



MEDIA RELEASE

FOR IMMEDIATE RELEASE

DRB-HICOM RECORDS RM483.12M PBT IN FIRST NINE MONTHS OF FY2022 FOLLOWING CONTINUED STRONG AUTOMOTIVE DEMAND

RM444.64m pre-tax loss corresponding period in 2021 reversed

SHAH ALAM, Thursday, 24 November 2022 – The continued strong demand in the automotive sector has enabled DRB-HICOM Berhad (“DRB-HICOM”, “the Group”) to end the first nine months of the year with a pre-tax profit (PBT) of RM483.12 million. This reverses the pre-tax loss of RM444.64 million recorded for the corresponding period in 2021.

This profit was built on the Group’s revenue of RM11.16 billion for the same period ended 30 September 2022, an increase of 35.3% from RM8.25 billion in the corresponding period in 2021.

In terms of the performance for the quarter ended 30 September 2022, the Group recorded the highest revenue amounting to RM4.54 billion, which more than doubled the revenue of RM2.12 billion in the corresponding quarter last year. This enabled the Group to record a PBT of RM249.96 million for 3Q 2022, compared with a pre-tax loss of RM201.42 million for the corresponding period last year. This is the fourth consecutive quarter that DRB-HICOM has turned in pre-tax profits.

STRONG SHOWING BY THE GROUPS BUSINESS SECTORS

The positive financial results were attributed to the better performance from the Group’s operating companies, especially the Automotive Sector, Banking Sector as well as the Aerospace and Defence Sector.

DRB-HICOM’s Automotive Sector brought in RM8.01 billion in revenue in the first nine months of this year, a 54.7% improvement from the corresponding period last year

(1Q-3Q 2021: RM5.17 billion). This higher revenue was mainly from national carmaker PROTON, Automotive Distribution companies, and Manufacturing & Engineering companies. These companies were significantly affected by the COVID-19 pandemic and the Movement Control Order during corresponding period in the previous year.

PROTON's revival continues as its models received updates in 2022, leading to it breaching the 100,000 mark at the end of September with 102,353 units delivered. The carmaker's X series, namely the X50 and X70 continue to dominate their segments, while the Saga, refreshed in May this year continues to be the volume seller. A total of 6,442 units of the Saga were delivered in September, the highest sold in a single month in 2022.

The revenue of RM540.19 million recognised by the Aerospace and Defence Sector for the first nine months of this year - an increase of 19.7% from the corresponding period in 2021 – was brought in by higher deliveries of single-aisle aircraft parts, resumption of delivery of aircraft parts following the reopening of international flights, and the resumption of delivery of defence products.

The sectors' improved performance was even more noticeable when comparing the 3Q 2022 results with the corresponding quarter in 2021, with the Automotive Sector achieving a 206.2% increase in revenue while the Aerospace and Defence Sector recording a 45.4% increase.

The other sectors of the Group also recorded increased revenues except for the Postal Sector following a decline in the courier business due to decrease in overall parcel volume, especially from contract customers and with major e-commerce players leveraging on their insourced delivery capabilities.

CONCLUSIONS

The Malaysian economy registered double-digit growth of 14.2% in the third quarter of 2022 (second quarter: 8.9%) driven by strong domestic demand amid the labour market recovery. As part of continuous measures to curb inflationary pressure, Bank Negara Malaysia ("BNM") recently announced an additional 25-basis point Overnight

Policy Rate (“OPR”) hike from 2.50% to 2.75%. Still, global uncertainties induced by policy shifts in advanced economies, continued strengthening of the US dollar, escalation of geopolitical conflicts and supply chain disruptions continue to pose volatility in the economic landscape.

The automotive industry remains on track to achieve its 2022 Total Industry Volume (“TIV”) forecast of 630,000 units. Sales of vehicles rose more than 60% to 516,798 units in the first nine months of 2022. PROTON exceeded the 100,000-unit sales milestone, selling 102,353 units for the financial period ended 30 September 2022 (corresponding period: 73,017 units). In addition, this encouraging growth in sales volume drove better performance for the Manufacturing & Engineering companies within the Group as they form part of PROTON’s supply chain. Meanwhile, the positive acceptance of products from all marques within the Group including Honda, Mitsubishi, Isuzu and Volkswagen is expected to elevate DRB-HICOM’s overall automotive performance.

Despite the increasingly challenging business environment, the Postal segment remains focused on its transformation journey in providing great service for its customers, acquiring higher-yielding customers, optimising margin-led business and continuation of strict cost management. DRB-HICOM’s Banking segment aims to widen its Islamic banking reach through the diversification of its customer base and continued enhancement of its digital offerings. All other Group’s segments including Defence, Aerospace, Services and Properties remain in a resilient position focusing on long-term value creation.

The Group anticipates the current financial year ending 31 December 2022 performance to be better than last year.

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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, Aerospace & Defence, Banking, Postal, Services, and Property sectors. With 82 active companies in its stable and more than 46,000 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 Aerospace and Defence, DRB-HICOM is involved through its subsidiaries CTRM and DEFTECH, while it is represented in the postal segment through its subsidiaries Pos Malaysia, and banking through Bank Muamalat. In the Services segment, DRB-HICOM is involved in various businesses, including concession, education, aviation and logistics and investment holdings whereas in Property, DRB-HICOM is involved in the development of industrial properties.

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.

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