

3Q FY2024 (JULY - SEPT 2024) FINANCIAL REVIEW

DNeX Group of Companies

28 November 2024

Together Beyond Excellence.



Technology



Energy



Information
Technology

dnexmalaysia



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3Q FY2024 Group Financial Highlights

Operational Highlights and Financial Performance

- Technology
 - Energy
 - Information Technology
-

Outlook

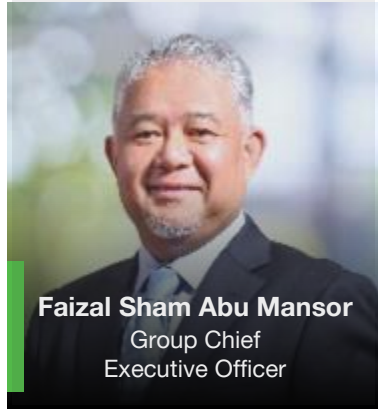
DNeX Executive Leadership



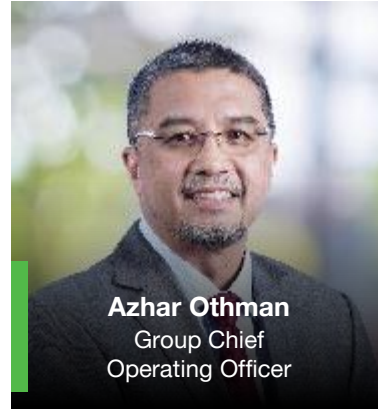
**Tan Sri Dato' Sri Haji
Syed Zainal Abidin Syed
Mohamed Tahir Jamalullail**
Executive Chairman



Mohd Isa Ismail
Executive Director



Faizal Sham Abu Mansor
Group Chief
Executive Officer



Azhar Othman
Group Chief
Operating Officer



Our Core Business



**DNeX
Group is
operating in
3 distinct
industries**



INFORMATION TECHNOLOGY

- Trade Facilitation
- Tech Consulting & System Integration



TECHNOLOGY

- Wafer foundry



ENERGY

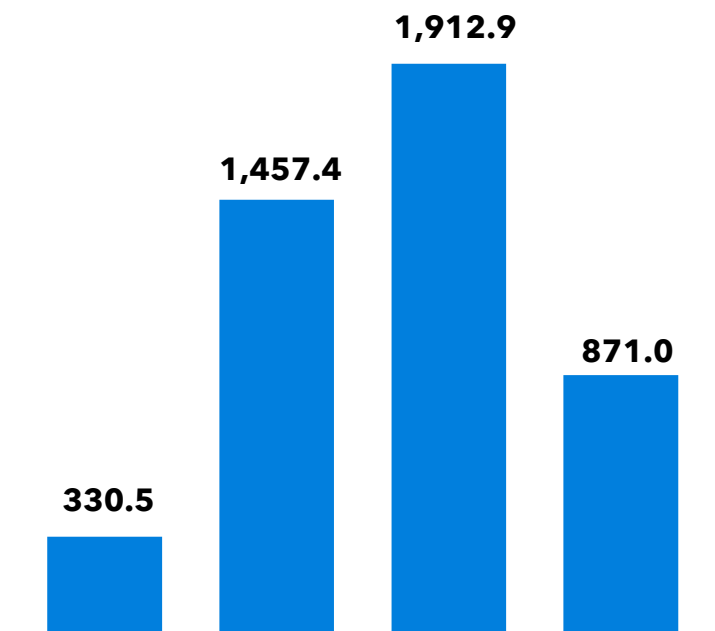
- Upstream Oil & Gas
- Equipment Supplier & Service Provider

Group Financial Performance

Group Financial Performance

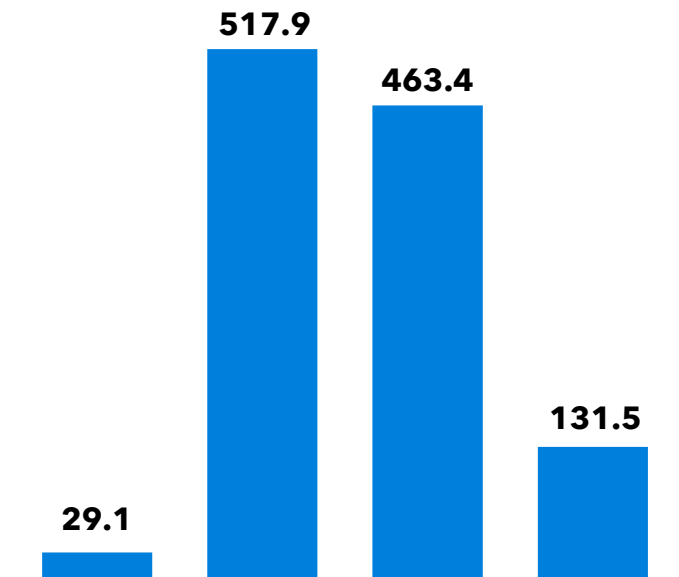


REVENUE



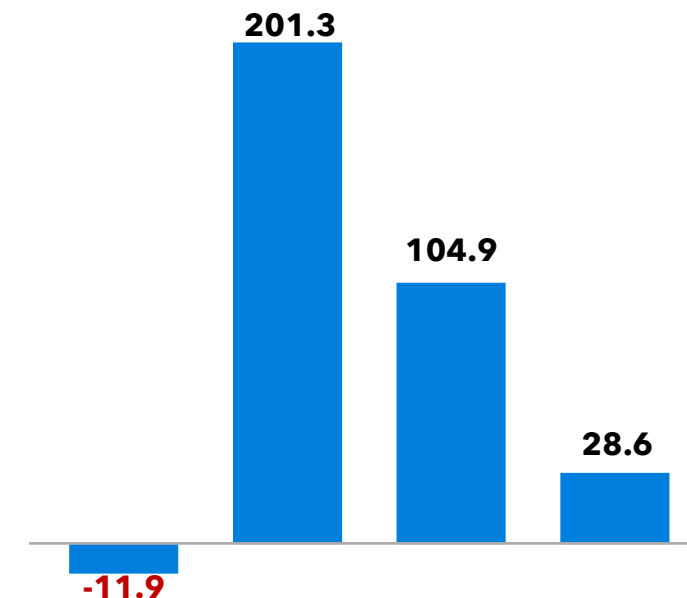
2020/2021* 2021/2022 2023* 9M2024

EBITDA



2020/2021* 2021/2022 2023* 9M2024

NORMALISED PATANCI



2020/2021* 2021/2022 2023* 9M2024

	2020/2021*	2021/2022	2023*	9M2024
Technology	-	59%	52%	52%
Energy	31%	27%	33%	29%
IT	69%	14%	15%	19%

Normalised PATANCI exclude impact from

2021/2022 - One-off gain from business combination of SilTerra acquisition (-RM264.5 mil), deferred tax assets on SilTerra's unabsorbed capital allowance and business losses (-RM156.0 mil) and impairment of other receivables (+RM13.6 mil).

Y2023 - Deferred tax liabilities on Energy Profit Levy at Ping (+RM143.2 mil), reversal of deferred tax assets at SilTerra (+RM110.5 mil) and impairment of assets (+RM25.8 mil).

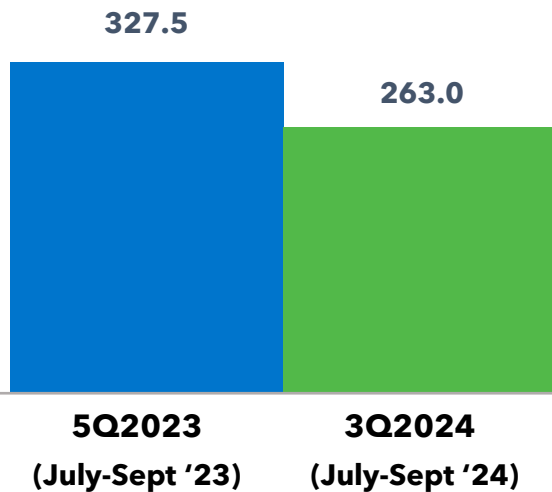
**All figures are quoted in RM 'mil
*18 months period**

3Q/9M FY2024 : Group Financial Highlights

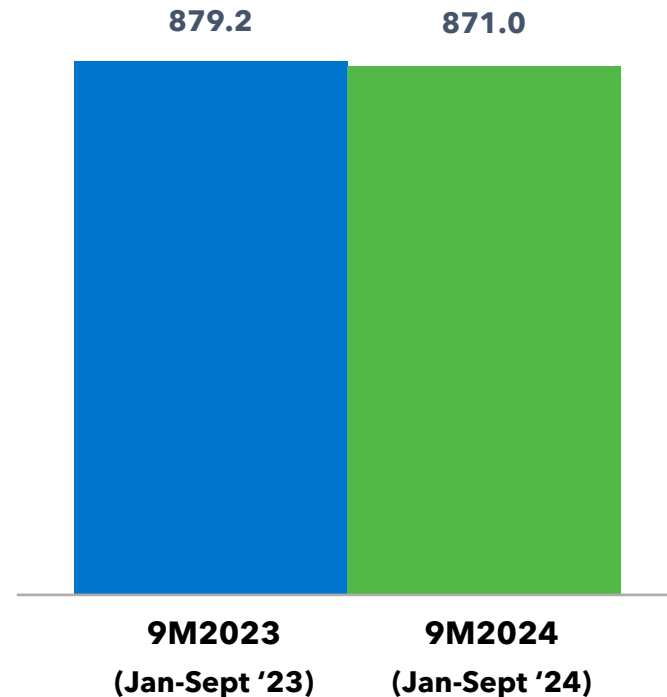


REVENUE (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Group revenue lower, mainly due to Energy segment's lower lifting volumes which were impacted by a 38-days planned shutdown in August 2024 (prior year shutdown was in October 2023) and lower oil prices by 23% (3Q 2023 : USD75.0/bbl, 5Q2023 : USD97.2/bbl).

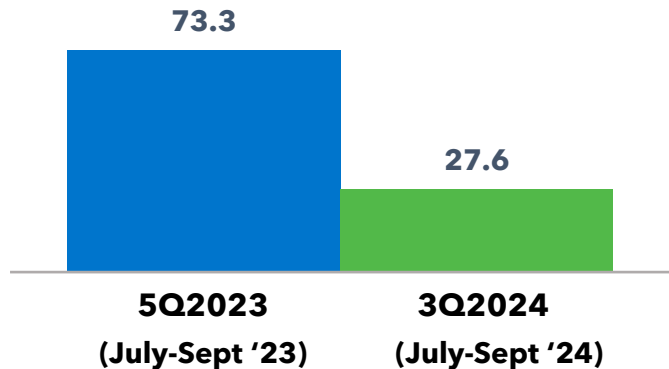
9M2024 vs 9M2023 (Y-o-y change)

- ✓ Group revenue remained consistent. Higher revenue from Technology and Information Technology segment offset the decline in Energy segment impacted by the 38-days planned shutdown in August 2024 and a 26-days shutdown of the Cook Well in May 2024.

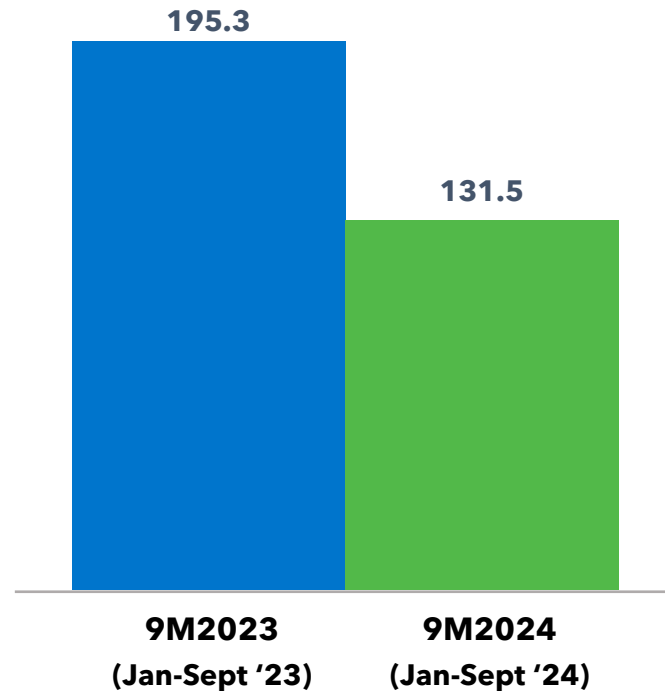
3Q/9M FY2024 : Group Financial Highlights

EBITDA (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Lower EBITDA contribution from Energy segment due to lower lifting volumes and lower oil prices.
- ✓ Impacted by telco segment's forex loss (3Q2024 : RM8.8 mil) due to weakening of Indonesia Rupiah against Malaysia Ringgit.

9M2024 vs 9M2023 (Y-o-y change)

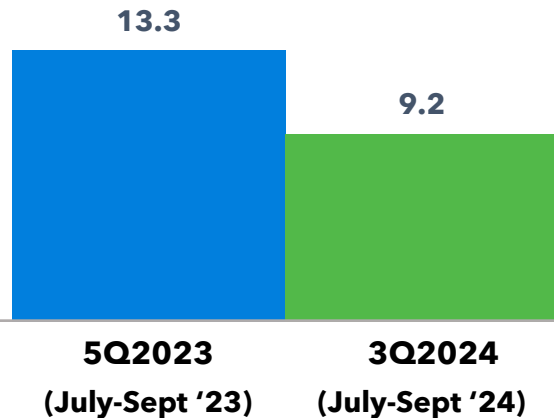
- ✓ Lower EBITDA contribution from Energy segment due to lower lifting volumes.
- ✓ Impacted by telco segment's forex loss (9M2024 : RM13.8 mil) due to weakening of Indonesia Rupiah against Malaysia Ringgit.

3Q/9M FY2024 : Group Financial Highlights

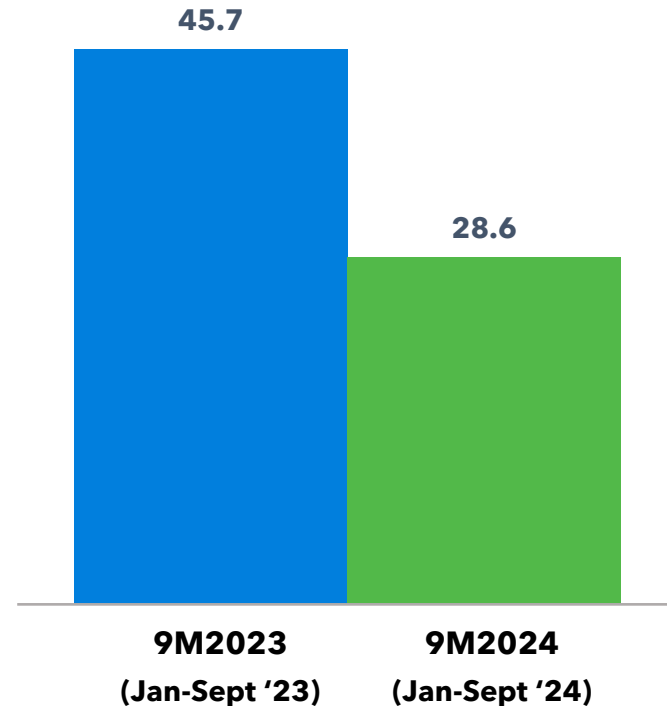


NORMALISED PATANCI (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Normalised PATANCI trend is similar to EBITDA.

9M2024 vs 9M2023 (Y-o-y change)

- ✓ 9M2023 normalised PATANCI excludes impact from:

3Q FY2023

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

4Q FY2023

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

Key Financial Ratios



		18M FY2021	FY2022	18M FY2023	3Q FY2024 (Sept 2024)
Net Operating Cash Flow	RM m	18.4	643.8	362.0	127.9
Total cash	RM m	393.1	1,015.2	670.0	476.3
Total assets	RM m	2,179.7	4,581.1	4,631.6	4,117.6
Total borrowings	RM m	86.4	319.3	297.4	74.7
Short-term borrowings	RM m	70.4	83.5	283.4	64.9
Long-term borrowings	RM m	16.0	235.8	14.0	9.8
Shareholders' Equity	RM m	1,022.9	1,854.9	1,769.6	1,780.5
Net assets per share	RM	0.39	0.74	0.56	0.51
Gearing ratio	x	0.1	0.2	0.2	0.04
Net gearing ratio		Net cash	Net cash	Net cash	Net cash
Return on Equity ("ROE")*	%	11.7	29.6	5.6	1.6
Earnings/(Loss) per share	Sen	6.24	17.67	(3.80)	0.87

1	Sustainable track record of delivering positive operating cash flow every year.
2	Lower borrowings due to settlement of Ping's Pareto bond.
3	Healthy gearing ratio allows for increased borrowings to support expansion initiatives. DNeX is in a solid net cash position with total cash exceeding borrowings.

* ROE FY2023: Based on normalised PATANCI of RM101.0 mil; ROE 3Q FY2024: Based on 9M2024 PATANCI of RM28.6 mil

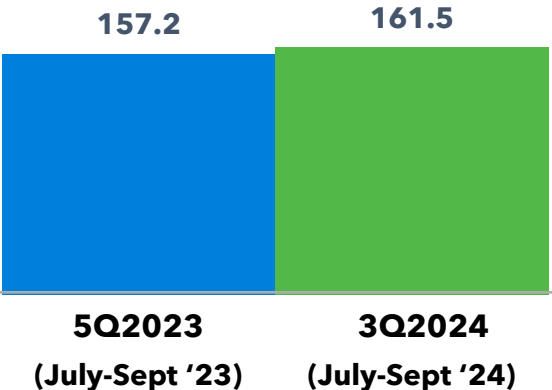
Technology

Wafer Foundry

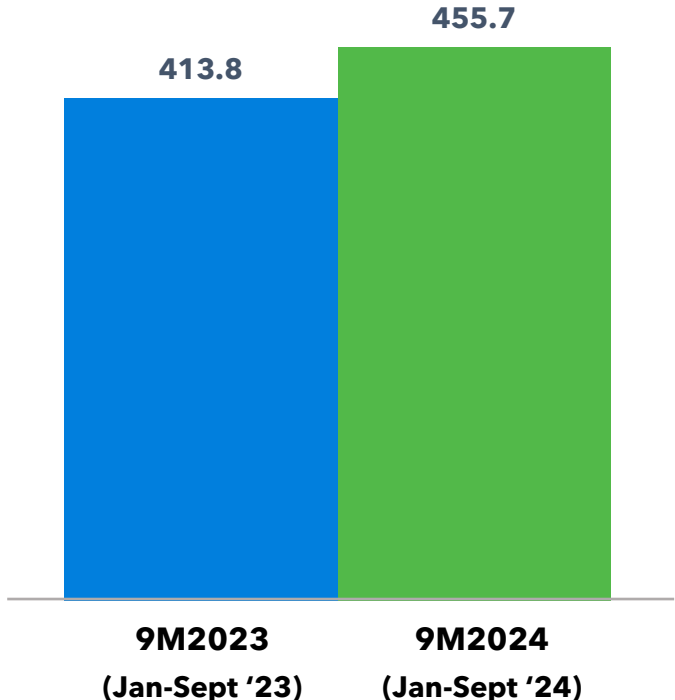


REVENUE (RM mil)

**Individual quarter
(Y-o-y change)**



**Cumulative quarter
(Y-o-y change)**



3Q2024 vs 5Q2023 (Y-o-y change)

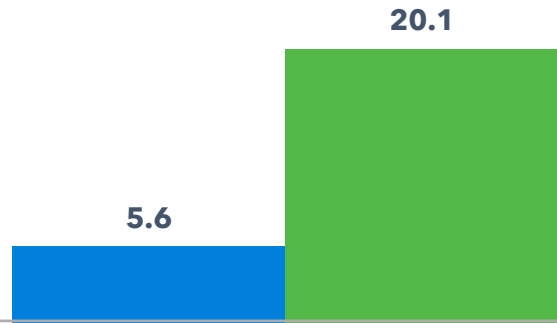
- ✓ Market recovery and favourable average selling price (ASP) on product mix.
- ✓ Higher revenue contribution from Emerging technologies (Silicon Photonics (“SiPh”) which command higher margin, accounted for 25% of revenue in 3Q2024.

9M2024 vs 9M2023 (Y-o-y change)

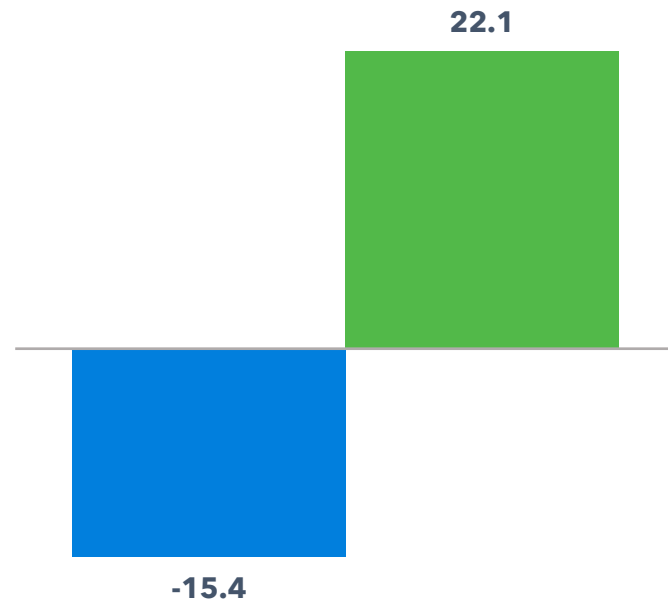
- ✓ More products being qualified as we onboarded several new customers from the artificial intelligence, data centre, health science and electric vehicle sectors in Emerging Technologies.
- ✓ Higher revenue contribution from Emerging Technologies.

EBITDA (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



5Q2023
(July-Sept '23)

3Q2024
(July-Sept '24)

9M2023
(Jan-Sept '23)

9M2024
(Jan-Sept '24)

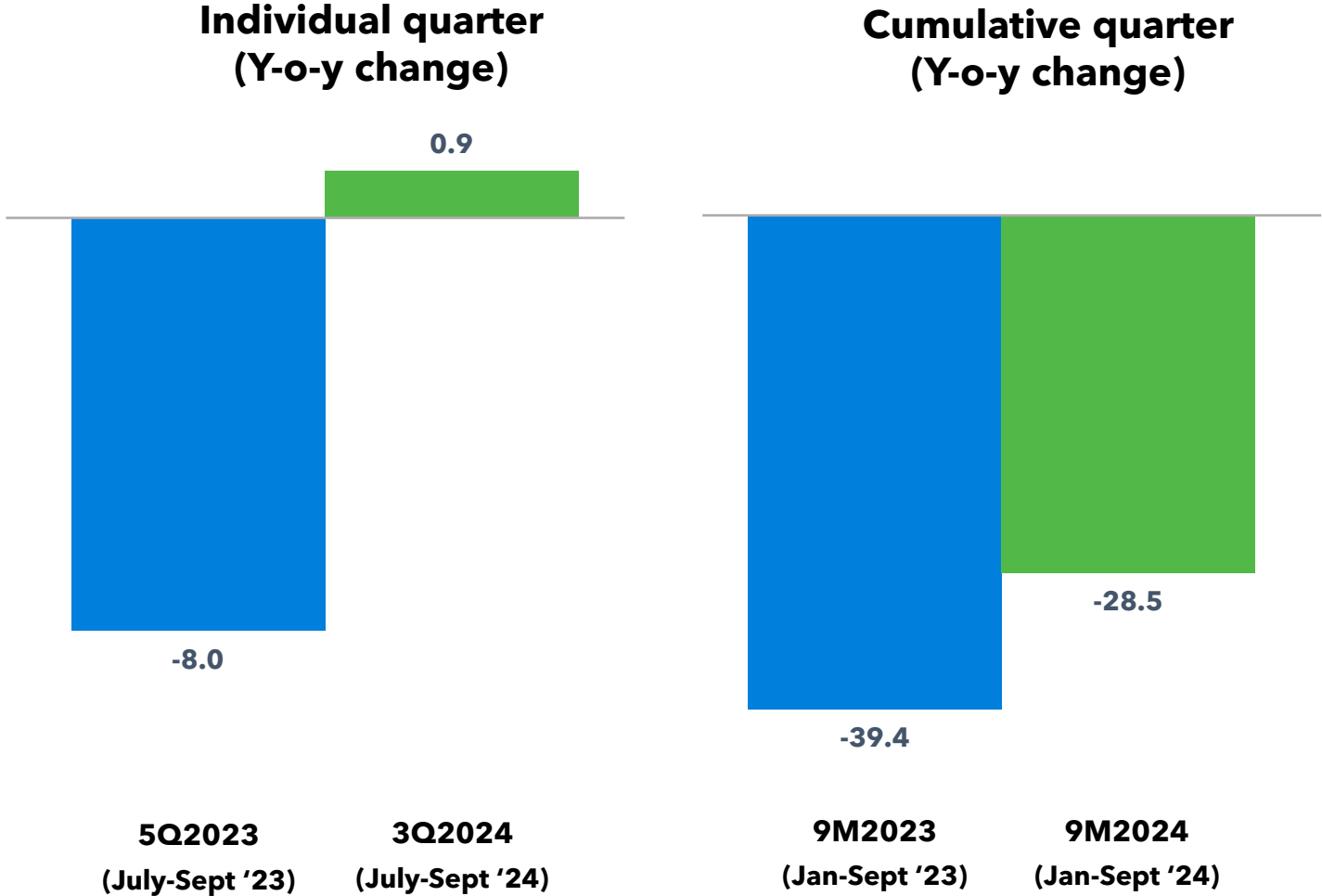
3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Increase in revenue and better product mix.
- ✓ Effective cost control measures and optimisation lifted overall performance.

9M2024 vs 9M2023 (Y-o-y change)

- ✓ Market recovery, supported by improved product mix and higher ASP in 3Q2024, resulted in a positive EBITDA.

NORMALISED PATANCI (RM mil)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Quarter turned profitable as a result of market recovery, driven by improved product mix and higher ASP.
- ✓ Silterra continues to focus on cost optimisation which have started to yield results.

9M2024 vs 9M2023 (Y-o-y change)

- ✓ The YTD results remain loss-making due to the impact of weaker performance in previous two quarters.
- ✓ Impact of depreciation and amortisation is USD3.6m per quarter.
- ✓ Total capex investment in 9M2024 is ~USD20 million.

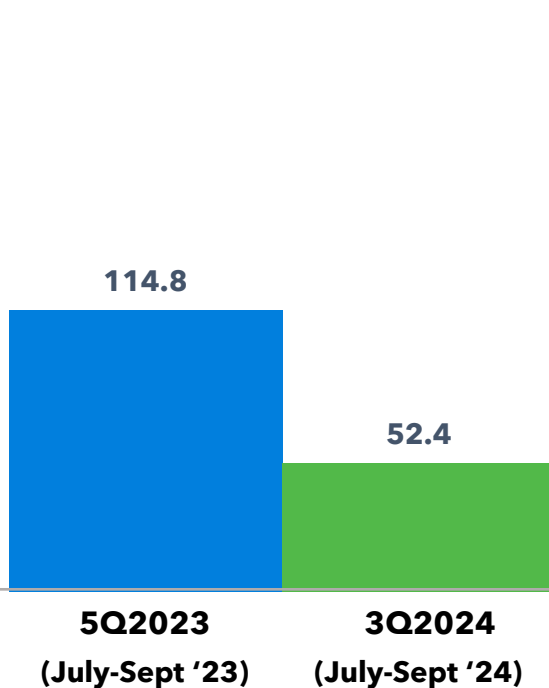
Energy

Upstream and Downstream Oil & Gas

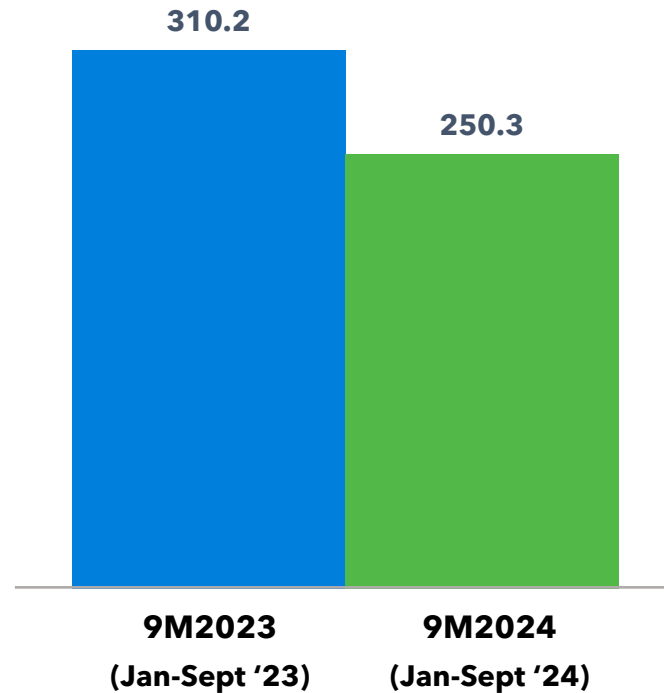


REVENUE (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Lower lifting volumes in 3Q 2024 were due to a planned 38-days planned shutdown in August 2024 (prior year shutdown was in October 2023).
- ✓ Lower average oil price by 23%.

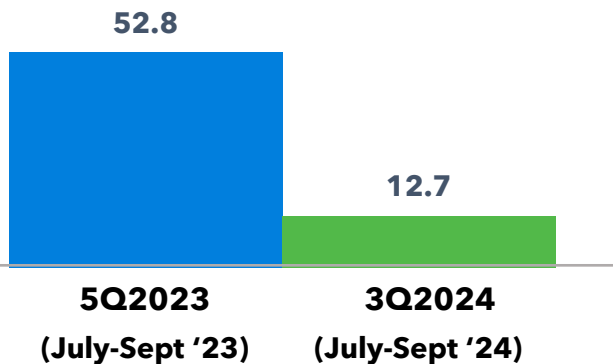
	5Q 2023	3Q 2024	9M 2023	9M 2024
Lifted Volume ('000 bbls)	203	103	599	480
Average oil price (USD/bbl)	97.2	75.0	82.2	82.1

9M2024 vs 9M2023 (Y-o-y change)

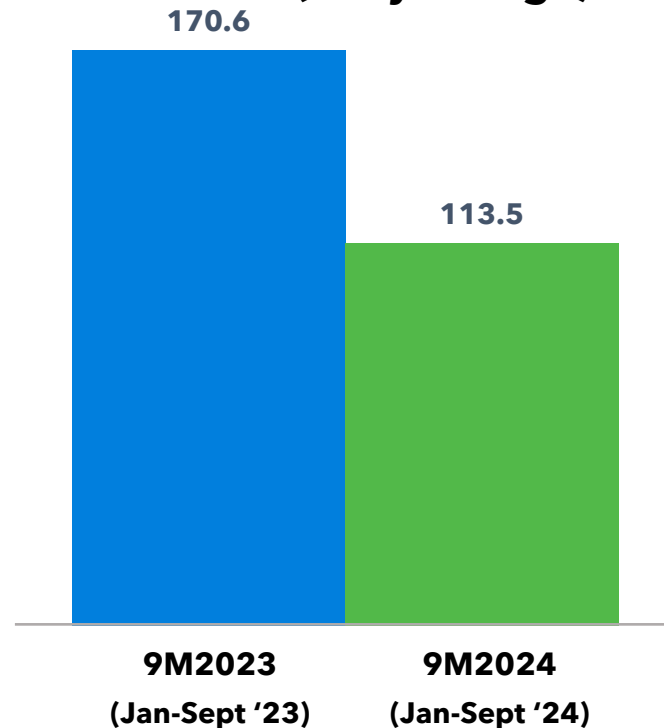
- ✓ Lower lifting volumes affected by a 38-days planned shutdown in August 2024 (prior year shutdown was in October 2023) and 26-days shutdown of the Cook Well in May 2024.

EBITDA (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Decrease in line with lower revenue and lower oil price.
- ✓ However, positive impact from forex gain due to favourable movement of GBP/USD which impacted bank balance denominated in GBP. Forex gain in 3Q 2024 (+RM17.7 mil) vs forex loss in 5Q 2023 (-RM11.1 mil).

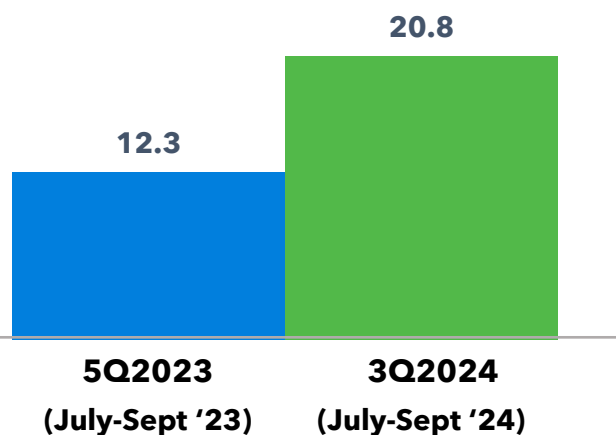
9M2024 vs 9M2023 (Y-o-y change)

- ✓ Decrease in line with lower revenue.
- ✓ Aggravated further by the two shutdowns during the period.

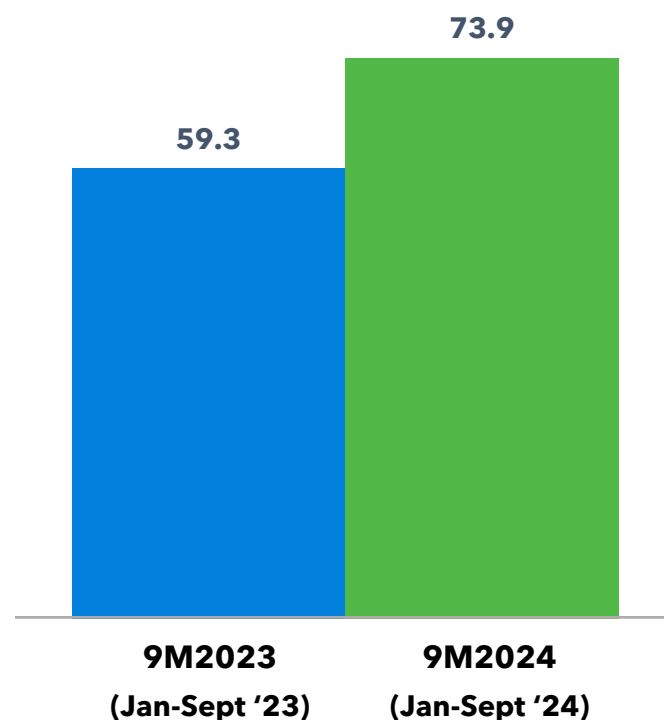
	5Q 2023	3Q 2024	9M 2023	9M 2024
Forex gain/(loss) (RM mil)	(11.1)	17.7	18.3	16.1

NORMALISED PATANCI (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Positive impact from tax credit in 3Q 2024 is mainly from deferred tax - Energy Profit Levy (EPL) largely due to the availability of unutilised additional investment allowances generated from higher CAPEX investments, which are eligible for deduction.
- ✓ Also lifted by forex gain in 3Q 2024 (+RM17.7 mil) vs forex loss in 5Q 2023 (-RM11.1 mil).

9M2024 vs 9M2023 (Y-o-y change)

- ✓ Positive impact from tax credit in 9M 2024 is mainly from deferred tax - EPL.

Ping EPL	5Q 2023	3Q 2024	9M 2023	9M 2024
Deferred taxation - EPL (USD mil)	(0.5)	1.9	(46.1)	9.3
Deferred taxation - EPL (RM mil)	(2.4)	8.3	(202.4)	43.5

Information Technology

Trade Facilitation, Tech Consulting & System Integration



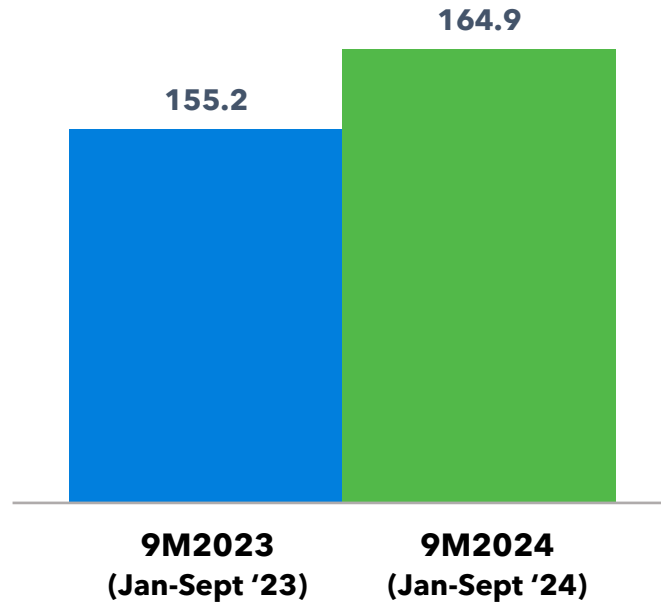
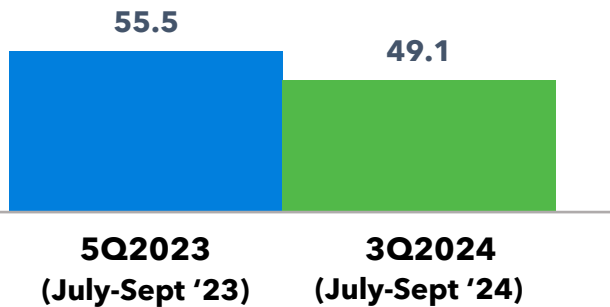
Information Technology Division



REVENUE (RM mil)

Individual quarter (Y-o-y change)

Cumulative quarter (Y-o-y change)



Excluding Telco

Individual quarter (YoY)

Cumulative quarter (YoY)

5Q2023	3Q2024	9M2023	9M2024
34.2	42.3	97.6	124.4

3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Trade Facilitation : Revenue higher (3Q2024 : RM31.6 million, 5Q2023: RM27.2 mil) in tandem with completion and progressive work done of certain non-NSW projects.
- ✓ Tech Consulting & System Integration: Revenue higher (3Q 2024 : RM10.7 million, 5Q 2023: RM7.1 mil) due to progress milestone of ongoing projects.
- ✓ **Telco: Revenue lower (3Q2024 : RM6.8 million, 5Q 2023: RM21.3 mil) due to completion of cable installation and repair work services.**

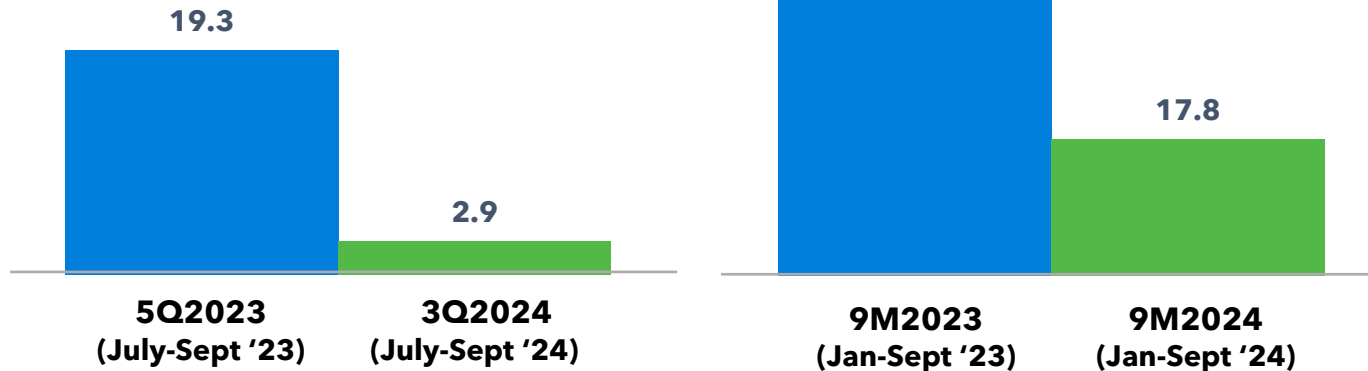
9M2024 vs 9M2023 (Y-o-y change)

- ✓ Trade Facilitation : Revenue higher (9M2024 : RM89.2 million, 9M2023 : RM77.1 mil)
- ✓ Tech Consulting & System Integration: Revenue higher (9M2024 : RM35.2 million, 9M2023 : RM20.5 mil)
- ✓ **Telco : Revenue lower (9M2024 : RM40.5 million, 9M2023: RM57.6 mil) due to less cable repair work done due to ROV installation in 2Q2024 (April-May 2024).**

EBITDA (RM mil)

Individual quarter (Y-o-y change)

Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Telco : Net unrealised forex loss (3Q2024 : RM8.8 mil due to weakening of Indonesia Rupiah against Malaysia Ringgit).

9M2024 vs 9M2023 (Y-o-y change)

- ✓ Telco : Net unrealised forex loss (9M2024 : RM13.8 mil) due to weakening of Indonesia Rupiah against Malaysia Ringgit.
- ✓ Telco : Less cable repair work done compared to previous year due to ROV installation in 2Q2024 (April-May 2024).

Excluding Telco

Individual quarter (YoY)

Cumulative quarter (YoY)

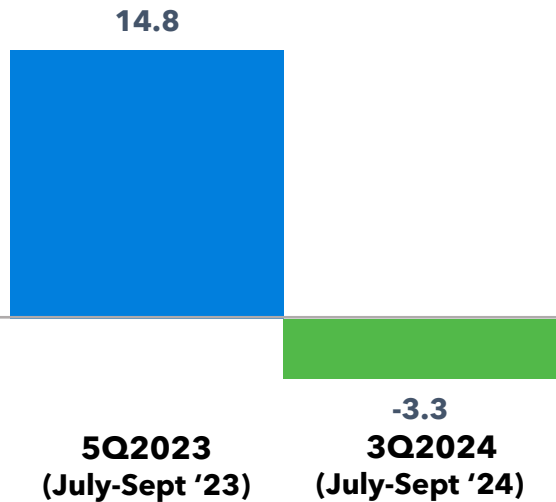
5Q2023	3Q2024	9M2023	9M2024
13.9	13.3	30.3	37.6

Information Technology Division

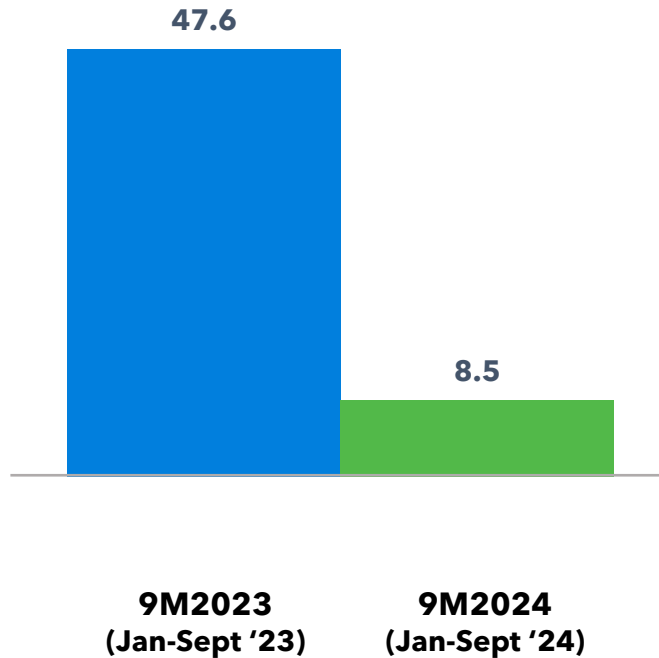


NORMALISED PATANCI (RM mil)

Individual quarter (Y-o-y change)



Cumulative quarter (Y-o-y change)



3Q2024 vs 5Q2023 (Y-o-y change)

- ✓ Normalised PATANCI trend similar to EBITDA, reflecting reasons mentioned earlier.

9M2024 vs 9M2023 (Y-o-y change)

- ✓ Normalised PATANCI trend similar to EBITDA, reflecting reasons mentioned earlier.

Excluding Telco

Individual quarter (YoY)

Cumulative quarter (YoY)

5Q2023	3Q2024	9M2023	9M2024
10.4	8.0	23.4	28.6

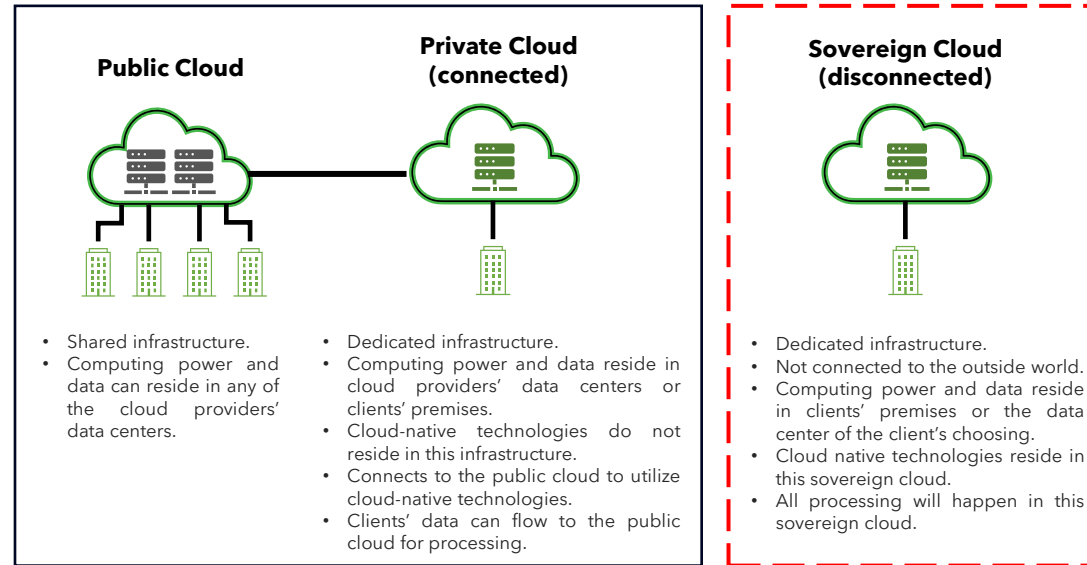
Next-Generation Sovereign Cloud for Malaysia

Strategic Partner of Google Cloud

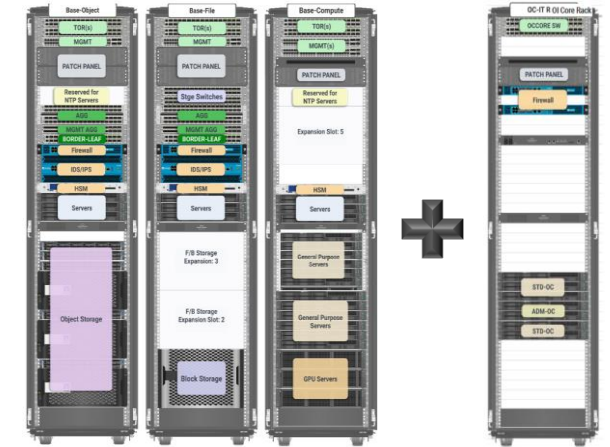


DNeX had on 30 September 2024 entered into the Google Cloud Partner Advantage Commercial Partner Agreement with Google Asia Pacific Pte Ltd, authorising DNeX to operate Google Distributed Cloud ("GDC") as a Managed GDC Provider, with a focus on air-gapped configurations for organisations in Malaysia.

Types of Cloud Solutions



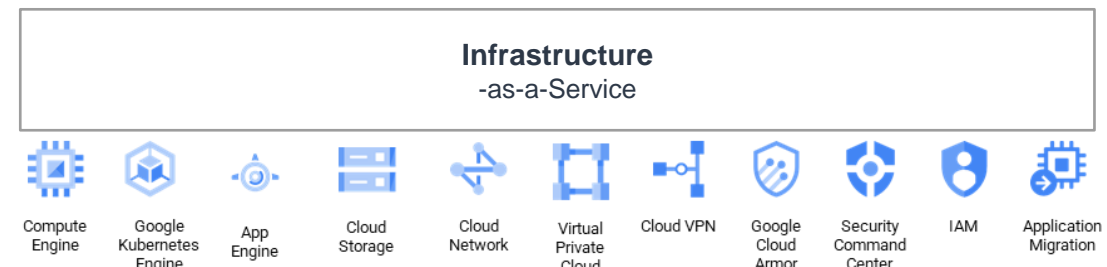
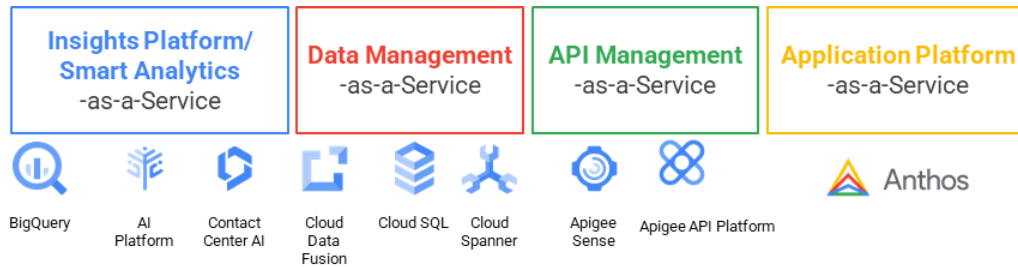
GDC Air-Gapped (GDC-A)



In client's Data Center or a location of client's choosing

In DNeX Premise

Tapping on Other Google Applications and Solutions

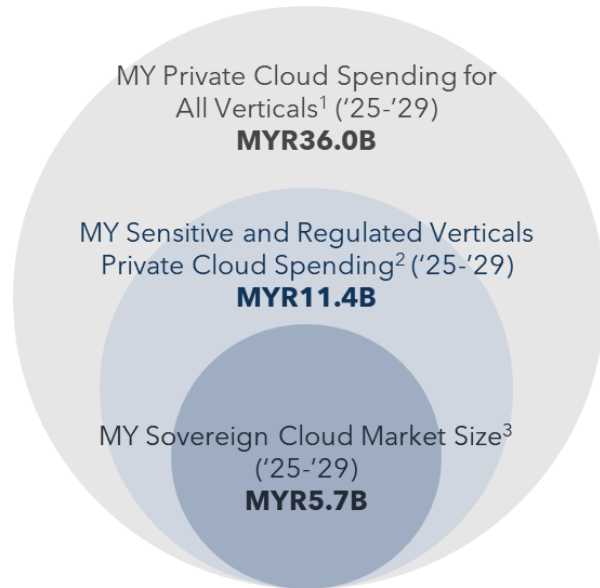


This infrastructure will provide Malaysian organisations with advanced AI and analytics capabilities while keeping data within the country.

Projected Market Size for Sovereign Cloud in Malaysia

New revenue streams can be created in the Sovereign Cloud market, in partnership with Google.

Market Size for Sovereign Cloud in Malaysia



New Revenue Streams for DNeX

<p>1</p> <p>Primary Offering</p> <p>Sovereign Cloud via GDC-A</p>	<p>2</p> <p>Spillover Offerings</p> <p>Migration services, Cybersecurity monitoring services, Application modernization services, Support Services - helpdesk, level 1 & 2 support, 24x7 monitoring services</p>	<p>3</p> <p>Other Google Applications and Solutions</p> <p>Tap on Google's expertise for other projects</p>
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Potential Clients in Public Sector

Government agencies that **hold significant data which can impact Malaysia's security and stability** are as follows:



Kementerian Pertahanan



Jabatan Perdana Menteri



Majlis Keselamatan Negara



Polis DiRaja Malaysia



Kementerian Kewangan



Kementerian Kesihatan



Kementerian Dalam Negeri



Agensi Keselamatan Siber Negara

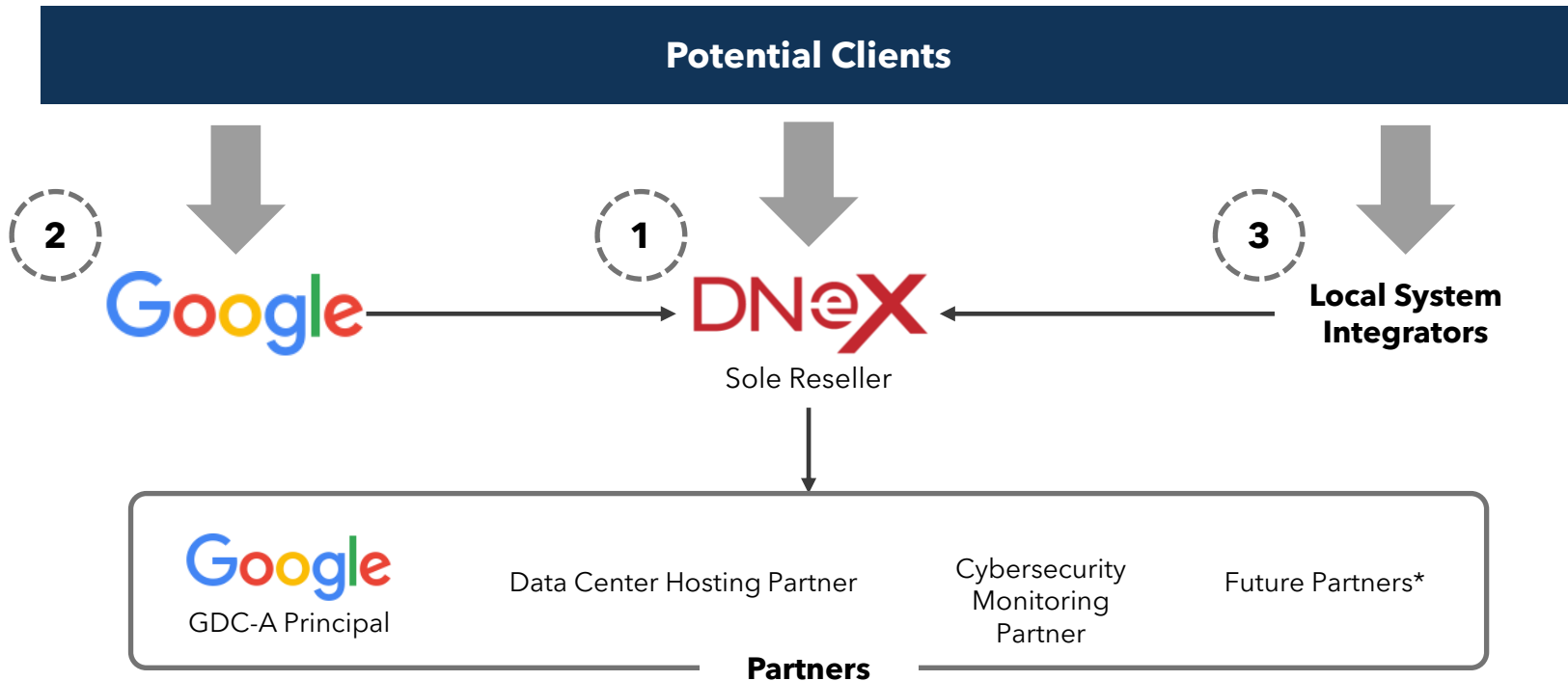


Jabatan Pendaftaran Negara

1. Source: GlobalData 2022 - Private Cloud Market for all verticals in Malaysia as a proxy of Sovereign Cloud Market.
 2. Source: Accenture Report 2022 - Sensitive and regulated industries are likelier to adopt Sovereign Cloud. e.g. Energy, BFSI, Government, Healthcare, Pharma, and Utilities will require Sovereign Cloud Solutions
 3. Source: Accenture Report 2022 - 50% of private cloud demand in sensitive and regulated industries have Sovereign Cloud requirements.
 * Revenue Data from Google

Engagement Model

There will be 3 avenues for opportunities to flow to DNeX



Extended Sales Team

- 1** DNeX - employ our own account managers to explore and engage potential clients.
- 2** Google - their revenue is measured by consumption; hence Google Malaysia will also engage the market and direct potential clients to DNeX.
- 3** Local System Integrators can also be GDC-A resellers, with DNeX being the fulfillment party.

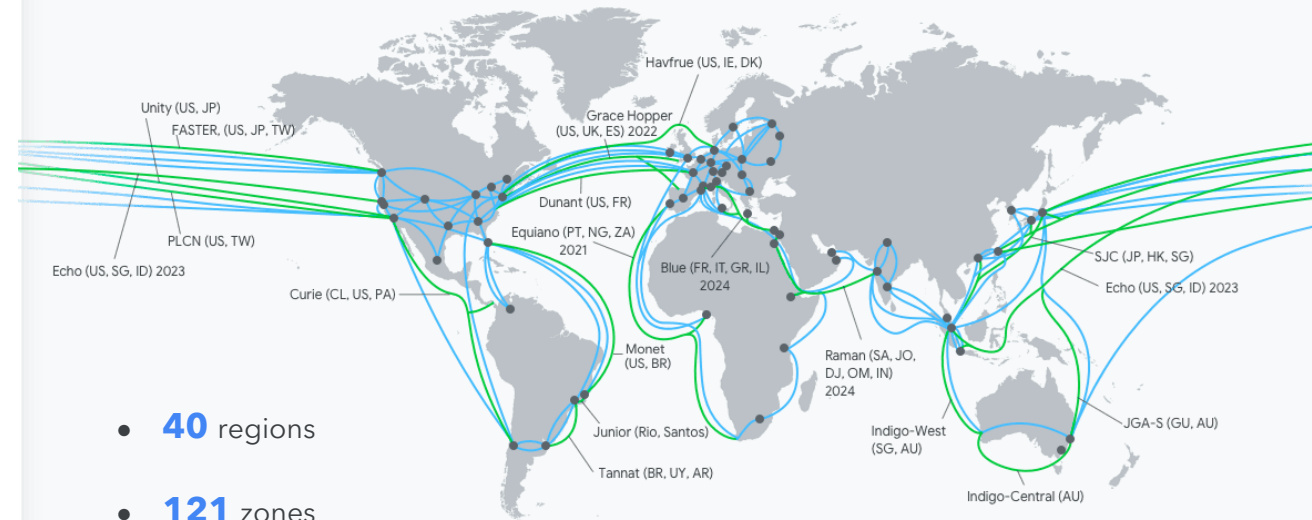
Future Partners*

DNeX could either build its own capabilities or work with partners to offer more spillover services for GDC-A.

Google Cloud: not just another Cloud Provider



To power those products, we built a planet-scale that provides fast and reliable connections to users around the world



- **40** regions
- **121** zones
- **187** network edge locations
- **22** subsea cables
- **200+** countries

100%
Carbon Neutral since 2007

Technology (SiTerra)

- Seeing steady increase in demand on Emerging Technologies, particularly Silicon Photonics which is becoming a core technology for data centres and artificial intelligence (AI). This will lead to higher ASPs and higher profit margins.
- In line with National Semiconductor Strategy, exploring opportunities in grants and subsidies to support the establishment of new wafer fabrication and R&D facilities. We are well-positioned to advance further up the value chain.

Energy

- **Upstream (Ping)**
 - Further revision to the UK Energy Profits Levy (EPL) policy anticipated to be effective 1 November 2024 have led Ping to prioritise its Malaysian assets in the near term.
 - Malaysia assets: To develop Abu Cluster (targeting to achieve first oil in second half 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: Planning for development of greenfield assets; Fyne, Avalon, Pilot, Glenn and Hutton.
- **OGPC**
 - To benefit from Ping's portfolio expansion in Malaysia, which is expected to increase demand for its services and expand its business portfolio.
 - Enlarging our client base and footprint in downstream retail business.

IT

- Aim to be a comprehensive IT solutions provider by converging and leveraging our diverse expertise and capabilities, supported by proven track record in delivering successful nationally critical large-scale, IT projects such as NSW, iGFMAS, HITS and MAMPU.
- Partnership with Google Cloud : Deliver sovereign cloud services and as a Managed Distributed Cloud Provider, positioned to capitalise on growing cloud services market and national AI aspiration.
- Developing new digital solutions designed to modernise operations across various sectors and industries.
- Beyond Malaysia, actively expanding our IT footprint into international markets, targeting high-growth regions with significant demand for digital transformation.

THANK YOU

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Together Beyond Excellence.



Technology



Energy



Information
Technology

dnexmalaysia



Subsidiaries of DNeX Group

APPENDIX

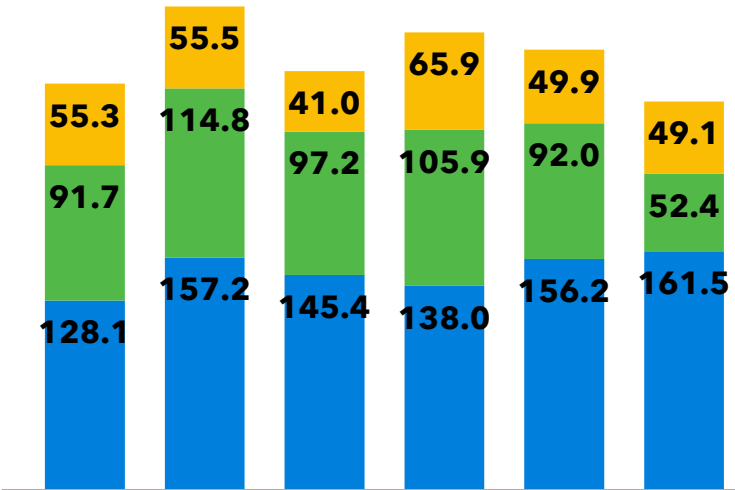


Group Financial Performance



REVENUE

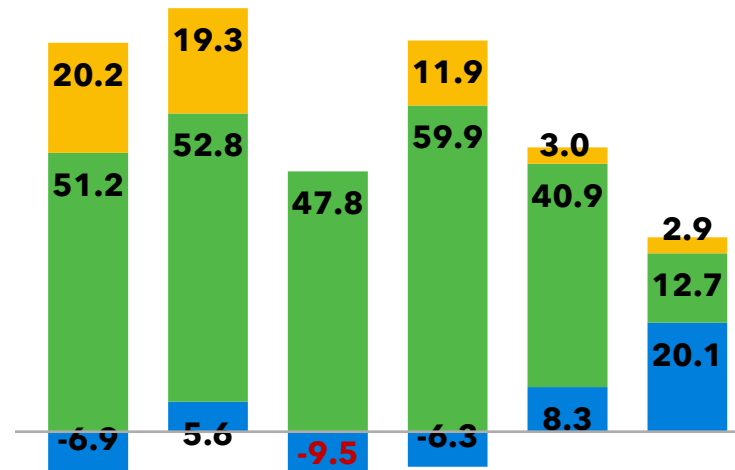
275.1 327.5 283.6 309.8 298.1 263.0



4Q23 5Q23 6Q23 1Q24 2Q24 3Q24

EBITDA

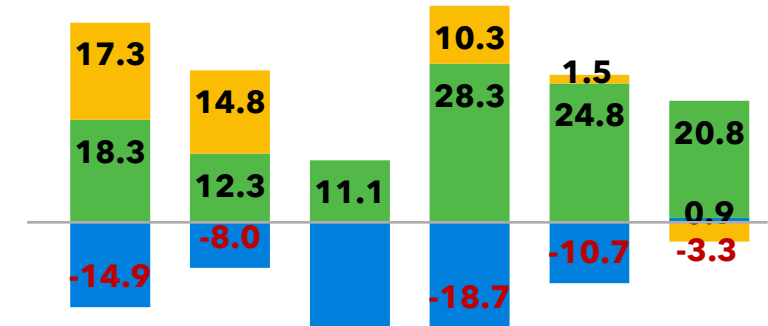
64.4 77.7 34.0 65.5 52.2 35.7



4Q23 5Q23 6Q23 1Q24 2Q24 3Q24

NORMALISED PATANCI

20.6 19.1 -62.2 19.9 15.6 18.4



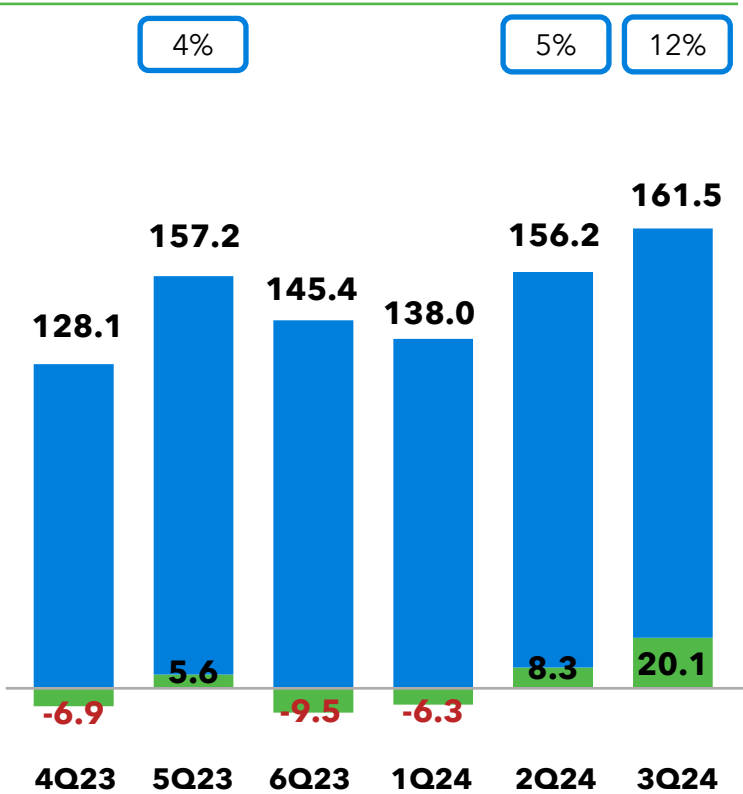
4Q23 5Q23 6Q23 1Q24 2Q24 3Q24

Technology Energy Information Technology

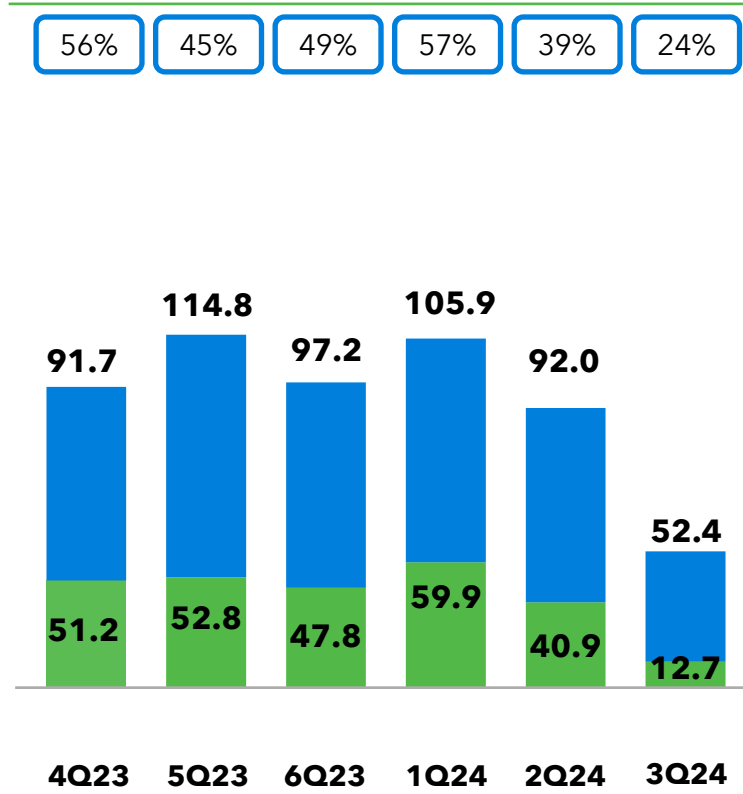
Segmental Performance Snapshot



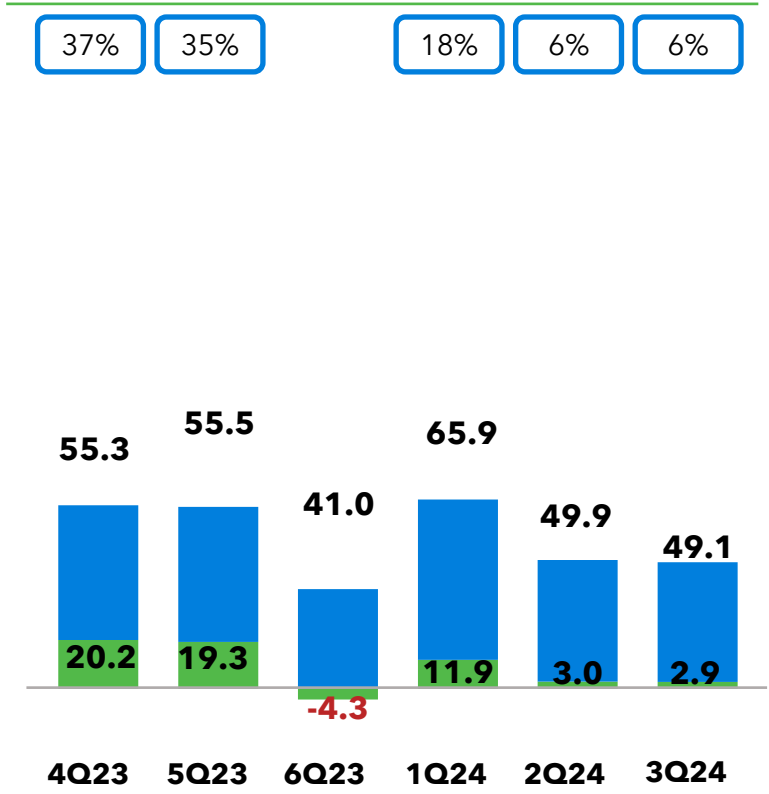
TECHNOLOGY



ENERGY



INFORMATION TECHNOLOGY



Excluding Telco

33.1	34.2	30.2	38.4	43.7	42.3
8.6	13.9	4.4	9.7	14.6	13.3

REVENUE (RM mil)

EBITDA (RM mil)

EBITDA Margin