

OUR PERFORMANCE



AUTOMOTIVE

PERODUA

As a national carmaker, Perodua is steadfast about benefitting Malaysians



As the leading national carmaker, Perodua continues to maintain market leadership through enhancing and advancing Malaysia's automotive industry. It supports an ecosystem comprising suppliers, dealers, society and the government, based on an all-Malaysian idea. Key to this concept is commitment to manufacturing safe, affordable, fuel-efficient vehicles for all.

Perodua's stellar 2022 achievement is the culmination of the Malaysian automotive industry's collective responsibility in optimising its potential. It also stems from cultivated convergence of customer expectations. In a year that saw the Malaysian automotive industry's best-ever performance, Perodua also recorded its best sales yet, increasing 48.2% compared to 2021. A significant impetus for this high sales volume was the extension of

the SST exemption until 30 June 2022, with an exception to include all vehicles booked before 1 July 2022 and registered before 31 March 2023. Implementation of Malaysia's short-term National Economic Recovery Plan (PENJANA), stimulating post-pandemic economic revival, further fortified sales.

The challenges of 2021 yielded many lessons, ranging from extensive floods to semiconductor chip shortages as well as the Full Movement Control Order (FMCO). Perodua and partners not only overcame these obstacles in 2022, but managed to channel growth in an under-pressure industry, too.

As Malaysia's largest automotive manufacturer, Perodua is committed to ensuring high value offerings to all Malaysians. This enables them to benefit from practical, fuel-efficient cars with the best safety features on offer, within an affordable price range. Perodua's vision, as part of the manufacturer's responsibility, is to provide end-to-end total car life-cycle care, from vehicle end-of-life management to environmental protection. As advocated in its pioneering Ativa Hybrid subscription programme, this pilot programme involves 300 subscribers and serves as a study, both of electric vehicles and the long-term, mobility-as-a-service market.

OUR PERFORMANCE

2022



Perodua surpassed its 2022 sales target of 247,800 units. It achieved its best performance on record with sales of 282,019 units, as compared to its 2021 sales of 190,291 units. Production rose by 49.5% to 289,054 units in 2022, as against 193,400 units in 2021. Accordingly, after-sales service intakes also increased by 30% to 2.6 million units in 2022.

The record performance bears testimony to Perodua's resilience. In December 2022, production and sales performance delivered an average of 1,000 vehicles per day. The tight capacity utilisation maximised the output with minimal investment at the plant running at almost 100% capacity to meet its production target.

As a national automotive company, Perodua upholds a deep-seated commitment to serving the people of Malaysia. Perodua remains highly focused on delivering unparalleled customer service, providing a range of products to meet customer demand including equipping our vehicles with practical yet advanced features as well as incorporating unique Malaysian elements in their design. These principles have played an instrumental role in establishing Perodua as a leading player in Malaysia's automotive industry, while also fostering positive societal impact and contributing to the betterment of the local community.

To cultivate a culture of shared commitment and advancement within Malaysia's automotive industry, Perodua and its partners work closely with stakeholders, including suppliers, dealers and the government. Through these collaborative efforts, we strive to elevate the industry ecosystem and drive sustainable progress for all involved. This approach is reflective of Perodua's corporate ethos, which emphasises partnership, innovation, and responsible leadership in all aspects of our operations.

KEY PERFORMANCE HIGHLIGHTS

PERODUA SALES VOLUME

(Units)

282,019

2021: 190,291

PERODUA PRODUCTION VOLUME

(Units)

289,054

2021: 193,400

OUR PERFORMANCE

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ACHIEVEMENTS



To remain resilient and adapt to the evolving needs of the industry and consumers, Perodua in 2022 instilled the “going beyond” mindset to its employees to prepare them to embrace a new outlook.

In terms of operations, all risk assessment are tested and documented. Meanwhile, teams such as the sales unit remained flexible and agile amid rigorous requirements and the need to adjust quickly to the changing market environment.

In this crucial year, we strengthened the Perodua culture through building clear internal communication links and working relationships. This is in line with its motto ‘One Team, One Goal’. The streamlined focus helped build employee loyalty, along with the capacity to rise to the year’s challenges.

The new outlook extended to managing issues in the broader automotive ecosystem too. When faced with critical semiconductor shortages in 2022, the company used its central purchasing system to support the rest of the industry. This



support extended to technically absorbing price differences after negotiating and purchasing raw material in bulk to supply to the whole vendor system.

In September 2022, Perodua officially launched its Ativa Hybrid subscription programme. The pilot consumer study initiative, with 300 subscribers, will help Perodua gain unique insights into the behaviour of Malaysian consumers, drawing on data to anticipate customers’ needs when using a hybrid vehicle. With the RM500-a-month, 5-year subscription service, Perodua also ensures minimal negative environmental impact in terms of

battery or car disposal. This leasing method is already in place with EZ MOBi for corporate clients.

In 2022, Perodua prioritised adoption of ESG practices. Firstly, we worked towards regulating and reducing the cost of green energy initiatives in the entire automotive ecosystem. Our operations moderated energy use and consumption to be greener and more cost-conscious.

Secondly, we embarked on digitalisation efforts which focused on mapping digital initiatives in sales and manufacturing operations.

The current digitalisation rate is about 47-48% with more digitalised facilities for customers such as online ordering, booking, and loan application submissions to protect customer privacy.

Looking ahead, in support of Malaysia's automotive ecosystem, Perodua aims to increase its 95% localised content by extending vendor capabilities and resilience. Furthermore, the high localisation rate has shielded Perodua from the prevailing foreign exchange volatility.

To learn more from our peers, we conducted benchmarking exercises such as virtual factory tours. We introduced changes to our dealers which helped to cut costs and consolidate services. For instance, to further help customers, the functions of receptionists and guards were extended to serve as greeters and ushers.



OUR PERFORMANCE

AWARDS

CarSifu Editors' Choice Award

Local Car of the Year - Perodua Alza AV

Best Family Ride (up to RM100,000) – Perodua Alza AV

Best Sub-compact Hatchback – Perodua Myvi AV

2022 Carlist.my Car of the Year Awards

- Perodua Myvi AV
 - Carlist.my People's Choice Award Entry-Level Sedan and Hatch (Gold winner)

- Perodua Alza AV
 - Carlist.my Editor's Choice Award – Newcomer of the Year
 - Carlist People's Choice Award Small Midsize MPV.

63

OUR PERFORMANCE

CHALLENGES

At Perodua challenges are indispensable as they allow new ways of doing things to emerge, thus leading to constant improvements.

Despite moving into endemic stage of COVID-19, chips shortages continue to be the main challenge for the company. This caused intermittent production interruption and delay to launch the new model. The issue was mitigated by increasing the inventory level and forward planning. With higher adoption of new technology, microchips are vital component to enable the advanced features.

Even though price increases for key materials such as steel, Perodua had to absorb the price increase rates without passing it to the customers. This was challenging to accomplish and required careful planning and management.

While aiming to maximise suppliers’ capacity with minimal investment, Perodua continued to help those in their value chain cope with prevailing capacity demands, planning and localisation. Supply chain disruptions and manpower shortage continue to be a challenge. Shortages, in particular, had to be managed well, as they affected each level of the value chain. When our suppliers were affected by labour shortages, Perodua sent its own staff to help fill the gap. Ensuring continued supply not only helped operations, but also contributed meaningfully to developing the total automotive ecosystem.

Introducing digitalisation processes to suppliers also helped improve the process flow. For example, the E-booking systems and payments are being utilised at Perodua.

Additionally, the company held numerous roundtable discussions with vendors, dealers and stakeholders to overcome challenges and brainstorm counter-measures. The measures implemented and lessons learned from the year’s challenges have given Perodua opportunities for advancement, as well as given new perspective on how to overcome challenges. This positions the brand more strongly to remain competitive in the coming years.

OUTLOOK

In pursuit of its objectives for 2023, Perodua has identified three key areas for development: capacity building, sustainability, and innovation. With a view to expanding its capacity, the company intends to build on the growth achieved in the previous year and has set an ambitious target of selling 314,000 cars in 2023. To meet this target, Perodua will adopt the Kaizen concept to enhance efficiency and increase production speed, enabling us to meet customer demand and reduce waiting times.

With a strong commitment to sustainability, Perodua will expand its ESG initiatives by partnering with the government to promote low-carbon initiatives and introduce products that align with the government’s energy policy. The company will also increase consumption of solar energy, with the aim of using renewable energy sources for 75% of our energy needs within five years. As part of our sustainability efforts, Perodua will introduce Carbon Neutral (**CN**) initiatives such as the establishment of an Eco Park and a “green factory” in our efforts to improve the quality of our environment.

In order to stay ahead of the curve, Perodua will invest in operational innovations and introduce new technologies in our future products and services. The company will encourage suppliers and dealers to adopt these technologies to improve competitiveness and productivity. Additionally, Perodua will seek to attract suppliers from Japan and Europe to invest their expertise in Malaysia, promoting knowledge transfer and attracting more foreign direct investment. With these measures in place, Perodua aims to achieve a localisation rate of 95% or higher.