



48th Annual General Meeting

BUSINESS REVIEW & PROSPECT

Tuesday | 20 May 2025

Ahmad Fariz Hassan
Managing Director / Group CEO



01

2024 Operational Highlights

Navigating Operating Challenges in 2024

Lower Sales Volume, Revenue Growth Moderated

01

Weaker Demand



**Weaker Consumer
Sentiment**

Built-up Inventory

Weaker Order Pull

02

Elevated Input Costs



Raw Materials

Overhead

Lower PAT Margins

03

Supply Chain Disruption



- Geopolitics and trade policies escalated operational costs across sectors.
- For example, automotive and semiconductors sectors faced challenges due to increased tariffs on critical components imported from China.

Regardless of The Challenges, VCPs Continued

Fundamentals Fortified

KEY PERFORMANCE INDICATORS	ACHIEVEMENTS	NEW PROJECTS/CONTRACTS
TOYOPLAS 1. New customers 2. New projects	3 2	     <p>Box build projects</p> <p>Plastic parts for DJ system, security cameras.</p>
CPI 1. New customers 2. New projects	3 2	     <p>Smartphone holder, Eurocopter controller, Security camera, PCBA for caravan's electronics system</p>
CBB 1. New customers/projects from Offset division 2. New models from existing customers – direct end customers	5 5	    <p>Paper bags for autoclave aerated concrete. Offset packaging for electrical, dairy and stationary products. Cartons boxes for tiles, cooking oil, plastic products. OEM household products</p>
MDS Advance 1. New customers 2. New projects	2 6	     <p>High precision machining parts for semiconductors devices, X-Ray test devices, telecommunications devices</p>
AQUA-FLO 1. New contracts from customers 2. New products	6 2	   <p>Secured six new contracts, including a three-year contract with Air Selangor in February 2024 for the supply of water meters.</p>

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

Amongst Other Strategic Executions

To Enhance Business Focus & Competitiveness

Strategic Asset Sale	Business Streamlining	Social Stewardship	Operational Restructuring
<div></div> <ul style="list-style-type: none">Sales proceeds of RM271.5 million. <div></div> <ul style="list-style-type: none">Sale of Plaza Perangsang. RM46 million proceeds.	<div></div> <ul style="list-style-type: none">Toyoplas' Vietnam plant posted highest growth, driven by projects transferred from Shanghai.4 key customers77 injection molding machines	<div></div> <ul style="list-style-type: none">Construction of centralised living quarters (CLQ) in 2025.Three five-storey blocks for 480 workers.Responsible Business Alliance (RBA) compliance.Expected to save RM1.9 million per annum.	<div></div> <ul style="list-style-type: none">Shifted from corrugating to converting-focused for cost efficiency.Increase GP margin for carton division by 11% from -10%.



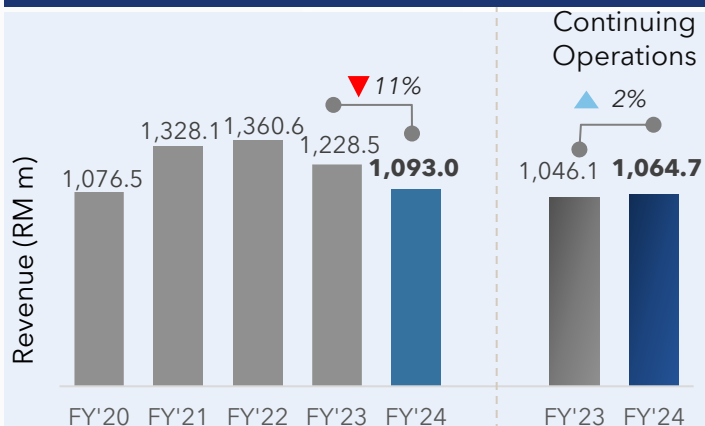
02

2024 Financial Results

Our Strategy Works

Steady Revenue, Earnings Boosted by Core Performance & Asset Sale

Revenue



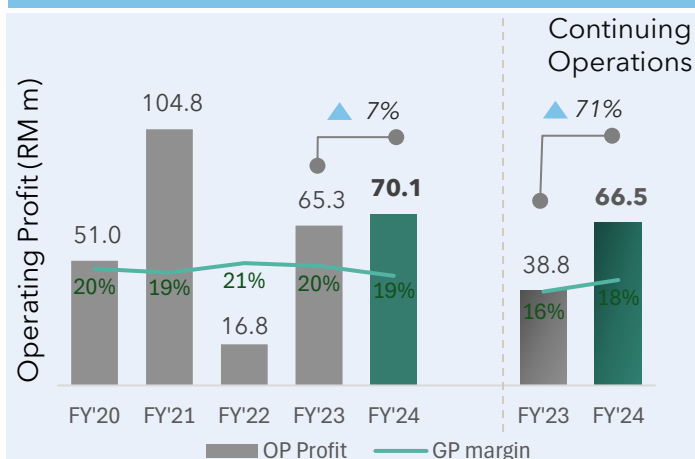
FY'24 vs FY'23

- **Total:** Eased 11% as Kaiserkorp only contributed two months' revenue.
- **Continuing:** Growth moderated due to global economic slowdown in specific sectors, caused by weaker consumer sentiment.

FY'20 to FY'24

- The trend reflects a global normalisation of supply and demand post-COVID-19 pandemic.

Operating Profit



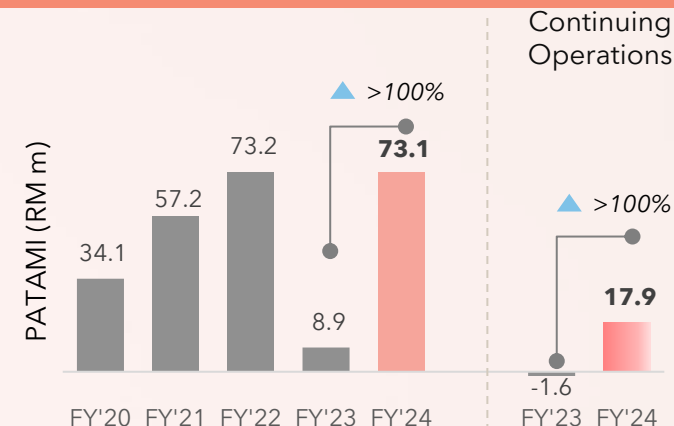
FY'24 vs FY'23

- **Total:** Improved 7% with Toyoplas' turnaround and steady performance from Aqua-Flo.
- **Continuing:** Improved profitability from lower operating costs, supported by a more efficient cost structure at Toyoplas, and higher profitability from Aqua-Flo.

FY'20 to FY'24

- The Group VCPs maintained resilient GP margins despite market and operational challenges. FY'22 performance was impacted by RM68.8 million impairment on investment in associates.

Profit Attributable to Owners of the Parent



FY'24 vs FY'23

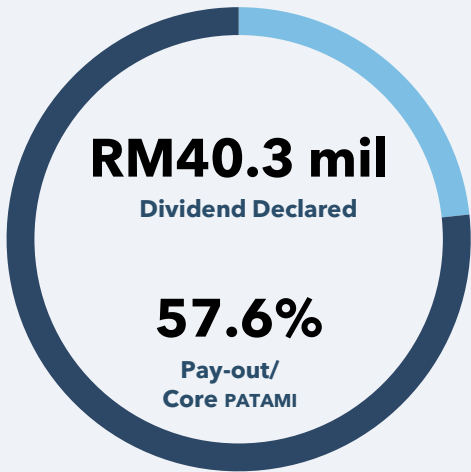
- **Total:** The surge was further driven by the strategic asset sales.
- **Continuing:** Supported by Toyoplas' turnaround and Aqua-Flo's performance

FY'20 to FY'24

- Strategic asset sales enhanced earnings in FY'22 and FY'24.
- Streamlining and restructuring of Toyoplas' business in FY'23 fostered operational resilience, resulting in turnaround in earnings in FY'24.

Our Strategy Works

Consistent Delivery of Financial Commitment to Shareholders

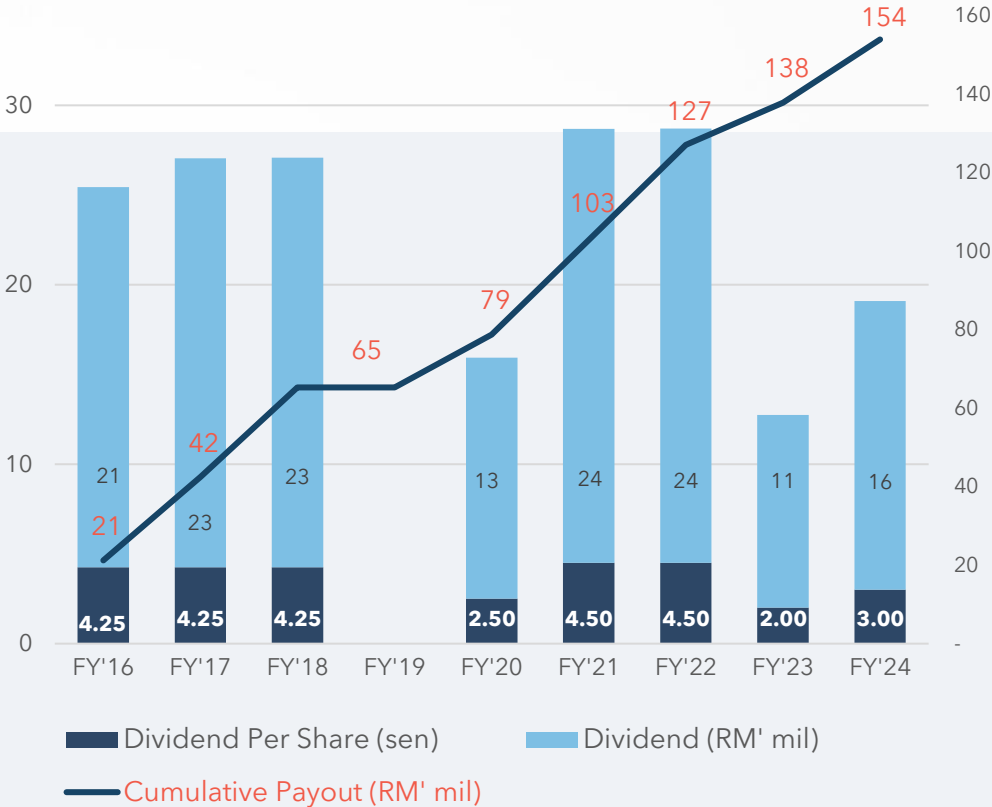


4.5 sen per ordinary share
Special Dividend
RM24,182,342 payout
Paid on 30 April 2024

3.0 sen per ordinary share
Interim & Final Dividend
RM16,121,561 payout
Interim paid on 30 December 2024.
Final to be paid on 18 June 2025, subject to the shareholders’ approval at the 48th AGM

Dividend Policy
≥ 30.0% of the Group’s Normalised Core PATAMI

Steady Dividend since BTP



Notes:
1) Special dividends: 32.6 sen (RM175.2 mil) in FY'19 (SPLASH), 4.5 sen (RM24.2 mil) in FY'22 (SPRINT), 4.5 sen (RM24.2 mil) in FY'24 (KaiserCorp).
2) Cumulative dividends since BTP = RM379 million (including special dividends).



03

Non-Financial Achievements

Strides in ESG Areas

Long-term Value Protected, Business Resilience Safeguarded

Carbon Footprint



- Enhanced carbon accounting for operations outside Malaysia.

Climate-related Disclosures



- Initiated climate-related disclosures based on IFRS S2 requirements.

How ESG Benefits Us?



- Strengthen risk management practices, making KPS Berhad more resilient.
- Driving efficiency with smarter use of resources, often leading to cost savings.
- Guarding from future risks, like rising costs, stricter regulations, and supply chain disruption.

FTSE Ranking

- Scoring improved to 3.3 in 2024, from 2.6 in 2023.

CSRs/Community Development

- Benefited more than 115,000 stakeholders.

Competitiveness

Resilience

Profitability

Reputation

Awards & Recognition

High-Performance Culture Upheld

2024



Previous years





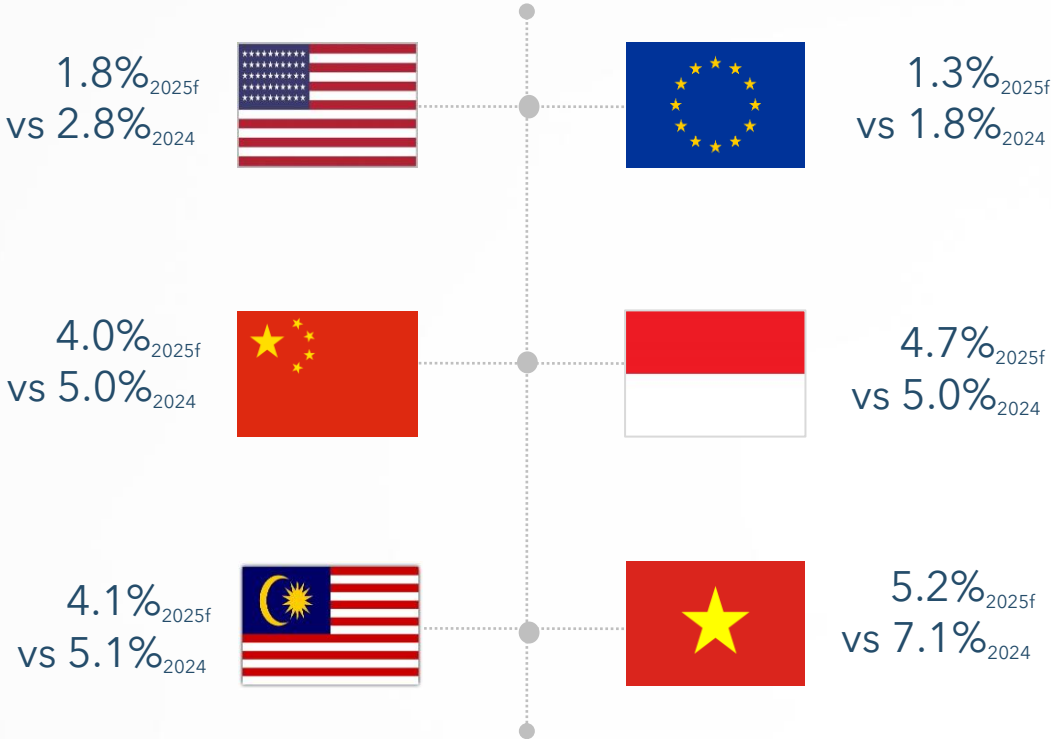
04

Managing Prospects

Operating Landscape Expected to Remain Complex

Geopolitics Could Hamper Growth

Expected GDP Growth within our Value Chain:



Source: World Economic Outlook - International Monetary Fund as of April 2025

Potential Impact of US Trade Policies

- ### 01 Supply Chain

 - 1. Nearshoring & Regionalisation
 - 2. Increase in Costs from Supplier Diversification
- ### 02 Regulatory

 - 1. Diverging Standards Increase Compliance Burden
 - 2. Potential Added Costs to Meet US Requirements
- ### 03 Strategic

 - 1. Investment Shift Toward Politically Aligned Regions
 - 2. Capital Relocation May Slow Global Growth
- ### 04 Operational

 - 1. Operations Might Be Redesigned for Agility
 - 2. Plausible Increase in Inventory

Addressing Operational Challenges

To Further Business Resilience

Slower Demand Recovery



- Global demand forecast to remain moderated in 2025.
- More customers are keeping low inventory close to just-in-time.

Input Costs



- Increase in minimum wage rate from RM1,500 to RM1,700, with effect from February 2025.
- RM5.1 mil estimated impact from minimum wages hike
- RM1.6 mil estimated impact from potential electricity hike in July'25

Foreign Exchange Impact



- Increased market volatility due to the uncertainty of US foreign policy.
- USD is forecast to weaken against MYR in FY'25 following the expected rate cut by 100 basis points.
- RM699,000 impact with 1% change in foreign exchange rate.
- 49% of the Group's trade receivables are in foreign currency, with 44% in USD.

PAT Margin Compressions



- Intensified price competition against foreign giant.
- US tariff & trade policies
- 4% of budgeted sales have direct trade with US companies.
- 20% have indirect trade where customers ship their products to the US.

Strategic Initiatives in 2025



- Business restructuring
- Cost optimisation
- Enhancement of manufacturing capacity and capabilities
- Sales development by growing customer base

2025 Strategic Initiatives

VCPs in Place to Foster Future Growth

CAPEX = RM107 million



- Infrastructure, including CLQ construction at Toyoplas & CPI. RM68.1 million. (64%)
- Machineries. RM34.9 million. (32%)
- IT & Vehicle. RM4.4 million. (5%)

**BUSINESS
RESTRUCTURING**

**COST
OPTIMISATION**

**ENHANCEMENT OF
MANUFACTURING
CAPACITY AND
CAPABILITIES**

**SALES DEVELOPMENT BY
GROWING CUSTOMER
BASE**



Thank You

Investor Relations, Sustainability & Communications

KPS BERHAD

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

T : +603 - 5524 8400

E : irsc@kps.com.my

W : www.kps.com.my

 : KPS Berhad

 : @kpsberhad