

News Release

PROTON RECORDS EVEN HIGHER SALES IN 2020

- **109,716 units in 2020 an increase of 8.8% over 2019**
- **Prudent management, careful planning and export growth key to success**

Subang Jaya, 3 January 2021 – After a year of unprecedented challenges, PROTON closed 2020 on a high with an increase in sales over its landmark performance in 2019. Despite losing over two months of car production and sales to the MCO, the company sold 109,716 vehicles for the whole of 2020 after shifting 13,306 units in December. This 2020 total represents an increase of 8.8% over the 100,821 units sold in 2019, making PROTON the only major automotive company to record growth in Malaysia. Market share for the year also increased to an estimated 21.1%, equating to a significant 4.4% increase.

The main drivers of volume growth were the Proton Persona, Iriz, Exora and Saga (PIES), while the X50 surpassed expectations despite its later than planned arrival. All four PIES models were extensively updated in 2019 and the investment has paid off with each model posting higher sales numbers this year despite the pandemic. This performance combined with a 49.8% increase in export volume, allowed PROTON to buck the trend of the Malaysian automotive industry which is expected to contract by an estimated 13%.

In terms of individual performance, each Proton model ended the year near the top of their respective segments. The Proton Saga remains as the company's best-seller for 2020 while the launch of the Proton X50 and strong sales for the Proton X70 combine to make Proton the number one SUV brand in the country.

"We are grateful to have achieved this level of performance against the backdrop of 2020. To describe it as challenging would be an understatement but we persevered. Our results were backed by many factors, trust from our customers, support from the government, commitment from vendors, resilience of our dealers and also the diligence of our staff", said Dr. Li Chunrong, Chief Executive Officer of PROTON.

Strategic management and decision making

Covid-19 brought economic activity to a complete halt and its adverse effects required quick, prudent and tough management decisions. At PROTON, the last few years of vigilant cost control and improved efficiencies allowed the company to react quickly to the crisis. This meant that despite the shutdown, there were no layoffs or salary cuts. More importantly, constant monitoring and agility allowed the company to ramp up production very quickly after the lockdown.

Post lockdown, PROTON was rigorous about safety for both customers and employees. Stringent protocols were deployed and are still being followed to ensure that all customers, partners and employees could transact with peace of mind. Still, like all other industries dependent on a global supply chain for components, the company was affected by the availability of parts for producing new cars and replenishing its spares. This caused delays that in some instances severely increased waiting times for both sales and service customers. However, steps have been taken to address these issues that will see a marked improvement in the coming year though in the short term, some delays will persist.



PROTON
INSPIRING CONNECTIONS

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Continued push in manufacturing and quality

A key component in PROTON's performance for 2020 was the results of its investments in manufacturing and quality. This was both in the areas of hardware and software. Aside from technology, new processes and systems were introduced to drive an increase in capacity and precision. This was exemplified not only with the increased volume but with the smooth introduction of the Proton X50 at the company's new production line at Tanjung Malim, which is also the home of the Persona, Iris and X70. The Shah Alam plant continued to better its performance, churning out record numbers of the Saga and the Exora. Of greater import was that PROTON markedly improved its Global Customer Product Audit (GCPA) score demonstrating that its quality initiatives are coming to fruition. The company was able to do this despite manufacturing being the most severely impacted by the pandemic.

Export growth in trying times

Despite the restrictions placed on the global movement of goods, 2020 saw a strong year for the company's export division, with a bumper month in December. It saw the first locally assembled Proton Saga roll-off the assembly line in Kenya and then make its debut alongside the Proton X70 in Pakistan where, both models will be sold initially as CBUs but later as CKDs, when a plant in Karachi is completed later this year. The Proton Saga also burst on to the scene in Egypt and Bangladesh but it wasn't the only model to make a big splash overseas last month. The Proton X50 entered its first export market when it made its international debut in Brunei on 19 December, making it the fourth Proton model to be launched in the kingdom in 2020 after the Proton Persona, Iriz and Saga arrived in January.

Raising the retail game

PROTON increased its footprint with another 20 3S/4S outlets bringing its network to 140 as at the end of 2020. The company continued its programme of upgrading to make a difference in the entire customer value-chain. In striving to deliver a premium brand experience, it paid special focus to revamping the back-end of the business, especially in the areas of after-sales and parts. While already showing results, these efforts are part of PROTON's plan for the long-term evolution of its business. As such, 2020 also saw PROTON change from a retail sales model to a wholesale one with the transfer of ownership of 49 of its branches. This allows the company to focus more on product development, product quality, after sales service and exports while opening the door for dealers to expand the envelope of customer service.

Giving back to Malaysia

As a proudly Malaysian brand, PROTON felt compelled to step-up for the nation when the pandemic hit. The company was able to utilise its resources to contribute to the fight against the coronavirus, loaning 50 units of the Proton X70 to the Ministry of Health while also producing and delivering approximately 120,000 face shields to frontliners. This was further boosted by a donation of funds, ventilators and other personal protection equipment (PPE) by the company's two shareholders, Geely and DRB-HICOM. It continues to support the Government via the loaning of vehicles and other initiatives.



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“2020 was a real test of PROTON’s mettle as we had only just begun our new trajectory. The nature of this pandemic for an organization like ours, which depends on global supply chains, put great strain on the business. However, a combination of good strategy and hard work has left us not only with an increase in sales against a decreasing market but a renewed belief in our product strategy, quality and commitment to our customers. At the same time we also saw to it that we did our part for the country, which all of us at PROTON are especially proud of. We will continue to put the pedal to the metal in 2021 and strive to improve all aspects of the business”, added Dr Li Chunrong.

-End-

PROTON Calendar Year 2020 – Individual Model Performance

Model	No of units sold	Sales achievement for whole of CY2020
Saga	46,527	▪ 2 nd highest volume A-segment sedan
Persona	23,917	▪ Highest volume B-segment sedan
Exora	5,849	▪ Highest volume C-segment MPV
Iriz	7,636	▪ 3 rd highest volume B-segment hatchback
X70	21,944	▪ Highest volume C-segment SUV
X50	3,787	▪ 3 rd highest volume B-segment SUV
Total	*109,716	

*sales of other models not listed added to the total sales figure

PROTON Year end GCPA score – Individual Model Performance

Model	GCPA Score
Saga	883 points
Persona	890 points
Exora	863 points
Iriz	880 points
X70	623 points
X50	715 points