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(Company No.: 7867-P)

Corporate Presentation
1Q20 Corporate Update & Financial Results
17 December 2019

IR Adviser

 **AQUILAS**
Creating Market Value



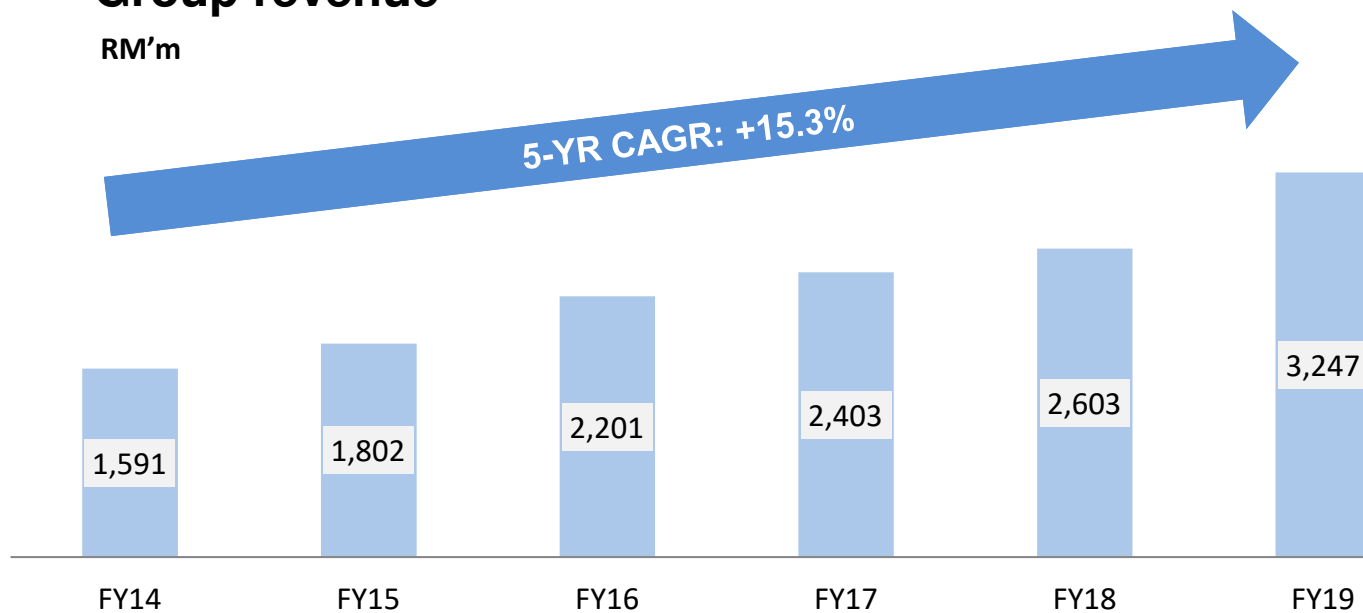
FINANCIAL PERFORMANCE

Better sales performance from both manufacturing and property development in 1Q20...

❖ 1Q20 revenue increased 22.9% on higher contribution from manufacturing and property segments

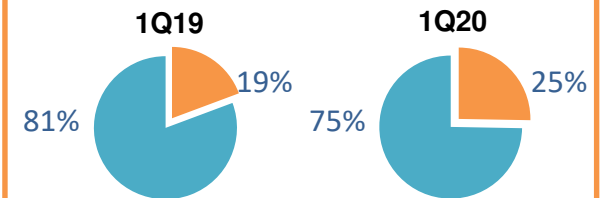
Group revenue

RM'm

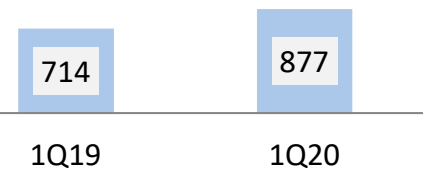


Revenue by segment

■ Manufacturing
■ Property development



↑ 1Q20 Revenue +22.9% yoy



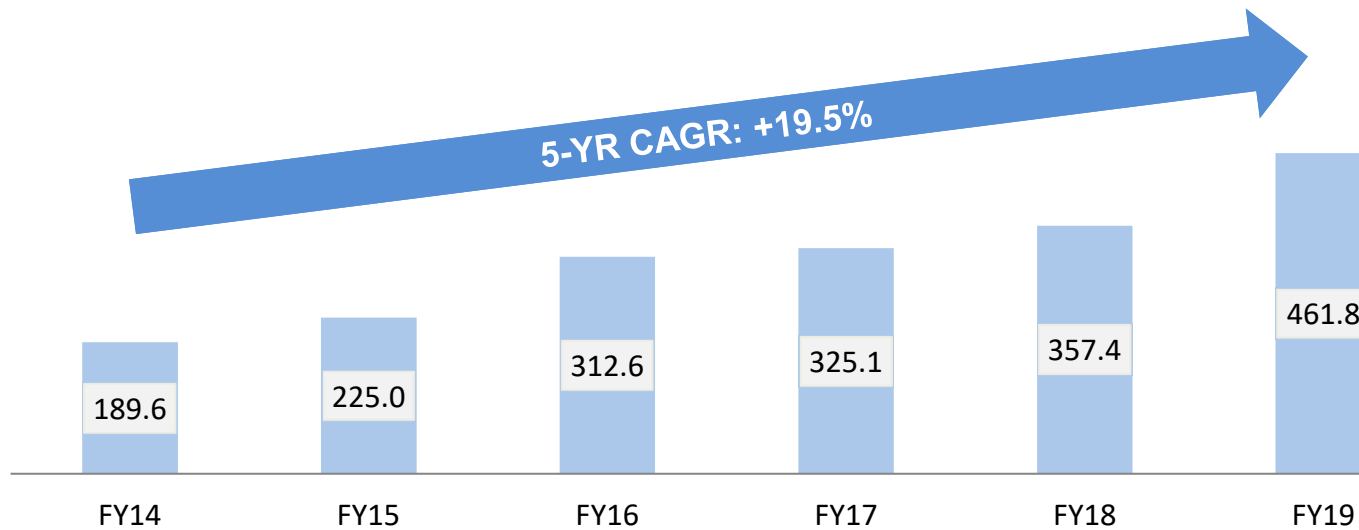
Revenue Performance

1Q20 operating profit surges on robust all-round sales and positive contribution from recent business acquisition...

- ❖ 1Q20 operating profit increased 56.8% due to:
 - ❖ Favourable manufacturing sales mix and product margins
 - ❖ Contribution from Daiboichi and its newly acquired MPP
 - ❖ Better sales and steady progressive billing, mainly from development projects in Johor, Melaka and Selangor

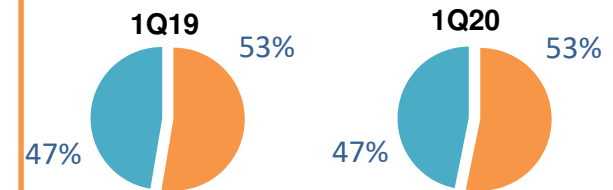
Group operating profit

RM'm

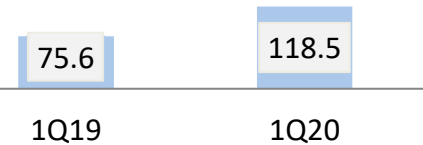


Operating profit by segment

■ Manufacturing
■ Property development



↑ 1Q20 Op. Profit +56.8% yoy

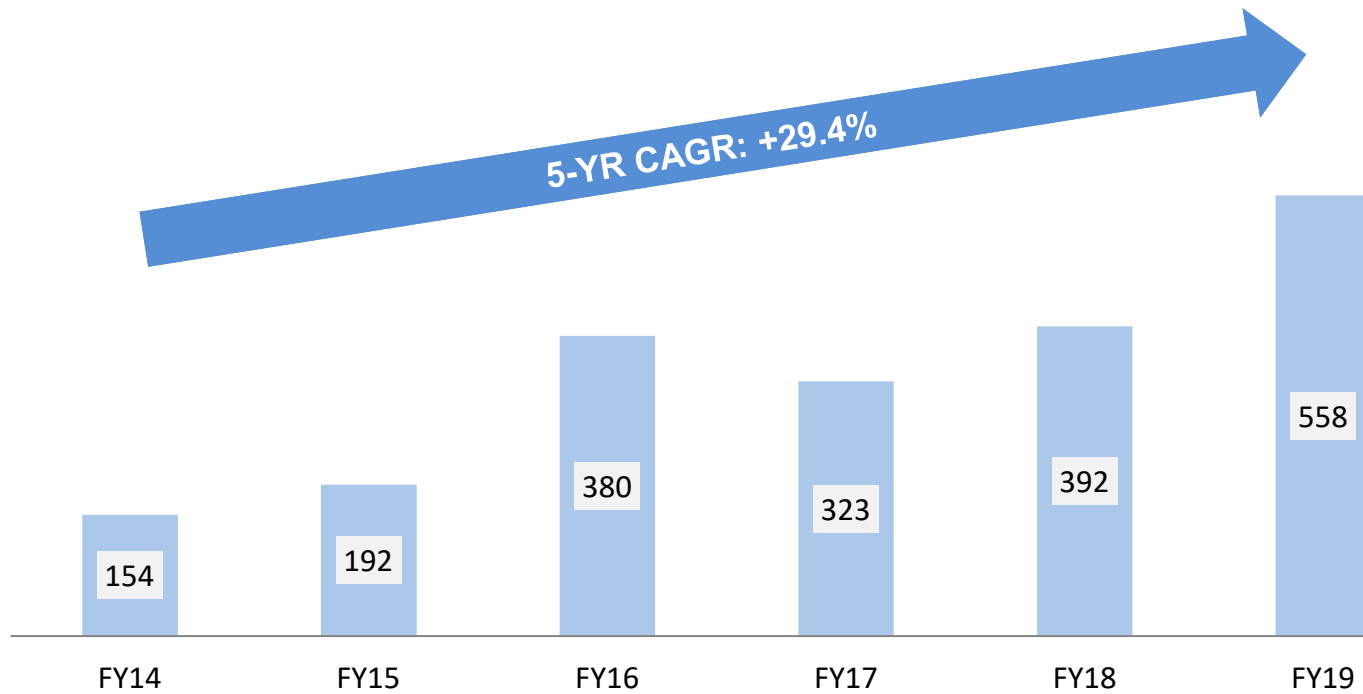


Profit Performance

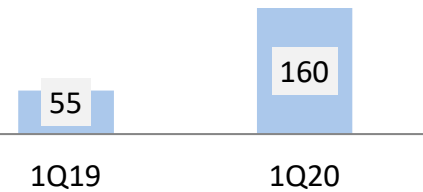
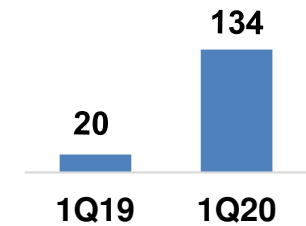
1Q20 operating cash flow improves on efficient financial management in light of increased funding for expansion plans...

Net cash from operations

RM'm



Net cash used in investing activities



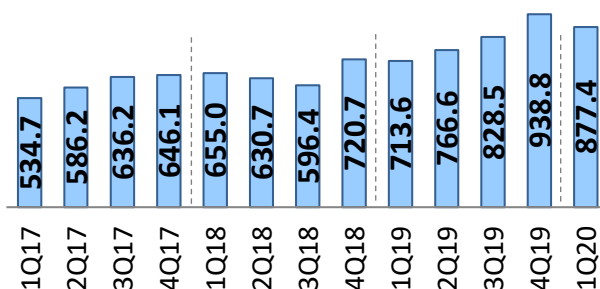
Cash Flow

1Q20 delivered 51% PATMI growth y-o-y... lower compared to 4Q19 due to preceding quarter's exceptional results on product mix and timing of property completions

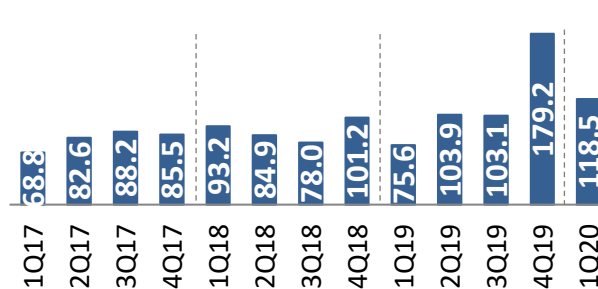
RM'mil	1Q20	1Q19	Change	Remarks
Revenue	877.4	713.6	22.9%	
Operating Profit	118.5	75.6	56.8%	• 1Q20 topline growth led by higher utilisation rate of manufacturing plants in addition to new contribution from Daiboichi and MPP, and increased property sales
EBITDA	148.5	97.1	52.9%	
PBT	115.8	72.5	59.7%	
PATMI	81.0	53.7	50.9%	
Basic EPS (sen)	15.71	10.98	43.1%	• Higher profitability contributed by favourable sales mix and better product margins from manufacturing segment and steady progress billing from property development
OP margin	13.5%	10.6%	2.9 pt	
EBITDA margin	16.9%	13.6%	3.3 pt	
PBT margin	13.2%	10.2%	3.0 pt	
Net margin	9.2%	7.5%	1.7 pt	

*percentages presented might not reflect absolute figures due to rounding

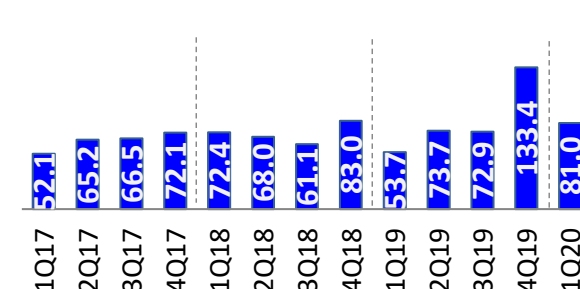
Quarterly Revenue (RM 'mil)



Quarterly Operating Profit (RM 'mil)



Quarterly PATMI (RM 'mil)



Income Statement Summary

Comfortable net gearing of 0.31x even after recent acquisitions...

Balance Sheet (RM '000)	As at 31.10.2019	As at 31.7.2019	Remarks
Property, Plant & Equipment	1,291,107	1,247,750	
Investment Property & Other Investments	37,170	37,170	
Right-of-use Assets	6,957	-	Adoption of MFRS 16
Land Held & Property Development Costs	1,099,653	1,106,178	
Investment in Jointly Controlled Entity & Associated Company	79,585	83,634	
Inventories	271,752	321,168	
Trade & Other Receivables	764,354	734,890	
Cash & Bank Balances	240,537	257,644	Cash utilised to repay borrowings
Deferred Tax Assets	25,344	25,344	
Intangible Assets	342,375	293,703	Goodwill from Daibochi's acquisition of MPP
TOTAL ASSETS	4,158,834	4,107,481	
Trade & Other Payables	563,266	597,225	
Borrowings (ST + LT)	945,490	973,814	
Tax & Deferred Tax	114,956	101,055	
Lease Liabilities	8,363	-	Adoption of MFRS 16
Shareholders' Equity	2,308,499	2,225,018	Higher retained earnings
Retirement Benefits Obligations	37,626	36,434	
Minority Interest	180,634	173,935	
Net Tangible Assets / Share (RM)	3.82	3.75	
Net Gearing	0.31x	0.32x	Gearing reduced slightly even after MPP acquisition
TOTAL LIABILITIES	1,669,701	1,708,528	

Balance Sheet (Highlights)

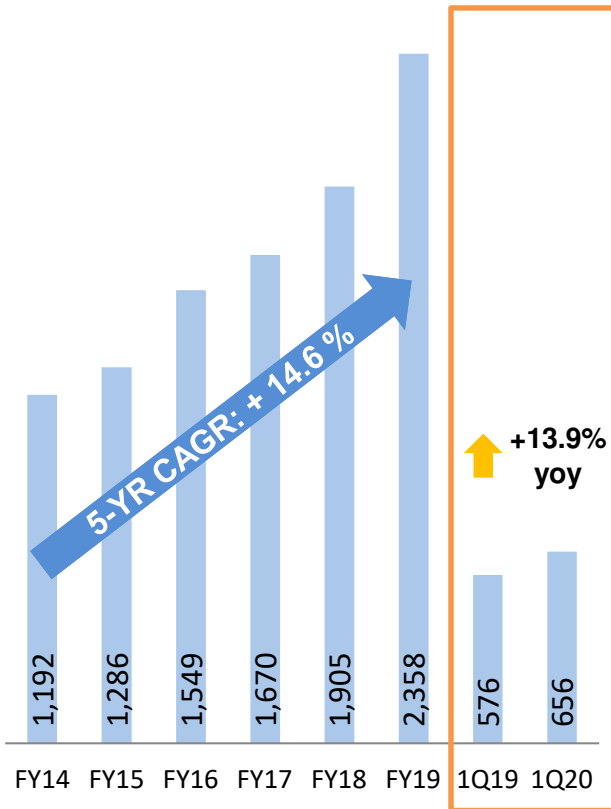


MANUFACTURING REVIEW

Growth from organic and acquired businesses... Domestic revenue expands at quicker pace due to contribution from MPP under Daiboichi

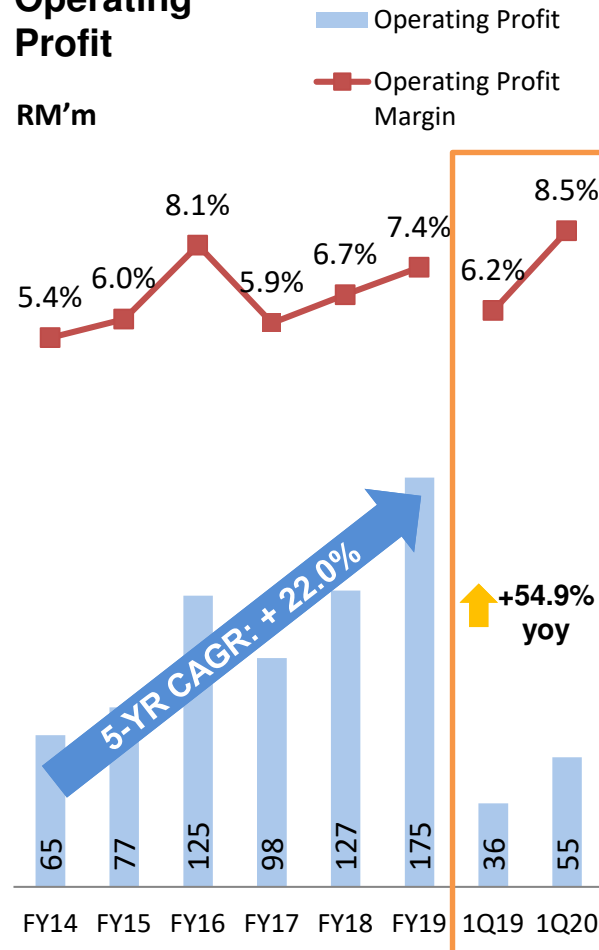
Revenue

RM'm



Operating Profit

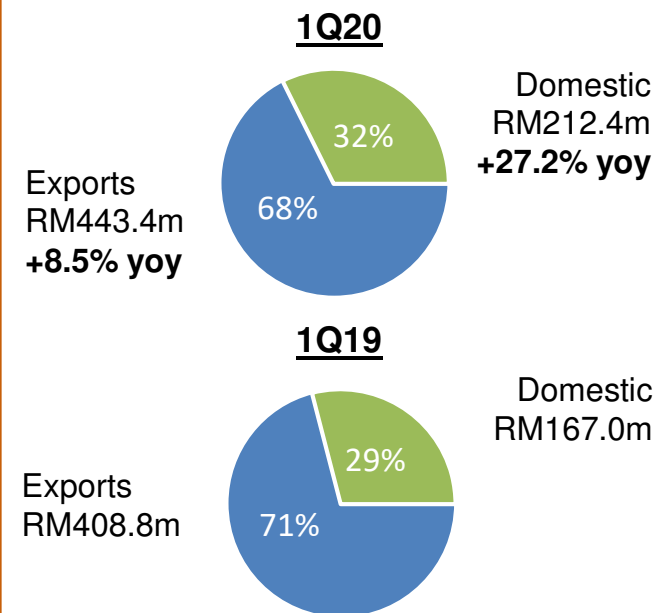
RM'm



Revenue

(by geography)

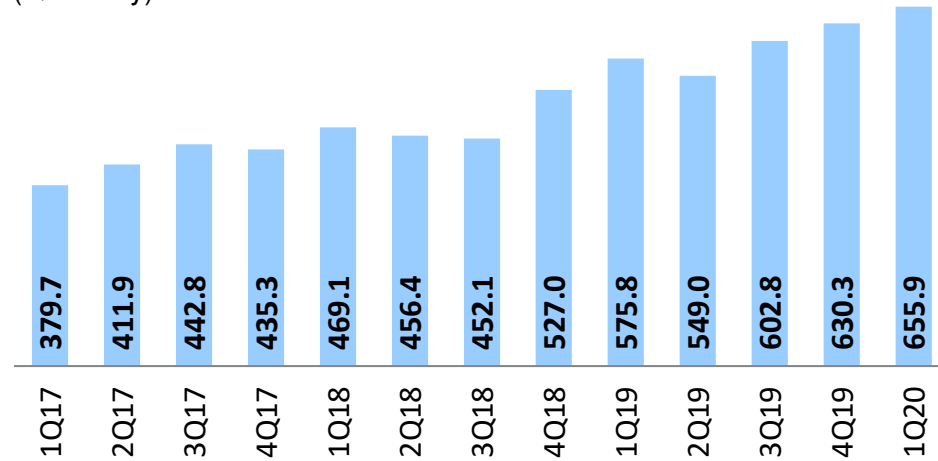
Overseas
Malaysia



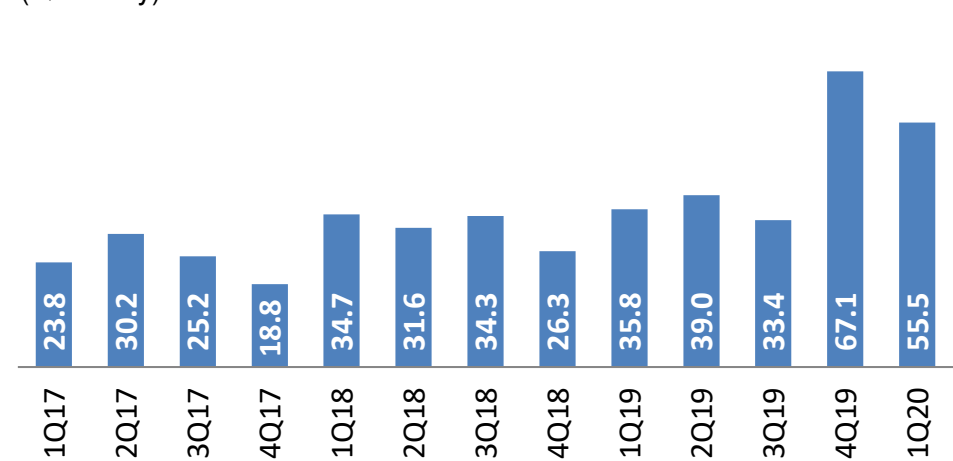
Segment Performance: Manufacturing

Constant expansion of capacity and number of manufacturing facilities contributing positively to overall financial growth...

Revenue
(Quarterly)



Operating Profit
(Quarterly)



19 Manufacturing Plants

Stretch Film

USA, Phoenix – Stretch Film
Selangor, Klang – Stretch Film
Selangor, Pulau Indah – Stretch Film

Custom Film

Perak, Sungai Siput – PE Film & Bag
Perak, Chemor – FFS Bag
Selangor, Rawang – PE Film & Bag
Selangor, Klang – PE Shrink Film
Selangor, Klang – Agricultural Film
Selangor, Pulau Indah – BOPP Film
Melaka, Tanjung Kling – CPP & MCPP Film
Jasin, Melaka – CPP & MCPP

Specialty Products

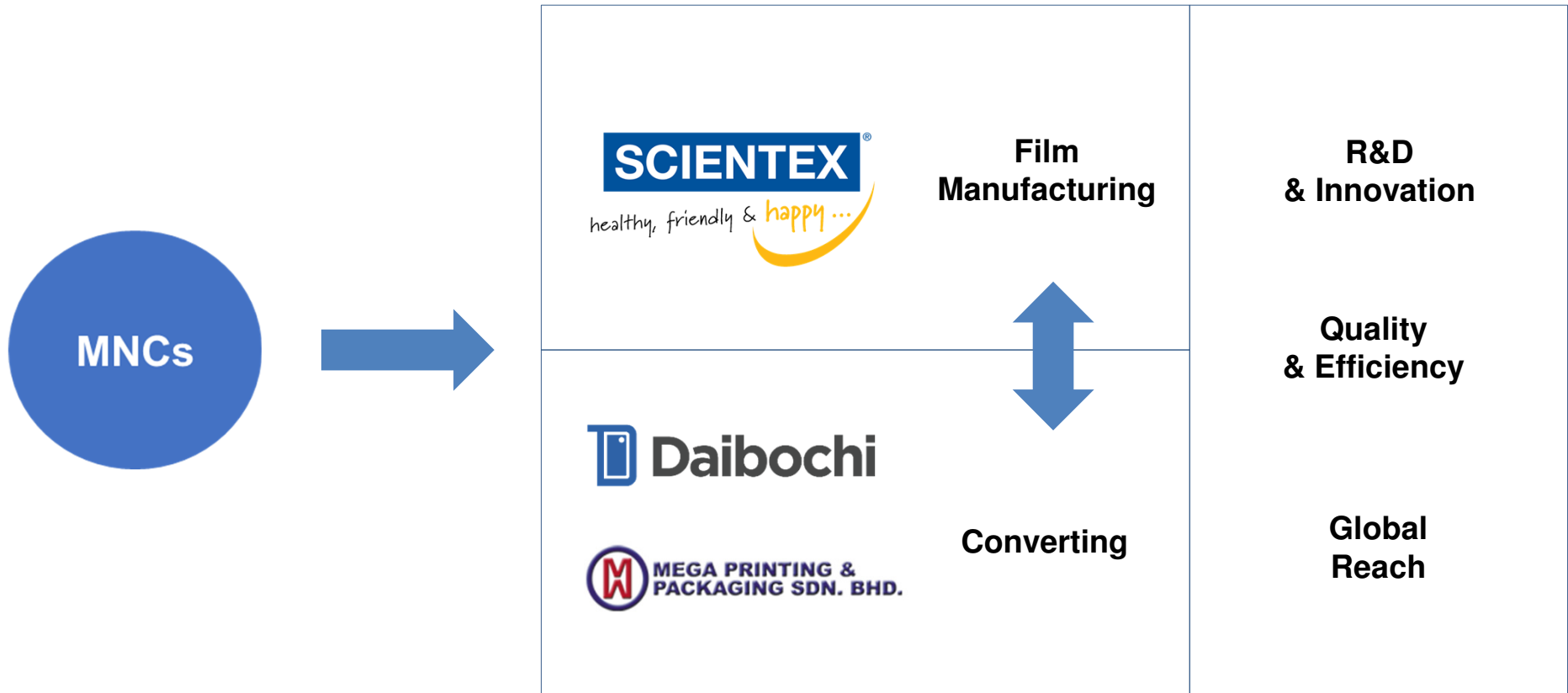
Vietnam, Ho Chi Minh – Woven Bag & Raffia
Selangor, Shah Alam – Automotive Interior
Selangor, Pulau Indah – PU Adhesives
Melaka, Bukit Rambai – Solar Encapsulant
Melaka, Tanjung Kling – PP Strapping Band

Converting

Yangon, Myanmar
Air Keroh, Melaka
(Teluk Emas, Melaka
(MPP))

Growth Plans: Manufacturing

New market opportunities... sustainable flexible packaging a key focus for long term growth



Growth Plans: Manufacturing

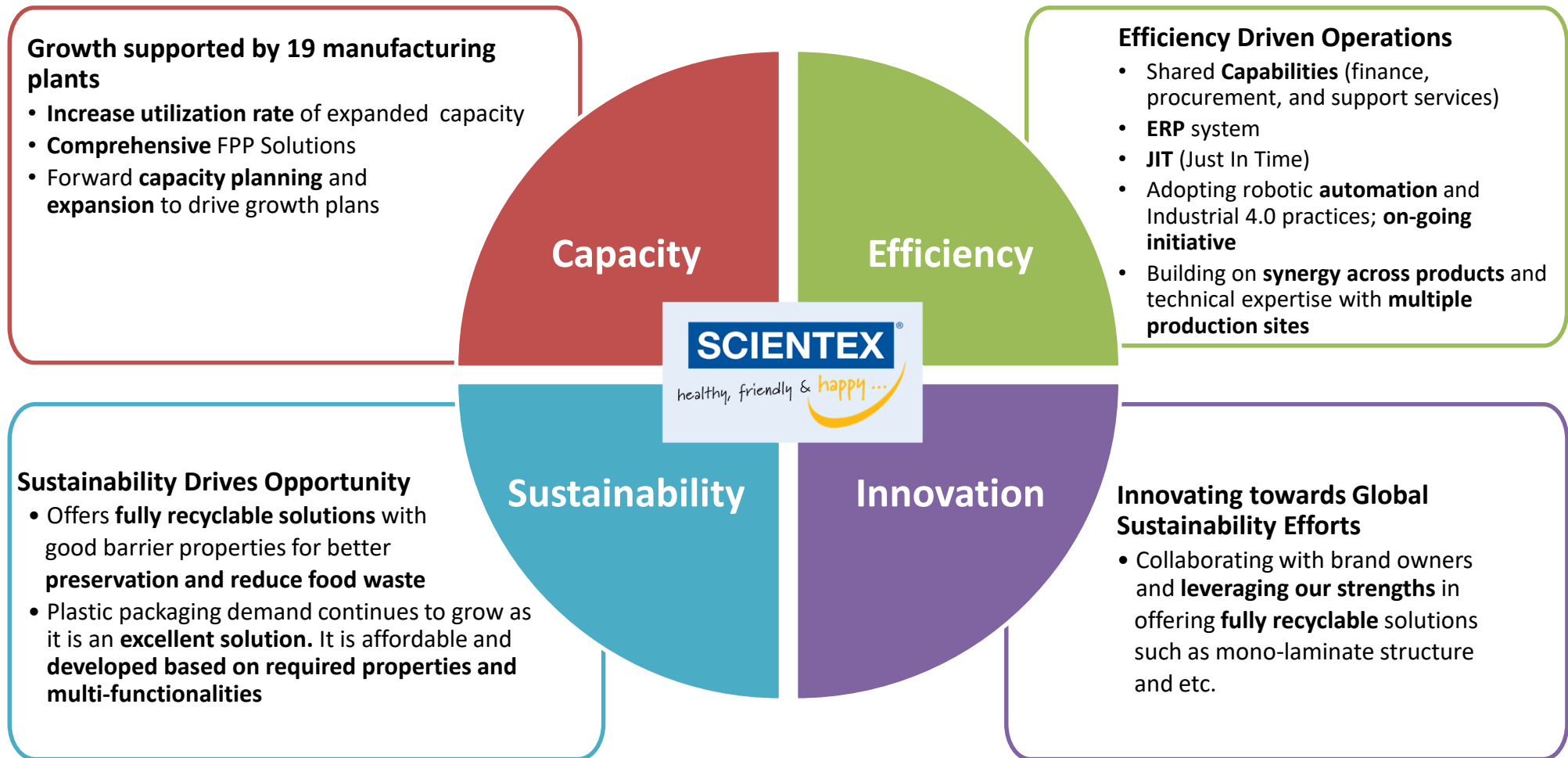
Commenced supply of sustainable flexible packaging to prominent local beverage brand in 1Q FY2020... optimistic on increasing market adoption

- Commercialized Group's first sustainable mono-material laminated packaging to a prominent local beverage customer in 1Q FY2020
- Customer desired to use packaging that fulfill PP or PE labelling requirements, ensuring product recyclability while meeting barrier and performance specifications
 - Daibochi proposed and trialed new 3-layer mono-material laminate structure (PP-based) to replace customer's complex 5-layer structure (made of PP, PE, aluminum foil, and paper)
 - Supplying to customer's 50g, 100g, 250g, and 500g brick tea packaging requirements
- Delivered packaging to customer in September 2019, expected to be on shelves in December 2019



Growth Plans: Manufacturing

Continued innovation and adaptability to industry changes while adhering to sustainability requirements pivotal towards further progression...



Growth Strategies: Manufacturing



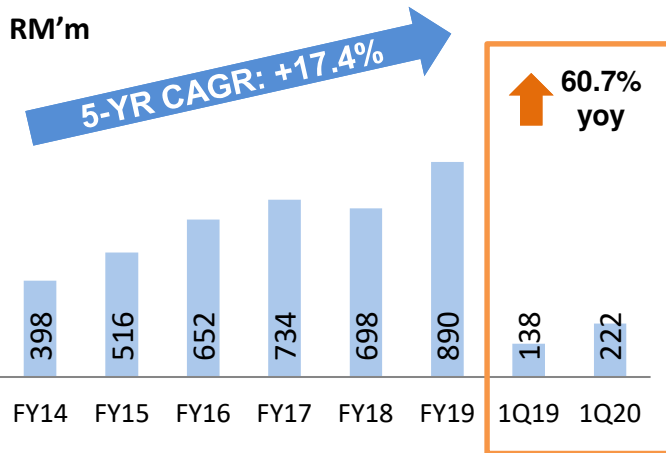
PROPERTY DEVELOPMENT REVIEW

Resilient demand for affordable homes continues to drive positive growth...

Revenue

(Annual)

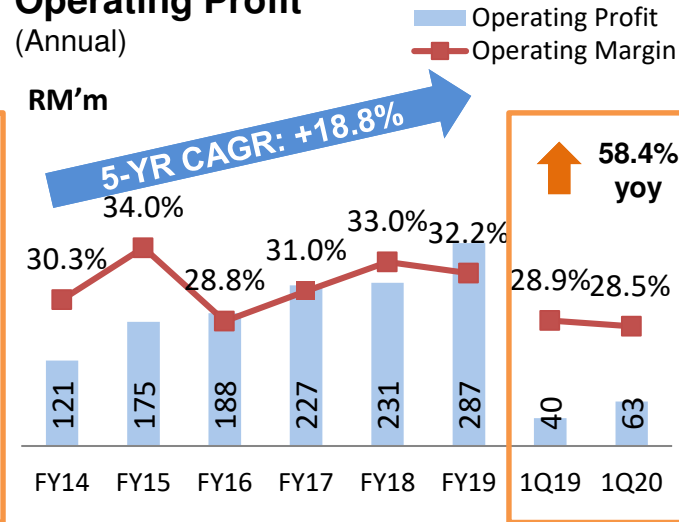
RM'm



Operating Profit

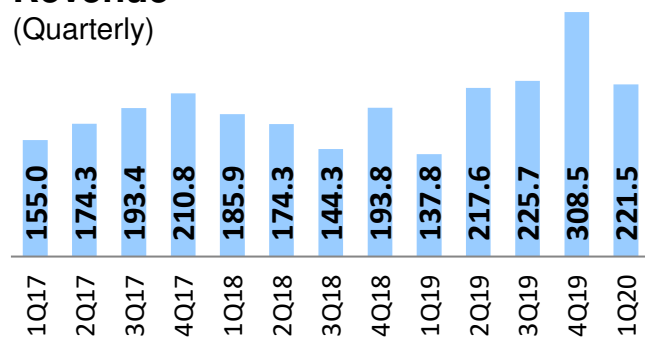
(Annual)

RM'm



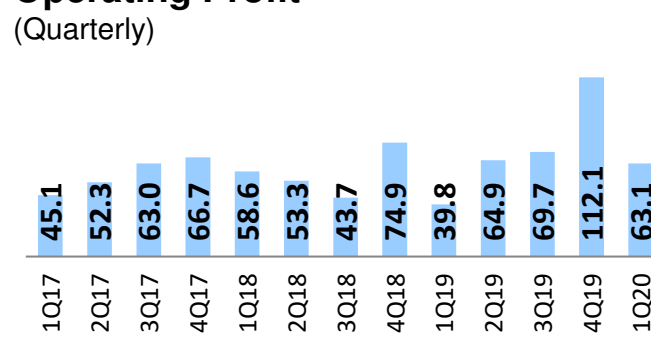
Revenue

(Quarterly)



Operating Profit

(Quarterly)



RM99.3m GDV

1Q20 new property launches

- 375 units across 2 launches in Melaka and Senai



Targeting

RM1.1b GDV

new property launches in FY20

- 4,400 units across 20 launches

Segment Performance: Property Development

Continuously consolidating presence across multiple states to further solidify reputation as a reliable property developer...

Land acquisitions in 2019

Location: **Penang (Tasek Gelugor)**
 Size: 179.7 acres
 Cost: RM109.6 mil
 Acquired: **Est. completion December 2019**

Location: **Ipoh (Meru)**
 Size: 22.8 acres
 Cost: RM30.4 mil
 Acquired: **October 2019**

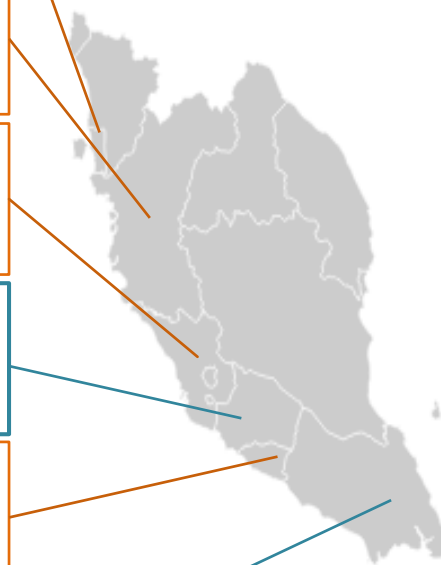
Location: **Rawang (Kundang Jaya)**
 Size: 166.5 acres
 Cost: RM123.3 mil
 Acquired: **Est. completion December 2019**

Location: **Seremban**
 Size: 108.5 acres
 Cost: RM66.2 mil
 Acquired: **1H CY2021 (est. completion)**

Location: **Melaka (Jasin)**
 Size: 157.8 acres
 Cost: RM75.6 mil
 Acquired: **2H CY2020 (est. completion)**

Location: **Johor (Kota Tinggi)**
 Size: 85.7 acres
 Cost: RM39.2 mil
 Acquired: **1H CY2020 (est. completion)**

Peninsular Malaysia



Enlarged development profile

Jan 2019

Current

16
developments

**21
developments**

RM17.8B
GDV

**RM23.2B
GDV**

3,265
acres

**3,990
acres**

Growth Plans: Property Development

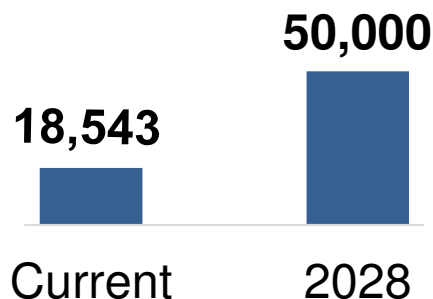
A focus on developing affordable homes to stand out amongst other property developers...



Vision 2028

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

Number of affordable homes built



Growth Strategies

- ❖ Focused on affordable housing developments
- ❖ Core Principles are Speed, Cost and Quality
- ❖ Continue to explore landbank expansion
- ❖ Targeting RM1.1 billion new launches in FY2020
 - ❖ 4,400 units across 20 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 Daibochi positions the Group as one of the very few FPP players that are capable of achieving circular chain of plastic economy
- Targeting RM8b in revenue by 2028

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 RM12.8b

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 Daibochi 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 @ 13 Dec 2019

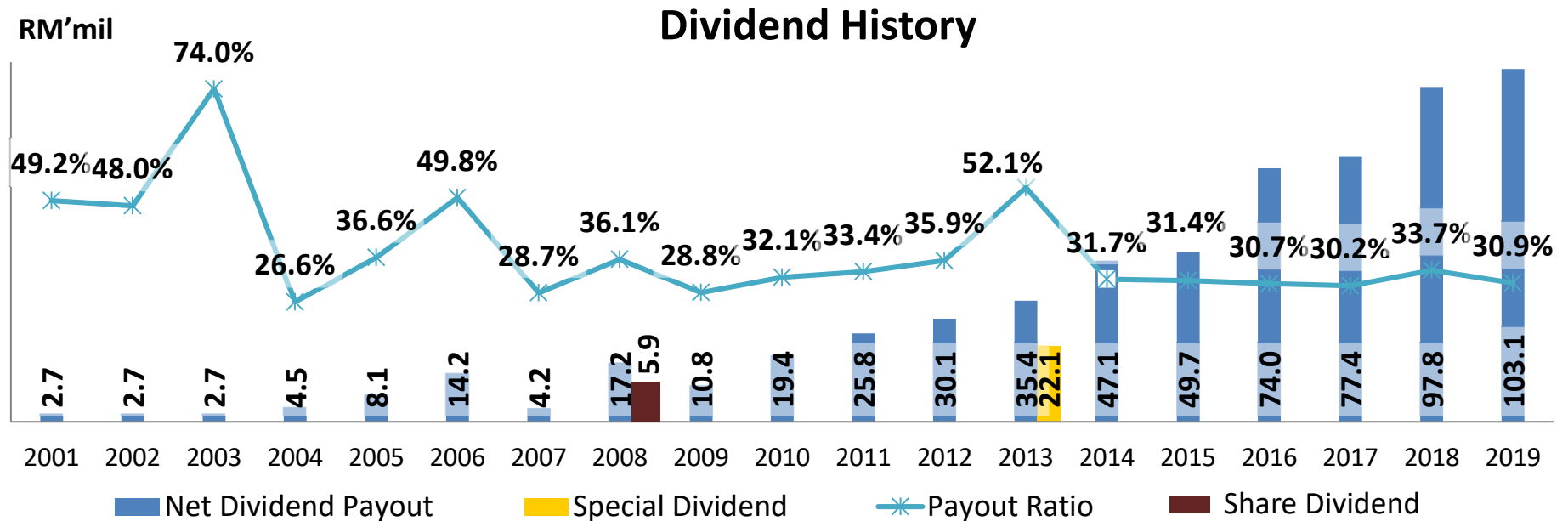
Share Price (RM)	9.84
Market Cap (RM 'mil)	5,070.2
Market Cap (USD 'mil)	1,218.8
PE (ttm)	14.0
EV/EBITDA (ttm)	9.8
FY19 Dividend Yield	2.0%

Share Price Performance (13 Dec 2018 to 13 Dec 2019)



Investment Merits

Final dividend of 10 sen per share in respect of FY2019 to be paid on 10 January 2020...



- **FY2018 Dividend:** Total Dividend of 20 sen
- **FY2019 Dividend:**
 - Paid interim dividend of 10 sen per share on 23 July 2019
 - Final dividend of 10 sen per share payable on 10 January 2020

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

Dividend History



Thank You

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