

UMW HOLDINGS BERHAD

3QFY2020 Results

Briefing to analysts and fund managers

25 November 2020



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3Q20 FINANCIAL HIGHLIGHTS

KEY HIGHLIGHTS OF 3Q20 & 9M20 FINANCIAL RESULTS

RM million	3Q20 vs 3Q19			3Q20 vs 2Q20		9M20 vs 9M19		
	3Q20	3Q19	y-o-y	2Q20	q-o-q	9M20	9M19	y-o-y
Revenue	2,663.3	2,885.1	▼ 7.7%	1,529.7	▲ 74.1%	6,312.3	8,636.3	▼ 26.9%
PBT	159.5	152.5	▲ 4.6%	(58.8)	▲ >100.0%	163.8	443.4	▼ 63.1%
PAT*	117.6	131.2	▼ 10.4%	(54.1)	▲ >100.0%	112.3	355.8	▼ 68.4%
PATAMI	101.3	110.3	▼ 8.2%	(78.4)**	▲ >100.0%	**67.2	254.0	▼ 73.6%
Diluted / Basic (LPS) / EPS (sen)	8.67	9.44	▼ 8.2%	(6.71)	▲ >100.0%	5.75	21.74	▼ 73.6%

*Higher tax rate in 3Q20 and 9M20 was primarily due to losses from certain subsidiary companies which cannot be set-off against profits of other companies

** After distribution of RM34.8m to Perpetual Sukuk holders in 2Q20

3Q20 FINANCIAL RESULTS

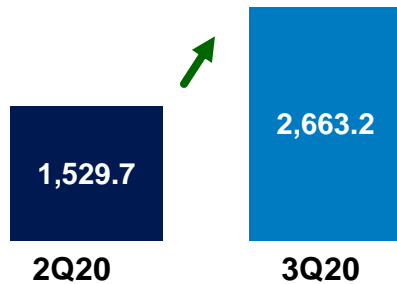
REVENUE & PBT (3Q20)

Cost optimisation initiatives across the Group has led to better profit margin

3Q20 vs 2Q20

REVENUE

RM million

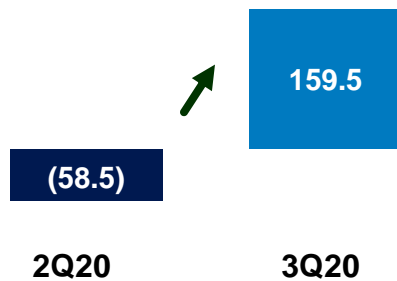


Revenue
▲ 74.1 % q-o-q

Revenue picked up post-MCO and exemption of sales tax coupled with low interest rates.

PBT

RM million



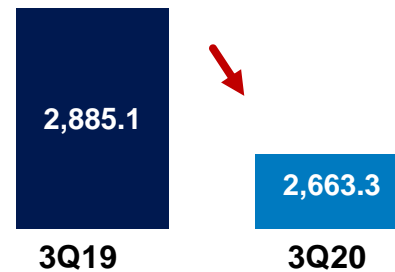
PBT
▲ >100% q-o-q

In line with increase in revenue.

3Q20 vs 3Q19

REVENUE

RM million

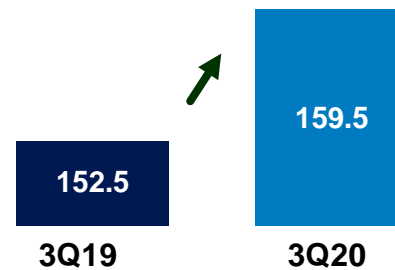


Revenue
▼ 7.7% y-o-y

Due to the COVID-19 pandemic.

PBT

RM million



PBT
▲ 4.6% y-o-y

Better profit margin earned from cost optimisation across the Group.

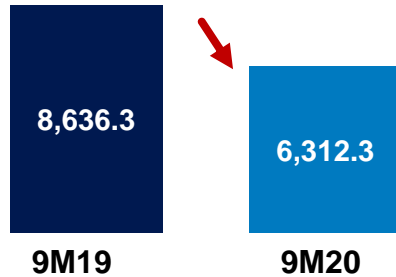
REVENUE & PBT (9M20)

Core segments impacted by continuous lockdowns/MCO in operating countries – to intensify cost optimisation initiatives

9M20 vs 9M20

REVENUE

RM million

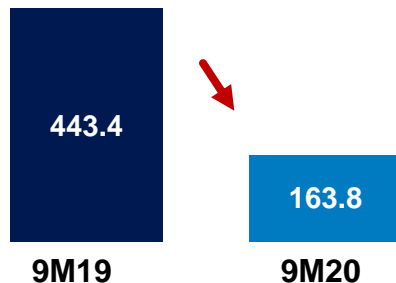


▼ **Revenue**
26.9% y-o-y

- Following continuous lockdowns/MCO in operating countries.
- General impact of the ongoing COVID-19 pandemic.

PBT

RM million



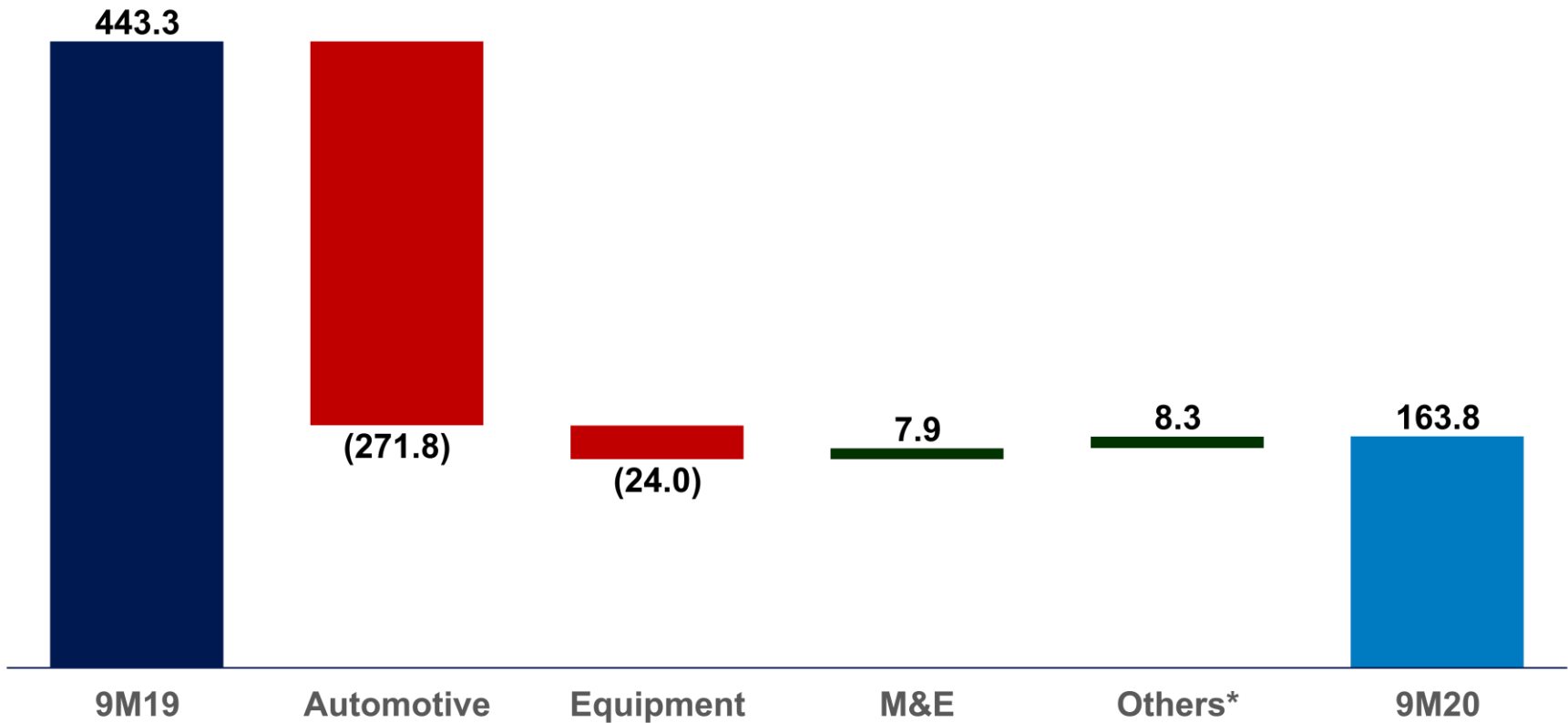
▼ **PBT**
63.1% y-o-y

- In line with the decrease in revenue.

GROUP PBT - 9MFY20 vs 9MFY19

By segments

RM million



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

9MFY20 CORE PATAMI

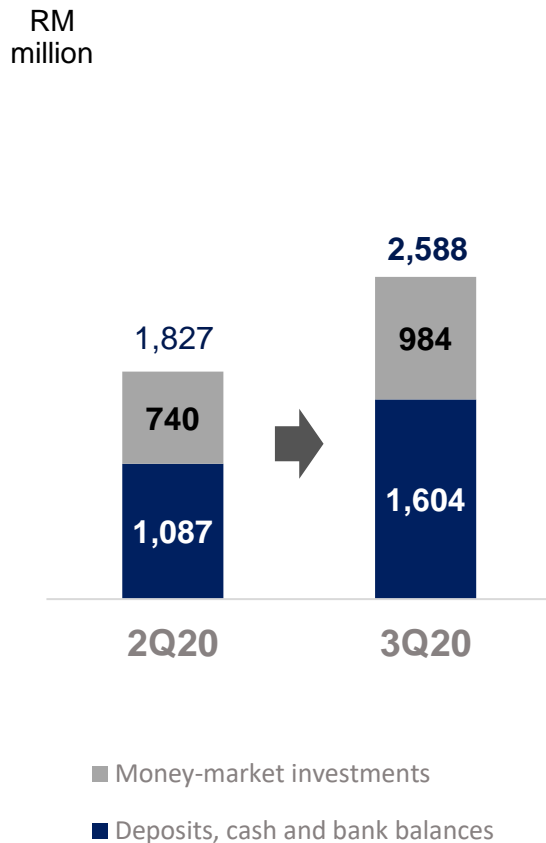
Stripping out exceptional items

	RM million	Remarks
Reported PATAMI	67.2	Includes distribution to Perpetual Sukuk holders of RM34.8 million in April 2020.
*ADJUSTMENTS	Amount recognised in PATAMI	
Reversal of impairment on receivables	(31.7)	Debt recovery from an earlier investment.
Reversal of impairment on PPE	(0.02)	-
Loss on sale on investment (net)	27.9	Crystallisation of forex loss on divestment of a company in Unlisted O&G.
Net gain on disposal of PPE not relating to business operations	(1.6)	Excluding RM15.3 million, which is mainly sale of leased asset in the Equipment segment.
Share of results from Toyota Capital Malaysia (TCM)	33.8	<ul style="list-style-type: none"> • Share of results from TCM in 3Q20 was RM10.3 million, reducing the share of losses in 9M20 to RM33.8 million. • The losses in 1H20 were due to present value impact of loan moratorium and unfavourable mark-to-market value of interest rate swaps. • The provision of the impact of loan moratorium, was fully recognised in 2Q20.
CORE PATAMI	95.6	

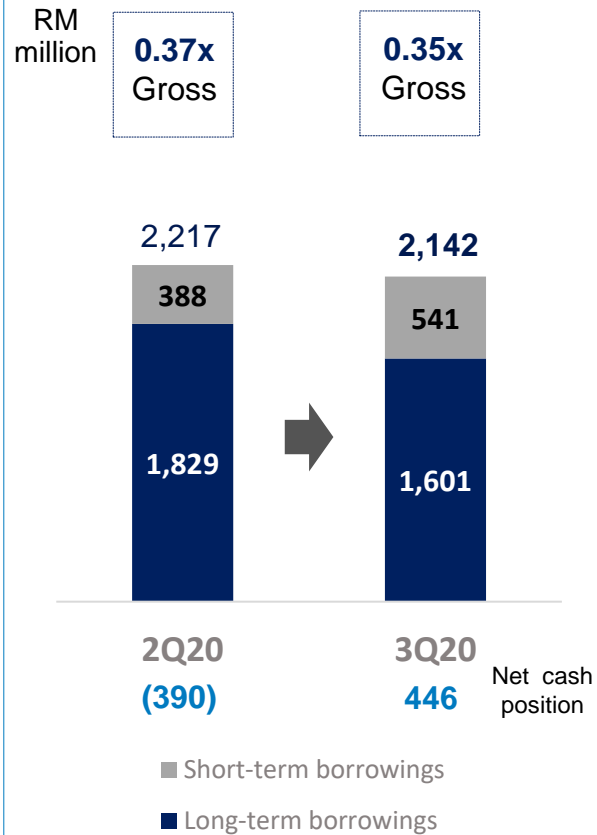
CASH AND DEBT POSITION

Improving cash position

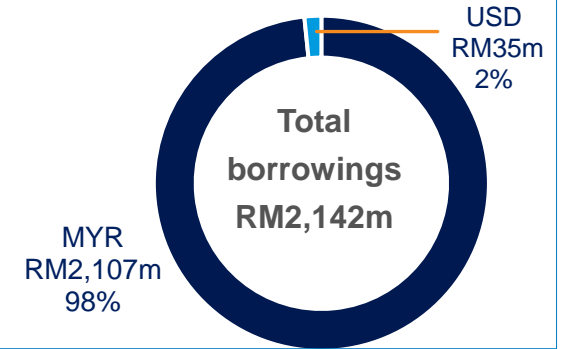
Deposits, cash, bank balances and money market investments



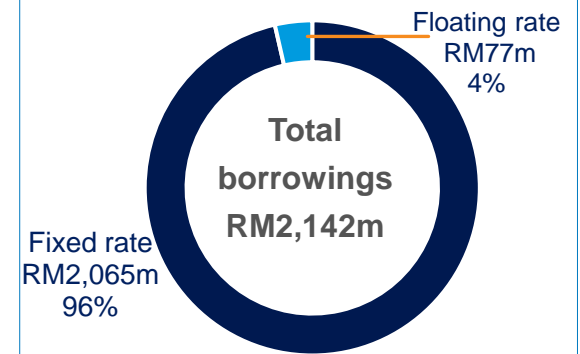
Total borrowings & Gearing Ratio



Debt profile by currency



Debt profile by fixed / floating rate



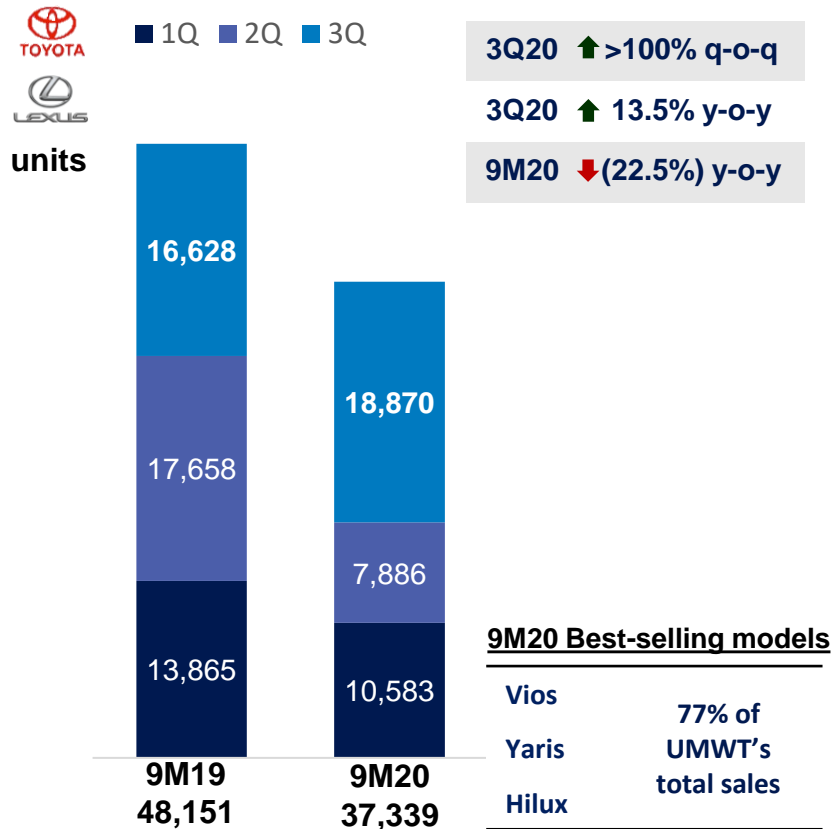
SEGMENTAL REVIEW



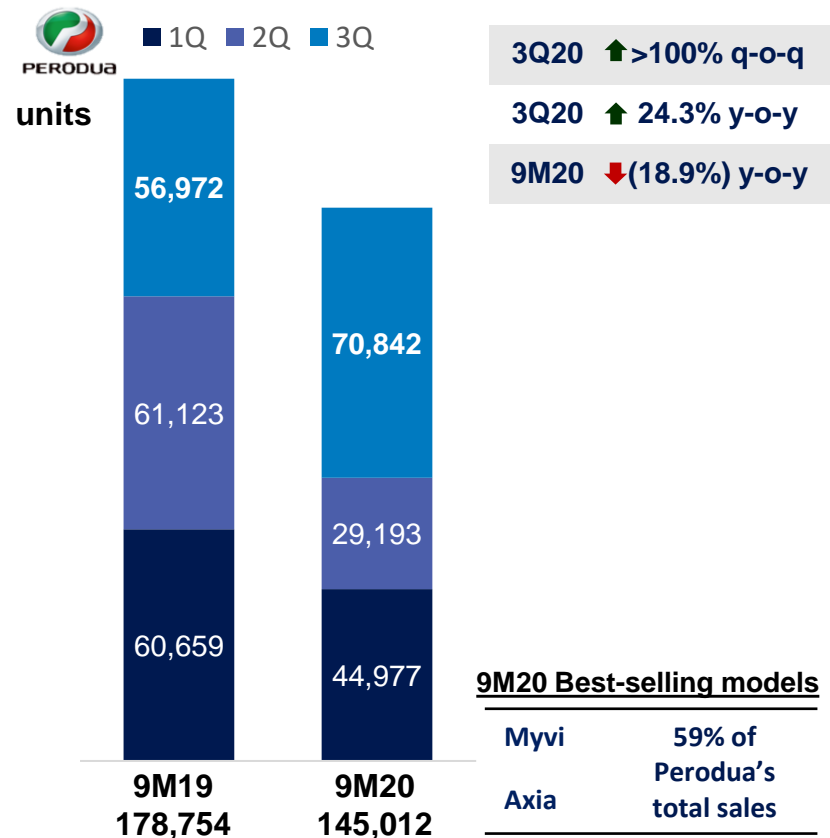
AUTOMOTIVE SALES

Sales were affected by the lockdown measures imposed due to Covid-19 outbreak but was cushioned by the sales tax exemption granted from 15 June until 31 December

UMWT sales



Perodua sales

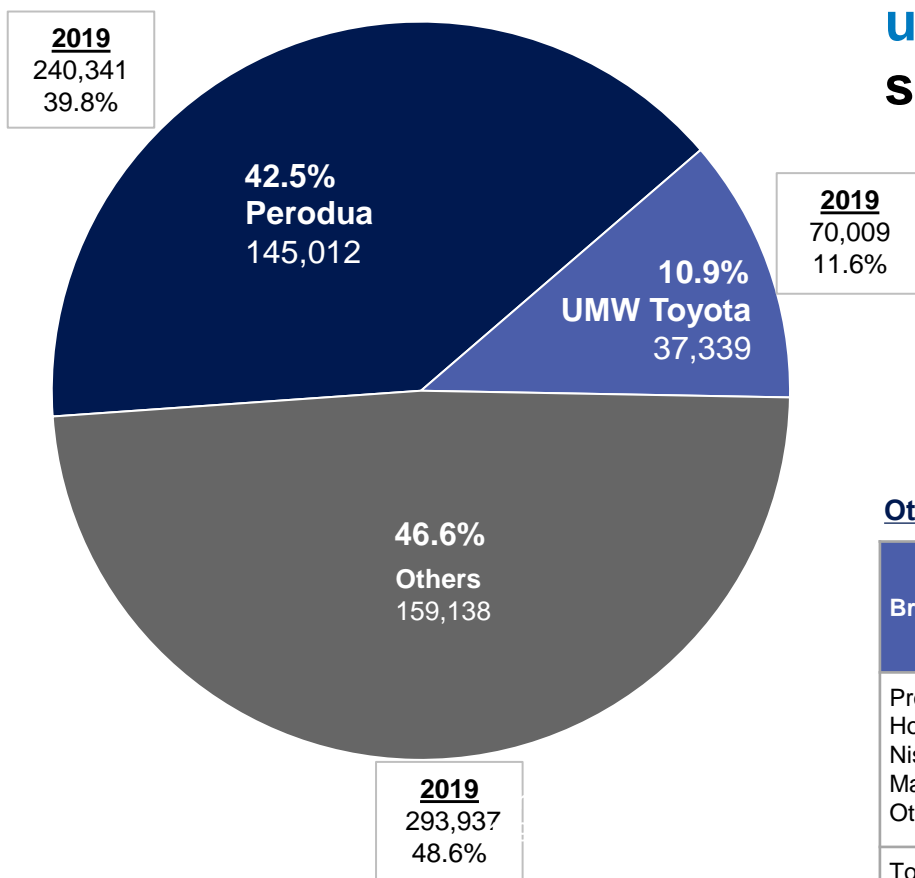




MARKET SHARE

The Group's market share strengthened in 9M20

UMW Group sold **182,351 units in 9M20** with a market share of **53.4%** (2019 – 51.4%)



Other Carmakers' Sales and Market Share

Brand	9M20		Full-year 2019	
	Units	Market Share %	Units	Market Share %
Proton	73,547	21.7	100,183	16.6
Honda	34,655	10.1	85,418	14.1
Nissan	9,167	2.6	21,239	3.5
Mazda	7,482	2.3	11,651	1.9
Other brands	34,287	10.1	75,446	12.5
Total TIV	341,489		604,287	

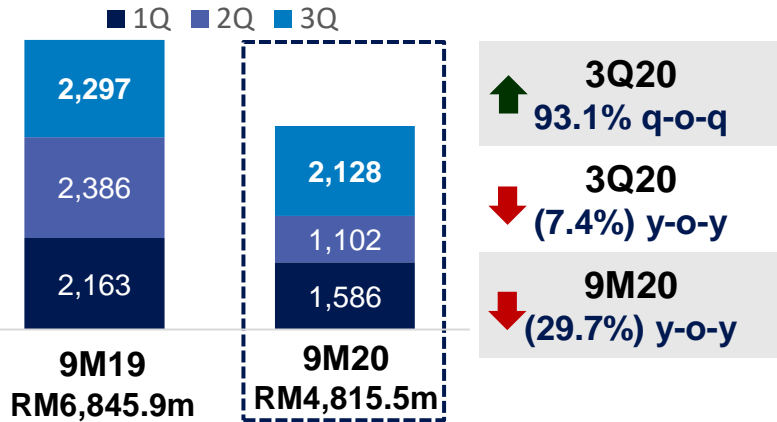
Source: Malaysian Automotive Association



AUTOMOTIVE SEGMENT

The segment is showing improvement resulting from the sales tax exemption

REVENUE (RM million)

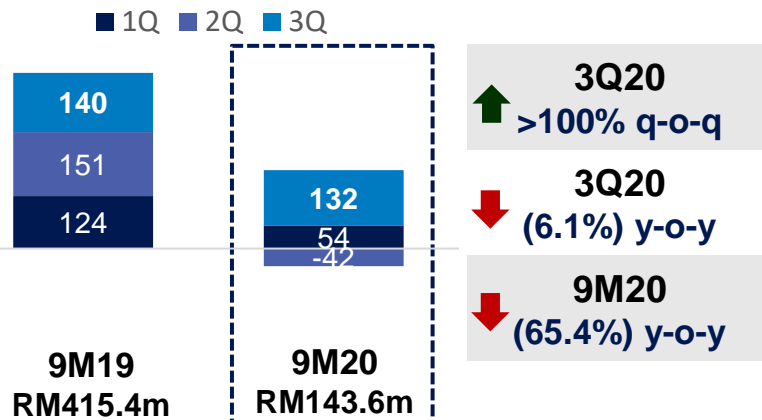


Automotive Results

01 3Q20 FINANCIAL RESULTS

- Revenue grew q-o-q as a higher number of vehicles were sold during the quarter, helped by the sales tax exemption from 15 June to 31 December as well as improved models introduced by UMWT.
- PBT rose q-o-q, in line with the increase in revenue contribution as well as higher share of profit from an associated company.

PROFIT BEFORE TAXATION (RM million)



02 9M20 FINANCIAL RESULTS

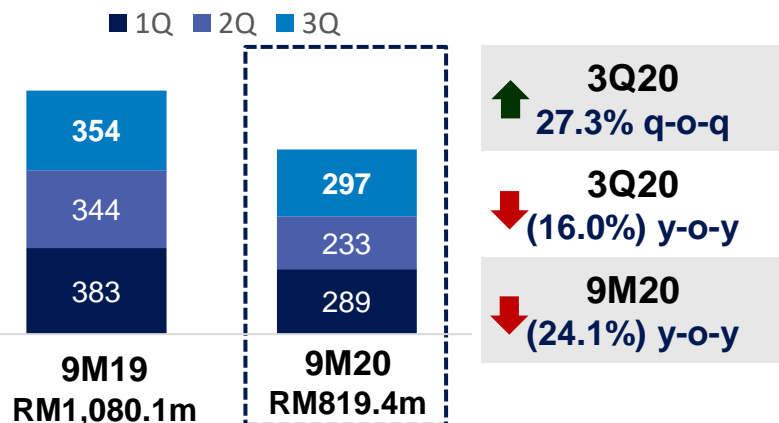
- Revenue declined mainly due to a lower number of vehicles sold during the period due to MCO.
- In tandem with the lower revenue, PBT also declined.



EQUIPMENT SEGMENT

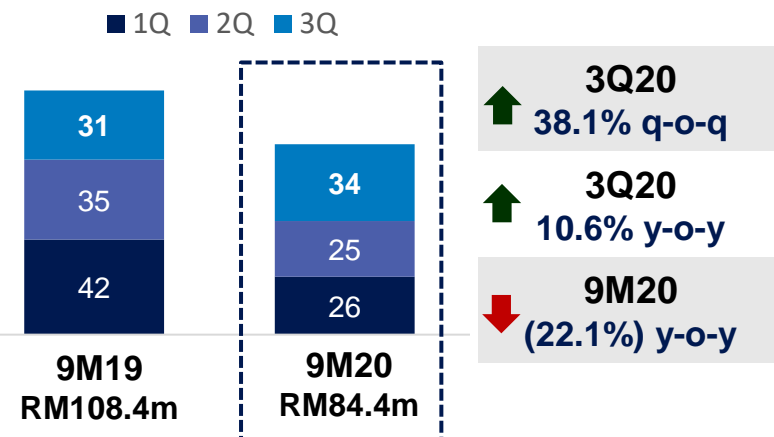
Better margin earned from cost optimisation initiatives

REVENUE (RM million)



↑ 3Q20
 27.3% q-o-q
 ↓ 3Q20
 (16.0%) y-o-y
 ↓ 9M20
 (24.1%) y-o-y

PROFIT BEFORE TAXATION (RM million)



↑ 3Q20
 38.1% q-o-q
 ↑ 3Q20
 10.6% y-o-y
 ↓ 9M20
 (22.1%) y-o-y

Equipment Results

01 FINANCIAL RESULTS

- 9M20 revenue was lower y-o-y, mainly due to a slow down in construction, manufacturing, mining and logging activities following the lockdowns in the operating countries.
- 9M20 PBT declined due to the lower revenue.
- Notably, margins improved as a result of cost optimisation initiatives.

02 OPERATIONAL HIGHLIGHTS

Heavy Equipment

- Demand in the region declined mainly due to a slow down in pertinent sectors following the lockdowns in operating countries.

Industrial Equipment

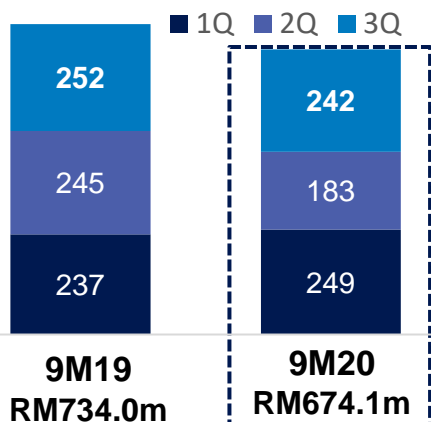
- Recovery in sectors such as manufacturing, logistics & warehousing and F&B should support the demand moving forward.
- Toyota forklift maintained its market leadership position in Malaysia's material handling equipment business.



MANUFACTURING & ENGINEERING SEGMENT

Cost optimisation initiatives led to improved bottom line

REVENUE (RM million)

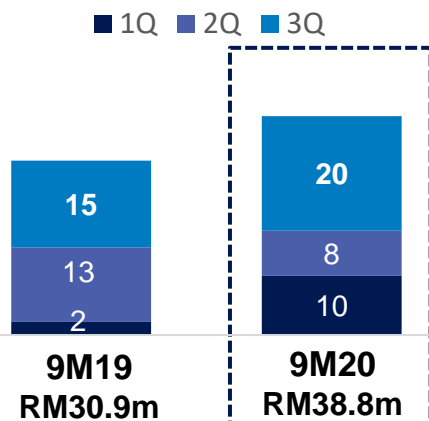


↑ 3Q20
32.1% q-o-q

↓ 3Q20
(4.0%) y-o-y

↓ 9M20
(8.2%) y-o-y

PROFIT BEFORE TAXATION (RM million)



↑ 3Q20
>100% q-o-q

↑ 3Q20
32.4% y-o-y

↑ 9M20
25.6% y-o-y

Manufacturing & Engineering (M&E) Results

01 FINANCIAL HIGHLIGHTS

- 9M20 - revenue declined mainly due to lower contribution from Auto Components and Lubricants sub-segments due to MCO.
- Despite the lower revenue, PBT grew in 9M20 due to cost optimisation initiatives.

02 AEROSPACE SUB-SEGMENT

- 9M20 - a higher number of fan cases were delivered compared with 9M19, coupled with cost optimisation initiatives resulted in improved performance by the Aerospace sub-segment.
- However, we expect delivery in the upcoming quarter to slow down due to lower demand.

03 AUTO COMPONENTS & LUBRICANTS SUB-SEGMENT

- Demand for both Auto Components & Lubricants in 9M20 was affected by the decline in automotive sales during the period. However, a pick-up in auto sales could support demand in the upcoming quarter.

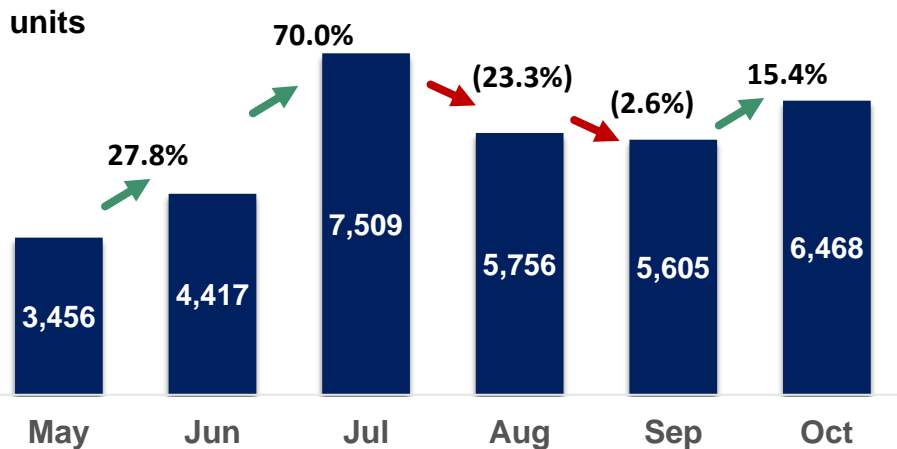
OPERATIONAL UPDATES AND OUTLOOK



YEAR-TO-DATE 2020 UNIT SALES

Sales recovery spurred by sales tax exemption

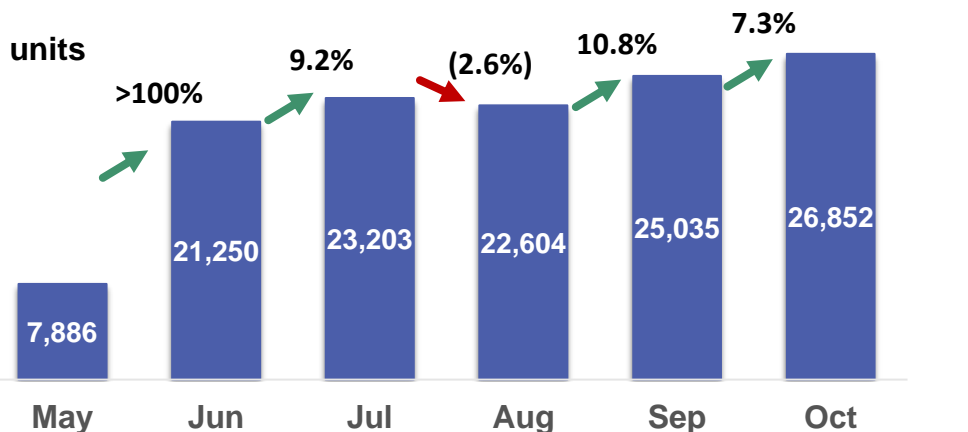
UMWT sales



UMW Toyota Motor – revised target of 53,000 units for 2020

- 10M20 sales – 43,807 units; 82.7% of full-year target
- With its revised sales target, UMWT is expecting to maintain a market share of above 11% for 2020.

Perodua sales



Perodua – target of 210,000 units for 2020

- 10M20 sales – 171,864 units; 81.8% of full-year target
- Perodua sold a record-breaking 26,852 units in October. Both its plants are currently running at almost full capacity.
- Perodua is poised to maintain its pole position in terms of market share this year.

AUTOMOTIVE SEGMENT

Driving sales through new product offering as well as focused sales and marketing initiatives

Expansion of model line-up – to appeal to a wider audience

- Improved Alphard and Vellfire (9 Mar), all-new Lexus UX 200 (4 Mar), all-new Toyota RAV4 (18 Jun) and improved Toyota Hilux (8 Oct) were launched.
- Order taking has started for the newly-revised Toyota Yaris (2 Nov) and Toyota Vios (16 Nov).
- More new models planned for 2021.

Provide innovative financing packages to potential customers

In partnership with Toyota Capital and other financial institutions.

Expansion of sales network into e-commerce

Toyota Malaysia Flagship Stores via Lazada and Shopee – to ease purchase of vehicles as well as value for money deals.

Year-to-date launches by UMWT



UX 200



ALPHARD



VELLFIRE



RAV4



HILUX



YARIS



VIOS

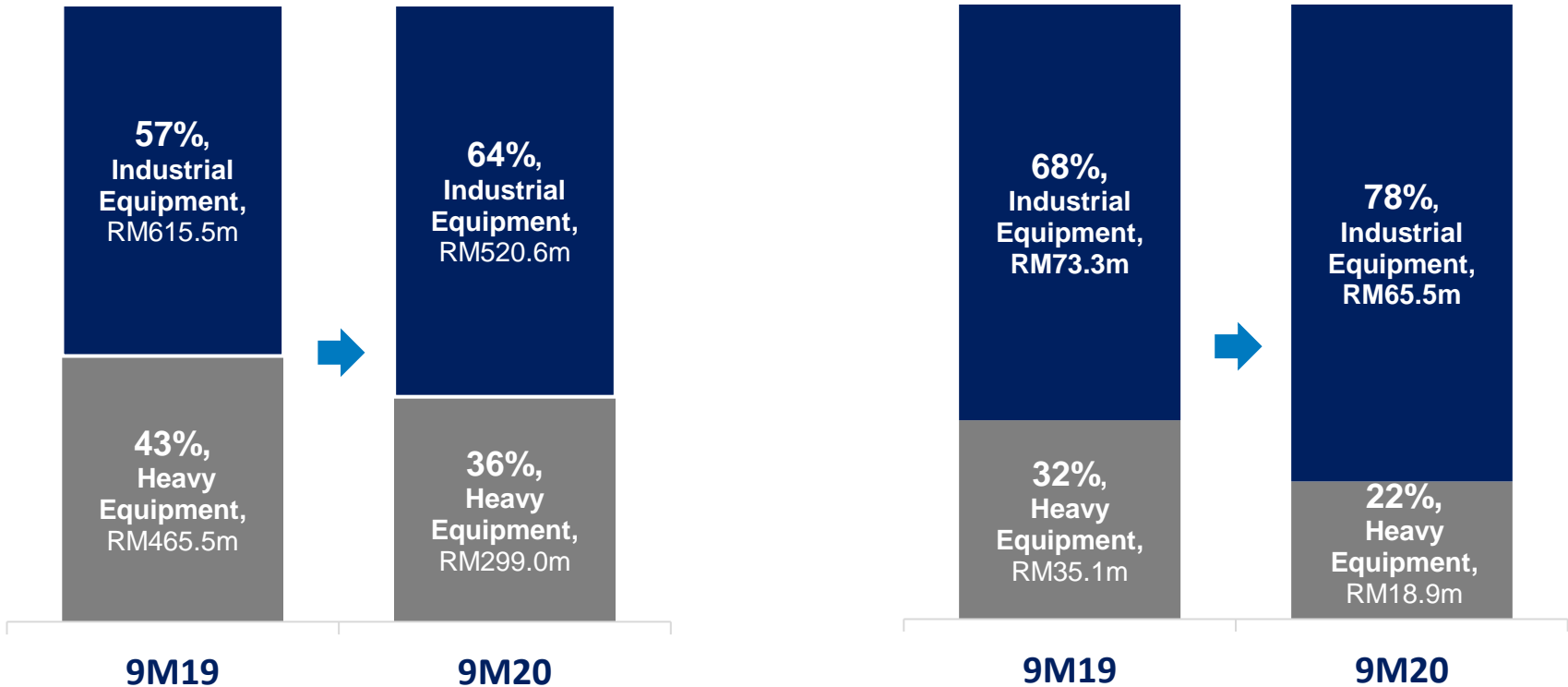


EQUIPMENT SEGMENT BREAKDOWN

Higher contribution from the industrial equipment sub-segment

REVENUE CONTRIBUTION

PBT CONTRIBUTION



- **Heavy Equipment** - Registered lower revenue due to slow down in construction, manufacturing, mining and logging activities following the lockdowns in the operating countries.
- **Industrial Equipment** - Achieved higher PBT due to better margins in the leasing business, coupled with cost optimisation initiatives.



EQUIPMENT SEGMENT

The segment is proactively engaging in cost containment measures across its businesses, process improvement and digitalization



INDUSTRIAL EQUIPMENT

- **Diversify product base**
- **Support customers during recovery period - to reduce operating cost**
 - Flexible short-term rental
 - Special discount on maintenance services and spare parts
- **Leverage on potential increased trade - especially export-based manufacturing industries**



HEAVY EQUIPMENT

- **Ride on the rebound in economic activity to seek new opportunities**
 - Securing tender for infrastructure projects in Malaysia and Myanmar.
 - Strong gold prices to spur demand in PNG
- **Close collaboration with Komatsu for support and to enhance competitiveness**



MANUFACTURING & ENGINEERING SEGMENT

Auto components & lubricants sub-segments to ride on the recovering automotive sector



AEROSPACE

- **Maiden delivery of Trent 7000 fan case in October 2020**
 - Continues to receive orders for fan cases albeit slightly lower numbers.
- **Fully utilise existing aerospace capabilities**
 - Considering expanding existing aerospace capabilities involving parts machining into non-aero machining works.
- **Product diversification - active on-going discussions with OEM for manufacturing of new products.**
- **Collaborate with existing MROs to increase local content**



AUTO COMPONENTS & LUBRICANTS

- **Leveraging on the sales tax exemption for the automotive industry**
 - Rising demand in OEM and REM markets.
 - Lubricant plant running almost at full capacity since September 2020.
- **Completion of KYB-UMW plant expansion and modernization**
 - Additional 20% capacity as well as improved logistics and plant efficiency.
- **Lubricants - to continue to leverage on its OEM partners**
 - To strengthen domestic sales and export to ASEAN countries.

THANK YOU

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