

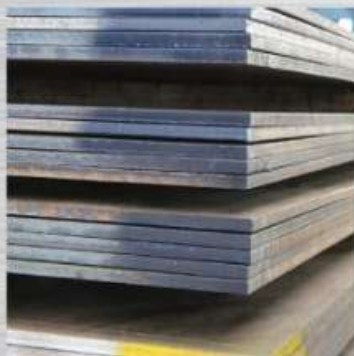
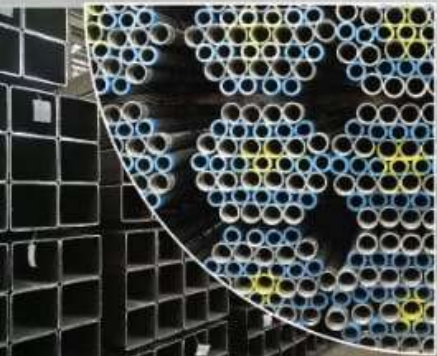


**HTVB**

**HIAP TECK VENTURE BERHAD**

Registration No. 199701005844 (421340-U)

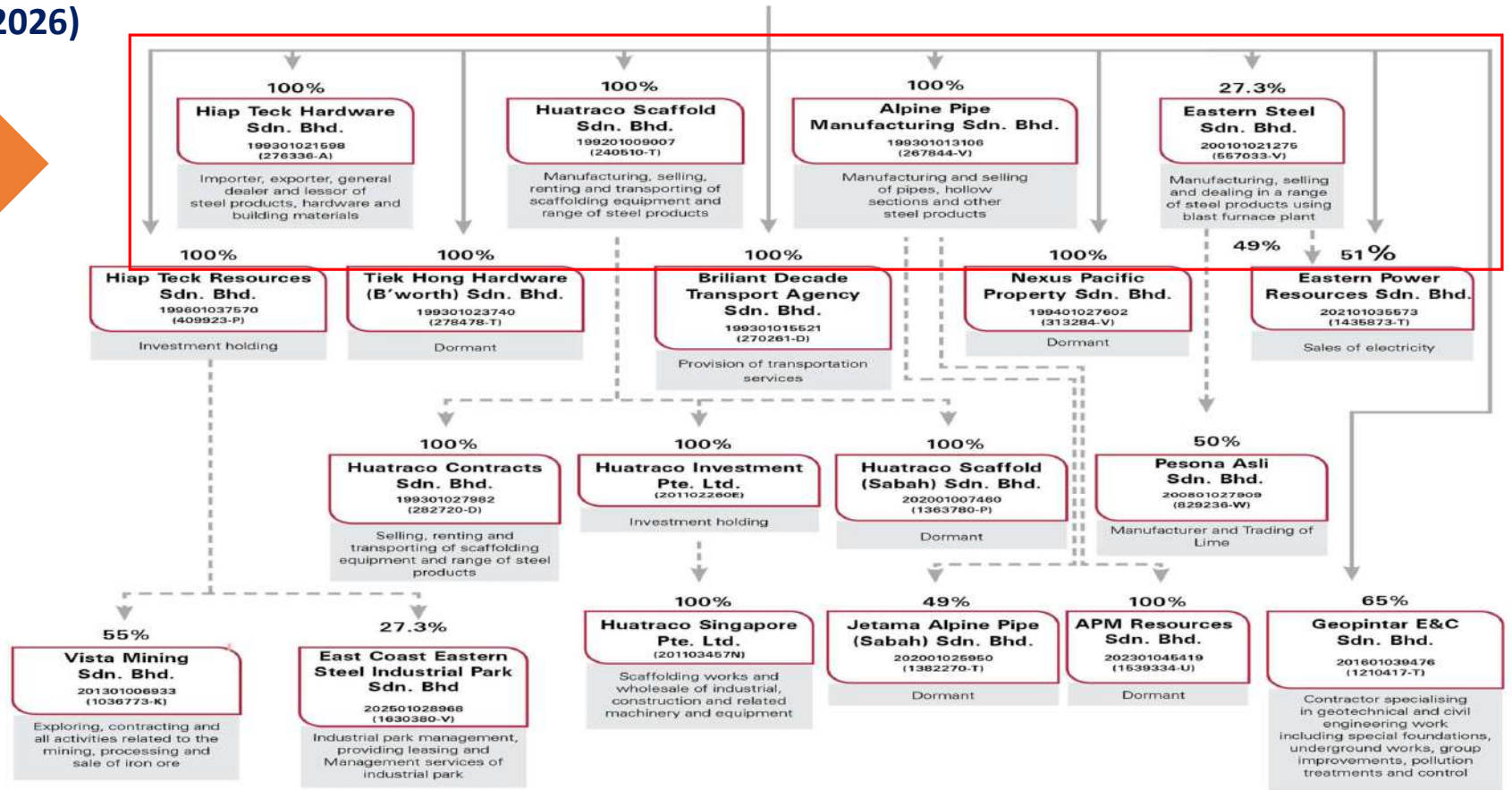
**协德集团**



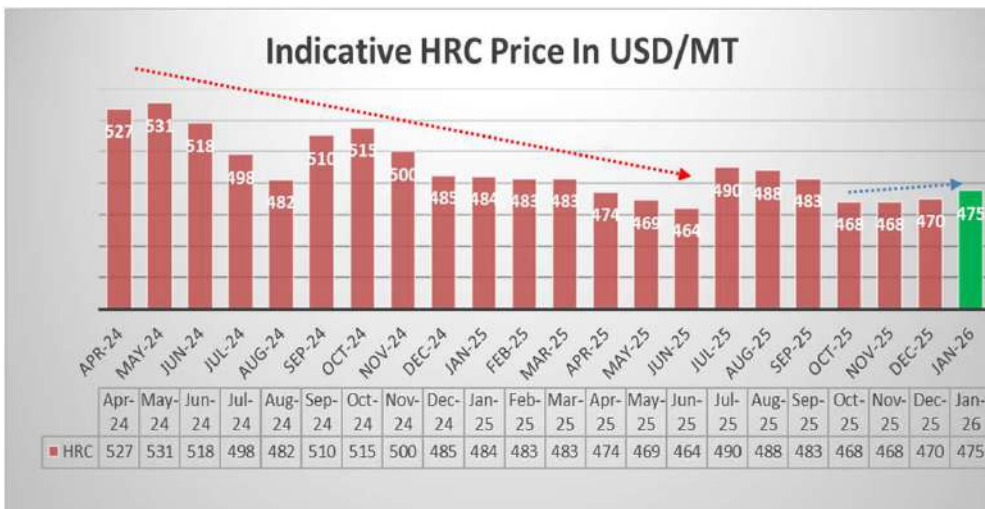
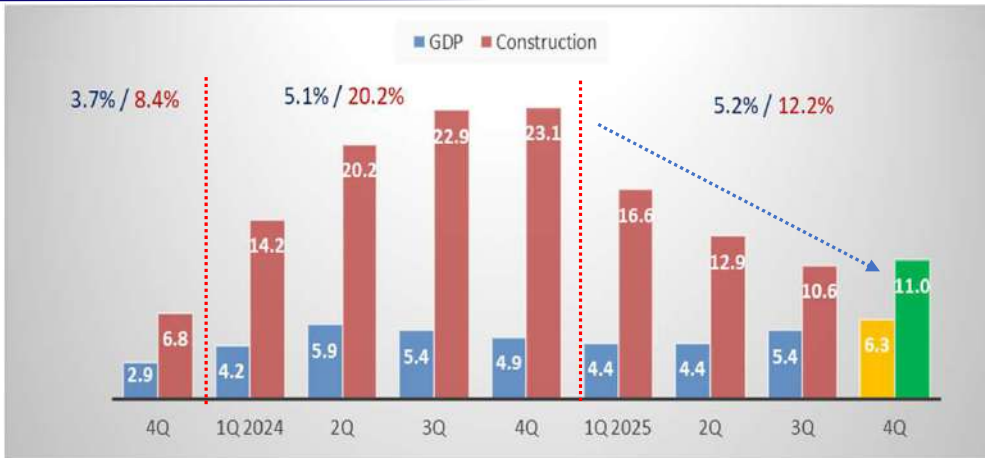
# **ANALYSTS' BRIEFING Q2 / FY 2026 PERFORMANCE REVIEW**

***26 MARCH 2026***

**CORPORATE  
STRUCTURE  
(31 JANUARY 2026)**



# THE MACRO ENVIRONMENT



- Malaysia's GDP growth accelerated to **6.3%** in 4Q2025 (3Q2025: 5.4%), driven by strong expansion in the construction sector, which grew **11.0%**, led by non-residential and specialised construction activities.
- For FY2025, the economy expanded by **5.2%**, with construction outperforming at **12.2%**.
- Global steel prices have remained on a downtrend since 2021, reflecting persistent oversupply from China amid a prolonged property sector slowdown.
- However, the pace of decline has moderated recently as capacity rationalisation measures were introduced.
- Against this backdrop, and supported by a weaker USD, steel prices showed marginal improvement, rising to approximately **USD475** by January 2026.

## HTVB GROUP PERFORMANCE REVIEW - 2Q FY26 vs 2Q FY25 (corresponding quarter)



(RM'M)	2Q FY26	2Q FY25	Variance
Revenue	397.4	348.3	14%
<b>Gross Profit</b>	<b>18.3</b>	<b>14.1</b>	<b>30%</b>
GPM/(GLM)	4.7%	4.1%	
Profit/(Loss) before Interest	5.3	0.3	1460%
Finance Costs (net)	(4.5)	(5.3)	15%
<b>ESSB</b>	<b>70.6</b>	<b>25.3</b>	<b>179%</b>
<b>NPBT</b>	<b>71.3</b>	<b>20.3</b>	<b>251%</b>
<b>NPAT</b>	<b>68.9</b>	<b>20.7</b>	<b>232%</b>
Net Gearing Ratio	0.26	0.34	
EPS (sen)	3.95	1.17	
NTA (RM)	0.91	0.82	

- Revenue increased by **14%**, driven by higher sales volumes, despite softer average selling prices.
- Gross profit improved in line with lower cost of goods sold and improved trading performance.
- Share of profit from the joint venture rose to **RM70.6 million** (Q2 FY2025: RM25.3 million), primarily attributable to improved operational performance, supported by a higher proportion of hot rolled coil sales and favourable foreign exchange translation effects.
- Profit before tax increased to **RM71.3 million** (Q2 FY2025: RM20.3 million), largely driven by the stronger contribution from the joint venture.

## HTVB GROUP PERFORMANCE REVIEW - 2Q FY2026 vs 1Q FY2026 (preceding quarter)



(RM'M)	2Q FY26	1Q FY26	Variance
Revenue	397.4	384.2	3%
Gross Profit	18.3	26.7	-31%
GPM	4.7%	7.0%	
Profit/(Loss) before Interest	5.3	15.55	-31%
Finance Costs (net)	(4.5)	(4.3)	-5%
ESSB	70.6	35.8	97%
NPBT	71.3	47.0	52%
NPAT	68.9	43.7	58%
Net Gearing Ratio	0.26	0.27	
EPS (sen)	3.95	2.50	
NTA (RM)	0.91	0.88	

- For the current quarter, the Group's revenue rose **3%**, supported by higher trading volumes, despite continued softness in average selling prices.
- Gross profit declined, reflecting tighter operating margins and higher costs of sales.
- Profit Before Tax improved significantly to **RM71.3 million** (from RM47.0 million), driven by a stronger contribution from the Joint Venture of **RM70.6 million** (from RM35.8 million), primarily due to positive unrealised foreign exchange translation in the quarter.
- The Group's balance sheet remains healthy, with net gearing at **0.26x** and net tangible assets per share rising to **RM0.91**.



# Eastern Steel Sdn. Bhd.



## ESSB PERFORMANCE REVIEW – 2Q FY2026 vs 1Q FY2026 (preceding quarter)



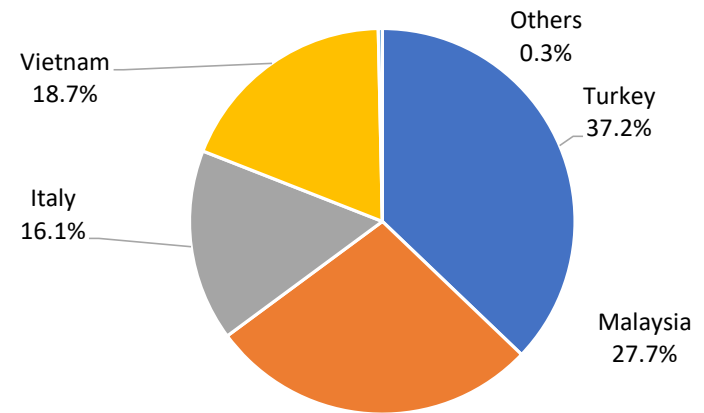
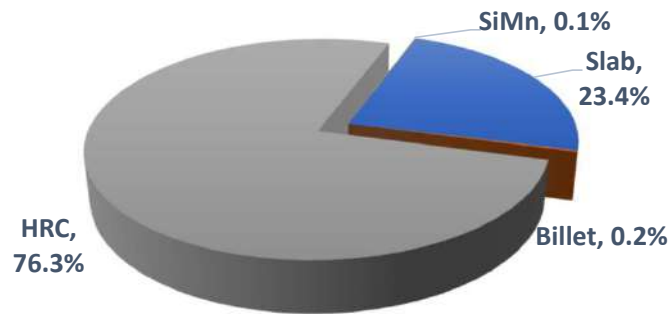
(RM'M)	2Q FY26	1Q FY26	Variance
Volume (kMT)	657.9	614.3	7%
Revenue	1,377.0	1,293.7	6%
Gross Profit	183.9	202.6	-9%
GPM	13%	16%	
Profit before Interest/Adjustments	193.5	168.8	15%
Finance Costs	(37.2)	(38.3)	3%
Unrealized FX	122.8	21.0	
Taxation	(20.4)	(20.4)	
NPAT	258.7	131.1	97%

- Revenue grew **6%**, underpinned by a **7%** increase in sales volume, reflecting sustained demand across key markets.
- Gross profit margin eased to **13%** (from 16%) as selling prices softened, while operational efficiency remained steady.
- ESSB's Q2 FY2026 NPAT surged to **RM258.7** million (from RM131.1 million), largely boosted by favourable foreign exchange translation, contributing significantly to the Group's overall earnings performance.

# ESSB PERFORMANCE REVIEW – 2Q FY2026



### Q2 FY2026 Product Mix



### MARKET DISTRIBUTION FY2026 (STEEL & HRC)

## OUTLOOK – MODERATE GROWTH AND REMAIN CAUTIOUS

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- Financial performance: The Group posted a net profit of RM68.9 million, supported by stronger contribution from the joint venture, improved manufacturing performance, and stable scaffolding demand. The Trading segment continues to face margin pressure amid soft steel prices.
- Global steel market: Market conditions remain challenging, with cautious demand and persistent supply imbalances keeping prices under pressure. Elevated Chinese exports weigh on regional pricing, while geopolitical tensions in the Middle East may introduce volatility in energy costs, logistics, and global trade.
- Domestic outlook: Malaysia's GDP grew **6.3%** in 4Q2025 (FY2025: 5.2%), underpinned by sustained domestic demand and investment. The construction sector led growth at 11.0%, supporting steel demand.
- Policy and regulatory landscape: The Steel Industry Roadmap 2035 (SIR2035), alongside gradual carbon-related measures, including a potential carbon tax, is expected to guide industry development, capacity rationalisation, compliance, and sustainability.
- Operational developments: The joint venture's 1,450 mm HRC production line continues to improve in utilisation and operational performance, enhancing efficiency and earnings contribution.
- Outlook and focus: The Group will maintain focus on operational efficiency, cost discipline, and prudent trading, leveraging its diversified segments to navigate market challenges and support sustainable performance.



# Q&A Session





**THANK YOU**

