

SNIPPETS

NHF: Export sales to be more than 60% of revenue

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- NHF aims to expand its export market revenue contribution to more than 60% by FY21, up from 53% in FY17;
- The Group received many prospective new sales leads at the recent Asia’s largest automotive parts and accessories trade fair – the 2018 Automechanika Shanghai;
- Looking at FY18 to be another record revenue year based on current trend and order flow.

Leading automotive replacement parts manufacturer, New Hoong Fatt Holdings Berhad (“NHF” or the “Group”) (“新鸿发集团”), plans to grow its export sales further to enhance its earnings and take advantage of the stronger U.S. dollar. The Group targets overseas revenue contribution to break the 60%-mark by 2021, up from 53% in 2017.

NHF’s Managing Director, Mr. Chin Jit Sin said, “We recently participated in the Automechanika Shanghai 2018, which is Asia’s largest automotive parts, accessories, and equipment trade exhibition. During the event, we received very encouraging response from trade visitors around the globe and we are now following up on these new sales leads. We are confident to convert a portion of these leads into sales orders that would further expand our global network and enhance our presence overseas. NHF has been consistently participating in this trade fair every year for more than 20 years. This is so that we are kept abreast of the latest developments in the automotive industry in addition to growing our network and attaining new customers.”

“For our geographical revenue contribution, Indonesia and Thailand are the key growth drivers, which grew 36.6% YoY and 13.4% YoY to RM11.2 million and RM24.7 million respectively in FY17. Sales to China, on the other hand, expanded 73.9% YoY to RM8.0 million in FY17. We are building on the momentum gained and endeavour to grow all our markets at the same time. Based on current trend and order flow, we are looking at revenue in FY18 to hit record high again. If so, this would be the fourth consecutive year we hit record revenue.” Mr. Chin further added.

Automechanika Shanghai is Asia’s largest trade fair for automotive parts, accessories, and equipment. The annual event, held from 28 November to 1 December 2018, covered 350,000 square meters across the National Exhibition and Convention Centre in Shanghai. Automechanika Shanghai 2018 is poised for another record breaking year with some 6,300 exhibitors from 43 different countries, drawing more than 140,000 visitors. The fair features different segments within the automotive parts industry such as parts & components, electronics & systems, repair & maintenance, accessories & customising, and many more. Automechanika Shanghai is organised by Messe Frankfurt and China National Machinery Industry International and it is one of the 17 Automechanika fairs held around the world.

To recap, the Group recently announced its Third Quarter FY18 (“3QFY18”) results for the financial period ended 30 September 2018. Quarterly revenue hit a record high of RM68.2 million (+8.3% YoY) while profit before tax (“PBT”) and profit attributable to owners of the parent (“net profit”), meanwhile, surged 59.0% YoY and 55.2% YoY in 3QFY18 to RM6.2 million and RM4.5 million respectively. The larger-than-proportionate increase in PBT and net profit is mainly due to the lower foreign exchange (“forex”) loss incurred in 3QFY18 as compared to 3QFY17.

On a cumulative basis, the Group posted an increase of 3.6% YoY in revenue to RM193.8 million for its nine months period ended 30 September 2018 (“9MFY18”). It is noteworthy to mention that this is the highest 9MFY18 revenue recorded by NHF in its history. The Group’s PBT and net profit in 9MFY18, however, were 15.6% and 28.1% lower YoY at RM13.0 million and RM9.2 million respectively. The contraction in PBT and net profit were largely owing to higher raw materials and manufacturing costs, as well as unfavorable forex movements sustained during the six months period ended 30 June 2018 (“1HFY18”).

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