



UMW HOLDINGS BERHAD

CORPORATE PRESENTATION

AFFIN HWANG AUTO VIRTUAL CONFERENCE

11 AUGUST 2020



OUR STRENGTH

LEADER IN OUR CORE BUSINESS SEGMENTS



AUTOMOTIVE

- Leader in the Malaysian automotive industry with 51.4% market share (2019) through Toyota, Lexus and Perodua marques.



EQUIPMENT

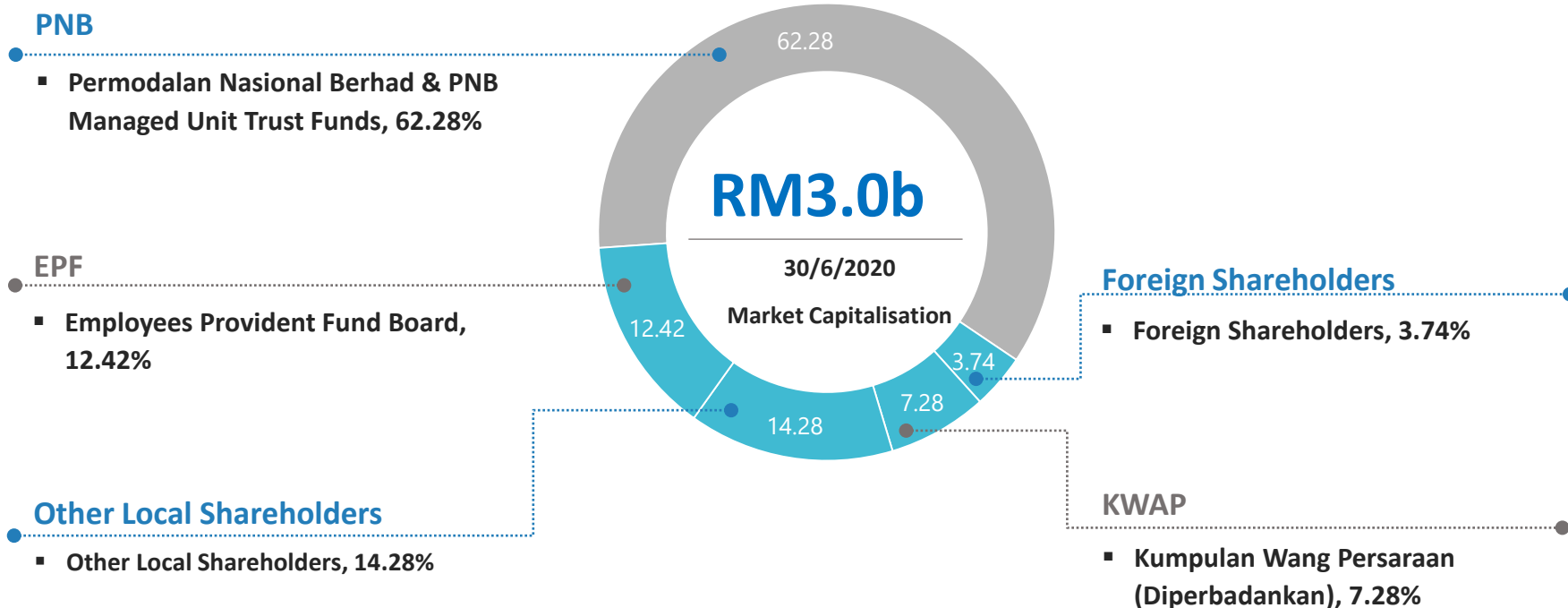
- Distribute Komatsu heavy equipment in 5 countries in the Asia-Pacific region.
- Hold more than 50% market share for Toyota forklift in Malaysia and Singapore; have operations in 5 countries in Asia-Pacific.



MANUFACTURING & ENGINEERING

- First Malaysian company to manufacture and assemble fan cases for Rolls-Royce as a Tier 1 supplier.
- Manufacture and export KYB shock absorbers to 38 countries from Malaysia.

OUR SHAREHOLDERS AS AT 30 JUNE 2020



Bloomberg ticker	UMWH:MK
Total number of shares	1,168,293,932
Bursa Malaysia Listing sector	Main Market, Consumer Products & Services



AUTOMOTIVE SEGMENT

SAFETY NOTICE:
DO NOT ENTER THE
PROTECTED AREA
WHILE THE SYSTEM IS
OPERATING. ALWAYS
STOP AT THE STOP
SIGN.

FBT2-1

UMW GROUP CURRENT MARQUES AND MODELS



LS



ES



NX



RX



LX



LC



UX

COMPLETELY KNOCKED-DOWN (CKD)



VIOS



YARIS



HILUX



INNOVA



FORTUNER



RUSH



HIACE

COMPLETELY BUILT-UP (CBU)

THAILAND



CAMRY



COROLLA



C-HR

INDONESIA



AVANZA



ALPHARD

JAPAN



VELLIRE



HARRIER



RAV4

COMPLETELY KNOCKED-DOWN (CKD)



MYVI



AXIA



BEZZA



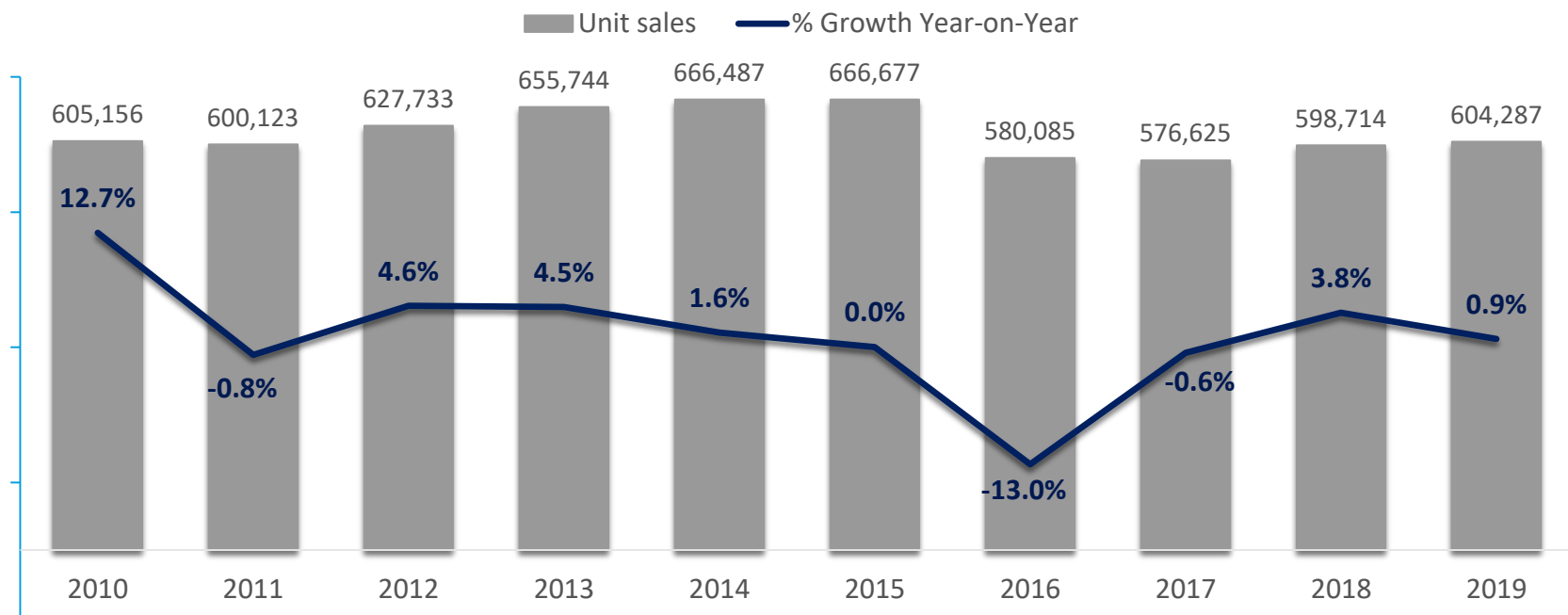
ARUZ



ALZA

TOTAL INDUSTRY VOLUME (TIV) – MALAYSIA AUTOMOTIVE ASSOCIATION (MAA)

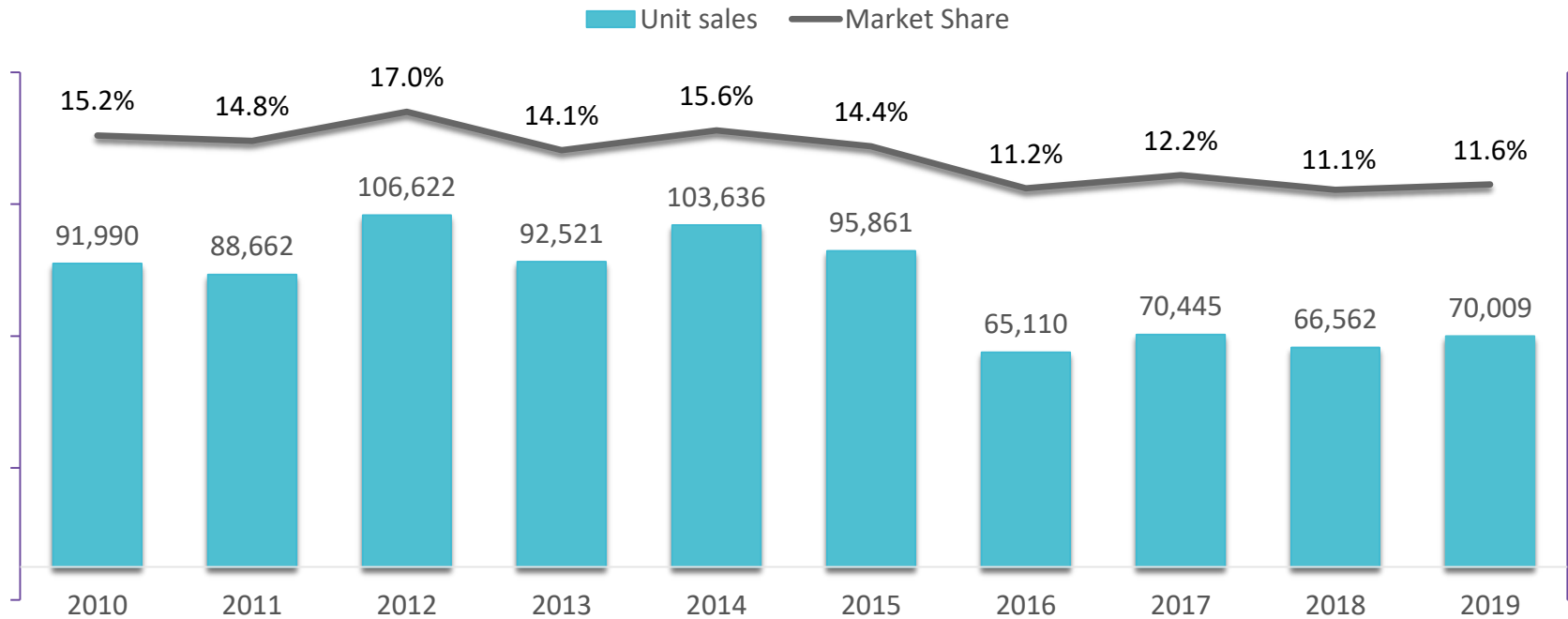
MAA is forecasting a TIV contraction in 2020, with a sales target of 470,000 units



- Low industry growth due to no end-of-life policy, no scrap policy, high car ownership.
- In 2019, TIV grew 1.0% to register sales of 604,287 units, fueled by the passenger vehicles (PV) segment which saw sales of 550,179 units. Within the PV segment, passenger cars continued to form the biggest segment with 69.4%.

UNIT SALES – UMW TOYOTA MOTOR (TOYOTA AND LEXUS MODELS)

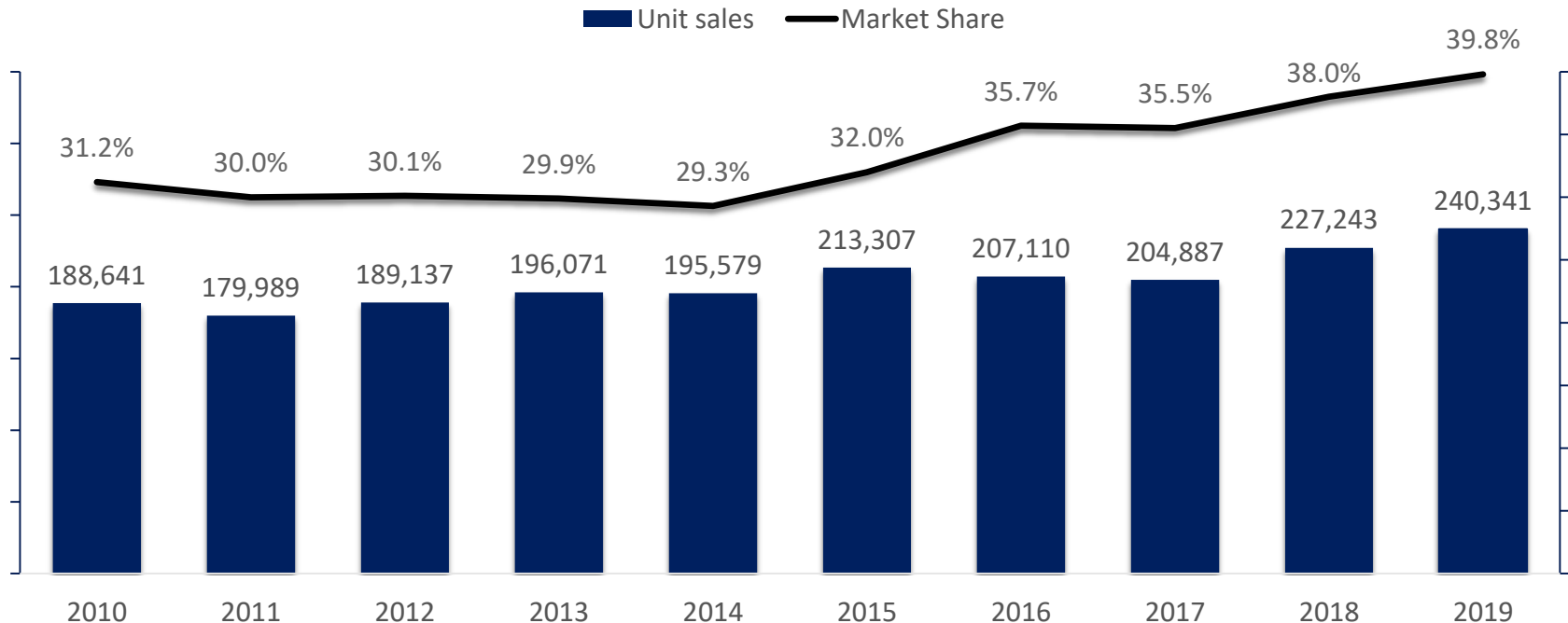
2020 sales target – 45,000 units



- Importation of CBU vehicles and CKD components are transacted in US Dollar.
- Vios and Yaris are produced at UMWT's new Bukit Raja plant and share the same platform, with over 80% local content.

UNIT SALES – PERODUA (38%-OWNED ASSOCIATE)

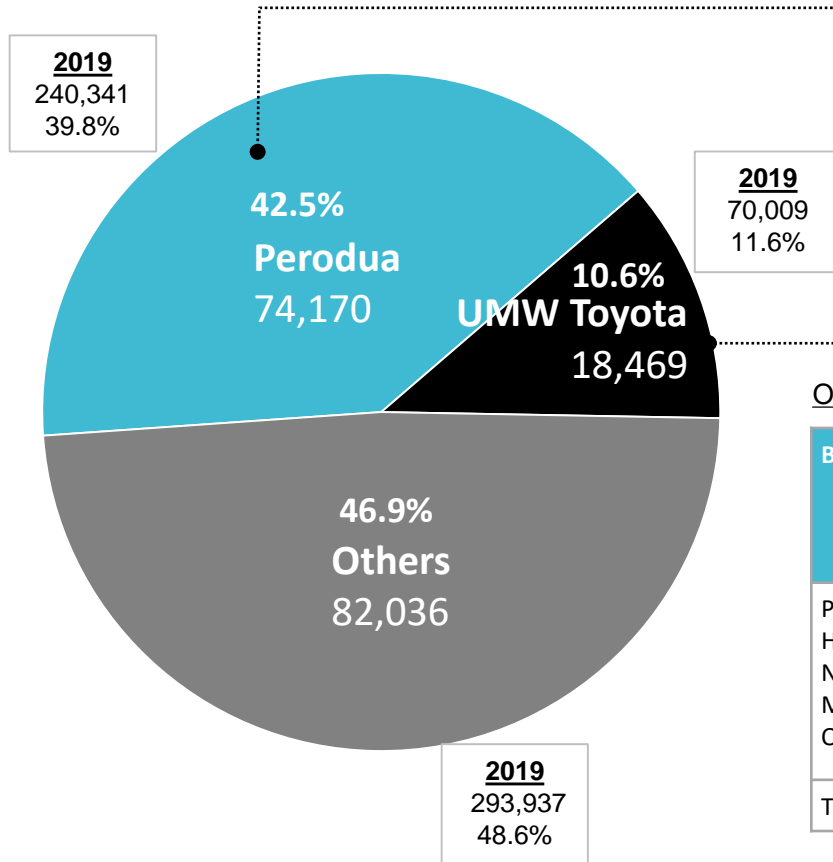
Strengthening market share



- Perodua maintained its No.1 position in overall market share for the 14th consecutive year in 2019.
- The all-new 7-seater SUV, Aruz was launched in January 2019 while the enhanced Axia was introduced in September 2019. Perodua also launched the improved Bezza in January 2020.
- Exports to 7 countries - Indonesia, Singapore, Mauritius, Fiji, Sri Lanka, Brunei and Seychelles.

AUTOMOTIVE INDUSTRY MARKET SHARE (based on latest available TIV data)

UMW Group commanded more than half of the automotive industry's market share



- **UMW Group sold 92,639 units in 1H20 with a market share of 53.0% (2019 – 51.4%)**

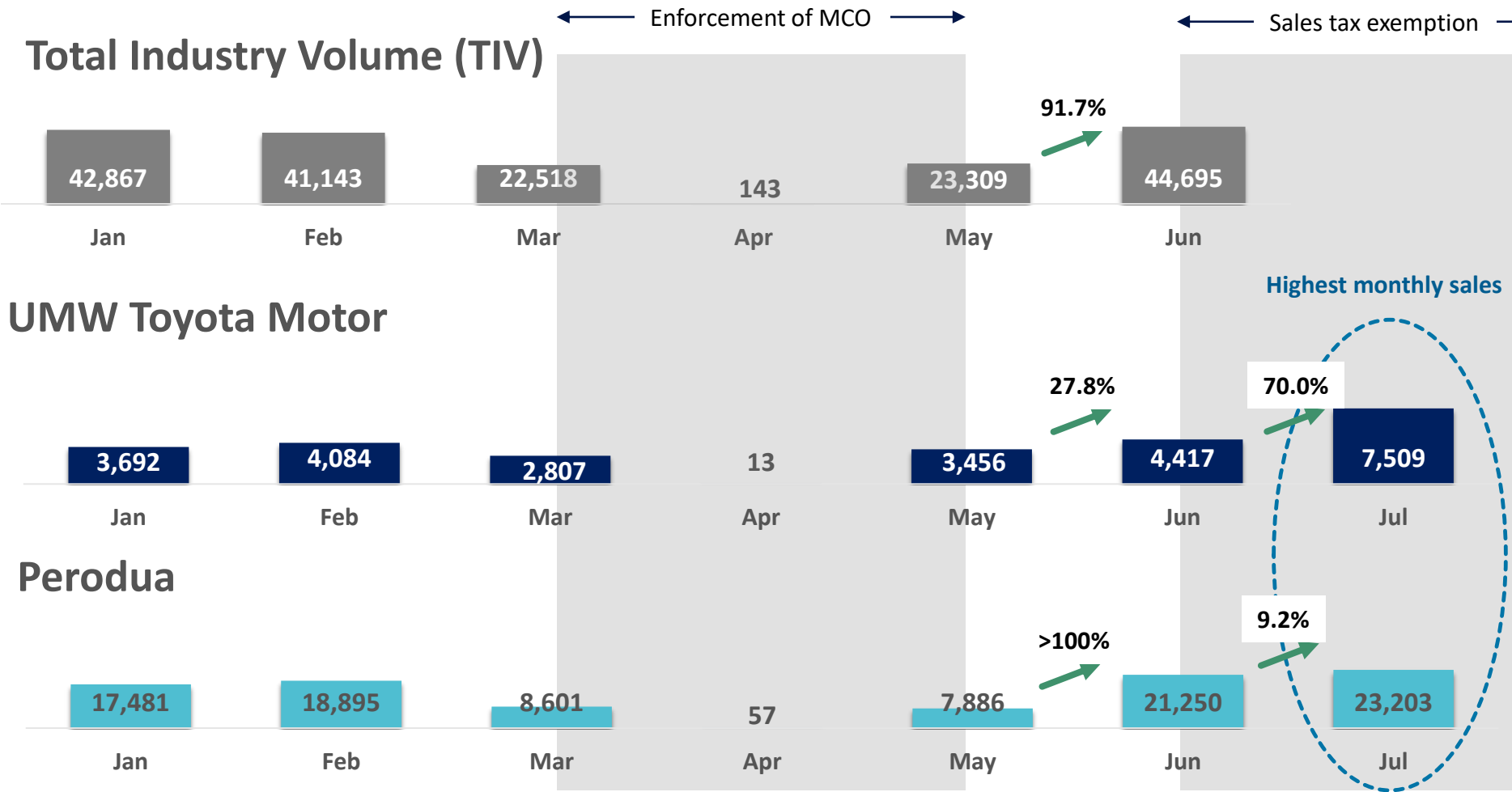
Other Carmakers' Sales and Market Share

Brand	1H20		2019	
	Units	Market Share %	Units	Market Share %
Proton	37,078	21.2	100,183	16.6
Honda	17,124	9.8	85,418	14.1
Nissan	4,382	2.5	21,239	3.5
Mazda	4,228	2.4	11,651	1.9
Other brands	19,224	11.0	75,446	12.5
Total TIV	174,675		604,287	

Source: Malaysian Automotive Association

YEAR-TO-DATE 2020 UNIT SALES

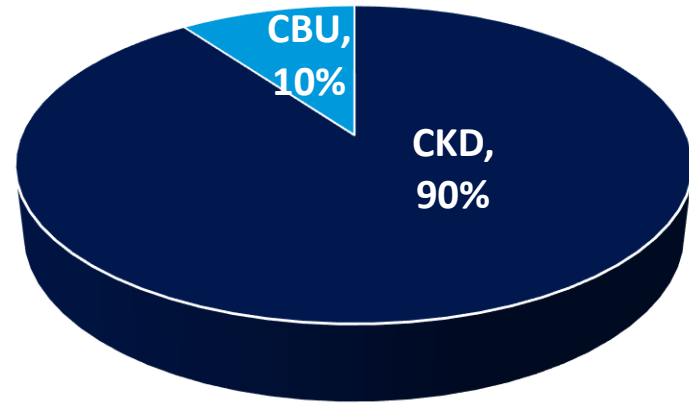
Sales trend improving upon easing of MCO as well as temporary sales tax exemption



YEAR-TO-DATE 2020 UNIT SALES

UMW Toyota Motor sales breakdown

YEAR-TO-DATE
JULY 2020
25,978
units
(58% of target)



Top 3 best-selling models

Models	% of total UMWT sales
Vios	33%
Yaris	23%
Hilux	22%

Order taking for the improved model started in early August to drive sales

UMW TOYOTA MOTOR FOCUS ON MARGIN IMPROVEMENTS

Revenue elevation

- 1 Expansion of model line-up – to appeal to a wider audience
- 2 Attractive financing packages – in partnership with Toyota Capital and other financial institutions such as Toyota EzBeli and Special Term Financing For Graduates
- 3 Expansion of sales network into e-commerce – via Lazada and Shopee  
- 4 Collaboration with dealers to boost after-sales

Cost optimisation

- 1 Higher localisation
- 2 Highly-efficient Bukit Raja plant



→ LEXUS
UX 200

TOYOTA
RAV4 →



- Improved Alphard and Vellfire were introduced in the beginning of the year.
- Lexus UX 200 was launched on 4 March 2020
- Toyota RAV4 was introduced on 18 June 2020
- Order taking for the improved Hilux have recently opened
- More new models planned for 2020 and 2021

2020 →

UMW TOYOTA MOTOR ATTRACTIVE STEP-UP FINANCING PACKAGES

TOYOTA EZ BELI

- 9-year financing plan – 3-tier step-up
- After 6 years, customers can opt to continue with the financing plan, or trade-in for a new Toyota
- Currently offered for Yaris, Vios, Avanza, Hilux, Rush, Innova and Corolla

Model	Low Instalments From	Worth Up To
ALL-NEW COROLLA	RM978*	RM1,950*
Rush	RM748*	RM4,300*
INNOVA	RM958*	RM5,600*
AVANZA	RM608*	RM6,800*
YARIS	RM498*	RM4,300*
HILUX	RM775*	RM9,085*
VIOS	RM538*	RM6,800*

AS EASY AS
JOM DRIVE
1-2-3!
EXCLUSIVE FOR GOVERNMENT STAFF!

It's **EASIER**
to own a **TOYOTA** now!

*Toyota EZ Beli instalment is based on first 3 years of 9 years Auto-Financing Plan

*Instalment based on up to 90% loan of OTR price without Insurance.

*Terms & Conditions apply. Valid for Peninsular Malaysia & subject to changes without prior notice.

Note: Prices for Sabah, Sarawak and Labuan may be different from the above.

PERODUA

LEVERAGE ON EXCELLENT BRAND PERCEPTION FOR ENTRY-LEVEL SEGMENT

1 Strategic planning of future car models

- To ensure it can remain competitive with exciting models

2 Ride on Perodua's success in the entry-level segment

- Perodua introduced an all-new SUV model, Aruz in January 2019,
- Sold 30,115 units in 2019

Malaysia's
best-selling
SUV in 2019






- Enhanced Perodua Axia was introduced in September 2019
- Facelift Perodua Bezza launched in January 2020



EQUIPMENT SEGMENT

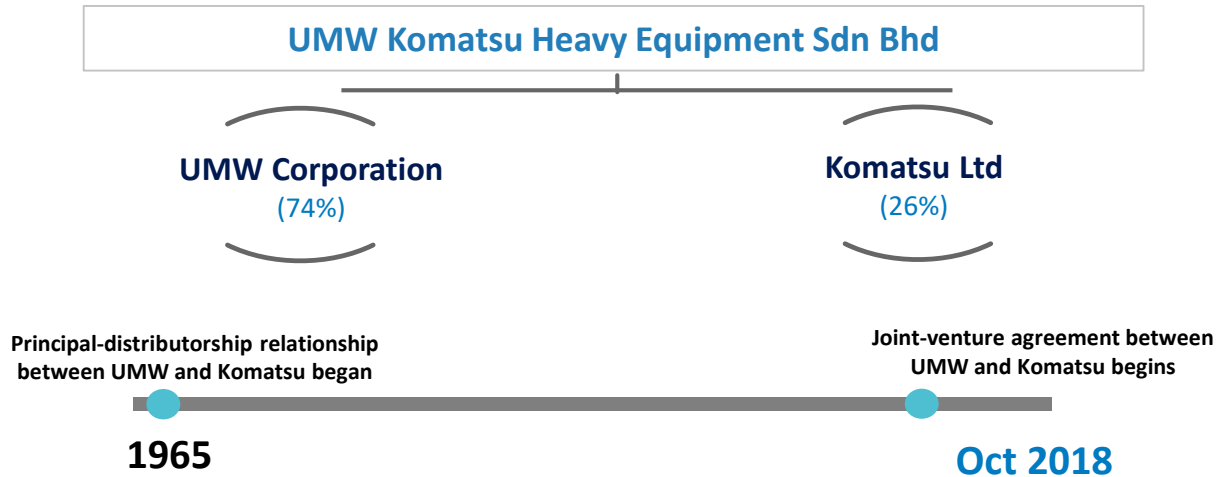
EQUIPMENT SEGMENT

DISTRIBUTOR OF GLOBALLY-KNOWN BRANDS IN SOME PARTS OF THE REGION

<p>HEAVY EQUIPMENT</p>		<ul style="list-style-type: none"> • Agriculture • Construction • Forestry • Mining
<p>INDUSTRIAL EQUIPMENT</p>	<p style="text-align: center;">Material handling</p>  <p style="text-align: center;">Marine & Power</p> 	<ul style="list-style-type: none"> • Industrial and manufacturing • Industrial cleaning- <ul style="list-style-type: none"> ▪ food and beverage ▪ material handling ▪ logistics • Industrial and marine power solutions



HEAVY EQUIPMENT STRUCTURE



KOMATSU

Since 1965

Malaysia

Myanmar

Singapore

Papua New Guinea

Brunei



Also distributes:



Since 1979



Since 1996



Holland Dredge Design

INDUSTRIAL EQUIPMENT MATERIAL HANDLING

Toyota Forklift Franchise – UMW is one of the Top 10 distributors globally



Since 1965



Malaysia

Singapore

Vietnam

Brunei

China :

Shanghai,
Zhejiang

Strong market leadership position

- No. 1 position in Malaysia since 1972. Toyota forklift maintained its 50% market share in Malaysia's material handling equipment business.
- Under the 2018 Toyota Material Handling International (TMHI) Award Programme, UMW Industries was awarded the Diamond Club Recognition, President's Award (Gold) and Vision 2020 Award.
- Have ventured into leasing of Toyota forklifts – about 9,000 units in the region.

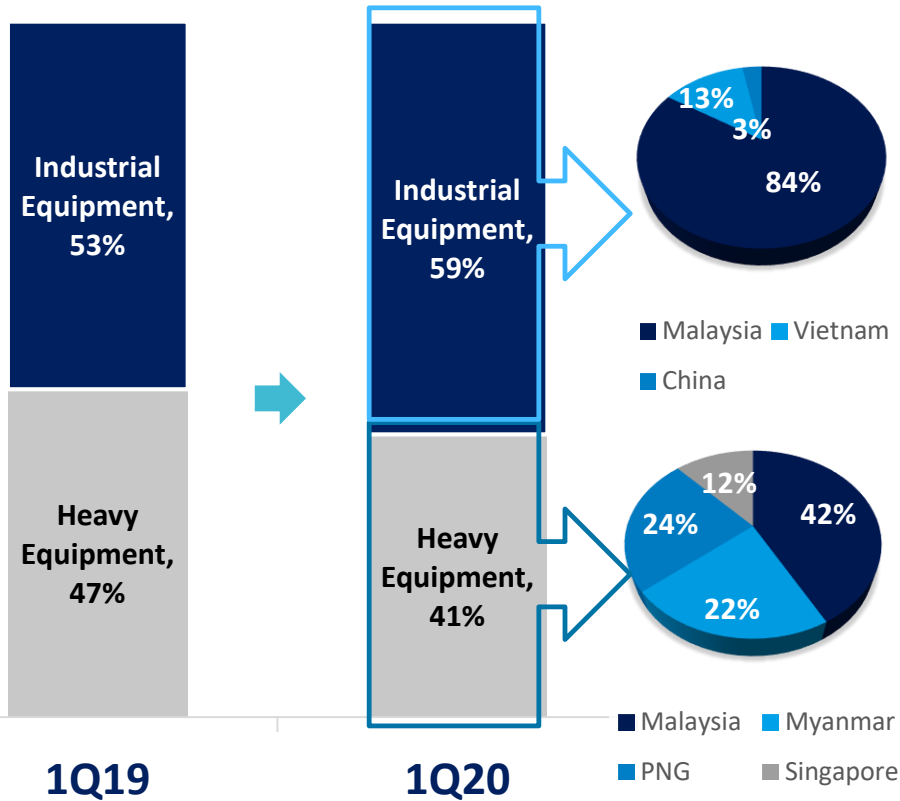
INDUSTRIAL EQUIPMENT MARINE & POWER

Compressors				
Generators				
Marine Engines				
Oil spill equipment				

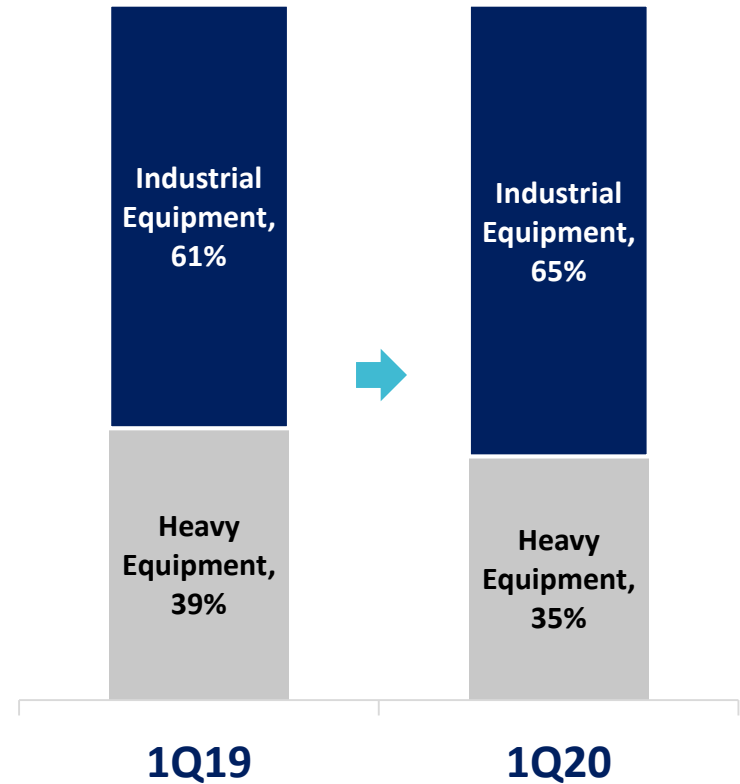
EQUIPMENT SEGMENT BREAKDOWN

Industrial equipment business has increasingly been the higher contributor to the segment

REVENUE CONTRIBUTION



PBT CONTRIBUTION



EQUIPMENT SEGMENT

OFFER NEW PRODUCTS, SERVICES AND BUSINESS MODELS THAT BEST FIT CUSTOMERS' NEEDS

HEAVY EQUIPMENT

- 1 Provide innovative financing scheme for end clients
- 2 Improve provision of solutions throughout the product life-cycle
- 3 Development of high-performance, fuel-efficient equipment
- 4 Expansion in construction and resource mining sectors regionally

INDUSTRIAL EQUIPMENT

- 1 Refurbishment of ex-rental forklifts to expand market coverage and retain customers
- 2 Diversify product base
 - Now an exclusive distributor of premium Kohler generator sets in Malaysia
 - Distributor of world-renowned Cobots by Universal Cobot
- 3 Expansion to new markets

- 1 Strengthen fleet management capabilities
- 2 Offer innovative business solutions to existing customers - Digitalisation of forklift maintenance and services via mobile app via CARA app
- 3 Formulate new digital business model to complement traditional business



**MANUFACTURING
& ENGINEERING
SEGMENT**

MANUFACTURING & ENGINEERING SEGMENT

KEY PRODUCTS

Aerospace Component

Aero Engine Fan Cases

Contract Manufacturer for



Rolls-Royce



Auto Components



Shock Absorbers

Motorcycle suspension units

- For both OEM and REM markets
- Export to **more than 38 countries** from Malaysia

Shock Absorbers



Auto parts

- Oil Filters, Eco Filters & Fuel Filters
- Air Filters & Cabin Filters
- Hydraulic & ATF Filters
- Brake pads
- Brake Fluid & Long-life Radiator Coolant
- Auto Transmission Fluid



Cylinder Head Cover

Engineering plastic

- Cam Cover or Cylinder Head Cover
- Air Intake Manifold
- Charcoal Canister
- Integrated Air Cleaner Assembly

Lubricants



UMW's proprietary lubricant brand



Premium range of Repsol lubricants for the automotive industry across Asia and Southeast Asia Region



MANUFACTURING & ENGINEERING SEGMENT

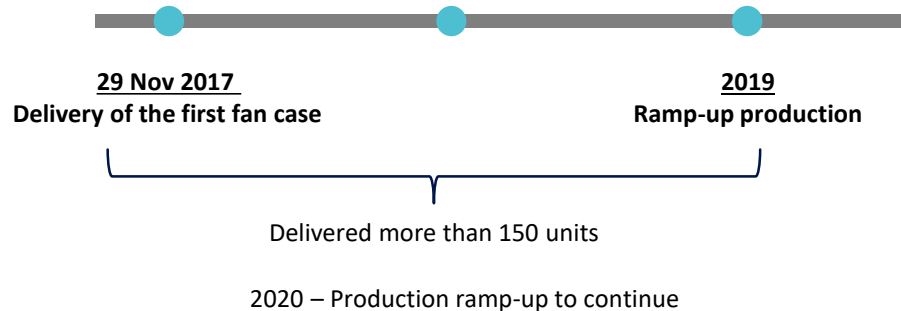
MANUFACTURE OF AERO ENGINE FAN CASES

UMW Aerospace Sdn Bhd



- **UMW is the 1st Malaysian Tier 1 Supplier to Rolls-Royce** - single-source supplier of fan cases for Trent 1000, with production for Trent 7000 engines expected in 4Q20
- Long-term contract of 25+5 years; signed in 2015
- The manufacturing plant is located in Serendah, Selangor

Milestones



Component Part Manufacturing for RR's Most Advanced Passenger Aircraft Engines



Boeing 787 Dreamliner



A330 New Engine Option

Trent 1000



Trent 7000



Part of Rolls-Royce's Asian Supply Chain

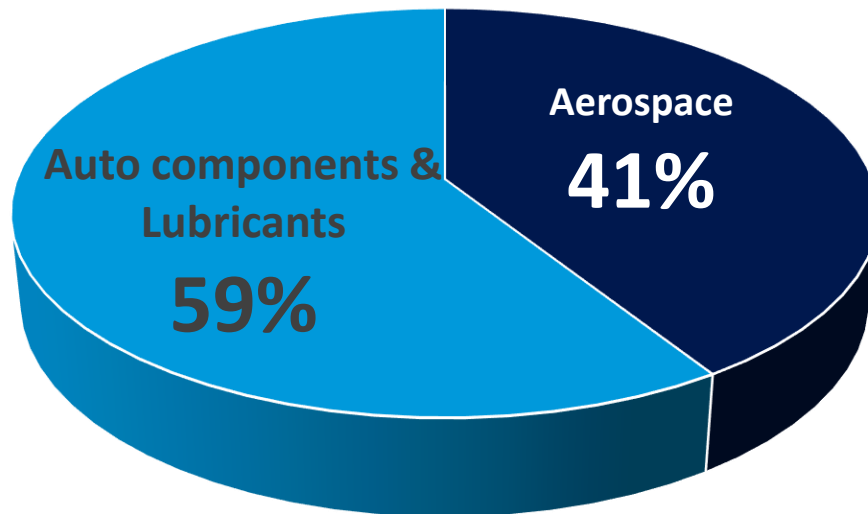
Single Source Final Assembly of the Trent 1000 and Trent 7000 engines in Singapore



MANUFACTURING & ENGINEERING SEGMENT BREAKDOWN

AEROSPACE HAS STARTED TO CONTRIBUTE POSITIVELY

1Q20 PBT breakdown



AEROSPACE

- Aerospace business registered its maiden profit in 2019
- Currently operating 24/7 to deliver outstanding orders to Rolls-Royce
- Continues to receive orders for fan cases albeit slightly lower numbers
- The aerospace industry, impacted by the Covid-19 pandemic, is looking to reset its supply chain and source for “Best Cost Country” to remain competitive.

AUTO COMPONENTS & LUBRICANTS

- Consistent with increase in vehicle sales, seeing rising demand for auto components and lubricants from both the OEM and REM markets
- UMW-KYB to complete plant expansion in 4Q20 – increased capacity and efficiency

MANUFACTURING & ENGINEERING SEGMENT

EXPLORE OPPORTUNITIES TO IMPROVE SEGMENT MARGINS AND BUILD IN-HOUSE CAPABILITIES

01

Modernization & capability building

02

Fully utilise aerospace investment

03

Expansion of lubricants business into ASEAN market

04

Pursue High-Value Manufacturing

LANDBANK IN SERENDAH



UNLOCKING VALUE OF OUR ASSETS MONETISING LONG-HELD ASSETS

861 acres
of land in Serendah



- About **52 acres** of UMW's land in Serendah have been taken up so far

Company	Acreage
UMW Aerospace	24.0 acres
Multi-Code Electronics Industries (M) Bhd	8.25 acres
Local private companies	18.0 acres
T7 Kilgour Sdn Bhd	2.0 acres

- We are actively negotiating with interested parties and hope to close some deals soon.
- UMW's operations in Shah Alam to move to Serendah within the next few years.

THANK YOU



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