

4Q FY2016 Results Presentation

27 February 2017

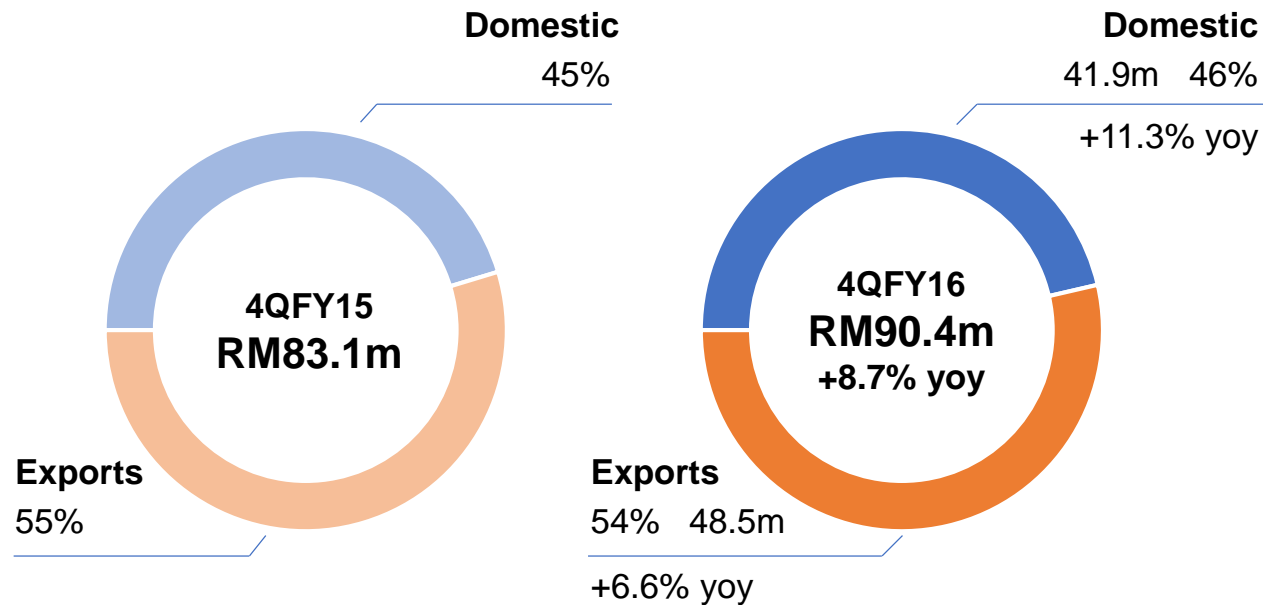
IR Adviser



4QFY16 OPERATIONS REVIEW

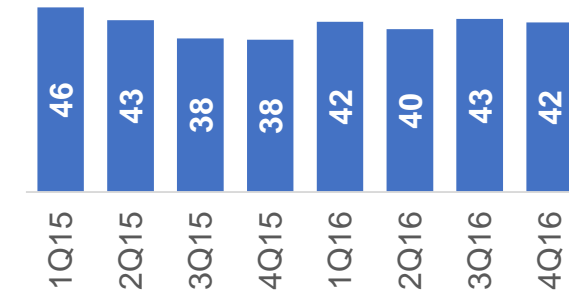
4QFY16 local and export sales noted healthy expansion year-on-year, on higher volume...

> 4QFY16 **domestic sales** rose yoy as key customers increased order volume in line with slight improvement in consumer sentiment

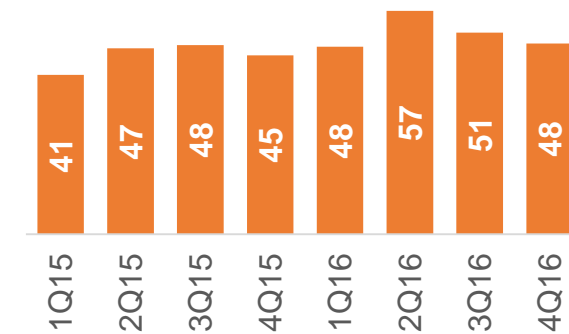


> 4QFY16 **exports** strengthened on increased sales volume and commencement of new contracts for ANZ market

Quarterly Domestic Revenue (RM 'mil)



Quarterly Export Revenue (RM 'mil)



Completed key expansions in 4QFY16... setting the platform for long-term growth by targeting new exports

➤ COMPLETED DPP PLANT 2 EXPANSION

- DPP Plant 2 built-up area now 140,000 sq ft (from 80,000 sq ft); with expanded warehousing and production floor space
- Blown film-making gradually moving towards being fully in-house (from 50% previously)



➤ Myanmar JV Approvals In Progress

- Submitted MOA and regulatory documentation to Myanmar Investment Commission (MIC) in Dec 2016
- Undergone interviews with MIC's Proposal Assessment Team in Dec 2016
 - Targeting approval in next three months
- JV company Daiboichi Packaging Myanmar Co. Ltd. (DPM) incorporated in Feb 2017

➤ Operational Integration Underway

- Reviewing workforce and machinery requirements for long term growth plans
- To enhance production capacity and efficiency
- Setting up new sales and marketing team
- Pursuing new product lines from existing customers; additional new F&B product line slated to come onstream in 4QFY17

GROWTH STRATEGIES

Seeking new markets and larger orders whilst optimising cost structure...

MAINTAINING REGIONAL FOCUS

- Currently in talks with a prominent homegrown brand in Indonesia to supply F&B packaging
- Myanmar JV positions Group to tap into Myanmar and SEA growth potential

CONTINUING ORGANIC EXPANSION

- Riding on long-term growth of existing MNC customers
- Targeting to supply for new product lines of existing customers

ENHANCING OPERATIONAL EFFICIENCY

- Improve wastage control and overall worker productivity
- Retraining programmes and new hiring to overcome labour shortage
- Currently awaiting arrival of new workers for the rest of 2017

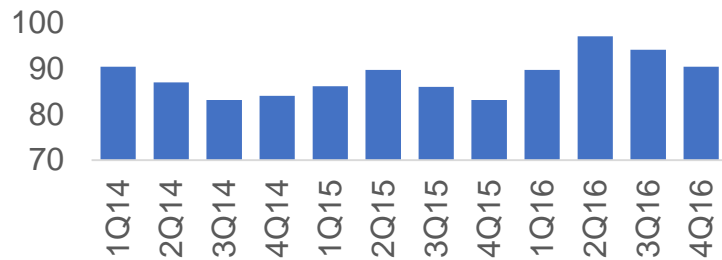
4QFY16 FINANCIAL REVIEW

Commendable topline growth in line with inroads in regional sales... Group to mitigate cost pressures through optimizing internal processes

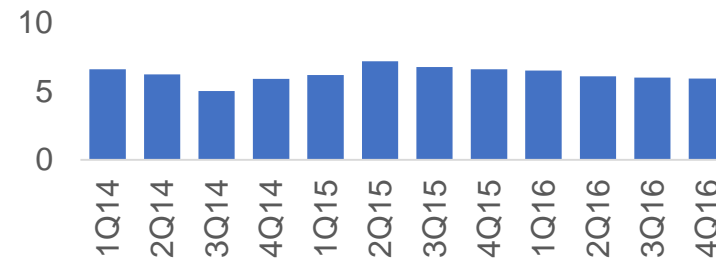
RM'mil	4Q16 to 31.12.16	3Q16 to 30.09.16	% chg qoq	FY16 to 31.12.16	FY15 to 31.12.15	% chg yoy	
Revenue	90.36	94.07	(3.9%)	371.16	344.95	7.6%	➤ Revenue increased on higher sales to regional and domestic markets
EBITDA	10.92	11.13	(1.9%)	45.27	48.58	(6.8%)	
Operating Profit	7.70	7.98	(3.5%)	32.61	36.56	(10.8%)	➤ Operating profit lower on revised wage policy, repair and maintenance expenses, and higher freight costs
Share of Associate Results	0.24	(0.04)	n/m	0.09	1.54	(94.1%)	
Pre-tax Profit	7.27	7.18	1.2%	29.95	35.73	(16.2%)	
Net Profit to Shareholders	5.93	6.00	(1.2%)	24.52	26.72	(8.2%)	➤ PBT dipped due to higher operating costs and lower contribution from associate
Basic EPS (sen)*	2.18	2.21	(1.4%)	9.00	9.80	(8.2%)	➤ Net profit level benefitted from reinvestment allowances for new machinery
EBITDA margin	12.1%	11.8%	0.3 pt	12.2%	14.1%	(1.9 pt)	
PBT margin	8.0%	7.6%	0.4 pt	8.1%	10.4%	(2.3 pt)	
Net margin	6.6%	6.4%	0.2 pt	6.6%	7.7%	(1.1 pt)	

*based on 273.2 million shares after 1-to-2 share split and 1-for-5 bonus issue effective 22 Feb 2016

Quarterly Revenue



Quarterly PAT



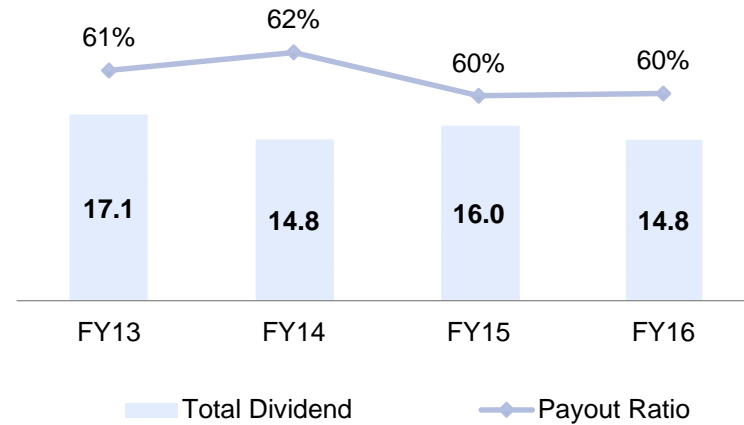
Healthy balance sheet with manageable gearing...

	As at 31.12.2016 (Unaudited)	As at 31.12.2015 (Audited)	Remarks
Fixed Assets (excl associate investment & deferred tax)	141.22	133.67	
Associate Investment	20.25	22.19	
Current Assets	148.11	139.15	Due to higher inventories in line with enlarged orders
Current Liabilities	93.74	89.89	In line with higher working capital requirements
Shareholders' Equity	189.17	181.47	
Total Borrowings	53.99	43.92	In line with higher working capital requirements
Cash & Bank Balances	15.83	18.99	
Net Gearing	0.20 x	0.14 x	In line with higher working capital requirements
Return on Average Shareholders' Equity*	13.2%	15.3%	
Return on Average Total Assets*	8.1%	9.1%	

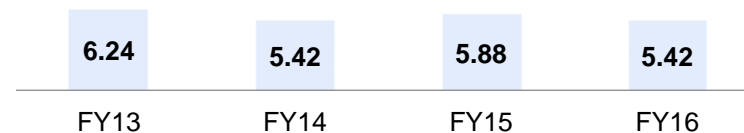
*based on net profit for the trailing twelve months

Fourth interim single-tier dividend of 1.32 sen per share payable on 10 April 2017 (Ex-date on 15 March 2017)...

Dividend Payout RM'm



Dividend Per Share sen



Payment History

	Dividend per share (sen)		Dividend Payout (RM 'm)	
	FY2015	FY2016	FY2015	FY2016
1 st Interim (single tier)	1.46	1.45	3.95	3.95
2 nd Interim (single tier)	1.66	1.33	4.54	3.62
3 rd interim (single tier)	1.46	1.32	3.98	3.59
4 th interim (single tier)	1.30	1.32	3.55	3.59
Total	5.88	5.42	16.02	14.75

Dividend policy to pay out at least 60% of net profit attributable to shareholders

INVESTMENT MERITS

Led by innovation and efficiency... a market leader in supplying top quality consumer flexible packaging to MNCs in the region

Price

RM2.35

Market Cap

RM642m

P/E (ttm)

26.2x

P/B

3.4x

EV/EBITDA (ttm)

15.0x

FY16 Div. Yield

2.3%

KEY MERITS

- MNCs make up **80%** of total revenue
(benefitting from steady and large orders, strong creditworthiness)
- Exports to SEA & ANZ exceed **50%** of revenue
- Supplier to **renowned** F&B and FMCG brands
(supporting highly-resilient sectors)
- **Industry-leading** R&D and product innovation
- **Highly-experienced** management team

Contact Information

Investor Relations

Low Jin Wei, *Executive Director*
Daibochi Plastic and Packaging Industry Berhad
+606-231 9779
jinwei@daibochiplastic.com

Julia Pong, *Manager*
Aquilas Advisory (M) Sdn Bhd
+6012-390 9258
julia@aquilas.com.my

Corporate Profile

DAIBOCHI PLASTIC & PACKAGING INDUSTRY BERHAD

Exchange	Main Market, Bursa Malaysia since 1990 (transferred from Second Board in 2003)
Sector	Industrial Products
Codes	Bursa: 8125 / DAIBOCI Bloomberg: DPP:MK Reuters: DPPM.KL
Share Capital	RM136.6 mil (273.2 mil shares of RM0.50 each)
Market Capitalization	RM642.1 mil (RM2.35 as at 24 February 2017)

Commendable track record in serving a wide number of MNC clientele in the F&B industry with stringent quality control...

- The **Largest Supplier** of Milo packing in Southeast Asia
- The **Sole Supplier** to Nestle Chembong confectionery in Malaysia
 - Daibochi is the only Southeast Asian company on Nestle's Regional Food Safety Committee
- **Major Supplier** of Mondelez biscuits, snacks, and chocolate packaging in Malaysia
- **Major Supplier** of flexible packaging to Pepsico Thailand for potato chips products

Internationally-certified production facilities that comply with all factory audits by MNC clientele... strength in innovation

- Accredited and world-class production facilities
 - Attained ISO:9001 and ISO:14001 certifications
 - Obtained Food Safety System Certification (FSSC:22000) in May 2014
- Well-equipped laboratory testing facilities
 - To ensure our products consistently exceed customers' packaging barrier, retention and migration requirements
 - Recent breakthrough in producing 2-layer film to potentially replace conventional 4-layer film



Integrated end-to-end packaging process... equipped with specialized in-house capabilities

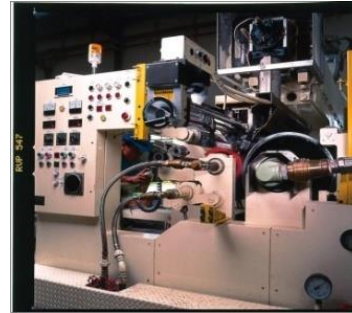
The only player with in-house cylinder-making, and one of the few with metallizing and sealing films capabilities for quality assurance and constant improvement at key stages



In-house capabilities



Up to 9-colour 2-sided printing



Solvent-based/free



Capabilities incl Standing Pouch



CPP Film



Polypropylene sealing films

Metallizer



To build high barriers

Leading flexible packaging solutions provider, with enviable reputation exceeding 40 years...

- 2016** – Expanded Daibochi Plastic Plant 2 to 140,000 sq ft from 80,000 sq ft previously; commenced operations of new blown film machine
Signed MOA with Myanmar Smart Pack Industrial Company Limited (MSP) to set up joint venture company in Myanmar
Winner of the Top Overall Corporate-Governance Award 2016 in Mid-Cap Category by Minority Shareholder Watchdog Group
- 2015** – Acquired high-speed extrusion lamination machine, high-speed printing machine;
Winner of the Top Overall Corporate-Governance Award 2015 in Mid-Cap Category by Minority Shareholder Watchdog Group
- 2014** – Commenced operations of 2nd manufacturing plant (Daibochi Plastic Plant 2) in Jasin, Melaka; acquired 2nd metallizer and 1st high speed CPP machine
Supplier to leading homegrown instant beverage producer; Obtained Food Safety System Certification (FSSC:22000);
Winner of the Top Overall Corporate-Governance Award 2014 in Mid-Cap Category by Minority Shareholder Watchdog Group
- 2013** – Supplier to PepsiCo Thailand (Chiang Mai plant);
Winner of the Top Overall Corporate-Governance Award 2013 in Mid-Cap Category by Minority Shareholders Watchdog Group
- 2012** – Set up Cleanroom for bagging process
- 2011** – Acquired high-speed printing machine; Acquired metallizer to produce ultra high barrier films; Accredited with ISO:14001
- 2010** – Obtained Letter of Validation from USA for electronic packaging
- 2008** – Acquired wide web polypropylene film making machine
- 2007** - Received Gold Award for the Colorpak Packaging Export Award at Australian Packaging Awards
- 2004** – Acquired M'sia's 1st 5-layer-blown film machine to produce transparent barrier films
- 2003** – Transfer to Main Board (now Main Market); Accredited with HACCP
- 2002** – Acquired metallizer with Plasma Tech to produce high-barrier films; **Regional Supplier to Nestle in SEA**
- 1999** – Supplier to Nestle M'sia
- 1990** – Acquired metallizer to produce in-house metalized films; Listed on 2nd Board of KLSE (Bursa M'sia)
- 1987** – Acquired polypropylene film-making machine to produce in-house films
- 1984** – Started in-house printing cylinder making
- 1972** – Established in Melaka with 10,000 sq ft plant; Moved to larger premises with 165,527 sq ft



PRODUCTION FACILITIES (CONT'D)

Wide range of packaging solutions for various product functions... constantly innovating for changing requirements

Film Type	Applications / Use
High Permeability Barrier / Performance	Coffee, Nuts, Potato Chips
Cost Effective Barrier	Snacks, Biscuits, Wafer, Chocolate, Cakes
General Packaging	Outer Pack, Noodles, Biscuits, Wafers
Specialty Application	Labelling, Retort Packaging, Ice-cream, Frozen Food, Cereal Peel Seal, Seasoning Oil, Powder/Liquid Detergent, Shower Foam, Tobacco, Pet food

Experienced management with industry expertise...

Thomas Lim Soo Koon, Managing Director

- › Holds a degree in Bachelor of Science Industrial Engineering and Management from Oklahoma State University, & Master of Business Administration degree from Oklahoma State University.
- › Joined Daibochi in 1995, and was appointed as Managing Director in February 2005.
- › Played a key role in building Group's MNC clientele.

Datuk Wira Wong Soon Lim, Executive Director

- › An accountant by training and a member of the Malaysian Association of the Institute of Chartered Secretaries and Administrators.
- › Has an extensive experience and knowledge in the field of accounting, finance, consultancy, corporate finance, manufacturing and property development. Instrumental in listing of the Company.

Low Chan Tian, Executive Director

- › Holds a degree in Bachelor of Engineering from the University of Western Australia.
- › Has wide experience in manufacturing, property development, business and finance.

Low Jin Wei, Executive Director

- › Holds a degree in Bachelor of Commerce (Major in Finance & Marketing) from University of Sydney, NSW, Australia.
- › Prior to this, Mr. Low was the Managing Director / Project Director of GlassKote (Malaysia) Sdn Bhd from 2005 to September 2010.

Institutional investors holding approximately 30%...

	No. of shares ('mil) <small>(31.12.2016)</small>	Percentage *
Low Chan Tian, ED	28.2	10.4%
Apollo Asia Fund Ltd	25.6	9.4%
Lim Koy Peng	23.1	8.5%
Datuk Wira Wong Soon Lim, ED	15.9	5.9%
Halley Sicav – Halley Asian Prosperity	15.1	5.5%

Growth in flexible packaging to be led by the Asian region... penetration into new product categories to bring next wave

- Worldwide consumer flexible packaging market worth \$92 bil in 2015
 - Estimated to grow 4% p.a. to reach \$114 bil in 2020
 - Growth to be led by Asia Pacific & other emerging regions (e.g. South & Central America)

Source: Smithers' Pira – The Global Flexible Packaging Market – Trends and Forecasts

- Growth catalysts for Asia's flexible packaging market
 - Higher demand for cheaper and smaller pack sizes in line with affordability of general population (especially post economic slowdown)
 - Increase in working mothers / dual-income households leading to preference for convenience packaging
 - Development of multinational food retailers and manufacturers in the region; indicating the long-term growth potential in Asia

Source: The Asia Pacific Flexible Packaging Market to 2016 by PCI Consulting Films Ltd