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Leong Hup International posts stronger FY2025 profit despite revenue softness and currency headwinds

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Leong Hup International Bhd, one of Southeast Asiaâ??s largest integrated poultry producers, delivered a resilient financial performance for FY2025, reporting a 16.3 per cent increase in net profit to RM501 million ($107 million) despite a moderation in revenue to RM8.82 billion ($1.88 billion) from RM9.30 billion a year earlier, underscoring the groupâ??s ability to preserve earnings momentum amid currency volatility and mixed livestock market conditions.

The company said sustained regional demand for poultryâ??widely regarded as the most affordable and accessible protein source across Southeast Asiaâ??combined with easing feed ingredient costs, helped offset pressure from weaker livestock contributions and foreign exchange translation effects across its multi-country operations.

Executive Chairman Lau Chia Nguang said the groupâ??s integrated farm-to-plate model continues to be a key competitive advantage, enabling tighter cost control and operational efficiency across its core markets, which include Malaysia, Vietnam, Singapore, Indonesia and the Philippines. He noted that population growth and rising disposable incomes continue to support long-term poultry consumption trends across the region.

Feed cost dynamics provided meaningful support during the year, as global prices for corn and soybean meal eased on the back of stronger harvests in the United States, Brazil and Argentina. Lau said improved crop output helped ease supply

constraints, while internal feed mill optimisation and procurement strategies further strengthened cost efficiency across the value chain.

Currency movements, however, created a more complex earnings environment. While a stronger ringgit helped reduce the cost of imported feed inputs domestically, it also resulted in translation losses when consolidating earnings from overseas subsidiaries. â??As a result, reported revenue and earnings from certain regional markets were impacted, particularly during the later part of the year,â?• Lau said.

Indonesia remained the groupâ??s largest revenue contributor at RM3.3 billion ($702 million), followed by Malaysia at RM2.3 billion ($489 million), Vietnam at RM1.6 billion ($340 million), Singapore at RM814 million ($173 million), and the Philippines at RM790 million ($168 million), reflecting the companyâ??s broad regional footprint and diversified earnings base.

Despite revenue softness, profitability improved across the group, with earnings per share rising 19.5 per cent to 14.04 sen, compared with 11.75 sen in FY2024. For the fourth quarter ended 31 December 2025, Leong Hup reported a net profit of RM179 million ($38 million) on revenue of RM2.27 billion ($483 million), supported by steady demand and disciplined cost management.

The group also strengthened its financial position during the year, reducing net debt to RM870 million ($185 million) from RM1.22 billion ($260 million), while improving its net gearing ratio to 0.24 times from 0.37 times. Lau said the company remains focused on prudent capital allocation and efficient cash flow management to support long-term growth and operational resilience.

Overall, FY2025 performance reflects a business navigating a complex macroeconomic landscapeâ??balancing currency volatility and uneven livestock revenues against structurally strong poultry demand and improving global feed cost dynamicsâ??while continuing to reinforce its position as a leading integrated protein player in the region.