



# LEONG HUP INTERNATIONAL BERHAD

**RESULTS PRESENTATION FOR  
3rd QUARTER 2024 (3Q24)  
27 NOV 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 26 November 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 third (3rd) quarter ended 30 September 2024, i.e. between 1 July 2024 and 30 September 2024 (“3Q24”) and the third (3rd) quarter ended 30 September 2023, i.e. between 1 July 2023 and 30 September 2023 (“3Q23”), as extracted from LHI’s unaudited consolidated financial results for the financial period ended 30 September 2024, as announced by LHI on 26 November 2024.

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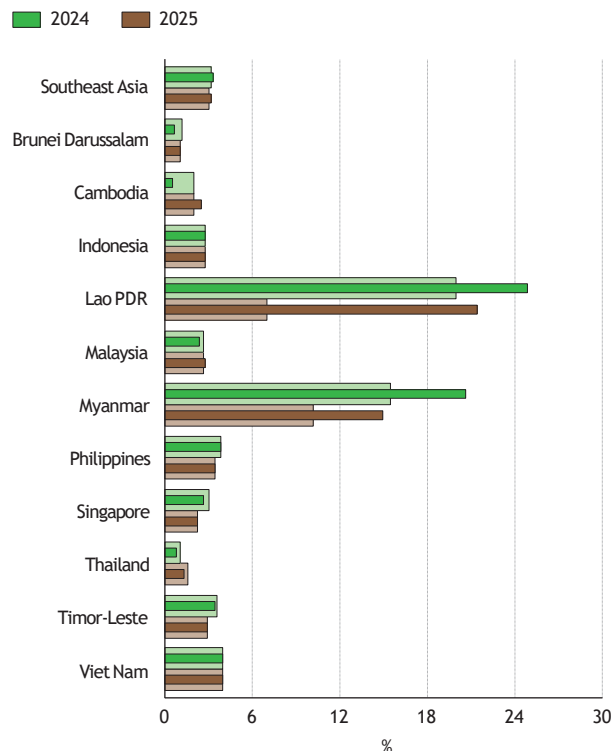
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# Inflation Insights

## Inflationary pressures in Southeast Asia

**Figure 3.4.2 Inflation in Southeast Asia**

Most economies will benefit from moderating inflation.



Note: Lighter colored bars are Asian Development Outlook April 2024 forecasts.

Source: Asian Development Outlook database (accessed 5 September 2024).

Subregion/Economy	Inflation				
	2023	2024f		2025f	
		Apr	Sep	Apr	Sep
<b>Developing Asia</b>	3.4	3.2	2.8	3.0	2.6
<b>Developing Asia excluding the PRC</b>	6.3	5.1	5.1	4.4	4.5
<b>Caucasus and Central Asia</b>	10.5	7.6	6.6	7.0	6.2
Kazakhstan	14.5	8.7	8.5	6.3	6.1
Uzbekistan	10.0	10.0	9.5	9.5	9.0
<b>East Asia</b>	0.6	1.3	0.8	1.6	1.3
People's Republic of China	0.2	1.1	0.5	1.5	1.2
Republic of Korea	3.6	2.5	2.5	2.0	2.0
<b>South Asia</b>	8.4	7.0	7.0	5.8	6.1
India	5.4	4.6	4.7	4.5	4.5
Pakistan	29.2	25.0	23.4	15.0	15.0
<b>Southeast Asia</b>	4.2	3.2	3.3	3.0	3.2
Indonesia	3.7	2.8	2.8	2.8	2.8
Malaysia	2.5	2.6	2.4	2.6	2.7
Philippines	6.0	3.8	3.6	3.4	3.2
Singapore	4.8	3.0	2.6	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
<b>Pacific</b>	3.0	4.3	3.6	4.1	4.1
Fiji	2.4	3.7	5.0	2.6	2.6
Papua New Guinea	2.3	4.5	3.0	4.8	4.8

# GDP of Countries in Asia

*Southeast Asia Economic Growth: slowing in some, steady in others*

Table A1 Growth rate of GDP (% per year)

	2023	2024		2025	
		Apr	Sep	Apr	Sep
<b>Developing Asia</b>	<b>5.1</b>	<b>4.9</b>	<b>5.0</b>	<b>4.9</b>	<b>4.9</b>
<b>Developing Asia excluding the PRC</b>	<b>5.1</b>	<b>5.0</b>	<b>5.1</b>	<b>5.3</b>	<b>5.2</b>
<b>Southeast Asia</b>	<b>4.1</b>	<b>4.6</b>	<b>4.5</b>	<b>4.7</b>	<b>4.7</b>
Brunei Darussalam	1.4	3.7	3.7	2.8	2.8
Cambodia	5.0	5.8	5.8	6.0	6.0
Indonesia	5.0	5.0	5.0	5.0	5.0
Lao People's Democratic Republic	3.7	4.0	4.0	4.0	3.7
Malaysia	3.6	4.5	4.5	4.6	4.6
Myanmar	0.8	1.2	0.8	2.2	1.7
Philippines	5.5	6.0	6.0	6.2	6.2
Singapore	1.1	2.4	2.6	2.6	2.6
Thailand	1.9	2.6	2.3	3.0	2.7
Timor-Leste	1.9	3.4	3.1	4.1	3.9
Viet Nam	5.1	6.0	6.0	6.2	6.2

... = not available, GDP = gross domestic product, PRC= People's Republic of China.

Note: The current uncertain situation permits no forecasts for Afghanistan in 2024–2025.

# Price of Commodities

Soybean meal prices dropped below pre-pandemic levels; corn remained up.

## Corn

1M 6M YTD 1Y 5Y MAX



## Soybean Meal

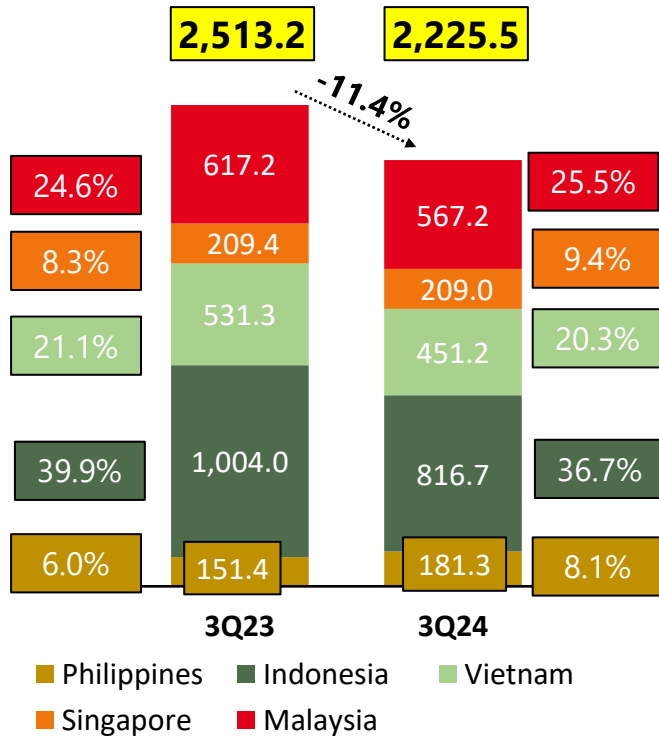
1M 6M YTD 1Y 5Y MAX



# Financial Highlights: Revenue

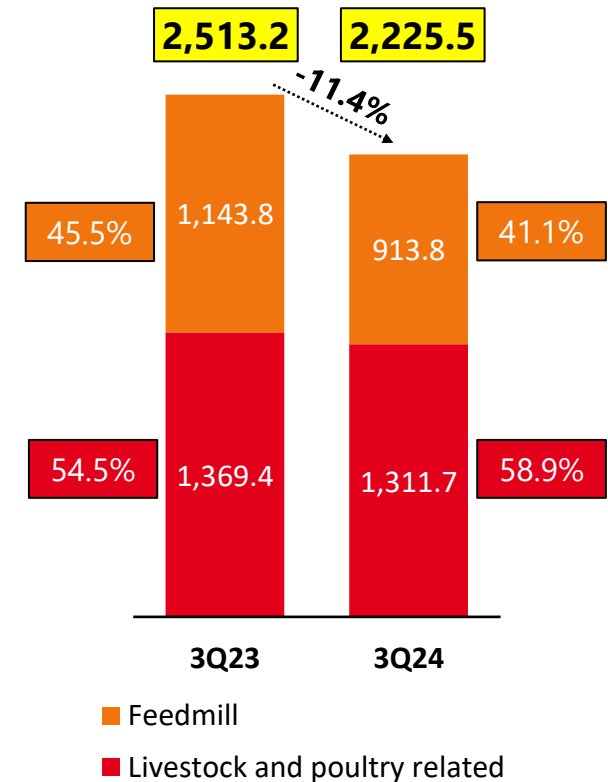
Feedmill segment declined in 3Q24 due to lower price and volume

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



Revenue <sup>(1)</sup> by Country	3Q23 (RM million)	3Q24 (RM million)	Variance
Malaysia	617.2	567.2	-8.1%
Singapore	209.4	209.0	-0.2%
Vietnam	531.3	451.2	-15.1%
Indonesia	1,004.0	816.7	-18.7%
Philippines	151.4	181.3	19.7%
<b>LHI Group</b>	<b>2,513.2</b>	<b>2,225.5</b>	<b>-11.4%</b>

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

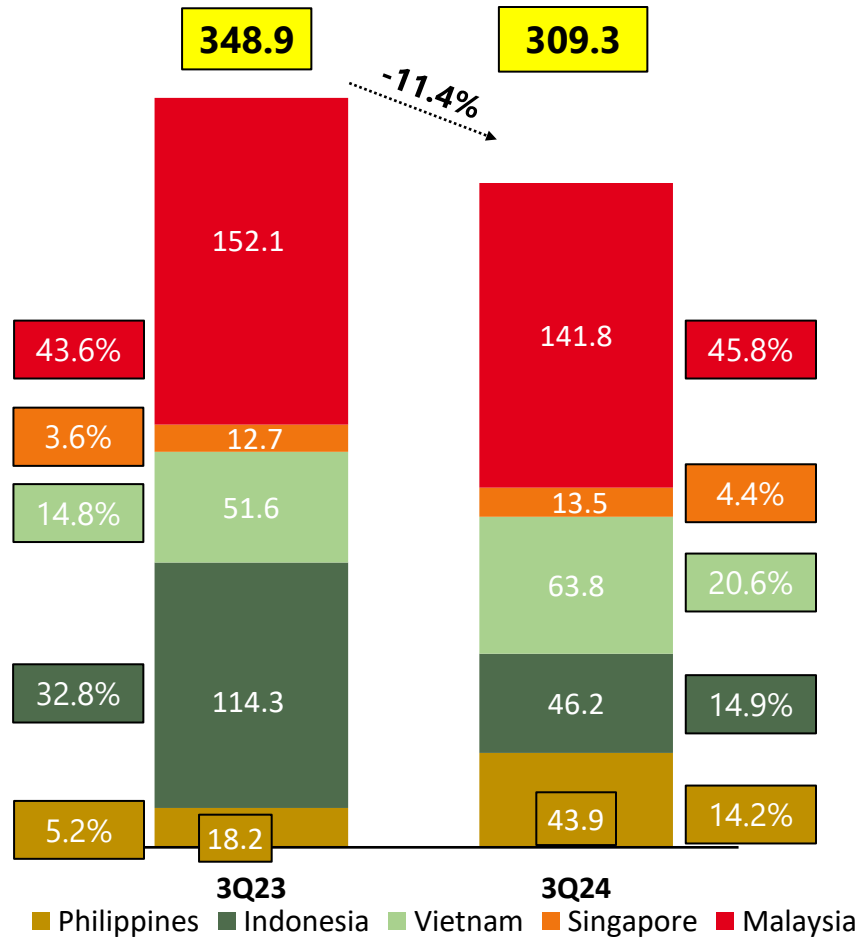


Notes:  
(1) Excluding revenue from other sources.

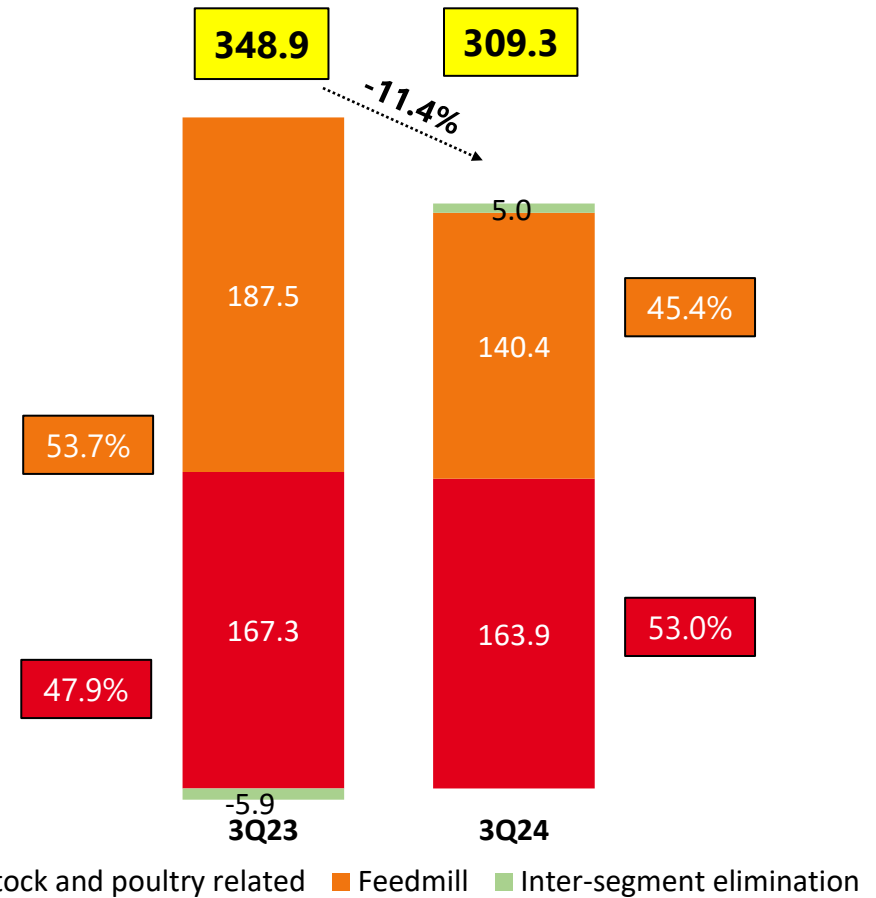
# Financial Highlights: EBITDA

Indonesia and Malaysia performance drags EBITDA down

EBITDA by Country (RM million)

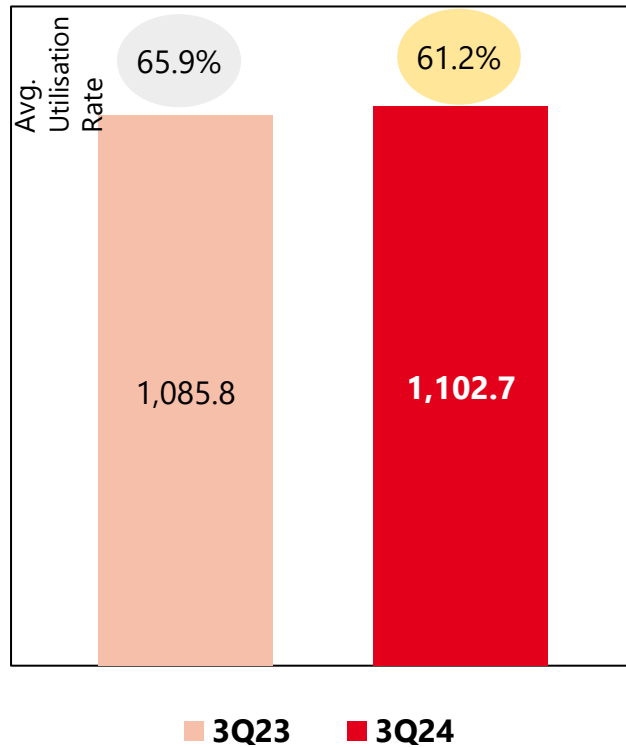


EBITDA by Segment (RM million)

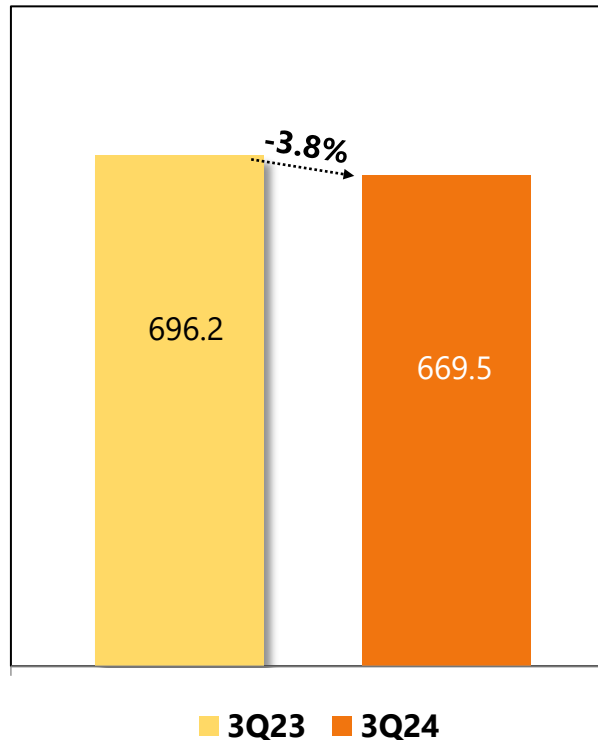


# Operating Highlights: Feedmill

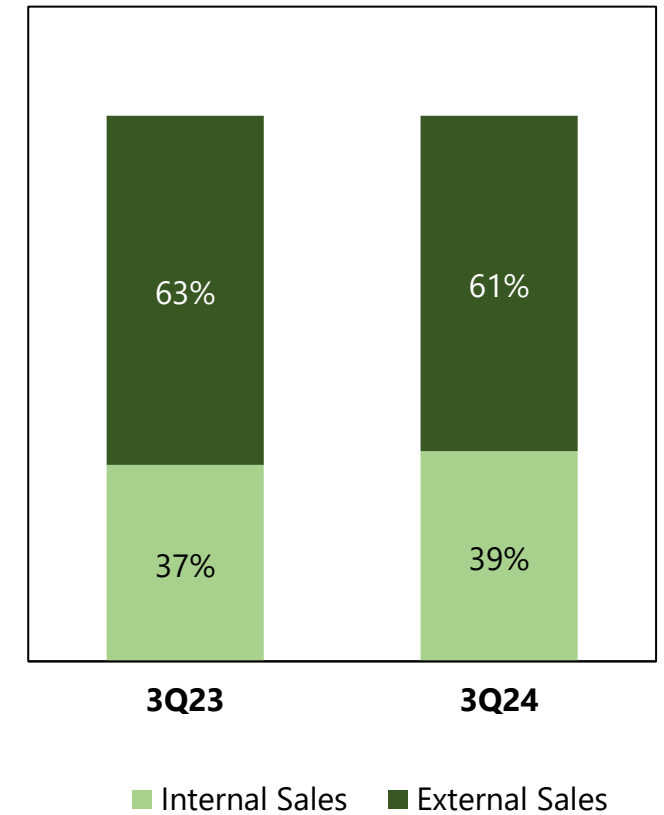
### Group Production Capacity (‘000 MT)



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



### Sales Split



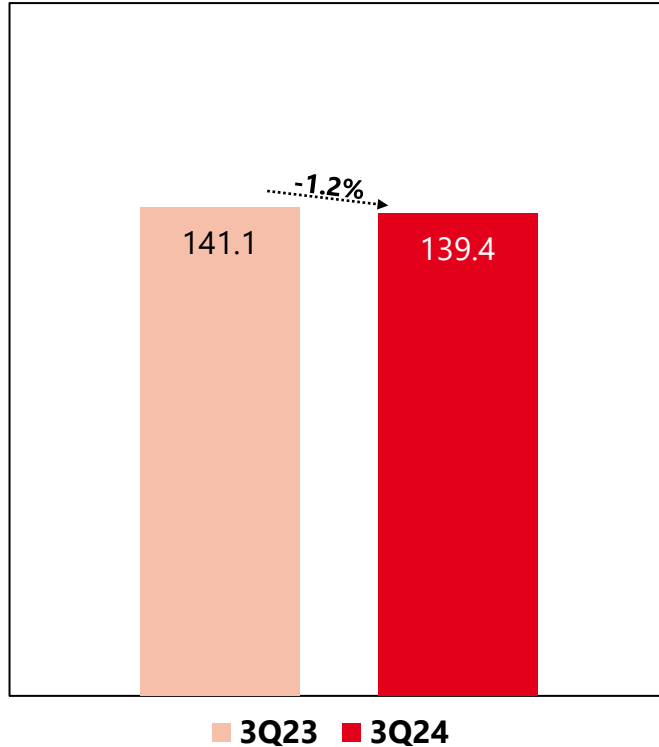
Note:

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

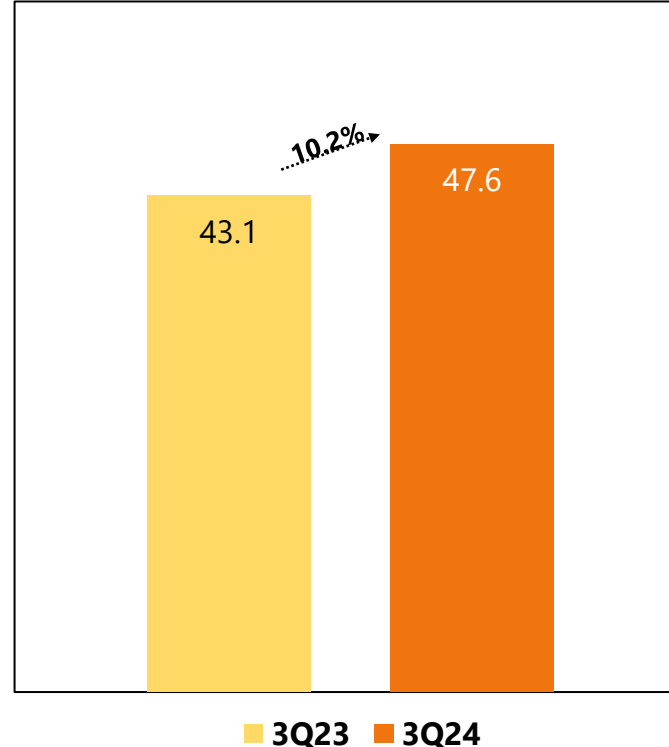


# Operating Highlights: Livestock

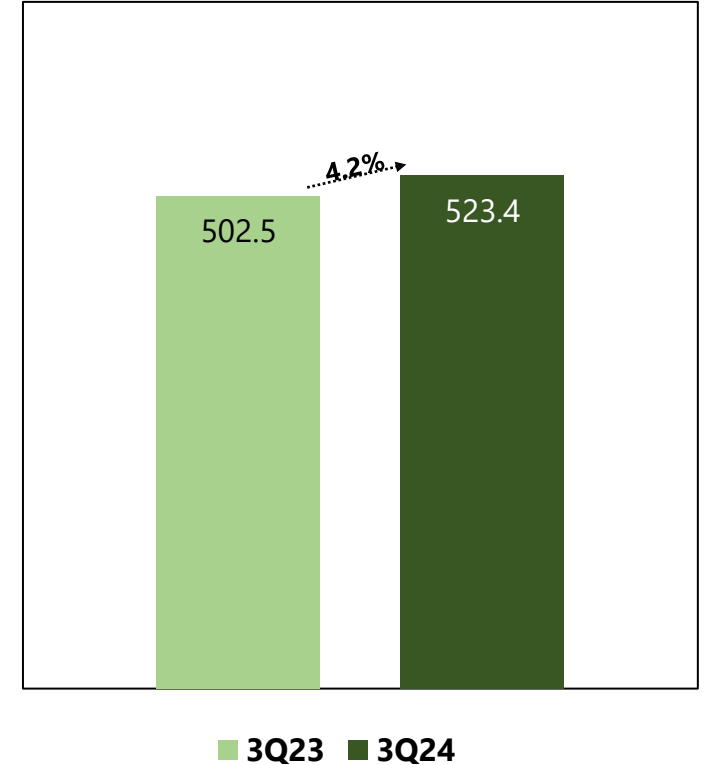
**Group Broiler DOC  
Volume Supplied<sup>(1)</sup>  
(million chicks)**



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



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

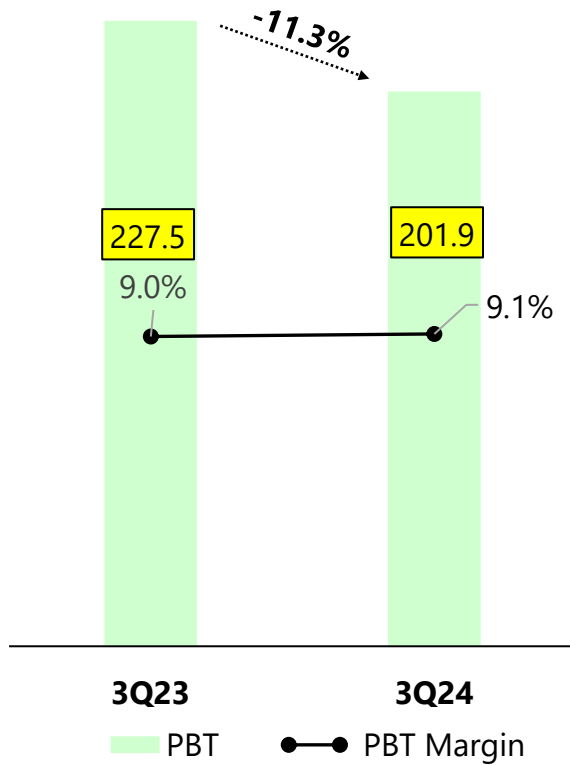


*Notes:*

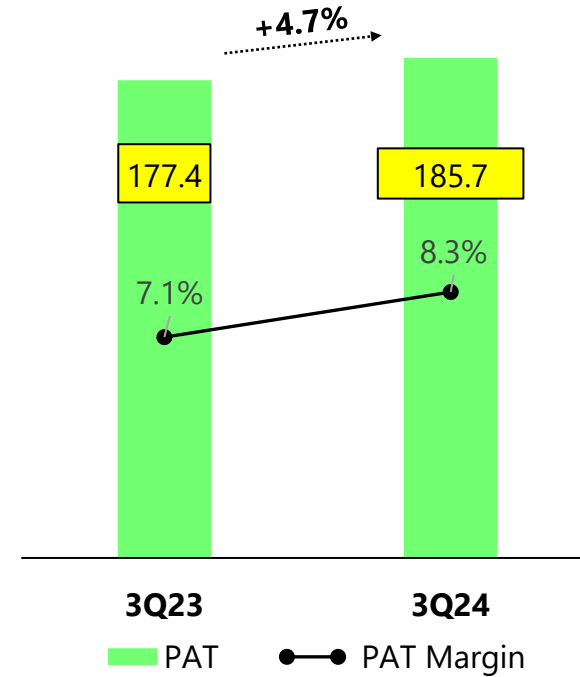
- (1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.*
- (2) All eggs are sold to third parties.*

# Financial Highlights: Earnings

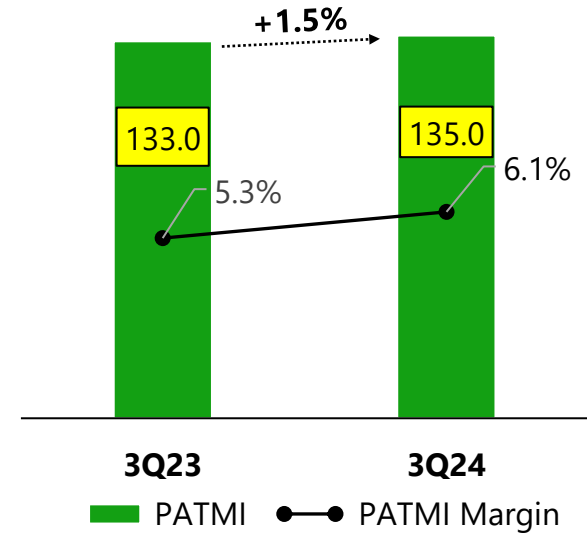
### Profit Before Tax (RM million)



### Profit After Tax (RM million)

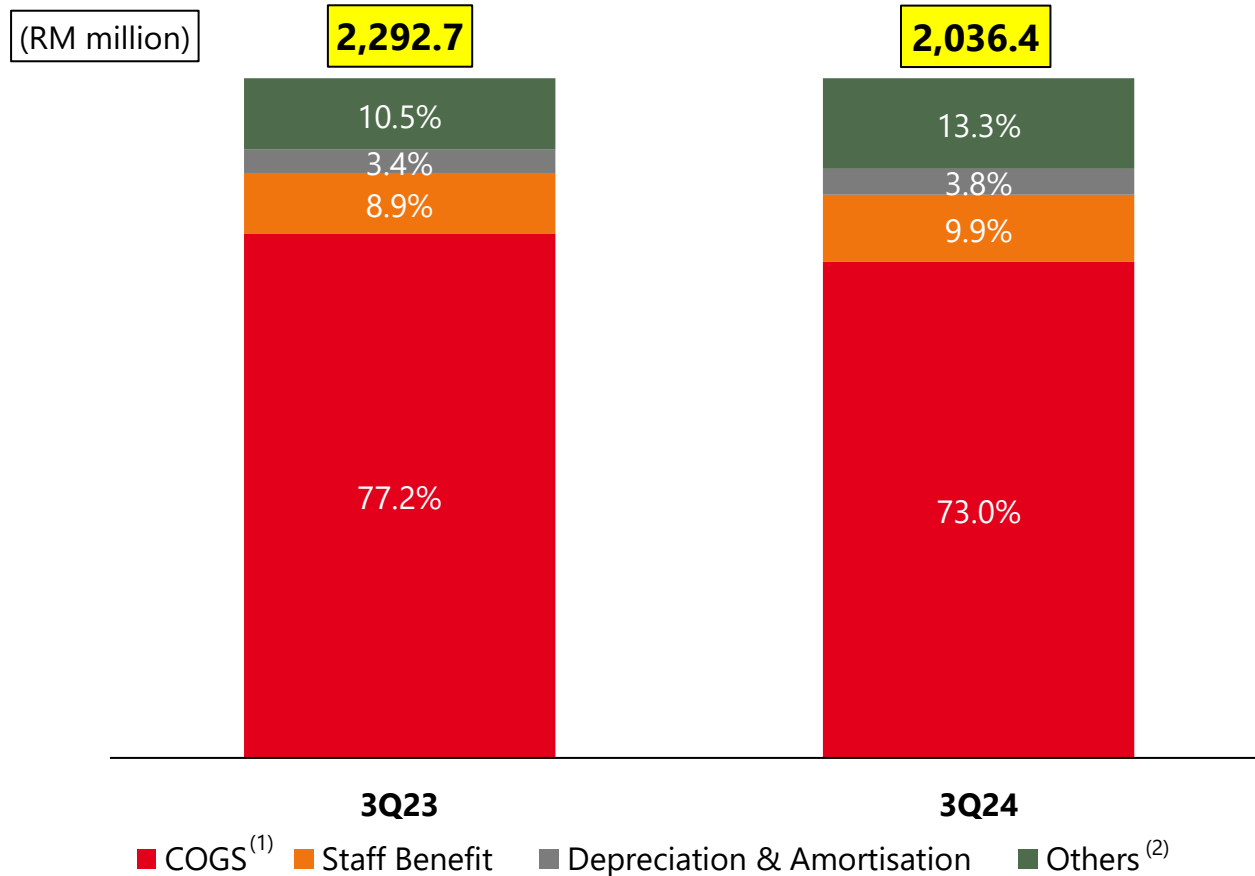


### Profit After Tax and Minority Interest (RM million)



# Operating Expenses

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>3Q23 (RM million)</i>	<i>3Q24 (RM million)</i>	<i>Variance</i>
Revenue <sup>(1)</sup>	2,513.2	2,225.5	-11.4%
EBITDA	348.9	309.3	-11.4%
Depreciation and amortisation	78.9	76.4	-3.2%
Finance cost	42.5	31.0	-27.0%
Profit before tax	227.5	201.9	-11.3%
Profit after tax and minority interest	133.0	135.0	1.5%
Earnings per share (sen)	3.64	3.70	1.6%
EBITDA margin (%)	13.9	13.9	0.0%

Notes:

(1) Excluding revenue from other sources.

# Balance Sheet: Summary

	<i>As at 30 December 2023 (RM million)</i>	<i>As at 30 September 2024 (RM million)</i>
<b>Assets</b>		
Non-current assets	3,399.5	3,229.1
Biological assets and inventories	1,494.3	1,433.2
Trade receivables	729.4	651.4
Other receivables	203.9	191.0
Cash and bank balances	699.5	652.5
<b>Total Assets</b>	<b>6,526.6</b>	<b>6,157.2</b>
<b>Equity and Liabilities</b>		
Total equity	2,955.1	3,141.5
Trade payables	359.6	324.2
Other payables and liabilities	753.8	744.0
Short term borrowings <sup>(1)</sup>	1,587.3	1,234.6
Long term borrowings <sup>(1)</sup>	870.8	712.9
<b>Total Equity and Liabilities</b>	<b>6,526.6</b>	<b>6,157.2</b>

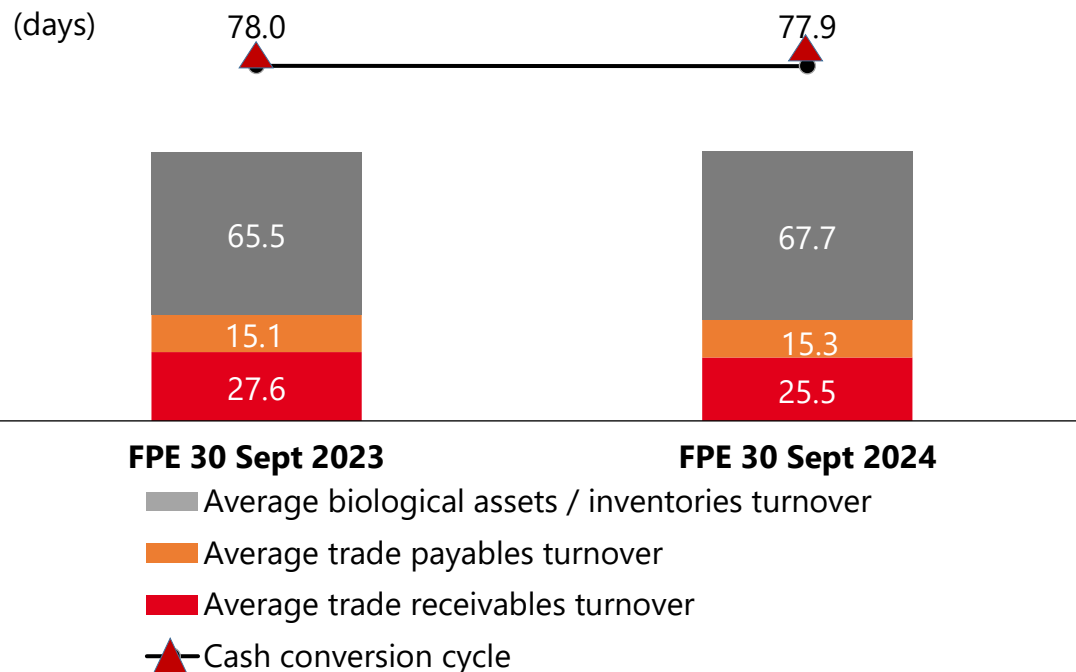
Note:

(1) Excluding lease liabilities for MFRS 16.

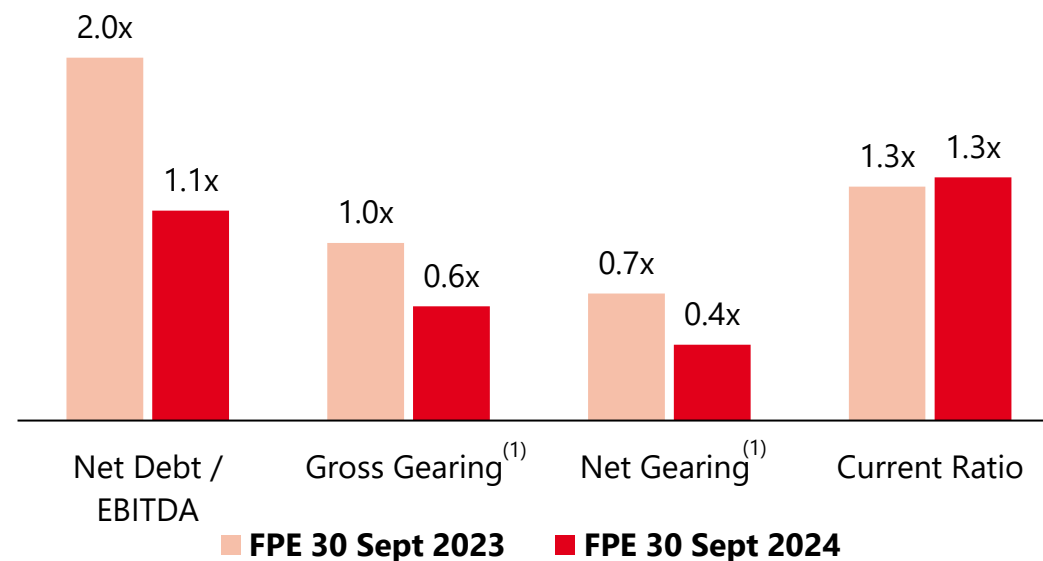
# Working Capital Management

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

## Cash Conversion Cycle



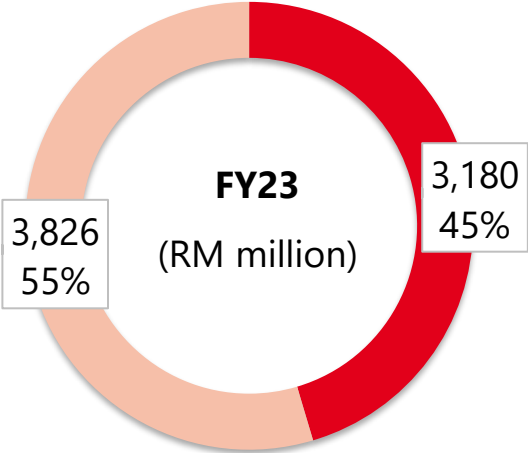
## Key Ratios



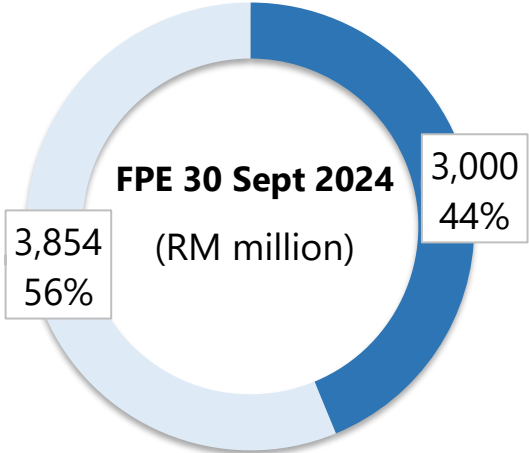
Note:

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

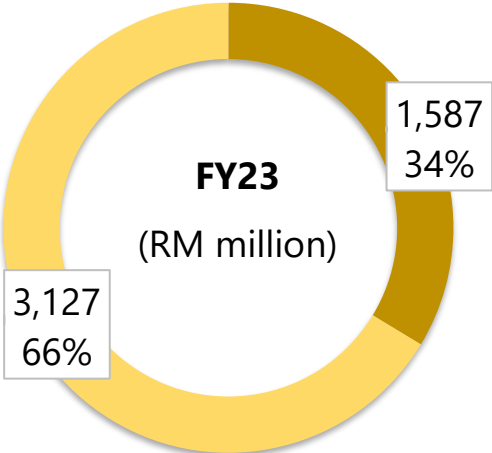
# Snapshot of Liquidity Position



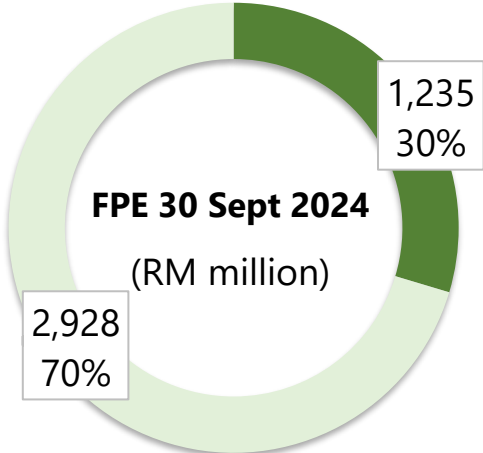
■ Fixed Asset<sup>(1)</sup> ■ Equity + LT Borrowings



■ 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-use 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	Completed	RM 9.23 million
Philippines	Feedmill	Tarlac Feedmill New Raw Material Warehouse	1Q2024	Completed	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

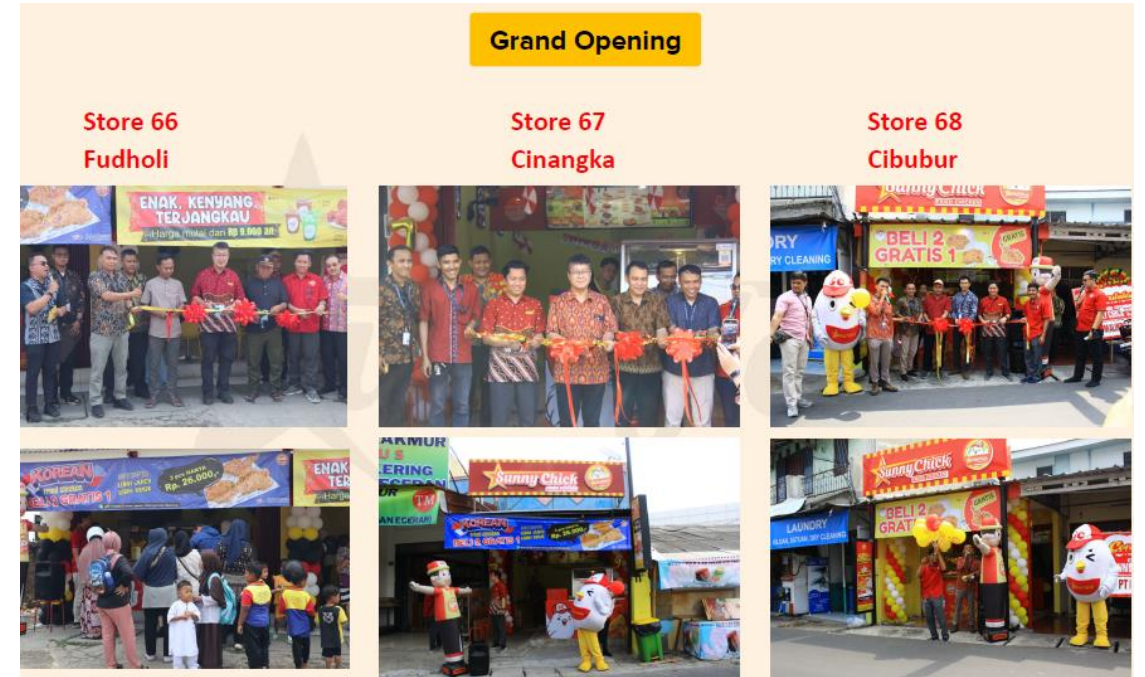


# Capex Updates: Indonesia

Sunnychick remains focused on production development and operation

Sunnychick in Indonesia

- As at 30 September 2024: 24 outlets & 1 food truck



# 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.
- Commenced operation in Oct 2024.



# Capex Updates: the Philippines

## Tarlac Feedmill New Raw Material Warehouse

Investment cost: approx. RM12.8 million

- Installation start from 1Q 2024
- Completed in 3Q 2024



Photo taken on July 2024

# Capex Updates: the Philippines

LH Deli in Philippines

- As at 30 September 2024: 62 outlets



NO.	STORE NAME	DATE OPEN	LOCATION
1	SLC FOOD SERVICES	30/7/2024	DACANLAO, CALACA, BATANGAS
2	SCL FOOD SERVICES	30/7/2024	PUTOL, TUY, BATANGAS
3	M & J GARCIA CHICKEN FOOD HOUSE	30/7/2024	TAYTAY RIZAL
4	D.Y.R.E FOOD CORNER	31/8/2024	MAPULANG LUPA 2, VALENZUELA CITY
5	SHAI CHICKEN HOUSE	4/9/2024	MARGOT, ANGELES PAMPANGA
6	M1 CHICKEN HOUSE	10/9/2024	WEST CRAME, SAN JUAN CITY
7	JAC BUDDIES FOOD HOUSE	11/9/2024	DAU, MABALACAT, PAMPANGA
8	DMD'S ROTISSERIE CHICKEN	13/9/2024	TUGATOG, ORANI, BATAAN
9	GS FOOD PRODUCTS	24/9/2024	SITIO PARUGAN, SAN JOSE ANTIPOLO, RIZAL

# 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**