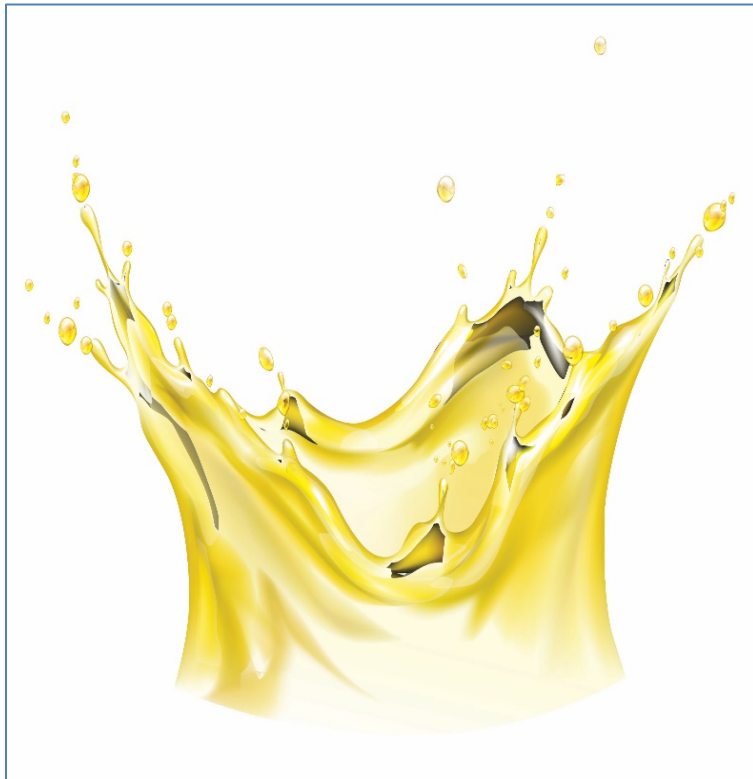




SOUTHERN ACIDS (M) BERHAD



**39TH ANNUAL
GENERAL MEETING
25 SEPTEMBER 2020**

**SHAREHOLDERS
BRIEFING**



SLIDE 1

SOURCE OF INFORMATION & DISCLAIMER

Source of Information Used For The Presentation

- ❖ **The Company's 2020 Annual Report; and**
- ❖ **All other information that are available from Bursa Malaysia Securities Berhad's website.**

Disclaimer

Information contained in this presentation is intended solely for your reference. Such information and its accuracy are subject to change without notice and it may not contain all material information concerning the Company. We do not make any representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.



SLIDE 2

PRESENTATION CONTENTS

- 1. Southern Acids (M) Berhad (“SAB” or “the Company”) & Its Subsidiaries (“SAB Group”)**
 - a. SAB Group’s Key Financial Highlights For The Financial Year Ended 31 March 2020 (“FY2020”); and**
 - b. SAB Group’s Financial Performance For The FY2020**

- 2. SAB Group’s Segments**
 - a. Review Of The Respective Group Segments’ Financial Performance**
 - b. Respective Segments’ Outlook For The Financial Year Ending 31 Mar 2021 (“FY2021”)**

- 3. Questions & Answers**



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SAB GROUP'S KEY FINANCIAL HIGHLIGHTS FOR FY2020



SLIDE 3

SAB GROUP'S KEY FINANCIAL HIGHLIGHTS

	FY2020 (RM'000)	FY2019 (RM'000)
Revenue	660,286	598,645
Profit Before Tax ("PBT")	48,740	38,574
Profit For The Year	39,229	25,468
Earnings Per Share	23.4 sen	15.7 sen
Dividend (Net)	5.0 sen	5.0 sen
Dividend Pay-out Ratio	17.4%	26.9%



SLIDE 4

SAB GROUP'S KEY FINANCIAL HIGHLIGHTS (CONT'D)

	FY2020 (RM'000)	FY2019 (RM'000)
Total Assets	727,388	731,557
Net Current Assets	310,861	280,610
Total Liabilities	77,166	75,542
Equity Attributable To Shareholders Of The Company	594,422	601,281



SLIDE 5

SAB GROUP'S FINANCIAL PERFORMANCE (CONT'D)

	FY2020 RM'000	FY2019 RM'000	Changes RM'000
Group's Revenue	660,286	598,645	61,641
Group's PBT	48,740	38,574	10,166
Segments' PBT			
Milling & Estate	28,037	16,627	11,410
Healthcare	25,410	22,997	2,413
Oleochemical	(3,219)	(2,445)	(774)

Factors For The Increase In Group's PBT

1. Mainly contributed by higher PBT from Milling & Estate Segment;
2. Resilient PBT from Healthcare Segment; and
3. Oleochemical Segment is operating in the red.



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REVIEW OF THE RESPECTIVE SEGMENTS' FINANCIAL PERFORMANCE



SLIDE 6

OLEOCHEMICAL SEGMENT FINANCIAL PERFORMANCE

	FY2020 RM'000	FY2019 RM'000	Changes RM'000
Revenue	282,410	290,651	(8,241)
LBT			
Core LBT	(5,210)	(7,099)	(1,889)
Non-Core PBT	1,991	4,654	(2,663)
	(3,219)	(2,445)	(774)

Highlights: -

Core LBT

1. Lower revenue due to lower ASP for fatty acids (7.3%) and glycerine (17.9%).

Non-core PBT

1. Lower non-core PBT due to lower net gains from foreign exchange.



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OLEOCHEMICAL SEGMENT OUTLOOK FOR FY2021

Challenging, key factors are as follows:-

1. External factors;

- ❖ Challenges and uncertainties surrounding the global economy as the world enters the recovery phase from the impact of Covid-19;
- ❖ Competition from industry peers with larger production capacities; and
- ❖ Volatility in USD/MYR exchange rates.

2. Internal factors;

- ❖ Ageing plant;
- ❖ Increasing trend of regulated items (such as utilities prices and minimum wages); and
- ❖ Changes in foreign labor policy.



SLIDE 8

MILLING & ESTATE SEGMENT FINANCIAL PERFORMANCE

	FY2020 RM'000	FY2019 RM'000	Changes RM'000
Revenue	269,453	205,796	63,657
PBT			
Core PBT	19,413	11,497	7,916
Non-Core PBT	8,624	5,130	3,494
	28,037	16,627	11,410

Highlights: -

Core PBT

1. Higher revenue attributed from an increase in volume of FFB processed; and
2. In tandem with higher revenue, core PBT was higher by 68.8%.

Non-core PBT

1. Higher non-core PBT due to higher proceeds from sales of PK shell and scrap.



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MILLING & ESTATE SEGMENT – OUTLOOK FOR FY2021

Challenging, the performance of this segment is largely subjected to the following uncontrollable factors:-

- ❖ Challenges and uncertainties surrounding the global economy as the world enters the recovery phase from the impact of Covid-19 ;
- ❖ Commodity prices;
- ❖ Availability of Fresh Fruit Bunches (“FFB”), externally and internally; and
- ❖ Purchase price of externally sourced FFB.



SLIDE 10

HEALTHCARE SEGMENT FINANCIAL PERFORMANCE

	FY2020 RM'000	FY2019 RM'000	Changes RM'000
Revenue	91,365	84,216	7,149
PBT			
Core PBT	22,635	20,115	2,520
Non-Core PBT	2,775	2,882	(107)
	25,410	22,997	2,413

Highlight: -

Core PBT

1. Higher core PBT reflective of higher revenue; and
2. Higher revenue due to marginally improved performance from key indicators, mainly number of inpatient (2.3%) and ARPP (6.3%).



SLIDE 11

HEALTHCARE SEGMENT OUTLOOK FOR FY2021

Continue to enjoy stable growth, driven by the following factors:-

1. External factors;

Concerns over the pandemic overhang

2. Internal factors;

Improving our service levels which include constant upgrading and refurbishing of the existing facilities and strengthening our human resources.



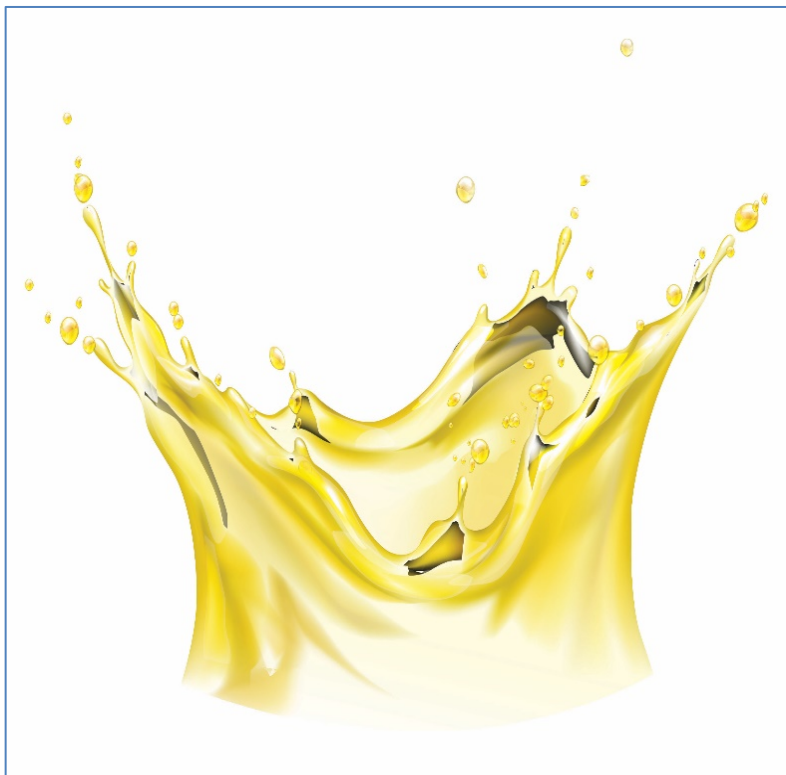
SLIDE 12

SAB GROUP OUTLOOK FOR FY2021

**In short, it remains challenging,
especially due to concerns over the
economic uncertainties,
Both locally and globally,
in wake of the Covid-19 pandemic.**



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**QUESTIONS
&
ANSWERS**