



TSA Group Berhad

Registration No. 202201010003 (1455700-A)

Your Total Industrial Hardware Solutions Supplier

2nd Annual General Meeting

11 June 2024





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ABOUT TSA GROUP BERHAD

Our Group is principally involved in the trading of stainless steel and other metal products, hardware and other products, as well as the manufacturing of stainless steel pipes and processing stainless steel products.

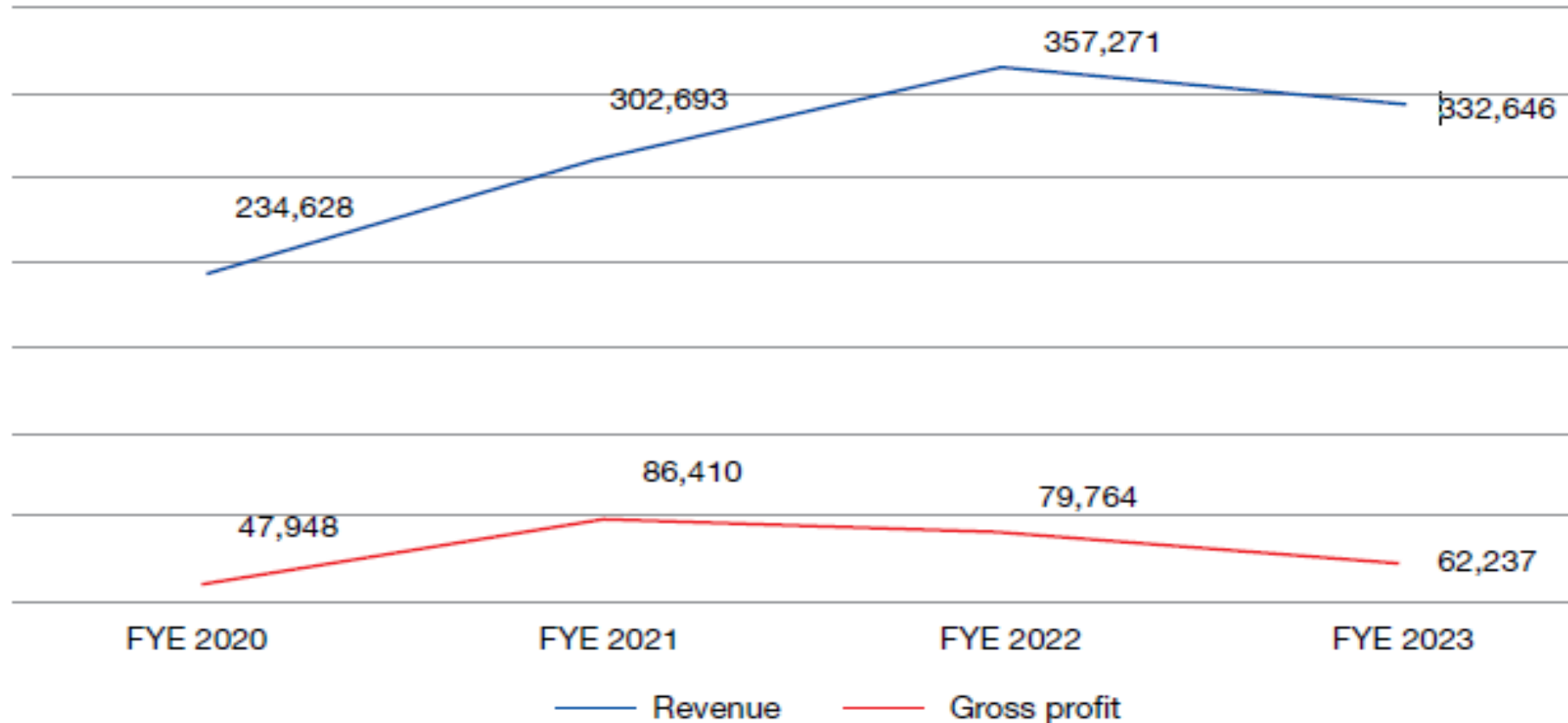
Business activities and revenue streams	Products	Geographical markets	Distribution channel and customer base
<p>Principal activities</p> 	<p>Main products traded</p> <ul style="list-style-type: none"> Stainless steel plates, bars, coils, pipes, channels, and angles Copper bars <p>Products manufactured</p> <ul style="list-style-type: none"> Welded ornamental stainless steel pipes <p>Main products processed</p> <ul style="list-style-type: none"> Stainless steel plates and bars 	<p>Principal markets</p>  <p>Other markets</p> <ul style="list-style-type: none"> Thailand Others 	<p>Main - direct</p> <ul style="list-style-type: none"> Fabricators Construction companies Part manufacturers Plant maintenance companies <p>Other - indirect</p> <ul style="list-style-type: none"> Hardware wholesalers and retailers

FINANCIAL HIGHLIGHTS



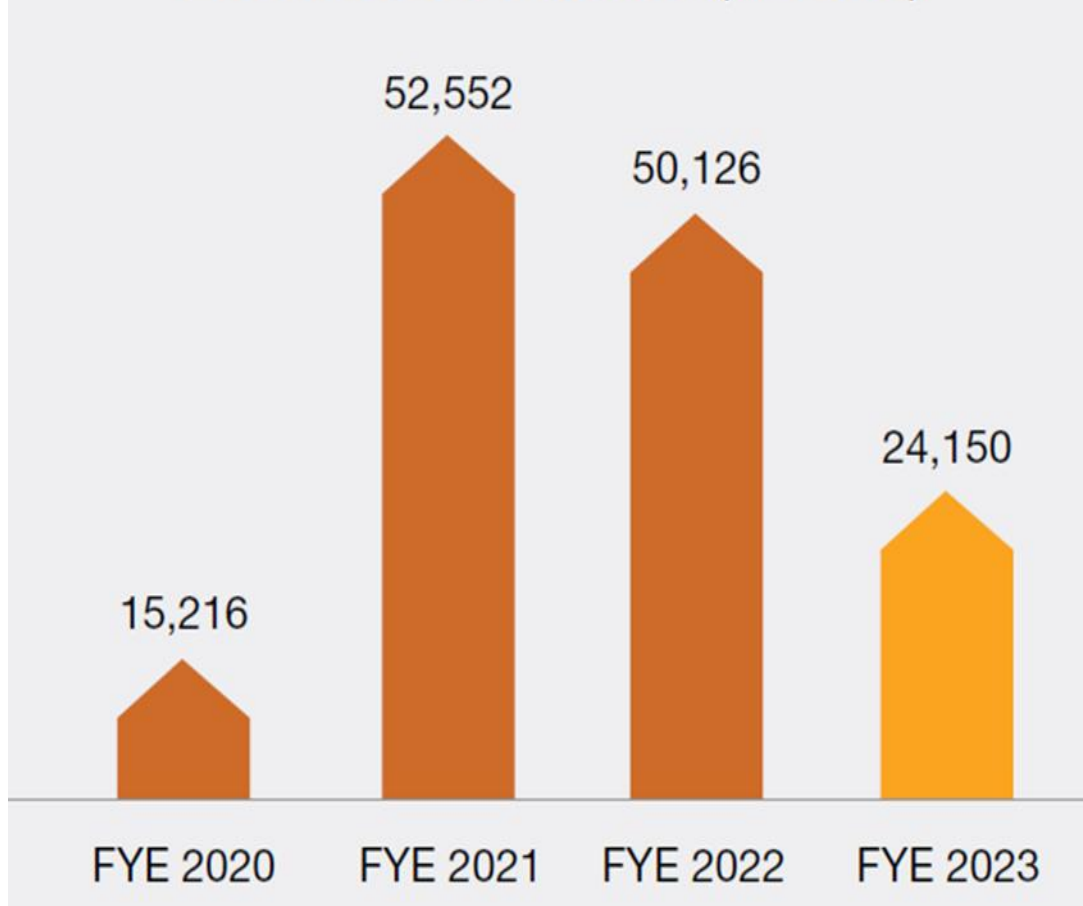
Key Financial Highlights FYE 2020 – 2024

Revenue and gross profit (in RM'000)

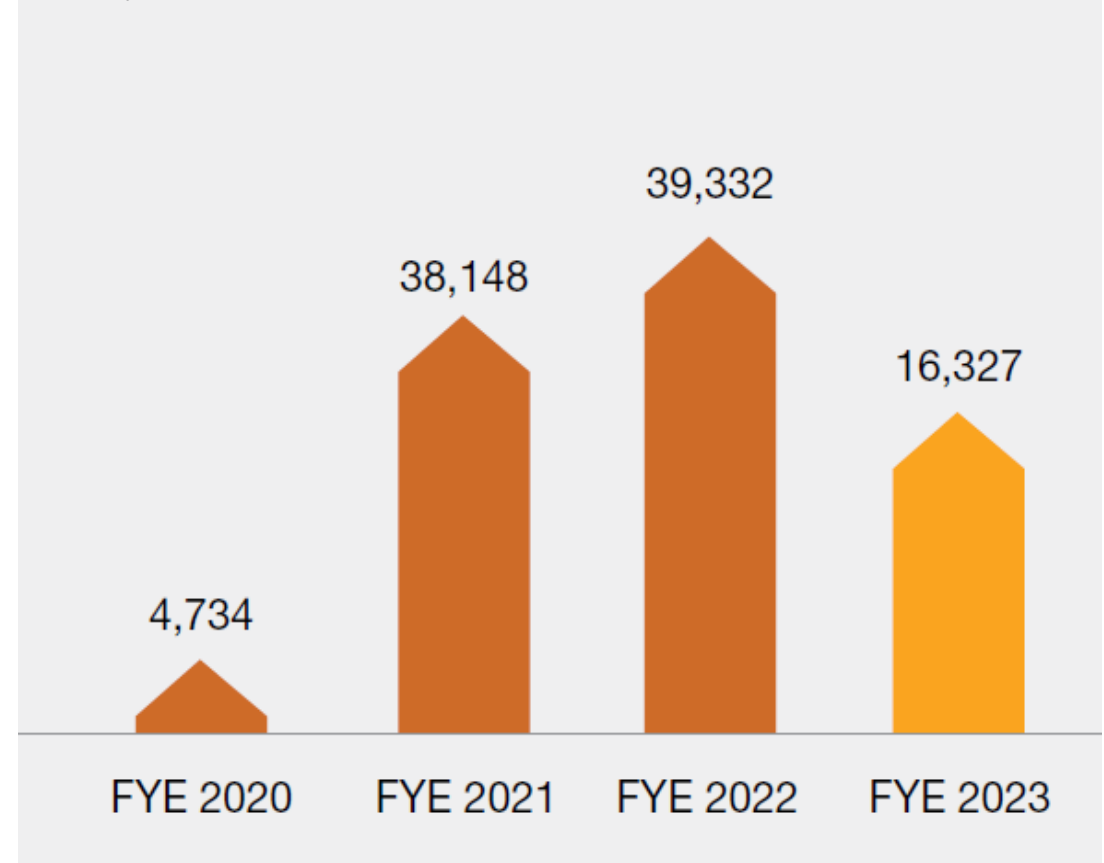


Key Financial Highlights FYE 2020 – 2024

Profit before taxation (RM'000)



Profit after taxation attributable to owner of the Company⁽¹⁾ (RM'000)



Note : (1) The results are from continuing and discontinued operations.

Performance Review – FYE 2023 vs FYE 2022

Continuing operations	FYE 2022	FYE 2023	Variance
	RM mil	RM mil	%
Revenue	357.3	332.6	-7%
Gross Profit	79.8	62.2	-22%
Profit before taxation	50.1	24.2	-52%
Profit after taxation attributable to owner of the Company	39.8	16.3	-59%
Gross Profit Margin (%)	22%	19%	-3%
Profit after taxation attributable to owner of the Company (%)	11%	5%	-6%

Performance Review – FYE 2023 vs FYE 2022

Financial Position	FYE 2022	FYE 2023	Variance
	RM mil	RM mil	%
Total assets	241.4	223.0	-8%
Total borrowings	64.7	60.3	-7%
Equity attributable to owners of the Company	147.7	139.7	-5%

Performance Review – FYE 2023 vs FYE 2022

Key Financial Ratios	FYE 2022	FYE 2023	Variance %
Debt / equity (%)	44%	43%	-1%

Key Financial Ratios	FYE 2022	FYE 2023
Net assets per share attributable to owners of the Company (RM) ⁽¹⁾	29.54	0.60
Basic and diluted earning per shares (sen)	797	41 ⁽²⁾

Notes

- (1) The Net assets per share attributable to owners of the Company for FYE2022 is calculated based on the equity attributable to the owner of the Company divided by number of shares issued by TSA Industries Sdn Bhd, (FYE 2022 : 5.001mil vs FY 2023 : 231.975mil)
- (2) Based on weighted average number of ordinary shares of the Company after the completion of the acquisition of TSA Industries via issuance of 231,974,000 shares but before the issuance of new shares pursuant to the IPO of the Company.

Outlook & Prospects

Outlook

Despite the challenging external environment, Malaysian economy continued to show strength and resilience in 2023, where the Gross Domestic Product (“GDP”) grew by 3.7%.

- The Malaysian economy is projected to grow between 4% and 5% in 2024 ⁽¹⁾, expected to be supported by the resilient domestic demand and improvement in external demand.
- The construction sector is forecasted to increase by 6.8% in 2024 following better performance in all subsectors ⁽²⁾.
- The manufacturing sector is forecasted to expand by 4.2% in 2024 driven by better performance in both export- and domestic oriented industries ⁽²⁾.
- The stainless steel industry provides intermediate inputs to the construction industry and manufacturing sector where our Group supplies to. As such, the performance of these industries as well as the general economy of Malaysia would impact to our Group.

(1) Bank Negara Malaysia Publishes Annual Report 2023, Economic and Monetary Review 2023 and Financial Stability Review for Second Half 2023, 20 March 2024

(2) Budget 2024, Economic Outlook 2024 by Ministry of Finance, 13 October 2023

Prospects



- Our Group remains committed to expand its core business of trading in stainless steel and other metal products, and the manufacturing of stainless steel pipes.
- Various plans are in the pipeline to increase its product range.
- Our Group's plans to expand upstream by establishing a stainless steel cold rolling line at its new manufacturing premise by the 4th quarter of 2026.
- The prospects of the stainless steel industry are dependent on demand from among others, the manufacturing sector and construction industry.
- Additionally, global geopolitical and economic factors will also have a significant impact on both the demand and the pricing of stainless steel and other metal commodities.
- Against this backdrop, our Group is ever vigilant while remaining optimistic on the prospects and outlook of our Group.

Semenyih Manufacturing Premises



www.tsa.com.my
SINCE 1993

01



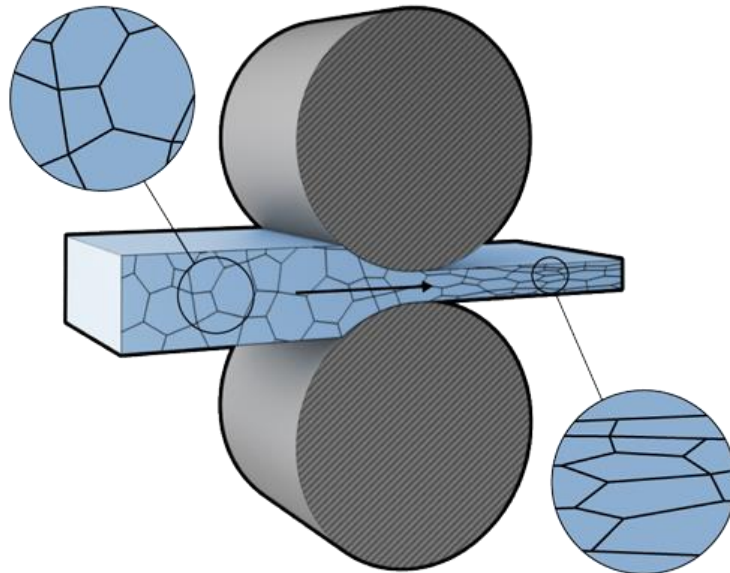
Establish
Manufacturing
Premises



02



Establish a
Stainless Steel
Cold Rolling
Line



EXPAND PRODUCTION FACILITY

- Build another manufacturing premise on our vacant leasehold land in Semenyih
- Construction cost is funded via IPO proceeds, bank borrowings and internal funds
- Expand manufacturing line to include stainless steel cold rolling line

Current status :
Obtained Conditional Development Order Approval on 29.05.2024

Area	Approximate built-up area (sq ft)
Office area	23,250
Production area for stainless steel cold rolling	197,128
1 block of workers' hostel	18,858
TOTAL	239,236

Indicative Timeline	Milestones
Fourth quarter 2024	<ul style="list-style-type: none"> • Engage main contractor to construct the Semenyih Manufacturing Premises. • Commence construction works for the said premises.
Second quarter 2026	<ul style="list-style-type: none"> • Complete construction of the Semenyih Manufacturing Premises. • Commence setting up for the stainless steel cold rolling line.
Fourth quarter 2026	<ul style="list-style-type: none"> • Commissioning of the stainless steel cold rolling line.

DISCLAIMER

Information in this presentation may contain forward looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct. Our actual results may differ materially from the information contained in such forward-looking statements (if any) as a result of numerous external factors beyond our control. This presentation does not constitute or form part of any opinion on any advice to sell, or any solicitation of any offer to purchase or subscribe for, any shares nor shall it or any part of it nor the fact of its presentation form the basis of, or be relied upon in connection with, any contract or investment decision.

Thank you