



Media Release

For immediate release

2Q FY2023 PBT up 13-fold

IJM releases Financial Results for Quarter ended 30 September 2022

Key figures (in RM'000)	2Q FY2023	2Q FY2022	Change
Revenue*	1,071,904	874,249	22.6%
Profit before tax* (PBT)	88,818	6,688	1228.0%
Profit after tax & Minority Interest** (PATMI)	27,030	629,301	(95.7%)
Basic earnings per share** (sen)	0.77	17.42	(95.6%)

*Revenue and PBT exclude that of the Plantation Division following the completion of the disposal of IJM Plantations Berhad on 6 September 2021

** PATMI and earnings per share include the financial results of IJM Plantations Berhad

Key highlights:

- **PBT from Continuing Operations up 13-fold, respectively compared to 2Q FY2022. Adjusting for foreign exchange losses of RM46.3 million in 2Q FY2023, PBT would have improved further to RM135.1 million**
- **RM1.4 billion new construction projects secured in the financial year-to-date, resulting in an outstanding order book of RM4.8 billion**
- **Sales of real estate amounted to RM1.7 billion in 1H FY2023, and unbilled Property sales of RM3.1 billion to underpin near term earnings visibility**
- **IJM Land increases its equity position in Bandar Rimbayu to 100%**
- **Strong performance by the Industry Division with 2Q FY2023 PBT up 2 times**
- **Strong cash reserves and healthy net gearing ratio of 0.27 times provides resilience and capacity to undertake large scale projects**
- **Interim dividend of 2 sen declared**

Petaling Jaya, 25 November 2022 – IJM Corporation Berhad (“IJM” or “the Group”) today released its financial results for the second quarter ended 30 September 2022 (2Q FY2023).

Group Financial Performance

Group revenue for 2Q FY2023 increased 22.6% to RM1,071.9 million from RM874.2 million reported in the corresponding quarter last year. The Group's pre-tax profit increased 13-fold to RM88.8 million in the quarter (2Q FY2022: RM6.7 million). Adjusting for unrealised foreign exchange losses of RM46.3 million, PBT would have improved to RM135.1 million.

The PBT of the **Construction Division** increased by 154.9% to RM24.4 million mainly due higher profit margins recognised upon finalisation of accounts of recently completed projects. However, revenue of the Division declined by 22.6% to RM268.6 million compared to the corresponding quarter last year due to certain projects being completed in the previous financial year while newer projects secured were still in early stages of construction.

The Group's **Property Division** reported revenue of RM326.6 million in 2Q FY2023, 103.1% higher than RM160.8 million registered in the corresponding quarter last year mainly due to higher work progress at its ongoing projects. Correspondingly, pre-tax profits for 2Q FY2023 increased by 298.3% to RM29.3 million compared to a loss before tax of RM14.8 million in the same quarter last year. Pre-tax profits would have been higher had the Division not been negatively impacted by unrealised foreign exchange losses of RM13.2 million in the quarter.

The Group's **Industry Division** saw an increase in revenue of 23.3% to RM259.3 million in 2Q FY2023 from higher deliveries of piles, quarry products and ready-mixed concrete. Following this, the Division recorded a PBT of RM50.6 million in the quarter, 173.6% higher compared to RM18.5 million in 2Q FY2022 on the back of higher gross profit margins coupled with the recognition of the one-off gain of RM7.6 million arising from the disposal of assets.

Revenue for the **Infrastructure Division's** current quarter increased by 39.6% to RM217.2 million driven mainly by higher toll revenue recorded both locally and overseas. This was partly negated by the lower revenue recorded by the Division's Kuantan Port operation due to lower cargo throughput. However, pre-tax losses for 2Q FY2023 widened by 89.3% to RM16.6 million mainly due to the overseas toll division that was affected by higher net unrealised foreign exchange losses of RM35.3 million on its US Dollar denominated borrowings, and higher resurfacing road maintenance cost. The pre-tax losses were partially mitigated by the higher profit contributions from the Group's local toll operations.

Prospects for the Coming Financial Year

Despite the global headwinds, the Group expects a satisfactory performance for the current financial year, supported by the recovery in the Malaysian business landscape.

The Group reiterated that its strategic focus of building financial resilience in the last two years by implementing cost containment measures as well as aggressively paring down property inventory and low yielding assets, has strengthened the Group's fundamentals post pandemic. Its balance sheet, with a net gearing of 0.27 times, is expected to bolster the Group's credentials to undertake large scale projects.

On the Group's near-term catalysts, Mr Liew said: "The Group's performance is supported by its outstanding Construction order book of RM4.8 billion, which includes the four recently secured construction contracts worth RM1.4 billion - the Kapar Hospital and Inland Revenue Board (LHDN) office tower in Selangor, as well as the ASEM Chip Assembly & Testing Facility and Maritime Signature Commercial Tower in Penang. The Group also has Property unbilled sales of RM3.1 billion and its balance orders of ICP piles of over 1 million tons to further underscore its performance. The Group's Toll operations have recovered to pre-pandemic levels while the performance of our Port operations will be dependent on the global recovery."

IJM also announced a proposed acquisition of the remaining 40% equity interest in Radiant Pillar Sdn Bhd, the company set up in 1999 to develop IJM Land's Bandar Rimbayu, for a cash consideration of RM494 million. The proposed acquisition will accord IJM Land full control and complete beneficial interest in Radiant Pillar and commensurates with Bandar Rimbayu being a flagship township development of IJM Land. The proposed acquisition is expected to contribute positively to the Group post-completion.

In July 2022, IJM had entered into a joint venture with China Harbour Engineering Company Ltd. ("CHEC") to develop the Malaysia-China Kuantan International Logistics Park ("MCKILP"), an integrated mixed development and logistic hub in Kuantan. MCKILP is expected to attract downstream industries that could become value chain suppliers to surrounding industrial parks such as MCKIP 1 and 2, Gebeng Industrial Estate and Pekan Automotive Park.

With the release of the 2Q FY2023 results, the Company declared a single tier interim dividend of 2.0 sen per share.

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About IJM Corporation Berhad

IJM Corporation Berhad (“IJM”), formed in 1983, today ranks as one of Malaysia’s leading conglomerates with an international footprint forged by its four core businesses: construction, property development, industry (quarrying and the manufacture of building materials) and infrastructure concessions. IJM holds leading positions across all its business divisions. Its growth is the direct result of strong leadership, dedicated employees, financial prudence and commitment to good governance and quality.

The Group presently has a market capitalisation of around RM5.8 billion and as of September 2022, the Group employed around 3,000 employees and had total assets of RM20.7 billion.

For more information, visit www.ijm.com

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