



UNITRADE INDUSTRIES BERHAD



2ND ANNUAL GENERAL MEETING
CORPORATE PRESENTATION

SEPTEMBER 2023

WHO WE ARE



ONE OF THE LARGEST HOMEGROWN BUILDING MATERIALS WHOLESALERS & DISTRIBUTORS IN MALAYSIA BY REVENUE

FOUNDED IN

1979

44-year track record

FY23 REVENUE

RM 1.4 billion

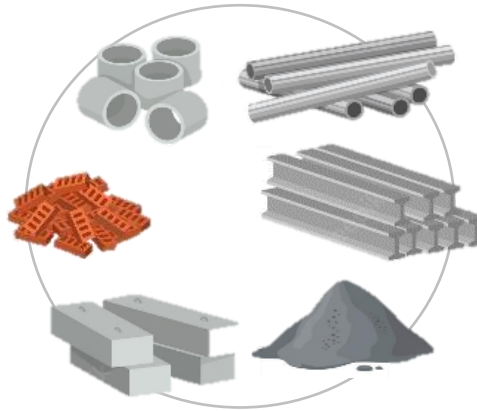
BASED IN

**SHAH ALAM,
SELANGOR**



New Industrial Complex

BUSINESS SEGMENTS



Wholesale & distribution of building materials

*Pipes, valves, fittings,
accessories for mechanical
and electrical (M&E) works*

*Steel products and building
materials for civil works*



Manufacturing & sale of pre-insulated pipes

*Industrial, commercial,
and domestic applications*



Rental of temporary structural support equipment & modular houses

*Scaffolding, steel plates,
hollow sections, heavy-duty
shoring, modular houses*

BUILDING MATERIALS WHOLESALE DISTRIBUTION

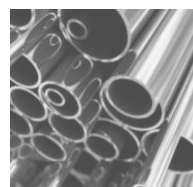


EXPERIENCED INVENTORY MANAGEMENT WITH AN EXTENSIVE RANGE OF PRODUCTS

>6,000

Stock Keeping
Units (SKUs)

For M&E Works



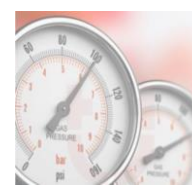
Pipes



Valves

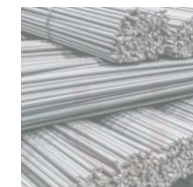


Fittings

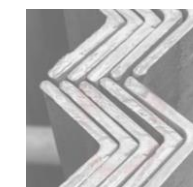


Accessories

For Civil Works



Reinforcement
steel



Structural
steel



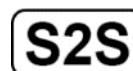
Building
materials

>500

Suppliers

Local and Overseas
manufacturers and
distributors

OEMs in China



In-house Brands

>1,300

Active
Customers

- Building contractors
- M&E contractors
- Steel traders
- Downstream steel products manufacturers
- Hardware retailers and traders

**Supports the full lifecycle of
buildings and infrastructure**

- *Construction*
- *Refurbishment & Retrofitting*
- *Repair & Maintenance*



Reduced Business Concentration Risk

MANUFACTURING & SALE OF PRE-INSULATED PIPES



FURTHER ENHANCE OUR PRODUCT RANGE

House Brands



HI-GARD™



TERRA-GARD™



COPPER-GARD™



To transport and maintain temperature of fluids in piping systems.

Applications

Industrial, Commercial, Domestic

- Air-conditioning systems
- Industrial processing
- Hot water plumbing
- Oil storage and handling

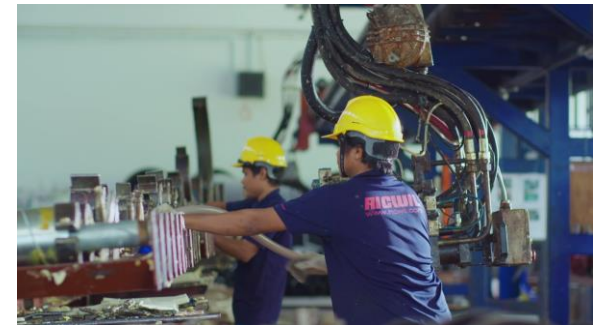
Highly
Customisable Pipes

QMS
+
FM Approval
Class Certified



Environmentally
Friendly Insulation
Materials

HCFC-Free



RENTAL OF TEMPORARY STRUCTURAL SUPPORT EQUIPMENT



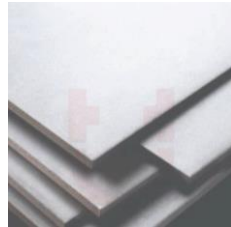
IMPROVE COMPREHENSIVENESS OF SERVICE OFFERINGS

Products



Scaffolding

- For construction, maintenance, repair works of buildings, bridges, and structures
- Provides custom-made scaffolding products, offering our clients enhanced flexibility for their specific needs



Steel Plates

- Support loading for heavy machinery, earth movers and bulldozers in construction sites



Hollow Sections

- Used in welded frames, columns and as beams for construction and mechanical applications



Heavy-duty shoring

- Used in construction and engineering projects, providing temporary support to structures under higher load conditions

CIDB
Certified

SIRIM
Compliant

10-yr
Average asset
lifespan

INTRODUCING OUR RENTAL OF MODULAR HOUSES

A COST AND SPACE-EFFICIENT SOLUTION FOR WORKERS' ACCOMMODATION

Act 446

Compliant



Applications

Construction, Manufacturing, Plantation



An innovative solution to tackle the issue of **workers' accommodation** given the versatility of these prefabricated houses



Meet the necessary guidelines of Act 446 in a cost-effective manner



Multiple-storey modular houses **take up smaller floor space** and thus cost less on a per headcount basis



In July 2023, **signed MoU with Government-Linked-Company, Invest Kedah Berhad** for the development of CLQs in Kedah

- *On-site worker accommodations*
- *Centralised labour quarters (CLQs)*
- *Site offices*
- *Canteens*
- *First-aid rooms*
- *Laundry rooms*

→ *Growth in rental business 1) **improves our recurring revenue stream**, and 2) enhances **earnings visibility and stability***

A CENTRALISED LOCATION FOR STREAMLINED OPERATIONS

IMPROVED EFFICIENCY AND ENABLE TO BULK UP INVENTORIES & PRODUCT RANGE

MORE STORAGE SPACE AND INCREASED EFFICIENCY AFTER RELOCATION



Installed solar photovoltaic system and EV charging facilities

**To be built
Pipe fabrication centre***

Expanded Warehouse and distribution centre
> Double the size of previous warehouse

ABLE TO HOLD SIZEABLE INVENTORY AND WIDE RANGE OF PRODUCT



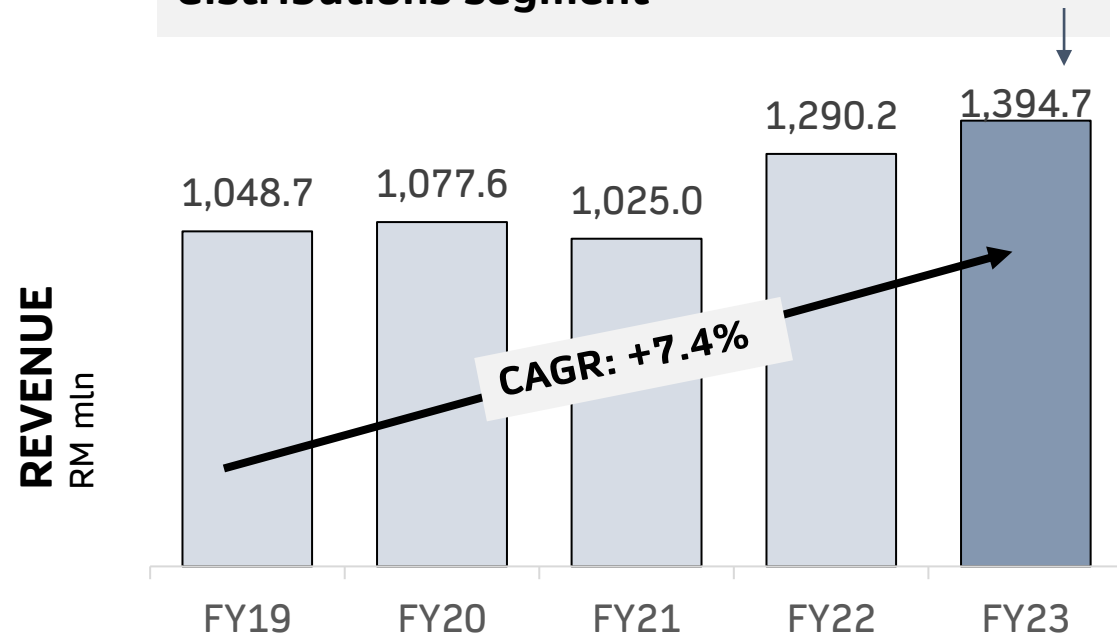
- Supply to more projects simultaneously
- Handle larger contract values
- Increase range & assortments to cater for even more industries
- Convenience and simplified procurement process
- Reduce lead time, ensure timely deliveries

FINANCIAL HIGHLIGHTS



KEY FINANCIAL TREND

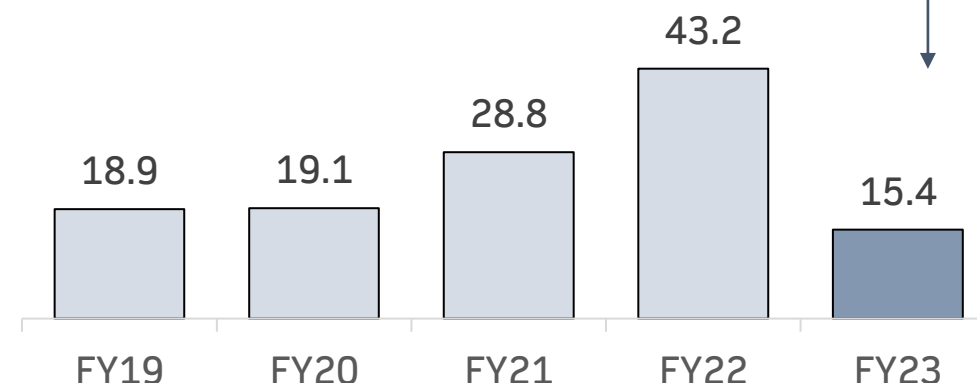
Growth was mainly driven by the **increased contribution from wholesale and distributions segment**



FY23 decline in profitability mainly due to:

- Inventory impairment loss
- Higher opex
- Higher finance cost following increase in OPR
- Higher depreciation due to facility expansion

PATNCI
RM mln



%	FY19 (AUDITED)	FY20 (AUDITED)	FY21 (AUDITED)	FY22 (AUDITED)	FY23 (AUDITED)
GP margin	7.6%	7.5%	8.7%	8.8%	5.5%
PATNCI margin	2.0%	1.8%	2.8%	3.4%	1.1%

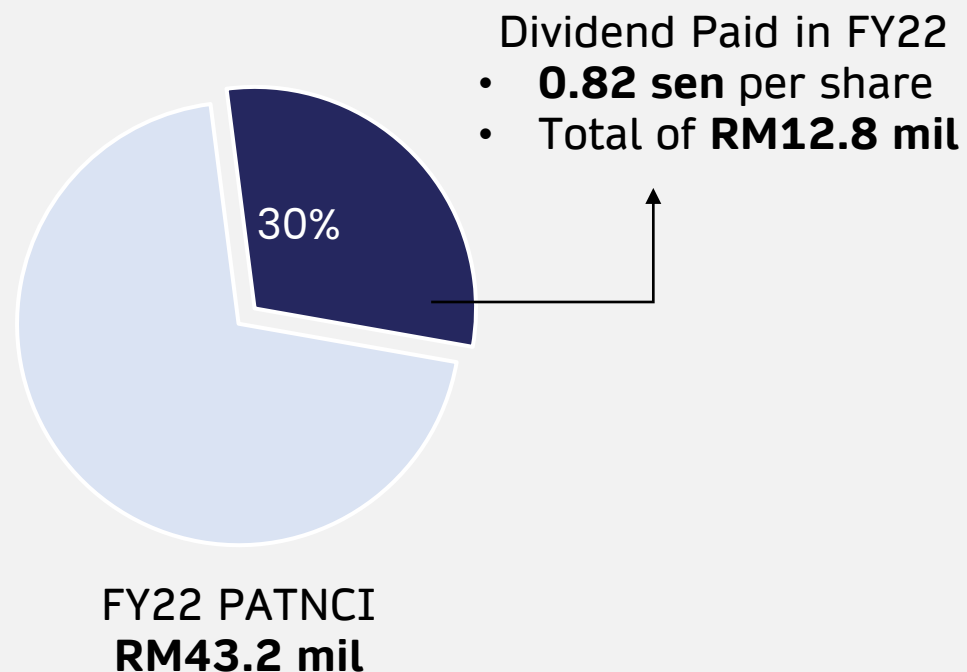
HEALTHY FINANCIAL POSITION

RM mln (Audited)	31 Mar 2022	31 Mar 2023	
Total assets	879.4	918.8	
Total liabilities	649.0	589.1	
Total equity	230.4	329.8	
Total cash	95.7	96.5	Healthy cash and cash equivalents
Total borrowings	528.8	485.3	
Gearing ratio (times)	2.3	1.5	Improved gearing ratios
Net gearing ratio (times)	1.9	1.2	
Inventory turnover (days)	42	50	Improved collections
Receivables turnover (days)	104	98	
Net Operating Cash Flow (NOCF)	41.9	21.0	Positive NOCF

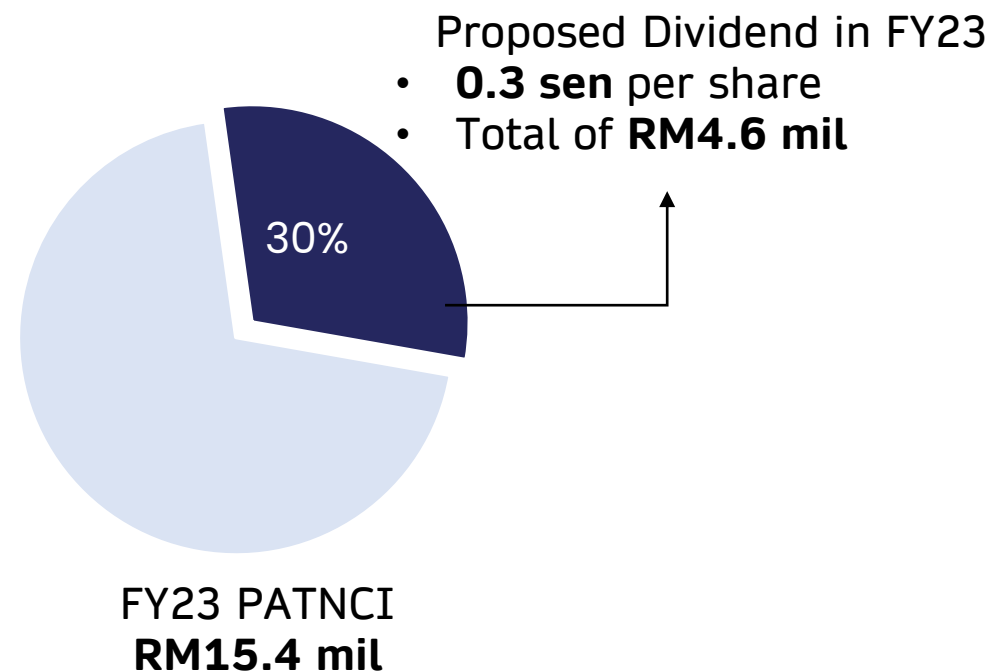
REWARDING OUR SHAREHOLDERS

DIVIDEND POLICY OF UP TO 30% OF PATNCI

30% Payout Ratio in FY22



30% Payout Ratio In FY23



EXPANSION PLANS AND OUTLOOK



UPDATED TIMEFRAME FOR IPO PROCEEDS UTILISATION



ENHANCE FLEXIBILITY IN RESPONSE TO THE CURRENT BUSINESS ENVIRONMENT

Utilisation of proceeds RM mln	Proposed Utilisation	Actual Utilisation as at 30 June 2023	Reallocation	Balanced to be utilised	Intended timeframe for utilisation*
Working capital	50.5	(29.6)	(4.9)	16.0	Within 18 months ⁽¹⁾
Repayment of bank borrowings	39.8	(39.8)	-	-	Within 12 months
Capital expenditure for pipe fabrication centre	5.0	#	-	5.0	Within 36 months
Estimated listing expenses	4.7	(5.0)	0.3	-	Immediate
New Capital expenditure for temporary structural equipment	-	(1.6)	4.6	3.0	Within 18 months
Total	100.0	76.0		24.0	

* From the listing date of 14 June 2022

Figure amounted to RM36,000

(1) Initial timeframe as per prospectus dated 28 April 2022 was 12 months

Private & Confidential

NEW PIPE FABRICATION CENTRE

PROVIDING END-TO-END PIPE SERVICES FOR OUR CUSTOMERS

TOTAL SETUP COST

RM9.0 mln

IPO proceeds RM5.0 mln

IGF/debt RM4.0 mln

Expected completion

36 months upon listing

Off-site @ Unitrade's fabrication centre

1. Cutting
2. Grooving
3. Threading
4. Welding
5. Painting
6. Assembling

Unitrade
delivers



On-site @ clients' construction sites

1. Installation

BENEFITS TO CLIENTS

- Reduce manpower
- Reduce wastage
- Free up on-site space
- Reduce disruption
- Expedite construction progress



INVESTMENT IN TEMPORARY STRUCTURAL EQUIPMENT

FURTHER IMPROVE THE CAPABILITIES OF OUR EQUIPMENT RENTAL DIVISION

RM4.6 million of IPO proceeds were reallocated from working capital to capital expenditure for **temporary structural equipment**, especially for the acquisition of **heavy-duty shoring system**.

Applications

Construction, Engineering

- *Provide temporary support to structures under higher load conditions during construction phase*
- *Support the safety of construction workers*
- *Facilitate delivery of building materials to the respective levels*

Expected timeframe for utilisation
18 months upon listing



RECENT M&A ACTIVITIES

TO CREATE SYNERGISTIC ADVANTAGES TO THE GROUP

Venture into new markets of **metal recycling business** and **waste management sector**, strengthen our role in **environmentally responsible business** as part of our ESG agenda.

**Aug
2023**

Completion Of Acquisition Of 60% Equity Interest In Winnson Marketing Sdn Bhd

- **To tap into broader range of products**
 - Hydraulic hoses
 - Couplings
 - Engineering hardware & related parts

- **Immediate access to Winnson's hydraulic hose market**

Premium item



- **Strategic entry into the environmentally-friendly waste management solutions**

MOLOK



**July
2023**

Proposed Acquisition Of 51% Equity Interest In Intergreen Metals Sdn Bhd

- **Enter into metal recycling business**

Collect and process metal waste



Recycle into input feedstock for steel manufacturers

- **Comes with a guaranteed net profit* to further strengthen the Group's earnings base**

- **Explore collaborative opportunities to expand our wholesale and distribution segment**

INDUSTRY OUTLOOK

MAJOR INFRA PROJECTS & BUILDING CONSTRUCTIONS SET FOR A COMEBACK

2023
Projected Construction
GDP Growth
6.1%

2Q2023
Construction sector growth
8.1%
(5th consecutive expansion)

From the Department of Statistics Malaysia

Construction Sector

- Resumption of major infrastructure projects
 - Kuala Lumpur-Singapore high-speed rail project
 - Mass Rapid Transit 3 (MRT3)
 - Johor Bahru– Singapore Rapid Transit System
 - East Coast Rail Link (ECRL)



Property development Sector

- Pent-up demand from homebuyers
- Government incentives to promote home ownerships
- Increase in new residential and mixed-development project launches by key industry players



STIMULATE DEMAND FOR BUILDING MATERIALS

BETTER DAYS AHEAD

STRONGLY POSITIONED TO RIDE ON INDUSTRY RECOVERY

1



One of the largest homegrown building materials wholesalers and distributors in Malaysia

2



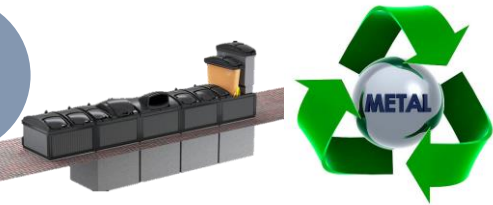
Centralised warehouse and distribution centre – Improve efficiency; enhance inventories & product range

3



Rental division expansion:
Boost recurring income, enhance earnings visibility

4



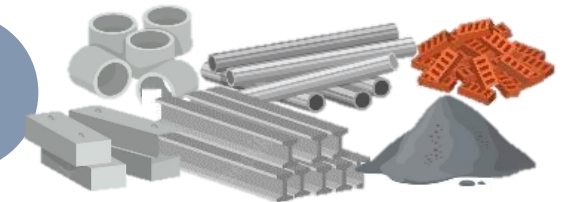
M&A activities:
Bring synergistic advantages to the group

5



New pipe fabrication centre:
Improve service comprehensiveness

6



Building materials are **essential throughout the full lifecycle** of buildings and infrastructure

✓ **WELL-EQUIPPED TO CAPITALISE ON THE RECOVERY OF CONSTRUCTION AND PROPERTY DEVELOPMENT SECTORS**

SUSTAINABILITY HIGHLIGHTS AND ACHIEVEMENTS



FOSTERING SUSTAINABILITY AND EMPOWERING A GREENER ORGANIZATION



Environmental



- **70.3 tonnes** of recycled metal scraps sold
- **333,084 kWh** of solar energy yield upon installation since Oct 2022
- **Up to 70%** reduction in grid electricity dependency
- **Installed EV chargers** and gradually replacing company vehicles with EVs
- **11 electric forklifts** powered by EV chargers
- **Rainwater harvesting** to promote water conservation



Social

- **80%** of employees are Malaysians
- **2,691 hours** of employee training
- **RM30,000** contributed to community investment activities
- **Zero** lost-time injury rate
- **Zero** workplace fatalities



Governance

- **37.5% Women representation** achieved in our Board of Directors
- Anti-Bribery and Anti-Corruption Policy
- Ethical employee conduct
- Whistleblowing policy and mechanism
- Supports and maintains a fair, ethical supply chain
- Adheres to established policies, protocols and industry standards

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An aerial photograph of a large, modern industrial building with a grey metal roof. The roof is covered with solar panels. A large red logo, resembling a stylized 'U' or a horseshoe, is visible on the roof. The building is surrounded by greenery and a parking lot. In the background, there are other industrial buildings and residential areas.

[END]

For queries, please contact
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