



**APM Automotive Holdings  
Berhad**

# **FY2019 Second-quarter financial results**

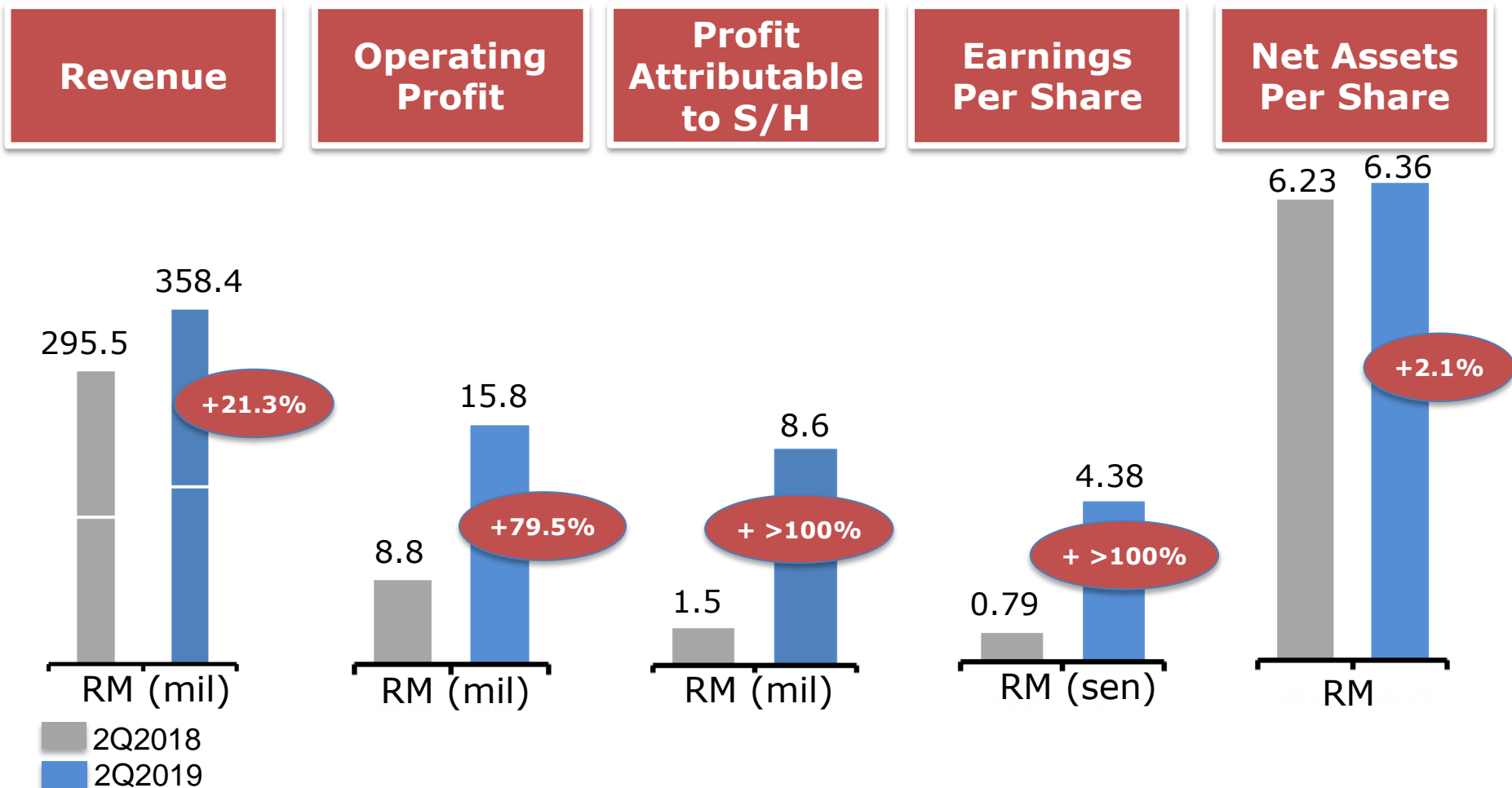
## **Cautionary Statement with Respect to Forward-Looking Statements**

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Statements or comments made during this presentation that are not historical facts are forward-looking statements that reflect our plans and expectations. These forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to differ materially from that anticipated in these statements.

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



**Higher revenue (YoY) due to increase in OEM sales**

# **2Q19 Operation & Financial Review**

## **Business Update**

# 2Q19 financial review

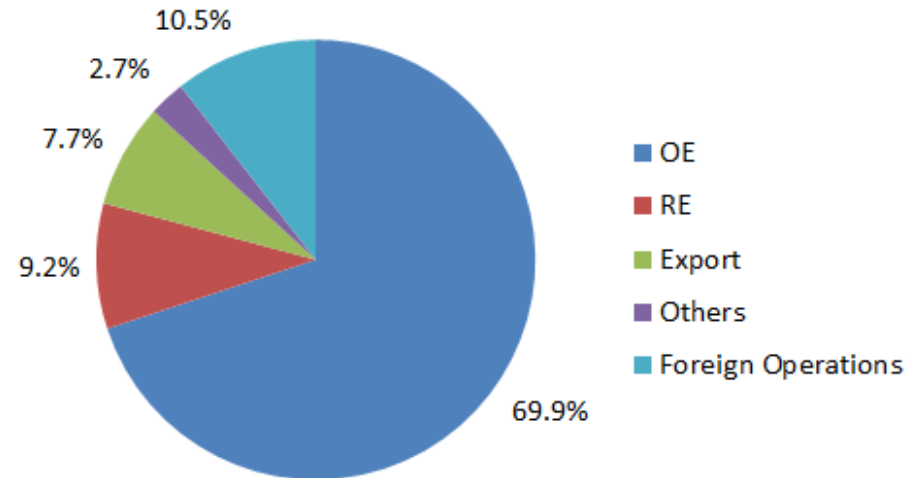
RM'000	2Q19	1Q19	2Q18	QoQ	YoY
				2Q19 vs 1Q19	2Q19 vs 2Q18
Revenue	358,369	367,609	295,481	-2.5%	21.3%
Profit before tax	17,669	20,409	10,555	-13.4%	67.4%
Net Income	13,641	15,316	6,033	-10.9%	126.1%
Profit Attributable to Shareholders	8,560	9,779	1,548	-12.5%	453.0%
EPS (Sen)	4.38	5.00	0.79	-12.4%	454.4%
Net assets per share	6.36	6.35	6.23	0.2%	2.1%
Return on equity (annualised)	2.75%	3.15%	0.51%		
Dividend per share (sen)	5.00	-	5.00		
Dividend yield	1.82%	-	1.41%		
Net Profit Margin	3.81%	4.17%	2.04%		

**Lower profit mainly due to lower demand from certain OEM customers from the Interior & Plastic division in Q2 2019.**

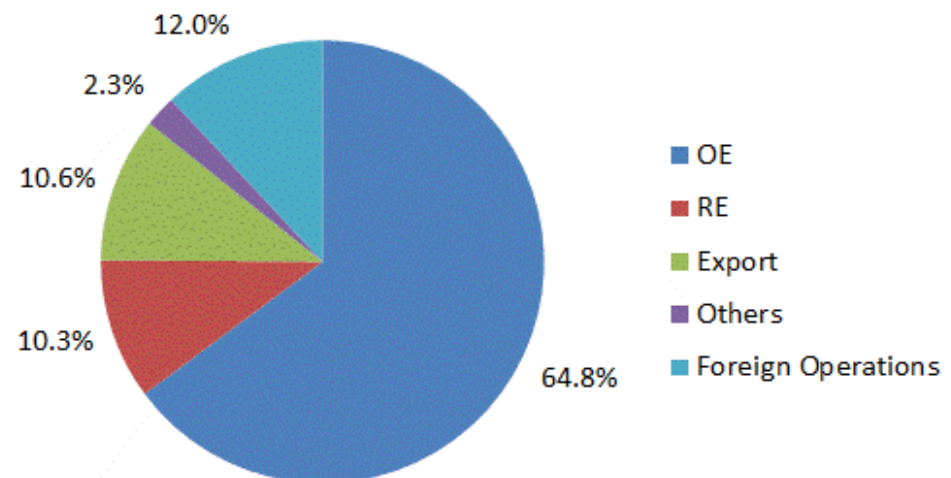
# Segmental sales

	Q2 2019	%	Q2 2018	%
OE	250,590	69.9%	191,549	64.8%
RE	33,005	9.2%	30,402	10.3%
Export	27,424	7.7%	31,404	10.6%
Others	9,553	2.7%	6,771	2.3%
Foreign Operations	37,797	10.5%	35,355	12.0%
<b>TOTAL REVENUE</b>	<b>358,369</b>	<b>100%</b>	<b>295,481</b>	<b>100%</b>

Q2 2019



Q2 2018



**Increased in revenue due to increased demand from OEMs**

# Segmental performance

REVENUE (RM'000)	Q2 2019	Q2 2018	Change
Suspension	15,418	15,837	-2.6%
Interior & Plastics	220,050	157,099	40.1%
Electrical & Heat Exchange	21,710	23,660	-8.2%
Marketing	52,797	55,323	-4.6%
Others	10,597	8,207	29.1%
<b>Malaysia Operations</b>	<b>320,572</b>	<b>260,126</b>	<b>23.2%</b>
<b>Operations outside Malaysia</b>	<b>37,797</b>	<b>35,355</b>	<b>6.9%</b>
<b>TOTAL REVENUE</b>	<b>358,369</b>	<b>295,481</b>	<b>21.3%</b>

**Increased in revenue due to higher demand from OEMs**

# 2Q19 Operation & Financial Review

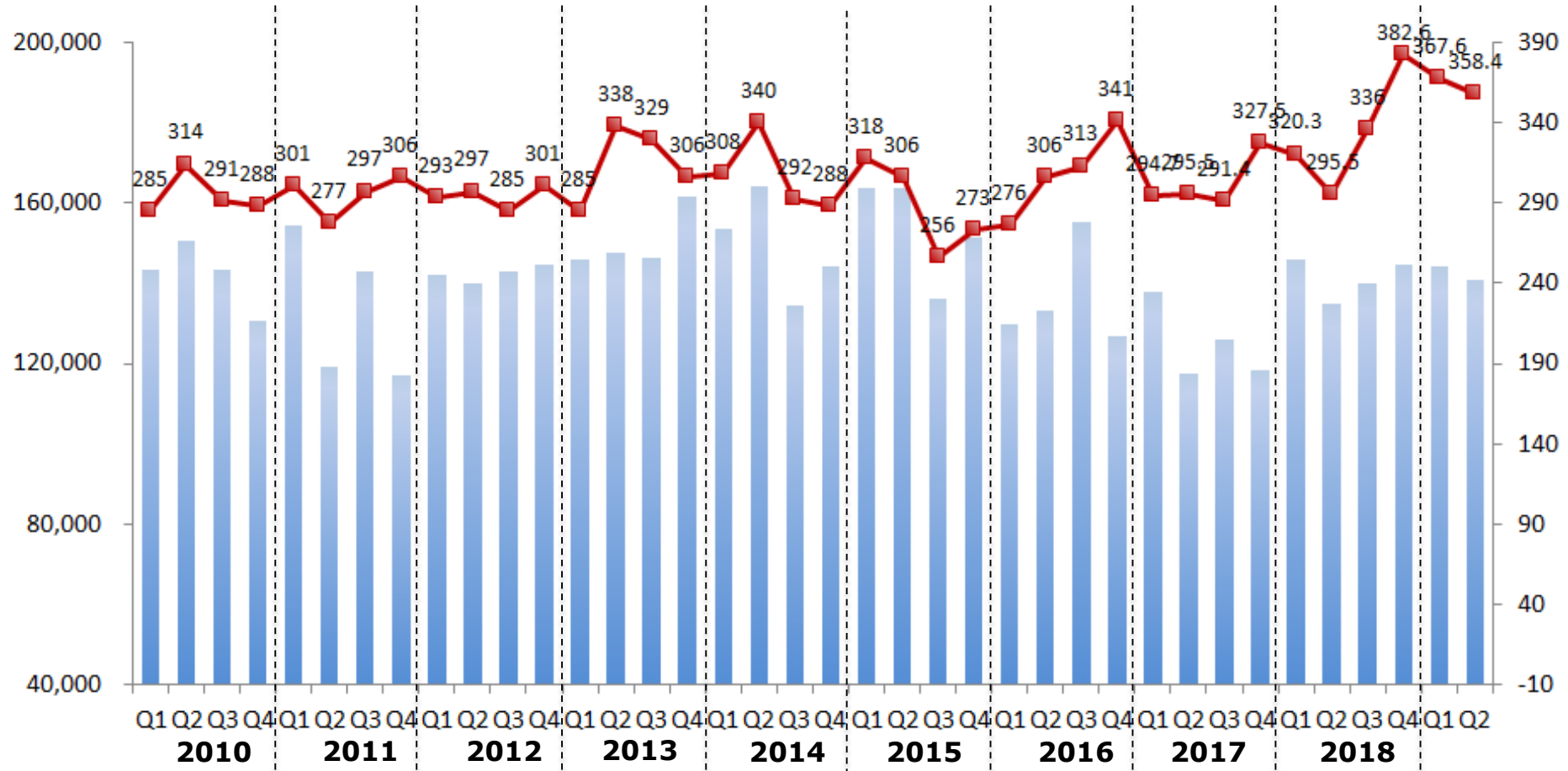
## Business Update



# Production TIV

Production TIV

APM Revenue (RM'mil)

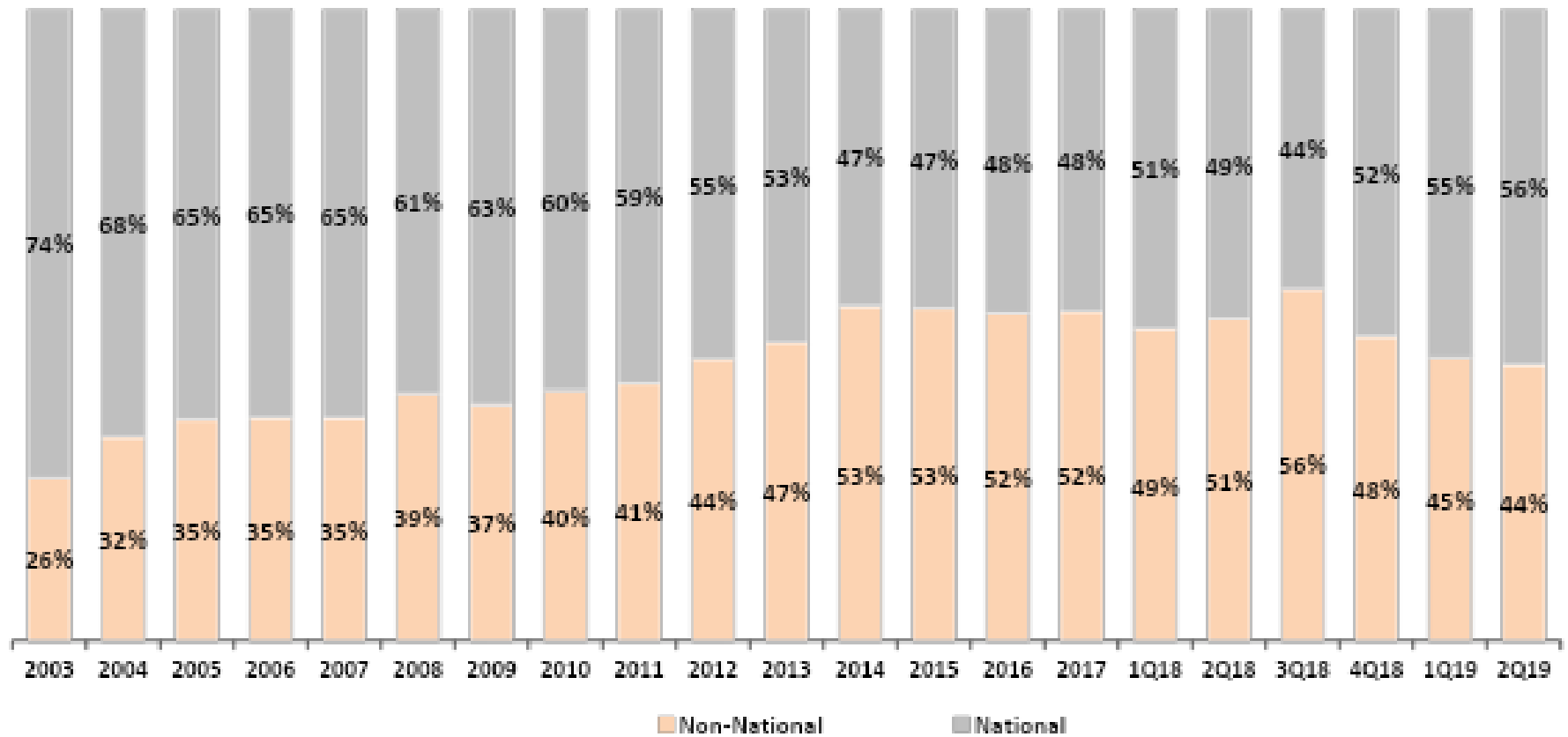


Source: MAA (as for Production TIV)

Revenues are holding above RM300million per quarter

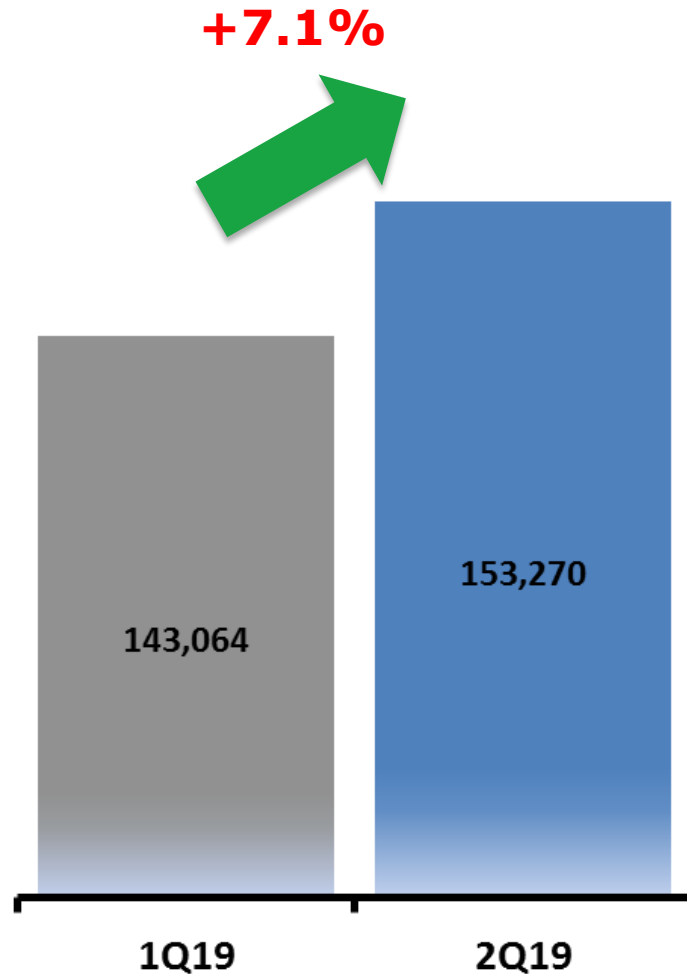


# National & Non-national Market Share



**National brands regaining market share**

# 2Q19 TIV



	Q-o-Q %
Perodua	0.8%
Proton	38.1%

	Q-o-Q %
Toyota	27.7%
Nissan	1.0%
Honda	-0.5%
Mitsubishi	-13.6%
Isuzu	17.3%
Mazda	-4.0%

	Q-o-Q %
Ford	-19.8%
VW	-10.0%
BMW	-3.7%
Mercedes	-12.8%

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

# FY19 business update

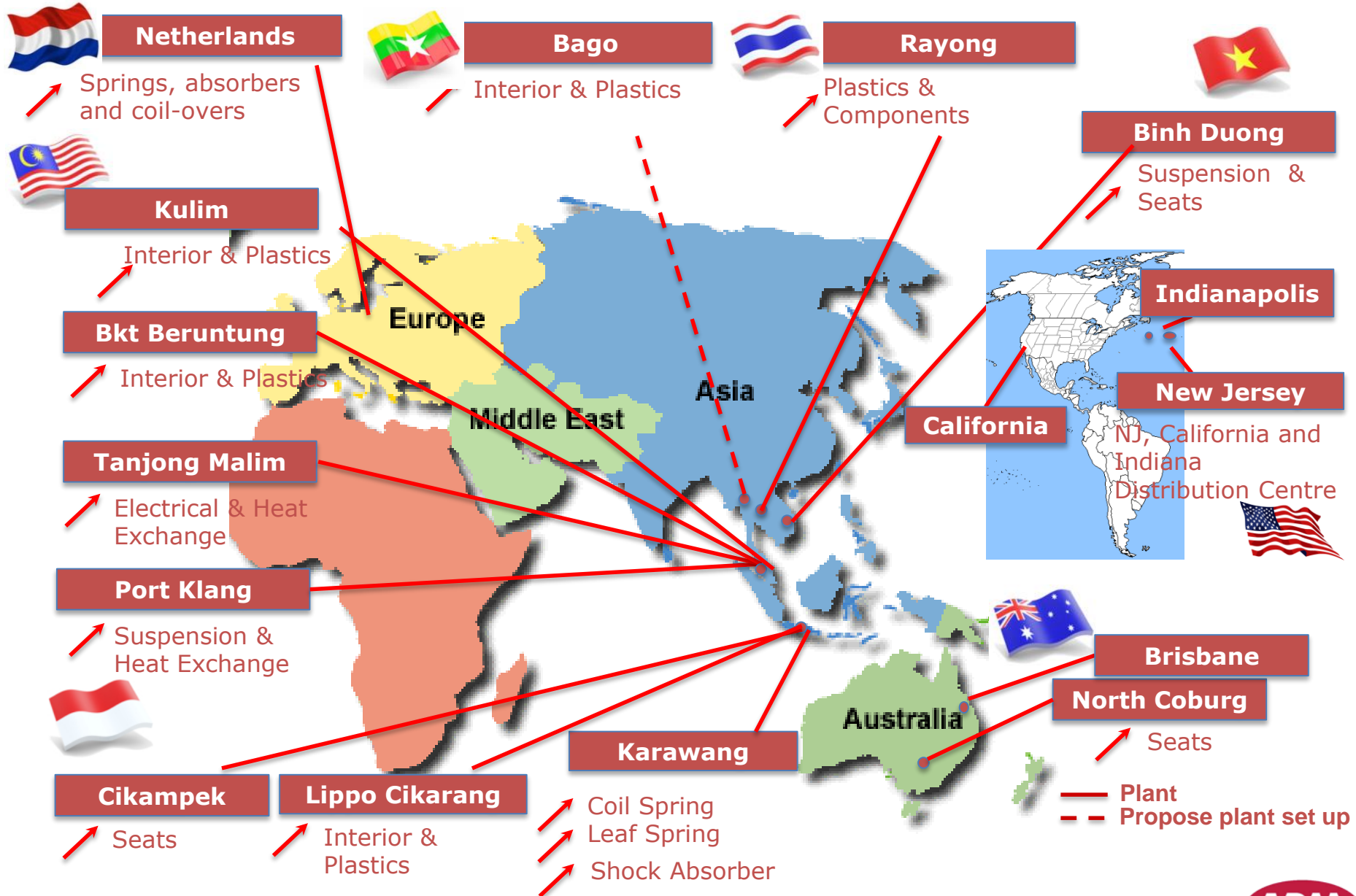
- ❖ 2Q19 TIV 153.3K; +7.1% QoQ mainly due to raya season.
- ❖ APM underlying OEM businesses buck the trend due to earlier counter measures.
- ❖ Counter measures include:
  - Expansion of new business - new products / segment
  - Intensify the development of parts for replacement markets
  - Consolidate 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

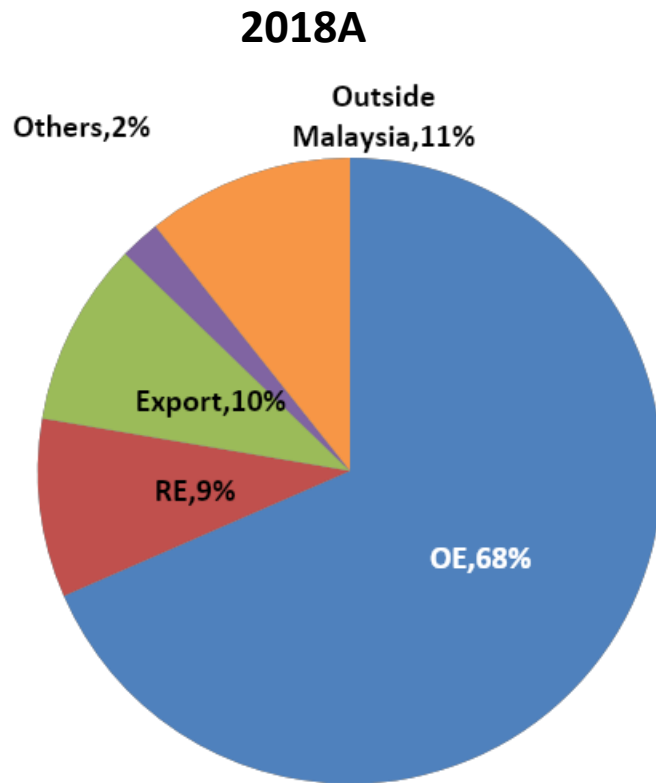
<b>Strategic Purpose</b>	Our Vision		Our Strategy	
<b>Environment</b>	Global Market Review	Asia Pacific Market Review	Malaysia Market Review	
<b>Market Assessment</b>	Economy & Environment	Tier 1 Competition	Local Supplier	Lessons Learned
<b>Target Opportunities</b>	Targeted Research			
<b>Growth Opportunities</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

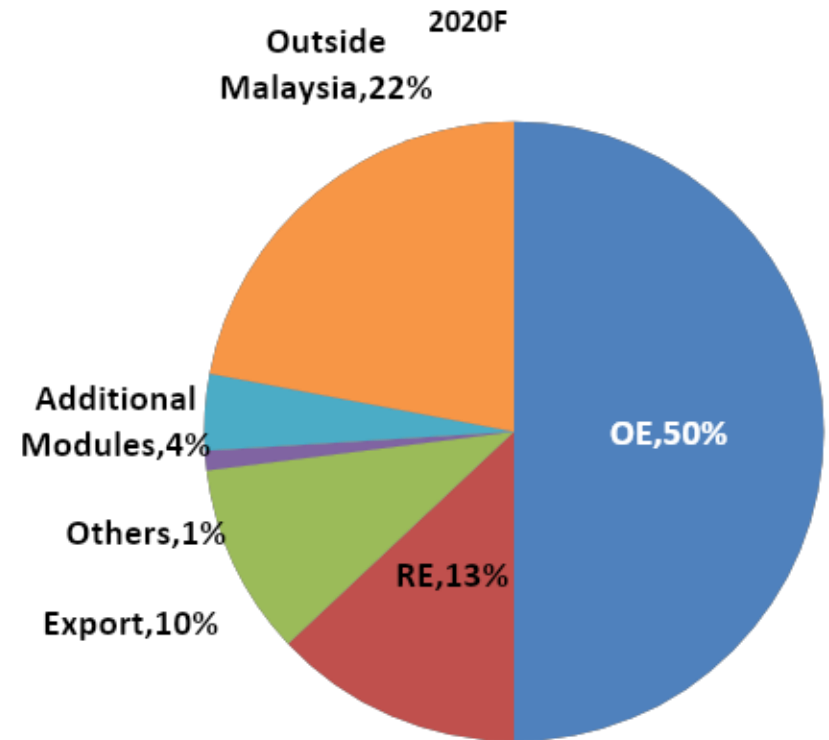
# Geographical Diversification



# Sales Guidance through Balance & Diversity



Turnover: RM 1.3b

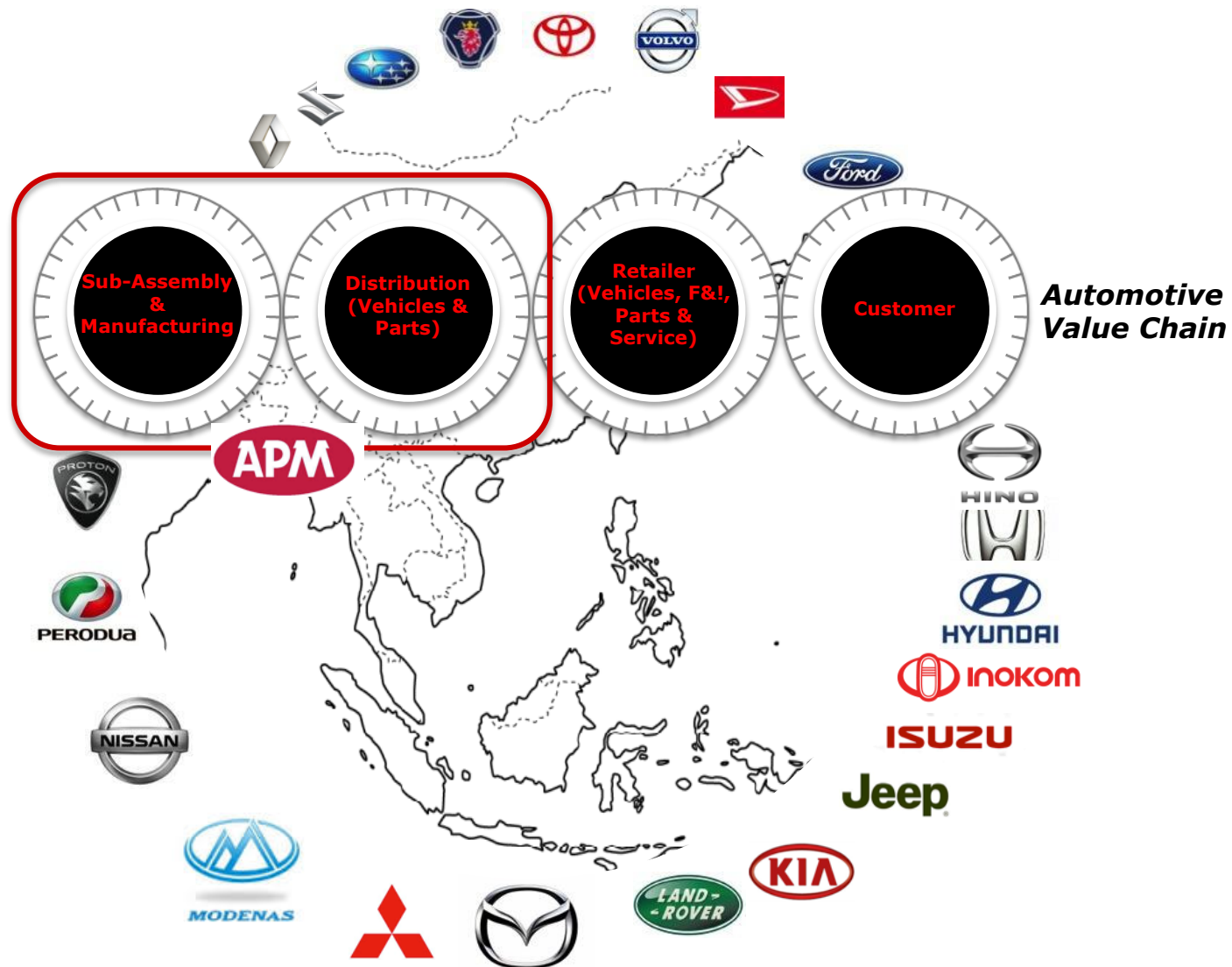


Turnover: RM 2.0b

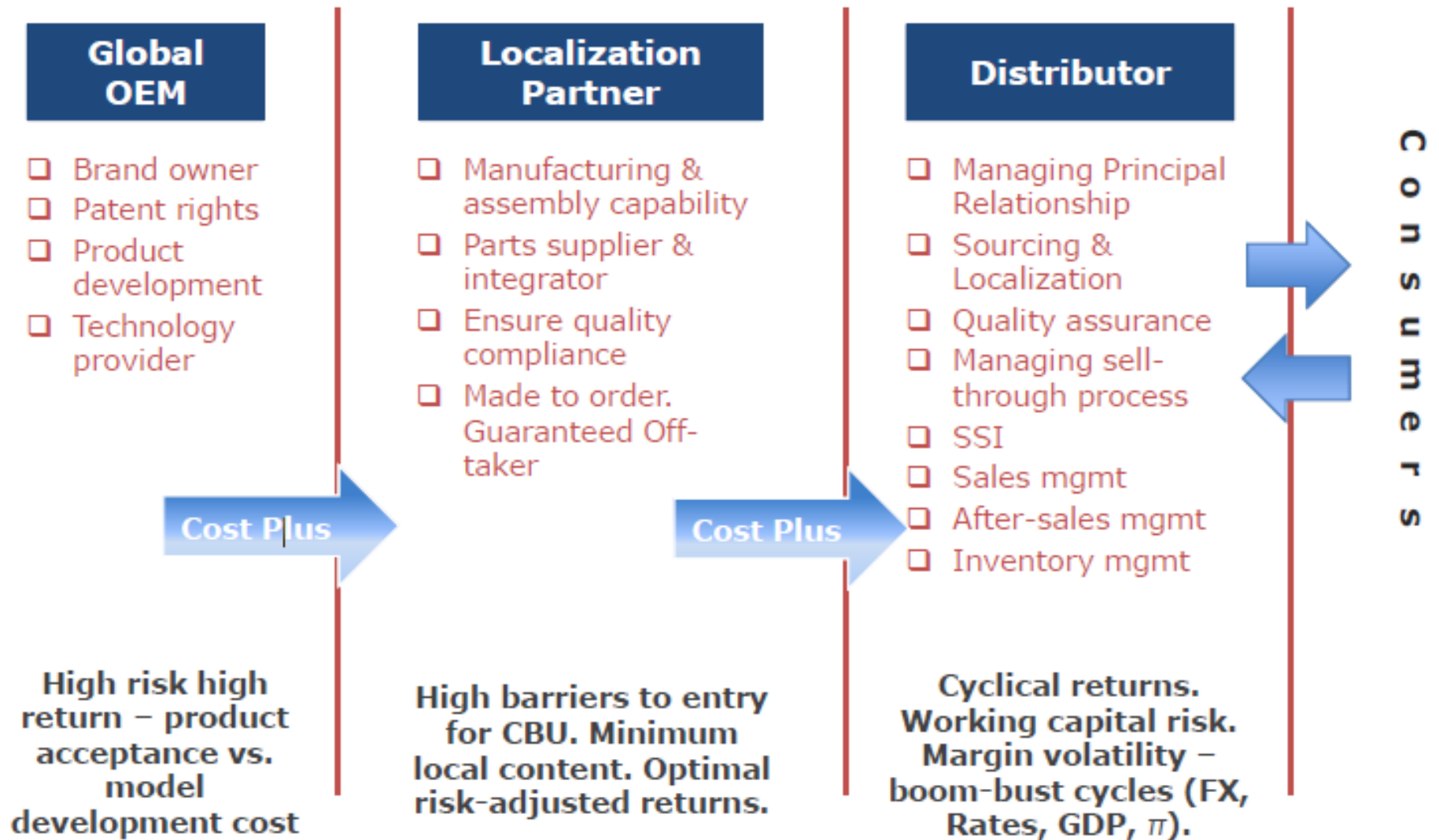
**RM2b sales target (RM1b existing OE & RM1b exports, overseas & others)**



# Integral Player within Local Automotive Eco-systems



# Auto Cycle Investing



# Thank You