

**Tan Chong  
Motor  
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.

## Business Review

# 1Q17 Sales Performance & Operation Review

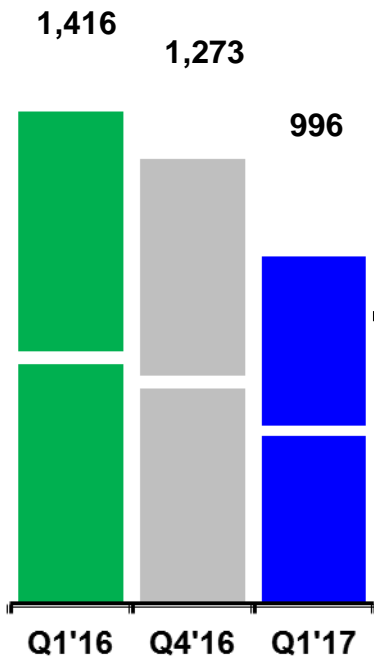
# Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y  
Q-o-Q

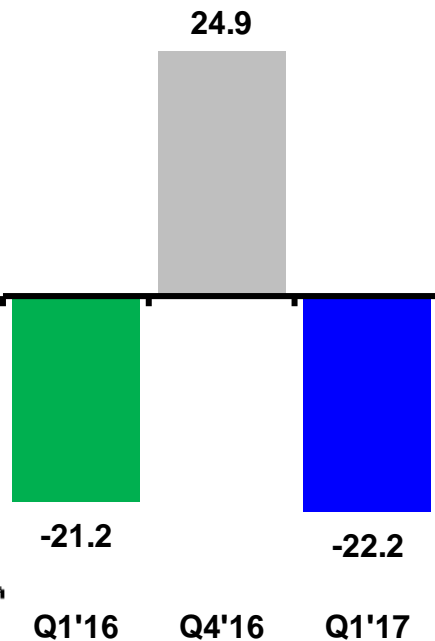
## Revenue

-29.7%  
-21.8%



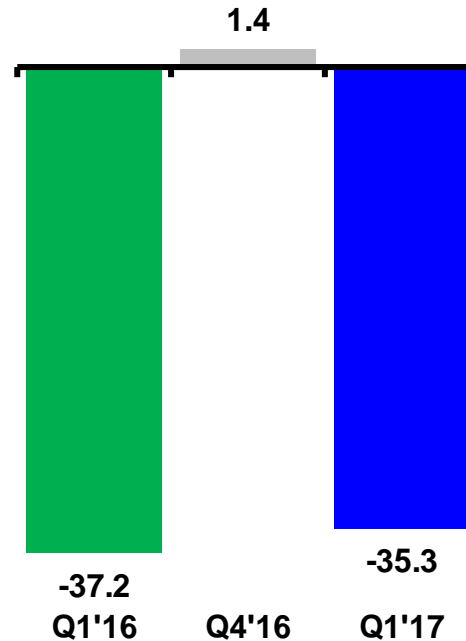
## Operating (Loss)/ Profit

4.6%  
(>100%)



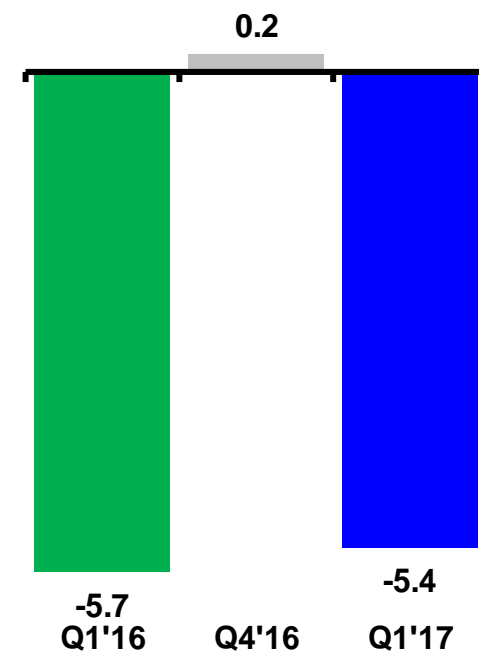
## Profit/ (Loss) Attributable to Owners of the Company

5.1%  
(>100%)



## Earning/ (Loss) Per Share (Sen)

5.1%  
(>100%)



# QoQ Financials Review

*In RM'000, unless stated otherwise*

	4Q16	1Q17	Changes
<b>Net Revenue</b>	<b>1,272,972</b>	<b>995,652</b>	<b>-21.8%</b>
<b>Operating Profit/ (Loss)</b>	<b>24,934</b>	<b>(22,195)</b>	<b>(&gt;100.0%)</b>
<b>Profit/(Loss) Before Tax</b>	<b>11,419</b>	<b>(35,543)</b>	<b>(&gt;100.0%)</b>
<b>Profit/ (Loss) Attributable to Owners of the Company</b>	<b>1,353</b>	<b>(35,322)</b>	<b>(&gt;100.0%)</b>
<b>Earnings/ (Loss) per Share (Sen)</b>	<b>0.21</b>	<b>(5.41)</b>	<b>(&gt;100.0%)</b>
<b>Shareholders' Fund</b>	<b>2,873,242</b>	<b>2,842,800</b>	<b>-1.1%</b>
<b>Net Asset per Share (RM)</b>	<b>4.40</b>	<b>4.36</b>	<b>-0.9%</b>

- Revenue reduced due to weak consumer demand and competitive trading environment.
- Profitability decreased due to slower demand in vehicles.

# YoY Financials Review

*In RM'000 , unless stated otherwise*

	31-Mac-16	31-Mac-17	Changes
<b>Revenue</b>	1,415,783	995,652	-29.7%
<b>Operating Loss</b>	(21,210)	(22,195)	-4.6%
<b>Loss Before Tax</b>	(36,744)	(35,543)	3.3%
<b>Loss After Tax</b>	(38,433)	(37,460)	2.5%
<b>Loss Attributable to Owners of the Company</b>	(37,208)	(35,322)	5.1%
<b>LPS (Sen)</b>	(5.7)	(5.41)	5.1%

- Revenue decreased YoY mainly due to slower demand in vehicles.

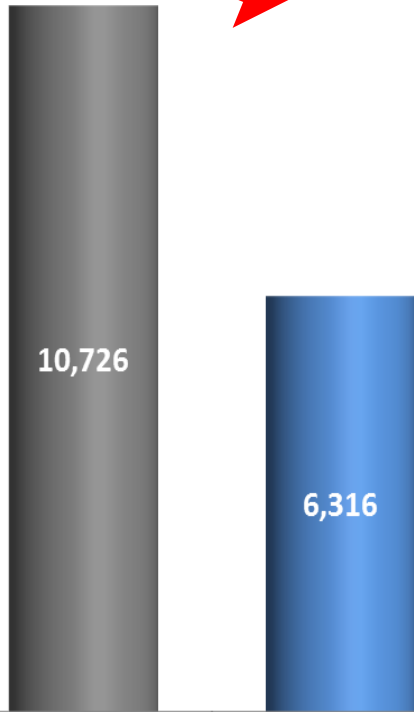
# Segmental Performance

<i><b>In RM'000</b></i>	<b>4Q16</b>	<b>1Q17</b>	<b>Change (%)</b>
<b>Sales</b>			
Automobiles	1,249,142	976,591	-21.8%
Financial services	20,997	16,806	-20.0%
Other operations	2,833	2,255	-20.4%
	<b>1,272,972</b>	<b>995,652</b>	<b>-21.8%</b>
<b>EBITDA</b>			
Automobiles	34,555	10,634	-69.2%
Financial services	9,610	6,491	-32.5%
Other operations	15,462	(1,094)	(>100.0%)
	<b>59,627</b>	<b>16,031</b>	<b>-73.1%</b>
<b>EBITDA margin</b>			
Automobiles	2.8%	1.1%	
Financial services	45.8%	38.6%	
Other operations	545.8%	-48.5%	
	<b>4.7%</b>	<b>1.6%</b>	

# Malaysia Sales Performance

**Q-o-Q**

**-41.1%**



4Q16

1Q17



**5,989 units**

**-42%**



UD TRUCKS

**184 units**

**-31%**



RENAULT

**139 units**

**+5%**

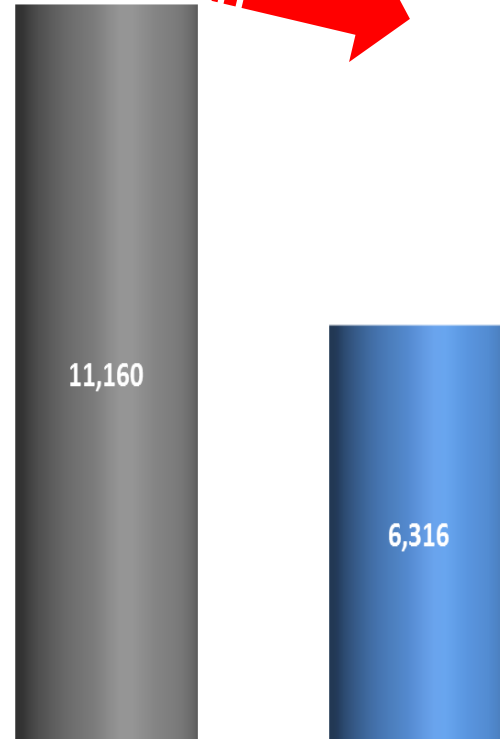


**4 units**

**-76%**

**Y-o-Y**

**-43.4%**



2016

2017



**5,989 units**

**-44%**



UD TRUCKS

**184 units**

**-21%**



RENAULT

**139 units**

**+28%**



**4 units**

**-91%**



# Malaysia Sales Performance (Cont'd)

## Malaysia

- **YoY -43.4% : Due to price increase hike and weak consumer demand.**
- **QoQ -41.1% : Due to aggressive year-end promotion campaign prior year and weak consumer demand.**
- **To compensate for new car sales, TCMH has been able to sell more trade-in used cars through MUV. (Sales unit: Q1'2015 – 653 units, Q1'2016 – 1,678 units, Q1'2017 – 1,500 units)**



# Top 5 manufacturers

**TIV**

**Q-o-Q**

**-13.0%**

161,795

140,839

4Q16

1Q17

**Y-o-Y**

**+7.3%**

131,267

140,839

3M'16

3M'17

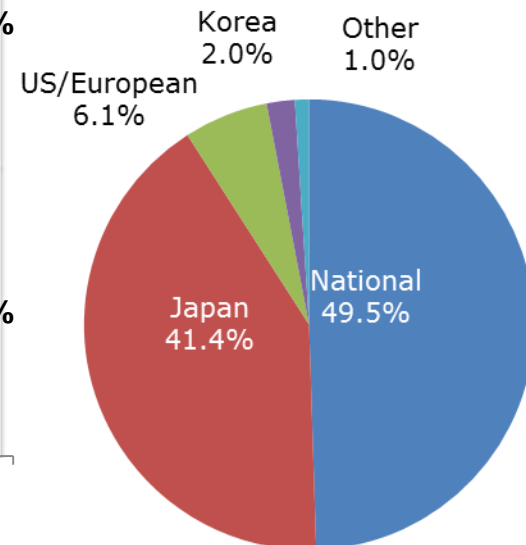
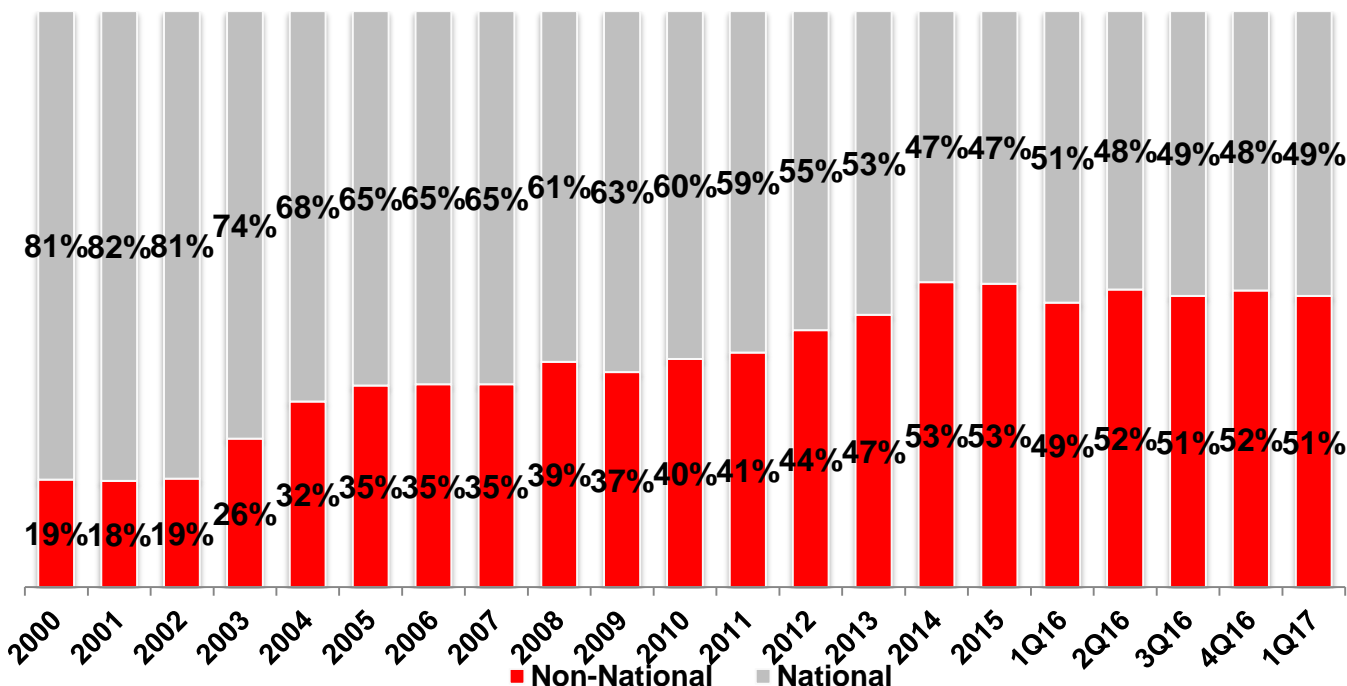
## Top 5 manufacturers

	Units			Market Share		
	1Q'17	4Q'16	Changes	1Q'17	4Q'16	2017
<b>Perodua</b>	50,265	56,221	-10.6%	35.7%	34.7%	35.7%
<b>Proton</b>	19,376	22,199	-12.7%	13.8%	13.7%	13.8%
<b>Honda</b>	27,283	28,568	-4.5%	19.4%	17.7%	19.4%
<b>Toyota</b>	16,503	19,237	-14.2%	11.7%	11.9%	11.7%
<b>Nissan</b>	5,989	10,308	-41.9%	4.3%	6.4%	4.3%

Source: MAA

# National brands regaining market share

1Q'17



	Q-o-Q %
Perodua	-10.6%
Proton	-12.7%

	Q-o-Q %
Toyota	-14.2%
<b>Nissan</b>	<b>-41.9%</b>
Honda	-4.5%
Mitsubishi	-19.2%
Isuzu	-27.7%
Mazda	-13.6%

	Q-o-Q %
Ford	-21.1%
VW	+78.6%
BMW	-20.3%
Mercedes	+5.8%

# Indochina Sales Performance

**Q-o-Q**

**-31%**



**1,109 units  
-44%**

**Vietnam**



**106 units  
+96%**

**Laos**



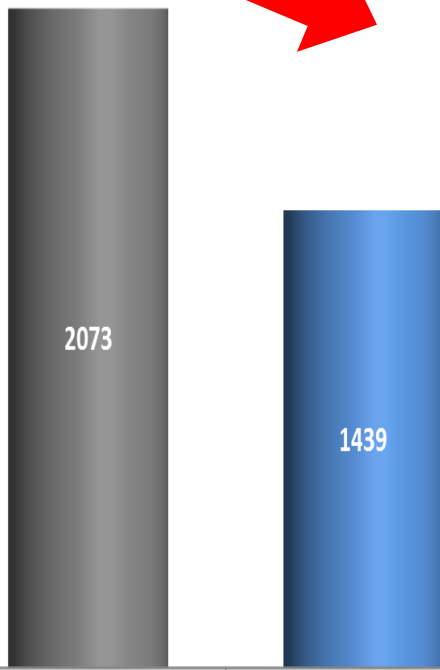
**49 unit  
>100%**

**Cambodia**



**175 units  
>100%**

**Myanmar**



4Q'16

1Q'17

**Y-o-Y**

**+75%**



**1,109 units  
+55%**

**Vietnam**



**106 units  
+34%**

**Laos**



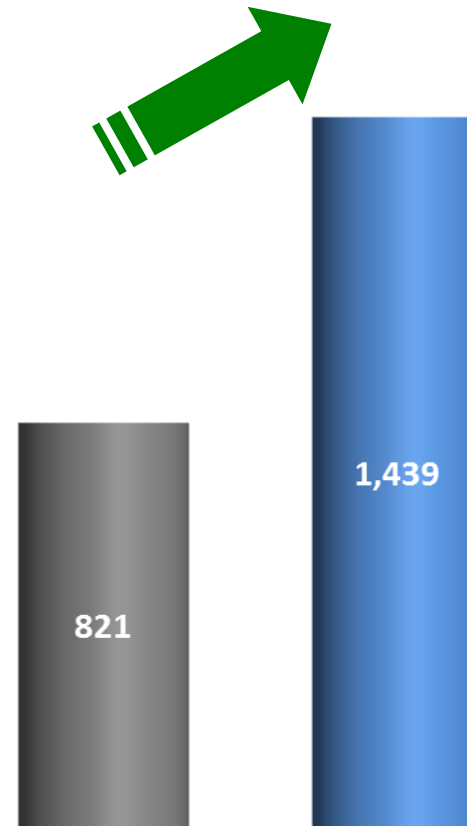
**49 units  
>100%**

**Cambodia**



**175 units  
>100%**

**Myanmar**



2016

2017

*Ytd Sales*

# Indochina Sales Performance (Cont'd)

## Indochina

- Y-o-Y, sales in Indochina increased by 75% due to launch of new X-trail in Vietnam and new SKD Sunny in Myanmar.
- Lower unit sales Q-o-Q in Vietnam was due to reduced in demand for Navara due to aggressive year end promotion last year.
- Danang assembly plant still impacted by negative production variances.
- TC Motorcycle Vietnam which has exclusive distribution of Kawasaki is profitable with scalable potential. (Sales units: Q1 2017 – 398 units, Q4 2016 – 385 units)

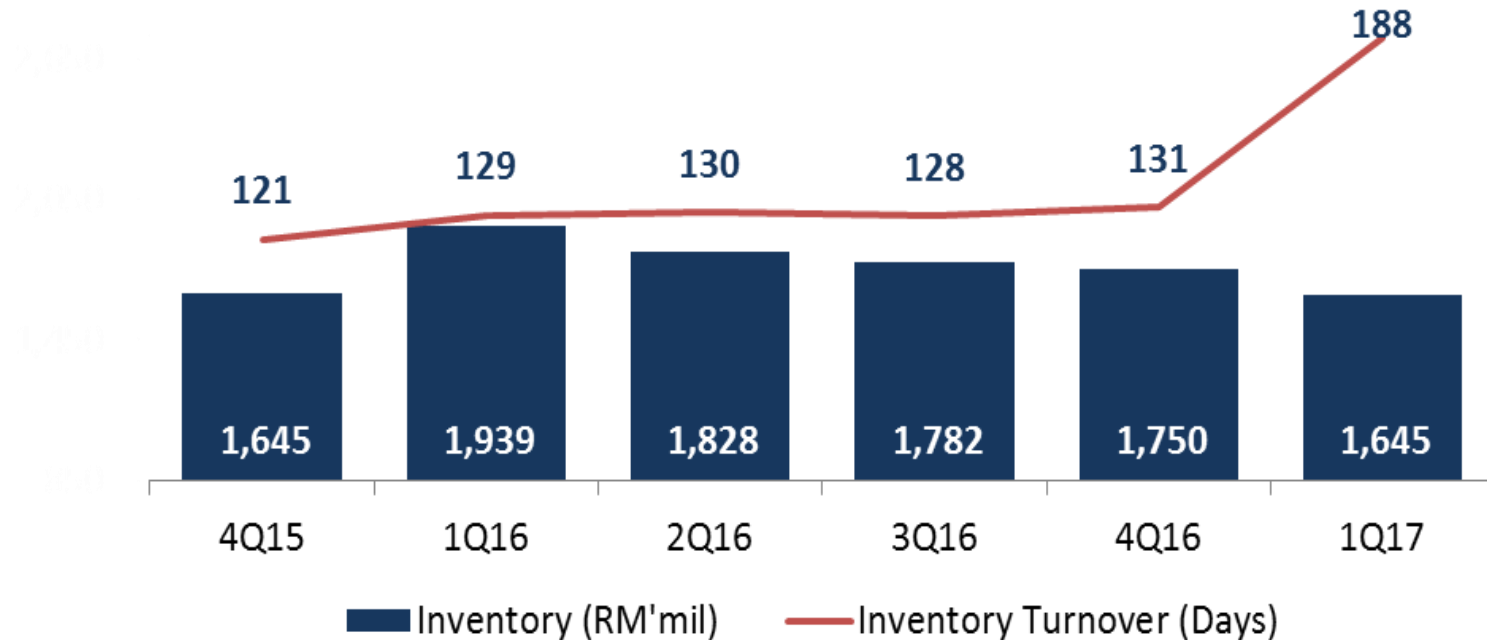


**Business Review**

**1Q17 Sales Performance & Operation Review**

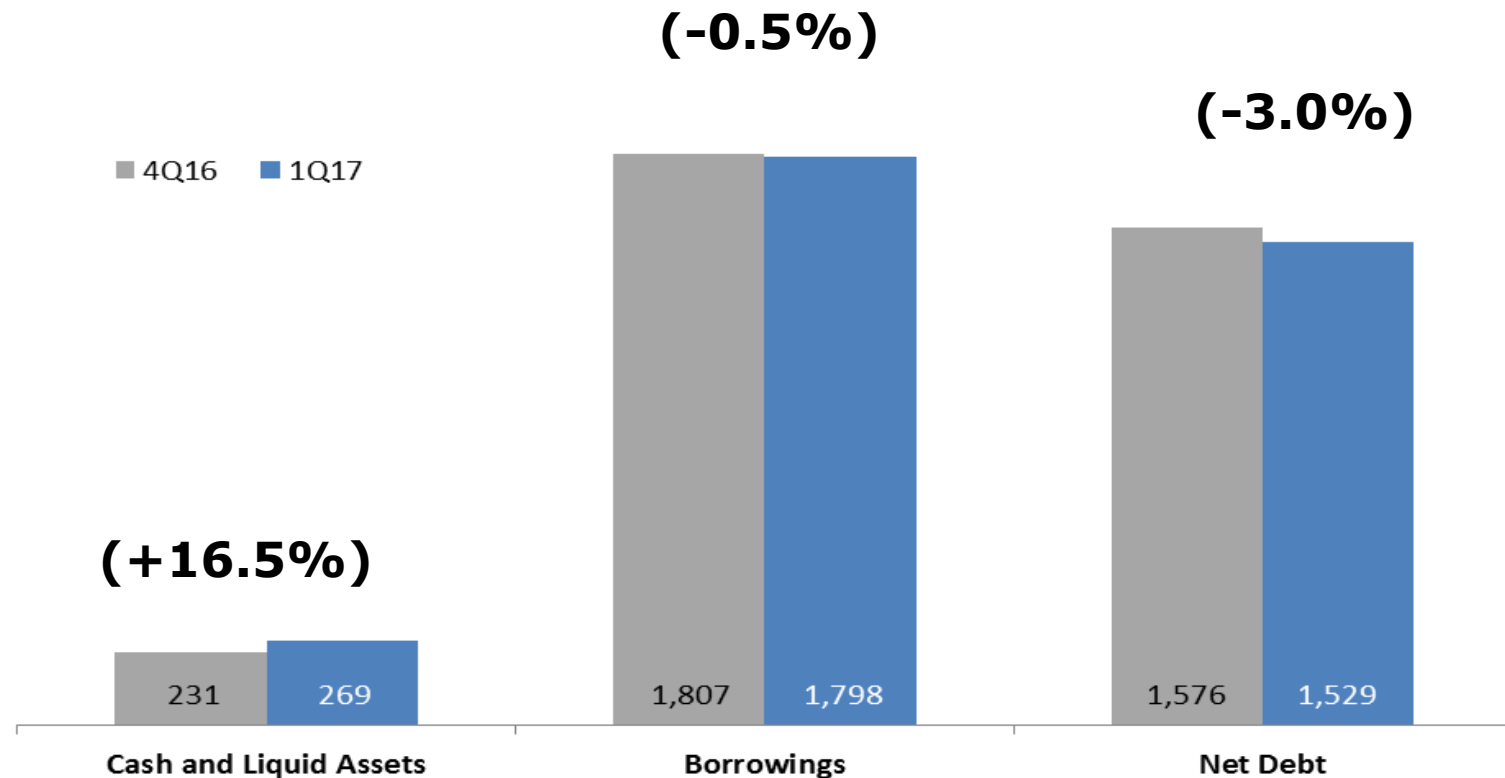
**Appendices**

# Inventory Management



- Significant increase in turnover days was due to weak consumer demand and competitive trading environment.

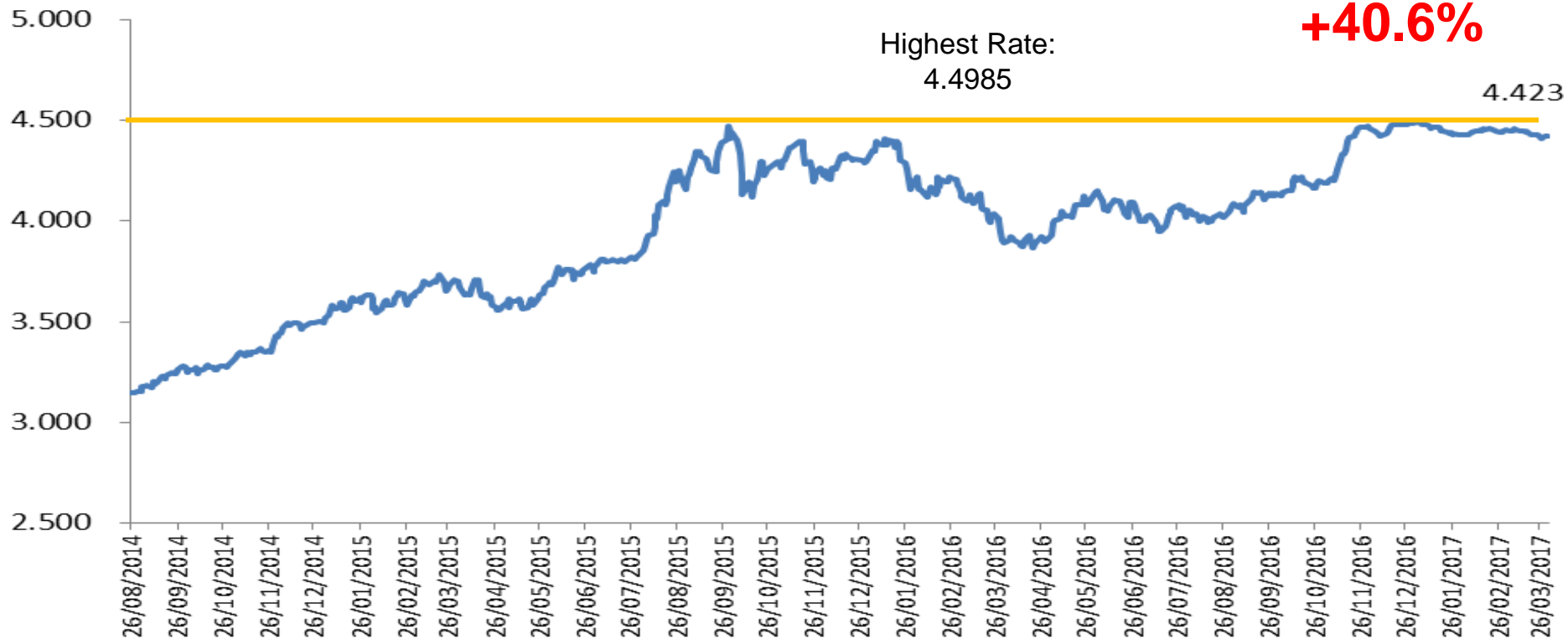
## Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment of loan arising from cash inflow generated from stocks clearance.
- Net gearing stood at 53.8%.



# Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar fluctuated and devalued towards the last year end. It remains consistent and is stable since then.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

