



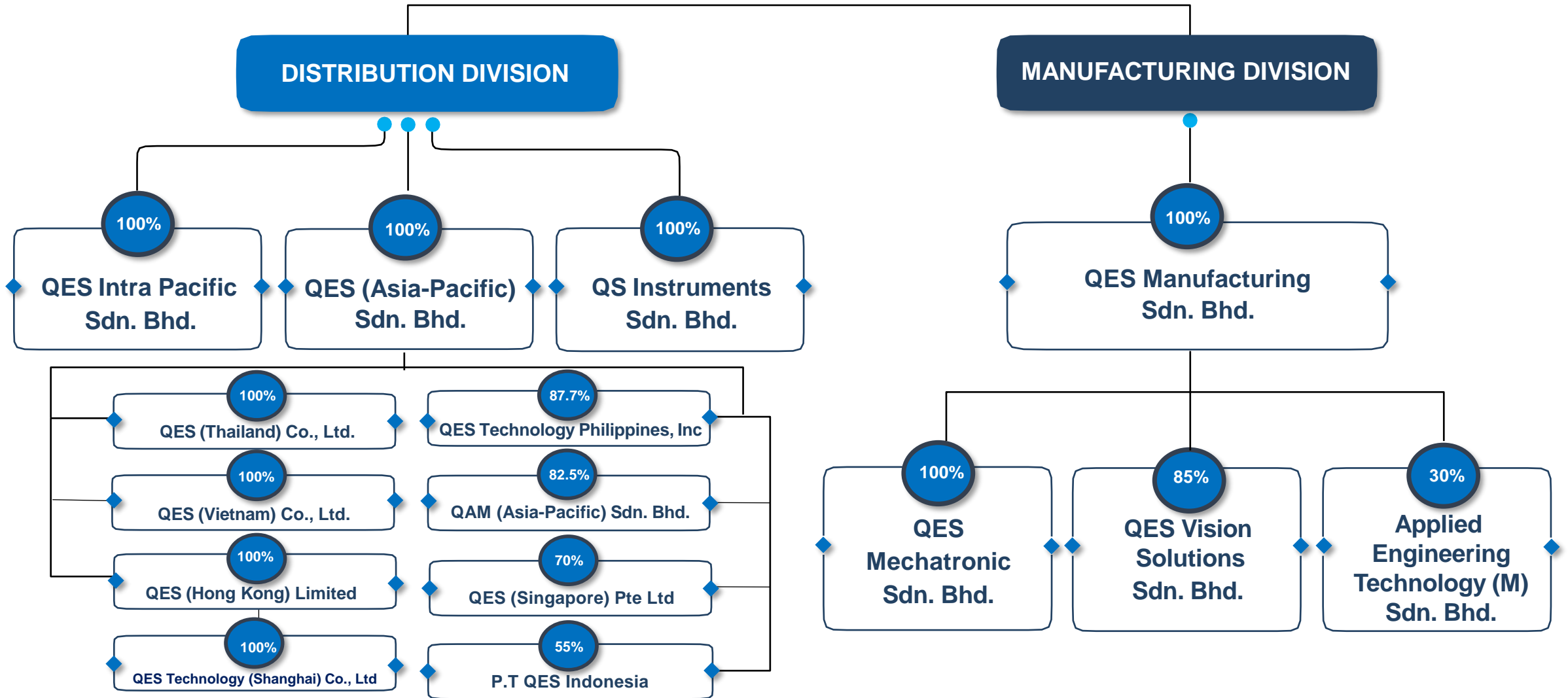
INVESTOR BRIEFING

Q1 2024 – 21 May 2024

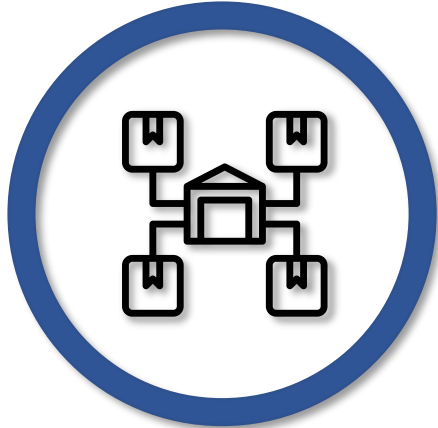
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DISCLAIMER

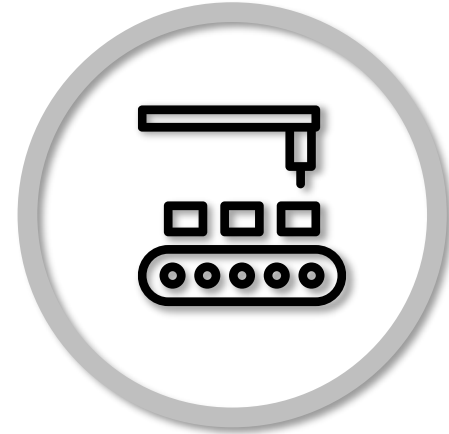
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Distribution



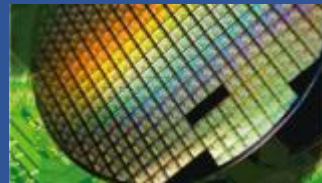
Manufacturing



**Analytical
Instruments**



**Inspection, Test
& Measurement
Equipment**



**Materials &
Engineering
Solutions**

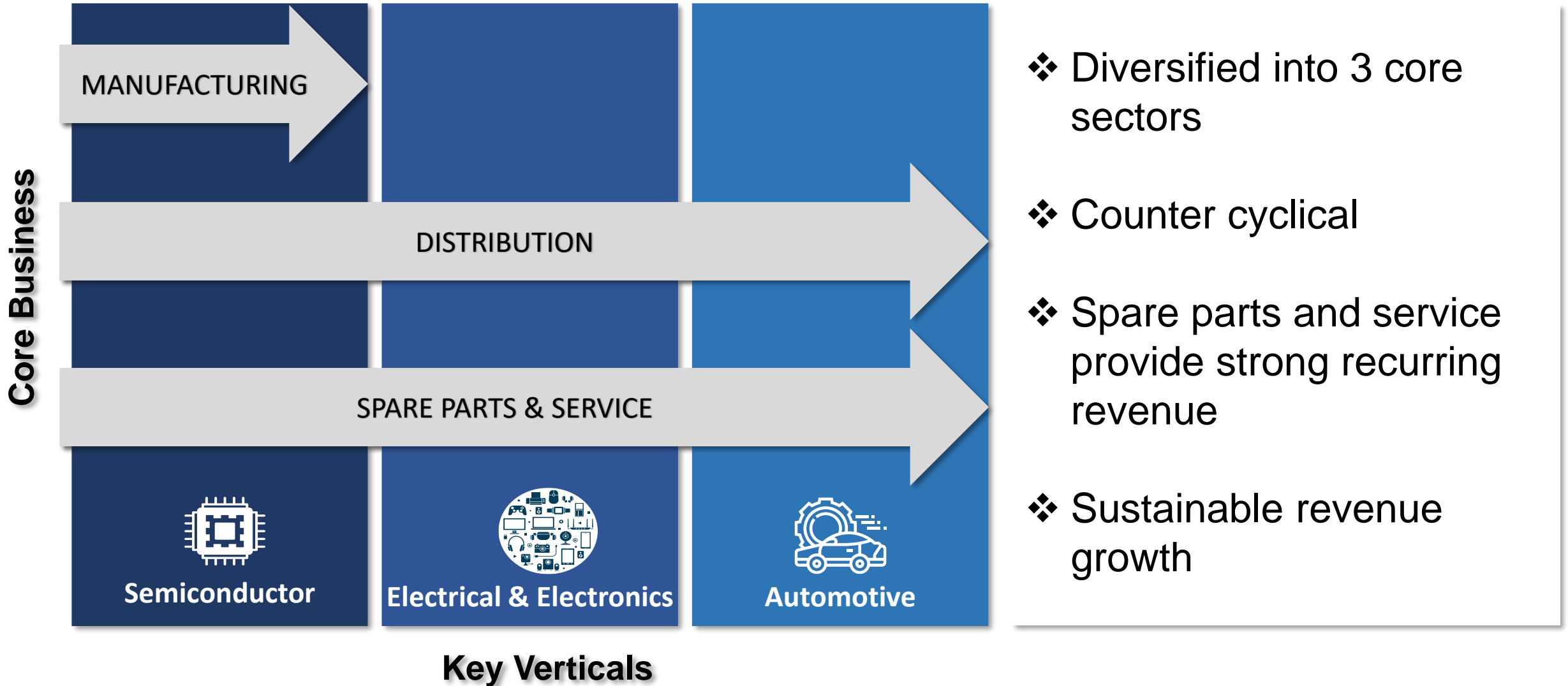


**Semiconductor
Inspection &
Measuring
Equipment**



**Semiconductor
Automated
Handling
Equipment**

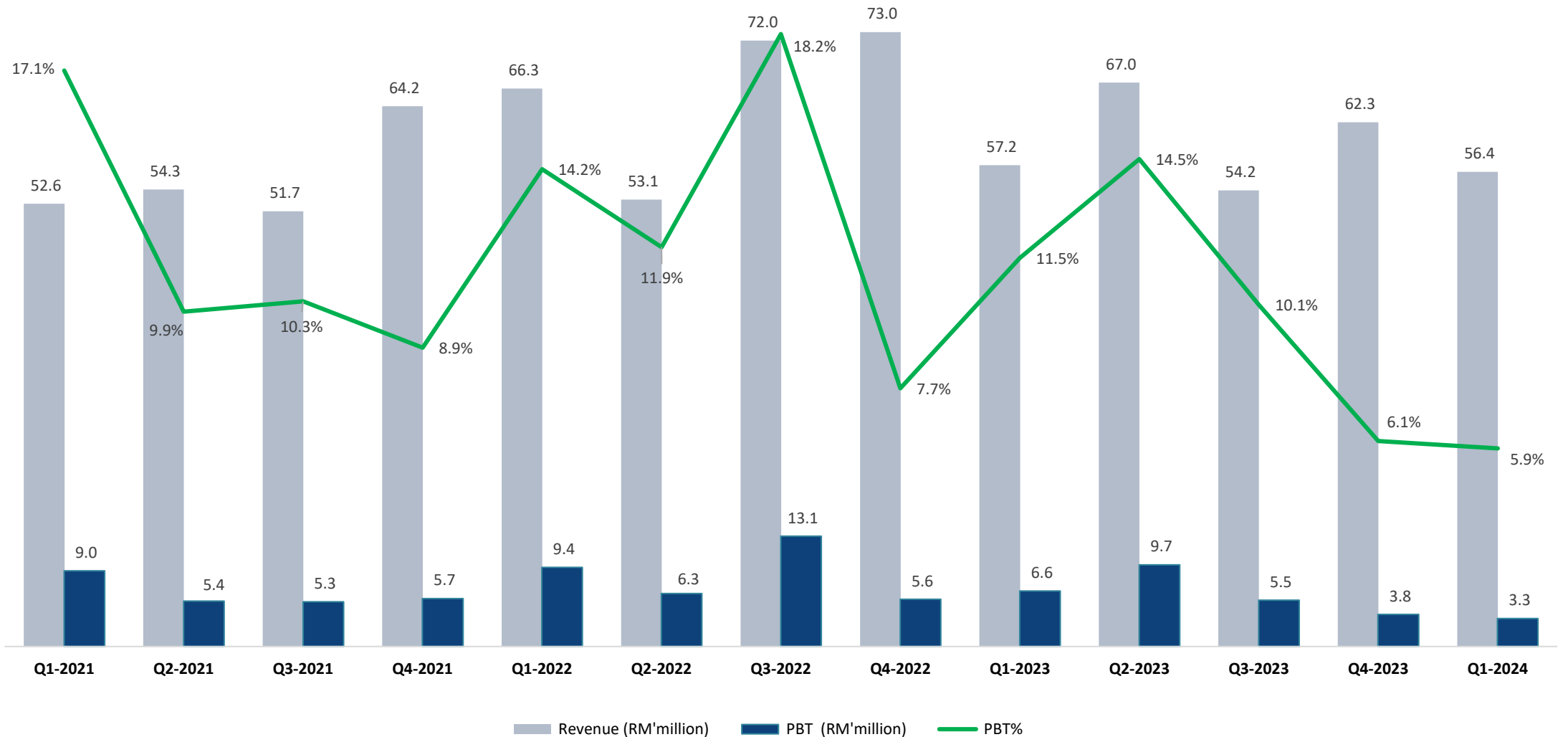
BUSINESS OVERVIEW -SECTOR & PRODUCT DIVERSITY



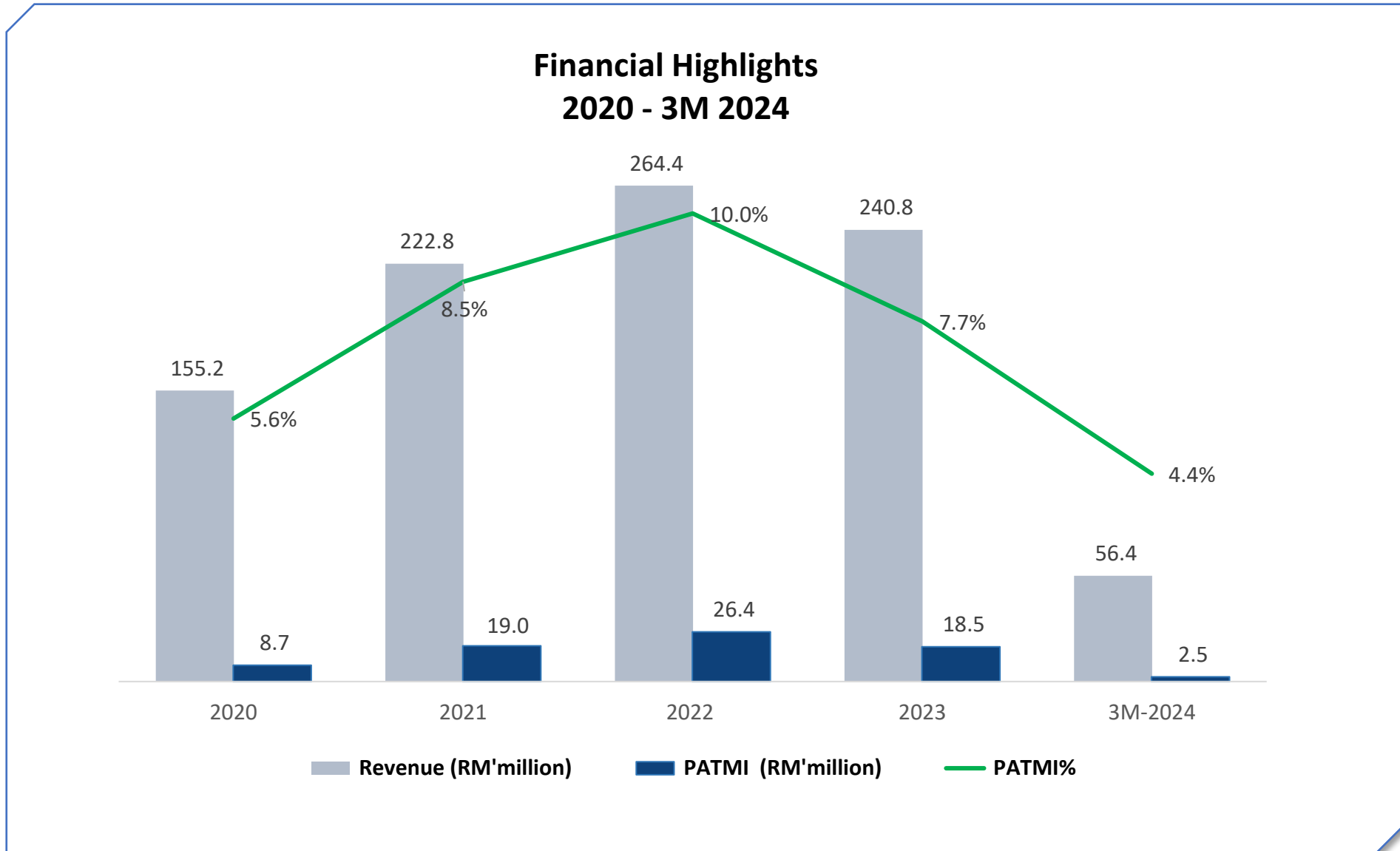
FINANCIAL HIGHLIGHTS - QUARTERLY RESULTS QoQ AND YoY

RM'mil	Q1'24	Q4'23	QoQ%	For the period ended		YoY%
				Mar'24	Mar'23	
Revenue						
Distribution	50.9	55.8	-8.8%	50.9	51.5	-1.2%
- Product	29.4	33.4	-12.0%	29.4	35.0	-16.0%
- Materials	7.2	5.5	30.9%	7.2	3.1	132.3%
- Spares & Service	14.3	16.9	-15.4%	14.3	13.4	6.7%
Manufacturing	5.5	6.5	-15.4%	5.5	5.8	-5.2%
Total Revenue	56.4	62.3	-9.5%	56.4	57.3	-1.6%
GP						
Distribution	11.0	12.6	-12.7%	11.0	13.7	-19.7%
- Product	5.8	7.5	-22.7%	5.8	8.9	-34.8%
- Materials	0.6	0.9	-33.3%	0.6	0.5	20.0%
- Spares & Service	4.6	4.2	9.5%	4.6	4.3	7.0%
Manufacturing	0.7	0.5	40.0%	0.7	1.1	-36.4%
Total GP	11.7	13.1	-10.7%	11.7	14.8	-20.9%
EBITDA	5.5	5.9	-6.8%	5.5	8.3	-33.7%
Operating Cost	(8.4)	(9.1)	-7.7%	(8.4)	(8.0)	5.0%
Share of result of an associate, net of tax	-	(0.2)	-100.0%	-	(0.3)	-100.0%
PBT	3.3	3.8	-13.2%	3.3	6.5	-49.2%
Tax	(1.0)	(1.3)	-23.1%	(1.0)	(1.7)	-41.2%
PAT	2.3	2.5	-8.0%	2.3	4.8	-52.1%
MI	0.2	0.1	100.0%	0.2	-	0.0%
PAT Attributable (PATMI)	2.5	2.6	-3.8%	2.5	4.8	-47.9%

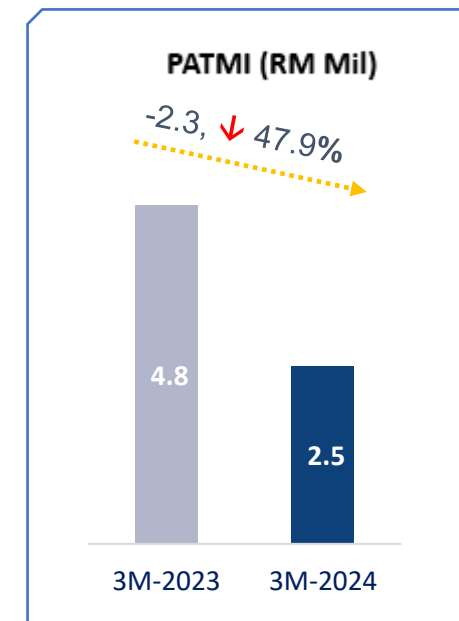
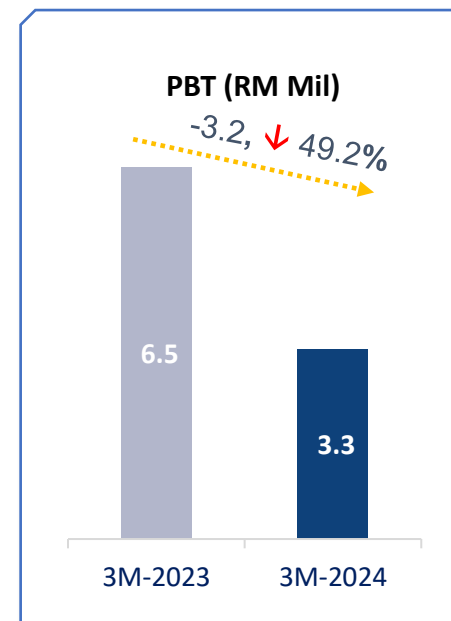
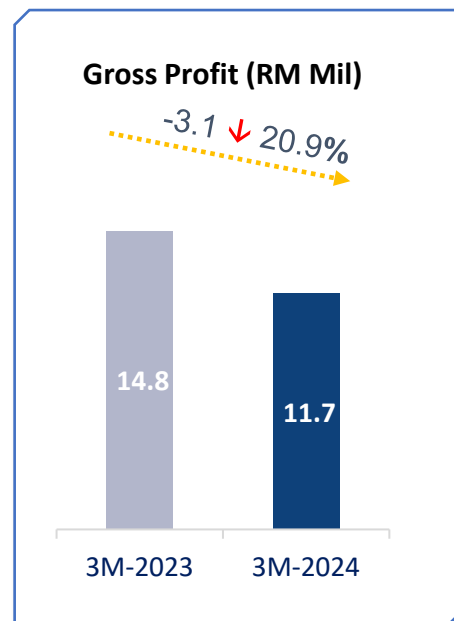
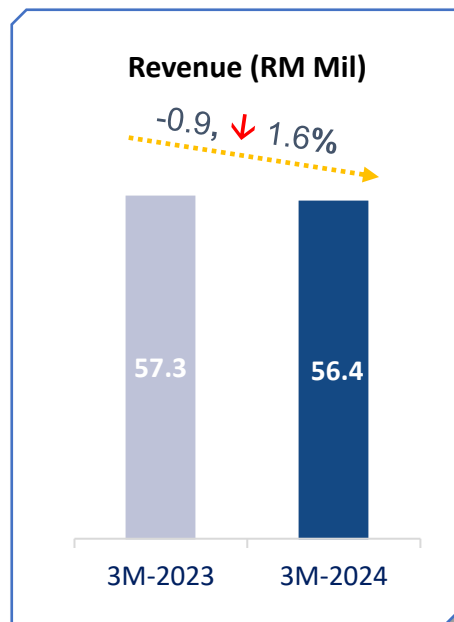
Quarterly Financial Highlights 2021 – 2024 Q1



FINANCIAL HIGHLIGHTS – ANNUAL REVENUE AND PATMI TREND

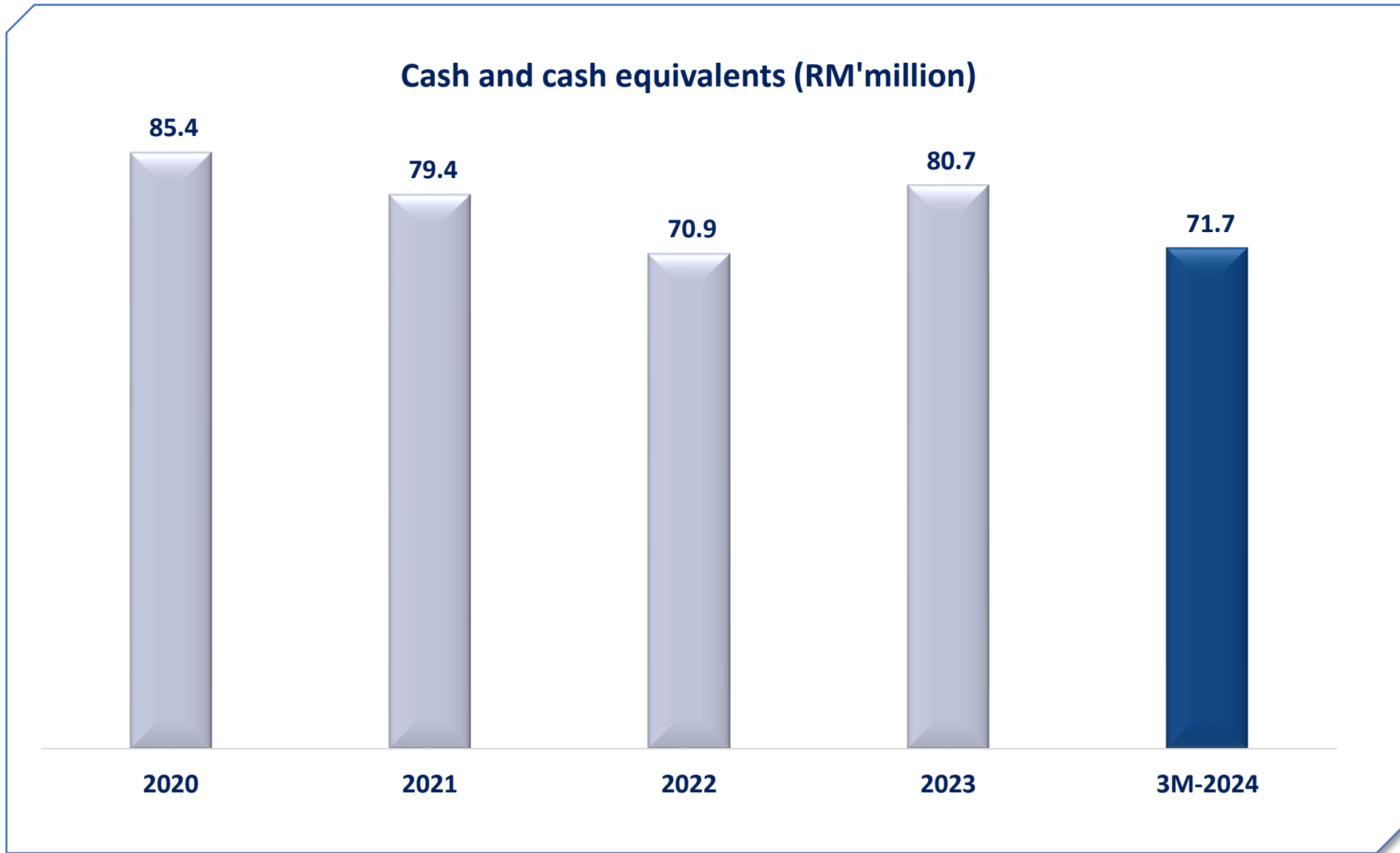


FINANCIAL HIGHLIGHTS OF FYE24 – 3M CUMULATIVE PERIOD

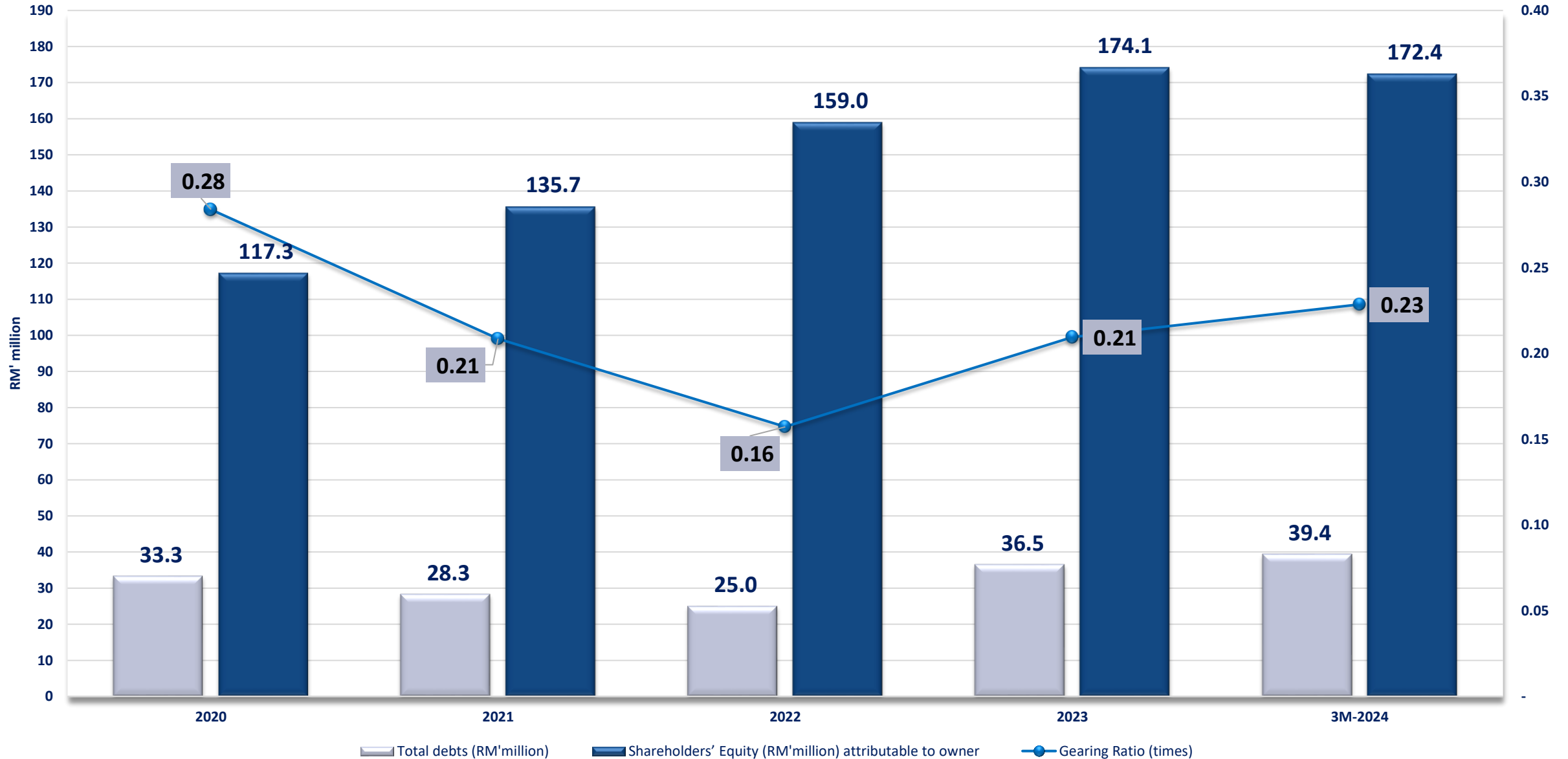


- Overall revenue decreased due to a drop in sales from both distribution division and manufacturing division.
 - Distribution revenue drop by 1.2% YoY mainly due to a decrease of 16.0% in product despite an increase of 132.3% and 6.7% in materials and spares & service respectively.
 - Manufacturing revenue decreased by 5.2% YoY, due to lower deliveries of automatic optical inspection (AOI) series albeit an increase in deliveries of optical inspection system (OIS) series and advanced wafer metrology system (AMS) series.
- Group GP decreased by 20.9% YoY as a result from a 19.7% and 36.4% decrease in GP contribution from distribution division and manufacturing division respectively.
- Lower PBT and PATMI attributed by the unfavorable product mix from the distribution division which consists of higher sales of products with lower margins.

FINANCIAL HIGHLIGHTS – CASH & CASH EQUIVALENTS

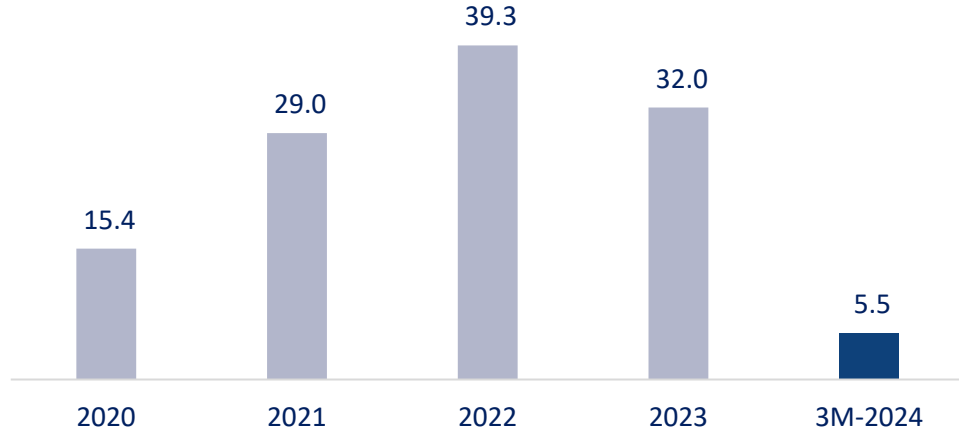


FINANCIAL HIGHLIGHTS – GEARING RATIO

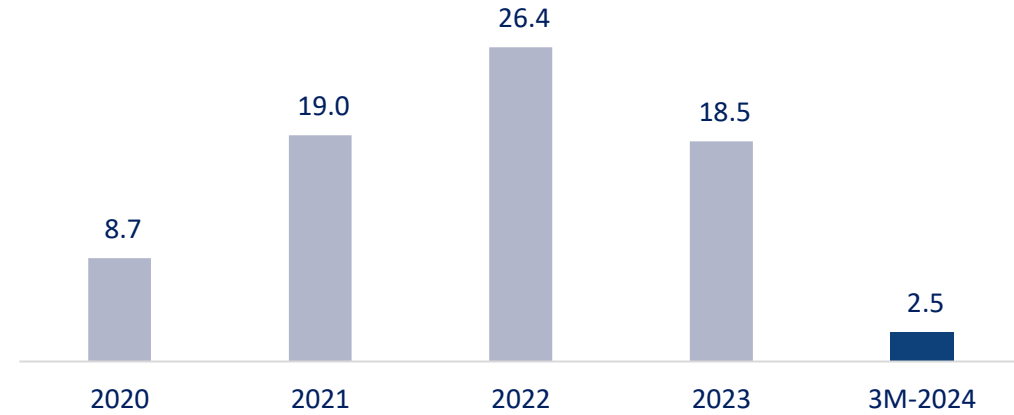


FINANCIAL HIGHLIGHTS – OTHER RATIOS

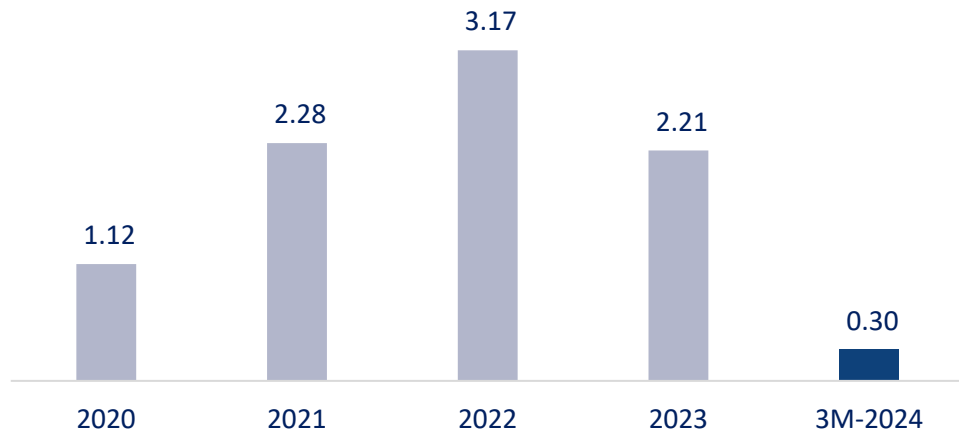
Earnings before Interest, Taxes, Depreciation and Amortisation (RM'million)



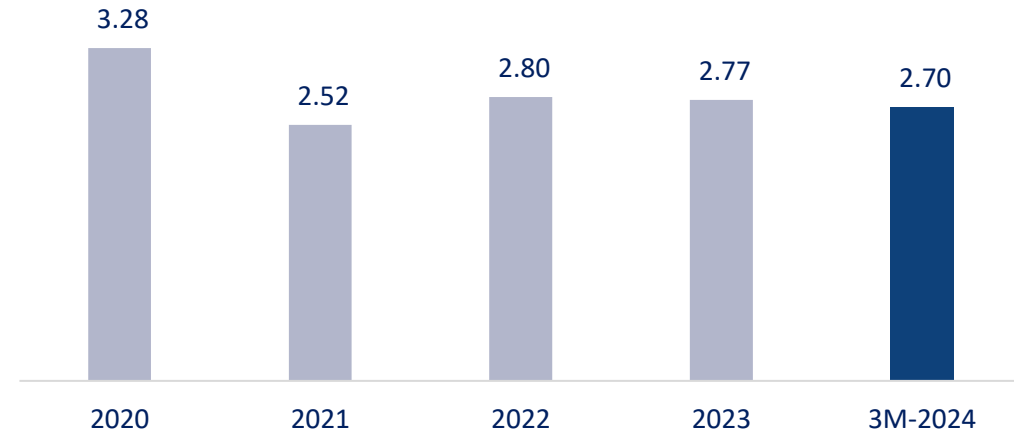
Profit attributable to Owners of the Company (RM'million)



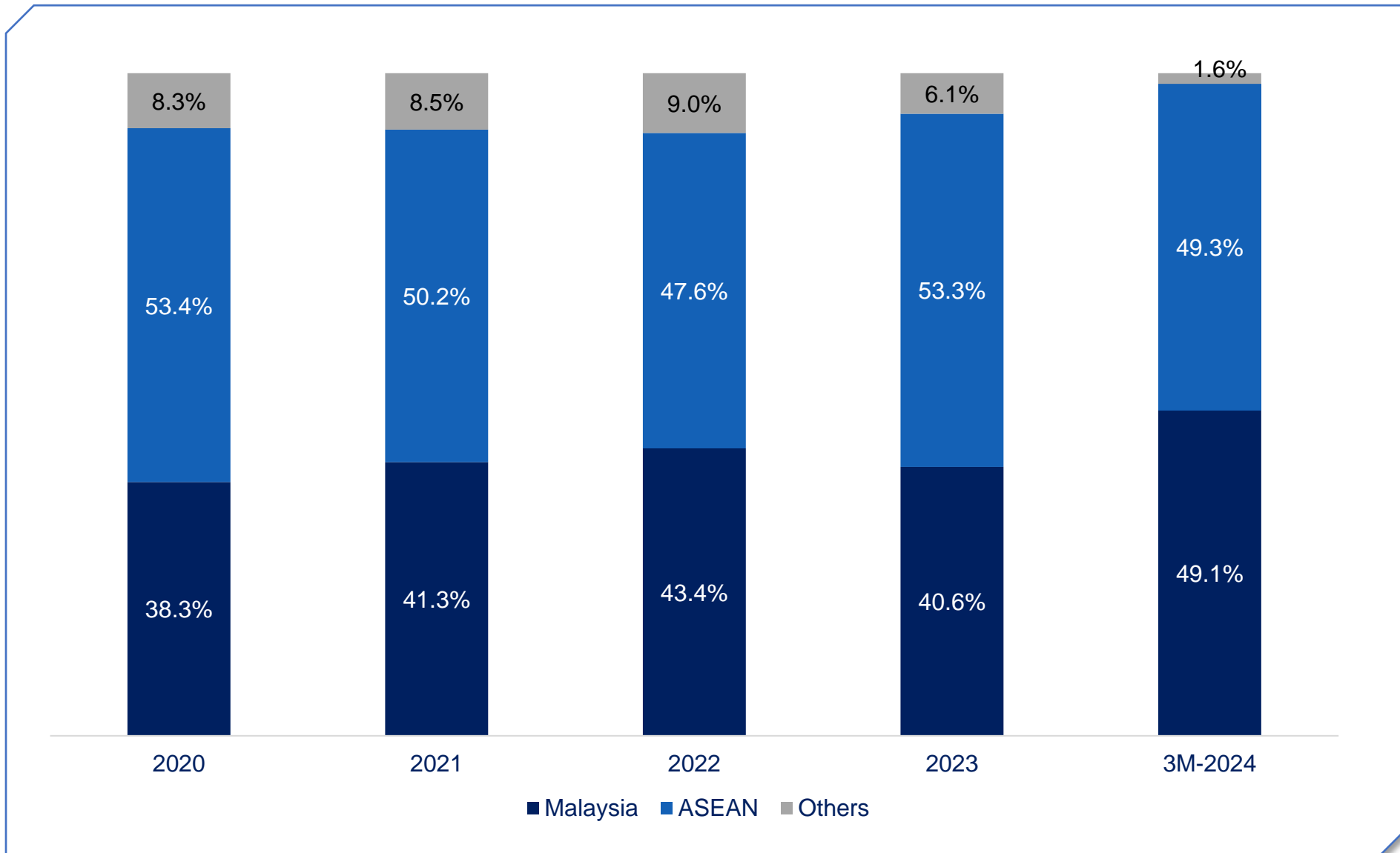
Basic Earnings per Share (sen)



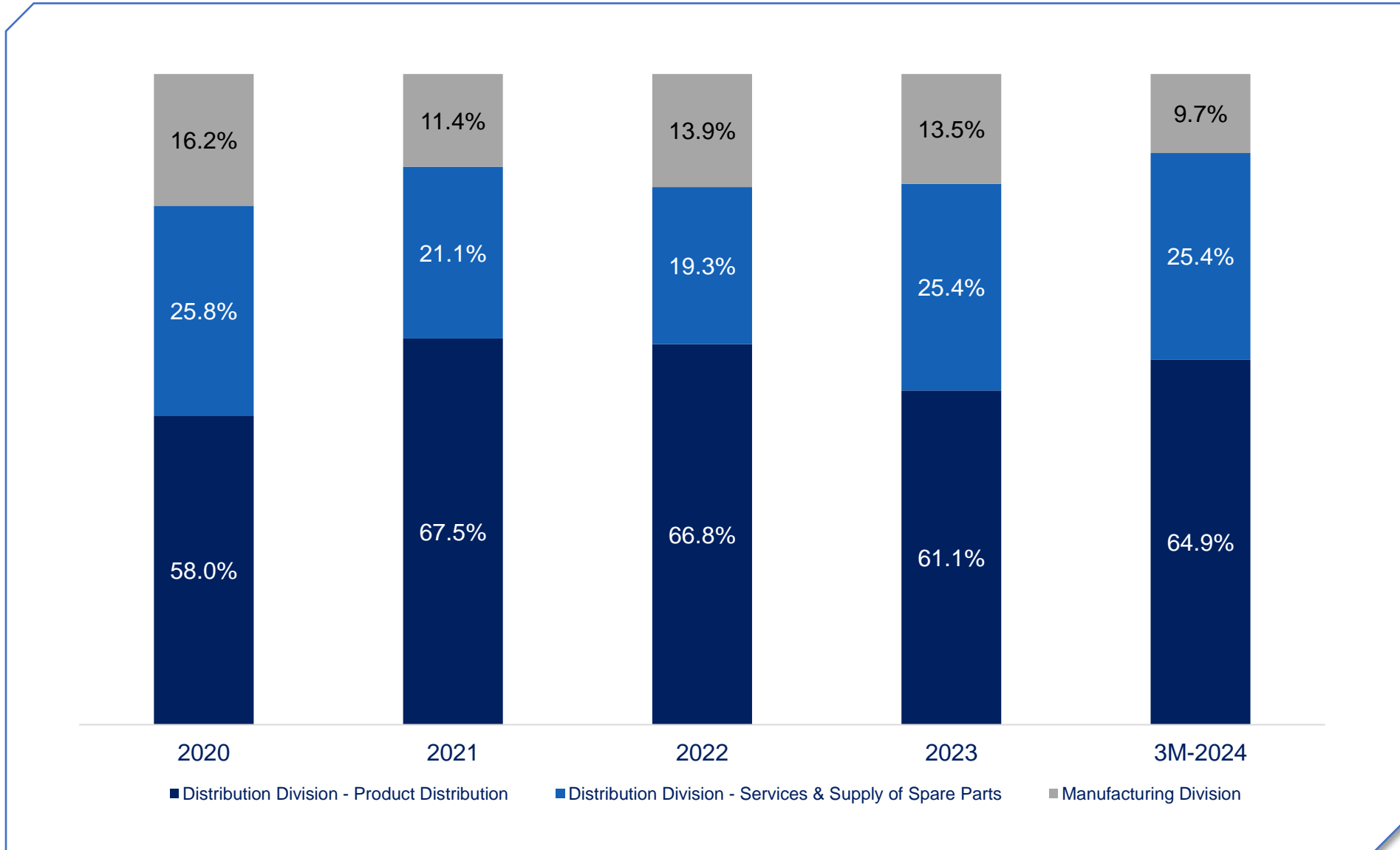
Current Ratio (times)



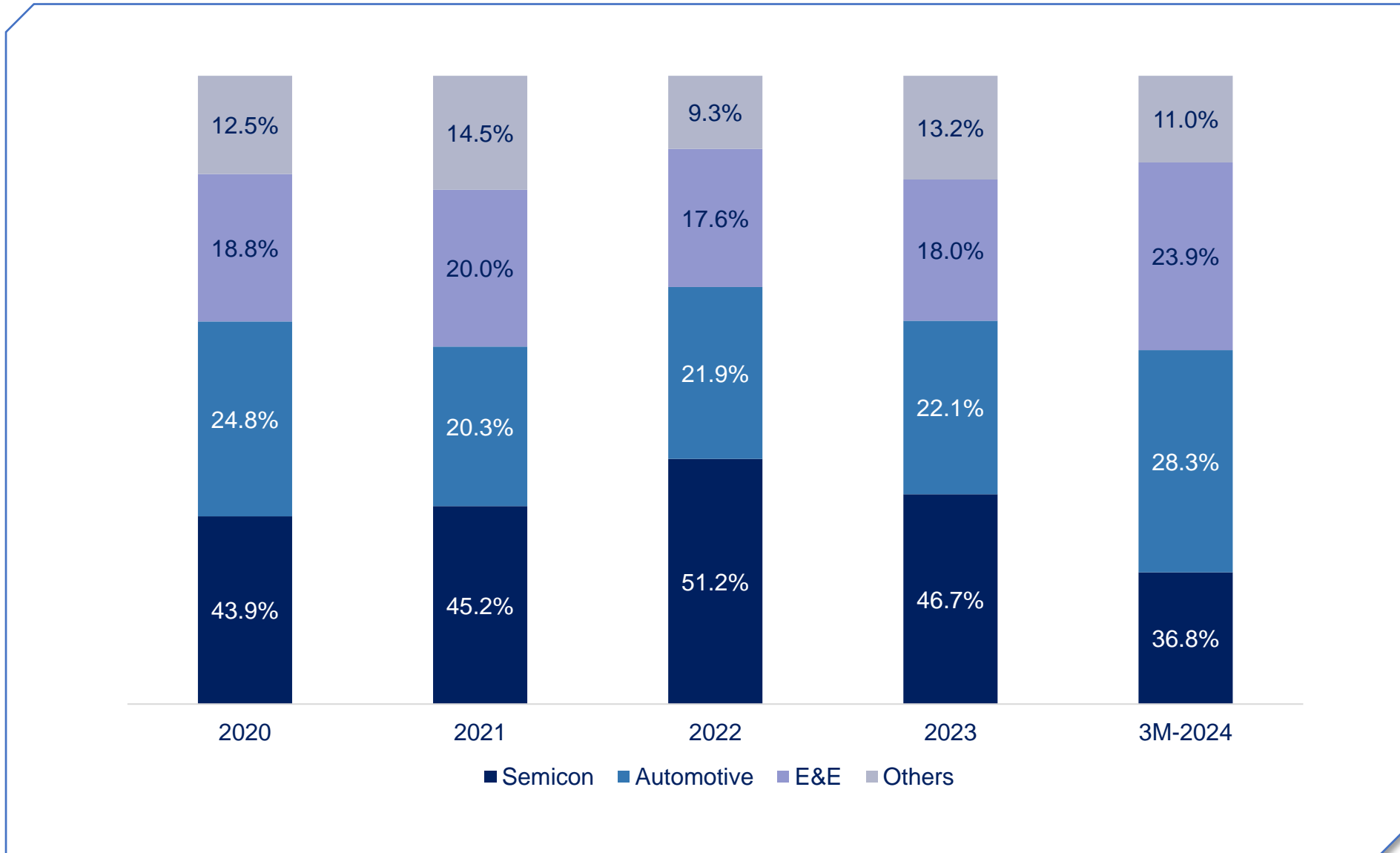
ANALYSIS: REVENUE BREAKDOWN – BY COUNTRY/REGION



ANALYSIS: REVENUE BREAKDOWN – BY DIVISION

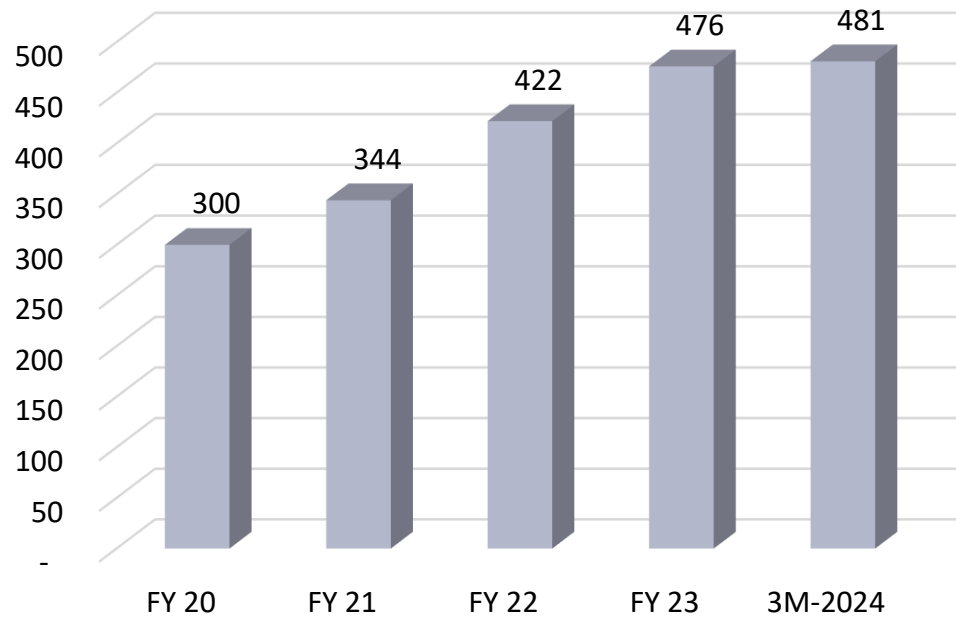


ANALYSIS: REVENUE BREAKDOWN – BY INDUSTRY

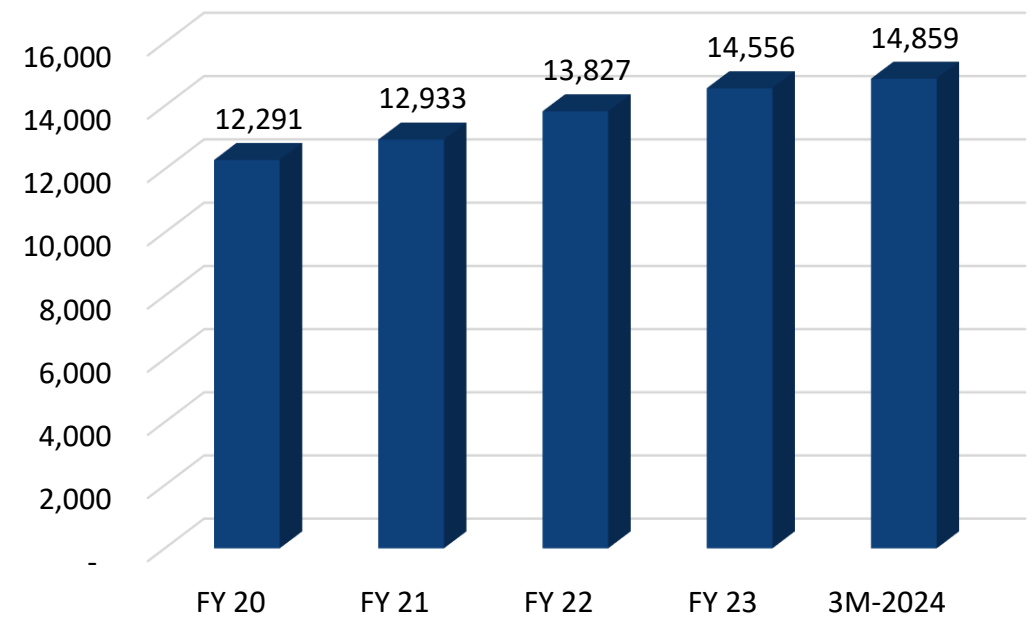


ANALYSIS: EQUIPMENT INSTALLED BASE - CUMULATIVE

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 71.7 million as of 31-Mar-24.
- Gearing ratio of 0.23.
- 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.

Event	Planned activities and updates
QES @ Batu Kawan	<ul style="list-style-type: none"> ❖ Expected completion by end of 2024 ❖ To be GBI accredited conforming to ESG commitments
RHB Top 20 Small-Cap Jewels 2024	<ul style="list-style-type: none"> ❖ QES is featured as one RHB Research top 20 Malaysian small-cap “jewels” for 2024 on 14 May 2024
QES Group Berhad 10th AGM	<ul style="list-style-type: none"> ❖ Notice of the upcoming 10th AGM has been sent on 30 April 2024 and the AGM would be held fully virtual on 31 May 2024 at 10.00am
Renewal for the Proposed Share Buy-Back	<ul style="list-style-type: none"> ❖ On 15 Apr 2024, the Board announced the intention to seek shareholders’ approval on the renewal of share buy-back up to 10% of the total number of issued shares
Semicon SEA 2024 @ MITEC, KL	<ul style="list-style-type: none"> ❖ QES will participate in the Semicon SEA 2024 exhibition @ Booth No. 904 & 517 ❖ QES will be showcasing new products from both Manufacturing and Distribution Division ❖ From 28-May-2024 to 30-May-2024

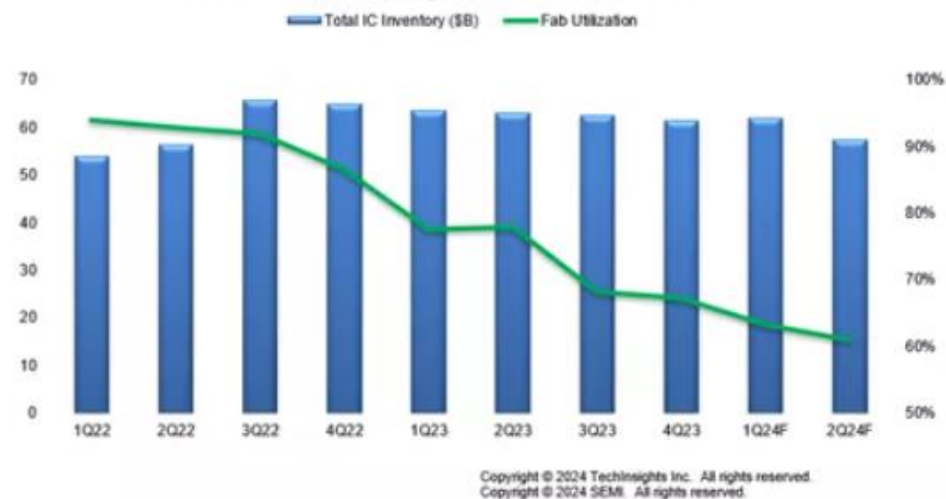
SEMICONDUCTOR MARKET OUTLOOK

IC Sales



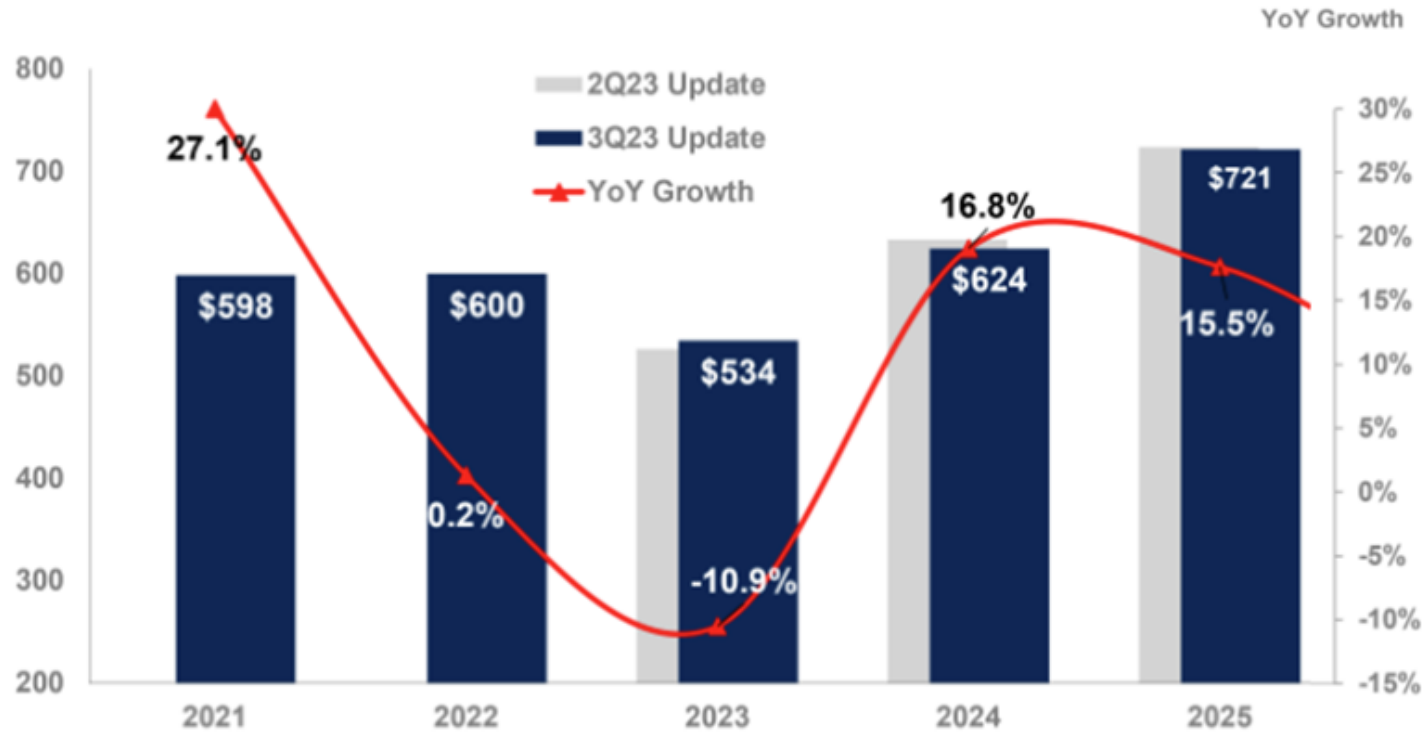
In Q1 2024, electronic sales rose 1% year-over-year (YoY), with Q2 2024 forecast to register a 5% YoY increase. IC sales posted robust 22% YoY growth in Q1 2024 and are expected to surge 21% in Q2 2024 as shipments of high-performance computing (HPC) chips increase and memory pricing continues to improve. IC inventory levels stabilized in Q1 2024 and are expected to improve this quarter.

Total IC Inventory Versus Utilization



Installed wafer fab capacity continues to increase and is projected to exceed 40 million wafers per quarter (in 300mm wafer equivalent), rising 1.2% in Q1 2024 with an expected 1.4% uptick in Q2 2024. China continues to log the highest capacity growth among all regions. However, fab utilization rates, particularly for mature nodes, remain a concern with little signs of recovery expected in the first half of 2024. Memory utilization rates were lower than expected in Q1 2024 due to disciplined supply control.

Figure 1. Semiconductors Revenue Forecast, Worldwide, 2021-2025 (Billions of U.S. Dollars)



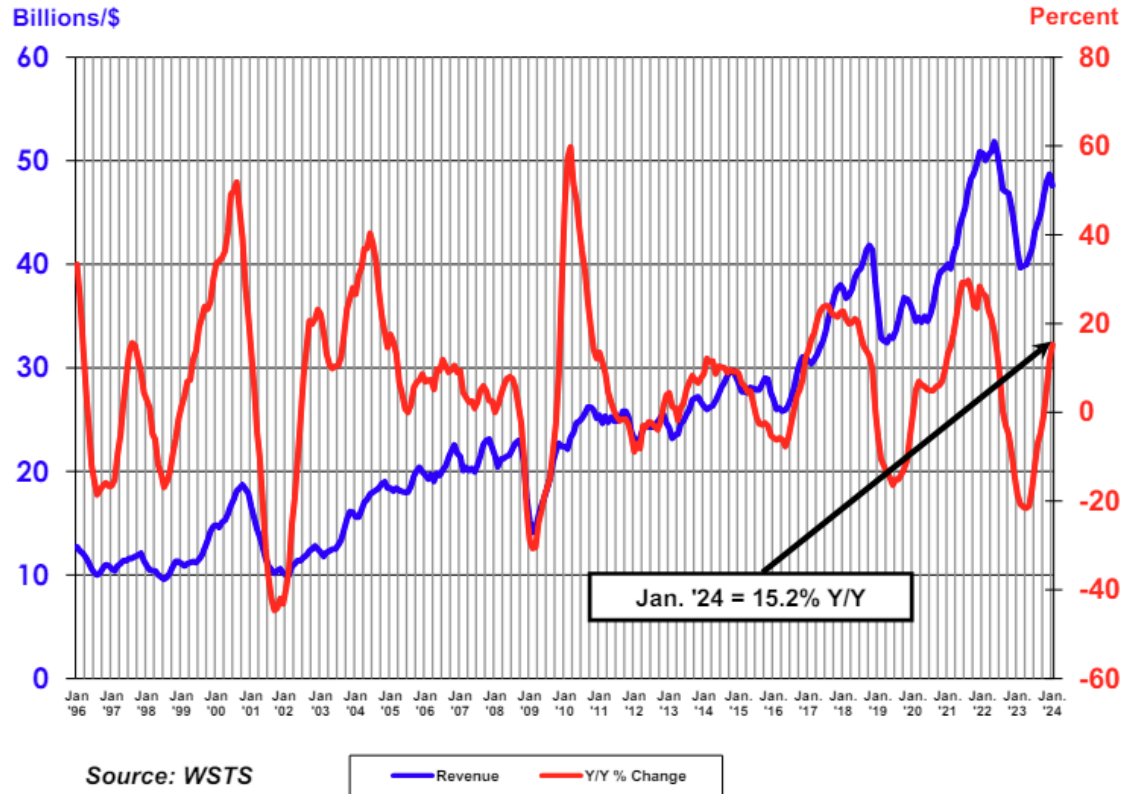
Gartner Forecasts Worldwide Semiconductor Revenue to Grow 17% in 2024

- Semiconductor Revenue to Total \$624 Billion in 2024
- Semiconductor Revenue to Decline 11% in 2023
- Deployment of Workload Accelerators in Servers to Increase to More Than 20% by 2027

Source: Gartner (December 2023)

Worldwide Semiconductor Revenues

Year-to-Year Percent Change



Global Semiconductor Sales Increase 15.2% Year-to-Year in January

Monday, Mar 04, 2024, 4:30pm

by Semiconductor Industry Association

Regionally, year-to-year sales were up in China (26.6%), the Americas (20.3%), and Asia Pacific/All other (12.8%), but down in Japan (-6.4%) and Europe (-1.4%). Month-to-month sales were down across all markets: Asia Pacific/All Other (-1.4%), the Americas (-1.5%), China (-2.5%), Europe (-2.8%), and Japan (-3.9%).



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.
- ❖ Obtaining **ISO 14001:2015** – Environmental Management System for QMC. Target to be certified by **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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