

APR 22

# UNITRADE

INDUSTRIES BERHAD

## CORPORATE PRESENTATION



# WHO WE ARE



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

FOUNDED IN

**1979**

*43-year track record*

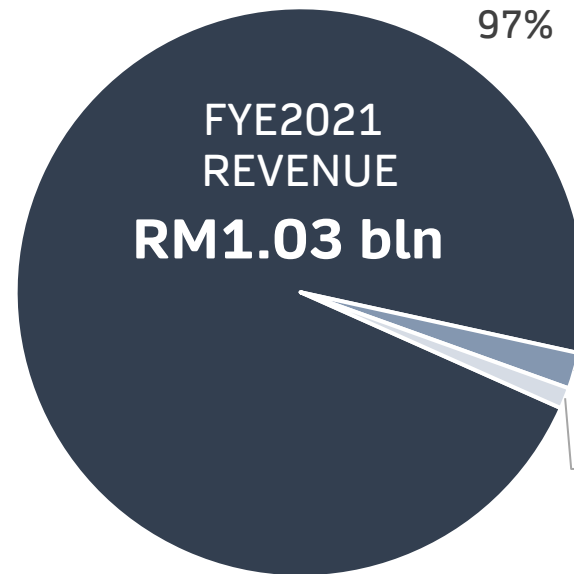
BASED IN

**SHAH ALAM,  
SELANGOR**

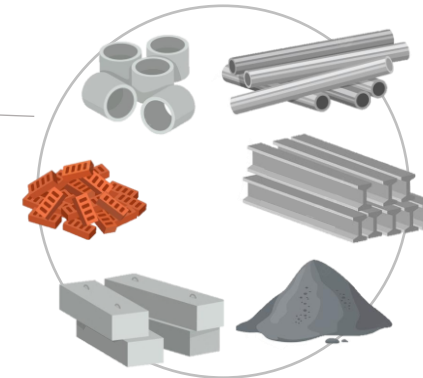


*New Industrial Complex*

## BUSINESS SEGMENTS



FYE MAR



### 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

*Scaffolding, steel plates, hollow sections*

# KEY PERSONNEL



**Sim Keng Chor**

Executive Vice Chairman

He **founded Unitrade** in 1979. With over 43 years of experience, his industry knowledge is second to none.

He is now involved in **providing advisory and guidance** on the Group's strategic business direction.



**Nomis Sim**

Managing Director

Graduated with a Bachelor of Engineering in Mechanical Engineering from **Imperial College**, and a Master's Degree holder from the **London School of Economics and Political Science**, he joined Unitrade in 2002 as a Product Development Director.

He is responsible for the **strategic planning** and manages the **overall operations of the Group**.



**Simson Sim**

Executive Director

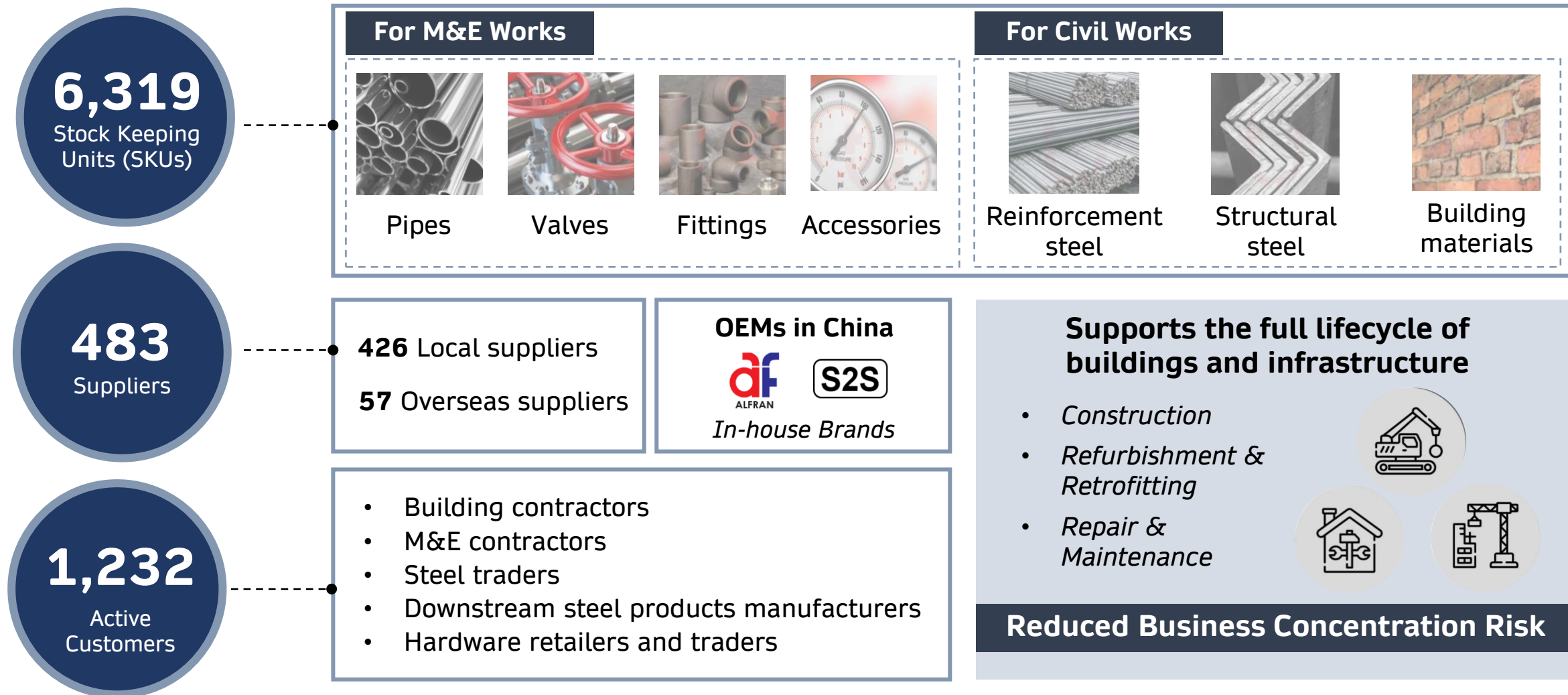
Graduated with a Bachelor of Business (Accounting) from **Royal Melbourne Institute of Technology**, he joined the Group in 2014 assisting Sim Keng Chor in the day-to-day management.

Today, he oversees the operations and direction of the **rental business**.

# BUILDING MATERIALS WHOLESALE DISTRIBUTION



*EXPERIENCED INVENTORY MANAGEMENT WITH AN EXTENSIVE RANGE OF PRODUCTS*





# AUXILIARY BUSINESS SEGMENTS

## IMPROVE COMPREHENSIVENESS OF SERVICE OFFERINGS

### MANUFACTURING & SALE OF PRE-INSULATED PIPES



*Used to transport and maintain temperature of fluids*

#### Applications

Industrial, commercial, domestic

- Air-conditioning systems
- Electric heating
- 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

**RM24.9 million**

Net Book Value of Rental Assets

@30 Nov 2021

**CIDB**  
Certified

**SIRIM**  
Compliant

**10-yr**  
Average asset lifespan



Scaffolding



Steel Plates



Hollow Sections

# EXPANSION PLANS

CAPITALISING ON THE  
ECONOMIC RECOVERY  
TREND



# CONSTRUCTION INDUSTRY RECOVERY

## MAJOR INFRA PROJECTS & BUILDING CONSTRUCTIONS SET FOR A COMEBACK

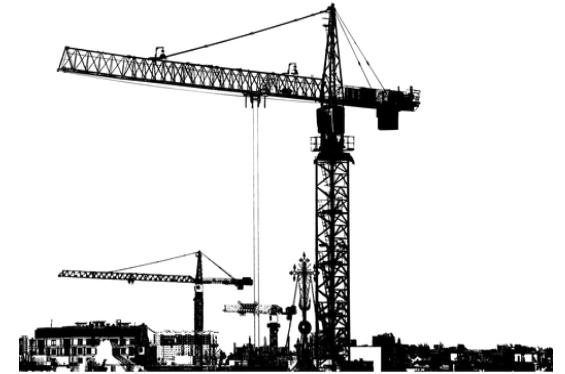
2022  
Construction  
GDP Growth  
**11.5%**

*Projection by the  
Ministry of Finance  
("MoF")*

### Infrastructure Sector

*Continuation and acceleration of major infrastructure projects*

- Johor-Singapore Rapid Transit System (RTS)
- Light Rail Transit 3 (LRT 3)
- Mass Rapid Transit 3 (MRT 3)
- Pan Borneo Highway



### Building Sector

**Residential:** *Government addressing shortage of affordable houses*

- Rent-to-Own scheme
- Rumah Mesra Rakyat
- People's Housing programmes
- Full stamp duty exemptions

**Non-residential buildings:** *Ongoing commercial projects*

- Kwasa Damansara
- Tun Razak Exchange
- KLIA Aeropolis

# NEW INDUSTRIAL COMPLEX

*CONSOLIDATION OF OPERATIONS UNDER ONE ROOF TO INCREASE EFFICIENCY*

Obtained CCC <b>December 2021</b>	Land Area <b>530,000 sqft</b>	Land Cost <b>RM101.0 mln</b> <ul style="list-style-type: none"> <li>• RM90.9 mln (Debt)</li> <li>• RM10.1 mln (IGF)</li> </ul>	Construction Cost <b>RM31.4 mln</b> <ul style="list-style-type: none"> <li>• RM24.5 mln (Debt)</li> <li>• RM6.9 mln (IGF)</li> </ul>
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# UTILISATION OF PROCEEDS



## WORKING CAPITAL

- Increase inventory count
- Tap into new products

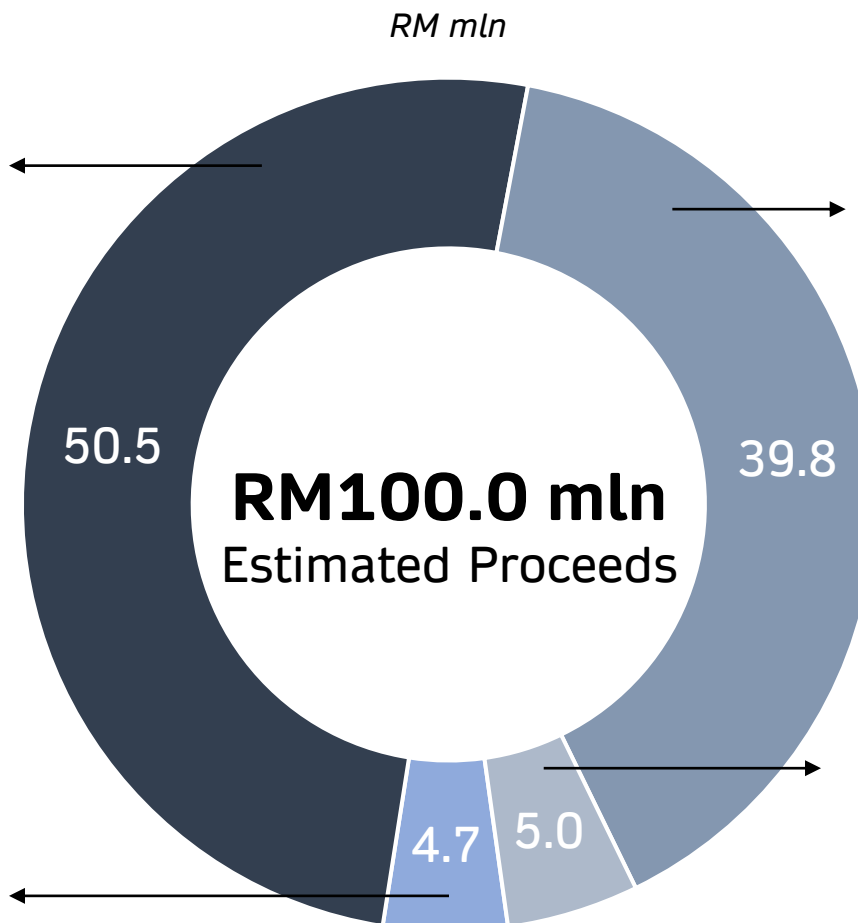
### NOTE:

Our growth depends largely on availability of **working capital**

**Enlarged storage space** is available after relocation to a new bigger warehouse



## ESTIMATED LISTING EXPENSES

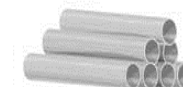


## REPAYMENT OF BANK BORROWINGS



- Expected to save between **RM0.9 mln to RM1.8 mln** per annum in interest payment

## CAPEX FOR PIPE FABRICATION CENTRE



- Fabrication fully conducted in our facilities
- Pipes are ready for instant installation once delivered to clients' sites

# BULKING UP OUR INVENTORIES & PRODUCT RANGE



*TO SUPPORT OUR CUSTOMERS IN THE ONGOING INDUSTRY UPTREND*

## ENLARGED STORAGE SPACE AND INCREASED EFFICIENCY AFTER RELOCATION

Old Warehouse



New Warehouse



117,000

**Built-up area (sqft)**

281,000

1,718

**Pallets (unit)**

5,152

2,326

**Racking storage area (m2)**

8,301

886

**Mezzanine storage area (m2)**

1,364

7,020

**Open storage area (m2)**

17,113

1

**Overhead cranes (unit)**

11

5

**Loading bays (unit)**

15

0

**Runway beam (system)**

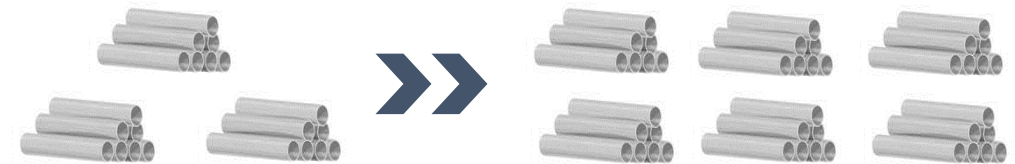
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0

**Weighing bridge (unit)**

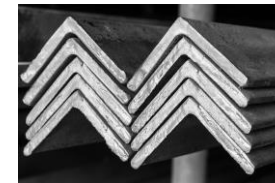
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## TO INCREASE INVENTORY COUNT



- Supply to more projects simultaneously
- Increase range & assortments to cater for even more industries
- Reduce lead time, ensure timely deliveries

## TO TAP INTO NEW PRODUCTS



Stainless steel angles



Stainless steel channels



High pressure hydraulic hoses

**Premium item**

# NEW PIPE FABRICATION CENTRE

*PROVIDING END-TO-END PIPE SERVICES FOR OUR CUSTOMERS*

## **TOTAL SETUP COST**

RM6.0 mln

**IPO proceeds** RM5.0 mln

**IGF/debt** RM1.0 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



# FINANCIAL HIGHLIGHTS

FRESH FROM A  
RECORD-BREAKING YEAR



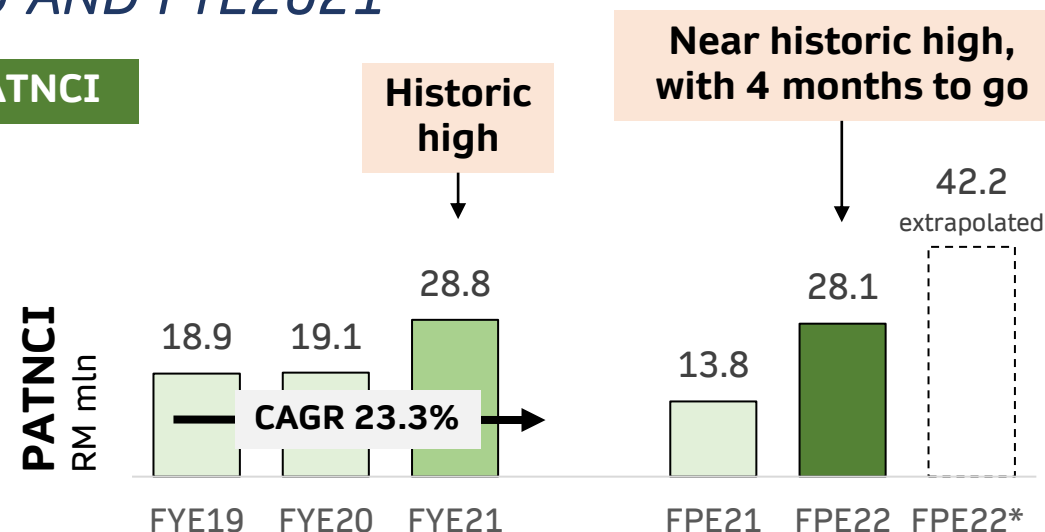
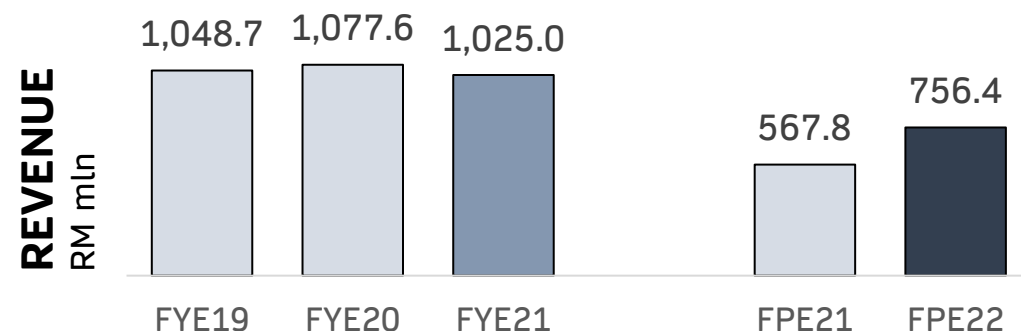


# FPE2022 NET PROFIT NEAR HISTORIC HIGH



*RECORDED CAGR OF 23.3% BETWEEN FYE2019 AND FYE2021*

**DIVIDEND POLICY:** Intends to distribute up to 30% of annual PATNCI



*\*Based on **EXTRAPOLATED** PATNCI for FPE2022 (pg.24 of prospectus)*

## PROFIT MARGINS TRENDING UP

	FYE19	FYE20	FYE21	FPE21	FPE22
GP margin	7.6%	7.5%	8.7%	8.2%	9.9%
PBT margin	2.7%	2.7%	3.9%	3.5%	5.1%
PATNCI margin	1.8%	1.8%	2.8%	2.4%	3.7%

**Boosted by rising steel prices**

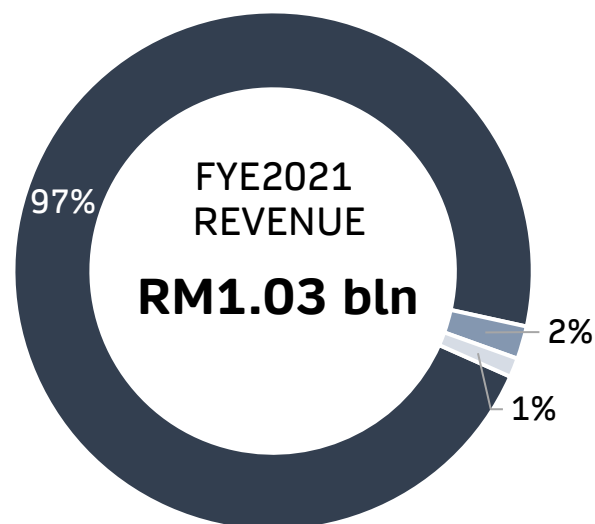
**FYE** = March  
**FPE** = Nov  
**PATNCI** = Profit after tax and non-controlling interest

# REVENUE BREAKDOWN

*BUILDING MATERIALS WHOLESALE AND DISTRIBUTION WILL REMAIN THE KEY GROWTH DRIVER MOVING FORWARD*

## SEGMENTAL REVENUE

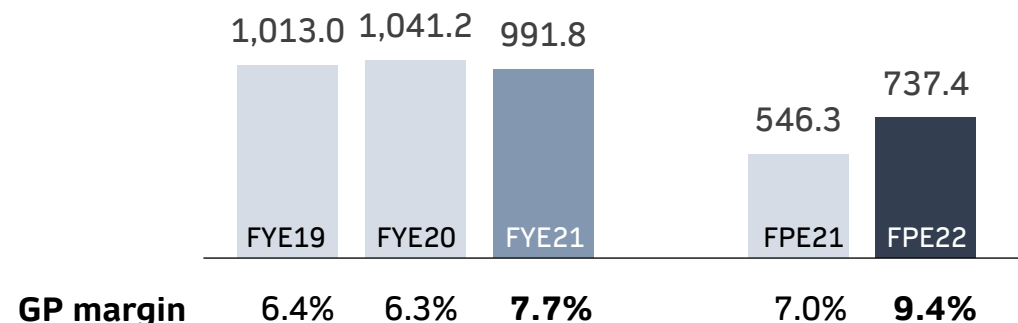
**Wholesale & distribution segment** has been consistently at **97%-98%** for the past financial years and financial periods.



- Wholesale and distribution of building materials
- Manufacturing and sale of pre-insulated pipes
- Rental of temporary structural support equipment

FYE = March  
FPE = Nov

## Segmental revenue: Wholesale and distribution of building materials (RM mln)

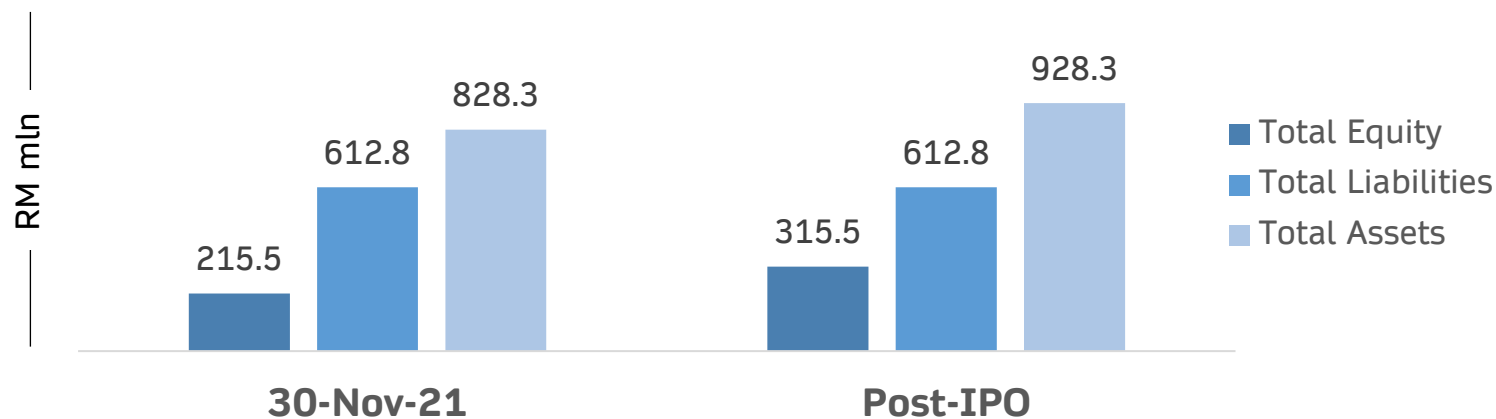


Benefited from rising steel prices

## GEOGRAPHICAL REVENUE

**Domestic sales** have consistently been **>99.0%**.

# FINANCIAL POSITION



RM mln	31 Mar 2019	31 Mar 2020	31 Mar 2021	30 Nov 2021
Total cash	66.6	37.7	88.4	72.9
Total borrowings	318.2	456.6	489.7	511.3
Trade receivables turnover (days)	97	105	121	114
Trade payables turnover (days)	26	20	26	29
Inventory turnover (days)	41	48	48	50
Current ratio (times)	1.4	1.4	1.3	1.3
Net gearing ratio (times)	1.4	2.1	1.8	2.0

## Robust Financial Position

*Trade receivables turnover improved to 114 days as of 30 Nov 2021*

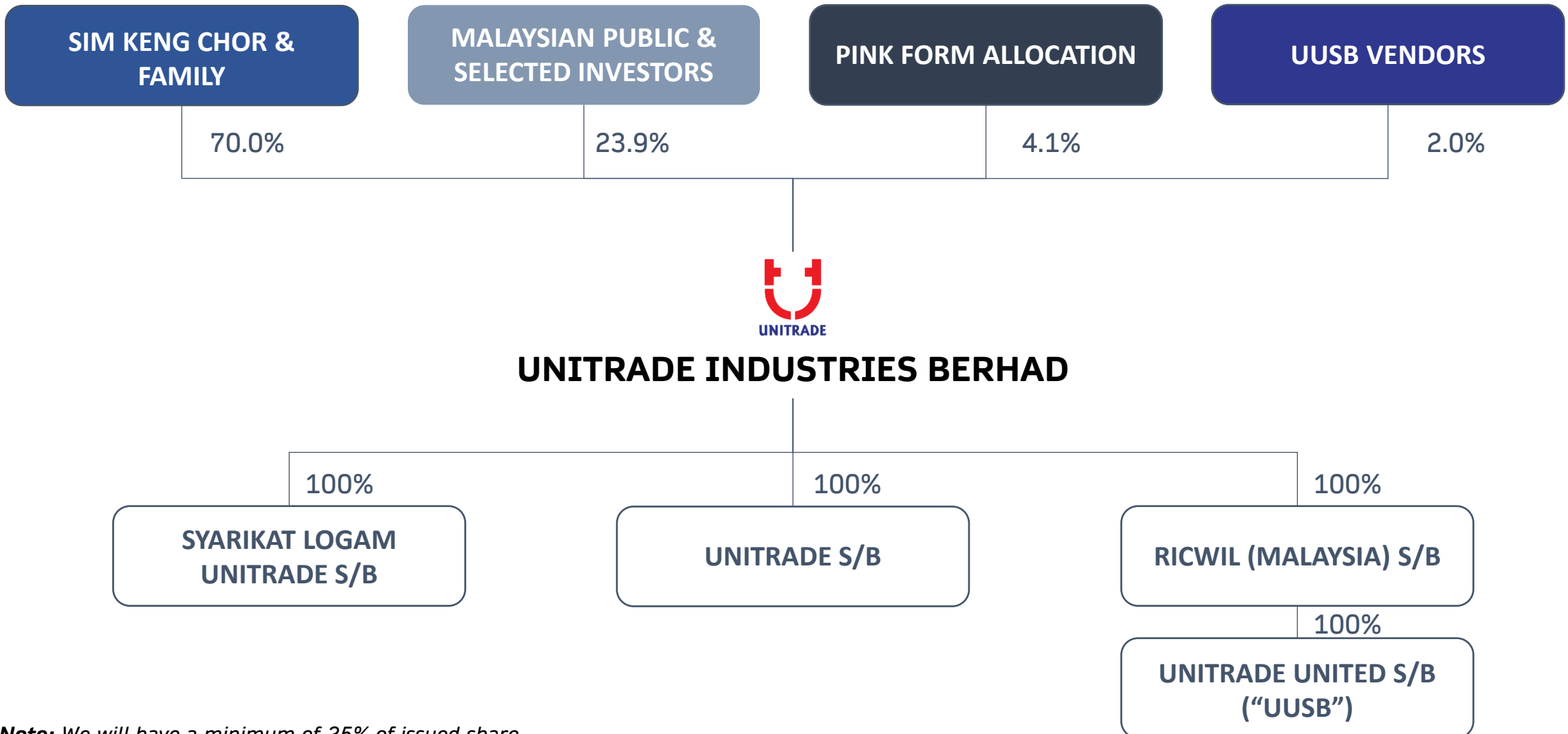
Credit terms between 30-120 Days

*Inventory turnover consistently at a **healthy level***

## To Strengthen Post-listing (Before Utilisation of Proceeds)

- *Current ratio 1.5x*
- *Net gearing ratio 1.0x*

# POST-IPO SHAREHOLDING STRUCTURE



**Note:** We will have a minimum of 25% of issued share capital held by the public shareholders upon listing



# IPO HIGHLIGHTS



**ACE  
Market**

**RM0.32**  
Issue  
Price/share

**11.9x**  
PE Multiple\*

**RM500 mln**  
Market Cap.

**RM0.20**  
NA/share

*Pro-forma  
on listing*

**1.56 bln**  
Enlarged  
Share Cap.

<b>Pre-IPO Number of Shares</b>	<b>1.25 bln</b>
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<b>No. of new shares to be issued under public issue (20.0%)</b>	<b>312.5 mln</b>
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Malaysian Public (5.0%)	
• Public Investor (2.5%)	78.1 mln
• Bumiputera Public Investor (2.5%)	

Eligible Directors, employees and persons who have contributed to the success of our Group (4.1%)	63.5 mln
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Private Placement (10.9%)	
• <i>MITI-approved Bumiputera Investor (7.5%)</i>	170.9 mln
• <i>Selected Investor (3.4%)</i>	

<b>Enlarged no. of shares upon listing</b>	<b>1.56 bln</b>
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<b>Offer for sale of existing shares (8.0%)</b>	<b>125.0 mln</b>
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<i>MITI-approved Bumiputera Investor (5.0%)</i>	78.1 mln
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<i>Selected Investor (3.0%)</i>	46.9 mln
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\*Based on extrapolated PATNCI for FPE2022 of RM42.2 mln

Private & Confidential

# KEY TAKEAWAYS

1

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

2

- **Experienced** key management, backed by **43 years of track record**.
- Has survived & even thrived over numerous business cycles.

3

- Riding on the economic and construction sector recovery
- **11.5% construction industry GDP growth in 2022** as projected by the MoF

4

- Exposed to the **full lifecycle of buildings and infrastructure** (*construction, refurbishment & retrofitting, repair & maintenance*) – **reduced concentration risk**

5

- **To capitalise on favourable macroeconomics trend** with a larger warehouse already in place and expected IPO proceeds for working capital needs

6

- Valuation at **11.9x PE Multiple\***
- Dividend policy: Up to **30%** net profit payout

*\*Based on extrapolated PATNCI for FPE2022 of RM42.2 mln*

# IPO

## KEY DATES

**28 APR 2022**

Issuance of Prospectus/  
Opening of Application

**30 MAY 2022**

Closing of Application

**02 JUN 2022**

Balloting of Application

**13 JUN 2022**

Allotment of IPO shares to  
successful applicants

**14 JUN 2022**

Listing on the ACE Market of  
Bursa Malaysia Securities Berhad

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