



## 3<sup>rd</sup> Quarter Ended 30 September 2020 Results

27 November 2020

# Scope

1 Group financials

2 Operations review

# **SECTION 1**

## **Group financials**

# Consolidated income statement summary

- ❑ The Group's businesses in 3Q20 has gradually improved after a decline in 2Q20. However, business recovery remains challenging amid the ongoing prolonged COVID-19 pandemic.
- ❑ The Group's revenue for 3Q20 was lower by 9% due to lower contribution from all divisions except Plantation and Automotive Divisions. However, operating profit, PBT and PAT improved over last year with improvement from Plantation Division.
- ❑ The Group's YTD PBT and PAT were lower than last year by 14% and 18% respectively with lower revenue and operating profit from all divisions except Plantation Division.
- ❑ Consequently, the YTD EPS was 17% lower than last year.

(RM' Million)	3Q20	3Q19	Change	YTD 2020	YTD 2019	Change
Revenue	1,661.7	1,826.6	(9%)	4,126.3	5,322.2	(22%)
Gross profit <sup>1</sup>	424.9	465.6	(9%)	1,101.1	1,292.2	(15%)
EBITDA	382.1	381.5	-	925.7	1,039.0	(11%)
Operating profit <sup>2</sup>	338.7	330.2	3%	795.5	880.4	(10%)
Finance expenses	(60.2)	(61.7)	(3%)	(189.2)	(183.0)	3%
Profit before tax	278.3	270.8	3%	605.2	702.0	(14%)
Taxation	(67.1)	(67.1)	-	(184.4)	(190.9)	(3%)
Profit after tax	211.2	203.7	4%	420.8	511.1	(18%)
Attributable to shareholders	193.7	193.2	-	398.2	480.9	(17%)
Attributable to MI	17.5	10.5	66%	22.6	30.2	(25%)
EPS (sen)	7.78	7.76	-	15.99	19.32	(17%)

Note:

1. Includes share of Inverfin's PBIT
2. Includes Interest Income, Share of Inverfin's PBIT by Property Division and share of associate and JV's PAT by Hafary; and share of JV's PAT by MMSB.

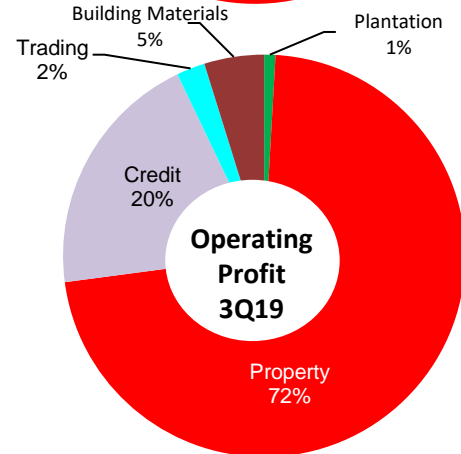
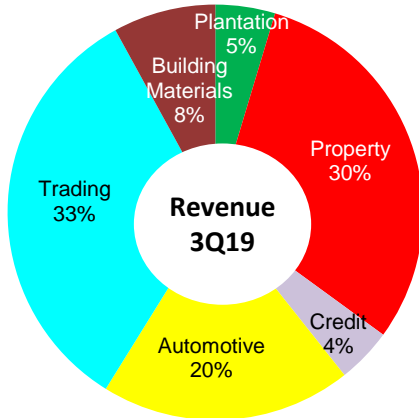
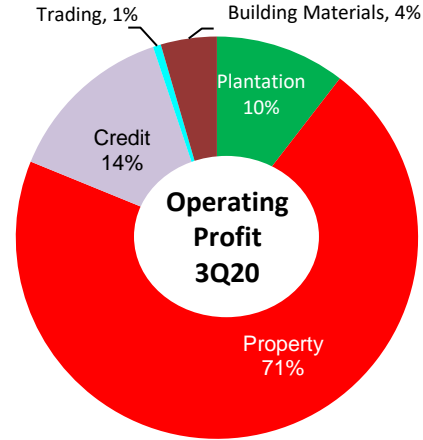
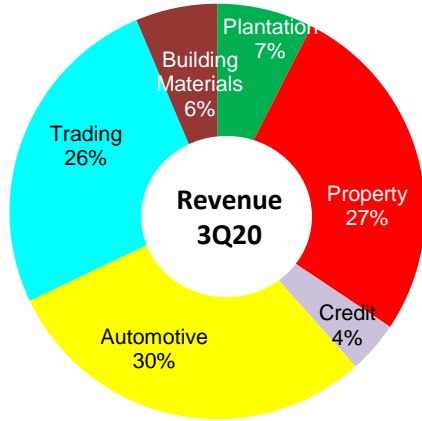
# Group segment results

(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	3Q20	3Q19	Change	3Q20	3Q19	Change	YTD 2020	YTD 2019	Change	YTD 2020	YTD 2019	Change
Plantation	128.9	87.5	47%	34.5	3.1	1019%	314.3	293.7	7%	60.2	6.7	799%
Property <sup>1</sup>	462.3	572.3	(19%)	233.2	245.7	(5%)	1,199.1	1,492.3	(20%)	630.7	661.2	(5%)
Credit Financing	69.4	80.9	(14%)	45.1	68.2	(34%)	214.9	237.3	(9%)	171.0	199.0	(14%)
Automotive	507.6	367.6	38%	(11.5)	(16.0)	28%	981.6	1,073.5	(9%)	(40.8)	(14.1)	(189%)
Trading <sup>2</sup>	442.3	624.9	(29%)	2.1	7.8	(73%)	1,313.9	1,982.3	(34%)	1.9	39.9	(95%)
Building Materials <sup>3</sup>	109.4	150.4	(27%)	14.9	16.4	(10%)	265.4	429.7	(38%)	4.2	36.2	(88%)
Subtotal	1,719.9	1,883.6	(9%)	318.3	325.2	(2%)	4,289.2	5,508.8	(22%)	827.2	928.9	(11%)
Consolidation adjustments & others	(58.2)	(57.0)		20.4	5.0		(162.9)	(186.6)		(31.7)	(48.5)	
Group	1,661.7	1,826.6	(9%)	338.7	330.2	3%	4,126.3	5,322.2	(22%)	795.5	880.4	(10%)

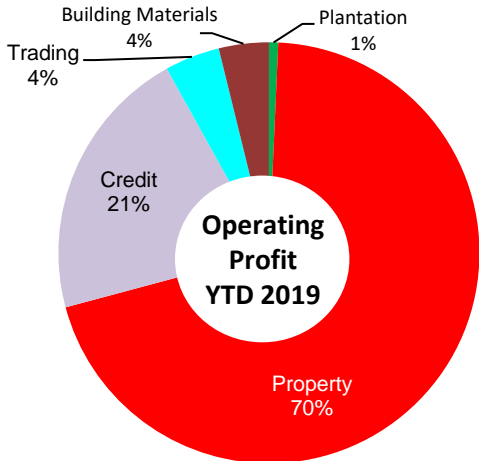
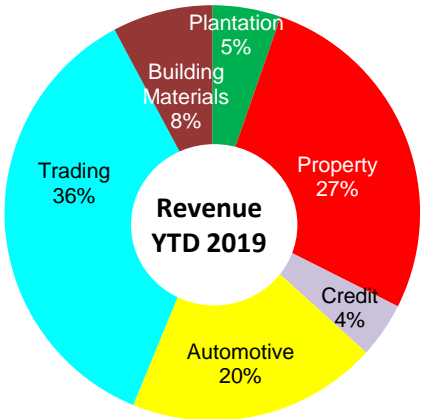
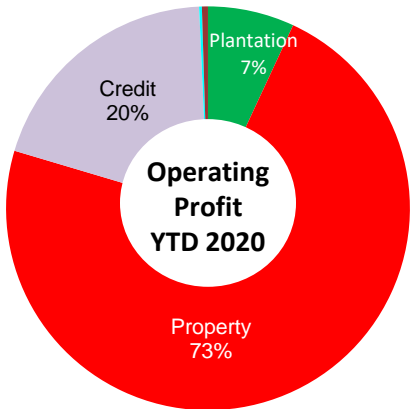
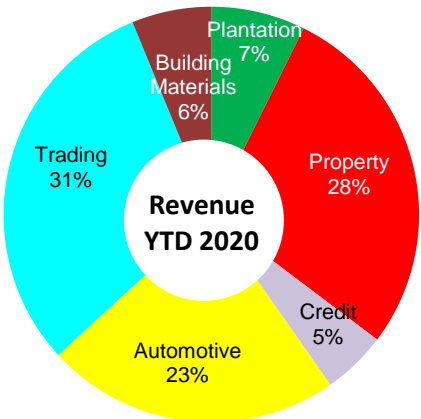
Note:

1. Includes share of Inverfin's PBIT from Menara Citibank
2. Includes share of JV's results by MMSB
3. Includes share of associate and JV's results by Hafary

# Group segment results – 3<sup>rd</sup> Quarter



# Group segment results – Year To Date



# **SECTION 2**

## **Operations review**



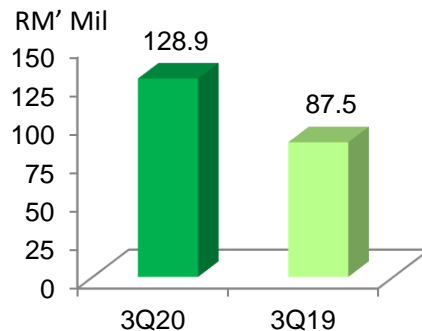
## Higher selling prices and sales volume in 3Q20

- Revenue and Operating Profit for 3Q20 benefitted from higher average selling prices (“ASP”) and sales volume of CPO and PK. The YTD results also benefitted from higher YTD ASP, but dampened somewhat by lower sales volume of CPO & PK.
- The YTD sales volume of CPO and PK were affected by lower FFB production volume arising from seasonal yield trend and changes in cropping pattern as well as the temporary suspension of operations due to the MCO.

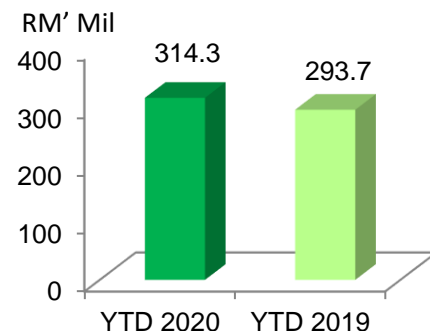
	3Q20	3Q19	YTD 2020	YTD 2019
Average Prices				
• CPO	2,753	2,038	2,642	2,058
• PK	1,560	1,198	1,548	1,263
Sales Volume				
• CPO	41,057	37,828	102,998	124,884
• PK	9,020	7,571	24,349	25,972
Production Vol.				
• FFB	174,362	159,935	459,050	488,459
• CPO	39,816	37,146	105,836	111,092
• PK	9,256	8,273	24,516	25,958

- The YTD unit production costs of CPO was higher at RM1,713/mt (YTD 2019: RM1,559/mt) mainly due to lower production volume, higher manuring costs and higher FFB purchase costs.
- Operating profit for the YTD included gain of RM12.9 mil arising from sale of agriculture land & fixtures thereon to Property Division.

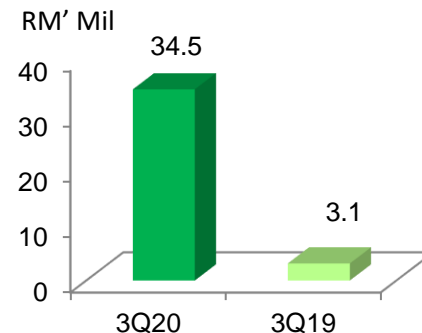
### 3Q Revenue



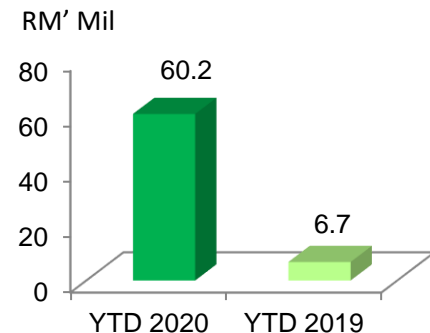
### YTD Revenue



### 3Q Operating Profit



### YTD Operating Profit

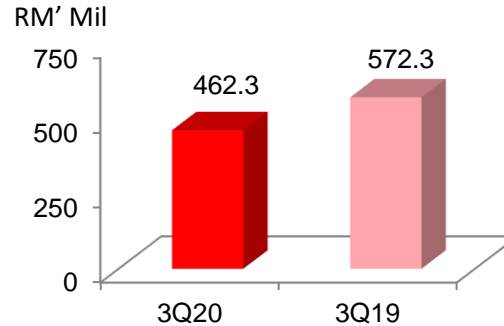


# Property Investment and Development

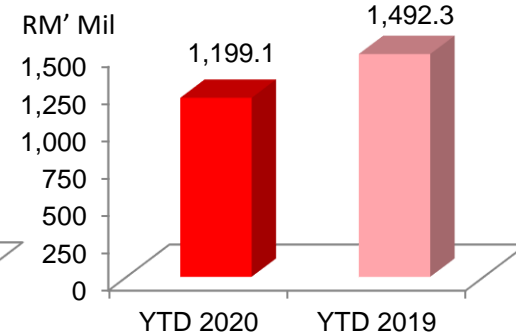
## Lower contribution from construction and project

- ❑ Revenue for 3Q20 and YTD were affected by lower contribution from construction activities and project.
- ❑ Construction activities and on-going property development projects were affected by stringent SOP imposed by the authorities and labour shortage amid the COVID-19 pandemic.
- ❑ Menara Hap Seng 3 which was completed in March 2020 contributed positively to the Division's results whilst Menara Hap Seng and Menara Hap Seng 2 in Klang Valley and Plaza Shell in Sabah maintain healthy occupancy and rental yield, registering comparable results as last year.
- ❑ Consequently, operating profit for 3Q20 and YTD 2020 were lower than last year.

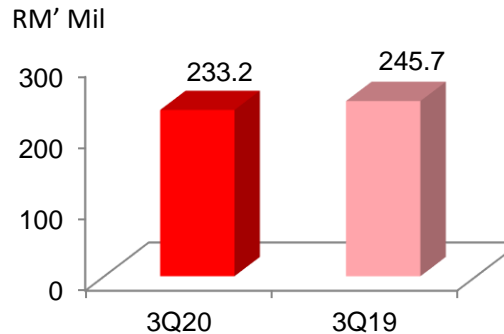
### 3Q Revenue



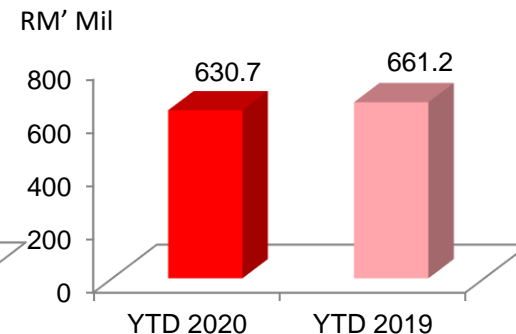
### YTD Revenue



### 3Q Operating Profit



### YTD Operating Profit

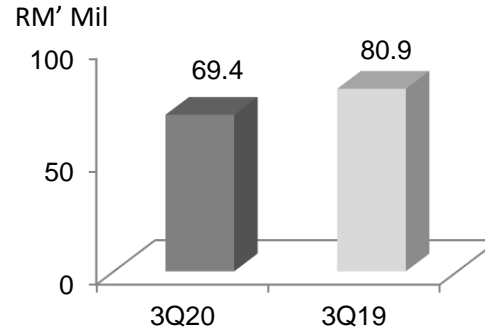


# Credit Financing

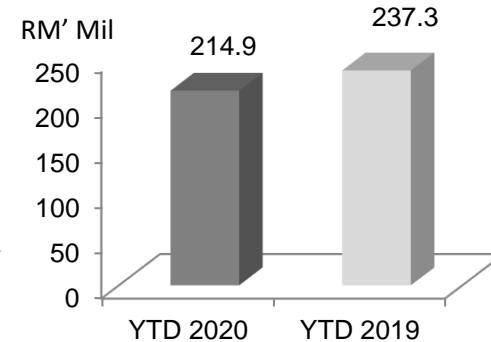
## Lower loan base attributed to prudent & stringent loan approval process

- ❑ Loan base as at end 3Q20 at RM3.61 billion was 6% below last year (3Q19: RM3.86 billion) due to lower loan disbursements as the Division continue to exercise prudence with more stringent credit risks assessment in its loan approval process in view of the current economic uncertainties arising from the COVID-19 pandemic.
- ❑ The COVID-19 pandemic also resulted in higher NPL ratio as at end of 3Q20 of 2.46% (3Q19: 1.62%).
- ❑ Consequently, the Division's revenue and operating profit for 3Q20 and YTD were lower than last year with operating profit also impacted by higher collective impairment on its loan portfolio.

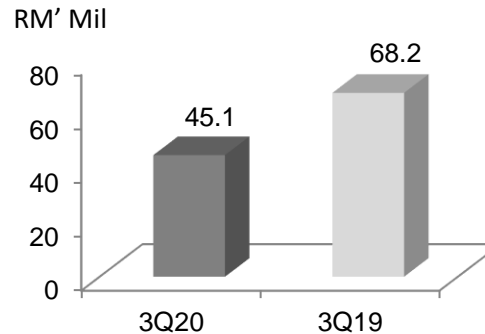
### 3Q Revenue



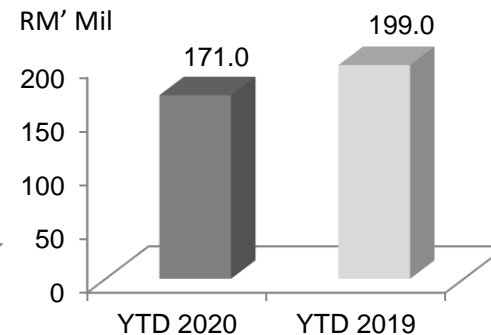
### YTD Revenue



### 3Q Operating Profit



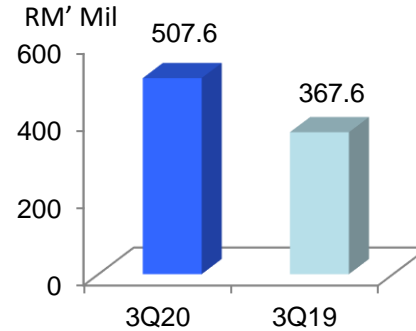
### YTD Operating Profit



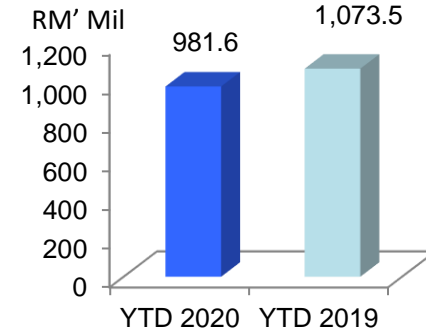
## Improved 3Q20 revenue from all segments

- ❑ The Division's revenue for 3Q20 was higher than last year with higher revenue from passenger vehicles, commercial vehicles and aftersales, narrowing the gap in the YTD revenue which was affected by the temporary closure of all autohaus due to the MCO.
- ❑ Sales of passenger vehicles ("PV") for 3Q20 was 48% higher than last year with 45% higher sales volume.
- ❑ Revenue from the after sales segment in 3Q20 was also higher than last year by 11% with 7% increase in throughput.
- ❑ The commercial vehicle ("CV") wholesale distribution and retail businesses recorded higher revenue by 21% for 3Q20 with higher sales volume of Fuso trucks. However, margin was affected by the strengthening of Japanese Yen against Ringgit Malaysia on its purchases.
- ❑ Consequently, the operating loss for 3Q20 was lower than last year. However, the YTD losses was higher than last year due to lower revenue, adverse average margin and start-up and dealers' network development costs.

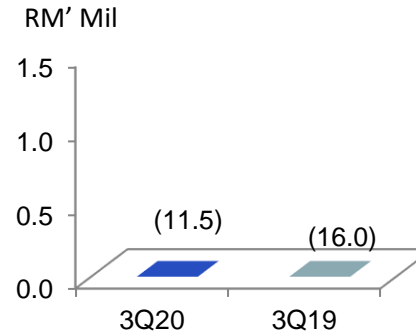
### 3Q Revenue



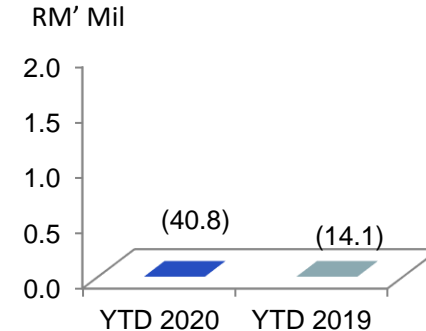
### YTD Revenue



### 3Q Operating Profit



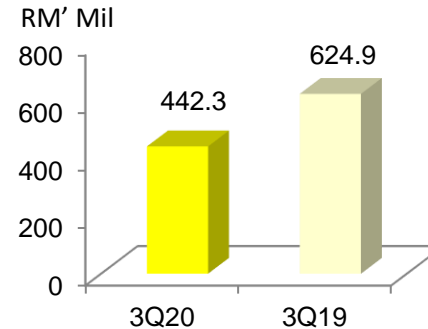
### YTD Operating Profit



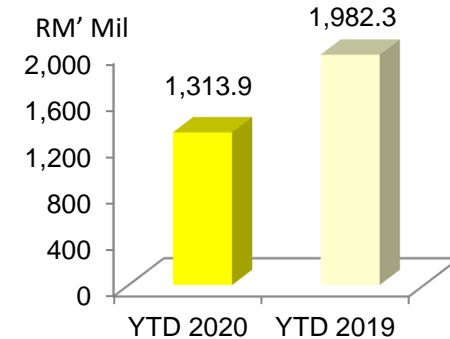
## Results affected by weak demand

- ❑ The Division's results, which comprise the fertilizers trading, general trading ("GT"), and ceramic tiles business under Malaysian Mosaiques Sdn Bhd ("MMSB"), were affected by lower revenue from all its business segments.
- ❑ Fertilizers trading's revenue at RM296 mil for 3Q20 and RM946.4 mil for YTD were 20% and 18% lower than last year respectively due to lower average selling price and lower sales volume achieved by the Malaysian operations, mitigated by higher sales volume from the Indonesia operations.
- ❑ GT and MMSB businesses were also affected by the weak demand amid the COVID-19 pandemic. GT's revenue at RM94.2 mil for 3Q20 and RM255.5 mil for YTD were 50% and 59% lower than last year respectively whilst MMSB's revenue at RM52 mil for 3Q20 and RM112 mil for YTD were 22% and 48% below last year respectively.
- ❑ Consequently, Operating profit for 3Q20 and YTD were lower than last year.

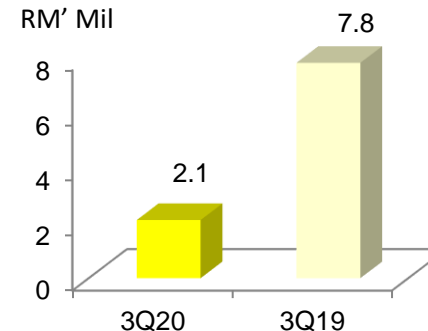
### 3Q Revenue



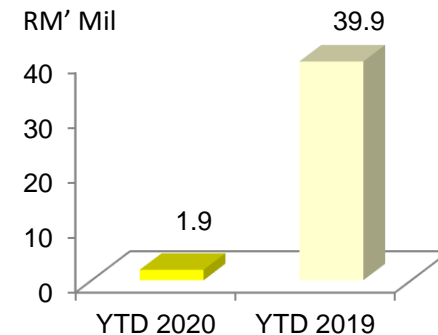
### YTD Revenue



### 3Q Operating Profit



### YTD Operating Profit

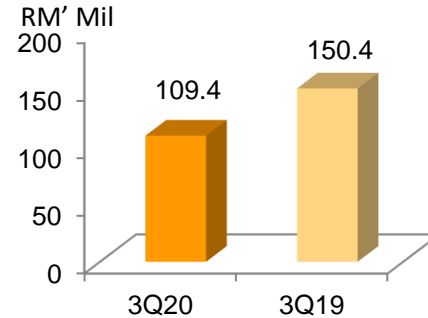


# Building Materials

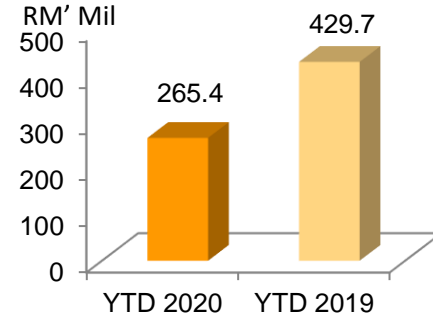
## Results affected by slower construction activities

- ❑ The Division comprises the quarry, asphalts and bricks businesses (“QBM”); and trading of building materials by Hafary (“Hafary”).
- ❑ Results for 3Q20 and YTD continue to be affected by the slow pick up in construction activities in both Malaysia and Singapore amid the COVID-19 pandemic.
- ❑ QBM’s revenue at RM45.2 mil for 3Q20 and RM115.3 mil for YTD were 37% and 42% lower than last year respectively.
- ❑ Hafary’s revenue at RM64.2 mil for 3Q20 and RM150.1mil for YTD were 19% and 35% lower than last year respectively.
- ❑ Consequently, revenue and operating profit for the current year periods were lower than last year.

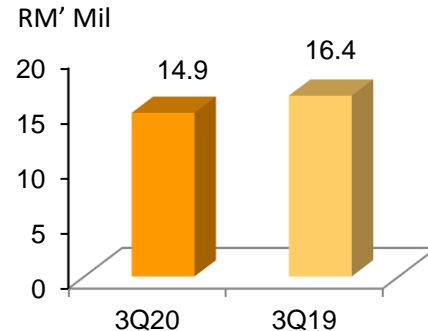
### 3Q Revenue



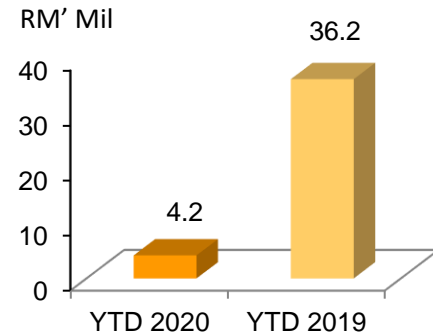
### YTD Revenue



### 3Q Operating Profit



### YTD Operating Profit





# Thank You