



LEONG HUP INTERNATIONAL BERHAD

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**RESULTS PRESENTATION FOR  
1st QUARTER 2024 (1Q24)**

**31 MAY 2024**

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You are advised to refer to LHI’s quarterly financial report announcement and press release on Bursa Malaysia Securities Berhad dated 30 May 2024 as your official source of reference in respect of financial information released by LHI. Due to rounding, numbers presented throughout this presentation may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

**Note:** Unless otherwise stated, all figures stated herein are for the first (1st) quarter ended 31 March 2024, i.e. between 1 January 2024 and 31 March 2024 (“1Q24”) and the first (1st) quarter ended 31 March 2023, i.e. between 1 January 2023 and 31 March 2023 (“1Q23”), as extracted from LHI’s unaudited consolidated financial results for the financial period ended 31 March 2024, as announced by LHI on 30 May 2024.

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# Inflation Rate Stabilize

Extended period of elevated interest rates stabilised inflation

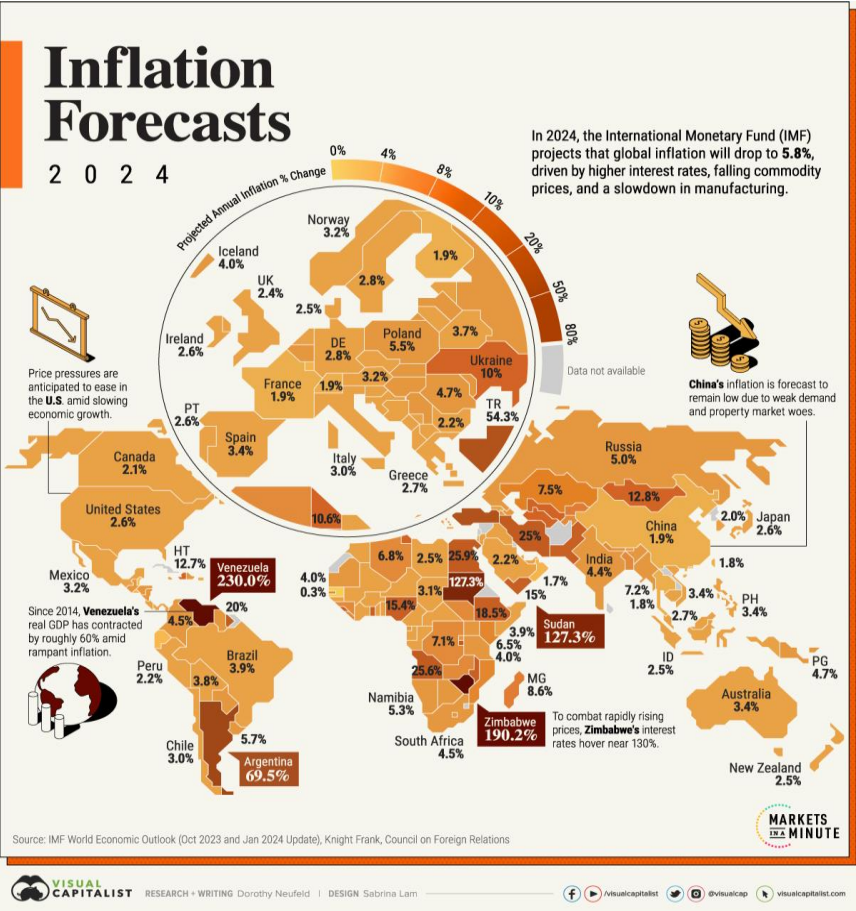


Table 1.2.3 Inflation in Developing Asia, %

Regional inflation will ease in 2024 and 2025.

	2022	2023e	2024f	2025f
Developing Asia	4.4	3.3	3.2	3.0
Developing Asia excluding the People's Republic of China	6.8	6.3	5.1	4.4
<b>Southeast Asia</b>	<b>5.3</b>	<b>4.1</b>	<b>3.2</b>	<b>3.0</b>
Brunei Darussalam	3.7	0.4	1.1	1.0
Cambodia	5.3	2.1	2.0	2.0
Indonesia	4.1	3.7	2.8	2.8
Lao People's Democratic Republic	23.0	31.2	20.0	7.0
Malaysia	3.4	2.5	2.6	2.6
Myanmar	27.2	22.0	15.5	10.2
Philippines	5.8	6.0	3.8	3.4
Singapore	6.1	4.8	3.0	2.2
Thailand	6.1	1.2	1.0	1.5
Timor-Leste	7.0	8.4	3.5	2.9
Viet Nam	3.2	3.3	4.0	4.0

# GDP of Countries in Asia

Downward Revision for 2023 with Rebound Expected in 2024 & 2025

**Table 1.2.2 GDP Growth in Developing Asia, %**

*Growth remains healthy in 2024 and 2025.*

	2022	2023e	2024f	2025f
<b>Developing Asia</b>	<b>4.3</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>
<b>Developing Asia excluding the People's Republic of China</b>	<b>5.5</b>	<b>4.8</b>	<b>5.0</b>	<b>5.3</b>
<b>Southeast Asia</b>	<b>5.7</b>	<b>4.1</b>	<b>4.6</b>	<b>4.7</b>
Brunei Darussalam	-1.6	1.4	3.7	2.8
Cambodia	5.2	5.0	5.8	6.0
Indonesia	5.3	5.0	5.0	5.0
Lao People's Democratic Republic	2.5	3.7	4.0	4.0
Malaysia	8.7	3.7	4.5	4.6
Myanmar	2.4	0.8	1.2	2.2
Philippines	7.6	5.6	6.0	6.2
Singapore	3.8	1.1	2.4	2.6
Thailand	2.5	1.9	2.6	3.0
Timor-Leste	4.0	1.9	3.4	4.1
Viet Nam	8.0	5.0	6.0	6.2

# Price of Commodities

Corn, Soybean Prices Stay Above Pre-Pandemic Levels But Stable

## Corn

1M 6M YTD 1Y 5Y MAX



## Soybean Meal

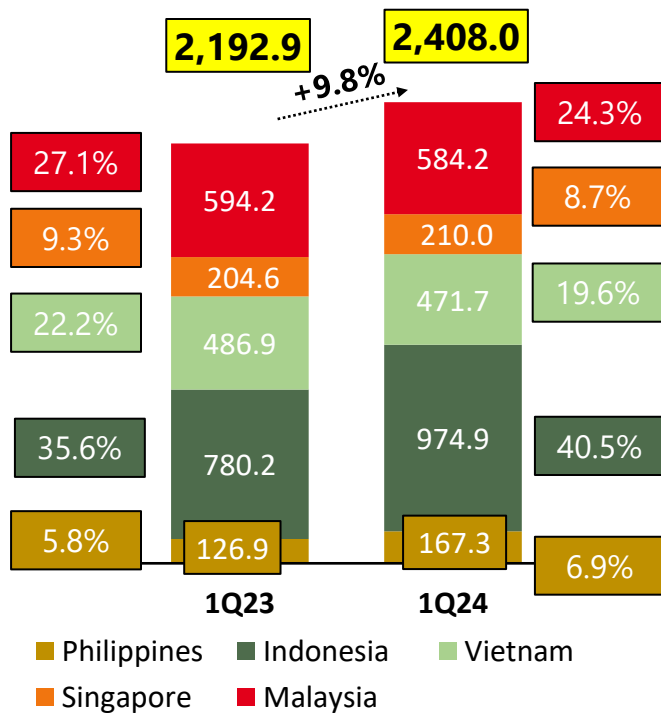
1M 6M YTD 1Y 5Y MAX



# Financial Highlights: Revenue

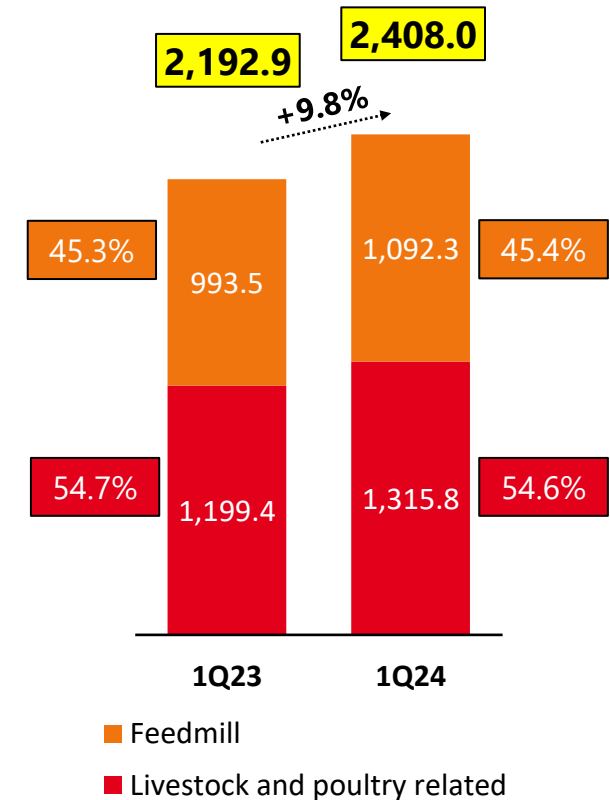
• Stable revenue growth on the back of expansion in both Livestock and Feedmill segments

Revenue<sup>(1)</sup> by Country  
(RM million)



Revenue <sup>(1)</sup> by Country	1Q23 (RM million)	1Q24 (RM million)	Variance
Malaysia	594.2	584.2	-1.7%
Singapore	204.6	210.0	2.6%
Vietnam	486.9	471.7	-3.1%
Indonesia	780.2	974.9	25.0%
Philippines	126.9	167.3	31.8%
<b>LHI Group</b>	<b>2,192.9</b>	<b>2,408.0</b>	<b>9.8%</b>

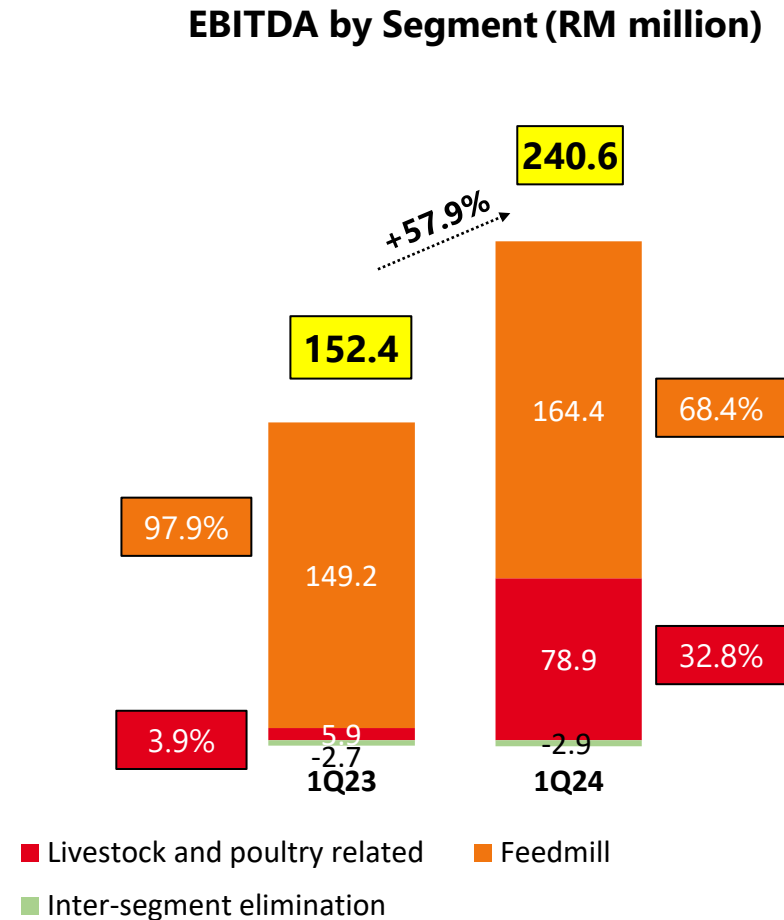
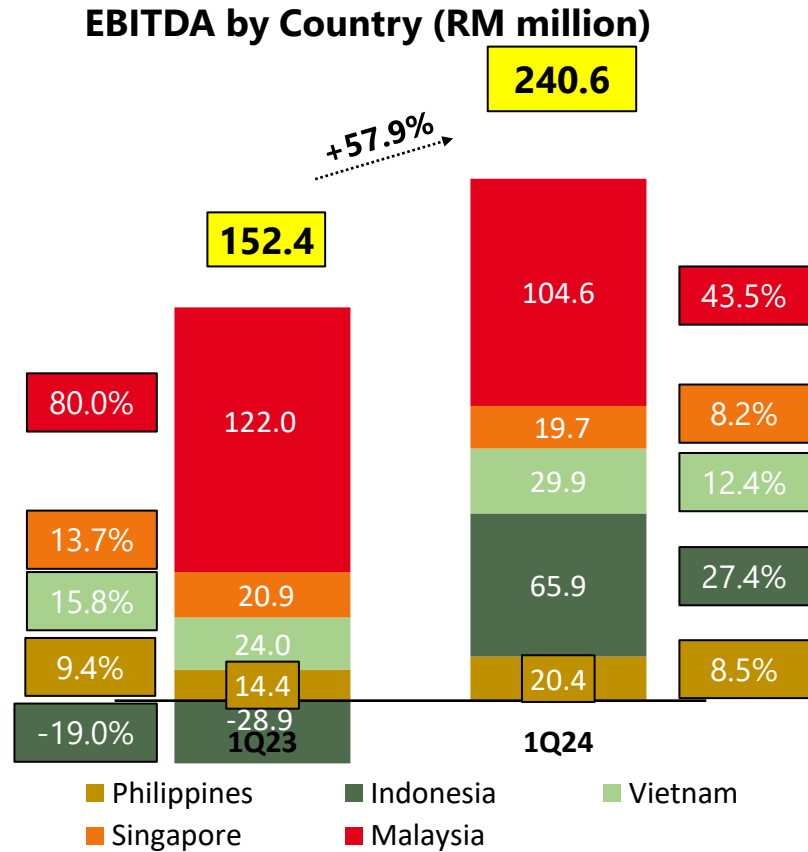
Revenue<sup>(1)</sup> by Segment  
(RM million)



Notes:  
(1) Excluding revenue from other sources.

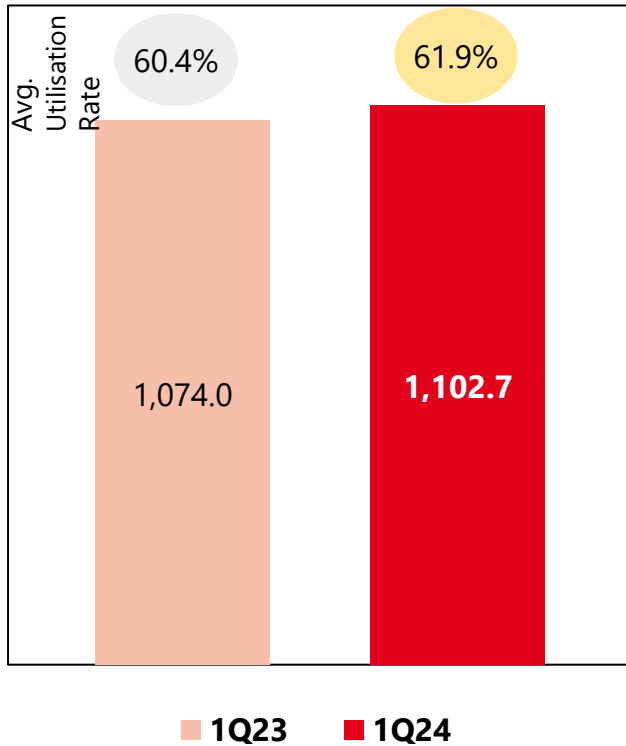
# Financial Highlights: EBITDA

- Increment on EBITDA mainly contributed by Indonesia

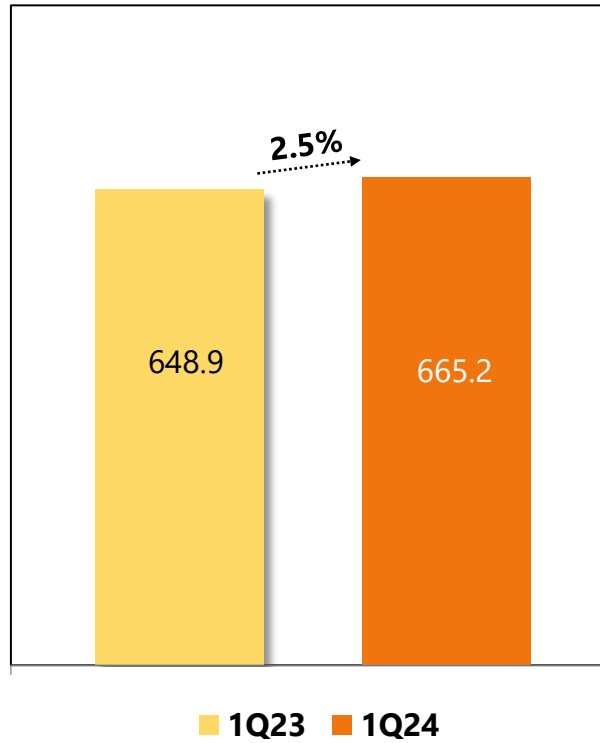


# Operating Highlights: Feedmill

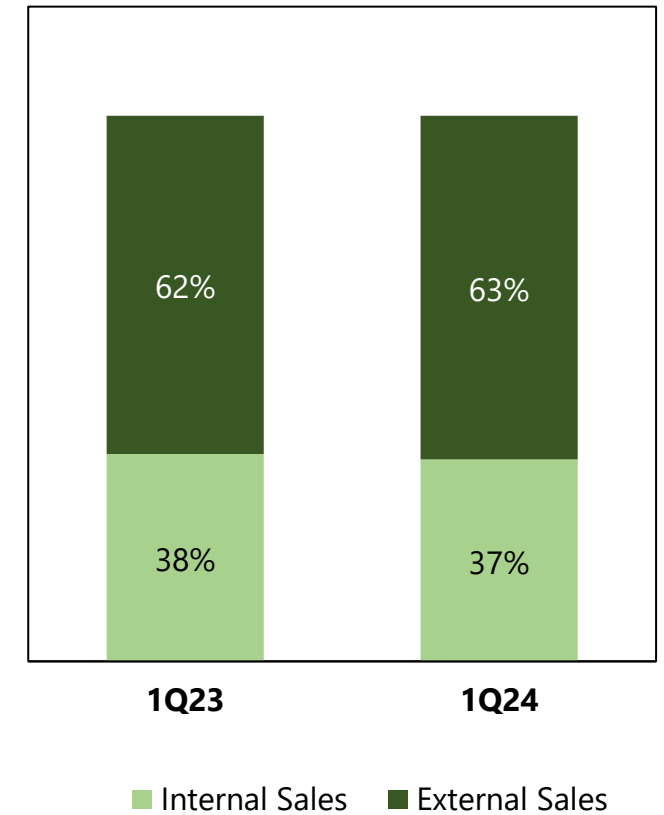
## Group Production Capacity (‘000 MT)



## Group Feed Sales Volume<sup>(1)</sup> (‘000 MT)



## Sales Split



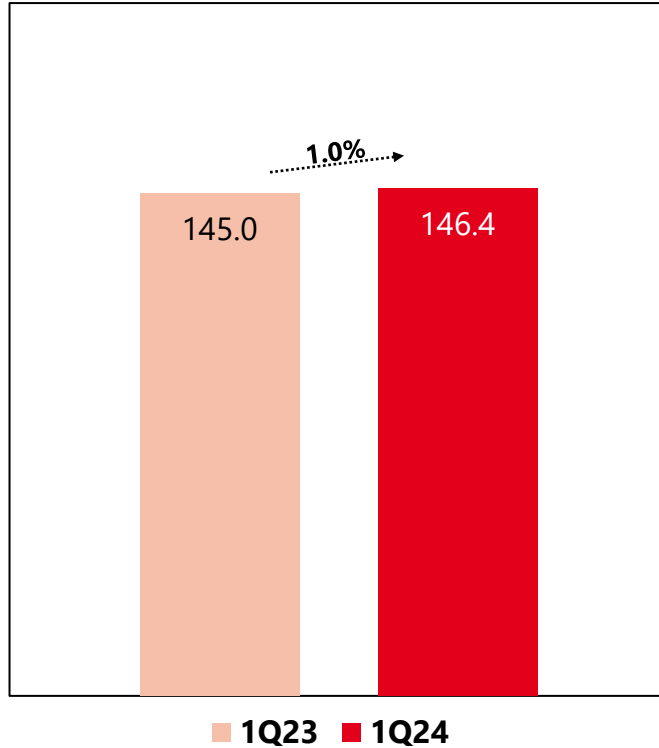
Note:

(1) Feed sales volume include both internal and external sales.

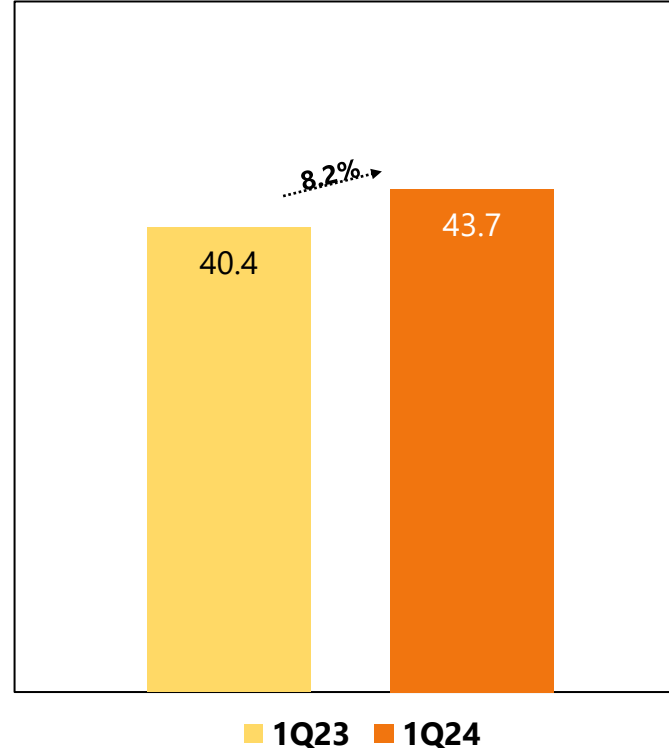


# Operating Highlights: Livestock

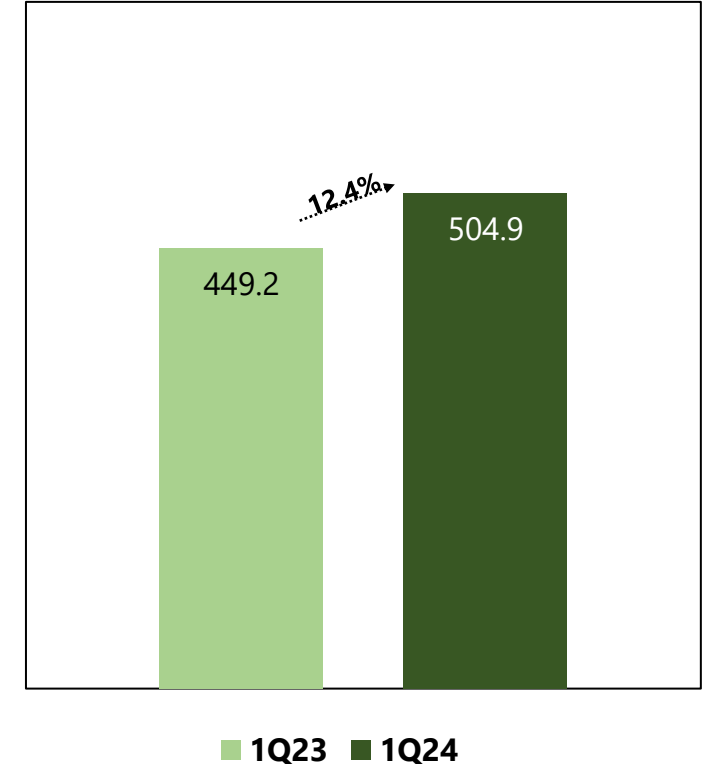
**Group Broiler DOC  
Volume Supplied<sup>(1)</sup>  
(million chicks)**



**Group Broiler Chicken  
Volume Supplied<sup>(1)</sup>  
(million birds)**



**Group Egg  
Sales Volume<sup>(2)</sup>  
(million eggs)**

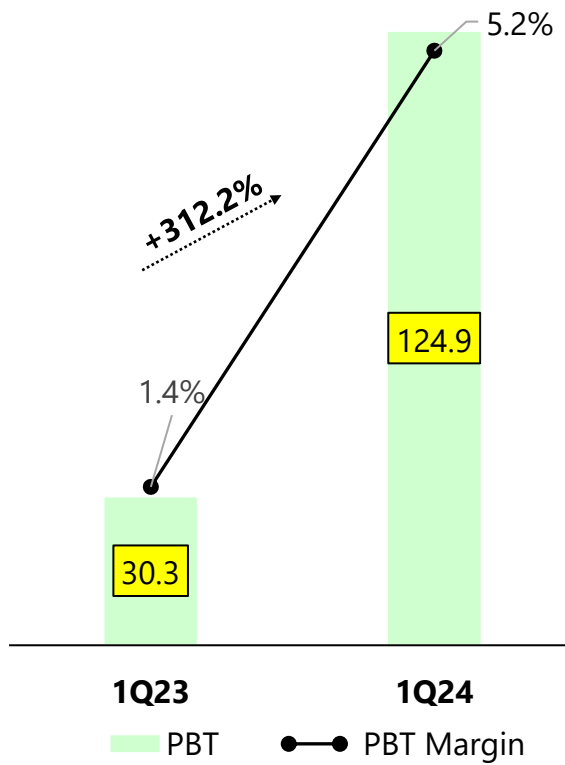


*Notes:*

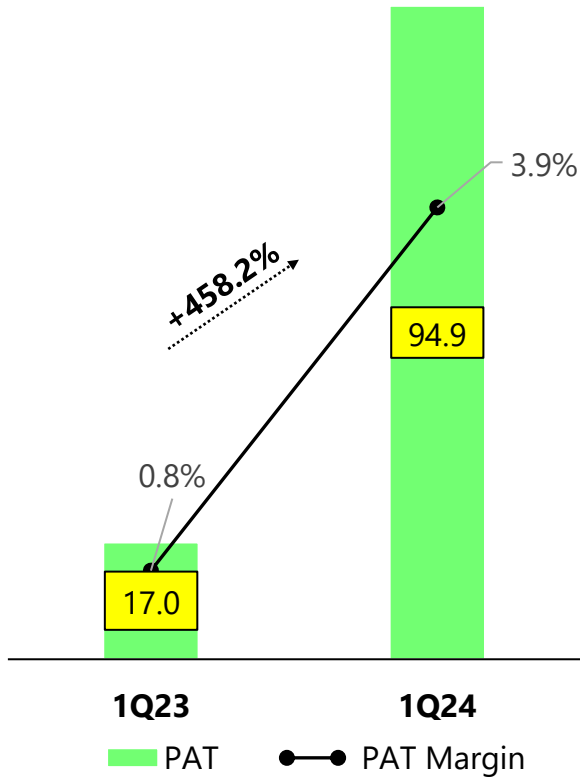
- (1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.*
- (2) All eggs are sold to third parties.*

# Financial Highlights: Earnings

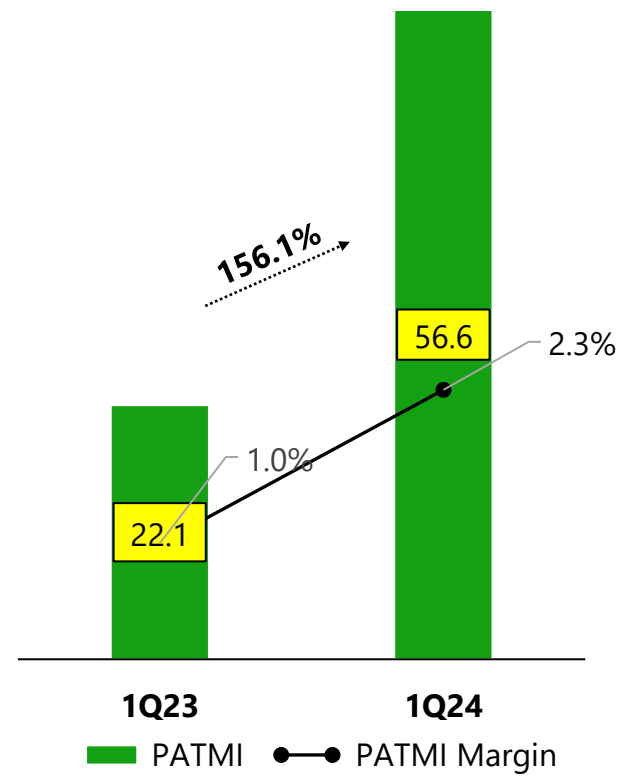
### Profit Before Tax (RM million)



### Profit After Tax (RM million)

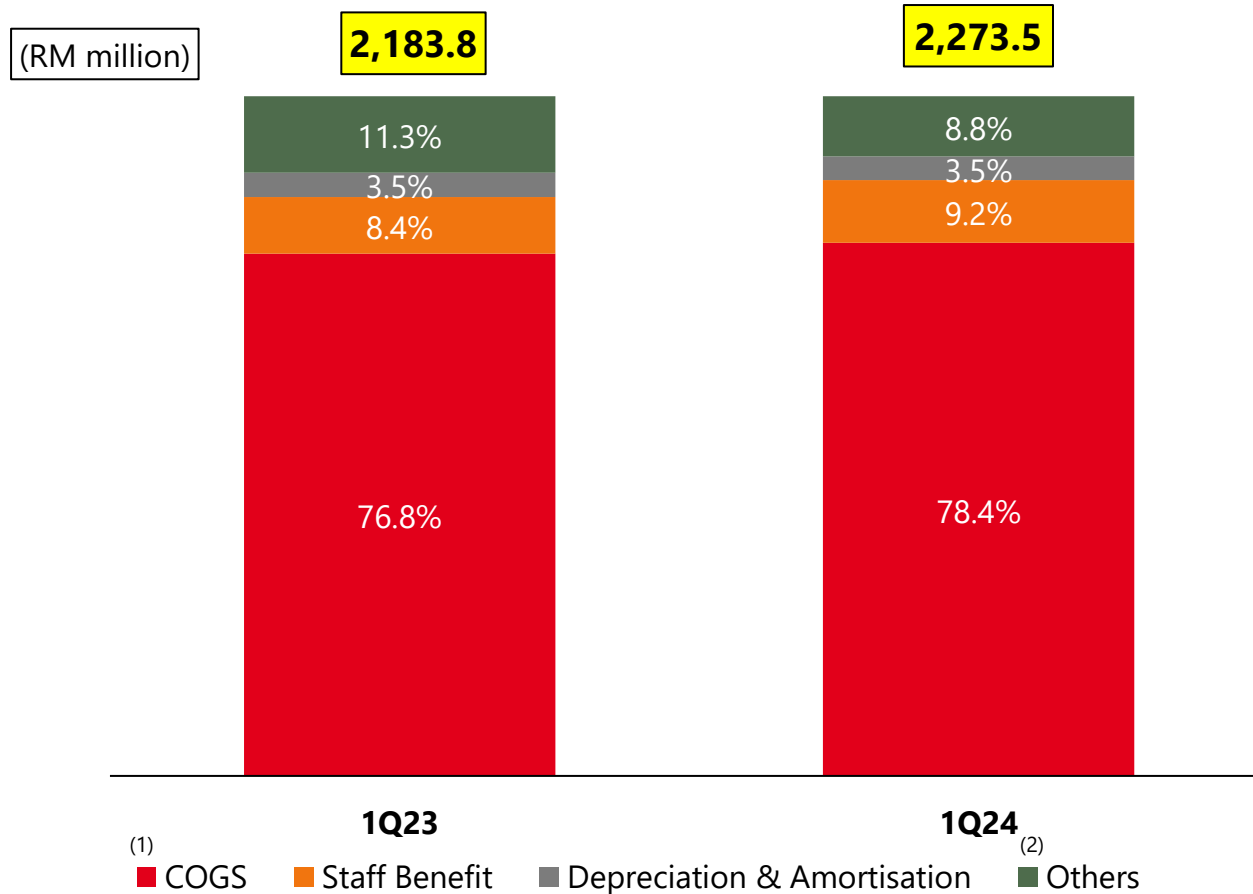


### Profit After Tax and Minority Interest (RM million)



# Operating Expenses

- Despite higher raw material costs, increased average selling prices improved margins.



Notes:

- (1) COGS refers to cost of goods sold which is inclusive of purchases and net changes of inventories and biological assets.
- (2) Others inclusive of below components:
- (a) Gain/(loss) on disposal of assets & liabilities
  - (b) Utilities costs
  - (c) Repair and maintenance
  - (d) Transportation expenses
  - (e) Other operating expenses
  - (f) Upkeep of motor vehicle
  - (g) Packaging material
  - (h) Foreign worker levy

# Income Statement: Summary

<i>Financial Quarter Ended</i>	<i>1Q23 (RM million)</i>	<i>1Q24 (RM million)</i>	<i>Variance</i>
Revenue <sup>(1)</sup>	2,192.9	2,408.0	9.8%
EBITDA	152.4	240.6	57.9%
Depreciation and amortisation	77.4	79.5	2.7%
Finance cost	44.7	36.2	-19.0%
Profit before tax	30.3	124.9	312.2%
Profit after tax and minority interest	22.1	56.6	156.1%
Earnings per share (sen)	0.61	1.55	154.1%
EBITDA margin (%)	6.9	10.0	44.9%

Notes:

(1) Excluding revenue from other sources.

# Balance Sheet: Summary

	<i>As at 31 March 2023 (RM million)</i>	<i>As at 31 March 2024 (RM million)</i>
<b>Assets</b>		
Non-current assets	3,448.7	3,425.3
Biological assets and inventories	1,431.0	1,557.8
Trade receivables	662.5	727.7
Other receivables	198.7	230.9
Cash and bank balances	819.5	646.8
<b>Total Assets</b>	<b>6,560.4</b>	<b>6,588.5</b>
<b>Equity and Liabilities</b>		
Total equity	2,643.8	3,052.8
Trade payables	315.4	408.2
Other payables and liabilities	582.3	680.5
Short term borrowings <sup>(1)</sup>	2,004.5	1,653.7
Long term borrowings <sup>(1)</sup>	1,014.4	793.3
<b>Total Equity and Liabilities</b>	<b>6,560.4</b>	<b>6,588.5</b>

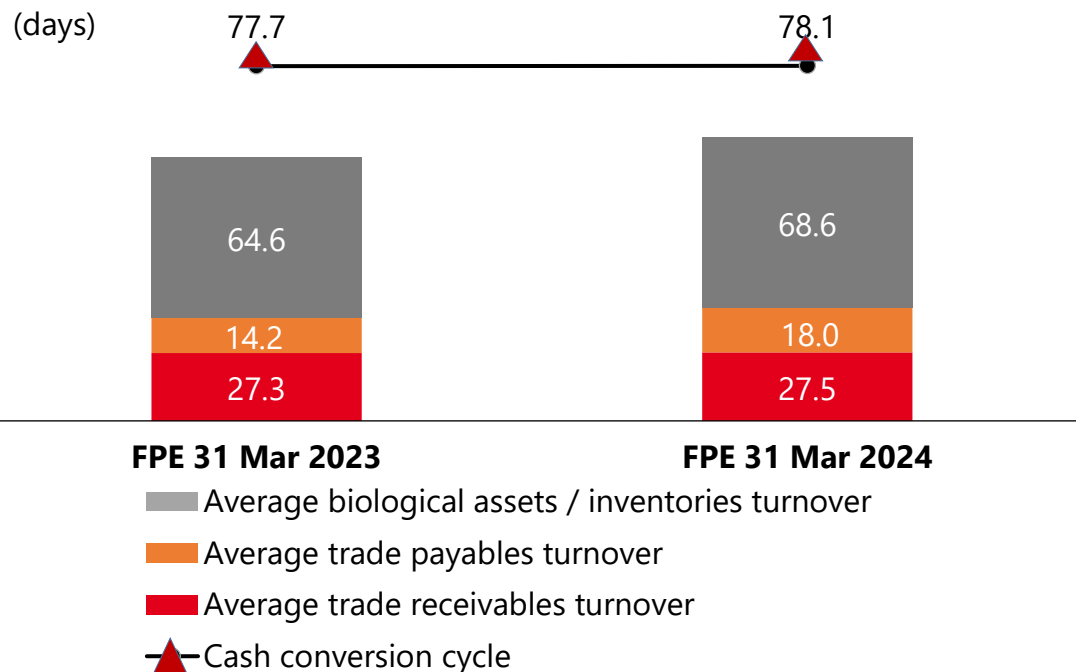
Note:

(1) Excluding lease liabilities for MFRS 16.

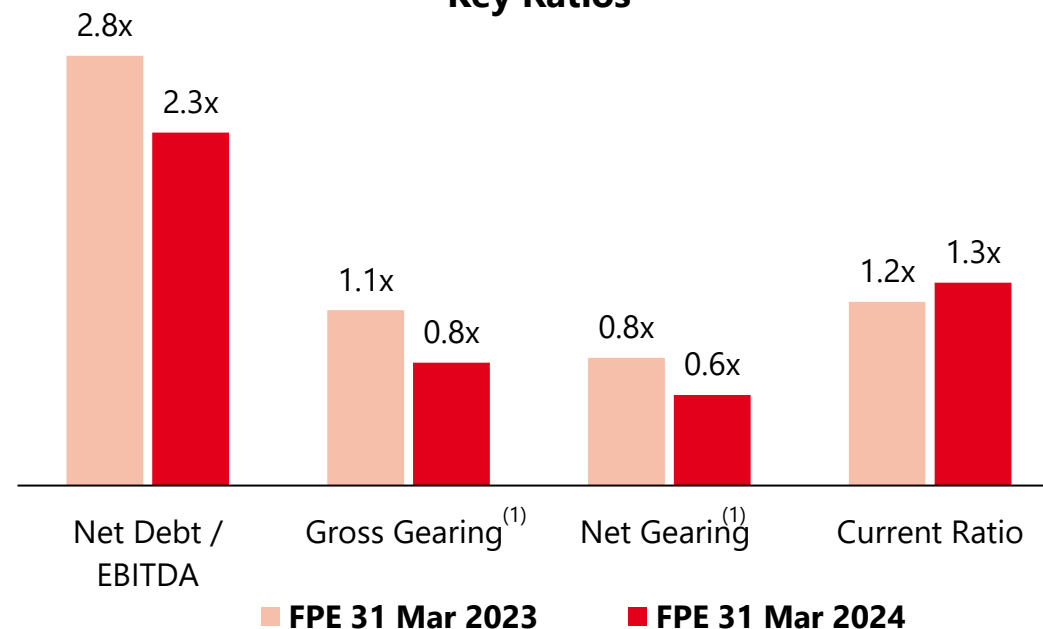
# Working Capital Management

- Debt level improved and maintain at healthy level
- Cashflow management remained stable with improved current ratio

## Cash Conversion Cycle



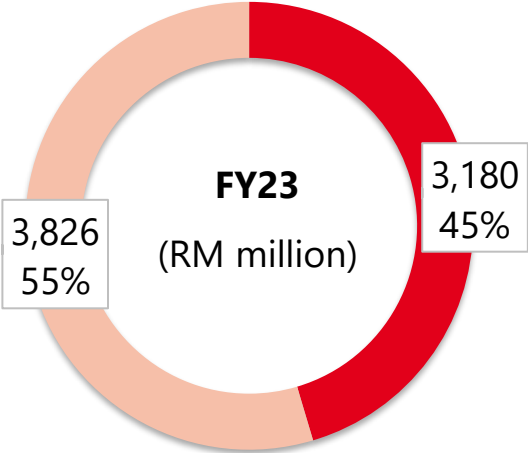
## Key Ratios



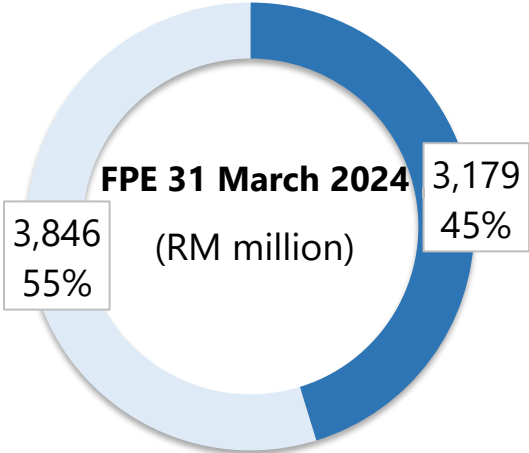
Note:

(1) Computed based on group borrowings excluding the effect of MFRS 16 on lease liabilities.

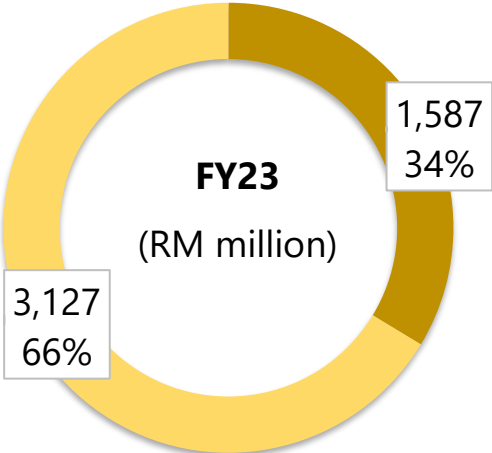
# Snapshot of Liquidity Position



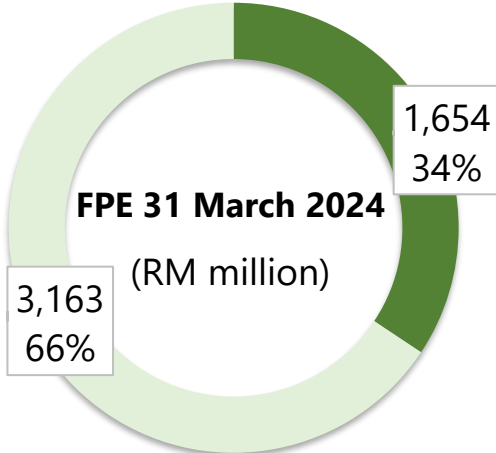
■ Fixed Asset<sup>(1)</sup> ■ Equity + LT Borrowings



■ Fixed Asset<sup>(1)</sup> ■ Equity + LT Borrowings



■ Short Term Borrowings ■ Current Asset



■ Short Term Borrowings ■ Current Asset

Notes:  
(1) Fixed assets inclusive of investment properties and right-of-used assets.

# Capex Updates

<i>Location</i>	<i>Segment</i>	<i>Project</i>	<i>Commencement date</i>	<i>Targeted completion date</i>	<i>Total investment</i>
Indonesia	Livestock	Waste water treatment plant, West Java	1Q2022	TBC	RM 1.8 million
Indonesia	F&B	Sunny/chick Store	2Q2021	On-going	
Malaysia	Livestock	Slaughtering Plant at Yong Peng, Malaysia	3Q2023	3Q 2025	RM 18.0 million
Malaysia	Livestock	Solar system, Teo Seng	4Q2022	Commissioned in 1Q 2024	RM 8.0 million
Philippines	Feedmill	Tarlac Feedmill New Raw Material Warehouse	1Q2024	3Q 2024	RM 12.8 million
Philippines	F&B	LH Deli		On-going	



# Capex Updates: Indonesia

## **Waste Water Treatment Plant Serang Layer, West Java**

- *Estimated investment RM1.8 million*
- *Commencement in 1Q2022*
- *Target completion date TBC*
- *Currently completed 80% of the construction work.*



# Capex Updates: Indonesia

Sunny'chick remain focus on production development and operation

Sunny'chick in Indonesia

- As at 31 March 2024 we have 26 outlets & 1 food truck



GRAND OPENING  
NEW STORES

Store  
Cikande plant



Store  
SMK MM2100



# Capex Updates: Malaysia

## ***Slaughtering plant at Yong Peng***

- *Investment: RM 18 million*
- *Capacity: 24,000 birds per day*
- *Commencement date 3Q 2023*
- *Target to complete by 3Q 2025*



# Capex Updates: Malaysia

## Solar Power Systems at 10 locations

- Investment cost RM8.0 million
- Installation start from 4Q 2022
- Completed in 1Q 2024



# Capex Updates: Philippines

## **Tarlac Feedmill New Raw Material Warehouse**

Investment cost: approx. RM12.8 million

- Installation start from 1Q 2024
- Estimate completion by 3Q 2024



Photo taken on Feb 2024



# Capex Updates: Philippines

LH Deli in Philippines

- As at 31 March 2024 we have 61 outlets



# Strategic Focus

## Outlook and strategies

- LHI remains committed in our geographical footprints, via volume expansion and deepening of poultry chain integration with emphasis on downstream expansion (i.e. further processing and B2C channels)
- “Farm-to-Plate” strategy as core pillar of growth, driven by excellence in execution and proven track record



### **FY24 Priorities**

1. To manage cost and efficiency.
2. To optimize capex and resource allocation.
3. To strengthen balance sheet.
4. To increase market share.
5. To move further downstream.



*Stay in touch with us*

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**THANK YOU**