



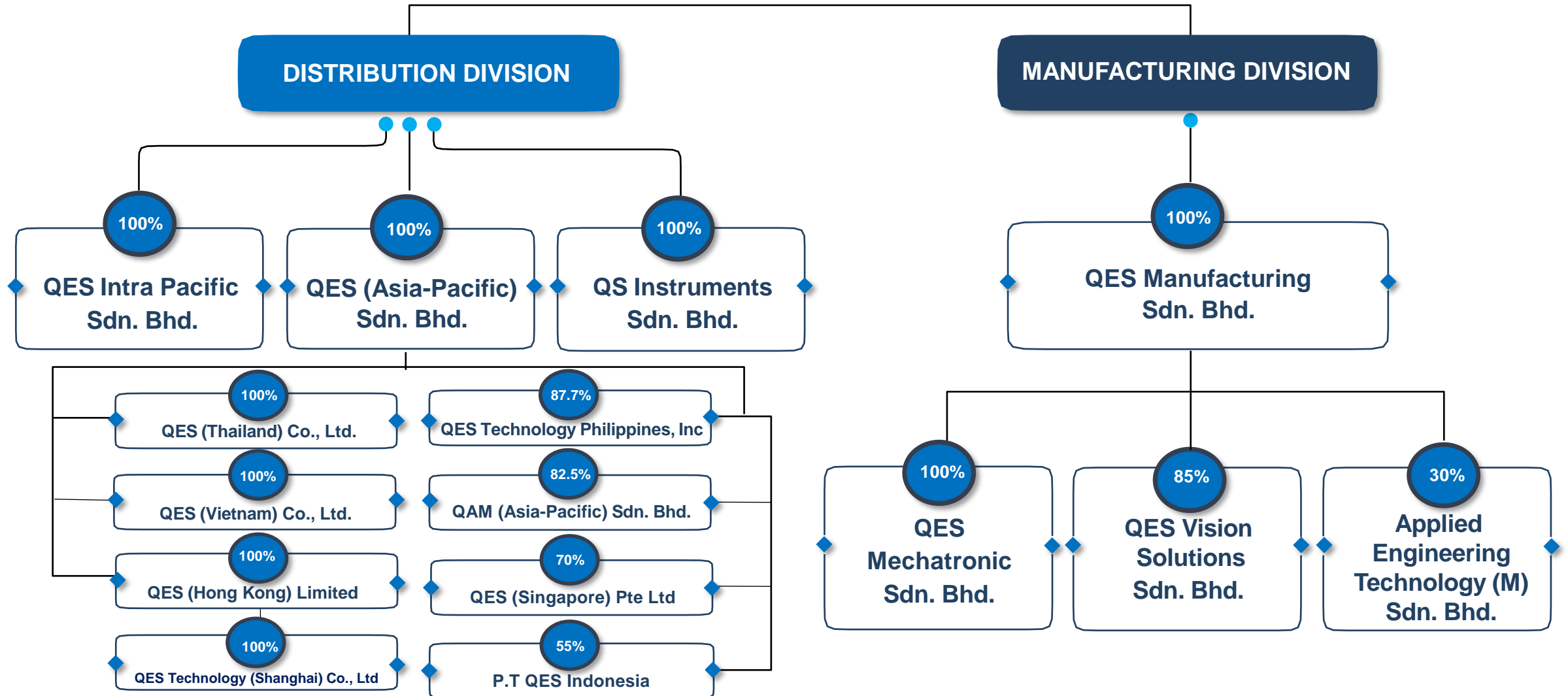
INVESTOR BRIEFING

Q4 2023 – 26 Feb 2024

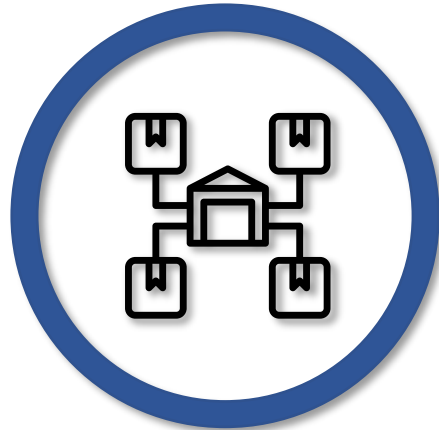
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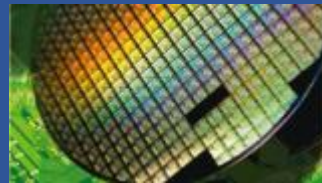
Distribution



**Analytical
Instruments**

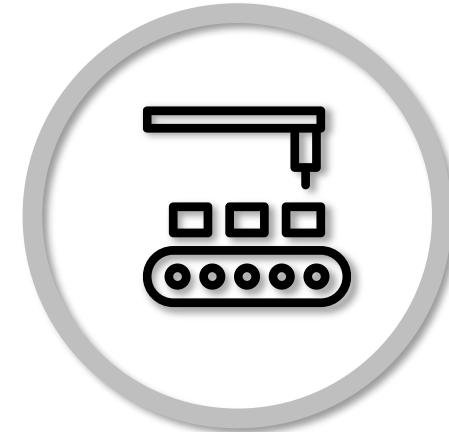


**Inspection, Test
& Measurement
Equipment**



**Materials &
Engineering
Solutions**

Manufacturing

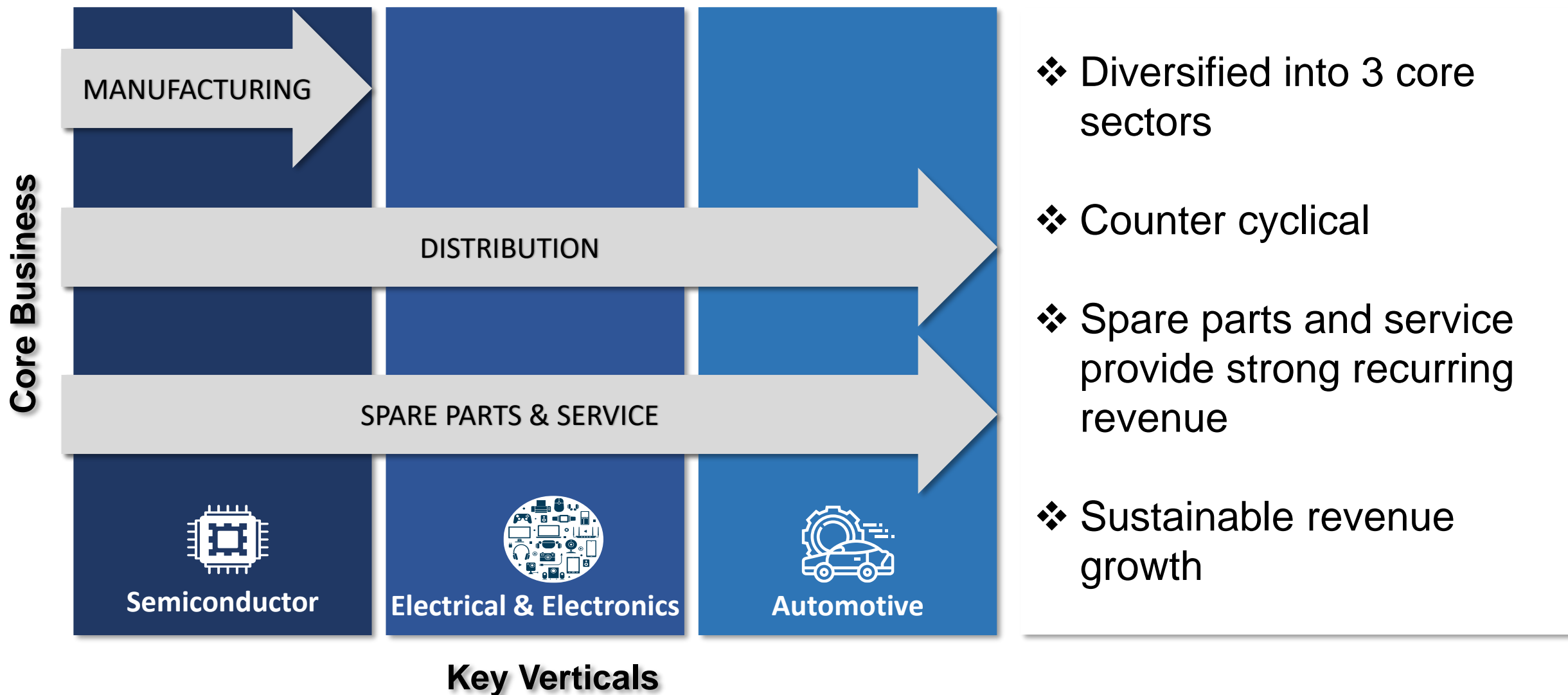


**Semiconductor
Inspection &
Measuring
Equipment**



**Semiconductor
Automated
Handling
Equipment**

BUSINESS OVERVIEW -SECTOR & PRODUCT DIVERSITY



FINANCIAL HIGHLIGHTS - QUARTERLY RESULTS QoQ AND YoY

RM'mil	Q4'23	Q3'23	QoQ%	For the year ended		
				Dec'23	Dec'22	YoY%
Revenue						
Distribution	55.8	44.1	26.5%	208.1	227.6	-8.6%
- Product	33.4	25.1	33.1%	130.2	147.9	-12.0%
- Materials	5.5	3.1	77.4%	16.7	28.8	-42.0%
- Spares & Service	16.9	15.9	6.3%	61.2	50.9	20.2%
Manufacturing	6.5	10.1	-35.6%	32.6	36.8	-11.4%
Total Revenue	62.3	54.2	14.9%	240.7	264.4	-9.0%
GP						
Distribution	12.6	11.5	9.6%	52.3	57.0	-8.2%
- Product	7.5	6.2	21.0%	31.3	36.1	-13.3%
- Materials	0.9	0.4	125.0%	2.5	5.1	-51.0%
- Spares & Service	4.2	4.9	-14.3%	18.5	15.8	17.1%
Manufacturing	0.5	3.7	-86.5%	8.6	13.9	-38.1%
Total GP	13.1	15.2	-13.8%	60.9	70.9	-14.1%
EBITDA	5.9	6.7	-11.9%	32.0	39.3	-18.6%
Operating Cost	(9.1)	(10.2)	-10.8%	(35.1)	(35.9)	-2.2%
Share of result of an associate, net of tax	(0.2)	0.5	-140.0%	(0.2)	(0.6)	66.7%
PBT	3.8	5.5	-30.9%	25.6	34.4	-25.6%
Tax	(1.3)	(1.1)	18.2%	(6.4)	(6.6)	-3.0%
PAT	2.5	4.4	-43.2%	19.2	27.8	-30.9%
MI	0.1	(0.1)	-200.0%	(0.7)	(1.4)	-50.0%
PAT Attributable (PATMI)	2.6	4.3	-39.5%	18.5	26.4	-29.9%

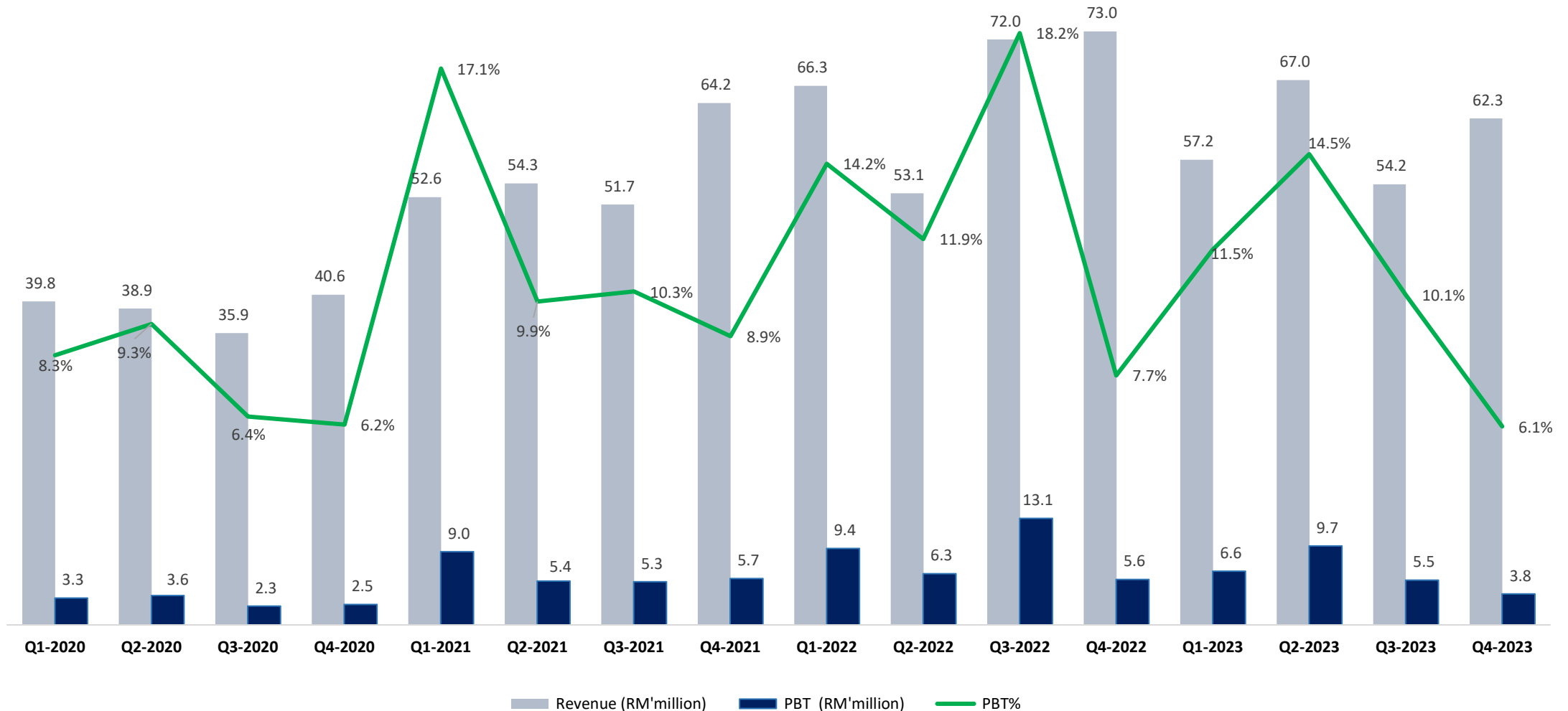
FINANCIAL HIGHLIGHTS - QUARTERLY RESULTS COMPARISON

In RM 'mil

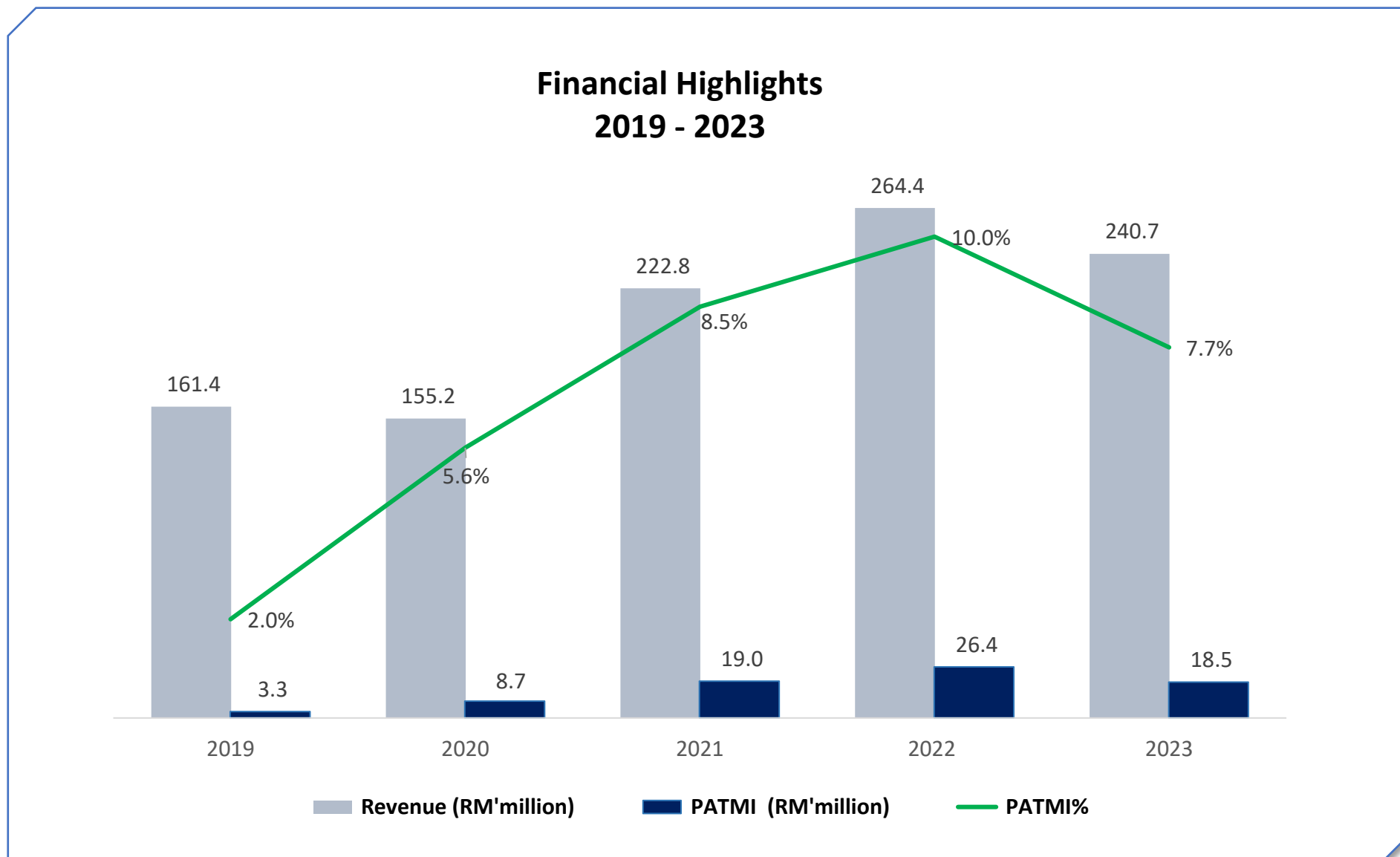
	Q4'23	Q4'22	Q3'23	Q4'23 Q4'22	Q4'23 Q3'23	For Year Ended		
						Dec'23	Dec'22	Dec'23 vs Dec'22
Revenue	62.3	73.0	54.2	↓ -14.7%	↑ 14.9%	240.7	264.4	↓ -9.0%
PATMI PATMI Margin	2.6 4.2%	5.4 7.4%	4.3 7.9%	↓ -51.9%	↓ -39.5%	18.5 7.7%	26.4 10.0%	↓ -29.9%
EBITDA EBITDA Margin	5.9 9.5%	6.9 9.5%	6.7 12.4%	↓ -14.5%	↓ -11.9%	32.0 13.3%	39.3 14.9%	↓ -18.6%

FINANCIAL HIGHLIGHTS – QUARTERLY REVENUE AND PBT TREND

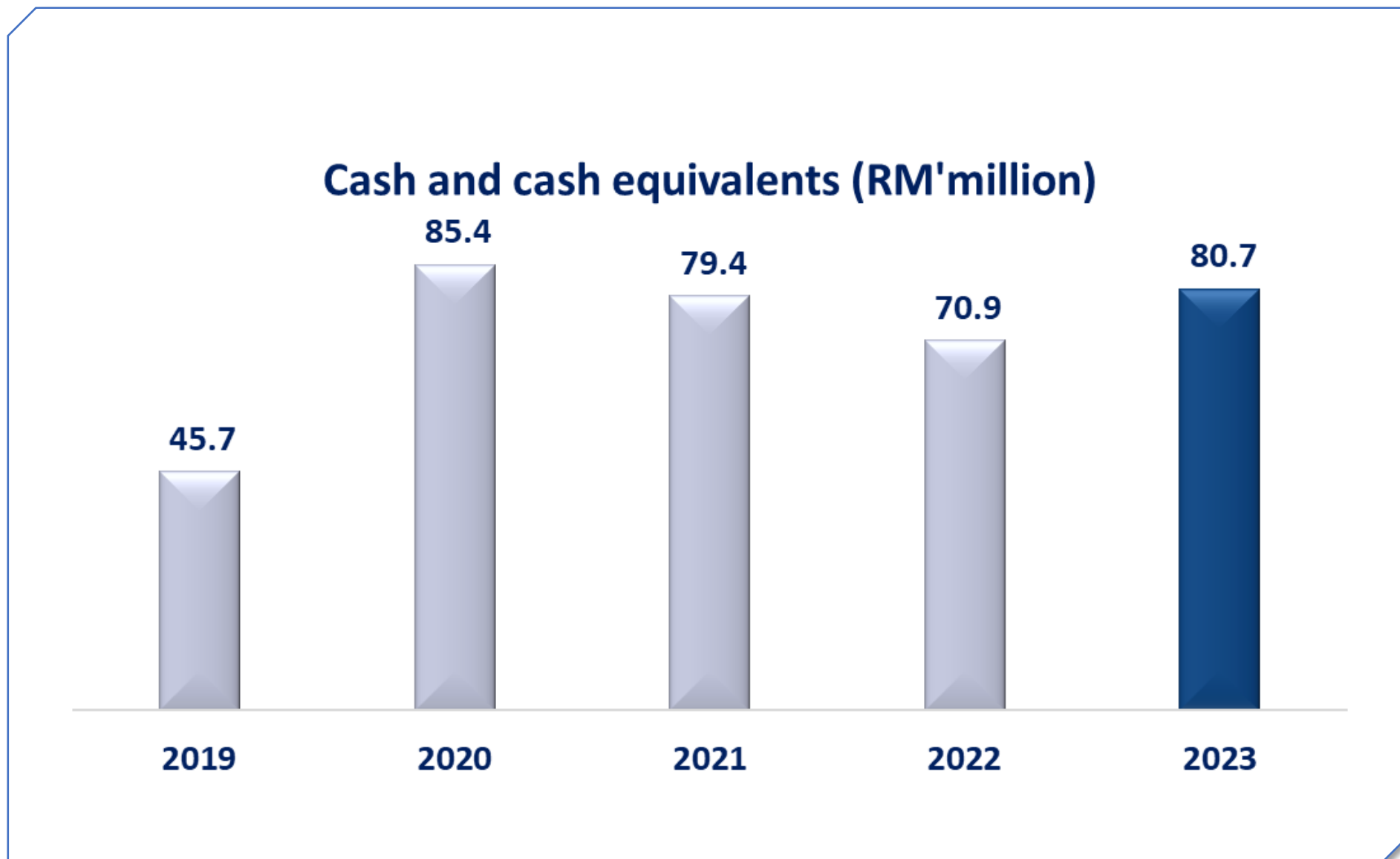
Quarterly Financial Highlights 2020 - 2023



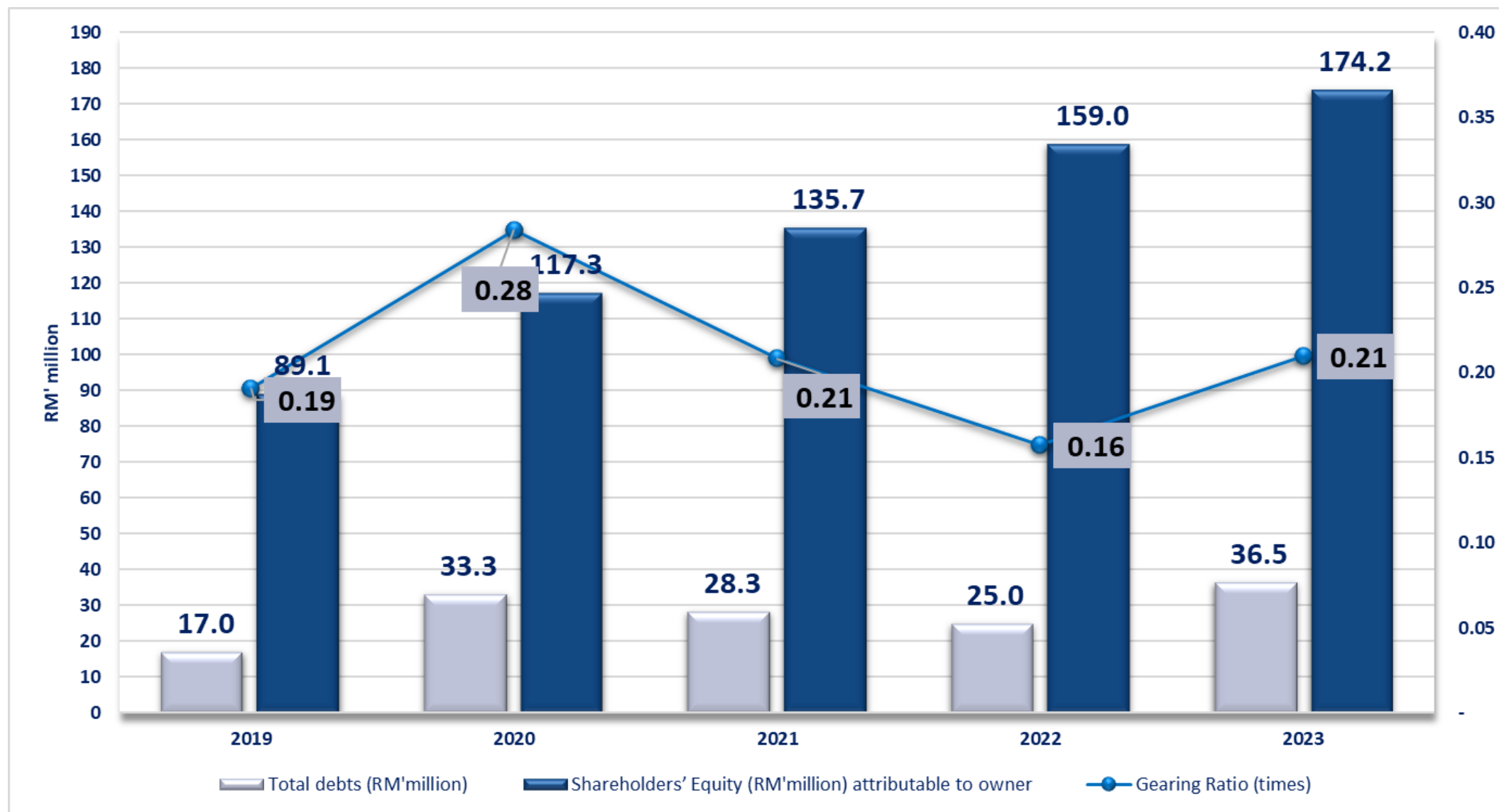
FINANCIAL HIGHLIGHTS – ANNUAL REVENUE AND PATMI TREND



FINANCIAL HIGHLIGHTS – CASH & CASH EQUIVALENTS

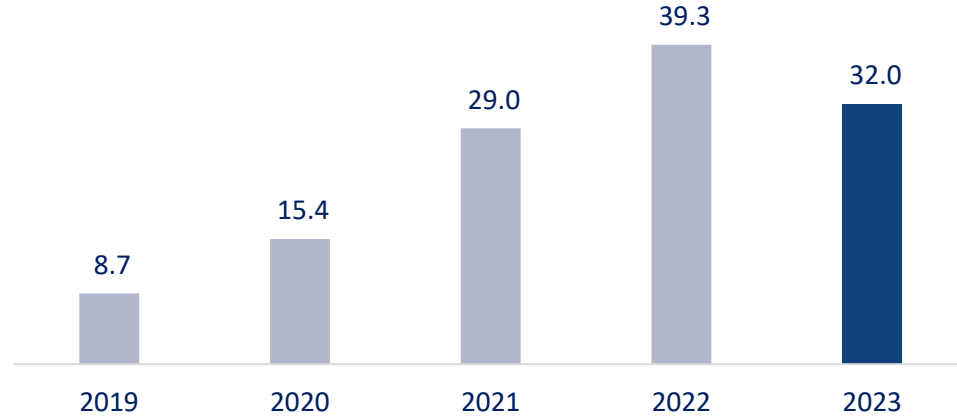


FINANCIAL HIGHLIGHTS – GEARING RATIO

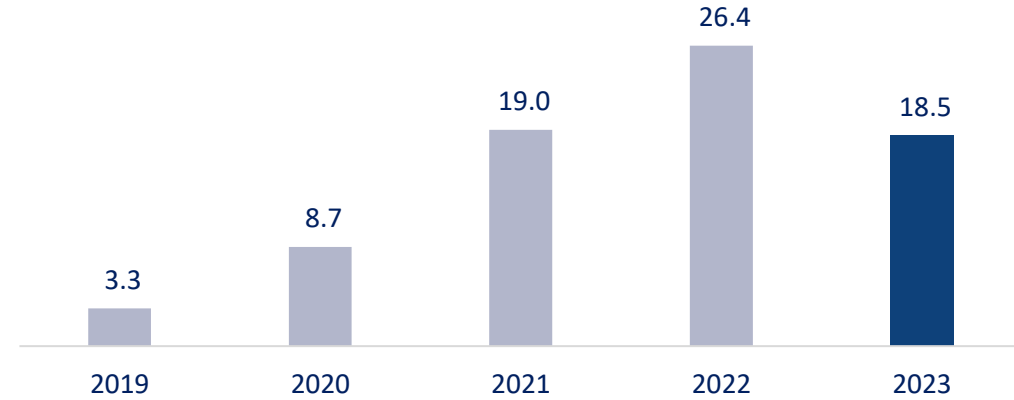


FINANCIAL HIGHLIGHTS – OTHER RATIOS

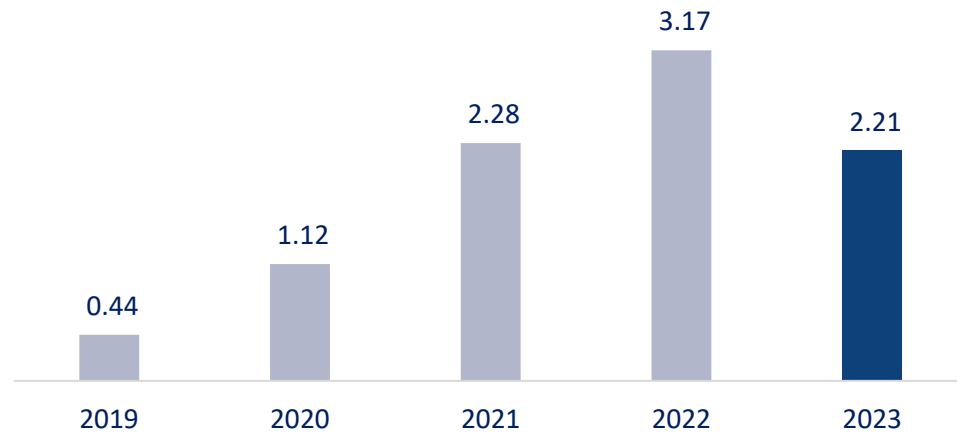
Earnings before Interest, Taxes, Depreciation and Amortisation (RM'million)



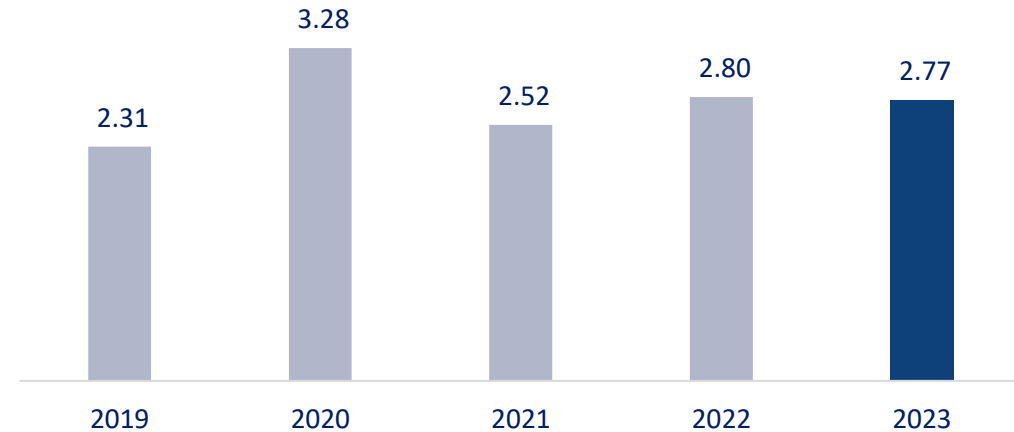
Profit attributable to Owners of the Company (RM'million)



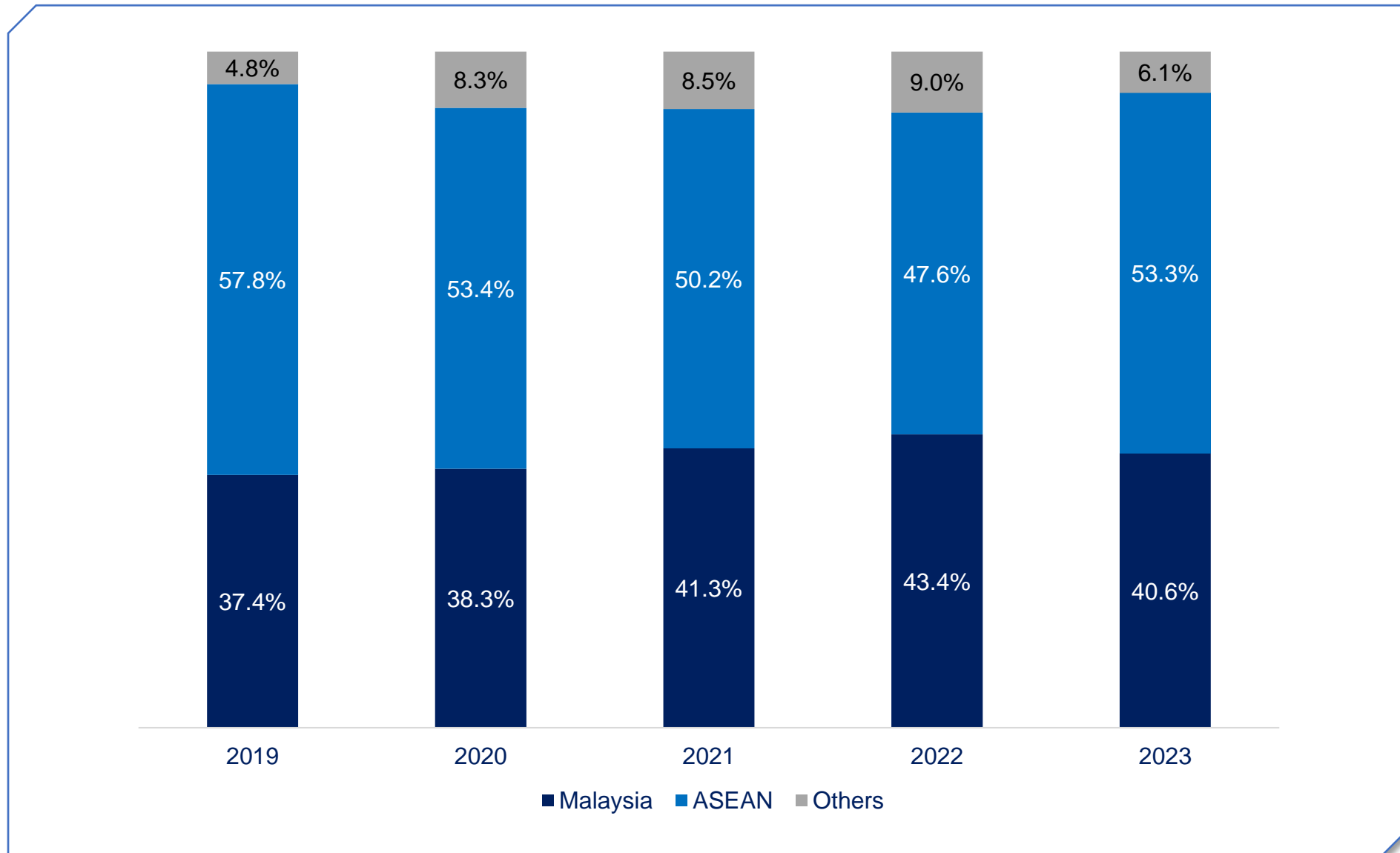
Basic Earnings per Share (sen)



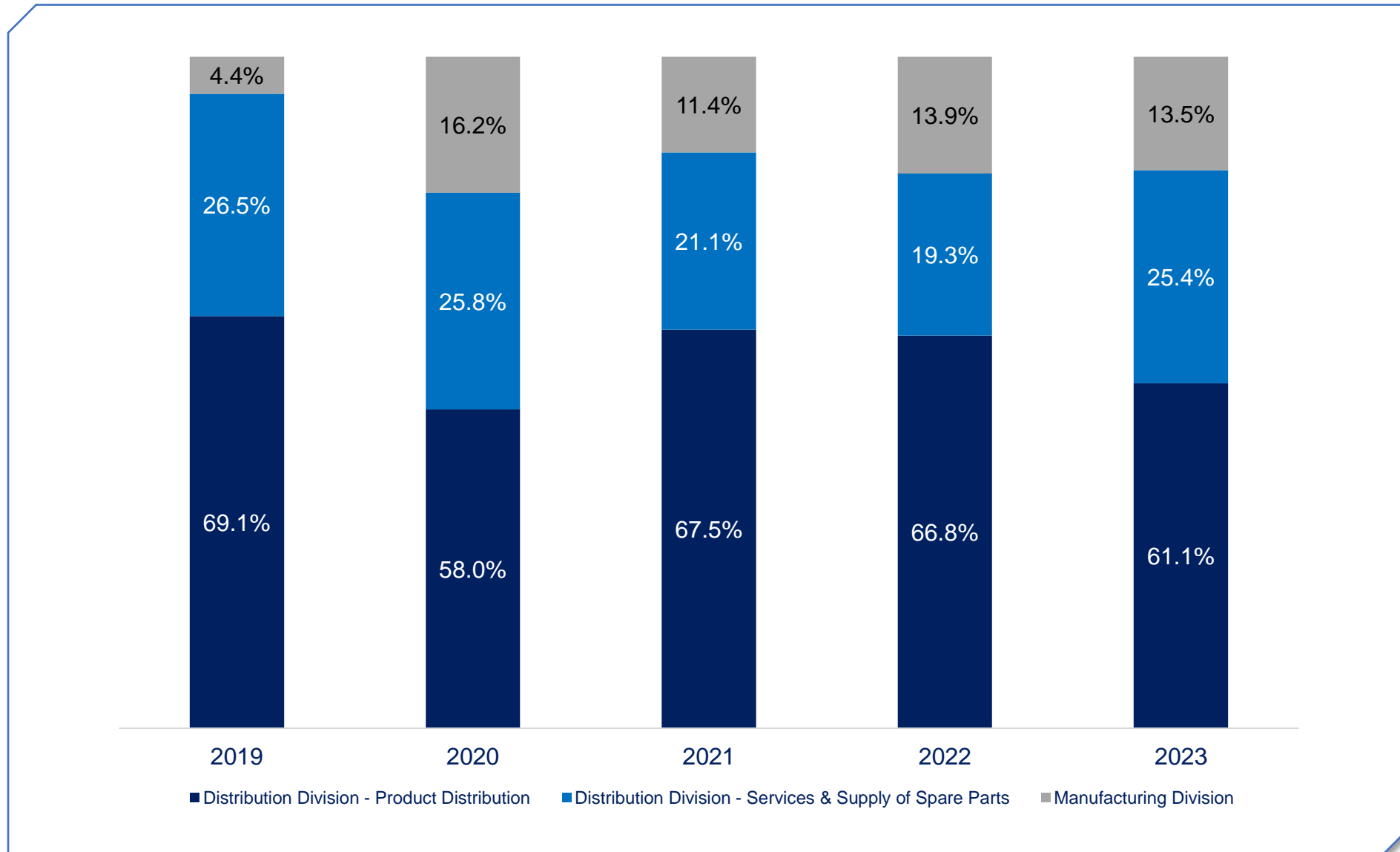
Current Ratio (times)



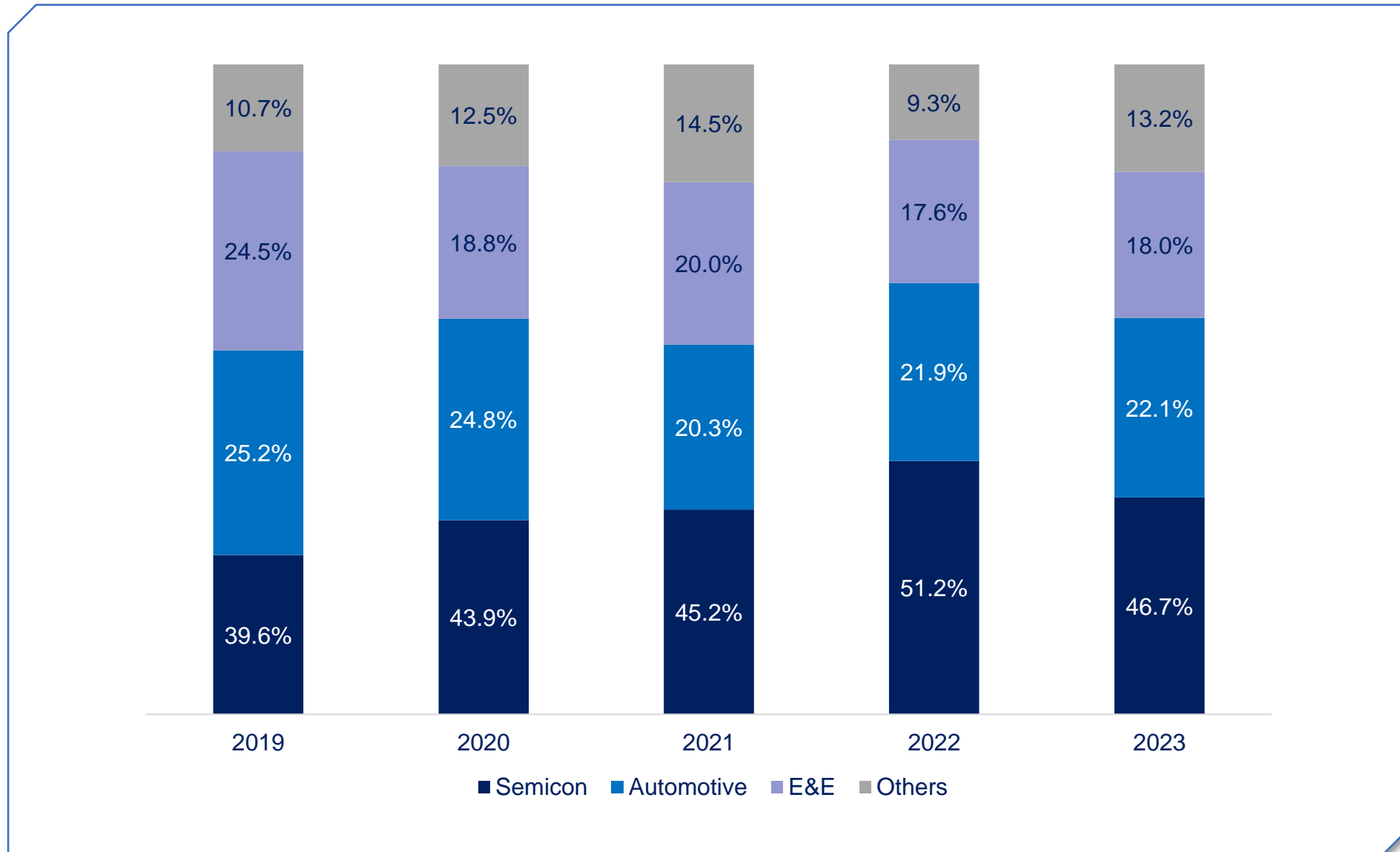
ANALYSIS: REVENUE BREAKDOWN – BY COUNTRY/REGION



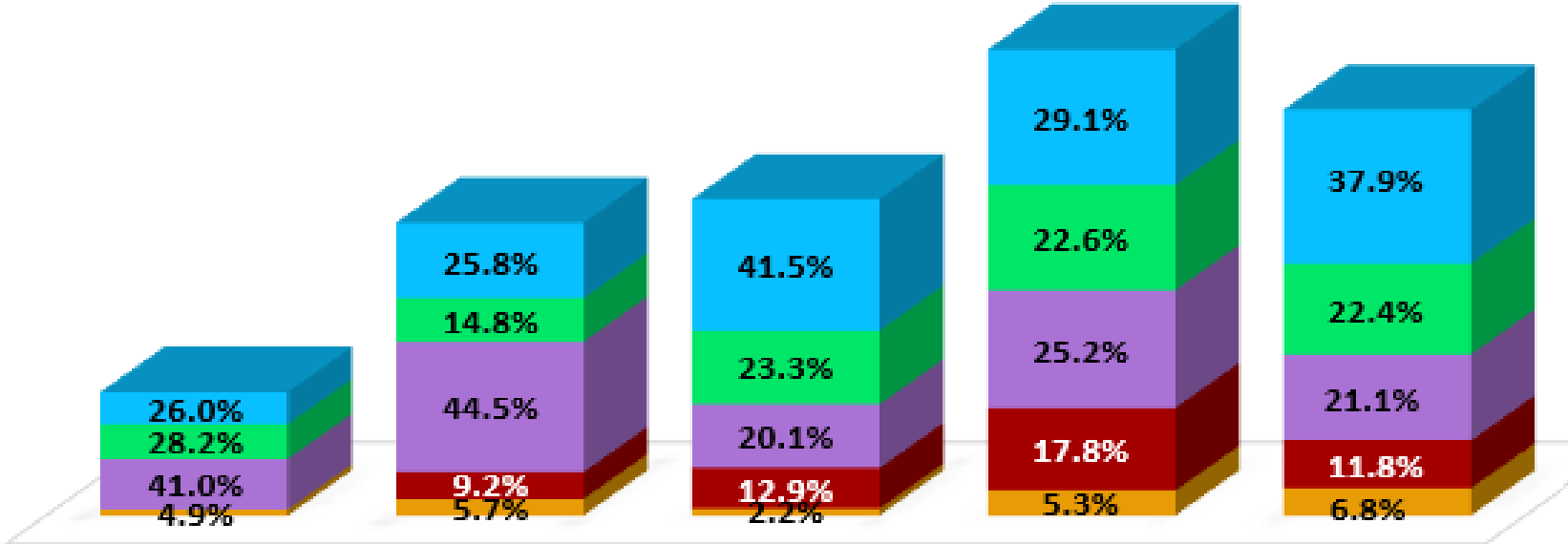
ANALYSIS: REVENUE BREAKDOWN – BY DIVISION



ANALYSIS: REVENUE BREAKDOWN – BY INDUSTRY



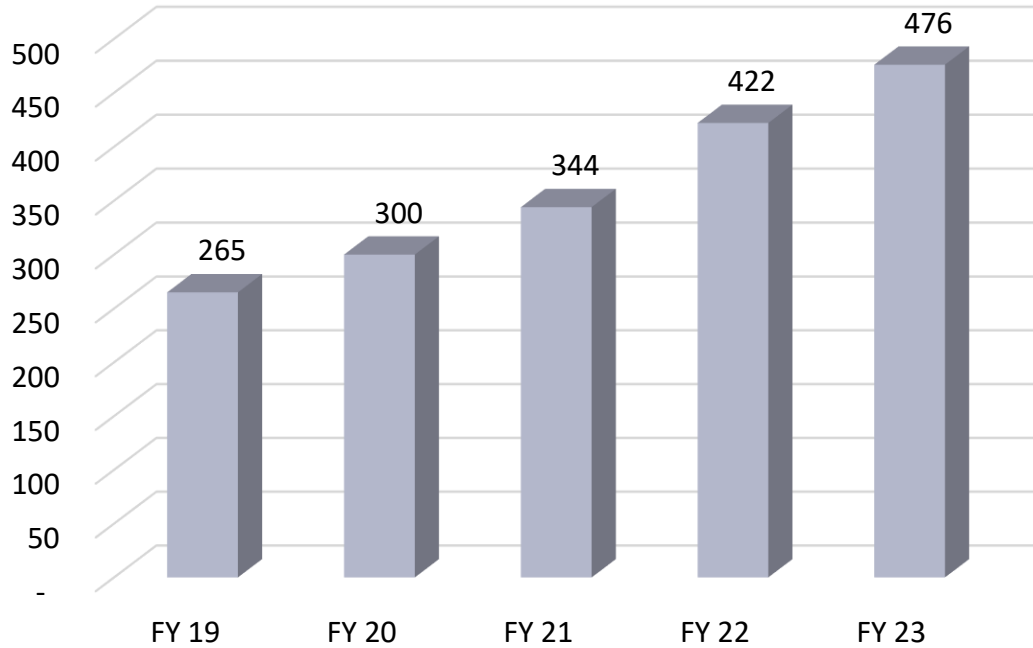
Manufacturing Division - Revenue Breakdown (YoY) by Product Series



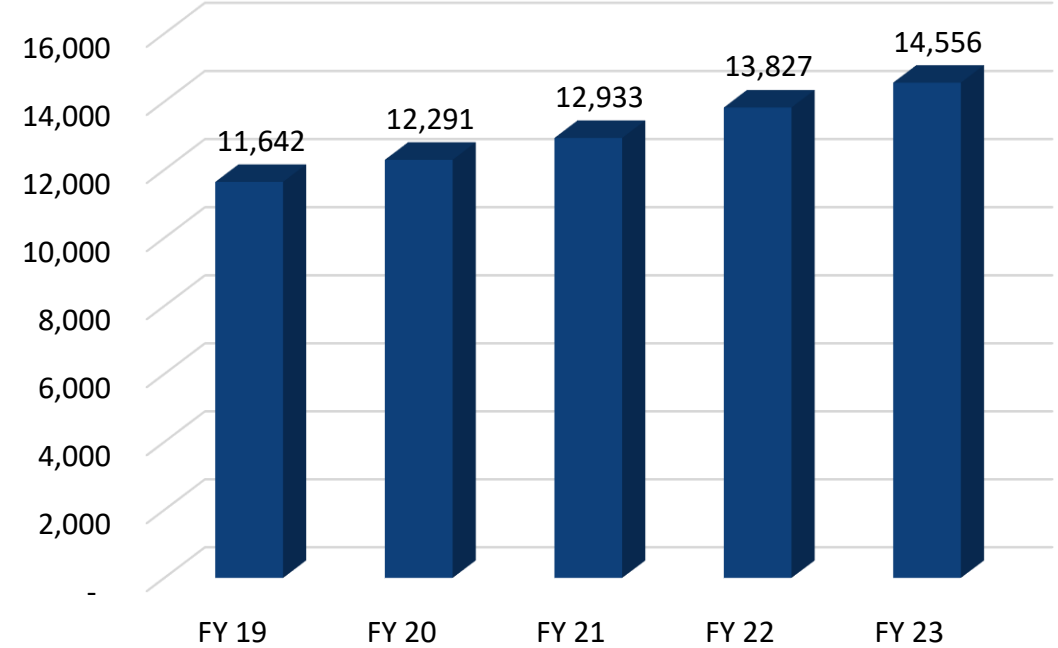
Revenue RM'000	FY 19	FY 20	FY 21	FY 22	FY 23
AOI series	2,575	6,081	10,564	10,907	12,374
AHS series	2,803	3,496	5,943	8,463	7,308
OIS series	4,077	10,482	5,120	9,473	6,928
AMS series	-	2,169	3,274	6,667	3,838
SMS series	484	1,340	556	1,993	2,208

ANALYSIS: EQUIPMENT INSTALLED BASE - CUMULATIVE

Manufacturing



Total QES Group *



*** Some equipment are more than 10 years old and may not be active.**

SUSTAINABLE THROUGH GLOBAL UNCERTAINTIES

DIVERSE MARKET SEGMENTS & PRODUCTS



- > 30 years of being a one stop specialist in manufacturing, distribution and services of test, inspection and measuring equipment, materials and engineering solutions.
- Diversified market segments - Semiconductor, E & E and Metal & Automotive

GEOGRAPHICAL SPREAD



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

STRONG FINANCIALS



- Cash and cash equivalents of > RM 80.7 million as of 31-Dec-23.
- Gearing ratio of 0.21.
- Cash flow positive.

STABLE RECURRING INCOME



- Consistent recurring annual income of ~RM55-60 million (20% to 25% of group revenue) through maintenance and service of large installed base of > 7,000 active equipment

EXPERIENCED MANAGEMENT



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

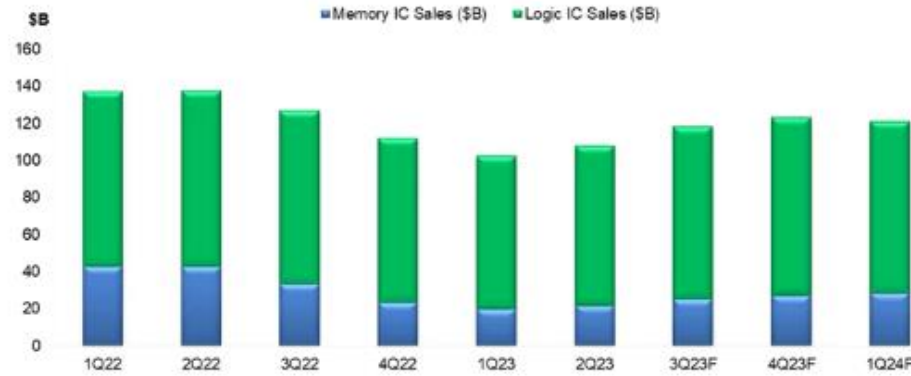
CONTINUOUS R&D



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

SEMICONDUCTOR MARKET OUTLOOK

IC Sales



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It said IC sales are forecast to strengthen in 1Q2024 with an 18% y-o-y growth.

Semi said capital expenditure (capex) and fab utilisation rates are expected to see a mild recovery starting in 1Q2024 after significant declines in the second half of 2023.

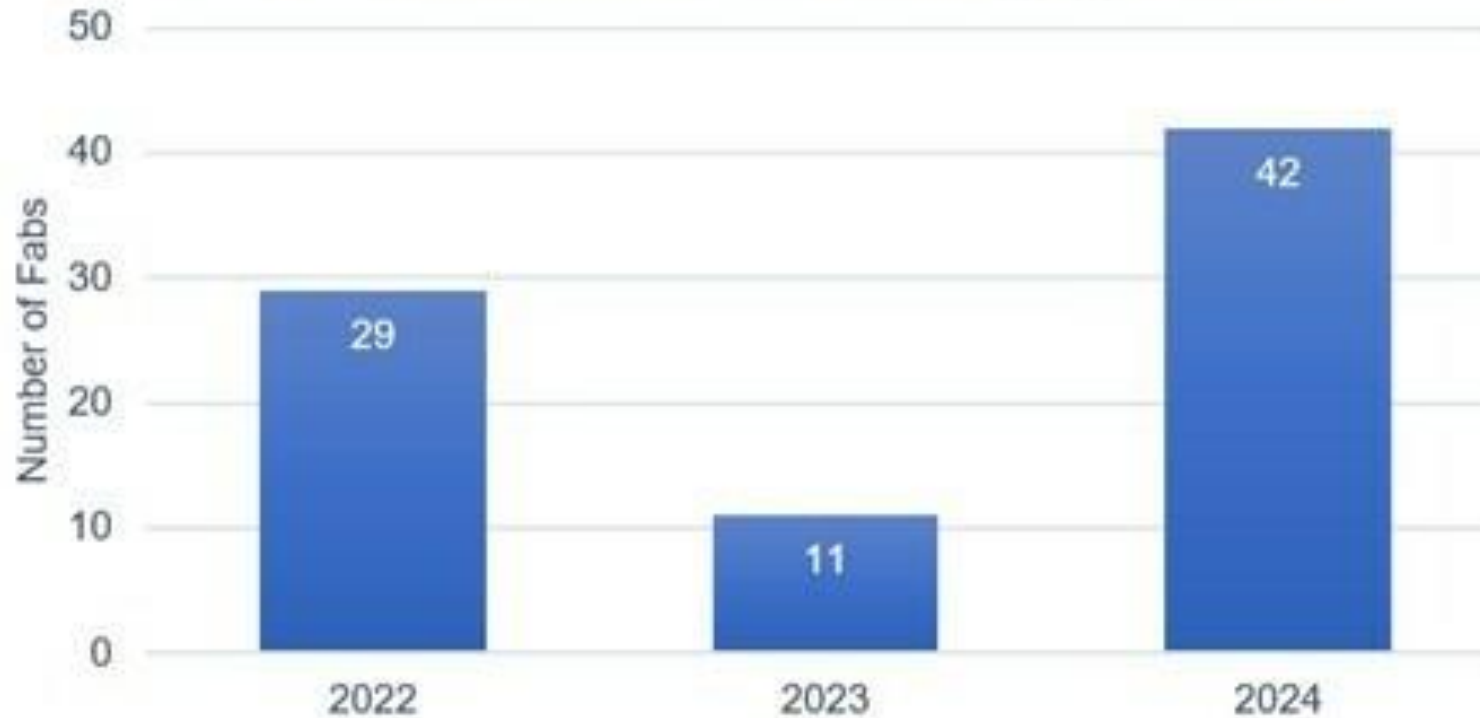
Total IC Inventory Versus Utilization



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It said that in 1Q2024, memory capex is projected to increase 9% quarter-on-quarter and 10% y-o-y, while non-memory capex is on track to climb 16% during the quarter but remain at lower levels than recorded in 1Q2023.

New Semiconductor Fabs Starting Operations



Source: SEMI World Fab Forecast, Q4 2023 update

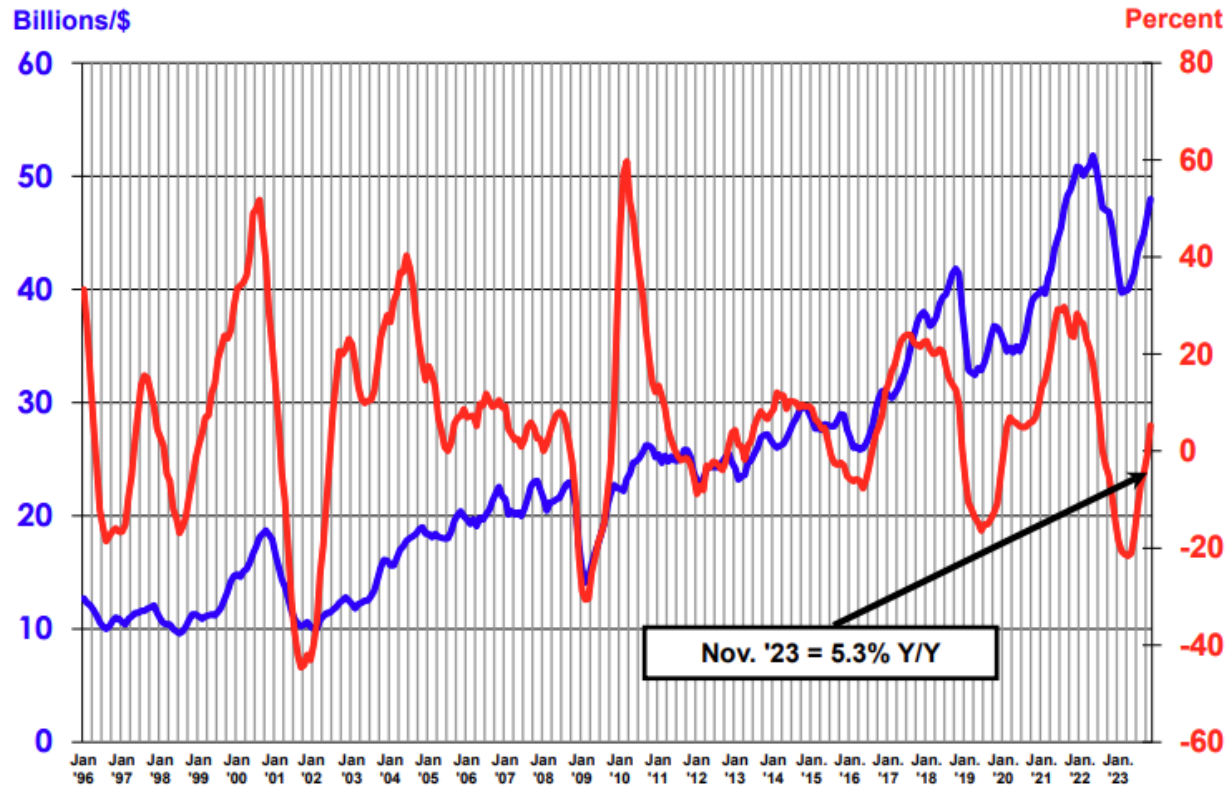
Global Semiconductor Capacity Projected to Reach Record High 30 Million Wafers Per Month in 2024, SEMI Reports



The 2024 growth will be driven by capacity increases in leading-edge logic and foundry, applications including generative AI and high-performance computing (HPC), and the recovery in end-demand for chips. The capacity expansion slowed in 2023 due to softening semiconductor market demand and the resulting inventory correction.

Worldwide Semiconductor Revenues

Year-to-Year Percent Change



Source: WSTS

Revenue Y/Y % Change

Global Semiconductor Sales Increase 5.3% Year-to-Year in November

Tuesday, Jan 09, 2024, 4:30pm
by Semiconductor Industry Association

November marks first month of year-to-year market growth in over a year; worldwide chip sales increase 2.9% month-to-month



Environmental

- ❖ QES promoting **WEEE/ROHS analytical equipment** to check and monitor hazardous elements (lead, mercury, cadmium etc) coming into consumer electronic products.. QES has installed more than 1,600 equipment to ensure compliances of these ozone depleting and hazardous elements. We are doing our part to ensure planet Earth is environmentally free from these hazardous elements.
- ❖ **Rain harvesting systems** installed at new QES HQ @Glenmarie & will do the same for QES 2.0 @BKIP.
- ❖ Obtained **ISO 14001:2015** – Environmental Management System for QMC in **Q4 2023**.
- ❖ Complete **digitalization** has reduced paper consumption (FY2022 – 598 reems used and FY2023 – 458 reems used – we improved by **23.1%**!
- ❖ **Installation of solar panels** at QES HQ @Glenmarie in 2023 has improved our carbon footprint as per illustration.



237 metric tons
of carbon avoidance per
annum



912,209 km
Car 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



HARNESSING SOLAR POWER FOR A SUSTAINABLE TOMORROW



Our solar journey showcases our dedication to responsible resource management, aligning seamlessly with SDG 12's goal of promoting sustainable consumption and efficient resource utilization. We're contributing to a better future for all by embracing renewable energy and sustainable practices.



The PV System size in place is 233.2kWp with an expected output of 302,011kWh per year. With these solar panels in place, we are looking to offset 237 tonnes of carbon dioxide, which is also saving the equivalent of:-



916,137 KM OFF THE ROAD
CARS MILEAGE TAKEN OFF THE ROAD



10,828 MATURE TREES
CO2 absorption in a year.



2,939 LIGHTBULBS POWERED
Lightbulbs powered for 1 year



Social

- ❖ Gender and racial diversity within employees. Approximately **30%** female; **70%** male employee in the entire Group.
- ❖ **Health and Safety Committee** in place with **First Aid & CPR training** provided to employees annually.
- ❖ **Emergency Response Team** with Emergency Response Plan Trainings given to all members.
- ❖ **Clean, vibrant and happy** workplace at the newly renovated QES HQ @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)**.
- ❖ Equality and diversity of the Board which comprises 4 male directors and 2 female directors (**representing 33% females on the Board**).
- ❖ Audit, Remuneration and Nomination Committees **comprises of Independent Non-Executive Directors** only.
- ❖ Consistent quarterly investor relations updates to **shareholders** (institutional fund managers and high net worth individual shareholders)



Assuring you our best, always!

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THE END

THANK YOU

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