

# Conversation with Group Finance Director



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Group Finance Director



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## **Q: What were the key financial highlights of 2024?**

**A:** In 2024, JC&C delivered a strong and resilient performance, reporting an underlying profit of US\$1.1 billion. This is slightly down from 2023, mainly impacted by foreign exchange translation differences as currencies in the region have depreciated throughout the year.

Shareholder returns is another important measure of how well we have done. We declared a final dividend of US\$84 per share. Together with the interim dividend of US\$28 per share paid out at mid-year, the total dividend for 2024 is US\$112 per share. This maintains our dividend payout ratio at 40%.

The Group's balance sheet continues to improve. The corporate debt at the JC&C holding company level was reduced from US\$1.3 billion a year ago to US\$816 million as at the end of 2024.

### Q: How is JC&C managing its portfolio and looking at capital allocation?

**A:** During the year, we reorganised the way we report the performance of our portfolio businesses. The reorganisation better reflects how we view the trajectory of our portfolio moving forward and how it aligns with our capital allocation strategy. Specifically, the new grouping sharpens our focus and places emphasis on JC&C's key markets – Indonesia and Vietnam – two dynamic economies of Southeast Asia.

Our active portfolio management and capital allocation strategy is demonstrated by a robust framework of recycling capital out of our non-core assets or assets that no longer align with our overarching growth strategy. This enables us to generate cash and allocate capital towards new growth opportunities.

We made good progress on this in 2024. We generated additional liquidity through the divestment

of SCCC for US\$344 million and unlocked a further US\$43 million from the sale and leaseback of non-core properties and the disposal of non-core assets in Malaysia and Indonesia. The proceeds, together with enhanced dividends received from Astra, were utilised to reduce JC&C's debt at the holding company level.

In 2024, we have also made meaningful capital allocation through the Public Tender Offer ("PTO") for REE, one of our businesses with a high growth potential. Through the PTO and off-market purchases totalling approximately US\$99 million, we increased our shareholding in the company from 34.9% to the latest position of 41.4%. We are currently the largest single shareholder of REE.

In the span of less than three years, we have released a total of US\$1.1 billion from our portfolio and channelled capital to high growth opportunities. Apart from holding a higher stake in REE, we also increased our exposure in THACO through subscribing to its US\$350 million convertible bond. At the same time, we managed to reduce our corporate debt. These developments served to create balance sheet flexibility and evolve our portfolio, better positioning ourselves for the pursuit of growth opportunities.

### Q: How does JC&C align capital allocation with sustainability considerations?

**A:** We aim to drive long-term value creation for our shareholders. To achieve this, it is key for us to prioritise sustainable development alongside economic growth by integrating ESG considerations into capital allocation.

Since 2023, we have been incorporating an ESG due diligence process in evaluating all new investment opportunities. In 2024, we have piloted the application of an internal carbon pricing ("ICP") analysis for new investments and major capital expenditures. Conducting an ICP analysis will enable us to make more informed investment decisions that align our business operations with our sustainability objectives as we work towards achieving our ambition of being Net Zero.

In addition, we continue to strengthen our sustainability reporting by keeping abreast of and aligning our disclosures with internationally recognised reporting standards. For 2024, JC&C will continue working to align our climate-related disclosures to the IFRS Sustainability Disclosure Standards ("SDS") issued by the International Sustainability Standards Board. Reporting climate-related risks and opportunities in accordance with the IFRS SDS is widely regarded as best practice. It also enables us to provide shareholders, investors and the capital market with more targeted information on the financial impact of climate-related risks.