

45th AGM

BUSINESS REVIEW & PROSPECTS

7 June 2022

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01

KPS New Brand Identity

The New Logo

Launched on 28 February 2022, Aimed at Enhancing KPS' Brand Equity



There is a strong endorsement for KPS to change its corporate identity

KPS changed its ways of doing things

Current image of KPS does not fit the 'new operating style'

A more international, modern and dynamic identity

A logo that is easy to decipher

Brand colours that are bright and energetic


















02

Report Card

What We Delivered in 2021

Gain Stronger Ground by Successfully Battling Lingering Effects from the Pandemic


KEY PERFORMANCE INDICATORS 2021		TARGET FY2021	ACTUAL FY2021	ACHIEVEMENT
	Toyoplas			
	i. New customers/projects	3	5	
	ii. No. of projects transferred to Vietnam	1	2	
	CPI			
	i. New customers/projects	3	4	
	CBB			
	i. New customers for offset business	3	3	
	ii. New customers for OEM business	2	1	
	iii. Commencement of production for rigid boxes	August 2021	May 2021	
	King Koil			
	i. Sales target for existing customers	US\$27.0 million	US\$23.3 million	
	ii. New customers/New projects/ New licensee	2	2	
	Aqua-Flo			
	i. New customers	2	3	
	ii. New contracts from existing customers	2	14	

 Completed - Stretched
  Completed - Met
  Completed - Threshold



Revenue


FY21: RM1,328.1 mil
FY20: RM1,076.5 mil

 23.4% YoY



EBITDA


FY21: RM163.7 mil
FY20: RM138.2 mil

 18.5% YoY



PATAMI

FY21: RM57.2 mil
FY20: RM34.1 mil

 67.7% YoY



03

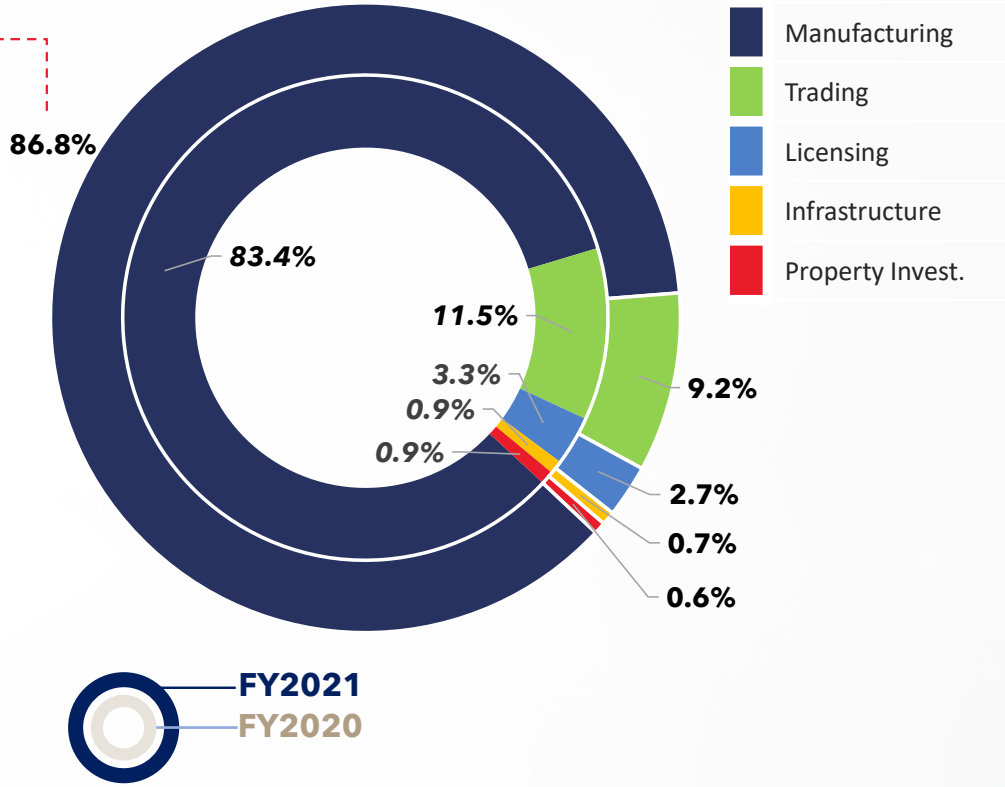
Financial Highlights

Steady Manufacturing Performance

Contributed 87% of the Group Revenue

SECTOR	FY2021	FY2020	Variance
 Manufacturing	1,152.2	898.3	▲ 28.3%
 Trading	121.9	124.1	▼ 1.8%
 Licensing	35.5	35.4	▲ 0.3%
 Infrastructure	9.6	9.2	▲ 4.3%
 Property Inv.	8.9	9.5	▼ 6.3%
TOTAL (RM million)	1,328.1	1,076.5	▲ 23.4%

FY2021 REVENUE BREAKDOWN BY SECTOR



Commendable Year-on-Year Revenue and Earnings Performance

Supported by Strengthened Fundamentals and Lower Finance Costs

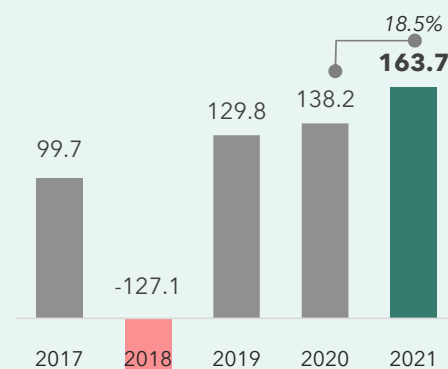
Revenue



FY2021

- Increased due to:
 - Better performance as most businesses operated as usual with upliftment of movement control order.

EBITDA



FY2021

- Increased due to:
 - Higher contribution and improved performance from manufacturing business.
 - Gain on disposal of properties amounting to RM14.8 mil.

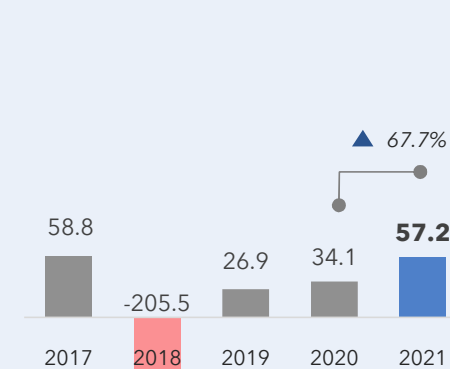
Operating Profit



FY2021

- Increased due to:
 - Better performance by core businesses;
 - Gain on disposal of properties amounting to RM14.8 mil;
 - Lower impairment on assets.

Profit Attributable to Owners of the Parent



FY2021

- Similarly, higher due to:
 - Strengthened fundamentals and lower finance costs (21% improvement as compared to FY2020).
- EPS notched up to 10.64 sen. (FY2020: 6.35 sen)



04

Share Price Performance

Share Price Acted In Accordance with Overall Market Sentiment

A choppy down trend in stock market

SHARE PRICE PERFORMANCE: KPS vs KLCI & FBMSC INDEX

KUPS MK Equity (Kumpulan Perangsang Selangor Bhd)
FBMSC Index (FTSE Bursa Malaysia Small Cap Index)
FBMKLCI Index (FTSE Bursa Malaysia KLCI Index - Kuala Lumpur Composite Index)



Source: Bloomberg

Kumpulan Perangsang Selangor Berhad

Bearish Sentiment

- High Covid-19 cases per capita between 2Q-3Q and resulting lockdown measures.
- Fluid domestic politics.
- Budget 2022's "market unfriendly" measures - Prosperity Tax and stamp duty hike.
- China credit contagion fears which caused the risk-off moves, sparked by sharp decline in HK/China markets due to Evergrande's debt crisis.

Initiation of Analyst Coverage

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

Target Price:
RM1.60



05

Commitment to ESG

Responsible Practices for Sustainable Development

Guided by ESG Aspects to Address Evolving Stakeholder Expectations



Extending Impact Through Community Development

Sharing Corporate Growth Benefiting > 100,000 Community Members



EDUCATION

Developing talent and skills of targetted stakeholders.

Provided access to quality education to

40 Orang Asal students &

Provide digital education to **43** asnaf students collaboration with Maxis

COMMUNITY DEVELOPMENT

Enhancing social progress and stakeholder development.

Assisted more than **15,000** beneficiaries and more than **45** associations, NGOs, schools and institutions

ENTREPRENEURSHIP

Promoting and enabling business opportunities.

Developed **92** entrepreneurs

ENVIRONMENT, SAFETY & HEALTH

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

Assisted more than **100,000** beneficiaries





06

Economic & Industry Outlook

Mix Global Macroeconomic Development

Speed Bumps on The Path to Recovery - Risks Aplenty

01

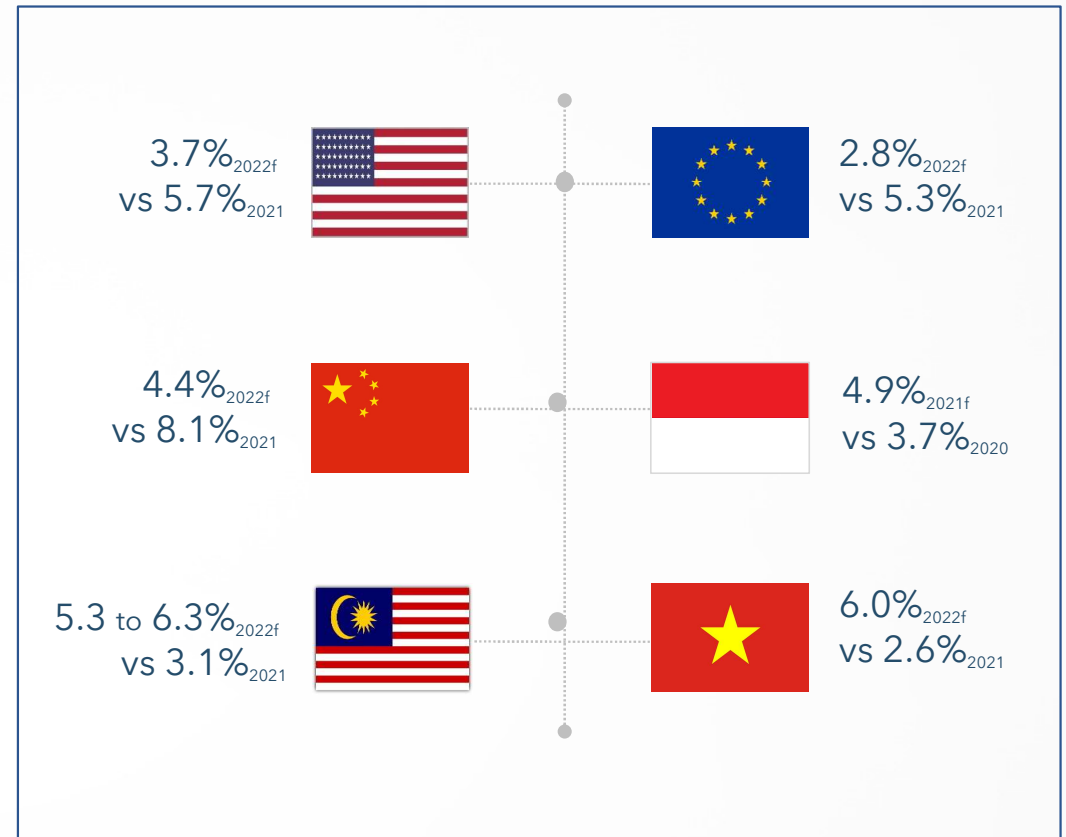
Fears of potential stagflation in advance economies - an economy that is experiencing a simultaneous increase in inflation and stagnation of economic output, i.e.: inflation combined with a decline in the GDP. Prolonged high export-import prices that are lifting headline inflation worldwide may ultimately result in a slowdown of the global economy that will inevitably impact global trade activity.

02

High commodity and raw material prices - expected to stay as demand outstrips supply, China's zero-Covid policy threatens to further disrupt the supply chain cast a shadow over the global supply chain recovery

03

Geopolitical risks are clouding the outlook - a protracted crisis looks likely, adds to the lengthening list of risk factors that could threaten global growth.

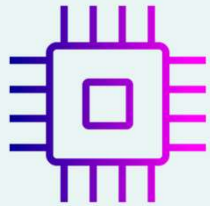


Sources: Malaysia Economic Outlook 2022 by Ministry of Finance, World Bank Report and International Monetary Fund

Supply Chain Challenges

Expected to Linger Until Demand Pattern Normalises

Shortage & Prices of Raw Material



- Global chip shortage for EMS industry.
- Could challenge the business prospect for Toyoplas and CPI.
- Paper & resin prices expected to increase given the development in the operating environment.

High Freight Costs

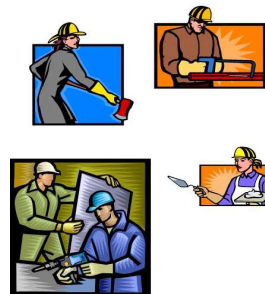


- Shortage of containers hampering trade recovery.
- Shipping rates to developing regions most affected.

Labour Availability?

Points to consider

- Labour cost
- Labour availability
- Labour quality
- Labour stability
- Labour mobility





07

Prospect & CAPEX Plan

Group's Initiatives for FY2022

Capitalise on Emerging Opportunities To Safeguard Operational and Financial Performance



SALES GROWTH & PRESERVATION

- Developing new product and tapping onto online platform.
- Leveraging on existing capabilities and resources.
- Diversifying product mix, increasing reach and managing market risks.
- Growing together with existing customers and acquiring new customers.
- Focusing on branding & marketing.



COST SAVINGS & EFFICIENCIES

- Procuring raw materials from various sources.
- Localising supply chain by having in-house machineries.
- Ongoing costs management via effective negotiations to transfer costs to customers.
- Managing and minimising the forex and tax exposure.



INCREASE PLANT CAPACITY & CAPABILITIES

- Shifting production locations in line with movement of customers to lower shipping costs.
- Leveraging the low-cost sites.
- Continuing the investments in hardware to support growth.
- Completing the construction of new factories to cater for future demand at CPI and TMM.



SUSTAINABILITY INITIATIVES

- Promoting environmental, social and governance (ESG) efforts among stakeholders and investors.
- Proposing the Installation of solar power system at the factories.

Creating New Opportunities Amidst Lingering Pandemic Impact

CAPEX Outlay of RM57.4 million in 2022 to Support Future Growth

MANUFACTURING : 95%



TOYOPLAS

CAPEX : RM28.2 mil

- Focusing on sales growth & preservation via
 - ✓ diversifying solutions and exploring untapped market.
 - ✓ new high mix low volume projects
 - ✓ more box build projects.
- Strengthening footprint in Vietnam.
- Optimising costs and improve efficiency.



CPI

CAPEX : RM15.7 mil

- Achieving sales growth via growing with existing/new customers, industry diversification as well as footprint expansion.
- Managing cost and implementing cost pass through mechanism.
- Increasing capacities and capabilities to provide wider range of solutions to the customers.



CENTURY BOND

CAPEX : RM8.7 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 : RM1.7 mil

- Focusing on high margin products and strengthen high-end/ ultra-premium brand positioning.
- Improving operational efficiency and productivity to rebuild profit margins.
- Enhancing plant capacity to support new customers and prepare for the next stage of growth.

OTHERS : 5%



AQUA-FLO

CAPEX : RM0.4 mil

- Improving market share in potable water chemicals.
- Focusing on new growth area - industrial and municipal water treatment segments.
- Increasing market share for water meter.



SMARTPIPE

CAPEX : NIL

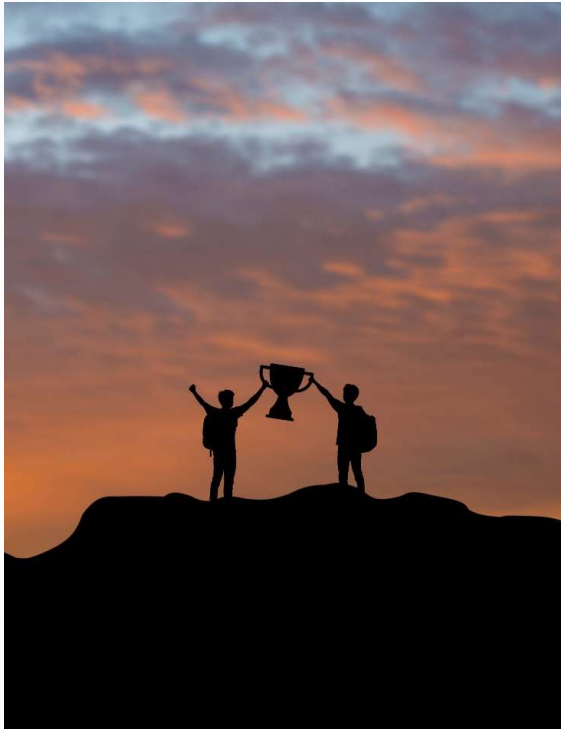
- Exploring strategic partnerships with utility specialists.



KPS

CAPEX : RM2.7 mil

- Renewing fire certificate for Plaza Perangsang.
- Upgrading lift, IT Hardware & Software.



08

Awards & Recognitions

Awards & Recognitions

Embracing Culture of Excellence



2021

NACRA 2021 EXCELLENCE AWARDS PLATINUM

Companies With Less Than RM2 Billion In Market Capitalisation

2020 & 2019



NACRA 2020 EXCELLENCE AWARDS SILVER

Companies Under RM2 Billion In Market Capitalisation

Previous Years



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



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



Asia Responsible Entrepreneurship Award 2015



Sustainability & CSR Award Malaysia 2021

(Investment Holding Company Category)



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



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



Asia Responsible Enterprise Award 2018



2017 Jury Award Selangor Sports Council (MSNS)



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



MSWG-ASEAN CORPORATE GOVERNANCE ("CG") AWARD 2020
Excellence Award for CG Disclosure & Industry Excellence Award 2020

(Mkt Cap RM100million-RM300 million Category)



HR Asia Best Companies To Work For In Asia 2018



Champion 2016 Risk Manager of The Year (MARIM)



Asia Responsible Entrepreneurship Award 2013 (SEA)

Thank You

Department

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