

**ELK-DESA®**

# 29<sup>th</sup> Annual General Meeting

PERFORMANCE REVIEW FOR FYE 31 MARCH 2018

# Agenda

- Corporate Structure
- Financial Performance for FYE2018
- Key Financial Trends
- Future Plans

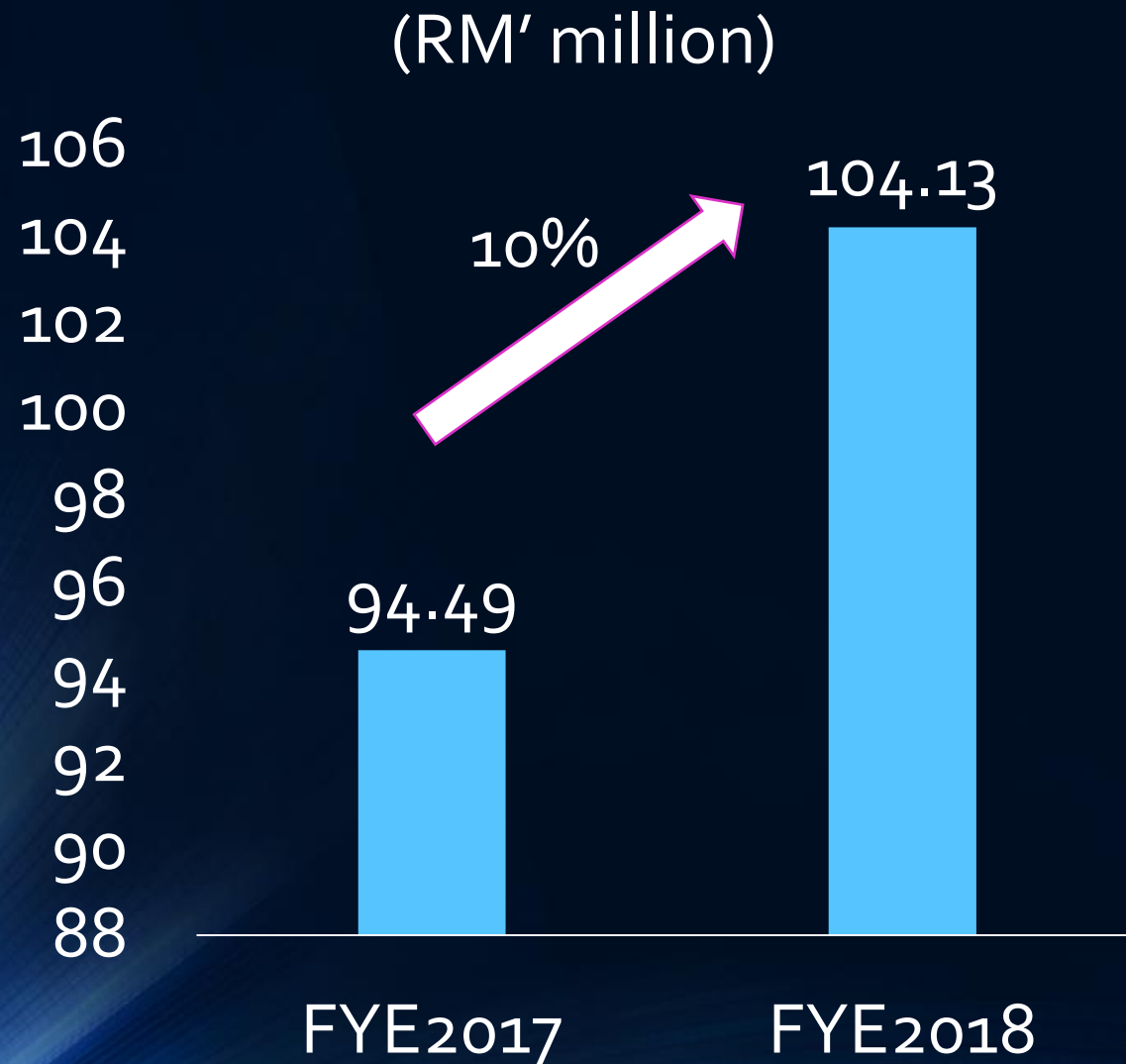
# Corporate Structure



# Financial Performance for FYE2018

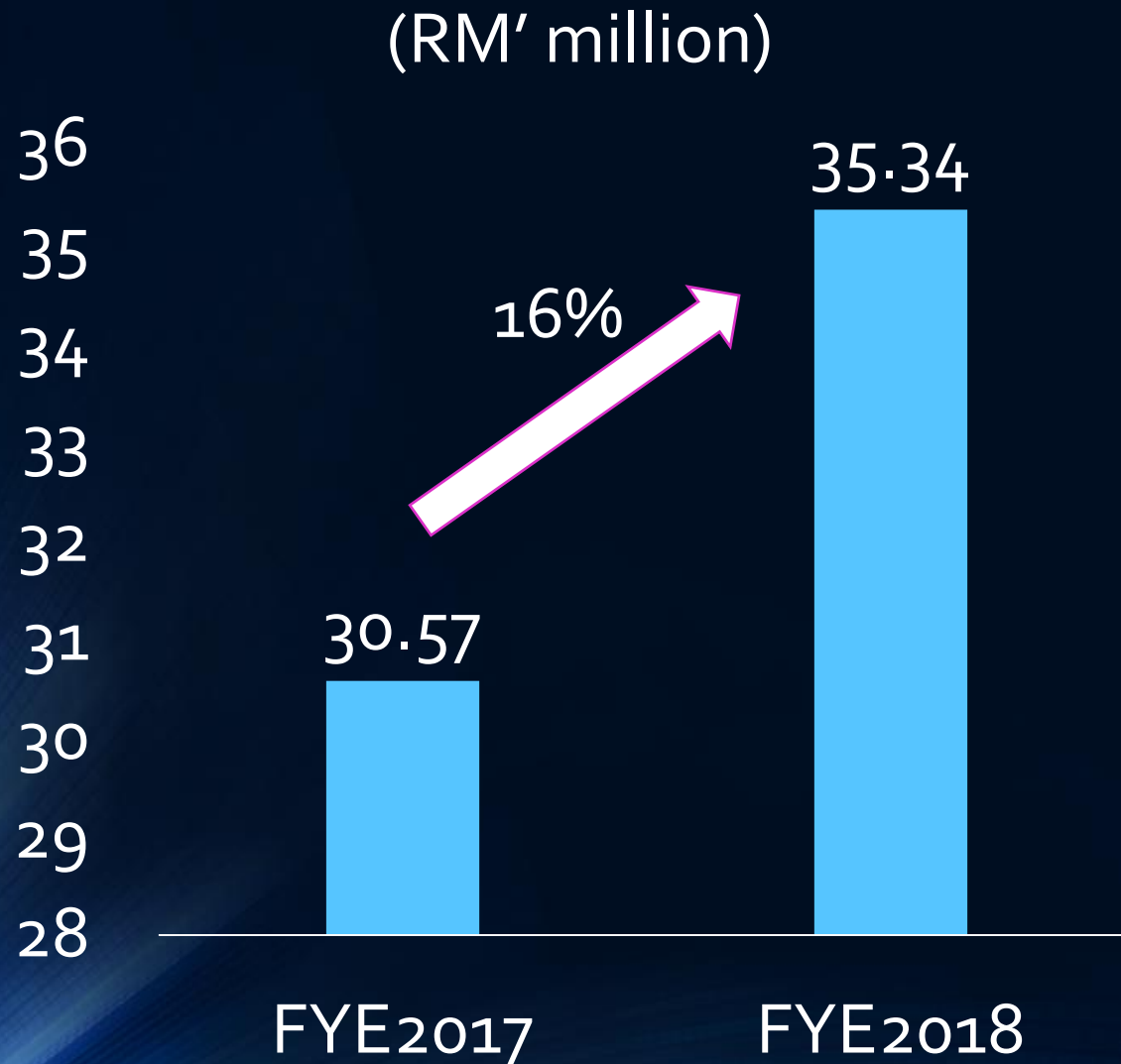
OVERALL GROUP

# Group Revenue



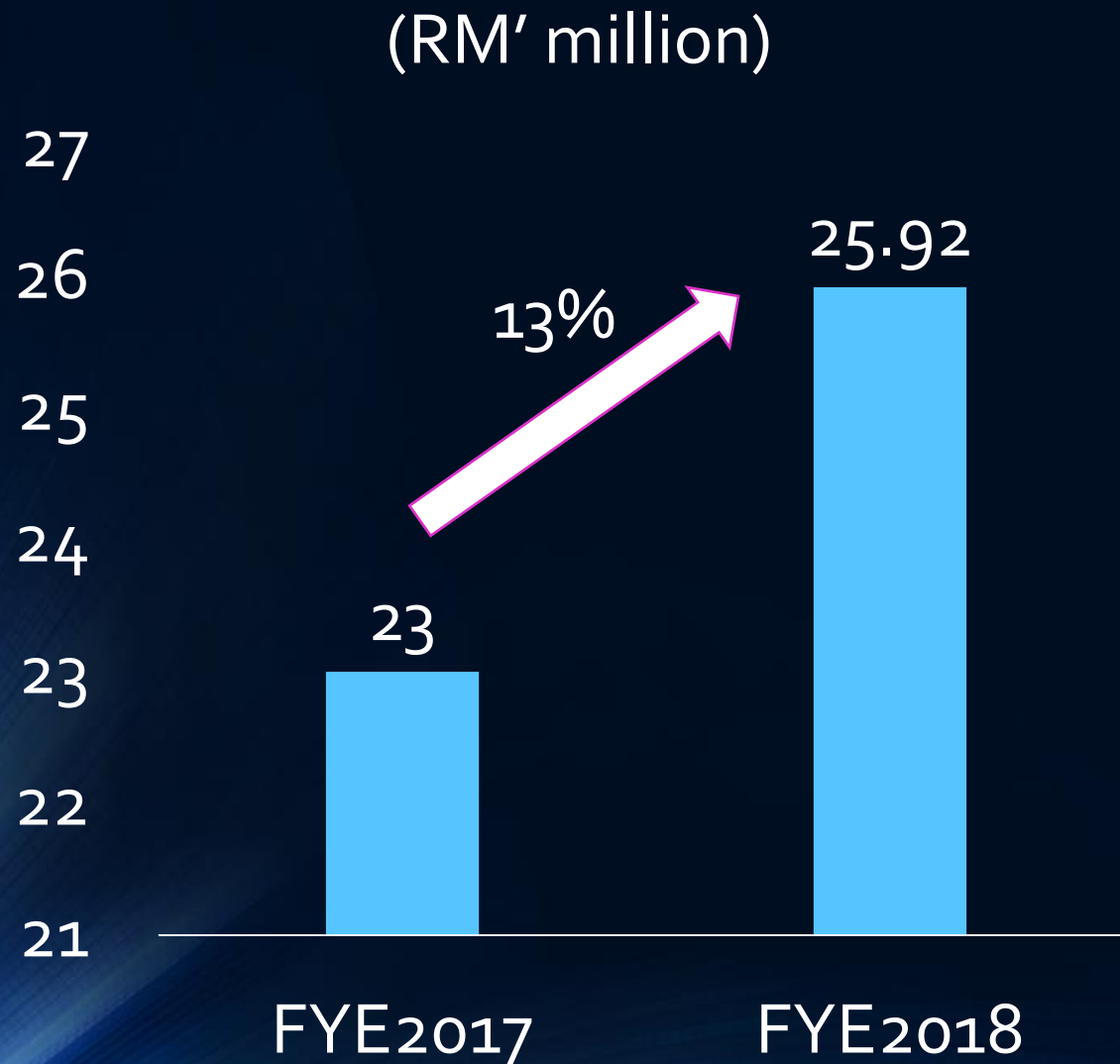
- Higher contribution from the HP financing division

# Group Profit Before Tax



- Record high PBT of RM35mil in FYE2018.
- Higher contribution from the HP financing division.
- HP financing division remains the main income generator, generating 98% to the Group's earnings in FYE2018.

# Group Profit After Tax



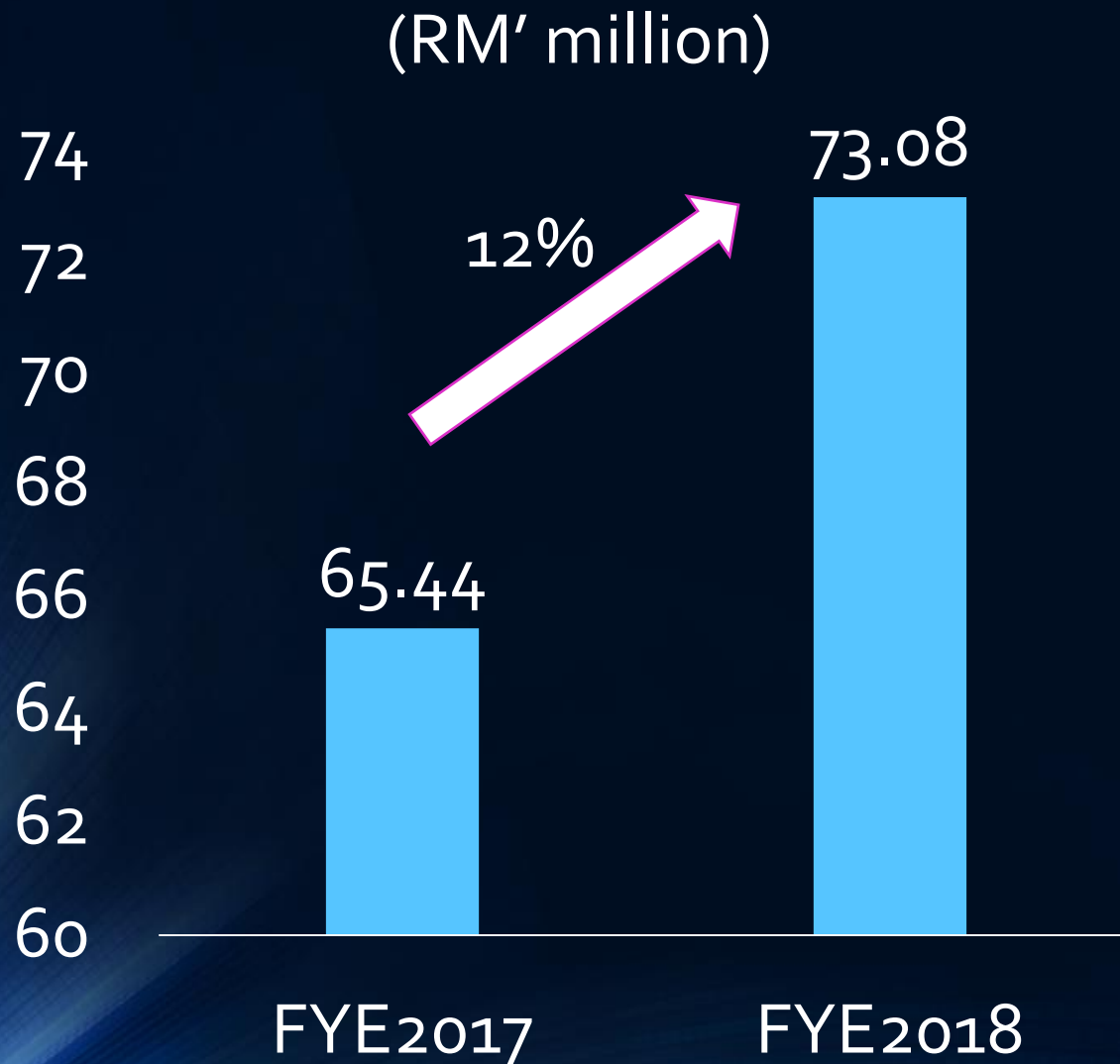
- Return on Assets 6.1%
- Return on Equity 7.1%

# Financial Performance for FYE2018

SEGMENTAL PERFORMANCE – HIRE PURCHASE FINANCING  
DIVISION

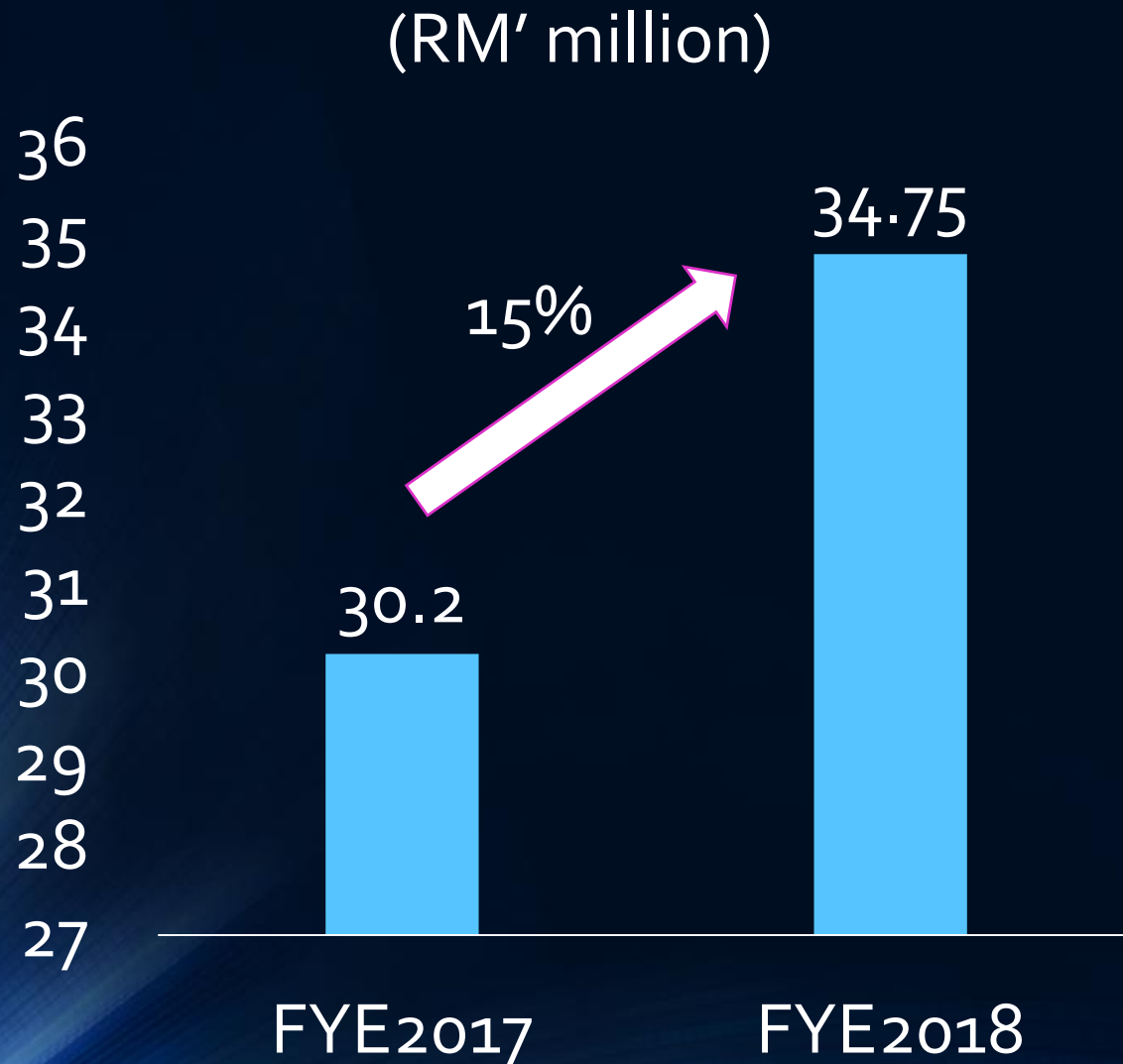


# HP Segment Revenue



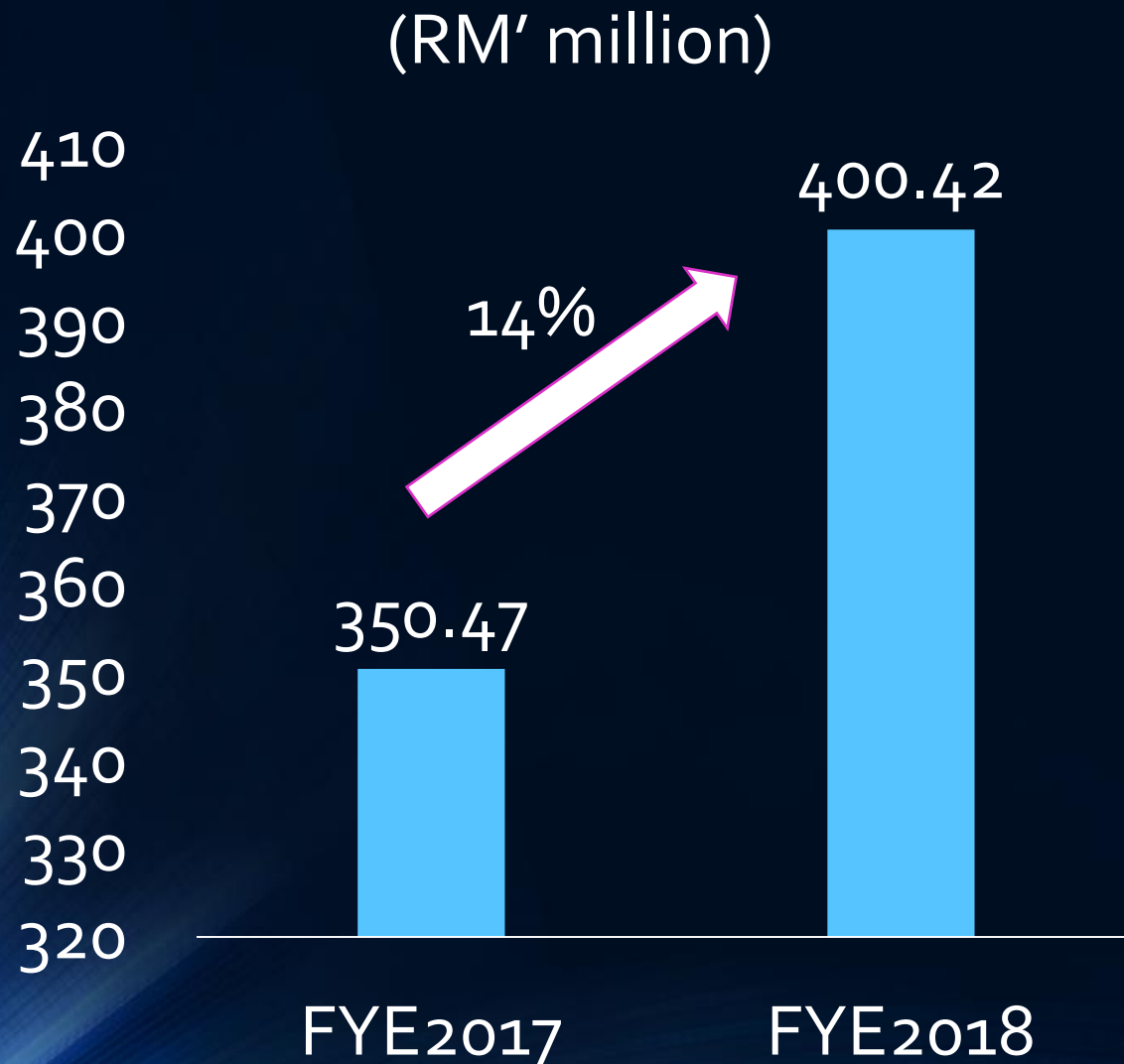
- 85% of the HP segment revenue was derived from HP interest income.
- HP interest income recorded a 15% growth to RM62 million from RM54 million last year.

# HP Segment Profit Before Tax



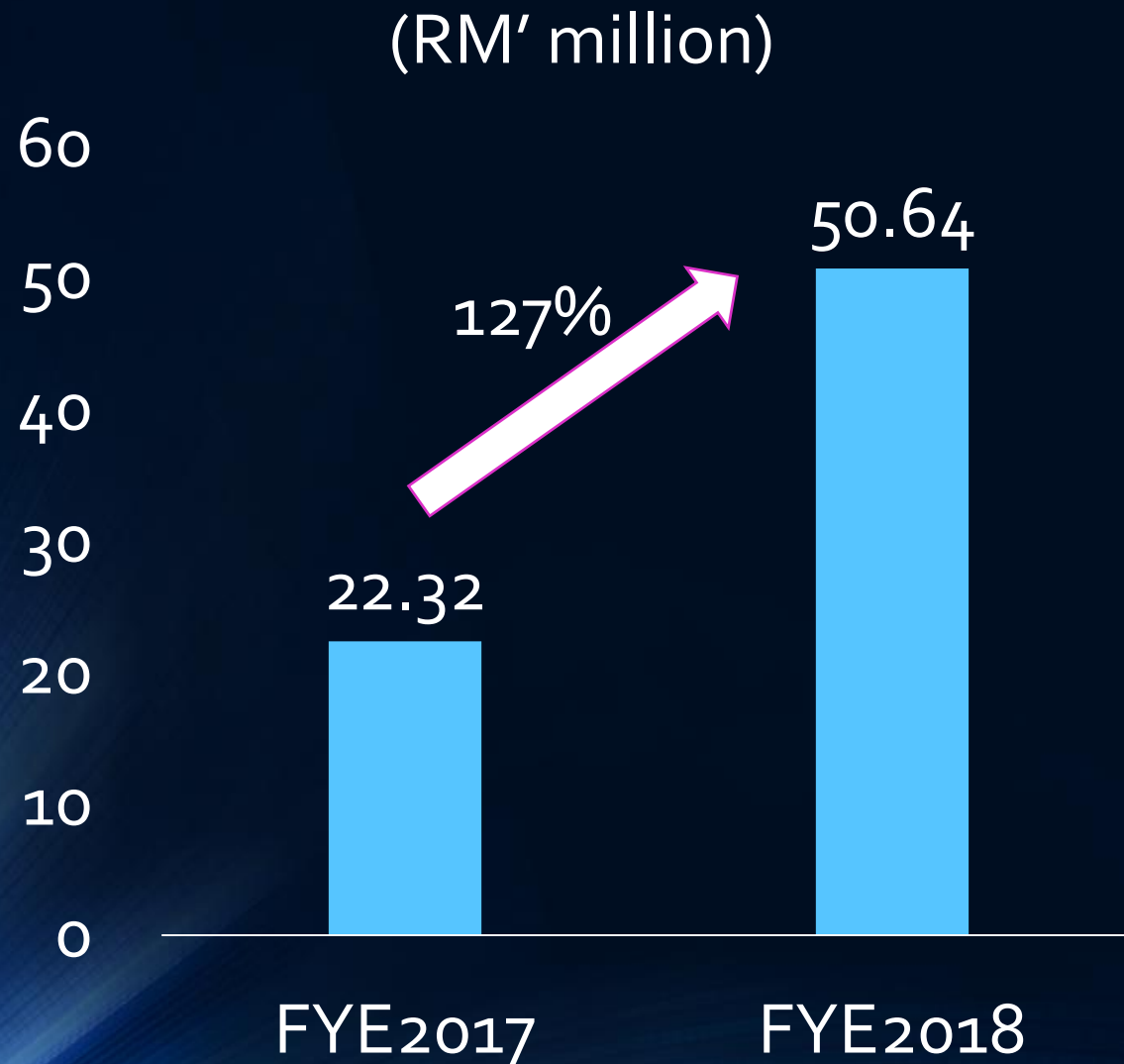
- 15% increase in PBT in tandem with the increase in Net HP receivables and also due to the Group's concerted efforts in credit recovery.

# Net HP Receivables



- Growth in the Net HP receivables was the key factor that had led to the Division's increased revenue and profit during the year.
- 5 year Compounded Annual Growth Rate (CAGR) at 15%.

# Bank Borrowings

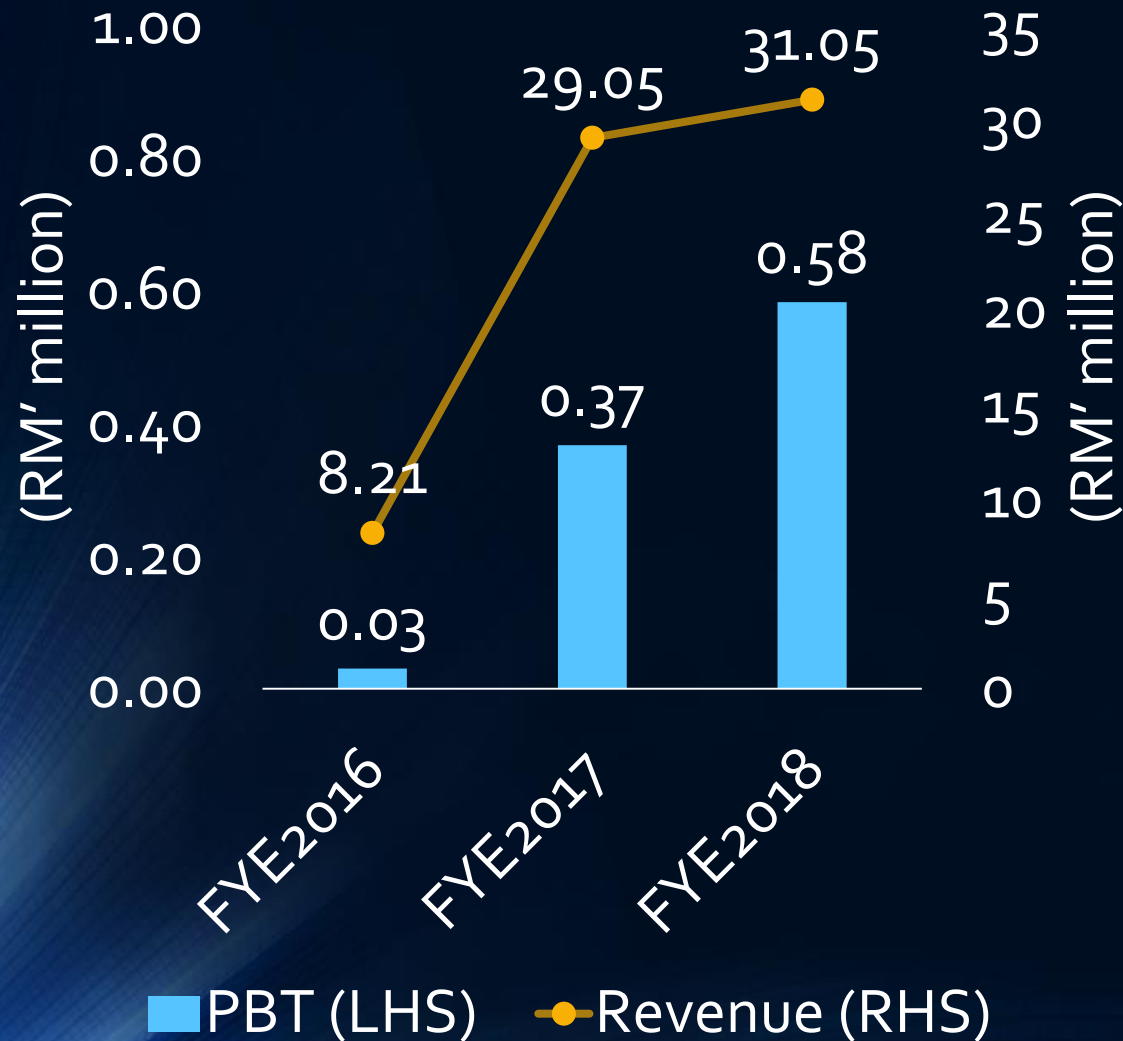


- Higher bank borrowings to support the larger HP receivables.
- Group's gearing ratio stands at 0.13 times in FYE2018.
- This reflects an ample capacity to increase its leverage.

# Financial Performance for FYE2018

SEGMENTAL PERFORMANCE – FURNITURE DIVISION

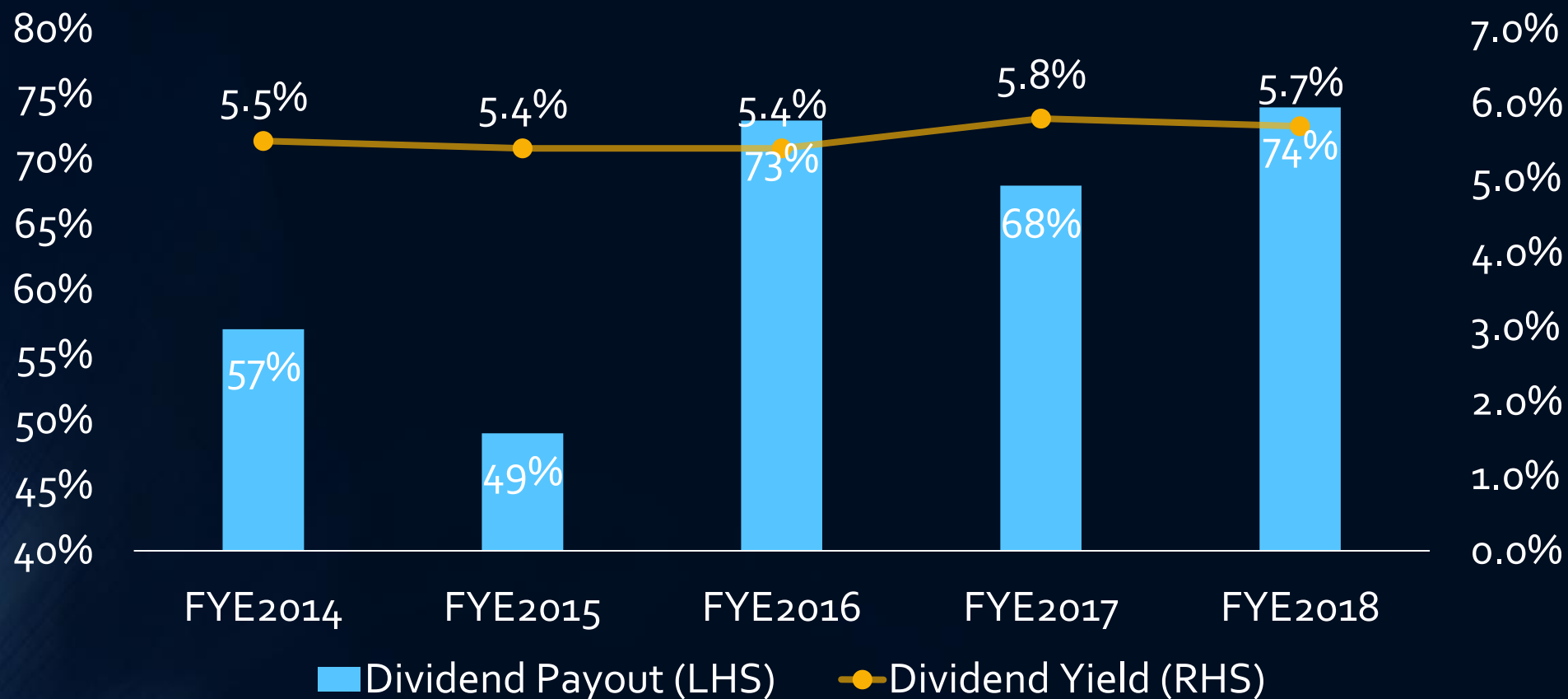
# Furniture Segment Results



- Furniture Division in its 3<sup>rd</sup> year of operation, mainly concentrating in wholesale and retail.
- The Division has been profitable in all the 3 years.
- Management will focus on driving sales in the domestic furniture market.

# Key Financial Trends

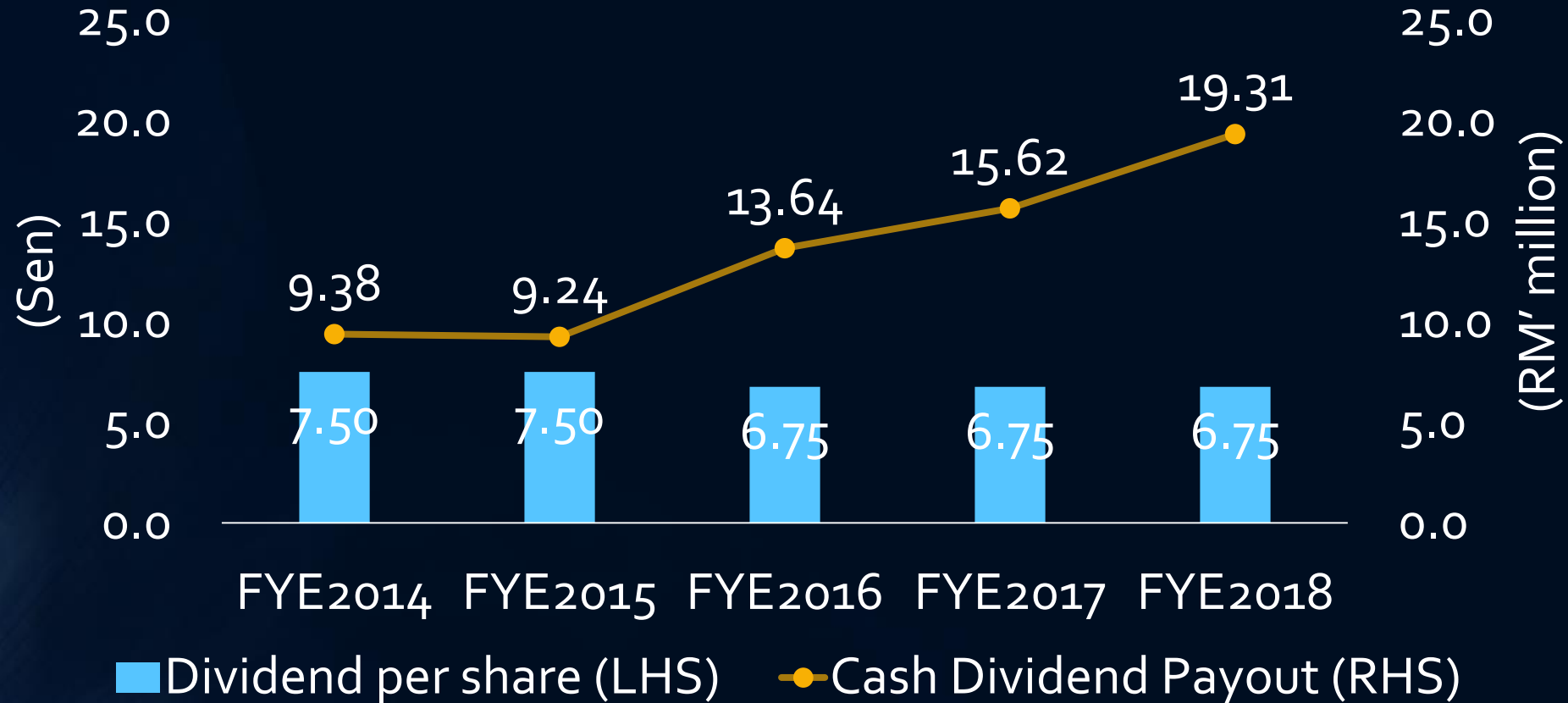
# Dividend Payout and Dividend Yield



- Dividend Policy of not less than 60% of Profit After Tax, effective from FYE2016

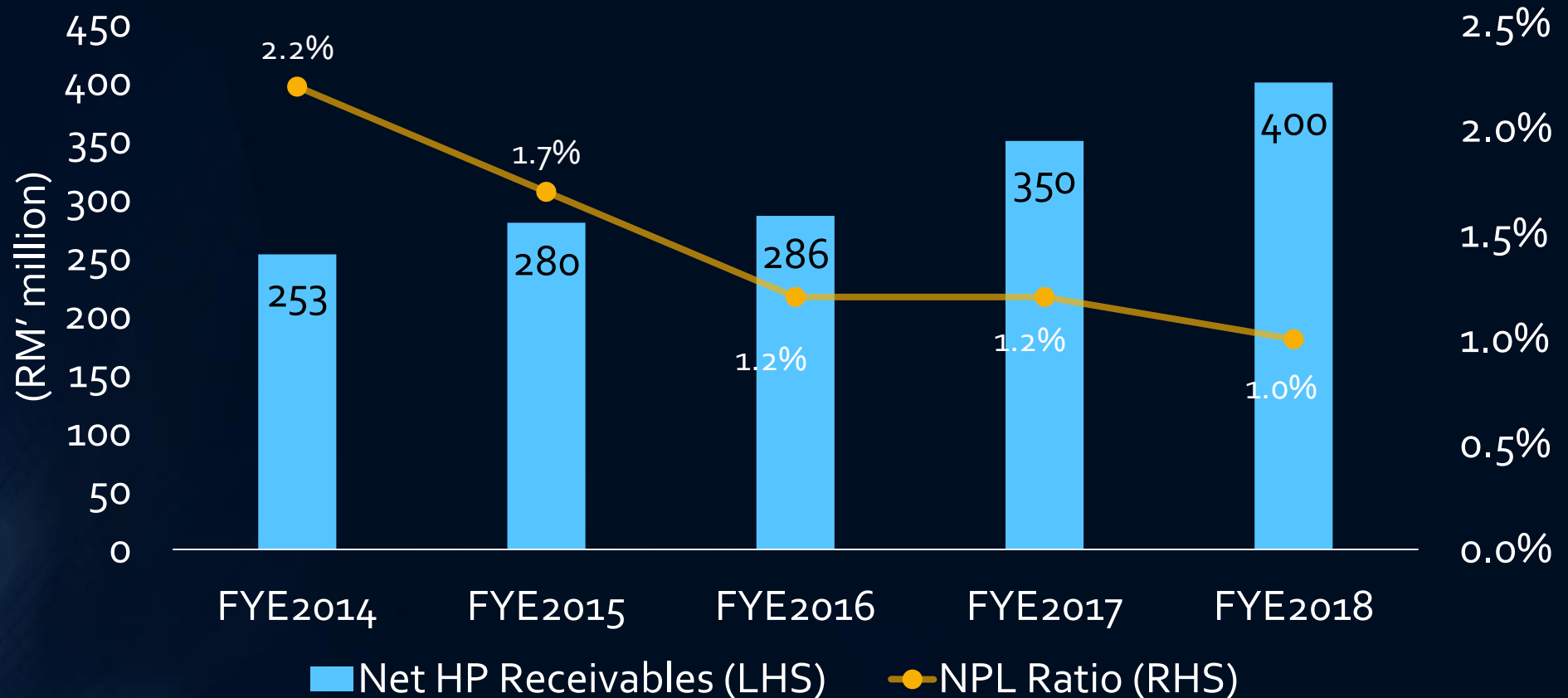


# Dividend History



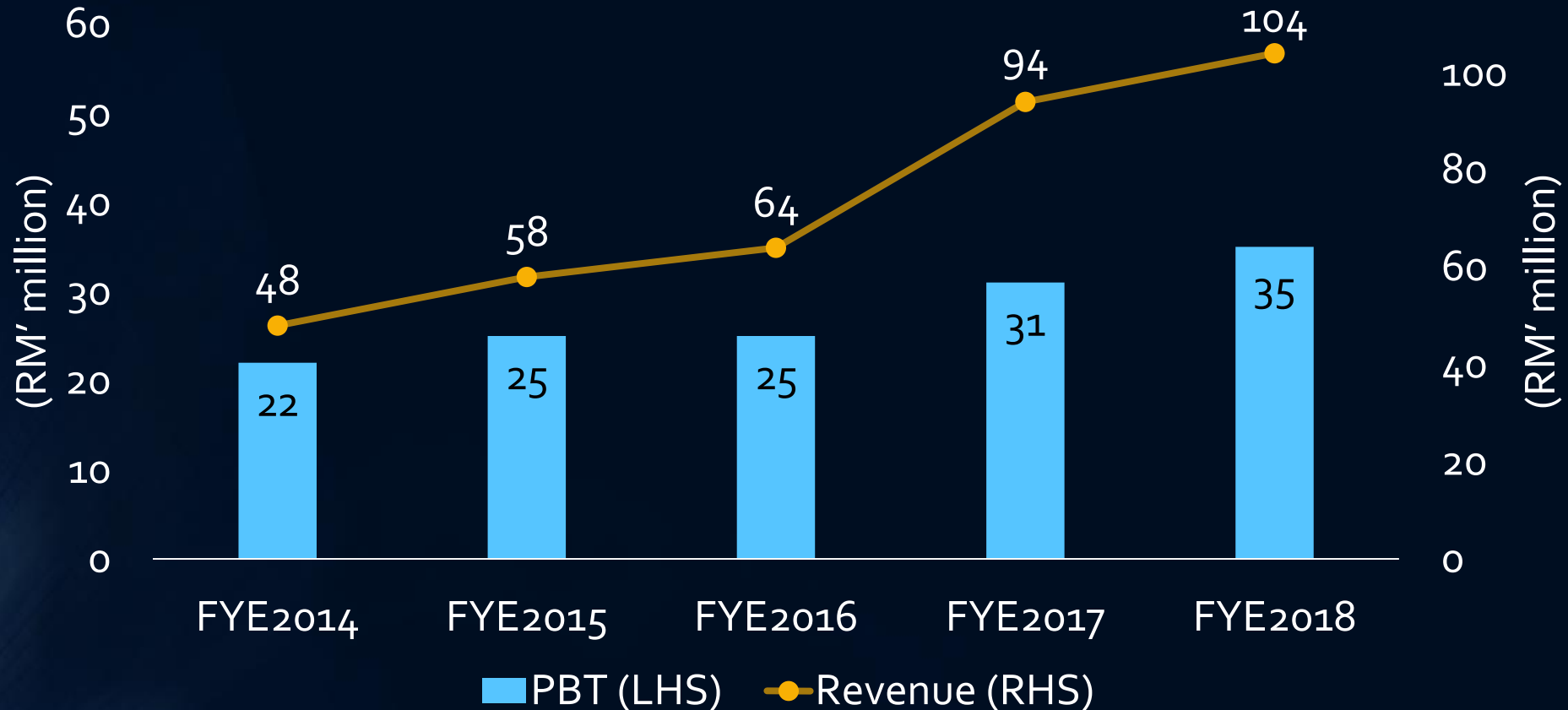
- Consistent and stable returns to shareholders.

# Net HP Receivables & NPL Ratio



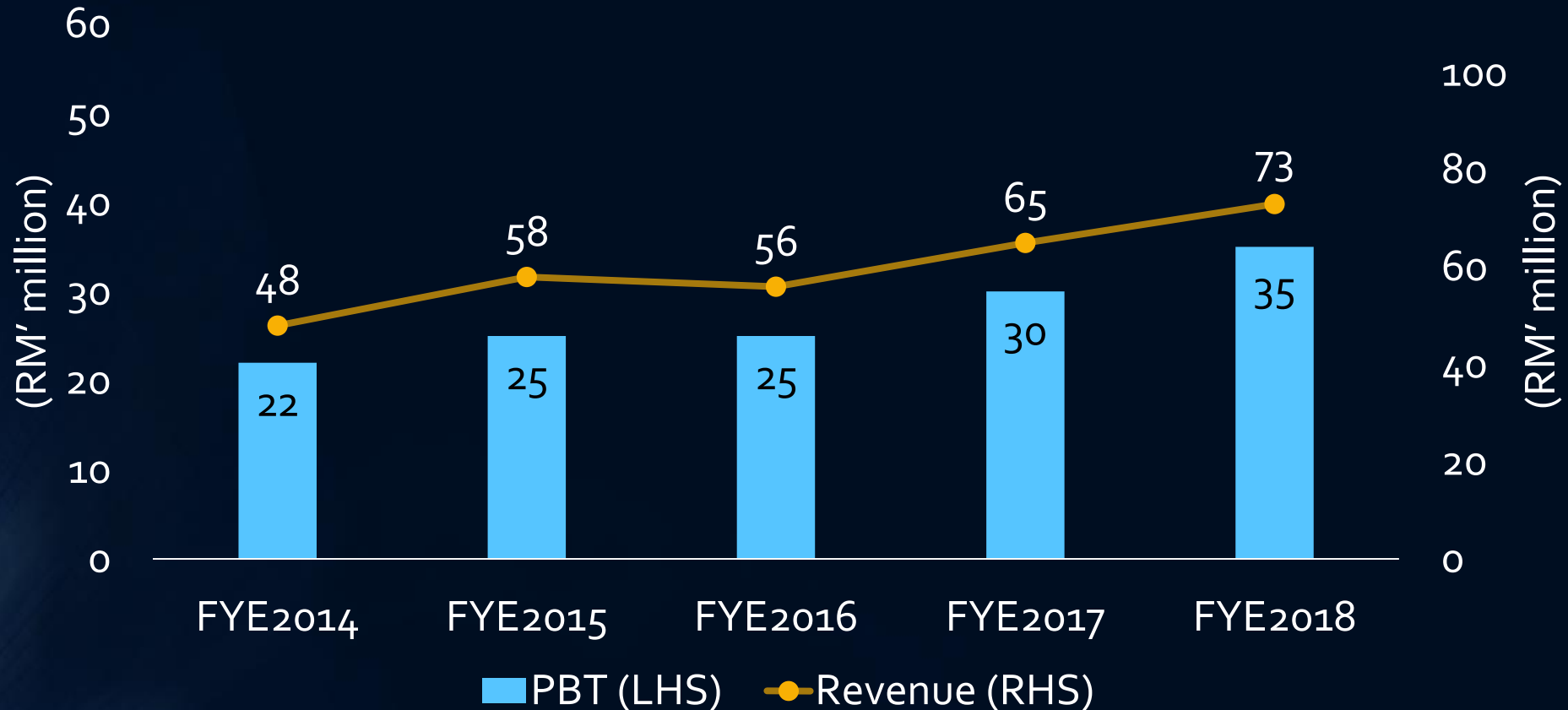
- Growing HP portfolio while maintaining strong asset quality

# Revenue & Profit Before Tax (Group)



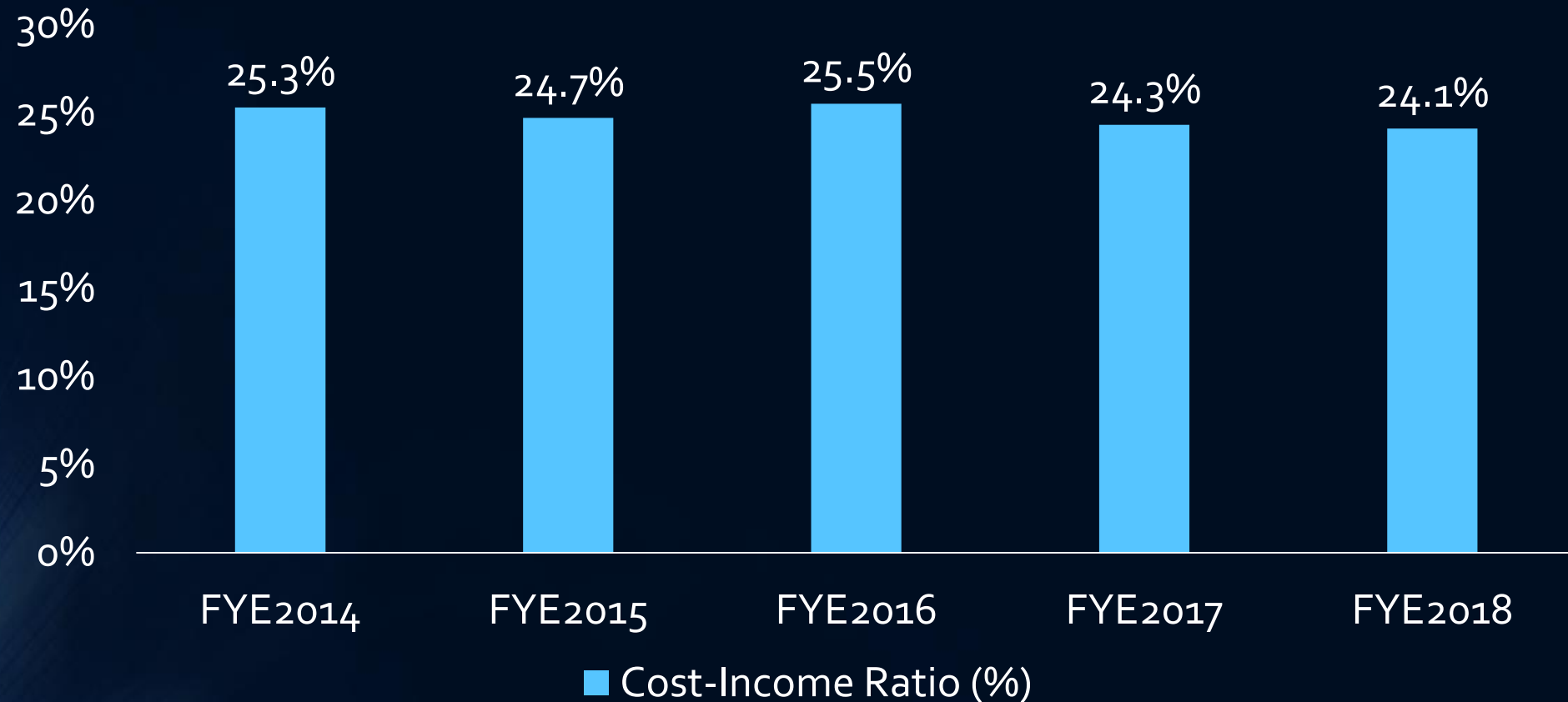
- Revenue contribution from Furniture Division started in FYE2016. Stable PBT growth in the past 5 years, mainly from HP Financing Division.

# Revenue & Profit Before Tax (HP Segment)



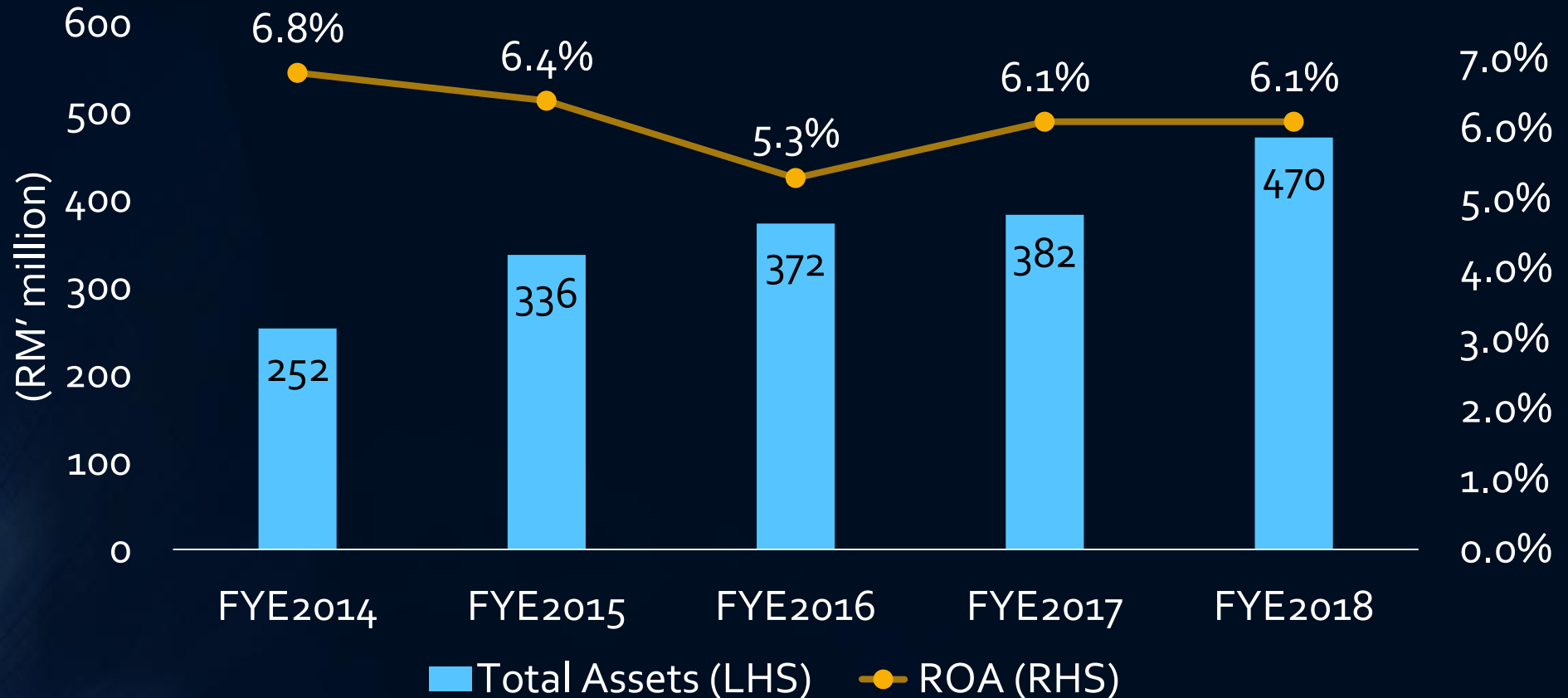
- Stable revenue and profit growth for the HP financing division, which is the Group's main income generator.

# Cost-Income Ratio (HP Segment)



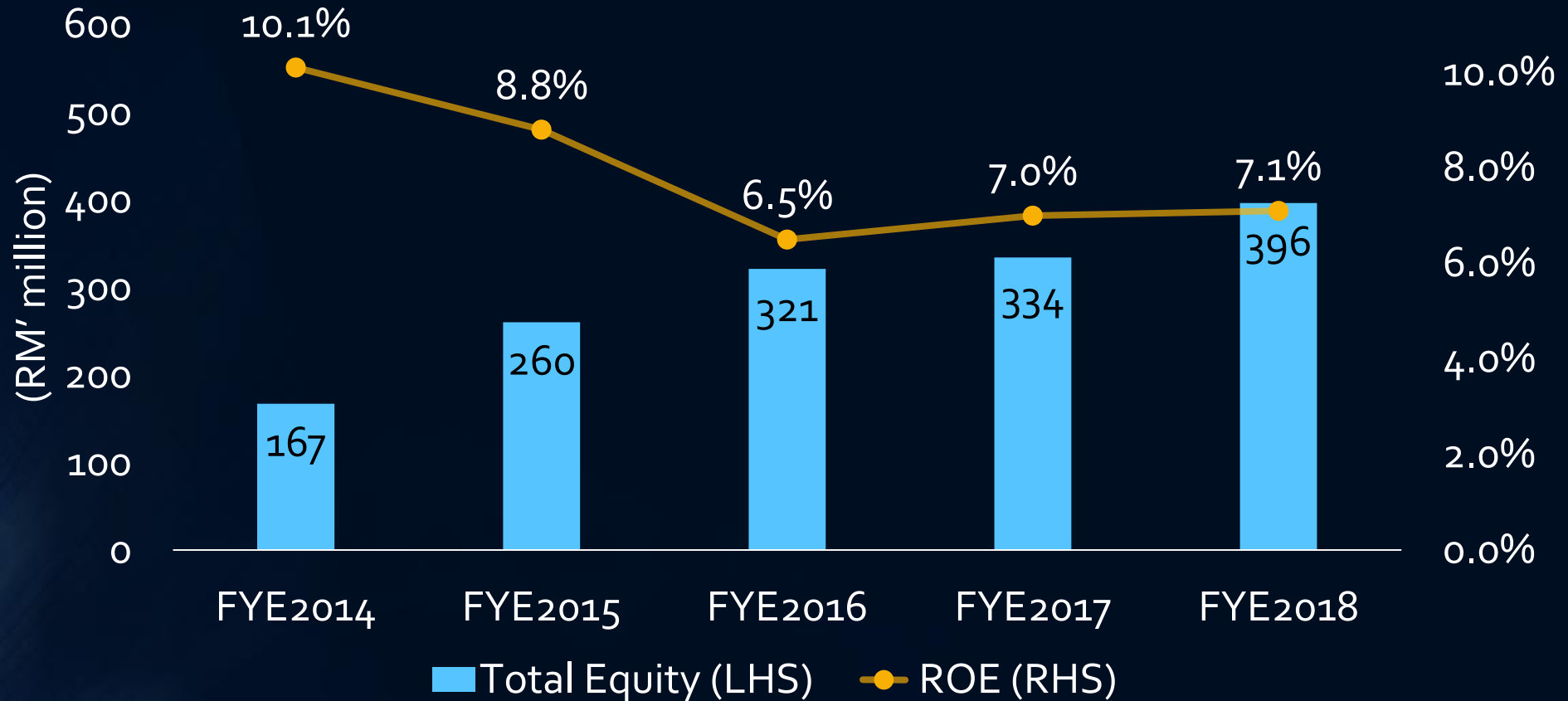
- Low and manageable cost-income ratio.

# Total Assets & Return on Assets



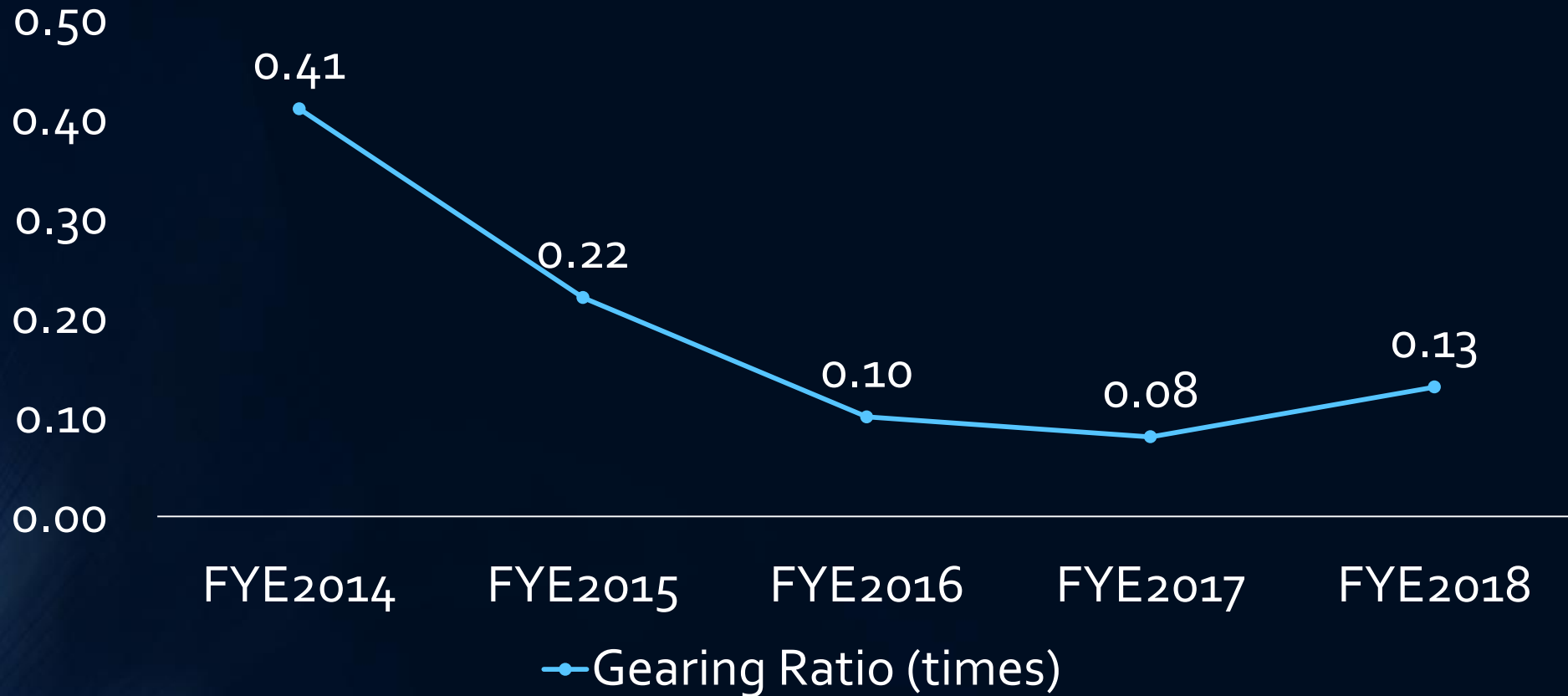
- The Group's ROA is comparable among peers in the financing industry.

# Total Equity & Return on Equity



- Despite the enlarged shareholder base in the last 5 years, ROE is showing an uptrend since FYE2016.

# Gearing Ratio

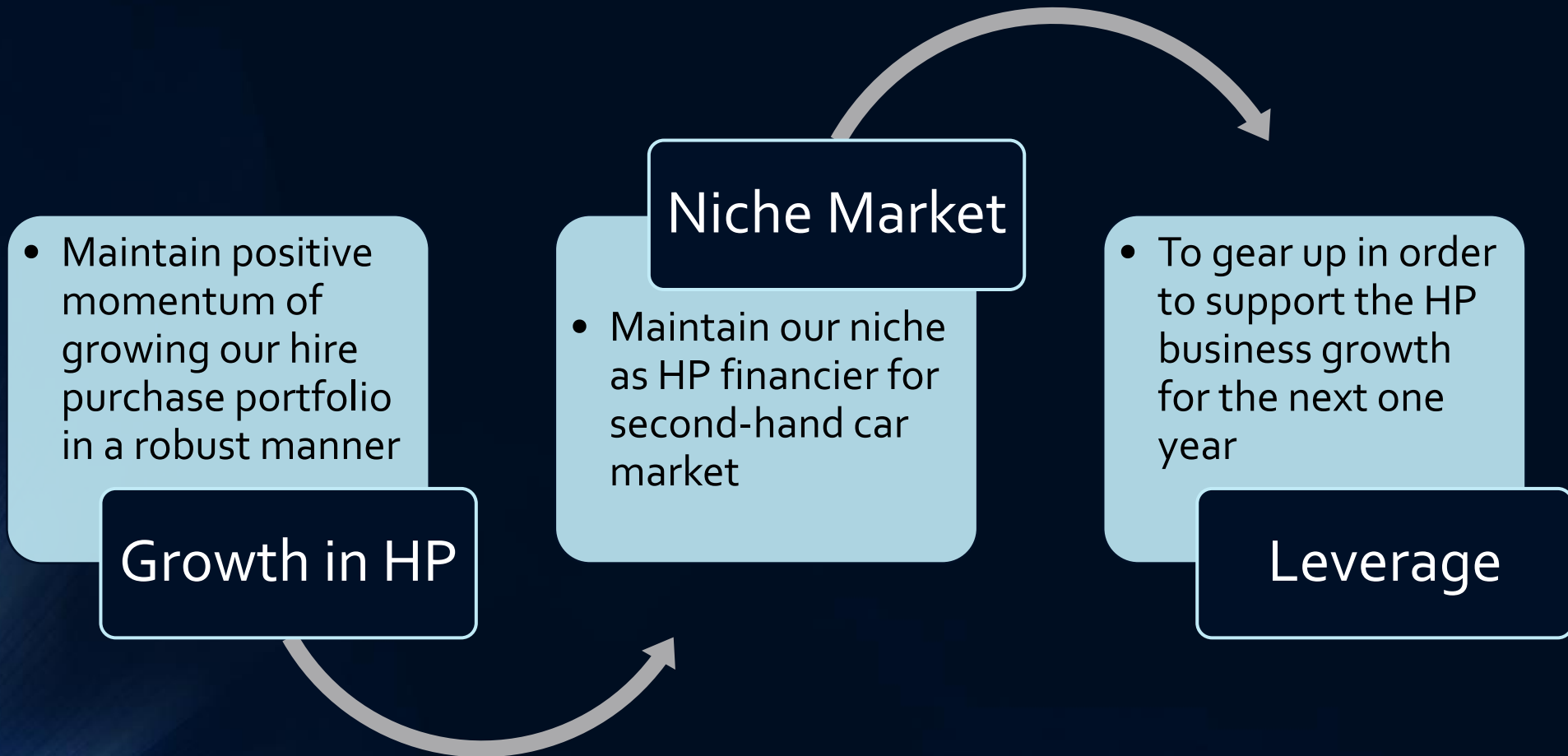


- Low leverage and ample room to increase gearing position.



# Future Plans

# Future Plans



End of  
Presentation

Thank you.

