

CJ CENTURY LOGISTICS HOLDINGS BERHAD

2QFY2022
Investors' Presentation

2 September 2022



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A Leading Total Logistics Services Provider
>50 years of leadership in the industry



One of the Largest Warehouse Operators in Malaysia
Total storage capacity: 4.5million sqft



Homegrown OEM Assembler for TV and Air-con
Exporting to Key SEA Markets such as Indonesia & Vietnam



Freight Forwarding Management
IFLN Member with planning routes to 200 major ports worldwide
58% Total Revenue



CJ Group
Parent is a leading diversified South Korean conglomerate



Diverse Clientele Base
>600 customers across different industries
Top 5 customers are MNCs from various industries



Track Record of Growth
Revenue CAGR: 23.4%
Op Profit CAGR: 12.3%
(FY2017-FY2021)



1st Interim Dividend
Declared DPS of 0.5 sen after 4 years

2QFY22 KEY FINANCIAL HIGHLIGHTS (CONTINUING OPERATIONS)



- Key financial highlights for Continuing Operations
- Marked increase in revenue with a jump in overall performance

** as at 30 June 2022*

Revenue:

RM252.939 million

▲ 9.4%

2QFY21: RM231.130 million

Profit Before Tax:

RM10.315 million

▲ 54.7%

2QFY21: RM6.666 million

Profit After Tax and MI:

RM7.190 million

▲ 132.7%

2QFY21: RM3.090 million

Total Assets:

RM770.762 million

▼ 1.0%

FY21: RM778.842 million

Net Assets Per Share:

RM0.75

▲ 4.2%

FY21: RM0.72

Earnings Per Share:

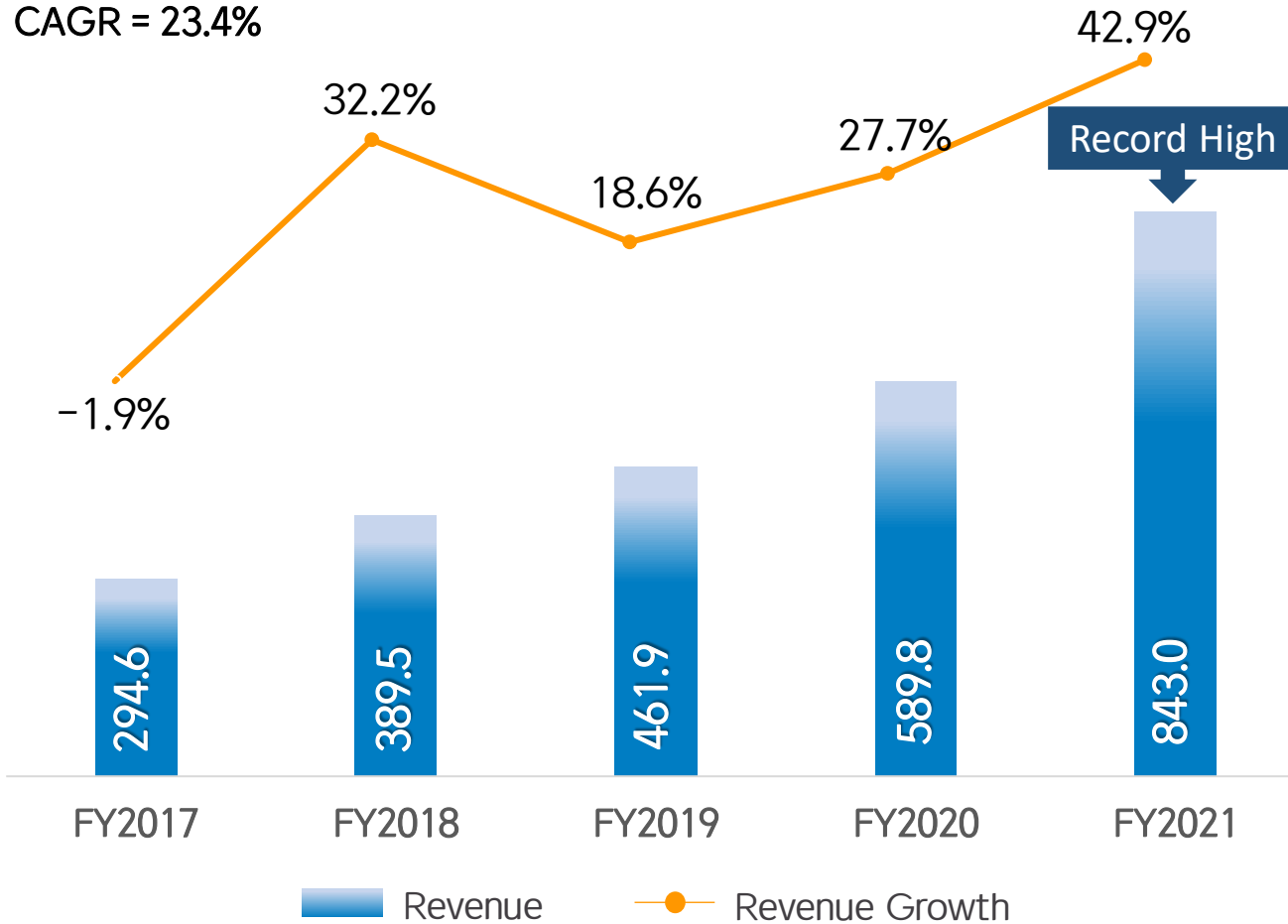
1.23 sen

▲ 132.1%

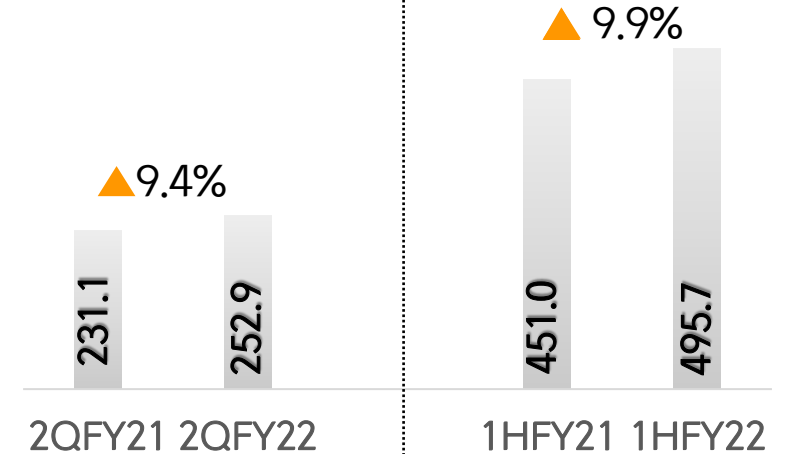
2QFY21: 0.53 sen

REVENUE GROWTH (CONTINUING OPERATIONS)

(RM' Million)
CAGR = 23.4%

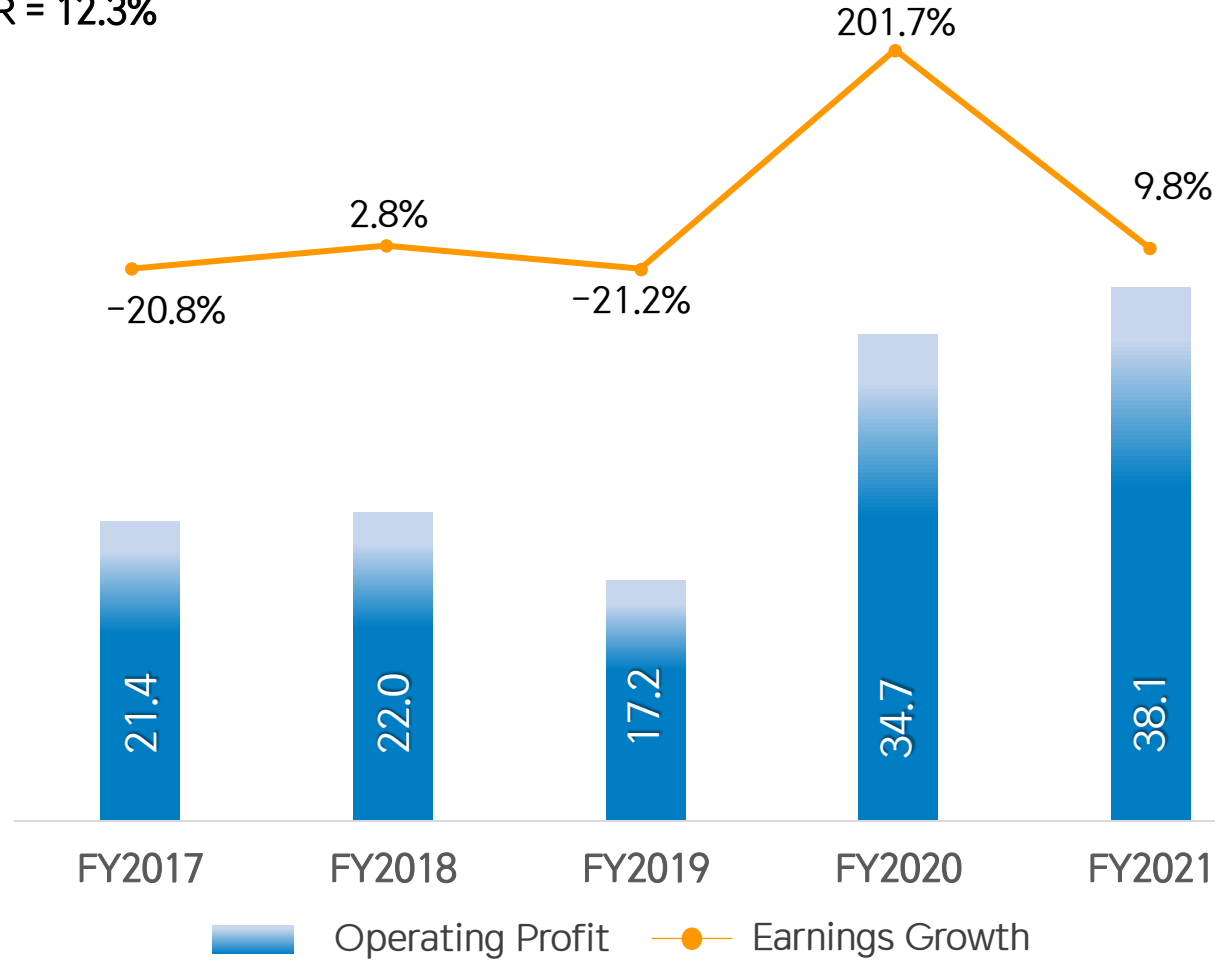


- On track to achieving record revenue in FY22
- Growth underpinned by strength in Integrated Logistics segment

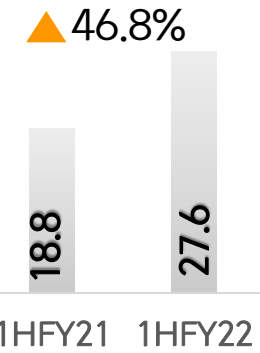
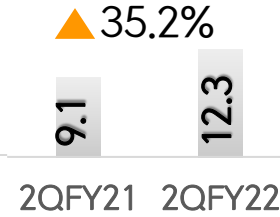
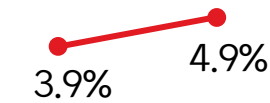


OPERATING PROFIT GROWTH (CONTINUING OPERATIONS)

(RM' Million)
CAGR = 12.3%



- Operating profit increased 46.8% y-o-y
- Operating profit margin expanded 33.3% y-o-y

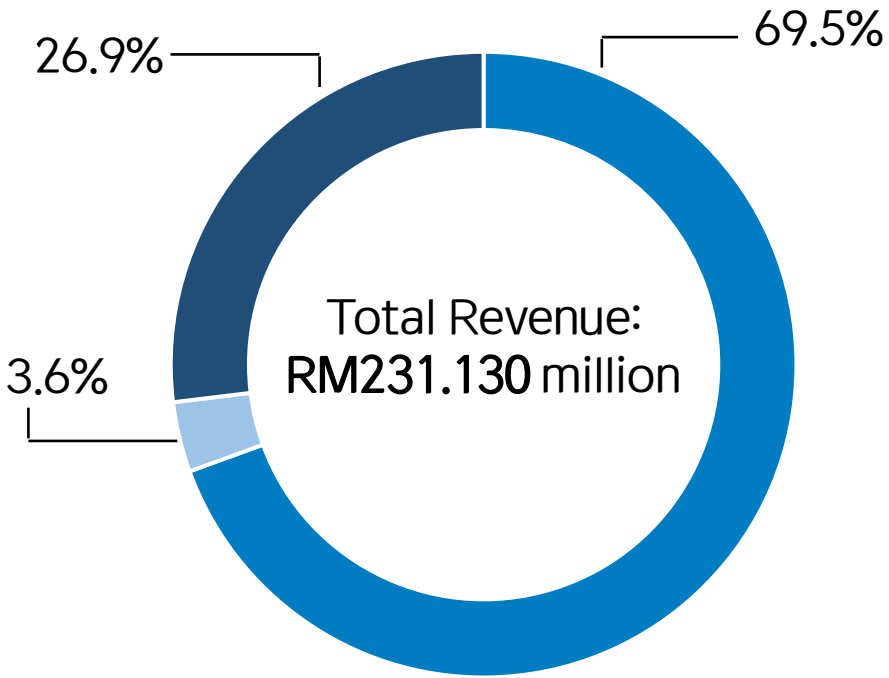


—●— Operating Margin

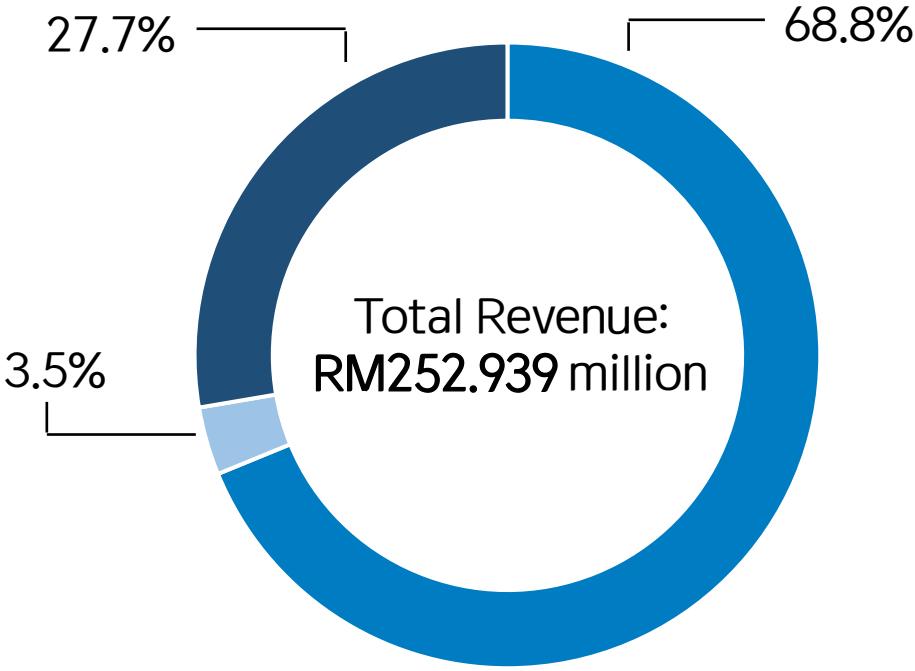
SEGMENTAL REVENUE – OVERVIEW



- Integrated Logistics remained the main revenue contributor at 68.8% of the Group's Total Revenue in 2QFY2022.



2QFY2021

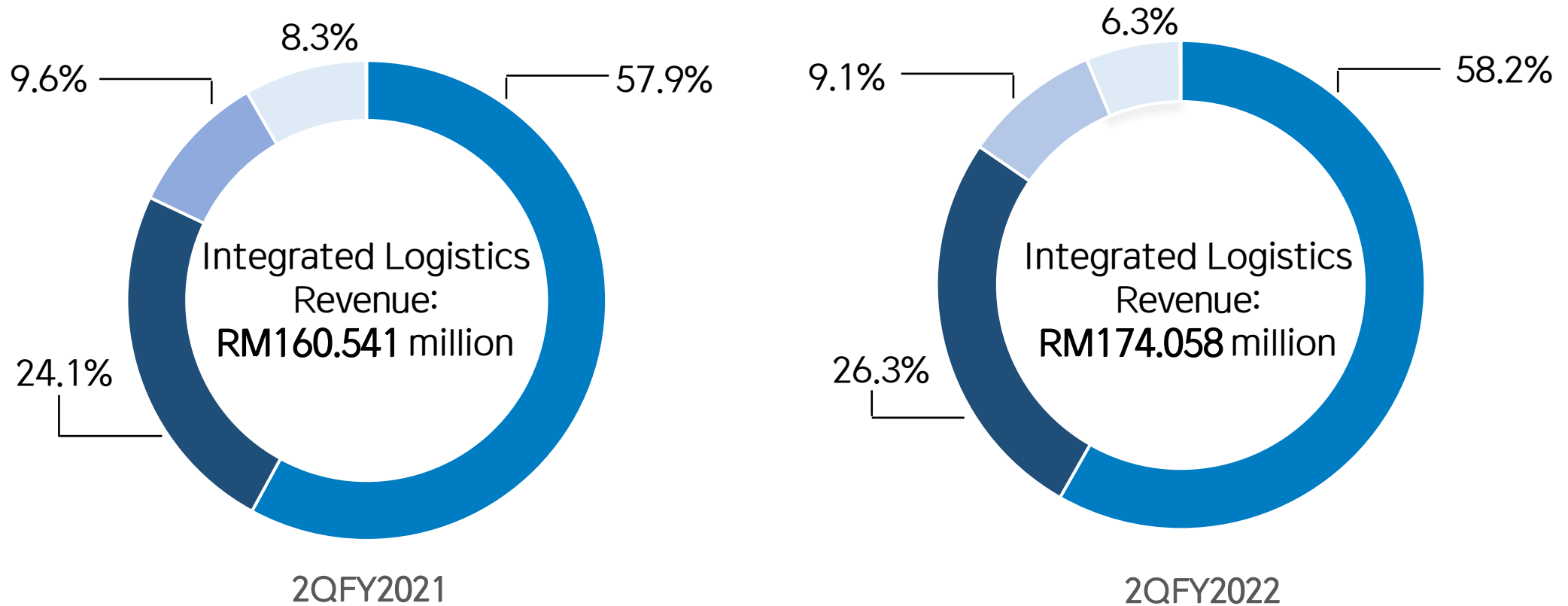


2QFY2022



SEGMENTAL REVENUE – INTEGRATED LOGISTICS

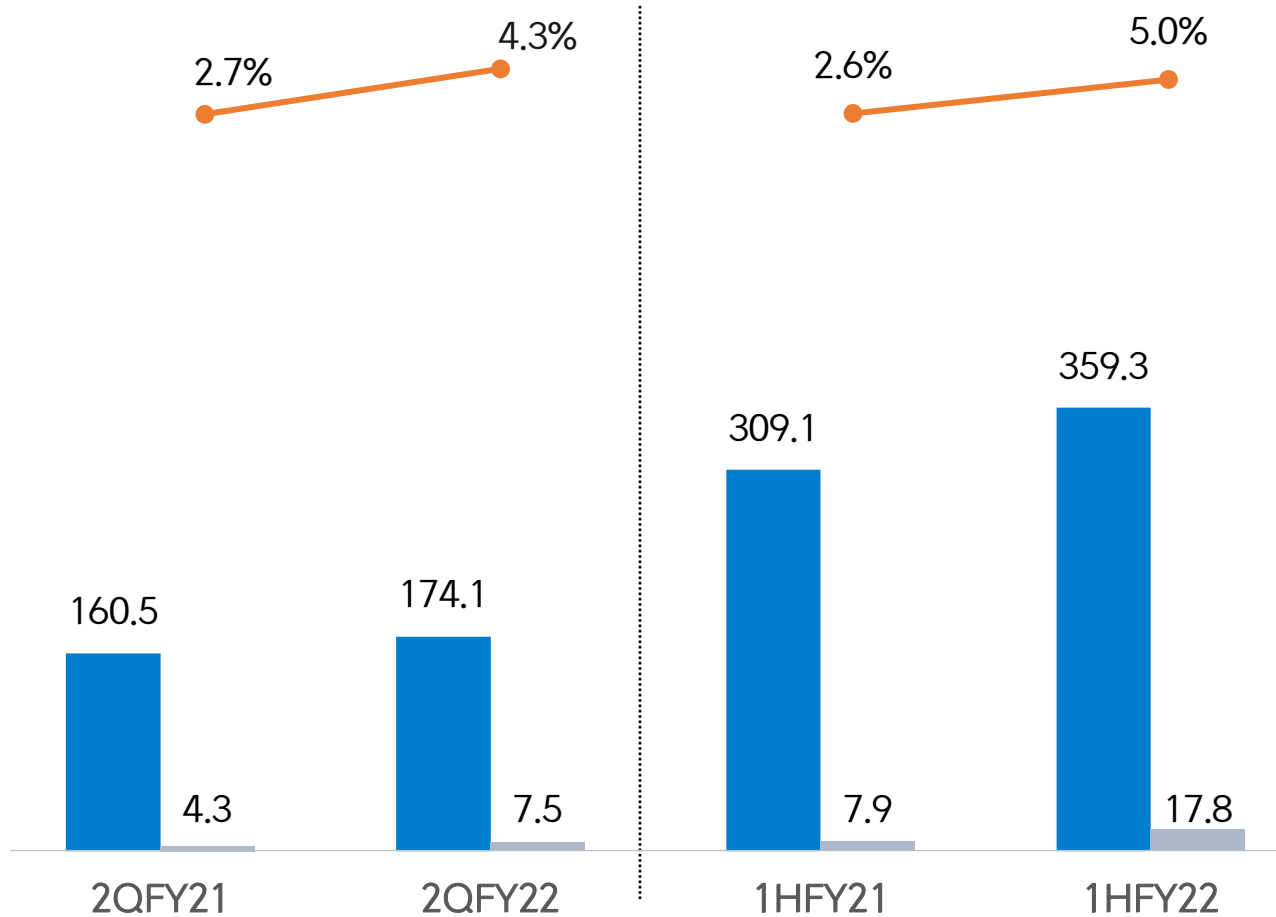
- Freight forwarding segment remained the main revenue contributor at 58.2% of the Group's Integrated Logistics Revenue in 2QFY2022.



■ Freight Forwarding ■ Warehousing ■ Transportation ■ Others (Trading of Resin & Data Management Solutions)

BUSINESS OVERVIEW: INTEGRATED LOGISTICS

(RM' Million)



Qtr YoY

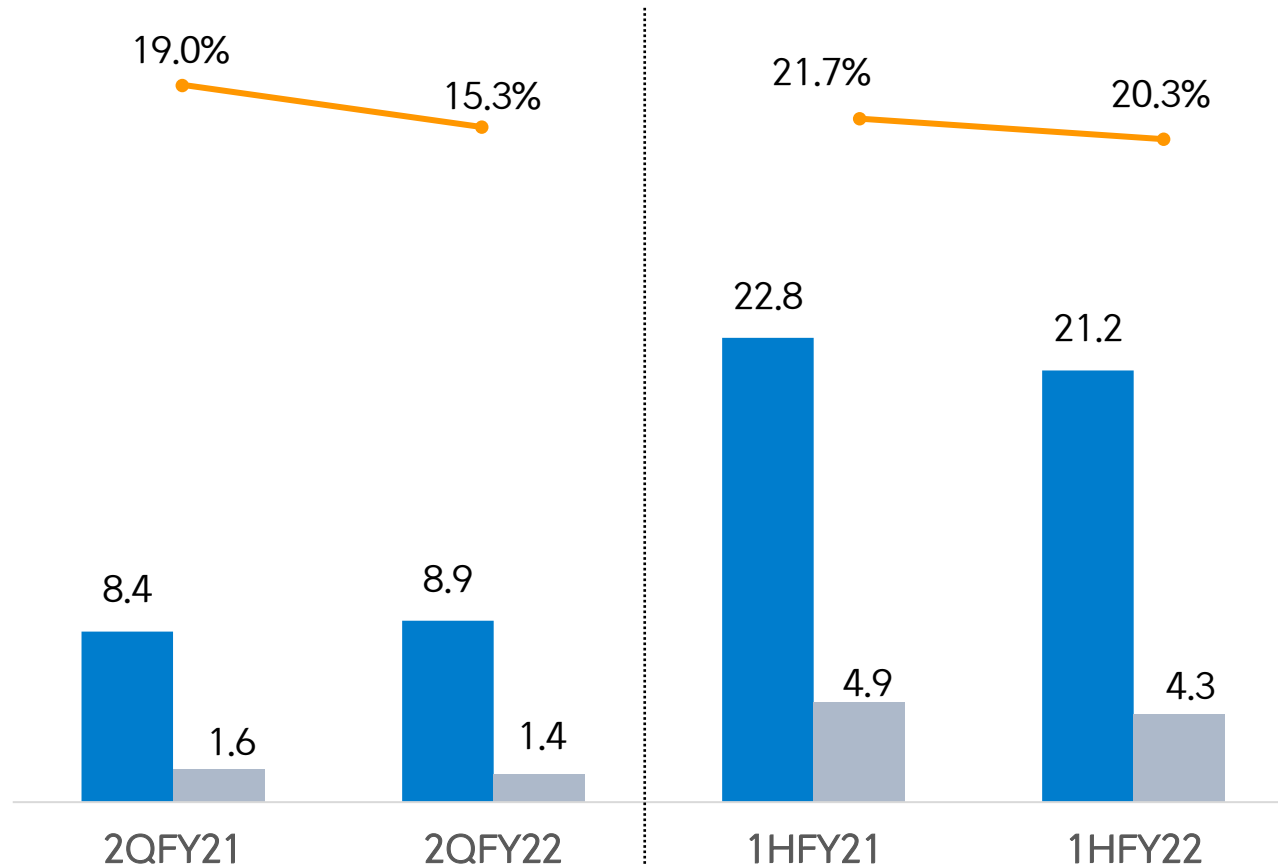
- Revenue **grew** by **8.5%** mainly due to higher export volumes recorded by the freight forwarding operations as customers' volumes increased following the easing of the pandemic containment measures globally.
- Operating profit surged by **74.4%** mainly due to the growth in revenue as well as improved operational efficiency.

1H YoY

- 1H revenue correspondingly grew by **16.2%** resulting in a **125.3%** surge in operating profit accordingly.

BUSINESS OVERVIEW: OIL LOGISTICS

(RM' Million)



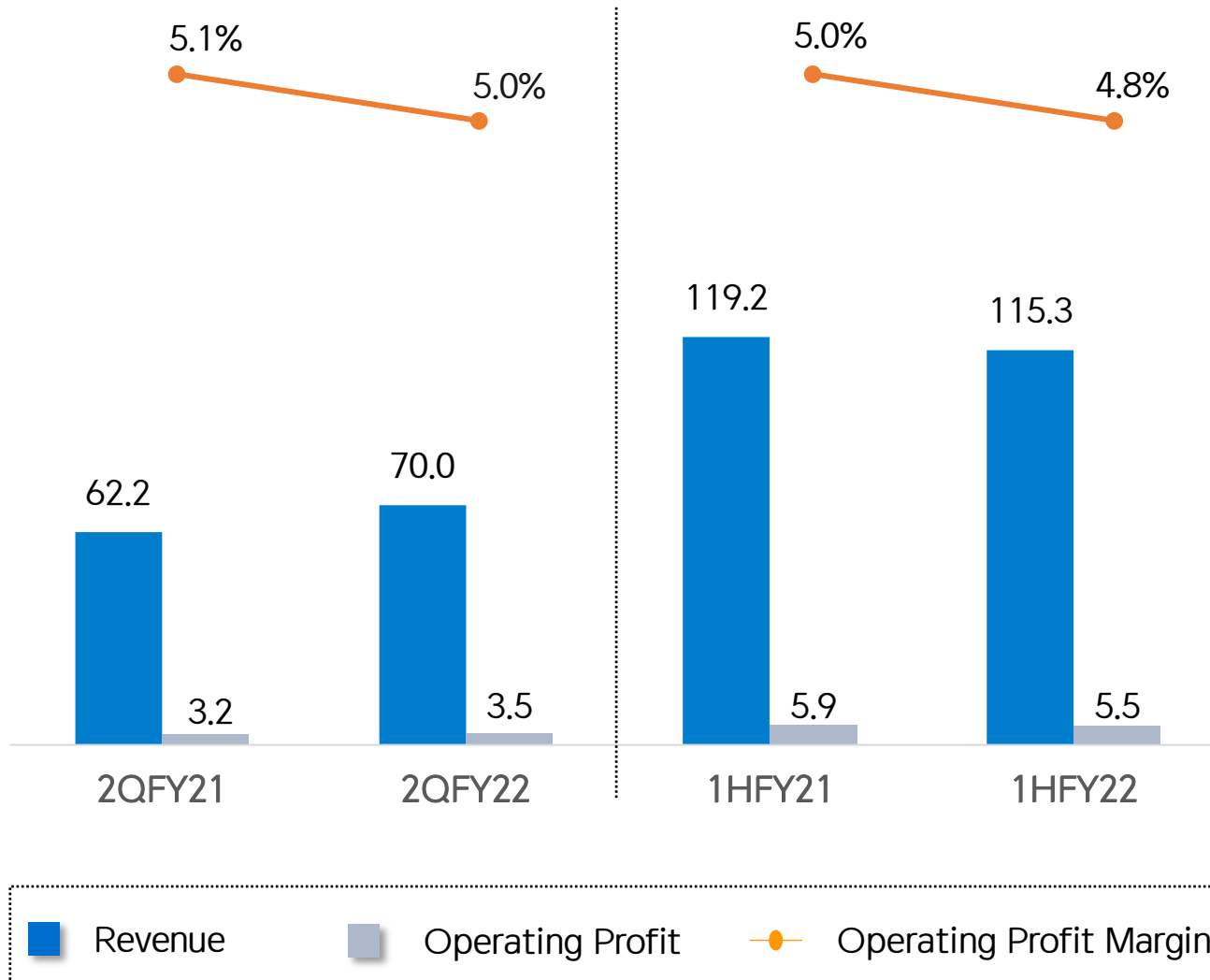
■ Revenue ■ Operating Profit ● Operating Profit Margin

Qtr YoY

- Revenue witnessed a marginal increase of **6.0%**. However, operating profit declined by **12.5%** due to the lower throughput handled resulting from high global oil prices during 1HFY22.

1H YoY

- Overall 1H revenue recorded a marginal decline of **7.0%** and correspondingly registered a lower operating profit of RM4.3 million which translates to a **12.2%** overall decline YoY.



Qtr YoY

- Revenue increased by 12.5% and correspondingly registered a 9.4% increase operating profit accordingly as components supply disruption eased towards the later part of 2QFY22.

1H YoY

- Revenue for 1HFY22 witnessed a marginal decline of 3.3% and correspondingly registered a 6.8% decline in operating profit.
- The overall decline in operating profit was mainly due to the lower overall export volumes resulting from the supply disruption mentioned earlier.
- Fortunately, our export customers were well aware of the situation and agreed with the deferment of the exports to later periods.



Digitalisation & Modernisation

- Accelerate deployment of digitalisation and development of technology-enabled logistics solutions for :
 - ❑ Operations optimisation; and
 - ❑ Reducing reliance on manual labour
- Annual Target to reduce non-salary operating costs by 3% to 5% p.a.

Expansion of Customer Acquisition Efforts

Expansion of customer base to Korean conglomerates and regional MNCs

- To leverage Korean Parent support which has significant worldwide presence of logistics network
- Targeting internally to grow Group's freight volumes by 10% to 15% for 2023

Logistics Footprint Expansion

- To increase owned warehouse footprint and automation
- Fleet renewal of 20-30 Trucks & Trailers
- Corresponding tax savings from Investment Tax Allowance Incentive
- Expansion of 2 additional Procurement Logistics production lines



Increased Global Trade Flows

- Trade volume growth to be underpinned by:
 - free-trade agreements; Regional Comprehensive Economic Partnership (RCEP)
 - Malaysia projected GDP growth grow of 5.3% -6.3% for CY2022.



Continual Supply Chain Disruption in the near term

- Resultant from on-going Russia-Ukraine war and sanctions & post-pandemic pent-up demand:
 - Sea and Air Freight expected to remain above pre-pandemic levels.
 - Adoption of “Just-in-case” inventory management by exporters and manufacturers.
 - Inflationary pressure arising from high crude oil prices is mitigated via:
 - Fuel Adjustment Factor mechanism pass-through to Customers; and
 - Tax savings from Investment Tax Allowance Incentive.



PRIORITY PILLARS	1H2022 ACHIEVEMENT	ALIGNMENT OF UNSDGs
Continued Value Creation	<ul style="list-style-type: none"> • New Haulage Management System • Upgraded multi-factor authentication for enhanced data protection 	
Responsible Environmental Stewardship	<ul style="list-style-type: none"> • Internal Say NO to Plastics and Recycling campaigns • Installation of PV solar panels in Bukit Raja Distribution Centre and Port Klang DC1 	
Positive Social Impact	<ul style="list-style-type: none"> • BRDC obtained grade A rating (97.5%) in assessment of occupational safety & health compliance by DOSH • Completion of Responsible Business Alliance Assessment Programme • Completion of company-wide Employee Engagement Survey 	
Good Corporate Governance	<ul style="list-style-type: none"> • Revision of Grievances and Disciplinary Manual • Revision of Whistleblowing Policy and Procedures • Completion of company-wide risk assessment 	



ONE OF THE PIONEERING LOGISTICS PROVIDERS

- >50 years of leadership in the industry.
- Integrated Logistics Services Provider with diverse geographical and industry clientele base.
- Industry leading international certification standards, alongside Multimodal Transport Operator (MOT) and Authorized Economic Operator (AEO) status approved by Ministry of Finance and Royal Malaysian Customs Department.



SUSTAINED EARNINGS GROWTH MOVING FORWARD

- Disposal of loss-making courier services division to stem future losses.
- Earnings Accretion from Korean Customers to support future growth.
- Continuing investment on expansion of logistics footprint and technology infrastructure.



UNDEMANDING VALUATION

- Trading at a 32% discount to book value with current earnings growth momentum.



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