



FY2018 Results Announcement

9 months ended 31 March 2018

28 May 2018



Delivering
Sustainable Futures

Sime Darby Berhad Group Results

YTD FY2018 Results Announcement



9 months ended 31 March 2018

In RM Million	9M FY2018	9M FY2017	YoY %
Revenue	25,253	22,887	10.3
PBIT	720	716	0.6
Finance income ¹	91	384	
Finance costs	(87)	(191)	
Profit before tax	724	909	(20.4)
Taxation	(216)	(198)	
Profit from continuing operations	508	711	(28.6)
Non-controlling interests & Perpetual ²	(53)	(130)	
Net profit from continuing operations	455	581	(21.7)
Net profit from discontinued operations	1,301	1,286	1.2
Net profit attributable to owners of the Company	1,756	1,867	(5.9)

Notes:

1. Includes finance income from discontinued operations of RM48m (3Q FY2018) and RM350 (3Q FY2017).

2. 9M FY2017 included payment of interest to perpetual note holders which are no longer held by Sime Darby Berhad.

YTD FY2018 Results Announcement



9 months ended 31 March 2018

In RM Million	9M FY2018	9M FY2017	YoY %
Reported PBIT	720	716	0.6
Adjustments			
• Disposal of/compensation from properties	(215)	(30)	
• Motors Vietnam	193 ¹	(4)	
• Disposal of E&O shares/warrants	-	(35)	
• Yayasan Sime Darby ("YSD")	85 ²	17	
• Impairment of oil & gas accrued billings	28	-	
• Net corporate forex gain	(23)	(96)	
Core PBIT	788	568	38.7
Net finance costs	(42)	(83)	
Tax expense	(190)	(151)	
Non controlling interests	(41)	(37)	
Core Net Profit	515	297	73.4

Notes:

- Includes impairment of distribution rights (RM61m) and write-down of inventories (RM89m)*
- YSD has been deconsolidated. Adjustment includes write-down of assets (RM61m), expenses (RM37m) and reversal of accruals (RM13m)*

YTD FY2018 Results Announcement



9 months ended 31 March 2018: Segmental PBIT

In RM Million	9M FY2018			9M FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	470	(165) ¹	305	188	-	188	150.0	62.2
Motors	268	143 ²	411	392	(34)	358	(31.6)	14.8
Logistics	61	-	61	36	-	36	69.4	69.4
Healthcare	43	-	43	28	-	28	53.6	53.6
Others	(3)	28 ³	25	31	(35)	(4)	(109.7)	725.0
Corporate	(57)	-	(57)	(38)	-	(38)	(50.0)	(50.0)
Forex	23	(23) ⁴	-	96	(96)	-	(76.0)	-
YSD	(85)	85 ⁵	-	(17)	17	-	(400.0)	-
PBIT	720	68	788	716	(148)	568	0.6	38.7

Notes:

1. Disposal of properties, RM156m in Australia and RM9m in Malaysia
2. Includes Motors Vietnam losses of RM193m (including impairment of distribution rights of RM61m and write-down of inventories amounting RM89m) and gain from compensation of properties (RM50m)
3. Impairment of oil & gas accrued billings of RM28m
4. Mainly relates to forex recycled to P&L from settlement of intercompany loans
5. Includes write-down of assets following reclassification of YSD as assets held for sale (RM61m)

3Q FY2018 Results Announcement



Quarter ended 31 March 2018

In RM Million	3Q FY2018	3Q FY2017	YoY %
Revenue	8,294	7,867	5.4
PBIT	225	233	(3.4)
Finance income ¹	11	135	
Finance costs	(26)	(58)	
Profit before tax	210	310	(32.3)
Taxation	(62)	(74)	
Profit from continuing operations	148	236	(37.3)
Non-controlling interests & Perpetual ²	(13)	(47)	
Net profit from continuing operations	135	189	(28.6)
Net profit from discontinued operations	-	503	(100.0)
Net profit attributable to owners of the Company	135	692	(80.5)

Notes:

1. Includes finance income from discontinued operations of RM125m (3Q FY2017).

2. 3Q FY2017 included payment of interest to perpetual note holders which are no longer held by Sime Darby Berhad.

3Q FY2018 Results Announcement



Quarter ended 31 March 2018

In RM Million	3Q FY2018	3Q FY2017	YoY %
Reported PBIT	225	233	(3.4)
Adjustments			
• Motors Vietnam	9	6	
• Yayasan Sime Darby	-	8	
• Impairment of oil & gas accrued billings	28	-	
• Net corporate forex gain	1	(24)	
Core PBIT	263	223	17.9
Net finance costs	(16)	(22)	
Tax expense	(62)	(57)	
Non controlling interests	(13)	(17)	
Core Net Profit	172	127	35.4

3Q FY2018 Results Announcement



Quarter ended 31 March 2018: Segmental PBIT

In RM Million	3Q FY2018			3Q FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	77	-	77	82	-	82	(6.1)	(6.1)
Motors	133	9 ¹	142	126	6	132	5.6	7.6
Logistics	18	-	18	13	-	13	38.5	38.5
Healthcare	18	-	18	9	-	9	100.0	100.0
Others	(13)	28 ²	15	16	-	16	(181.3)	(6.3)
Corporate	(7)	-	(7)	(29)	-	(29)	75.9	75.9
Forex	(1)	1	-	24	(24)	-	(104.2)	NA
YSD	-	-	-	(8)	8	-	100.0	NA
PBIT	225	38	263	233	(10)	223	(3.4)	17.9

Notes:

1. Motors Vietnam losses

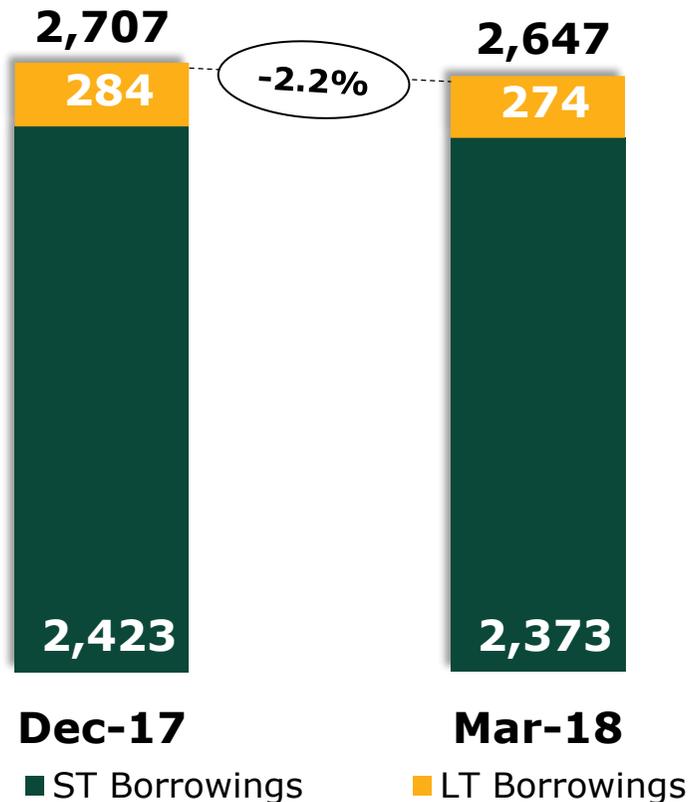
2. Impairment of oil & gas accrued billings of RM28m

YTD FY2018 Results Announcement

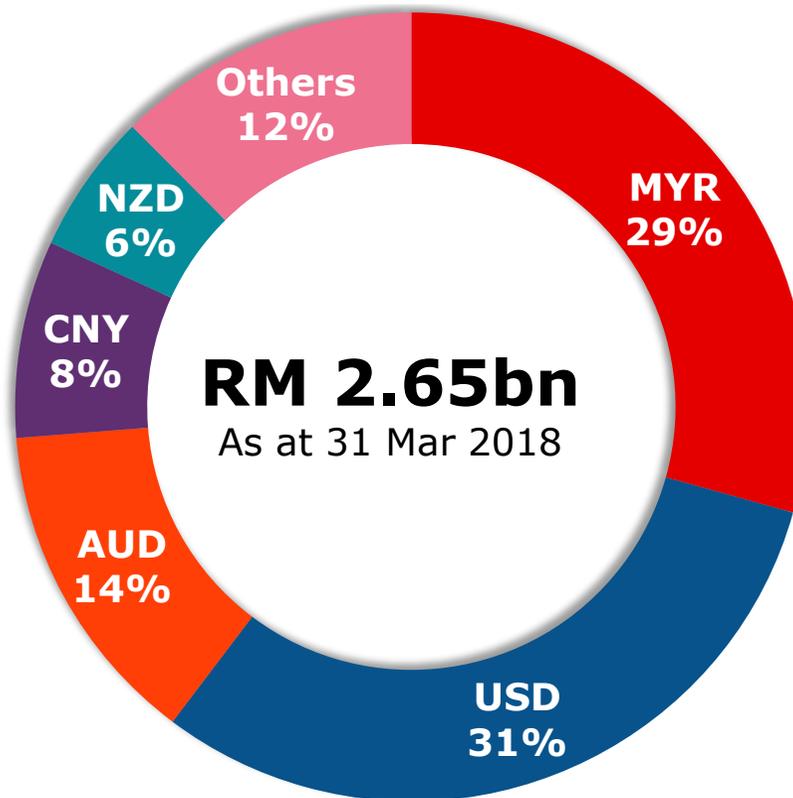


Snapshot of borrowings position

Long term vs short term borrowing



Total borrowing by currency

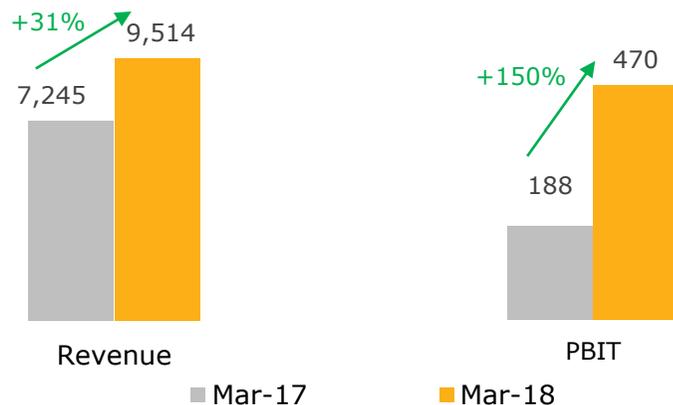


RM14.5bn
Total Equity

18.3%
Debt/Equity Ratio

RM1.73bn
Bank balances, deposits and cash

Segmental Results



In RM Million	9M FY2017	9M FY2018
Australasia	4,009	5,342
China	1,870	2,713
Malaysia	821	887
Southeast Asia	545	572
Total Revenue	7,245	9,514
Australasia	68	161
China	63	106
Malaysia	41	34
South East Asia	16	4
Total Core PBIT	188	305
Disposal of Properties	-	165
Total PBIT	188	470
Core PBIT margin	2.6%	3.2%
PBIT margin	2.6%	4.9%
ROIC	2.3%	6.1%

Australasia

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

China

- Higher deliveries of new equipment and improved contribution from product support in growing construction sector and initiatives in infrastructure developments

Malaysia

- Weaker results mainly from non-CAT operations due to low margin earned from projects

South East Asia

- RM22m share of losses from associate (APAC Energy Rental) (9M FY2017: RM8m)

Property Disposal

- RM156m in Australia and RM9m in Malaysia



Strong order book in Australasia, Malaysia and Singapore

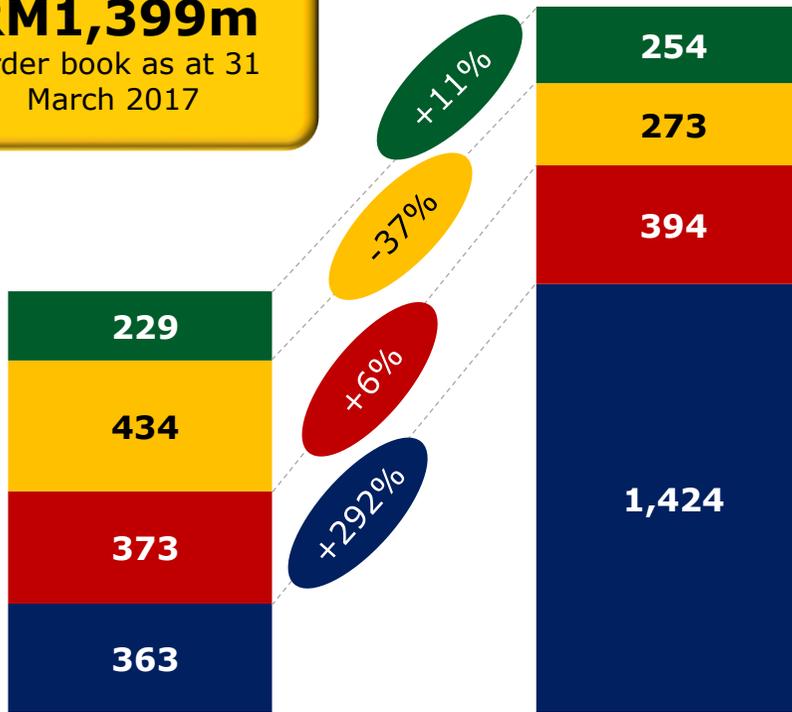
+68%

RM2,345m

Order book as at 31 March 2018

RM1,399m

Order book as at 31 March 2017



Mar-17

Mar-18

■ Australasia ■ Malaysia ■ China/HK ■ Southeast Asia



Australasia

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



Malaysia

- Major construction projects and expansion of coal mining activities in East Malaysia increase demand for equipment and product support.
- Improved order book for agriculture equipment in plantation sector



China

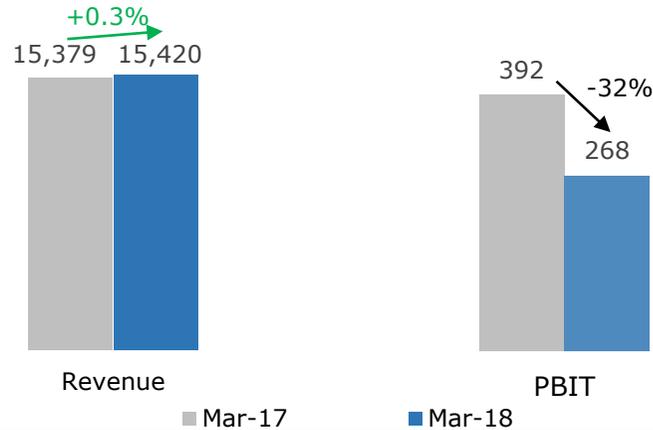
- Fiscal and monetary policies encouraging construction activities in urban development
- Mining and infrastructure outlook are cautious, but OBOR initiatives increase demand for equipment
- Demand for marine engines remains weak



South East Asia

- Singapore government plans to bring forward SGD700m worth of public amenities projects over next two years.
- Product support business for the oil rigs and offshore support vessels have recovered slightly due to maintenance work.
- Electric power segment set to be positive as standby generator sets demand increase to support data centers.

Improved business conditions in China and HK



In RM Million	9M FY2017	9M FY2018
China, HK, Macau & Taiwan	6,457	6,503
Singapore & Thailand	3,405	3,987
Malaysia	2,553	2,678
Australia & NZ	2,533	2,184
Vietnam	431	68
Total Revenue	15,379	15,420
China, HK, Macau & Taiwan	125	184
Singapore & Thailand	97	87
Malaysia	70	52
Australia & NZ	66	88
Total Core PBIT	358	411
Vietnam	4	(193)
Property disposal/compensation	30	50
Total PBIT	392	268
Core PBIT margin	2.4%	2.7%
PBIT margin	2.5%	1.7%
ROIC	6.7%	4.7%

China, HK, Macau, Taiwan

- Higher sales volume and margins
- New CBU models and growing dealer network improve contribution from Taiwan

Singapore, Thailand

- Lower margins on rental and higher maintenance costs mitigated by increase in BMW sales

Malaysia

- Strong X5 sales and increased volume in Inokom
- Lower parts margins and import fees

Australia, NZ

- Higher profit following divestment of loss making operations
- Improved Corefleet results due to mining recovery

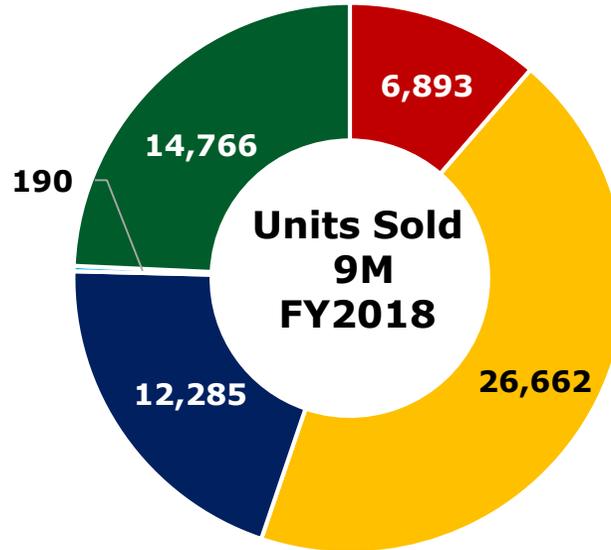
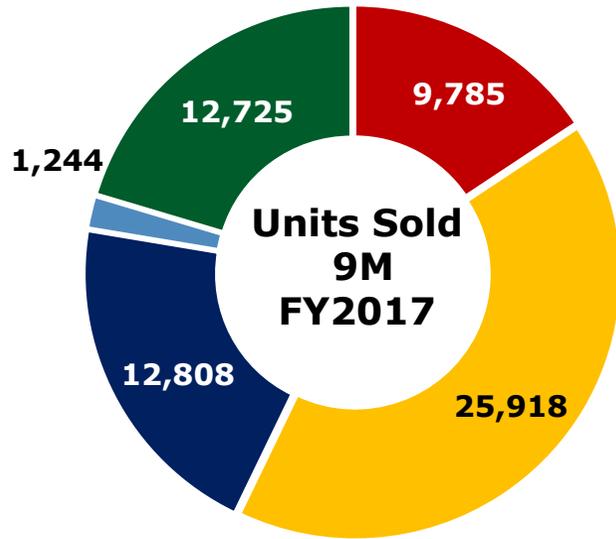
Vietnam

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

Property Disposal

- Land/property compensation: China (RM41m) and Malaysia (RM9m)
- 3Q FY2017: Disposal of HK property

Modest growth expected in core markets



60,796
Units Sold
(9M FY2017: 62,480)

22,690
Units Assembled
(9M FY2017: 15,123)

■ Australia & NZ ■ China, HK, Macau, Taiwan ■ Malaysia ■ Vietnam ■ Singapore & Thailand



Australia, NZ

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



Singapore, Thailand

- Lower COE quota dampens private vehicle sales, mitigated by increased demand for rental and commercial vehicles.
- 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.



Malaysia

- New vehicle sales to grow YoY with improved business conditions, albeit cautious consumer sentiment



China, HK, Macau & Taiwan

- SUV, new energy vehicles and luxury segment catalyst for China sales
- Slower growth in HK due to tight macro factors



Vietnam

- The Group has exited the BMW business

New model launches in 4Q FY2018 expected to boost sales



RANGE ROVER VELAR
April 2018



BMW X3
April 2018



MINI Cooper Countryman Plug-In Hybrid
April 2018



BMW M5
May 2018

Launch of BMW Engine Assembly in Kulim



Plant estimated to produce 10,000 engines a year

On 3 May, Sime Darby officiated the opening of the new BMW engines assembly facility in Kulim, Kedah. The assembly of BMW engines in Kulim will increase the local content of our cars, making them more cost competitive.

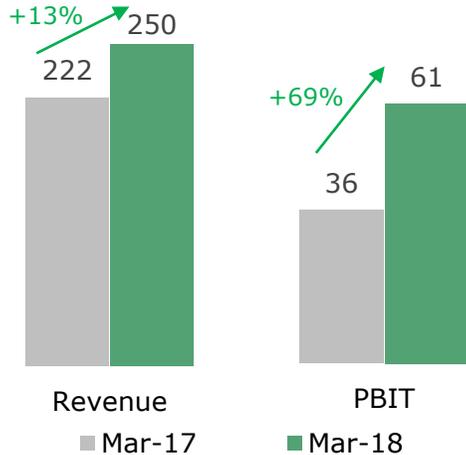


Logistics and Healthcare

Higher port throughput; higher profit from Malaysia healthcare



Logistics



Ports

- Higher general cargo and container throughput

Water

- Water sales marginally lower at 29.8m m³ (9M FY2017: 30.2m m³)

Forex

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

24.1 million MT

General cargo throughput
(9M FY2017: 22.9 million MT)

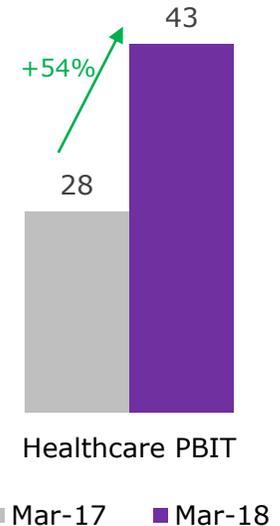
165,575 TEU

Container throughput
(9M FY2017: 159,613 TEU)

In RM Million	9M FY2017	9M FY2018
Ports	178	202
Water	44	48
Total Revenue	222	250
Ports	24	33
Water	16	17
Forex	(4)	11
Total PBIT	36	61
PBIT margin	16.2%	24.4%
ROIC	1.6%	2.7%



Healthcare



In RM Million	9M FY2017	9M FY2018
Healthcare PBIT	28	43
Healthcare ROIC	4.1%	6.0%

- Higher profit from Malaysian operations and tax expense adjustments taken up in the current quarter.

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Appendices

3Q FY2018 Results Announcement



3Q FY2018 External Revenue by Region

In RM Million	3Q FY2018	3Q FY2017	YoY %
Industrial			
Malaysia	295	268	10.1
SE Asia ex Malaysia	232	201	15.4
China/HK	981	743	32.0
Australasia	1,809	1,515	19.4
	3,317	2,727	21.6
Motors			
Malaysia	872	925	(5.7)
SE Asia ex Malaysia	1,213	1,216	(0.2)
China/HK/Macau/Taiwan	2,039	1,993	2.3
Australia/NZ	720	847	(15.0)
Vietnam ¹	17	72	(76.4)
	4,861	5,053	(3.8)
Logistics			
Ports	62	64	(3.1)
Water	15	13	15.4
	77	77	-
Others	39	10	290.0
TOTAL	8,294	7,867	5.4

Note:

1. The Group is exiting BMW operations in Vietnam

3Q FY2018 Results Announcement



3Q FY2018 PBIT by Region

In RM Million	3Q FY2018	3Q FY2017	YoY %
Industrial			
Malaysia	11	9	22.2
SE Asia ex Malaysia	10	13	(23.1)
China/HK	40	27	48.1
Australasia ¹	29	45	(35.6)
Others	(13)	(12)	(8.3)
	77	82	(6.1)
Motors			
Malaysia	15	25	(40.0)
SE Asia ex Malaysia	30	31	(3.2)
China/HK/Macau/Taiwan	67	51	31.4
Australia/NZ	35	26	34.6
Vietnam ²	(9)	(6)	(50.0)
Others	(5)	(1)	(400.0)
	133	126	5.6
Logistics			
Ports	14	9	11.1
Water	4	4	-
	18	13	38.5
Healthcare	18	9	100.0
Others	(21)	3	-600%
TOTAL	225	233	(3.4)

Note:

1. Profit decreased due to the charge-out of parts for service jobs which are no longer recoverable in Australia
2. The Group is exiting BMW operations in Vietnam

Thank you