

# 35<sup>th</sup> Annual General Meeting

Review of Group Performance & Prospects  
Financial Year Ended 31 March 2019

Dato' Soam Heng Choon, CEO & Managing Director  
IJM Corporation Berhad



# CONTENT



## 1. FY2019 Group Performance

## 2. Core Business Performance

a. Construction

b. Property

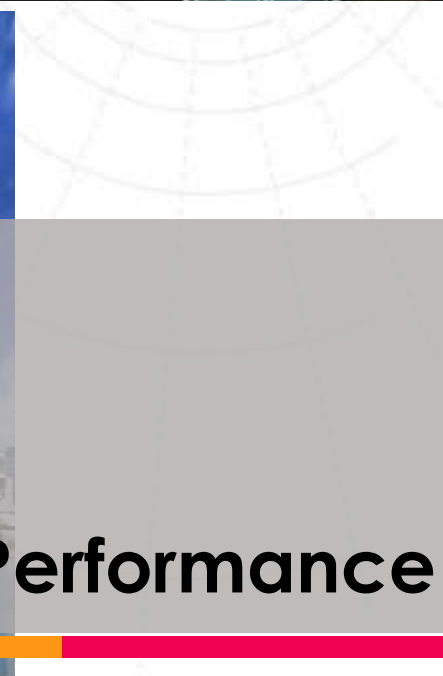
c. Industry

d. Infrastructure

e. Plantation

## 3. Conclusion





# FY2019 Group Performance



# GROUP INCOME STATEMENT



	FY2019	FY2018 (Restated)	% Δ
<b>Revenue</b>	<b>5,655.7</b>	<b>5,965.6</b>	(5.2) ↓
<b>EBITDA</b>	<b>1,221.9</b>	<b>1,158.4</b>	5.5 ↑
<b>Operating profit</b>	<b>745.4</b>	<b>797.8</b>	
Finance cost	(225.1)	(185.7)	
<b>Operating profit after finance cost</b>	<b>520.3</b>	<b>612.1</b>	
Share of results from JV & associates	127.7	(1.0)	
<b>Profit before tax</b>	<b>648.0</b>	<b>611.1</b>	6.0 ↑
Taxation	(207.3)	(232.8)	
<b>Profit after tax</b>	<b>440.7</b>	<b>378.3</b>	
<b>Profit after tax &amp; MI</b>	<b>418.9</b>	<b>346.7</b>	
<b>EPS (basic) sen</b>	<b>11.56</b>	<b>9.56</b>	23.6 ↑
<b>Proposed/declared DPS sen</b>	<b>4.00</b>	<b>6.00</b>	

# FY2019 GROUP BALANCE SHEET

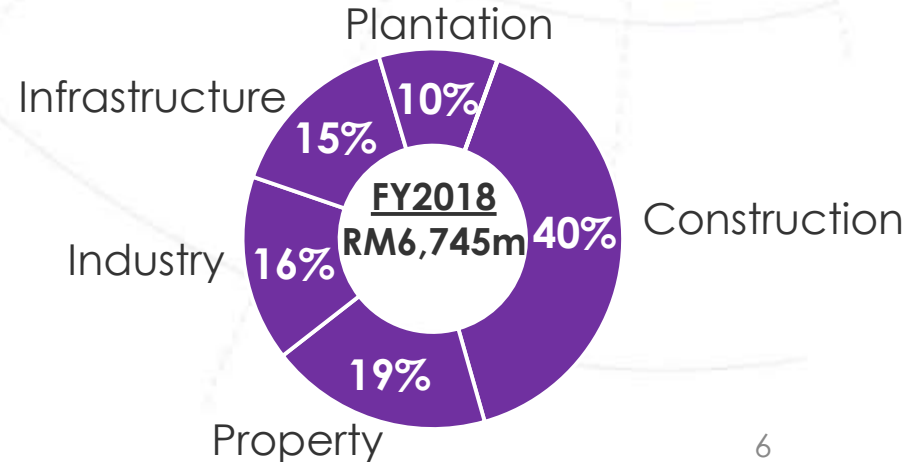
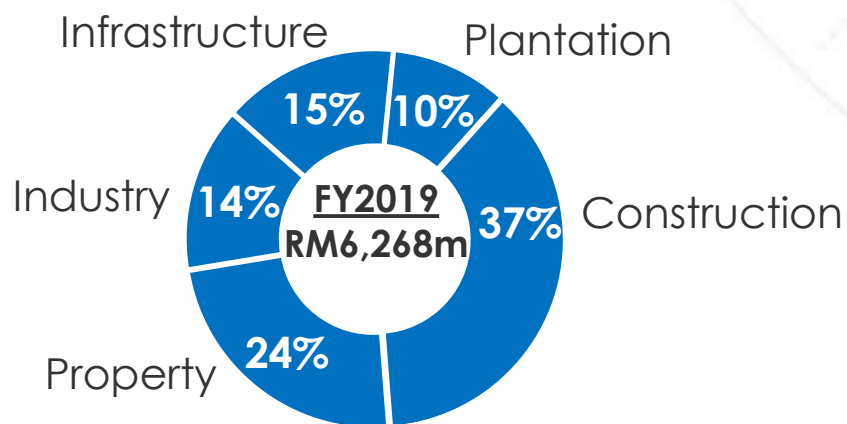
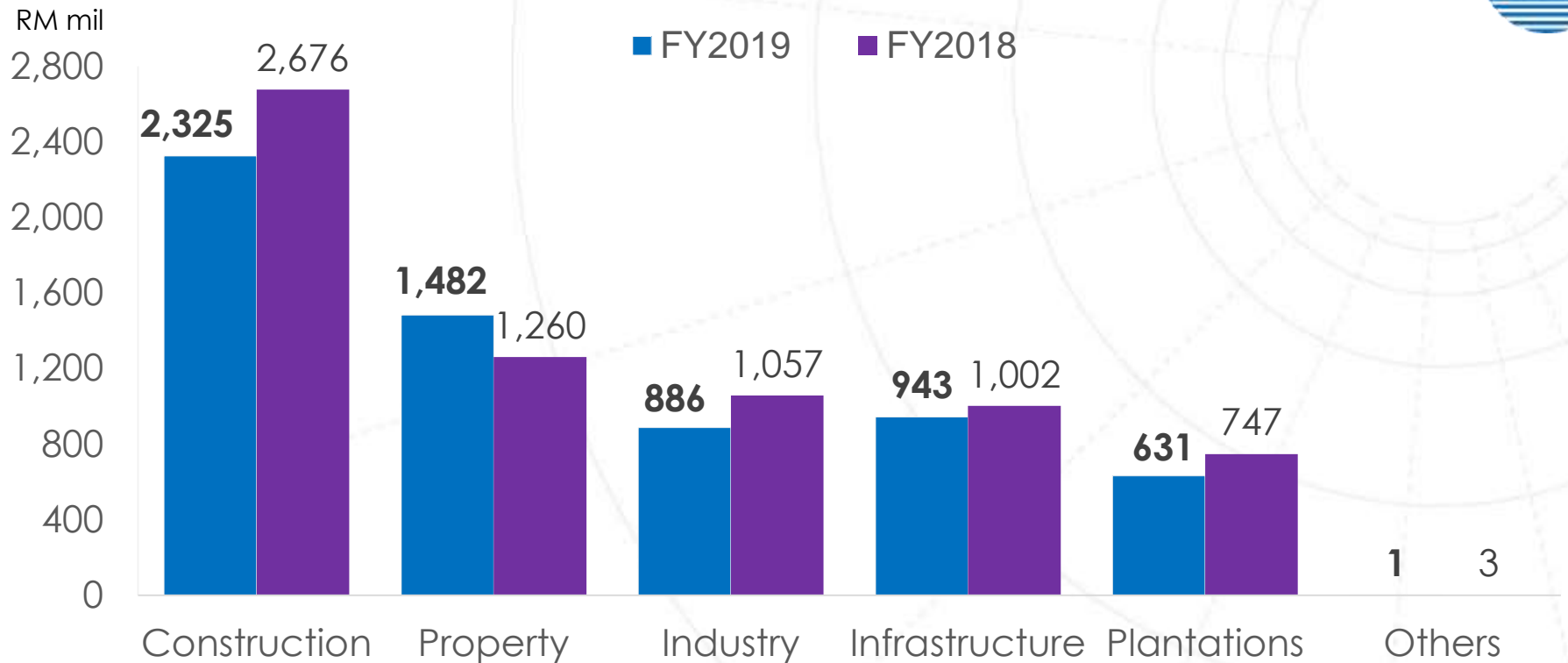


RM mil	31-Mar-19	31-Mar-18 (Restated)
<b>Share capital</b>	<b>6,099.4</b>	<b>6,074.3</b>
<b>Shareholders' funds</b>	<b>9,538.7</b>	<b>9,346.5</b>
<b>Total assets</b>	<b>23,006.0</b>	<b>21,233.3</b>
<b>Net assets per share (RM)</b>	<b>2.63</b>	<b>2.58</b>

<b>Total cash</b>	<b>1,557.9</b>	<b>1,467.7</b>
<b>Total borrowings</b>	<b>6,662.1</b>	<b>5,914.0</b>
<b>Net cash / debt*</b>	<b>(5,104.2)</b>	<b>(4,446.3)</b>
<b>Net debt / shareholders' funds (%)</b>	<b>53.5</b>	<b>47.5</b>

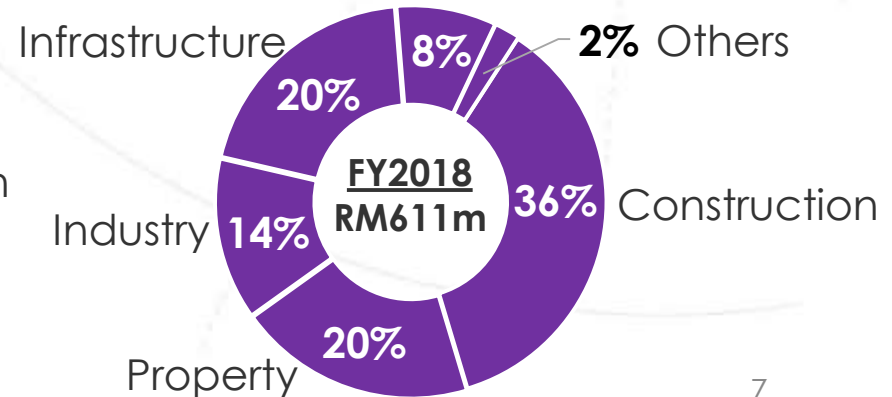
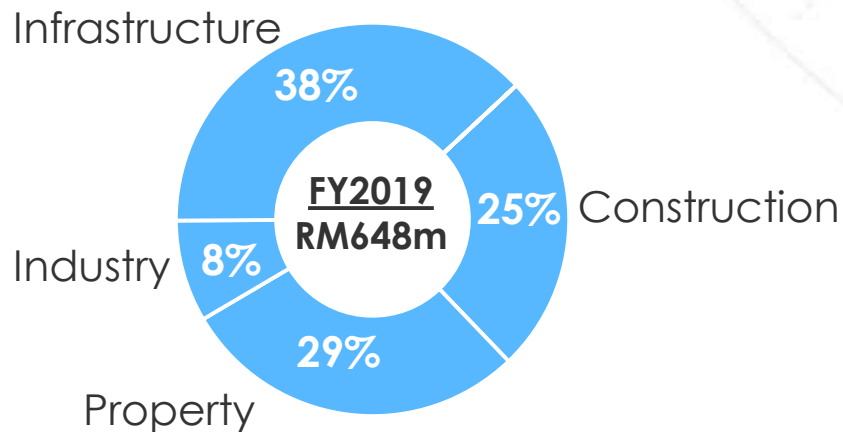
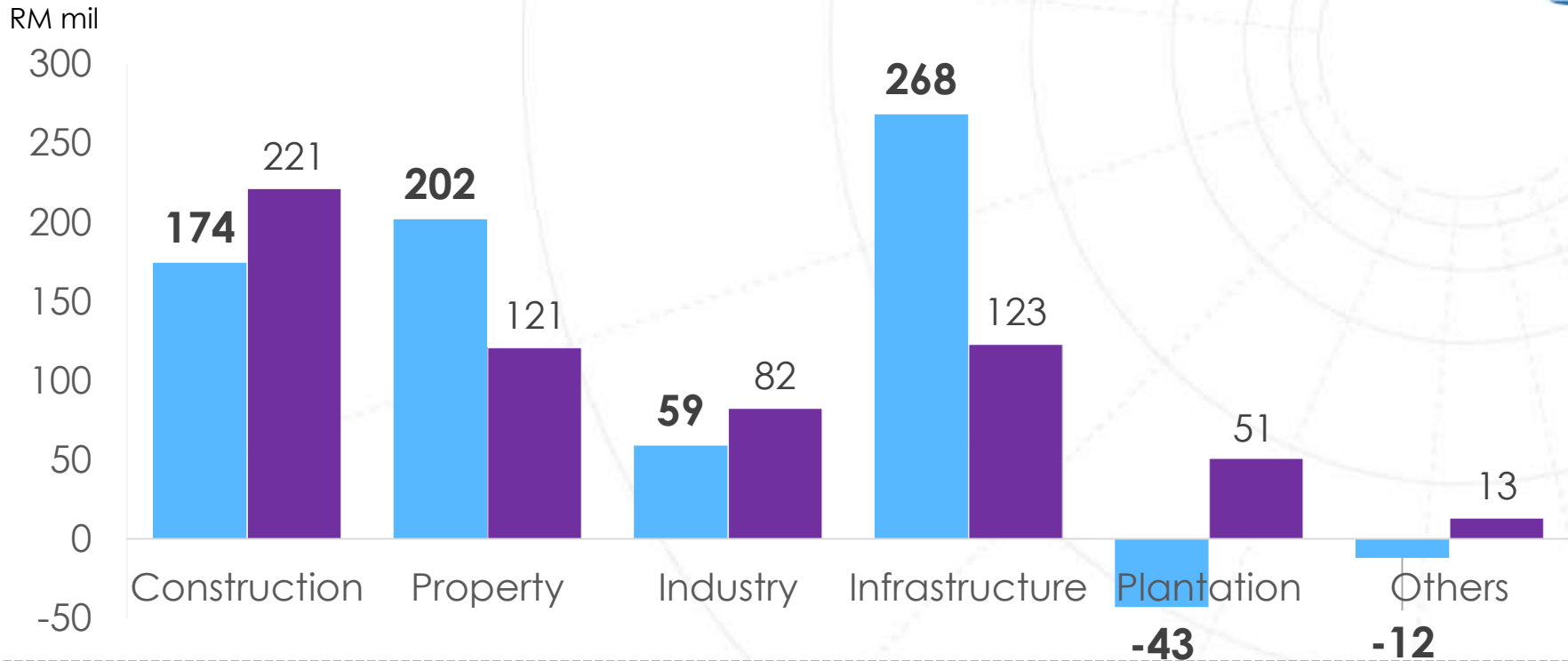
* Recourse debt	RM'mil	583.1	11%
Non-recourse debt	RM'mil	<u>4,521.1</u>	89%
Net debt	RM'mil	<u>5,104.2</u>	100%

# FY2019 GROUP REVENUE BY DIVISION





# FY2019 GROUP PBT BY DIVISION



# Core Business Performance: **Construction**



*The Starling, Damansara Uptown*



# CONSTRUCTION SNAPSHOT

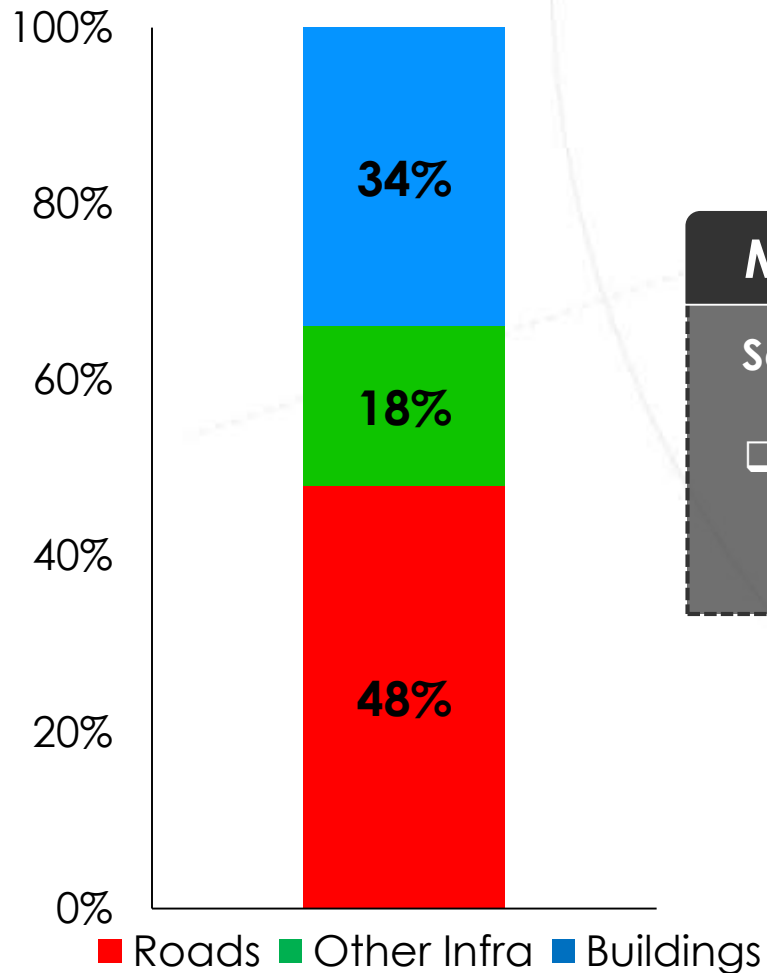


	RM mil		
	FY2019	FY2018 (Restated)	%Δ
<b>Revenue</b>	<b>2,325.4</b>	<b>2,676.1</b>	(13.1) ↓
<b>EBITDA</b>	<b>267.2</b>	<b>289.7</b>	(7.8) ↓
<b>Profit before tax</b>	<b>174.4</b>	<b>221.2</b>	21.2) ↓
<b>PBT %</b>	<b>7.5</b>	<b>8.3</b>	

## Comments

- ❑ FY2019 revenue declined as newer projects have yet to reach optimal construction phase
- ❑ For FY2019, PBT declined following lower construction revenue as well as an unrealised forex loss of RM9.7m in relation to USD denominated borrowings in the current year as compared to an unrealised forex gain of RM10.8m in the preceding year

# ORDER BOOK PROVIDES 3 YEARS EARNINGS VISIBILITY



**RM6.7bn Order Book**

## Major FY19 Contracts Awarded

September 2018

- 47-storey Affin Bank Berhad Office Building at TRX  
Contract Value: RM505m

# WCE SECTION 3, 4 AND 5



**Section 3 – Bridge at SAE Interchange**



**Section 5 – Bridge at Jalan Sg. Puloh, Klang**



**Section 4 – Shahpadu Highway to Port Klang**



**Progress Photo Aug 2019**



# WCE SECTION 8, 9 AND 10



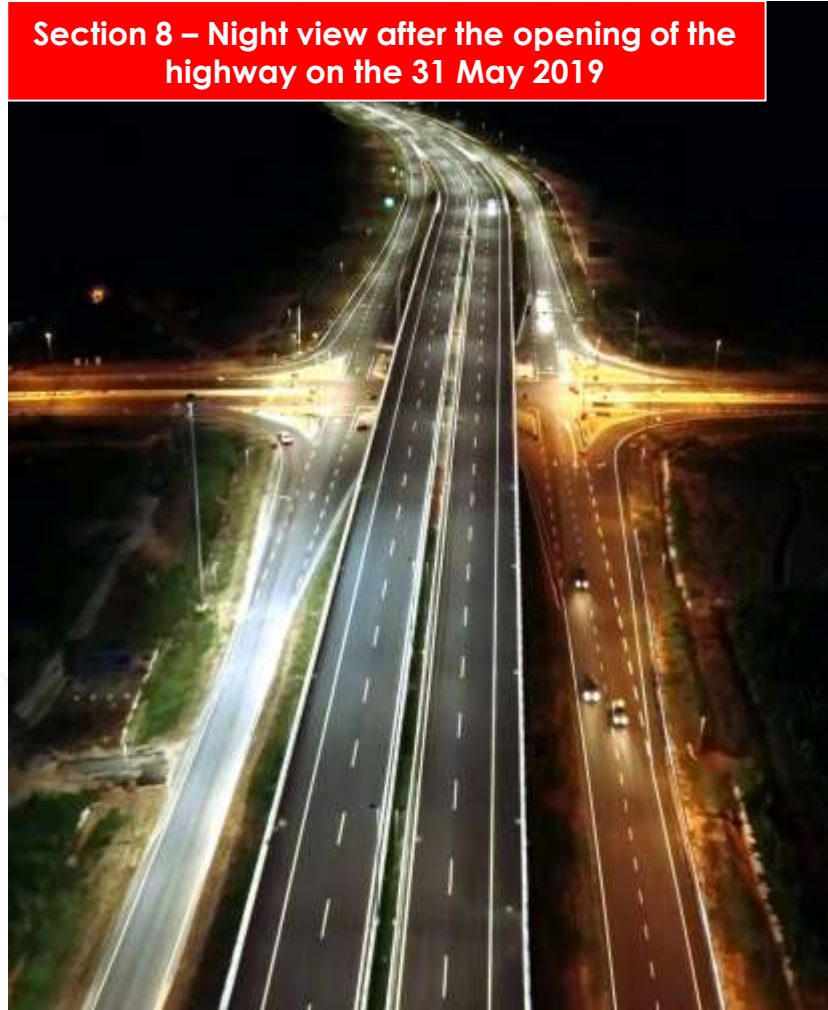
**Section 9 – Changkat Cermin**



**Section 10 – Rock blasting and stabilisation work**



**Section 8 – Night view after the opening of the highway on the 31 May 2019**



**Progress Photo Aug 2019**

# MRT 2, JINJANG TO JALAN IPOH



Progress Photo Aug 2019



Long span launching at Kampung Batu



Kampung Batu Station roofing works



Top view from viaduct at Kampung Batu



Installing noise barrier at Jalan Ipoh



# IJM BUILDING PROJECTS IN KUALA LUMPUR



IJM Projects in KL City Centre



# AFFIN BANK NEW CORPORATE HEADQUARTERS, TRX, KUALA LUMPUR



Progress Photo - Aug 2019



Construction at level 13



# UOB TOWER 2, KUALA LUMPUR



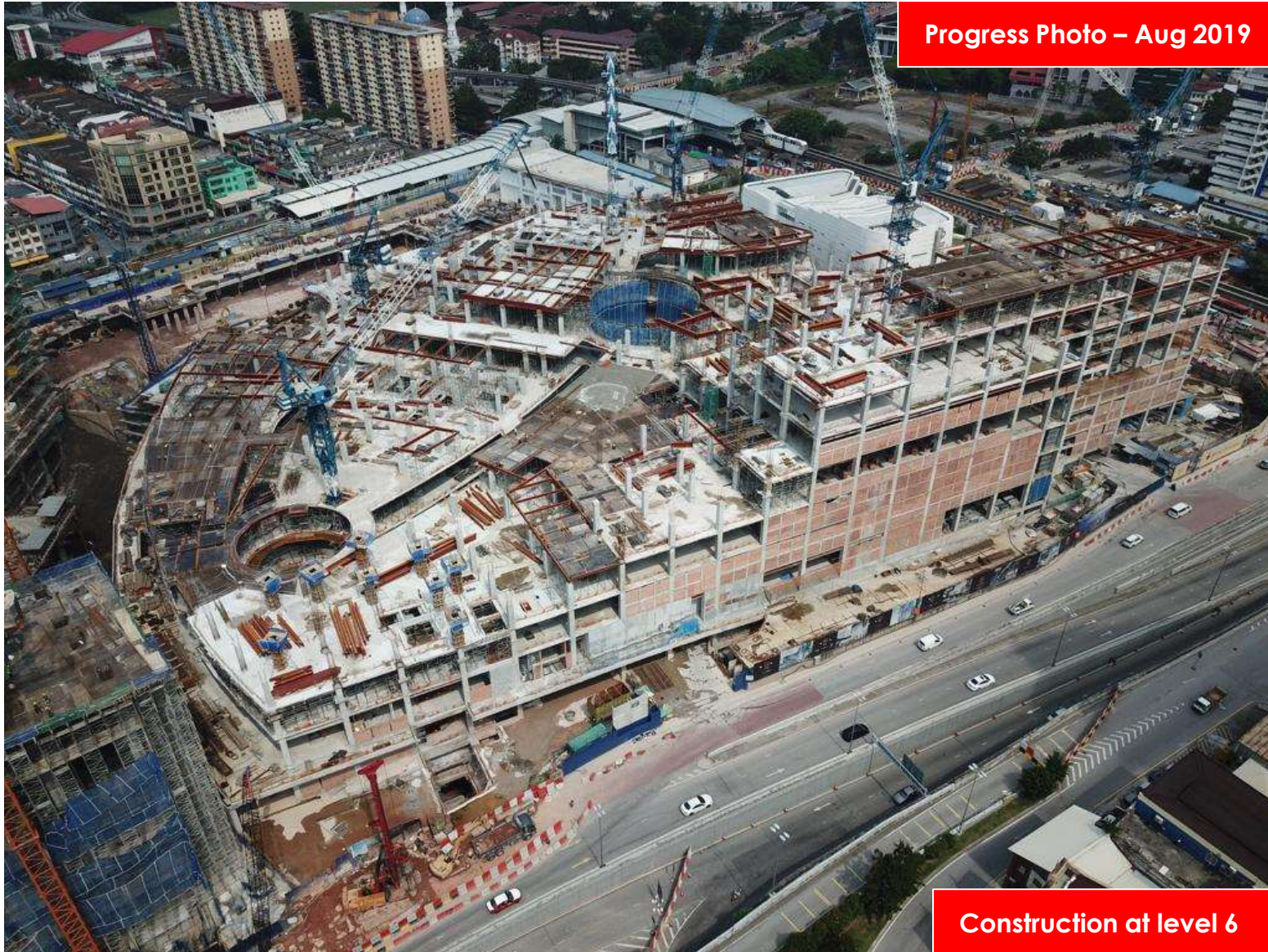
Progress Photo Aug 2019



Construction at level 3



# BUKIT BINTANG CITY CENTRE RETAIL MALL, KUALA LUMPUR



Progress Photo – Aug 2019

Construction at level 6



# MENARA PRUDENTIAL, KUALA LUMPUR



Handed Over on 8 May 2019





# EQUATORIAL PLAZA, KUALA LUMPUR





# CHILKALURIPET - VIJAYAWADA, ANDRA PRADESH INDIA





# DEWAS BYPASS, MADHYA PRADESH, INDIA



# PROPERTY SNAPSHOT

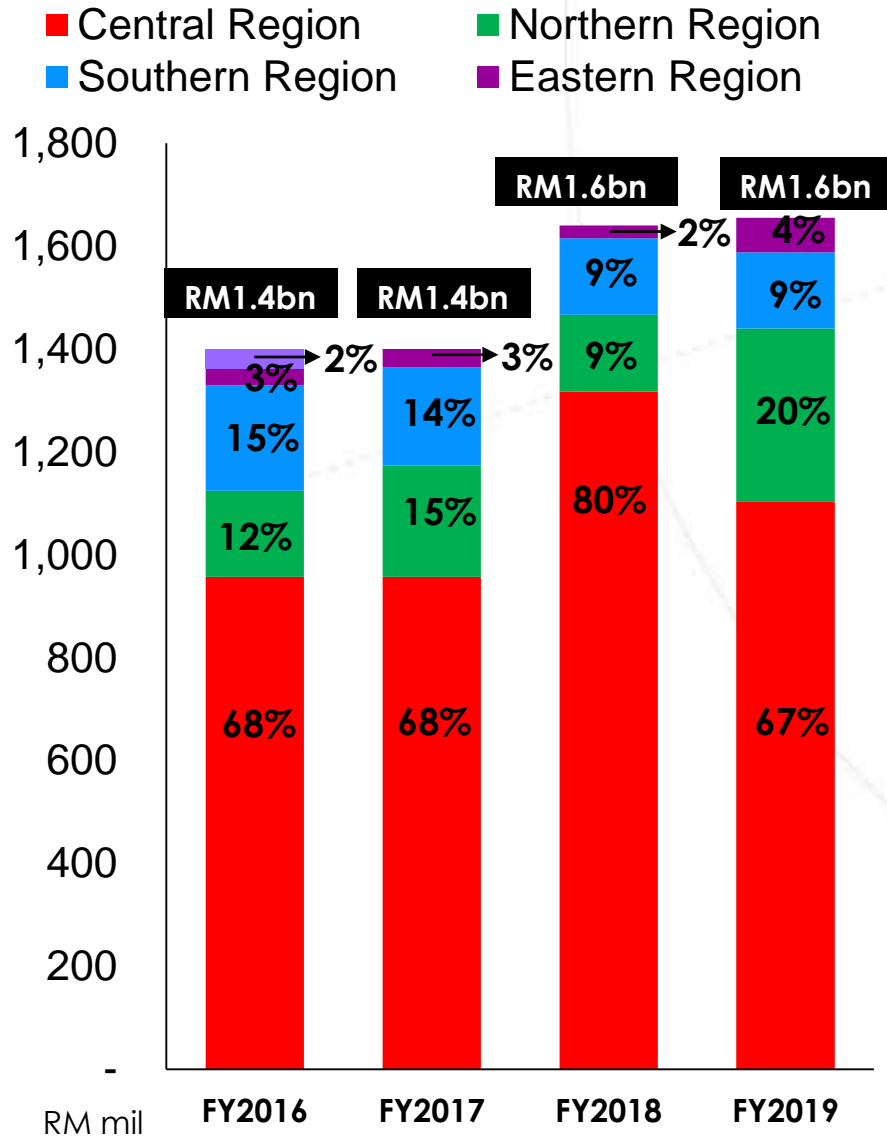


	RM mil		
	FY2019	FY2018 (Restated)	%Δ
<b>Revenue</b>	<b>1,482.0</b>	<b>1,260.5</b>	17.6 ↑
<b>EBITDA</b>	<b>228.5</b>	<b>146.6</b>	55.9 ↑
<b>Profit before tax</b>	<b>202.0</b>	<b>120.7</b>	67.4 ↑
<b>PBT %</b>	<b>13.6</b>	<b>9.6</b>	

## Comments

- The revenue and PBT for FY2019 was higher as compared to the preceding year. The improved financial results were mainly due to the higher sales recorded, higher work progress as well as the disposal of certain parcels of commercial land in FY2019

# PROPERTY SALES ACHIEVED



- Demand for mid-range products remains healthy although stringent end-financing criteria imposed by banks are still in place
- Township and landed developments, namely Bandar Rimbayu, Shah Alam 2 and Seremban 2, to underpin sales



# ROYAL MINT GARDENS, LONDON



Progress Photo – Aug 2019



# RECENT PROPERTY LAUNCHES



**Swans (Parcel 2), Bandar Rimbayu, Kota Kemuning**



Total - 111 units  
Build-up - 22 x 70  
Price - RM863k onwards  
Launched - Aug 2019

**Austin Duta (Phase 10A), Johor Bahru**



Total - 123 units  
Build-up - 22 x 70  
Price - RM604k onwards  
Launched - May 2019

**Rimbun Alam (Phase 3J), Seremban 2 Heights**



Total - 102 units  
Build-up - 20 x 70  
Price - RM597k onwards  
Launched - April 2019





# UPCOMING PROPERTY LAUNCHES



**The Terraces,  
Bukit Jambul, Penang**



**Total: 410 units**  
**Build-up : 925 & 950 sqft**  
**Price: RM531k onwards**  
**Target launch: Oct 2019**

**Total: 921 units**  
**Build-up : 720 to 1,210 sqft**  
**Price: RM600psf (average)**  
**Target launch: Mar 2020**



**Riana Dutamas (Parcel 2),  
Serviced Apartment,  
Segambut**

**Starling,  
Bandar Rimbayu,  
Kota Kemuning**



**Total: 680 units**  
**Build-up : 20 x 60 sqft**  
**Price: RM653k onwards**  
**Target launch: Dec 2019**

**Austin Duta (Phase 10B),  
Johor Bahru**



**Total: 140 units**  
**Build-up : 22 x 70 sqft**  
**Price: RM619k onwards**  
**Target launch: Sept 2019**



## Core Business Performance: Industry

ICP Piles with Special Shoes for New Deep Water Terminal, Kuantan Port



# INDUSTRY SNAPSHOT



	RM mil		
	FY2019	FY2018 (Restated)	%Δ
Revenue	886.4	1,057.1	(16.2) ↓
EBITDA	114.7	137.0	(16.2) ↓
Profit before tax	60.0	82.5	(28.5) ↓
PBT %	6.8	7.8	

## Comments

- Revenue and PBT for FY2019 was lower respectively compared to the previous year's corresponding period. These were mainly due to lower sales volumes and margins in the piles and quarrying sectors

# CAPACITY & LOCATIONS



## Capacity

○ **10 Pile Factories**  
2.4m tonnes p.a

▲ **9 Quarries**  
10m tonnes p.a

▲ **3 Ready Mixed Concrete**  
540k cubic meter p.a

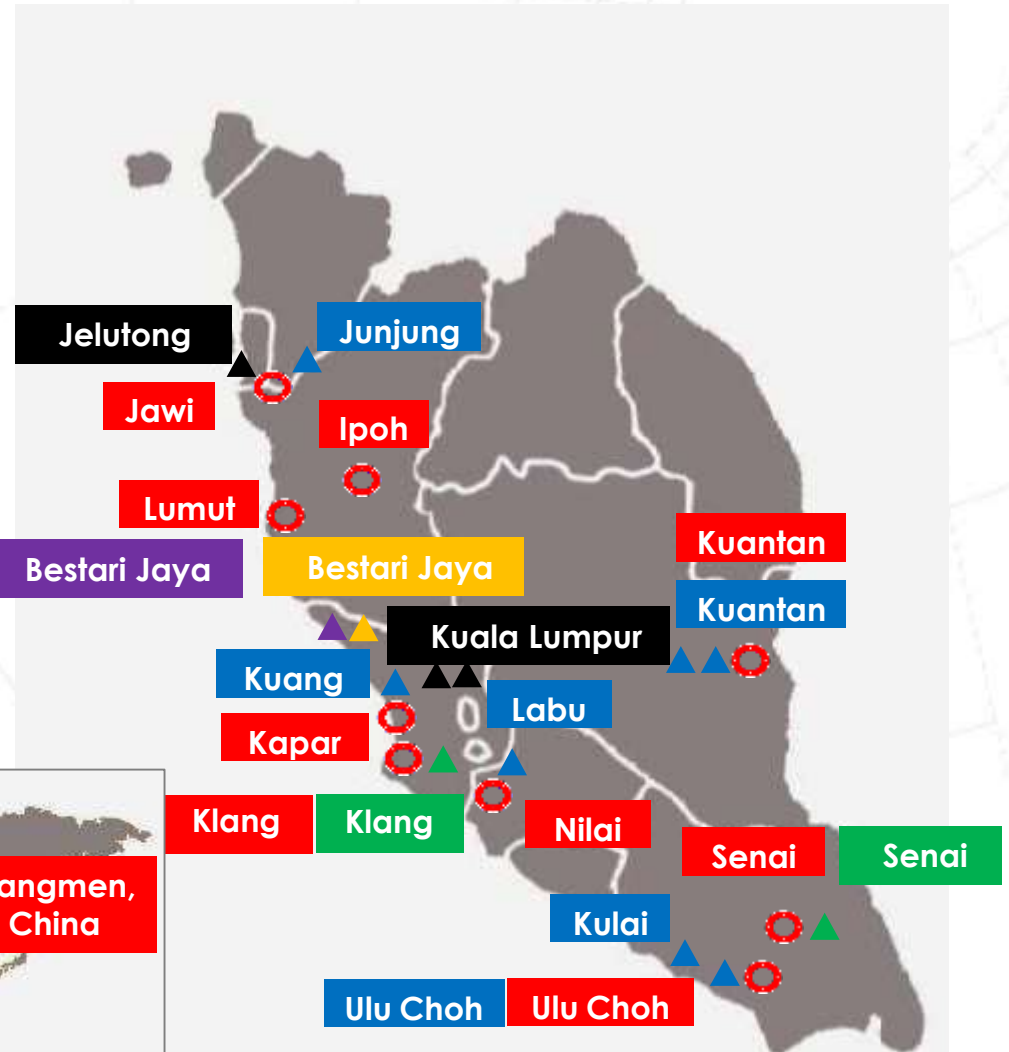
▲ **2 DURABON Factories**  
54k tonnes p.a

▲ **1 Sand Mining Plant**

▲ **1 IBS Factory**  
500k square meter p.a



India:  
• Hyderabad  
• Bangalore





# PILES SUPPLIED TO VARIOUS PROJECTS



**Fernvale Woods at Sengkang West Avenue, Singapore**



**IKEA Batu Kawan, Penang**



**Trinity Aquata, Kuala Lumpur**



**KDU College Batu Kawan, Penang**



# Core Business Performance: **Infrastructure**



# INFRASTRUCTURE SNAPSHOT



	RM mil		
	FY2019	FY2018 (Restated)	%Δ
Revenue	943.4	1,001.9	(5.8) ↓
EBITDA	504.8	353.2	42.9 ↑
Profit before tax	268.3	122.8	118.5 ↑

## Comments

- The higher contributions from the Group's local tolls and port concessions as well as toll concession investment in Argentina increased the PBT for the FY2019

# CONCESSION ASSETS PORTFOLIO



	Assets	Type	% Share	Concession Period
<b>Operating</b>				
Malaysia	New Pantai Expressway, Selangor	Tollway 20 km	100%	1996 – 2030
	Besraya & Extension, Selangor	Tollway 29 km	100%	1996 – 2040
	LEKAS, Kajang-Seremban	Tollway 44 km	50%	2007 – 2039
	Kuantan Port, Pahang	Port	60%	1998 – 2045
Vietnam	Bihn An Water Corporation	Water Treatment	36%	1999 – 2019
India	Chilikaluripet – Vijayawada, Andra Pradesh	Tollway 68 km	100%	2008 – 2025
	Gautami, Andra Pradesh	Power 460 MW	20%	2009 – 2024
Argentina	Western Access Tollway, Buenos Aires	Tollway 56 km	20%	1997 – 2030
<b>Under Construction</b>				
Malaysia	West Coast Expressway	Tollway 233 km	40%	2013 - 2073
India	Dewas, Madhya Pradesh	Tollway 19.8 km	100%	2017 – 2042
	Vijayapura - Solapur, Maharashtra and Karnataka	Tollway 109.1 km	100%	2017 – 2037



# EXISTING KUANTAN PORT AND NDWT



# NEW DEEP WATER TERMINAL





# NDWT OVERVIEW



**Conveyor Belt**  
Capacity = 4000  
ton/hour

**Ship Unloader**  
2 units  
Grab Type  
Capacity = 2000 ton/hour

# CONVEYOR BELT





# MALAYSIA-CHINA KUANTAN INDUSTRIAL PARK



## MCKIP 1

**Malaysia Consortium  
51%**

**China Consortium  
49%**

IJM Land 40%  
Sime Darby 30%  
Pahang State 30%

Guangxi Beibu 95%  
Qinzhou Investment 5%

## MCKIP 2 & 3

**IJM Land  
60%**

**Guangxi Beibu  
40%**



**Total = 3,500 acres**

# MCKIP 1 – 1<sup>ST</sup> INVESTMENT PROJECT IS OPERATIONAL



Alliance Steel - Photo as at Aug 2019





# INVESTORS IN MCKIP & KUANTAN PORT



No.	Industries
1.	Steel & metal
2.	Production of passenger car radial (“PCR”) & truck and bus radial (“TBR”) tyres
3.	Clay porcelain, tableware & ceramic manufacturing
4.	Aluminium components processing
5.	Potash fertilizer manufacturing
6.	Battery manufacturing (lead acid / lithium-ion for Energy Efficient Vehicles)
7.	Oil refinery & bunkering services
8.	Refining catalyst
9.	Paper Recycling
10.	Waste Oil Recycling
11.	PVC Additives Speciality Chemicals
12.	Pharmaceutical Production
13.	Refrigerant Production
14.	Titanium Oxide, Vanadium Pentoxide and Iron Processing
15.	Combined Heat and Power Plant
16.	Spun Piles Concrete Manufacturing

**Total investment = RM20.3bn**

# MCKIP 3 SITE PROGRESS



Operation commenced on 13 Aug 2019

ICP Precast Products  
Spun Pile Manufacturing



Target operation in Oct 2019

Camel Power (M)  
Battery Manufacturing



Photos as at Aug 2019



An aerial photograph of a large plantation estate. In the center, there is a large, irregularly shaped pond. To the left of the pond, there is a cluster of small, white-roofed buildings, possibly a worker's camp or administrative offices. To the right of the pond, there is a large, rectangular, green field, which appears to be a golf course or a sports field. The entire area is surrounded by dense, lush green forest. In the background, there are rolling hills and mountains under a clear blue sky.

## Core Business Performance: **Plantation**

*Sijas Estate, Sabah*

# PLANTATION SNAPSHOT



	RM mil		
	FY2019	FY2018 (Restated)	%Δ
<b>Revenue</b>	<b>630.9</b>	<b>747.2</b>	(15.6) ↓
<b>EBITDA</b>	<b>119.0</b>	<b>218.9</b>	(45.6) ↓
<b>Profit before tax</b>	<b>(43.3)</b>	<b>50.8</b>	(285.2) ↓
<b>PBT %</b>	<b>-</b>	<b>6.8</b>	
<b>*CPO Price</b>	<b>2,125</b>	<b>2,639</b>	

\*Average CPO Price Per Tonne for Malaysian operations

## Comments

- Revenue for the FY2019 decreased mainly due to lower commodity prices. The PBT loss was mainly attributable to the lower commodity prices, compounded by the production cost pressure in the Malaysian operations and also the increase in young mature areas in the Indonesian operations incurring full plantation maintenance costs and overhead set against the start-up crop yield. The results were also affected by the net unrealised forex loss of RM25.8m on the USD denominated borrowings for the current year as compared to the unrealised forex loss of RM23.7m in the preceding year



# OPERATIONS PROFILE



**60,633 ha**

Total Planted Area

**976,394 mt**

FFB Production (FY19)

**224,164 mt**

Crude Palm Oil (FY19)

# PLANTED AREA & WEIGHTED AVERAGE AGE PROFILE



	Malaysian Operations	Indonesian Operations	GROUP	%
Average Palm Age	14.3	7.9	10.4	
Mature (> 20 years)	1,354	-	1,354	2
Mature-Prime ( 8 - 20 years )	17,318	13,551	30,869	51
Mature-Young ( 4-7 years )	3,316	18,565	21,881	36
Immature ( 1-3 years )	2,793	3,736	6,529	11
<b>TOTAL PLANTED AREA</b>	<b>24,781</b>	<b>35,852</b>	<b>60,633</b>	<b>100</b>





## Conclusion

Prestige Shantiniketan Bangalore, India

# CONCLUSION



- ❑ Execution of high outstanding construction order book and property unbilled sales to underpin medium term performance
- ❑ The Group is investing into new growth areas such as the NDWT at Kuantan Port, Menara Prudential at TRX and Vijayapura-Solapur BOT in India
- ❑ Selective participation in overseas construction tenders



# Thank you

