

1Q FY2021 RESULTS BRIEFING

24 May 2021



UMW Holdings Berhad

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1Q 2021 Financial Highlights

Key Highlights of 1Q 2021 Financial Results

RM million	1Q21 vs 1Q20			1Q21 vs 4Q20	
	1Q21	1Q20	Y-o-Y	4Q20	Q-o-Q
Revenue	2,954.2	2,119.2	▲ 39.4%	3,242.3	▼ 8.9%
PBT	162.7	63.0	▲ >100%	236.9	▼ 31.3%
PAT	123.4	48.8	▲ >100%	210.6	▼ 41.4%
PATAMI	97.3	44.3	▲ >100%	137.4 *	▼ 29.2%
Basic EPS (sen)	8.33	3.79	▲ >100%	11.76	▼ 29.2%

PATAMI

Y-o-Y: More than doubled due to higher vehicle sales and the Group's cost optimisation efforts.

Q-o-Q: Lower contribution from the Automotive segment. 4Q is a seasonally exceptional quarter for vehicle sales due to aggressive promotions. The M&E segment was adversely affected by the lower delivery of fan cases.

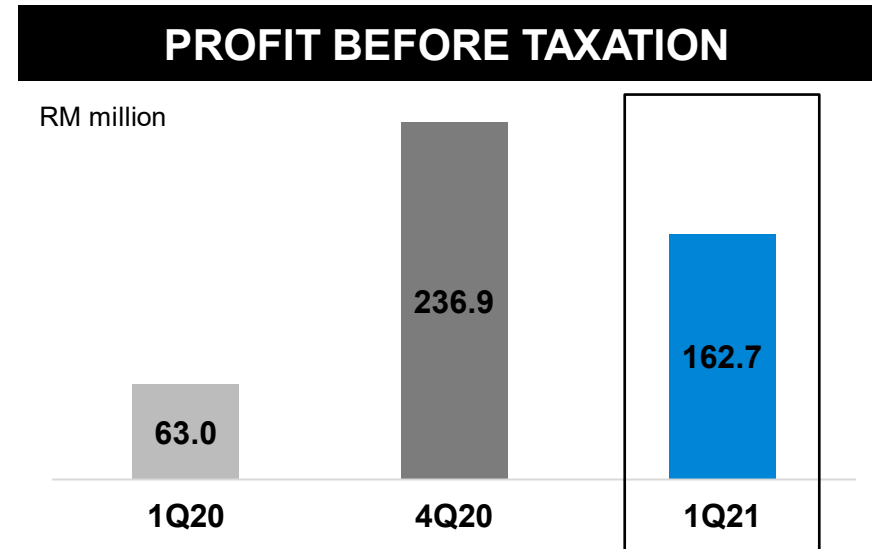
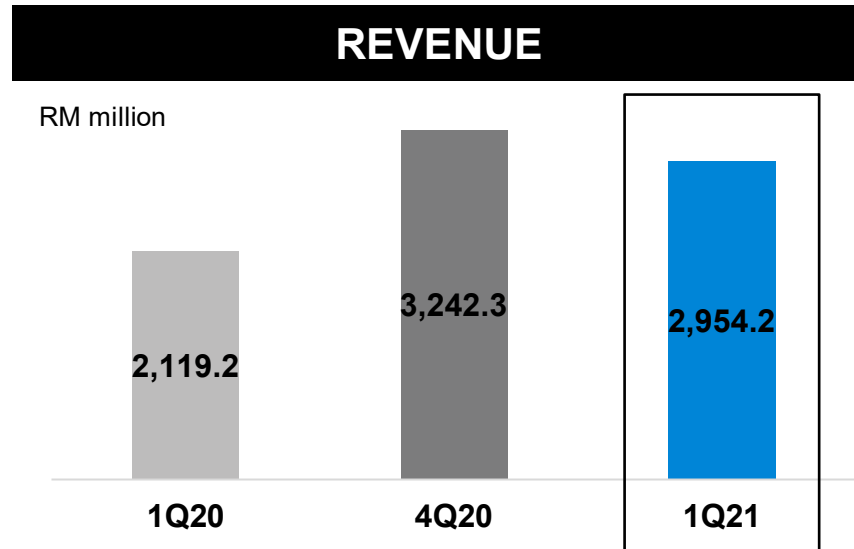
* After distribution to Perpetual Sukuk holders every second and fourth quarter of the year.

The Group will constantly assess its strategies and initiatives as well as continue to intensify cost optimisation across the Group to improve its resilience.

1Q 2021 Financial Results

Revenue & PBT (1Q 2021)

Supported mainly by improved performance of the Automotive segment



▲ 39.4% Y-o-Y

Higher automotive sales supported by the sales tax exemption and improved equipment sales as a result of improving economic activities.

▼ 8.9% Q-o-Q

Lower automotive sales as well as lower delivery of fan cases.

▲ >100% Y-o-Y

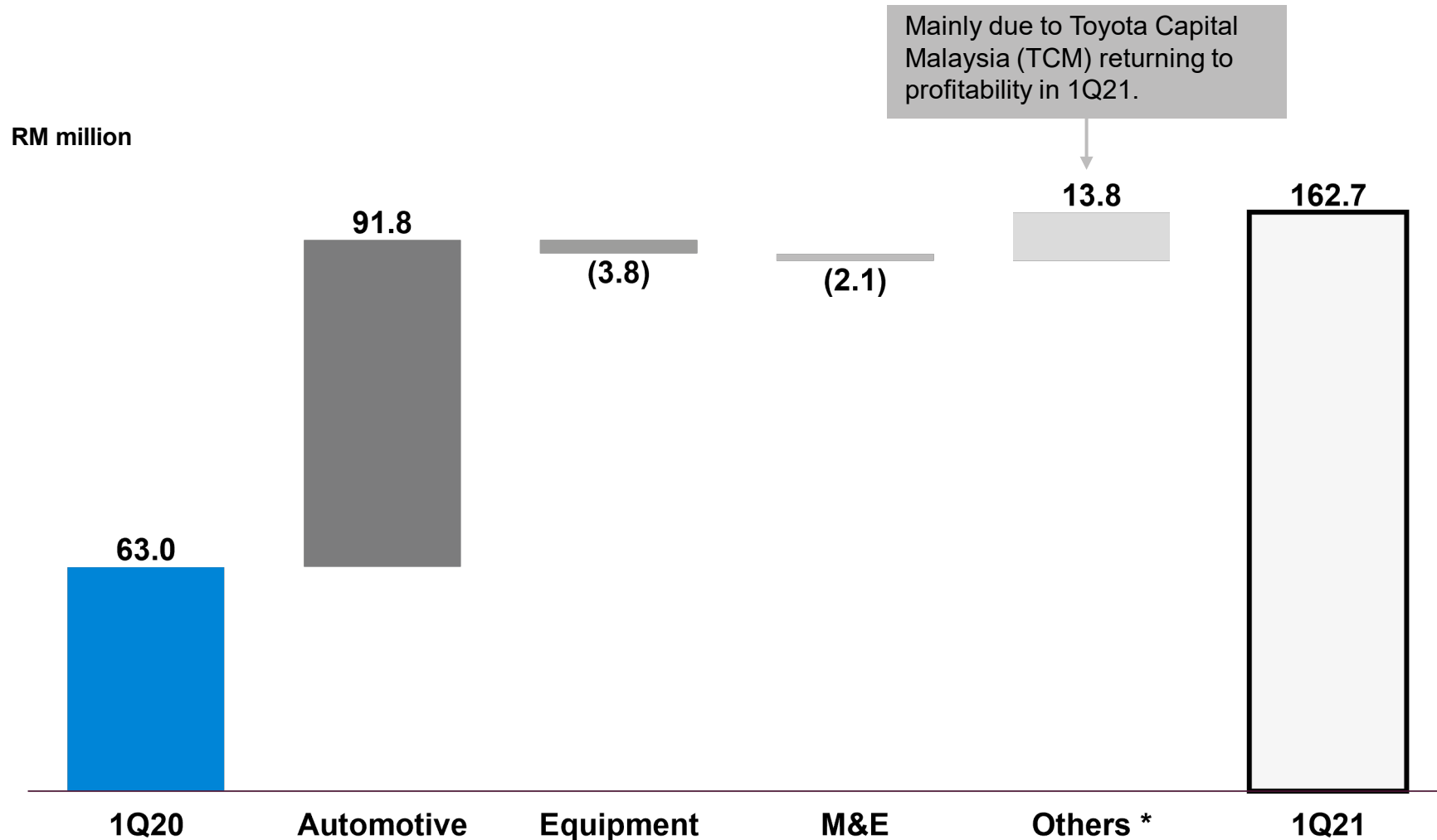
Mainly due to improved profit contribution from the Automotive segment as well as higher share of profit from Perodua.

▼ 31.3% Q-o-Q

Impacted by lower contribution from the Automotive as well as the Aerospace sub-segment.

Group PBT – 1Q 2021 vs 1Q 2020

By segments



* Others represent HQ , other non-core operating companies, Unlisted O&G, inter-segment eliminations and Group adjustments.

1Q 2021 CORE PATAMI

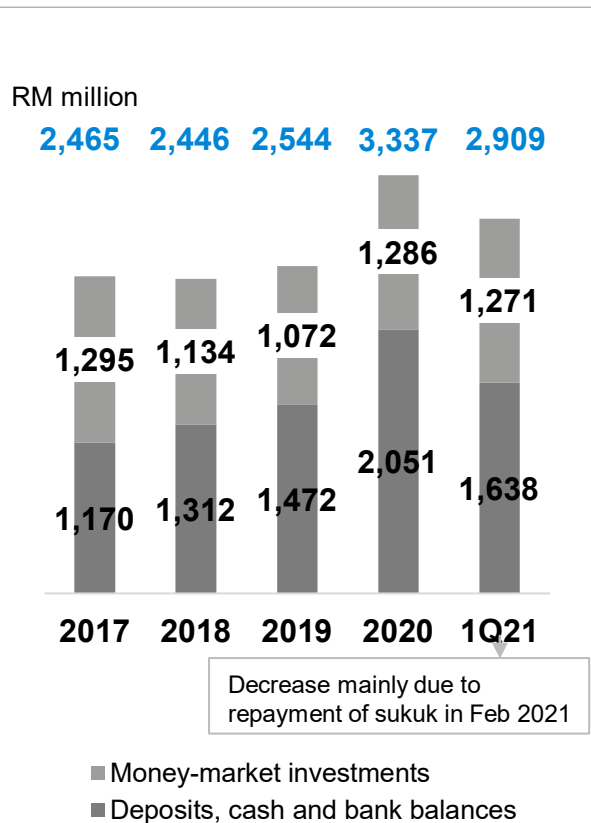
Stripping out exceptional items

	RM million	Remarks
Reported PATAMI	97.3	-
ADJUSTMENTS	Amount recognised in PATAMI	
Net reversal of impairment on receivables	(9.7)	Mainly debt recovery from an earlier investment.
Net loss on disposal of investments	0.2	Net loss on disposal of investments in money market.
Net gain on disposal of PPE not relating to business operations	(0.3)	Excluding RM6.7 million, which was mainly sale of leased asset in the Equipment segment (normal business operations).
CORE PATAMI	87.5	

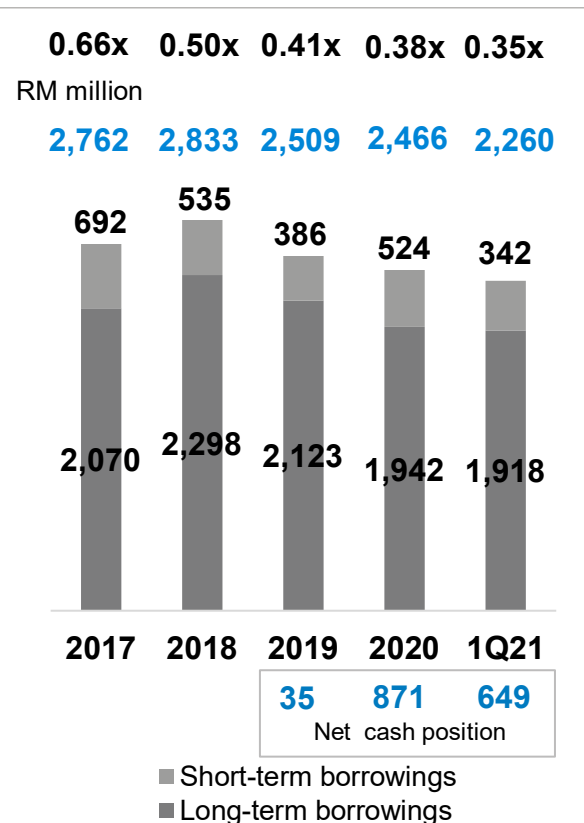
Cash and Debt Position

Continue to improve cash management and reduce gearing

Deposits, cash, bank balances and money market investments

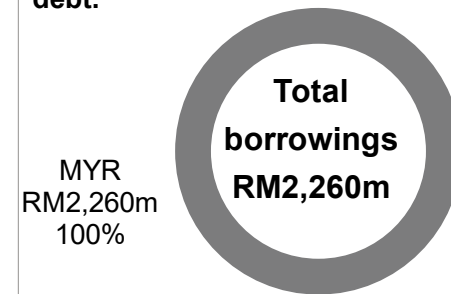


Total borrowings & Gross Gearing Ratio



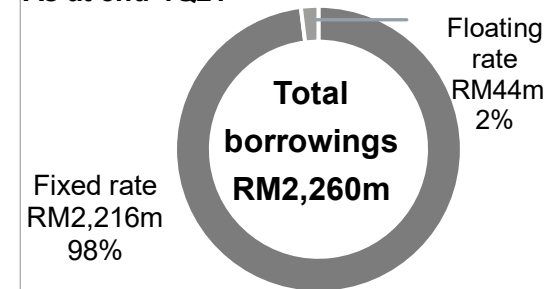
Debt profile by currency

No exposure to foreign-denominated debt.



Debt profile by fixed / floating rate

As at end-1Q21



Net assets per share

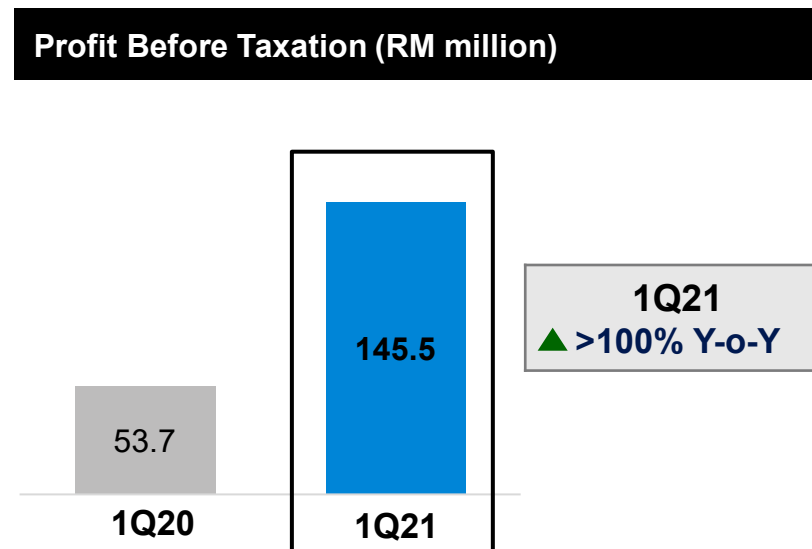
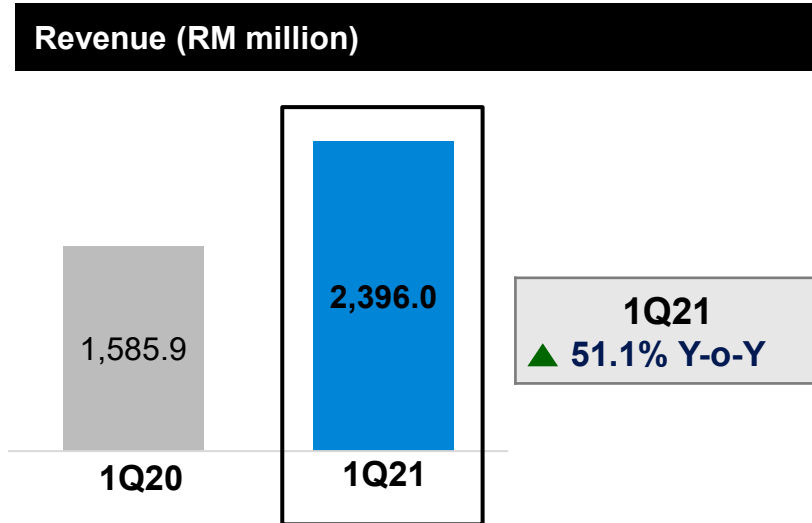
▲ RM3.40

(As at 31 Dec 2020: RM3.31)

1Q 2021 Segmental Results

Automotive Segment

Sales tax exemption and new models drove demand



Highlights

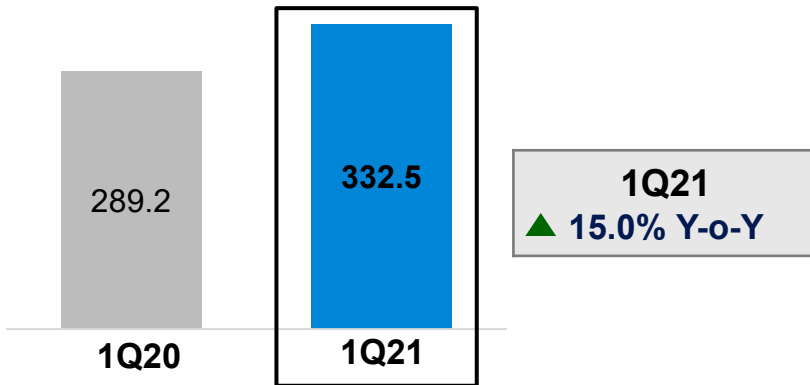
1Q21 Financial Results

- Revenue improved due to higher number of vehicles sold following the sales tax exemption as well as new model launches.
- Consistent with the increase in revenue as well as improved contribution from Perodua, PBT more than doubled to RM146 million.
- Apart from the extension of the sales tax exemption which will end on 30 June 2021, sales will continue to be supported by new model introduction as well as the low interest rate environment.
- Performance of Perodua is expected to remain strong due to the continuous demand for entry-level vehicles, further supported by the newly-launched Ativa.

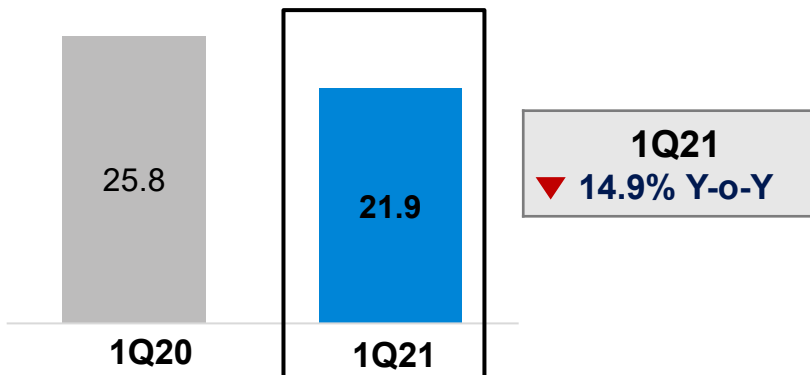
Equipment Segment

Improved performance in all markets except Myanmar due to political situation

Revenue (RM million)



Profit Before Taxation (RM million)



Highlights

1Q21 Financial Results

- Improving demand for its products and services in both local and overseas markets, except Myanmar, led to higher revenue.
- However, PBT was dragged down mainly by lower contribution from Myanmar operations.

Operational Highlights

Heavy Equipment

- Mainly impacted by the political instability in Myanmar.
- Nonetheless, managed to improve its market share in the countries it operates in.
- Anticipated recovery in the construction sector, anchored by the implementation of large-scale infrastructure projects in other markets.

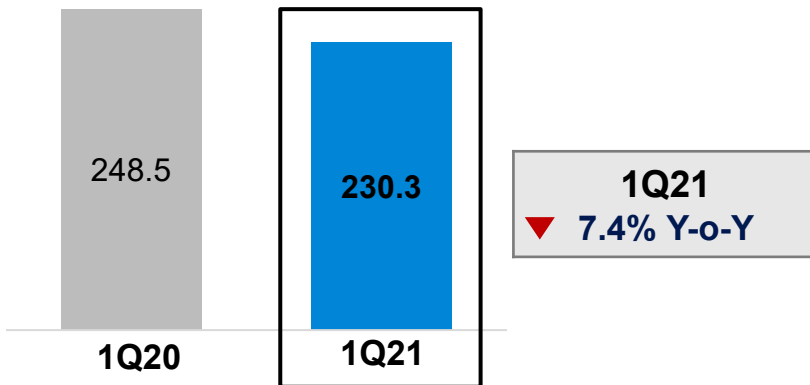
Industrial Equipment

- Toyota forklift maintained its market leadership position in Malaysia and Singapore.
- Continue to focus sales efforts on growth sectors as well as extending various recovery packages to customers to remain competitive.

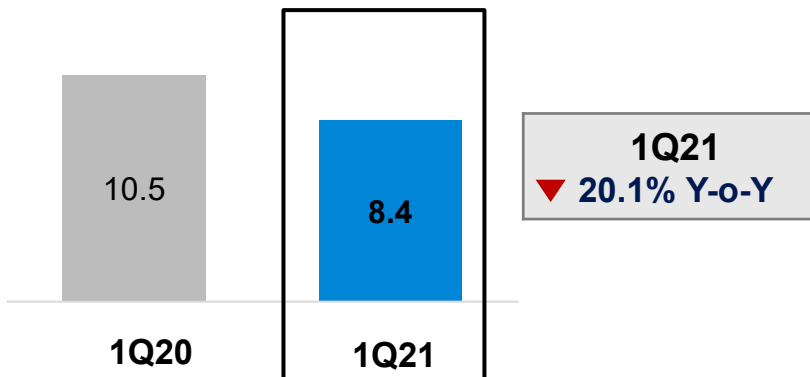
Manufacturing & Engineering Segment

Auto Components & Lubricants mitigated the slight setback in Aerospace

Revenue (RM million)



Profit Before Taxation (RM million)



Highlights

1Q21 Financial Results

- Lower revenue and PBT as a result of lower delivery of fan cases due to the impact of the COVID-19 pandemic on the aviation sector. However, the impact was mitigated by the strong performance of the Auto Components and Lubricants segments.

Operational Highlight

Auto Components & Lubricants

- Reported higher revenue and PBT due to improved demand. Performance of the sub-segment is closely correlated to TIV, which is expected to grow 8% in 2021.
- The Auto Components sub-segment will continue to be supported by the sales tax exemption until 30 June 2021.
- The Lubricants sub-segment will continue to leverage on its OEM and REM markets to strengthen its domestic and overseas sales.

Aerospace

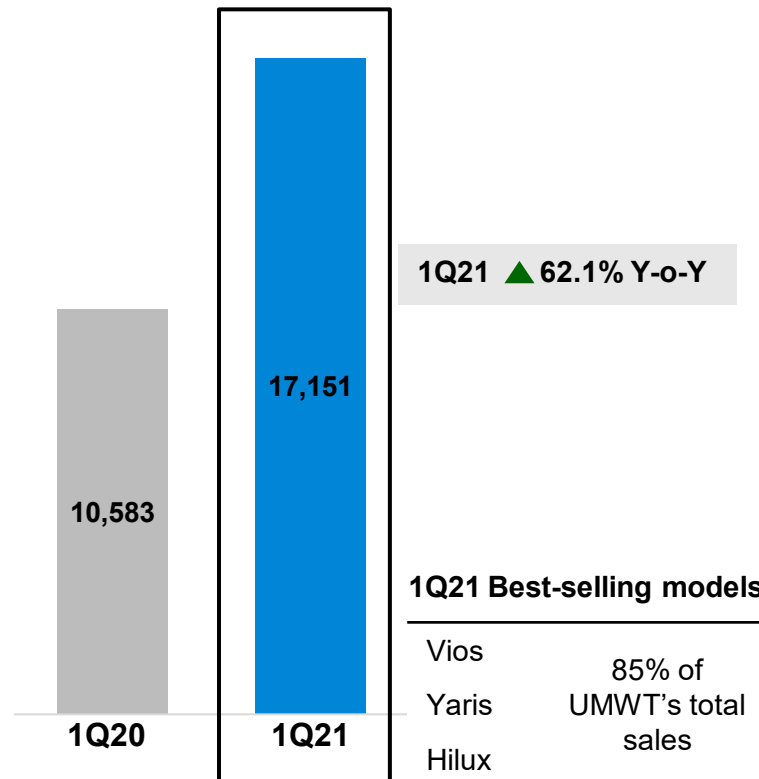
- Production of fan cases declined due to lower demand.
- Expecting gradual recovery, with the roll-out of vaccines and the implementation of travel bubble.

Operational Updates

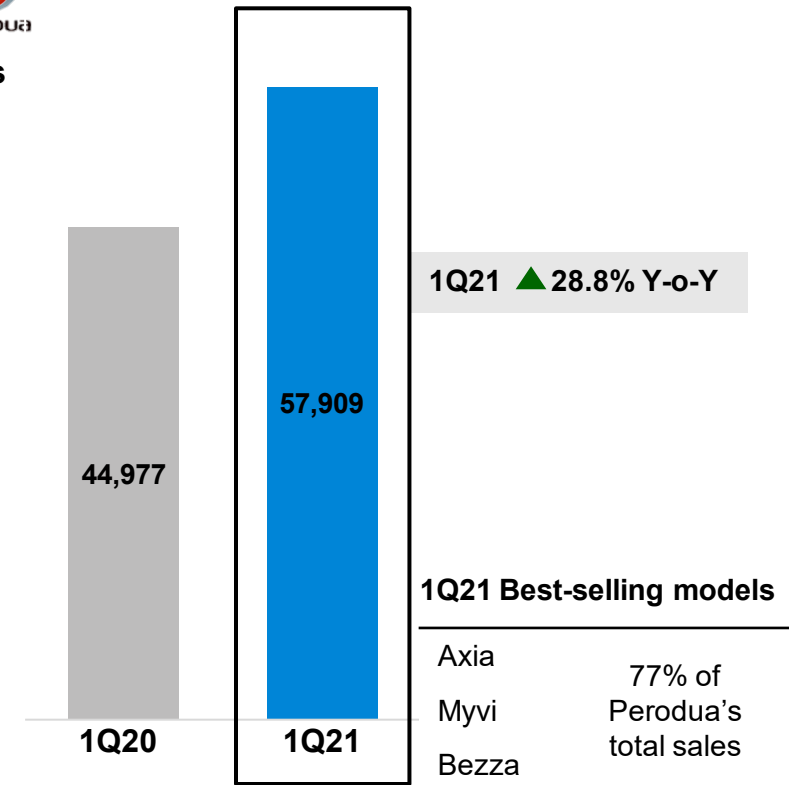
Automotive Segment - Sales Breakdown

Sales improved as a result of the sales tax exemption as well as new model launches

UMWT sales

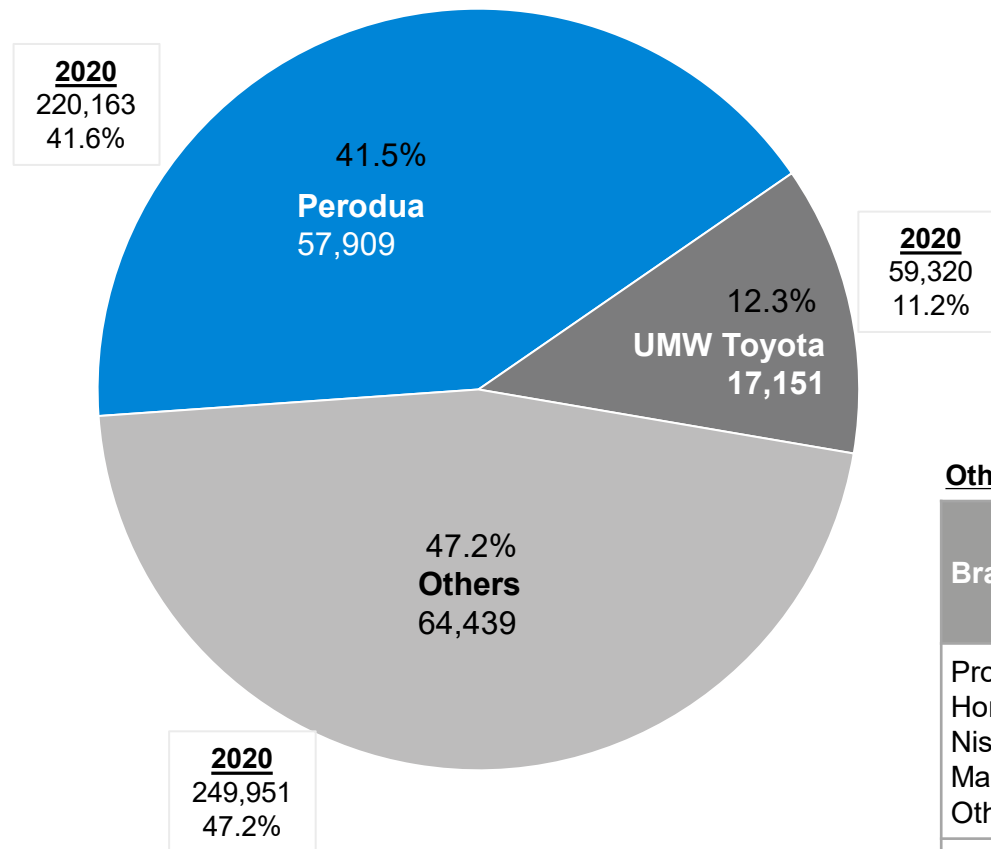


Perodua sales



Automotive Segment - Market Share

The Group continues to lead the domestic automotive market



UMW Group sold 75,060 units in 1Q21 with a market share of 53.8% (2020 – 52.8%).

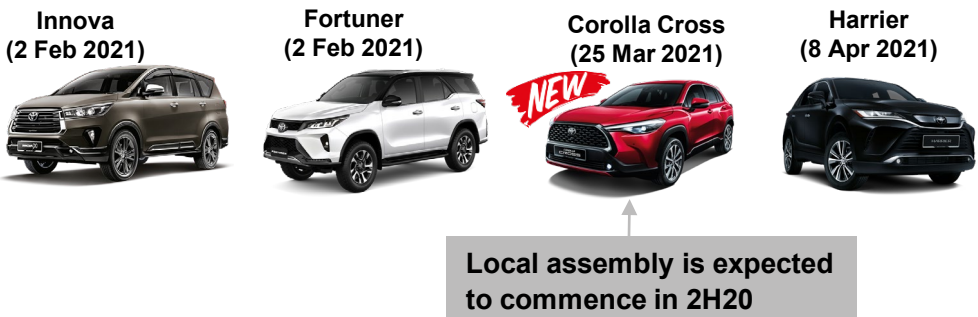
Other Carmakers' Sales and Market Share

Brand	1Q21		Full-year 2020	
	Units	Market Share %	Units	Market Share %
Proton	32,420	23.2	108,524	20.5
Honda	14,771	10.6	60,468	11.4
Nissan	2,727	2.0	14,160	2.7
Mazda	2,372	1.7	12,141	2.3
Other brands	12,149	8.7	54,658	10.3
Total TIV	139,499		529,434	

Source: Malaysian Automotive Association


Automotive Segment - UMW Toyota Motor

Remain competitive with improved products and services

<p>Continue providing attractive value proposition to customers</p>	<ul style="list-style-type: none"> • 2021 launches to-date <div style="text-align: center;">  <p>Local assembly is expected to commence in 2H20</p> </div>
<p>Accelerating digitalisation</p>	<ul style="list-style-type: none"> • Enhance digitalisation efforts to cater to current market demand. • Pivot to digital channels has shown success - 5-fold increase in digital sales leads in 2020 compared with 2019.
<p>Offer innovative mobility solutions</p>	<ul style="list-style-type: none"> • Expanding KINTO ONE offering.
<p>Widen potential customer base</p>	<ul style="list-style-type: none"> • Potentially government fleet and the second-hand market.

Automotive Segment - Perodua

Exploring new technologies and concepts while strengthening business to create long-term value

<p>Continue providing attractive value proposition to customers</p>	<ul style="list-style-type: none"> • Remain competitive in the entry-level segment with introduction of models with the best value. <div style="text-align: center;"> <p>Ativa (3 Mar 2021)</p>  <p>9,000 units have been delivered since launch.</p> </div>
<p>Continue supporting Malaysia's automotive ecosystem</p>	<ul style="list-style-type: none"> • Perodua Smart Build, its first sustainable blueprint to rationalise the gap in quality, cost and delivery within the automotive ecosystem - includes almost the entire Malaysian suppliers and dealers ecosystem.
<p>Explore new technologies and concepts</p>	<ul style="list-style-type: none"> • Particularly Autonomous Vehicles and Mobility Solutions. • While Ativa is equipped with Level 2 autonomous features, discussions are underway with the government on advancing this technology to higher levels, supported by infrastructure improvement and 5G implementation.

Automotive Segment

2021 sales target



62,000 units
▲ 4.5% year-on-year

Underpinned by extension of the sales tax exemption until 30 June 2021, introduction of new models as well as the low interest rate environment.

Sold 26,431 units in 4M2021, 149.4% higher y-o-y. (MCO 1.0 impacted sales in the first half of 2020)
Market share has improved to 13.2%.



240,000 units
▲ 9.0% year-on-year

Production target of 272,000 units in 2021 – highest ever in history.

Sold 78,304 units in 4M2021, 73.9% higher y-o-y. (MCO 1.0 impacted sales in the first half of 2020)





Equipment Segment

Operational highlights

Industrial Equipment

- Benefitted from the improved economic activities upon relaxation of MCO / lockdowns in markets it operates in as well as the rising e-commerce adoption.
- Malaysia and Singapore operations maintained its leadership positions in the material handling equipment business.
- Secured several major new and renewal forklift rental contracts in food & beverages and manufacturing industries.
- Launched “Electrify!” Campaign to promote the battery powered range of equipment targeting growth sector customers.
- Won Best Practice Contest and Best Sales Promotion Tool Contest under “Electrify!” Campaign organised by Toyota Industries Corporation.

Heavy Equipment

-  **Malaysia**
 - Improved performance was mainly contributed by public infrastructure projects in the country as well as increase in fleet renewal and replanting by plantation companies.
 - A new model, Komatsu PC130-10M0 launched in March received positive feedback & orders from customers.
-  **Papua New Guinea**
 - Driven by parts sales to mining sector as well as buoyant construction activities as government disbursed more funds for roads maintenance and construction of highland highways in some provinces.
-  **Myanmar**
 - Since the military coup began, business operations have been disrupted. Delays in major infrastructure investments and earthwork activities have impacted the construction sector.
-  **Singapore**
 - Improvement in construction activities, higher parts sales, as well as optimisation of rental business.
 - Construction sector saw a 20% y-o-y growth in 1Q21 supported by both public & private construction activities.

Equipment Segment

Fully focused in becoming a total solutions provider

Equipment

Expand our range of automation products and capabilities

Collaborate with financial institutions to expand equipment sales

Provide fleet management solutions



INDUSTRIAL EQUIPMENT

- Development of flexible rental arrangements.
- Leverage on green solution for prime power generation.

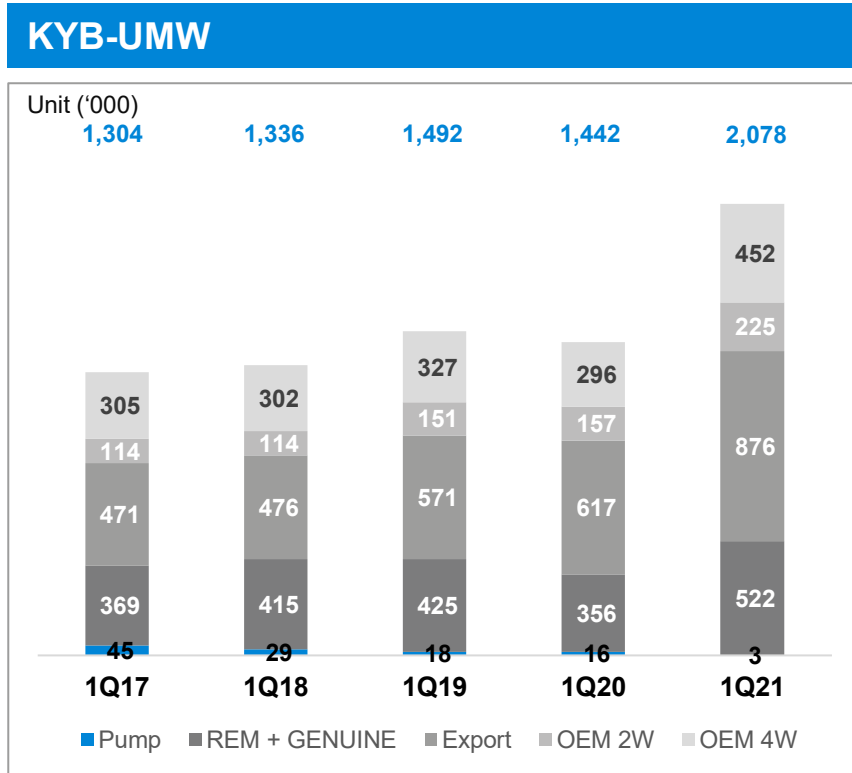


HEAVY EQUIPMENT

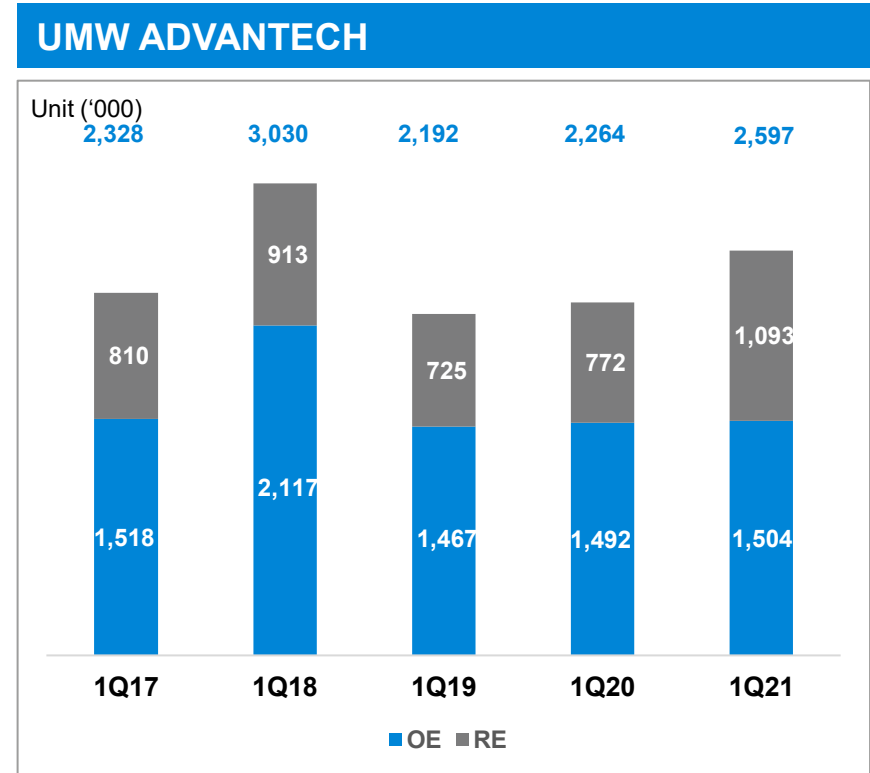
- Secure new offerings from principals.
- Expand product adjacencies.
- Close collaboration with Komatsu for support and to enhance competitiveness.

Manufacturing & Engineering Segment

Number of auto parts sold



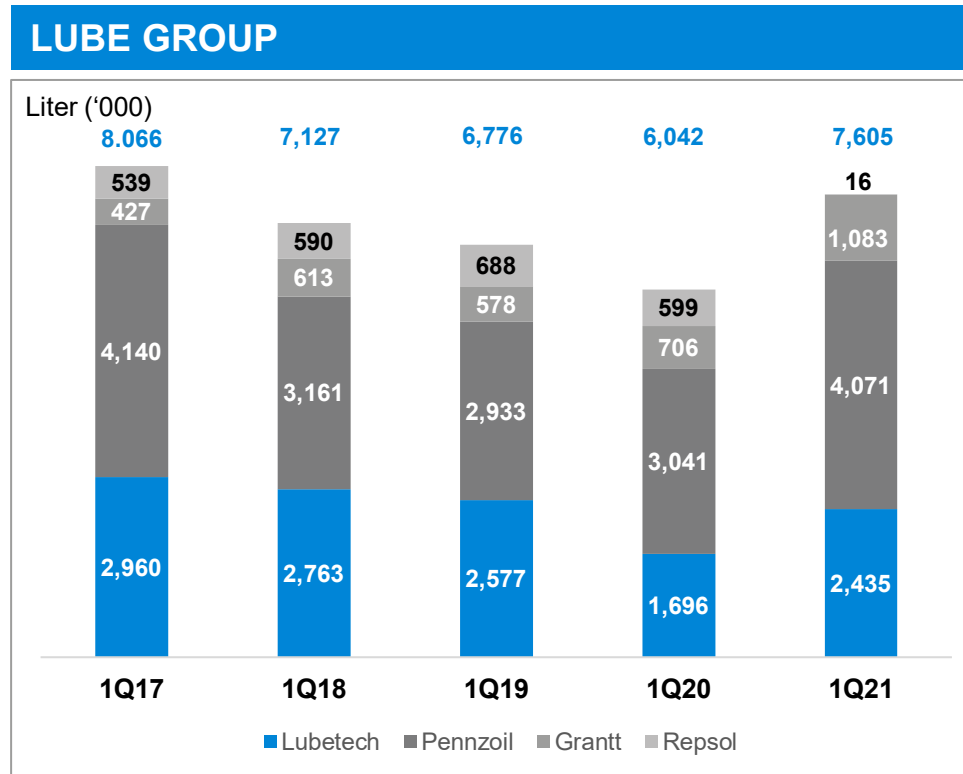
Higher export sales led to an improved result in 1Q21, supported by increased plant capacity



Revenue increased by 15% in 1Q21 due to higher parts sales

Manufacturing & Engineering Segment

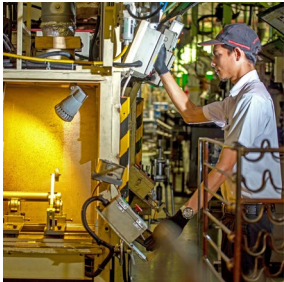
Lubricants sold



Improved performance in 1Q21 as resumption of business operations led to increased demand

Manufacturing & Engineering Segment

Focus on innovation and research & development



AUTOMOTIVE COMPONENTS

Leverage on completion of KYB-UMW plant modernisation initiatives to tap into new markets

- Improved capacity and efficiency - reduced logistical and inventory requirements.

Transform product line-up into green-related products with lower emissions and carbon footprints

Innovations that will lead to positive outcomes and value creation potential



LUBRICANTS

Explore opportunities in industrial and commercial lubricant applications

In anticipation of the increased demand from the ASEAN region.

To build a new Smart Lubricant plant, equipped with advanced features

Industry 4.0 revolution with cutting-edge technology.

Expanding sales channels into digital platforms for a wider reach

Aerospace Segment

Continue to support the government's initiatives to promote the growth of the aerospace and high-value manufacturing industries



UMW Aerospace was recently included in the 2021 Cohort of Rolls-Royce's High Performing Supplier Group.



Fully utilise existing aerospace capabilities

Expanding existing capabilities involving parts machining into non-aero machining works.

Product and customer diversification

Active on-going discussions with OEMs to manufacture other components.

Collaborate with existing MROs to increase local content

Capability building

To allow for growth into additive manufacturing / chemical milling.



Embarking on a Group Wide Transformation to Realise Full Potential

CREST@2021

Transformation Framework & Aspirations



CREST@2021
Innovising Mobility

20 Billion
Revenue

2 Billion
PBT

1 Billion
PATAMI

THANK YOU

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