



**AMWAY (MALAYSIA) HOLDINGS BERHAD
ANALYST BRIEFING
21 AUGUST 2018**



H1 2018 OPERATIONAL HIGHLIGHTS

Mike Duong, Managing Director

1st Half 2018



Helped ABOs “Be More”



Support ABO Success (AmwayNEXT):



- ☐ Help ABOs Grow Loyal Buyers
- ☐ Help ABOs Build Young Leaders
- ☐ Digital Transformation



Innovative Product Solutions



Improve Service Culture & CSR programs

Help ABOs
“Be More”



~15k attended the National Convention on 13 May 2018

Help ABOs
"Be More"

Achievement recognitions



National Leadership Conference & Dinner



Help ABOs
"Be More"

Leadership Growth Solution



Rallies, workshops, seminars & events



Positive response to ABOs' meetings, rallies & seminars

Help ABOs
"Be More"



Business trip
for top
achievers

Grow Loyal
Buyers

ABO Communities



ABO-support activities were conducted
all over Malaysia with turnout of ~20k

Grow Loyal Buyers

Community Programs

7k+ ABOs and prospects participating

Grow Loyal Buyers

Sales +9%

Visitors +83%

New Apps +10%

**Malacca
"Muscle me"**

Build Young Leaders

NEW
PLATINUM
SEMINAR

Leadership training seminar for new business achievers

Digital Transformation

Website enhancements to support ABOs

Amway BRAND NEW amway.my ENHANCEMENTS!

- LOCKED OUT OF YOUR ACCOUNT?** ...
- IS YOUR ACCOUNT SUSPENDED?** ...
- DID YOU KNOW?** ...
- STAY TUNED FOR MORE EXCITING NEW FEATURES!** ...

Amway HOT OFF THE PRESSES Brand New Releases On www.amway.my

- Order Tracking** ...
- In-Store Pick-Up** ...
- Real-Time Notifications** ...
- Increased Flexibility** ...
- Increased Convenience** ...

Atmosphere Connect App

essentials by ARTISTRY Mobile App (launched 24 March) with #my1stArtistryRooftopPartyEvent

April 2018 essentials App Enhancement – Camera with stickers

Digital Transformation

studioABO MOBILE

Launched on 1 June 2018
24/7 Digital Learning platform

Innovative Product Solution

NEW bodykey

by NUTRILITE

Consumer Challenge 2.0 with New InBodyWATCH

100 teams qualified
Total weight loss: 1,115kg
Average weight loss: 4kg/person

THE NUMBERS THAT MAKE THE DIFFERENCE

Innovative Product Solution

Product Revision- May

Bundled Solution- Jun

Innovative Product Solution

5 New innovative products

Essentials by ARTISTRY
Collection - Apr

Spring Collection 2018 -
Apr

EXACT FIT Cushion Foundation - Jun

Glister Kids - Mar

Atmosphere Sky - Jun

Improve Service Culture

Enhanced service culture



Workshops and activities sessions to train & empower employees

CSR Programs

4th Projek HeadSTART



6-month apprenticeship programme (Apr-Oct 2018) 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

2nd Half 2018 Focus



Continue helping ABOs build sustainable business:

- Support ABO Success (AmwayNEXT):
- ☒ Help ABOs Grow Loyal Buyers
 - ☒ Help ABOs Build Young Leaders
 - ☒ Digital Transformation

☒ Innovative Product Solutions

☒ Improve Service Culture; Operational Efficiency



H1 2018 FINANCIAL PERFORMANCE

Ng Ai Lee, Chief Financial Officer

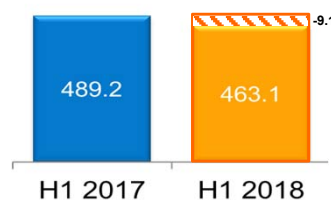
SALES PERFORMANCE REVIEW

RM'MIL



9.6% vs PY
After MFRS 15

RM'MIL



5.3% vs PY
After MFRS 15

Q2 & YTD performance was lower than PY:

- I) Timing of key promotion – N&W is planned for Qtr 3 2018 whereas it was in Qtr 2 in previous year, hence resulted a higher base for PY
- II) ABOs holding back purchases upon announcement of the zero-rating of the Goods and Services Tax (GST) on 16 May 2018
- III) 6% sales discount was offered to mitigate the holding back of purchases

MFRS 15 adjustment to sales -RM3.6m for Q2 2018 & -RM9.1 for H1 2018 as the comparative is not adjusted for the initial adoption of MFRS with effect from 1 January 2018.

PBT PERFORMANCE REVIEW

RM'MIL

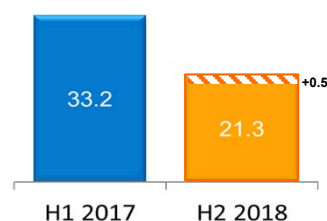


48.2% vs PY
After MFRS 15

- I) Higher import costs arising primarily from the weaker Ringgit;
- II) Unfavorable volume impact partly offset by
- III) Lower ABO sales incentive in line with lower sales.

MFRS 15 adjustment to PBT -RM0.1m

RM'MIL



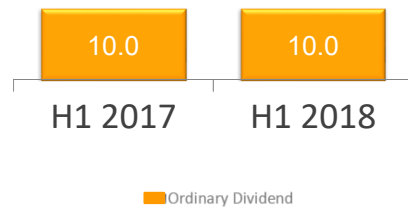
36.0% vs PY
After MFRS 15

- I) Higher import costs arising primarily from the weaker Ringgit;
- II) Unfavorable volume/mix impact; partly offset by
- III) Lower sales incentive and prudent cost management.

MFRS 15 adjustment to PBT +RM0.5m

DIVIDEND

Net Dividend per share (sen)



- I) Dividend policy: Dividend payout ratio of no less than 80% of current year net earnings.
- II) Net dividend payout of RM16.4mil in H1 2018.



THANK YOU

Q&A SESSION



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