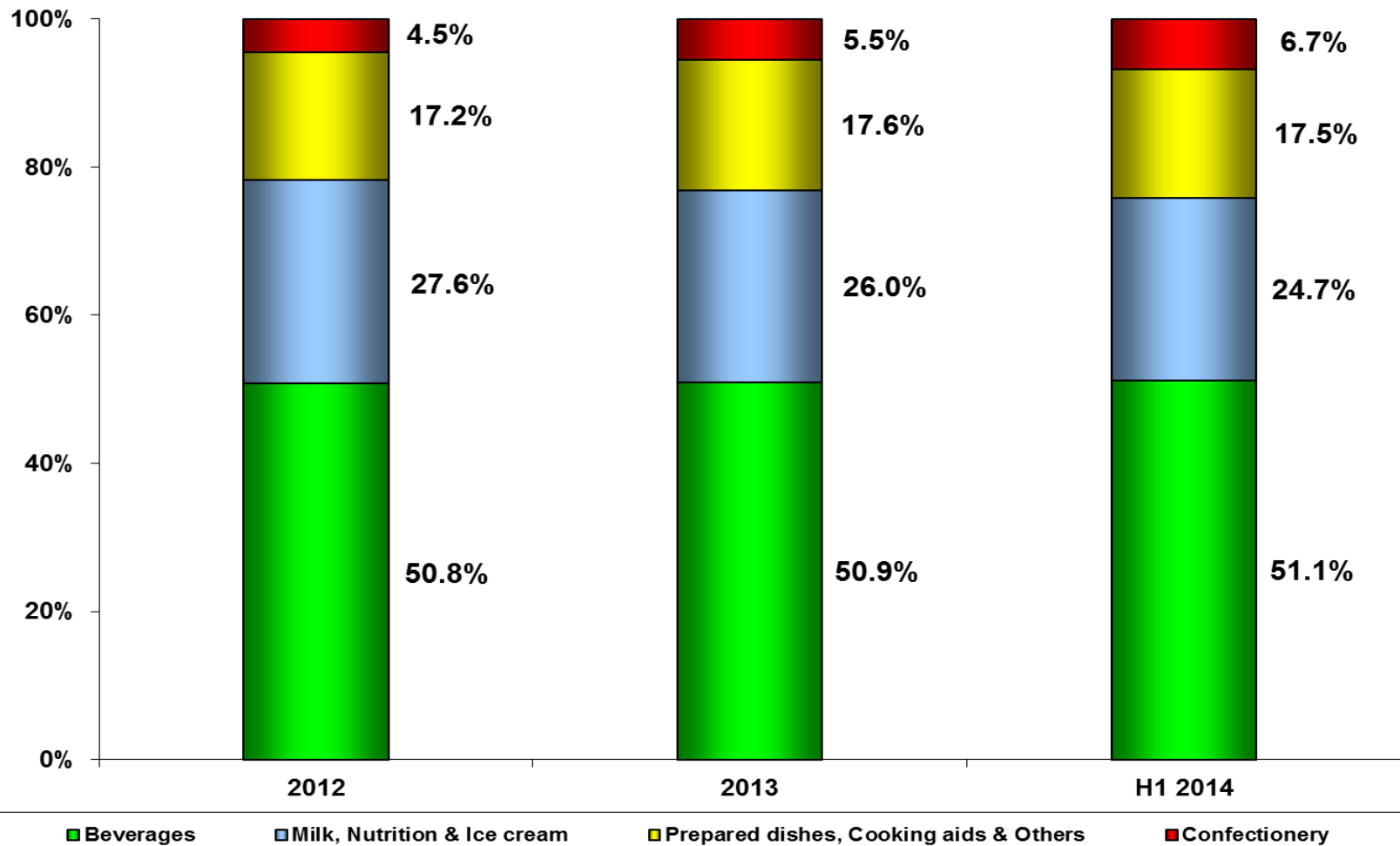
H1 2014 vs H1 2013



Channel Sales



Sales by Product Categories



List of New Products

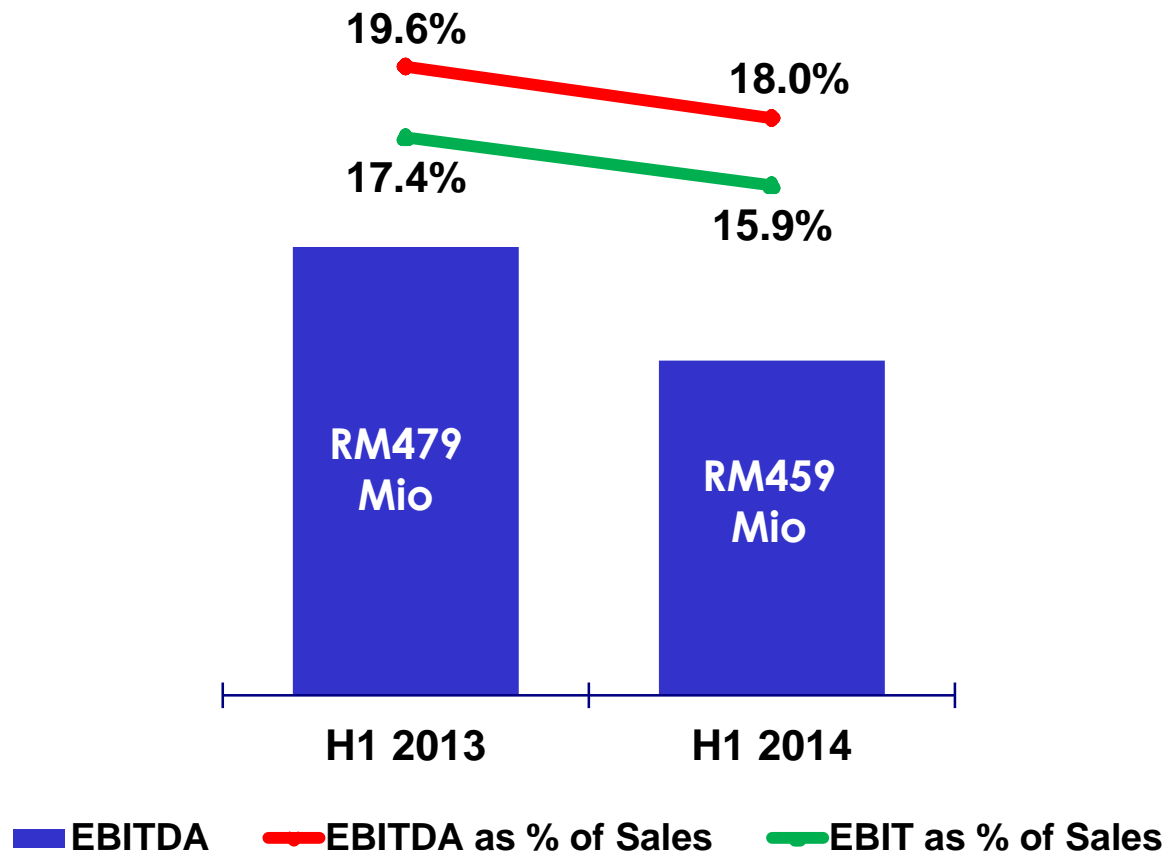
Q2'14

Products	
MAGGI 2-Minn Big Ayam	Apr'14
MAGGI Royale - Penang Seafood Curry	Jun'14
NESCAFE Latte Caramel	May'14
Nestle Dolce Gusto Marrakech Tea	Jun'14

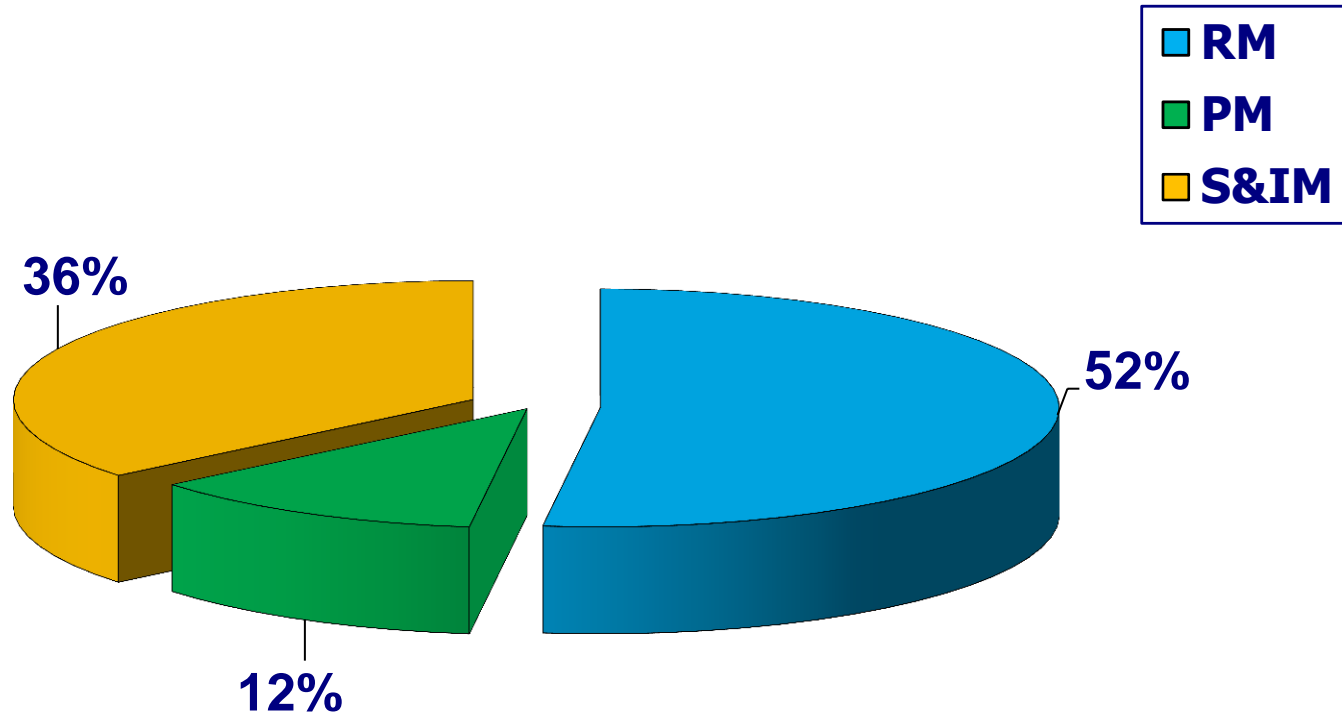


EBITDA MARGIN

Evolution of EBITDA



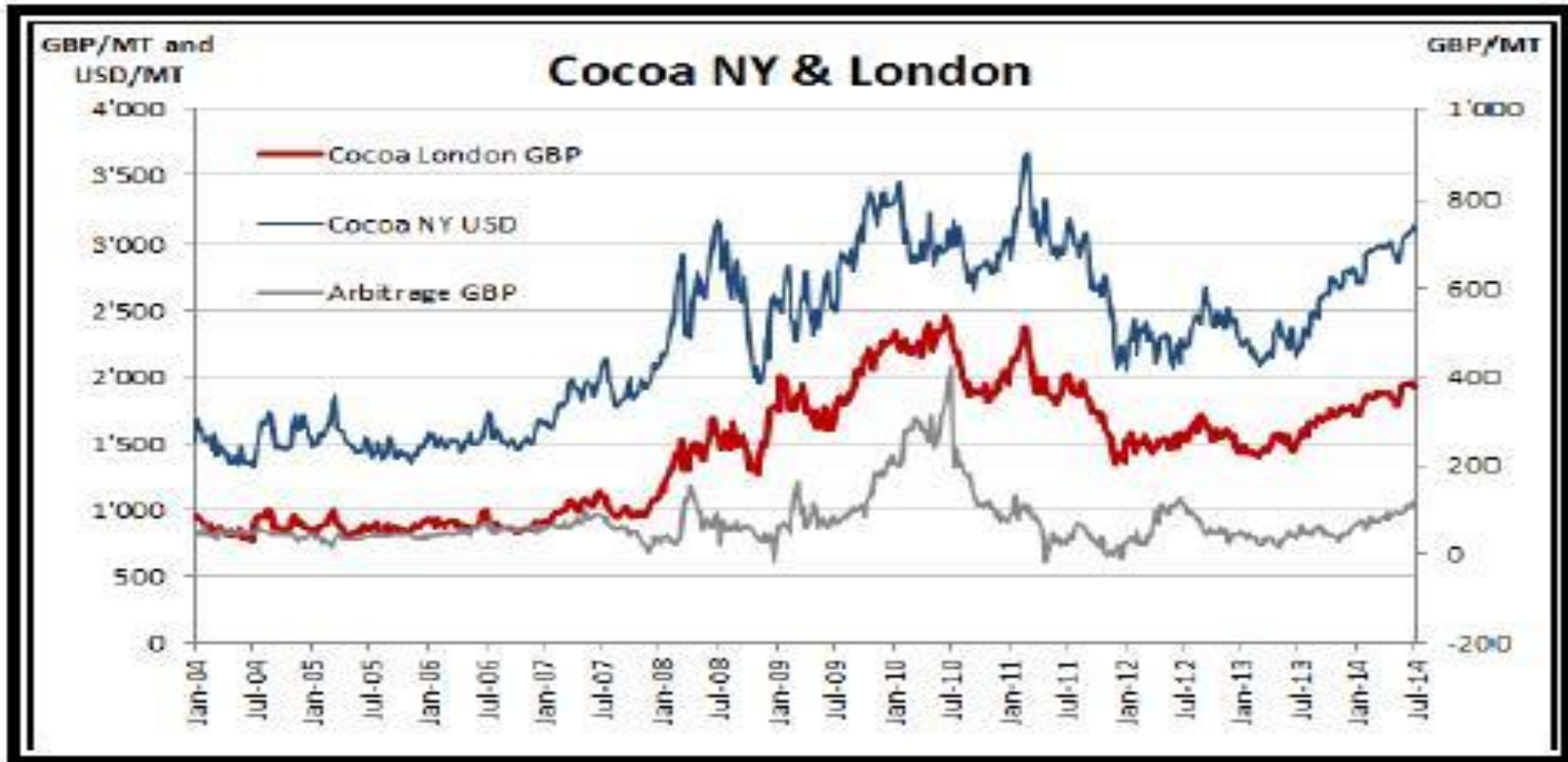
Breakdown of Material & Services Consumed Jan '14 – Jun '14



Total = RM 1.46 Bio.

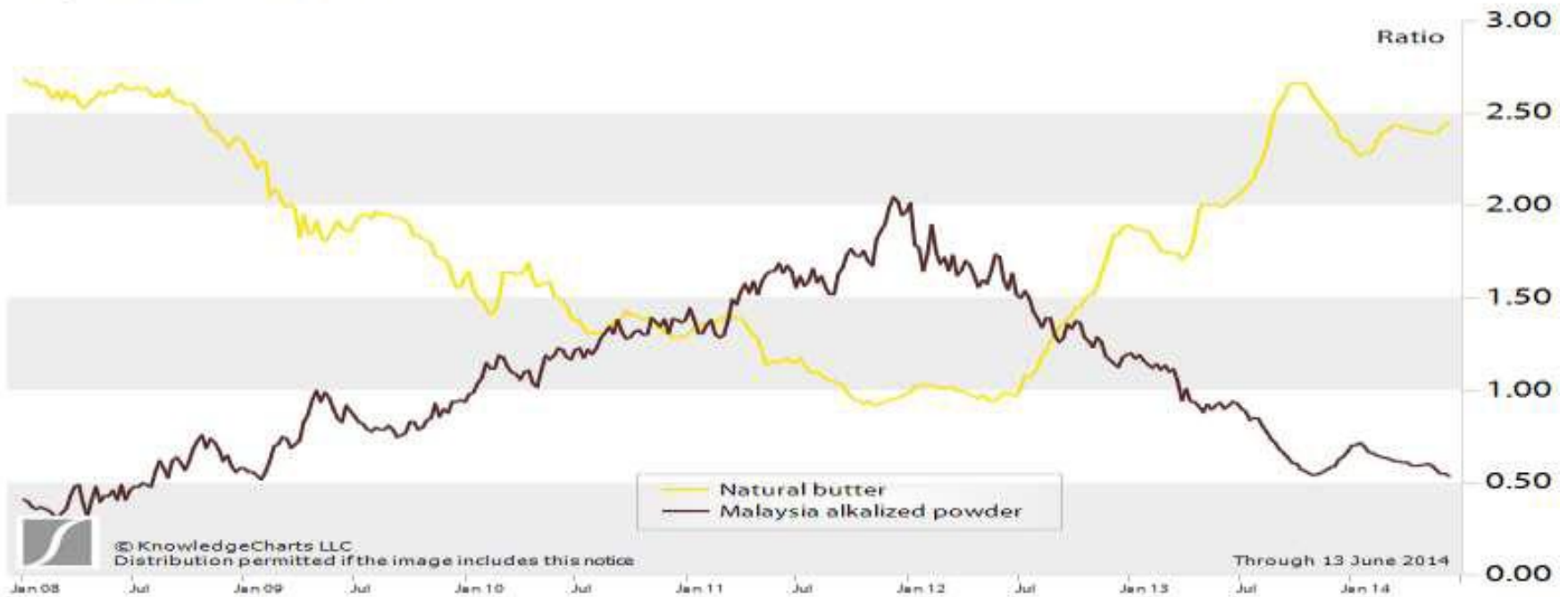
COMMODITY UPDATES

Cocoa Bean

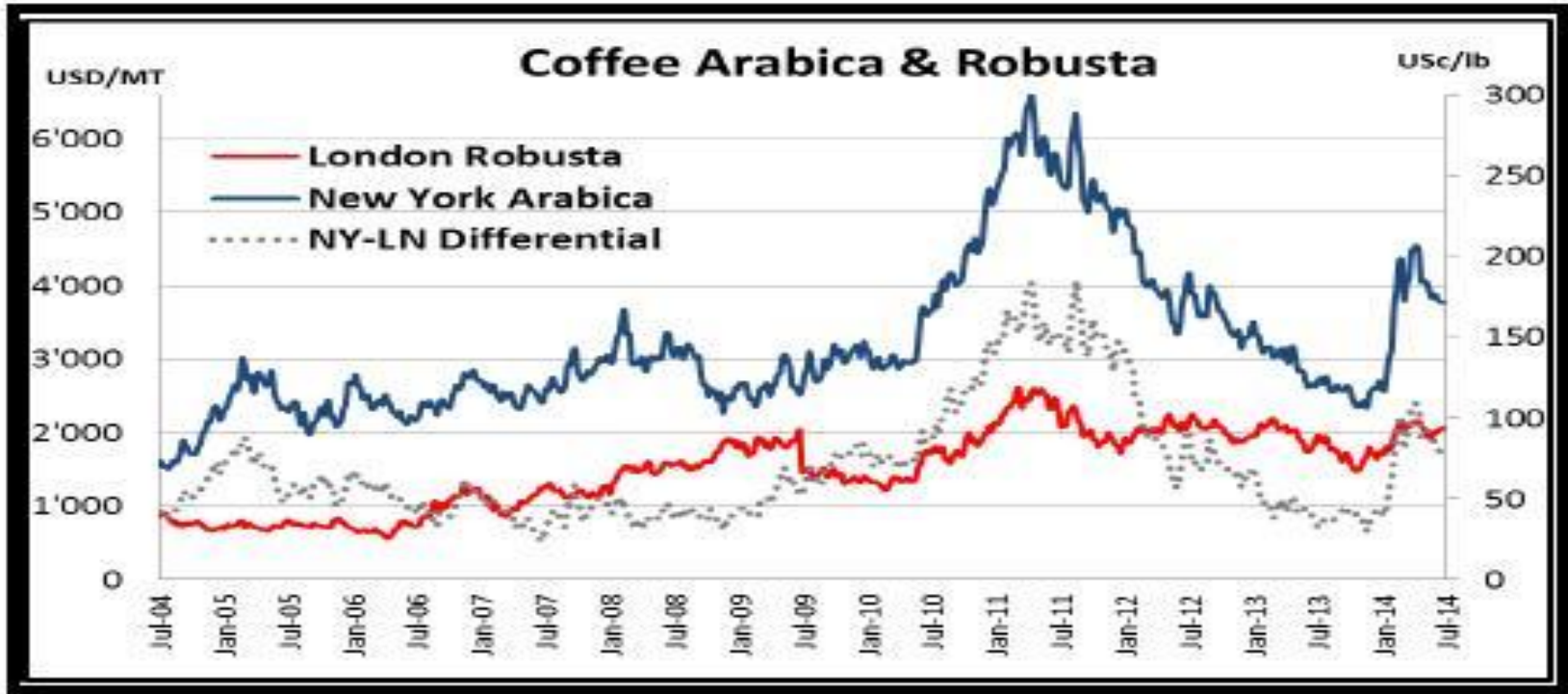


Cocoa Powder Ratio

Far East product ratios, £
FOB against London, six months forward

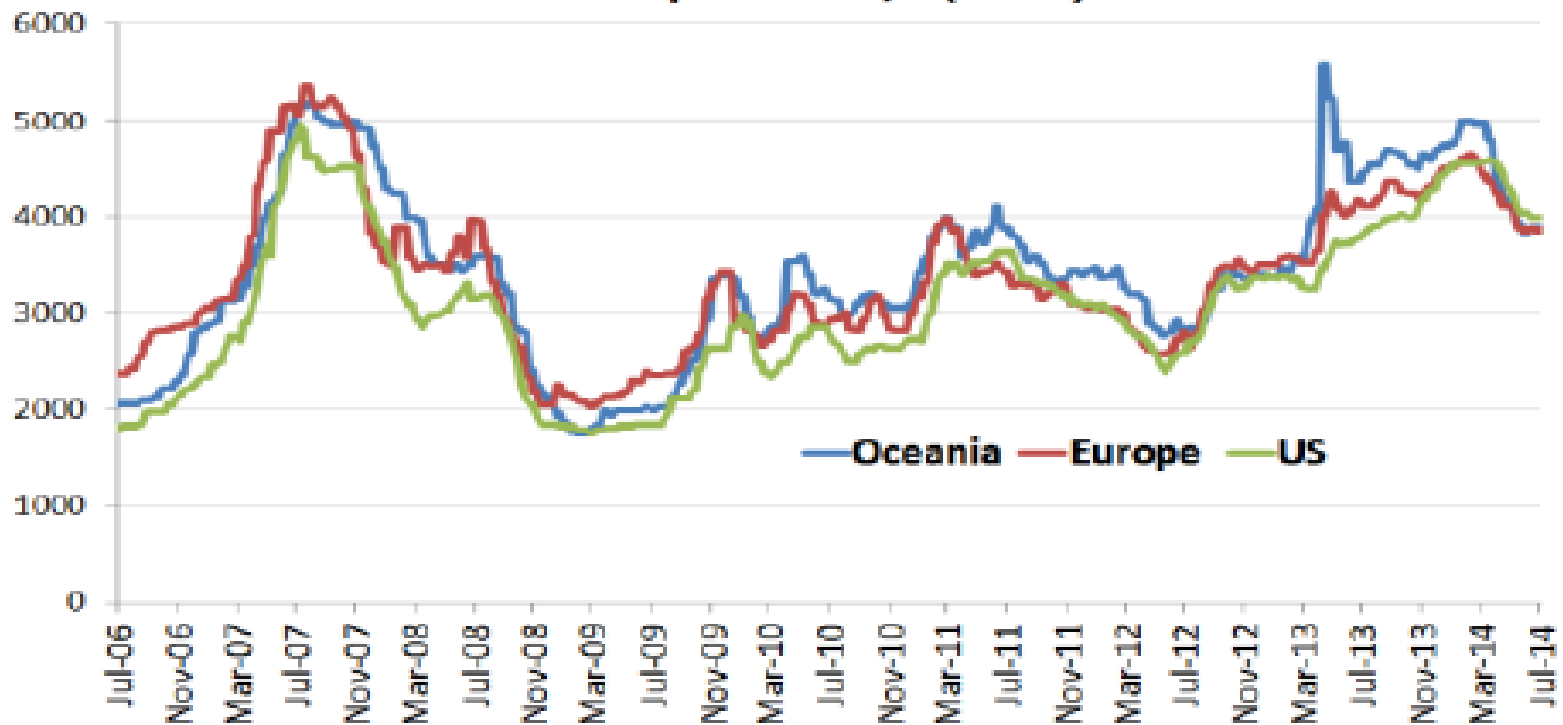


Coffee bean

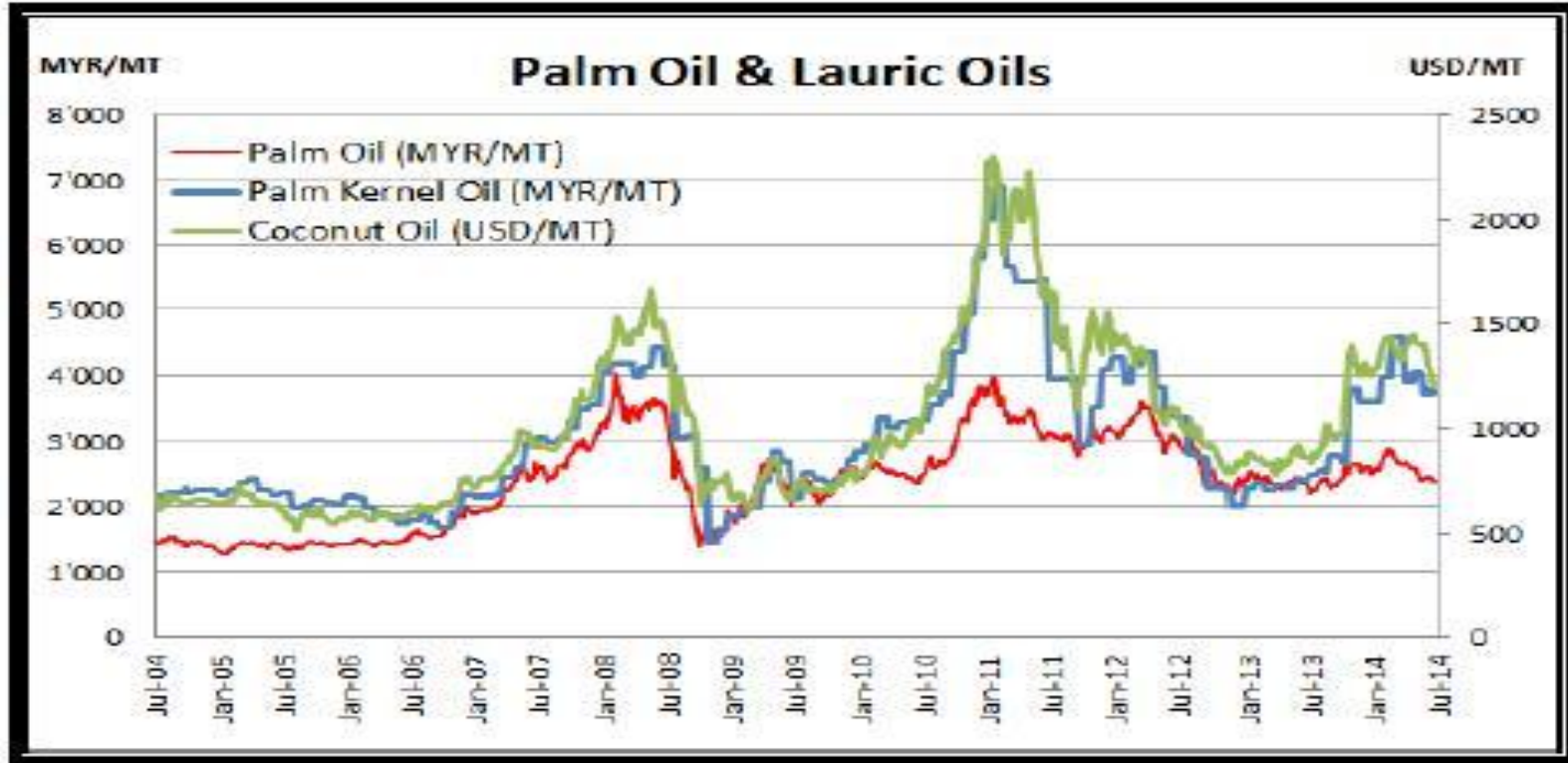


Milk Solids

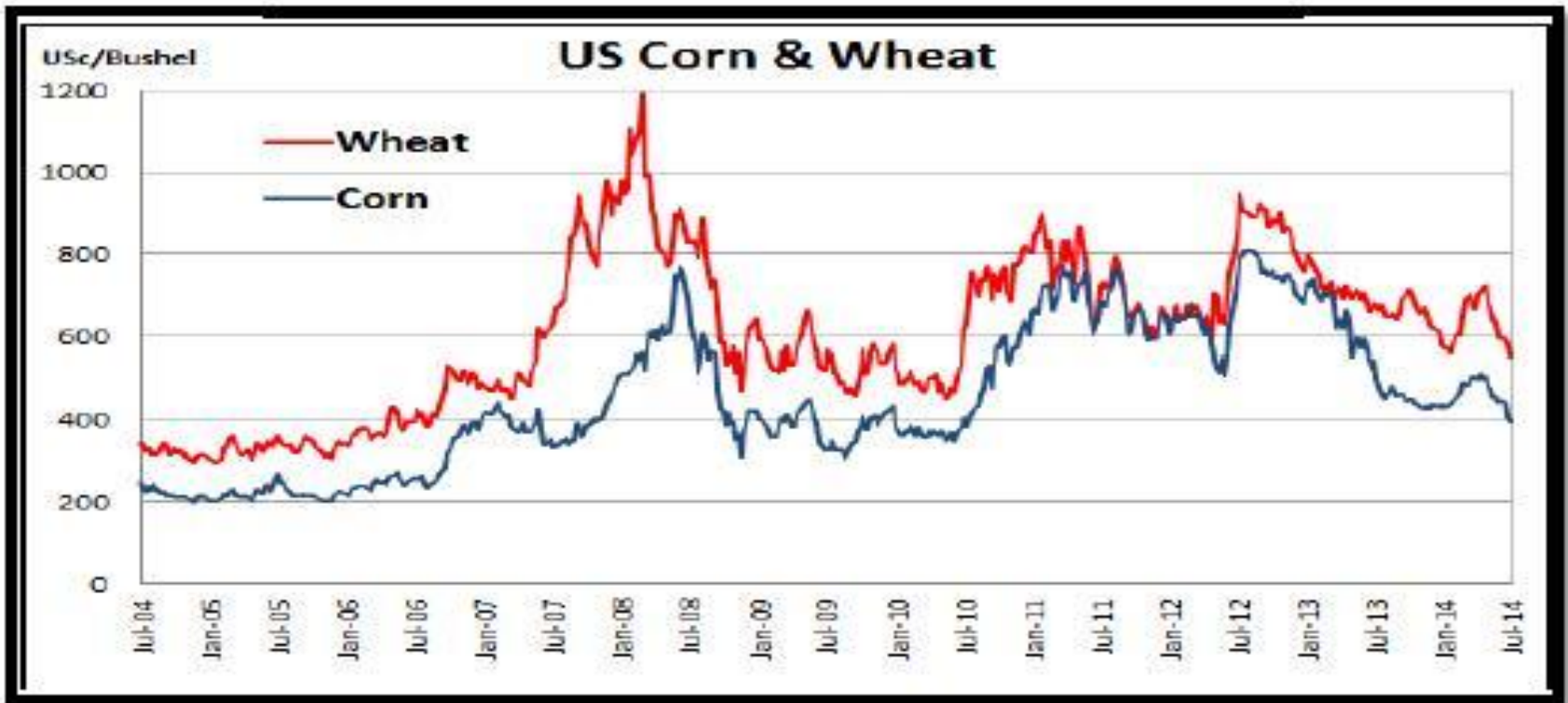
SMP prices USD/T (USDA)



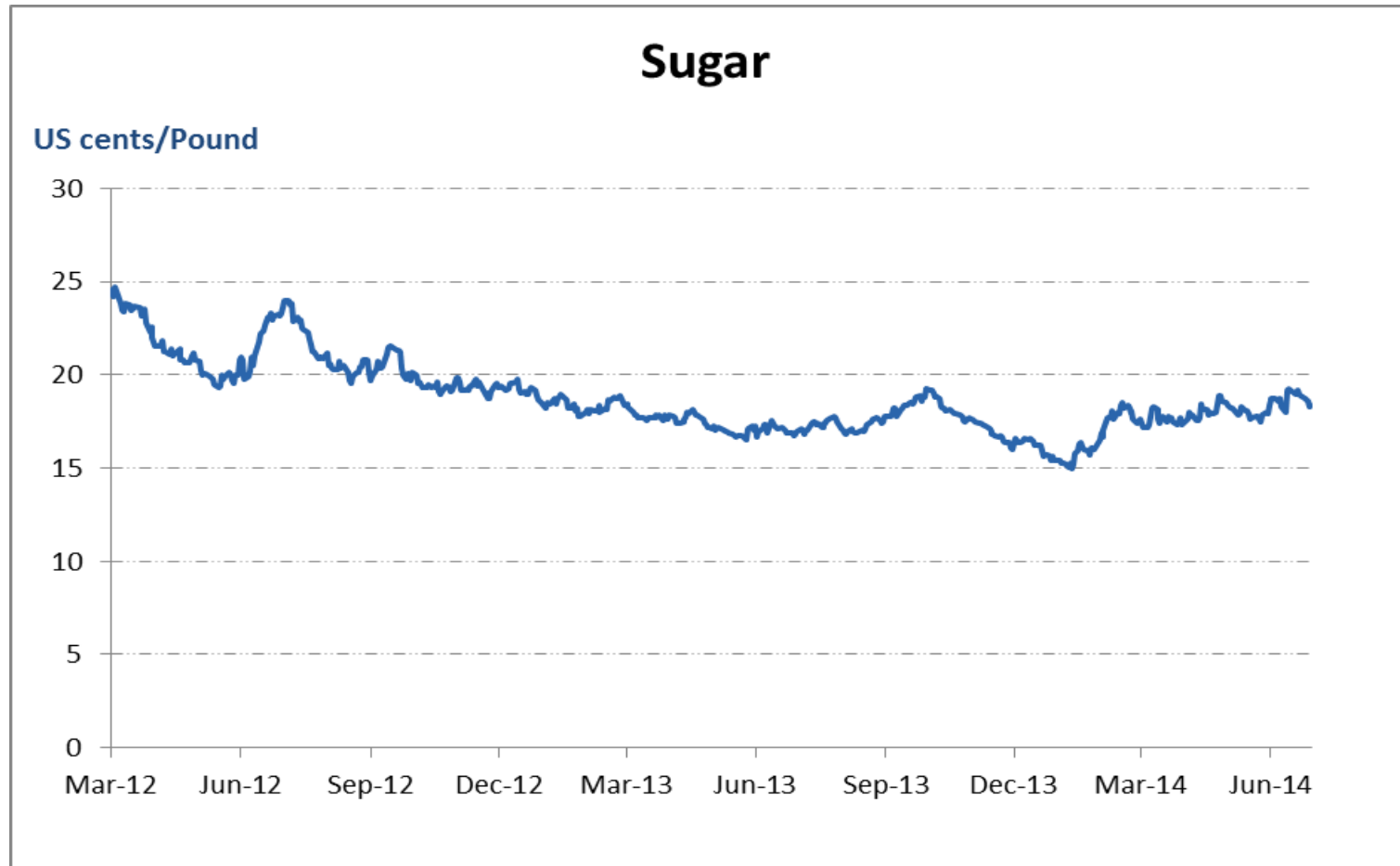
Crude Palm Oil



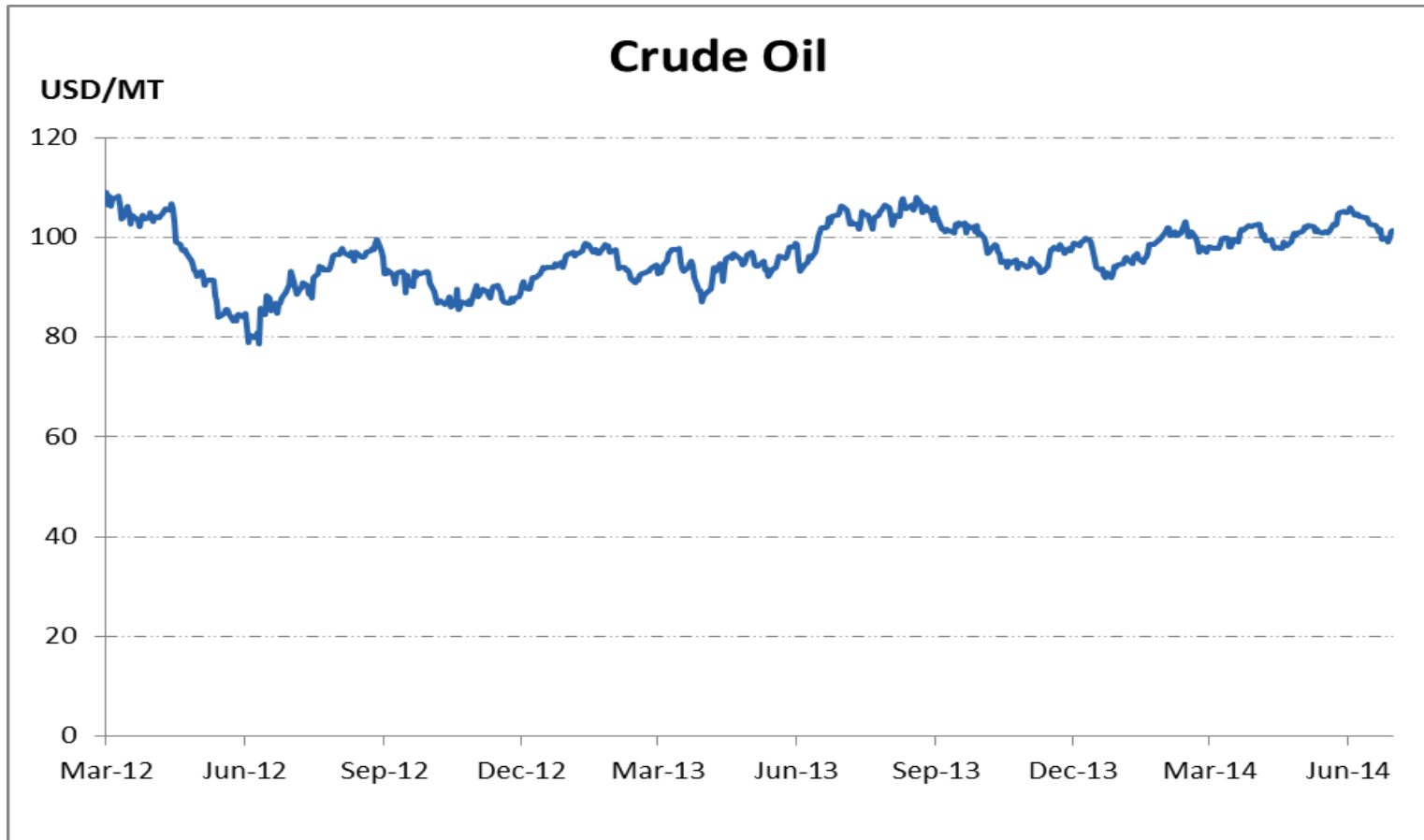
Wheat



Sugar

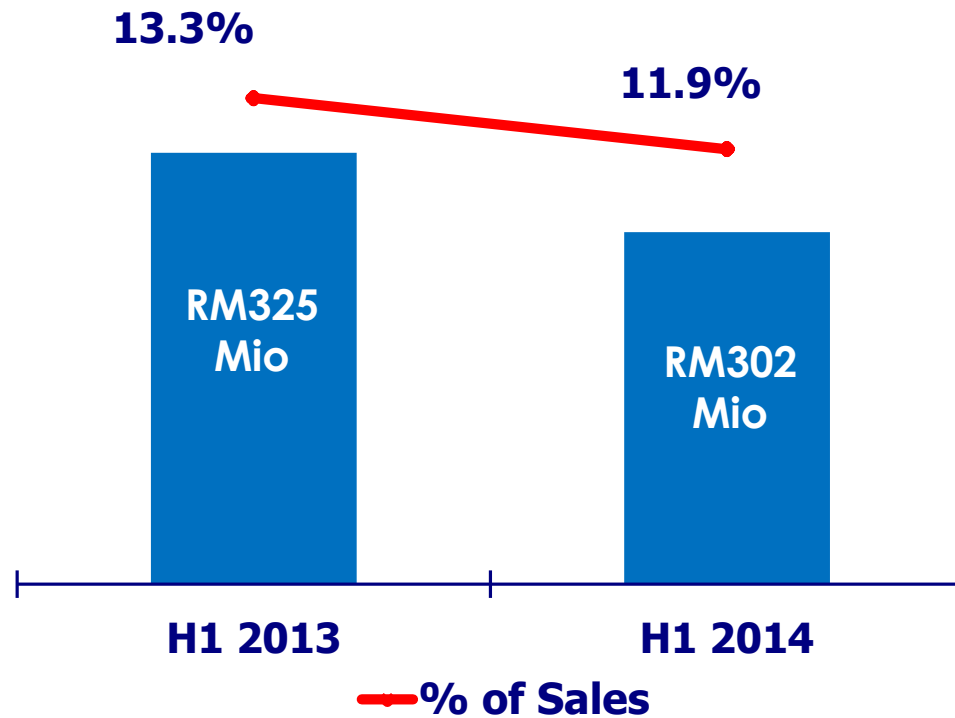


Crude Oil



NET PROFIT MARGIN

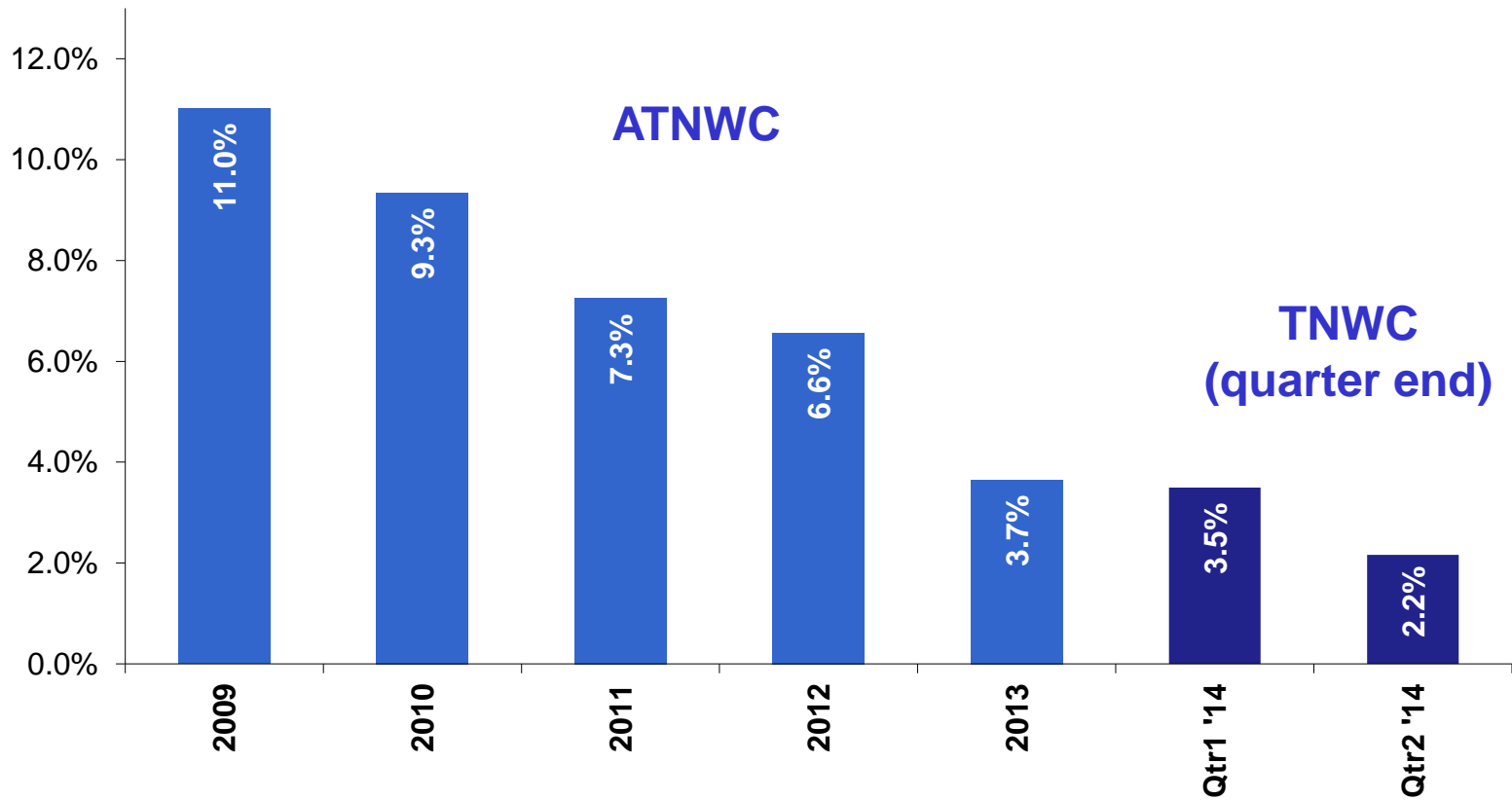
Net Profit Evolution



NESTLÉ MALAYSIA BERHAD
KEY FIGURES

<i>Amounts in RM mio</i>	H1 2014	H1 2013	% Change
Sales	2,543	2,442	4.1
Domestic	2,013	1,844	9.1
Export	530	597	(11.3)
Operating Profit/(Loss)	404	424	(4.9)
% of Sales	15.9	17.4	
Net Profit	302	325	(7.0)
% of Sales	11.9	13.3	
Operating Expenses	494	457	8.2
Current Assets	1,031	902	14.4
Inventories	372	406	(8.4)
Inv (Days)	14	13	
Trade Receivable	201	206	(2.4)
TR (Days)	11	15	
Capital Expenditure	97	38	154.1

MY Trade Net Working Capital



Cash Flow H1 2014

	<u>RM (Mio)</u>	
	H1 2014	H1 2013
➤ Profit Before Tax adjusted for depreciation & interest	459	479
➔ (Increase) / Decrease in working capital	(63)	(4)
➔ Income tax & others	(64)	(63)
➤ Net cash from operating activities	332	412
➔ Capital Investments	(97)	(38)
➔ Others	1	3
➤ Cash Flow after Investing activities	<u>236</u>	<u>377</u>



Interim Dividend 2014

**Interim dividend of 60 sen per share
(2013 : 60 sen) declared by the Board**

Thank You