

KELINGTON GROUP BERHAD

**3Q FY2023
PRESENTATION**

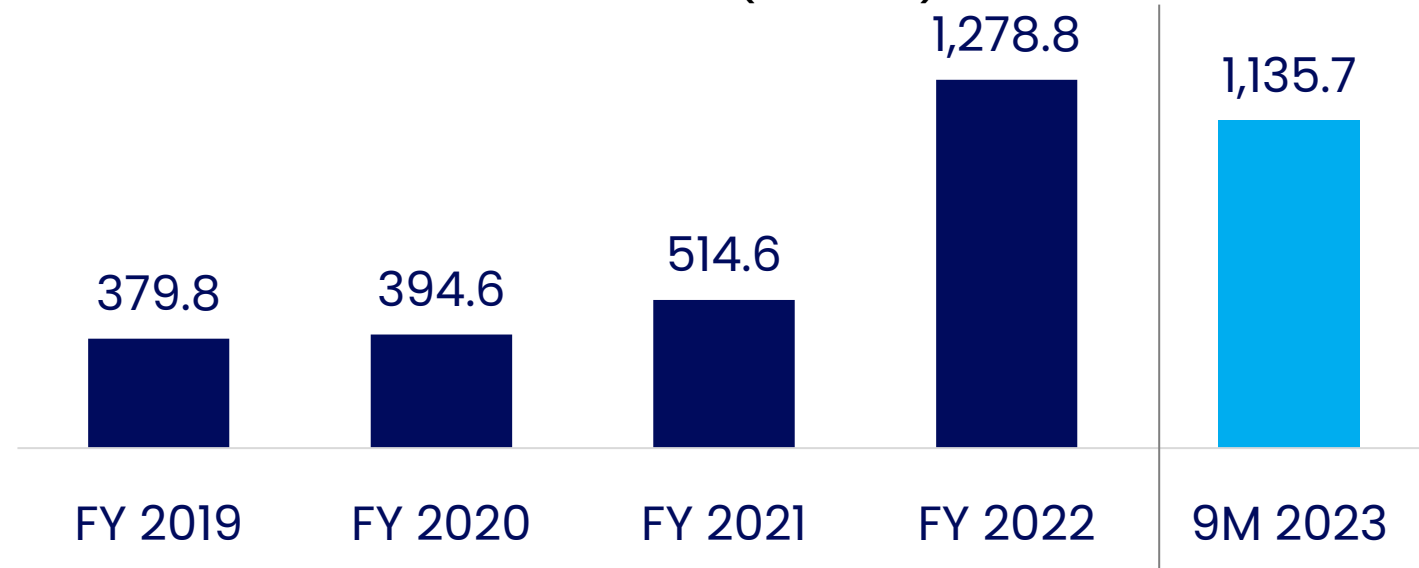
29 November 2023



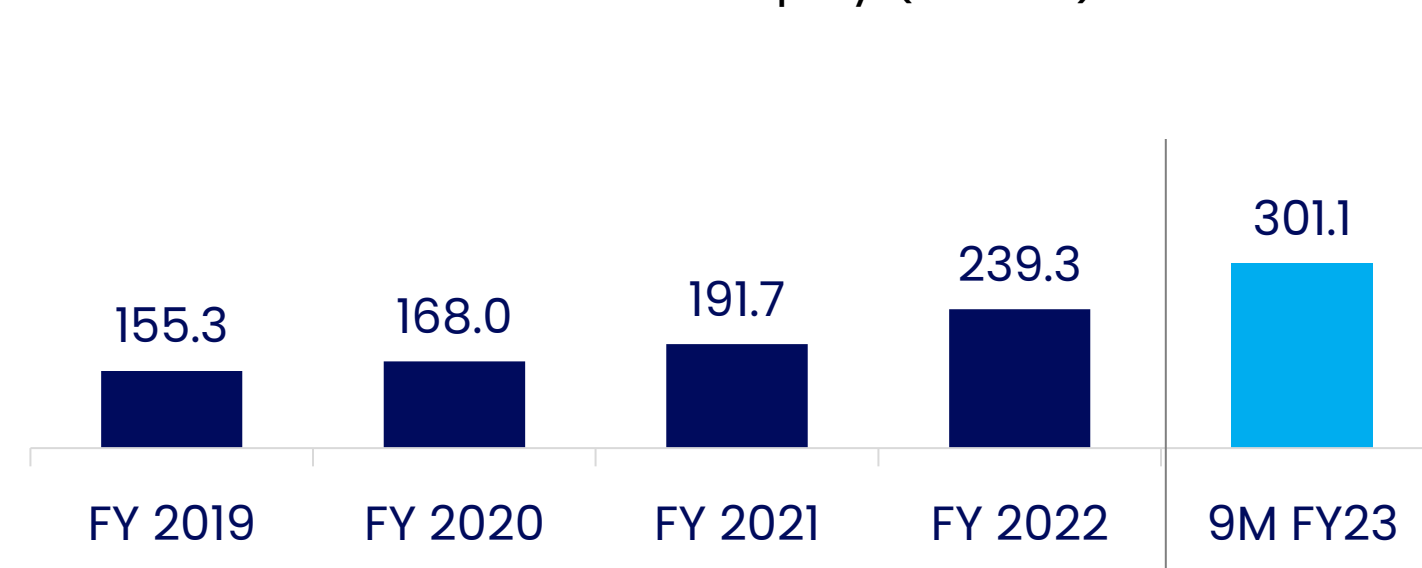
FINANCIAL PERFORMANCE

ON TRACK FOR ANOTHER RECORD YEAR

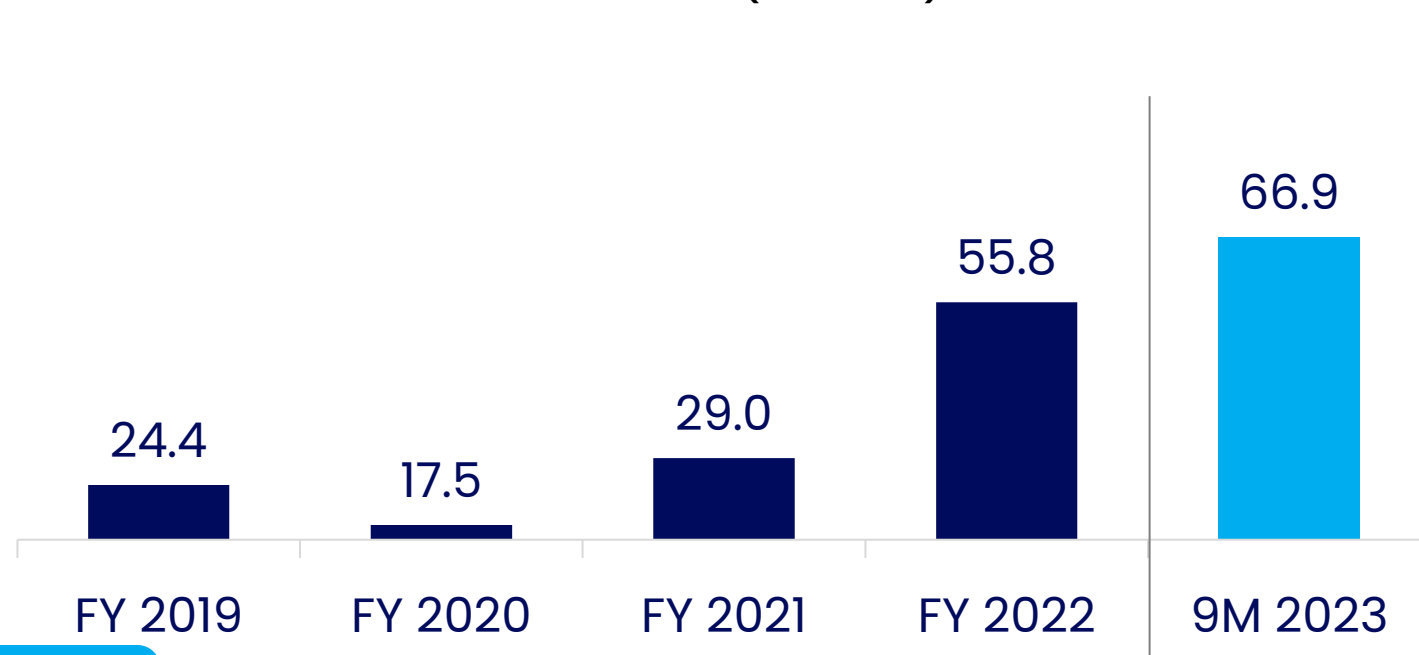
Revenue (RM mil)



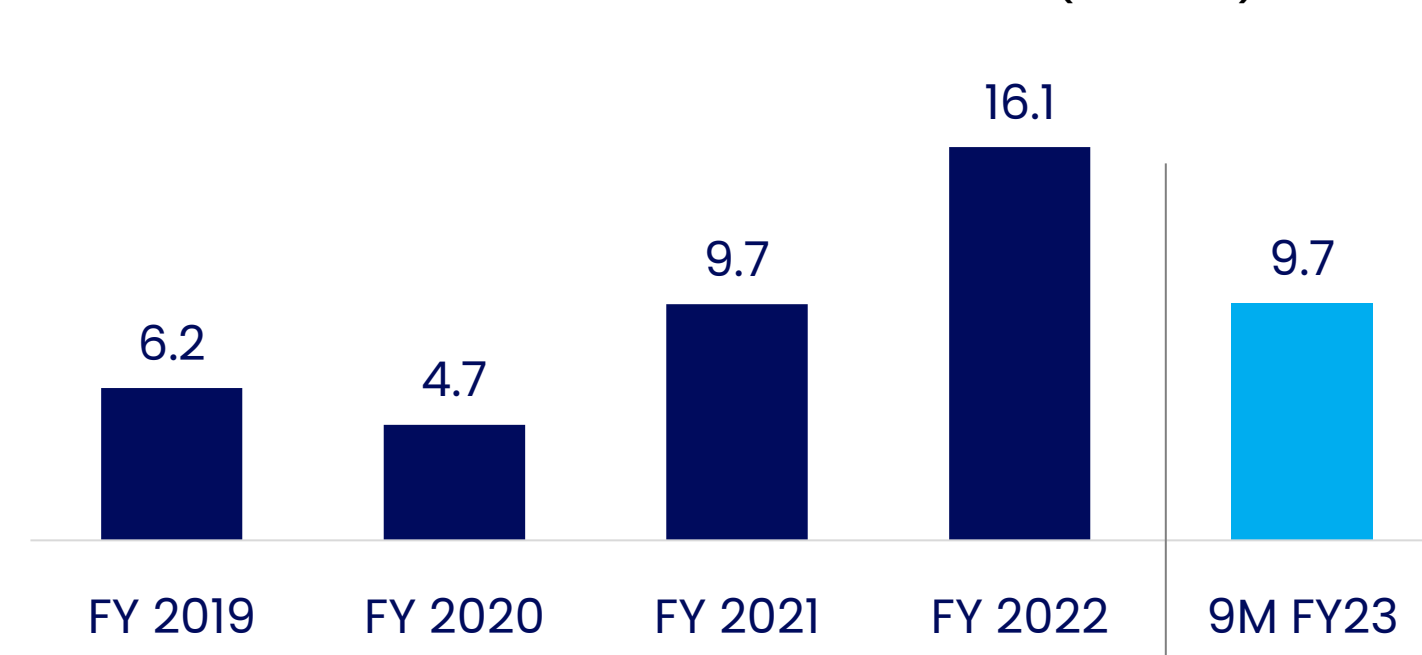
Shareholder's Equity (RM mil)



Net Profit (RM mil)



Total Dividend Declared and Paid (RM mil)

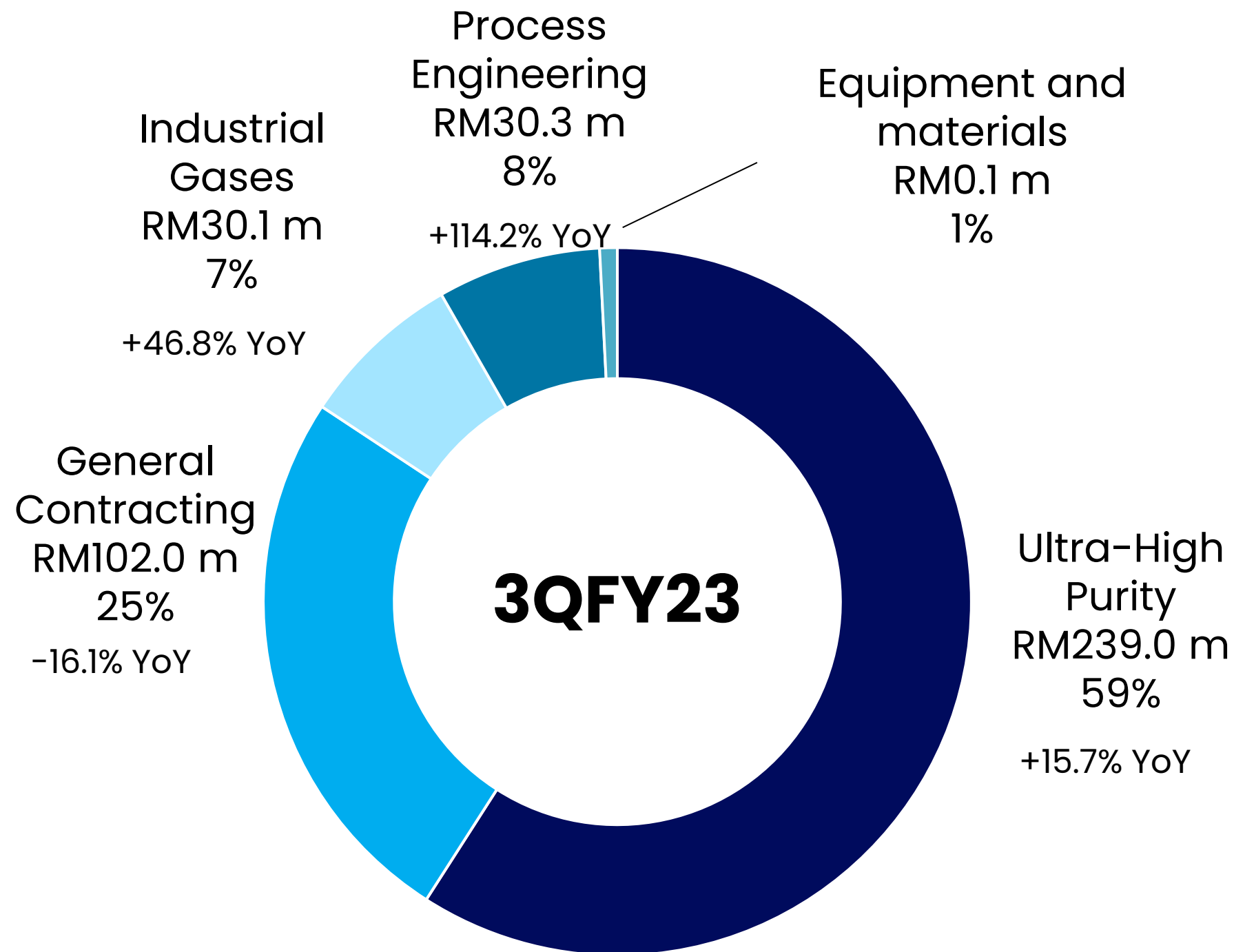


3Q FY23 FINANCIAL PERFORMANCE

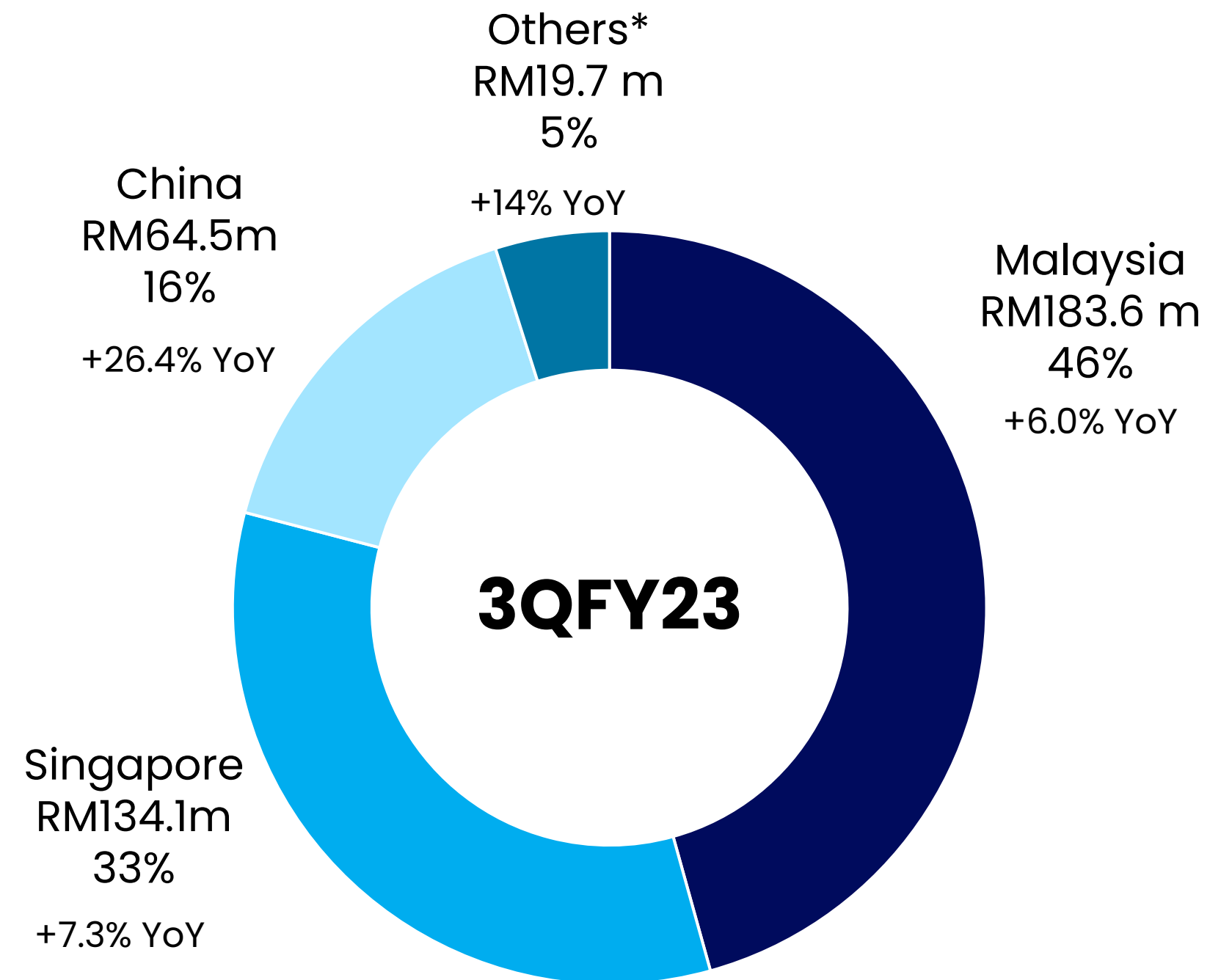
INCOME STATEMENT HIGHLIGHTS

INCOME STATEMENT (RM MIL)	3Q FY23	3Q FY22	% CHANGE	9M FY23	9M FY22	% CHANGE
Revenue	401.8	366.4	+10%	1,135.7	852.1	+33%
Gross profit	59.3	40.7	+46%	143.3	97.0	+48%
<i>Gross profit margin</i>	<i>14.8%</i>	<i>11.1%</i>		<i>12.6%</i>	<i>11.4%</i>	
Other income	1.8	0.3		6.7	1.7	
Administrative expenses	(13.9)	(16.0)		(45.3)	(36.4)	
Selling & distribution expenses	(0.7)	(0.7)		(2.1)	(1.5)	
Other expenses	(4.6)	(4.2)		(8.5)	(10.4)	
Operating profit	42.0	20.0	+109%	94.1	50.3	+87%
Finance costs	(2.8)	(1.2)		(8.0)	(2.8)	
Profit before tax	39.1	18.8	+108%	86.1	47.5	+81%
Tax	(7.1)	(2.5)		(17.2)	(8.7)	
Profit after tax	32.0	16.3	+96%	68.9	38.8	+78%
Net profit	31.7	15.7	+102%	66.9	37.6	+78%
<i>Effective tax rate</i>	<i>18.2%</i>	<i>13.3%</i>		<i>19.9%</i>	<i>18.3%</i>	
<i>PBT margin</i>	<i>9.7%</i>	<i>5.1%</i>		<i>7.6%</i>	<i>5.6%</i>	
<i>PAT margin</i>	<i>8.0%</i>	<i>4.5%</i>		<i>6.1%</i>	<i>4.6%</i>	

3QFY23 REVENUE BREAKDOWN GROWTH ACROSS ALL GEOGRAPHICAL REGIONS



Revenue Breakdown By Business Segment



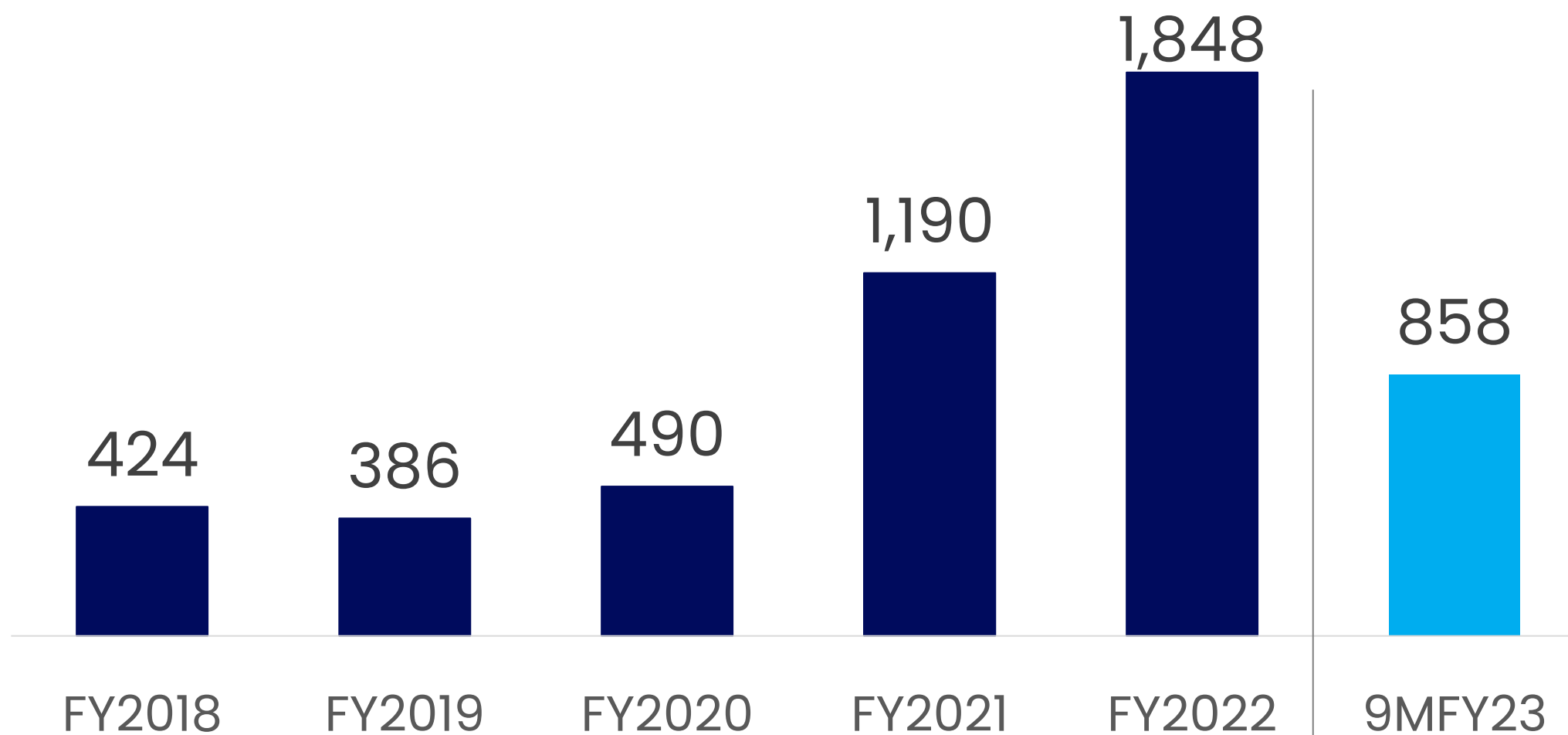
Revenue Breakdown By Geographical Segment

*Others include Taiwan, Indonesia, Philippines, etc.

CONTINUE TO WIN CONTRACTS

ORDERBOOK REPLENISHMENT REMAINS HEALTHY

NEW ORDERS SECURED (RM' mil)



Total orders secured in October & November 2023 : RM157 million

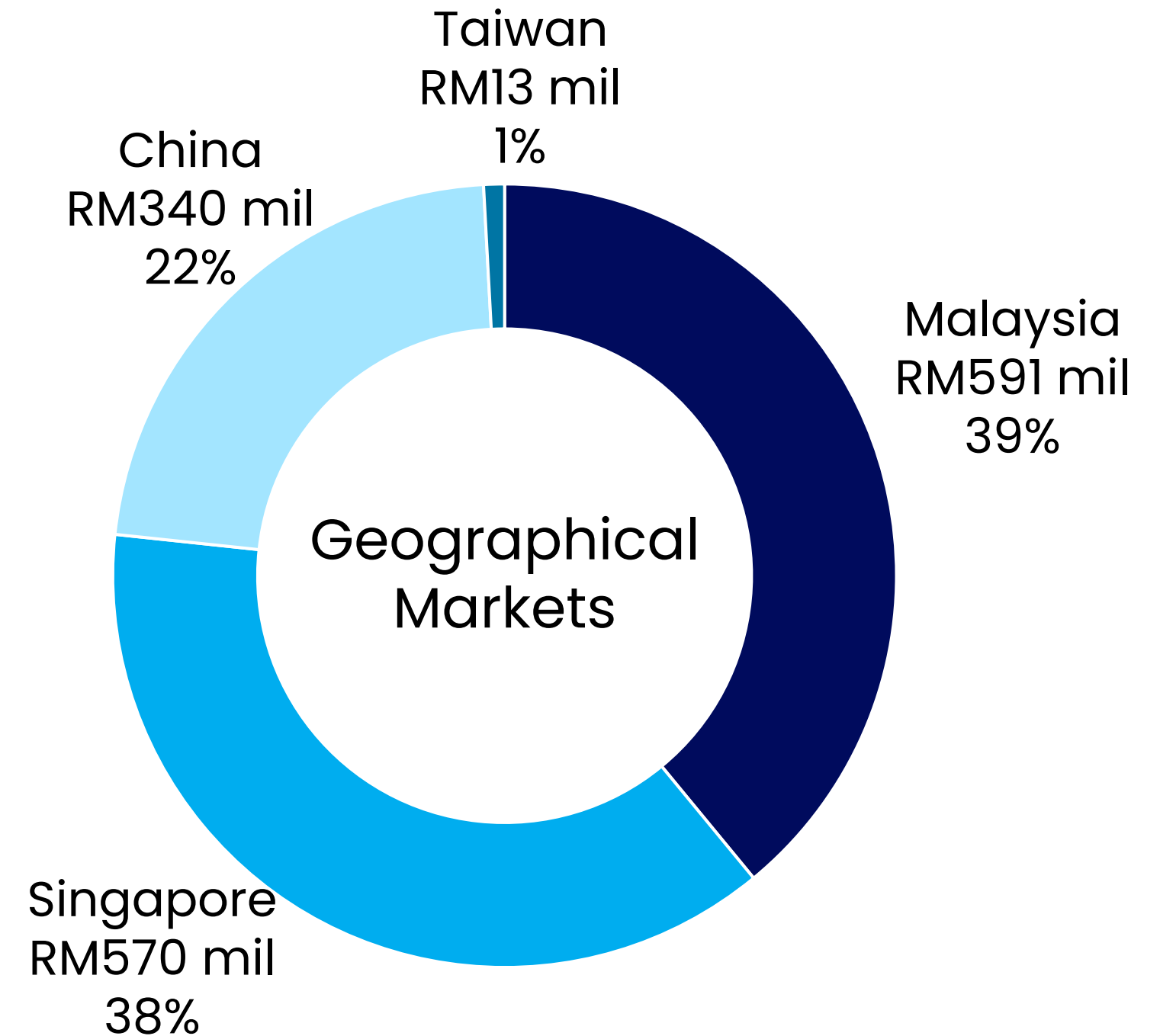
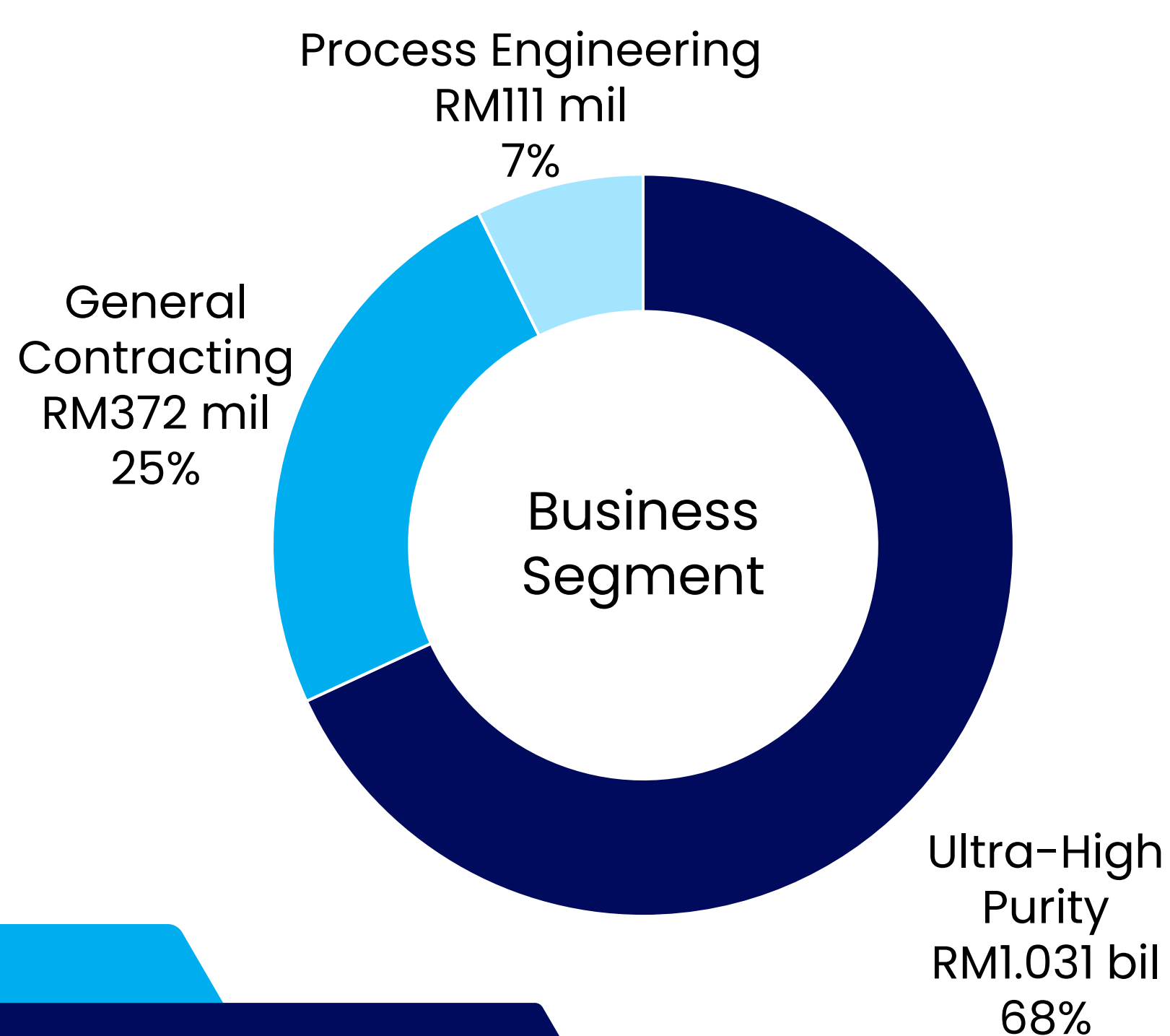
RM 1.51 billion
Total orderbook

RM 2.17 billion
Total tenderbook

68% OF OUTSTANDING ORDEBOOK IS FROM UHP SEGMENT

OUTSTANDING ORDERBOOK OF RM1.51 BILLION

(as at 30 September 2023)



COMPLETION OF NOTABLE PROJECT

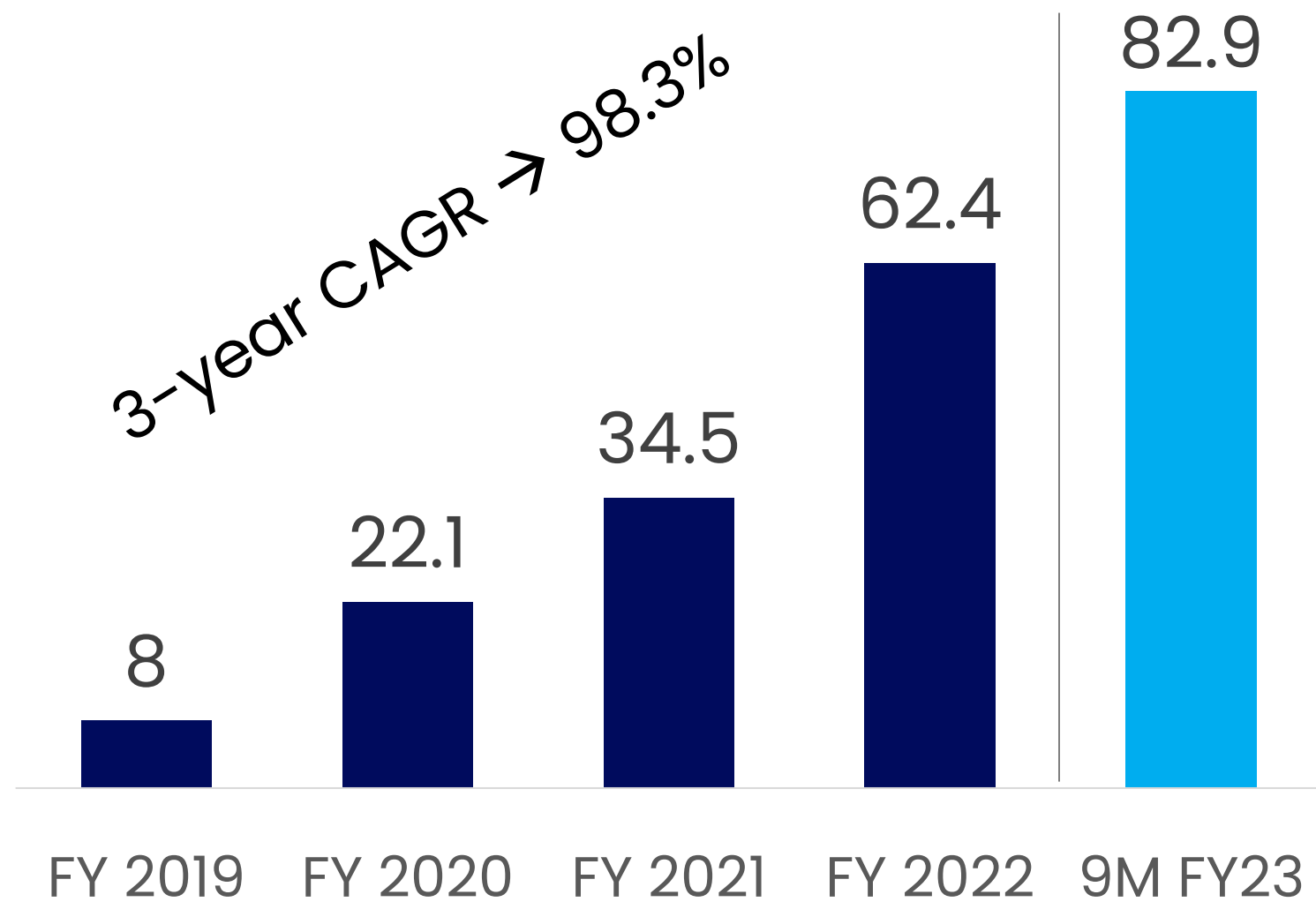


Our Scope : Turnkey construction of new manufacturing facility for data storage devices and solutions specialist

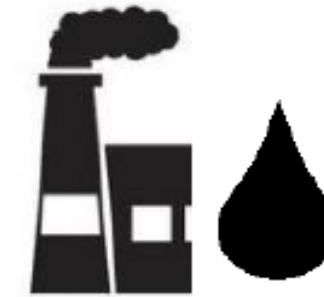
INDUSTRIAL GAS SEGMENT

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

BALANCE SHEET HIGHLIGHTS

RM MIL	31.09.2023 (Unaudited)	31.12.2022 (Audited)
Total Assets	1,065.9	1,055.6
Total Liabilities	758.8	812.5
Total Borrowings	222.8	245.0
<i>Short-term</i>	162.3	209.6
<i>Long-term</i>	60.5	35.5
Total Cash	220.9	260.0
Total Equity	307.1	243.1
Net Asset/Share	48 sen	38 sen
Gearing (times)	0.73	1.01

FUTURE PLANS AND OUTLOOK



ENHANCING SHAREHOLDER VALUE THROUGH FOCUSED GROWTH STRATEGIES

Engineering business



- Project based
- Services oriented
- Asset light

Cash earned from engineering business is allocated into **recurring income generating assets**

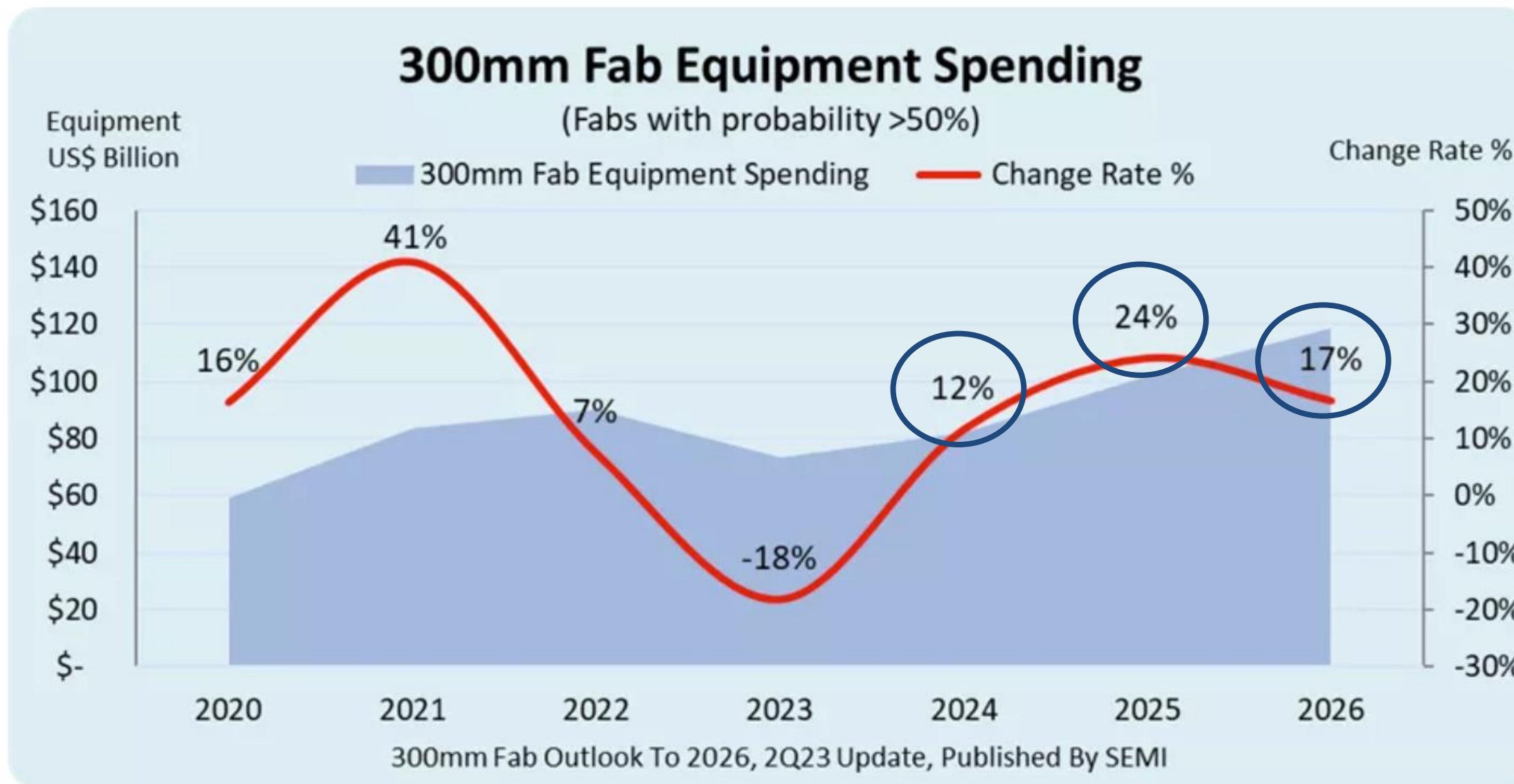
Industrial Gas business



- Recurring income
- Manufacturing oriented
- Asset heavy

UHP ORDERBOOK TO GROW IN-LINE WITH **RECOVERY OF SEMICON INDUSTRY**

2024 : RECOVERY, 2025 : GROWTH



Strong demand for high-performance computing, automotive applications and improved demand for memory will fuel double-digit spending in equipment investments over the **three-year period.**

Source : <https://www.semi.org/en/news-media-press-releases/semi-press-releases/global-300mm-fab-equipment-spending-forecast-to-reach-record-%24119-billion-in-2026-semi-reports>

ON-GOING OPPORTUNITIES FOR **BASE-BUILD** AND **HOOK-UP** PROJECTS **SEMICON MANUFACTURERS CONTINUE TO EXPAND**



GlobalFoundries opens \$4 billion Singapore expansion fab to meet 'demand for essential semiconductor chips'

PUBLISHED MON, SEP 11 2023-11:30 PM EDT

TSMC affiliate eyes Singapore for its most advanced chip plant

VIS is moving into 12-inch wafers as it looks to tap automotive industry demand

SILTRONIC AG PRODUCES FIRST WAFERS IN ITS NEW SINGAPORE FAB

By the end of 2024, around 2 billion Euro will have been invested into this greenfield project. This will be followed by **further investments on a smaller scale to further ramp the production.**



Global semiconductor giant Infineon to invest 5.0bil euros in Malaysia

By **NST Business** - August 3, 2023 @ 10:18pm



SEMICONDUCTORS

China chipmaker SMIC hikes capex to \$7.5bn despite profit slump

Spending rise for 2023 comes as Washington tightens export rules

CHENG TING-FANG and LAULY Li, Nikkei Asia tech correspondents
November 10, 2023 09:36 JST • Updated on November 10, 2023 12:03 JST

CXMT

China's semiconductor state fund invests \$2 billion in memory chip firm

Reuters

October 31, 2023 4:00 PM GMT+8 - Updated a month ago



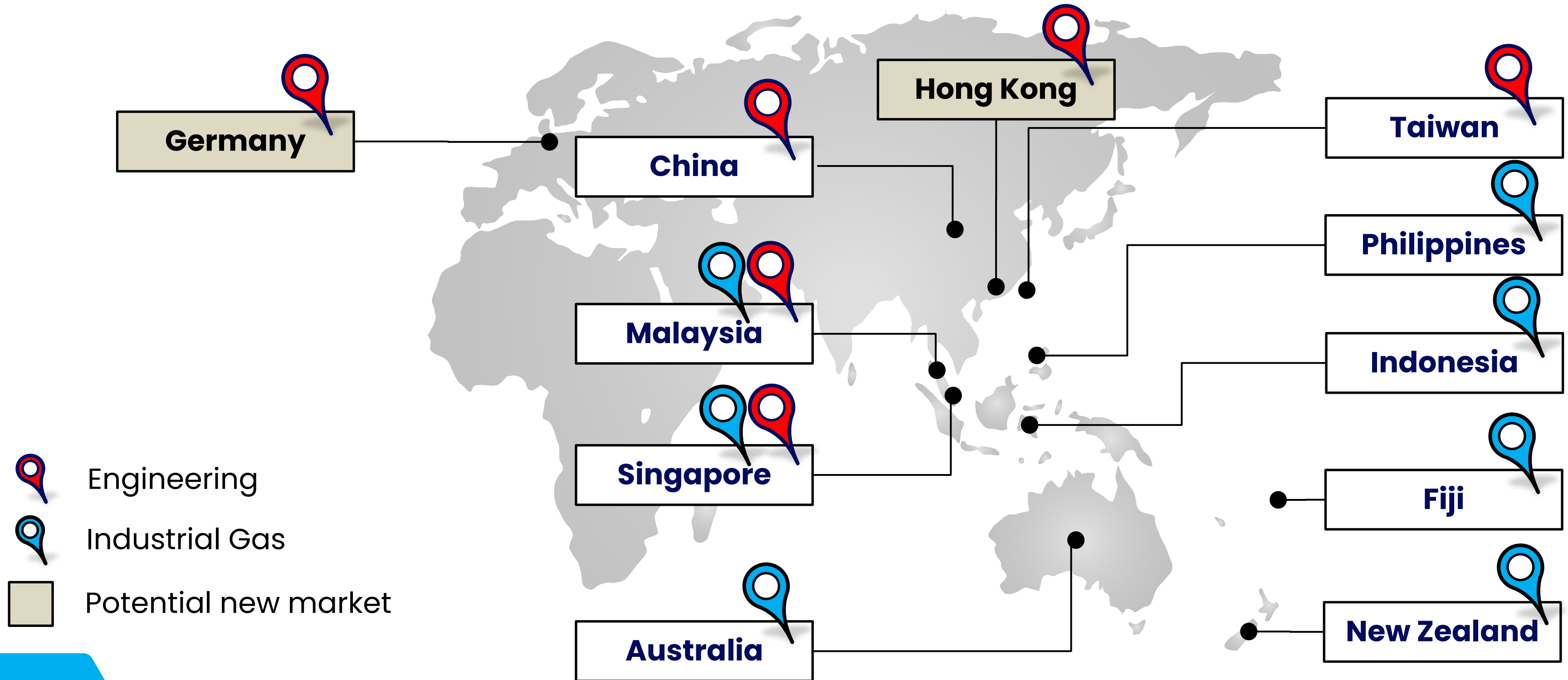
Changxin Xinqiao Storage Technology

Mammoth Chinese chip project raises another \$5bn

Factory to churn out key tech as nation's self-sufficiency drive accelerates

ENTERING NEW MARKETS

EXPANSION OF GEOGRAPHICAL REACH



CLOSURE OF PETROCHEMICAL PLANTS HAVE LED TO GLOBAL SHORAGE OF CO2

Environmental concerns



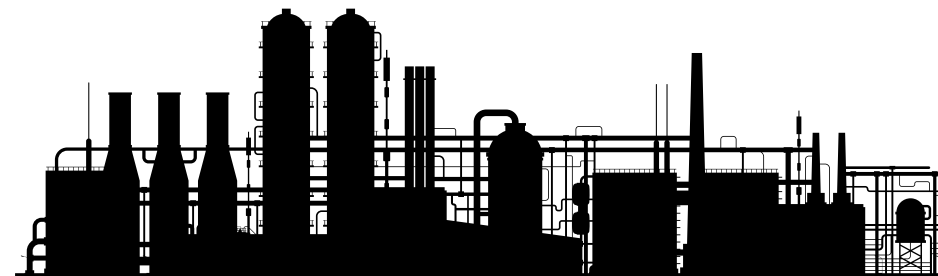
Transition to **renewable energy**



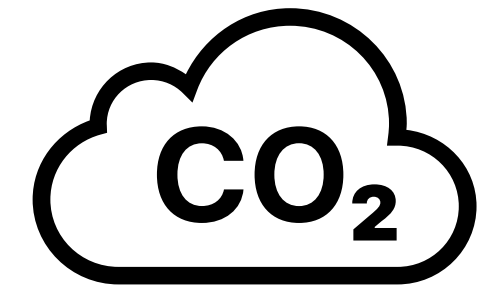
Government policies
- **Stricter regulations**



Closure of petrochemical plants

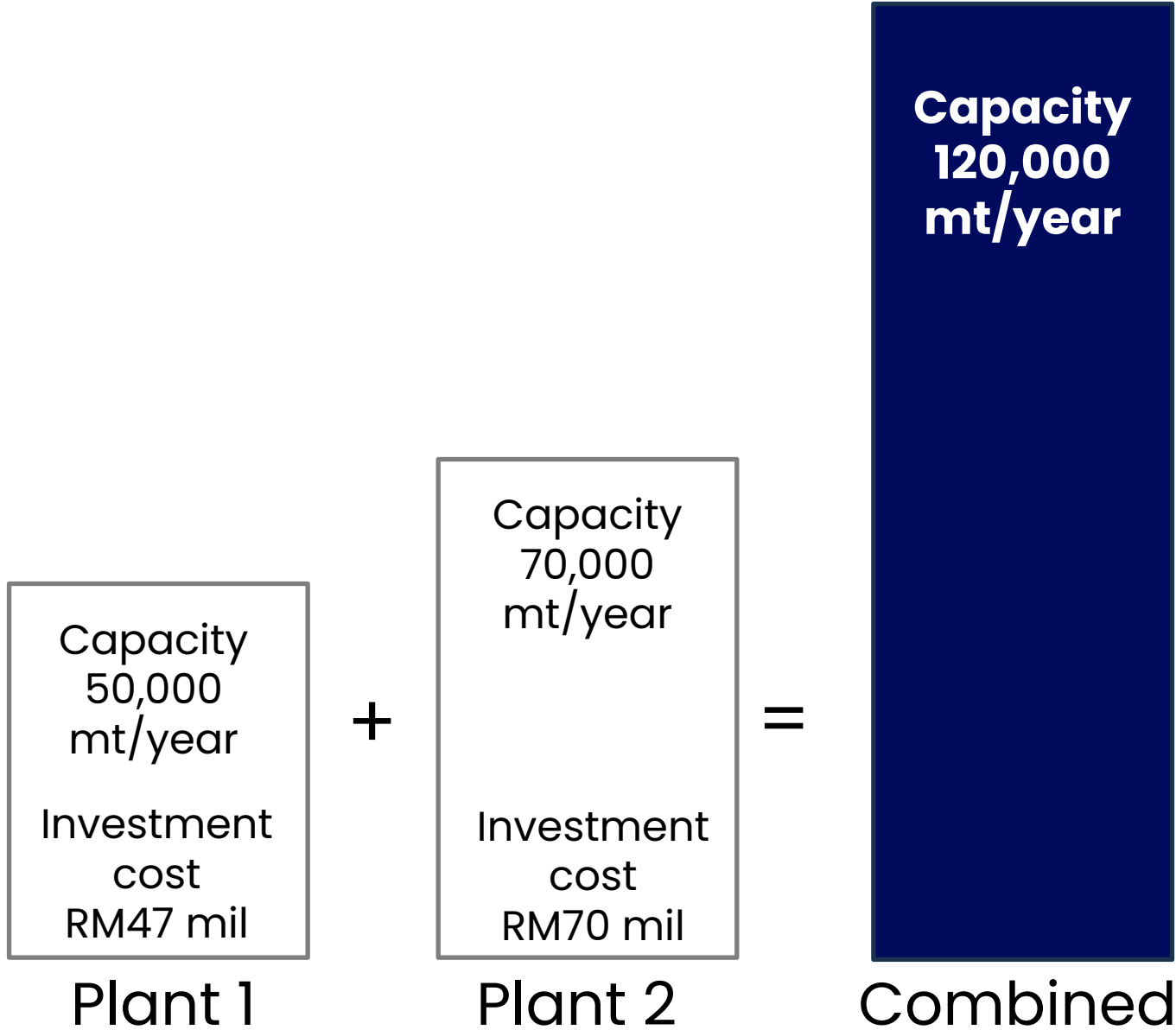


Global **shortage** of CO2



WELL-POISED TO CAPITALISE ON GLOBAL SHORTAGE

COMMENCEMENT OF SECOND LCO2 PLANT WILL MORE THAN DOUBLE EXISTING CAPACITY



74% of LCO2 is exported overseas

as at September 2023.

Markets include Singapore (largest), Malaysia, Australia, New Zealand, Fiji, Indonesia and Philippines.

Exploring new export markets.

Strong potential for export due to global shortage.

ON TRACK TO COMMENCE OPERATIONS BY DECEMBER 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 April/May 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.

EXPLORING EXPANSION OF INDUSTRIAL GAS MANUFACTURING FACILITIES IN NEW COUNTRIES



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



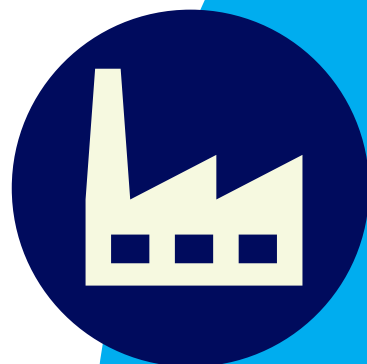
Electricity

Electricity intensity reduced by **27%**

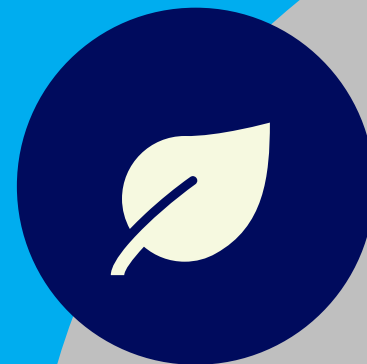


CO2 Emissions

CO2 emissions intensity reduced by **39%**



SOCIAL



ENVIRONMENTAL



GOVERNANCE

Risk Management

100% employees were trained on ABC and risk management



THANK YOU

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

