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KELINGTON POSTS RECORD HIGH FULL YEAR REVENUE OF RM389.8 MILLION IN FY2020

Achieved all-time high new orders secured of RM490 million in FY2020

Kuala Lumpur, 26 February 2021 – Integrated engineering solutions provider, Kelington Group Berhad (“Kelington” or “Group”) (stock code:0151) today reported a strong financial performance for the fourth quarter (“4Q 2020”) and full year ended 31 December 2020 (“FY2020”).

Rebounding from the disruptions caused by the Covid-19 pandemic in the early part of FY2020, Kelington ended the year by delivering a record high quarterly revenue of RM129.5 million in 4Q2020 and bringing full year revenue to an all-time high of RM389.8 million. The better revenue performance was mainly driven by higher contribution from the Malaysia, China and Taiwan operations. Net profit stood at RM7.5 million in 4Q2020 and RM17.1 million in FY2020.

During the quarter under review, revenue from Malaysia more than doubled to RM48.0 million from RM22.9 million, surpassing China as the largest revenue contributor, representing 37% of total revenue, on the back of higher revenue recognition from projects secured in 2020. China operations too recorded robust growth as revenue rose 85% to RM44.7 million, or 35% of total revenue, in 4Q2020 from RM24.1 million in 4Q2019 driven by higher contribution from Ultra High Purity (“UHP”) projects. Similarly, revenue from Taiwan increased 114% YoY to RM3.7 million due to higher contribution from UHP and solar projects. Meanwhile, Singapore recorded steady recovery as engineering activities resumed after the lockdown restrictions were lifted. Revenue from Singapore stood at RM32.5 million in 4Q 2020.

In terms of business segment, the UHP division remained the primary revenue contributor to the Group at RM81.8 million or 63% of total revenue. General Contacting segment was the second largest revenue contributor at RM22.3 million, up 828% YoY from RM2.4 million in 4Q 2019, mainly attributed to higher project orders in Malaysia. The Industrial Gases segment continued to contribute positively to the Group with a revenue of RM6.9 million in 4Q2020.



Kelington Group Berhad

(Registration No.199901026486 (501386-P))

Ir. Raymond Gan, Chief Executive Officer of Kelington Group Berhad said, “FY2020 was an incredibly challenging year for all industry players globally. It was no easy feat operating in an environment where businesses are impacted across our value chain. We are pleased to ride through the storm and end the fiscal year with a strong quarter and higher net cash position. This has paved a solid foundation for us as we marched into the new fiscal year. Our engineering businesses across the key operating markets are back on track for growth. In addition to that, our replenishment of orders remains robust despite the setbacks in the first half of FY2020.”

“We clinched approximately RM490 million new orders in 2020, the highest achieved in a year, which is a 27% increase as compared to RM386 million last year. Meanwhile, demand for liquid carbon dioxide (“LCO2”) has been on an uptrend due to higher consumption as economic activities resumed. Revenue from the Industrial Gases division almost tripled to RM22.1 million in FY2020 from RM8.0 million in the previous year.”

Inclusive of the carried forward projects from FY2019 and new orders in FY2020, Kelington’s total orderbook grew to RM748 million, of which RM358 million remains outstanding as at 31 December 2020.

“Looking ahead, we remain positive on our growth prospects in FY2021 as we continue to focus on delivering our existing contracts-in-hand. Furthermore, as the global economy recovers amidst optimism from the Covid-19 vaccine, we are seeing more new project tenders from electronic and semiconductor clients which augurs well for our UHP business. We are also aiming to expand the distribution of our liquid carbon dioxide product to new market segments in FY2021. Currently, we are in the process of obtaining all the necessary approvals that enables us to supply to the largest consumer, the food and beverages industries, and we hope to penetrate the F&B market by second half of the year. This will be a major growth catalyst for our Industrial Gases business.”

On balance sheet, Kelington remains healthy in a net cash position of RM73.6 million with total gross cash in hand of RM132.0 million exceeding the total debt of RM58.3 million as at 31 December 2020. During the year under review, the Group’s total debt grew to RM58.3 million against RM38.7 million as at 31 December 2019, mainly attributed to the drawdown of term loan for the liquid CO2 plant and dry ice plant operating under the Industrial Gas division. Majority of

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the Group's debt are used for project financing purposes and capital expenditure for new industrial gas business division. Net cash per share stood at 23 sen

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ABOUT KELINGTON GROUP BERHAD (“Kelington” or the “Group”)

Kelington is an integrated engineering solutions provider specializing in ultra-high purity (UHP) gas and chemical delivery systems, mechanical process engineering, mechanical systems and electrical systems. The Group provides end-to-end engineering solutions ranging from system design to fabrication and installation of equipment to testing and maintenance.

Established since 2000, the Group serves customers in the high technology industry across different sectors such as Industrial Gases, Wafer Fabrication, Solar Energy, TFT-LCT, Bioscience and Light Emitting Diode (LED). In line with its expansion plans, Kelington has also expanded its industry focus to include the pharmaceutical, healthcare and oil and gas sectors.

For more information, please log on to <http://kelington-group.com>

Released on behalf of Kelington Group Berhad by Capital Front Investor Relations.

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