



44th AGM

BUSINESS REVIEW & PROSPECTS

Tuesday, 25 May 2021



Ahmad Fariz Hassan
Managing Director / Group CEO











01

2020 Report Card











What We Delivered in 2020

The Unprecedented Challenges Notwithstanding, Achieved Better-Than-Expected Results

GROUP	Revenue Achieved: RM1.1 bil	EBITDA Achieved: RM138.2 mil	PBT Achieved: RM57.3 mil
SUBSIDIARY COMPANIES	 TOYOPLAS Secured 4 New Customers 2 New Industry/ Sub-industry	 CPI Secured 4 New Customers 1 New industry/ sub-industry	 CBB Secured 4 New Customers Relocation of OEM: Oct '20 JV Carton in Northern: Aug '20
	 KKMW Secured 4 New Retail Accounts Marketing & Product Innovation: Achieved in 2Q20	 Aqua-Flo Secured 2 New Customers	 Smartpipe No New Contracts Secured

What We Had Done to Rise Above the Challenges in 2020

Balancing Tactical Decisions to Build Operational and Financial Resilience

Put People Safety First Against COVID-19	Ensure Business Continuity & Resilience	Engage Stakeholders	Secure Liquidity
<p>What We Did</p> <ul style="list-style-type: none"> • Prioritised employees' wellbeing • Adopted technology 	<ul style="list-style-type: none"> • Achieved RM1 billion Revenue 	<ul style="list-style-type: none"> • Engaged with suppliers and customers to explore alternative supply sources and materials 	<ul style="list-style-type: none"> • Maintained and secured adequate liquidity to support the Group's business
<p>How We Did Them</p> <ul style="list-style-type: none"> • Preserved employment • Adhered to SOPs and guidelines by the authorities • Activated BCP and work-from-home for non-operational employees 	<ul style="list-style-type: none"> • Agile business strategies <ul style="list-style-type: none">     • Growth driven by Manufacturing: <ul style="list-style-type: none"> ✓ Acquisition of new customers; ✓ Securing new projects; ✓ New Products & Industry. <div data-bbox="797 1149 1212 1235">     </div>	<ul style="list-style-type: none"> • Made advanced shipping arrangements; • Maintain a healthy inventory of raw materials and finished goods. 	<ul style="list-style-type: none"> • Identified available cash and due payments; • Allocated cash reserves;  • Forecasted cashflows;  • Monitored financial covenants; • Reviewed tax planning.



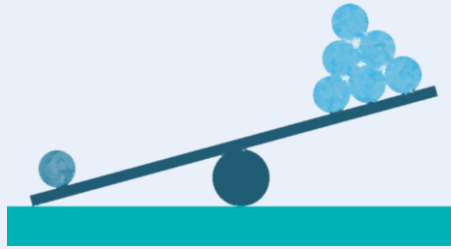
02

Financial Highlights

Navigated Challenging Operating Environment

But Benefitted from Trade Diversion

Uneven Economic Recovery



- Challenging Socio-Economic Equality thus Affecting Demand and Purchasing Power.
- Disruption in Supply Chain Posing Challenge to Ecosystem.

High Freight & Raw Material Costs



- Causing Input Cost to Increase. However, Will Improve with Progress and Effectiveness of COVID-19 Inoculation.
- Moderating GP Margin and Shrinking Bottomline Numbers.






Trade Diversion



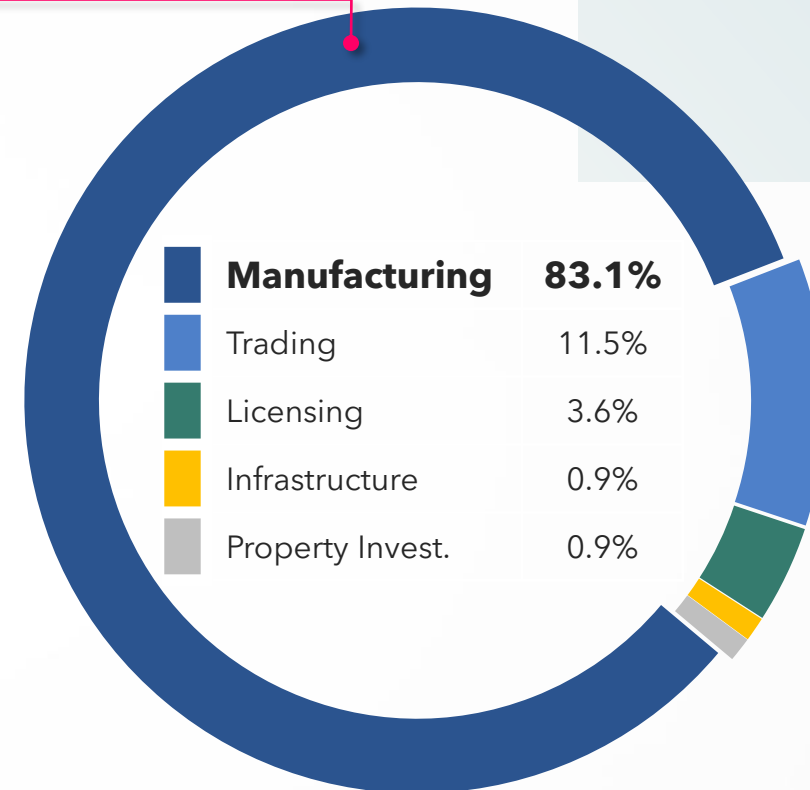
- New Demand from the E&E and Consumer Products Sectors.
- Leverage on geographical presence of subsidiary companies.

Group Revenue Surpassed RM1 Billion Mark

Manufacturing Contributed 83.1% with 11.5% Contribution by Trading and 5.4% by Others

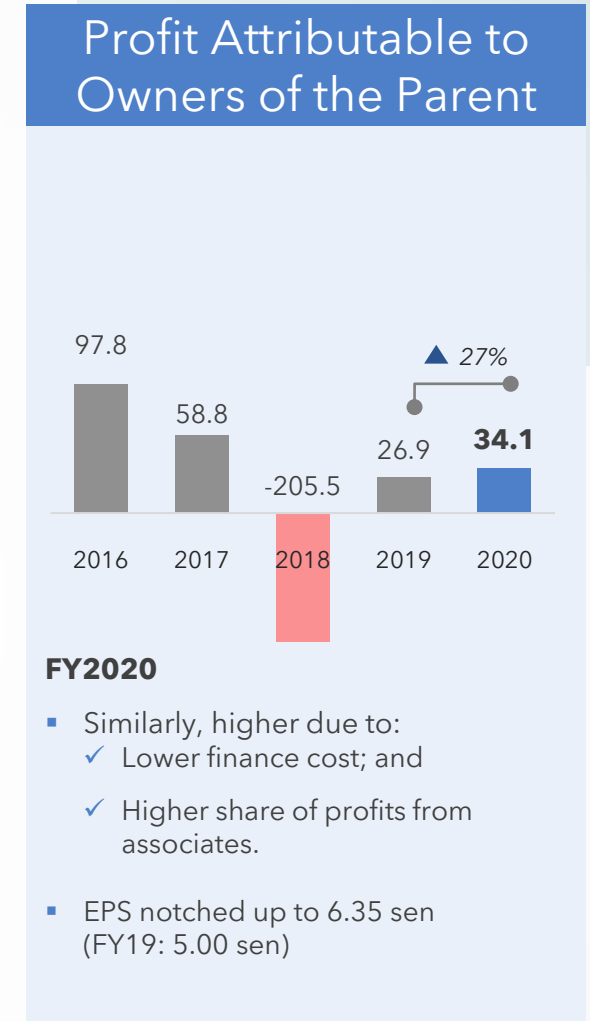
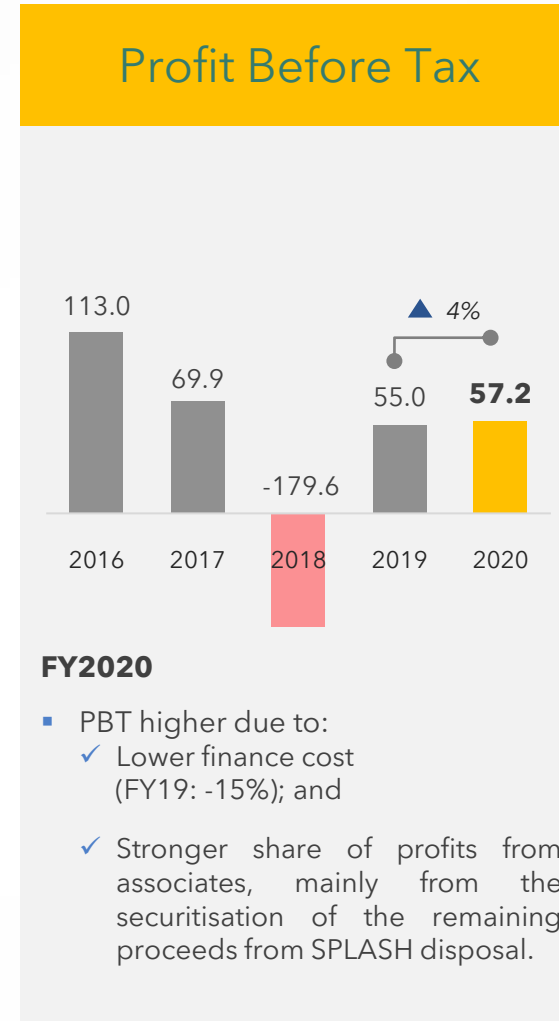
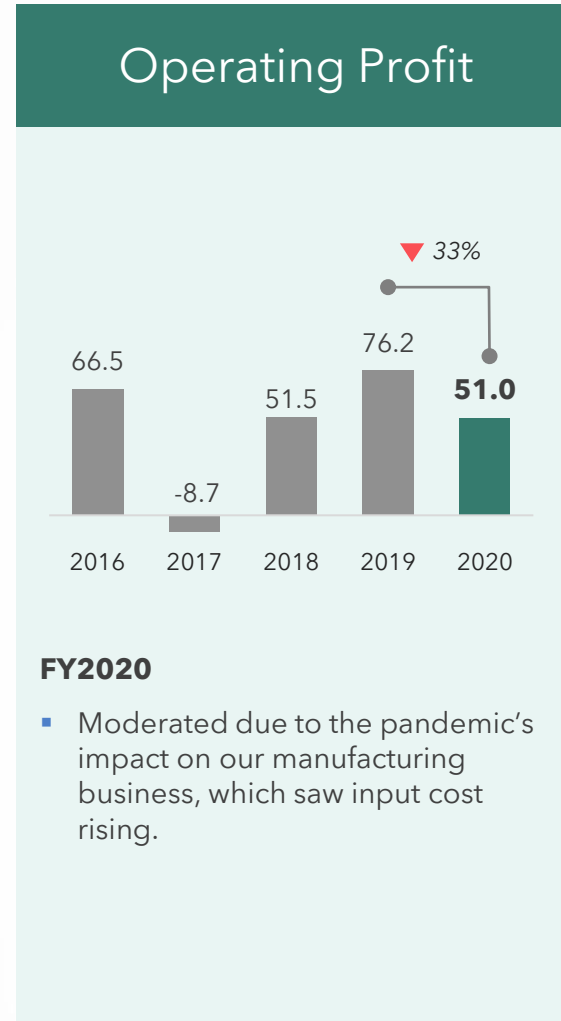
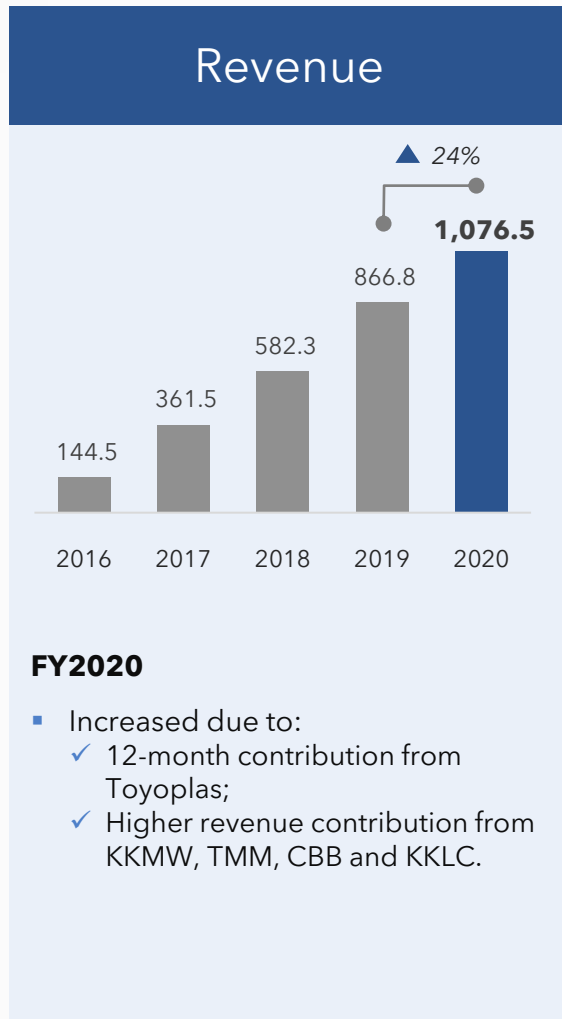
SECTOR	FY2020	FY2019
 Manufacturing	894.6	▲ 650.9
 Trading	124.1	▲ 117.4
 Licensing	39.2	▲ 36.3
 Infrastructure	9.1	▼ 51.4
 Property Inv.	9.5	▼ 10.8
TOTAL (RM million)	1,076.5	▲ 866.8

FY2020
REVENUE BREAKDOWN BY SECTOR



Operating Profits Challenged by Higher Input Cost

But Earnings Supported by Lower Finance Costs and Higher Share of Associate Profits



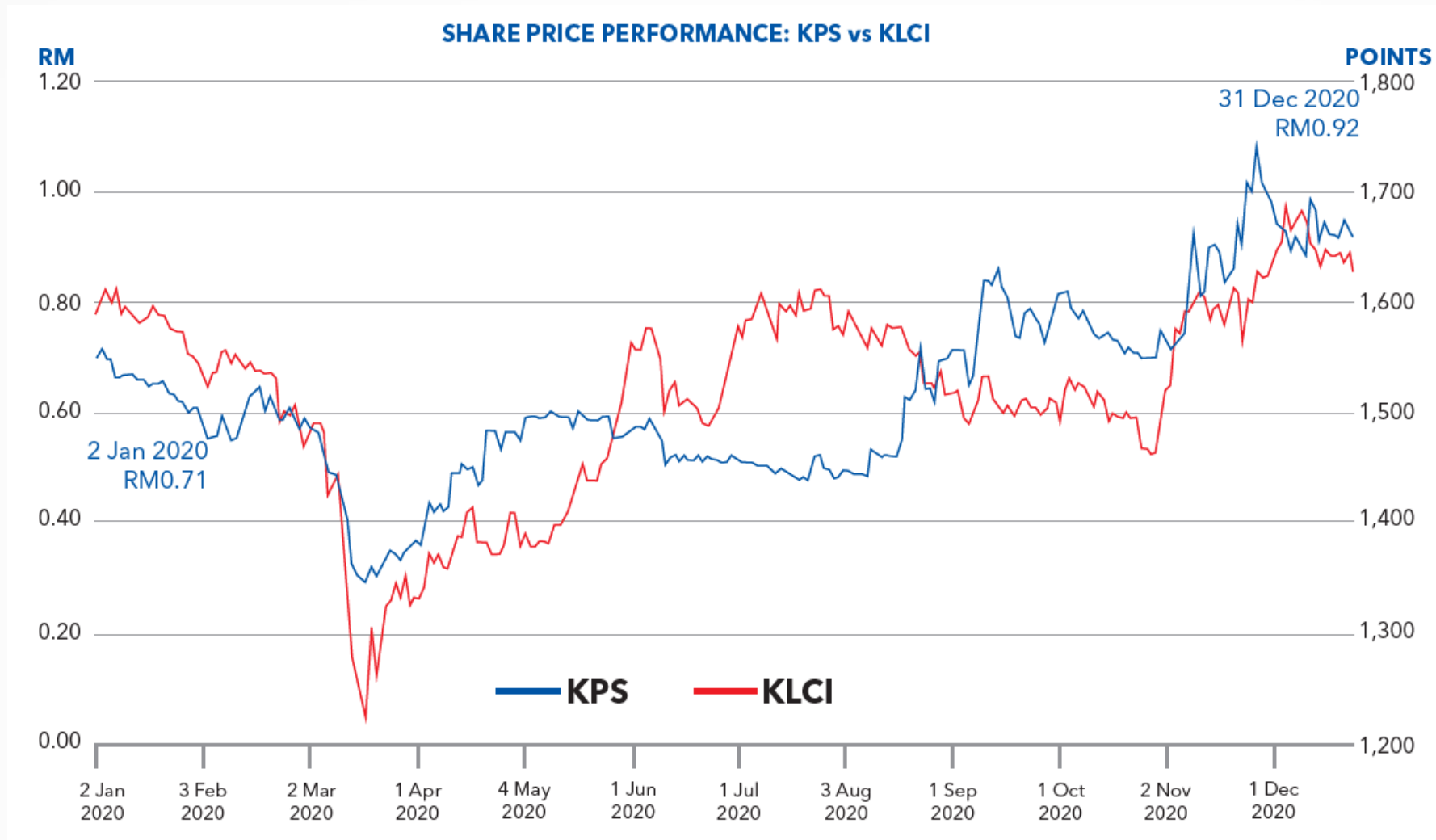


03

Share Price Performance & Dividend

Share Price Outperformed KLCI by 27%

Performance Steadied by the Initiation of Inaugural Analyst Coverage



Initiation of Analyst Coverage

On 6 April 2021, **BIMB Securities Sdn Bhd** Initiated Analyst Coverage on KPS.

Title:
Unleashing Latent Potential

The Share Price Has Since Stabilised to RM1.00 - RM1.10

Target Price:
RM1.60

Proving Financial Commitment to Shareholders

Introduced Dividend Policy and Proposed 2.5 Sen Final Dividend for FY2020

Adopted Dividend Policy

≥ 30%

of the Group's Normalised PATAMI

Approved on 30 March 2021

Proposed FY2020 Final Dividend

2.5 sen

Per Ordinary Share

Subject to the shareholders' approval at the 44th AGM

Dividend Yield

***2.7%**

**Based on share price of RM0.92 as of 31 December 2020.*



04

Commitment to EESG

Embedding Responsible Practices for Sustainable Development

Guided by EESG Aspects to Address Stakeholders' Expectation

ECONOMIC

Business Resilience, Strategic Agility and Risk Mitigation

Set a new financial Milestone, reporting **RM1.1 bil revenue** FY2020

ENVIRONMENTAL

Environmental Preservation and Climate Change

Focusing on:

- Waste Management
- Energy Efficiency
- Managing GHG Emissions

SOCIAL

Development Programmes based on Four Pillars:

- Educational
- Entrepreneurship
- Community
- Safety & Health

GOVERNANCE

Integrating good governance into sustainability

The setting up of **Integrity & Governance Unit**

1 NO POVERTY, 3 GOOD HEALTH AND WELL-BEING, 4 QUALITY EDUCATION, 5 GENDER EQUALITY, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 8 DECENT WORK AND ECONOMIC GROWTH, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 10 REDUCED INEQUALITIES, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER, 15 LIFE ON LAND, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS, 17 PARTNERSHIPS FOR THE GOALS

Extending Impact Through CSR

Sharing Corporate Growth with 654 Beneficiaries from the Communities



EDUCATION

Developing talent and skills of targetted stakeholders

Provided access to quality education to **34** Orang Asal students

ENTREPRENEURSHIP

Promoting and enabling business opportunities

Developed **210** entrepreneurs

COMMUNITY DEVELOPMENT

Enhancing social progress and stakeholder development

Assisted **89** beneficiaries and more than **100** associations, NGOs, schools and institutions

ENVIRONMENT, SAFETY & HEALTH

Improving society's quality of life and caring for the environment

Assisted **221** beneficiaries





05

Awards & Accolades

Awards & Recognition

Upholding Culture of Excellence

2020



**Sustainability &
CSR Malaysia 2020**
Company of The Year
(Manufacturing and
Trading)



CSR Malaysia 2019
Company of The Year
(Manufacturing and
Trading)

Previous Years



Silver Award:
Employer of Choice
(Private Sector) **2018**



Silver Award:
Employer of Choice
(Private Sector) **2017**



**Asia Responsible
Entrepreneurship Award
2015**



**Asia Responsible
Enterprise Award
2018**



**2017 Jury Award
Selangor Sports
Council (MSNS)**



Second Runner-up
**2015 Risk Manager
of The Year**
(MARIM)



**HR Asia Best
Companies To Work
For In Asia 2018**



**Champion 2016 Risk
Manager of The Year**
(MARIM)



**Asia Responsible
Entrepreneurship
Award 2013 (SEA)**



06

Economic & Industry Outlook

Encouraging Global Macroeconomic Development

Expected to Leverage on the Anticipated Economic Recovery

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Vaccination and Additional Fiscal Support

Progressive distribution of COVID-19 vaccines worldwide and announcements of additional fiscal support in some countries are encouragingly changing economic and business dynamics.

02

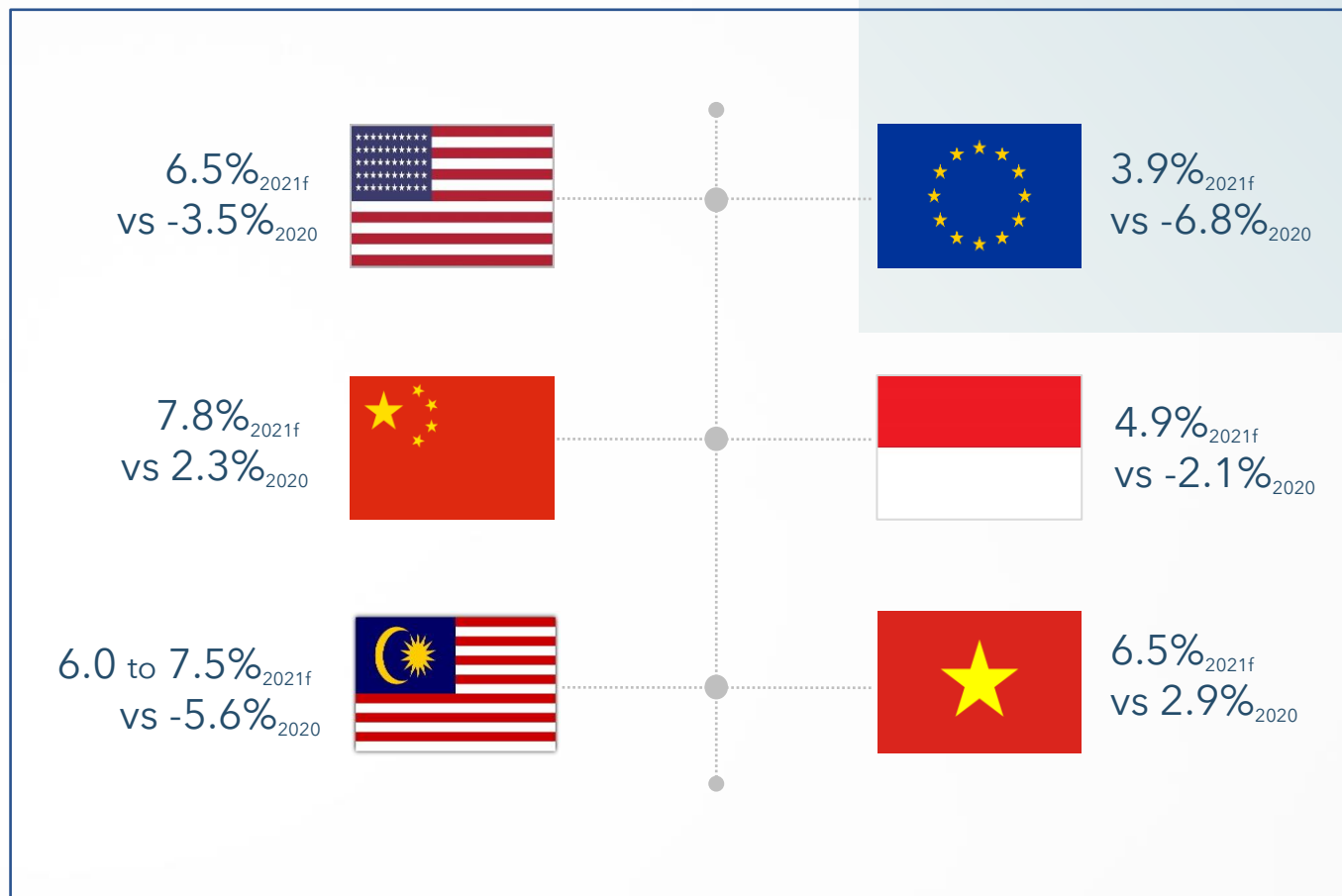
Advanced Economies

Projected to stage robust recoveries, with China leading the way, followed by the US and Eurozone.

03

Turnaround for Malaysia & Indonesia, Vietnam to Double Growth

Projected to stage robust recoveries, with China leading the way, followed by the US and Eurozone.



Sources: Malaysia Economic Outlook 2021 by Ministry of Finance, OECD Interim Report March 2021 and International Monetary Fund

Industry Outlook

Macro Landscape Remains Conducive for Group's Diversified Businesses



Consumer Electronics

- EMS Global market size USD650bil, 5% CAGR for next 5years
- Vietnam as diversion hub due to trade tension



Automotive

- Light vehicles LT global growth between 3% and 4%
- New Demand: electric cars and shifting of e-hailing to true en-route mobility services



Healthcare

- Global healthcare spending to grow at 3.9% CAGR
- Technological advances and expansion of healthcare systems in developing markets to spur future demand



Packaging

- Packaging is growing at annual growth of 3.5% for the past 5 years.
- Growth for carton industry is mainly from the F&B, FMCGs, cosmetics and pharmaceuticals industries



Mattress

- Global mattress market expected to reach about USD44 billion in value by 2025 at 6.2% CAGR
- Growth to be boosted by urbanisation and changing demographics
- Robust demand from domestic, hospitality and property sector

Sources: Global Market Insight EMS Market, July 2020; Deloitte Insights, 2021 Global Health Care Outlook, November 2020; Transparency Market Research, Carton Global Market Analysis, November 2020; and Grandview Research Inc, Global Mattress Outlook, May 2020.



07

Prospect & CAPEX Plan

Creating New Opportunities Amidst Lingering Pandemic Impact

CAPEX Outlay of RM86.1 million in 2021 to Support Future Growth

MANUFACTURING : 95%

OTHERS : 5%



TOYOPLAS

CAPEX : RM27.2 mil

- New prospect from existing customers in:
 - ✓ New technology development
 - ✓ Industrial tools
 - ✓ Consumer electronics
- Sales diversification - healthcare sector
- Strengthening footprint in Vietnam.

CPI

CAPEX : RM42.9 mil

- Serving new sub-industries such as acoustic and surveillance.
- Product tiering for customers from the healthcare sector.

CENTURY BOND

CAPEX : RM10.4 mil

- Offset will continue to drive growth - new customers, new products.
- Tapping into Offset and Carton in Singapore.
- Increasing product range and further capitalizing on e-commerce platform for Leo & Hornbill products.

KING KOIL

CAPEX : RM1.2 mil

- Six new key accounts will be the growth driver.
- Strengthen distribution via e-commerce and expanding network beyond west coast.
- Targetting two new licensees in Europe.

AQUA-FLO

CAPEX : RM0.3 mil

- Improving market share in potable water chemicals
- Focussing on new growth area - industrial and municipal water treatment segments.

SMARTPIPE

CAPEX : NIL

- Exploring strategic partnerships with utility specialists.



KPS

CAPEX : RM4.1 mil

- Plaza Perangsan
- Upgrading of IT Hardware & Software

Thank You

Investor Relations & Strategic Communication

KUMPULAN PERANGSANG SELANGOR BERHAD

17th Floor, Plaza Perangsang, Persiaran Perbandaran
40000 Shah Alam, Selangor Darul Ehsan


T : +603 - 5524 8400

F : +603 - 5524 8444

E : irsc@kps.com.my

W : www.kps.com.my

 : [Kumpulan Perangsang Selangor Berhad](#)

 : [@kps_sustainability](#)