

# 1Q19 NET PROFIT SURGED TO RM86.5 MILLION; HIGHER REVENUE ACHIEVED BY ALL THREE CORE BUSINESSES

(RM mil)	1Q19	1Q18	% YoY	4Q18	% QoQ	(Audited) 2018
<b>Consolidated net profit*</b>	<b>86.5</b>	<b>74.1</b>	<b>16.7</b>	<b>15.4</b>	<b>&gt;100</b>	<b>344.5</b>

\*Net of payment to minority shareholders

INVESTOR UPDATES

## 1Q19 FINANCIAL HIGHLIGHTS

•1Q19 consolidated revenue was RM2,779.9 million, a 14.0% increase compared to 1Q18, contributed by higher number of vehicles sold and higher delivery of fan cases by the aerospace business. All three core business segments achieved higher revenue.

Consolidated profit before taxation (PBT) surged 13.7% to RM140.5 million. The improved PBT was contributed by the marginal loss in the Unlisted Oil & Gas segment. PBT from Continuing Operations fell by 8.8%. due to higher depreciation at the new Bukit Raja plant coupled with lower margin in the Equipment segment.

Consequently, consolidated net profit attributable to equity holders was RM86.5 million, a 16.8% increase compared to the previous corresponding quarter.

Consolidated cash and deposits stood at RM1,048 million as at end-March 2019.

## 1Q19 OPERATIONAL HIGHLIGHTS

UMW Toyota Motor (including Lexus) sold 13,865 units (+9% YoY; +3% QoQ) in 1Q19, translating into an improved total industry volume (TIV) market share of 9.7% (1QFY18: 9%), mainly driven by the all-new Toyota Vios launched in January 2019.

Perodua is progressing well to achieve its 2019 target with registered sales of 60,659 units (YoY: +9.2%) in 1Q19. Perodua also recorded higher TIV market share of 42% (1QFY18: 41%), driven by higher deliveries of Perodua Myvi and the all-new Perodua Aruz.

Heavy equipment business managed to sell higher units in 1Q19. However, Equipment segment PBT was affected by the competitive product pricing environment.

M&E segment's higher revenue was contributed by the aerospace business from ramping up of fan cases delivery and increased sales in the auto components business. Consequently, the segment registered PBT of RM2.3 million.

Dear fund managers and analysts,

“Subsequent to our strategic decision to refocus on our three core businesses, we have begun to realise the benefits of some of our key initiatives this year.

We will continue to strengthen our presence in the automotive market, especially with our new state-of-the-art assembly plant. The revival of the major infrastructure projects is expected to spark optimism in the Equipment segment as demand increases. In the M&E segment, KYB-UMW will commence its plant modernisation activities to meet increasing demand, while we continue to ramp-up production of fan cases for Rolls-Royce.

All in, the Group is on a firm path to deliver sustainable value to our shareholders”

**Badrul Feisal bin Abdul Rahim**  
President & Group CEO  
UMW Holdings Berhad

(RM'000)	1Q19	1Q18	% YoY	4Q18	% QoQ	2018 (Audited)
Revenue	2,774,803	2,415,339	14.9	2,681,828	3.5	11,303,649
Profit Before Taxation	140,676	154,281	(8.8)	140,676	35.3	800,333

The lower PBT was due to higher depreciation attributable to the new Bukit Raja plant coupled with lower margin in the Equipment segment.

### CURRENT PROSPECTS

#### Automotive

- UMW Toyota targets to sell 75,000 units of vehicles in 2019 (including Lexus) while Perodua targets to achieve a record-breaking sales of 231,000 units in 2019.
- The segment is expected to remain in a competitive market condition due to wider customers' choice and stringent loan approvals. Nonetheless, exciting line-up of newly launched models and reduction in lending rate would help strengthen the segment - which the Group expects to perform satisfactorily in 2019.

#### Equipment

- The revival of infrastructure projects by the Malaysian government has brought back interest in the construction sector which will lead to higher demand. However, the segment will continue to face challenge in terms of competitive pricing. Nevertheless, with the Group's strategy to penetrate overseas market, focus on productivity improvement and cost management will help improve overall performance of the segment. The Group expects the segment to contribute satisfactorily in the 2019.

#### M&E

- Outlook for the segment remains positive, mainly buoyed by the bullish market demand in vehicle sales which will support the auto component parts and lubricant business. Meanwhile, Aerospace deliveries for 2019 are expected to continually show positive trend in terms of production. Therefore, the Group expects the segment to perform better in 2019.

(RM'000)	1Q19	1Q18	% YoY	4Q18	% QoQ	2018 (Audited)
Revenue	2,162,535	1,877,059	15.2	2,046,080	5.7	8,946,735
Profit Before Taxation	124,225	125,941	(1.4)	125,506	(1.0)	549,968

**UMW Toyota Motor Sdn Bhd**  
(51% subsidiary company)

**Perusahaan Otomobil Kedua Sdn Bhd**  
(38% associate company)

**Vehicle sales**

Toyota sold 13,722 units in 1Q19 compared to 12,683 units in 1Q18 (YoY: +8.2%) and 12,902 units in 4Q18 (QoQ: +6.4%).

Lexus sold 143 units in 1Q19, unchanged compared to 1Q18 (YoY: +0%) and 156 units in 4Q18 (QoQ: -8.3%)

In 1Q19, Perodua recorded sales of 60,659 units compared with 55,568 units in 1Q18 (YoY:+9.2%) and 59,040 units in 4Q18 (QoQ:+2.7%).

With the high number of vehicles sold in 1Q19, Perodua is progressing well to achieve their 2019 target.

**Market share of TIV**

1Q19 market share for Toyota including Lexus was 9.7%.

Perodua's market share in 1Q19 was at 42.4%, maintaining its pole position in the Malaysian automotive market

**1Q19 highlights**

- ❑ UMW Toyota Motor (UMWT) launched the Toyota Vios in January 2019. The all-new model, consists of 3 variants ranging from RM77,200 to RM87,300. The company targets to sell 30,000 units of Vios in 2019
- ❑ The delivery of the all-new Toyota Rush, which was delayed due to pricing approvals, commenced in February 2019.
- ❑ Both production of the all-new Toyota Vios and the recently-launched Toyota Yaris are from UMWT's new Bukit Raja plant.
- ❑ The top three selling models in 1Q19 was Vios and Hilux, which accounted for 68% of Toyota's (excluding Lexus) sales.

- ❑ Perodua's commanding performance in 1Q19 was buoyed by the continued strong demand for Perodua Myvi, which was the top selling model during the quarter, followed by Perodua Axia.
- ❑ Since the order books for Perodua Aruz opened on 3 January, nearly 20,000 bookings have been recorded. As at 2 May 2019, over 9,800 Aruz have been delivered since registrations began on January 31 – making it among the best-selling SUVs in the country.
- ❑ The current Perodua Myvi has been officially launched in Singapore, marking the model's first export destination under the Perodua brand. The current-generation Myvi's foray into Singapore is significant in terms of brand presence despite the high barriers for entry into this mature market.

**Sales target**

Sales target for Toyota including Lexus for 2019 is 75,000 units.

Sales target for Perodua in 2019 is 231,000 units

(RM'000)	1Q19	1Q18	% YoY	4Q18	% QoQ	2018 (Audited)
Revenue	382,843	373,042	2.6	397,759	(3.8)	1,539,647
Profit Before Taxation	42,164	44,936	(6.2)	26,039	61.9	160,135

### Highlights – Komatsu products covering Malaysia, Singapore, PNG & Myanmar

- **Malaysia** -With competitive price support as well as extended warranty terms from Komatsu, the Malaysian operations has managed to achieve better market coverage as well as higher delivery of machines supported by on-going infrastructure projects such as MRT2, LRT3, Gemas-JB double track and Pan Borneo Highway.
- **PNG** – Mining and construction sectors contributed to the increase in sales. PBT was further ameliorated by increased mining parts and service sales. PNG's construction sector remains buoyant with the development of infrastructure & PGK 3 billion Highlands Highway project.
- **Myanmar** – The Myanmar operations continue to be supported by strong parts sales to the jade & copper mining sector, mainly for active mining activities and on-going repairs & maintenance carried out for the aging fleet of machineries.

#### HEAVY EQUIPMENT

#### INDUSTRIAL EQUIPMENT

#### •Delivered:

- 20 units of Toyota forklift to SL Forklift Rental Sdn Bhd
- 17 units of Toyota forklift under new rental contract with NSK Group
- 16 units of Toyota towing tractors to Asia Power & Movers Engineering
- 13 units of Toyota forklift renewal rental contract with Nestle MFG (M) Sdn Bhd
- 10 units of Toyota forklift under new and renewal rental contract with Panasonic Group

#### •Recognition:-

- Under the 2018 Toyota Material Handling International Award Programme, UMW Industries was awarded the following recognitions:
  - President's Award- Gold
  - Diamond Club Recognition
  - Vision 2020 Award

#### •Market share:

- Toyota forklift maintained its market leadership position in Malaysia's material handling equipment business

#### Highlights

- Appointed as the sole distributor for Indonesia market by principal, Shanghai Diesel Engine Co (SDEC)
- Appointed as project partner and approved contractor by GE Oil & Gas to supply a range of GE industrial gas turbine generator packages and build cogeneration power plant on a turnkey basis.

#### MARINE & POWER EQUIPMENT

(RM'000)	1Q19	1Q18	% YoY	4Q18	% QoQ	2018 (Audited)
Revenue	237,100	168,466	40.7	242,451	(2.2)	843,157
Profit Before Taxation	2,329	(2,855)	>+100	9,469	(75.4)	21,535

## Results

- For the first quarter of 2019, the Manufacturing & Engineering segment registered a revenue of RM237.1 million, a substantial 40.7% increase compared to the RM168.5 million reported in the previous corresponding quarter.
- Subsequently, profit before taxation in 1Q19 rose to RM2.3 million from a loss of RM2.8 million.

## Performance

- The M&E segment's improved performance was mainly contributed by higher delivery of fan cases to Rolls-Royce as per the contractual delivery coupled with high demand of products from KYB-UMW.

# DISCONTINUED OPERATIONS

## OIL & GAS (UNLISTED)

(RM'000)	1Q19	1Q18	% YoY	4Q18	% QoQ	2018 (Audited)
Revenue	5,109	23,430	(78.2)	8,170	(37.5)	72,391
Profit Before Taxation	(140)	(30,715)	99.5	2,302	>(100)	(175,270)

### R E S U L T S

The lower revenue achieved in 1Q19 for the Oil & Gas (Unlisted) segment of RM5.1 million compared to the RM23.4 million achieved in the previous corresponding quarter was due to the winding down of operations which are being carried out in stages.

However, the segment managed to significantly reduce its profit before taxation to a meagre loss of RM0.1 million.

### P R O S P E C T S

Following the impending divestment of the Oil and Gas (Unlisted) segment, the Group does not expect any adverse material impact from this segment.

# UMW HOLDINGS BERHAD

## Consolidated Balance Sheet

(RM'000)	As at 30 Mar 2019 (Unaudited)	As at 31 Dec 2018 (Audited)	As at 31 Dec 2017 (Audited)
Property, Plant & Equipment	• 2,834,887	• 2,820,924	• 2,658,103
Investment in Associates	1,848,822	1,792,383	1,661,497
Inventories	1,685,435	1,548,507	1,410,746
Deposits, Cash & Bank Balances	1,047,910	1,311,764	1,169,568
<b>TOTAL ASSETS</b>	<b>10,797,955</b>	<b>10,757,995</b>	<b>10,095,732</b>
Long Term Borrowings	2,296,222	2,298,249	2,069,717
Short Term Borrowings	317,900	534,486	691,857
<b>TOTAL LIABILITIES</b>	<b>4,963,194</b>	<b>5,043,552</b>	<b>5,917,302</b>
<b>TOTAL EQUITY</b>	<b>5,834,761</b>	<b>5,714,443</b>	<b>4,178,430</b>
<b>Net Assets Per Share</b>	<b>RM2.93</b>	<b>RM2.86</b>	<b>RM2.61</b>



# THANK YOU



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