



(Company No.: 7867-P)

Corporate Presentation

1H24 Corporate Update & Financial Results

26 March 2024

IR Adviser



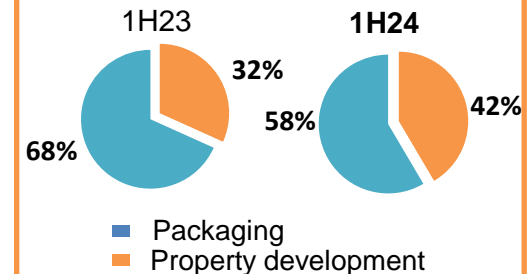


FINANCIAL PERFORMANCE

1H24 revenue improved on higher property development contribution... offsetting softer consumer packaging export demand

- ❖ 1H24 packaging revenue decreased 6.2% yoy on lower sales due to softening of export market demand for consumer packaging
- ❖ Property development revenue improved 43.3% yoy due to higher sales and steady construction progress of affordable property developments, as well as strong take up for new project launches

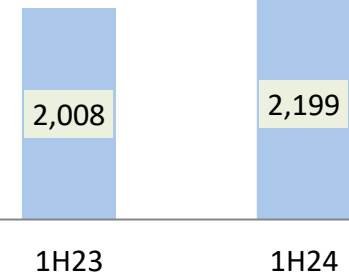
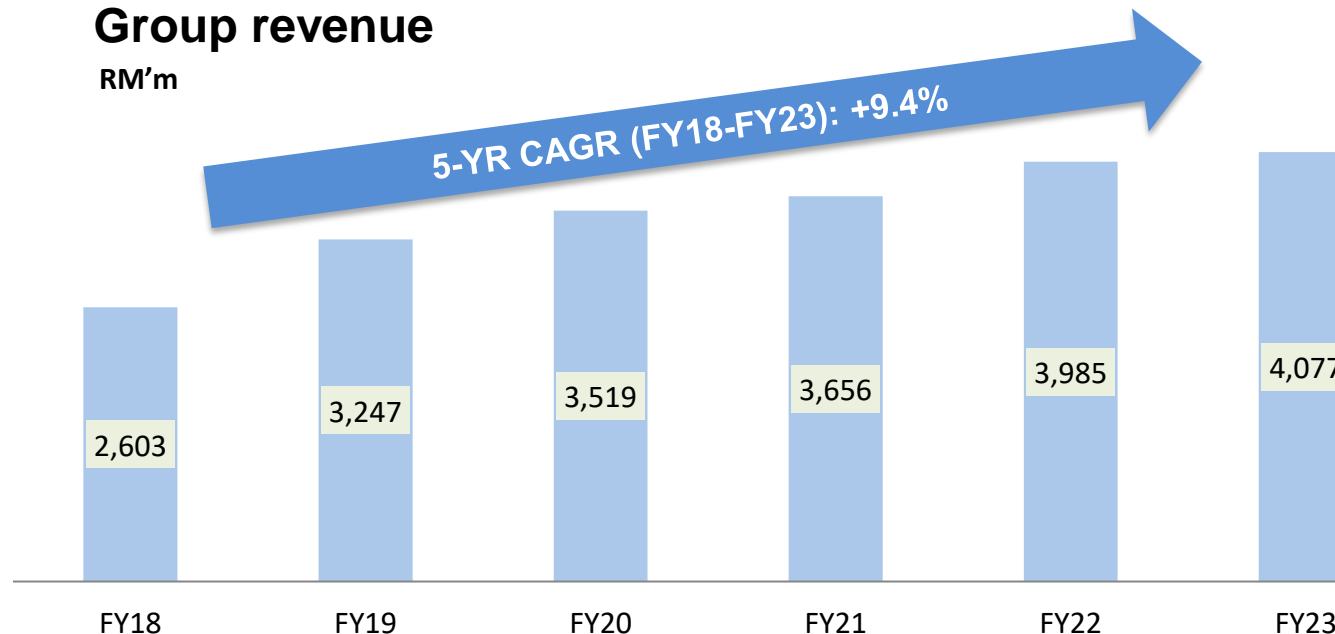
Revenue by segment



↑ +9.5% yoy

Group revenue

RM'm



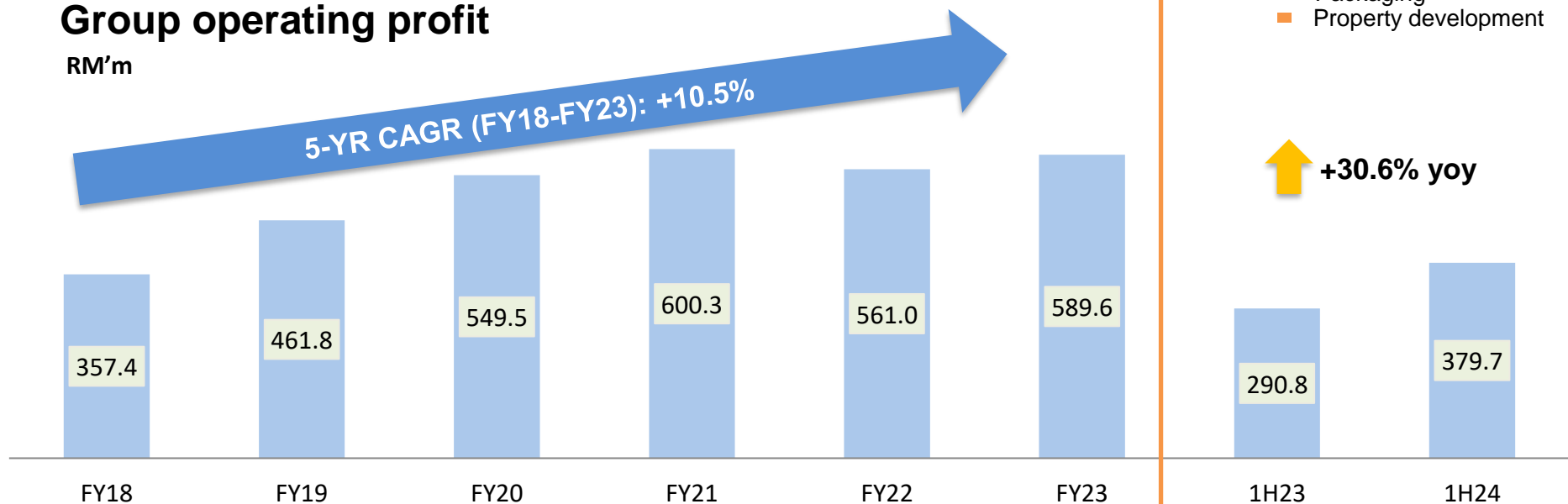
Revenue Performance

Property development leading 1H24 operating profit growth... packaging contribution largely sustained

❖ 1H24 operating profit increased 30.6% yoy on higher property development contribution

Group operating profit

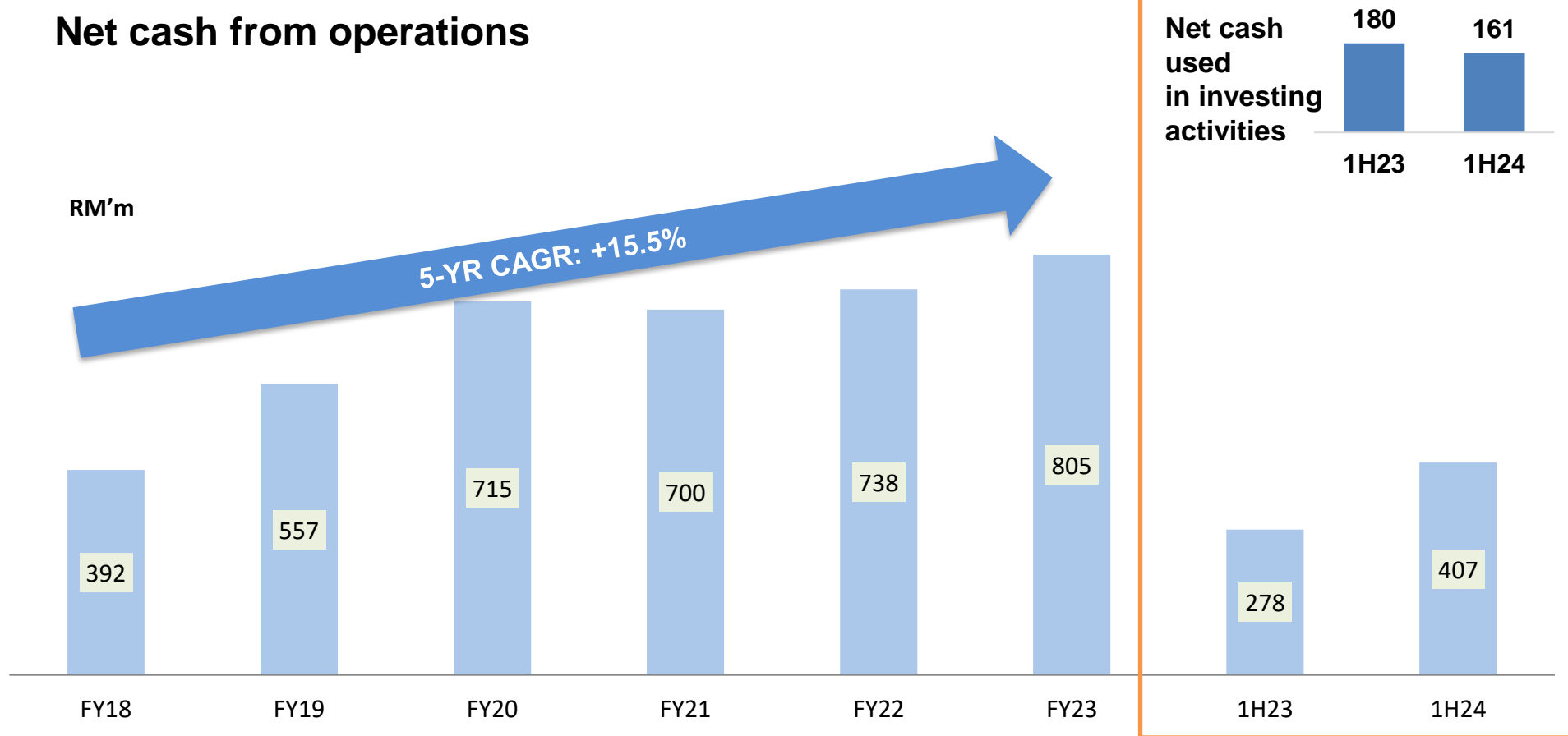
RM'm



Profit Performance

Strong operating cashflow from twin-core businesses of packaging and property development...

Net cash from operations



Cash Flow

1H24 performance reflecting higher contribution from property development's smooth project progress...

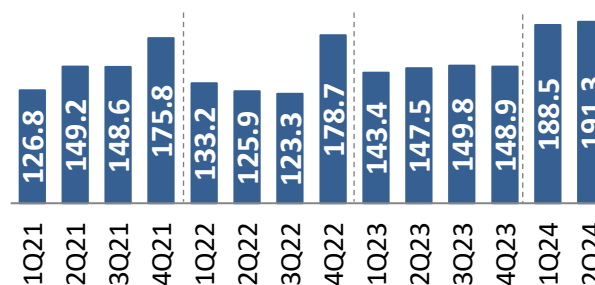
2Q24	2Q23	Change	RM'mil	1H24	1H23	Change	Remarks
1,092.7	978.4	11.7%	Revenue	2,199.2	2,008.3	9.5%	<ul style="list-style-type: none"> 1H24 revenue improved on higher contribution from property development, while packaging contribution tracked softer consumer packaging exports demand 1H24 profit improved due to increased contribution from property division, driven by higher sales and steady construction progress. Packaging division contribution largely sustained
191.3	147.5	29.7%	Operating Profit	379.7	290.8	30.6%	
226.5	182.2	24.4%	EBITDA	451.3	357.3	26.3%	
188.7	141.5	33.4%	PBT	373.4	278.2	34.2%	
141.0	106.3	32.7%	PATMI	278.9	213.5	30.6%	
9.09	6.85	32.7%	Basic EPS (sen)	17.98	13.76	30.7%	
17.5%	15.1%	2.4 pt	OP margin	17.3%	14.5%	2.8 pt	
20.7%	18.6%	2.1 pt	EBITDA margin	20.5%	17.8%	2.7 pt	
17.3%	14.5%	2.8 pt	PBT margin	17.0%	13.9%	3.1 pt	
12.9%	10.9%	2.0 pt	Net margin	12.7%	10.6%	2.1 pt	

*percentages presented might not reflect absolute figures due to rounding

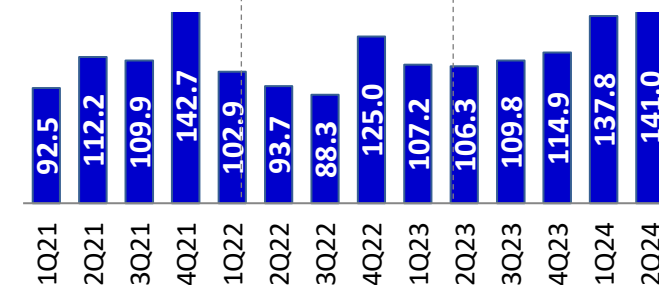
Quarterly Revenue (RM'm)



Quarterly Operating Profit (RM'm)



Quarterly PATMI (RM'm)



Income Statement Summary

Robust balance sheet with healthy net gearing of 0.15x...

Balance Sheet (RM '000)	As at 31.01.2024	As at 31.07.2023	Remarks
Property, Plant & Equipment	1,526,602	1,558,202	
Other Investments	25,549	23,476	
Right-of-use Assets	4,907	5,017	
Land Held & Property Development Costs	2,019,686	1,882,796	Due to landbank acquisitions
Investment in Joint Venture & Associate	106,153	117,519	Disposal of 40% equity interest in a joint venture
Inventories	261,197	377,055	
Trade & Other Receivables & Contract Assets	1,085,133	1,060,431	
Cash & Bank Balances	208,444	166,411	
Deferred Tax Assets	6,763	9,286	
Intangible Assets	305,022	305,022	
TOTAL ASSETS	5,549,456	5,505,215	
Trade & Other Payables & Contract Liabilities	768,353	879,365	
Borrowings (ST + LT)	732,423	836,840	
Tax & Deferred Tax	157,288	127,238	
Lease Liabilities	7,256	7,012	
Shareholders' Equity	3,602,420	3,392,218	
Retirement Benefits Obligations	48,549	48,415	
Non-controlling Interest	233,167	214,127	
Net Tangible Assets / Share (RM)	2.13	1.99	
Net Borrowings	523,979	670,429	
Net Gearing	0.15x	0.20x	Mainly due to better cash management
TOTAL LIABILITIES	1,713,869	1,898,870	

Balance Sheet (Highlights)

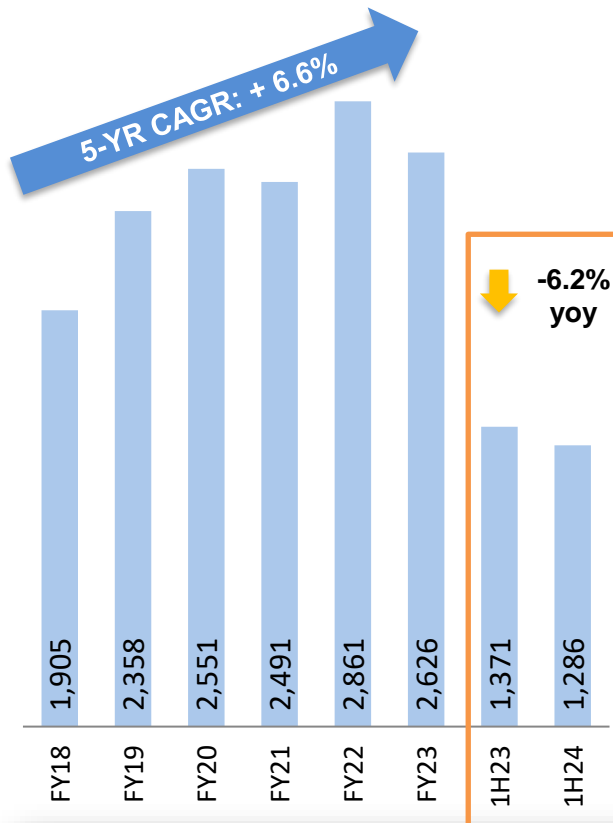


PACKAGING REVIEW

Packaging revenue moderated in 1H24 due to softer export demand for consumer packaging... operating profit largely sustained

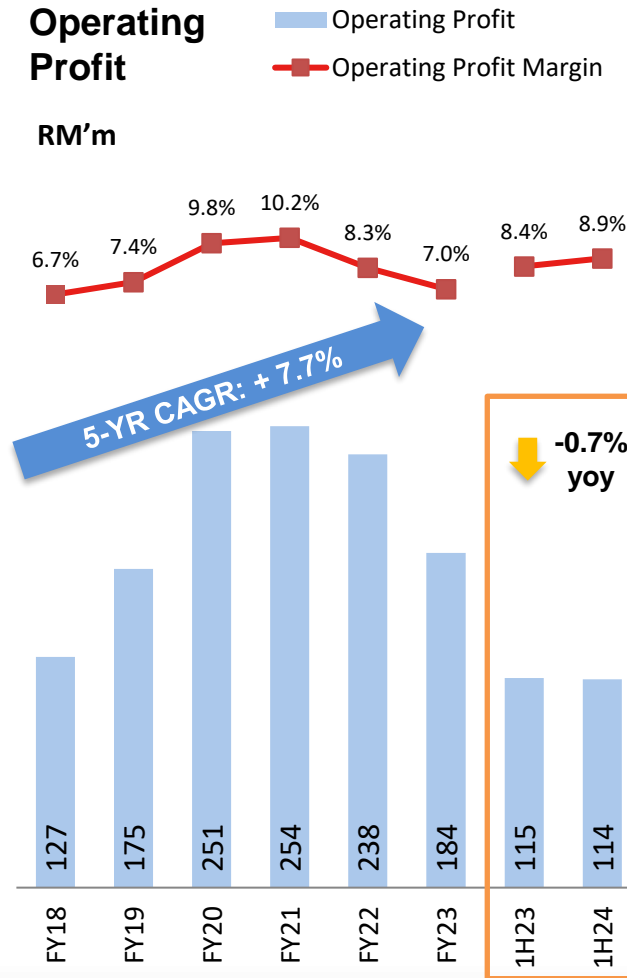
Revenue

RM'm



Operating Profit

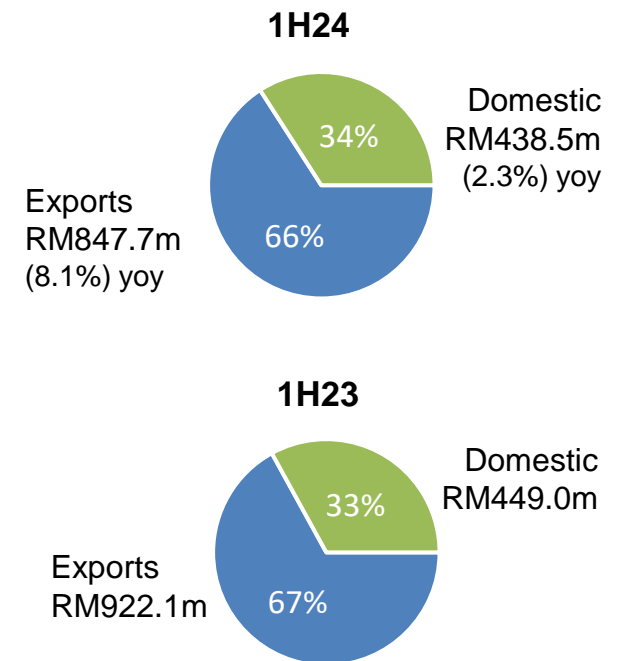
RM'm



Revenue

(by geography)

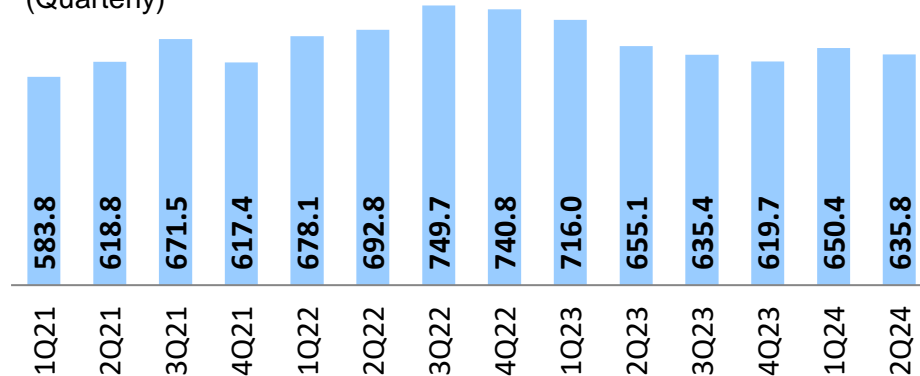
Overseas
Malaysia



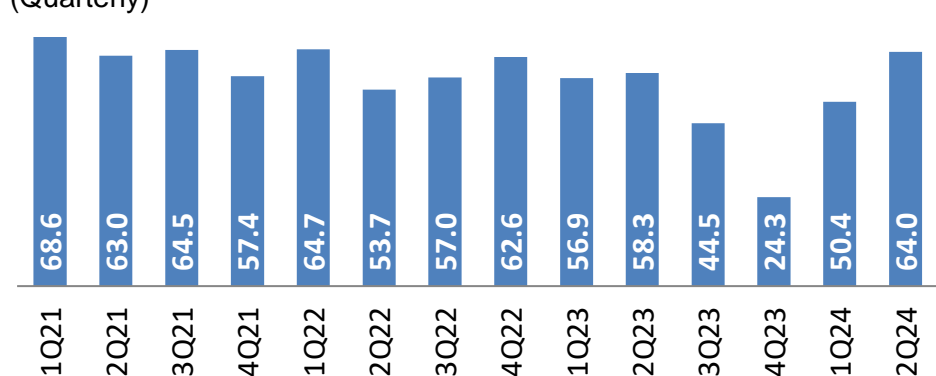
Segment Performance: Packaging

Packaging operating profit improving QoQ...

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 commenced operations in Q1 CY2024, 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

Completed second solar PV project in 4Q CY2023...ongoing group-wide solar energy investments to mitigate high energy cost and reduce carbon footprint



Rooftop solar PV at Klang plant

- Completed installation of second rooftop solar photovoltaic (PV) project at Klang plant in 4Q CY2023
- Reducing carbon footprint through sustainable energy generation, and mitigating rising energy cost
- Continue to invest on rooftop solar PV across Malaysian plants

Scientex a leader in innovative packaging solutions... supporting 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**
- Ready to provide sustainable packaging solutions to meet the increasing applications across a variety of packaging formats and segments

Growth Strategies: Packaging

Scientex providing solutions for enhanced packaging sustainability... supporting brands owners' adoption of packaging with recycled contents



Packaging with PCR content

- Instant noodle packaging made with 50% certified post-consumer recycled (PCR) resin, produced from our ISCC PLUS certified plants for Australia market
- Increasing demand for packaging with PCR resin to reduce the need for virgin plastic resin



Packaging with PIR content

- Coated PP strapping band made with 100% post-industrial recycled (PIR) resin from our film and converting plants for Japan market
- Diapers bag packaging made with 30% post-industrial recycled (PIR) resin for MNC customer
- Collation shrink film with 30% PIR resin content for the beverage industry

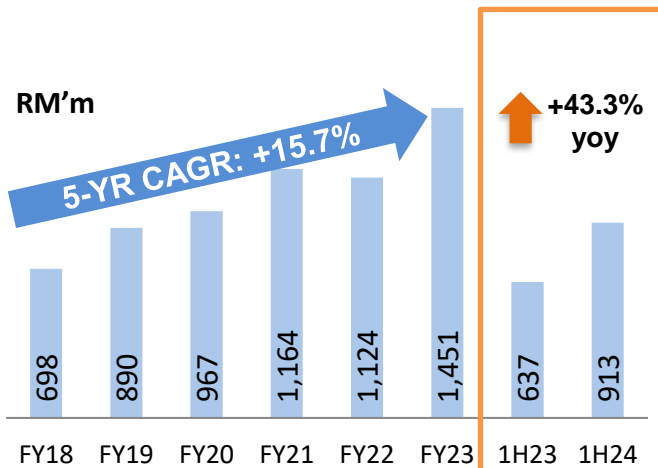
Growth Strategies: Packaging



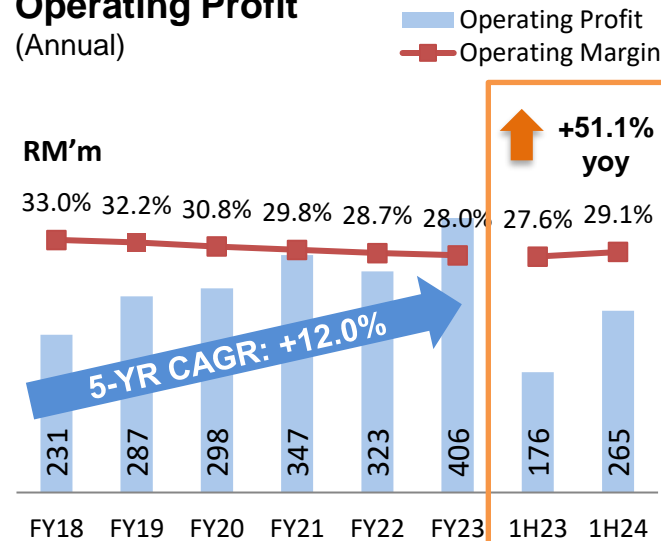
PROPERTY DEVELOPMENT REVIEW

Property division growing significantly on steady construction progress for all developments... strong demand for new affordable home launches

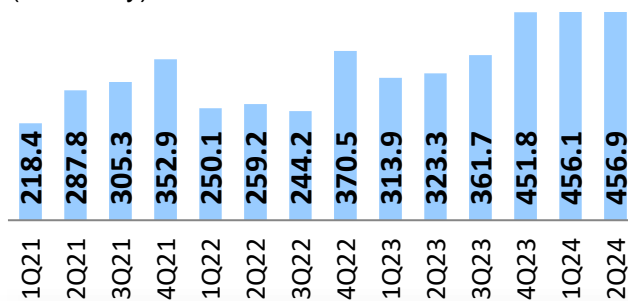
Revenue
(Annual)



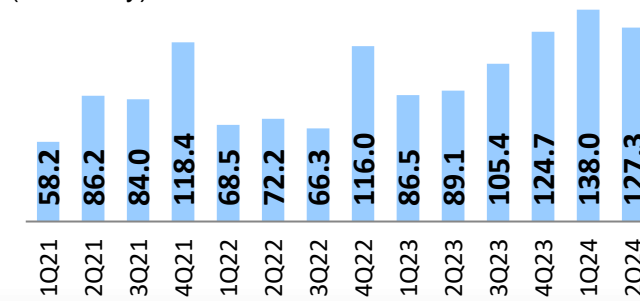
Operating Profit
(Annual)



Revenue
(Quarterly)



Operating Profit
(Quarterly)



RM657m GDV

launched in 1H24

- 2,137 units across 10 launches in Kedah, Penang, Ipoh, Melaka, Negeri Sembilan, and Johor



Segment Performance: Property Development

Recording strong reception for maiden project launch in Ipoh...



SCIENTEX[®]
I P O H

Scientex Ipoh (219-acre)

- Maiden Launch: January 2024
- Units/Type: 238 units double-storey terrace house
- GDV: RM62.9 million



Operations Review: New Property Launches

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

Completed in FY2023 (219 acres)

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

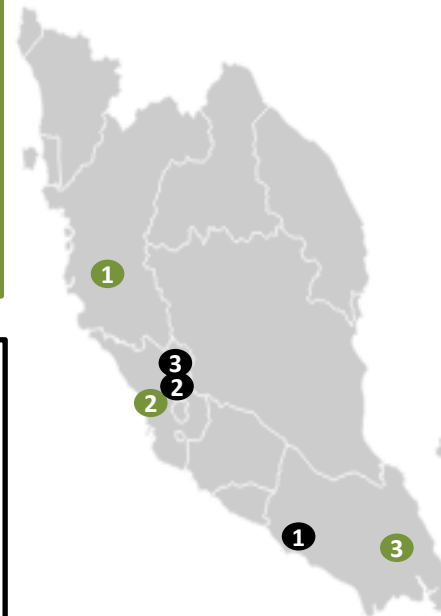
Completed in 1H2024 (802 acres)

- 2 Jenjarom, Selangor: 251 acres, RM207.6 mil
- 3 Kulai, Johor: 551 acres, RM299.8 mil

Pending Completion (1,960 acres)

- 1 Muar, Johor: 1,094 acres, RM200.0 mil
- 2 Bestari Jaya, Selangor: 826 acres, RM335.7 mil
- 3 Kundang Jaya, Selangor: 40 acres, RM45.0 mil

Peninsular Malaysia



As at
FY23

31
developments

7,256
acres

RM36.7B
Potential GDV

Current

33
developments

9,216^
acres

RM36.7B*
Potential GDV

^Acreage does not include overseas JV development

*Potential GDV does not include overseas JV development and landbank pending completion

Growth Strategies: Property Development

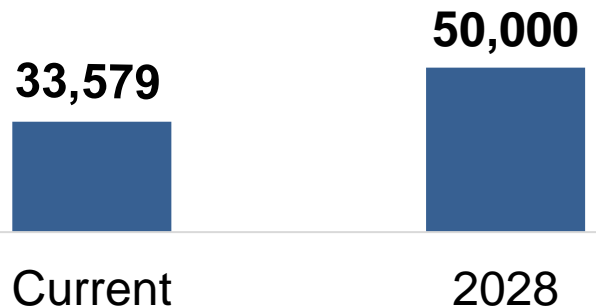
Aiming to provide high-quality, reasonably priced homes to meet Malaysia's growing need for affordable housing...



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 RM26.9b

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 @ 21 Mar 2024

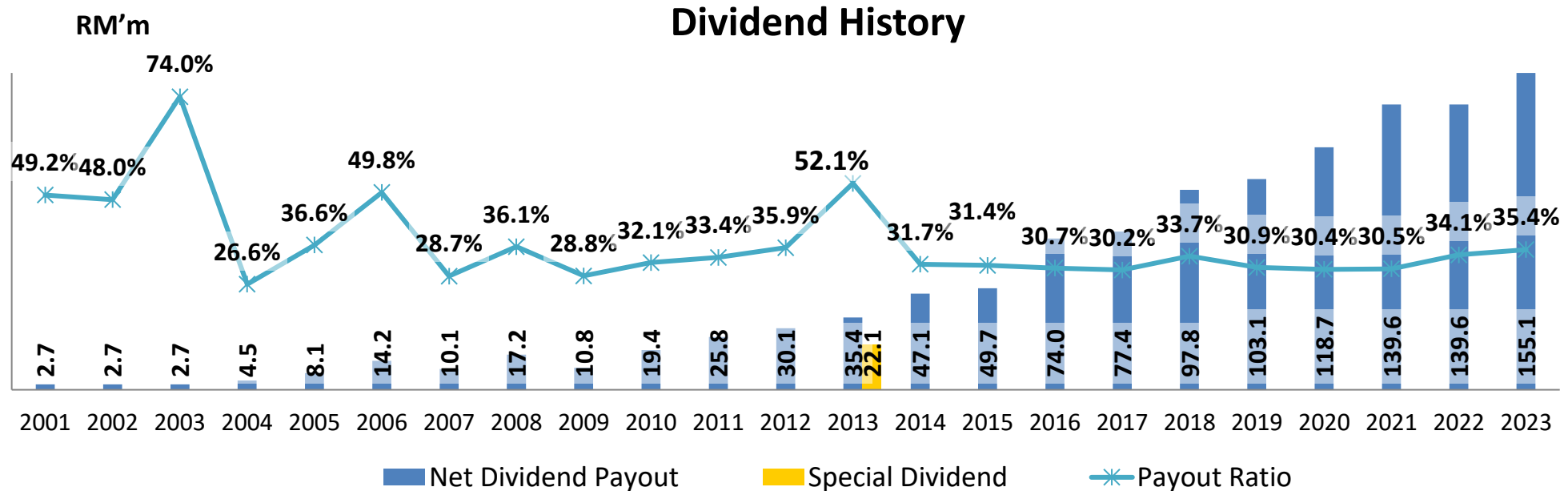
Share Price (RM)	3.82
Market Cap (RM 'mil)	5,925.8
Market Cap (USD 'mil)	1,260.8
PE (ttm)	11.8
EV/EBITDA (ttm)	8.2
FY23 Dividend Yield	2.6%

Share Price Performance (Mar 2023 to Mar 2024)



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

- Interim dividend of 4 sen per share paid on 22 July 2022
- Final dividend of 5 sen per share paid on 9 January 2023

FY2023 Dividend: Total Dividend of 10 sen

- Interim dividend of 5 sen per share paid on 21 July 2023
- Final dividend of 5 sen per share paid on 26 January 2024

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

Dividend History



Thank You

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