



**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2015 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.

# New Product Launch



Model	OTR without insurance
Infiniti Q70 2.5	RM295,000
Infiniti Q70 3.7	RM375,000

## Business Review

# 2Q15 Sales Performance & Operation Review

# Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y  
Q-o-Q

Revenue

Operating  
Profit

Profit  
Attributable to  
Owners of the  
Parent

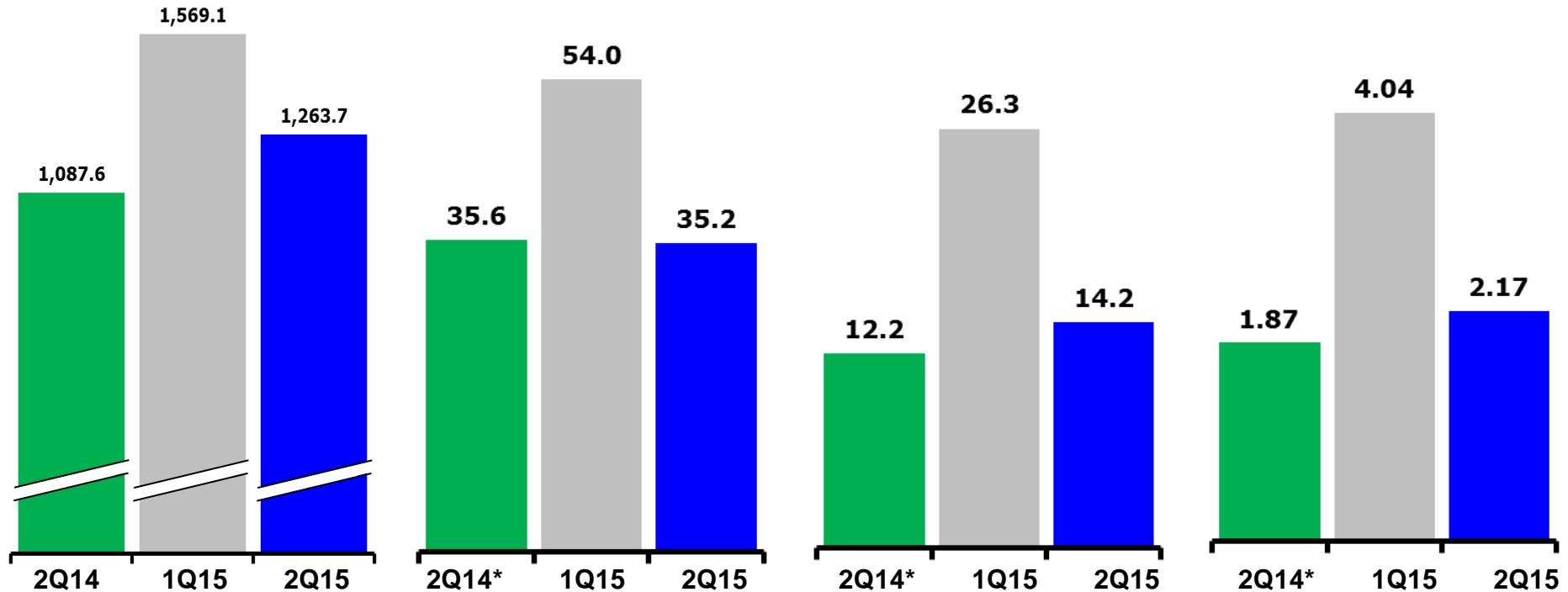
EPS  
(Sen)

+16.2%  
-19.5%

-1.0%  
-34.7%

+16.0%  
-46.3%

+16.1%  
-46.3%



\* After adjustment to exclude the write-back of USD16.98mil made in NVL for import duties provision.

# 2Q15 Financials Review

*In RM'000, unless stated otherwise*

	1Q15	2Q15
<b>Net Revenue</b>	<b>1,569,060</b>	<b>1,263,668</b>
<b>Operating Profit</b>	<b>53,980</b>	<b>35,223</b>
<b>Profit Before Tax</b>	<b>43,778</b>	<b>22,848</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>26,348</b>	<b>14,159</b>
<b>Earnings per Share (Sen)</b>	<b>4.04</b>	<b>2.17</b>
<b>Shareholders' Fund</b>	<b>2,780,388</b>	<b>2,778,651</b>
<b>Net Asset per Share (RM)</b>	<b>4.26</b>	<b>4.26</b>

- Q-o-Q, revenue decreased by 19.5% post GST implementation.
- Weakening of MYR eroded profitability.

# 1H15 Financials Review

*In RM'000 , unless stated otherwise*

	1H14*	1H15	Changes
<b>Revenue</b>	2,347,744	2,832,728	+20.7%
<b>Operating Profit</b>	106,795	89,203	-16.5%
<b>Profit Before Tax</b>	89,018	66,626	-25.2%
<b>Profit After Tax</b>	52,148	38,866	-25.5%
<b>Profit Attributable to Owners of the Parent</b>	53,678	40,507	-24.5%
<b>EPS (Sen)</b>	8.22	6.21	-24.5%

- **Higher vehicle sales sold during the sales promotion campaigns.**
- **Lower profit was attributable to the higher CKD kits cost arising from unfavourable foreign exchange rate and aggressive sales promotion campaigns costs.**
- **The Group will continue to focus on driving sales and maintaining market share.**

*\* After adjustment to exclude the write-back of USD16.98mil made in NVL for import duties provision.*

# Segmental Performance

<i>In RM'000</i>	1Q15	2Q15	Change (%)
<b>External revenue</b>			
Automobiles	1,550,387	1,248,272	-19.5%
Financial services	14,374	13,059	-9.1%
Other operations	4,299	2,337	-45.6%
	<b>1,569,060</b>	<b>1,263,668</b>	<b>-19.5%</b>
<b>EBITDA</b>			
Automobiles	73,271	55,060	-24.9%
Financial services	7,100	6,027	-15.1%
Other operations	5,593	8,160	+45.9%
	<b>85,964</b>	<b>69,247</b>	<b>-19.4%</b>
<b>EBITDA margin</b>			
Automobiles	4.7%	4.4%	
Financial services	49.4%	46.2%	
Other operations	130.1%	349.2%	
	<b>5.5%</b>	<b>5.5%</b>	



# Malaysia Sales Performance

**Q-o-Q**

**-24.0%**



13,739

10,440

1Q'15

2Q'15



10,068 units

-24%



261 units

-28%



86 units

-2%

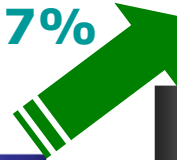


25 units

-60%

**Y-o-Y**

**+8.7%**



22,237

24,179

2Q'14

2Q'15



23,294 units

+9%



623 units

-4%



174 units

+135%



88 units

+76%

# Malaysia Sales Performance (Cont'd)

## Malaysia

- **Nissan sales picked up 9% Y-o-Y on the back of new launches of Almera Facelift and new X-Trail.**
- **Q-o-Q sales dropped on all brands due to the implementation of GST.**
- **GST impact as well as concerns over domestic and global economic outlook will continue to weigh on the consumers' spending.**



# Top 5 manufacturers

**TIV**

**Q-o-Q**

**-8.6%**

168,306

1Q'15

153,878

2Q'15

**Y-o-Y**

**-3.3%**

333,142

2Q'14

322,184

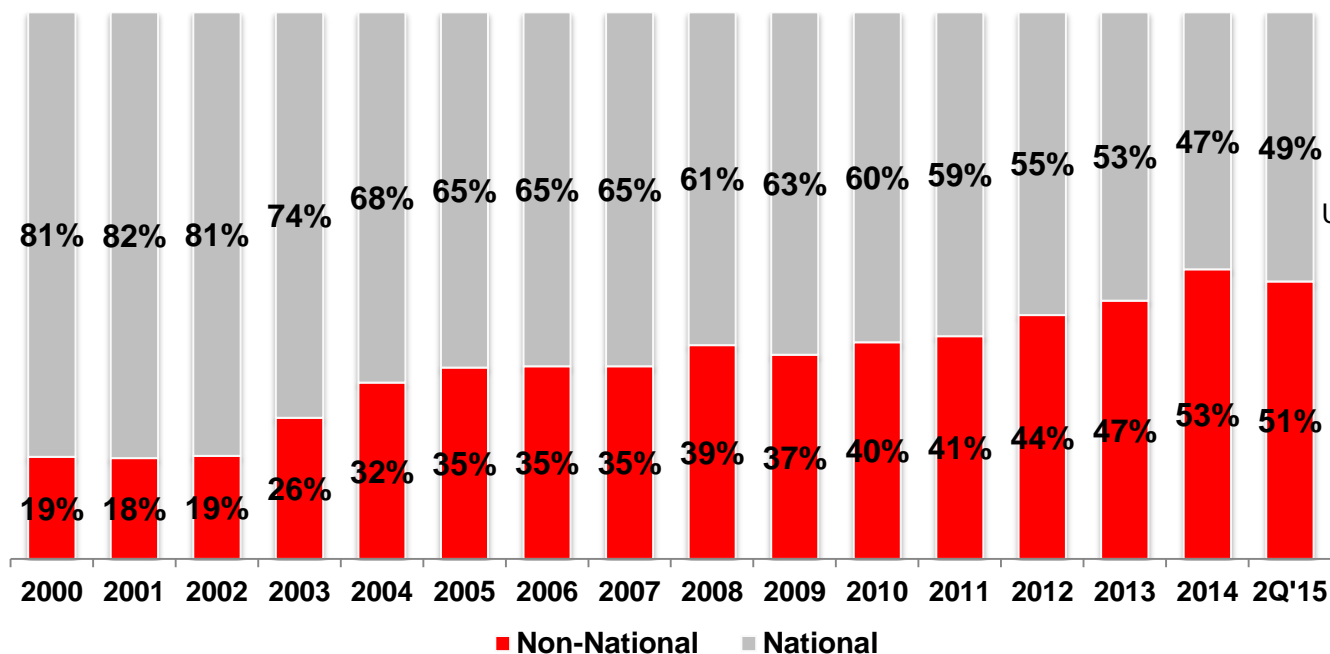
2Q'15

## Top 5 manufacturers

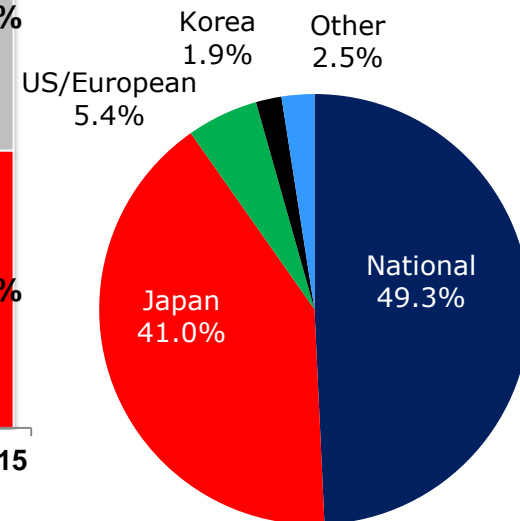
	Units			Market Share		
	2Q'15	1Q'15	Changes	2Q'15	1Q'15	FY'14
<b>Perodua</b>	51,349	57,153	-10.2%	33.4%	34.0%	29.3%
<b>Proton</b>	22,524	27,682	-18.6%	14.6%	16.4%	17.4%
<b>Honda</b>	21,451	22,145	-3.1%	13.9%	13.2%	11.6%
<b>Toyota</b>	22,555	16,241	+38.9%	14.7%	9.6%	15.3%
<b>Nissan</b>	10,068	13,226	-23.9%	6.5%	7.9%	7.0%

Source: MAA

# National brands regaining market share



2Q'15



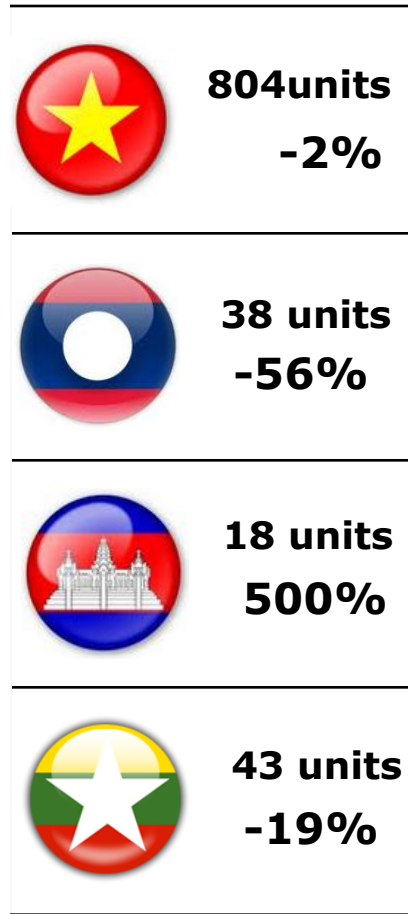
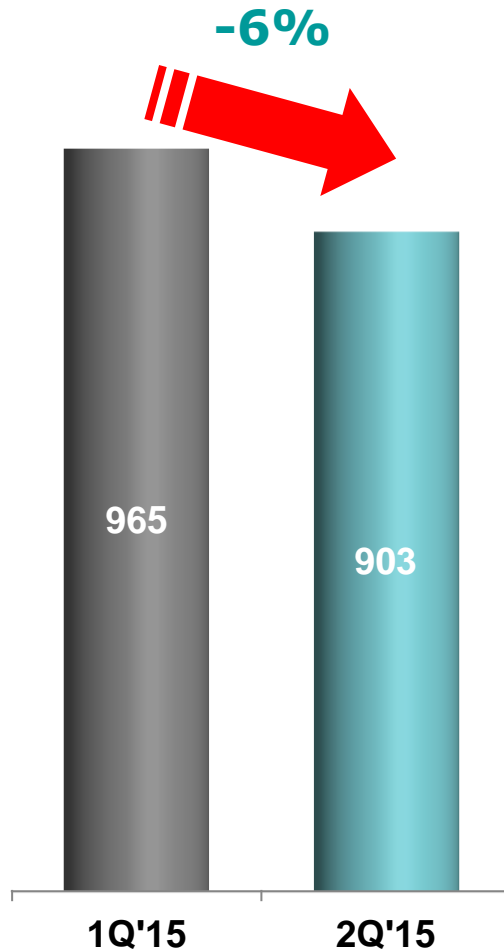
	Q-o-Q %
Perodua	-10.2%
Proton	-18.6%

	Q-o-Q %
Toyota	+38.9%
<b>Nissan</b>	<b>-23.9%</b>
Honda	-3.1%
Mitsubishi	-44.8%
Isuzu	-1.9%
Mazda	-4.8%

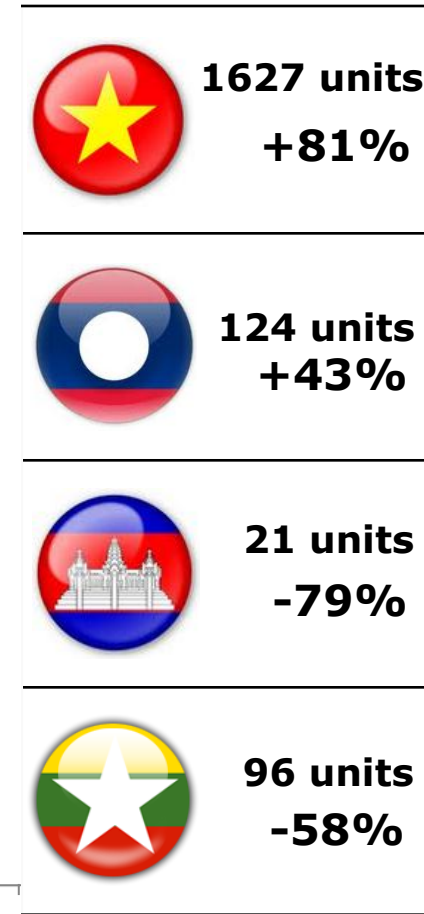
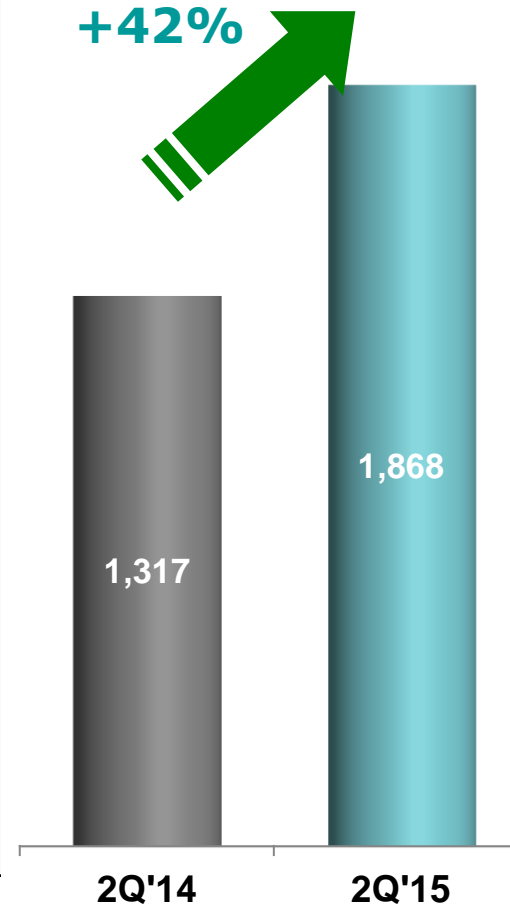
	Q-o-Q %
Ford	-56.3%
VW	+12.1%
BMW	+26.3%
Peugeot	-30.7%

# Indochina Sales Performance

**Q-o-Q**



**Y-o-Y**



*Ytd Sales*

# Indochina Sales Performance (Cont'd)

## Indochina

- Y-o-Y, sales in Indochina increased 42% after resolution of Import Duty issues in Vietnam.
- Lower unit sales Q-o-Q seen in Laos as buyers waited for anticipated launch of new model.
- The overseas assembly plant operation is impacted by negative production variances.

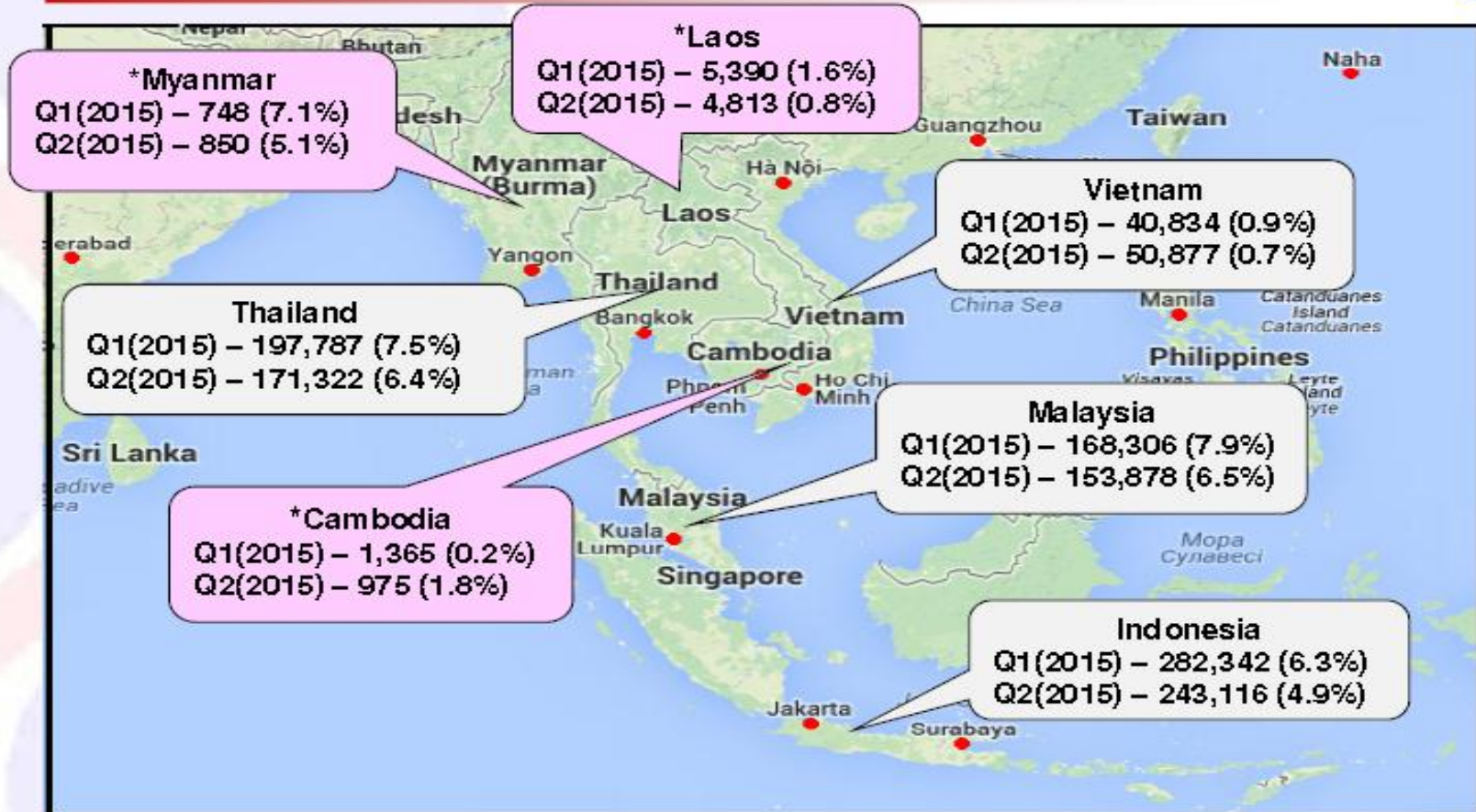




# Nissan Penetration in the Region



## Total Industry Volume By Country



\* Management best estimate, no official TIV

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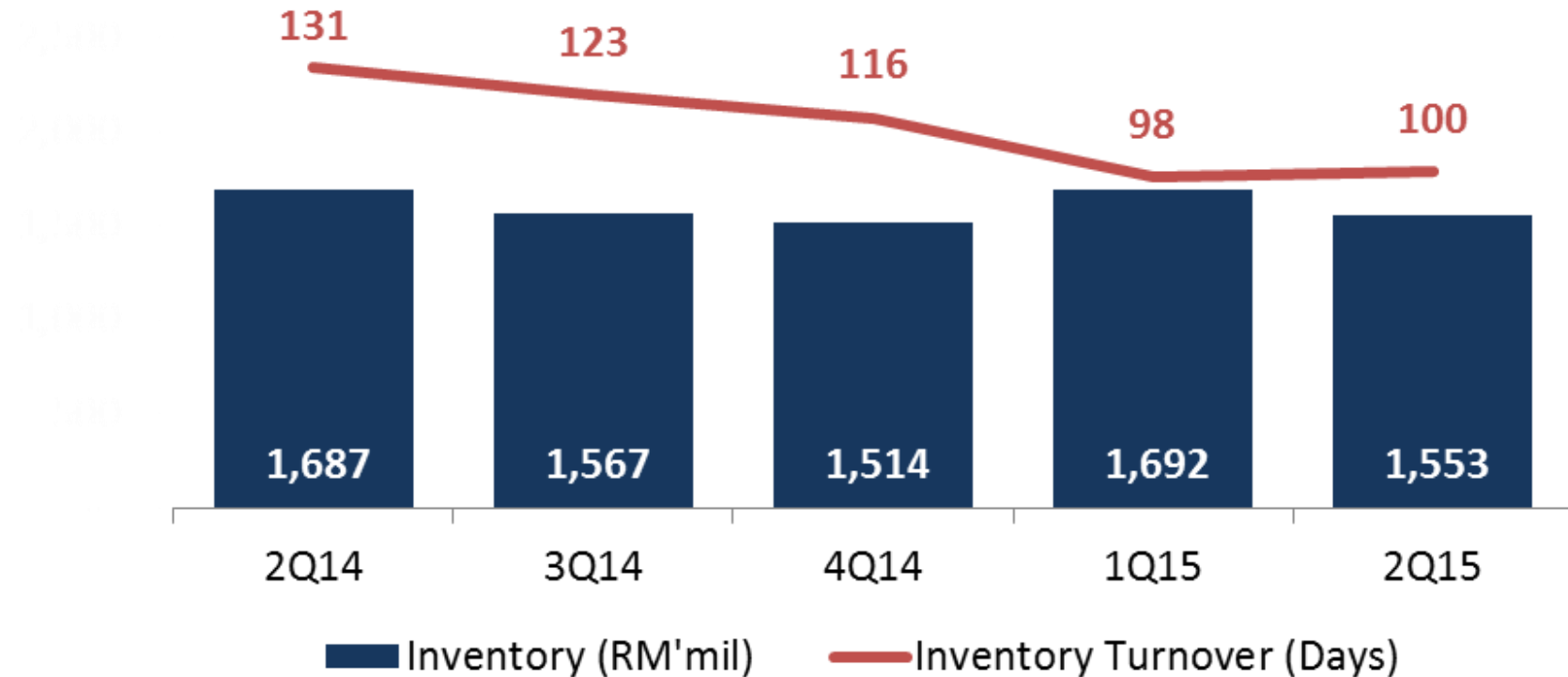
**Business Review**

**2Q15 Sales Performance & Operation Review**

**Appendices**

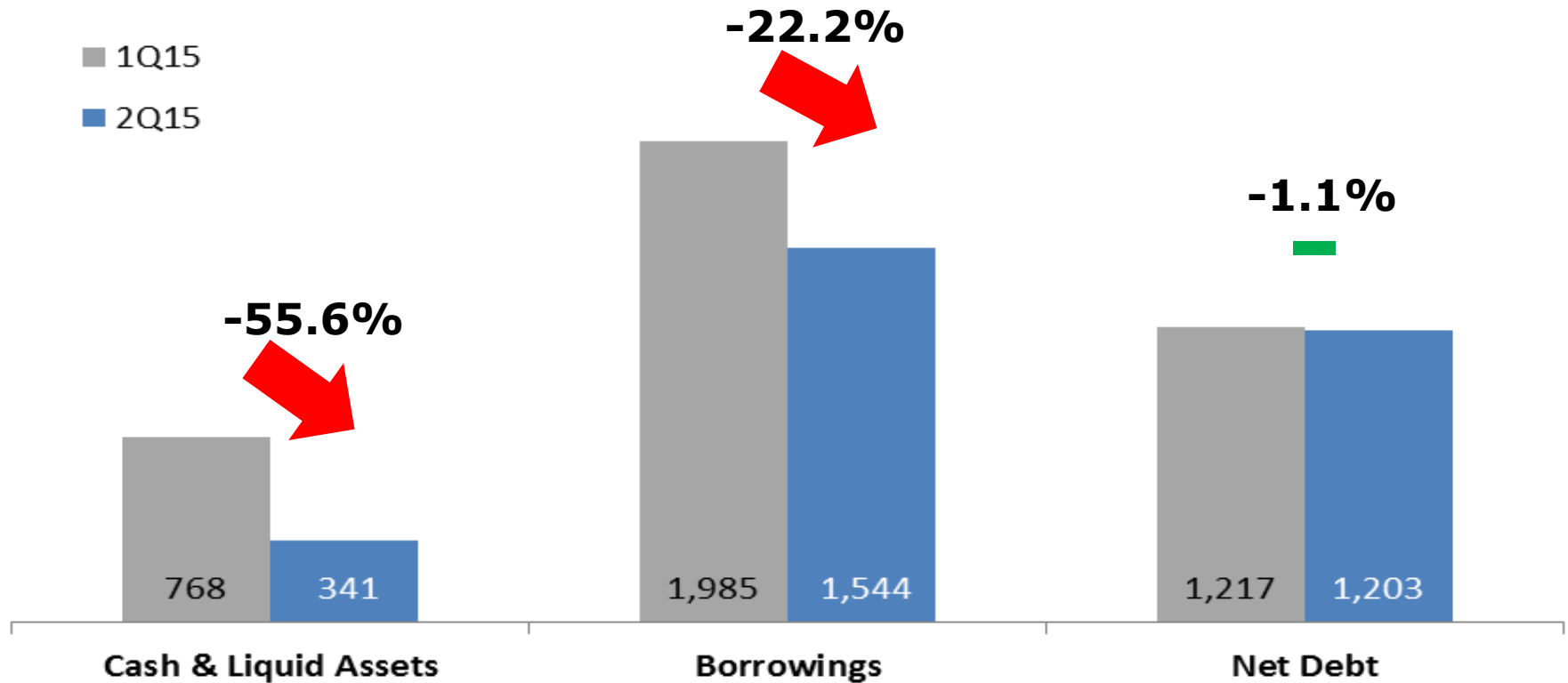


# Inventory Management



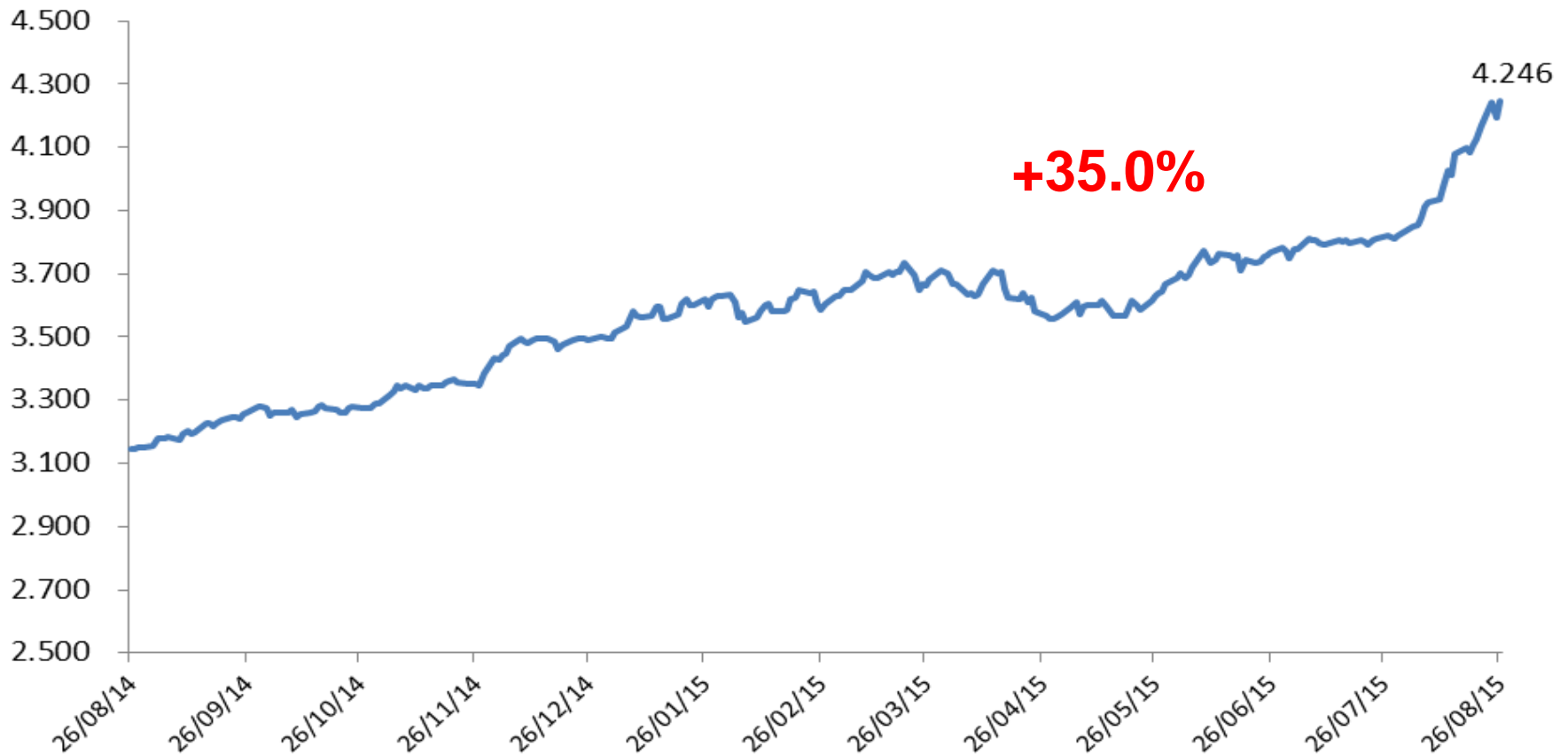
- **Front loaded in 1Q15 and taper off in 2Q15 – 4Q15**
- **Limit CKD import order until existing stocks cleared and inventory level brought down**

## Cash Balance & Borrowings (RM'mil)



- Excess cash was used to pare down borrowings.
- Net gearing stood at 43.8%.

# Foreign Exchange Management



- **We will take diligent steps to monitor the foreign currency risk and continues to forward hedge on any weakness in the USD.**

Source: Bloomberg

**Thank you**



**Thank You**