



**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2014 Fourth-Quarter Financial Results**

**25 Feb 2015**



## 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**

4Q14 Sales Performance & Operation Review

Appendices

# New Product Launches



Model	OTR with insurance
X-Trail 2.0L 2WD	RM142,800
X-Trail 2.5L 4WD	RM165,800

## New Product Launches (Cont'd)



Model	OTR with insurance
Almera Facelift E MT	RM66,900
Almera Facelift E AT	RM69,900
Almera Facelift V	RM76,900
Almera Facelift VL	RM79,900

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Business Review

**4Q14 Sales Performance & Operation Review**

Appendices

# Key Performance Indicators

(RM 'million)

Y-o-Y

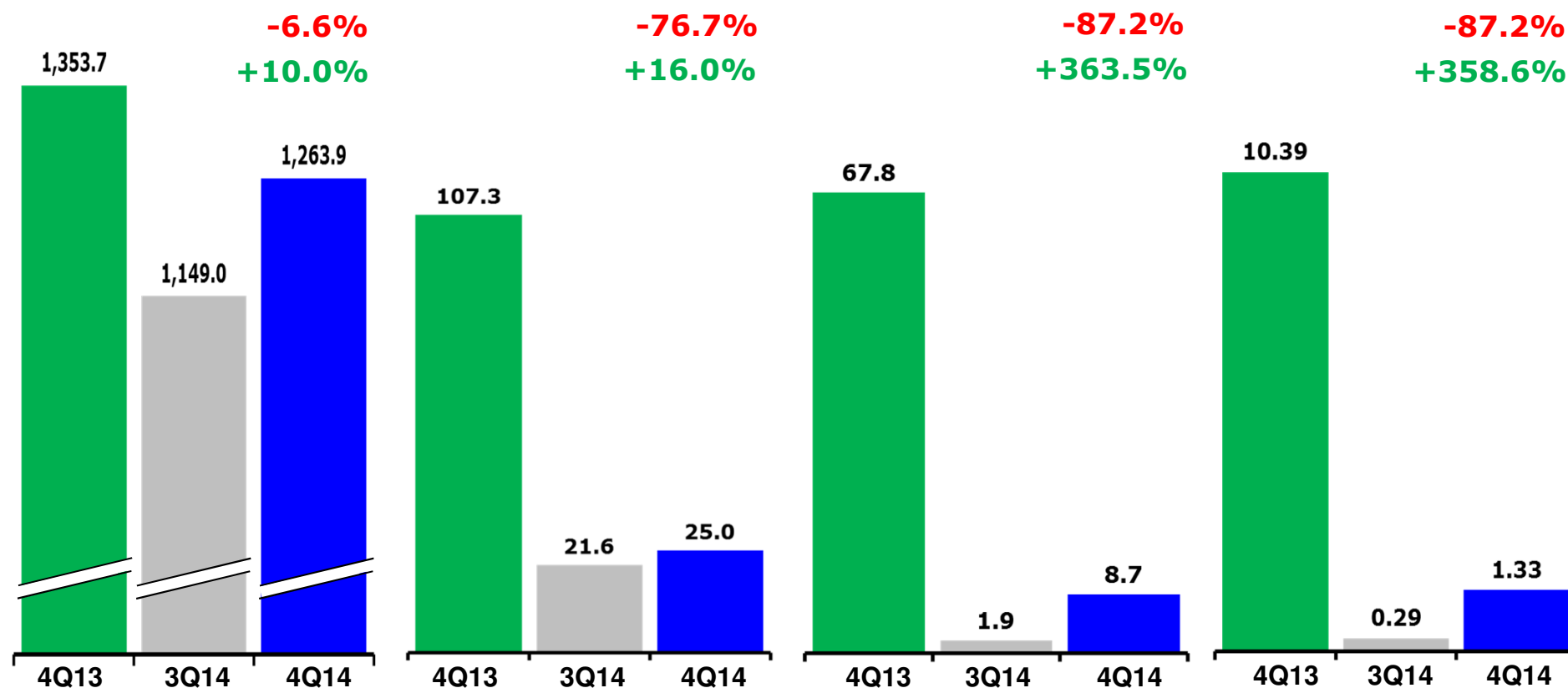
Q-o-Q

Revenue

Operating Profit

Profit  
Attributable to  
Owners of the  
Parent

Earnings  
Per Share  
(Sen)



# 4Q14 Financials Review

<i>In RM'000, unless stated otherwise</i>	3Q14	4Q14^	4Q14^
		Before EI	After EI
<b>Net Revenue</b>	<b>1,149,006</b>	<b>1,263,878</b>	<b>1,263,878</b>
<b>Operating Profit</b>	<b>21,566</b>	<b>17,271</b>	<b>25,026</b>
<b>Profit Before Tax</b>	<b>10,186</b>	<b>7,618</b>	<b>15,373</b>
<b>Profit Attributable to Owners of the Parent</b>	<b>1,870</b>	<b>1,962</b>	<b>8,667</b>
<b>Earnings per Share (Sen)</b>	<b>0.29</b>	<b>0.30</b>	<b>1.33</b>
<b>Shareholders' Fund</b>	<b>2,749,070</b>	<b>2,747,897</b>	<b>2,754,602</b>
<b>Net Asset per Share (RM)</b>	<b>4.21</b>	<b>4.21</b>	<b>4.22</b>

- Revenue increased by 10.0% despite a seasonally slower period during year end.
- This was achieved through increased variable marketing expenditure which impacted profitability.

<sup>^</sup>revaluation gain on investment properties is RM7.8 million (at gross), net of deferred tax – RM6.7 million.



# FY14 Financials Review

*In RM'000 , unless stated otherwise*

	31-Dec-14	31-Dec-13	Changes
<b>Revenue</b>	4,760,628	5,198,491	-8.4%
<b>Operating Profit</b>	209,655	387,798	-45.9%
<b>Profit Before Tax</b>	170,845	360,122	-52.6%
<b>Profit After Tax</b>	119,654	235,627	-49.2%
<b>Profit Attributable to Owners of the Parent</b>	105,853	250,952	-57.8%
<b>EPS (Sen)</b>	16.22	38.44	-57.8%
<b>Dividend Per Share (Sen)</b>	6.00	21.00	-71.4%

- Year on year (Y-o-Y), top line fell by 8.4%, due to loss of market share in the domestic B Segment.
- Sector faced a highly competitive environment.
- Price discounting lead to lower margins.
- The Group will continue to be prudent and control the capital and operating expenditures.

# Segmental Performance

<i>In RM'000</i>	4Q14	3Q14	Change (%)
<b>Sales</b>			
Automobiles	1,247,427	1,132,406	+10.2%
Financial services	12,957	13,743	-5.7%
Other operations	3,494	2,857	+22.3%
	<b>1,263,878</b>	<b>1,149,006</b>	<b>+10.0%</b>
<b>EBITDA</b>			
Automobiles	36,879	44,359	-16.9%
Financial services	2,236	4,395	-49.1%
Other operations	11,864	2,366	+401.4%
	<b>50,979</b>	<b>51,120</b>	<b>-0.3%</b>
<b>EBITDA margin</b>			
Automobiles	3.0%	3.9%	
Financial services	17.3%	32.0%	
Other operations	339.6%	82.8%	
	<b>4.0%</b>	<b>4.4%</b>	

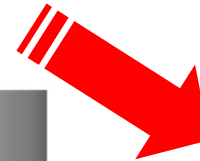
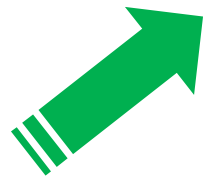
# Malaysia Sales Performance

Q-o-Q

Y-o-Y

+30%

-12%



10,639

13,820



13,452 units

+33%



UD TRUCKS

291 units

-18%



RENAULT

48 units

-48%



29 units

-43%

53,278

46,739



45,058 units

-13%



UD TRUCKS

1,294 units

+1%



RENAULT

257 units

+484%



130 units

+67%

3Q'14

4Q'14

FY2013

FY2014

# Malaysia Sales Performance (Cont'd)

## Malaysia

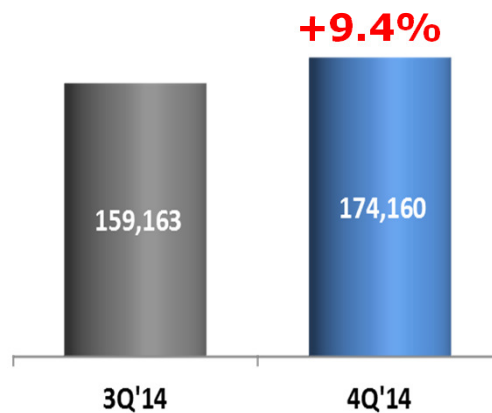
- Nissan sales picked up 33% Q-o-Q.
- Full year unit sales fell 13% Y-o-Y, due to loss of market share in the domestic B Segment.
- Sales momentum is expected to continue in 1Q15 on the back of attractive CNY promotion activities and rush purchase before GST.
- Market competition intense.
- New products launched: Almera Facelift and New X-Trail.



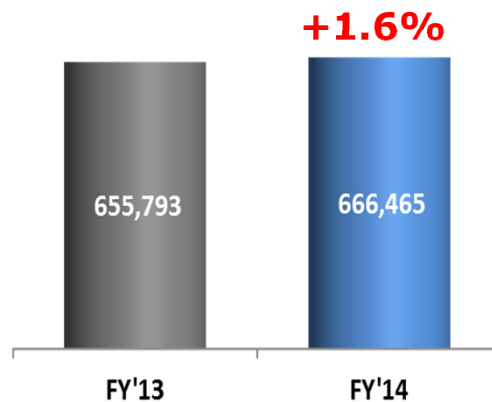
# Top 5 manufacturers

## TIV

### Q-o-Q



### Y-o-Y

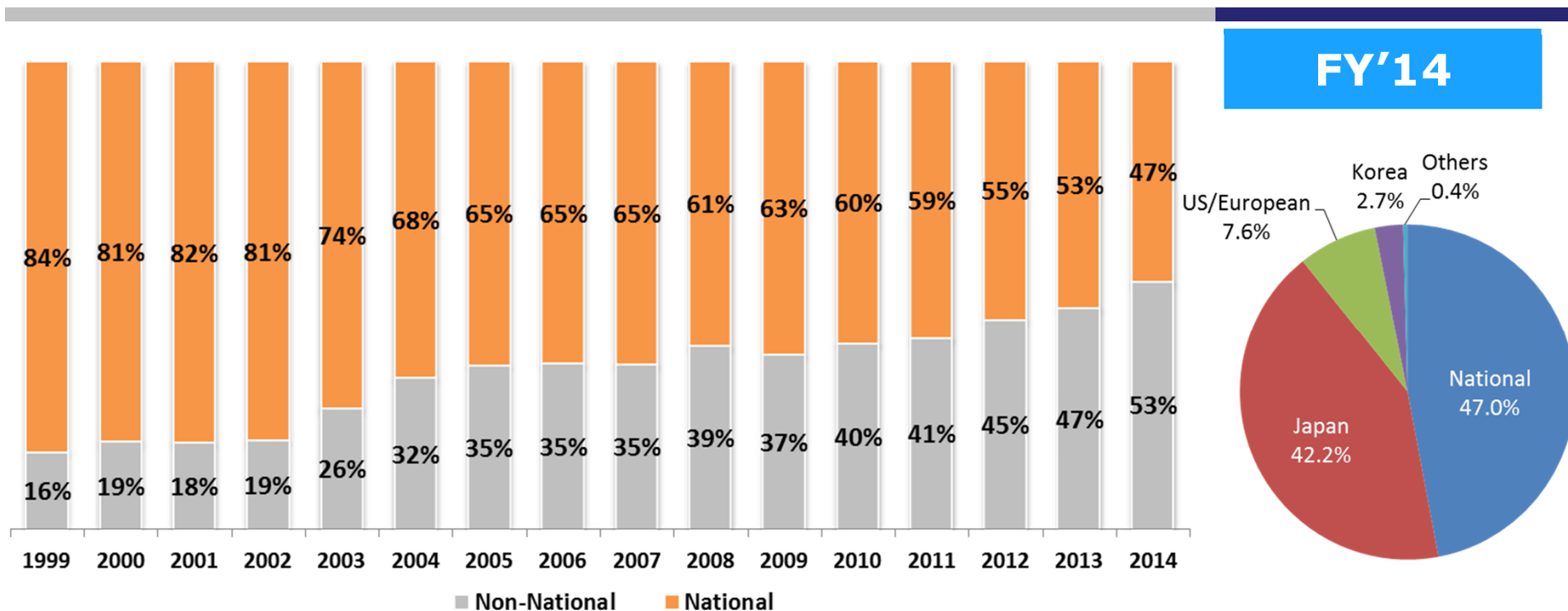


## Top 5 manufacturers

	Units			Market Share		
	4Q'14	3Q'14	Changes	Q4'14	Q3'14	FY'14
<b>Perodua</b>	55,262	45,837	+20.6%	31.7%	28.8%	29.3%
<b>Proton</b>	25,034	27,709	-9.7%	14.4%	17.4%	17.4%
<b>Toyota</b>	27,405	23,508	+16.6%	15.7%	14.8%	15.3%
<b>Honda</b>	20,748	19,544	+6.2%	11.9%	12.3%	11.6%
<b>Nissan</b>	13,743	10,496	+30.9%	7.9%	6.6%	7.0%

Source: MAA

# Non-national gaining market share

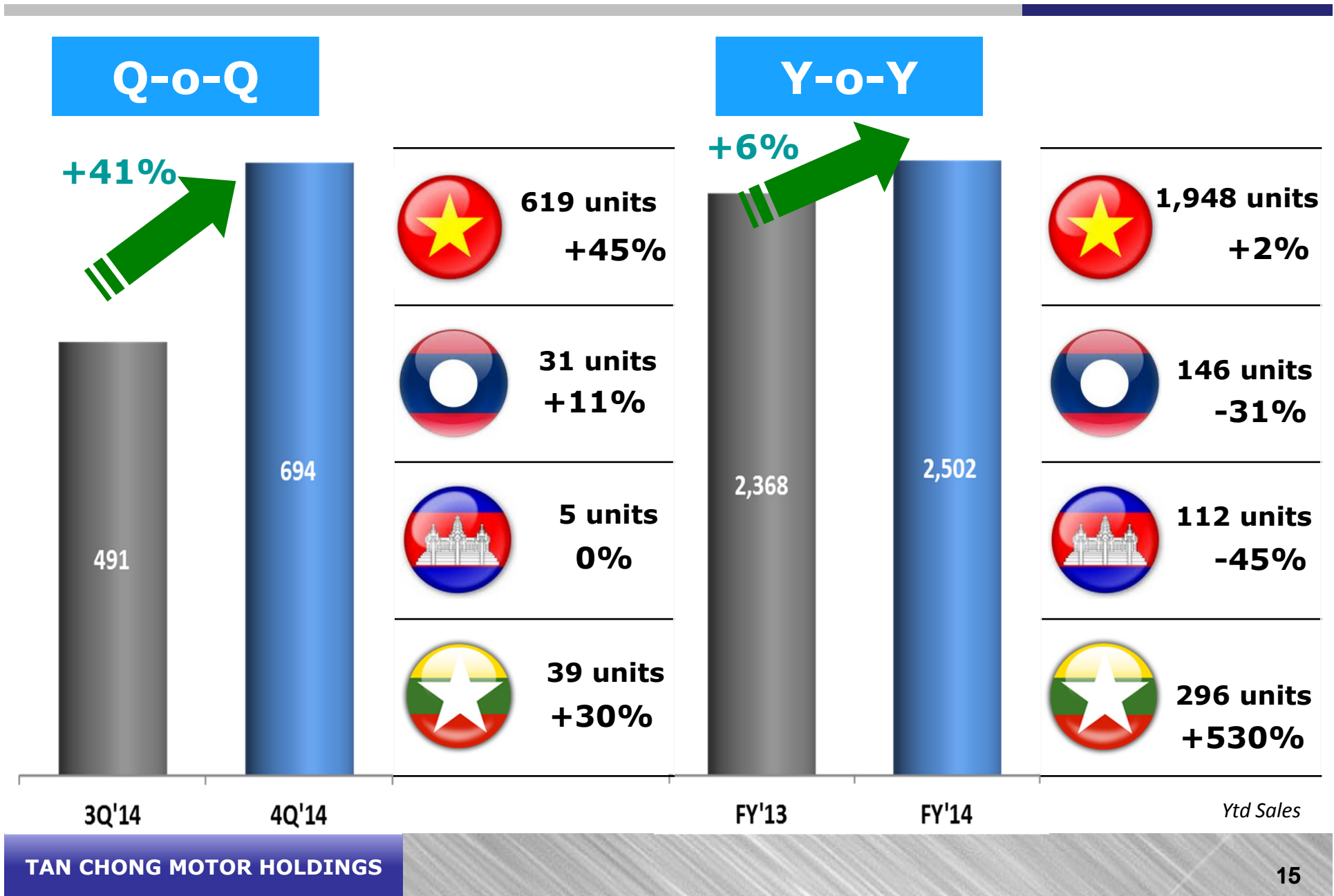


	Q-o-Q %
Perodua	+20.6%
Proton	-9.7%

	Q-o-Q %
Toyota	+16.6%
<b>Nissan</b>	<b>+30.9%</b>
Honda	+6.2%
Mitsubishi	-8.1%
Isuzu	+63.3%
Mazda	-12.5%

	Q-o-Q %
Ford	+0.6%
VW	-43.1%
BMW	-1.2%
Peugeot	-11.3%

# Indochina Sales Performance





# Indochina Sales Performance (Cont'd)

## Indochina

- Sales picked up in Indochina in the last quarter.
- Q-o-Q, sales unit gains in Vietnam after resolution of Import Duty issues in Aug14.
- Y-o-Y, sales in Indochina increased 28% thanks to 1<sup>st</sup> full year sales contribution from Myanmar.
- New CKD models estimated in 2015 and 2016 to expand product offerings and improve plant utilization rate.





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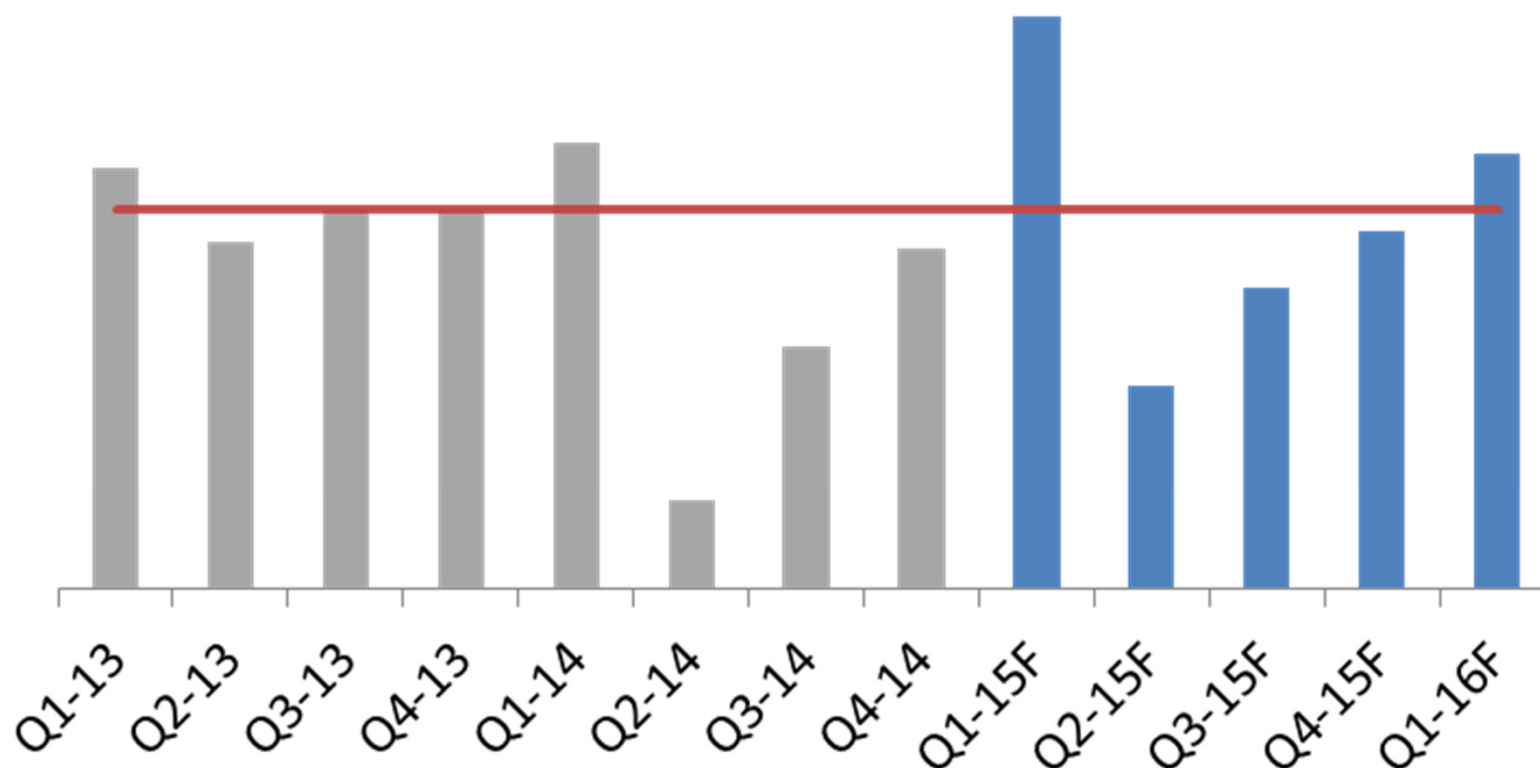
**Business Review**

**4Q14 Sales Performance & Operation Review**

**Appendices**

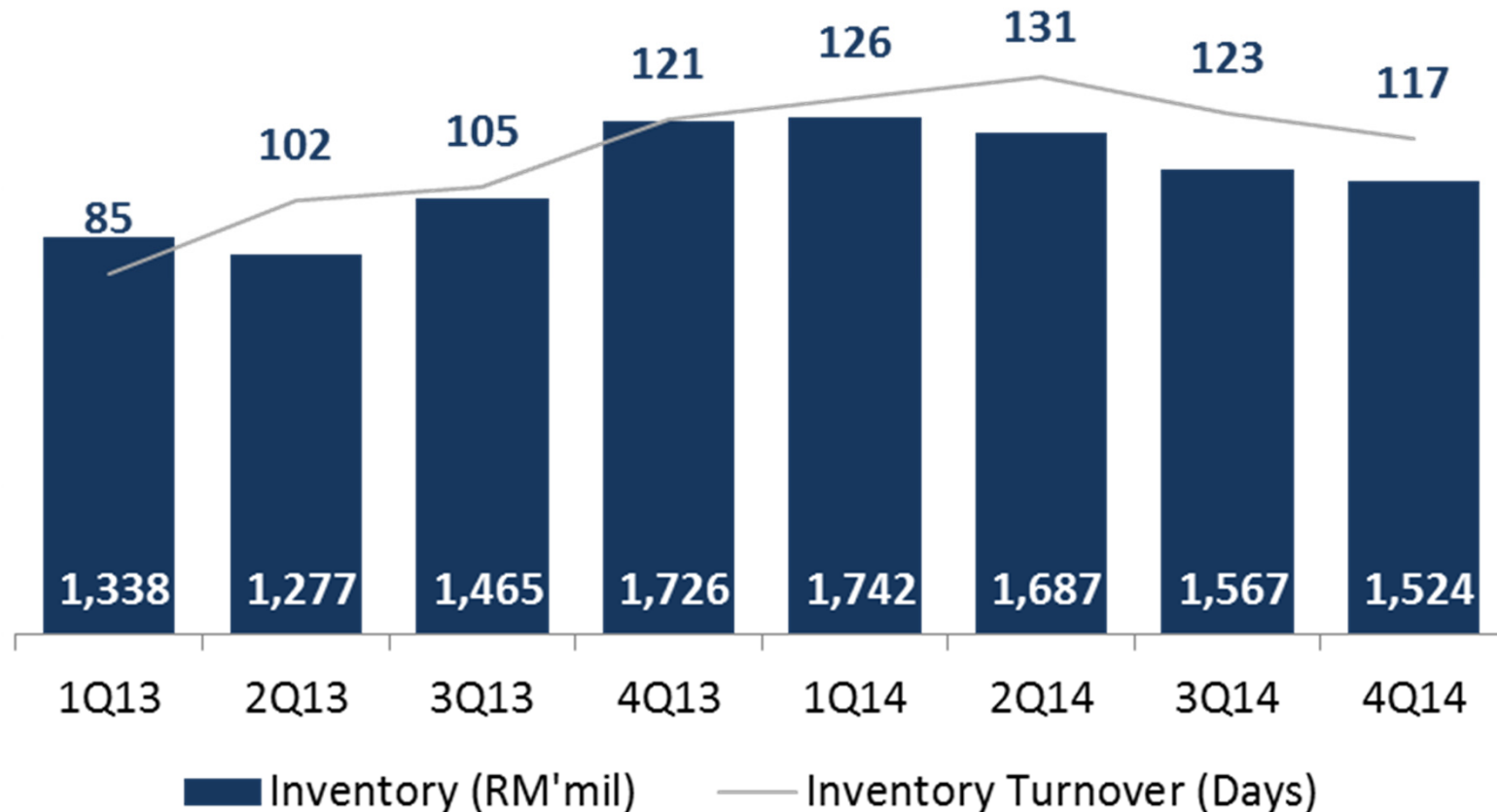
# CKD Order Trend

## CKD Order Trend (Quantity)



- **Q1 2015 CKD orders include new models: Almera FL & New X-Trail.**
- **Forward order trend should normalise after an anticipated drop in consumer spending in Q2-Q4 2015.**

# Inventory Management

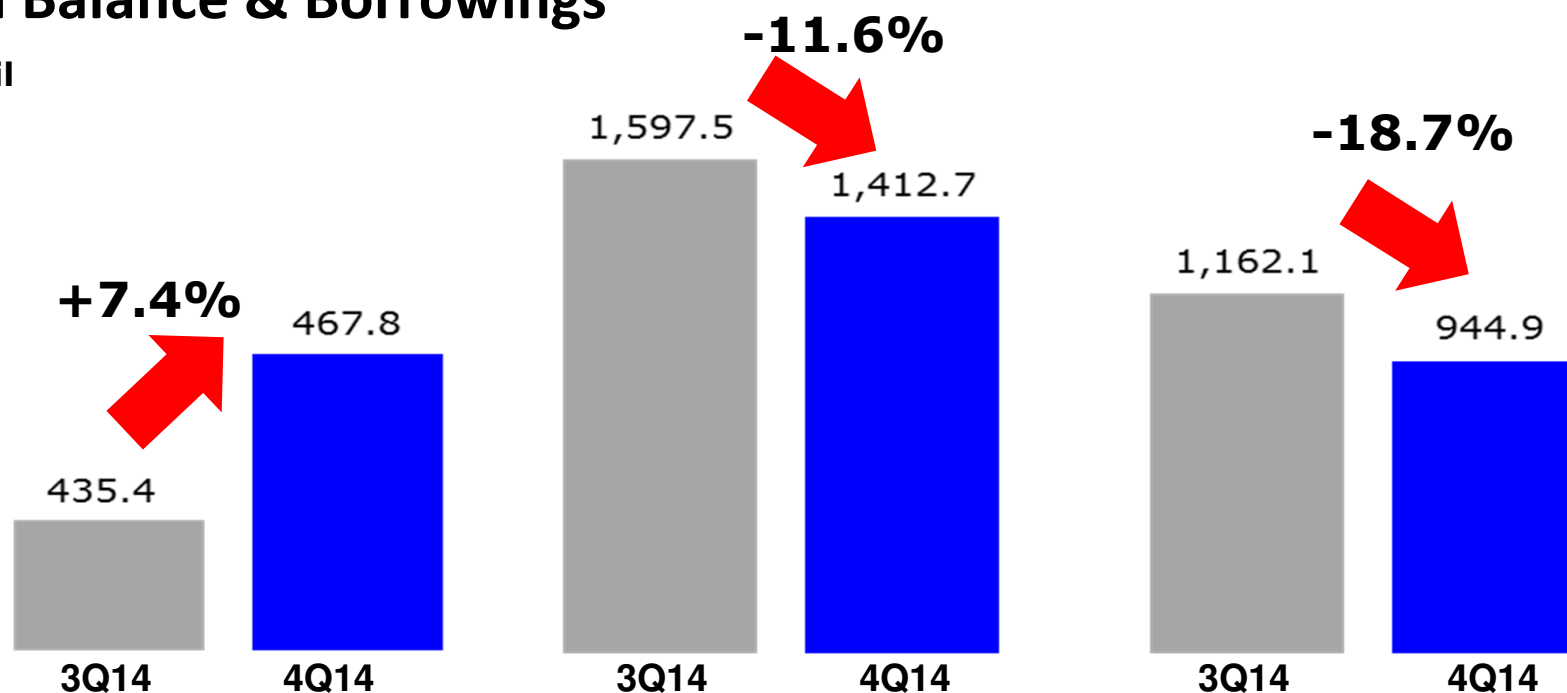


- CKD related ordering on the back on new model launches
- Front loaded in 1Q15 and taper off in 2Q15 – 4Q15
- Based on the current order pattern, the stock rebuilding cycle should begin in 1Q16

# Liquidity Management

## Cash Balance & Borrowings

RM 'Mil



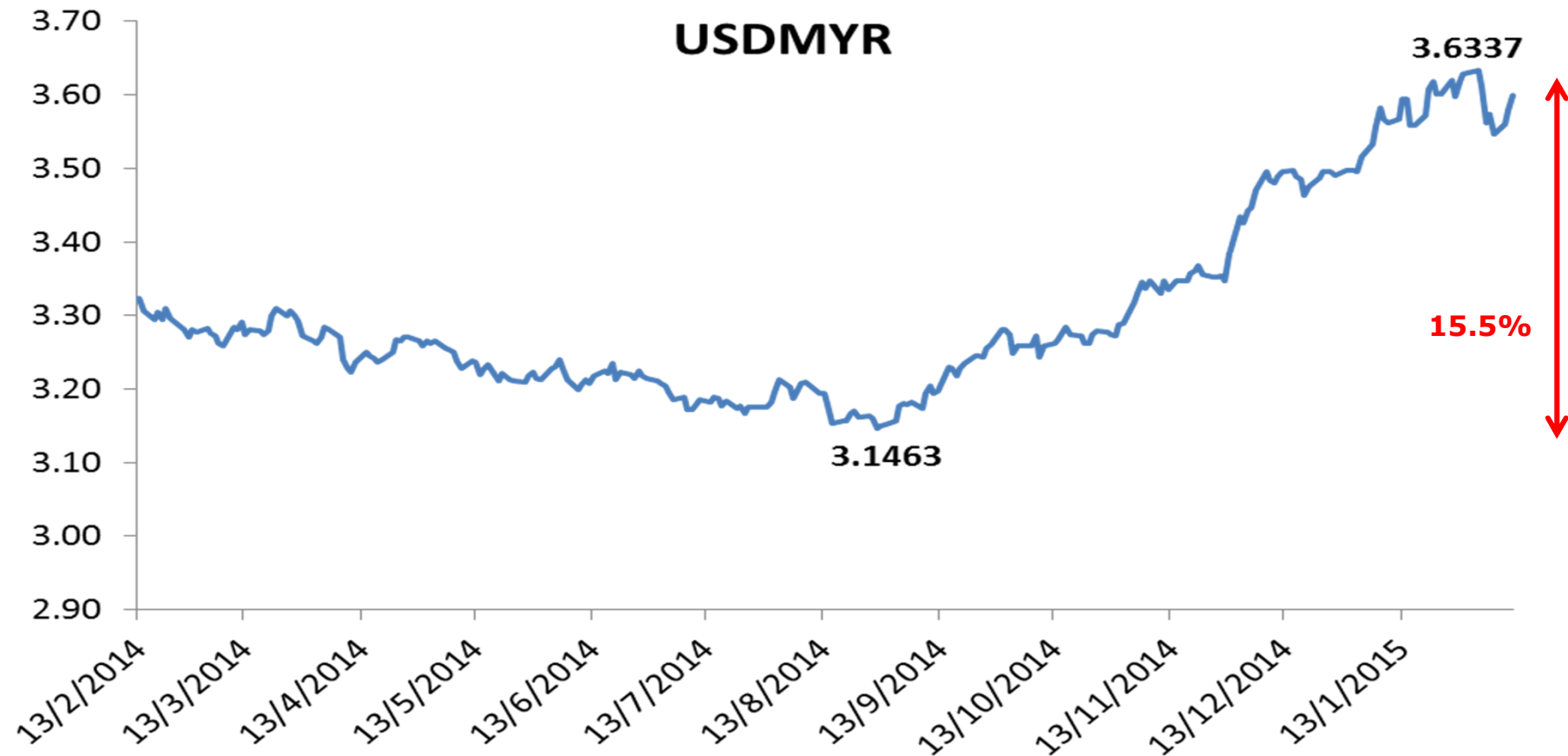
Cash & Liquid Assets

Borrowings

Net Debt

- Borrowings lowered due to inventory clearing.
- Completed the 8<sup>th</sup> issuance of ABS which raised RM198m and 1<sup>st</sup> issuance of CP/MTN which raised RM750m in 4<sup>th</sup> Quarter.
- Net gearing stood at 34.3% of shareholders' equity.

# Foreign Exchange Management



- **USD bottomed in Aug 14 and has rebound to a high of RM3.63 in Feb 2015.**
- **The Group continues to forward hedge on any weakness in the USD.**

Source: Bloomberg

# Capital Expenditure

	2015 - 2016 RM mil
Plant	42.0
Sales Network Expansion / Enhancement	43.7
New CKD Model Investment	24.6
ASEAN Expansion	21.2
Others	1.5
<b>TOTAL</b>	<b>133.0</b>

**Thank you**

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