

HOW WE HAVE PERFORMED
EQUIPMENT

AUTOMOTIVE

EQUIPMENT

MANUFACTURING & ENGINEERING

OTHERS

EQUIPMENT



Scan here for more information
www.umw.com.my/web/guest/equipment



OUR PERFORMANCE

REVENUE
RM1,137.3
MILLION

PROFIT BEFORE TAX
RM102.9
MILLION

The Equipment Division comprises the Industrial Equipment and Heavy Equipment segments. The Industrial Equipment segment specialises in the material handling and industrial power products. The Heavy Equipment segment specialises in equipment for mining, forestry, agriculture, quarrying and construction. Our main products across both segments include some of the world's most recognised names as we seek to enhance our customers' businesses and operations.



NAVIGATING THE COVID-19 CHALLENGE



The COVID-19 pandemic impacted our Division as movement restrictions implemented across the region led to delays or slower progress on projects which require the use of equipment. Credit conditions also tightened, making it more challenging for customers to obtain financing. Given the uncertainty of the market landscape, our attention turned to cost management strategies and close dialogue with our customers and principals to better understand their challenges and needs.

This led to the launch of various form of campaigns for example #WECare by Industrial Equipment segment which offered numerous promotional packages for our customers, ranging from short-term rentals to special discounts on maintenance services and spare parts. Additionally, our collaboration with financial institutions to offer financing schemes assisted in attracting new Heavy Equipment customers.

From a business development perspective, our focus quickly shifted to areas of the economy that were less impacted by the pandemic. The essential services sector was recognised as an opportunity. Digitalisation efforts became commonplace in adapting to the new normal, with client servicing carried out using various forms of electronic communications and product walkarounds conducted through video conferences.

HOW WE HAVE PERFORMED

EQUIPMENT

PROGRESSING OUR KEY STRATEGIC PRIORITIES

Our focus is on becoming a total solution provider by finding new ways to add value to our capabilities and leveraging our partnerships with high technology manufacturers, while aligning ourselves with Industry 4.0. Our strategic initiatives are therefore centred around expanding and improving our use of automation, engineering and system integration, while adding turnkey project capabilities to our skillsets.

To be effective, we are constantly identifying customers' needs, plotting current market and future trends while analysing the competition. The ongoing digitalisation of our processes through Robotics Process Automation will also aid our goals of being more efficient and improving access to the market. Embedding better technology into our products and services will enable the Division to unlock additional value through mobility solutions.

With our key strategies and tactics for future value creation firmly in place, the Division will be fully focused on ensuring their successful implementations. We next describe how we advanced across a number of fronts in 2020 to progress the Group's value creation journey.

BUSINESS GROWTH

- We refurbished our used equipment to effectively serve changing market requirements, and to better defend market share.
- Obtained greater support from our Komatsu partnership for marketing activities and launched new models to increase equipment sales and market share.
- Secured JKR Electrical Material Approval List certification of the Shanghai Diesel Engine Company range of gensets and the distribution rights of KOHLER gensets, allowing us to participate in the premium and critical power backup segment in the private and public sectors.
- Constructed our first prime combined heat and power plant for the manufacturing sector through an Engineering, Procurement, Construction and Commissioning contract.
- Appointed by Universal Robots to be a Preferred Distributor for collaborative robots or cobots. This appointment will help us expand our offerings in automation and robotics and thereby diversify our overall product offerings to customers.

DIGITALISATION & TECHNOLOGY

- Launched CARA, an all-in-one e-services solution to cater the needs of existing and future customers. The CARA forklift e-services app aims to increase customer satisfaction and contribute to higher penetration rates and revenue.
- Introduced high-performance equipment with low fuel consumption for our Komatsu range of products.
- Introduced the Komatsu Machine tracking system (Komtrax) for equipment life cycle support in the areas of periodical, preventive maintenance and proactive aftersales support, which will help develop the aftermarket business further.

OPERATIONAL IMPROVEMENTS

- Achieved ISO 45001 certification for occupational health and safety for its branches in Malaysia and Singapore.
- Set up a new Customer Experience Centre in Singapore, which showcases our various products, services, solutions and the Toyota Lean Logistics Management to customers.
- Strengthened the provision of solutions throughout the product life cycle, which will enhance customer satisfaction and loyalty.
- Collaboration with financial institution for equipment leasing and extended the power train warranty for selected hydraulic excavators up to five years or 10,000 hours to reduce equipment ownership and operation cost.

AWARDS

<p>MAR 2020</p> <p>Award Provider: Toyota Material Handling International</p> <p>PRESIDENT'S AWARD</p> <p>Received by: UMW Industries (1985) Sdn Bhd</p>	<p>MAR 2020</p> <p>Award Provider: Toyota Material Handling International</p> <p>DIAMOND CLUB RECOGNITION</p> <p>Received by: UMW Industries (1985) Sdn Bhd</p>	<p>MAR 2020</p> <p>Award Provider: Toyota Material Handling International</p> <p>VISION 2020 AWARD</p> <p>Received by: UMW Industries (1985) Sdn Bhd</p>
<p>DEC 2020</p> <p>Award Provider: Shanghai Diesel Engine Co., Ltd</p> <p>MOST VALUABLE DISTRIBUTOR IN SOUTHEAST ASIA</p> <p>Received by: UMW Industrial Power Services Sdn Bhd</p>	<p>DEC 2020</p> <p>Award Provider: Malaysia Airports AeroEC</p> <p>BUSINESS PARTNER APPRECIATION AWARD</p> <p>Received by: UMW Equipment Sdn Bhd</p>	<p>MAR 2020</p> <p>Award Provider: Workplace Safety & Health Council</p> <p>BIZSAFE STAR</p> <p>Received by: UMW Equipment & Engineering Pte Ltd</p>

ACCREDITATIONS

<p>JUL 2020</p> <p>Certified by: Socotec Certification (S) Pte Ltd</p> <p>ISO 45001 HEALTH & SAFETY MANAGEMENT SYSTEMS</p> <p>Received by: UMW Equipment & Engineering Pte Ltd</p>	<p>DEC 2020</p> <p>Certified by: SIRIM QAS International Sdn Bhd</p> <p>ISO 45001 OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEMS</p> <p>Received by: UMW Industries (1985) Sdn Bhd UMW Equipment Sdn Bhd UMW (East Malaysia) Sdn Bhd UMW Industrial Power Services Sdn Bhd</p>	<p>DEC 2020</p> <p>Certified by: SIRIM QAS International Sdn Bhd</p> <p>ISO 9001: 2015 QUALITY MANAGEMENT SYSTEM</p> <p>Received by: UMW Industrial Power Services Sdn Bhd</p>
--	---	--

OUTLOOK AND PROSPECTS

Looking ahead, the Division is optimistic about its prospects for growth given the various initiatives undertaken to expand the business, build resilience and increase productivity. We are further supported in our efforts by our market leadership positions in various industry segments, strong product line-up, good support from principals and wide distribution networks.

In the short term, the strategic initiatives will continue, together with plans to launch new models with an emphasis on cost optimisation. The business will be aided by the continued development of the aftermarket segment and the fleet management business. Further ahead, the Division will expand its range of automation products and capabilities, collaborate with financial institutions to expand our equipment sales and provide fleet management solutions. Over the longer term, our ambitions remain fully focused in becoming a total solutions provider in our industry and the market leader in the region.

