

KELINGTON GROUP BERHAD

4 Q FY2023

RESULTS REVIEW

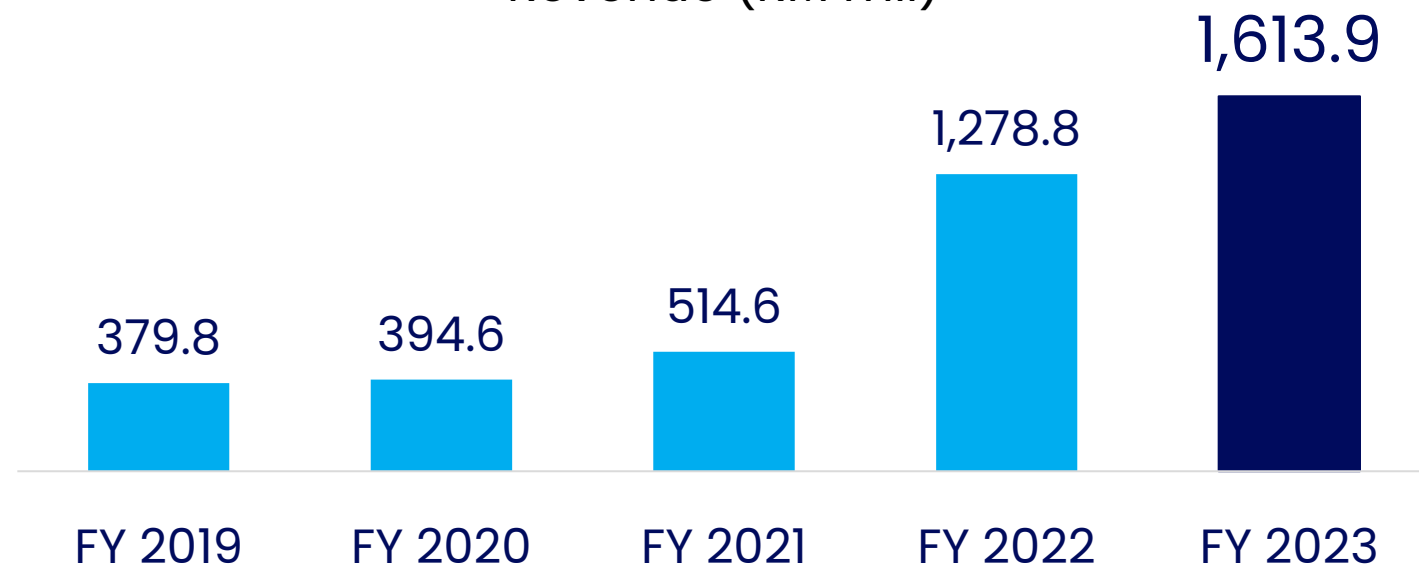
29 February 2024



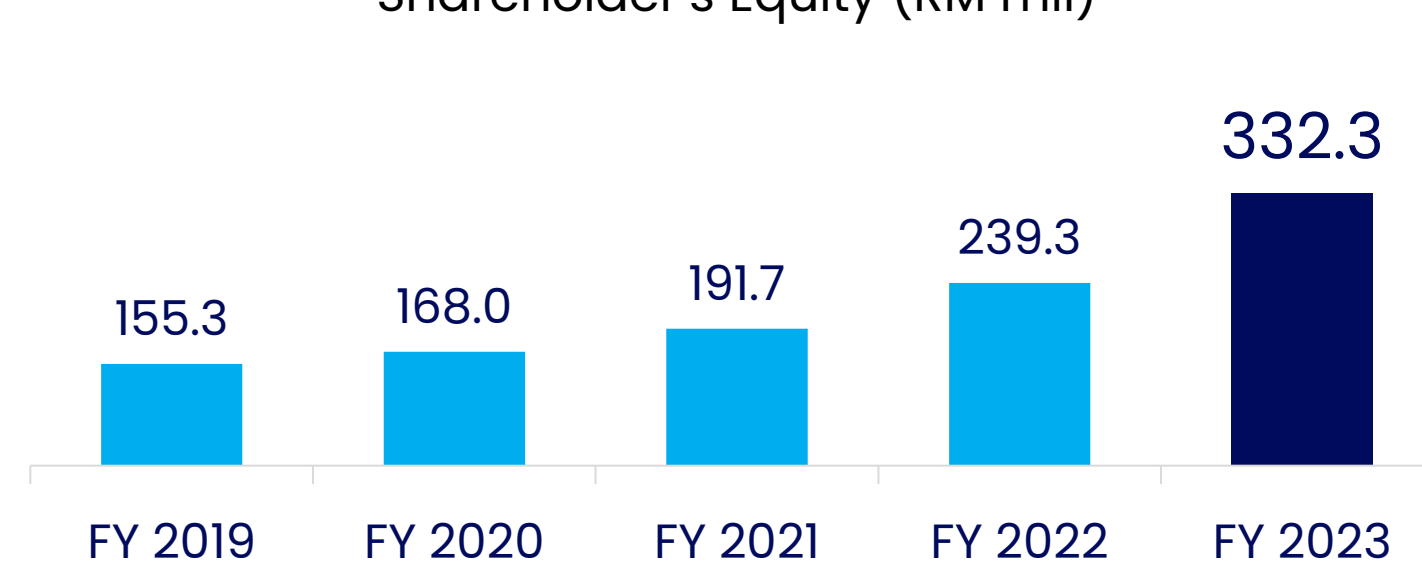
FINANCIAL PERFORMANCE

A RECORD- BREAKING YEAR

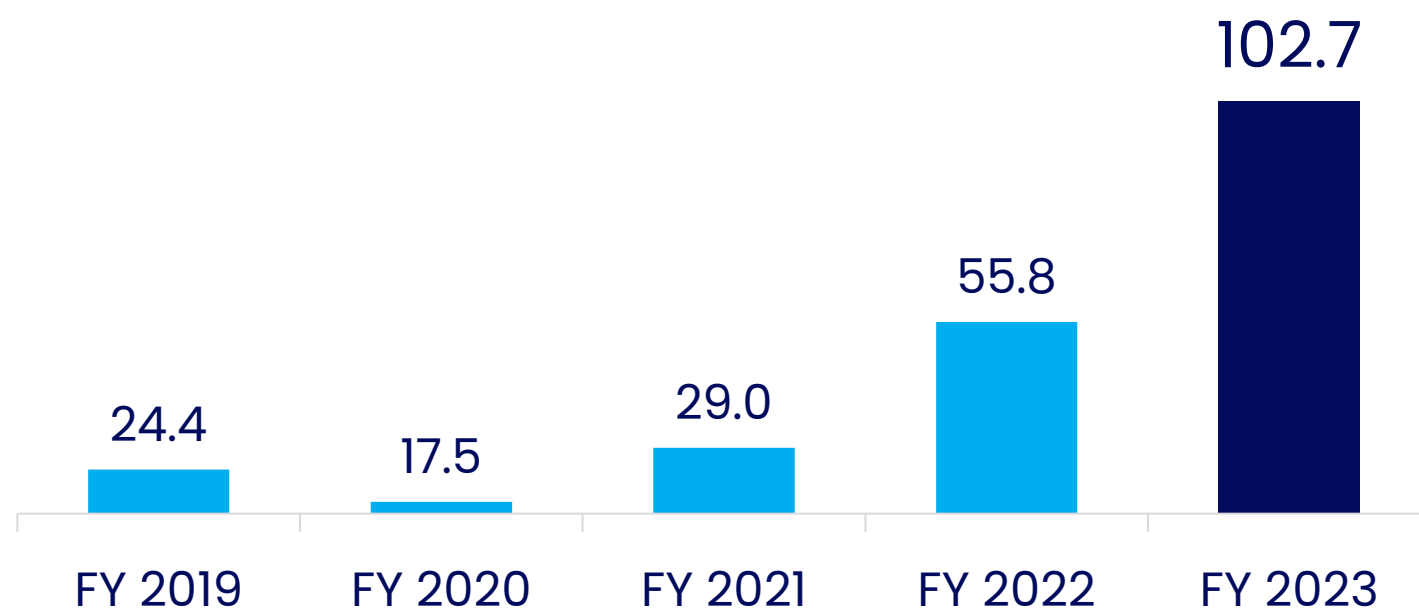
Revenue (RM mil)



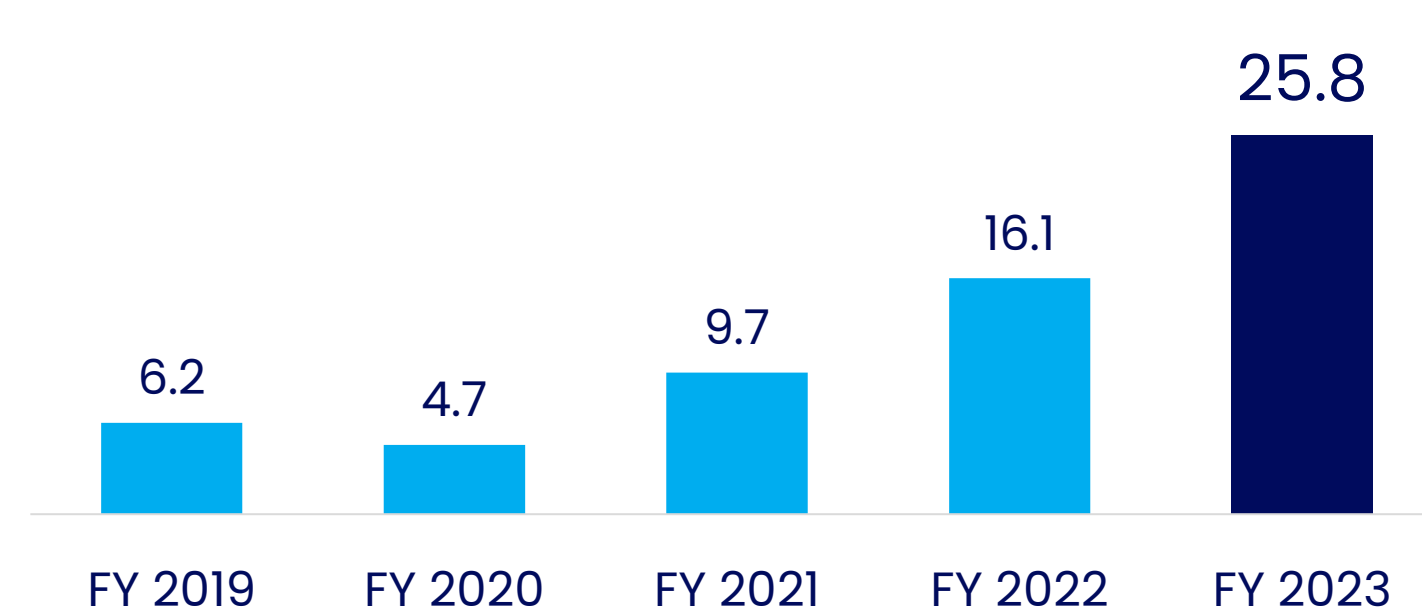
Shareholder's Equity (RM mil)



Net Profit (RM mil)



Total Dividend Declared (RM mil)



FY2023 includes dividend of 2.5 sen per share declared on 28 Feb 2024

4Q FY23 FINANCIAL PERFORMANCE

INCOME STATEMENT HIGHLIGHTS

RM MIL	4Q FY23	4Q FY22	% CHANGE	FY23	FY22	% CHANGE
Revenue	478.3	426.7	+12%	1,613.9	1,278.8	+26%
Gross profit	86.0	51.2	+68%	229.3	148.1	+55%
<i>Gross profit margin</i>	<i>18.0%</i>	<i>12.0%</i>		<i>14.2%</i>	<i>11.6%</i>	
Other income	3.7	3.3		10.4	5.0	
Administrative expenses	(20.7)	(19.9)		(66.0)	(56.4)	
Selling & distribution expenses	(0.9)	(1.1)		(3.0)	(2.6)	
Other expenses	(18.2)	(3.9)		(26.8)	(14.4)	
Operating profit	49.9	29.6	+69%	144.1	79.8	+81%
Finance costs	(3.0)	(2.6)		(11.1)	(5.4)	
Profit before tax	46.9	26.9	+74%	133.0	74.4	+79%
Tax	(10.7)	(7.2)		(27.9)	(15.9)	
Profit after tax	36.2	19.7	+84%	105.1	58.5	+80%
Net profit	35.7	18.2	+97%	102.7	55.8	+84%
<i>Effective tax rate</i>	<i>22.8%</i>	<i>26.7%</i>		<i>21.0%</i>	<i>21.4%</i>	
<i>PBT margin</i>	<i>9.8%</i>	<i>6.3%</i>		<i>8.2%</i>	<i>5.8%</i>	
<i>PAT margin</i>	<i>7.6%</i>	<i>4.6%</i>		<i>6.5%</i>	<i>4.6%</i>	

4QFY23 vs 4QFY22

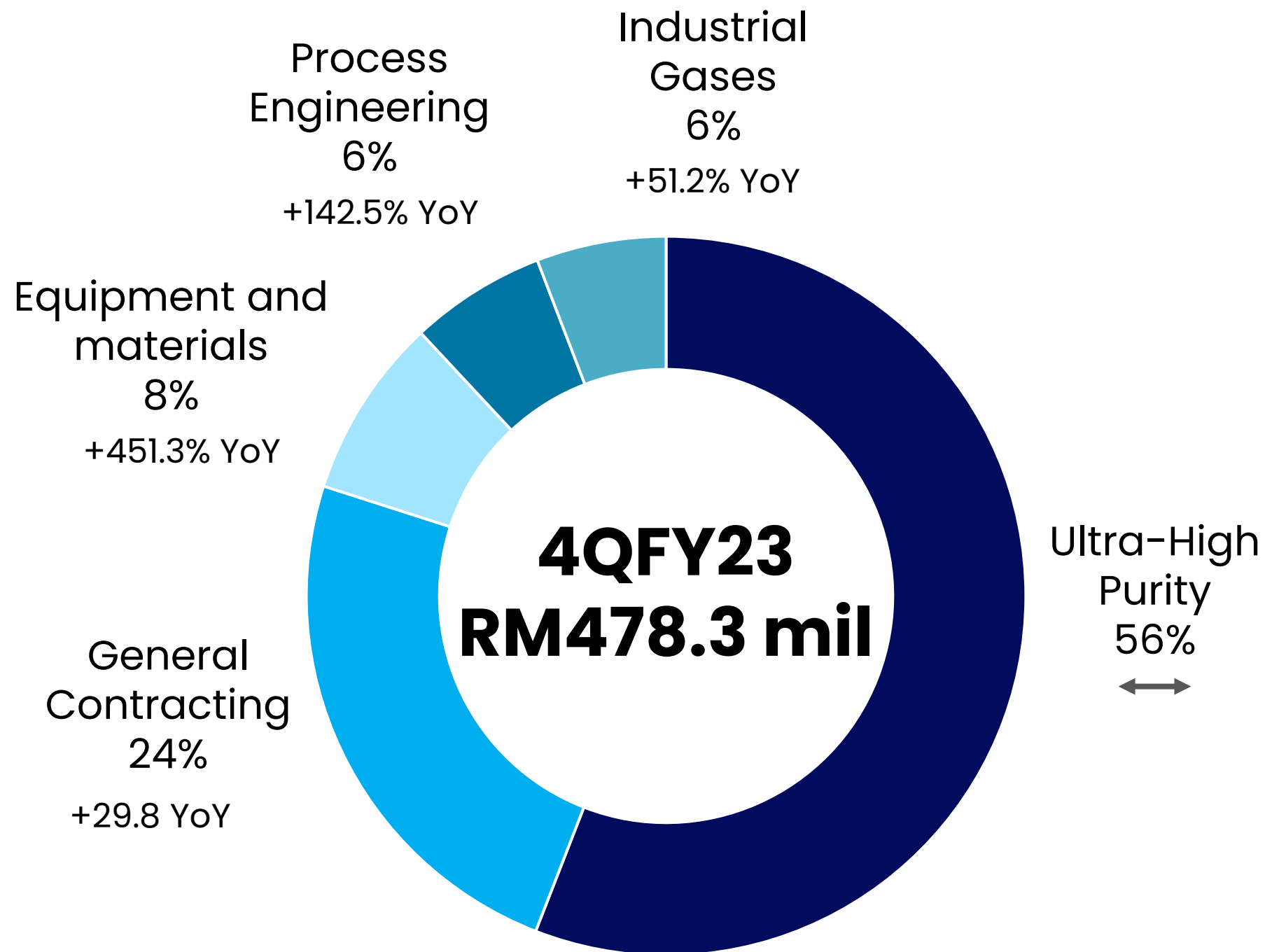
- 1 Higher revenue arising from
 - Increase in engineering projects from Malaysia (+20%), Singapore (+12%) and China (+2%).
 - Rise in revenue from industrial gas division (+51%)
- 2 Higher GP margin due to favourable project mix – larger proportion coming from higher-margin projects.
- 3 Higher expenses due to impairment of contract assets in China totaling RM11 million.

BALANCE SHEET HIGHLIGHTS

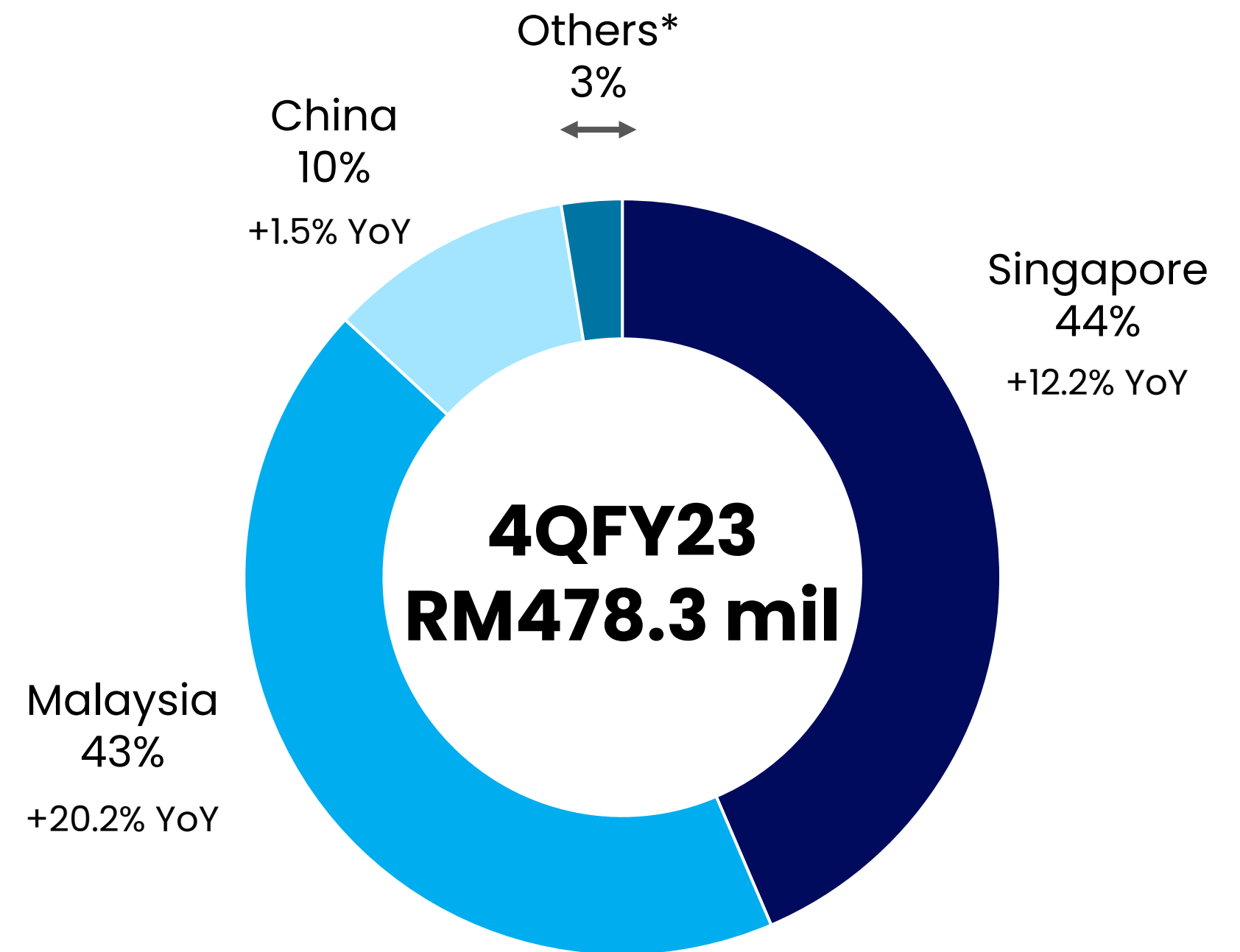
RM MIL	31.12.2023 (Unaudited)	31.12.2022 (Audited)
Total Assets	1,073.1	1,055.6
Total Liabilities	734.5	812.5
Total Borrowings	188.0	245.0
<i>Short-term</i>	118.0	207.5
<i>Long-term</i>	¹ 63.3	34.0
Total Cash	269.0	260.0
Total Equity	338.6	243.1
Net Asset/Share	52 sen	38 sen
Gearing (times)	0.57	1.02
Net gearing (times)	² Net Cash	Net Cash

- ¹ Increase in long-term borrowings is due to capital expenditure for industrial gases division.
- ² Group is in healthy net cash position with total cash exceeding total borrowings.

4QFY23 REVENUE BREAKDOWN GROWTH ACROSS MAIN GEOGRAPHICAL REGIONS



Revenue Breakdown By Business Segment



Revenue Breakdown By Geographical Segment

*Others include Taiwan, Indonesia, Philippines, etc.

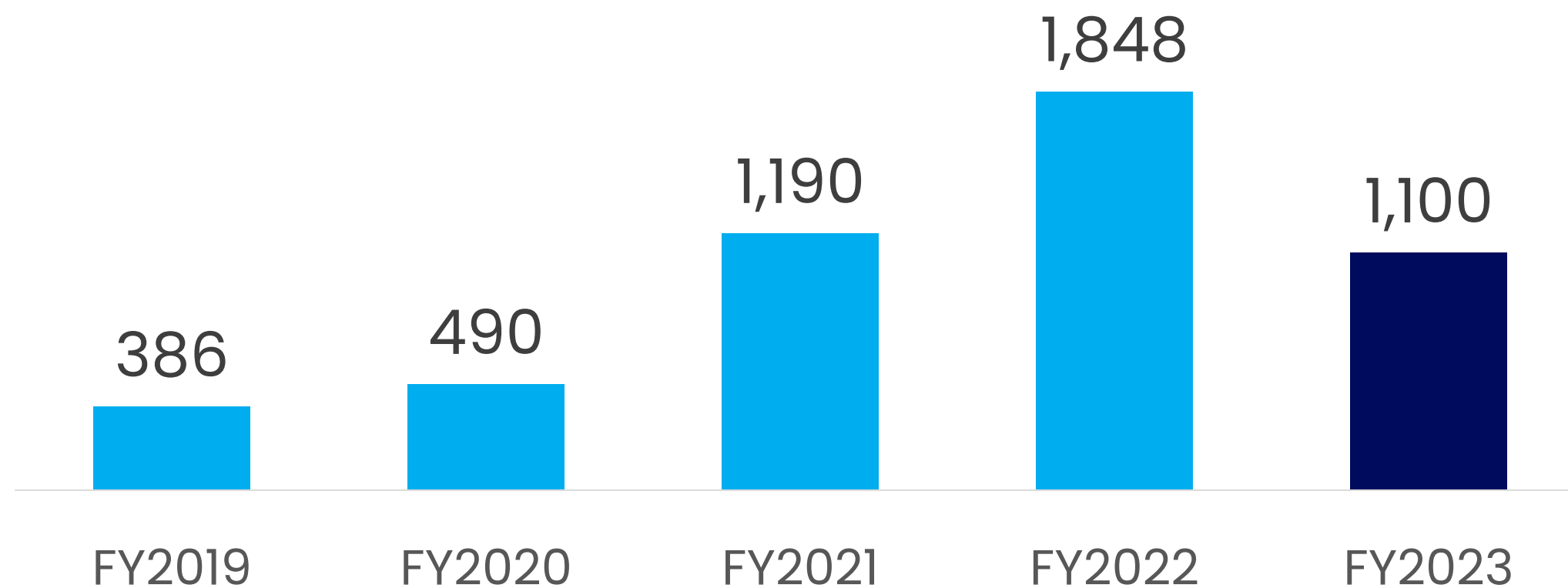
ENGINEERING SEGMENT



CONTINUE TO WIN CONTRACTS

ORDERBOOK REPLENISHMENT REMAINS HEALTHY

NEW ORDERS SECURED (RM million)



RM1.3 billion
Total outstanding orderbook

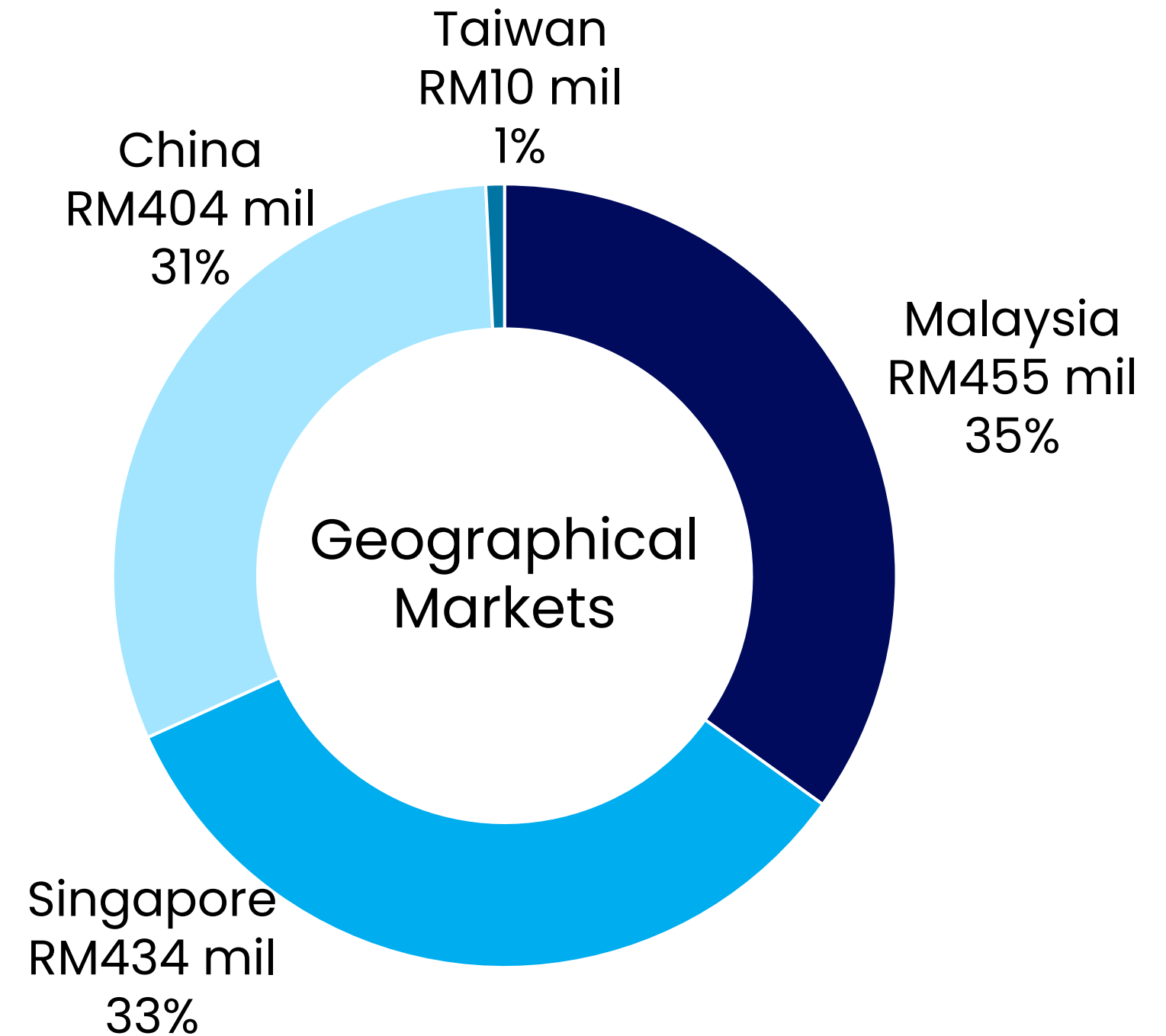
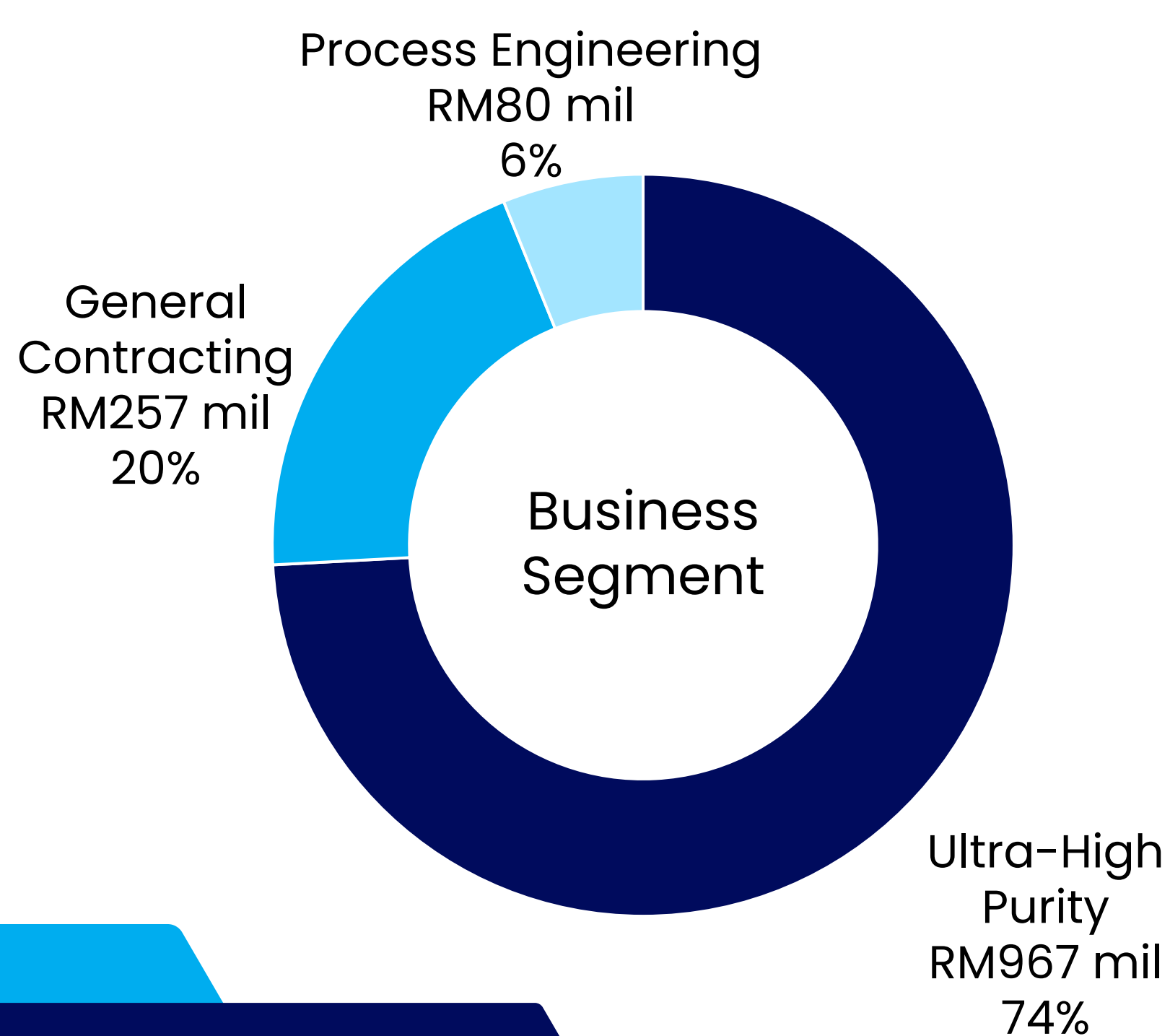
RM1.9 billion
Total tenderbook

Total orders secured in January & February 2024 : **~RM200 million**
- Includes **RM143 million** contract from China's largest semiconductor foundry for gas hook up system

74% OF OUTSTANDING ORDEBOOK IS FROM UHP SEGMENT

OUTSTANDING ORDERBOOK OF RM1.30 BILLION

(as at 31 December 2023)






INDUSTRIAL GAS SEGMENT

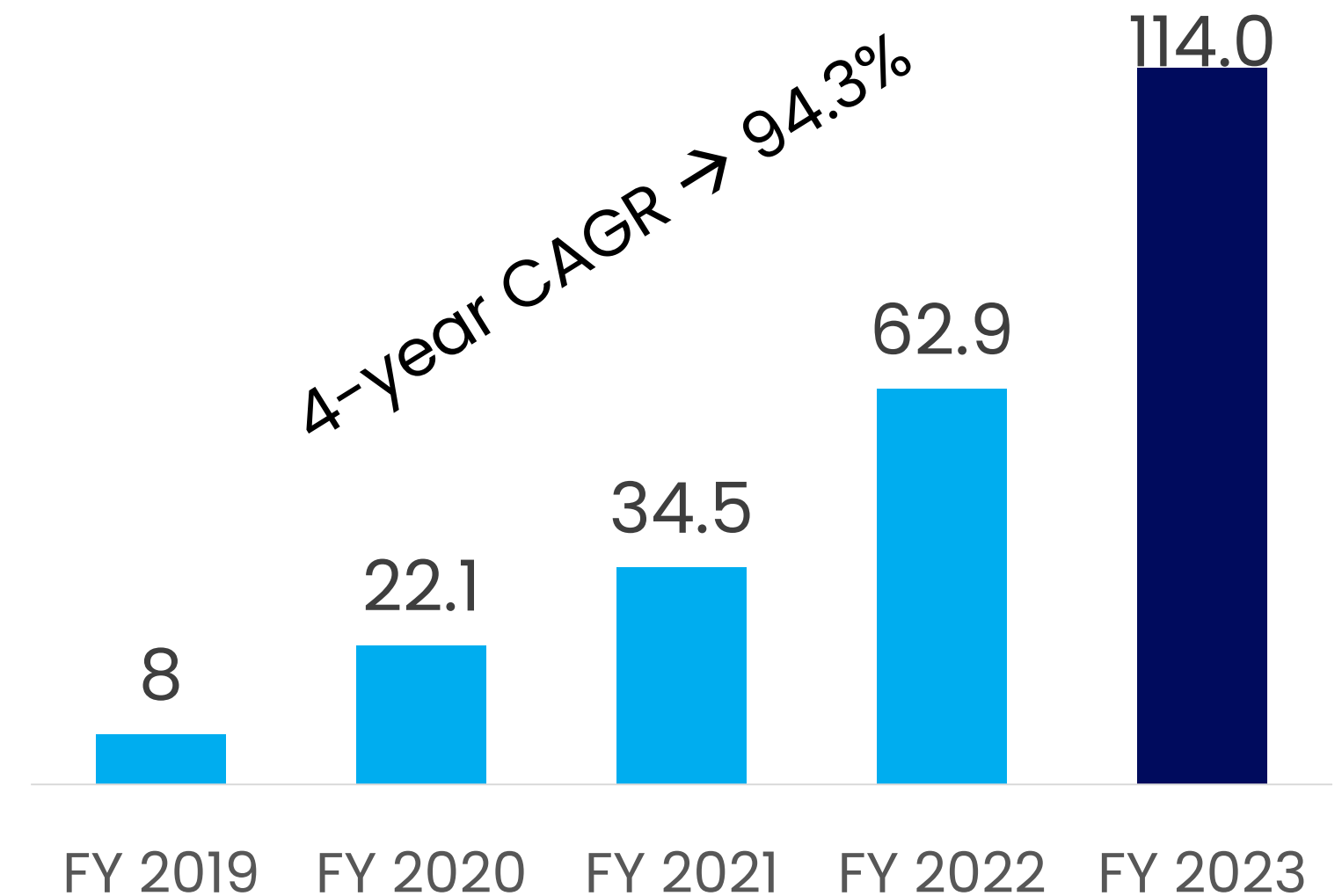


INDUSTRIAL GAS SEGMENT GROWTH IN FINANCIAL PERFORMANCE

REVENUE STREAMS

-  Manufacturing of liquid CO₂ and dry ice
-  Rental income from on-site gas generator
-  Trading of various industrial and electronic special gases

INDUSTRIAL GAS REVENUE (RM MIL)



FUTURE PLANS AND OUTLOOK



GLOBAL SEMICONDUCTOR MANUFACTURING INDUSTRY POISED FOR 2024 RECOVERY, SEMI REPORTS

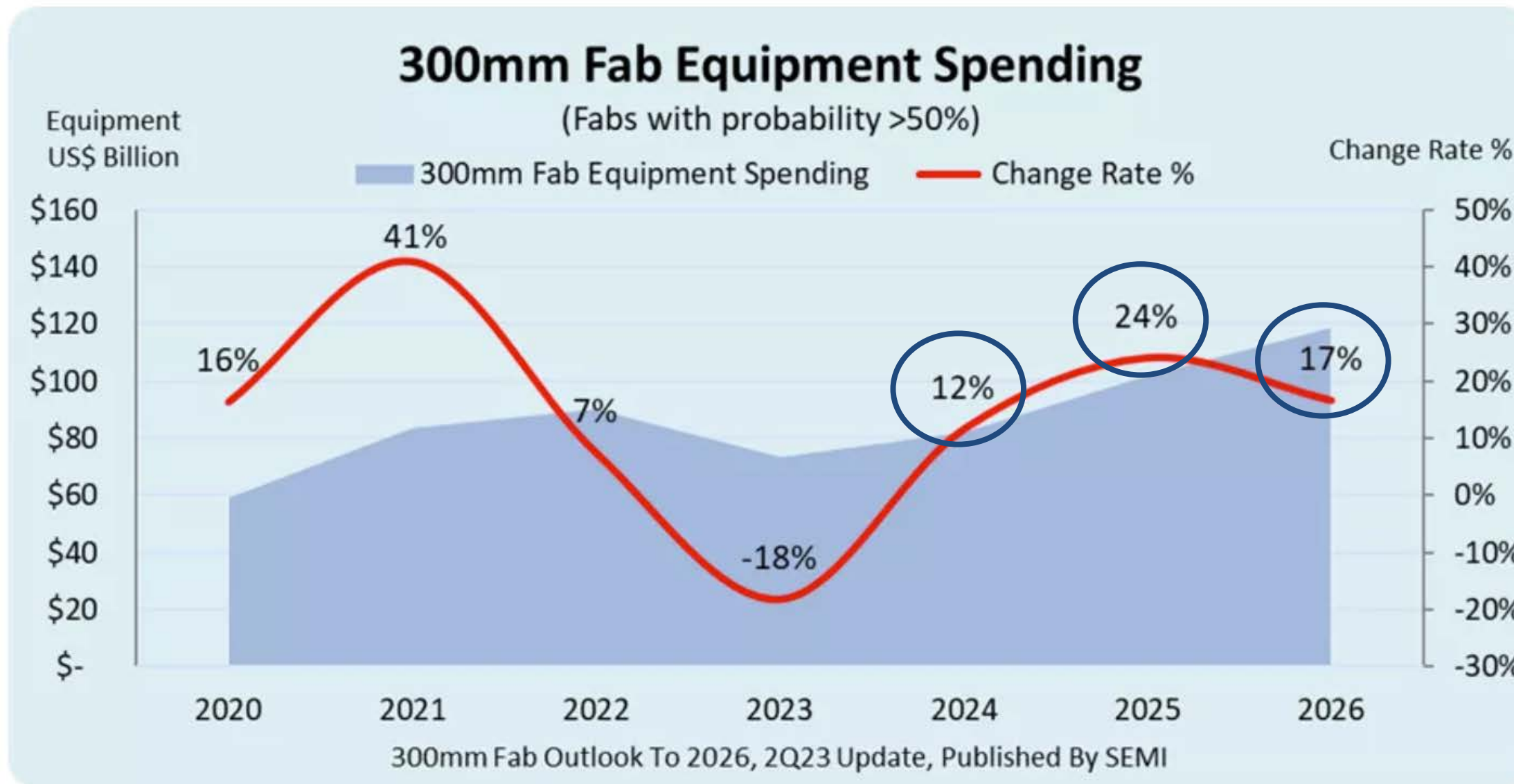
Feb 14, 2024

- In Q4 2023, electronics sales edged up 1% Year-over-Year (YoY), marking the first annual rise since the second half of 2022, and growth is projected to continue in Q1 2024 with a 3% YoY increase.
- At the same time, IC sales returned to growth with a 10% YoY jump in Q4 2023 as demand improved and inventories started to normalize. IC sales are forecast to strengthen in Q1 2024 with 18% YoY growth.
- Capital expenditures and fab utilization rates are expected to see a mild recovery starting in Q1 2024 after significant declines in the second half of 2023.

Source : <https://www.semi.org/en/news-media-press-releases/semi-press-releases/global-semiconductor-manufacturing-industry-poised-for-2024-expansion-semi-reports>

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



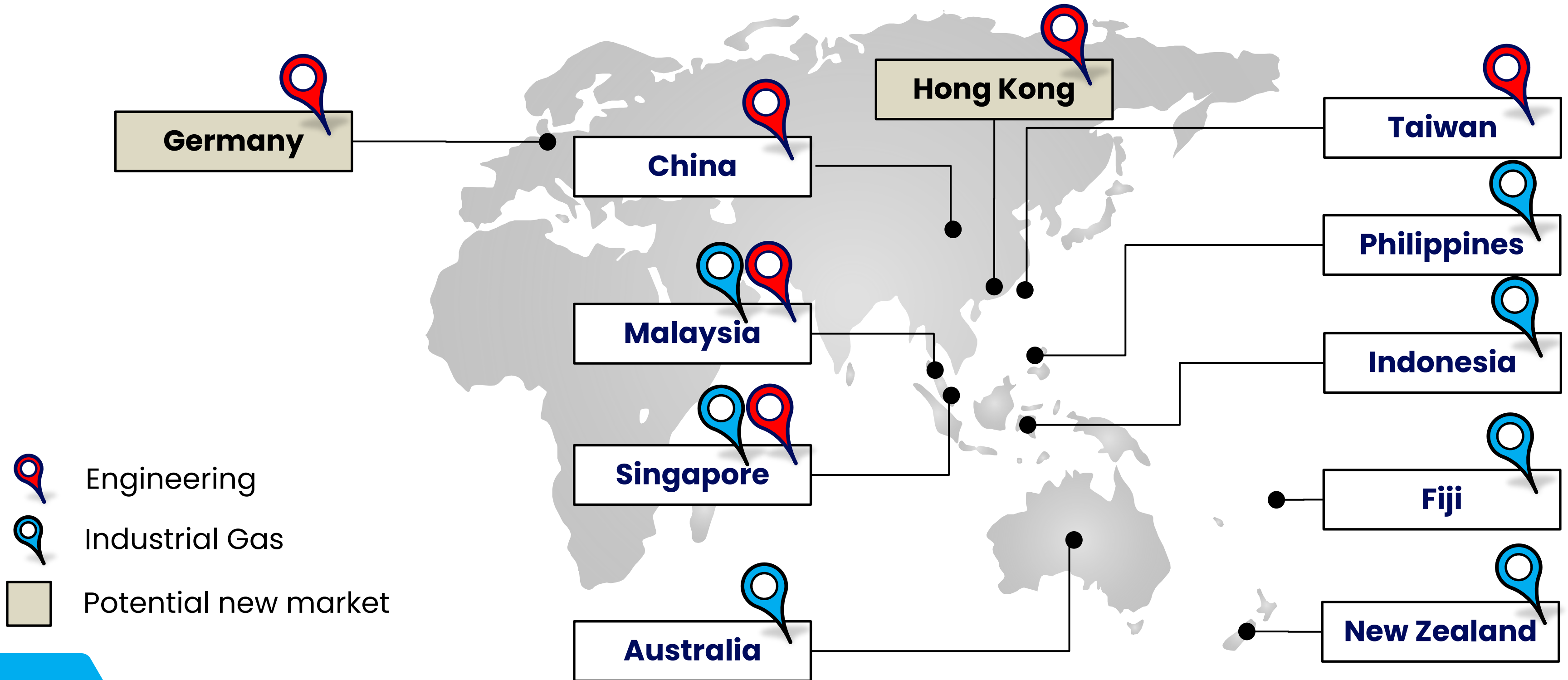
Changxin Xinqiao Storage Technology

Mammoth Chinese chip project raises another \$5bn

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

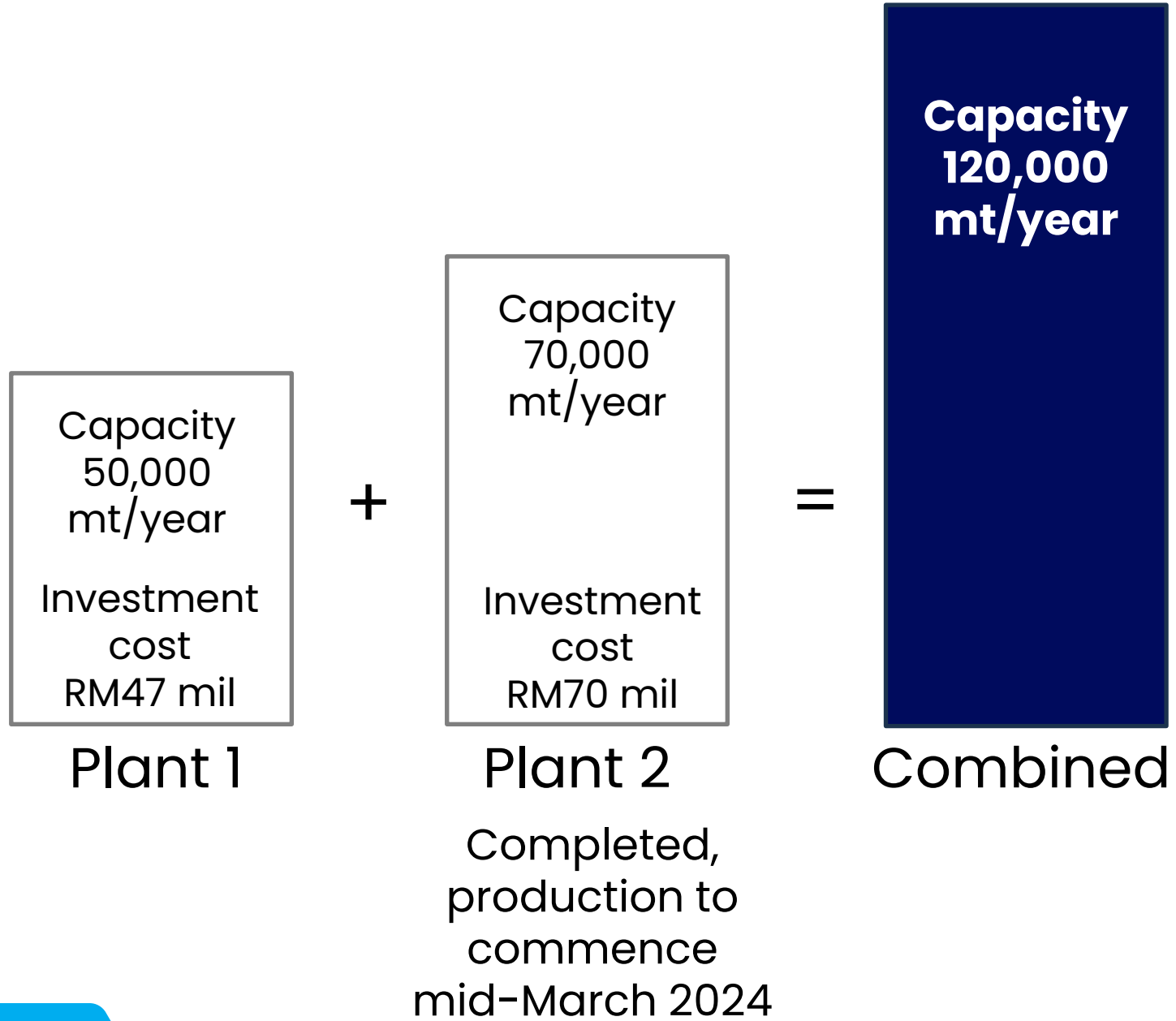
ENTERING NEW MARKETS

EXPANSION OF GEOGRAPHICAL REACH



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 December 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.

SECOND LC02 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

FTSE ESG RATING UPGRADED TO 4 - STAR

FTSE4 Good

Inclusion in
FTSE4Good Bursa
Malaysia Index since
December 2021.



Upgraded to a **4-star
ESG rating** following
the **December 2023**
review conducted by
FTSE Russell.

THANK YOU

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

