



FY2018 RESULTS ANNOUNCEMENT

Analyst Briefing: Financial Year Ended 30 June 2018

30 August 2018



Delivering
Sustainable Futures

A large, solid red arc on the left side of the slide, curving from the top towards the bottom.

Sime Darby Berhad Group Results

FY2018 Financial Results



Reported Profit: 12 months ended 30 June 2018

In RM Million	FY2018	FY2017	YoY %
Revenue	33,828	31,087	8.8
PBIT	1,074	784	37.0
Finance income ¹	104	512	
Finance costs	(113)	(289)	
Profit before tax	1,065	1,007	5.8
Taxation	(380)	(212)	
Profit from continuing operations	685	795	(13.8)
Non-controlling interests & Perpetual	(67)	(180)	
Net profit from continuing operations	618	615	0.5
Net profit from discontinued operations (Plantation & Property)	1,301	1,823	
Net profit attributable to owners of the Company	1,919	2,438	

Notes:

1. Includes finance income from discontinued operations of RM48m (FY2018) and RM465m (FY2017)

FY2018 Financial Results



Core Net Profit: 12 months ended 30 June 2018

In RM Million	FY2018	FY2017	YoY %
Reported PBIT	1,074	784	37.0
Adjustments			
• Disposal of/compensation from properties	(238)	(30)	
• Bucyrus impairment & provision for onerous contract	-	257	
• Motors Vietnam	199 ¹	66	
• Impairment of equity interest in E&O	103	-	
• Disposal of E&O shares/warrants	-	(35)	
• Yayasan Sime Darby – deconsolidated in Q3	85 ²	27	
• ONGC Provision	28	-	
• Net corporate forex gain	(23)	(120)	
Core PBIT	1,228	949	29.4
Net finance costs	(56)	(137)	
Tax expense	(282)	(140)	
Non controlling interests	(55)	(59)	
Core Net Profit	835	613	36.2

Notes:

1. Includes impairment of distribution rights (RM61m) and write-down of inventories (RM89m)
2. Includes writedown of assets (RM61m), expenses (RM37m) and reversal of accruals (RM13m)

FY2018 Results Announcement



Segmental PBIT: 12 months ended 30 June 2018

In RM Million	FY2018			FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	612	(178) ¹	434	(4)	257	253	15,400.0	71.5
Motors	543	149 ²	692	633	36	669	(14.2)	3.4
Logistics	74	-	74	64	-	64	15.6	15.6
Healthcare	57	-	57	36	-	36	58.3	58.3
Others	(98)	131 ³	33	42	(35)	7	(333.3)	371.4
Corporate	(52)	(10) ⁴	(62)	(80)	-	(80)	35.0	22.5
Forex	23	(23) ⁵	-	120	(120)	-	(80.8)	-
YSD	(85)	85 ⁶	-	(27)	27	-	(214.8)	-
PBIT	1,074	154	1,228	784	165	949	37.0	29.4

Notes:

1. Gain on disposal of properties (RM178m)
2. Includes Motors Vietnam losses of RM199m (including impairment of distribution rights of RM61m and writedown of inventories amounting RM89m) and gain from compensation of properties (RM50m)
3. Impairment of Oil & Gas accrued billings (RM28m) and impairment of E&O (RM103m)
4. Gain from disposal of bungalows (RM10m)
5. Mainly relates to forex recycled to P&L from the settlement of inter company loans
6. Includes writedown of assets following reclassification of YSD as assets held for sale (RM61m), expenses (RM37m) and reversal of accruals (RM13m)

4Q FY2018 Results Announcement



Reported Profit: 4Q ended 30 June 2018

In RM Million	4Q FY2018	4Q FY2017	YoY %
Revenue	8,575	8,200	4.6
PBIT	354	68	420.6
Finance income	13	128 ¹	
Finance costs	(26)	(98)	
Profit before tax	341	98	248.0
Taxation	(164)	(14)	
Profit from continuing operations	177	84	110.7
Non-controlling interests & Perpetual	(14)	(50)	
Net profit from continuing operations	163	34	379.4
Net profit from discontinued operations (Plantation & Property)	-	537	
Net profit attributable to owners of the Company	163	571	

Notes:

1. Includes finance income from discontinued operations of RM115m

4Q FY2018 Results Announcement



Core Net Profit: 4Q ended 30 June 2018

In RM Million	4Q FY2018	4Q FY2017	YoY %
Reported PBIT	354	68	420.6
Adjustments			
• Bucyrus impairment & provision of onerous contract	-	257	
• Motors Vietnam	6	70	
• Yayasan Sime Darby	-	10	
• Disposal of properties	(13)	-	
• Impairment of equity interest in E&O	103	-	
• Disposal of holiday bungalows	(10)	-	
• Net corporate forex gain	-	(24)	
Core PBIT	440	381	15.5
Net finance costs	(14)	(54)	
Tax expense	(92)	11	
Non controlling interests	(14)	(22)	
Core Net Profit	320	316	1.3

4Q FY2018 Results Announcement



Segmental PBIT: 4Q ended 30 June 2018

In RM Million	4Q FY2018			4Q FY2017			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	142	(13) ¹	129	(192)	257	65	174.0	98.5
Motors	275	6 ²	281	241	70	311	14.1	(9.6)
Logistics	13	-	13	28	-	28	(53.6)	(53.6)
Healthcare	14	-	14	8	-	8	75.0	75.0
Others	(95)	103 ³	8	11	-	11	(963.6)	(27.3)
Corporate	5	(10) ⁴	(5)	(42)	-	(42)	111.9	88.1
Forex	-	-	-	24	(24)	-	-	-
YSD	-	-	-	(10)	10	-	-	-
PBIT	354	86	440	68	313	381	420.6	15.5

Notes:

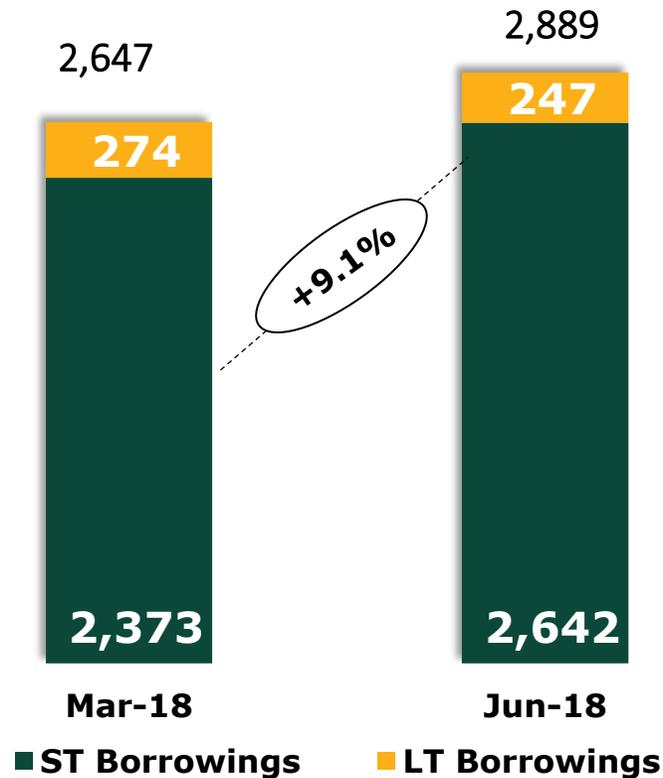
1. Adjustment to gain on disposal of Australia property (RM13m)
2. Motors Vietnam losses (RM6m)
3. Impairment of equity interest in E&O (RM103m)
4. Gain on disposal of bungalows (RM10m)

FY2018 Results Announcement



Snapshot of borrowings position

Long Term vs Short Term Borrowings



Total Borrowings



RM 2.89bn

As at 30 June 2018

RM14.8bn
Total Equity

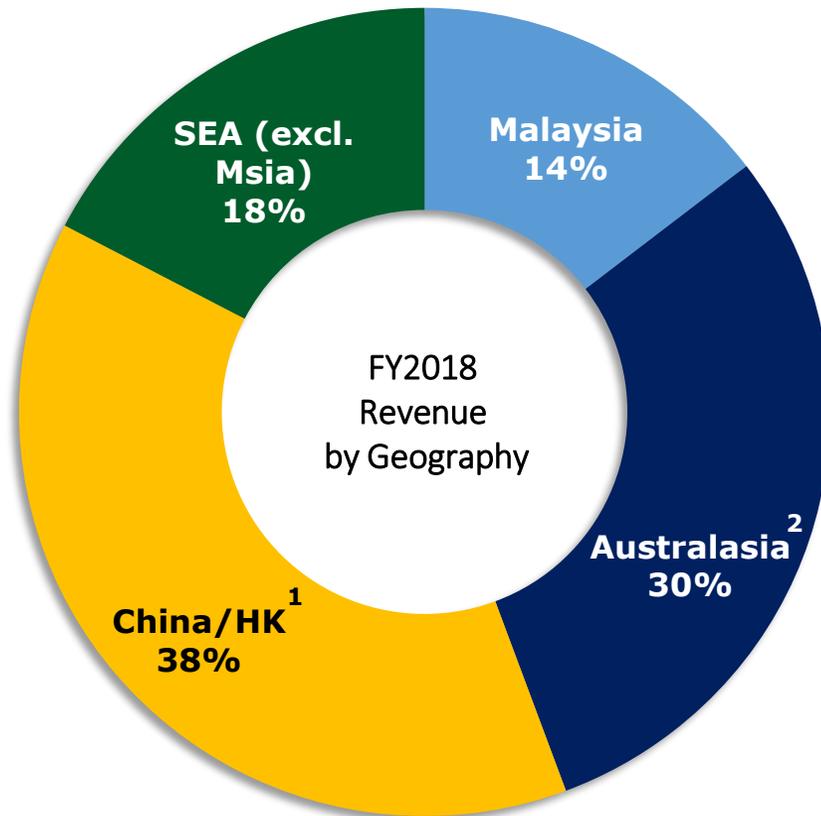
19.6%
Debt/Equity Ratio

RM1.67bn
Bank balances, deposits
and cash

FY2018 Results Announcement



Revenue by Geography



Sime Darby is a regional MNC whereby 85% of revenue comes from outside Malaysia

- China is the largest region, contributing ~40% of our revenue.
- The second largest region is Australia, contributing ~30% of our revenue, largely from the mining industry.

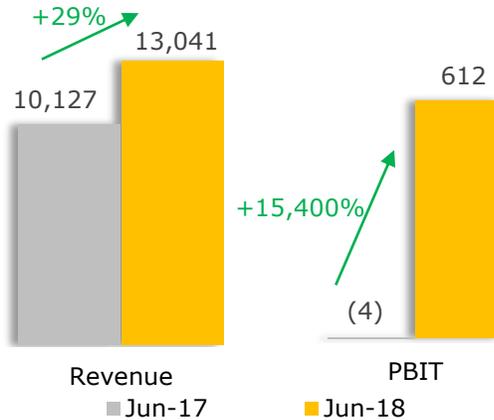
Notes:

1. China consists of China, Hong Kong, Macau & Taiwan

2. Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea & Solomon Islands

Segmental Results

Improved business conditions in China and Australasia



In RM Million	FY2017	FY2018
Australasia	5,600	7,166
China	2,691	3,944
Malaysia	1,120	1,184
Southeast Asia	715	747
Total Revenue	10,127	13,041
Australasia	78	209
China	93	161
Malaysia	48	37
South East Asia	34	27
Total Core PBIT	253	434
Disposal of Properties	-	178
Bucyrus Impairment	(257)	-
Total PBIT	(4)	612
PBIT margin	-	4.7%
Core PBIT margin	2.5%	3.3%
ROIC	-	7.9%

Australasia

- Improved contribution from equipment deliveries to both mining and construction sectors
- Product support business segment (mainly parts) attributed to higher sales from increased mining activities

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 lower product support sales and low milestone billings from ongoing projects

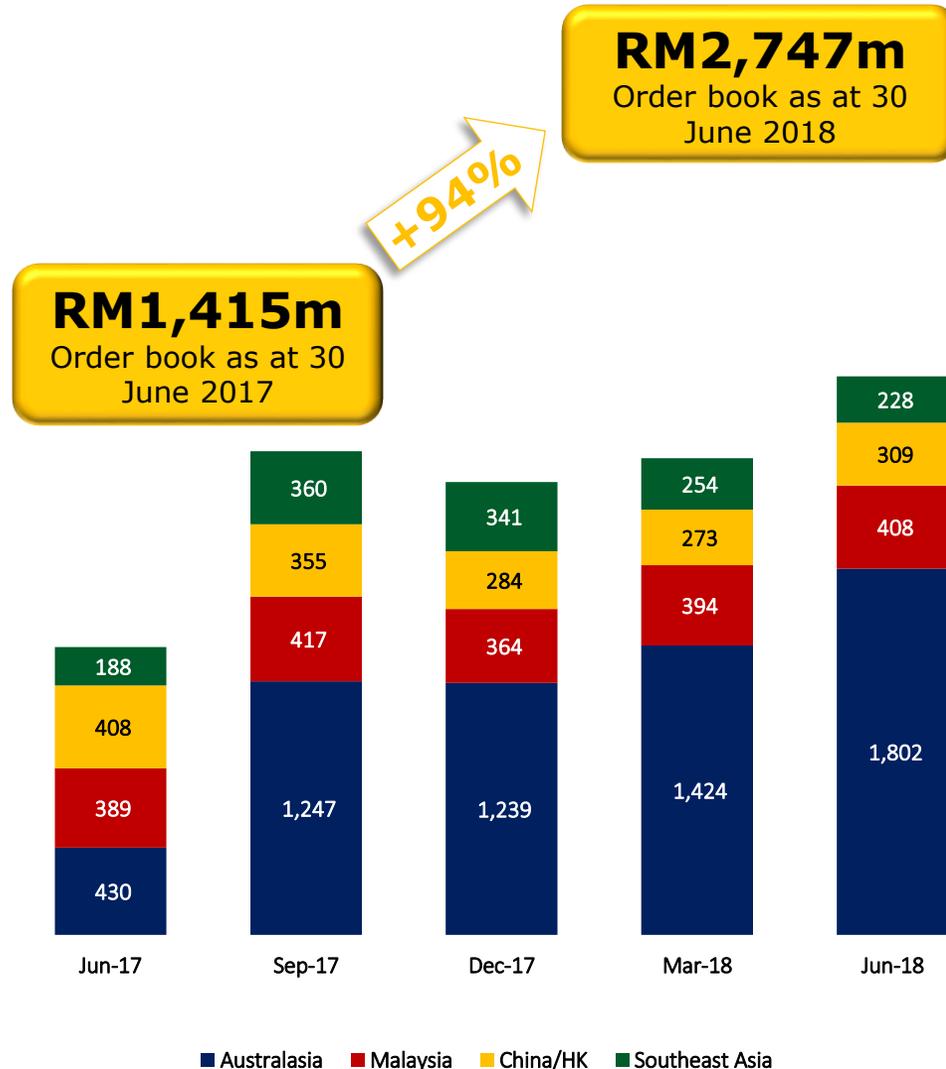
South East Asia

- RM20m share of losses from associate (APAC Energy Rental) (FY2017: RM14m)

Property Disposal

- Gains from disposal of properties amounting to RM169m in Australia and RM9m in Malaysia

Strong order book in Australasia, Malaysia and Singapore



AUSTRALASIA

- Stronger sales expected to continue mainly from the uptick in the mining cycle as well as short-term demand from the construction sector.



MALAYSIA

- Deferment of major projects due to rationalization of government spending.
- However, the construction sector may recover due to strong support for Belt & Road initiative, coupled with government prioritising public infrastructure and affordable housing.



CHINA

- Fiscal and monetary policies encouraging construction activities in urban developments.
- Nevertheless, infrastructure investment sentiment is still cautious with uncertainties caused by trade tariffs.
- Shift in equipment model mix towards smaller models which includes rental due to customers' preference to maintain lower operating cost.

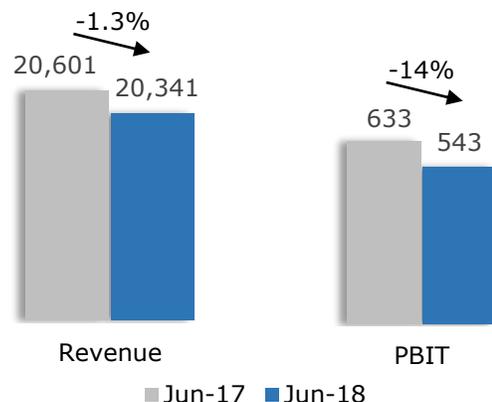


SOUTH EAST ASIA

- Stable pipeline of public sector projects in Singapore – MRT, land redevelopment, Tuas Mega Port and Changi Airport T5.
- Product support business for 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 performance in China region



In RM Million	FY2017	FY2018
China, HK, Macau & Taiwan	8,550	8,672
Singapore & Thailand	4,548	5,127
Malaysia	3,571	3,576
Australia & NZ	3,454	2,897
Vietnam	478	69
Total Revenue	20,601	20,341
China, HK, Macau & Taiwan	201	236
Singapore & Thailand	141	121
Malaysia	223	210
Australia & NZ	104	125
Total Core PBIT	669	692
Vietnam	(66)	(199)
Property disposal/compensation	30	50
Total PBIT	633	543
PBIT margin	3.1%	2.7%
Core PBIT margin	3.3%	3.4%
ROIC	10.9%	9.2%

China, HK, Macau, Taiwan

- Higher volume from luxury cars in Hong Kong
- Financial performance in Taiwan improved due to new models being launched and growing dealer network

Singapore, Thailand

- Includes share of loss from associate (Munich Auto) of RM10m

Malaysia

- Higher corporate costs despite higher sales volume due to zero-rated GST in June 2018

Australia, NZ

- Higher profit after the divestment of loss-making operations and improved light commercial rental business due to mining recovery

Vietnam

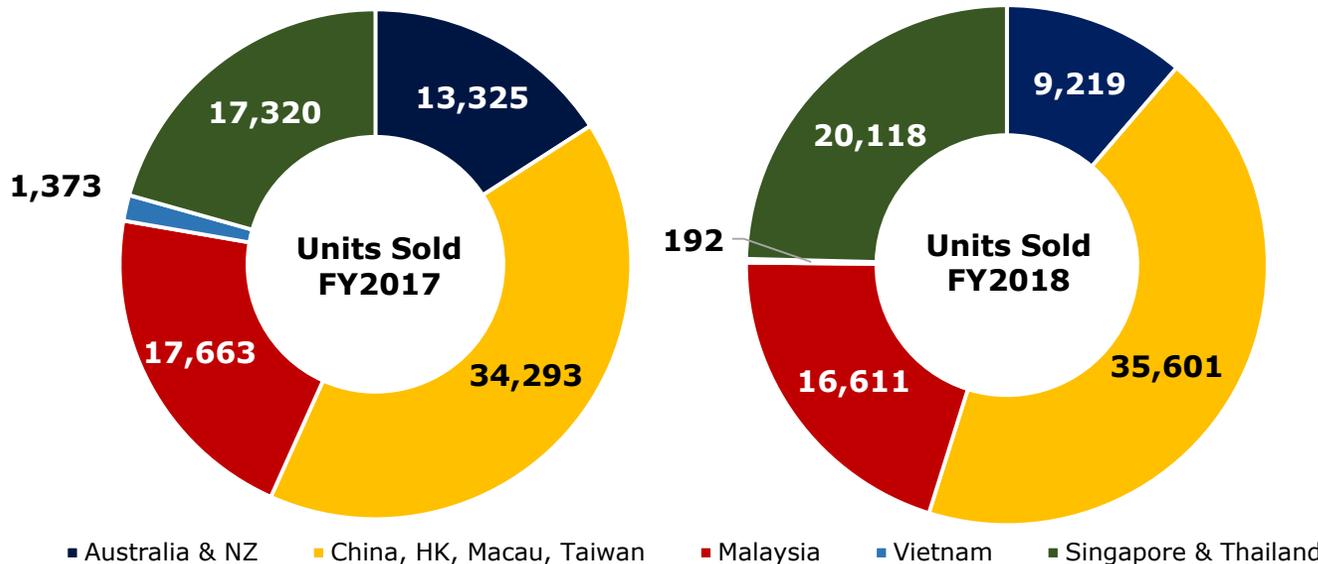
- Impairment of distribution rights (RM61m) and write-down of inventories (RM89m)

Property Disposal

- Land/property compensation: China (RM41m) and Malaysia (RM9m)
- FY2017: Disposal of property in Hong Kong



Modest growth expected in core markets



81,741
Units Sold
(FY2017: 83,974)

29,896
Units Assembled
(FY2017: 19,886)



Australia, NZ

- Growth of Commercial vehicles segment in AU supported by government investment in transport infrastructure and construction sector.
- However growing household debt may dampen passenger car sales.
- Growth in NZ is slowing down amidst slow economic growth and higher fuel price.



Malaysia

- Growth to taper off after reintroduction of SST in Sept 2018 and stringent hire purchase lending rules



Singapore, Thailand

- Lower COE quota a headwind to private vehicle sales.
- 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

- On-going trade tensions between China and US coupled with tightened controls on bank lending affecting sales growth
- SUV segment is forecasted to grow over the coming years amid a rise in income levels and increasing family sizes due to the scrapping of China's one-child policy.



Upcoming model launches expected to boost sales in 1QFY2019



Lamborghini Urus
August 2018



BMW i8 Coupe
August 2018



BMW 6 Series GT
September 2018



Jaguar F-Type
September 2018

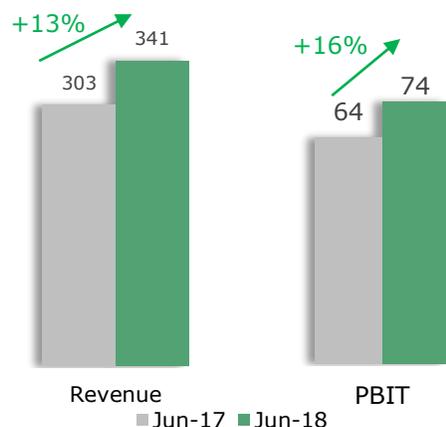
Logistics and Healthcare



Higher port throughput; higher profit from Malaysia healthcare



Logistics



In RM Million	FY2017	FY2018
Ports	243	275
Water	60	66
Total Revenue	303	341
Ports	46	44
Water	22	28
Forex	(4)	2
Total PBIT	64	74
PBIT margin	21.1%	21.7%
ROIC	2.8%	3.2%

Ports

- Higher general cargo and container throughput
- FY17 includes RM10m gain on disposal of 50% equity interest in Weifang Sime Darby West Port

Water

- Higher profit from Weifang Water mainly due to cessation of depreciation and amortisation of its operations following its classification as a disposal group

Forex

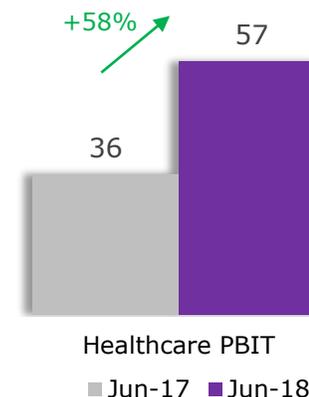
- Mainly from translation of RMB loans given to JVs to HKD

32.6 million MT
General cargo throughput
(FY2017: 31.1 million MT)

240,536 TEU
Container throughput
(FY2017: 219,778 TEU)



Healthcare



In RM Million	FY2017	FY2018
Healthcare PBIT	36	57
Healthcare ROIC	5.3%	7.8%

- Higher profit from Malaysian operations and additional tax expense adjustment taken up in FY2018

Disclaimer



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

4Q FY2018 Results Announcement



4Q FY2018 External Revenue by Region

In RM Million	4Q FY2018	4Q FY2017	YoY %
Industrial			
Malaysia	297	278	6.8
SE Asia ex Malaysia	175	192	(8.9)
China/HK	1,231	821	49.9
Australasia	1,824	1,591	14.6
	3,527	2,882	22.4
Motors			
Malaysia	900	1,020	(11.8)
SE Asia ex Malaysia	1,140	1,143	(0.3)
China/HK/Macau/Taiwan	2,168	2,093	3.6
Australia/NZ	712	921	(22.7)
Vietnam ¹	1	46	(97.8)
	4,921	5,223	(5.8)
Logistics			
Ports	73	65	12.3
Water	18	16	12.5
	91	81	12.3
Others	36	14	157.1
TOTAL	8,575	8,200	4.6

Note:

1. The Group has exited BMW operations in Vietnam

4Q FY2018 Results Announcement



4Q FY2018 PBIT by Region

In RM Million	4Q FY2018	4Q FY2017	YoY %
Industrial			
Australasia	47	10	370.0
China	55	30	83.3
Malaysia	4	7	(42.9)
SEA	23	18	27.8
Disposal of Properties	13	-	-
Bucyrus impairment	-	(257)	-
	142	(192)	174.0
Motors			
China	51	76	(32.9)
Singapore & Thailand	35	44	(20.5)
Malaysia	158	153	3.3
Australia & NZ	37	38	(2.6)
Vietnam ¹	(6)	(70)	91.4
	275	241	14.1
Logistics			
Ports	11	22	(50.0)
Water	11	6	83.3
Forex	(9)	-	-
	13	28	(53.6)
Healthcare	14	8	75.0
Others	(90)	(17)	(429.4)
TOTAL	354	68	420.6

Note:

1. The Group has exited BMW operations in Vietnam

Thank you



Delivering
Sustainable Futures