



MEDIA RELEASE

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DRB-HICOM Q1 REVENUE RISES 28% YOY TO RM3.5 b

Automotive and Services sectors boost performance to net RM36.3m PBT

SHAH ALAM, Monday, 31 May 2021 – Rising automobile demand, augmented by better performance of operating subsidiary companies and higher share of results from joint ventures and associated companies enabled DRB-HICOM Berhad (“DRB-HICOM”, “the Group”) to record a 28% year-on-year (“YoY”) rise in revenue in the three-month period to 31 March 2021 (“Q1”). In the period, revenue rose to RM3.51 billion, from RM2.74 billion in the corresponding period a year ago. This performance led to a profit before tax (“PBT”) of RM36.3 million in the period, compared to a loss of RM185.3 million in the corresponding period in 2020.

SECTORAL ANALYSIS

As previously, the Automotive Sector once again held fort for DRB-HICOM. The sales tax holiday for passenger vehicle purchases that was extended to June 2021 enabled the Group’s automotive brands to net a revenue worth RM2.58 billion in Q1 (Q12020: RM1.81 billion).

Brands under the DRB-HICOM umbrella, including PROTON, Honda, Mitsubishi, Volkswagen and Isuzu fared better sales in March versus February 2021. Malaysian Automotive Association (“MAA”) data show that national carmaker PROTON sold 32,420 units in Q1, keeping its second place in the national sales charts. Honda too retained its top non-national brand status with 14,771 units sold in the quarter. MAA reckons total industry volume (“TIV”) for 2021 will rise 8%, primarily driven by passenger vehicle sales.

For the Services Sector, revenue was RM863.7 million (Q12020: RM830.5 million), once again boosted by the performance of postal and logistics as well as banking subsidiaries.

At the Properties Sector, revenue was RM69.7 million (Q12020: RM93.3 million), with lower billings as less than full-swing construction projects impacting the revenue. This is also DRB-HICOM's first quarter after its formal exit from the hospitality sub-sector.

PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2021

Malaysia's Gross Domestic Product recorded a marginal 0.5% contraction in Q1 (Q42020: -3.4%), with the economy still impacted by the on-going COVID-19 pandemic. Still, as a whole, Bank Negara Malaysia ("BNM") expects the economy to fare better in 2021, projecting full-year growth at between 6 and 7.5%. BNM cited manufacturing sector growth in Q1, as well as the rollout of the National COVID-19 Immunisation Programme that began early this year to sustain the economic recovery.

DRB-HICOM's Automotive Sector remains as the core business of the Group. With the continuation of sales tax exemption for passenger vehicles until June 2021, the MAA has projected a TIV of 570,000 units in 2021. This is expected to boost demand and drive automotive sales further.

As seen from Q1 sales, PROTON began 2021 continuing the strong sales momentum with sales volume of 15,017 units in April 2021, the best monthly sales figure since 2013. This upward momentum is contributed by top selling models namely Proton Saga followed by the two SUVs, Proton X70 and the newer Proton X50.

DRB-HICOM's other businesses in defence, aerospace, banking, services and properties segments are currently operating in a competitive and challenging environment. Under these unprecedented times, emphasis on business resiliency and prudent cost management are vital in navigating businesses amidst the ongoing headwinds from the COVID-19 pandemic.

The COVID-19 pandemic with new, stronger variants is continuing to pose challenges to the nation's recovery effort. The Government has also re-imposed a total lockdown for at least 2 weeks starting from 1 June 2021. Based on the aforementioned, the Group remains cautious on the challenging operational environment for the current financial year ending 31 December 2021.

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ABOUT DRB-HICOM

www.drb-hicom.com

DRB-HICOM Berhad (“DRB-HICOM”) is one of Malaysia’s leading conglomerates with core businesses in the Automotive, Services and Property sectors. With more than 70 active companies in its stable and over 50,000 employees group-wide, DRB-HICOM’s aim is to continue adding value and propelling the nation’s development. In the Automotive sector, DRB-HICOM is involved in the manufacturing, assembly and distribution of passenger and commercial vehicles, including the national motorcycle. In Services, DRB-HICOM is involved in various businesses, including concession and financial-related services. In Property, DRB-HICOM is involved in industrial developments.

STATEMENT ON FORWARD-LOOKING DISCLOSURES

All statements herein, other than historical facts, contain forward-looking statements and are based on DRB-HICOM’s current forecasts, expectations, targets, plans, and evaluations. Any forecasted value is calculated or obtained based on certain assumptions. Forward-looking statements involve inherent risks and uncertainties.

A number of significant factors could therefore cause actual results to differ from those contained in any forward-looking statement. Significant risk factors include:

- Feasibility of each target and initiative as laid out in this news release;
- Fluctuations in interest rates, exchange rates and oil prices;

- Changes in laws, regulations and government policies; and
- Regional and/or global socioeconomic changes.

Potential risks and uncertainties are not limited to the above and DRB-HICOM are not under any obligation to update the information in this news release to reflect any developments or events in the future.

If you are interested in investing in DRB-HICOM, your investment decision is at your own risk, taking the foregoing into consideration. Please note that neither DRB-HICOM nor any third-party providing information shall be responsible for any loss or damage that may result from your investment in DRB-HICOM based on the information presented in this news release.

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