

QES INVESTOR BRIEFING Q1-2022



Assuring you our best, always

IMEJJIWA in collaboration with

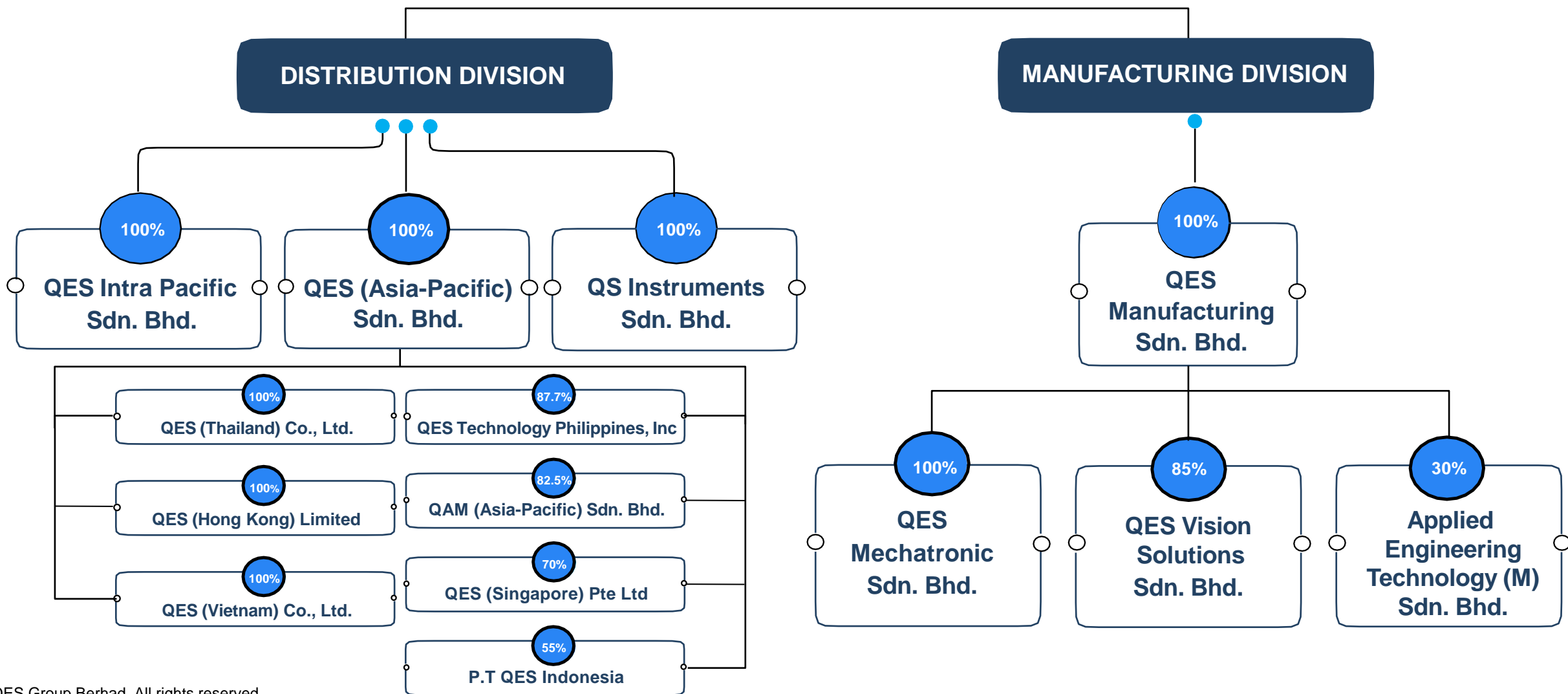


This Presentation has been prepared by QES Group Berhad and is preliminary in nature and solely for information and discussion purposes and must not be relied upon for any other purpose.

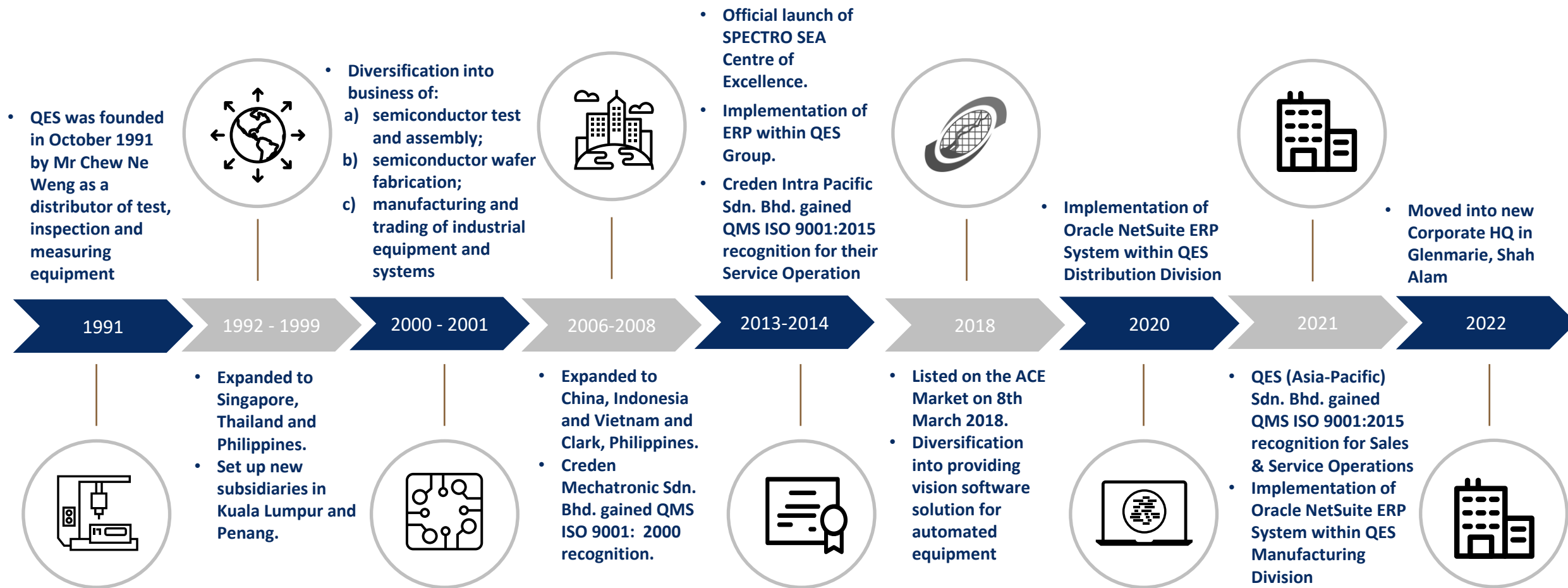
The “Presentation” that follows shall mean and include the slides that follow, the oral presentation of the slides by members of QES, or any person on their behalf, the question-and-answer session that follows that oral presentation, copies of this document and any materials distributed at, or in connection with, that Presentation. By participating in the meeting/briefing, or by reading the Presentation slides, you will be deemed to have (i) fully agreed to the following limitations and notifications and made the following undertakings and (ii) acknowledged that you understand the legal and regulatory sanctions attached to the misuse, disclosure or improper circulation of this Presentation.

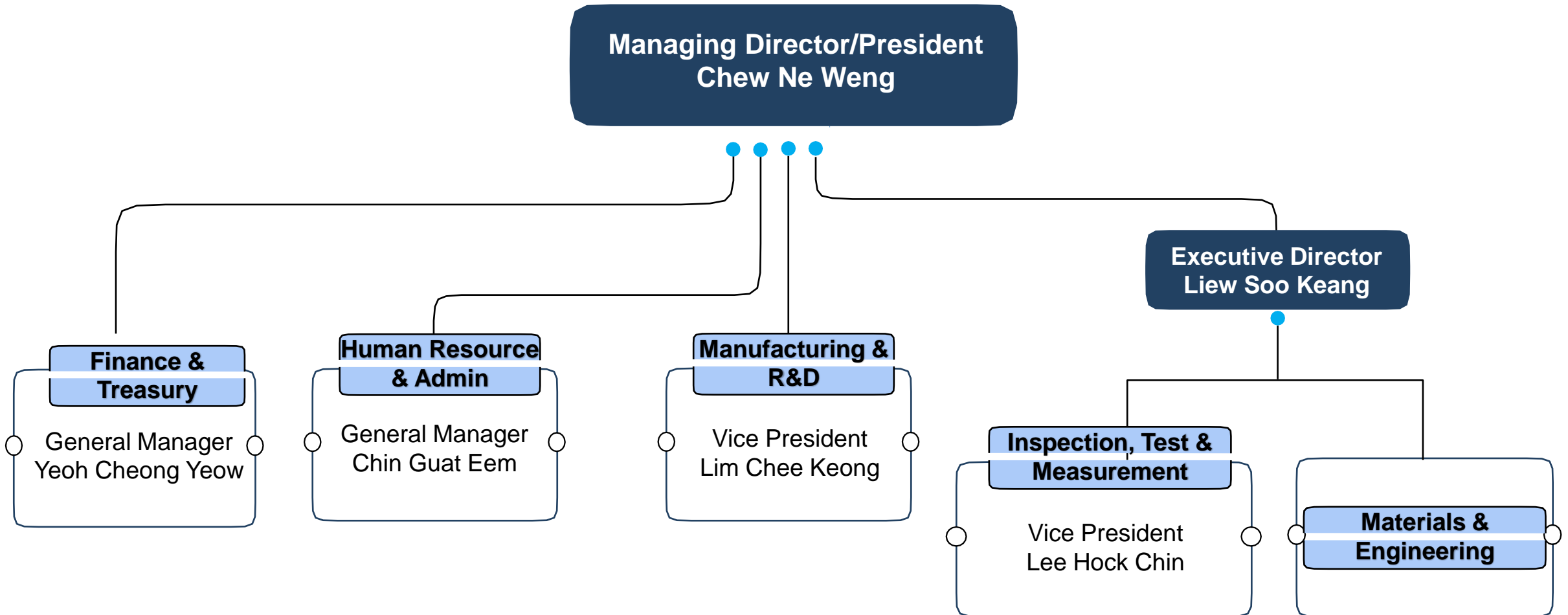
This Presentation is being delivered on a confidential basis. Neither this Presentation nor any of its contents may be disclosed or used for any purposes other than information and discussion purposes without the prior written consent of the QES. You agree that you will not copy, reproduce or distribute this Presentation, in whole or in part, to other persons or entities at any time without the prior written consent of QES.

This Presentation does not constitute an offer or invitation for the sale or purchase of the securities herein or a commitment by QES with respect to any of the foregoing, and this Presentation shall not form the basis of any contract. The forward-looking statements and outlook are subject to a number of factors, risks and uncertainties, some of which are not currently known to us.



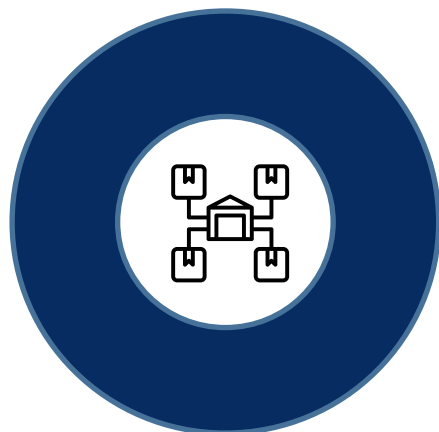
Company Overview- Corporate Milestones





Business Overview - Business Segments

Distribution



**Analytical
Instruments**

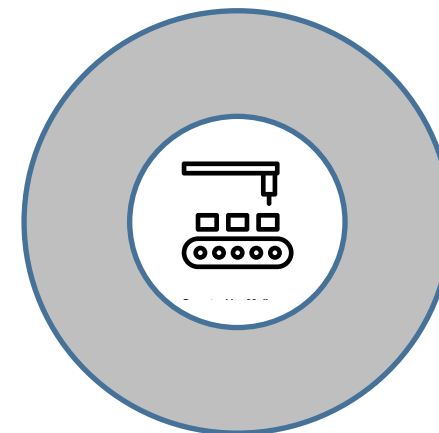


**Inspection, Test
& Measurement
Equipment**



**Materials &
Engineering
Solutions**

Manufacturing



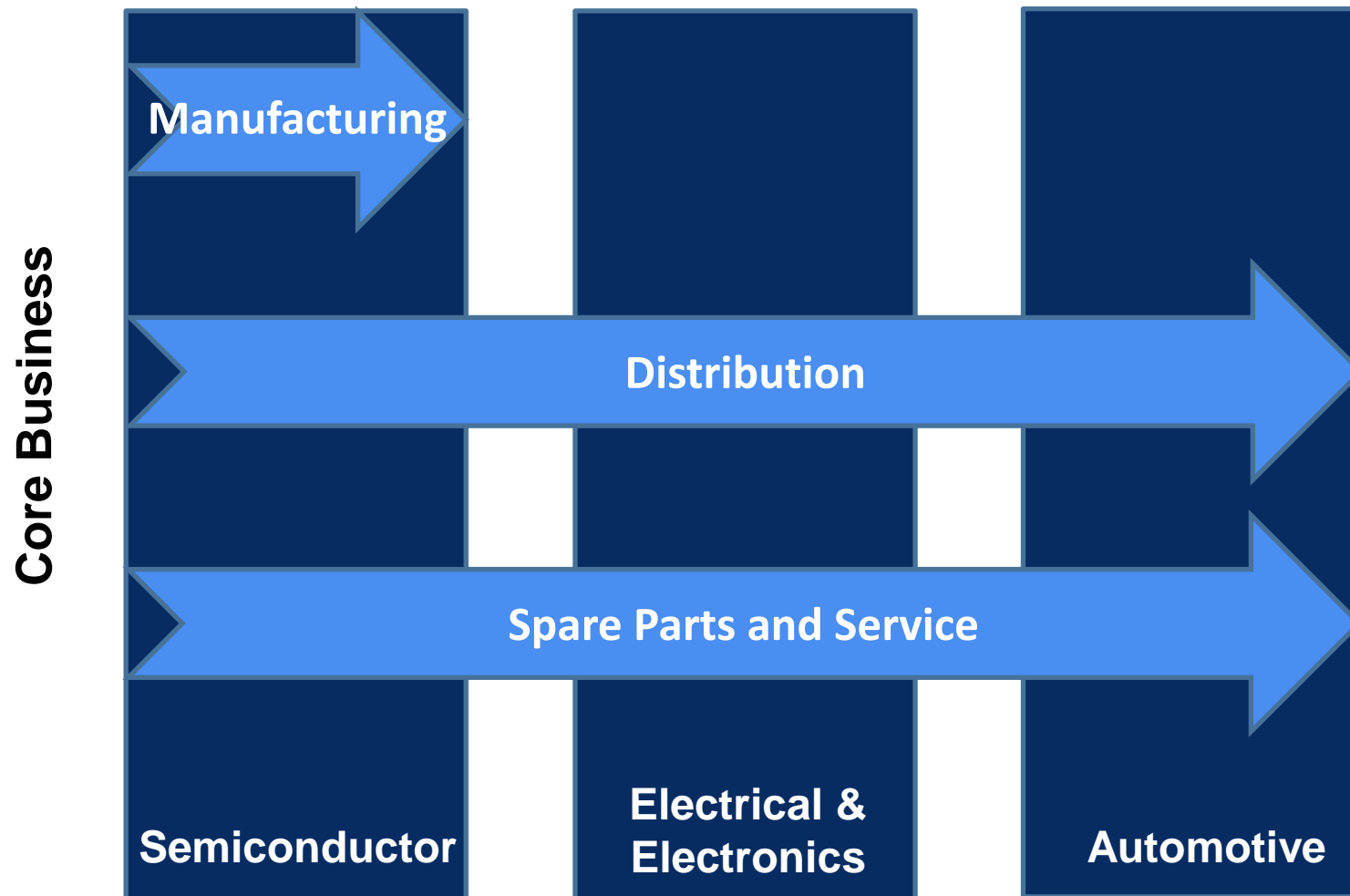
**Semiconductor
Inspection &
Measuring
Equipment**



**Semiconductor
Automated
Handling
Equipment**

	Semiconductor Inspection & Measurement	Automated Handling Systems
Application	<ul style="list-style-type: none"> Automated Inspection Equipment Semi-Automated Inspection Equipment 	<ul style="list-style-type: none"> Automated Handling Equipment (Semiconductor)
	<ul style="list-style-type: none"> Wafer inspection Post probing, post dicing and post wire bonding Post die attach and post molding 	<ul style="list-style-type: none"> Wafer sorting and handling Wafer transfer Wafer packing and unpacking
Product	<p>Automatic Optical Inspection (AOI Series)</p> <ul style="list-style-type: none"> PWB (Post Wire Bond) PDA (Post Die Attach) PMI (Post Molding Inspection) <p>Semi-Automated Optical Inspection (OIS Series)</p> <ul style="list-style-type: none"> ISP3100, DIS8000, WIS1000, WIS8000 <p>Advance Metrology System (AMS Series)</p> <ul style="list-style-type: none"> MPT 1000 (Thickness and roughness) MPS 2100 (Roughness) WSM 1200 (Wafer surface metrology) 	<p>WSS Series</p> <ul style="list-style-type: none"> Wafer Sorting System <p>WTS Series</p> <ul style="list-style-type: none"> Wafer Batch Transfer System <p>WPS Series</p> <ul style="list-style-type: none"> Wafer Packing & Unpacking System <p>WID Series</p> <ul style="list-style-type: none"> Wafer Batch ID Reader System

	IR4.0 and Smart Manufacturing Solutions	Automated Vision Software
Application	<ul style="list-style-type: none"> Smart Vending Solutions Smart Security Solutions RFID Integrated Warehouse Management Integrated IoT Sensing Solutions 	<ul style="list-style-type: none"> Post Wire Bonding Post Die Attach Wafer Inspection and Post Probing Software for AMS Series Solar Panel Inspection
Product	QES Vision Solutions <ul style="list-style-type: none"> RFID WMS IoT Sensing for IR4.0 smart manufacturing RFID SVS (Smart Vending Solution) RFID SSS connect ware (Smart Security Solution) SDL (Smart Digital Locker) DSD (Document Storage Digitalization) 	QES Mechatronic Equipment <ul style="list-style-type: none"> Post Wire Bonding PWB2000V Post Die Attach PDA1500V Post Probing PPI8000 Advance Metrology System Chapman MPT1100 Solar Panel Inspection Module <ul style="list-style-type: none"> Add on to existing production line system



- ❖ Diversified into 3 core sectors
- ❖ Counter cyclical
- ❖ Spare parts and service provide strong recurring revenue
- ❖ Sustainable revenue growth

Financial Highlights – Quarterly Results Comparison

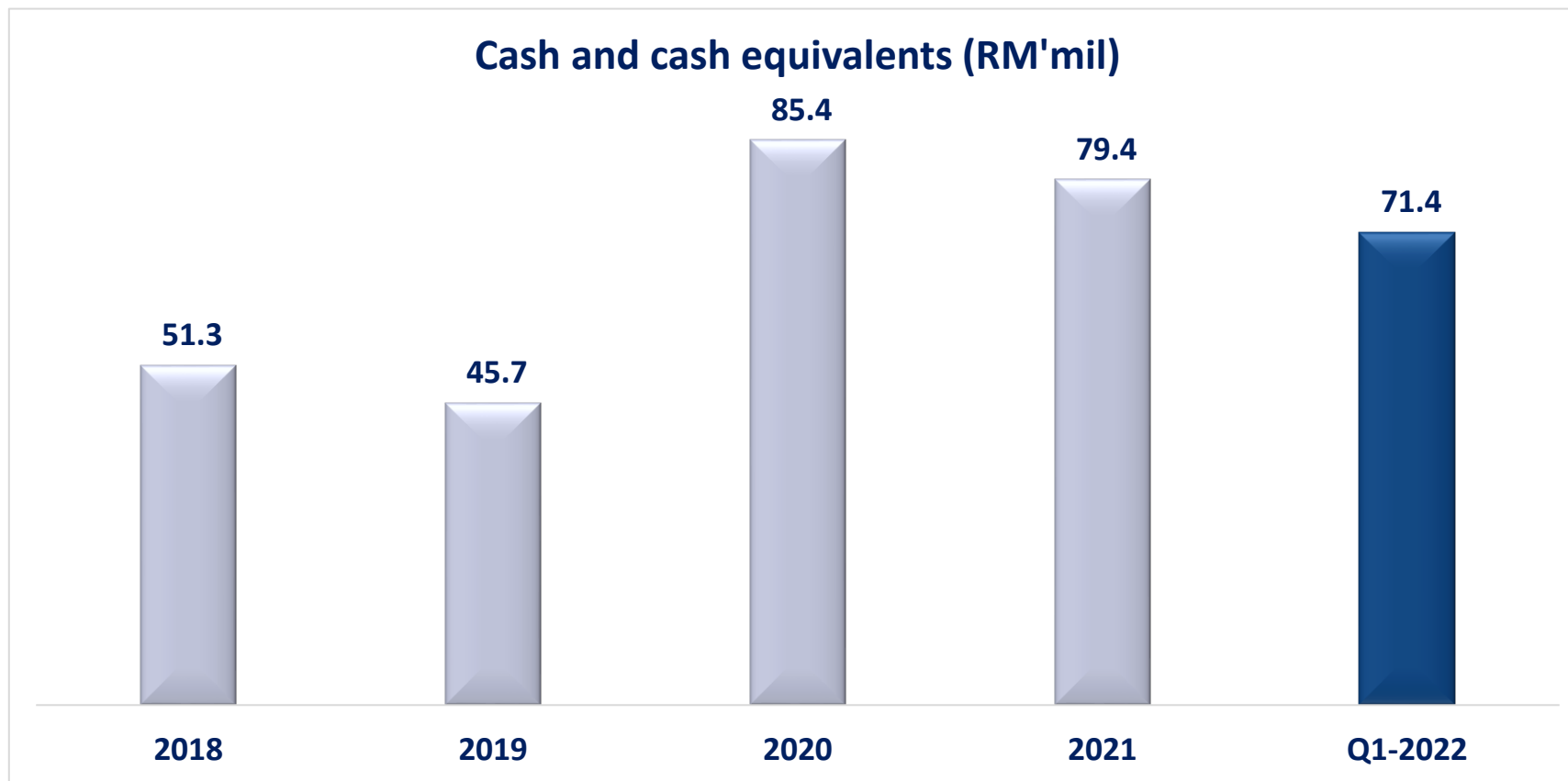
In RM 'mil

	Q1'22	Q1'21	Q4'21	Q1'22 vs Q1'21	Q1'22 vs Q4'21	For Period Ended		
						Mar'22	Mar'21	Mar'22 vs Mar'21
Revenue	66.3	52.6	64.2	↑ 26.0%	↑ 3.3%	66.3	52.6	↑ 26.0%
PATMI PATMI Margin	6.7 10.1%	6.9 13.1%	4.4 6.9%	↓ -2.9%	↑ 52.3%	6.7 10.1%	6.9 13.1%	↓ -2.9%
EBITDA EBITDA Margin	10.7 16.1%	9.7 18.4%	6.6 10.3%	↑ 10.3%	↑ 62.1%	10.7 16.1%	9.7 18.4%	↑ 10.3%

Financial Highlights – Quarterly Revenue and PBT trend

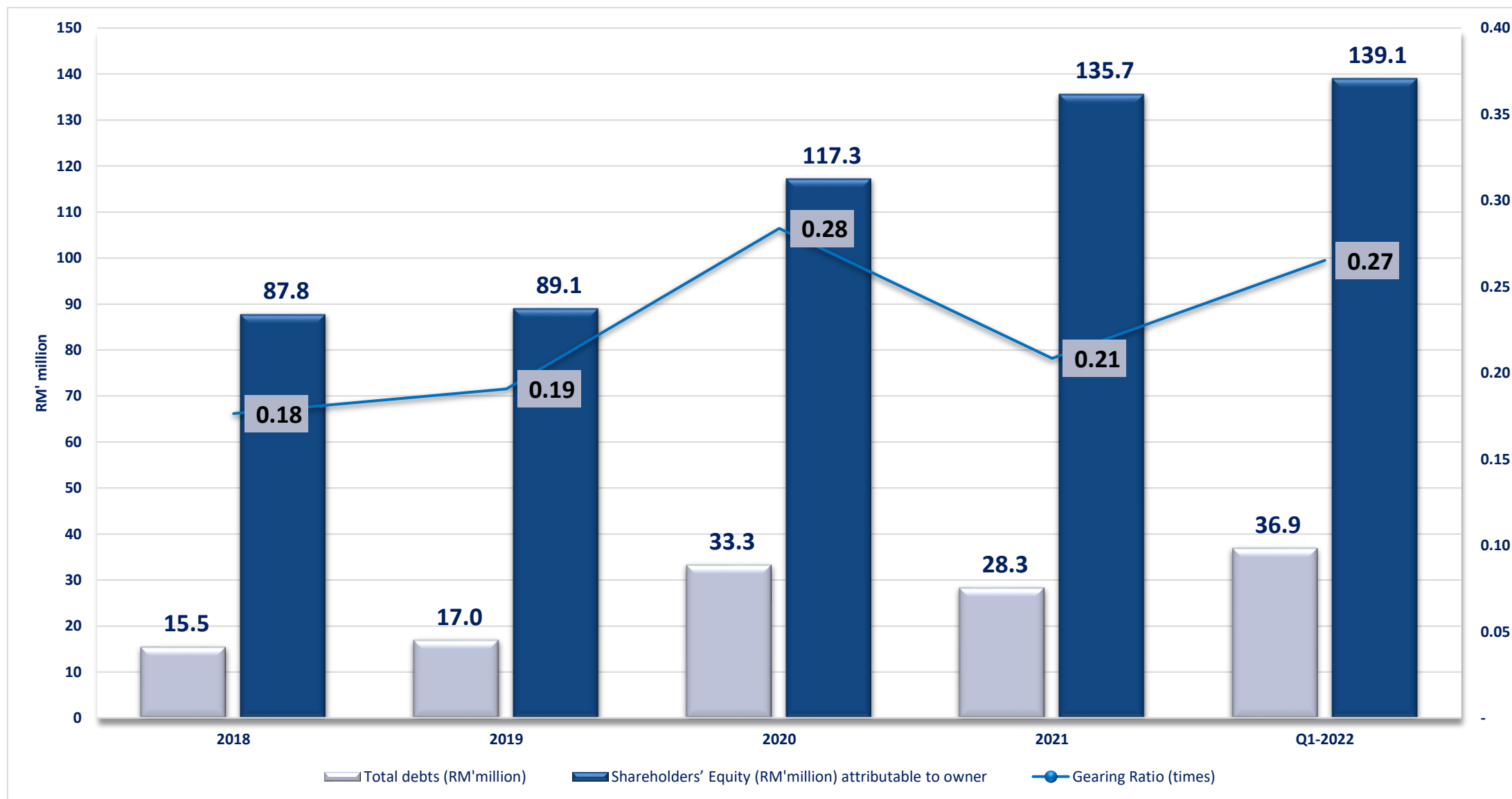
Quarterly Financial Highlights 2019 - 2022 Q1





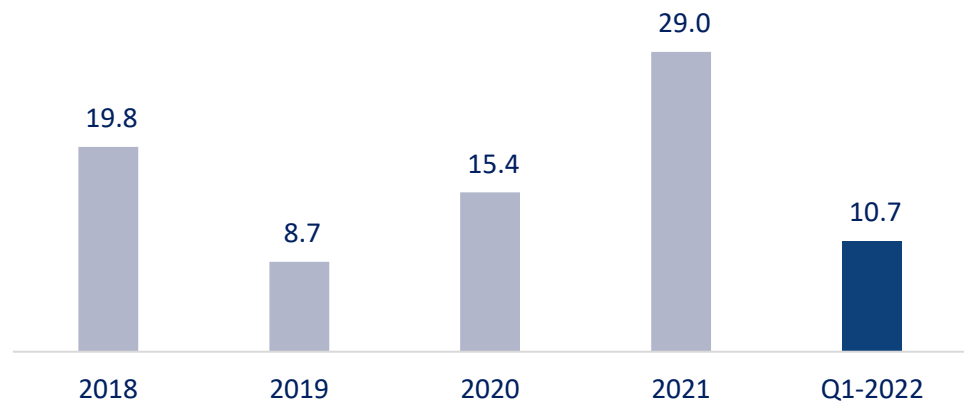
* Included in the financial year ended 2020 Cash and Bank Balances is RM17,850,000 being monies placed to vendor's financier in respect of the 5-storey detached factory property acquisition as part of the redemption sum due by the vendor to the vendor's financier. The property acquisition was completed on vacant possession being obtained on 4 January 2021.

Financial highlights – Gearing ratio

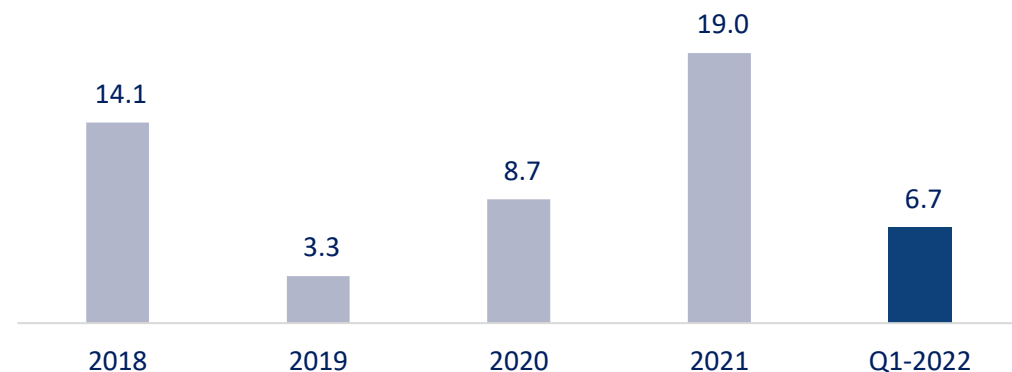


Financial highlights – Other ratios

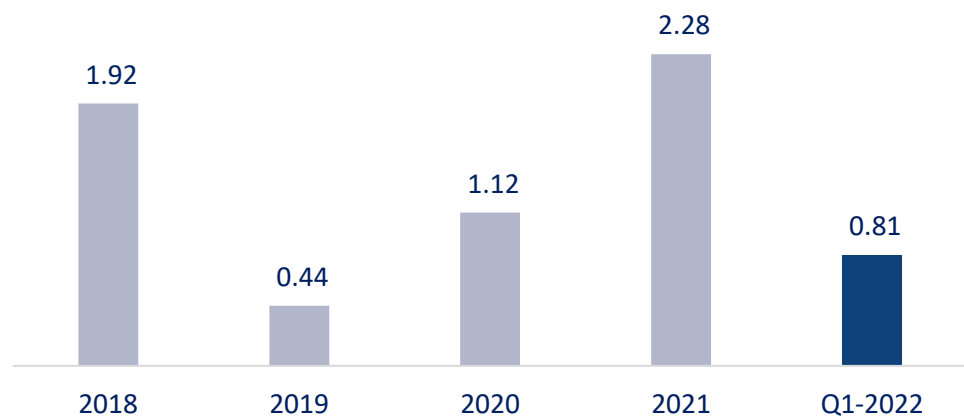
Earnings before Interest, Taxes, Depreciation and Amortisation (RM'million)



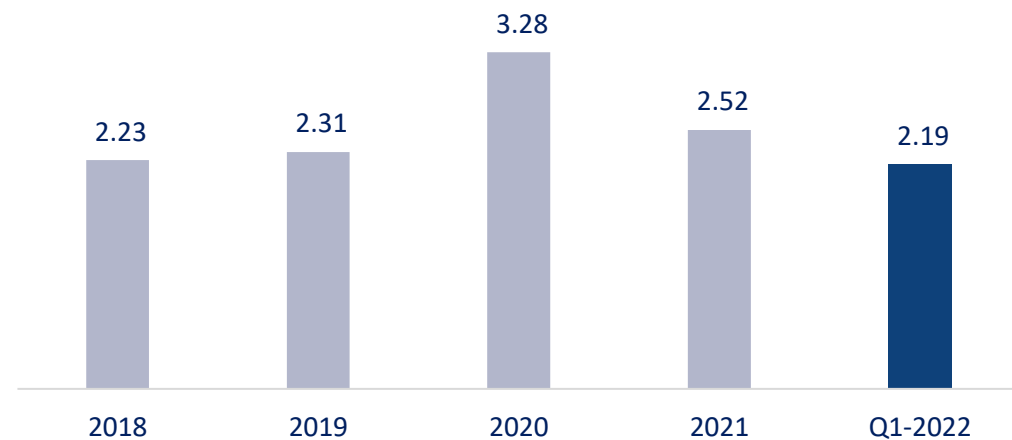
Profit attributable to Owners of the Company (RM'million)



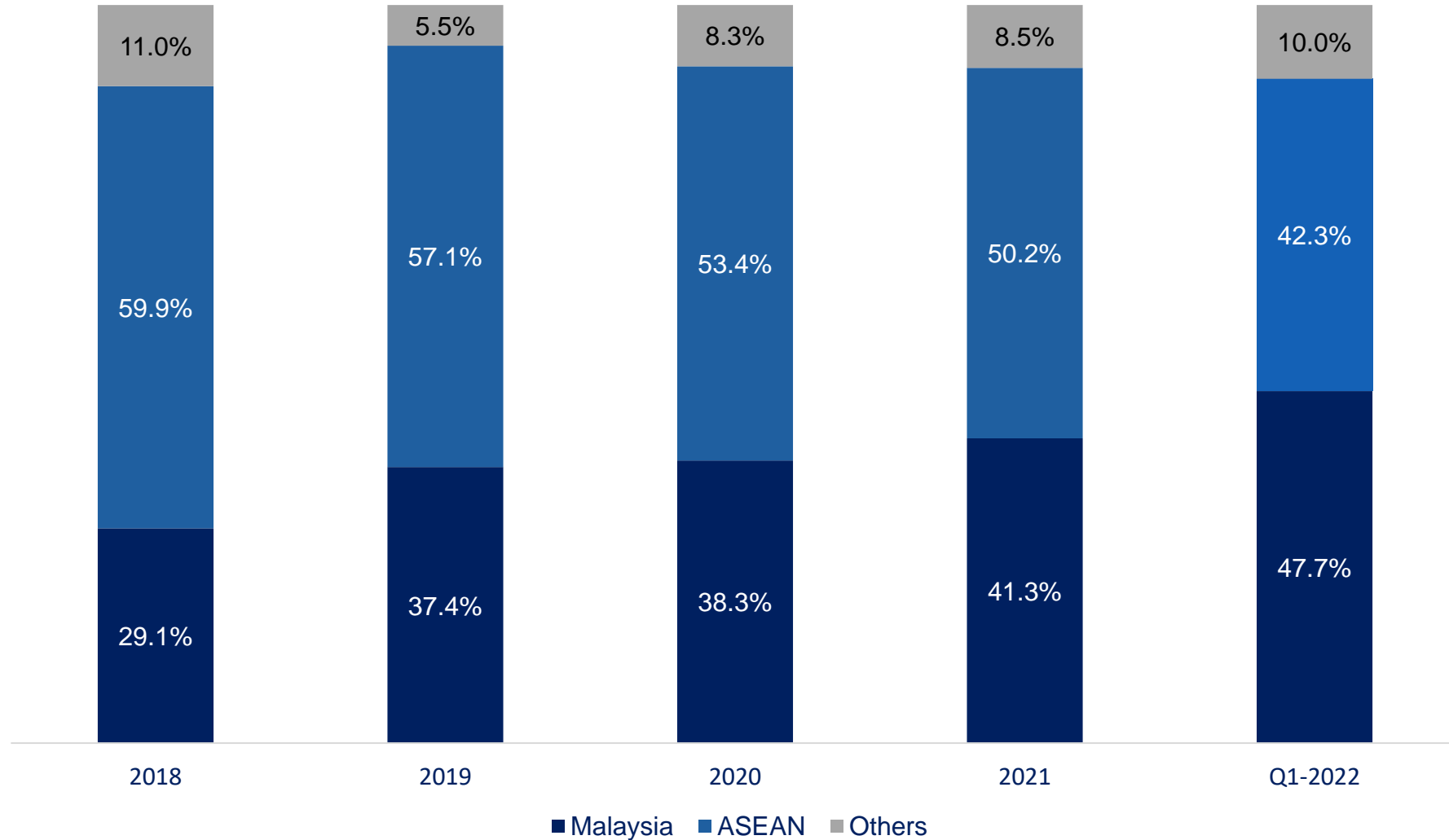
Basic Earnings per Share (sen)



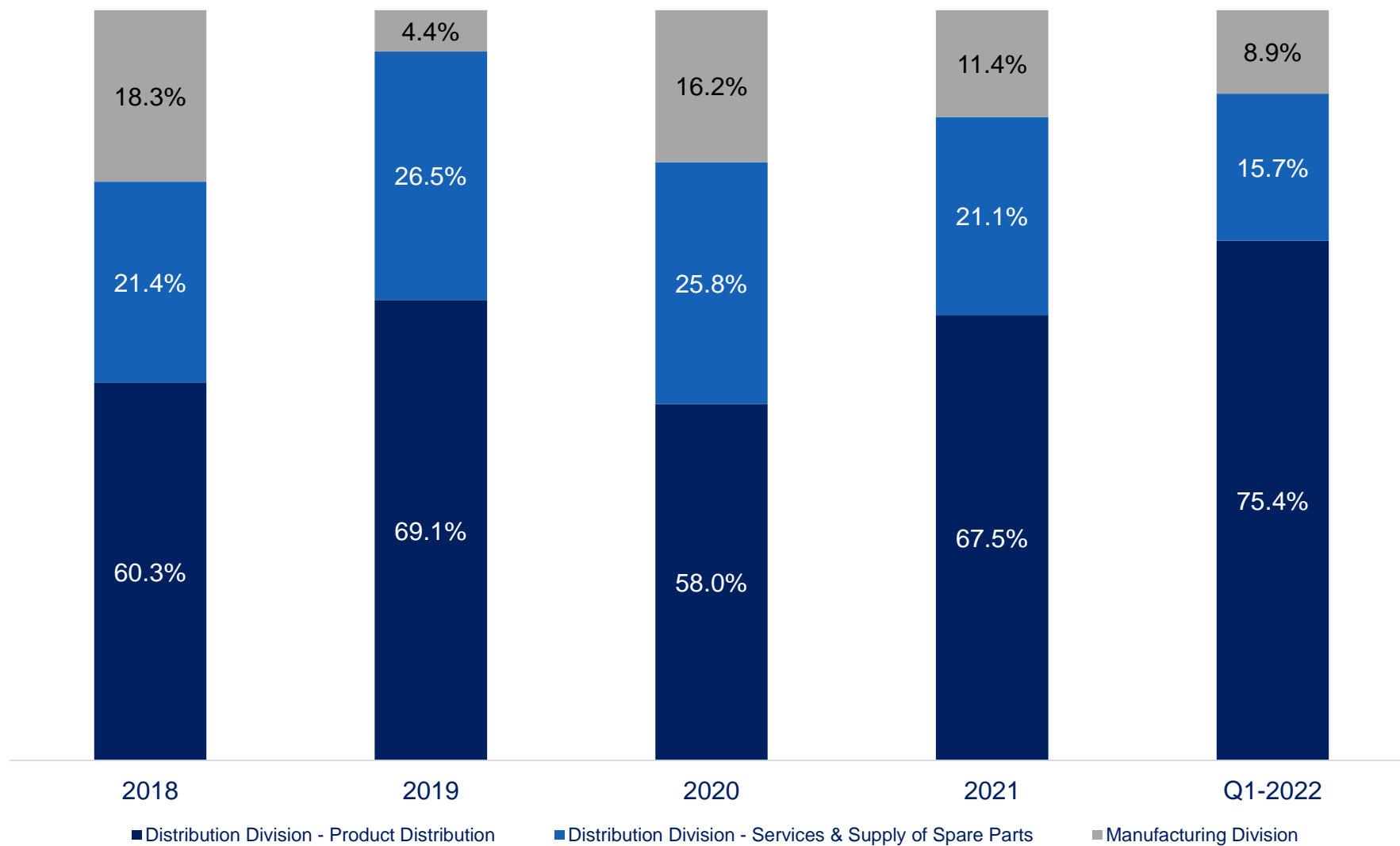
Current Ratio (times)



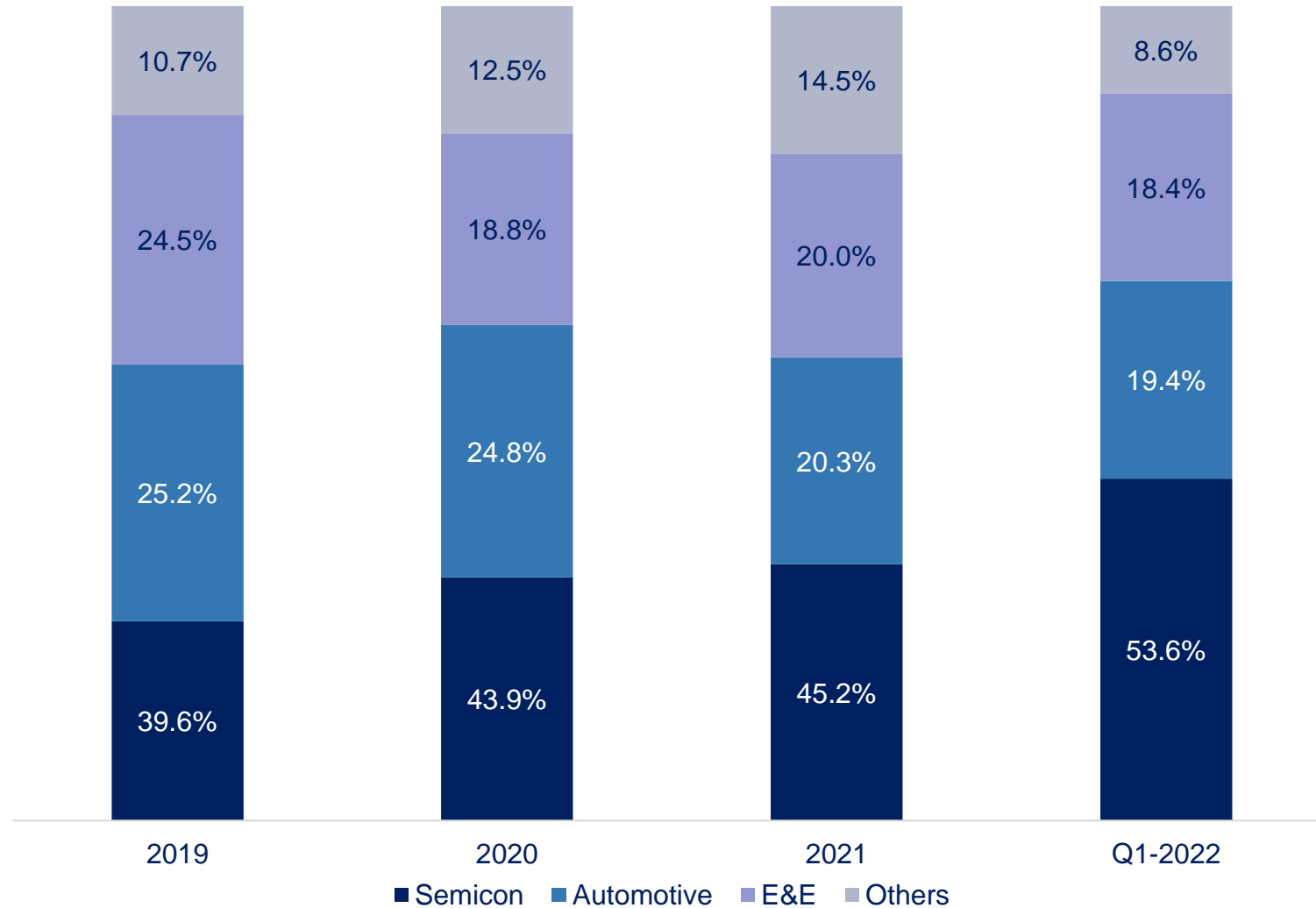
Analysis: Revenue Breakdown – By Country/Region



Analysis: Revenue Breakdown – By Division



Analysis: Revenue Breakdown – By Industry



Well established own subsidiaries regional infrastructure across ASEAN.

Large installed base of more than 12,000 machines worldwide.

Diversified base of more than 3,800 customers primarily from semiconductor, E&E, Metal & Automotive sectors.

Large pool of more than 280 experience engineers and technicians.

Extensive R&D on Semiconductor Equipment and IR4.0 Smart Manufacturing Solutions.

One stop solution provider covering major industrial sectors.

Diverse Products and Market Segments

- 30 years experience of being a one stop specialist in manufacturing, distribution and services of test, inspection and measuring equipment, materials and engineering solutions.
- Diversified market segments - electrical & electronics, metal, automotive & semiconductor.

Stable Recurring Income

- Consistent recurring annual income of ~RM40 million (20% to 25% of group revenue) via maintenance and service of large equipment installed base.

Regional Presence in ASEAN Market With Overseas Expansion Plans

- Extensive subsidiaries network in ASEAN region.
- Expansion plans China via QES Hong Kong.
- Sales channel partners worldwide.

Highly Qualified and Experienced Management

- Long-standing management team with an average length of more than 10 years in key technical and operational functions.

Strong financial balance sheet

- Cash and cash equivalents of > RM 71.4 million as of 31-Mar-22.
- Gearing ratio of 0.27.
- Cash flow positive.

Extensive R&D

- 7%~8% of manufacturing division revenue allocated for R&D.
- Focus semiconductor equipment, IR 4.0 and Smart Manufacturing Solutions.

Event	Planned activities and updates
QES @ Glenmarie	<ul style="list-style-type: none"> ❖ Almost 90% completed and moved in as announced on 23-Mar-22. ❖ Have begun to accept visits from customers, suppliers and fund managers. ❖ Target to conduct official opening ceremony in Aug/Sep 22.
QES @ Batu Kawan	<ul style="list-style-type: none"> ❖ Fully paid to PDC as at 16th March 2022. ❖ PDC has received the alienation approval of the land from the Penang State on 29th March 2022. ❖ We will initiate the start of construction for QES @Batu Kawan by July 22 where we will appoint a consultant to monitor and update progress status to management team. ❖ Expect to award the construction contract by Sep/Oct 22. ❖ Ground breaking by early Dec 22.
Semicon SEA @ Spice Arena (Penang)	<ul style="list-style-type: none"> ❖ QES will participate in this Semicon SEA exhibition (21-June to 23-Jun 2022) after a long hiatus of none physical exhibition since Covid-19 started early 2020. ❖ We will have a soft launch of our long delayed Wafer Inspection AOI (PPI 3300) during the Semicon SEA.



Environmental

- QES promoting **WEEE/ROHS analytical equipment** to check and monitor hazardous elements (lead, mercury, cadmium etc) coming into consumer electronic products. Playing our part to ensure planet Earth is environmentally free from these hazardous elements. QES has installed more than 1,600 equipment to monitor these ozone depleting and hazardous elements.
- **Rain harvesting systems** to be installed at both new QES @Hicom-Glenmarie & QES 2.0 @BKIP.
- Complete **digitalization** to reduce paper and energy wastage (FY2021 – 1626 reems, we aim to cut it down by **50%** for FY2022).
- **Installation of solar panels** QES @Hicom-Glenmarie will improve carbon footprint as per illustration.



237 metric tonnes

of carbon avoidance per annum



912,209km

Cars mileage taken off the road for one year



10,782

Number of trees that absorb CO2



2,926

Number of lightbulbs powered for one year



Social

- Gender and racial diversity within employees. Approximately **30%** female; **70%** male employee in the entire Group.
- Donation and contributions to university sponsorships and recent flood victims (Total donation was **RM42,728** to universities and flood relief) for FY2021.
- **Clean, vibrant** and **happy** workplace at the newly renovated QES HQ @ Hicom-Glenmarie.



Governance

- Appropriate checks and balance via separate roles and functions of **Chairman** and **Managing Director / President**.
- Strong oversight and accountability on QES' board – majority of **independent directors (4)** and **executive directors (2)**.
- Consistent quarterly investor relations updates to **shareholders** e.g institutional fund managers and high net worth individual shareholders.

Moving In New Corporate HQ – March '22



As at 31 March 2022

Purposes		Revised Proposed Utilisation RM'000	Actual Utilisation RM'000	Balance RM'000	Revised Expected Timeframe for Utilisation
(i)	Factory capacity expansion	8,200	7,033	1,167	Within 18 months from 30 Oct 2020
(ii)	R&D on future product expansion	5,300	557	4,743	Within 36 months from 30 Oct 2020
(iii)	Market expansion to China	97	97	-	Within 18 months from 30 Oct 2020
(iv)	Future working capital and acquisition related investment	5,998	4,770	1,228	Within 36 months from 30 Oct 2020
(v)	Estimated expenses in relation to the proposed private placement	500	500	-	Immediately
		<u>20,095</u>	<u>12,957</u>	<u>7,138</u>	

THANK YOU

QES Group Berhad
No 2, Jalan Jururancang U1/21,
HICOM Glenmarie Industrial Park,
Seksyen U1, 40150 Shah Alam, Selangor,
Malaysia

Tel: (603) 5882 6668
Fax: (603) 5567 0811
Email: investor.relations@qesnet.com
Website: www.qesnet.com