

3Q FY2021 RESULTS BRIEFING

29 November 2021



UMW Holdings Berhad

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3Q 2021 Financial Highlights

Key Highlights of 3Q 2021 Financial Results

The Group's performance was impacted by the FMCO

RM million	3Q21 vs 3Q20			3Q21 vs 2Q21		9M21 vs 9M20		
	3Q21	3Q20	Y-o-Y	2Q21	Q-o-Q	9M21	9M20	Y-o-Y
Revenue	2,016.4	2,663.3	▼ 24.3%	2,445.1	▼ 17.5%	7,415.7	6,312.3	▲ 17.5%
PBTZ	16.5	159.5	▼ 89.7%	32.6	▼ 49.5%	211.8	163.8	▲ 29.3%
PAT	(9.6)	117.6	▼ > 100%	21.5	▼ > 100%	135.3	112.3	▲ 20.4%
PATAMI *	(47.9)	83.9	▼ > 100%	(21.1)	▼ > 100%	28.3	49.7	▼ 43.2%
Basic EPS (sen)	(4.10)	7.18	▼ > 100%	(1.81)	▼ > 100%	2.42	4.26	▼ 43.2%

* The Perpetual Sukuk is reclassified to be distributed quarterly. The distribution for comparative 3Q 2020 has been re-allocated to be consistent with 3Q 2021.

3Q21	<ul style="list-style-type: none"> Impacted by the imposition of the Full Movement Control Order (FMCO), which was only eased from 16 August 2021 onwards. The FMCO period was longer and intensified business closure.
9M21	<ul style="list-style-type: none"> PBTZ improved mainly due to higher contribution from the Automotive segment, driven by the sales tax exemption, new model launches and the easing of the FMCO restrictions from 16 August. Higher NCI resulted in lower PATAMI.

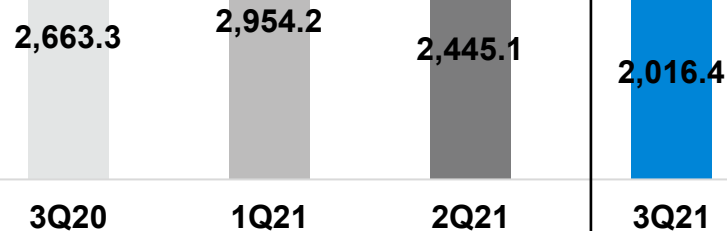
3Q 2021 Financial Results

Group Revenue & PBTZ (3Q 2021)

Impacted by limited business operations during the FMCO

REVENUE

RM million



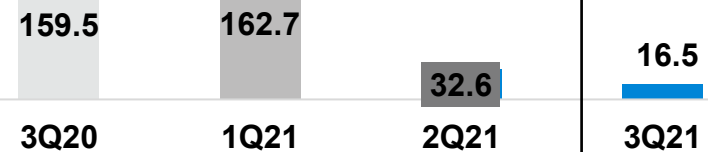
▼ 24.3% Y-o-Y

▼ 17.5% Q-o-Q

Lower contribution from the Automotive and M&E segments due to the imposition of the Full Movement Control Order ("FMCO").

PROFIT BEFORE TAXATION AND ZAKAT

RM million

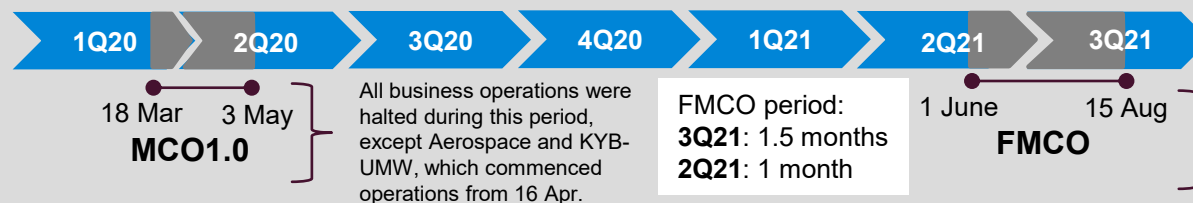


▼ 89.7% Y-o-Y

▼ 49.5% Q-o-Q

PBTZ was further dragged down by the lower share of profit from an associated company due to the FMCO.

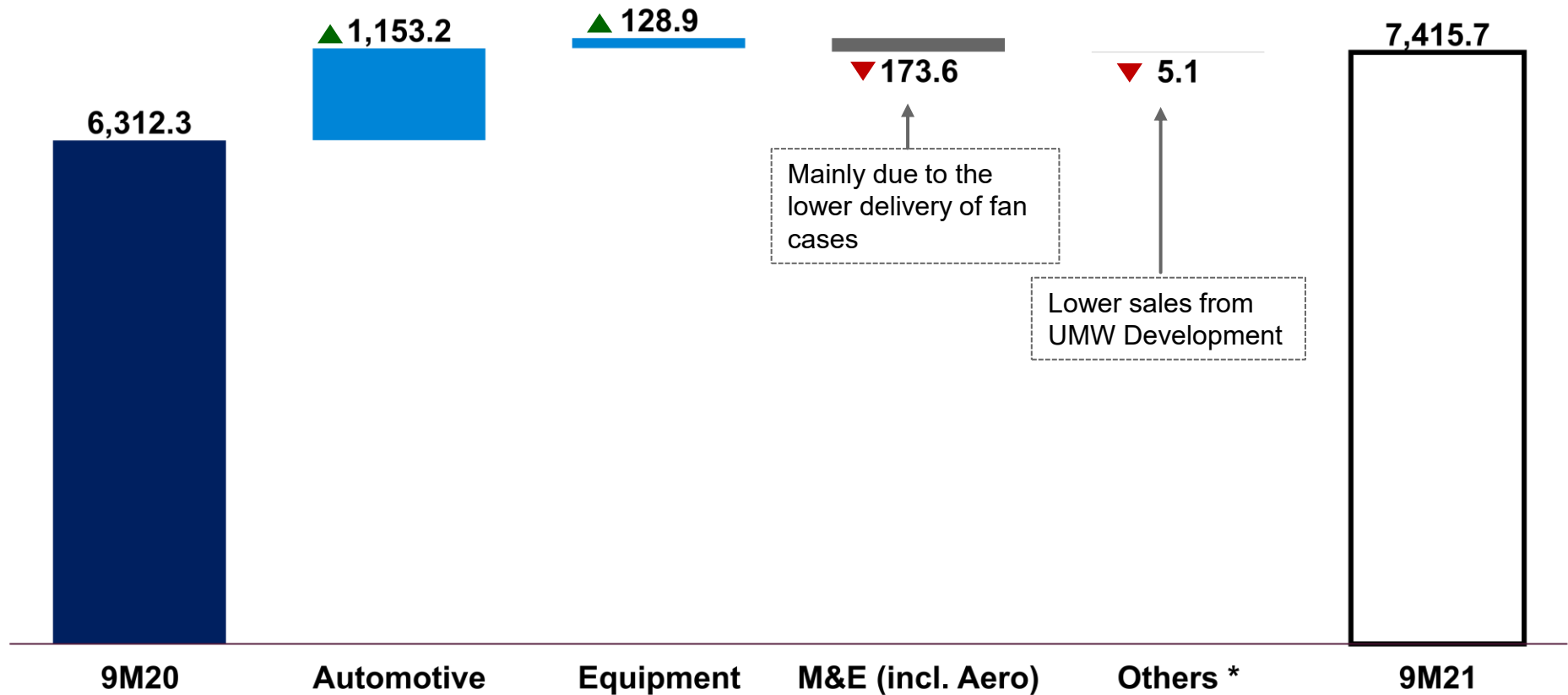
- Operations at full capacity
- Operations at limited capacity



Group Revenue – 9M 2021 vs 9M 2020

Buoyed by stronger vehicle sales

RM million

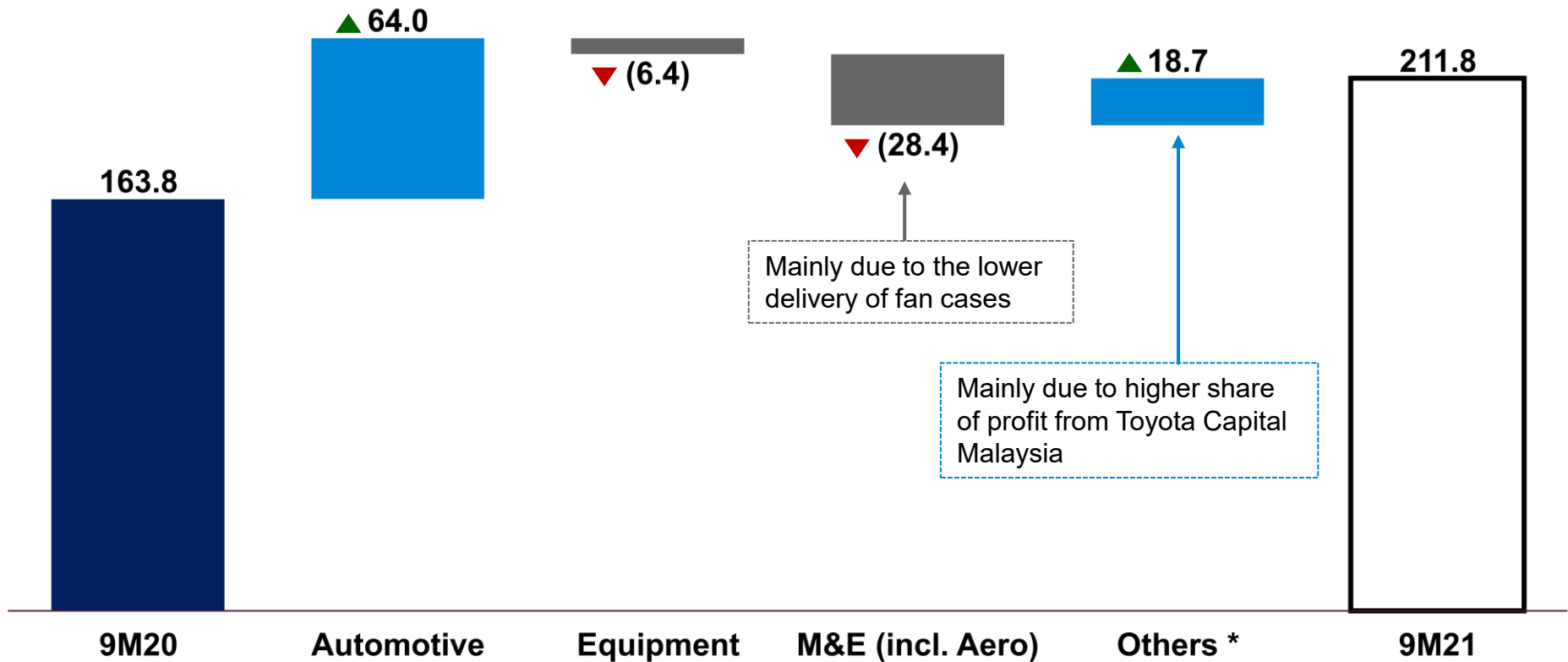


* Others represent HQ , other non-core operating companies, Unlisted O&G, inter-segment eliminations and Group adjustments.

Group PBTZ – 9M 2021 vs 9M 2020

Driven by improved contribution from the Automotive and Others segment

RM million



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

While the UMW Group continues its recovery post-FMCO, cost optimisation initiatives will be strengthened throughout the Group to further improve the bottom-line.

9M 2021 CORE PATAMI

Stripping out exceptional items

	RM million	Remarks
Reported PATAMI	28.3	-
ADJUSTMENTS	Amount recognised in PATAMI	
Forex	17.5	Due to unrealised forex loss in Myanmar.
Net reversal of impairment on receivables	(11.0)	Debt recovery from an earlier investment.
Net gain on disposal of PPE not relating to business operations	(9.2)	Mainly due to the gain on disposal of a property which was completed in 3Q 2021.
CORE PATAMI	25.6	

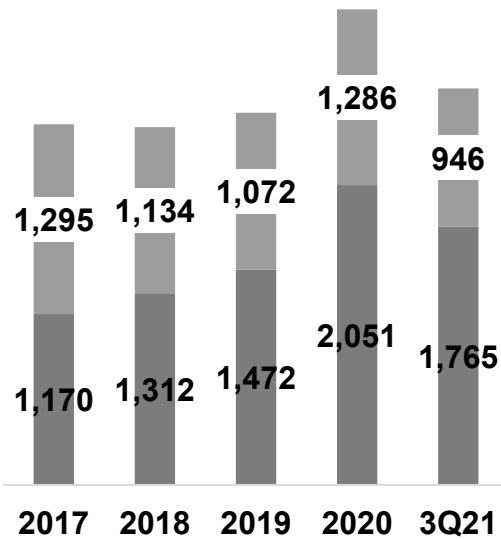
Cash and Debt Position

Continue to maintain healthy balance sheet and optimal capital structure

Deposits, cash, bank balances and money-market investments

RM million

2,465 2,446 2,544 3,337 2,711

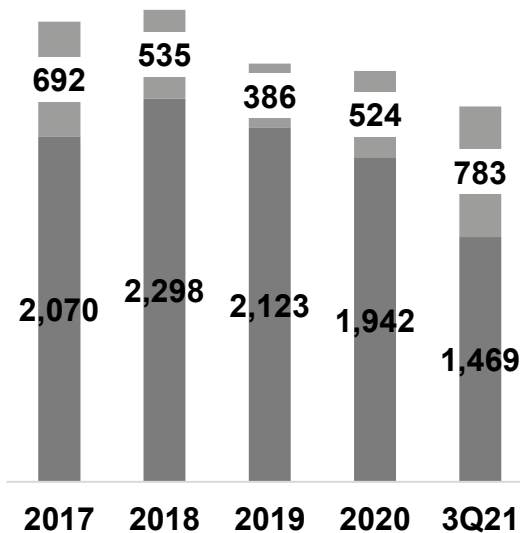


Decreased mainly due to repayment of sukuk and borrowings, and payment of dividend and perpetual sukuk dividend.

- Money-market investments
- Deposits, cash and bank balances

Gross gearing ratio and total borrowings

0.66x 0.50x 0.41x 0.38x 0.35x
RM million
2,762 2,833 2,509 2,466 2,252



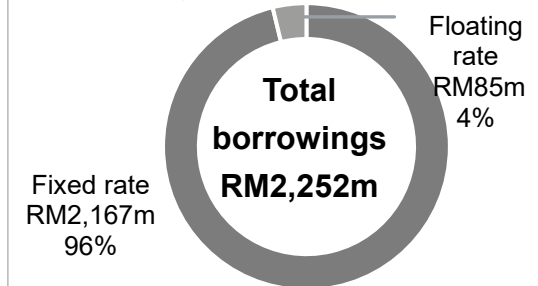
Net cash position

35 871 459

- Short-term borrowings
- Long-term borrowings

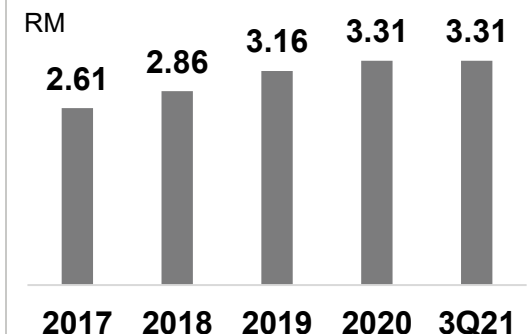
Debt profile by fixed / floating rate

As at end-3Q21



The Group has no exposure to foreign-denominated debt.

Net assets per share



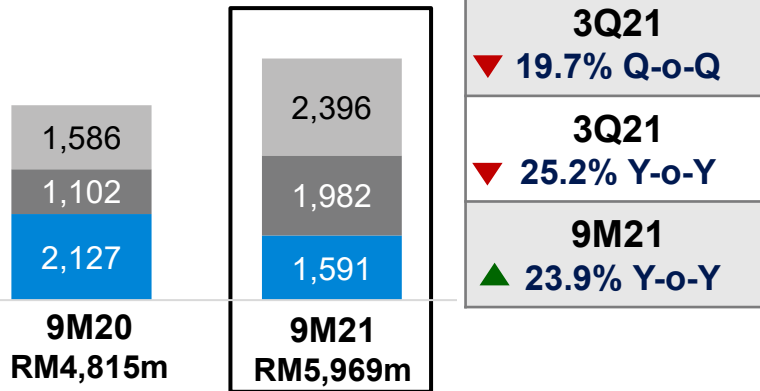
3Q 2021 Segmental Results

Automotive Segment

New model launches and extension of the sales tax exemption to support recovery

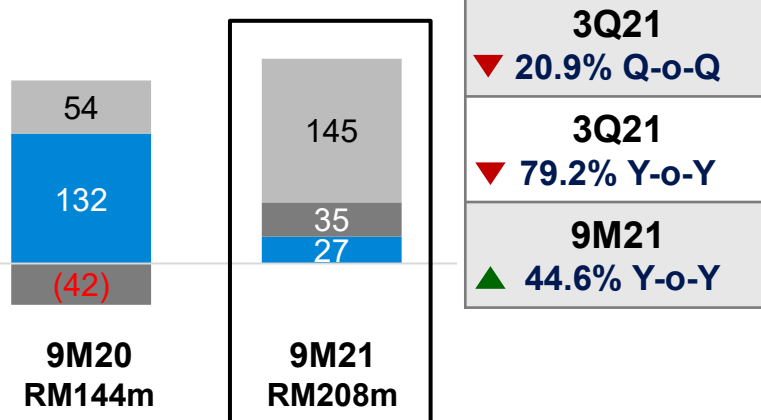
Revenue (RM million)

■ 3Q ■ 2Q ■ 1Q



Profit Before Taxation (RM million)

■ 3Q ■ 2Q ■ 1Q



Automotive Results

3Q21 Financial Results

Y-o-Y

- Revenue declined due to lower vehicle sales as operations were halted during the FMCO period until 16 August 2021, coupled with the ongoing shortage of semiconductor chips.
- PBT was further dragged down by lower share of profit from an associated company.

Q-o-Q

- The imposition of FMCO affected operations more in 3Q21 (c. 1.5 months) as opposed to 2Q21 (c. 1 month). As a result, both revenue and PBT were affected in the current quarter.

9M21 Financial Results

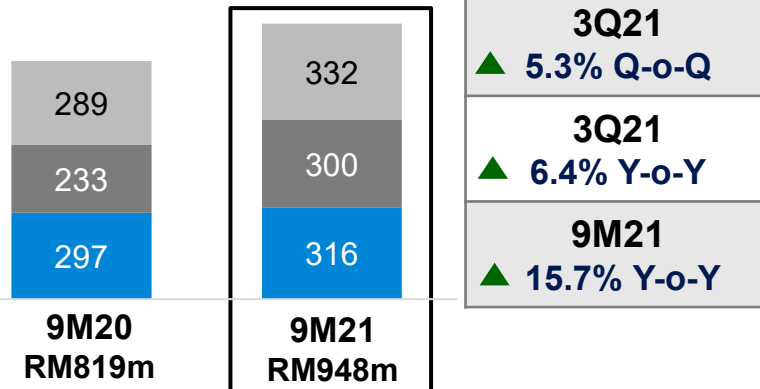
- Nonetheless, for the first nine months of the year, revenue grew by 23.9% as UMWTH continues its strong sales recovery following the easing of the FMCO restrictions, supported by the introduction of new models and the sales tax exemption.
- PBT surged by 44.6% despite the lower share of profit from an associated company.
- Introduction of new models, including a hybrid electric vehicle, as well as the year-end sales promotions are expected to drive stronger sales in 4Q21.

Equipment Segment

Affected by the continued disruption in Myanmar operations

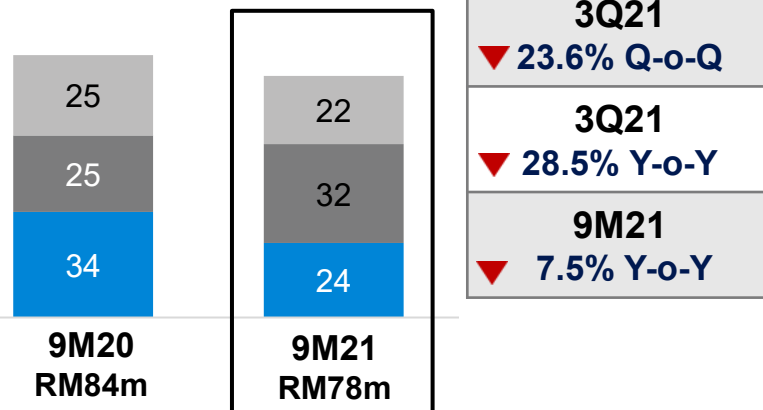
Revenue (RM million)

■ 3Q ■ 2Q ■ 1Q



Profit Before Taxation (RM million)

■ 3Q ■ 2Q ■ 1Q



Equipment Results

3Q21 Financial Results

Y-o-Y

- While revenue improved, PBT was affected by losses from the Myanmar operations due to the depreciation of Myanmar Kyat as well as the ongoing political unrest since February 2021.

Q-o-Q

- Revenue improved, mainly due to higher sales from the Heavy Equipment sub-segment, following business recovery in phases under the NRP.
- However, PBT was affected by losses from the Myanmar operations.

9M21 Financial Results

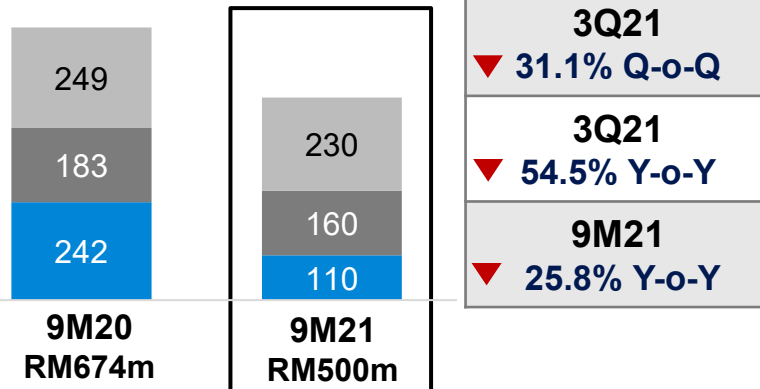
- Revenue increased as demand for the segment's products and services improved.
- However, PBT was affected by the Myanmar operations.
- Heavy Equipment - Higher gold prices and positive outlook for the construction sector may soften the impact from the Myanmar operations.
- Industrial Equipment - focus on the expansion of the rental business.

Manufacturing & Engineering Segment

Performance impacted by limited business operations during FMCO

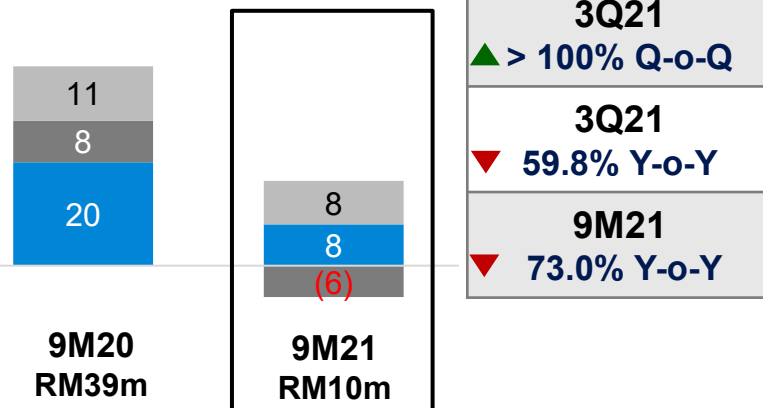
Revenue (RM million)

■ 3Q ■ 2Q ■ 1Q



Profit Before Taxation (RM million)

■ 3Q ■ 2Q ■ 1Q



Manufacturing & Engineering Results

3Q21 Financial Results

Y-o-Y

- Revenue and PBT decreased due to lower contribution from all three sub-segments.

Q-o-Q

- The higher PBT was mainly due to the RM19.2 million gain on disposal of a property which was completed in 3Q 2021.

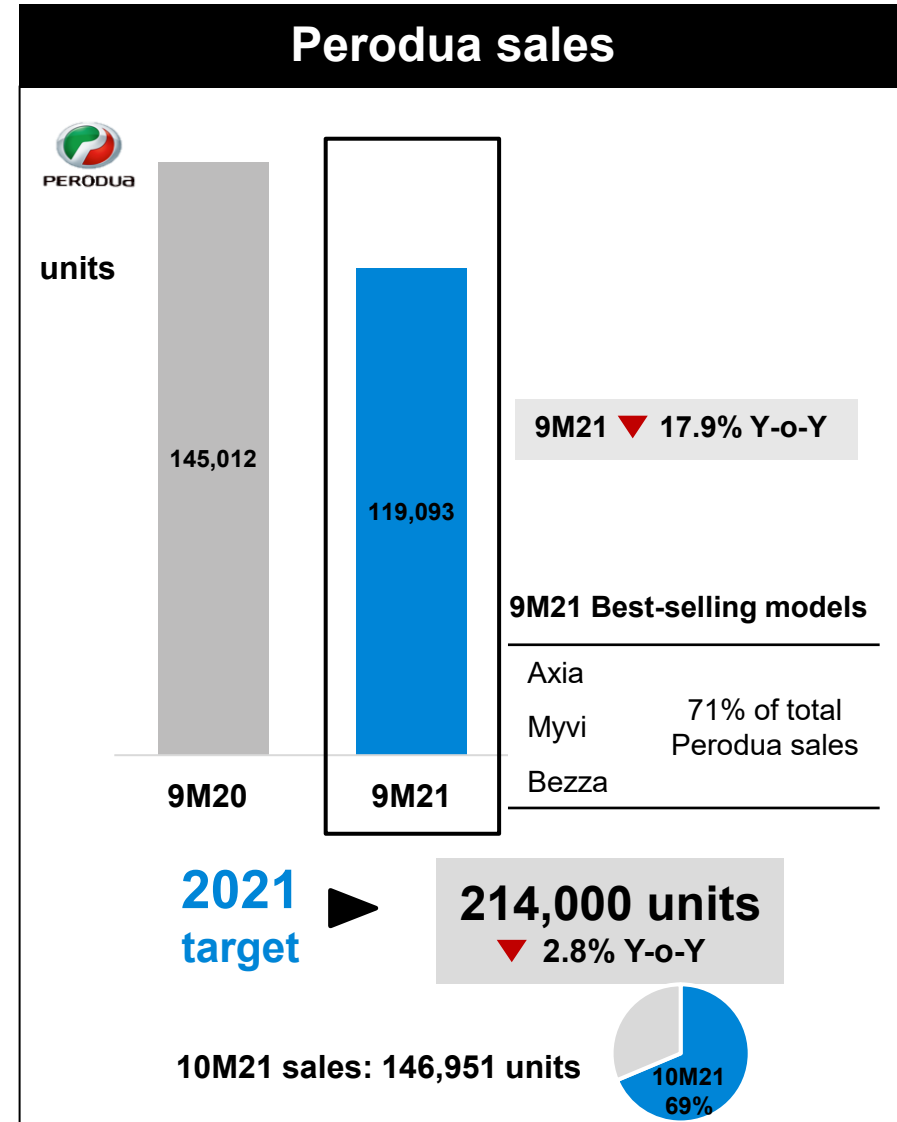
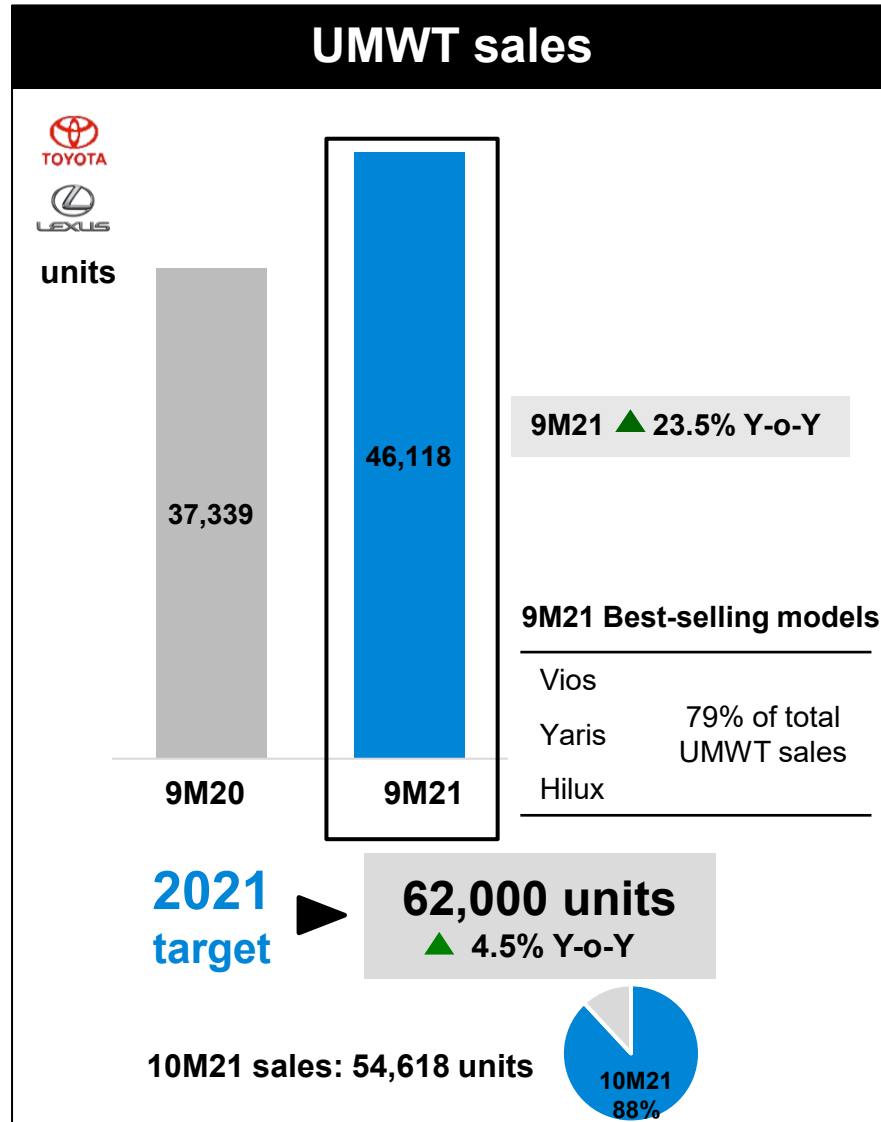
9M21 Financial Results

- Revenue and PBT declined due to lower contribution from the Lubricants and Aerospace sub-segments following lower delivery of fan cases as well as the FMCO.
- The Auto Components and Lubricants sub-segments are gradually improving as disruptions to the supply chain have progressively eased and businesses have started to ramp up production, supported by recovery in the automotive industry.
- Demand for fan cases is expected to improve from 2022 onwards with the gradual reopening of international travel.

Operational Updates

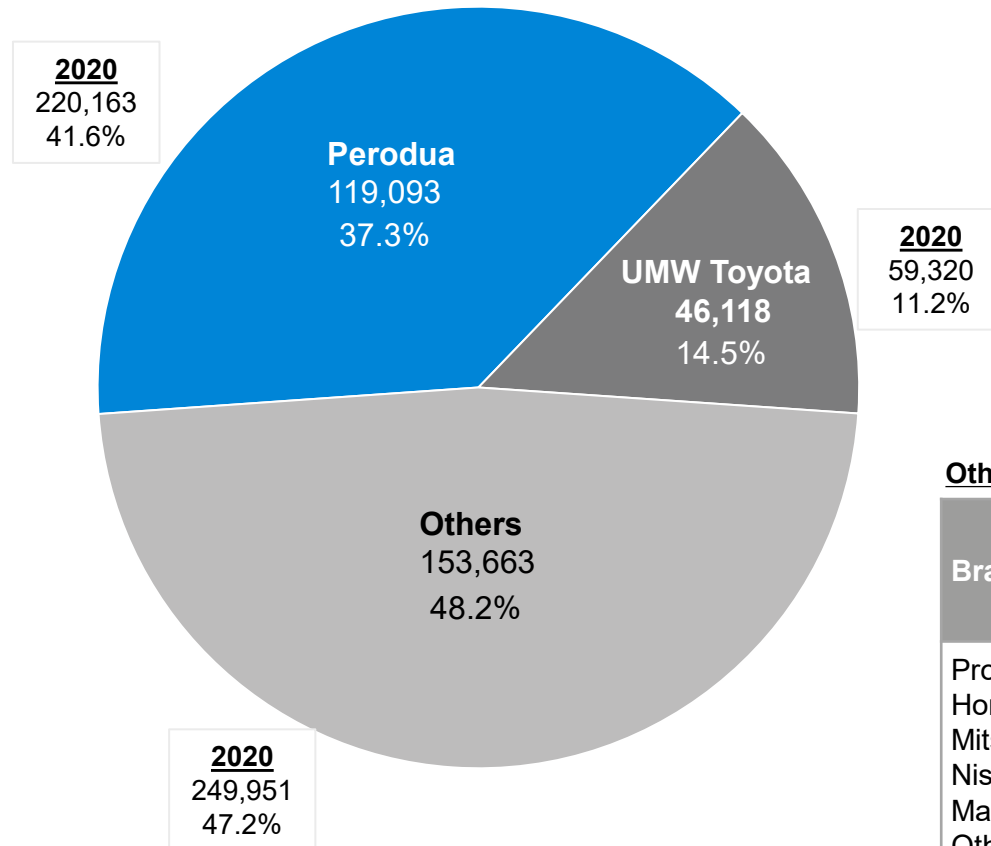
Automotive Segment - Sales Breakdown

Encouraging orderbook is expected to sustain sales recovery in 4Q21



Automotive Segment - Market Share

The Group collectively commands the domestic automotive market share



UMW Group sold **165,211 units in 9M21** with a market share of **51.8%** (2020 – 52.8%).





Other Carmakers' Sales and Market Share

Brand	9M21		Full-year 2020	
	Units	Market Share %	Units	Market Share %
Proton	71,244	22.3	108,524	20.5
Honda	31,026	9.7	60,468	11.4
Mitsubishi	12,014	3.8	10,801	2.0
Nissan	7,672	2.4	14,160	2.7
Mazda	7,114	2.2	12,141	2.3
Other brands	24,593	7.7	54,658	10.3
Total TIV	318,874		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, including all new and facelift models: <div data-bbox="700 405 841 462"> <p>Innova (2 Feb 2021)</p>  </div> <div data-bbox="1027 405 1168 462"> <p>Fortuner (2 Feb 2021)</p>  </div> <div data-bbox="1301 405 1524 462"> <p>Corolla Cross (25 Mar 2021)</p>  </div> <div data-bbox="1670 405 1810 462"> <p>Harrier (8 Apr 2021)</p>  </div> <ul style="list-style-type: none"> CKD operations of the Toyota Corolla Cross commenced in 4Q 2021 at the Bukit Raja plant. Order taking for the new updated Toyota Hilux, Fortuner and Innova started on 22 October 2021.
<p>Introduction of Hybrid Electric Technology</p>	<ul style="list-style-type: none"> Order taking for Toyota's first locally assembled Hybrid Electric Vehicle – Toyota Corolla Cross Hybrid – started on 29 October 2021.
<p>Offer innovative mobility solutions</p>	<ul style="list-style-type: none"> Leverage on KINTO ONE offering (fixed monthly subscription (rental) program for personal or corporate use).
<p>Innovative financing solution</p>	<ul style="list-style-type: none"> Provide best financing solution, in cooperation with Toyota Capital Malaysia and other financial institutions.

Automotive Segment - Perodua

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

Continue providing attractive value proposition to customers

- Remain competitive in the entry-level segment with introduction of models with the best value.



All-new Ativa
(3 Mar 2021)



Refreshed Aruz
(9 May 2021)



Facelift Myvi
(18 Nov 2021)

- The facelifted Myvi was introduced with 5 variants with prices ranging from RM45,700 to RM58,800.
- Targets to sell 6,000 units a month.

Expansion into vehicle subscription

- Introduced Perodua EZ MOBi to assist companies in managing their vehicle fleet from the time of procurement, to servicing and fleet replacement.

Explore new technologies and concepts

- Exploring Autonomous Vehicles and Mobility Solutions.
- Ativa and the newly launched facelifted Myvi are equipped with Level 2 autonomous features.

Equipment Segment

Operational highlights

Industrial Equipment

- Performance in 3Q 2021 was affected by lower deliveries due to restrictions during the FMCO in Malaysia and the full lockdown in Vietnam.
- Cost optimisation and improvement on operational efficiencies were scaled up to moderate the financial impact from lower deliveries.
- Continue to leverage on the rising e-commerce adoption.
- Focus on areas of the economy that were less impacted by the pandemic, i.e. essential services sector.
- Launched:
 - new improved BT Reflex R.E.O Series reach truck.
 - facelifted Toyota engine-powered forklift FDZN / FGZN Series.
 - new Tennant S16 battery ride-on sweeper.

These models will help to increase the market share in growth sectors such as warehousing & logistics, food & beverage and manufacturing.

Heavy Equipment

- Operations gradually recovered following the easing of the FMCO restrictions on business operations, leading to improved sales in 3Q 2021.
- Overall 9M 2021 performance was mainly supported by public infrastructure projects as well as increase in fleet renewal and replanting by plantation companies.
- Continue to leverage on construction sector and expansion into new industries such as agriculture.
- Continues to face disruptions in business operations in Myanmar due to the political fluidity.

Equipment Segment

Fully focused in becoming a total solutions provider

Equipment

Expand range of automation products and capabilities

Expand offering to other industries

Provide fleet management solutions



Industrial Equipment

- Flexible rental arrangements
- Expand forklift refurbishment business
- Expand green product line-up
 - ✓ Leverage on green solution for prime power generation

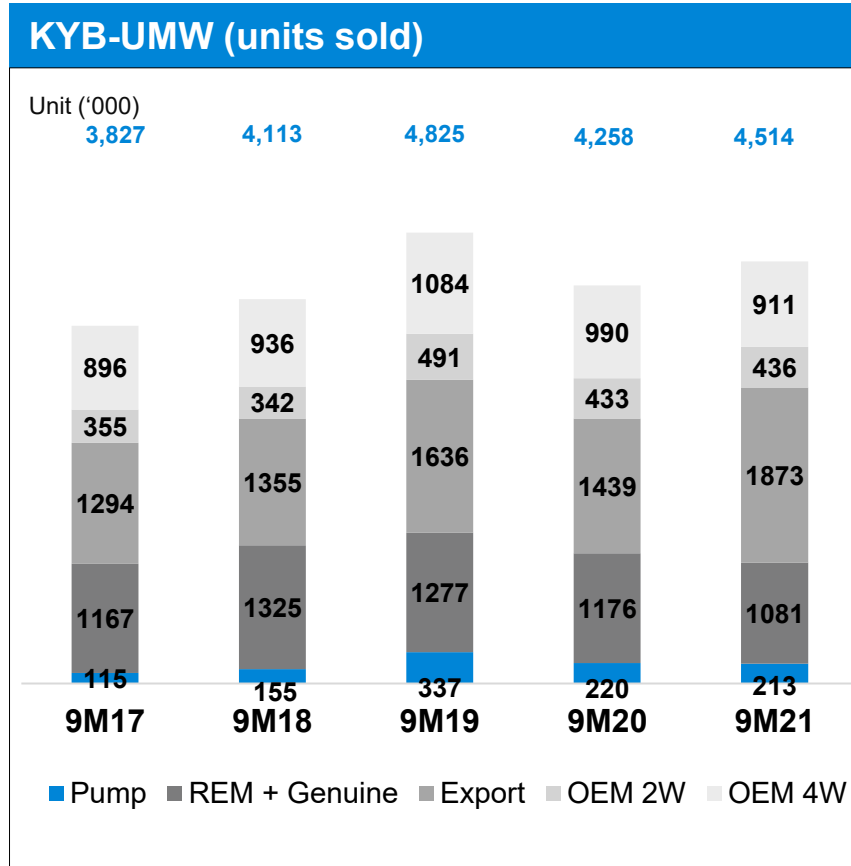


Heavy Equipment

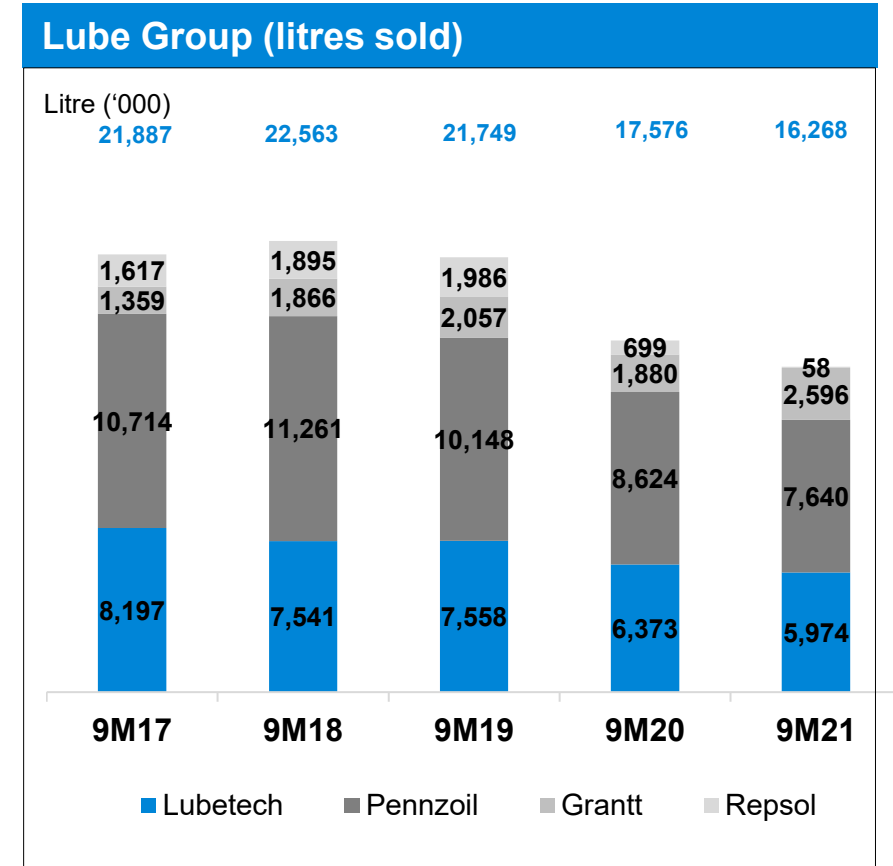
- Secure new offerings from principals
- Expand product adjacencies
- Collaboration with financial institutions to offer different financing schemes

Manufacturing & Engineering Segment

Lower sales in 3Q 2021 due to the imposition of FMCO



9M 2021 - sales improved by 6.0%, mainly supported by the export market.



9M 2021 - sales declined by 7.4%, mainly due to the FMCO.

Manufacturing & Engineering Segment

Focus on innovation and research & development



Automotive Components

Expand market and product offering via KYB-UMW

- Recent plant modernisation has led to improved capacity and efficiency - reduced logistical and inventory requirements.
- Growth to be sustained by the expected growth in TIV
- Currently exports to 39 countries.

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

- Introduction of BRUSS, Membrane-based water solutions and others.



Lubricants

Explore opportunities in industrial and commercial lubricant applications

- In anticipation of the increased demand from the ASEAN region.
- Exploring opportunity in bio based and food grade lubricants.

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

- Industry 4.0 revolution with cutting-edge technology (better productivity & efficiency).
- Enable higher production of industrial products.

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.

THANK YOU

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