



FY2018 Results Announcement

Half Year ended 31 December 2017

23 February 2018



Delivering
Sustainable Futures

Sime Darby Berhad Group Results

1H FY2018 Results Announcement



Half Year ended 31 December 2017

In RM Million	1H FY2018	1H FY2017	YoY %
Revenue	16,959	15,020	12.9
PBIT	495	483	2.5
Finance income from discontinued ops	48	225	(78.7)
Net finance costs	(29)	(109)	(73.4)
PBT	514	599	(14.2)
PAT	360	475	(24.2)
NCI & Perpetual ¹	(40)	(83)	(51.8)
Net Profit - Continuing	320	392	(18.4)
Net Profit - Discontinued	1,301	783	66.2
Net Profit - Total	1,621	1,175	38.0

Note:

1. 1H FY2017 included payment of interest to perpetual note holders which are no longer held by Sime Darby Berhad

1H FY2018 Results Announcement



Half Year ended 31 December 2017

In RM Million	1H FY2018	1H FY2017	YoY %
Reported PBIT	495	483	2.5
Adjustments			
• Disposal of/compensation from properties	(215)	(30)	
• Motors Vietnam	184 ¹	(10)	
• Disposal of E&O shares/warrants	-	(35)	
• Yayasan Sime Darby	85 ²	9	
• Net corporate forex gain	(24)	(72)	
Core PBIT	525	345	52.2
Net finance costs	(26)	(61)	
Tax expense	(150)	(94)	
Non controlling interests	(28)	(20)	
Core Net Profit	321	170	88.8

Note:

1. Includes impairment of distribution rights (RM61m) and writedown of inventories (RM89m)
2. Yayasan Sime Darby ("YSD") will be deconsolidated in 3QFY2018. Adjustment includes writedown of assets (RM61m), expenses (RM37m) and reversal of accruals (RM13m)

1H FY2018 Results Announcement



1H FY2018 Segment PBIT

In RM Million	1H FY2018			1H FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	393	(165) ¹	228	106	-	106	270.8	115.1
Motors	135	134 ²	269	266	(40)	226	(49.2)	19.0
Logistics	43	-	43	23	-	23	87.0	87.0
Healthcare	25	-	25	19	-	19	31.6	31.6
Others	10	-	10	15	(35)	(20)	(33.3)	150.0
Corporate	(50)	-	(50)	(9)	-	(9)	(455.6)	(455.6)
Forex	24	(24)	-	72	(72)	-	(66.7)	NA
YSD	(85)	85 ³	-	(9)	9	-	(844.4)	NA
PBIT	495	30	525	483	(138)	345	2.5	52.2

Notes:

- Disposal of properties, RM156m in Australia and RM9m in Malaysia.*
- Includes Motors Vietnam losses of RM184m (including impairment of distribution rights of RM61m and writedown of inventories amounting RM89m) and gain from compensation of properties (RM50m)*
- Includes writedown of assets following reclassification of YSD as assets held for sale (RM61m)*

1H FY2018 Results Announcement



Quarter ended 31 December 2017

In RM Million	2Q FY2018	2Q FY2017	YoY %
Revenue	8,815	8,086	9.0
PBIT	139	220	(36.8)
Finance income from discontinued ops	11	111	
Net finance costs	(12)	(44)	
PBT	138	287	(51.9)
PAT	85	215	(60.5)
NCI & Perpetual ¹	(13)	(39)	
Net Profit - Continuing	72	176	(59.1)
Net Profit - Discontinued	233	477	(51.2)
Net Profit - Total	305	653	(53.3)

Note:

1. 2Q FY2017 included payment of interest to perpetual note holders which are no longer held by Sime Darby Berhad

1H FY2018 Results Announcement



Quarter ended 31 December 2017

In RM Million	2Q FY2018	2Q FY2017	YoY %
Reported PBIT	139	220	(36.8)
Adjustments			
• Motors Vietnam	109 ¹	(5)	
• Yayasan Sime Darby	65 ²	11	
• Net corporate forex gain	3	(45)	
Core PBIT	316	181	74.6
Net finance costs	(11)	(19)	
Tax expense	(71)	(57)	
Non controlling interests	(13)	(7)	
Core Net Profit	221	98	125.5

Note:

1. Includes writedown of inventories (RM89m)

2. Yayasan Sime Darby will be deconsolidated in 3QFY2018. Adjustment includes writedown of assets (RM61m), expenses (RM37m) and reversal of accruals (RM13m)

1H FY2018 Results Announcement



2Q FY2018 Segment PBIT

In RM Million	2Q FY2018			2Q FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	146	-	146	55	-	55	165.5	165.5
Motors	23	109 ¹	132	136	(5)	131	(83.1)	0.8
Logistics	25	-	25	11	-	11	127.3	127.3
Healthcare	13	-	13	9	-	9	44.4	44.4
Others	10	-	10	(15)	-	(15)	166.7	166.7
Corporate	(10)	-	(10)	(10)	-	(10)	-	-
Forex	(3)	3	-	45	(45)	-	(106.7)	NA
YSD	(65)	65 ²	-	(11)	11	-	(490.9)	NA
PBIT	139	177	316	220	(39)	181	(36.8)	74.6

Notes:

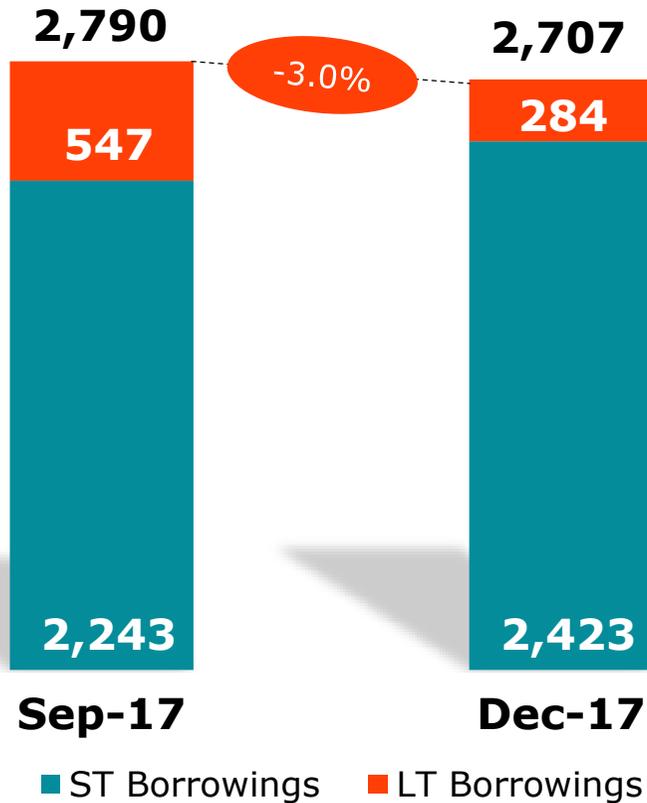
1. Motors Vietnam losses of RM109m, which includes writedown of inventories (RM89m)
2. Includes writedown of assets following reclassification of YSD as assets held for sale (RM61m)

1H FY2018 Results Announcement

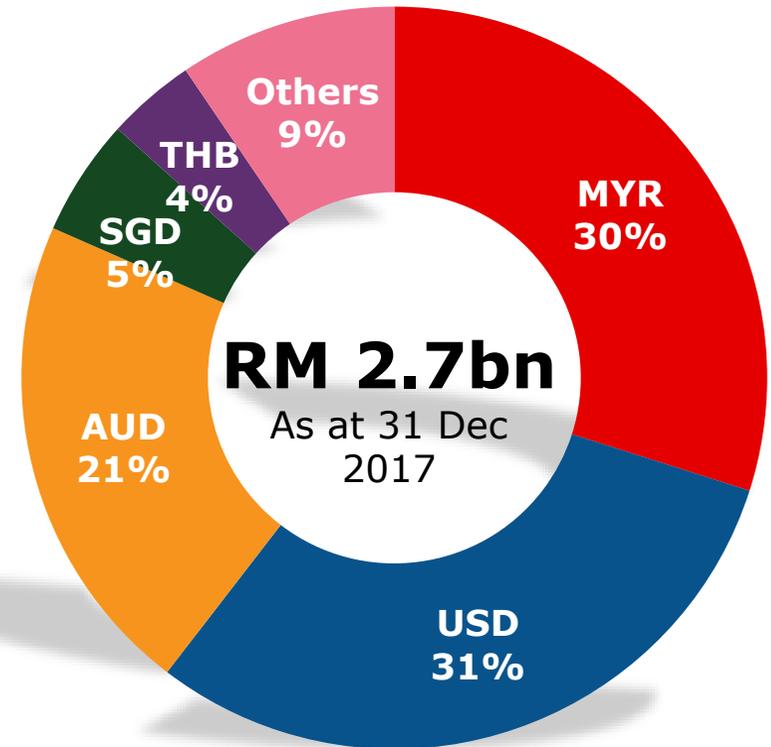


Snapshot of borrowings position

Long term vs short term borrowing



Total borrowing by currency



RM15bn
Total Equity

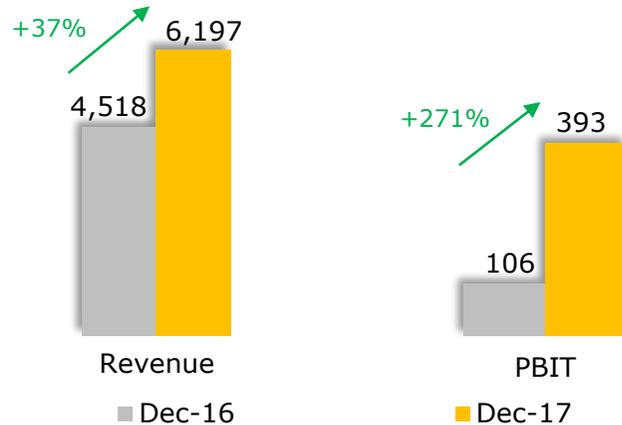
18%
Debt/Equity Ratio

RM1.5bn
Bank balances, deposits
and cash

Segmental Results



Improved business conditions in China, HK and Australasia



In RM Million	1H FY2017	1H FY2018
Australasia	2,494	3,533
China	1,127	1,732
Malaysia	553	592
Southeast Asia	344	340
Total Revenue	4,518	6,197
Australasia	30	134
China	36	66
Malaysia	33	28
Southeast Asia	7	-
Total Core PBIT	106	228
Disposal of Properties	-	165
Total PBIT	106	393
PBIT margin	2.3%	6.3%
Core PBIT margin	2.3%	3.7%
ROIC	1.3%	5.0%



AUSTRALASIA

- Improved contribution from equipment and product support sales as mining sector recovers
- Lower provision for aged inventories



CHINA

- Higher delivery of equipment as a result of One Belt One Road ("OBOR") initiatives and sales incentives



MALAYSIA

- Weaker results from non CAT operations due to higher project costs



SOUTH EAST ASIA

- RM16m share of losses from associate (APAC Energy Rental) (1H FY2017: RM4m)



DISPOSAL OF PROPERTIES

- RM156m in Australia and RM9m in Malaysia



Strong order book in Australasia, Malaysia and Singapore

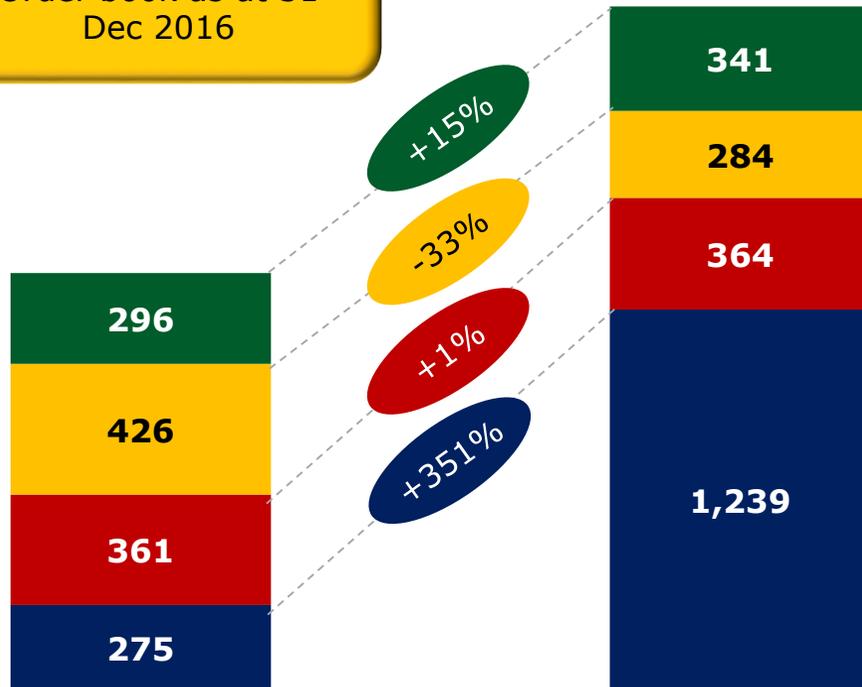
RM1,358m

Order book as at 31 Dec 2016

+64%

RM2,228m

Order book as at 31 Dec 2017



Dec-16

Dec-17



AUSTRALASIA

- Stronger sales expected to continue with the uptick in the mining cycle



MALAYSIA

- Major construction projects (e.g., Pan Borneo, HSR) and expansion of mining activities in East Malaysia increase demand for equipment and parts



CHINA

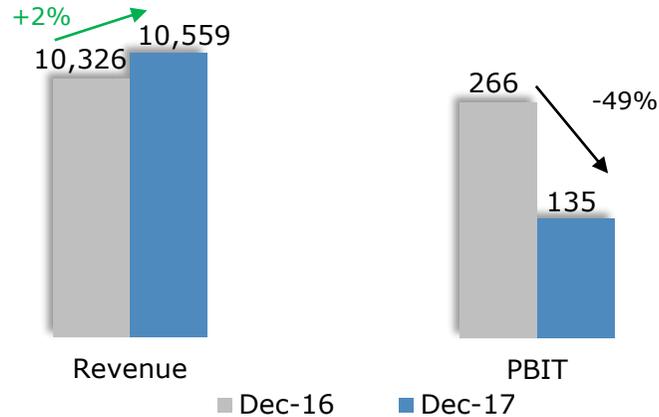
- Fiscal and monetary policies encouraging construction activities in urban development
- Mining and infrastructure outlook are cautious, but OBOR initiatives increase demand for equipment
- Demand for marine engines remains weak



SOUTH EAST ASIA

- Singapore government plans to bring forward SGD700m worth of public amenities projects over next two years, however, private sector is softening
- Product support business for the oil rigs and offshore support vessels have recovered slightly potentially due to pent up demand
- Electric power segment set to be positive as standby generator sets demand increase to support data centres

Improved business conditions in China and HK



In RM Million

	1H FY2017	1H FY2018
China, HK, Macau & Taiwan	4,464	4,465
Singapore & Thailand	2,189	2,774
Malaysia	1,628	1,805
Australia & NZ	1,686	1,464
Vietnam	359	51
Total Revenue	10,326	10,559
China, HK, Macau & Taiwan	74	118
Singapore & Thailand	67	56
Malaysia	45	42
Australia & NZ	40	53
Total Core PBIT	226	269
Vietnam	10	(184)
Property disposal/compensation	30	50
Total PBIT	266	135
PBIT margin	2.6%	1.3%
Core PBIT margin	2.3%	2.6%
ROIC	4.2%	2.4%



CHINA, HK, MACAU, TAIWAN

- Higher sales volume, margins and sales incentives



SINGAPORE, THAILAND

- Lower margins realised despite higher revenue
- RM10m share of loss from associate (Munich Auto)



MALAYSIA

- Lower PBIT margins realised
- FY17 results included dividend income of RM4m



AUSTRALIA, NZ

- Higher profit and lower revenue due to cessation of loss making Peugeot/Citroen business



VIETNAM

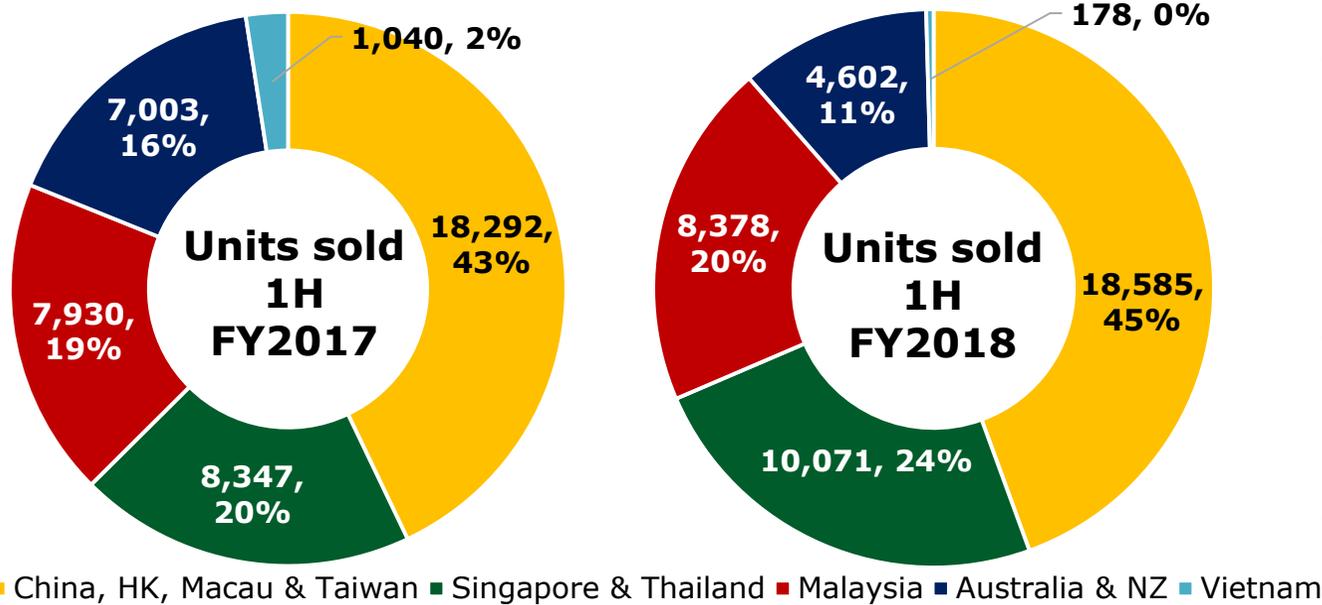
- Impairment of distribution rights (RM61m) and write-down of inventories (RM89m)



DISPOSAL OF PROPERTIES

- Land/property compensation: China (RM41m) and Malaysia (RM9m)
- 1H FY2017: Disposal of HK property

Modest growth expected in core markets



41,814
Units Sold
(1H FY2017: 42,612)

11,917
Units Assembled
(1H FY2017: 9,622)



AUSTRALIA, NZ

- Modest growth supported by government investment in transport infrastructure, however growing household debts will dampen passenger car sales



MALAYSIA

- New vehicle sales to grow YoY with improved business and consumer sentiments



SINGAPORE, THAILAND

- Reduction in COE quota and zero passenger vehicle growth policy effective 2018 in Singapore
- Strong growth in household spending, improving business environment, and expiry of the 5 year lock-up period under the first-time car buyer scheme to support sales in Thailand



CHINA, HK, MACAU, TAIWAN

- Softer growth expected due to economic pressure, rising interest rates, and increase in prices of small engine vehicles



VIETNAM

- The Group is exiting the current BMW distributorship and dealership business



New model launches in 3Q FY2018 expected to boost sales



BMW 5 Series Plug-In Hybrid
Jan 2018



BMW X2
Mar 2018



Ford Ranger 2.2 FX4
Jan 2018



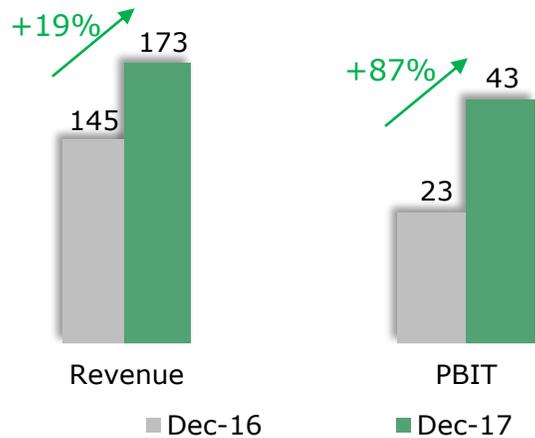
Range Rover Velar
3QFY18

Logistics and Healthcare



Higher port and water throughput; higher revenue from Malaysia healthcare

Logistics



PORTS

- Higher general cargo and container throughput



WATER

- Water sales remained at 21mm³



FOREX

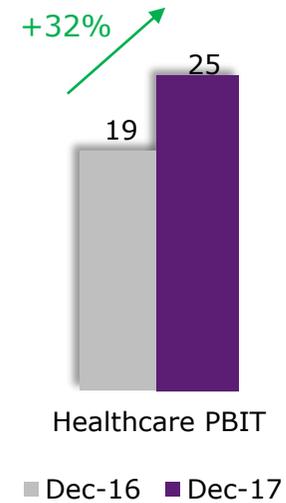
- Mainly from translation of RMB loans given to JVs to HKD

17 million MT
General cargo throughput
(1H FY2017: 15.3 million MT)

116,200 TEU
Container throughput
(1H FY2017: 109,000 TEU)

In RM Million	1H FY2017	1H FY2018
Ports	114	140
Water	31	33
Total Revenue	145	173
Ports	15	24
Water	12	13
Forex	(4)	6
Total PBIT	23	43
PBIT margin	15.9%	24.9%
ROIC	1.0%	1.8%

Healthcare



In RM Million	1H FY2017	1H FY2018
Healthcare PBIT	19	25
Healthcare ROIC	2.9%	3.6%

- Higher revenue from Malaysian operations

This presentation does not constitute and is not an offer to sell or the solicitation of an offer to buy securities of any company referred to in this presentation in the United States or elsewhere. The companies referred to herein have not registered and do not intend to register any securities under the US Securities Act of 1933, as amended (the "Securities Act"), and any securities may not be offered or sold in the United States absent registration under the Securities Act or an exemption from registration under the Securities Act. By attending the presentation you will be deemed to represent, warrant and agree that to the extent that you purchase any securities in any of the companies referred to in the presentation, you either (i) are a "qualified institutional buyer" within the meaning of Rule 144A under the Securities Act, or (ii) you will do so in an "offshore transaction" within the meaning of Regulation S under the Securities Act.

This presentation may contain forward-looking statements by Sime Darby Berhad that reflect management's current expectations, beliefs, intentions or strategies regarding the future and assumptions in light of currently available information. These statements are based on various assumptions and made subject to a number of risks, uncertainties and contingencies. Actual results, performance or achievements may differ materially and significantly from those discussed in the forward-looking statements. Such statements are not and should not be construed as a representation, warranty or undertaking as to the future performance or achievements of Sime Darby Berhad and Sime Darby Berhad assumes no obligation or responsibility to update any such statements.

No representation or warranty (either express or implied) is given by or on behalf of Sime Darby Berhad or its related corporations (including without limitation, their respective shareholders, directors, officers, employees, agents, partners, associates and advisers) (collectively, the "Parties") as to the quality, accuracy, reliability or completeness of the information contained in this presentation (collectively, the "Information"), or that reasonable care has been taken in compiling or preparing the Information.

None of the Parties shall be liable or responsible for any budget, forecast or forward-looking statements or other projections of any nature or any opinion which may have been expressed or otherwise contained or referred to in the Information.

The Information is and shall remain the exclusive property of Sime Darby Berhad and nothing herein shall give, or shall be construed as giving, to any recipient(s) or party any right, title, ownership, interest, license or any other right whatsoever in or to the Information herein. The recipient(s) acknowledges and agrees that this presentation and the Information are confidential and shall be held in complete confidence by the recipient(s).

This presentation is for the purposes of information only and no part of this presentation is intended to be or shall be construed as an offer, recommendation or invitation to subscribe for or purchase, or otherwise making available, any securities in Sime Darby Berhad.

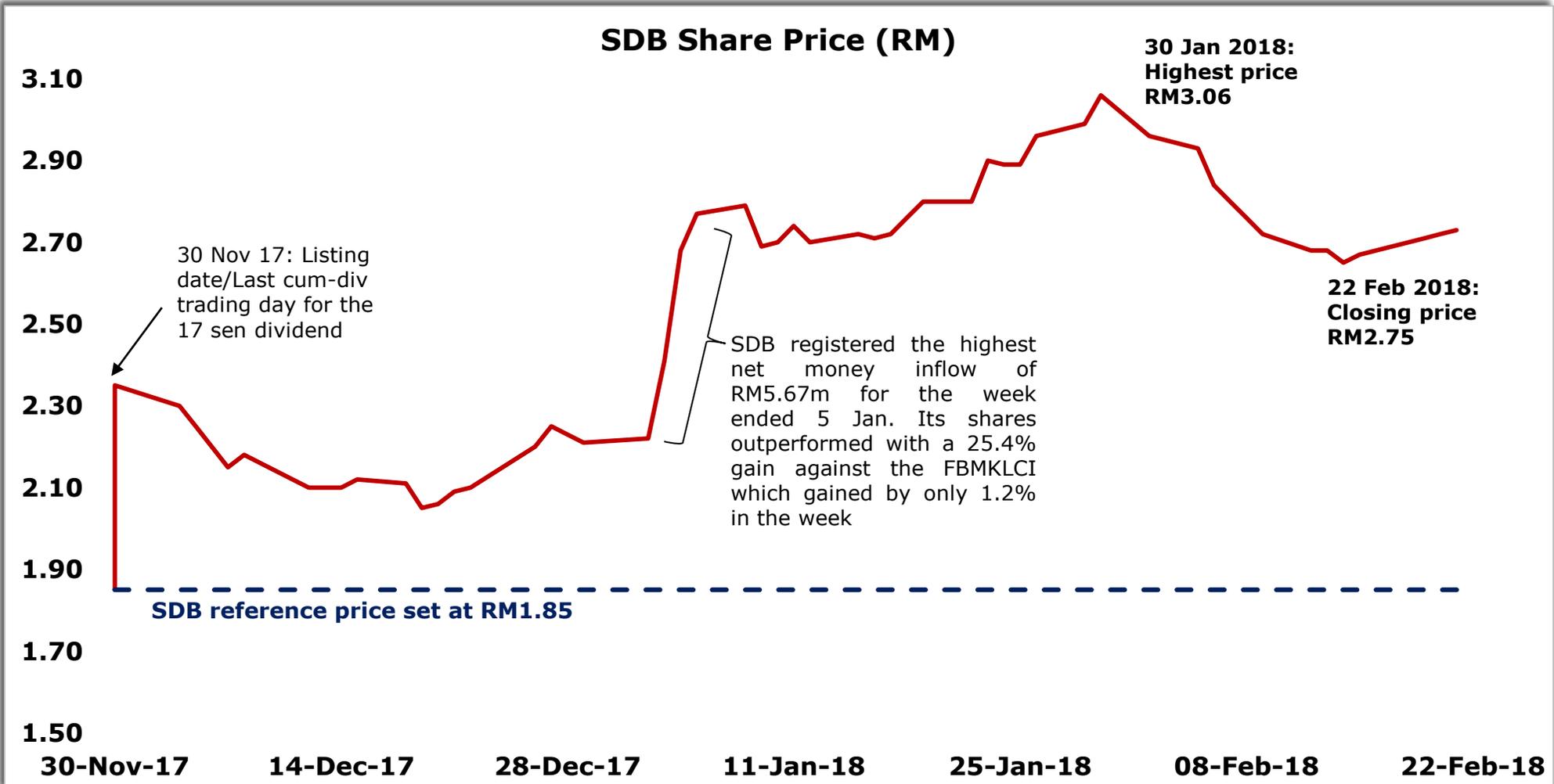
Appendices

Milestones since Listing



All systems up and running, share price up by 48% from RM1.85 ref price

- **SDB's shares gained 48% on the reference price**
- **SDB paid a dividend of 17 sen during the period**



1H FY2018 Results Announcement



2Q FY2018 External Revenue by Region

In RM Million	2Q FY2018	2Q FY2017	YoY %
Industrial			
Malaysia	307	231	32.9
SE Asia ex Malaysia	184	215	-14.4
China/HK	957	641	49.3
Australasia	1,801	1,267	42.1
	3,249	2,354	38.0
Motors			
Malaysia	923	903	2.2
SE Asia ex Malaysia	1,444	1,139	26.8
China/HK/Macau	2,375	2,540	-6.5
Australia/NZ	687	865	-20.6
Vietnam ¹	24	190	-87.4
	5,453	5,637	-3.3
Logistics			
Ports	74	59	25.4
Water	16	16	Nil
	90	75	20.0
Others	23	20	15.0
TOTAL	8,815	8,086	9.0

Notes:

1. The Group is exiting BMW operations in Vietnam

1H FY2018 Results Announcement



2Q FY2018 PBIT by Region

In RM Million	2Q FY2018	2Q FY2017	YoY %
Industrial			
Malaysia	16	18	(11.1)
SE Asia ex Malaysia	7	11	(36.4)
China/HK	41	19	115.8
Australasia	81	13	523.1
Others	1	(6)	NA
	146	55	165.5
Motors			
Malaysia	14	21	(33.3)
SE Asia ex Malaysia	33	42	(21.4)
China/HK/Macau	72	48	50.0
Australia/NZ	23	18	27.8
Vietnam ¹	(109)	5	NA
Others	(10)	2	NA
	23	136	(83.1)
Logistics			
Ports	18	8	125.0
Water	6	6	Nil
Others	1	(3)	NA
	25	11	127.3
Others	(55)	18	(405.6)
TOTAL	139	220	(36.8)

Notes:
 1. The Group is exiting BMW operations in Vietnam



Jeffri Salim Davidson

Group Chief Executive Officer

- Appointed Deputy Group CFO in 2016 and previously Senior Vice President of Industrial Division (China, Singapore & Power Systems)
- Held various senior leadership positions in Sime Darby Berhad including the Finance Director of Tractors Malaysia Sdn Bhd and Managing Director of China Engineers Limited
- Holds a BSc in Geology from University College London (United Kingdom), and a Chartered Accountant (ICAEW) by profession



Mr Andrew Basham

Managing Director, Sime Darby Motors

- Appointed as Managing Director of Motors Division in 2018
- Has over 20 years of experience in the motors distribution business, including management roles in Volvo Australia, Japan and Taiwan, and Managing Director for Lei Shing Hong Automotive in Hong Kong, overseeing the retail and importation of Mercedes-Benz and Porsche vehicles in the company's operations in Korea, Australia, Vietnam, England, Germany and Cambodia
- Andrew is a member of the Institute of Chartered Accountants in Australia



Mustamir Mohamad

Group Chief Financial Officer

- Formerly served as Head of Group Finance for Sime Darby Group since 2014
- Previously served in various senior positions in Sime Darby, including Head of Strategy & Business Development in Sime Darby Plantation; Head of EVP Office, Sime Darby Plantation; and Senior Manager of Value Management in Group Strategy, Sime Darby Berhad
- He holds a degree in Accounting and Finance from the London School of Economics and Political Science, is a Fellow of ICAEW and a member of the Malaysian Institute of Accountants (MIA)



Scott William Cameron

Managing Director, Sime Darby Industrial

- Appointed as Managing Director of Industrial Division in 2007
- 25 years of experience in the Caterpillar family. Began his career with Price Waterhouse in Brisbane, Sydney and New York before joining Hastings Deering (Australia) Limited as the Finance Director in 1992. Currently the Dealer Principal of the Hastings Deering Group
- Holds a degree in Commerce from University of Queensland. He is a Fellow of the Institute of Chartered Accountants in Australia and a Fellow of the Australian Institute of Company Directors



Datuk Thomas Leong Yew Hong

Group Chief Strategy Officer

- Appointed as Head of Strategy and Corporate Finance for Sime Darby Group in 2016
- Previously Executive Vice President of Maybank's Group Strategy & Business Development and has held senior positions in Accenture and Deloitte Consulting, based in Australia, Hong Kong and Malaysia
- Holds a BSc in Software Engineering from Australian National University, and an MBA (International Corporate Finance) from University of Sydney



Timothy Lee Chi Tim

Managing Director, Sime Darby Logistics

- Appointed as Managing Director of Logistic Division in 2011
- Over 20 years of operational experience in the ports and container terminal management industry in Hong Kong
- Previously the Operations Manager of the Hong Kong Business Unit for Modern Terminals Limited (the second largest port operator in Hong Kong) prior to joining Sime Darby

Thank you