



**APM Automotive Holdings  
Berhad**

# **FY2017 First-quarter financial results**

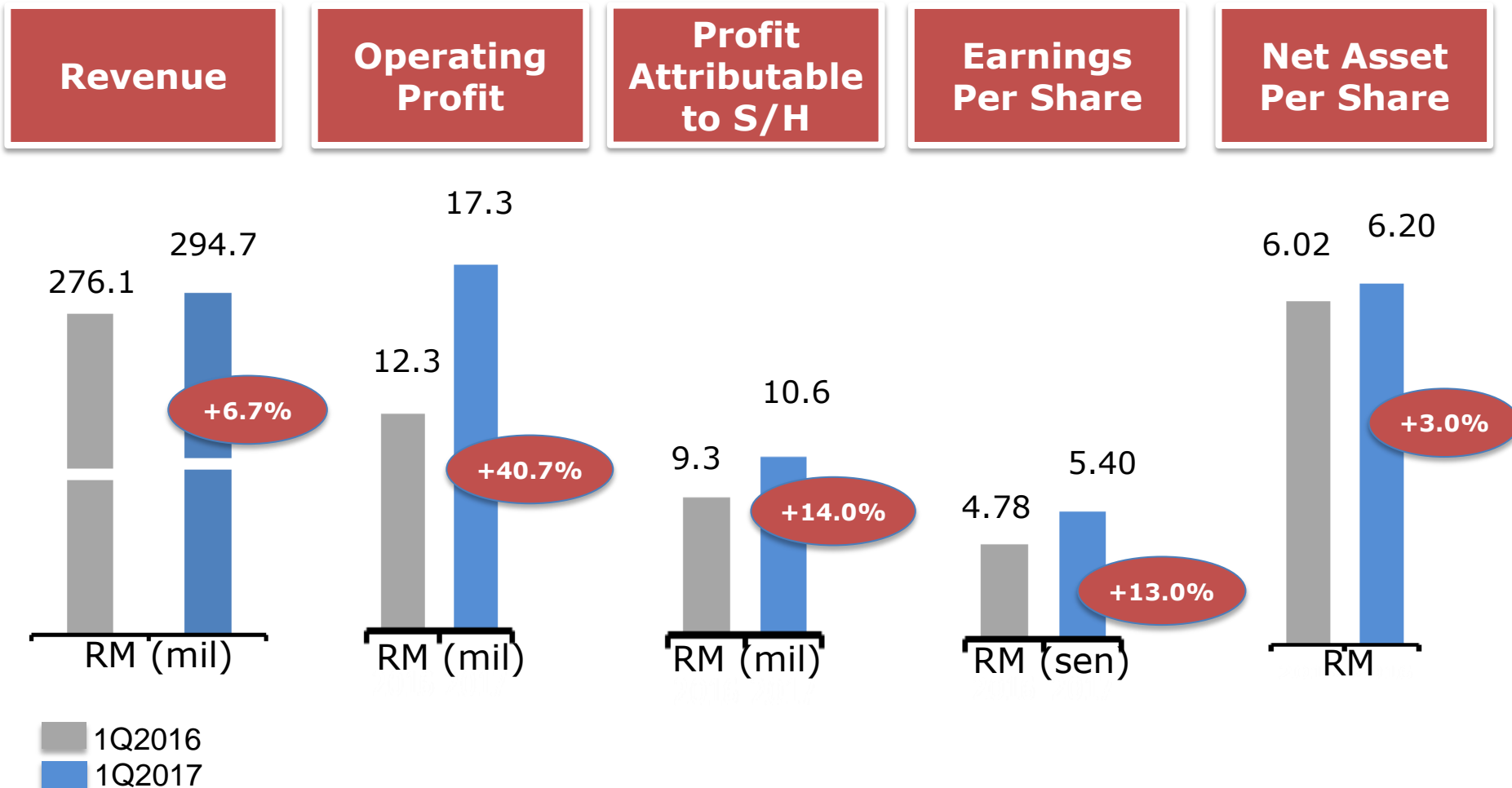
## **Cautionary Statement with Respect to Forward-Looking Statements**

Information contained in this presentation is intended solely for your reference. Such information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. We do not make representation regarding, and assumes no responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information contained herein.

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These factors include (i) changes in economic conditions, currency exchange rates, the laws, regulations, government policies, or political instability in the market place, (ii) circumstances relating to our ability to introduce, in a timely manner, and achieve market acceptance of new products, and (iii) shortage of fuel or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor in the major markets where we purchase materials, components, and supplies for the production of our products or where our products are produced, distributed, or sold.

# Key performance indicators



**Growth in sales due to the commencement of Indonesia operation and increase in demands from both locally and overseas**

# **1Q17 Operation & Financial Review**

## **Business Update**

# 1Q17 financial review

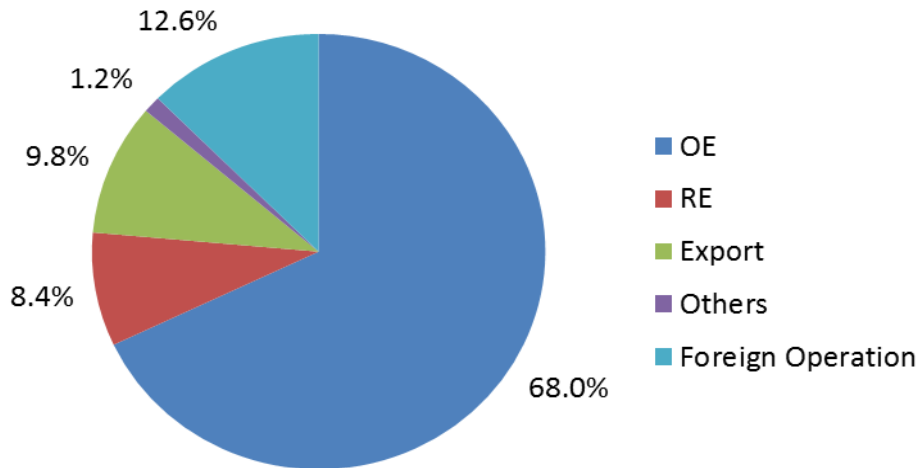
| RM'000                               | 1Q17    | 4Q16    | 1Q16    | 1Q17 vs<br>4Q16 | 1Q17 vs<br>1Q16 |
|--------------------------------------|---------|---------|---------|-----------------|-----------------|
| Net revenues                         | 294,075 | 340,713 | 276,135 | -13.7%          | 6.5%            |
| Profit before tax                    | 18,491  | 26,388  | 13,636  | -29.9%          | 35.6%           |
| Net Income                           | 13,149  | 18,791  | 10,690  | -30.0%          | 23.0%           |
| Profits Attributable to Shareholders | 10,552  | 15,406  | 9,343   | -31.5%          | 12.9%           |
| EPS (Sen)                            | 5.4     | 7.88    | 4.78    | -31.5%          | 13.0%           |
| Net assets per share                 | 6.20    | 6.14    | 6.02    | 1.0%            | 3.0%            |
| Return on equity (annualised)        | 3.48%   | 5.13%   | 3.17%   |                 |                 |
| Net Dividend per share (sen)         | -       | 10*     | -       |                 |                 |
| Dividend yield                       | -       | 4.33%   | -       |                 |                 |
| Net Profit Margin                    | 4.47%   | 5.52%   | 3.87%   |                 |                 |
| * Proposed                           |         |         |         |                 |                 |

**Higher revenue ( YoY) due to increase in overseas sales demand**

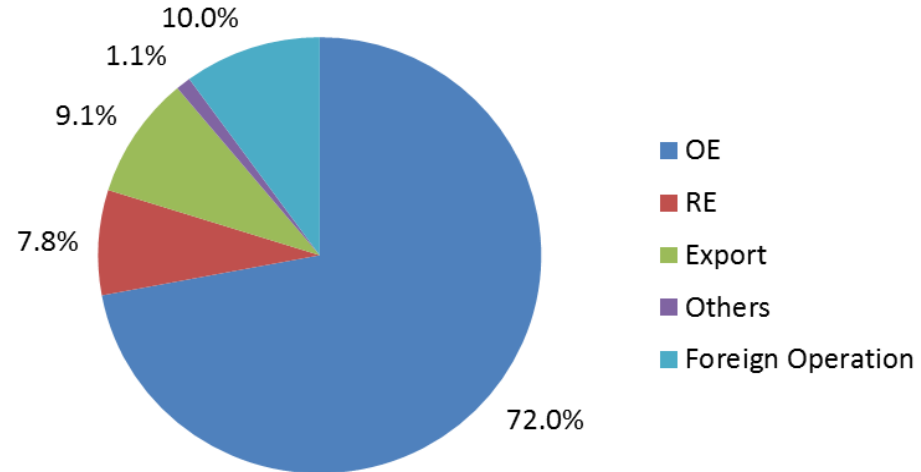
# Segmental sales

|                      | Q1 2017        | %           | Q1 2016        | %           |
|----------------------|----------------|-------------|----------------|-------------|
| OE                   | 199,871        | 68.0%       | 198,768        | 72.0%       |
| RE                   | 24,835         | 8.4%        | 21,470         | 7.8%        |
| Export               | 28,808         | 9.8%        | 25,001         | 9.1%        |
| Others               | 3,643          | 1.2%        | 3,259          | 1.1%        |
| Foreign Operation    | 36,918         | 12.6%       | 27,637         | 10.0%       |
| <b>TOTAL REVENUE</b> | <b>294,075</b> | <b>100%</b> | <b>276,135</b> | <b>100%</b> |

Q1 2017



Q1 2016



**Increase in revenue due to increase in demand from foreign operations**

# Segmental performance

| REVENUE (RM'000)                   | Q1 2017        | Q1 2016        | Change       |
|------------------------------------|----------------|----------------|--------------|
| Suspension                         | 16,944         | 22,046         | -23.1%       |
| Interior & Plastics                | 153,092        | 140,919        | 8.6%         |
| Electrical & Heat Exchange         | 32,654         | 38,405         | -15.0%       |
| Marketing                          | 50,093         | 43,869         | 14.2%        |
| Others                             | 4,374          | 3,259          | 34.2%        |
| <b>Malaysia Operation</b>          | <b>257,157</b> | <b>248,498</b> | <b>3.5%</b>  |
| <b>Operations outside Malaysia</b> | <b>36,918</b>  | <b>27,637</b>  | <b>33.6%</b> |
| <b>TOTAL REVENUE</b>               | <b>294,075</b> | <b>276,135</b> | <b>6.5%</b>  |

**Reduced dependence on Malaysia as Australia, Vietnam and Indonesia continued to register stronger growth**

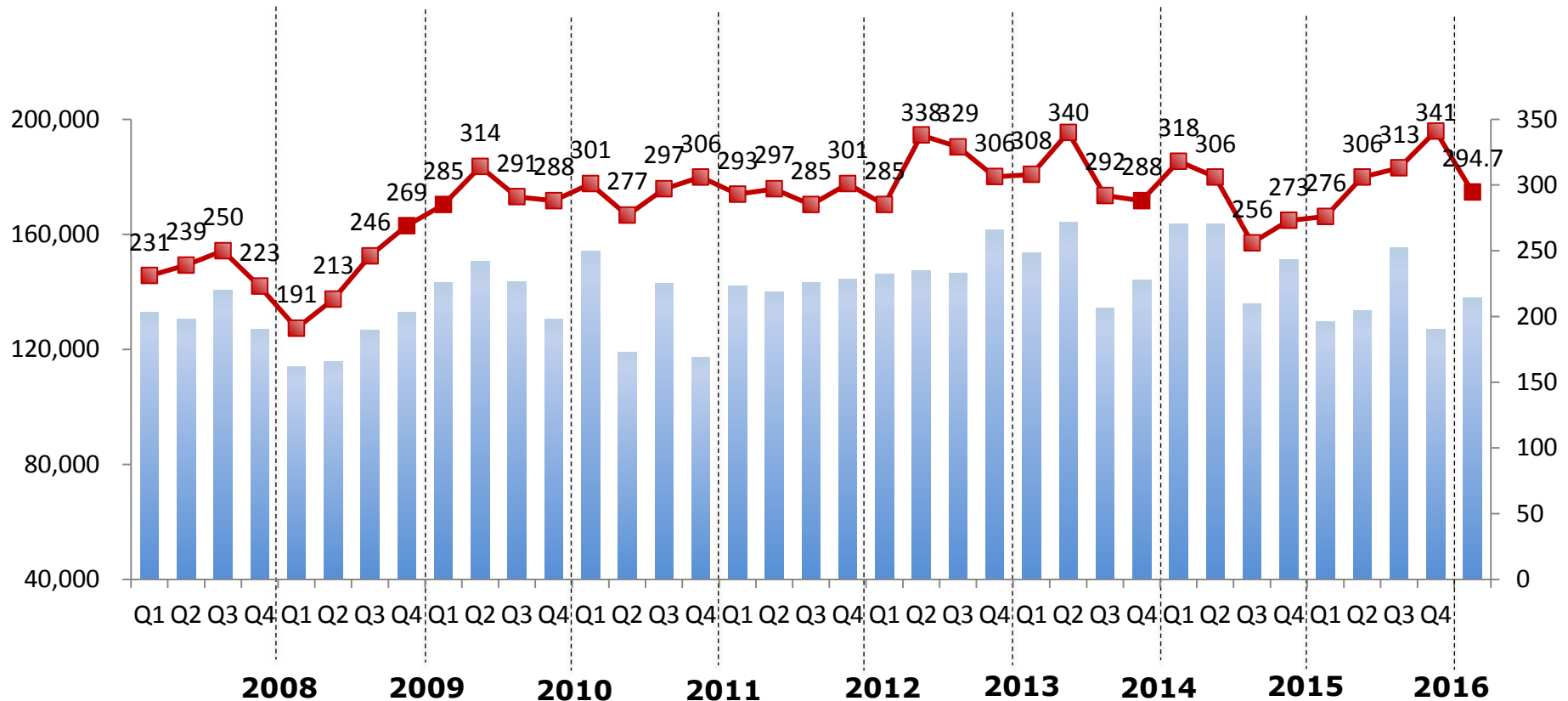
# **1Q17 Operation & Financial Review**

## **Business Update**

# Production TIV finding a new level

Production TIV

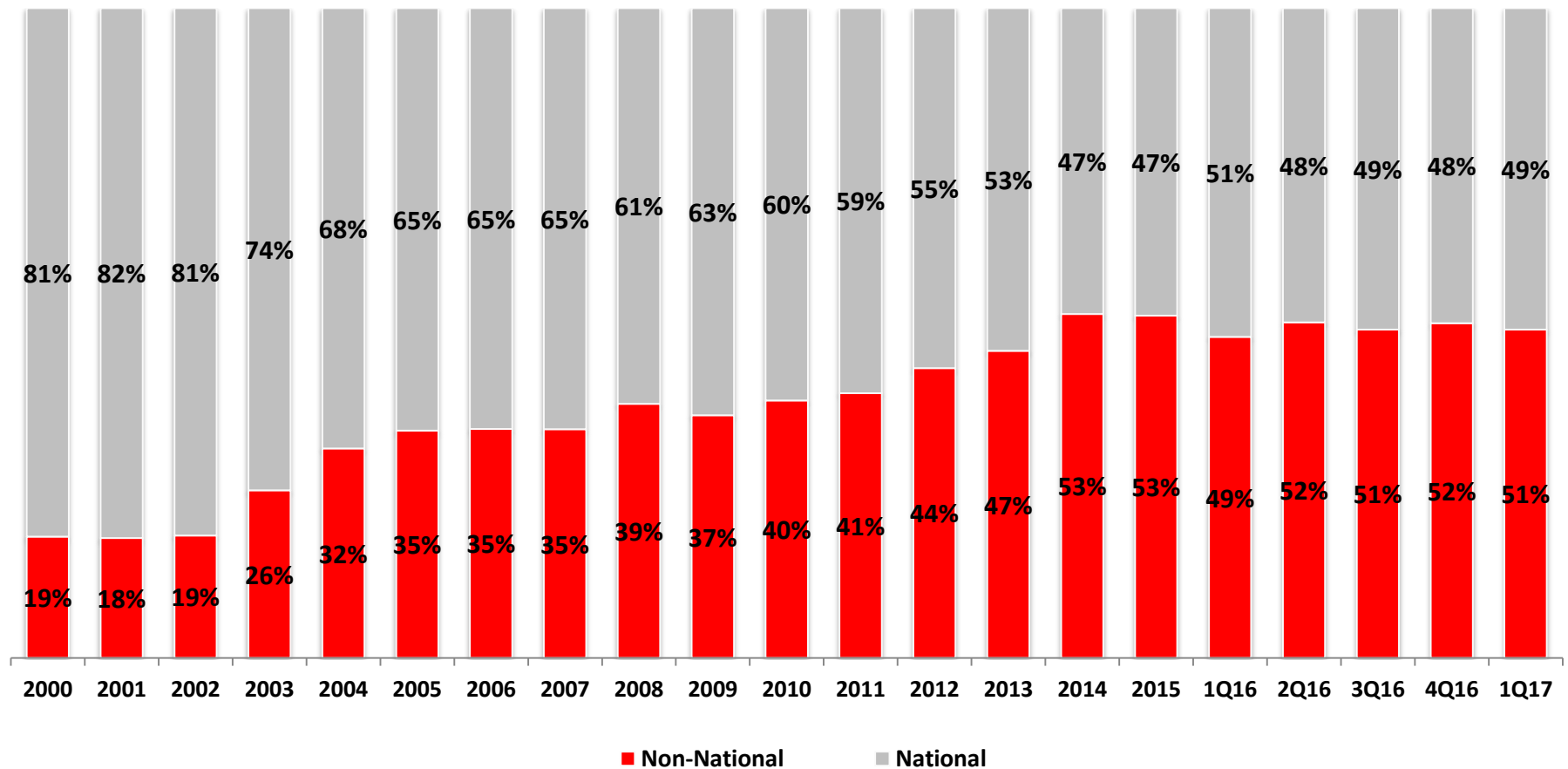
APM Revenue (RM'mil)



Source: MAA (as for Production TIV)

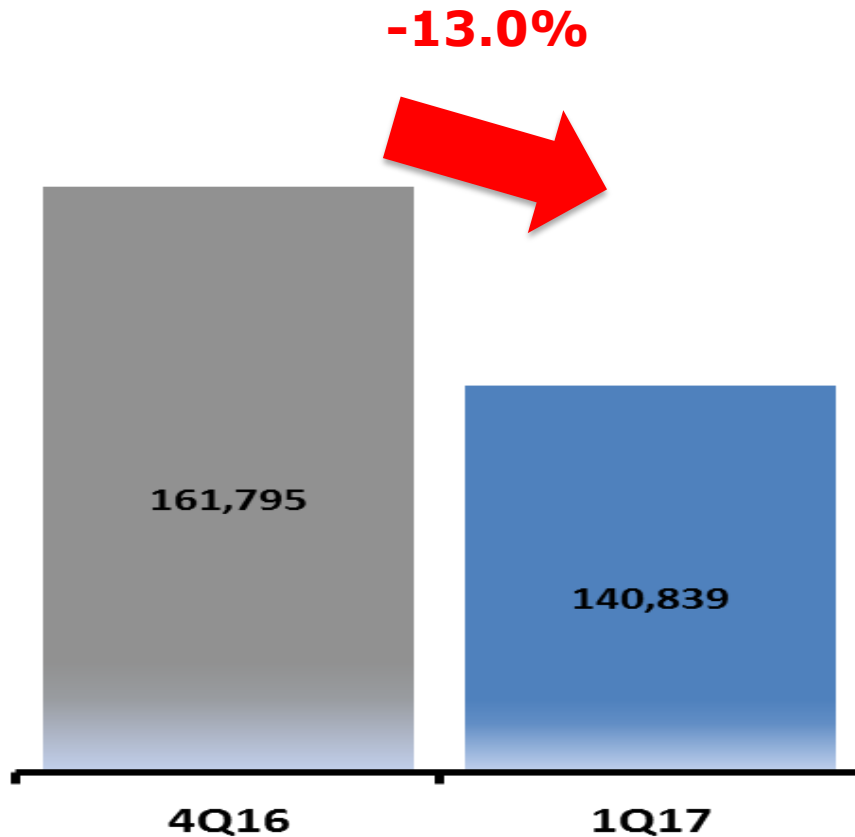
**Revenues decrease mainly due to lower revenue contribution from Malaysia operations.**

# National & Non-national Market Share



**National brands regaining market share**

# 1Q17 TIV



|         | Q-o-Q % |
|---------|---------|
| Perodua | -10.60% |
| Proton  | -12.70% |

|            | Q-o-Q %        |
|------------|----------------|
| Toyota     | -14.20%        |
| Nissan     | <b>-41.90%</b> |
| Honda      | -4.50%         |
| Mitsubishi | -19.20%        |
| Isuzu      | -27.70%        |
| Mazda      | -13.60%        |

|          | Q-o-Q % |
|----------|---------|
| Ford     | -21.10% |
| VW       | 78.60%  |
| BMW      | -20.30% |
| Mercedes | 5.80%   |

**TIV decreased mainly due to shorter working days for first quarter**

# FY17 business update

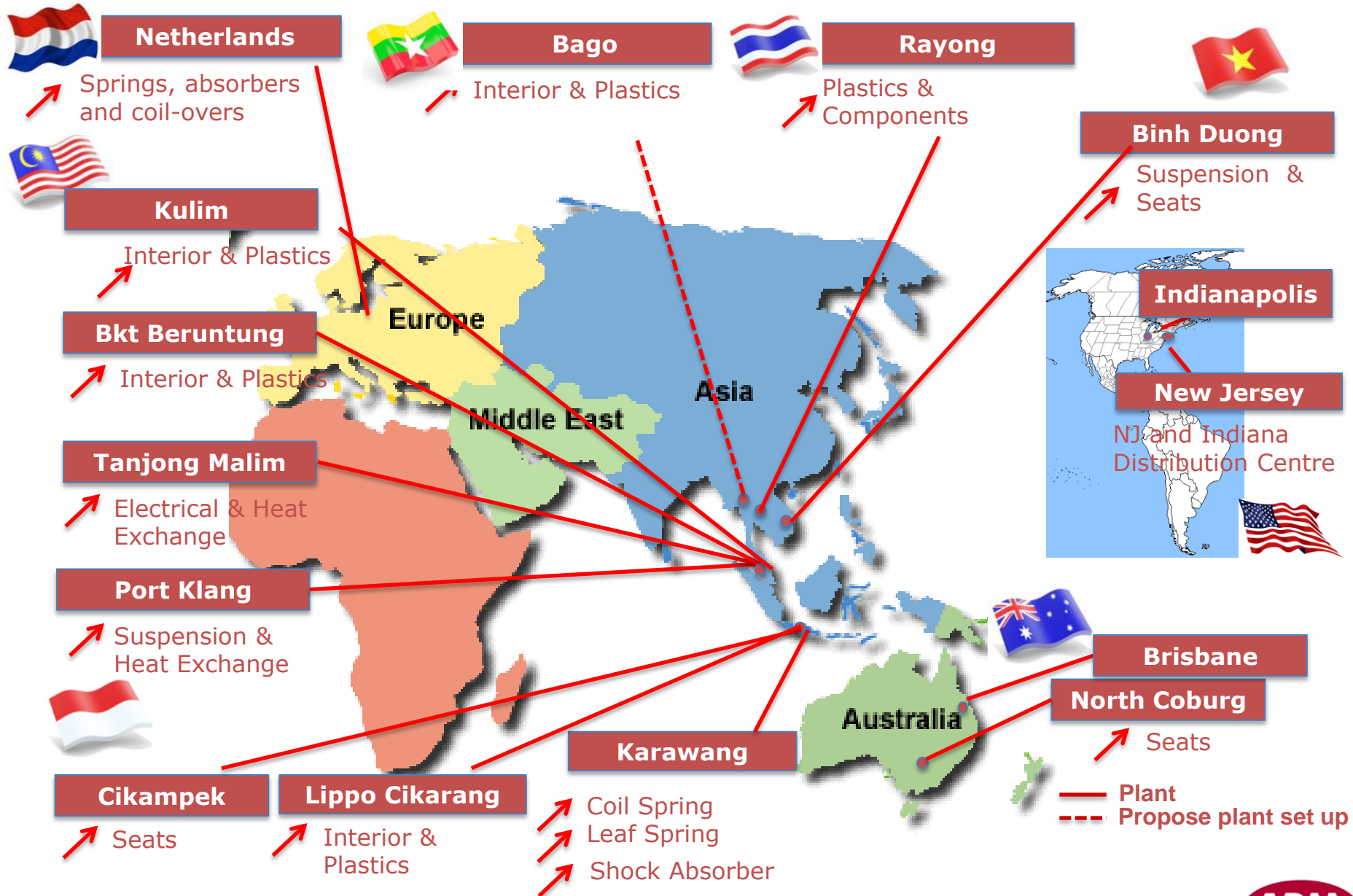
- ❖ 1Q17 TIV 140.8K; -13.0% QoQ. 3M17 TIV 140.8K; +7.3% YoY
- ❖ YoY increase mainly due to more new launchings compare to prior year, QoQ reduced mainly due to aggressive promotion during last year end and shorter working days during first quarter of 2017.
- ❖ Counter measures include:
  - Expansion of new business - new products / segment
  - Intensify the development of parts for replacement markets
  - Consolidate certain operations to reduce overhead costs
  - Expansion into new products via JV or acquisition of business
  - Study of other sources of supply to reduce material costs

# M&A Opportunities

|                             |                       |                            |                         |                        |
|-----------------------------|-----------------------|----------------------------|-------------------------|------------------------|
| <b>Strategic Purpose</b>    | Our Vision            |                            | Our Strategy            |                        |
| <b>Environment</b>          | Global Market Review  | Asia Pacific Market Review | Malaysia Market Review  |                        |
| <b>Market Assessment</b>    | Economy & Environment | Tier 1 Competition         | Local Supplier          | Lessons Learned        |
| <b>Target Opportunities</b> | Targeted Research     |                            |                         |                        |
| <b>Growth Opportunities</b> | M&A Opportunities     | Tier 1 Supplier            | Tier 2 Supplier         |                        |
| <b>Risk Management</b>      | Due Diligence         | IP Production              | Legal & HR Partnerships | Detailed Planning      |
| <b>Implementation Plan</b>  | JV                    | Local Resources            | Quotation & Proposals   | Supplier/Tool Resource |

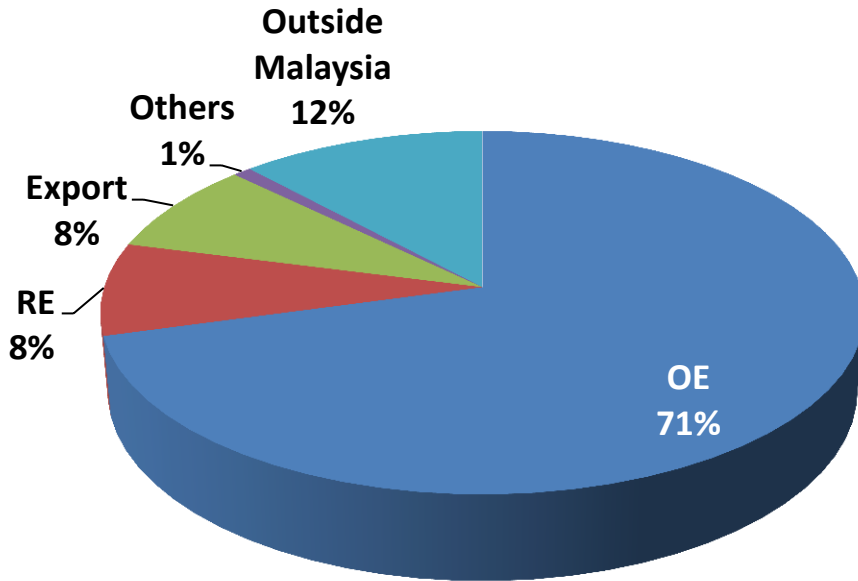
# Moving Forward

# Geographical Diversification



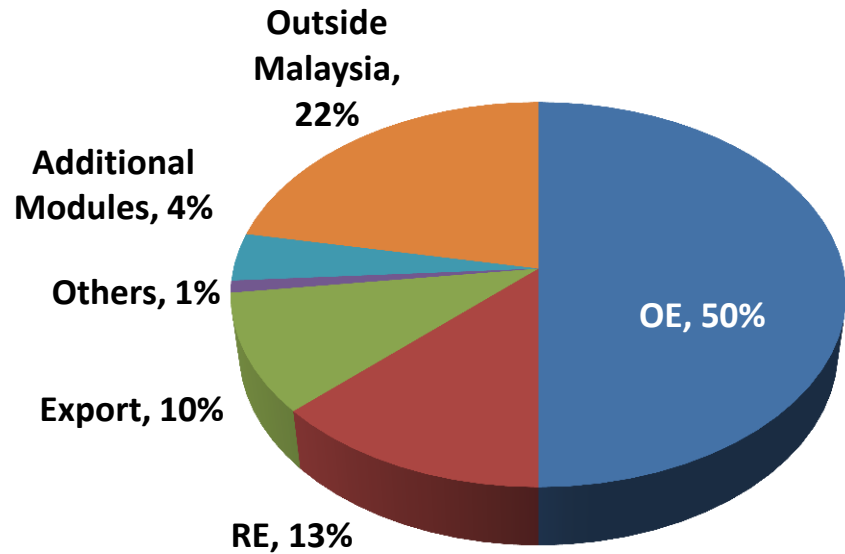
# Sales Guidance through Balance & Diversity

2016A



Turnover: RM 1.2b

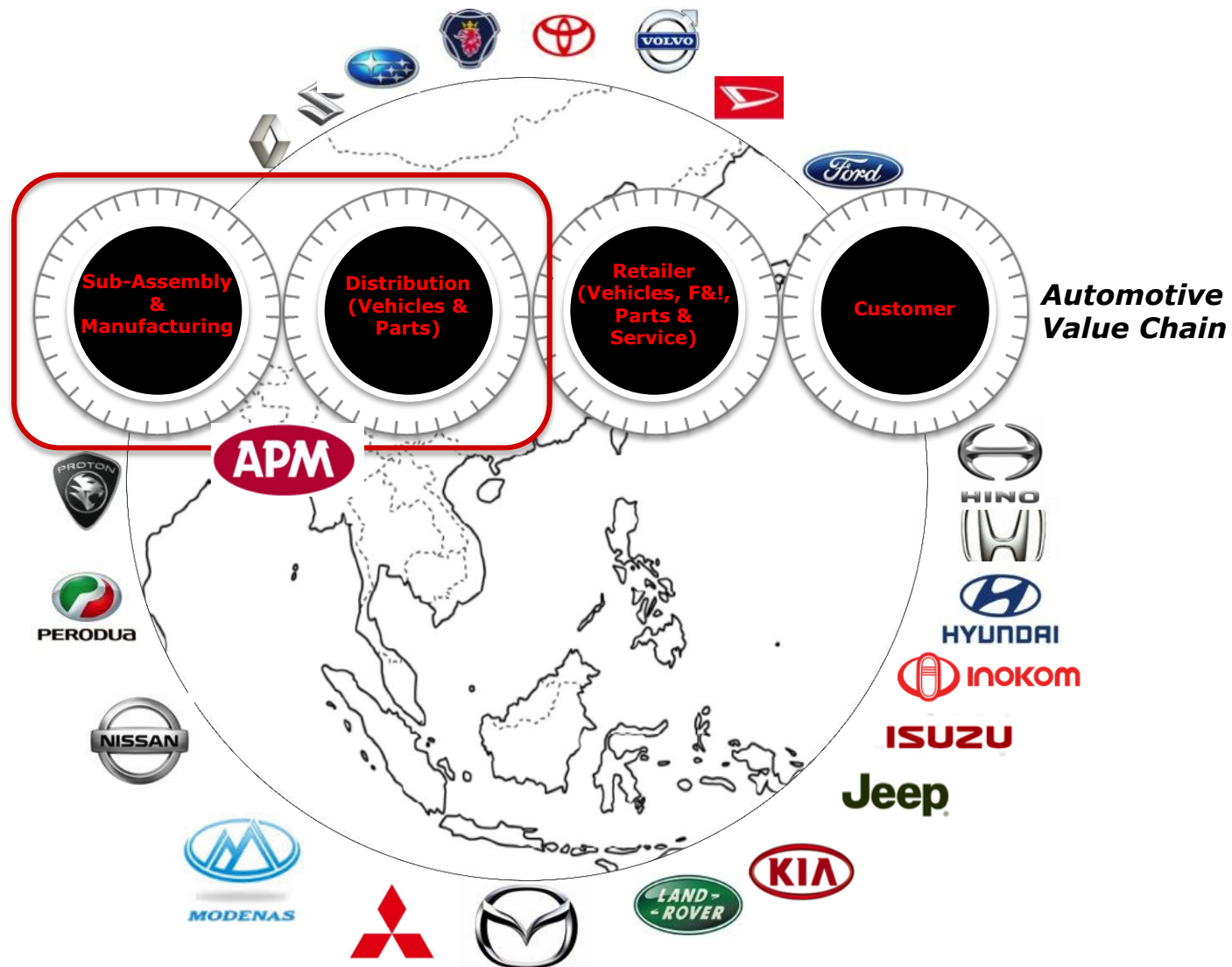
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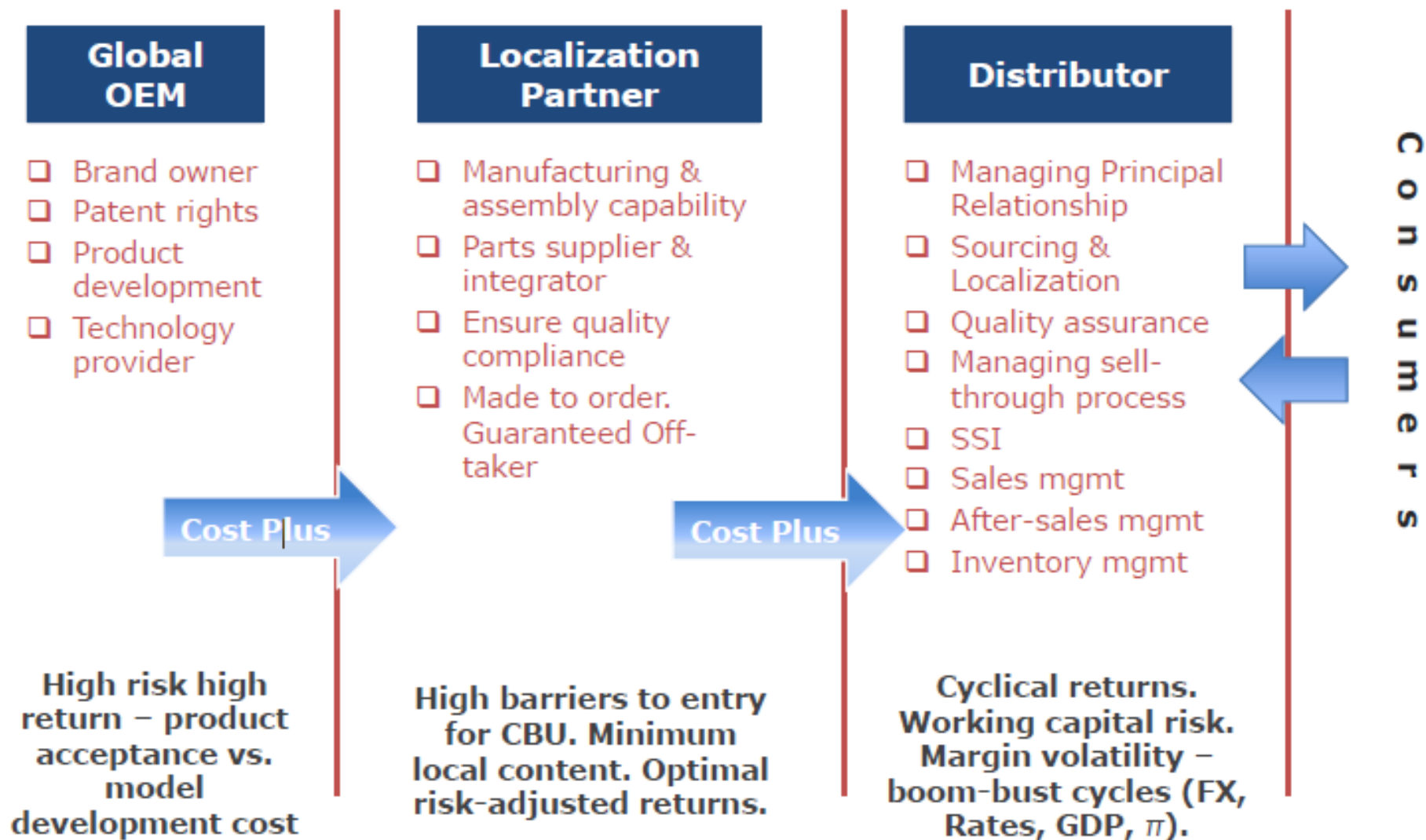
Turnover: RM 2.0b

**RM2b sales target (RM1b existing OE & RM1b exports, overseas & others)**

# Integral Player within Local Automotive Eco-systems



# Auto Cycle Investing



# Thank You