



LEONG HUP INTERNATIONAL BERHAD

**RESULTS PRESENTATION FOR
4th QUARTER 2023 (4Q23)**

28 FEBRUARY 2024

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 27 February 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 fourth (4th) quarter ended 31 December 2023, i.e. between 1 October 2023 and 31 December 2023 (“4Q23”) and the fourth (4th) quarter ended 31 December 2022, i.e. between 1 October 2022 and 31 December 2022 (“4Q22”), as extracted from LHI’s unaudited consolidated financial results for the financial period ended 31 December 2023, as announced by LHI on 27 February 2024.

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

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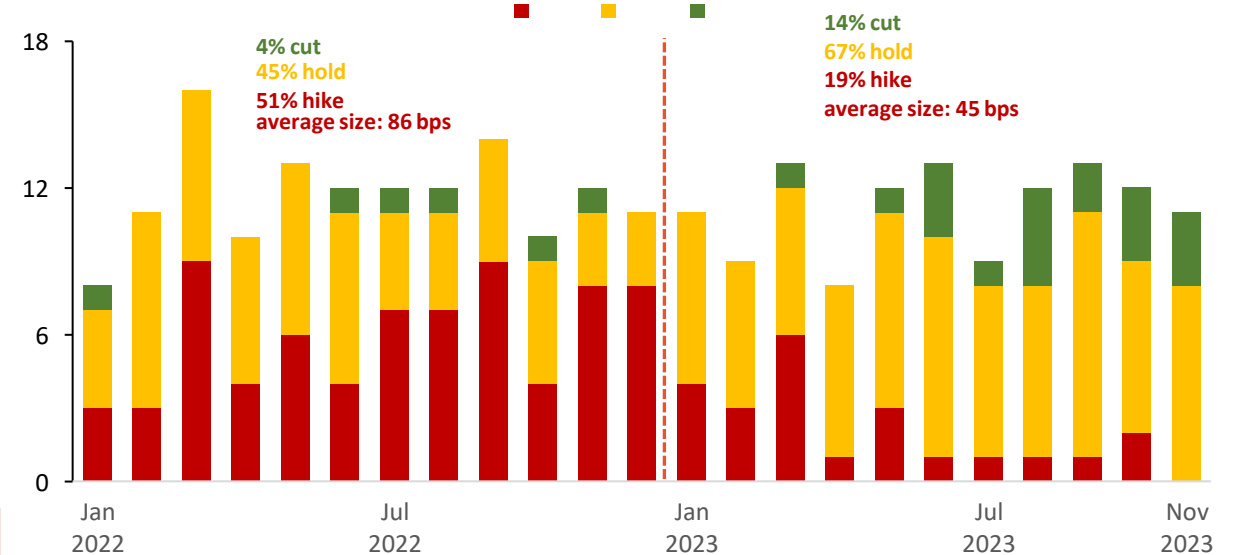
Website: <https://www.leonghupinternational.com>

Inflation Rate Stabilize

Shifting Gears in Monetary Policy

	Inflation				
	2022	2023		2024	
		September	December	September	December
Developing Asia	4.4	3.6	3.5	3.5	3.6
Developing Asia excluding the PRC	6.7	6.3	6.4	4.9	5.0
Caucasus and Central Asia	12.9	10.6	10.9	8.0	8.4
Kazakhstan	15.0	12.7	14.0	7.6	8.7
East Asia	2.3	1.0	0.9	2.1	2.1
Hong Kong, China	1.9	2.5	2.1	2.1	2.1
People's Republic of China	2.0	0.7	0.5	2.0	2.0
Republic of Korea	5.1	3.3	3.6	2.2	2.5
Taipei,China	2.9	2.0	2.4	2.0	2.0
South Asia	8.2	8.6	8.6	6.6	6.7
India	6.7	5.5	5.5	4.2	4.2
Southeast Asia	5.1	4.2	4.2	3.3	3.5
Indonesia	4.2	3.6	3.6	3.0	3.0
Malaysia	3.4	3.0	2.8	2.7	2.7
Philippines	5.8	6.2	6.2	4.0	4.0
Singapore	6.1	5.0	4.9	3.0	3.0
Thailand	6.1	2.5	1.5	2.3	2.3
Viet Nam	3.2	3.8	3.8	4.0	4.0
The Pacific	5.2	4.9	4.9	4.5	4.5

Number of policy actions



bps = basis points.

Note: The figure covers Armenia; Azerbaijan; Georgia; Hong Kong, China; India; Indonesia; Kazakhstan; Kyrgyz Republic; Malaysia; Mongolia; Pakistan; Philippines; People's Republic of China; Republic of Korea; Sri Lanka; Tajikistan; Taipei,China; Thailand; and Uzbekistan. There were no rate hikes by central banks in the region in November.

GDP Growth in Southeast Asia

Downward Revision for 2023 with Rebound Expected in 2024

	2022	2023		2024	
		September	December	September	December
Developing Asia	4.3	4.7	4.9	4.8	4.8
Caucasus and Central Asia	5.1	4.6	4.8	4.7	4.6
Kazakhstan	3.2	4.1	4.5	4.3	4.3
East Asia	2.8	4.4	4.7	4.2	4.2
Hong Kong, China	-3.5	4.3	3.6	3.3	3.3
People's Republic of China	3.0	4.9	5.2	4.5	4.5
Republic of Korea	2.6	1.3	1.3	2.2	2.2
Taipei, China	2.4	1.2	1.2	2.7	2.7
South Asia	6.7	5.4	5.7	6.0	6.0
India	7.2	6.3	6.7	6.7	6.7
Southeast Asia	5.6	4.6	4.3	4.8	4.7
Indonesia	5.3	5.0	5.0	5.0	5.0
Malaysia	8.7	4.5	4.2	4.9	4.6
Philippines	7.6	5.7	5.7	6.2	6.2
Singapore	3.6	1.0	1.0	2.5	2.5
Thailand	2.6	3.5	2.5	3.7	3.3
Viet Nam	8.0	5.8	5.2	6.0	6.0
The Pacific	6.1	3.5	3.5	2.9	2.9

Price of Commodities

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

Corn

Feb 14, 2024 5:15 PM ET



Soybean Meal

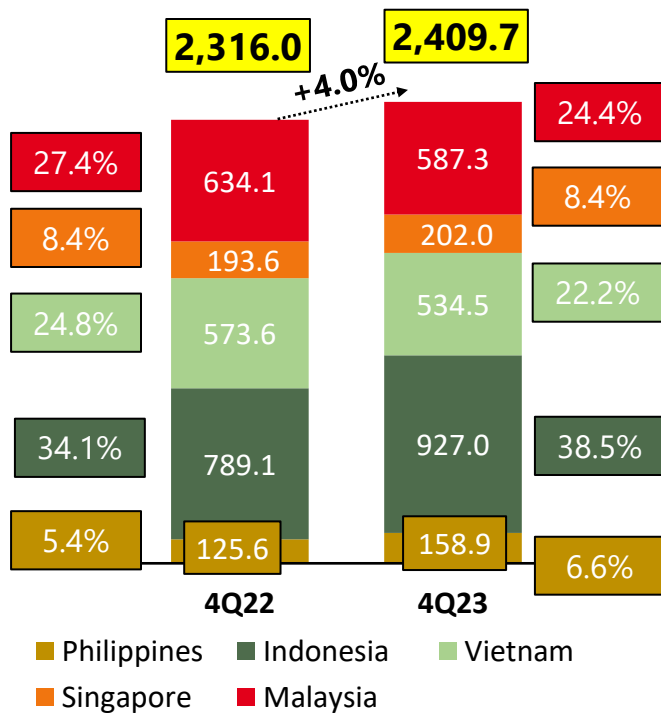
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Financial Highlights: Revenue

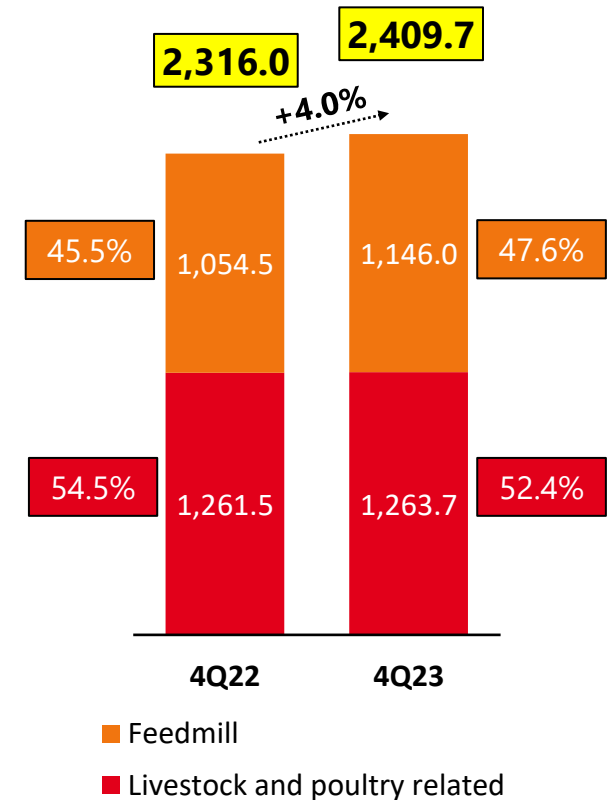
• Stable revenue growth on the back of expansion in both Livestock and Feedmill segments

Revenue⁽¹⁾ by Country (RM million)



Revenue ⁽¹⁾ by Country	4Q22 (RM million)	4Q23 (RM million)	Variance
Malaysia	634.1	587.3	-7.4%
Singapore	193.6	202.0	4.3%
Vietnam	573.6	534.5	-6.8%
Indonesia	789.1	927.0	17.5%
Philippines	125.6	158.9	26.5%
LHI Group	2,316.0	2,409.7	4.0%

Revenue⁽¹⁾ by Segment (RM million)

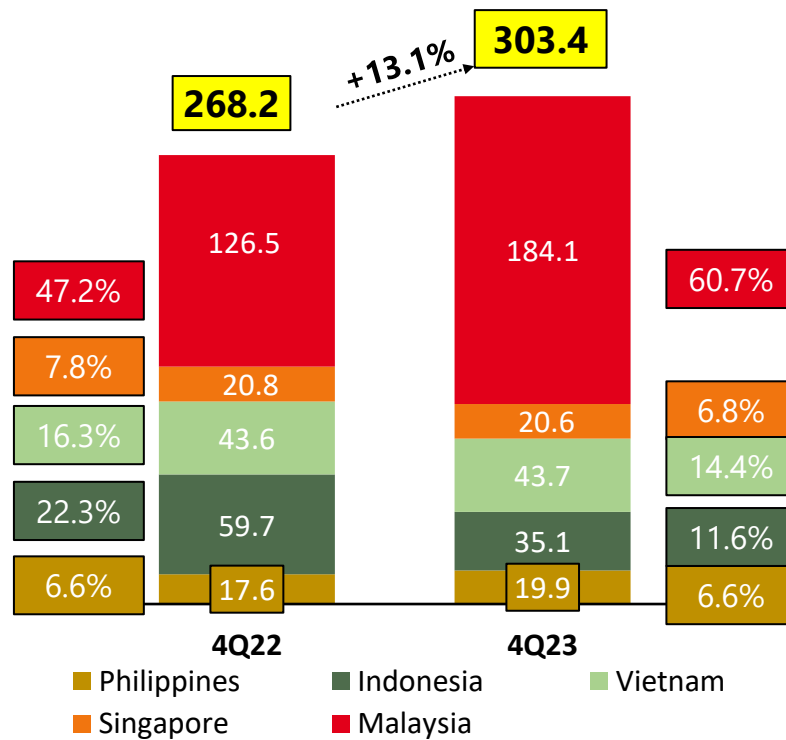


Notes:
(1) Excluding revenue from other sources.

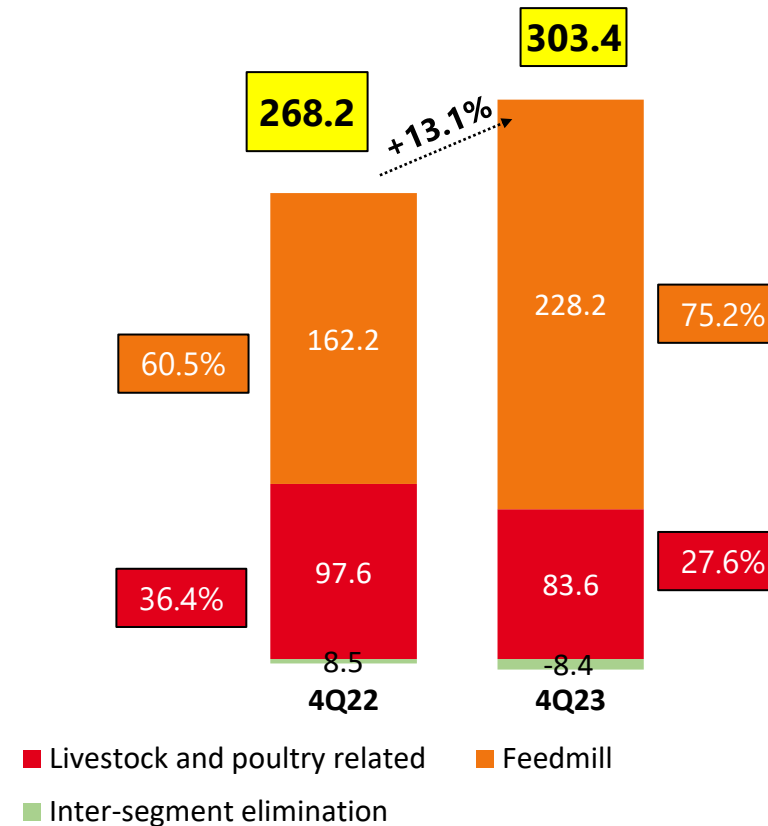
Financial Highlights: EBITDA

- Increment on EBITDA mainly contributed by Malaysia.

EBITDA by Country (RM million)

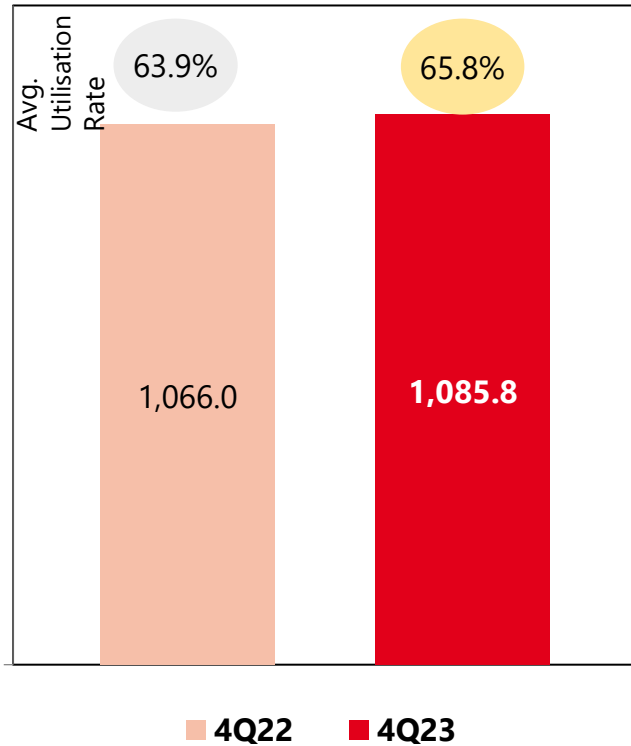


EBITDA by Segment (RM million)

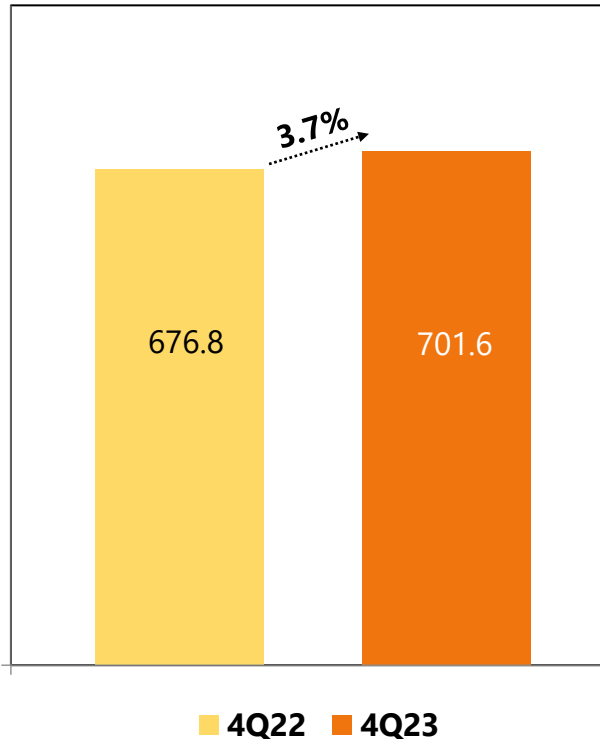


Operating Highlights: Feedmill

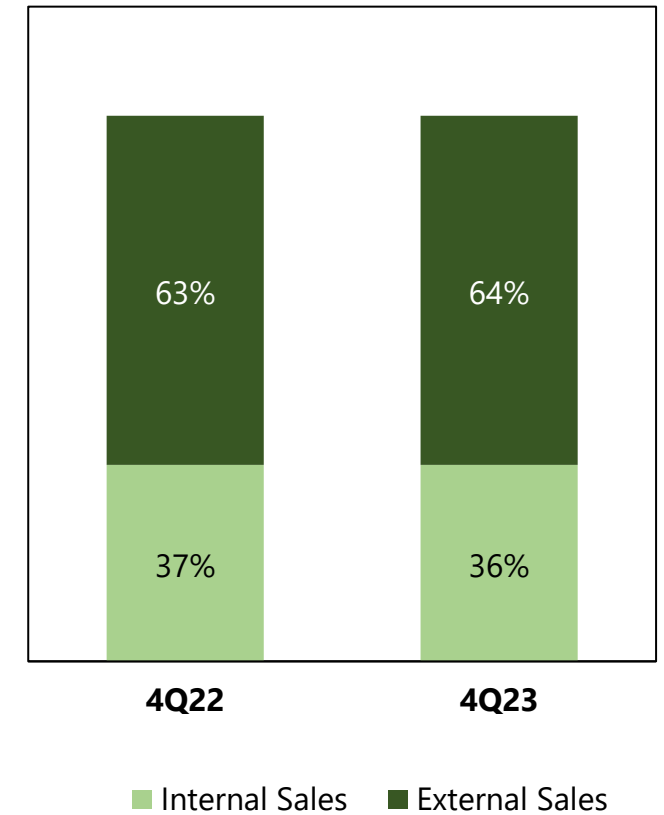
Group Production Capacity (‘000 MT)



Group Feed Sales Volume⁽¹⁾ (‘000 MT)



Sales Split

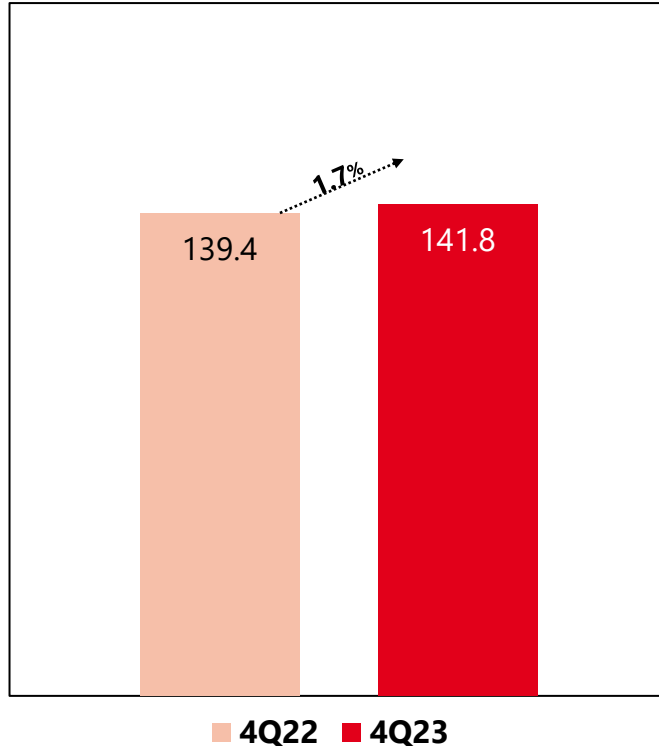


Note:

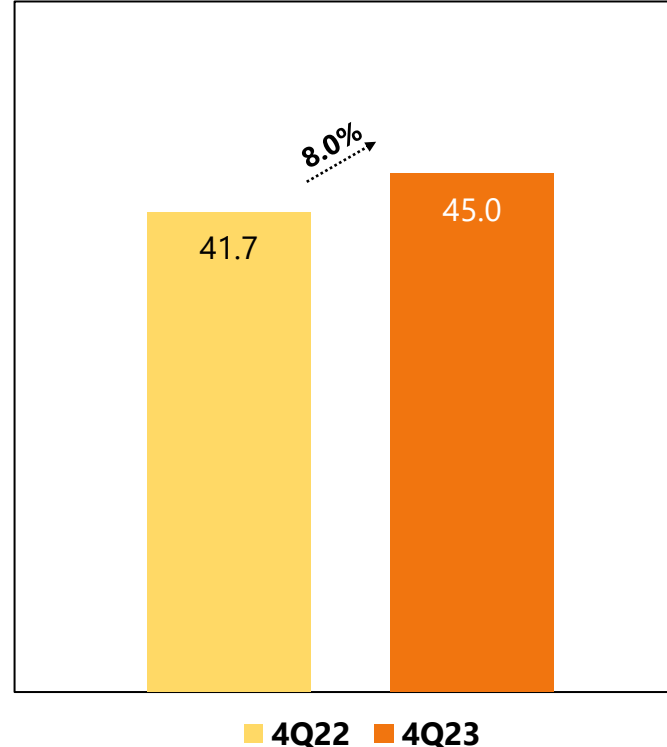
(1) Feed sales volume include both internal and external sales.

Operating Highlights: Livestock

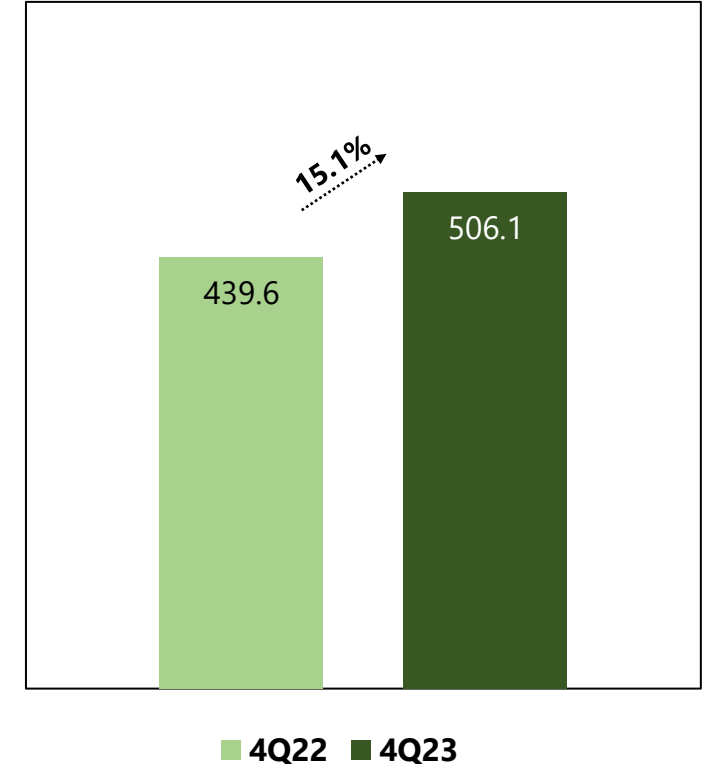
**Group Broiler DOC
Volume Supplied⁽¹⁾
(million chicks)**



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



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

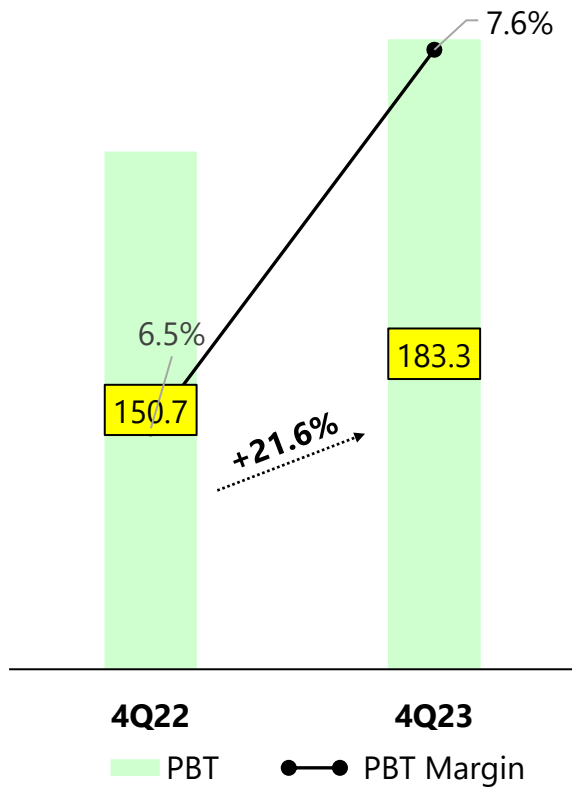


Notes:

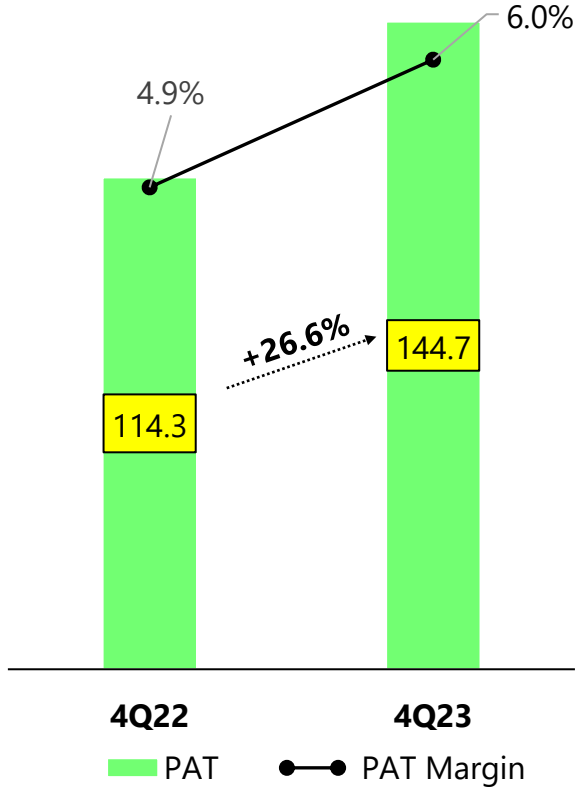
- (1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.*
- (2) All eggs are sold to third parties.*

Financial Highlights: Earnings

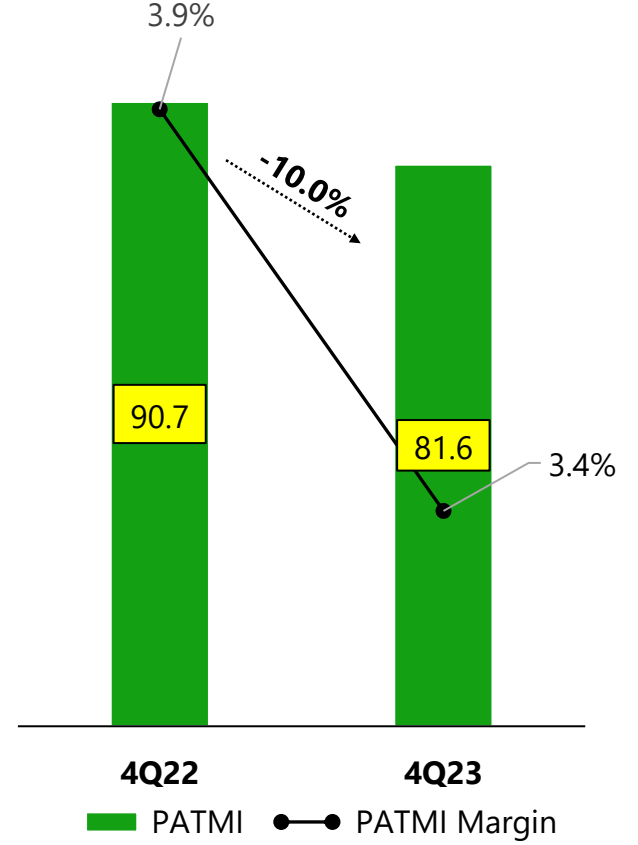
Profit Before Tax (RM million)



Profit After Tax (RM million)

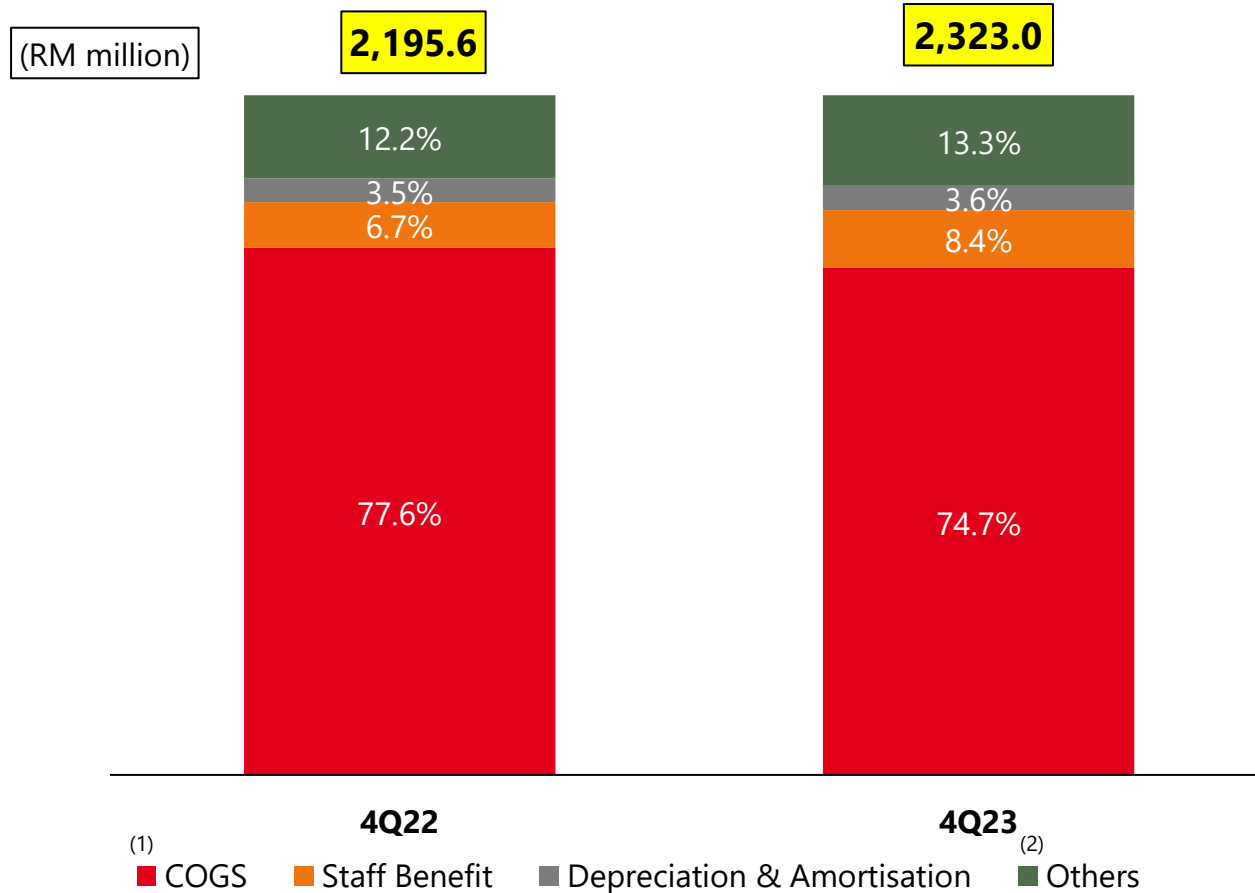


Profit After Tax and Minority Interest (RM million)



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>4Q22 (RM million)</i>	<i>4Q23 (RM million)</i>	<i>Variance</i>
Revenue ⁽¹⁾	2,316.0	2,409.7	4.0%
EBITDA	268.2	303.4	13.1%
Depreciation and amortisation	77.2	83.5	8.2%
Finance cost	40.4	36.7	-9.2%
Profit before tax	150.7	183.3	21.6%
Profit after tax and minority interest	90.7	81.6	-10.0%
Earnings per share (sen)	2.49	2.24	-10.0%
EBITDA margin (%)	11.6	12.6	8.6%

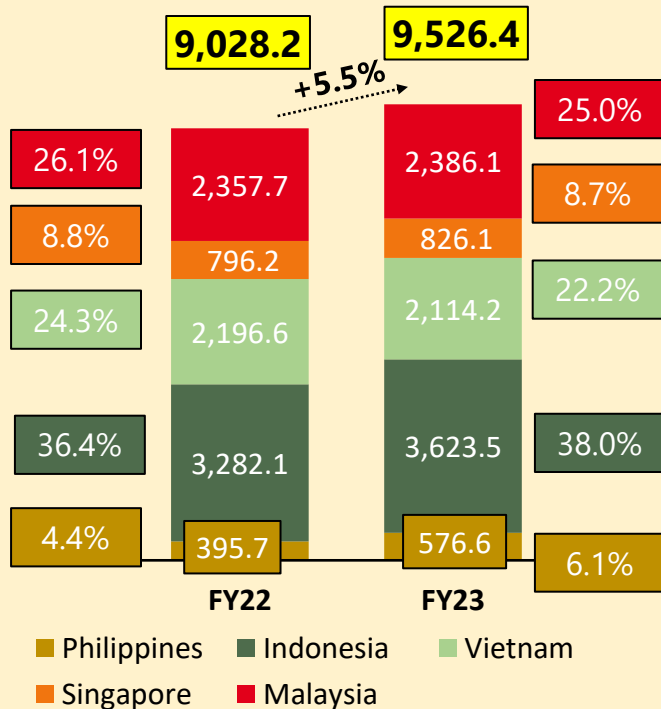
Notes:

(1) Excluding revenue from other sources.

FY23 Financial Highlights: Revenue

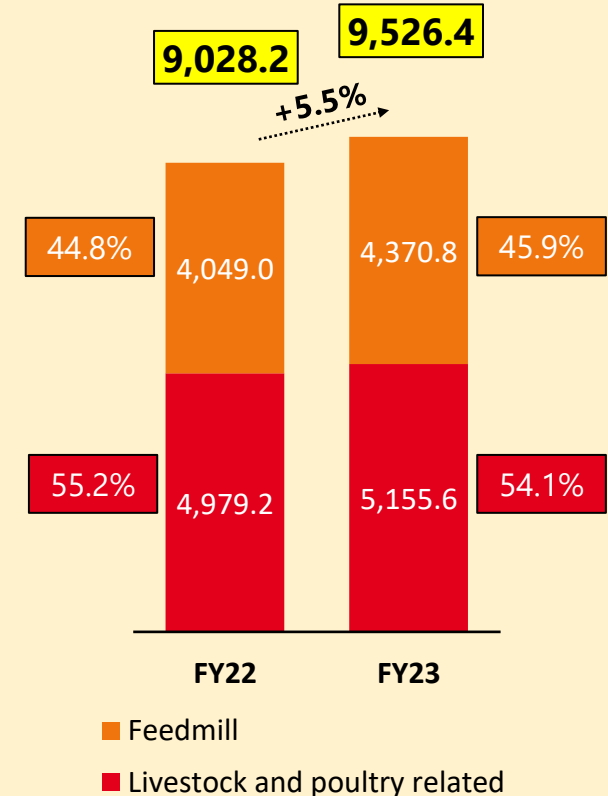
- Steady growth in both Livestock (+3.5% YoY) and Feedmill (+7.9% YoY).
- Malaysia enjoyed higher ASP from improved sales mix and sales volume of eggs and higher selling price of DOC.
- Higher sales volume in Philippines (dressed chickens) and Indonesia (broiler chickens).

Revenue⁽¹⁾ by Country
(RM million)



Revenue ⁽¹⁾ by Country	FY22 (RM million)	FY23 (RM million)	Variance
Malaysia	2,357.7	2,386.1	1.2%
Singapore	796.2	826.1	3.8%
Vietnam	2,196.6	2,114.2	-3.8%
Indonesia	3,282.1	3,623.5	10.4%
Philippines	395.7	576.6	45.7%
LHI Group	9,028.2	9,526.4	5.5%

Revenue⁽¹⁾ by Segment
(RM million)

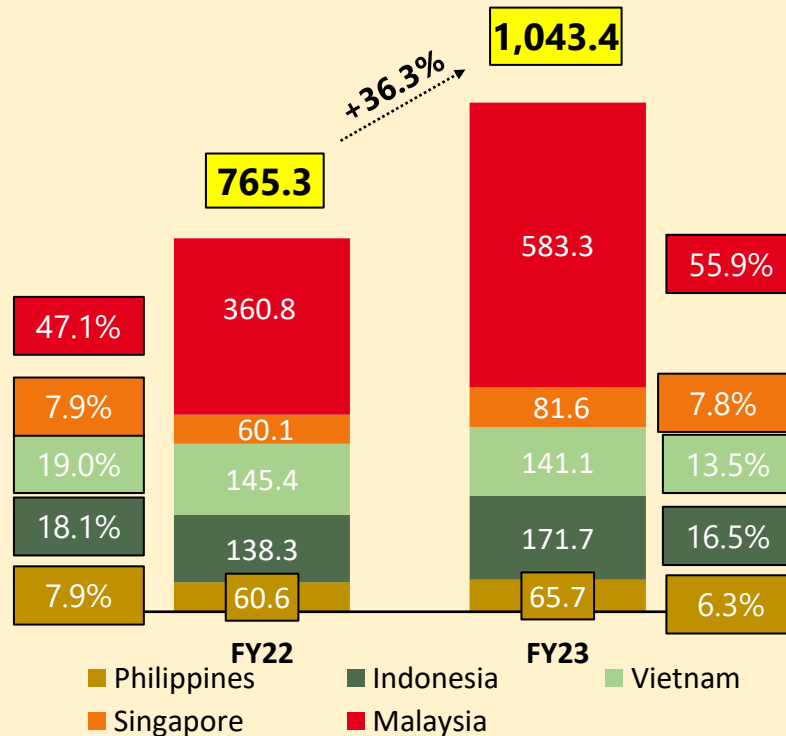


Notes:
(1) Excluding revenue from other sources.

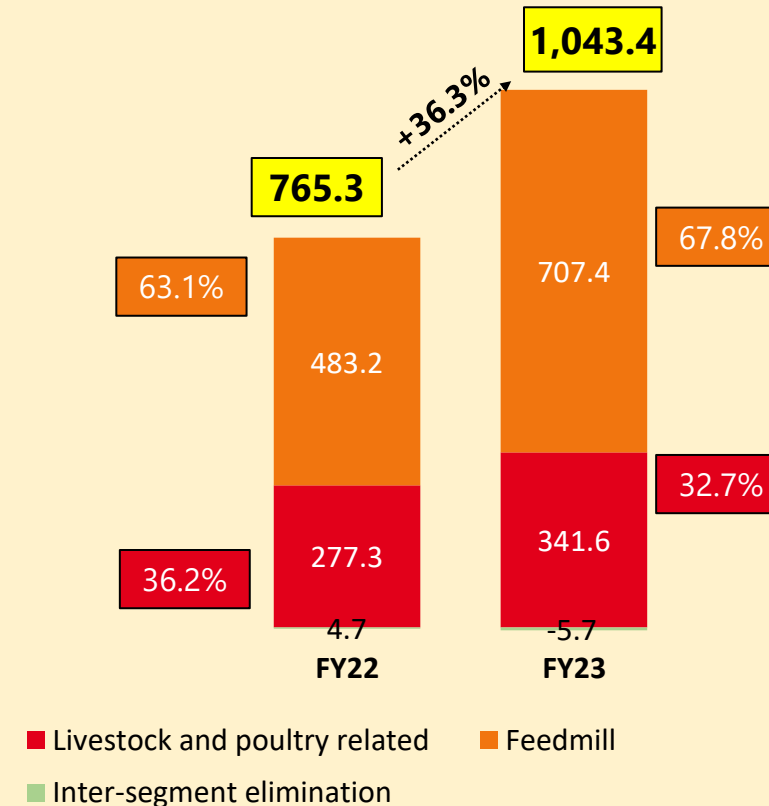
FY23 Financial Highlights: EBITDA

- Increased EBITDA is primarily due to Malaysia's enhanced margins and better product mix in eggs sales.
- Feedmill EBITDA rose in Vietnam, Indonesia, and the Philippines due to cheaper raw materials.

EBITDA by Country (RM million)

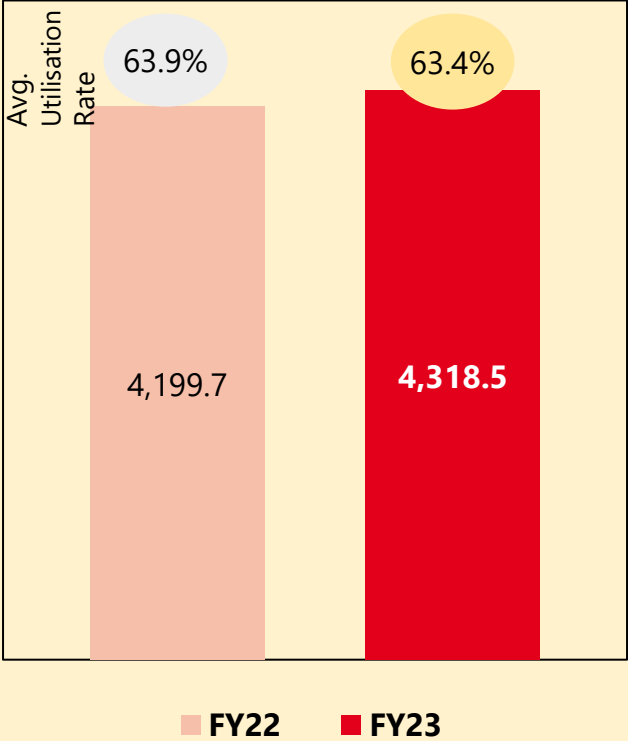


EBITDA by Segment (RM million)

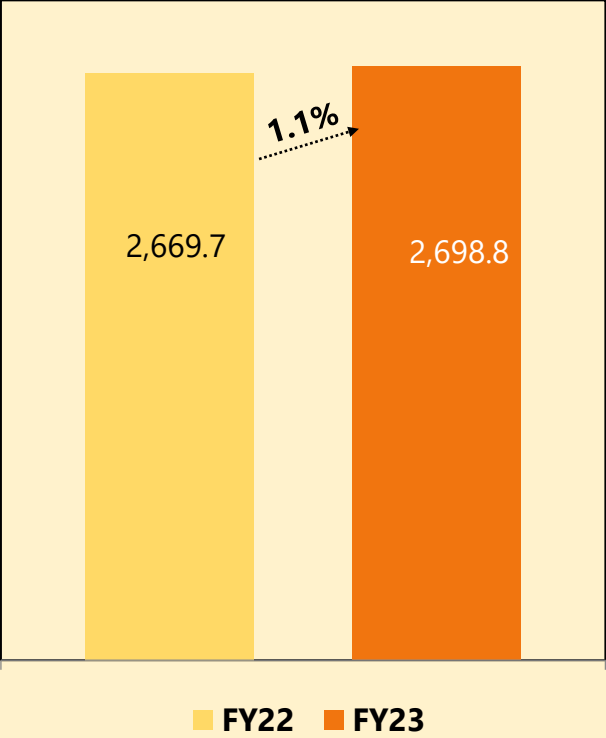


FY23 Operating Highlights: Feedmill

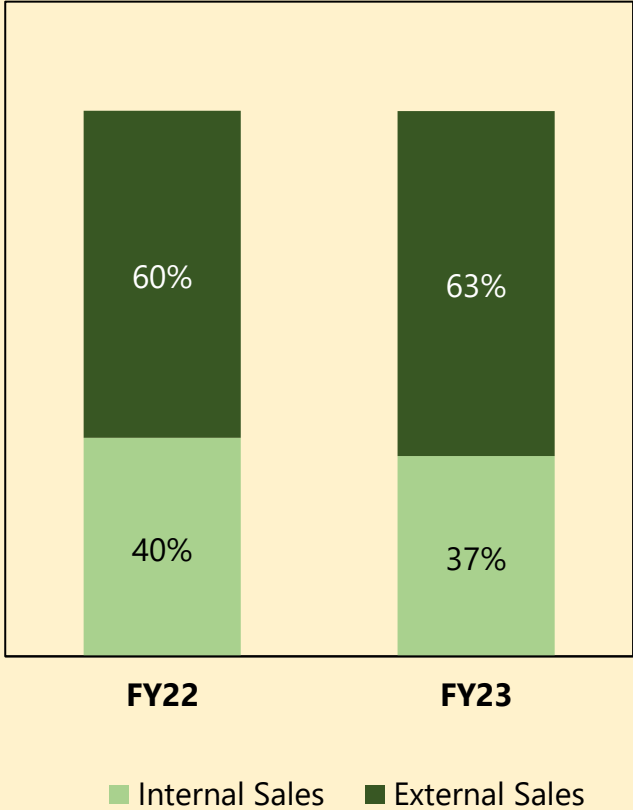
Group Production Capacity
(‘000 MT)



Group Feed Sales Volume⁽¹⁾
(‘000 MT)



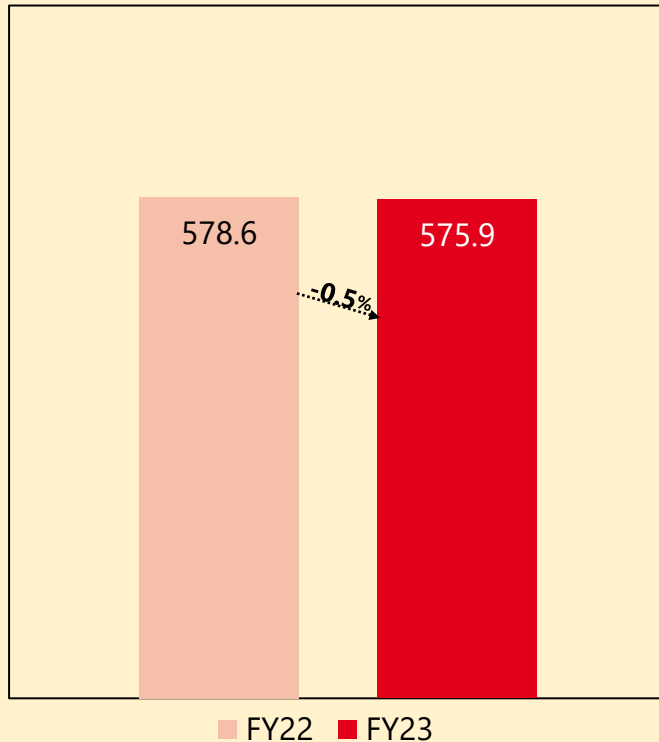
Sales Split



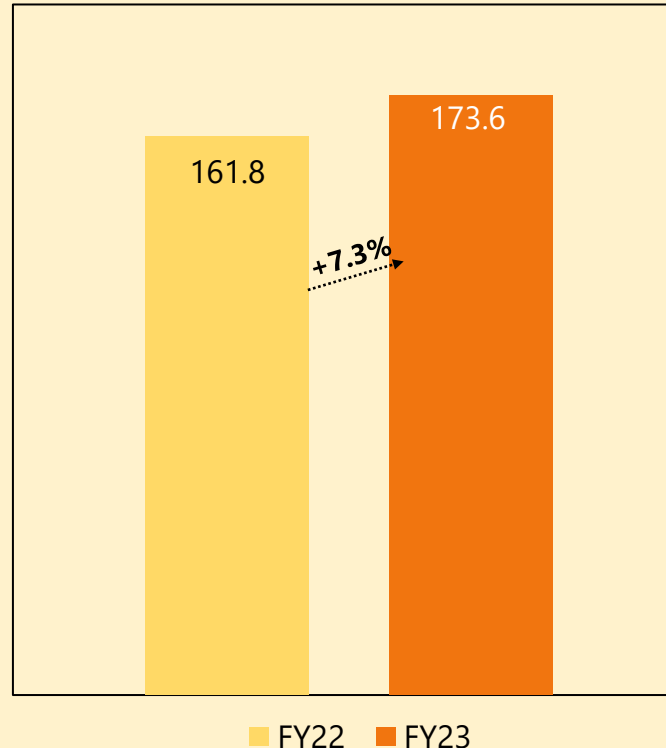
Note:
(1) Feed sales volume include both internal and external sales.

FY23 Operating Highlights: Livestock

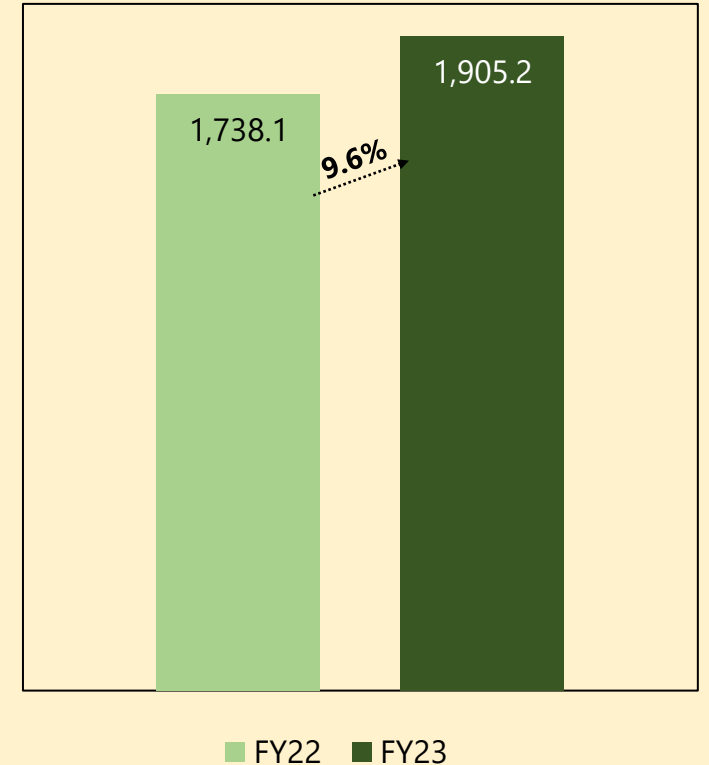
**Group Broiler DOC
Volume Supplied⁽¹⁾
(million chicks)**



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



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



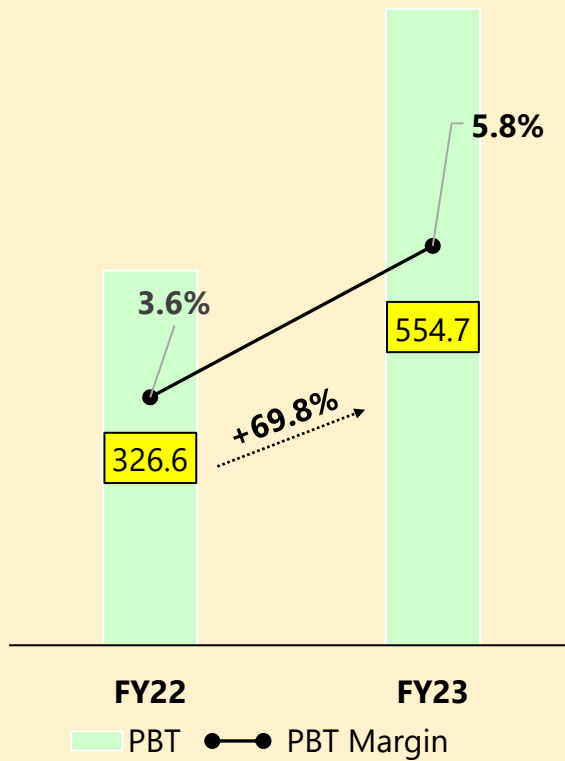
Notes:

(1) Figures for broiler day-old chicks ("DOC") and broiler chickens reflect the total of DOC and broiler chickens supplied internally and sold externally.

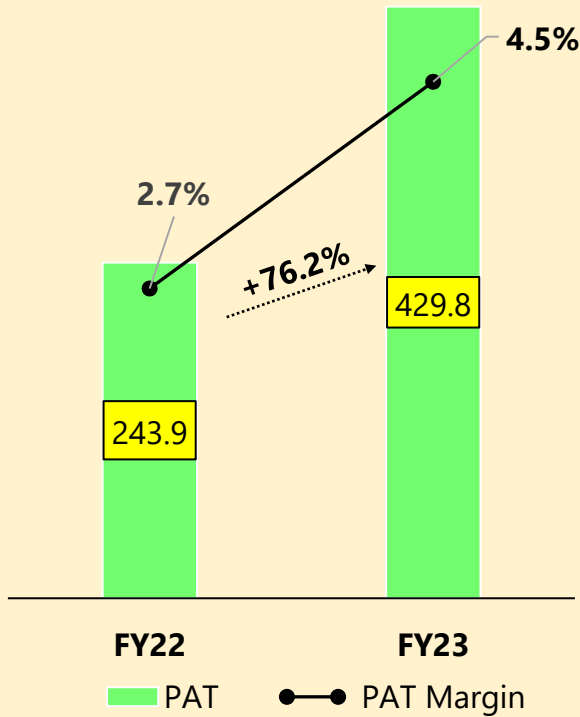
(2) All eggs are sold to third parties.

FY23 Financial Highlights: Earnings

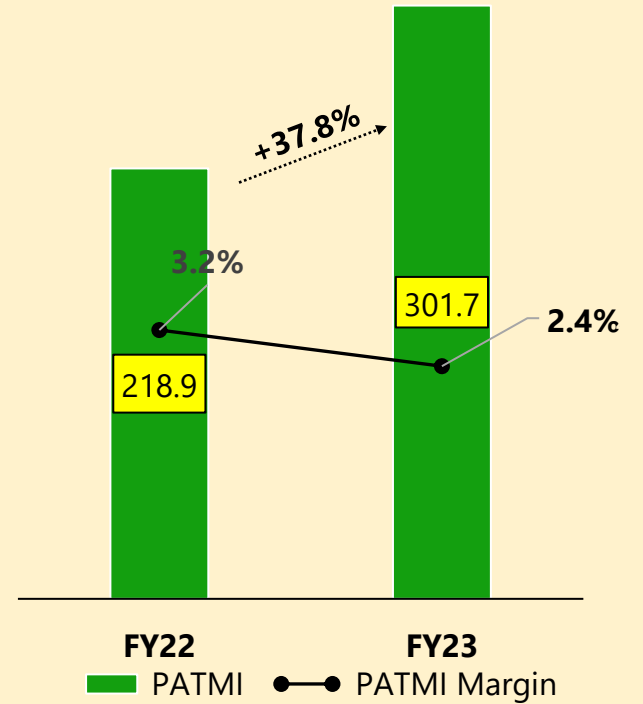
Profit Before Tax (RM million)



Profit After Tax (RM million)

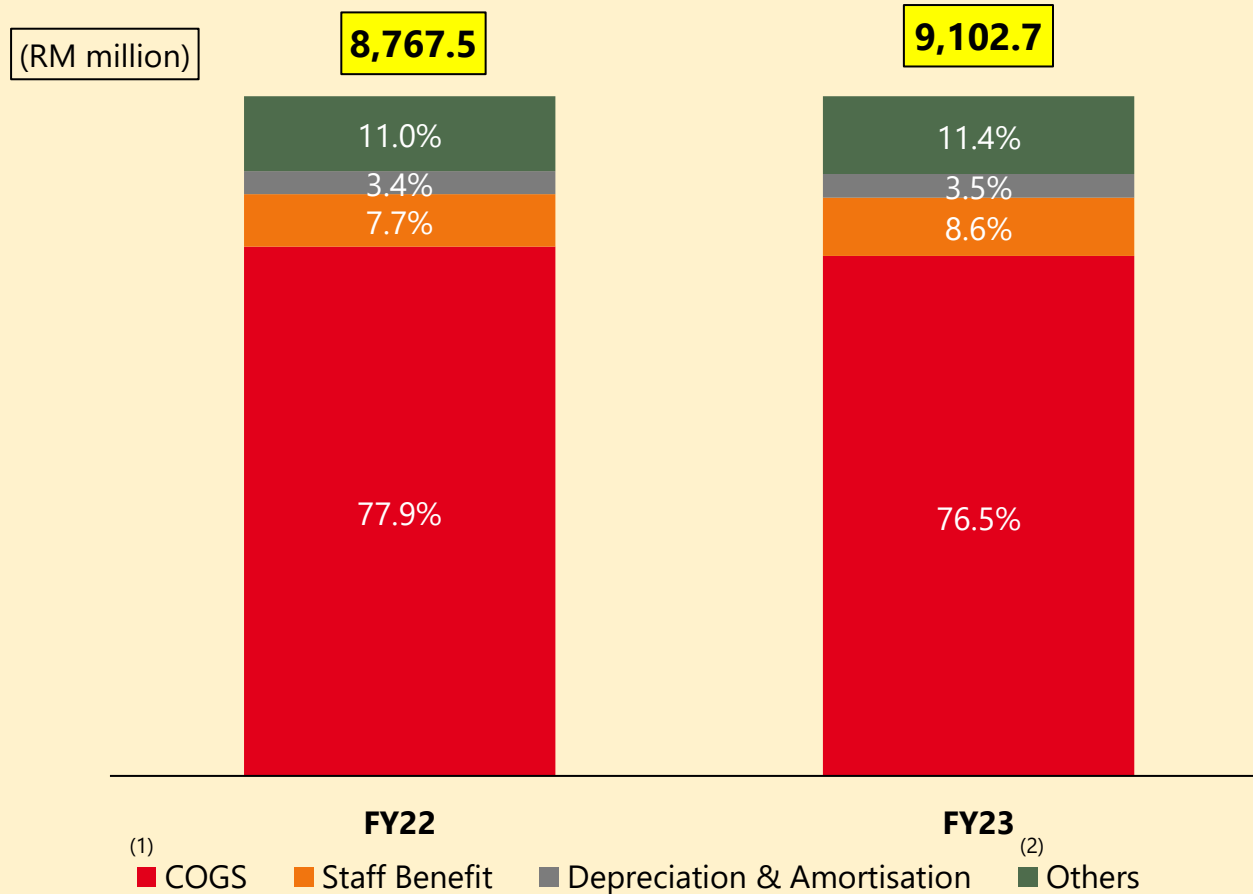


Profit After Tax and Minority Interest (RM million)



FY23 Operating Expenses

- COGS decreased due to a decrease in raw material cost and a reduction in inflation levels.
- 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 (FY22 vs FY23)

<i>Financial Year Ended</i>	<i>FY22</i> <i>(RM million)</i>	<i>FY23</i> <i>(RM million)</i>	<i>Variance</i>
Revenue ⁽¹⁾	9,028.2	9,526.4	5.5%
EBITDA	765.3	1,043.4	36.3%
Depreciation and amortisation	301.2	319.4	6.0%
Finance cost	137.9	169.6	23.0%
Profit before tax	326.6	554.7	69.8%
Profit after tax and minority interest	218.9	301.7	37.8%
Earnings per share (sen)	6.00	8.27	37.8%
EBITDA margin (%)	8.5%	11.0%	2.5%

Notes:

(1) Excluding revenue from other sources.

Balance Sheet: Summary

	<i>As at 31 December 2022 (RM million)</i>	<i>As at 31 December 2023 (RM million)</i>
Assets		
Non-current assets	3,431.8	3,415.3
Biological assets and inventories	1,445.5	1,494.3
Trade receivables	649.9	729.4
Other receivables	224.7	188.1
Cash and bank balances	840.3	699.5
Total Assets	6,592.2	6,526.6
Equity and Liabilities		
Total equity	2,589.6	2,955.1
Trade payables	358.9	359.6
Other payables and liabilities	611.0	710.0
Short term borrowings ⁽¹⁾	1,986.3	1,587.3
Long term borrowings ⁽¹⁾	1,046.4	870.8
Total Equity and Liabilities	6,592.2	6,526.6

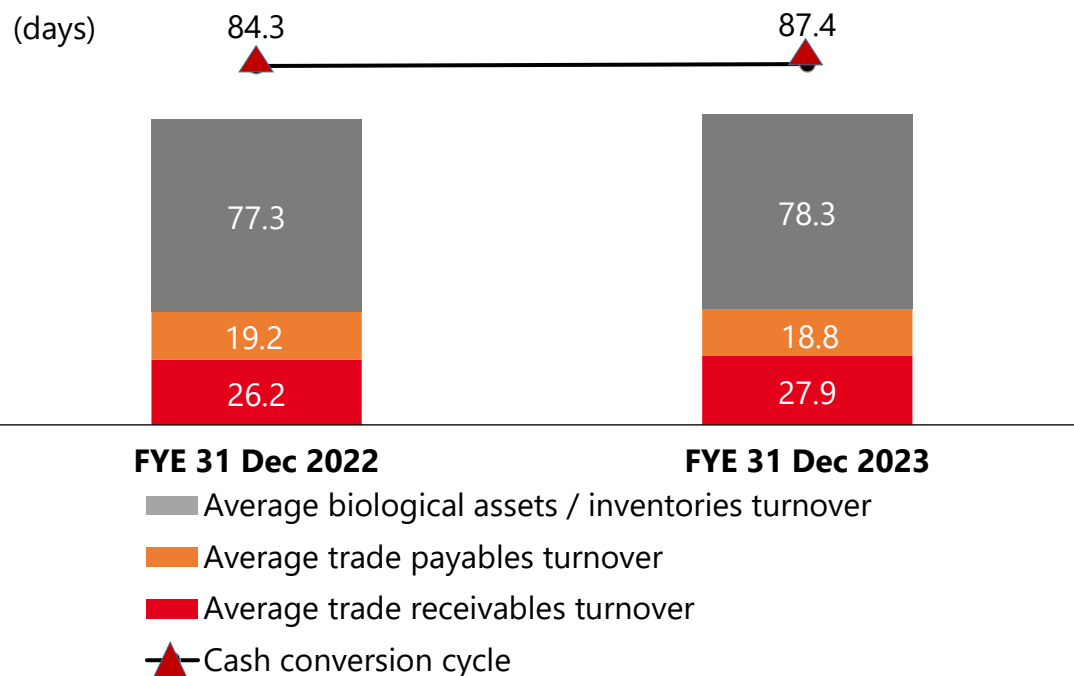
Note:

(1) Excluding lease liabilities for MFRS 16.

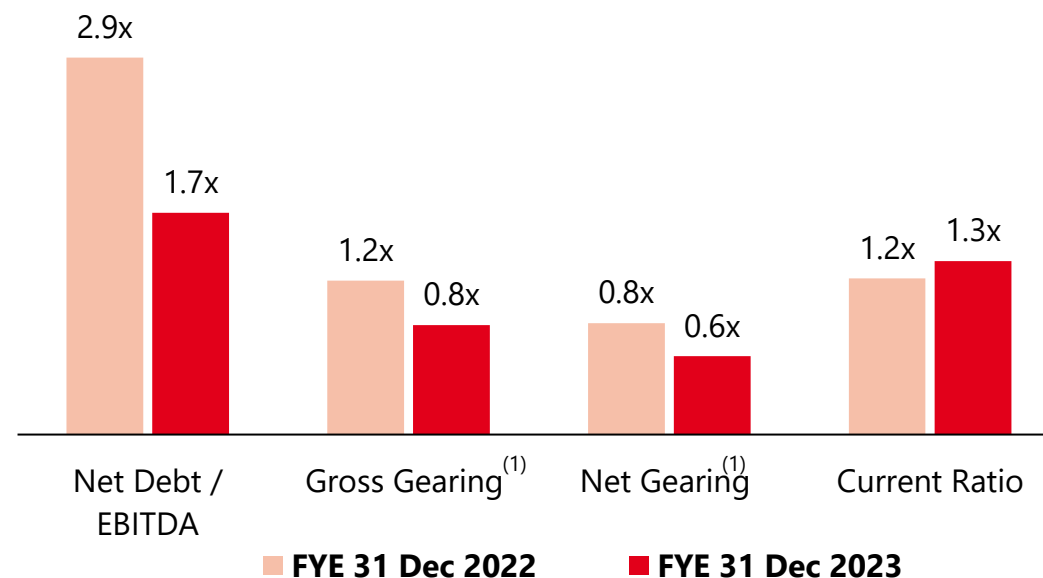
Working Capital Management

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

Cash Conversion Cycle



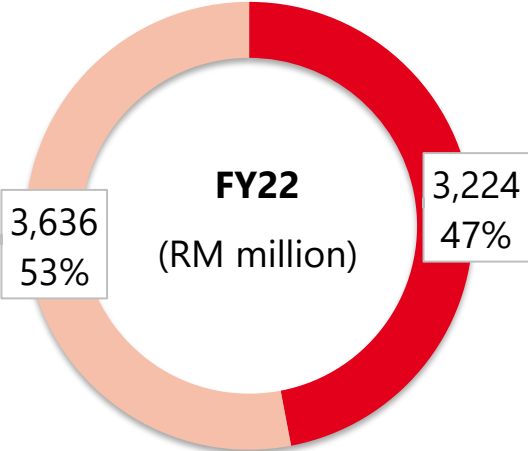
Key Ratios



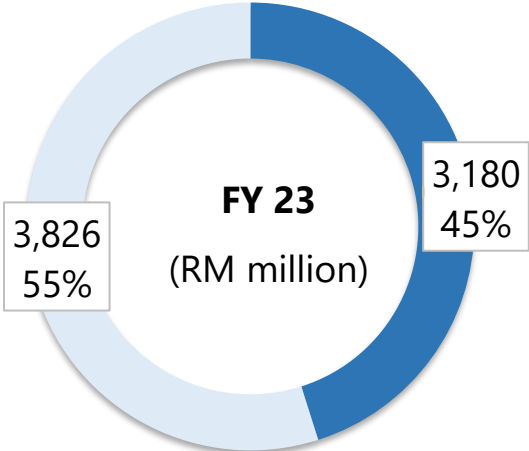
Note:

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

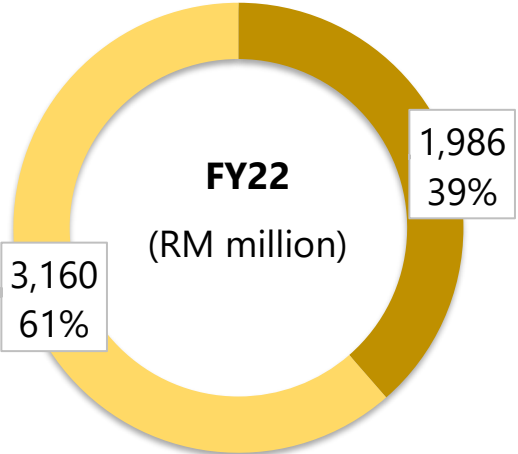
Snapshot of Liquidity Position



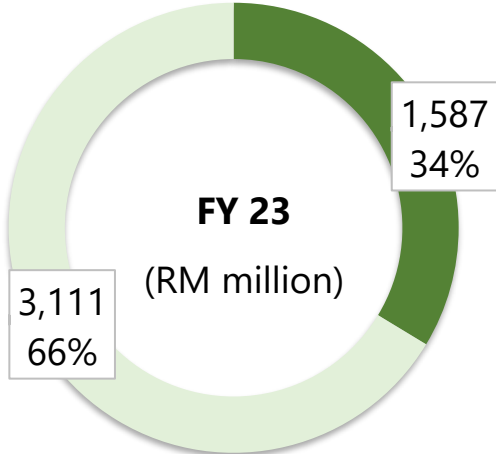
■ Fixed Asset⁽¹⁾ ■ Equity + LT Borrowings



■ 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	Solar system, Teo Seng	4Q2022	Completed in 4Q 2023	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

Sunnychick remain focus on production development and operation

Sunnychick in Indonesia

- As at 31 December 2023 we have 27 outlets and 1 food truck



GRAND OPENING NEW STORES

Store
Radar Auri

Store
Pengantin Ali



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
- Estimate completion by 3Q 2023



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 December 2023 we have 54 outlets

54 Stores
as of 31 December 2023

A promotional graphic for LH Deli. At the top, the word "WHY?" is written in large, bold, red letters. Below it is the LH Deli logo, which includes a stylized chicken head and the text "LH Deli" and "From Farms To Plates". The central text reads "is THE PERFECT BUSINESS FOR YOU THIS 2024?" in bold red letters. On either side of the text are cartoon chicken characters in red and yellow uniforms. At the bottom, there is a photograph of several LH Deli store fronts with people gathered outside for an event.

A promotional graphic for LH Deli. At the top is the LH Deli logo. Below it, the text "LOW INVESTMENT" is written in large, bold, red letters. Underneath, it says "saan ka pa? for just only" in smaller red text. The number "348k" is displayed in very large, bold, red letters, with "*estimated" written in smaller red text to its right. Below the number is an illustration of a hand holding several green banknotes. At the bottom, the text "ede ka na magkaroon ng negosyong patok at masarap!" is written in red.

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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58000 Kuala Lumpur,
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Website

<https://www.leonghupinternational.com>

For enquiries, please contact:

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

THANK YOU