



IOI GROUP

IOI CORPORATION BERHAD

FY2023 1st Quarter Group Results Summary



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1. FINANCIAL RESULTS



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

(in RM' million)

	Q1 FY23	Q1 FY22	% change	YTD FY23	YTD FY22	% change
				3 months	3 months	
Revenue	3,668.7	3,632.4	1%	3,668.7	3,632.4	1%
EBIT	485.9	504.7	-4%	485.9	504.7	-4%
Profit before tax	315.1	446.8	-29%	315.1	446.8	-29%
Profit after tax	173.0	289.7	-40%	173.0	289.7	-40%

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

(in RM' million)

	Q1 FY23	Q1 FY22	% change	YTD FY23	YTD FY22	% change
				3 months	3 months	
Total Plantation	351.8	487.0	-28%	351.8	487.0	-28%
Total Manufacturing	128.5	46.1	179%	128.5	46.1	179%
Total Others	0.4	3.1	-87%	0.4	3.1	-87%
Segment results	480.7	536.2	-10%	480.7	536.2	-10%

Q1 performance

Plantation

The lower profit was due mainly to lower FFB production and higher cost of production mitigated by higher CPO price realised.

Resource-based Manufacturing

The higher profit was due mainly to higher margins from oleochemical and refining sub-segments, partly offset by lower sales volume from these sub-segments.



2. OPERATING STATISTICS

Operating Statistics: Plantation (Qtr on Qtr)



		Q1 FY23	Q1 FY22	% change	Q4 FY22	% change
CPO Price	(RM/mt)	4,496	4,032	12%	5,260	-15%
PK Price	(RM/mt)	2,524	2,551	-1%	3,850	-34%
FFB Production	(‘000 mt)	666	746	-11%	612	9%
Average mature area	(‘000 Ha)	145	141	3%	140	4%
FFB Yield	(mt/Ha)	4.59	5.29	-13%	4.37	5%
CPO Production	(‘000 mt)	145	170	-15%	135	7%
CPO extraction rate	(%)	21.03	21.78	-3%	21.20	-1%

Sales Volume (Qtr on Qtr)

		Q1 FY23	Q1 FY22	% change	Q4 FY22	% change
Oleochemical	('000 mt)	130	154	-16%	131	-1%
Refinery	('000 mt)	418	572	-27%	353	18%



3. PROSPECTS

- Crude palm oil (“CPO”) price declined to a low of RM3,300 per tonne level in September, before rebounding to RM4,000 level since the end of October this year. The price recovery is due primarily to uncertainty about extension of the Black Sea’s grain export arrangement as well as the high rainfall in Malaysia and Indonesia which is expected to hamper the harvesting of oil palm fruits. These factors, coupled with the seasonal low in oil palm production during Q1 2023, are expected to sustain CPO price at a level above RM3,700 per tonne until Q1 2023.
- For our plantation segment, our Q2 FY2023 oil palm fruits production is expected to drop only slightly, against the seasonal downward trend, as our young palm trees are entering into a delayed peak production cycle and as more migrant workers are employed in our plantations. With CPO holding firm, the financial performance of our plantation segment is expected to be satisfactory in Q2 FY2023.
- As for our refinery and commodity marketing sub-segment, demand for palm oil is expected to moderate during the winter months in the Northern Hemisphere while margins are volatile due to changes in Indonesia’s palm oil export levy structure.
- Operating conditions in our oleochemical sub-segment are expected to be challenging with high energy costs and the economic slowdown in various parts of the world. On the other hand, raw material price in particular palm kernel oil price has been low and there is potential upside with China announcing plans indicating a relaxation in its strict Covid policies starting Q1 2023.

- The same factors are in play for our specialty fats sub-segment, although the demand for food is normally more resilient.
- Although our USD-denominated borrowings have declined substantially since June 2022, the highly volatile USD exchange rate is still impacting our forex translation loss on our USD-denominated borrowings. Going forward, USD exchange rate is expected to be elevated and volatile, in line with the monetary policy tightening stance of the US Federal Reserve.
- Overall, the financial performance of the Group for the remaining periods of FY2023 is expected to be satisfactory amidst challenging operating conditions, due to the anticipated firm CPO price during the next two quarters.



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Thank you