



IOI GROUP

IOI CORPORATION BERHAD

FY 2024



RETHINK



REPURPOSE



REDUCE



REUSE



RECYCLE



REPAIR



RECOVER

Overview

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Introduction to IOI

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Business Segments : Plantation & Resource Based Manufacturing

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IOI GROUP

1. Introduction to IOI

A leading global integrated & sustainable palm oil group with upstream and downstream operations



Founded in 1969

**Plantation company on
Bursa Malaysia with
market capitalisation
of RM24.69 billion as
of 30 September 2023**

**Global presence in 8
countries across 4
continents**

28,000 employees

Vision, Mission & Core Values



OUR PURPOSE

Committed to sustainable agriculture and innovative products.

VISION

Our Vision is to be a leading and sustainable Malaysian business corporation with global presence.

MISSION

Our Mission is to achieve responsible and sustainable commercial success by addressing the interests of all our stakeholders, caring for the community and the environment, and adopting best practices to be globally competitive.

CORE VALUE



Integrity



Commitment



Team Spirit



Cost Efficiency



Innovation



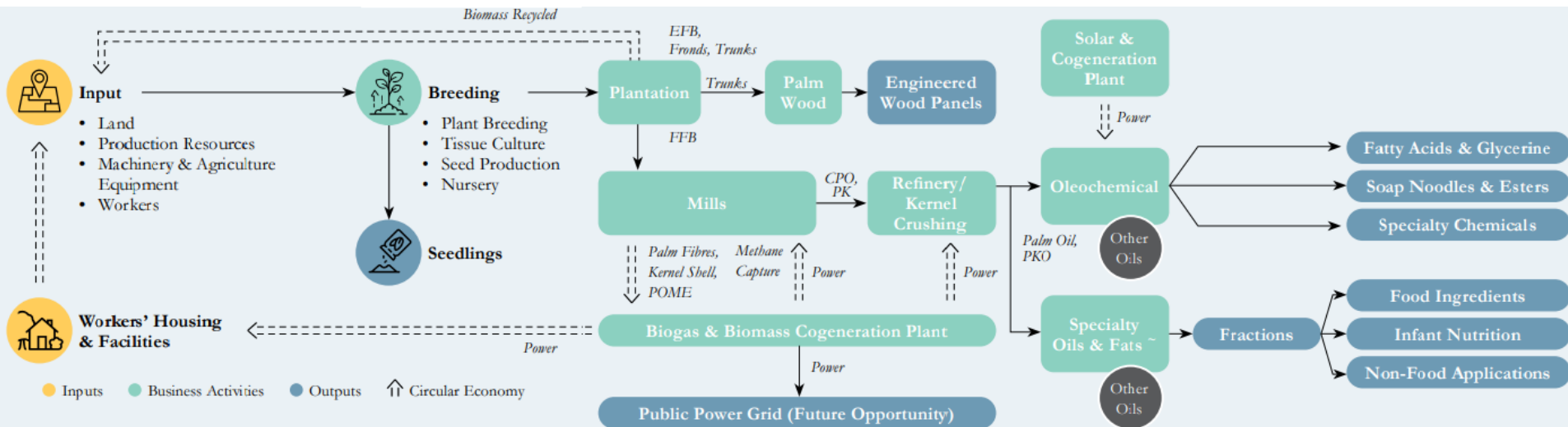
Excellence in
Execution

Integrated Value Chain

- Fully integrated business model with upstream and downstream operations to mitigate the impact of commodity price fluctuations.

Plantation

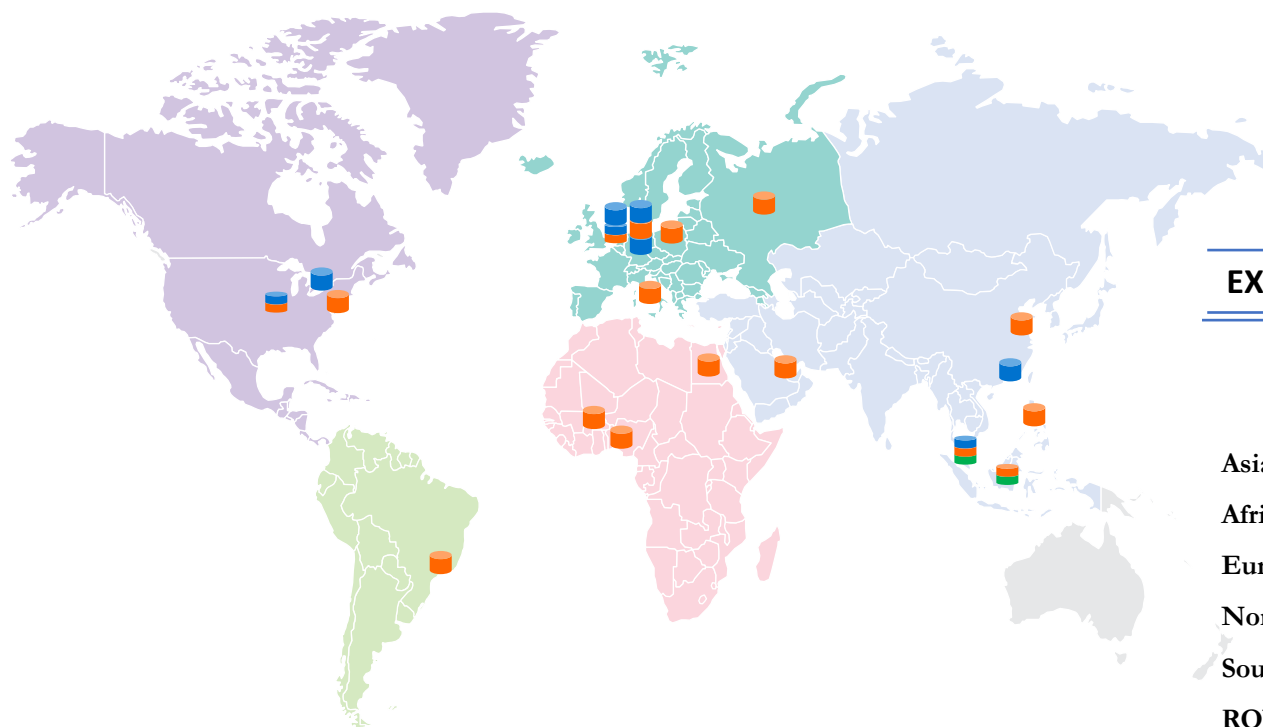
Resources-based Manufacturing



Note: EFB – Empty Fruit Bunches; FFB – Fresh Fruit Bunches; CPO – Crude Palm Oil; PK – Palm Kernel; PKO – Palm Kernel Oil; POME – Palm Oil Mill Effluent
 ~ 20% owned associate company, Bunge Lodders Croklaan.

Global Presence

Global presence in 8 countries across 4 continents with sales diversified to more than **70 countries**



EXPORTS BY REGIONS

	Oleochemical	Commodity ⁽¹⁾
Asia	54.5%	42.7%
Africa	1.9%	5.2%
Europe	18.7%	44.9%
North America	22.8%	4.7%
South America	1.7%	-
ROW (Rest of the World)	0.4%	2.5%



Plantation & mill



Resource-based manufacturing



Sales / procurement / regional office

Note:

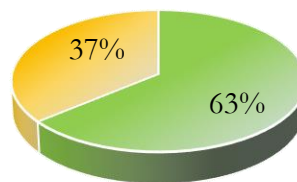
(1) Excludes sales of palm kernel expellers.

2. Group Financial Snapshot

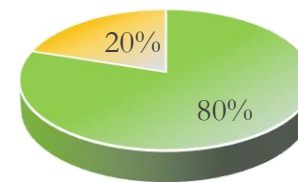
Key financials and operational statistics (financial year ending 30 June)

(RM million)	2023	2022	2021
Revenue	11,584	15,579	11,252
EBIT	1,816	2,494	1,748
Net profit ⁽¹⁾	1,130	1,769	1,416
Plantation: FFB production ('000 MT)	2,686	2,727	2,918
Plantation: Total oil palm area ('000 Ha)	174	175	177
Oleochemical: Sales volume ('000 MT)	532	574	648
Refinery: Sales volume ('000 MT)	1,585	1,868	2,217

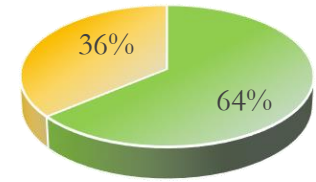
Segment result ⁽²⁾



FY2023



FY2022



FY2021

● Plantation

● Resources-based manufacturing

Source: Company annual report.

Note: FFB: Fresh fruit bunches. MT: metric tonnes. Ha: hectares.

(1) Net profit after tax including profit attributable to both owners of parents and non-controlling interests.

(2) Based on segment results as disclosed in segmental information note in audited financial statements.

3.1 Plantation

Key information

Total planted area⁽¹⁾
176,925 Ha

Total FFB production
2.69m MT

Operating Units
**98 estates & 15
mills**
(Malaysia & Indonesia)

R&D Capabilities
**4 R&D centers &
1 Bio-Tech center**



Key Competitive Strengths

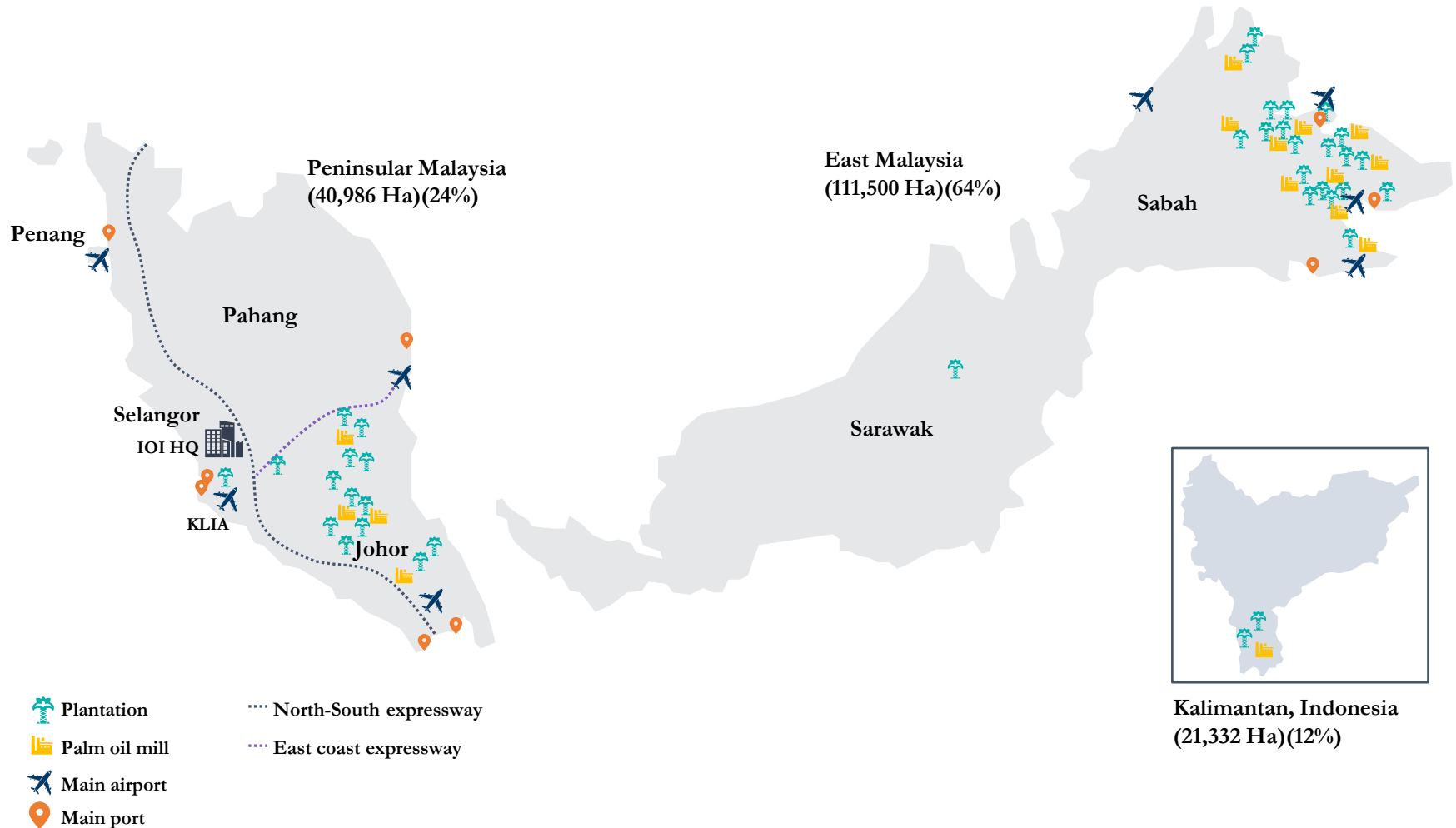
- Strong agronomy capabilities & estate management practices.
- IOI Palm Biotech is a leading tissue culture facility producing high-yielding planting material.
- 100% of Malaysian plantations⁽²⁾ are both RSPO and MSPO certified.

Holds **32%** interest in an associate company, Bumitama Agri Ltd, which has a planted nucleus area of 132,100 ha as at 30 June 2022 (effective interest is approx. **42,270** ha).

(1) Excludes those owned by associate companies

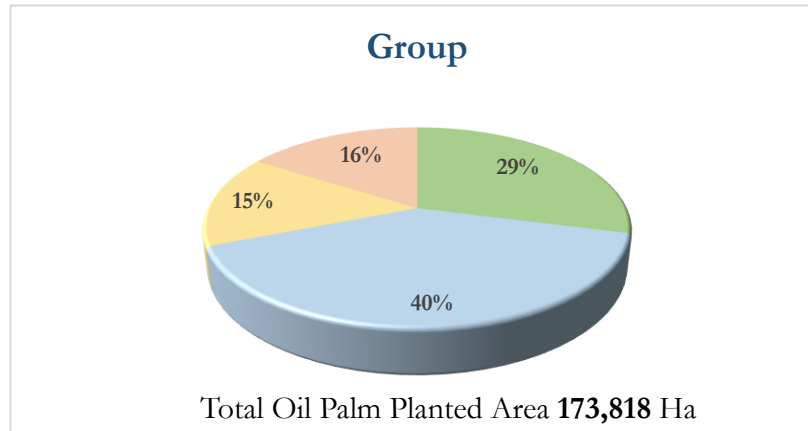
(2) Excluding Serawak concessions, which are 1% of total group planted area

LOCATION OF PLANTATION OPERATIONS

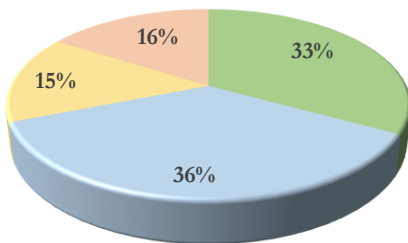


Plantation – Oil Palm Age Profile

Oil Palm Hectarage by Age

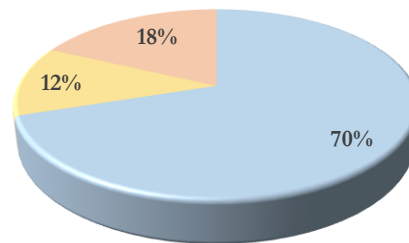


Malaysia



Total Oil Palm Planted Area **152,486 Ha**

Indonesia



Total Oil Palm Planted Area **21,332 Ha**

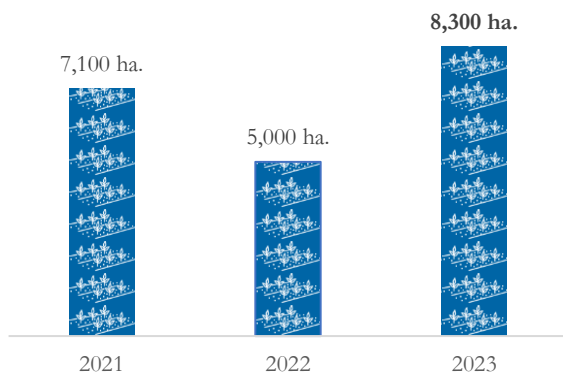
● Past Prime
 ● Prime
 ● Young
 ● Immature



Plantation – Replanting & Yield

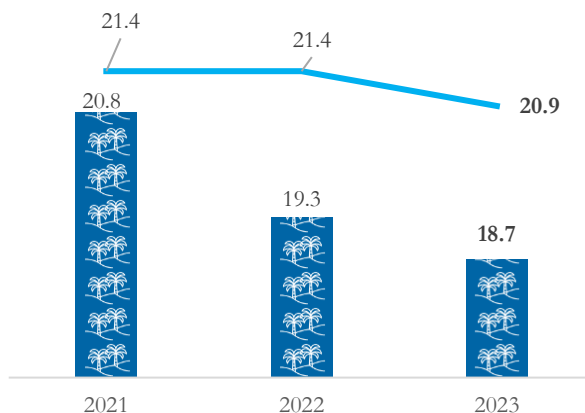
Accelerated replanting hectareage over the last 3 years

(Average per year is c.6,800 ha or c.3.8% of total Malaysian planted area)



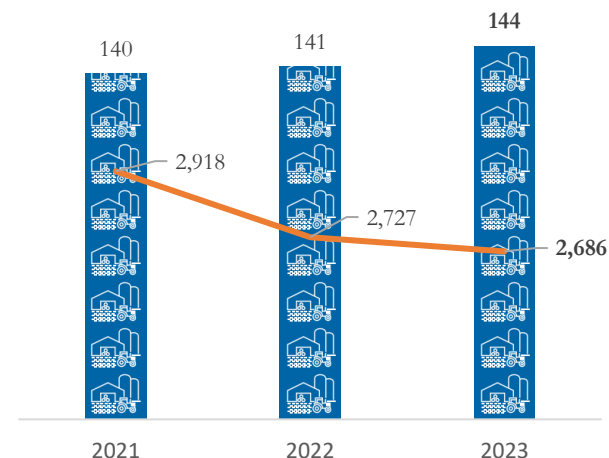
- Utilise elite clonal palms in **50%** of our replanting materials
- Replanting is key to our future source of growth

Oil yields & FFB yields



FFB yield per mature hectare (MT)
OER

Average mature oil palm area harvested and FFB production



Average mature area harvested Ha ('000)
FFB production MT ('000)



IOI GROUP

Plantation

Progress and highlights

- Implemented mechanisation of **Mainline FFB Evacuation** to approx. **80%** of total estates areas in Malaysia and Indonesia.
- All of our Malaysian plantation operating units have been implemented with **E-wallet** salary crediting system.



3.2 Resource-Based Manufacturing

- The resource-based manufacturing business comprise of **refining** and **oleochemical** sub-segments.

Key information

Refining capacity	Oleochemical capacity
1.8m MT/year	890k MT/year

6 Manufacturing facilities (in Malaysia and Germany)



Key Competitive Strengths

- Largest** fatty acids producer in Malaysia
- Pioneer** and **first** in the industry to manufacture palm based oleochemical products.
- Established global partnerships with food, pharmaceutical and cosmetic MNCs with export to over **70** countries worldwide.

3.2 Resource-Based Manufacturing

- Our presence in specialty oils and fats sub-segment is represented by Bunge Loders Croklaan, a 20%-owned associate company.

Key information



Specialty oils and fats
capacity

1.1m MT/year

6 Manufacturing facilities (in Malaysia, Netherlands, USA, Canada, Ghana and China.)



Key Competitive Strengths

- **Global leader** in sustainable plant-based specialty oils and fats for the food manufacturing industry.
- Market leader in **infant nutrition** with established and Certified Organic (EU & China) infant milk formula designed to match mothers' milk fat closely.

Resource Based Manufacturing

Oleochemical applications



Cosmetics
& Toiletries



Pharmaceuticals



Rubber
& Tires



Plastic &
additives



Soap &
Detergents



Paint & Ink



Lubricants & Greases

Specialty oils & fats applications



Frying



Bakery



Culinary



Spreads



Confectionary



Infant nutrition

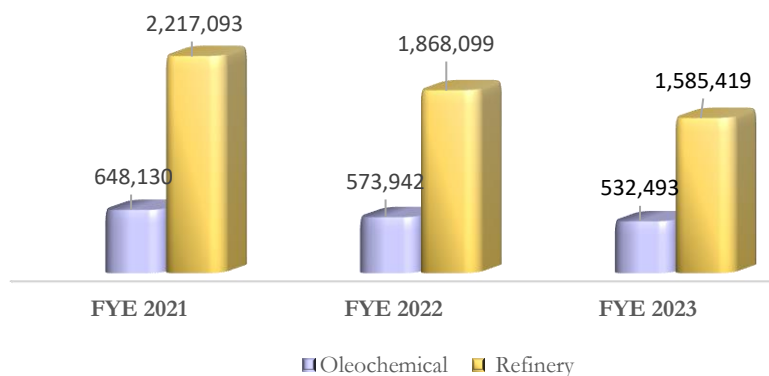


Animal Nutrition

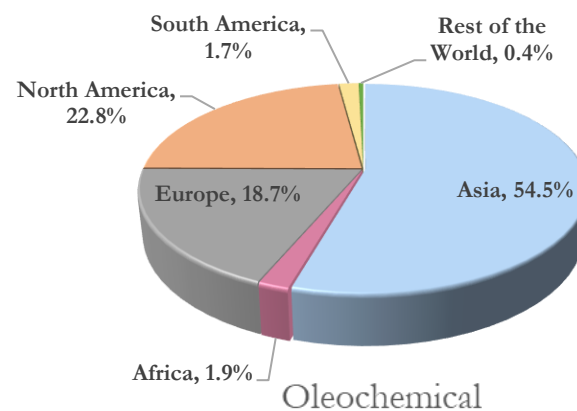
Resource Based Manufacturing

Key Operational Highlights

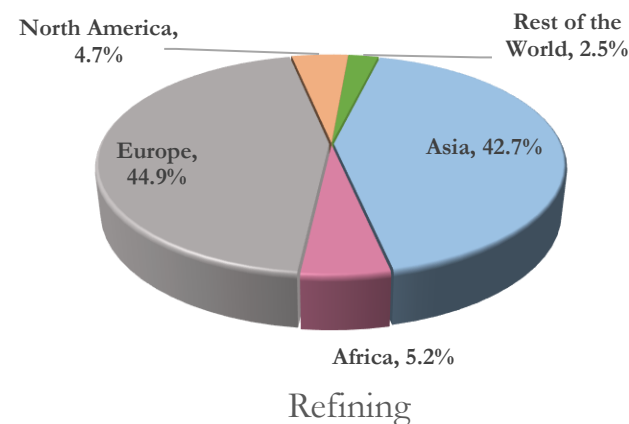
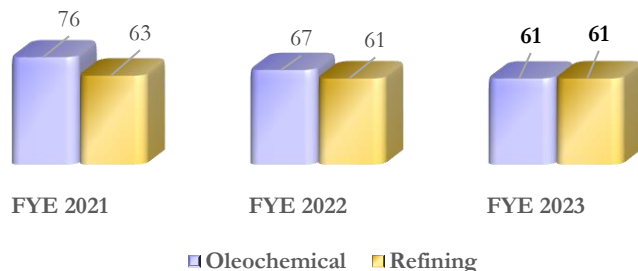
Sales Volume in MT



Export by Region



Manufacturing Performance Plant Utilisation (%)



Resource Based Manufacturing

Progress and highlights

Refinery	Traceable	CPO	PKO
	Mill	100%	100%
	Plantation	97%	91%



Oleochemical



- New 110,000 MT/year capacity fatty acid plant in Prai, Penang started commissioning in the second quarter of 2023.
- New state-of-the-art soap noodles plant in Pasir Gudang, Johor started commissioning in the second quarter of 2023.
- Owner of 23 patents for food and pharmaceutical applications, 14 new formulations for personal care and cosmetics application via IOI Oleo GmbH, Germany.

4. IOI Five-Year Plan (2020-2024)

- Progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer, to increase resilience and competitiveness for the future



Increase Yield

- Increase plantation oil yields by 15% by 2024.
- Utilise elite clonal palms in 50% of our replanting materials.
- Target high early yields from young mature palm age.
- Ensure proper fertiliser application to increase target yields



Optimise Workforce

- Reduce workforce by more than 25% by 2024.
- Increase plantation workers' productivity by 3% every year.
- Implement Mechanised Mainline Fresh Fruit Bunches Evacuation System in all Malaysian estates by 2023.



Diversify Crops

- Plant 5,000 hectares of coconut and 200 hectares of durian, equivalent to 4% of our Malaysian plantations.
- Plant three types of fast-growing and high value fruit crops as intercrop with coconut.

4. IOI Five-Year Plan (2020-2024)

- Progress from a cost competitive palm oil producer to a high value-added diversified palm-based products producer, to increase resilience and competitiveness for the future (cont'd)



Increase the Non-CPO Segment

- Derive revenue from oil palm by-products and processing waste.
- Commence production of high-performance palm wood boards and panels by Q3 of 2023.
- Establish Oil Palm Trunks (“OPT”) research and development and technology transfer.
- Scale-up business and establish a leading market position in OPT products.



Grow the Oleochemical Segment

- Increase oleochemical segment's sales volume by 15%.
- Derive energy, cost and operational efficiency savings of 6%.
- Improve the oleochemical segment's profitability by 25%.

5. ESG at IOI

No Deforestation, No New Planting on Peat, No Social Exploitation (**“NDPE”**) and have maintained a moratorium on deforestation since 2016.

Protection of High Conservation Value (**“HCV”**) and High Carbon Stock (**“HCS”**) areas in existing and new oil palm plantations.

Mitigating climate change by progressively reducing Greenhouse Gas (**“GHG”**) emissions and enforcement of Zero Burning Policy.

IOI GROUP
SUSTAINABLE
PALM OIL
POLICY
(**“SPOP”**) KEY
COMMITMENTS

Continue to be an active supporter of sustainability certification schemes such as **RSPO, MSPO, ISCC, and ISPO** and work to strengthen their standards.

Strive for the highest levels of transparency and stakeholder engagement.

Eliminate all forms of illegal, forced, bonded, compulsory, or child labour in our operations or supply chains and follow responsible recruitment practices including not charging recruitment related fees.

Building a traceable and sustainable palm oil supply chain.

5. ESG at IOI (cont'd)



FTSE4Good

FTSE4Good Score: 3.4 to 3.6
Governance Score: 4.7



Gold



Gold

MOODY'S | ESG Solutions

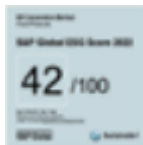
ESG Score: 31 to 43
Ranking: 4 over 41



Water Security : B
Forest & Climate: C

MSCI

ESG Rating : BBB
(AAA to CCC)



S&P Global
Corporate
Sustainability
Assessment

Score : 40 to 42
Ranking : 62nd percentile
(0 to 100)⁽¹⁾



ESG Score : 25 to 24.7 medium risk
(0 to 100)⁽²⁾
Worldwide Ranking: 5 over 100



Score : 76.4% to 79.7%
Worldwide Ranking : 17 over 100
Malaysia Ranking : 4 over 20

(1) Higher percentile represents higher ESG score

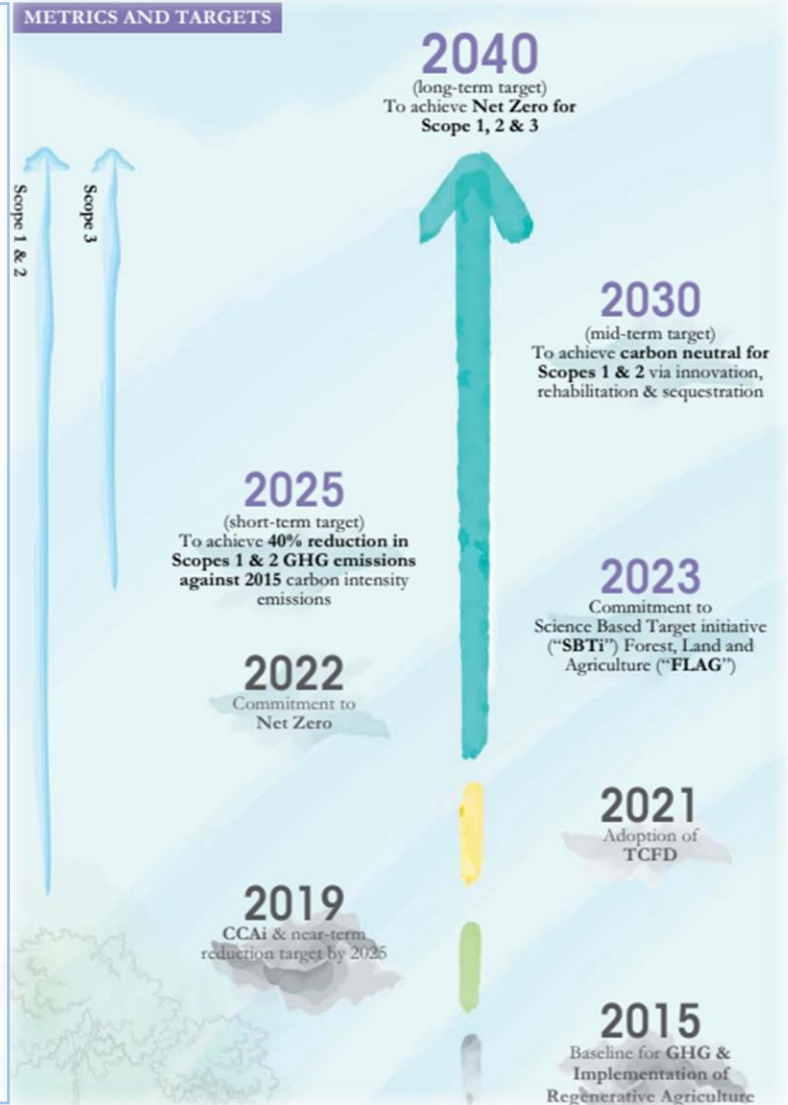
(2) Lower score represents lower ESG risk

5. ESG at IOI (cont'd)

Progressing towards Net-Zero


Long-term target to achieve Net Zero for carbon emissions by 2040 covering Scopes 1, 2 & 3.

- Reducing our climate change impact by committing to achieve Net-Zero for carbon intensity by 2040.
- Promoting climate change action plans and practices through innovation, improved efficiency and support actions throughout the operations.
- Increasing the resilience of our business by managing risks and opportunities, forecasting climate scenarios for climate impact valuation, incorporating our 7Rs of Circularity, and practising Precision and Regenerative Agriculture.




6. Why invest in IOI

LEADING INTEGRATED PALM OIL GROUP WITH GLOBAL PRESENCE

- 
- A fully integrated business model with upstream and downstream operations to mitigate impact of commodity price fluctuations
 - Global presence in 8 countries across 4 continents
 - Sales are diversified to more than 70 countries to mitigate our exposure to localised risks in any particular market


EFFICIENT PALM OIL PRODUCER

- 
- Proven track record as one of the most efficient major palm oil producers
 - IOI Palm Biotech is a leading tissue culture facility producing superior high-yielding oil palm clonal planting materials


WELL-ESTABLISHED AND INNOVATIVE OLEOCHEMICAL SEGMENT

- 
- Earliest and largest fatty acids producer in Malaysia
 - Owner of 23 patents for pharmaceutical applications via IOI Oleo GmbH, Germany
 - CARE Studio in Germany developed 62 formulations for personal care and cosmetic applications
















RESPONSIBLE AND SUSTAINABLE PRACTICES

- 
- 100% of Malaysian plantations are Malaysian Sustainable Palm Oil (“MSPO”) certified
 - A constituent of the FTSE4Good Index, 77th percentile in the FOA Food Products industry in the S&P Global Corporate Sustainability Assessment, BBB rating by Morgan Stanley Capital International (“MSCI”) and achieved Gold EcoVadis Sustainability Ratings (IOI Pan-Century Oleochemicals Sdn Bhd, IOI Oleo GmbH, IOI Acidchem Sdn Bhd)
 - Committed the No Deforestation, No New Planting on Peat and No Social Exploitation (“NDPE”) since 2016 and protection of High Conservation Value (“HCV”) and High Carbon Stock (“HCS”) areas

GOOD DIVIDEND TRACK RECORD

- 
- Policy of declaring at least 50% of normalised profit after tax and minority interest (“PATAMI”) as dividend

7. Awards and Achievement

 <p>Gold Award for the Plantation Sector (Equity Awards Category) IOI Corporation Berhad (The Edge Malaysia ESG Awards 2023)</p>	  <p>1st Runner-up under Energy Management for Industry (Large Industries) IOI Edible Oils Sdn Bhd (National Energy Awards 2022) (ASEAN Energy Awards 2022)</p>	 <p>FTSE4Good Environmental, Social and Governance ("ESG") Rating: 3.6 IOI Corporation Berhad (A Constituent of FTSE4Good Index)</p>	 <p>Industry Excellence in Plantation Management Award IOI Corporation Berhad (Malaysia International Agricommodity Awards)</p>	 <p>International Supreme Brand Award IOI Corporation Berhad (Federation of Malaysia Chinese Commerce Association)</p>
 <p>Gold EcoVadis Sustainability Ratings IOI Oleo GmbH IOI Acidchem Sdn Bhd</p>	 <p>Conservation Partner Award IOI Plantation Services Sdn Bhd (Sabah Forestry Department)</p>	 <p>SUSTAINALYTICS a Morningstar company Sustainalytics ESG rating improved from 25 to 24.7 IOI Corporation Berhad</p>	 <p>The Edge Billion Ringgit Club (BRC) 2023 IOI Corporation Berhad</p>	 <p>Silver Award for Excellence in Leadership Development IOI Corporation Berhad (10th HR Excellence Awards 2022)</p>
 <p>Winner in Green Energy Generation IOI Bio-Energy Sdn Bhd (ASEAN Energy Awards 2022)</p>	 <p>S&P Global S&P Global ESG Score for Corporate Global Assessment ("CSA") improved from 40 to 42 IOI Corporation Berhad</p>	 <p>SPOTT percentage of compliance increased from 76.4% to 79.7% IOI Corporation Berhad</p>	 <p>Silver Award for Excellence in Leadership Development IOI Corporation Berhad (10th HR Excellence Awards 2022)</p>	



IOI GROUP

Thank You