



2nd Quarter Ended 30 June 2018 Results

30 August 2018

Scope

1 Group financials

2 Operations review

SECTION 1

Group financials

Consolidated income statement summary

- The Group revenue for the current quarter and YTD were above last year's corresponding period by 17% and 23% respectively with higher revenue contribution from all divisions except Plantation Division.
- Operating profit for the current quarter and YTD were dampened by lower contribution from Plantation and Building Materials Divisions. However, the Property, Credit Financing and Fertilizers Trading Divisions contributed positively resulting in a 3% growth in YTD operating profit.
- EPS for the YTD at 32.08 was above last year by 2%.

(RM' Million)	2Q18	2Q17 (restated)	Change	YTD 2018	YTD 2017 (restated)	Change
Revenue	1,529.5	1,307.9	17%	3,057.7	2,484.8	23%
Gross profit ¹	386.9	355.4	9%	806.1	667.0	21%
EBITDA	279.4	283.1	(1%)	596.1	582.1	2%
Operating profit ²	234.8	238.9	(2%)	506.8	493.2	3%
Finance expenses	(40.3)	(34.1)	18%	(81.5)	(75.2)	8%
Profit before tax	713.2	702.0	2%	944.0	916.3	3%
Taxation	(59.8)	(52.6)	14%	(126.9)	(104.2)	22%
Profit after tax	653.4	649.4	1%	817.1	812.1	1%
Attributable to MI	9.2	18.2	(49%)	18.4	30.4	(39%)
Attributable to shareholders	644.2	631.2	2%	798.7	781.7	2%
EPS (sen)	25.88	25.36	2%	32.08	31.40	2%

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

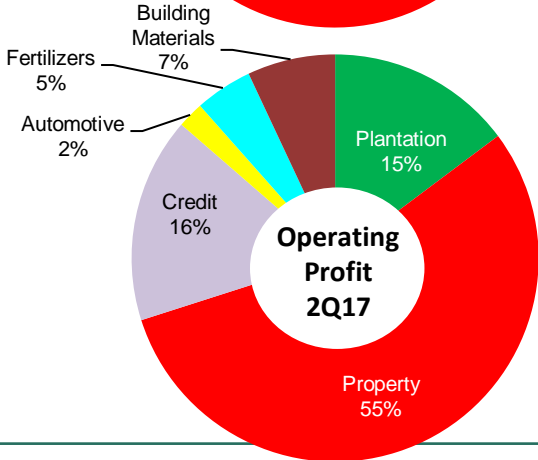
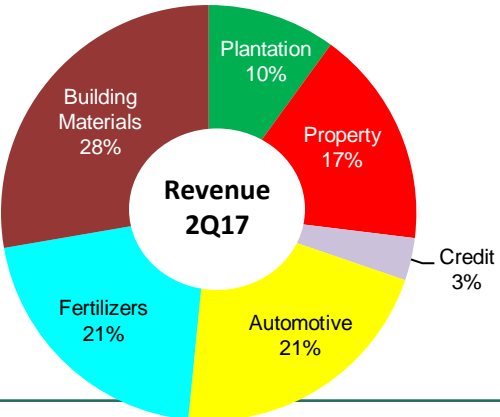
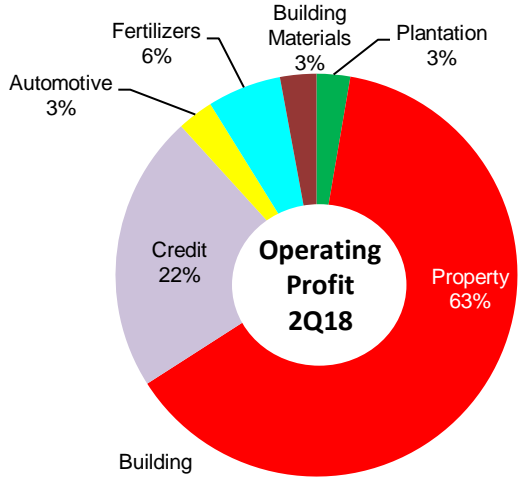
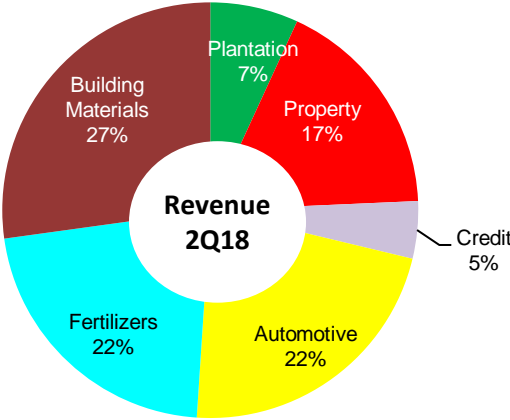
Group segment results

(RM' Million)	REVENUE			OPERATING PROFIT			REVENUE			OPERATING PROFIT		
	2Q18	2Q17	Change	2Q18	2Q17	Change	YTD 2018	YTD 2017	Change	YTD 2018	YTD 2017	Change
Plantation	107.9	133.5	(19%)	7.2	36.8	(81%)	229.1	277.6	(17%)	29.6	69.4	(57%)
Property ¹	273.9	226.3	21%	167.7	137.7	22%	588.3	433.8	36%	382.4	256.0	49%
Credit Financing	69.9	44.2	58%	59.2	40.6	46%	137.2	87.8	56%	112.5	75.3	49%
Automotive	350.2	284.7	23%	7.7	5.2	49%	680.2	541.8	26%	13.7	13.8	(1%)
Fertilizers Trading	342.2	276.7	24%	15.8	11.4	39%	626.8	490.3	28%	25.4	18.4	38%
Building Materials ²	427.1	370.0	15%	7.7	17.4	(56%)	869.7	714.6	22%	3.0	80.1	(96%)
Subtotal	1,571.2	1,335.4	18%	265.3	249.1	7%	3,131.3	2,545.9	23%	566.6	513.0	10%
Consolidation adjustments & others	(41.7)	(27.5)		(30.5)	(10.2)		(73.6)	(61.1)		(59.8)	(19.8)	
Group	1,529.5	1,307.9	17%	234.8	238.9	(2%)	3,057.7	2,484.8	23%	506.8	493.2	3%

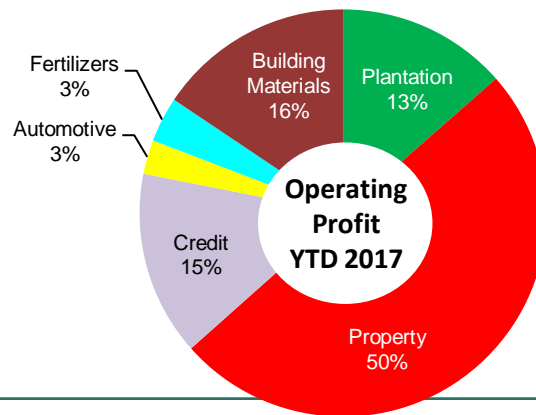
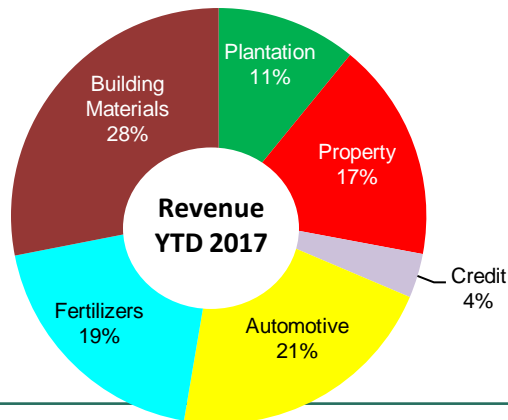
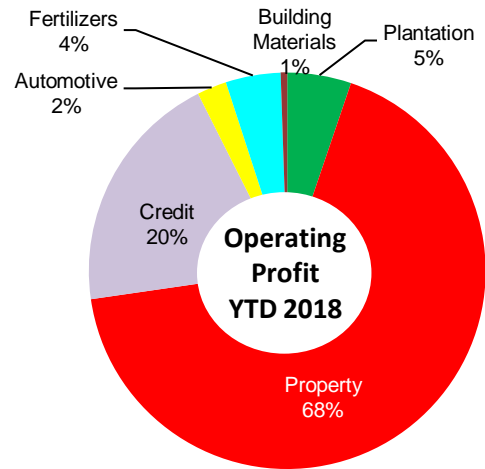
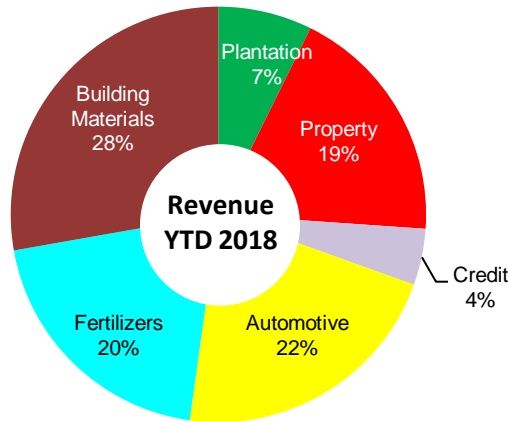
Note:

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

Group segment results – 2nd Quarter



Group segment results – YTD



SECTION 2

Operations review

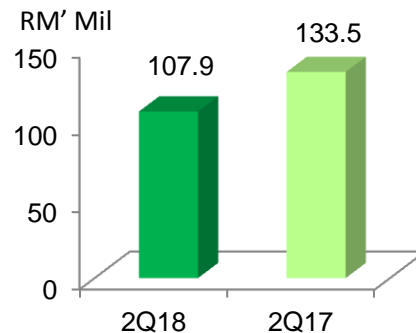
Results for 2Q18 and YTD affected by lower selling prices

- Results for 2Q18 were adversely impacted by lower average selling prices and sales volume of CPO and PK whilst the lower YTD results were mainly due to lower average selling prices of CPO and PK.

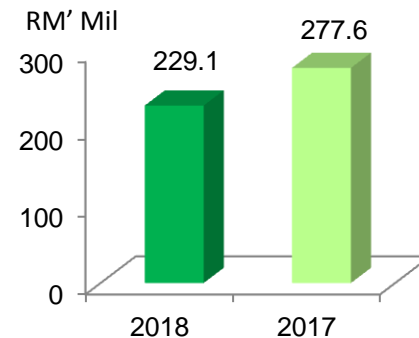
	2Q18	2Q17	YTD 2018	YTD 2017
Average Prices				
• CPO	2,460	2,897	2,526	3,076
• PK	1,822	2,142	2,063	2,658
Sales Volume				
• CPO	37,791	39,010	76,182	75,284
• PK	7,391	8,693	16,265	15,876

- Sales volume for the current quarter was affected by lower FFB yield due to seasonal yield trend.
- The YTD production costs of CPO at RM1,520/mt was higher than last year's costs of RM1,426/mt, mainly due to lower PK credit.
- Despite lower YTD FFB yield of 9.15mt/ha (YTD 2017: 9.28mt/ha) due to the changes in cropping pattern, the YTD CPO production volume at 67,032mt was at about the same level as last year with higher OER of 20.6% (YTD 2017: 20.2%).

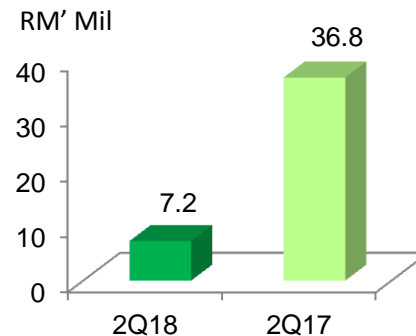
2Q Revenue



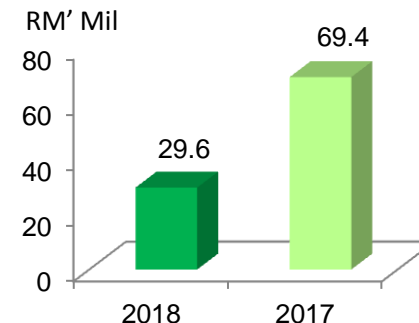
YTD Revenue



2Q Operating Profit



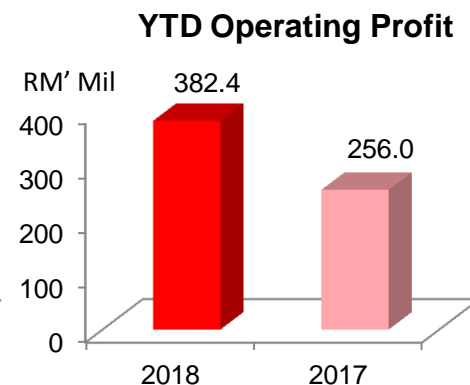
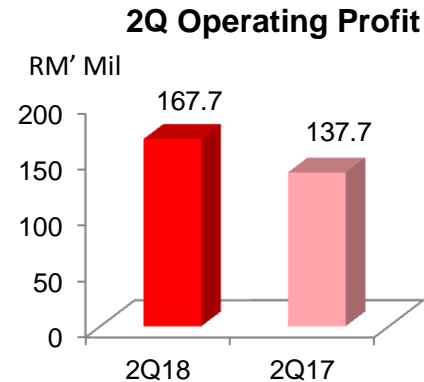
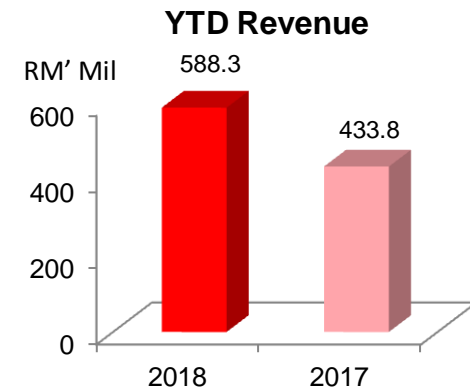
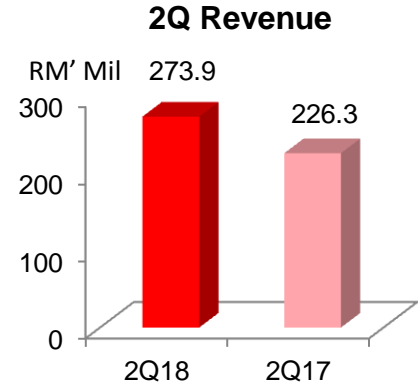
YTD Operating Profit



Property Investment and Development

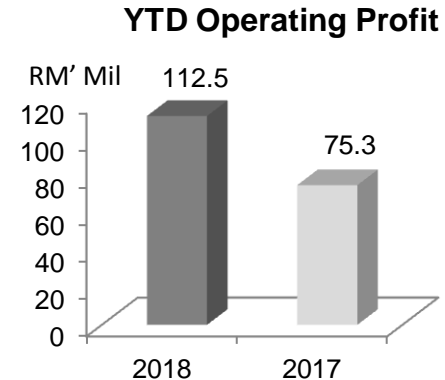
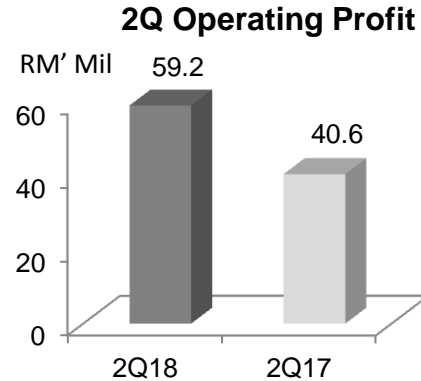
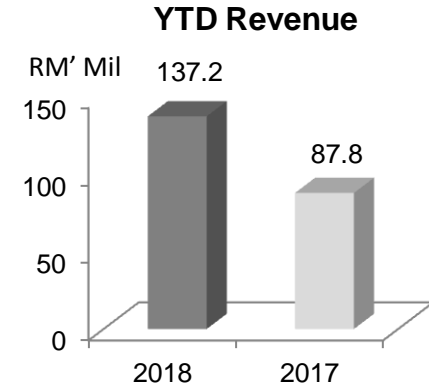
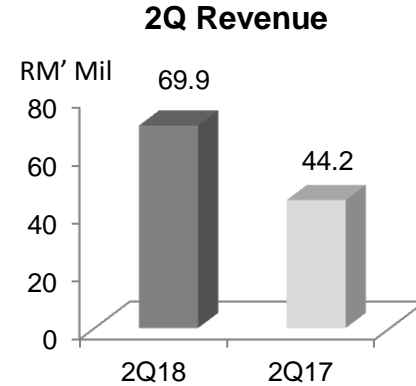
Stable occupancy rates and rental rates for its investment properties

- ❑ Results for 2Q18 and YTD benefitted from higher contribution from disposal of non-strategic properties and higher contribution from investment properties.
- ❑ Investment properties (“IP”) benefitted from higher occupancy rates and higher average rental rates for its IP in the Klang Valley.
- ❑ Projects revenue were affected by lower number of unit sold and timing of development projects.
- ❑ Main contributors to the YTD project revenue were Aria Residence and Akasa projects in West Malaysia and Bandar Sri Indah in Tawau. Last year, the YTD project revenue benefitted from sales of completed units and sales of units at advanced stage of project completion.



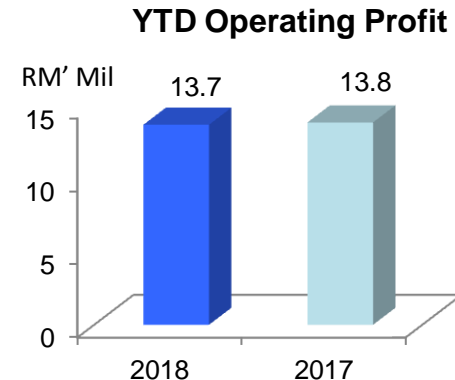
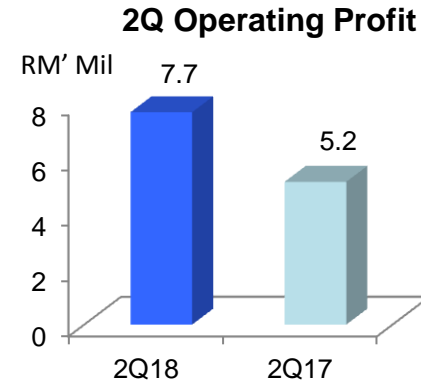
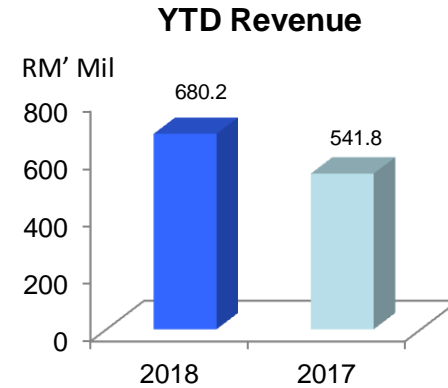
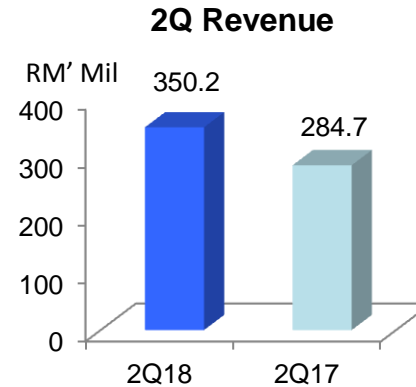
Loan base grew by 34%

- ❑ The Division's revenue and operating profit for the 2Q18 and YTD benefitted from higher loan base.
- ❑ Total loan base at RM3.3 billion as at end of June 2018 was 34% higher than last year (June 2017: RM2.5 billion).
- ❑ West Malaysia and East Malaysia accounted for 77% and 23% of the total loans respectively.
- ❑ NPL ratio as at end June 2018 was at 2% (June 2017: 1.96%).



Higher revenue from both PV and After sales segments

- Revenue for 2Q18 and YTD were higher than last year with higher contributions from both the vehicles and after sales segments, benefitting from expanded network and “tax holiday” period.
- Sales volume of vehicles for 2Q18 and YTD were above last year by 21% and 26% respectively whilst the throughput from after sales segment increased by 17% in 2Q18 and 21% for YTD as compared to last year.
- Consequently, operating profit for 2Q18 was 49% above last year.
- The YTD operating profit included start-up costs for its network expansion.
- Network expansion:
 - Puchong South – opened April 2018
 - Kinrara Pre-Owned center - 3Q18
 - Interim 3S Autohaus Setia Alam – 4Q18

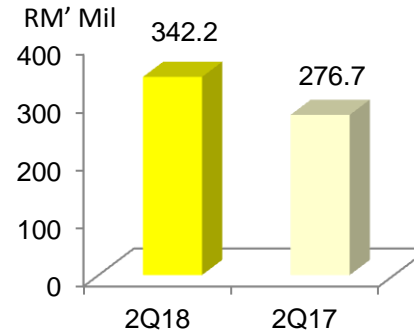


Fertilizers Trading

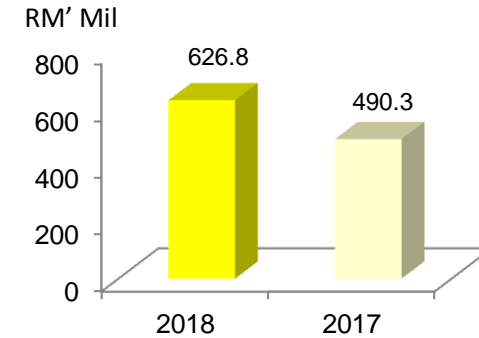
Improved results from Malaysian and Indonesian operations

- The Division recorded higher revenue and operating profit for 2Q18 and YTD with improved results from the Malaysian and Indonesian operations.
- The overall sales volume for 2Q18 and YTD were above last year by 25% and 23% respectively with higher contribution from both the Malaysian and Indonesian markets.

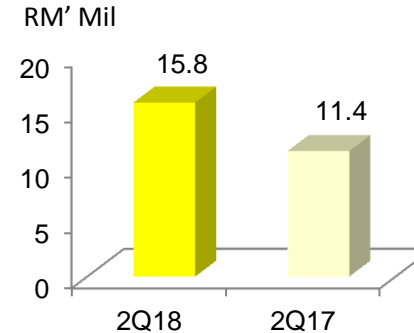
2Q Revenue



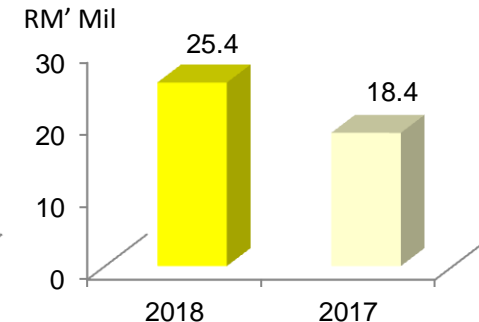
YTD Revenue



2Q Operating Profit



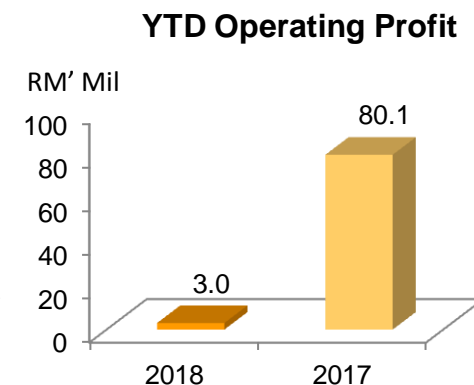
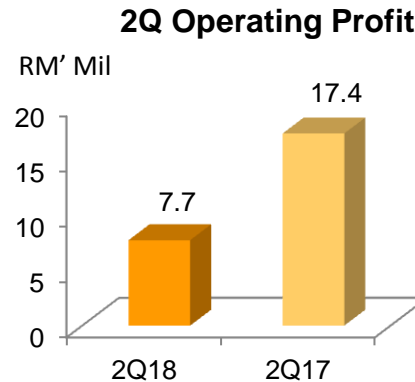
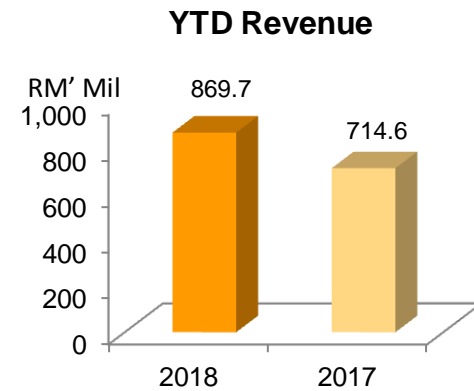
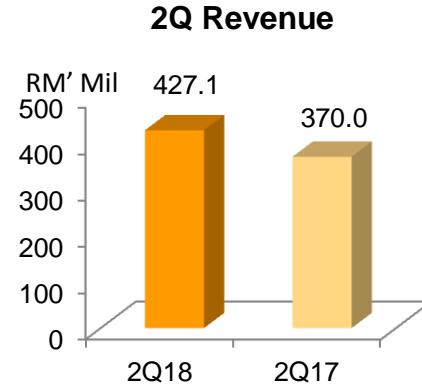
YTD Operating Profit



Building Materials

Operating profit dampened by compressed margin

- ❑ The Division's revenue for 2Q18 and YTD were 15% and 22% above the corresponding period last year respectively with higher contribution from the building materials trading, quarry and bricks businesses.
- ❑ However, the Division's operating profit for 2Q18 and YTD were affected by compressed margin in quarry, asphalts and MMSB businesses due to competitive pricing on the back of soft market demand.
- ❑ Last year, the YTD operating profit included the gain arising from disposal of properties.





Thank You