

UMW HOLDINGS BERHAD CORPORATE PRESENTATION

January 2024



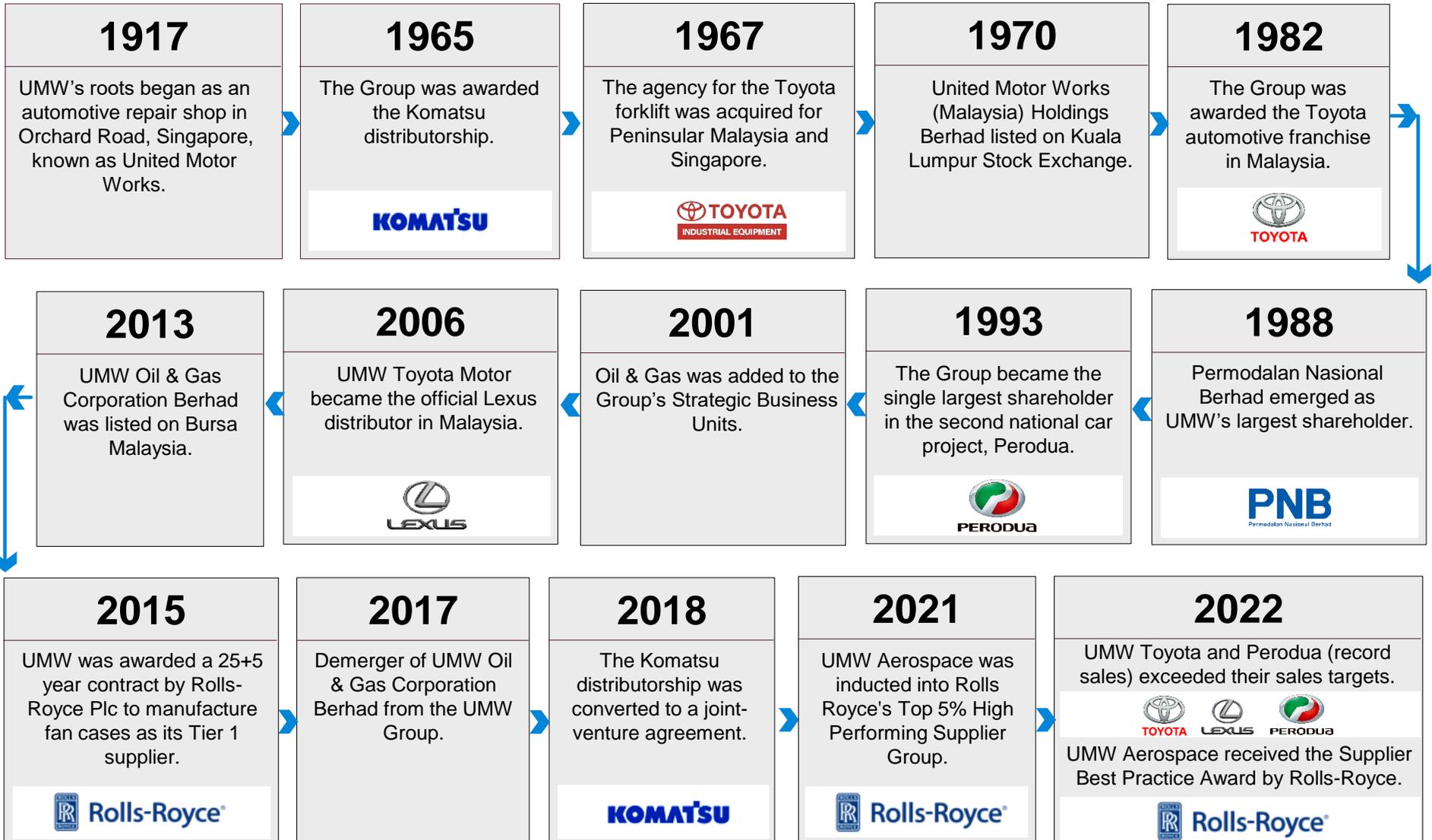
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Overview

Our Journey

Progressing beyond 100 years - Key Milestones



Our Business

Leading position in partnership with world-class brands

<p>Automotive</p> <ul style="list-style-type: none"> • Manufacture • Assembly • Distribution • After-sales Service 		<p>Leader in the Malaysian automotive industry with 53.1% market share in 2022.</p>
<p>Equipment</p> <ul style="list-style-type: none"> • Distribution • Lease • After-sales Service 		<p>Distribute Komatsu heavy equipment in 5 countries in the region.</p> <p>Hold leadership position in the material handling equipment business in Malaysia and Singapore. Operate in 5 countries in the region.</p>
<p>Manufacturing & Engineering</p> <ul style="list-style-type: none"> • Manufacture automotive components • Blend and distribute lubricants 		<p>Manufacture and export KYB shock absorbers to 39 countries from Malaysia.</p> <p>Blend, market and distribute lubricants to the regional markets and China.</p>
<p>Aerospace</p> <ul style="list-style-type: none"> • Manufacture and Assemble Fan Cases 		<p>First Malaysian company to become a Tier 1 supplier to Rolls-Royce.</p>

Our Presence

Regional presence in 7 key markets



Workforce *
18,049

* Including Perodua

MALAYSIA

Automotive | Equipment |
Manufacturing & Engineering

SINGAPORE

Equipment

CHINA

Equipment |
Manufacturing & Engineering

PAPUA NEW GUINEA

Equipment

VIETNAM

Equipment

MYANMAR

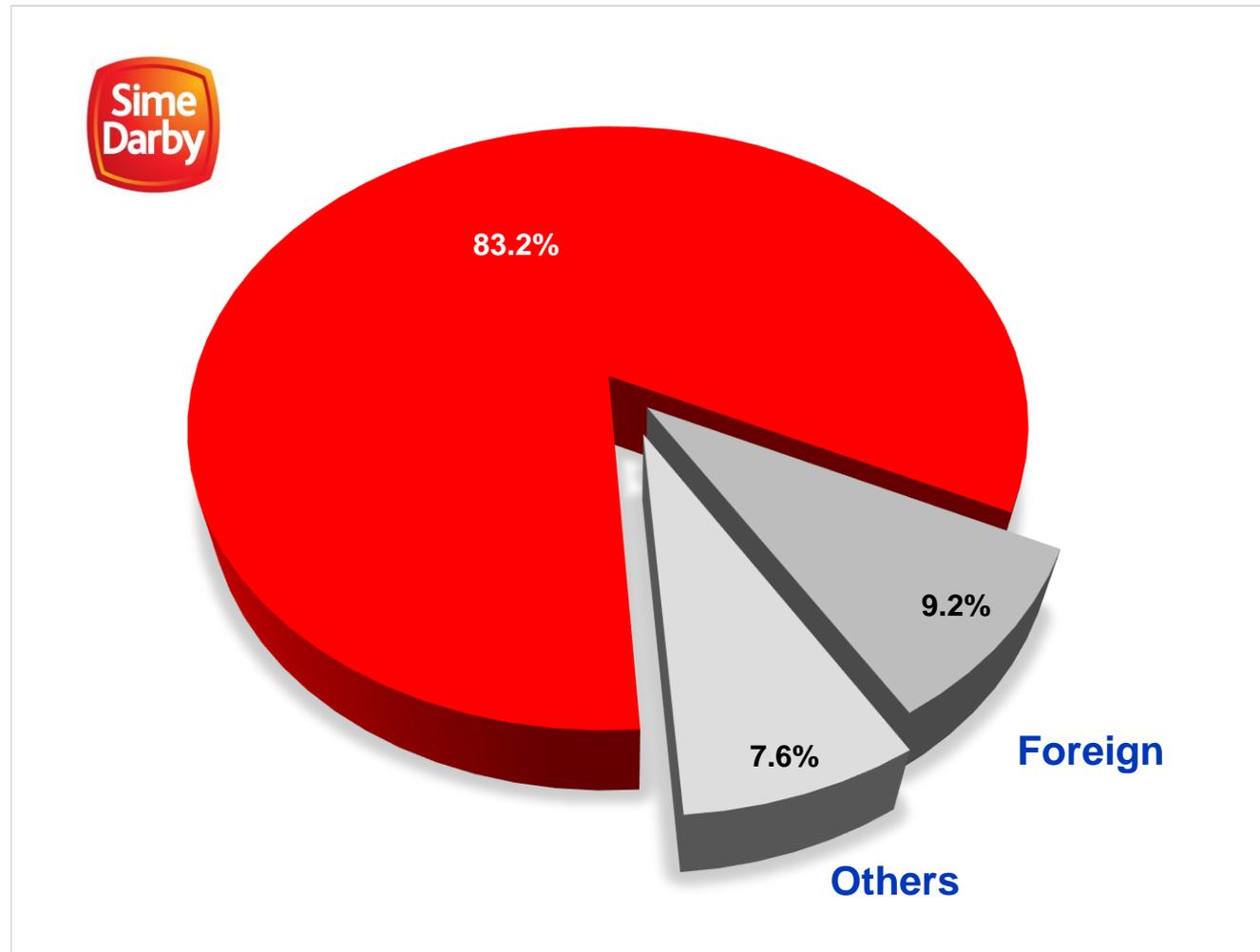
Equipment

BRUNEI

Equipment

Our Shareholders

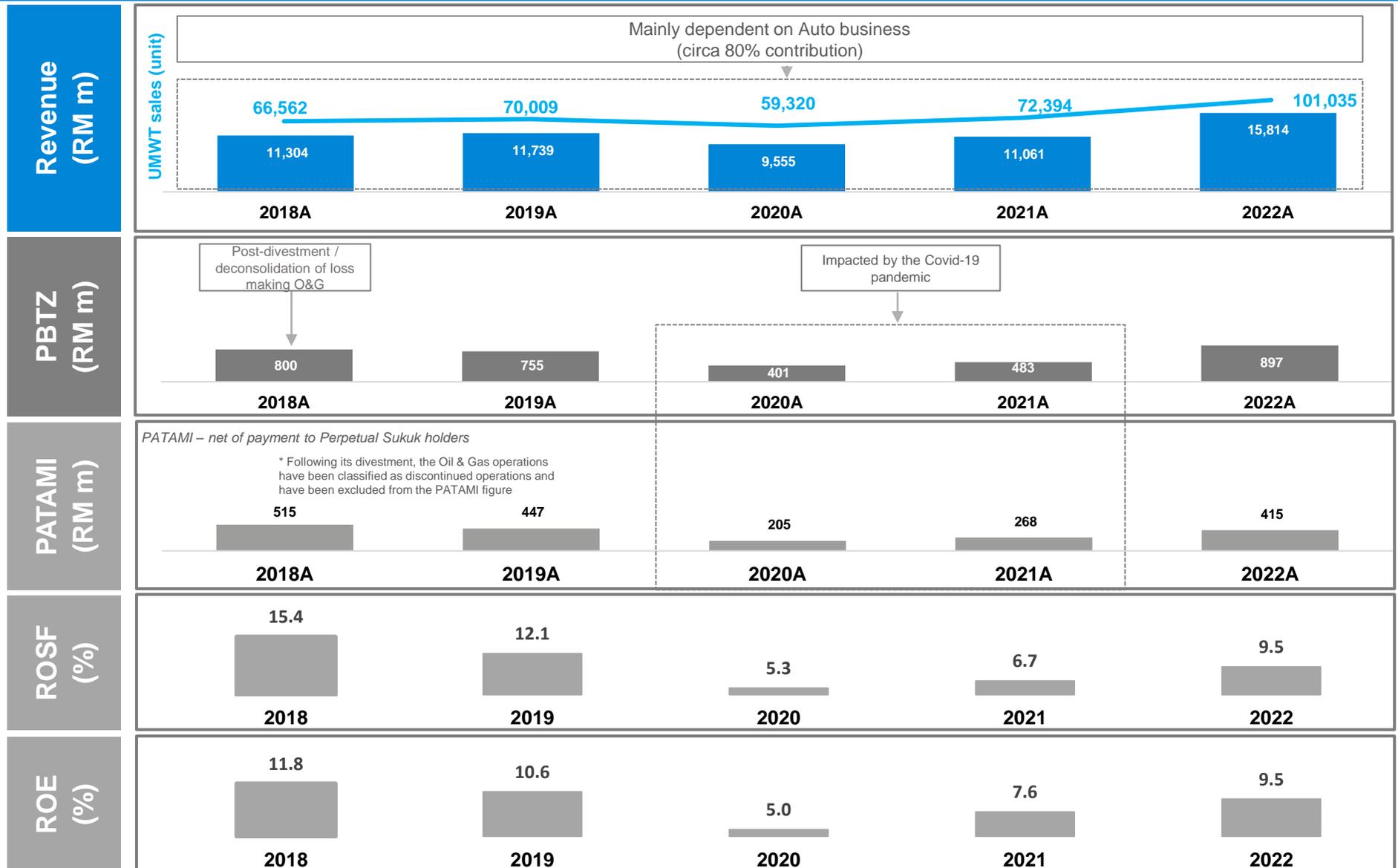
As at 29 December 2023



Share price
RM4.98
(29 December 2023)

Market Capitalisation
RM5.8 billion
(29 December 2023)

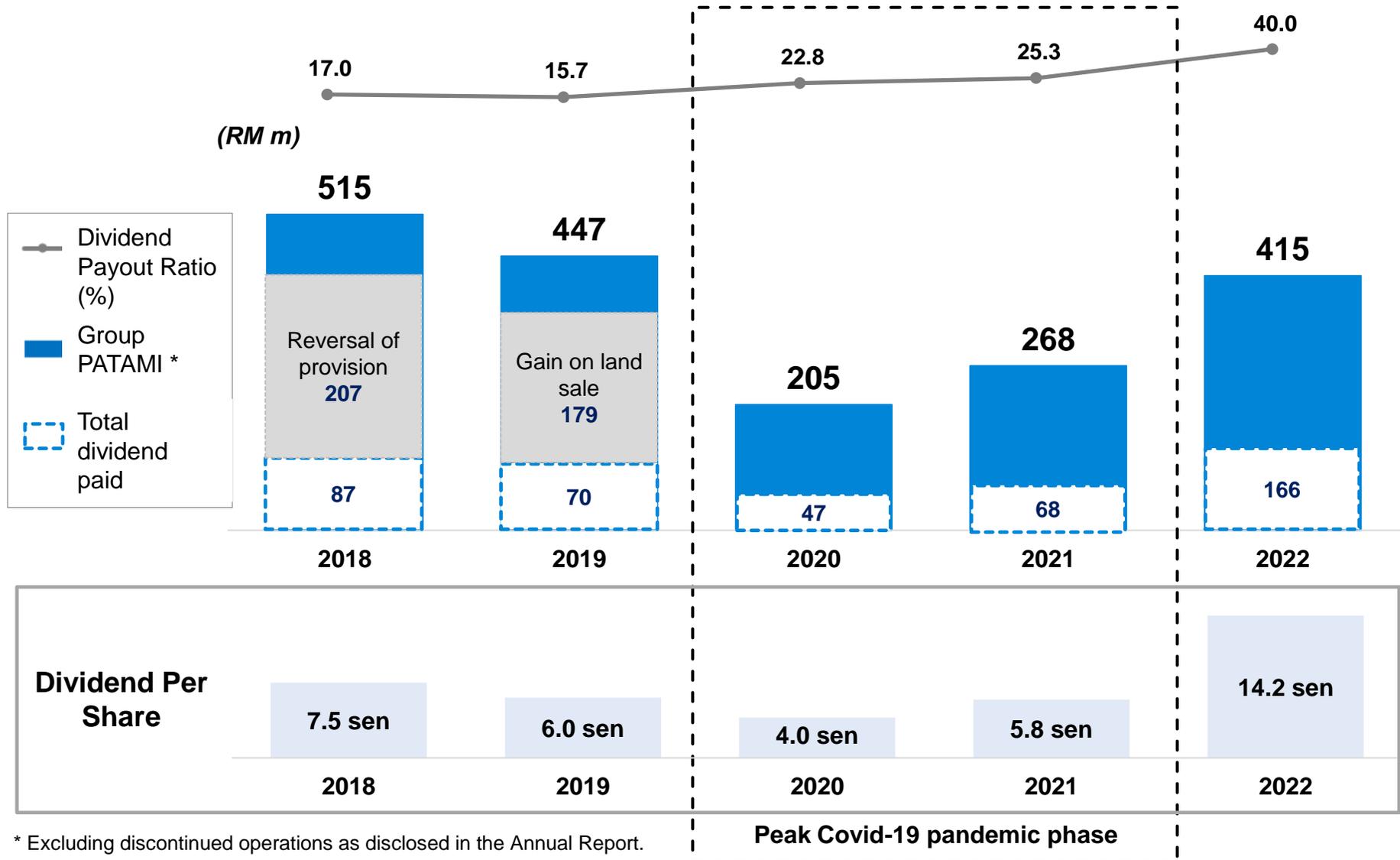
Historical Financial Highlights



A = Audited figures

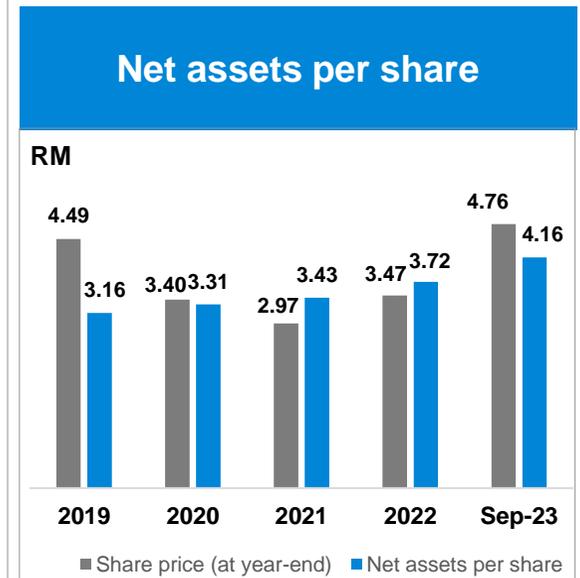
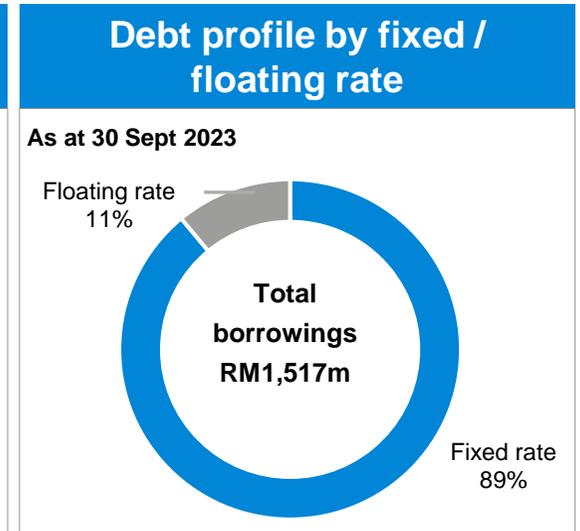
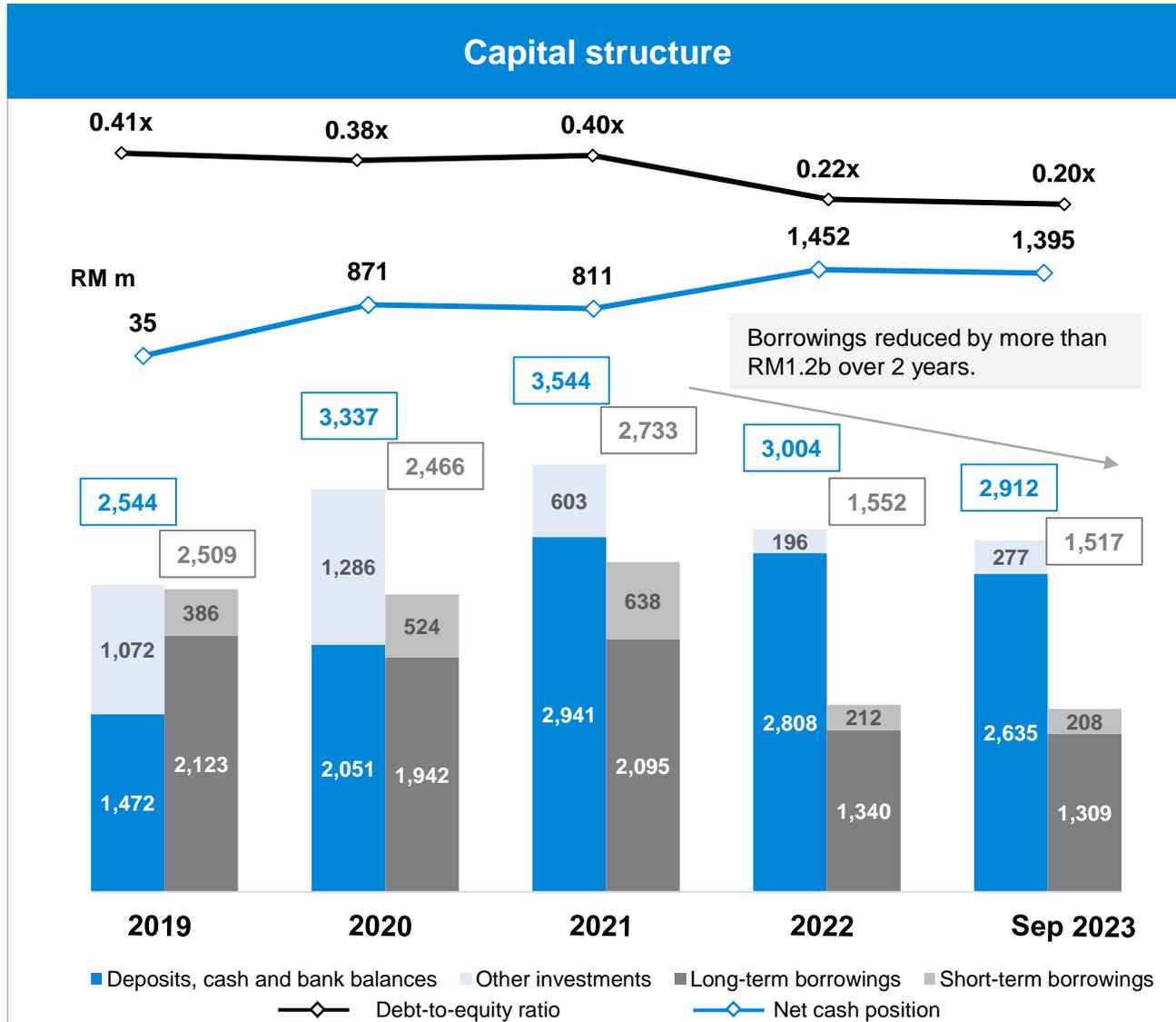
Group PATAMI and Dividend Trend

Increased dividend payout in line with the improved results



Capital structure and debt profile

Enhanced liquidity – the Group is able to manage its debt obligations effectively



Our Strengths

Our diverse businesses in the region



Resilient partnership with world renowned brands

Strong knowledge and experience to support our partners and customers, especially in the Asia region

KOMATSU

Since 1965



Since 1967



Since 1982



Since 2006

Since 2015



Solid financial standing

- Enabling room to seize emerging opportunities
- Allowing development of additional capabilities

Low gearing ratio

0.20x

Net cash position

RM1.4 billion



Wide-ranging capabilities across our value chain

Extensive network and broad understanding of the market and businesses along the value chain



Manufacturing & Assembly



Distribution & Sales



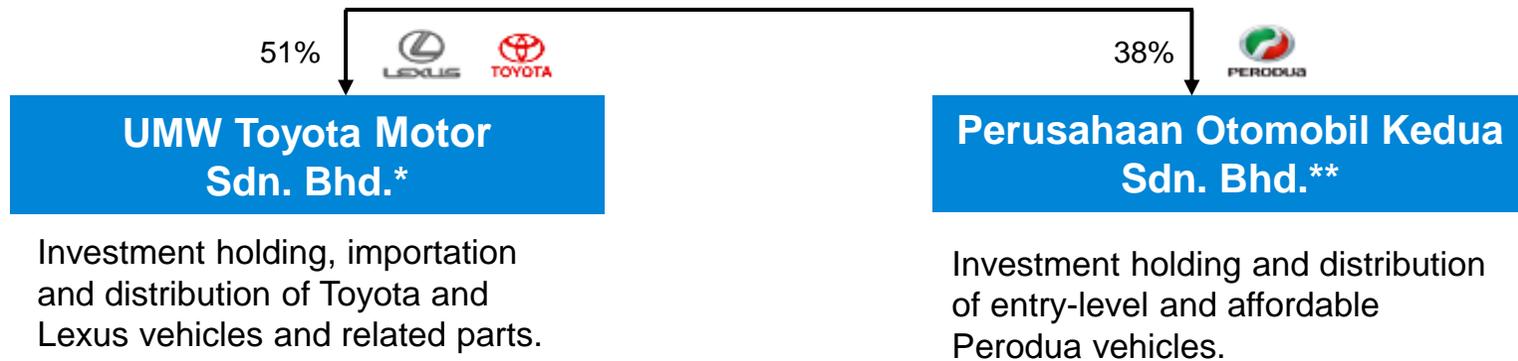
Service & Solutions

Automotive



Automotive Segment

Shareholding structure



* 39% Toyota Motor Corporation
10% Toyota Tsusho Corporation

** 20% Daihatsu Motor Co. Ltd.
20% MBM Resources Bhd.
10% PNB Equity Resource Corporation Sdn. Bhd.
5% Daihatsu (Malaysia) Sdn. Bhd.
4.2% Mitsui & Co. Ltd.
2.8% Mitsui & Co. (Malaysia) Sdn. Bhd.

Automotive Segment

Marques and Models



TOYOTA

- 17 models -



Yaris Vios Corolla Cross Veloz



Fortuner Innova Hilux Hiace (CV)

Local Assembly Plant

Shah Alam Plant

- Fortuner
- Innova
- Hilux
- Hiace

Bukit Raja Plant

- Yaris
 - Vios
 - Corolla Cross
 - Corolla Cross Hybrid
- Over 80% local content

Perodua Plant (PMSB)

- Veloz



- 7 models -



ES LS UX



NX RX



LC LM



PERODUA

- 6 models -



Axia Myvi Bezza



Aruz Ativa Alza

Local Assembly Plant

PMSB Plant

- Myvi
- Alza
- Aruz

PGMSB Plant

- Axia
- Bezza
- Ativa

CKD

CBU



Corolla Camry Harrier



Vellfire Alphard GR Corolla



GR Supra GR 86 Innova Zenix

Note: Importation of CBU vehicles and CKD components are transacted in US Dollar.

Note:
PMSB - Perodua Manufacturing Sdn. Bhd.
PGMSB - Perodua Global Manufacturing Sdn. Bhd.

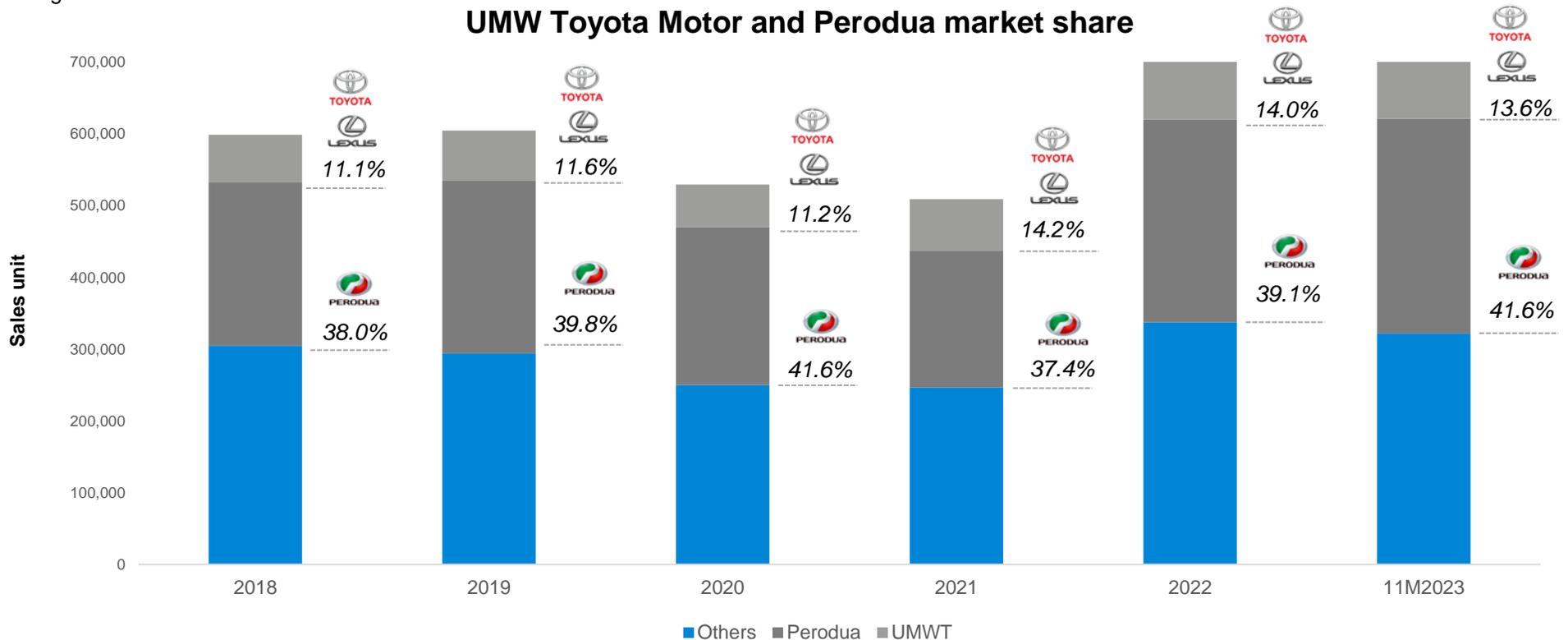
Automotive Segment

UMW Toyota Motor and Perodua sales & Total Industry Volume

UMW Group	2018	2019	2020	2021	2022	11M2023
UMW Toyota Motor	66,562	70,009	59,320	72,394	101,035	97,705
Perodua	227,243	240,341	220,154	190,291	282,019 *	299,115
TIV	598,714	604,287	529,514	508,883	720,658 *	718,748
UMW Market Share	49.1%	51.4%	52.8%	51.6%	53.1%	55.2%

* Highest-ever sales and TIV

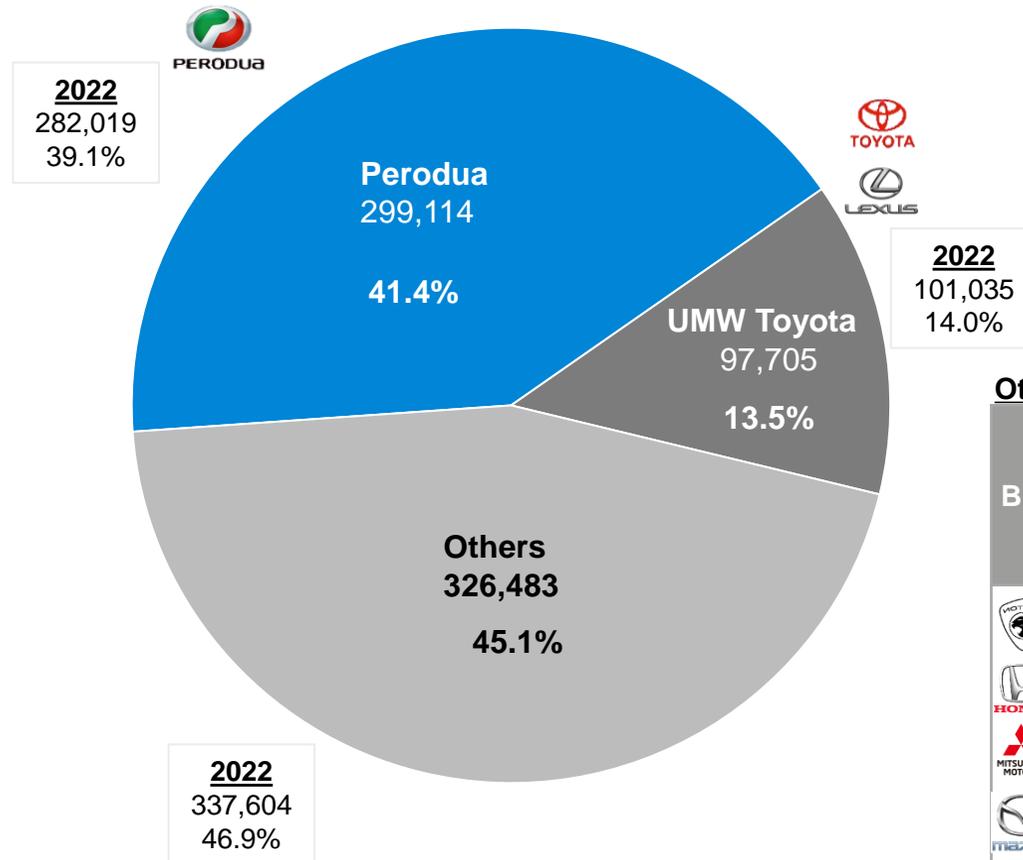
UMW Toyota Motor and Perodua market share



Automotive Segment - Market Share

The Group collectively commands the domestic automotive market share

UMW Group's market share for 11M2023 was 54.9% (2022 – 53.1%).



Other Carmakers' Sales and Market Share

Brand	11M2023		2022	
	Units	Market Share %	Units	Market Share %
 Proton	138,876	19.2	136,026	18.9
 Honda	69,374	9.6	80,290	11.1
 Mitsubishi	21,139	2.9	24,017	3.3
 Mazda	17,664	2.4	14,644	2.0
 Nissan	9,191	1.3	13,785	1.9
Other brands	70,239	9.7	68,842	9.7
Total TIV	723,302		720,658	

Source: Malaysian Automotive Association

Automotive Segment – UMW Toyota Motor

Remain competitive with improved products and services



Maintain strong brand reputation – No.1 in the non-National automotive segment



Several new models to be launched in 2023 to continue to spur demand and support sales

- The all-new Vios was on launched on 20 Mar.
- All-new Innova Zenix was introduced on 21 Jun.
- All-new Lexus RX 350 was launched in May.
- All-new Lexus RX 500h F Sport was launched in 18 Aug.
- All-new Alphard and all-new Vellfire were launched on 23 Oct.



Continuous **development of a strong ecosystem support** – vendor development program, supply chain

Continue to work closely with principals, suppliers and other stakeholders.



Maintain **excellence in customer service**

In 2022, Customer Service Operations surpassed 1.25 million vehicles



Covers vehicles of all ages.



Rewarding customers for purchases, servicing or repairs, and even for vehicle insurance renewals.



Money-saving holistic maintenance plans.



Provide innovative vehicle financing solutions

To continue to drive sales by **providing innovative vehicle financing solutions to customers.**

Includes the **Toyota EZ Beli** programme, in collaboration with Toyota Capital Malaysia. The EzBeli+ is designed specifically for hybrid vehicles.



Sales target of **93,000 units**
▼ 8% Y-o-Y

On top of the outstanding orders, new and facelift models are expected to continue to drive sales.

Automotive Segment – Perodua

To continue to remain as market leader



Sustain market leadership position with best value model offering – maintained pole position for the 17th consecutive year in 2022.



Focus on delivery of outstanding orders

- Will continue to invest to improve its production efficiency and capacity.



New models to continue to drive sales

- All-new Axia was introduced on 14 February 2023.
- To be further supported by facelifted models.



High prioritisation in the area of **plant capacity and vendor capability**

- Production mapping, digitalisation, drivetrain system, manpower capabilities, Carbon Neutral compliance.
- Vendor & eco-system sustainability.



Recovery plan for export market

- Study and explore new potential market – focusing on Asean and new Right-Hand Drive countries.
- Strategise the pricing and logistics management.




Sales target of 325,000 units*
▲ 15% Y-o-Y

2023

Continue to offer competitively priced cars as well as incorporating advanced safety features in its products; realising the Perodua Smart Build objective.

*Revised upwards from 314,000 units on 7 November 2023.

Equipment

Equipment Segment - Heavy Equipment

Strategic alliance with globally-renowned brands

	<ul style="list-style-type: none"> Hydraulic excavator, Bulldozer, Motor grader, Dump truck, Wheel loader & Backhoe loader
	<ul style="list-style-type: none"> Road building equipment
	<ul style="list-style-type: none"> Aircraft rescue & fire fighting vehicles
	<ul style="list-style-type: none"> Farm tractors
	<ul style="list-style-type: none"> Attachments / breakers
	<ul style="list-style-type: none"> Concrete pump

Sectors

- Agriculture
- Construction
- Industrial
- Forestry
- Mining



Present in 5 countries

-  Malaysia
-  Myanmar
-  Papua New Guinea
-  Singapore
-  Brunei

Equipment Segment - Industrial Equipment

Leading material handling equipment business in Malaysia and Singapore

Material Handling & Industrial Cleaning Equipment

  	<p>Electric & Engine Powered Forklifts, Electric Tuggers, Hand & Powered Pallet Trucks, Powered Stackers, Electric Reach Trucks, Order Pickers, Towing Tractors</p>
	<p>Industrial Sweepers and Scrubbers</p>

Tyres & batteries

 	<p>Tyres, Batteries (Traction and Lithium ion)</p>
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Logistic and Warehouse Automation

  	<p>Automated Storage and Retrieval System (ASRS), Automated Guided Vehicles (AGV), Mobile Racking, Warehouse Control System (WCS), Radio Shuttle Racking System, I-site Fleet Management System</p> <p>Collaborative Robots (Cobots)</p>
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Sectors

- Food and Beverage
- Manufacturing
- Warehousing & Logistics
- Retail

Present in 5 countries

-  Malaysia
-  Singapore
-  Vietnam
-  China
-  Brunei



Equipment Segment - Industrial Power

Total solutions provider for industrial and customised power & marine equipment

  	<ul style="list-style-type: none"> • Air and Gas Compressors
 	<ul style="list-style-type: none"> • Diesel Generators
	<ul style="list-style-type: none"> • Gas Turbine Generators
	<ul style="list-style-type: none"> • Petrol Engine and Generators
  	<ul style="list-style-type: none"> • Marine Engines • Marine Pollution Control Equipment
	<ul style="list-style-type: none"> • Gas Engine Generators
	<ul style="list-style-type: none"> • Power Products



Distributes to
**General industry, oil & gas,
 utility, shipbuilding and
 government sectors**

Equipment Segment - Industrial Equipment

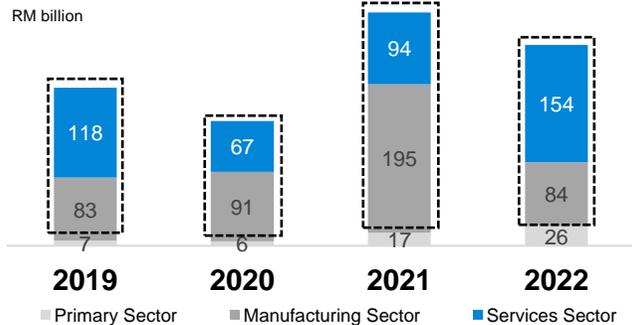
Outstanding industrial equipment orders to sustain performance



Outlook



Realisation of approved investment in the Manufacturing and Services sectors to support demand in Malaysia



Source: MIDA (latest available data) and media reports



Expected rebound in China's economy following the lifting of pandemic restrictions

This will boost the logistics and warehousing sectors in the region, with China's rising exports



Growing demand for electric forklifts as businesses move towards electrification



Growth strategy

Established refurbishment regional hub – close to 500 units have been refurbished.

Promotion of 'Go Green' project - to convert diesel to electric forklifts through rental / buy-back and generate volume for refurbishment program.

Expansion of Logistics Automation Solution business to cater to different needs of customers.

Equipment Segment - Heavy Equipment

Continuation of new and existing investments to support growth



Outlook



Continued realisation of multi-year infrastructure projects to provide further lift to growth.



Key Infrastructure Projects in Malaysia:



ECRL
RM75b



LRT3
RM17b



Pan Borneo
Highway
RM28b

Source: BNM and media reports



Increased government spending expected in 2023, especially for roads and bridges through the “Connect PNG” infrastructure project.



Higher commodity prices had been supportive of demand for heavy machineries.

Papua New Guinea and East Malaysia operations supported by recovery in the mining and plantation sectors on top of the infrastructure developments.



Growth strategy

Further expansion into agriculture sector for oil palm replanting segment.

Project and sector-based market coverage to tap on recovery in the construction sector as well as favourable commodity prices.

Promotion of new equipment through **new products launch** and **introduction of hybrid hydraulic excavators.**

Parts & Service sales expansion through after market activities.

Collaboration with financial institutions to **offer innovative financing schemes.**

Manufacturing & Engineering

M&E Segment - Auto Components

Leading supplier to OEM and REM segments; exporting to 39 countries



manufactures shock absorbers and suspension kits

Motorcycle

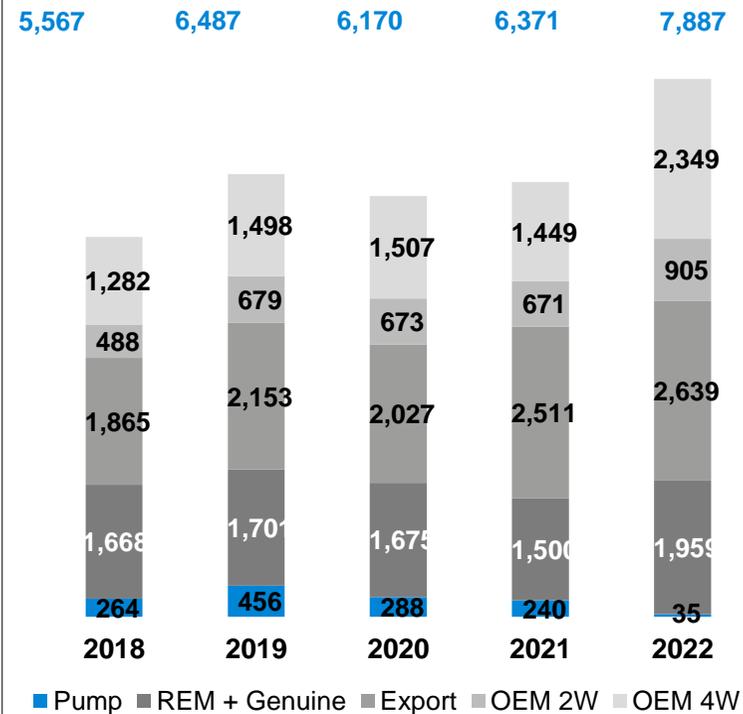


Automotive



KYB-UMW (units sold)

Unit ('000)



Overall sales improved by 24% in 2022 Y-o-Y, to close to 8 million units with stronger sales from the OEM (4W and 2W), REM and export.

M&E Segment - Auto Components

KYB Plant Modernisation to enhance productivity and improve capability



Outlook



Vehicle sales is expected to remain robust, despite the expiry of the SST exemption.

This is supported by high outstanding bookings and new model launches, for both the domestic and export markets.

Currently exports to 39 countries.



Growth strategy

Sustain growth of OEM 4W, OEM 2W and export
– to enhance Quality, Cost and Delivery capability.

Expand market share in REM and strengthen product development.

Increase automation level in operations
– to improve efficiency and productivity.

Innovation in new products & technology
– including “Green Products”.

M&E Segment - Lubricants

Blend and Distribute to Regional Markets




UMW's proprietary lubricant brand

Blended at its plant in Shah Alam that is equipped with a full-fledged product development laboratory. GRANTT's full range of products include Passenger Car Motor Oil (PCMO), Motorcycle Oil (MCO), Diesel Engine Oil (DEO), Automatic Transmission Fluid ("ATF"), agricultural oil, marine oil, plant-based (biodegradable) and mineral-based hydraulic oil, greases, radiator coolant and brake fluids.



Since the 1960s

Exclusive marketing and distribution rights to Pennzoil in Malaysia with over 1,000 authorised dealers nationwide. Have the same rights for Singapore and Brunei.

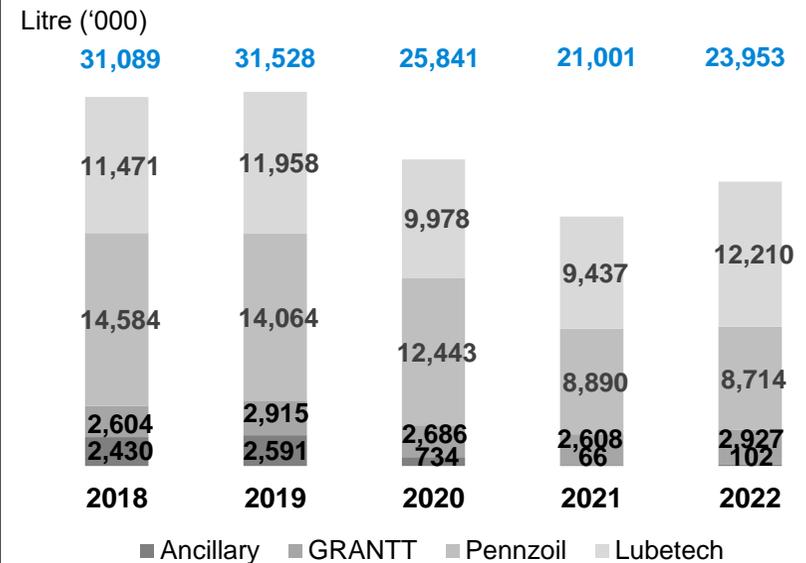


Lubritech Limited blends and distributes Repsol lubricants in China, as well as Grantt.

Present in 7 countries

-  **Malaysia**
-  **Singapore**
-  **China**
-  **Brunei**
-  **Myanmar**
-  **Vietnam**
-  **Cambodia**

Lube Group (litres sold)



Sales from Lubetech surged by 29% in 2022 Y-o-Y, supported by higher contributions from the OEMs, toll blending and export markets.

Blending capacity

- 
60 million litres / year
- 
50 million litres / year

M&E Segment - Lubricants

Fully leverage on the new smart lubricant plant to improve sales



Outlook



Malaysia's lubricants market is projected to register a growth of 3% in 2023, supported by the reopening of economy.

Driven by the automotive lubricant (PCMO, MCO, DEO) market, which occupies the highest share of overall lubricant market in Malaysia (65%).



China's reopening from Covid-19 restrictions to support demand.

Continue to be a stable contributor, with focus on vehicles and industrial oil.



Growth strategy

Capitalise on additional 70% capacity to 60 million litres/year from the new Smart Lubricant plant – commenced operations in April 2023.

- Expansion of toll blending contract.
- Explore opportunities, especially in the industrial segment.

Products diversification, such as:

- Ancillary Lube (brake fluid and coolant)
- 'Green Product' offering

Launched Malaysia's first commercial Bio-Hydraulic lubricants



- Hydraulic fluid produced from locally-sourced palm oil, replacing mineral oil.
- Biodegradable in 28 days, non-bio accumulative and non-toxic.

Launched Malaysia's first commercial multi-purpose food grade grease



- Environment-friendly green-based oil and thickening agent with excellent heat reversion characteristics.
- Biodegradable and non-toxic.



Meets the growing demand for greener lubricants to address concerns over the environment.

Aerospace

Aerospace Segment

Capitalise on recognition by Rolls-Royce to secure new contracts

- Single-source supplier of fan cases for Trent 1000 engines; production of fan cases for Trent 7000 engines started in October 2020.
- Long-term contract of 25 + 5 years; signed in 2015.
- The state-of-the-art manufacturing plant is located at the UMW High Value Manufacturing Park in Serendah, Selangor.

Key Capabilities

- ✓ Precision machining
- ✓ Titanium Welding
- ✓ Non-destructive testing (NDT)
- ✓ Complex assembly

Achievements

2015
Signing of Agreement

2017
R-R Trent 1000 1st Delivery

 **2018**
Trusted to Deliver – Excellence Award
(27 months Greenfield to Production)

2019
Maiden Profitability

2020
R-R Trent 7000 1st delivery

 **2021, 2022 & 2023**
Inducted into High Performing Supplier Group (Top 5% Globally)

 **2022**
Supplier Best Practice Award



Affords more opportunities for UMW Aerospace to participate in Rolls-Royce's future projects as well as explore other opportunities in the aerospace industry



Manufactures fan cases for Rolls-Royce's Most Advanced Aircraft Engines



Boeing 787 Dreamliner



A330 New Engine Option

Aerospace Segment

Continue to look at opportunities to optimise plant utilisation



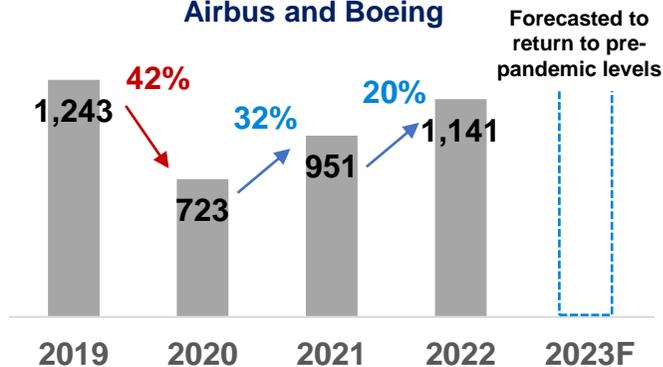
Outlook



Demand to be underpinned by resumption of air travel

- Air travel is expected to reach the pre-pandemic level by this year.
- This will lead to new orders for planes by the airlines and together with the clearing of the backlog orders, will translate into growth prospect for the aerospace business.

Total commercial aircraft deliveries by Airbus and Boeing



Source: www.dsm.forecastinternational.com



Growth strategy

Ride on the industry recovery trend to ramp-up production and improve plant capacity utilisation. Rolls-Royce's 2023-2025 forecast indicates order numbers are expected to be sustainable – volume beyond pre-pandemic levels

Focus on establishing new capabilities, especially in High-Value Manufacturing, i.e., Chemical Milling, Complex Machining, Additive Manufacturing.

UMW has signed a new manufacturing contract with Rolls-Royce to localise the rear case by 2025.

Customer and product diversification – Participate in new RFQs, engagement for localisation of precision parts.

Aerospace Segment – new contract from Rolls-Royce

The acquisition of chemical milling capability – first in Southeast Asia

Fan Case Kit – breakdown



Mount Ring Assembly

Received as machined part and **assembled** in-house



Front Case Assembly

Received as forged Titanium. Component is then **machined** in-house followed by **paint** process and **assembly**



Final Product: Fan Case Kit

- Consists of about 4000 parts.
- Net Weight: 1,100 kg



Rear Case Assembly

Currently received as machined part and **assembled** in-house.

UMW has signed a new manufacturing contract with Rolls-Royce to localise the rear case by 2025.



Outer Guide Vane (OGV) Assembly

Received Inner Ring as forged Titanium. Component is then **machined** in-house, **welded** to 44 OGV vanes, and machined again before sent to minor fittings to form OGV Assembly

Received a contract from Rolls-Royce to manufacture rear cases for the latter's Trent 1000 and Trent 7000 aero engines; officially announced on 10 April 2023



- The contract is for **15 years** and **valued at RM1b**.
- UMW Aerospace will be **investing up to RM65m** to set up the chemical milling and related processes to manufacture the rear case at its facility in Serendah.
- UMW Aerospace would be the **first company in Southeast Asia to have developed the chemical milling capability**.
- At present, the rear case is imported from overseas and assembled into a complete fan case.
- **Commercial production** is expected to **commence in 2025**.

Landbank in Serendah

Landbank in Serendah

Continue to monetise and unlock the value of our industrial land in Serendah

The Group's **861 acres** of land in Serendah, Selangor is being developed as UMW High Value Manufacturing Park, with a holistic ecosystem and environmental sustainability plan.



Developed into **Southern Zone** and **Northern Zone**.



Green & Sustainable Industrial Park



Precinct 1
Provisional GreenRE
Certification (Township)
**First and only Industrial
Park in Selangor**

**UMW Campus
Office**
Provisional GreenRE
Certification
(Non-Residential)

About
90%
of Southern Zone
has been taken up

> 40 companies
have committed to set
up manufacturing
operations at the park



Sold **140 acres** of land to LONGI (Kuching) Sdn. Bhd. for **RM305 million** in August 2022. The gain was recognised in Q2 2023.



4 Dec 2023 - announced the sale of 22.22 acres of land to Perodua for **RM52.3 million**.

Redefining Sustainability

CREST@UMW – Redefining Sustainability

Redefining Sustainability within the Broader Framework of Innovising Mobility

UMW Sustainability - 4 Key Pillars

<p>Pillar 1: SUSTAINABLE ENVIRONMENT - ENVIRONMENTAL STEWARDSHIP</p> <p>100% CARBON NEUTRALITY BY 2050</p> 	<p>Pillar 2: SUSTAINABLE WORKFORCE - DYNAMIC WORKFORCE</p> <p>BUILD A PROGRESSIVE AND INNOVATIVE WORKFORCE</p> 	<p>Pillar 3: SUSTAINABLE PRODUCTS AND SERVICES - INNOVATIVE & HIGH-PERFORMANCE PRODUCTS</p> <p>ACHIEVE EXCELLENCE IN PRODUCTS AND SERVICES</p> 	<p>Pillar 4: SUSTAINABLE LOCAL COMMUNITIES - NURTURING COMMUNITY & SOCIETY</p> <p>CREATE A POSITIVE IMPACT AND WELL-BEING OF LOCAL COMMUNITIES</p> 
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Key Potential Value Creation Opportunity

Green Energy		Green Product			
 <p>Hydrogen Economy</p>	 <p>Solar Power</p>	 <p>Remanufacture</p>	 <p>Recycle</p>	 <p>Renewable</p>	 <p>Reuse</p>

UMW's Pathway to Net Zero 2050

Holistic approach to address Scope 1, 2 and 3 GHG Emissions

Scope 1 – Mangrove

Scope 2 – Renewable Energy

Scope 3 – Supply Chain

UMW Green Shoots Initiative



300,000

Trees to be planted by 2023

106,442

Trees planted YTD October 2023

273,442

Total trees planted since 2021

Rooftop Solar PV

4.2MWac

Current capacity

Additional 6.8MW
(total capacity of
11MW expected in 2024)



Subscription to GET



- KYB-UMW
- UMW Aerospace
- Lubetech
- Corporation

CSI Platform

Bursa Malaysia's
Centralised Sustainability
Intelligence (CSI) Platform



Digital Platform developed by
BURSA and London Stock
Exchange Group (LSEG)



Collect, analyse and disclose
GHG emissions data



Monitor performance, identify
areas for improvement, and
reporting

Social & Wellbeing

Placing the well-being of employees and communities at the forefront of our business

Focused on supporting the underprivileged, the underserved and the marginalised through three main pillars:



A part of UMW's contribution in 2022

2,187 community volunteers

11,344 voluntary hours

- Internal volunteers: 3,581 hours
- External volunteers: 7,763 hours

RM9.1m

spent on initiatives, sponsorship, donations and zakat contributions

Energize UMW

24/7 helpline to provide remote therapy sessions for employees

63,716 training hours received by employees

UMW Executive Development Programme ("UEDP")

for employees strategic and targeted leadership

Scholarship fund

RM1m spent, 92% utilisation

Sustainable Product and Awareness Campaign

Our commitment towards reducing Climate Change impact

Electric Mobility



TOYOTA



BEV model to be introduced



PERODUA



Hybrid model production



UMW EQUIPMENT



Expansion of automation business

Green Products

Biodegradable Hydraulic Fluid (Bio-lubricants)



Battery Revival Unique Strategy System ("BRUSS")



Forklift Refurbishment



Water Reclamation Plant ("WRP") using in-house Ultrafiltration Membrane



Monthly Environmental Campaign #WarOnWaste

Paperless



Save Water & Electricity



Reduce, Reuse, Recycle



Thank You

Corporate Portal
www.umw.com.my

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