



SOUTHERN ACIDS (M) BERHAD



**38TH ANNUAL
GENERAL MEETING**

30 AUGUST 2019

**SHAREHOLDERS
BRIEFING**



Shareholders Briefing Information

This information contained in this briefing are mainly derived from the following:-

- ❖ The Company's 2019 Annual Report; and**
- ❖ All other information that are available from Bursa Malaysia Securities Berhad's website.**



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 2019 (“FY2019”); and**
 - b. SAB Group’s Financial Performance For The FY2019**

- 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 2020 (“FY2020”)**

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SOUTHERN ACIDS (M) BERHAD



SAB GROUP'S KEY FINANCIAL HIGHLIGHTS FOR FY2019



SOUTHERN ACIDS (M) BEHAD - KEY FINANCIAL HIGHLIGHTS

	FY2019 (RM'000)	FY2018 (RM'000) Restated	Changes
Revenue	598,645	763,104	(21.6%)
Profit Before Tax ("PBT")	38,574	51,019	(24.4%)
Profit For The Year	25,468	37,039	(31.2%)
Earnings Per Share	15.69 sen	23.78 sen	(34.0%)
Dividend (Net)	5.0 sen	5.0 sen	No Change
Dividend Pay-out Ratio	26.9%	18.5%	45.4%



SOUTHERN ACIDS (M) BEHAD - KEY FINANCIAL HIGHLIGHTS

	FY2019 (RM'000)	FY2018 (RM'000) Restated	Changes
Total Assets	731,557	717,050	2.0%
Total Liabilities	75,542	79,981	(5.6%)
Equity Attributable To Shareholders Of The Company	601,281	586,376	2.5%



SAB Group's Financial Performance

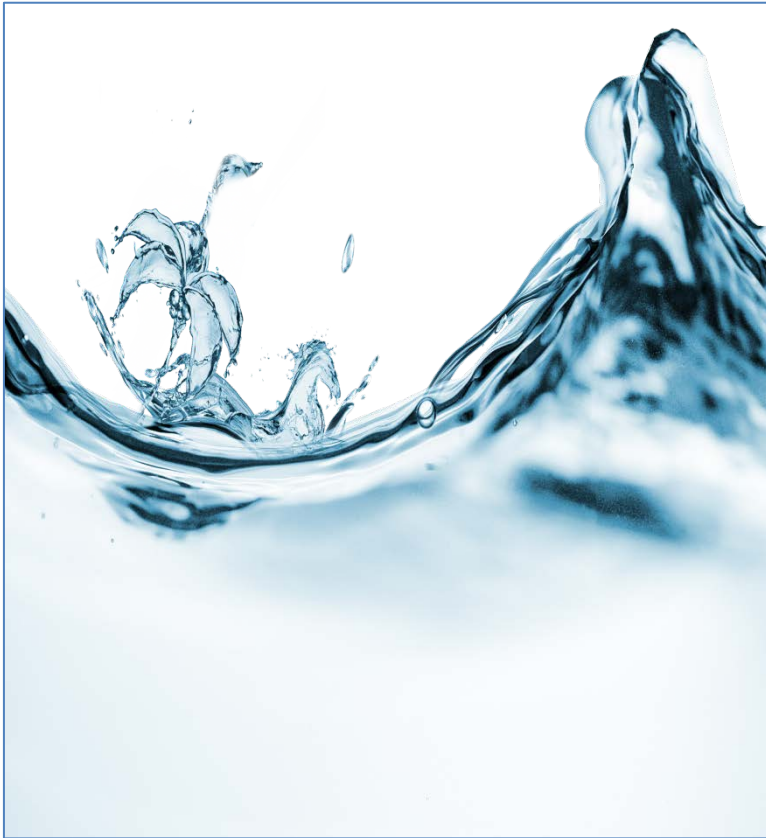
	FY2019 RM'000	FY2018 RM'000 Restated	Changes RM'000	Change s %
Group's Revenue	598,645	763,104	164,459	(21.6%)
Group's PBT	38,574	51,019	(12,445)	(24.4%)

Factors For The Decrease In PBT

1. Losses (instead of a profit) incurred by Oleochemical Segment
2. Lower contribution by Milling & Estate Segment as well as Investment & Services Segment
3. However it was mitigated by unrealised forex gain by Oleochemical Segment



SOUTHERN ACIDS (M) BEHAD



Review Of The Respective Group Segments' Financial Performance



Oleochemical Segment - Financial Performance

	FY2019 RM'000	FY2018 RM'000 Restated	Changes RM'000	Changes %
Revenue	290,651	383,869	(93,218)	(24.3%)
(Loss Before Tax) / PBT	(2,445)	5,905	(8,350)	(141.4%)

Main factors for the decrease in PBT

1. Sales volume was lower by 12.7% to 82,114 MT, the lowest in five years
2. The ASP was also lower by 13.2%
3. However it was mitigated by unrealised forex gain



Oleochemical Segment - Outlook For FY2020

Challenging, key factors are as follows:-

1. External factors;

- ❖ Keen competition as well as competing with competitors with better cost advantage
- ❖ Volatility in USD/MYR exchange rates.

2. Internal factors;

- ❖ Our ageing plant conditions
- ❖ Increasing trend of regulated prices (utilities prices and minimum wages)
- ❖ Changes in foreign labor policy



Milling & Estate Segment - Financial Performance

	FY2019 RM'000	FY2018 RM'000 Restated	Changes RM'000	Changes %
Revenue	205,796	275,802	(70,006)	(25.4%)
PBT	16,628	20,087	(3,459)	(17.2%)

Main factors for the decrease in PBT

1. Lower average selling price (“ASP”) of both crude palm oil (“CPO”) (19.9%) and palm kernel (“PK”) (31.4%)
2. Lower selling volume of both CPO (4.8%) and PK (3.3%)
3. One-off tax expense arising from prior years



Milling & Estate Segment - Outlook For FY2020

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

1. External factors;

- ❖ CPO price outlook
- ❖ External Fresh Fruit Bunches (“FFB”), the purchase price and quantity

2. Internal factors;

- ❖ FFB production, internal FFB ratio
- ❖ Production cost



Healthcare Segment - Financial Performance

	FY2019 RM'000	FY2018 RM'000 Restated	Changes RM'000	Changes %
Revenue	84,216	84,716	(500)	(0.6%)
PBT	22,997	21,992	1,005	4.6%
Factor for the increase in PBT				
1. It was mainly contributed by higher interest income				



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

1. External factors;

- ❖ Healthcare sector's earnings is expected to remain resilient

2. Internal factors;

- ❖ The new and improved cancer center is expected to be commissioning by September 2019
- ❖ Continue to upgrade and refurbish existing facilities.



SAB Group - Outlook For FY2020

In short, it remains challenging.



SOUTHERN ACIDS (M) BERHAD



Questions & Answers