



BUSINESS PERFORMANCE REVIEW AND OUTLOOK

By
Mr Chia Song Kooi
Group Managing Director

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Contents



- Performance review of FY 2023 vs FY 2022
- Group ESG Highlights
- Operational highlights for FY2023
- 1st quarter FY2024 results summary
- Overall outlook for FY2024

Performance review of FY2023 vs FY2022

Performance Review : FY2023 vs FY2022



Summarized Income Statement (RM million)	FY2023	FY2022	% change
Revenue	6,242.6	5,236.0	+19.2%
Profit before tax (PBT)	480.8	321.2	+49.7%
<i>PBT % margin</i>	<i>7.7%</i>	<i>6.1%</i>	
Profit after tax after MI (PATAMI)	346.8	217.3	+59.6%
<i>PATAMI % margin</i>	<i>5.6%</i>	<i>4.2%</i>	

Highlights:

1. Another year of uninterrupted **Revenue** growth, attributable to recovery in demand post MCO disruption and higher unit selling price.
2. A record year of **PBT** to RM480 mil which grew by 50% YoY, attributable to
 - Revenue growth
 - Margin normalisation from gain in productivity and efficiency despite cost escalation
 - Cost mitigation from farm produce subsidy by Malaysian government under price control mechanism.

FY2023 Performance Review: Marine Products Manufacturing (MPM)

- A leading marine products manufacturer in ASEAN

(RM'million)	FY2023	FY2022	% Change
Revenue	1,341.7	1,164.9	15.2%
PBT	242.2	200.8	20.6%



- For FY2023, MPM's Revenue increased by 15.2%, with full resumption of entire fishing fleet translated into overall volume recovery and resilient nature of surimi-based business.
- PBT increased by 20.6% mainly due to higher Revenue with improved margin, where higher selling price, production efficiency gain and strong USD for export market helped to offset higher production cost.

FY2023 Performance Review: Integrated Livestock Farming (ILF)

- A leading poultry egg producer in ASEAN

(RM'million)	FY2023	FY2022	% Change
Revenue	3,439.4	2,786.5	23.4%
PBT	183.1	32.1	470.4%



- For FY2023, ILF's Revenue grew 23.4% mainly due to high unit price for both feed raw material trading and farm produce.
- PBT increased significantly mainly due to strong recovery after the substantial dip in FY2022, in addition to enhanced farm production efficiency, significantly higher egg prices in Vietnam as well as improved direct sales channel and higher % of branded egg mix. Malaysia government cost subsidy also helped to mitigate high feed cost, labor and financing cost.

FY2023 Performance Review: Palm Oil & Clean Energy (POCE)

- POCE includes palm oil activities and clean energy (CE) engineering comprising bioenergy, solar energy, and water treatment

(RM'million)	FY2023	FY2022	% Change
Revenue	600.5	647.9	-7.3%
PBT	11.7	45.3	-74.2%



- Despite pick-up in the project rollout in Boilermech, POCE's FY2023 Revenue decreased by 7.3% mainly due to weak performance of palm oil activities with less FFB harvested and processed as well as decline in CPO price.
- PBT decreased by 74.2%, severely affected by the decline in CPO prices, high plantation operating cost as well as the high raw material cost for Boilermech's CE projects with unfavorable USD impact.

FY2023 Performance Review: Convenience Store Chain (CVS)



- The FamilyMart store chain offers a wide range of RTE and easily prepared meals to consumer, supported by 2 halal certified central kitchen

(RM'million)	FY2023	FY2022	% Change
Revenue	861.0	636.7	35.2%
PBT	43.7	43.0	1.6%



- For FY2023, Revenue increased by 35.2% mainly due to additional 76 outlets and strong demand in 1HFY2023, with activities normalized when Malaysia transitioned into endemic phase starting 1 April 2022.
- Despite strong growth in Revenue, PBT increased marginally mainly due to weaker average store sales in 2H with dampened consumer sentiment, and margin compression as a result of hike in labour cost and electricity tariff.

Group ESG Performance Highlights for FY2023



Group ESG Performance & Highlights for FY2023

Ratings & Recognition:

- MSCI ESG Rating – Improved from BB to **BBB**
- FTSE Russell ESG Grading – Improved from 2-star to **3-Star**
- Asean **Corporate Governance** Scorecard – **ASEAN Asset Class Award 2021**

ESG Key Highlights:



- Increased 72% solar energy generation YoY
- Reduced 17.2% GHG Intensity from base FY2020 (target 20% by FY2026)
- Diverted 74.2% of hazardous waste & 95.3% non-hazardous waste from landfill
- Planted 2000 mangrove seedlings with 99% survival rate



- Assisted over 11,900 beneficiaries with various communities projects at an investment over RM835,000
- RM21.8mil interest-free Financial Assistance Scheme for 924 fisherman



- Zero violation on Anti-Bribery Policy

Operational Highlights for FY2023



Operational Highlights for FY2023



Marine Products Manufacturing activities

- Hutan Melintang surimi-based product project expansion progressed further with land acquisition nearing completion.
- Construction of new surimi-based product plant in Indonesia with 25,000 mt annual capacity was progressing well and expected to complete and commission in 4QFY2024.
- Extra 7,000 mt annual production capacity added at Kulai plant is on track and expected to complete and commission in Q4 FY2024.

Operational Highlights for FY2023



Integrated Livestock Farming activities

- Volatile feed raw material price and high financing cost adversely affected the performance of feed raw material trading.
- Strong performance reported by farming operations in Malaysia and Vietnam, while Indonesia operations continued to face challenges. In Malaysia, sales channel improvement, higher % of branded egg and enhanced productivity as well as government cost subsidy improve overall margin. In Vietnam, significantly higher egg prices amid tight market supply enabled the operations to register a record year.
- We continued to increase investment in automation to improve efficiency and reduce labour reliance. In addition, we adopt technology to enhance data collection and data quality for better decision making.

Operational Highlights for FY2023



Palm Oil Activities & Clean Energy

Palm Oil Activities (“POA”)

- FY2023’s FFB production tonnage for Indonesia plantation was 130,000 MT against 140,000 MT in FY2022. Coupled with lower CPO price, POA reported weak result in FY2023.
- Completed disposal of 158 acres of estate surrounding Sabah mill 2 with a gain of about RM3million recognized. Continue to explore the disposal of mill 2 and balance estate.

Clean Energy – Boilermech (“BM”)

- Higher revenue due to the pick-up in project rollout from the substantial orders on hand. However, PBT was flat due to high raw material cost affected by strong USD.
- Increased investment to 100% in Tera VA Sdn Bhd as our strategic effort to further align internal resources and our focus in solar segment.

Operational Highlights for FY2023



FamilyMart Convenience Stores Chain activities

- 357 operating stores as at end FY2023, a net increase of 76 stores.
- Second central kitchen commissioned and received halal certification in December 2022
- Launched Famicafé with halal certification to enhance customer service
- Introduced self-service kiosks in stores to improve customer service and reduce labour reliance.



Quarter 1 Results Summary (FY 2024 vs FY 2023)

Summary of 1st Quarter Results: Q1FY24 vs Q1FY23



全利資源有限公司
Resources Berhad
with value for all

RM million	QE 30.6.2023	QE 30.6.2022	% change
Revenue	1,599.4	1,521.8	+5.1%
Operating profit	216.7	180.0	+20.4%
Profit before Tax (PBT)	136.4	108.1	+26.2%
<i>PBT % margin</i>	8.5%	7.1%	
Profit after tax after MI (PATAMI)	92.8	82.4	+12.6%
<i>PATAMI % margin</i>	5.8%	5.4%	

- Revenue up marginally attributable to higher sales for POA due to higher CPO sales delivery as well as CVS with net increase of 73 outlets.
- PBT rose by 26% due to overall higher sales and margin improvement in MPM, ILF and POCE. Meanwhile CVS margin remained compressed from high operating cost as a result of hike in labour cost but it is expected to improve with operating efficiency and cost control efforts.

Please refer to our quarterly report for a detailed review

Overall FY2024 Outlook



Key Risk Factors Affecting FY2024 Outlook



Following are key risk factors that may affect group outlook in FY2024:

- Fuel prices stay high
- Volatile agriculture commodity prices caused by extreme weather
- High interest rate and weak global economic outlook
- Prolonged Russia-Ukraine war and China-US tension
- Consumer confidence and sentiment on seafood impacted by release of treated radioactive water by Japan

FY2024 OUTLOOK BY BUSINESS SEGMENT



BUSINESS SEGMENTS OUTLOOK:

– MPM’s outlook is positive:

- Fish landing experienced is good in the new season while fuel cost remains stable
- With stable demand and Peru’s supply constraint, fishmeal price is expected to stay high
- Surimi division is expected to underperform as price is trending downward due to ample supply from Russia but this will augur well for surimi-based division with lower input cost.

– ILF’s outlook remain positive:

- Feed raw material trading is expected to be volatile
- Farming operations in Malaysia remain positive with government cost subsidy in place. The impending lifting of control price to rationalise subsidy may affect the margin depending on egg supply-demand dynamics, but we are of the view that the supply will stay tight for the remaining financial year. Indonesia operations expect to turnaround and for Vietnam, egg price and margin is expected to normalize.

FY2024 OUTLOOK BY BUSINESS SEGMENT



- POCE's outlook is positive:

Palm Oil Activities

- CPO price has stabilized with rising concern over the El Nino effect whilst improved plantation yield and OER will hopefully mitigate any downward price risk.

Clean Energy – Boilermech

- ESG focused investment and government commitment on green energy will continue to drive demand for our CE solutions
- Healthy project order book and pick-up in project delivery will help us to drive revenue growth. Margin is anticipated to be stable subject to Forex and raw material price risk.

FY2024 OUTLOOK BY BUSINESS SEGMENT



- CVS FamilyMart's outlook is neutral to positive:

- We are on course to achieve 600 outlets by FY2027, achieving better economies of scale especially for our central kitchen facilities.
- Continue to improve customer experience with FamiCafé concept, self service kiosk in stores and FM Mini expansion.
- Increase marketing activities to enhance sales and continue efforts on operating efficiency improvement and cost control to improve margin.



OVERALL GROUP OUTLOOK FOR FY2024



Overall outlook:

Notwithstanding the weak global economy outlook impacted by high interest rate, prolonged Russia-Ukraine war, US-China trade war and geo-political tension, the outlook of all segments are neutral to positive with resilient nature of our food businesses as well as increased market focus on ESG and renewable energy investment. We will continue the expansion program for the CVS business which is a growth catalyst.

Thank you