



FY2020 Results Announcement

Analyst Briefing: First Quarter ended 30 September 2019

26 Nov 2019



Delivering
Sustainable Futures

Sime Darby Berhad Group Results

FY2020 Financial Results



Reported Profit: Quarter ended 30 September 2019

In RM Million	Q1 FY2020	Q1 FY2019	YoY %
Revenue	9,476	8,845	7.1
PBIT	380	352	8.0
Finance income	11	9	
Finance costs	(39)	(30)	
Profit before tax	352	331	6.3
Taxation	(93)	(93)	
Profit after tax	259	238	8.8
Non-controlling interests	(13)	(13)	
Net profit attributable to owners of the Company	246	225	9.3

FY2020 Financial Results



Core Profit: Quarter ended 30 September 2019

In RM Million	Q1 FY2020	Q1 FY2019	YoY %
Reported PBIT	380	352	8.0
Adjustments			
• Fair value loss/(gain) on financial assets (MES)	4	(3)	
• Impairment of equity interest in E&O	16	35	
• Gain on disposal of Weifang Water	-	(78)	
• Net corporate forex loss/(gain)	4	(3)	
Core PBIT	404	303	33.3
Net finance costs	(28)	(21)	
Taxation	(93)	(80)	
Non controlling interests	(13)	(13)	
Core Net Profit	270	189	42.9

FY2020 Financial Results



Segmental PBIT: Quarter ended 30 September 2019

In RM Million	Q1 FY2020			Q1 FY2019			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	260	4 ¹	264	184	(3) ¹	181	41.3	45.9
Motors	134	-	134	105	-	105	27.6	27.6
Logistics	6	-	6	89	(78) ³	11	(93.3)	(45.5)
Healthcare	15	-	15	15	-	15	-	-
Others	(16)	16 ²	-	(30)	35 ²	5	46.7	(100.0)
Corporate	(15)	-	(15)	(14)	-	(14)	(7.1)	(7.1)
Forex	(4)	4	-	3	(3)	-	(233.3)	-
PBIT	380	24	404	352	(49)	303	8.0	33.3

Adjustments :

1. Fair value loss/(gain) on financial assets (RM4m, RM3m)
2. Impairment of equity interest in E&O (RM16m, RM35m)
3. Gain on disposal of Weifang Water (RM78m)

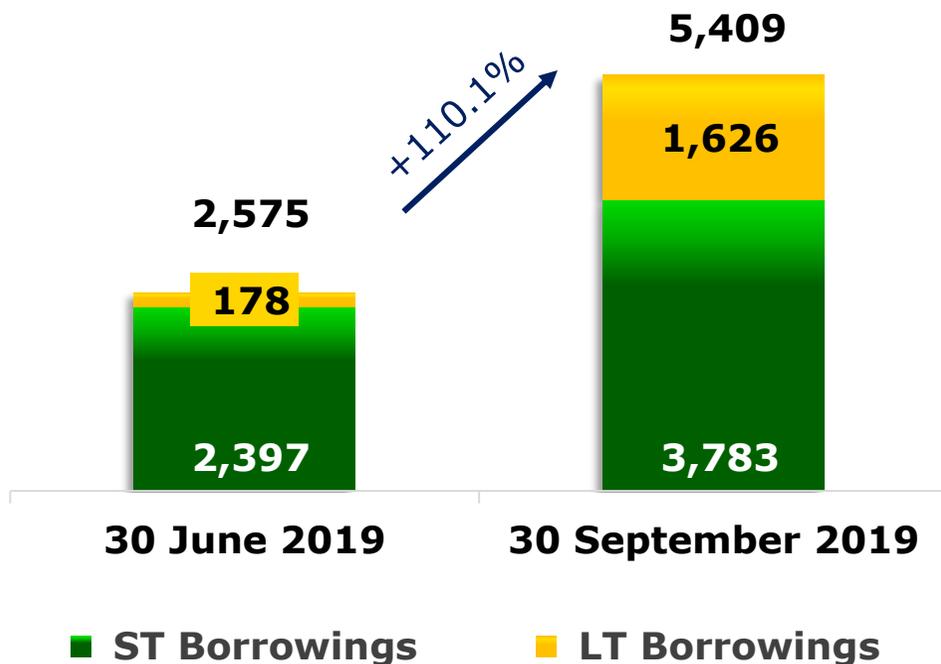
FY2020 Results Announcement



Snapshot of borrowings position as at 30 September 2019

Long Term vs Short Term Borrowings

Total Borrowings



RM5.4bn

As at 30 September 2019

RM14.6bn
Total Equity

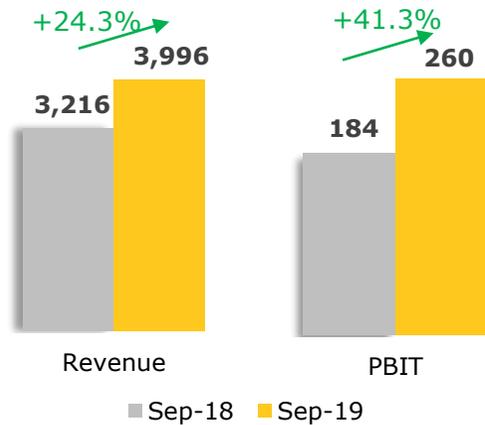
37.02%
Debt/Equity Ratio

RM1.9bn
Bank balances, deposits
and cash

Segmental Results



Sales and profits increased in Australasia and China



In RM Million	Q1 FY2019	Q1 FY2020
Australasia	1,987	2,448
China	769	1,084
Malaysia	303	264
Southeast Asia	157	200
Total Revenue	3,216	3,996
Australasia	137	192
China	35	42
Malaysia	(4)	12
Southeast Asia	13	18
Total Core PBIT	181	264
FV Loss on Financial Asset	3	(4)
Total PBIT	184	260
PBIT margin	5.7%	6.5%
Core PBIT margin	5.6%	6.6%
ROIC	2.3%	2.8%

Australasia

- Higher equipment deliveries to both mining and construction sectors.
- Contribution from Hardchrome Sep 2019 – RM7m.
- Results partly offset by the weakening of AUD/MYR by 4% from 2.99 to 2.86.
- Fair value loss on financial assets of RM4 million (Q1 FY2019 – gain of RM3m).

China

- Higher equipment sales.
- Margins were lower due to strong competition.

Malaysia

- Lower equipment deliveries and parts sales.
- Restructuring cost of RM15m in Q1 FY2019.

Southeast Asia

- Higher product support and non-CAT sales.



Outlook remains positive

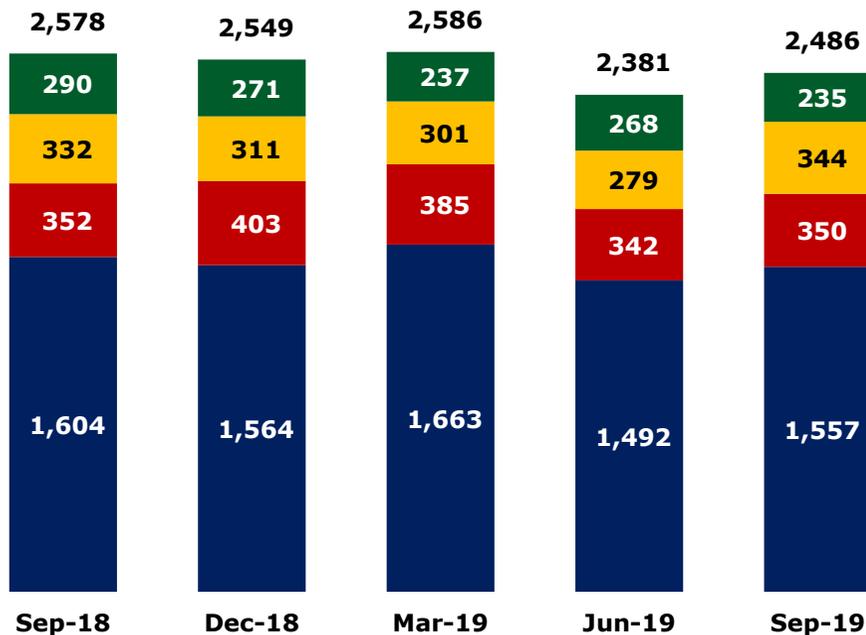
RM2,381m

Order book as at
30 June 2019

+4%

RM2,486m

Order book as at
30 September 2019



■ Australasia ■ Malaysia ■ China ■ Asia



AUSTRALASIA

- Growth in mining industry in Asia Pacific region propelling demand for both mining equipment replacement cycles and expansions.
- Higher machine utilisation 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 stabilise 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.

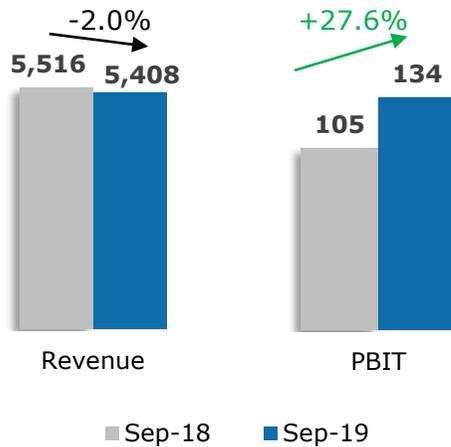


SOUTHEAST ASIA

- 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.



Higher margins in China as a result of lower discounting



In RM Million	Q1 FY2019	Q1 FY2020
China, HK, Macau & Taiwan	2,349	2,525
Southeast Asia	1,256	1,313
Malaysia	1,188	860
Australasia	723	710
Total Revenue	5,516	5,408
China, HK, Macau & Taiwan	27	73
Southeast Asia	12	1
Malaysia	39	31
Australasia	27	29
Total PBIT	105	134
PBIT margin	1.9%	2.5%
ROIC	1.8%	1.7%

China, HK, Macau, Taiwan

- Higher units of vehicles sold mainly from BMW China.
- Overall margin improved as a result of lower discounting, higher margin contributions from new vehicles sales and after-sales operations.
- Higher revenue and margins in HK/Macau.

Southeast Asia

- Higher sales but lower margin in Singapore due to the competitive market.
- Lower sales in Thailand partly due to stringent loan approval and higher down payment requirements for mass market brands.

Malaysia

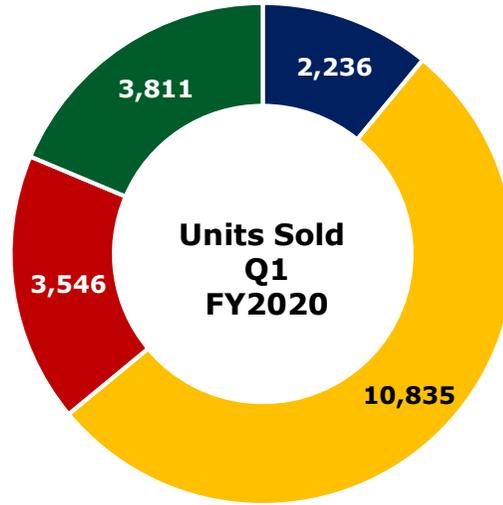
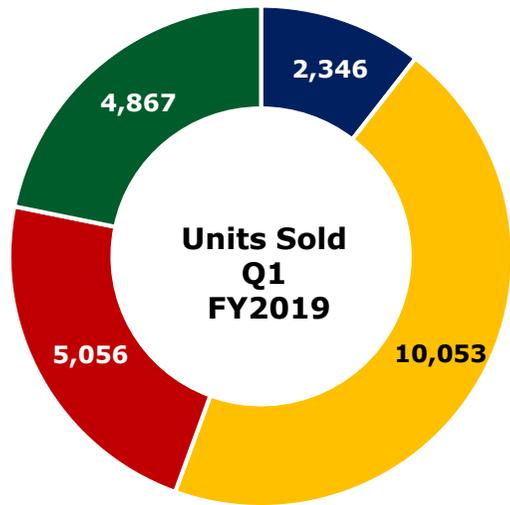
- Lower sales volume from BMW operations as previous corresponding quarter benefitted from higher sales due to zero rating of GST in July and August 2018.
- Increased contribution from car rental due to extended lease for Pengerang project.

Australasia

- Higher new vehicle and parts sales in Australia.
- Lower commercial vehicle sales in New Zealand.



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



20,428
Units Sold
(Q1 FY2019: 22,322)

4,063
Units Assembled
(Q1 FY2019: 10,251)

■ Australasia ■ China ■ Malaysia ■ SE Asia



MALAYSIA

- TIV growth expected to be muted due to slowing economy amidst trade tensions, compounded by the high level of indebtedness in the household sector.



CHINA

- Slowing economic growth and uncertainties in 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 mass unrest and trade tensions dampening consumer spending in Hong Kong.



SE ASIA

- The 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.



AUSTRALASIA

- 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.



Upcoming model launches expected to boost sales in 2QFY2020



Ford Ranger Splash
Nov 2019



Hyundai i30N
December 2019



Porsche Cayenne Coupe
December 2019



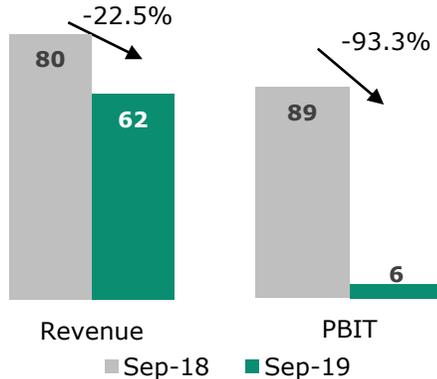
Ferrari SF90 Stradale
December 2019

Logistics and Healthcare

Excluding Weifang Water, Logistics recorded higher profit from higher bulk throughput



Logistics



Ports

- Higher bulk cargo throughput at Weifang Port
- Offset by higher share of loss from associates and JVs of RM6m (Q1 FY2019 profit of RM1m)

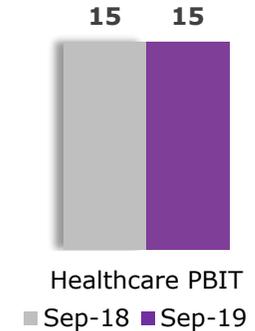
In RM Million	Q1 FY2019	Q1 FY2020
Ports	61	62
Water	19	-
Total Revenue	80	62
Ports	8	15
Ports - JVs	1	(6)
Water	9	-
Forex	(7)	(3)
Total Core PBIT	11	6
Gain on disposal	78	-
Total PBIT	89	6
Core PBIT margin	13.8%	9.7%
ROIC	3.8%	0.3%

7.29 mn MT
General cargo throughput
(Q1 FY2019: 6.98 mn MT)

55,675 TEU
Container throughput
(Q1 FY2019: 75,037 TEU)



Healthcare



In RM Million	Q1 FY2019	Q1 FY2020
Healthcare PBIT	15	15
Healthcare ROIC	2.0%	1.9%

- Share of profits were at similar levels vs previous year

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Thank you

Appendices

1Q FY2020 Results Announcement ended 30 September 2019



1Q FY2020 External Revenue by Region

In RM Million	1Q FY2020	1Q FY2019	YoY %
Industrial			
Malaysia	264	303	(12.9)
SE Asia ex Malaysia	200	157	27.4
China/HK	1,084	769	41.0
Australa/NZ	2,448	1,987	23.2
	3,996	3,216	24.3
Motors			
Malaysia	860	1,188	(27.6)
SE Asia ex Malaysia	1,313	1,256	4.5
China/HK/Macau/Taiwan	2,525	2,349	7.5
Australia/NZ	710	723	(1.8)
Vietnam ¹	-	-	-
	5,408	5,516	(2.0)
Logistics			
Ports	62	61	1.6
Water	-	19	(100.0)
	62	80	(22.5)
Others	10	33	(69.7)
TOTAL	9,476	8,845	7.1%

Note:

1. The Group has exited BMW operations in Vietnam

1Q FY2020 Results Announcement ended 30 September 2019



1Q FY2020 PBIT by Region

In RM Million	1Q FY2020	1Q FY2019	YoY %
Industrial			
Malaysia	12	(4)	400.0
SE Asia ex Malaysia	18	13	38.5
China/HK	42	35	20.0
Australasia	188	140	34.3
	260	184	41.3
Motors			
Malaysia	31	39	(20.5)
Singapore/Thailand	1	12	(91.7)
China/HK/Macau/Taiwan	73	27	170.4
Australia/NZ	29	27	7.4
Vietnam	-	-	-
YSD Contribution	-	-	-
	134	105	27.6
Logistics			
Ports	9	9	-
Water	-	9	(100.0)
Forex	(3)	(7)	57.1
Gain on disposal	-	78	(100.0)
	6	89	(93.3)
Healthcare	15	15	-
Others	(35)	(41)	14.6
TOTAL	380	352	8.0

Thank you