



LEONG HUP INTERNATIONAL BERHAD

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**RESULTS PRESENTATION FOR
2nd QUARTER 2024 (2Q24)**

28 AUG 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 27 August 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 second (2nd) quarter ended 30 June 2024, i.e. between 1 April 2024 and 30 June 2024 (“2Q24”) and the second (2nd) quarter ended 30 June 2023, i.e. between 1 April 2023 and 30 June 2023 (“2Q23”), as extracted from LHI’s unaudited consolidated financial results for the financial period ended 30 June 2024, as announced by LHI on 27 August 2024.

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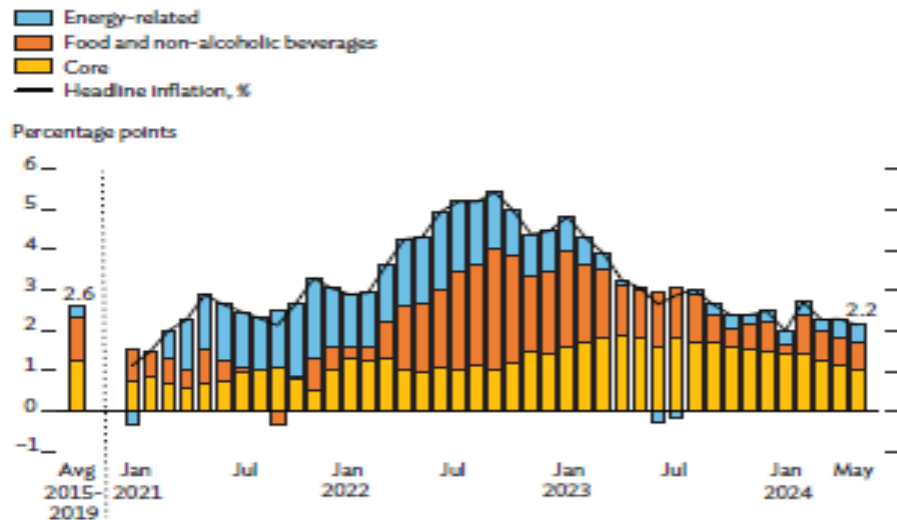
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Inflation Rate Stabilize

Inflation Rate declines across Developing Asia

Figure 2 Contributions to Inflation in Developing Asia by Food, Energy, and Core Price Basket

Inflation is trending downward across developing Asia.



Notes: Core inflation excludes volatile energy and fuel prices. The regional average is calculated using gross domestic product purchasing power parity shares as weights for 23 economies.

Sources: Asian Development Bank calculations using data from Haver Analytics and CEIC Data Company.

	Inflation				
	2023	2024		2025	
		April	July	April	July
Developing Asia	3.3	3.2	2.9	3.0	3.0
Developing Asia excluding the PRC	6.3	5.1	5.2	4.4	4.4
Caucasus and Central Asia	10.2	7.9	7.6	7.0	6.8
Kazakhstan	14.5	8.7	8.7	6.3	6.3
East Asia	0.6	1.3	0.8	1.6	1.6
People's Republic of China	0.2	1.1	0.5	1.5	1.5
Hong Kong, China	2.1	2.3	2.3	2.3	2.3
Republic of Korea	3.6	2.5	2.5	2.0	2.0
Taipei, China	2.5	2.3	2.3	2.0	2.0
South Asia	8.4	7.0	7.1	5.8	5.8
India	5.4	4.6	4.6	4.5	4.5
Southeast Asia	4.1	3.2	3.2	3.0	3.0
Indonesia	3.7	2.8	2.8	2.8	2.8
Malaysia	2.5	2.6	2.6	2.6	2.6
Philippines	6.0	3.8	3.8	3.4	3.4
Singapore	4.8	3.0	3.0	2.2	2.2
Thailand	1.2	1.0	0.7	1.5	1.3
Viet Nam	3.3	4.0	4.0	4.0	4.0
The Pacific	3.0	4.3	4.3	4.1	4.1

GDP = gross domestic product, PRC = People's Republic of China.

Note: **Developing Asia** refers to the 46 developing members of the Asian Development Bank. **Caucasus and Central Asia** comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. **East Asia** comprises the People's Republic of China; Hong Kong, China; the Republic of Korea; Mongolia; and Taipei, China.

South Asia comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. **Southeast Asia** comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam. **The Pacific** comprises the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.

Source: Asian Development Outlook database.

GDP of Countries in Asia

Growth forecasts for Southeast Asia remains at 4.6% for 2024, and 4.7% for 2025

Table 2 GDP Growth Rate and Inflation, %
Growth in developing Asia remains robust, inflation moderates.

	GDP Growth				
	2023	2024		2025	
		April	July	April	July
Developing Asia	5.1	4.9	5.0	4.9	4.9
Developing Asia excluding the PRC	5.1	5.0	5.1	5.3	5.3
Caucasus and Central Asia	5.3	4.3	4.5	5.0	5.1
Kazakhstan	5.1	3.8	3.8	5.3	5.3
East Asia	4.7	4.5	4.6	4.2	4.2
People's Republic of China	5.2	4.8	4.8	4.5	4.5
Hong Kong, China	3.2	2.8	2.8	3.0	3.0
Republic of Korea	1.4	2.2	2.5	2.3	2.3
Taipei, China	1.3	3.0	3.5	2.7	2.7
South Asia	6.9	6.3	6.3	6.6	6.5
India	8.2	7.0	7.0	7.2	7.2
Southeast Asia	4.1	4.6	4.6	4.7	4.7
Indonesia	5.0	5.0	5.0	5.0	5.0
Malaysia	3.7	4.5	4.5	4.6	4.6
Philippines	5.5	6.0	6.0	6.2	6.2
Singapore	1.1	2.4	2.4	2.6	2.6
Thailand	1.9	2.6	2.6	3.0	3.0
Viet Nam	5.1	6.0	6.0	6.2	6.2
The Pacific	3.5	3.3	3.3	4.0	4.0

GDP = gross domestic product, PRC = People's Republic China.
Note: **Developing Asia** refers to the 46 developing members of the Asian Development Bank. **Caucasus and Central Asia** comprises Armenia, Azerbaijan, Georgia, Kazakhstan, the Kyrgyz Republic, Tajikistan, Turkmenistan, and Uzbekistan. **East Asia** comprises the People's Republic of China; Hong Kong, China; the Republic of Korea; Mongolia; and Taipei, China. **South Asia** comprises Afghanistan, Bangladesh, Bhutan, India, Maldives, Nepal, Pakistan, and Sri Lanka. **Southeast Asia** comprises Brunei Darussalam, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, Timor-Leste, and Vietnam. **The Pacific** comprises the Cook Islands, Fiji, Kiribati, the Marshall Islands, the Federated States of Micronesia, Nauru, Niue, Palau, Papua New Guinea, Samoa, Solomon Islands, Tonga, Tuvalu, and Vanuatu.
Source: Asian Development Outlook database.

Price of Commodities

Corn prices return to pre-pandemic levels, but soybean meal prices remain moderately higher.

Corn



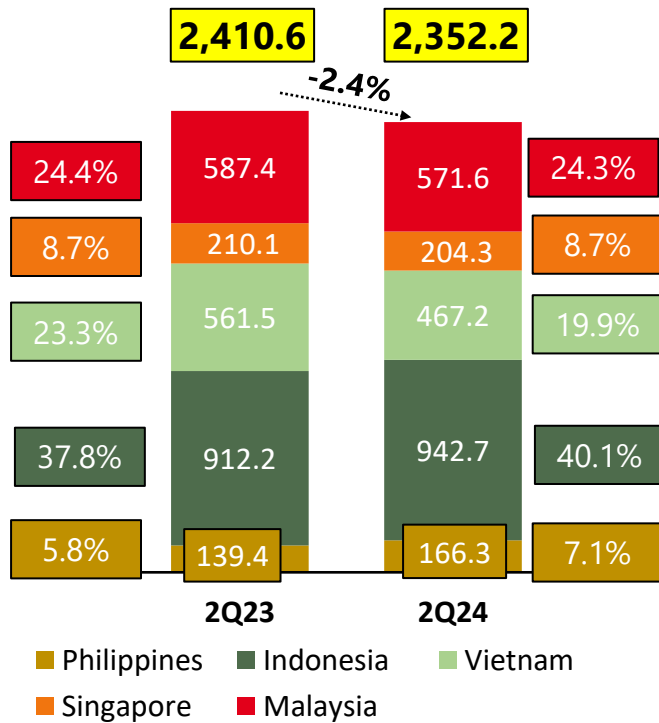
Soybean Meal



Financial Highlights: Revenue

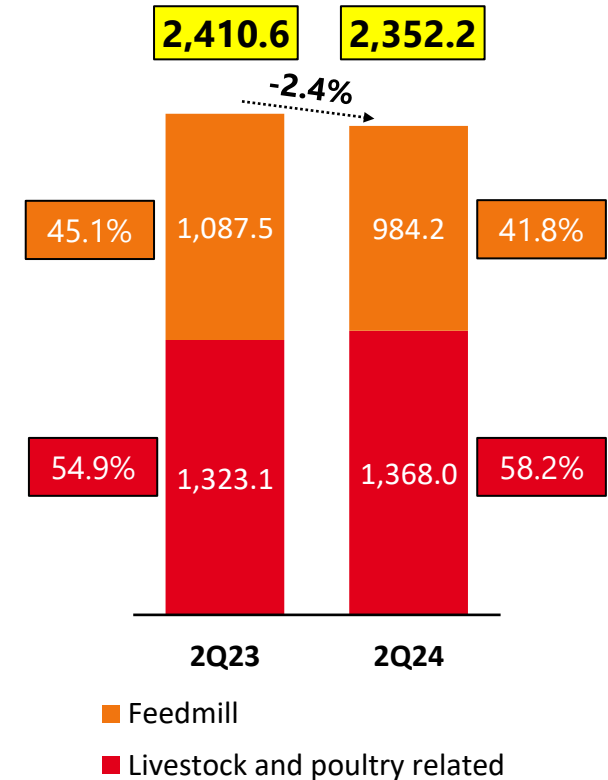
• Marginal decrease in revenue due to slight drop in contribution from feedmill segment.

Revenue⁽¹⁾ by Country
(RM million)



Revenue ⁽¹⁾ by Country	2Q23 (RM million)	2Q24 (RM million)	Variance
Malaysia	587.4	571.6	-2.7%
Singapore	210.1	204.3	-2.8%
Vietnam	561.5	467.2	-16.8%
Indonesia	912.2	942.7	3.3%
Philippines	139.4	166.3	19.3%
LHI Group	2,410.6	2,352.2	-2.4%

Revenue⁽¹⁾ by Segment
(RM million)

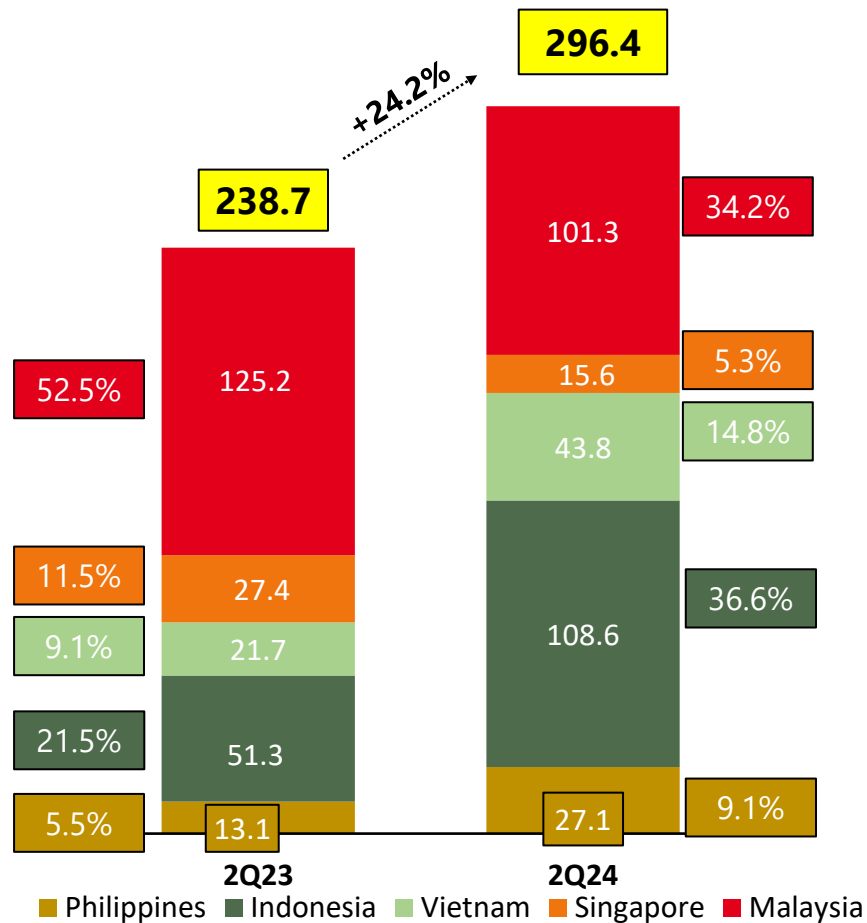


Notes:
(1) Excluding revenue from other sources.

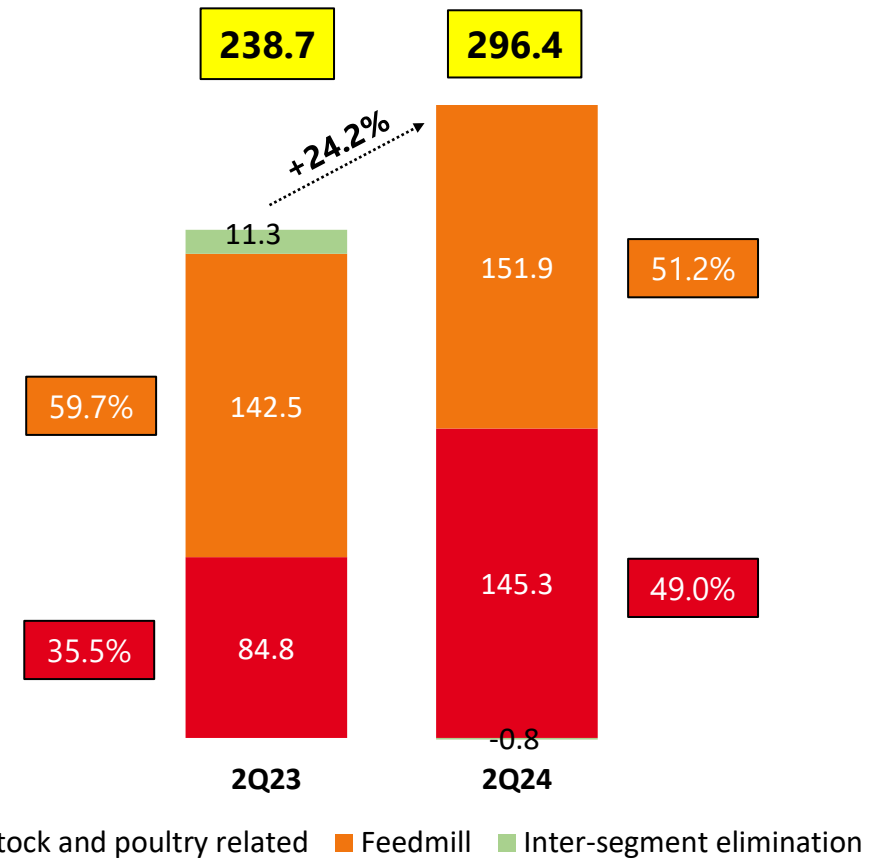
Financial Highlights: EBITDA

- EBITDA surge led by more than 100% growth in Indonesia, Vietnam and the Philippines.

EBITDA by Country (RM million)

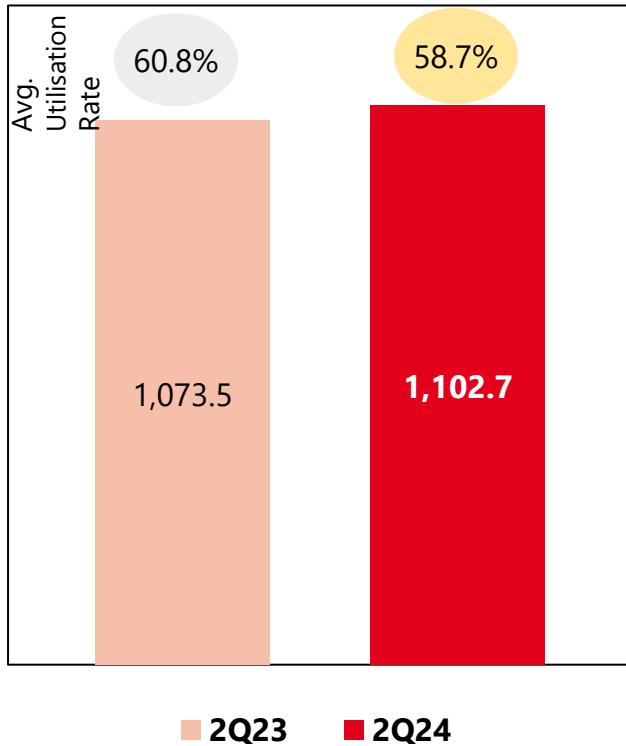


EBITDA by Segment (RM million)

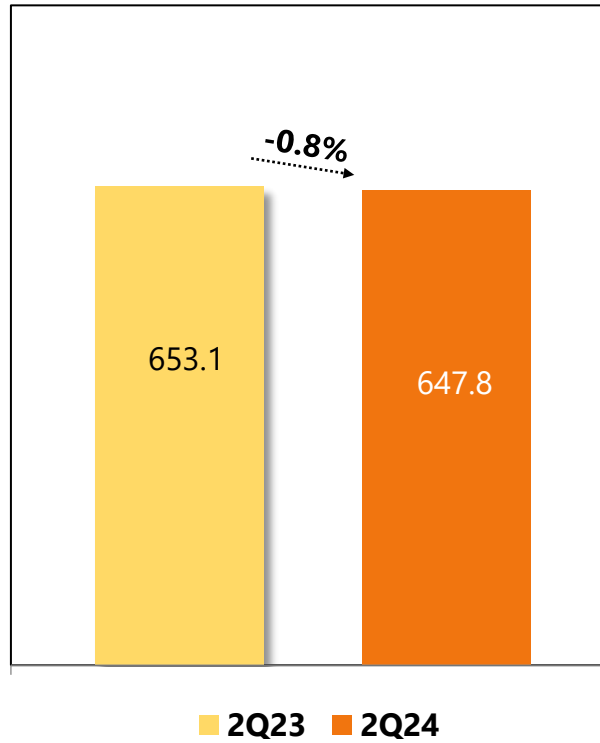


Operating Highlights: Feedmill

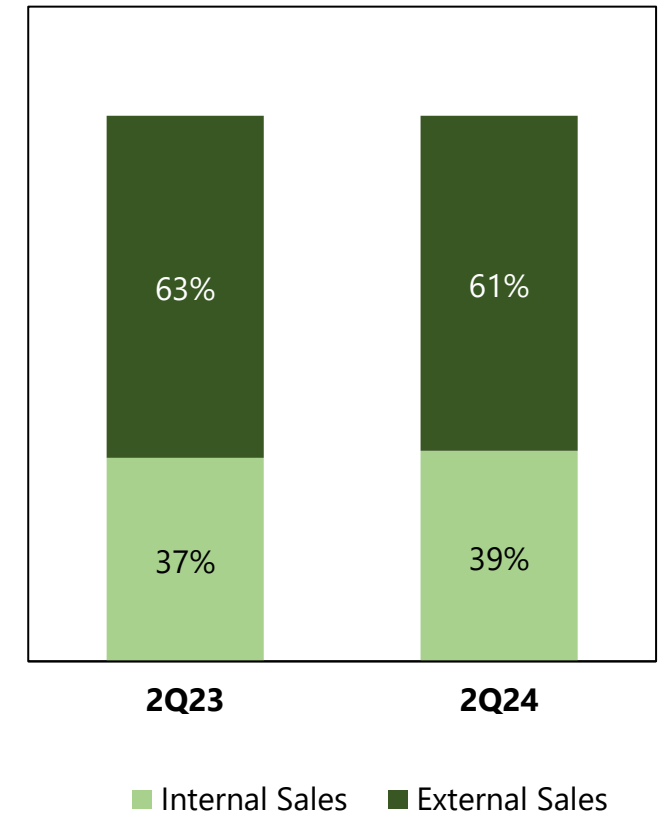
Group Production Capacity (‘000 MT)



Group Feed Sales Volume⁽¹⁾ (‘000 MT)



Sales Split

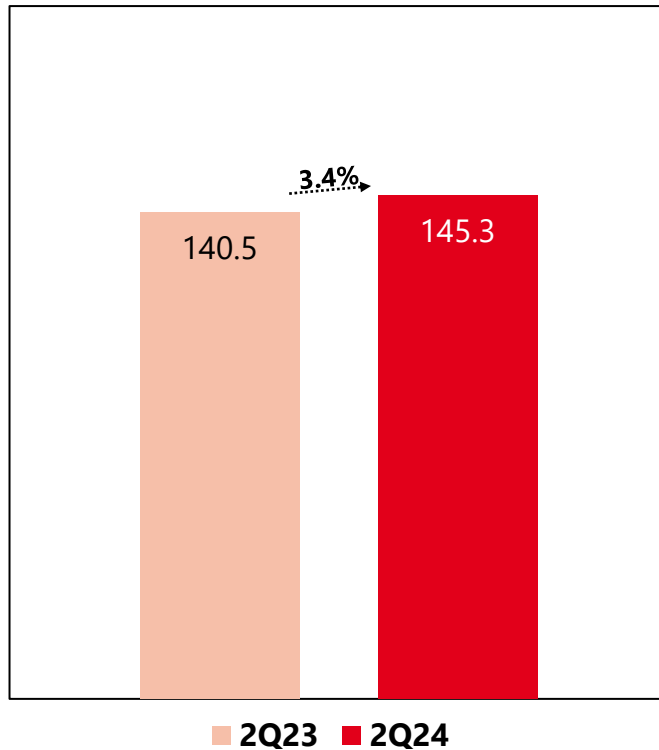


Note:

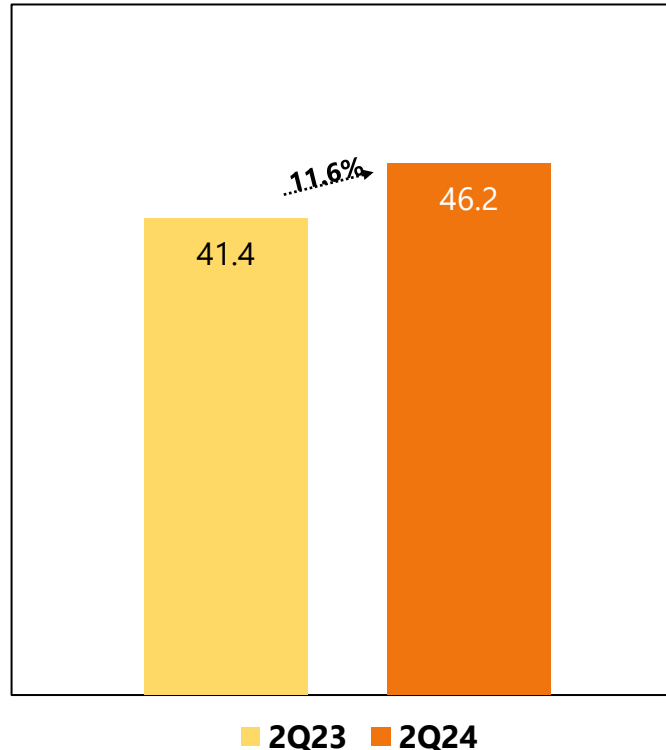
(1) Feed sales volume include both internal and external sales.

Operating Highlights: Livestock

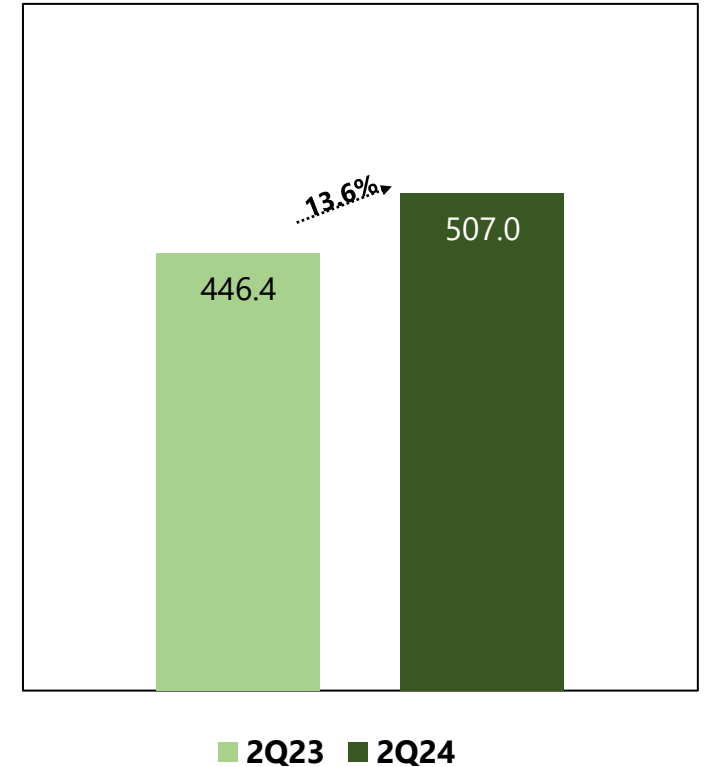
**Group Broiler DOC
Volume Supplied⁽¹⁾
(million chicks)**



**Group Broiler Chicken
Volume Supplied⁽¹⁾
(million birds)**



**Group Egg
Sales Volume⁽²⁾
(million eggs)**

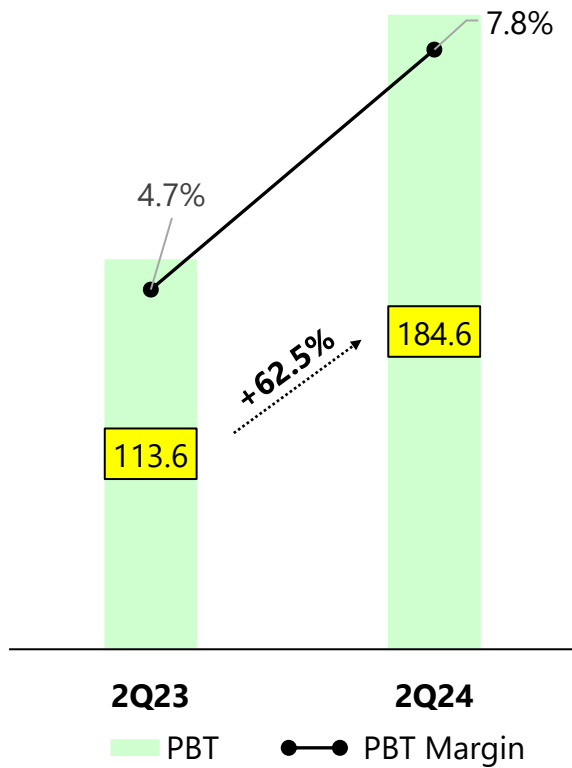


Notes:

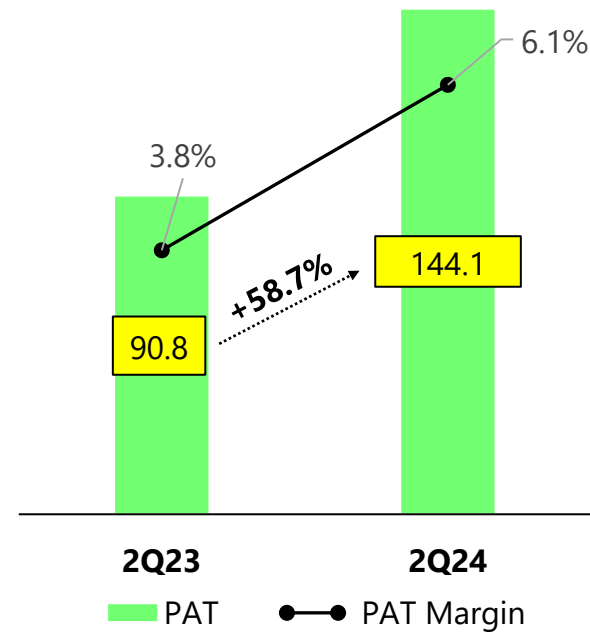
- (1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.*
- (2) All eggs are sold to third parties.*

Financial Highlights: Earnings

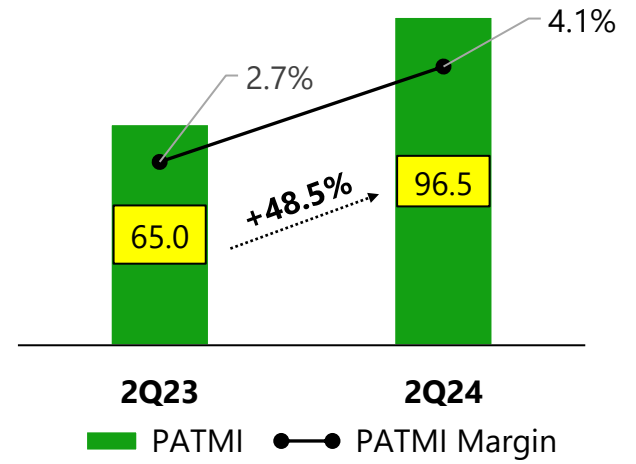
Profit Before Tax (RM million)



Profit After Tax (RM million)

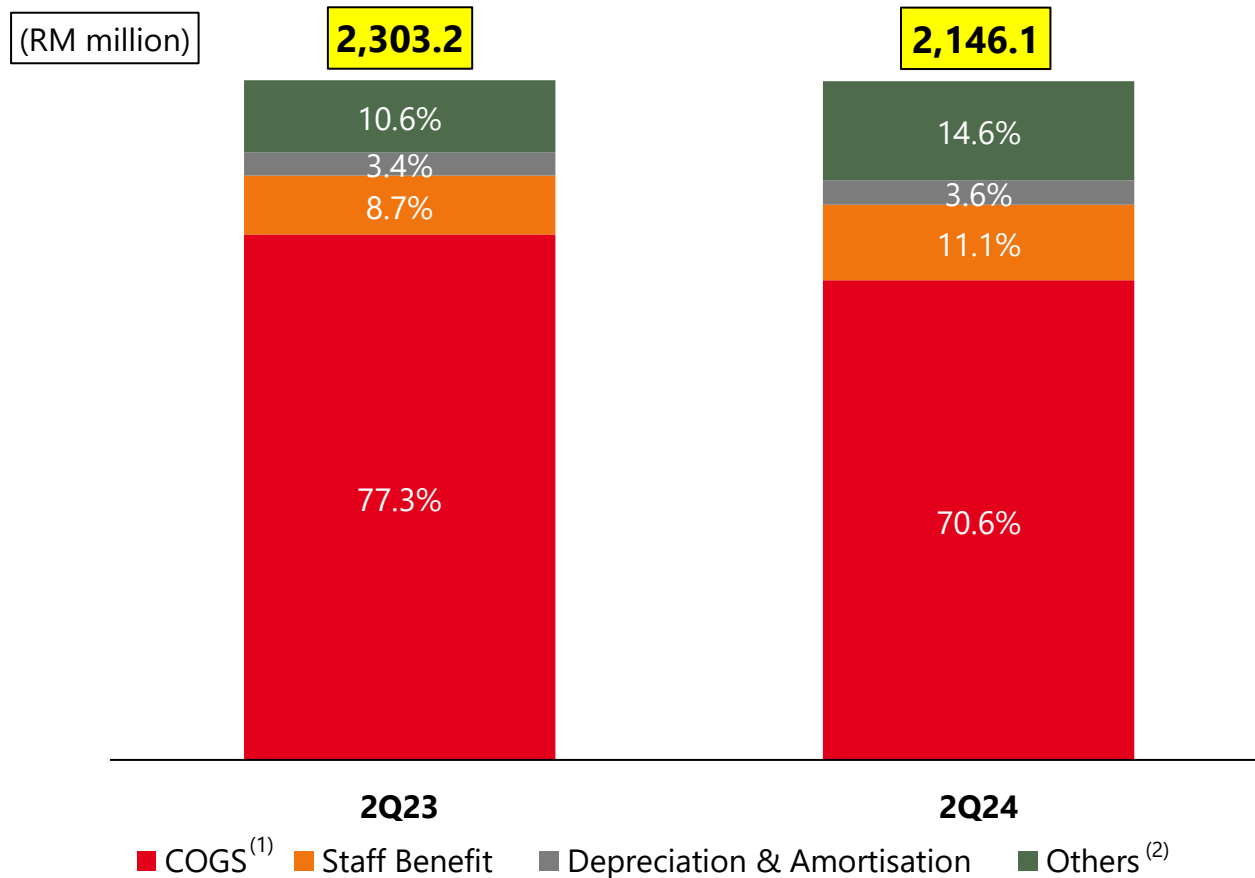


Profit After Tax and Minority Interest (RM million)



Operating Expenses

- Lower raw material costs resulted in decrease of COGS and a lower overall OPEX.



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>2Q23 (RM million)</i>	<i>2Q24 (RM million)</i>	<i>Variance</i>
Revenue ⁽¹⁾	2,410.6	2,352.2	-2.4%
EBITDA	238.7	296.4	24.2%
Depreciation and amortisation	79.4	77.8	-2.0%
Finance cost	45.7	34.2	-25.2%
Profit before tax	113.6	184.6	62.5%
Profit after tax and minority interest	65.0	96.5	48.5%
Earnings per share (sen)	1.78	2.64	48.3%
EBITDA margin (%)	9.9	12.6	27.3%

Notes:

(1) Excluding revenue from other sources.

Balance Sheet: Summary

	<i>As at 30 June 2023 (RM million)</i>	<i>As at 30 June 2024 (RM million)</i>
Assets		
Non-current assets	3,515.5	3,365.1
Biological assets and inventories	1,490.6	1,519.8
Trade receivables	703.6	670.5
Other receivables	266.8	219.7
Cash and bank balances	687.6	636.9
Total Assets	6,664.1	6,412.0
Equity and Liabilities		
Total equity	2,732.5	3,090.2
Trade payables	280.9	292.3
Other payables and liabilities	583.3	758.0
Short term borrowings ⁽¹⁾	2,087.1	1,559.9
Long term borrowings ⁽¹⁾	980.3	711.6
Total Equity and Liabilities	6,664.1	6,412.0

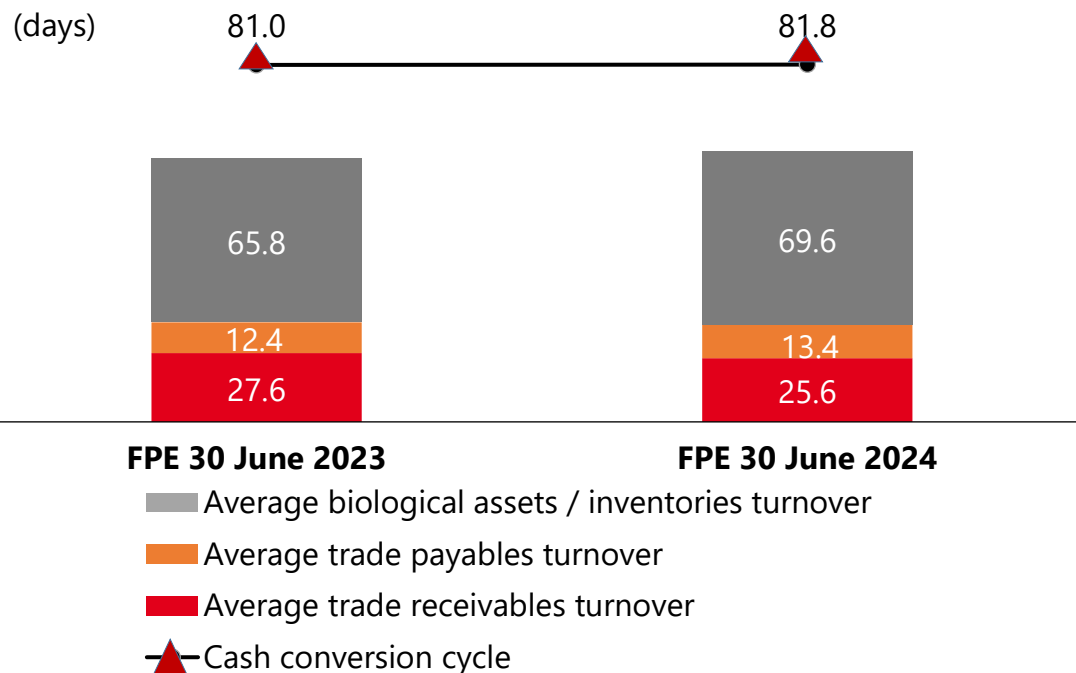
Note:

(1) Excluding lease liabilities for MFRS 16.

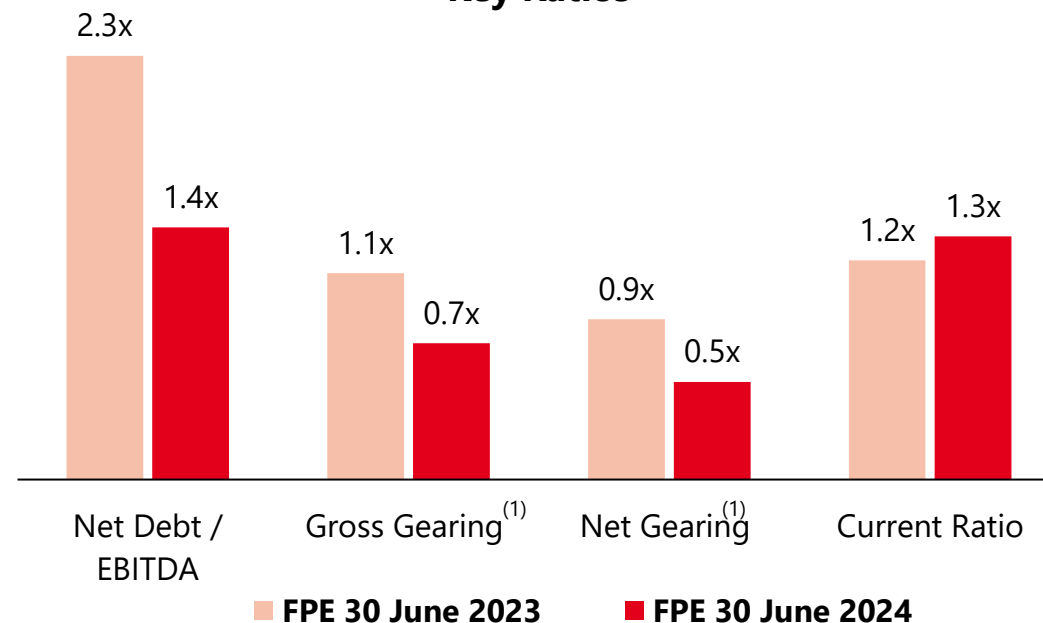
Working Capital Management

- Reduced debt for greater cash flow efficiency.
- Cashflow management remained stable with improved current ratio.

Cash Conversion Cycle



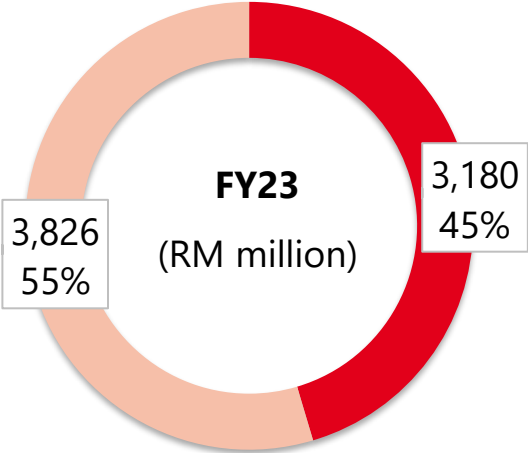
Key Ratios



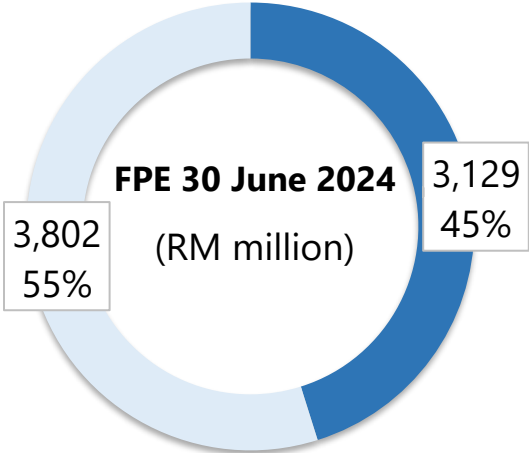
Note:

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

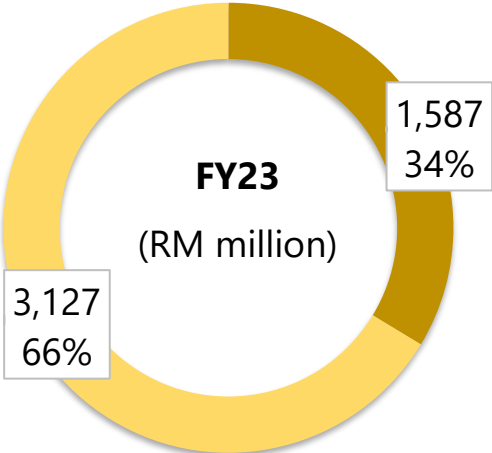
Snapshot of Liquidity Position



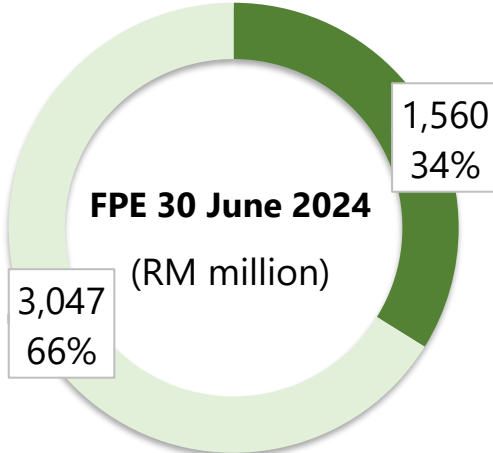
■ Fixed Asset⁽¹⁾ ■ Equity + LT Borrowings



■ Fixed Asset⁽¹⁾ ■ 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	New Egg Grading Machine	2Q2024	4Q 2024	RM 9.23 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
- Currently completed 100% of the construction work but operational date TBC, pending testing to meet Government's requirement



Capex Updates: Indonesia

Sunnychick remain focus on production development and operation

Sunnychick in Indonesia

- As at 30 June 2024 we have 24 outlets & 1 food truck



GRAND OPENING
NEW STORES

Store
Tanah Merdeka



Store
SC Signature
Harapan Indah



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

New Egg Grading Machine

- Investment capex RM9.23 million including installation and commissioning.
- Purchased during 2Q 2024.
- Estimated completion and commencement of operation by 4Q 2024.



Capex Updates: Philippines

Tarlac Feedmill New Raw Material Warehouse

Investment cost: approx. RM12.8 million

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



Photo taken on July 2024



Capex Updates: Philippines

LH Deli in Philippines

- As at 30 June 2024 we have 63 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