



**APM Automotive Holdings  
Berhad**

# **FY2017 Second-quarter financial results**

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

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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

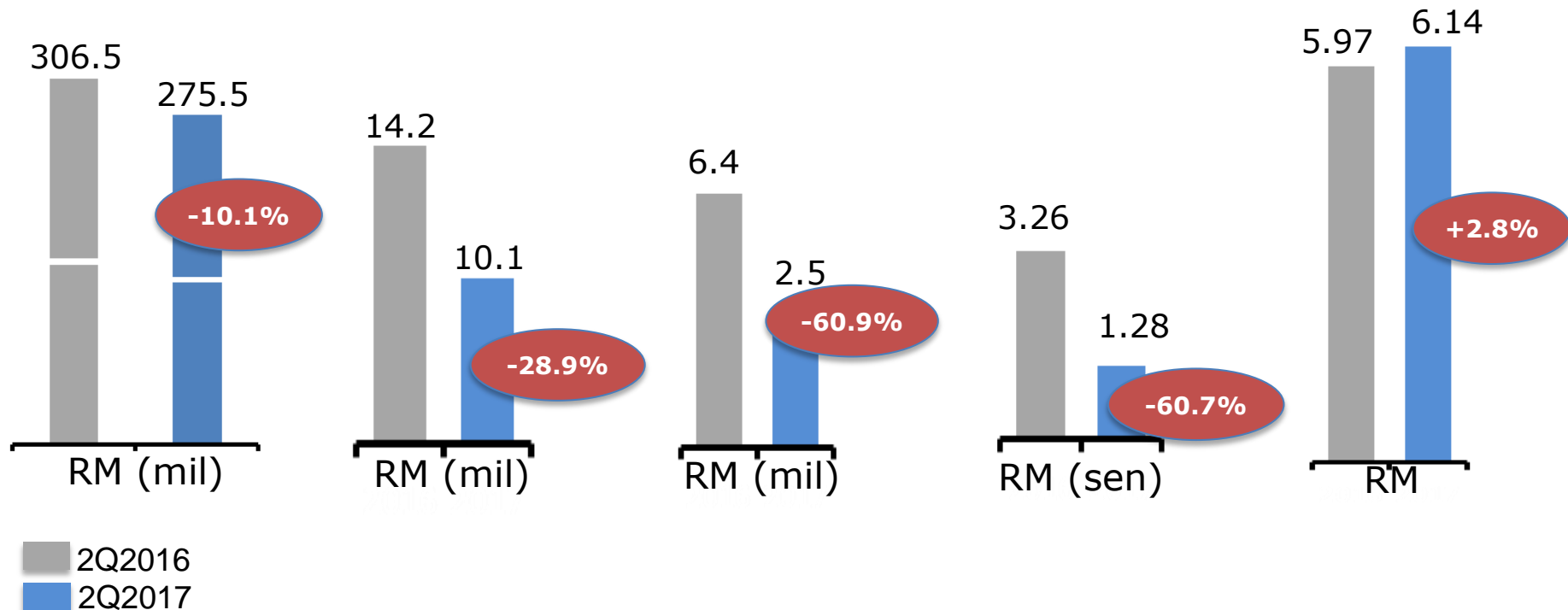
## Revenue

## Operating Profit

## Profit Attributable to S/H

## Earnings Per Share

## Net Asset Per Share



**Lower revenue ( YoY) due to decrease in OEM sales demand**

# **2Q17 Operation & Financial Review**

## **Business Update**

# 2Q17 financial review

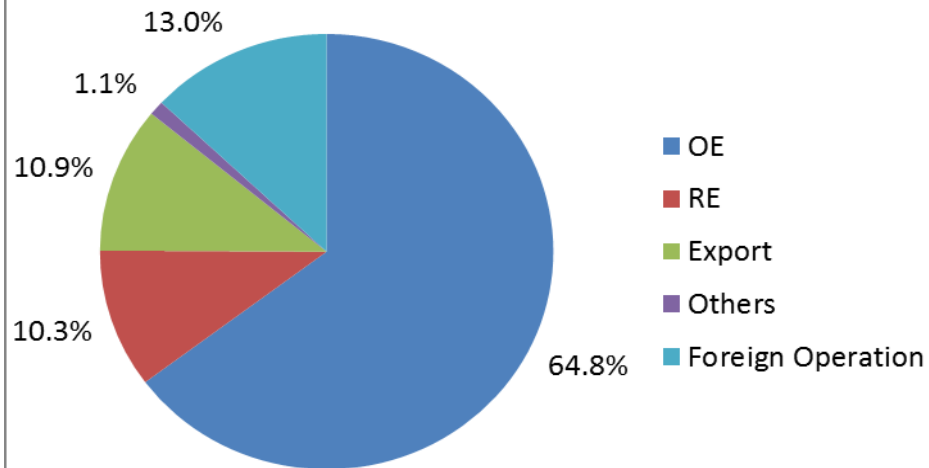
| RM'000                               | 2Q17    | 1Q17    | 2Q16    | 2Q17 vs<br>1Q17 | 2Q17 vs<br>2Q16 |
|--------------------------------------|---------|---------|---------|-----------------|-----------------|
| Net revenues                         | 275,536 | 294,075 | 306,493 | -6.3%           | -10.1%          |
| Profit before tax                    | 10,687  | 18,491  | 16,488  | -42.2%          | -35.2%          |
| Net Income                           | 3,912   | 13,149  | 8,570   | -70.2%          | -54.4%          |
| Profits Attributable to Shareholders | 2,511   | 10,552  | 6,376   | -76.2%          | -60.6%          |
| EPS (Sen)                            | 1.28    | 5.40    | 3.26    | -76.3%          | -60.7%          |
| Net assets per share                 | 6.14    | 6.20    | 5.97    | -1.0%           | 2.8%            |
| Return on equity (annualised)        | 0.84%   | 3.48%   | 2.18%   |                 |                 |
| Net Dividend per share (sen)         | 4.50    | -       | 5.00    |                 |                 |
| Dividend yield                       | 1.13%   | -       | 1.36%   |                 |                 |
| Net Profit Margin                    | 1.42%   | 4.47%   | 2.80%   |                 |                 |

**Lower revenue ( YoY) due to decrease in OEM sales demand**

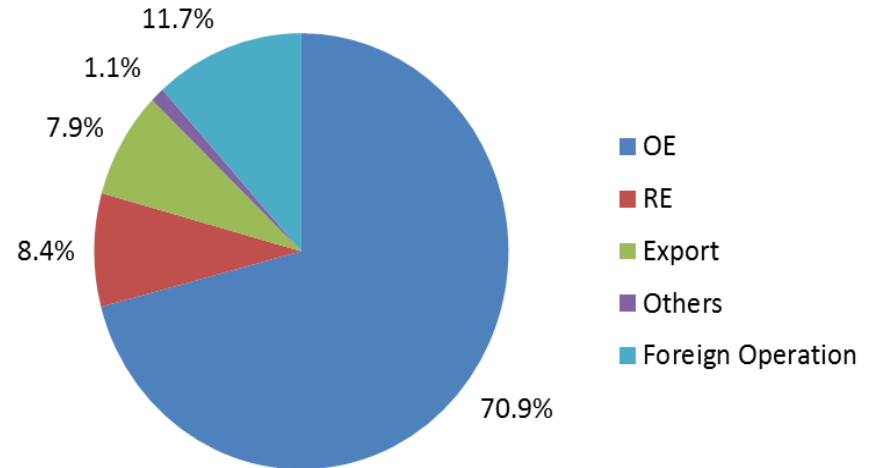
# Segmental sales

|                      | Q2 2017        | %           | Q2 2016        | %           |
|----------------------|----------------|-------------|----------------|-------------|
| OE                   | 178,453        | 64.8%       | 217,264        | 70.9%       |
| RE                   | 28,418         | 10.3%       | 25,832         | 8.4%        |
| Export               | 29,906         | 10.9%       | 24,313         | 7.9%        |
| Others               | 2,949          | 1.1%        | 3,287          | 1.1%        |
| Foreign Operation    | 35,810         | 13.0%       | 35,797         | 11.7%       |
| <b>TOTAL REVENUE</b> | <b>275,536</b> | <b>100%</b> | <b>306,493</b> | <b>100%</b> |

Q2 2017



Q2 2016



**Decrease in revenue due to decrease in local OEM demand**

# Segmental performance

| REVENUE (RM'000)                   | Q2 2017        | Q2 2016        | Change        |
|------------------------------------|----------------|----------------|---------------|
| Suspension                         | 15,678         | 24,682         | -36.5%        |
| Interior & Plastics                | 136,028        | 157,150        | -13.4%        |
| Electrical & Heat Exchange         | 29,159         | 38,397         | -24.1%        |
| Marketing                          | 54,942         | 47,180         | 16.5%         |
| Others                             | 3,919          | 3,289          | 19.2%         |
| <b>Malaysia Operation</b>          | <b>239,726</b> | <b>270,698</b> | <b>-11.4%</b> |
| <b>Operations outside Malaysia</b> | <b>35,810</b>  | <b>35,795</b>  | <b>0.0%</b>   |
| <b>TOTAL REVENUE</b>               | <b>275,536</b> | <b>306,493</b> | <b>-10.1%</b> |

**Decreased in revenue due to lower demand from OEM market**

# **2Q17 Operation & Financial Review**

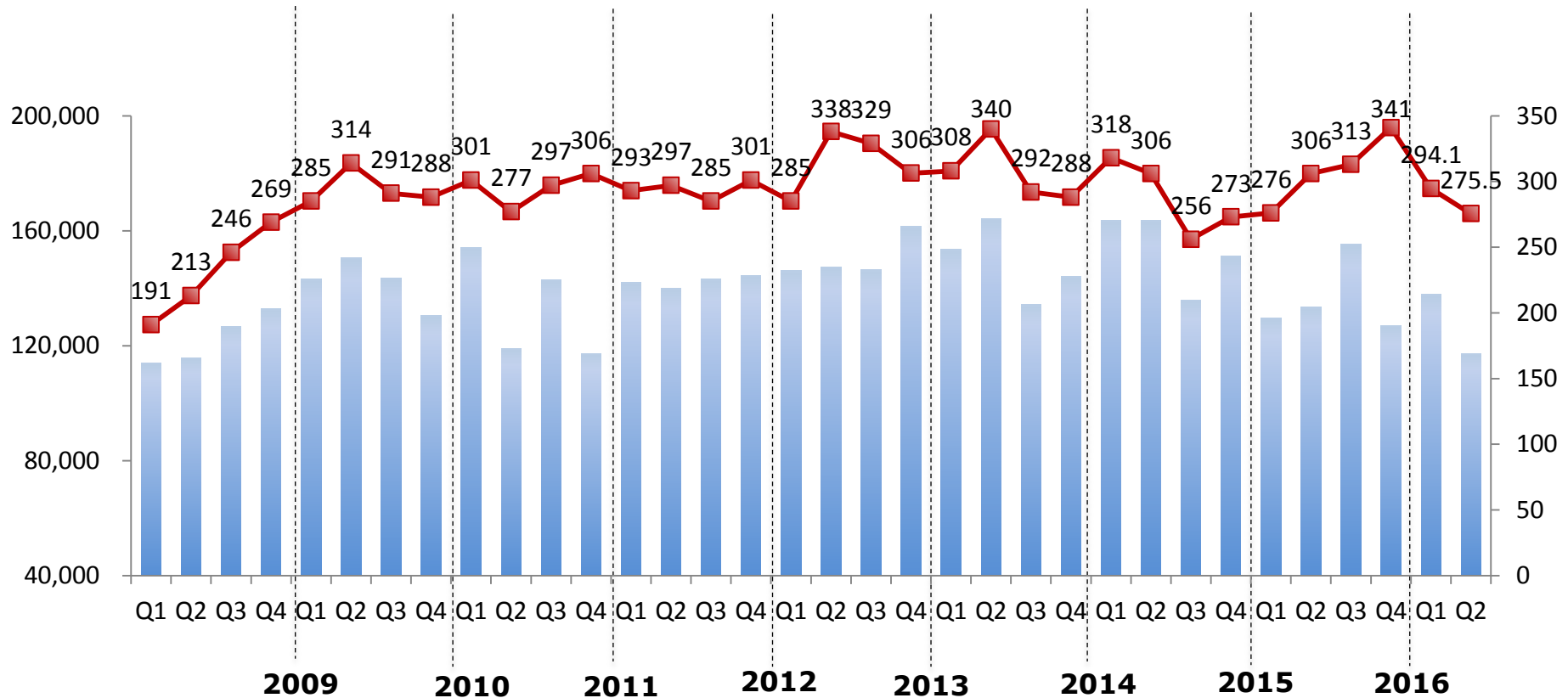
## **Business Update**



# Production TIV

Production TIV

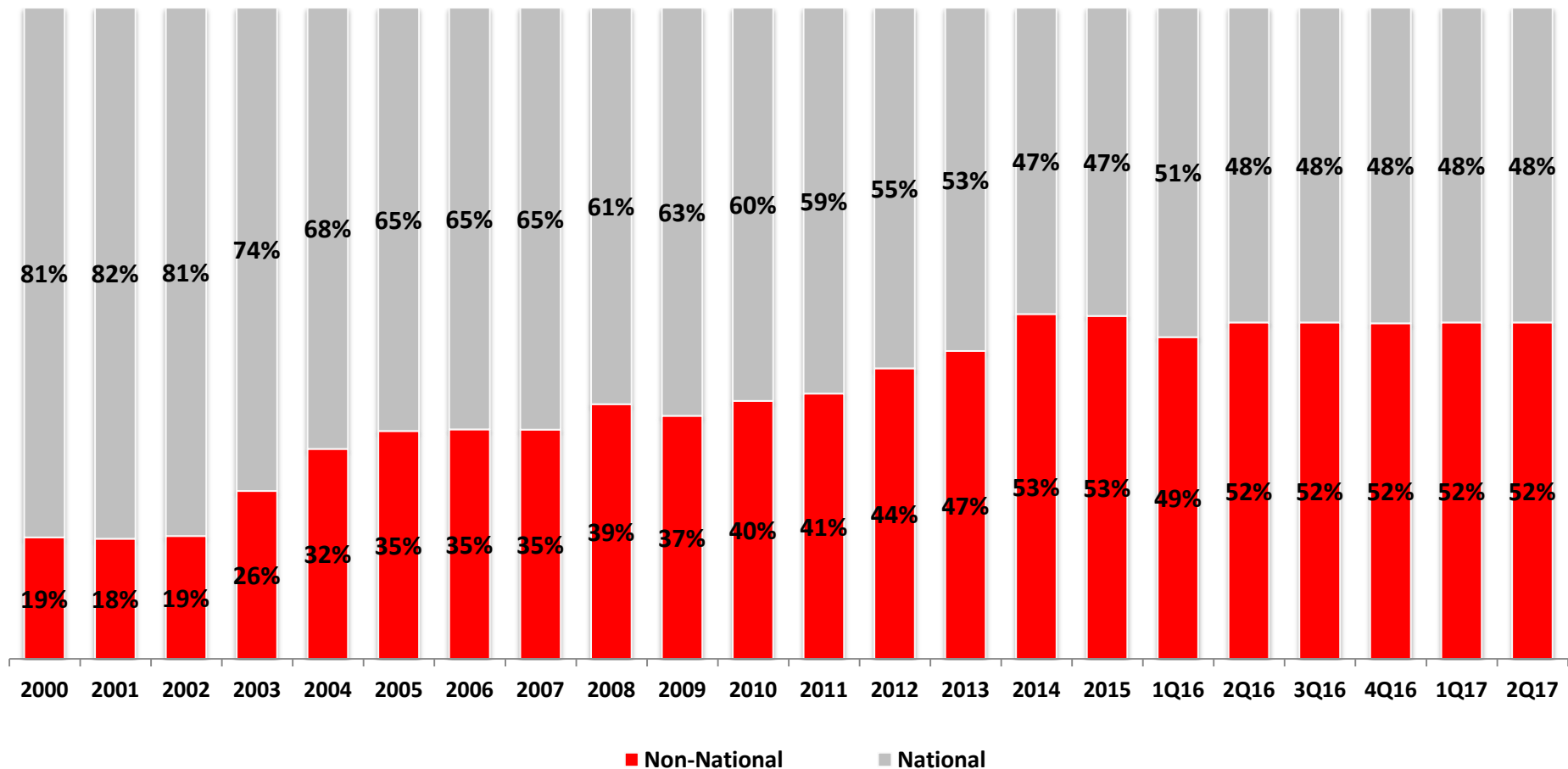
APM Revenue (RM'mil)



Source: MAA (as for Production TIV)

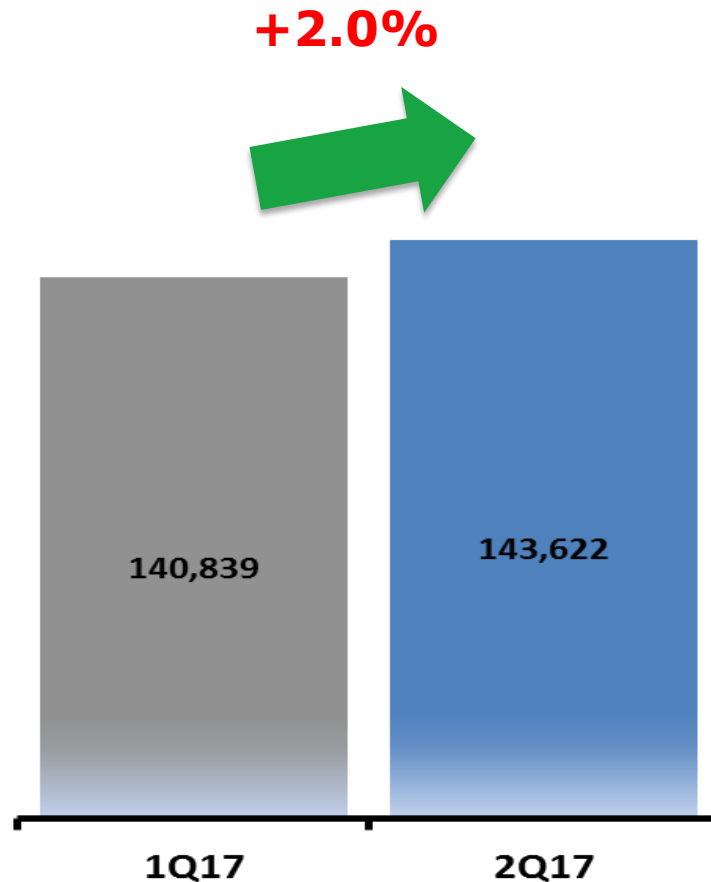
**Revenues decrease mainly due to decrease in local OEM demand and lower production.**

# National & Non-national Market Share



**Non-national brands regaining market share**

# 2Q17 TIV



|         | Q-o-Q % |
|---------|---------|
| Perodua | -1.70%  |
| Proton  | 3.31%   |

|            | Q-o-Q %       |
|------------|---------------|
| Toyota     | 4.34%         |
| Nissan     | <b>26.03%</b> |
| Honda      | -7.47%        |
| Mitsubishi | -32.05%       |
| Isuzu      | 6.64%         |
| Mazda      | 29.15%        |

|          | Q-o-Q % |
|----------|---------|
| Ford     | 6.07%   |
| VW       | 48.58%  |
| BMW      | 5.37%   |
| Mercedes | -1.67%  |

**TIV increased mainly due to Hari Raya sales and promotions.**

# FY17 business update

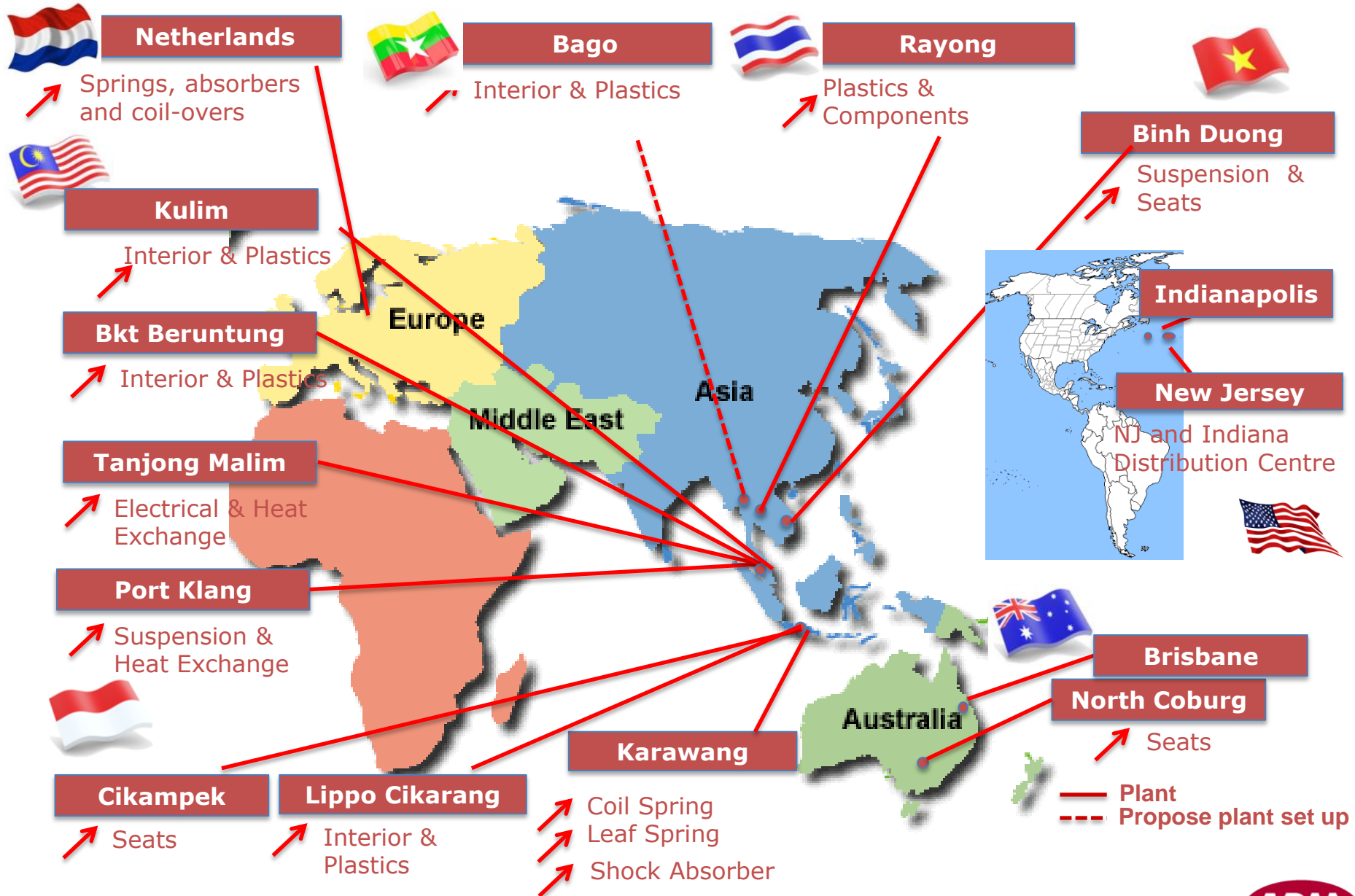
- ❖ 2Q17 TIV 143.6K; +2.0% QoQ. 6M17 TIV 284.5K; +3.3% YoY
- ❖ YoY increase mainly due to more new launchings compare to prior year, QoQ increased mainly due to aggressive promotion during raya season.
- ❖ Counter measures include:
  - Expansion of new business - new products / segment
  - Intensify 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 |

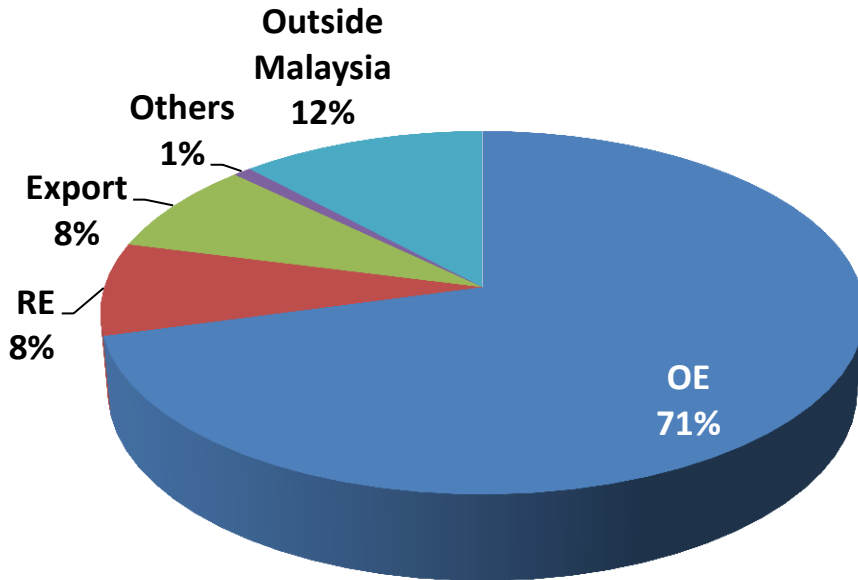
# Moving Forward

# Geographical Diversification



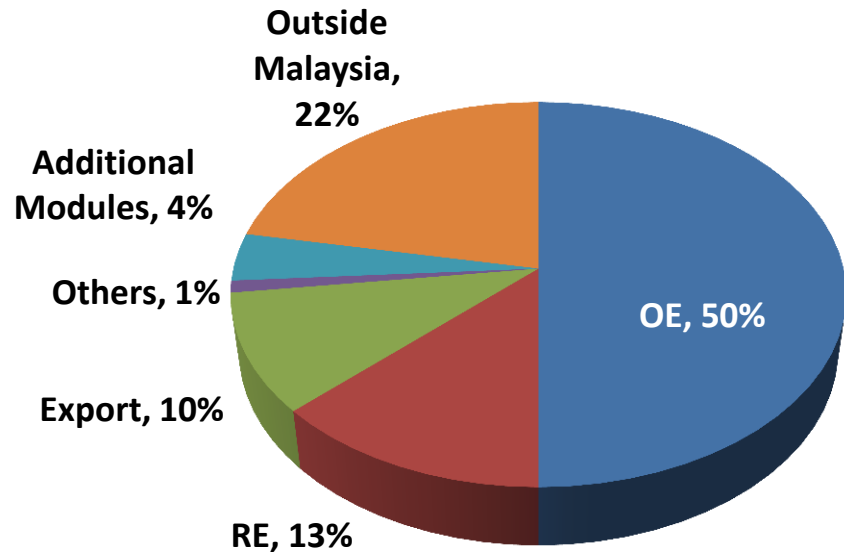
# Sales Guidance through Balance & Diversity

2016A



Turnover: RM 1.2b

2020F

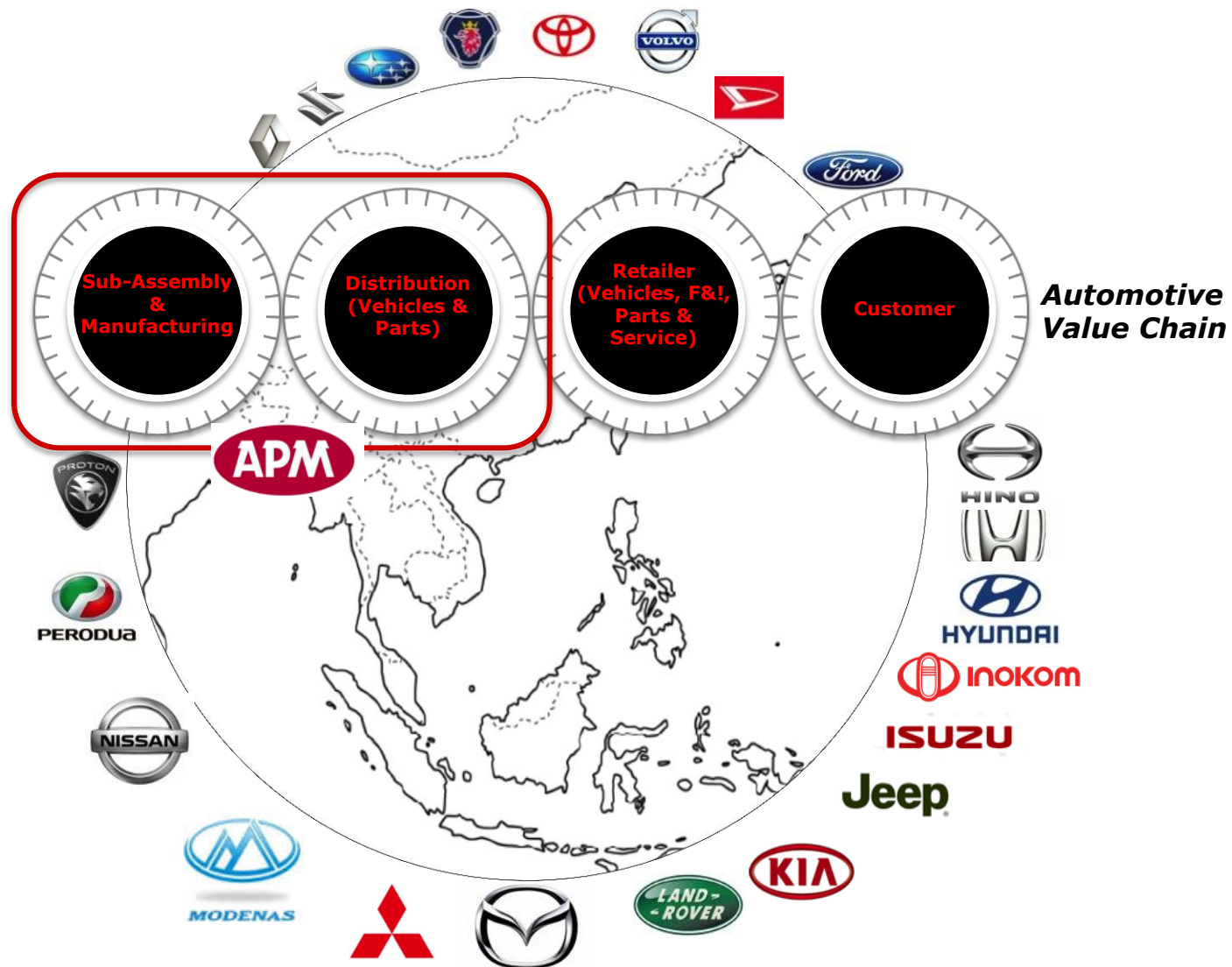


Turnover: RM 2.0b

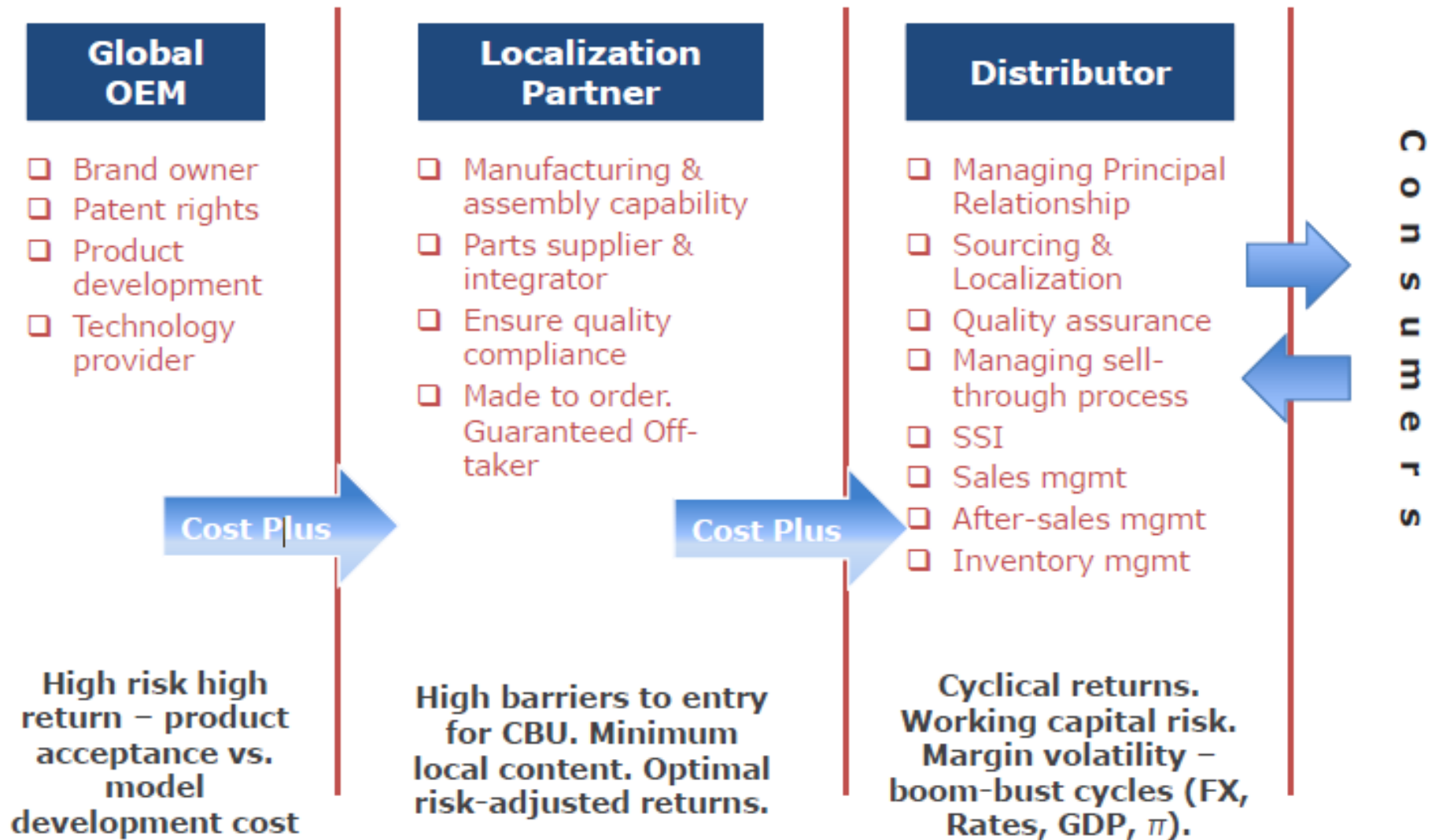
**RM2b sales target (RM1b existing OE & RM1b exports, overseas & others)**



# Integral Player within Local Automotive Eco-systems



# Auto Cycle Investing



# Thank You