



SOUTHERN ACIDS (M) BERHAD



**41st ANNUAL
GENERAL MEETING**

30 AUGUST 2022

**SHAREHOLDERS
BRIEFING**



SLIDE 1 **SOURCE OF INFORMATION & DISCLAIMER**

Source of Information Used For The Presentation

- ❖ **The Company's 2022 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.



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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 2022 (“FY2022”); and**
 - b. SAB Group’s Financial Performance For The FY2022**

- 2. SAB Group’s Segments**
 - a. Review Of The Respective Group Segments’ Financial Performance**
 - b. Respective Segments’ Outlook For The Financial Year Ending 31 March 2023 (“FY2023”)**

- 3. Questions & Answers**



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SAB GROUP'S KEY FINANCIAL HIGHLIGHTS FOR FY2022



SLIDE 3 **SAB GROUP'S KEY FINANCIAL HIGHLIGHTS**

	FY2022 (RM'000)	FY2021 (RM'000)	Changes (RM'000)
Revenue	1,176,249	741,103	435,146
Profit For The Year	118,120	47,783	70,337
Profit Attributable To Equity Holders Of The Company	94,420	37,357	57,063
Earnings Per Share	69.0 sen	27.3 sen	41.7 sen
Dividend (Net)	5.0 sen	5.0 sen	-
Dividend Pay-out Ratio	5.8%	14.3%	(8.5%)



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

	FY2022 (RM'000)	FY2021 (RM'000)	Changes (RM'000)
Total Assets	968,484	810,778	157,706
Net Current Assets	477,717	359,164	118,553
Total Liabilities	145,134	101,429	43,705
Equity Attributable To Shareholders Of The Company	727,470	637,662	89,808



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SAB GROUP'S FINANCIAL PERFORMANCE (CONT'D)

	FY2022 RM'000	FY2021 RM'000	Changes RM'000
Group's Revenue	1,176,249	741,103	435,146
Group's Profit Before Tax ("PBT")/(Loss Before Tax)("LBT")	149,855	60,345	89,510
Segments' PBT			
Oleochemical Manufacturing	43,763	(548)	44,311
Milling & Cultivation	86,652	38,285	48,367
Healthcare Services	25,201	16,685	8,516

Factors For The Increase In Group's PBT in FY2022

- The increase was generally contributed by all segments with Milling & Cultivation contributed more than 50% to the Group's PBT
- Oleochemical Manufacturing swung from LBT to PBT, mainly driven by higher commodities prices



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REVIEW OF THE RESPECTIVE SEGMENTS' FINANCIAL PERFORMANCE



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OLEOCHEMICAL MANUFACTURING FINANCIAL PERFORMANCE

	FY2022 RM'000	FY2021 RM'000	Changes RM'000
Revenue	494,334	325,541	168,793
PBT/(LBT)			
Core PBT/(LBT)	33,317	(2,138)	35,455
Non-Core PBT	10,446	1,590	8,856
	43,763	(548)	44,311

Highlights on core PBT

The turnaround performance was mainly contributed by higher Average Selling Price of fatty acids and glycerine.

Non-core PBT was mainly derived from unrealised gain on Crude Palm Oil (“CPO”) contracts as well as net foreign exchange gains.



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OLEOCHEMICAL MANUFACTURING OUTLOOK FOR FY2023

Challenging, key factors are as follows:-

1. External factors;

- ❖ The challenges and uncertainties from the current geopolitical issues;
- ❖ Selling price of fatty acids and glycerine; Sustainable?;
- ❖ USD/MYR exchange rate; from a forward premium to a forward discount; and
- ❖ Volatility of feedstock prices.

1. Internal factors;

- ❖ Ageing plant;
- ❖ Increasing trend of regulated items (especially utilities prices); and
- ❖ Changes in foreign labour policy.



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MILLING & CULTIVATION FINANCIAL PERFORMANCE

	FY2022 RM'000	FY2021 RM'000	Changes RM'000
Revenue	568,484	312,545	255,939
PBT			
Core PBT	71,510	23,522	47,988
Non-Core PBT	15,142	14,763	379
	86,652	38,285	48,367

Highlights on core PBT

1. The higher revenue was mainly contributed by an overall increase in the price of commodities as well as higher CPO production; and
2. In tandem with higher revenue, Milling & Cultivation registered a higher core PBT.



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MILLING & CULTIVATION OUTLOOK FOR FY2023

Challenging, the performance of Milling & Cultivation is largely subjected to the following uncontrollable factors:-

- ❖ The challenges and uncertainties from the current geopolitical issues;
- ❖ Commodity prices;
- ❖ Availability of Fresh Fruit Bunches, externally and internally; and
- ❖ Higher production costs such as labour, fertilizer as well as fuel costs.



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HEALTHCARE SERVICES FINANCIAL PERFORMANCE

	FY2022 RM'000	FY2021 RM'000	Changes RM'000
Revenue	95,998	77,448	18,550
PBT			
Core PBT	21,716	13,369	8,347
Non-Core PBT	3,485	3,316	169
	25,201	16,685	8,516

Highlights on core PBT

1. Revenue was higher mainly contributed by the following:-
 - ❖ Higher number of patient for both inpatient and outpatient; and
 - ❖ Higher Average Revenue Per Patient for both inpatient and outpatient
2. In tandem with rise in inpatient numbers, bed occupancy also increased.



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HEALTHCARE SERVICES OUTLOOK FOR FY2023

Continue to enjoy stable growth

- ❖ On Covid-19, the concern of emergence of new variants; and
- ❖ Continue to improve our service levels as follow:-
 - Quality of healthcare services
 - Upgrade of medical facilities
 - Attract pool of medical professionals



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SAB GROUP OUTLOOK FOR FY2023

**In short, it remains challenging,
especially due to concerns over the
economic uncertainties,
both locally and globally,
in wake of the current geopolitical issues.**



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QUESTIONS & ANSWERS