

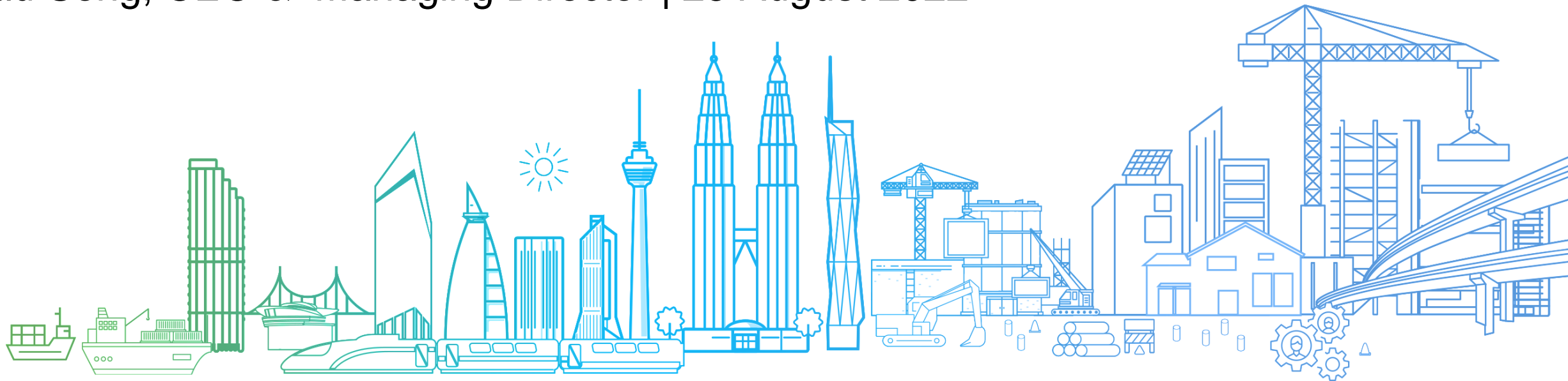


# IJM Corporation Berhad

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

Review of Group Performance and Prospects  
Financial Year Ended 31 March 2022

Liew Hau Seng, CEO & Managing Director | 25 August 2022



# Group Strategic Focus FY23 – FY25



## 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

## Build Resilience

### Financial resilience demonstrated in a pandemic year



- **Commendable financial performance for FY22 despite uncertainties & operational disruptions**

- Core PBT rose by 19.4% to RM477.06m from RM399.48m



- **Strong operational cash flow generation**

- Cash flow from operating activities in FY22 of RM1.22b vs FY21 of RM1.34b points to operational resilience during the pandemic



- **Cash at bank is higher as at 31 March 2022 (RM2.91b) than at 31 March 2021 (RM2.41b)**

- Net gearing is also lower at 26.4% compared to 44.0% for the same period



- **No major exposure to undue credit risk**

- Selective pursuance of construction projects in the last few years paying off
- Close monitoring of some exposure in the Industry Division and mostly provided for

# Group Core Profit Before Tax



RM'mil	FY22	FY21	% Δ
Revenue	4,409.0	4,687.2	(5.9)
EBITDA	822.2	1,005.2	(18.2)
Operating Profit	537.5	783.6	(31.4)
Finance Cost	(188.3)	(198.3)	
Operating Profit After Finance Cost	349.2	585.3	(40.3)
Share Of Results From JV & Assoc.	(31.3)	(74.2)	
Profit Before Tax	317.9	511.1	(37.8)
Taxation	(183.0)	(78.8)	
<b>Profit from Continuing Operations</b>	<b>134.9</b>	<b>432.3</b>	
<b>Profit from Discontinued Operations</b>	<b>750.3</b>	<b>215.0</b>	
Profit After Tax	885.2	647.3	36.8
Profit After Tax & Minority Interest	794.9	433.9	
EPS (Basic) Sen	22.19	11.97	
Declared Dividend Sen	6.00	6.00	
Special Dividend Sen	15.00	-	

## Core PBT calculation (continuing operations)

RM'mil	FY22	FY21	% Δ
Reported PBT continuing operations	317.9	511.1	
Add/(less) :			
forex (con't operations) loss/(gain)	23.0	(33.1)	
Gain on disposal of Kemena	(7.0)		
Impairment in MCKIP	66.1		
Impairment in Toll concessions	77.1		
Gain on disposal of ICP Jiangmen and certain property, plant and equipment		(78.6)	
	159.2	(111.7)	
<b>Core PBT continuing operations</b>	<b>477.1</b>	<b>399.4</b>	<b>19.4</b>

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## Build Resilience

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



- **Actively monetising low yielding assets**
  - Property land bank earmarked for disposal in FY23
    - The Light Phase 2, Bandar Rimbayu industrial land, MCKIP & Royal Mint Gardens Phase 2



- **Continued to successfully pare down property inventory in FY22**
  - Managed to reduce Completed Buildings in FY22 to RM865.42m (FY21: RM1,150.93m, FY20: RM1,522.75m)

### More proactive stance in capital management



- Satisfactory financial performance and cash flow from divestment of IJM Plantations presented an opportunity to maintain healthy dividend pay out in addition to declaring special dividends
- Active share buyback programme due to undervaluation of share price by the market

## Drive Growth

### Short-term

Improving outlook across most divisions in FY23



**Construction** anchored by healthy outstanding order book of RM4.3b and resumption of large-scale public infrastructure projects



**Property** to benefit from launch pipeline of mid-range products and unbilled sales of RM2.3b to underpin near term financial performance



**Industry** balance order book of over 7 months with 1 million MT of spun piles order in hand, and seeing pick up in both local and export sales



**Toll** traffic volume quickly returning to pre-Covid levels at Besraya & LEKAS. Financial performance and cash flow should see natural recovery in FY23



**Port** cargo throughput dependent on global recovery in the short term

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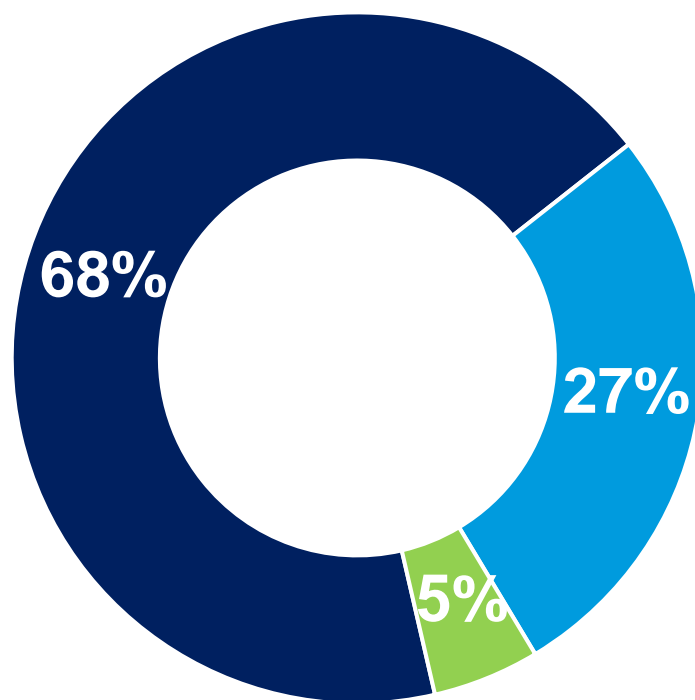


# New Order Book Secured



**RM1,677m**

Outstanding Order Book: RM4.26bn



■ Buildings ■ Roads ■ Infrastructure

## Major Contracts awarded in FY22

- ◆ Infrastructure building and public realm works at TRX, KL (RM90m)
- ◆ Mezzo Residential Tower, The Light City, Penang (RM238m)
- ◆ Substructure works Sg. Pahang Bridge, East Coast Rail Link, Pahang (RM258m)
- ◆ The Waterfront Penang Master Infrastructure (RM66m)
- ◆ Phase 2 of JKG Land's flagship The ERA @ Duta North - two tower blocks of service apartments, Segambut, KL (RM242m)
- ◆ Hotayi Electronic factory expansion project in Batu Kawan, Penang (RM55m)
- ◆ Jendela Residences, two 41-storey luxury residential towers within the KLGCC Resort township in Bukit Kiara, KL (RM383m)
- ◆ West Coast Expressway, Beruas – Taiping South, Section 11 (RM261m)
- ◆ ViTrox 3, main building works (RM77m)

# Completed Projects



**Menara IQ (HSBC), TRX**



**Menara Affin, TRX**



**LaLaport Bukit  
Bintang City Centre**



**UOB Office Tower 2  
Jalan Raja Laut**



# Completed Projects



## Record-breaking achievement for road construction

- Laying 25.54 lane-km road stretch in 17 hours and 45 minutes
- Winner of major construction award in India and entry into the Limca Book of Records



## Solapur-Bijapur Highway, Maharashtra and Karnataka, India

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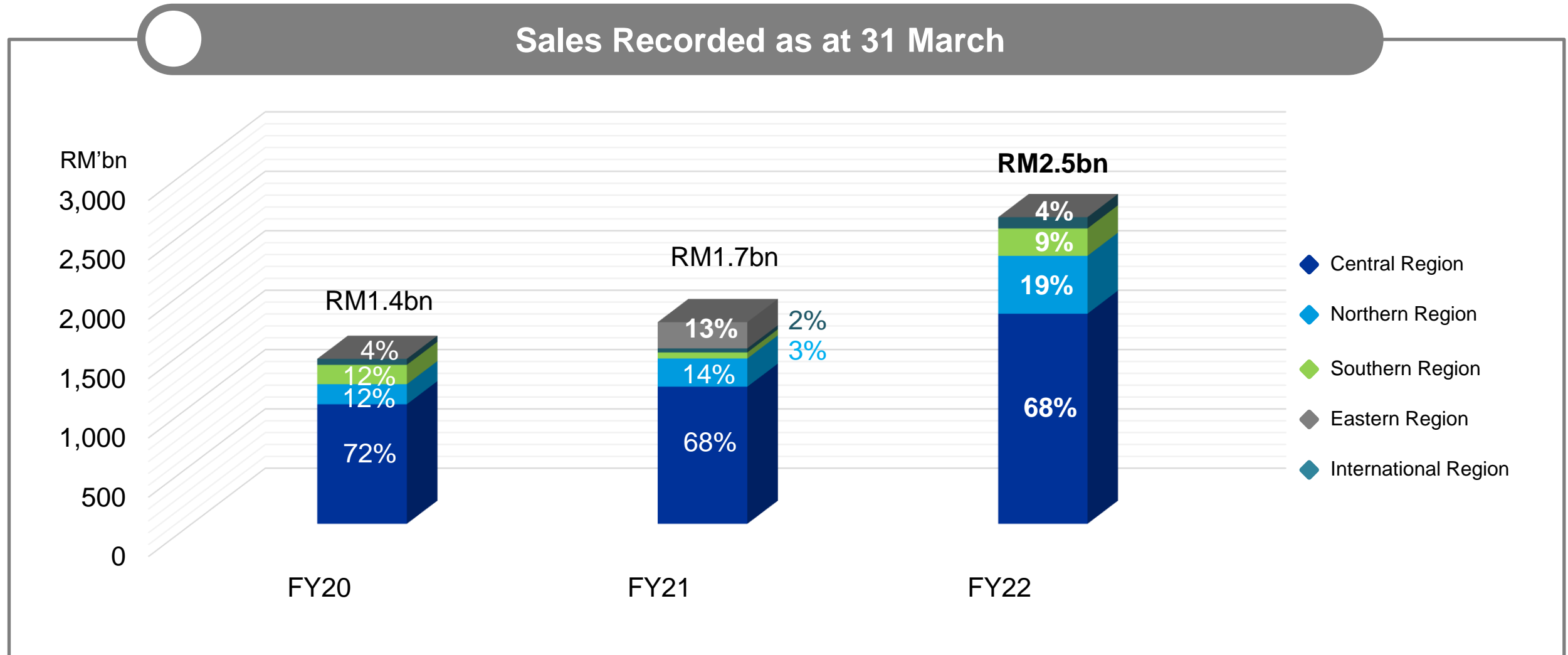


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# Property Sales Achieved

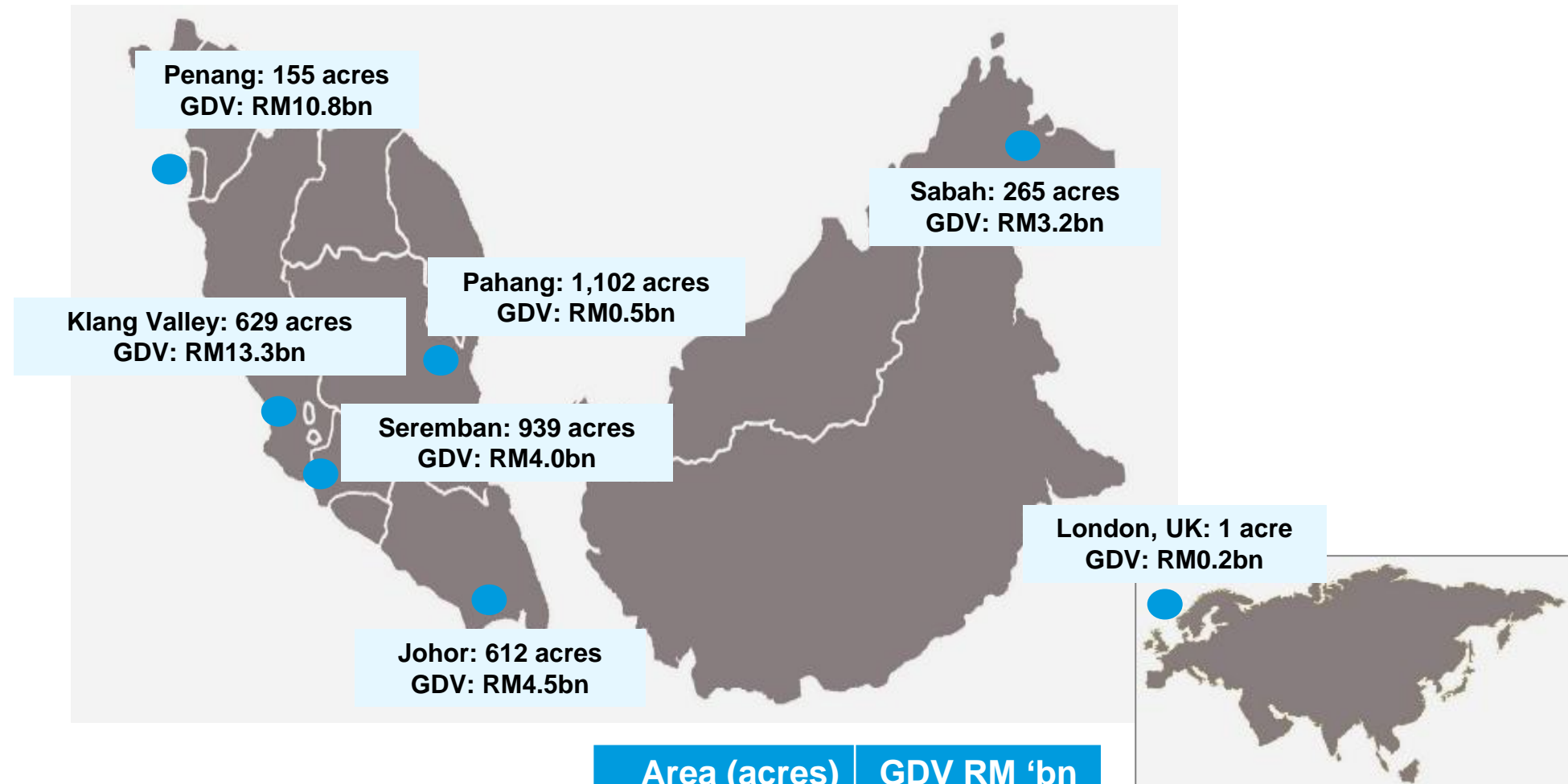


## Sales Recorded as at 31 March





# Regional Land Bank Profile



	Area (acres)	GDV RM 'bn
Malaysia	3,702	36.3
International	1	0.2
Total	3,703	36.5

# Completed Projects



**Savio Residensi, Riana Dutamas, Kuala Lumpur**



**Safira Apartments,  
Seremban 2**



**Symphony 3,  
First City,  
Nagpur, India**

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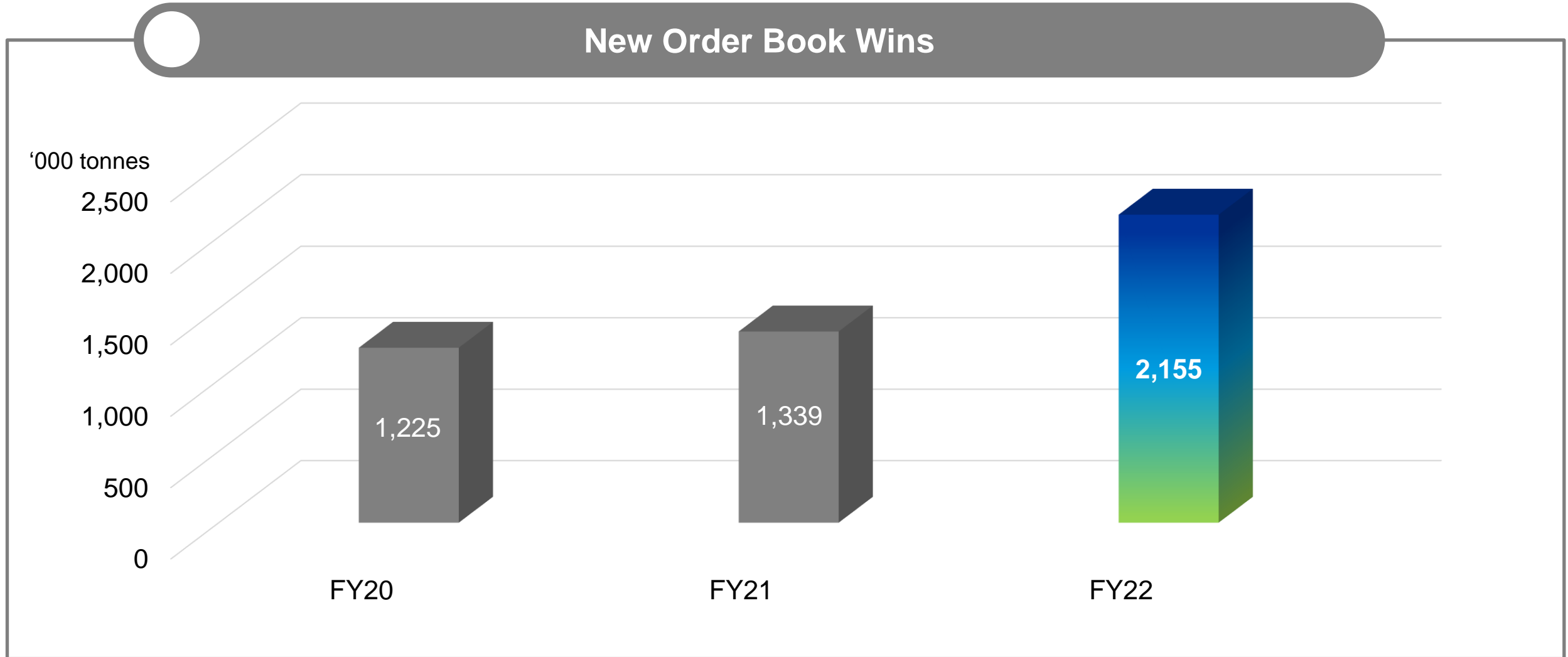
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## New Order Book Wins

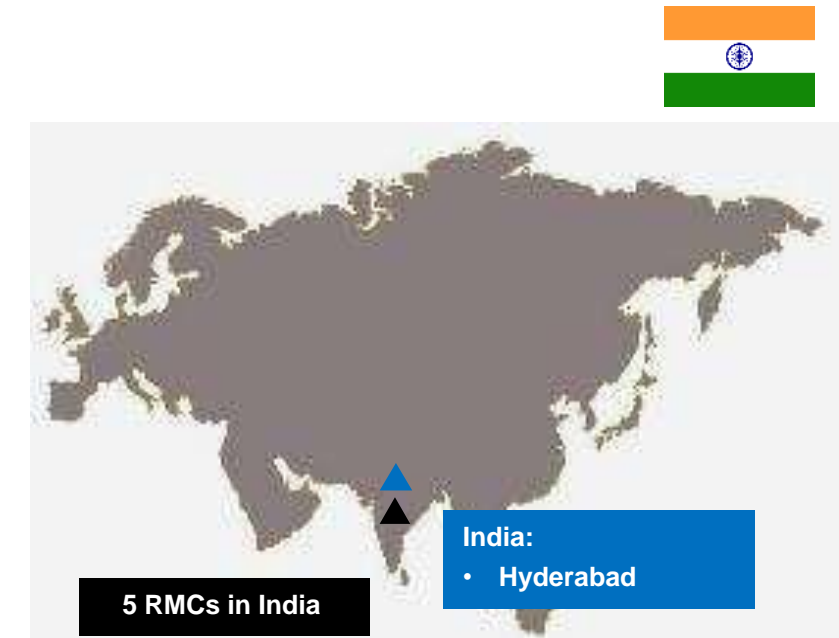
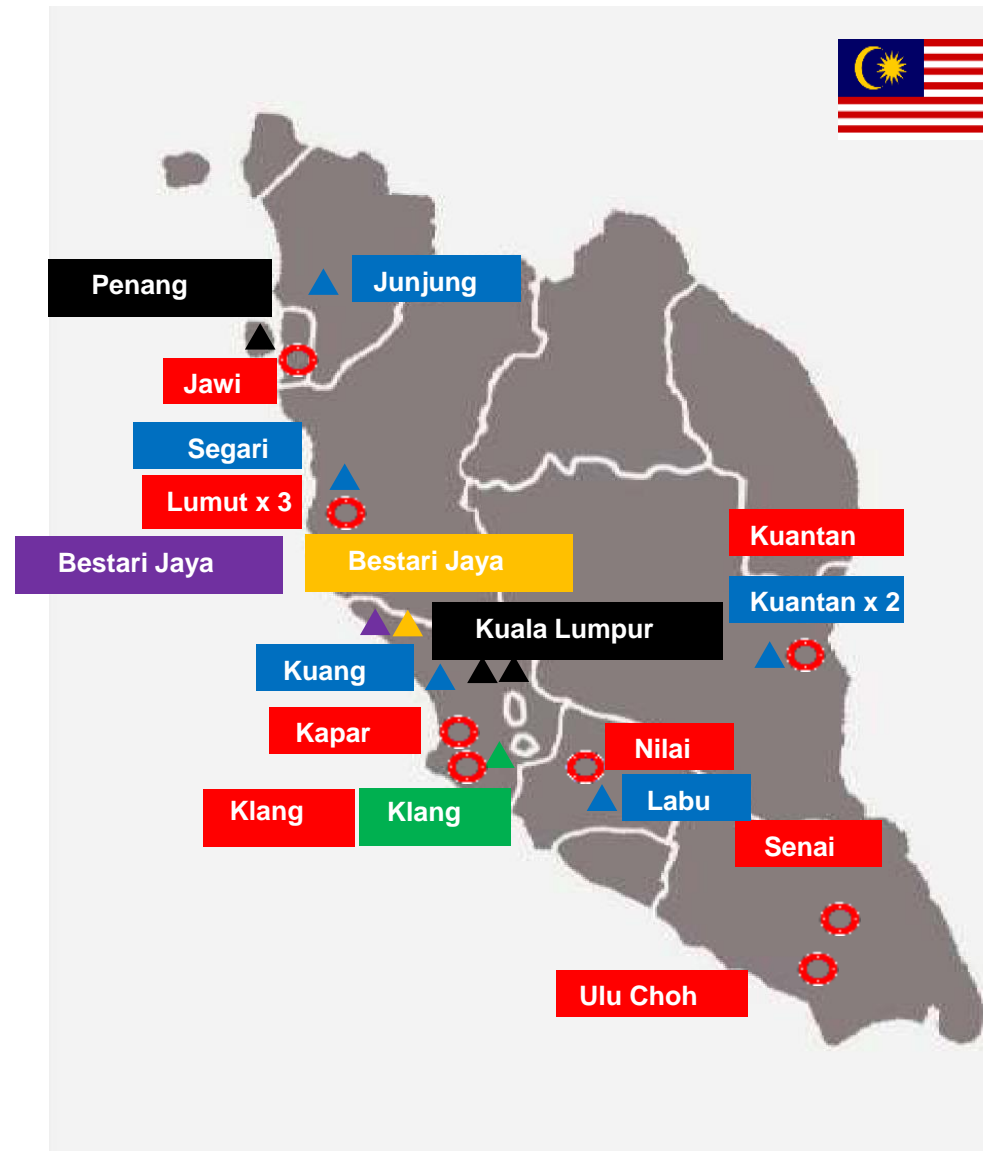


# Capacity and Locations



## Capacity

- 10 pile factories
- 1.8m tonnes p.a.
- ▲ 7 quarries
- ▲ 7.3m tonnes p.a.
- ▲ 1 IBS factory
- ▲ 500k square meters p.a.
- ▲ 1 Durabon factory
- ▲ 48k tonnes p.a.
- ▲ 1 sand mine
- ▲ 8 ready mixed concrete plants



# IJM IBS Factory, Bestari Jaya, Selangor



## IJM IBS Factory



## Fully Automated Mesh Welding Machine



### A measured entry into IBS:

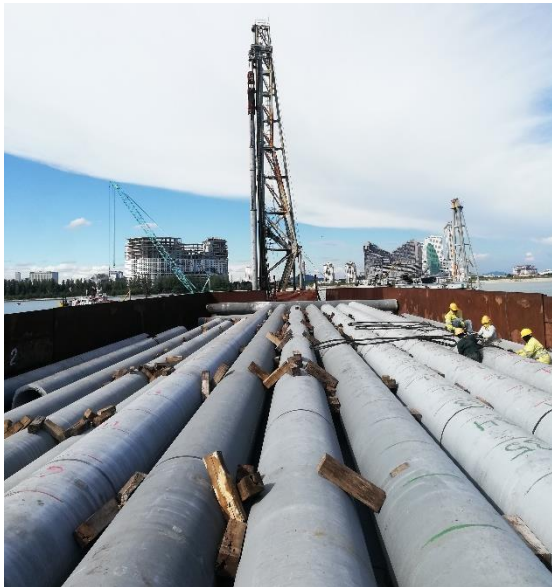
- Capex of RM135m, including land
- Plant was commissioned in November 2021 with capacity of 500,000 m<sup>2</sup>
- Addresses future needs of the industry, including rising labour costs and foreign labour dependency
- In pursuit of a smarter and more sustainable construction method



# ICP Projects



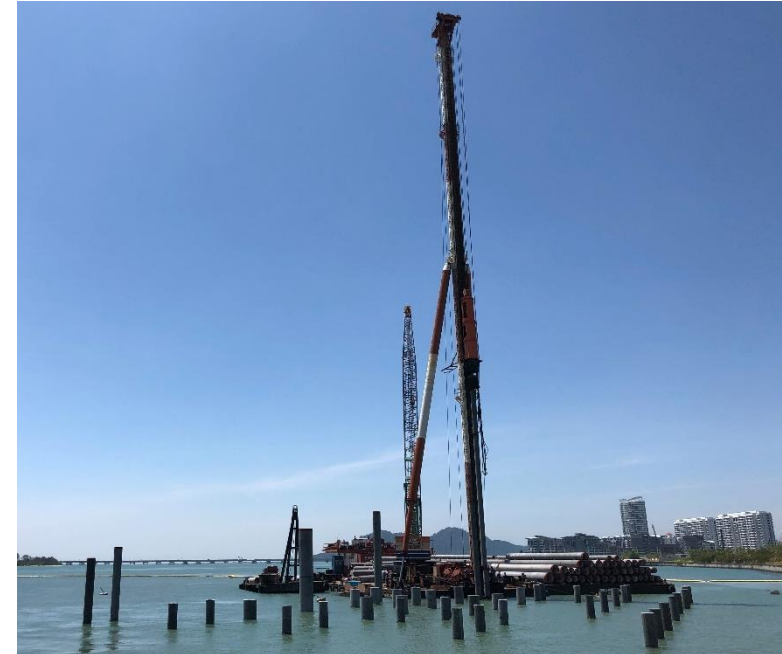
**Batang Lupar Bridge,  
Sarawak**



**Melaka International  
Cruise Terminal, Melaka**



**Labota Port, Indonesia**



**Art Gallery,  
Penang**



**Intel Bayan Lepas,  
Penang**

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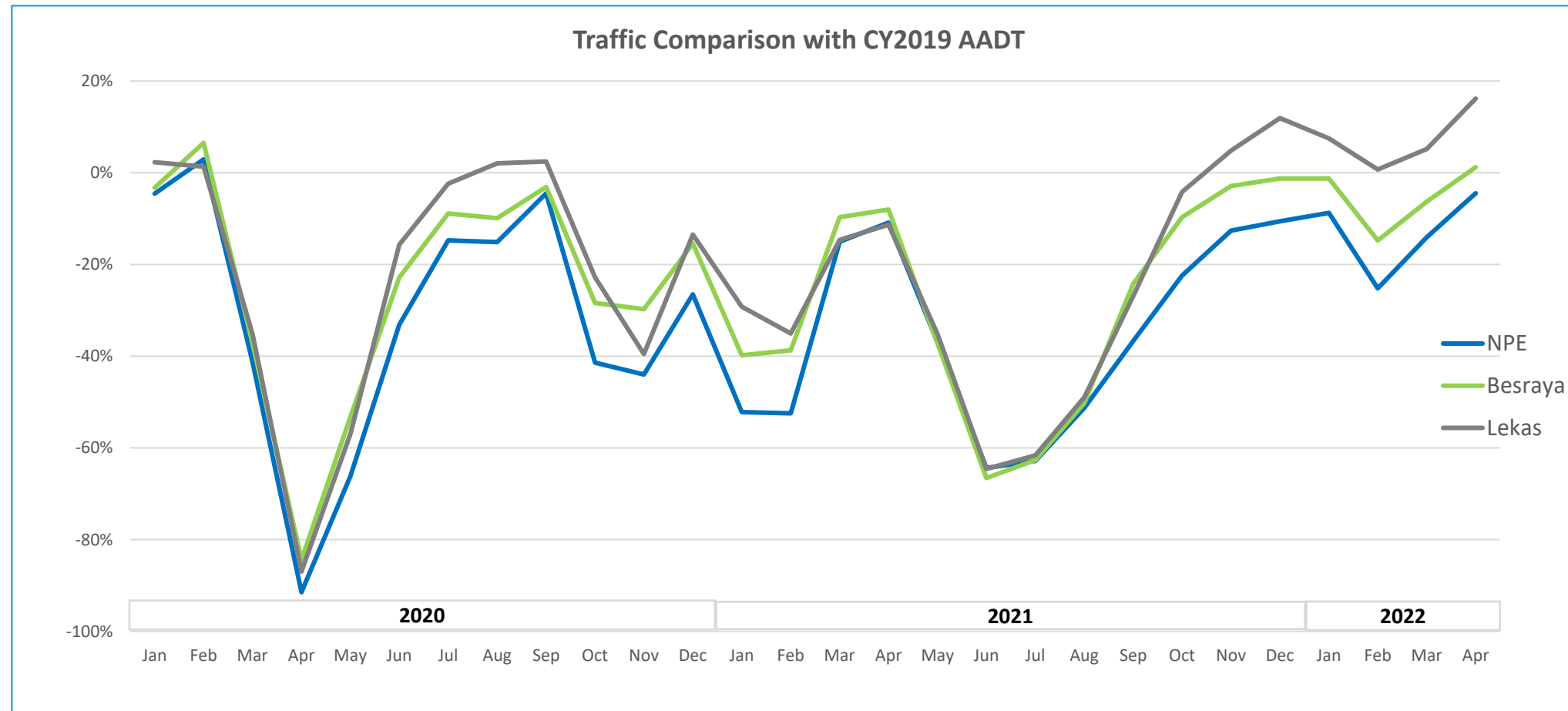


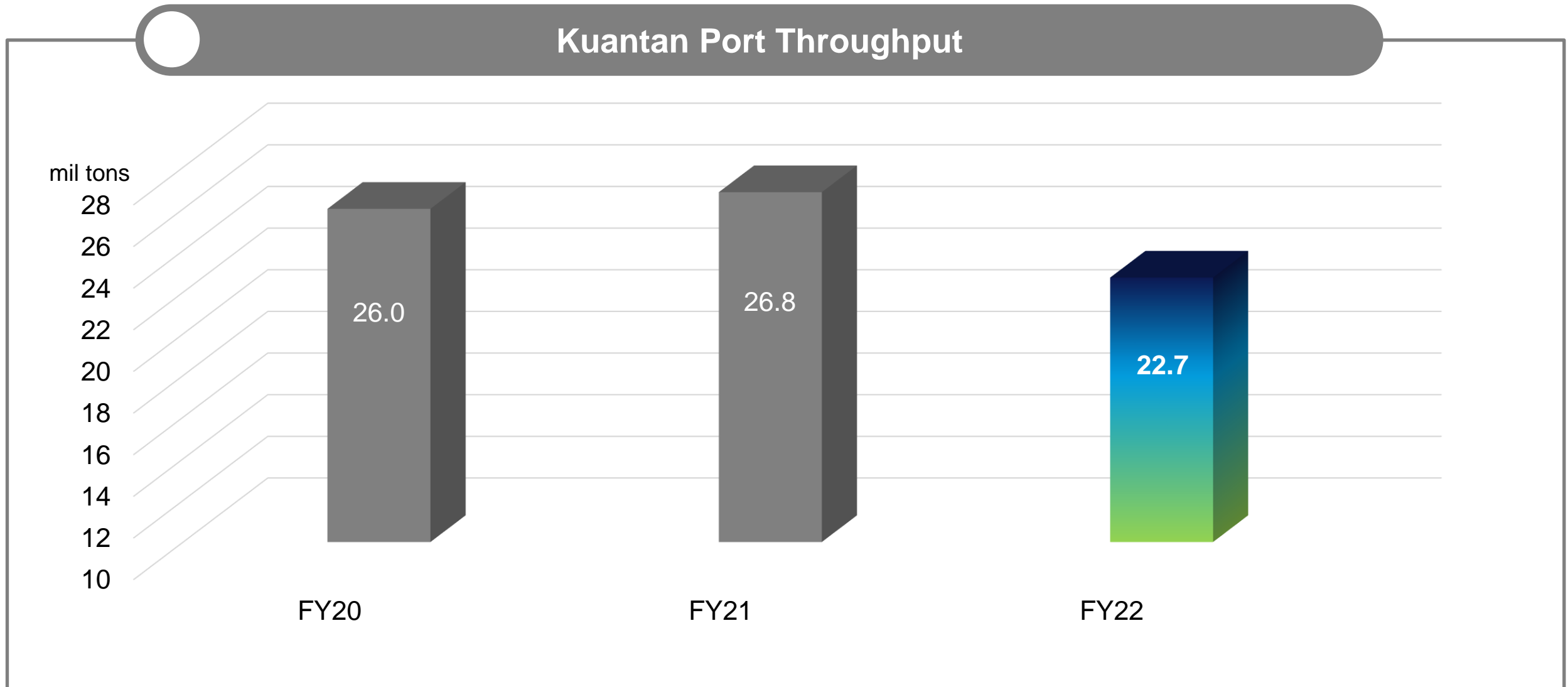
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## Traffic Volume at BESRAYA, NPE & LEKAS Pre-MCO and Post-MCO





## Drive Growth

### Long-term



- **Well-positioned to participate in upcoming government infrastructure projects**



- **PFI model being explored by the Malaysian Government to favour larger construction/infrastructure players**



- **Incubation of long term assets to potentially bear fruit in a sizeable way**
  - WCE scheduled for completion in 2025
  - Prospects for throughput volume growth at Kuantan Port are promising, in line with developments at MCKIP
    - Sizeable investments from Chinese FDIs
    - Already seeing the fruits of NDWT Phase 1A
    - Development of the ECRL is further impetus for growth
  - Development of The Light City is underway
    - The location and MICE components are unrivalled
    - The success of The Light City will uplift the value of the adjacent land bank



## Nurture Capabilities



### Digital transformation

- Enhance digital transformation and achieve value realisation



### Sustainability

- Roadmap FY23 – FY25
  - Marketplace - Inclusion into FTSE4Good Index
  - Environment - Reducing our carbon footprint
    - Pursuing green credentials – products and services
  - Community - A more strategic approach to community investment



### Compliance and Risk Management

- Strengthen risk management and governance framework



### People

- Identify people capability and readiness to 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

# Thank you

