



(Company No.: 7867-P)

Corporate Presentation

FY23 Corporate Update & Financial Results

20 September 2023

IR Adviser

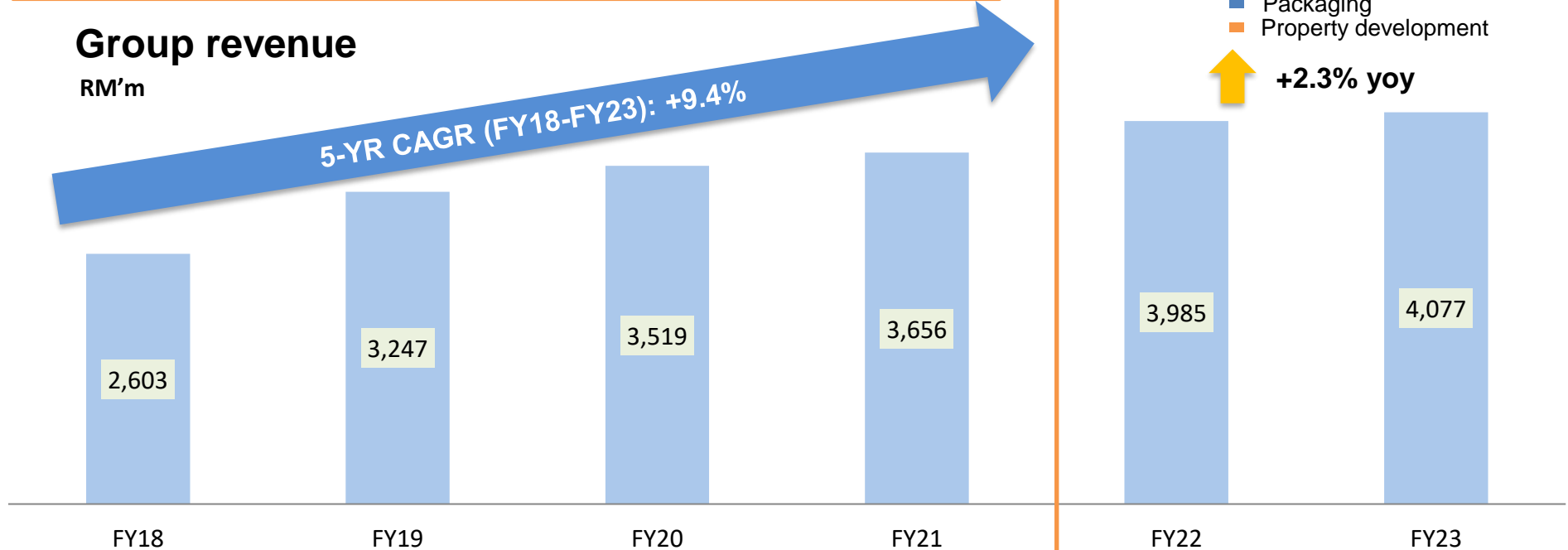
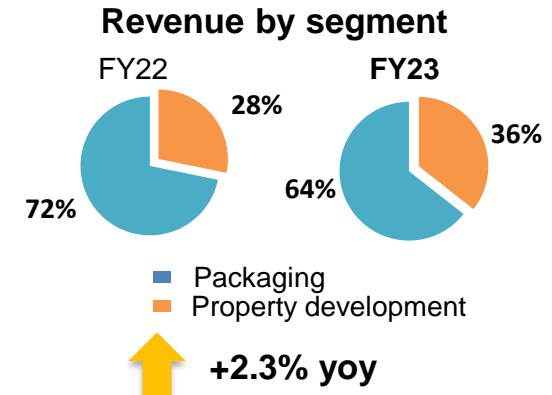




FINANCIAL PERFORMANCE

Record high revenue in FY2023 fueled by increased property development contribution... offsetting effect of softer global market for packaging products

- ❖ FY23 packaging revenue decreased 8.2% yoy on lower sales due to soft market demand
- ❖ Property development revenue improved 29.1% due to higher sales and healthy construction progress of affordable property developments, as well as strong take up for new project launches



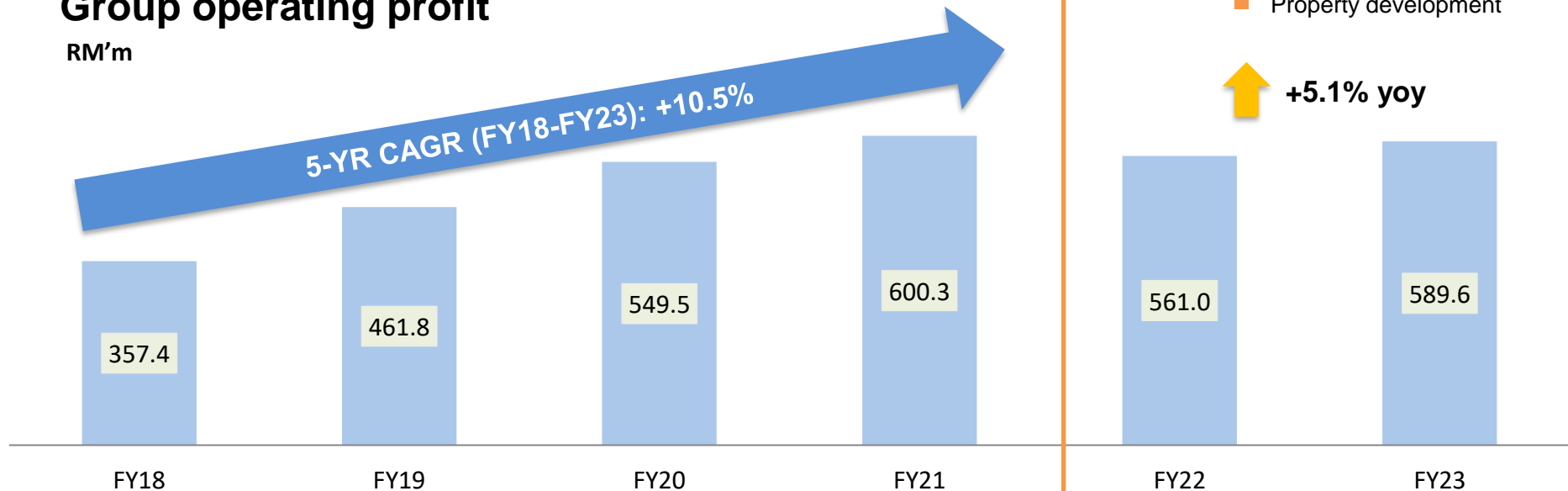
Revenue Performance

Operating profit growth in FY2023 driven by property development segment...

❖ FY23 operating profit increased 5.1% yoy due to enhanced property development performance, offsetting reduced contribution from packaging division

Group operating profit

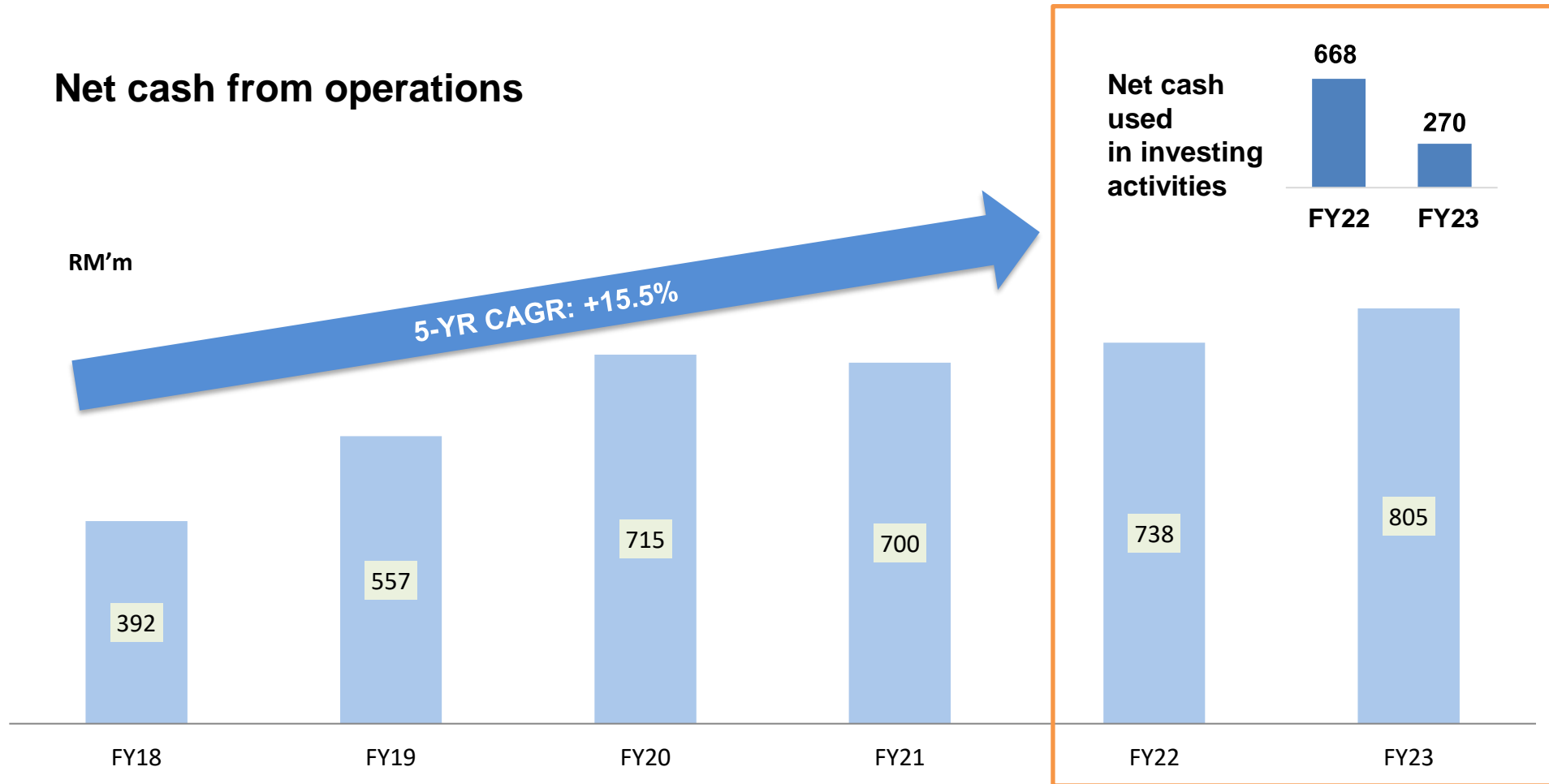
RM'm



Profit Performance

Maintained strong operating cashflow due to resilient contribution from twin-core businesses... continued investments for long term growth

Net cash from operations



Cash Flow

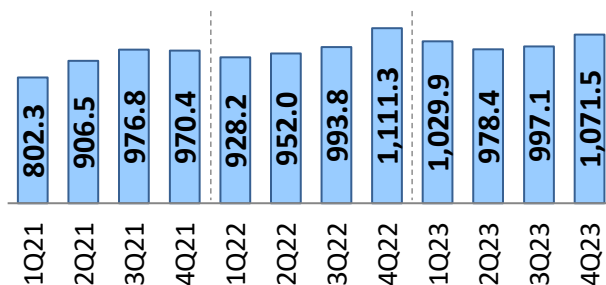
FY2023 results on firm footing with record high revenue and 6.9% net profit growth...

4Q23	4Q22	Change	RM'mil	FY23	FY22	Change	Remarks
1,071.5	1111.3	(3.6%)	Revenue	4,076.9	3,985.3	2.3%	
148.9	178.7	(16.6%)	Operating Profit	589.6	561.0	5.1%	
184.6	208.0	(11.2%)	EBITDA	726.1	683.2	6.3%	
145.6	173.6	(16.1%)	PBT	568.7	548.3	3.7%	
114.9	125.0	(8.1%)	PATMI	438.1	409.9	6.9%	
7.41	8.06	(8.1%)	Basic EPS (sen)	28.25	26.43	6.9%	
13.9%	16.1%	(2.2 pt)	OP margin	14.5%	14.1%	0.4 pt	
17.2%	18.7%	(1.5 pt)	EBITDA margin	17.8%	17.1%	0.7 pt	
13.6%	15.6%	(2.0 pt)	PBT margin	13.9%	13.8%	0.2 pt	
10.7%	11.2%	(0.5 pt)	Net margin	10.7%	10.3%	0.5 pt	

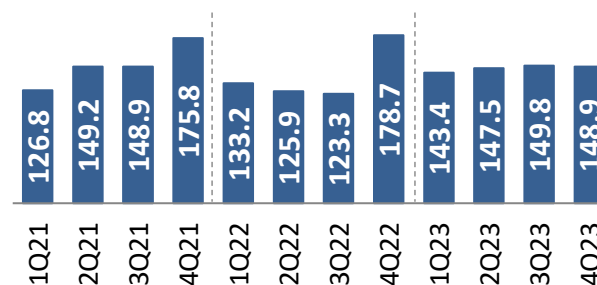
- FY23 revenue reflected higher contribution from property development, while packaging contribution tracked softer demand in global markets
- FY23 improved due to increased contribution from property division, driven by higher sales and steady construction progress. Packaging division contribution was lower due to softer demand, higher operating cost and goodwill impairment

*percentages presented might not reflect absolute figures due to rounding

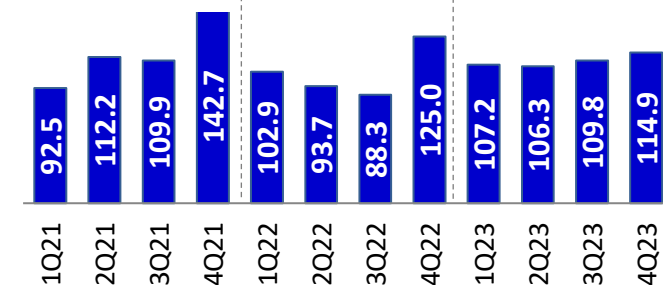
Quarterly Revenue (RM'm)



Quarterly Operating Profit (RM'm)



Quarterly PATMI (RM'm)



Income Statement Summary

Robust balance sheet with healthy net gearing of 0.2x...

Balance Sheet (RM '000)	As at 31.07.2023	As at 31.07.2022	Remarks
Property, Plant & Equipment	1,558,202	1,463,755	Increase in packaging machinery
Investment Property & Other Investments	23,476	22,634	
Right-of-use Assets	5,017	4,917	
Land Held & Property Development Costs	1,882,796	2,030,331	Due to project launch and progress
Investment in Jointly Controlled Entity & Associated Company	117,519	102,822	
Inventories	377,055	449,350	
Trade & Other Receivables	1,060,431	871,867	
Cash & Bank Balances	166,411	191,177	Mainly due to better cash management
Deferred Tax Assets	9,286	7,279	
Intangible Assets	305,022	330,423	
TOTAL ASSETS	5,505,215	5,474,555	
Trade & Other Payables	879,365	820,319	
Borrowings (ST + LT)	836,840	1,171,475	
Tax & Deferred Tax	127,238	123,290	
Lease Liabilities	7,012	5,870	
Shareholders' Equity	3,392,218	3,109,596	Higher retained earnings
Retirement Benefits Obligations	48,415	45,943	
Minority Interest	214,127	198,062	
Net Tangible Assets / Share (RM)	1.99	1.79	
Net Borrowings	670,429	980,298	
Net Gearing	0.20x	0.32x	
TOTAL LIABILITIES	1,898,870	2,166,897	

Balance Sheet (Highlights)

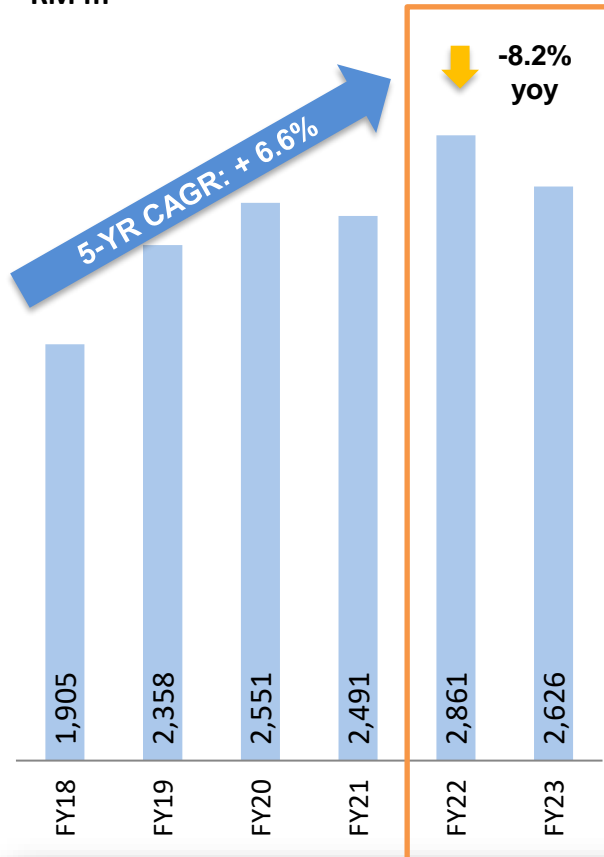


PACKAGING REVIEW

Packaging revenue moderated by softer global demand... faced higher operating costs and goodwill impairment on Myanmar operations

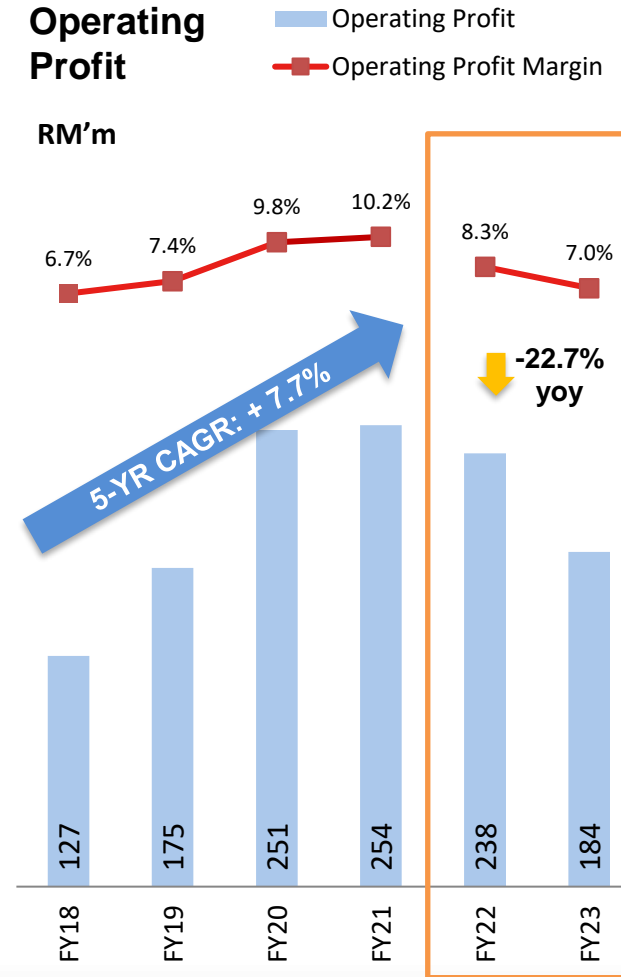
Revenue

RM'm



Operating Profit

RM'm



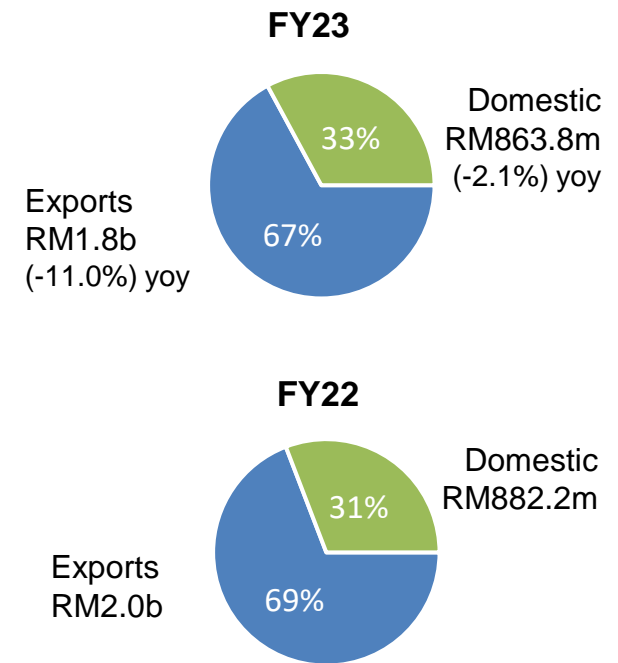
Operating Profit

Operating Profit Margin

Revenue

(by geography)

Overseas
Malaysia

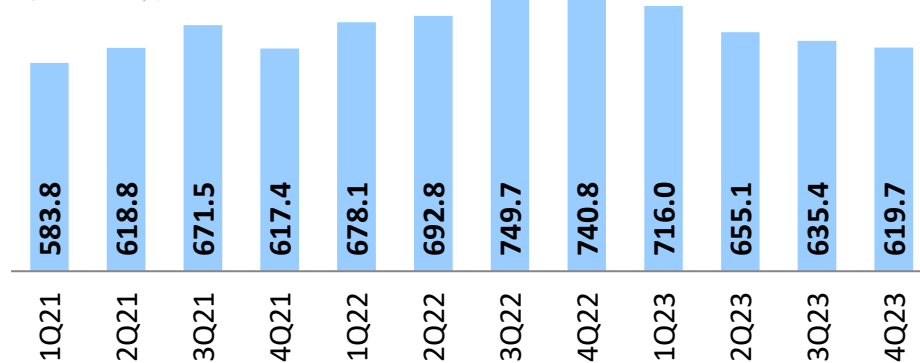


Note: FY23 results include goodwill impairment on Myanmar operations of RM22.7 million

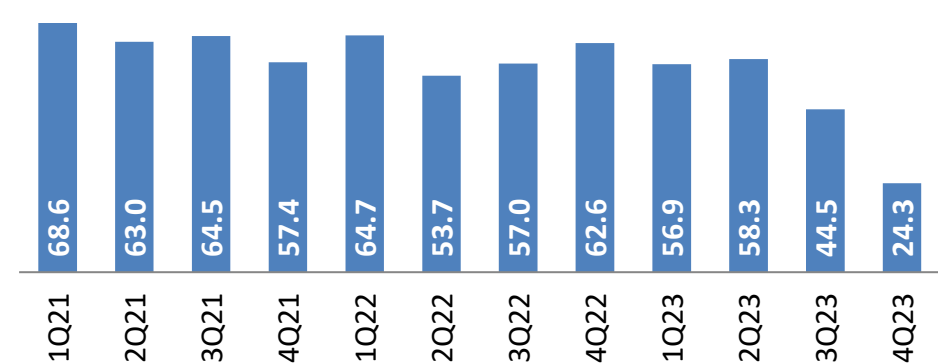
Segment Performance: Packaging

Packaging performance largely stable QoQ after excluding goodwill impairment on Myanmar operations...

Revenue
(Quarterly)



Operating Profit
(Quarterly)



Note: 4Q23 results include goodwill impairment on Myanmar operations of RM22.7 million

18 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, Shah Alam – Robotic Stretch Film Plant
 Selangor, Pulau Indah – PU Adhesives

Selangor, Kajang – Converting
 Melaka, Ayer Keroh – Converting
 Melaka, Teluk Emas – Converting
 Melaka, Tanjung Kling – CPP & MCPP Film
 Melaka, Jasin – CPP & MCPP
 Melaka, Tanjung Kling – PP Strapping Band
 Melaka, Bukit Rambai – Solar Encapsulant

Vietnam

Ho Chi Minh, Vietnam – Woven Bag & Raffia

Myanmar

Yangon, Myanmar – Converting

USA

Phoenix, USA – Stretch Film

Operations Review: Packaging

Implementing advanced packaging technologies and automation for enhanced competitiveness...



Automated Bag Making Machine at Ayer Keroh Plant

- New automated bag making line expected to commence operations in Q4 CY2023, enhancing our capacity and capabilities for pet food packaging.
- Adoption of advanced technology and automation:
 - Optimized production quality
 - increased productivity & efficiency
 - Reduced labour requirement
 - Enhanced competitiveness

Adopting solar energy solutions at manufacturing sites for increased sustainability and mitigation of rising energy costs...



Roof top solar panel installation
at Klang manufacturing plant

- Commenced installation of second rooftop solar photovoltaic (PV) panel project at Klang plant in 3Q CY23; expected completion in 4Q CY23
- Adoption of solar PV helps reduce carbon footprint through sustainable energy generation and consumption, and mitigate rising energy cost

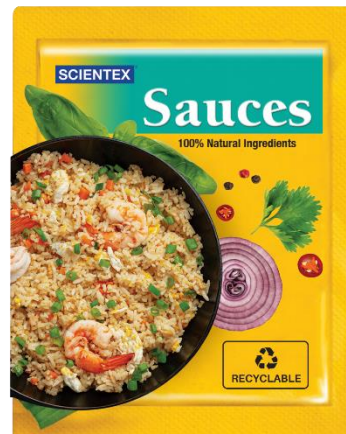
Scientex a leader in innovative packaging solutions... enabling customers' sustainability goals



- **Leader in innovation** and development of flexible plastic packaging (FPP) solutions; providing value-added products customised to customers' needs and market trends
- Solutions are customer-centric, recyclable, and support customers' **sustainability goals**; continuous innovations to bring **enhanced competitive edge** for customers
- **Integrated operations** offer advantages of **rapid development, flexibility, and cost**
- Embedding sustainable practices across operations and contributing meaningfully towards developing plastic circularity as a **responsible FPP manufacturer**

Growth Strategies: Packaging

Developing new range of recyclable packaging solutions catering to various product applications...



- Continuous development of recyclable packaging solutions for F&B and FMCG segments
- Mono material laminated packaging that meets various properties and barrier requirements
- Increasing applications across a variety of packaging formats and product segments

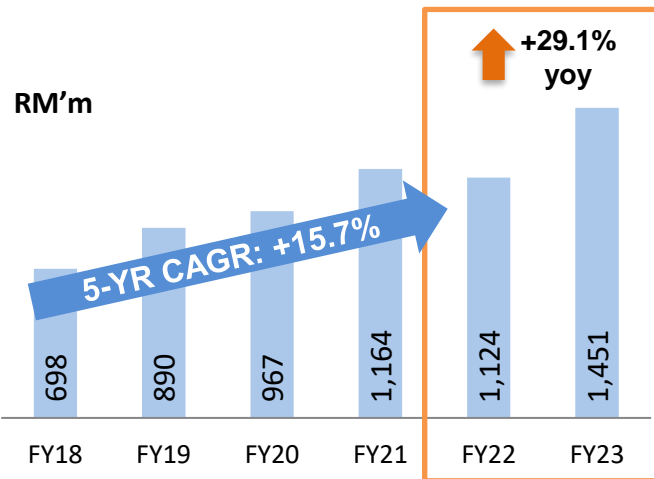
Growth Strategies: Packaging



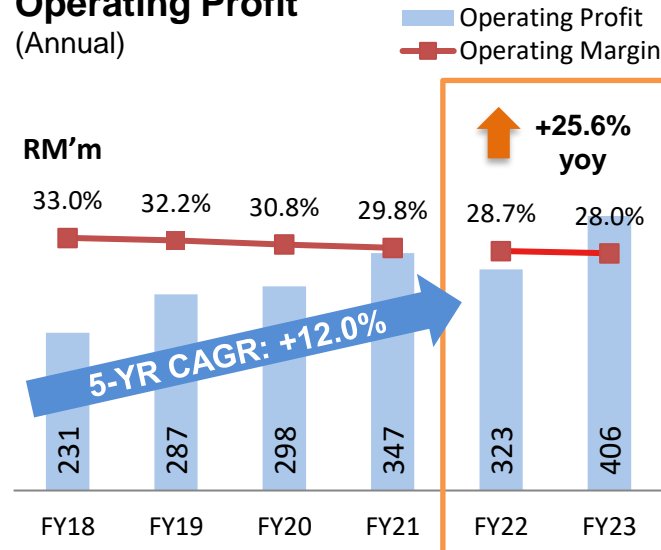
PROPERTY DEVELOPMENT REVIEW

Property division registering double-digit growth on strong demand for affordable homes and steady construction progress...

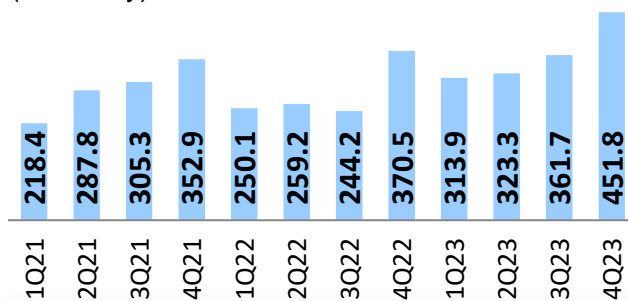
Revenue
(Annual)



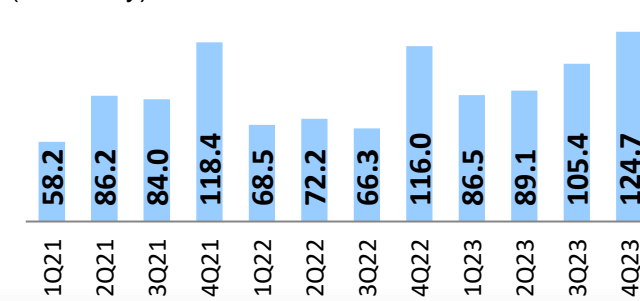
Operating Profit
(Annual)



Revenue
(Quarterly)



Operating Profit
(Quarterly)



RM2.1b GDV

launched in FY23

- 6,608 units across 26 launches in Kedah, Penang, Ipoh, Selangor, Melaka, Negeri Sembilan, and Johor



Segment Performance: Property Development

Launched second affordable homes project in Penang to meet growing market demand...



2-storey terrace houses

Launched maiden project in Sungai Dua (343-acre)

- Launched first phase in June 2023
- 309 units 2-storey terrace house
- GDV of RM81.4 million



Operations Review: New Property Launches

Expanding affordable housing developments to tap into Indonesia's vast and populous market...



Expanded into Jakarta, Indonesia

- Entered into joint venture with Mustika Land and Creed Group to build affordable homes in Jakarta, Indonesia
- Phase 1 development size: 12 acres
- Expected commencement: early-2024
- 400 affordable landed homes
- GDV: approx. USD19 million

Continuing to expand landbank via cross-border growth strategy...

Completed in FY2022 (567 acres)

- 1 Kundang Jaya, Selangor: 22 acres, RM17.4 mil
- 2 Pulai, Johor: 202 acres, RM184.7 mil
- 3 Northern Seberang Perai: 343 acres, RM246.7 mil

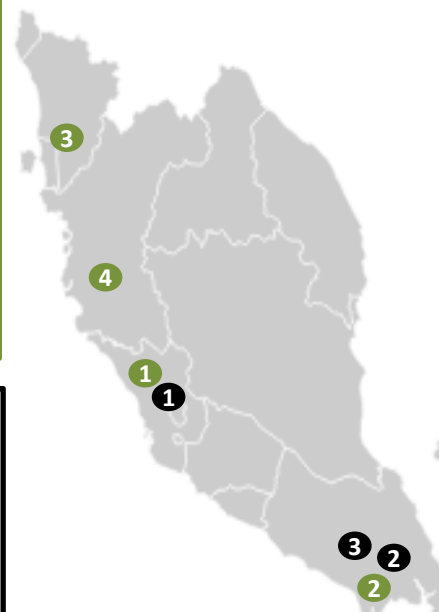
Completed in FY23 (219 acres)

- 4 Klebang, Ipoh: 219 acres, RM66.9 mil

Pending Completion (1,762 acres)

- 1 Jenjarom, Selangor: 251 acres, RM207.6 mil
- 2 Mukim Tebrau, Johor: 960 acres, RM547.7 mil
- 3 Kulai, Johor: 551 acres, RM299.8 mil

Peninsular Malaysia



As at
FY22*

28
developments

RM32.9B
Potential GDV

6,705
acres

As at
FY23*

32
developments

RM41.9B
Potential GDV

8,216
acres

*Includes landbank pending completion; potential GDV and acres do not include overseas JV development

Growth Strategies: Property Development

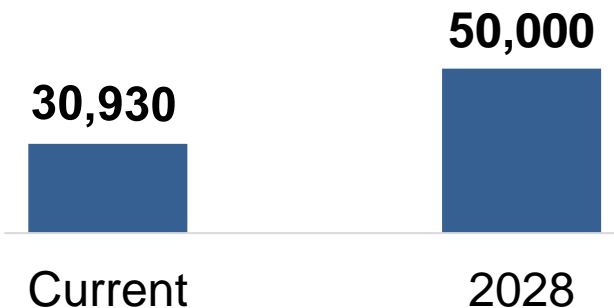
Aiming to provide high-quality, reasonably priced homes to meet Malaysia's growing need for affordable housing...



Vision 2028

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

Number of affordable homes built



Growth Strategies

- ❖ Implementing cost optimisation initiatives across value chain
- ❖ Prioritising three main pillars: Speed, Cost and Quality
- ❖ Continuously engaging in strategic landbank expansion

Growth Strategies: Property Development



INVESTMENT MERITS

Twin growth engines with further potential to expand... 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
- Among the very few FPP players capable of achieving circular chain of plastic economy and providing highly demanded sustainable packaging solutions

Property division continues expanding

- A leading developer of affordable homes in Malaysia
- Overwhelming take-up achieved from most projects within 6 months
- Expanded further across Peninsular Malaysia for affordable homes, as well as other Southeast Asia countries
- Ongoing & future GDV stands at RM33.2b

Growth-oriented management with global mindset

- Vast experience in executing strategic expansion plans across both domestic and international markets
- Successfully undertaken acquisitions of Great Wall Plastics, Seacera Polyfilms, Mondi Ipoh, KHPI, SPAK (formerly Daibochi), Mega Printing & Packaging and Taisei Lamick Malaysia
- Manufacturing presence in Malaysia, Vietnam, Myanmar, and US, with sales offices in 9 countries across Asia Pacific and US; exports to over 60 countries

Dividend Policy

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

Valuations @ 15 Sept 2023

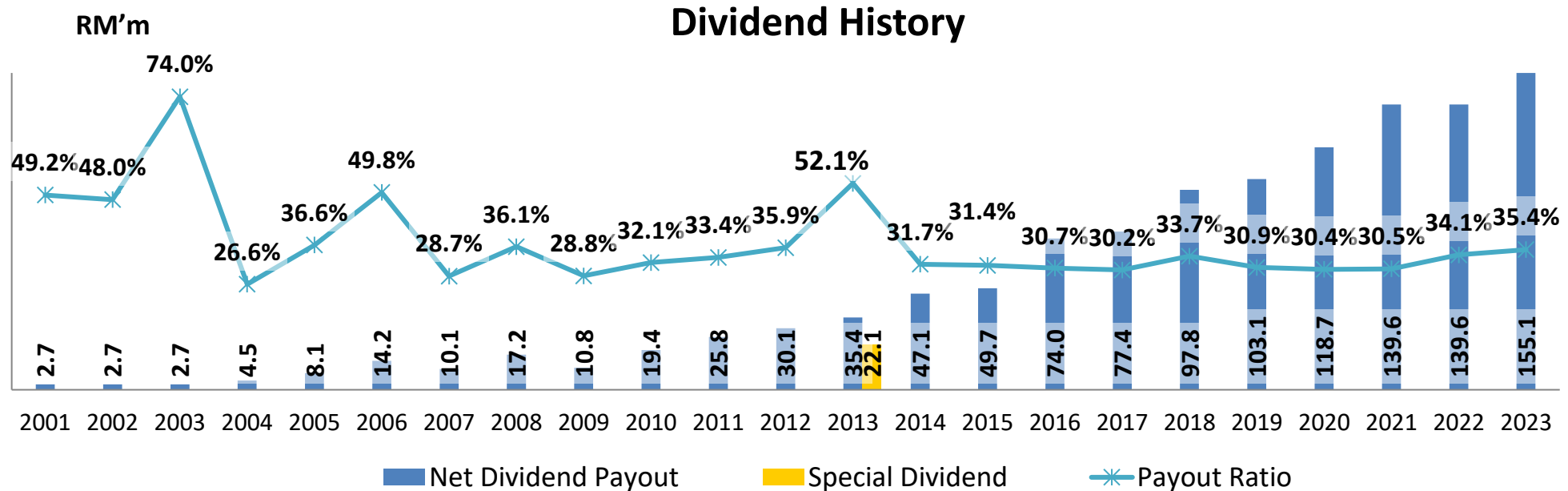
Share Price (RM)	3.61
Market Cap (RM 'mil)	5,599.3
Market Cap (USD 'mil)	1,244.3
PE (ttm)	12.8
EV/EBITDA (ttm)	8.9
FY23 Dividend Yield	2.8%

Share Price Performance (14 Sept 2022 to 15 Sept 2023)



Investment Merits

Kept dividend policies even in high-growth model... total dividends of 10 sen in respect of FY2023



❑ **FY2022 Dividend: Total Dividend of 9 sen**

- Paid interim dividend of 4 sen per share on 22 July 2022
- Paid final dividend of 5 sen per share on 9 January 2023

❑ **FY2023 Dividend: Total Dividend of 10 sen**

- Paid interim dividend of 5 sen per share
- Proposed final dividend of 5 sen per share, subject to shareholders' approval

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

Dividend History



Thank You

Contacts:

- Ms. Choo Pooi Luen

plchoo@scientex.com.my

T: 03-5524 8888/03-5519 1325

- Ms. Julia Pong

julia@aquilas.com.my

T: 03-2711 1391