



# 4Q FY2021 RESULTS BRIEFING

25 February 2022

*UMW Holdings Berhad*

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# 4Q 2021 Financial Highlights

# Key Highlights of 4Q 2021 Financial Results

The Group staged a strong recovery in 4Q 2021 post-FMCO

RM million	4Q21 vs 4Q20			4Q21 vs 3Q21		2021 vs 2020		
	4Q21	4Q20	Y-o-Y	3Q21	Q-o-Q	2021	2020	Y-o-Y
Revenue	3,645	3,242	▲ 12%	2,016	▲ 81%	11,061	9,555	▲ 16%
PBTZ	271	237	▲ 14%	17	▲ > 100%	483	401	▲ 21%
PAT	380	211	▲ 81%	(10)	▲ > 100%	516	323	▲ 60%
PATAMI *	240	155	▲ 55%	(48)	▲ >100%	268	205	▲ 31%
Basic EPS (sen)	21	13	▲ 55%	(4)	▲ >100%	23	18	▲ 31%

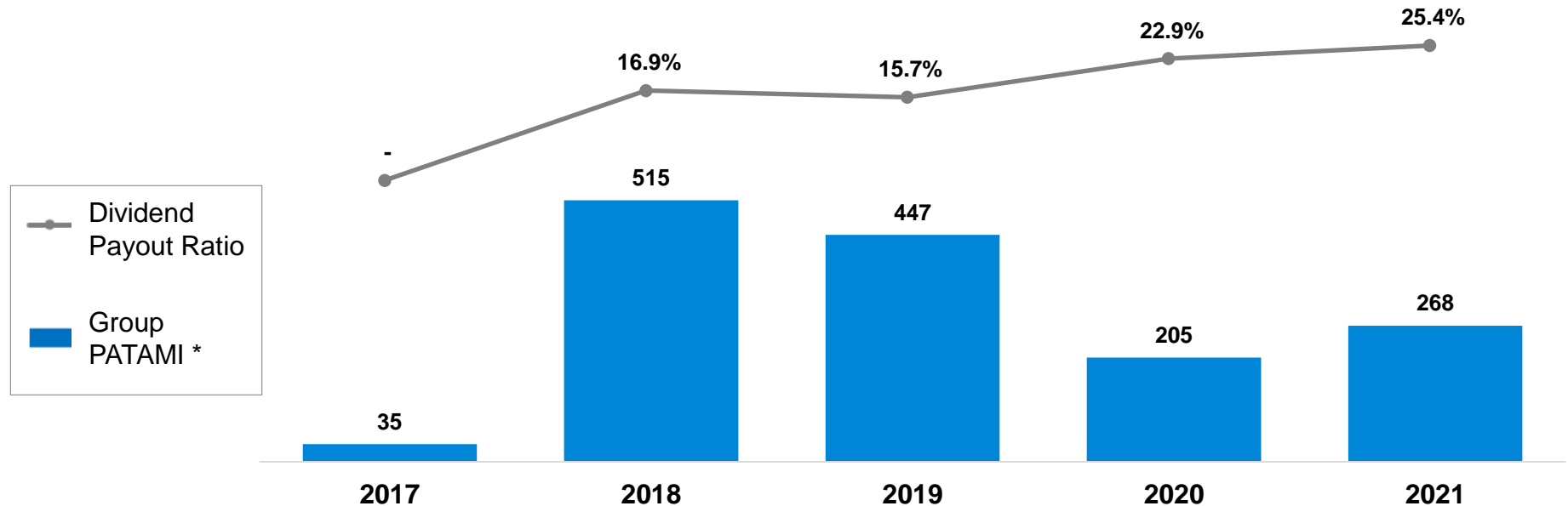
\* After distribution to Perpetual Sukuk holders.

2021

- The Group's improved revenue was mainly driven by the higher contribution from the Automotive segment, supported by the sales tax exemption and the introduction of new models, as well as the lifting of the FMCO from 16 August 2021.
- The increase in Group PATAMI is attributable to the higher sales from the core segments as well as the recognition of deferred tax assets ("DTA") of RM140m in relation to investment tax allowance ("ITA") which was approved in 4Q 2021.

# Group PATAMI and Dividend Trend

The Group has declared higher dividend in line with improving profitability and affordability



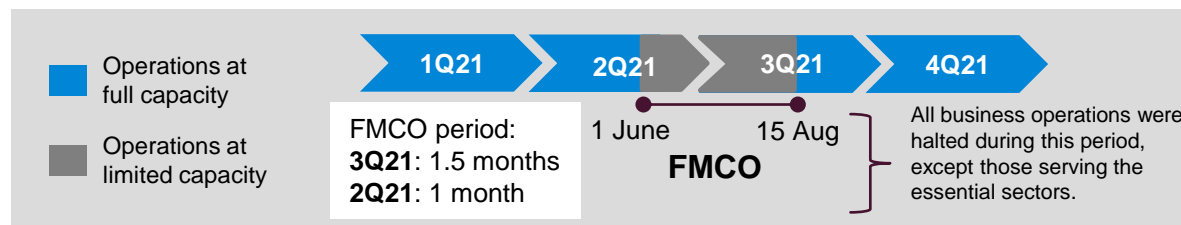
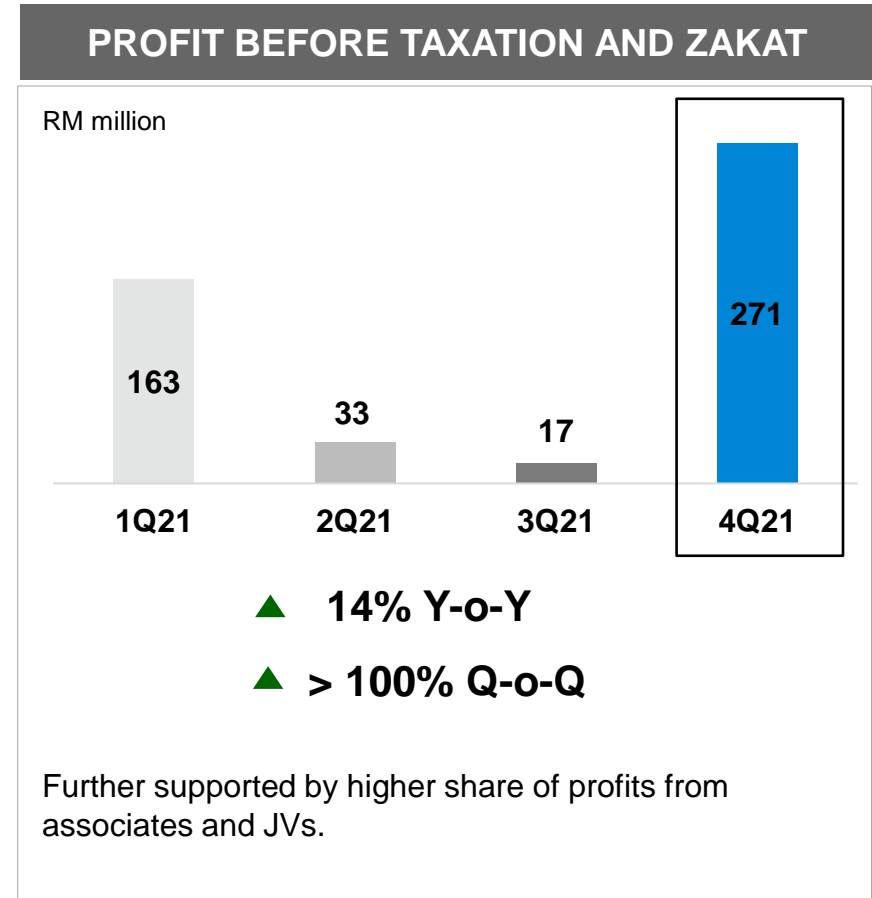
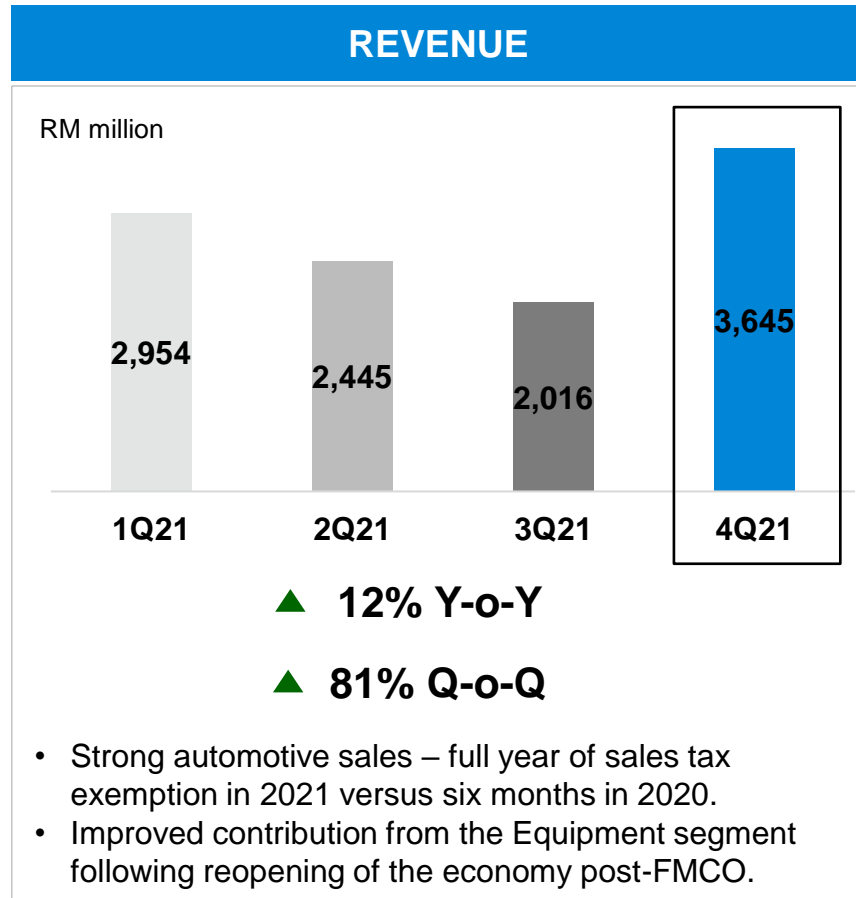
<b>Gross Dividend</b>					
1 <sup>st</sup> Interim	-	58	-	-	-
2 <sup>nd</sup> Interim	-	-	-	-	-
3 <sup>rd</sup> Interim	-	-	-	-	-
Special	-	-	47	-	-
Final	-	29	23	47	-
<b>Proposed Final</b>	-	-	-	-	68
<b>Total</b>	-	<b>87</b>	<b>70</b>	<b>47</b>	<b>68</b>
<b>Dividend Per Share (sen)</b>	-	<b>7.5</b>	<b>6</b>	<b>4</b>	<b>5.8</b>

\* Excluding discontinued operations as disclosed in the Annual Report.

# 4Q 2021 Financial Results

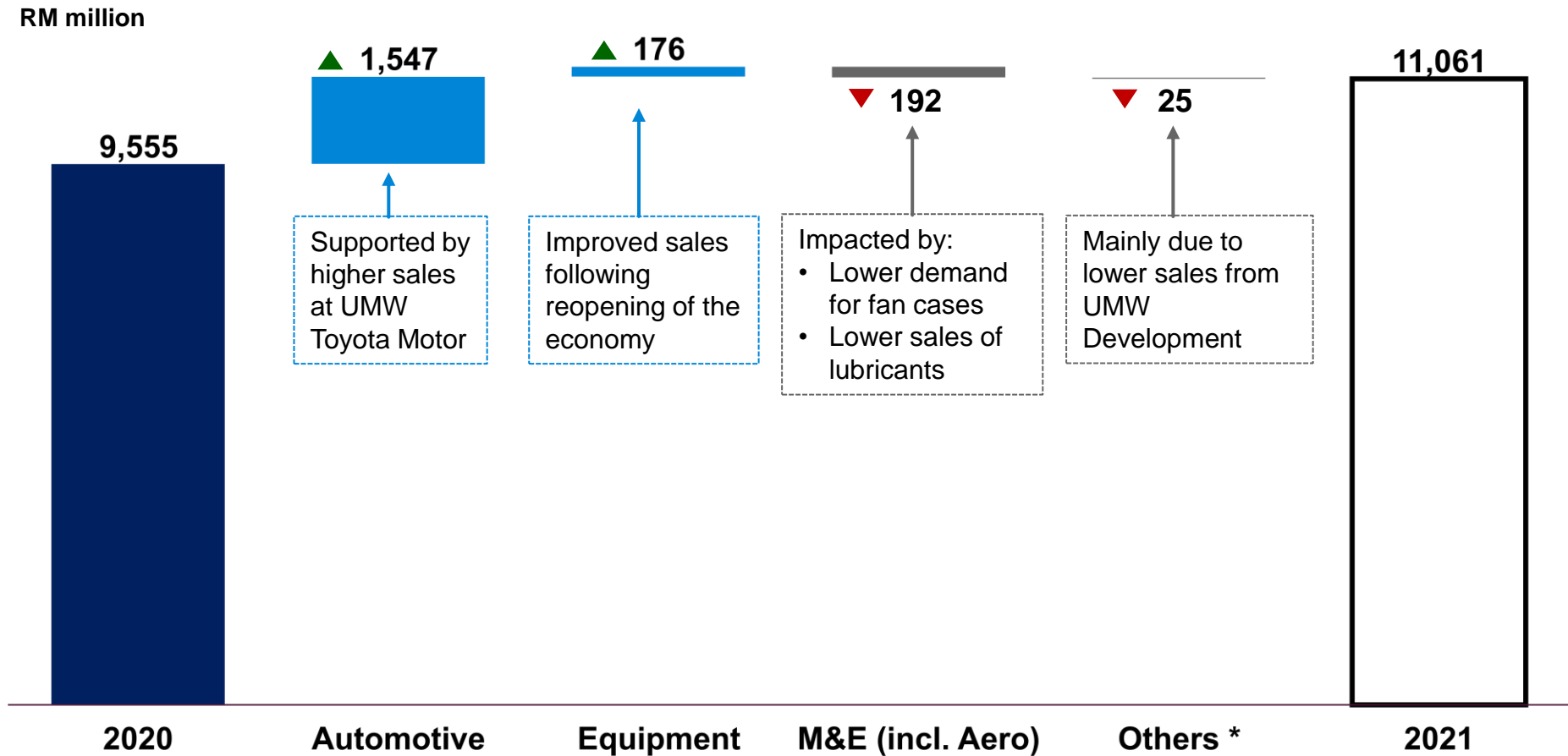
# Group Revenue & PBTZ (4Q 2021)

Driven by improved performance of the Automotive and Equipment segments



# Group Revenue – 2021 vs 2020

Supported by strong automotive sales and improved equipment sales



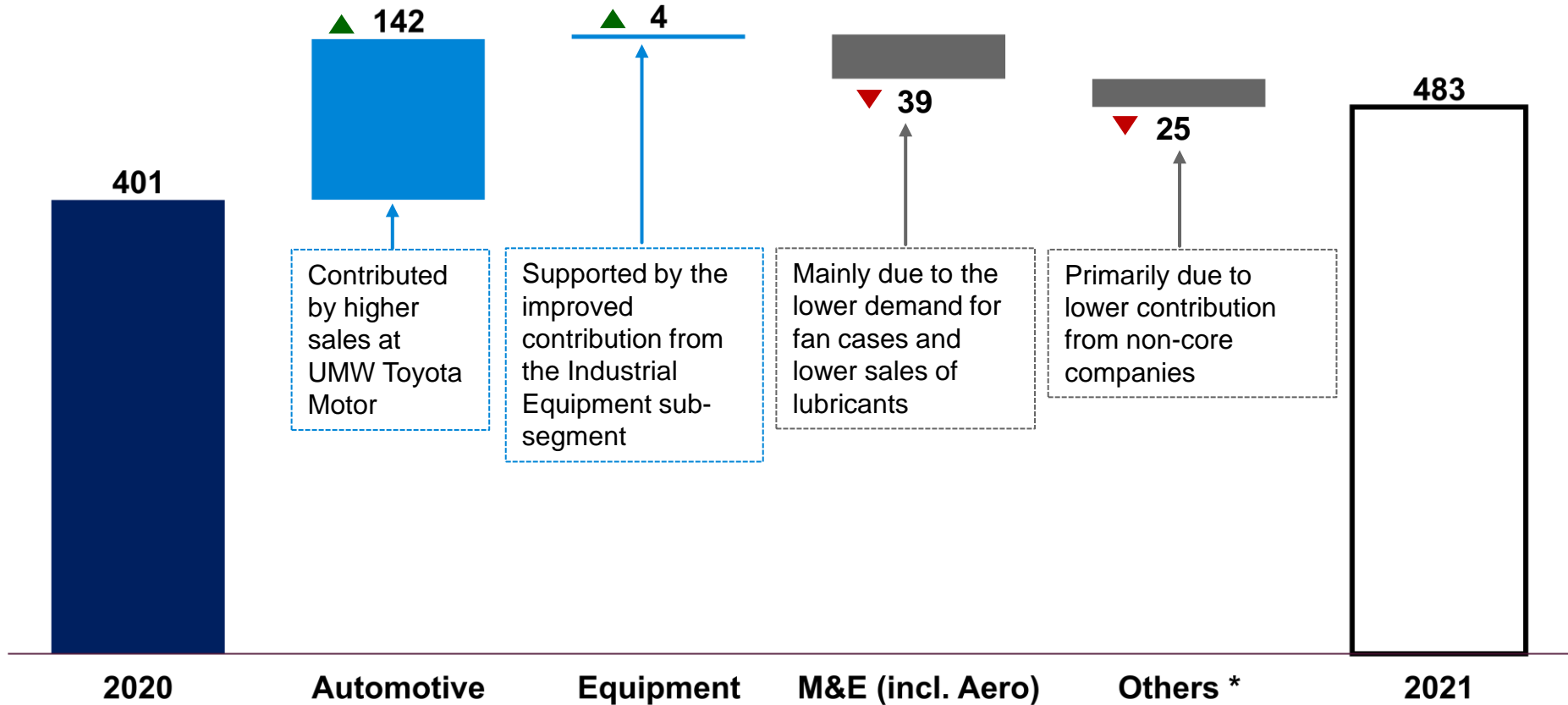
\* Others represent HQ, other non-core operating companies, Unlisted O&G, inter-segment eliminations and Group adjustments.



# Group PBTZ – 2021 vs 2020

## Driven by higher contribution from the Automotive segment

RM million



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

# 2021 Core PATAMI

## Stripping out exceptional items

	RM million	Remarks
Reported PATAMI	268	-
<b>ADJUSTMENTS</b>	<b>Amount recognised in PATAMI</b>	
Forex	14	Unrealised forex loss due to the political unrest in Myanmar.
Net reversal of impairment on receivables	(11)	Debt recovery from an earlier impairment.
Net gain on disposal of PPE not relating to business operations	(9)	Mainly due to the gain on disposal of a property which was completed in 3Q 2021.
Net gain on disposal of investment	(3)	Due to the disposal of a subsidiary in 4Q 2021.
<b>CORE PATAMI</b>	<b>259</b>	

**The Group will continuously assess its strategies as well as initiatives to improve its cost management and operational efficiency to enhance its resilience.**

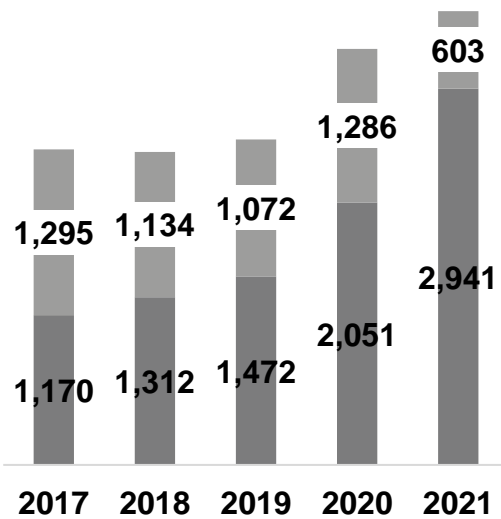
# Cash and Debt Position

Optimal capital structure – sufficient cash reserves to meet the Group’s debt obligations

## Deposits, cash, bank balances and money-market investments

RM million

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

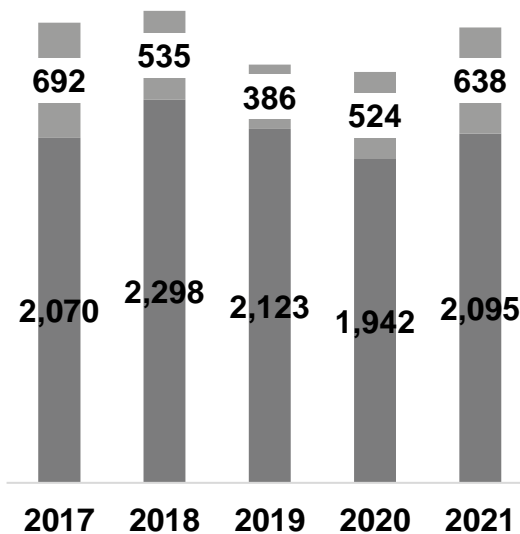


Increased mainly due to drawdown of sukuk and borrowings, and dividends received and proceeds from disposal of investments

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

## Gross gearing ratio and total borrowings

0.66x 0.50x 0.41x 0.38x 0.40x  
RM million  
2,762 2,833 2,509 2,466 2,733

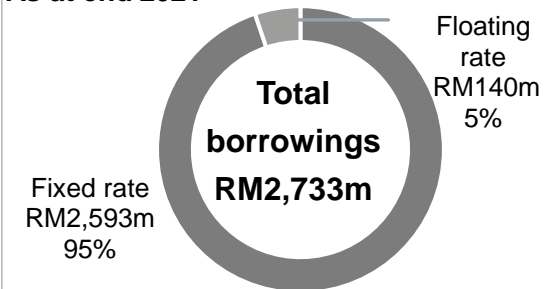


Net cash position  
35 871 811

- Short-term borrowings
- Long-term borrowings

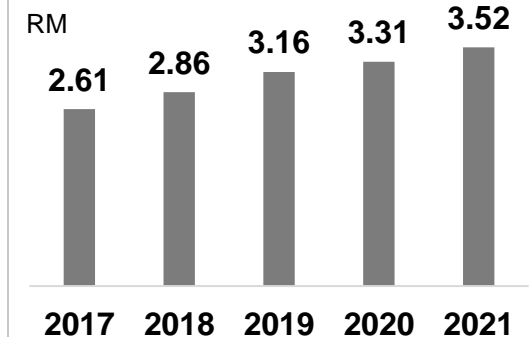
## Debt profile by fixed / floating rate

As at end 2021



The Group has no exposure to foreign-denominated debt.

## Net assets per share

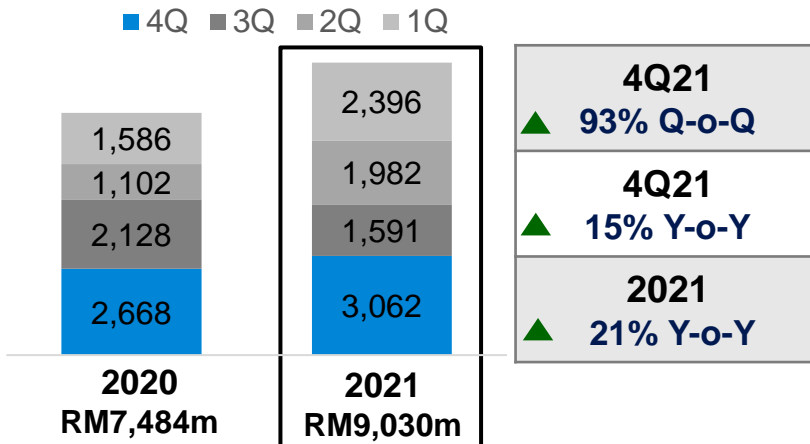


## 4Q 2021 Segmental Results

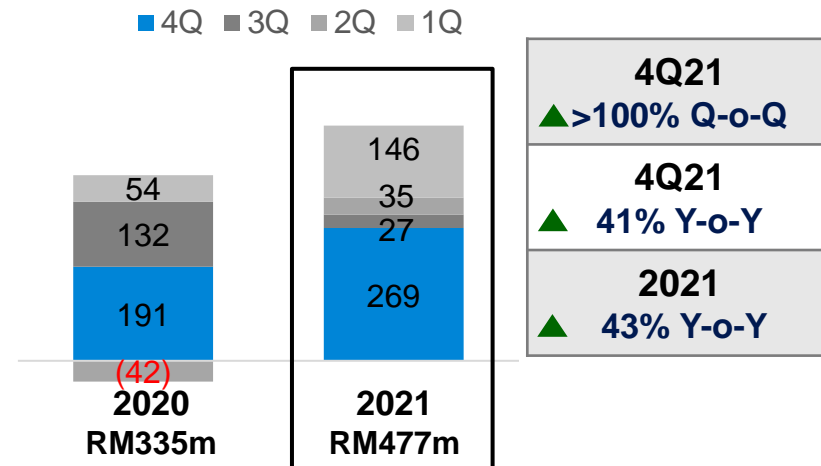
# Automotive Segment

Strong performance driven by the sales tax exemption as well as introduction of new models

## Revenue (RM million)



## Profit Before Taxation and Zakat (RM million)



## Automotive Results

### 4Q21 Financial Results

#### Y-o-Y / Q-o-Q

- Revenue improved due to the higher sales of vehicles.
- Higher share of profits from an associated company

### 2021 Financial Results

- Revenue grew by 21%, mainly due to continued strong demand following the introduction of new models and the longer sales tax exemption period (full-year in 2021 as compared to six months in 2020).
- PBTZ surged by 43% supported by higher share of profits from an associated company.

### Outlook

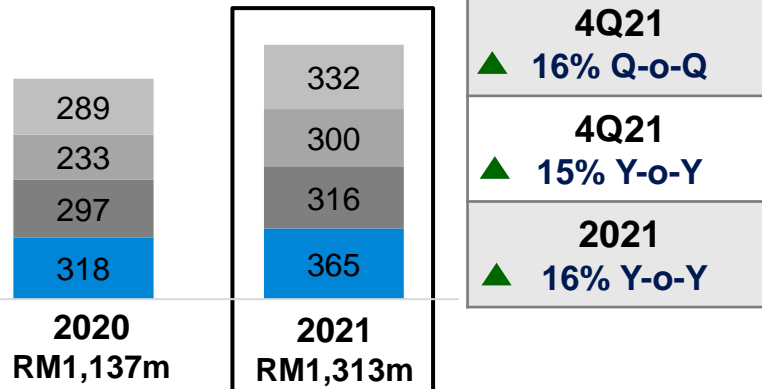
- Introduction of all-new and facelift models as well as the extension of the sales tax exemption until 30 June to drive sales in 2022.

# Equipment Segment

Supported by higher demand following general business recovery post-FMCO

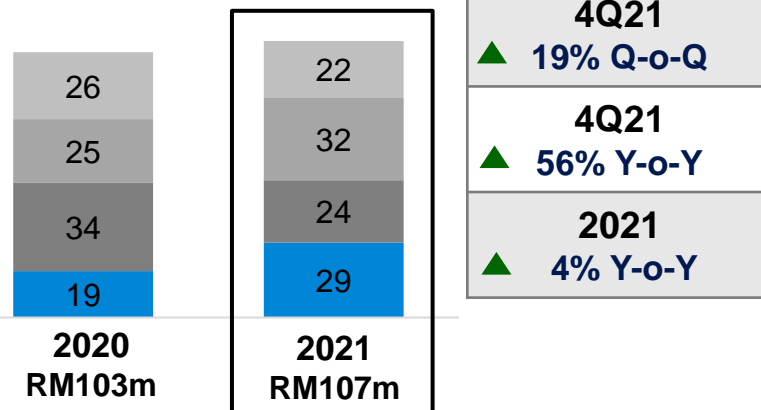
## Revenue (RM million)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



## Profit Before Taxation and Zakat (RM million)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



## Equipment Results

### 4Q21 Financial Results

#### Y-o-Y / Q-o-Q

- Revenue and PBTZ improved, as demand for products and services in both the local and overseas markets continues to improve following business recovery from the Covid-19 pandemic.

### 2021 Financial Results

- Revenue increased by 16% following improved contribution from all countries, except Myanmar.
- Despite the continued disruption in the Myanmar operations, PBTZ improved by 4%.

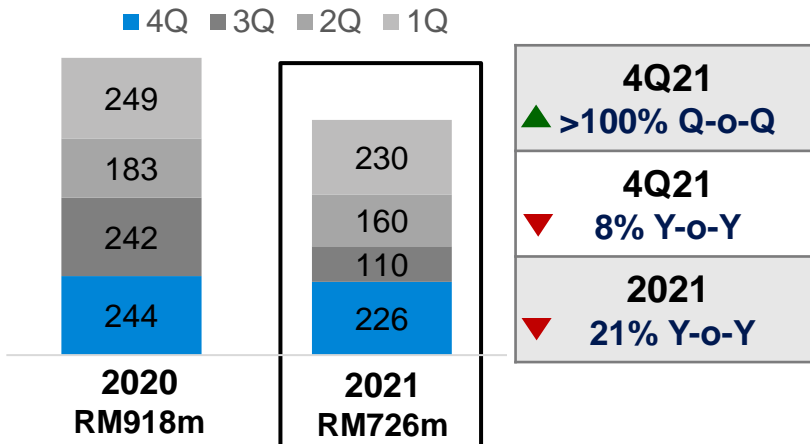
### Outlook

- Heavy Equipment** - Expected to be supported by the projected increase in construction activities following the reopening of the economy as well as higher commodity prices.
- Industrial Equipment** - Continue to focus on growth sectors whilst advancing its expansion of the rental business.

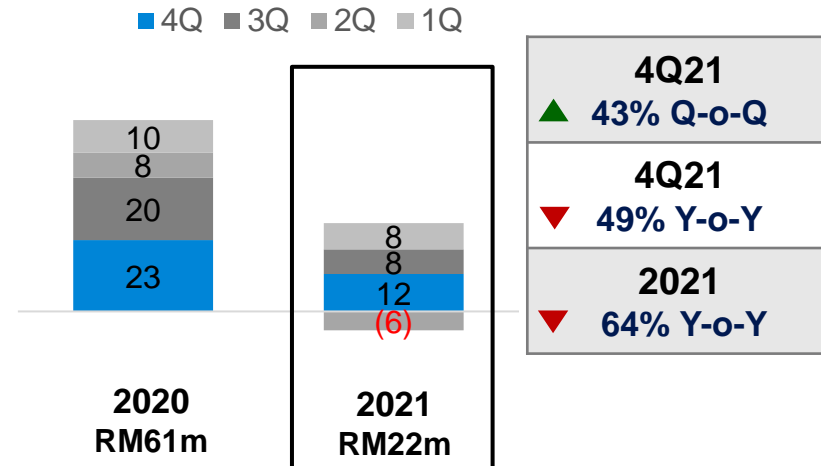
# Manufacturing & Engineering Segment

## Lower demand affected the overall performance

### Revenue (RM million)



### Profit Before Taxation and Zakat (RM million)



### Manufacturing & Engineering Results

#### 4Q21 Financial Results

##### Y-o-Y

- Revenue and PBTZ were affected by lower demand in all the three sub-segments, coupled with the disposal of a subsidiary.

##### Q-o-Q

- Conversely, on a sequential basis, both revenue and PBTZ improved following recovery post-FMCO.

#### 2021 Financial Results

- Revenue and PBT declined mainly due to lower demand for fan cases in the Aerospace sub-segment.

#### Outlook

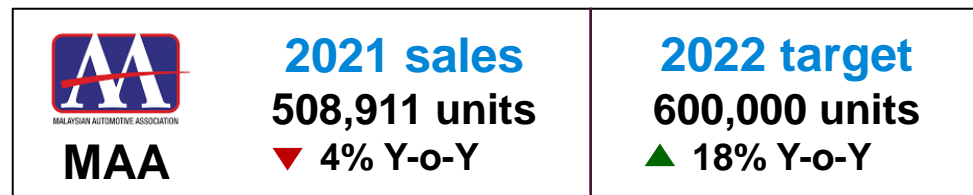
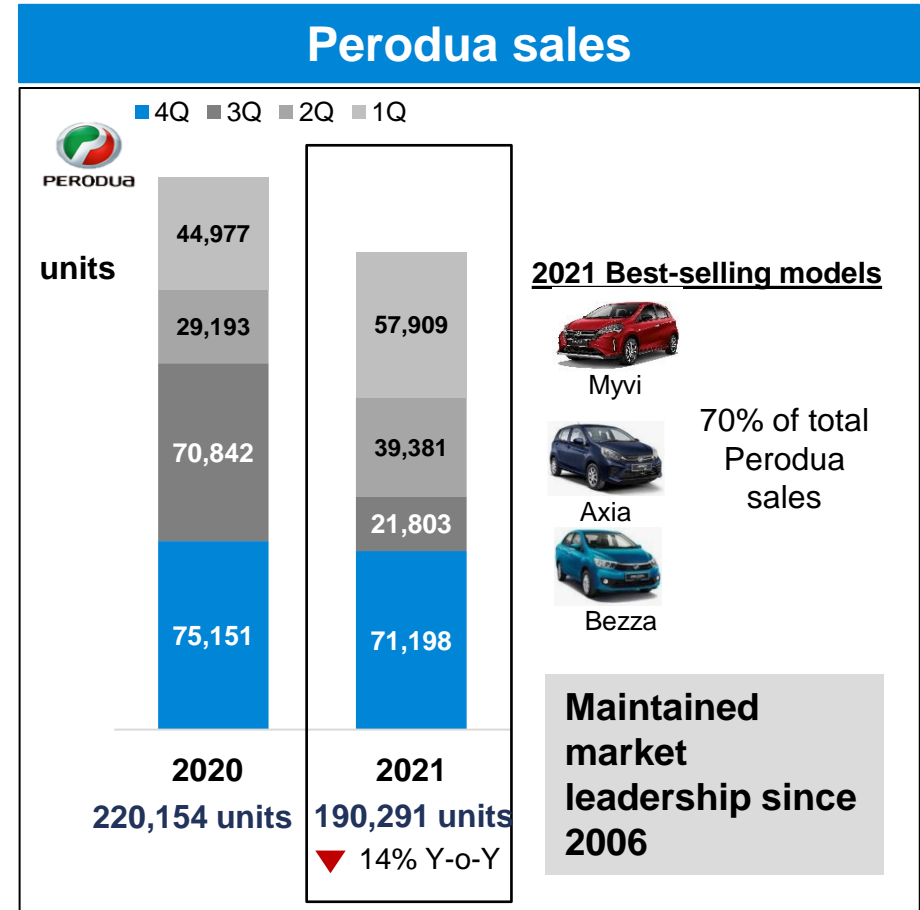
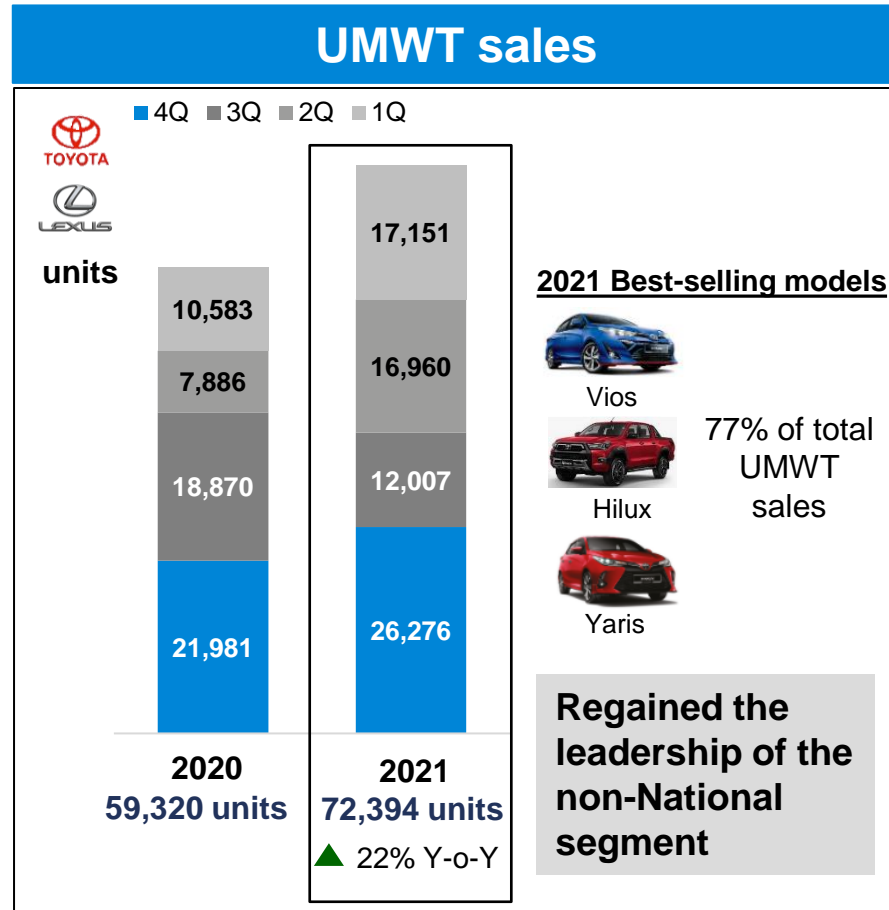
- Auto Components** - Leveraging on the projected strong growth in TIV in 2022 whilst continuing to fulfil its backlog orders, mainly from the export and REM markets.
- Lubricants** - Continue to expand footprint in the industrial segment, to be supported by the completion of the new plant in early 2023.
- Aerospace** - As the industry recovers, to explore opportunities to improve plant utilisation, in line with its products and end-customer diversification strategy.

# Operational Update



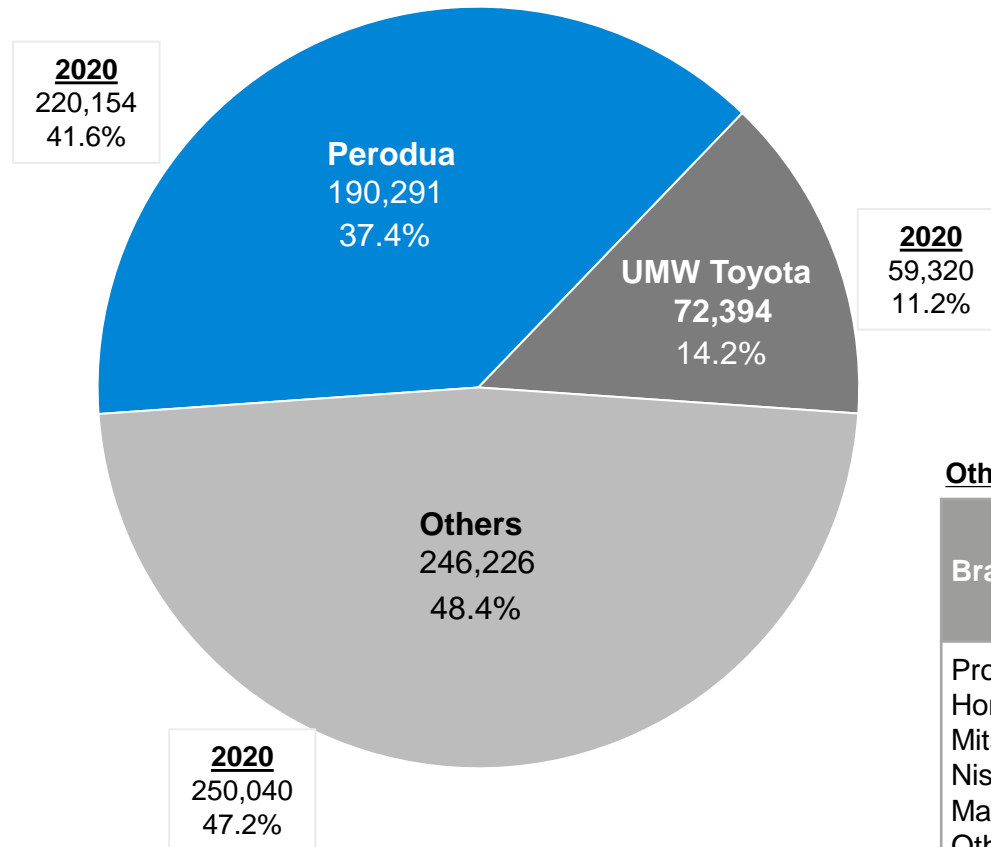
# Automotive Segment - Sales Breakdown

Encouraging orderbook, extension of sales tax exemption to drive sales in 2022



# Automotive Segment - Market Share

The Group collectively commands the domestic automotive market share



UMW Group sold **262,685 units in 2021** with a market share of **51.6%** (2020 – 52.8%).

## Other Carmakers' Sales and Market Share

Brand	2021		2020	
	Units	Market Share %	Units	Market Share %
Proton	111,695	21.9	108,524	20.5
Honda	53,031	10.4	60,468	11.4
Mitsubishi	17,489	3.4	10,801	2.0
Nissan	12,287	2.4	14,160	2.7
Mazda	10,660	2.1	12,141	2.3
Other brands	41,064	8.1	43,946	8.3
Total TIV	508,911		529,514	

# Automotive Segment - UMW Toyota Motor

## Remain competitive with improved products and services

### 2022 launches



**Toyota Corolla Cross  
Hybrid Electric Vehicle  
(14 Jan 2022)**

- First locally assembled Hybrid Electric Vehicle on the Toyota New Global Architecture (“TNGA”) platform
- Accounts for more than 40% of the total sales of the Corolla Cross



**Toyota Camry  
facelift  
(17 Feb 2022)**

- New Dynamic Force engine with 8-speed transmission
- CBU from Thailand

#### Transition into electrification

- Introduction of Hybrid Electric Vehicles (“HEVs”).
- Plans to introduce Battery Electric Vehicle (“BEV”).

#### Widen customer base

- Potentially government fleet, corporate fleet and other segments within the existing customer base.

#### Toyota Financing Package, in cooperation with Toyota Capital Malaysia

- Provide innovative financing solution, i.e : Toyota EzBeli - an attractive financing scheme for customers as the three-tiered repayment model fits in well with their management of cashflow.
- Green financing for hybrid vehicles for better interest savings.

#### Offer mobility solutions

- KINTO ONE - fixed monthly subscription (rental) program for personal or corporate use.

**Sales target for 2022 – 73,000 units**

# Automotive Segment - Perodua

Remain competitive in the entry-level segment with affordable models

## 2021 launches

All-new  
Perodua Ativa  
(3 Mar 2021)



Refreshed  
Perodua Aruz  
(9 May 2021)



Facelift  
Perodua Myvi  
(18 Nov 2021)



6,000 units  
monthly  
sales target

Added convenience, new colour,  
same price

Advanced technology, enhanced safety  
features, improved fuel economy

**Taking initiatives towards  
carbon neutrality**

- Transition into electrification through Hybrid Electric Vehicles (“HEVs”).

**Enhancement of value chain**

- Expansion of leasing and Perodua Pre-owned vehicle (POV) business.
- Considering exporting used cars that are traded-in for new models.

**Explore new technologies and  
concepts**

- Further enhancing its Research & Development (R&D) capabilities with the support from Daihatsu.

**Support the nation’s automotive  
ecosystem**

- Solidify its vendors’ capabilities – Perodua’s high local content supports Malaysia’s automotive ecosystem.
- Expects component purchase amounting to RM7.5 billion in 2022.

**Sales target for 2022 – 247,800 units**

# Equipment Segment

## Operational highlights

### Industrial Equipment

- Performance was driven by higher demand for equipment as post-lockdown recovery continued in 4Q21.
- Toyota forklift extended its market leadership position in Malaysia's material handling equipment business.
- Drove cost optimisation and established operational efficiencies focusing on process digitalisation.
- Developed automation and forklift refurbishment businesses for sustainability.
- Leverage on growth sectors, especially with the rising e-commerce adoption.
- Demand is expected to be sustained, underpinned by continued expansion in the growth sectors.

### Heavy Equipment

- All business operations performed better in 2021, except for Myanmar.
- Mainly supported by public infrastructure projects as well as increase in fleet renewal and replanting by plantation companies.
- Papua New Guinea had shown tremendous growth, underpinned by the country's development especially in relation to expansion and upgrading of infrastructure.
  - This was reflected in the expansion of equipment market demand of about 46% compared with 2020 in Papua New Guinea.

# Equipment Segment

## Transitioning into being a total solutions provider



### Industrial Equipment



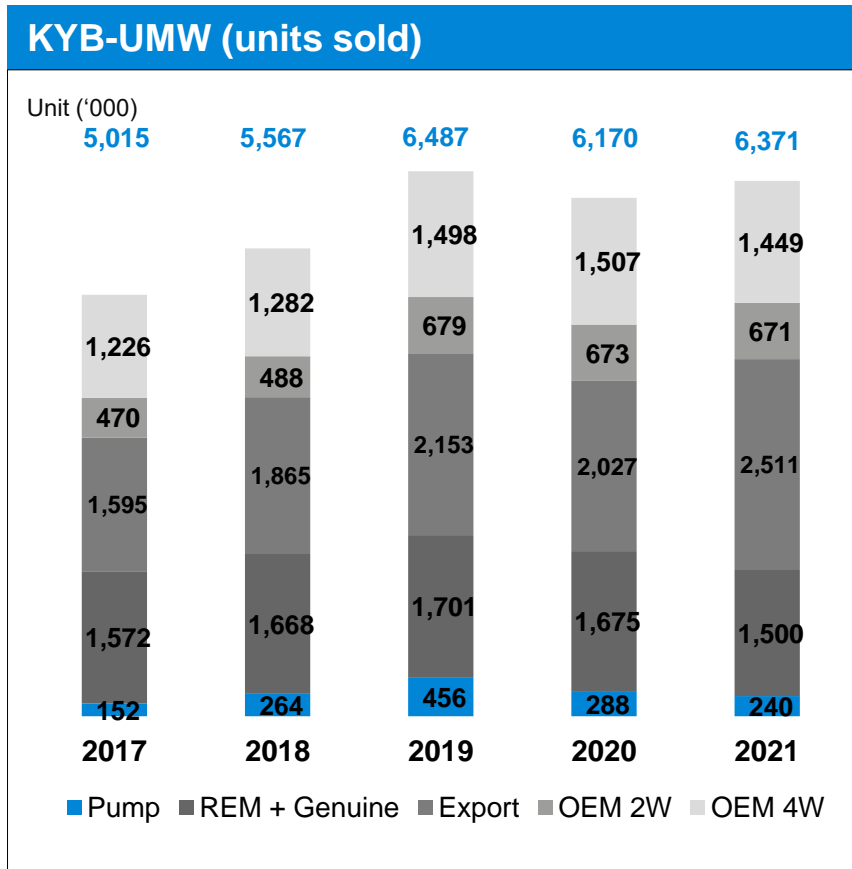
### Heavy Equipment

<b>Flexible rental arrangements</b>	To cater to the growing demand. It allows better management of customers' requirements - optimum fleet size, models and specs.
<b>Regional expansion of forklift refurbishment</b>	To extend product life-cycle of trucks and components whilst expanding customer base.
<b>“Go Green” program</b>	To promote the conversion of IC trucks to electric trucks.
<b>Expansion of automation business and system integration</b>	<b>Automation offerings:</b> Automated Guided Vehicles, Cobot, Key Carts, Radio Shuttle.

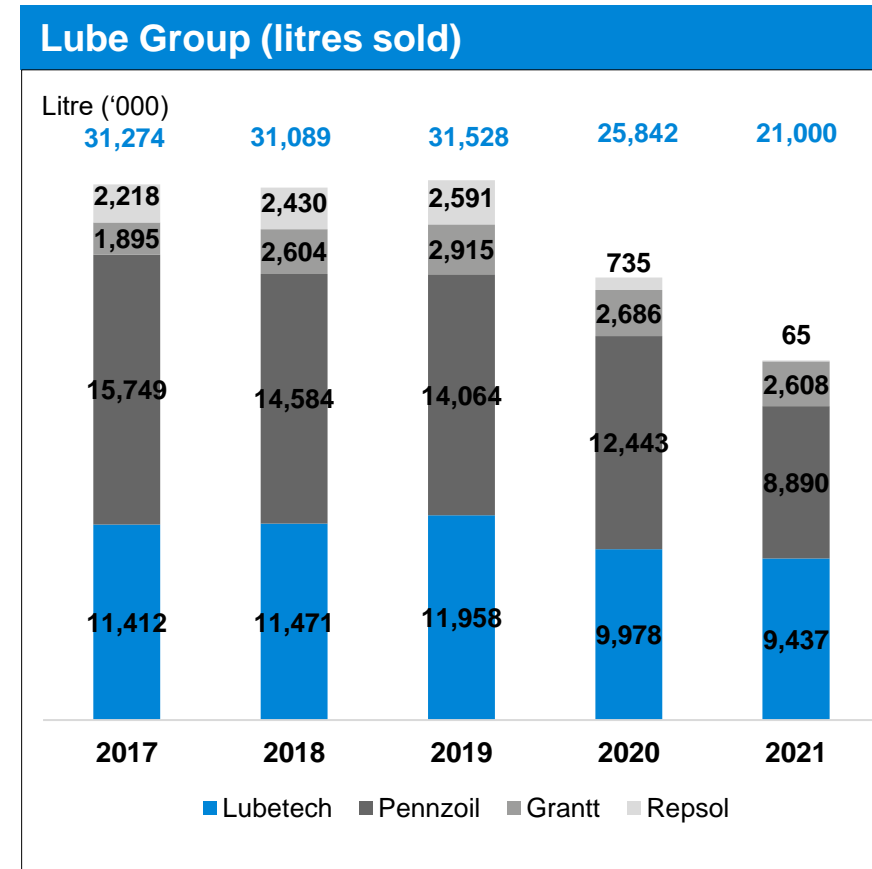
<b>Expansion in agriculture sector</b>	Introduction of new products for the replanting segment.
<b>Project &amp; sector-based market coverage</b>	To tap on the recovery in construction sector & favourable commodity prices (CPO, Gold).
<b>Promotion of new equipment to entice customers</b>	Through launch of new products and introduction of two variants model strategy.
<b>Parts &amp; service expansion</b>	Through aftermarket activities.
<b>Collaboration with financial institutions</b>	To offer different financing schemes to meet customers' needs.

# Manufacturing & Engineering Segment

## KYB-UMW sales recovered, lubricants affected by lower demand



Supported by the export market, which grew 24% Y-o-Y



China operations performed better while all brands in Malaysia registered lower sales

# Manufacturing & Engineering Segment

## Growth through innovation and research & development



### Automotive Components



### Lubricants

<p><b>Expansion of product offering and market access</b></p>	<p>To work closely with KYB Japan to tap on expertise and opportunities.</p>	<p><b>Construction of Smart Lubricant plant, equipped with IR 4.0 technologies</b></p>	<p>Enhanced capacity in the new plant (increased by c.70%) will enable higher production of industrial products.</p>
<p><b>Expansion of exports – currently KYB-UMW exports to 39 countries</b></p>	<p>Especially for the OEM market. Recent plant modernisation has increased capacity and improved efficiency.</p>	<p><b>Explore more opportunities in industrial and commercial lubricant segments</b></p>	<p>Focus on new product range such as industrial lubricants and bio-hydraulic.</p>
<p><b>Introduction of Green Innovation</b></p>	<p><b>Bio-lubricants:</b> Bio-hydraulic as entry point.  <b>BRUSS:</b> Focus on Go-To Market for starter battery.  <b>Membrane Technology:</b> Water Reclamation Plant and Rainwater Harvesting.</p>	<p><b>Expansion to ancillary lube (brake fluid and coolant) products</b></p>	<p>To embark on marketing / sales program for OEM and the government sector.</p>



# Aerospace Segment

## Capitalise on High Performing Supplier Group position to secure new contracts



<b>Fully utilise existing aerospace capabilities</b>	Enhance value-added proposition with higher localisation.
<b>Increase plant utilisation</b>	Higher demand is forecasted inline with the reopening of international borders and gradual recovery of the industry.
<b>Participate in the MRO service industry</b>	Expanding capabilities, enhance localisation and non-aero machining works.
<b>Capability building</b>	Execution of chemical milling project to create leading capabilities in ASEAN.



### UMW Aerospace was inducted into the 2021 Cohort of Rolls-Royce's High Performing Supplier Group

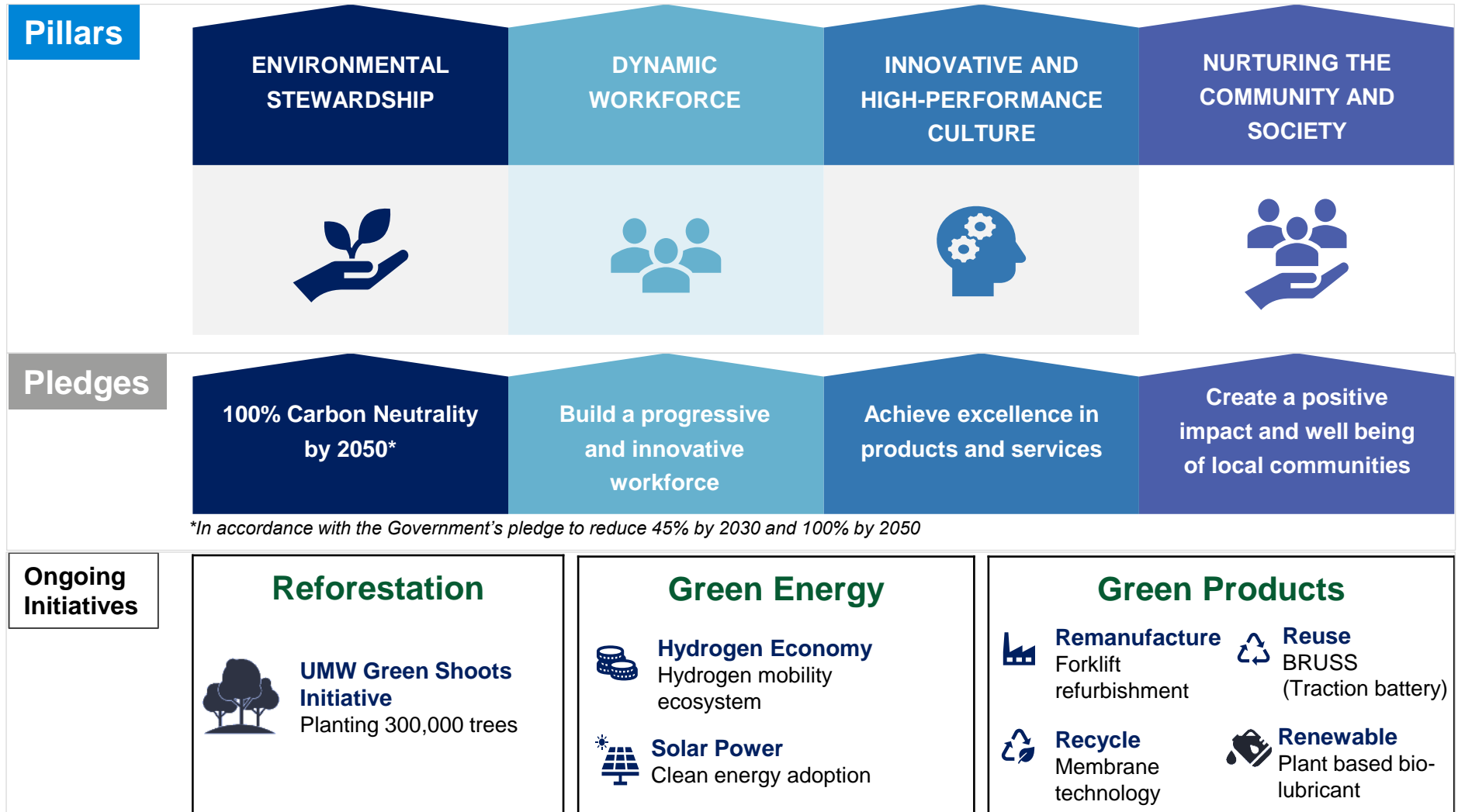
This achievement places UMW Aerospace among the more established players in the industry and in a favourable position to participate in Rolls-Royce's future projects.

**Sustainability**

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# Sustainability at UMW

## Our pledges for sustainable value creation



# THANK YOU

Corporate Portal  
[www.umw.com.my](http://www.umw.com.my)

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