APM Automotive Holdings Berhad

FY2022 Second-quarter financial results

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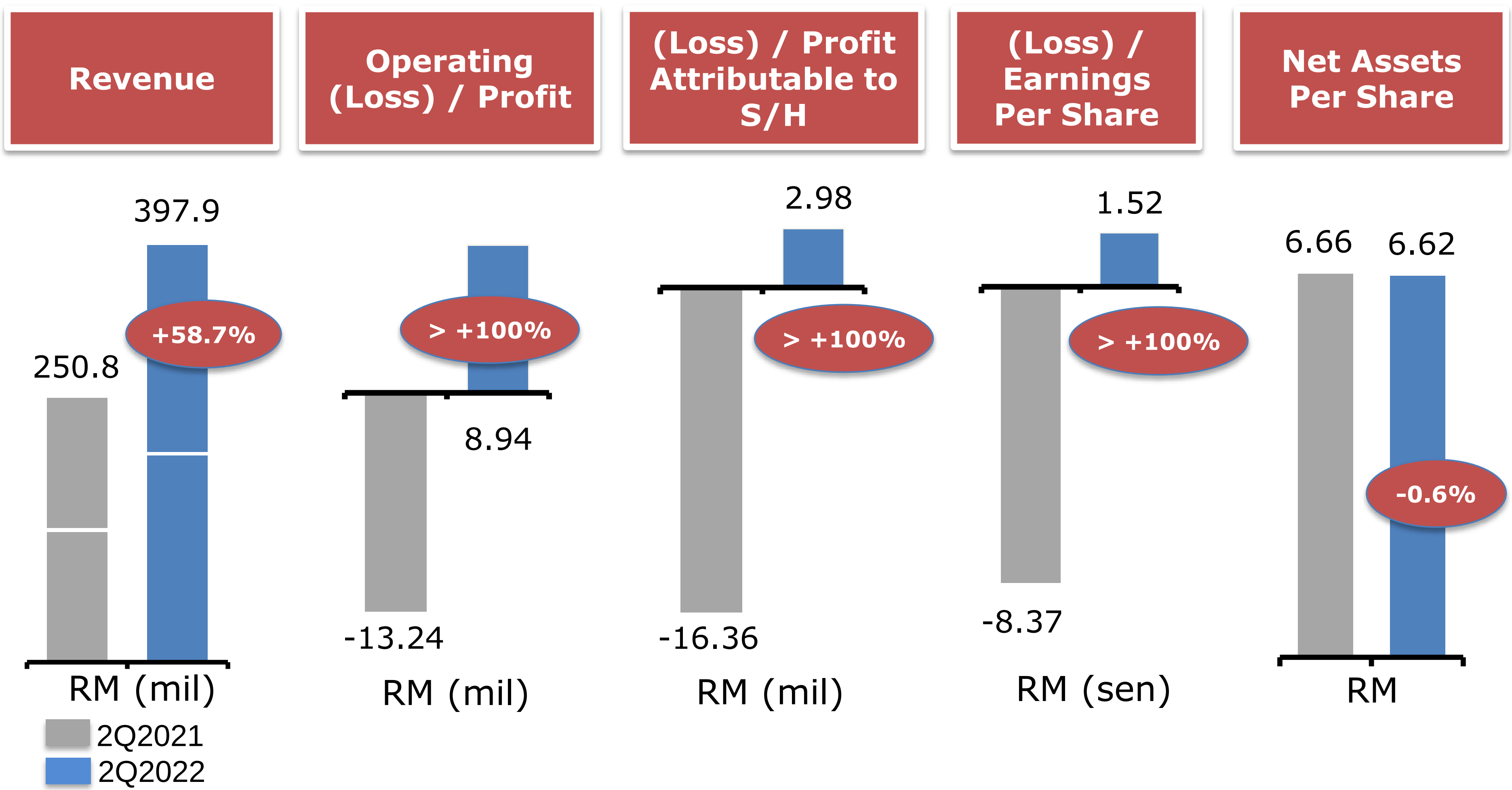
Key performance indicators



Higher revenue and profitability (YoY) mainly due to the low base effect caused by the implementation of movement control order in Q2’21.

2Q22 Operation & Financial Review

Business Update

2Q22 Financial review

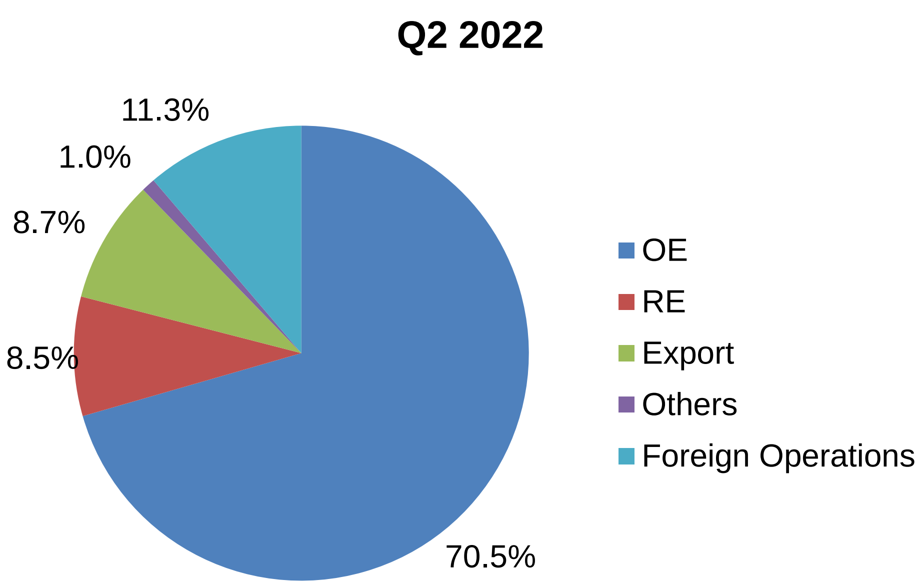
RM'000	2Q22	1Q22	2Q21	QoQ 2Q22 vs 1Q22	YoY 2Q22 vs 2Q21
Revenue	397,941	404,455	250,808	-1.6%	58.7%
Profit/(Loss) before Tax	8,078	14,315	(12,770)	-43.6%	163.3%
Net Income/(Loss)	5,661	11,256	(14,646)	-49.7%	138.7%
Profit/(Loss) Attributable to Shareholders	2,976	7,193	(16,359)	-58.6%	118.2%
Earnings/(Loss) per Share (Sen)	1.52	3.68	(8.37)	-58.7%	118.2%
Net Assets per Share	6.62	6.67	6.66	-0.7%	-0.6%
Return on Equity (Annualised)	1.57%	2.22%	-0.31%		
Net Profit Margin	1.42%	2.78%	-5.84%		

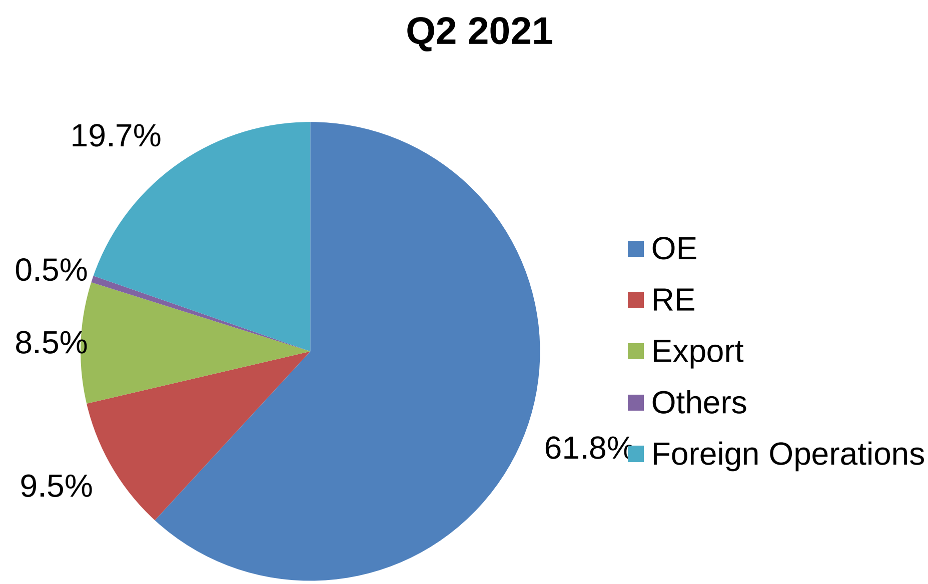
Lower profitability (QoQ) mainly due to rise in operating costs such as material prices and staff costs as well as forex loss incurred by Indonesia Operations.

APM

Segmental sales

REVENUE (RM'000)	Q2 2022	%	Q2 2021	%
OE	280,693	70.5%	155,069	61.8%
RE	33,726	8.5%	23,864	9.5%
Export	34,807	8.7%	21,382	8.5%
Others	3,902	1.0%	1,183	0.5%
Foreign Operations	44,812	11.3%	49,310	19.7%
TOTAL REVENUE	**397,940**	**100%**	**250,808**	**100%**





Increase in revenue attributable to overall recovery of automotive industry, resulting in higher OEM and REM demands from both domestic and international markets.

Segmental performance

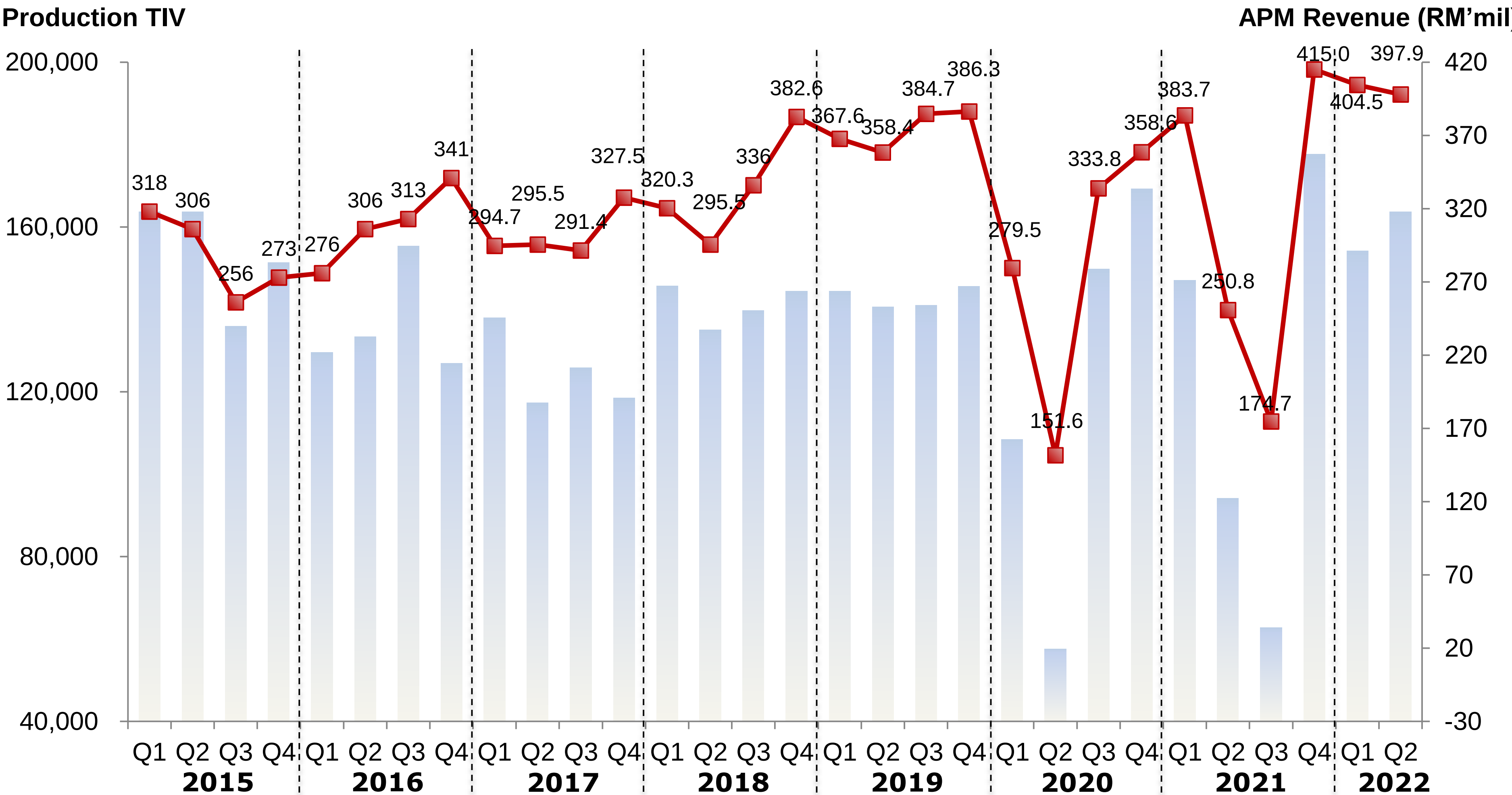
REVENUE (RM'000)	Q2 2022	Q2 2021	Change
Suspension	20,002	12,084	65.5%
Interior & Plastics	243,036	128,863	88.6%
Electrical & Heat Exchange	23,172	15,032	54.2%
Marketing	64,901	43,503	49.2%
Others	2,017	2,016	0.0%
Malaysia Operations	**353,128**	**201,498**	**75.3%**
Operations outside Malaysia	**44,812**	**49,310**	**-9.1%**
TOTAL REVENUE	**397,940**	**250,808**	**58.7%**

Decline in revenue from Foreign Operations mainly due to lower orders from Australia, USA and Vietnam Operations.

2Q22 Operation & Financial Review

Business Update

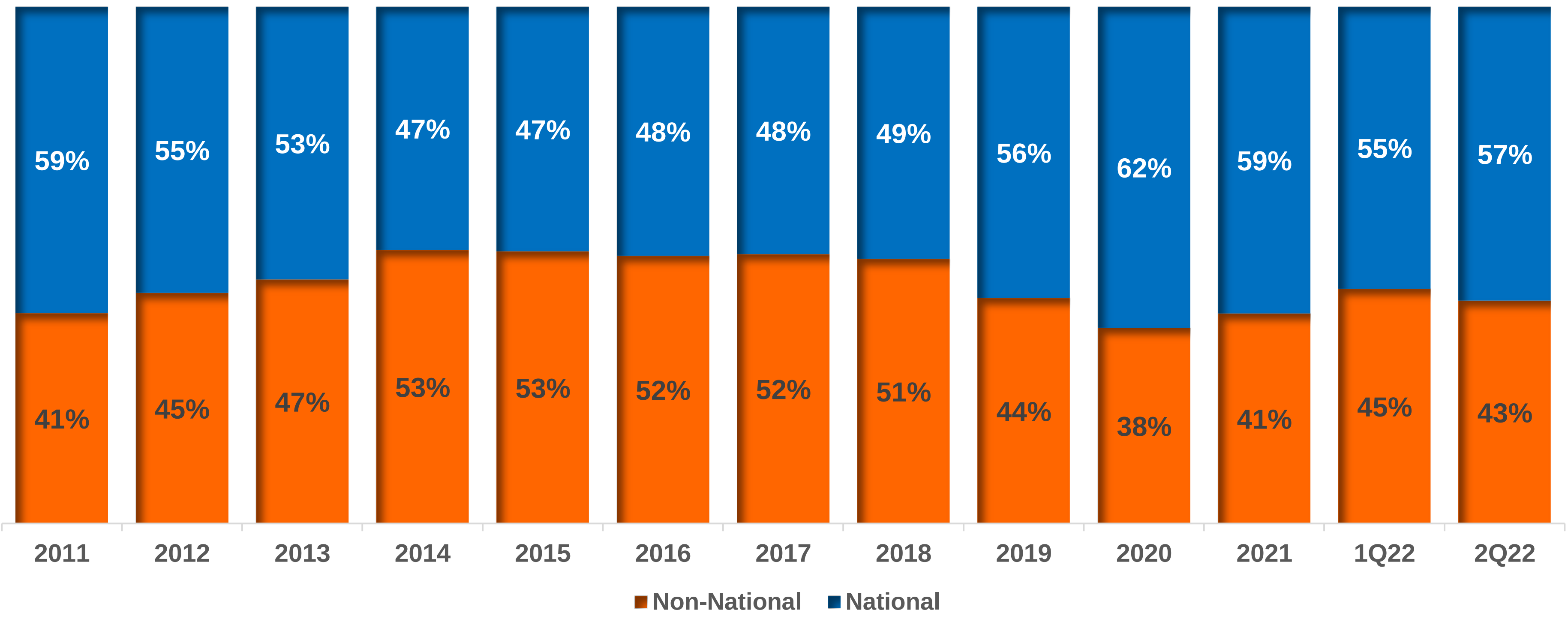
Production TIV



Source: MAA (as for Production TIV)

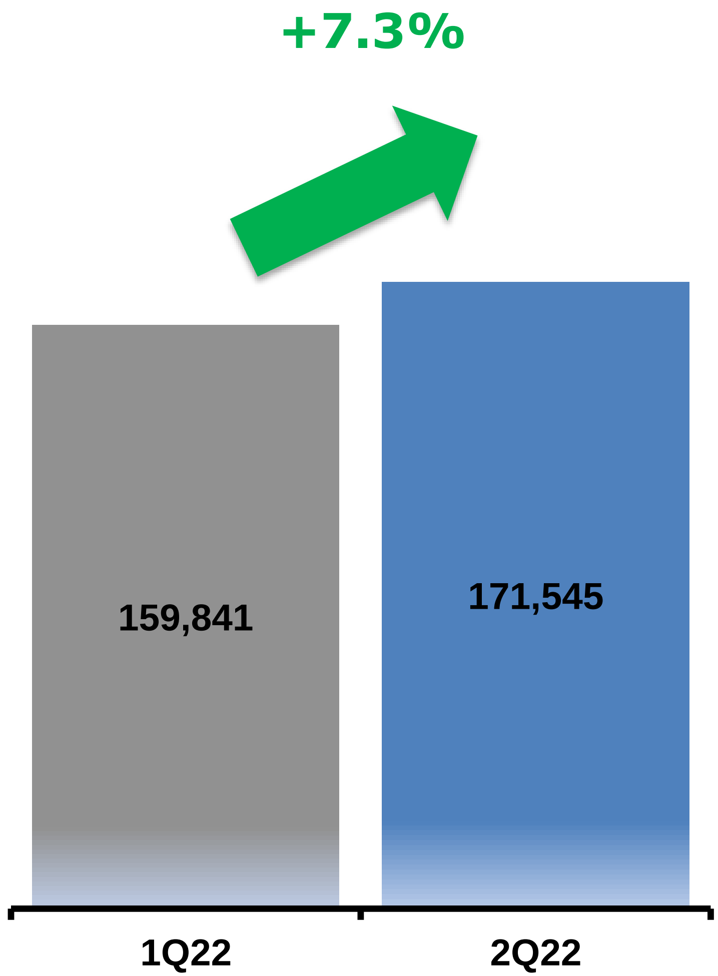
Average revenue is RM400million per quarter in year 2022.

National & Non-national Market Share



National brands regaining market share.

2Q22 TIV



	Q-o-Q %
Perodua	6.6%
Proton	24.3%

	Q-o-Q %
Toyota	4.1%
Honda	-5.9%
Nissan	6.5%
Mitsubishi	14.5%
Isuzu	12.0%
Mazda	3.0%

	Q-o-Q %
Ford	0.2%
VW	-4.1%
BMW	10.3%

Higher TIV was recorded during the quarter.

FY22 business update

- 2Q22 TIV 171.5K; +7.3% QoQ due to higher sales as a result of customers took advantage of sales tax exemption before its expiry on 30th June 2022.

- On 15th August 2022, the Group had completed the issuance of RM50 million of Islamic Medium Term Notes and the proceeds would be utilised for working capital requirements.

- To mitigate the rising cost of doing business, the Group will undertake some measures including:
  - selling price adjustments;
  - automate and mechanise its production processes;
  - relocation of certain processes to the Group's overseas operation;
  - increase its supplier base and explore alternative sourcing.

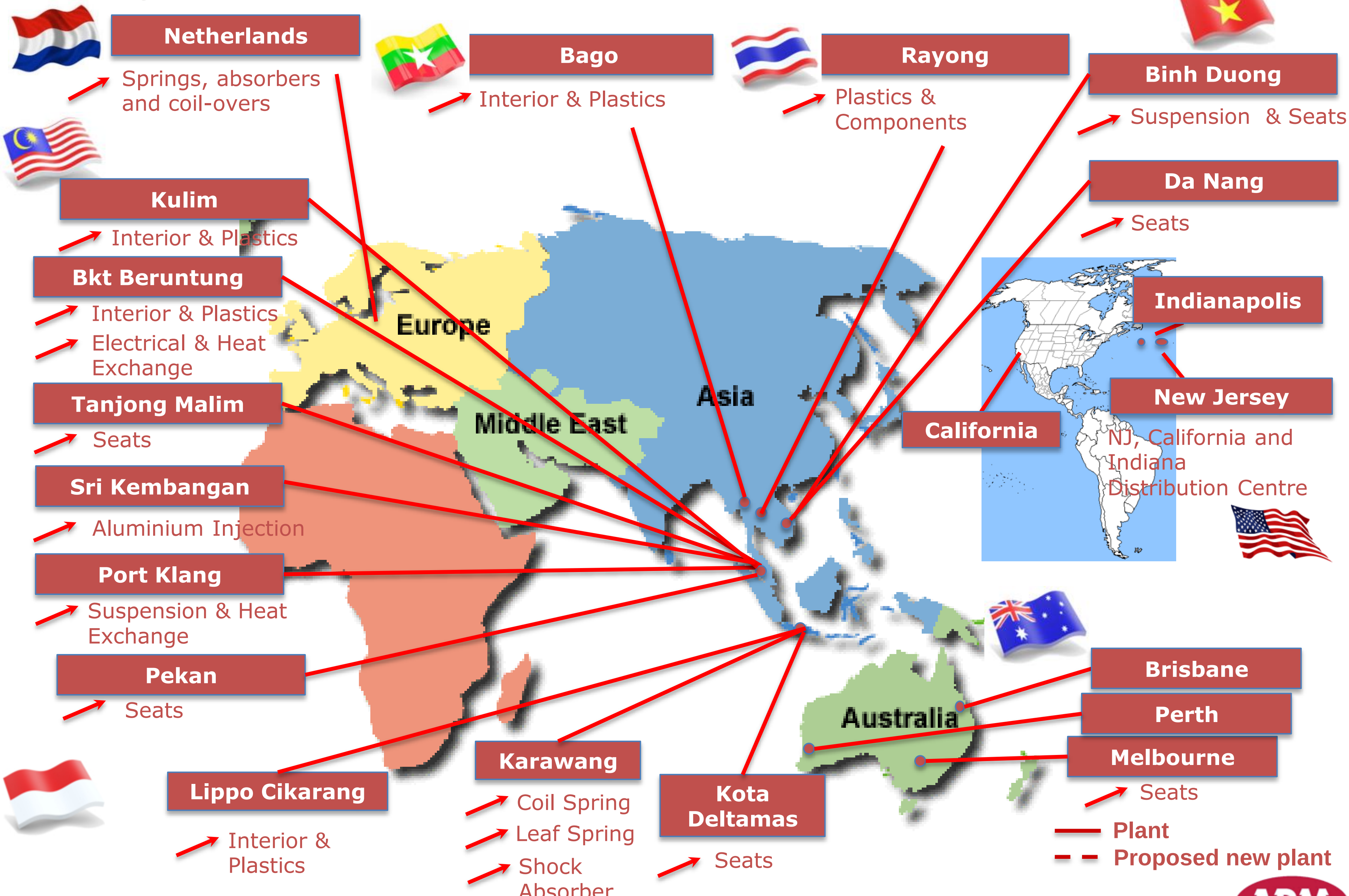
- The Group will continue to manage its businesses prudently and maintain its focus on long terms strategies for business sustainability as well as will explore feasible mergers, acquisition, strategic partnership, joint ventures and alliances.

M&A Opportunities

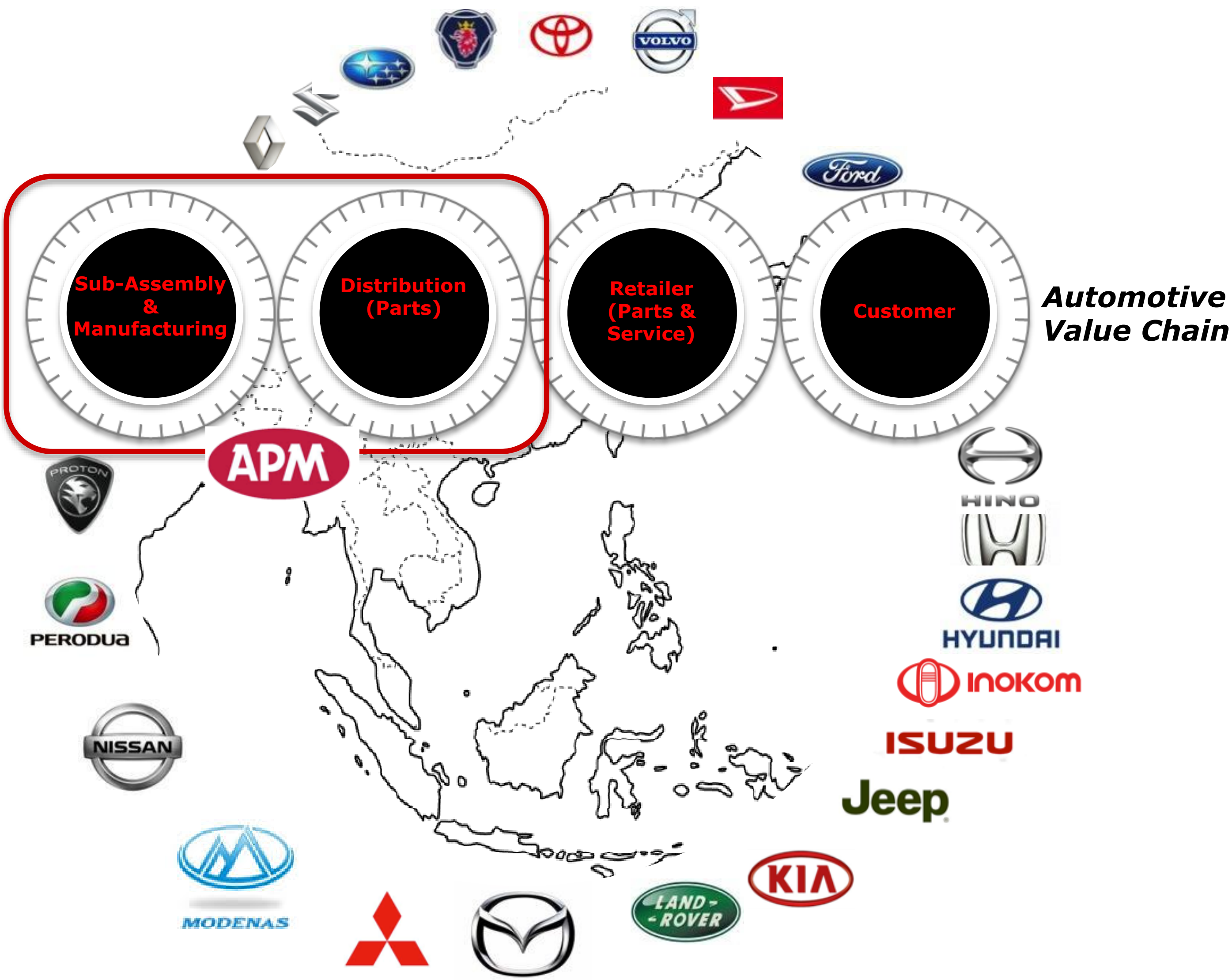
Strategic Purpose	Our Vision		Our Strategy	
Environment	Global Market Review	Asia Pacific Market Review	Malaysia Market Review	
Market Assessment	Economy & Environment	Tier 1 Competition	Local Supplier	Lessons Learned
Target Opportunities	Targeted Research			
Growth Opportunities	M&A Opportunities	Tier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

Moving Forward

Geographical Diversification



Integral Player within Local Automotive Eco-systems



Auto Cycle Investing

Global OEM	Localization Partner	Distributor	Consumers
❑ Brand owner ❑ Patent rights ❑ Product development ❑ Technology provider	❑ Manufacturing & assembly capability ❑ Parts supplier & integrator ❑ Ensure quality compliance ❑ Made to order. Guaranteed Off-taker	❑ Managing Principal Relationship ❑ Sourcing & Localization ❑ Quality assurance ❑ Managing sell-through process ❑ SSI ❑ Sales mgmt ❑ After-sales mgmt ❑ Inventory mgmt	
Cost Plus →	Cost Plus →		
High risk high return – product acceptance vs. model development cost	**High barriers to entry for CBU. Minimum local content. Optimal risk-adjusted returns.**	**Cyclical returns. Working capital risk. Margin volatility – boom-bust cycles (FX, Rates, GDP, π).**	

Thank You