

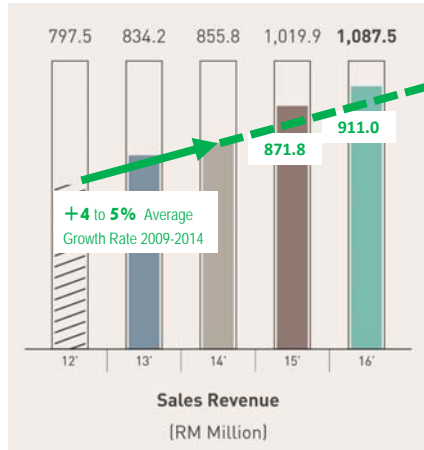


**AMWAY (MALAYSIA) HOLDINGS BERHAD  
ANALYST BRIEFING  
24 AUGUST 2017**



**H1 2017 OPERATIONAL HIGHLIGHTS**

**Mike Duong, Executive Director & General Manager**



- Hypergrowth Years (2015/2016)
- Strong Incentives (GO1B & 40<sup>th</sup>)

### 2017 1<sup>st</sup> Half Summary

- 1 **Return to Original Growth Trajectory from 2014**
- 2 **Decline in Revenue; Prudent Management of Expenses**
- 3 **Focus - Long Term Sustainability**

## 1<sup>st</sup> Half 2017



Helping ABOs build sustainable business :

-  Exciting sales & marketing programmes
-  New innovative products & digital support
-  Enhance service culture and talent development
-  Prudently manage operating expenditure

**Achievement recognition**

**Leadership Conference & Dinner**

**Rallies, workshops, seminars & events**



**Positive response to ABOs' meetings, rallies, seminars, workshops, Product Fairs and Amway-Zing day with turnout of more than 62k ABOs & prospects**

**NEW PLATINUM SEMINAR**



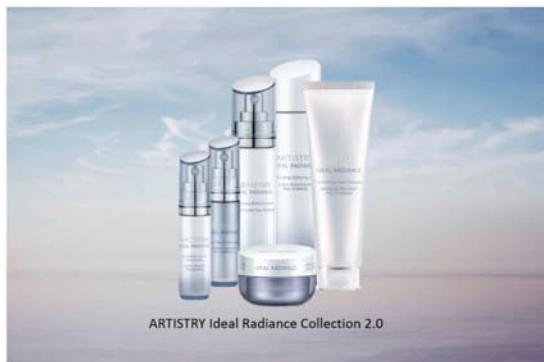
**2 leadership training seminars for new business achievers**

## ABO Communities



ABO-support activities were conducted all over Malaysia

## New innovative products



ARTISTRY Ideal Radiance Collection 2.0



Skin Analyzer

METAGLUE Neo G8 Serum

G&H



ARTISTRY Spring 2017



ARTISTRY IDEAL RADIANCE

NEW & ADVANCED  
ARTISTRY IDEAL RADIANCE™  
Duo Serum System

NEW & ADVANCED  
ARTISTRY IDEAL RADIANCE™  
3-Step Essentials System I

NEW & ADVANCED  
ARTISTRY IDEAL RADIANCE™  
3-Step Essentials System II

Duo Serum System

Essential System I

Essential System II

Introduced 7 products and 3 bundled solutions from Beauty range



## Community programme



≈ 100 events with thousands of ABOs and prospects participating



bodykey  
**DARE TO  
BE FIT**  
BE FIT • BE DIFFERENT • BE HEALTHIER

**MARCH** **28** **START: 28 MARCH 2017**  
**MAY** **26** **END: 26 MAY 2017**  
(60 Days)



**Result :**

- Total of 129 participants
- 98% participants lost weight
- Total of weight loss - 630kg (average 4.96kg)
- Body Fat loss - average 3%



**Result :**

- Weight loss – 45kg (average 14.9kg)
- Body Fat loss-average 9%

## Improved digital experience



## Launch of mobile-friendly website



## Enhanced service culture



**Workshops and activities sessions to train & empower employees**



# PROGRAM HARAPAN

(Hope Programme)

**Amway™ ONE by ONE**  
campaign for children

## Saturday Life Skills Activities



- “Ideas2Action” Workshop (11 Mar 2017)
- “Innovative and Creativity” Workshop (8 Apr 2017)
- “Jom Gotong-Royong” Affair (20 May 2017)

**H1 2017: Over 2,000 volunteer hours and helped over 400 children**



## Projek HeadSTART



6-month apprenticeship programme (Feb-Aug 2017) for school leavers from foster homes/ vocational institute



Job rotations : 2 departments (3-month intervals)



Empower school-leavers transition to working life/ achieve ambitions

Helping young adults to realize their true potential

## 2<sup>nd</sup> Half 2017 Focus



Exciting sales & marketing programmes



New innovative products & communities



Enhance physical presence



Enhance infrastructure & business support systems



Prudently manage operating expenditure

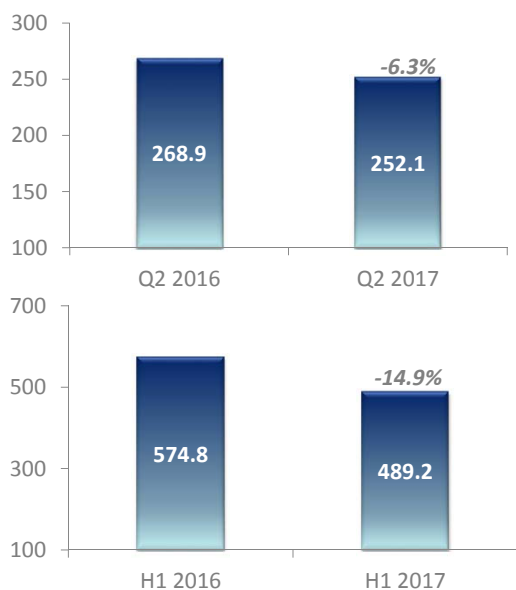


## H1 2017 FINANCIAL REVIEW

Ng Ai Lee, Chief Financial Officer

### Financial Performance – Revenue

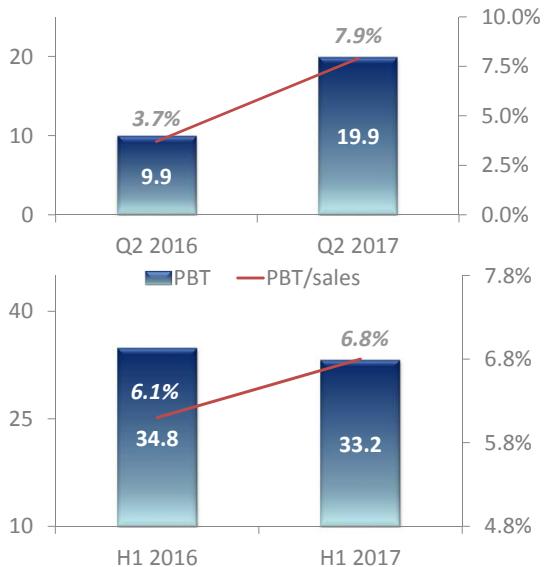
Sales (RM'mil)



- ✓ Q2 2017 sales performance was 6.3% higher than Q1 2017 driven by positive response to sales & marketing programmes
- ✓ Q2 2017 sales revenue decreased by 6.3% vs Q2 2016 due mainly to strong Q2 2016 sales contributed by :
  - strong sales before price increase in April 2016 and
  - higher Amway Business Owners (ABOs) momentum driven by 40<sup>th</sup> anniversary incentives.
- ✓ H1 2017 sales revenue decreased by 14.9% vs H1 2016 due mainly to higher sales in H1 2016 driven by :
  - strong sales before price increases effective February and April 2016 and
  - higher ABOs momentum in response to 40<sup>th</sup> anniversary incentives.

### Financial Performance – Profitability

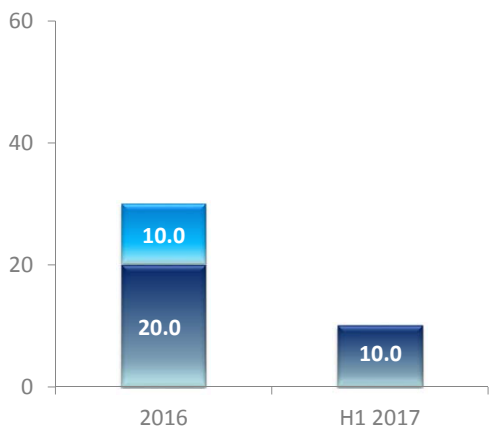
#### Profit Before Tax (PBT) (RM'mil)



- ✓ The PBT in Q2 2017 increased by 49.6% compared to Q1 2017 due to higher sales & lower operating expenses
- ✓ Q2 2017 profitability as % of sales improve to 7.9% due mainly to :
  - conscious cost management & lower sales incentive provisions in the current quarter and
  - higher sales incentives provisions and 40<sup>th</sup> anniversary cost in Q2 2016
- ✓ Profitability for H1 improved despite lower sales & higher import cost with the improvement in PBT for Q2 2017

### Dividend

#### Net Dividend per share (sen)



- ✓ Dividend policy: Dividend payout ratio of no less than 80% of current year net earnings.
- ✓ Net dividend payout of RM16.4mil in H1 2017.

■ Ordinary Dividend ■ Special Dividend

**THANK YOU**

**Q&A**



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