

UMW HOLDINGS BERHAD 4Q FY2022 RESULTS BRIEFING

27 February 2023

Group Investor & Media Relations



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4Q 2022 Key Highlights

Key Highlights of 4Q 2022 Results

Improved contribution from all segments; back to pre-pandemic levels

| RM m | 4Q 2022 | 4Q 2021 | Y-o-Y | 3Q 2022 | Q-o-Q | FY 2022 | FY 2021 | Y-o-Y |
|--|---------|---------|-------|---------|---------|---------|---------|---------|
| Revenue | 4,375 | 3,645 | ▲ 20% | 4,057 | ▲ 8% | 15,814 | 11,061 | ▲ 43% |
| PBTZ | 219 | 271 | ▼ 19% | 231 | ▼ 5% | 896 | 483 | ▲ 86% |
| PAT | 172 | 380 | ▼ 55% | 159 | ▲ 8% | 678 | 516 | ▲ 31% |
| PATAMI * | 106 | 240 | ▼ 56% | 101 | ▲ 5% | 415 | 268 | ▲ 55% |
| <small>* After distribution to Perpetual Sukuk holders</small> | | | | | | | | |
| Basic EPS (sen) | 9.1 | 20.5 | ▼ 56% | 8.6 | ▲ 5% | 35.5 | 23.0 | ▲ 55% |
| Dividend (sen) | 11.2 | 5.8 | ▲ 93% | 3.0 | ▲ >100% | 14.2 | 5.8 | ▲ >100% |

4Q 2022

Y-o-Y

- Revenue growth was mainly due to higher contribution from all segments, driven by continued strong momentum post-pandemic.
- However, PBTZ was affected by a lower share of profit from an associated company.
- 4Q 2021 - due to the recognition of DTA of RM71m arising from Investment Tax Allowances.

Q-o-Q

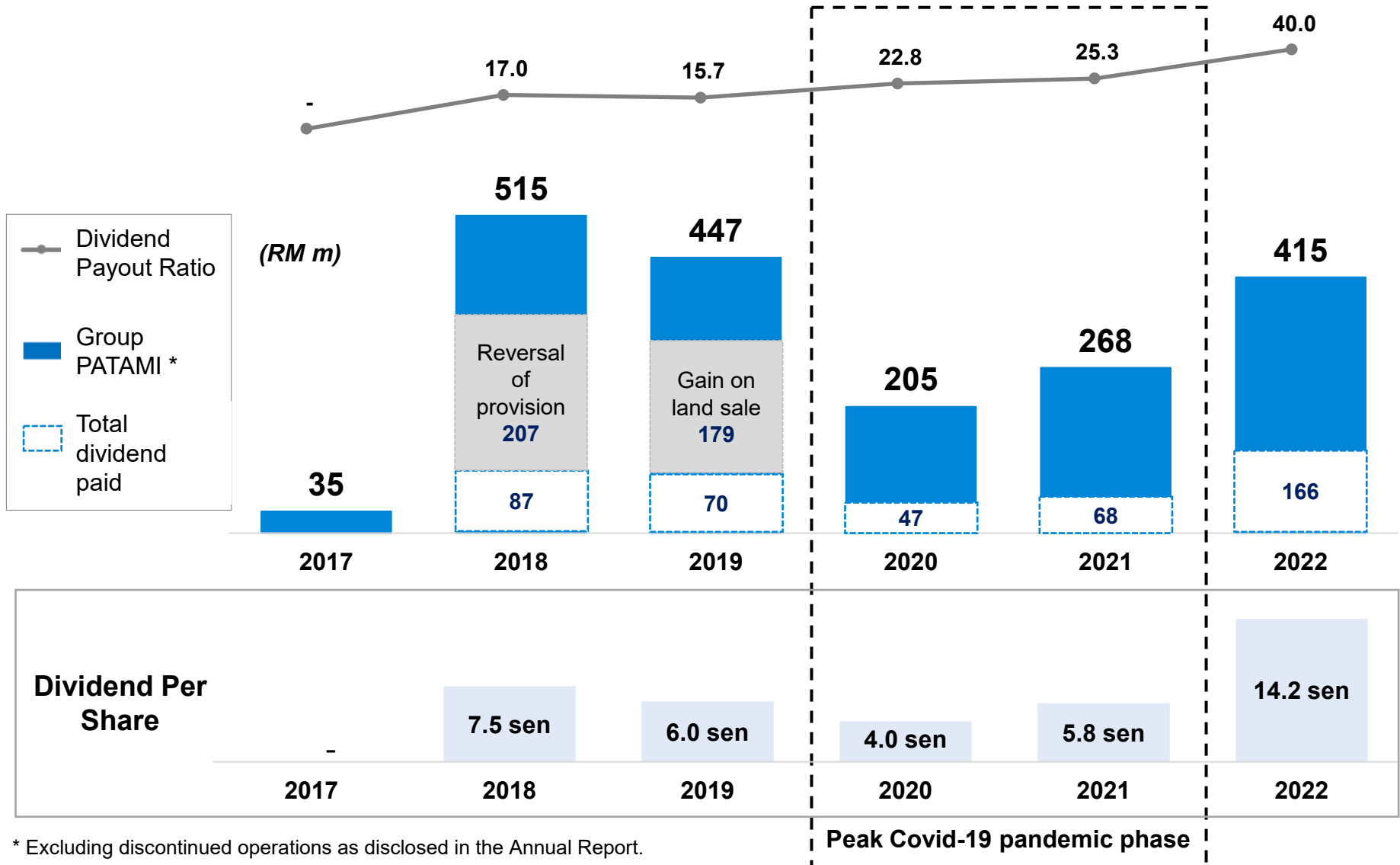
Revenue increased but PBTZ declined due to a lower contribution from an associated company. Nevertheless, PAT and PATAMI improved.

FY 2022

Improved performance was driven by higher contribution from all segments following strong recovery of the Malaysian and regional economies.

Group PATAMI and Dividend Trend

Increased dividend payout in line with the improved results

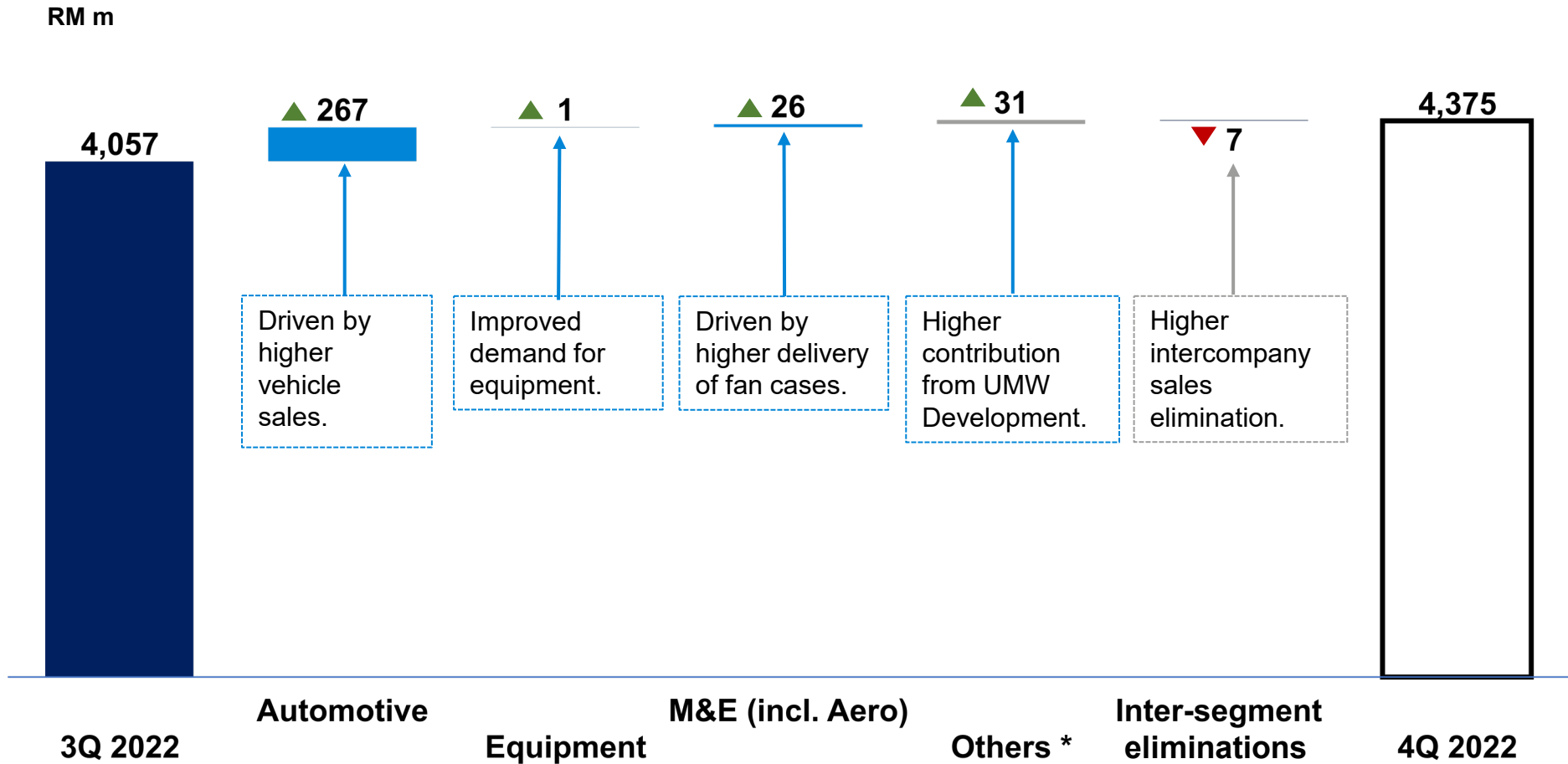


* Excluding discontinued operations as disclosed in the Annual Report.

4Q 2022 Results

Group Revenue – 4Q 2022 vs 3Q 2022

All business segments contributed to the higher revenue

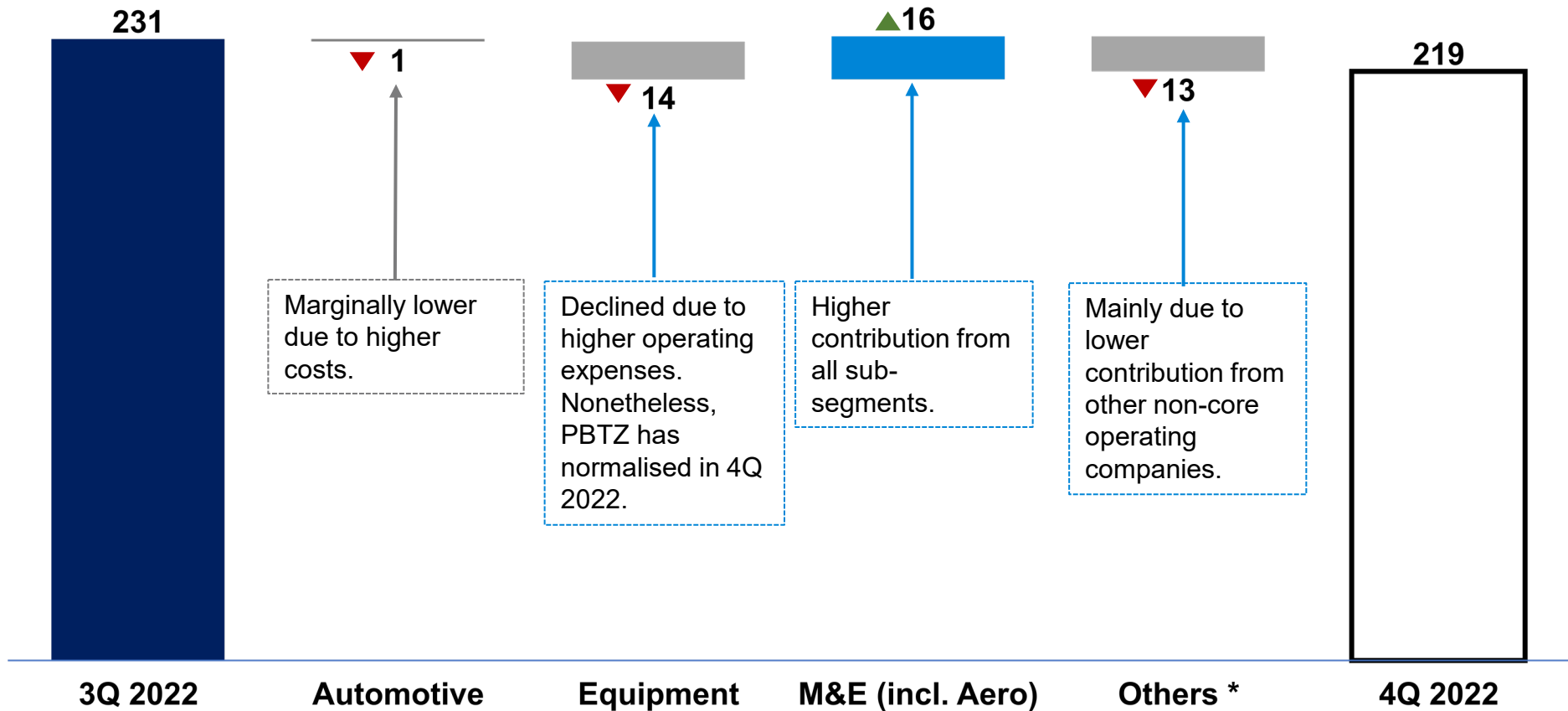


* Others represent HQ, other non-core operating companies, Unlisted O&G and Group adjustments.

Group PBTZ – 4Q 2022 vs 3Q 2022

Declined due lower contribution from the Equipment and Others segments

RM m



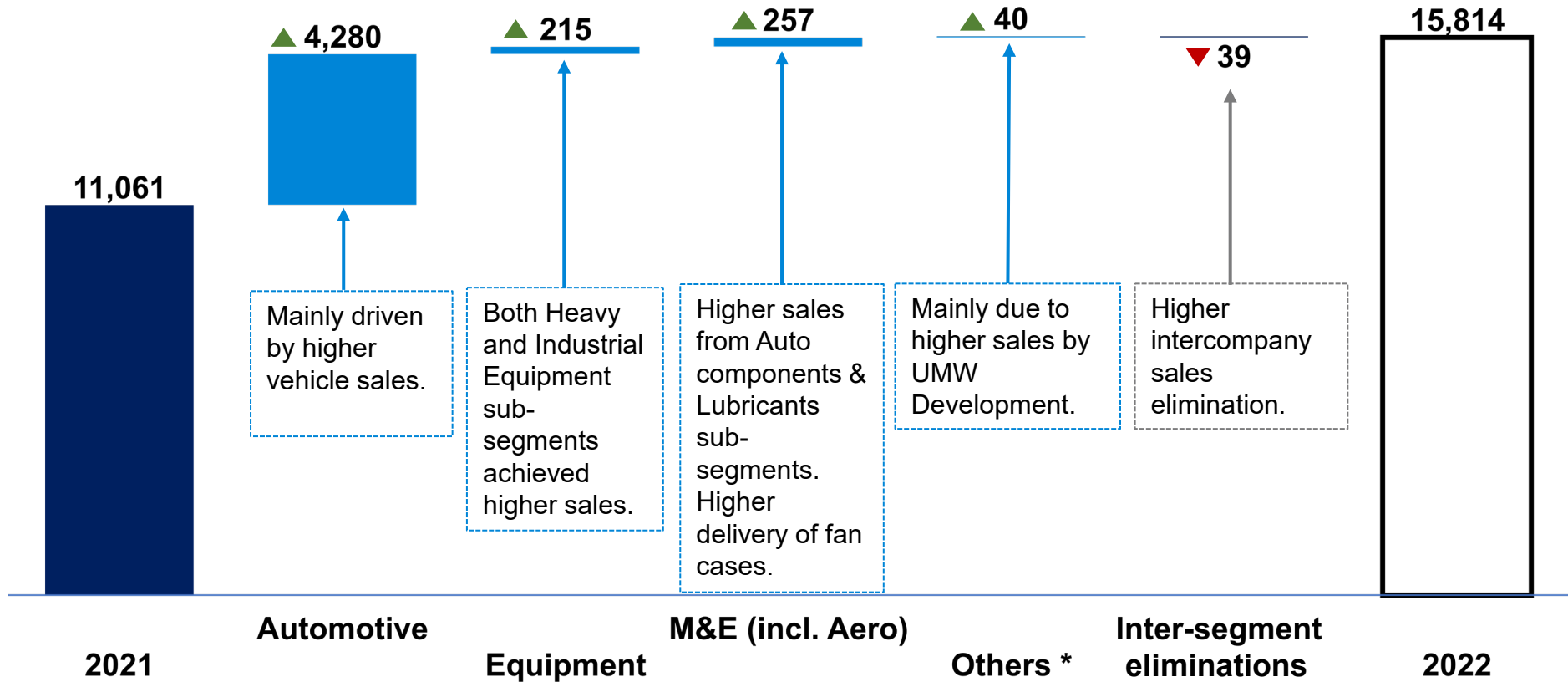
* Others represent HQ, other non-core operating companies, Unlisted O&G and Group adjustments.

Note: Calculation of variance above varies marginally to 3Q 2022 Financial Report in Bursa Malaysia's website due to rounding difference

Group Revenue – 2022 vs 2021

Increased by 43% due to higher contribution from all segments

RM m



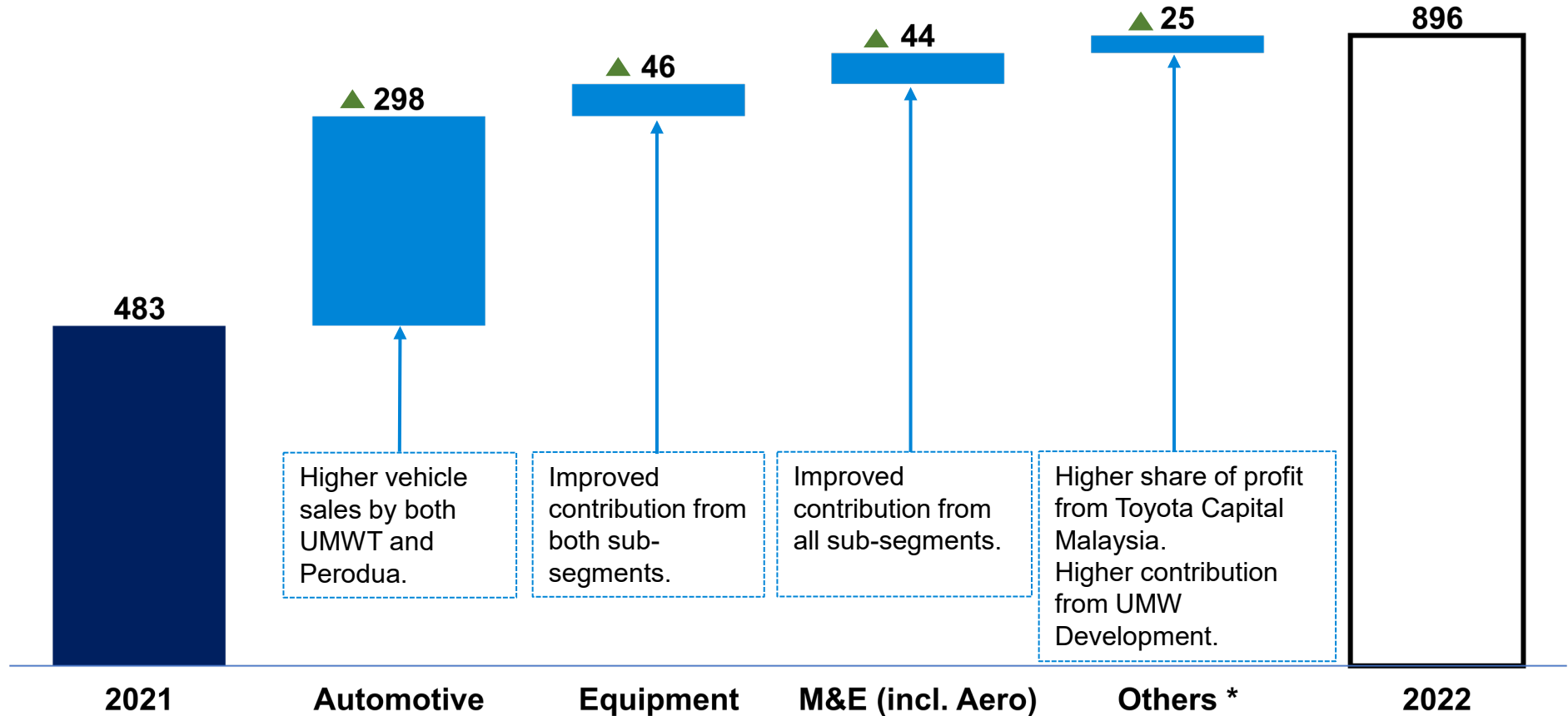
* Others represent HQ, other non-core operating companies, Unlisted O&G and Group adjustments.

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Group PBTZ – 2022 vs 2021

Surged by 86%, driven by higher contribution from all segments

RM m



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

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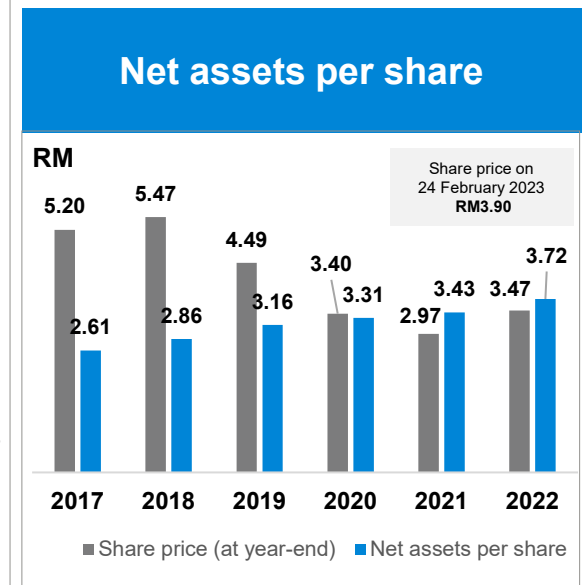
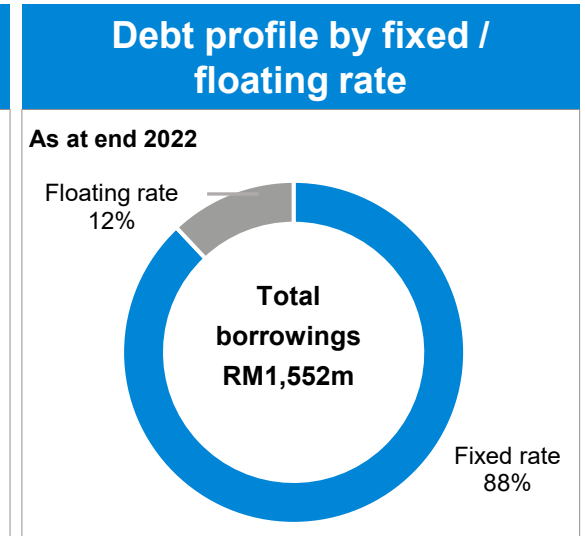
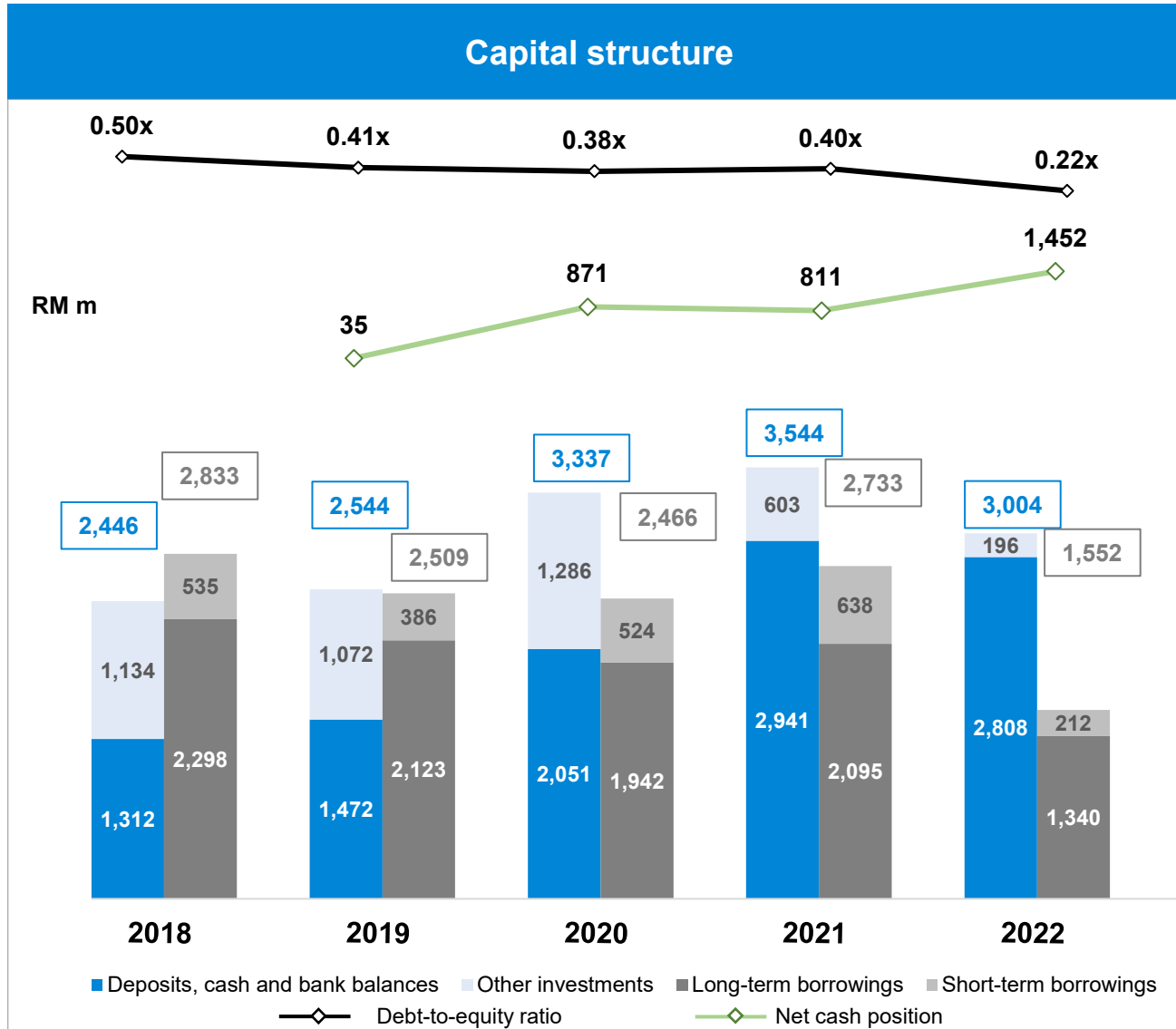
2022 Core PATAMI

Stripping out exceptional items

| | RM m | Remarks |
|------------------------------------|------------------------------------|--|
| Reported PATAMI | 415 | |
| Adjustments | Amount recognised in PATAMI | |
| Net loss on disposal of investment | 6 | Mainly relating to the crystallisation of forex loss on liquidation of a subsidiary. |
| CORE PATAMI | 421 | |

Capital structure and debt profile

Continuous efforts to optimise capital structure; Gearing ratio reduced to 0.22x



Challenges and Catalysts

Challenges and Counter measures

Despite the challenges, the Group is taking measures to mitigate the impact and strive to deliver value to our shareholders



Challenges



Counter measures

Geopolitical risk

Russia-Ukraine war leads to disruption in global supply chain.



Stakeholder engagement

Continue to work closely with principals, suppliers and other stakeholders to mitigate or minimise the impact.

Forex volatility

Mainly for the Automotive segment



Forex hedging

Closely monitor the movement to hedge at a competitive rate.

Potential rising interest rates

Leading to higher borrowing costs.



Sukuk rating sustainability

Reaffirmed at AA+ rating. Strive to sustain the current rating amidst the business challenges.

Rise in raw material prices

Leads to increase in cost of components.



Cost optimisation

Undertake continuous cost optimisation initiatives.

Market disruption

Arising from impending influx of EVs.



Expansion of current business model

Introduction of more hybrid models, more engagements with TMC and DMC, explore new business ventures and accelerate innovation cycle within UMW.

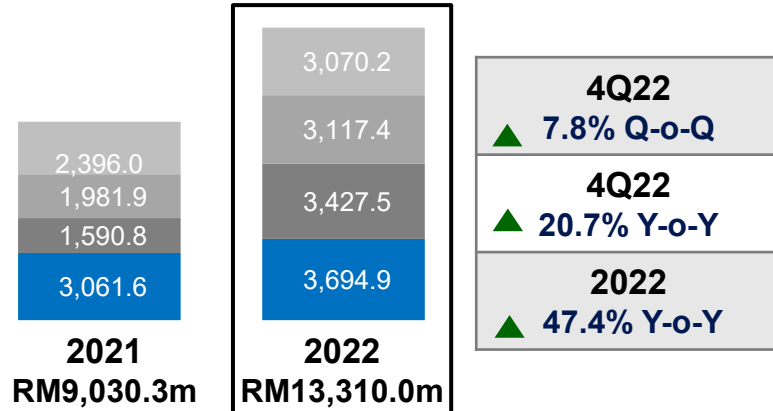
4Q 2022 Segmental Results

Automotive Segment

Strong sales momentum driven by sales tax exemption and new models

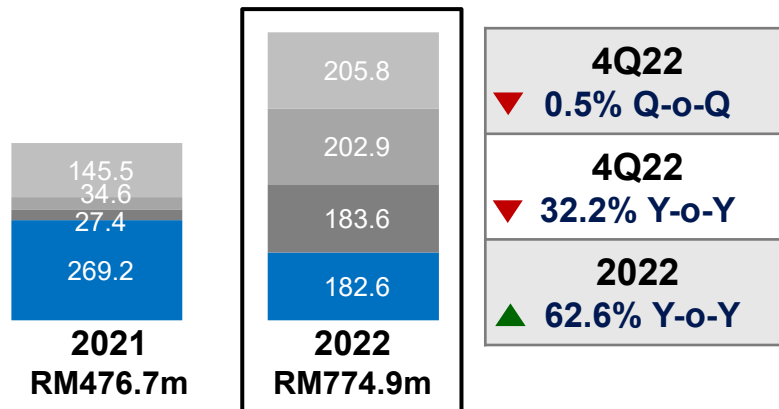
Revenue (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Profit Before Taxation and Zakat (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Automotive Results

4Q22 Financial Results

Y-o-Y / Q-o-Q

- The higher revenue was mainly due to the higher number of vehicles sold.
- PBTZ was lower due to a lower share of profit from an associated company.

2022 Financial Results

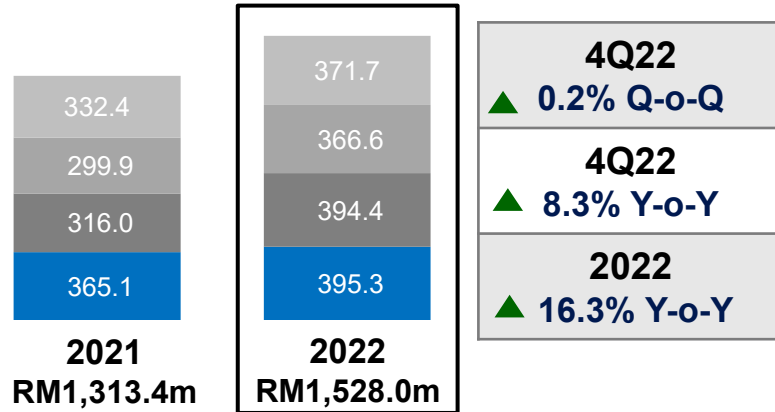
- Improved performance was mainly due to higher number of vehicles sold following the continued strong sales momentum.

Equipment Segment

Both sub-segments performed better in FY2022, supported by improved demand

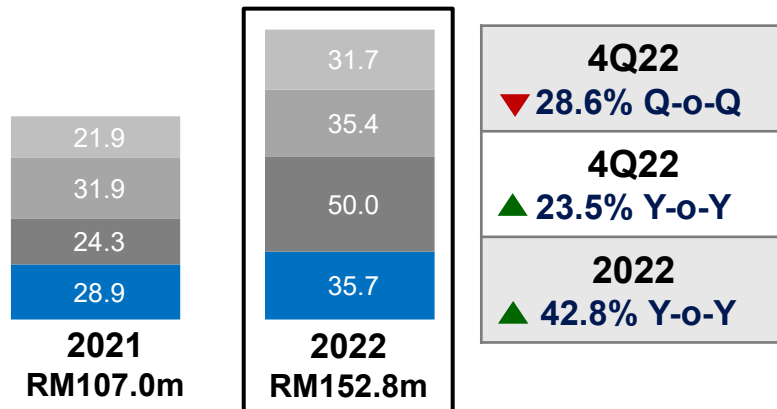
Revenue (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Profit Before Taxation and Zakat (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Equipment Results

4Q22 Financial Results

Y-o-Y

- Revenue and PBTZ increased mainly due to the stronger demand for the segment's products and services in the local and overseas markets.

Q-o-Q

- Revenue was higher mainly due to the improved contribution from the Heavy Equipment sub-segment.
- PBTZ has normalised in 4Q 2022, after a higher margin was recorded in 3Q 2022.

2022 Financial Results

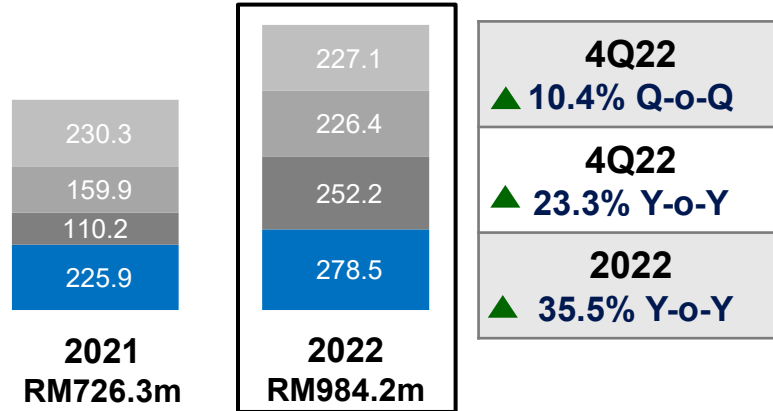
- Revenue increased by 16.3% while PBTZ surged by 42.8% further supported by cost optimisation activities.
- Improved performance from both sub-segments, mainly due to the growing demand for its products and services in the local and overseas markets.

Manufacturing & Engineering Segment

Higher contribution from all three sub-segments in FY2022

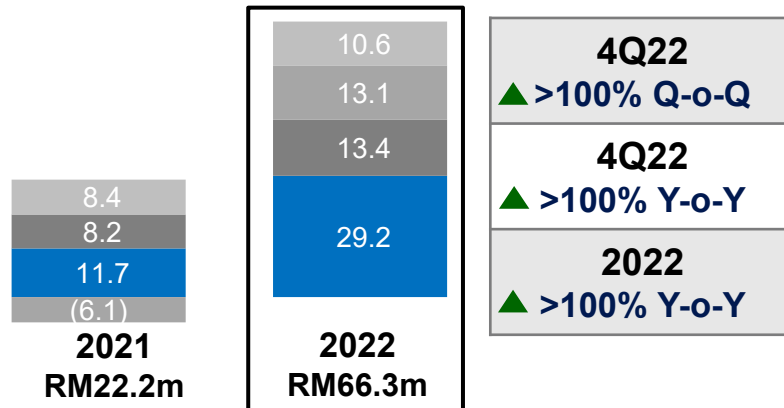
Revenue (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Profit / (Loss) Before Taxation and Zakat (RM m)

■ 4Q ■ 3Q ■ 2Q ■ 1Q



Manufacturing & Engineering Results

4Q22 Financial Results

Y-o-Y

- The improved performance is mainly attributable to the higher contribution from all three sub-segments as the economic conditions improved both domestically and regionally in 2022.

Q-o-Q

- The improvement in revenue and PBTZ was primarily due to higher contribution from the Aerospace sub-segment following the increase in delivery of fan cases compared with the preceding quarter.

2022 Financial Results

- The revenue was higher due to higher contribution from all sub-segments especially the Auto Components sub-segment, in line with the improved demand in the automotive sector.
- Consequently, the segment's PBTZ increased almost three-fold compared with 2021.

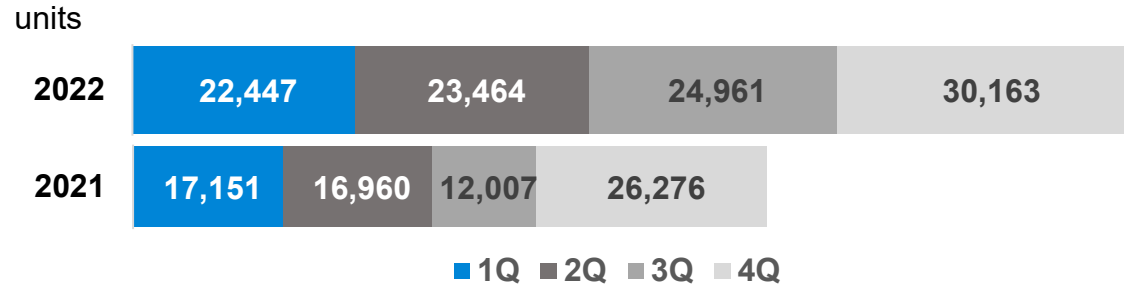
Note: Calculation of variance above varies marginally to 4Q 2022 Financial Report in Bursa Malaysia's website due to rounding difference

Operational Updates and Outlook

Automotive Segment - Sales Breakdown

Strong sales supported by the sales tax exemption as well as new models

Market leader in the non-National segment



2022 : 101,035 units
 2021 : 72,394 units
▲ 40% Y-o-Y

2022 best-selling models



Hilux



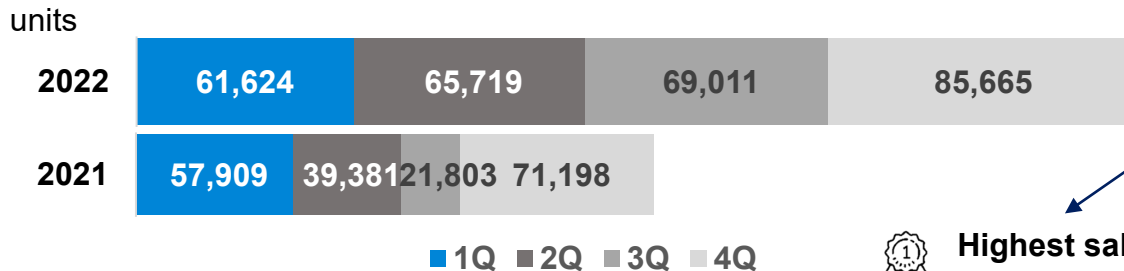
Vios



Corolla Cross

67%
of total UMWT sales

Maintained market leadership since 2006



2022 : 282,019 units
 2021 : 190,291 units
▲ 48% Y-o-Y

Highest sales since inception

2022 best-selling models



Myvi



Bezza



Axia

72%
of total Perodua sales



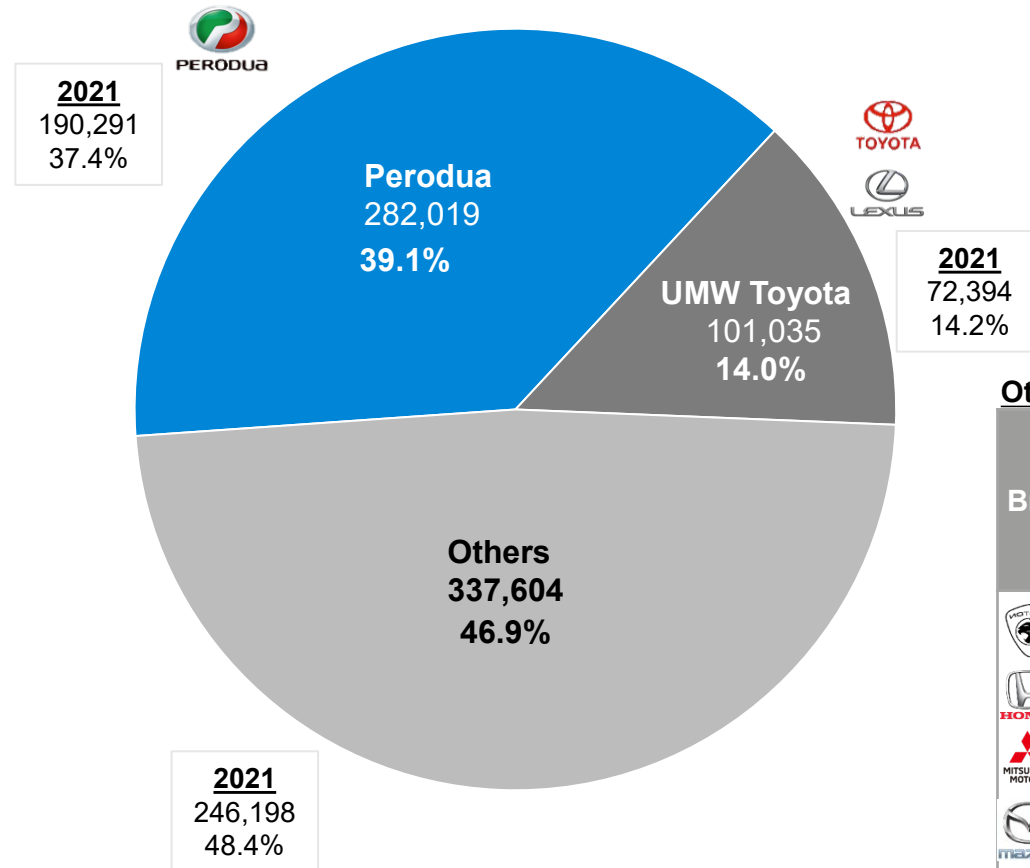
2022 sales
720,658 units
▲ 42% Y-o-Y

2023 sales target of
650,000 units
▼ 10% Y-o-Y

Automotive Segment - Market Share

The Group collectively commands the domestic automotive market share

UMW Group's market share for **2022** was **53.1%** (2021 – 51.6%).



Other Carmakers' Sales and Market Share

| Brand | 2022 | | 2021 | |
|--|----------------|----------------|----------------|----------------|
| | Units | Market Share % | Units | Market Share % |
|  Proton | 136,026 | 18.9 | 111,695 | 21.9 |
|  Honda | 80,290 | 11.1 | 53,031 | 10.4 |
|  Mitsubishi | 24,017 | 3.3 | 17,489 | 3.4 |
|  Mazda | 14,644 | 2.0 | 10,660 | 2.1 |
|  Nissan | 13,785 | 1.9 | 12,287 | 2.4 |
| Other brands | 68,842 | 9.7 | 41,036 | 8.1 |
| Total TIV | 720,658 | | 508,833 | |

Source: Malaysian Automotive Association

Automotive Segment – UMW Toyota Motor

Remain competitive with improved products and services



Maintain strong brand reputation – No.1 in the non-National automotive segment



Several new models to be launched in 2023 to continue to spur demand and support sales

Toyota recently launched 3 GR and 2 GR Sport models on 17 Feb.

Order taking for the all-new Vios started on 24 Feb.



Continuous **development of a strong ecosystem support** – vendor development program, supply chain

Continue to work closely with principals, suppliers and other stakeholders.



Maintain **excellence in customer service**

In 2022, Customer Service Operations surpassed 1.25 million vehicles



Covers vehicles of all ages.



Rewarding customers for purchases, servicing or repairs, and even for vehicle insurance renewals.



Money-saving holistic maintenance plans.



Provide innovative vehicle financing solutions



Attractive vehicle financing options, i.e: low rates for lower carbon vehicles, 100% Islamic loans and subscription plan

Includes the **Toyota EZ Beli** programme, in collaboration with Toyota Capital Malaysia.

The EzBeli+ is designed specifically for hybrid vehicles.



Sales target of 93,000 units
▼ 8% Y-o-Y

On top of the outstanding orders, new and facelift models are expected to continue to drive sales.

Automotive Segment – Perodua

To continue to remain as market leader



Sustain market leadership position with best value model offering – maintained pole position for the 17th consecutive year in 2022.



Focus on delivery of outstanding orders

- Will continue to invest to improve its production efficiency and capacity.



New models to continue to drive sales

- All-new Alza was launched on 20 July 2022.
- All-new Axia was introduced on 14 February 2023.
- To be further supported by facelifted models.



High prioritisation in the area of **plant capacity and vendor capability**

- Production mapping, digitalisation, drivetrain system, manpower capabilities, Carbon Neutral compliance.
- Vendor & eco-system sustainability.



Recovery plan for export market

- Study and explore new potential market – focusing on Asean and new Right-Hand Drive countries.
- Strategize the pricing and logistics management.



2023

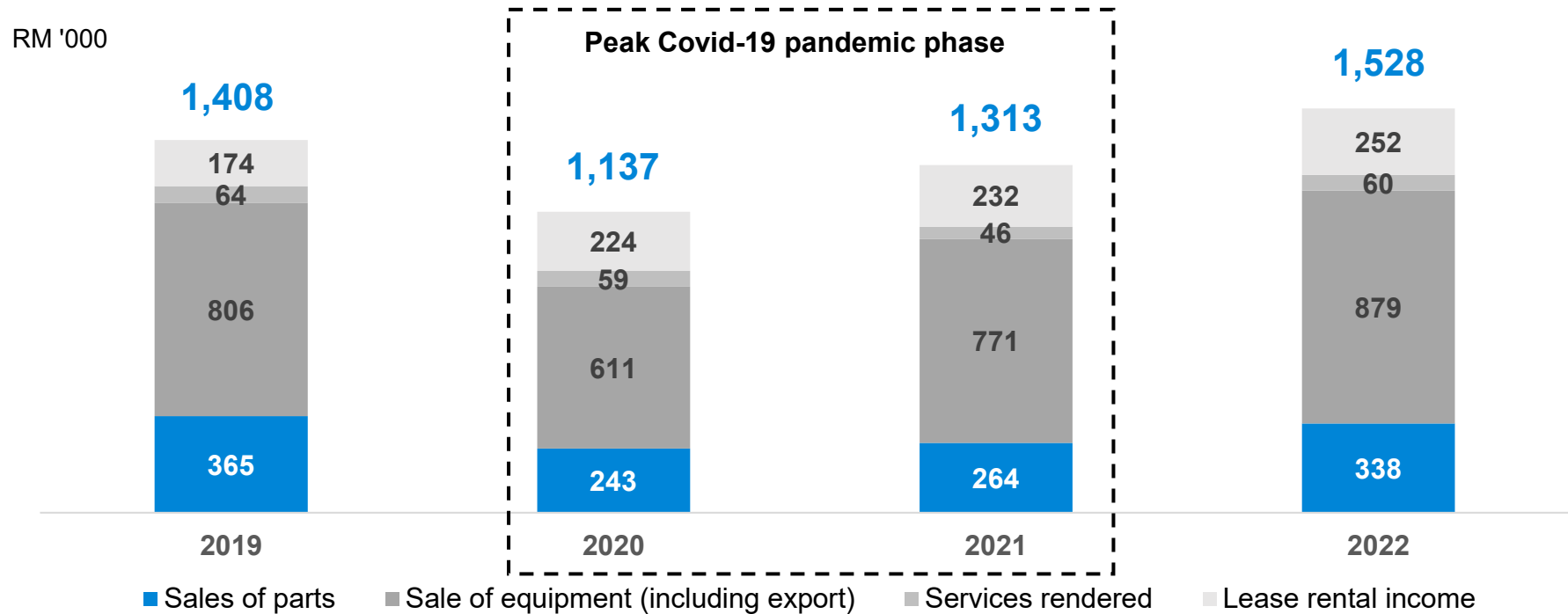


**Sales target of
314,000 units**
▲ 11% Y-o-Y

Continue to offer competitively priced cars as well as incorporating advanced safety features in its products; realising the Perodua Smart Build objective.

Equipment Segment

Revenue has returned to pre-pandemic levels; higher by 16% Y-o-Y in FY2022



Note: Due to rounding, figures presented in this chart may not add up precisely to the totals provided

Other key segmental highlights:

- 1 Toyota forklift maintained its market leadership position in Malaysia's material handling equipment business.
- 📈 Komatsu strengthened its market share in Singapore following increased sales.

Equipment Segment - Industrial Equipment

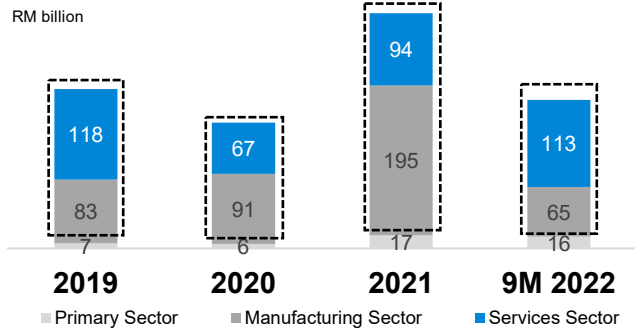
Outstanding industrial equipment orders to sustain performance



Outlook



Realisation of approved investment in the Manufacturing and Services sectors to support demand in Malaysia



Source: MIDA (latest available data) and media reports



Expected rebound in China's economy following the lifting of pandemic restrictions

To boost the logistics and warehousing sectors



Growing demand for electric forklifts as businesses move towards electrification



Growth strategy

Promotion of 'Go Green' project - to convert to battery / electric trucks through rental / buy-back and generate volume for refurbishment program.

Approximately 10,000 units leased / rented

Establish refurbishment regional hub – close to 500 units have been refurbished.

Expansion of automation business (AGV, Cobot, Key Carts, Radio Shuttle) and system integration.

Expansion of Logistic Solution business to cater to different needs of customers.

Equipment Segment - Heavy Equipment

Continuation of new and existing investments to support growth



Outlook



Continued realisation of multi-year infrastructure projects to provide further lift to growth.



Key Infrastructure Projects in Malaysia:



ECRL
RM75 bn



LRT3
RM17 bn



Pan Borneo Highway
RM28bn

Source: BNM and media reports



Increased government spending expected in 2023, especially for roads and bridges through the Connect PNG infrastructure project.



Higher commodity prices had been supportive of demand for heavy machineries.

Papua New Guinea and East Malaysia operations supported by recovery in the mining and plantation sectors.



Growth strategy

Further expansion into agriculture sector for replanting segment.

Project and sector-based market coverage to tap on recovery in the construction sector as well as favourable commodity prices.

Promotion of new equipment through **new products launch** and **introduction of hybrid hydraulic excavators.**

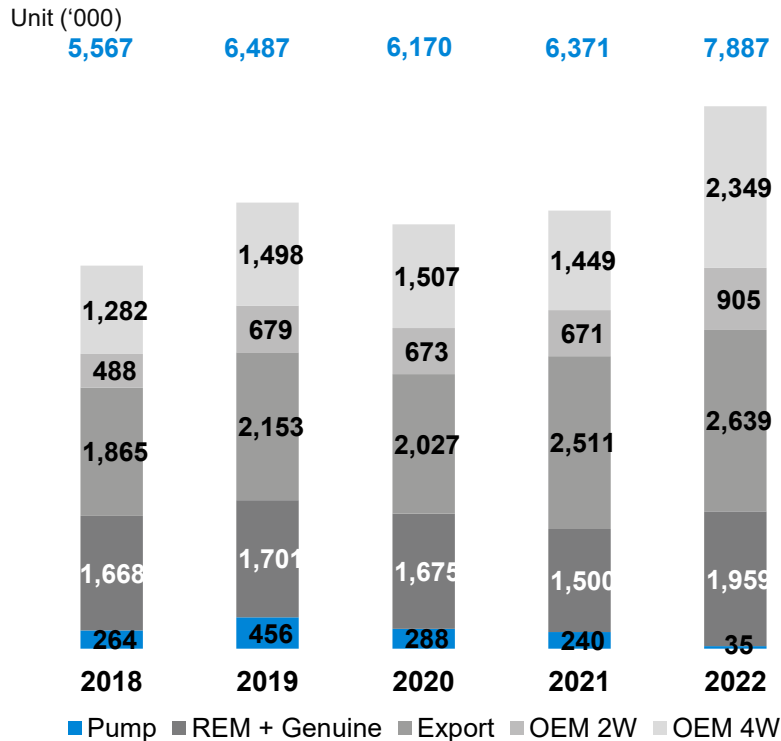
Parts & Service sales expansion through after market activities.

Collaboration with financial institutions to **offer innovative financing schemes.**

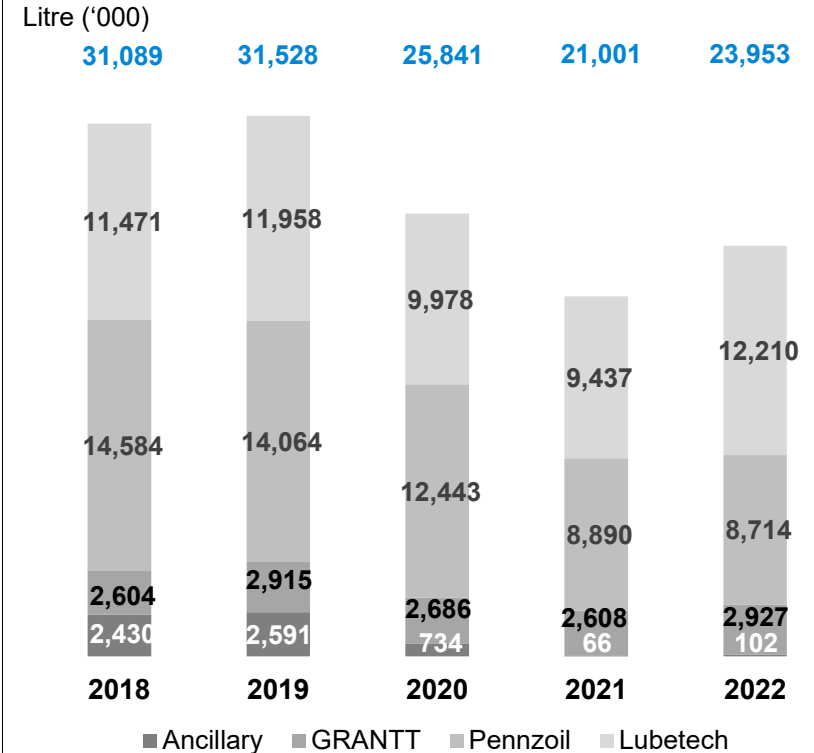
Manufacturing & Engineering (“M&E”) Segment

Backed by improved demand in the automotive sector

KYB-UMW (units sold)



Lube Group (litres sold)



Overall sales improved by 24% in 2022 Y-o-Y, to close to 8 million units with stronger sales from the OEM (4W and 2W), REM and export.

Sales from Lubetech surged by 29% in 2022 Y-o-Y, supported by higher contributions from the OEMs, toll blending and export markets.

M&E Segment - Auto Components

KYB Plant Modernisation to enhance productivity and improve competency



Outlook



Sales will continue to be supported by new and outstanding orders, for both the domestic and export markets.

Currently exports to 39 countries.



Growth strategy

Sustain growth of OEM 4W, 2W and export – to enhance Quality, Cost and Delivery capability.

Expand market share in REM and strengthen product development.

Innovation in new products & technology – including “Green Products”.

M&E Segment - Lubricants

Fully leverage on the new smart lubricant plant to improve sales



Outlook



Malaysia's lubricants market is projected to register a growth of 3% in 2023, supported by the reopening of economy.

Automotive lubricant (PCMO, MCO, DEO) consumption occupies the highest share of overall lubricant market (65%).



China's reopening from Covid-19 restrictions to support demand.

Continue to be a stable contributor, with focus on vehicles and industrial oil.



Growth strategy

Capitalise on additional 70% capacity to 60 million litres per year from the new Smart Lubricant plant – to start operations in 2H 2023.

- Expansion of toll blending contract.
- Explore opportunities, especially in the industrial segment.

Products diversification, such as:

- Ancillary Lube (brake fluid and coolant)
- 'Green Product' offering – to have 4 green lubricants products

▶ Bio-Hydraulics (VG46 and VG68), Food Grade Bio-Grease and Food Grade Bio-Hydraulics

Launched Malaysia's first commercial Bio-Hydraulic lubricants



- Hydraulic fluid produced from locally-sourced palm oil, replacing mineral oil.
- Biodegradable in 28 days, non-bio accumulative and non-toxic.



Meets the growing demand for greener lubricants to address concerns over the environment.

Aerospace Segment

Continue to look at opportunities to optimise plant utilisation



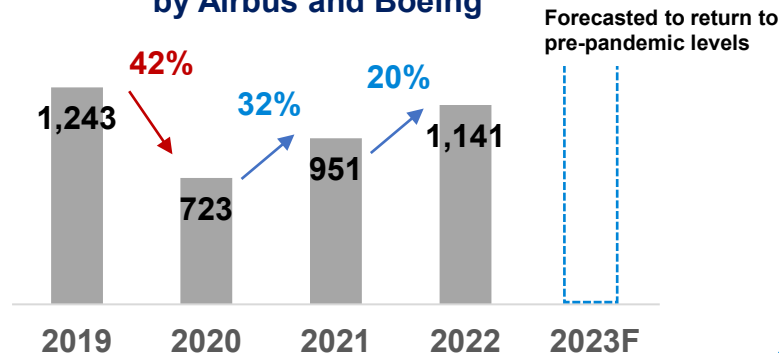
Outlook



Demand to be underpinned by resumption of air travel

- The reopening of international borders has led to an increase in air travel which is expected to reach the pre-pandemic level by this year.
- This will lead to new orders for planes by the airlines and together with the clearing of the backlog orders, will translate into growth prospect for the aerospace business.

Total commercial aircraft deliveries by Airbus and Boeing



Source: www.dsm.forecastinternational.com



Growth strategy

Ride on the industry recovery trend to ramp-up production and improve plant capacity utilisation.

Focus on establishing new capabilities, especially in High-Value Manufacturing, i.e., Chemical Milling, Complex Machining, Additive Manufacturing.

UMW has signed a new manufacturing contract with Rolls-Royce to localise the rear case by 2025.

Customer and product diversification –
Participate in new RFQs, engagement for localisation of precision parts.

Redefining Sustainability

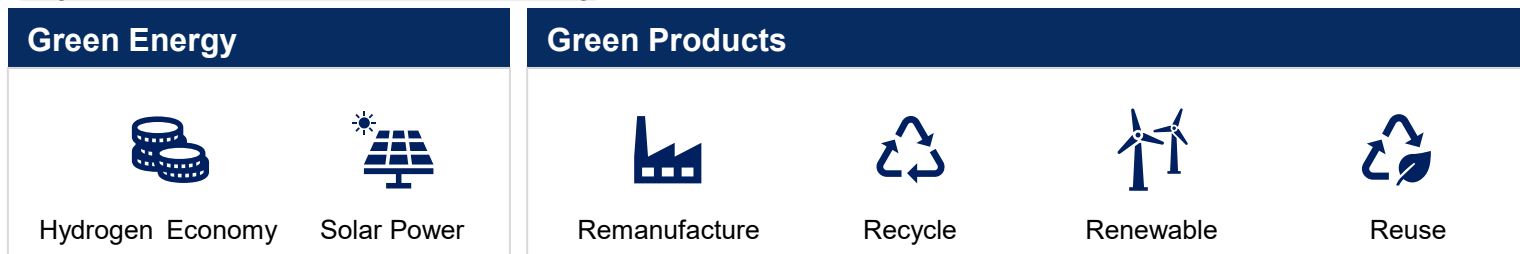
CREST@2021 – Redefining Sustainability

Redefining Sustainability within the Broader Framework of Innovising Mobility



In accordance with the Government's pledge to reduce 45% by 2030 and 100% by 2050

Key Potential Value Creation Opportunity



UMW Green Shoots Initiative and UMW Bamboo Project

Holistic approach involving universities and schoolchildren to raise awareness

UMW Green Shoots Initiative

Mangrove Tree Planting

300,000

Trees to be planted by 2023

7,000

Trees planted YTD Jan 2023

174,000

Total trees planted since 2021



YB Dato' Sri Mustapa Mohamed launched the UGS in 2022



GHC staff with 240 secondary students arranged by Yayasan Didik Negara (YDN) at mangrove planting activity in Lukut.



UMW Bamboo Project



10,000

Trees planted in 2022



150 volunteers from Universiti Teknologi Malaysia (UTM), Sekolah Menengah Kebangsaan Sri Kukup and Southern Volunteers from Pontian District at Johor state level launching.

Aligns with United Nations Sustainability Development Goals (“UNSDG”)



Renewable Energy

Actively expanding the Group's use of solar energy

Rooftop Solar PV

4.2MWp

Total capacity in 2022

Additional 4.3MWp (total 8.5MWp)
by 2023



ASSB Shah Alam



ASSB Bukit Raja



KYB - UMW



UMW Aerospace

Sustainable Product

Our commitment towards reducing Climate Change impact

Electric Mobility



TOYOTA



BEV model to be introduced



PERODUA



Hybrid model production



UMW EQUIPMENT



Expansion of automation business

Green Product

Biodegradable Hydraulic Fluid (Bio-lubricants)



Battery Revival Unique Strategy System ("BRUSS")



Forklift Refurbishment



Water Reclamation Plant ("WRP") using in-house Ultrafiltration Membrane



Health, Safety, Security and Environment (HSSE) and Governance

Digitalising HSSE and uphold good corporate governance & integrity

HSSE

Governance



- OCCUPATIONAL HEALTH
- OCCUPATIONAL SAFETY
- EMERGENCY
- ENVIRONMENT
- MACHINE SAFETY

Policies enhancement

- Group Anti-Bribery and Corruption Policy (ABCP)
- Group Whistleblowing Policy (GWP)



Maintained zero corruption convicted case



Established the three-year Integrity and Governance Unit (IGU) Blueprint 2021-2023



Embarked on ISO 37001 Anti-Bribery Management Systems certification.



Established the UMW's Sustainable Supply Chain Policy

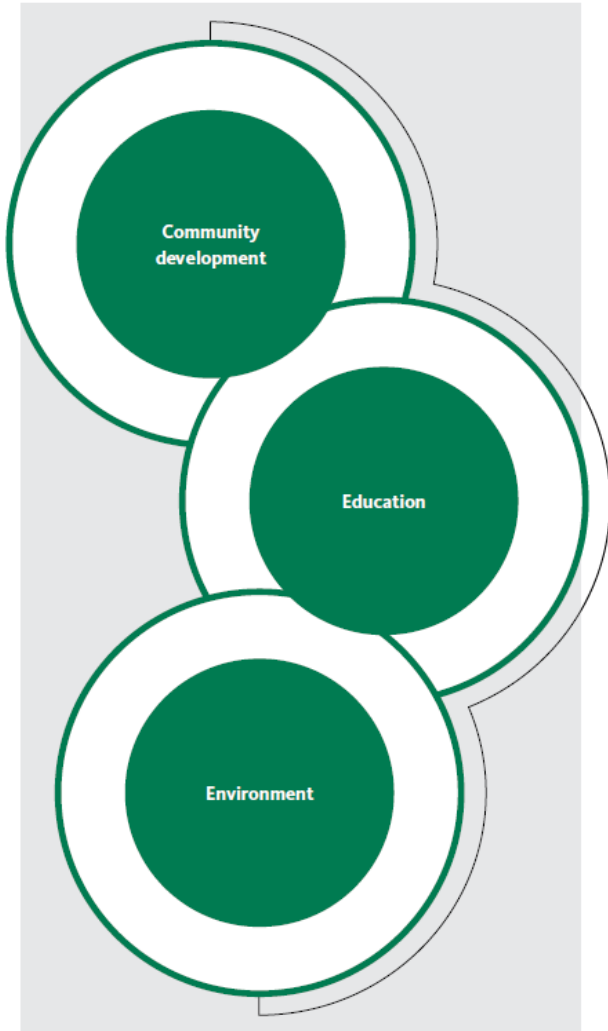


- Integrated with labour, health and safety compliance including environmental aspects, ie: energy use, climate change impact, water use, biodiversity, pollution, waste reduction and resource use.



Social and People Wellbeing

Our promise to continue to create positive impact to communities



2,187
Community Champions

11,344
voluntary hours

RM8.4m
Spent on initiatives, sponsorship, donations and zakat contributions

EnergizeUMW
24/7 helpline to provide remote therapy sessions for employees

UMW Executive Development Programme (UEDP)
for employees strategic and targeted leadership

Flexi-Ben
Flexible Benefit Scheme for employees

46
high potential young talents selected since 2018

18
New intake of UMW Scholarship Programme in 2022

174,000
Total trees planted since 2021



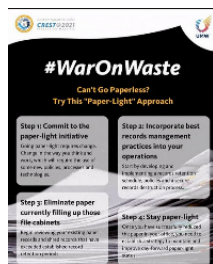
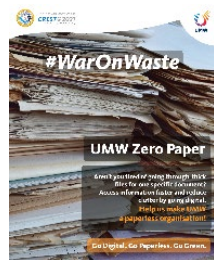
Monthly Engagement – Environmental Campaign

Our continuous campaign to raise awareness and fight climate change

#WarOnWaste

Paperless

- Implementation of paperless policy at Corporate and SBUs in the journey of becoming a paperless organization



Save Water & Electricity

- An energy-saving program that focuses on the water and electricity consumption across the Group



Reduce, Reuse, Recycle

- Instillation of the 3R- Reduce, Reuse, Recycle culture among the Wowriors



THANK YOU

Corporate Portal
www.umw.com.my

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