FY2014 third-quarter financial results

APM Automotive Holdings Berhad

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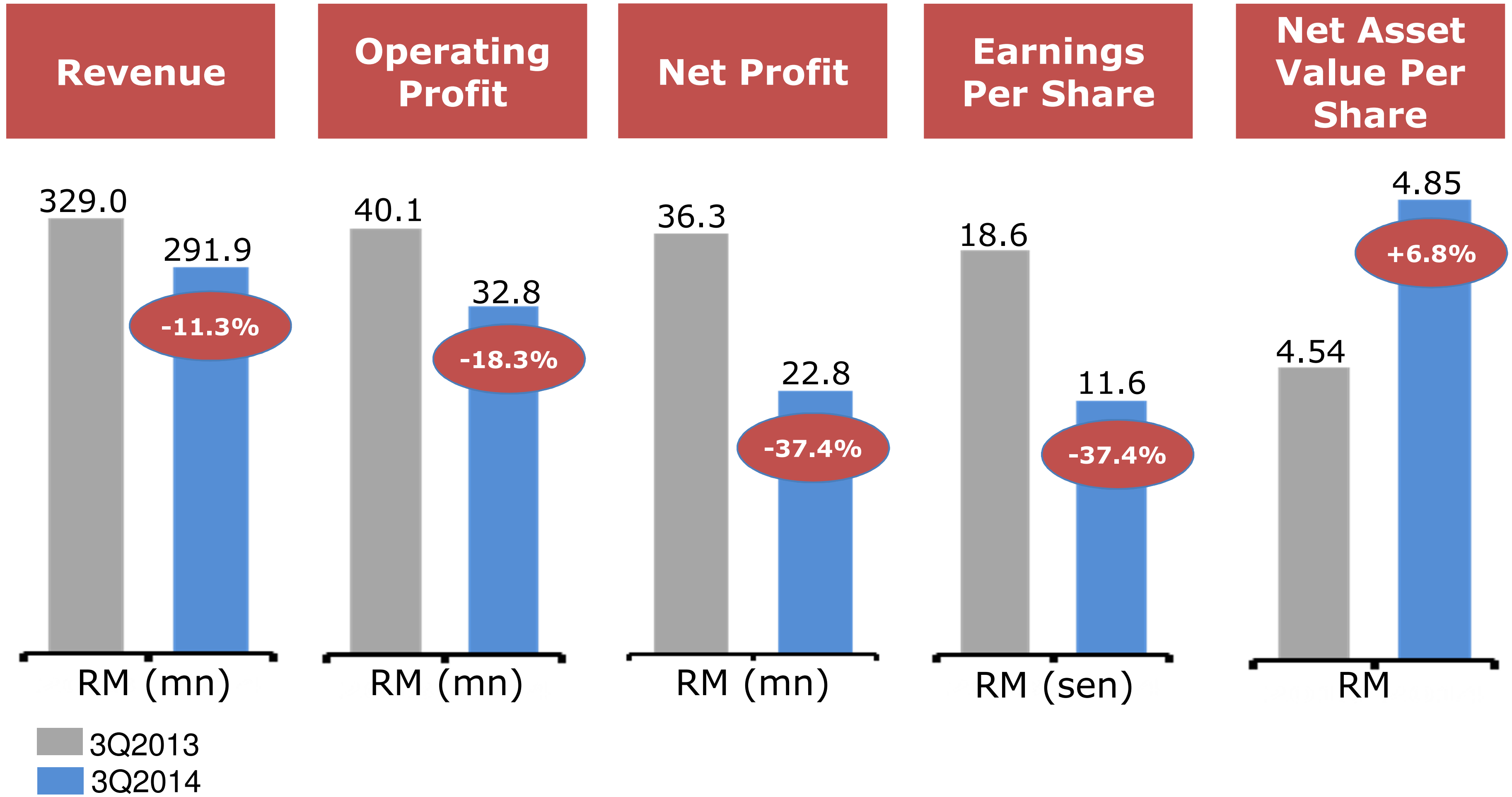
These factors include (i) changes in economic conditions, currency exchange rates, the laws, regulations, government policies, or political instability in the market place, (ii) circumstances relating to our ability to introduce, in a timely manner, and achieve market acceptance of new products, and (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



Lower off take from OEMs as a result of softer vehicle sales

3Q14 Operation & Financial Review

Business Update

3Q financial review

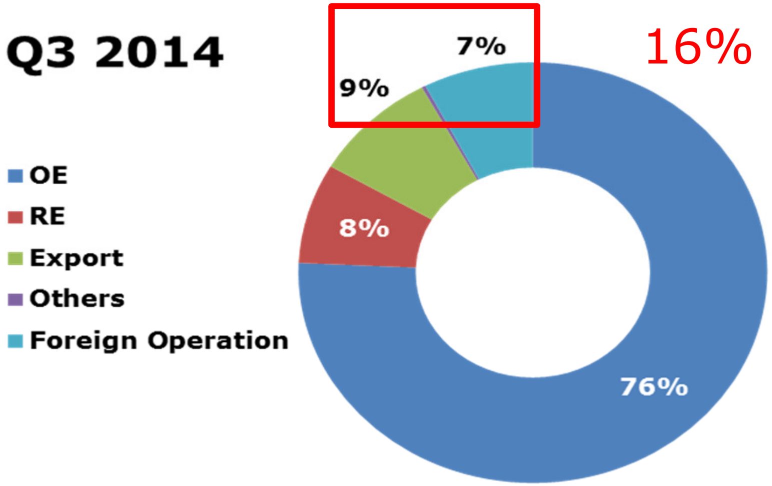
In RM thousands	3Q14	2Q14	3Q13	3Q13*	QoQ	YoY	YoY*
Net revenues	291,902	340,001	329,036	329,036	-14.1%	-11.3%	-11.3%
Profit before tax	34,741	37,687	51,877	41,877	-7.8%	-33.0%	-17.0%
Net Income	25,667	28,972	38,905	28,905	-11.4%	-34.0%	-11.2%
Profits Attr. to SH	22,758	25,546	36,329	26,329	-10.9%	-37.4%	-13.6%
EPS (Sen)	11.63	13.05	18.56	13.45	-10.88%	-37.3%	-13.5%
Net assets per share	4.85	4.81	4.54	4.49	0.8%	6.8%	8.0%
Return on equity (annualised)	9.6%	10.8%	16.3%	12.0%			
Net Dividend per share (sen)	-	7.5	-	-			
Net Profit Margin	8.8%	8.5%	11.8%	8.8%			

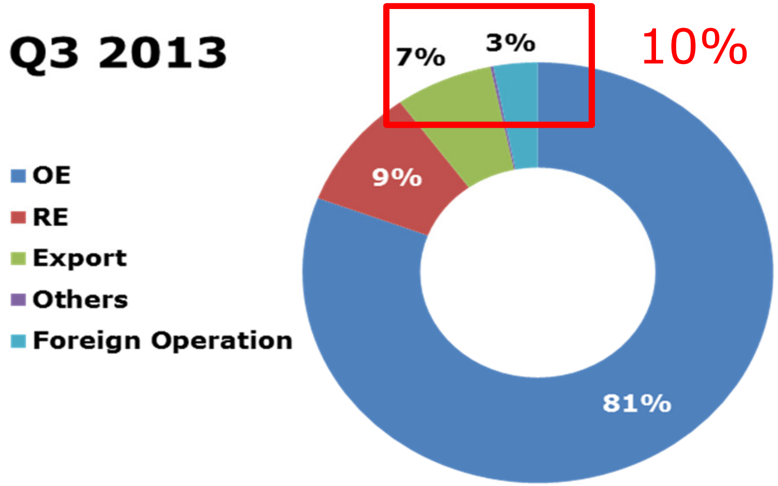
*exclude divestment of shares proceeds of RM10 mn

Low sales from both OEM and REM

Segmental sales

	Q3 2014	%	Q3 2013	%
OE	224,462	77%	269,736	82%
RE	22,928	8%	30,961	9%
Export	25,846	9%	22,460	7%
Others	757	0%	635	0%
Foreign Operation	22,499	8%	10,164	3%
Elimination	(4,590)	-2%	(4,920)	-1%
TOTAL REVENUE	**291,902**	**100%**	**329,036**	**100%**





Exports and operations from overseas were the only bright spots

Segmental performance

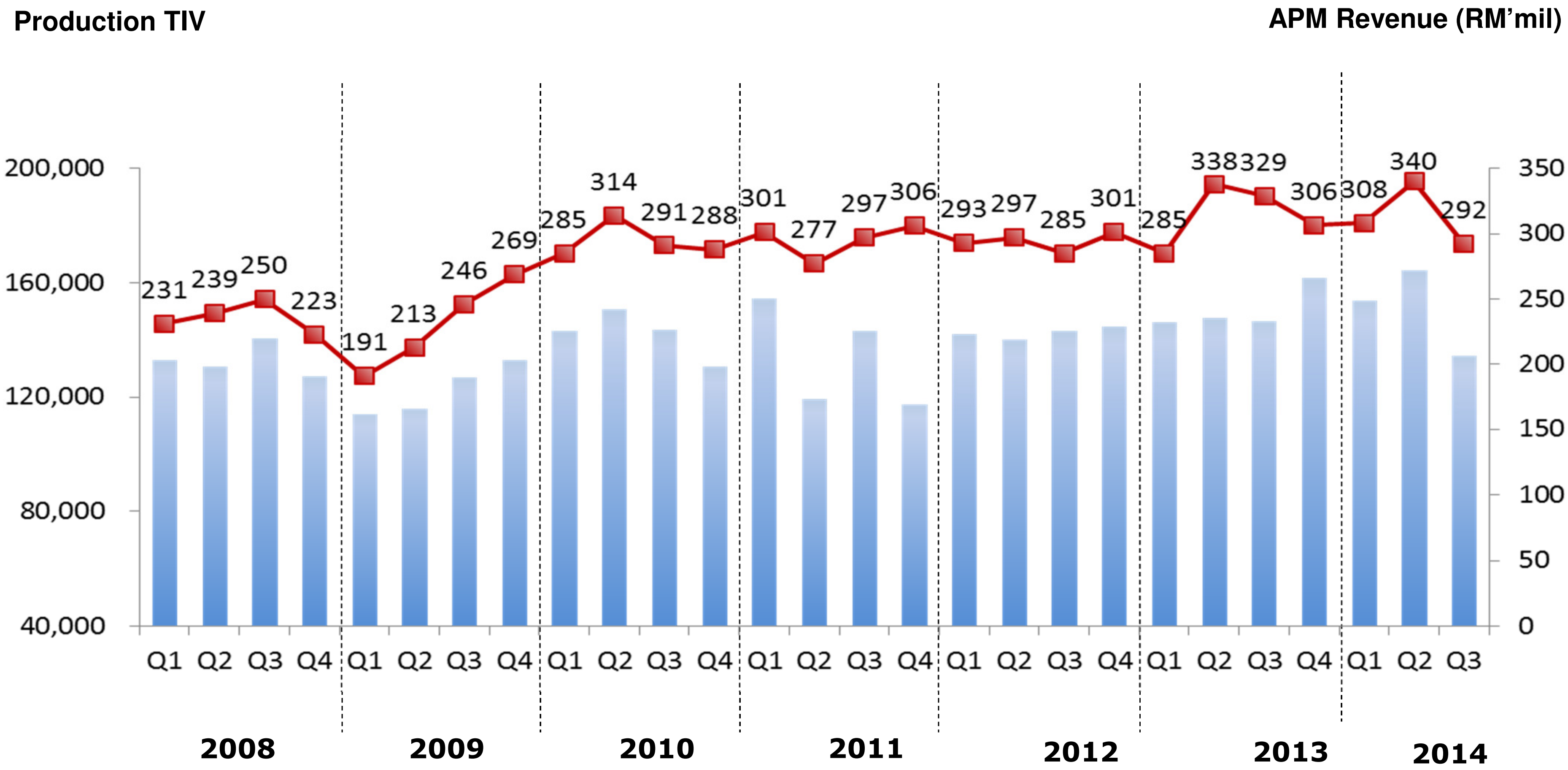
REVENUE (RM'000)	3Q14	3Q13	Change (%)
Suspension	29,982	30,306	-1.1%
Interior & Plastics	154,979	180,174	-14.0%
Electrical & Heat Exchange	43,533	65,125	-33.2%
Marketing	44,281	46,400	-4.6%
Others	756	635	+19.1%
Malaysia Operation	**273,531**	**322,640**	**-15.2%**
Operations outside Malaysia	**18,371**	**6,396**	**+187.2%**
TOTAL REVENUE	**291,902**	**329,036**	**-11.3%**

Reduced dependence on Malaysia market

3Q14 Operation & Financial Review

Business Update

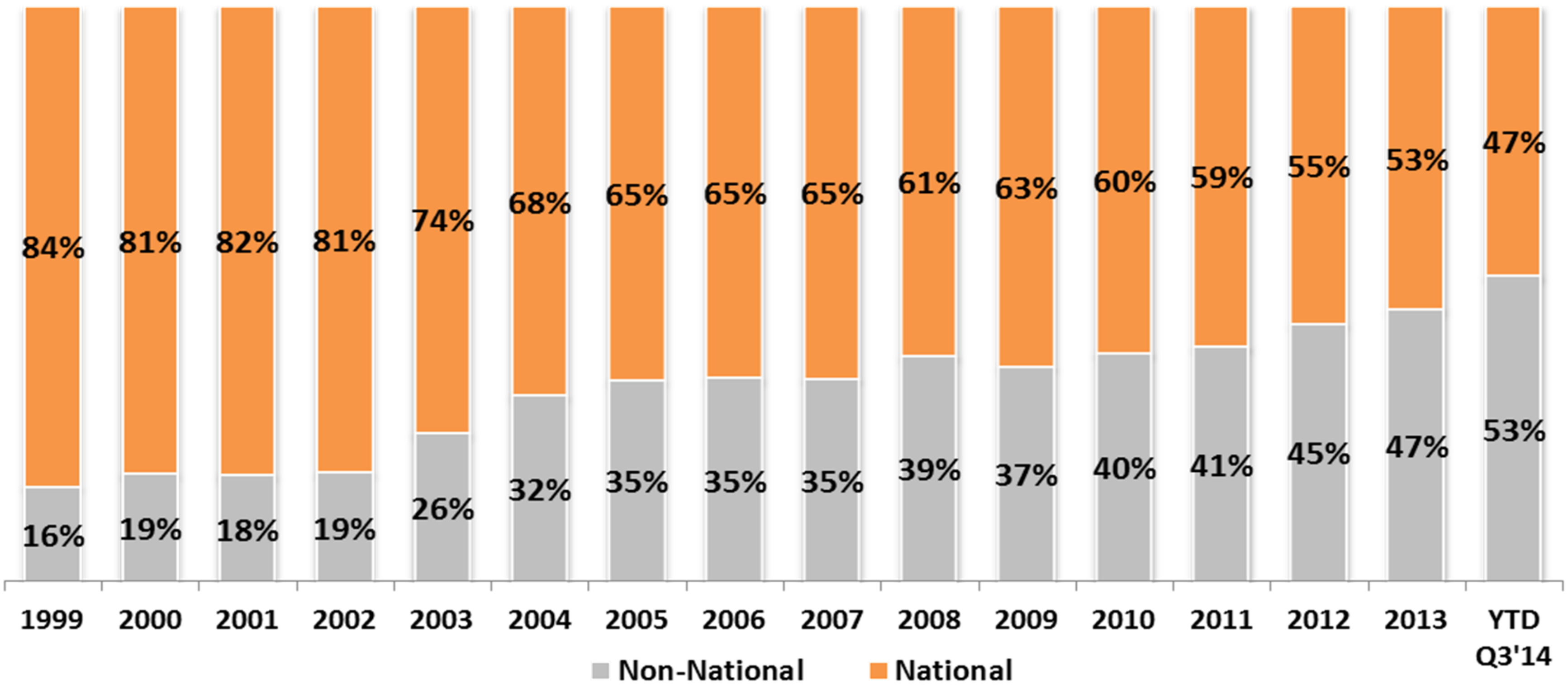
Contraction in Production TIV



Source: MAA (as for Production TIV)

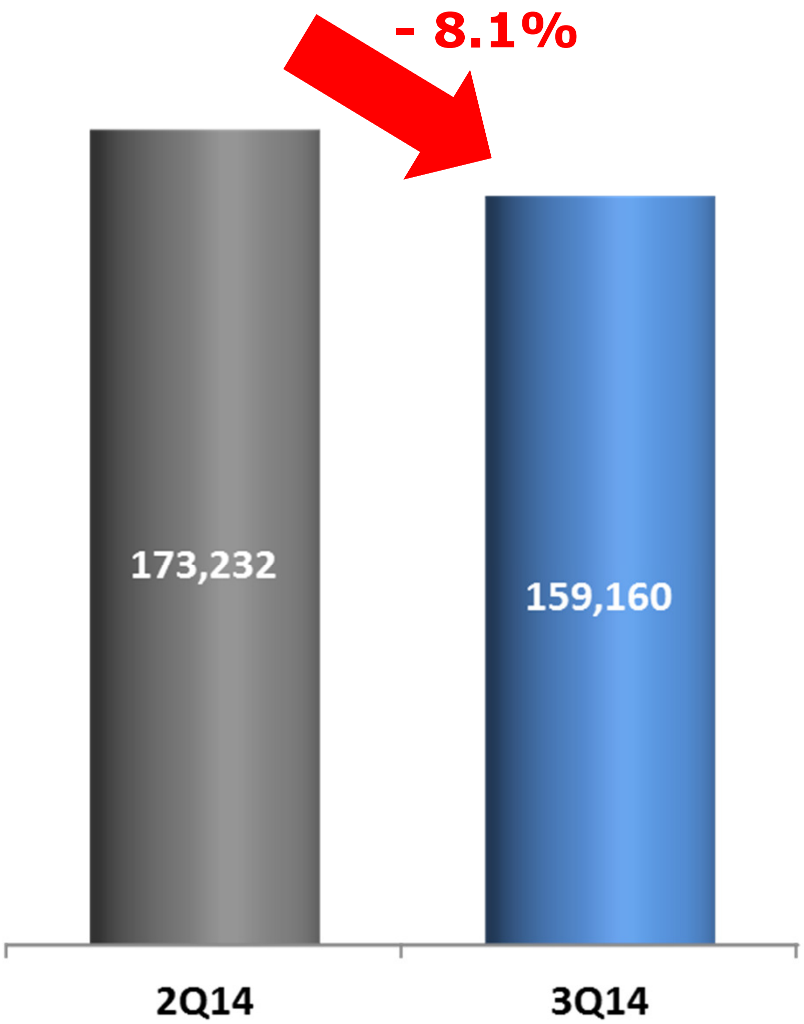
Lower revenue in line with contraction in production TIV.

National & Non-national Market Share



Non-national brands' market share outpaced national in YTD Q3' 2014

Contraction in TIV



	Q-o-Q %
Perodua	-9.2%
Proton	-8.5%

	Q-o-Q %
Toyota	-12.7%
Nissan	+3.3%
Honda	-9.4%
Mitsubishi	-7.1%
Isuzu	+3.8%
Mazda	-15.7%

	Q-o-Q %
Ford	+2.8%
VW	-17.0%
BMW	+3.5%
Peugeot	-30.0%

Wait-and-see-new-model attitude from national car buyers

FY14 business update

- 3Q14 TIV 159.2K; -9% YoY. 9M14 TIV 492.3K; +1% YoY
- Defend existing Original Equipment (“OE”) & Replacement Equipment (“RE”) market share locally, whilst increasing overseas contributions to reduce dependency on domestic OE segment
- Pain moving down the supply chain, APM must continue to cost down
- Aim to build brand identity and develop product quality in order to expand regionally and globally
- Stay relevant by investing in R&D and select acquisitions carefully
- Ringgit weakness should benefit Dollar exports and encourage higher localisation (OEM) to reduce currency volatility

Update on McConnell Acquisition

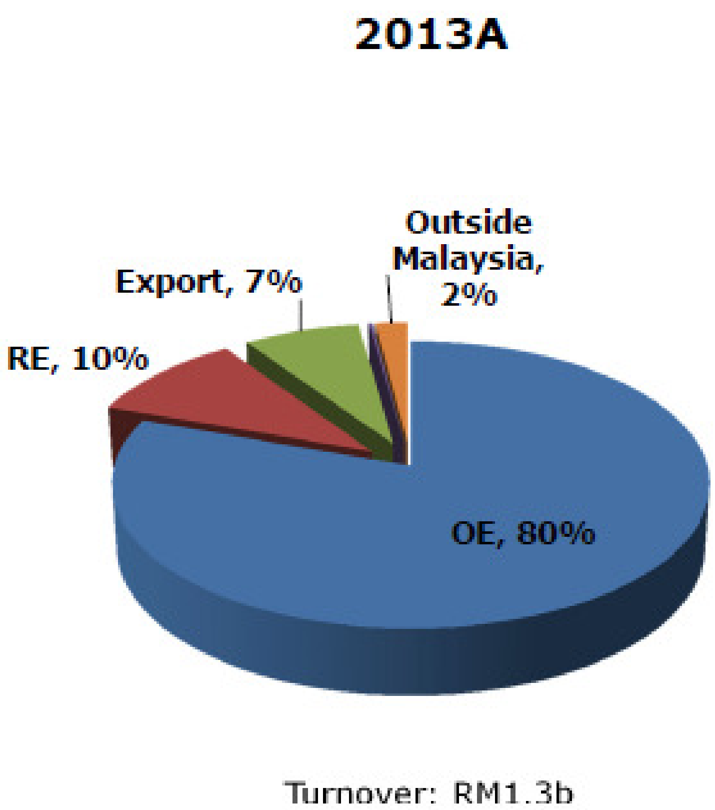
- Completed the acquisition from McConnell Seats Australia Pty Ltd on 1st Aug 14 for AU$4.7million (RM14 million) cash
- Created opportunities for the APM Group to leverage on the existing products and customer base of McConnell Australia
- Further strengthen the APM Group's existing market presence in Australia
- Improved the APM Group's overall Gross Profit Margin
- First time consolidation of 2 months in Q3'14, full quarterly result to be consolidated in Q4'14

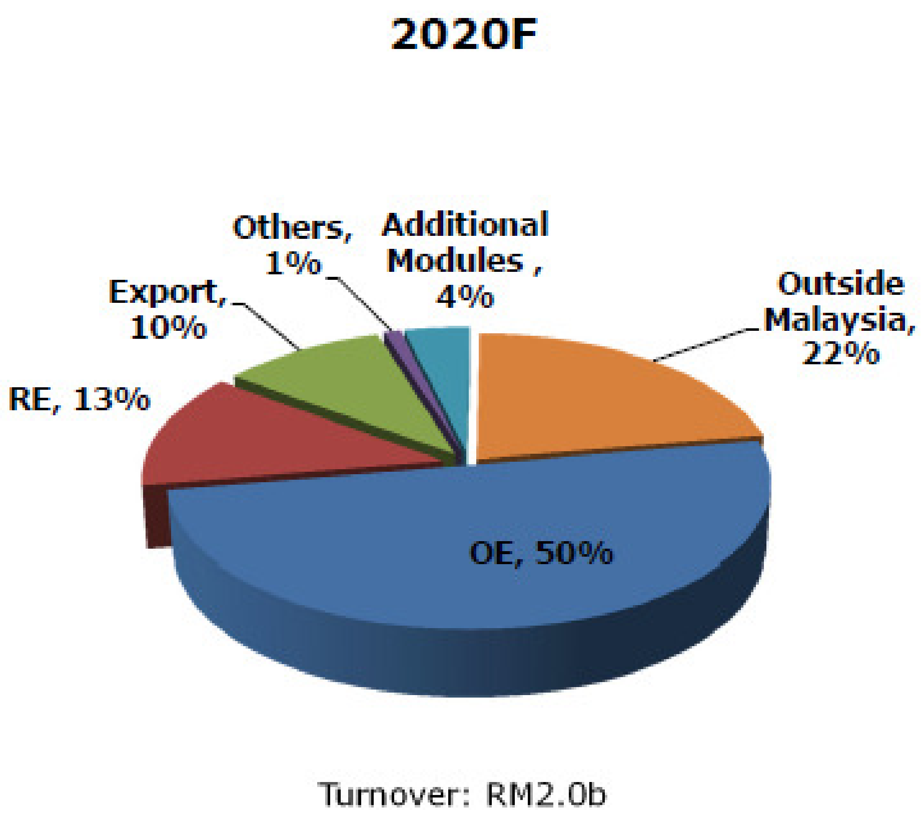
M&A Opportunities

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

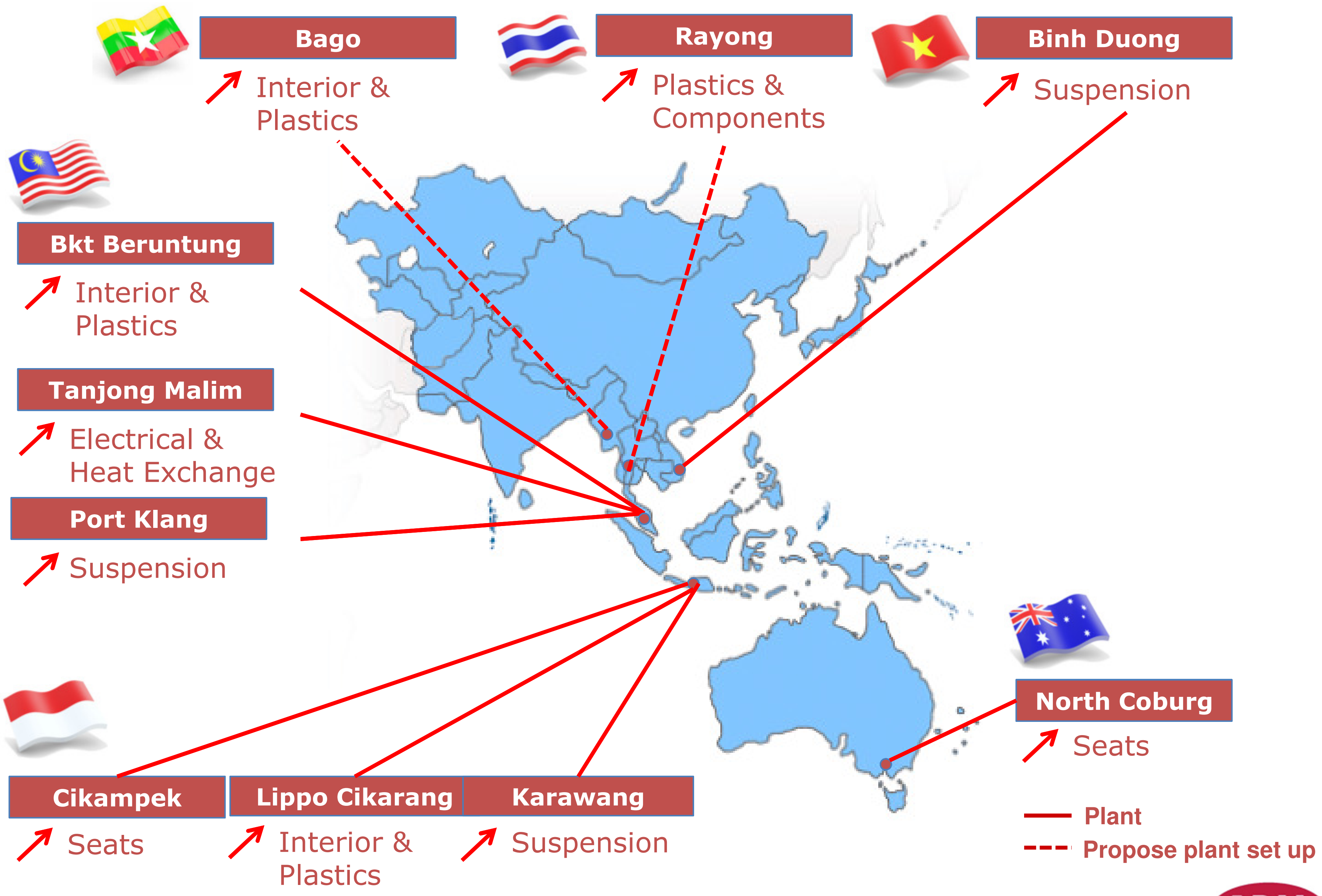
Sales Guidance through Balance & Diversity



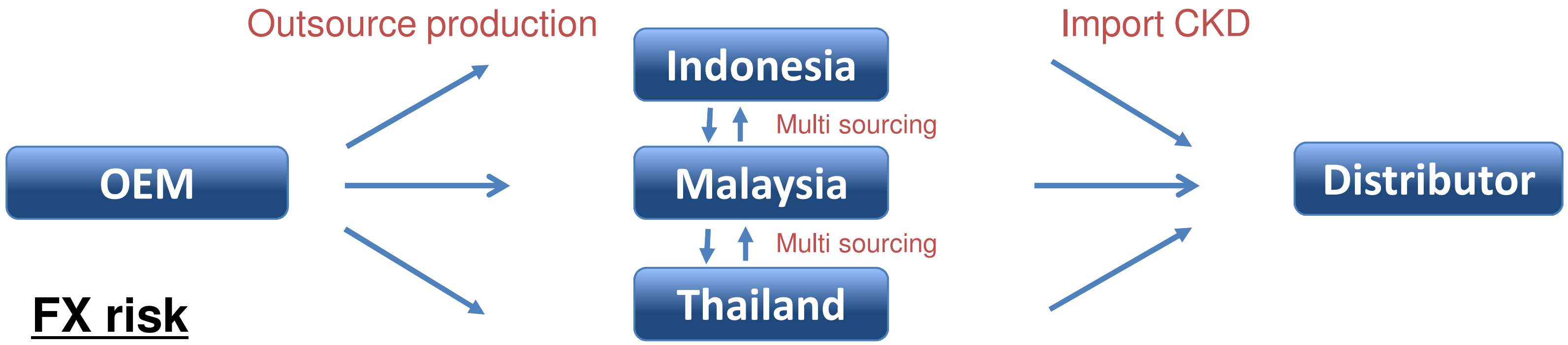


RM2b sales target (RM1b existing OE & RM1b exports, overseas & others)

Geographical Diversification



Dispersed Manufacturing Vs FX Volatility

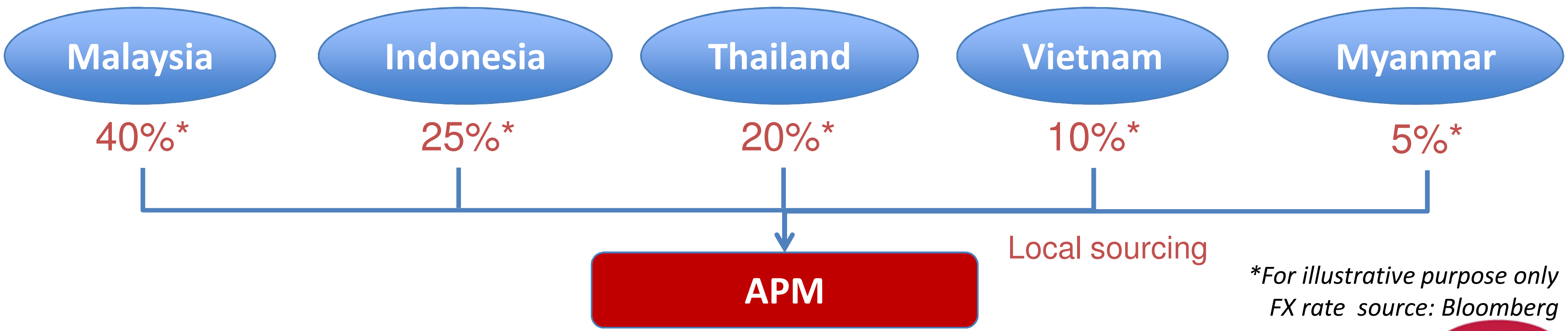


FX risk

JPY76 - 118	IDR9,000 – 12,200 MYR2.96 – 3.37 THB28.52 – 33.08	⟷	USD

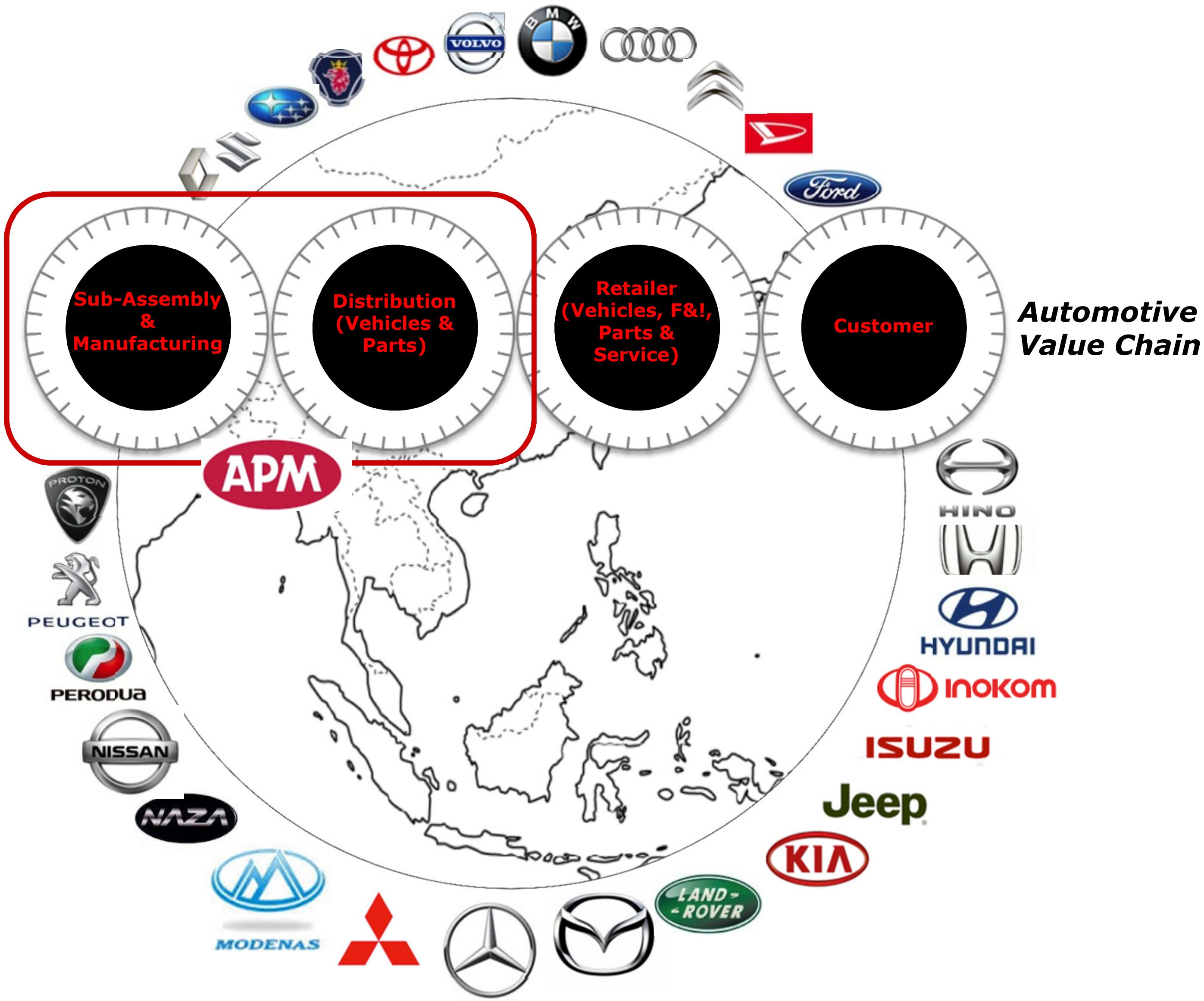
Trading range from
2012 to 2014

APM benefit from highly localized supply chains



**For illustrative purpose only*
FX rate source: Bloomberg

Integral Player within Local Automotive Eco-systems



Auto Cycle Investing

Global OEM

- Brand owner
- Patent rights
- Product development
- Technology provider

Cost Plus

High risk high return – product acceptance vs. model development cost

Localization Partner

- Manufacturing & assembly capability
- Parts supplier & integrator
- Ensure quality compliance
- Made to order. Guaranteed Off-taker

Cost Plus

High barriers to entry for CBU. Minimum local content. Optimal risk-adjusted returns.

Distributor

- Managing Principal Relationship
- Sourcing & Localization
- Quality assurance
- Managing sell-through process
- SSI
- Sales mgmt
- After-sales mgmt
- Inventory mgmt

Cyclical returns. Working capital risk. Margin volatility – boom-bust cycles (FX, Rates, GDP, π).

Consumers

APM

Thank You