

HTVB

HIAP TECK VENTURE BERHAD

Registration No. 199701005844 (421340-U)

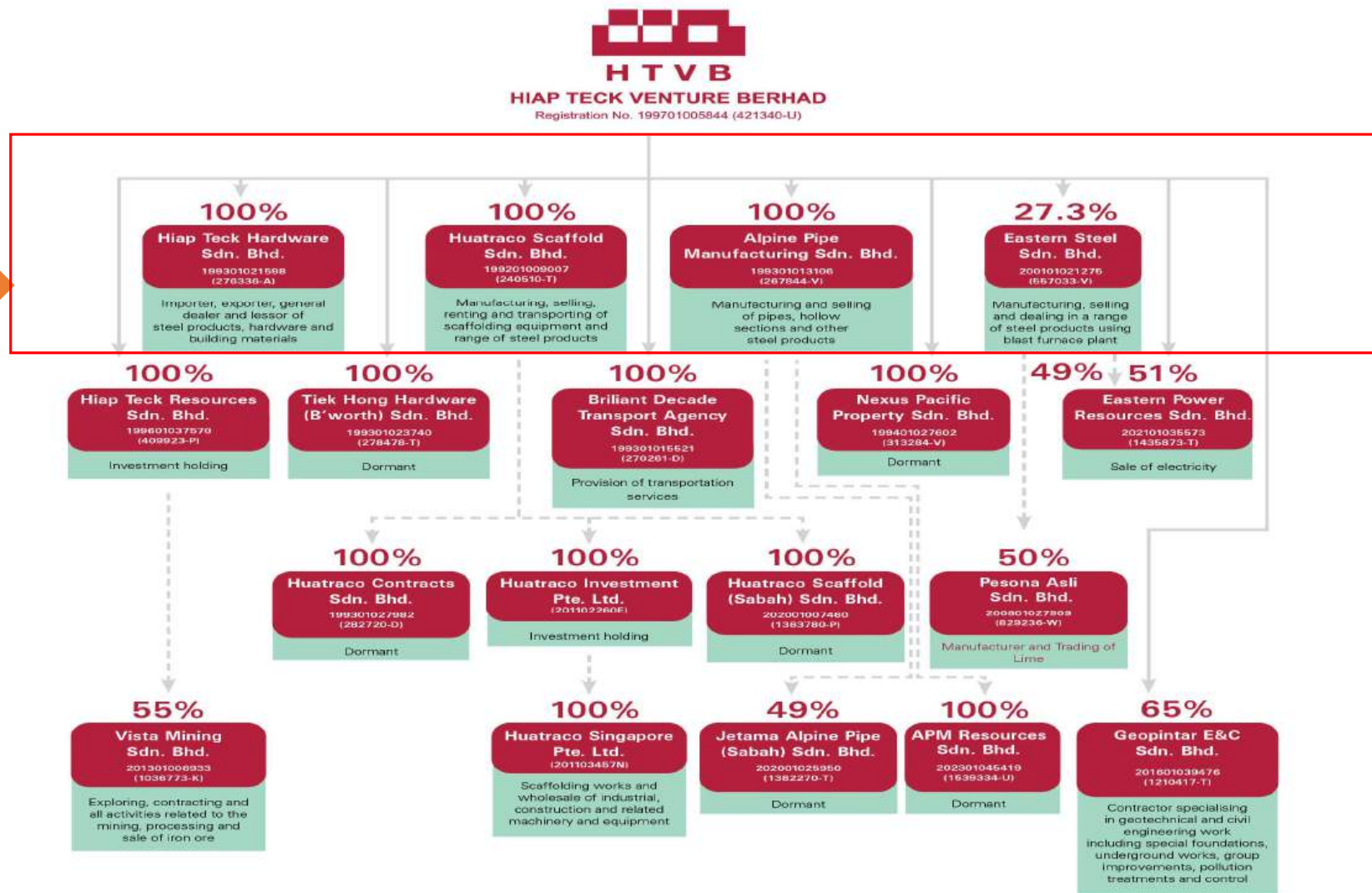
协德集团

ANALYSTS' BRIEFING Q3 / FY 2025 PERFORMANCE REVIEW

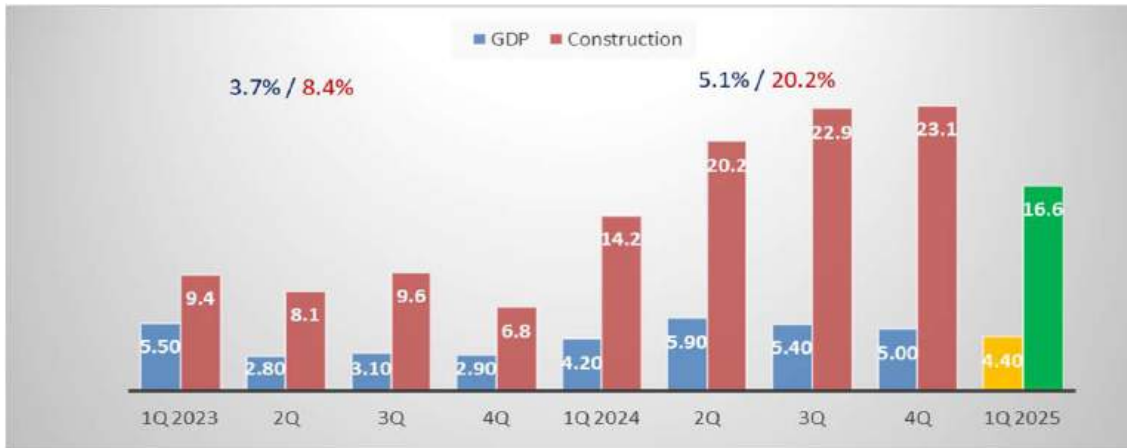
30 JUNE 2025

CORPORATE STRUCTURE (30 APRIL 2025)

Key Operating Units

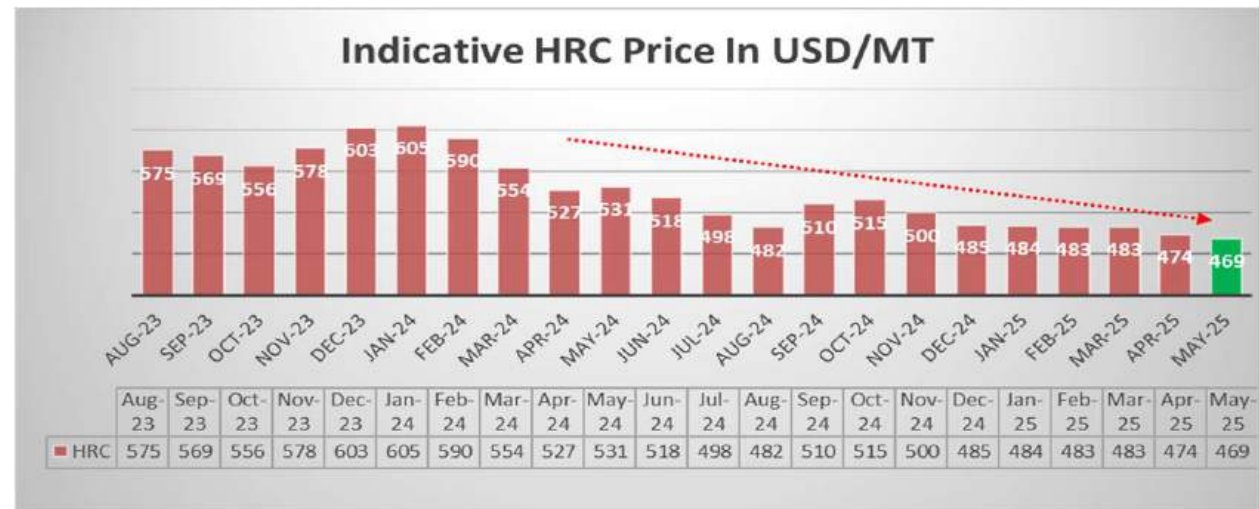


THE MACRO ENVIRONMENT



- After a strong 2024, the Malaysian economy appears to be moderating with growth of **4.4%** in 1Q 2025 vs **5.0%** in 4Q 2024.
- The construction sector expanded at a lower rate of **16.1%** vs **23.1%** in 4Q 2024.
- The government has indicated a potential downward revision from the earlier GDP growth projection of **4.5%** to **5.5%**, in view of the US tariff impact on trade.

- Steel prices have been on a prolonged downtrend since early of 2024, though the pace of decline has recently slowed, with signs of stabilisation.
- The softness is expected to persist through 2025 amid ongoing uncertainty from the impact of U.S. tariffs impact. While China's stimulus measures may offer some support, they are unlikely to significantly offset the recent decline in Chinese steel demand.



HTVB GROUP PERFORMANCE REVIEW - 3Q FY25 vs 3Q FY24 (corresponding quarter)



(RM'M)	3Q FY25	3Q FY24	Variance
Revenue	344.8	399.7	-14%
Gross Profit	13.7	30.1	-55%
GPM/(GLM)	4.0%	7.5%	
Profit/(Loss) before Interest	0.04	19.7	-100%
Finance Costs	(4.6)	(6.7)	
PBT/(LBT)	(4.5)	13.0	-135%
ESSB	40.9	37.7	8%
NPBT/(NLBT)	36.3	50.7	-29%
NPAT	34.7	47.2	-26%
Net Gearing Ratio	0.27	0.42	
EPS (sen)	1.97	2.69	
NTA (RM)	0.84	0.79	

- Revenue declined by **14%**, mainly due to lower ASP and marginal drop in sales volumes .
- Gross profit declined in tandem with lower revenue, driven by margin compression amid the ongoing downtrend in steel prices.
- The share of ESSB's profit rose to **RM40.9 million** from RM37.7 million, supported by steady margins arising from higher capacity utilization and higher positive foreign exchange translation impact.
- Overall, the Group recorded a lower net profit before tax (NPBT) of **RM36.3 million**, compared to RM50.7 million previously, primarily due to softer downstream performance .

HTVB GROUP PERFORMANCE REVIEW - 3Q FY2025 vs 2Q FY2025 (preceding quarter)



(RM'M)	3Q FY25	2Q FY25	Variance
Revenue	344.8	348.3	-1%
Gross Profit	13.7	14.1	-3%
GPM	4.0%	4.0%	
Profit/(Loss) before Interest	0.04	0.3	-87%
Finance Costs	(4.6)	(5.3)	
PBT	(4.5)	(5.0)	10%
ESSB	40.9	25.3	61%
NPBT	36.3	20.3	78%
NPAT	34.7	20.7	67%
Net Gearing Ratio	0.27	0.34	
EPS (sen)	1.97	1.99	
NTA (RM)	0.84	0.82	

- Revenue declined by **1%**, driven by lower ASP.
- Gross profit dropped slightly from the preceding quarter due to compressed margin
- NPBT increased from RM20.3 million to **RM36.3 million**, primarily supported by higher share of ESSB's profit attributable to favourable foreign exchange translation impacts and steady operating margins.
- The balance sheet remains solid, with a net gearing ratio of **0.27x**, while NTA per share is higher at RM **0.84**.



Eastern Steel Sdn. Bhd.



ESSB PERFORMANCE REVIEW – 3Q FY2025 vs 2Q FY2025 (preceding quarter)



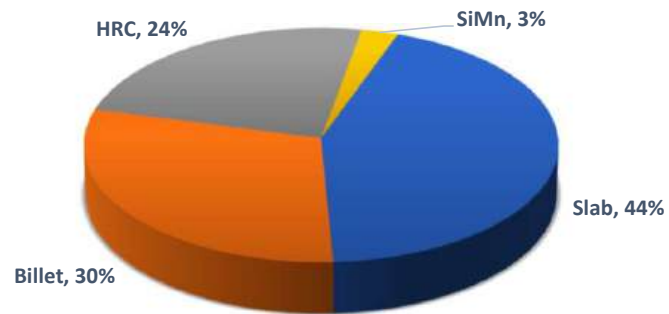
(RM'M)	3Q FY25	2Q FY25	Variance
Volume (kMT)	600.4	607.6	-1%
Revenue	1,291.5	1,324.1	-3%
Gross Profit	175.0	173.7	1%
GPM	14%	13%	
Profit before Interest/Adjustments	134.4	163.4	-18%
Finance Costs	(41.3)	(44.2)	-7%
Unrealized FX	56.5	(26.4)	
Adjustment	-	-	
NPAT	149.6	92.8	61%

- An **1%** decline in sales volume led to a 3% drop in revenue.
- Gross profit margin of **14%**, up from 13% in the previous quarter, driven by a lower input costs.
- FX translation profit amounted to **RM56.5 million**, compared to a loss of RM26.4 million in the prior quarter, due to favorable exchange rate movements.
- ESSB's Q3 FY25 NPAT increased to **RM149.6** million from RM92.8 million, primarily impacted by FX translation difference.

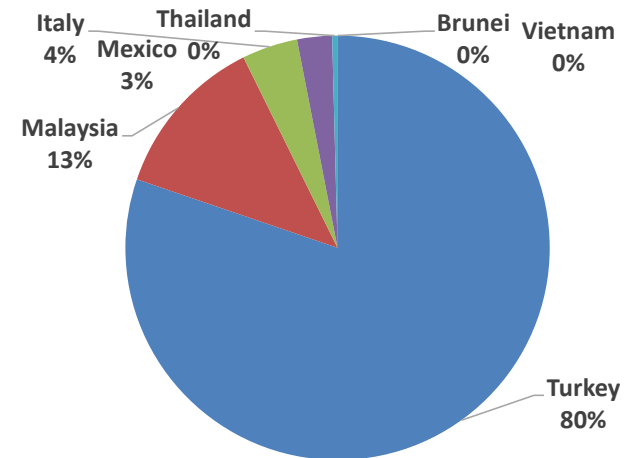
ESSB PERFORMANCE REVIEW – 3Q FY2025



Q3 FY2025 Product Mix



■ Slab ■ Billet ■ HRC ■ SiMn



MARKET DISTRIBUTION FY2025 (STEEL & HRC)

OUTLOOK – MODERATE GROWTH AND REMAIN CAUTIOUS



- The Group posted a net profit of **RM34.7 million** for 3Q FY2025, mainly driven by ESSB's strong performance, while the trading division remained impacted by subdued steel prices. The scaffolding business continued to show strong growth potential.
- Global steel demand has remained weak since peaking in 2021, with a sharp slowdown in China offsetting growth in emerging markets; although prices have recently stabilised, market uncertainty persists following the U.S. announcement to double steel import tariffs to **50%**.
- Malaysia's economy grew **4.4%** in Q1 2025, supported by resilient consumption and investment, though downside risks remain as the government considers revising its 4.5%–5.5% GDP forecast amid U.S. tariff concerns.
- Malaysia extended its moratorium on new steel manufacturing licences in February 2025 and imposed **anti-dumping duties** in May to protect local producers and reassess industry direction.
- The Group saw positive contributions from the JV's ramped-up 1450mm HRC line and strong scaffolding performance, while the Trading division remained subdued; efforts continue to focus on operational efficiency and cost optimisation amid a challenging market environment.



THANK YOU

