

# 2Q FY2024 (APR - JUNE 2024) FINANCIAL REVIEW

Presented by : Azhar bin Othman, Group Chief Operating Officer ("GCOO")

Presentation Materials

30 August 2024

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# AGENDA



- 2Q FY2024 Group Financial Highlights
- Operational Highlights and Financial Performance
  - Technology
  - Energy
  - Information Technology
- Outlook

# What we are today

## TECHNOLOGY



Semiconductor wafer foundry

## ENERGY



Upstream Oil & Gas  
Equipment Supply & Maintenance

## IT



Trade Facilitation  
Technology Consulting & System  
Integration  
Subsea Telco Services

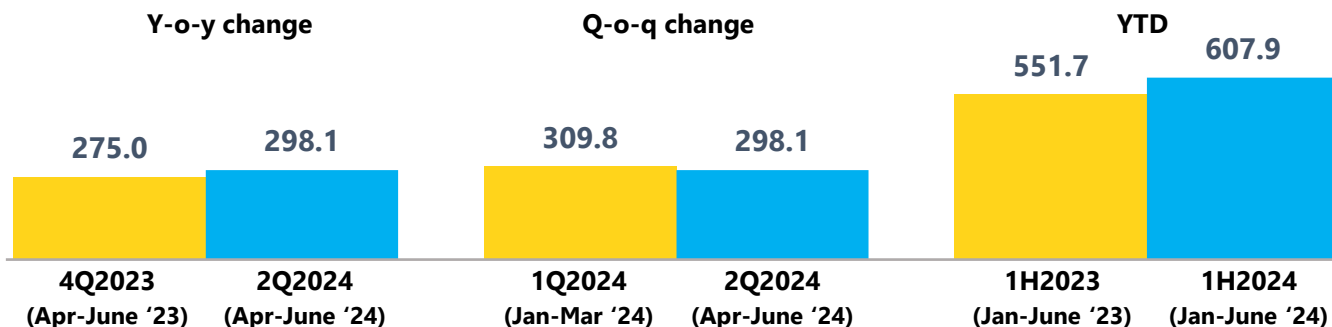


# Group Financial Performance

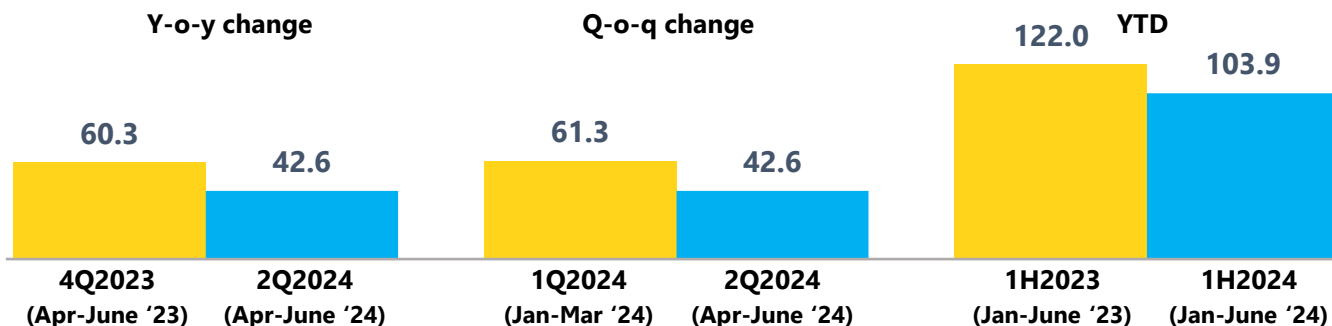


# 2Q/1H FY2024: GROUP FINANCIAL HIGHLIGHTS

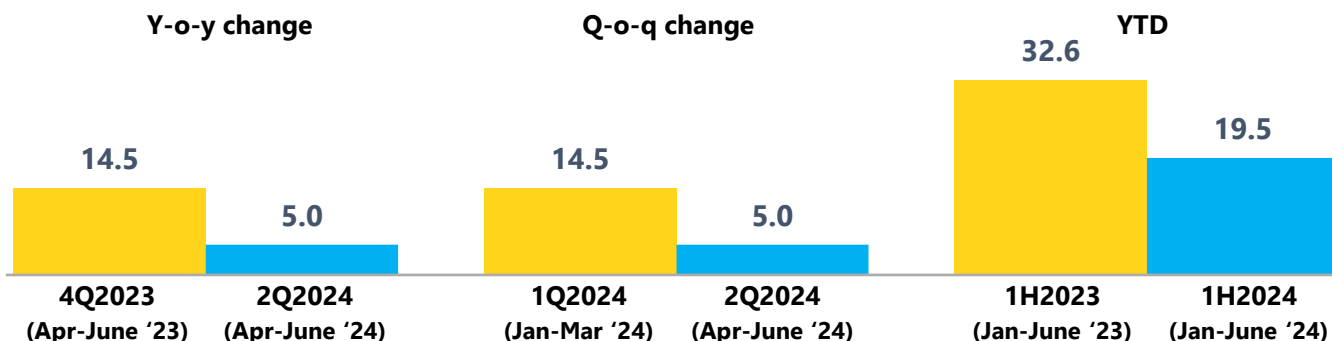
## REVENUE (RM mil)



## EBITDA (RM mil)



## NORMALISED PATANCI (RM mil)



## 1HFY24 vs 1HFY2023

- YTD revenue increased with higher revenue contributed by the Technology and IT divisions (+RM56.2 mil).
- However, normalised PATANCI decreased (-RM13.1 mil), mainly due to:
  - a) Technology segment's increased manufacturing costs.
  - b) Energy segment's lower lifting volume and higher OPEX per barrel due to shut-in of Cook well (26 days – from 24<sup>th</sup> April to 20<sup>th</sup> May 2024).
  - c) Information Technology segment impacted by Telco segment's forex loss 2QFY2024 (-RM5.2 mil) compared to forex gain impact 4Q FY2023 (+RM2.5 mil).

Normalised 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)

**Note:** 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.

# KEY FINANCIAL RATIOS

		18M FY2021	FY2022	18M FY2023	2Q FY2024 <i>(June 2024)</i>	
<b>1</b>	<b>Net Operating Cash Flow</b>	RM m	18.4	643.8	362.0	105.8
	<b>Total cash</b>	RM m	393.1	1,015.2	670.0	739.5
	Total assets	RM m	2,179.7	4,581.1	4,631.6	4,700.0
	Total borrowings	RM m	86.4	319.3	297.4	265.7
	Short-term borrowings	RM m	70.4	83.5	283.4	255.2
	Long-term borrowings	RM m	16.0	235.8	14.0	10.5
	Shareholders' Equity	RM m	1,022.9	1,854.9	1,769.6	1,943.8
	Net assets per share	RM	0.39	0.74	0.56	0.56
<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	1.0
	Earnings/(Loss) per share	Sen	6.24	17.67	(3.80)	0.61

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

\* ROE FY2023: Based on normalised PATANCI of RM101.0 mil; ROE 2Q FY2024: Based on PATANCI of RM19.5 mil

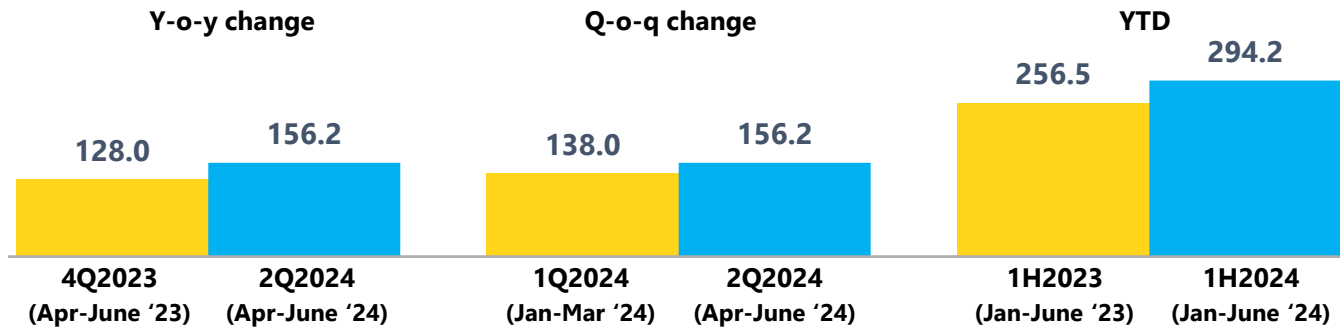


# Business Portfolio Technology

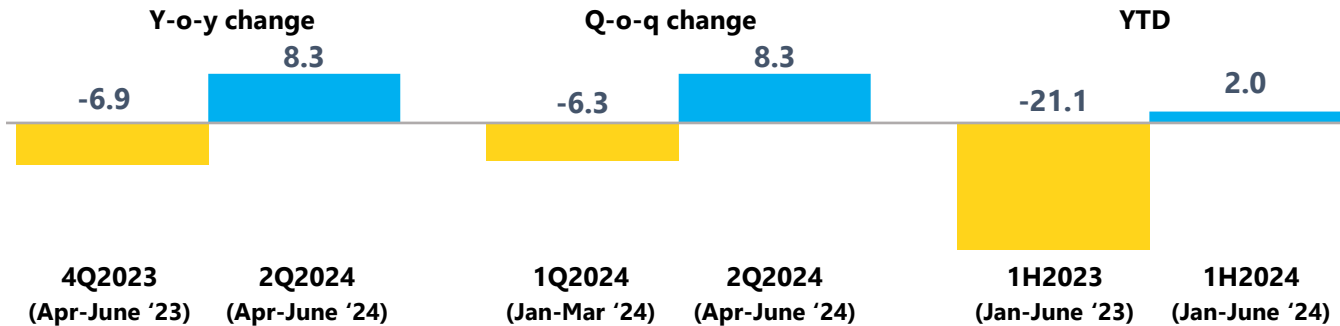


# TECHNOLOGY DIVISION - IMPROVING ASP & UTILISATION

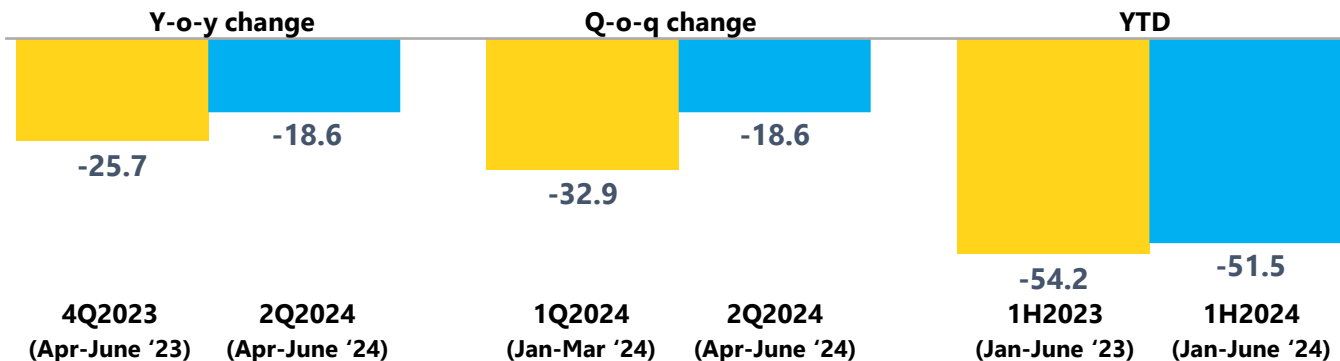
## REVENUE (RM mil)



## EBITDA (RM mil)



## PROFIT BEFORE TAX (RM mil)



- ✓ Revenue improved with higher average selling prices ("ASP") per wafer and ASP per mask layer.
- ✓ This is due to higher contribution from Emerging technologies (Silicon Photonics ("SiPh")).
- ✓ Higher wafer shipment (2Q FY2024: 60.1k units, 1Q FY2024: 56.6k units, 4Q FY2023: 53.0k units)
- ✓ Loading continued to improve, leading to narrowed losses.
- ✓ On-boarded several new customers from the artificial intelligence, data centre, health science and electric vehicle sectors in Emerging Technologies.
- ✓ Continuous cost optimisation efforts together with production efficiency will further improve financial performance.



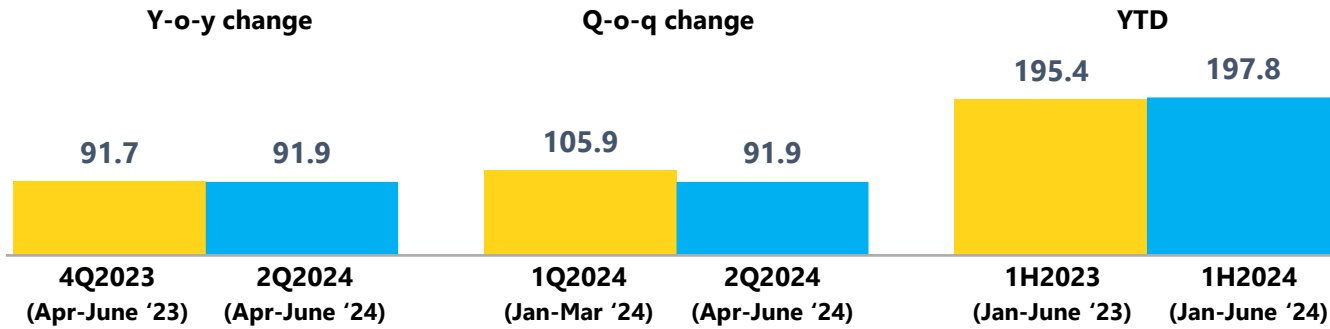
# Business Portfolio Energy Division



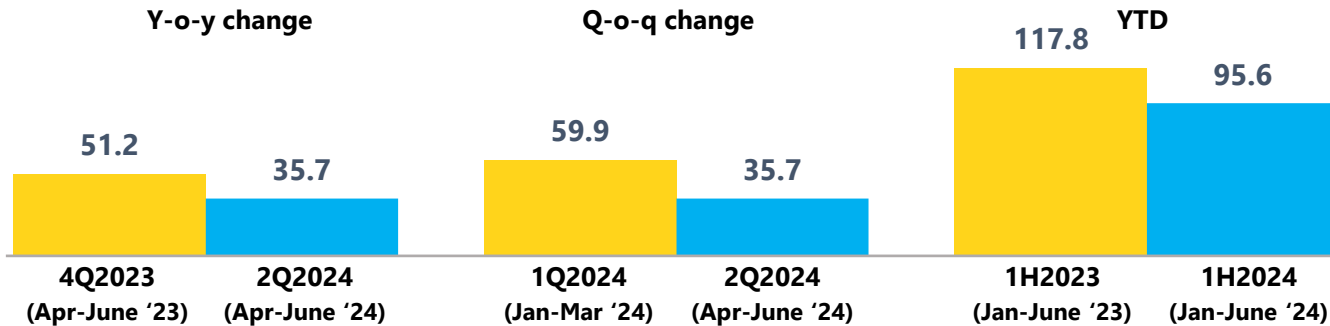
# ENERGY DIVISION - SECOND UPSTREAM ASSET TO START PRODUCING IN 2025 WILL ENHANCE FINANCIAL PERFORMANCE



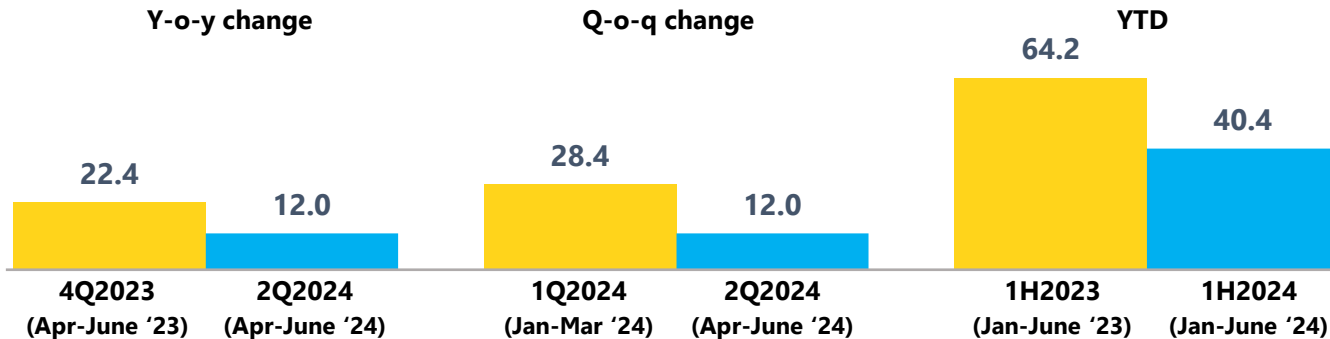
## REVENUE (RM mil)



## EBITDA (RM mil)



## PROFIT BEFORE TAX (RM mil)



✓ Higher average oil prices offset by lower lifting volume.

	2Q FY2024 <i>(June 2024)</i>	Q-o-q 1Q FY2024 <i>(Mar 2024)</i>	Y-o-y 4Q FY2023 <i>(June 2023)</i>
Average oil price	USD84.30 /bbl	USD87.03 /bbl	USD74.70 /bbl
Lifting volume	189K bbls	189K bbls	193K bbls

✓ Average production efficiency in 2Q FY2024 is lower at 78% due to shut-in of Cook well (26 days – from 24<sup>th</sup> April to 20<sup>th</sup> May 2024).

✓ This led to higher OPEX per barrel which affected profitability.

# RAPIDLY EXPANDING MALAYSIA O&G PORTFOLIO, ABLE TO LEVERAGE ON PROXIMITY TO OPTIMISE PRODUCTION EFFICIENCY AND COST



**2 Meranti Cluster – Offshore Peninsular Malaysia**  
Date Awarded Contract: 17 Jan 2023

**PSC Working Interest:**  
» 60% Ping  
» 40% Duta Marine

## NEAR-TERM FOCUS

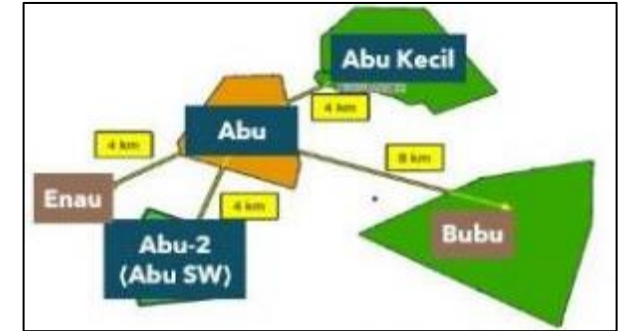
**3 Abu Cluster – Oil/Gas**  
Date Awarded Contract: 30 Oct 2023

**PSC Working Interest:**  
» 100% Ping

**4 SFA Cluster (Bubu, Bunga Tasbih and Enau) - Offshore Peninsular Malaysia**

Date Awarded Contract: 26 July 2024

**PSC Working Interest:**  
» 90% Ping  
» 10% Duta Marine



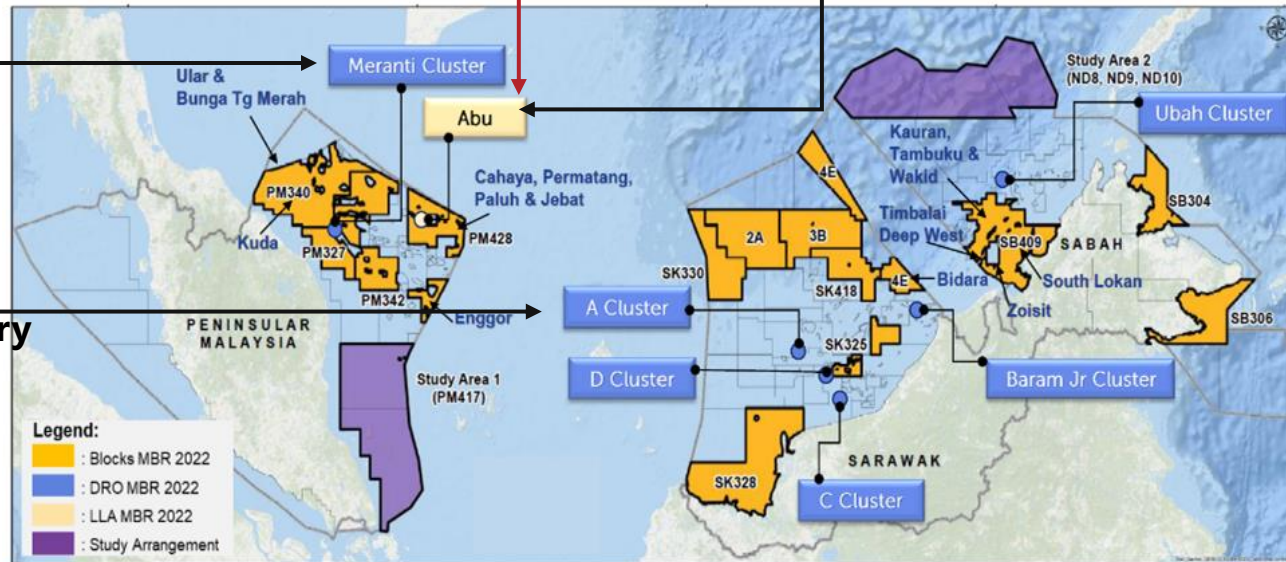
The assets are positioned nearby within 4-8 km of one other

## Optimise Production through Infrastructure Sharing or Tie Back

- **Economies of Scale:** Spread operational expenses across multiple fields, achieving cost savings.
- **Accelerated Development:** Streamline project timelines by tapping into existing infrastructure, leading to faster production.
- **Increased Resource Utilisation:** Maximise the potential of existing assets, improving overall resource efficiency.
- **Enhanced Sustainability:** Promote sustainable practices by reducing the need for new infrastructure and minimising environmental impact.

**1 A Cluster – Oil/Gas/Condensate Discovery**  
Date Awarded Contract: 17 Jan 2023

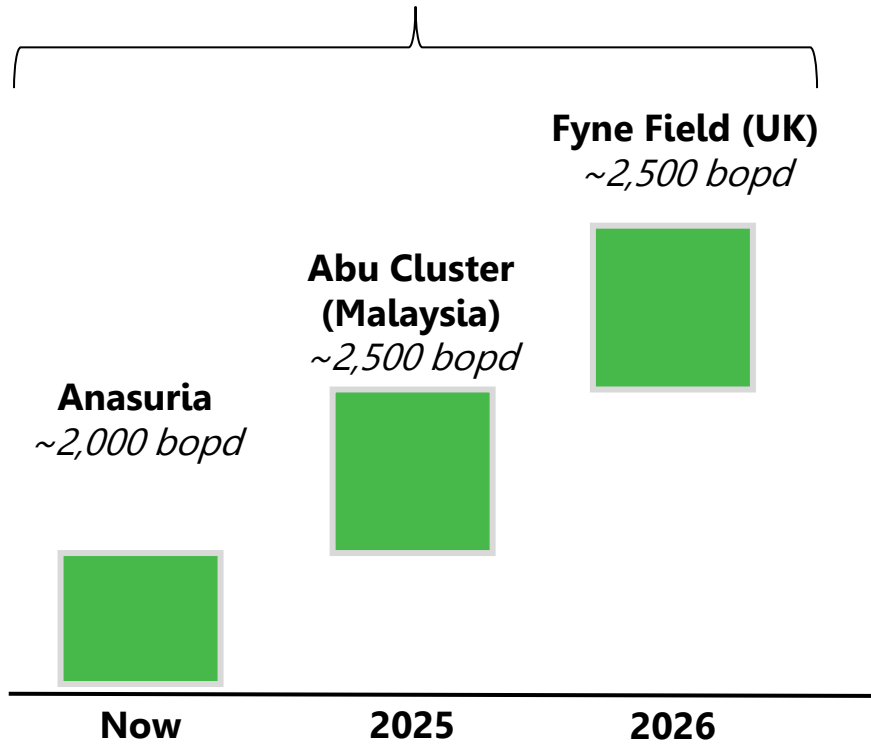
**PSC Working Interest:**  
» 70% Ping  
» 30% PSEP



# O&G PRODUCTION TO GROW WITH PING'S FIRST MALAYSIAN ASSET TO START PRODUCTION IN 2025

Total production to increase  
by more than 3-fold by 2026

*~7,000 bopd*



## Pipeline of Assets for Future Development



### Malaysia

- » A Cluster
- » Meranti Cluster
- » SFA Cluster (Bubu, Bunga Tasbih and Enau)

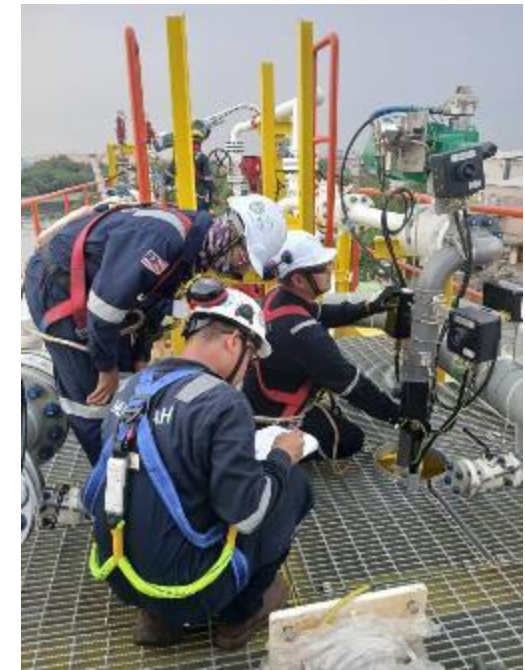


### UK

- » Avalon
- » Glenn and Hutton
- » Pilot

# EXPANDING OGPC'S SERVICES TO PETRONAS STATIONS; FROM ATG SUPPLY TO PROVIDING FULL-SERVICE MAINTENANCE

- Have supplied Automated Tank Gauging ("ATG") for >250 PETRONAS stations. The ATG and its accompanying hardware and software system provides automatic measurement of fuel storage tanks thus enabling more accurate and improved, real time reading.
- We are expanding our services to PETRONAS by providing full-service maintenance. Started with a Proof of Concept ("POC") for 50 PETRONAS-owned stations, running until June 2025.



# UPGRADE OF KEMAMAN FACILITY TO STRENGTHEN CAPABILITIES; OPPORTUNITIES ARISING FROM PING'S EXPANSION IN MALAYSIA



- We recently upgraded Kemaman Supply Base Workshop for Global Frame Agreement and Master Service Agreement to focus on general maintenance and Maintenance, Repair and Operations projects.
- Further enhancement to the facility will be done this year in preparation to support Ping Petroleum's Malaysia operations.



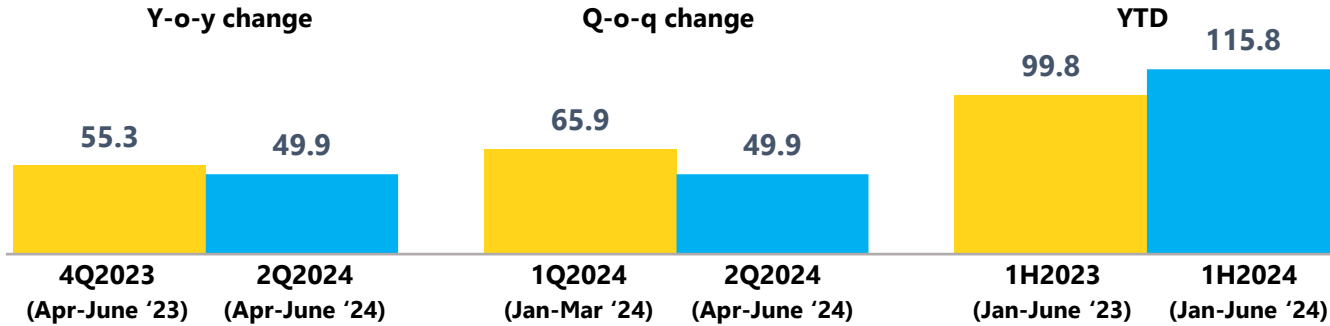


# Business Portfolio IT : Trade Facilitation

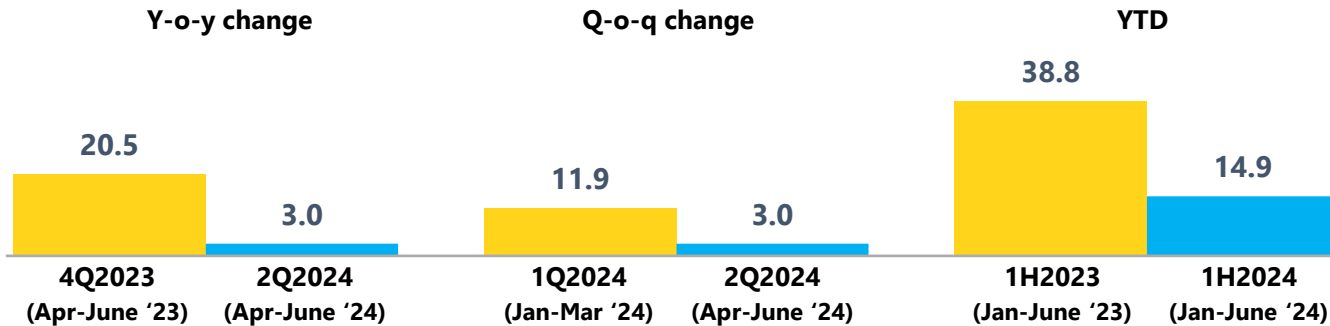


# INFORMATION TECHNOLOGY DIVISION - BIDDING FOR LARGE-SCALE DIGITALISATION PROJECTS

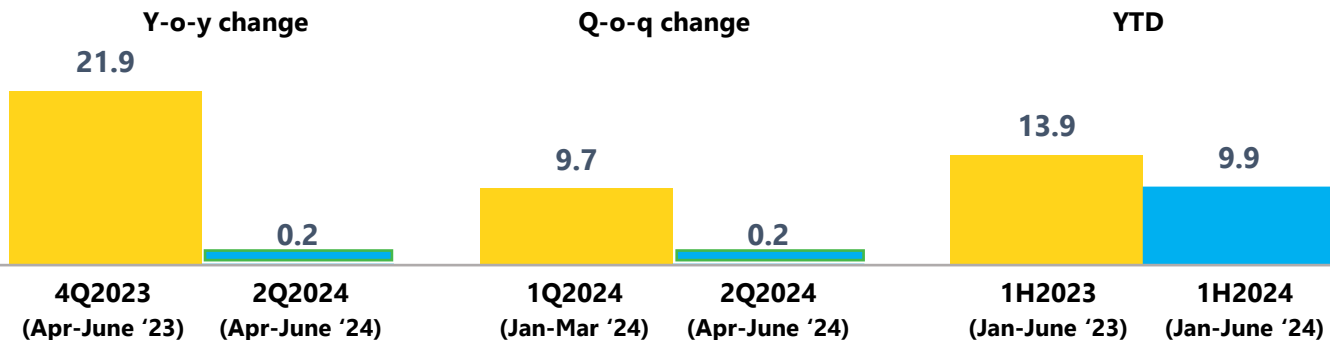
## REVENUE (RM mil)



## EBITDA (RM mil)



## PROFIT BEFORE TAX (RM mil)



### ✓ Trade Facilitation:

- Revenue higher (2Q2024: RM33.5 mil vs 4Q2023: RM26.2m). NSW contributed 71% to this segment's revenue as NSW transactions volume increased.

### ✓ Tech Consulting & System Integration:

- Revenue higher (2Q2024: RM10.2 mil vs 4Q2023: RM7.0 mil) in tandem with the progressive work done of ongoing projects.

### ✓ Telco:

- Revenue decreased (2Q2024: RM6.2 mil vs 4Q2023: RM22.1mil) due to ROV installation and repair (April'24 – May'24) which led to lesser work done (2Q2024: 1 repair work vs 4Q2023: 1 repair & 2 cable installation work).
- Impacted by net unrealised forex loss of RM5.6 mil due to weakening of Indonesia Rupiah against Malaysia Ringgit.

## Launch of Digital Hub DNeX Flagship CSR Programme CampBijak® at SMK Sri Serdang

### Programme Highlights:

- **Inspire B40 students** in Science, Technology, Engineering, Mathematics ("STEM") through dynamic educational experiences.
- **Launch of DNeX Digital Hub:** A technology facility providing tools for 3D Modeling, Data Analytics, Coding, Robotics, and Web Development.
- **Final Competition:** "DNeX STEM Challenge - Students' Solutions Unleashed" where students develop innovative projects based on their 5-weeks learning.



## Educational Trip for Children from the Women's Aid Organization ("WAO") with DNeX and Ping Petroleum

### Trip Highlights:

- **Petrosains Visit:** Interactive exhibits and hands-on activities to spark interest in STEM.
- **Employee Involvement:** DNeX and Ping employees shared insights into the energy sector and potential careers.



## Technology (SilTerra)

- Maintain core products to remain sustainable whilst expanding customer base and focus on Emerging Technologies.
- Capitalise on high ASP and high margin model – focus on attracting high-value customers in Silicon Photonics and Life Science.
- Streamline product qualification for Emerging Technologies sectors to accelerate time to market.
- In line with National Semiconductor Strategy, exploring opportunities in grants and subsidies to support the establishment of new wafer fabrication and R&D facilities.

## Energy

- **Upstream (Ping)**
  - Malaysia assets: To develop Abu Cluster (targeting to achieve first oil in 2025, anticipated volume of 2,500 bopd). Strategically located near recently awarded SFA Cluster (Bubu, Bunga Tasbih and Enau) offer significant synergy potential for development. Leverage on Infrastructure sharing or tie back to optimise production efficiency and cost.
  - UK assets: To develop Fyne field (first oil by end 2026, anticipated volume of 2,500 bopd).
- **OGPC**
  - Undergoing Proof of Concept to provide full-service maintenance for 50 PETRONAS stations from current ATG business.
  - Upgrade of Kemaman Supply Base Workshop to enhance service offering. Strengthen capabilities as an integrated service provider and secure more income from trading, general maintenance and Maintenance, Repair and Operations projects.
  - As we develop our Malaysian O&G assets, this will create more opportunities for OGPC Group to provide in-house O&G services.

## IT

- Strategic partnership with global IT companies to further uplift capabilities in offering robust and latest technologies.
- Bidding for strategic and large-scale public and private sector IT projects in the domestic and international markets.
- Targeting Middle East region (Kuwait, Saudi Arabia, Qatar) for smart port, e-government services, and system integration projects.
- In Trade Facilitation segment, we continue to serve as the service provider to the National Single Window since 2009.
- Market B2B services to industry - e.g. providing direct connectivity for companies to send large batches of data to NSW.

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