



**IOI GROUP**

# **IOI CORPORATION BERHAD**

## **FY2024 3rd Quarter Group Results Summary**



1. Financial results
2. Operating statistics
3. Prospects

# 1. FINANCIAL RESULTS



# Profit or Loss - Qtr on Qtr & Year-to-Date

(in RM' million)

|                         | Q3 FY24      | Q3 FY23      | %<br>change | YTD FY24<br>9 months | YTD FY23<br>9 months | %<br>change |
|-------------------------|--------------|--------------|-------------|----------------------|----------------------|-------------|
| Revenue                 | 2,463.0      | 2,660.4      | -7%         | 7,064.0              | 9,633.1              | -27%        |
| <b>EBIT</b>             | <b>298.0</b> | <b>271.7</b> | <b>10%</b>  | <b>1,102.2</b>       | <b>1,521.6</b>       | <b>-28%</b> |
| Profit before tax       | 184.3        | 260.8        | -29%        | 970.0                | 1,432.9              | -32%        |
| <b>Profit after tax</b> | <b>123.7</b> | <b>201.5</b> | <b>-39%</b> | <b>768.6</b>         | <b>1,089.6</b>       | <b>-29%</b> |

# Segment Results - Qtr on Qtr & Year-to-Date

(in RM' million)

|                        | Q3 FY24      | Q3 FY23      | %<br>change | YTD FY24<br>9 months | YTD FY23<br>9 months | %<br>change |
|------------------------|--------------|--------------|-------------|----------------------|----------------------|-------------|
| Total Plantation       | 244.9        | 221.2        | 11%         | 895.1                | 901.2                | -1%         |
| Total                  | 44.4         | 50.8         | -13%        | 187.1                | 634.6                | -71%        |
| Manufacturing          |              |              |             |                      |                      |             |
| Total Others           | 0.8          | (1.6)        | nm          | 1.2                  | 0.9                  | 33%         |
| <b>Segment results</b> | <b>290.1</b> | <b>270.4</b> | <b>7%</b>   | <b>1,083.4</b>       | <b>1,545.7</b>       | <b>-30%</b> |

## Q3 FY24 performance

### Plantation

Higher profit was due mainly to higher OER, partially offset by lower FFB production.

### Resource-based Manufacturing

Lower profit was due mainly to lower margins from oleochemical sub-segment as well as lower sales volume from refining sub-segment, mitigated by higher share of associates results.

## YTD FY24 (9-months) performance

### Plantation

Lower profit was due mainly to lower CPO and PK prices realised, mitigated by higher FFB production and OER as well as higher share of associate results.

### Resource-based Manufacturing

Lower profit was due mainly to lower margins from oleochemical and refining sub-segments as well as lower sales volume from refining sub-segment.

## **2. OPERATING STATISTICS**

# Operating Statistics: Plantation (Qtr on Qtr)

|                       |                  | Q3 FY24      | Q3 FY23      | %<br>change | Q2 FY24      | %<br>change |
|-----------------------|------------------|--------------|--------------|-------------|--------------|-------------|
| <b>CPO Price</b>      | <b>(RM/mt)</b>   | <b>3,882</b> | <b>3,928</b> | <b>-1%</b>  | <b>3,689</b> | <b>5%</b>   |
| PK Price              | (RM/mt)          | 2,238        | 2,153        | 4%          | 2,073        | 8%          |
|                       |                  |              |              |             |              |             |
| <b>FFB Production</b> | <b>(‘000 mt)</b> | <b>606</b>   | <b>628</b>   | <b>-4%</b>  | <b>819</b>   | <b>-26%</b> |
| Average mature area   | (‘000 Ha)        | 145          | 145          | 0%          | 144          | 1%          |
| FFB Yield             | (mt/Ha)          | 4.17         | 4.37         | -5%         | 5.66         | -26%        |
|                       |                  |              |              |             |              |             |
| <b>CPO Production</b> | <b>(‘000 mt)</b> | <b>133</b>   | <b>132</b>   | <b>1%</b>   | <b>184</b>   | <b>-28%</b> |
| CPO extraction rate   | (%)              | 21.49%       | 20.36%       | 6%          | 22.00%       | -2%         |

## Sales Volume (Qtr on Qtr)

(in '000 mt)

|              | Q3 FY24 | Q3 FY23 | %<br>change | Q2 FY24 | %<br>change |
|--------------|---------|---------|-------------|---------|-------------|
| Oleochemical | 161     | 131     | 23%         | 144     | 12%         |
| Refinery     | 318     | 395     | -19%        | 376     | -15%        |



## 3. PROSPECTS

In recent months, crude palm oil (“CPO”) price has experienced significant fluctuations. Looking ahead, we project an increase in CPO production due to seasonal trends. This increase, coupled with the expected good soybean harvest in South America, may pose challenges for CPO price. However, the anticipated replenishment of palm oil stock by importing countries with low inventories will provide support to CPO price. Consequently, we expect CPO price to hover within the range of RM3,700 to RM4,100 per metric ton during the next three months.

For our plantation segment, fresh fruit bunches (“FFB”) production is expected to increase in Q4 FY2024 compared to Q3 FY2024 in accordance with the seasonal production cycle. Coupled with the continuing labour productivity improvement and higher oil extraction rate due to better FFB quality, we expect the plantation segment to perform well in Q4 FY2024.

For our refinery and commodity marketing sub-segment, we expect the current low or negative refining margins to continue to persist. Overcapacity of refineries in Indonesia and the raw material price advantage from their country’s CPO export duty policy are largely the causes for these low or negative refining margins. Nonetheless, our Malaysian refineries which consistently maintain an efficient cost structure and capability in producing low 3-MCPD & GE oil blends will sustain our competitive advantage in this challenging operational landscape.

The performance of our oleochemical sub-segment is largely dependent on the global economic and trade growth. With ongoing uncertainties surrounding the global economy and geopolitical tensions affecting global trade, we anticipate that our oleochemical sub-segment's performance will face continued challenges. However, the better cost efficiency from our new oleochemical plant in Penang and the flexibility of our new soap noodle plant to customize products according to customer needs will help us to mitigate these challenges.

For our specialty fats sub-segment comprising our associate company, Bunge Loders Croklaan ("BLC"), its financial performance is relatively insulated from global economic fluctuation because of the resilient demand for food products. The consistently strong performance of the North American business and the significant improvement in the European business will remain key drivers for better financial performance in Q4 FY2024.

The US Dollar-Ringgit exchange rate which affects the foreign exchange translation gain/loss arising from our USD-denominated borrowings is likely to remain volatile during the last quarter of FY2024, largely influenced by the ongoing geopolitical tensions and the uncertainties in the US Fed's monetary policy.

Overall, the Group expects its operating and financial performance for Q4 FY2024 to be satisfactory.



**IOI GROUP**

**Thank you**