

KELINGTON GROUP BERHAD

2Q FY2023 PRESENTATION

24 August 2023



*Established since 2000, Kelington Group Berhad is a leading integrated engineering solutions provider for the semiconductor, electronics, oil & gas and chemical industries.
In 2019, the Group expanded into the Industrial Gas business.*

ABOUT US

STOCK EXCHANGE LISTING

Main Market of Bursa Securities

SHARE PRICE

RM1.49 (As at 23.08.2023)

MARKET CAPITALISATION

RM1.0 billion (As at 23.08.2023)

NO. OF SHARES ISSUED

647.0 million

NUMBER OF EMPLOYEES

681 (As at FY2022)

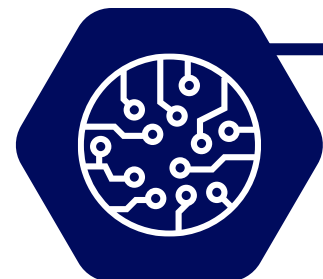
SHARIAH COMPLIANT

Yes



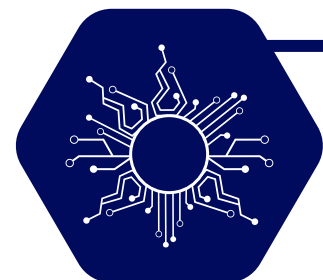
Global company

- 55.3% of FY 2022 revenue are from overseas.*
- Proven track record with MNC clients*



Strong orderbook of RM1.77 billion

- Orderbook across various engineering projects provide earnings visibility*



Market leadership position

- No. 1 Market leader in providing UHP solutions in Malaysia and Singapore*
- No. 2 Largest carbon dioxide producer in Malaysia*

WHAT WE DO

OUR CORE BUSINESS SEGMENTS



Ultra High Purity (UHP)

Ensure safe transfer of specialty gases and chemicals, that is often corrosive, to cleanroom manufacturing facilities.



Process Engineering

Engineer and construct mechanical and electrical systems that support industrial processes



General Contracting

Full-service range of contracting and construction management services



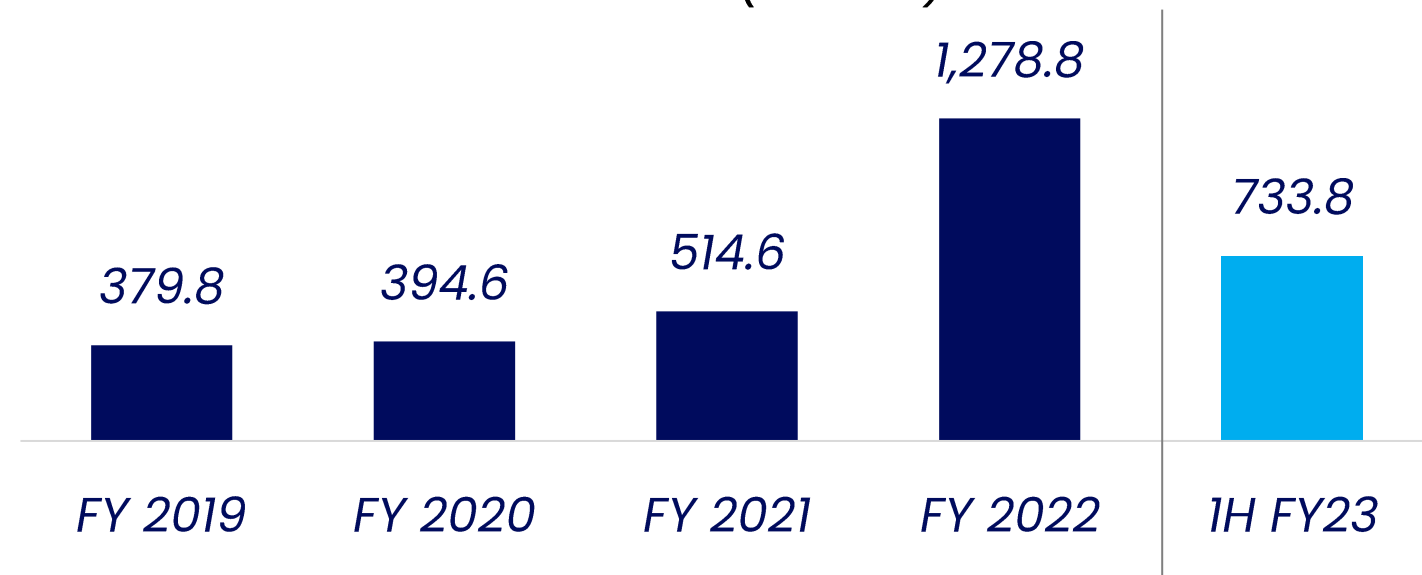
Industrial Gas

Manufacturing and trading of industrial and specialty gases

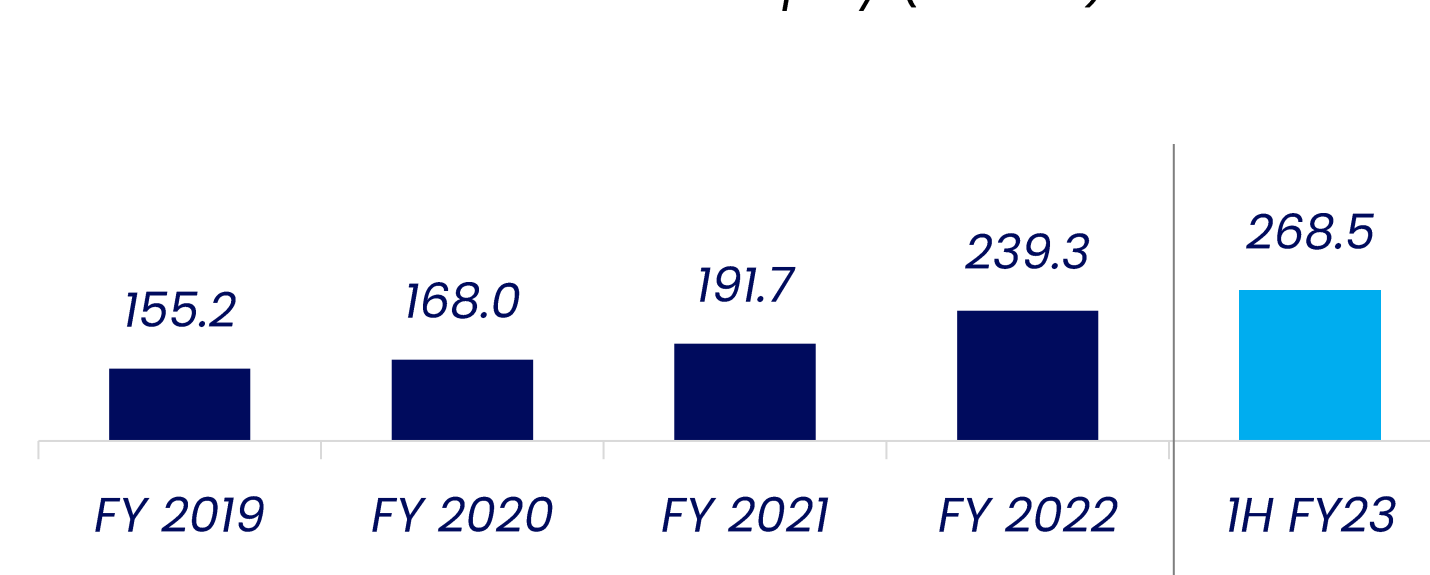
FINANCIAL PERFORMANCE

ON TRACK FOR ANOTHER RECORD YEAR

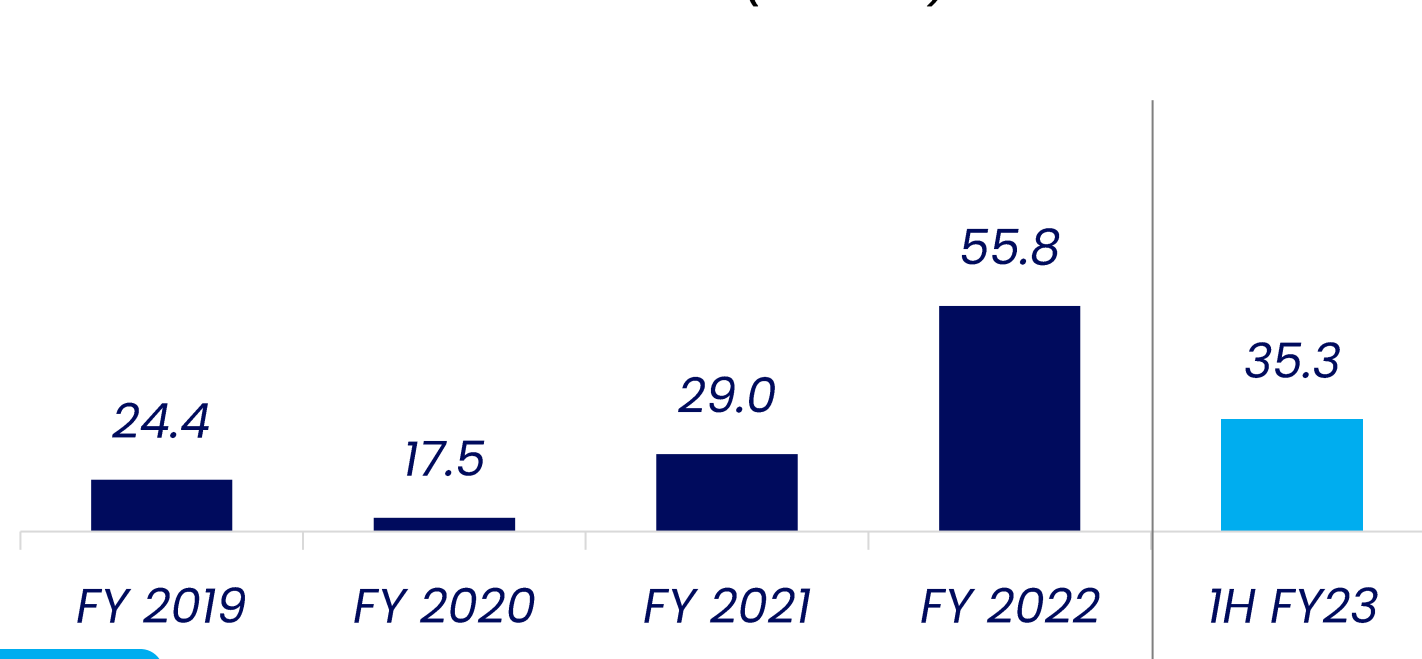
Revenue (RM mil)



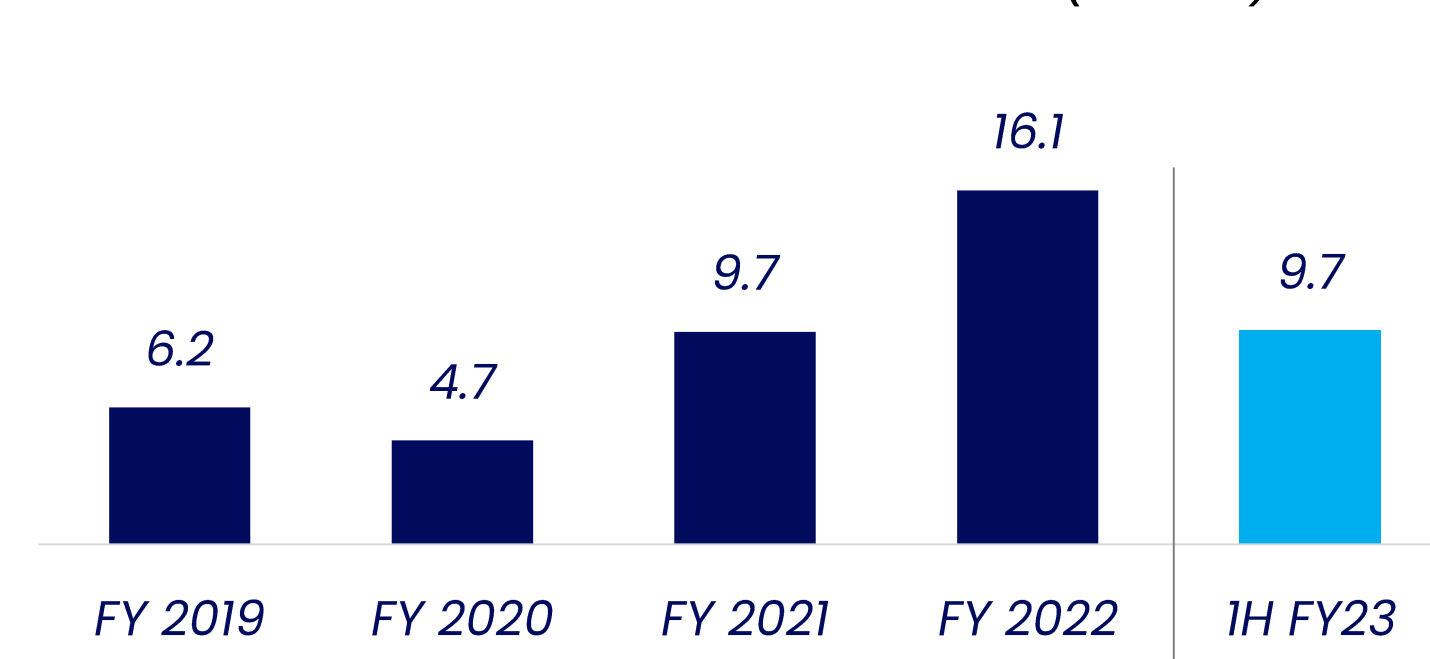
Shareholder's Equity (RM mil)



Net Profit (RM mil)



Total Dividend Declared and Paid (RM mil)



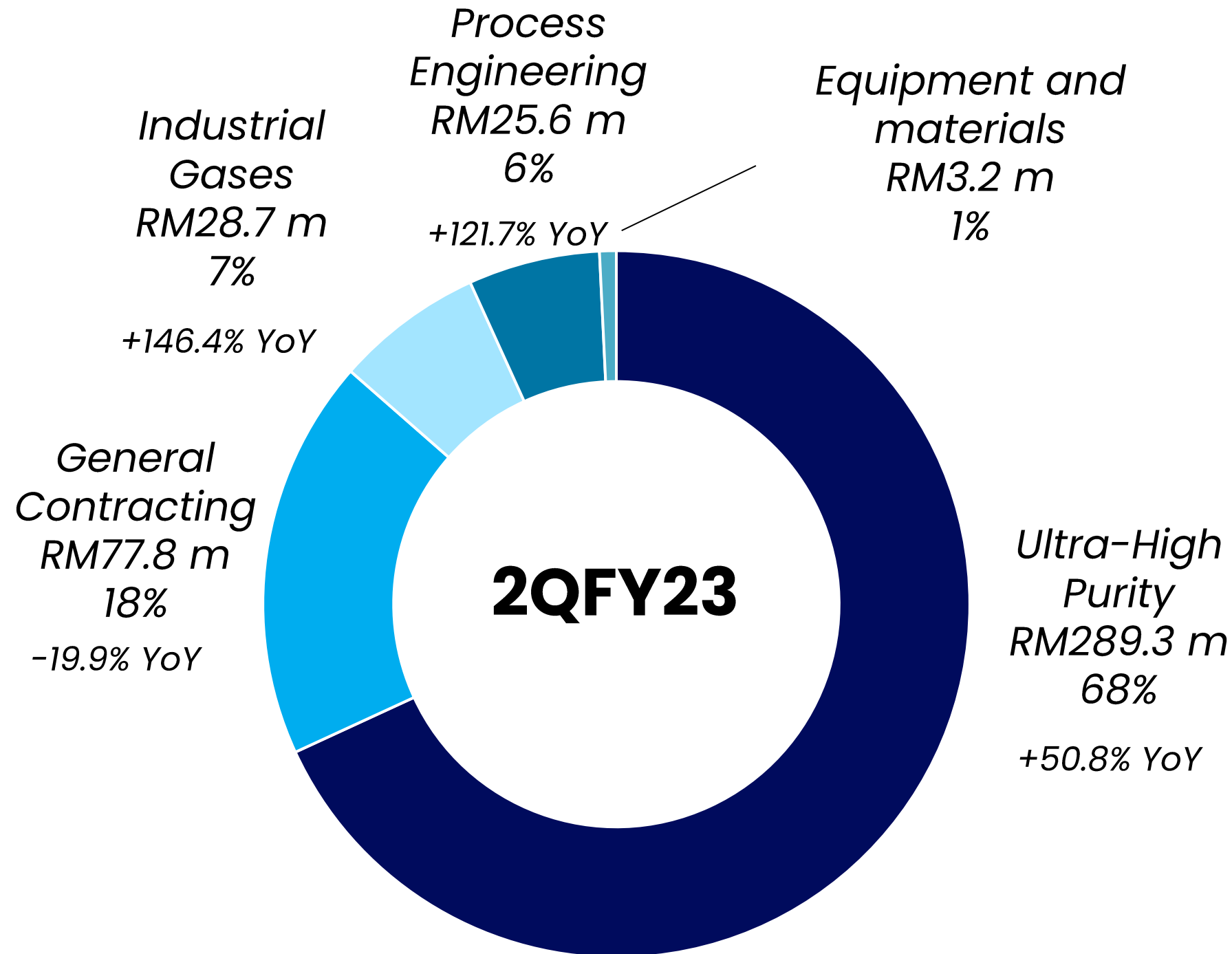
FINANCIAL PERFORMANCE

INCOME STATEMENT HIGHLIGHTS

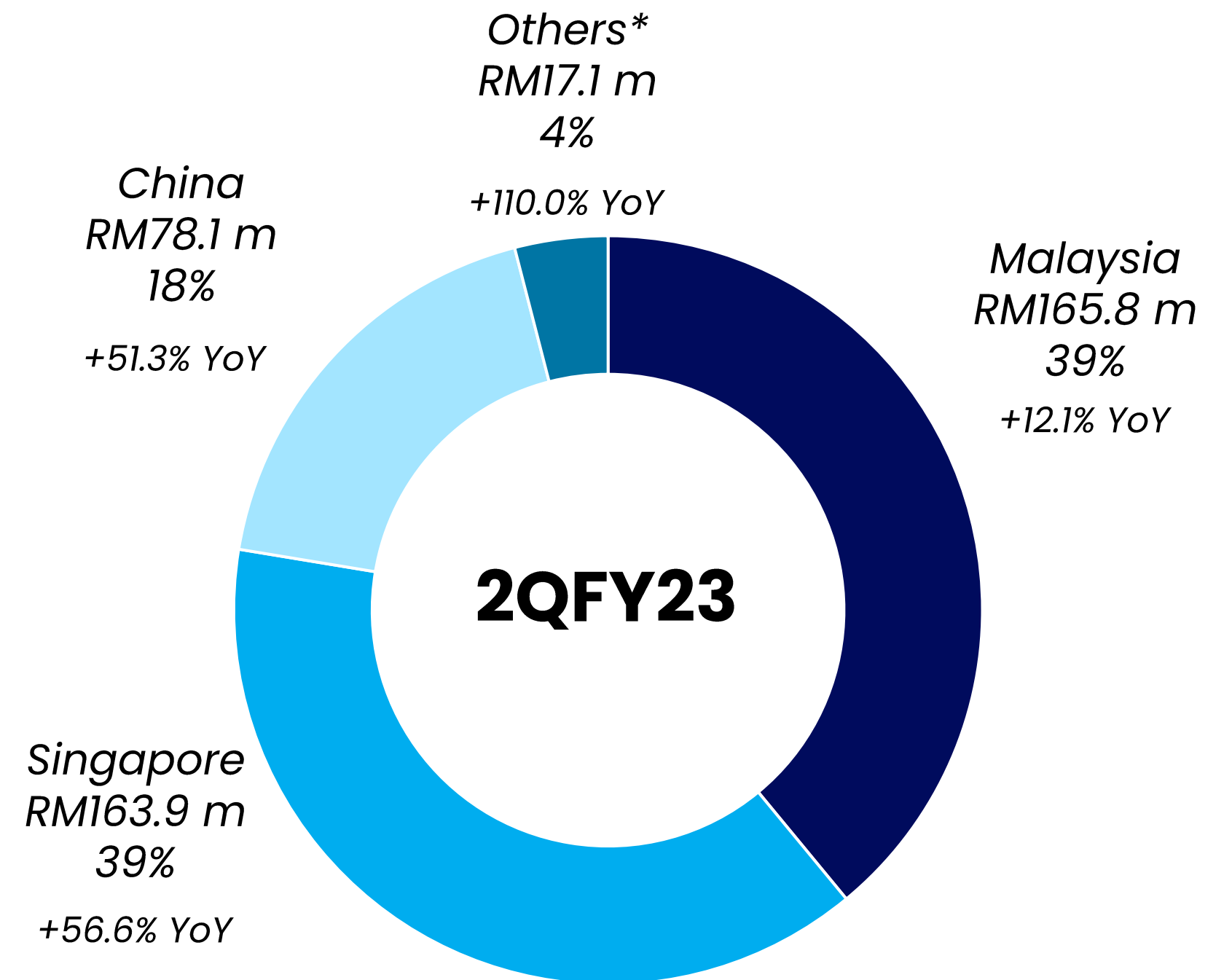
INCOME STATEMENT (RM MIL)	2Q 2023	2Q 2022	% CHANGE	1H FY23	1H FY22	% CHANGE
Revenue	424.9	312.4	+36%	733.8	485.7	+51%
<i>Gross profit</i>	46.0	32.5	+41%	83.9	56.3	+49%
<i>Gross profit margin</i>	10.8%	10.4%		11.4%	11.6%	
<i>Other income</i>	3.3	0.8		4.9	1.4	
<i>Administrative expenses</i>	(18.6)	(10.2)		(31.4)	(20.4)	
<i>Selling & distribution expenses</i>	(0.7)	(0.3)		(1.4)	(0.8)	
<i>Other expenses</i>	(2.2)	(4.3)		(3.9)	(6.2)	
Operating profit	27.8	18.5	+51%	52.2	30.2	+73%
<i>Finance costs</i>	(1.9)	(1.0)		(5.2)	(1.6)	
Profit before tax	25.9	17.5	+48%	47.0	28.6	+64%
<i>Tax</i>	(5.6)	(3.6)		(10.0)	(6.2)	
Profit after tax	20.3	13.9	+46%	36.9	22.4	+64%
Net profit	19.1	13.6	+41%	35.3	21.9	+61%
<i>Effective tax rate</i>	21.8%	20.4%		21.4%	21.6%	
<i>PBT margin</i>	6.1%	5.6%		6.4%	5.9%	
<i>PAT margin</i>	4.8%	4.5%		5.0%	4.6%	

2QFY23 REVENUE BREAKDOWN

GROWTH ACROSS ALL GEOGRAPHICAL REGIONS



Revenue Breakdown By Business Segment



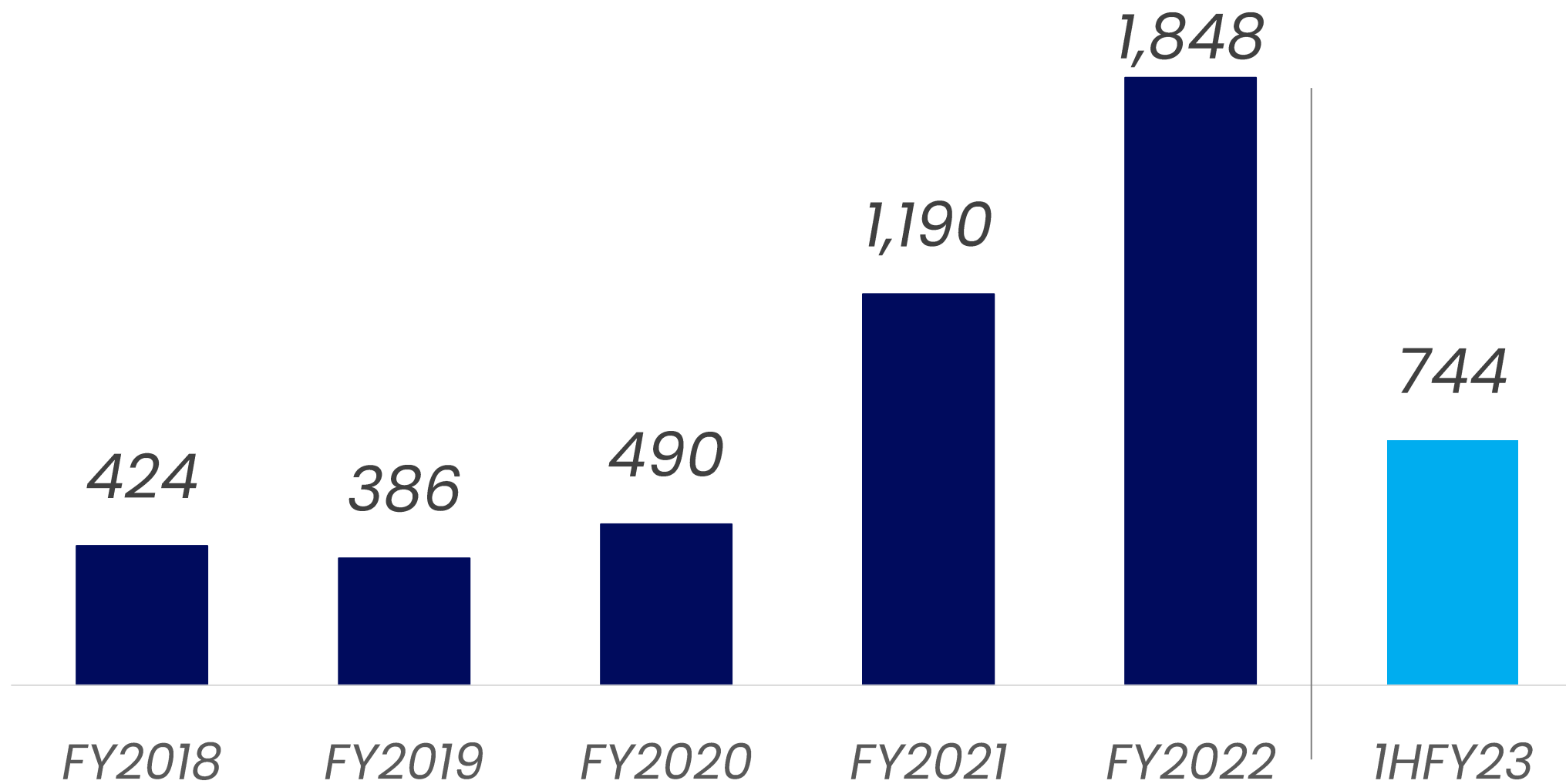
Revenue Breakdown By Geographical Segment

*Others include Taiwan, Indonesia, Philippines, etc.

CONTINUE TO WIN CONTRACTS

ORDERBOOK REPLENISHMENT REMAINS HEALTHY

NEW ORDERS SECURED (RM' mil)

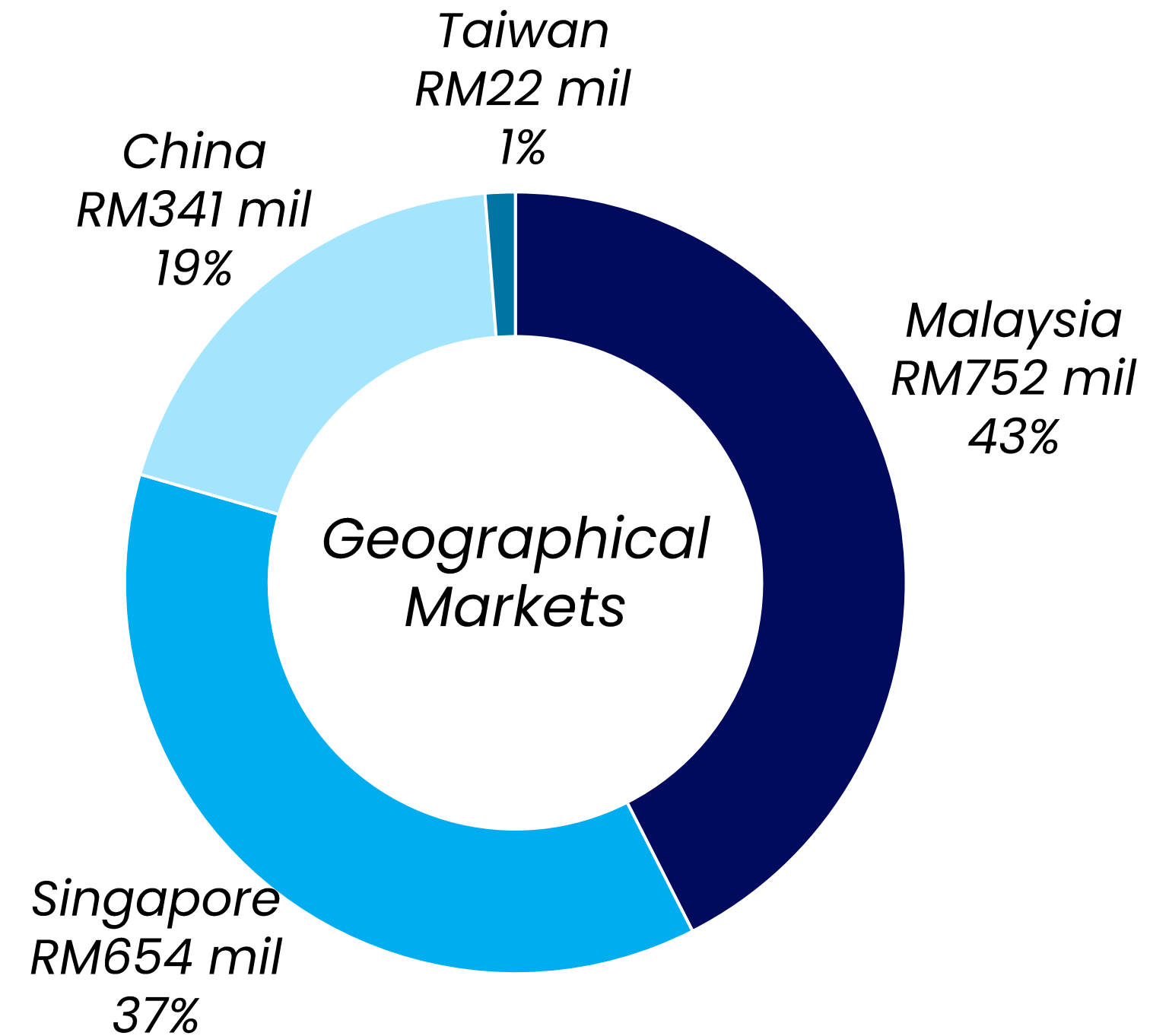
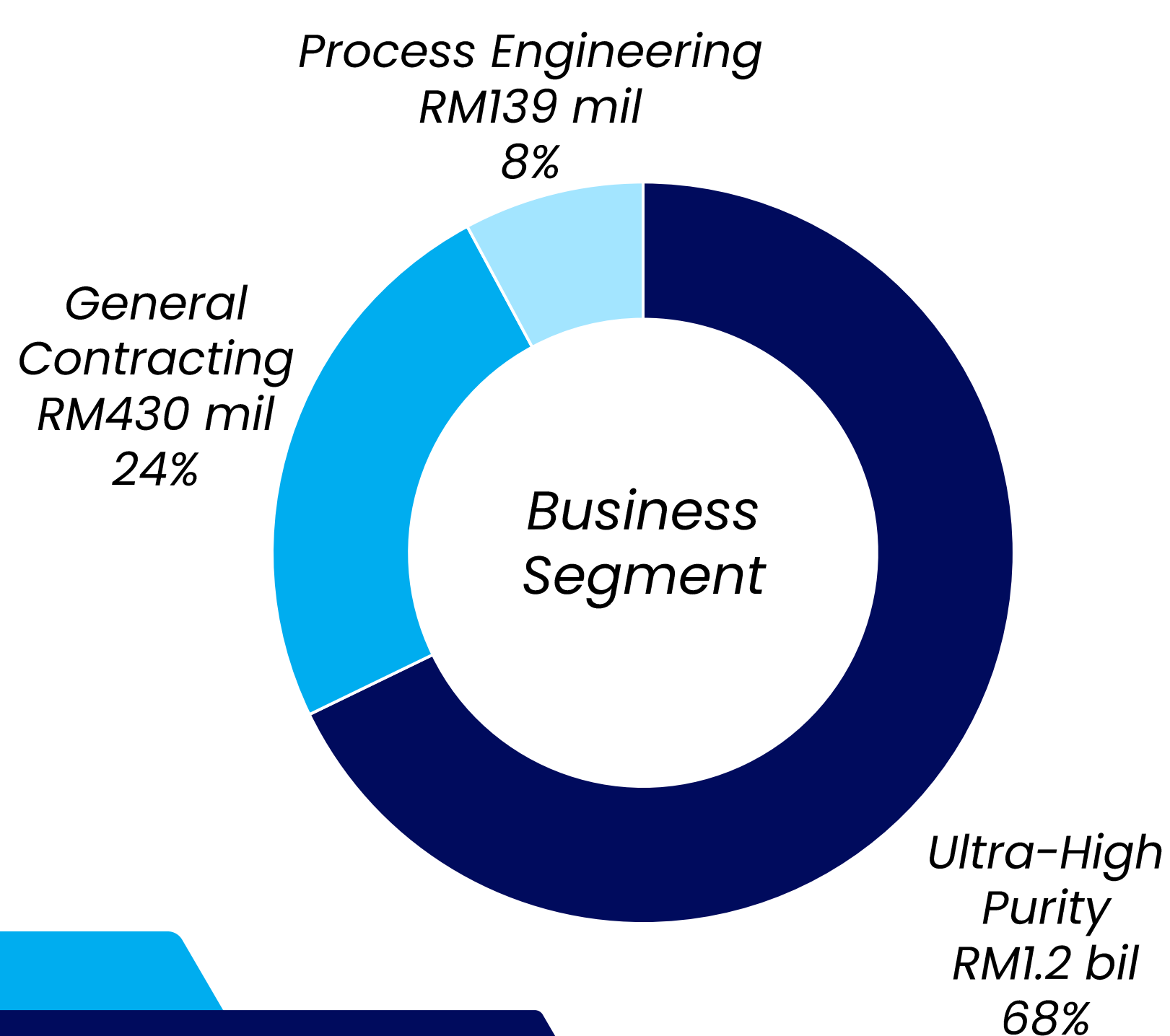


RM 2.3 billion
Total tenderbook

68% OF OUTSTANDING ORDEBOOK IS FROM UHP SEGMENT

OUTSTANDING ORDERBOOK OF RM1.77 BILLION

(as at 30 June 2023)



OUTLOOK OF ENGINEERING PROJECTS



UHP

PE

GC

UHP – Ultra High Purity



UHP

PE

PE – Process Engineering



UHP

GC – General Contracting

- *Pace of expansion of new fabs is moderating.*
- *A lot of opportunities in hook-up jobs at existing fabs.*
- *Under Process Engineering, team is tendering for projects such as oleo-chemical plants, etc.*

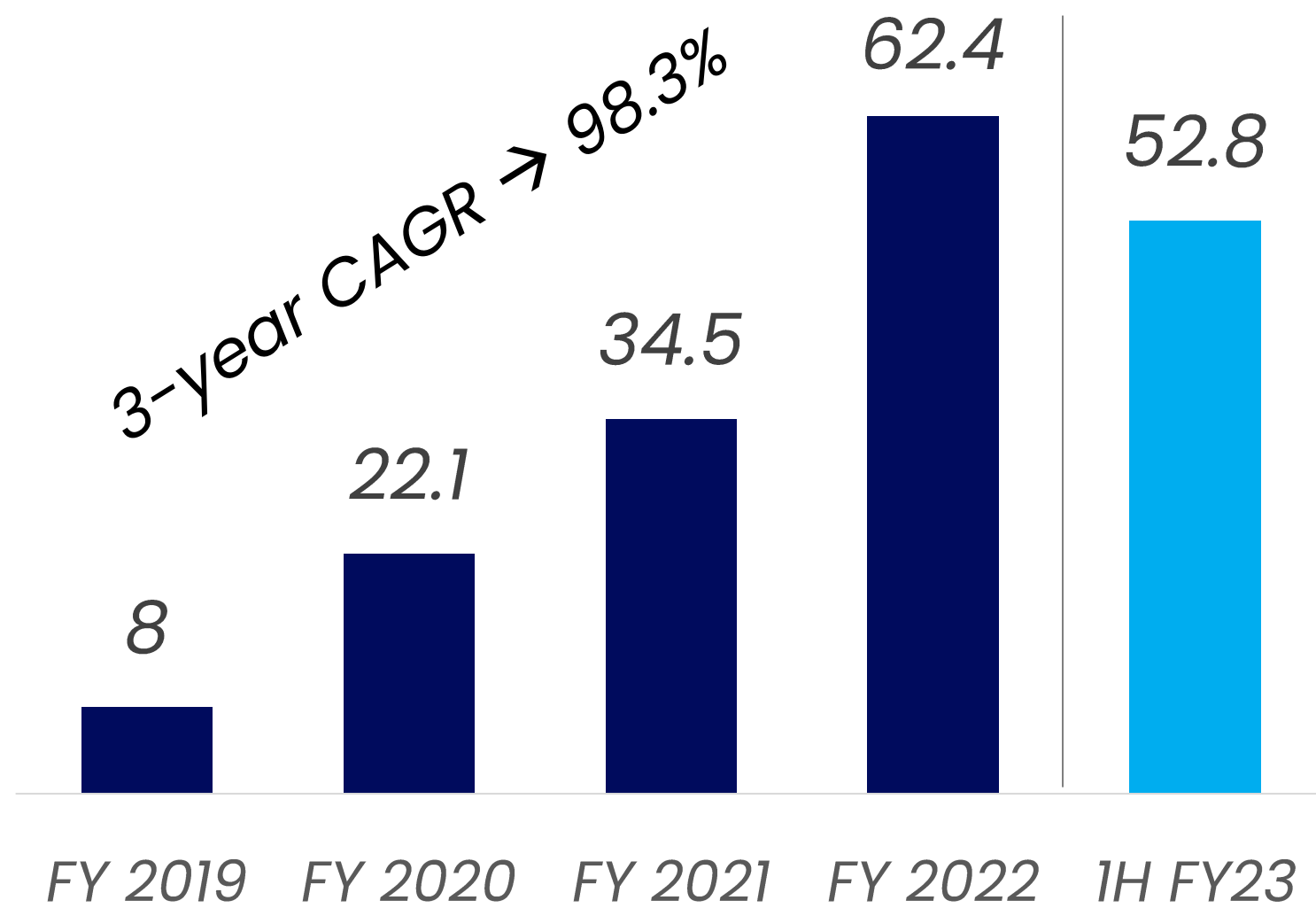
INDUSTRIAL GAS



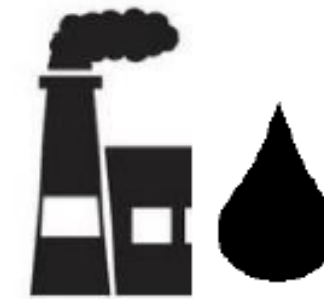
INDUSTRIAL GAS SEGMENT

GROWTH IN FINANCIAL PERFORMANCE

INDUSTRIAL GAS REVENUE (RM MIL)



REVENUE STREAMS



Manufacturing of liquid CO2 and dry ice



Rental income from on-site gas generator



Trading of various industrial and electronic special gases

STRONG DEMAND FOR LCO2

LCO2 MANUFACTURING

*Capture CO2 waste gas from
Petronas Gas Processing Plant in
Kerteh, Terengganu*



*Liquid CO2 is produced
and stored in large
storage tanks.*



*Large LCO2 tankers will
deliver LCO2 throughout
Malaysia and Singapore*



*Commenced LCO2
operations in end 2019, the
plant is now operating at
almost full capacity.*



**77% of LCO2 is exported
overseas** as at June 2023. Markets
include Singapore, Indonesia and
Oceania region (Australia and New
Zealand).

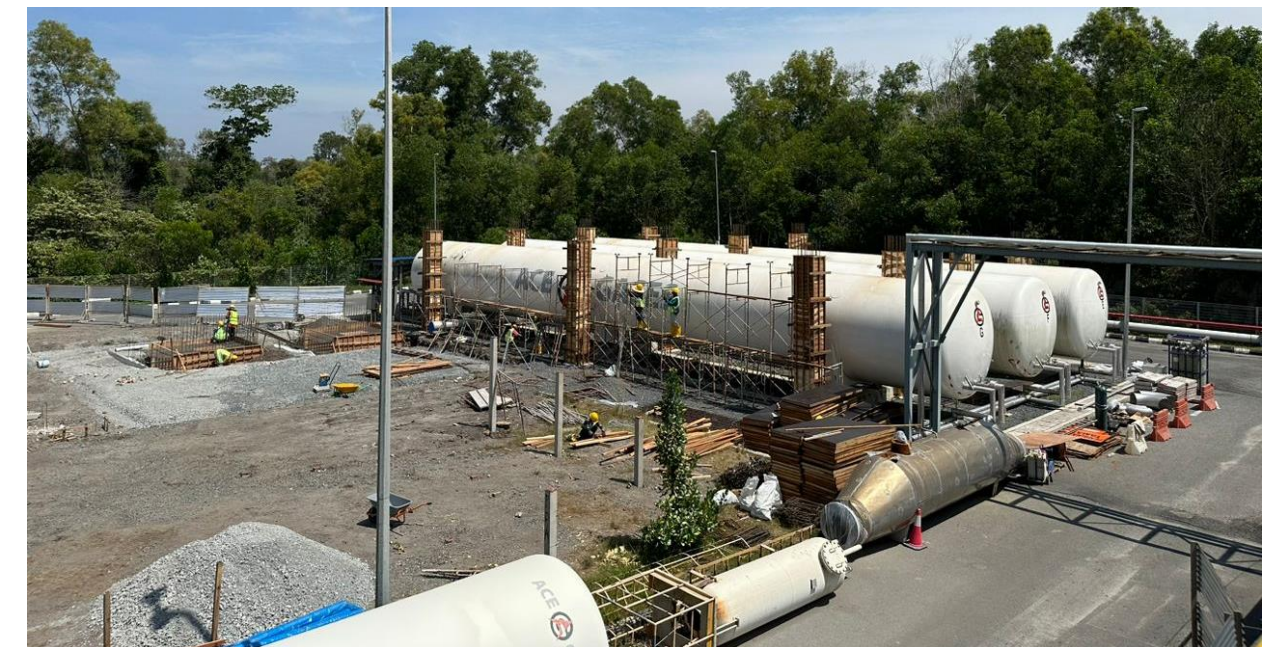
STRONG DEMAND FOR LCO2

SECOND LCO2 PLANT TO MEET GROWING DEMAND

FIRST LCO2 PLANT



SECOND LCO2 PLANT



*Year of
Commencement*

4Q 2019

4Q 2023

*Cost of
Investment*

~RM47 million

~RM70 million

Capacity

50,000 tonnes per year

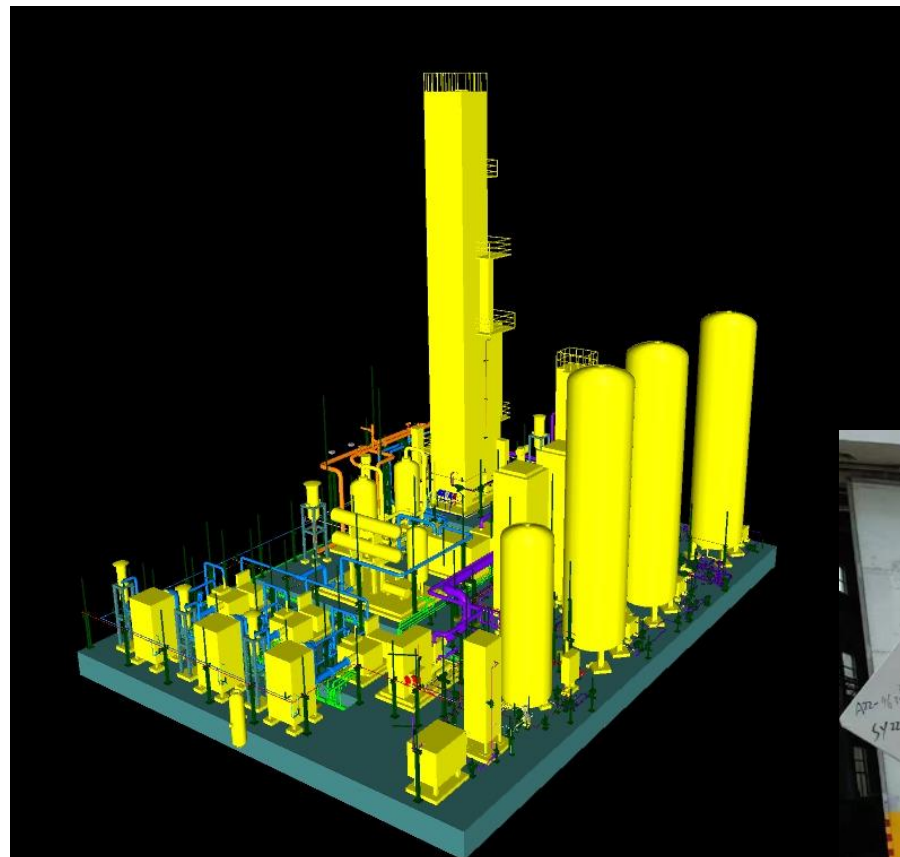
70,000 tonnes per year

ON TRACK TO COMMENCE OPERATIONS BY 4Q 2023
PROGRESS OF SECOND LCO2 PLANT



NEW RECURRING REVENUE STREAM

10-YEAR ON-SITE GAS SUPPLY SCHEME



- Secured 10-year contract to supply **hydrogen, nitrogen and oxygen** for an optoelectronics semiconductor giant in Kulim, Kedah.
- Supply of gases expected to **commence in 1Q 2024**.
- Expected to generate **cumulative revenue of approximately RM180 million over the 10-year period** via fixed facility fees and sales of gases.
- This represents the second onsite supply scheme.

INDUSTRIAL GAS SEGMENT

WE PRODUCE PURIFIED ISBT GRADE LCO2



Our LCO2 is certified **HALAL** by Jabatan Kemajuan Islam Malaysia (JAKIM)

FSSC 22000
Food Safety System
Certification

Obtained an **internationally recognized** standard for food safety.

Uses of LCO2



Carbonated soft drinks



Food freezing

Production of dry ice



Dry ice is produced at our plant in Shah Alam.

INDUSTRIAL GAS SEGMENT

SAFE AND EFFICIENT DELIVERY

We ensure safe and efficient delivery of industrial gases with

175

transportation equipment

- Tanker Trucks
- Cryogenic Tankers
- ISO Containers
- Tube Trailers



ESG ACHIEVEMENTS

FTSE4Good

Inclusion in FTSE4Good Bursa Malaysia Index since December 2021.



Maintained 3-star ESG rating, as assessed by FTSE Russell in June 2023 review.

Edge ESG Awards

Won award for “Most improved performance” over three years in 2022.

ESG ACHIEVEMENTS (CONT'D)

Occupational Safety & Health

Maintained **zero** fatalities as a result of work-related injuries



Training Hours

Average training hours per employee increased by **6%**



Corruption

Zero incident of corruption and bribery case



Risk Management

100% employees were trained on ABC and risk management



Electricity

Electricity intensity reduced by **27%**

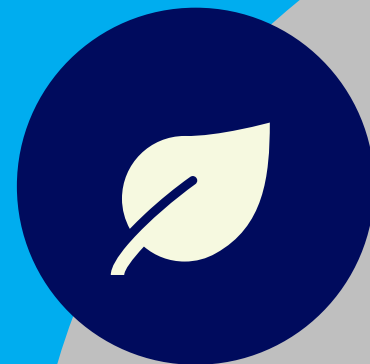


CO2 Emissions

CO2 emissions intensity reduced by **39%**



SOCIAL



ENVIRONMENTAL



GOVERNANCE

THANK YOU

*For investor relations queries,
kindly contact meichee@capitalfront.biz*

