



**Tan Chong  
Motor  
Holdings  
Berhad**

# **FY2013 Fourth-Quarter Financial Results**

**26 Feb 2014**



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# **FY2013 Sales Performance & Operation Review**

## **Business Outlook**

# Key Performance Indicators

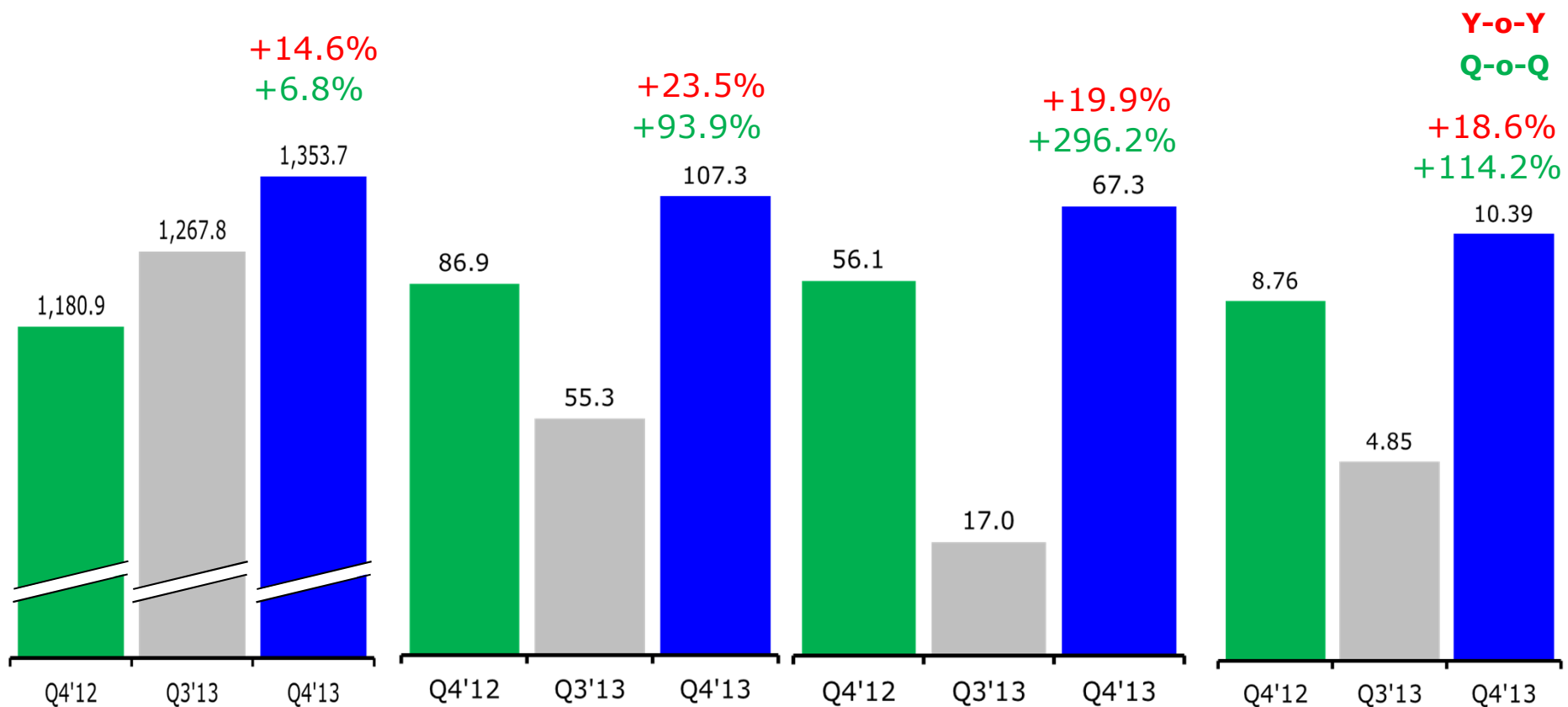
(RM 'million)

**Revenue**

**Operating Profit**

**Net Profit**

**Earnings Per Share (Sen)**



# Q4 Financials Review

<i>In RM'000, unless stated otherwise</i>	<b>31-Dec-13</b>	<b>Restated 31-Dec-12</b>
<b>Net Revenue</b>	<b>1,353,749</b>	<b>1,180,900</b>
<b>Operating Profit</b>	<b>107,289</b>	<b>86,874</b>
<b>Profit Before Tax</b>	<b>95,710</b>	<b>74,568</b>
<b>Profit After Tax</b>	<b>67,284</b>	<b>56,128</b>
<b>Earnings per Share (Sen)</b>	<b>10.39</b>	<b>8.76</b>
<b>Final Dividend per Share (Sen)</b>	<b>6.00</b>	<b>6.00</b>
<b>Shareholders' Fund</b>	<b>2,714,295</b>	<b>1,969,866</b>
<b>Net Asset per Share (RM)</b>	<b>4.17</b>	<b>3.01</b>

- Higher sales Q-o-Q thanks to higher ASP.
- Improved margins and higher EPS at 10.4sen.
- Revaluation exercise to reflect the fair value of the properties held by the Group. Revaluation surplus of RM620.4mil resulting in a correspondence increase in shareholders' fund.
- The board has maintained a single-tier final dividend of 12% or 6sen per share.

# FY2013 Financials Review

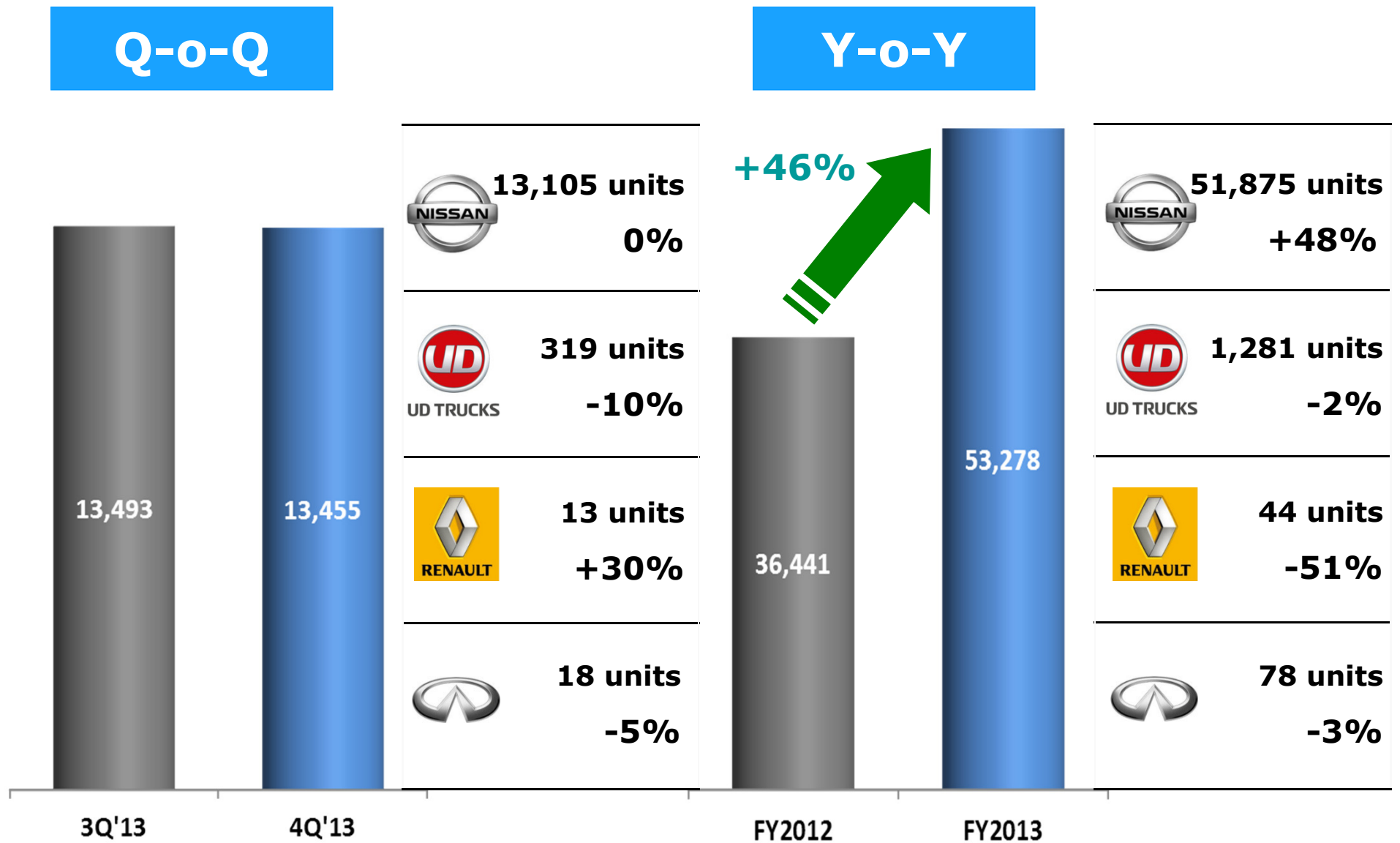
<i>In RM'000 , unless stated otherwise</i>	2013	2012	Changes
<b>Revenue</b>	5,198,491	4,087,833	+27.2%
<b>Operating Profit</b>	387,798	251,952	+53.9%
<b>Profit Before Tax</b>	360,122	225,351	+59.8%
<b>Profit After Tax</b>	235,627	162,352	+45.1%
<b>Profit Attributable to Owners of the Parent</b>	250,952	164,659	+52.4%
<b>EPS (Sen)</b>	38.44	25.22	+52.4%
<b>Net Dividend per Share</b>	17.25	9.00	+75.0%

- Record sales at RM5.2bil; +27% Y-o-Y on the back of higher sales volume; i.e. full year contribution from Almera.
- PBT included provision for NVL import duty tax of US\$16.98mil.
- Profit margins expansion thanks to favorable exchange rate and scale.
- PAT RM236mil. Record earnings post demerger.
- Full year dividend increase to 17.25sen per share in FY2013, translating to payout ratio of 45%.

# Segmental performance

	4Q 2013 RM '000	4Q 2012 RM '000	Change %
<b>Sales</b>			
Automobiles	1,340,025	1,167,185	14.8%
Financial services	11,769	12,618	(6.7%)
Other operations	1,955	1,097	78.2%
	<b>1,353,749</b>	<b>1,180,900</b>	
<b>EBITDA</b>			
Automobiles	138,152	91,334	51.3%
Financial services	3,902	5,676	(31.3%)
Other operations	(5,395)	10,365	(152.1%)
	<b>136,659</b>	<b>107,375</b>	
<b>EBITDA margin</b>			
Automobiles	10.3%	7.8%	
Financial services	33.2%	45.0%	
Other operations	(276.0%)	944.9%	

# Malaysia Sales Performance



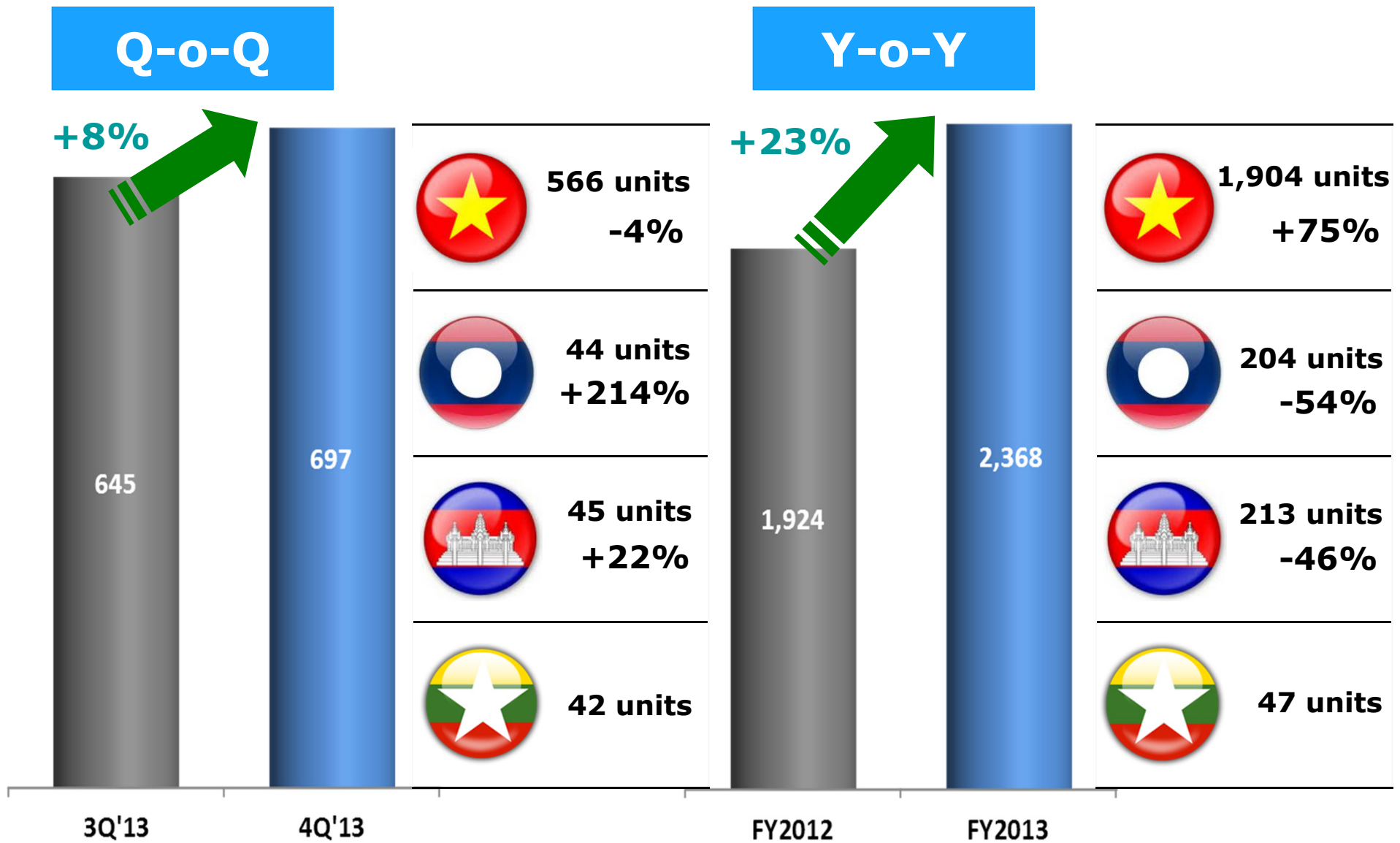
# Malaysia Sales Performance (Cont'd)

## Malaysia

- Sales maintained at 13.1K units Q-o-Q, despite the traditionally weaker 4Q and anticipated new NAP in Jan 2014.
- Full year unit sales rose 46% Y-o-Y, on first full year contribution from Almera.
- Almera – best selling non-national Segment-B with more than 30K units sold in 2013.
- MPV (GL & Serena S Hybrid) and PU (Navara) contributed 23% of the total Nissan sales in 2013.
- Aging effects from the Sylphy and Teana as sales slowed significantly.



# Indochina Sales Performance



# Indochina Sales Performance (*Cont'd*)

## Indochina

- **>600 units of Sunny were sold since launch on June 2013. Top 3 best selling with 11% market share in Segment-B.**
- **Plan to increase dealer networks in Vietnam to 16 in 2014 from 13. New CKD models estimated in 2015 and 2016 to expand product offerings and improve plant utilization rate.**
- **Sales picked up in Cambodia and Laos in the last quarter.**
- **Commenced maiden sales in Myanmar with 2 showrooms. 47 units sold in the 3-month period.**
- **Capex US\$20-25mil for Myanmar for planned CKD operation in 1Q '15.**

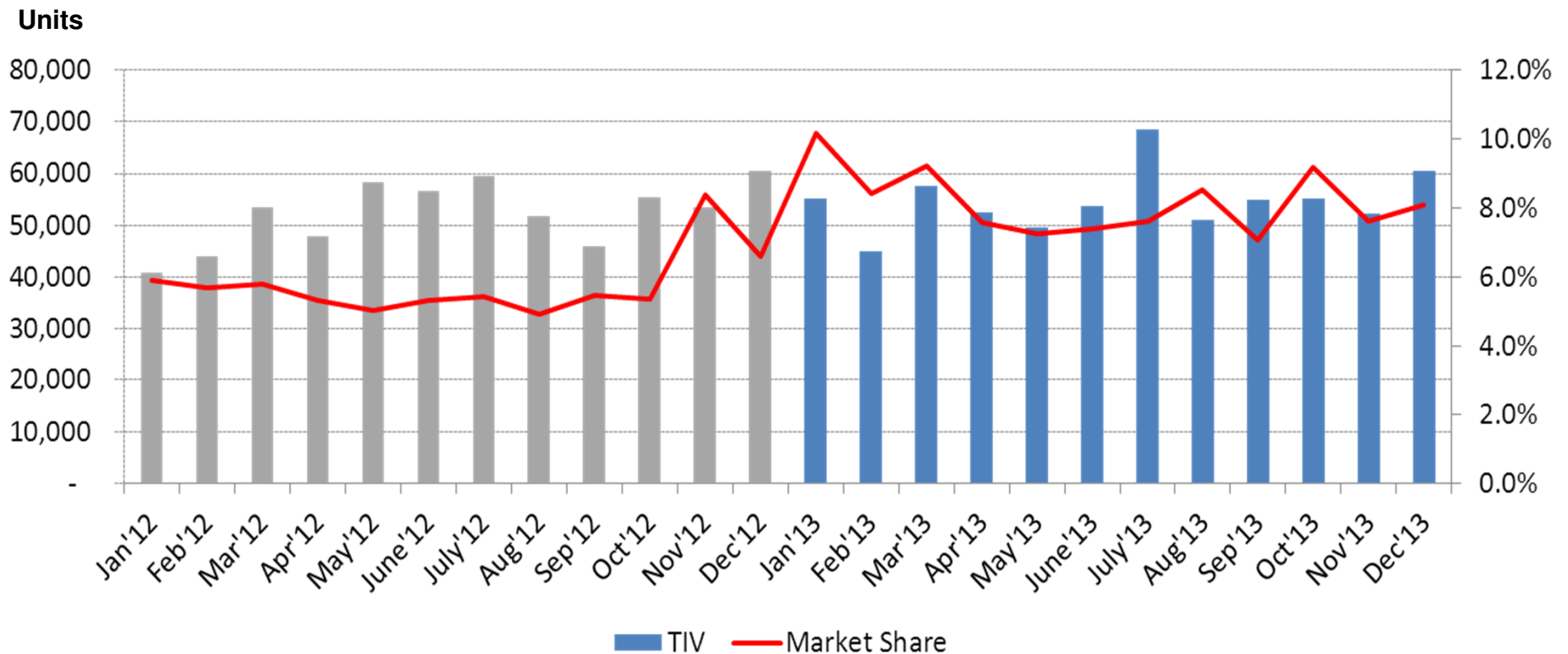


# Indochina TIV 2013

	<b>TIV</b>	<b>Nissan Sales (Units)</b>	<b>Market Share (%)</b>
Vietnam	98,649	1,904	1.9%
Laos	6,600	204	3.1%
Cambodia	3,100	213	6.9%
Myanmar	2,200	47	2.1%
<b>Total</b>	<b>110,549</b>	<b>2,368</b>	<b>2.1%</b>

*\*No official TIV for Laos, Cambodia and Myanmar. Based on Management's estimate*

# Nissan's Market Shares VS TIV



Source: MAA

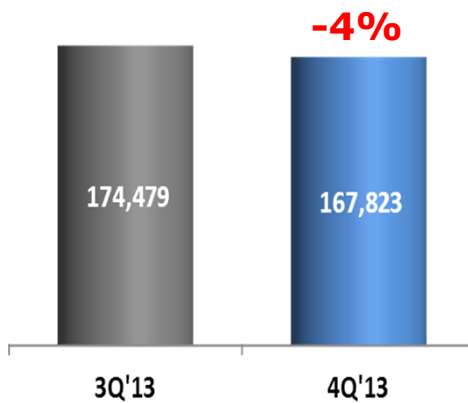
**Total Industry Volume FY2013= 655,793 units (FY2012: 627,753units; +4.5% y-o-y)**

**Nissan Market Share FY2013 = 8.1% (FY2012: 5.6%)**

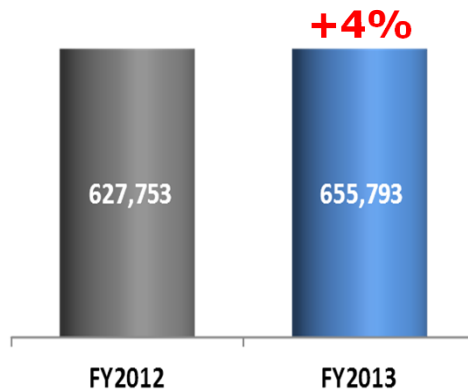
# Nissan 2<sup>nd</sup> Non-National Brand

**TIV**

**Q-o-Q**



**Y-o-Y**

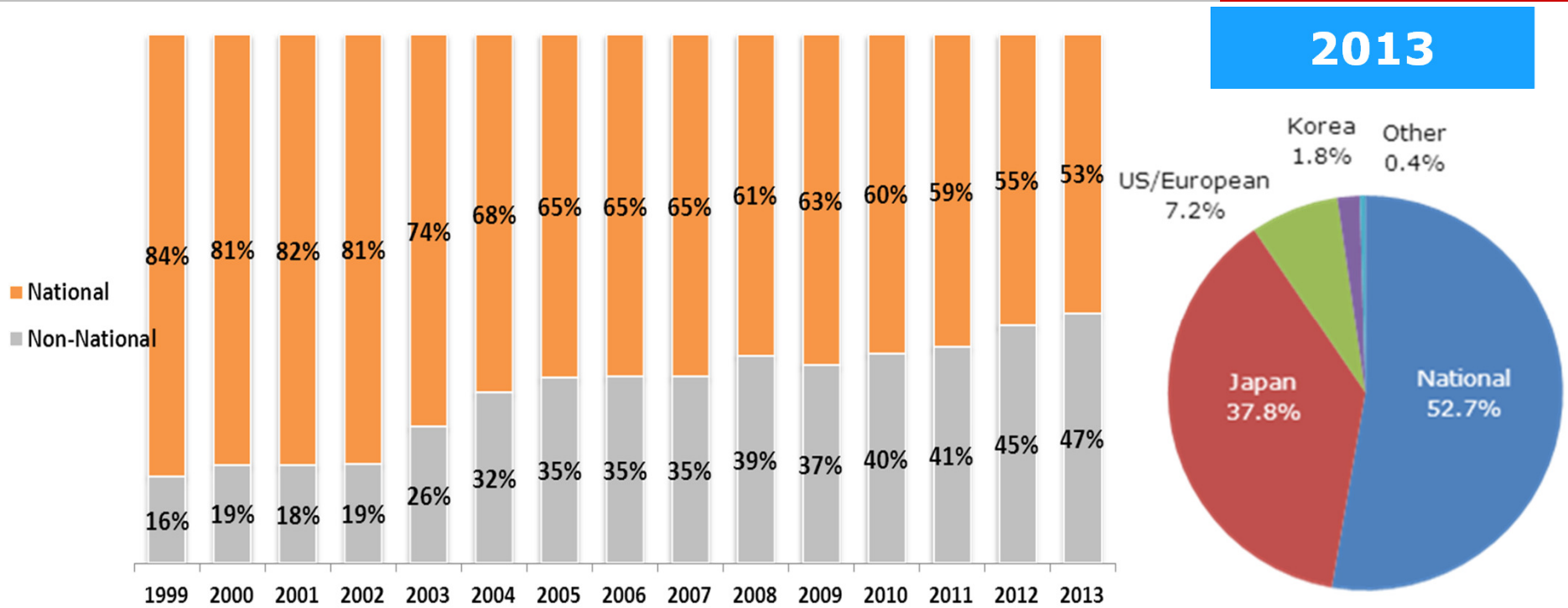


## Top 5 manufacturers

	Units			Market Share		
	2013	2012	Changes	2013	2012	Changes
Perodua	196,071	189,137	+3.7%	29.9%	30.1%	-0.2%
Proton	138,753	141,121	-1.7%	21.2%	22.5%	-1.3%
Toyota	91,185	105,151	-13.3%	13.9%	16.8%	-2.9%
<b>Nissan</b>	<b>53,156</b>	<b>36,271</b>	<b>+46.6%</b>	<b>8.1%</b>	<b>5.8%</b>	<b>+2.3%</b>
Honda	51,544	34,950	+47.5%	7.9%	5.6%	+2.3%

Source: MAA

# Non-national gaining market share

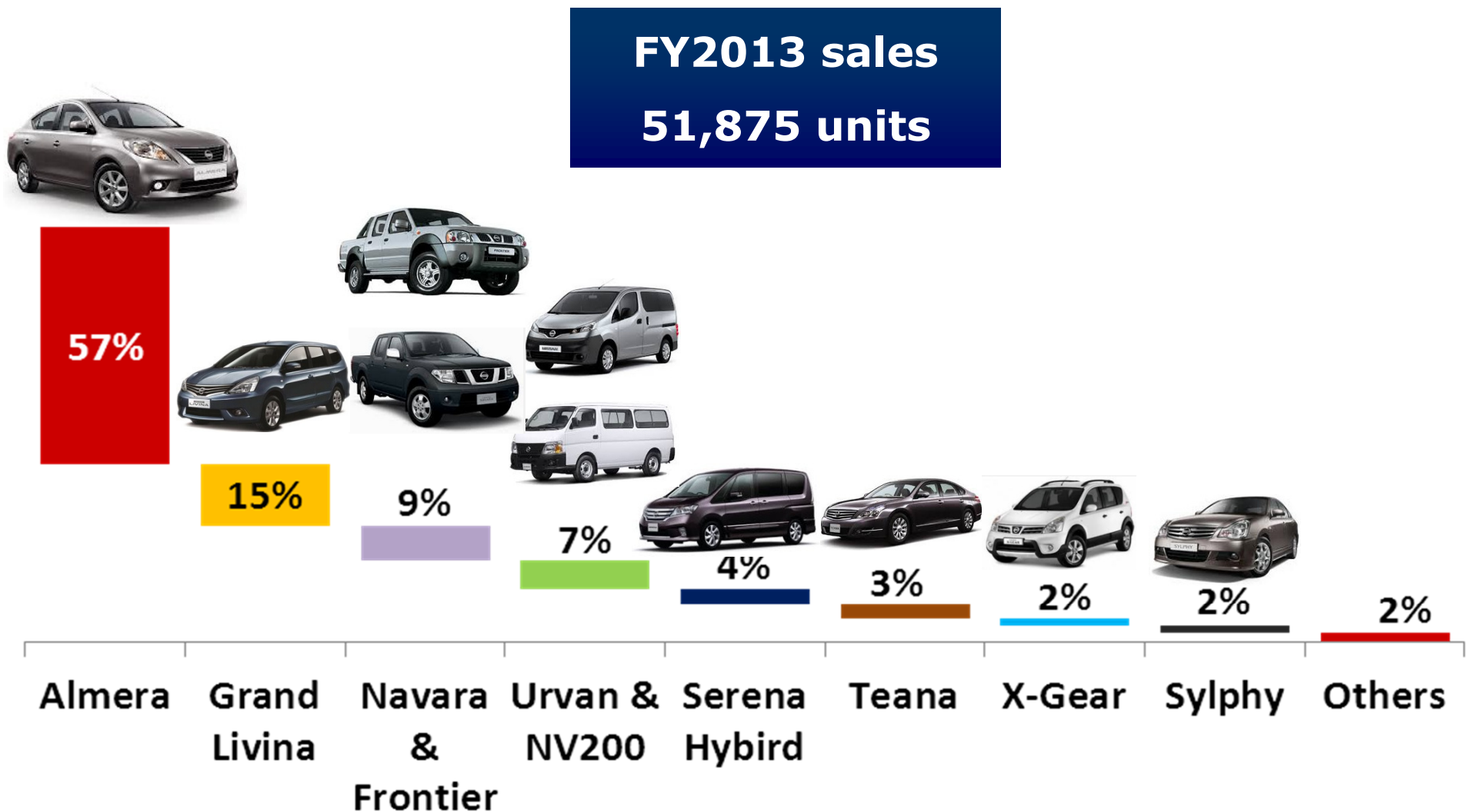


	Y-o-Y %
Perodua	+3.7%
Proton	-1.7%

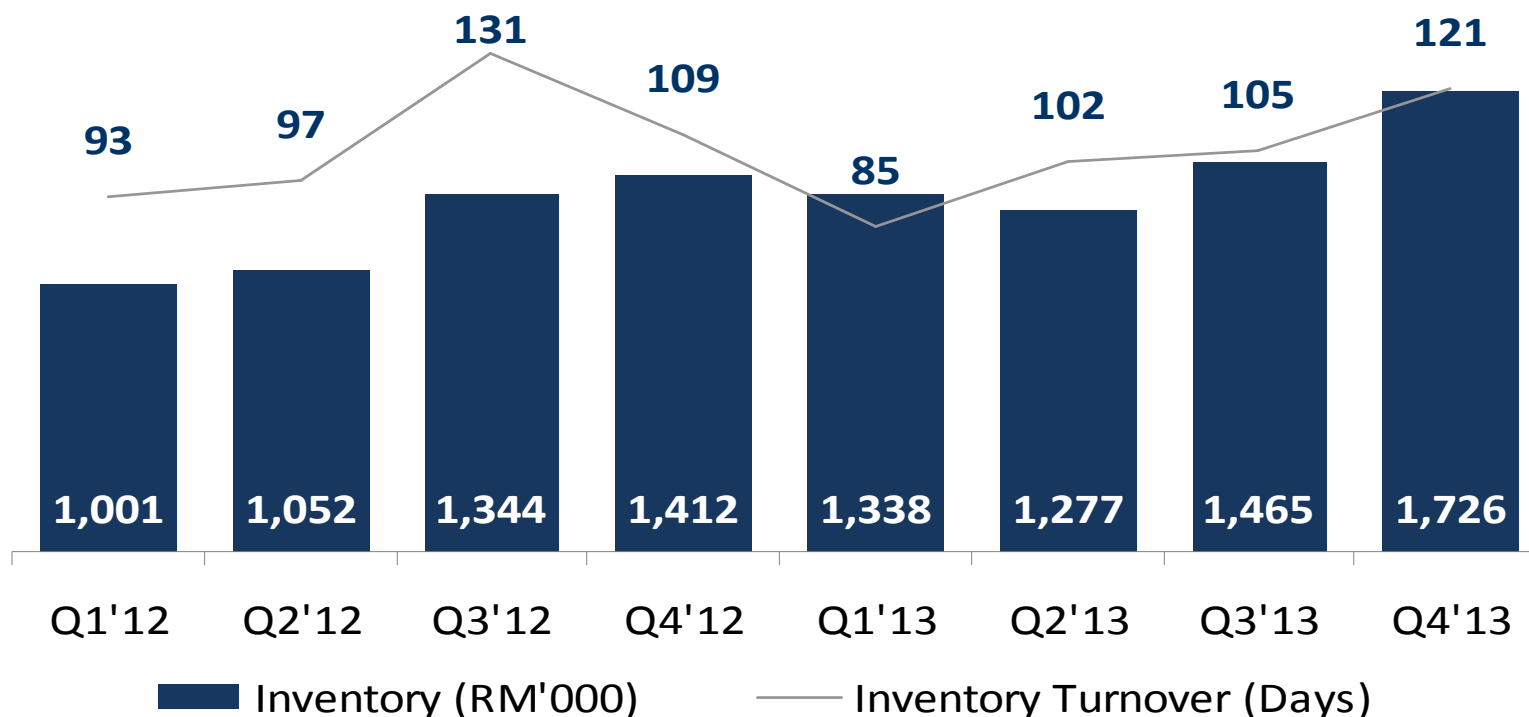
	Y-o-Y %
Toyota	-13.3%
<b>Nissan</b>	<b>+46.6%</b>
Honda	+47.5%
Mitsubishi	+6.0%
Isuzu	+13.0%
Mazda	+45.2%

	Y-o-Y %
Ford	+50.0%
VW	-26.6%
BMW	+11.7%
Peugeot	+6.4%

# Nissan Sales by Models



# Inventory Management

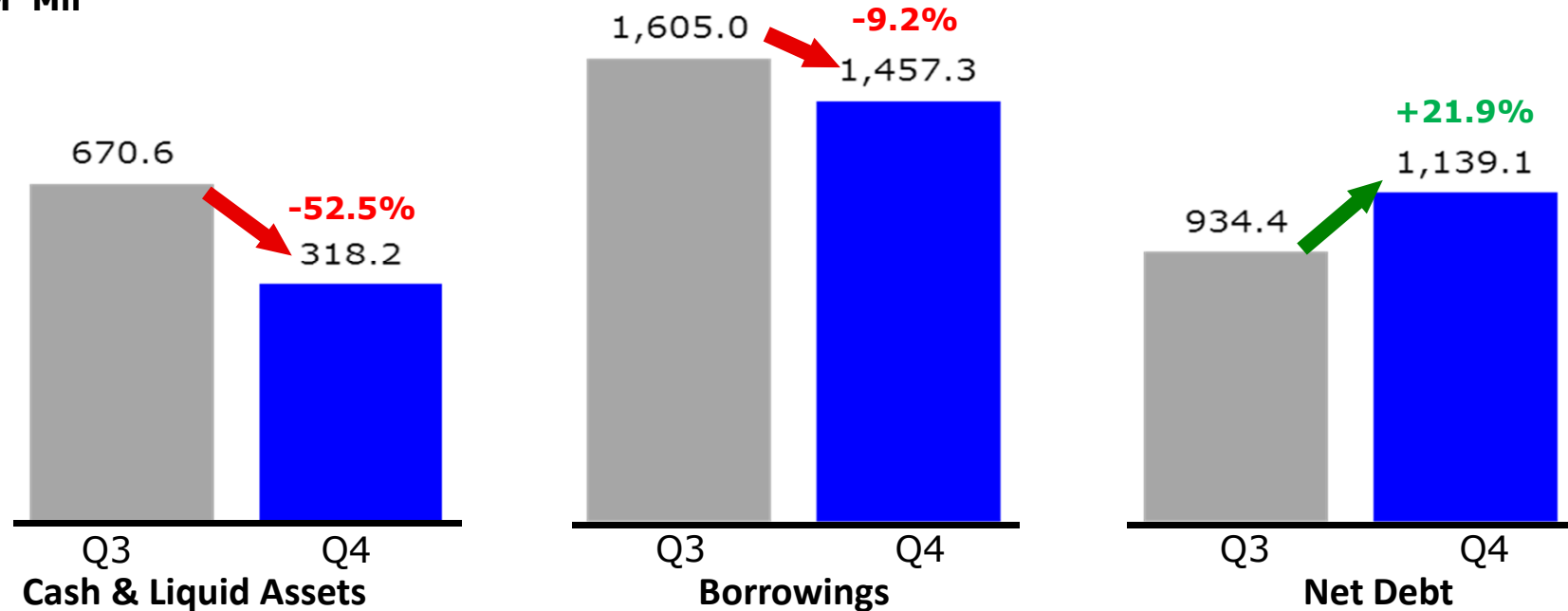


- Higher inventory due to stocking up of Serena S-Hybrid CBUs before the import and excise duties exemption discontinued.
- Higher stock level as a result of higher pre-orders of CKDs in view of the weakening currency of MYR against USD.

# Liquidity Management







## Cash Balance & Borrowings

RM 'Mil



- Group's cash balances reduced to pay off borrowings.
- Completed the 7<sup>th</sup> issuance of ABS which raised RM194m in Dec' 13.
- Net gearing lowered to 36% of shareholders' equity.

# Guidance FY2014

	Movement	Factors / Remarks
<b>Unit sales</b>		<i>New model launches and aggressive sales promotions</i>
<b>Revenue</b>		<i>Correlation to higher sales target</i>
<b>Gross Profit</b>		<i>Weaker MYR</i>
<b>Operating Expenses</b>		<i>Higher marketing expenses, administration cost and oversea expansion</i>
<b>PBT Margin</b>		
<b>Earnings</b>		<i>Flattish</i>

# Capital Expenditure

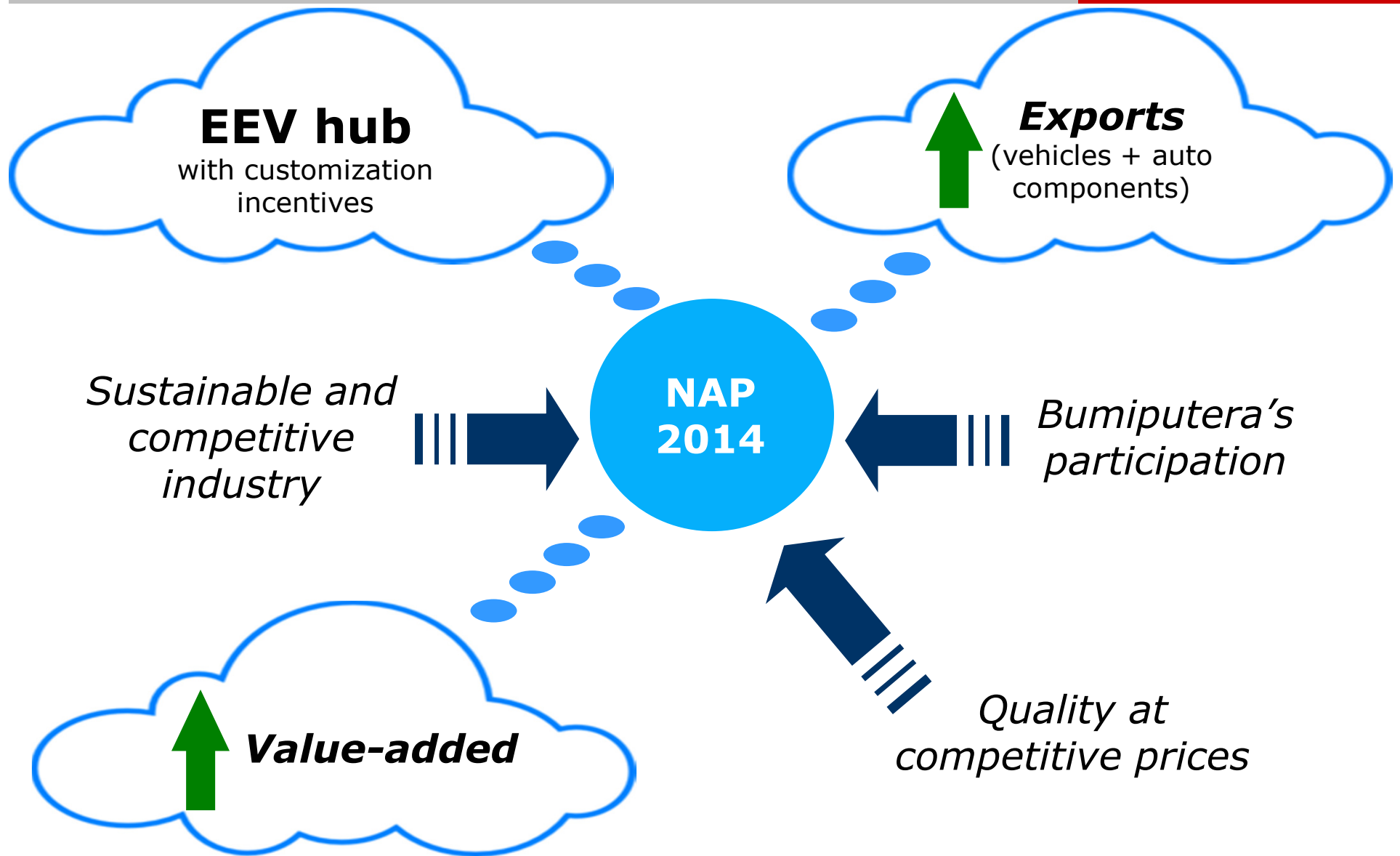
	2014 - 2015 RM mil
Plant	40
Sales Network Expansion / Enhancement	170
New CKD Model Investment	90
ASEAN Expansion	140
Others	50
<b>TOTAL</b>	<b><i>Approx. 490</i></b>

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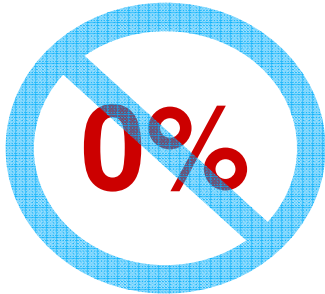
## FY2013 Sales Performance & Operation Review

### **Business Outlook**

# New Automotive Policy (NAP 2014)



# NAP 2014 – Snapshots



Full import/excise exemption for **CBU hybrids and EVs** has been **discontinued**



Car Price Reduction Framework (CPRF) to reduce car prices by **20 – 30% by 2017**



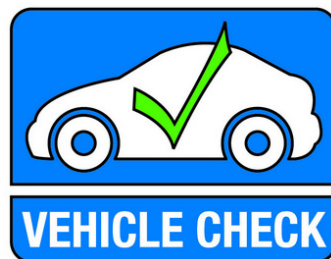
Full import/excise exemption **for CKD hybrids** until 31 Dec 2015 and EVs until 31 Dec 2017



**AP policy continues** until further notice



**Open EEV manufacturing license**



**Voluntary** vehicle inspection



Production **1.25mil**

**0.25mil**

**2020:** Total production volume of **1.25mil units with 0.25mil export units**



**EEV**

**Customization incentives** for EEVs.  
**2020: 85%** vehicles produced will be EEVs.

# Energy Efficient Vehicles

Segment	Description	Curb Weight (KG)	Fuel Efficiency (L/100km)
<b>A</b>	<i>Micro Car</i>	< 800	4.5
	<i>City Car</i>	801 – 1,000	5.0
<b>B</b>	<i>Super Mini Car</i>	1,001 – 1,250	6.0
<b>C</b>	<i>Small Family Car</i>	1,251 – 1400	6.5
<b>D</b>	<i>Large Family Car</i>	1,401 – 1,550	7.0
	<i>Compact Executive Car</i>		
<b>E</b>	<i>Executive Car</i>	1,551 – 1,800	9.5
<b>F</b>	<i>Luxury Car</i>	1,801 – 2,050	11.0
<b>J</b>	<i>Large 4x4</i>	2,051 – 2,350	11.5
<b>Others</b>	<i>Others</i>	2,351 – 2500	12.0

**Thank you**

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