



healthy, friendly & happy ...

(Company No.: 7867-P)

Corporate Presentation

4Q20 Corporate Update & Financial Results

18 September 2020

IR Adviser





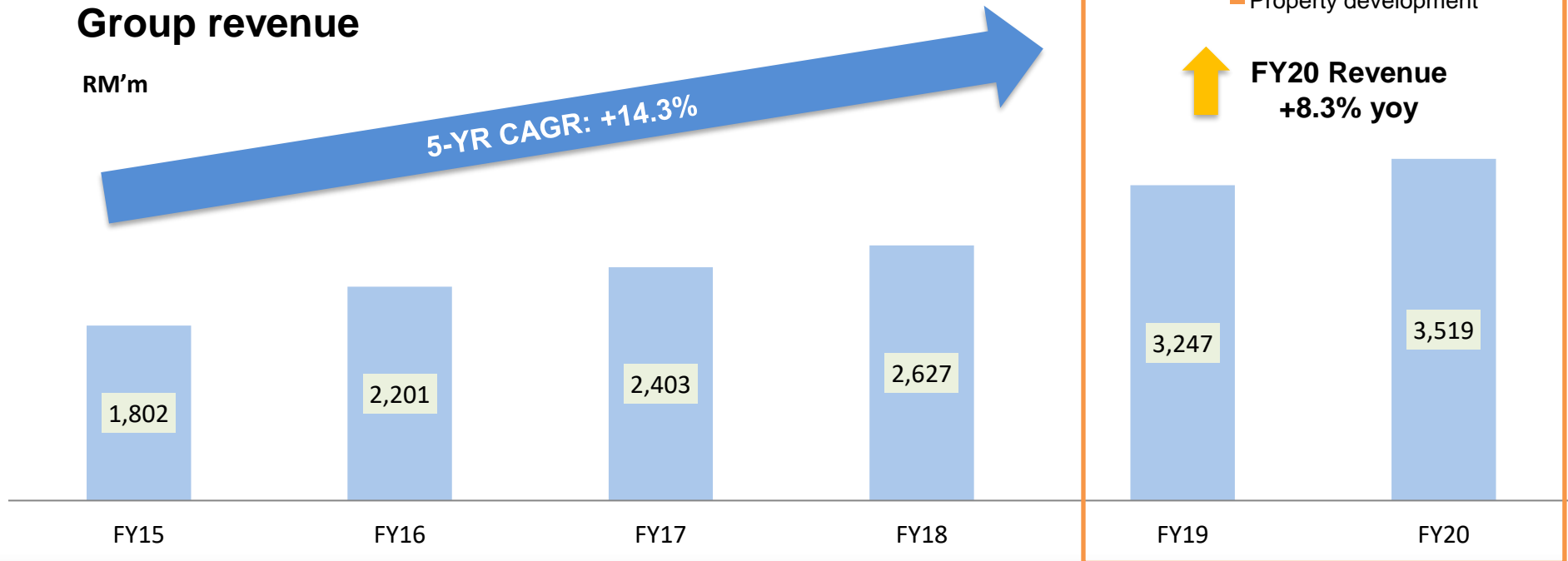
FINANCIAL PERFORMANCE

FY20 revenue reaches new high with both segments maintaining trajectory...

- ❖ Manufacturing revenue improved 8.2% on full year contributions from recently acquired converting businesses in the second half of FY19 (Daibochi & MPP)
- ❖ Higher sales of affordable homes contributed to 8.7% rise in property development revenue

Group revenue

RM'm



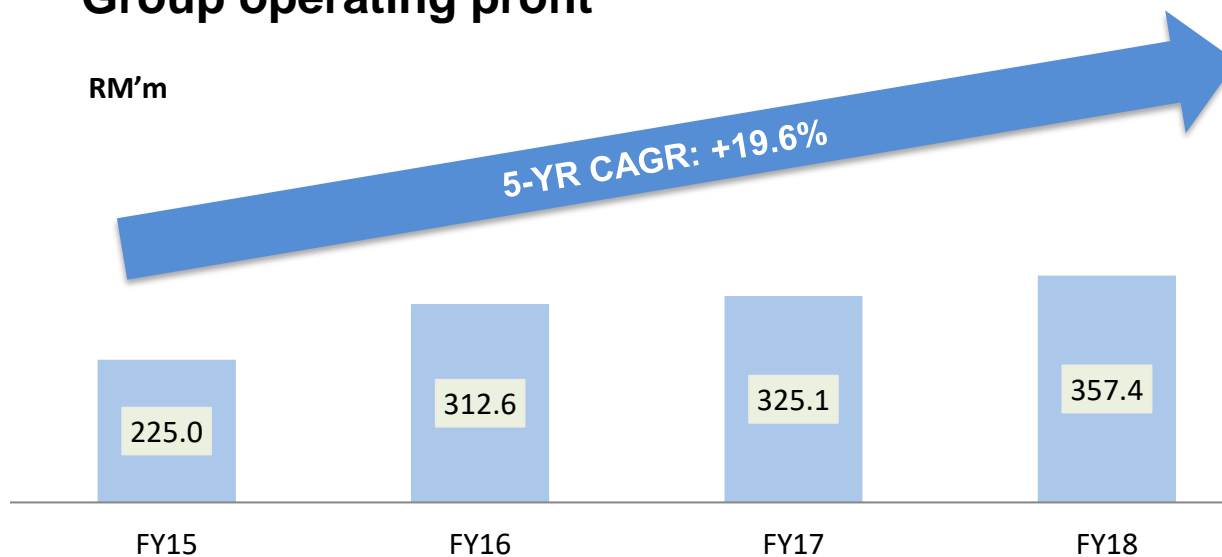
Revenue Performance

Operating profit outpaced revenue growth in FY20 on higher sales from both segments and encouraging margin improvements from manufacturing...

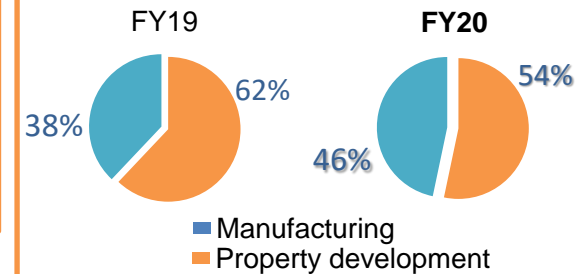
- ❖ Achieved 19.0% higher operating profit on:
 - ❖ Better manufacturing sales and product mix, supported by full-year contributions from converting segment
 - ❖ Improved manufacturing production efficiency
 - ❖ Stable progress billings and good take-up rates for new project launches led to growth in property development contributions

Group operating profit

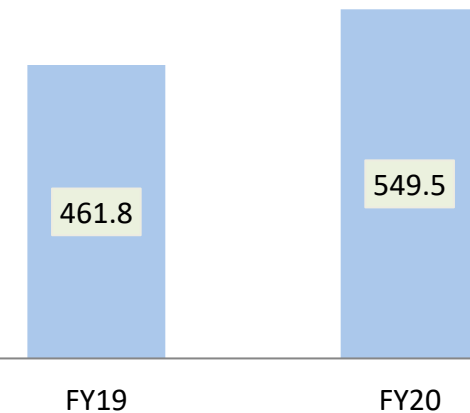
RM'm



Operating profit by segment



↑ FY20 Op. Profit
+19.0% yoy

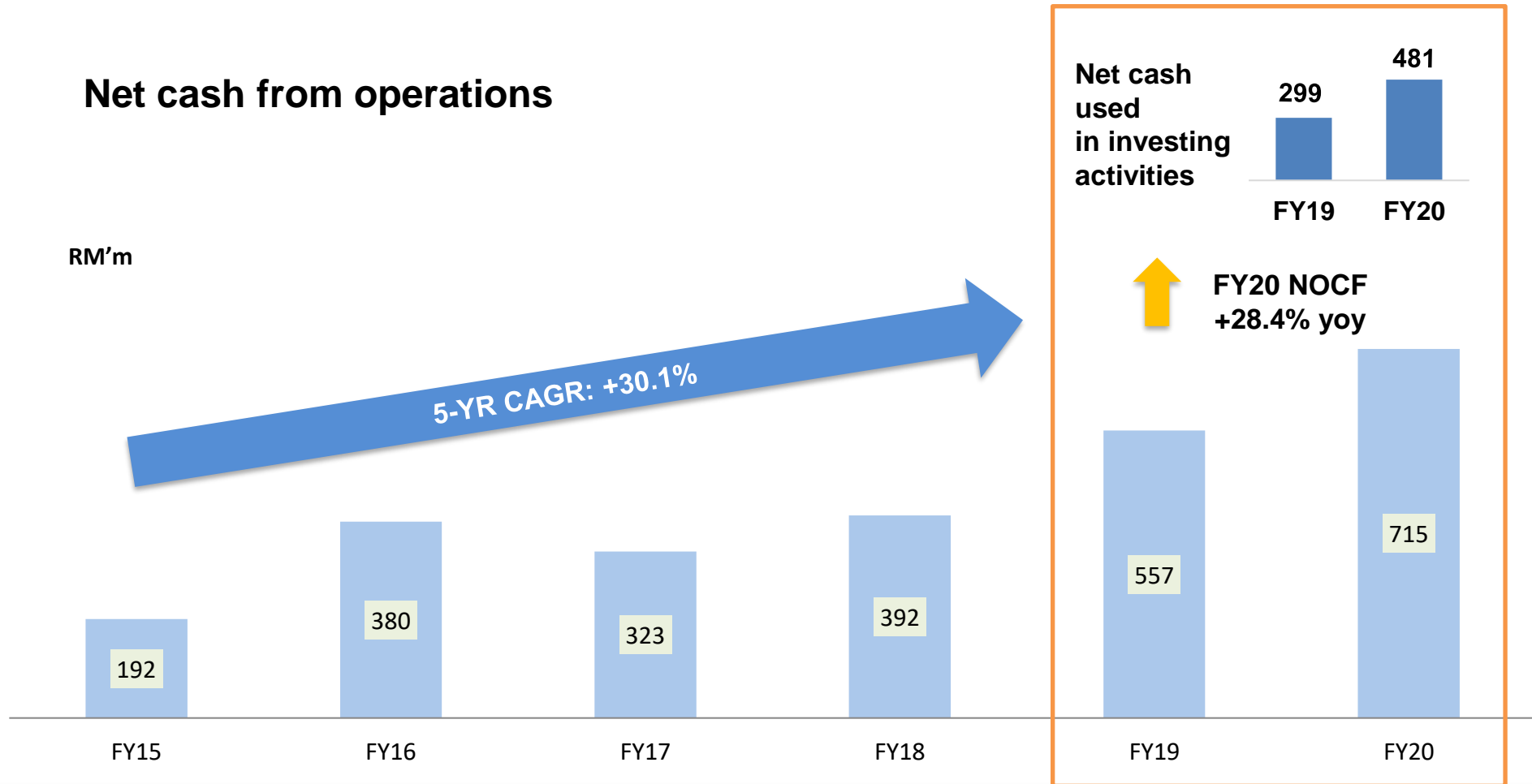


Profit Performance

Expanding operating cash flow enables substantial investments for growth...

Net cash from operations

RM'm



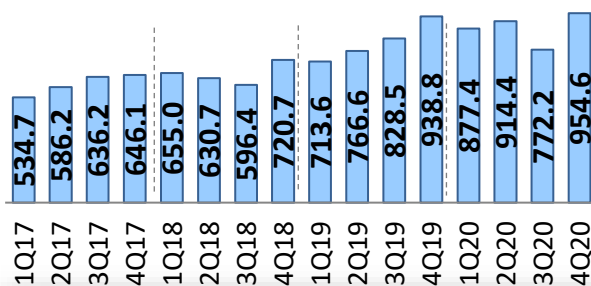
Cash Flow

Highest quarterly revenue and net profit in 4Q20 highlights resilience of business model amidst COVID-19 economic uncertainty

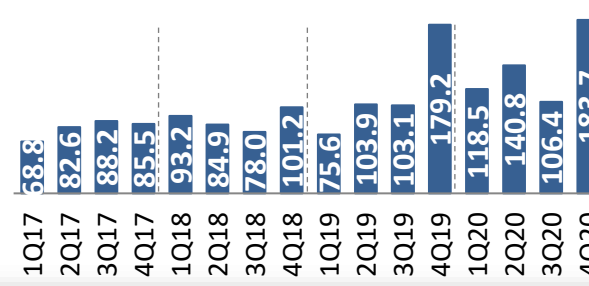
4Q20	4Q19	Change	RM'mil	FY20	FY19	Change	Remarks
954.6	938.8	1.7%	Revenue	3,518.6	3,247.4	8.3%	<ul style="list-style-type: none"> FY20 bottomline growth outpaced topline growth as higher manufacturing sales was complemented by favourable product mix and production efficiency, also noted good take up rate and stable progress billings for affordable residential projects
183.7	179.2	2.5%	Operating Profit	549.5	461.8	19.0%	
215.5	206.3	4.5%	EBITDA	671.3	558.4	20.2%	
184.2	176.6	4.3%	PBT	544.3	450.6	20.8%	
142.1	133.4	6.5%	PATMI	390.1	333.7	16.9%	
27.54	25.89	6.4%	Basic EPS (sen)	75.66	66.66	13.5%	<ul style="list-style-type: none"> 4Q20 followed similar trend as manufacturing sales remained stable, while property development contribution grew on strong progress billings as construction activity resumed
19.2%	19.1%	0.2 pt	OP margin	15.6%	14.2%	1.4 pt	
22.6%	22.0%	0.6 pt	EBITDA margin	19.1%	17.2%	1.9 pt	
19.3%	18.8%	0.5 pt	PBT margin	15.5%	13.9%	1.6 pt	
14.9%	14.2%	0.7 pt	Net margin	11.1%	10.3%	0.8 pt	

*percentages presented might not reflect absolute figures due to rounding

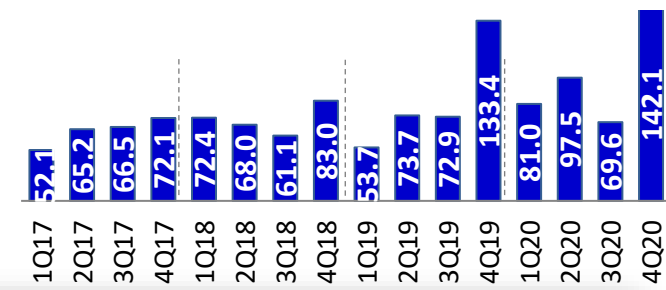
Quarterly Revenue (RM'm)



Quarterly Operating Profit (RM'm)



Quarterly PATMI (RM'm)



Income Statement Summary

Reduced net gearing levels even after acquisitions...

Balance Sheet (RM '000)	As at 31.07.2020	As at 31.7.2019	Remarks
Property, Plant & Equipment	1,322,579	1,247,750	
Investment Property & Other Investments	45,493	37,170	
Right-of-use Assets	7,477	-	Adoption of MFRS 16
Land Held & Property Development Costs	1,313,389	1,106,178	Due to landbanking exercise
Investment in Jointly Controlled Entity & Associated Company	71,150	83,634	
Inventories	364,170	321,168	
Trade & Other Receivables	716,039	734,890	
Cash & Bank Balances	413,244	257,644	Strong operational cashflow providing healthy cash reserves
Deferred Tax Assets	18,970	25,344	
Intangible Assets	338,077	293,703	Goodwill from Daibochi's acquisition of MPP
TOTAL ASSETS	4,610,588	4,107,481	
Trade & Other Payables	634,620	597,225	
Borrowings (ST + LT)	1,041,060	973,814	In line with recent landbank expansions
Tax & Deferred Tax	130,800	101,055	
Lease Liabilities	9,424	-	Adoption of MFRS 16
Shareholders' Equity	2,561,392	2,225,018	Higher retained earnings
Retirement Benefits Obligations	39,032	36,434	
Minority Interest	194,260	173,935	
Net Tangible Assets / Share (RM)	4.31	3.75	
Net Gearing	0.25x	0.32x	Gearing reduced even after acquisitions
TOTAL LIABILITIES	1,854,936	1,708,528	

Balance Sheet (Highlights)

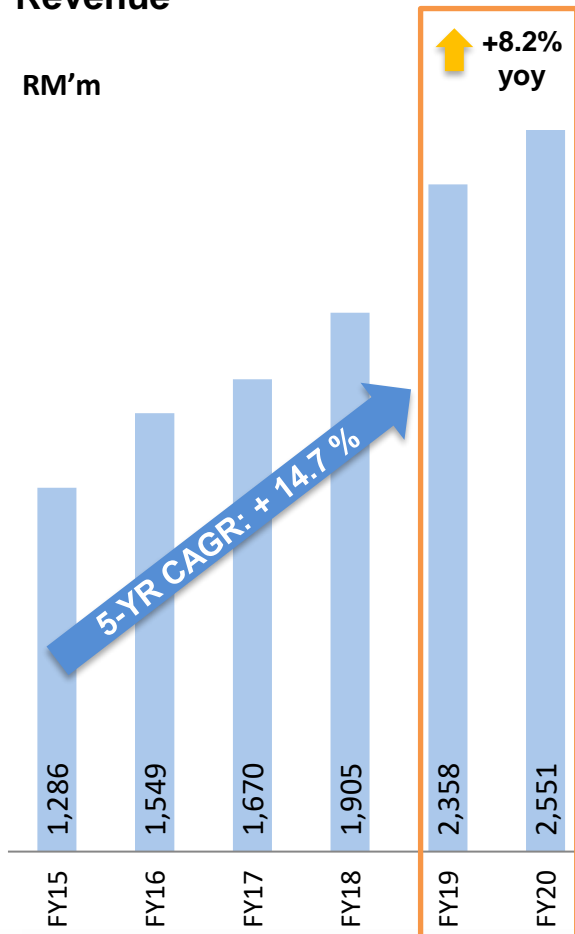


MANUFACTURING REVIEW

Manufacturing growth driven primarily by higher domestic sales in FY20... operating margin surges on favourable product mix and higher efficiency

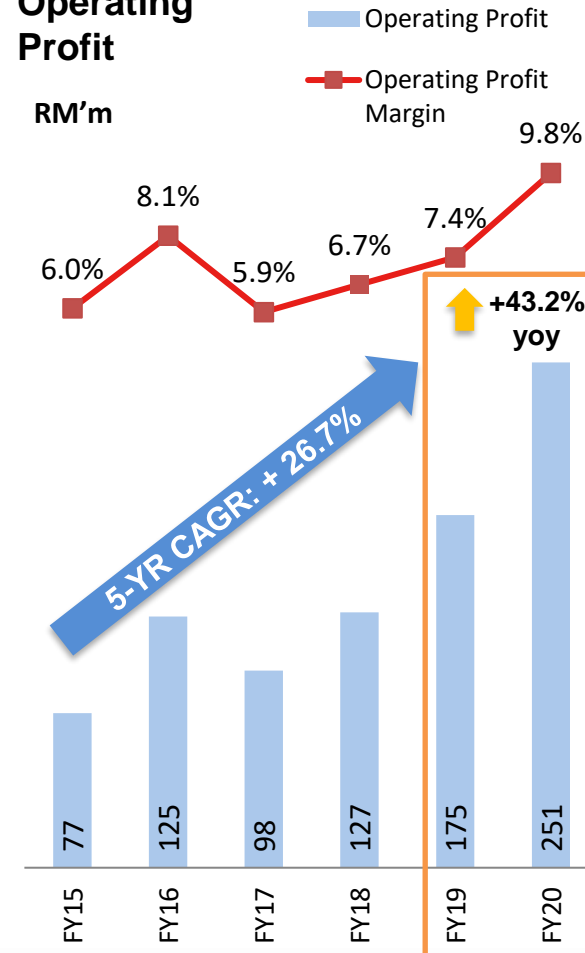
Revenue

RM'm



Operating Profit

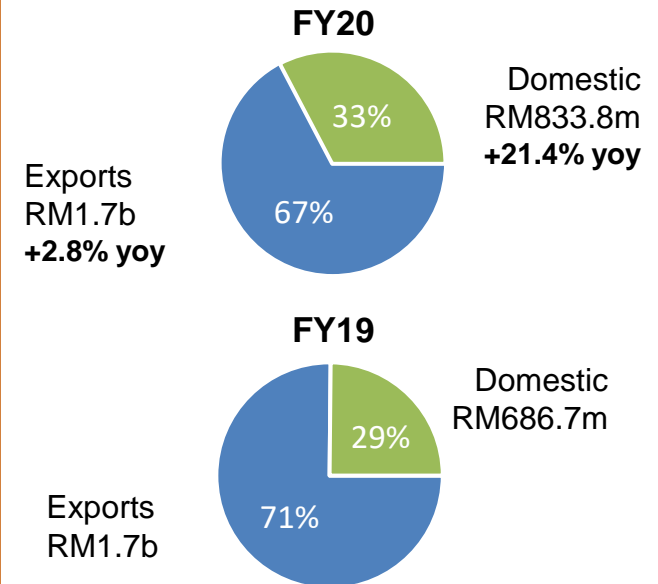
RM'm



Revenue

(by geography)

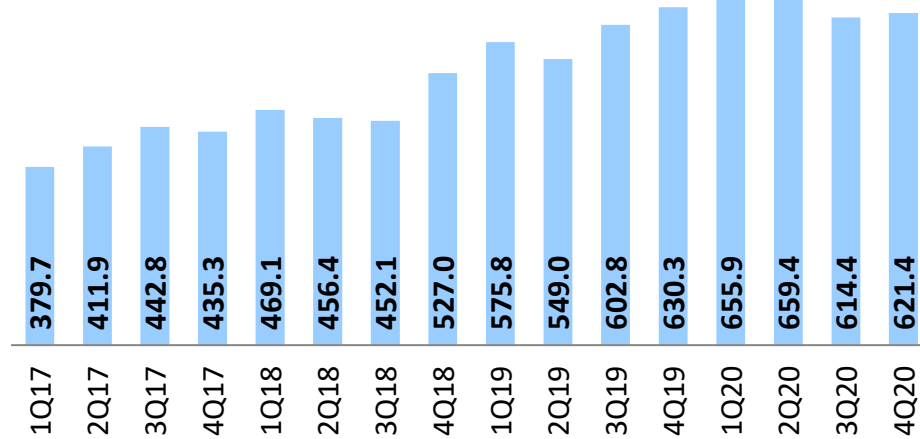
Overseas
Malaysia



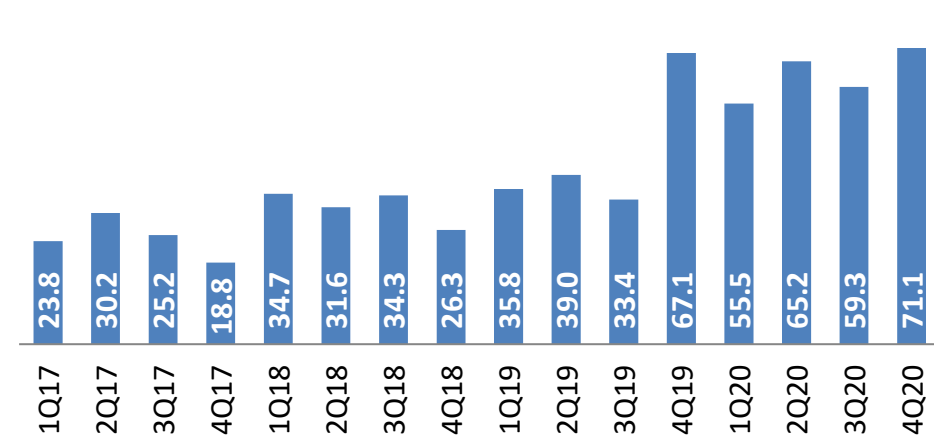
Segment Performance: Manufacturing

4Q20 revenue remained stable as higher domestic sales helped offset minor weakness in exports due to COVID-19... operating profit continues uptrend

Revenue
(Quarterly)



Operating Profit
(Quarterly)



19 Manufacturing Plants

Malaysia

Perak, Sungai Siput – PE Film & Bag
 Perak, Chemor – FFS Bag
 Selangor, Pulau Indah – Stretch Film
 Selangor, Pulau Indah – BOPP Film
 Selangor, Rawang – PE Film & Bag
 Selangor, Klang – PE Shrink Film
 Selangor, Klang – Agricultural Film
 Selangor, Klang – Stretch Film

Air Keroh, Melaka (Daibochi) – Converting
 Teluk Emas, Melaka (MPP) – Converting
 Melaka, Tanjung Kling – CPP & MCPP Film
 Jasin, Melaka – CPP & MCPP
 Melaka, Tanjung Kling – PP Strapping Band
 Selangor, Shah Alam – Automotive Interior
 Selangor, Pulau Indah – PU Adhesives
 Melaka, Bukit Rambai – Solar Encapsulant

Vietnam

Ho Chi Minh, Vietnam – Woven Bag & Raffia

Myanmar

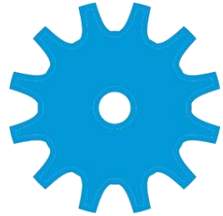
Yangon, Myanmar – Converting

USA

Phoenix, USA – Stretch Film

Growth Plans: Manufacturing

Focusing on building our fundamentals to maximise value...



EXPANDING CAPACITY

- Increasing economies of scale and enhanced competitiveness
- Capturing market growth
- Expanding distribution network



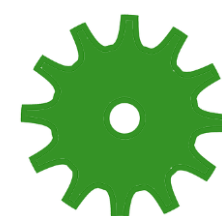
INCREASING CAPABILITIES

- Continuously improving competitive edge of products
- Meeting broader range of market applications



VALUE-ADDED PRODUCTS

- Moving up the value chain with value added products
- Plain films (downgauged, multi-layered film, barrier)
- Printing, laminating, bag making, pouch making



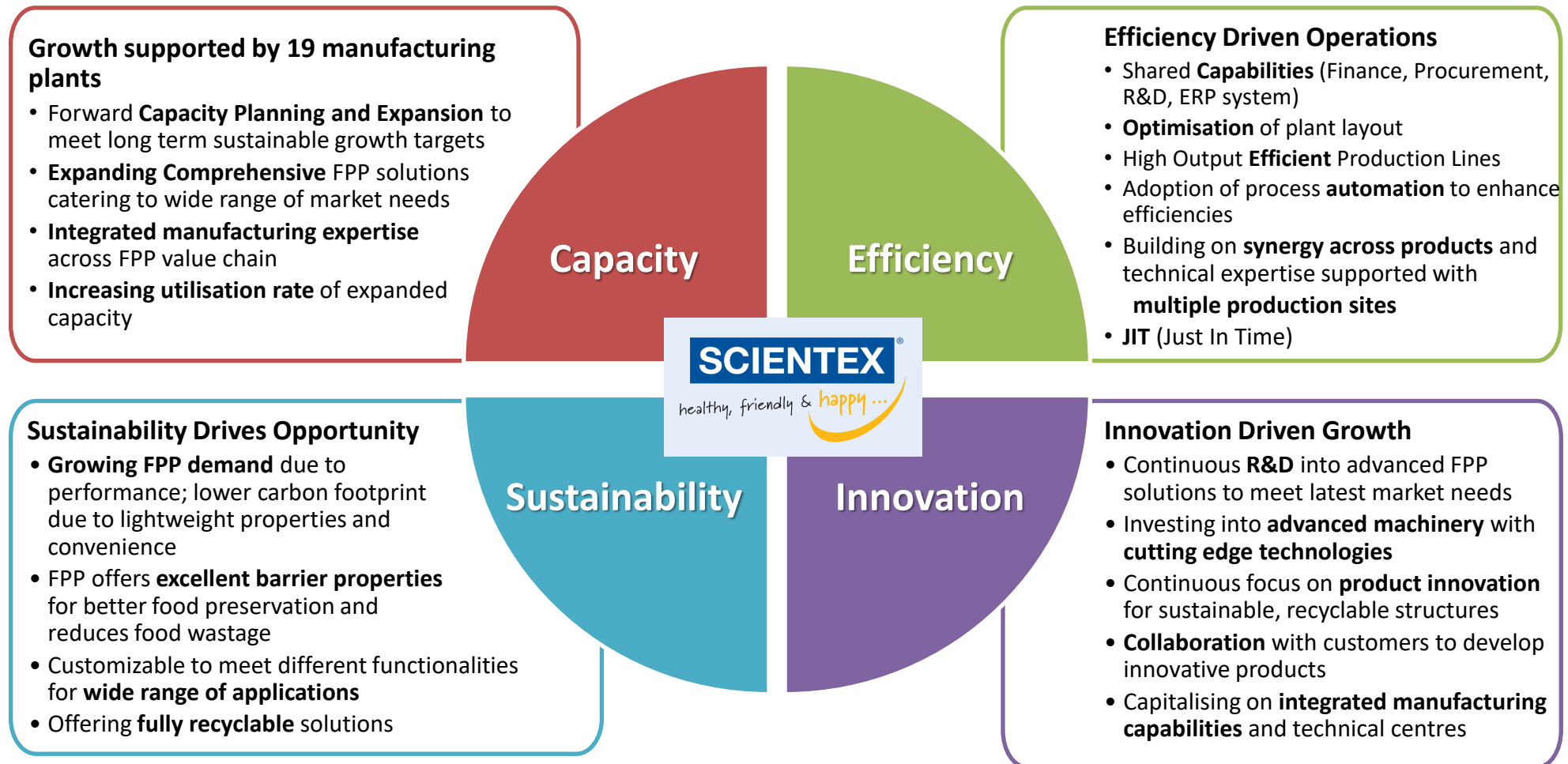
GOING DOWNSTREAM

- Reaching end customers through expanded business units
- Faster response to changing market trends
- Synergistic operations enable better customer service

E c o n o m i c E n g i n e

Growth Plans: Manufacturing

Continue to invest in capacities, capabilities and efficiencies to offer a diverse range of FPP across the value chain including innovative and sustainable solutions



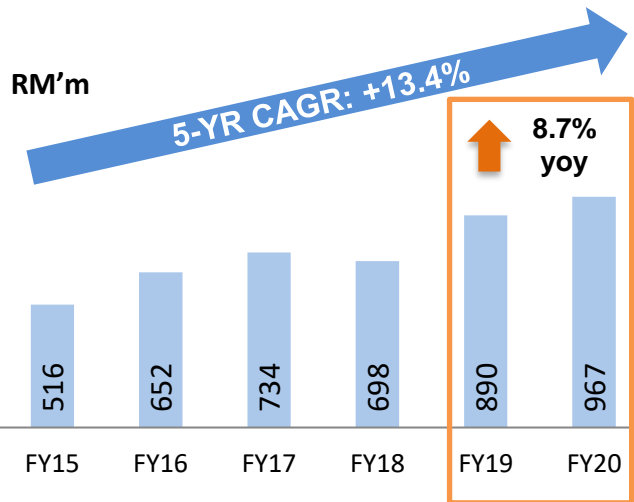
Growth Strategies: Manufacturing



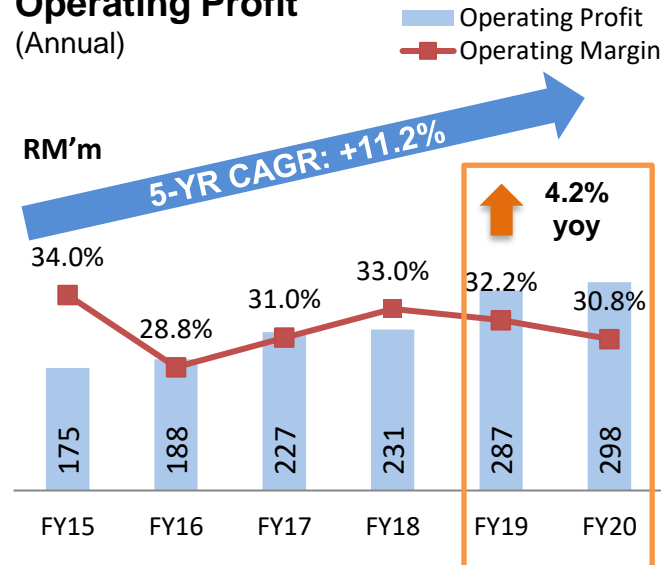
PROPERTY DEVELOPMENT REVIEW

Increasing property development revenue driven by robust demand for affordable homes across Peninsular Malaysia...

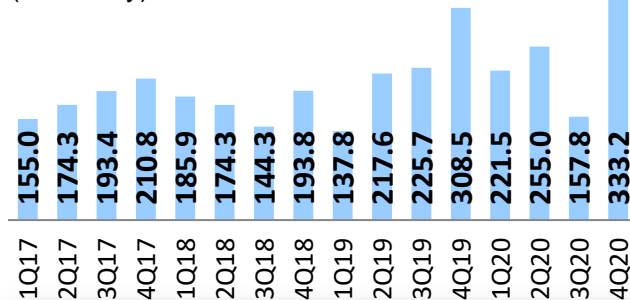
Revenue
(Annual)



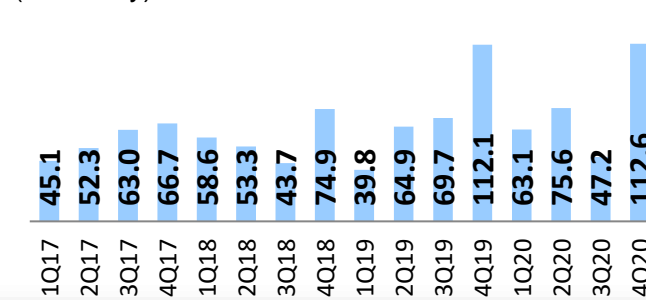
Operating Profit
(Annual)



Revenue
(Quarterly)



Operating Profit
(Quarterly)



RM885.2m GDV

launched in FY20

- 3,034 units across 15 launches in Senai, Pulai, Kulai, Pasir Gudang and Melaka



Targeting

RM1.6b GDV

new property launches in FY21

- 6,000 units across 24 launches

Segment Performance: Property Development

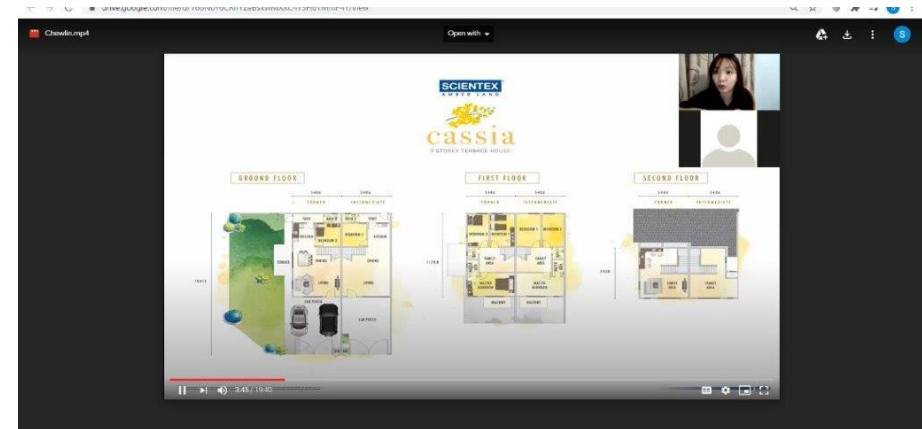
Adopting virtual solutions to complement sales and marketing efforts...



Social media interaction



Virtual live presentation



Zoom engagement with customers



Virtual showroom on Scientex website

Operations Review: Adapting to COVID-19 New Norm

Continuous landbanking expansion to further expand across Peninsular Malaysia...

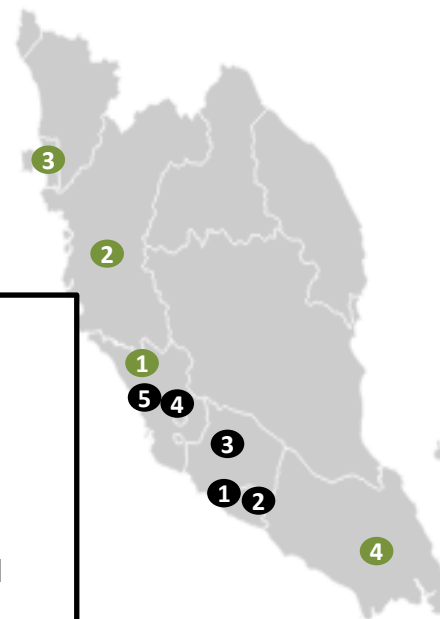
Completed in FY2020

- 1 Kundang Jaya, Selangor: 166.5 acres, RM123.3m
- 2 Ipoh, Perak: 22.8 acres, RM30.4 mil
- 3 Tasek Gelugor, Penang: 179.7 acres, RM109.6m
- 4 Kota Tinggi, Johor: 85.7 acres, RM39.2 m

To be completed in FY2021

- 1 Jasin, Melaka: 157.8 acres, RM75.6 mil
- 2 Jasin, Melaka: 1,357.5 acres, RM260.2 mil
- 3 Seremban, Negeri Sembilan: 108.5 acres, RM66.2 mil
- 4 Cheras, Selangor: 138.6 acres, RM96.6 mil
- 5 Kundang Jaya 2, Selangor, 17.6 acres, RM13.0m

Peninsular Malaysia



As at
4Q19*

19
developments

RM22.0B
GDV

3,795
acres

As at
4Q20*

23
developments

RM27.8B
GDV

5,504
acres

*Includes landbank pending completion

Growth Plans: Property Development

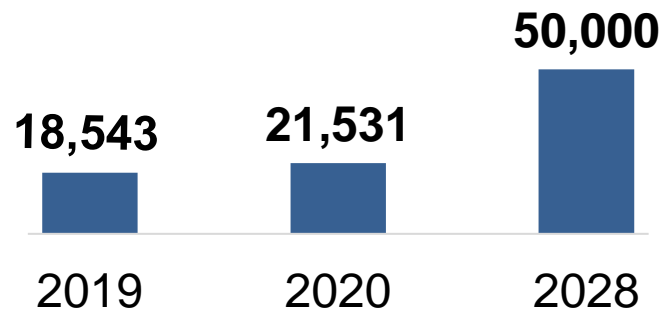
A focus on developing affordable homes to address the country's growing need for affordable housing...



Vision 2028

- ❖ To deliver **50,000** affordable homes to the public by 2028

Number of affordable homes built



Growth Strategies

- ❖ Continue cost optimization initiatives across value chain
- ❖ Core Principles are Speed, Cost and Quality
- ❖ Continue to explore landbank expansion
- ❖ Targeting RM1.6 billion new launches in FY2021
 - ❖ 6,000 units across 24 launches

Growth Strategies: Property Development



INVESTMENT MERITS

A high-growth proposition all-round... attractive proxy to the burgeoning packaging sector and Malaysia's affordable property market

Regional leader in total solutions for packaging

- Among top producers of FPP in the world from stretch film to custom films such as BOPP, PE and CPP films for laminated packaging products
- Scientex's acquisition of Daiboichi positions the Group as one of the very few FPP players that are capable of achieving circular chain of plastic economy

Property division grows strength to strength

- A leading player in affordable housing in the country
- Most projects achieve overwhelming take-up within 6 months
- Expanded into Klang Valley and Northern region to tap into sizeable demand for affordable homes
- Ongoing & future GDV stands at RM21.8b

Growth-centric management with global mindset

- Excellent track record in executing expansion plans both locally and overseas
- Successfully undertaken acquisitions of Great Wall Plastics, Seacera Polyfilms, Mondi Ipoh, and KHPI; recently completed acquisition of Daiboichi a key piece of puzzle in a circular chain economy
- Presence in US, Vietnam, Malaysia, Myanmar, Australia, Japan, Indonesia and Singapore; exports to over 60 countries, and growing

Dividend Policy

- Consistently paid dividend since 2001
- 30% dividend payout policy effective 2011

Valuations @ 14 September 2020

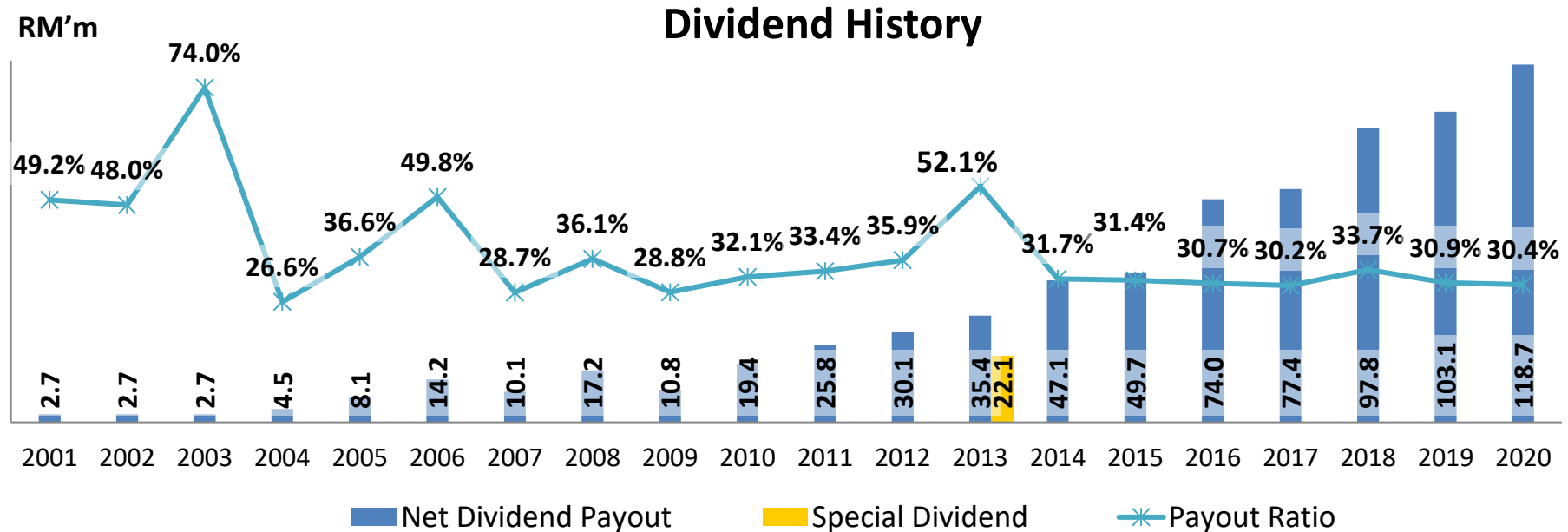
Share Price (RM)	9.00
Market Cap (RM 'mil)	4,642.9
Market Cap (USD 'mil)	1,118.8
PE (ttm)	11.9
EV/EBITDA (ttm)	8.2
FY20 Dividend Yield	2.6%

Share Price Performance (13 September 2019 to 14 September 2020)



Investment Merits

Recommended final dividend of 13 sen per share in respect of FY2020...



□ **FY2019 Dividend:** Total Dividend of 20 sen

□ **FY2020 Dividend:**

- Paid interim dividend of 10 sen per share on 23 July 2020
- Proposed final dividend of 13 sen per share subject to shareholders' approval

Dividend Policy:
Minimum 30% of Net Profit
(effective FY2011)

Dividend History



Thank You

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