

# 1Q FY2024 (JAN - MAR 2024) FINANCIAL REVIEW

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Presentation Materials

29 May 2024

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# AGENDA

- 1Q FY2024 Group Financial Highlights
- 1Q FY2024 Operational Highlights and Financial Performance
  - Technology
  - Energy
  - Information Technology

# What we are today

## TECHNOLOGY



Semiconductor wafer foundry

## ENERGY



Upstream Oil & Gas  
Equipment Supply & Maintenance

## IT



Trade Facilitation  
Technology Consulting & System  
Integration



# Group Financial Performance



# 1Q FY2024: FINANCIAL HIGHLIGHTS

RM million / Period ended	1Q FY2023 (Sept 2022)	2Q FY2023 (Dec 2022)	3Q FY2023 (Mar 2023)	4Q FY2023 (June 2023)	5Q FY2023 (Sept 2023)	6Q FY2023 (Dec 2023)	1Q FY2024 (Mar 2024)
Revenue	419.6	330.5	276.7	275.0	327.5	283.6	309.8
EBITDA	119.3	116.4	61.7	60.3	73.6	28.4	61.3
Profit/(Loss) after tax	68.2	34.5	(281.4)	36.3	7.7	(56.1)	1.8
Profit/(Loss) after tax and non-controlling interest ("PATANCI")	41.7	31.9	(239.8)	47.5	13.3	(14.5)	14.4
<b>Normalised PAT</b>	<b>68.2</b>	<b>34.5</b>	<b>6.6</b>	<b>7.5</b>	<b>7.7</b>	<b>(38.2)</b>	<b>1.8</b>
<b>Normalised PATANCI</b>	<b>41.7</b>	<b>31.9</b>	<b>18.1</b>	<b>14.5</b>	<b>13.3</b>	<b>(20.6)</b>	<b>14.4</b>

The financial year end of the Group has been changed from 30 June to 31 December. The most recent audited financial statements cover an 18-month period, from 1 July 2022 to 31 December 2023. Going forward, the fiscal year will end on 31 December.

Normalised PAT and PATANCI exclude impact from:

## 3Q FY2023

- a) Deferred tax liabilities on Energy Profit Levy ("EPL") – Ping Petroleum (+RM252.4 mil)
- b) Reversal of deferred tax assets - SilTerra (+RM12.3 mil)
- c) Impairment of assets in relation to the submarine cable laying vessel equipments (ROV & plough) – Telco (+RM23.3 mil)

## 4Q FY2023

- a) Reversal of deferred tax liabilities on EPL – Ping Petroleum (-RM52.4 mil)
- b) Additional reversal of deferred tax assets – SilTerra (+RM23.6 mil)

## 6Q FY2023

- a) Reversal of deferred tax liabilities on EPL – Ping Petroleum (-RM59.2 mil)
- b) Additional impairment of assets in relation to the submarine cable laying vessel equipments (ROV and plough) – Telco (+RM2.5 mil)
- c) Additional reversal of deferred tax assets – SilTerra (+RM74.6 mil)

# 1Q FY2024 VS 3Q FY2023: SEGMENTAL PERFORMANCE

RM million	1Q FY2024 (Mar 2024)	3Q FY2023 (Mar 2023)	Y-o-Y change
<b>REVENUE</b>			
Technology	138.0	128.5	7.4%
Energy	105.9	103.7	2.1%
Information Technology	65.9	44.4	48.4%
<b>Total</b>	<b>309.8</b>	<b>276.6</b>	<b>12.0%</b>
<b>OPERATING PROFIT/(LOSS)</b>			
Technology	(30.0)	(28.3)	-3.5%
Energy	27.8	41.9	-33.7%
Information Technology	8.7	15.1	-42.4%
• Trade Facilitation	10.7	10.4	2.9%
• Tech Consulting & SI	(3.0)	(4.7)	-36.2%
• Telco	1.0	9.4	-89.4%
<b>Total</b>	<b>6.5</b>	<b>28.7</b>	

## Technology

- Higher manufacturing costs impacted performance.
- Lower wafer shipment (1Q FY2024: 56.6k units vs 3Q FY2023: 60.3k units)

## Energy

- Higher average oil price (1Q FY2024: USD87.03/bbl vs 3Q FY2023: USD74.80/bbl).
- Lower lifting volume (1Q FY2024: 189k bbls vs 3Q FY2023: 203k bbls).
- Lower operating profit mainly due to 1QFY2024 include unrealised forex loss (-RM5.2 mil), while 3QFY2023 include unrealised forex gain (+RM4.9 mil).

## Information Technology

- Higher segment revenue mainly due to higher completion of subsea telco cable repair projects.
- Telco division - 3Q FY2023 include unrealised forex gain (+RM12 mil) due to revaluation of IDR/MYR.

# 1Q FY2024 VS 3Q FY2023: SEGMENTAL PERFORMANCE

RM million	1Q FY2024 (Mar 2024)	3Q FY2023 (Mar 2023)	Q-o-Q change
<b>NORMALISED PROFIT / (LOSS) AFTER TAX</b>			
Technology	(31.0)	(27.0)	14.8%
Energy	31.4	31.5	-0.3%
Information Technology	6.9	11.9	-42.0%
• Trade Facilitation	8.1	7.0	15.7%
• Tech Consulting & SI	(3.0)	(4.6)	-34.7%
• Telco	1.8	9.5	81.0%
HQ, Adjustment & others	(5.5)	(9.8)	-43.9%
<b>Total</b>	<b>1.8</b>	<b>6.6</b>	<b>-72.7%</b>
<b>NORMALISED PROFIT / (LOSS) AFTER TAX &amp; NON-CONTROLLING INTEREST</b>			
Technology	(18.7)	(16.2)	15.4%
Energy	28.3	28.7	-1.4%
Information Technology	10.3	15.4	-33.1%
• Trade Facilitation	8.1	7.0	15.7%
• Tech Consulting & SI	(0.5)	(1.3)	-61.5%
• Telco	2.7	9.7	-72.2%
HQ, Adjustment & others	(5.5)	(9.8)	-43.9%
<b>Total</b>	<b>14.4</b>	<b>18.1</b>	<b>-20.4%</b>

# KEY FINANCIAL RATIOS

		18M FY2021	FY2022	18M FY2023	1Q FY2024 (Mar 2024)	
<b>1</b>	<b>Net Operating Cash Flow</b>	RM m	18.4	643.8	378.6	79.8
	<b>Total cash</b>	RM m	393.1	1,015.2	669.9	630.6
	Total assets	RM m	2,179.7	4,581.1	4,641.9	4,655.6
	Total borrowings	RM m	86.4	319.3	297.4	252.3
	Short-term borrowings	RM m	70.4	83.5	283.4	239.9
	Long-term borrowings	RM m	16.0	235.8	14.0	12.4
	Shareholders' Equity	RM m	1,022.9	1,854.9	1,769.6	1,846.0
	Net assets per share	RM	0.39	0.74	0.69	0.58
<b>2</b>	<b>Gearing ratio</b>	x	0.1	0.2	0.2	0.1
	<b>Net gearing ratio</b>		<b>Net cash</b>	<b>Net cash</b>	<b>Net cash</b>	<b>Net cash</b>
	<b>Return on Equity ("ROE")*</b>	%	11.7	29.6	5.6	0.8
	Earnings/(Loss) per share	Sen	6.24	17.67	(3.80)	0.46

<b>1</b>	Consistent track record of delivering positive operating cash flow every year.
<b>2</b>	Healthy gearing ratio allows for increased borrowings to support expansion initiatives.  DNeX is in a solid net cash position with total cash exceeds borrowings.

\* ROE FY2023: Based on normalised PATANCI of RM101.0 mil; ROE 1Q FY2024: Based on PATANCI of RM14.4 mil

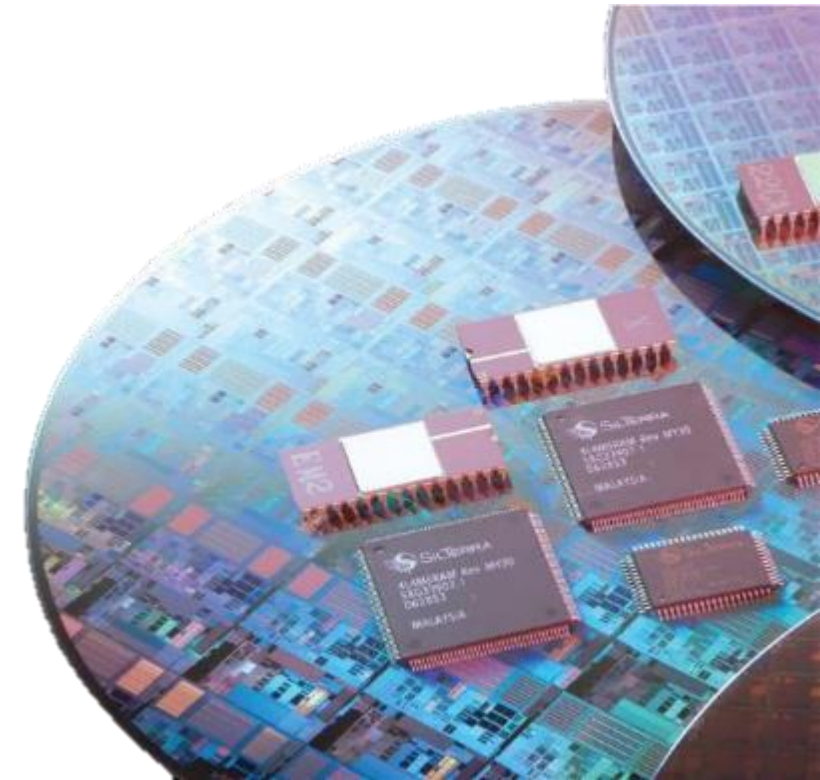


# Business Portfolio Technology



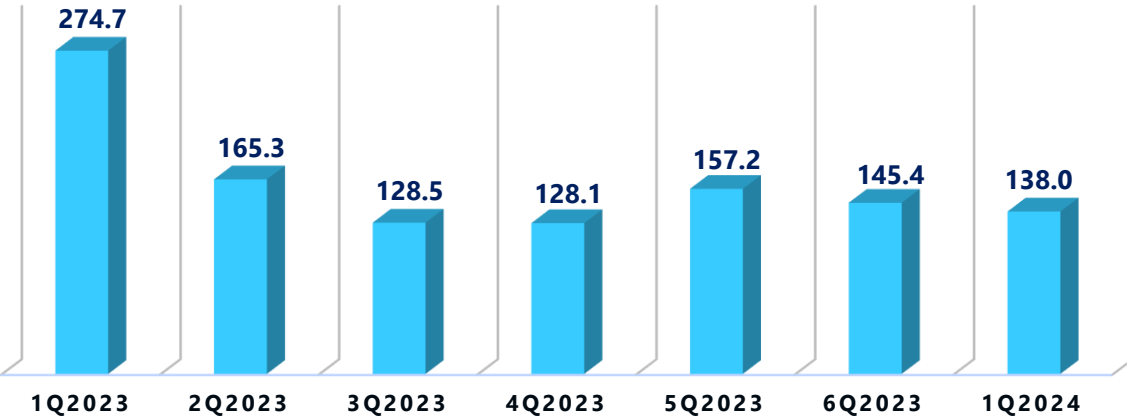
# 1) TECHNOLOGY DIVISION - 1Q FY2024 OPERATIONAL HIGHLIGHTS

- Investment in Emerging technologies
  - Experiencing a gradual growth in demand for emerging technologies (microelectromechanical systems (“MEMS”) and Silicon Photonics) which command higher average selling prices and profit margins.
  - On-going product testing and qualifications with new global customers.
- Volume recovery of Core technologies
  - Anticipated industry rebound in 2H2024 on the back of recovery of PC and smartphone demand following improvements in consumer markets due to slowing inflation.
- On-boarded several new customers from the artificial intelligence and electric vehicle sectors.

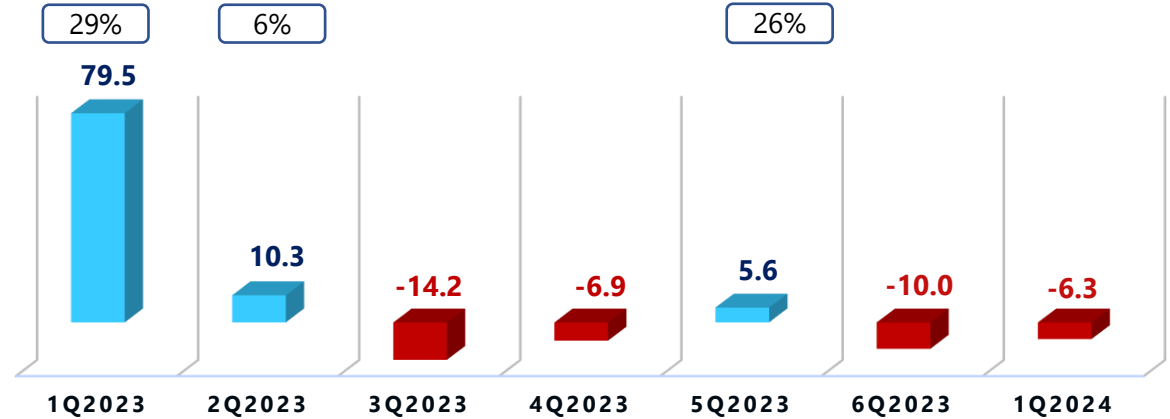


# 1) TECHNOLOGY DIVISION - FINANCIAL PERFORMANCE

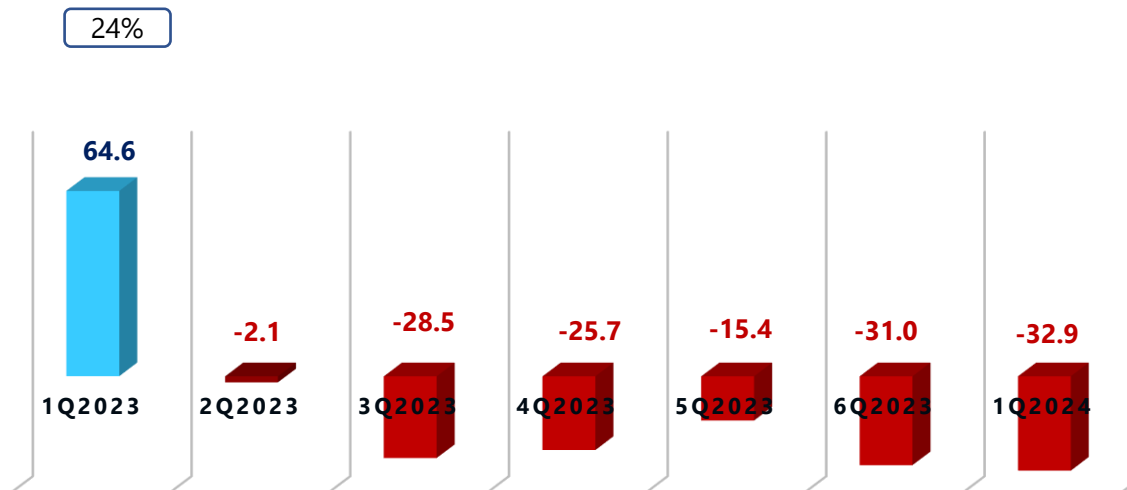
## REVENUE (RM mil)



## EBITDA (RM mil)



## PROFIT BEFORE TAX (RM mil)



✓ Higher manufacturing cost, driven mainly by fixed costs such as depreciation and staff costs, affected overall profitability of the business segment.

Profit margin



# Business Portfolio Energy Division



# 2) ENERGY DIVISION - 1Q FY2024 OPERATIONAL HIGHLIGHTS



## Producing Asset : Anasuria Cluster, North Sea, UK

- Average production efficiency in 1Q FY2024 is higher at 95%. Anasuria achieved exceptional operational efficiency of almost 100% for February and March 2024.
- Obtained license extension for development of Fyne field on 18 March 2024, received letter of No Objection on concept select 18 April 2024.
- Accepted new license awards for Glen and Hutton fields from UK's 33<sup>rd</sup> licensing round. Pilot farm-in agreement concluded in April 2024.



## Developing Asset : Malaysia

- Development of production facilities for Abu Cluster (100% interest) is underway. Target of achieving first oil for Abu Cluster by early 2025, anticipated volume of 2,500 barrels per day ("bpd").
- Subsequent focus on Meranti Cluster (60% participating interest) at daily production volumes estimated to be 2,000 bpd.
- Still waiting on the result of the bid for more Malaysian fields as part of Petronas Malaysian Bid Round (MBR+). Award is expected in second half of 2024.

## Others

- OGPC Group won various general maintenance tenders worth more than RM20 mil during the quarter.
- Ongoing efforts to renegotiate and renew distributorship agreements with O&G principals to solidify long-term partnerships.

# 2) 3 ASSETS IN MALAYSIA : EXPANDING ASSET PORTFOLIO ACROSS GEOGRAPHICAL LOCATIONS

Near-term focus

**1 Meranti Cluster - Offshore Peninsular Malaysia**

**PSC Working Interest:**

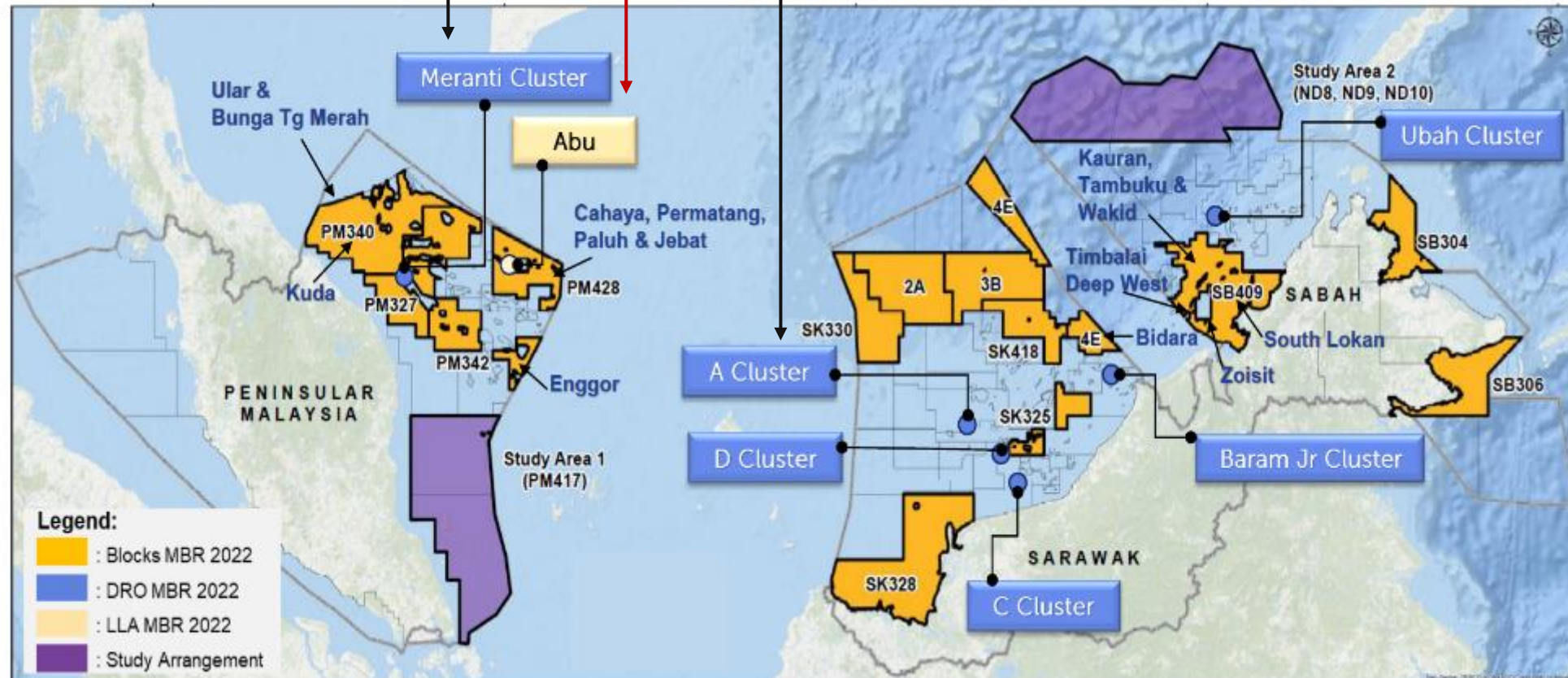
- » 60% Ping
- » 40% Duta Marine

**2 Abu Cluster – Oil/Gas**  
**PSC Working Interest:**

- » 100% Ping

**3 A Cluster – Oil/Gas/Condensate Discovery**  
**PSC Working Interest:**

- » 70% Ping
- » 30% PSEP



# ANASURIA OPERATIONAL AND FINANCIAL UPDATE

PRODUCTION AND SALES		1Q FY2023 <i>(Sept 2022)</i>	2Q FY2023 <i>(Dec 2022)</i>	3Q FY2023 <i>(Mar 2023)</i>	4Q FY2023 <i>(June 2023)</i>	5Q FY2023 <i>(Sept 2023)</i>	6Q FY2023 <i>(Dec 2023)</i>	FY2023	1Q FY2024 <i>(Mar 2024)</i>
Gross daily production	bopd	4,179	7,537	6,913	6,521	5,906	5,525	6,098	6,099
Net daily production	bopd	1,202	2,690	2,395	2,221	1,960	2,133	2,100	2,050
Gross production volume	bbls	384,776	692,686	622,343	593,219	543,363	508,257	3,344,669	553,983
Net production volume	bbls	110,829	247,127	215,582	202,045	180,339	196,278	1,152,201	186,043
Lifted volume	bbls	143,728	185,869	202,769	192,929	203,194	197,991	1,126,479	188,654
Average realised oil price	USD/bbl	97.1	82.6	74.8	74.7	89.5	82.0	83.4	87.0
Cost of production	USD/bbl	35.1	17.6	20.0	21.7	26.7	25.7 <sup>1</sup>	23.9	16.8
Production efficiency	%	53	92	96	97	89	82	85	95
<b>FINANCIAL PERFORMANCE</b>									
Total Revenue	USD m	19.7	21.5	19.4	16.4	21.4	18.4	115.4	18.2
Revenue – Crude Oil	USD m	14.3	15.7	15.5	14.8	20.1	16.6	95.7	17.0
Revenue – Gas	USD m	5.4	5.8	3.9	1.6	1.3	1.8	19.7	1.2
Gross Profit	USD m	9.6	17.2	11.7	8.0	11.1	6.0	63.6	10.4
Profit before tax	USD m	4.9	17.2	9.2	6.4	5.6	4.5	47.9	6.4
Profit after tax	USD m	2.0	9.1	(50.1) <sup>2</sup>	17.1	3.8	15.2 <sup>3</sup>	(2.8)	6.9
EBITDA	USD m	9.9	20.6	13.7	11.2	13.8	8.7	56.4	9.7

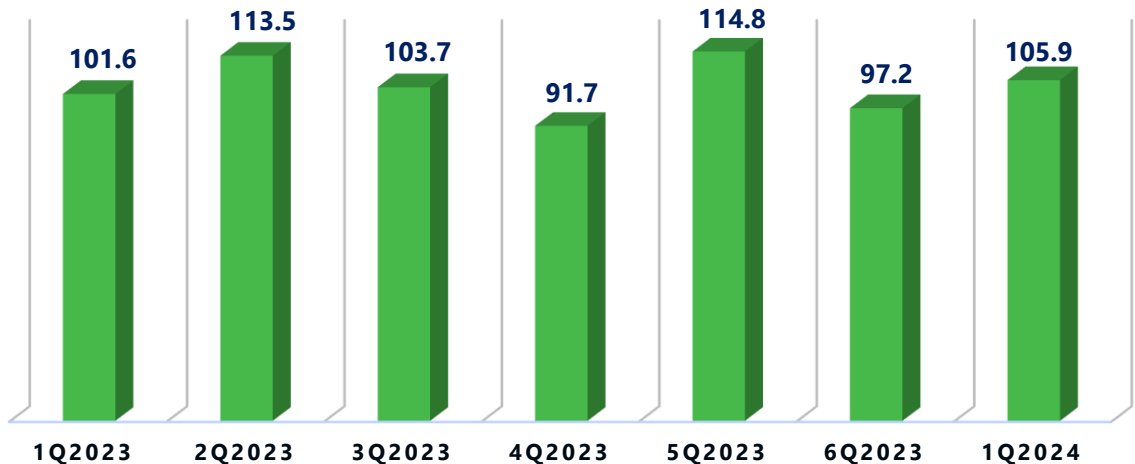
<sup>1</sup> Cost of production (opex/bbl) decreased to USD25.7/bbl in 6Q FY2023 vs 5Q FY2023. Decrease in opex/bbl mainly due to higher net volume produced.

<sup>2</sup> Affected by non-cash deferred tax liability (DTL) of USD56.8 million due to the UK Energy Profit Levy (EPL). PAT without the EPL DTL is USD6.7 million.

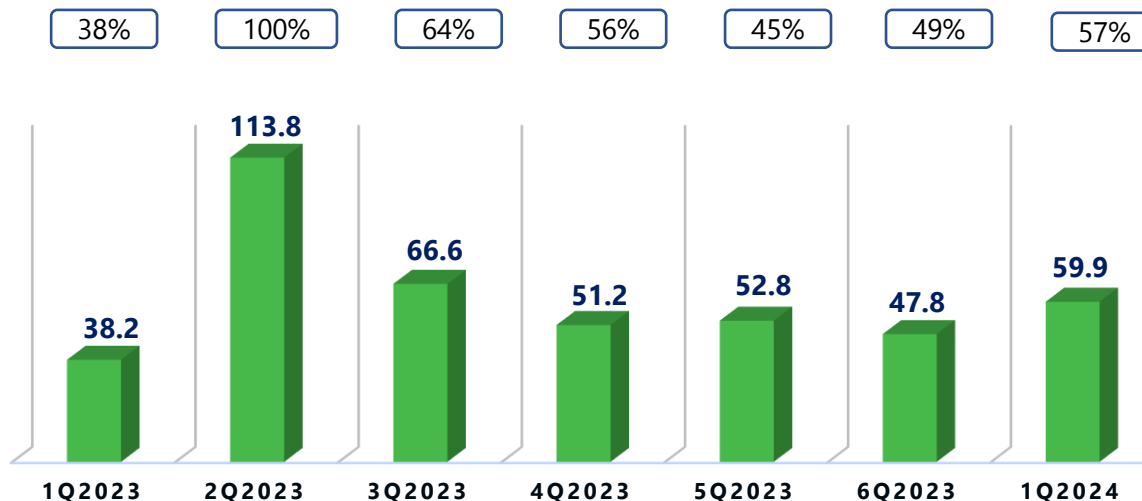
<sup>3</sup> Includes reversal of EPL DTL of USD12.8 million. Excluding this, the adjusted PAT is USD2.4 million.

# 2) ENERGY DIVISION - FINANCIAL PERFORMANCE

## REVENUE (RM mil)

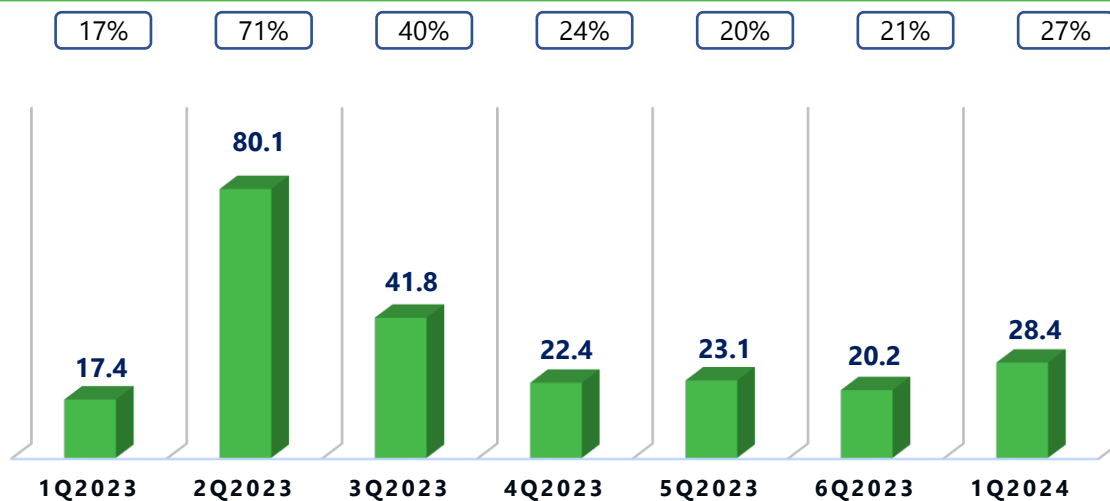


## EBITDA (RM mil)



DNeX Drilling Tech and Oilfield Services Sdn Bhd

## PROFIT BEFORE TAX (RM mil)



✓ Higher revenue for the quarter was mainly due to higher average oil price despite the lower lifting volume

	1Q FY2024 (Mar 2024)	3Q FY2023 (Mar 2023)
Average oil price	USD87.03/bbl	USD74.80/bbl
Lifting volume	189K bbls	203K bbls

Profit margin



# Business Portfolio IT : Trade Facilitation



# 3) INFORMATION TECHNOLOGY DIVISION - 1Q FY2024

## OPERATIONAL HIGHLIGHTS

### Trade Facilitation

- ❑ Entered into a Memorandum of Understanding with Korea Trade Network ("KTNET")

*To jointly develop trade facilitation services with enhanced features, leveraging on both parties' technologies and capabilities to improve the overall efficiency and productivity of the trade ecosystem.*

*KTNET is Korea's national paperless trade infrastructure operator that implements and operates the uTradeHub Platform for all businesses in international trade in collaboration with the Korean government.*

- ❑ Malaysia Maritime Single Window ("MMSW") – live implementation in March 2024 in Port Klang

*MMSW is a unified digital platform to facilitate trade and shipping services at the national level. It will serve as a platform to manage submission of other trade documents required in maritime domain and integrate with National Single Window as well.*

- ❑ National Single Window ("NSW")

*Improving operational efficiency and customer experience with new Singe Web-based system as well as additional revenue stream through value added products.*

- ❑ Mecca Route

*Secured Letter of Appointment for 6 airports with total project value of RM11.6 mil. Implementation is already underway.*



# 3) INFORMATION TECHNOLOGY DIVISION - 1Q FY2024

## OPERATIONAL HIGHLIGHTS (continued)

### Technology Consulting and System Integration

- ❑ Lembaga Hasil Dalam Negeri Malaysia : Hasil Integrated Taxation System ("HITS") Support & Maintenance – on-going activities

*Responsible for software maintenance and support as well as applications improvements of the HITS system.*

- ❑ Jabatan Digital Negara MAMPU Data Centre - on-going activities

*Perluasan dan Pengukuhan Perkhidmatan Pusat Data Sektor Awam (PDSA) Fasa II : Perolehan Perkhidmatan Pembangunan Infrastruktur Pusat Data MyGovCloud@PDSA Sentral di Putrajaya.*

- ❑ Actively pursuing strategic and big IT projects with various government ministries in Malaysia and overseas.

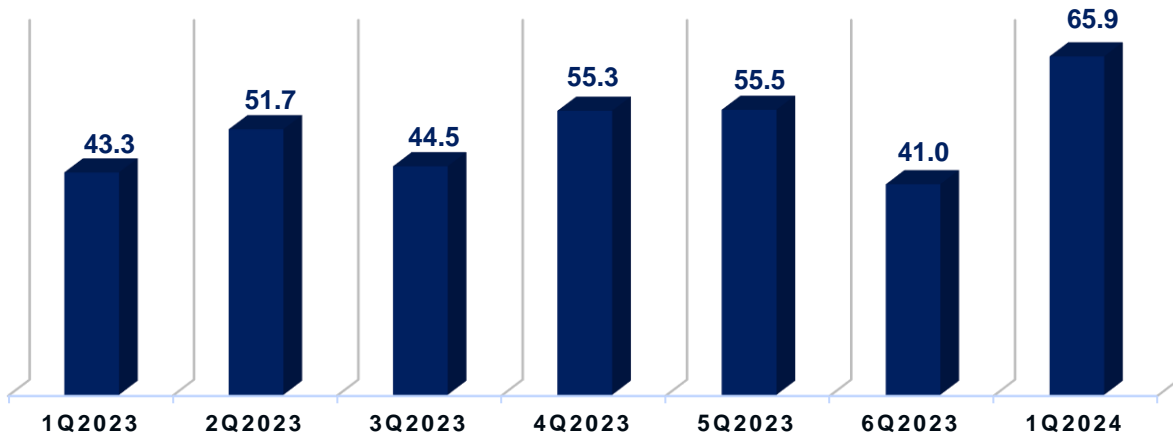
*Efforts to operationalise newly set up JV Company with Ajlan & Bros Holding on-going. Identified business development opportunities in smart city development, e-government services, and system integration projects.*



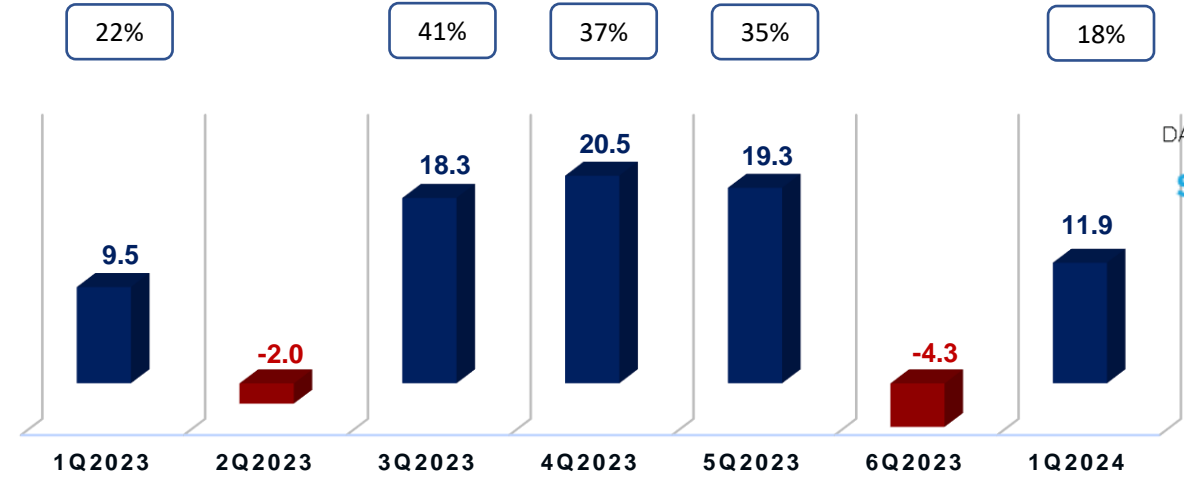
# 3) INFORMATION TECHNOLOGY DIVISION

Includes Trade Facilitation, Systems Integration and Consultancy and Telco business.

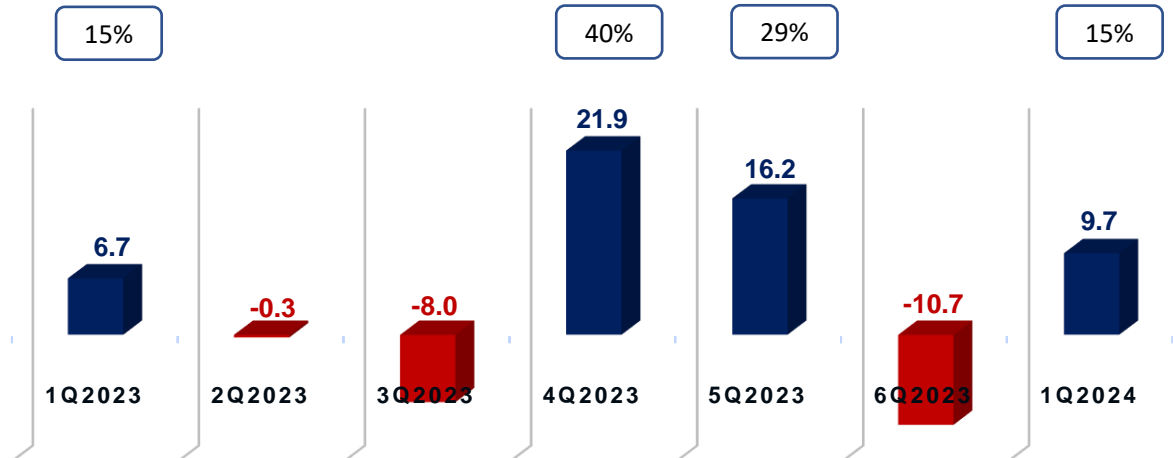
## REVENUE (RM mil)



## EBITDA (RM mil)



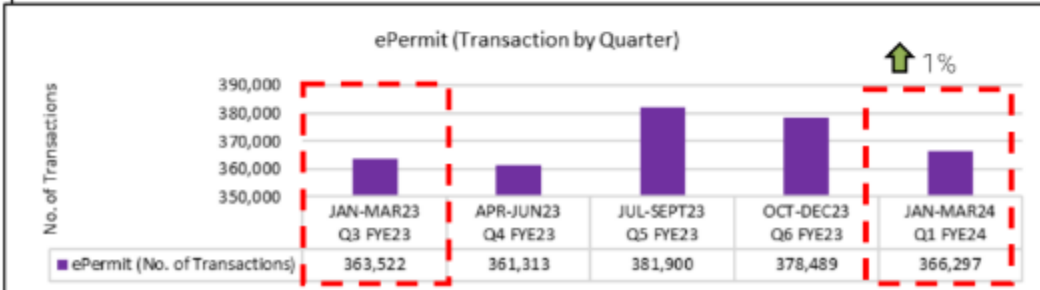
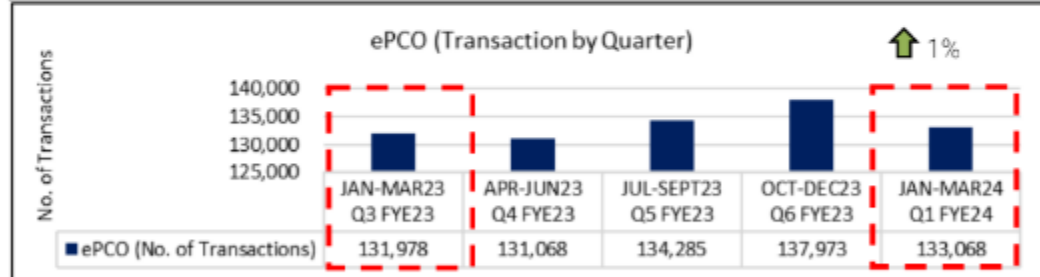
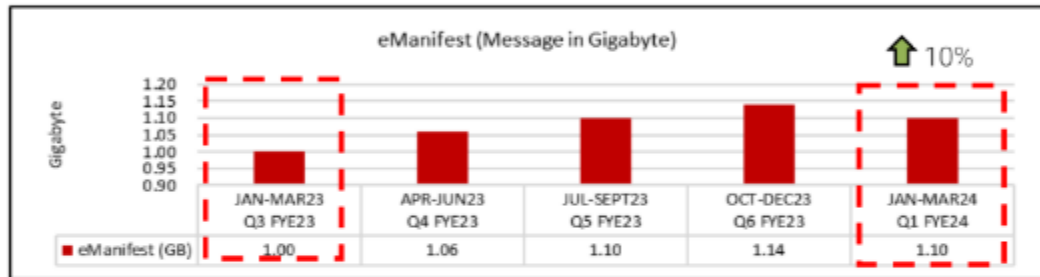
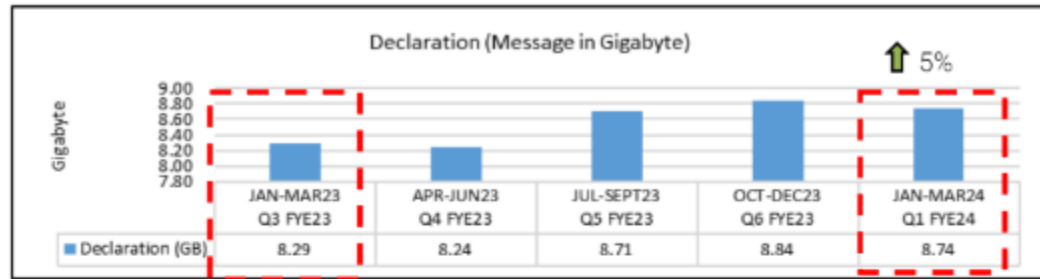
## PROFIT BEFORE TAX (RM mil)



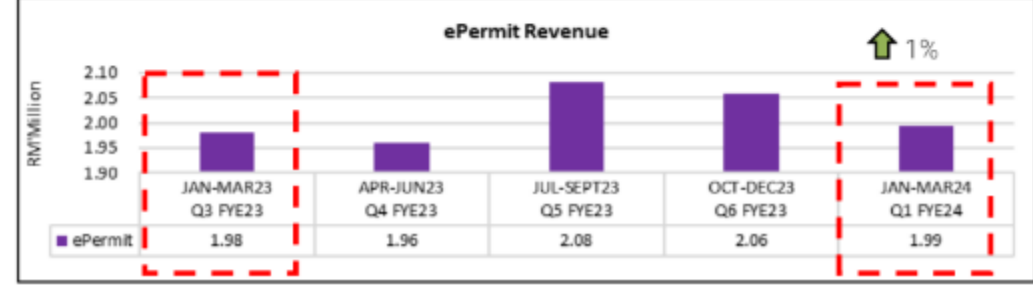
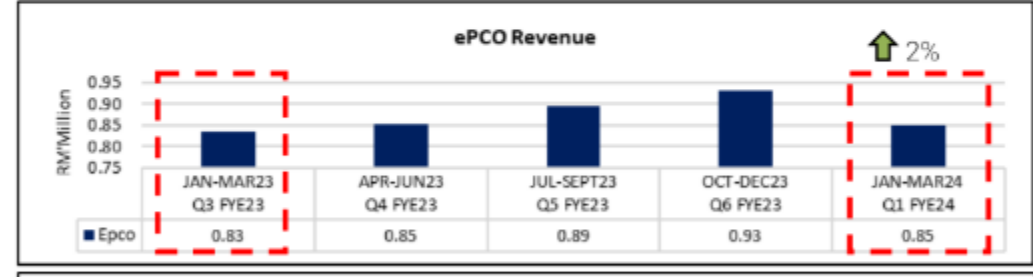
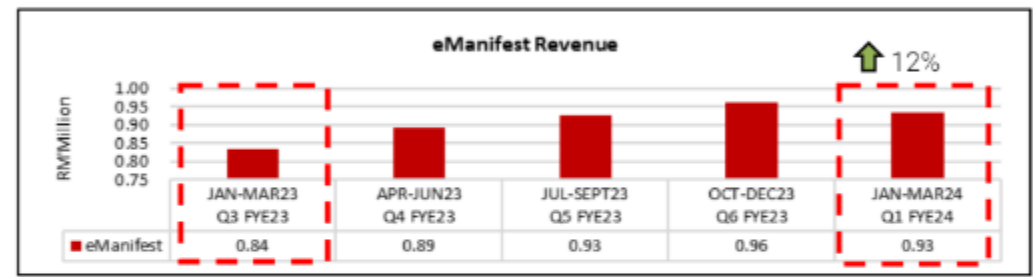
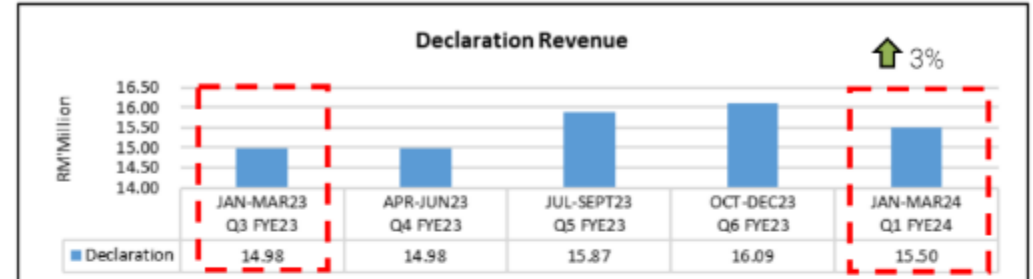
- ✓ **Trade facilitation:** Revenue higher (1Q2024: RM24.1 mil vs 3Q2023: RM23.8m). NSW contributed 94% to this segment's revenue as NSW transactions volume increased.
- ✓ **Tech Consulting & System Integration:** Revenue lower (1Q2024: RM14.3 mil vs 3Q2023: RM23.8 mil) in tandem with completion and progressive work done of ongoing projects.
- ✓ **Telco:** Revenue increased (1Q2024: RM27.5 mil vs 3Q2023: RM14.1 mil) due to higher completion of cable repair projects.

# 3) NSW - TRANSACTIONS VOLUME AND REVENUE TREND

## VOLUME TREND



## REVENUE TREND



## DNeX Flagship CSR Programme CampBijak®

Providing Science, Technology, Engineering, and Mathematics (“STEM”)-based education programme for the B40 communities.



## DNeX Ramadan Aid 2024

Supporting underserved and marginalised communities, including orphans, children from underprivileged backgrounds and asnaf; 11 beneficiary homes & shelters

## Technology (SilTerra)

- Driving up efforts to attract high-quality customers and enhance demand for emerging technologies such as microelectromechanical systems (“MEMS”) and Silicon Photonics, which command higher average selling prices and profit margins.
- Seeking to initiate a fast-tracked qualification process for products in emerging technologies, accelerating their time to market.
- Rebound in global semiconductor market is expected in the later part of 2024 supported by recovery of consumer, automotive and industrial markets.

## Energy

- **Ping portfolio**
  - UK assets : Anasuria (producing), Avalon and Fyne. Malaysia assets : Meranti Cluster, A Cluster and Abu Cluster.
  - Near-term efforts is to develop Abu Cluster (first oil by early 2025, anticipated volume of 2,500 bpd) and Fyne field (first oil by end 2026, anticipated volume of 2,500 bpd).
- **OGPC / DNeX Drilling Tech and Oilfield Services**
  - To capitalise on higher maintenance spending by oil majors and increase in activities as guided by Petronas Activity Outlook 2024-2026.

## IT

- Bidding for strategic and large-scale public and private sector IT projects in the domestic and international markets.
- Targeting Middle East region (Saudi Arabia, Kuwait, Qatar) for smart city development, e-government services, and system integration projects.
- In Trade Facilitation segment, we have been operating the National Single Window since 2009 and are optimistic about securing an extension when current contract is due for renewal in August 2024.

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