



**MEDIA RELEASE**

**FOR IMMEDIATE RELEASE**

# **DRB-HICOM RECORDS RM446.9 MILLION PROFIT BEFORE TAX FOR FY2023**

**Sustained performance in Automotive, Banking and Services Sectors**

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**SHAH ALAM, Thursday, 29 February 2024** – DRB-HICOM Berhad (“DRB-HICOM”, “the Group”) recorded a pre-tax profit (“PBT”) of RM446.9 million (FY2022: RM410.0 million) for the 12 months ended 31 December 2023, up 9.0% from the previous year. This was on the back of a 2.2% increase in revenue, which stood at RM15.9 billion (FY2022: RM15.5 billion).

For the current quarter ended 31 December 2023, the Group recorded a PBT of RM45.7 million, with revenue of RM3.8 billion.

## **STRONG PERFORMANCE IN AUTOMOTIVE, BANKING AND SERVICES SECTORS**

The Group’s increase in PBT for FY2023 was primarily driven by strong performance within the Automotive Sector. This sector saw a revenue growth of 2.3%, rising to RM11.3 billion from RM11.1 billion in FY2022. The improved performance was mainly attributed to increased vehicle sales volume, strong after-sales performance, and effective operational cost reduction initiatives.

National carmaker PROTON achieved a new record high in vehicle sales since 2011 with 154,611 units sold in 2023 (FY2022: 141,432 units). Honda retained its number one position in the non-national passenger vehicle segment which it had held since 2014, achieving its 2023 sales target of more than 80,000 units.

The Banking sector achieved a revenue increase of 35.3% (FY2023: RM1.7 billion, FY2022: RM1.3 billion). This was primarily due to higher financing income fuelled by an increase in financing volume attributed to sustainable expansion and a growing customer base, along with a rise in the Overnight Policy Rate (“OPR”) to 3.00% in FY2023 from 2.75% in FY2022.

The Services sector recorded a revenue increase of 13.4% (FY2023: RM833.6 million, FY2022: RM734.8 million). This was mainly contributed by the in-flight catering business with a higher number of meals prepared and ground handling business in line with the growing number of flights, as well as higher revenue from the Ar-Rahnu business.

#### **PROSPECTS FOR THE FINANCIAL YEAR ENDING 31 DECEMBER 2024**

The Malaysian economy is expected to improve in 2024, primarily driven by external trade recovery and resilient domestic expenditure. Monetary policy stance remains supportive of sustainable domestic growth, with the OPR remaining at 3.0%. On the global front, overall growth outlook may be adversely impacted by the risk of heightened volatility in financial markets, fluctuations in commodity prices and escalation of geopolitical tensions.

Locally, Malaysia's Total Industry Volume ("TIV") recorded outstanding performance in 2023 with a total of 799,731 new vehicles registered (2022: 721,177 units). In tandem with this improved TIV, the Group's Automotive sector continued its upward trajectory.

The Proton X-series lineup, consisting of Proton X50, Proton X70, and Proton X90 remain popular customer choices with more than 200,000 units delivered to new owners since December 2018. Meanwhile, Proton Saga, Proton Persona, and the recently launched Proton S70 continue to garner healthy demand in the market. This sustained performance underlines the trust in PROTON brand that delivers affordable vehicles with increasing emphasis on stylish design and the incorporation of advanced technology. As such, the Group aims to further expand overall product offerings through technology-driven upgrading, while continuing to play an active role in the growth and development of the Malaysian economy.

The Group's businesses within the Banking sector continue to operate efficiently whilst maintaining prudent risk profiles. Businesses in the Aerospace and Defence, Postal, Services, and Properties sectors remain vigilant, strengthening operational efficiencies and practicing prudent financial management, while simultaneously pursuing the Group's sustainability agenda.

The Group expects positive performance for the financial year ending 31 December 2024.

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## **ABOUT DRB-HICOM**

**[www.drb-hicom.com](http://www.drb-hicom.com)**

DRB-HICOM Berhad (“DRB-HICOM”) is one of Malaysia’s leading group of companies with core businesses in the Automotive, Aerospace & Defence, Banking, Postal, Services, and Properties sectors. With 84 active companies in its stable and more than 45,000 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 Properties, 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.

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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