

# SPRITZER

## Corporate Presentation

6 September 2022



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# SNAPSHOT



Spritzer is mainly involved in the manufacturing, marketing and selling of a comprehensive range of bottled water products.

With more than 30 years of experience, Spritzer is the pioneer and industry leader in the Malaysian bottled water industry.

## KEY FACTS

**40%**

Market share as bottled water producer in Malaysia

**>30 years**

Track record with numerous national and international awards

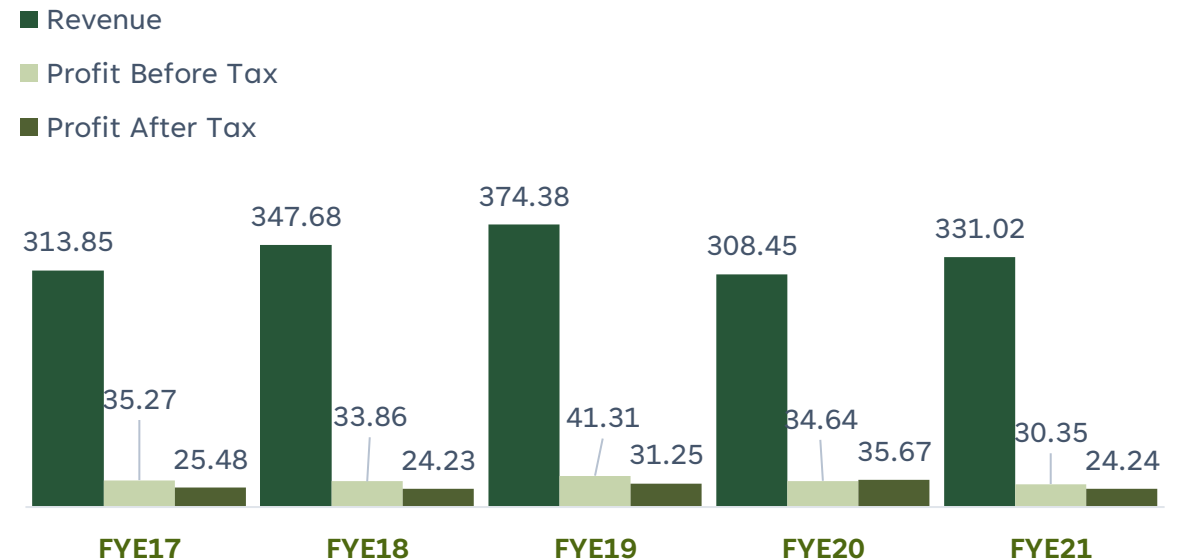
**>90%**

Contribution from local sales

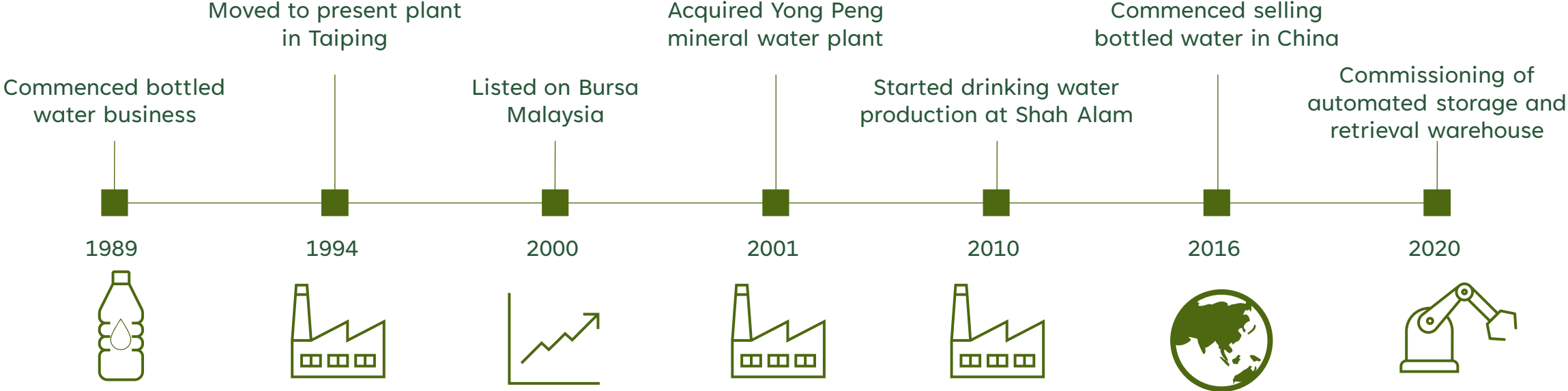
**850 million**

Annual capacity in litres

## FINANCIALS (RM'MIL)



# CORPORATE MILESTONE





# BUSINESS OVERVIEW

- Principally involved in the **manufacturing, marketing and selling** of a comprehensive range of bottled water products.
- Started the **production** and sale of bottled water products in year **1989**.
- Our main products are bottled **natural mineral** and **drinking water**.

## BENEFITS OF SILICA MINERAL



Smoother skin



Shinier hair



Stronger nails



Heart health



Bone and joint



Brain functions



Gut health

- Mineral water sales contributing approximately 80% of its product mix, while drinking water accounts for the remaining 20%.

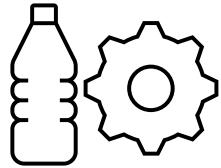


- However, in order to cater for different market segments, we have a wide array of brands which includes Spritzer, Spritzer Sparkling, Spritzer Tinge, Spritzer BonRica, Cactus, Desa and Summer.

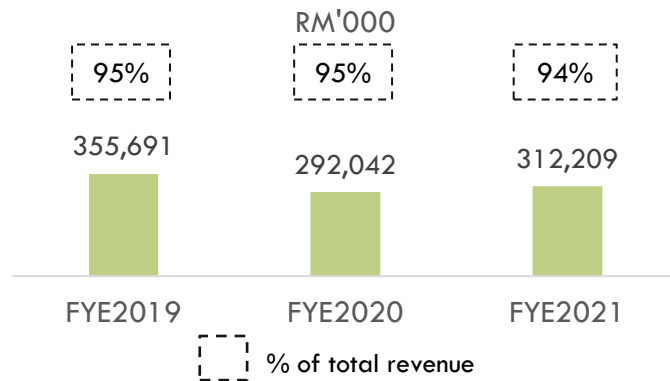
# BUSINESS OVERVIEW

1

## Manufacturing

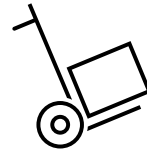


- Manufactures distributes bottled and non-carbonated flavored water
- Produces natural mineral water, carbonated flavored water, distilled water, drinking water, noncarbonated flavored water, polyethylene terephthalate (PET) preforms, PET bottles, caps

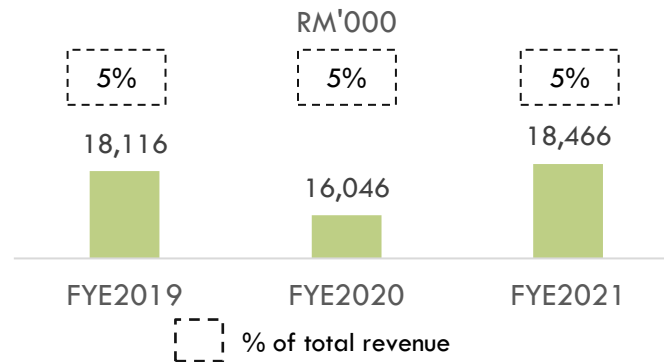


2

## Trading



- Sells bottled water and other consumer products

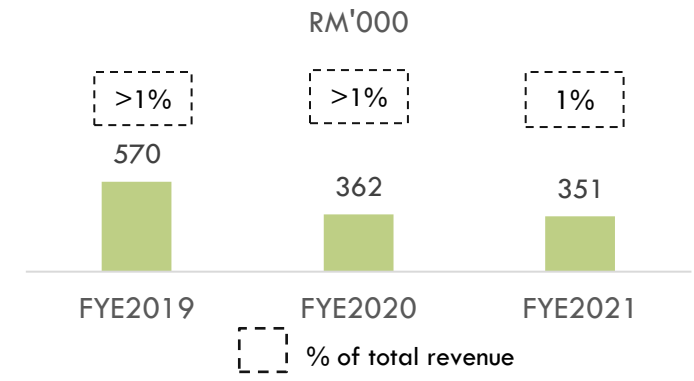


3

## Others



- Engaged in the recreational park, investment and properties holding business



## KEY INVESTMENT HIGHLIGHTS

1



**LARGEST AND MOST  
INTEGRATED BOTTLED  
WATER PRODUCER IN  
MALAYSIA**

2



**REINFORCING MARKET  
POSITION**

3



**GROWING ESG CENTRIC  
INVESTMENT  
ENVIRONMENT**

4

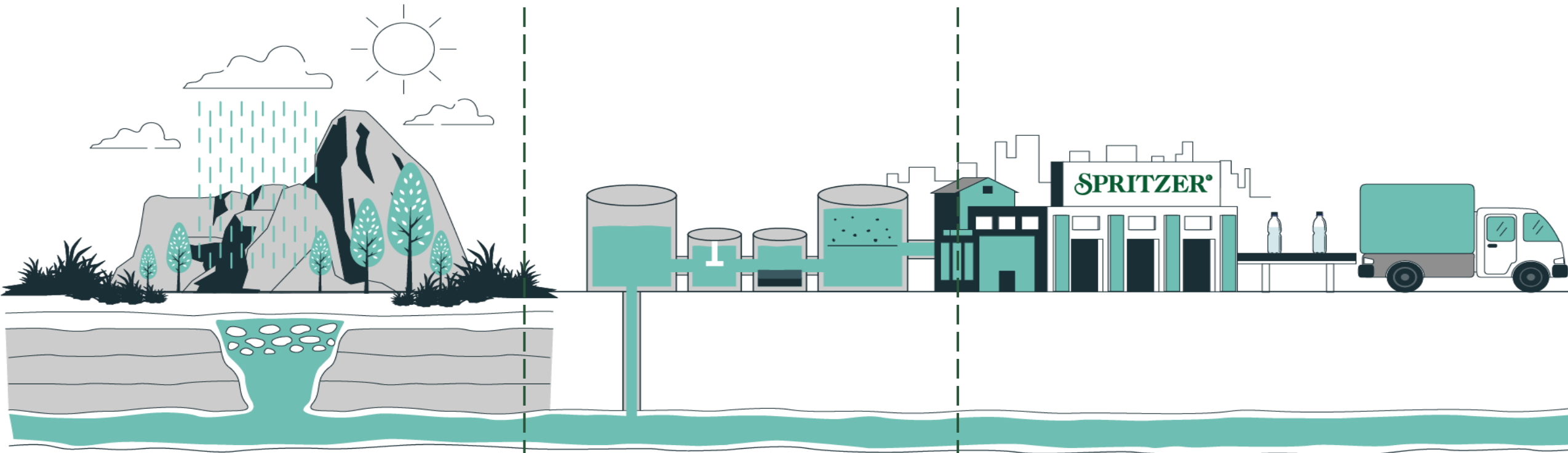


**DEFENSIVE BUSINESS  
NATURE**

1

# LARGEST INTEGRATED BOTTLED WATER PRODUCER IN MALAYSIA

- We are the largest and most integrated bottled water producer in Malaysia with a commanding market share of **about 40%**.



- 390 acres of rainforest in Taiping, Perak
- 36 acres in Yong Peng, Johor
- 7 acres in Shah Alam, Selangor

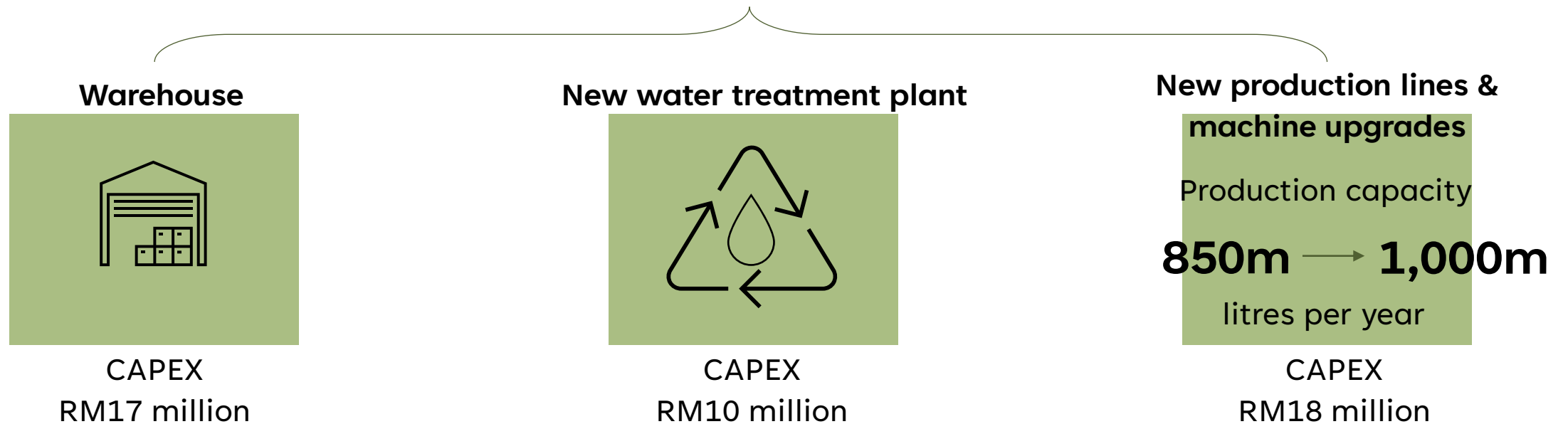
- Collectively, the three bottled water plants have an annual production capacity of 850m litres.
- Current utilisation at 80%

- We have a plastic packaging manufacturing plant for better integration
- We have an extensive distribution network by leveraging on our largest shareholder, Yee Lee Corporation.

## 2 REINFORCING MARKET POSITION

- Our strategy is to strengthen our leading position in the Malaysian bottled water industry by constantly improving our processes across our value chain and improving our market coverage and sales volume.
- As a result, we have allocated RM45 million as capex for machine upgrades, new water treatment plant to replace the existing plant as well as a new production line.

### CAPEX RM 45 million



- The total CAPEX amount will be funded via internally-generated funds and bank borrowings.



## 2

## REINFORCING MARKET POSITION (CONT'D)

- In 2020, we had completed our integrated warehouse with automated storage and retrieval system (“ASRS”) which has a capacity of 15,000 pallets.
- Our ASRS warehouse is located at our main mineral water plant in Taiping. Since its commissioning, it has **improved the efficiency and effectiveness of our supply chain management** and reducing the at the same time minimising the use of forklifts.





### 3

## WELL POSITIONED IN A GROWING ESG CENTRIC INVESTMENT ENVIRONMENT

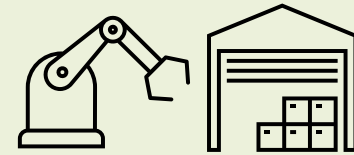
- We understand there is a growing attention among the investment community towards environment and social in company's business operation.
- As a result, we have already begun working towards to become Malaysia's leading sustainable bottled water company.
- Some of our initiatives as below:



**Continuous investment in R&D programs**, such as the recycled PET(rPET) plastic bottle utilisation



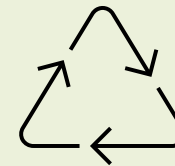
Make our bottles lighter and reduce packaging, invention of lightweight PET plastic bottles – about **14% of weight has been reduced** so far from the original (initial) design.



**ASRS warehouse** will reduce the use of forklifts, thus reducing carbon footprint



**Plant-based materials** are used in some of our PET bottles.

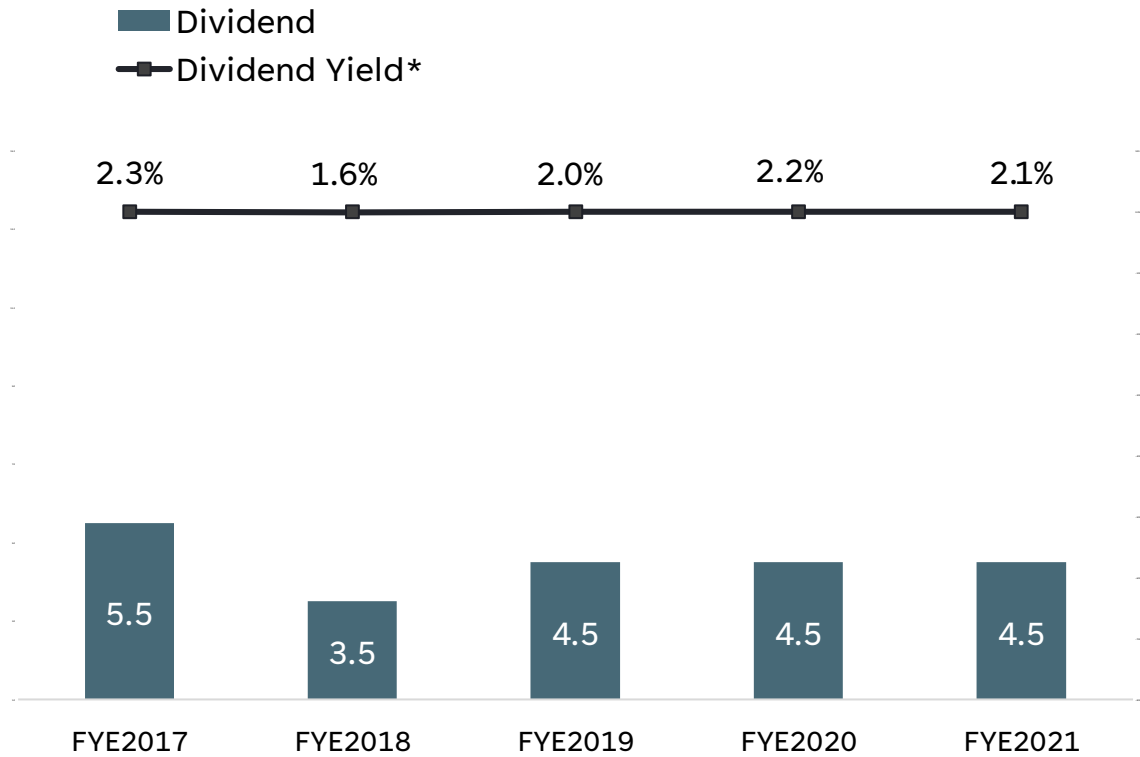


**Bottles are 100% recyclable**

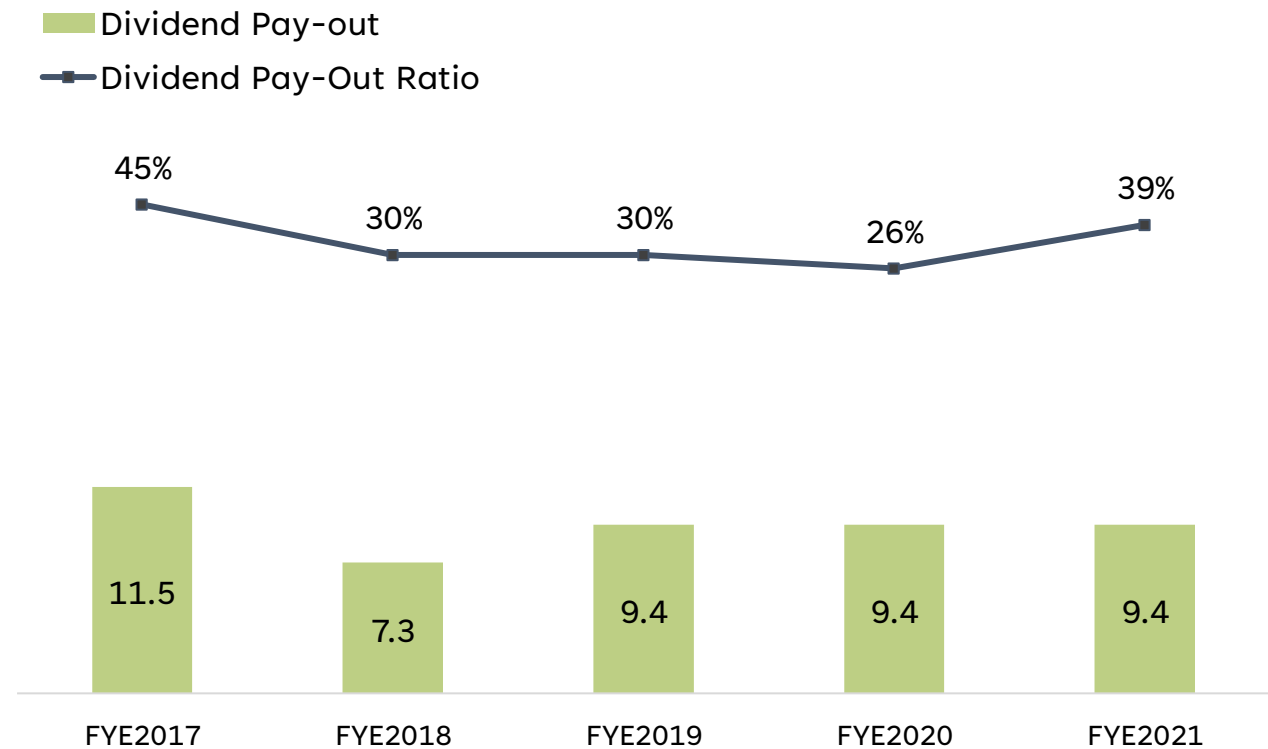
# 4 DEFENSIVE BUSINESS NATURE WITH SOLID DIVIDEND TRACK RECORD

- Despite operating in a challenging environment, we have been consistently rewarding our shareholders with dividend since FYE2001. In June 2022, the board also implemented a dividend policy of not less than 35% of net profit.

**Dividend per Share and Dividend Yield**



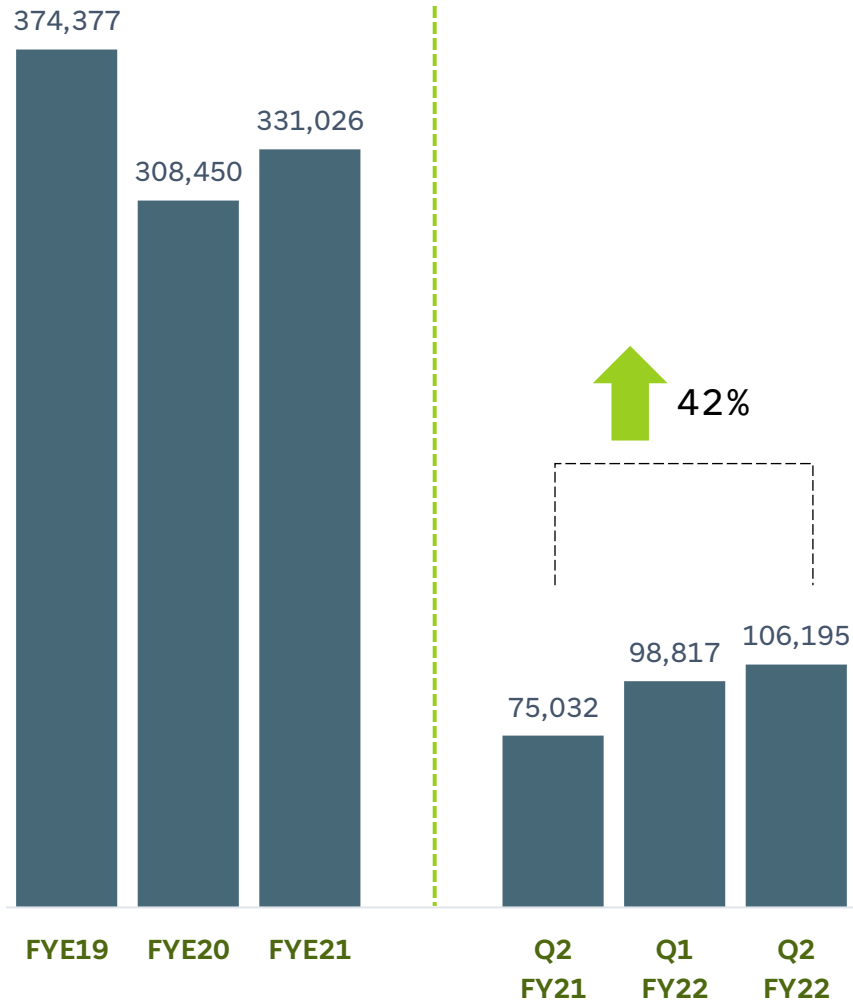
**Dividend Pay-Out (RM million)**



\*Based on share price on 31 of each financial year end

# FINANCIAL OVERVIEW

## Revenue (RM'000)

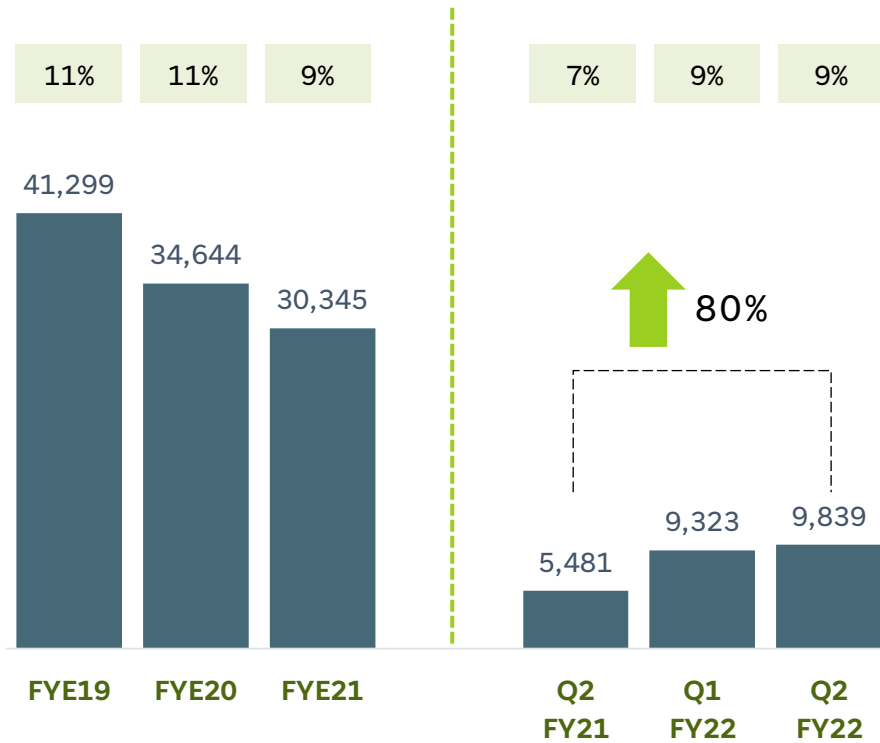


- The Group recorded a revenue of RM106.2 million during the current quarter ended 30 June 2022 representing 42% increase from the RM75.0 million recorded in the same quarter in the previous year.
- The increase was primarily due to increase in sales volume from increased demand as Malaysia moves into Transition to Endemic Phase on 1 April 2022

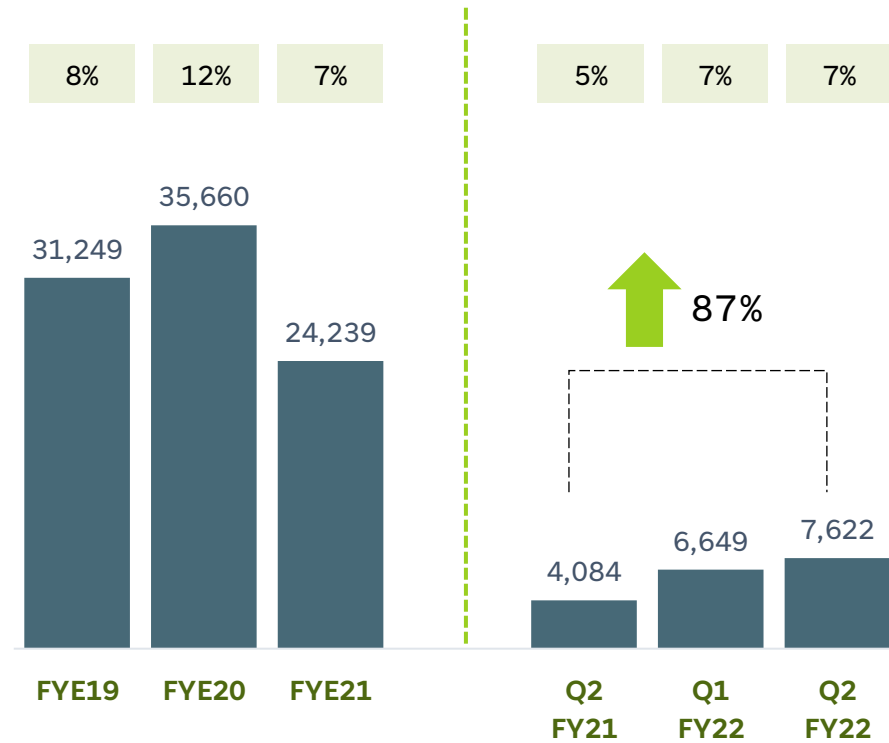


# FINANCIAL OVERVIEW

## Profit before tax (RM'000)



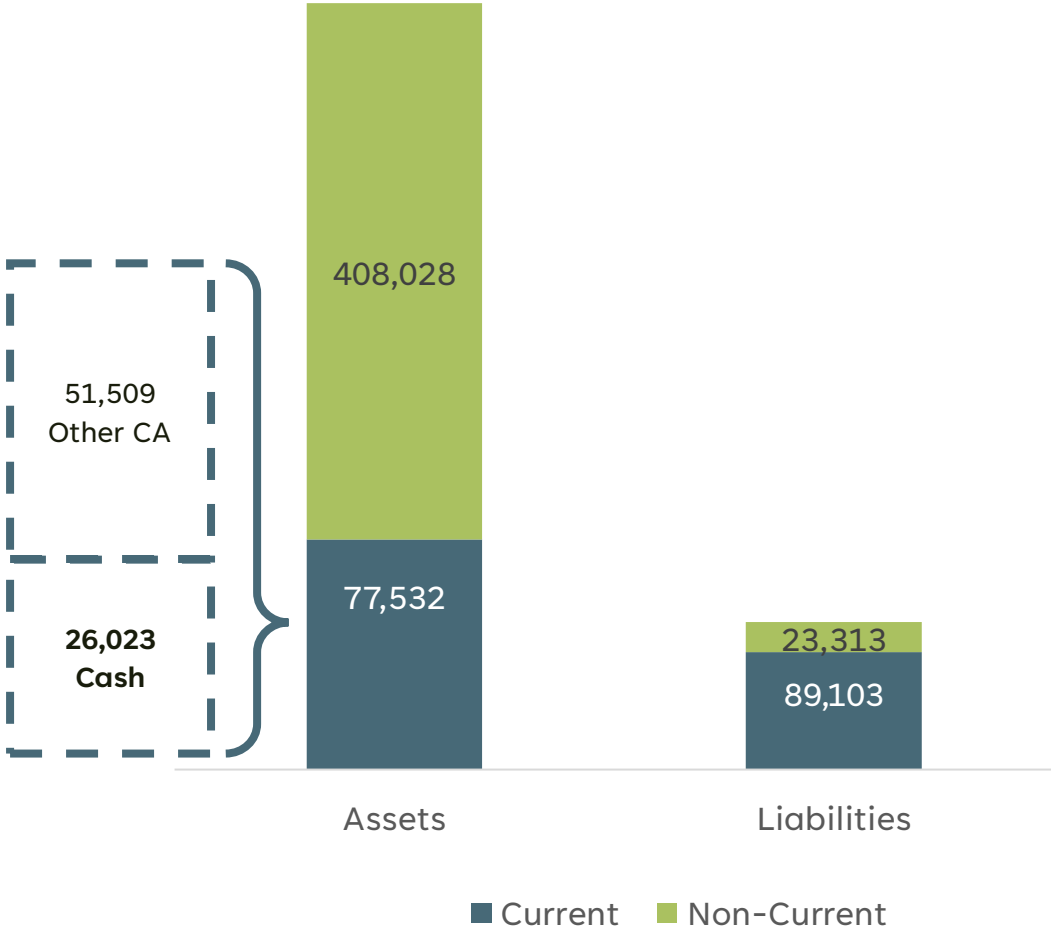
## Profit after tax (RM'000)



- The Group recorded a profit before tax of RM9.8 million during the current quarter ended 30 June 2022, representing an 80% increase from the RM5.5 million recorded in the same quarter in the previous year mainly due to increase in sales revenue driven by increase in bottled water sales volume and average selling price.

# FINANCIAL OVERVIEW

1HFY22 Balance Sheet (RM'000)



- Balance sheet remain robust with a healthy cash level
- Gearing ratio remains manageable at **0.04**
- Current ratio **1.96**
- Net asset per share at **RM2.24**

# UPCOMING PROSPECT

- The Group is taking prudent measures to monitor and manage the higher input and operating costs and at the same time, actively taking steps to grow our sales volume and to expand the overseas market.
- We will focus on growing our sales revenue and strengthening our market share in the bottled water industry via:

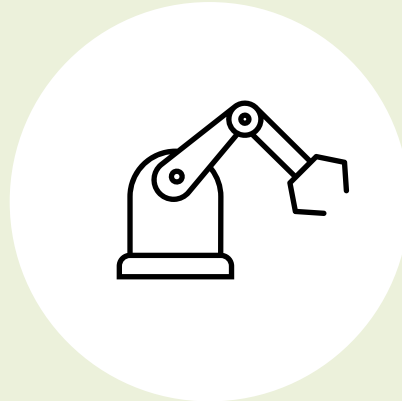
## Optimise Cost



Manage several challenges:

- supply chain
- labour shortages
- higher material and operating costs

## Increase Automation



Further automate and enhance our production processes and capacities to further improve our economies of scale advantage.

## Increase Marketing



In terms of our marketing efforts, the group would continue:

- To differentiate Spritzer products by highlighting the benefits of our silica rich mineral water
- Focus on our core brands

THANK YOU

## Spritzer Berhad

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NEW LOOK  
NEW PURPOSE



SPRITZER  
NATURAL MINERAL WATER

