

**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2019 Second-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.

# New Product Launch



## All-New Nissan LEAF Official Price

OTR Price without Insurance

RM188,888

*\* For Peninsular Malaysia*

## All-New Nissan LEAF Subscription Program

3 Years Contract

RM 3,500/month

*\* For Peninsular Malaysia only, without insurance*

## Business Review

# 2Q19 Sales Performance & Operation Review

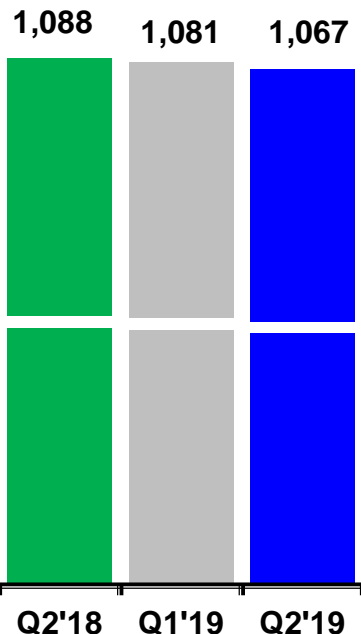
# Key Performance Indicators

(RM'million, unless otherwise stated)

Y-o-Y  
Q-o-Q

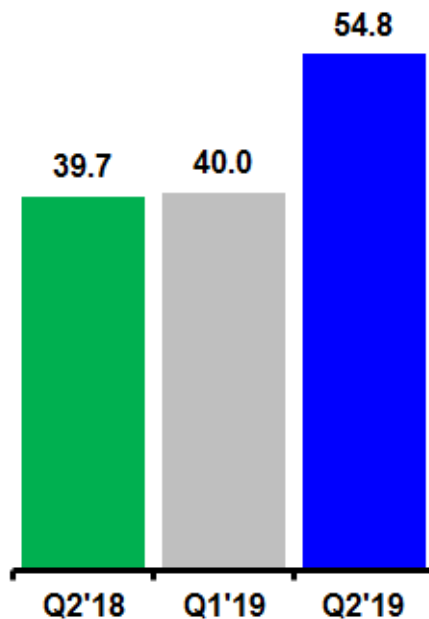
## Revenue

-2.0%  
-1.3%



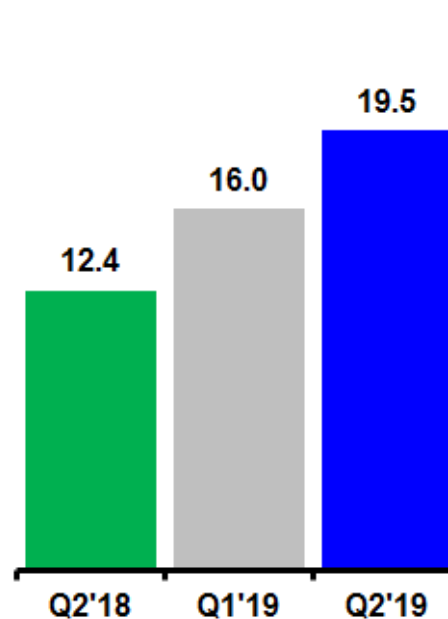
## Operating Profit

38.1%  
36.8%



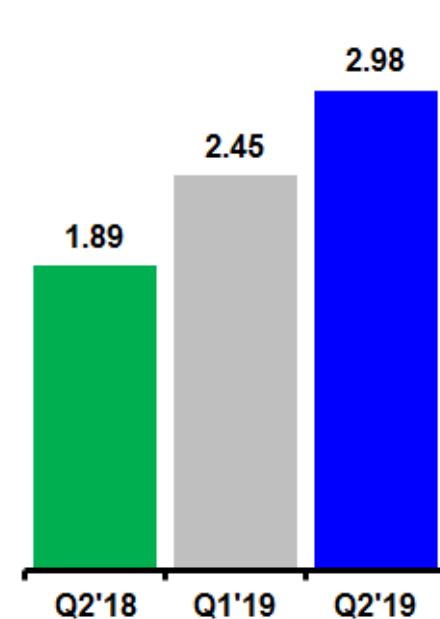
## Profit Attributable to Owners of the Company

57.1%  
21.6%



## Earning Per Share (Sen)

57.7%  
21.6%



# QoQ Financials Review

*In RM'000, unless stated otherwise*

	1Q19	2Q19	Changes
<b>Net Revenue</b>	<b>1,080,605</b>	<b>1,066,674</b>	<b>-1.3%</b>
<b>Operating Profit</b>	<b>40,042</b>	<b>54,768</b>	<b>36.8%</b>
<b>Profit Before Tax</b>	<b>29,727</b>	<b>40,807</b>	<b>37.3%</b>
<b>Profit Attributable to Owners of the Company</b>	<b>15,981</b>	<b>19,428</b>	<b>21.6%</b>
<b>Earnings per Share (Sen)</b>	<b>2.45</b>	<b>2.98</b>	<b>21.6%</b>
<b>Shareholders' Fund</b>	<b>2,858,248</b>	<b>2,857,123</b>	<b>0.0%</b>
<b>Net Asset per Share (RM)</b>	<b>4.38</b>	<b>4.38</b>	<b>0.0%</b>

- Revenue decreased due to stiff competition in the automotive market.
- Profitability improved due to better margins.

# YoY Financials Review

<i>In RM'000 , unless stated otherwise</i>	30-Jun-18	30-Jun-19	Changes
<b>Revenue</b>	2,122,934	2,147,279	1.1%
<b>Operating Profit</b>	63,295	94,810	49.8%
<b>Profit Before Tax</b>	38,266	70,534	84.3%
<b>Profit After Tax</b>	11,955	36,269	203.4%
<b>Profit Attributable to Owners of the Company</b>	16,615	35,409	113.1%
<b>EPS (Sen)</b>	2.55	5.43	112.9%

- For YoY, Revenue & Profitability improved due to higher sales and better sales mix due to the new models were launched in Malaysia and overseas market.

# Segmental Performance

<i>In RM'000</i>	1H18	1H19	Change (%)
<b>Sales</b>			
Automobiles	2,069,853	2,096,615	1.3%
Financial services	47,370	43,337	-8.5%
Other operations	5,711	7,327	28.3%
	<b>2,122,934</b>	<b>2,147,279</b>	<b>1.1%</b>
<b>EBITDA</b>			
Automobiles	101,827	149,554	46.9%
Financial services	12,367	12,820	3.7%
Other operations	8,908	2,838	-68.1%
	<b>123,102</b>	<b>165,212</b>	<b>34.2%</b>
<b>EBITDA margin</b>			
Automobiles	4.9%	7.1%	
Financial services	26.1%	29.6%	
Other operations	156.0%	38.7%	
	<b>5.8%</b>	<b>7.7%</b>	



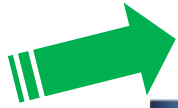
# Geographical Performance

<i>In RM'000</i>	1H18	1H19	Change (%)
<b>Sales</b>			
Malaysia	1,787,042	1,618,516	-9.4%
Vietnam	225,588	342,679	51.9%
Others	110,304	186,084	68.7%
	<b>2,122,934</b>	<b>2,147,279</b>	<b>1.1%</b>
<b>EBITDA</b>			
Malaysia	128,462	159,791	24.4%
Vietnam	(12,986)	(9,445)	-27.3%
Others	7,626	14,866	94.9%
	<b>123,102</b>	<b>165,212</b>	<b>34.2%</b>
<b>EBITDA margin</b>			
Malaysia	7.2%	9.9%	
Vietnam	-5.8%	-2.8%	
Others	6.9%	8.0%	
	<b>5.8%</b>	<b>7.7%</b>	

# Malaysia Sales Performance

**Q-o-Q**

**+1.6%**



5,531

1Q19

5,622

2Q19



**5,217 units**  
**+1%**



UD TRUCKS

**101 units**  
**+33%**



RENAULT

**302 units**  
**+5%**



**2 units**  
**0%**

**Y-o-Y**

**-12.0%**



12,681

2018

11,153

2019



**10,383 units**  
**-13%**



UD TRUCKS

**177 units**  
**-46%**



RENAULT

**589 units**  
**+42%**



**4 units**  
**-69%**

# Malaysia Sales Performance (Cont'd)

## Malaysia

- **YoY -12.0% : Due to competitive business environment.**
- **QoQ +1.6%: Due to Raya sales and launching of new facelifted Nissan X-Trail in April'19.**



# Top 5 manufacturers

**TIV**

**Q-o-Q**

**+7.1%**

143,064

153,270

1Q19

2Q19

**Y-o-Y**

**+2.3%**

289,714

296,334

2018

2019

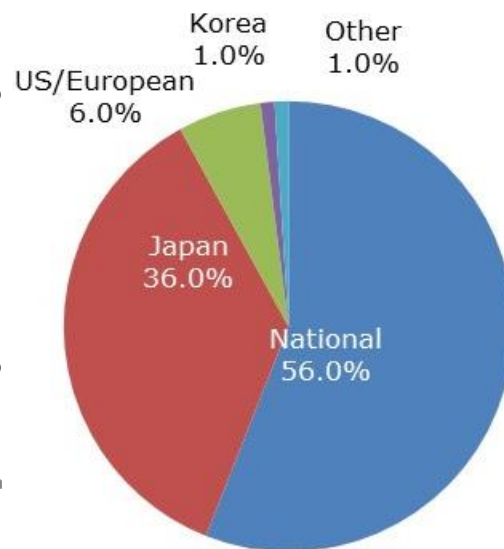
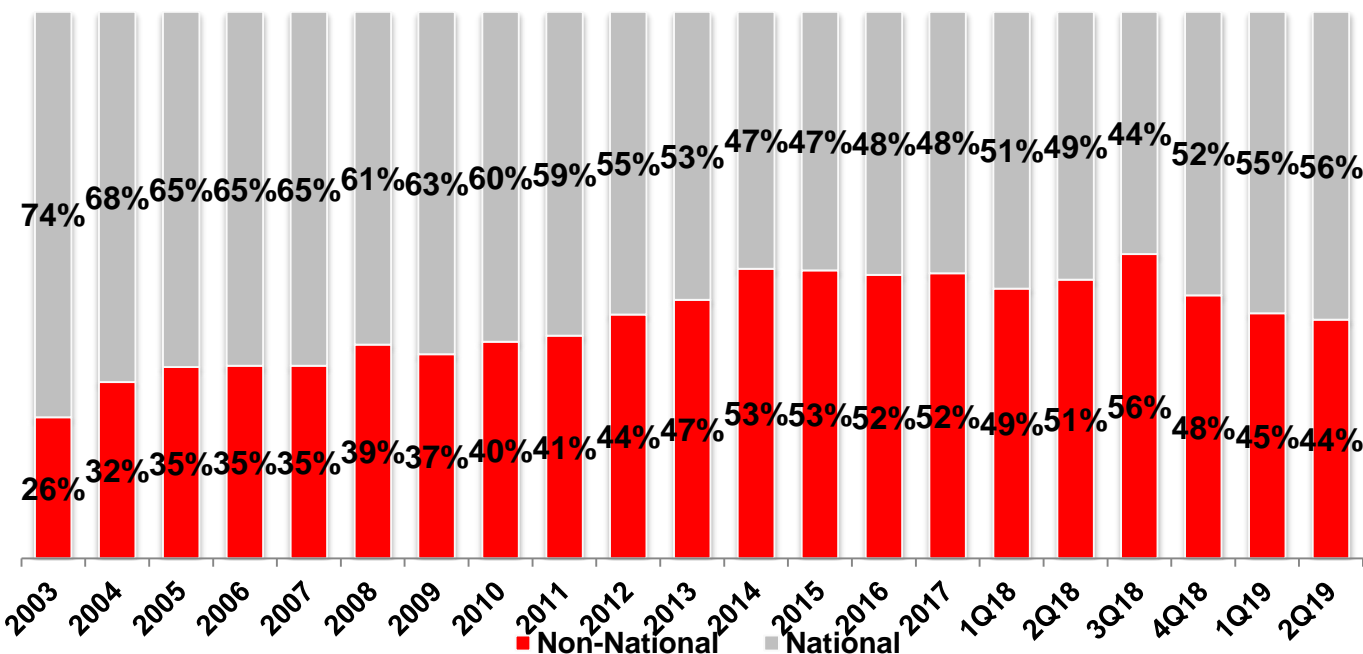
## Top 5 manufacturers

	Units			Market Share		
	2Q'19	1Q'19	Changes	2Q'19	1Q'19	2019
<b>Perodua</b>	61,123	60,659	+0.8%	39.9%	42.4%	41.1%
<b>Proton</b>	25,237	18,281	+38.1%	16.5%	12.8%	14.7%
<b>Honda</b>	22,070	22,190	-0.5%	14.4%	15.5%	14.9%
<b>Toyota</b>	17,529	13,722	+27.7%	11.4%	9.6%	10.5%
<b>Nissan</b>	5,217	5,166	+1.0%	3.4%	3.6%	3.5%

Source: MAA

# National brands regaining market share

2Q'19



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

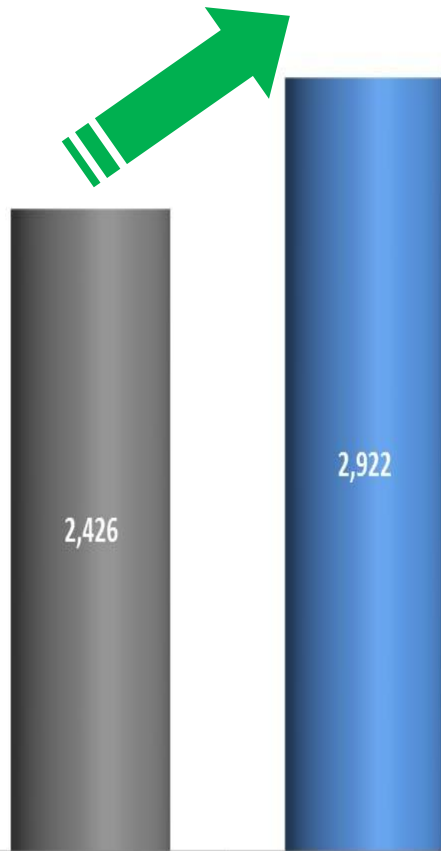
	Q-o-Q %
Toyota	27.7%
<b>Nissan</b>	<b>1.0%</b>
Honda	-0.5%
Mitsubishi	-13.6%
Isuzu	17.3%
Mazda	-4.0%

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

# Indochina Sales Performance

**Q-o-Q**

**+20%**



**2,333 units  
+46%**

**Vietnam**



**165 units  
-24%**

**Laos**



**170 units  
-3%**

**Cambodia**

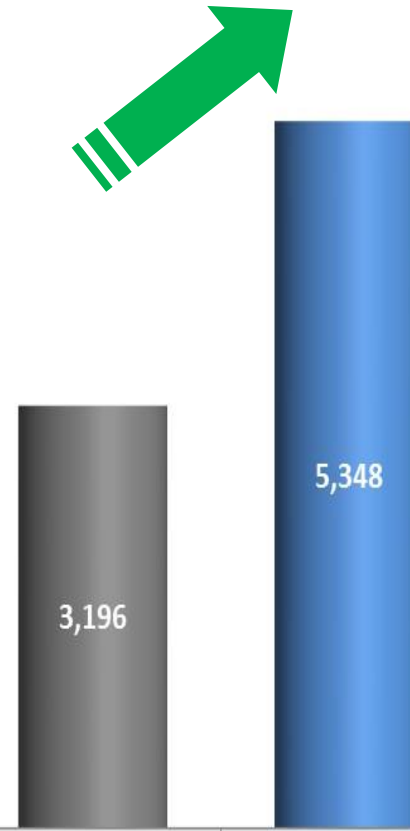


**254 units  
-41%**

**Myanmar**

**Y-o-Y**

**+67%**



**3,933 units  
+75%**

**Vietnam**



**383 units  
+31%**

**Laos**



**346 units  
+59%**

**Cambodia**



**686 units  
+57%**

**Myanmar**

*Ytd Sales*

# Indochina Sales Performance (Cont'd)

## Indochina

- Y-o-Y, sales in Indochina increased by 67% was due to the overall improvement in sales.
- Q-o-Q, sales in Indochina increased by 20% was due to the higher sales in Vietnam.



**Business Review**

**2Q19 Sales Performance & Operation Review**

**Appendices**

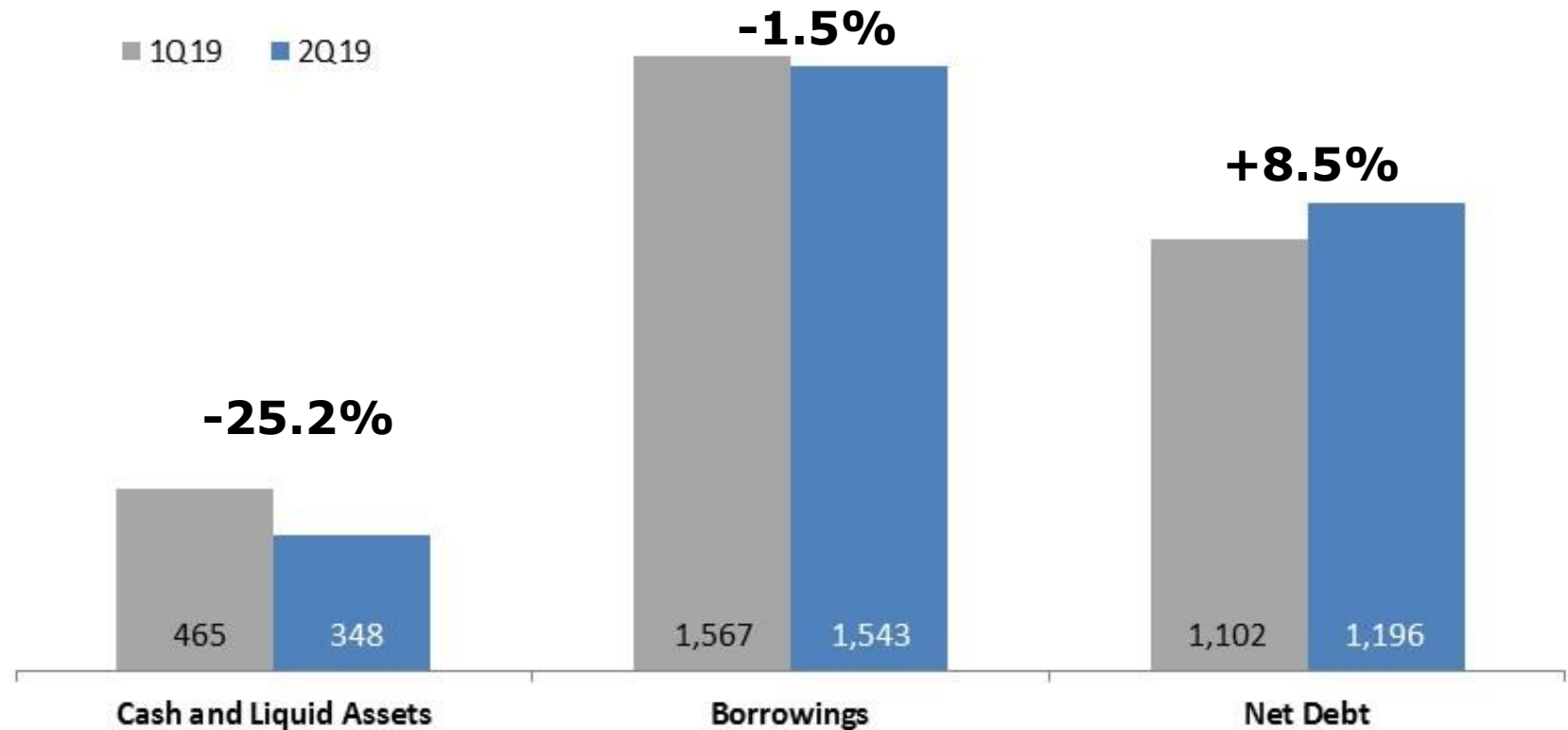


# Inventory Management



- Turnover days increased due to competitive business environment.
- Stock-up for new facelifted X-Trail.

## Cash Balance & Borrowings (RM'mil)



- Total borrowings slightly decreased due to repayment made during the quarter.
- Net gearing stood at 41.8% as at 30 June 2019.

# Foreign Exchange Management



Source: Bloomberg

- Ringgit vs U.S. Dollar fluctuates during the year due to US-China trade wars and uncertainties in Malaysia's economy.
- We will take diligent steps to monitor the foreign currency risk and continue to exercise our hedging activities.

Thank you

