

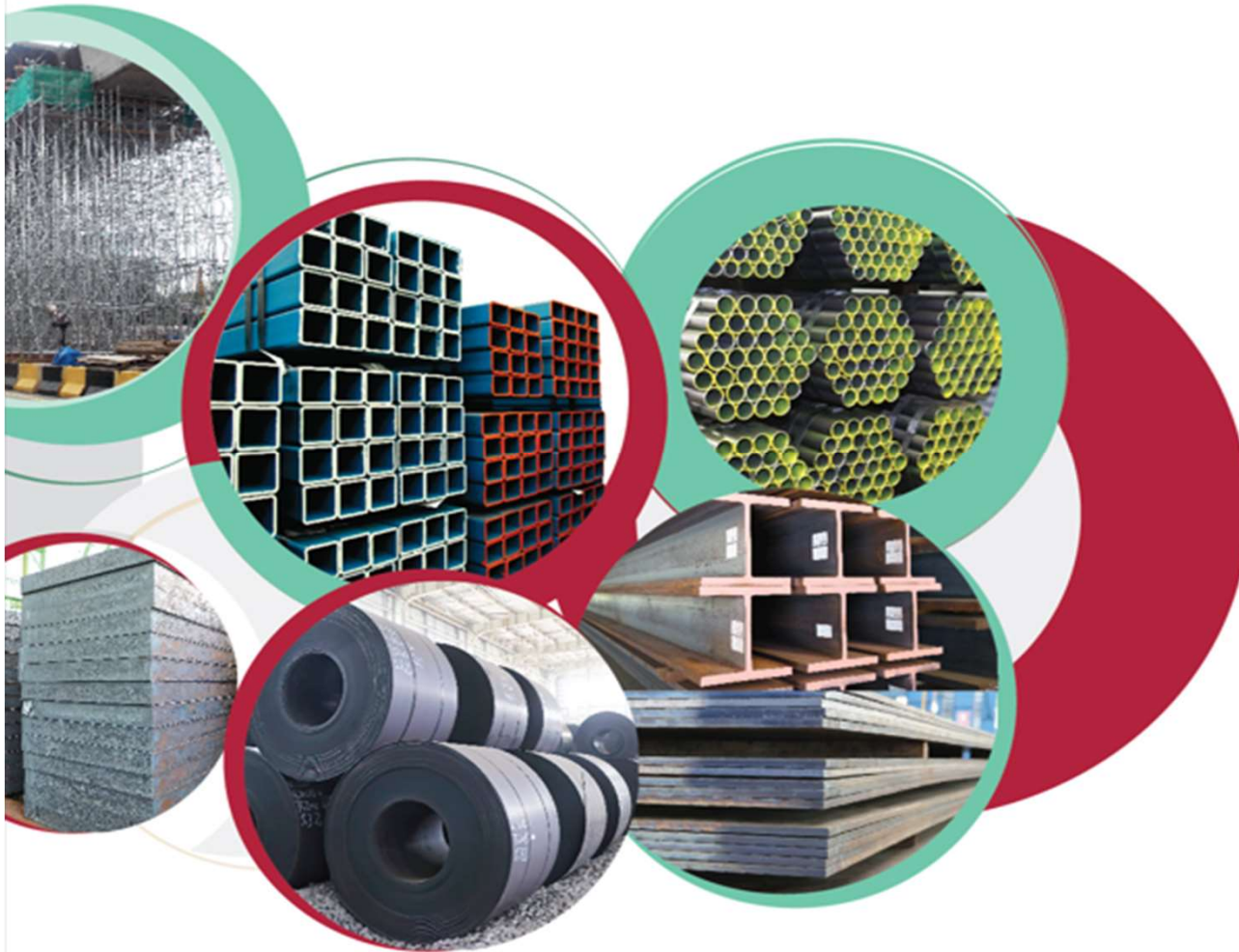


HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

协德集团



**ANALYSTS' BRIEFING
Q1 / FY 2025
PERFORMANCE REVIEW**

13 DECEMBER 2024

**CORPORATE
STRUCTURE
(31 OCTOBER 2024)**

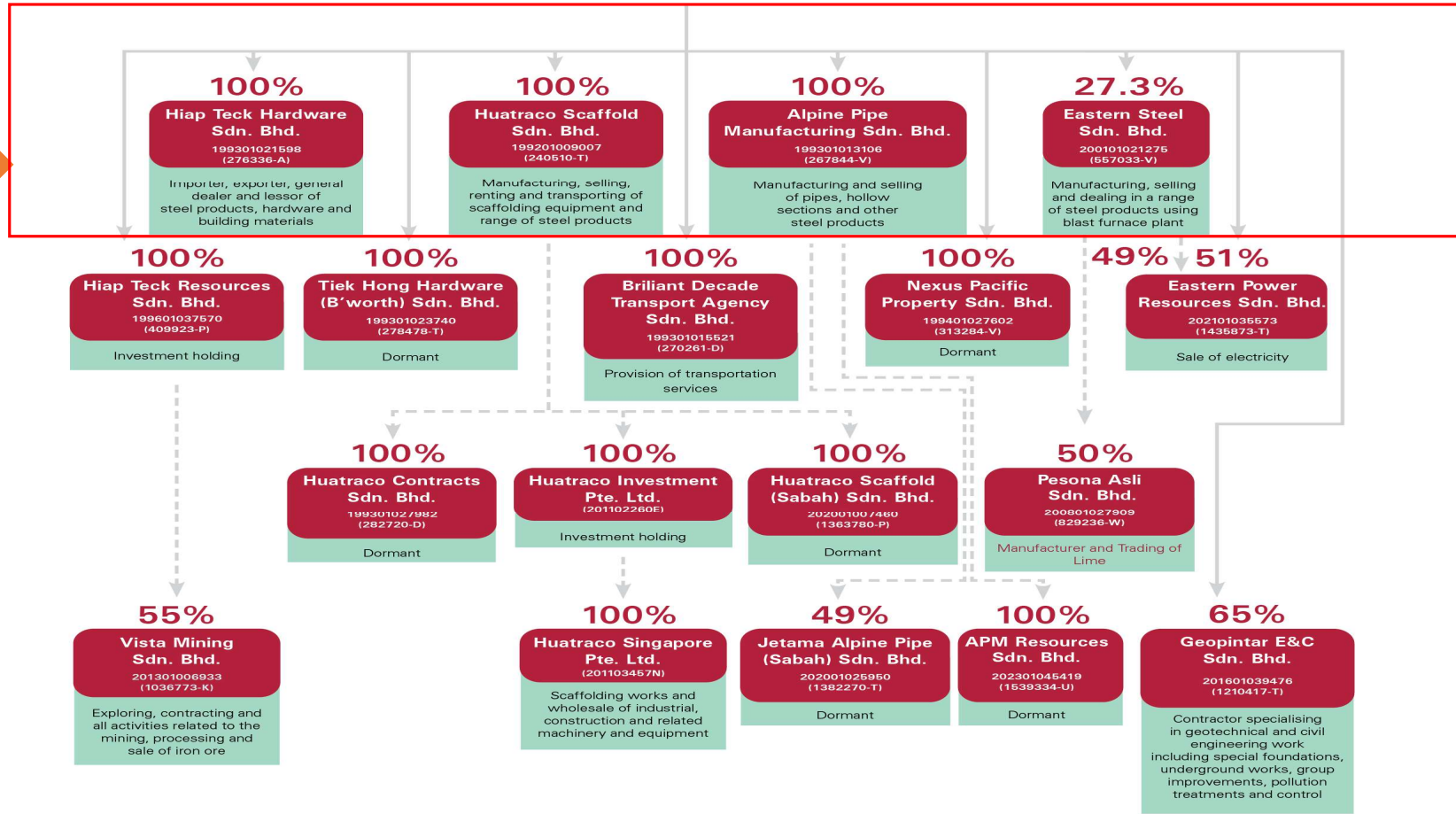
Key Operating Units



H T V B

HIAP TECK VENTURE BERHAD

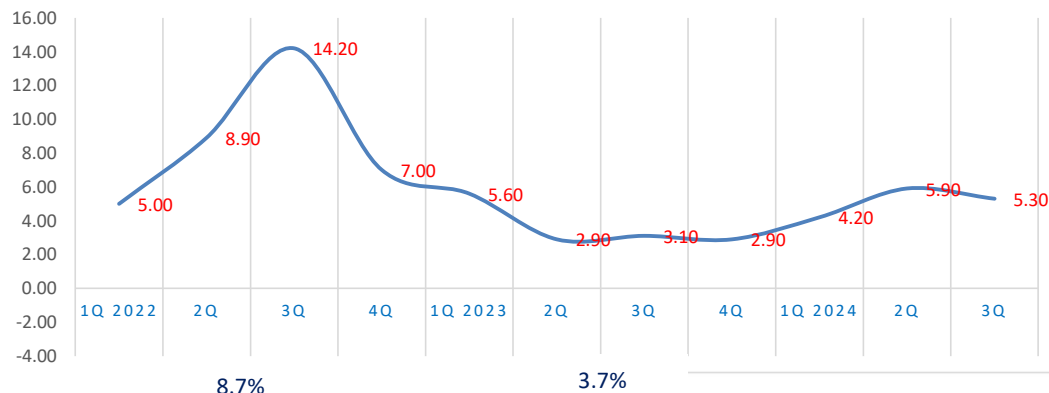
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THE MACRO ENVIRONMENT



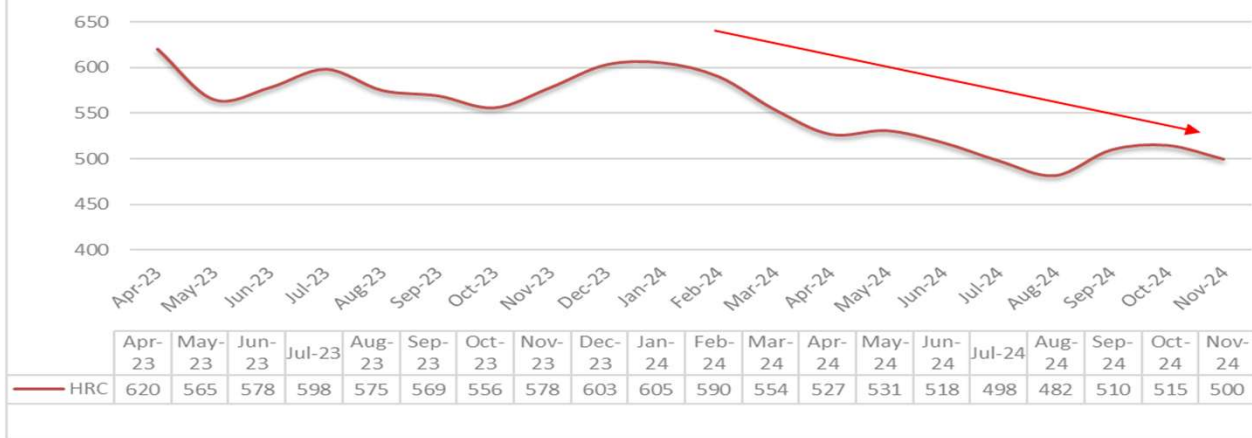
MALAYSIA REAL GDP GROWTH



- Malaysia's economy grew at **5.3%** in Q3 2024, down from 5.9% in Q2, due to slower private consumption.
- 2024 full-year growth is projected at **4.8%–5.3%**, up from 3.7% in 2023.

- Steel prices have been in a prolonged downtrend since early 2024.
- Prices rebounded from USD482 in August to USD515 in October after China's September stimulus but settled at USD500.
- Despite the recovery, prices are still USD100 lower than in January 2024

Indicative HRC Price In USD/MT



HTVB GROUP PERFORMANCE REVIEW - 1Q FY25 vs 1Q FY24 (corresponding quarter)



(RM'M)	1Q FY25	1Q FY24	Variance
Revenue	401.7	407.5	-1%
Gross Profit	6.3	20.4	-69%
GPM/(GLM)	1.6%	5.0%	
Profit/(Loss) before Interest	(2.6)	13.3	-120%
Finance Costs	(7.0)	(4.9)	
PBT/(LBT)	(9.6)	8.4	-214%
ESSB	42.0	(16.6)	353%
NPBT/(NLBT)	32.4	(8.2)	495%
NPAT	34.9	(9.4)	471%
Net Gearing Ratio	0.39	0.37	
EPS (sen)	1.99	(0.54)	
NTA (RM)	0.81	0.73	

- Revenue declined marginally by **1%**, impacted by lower average selling prices.
- Gross profit fell due to compressed margins from the downward trend in steel prices.
- The Group recorded a profit of **RM 32.4 million**, a turnaround from a loss of RM 8.2 million, driven by a significantly higher share of profit from ESSB.
- ESSB's share of profit surged to **RM 42.0 million**, compared to a loss of RM 16.6 million, attributed to higher sales volume and favourable foreign exchange movements.

HTVB GROUP PERFORMANCE REVIEW - 1Q FY2025 vs 4Q FY2024 (preceding quarter)



(RM'M)	1Q FY25	4Q FY24	Variance
Revenue	401.7	416.6	-4%
Gross Profit	6.3	16.4	-62%
GPM	1.6%	3.9%	
Profit/(Loss) before Interest	(2.6)	6.9	-62%
Finance Costs	(7.0)	(5.8)	
PBT	(9.6)	1.1	-773%
ESSB	42.0	47.8	-12%
NPBT	32.4	48.9	-34%
NPAT	34.9	47.6	-27%
Net Gearing Ratio	0.39	0.34	
EPS (sen)	1.99	2.73	
NTA (RM)	0.81	0.79	

- Revenue decreased by **4%**, driven by lower average selling prices.
- Gross profit declined due to the downward trend in steel prices, which pressured profit margins.
- NPBT was mainly supported by a share of profit from ESSB, which declined to **RM 42.0 million** from RM 47.8 million due to tighter margins and a reduced foreign exchange translation gain.
- The balance sheet remains solid with a net gearing ratio of **0.39x** and NTA per share is higher at **RM 0.81**.



Eastern Steel Sdn. Bhd.



ESSB PERFORMANCE REVIEW – 1Q FY2025 vs 4Q FY2024 (preceding quarter)



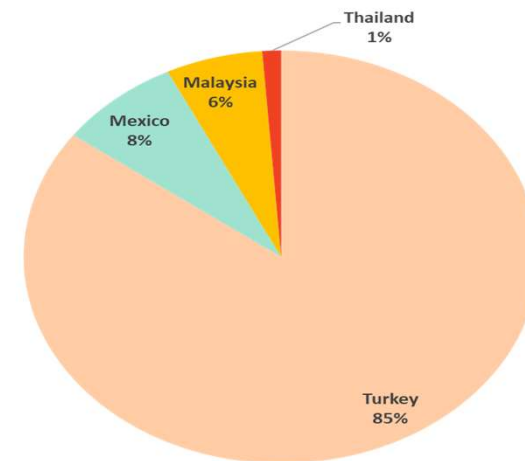
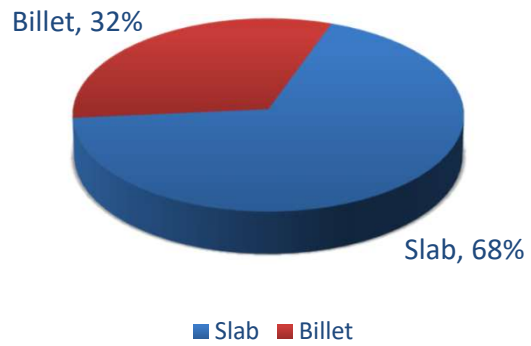
(RM'M)	1Q FY25	4Q FY24	Variance
Volume (kMT)	614.3	555.5	11%
Revenue	1,364.6	1,444.8	-6%
Gross Profit	88.0	168.2	-48%
GPM	6%	12%	
Profit before Interest/Adjustments	109.1	78.3	39%
Finance Costs	(42.9)	(50.8)	-16%
Unrealized FX	105.8	147.4	
Adjustment	-	-	
NPAT/(NLAT)	153.8	174.9	-12%

- Despite an 11% increase in sales volume, revenue declined by 6%, driven by softer average selling prices and a weaker USD/MYR exchange rate.
- Gross Profit Margin also fell due to lower selling prices.
- FX translation gains were RM105.8 million, down from RM147.4 million in the prior quarter.
- ESSB's Q1 FY25 NPAT stood at RM153.8 million, a decrease from RM174.9 million, impacted by declining steel prices and reduced FX translation gains.

ESSB PERFORMANCE REVIEW – 1Q FY2025



Q1 FY2025 Product Mix



MARKET DISTRIBUTION YTD FY2025

OUTLOOK – MODERATE GROWTH AND REMAIN CAUTIOUS



- The Group reported a net profit of RM34.9 million for 1Q FY2025, primarily driven by strong contributions from ESSB, while the downstream segment incurred a pre-tax loss of RM9.6 million, impacted by declining global steel prices.
- Global steel demand is projected to contract by 0.9% in 2024, though recent stimulus measures in China may provide some stabilisation to steel prices. In the U.S., economic uncertainty lingers despite interest rate cuts, with potential tariff changes adding to market volatility.
- Malaysia's economy grew 5.3% in Q3 2024, supported by robust activity in construction and manufacturing. Key infrastructure projects, such as the Penang LRT, Subang Airport Regeneration Plan, Carey Island Port, and the Malaysia-Singapore Special Economic Zone, are expected to drive steel demand further. The government forecasts GDP growth of 4.5%–5.5% in 2025.
- The joint venture's Hot Rolled Coil (HRC) project is set to commence production in Q1 2025, significantly enhancing the Group's product offerings and competitive position in domestic and regional markets.
- While the scaffolding business continues to grow and the manufacturing segment shows signs of recovery, the trading division remains challenged by subdued steel prices, though recent price stabilisation offers cautious optimism.
- The Group remains focused on improving operational efficiency, optimising costs, and leveraging strategic investments to navigate market challenges and capture growth opportunities in the coming quarters.



THANK YOU

