



LEONG HUP INTERNATIONAL BERHAD

**RESULTS PRESENTATION FOR
3rd QUARTER 2023 (3Q23)**

29 NOVEMBER 2023

DISCLAIMER

This presentation is for information purposes only. The past performance of Leong Hup International Berhad (“LHI” or the “Company”) and its subsidiaries (the “Group”) is not indicative of the future performance of LHI and/or the Group.

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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 28 November 2023 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 third (3rd) quarter ended 30 September 2023, i.e. between 1 July 2023 and 30 September 2023 (“3Q23”) and the third (3rd) quarter ended 30 September 2022, i.e. between 1 July 2022 and 30 September 2022 (“3Q22”), as extracted from LHI’s unaudited consolidated financial results for the financial period ended 30 September 2023, as announced by LHI on 28 November 2023.

Issued by: Leong Hup International Berhad (Investor Relations’ Office)

*Address: 3rd Floor, Wisma Westcourt,
No.126, Jalan Klang Lama, 58000 Kuala Lumpur, Malaysia.*

Tel: +603-7980 8086 / +603-7980 3817

Email: ir@lhhb.com

Website: <https://www.leonghupinternational.com>

Inflationary Pressures Easing

Higher interest rates are biting

	2020	2021	2022	2023	2024
Table A2 Inflation (% per year)				<i>ADO Sep</i>	<i>ADO Sep</i>
				2023	2023
Southeast Asia	1.5	2.0	5.1	4.2	3.3
Brunei Darussalam	1.9	1.7	3.7	1.5	1.4
Cambodia	2.9	2.9	5.3	3.0	4.0
Indonesia	2.0	1.6	4.2	3.6	3.0
Lao People's Dem. Rep.	5.1	3.8	23.0	28.0	10.0
Malaysia	-1.1	2.5	3.4	3.0	2.7
Myanmar	5.7	3.7	18.4	14.0	8.2
Philippines	2.4	3.9	5.8	6.2	4.0
Singapore	-0.2	2.3	6.1	5.0	3.0
Thailand	-0.8	1.2	6.1	2.5	2.3
Timor-Leste	0.5	3.8	7.0	5.8	3.3
Viet Nam	3.2	1.8	3.2	3.8	4.0

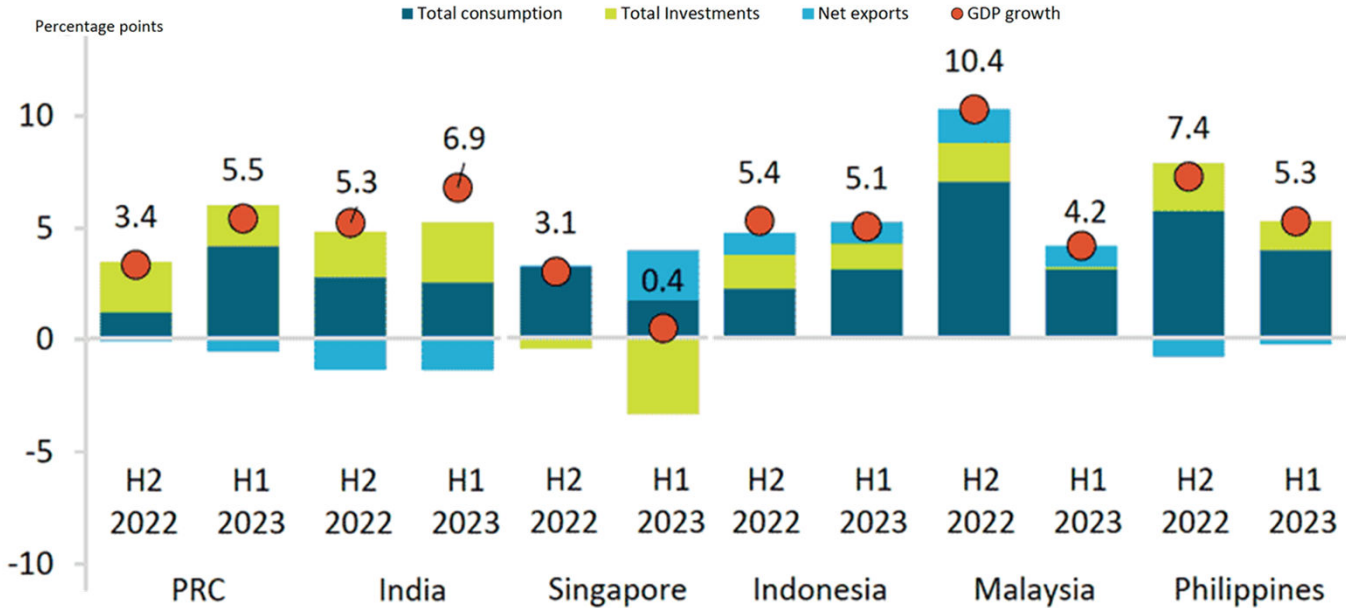
Country	Interest Rate (p.a.)
Indonesia (Policy Rate)	6.00%
Malaysia (Overnight Policy Rate)	3.00%
Philippines (Benchmark Rate)	6.50%
Singapore (Overnight Interest Rate)	3.84%
Vietnam (Policy Rate)	4.50%

Note: All interest rates % as at 21 Nov 2023

GDP of Countries in Asia

Consumption drives growth in the economies

Consumption and investment remain robust in many economies.
Demand-side contributions to real GDP growth



Price of Commodities

Price of Corn and Soyabean meal have retreated from the peaks in Feb / Mar

Corn

Nov 17, 2023 5:15 PM ET

1M 6M YTD 1Y 5Y MAX



Soyabean Meal

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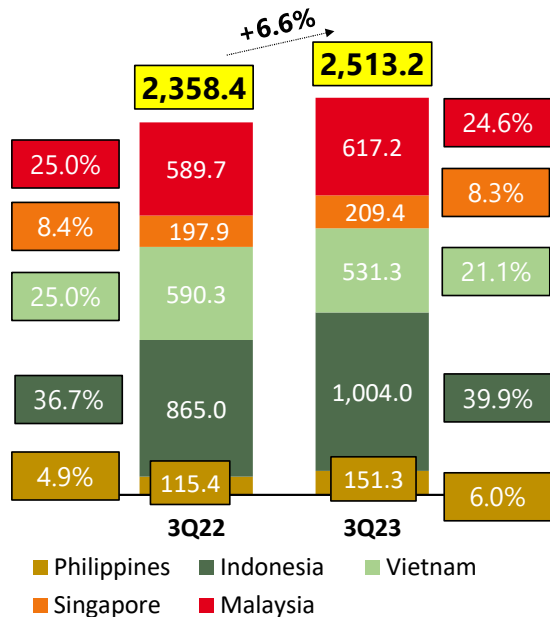
1M 6M YTD 1Y 5Y MAX



Financial Highlights: Revenue

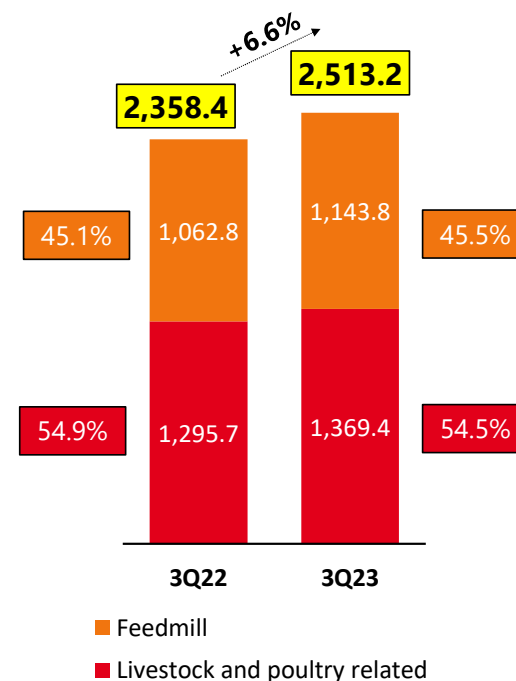
- Stable revenue growth on the back of expansion in both Livestock and Feedmill segments

Revenue⁽¹⁾ by Country (RM million)



Revenue ⁽¹⁾ by Country	3Q22 (RM million)	3Q23 (RM million)	Variance
Malaysia	589.8	617.2	4.7%
Singapore	197.9	209.4	5.8%
Vietnam	590.3	531.3	-10.0%
Indonesia	865.0	1,004.0	16.1%
Philippines	115.4	151.3	31.1%
LHI Group	2,358.4	2,513.2	6.6%

Revenue⁽¹⁾ by Segment (RM million)

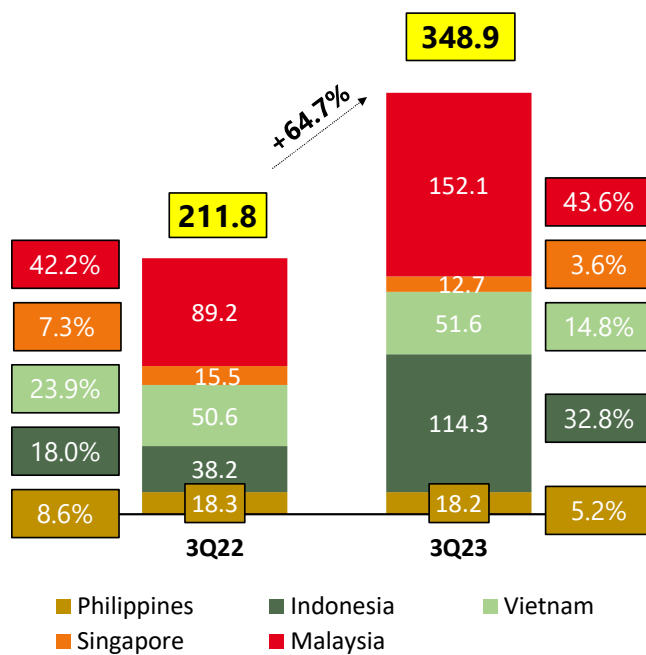


Notes:
(1) Excluding revenue from other sources.

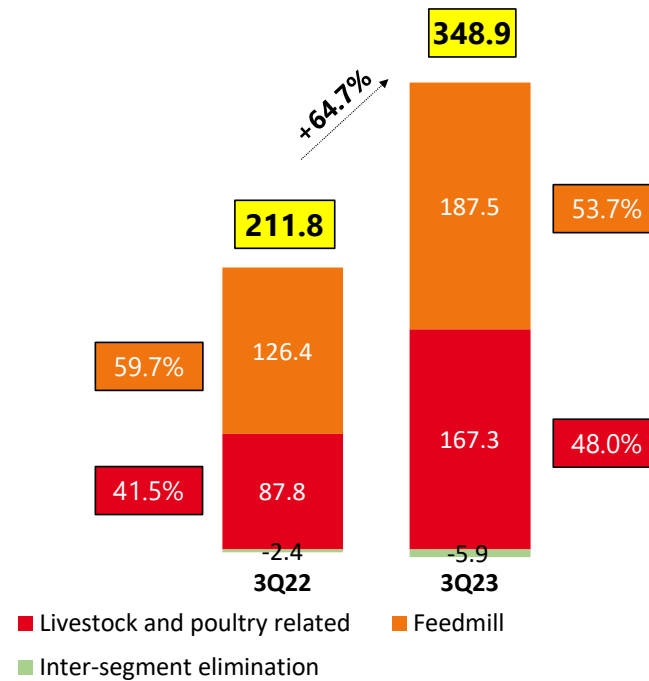
Financial Highlights: EBITDA

- Increment on EBITDA mainly contributed by Malaysia and Indonesia.

EBITDA by Country (RM million)

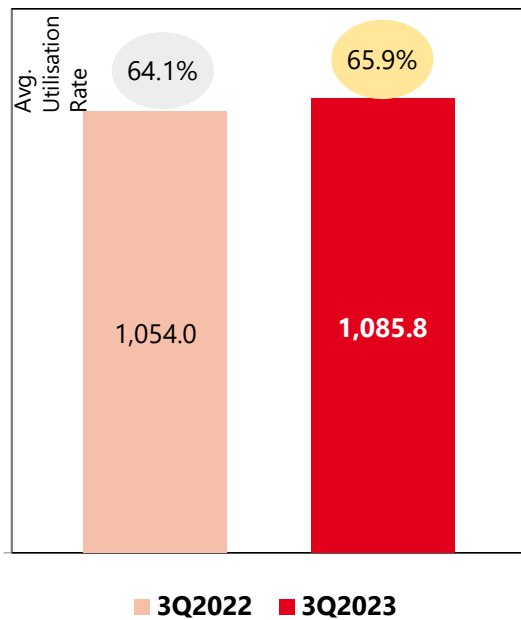


EBITDA by Segment (RM million)

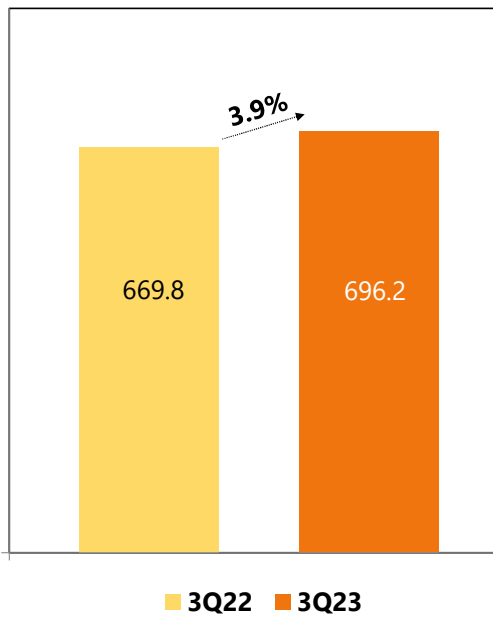


Operating Highlights: Feedmill

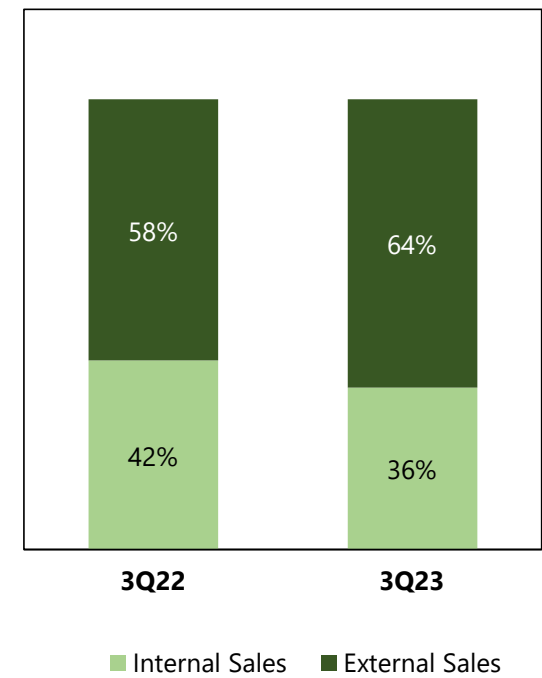
Group Production Capacity ('000 MT)



Group Feed Sales Volume⁽¹⁾ ('000 MT)



Sales Split

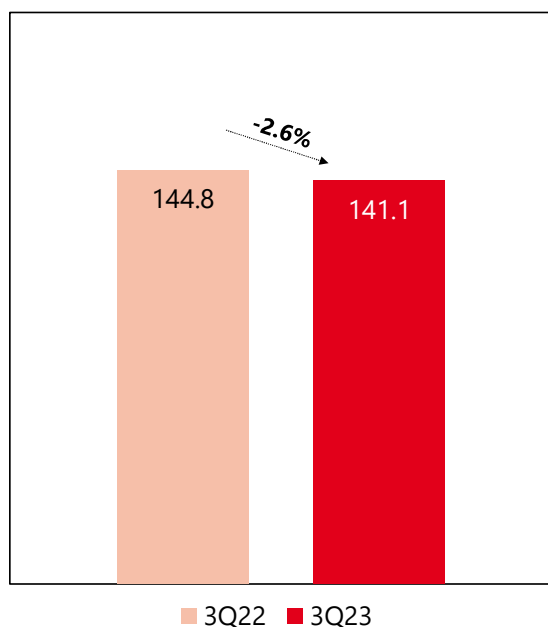


Note:

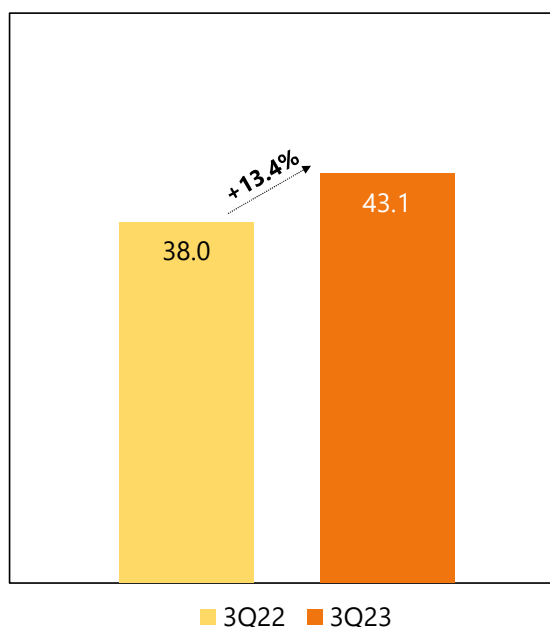
(1) Feed sales volume include both internal and external sales.

Operating Highlights: Livestock

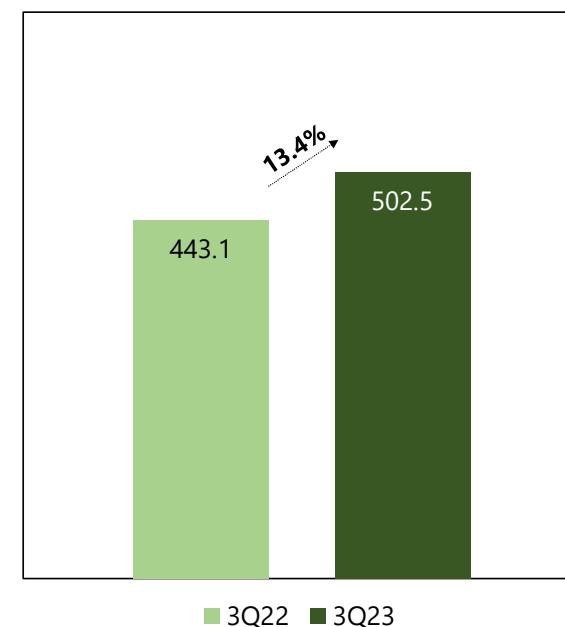
**Group Broiler DOC
Volume Supplied⁽¹⁾
(million chicks)**



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



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

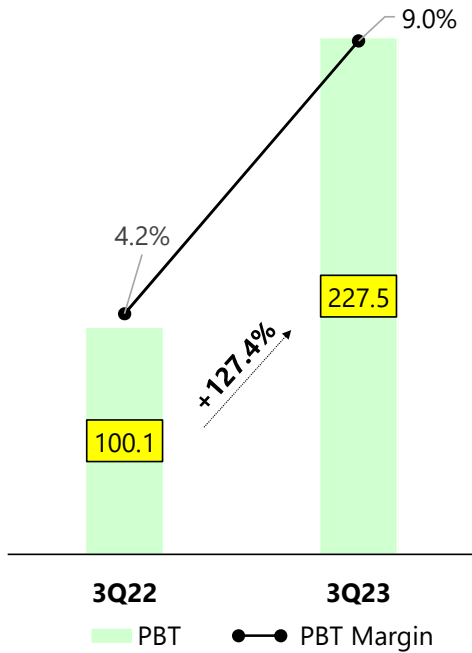


Notes:

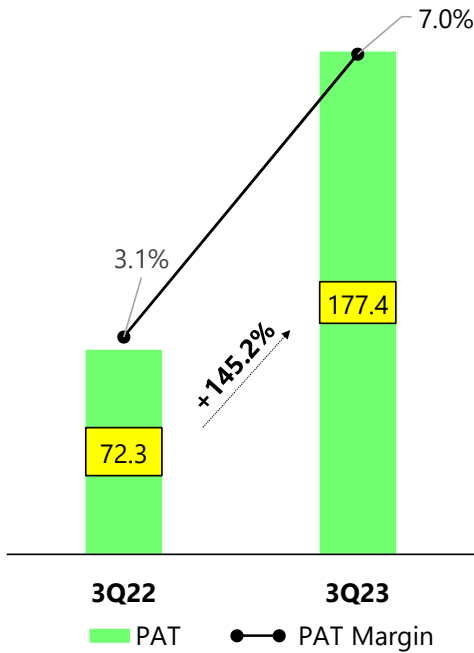
- (1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.
- (2) All eggs are sold to third parties.

Financial Highlights: Earnings

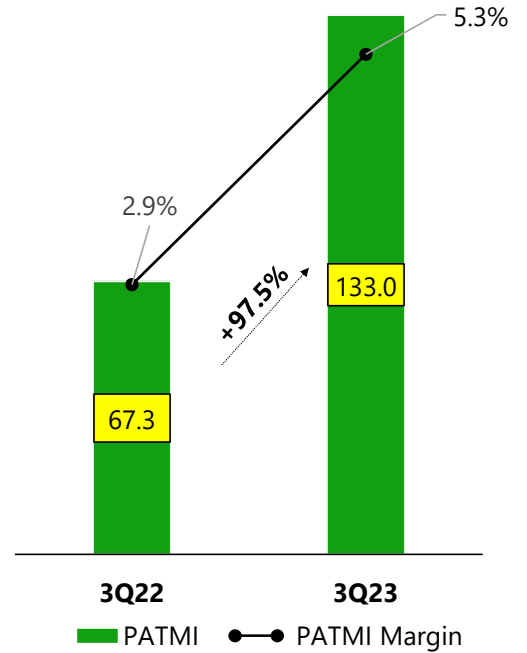
Profit Before Tax (RM million)



Profit After Tax (RM million)

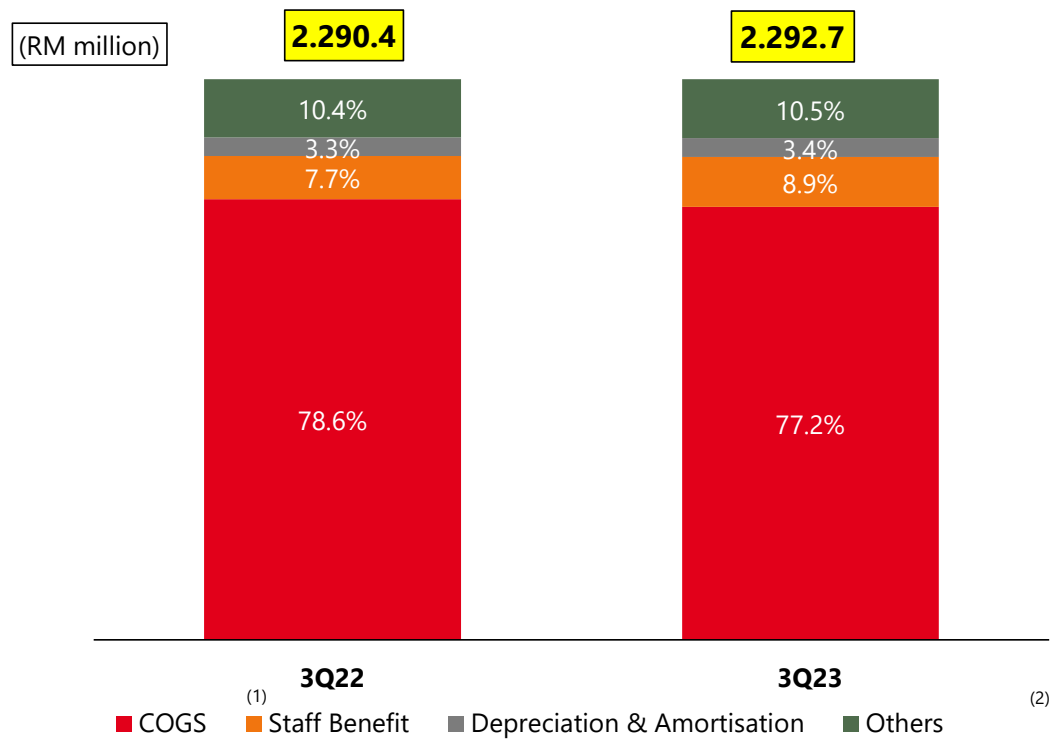


Profit After Tax and Minority Interest (RM million)



Operating Expenses

• Lower raw material cost 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>3Q22 (RM million)</i>	<i>3Q23 (RM million)</i>	<i>Variance</i>
Revenue ⁽¹⁾	2,358.4	2,513.2	+6.6%
EBITDA	211.8	348.9	+64.7%
Depreciation and amortisation	75.2	78.9	+4.9%
Finance cost	36.6	42.5	+16.1%
Profit before tax	100.1	227.5	+127.3%
Profit after tax and minority interest	67.3	133.0	+97.5%
Earnings per share (sen)	1.84	3.64	+1.80 sen
EBITDA margin (%)	9.0	13.9	4.9%

Notes:

(1) Excluding revenue from other sources.

Balance Sheet: Summary

	<i>As at 31 December 2022 (RM million)</i>	<i>As at 30 September 2023 (RM million)</i>
Assets		
Non-current assets	3,431.8	3,447.5
Biological assets and inventories	1,445.5	1,485.3
Trade receivables	649.9	720.4
Other receivables	224.7	199.3
Cash and bank balances	840.3	790.2
Total Assets	6,592.2	6,642.7
Equity and Liabilities		
Total equity	2,589.6	2,881.1
Trade payables	358.9	343.5
Other payables and liabilities	611.0	640.9
Short term borrowings ⁽¹⁾	1,986.3	1,850.1
Long term borrowings ⁽¹⁾	1,046.4	927.1
Total Equity and Liabilities	6,592.2	6,642.7

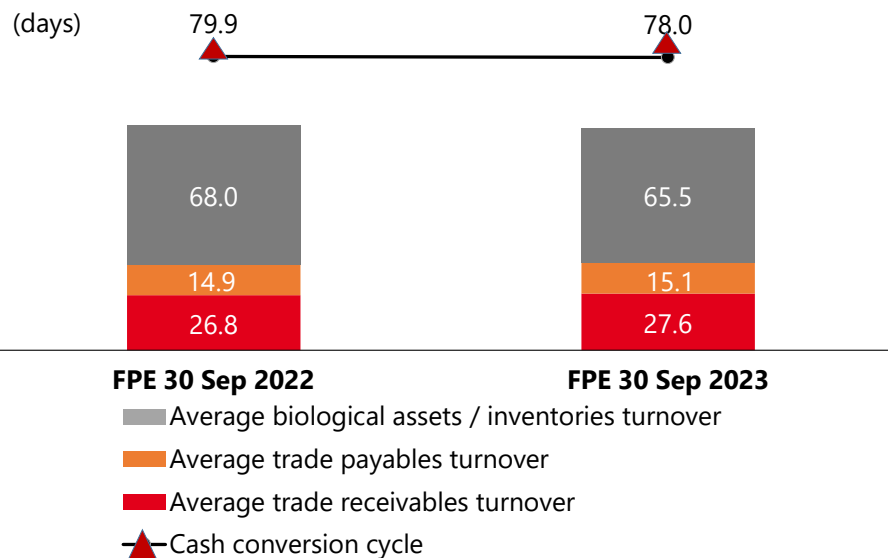
Note:

(1) Excluding lease liabilities for MFRS 16.

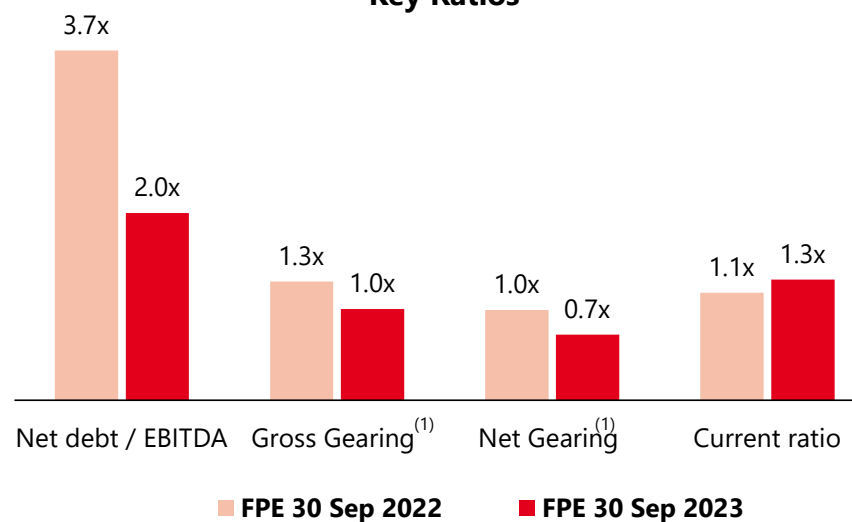
Working Capital Management

- Strong balance sheet strengthened by robust cash generating ability
- Group liquidity backed by responsible and prudent cashflow management and stable gearing level

Cash Conversion Cycle



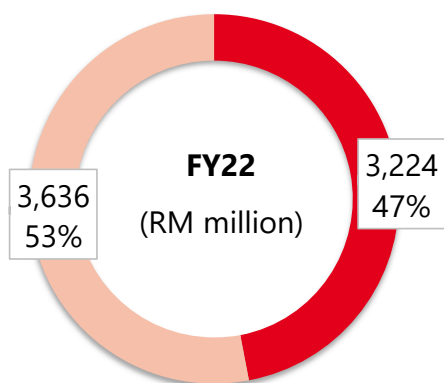
Key Ratios



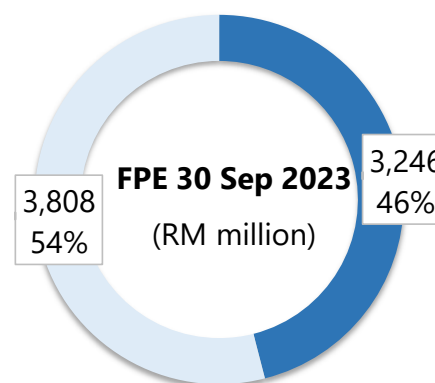
Note:

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

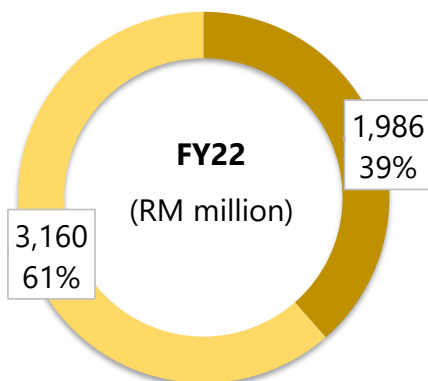
Snapshot of Liquidity Position



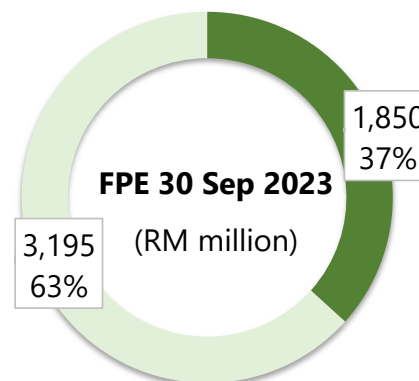
■ Fixed Asset⁽¹⁾ ■ Equity + LT Borrowings



■ 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>
Malaysia	Livestock	Slaughtering Plant at Yong Peng, Malaysia	3Q 2023	3Q 2025	RM 18.0 million

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



Strategic Focus

Outlook and strategies

- Business conditions and consumption to improve progressively in FY22
- 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
- LHI's strong fundamentals, execution strategies and FY22 priorities to drive long-term value creation



FY23 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

Address

*3rd Floor, Wisma Westcourt,
126, Jalan Klang Lama,
58000 Kuala Lumpur,
Malaysia.*

Website

<https://www.leonghupinternational.com>

For enquiries, please contact:

*LHI Investor Relations
Tel: +603-7980 8086
Email: ir@lhhb.com*

THANK YOU