



**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2014 Third-Quarter Financial Results**

**27 Nov 2014**



## 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.

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## **Business Review**

3Q14 Sales Performance & Operation Review

Appendices

# New Product Launches



Model	OTR with insurance
Serena S-Hybrid 2.0L Highway Star	RM138,800
Serena S-Hybrid 2.0L Premium Highway Star	RM149,500

## New Product Launches (*Cont'd*)



Model	OTR with insurance
NV350 Urvan	RM109,800

# New Product Launches (*Cont'd*)



Model	OTR without insurance
Infiniti Q50 2.0t GT	RM248,800
Infiniti Q50 2.0t GT Premium	RM278,800

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Business Review

**3Q14 Sales Performance & Operation Review**

Appendices

# Key Performance Indicators

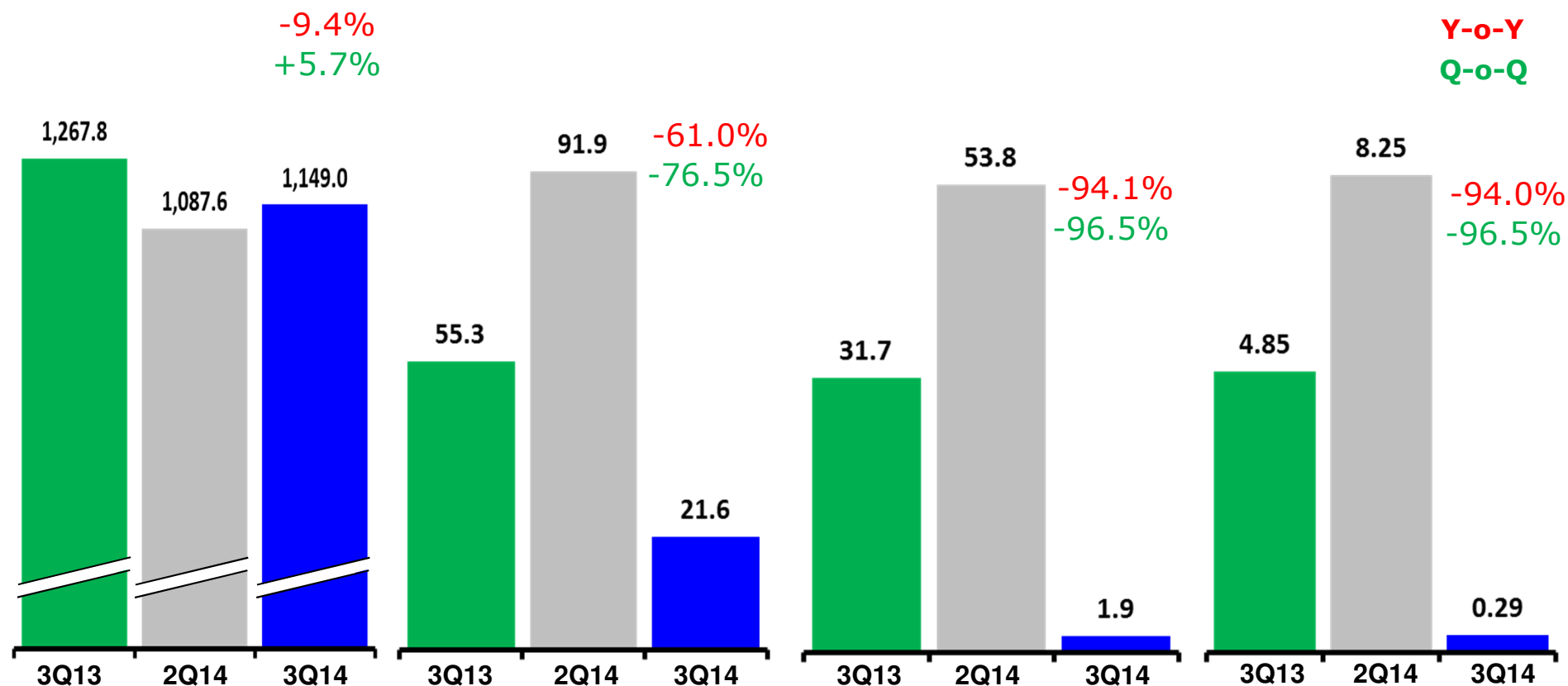
(RM 'million)

**Revenue**

**Operating Profit**

**Profit  
Attributable to  
Owners of the  
Parent**

**Earnings  
Per Share  
(Sen)**





# 3Q14 Financials Review

<i>In RM'000, unless stated otherwise</i>	3Q14^	2Q14*	3Q14	2Q14
	Before Extraordinary Item		After Extraordinary Item	
<b>Net Revenue</b>	<b>1,149,006</b>	<b>1,087,551</b>	<b>1,149,006</b>	<b>1,087,551</b>
<b>Operating Profit</b>	<b>36,566</b>	<b>35,590</b>	<b>21,566</b>	<b>91,858</b>
<b>Profit Before Tax</b>	<b>25,186</b>	<b>25,088</b>	<b>10,186</b>	<b>81,356</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>13,120</b>	<b>12,203</b>	<b>1,870</b>	<b>53,842</b>
<b>Earnings per Share (Sen)</b>	<b>2.01</b>	<b>1.87</b>	<b>0.29</b>	<b>8.25</b>
<b>Shareholders' Fund</b>	<b>2,760,320</b>	<b>2,724,832</b>	<b>2,749,070</b>	<b>2,766,471</b>
<b>Net Asset per Share (RM)</b>	<b>4.23</b>	<b>4.17</b>	<b>4.21</b>	<b>4.24</b>

- Q-o-Q top line increased by 5.6% on the back of a volume push.
- Before EI profit trend maintained, however margins fell due to increased variable marketing expenditure.

*\* a write-back of USD16.98mil or RM56.27mil made in NVL for import duties provision .  
^one off provision of aging NVL stock amounting USD4.55mil or RM15mil in current quarter.*

# 9M14 Financials Review

<i>In RM'000 , unless stated otherwise</i>	30-Sep-14	30-Sep-13	Changes
<b>Revenue</b>	3,496,750	3,844,742	-9.1%
<b>Operating Profit</b>	184,629	280,509	-34.2%
<b>Profit Before Tax</b>	155,472	264,412	-41.2%
<b>Profit After Tax</b>	111,409	168,343	-33.8%
<b>Profit Attributable to Owners of the Parent</b>	97,186	183,113	-46.9%
<b>EPS (Sen)</b>	14.89	28.05	-46.9%

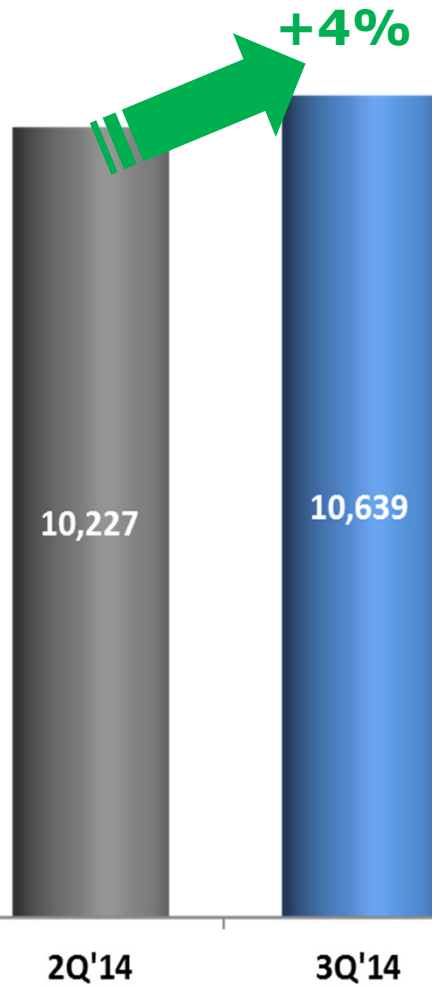
- Year on year (Y-o-Y), top line fell by 9.1%, due to loss of domestic market share in the Malaysia B Segment, where our key volume driver is.
- Profit margin was sacrificed to sustain market share and to lower inventory level.
- The Group has taken steps to cut CKD orders, operating and capital expenditure.

# Segmental Performance

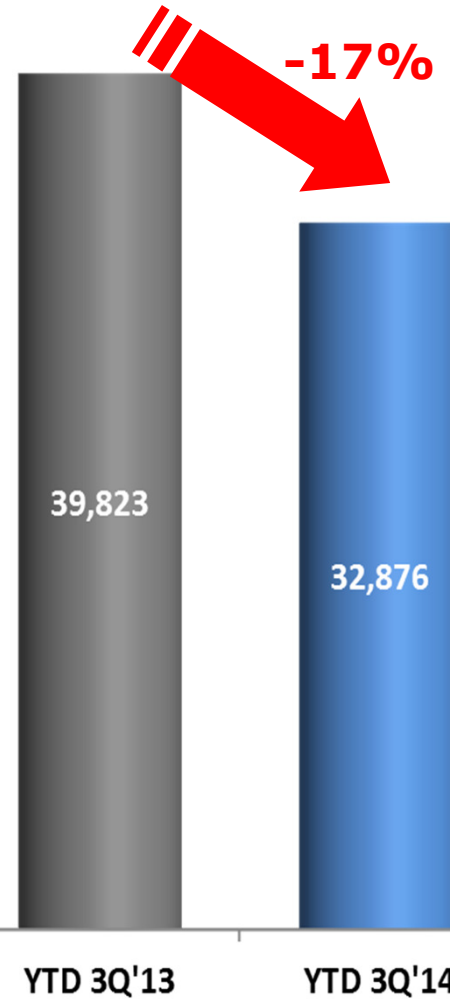
<i>In RM'000</i>	3Q14	2Q14	Change (%)
<b>Sales</b>			
Automobiles	1,132,406	1,072,062	+5.6%
Financial services	13,743	12,940	+6.2%
Other operations	2,857	2,549	+12.1%
	<b>1,149,006</b>	<b>1,087,551</b>	<b>+5.7%</b>
<b>EBITDA</b>			
Automobiles	44,359	122,397	-63.8%
- Before Extraordinary Item	59,359	66,129	-10.2%
Financial services	4,395	3,220	+36.5%
Other operations	2,366	334	+608.4%
	<b>51,120</b>	<b>125,951</b>	<b>-59.4%</b>
<b>EBITDA margin</b>			
Automobiles	3.9%	11.4%	
- Before Extraordinary Item	5.2%	6.2%	
Financial services	32.0%	24.9%	
Other operations	82.8%	13.1%	
	<b>4.4%</b>	<b>11.6%</b>	





# Malaysia Sales Performance





**Q-o-Q**



**Y-o-Y**



	10,141 units +3%
 UD TRUCKS	355 units +12%
 RENAULT	92 units +67%
	51 units +219%

	31,606 units -18%
 UD TRUCKS	1,003 units +4%
 RENAULT	166 units +435%
	101 units +68%

*Ytd Sales*

# Malaysia Sales Performance (Cont'd)

## Malaysia

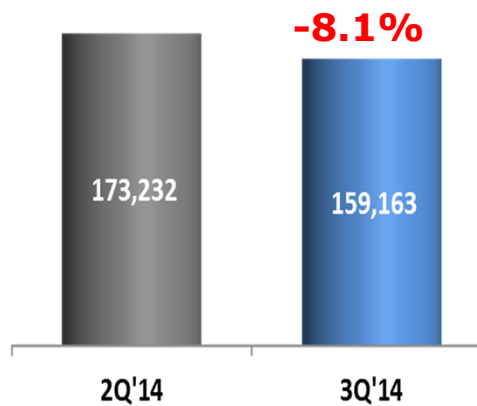
- Although Q-o-Q TIV fell -8.1%, but Nissan sales picked up 3.3% Q-o-Q.
- Sales momentum is expected to continue in 4Q14 on the back of attractive year end promotion activities.
- Market competition is intense.
- New products launched: New Serena S-Hybrid Facelift, All-New NV350 Urvan and Infiniti Q50.
- Encouraging sales for Infiniti Q50 and Renault Fluence – Q-o-Q increase 219% and 67% respectively.



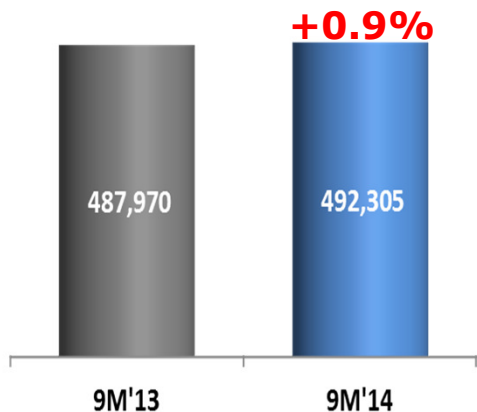
# Top 5 manufacturers

## TIV

### Q-o-Q



### Y-o-Y

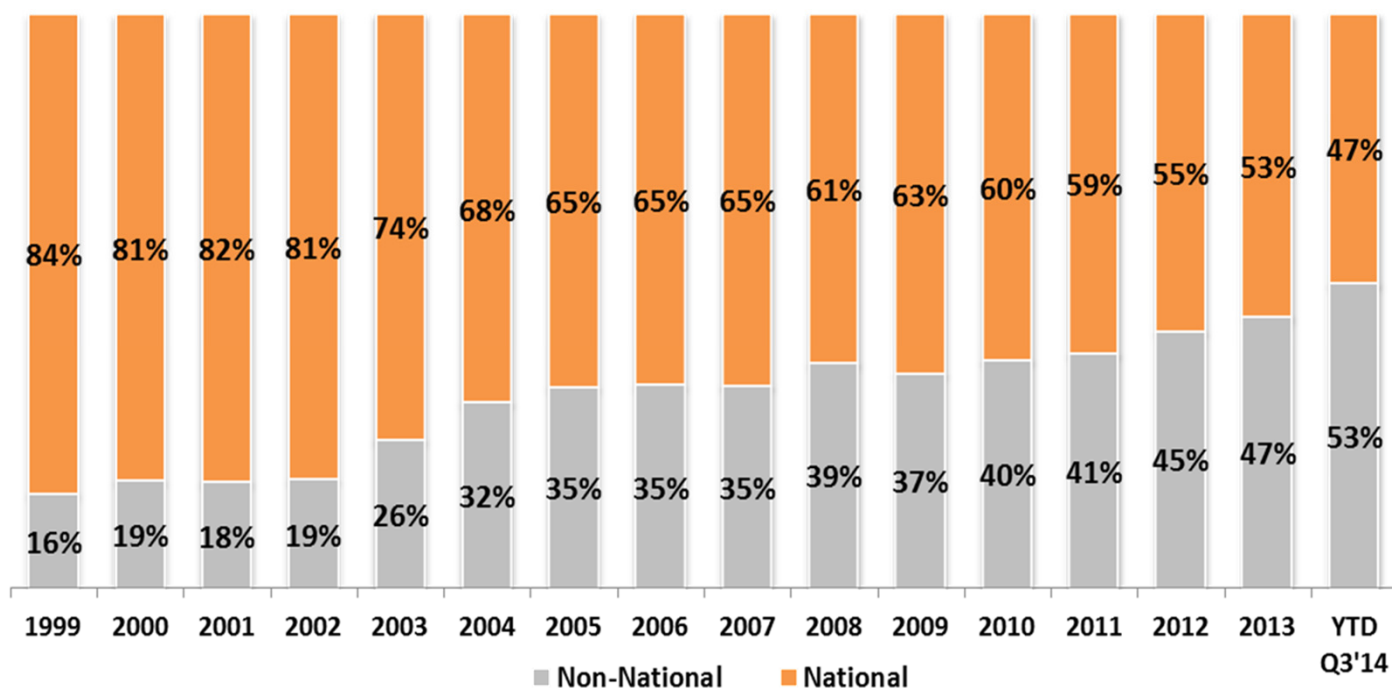


## Top 5 manufacturers

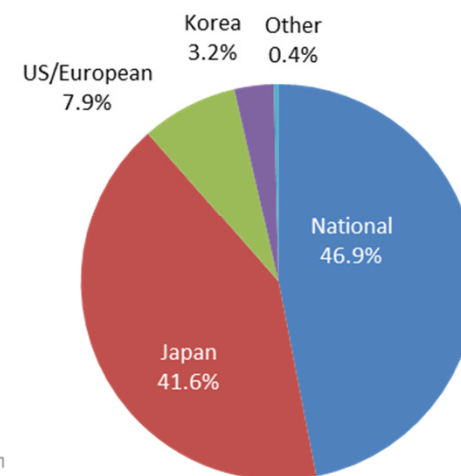
	Units			Market Share		
	3Q'14	2Q'14	Changes	Q3'14	Q2'14	9M'14
<b>Perodua</b>	<b>45,837</b>	<b>50,456</b>	<b>-9.2%</b>	<b>28.8%</b>	<b>29.1%</b>	<b>28.5%</b>
<b>Proton</b>	<b>27,719</b>	<b>30,306</b>	<b>-8.5%</b>	<b>17.4%</b>	<b>17.5%</b>	<b>18.4%</b>
<b>Toyota</b>	<b>23,508</b>	<b>26,937</b>	<b>-12.7%</b>	<b>14.8%</b>	<b>15.5%</b>	<b>15.2%</b>
<b>Honda</b>	<b>19,544</b>	<b>21,576</b>	<b>-9.4%</b>	<b>12.3%</b>	<b>12.5%</b>	<b>11.5%</b>
<b>Nissan</b>	<b>10,496</b>	<b>10,156</b>	<b>+3.3%</b>	<b>6.6%</b>	<b>5.9%</b>	<b>6.6%</b>

Source: MAA

# Non-national gaining market share



9M'14



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

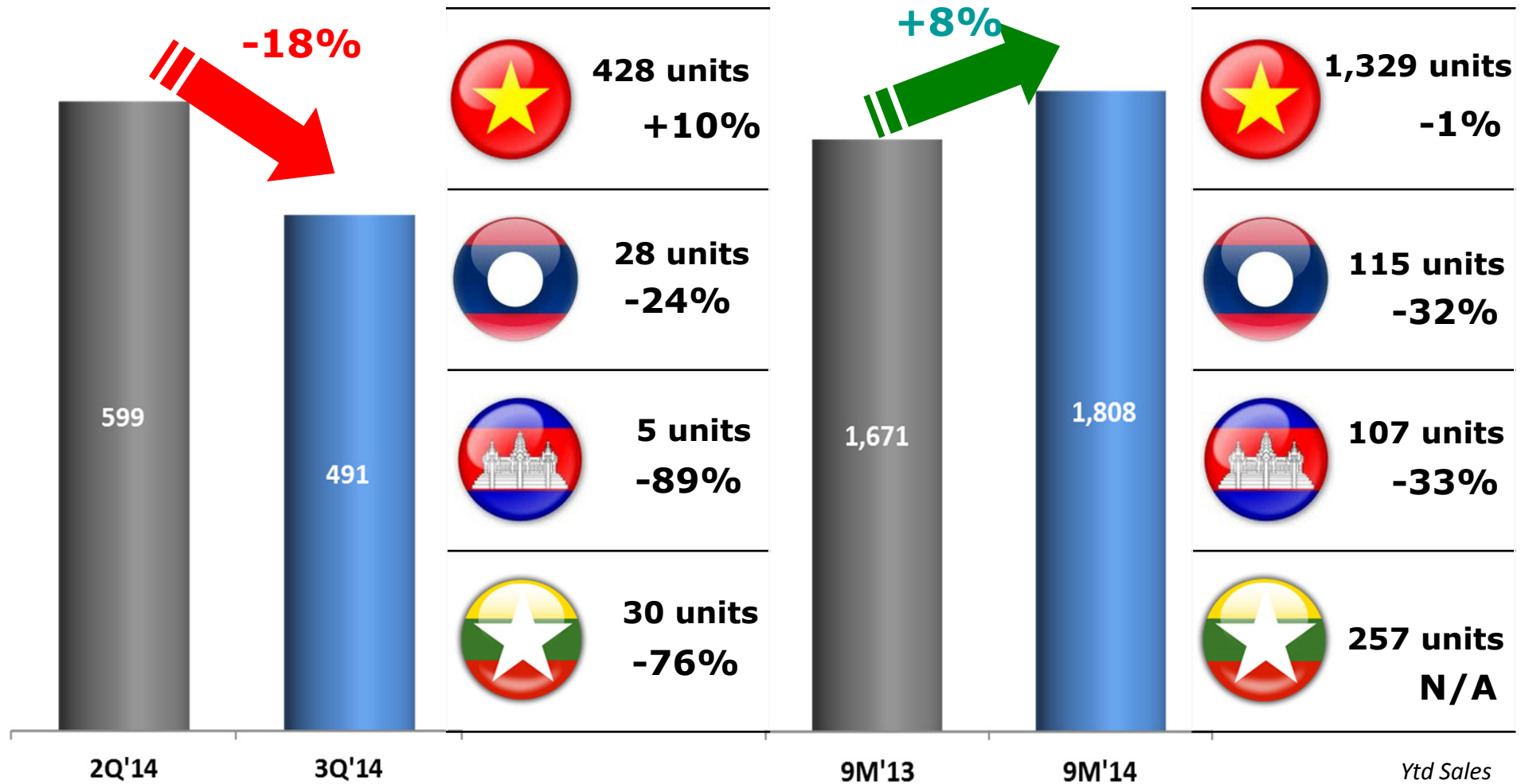
	Q-o-Q %
Toyota	-12.7%
<b>Nissan</b>	<b>+3.3%</b>
Honda	-9.4%
Mitsubishi	-7.1%
Isuzu	+3.8%
Mazda	-15.7%

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

# Indochina Sales Performance

Q-o-Q

Y-o-Y





# Indochina Sales Performance (Cont'd)

## Indochina

- NVL related one off provision of aging stock (Grand Livina) amounting USD4.55mil or RM15mil in current quarter.
- September sales in Vietnam rebound after resolution of import duty issues in Aug.
- Turnaround plan in place for 2015 – 2016 via: increase plant utilization rate and widen new CBU & CKD models range.
- Lower unit sales seen in Laos as buyers waited for anticipated launch of new Navara.
- Myanmar and Cambodia dealers are over stocked in Q314.



QX60

***Infiniti launches QX60 crossover at 2014  
Vietnam Motor Show***

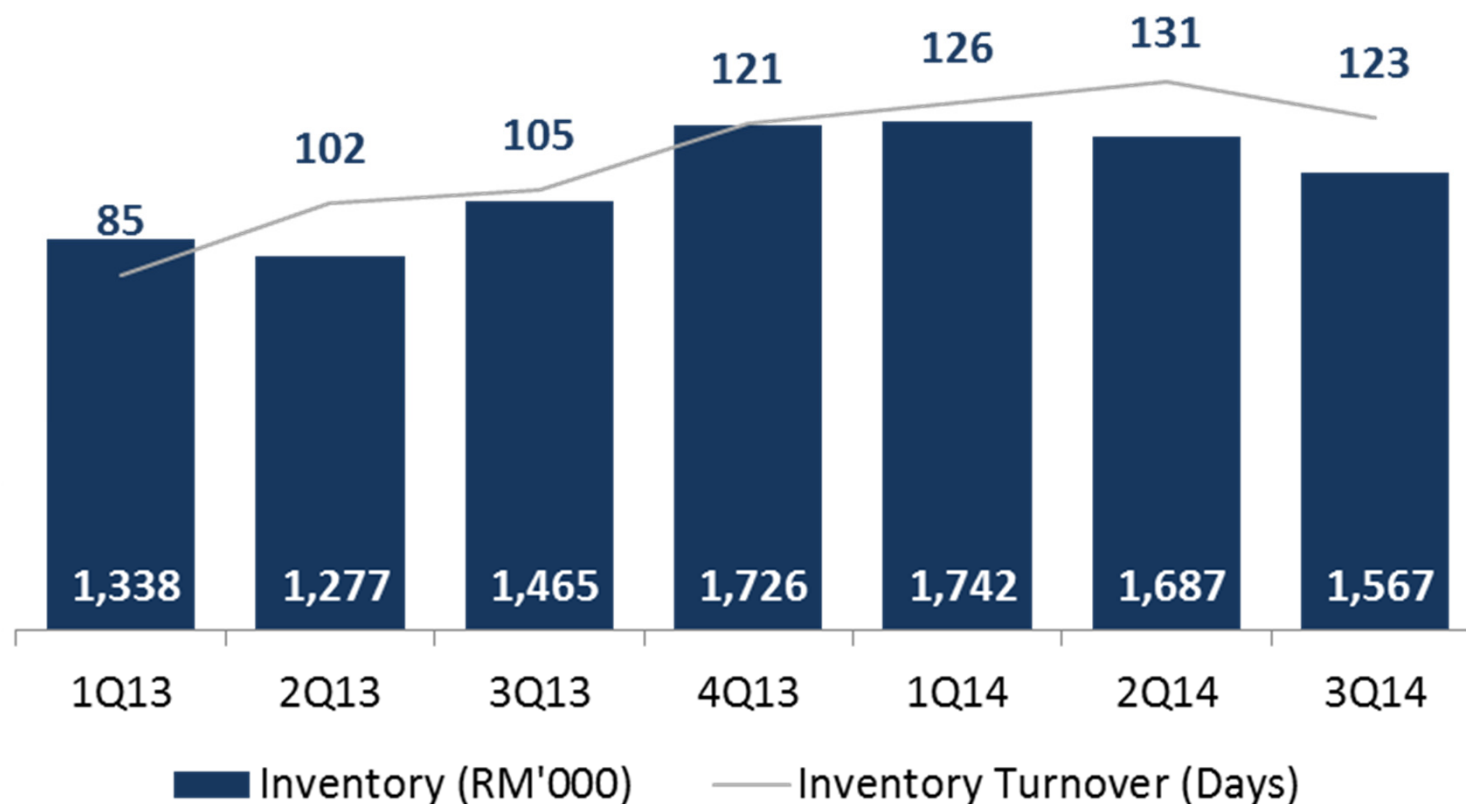
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**Business Review**

**3Q14 Sales Performance & Operation Review**

**Appendices**

# Inventory Management

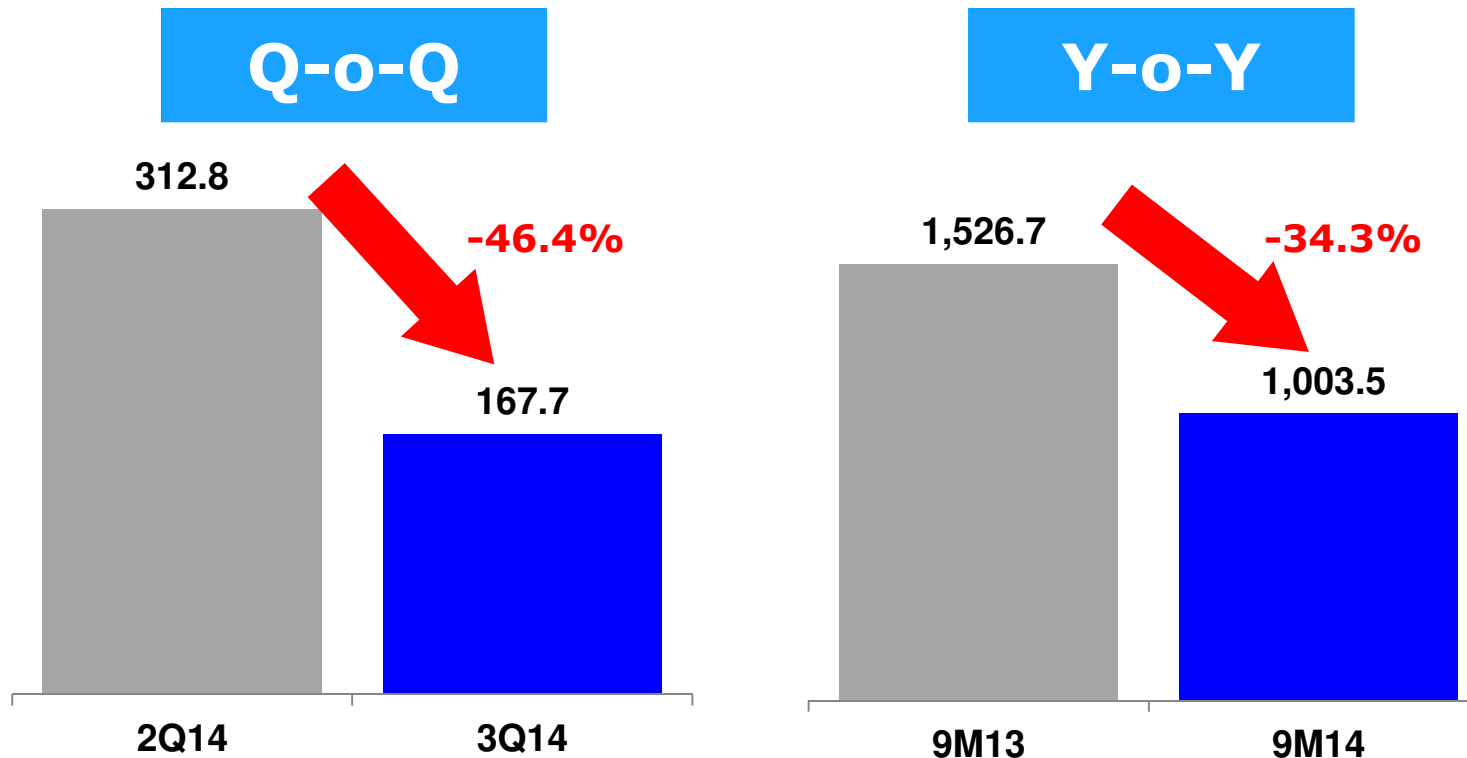


- The Group has begun to reduce its inventory from a high of RM 1.73bil as at 31 Dec 2013 to RM1.57bil as at 30 Sept 2014.
- The Group intend to continue reducing its inventory in 4Q14 by having attractive year end promotion activities to boost sales.

# Limit CKD import order

## Purchase from Nissan Motor Co. Ltd.

RM 'Mil

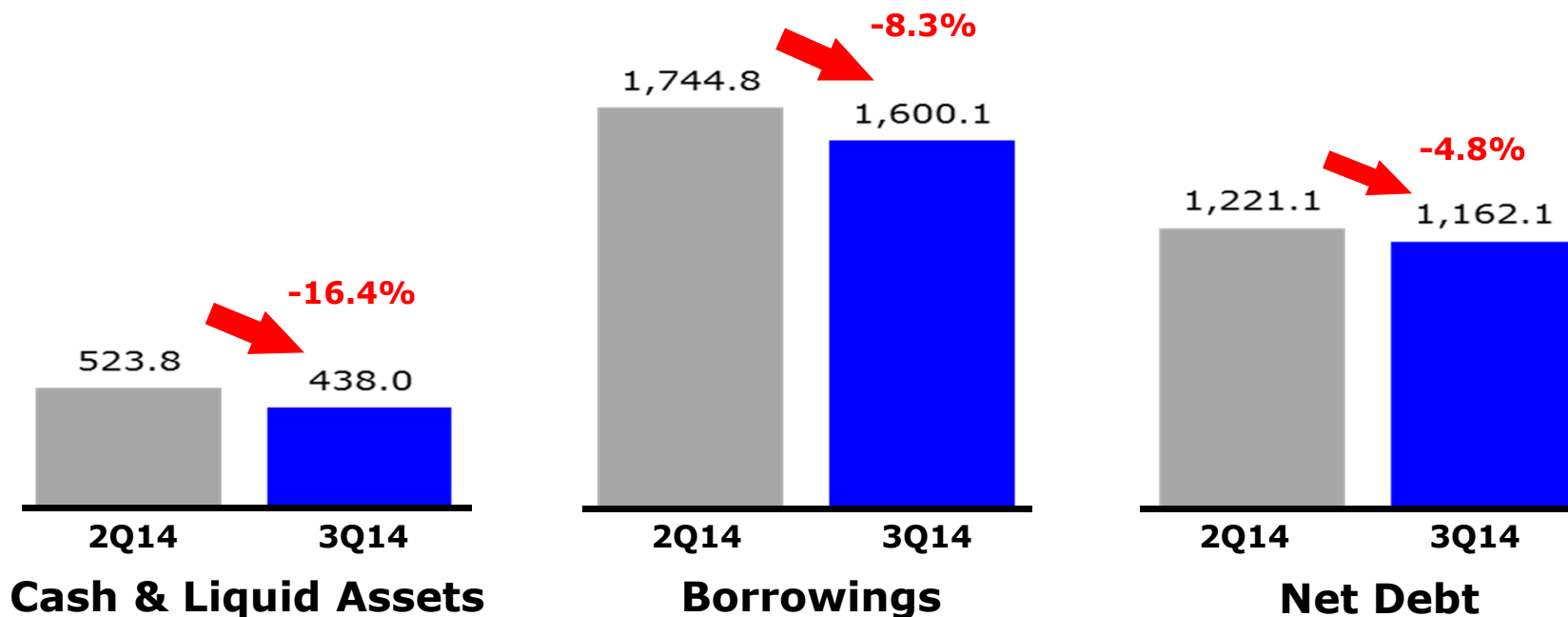


- Limit CKD import order until existing stocks cleared and inventory level brought down to RM1.0 – 1.2bil range.

# Liquidity Management

## Cash Balance & Borrowings

RM `Mil



- Borrowings lowered due to inventory clearing.
- Net gearing stood at 42.1% of shareholders' equity.

# Foreign Exchange Management

## USDMYR



- **USD bottomed in Aug 14 and has rebound to a high of RM3.37 in Nov 2014.**
- **The Group continues to forward hedge on any weakness in the USD and focus on Yen denominated models.**

**Thank you**

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