

4QFY2020 RESULTS BRIEFING TO ANALYSTS AND FUND MANAGERS

25 February 2021



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4Q20 FINANCIAL HIGHLIGHTS

Key Highlights of 4Q20 & FY2020 Financial Results

RM million	4Q20 vs 4Q19			4Q20 vs 3Q20		2020 vs 2019		
	4Q20	4Q19	Y-o-Y	3Q20	Q-o-Q	2020	2019	Y-o-Y
Revenue	3,242.3	3,123.9	▲ 3.8%	2,663.3	▲ 21.7%	9,554.6	11,760.2	▼ 18.8%
PBT	236.9	297.8	▼ 20.4%	159.5	▲ 48.6%	400.7	741.2	▼ 45.9%
PAT	210.6	272.9	▼ 22.8%	117.6	▲ 79.1%	322.9	628.7	▼ 48.6%
PATAMI *	137.4	200.5	▼ 31.5%	101.3	▲ 35.6%	204.6	454.4	▼ 55.0%
Basic EPS (sen)	11.76	17.16	▼ 31.5%	8.67	▲ 35.6%	17.51	38.90	▼ 55.0%
Dividend (sen)	4.00	2.00	▲ 100%	0.00	▲ > 100%	4.00	6.00	▼ 33.3%

Excluding the one-off gain on property disposal amounting to RM171.7 million booked in 4Q19, PATAMI would have grown significantly in 4Q20 – mainly due to higher profit contribution from the Automotive segment.

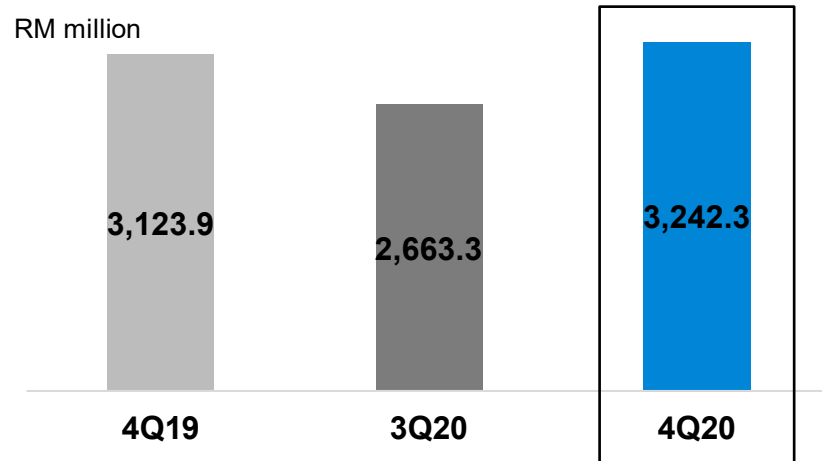
* After distribution of RM69.9m to Perpetual Sukuk holders in 2Q20 and 4Q20.

4Q20 FINANCIAL RESULTS

Revenue & PBT (4Q20)

Supported mainly by improved performance of the Automotive segment

REVENUE



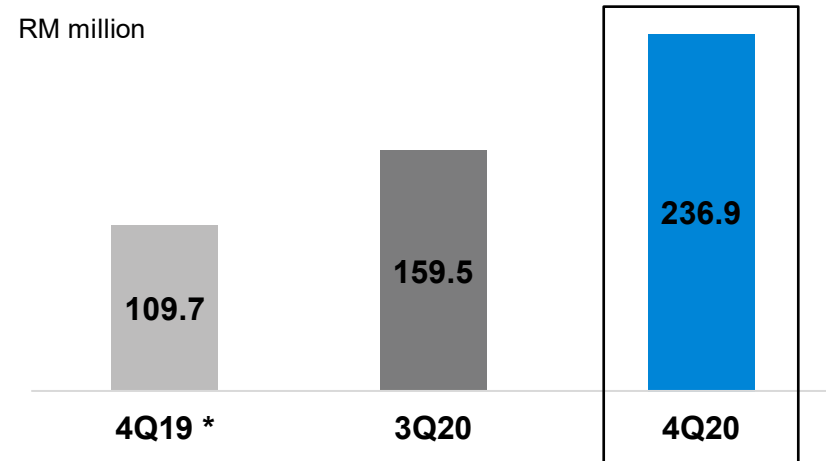
▲ 3.8% Y-o-Y

Higher automotive sales supported by the sales tax exemption.

▲ 21.7% Q-o-Q

All three core business segments achieved higher revenue.

PROFIT BEFORE TAXATION



* Excluding the one-off gain on property disposal amounting to RM188.1m

▲ >100% Y-o-Y

Mainly due to improved profit contribution from the Automotive segment.

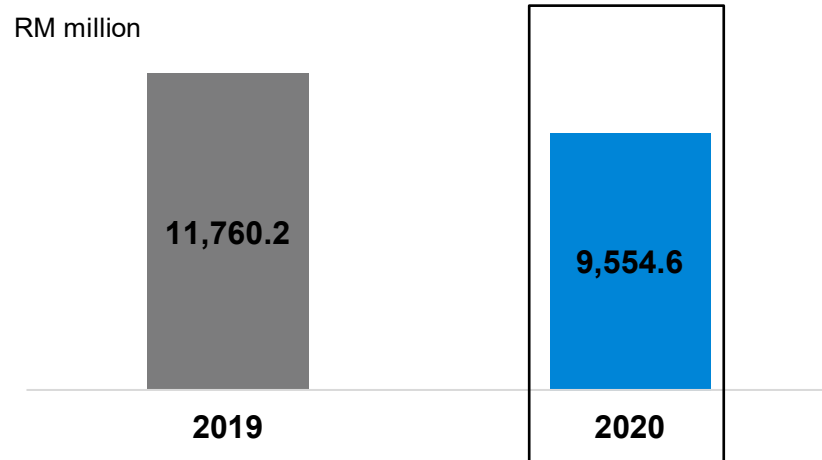
▲ 48.5% Q-o-Q

Supported by improved performance from the Automotive and M&E segments.

Revenue & PBT (2020)

Core segments impacted by the ongoing COVID-19 pandemic

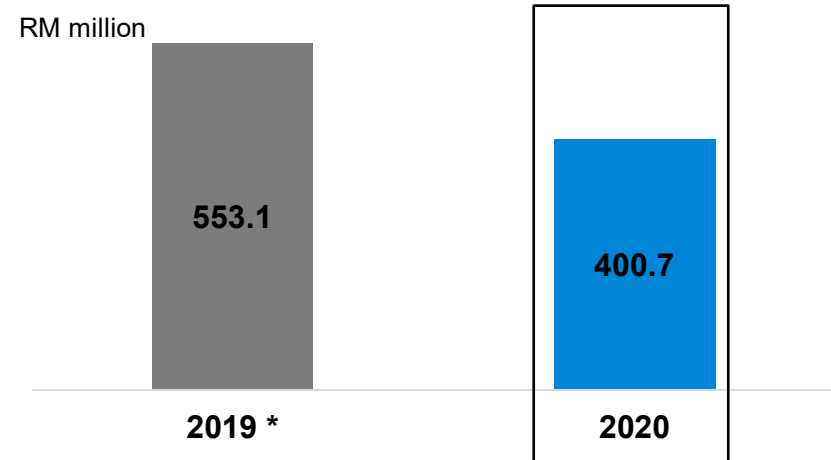
REVENUE



▼ **18.8% Y-o-Y**

All three core business segments registered lower revenue following the impact of the ongoing COVID-19 pandemic.

PROFIT BEFORE TAXATION



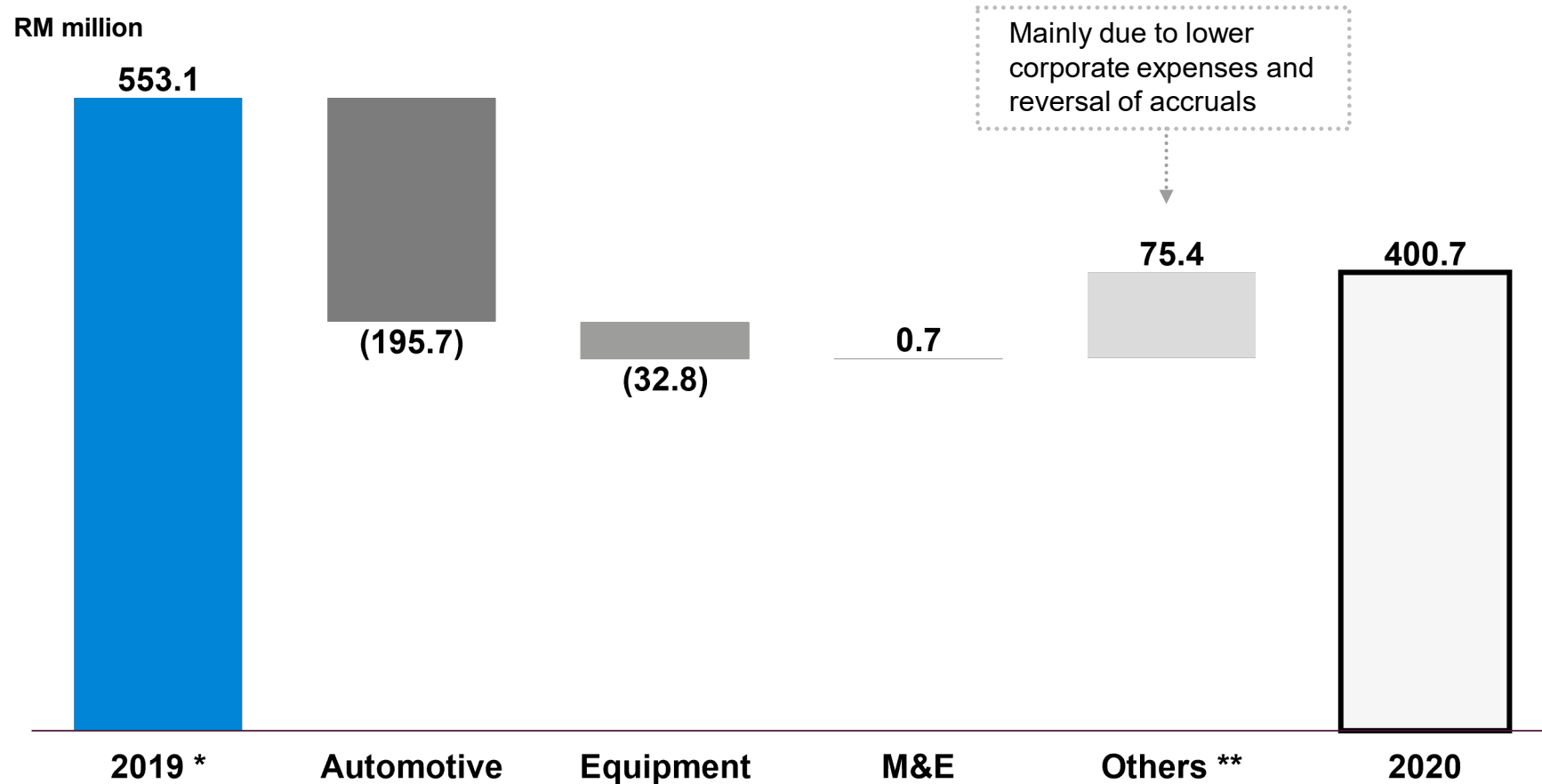
* Excluding the one-off gain on property disposal amounting to RM188.1m.

▼ **27.6% Y-o-Y**

In line with the decrease in revenue.

Group PBT - FY2020 vs FY2019

By segments



* Excluding the one-off gain on property disposal amounting to RM188.1m.

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

FY2020 CORE PATAMI

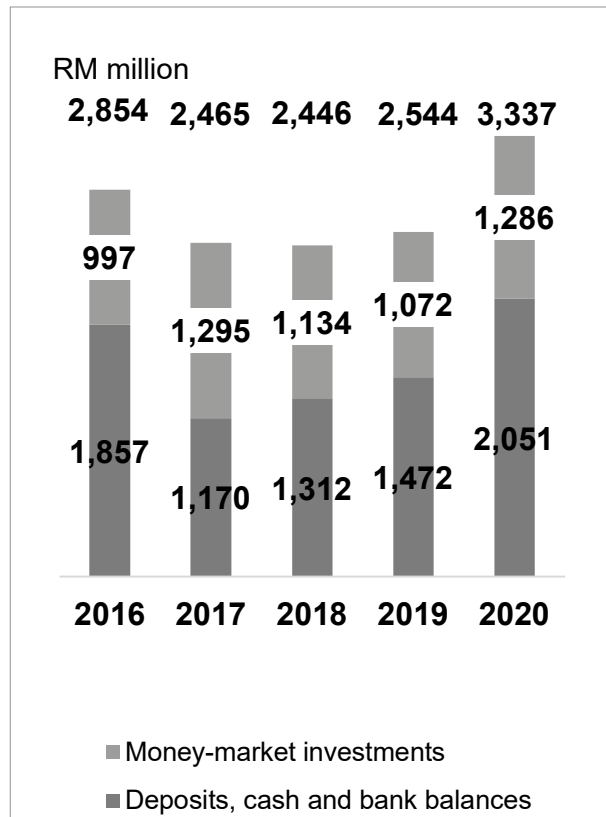
Stripping out exceptional items

	RM million	Remarks
Reported PATAMI	204.6	Includes distribution to Perpetual Sukuk holders of RM69.9 million in April and October 2020.
ADJUSTMENTS	Amount recognised in PATAMI	
Reversal of impairment on receivables	(54.9)	Mainly debt recovery from an earlier investment.
Loss on sale on investment (net)	108.6	Disposal / liquidation of subsidiaries, JV and associates, mainly pertaining to those in Unlisted O&G.
Net gain on disposal of PPE not relating to business operations	(2.3)	Excluding RM20.9 million, which is mainly sale of leased asset in the Equipment segment (normal business operations).
Share of results from Toyota Capital Malaysia (TCM)	28.9	<ul style="list-style-type: none"> • Share of results from TCM in 4Q20 was RM4.9 million, reducing the share of losses in 2020 to RM28.9 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	284.9	

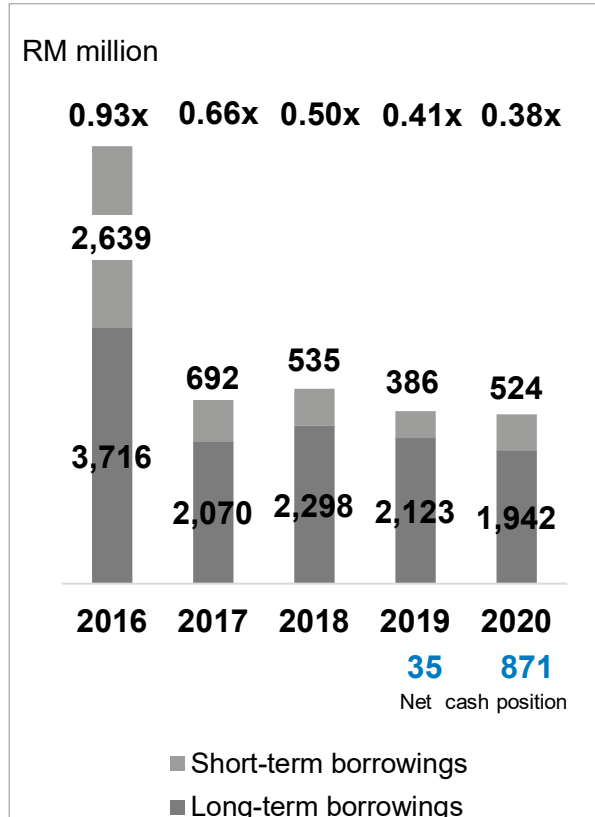
Cash and Debt Position

Continue to adopt effective and optimal capital management and has successfully reduced gearing to a healthy level

Deposits, cash, bank balances and money market investments

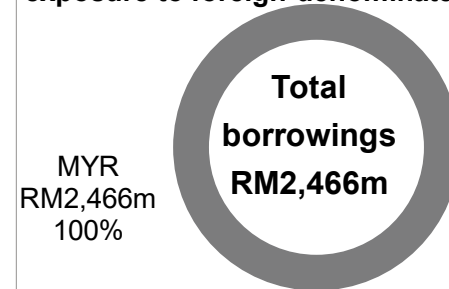


Total borrowings & Gross Gearing Ratio



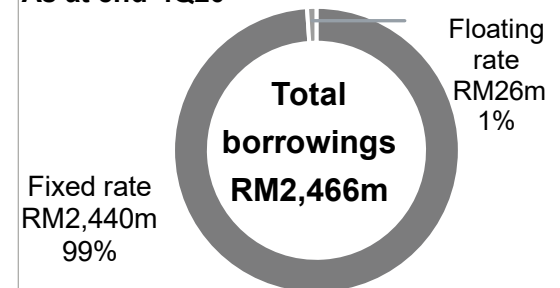
Debt profile by currency

As at end-4Q20, UMW no longer has exposure to foreign-denominated debt.



Debt profile by fixed / floating rate

As at end-4Q20



Net assets per share

▲ **RM3.31**

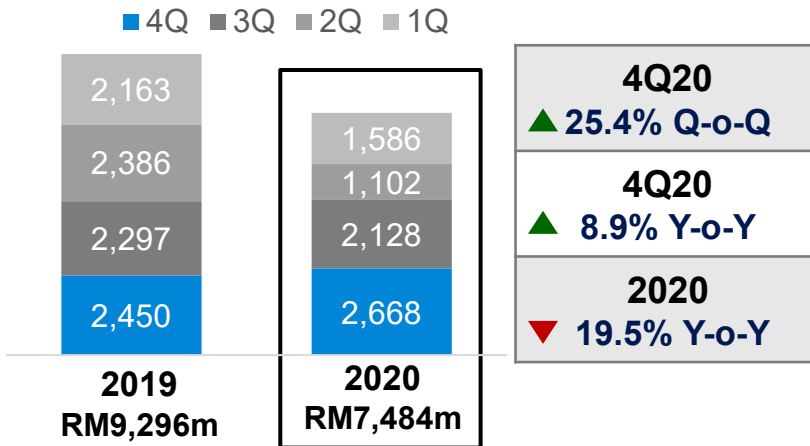
(As at 31 Dec 2019: RM3.16)

SEGMENTAL RESULTS

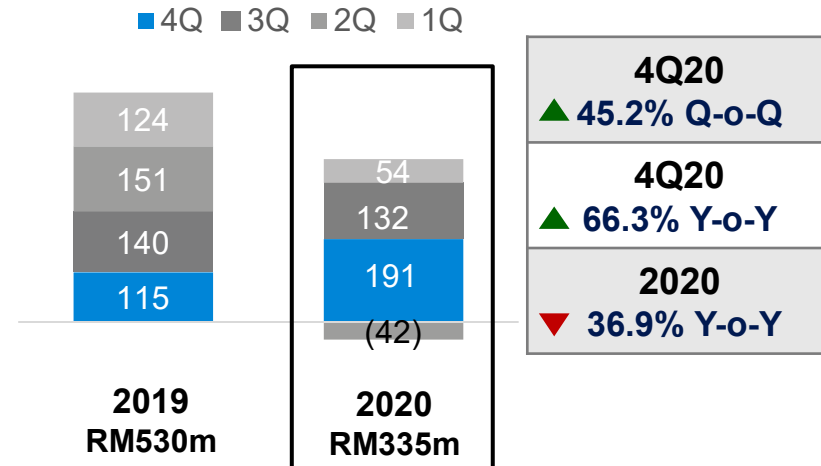
Automotive Segment

Sales tax exemption cushioned the impact from the COVID-19 pandemic

REVENUE (RM million)



PROFIT BEFORE TAXATION (RM million)



Automotive Results

4Q20 FINANCIAL RESULTS

- Revenue grew Q-o-Q and Y-o-Y as a higher number of vehicles were sold during the quarter, helped by the sales tax exemption effective from 15 June 2020, as well as improved models introduced by UMW Toyota Motor.
- PBT rose significantly, 45.2% Q-o-Q and 66.3% Y-o-Y, in line with the increase in revenue contribution as well as a higher share of profit from an associated company.

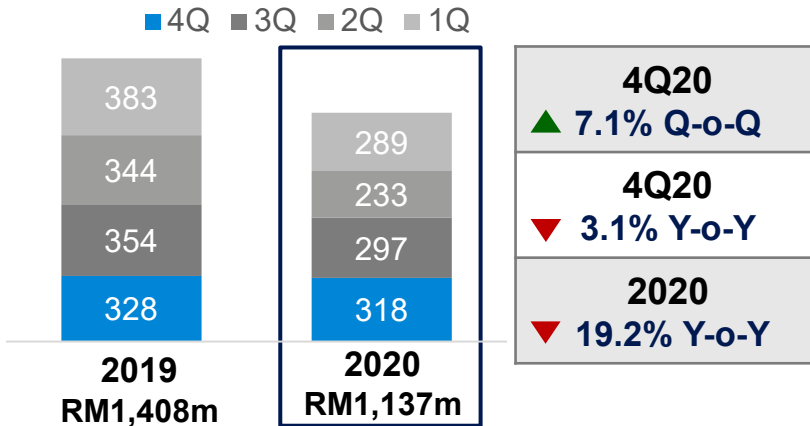
2020 FINANCIAL RESULTS

- Revenue was affected by MCO, resulting in lesser number of vehicles sold in 2020.
- In tandem with the lower revenue as well as a lower share of profit from an associated company, PBT also declined.

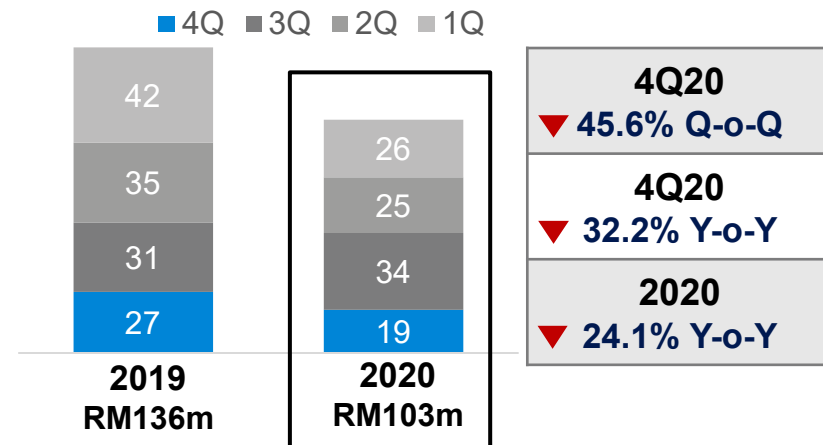
Equipment Segment

COVID-19 pandemic reduced regional demand for equipment

REVENUE (RM million)



PROFIT BEFORE TAXATION (RM million)



* 2019 PBT excludes gain on property disposal

Equipment Results

FINANCIAL RESULTS

Q-o-Q

- Revenue was higher mainly due to increase in demand for the segment's products and services following the relaxation of lockdowns / MCO.

Y-o-Y

- 4Q20 & 2020: Revenue and PBT declined due to economic impact caused by the COVID-19 pandemic.

OPERATIONAL HIGHLIGHTS

Heavy Equipment

- Although demand for equipment in Malaysia shrunk in 2020, the sub-segment managed to increase its market share.

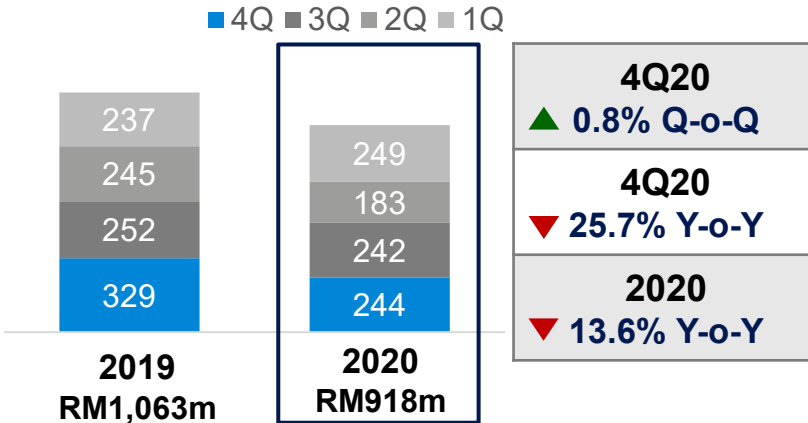
Industrial Equipment

- Focused sales effort on growth sectors like warehouse & logistics, food & beverages and manufacturing of essential products.
- Toyota forklift maintained its market leadership position in Malaysia and Singapore.

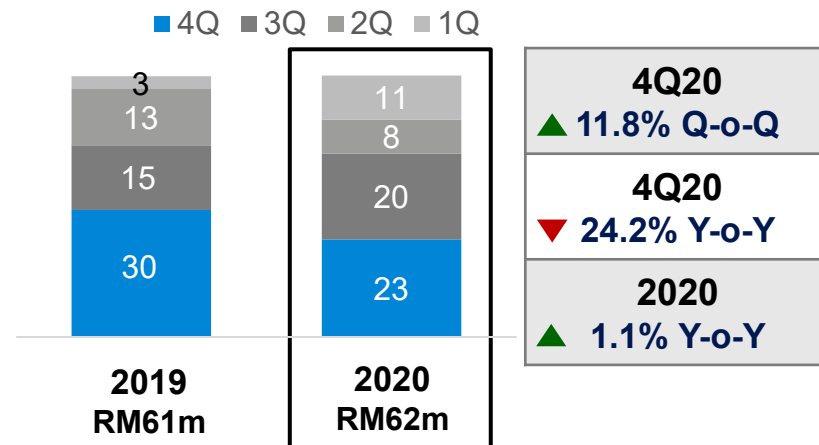
Manufacturing & Engineering Segment

Cost savings initiatives led to improved bottom line in 2020

REVENUE (RM million)



PROFIT BEFORE TAXATION (RM million)



Manufacturing & Engineering (M&E) Results

FINANCIAL RESULTS

Y-o-Y

- 4Q20: Revenue and PBT declined as a result of lower contribution from the Aerospace and Lubricants sub-segments.
- 2020: Although all sub-segments recorded lower revenue following the impact of COVID-19 pandemic, cost saving initiatives across the segment resulted in higher PBT.

Q-o-Q

- Revenue increased mainly due to higher contribution from the Aerospace sub-segment. Meanwhile, improvement in PBT was aided by cost savings initiatives.

OPERATIONAL HIGHLIGHTS

AEROSPACE

- 2020 – lower delivery of fan cases.
- However, delivery of fan cases in 4Q20 was slightly higher compared with 3Q20.

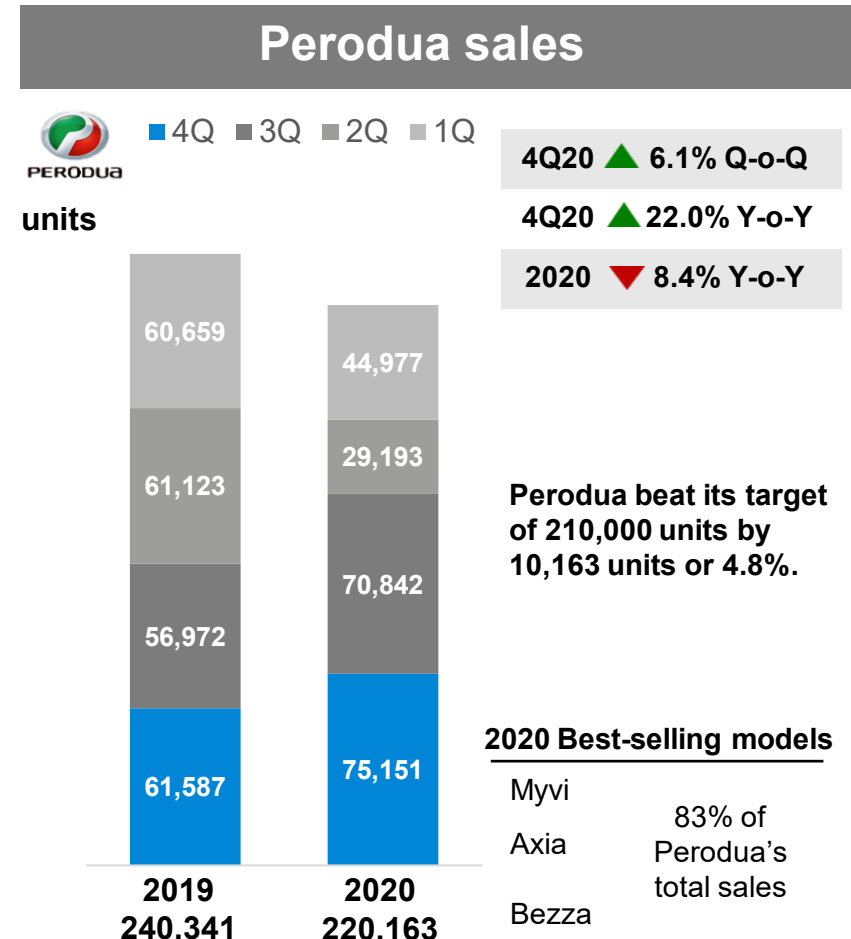
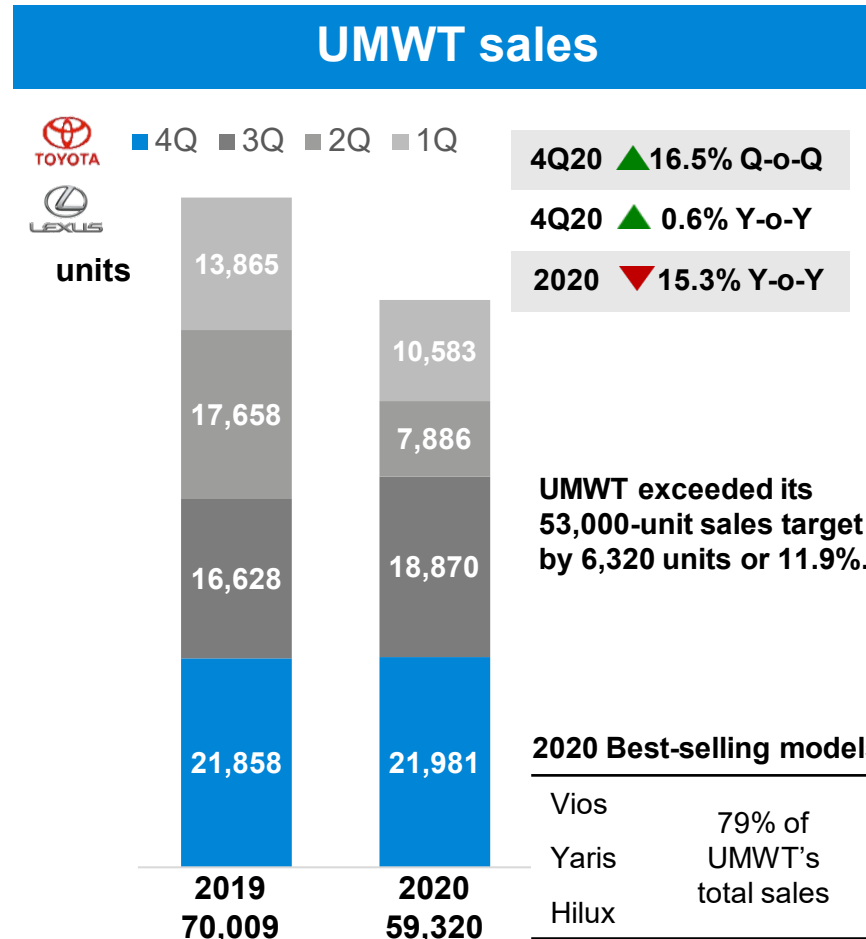
AUTO COMPONENTS & LUBRICANTS

- Performance in 2020 was in line with the decline in TIV.
- Positively, the automotive and motorcycle sectors have shown strong growth towards the end of 2020, supported by favourable market conditions.

OPERATIONAL UPDATES AND OUTLOOK

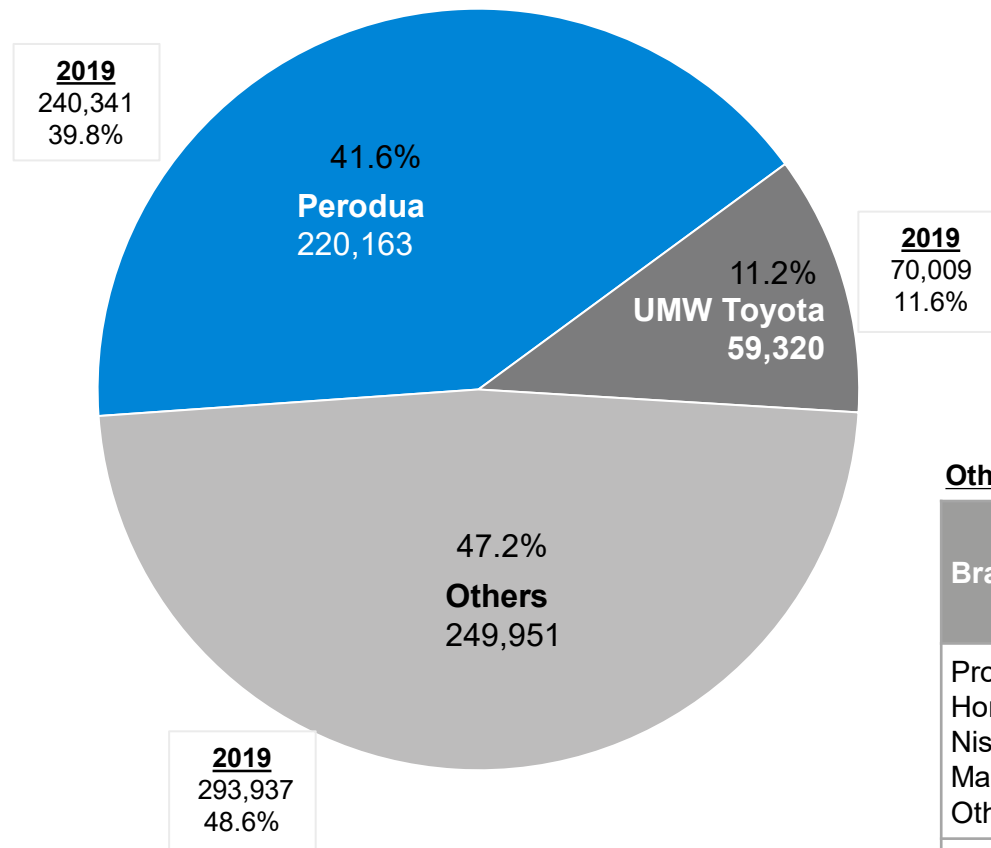
Automotive Sales

Sales was affected by MCO in the first half of 2020 but improved in the second half following the sales tax exemption effective from 15 June 2020



Automotive Market Share

The Group's market share increased in 2020



UMW Group sold 279,483 units in 2020 with a market share of 52.8% (2019 – 51.4%).

Other Carmakers' Sales and Market Share

Brand	Full-year 2020		Full-year 2019	
	Units	Market Share %	Units	Market Share %
Proton	108,524	20.5	100,183	16.6
Honda	60,468	11.4	85,418	14.1
Nissan	14,160	2.7	21,239	3.5
Mazda	12,141	2.3	11,651	1.9
Other brands	54,658	10.3	75,446	12.5
Total TIV	529,434		604,287	

Source: Malaysian Automotive Association

Automotive Segment Updates – UMW Toyota Motor

Remain competitive with improved products and services



Model line-up – recent launches

YARIS
(17 Dec 2020)



GR YARIS
(17 Dec 2020)



VIOS
(17 Dec 2020)



INNOVA
(2 Feb 2021)



FORTUNER
(2 Feb 2021)



Expansion of sales network into e-commerce / lease

- **KINTO ONE**



Create innovations featuring cutting-edge technologies

- **Toyota Synergised Mobility**

- **UMWT sold 3,845 units in January 2021, higher by 4.1% Y-o-Y, with a market share of 11.7%.**
- **Sales in 2021 to be underpinned by the extension of sales tax exemption until 30 June 2021 as well as the low interest rate environment.**

Automotive Segment Updates – Perodua

Maintain market leadership by leveraging on excellent brand perception for entry-level segment



New launch and attractive model line-up to support sales

Order taking for Perodua D55L SUV, Perodua's most advanced model to-date started on 19 February 2021.



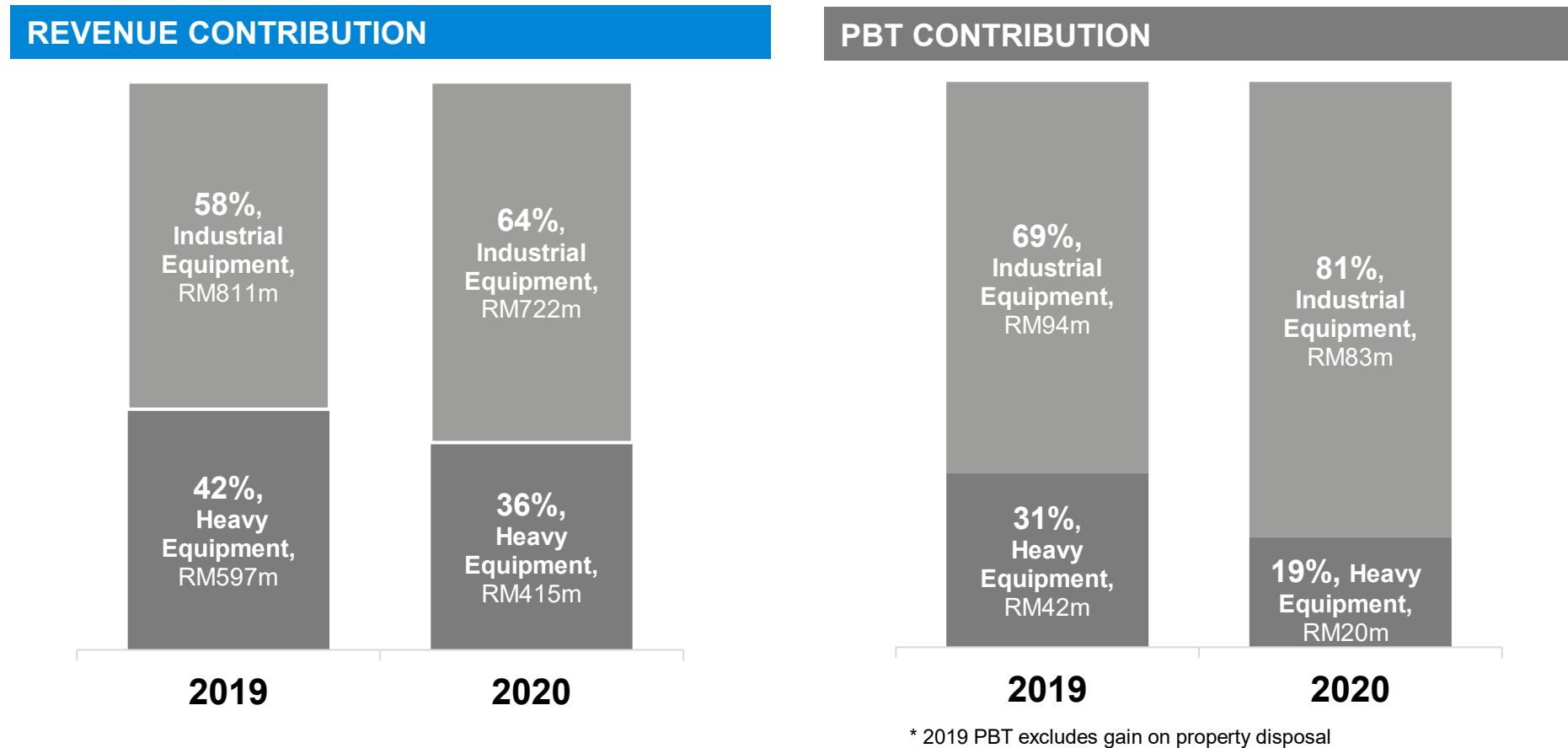
Continue supporting Malaysia's automotive eco-system

- **Expects to purchase a record RM6.5 billion worth of locally-sourced components in 2021**
- **Via the recently launched Perodua Smart Build, its first sustainable blueprint** - includes almost the entire Malaysian automotive supplier and dealer ecosystem to rationalise the gap in quality, cost and delivery within the automotive ecosystem.

- **Targets to sell 240,000 units in 2021, higher by 9% Y-o-Y.**
- **Production target of 272,000 units in 2021 – highest ever in its history.**

Equipment Segment – Contribution Breakdown

Higher contribution from the Industrial Equipment sub-segment



Heavy Equipment sub-segment's performance has been impacted by slowdown in the pertinent sectors it operates in Malaysia and regionally.

Equipment Segment – Achievements in 2020



Industrial Equipment

- Expanded refurbishment business to serve changing market requirements.
- Secured distributorship rights for Universal Robots cobots to expand our offerings in automation and robotics.
- Secured JKR Electrical Material Approval List (EMAL) certification for the Shanghai Diesel Engine Company (SDEC) range of gensets.
- Expanded CARA, an all-in-one e-services solution by releasing new modules for internal mechanics to better serve customers.
- Constructed our first prime combined heat and power (CHP) plant for the manufacturing sector through Engineering, Procurement, Construction and Commissioning (EPCC) agreement.



Heavy Equipment

- Introduced high-performance equipment with low fuel consumption for our Komatsu range of products.
- Enhanced promotional activities for Komtrax (Komatsu Machine tracking system) for equipment life-cycle support.
- Introduced retail-financing scheme for equipment leasing and extended the power train warranty for selected hydraulic excavators.

Equipment Segment Updates

Exploring opportunities to ride on growth sectors



Industrial Equipment

- Secured renewal of key rental contracts and embarking on acquiring new rental contracts.
- Focus on extending various recovery packages to customers.
- Strategise sales efforts on growth sectors such as warehouse & logistics, food & beverages and manufacturing of essential products.

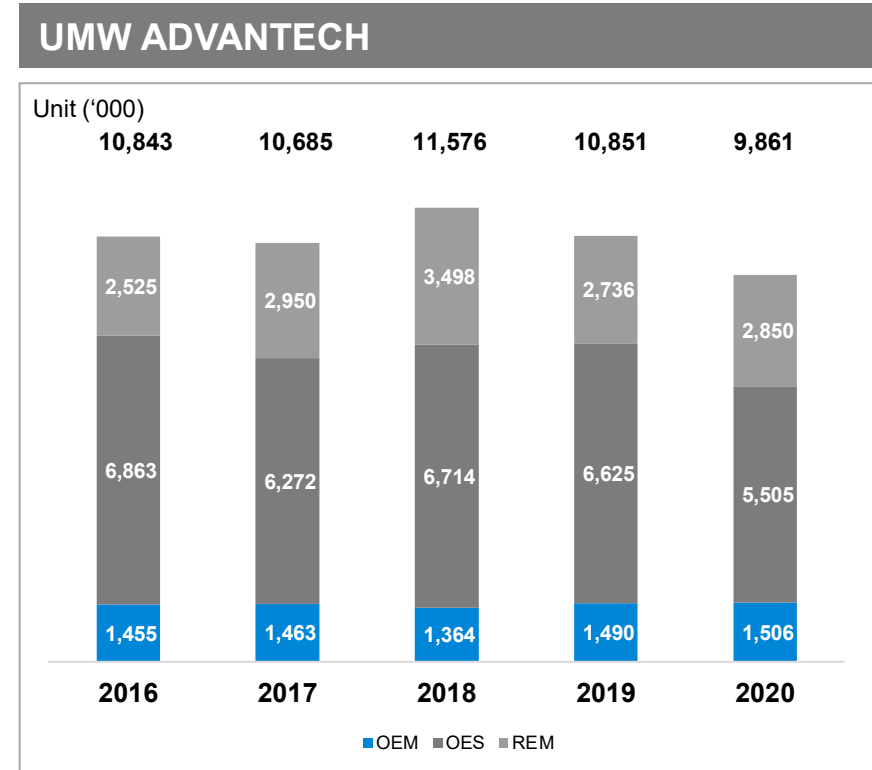
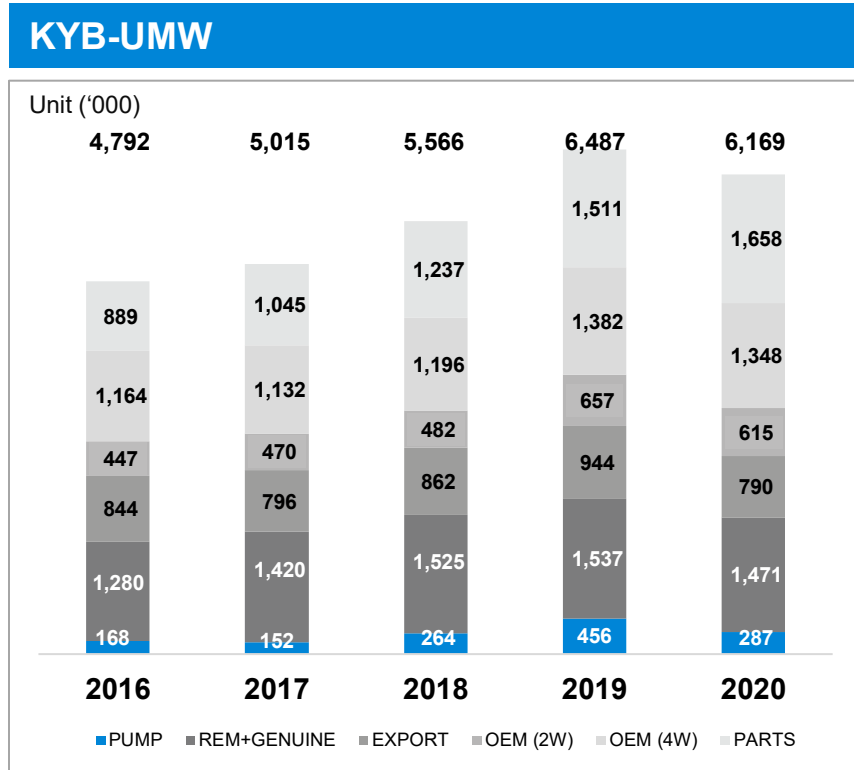


Heavy Equipment

- Strong CPO prices may lead to increased demand for equipment in the plantation sector.
- Equipment sales to the construction sector, underpinned by infrastructure development is projected to increase in Papua New Guinea, while strong gold prices is expected to sustain sales to the mining sector.
- Operations in Myanmar will have a short-term impact from the Emergency declared there.

Manufacturing & Engineering Segment

Number of autoparts sold



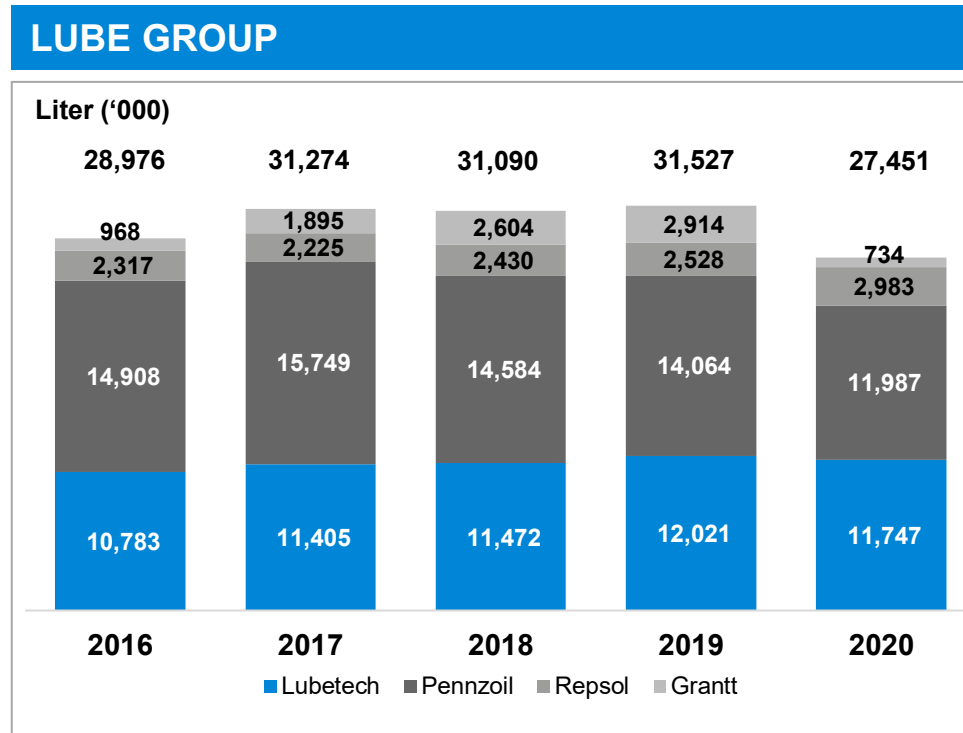
Sales of parts increased in 2020.

Sales of parts to the REM segment improved in 2020.

Manufacturing & Engineering Segment



Lubricants sold



Lubricants segment's performance was impacted by the COVID-19 pandemic.

Manufacturing & Engineering Updates

Auto Components and Lubricants to improve the segment's performance



Auto Components

- **Leveraging on the sales tax exemption for the automotive industry**
 - Rising demand in OEM and REM markets.
- **Completion of KYB-UMW plant expansion and modernisation**
 - Additional 15% capacity.
 - Improved logistics and efficiency.



Lubricants

- **Leveraging on the sales tax exemption for the automotive industry.**
 - Lubricant plant running at almost full-capacity since September 2020.
- **Grantt lubricants sales expected to grow with entry into Singapore, Vietnam, Brunei and Myanmar.**
- **Sales of Pennzoil lubricants is expected to increase following a 2-year contract extension.**



Aerospace

- **Continue to receive orders for fan cases albeit slightly lower numbers.**
- **Explore opportunities to improve plant utilisation in line with its products and end-customer diversification strategy.**

THANK YOU

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