

**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2015 Third-Quarter Financial Results**



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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 Launches



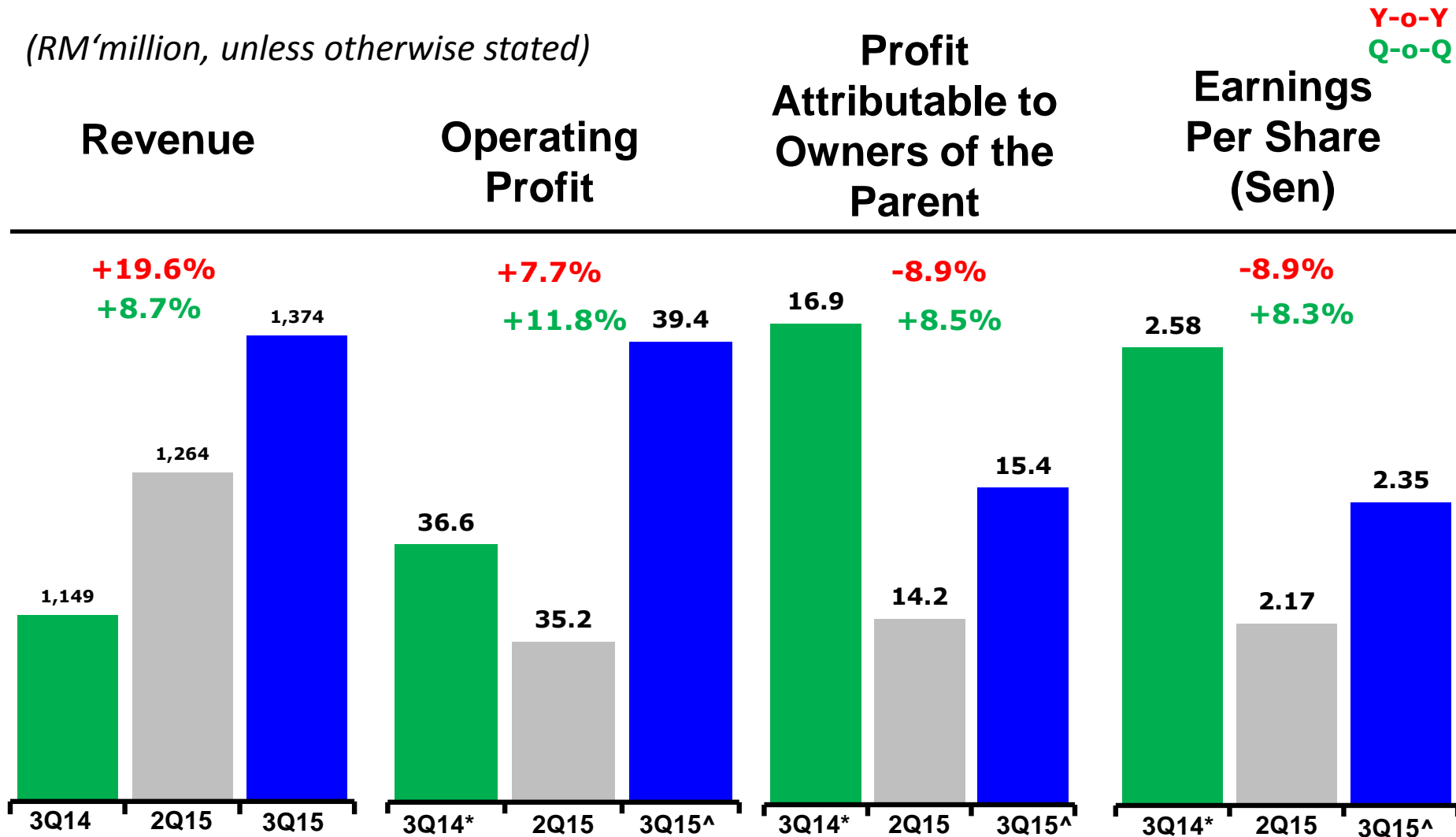
Model	Official Launch
Nissan NP300 Navara	26 <sup>th</sup> November 2015

## Business Review

# 3Q15 Sales Performance & Operation Review

# Key Performance Indicators

(RM'million, unless otherwise stated)



\*exclude extraordinary items of provision of aging NVL stock amounting USD4.55mil or RM15mil.

^exclude extraordinary item of foreign exchange gain of RM13.81mil.

# 3Q15 Financials Review

*In RM'000, unless stated otherwise*

	2Q15	3Q15^
<b>Net Revenue</b>	<b>1,263,668</b>	<b>1,373,595</b>
<b>Operating Profit</b>	<b>35,223</b>	<b>39,375</b>
<b>Profit Before Tax</b>	<b>22,848</b>	<b>23,841</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>14,159</b>	<b>15,368</b>
<b>Earnings per Share (Sen)</b>	<b>2.17</b>	<b>2.35</b>
<b>Shareholders' Fund</b>	<b>2,778,651</b>	<b>2,780,707</b>
<b>Net Asset per Share (RM)</b>	<b>4.26</b>	<b>4.26</b>

- Q-o-Q, revenue increased by 8.7% due to sales promotion campaigns.
- Profitability improvement mainly due to higher sales units during the quarter.

^exclude extraordinary item of foreign exchange gain of RM13.81mil.

# 9M15 Financials Review

*In RM'000 , unless stated otherwise*

	30-Sept-14*	30-Sept-15^	Changes
<b>Revenue</b>	3,496,750	4,206,323	+20.3%
<b>Operating Profit</b>	143,361	126,512	-11.8%
<b>Profit Before Tax</b>	114,204	88,401	-22.6%
<b>Profit After Tax</b>	70,141	50,981	-27.3%
<b>Profit Attributable to Owners of the Parent</b>	70,547	53,809	-23.7%
<b>EPS (Sen)</b>	10.81	8.24	-23.8%

- **Higher revenue was due to 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 sales promotion campaigns costs.**
- **The Group will continue to focus on driving sales and maintaining market share.**

\*exclude extraordinary items of provision of aging NVL stock amounting USD4.55mil or RM15mil and a write-back of USD16.98mil or RM56.27mil made in NVL for import duties provision .

^exclude extraordinary item of foreign exchange gain of RM15.88mil.

# Segmental Performance

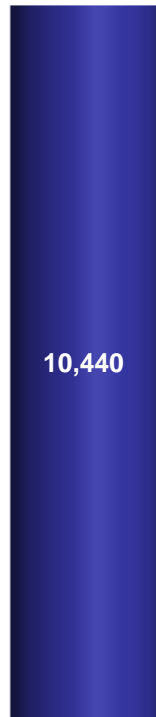
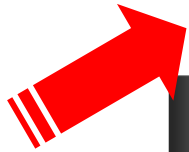
<i>In RM'000</i>	2Q15	3Q15	Change (%)
<b>Sales</b>			
Automobiles	1,248,272	1,355,260	8.6%
Financial services	13,059	14,189	8.7%
Other operations	2,337	4,146	77.4%
	<b>1,263,668</b>	<b>1,373,595</b>	<b>8.7%</b>
<b>EBITDA</b>			
Automobiles	55,060	78,713	43.0%
Financial services	6,027	6,126	1.6%
Other operations	8,160	9,099	11.5%
	<b>69,247</b>	<b>93,938</b>	<b>35.7%</b>
<b>EBITDA margin</b>			
Automobiles	4.4%	5.8%	
Financial services	46.2%	43.2%	
Other operations	349.2%	219.5%	
	<b>5.5%</b>	<b>6.8%</b>	



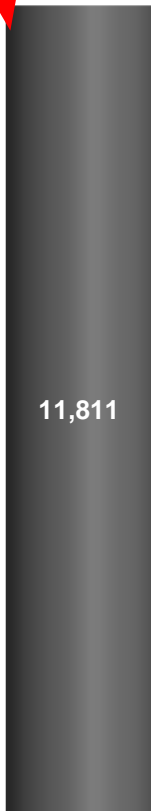
# Malaysia Sales Performance

**Q-o-Q**

**+13.1%**



2Q'15



3Q'15



**11,465 units**  
**+14%**



**194 units**  
**-26%**



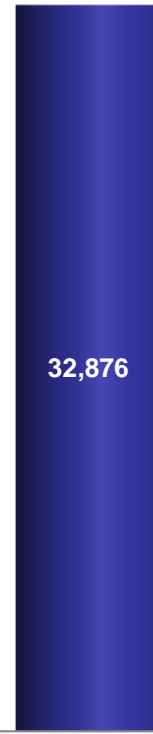
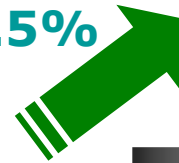
**115 units**  
**+34%**



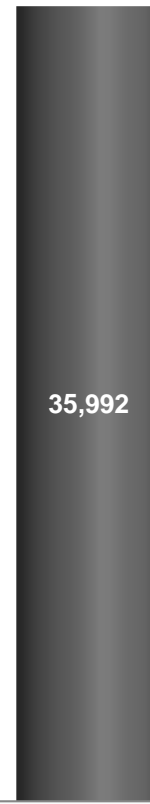
**37 units**  
**+48%**

**Y-o-Y**

**+9.5%**



3Q'14



3Q'15



**34,759 units**  
**+10%**



**817 units**  
**-19%**



**291 units**  
**+75%**



**125 units**  
**+24%**

# Malaysia Sales Performance (Cont'd)

## Malaysia

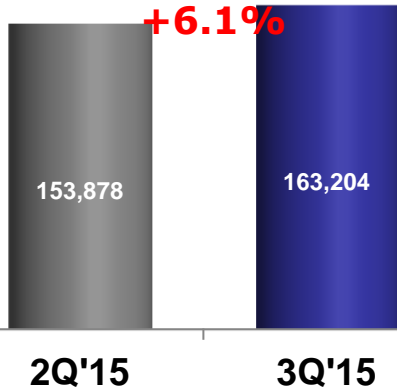
- Nissan sales picked up 9.5% Y-o-Y on the back of new launches of Almera Facelift and new X-Trail.
- Q-o-Q sales increased on all brands except UD Trucks due to enhanced marketing strategy.
- Uncertainties over the increased in price of passenger vehicles had induced the increased in sales in this quarter as well.



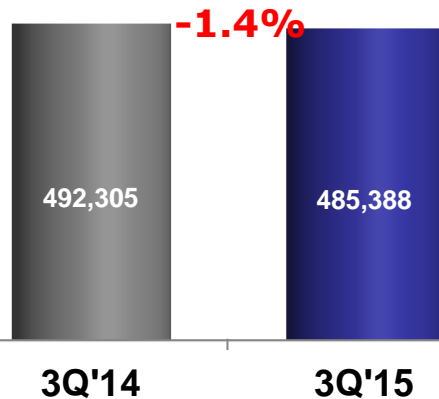
# Top 5 manufacturers

**TIV**

**Q-o-Q**



**Y-o-Y**

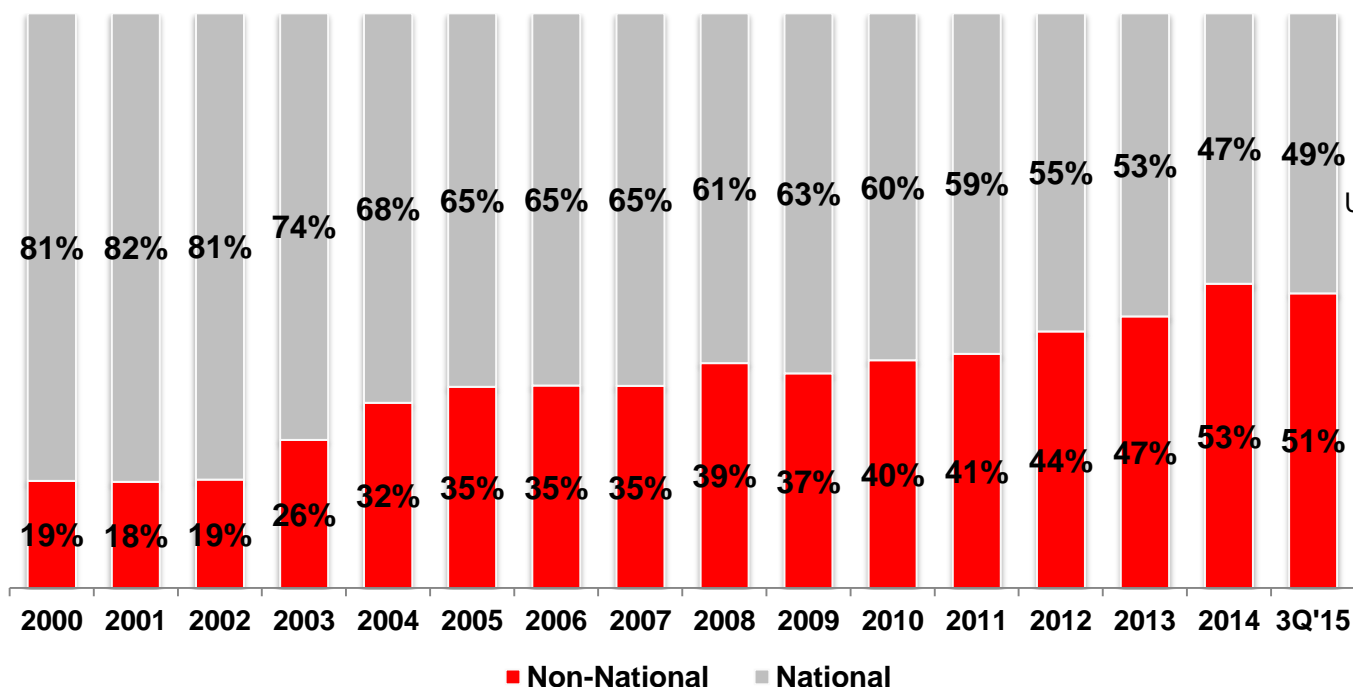


## Top 5 manufacturers

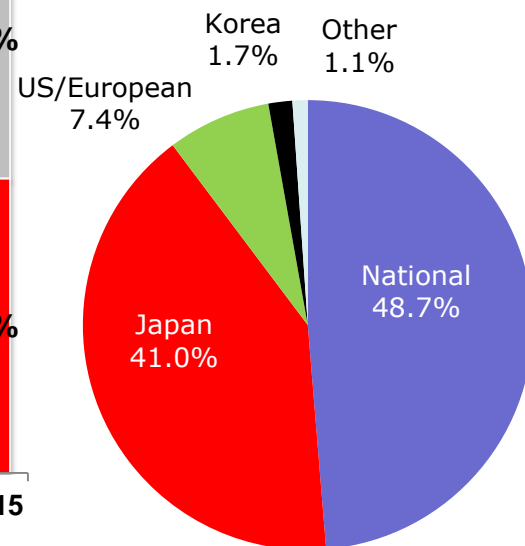
	Units			Market Share		
	3Q'15	2Q'15	Changes	3Q'15	2Q'15	FY'14
Perodua	49,025	51,349	-4.5%	30.0%	33.4%	29.3%
Proton	28,630	22,524	+27.1%	17.5%	14.6%	17.4%
Honda	22,815	21,451	+6.4%	14.0%	13.9%	11.6%
Toyota	23,301	22,555	+3.3%	14.3%	14.7%	15.3%
Nissan	11,465	10,068	+13.9%	7.0%	6.5%	7.0%

Source: MAA

# National brands regaining market share



**3Q'15**



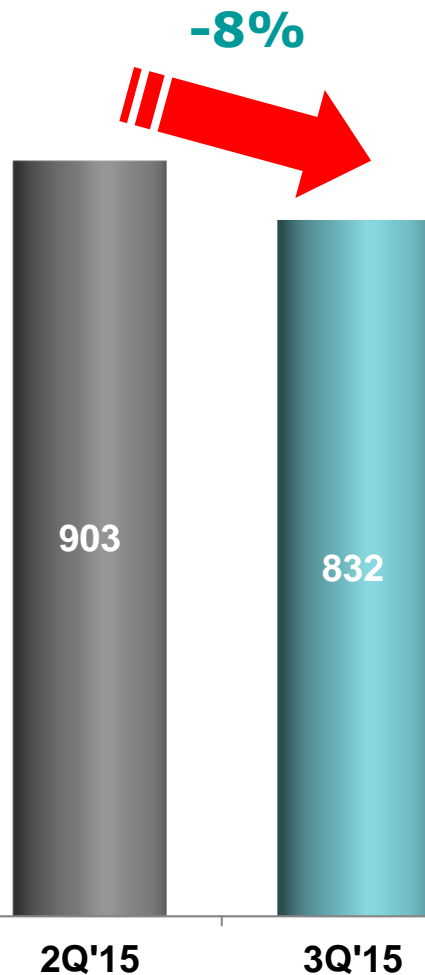
	Q-o-Q %
Perodua	-4.5%
Proton	27.1%

	Q-o-Q %
Toyota	+3.3%
<b>Nissan</b>	<b>+13.9%</b>
Honda	+6.4%
Mitsubishi	+26.1%
Isuzu	+8.6%
Mazda	+18.5%

	Q-o-Q %
Ford	+33.7%
VW	+16.5%
BMW	+25.1%
Peugeot	-13.6%

# Indochina Sales Performance

**Q-o-Q**



**676 units**  
**-16%**



**107 units**  
**+182%**

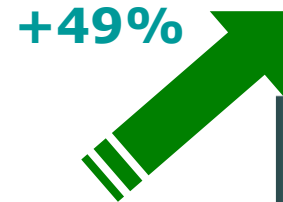


**14 units**  
**-22%**



**35 units**  
**-19%**

**Y-o-Y**



**2303 units**  
**+73%**



**231 units**  
**+116%**



**35 units**  
**-70%**



**131 units**  
**-49%**

*Ytd Sales*

# Indochina Sales Performance (Cont'd)

## Indochina

- Y-o-Y, sales in Indochina increased 49% after resolution of Import Duty issues in Vietnam.
- Higher unit sales Q-o-Q seen in Laos due to launched of new Navara.
- The overseas assembly plant operation is impacted by negative production variances.

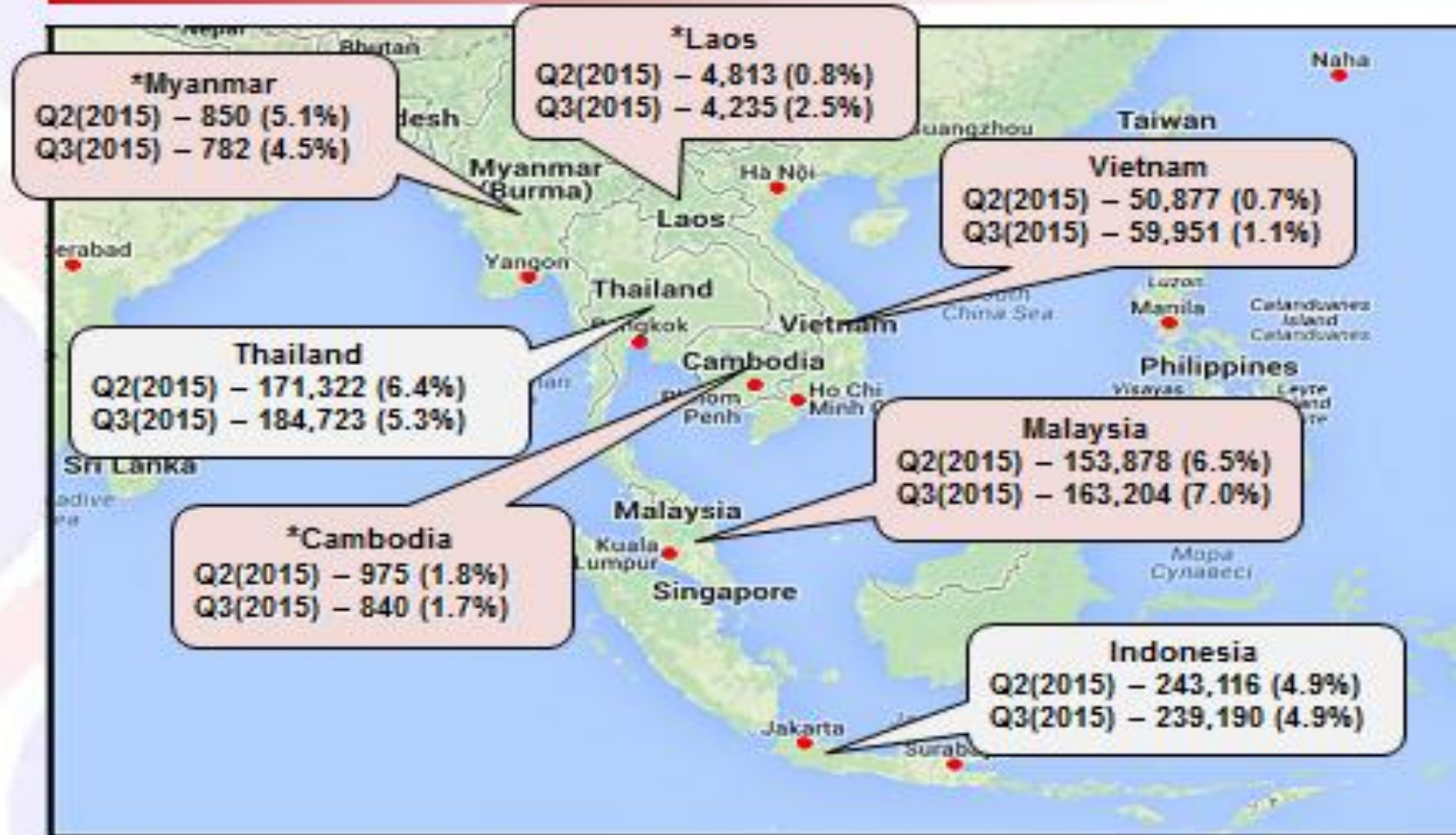




# Nissan Penetration in the Region



## Total Industry Volume By Country



\* Management best estimate, no official TIV

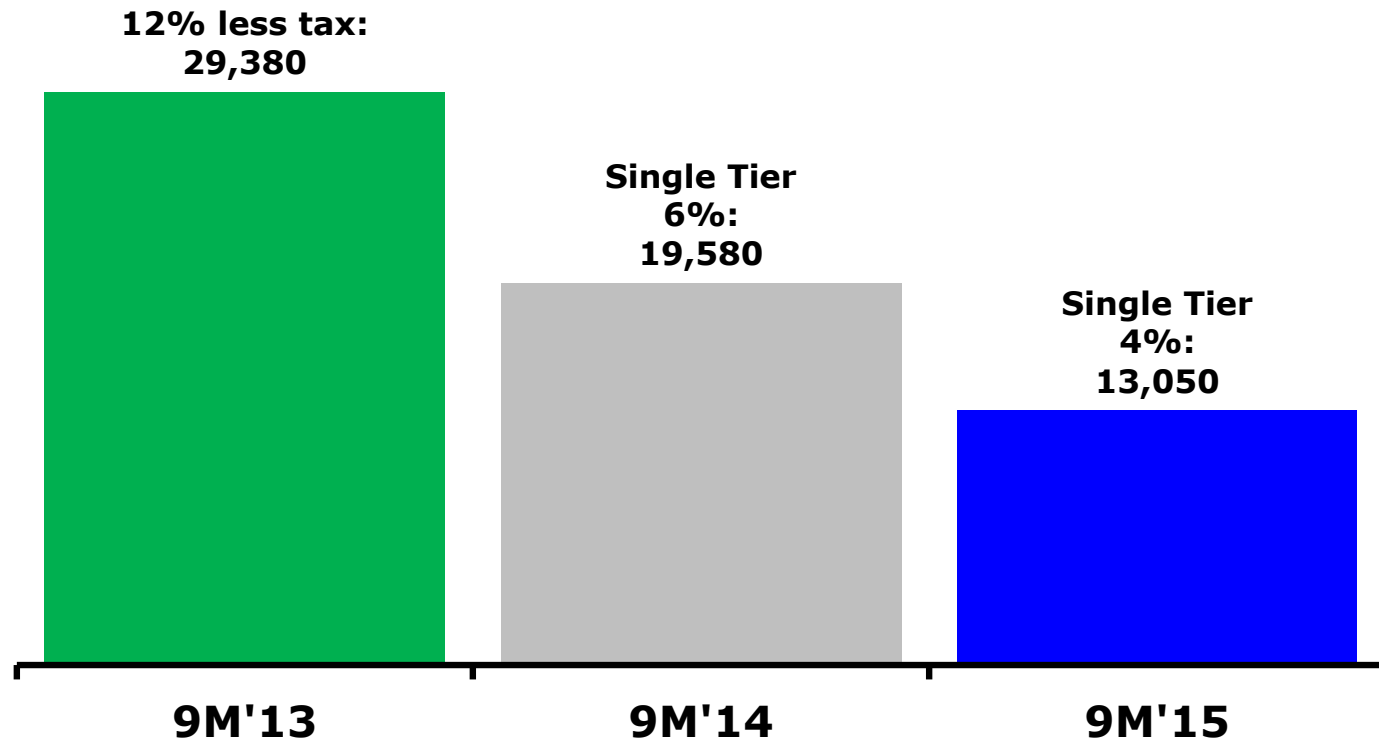
**Business Review**

**3Q15 Sales Performance & Operation Review**

**Appendices**

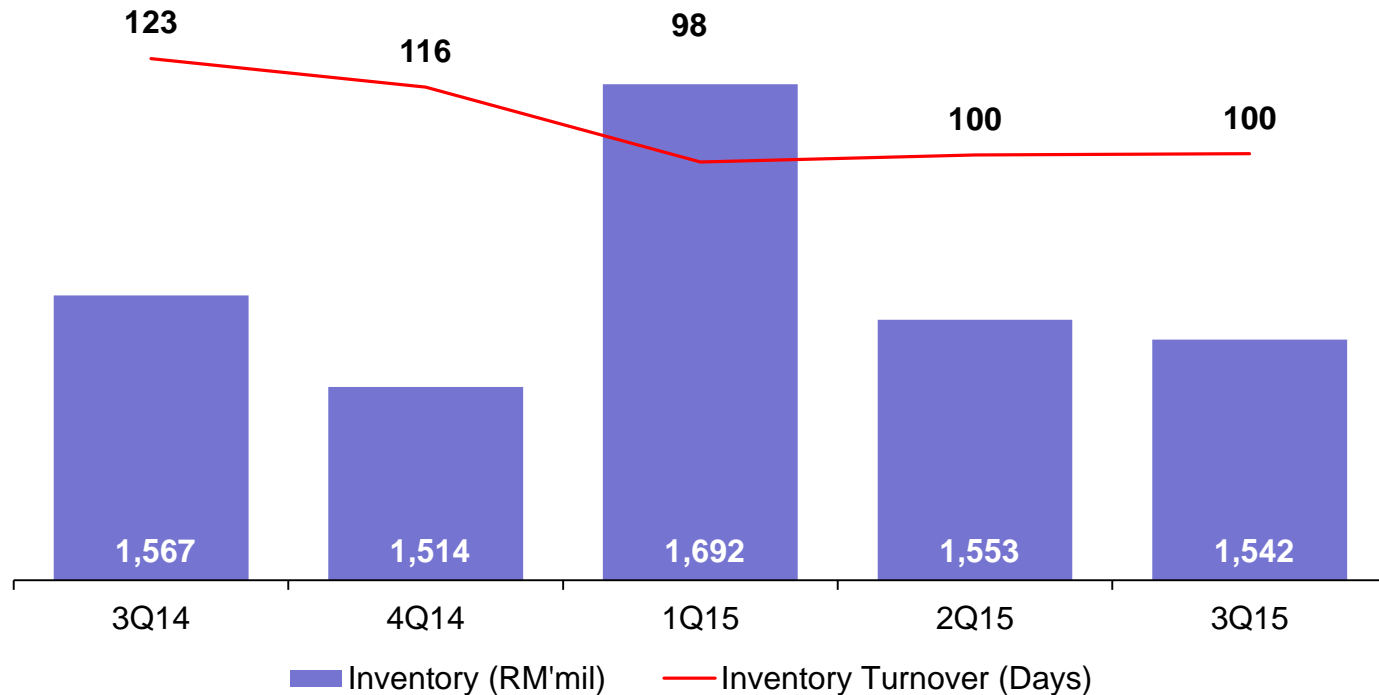


## Interim Dividend (RM'000)



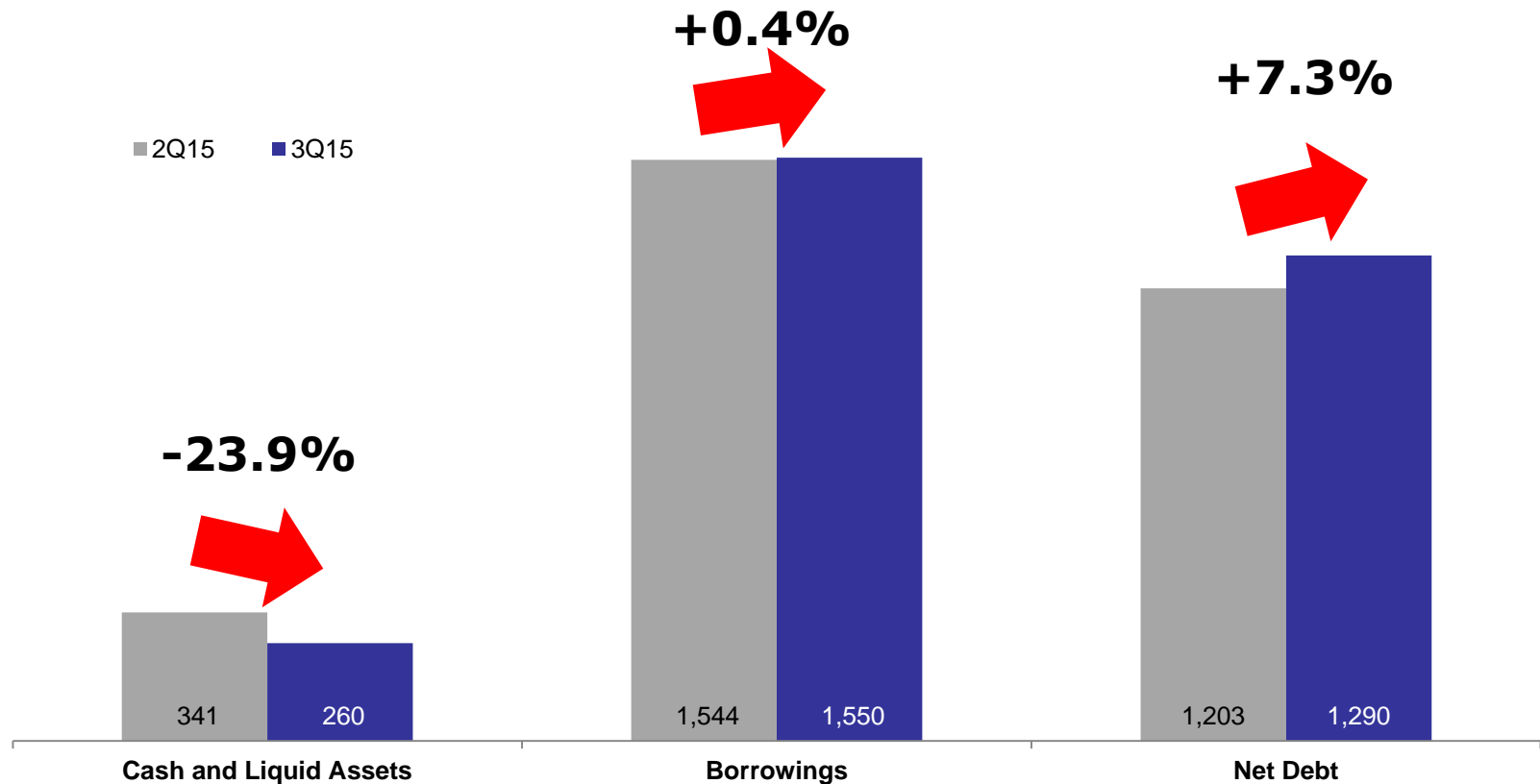
- Dividend payments affected due to lower profitability.

# 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 maintain the borrowings level.**
- **Net gearing stood at 46.15%.**

# 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**

