



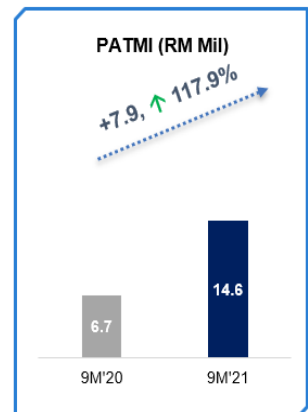
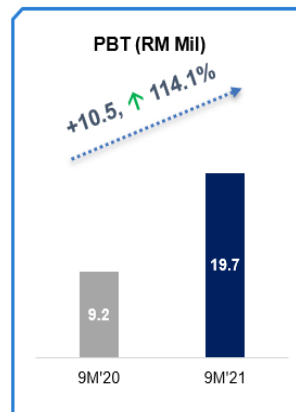
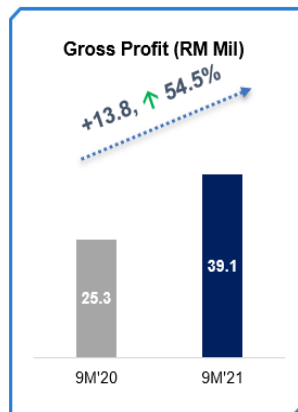
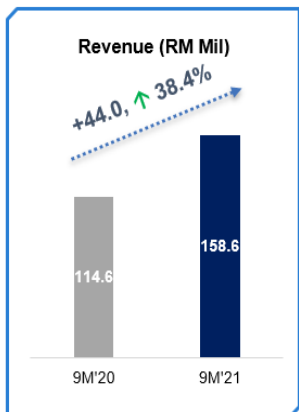
INVESTOR BRIEFING – Q3 2021 Financial Results

TOPICS COVERED:

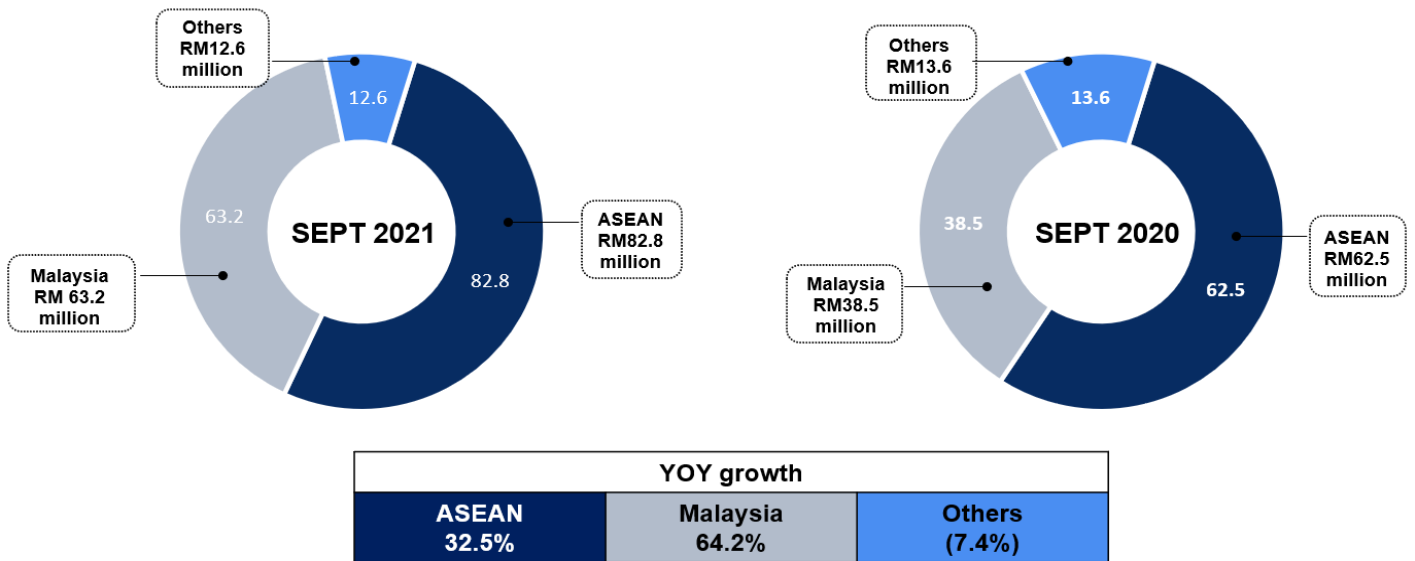
1. Third Quarter (“Q3”) 2021 Financial Results

- For the quarter under review, the Group recorded a revenue of RM51.67 million, which translated to a year-on-year increase of 44%. The strong quarterly revenue was mainly attributed to the higher sales from its distribution division which increased by RM17.84 million.
- The Group announced a profit before tax and profit after tax (“PAT”) of RM5.29 million and RM3.71 million respectively, an increase of 127% and 132% respectively compared to the corresponding quarter in 2020.
- QoQ comparison saw a minor drop by 4.8% in the Group’s revenue.
- Manufacturing division revenue grew by 4.5% YoY, due to better sales of automated measuring system and automated handling system from the semiconductor customers.
- Distribution division revenue increased by 43.7% YoY mainly due to an increase of 66.8%, 16.7% and 13.9% in product, materials and spares & service respectively.
- Group GP increased by 54.5% YoY as a result from a 61.0% jump in GP contribution from the distribution division as well as an increase of 20.0% in GP contribution by the manufacturing division.
- Malaysia remains the largest revenue contributing country which makes up for 42.1% of Q3 total revenue which marked an increase of 64.2% YoY for the period ended Sept 2021. Contribution of revenue from the ASEAN region excluding Malaysia increased from RM62.5mil to RM82.8mil YoY due to the economic recovery from the Covid-19 pandemic and strong semiconductor growth.
- Total installed base as at Q3 ‘21 stood at 12,766.

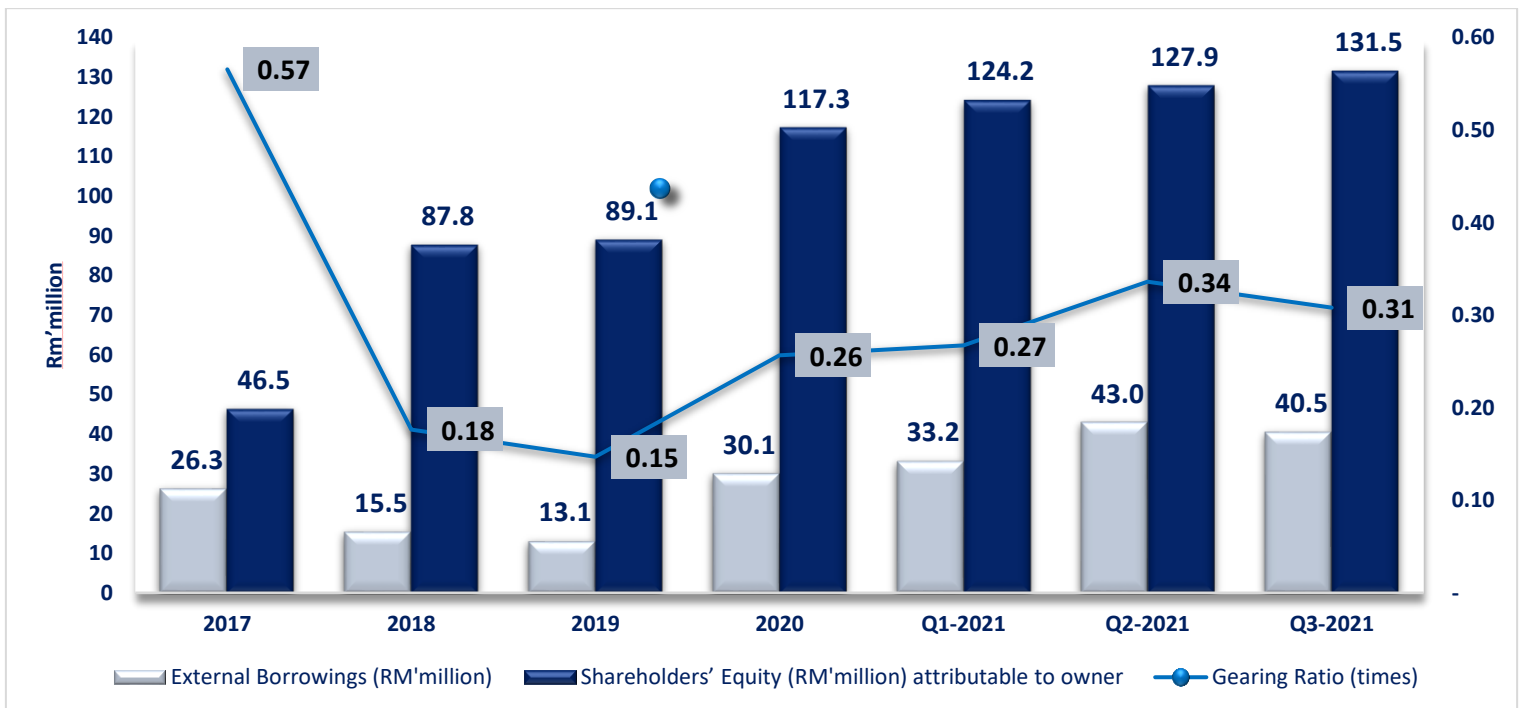
Highlights of Q3 ‘21 Financial Results



Revenue YoY by Country/Regions



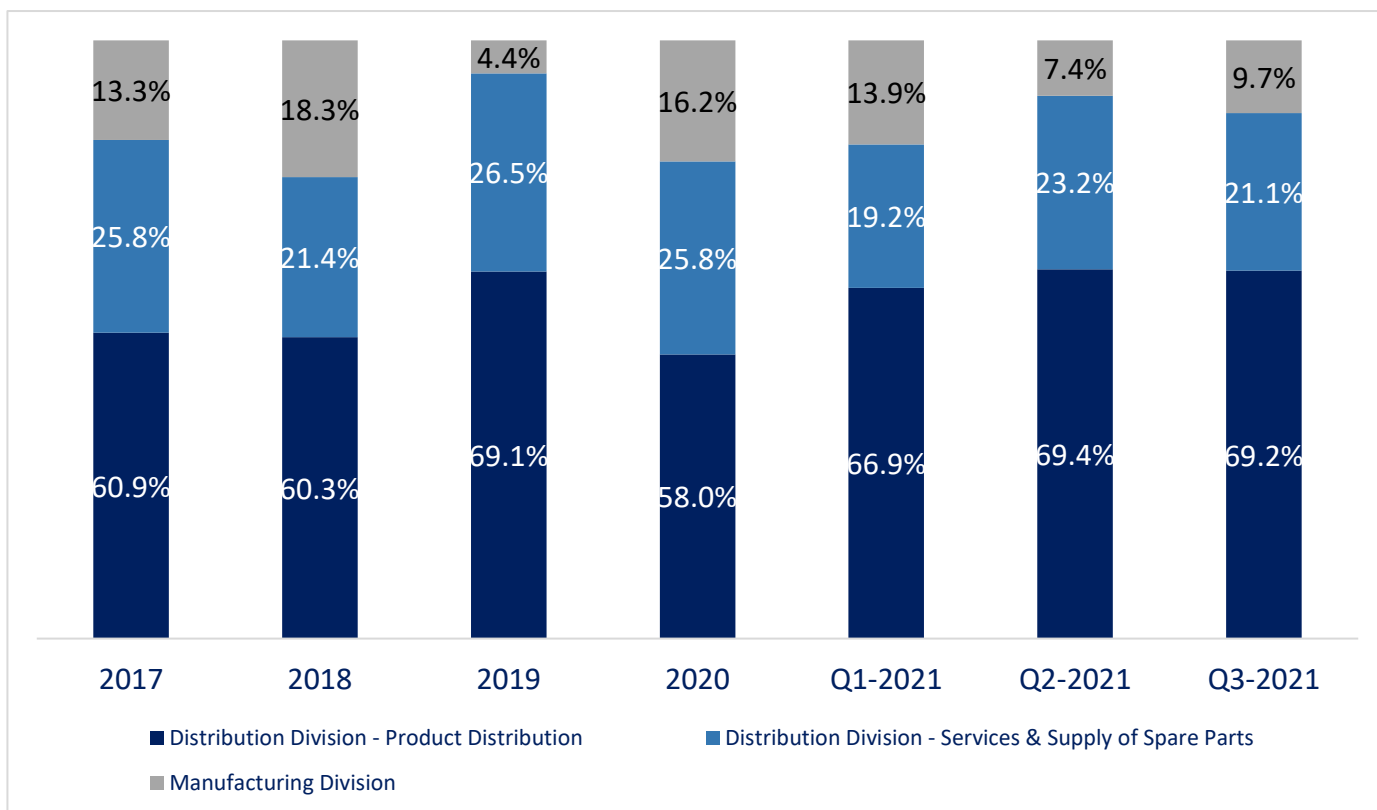
Borrowings/Shareholders' Equity & Gearing Ratio Comparison



2. Business Outlook & Prospects

- From the Manufacturing Division
 - Order intake from semiconductor customers continues to be strong
 - Deliveries impacted by supply chain issues and shortage of critical components
 - Launched PDA1000V (AOI Series) automated inspection machines for IGBT power device (extensively use inside EV)
 - Launched WSM1200 (AMS Series) automated metrology inspection for both bump wafer and SiC wafer (extensively use for EV semiconductor IC production)
 - Wafer Inspection AOI (PPI series) 1st prototype to be ready by end of Dec 2021
- From the Distribution Division
 - Strong order intake from semiconductor as well
 - Received multiple large orders from both front-end wafer fab and back-end test assembly customers but shipment will be next year due to lengthy delivery lead time
 - Record revenue recorded from all Business Units as shown in the 9M YTD 2021
 - Recurring income continues to be steady at ~21% of total revenue 9M YTD 2021
- Overall FY2021
 - QES Group is set to record a strong double digit revenue growth FY2021 over FY2020
 - Q4-2021 shipments (especially manufacturing division) expected to increase due to some delayed shipments originally planned in Q3-2021
 - Continue to mitigate supply chains issues through:
 - Advance purchases of critical components and machine structures
 - Work closely with customers on the delivery through PO in advance
 - Manpower resources and capacity planning very critical
 - With ASEAN and other parts of the world gradually opening up, we opined and expect continuation of good order intake momentum
- FY2022 and beyond
 - Expecting book to bill ratio towards end of 2021 to be much higher than parity
 - AETM JV company to start full swing
 - Planned to start building QES 2nd plant @ BKIP from 2H2022 onwards
 - QES China expansion hopefully to yield positive results by 2H2022
 - With EV, 5G, IoT, Cloud, Edge Computing and AI continue to flourish, we expect demand for our products and services to be trending upwards over the next 5 years
- New Hicom-Glenmarie Shah Alam factory
 - FMCO has delayed the move in date to end of Q1-2022 instead of mid-Nov 21
 - Overall space increase from 39,000 sq ft to ~81,000 sq ft
 - Capacity of manufacturing increases from 25,000 sq ft to 35,000 sq ft
- New Batu Kawan Industrial Park land acquisition
 - Completed SPA between PDC and QES
 - Planned to build QES 2nd factory there from Q2-2022 onwards

Revenue Breakdown by Division



3. Utilisation of Private Placement Proceeds as at 30 September 2021

Purposes	Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Expected Timeframe for Utilisation
(i) Factory capacity expansion	8,200	165	8,035	Within 18 months from 30 Oct 2020
(ii) R&D on future product expansion	5,300	359	4,941	Within 24 months from 30 Oct 2020
(iii) Market expansion to China	1,500	97	1,403	Within 18 months from 30 Oct 2020
(iv) Future working capital and acquisition related investment	4,595	221	4,374	Within 24 months from 30 Oct 2020
(v) Estimated expenses in relation to the proposed private placement	500	500	-	Immediately
	20,095	1,342	18,753	