



IJM CORPORATION BERHAD

39th Annual General Meeting

Review of Group Performance and Prospects

Financial Year Ended 31 March 2023

Lee Chun Fai, CEO & Managing Director | 29 August 2023



Group Strategic Focus FY2023 – FY2025



BUILD RESILIENCE

- Optimise execution capabilities to adapt to the new operating environment
- Maintain healthy gearing and ensure liquidity across all business divisions
- Enhance balance sheet strength by prioritising capital expenditure and working capital management
- Drive cost optimisation
- Monetise low-yielding assets



DRIVE GROWTH

- Brownfield expansion of our infrastructure assets to grow recurring income
- Develop new ventures complementary to our core businesses
- Regional expansion
- Enhance growth through strategic merger and acquisitions



NURTURE CAPABILITIES

- Continue our digital transformation journey, embrace innovation and Industry 4.0
- Enhance best practices of sustainability across the Group
- Foster workplace agility and build future-ready competencies that are responsive to market changes
- Drive robust risk management
- Enhance accountability and performance based culture

Group Strategic Focus FY2023 – FY2025

BUILD RESILIENCE

Financial resilience demonstrated in the pandemic years

Strong operational cash flow generation

- Net cash flow from operating activities in FY23 of RM1.08b (FY22: RM1.22b and FY21: RM1.34b) point to operational resilience during the pandemic

Cash at bank healthy as at 31 March 2023 (RM2.83bn), 2022 (RM2.91b) and 2021 (RM2.41b)

- Net gearing is at multiyear low of 25.8% compared to 26.4% (31 March 2022)

No major exposure to undue credit risk

- Selective pursuance of construction projects in the last few years paying off
- Close monitoring during pandemic and mostly provided for

Group Income Statement & Core PBT

RM'mil	FY23	FY22	% Δ
Revenue	4,572.5	4,409.0	3.7
EBITDA	1,055.7	822.2	28.4
Operating Profit	740.9	537.5	37.8
Finance Cost	(255.6)	(188.3)	
Operating Profit After Finance Cost	485.3	349.2	39.0
Share Of Results From JV & Assoc.	(2.3)	(31.3)	
Profit Before Tax	483.0	317.9	52.0
Taxation	(271.4)	(182.9)	
Profit from Continuing Operations	211.6	134.9	
Profit from Discontinued Operations	-	750.3	
Profit After Tax	211.6	885.2	(76.1)
Profit After Tax & Minority Interest	158.3	794.9	
EPS (Basic) Sen	4.49	22.19	
Proposed / Declared Dividend Sen	6.00	6.00	
Special Dividend Sen	2.00	15.00	

Core PBT calculation (continuing operations)

RM'mil	FY23	FY22	FY21
Reported PBT continuing operations *	483.0	317.9	511.1
Add/(less) :			
forex (con't operations) loss/(gain)	74.1	15.9	(33.1)
Gain on disposal of Senai land	(7.6)		
Impairment in Toll concessions	115.0	77.0	
Impairment of investment in WCE RUMS	133.5		
Impairment in MCKIP		66.1	
Gain on disposal of Kemena		(7.0)	
Gain on disposal of ICP Jiangmen and certain property, plant and equipment			(78.6)
	315.0	152.0	(111.7)
Core PBT continuing operations *	798.0	469.9	399.4
	+69.8%	+17.7%	

* PBT excludes the financial results of IJM Plantations Berhad in FY22 and FY21

Group Strategic Focus FY2023 – FY2025

BUILD RESILIENCE

Continuing with aggressive paring down of property inventory and disposal of low yielding assets

Actively monetising low yielding assets

- Property land bank disposed in FY23 totalled RM870m
- Jalan Raja Laut, Bandar Rimbayu industrial land & MCKIP

Continued to successfully pare down property inventory in FY23

- Managed to reduce Completed Buildings in FY23 to 719m (FY22: RM865m, FY21: RM1,151m, FY20: RM1,523m)

More proactive stance in capital management

Satisfactory financial performance and cash flow from divestment of IJM Plantations presented an opportunity to declare a special dividend of 2 sen in FY23 and 15 sen in FY22

Active share buyback programme due to undervaluation of share price by the market

Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

Short-term

Improving outlook across all divisions

- **Construction** anchored by healthy outstanding order book of RM4.5b and resumption of large-scale public infrastructure projects
- **Property** to benefit from launch pipeline of mid-range products and unbilled sales of RM3.0b to underpin near term financial performance
- **Industry** balance order book of 7 months with around 1 million MT of spun piles order in hand, and seeing margins improvement
- **Toll** traffic volume have returned to pre-Covid levels
- **Port** cargo throughput recovering post China economic reopening and tariff revision boost

Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

Short-term

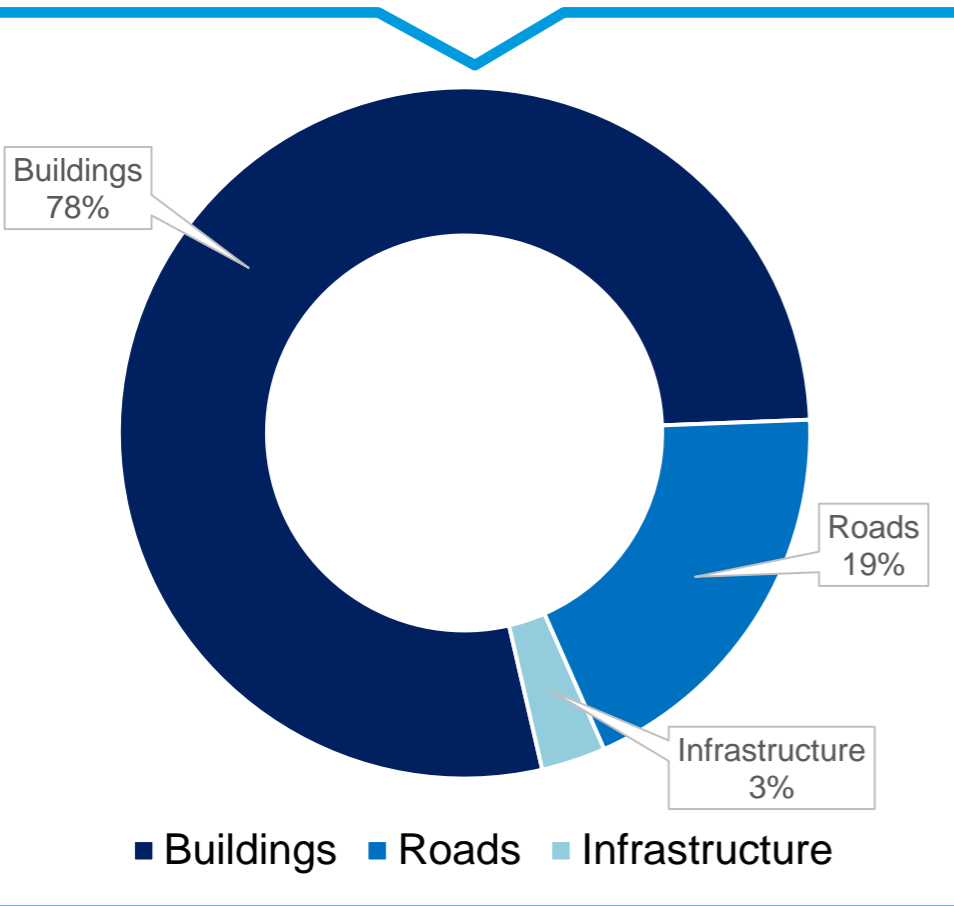
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Construction New Order Book Secured

RM1,521m
New Order Book

Outstanding Order Book: RM4.5bn



Major Contracts awarded in FY23

- **Kapar Hospital, Selangor (RM831m)**
- **LHDN Office Tower, Selangor (RM151m)**
- **ASEM Chip Assembly and Testing Facility (RM341m)**
- **Maritime Signature Commercial Tower (RM81m)**
- **Holiday Villa redevelopment (RM117m)**

Construction Completed Projects



MRT 2 Package V203



Singgah Sana, Tun Razak Exchange
Photo courtesy of TRX City Sdn Bhd



MRT 2 Kentonmen Station



Hotayi Electronics Factory

Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

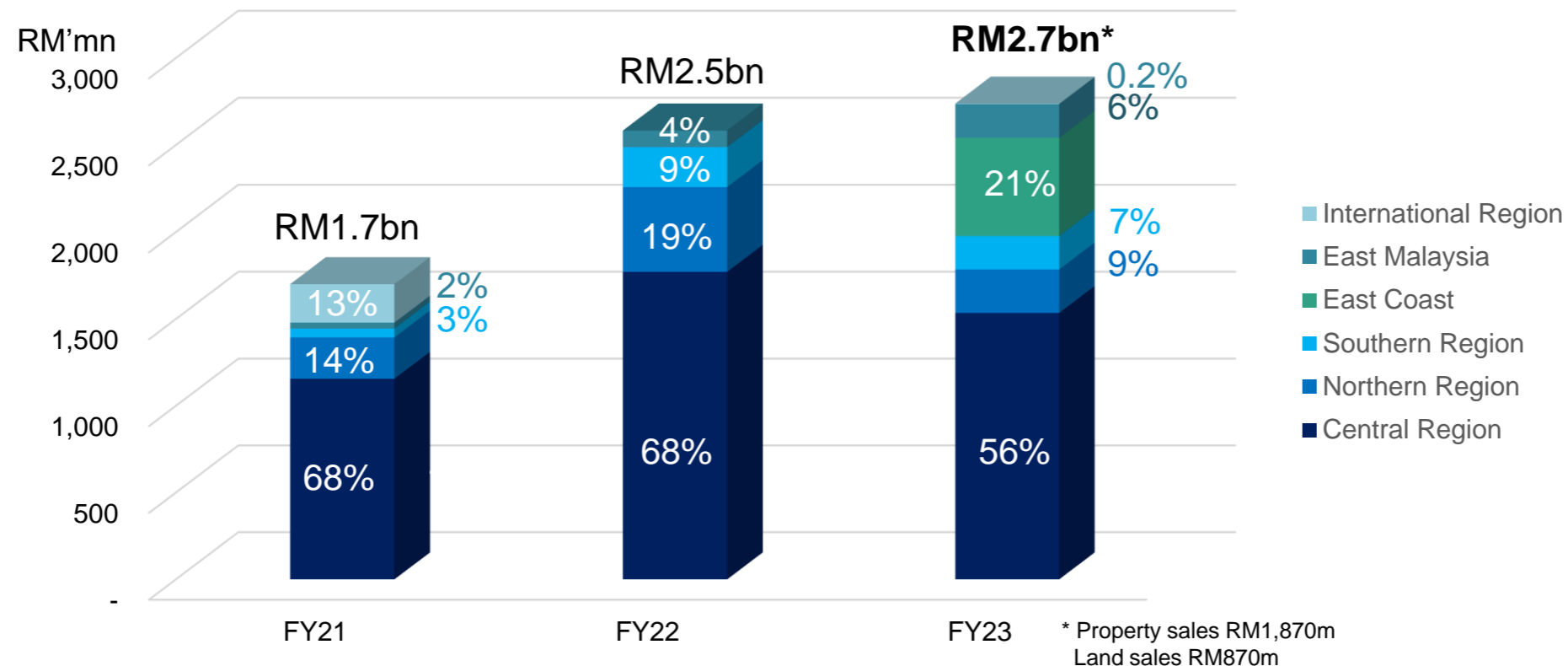
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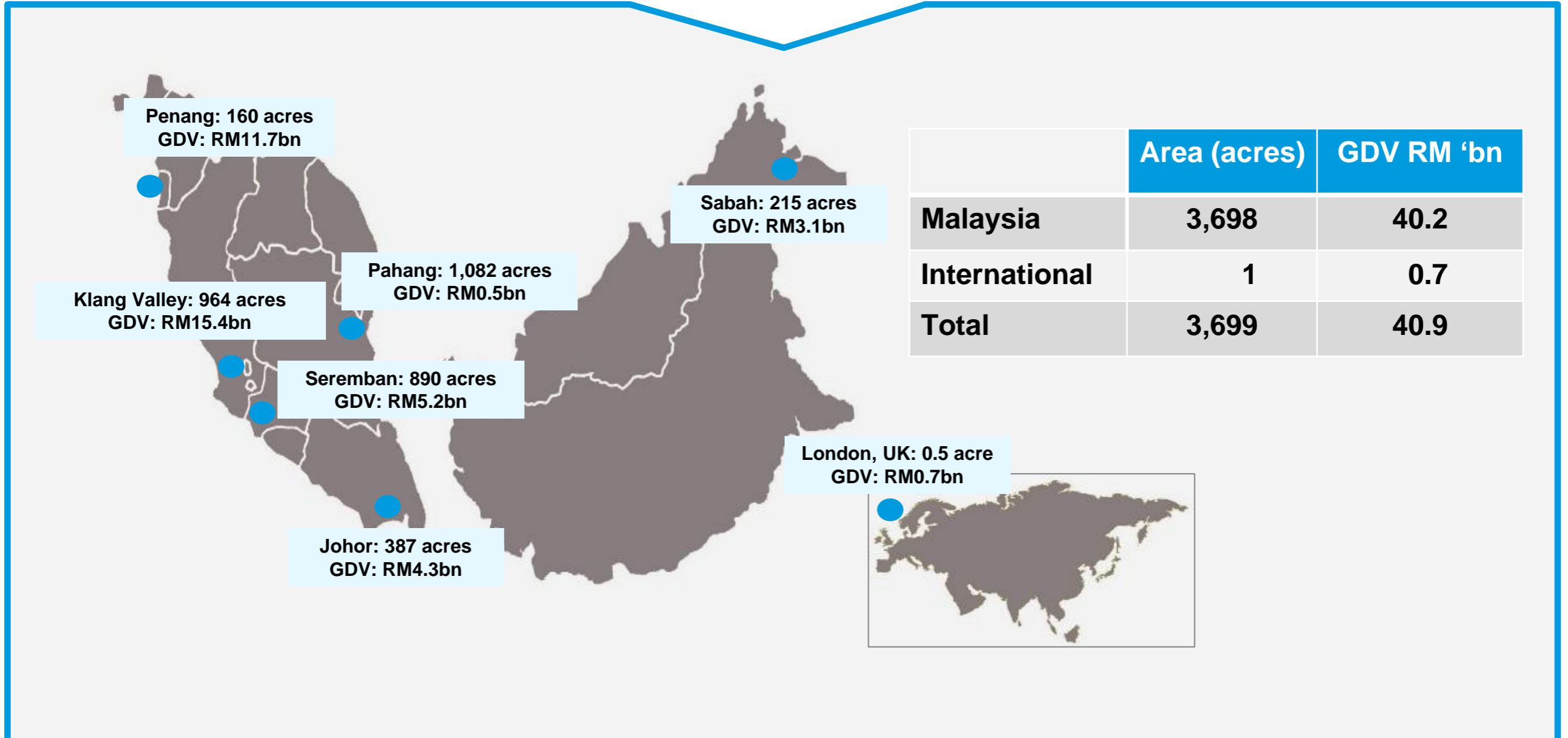
Property Sales Achieved

New Sales Recorded



- Continued momentum of local property sales in FY23
- Asset monetisation and parring down of property inventory in FY23
- Manageable building material cost and easing labour supply constraints
- Unbilled sales of RM3.0bn underpins near term performance. Planned launches in FY24 total RM2.9bn

Property Land Bank Profile



Penang: 160 acres
GDV: RM11.7bn

Sabah: 215 acres
GDV: RM3.1bn

Klang Valley: 964 acres
GDV: RM15.4bn

Pahang: 1,082 acres
GDV: RM0.5bn

Seremban: 890 acres
GDV: RM5.2bn

Johor: 387 acres
GDV: RM4.3bn

London, UK: 0.5 acre
GDV: RM0.7bn

Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

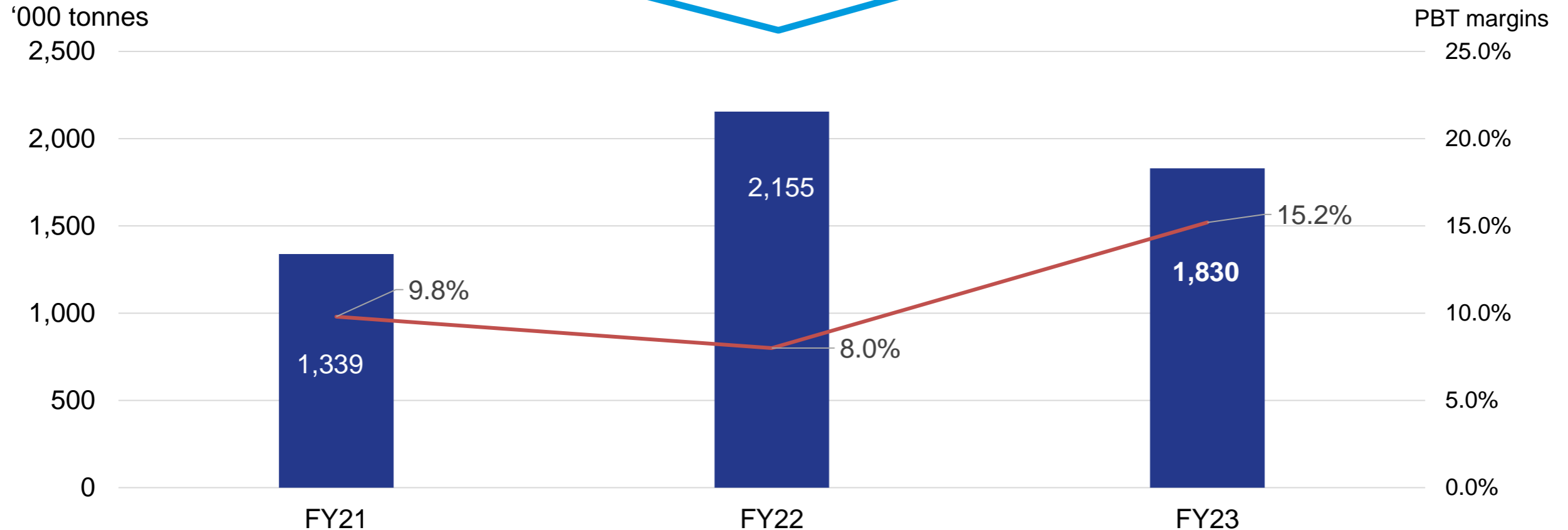
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Industry Order Book

New Order Book Wins



- Balance order book of around 1 million tons, improved margins
- Encouraging prospects locally and from export markets
- Able to pass through building material cost escalations

Industry Capacity and Locations

Capacity

- 9 pile factories
- 1.8m tonnes p.a.

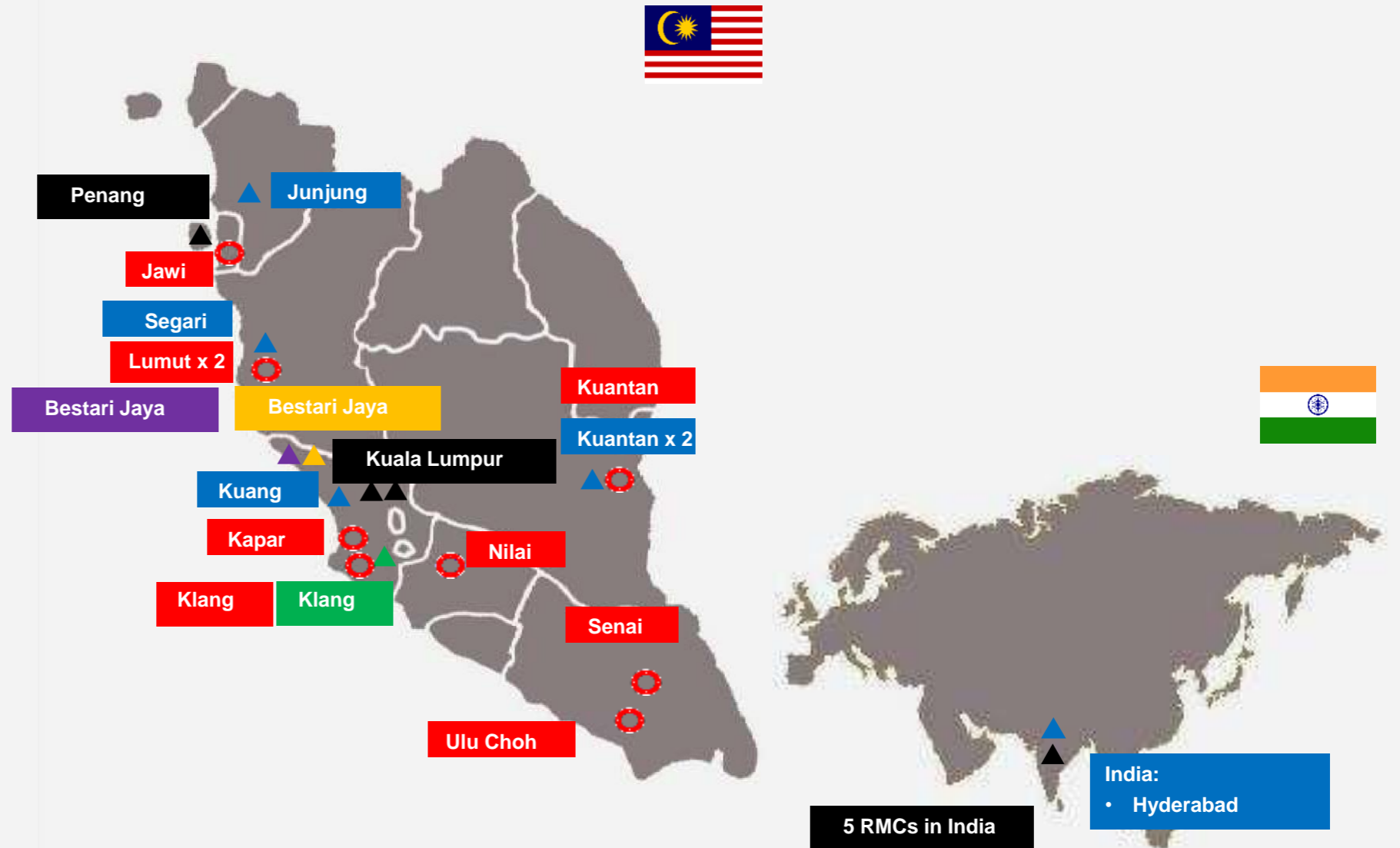
- ▲ 6 quarries
- 6.4m tonnes p.a.

- ▲ 1 IBS factory
- 500k m² p.a.

- ▲ 1 PC bar (Durabon) factory
- 48k tonnes p.a.

- ▲ 1 sand mine
- 720k tonnes p.a.

- ▲ 8 ready mixed concrete plants
- 1.2m tonnes p.a.



Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

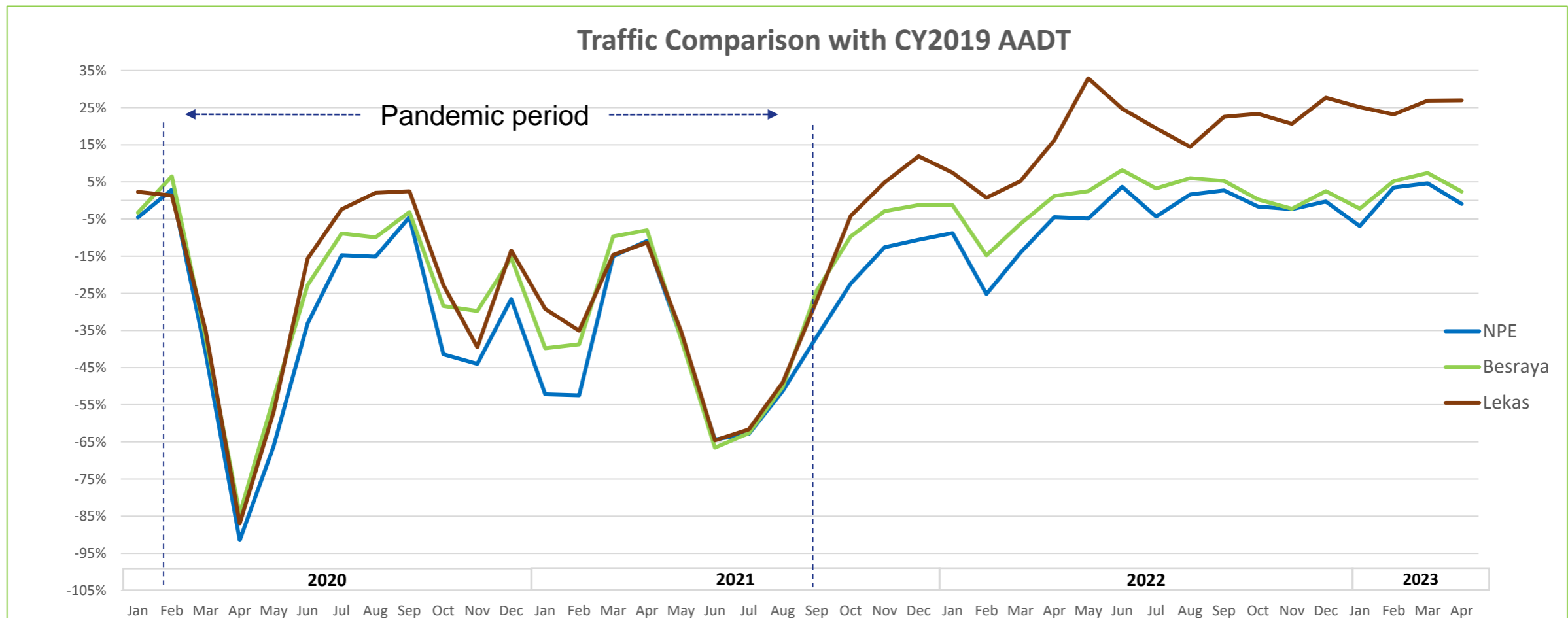
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Infrastructure Division – Toll

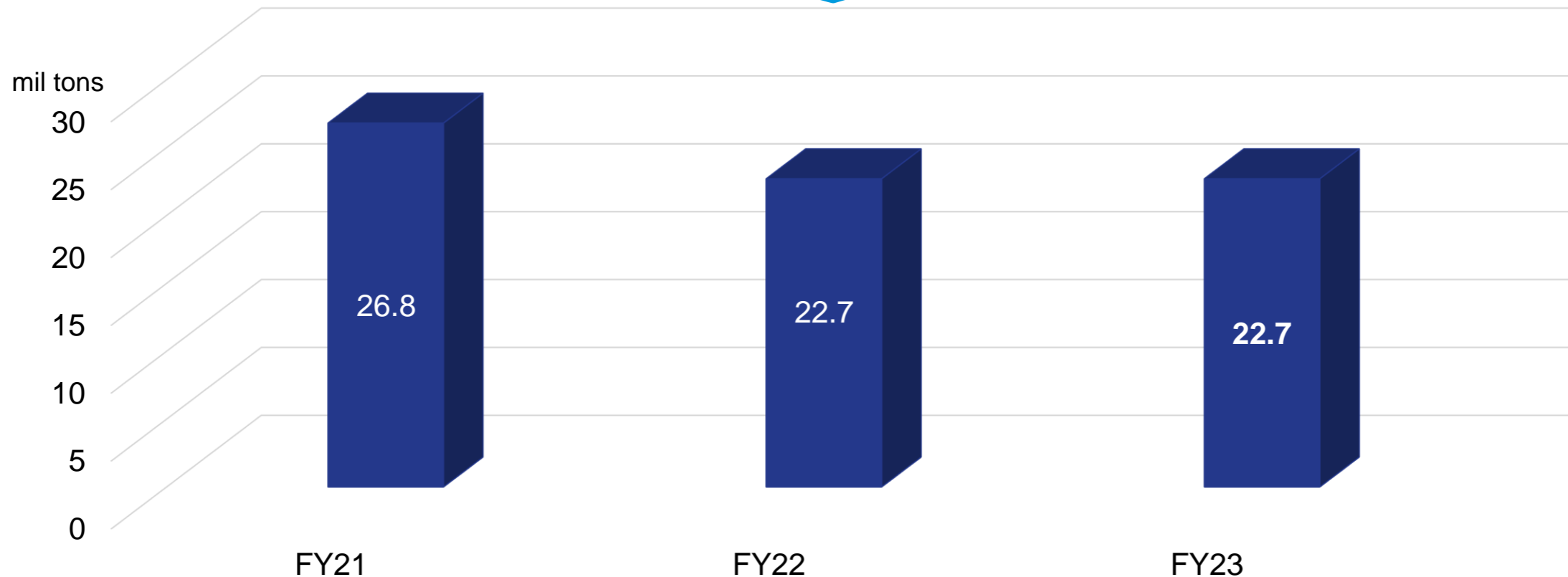
Traffic Volume at BESRAYA, NPE & LEKAS Pre-MCO and Post-MCO



- Traffic volume at highways have recovered to around pre-MCO levels

Infrastructure Division – Port

Kuantan Port Throughput



- Improving near term outlook with reopening of economies
- Tariff increased since April 2023
- Sizeable long-term cargo growth prospects from recommencement of investor activities in MCKIP and entry of large scale FDIs

Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

Long-term

While driving growth of existing businesses, we are planting the seeds for new businesses and revenue streams

Business Strategies

- ⊕ Growing existing businesses
- ⊕ **Synergistic Businesses:
Expand portfolio into adjacent
businesses and Potential M&A**
- ⊕ Expand Geographical & Regional
Footprint: UK,
East Malaysia, Indonesia



Expand portfolio into adjacent businesses

- Strategic participation in logistics
- Industrial building construction
- Wellness business



M & A Opportunities

- Exploring downstream businesses synergistic with our businesses.

Expansion of Industrial Property Portfolio

DRIVE GROWTH

IJM enters JV to develop leading-edge logistics hub

IJM partnered with FMM Elmina Sdn Bhd to establish a JV to develop two advanced logistics hubs with ASRS and AGVs, meeting the rising demand for efficient supply chain services. IJM's expansion into the industrial property sector strengthens our commitment to providing comprehensive solutions across industries and offers the opportunity to invest in a prime asset class, securing premium logistics properties that generate recurring lease income.



Construction of Industrial Property

DRIVE GROWTH

Shah Alam International Logistics Hub

Contract Value:
RM653.6 million

Date of Commencement:
Q3 2023

Date of Completion:
26 months from commencement

Client:
Global Vision Logistics Sdn Bhd

Description :
Malaysia's first green-certified logistics hub and one of the largest in ASEAN, leading the way in innovation, efficiency and environmental stewardship.



Diversification into an Adjacent Business Vertical

DRIVE GROWTH

IJM invests in a 44.83% stake in Pestech International Bhd

24 July: Announced proposed investment of RM124million for a 44.8% stake in PESTECH, a leading integrated electrical power technology solutions provider with expertise in high voltage electrical transmission and rail electrification. This investment strengthens IJM's construction capabilities, diversifies its value chain and provides exposure to the rapidly growing energy transmission sector.



Group Strategic Focus FY2023 – FY2025

DRIVE GROWTH

Long-term

With diminishing local opportunities, driving growth through regional expansion is essential

Business Strategies

- ⊕ Growing existing businesses
- ⊕ Synergistic Businesses: Expand portfolio into adjacent businesses and Potential M&A
- ⊕ **Expand Geographical & Regional Footprint: UK, East Malaysia, Indonesia**

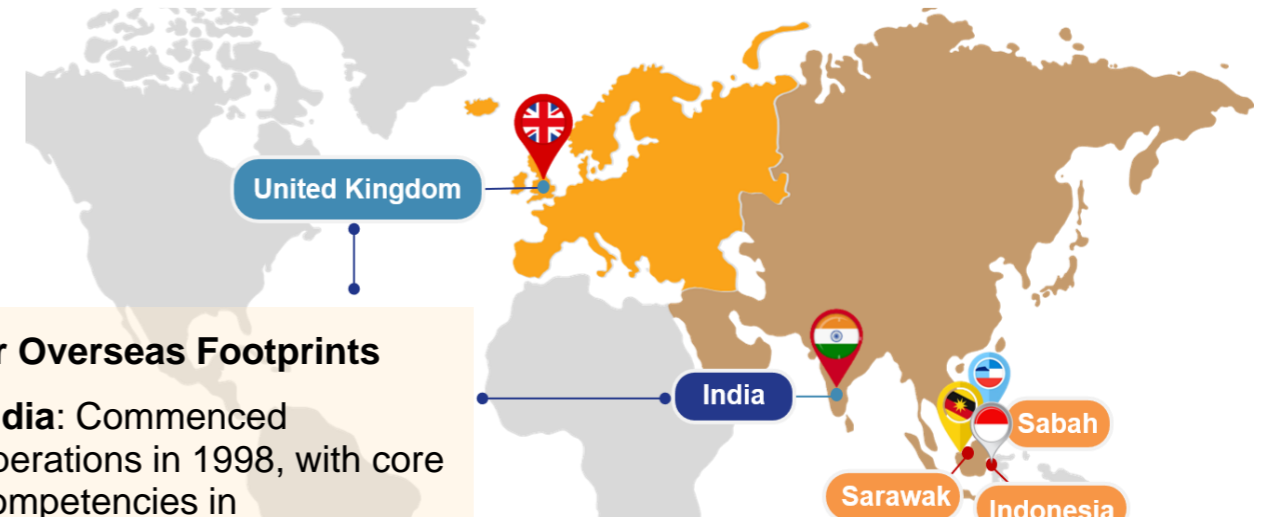


Major Overseas Footprints

- **India:** Commenced operations in 1998, with core competencies in expressways, roads, rails and property development
- **United Kingdom (UK):** Successfully developed Royal Mint residence in London (2.7 acres), with GDV of GBP217 mil

New Markets in East Malaysia and Indonesia

- **East Malaysia:** Allocated RM12.1b during the Budget 2023: Sarawak RM5.6b; Sabah RM6.5b
- **Indonesia:** Development of the new capital city Nusantara, and wider Indonesia



Property Innovative Land & Building Solutions

DRIVE GROWTH

IJM Land partners with Network Rail



IJM Land partnered with Network Rail to explore development opportunities in Central and South East London, focusing on rail over-site developments – fostering sustainable growth without new land acquisition.



IJM Land's Royal Mint Gardens' before (left) and after (right) photos of encapsulation and structural designs built over live railway lines

Group Strategic Focus FY2023 – FY2025

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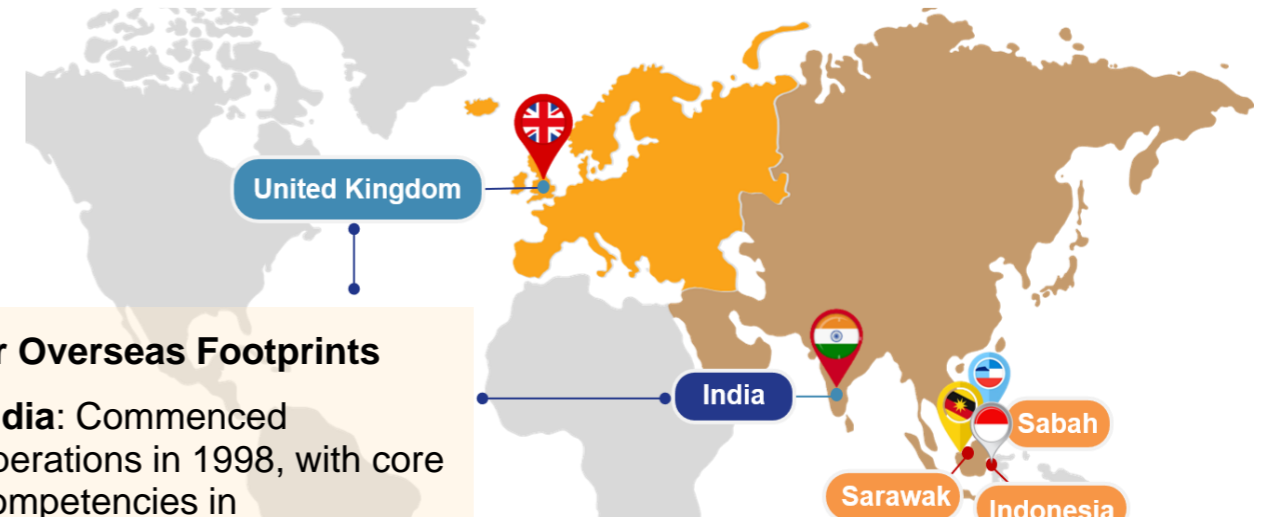


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Group Strategic Focus FY2023 – FY2025

NURTURE CAPABILITIES



Digital transformation

- Enhance digital transformation and achieve value realisation



Compliance and Risk Management

- Strengthen risk management and governance framework



Sustainability

Roadmap FY23 – FY25

- **Marketplace**
 - Inclusion into FTSE4Good Index
- **Environment**
 - Reducing our carbon footprint and building climate resilience (R₂O)
 - Pursuing green credentials – products and services
- **Community**
 - A more strategic approach to community investment



Reduce to net-zero
Resilience in a net-zero world



People

- **Identify people's capability** and readiness for targeted positions across business divisions
- **Review organisation structure** and enhance alignment to business objectives
- **Movement of internal talents to leadership roles** e.g. effected Construction Division new management team
- **Strengthening talent management** and performance management methodology
- **Revitalising key management teams** with outside talent where appropriate

Group Strategic Focus FY2023 – FY2025

NURTURE CAPABILITIES

More strategic approach to community investment

Community Development

To contribute to the socio-economic well-being of the community by promoting safe and healthy living condition in the areas in which we operate

Education

To enhance access to equitable quality education and learning, industry skills development and enhanced livelihood opportunities

Built Environment

To deliver social value on built environment projects, enhancing environmental, economic and social well-being to improve quality of life

Community Development



Our employees made a difference with more than 700 blood bags donated

Education



IJM's scholarship programme has benefitted more than 360 students to date

Built Environment

Before



After



Before and after IJM Land's flagship MyHome Rehabilitation Programme



THANK YOU

www.ijm.com

