



46th Annual General Meeting

BUSINESS REVIEW & PROSPECTS

Tuesday | 30 May 2023

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Managing Director / Group CEO





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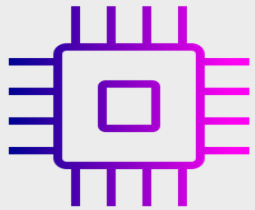
01

Report Card

Navigating Myriad of Challenges in 2022

A Bumpy Ride in a Volatile, Uncertain, Complex, and Ambiguous Operating Climate

Supply Chain Disruption



- Supply chain bottleneck of electronic chips: long lead time (24 to 27 weeks)
- Elevated resin prices
- Average paper prices increased by 43% from USD925/mt to USD1322/mt

Minimum Wages



- Higher OT and labour costs post-minimum wage implementation in May 2022

Inflation & Interest Rate Hike



- Inflation on the rise



- Increase in OPR from 1.75% to 2.75% (from January to December 2022)



Weak Consumer Demand



- Softening of consumer sentiment and market demand
- Consumers continue to defer spending due to macroeconomic uncertainty

Yet, We Overcame

FY2022 Achievements: More Than RM450.0 million of New Projects and Contracts

KEY PERFORMANCE INDICATORS	ACHIEVEMENTS	NEW PROJECTS/CONTRACTS
GROUP REVENUE	RM1,360.6 million	 <p>Full assembly for gardening tools and subassembly for vacuum cleaner accessories</p>
GROUP EBITDA	RM195.3 million	
TOYOPLAS New customers/projects	8	 <p>Plastic parts for WiFi routers and access points, security cameras and security doorbells</p>
CPI New customers/projects	5	 <p>The front bezel of center console, PCB assembly for fuel-dispenser boards, components for CCTV cameras</p>
CBB 1. New customers for offset business 2. New customers for carton business 3. Expansion into Penang for offset business	5 4 Q4FY2022	 <p>Cement bags, cartons and rigid boxes</p>
KING KOIL 1. KKMW - new customers/projects 2. KKLC - new licensee/ territories/renewal with higher royalties	2 3	 <p>Sustainably crafted mattresses</p>
AQUA-FLO 1. New customers 2. New contracts from existing customers	2 16	 <p>Water meters and Water chemicals</p>

Note: All pictures shown are for illustration purposes only and do not represent the actual products/parts manufactured for our customers

Key Corporate Events in 2022

Enhancing Corporate and Business Fundamentals

	Rebranded on 28 February 2022
	Completed the disposal of SPRINT Highway. Paid 4.5 sen special dividend Completed on 13 October 2022 with an equity value of RM863.0 million, received a sum of RM172.6 million for our 20% share in 2022.
	Acquired MDS Advance, a high-precision CNC metal machining business, for RM85.0 million Completed on 13 January 2023 based on a 7.9 EV/EBITDA ratio. The acquisition came with a 2-year profit guarantee of RM17.0 million.
	Commenced operations in Toyoplas' new factory in Bac Giang, North Vietnam The new plant took over Toyoplas Bac Ninh plant's operations in December 2022 and is expected to benefit from the US-China trade tensions.
	Completed the construction of CPI's new EMS factory in Bayan Lepas, Penang Construction of the new plant was completed in 2022, and operations commenced in March 2023. The new plant's built-up is approximately 2.5 times bigger than its previous EMS facility.

Delivering Financial Commitment to Shareholders

A Total of 9.0 sen Dividend for FY2022

Dividend Policy



≥ 30.0%

of the Group's Normalised Core PATAMI

Dividend policy was approved on 30 March 2021

FY2022 Total Dividend



9.0 sen*

Per Ordinary Share

* 2.5 sen final dividend - subject to the shareholders' approval at the 46th AGM

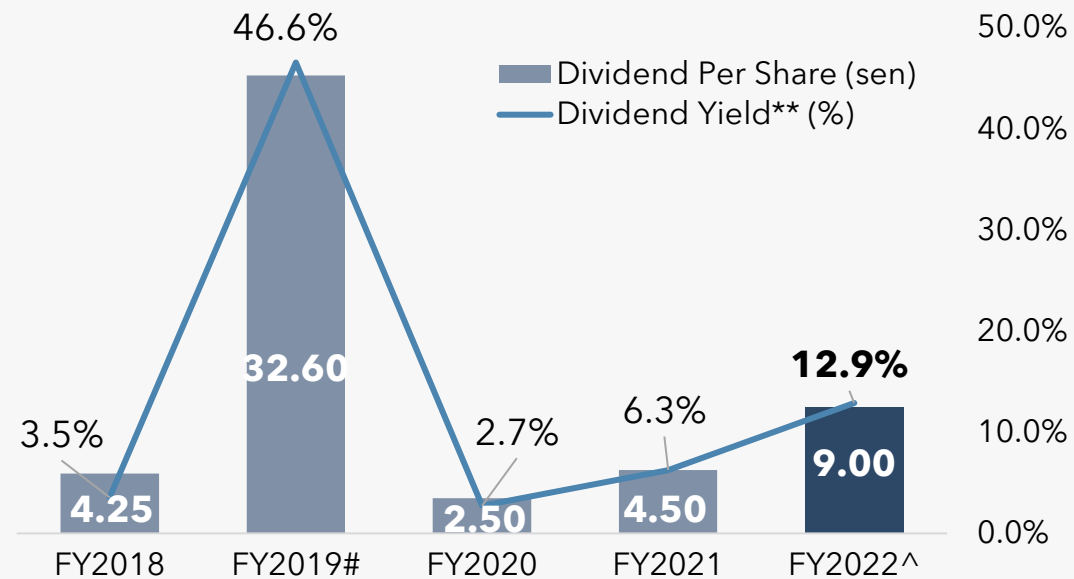
FY2022 Dividend Yield**



12.9%

** Based on the share price as of 31 December 2022

Sustainable Dividends Over the Years



Dividend Pay-out (RM' mil)	22.8	175.2	13.4	24.2	48.4
Pay-out/ Normalised core PATAMI	>100.0%	>100.0%	63.8%	54.2%	>100.0%

Special dividend from SPLASH divestment

^ Special dividend from SPRINT divestment

Awards & Recognitions

Embracing Culture of Excellence

2023



Best Employer Brand Awards 2023



Silver NACRA 2022 Excellence Awards

Previous years



Sustainability & CSR Malaysia Awards 2022: Overall Excellence in Community Upliftment Initiatives



Sustainability & CSR Malaysia Awards 2022: Long-Standing Excellence in Sustainability



Silver NACRA 2020 Excellence Awards



Silver Award: Employer of Choice (Private Sector) 2018



Platinum NACRA 2021 Excellence Awards



Sustainability & CSR Malaysia Awards 2021: Leadership in Sustainable Environment & Social Initiatives



Sustainability & CSR Malaysia Awards 2020: Overall Excellence in Education, Entrepreneurship & Community Development



Asia Responsible Enterprise Awards 2018



MSWG-ASEAN Corporate Governance Awards 2020: Excellence Award for CG Disclosure & Industry Excellence Award



CSR Malaysia Awards 2019



Best Companies To Work For In Asia 2018



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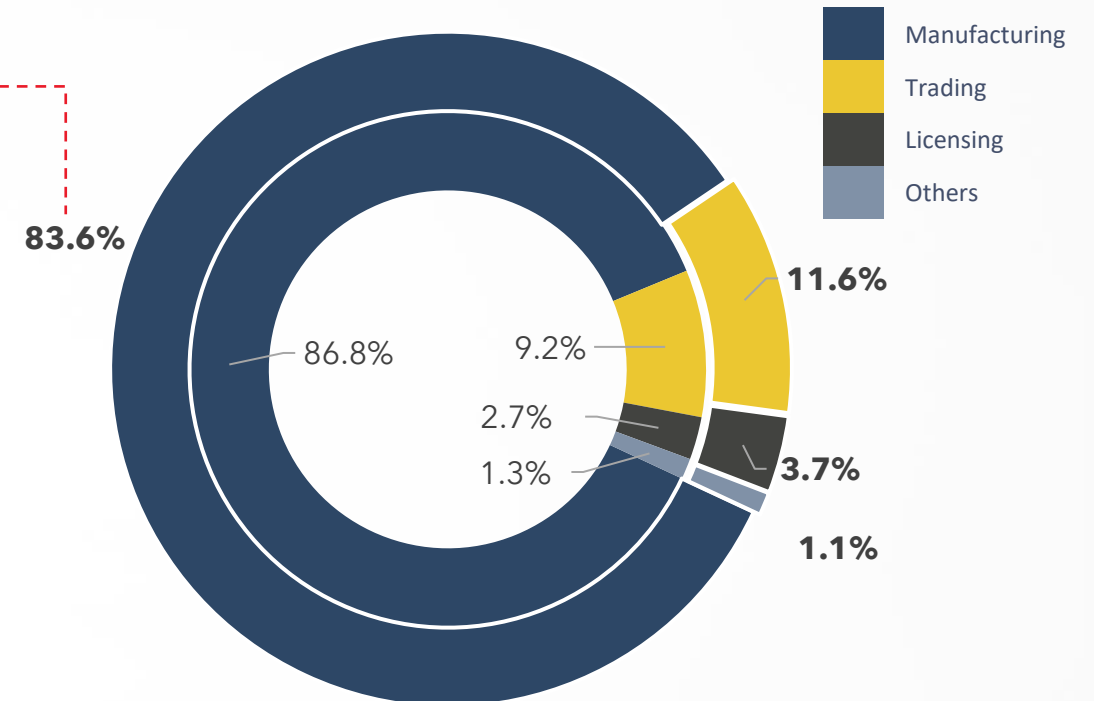
Financial Highlights

Manufacturing Momentum Moderated

Trading and Licensing Provided Balance

SECTOR	FY2022	FY2021	Variance
 Manufacturing	1,137.2	1,152.2	▼ 1.3%
 Trading	158.3	121.9	▲ 29.9%
 Licensing	50.9	35.5	▲ 43.4%
 Infrastructure	5.2	9.6	▼ 45.8%
 Property Inv.	9.0	8.9	▲ 1.1%
TOTAL (RM million)	1,360.6	1,328.1	▲ 2.4%





**FY2022
REVENUE BREAKDOWN BY SECTOR**



Manufacturing Contribution Sustained

Despite Normalised Demand and Weaker Retail Sentiment

MANUFACTURING REVENUE BREAKDOWN

Subsidiary	FY2022	FY2021	YTD Growth
 TOYOPLAS	526.8	529.0	▼ 0.4%
 CPI	220.7	202.2	▲ 9.1%
 KING	241.5	235.7	▲ 2.5%
 KING	148.2	185.3	▼ 20.0%
TOTAL (RM mil)	1,137.2	1,152.2	▼ 1.3%

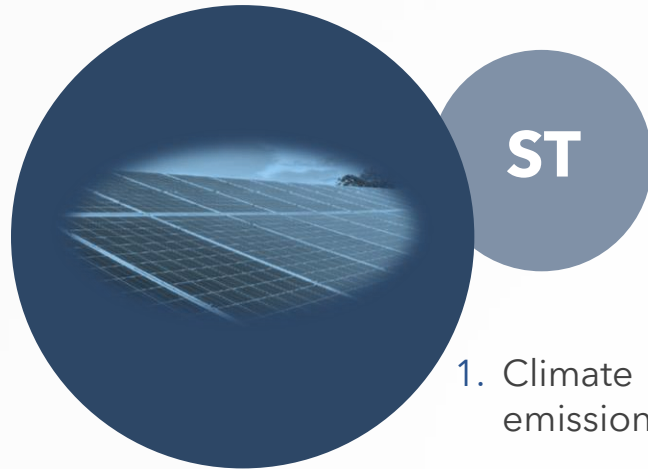


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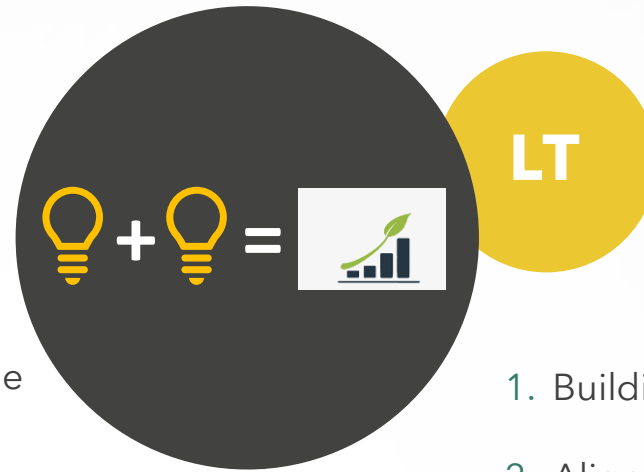
Commitment to ESG

Commitment Towards Low Carbon Economy

Gearing Up for 45% GHG Reduction by 2030



1. Climate strategy to include emission reduction.
2. Procuring solar energy through CGPP's Cyberjaya Floating Solar Farm for KPS Berhad and participating subsidiaries.



1. Building climate resilience.
2. Aligning KPS Berhad's climate action by managing physical and transition risks.



Extending Impact Through Community Development

Sharing Corporate Growth Benefiting > 100,000 Community Members



EDUCATION

Developing talent and skills of targeted stakeholders.

Provided access to quality education to **40** Orang Asal students



ENTREPRENEURSHIP

Promoting and enabling business opportunities.

Assisted more than **45** entrepreneurs



COMMUNITY DEVELOPMENT

Enhancing social progress and stakeholder development.

Assisted more than **27,000** beneficiaries



ENVIRONMENT, SAFETY & HEALTH

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

Assisted more than **80,000** beneficiaries



04

Economic Outlook

Anticipating Slowdown in Growth

Resulting in Higher Overall Overheads

01

Broad base growth remains elusive with sustained headwinds in the global economy, geopolitics and monetary policy

02

High raw material, commodity and utility prices

03

Resulting, higher cost of doing business

GDP Growth within our Value Chain:

0.5%_{2023f}
vs 1.9%₂₀₂₂



0.0%_{2023f}
vs 3.3%₂₀₂₂



4.3%_{2023f}
vs 2.7%₂₀₂₂



5.0%_{2023f}
vs 5.3%₂₀₂₂



4.0 to 5.0%_{2022f}
vs 8.7%₂₀₂₂



6.3%_{2023f}
vs 8.0%₂₀₂₂



Source: Chief Economists Outlook: May 2023, World Bank Report and International Monetary Fund



05

Managing Prospects

Ensuring Business Resilience

Whilst Navigating Operating Challenges



REVENUE GROWTH AND DIVERSIFICATION

Revenue growth strategies to prioritise business development efforts

- Diversifying product mix, increasing reach and expanding into new industries with higher margin opportunities.
- Acquiring new customers and growing together with existing customers



COST SAVINGS INITIATIVES

Operating costs to remain under close monitoring

- Implementing centralised vendor management.
- Consolidating operations to streamline processes to improve efficiency.



EXPANSION OF CAPACITY AND CAPABILITIES

Maintaining competitive advantage with RM51.8 million Capex

- Investing in automation, and onboarding of new machines & technology.
- Leveraging on existing capabilities and resources, exploring options to monetise excess spaces and machines.

Thank You

Investor Relations, Sustainability & Communications

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