

JCorp Delivers Steady Performance in FY2023, Net Assets Exceed RM10.8 Billion

Group PAT at RM378 million, total net assets increased to over RM10.8 billion

FY2023 Highlights

- Surpassed RM10.8 billion in total net assets for the Group
- 8% growth in revenue to RM6.2 billion and 9% growth in gross profit to RM2.4 billion
- Strong financial performances for Wellness & Healthcare and Real Estate & Infrastructure business segments.
- Positive future outlook with strategic partnerships and investments in the pipeline

KUALA LUMPUR, 23 July 2023 – Johor Corporation and its Group (the Group) demonstrated commendable operating performance and achieved a healthy level of profitability for the fiscal year ended 2023 (FY2023), surpassing RM10.8 billion in total net assets. The Group recorded an 8% growth in revenue to RM6.2 billion and a 9% growth in gross profit to RM2.4 billion.

Our Wellness & Healthcare segment achieve outstanding results, posting a robust 17% revenue jump to RM3.4 billion and a record PAT of RM270 million. This is a testament to KPJ Healthcare's initiatives to continuously upgrade and improve its services.

The Real Estate & Infrastructure division achieved commendable results, driven by strategic land sales and robust demand for our premium developments. We are capitalizing on the growing data center and renewable energy sectors in Johor, actively pursuing opportunities across the value chain through our subsidiary, JLand Group.

JCorp's Food & Restaurant segment faced significant headwinds in the last three months of FY2023, with revenue declining due to the escalating conflict in Gaza. This sharp downturn erased the gains made earlier in the year, resulting in an overall 1% growth in revenue for a total of RM4.9 billion. The conflict severely impacted consumer sentiment and spending, particularly in our key markets, leading to a decline in net profit for the segment. It is important to note that this decline is attributable to external market factors beyond our control and does not reflect the underlying strength of our business or the effectiveness of our ongoing transformation initiatives. The Group is actively implementing mitigation strategies to address these challenges and expects the segment to recover as the situation stabilises.

JCorp's Agribusiness segment achieved RM1.3 billion in revenue for FY2023. While this represents a 27% decrease compared to the previous year, it is important to note that this decline was largely driven by external factors affecting the palm oil industry as a whole, including a downturn in Crude Palm Oil (CPO) and Palm Kernel (PK) sales volume, coupled with reduced average selling prices (ASPs) and inclement weather. This is also a natural market correction following the record prices observed in 2021 and 2022 due to global supply shortages.

Despite these challenges, JCorp remains committed to the long-term growth and sustainability of its Agribusiness segment. The Group is continuously strengthening the ecosystem within this business vertical by developing upstream and expanding into downstream businesses to ensure profitability at various stages of the value chain to effectively manage the price fluctuation cycle. This strategic approach will enable JCorp to mitigate the impact of market volatility and capitalise on emerging opportunities within the agribusiness sector.

Profit after tax (PAT) for the Group was impacted by the lower-than-expected performance from the Food & Restaurant segment, higher finance cost arising from the higher Overnight Policy Rate (OPR) in FY2023, and a higher tax expense due to the utilisation of deferred tax assets in line with the operating profits recorded by the Group.

MEMBINA DAN MEMBELA

Commenting on the Group's performance, President & Chief Executive of JCorp, Datuk Syed Mohamed Syed Ibrahim, said:

"The strategic plan implemented in 2020 remains a work in progress, and we are on track with our growth plan to realise targeted outcomes. We are exploring new verticals while optimizing returns from current investments and executing several strategic initiatives to future-proof the organisation in generating sustainable income, with an emphasis on innovation and leveraging digital technologies."

Outlook

Datuk Syed Mohamed also highlighted JCorp's commitment to Johor's continued growth and development. With major infrastructure projects like the Rapid Transit System (RTS) linking Johor Bahru to Singapore and the establishment of the Johor-Singapore Special Economic Zone (JS-SEZ), the region is poised for significant economic expansion. JCorp is well-positioned to play a key role in this growth, leveraging its diverse portfolio and industry expertise to contribute to the state's economic advancement.

JCorp's strong financial standing and growth potential are further underscored by the recent affirmation of its long and short-term corporate credit ratings of AAA and P1 by RAM Ratings. Concurrently, RAM Ratings has also affirmed the AAA ratings of JCorp's RM3.5 billion Islamic Medium-Term Notes Programme (2022/-) and RM2 billion State-Guaranteed Islamic Medium Term Notes Programme (2023/2043).

“Our strong result is attributable to our JCorp 3.0 transformation programme, which has enhanced the Group’s resilience and future-readiness. Moving forward, we remain committed to achieving exponential growth in fulfilling our role as Johor’s principal development institution, in line with the State’s strategic plans such as Maju Johor 2030. To this end, we will explore to establish strategic partnerships and investments that will be the growth accelerators in driving the economy for the state as well as the nation,” said Datuk Syed Mohamed.

“This is in fulfilment of our Membina & Membela mission to create sustainable, long-term value for stakeholders through economic advancement, in tandem with our social empowerment initiatives, which include education and capability building, community services, and creation of job and entrepreneurial opportunities,” he concluded.

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ABOUT JOHOR CORPORATION

Johor Corporation (JCorp) is a Value-Driven Organisation with total assets in excess of RM25 billion as at end FY2023. JCorp’s flagship companies; Kulim (Malaysia) Berhad, KPJ Healthcare Berhad, QSR Brands (M) Holdings Bhd and JLand Group Sdn Bhd, spearhead the Group’s interests across four core sectors namely Agribusiness, Wellness & Healthcare, Food & Restaurant and Real Estate & Infrastructure.

Its mission and purpose of creation – ‘Membina & Membela’ or Creating Value, Enabling Sustainable Communities, has driven remarkable growth and community development across Johor and Malaysia.

To learn more about JCorp, please visit jcorp.com.my.

For enquiries, please contact:
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