

SIME DARBY BERHAD

Citibank Malaysia Investor Symposium 2019

4 September 2019



Delivering
Sustainable Futures



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Company overview

Latest Developments (1/2)



US-China Trade War; China slowdown

- **1 Sep:** China imposed **5-10%** tariffs on 5k items from USA; US imposed **15% tariffs** on **USD112bn** Chinese imports
- China lets the **Renminbi weaken to 7 vs. USD**, its lowest in a decade. As 40% of SDB's earnings are from China, a weakened Yuan means **lower translated earnings** for the Group.
- **China's economic growth has slowed to 6.2%** in 2Q19, its worst performance in almost three decades. **Vehicle sales have dropped more than 12%** in the first six months of 2019, signaling an even worse year than 2018.
- China has introduced stricter vehicle emissions regulations in July and the long term switch to new energy vehicles through minimum sales quotas, further impacting passenger vehicle sales.



Positive mining outlook

- Queensland Labor government has granted the **final environmental approval for Adani** mine. Construction has now begun.
- **Queensland is opening 5 new areas** for metallurgical and thermal coal exploration.
- Analysts have set the coking coal price forecast for 2019 at \$195/tonne and **predict prices will remain elevated**, with strong demand from China's steel sector as US-China relations deteriorate and higher probability of stimulus injection by the Chinese government.



Shift in Mobility trends

- **Electric Vehicles: China is expected to sell 1.6 million new energy vehicles in 2019 (increase in 30% YoY);** BYD reported **73.2% YoY growth in EV sales** in 1HCY19; China now home to 1mil EV charging posts.
- **Ride-hailing:** Uber suffered a loss of USD5.2bn in Q2CY19. Despite this, the top four ride-hailing companies in the world – Didi, Uber, Lyft, and Grab – have a combined valuation of \$166 billion.



Weak growth outlook for Malaysia

- Standard Chartered cut GDP **growth forecast for Malaysia to 4.6%** (previously 4.9%) due to impact from a poor external environment where investment **growth is expected to remain soft**, despite the resumption of large infrastructure projects, (eg: ECRL, Bandar Malaysia).

Latest Developments (2/2)

Minimal direct impact due to localization

Total Goods hit with Tariffs imposed by US and China during the Trade War (2018-2019) (USD bn)



Aug 2019

- Central bank of China let the RMB fall over 2% to the lowest point since 2008

Sept 2019

- China imposed 5% to 10% tariffs on one-third of the 5,078 goods it imports from US
- US imposed new 15% tariffs on about \$112 billion of Chinese imports

Motors

Industrial

Direct Impact

- Minimal impact as **75% of BMWs sold in China are manufactured locally**
- **Bestselling BMW models in China are 3 series, 5 series, 7 series and X5 (50% of sales)**
- **All are locally assembled except for the X5 which is CBU from the US (11% of sales)**
- CAT equipment sold in China are sourced from China, Indonesia, India, Thailand, Brazil, UK
- Minimal impact as **~95% of machine sales are from factories in China**
- Some parts are imported from the US, but if China imposes tariffs on these, CAT will be able to source these parts from Korea or Japan

Indirect Impact

- Delayed purchases: BMW cars are "nice to have" but not "must have" products, hence, customers may hold back purchases **if consumer sentiment is weak.**
- However, potential reduction in autos import tariffs should spur demand
- **No negative sentiment observed by China team for CAT products** as they are still preferred by customers for being best in class.
- **Infra spending:** China plans to put **more money into infrastructure projects** to help soften the blow to the economy from the China-US trade war. This should spur equipment sales.

Sime Darby Berhad



Leading trading company in Asia Pacific with strong partnerships with premium brands

18 Countries & Territories⁽¹⁾

20,586 Employees⁽²⁾



One of the **largest BMW** dealers in the world



One of the **largest CAT** dealers globally



6 hospitals in Malaysia & Indonesia



4 ports in China

Logistics

FY19 Financials



Revenue
RM36.2bn



PATAMI
RM948mn

PBIT
RM1,383mn



Shareholder's
Funds
RM14.7bn



● Industrial ● Motors ● Logistics ● Healthcare

(1) Geographical footprint defined as locations in which Sime Darby Berhad has assets or employees, and includes JV's operations (i.e. Ramsay Sime Darby Health Care operates in Indonesia); (2) As at March 2019. Excludes employees of Ramsay Sime Darby Healthcare
All figures are based on management accounts (unaudited results)

Business Overview

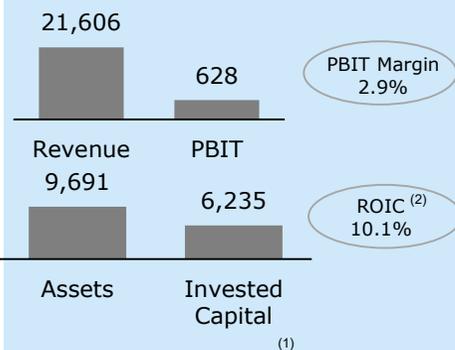
Diversified trading and logistics company; valuable healthcare component

Motors



- Retail, distribution and assembly businesses
- Presence in 10 countries & territories across APAC, over 40 years experience
- Represents 31 brands, ranging from luxury brands (e.g. BMW, Porsche, Rolls Royce) to mass market brands (e.g. Ford, Hyundai), as well as trucking names (e.g. Hino and Mack)
- BMW dealer since 1972 and is one of the largest BMW dealer group globally

(FY2019; RM million)

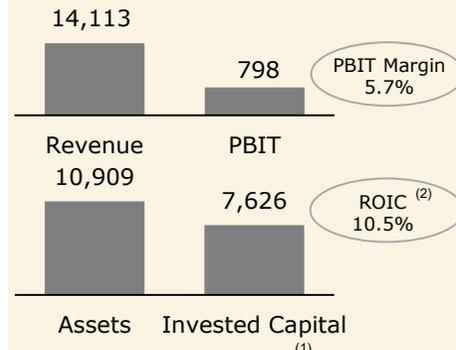


Industrial



- Comprehensive range of equipment and services, i.e., new and used machine and engine sales, rental and full range of product support services
- Network of more than 109 branches throughout APAC
- Balanced sectoral exposure in mining, construction, forestry, marine and energy
- Also provides comprehensive range of industrial solutions via Allied Brands and Energy Solutions
- CAT dealer since 1929 and is the third largest CAT dealer globally

(FY2019; RM million)

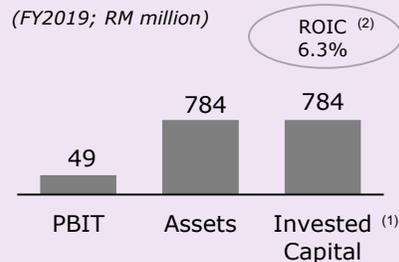


Healthcare



- 50:50 JV with Ramsay Healthcare for the management of hospitals and provision of healthcare services
- 3 hospitals in Malaysia and 3 hospitals in Indonesia
- Present in healthcare sector since 1985

(FY2019; RM million)

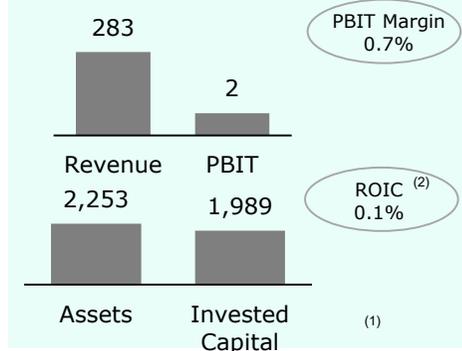


Logistics



- Ports and logistics in Shandong, Eastern China
- Entered Shandong in 2005 and is currently the largest multi-purpose port in Yellow Delta River, Shandong

(FY2019; RM million)



Others



- 12% stake in Eastern & Oriental
- Own c.8,800 acres of land in the Malaysia Vision Valley region and 4 corporate towers in Ara Damansara
- 30% stake in Tesco Malaysia
- Insurance broking services in Malaysia, Singapore, Hong Kong and Thailand

All figures are based on management accounts (unaudited results)

(1) Invested capital is total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)

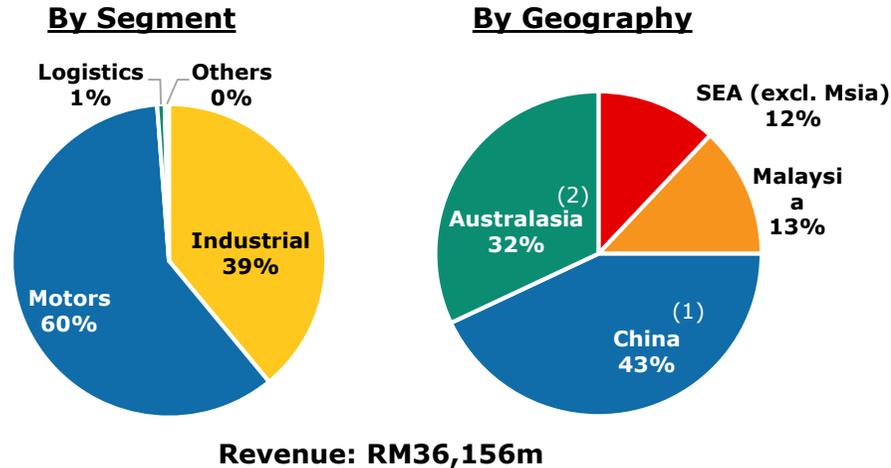
(2) ROIC is PBIT divided by average invested capital

FY2019: Segmental Information

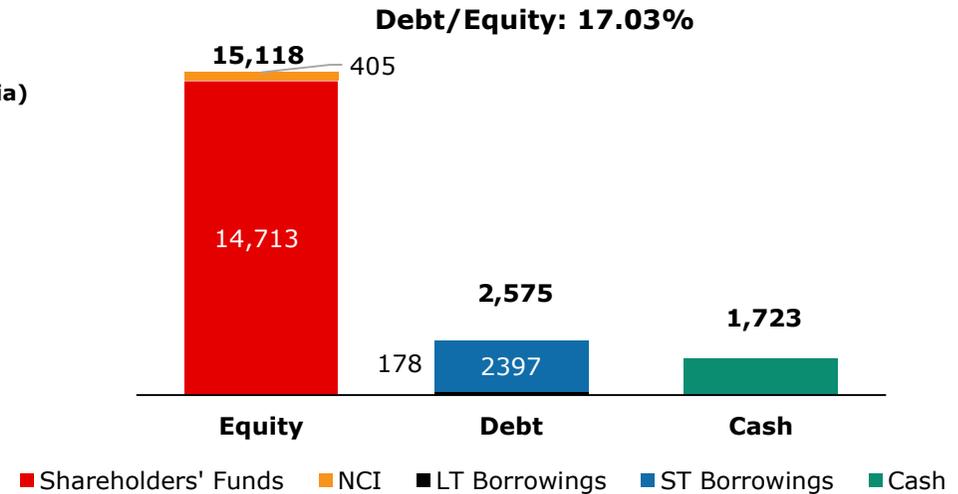
Diversified exposure across segments and geographies, low gearing for expansion

(Financial Year Ended 30 June 2019; RM million)

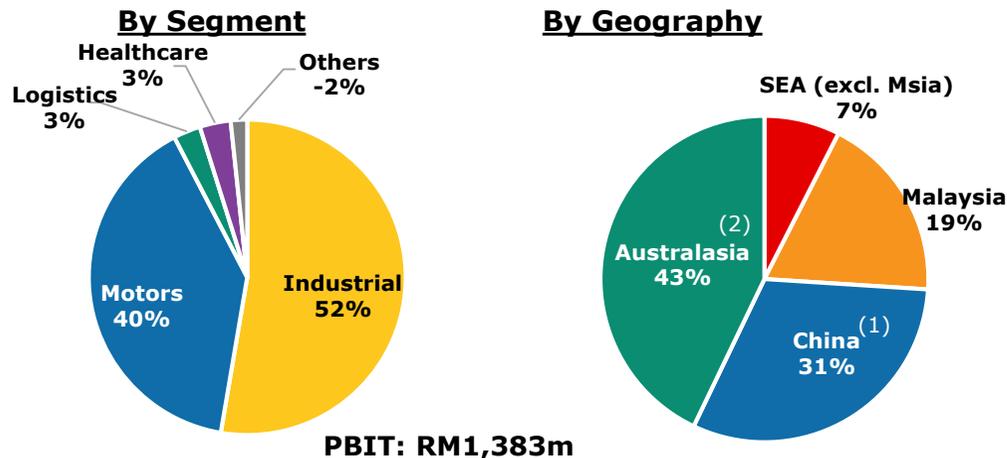
Total Revenue



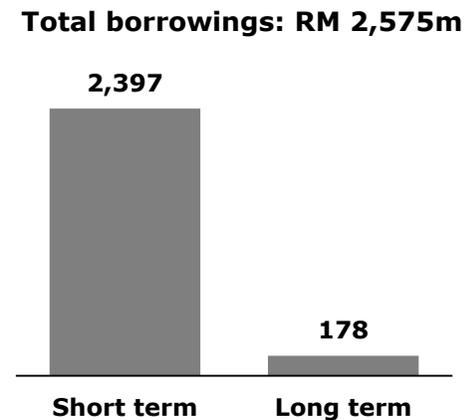
Capital Structure



Total PBIT



Total Borrowings (By maturity)



(1) China consists of China, Hong Kong, Macau & Taiwan; (2) Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea & Solomon Islands

All figures are based on management accounts (unaudited results)

Our Core characteristics

High volume, low margin business with significant footprint across Asia; world class partners

Exposure to megatrends

Business is a proxy to:

- **Commodity price cycle** for Industrials
- **Growing Asian affluence** for Motors & Healthcare



Vast network across Asia Pacific

- **Established network** and strong “know how” in the **Asia Pacific region**
- Diversified operational footprint with **exposure to emerging markets & developed economies**

High volume, slim margin business

Characterized by high unit sales & good trading margins, & good cash flow



Long-standing partnership with premium brands



Partner of choice for world leading brands who wish to expand in Asia

CAT since 1929  since 1972

Low gearing, debt capacity for expansion

Ample debt headroom for strategic expansion & M&As



Healthcare a hidden gem

- **Premium hospitals** in Indonesia & Malaysia
- Significant **expansion opportunities in other Asian markets**, leveraging on brand

17% Debt to equity ratio **30%** Debt to equity ratio
Before MFRS 16 After MFRS 16

As of June 2019



FY2019 Financial Results

Reported Profit: Financial year ended 30 June 2019

In RM Million	FY2019	FY2018	YoY %
Revenue	36,156	33,828	6.9
PBIT	1,383	1,074	28.8
Finance income	32	104*	
Finance costs	(124)	(113)	
Profit before tax	1,291	1,065	21.2
Taxation	(281)	(380)	
Profit from continuing operations	1,010	685	47.4
Non-controlling interests	(62)	(67)	
Net profit from continuing operations	948	618	53.4
Net profit from discontinued operations	-	1,301	(100.0)
Net profit attributable to owners of the Company	948	1,919	(50.6)

*Includes finance income from discontinued operations of RM48m.



FY2019 Financial Results

Core Profit of Continuing Operations: Financial year ended 30 June 2019

In RM Million	FY2019	FY2018	YoY %
Reported PBIT	1,383	1,074	28.8
Adjustments			
• Motors Vietnam	(12)	199	
• Gain on disposals	(126) ¹	(238) ²	
• Fair value loss on financial assets (MES)	47	-	
• Share of loss of WPS	119	-	
• Share of loss /impairment of equity interest in E&O	117	103	
• Oil & gas	(26) ³	28 ⁴	
• Net corporate forex gain & YSD	(3)	62	
Core PBIT	1,499	1,228	22.1
Net finance costs	(92)	(56)	
Taxation	(395) ⁵	(282)	
Non controlling interests	(62)	(55)	
Core Net Profit	950	835	13.8

1. Gain on disposal of Weifang Water business (RM78m), Industrial Malaysia property (RM18m), disposal of trademark (RM17m), disposal of bungalows (RM3m), disposal of Sime Kubota (RM10m)
2. Gain on property disposal in Industrial Australia (RM169m), Industrial Malaysia (RM9m), Motors China (RM41m), Motors Malaysia (RM9m), disposal of bungalows (RM10m)
3. ONGC Wellhead arbitration recovery
4. Impairment of oil & gas accrued billings
5. Excludes tax on disposal of Weifang Water (RM13m) and deferred tax credit arising from change in RPGT rate (RM129m)

5-Year Value Creation Plan

Blueprint intact; Enhanced focus on Mobility & Healthcare; To continue operating Logistics

To be the leading Motors & Industrial multi-national in Asia Pacific

	Revenue enhancement	Cost optimisation	Monetisation of non core assets	Synergistic M&A	Organic Business expansion	Expand Healthcare
Industrial 	<ul style="list-style-type: none"> Leverage on mining recovery Focus on digital 	<ul style="list-style-type: none"> Operational excellence 		<ul style="list-style-type: none"> Expansion into other geographies Integrating Gough 	<ul style="list-style-type: none"> Adjacent businesses (Asset management, Rental) 	
Motors 	<ul style="list-style-type: none"> New models Used cars Aftersales 	<ul style="list-style-type: none"> Turnaround of under-performing marques 	<ul style="list-style-type: none"> Continuous asset rationalisation 	<ul style="list-style-type: none"> Expansion of dealerships in key markets Integrating recent acquisitions Mobility initiatives (Omnichannel sales, EV Distributorships, Fleet Management, Used car platform) 	<ul style="list-style-type: none"> Assembly for new marques 	
Logistics 	<ul style="list-style-type: none"> Grow throughput Build relationship with govt 	<ul style="list-style-type: none"> Continue ops, minimal capex Fix legacy issues 				
Healthcare 	<ul style="list-style-type: none"> Increase total patient days 	<ul style="list-style-type: none"> Continuous process improvement 				<ul style="list-style-type: none"> Expansion of healthcare with Ramsay
GHO 			<ul style="list-style-type: none"> Continuous portfolio rationalisation 	<ul style="list-style-type: none"> Strategic transactions 		



Key enablers:

- Governance:** Compliance, JV management, Safety
- People:** Talent, Leadership, Succession planning

Revenue enhancement, cost management & business expansion are key drivers

Executive Leadership

Qualified & Experienced Management Team



**DATO' JEFFRI SALIM
DAVIDSON**

Group Chief Executive Officer



MUSTAMIR MOHAMAD

Group Chief Financial Officer



DATUK THOMAS LEONG

Group Chief Strategy Officer



ROSELAINI FAIZ

Group Chief Human
Resources Officer



SCOTT W. CAMERON

Managing Director,
Sime Darby Industrial



ANDREW BASHAM

Managing Director,
Sime Darby Motors



TIMOTHY LEE CHI TIM

Managing Director,
Sime Darby Logistics



PETER HONG

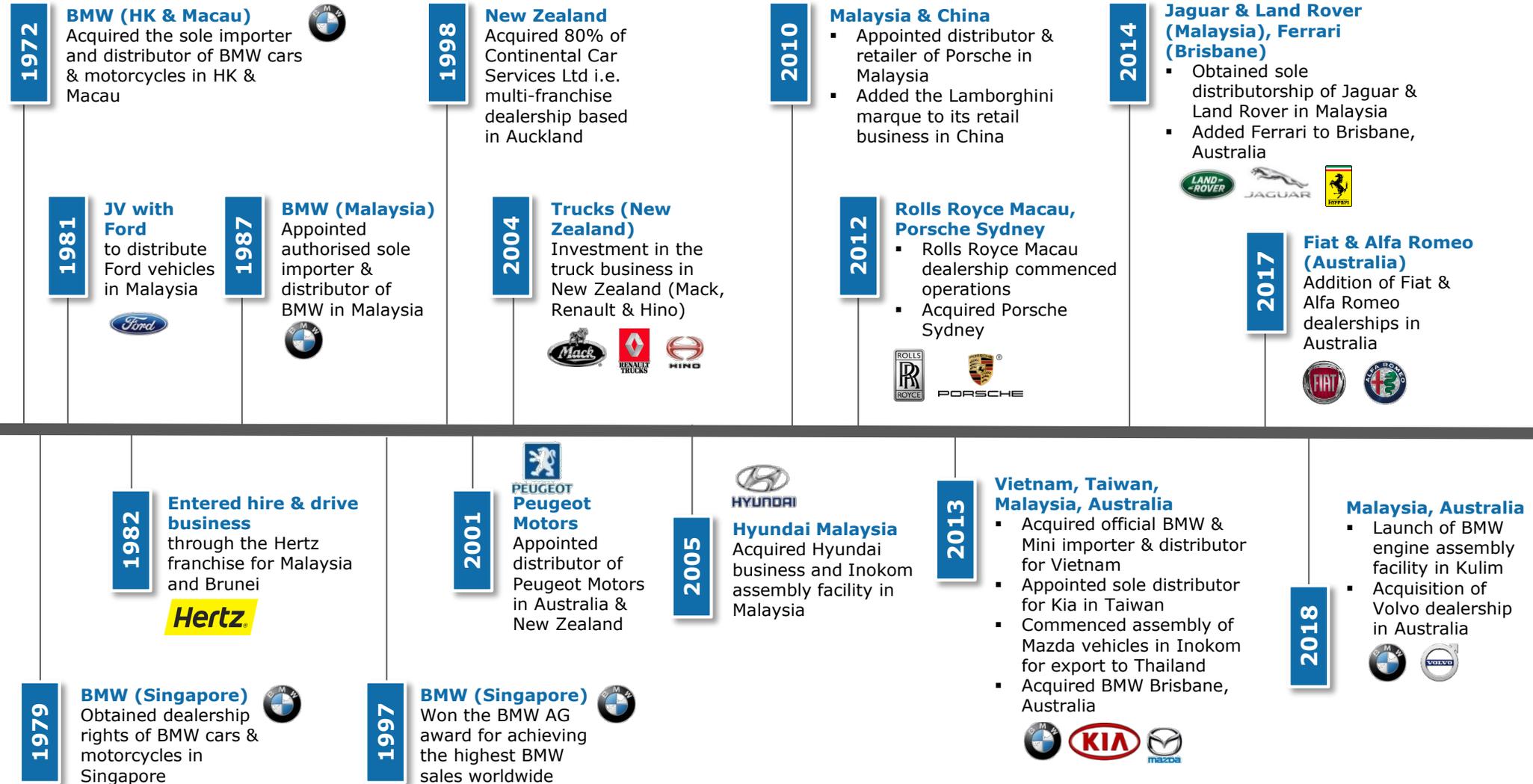
Managing Director,
Sime Darby Healthcare



Motors Division

History & Key Milestones

Solid Track Record Across 9 Markets in the Asia Pacific Region





Sime Darby Motors

We represent strong luxury and mass market brands across APAC

								
Malaysia	Singapore	Thailand	Australia	New Zealand	Hong Kong	Macau	China	Taiwan
<p>Distributor & Dealer</p>        <p>Assembly (Inokom)</p>    	<p>Distributor & Dealer</p>    <p>Dealer</p> 	<p>Dealer</p>   	<p>Dealer</p>     	<p>Distributor & Dealer</p>     <p>Dealer</p>      	<p>Distributor & Dealer</p>     <p>SUZUKI</p>   <p>FUSO</p>  	<p>Distributor & Dealer</p>     <p>SUZUKI</p>   <p>FUSO</p>  	<p>Dealer</p>     	<p>Distributor & Dealer</p>  <p>Assembly</p> 
<p>Rental</p>  	<p>Rental</p>  		<p>Rental</p> 					



Sime Darby Motors

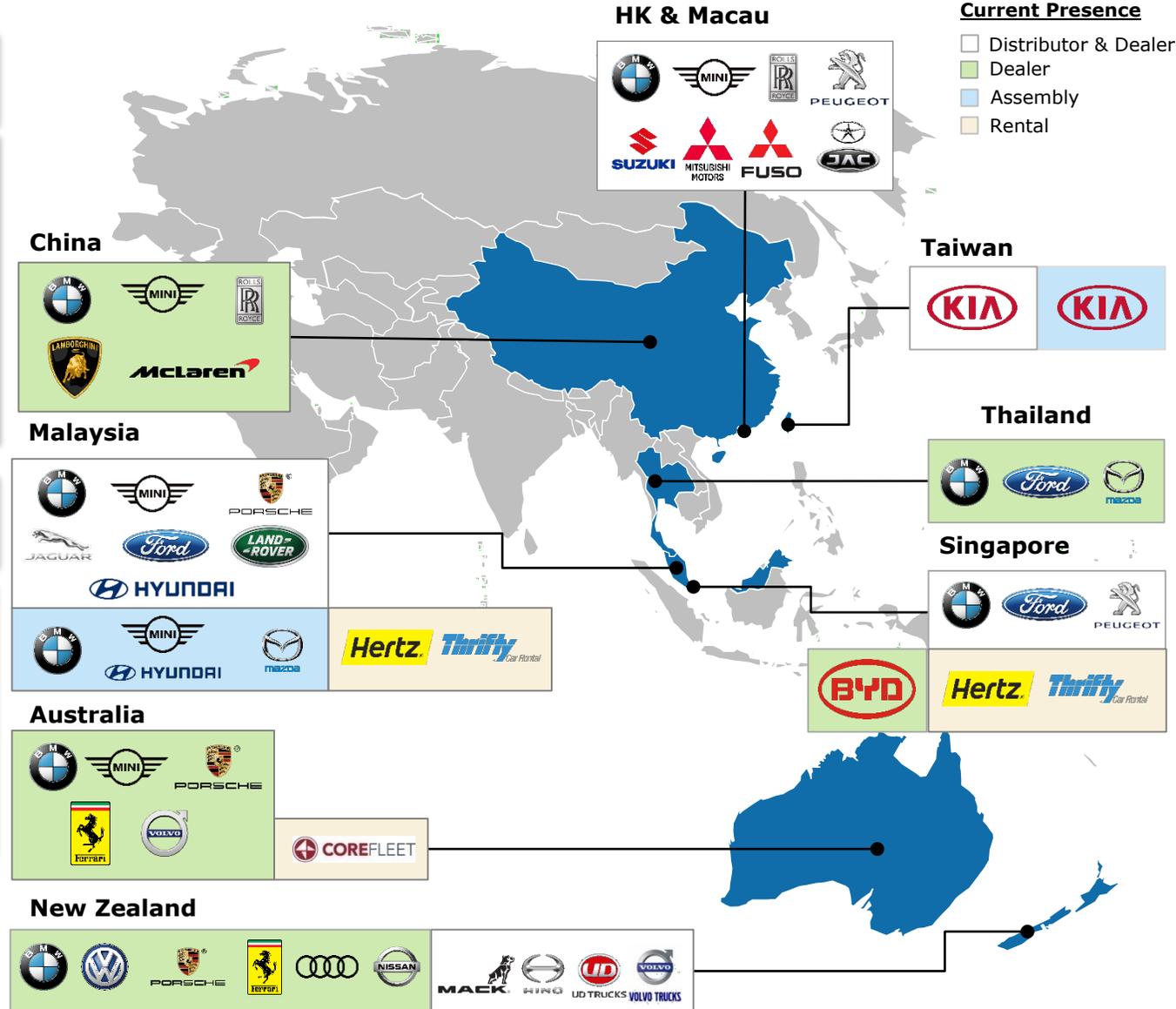
Focused on Expansion in Asia Pacific

Countries & Achievements

- One of the **largest** BMW dealer globally
- One of **Top** Rolls Royce dealers in Asia Pacific
- A **leading** Distribution group in Malaysia
- A **leading** Commercial Vehicle Distributor in NZ

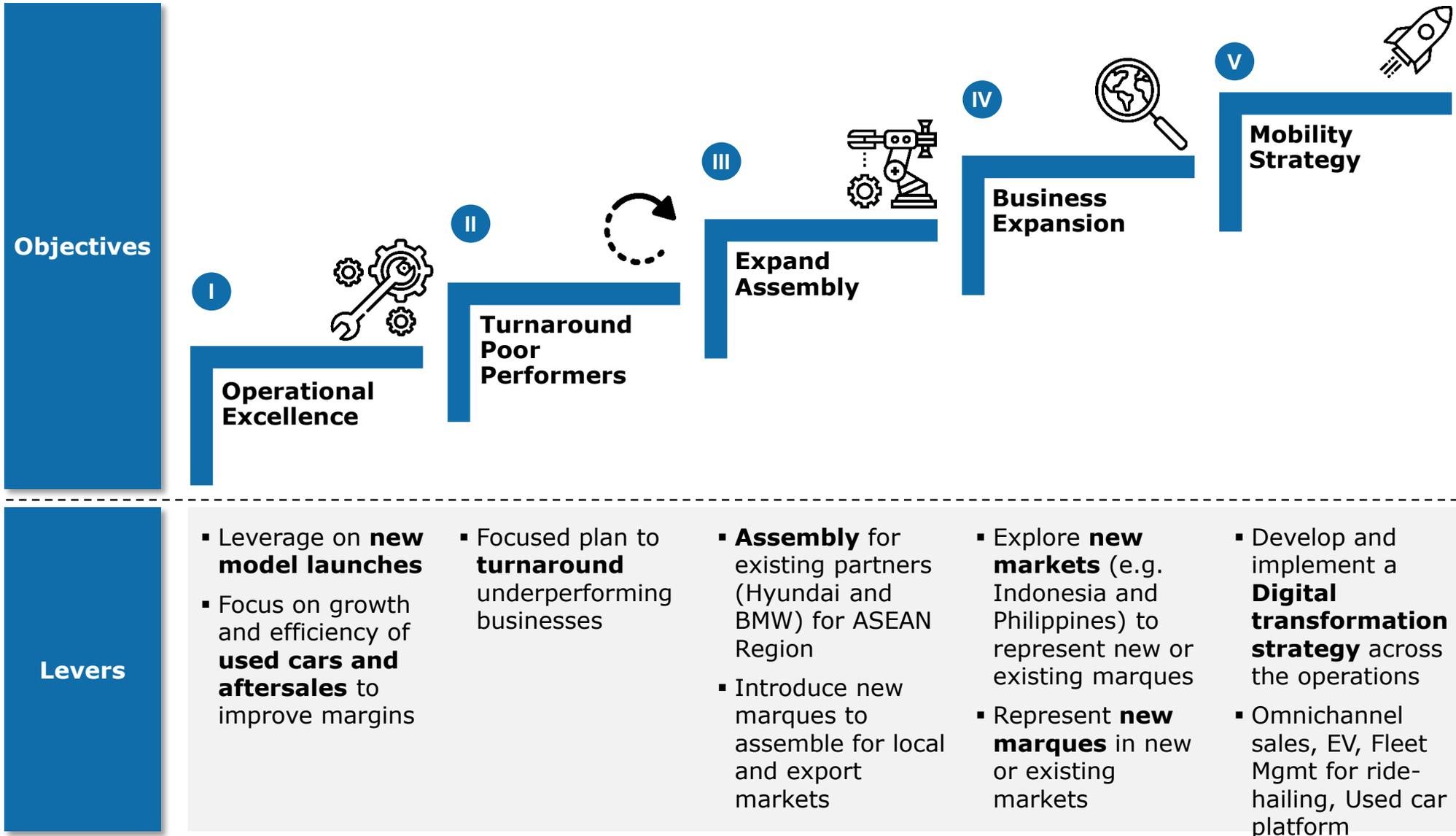
Key Strategic Partners

- BMW (44 years) – Seven markets
- Ford (37 years) – Singapore, Thailand and Malaysia
- Porsche (30 years) – Malaysia, Australia and New Zealand
- Hyundai (14 years) – Malaysia



Sime Darby Motors

Focus on new model launches, expand assembly, M&A for new territories and marques



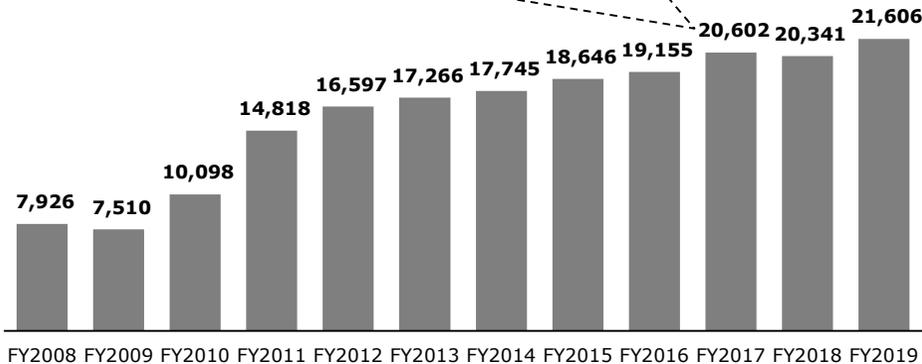


Sime Darby Motors

Key Financial Highlights

Revenue (RM million)

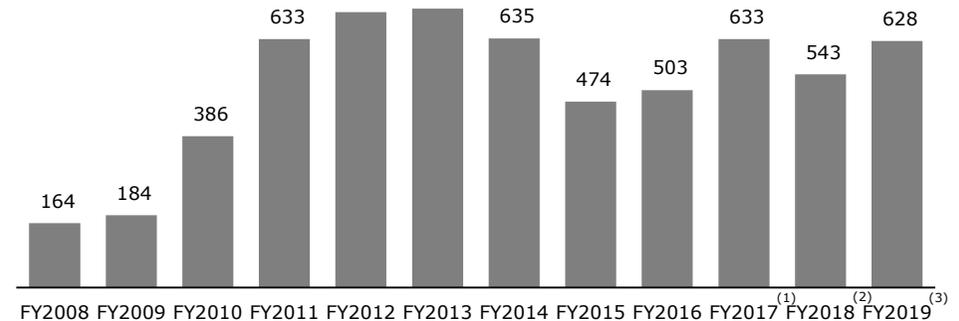
Record sales of the trucking business across all brands in NZ, higher sales volume in China and increased COE quota & timely launches of new BMW models in Singapore



PBIT (RM million)

Impacted by GST in Malaysia and government policy in China

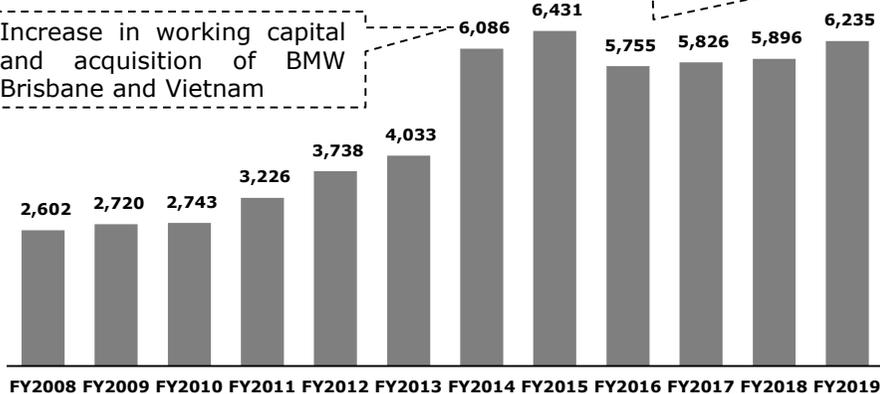
Stronger contributions from Malaysia and China operations



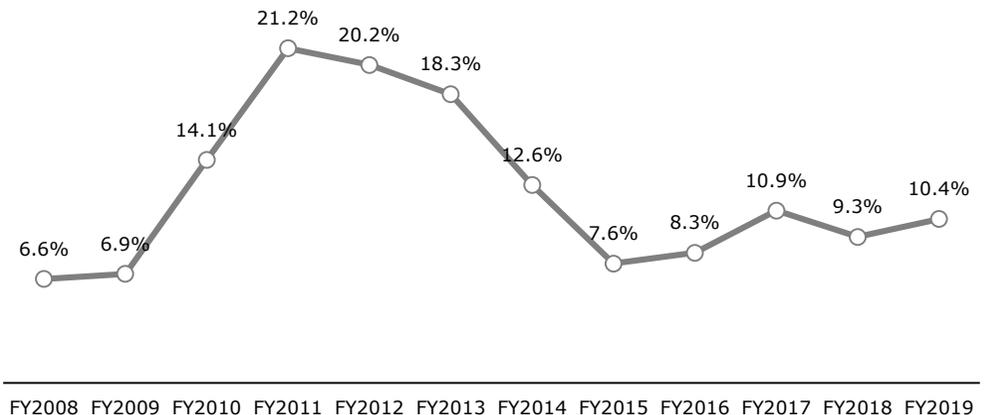
Invested Capital⁽⁴⁾ (RM million)

Reduction in working capital - inventories, receivables and cash balances

Increase in working capital and acquisition of BMW Brisbane and Vietnam



ROAIC⁽⁵⁾ (%)



(1) Includes losses on Vietnam operations (RM66m) and gains on property disposals (RM30m)

(2) Includes impairments of RM199m relating to Vietnam and gains on property disposal of RM50m

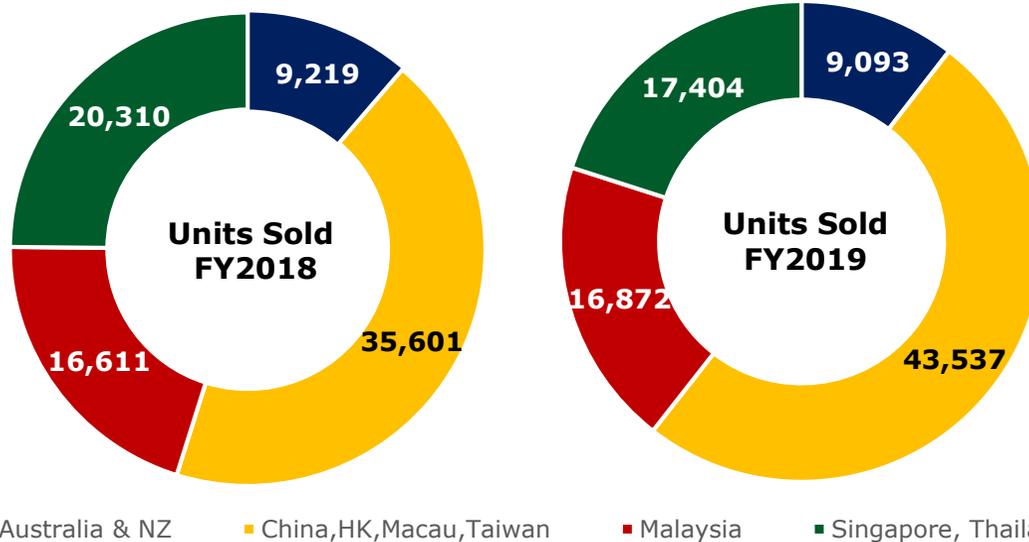
(3) Includes tax and duties refund in Vietnam (RM12m)

(4) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)

(5) ROAIC is calculated as PBIT divided by average invested capital

Sime Darby Motors

New models in premium segment to spur growth despite challenging market environment



86,906
Units Sold
(FY2018: 81,741)

37,210
Units Assembled
(FY2018: 29,896)



AUSTRALIA, NZ

- Tight financial lending and increasing luxury car tax
- However commercial vehicle sales expected to be boosted by agribusiness, mining and infrastructure growth.
- Steady market expected in NZ for commercial vehicles with demand from agriculture and freight transport sector and low domestic interest rate environment.



MALAYSIA

- TIV growth expected to be muted due to slowing economy amid trade tensions, added with the high level of indebtedness in the household sector



SINGAPORE, THAILAND

- Singapore government's intensified push for public transport and tough personal vehicle stance will affect growth of vehicle sales.
- Low inflation and attractive borrowing costs to bolster growth in vehicle sales in Thailand.

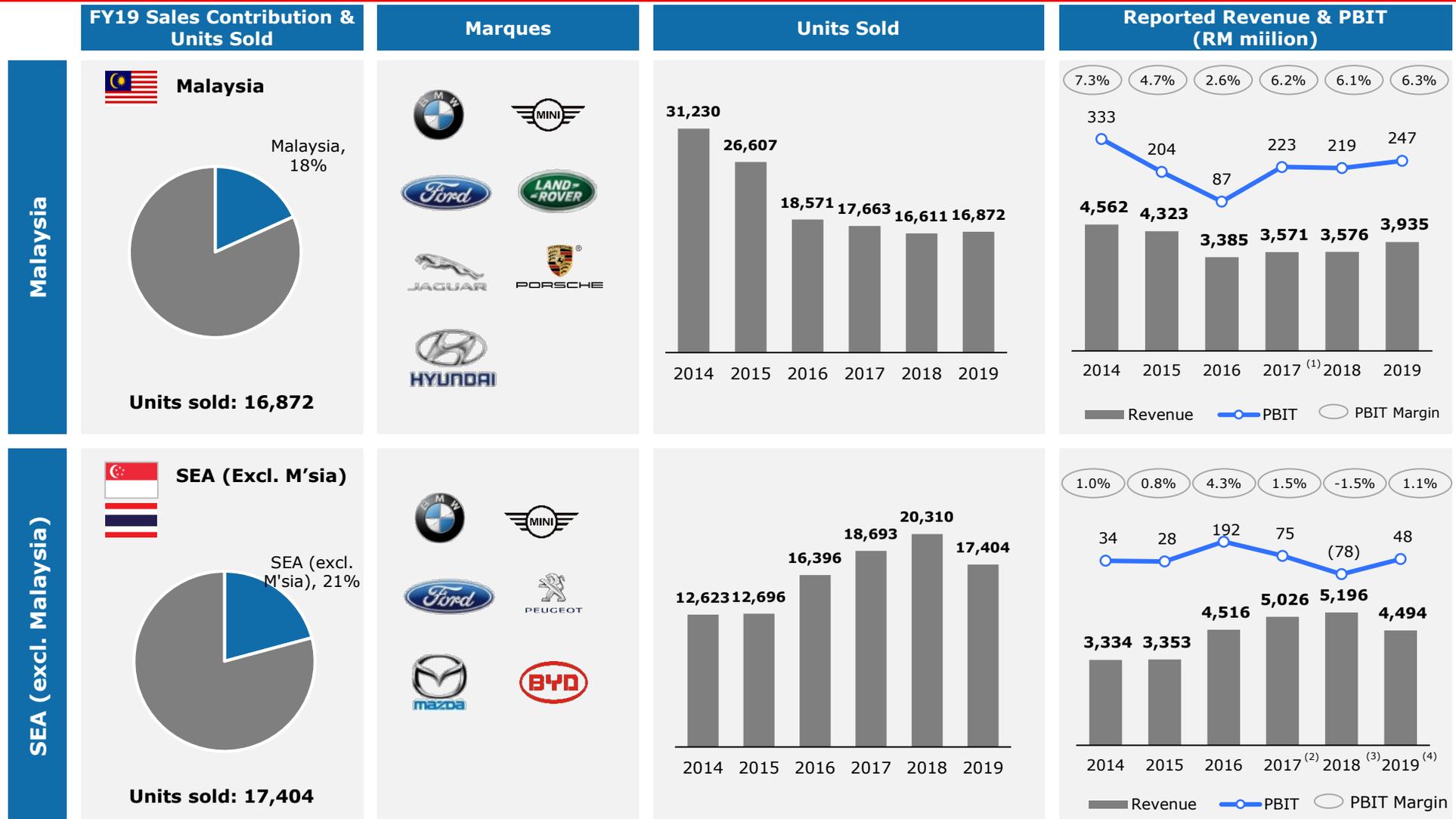


CHINA, HK, MACAU, TAIWAN

- Cooling economic growth and trade tensions weighing on consumer spending in China.
- However, China's growing middle class and new models continue to drive growth in the premium segment.
- Ongoing protests against extradition bill and trade tensions to dampen consumer spending in Hong Kong.

Sime Darby Motors

Units Sold, Revenue & PBIT by Region (1/2)



(1) Includes land compensation of RM9m

(2) Includes a goodwill impairment of RM19m and provision on inventories of RM18m in Vietnam

(3) Includes impairment of distribution rights or RM61m and writedown of inventories amounting RM89m in Vietnam

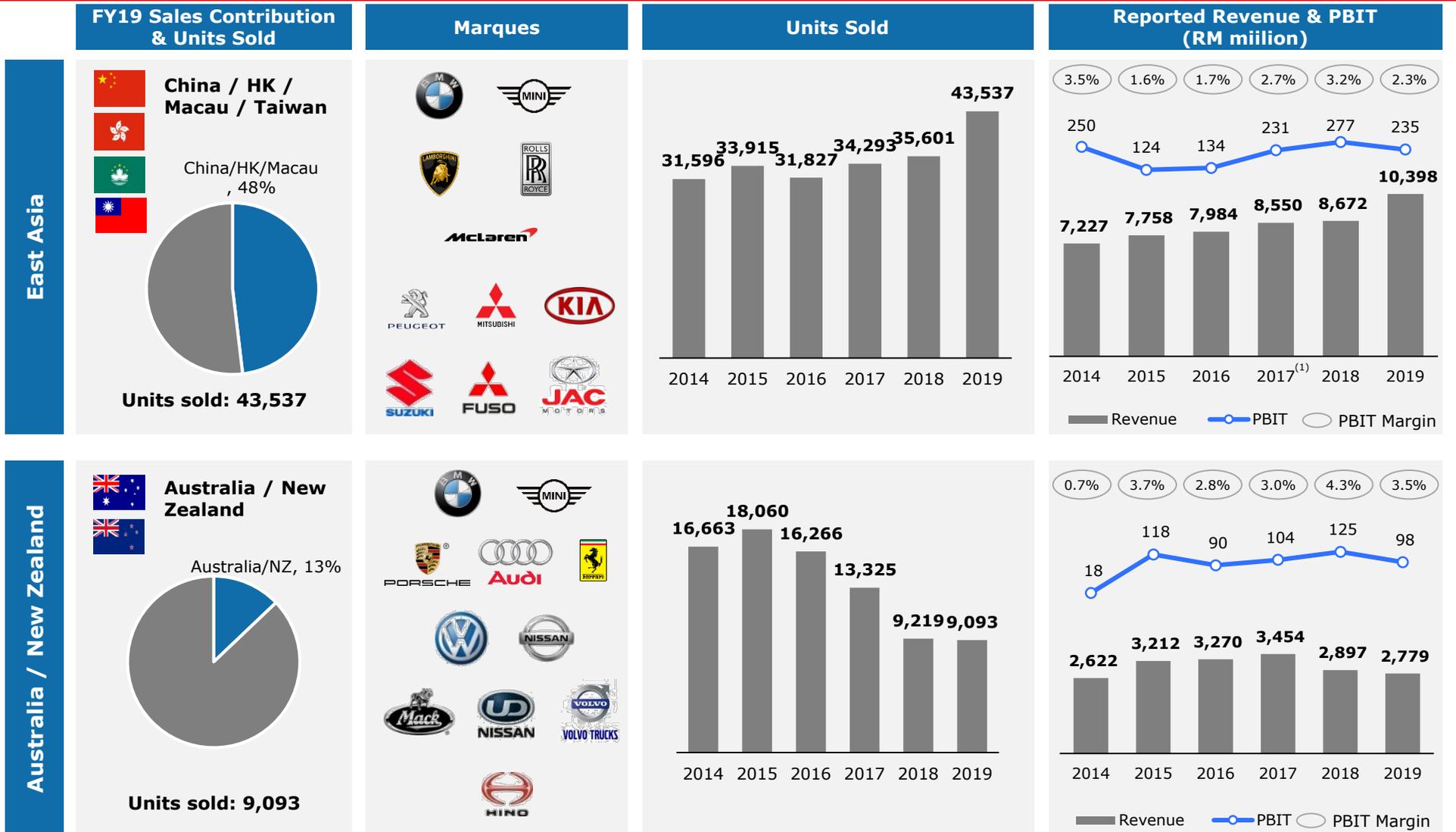
(4) Includes tax and duties refund for Vietnam (RM12m)

Source: Audited accounts, Corporate presentation



Sime Darby Motors

Units Sold, Revenue & PBIT by Region (2/2)

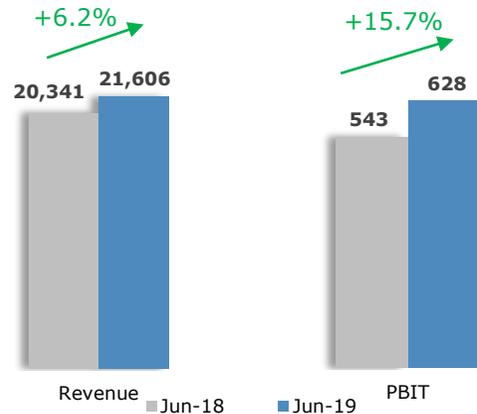


(1) Includes land compensation of RM41m
 Source: Audited accounts, Corporate presentation



Sime Darby Motors

Competition in China affecting margins; Tax-free period spurred Malaysia



In RM Million	FY2018	FY2019
China, HK, Macau & Taiwan	8,672	10,398
Singapore & Thailand	5,127	4,493
Malaysia	3,576	3,935
Australia & NZ	2,897	2,779
Vietnam	69	1
Total Revenue	20,341	21,606
China, HK, Macau & Taiwan	236	235
Singapore & Thailand	121	36
Malaysia	210	247
Australia & NZ	125	98
Total Core PBIT	692	616
Vietnam	(199)	12
Property disposal/compensation	50	-
Total PBIT	543	628
PBIT margin	2.7%	2.9%
Core PBIT margin	3.4%	2.9%
ROIC	9.2%	10.1%

China, HK, Macau, Taiwan

- Higher units of BMW and Super Luxury vehicles sold in China, however margins for BMW operations were lower due to competitive market.
- Lower margins from after-sales operations from BMW and multi-franchise operations in HK
- Taiwan recorded LBIT (RM26m) in FY2019 vs (RM29m) in FY2018 - Improved margins and lower marketing expenses

Singapore, Thailand

- Lower sales and margins in Singapore due to the competitive market
- Lower units of Ford vehicles sold in Thailand

Malaysia

- Higher sales volume from BMW and Ford (FY2019: 16,872 units vs FY2018: 16,611 units)
- Increased contribution from car rental and engine assembly, partly offset by YSD donation of RM10m in FY2019 (FY2018 - RM5m)

Australia, NZ

- Aus - Lower sales and margins from BMW Brisbane
- NZ - Lower units sold and margins from retail operations

Vietnam

- Includes tax and duties refund in FY2019
- Impairment of distribution rights (RM61m) and write-down of inventories (RM89m) in FY2018

Sime Darby Motors

Upcoming model launches expected to boost sales in 1QFY2020



BMW Z4
July 2019



2019 Mini 60 Years Edition
August 2019



BMW X3M & X4M
September 2019



Porsche 911 Cabriolet
September 2019



Industrial Division



Sime Darby Industrial

Strong brands and comprehensive market reach across APAC



CAT Dealer Operations

	Malaysia, Brunei
	Singapore, Maldives, Christmas Island
	Hong Kong, Macau
	Southeast China (Province of Guangdong, Guangxi, Hainan, Fujian, Hunan, Jiangxi) and Xinjiang
	Australia (Queensland & Northern Territory), PNG & SI
	New Caledonia

Allied Brands Group

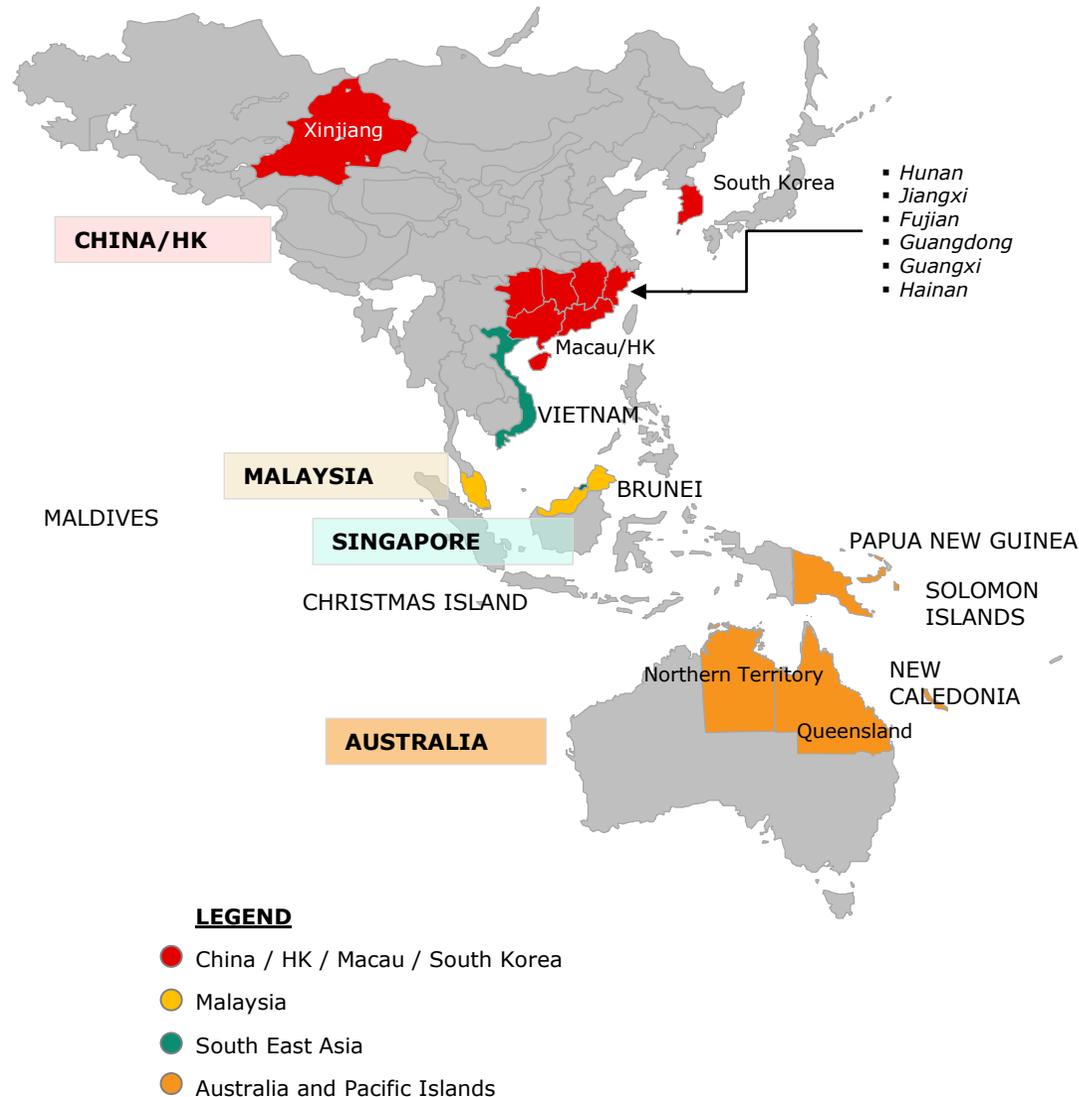
	Malaysia (via JV with Kubota Corp & Marubeni Corp)		Hong Kong & Macau, China
	Asia Pacific region (JV with Terberg Benschop)		Hong Kong & Macau
	Malaysia, Christmas Island (Indian Ocean), Singapore		China
	Malaysia		Australia
	Malaysia, Hong Kong, Macau, China, South Korea		Australia, China & Malaysia
	Singapore		Vietnam
	Australia, Malaysia & Singapore		Christmas Island (Indian Ocean), Singapore, Maldives

Energy Solutions Group

Mecomb Group: Singapore, Malaysia and Thailand	
Engineering & Technical Services: Malaysia	

Sime Darby Industrial

Regional Presence Across 17 Countries and Territories, Supported by a Network of Branches



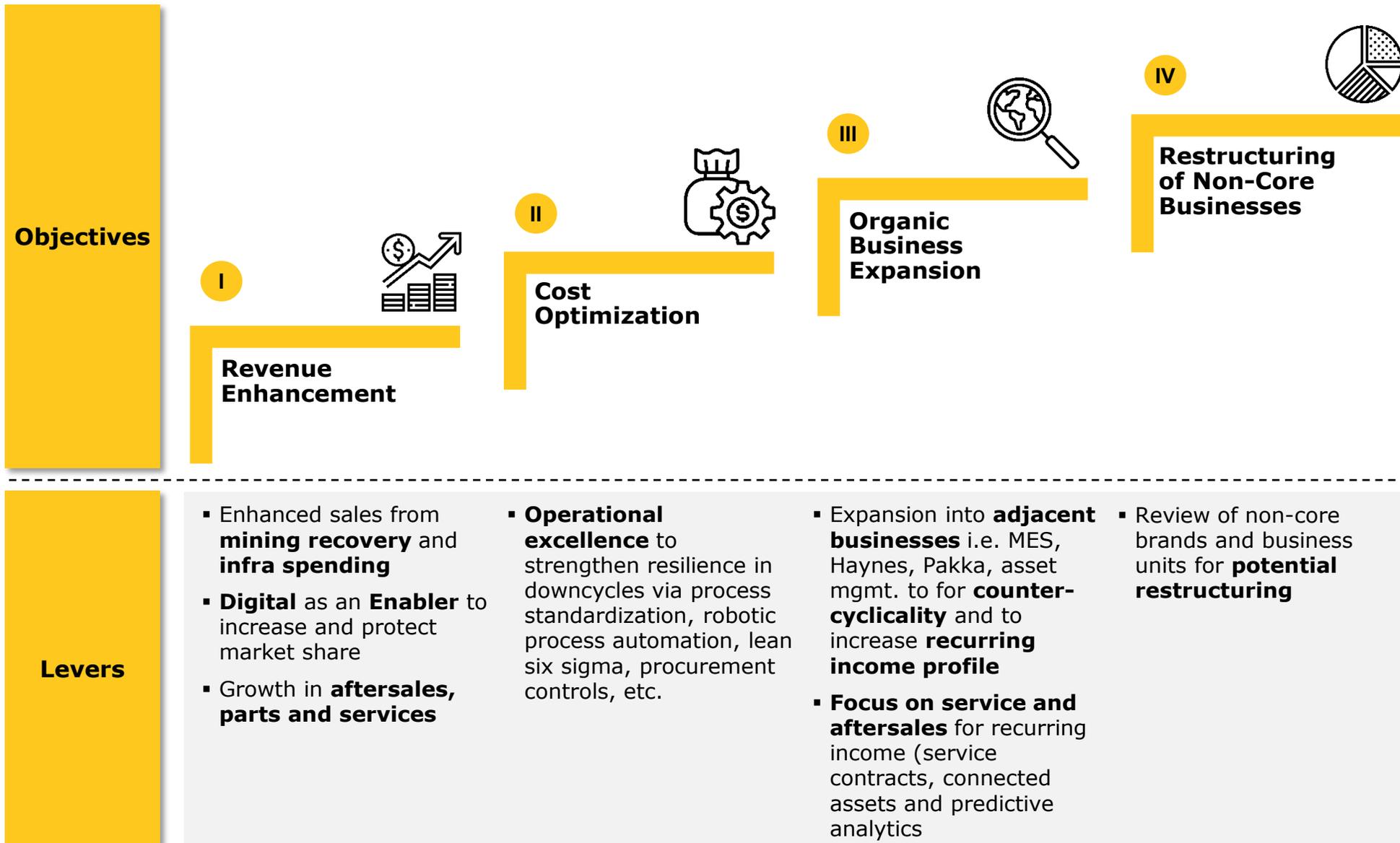
- Principal activities
 - Sale, rental and used equipment of Caterpillar equipment and engine
 - Sale of parts, service maintenance, equipment monitoring system and technology equipment's
- Regional presence: **17 countries & territories**⁽¹⁾
- No. of branches: **109**⁽²⁾
- Orderbook: **RM2.38 bn** (as at 30 June 2019)
- Total no. of employees: **8,111** (as at 30 June 2019)

Regional industry presence	No. of branches ⁽¹⁾	Construction	Forestry	Mining	Quarry	Power Systems
China & HK, Macau	63	✓		✓	✓	✓
South East Asia	23 (4 depot & 7 CAT rental stores)	✓	✓			✓
Australasia	23	✓		✓		

Note: (1) Regional presence defined as locations in which Sime Darby Industrial has assets or employees; (2) Refers to Caterpillar branches only

Sime Darby Industrial

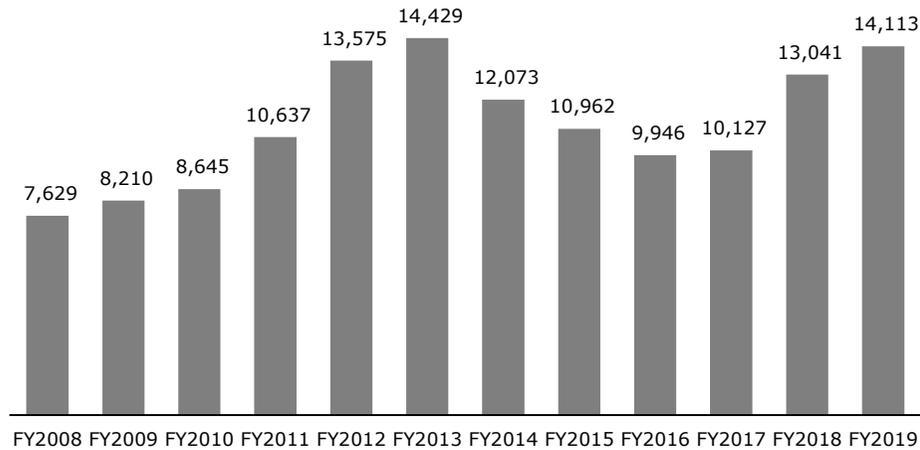
Leverage on commodity upswing, digital as key enabler, enhance recurring income profile



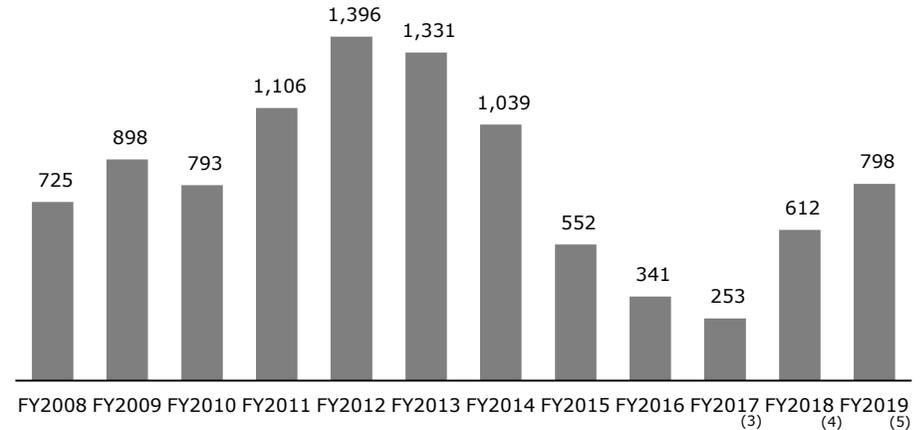
Sime Darby Industrial

Key Financial Highlights

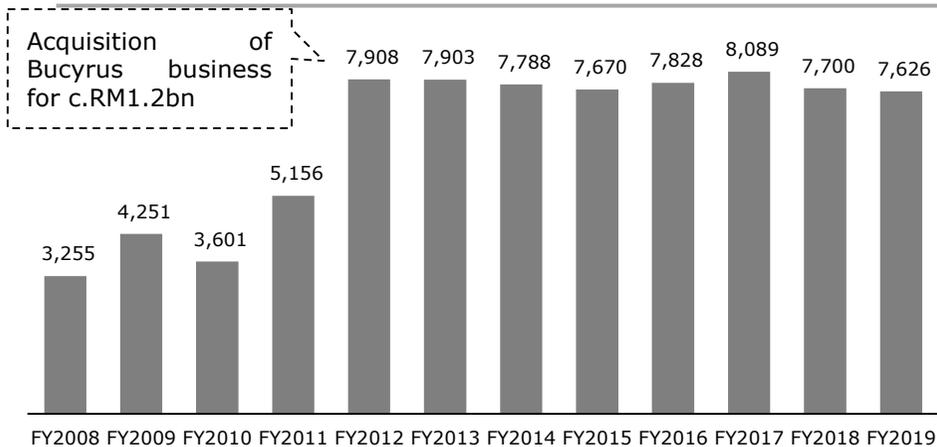
Revenue (RM million)



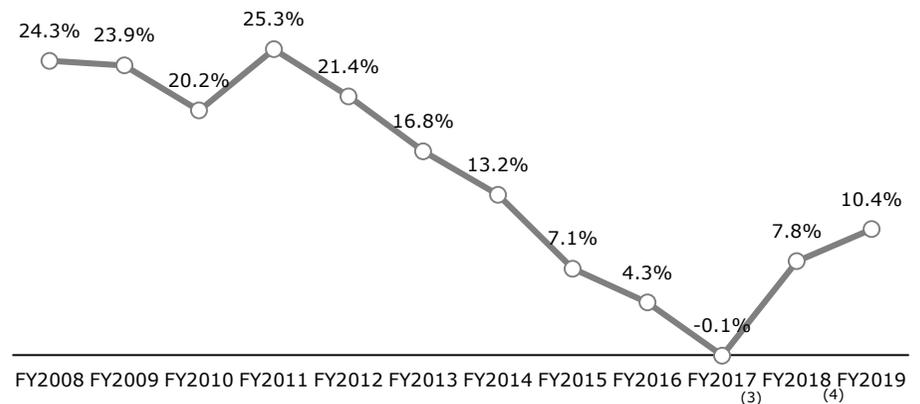
PBIT (RM million)



Invested Capital⁽¹⁾ (RM million)



ROAIC⁽²⁾ (%)



Note:

- (1) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)
- (2) ROAIC is calculated as PBIT divided by invested capital
- (3) Excludes impairments and provisions of RM257m related to Bucyrus
- (4) Includes RM178m gain on property disposal
- (5) Includes RM18m gain on property disposal and Sime Kubota (RM10m) and fair value loss on financial asset (RM47m)

Sime Darby Industrial

Outlook remains positive despite slight reduction in order book

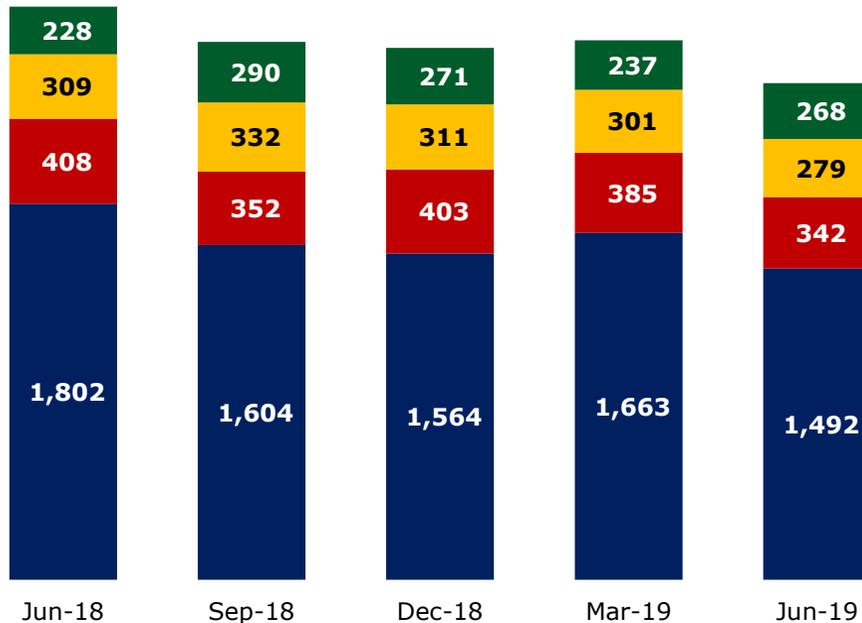
RM2,747m

Order book as at
30 June 2018

-13%

RM2,381m

Order book as at
30 June 2019



■ Australasia ■ Malaysia ■ China ■ Southeast Asia



AUSTRALASIA

- Growth in mining industry in Asia Pacific region propelling demand for both mining equipment replacement cycles and expansions
- Higher machine utilization levels to spur parts and services sales revenue growth



MALAYSIA

- On-going projects such as Pan Borneo Highway supporting the construction sector
- Revival of ECRL and continuation of infrastructure projects such as MRT 2 and LRT 3 to boost construction sector
- Government continues to focus on affordable housing to the low to middle income groups



CHINA

- Government stimulus through infrastructure spending to stabilize economy growth
- Nevertheless, more cautious investment approach due to the ongoing trade tension
- Increase trend towards rental and used equipment as customers spend lower capital expenditure for mining and construction activities owing to capital constraints



SOUTH EAST ASIA

- Large pipeline of mega-projects such as Changi Airport Terminal 5 and North-South Corridor Expressway to support the construction sector
- Product support business have recovered slightly with maintenance works in marine offshore
- Electric power segment set to be positive as standby generator sets demand increase to support data centers

All figures are based on management accounts (unaudited results)

Sime Darby Industrial

Revenue & PBIT by Region (1/2)

Malaysia

FY19 Sales Contribution & YoY Orderbook

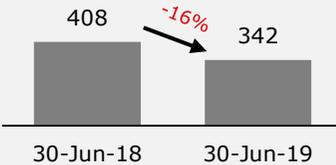
FY19 Sales Contribution



Malaysia, 8%



Orderbook



Products / Services

CAT New Equipment & Engines



Excavators



Dozers



Forest machine



Lift trucks

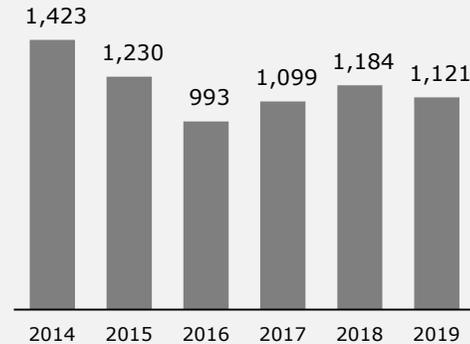
Rental & Used Equipment

Parts & Services

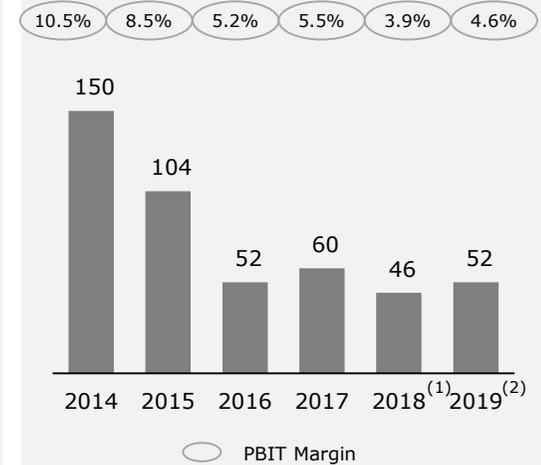
Allied Solutions

Energy Solutions

Revenue (RM million)



PBIT (RM million)

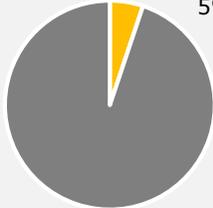


SEA (excl. Malaysia)

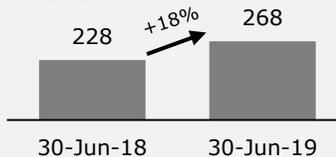
FY19 Sales Contribution



SEA (excl. M'sia), 5%



Orderbook



CAT New Equipment & Engines



Excavators



Wheel loaders

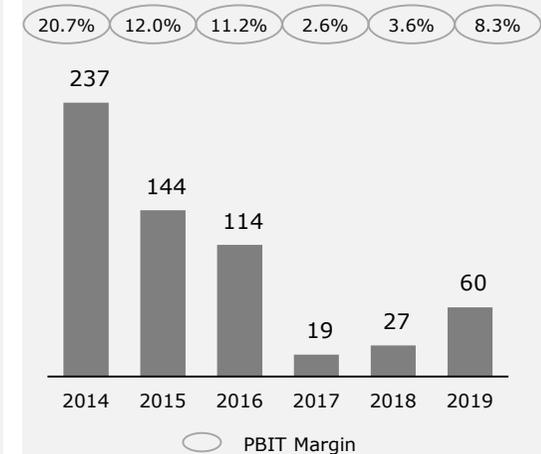
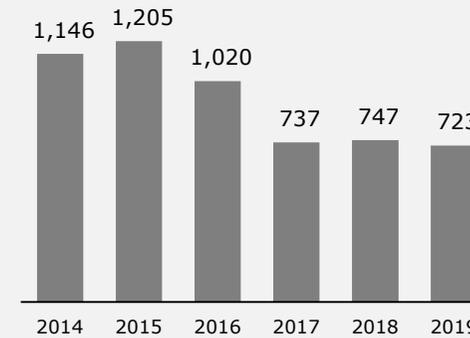


Marine engines

Rental & Used Equipment

Parts & Services

Revenue (RM million)



Note:

(1) Includes gain on property disposal of RM9m

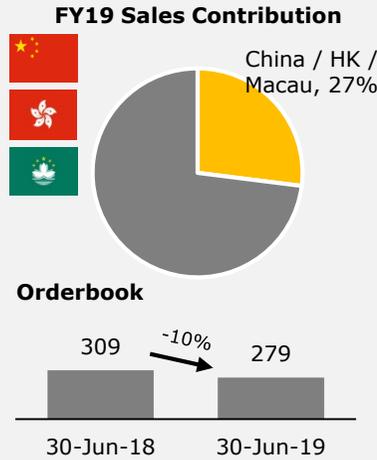
(2) Includes gain on property disposal of RM18m and gain on disposal on Sime Kubota stake (RM10m)

Sime Darby Industrial

Revenue & PBIT by Region (2/2)

East Asia

FY19 Sales Contribution & YoY Orderbook



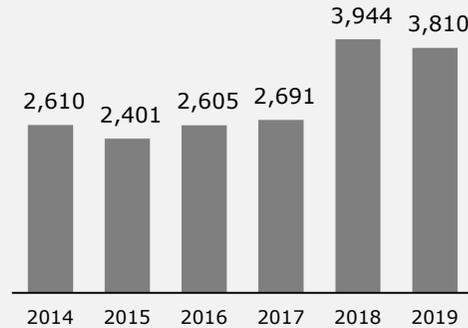
Products / Services

CAT New Equipment & Engines

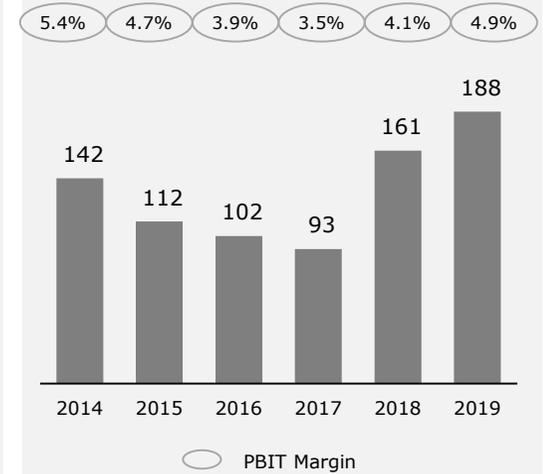


Rental & Used Equipment Parts & Services

Revenue (RM million)

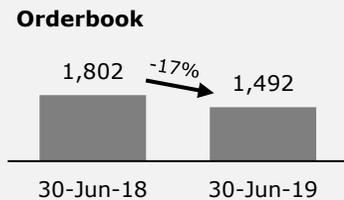
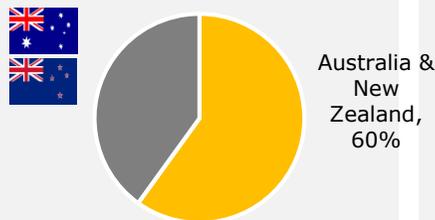


Core PBIT (RM million)



Australia & Pacific Islands

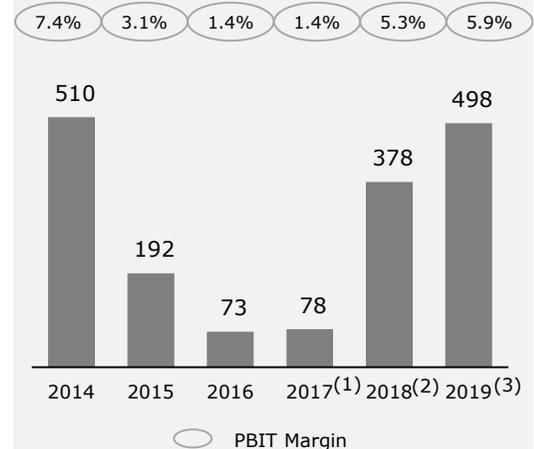
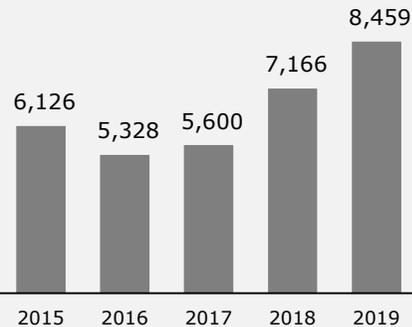
FY19 Sales Contribution



CAT New Equipment & Engines



Rental & Used Equipment Parts & Services



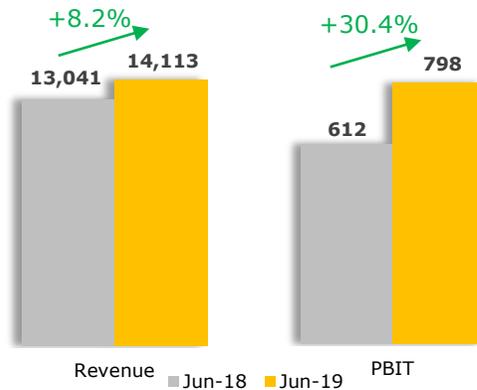
Note:

- (1) Excludes impairments and provisions of RM257m related to Bucyrus
- (2) Includes gain on property disposal of RM169m
- (3) Includes Fair Value loss on Financial Asset of RM47m



Sime Darby Industrial

Increased sales and profits in Australasia



In RM Million	FY2018	FY2019
Australasia	7,166	8,459
China	3,944	3,810
Malaysia	1,184	1,121
Southeast Asia	747	723
Total Revenue	13,041	14,113
Australasia	209	545
China	161	188
Malaysia	37	24
Southeast Asia	27	60
Total Core PBIT	434	817
Disposal of properties & Sime Kubota	178	28
FV loss on Financial Asset	-	(47)
Total PBIT	612	798
PBIT margin	4.7%	5.7%
Core PBIT margin	3.3%	5.8%
ROIC	7.9%	10.5%

Australasia

- Higher equipment deliveries to both mining and construction sectors
- Higher margins from parts and services
- Contribution from Hardchrome since Dec 2018 - RM15m
- Results partly offset by the weakening of AUD/MYR by 7% from 3.16 to 2.95 and fair value loss on financial assets of RM47 million

China

- Higher margins compensated for the weaker RMB by 3% from 0.626 to 0.605
- Better margin realization from engines and product support and CAT subsidy claim

Malaysia

- Lower CAT equipment deliveries to the construction sector
- Improved contribution from power systems and services
- Includes restructuring cost of RM12m (FY2018 - RM3m) and YSD donation of RM10m (FY2018 - RM5m)

South East Asia

- Lower equipment deliveries to the construction sector compensated by higher product support sales with better margins in Singapore
- Share of losses from associates of RM1m (FY2018 - RM17m)

Property Disposals

- RM18m gain on disposal of a property in Malaysia in FY2019
- RM169m in Australia and RM9m in Malaysia in FY2018



Acquisition of Gough Group

Rare opportunity to expand CAT franchise into NZ

CAT



- **Caterpillar** distributor in **New Zealand and Pacific Islands** since **1932**
- **23 locations** and **455 employees** across New Zealand

Provides **comprehensive range of CAT products** and services




- Forestry**
- Building Construction**
- General Construction**

TMH



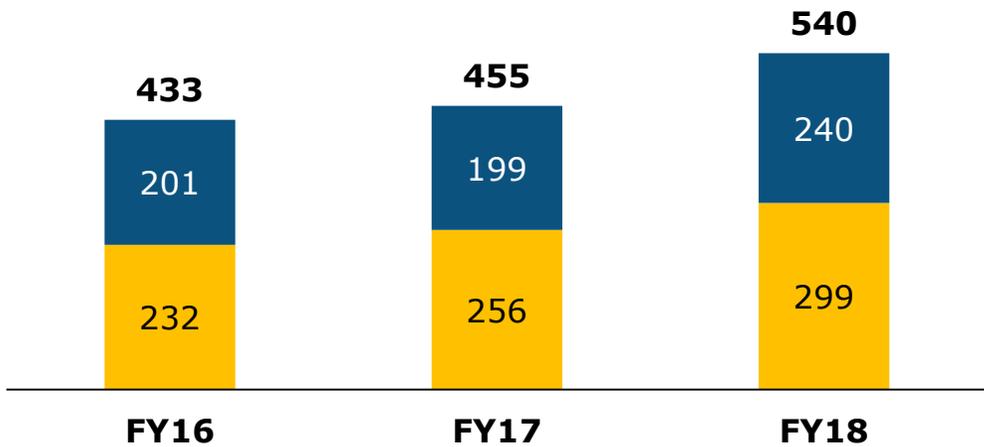
- Established in **1929**, provides **parts and equipment solutions**
- **42 locations** and **420 employees** across Aus & NZ

Distributes a range of **premium brands** to the **heavy commercial vehicle market**

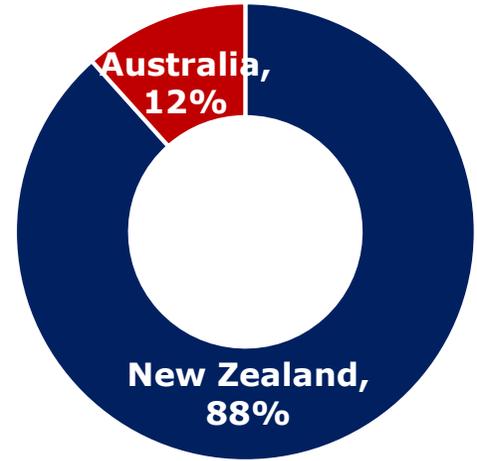



- Construction**
- Transport**
- Infrastructure**
- Material Handling**

Revenue (NZ\$ m)



FY18 revenue by geography





Logistics Division

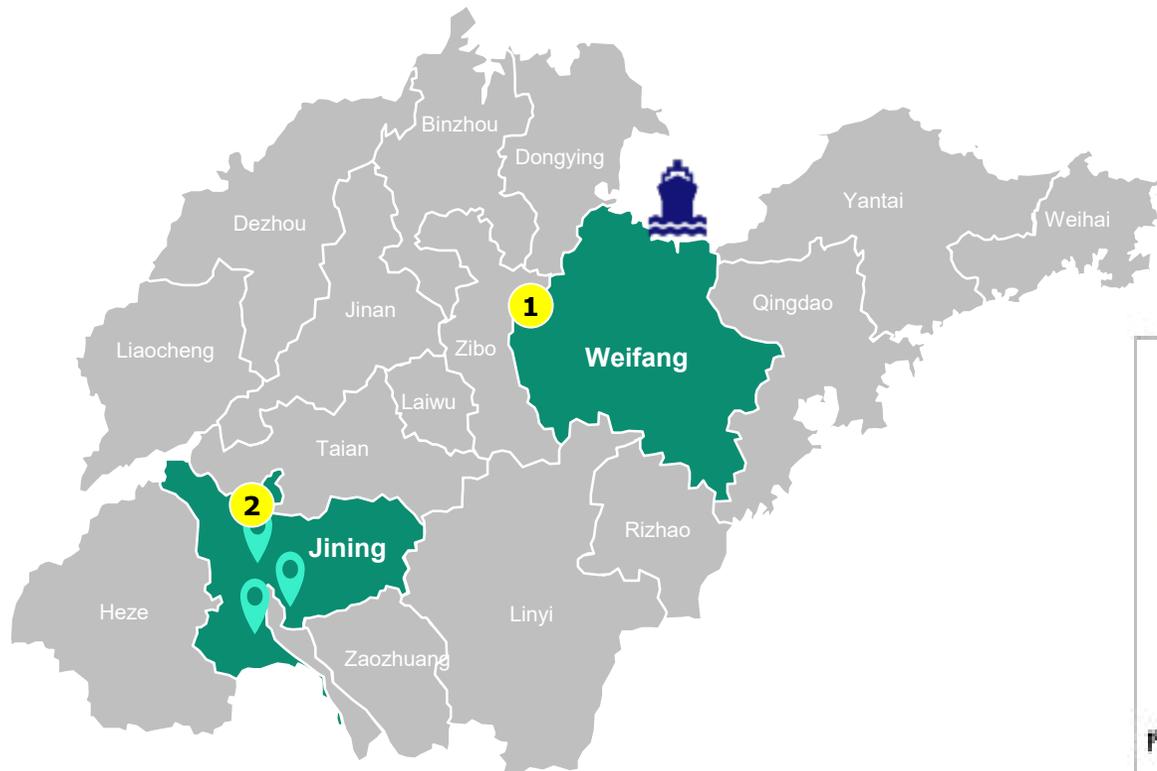
Business Overview

Well-connected major multipurpose port in the Yellow Delta River

- Sime Darby Logistics is the primary operator of Weifang Port, of which operations cover dry bulk, break bulk, liquid bulk, general cargo and container handling services.
- The Division also operates three river ports located in Jining, Shandong Province. The Jining Ports provide basic port related services such as stevedoring and storage services primarily for coal and coal-related products
- In September 2018, successfully disposed of Weifang Water for RM270m, locking in an RM70m profit.

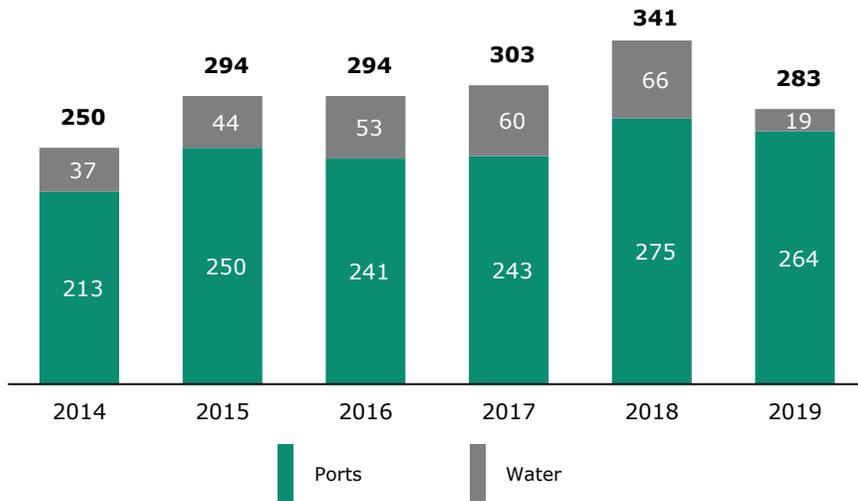
Annual Throughput & Capacity

Ports	Capacity FY 2019 m MT	Throughput FY 2019 m MT
Weifang Ports	48.6	26.4
Jining Ports	16.4	9.4
Total	65.0	35.8

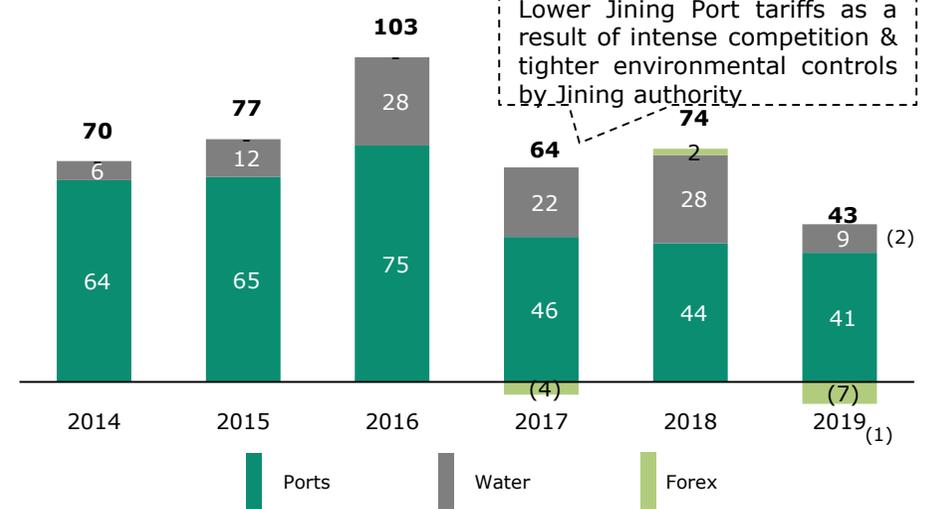


Key Financial and Operational Highlights

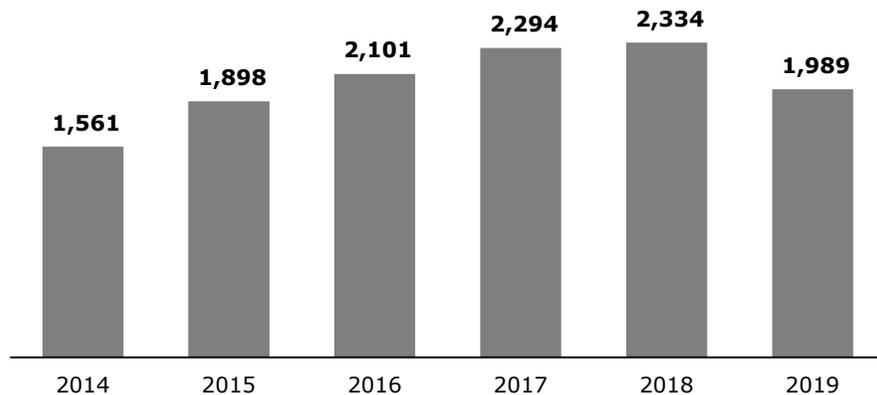
Revenue (RM million)



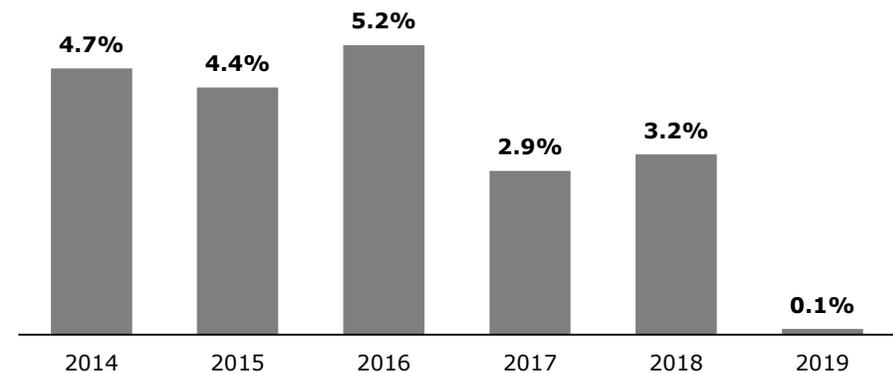
PBIT (RM million)



Invested Capital⁽³⁾ (RM million)



ROAIC⁽⁴⁾ (%)



Notes:

(1) Excludes gain on disposal of Weifang Water of RM78m and share of loss of WPS of RM119m

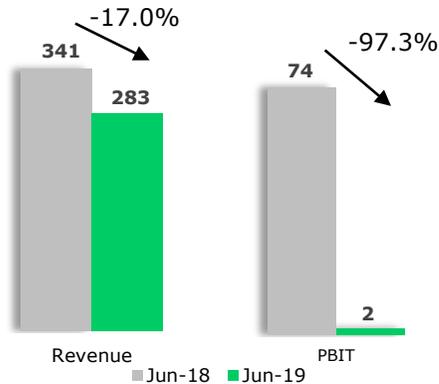
(2) Recorded only 3 months of contribution

(3) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)

(4) ROAIC is calculated as PBIT divided by average invested capital

Sime Darby Logistics

Logistics results weighted down by impairment



In RM Million	FY2018	FY2019
Ports	275	264
Water	66	19
Total Revenue	341	283
Ports	44	41
Water	28	9
Forex	2	(7)
Total Core PBIT	74	43
Gain on disposal	-	78
Share of loss of WPS	-	(119)
Total PBIT	74	2
Core PBIT margin	21.7%	15.2%
ROIC	3.2%	0.1%

Ports

- Weaker performance due to lower throughput at ports
- Weifang Port Services share of loss of RM119m

Water

- Recorded 3 months contribution prior to disposal in September 2018.
- Gain on disposal of RM 78m.

Forex

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

30.3 million MT
General cargo throughput
(FY2018: 32.6 million MT)

272,435 TEU
Container throughput
(FY2018: 240,536 TEU)

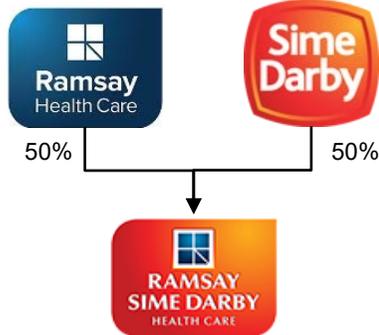


Healthcare Division

Ramsay Sime Darby Health Care

Premium hospitals in Malaysia and Indonesia ranging from primary to quaternary care

Joint Venture with Ramsay



- Joint venture with Ramsay Health Care since FY2014
- Asia-focused portfolio
- 1,577 capacity beds
- 1,249 active beds

Subang Jaya Medical Centre



- Opening date: 1985
- Bed capacity: 395
- Accreditation MSQH, ISO 15189
- COEs: Cancer, Blood Diseases and Digestive & Liver Health

Ara Damansara Medical Centre



- Opening date: 2012
- Bed capacity: 220
- Accreditation MSQH
- COEs: Brain, Heart and Spine & Joints

Park City Medical Centre



- Opening date: 2012
- Bed capacity: 300
- Accreditation MSQH
- COEs: Children, Women and Elderly health

RS Premier Jatinegara



- Opening date: 1989
- Bed capacity: 280
- Accreditation: JCI
- COEs: Cardiac, Digestive Centre, Stroke Unit and Urology Centre

RS Premier Bintaro



- Opening date: 1998
- Bed capacity: 205
- Accreditation: JCI
- COEs: Orthopaedic (Spine, Hand, Arthroplasty, Sport Clinic) and Vascular

RS Premier Surabaya



- Opening date: 1998
- Bed capacity: 177
- Accreditation: JCI
- COEs: Cardiac, Stroke Unit, Brain Tumor Clinic and Orthopaedic

Other Assets

Malaysia

- Mediplex Wellness Centre (Subang Jaya)
- RSDH College

Hong Kong

- The Central Surgery (day surgery)

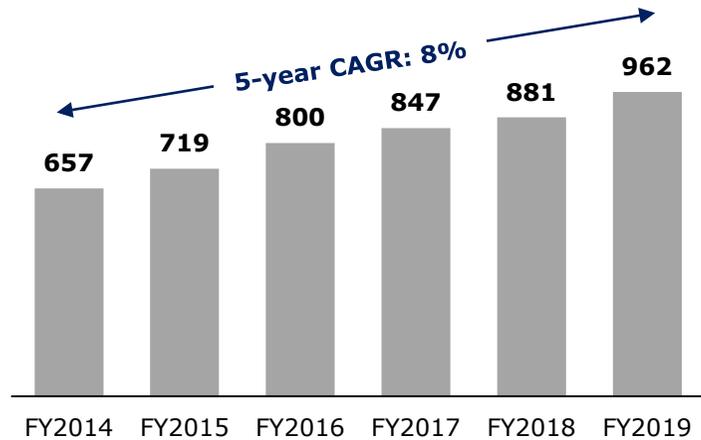
Ramsay Sime Darby Health Care

Significant earnings growth since inception of JV; strong growth in Asia expected to continue

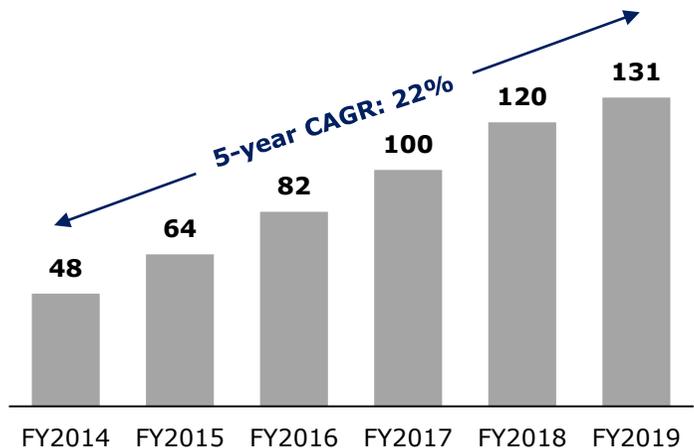


RSDH Financials

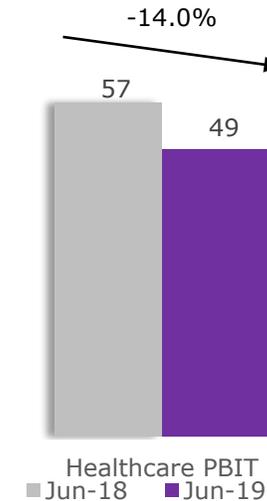
Revenue (RM million)



PBIT (RM million)



SDB Share of RSDH JV



In RM Million	FY2018	FY2019
Healthcare PBIT	57	49
Healthcare ROIC	7.8%	6.3%

- Current period includes higher tax expense
- Higher revenue from Malaysia and Indonesia operations



Others

Malaysia Vision Valley Land

~8,800 acres of land – Option to sell to SD Property

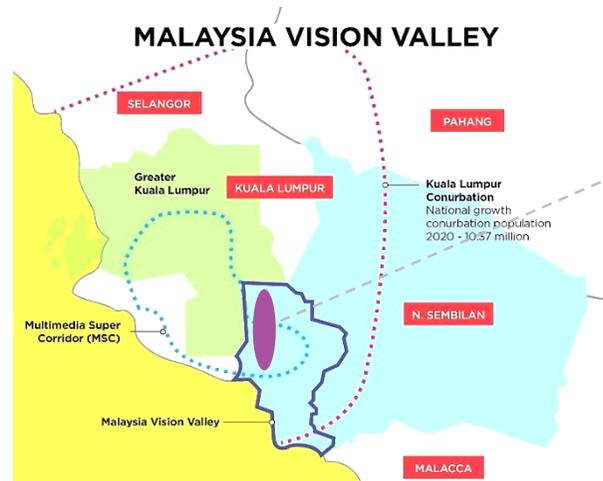
Highlights of MVV

MVV is a large scale project announced by the Malaysian Prime Minister during his 2016 Budget speech, and is a component of the Government's 11th Malaysia Plan and the National Transformation Plan.

Tenure of development
30-year project

Total development area
379,000 acres

Coverage area
Seremban and Port Dickson in Negeri Sembilan



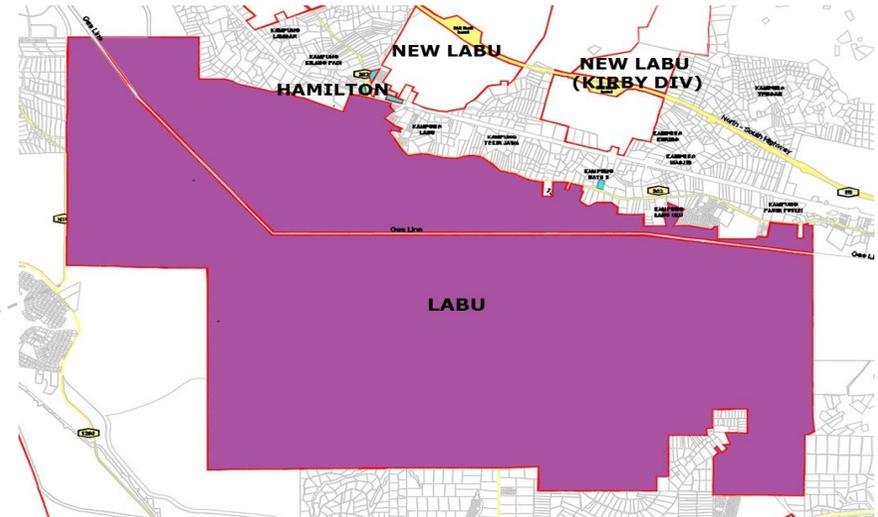
The area is intended to focus on **4 key development drivers**:

- High-technology manufacturing
- Tourism
- Skill-based education and research
- Specialised services

MVV development is expected to:

- ✓ **Attract investments of RM290bn by 2045**
- ✓ **Create 1.38 million new job opportunities**

Option to sell ~8,800 acres



- Sime Darby Berhad holds c.**8,800** acres of land in MVV area, acquired for **RM2.5 bn** in FY17
- Signed **29 option agreements** with SD Property for the potential sale of 29 parcels
- The options are valid for a **5-year period** (plus 3 years extension option)
- The timing of exercise of the option by Property will be dependent on the MVV development plan which is currently being developed
- Transfer value will be based on market price at the point of exercise



Appendices



Sime Darby Berhad

FY2019 Balance Sheet

As at 30 June 2019	Industrial	Motors	Logistics	Healthcare	Others	Corporate/ Elimination	Total
Segment assets	10,909	9,691	2,253	784	276	894	24,807
Segment liabilities	(3,283)	(3,456)	(264)	-	(361)	(14)	(7,378)
Segment invested capital	7,626	6,235	1,989	784	(85)	880	17,429
Net tax assets							264
Borrowings							(2,575)
Total Equity							15,118

Thank You



*Delivering
Sustainable Futures*