



FY2020 Results Announcement

Analyst Briefing: Fourth Quarter Ended 30 June 2020

27 Aug 2020



Delivering Sustainable Futures

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Sime Darby Berhad Group Results

FY2020 Financial Results



Reported Profit: Financial year ended 30 June 2020

In RM Million	FY2020	FY2019	YoY %
Revenue	36,934	36,156	2.2
PBIT	1,407	1,383	1.7
Finance income	51	32	
Finance costs	(183)	(124)	
Profit before tax	1,275	1,291	(1.2)
Taxation	(402)	(281)	
Profit after tax	873	1,010	(13.6)
Non-controlling interests	(53)	(62)	
Net profit attributable to owners of the Company	820	948	(13.5)

FY2020 Financial Results



Core Profit: Financial year ended 30 June 2020

In RM Million	FY2020	FY2019	YoY %
Reported PBIT	1,407	1,383	1.7
Adjustments			
• Fair value loss on financial assets (MES)	72	47	
• Reversal of impairment on PNG assets	(32)	-	
• Motors net impairment of leasehold land	26	-	
• Motors Vietnam	-	(12)	
• Gain on disposals	(18) ¹	(126) ⁴	
• Logistics impairments / share of loss	127 ²	119	
• Share of loss/impairment of equity interest in E&O	58	117	
• QP legal case settlement/ONGC recovery	(15)	(26)	
• Net forex gain on settlement of net investment	(7)	(3)	
Core PBIT	1,618	1,499	7.9
Net finance costs	(132)	(92)	
Taxation	(393) ³	(395) ⁵	
Non controlling interests	(53) ³	(62)	
Core Net Profit	1,040	950	9.5

1. Gain on disposal of Logistics sea-use-rights (SUR)

2. Impairments of investment in Weifang Port Services (WPS) (RM74m), receivables from WPS (RM24m), investment in Weifang Sime Darby Logistics Terminal (WSDLT) (RM22m), assets of Jining Longgong Port (RM7m)

3. Adjusted for tax and non-controlling interest (NCI) effects of one-off items

4. Gains on disposal of Weifang Water (RM78m), Industrial Malaysia property (RM18m), trademark (RM17m), bungalows (RM3m) and Sime Kubota (RM10m)

5. Adjusted for deferred tax credit arising from change in real property gains tax (RPGT) rate (RM129m) and tax effects of one-off items

FY2020 Financial Results



Segmental PBIT: Financial year ended 30 June 2020

In RM Million	FY2020			FY2019			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	967	40 ¹	1,007	798	19 ⁵	817	21.2	23.3
Motors	574	26 ²	600	628	(12) ⁶	616	(8.6)	(2.6)
Logistics	(94)	109 ³	15	2	41 ⁷	43	(4,800.0)	(65.1)
Healthcare	39	-	39	49	-	49	(20.4)	(20.4)
Others	(36)	43 ⁴	7	(51)	74 ⁸	23	29.4	(69.6)
Corporate	(50)	-	(50)	(46)	(3) ⁹	(49)	(8.7)	(2.0)
Forex	7	(7)	-	3	(3)	-	133.3	-
PBIT	1,407	211	1,618	1,383	116	1,499	1.7	7.9

Adjustments :

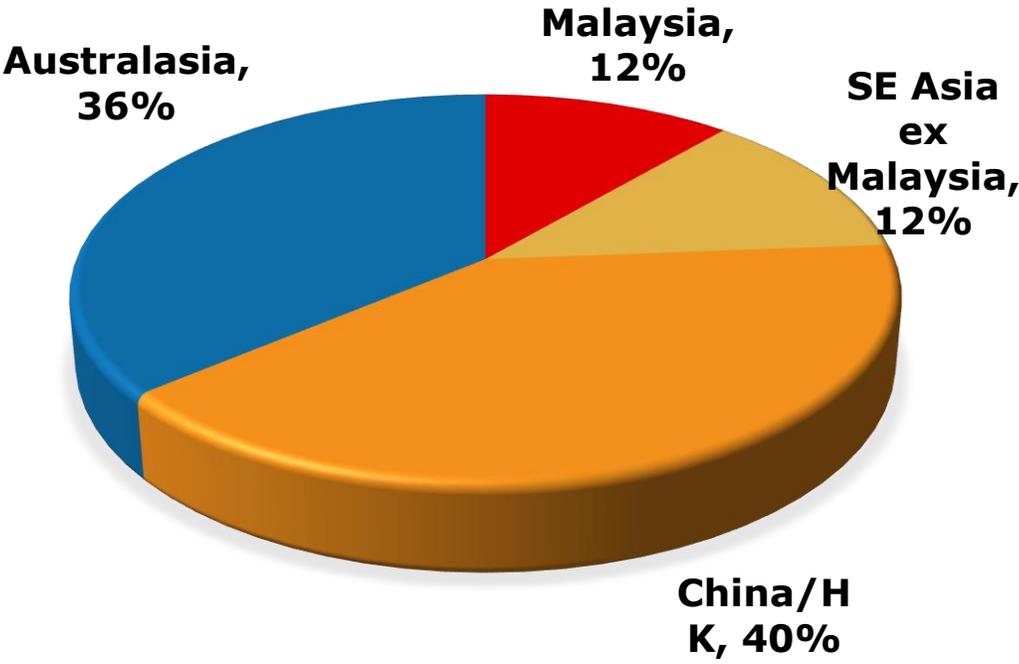
1. Fair value loss on financial assets (RM72m), Reversal of impairment on Papua New Guinea (PNG) assets (RM32m)
2. Motors net impairment of leasehold land (RM26m)
3. Gain on disposal of Logistics SUR (RM18m), Impairment of WPS (RM74m), Impairment of WPS receivables (RM24m), Impairment of WSDLT (RM22m), Impairment of Jining Longgong Port assets (RM7m)
4. Impairment of equity interest in E&O (RM58m), QP legal case settlement/ONGC recovery (RM15m)
5. Fair value loss on financial assets (RM47m), Gain on disposal of Industrial Malaysia property (RM18m), Gain on disposal of Sime Kubota (RM10m)
6. Profit from Motors Vietnam (RM12m)
7. Gain on disposal of Weifang Water (RM78m), Share of losses of WPS (RM119m)
8. Impairment of equity interest in E&O (RM117m), ONGC recovery (RM26m), Gain on disposal of trademark (RM17m)
9. Gain on disposal of bungalows (RM3m)

FY2020 Financial Results

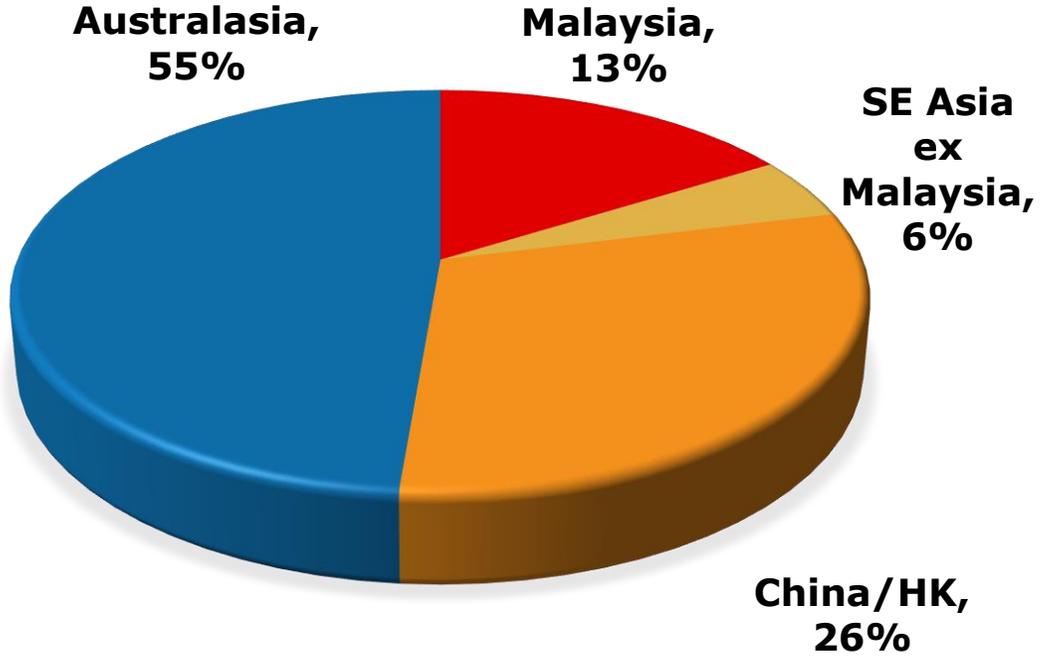


Regional Contribution: Financial year ended 30 June 2020

Revenue Breakdown



PBIT Breakdown



■ Malaysia ■ SE Asia ex Malaysia ■ China/HK ■ Australasia

■ Malaysia ■ SE Asia ex Malaysia ■ China/HK ■ Australasia

FY2020 Financial Results



Reported Profit: Quarter ended 30 June 2020

In RM Million	Q4 FY2020	Q4 FY2019	QoQ %
Revenue	8,821	9,323	(5.4)
PBIT	315	367	(14.2)
Finance income	18	8	
Finance costs	(47)	(31)	
Profit before tax	286	344	(16.9)
Taxation	(97)	(142)	
Profit after tax	189	202	(6.4)
Non-controlling interests	(12)	(18)	
Net profit attributable to owners of the Company	177	184	(3.8)

FY2020 Financial Results



Core Profit: Quarter ended 30 June 2020

In RM Million	Q4 FY2020	Q4 FY2019	YoY %
Reported PBIT	315	367	(14.2)
Adjustments			
• Fair value loss/(gain) on financial assets (MES)	61	(1)	
• Reversal of impairment on PNG assets	(32)	-	
• Motors net impairment of leasehold land	26	-	
• Motors Vietnam	-	4	
• Gain on disposals	(18) ¹	(10) ³	
• Logistics impairments / share of loss	127 ²	119	
•(Reversal of) / impairment of equity interest in E&O	(4)	18	
• QP legal case settlement	(15)	-	
• Net forex gain on settlement of net investment	(8)	-	
Core PBIT	452	497	(9.1)
Net finance costs	(29)	(23)	
Taxation	(87)	(142)	
Non controlling interests	(13)	(18)	
Core Net Profit	323	314	2.9

1. Gain on disposal of Logistics SUR (RM18m)

2. Impairments of investment in WPS (RM74m), receivables from WPS (RM24m), investment in WSDLT (RM22m), assets of Jining Longgong Port (RM7m)

3. Gain on disposal of Sime Kubota (RM10m)

FY2020 Financial Results



Segmental PBIT: Quarter ended 30 June 2020

In RM Million	Q4 FY2020			Q4 FY2019			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	204	29 ¹	233	212	(11) ⁵	201	(3.8)	15.9
Motors	194	26 ²	220	276	4 ⁶	280	(29.7)	(21.4)
Logistics	(101)	109 ³	8	(113)	119 ⁷	6	10.6	33.3
Healthcare	(6)	-	(6)	7	-	7	(185.7)	(185.7)
Others	26	(19) ⁴	7	(12)	18 ⁸	6	316.7	16.7
Corporate	(10)	-	(10)	(3)	-	(3)	(233.3)	(233.3)
Forex	8	(8)	-	-	-	-	-	-
PBIT	315	137	452	367	130	497	(14.2)	(9.1)

Adjustments :

1. Fair value loss on financial assets (RM61m), Reversal of impairment on PNG assets (RM32m)
2. Motors net impairment of leasehold land (RM26m)
3. Gain on disposal of Logistics SUR (RM18m), Impairment of WPS (RM74m), Impairment of WPS receivables (RM24m), Impairment of WSDLT (RM22m), Impairment of Jining Longgong Port assets (RM7m)
4. Reversal of impairment of equity interest in E&O (RM4m), QP legal case settlement (RM15m)
5. Fair value gain on financial assets (RM1m), Gain on disposal of Sime Kubota (RM10m)
6. Motors Vietnam (RM4m)
7. Share of losses of Weifang Port Services (RM119m)
8. Impairment of equity interest in E&O (RM18m)

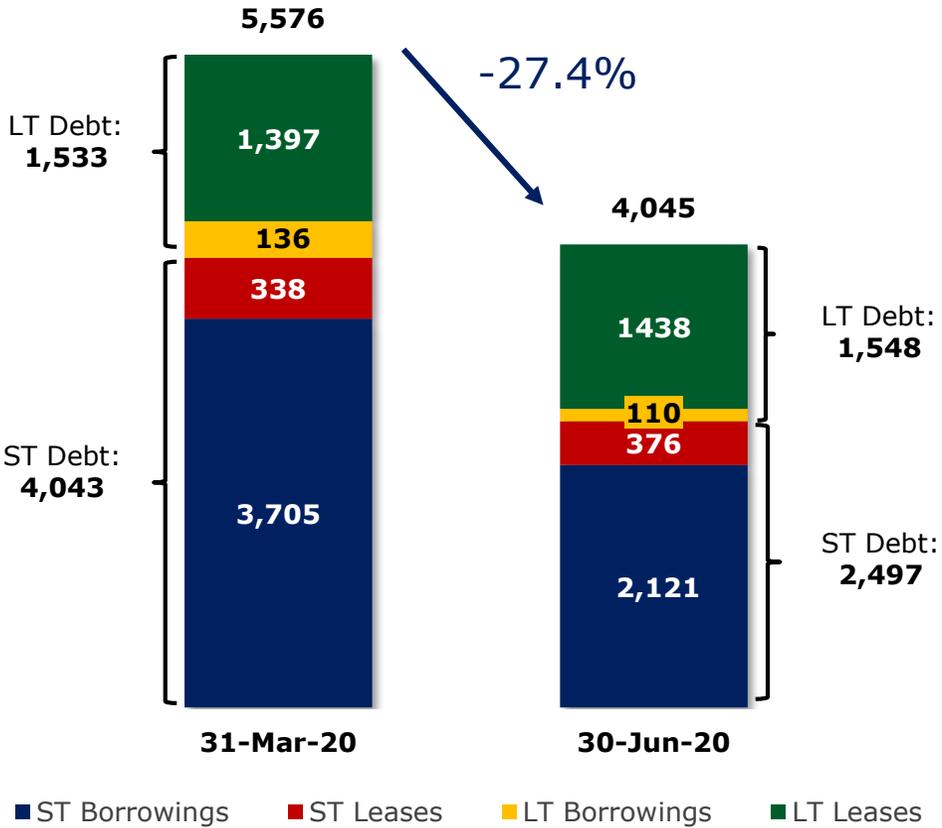
FY2020 Financial Results



Snapshot of borrowings position as at 30 June 2020

Long Term vs Short Term Debt

Total Debt



RM4.0bn
As at 30 Jun 2020

RM15.4bn
Total Equity

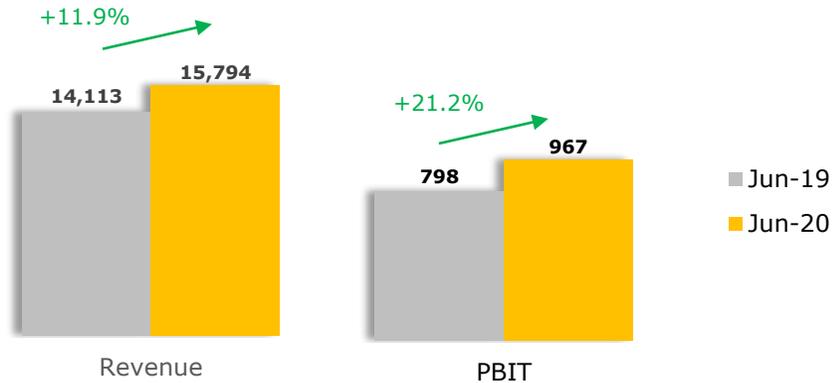
0.26x
Gearing Ratio

RM1.7bn
Bank balances, deposits
and cash

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Segmental Results

Profits supported by strong results from Australia and China



In RM Million	FY2019	FY2020
Total Revenue	14,113	15,794
Australasia	8,459	9,914
China	3,810	4,255
Malaysia	1,121	913
Southeast Asia ex Malaysia	723	712
Total Core PBIT	817	1,007
FV Loss on Financial Asset	(47)	(72)
Reversal of impairment	-	32
Disposal of properties & Sime Kubota	28	-
Total PBIT	798	967
PBIT margin	5.7%	6.1%
Core PBIT margin	5.8%	6.4%
ROIC	10.5%	11.2%

Australasia

- Higher equipment deliveries to both mining and construction sectors.
- Profit contribution from Hardchrome FY2020 – RM26m vs FY2019 – RM15m (acquired in Dec 2018).
- Terra Cat recorded loss of RM14m for FY2020, mainly due to the Stage 4 lockdown in New Zealand
- Results partly offset by the weaker AUD/MYR by 2.8% from 2.90 to 2.82.
- Fair value loss on financial assets of RM72 million (FY2019 – loss of RM47m).

China

- Higher profit due to higher equipment sales and product support in the first half and fourth quarter of the financial year.

Malaysia

- Lower equipment deliveries and parts sales affected by the coronavirus outbreak.

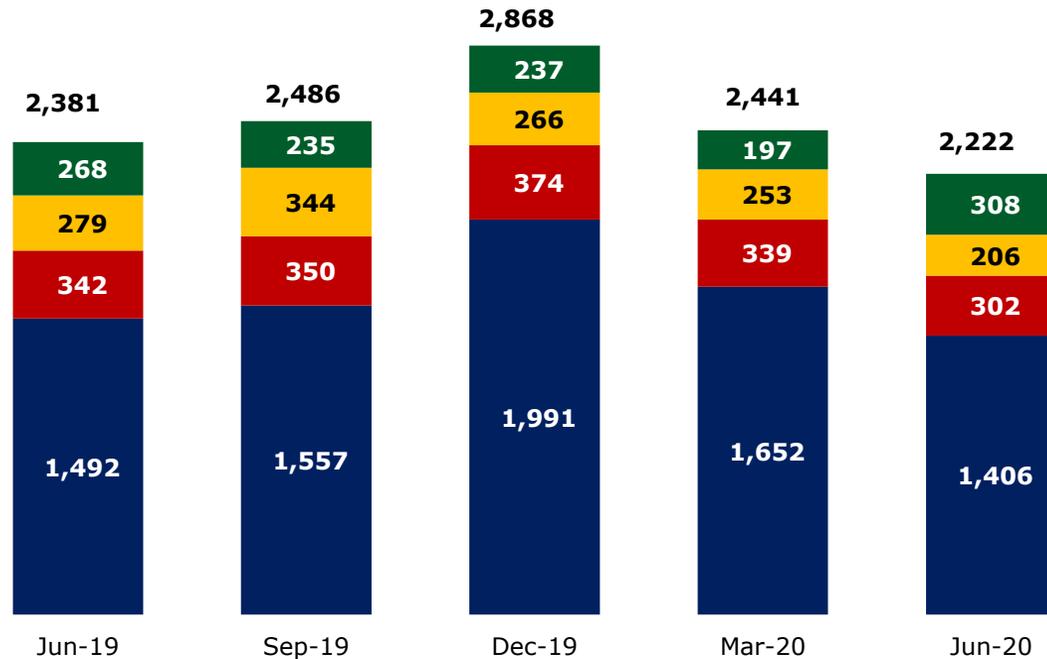
Southeast Asia ex Malaysia

- Results in the fourth quarter affected by the circuit breaker in Singapore

Industrial Outlook



Order book decreased by 9% from March 2020



■ Australasia ■ Malaysia ■ China ■ Southeast Asia ex Asia



Malaysia

- Stimulus package announced in Mar 2020 is expected to boost the construction sector with the confirmation that the government will continue to implement large-scale projects allocated in Budget 2020 such as the East Coal Rail Link (ECRL), Mass Rapid Transit Line 2 and the National Fiberisation and Connectivity Plan.



China

- Government stimulus measures to boost spending on infrastructure have been implemented at local level with additional stimulus packages expected to be announced by the central government.



Southeast Asia ex Malaysia

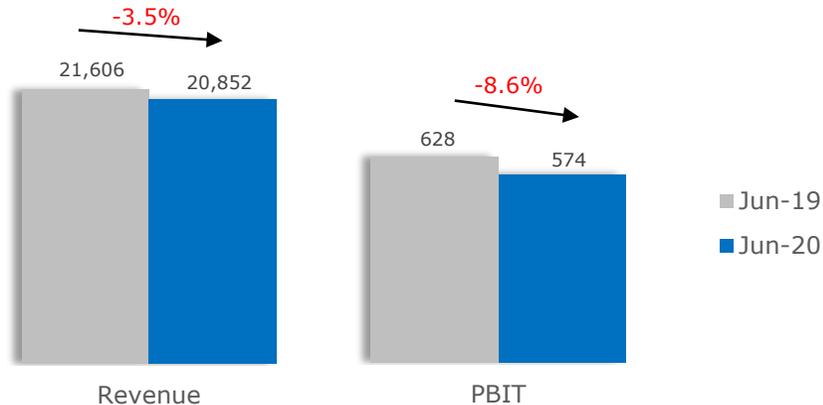
- Construction sector expected to slow due to possible supply chain disruptions.
- Stay-home notices (SHNs) placed on foreign workers in construction sector in Singapore have halted the resumption of construction operations.



Australasia

- The Australian government has been urged to fast-track construction projects to create jobs and support Australia's ailing economy.
- Construction operations are expected to resume at a slower pace in New Zealand.

Higher profits in the Greater China region



In RM Million	FY2019	FY2020
China, HK, Macau & Taiwan	10,398	10,308
Southeast Asia ex Malaysia	4,494	3,885
Malaysia	3,935	3,256
Australasia	2,779	3,403
Total Revenue	21,606	20,852
China, HK, Macau & Taiwan	235	277
Southeast Asia ex Malaysia	36	21
Malaysia	247	212
Australasia	98	90
Total Core PBIT	616	600
Vietnam	12	-
Net impairment of leasehold land	-	(26)
Total PBIT	628	574
PBIT margin	2.9%	2.8%
Core PBIT margin	2.9%	2.9%
ROIC	10.1%	7.5%

China, HK, Macau & Taiwan

- Higher profit supported by strong performance in the first half of the financial year and strong recovery in the fourth quarter.
- Higher profit at BMW China operations mainly due to lower discounting.
- HK Suzuki recorded higher unit sales.
- Taiwan recorded LBIT (RM20m) in FY2020 vs (RM26m) in FY2019.

Southeast Asia ex Malaysia

- Lower margin in Singapore due to the competitive market and the circuit breaker in Q4
- Lower sales volume for Ford and Mazda in Thailand partly due to stringent loan approval.

Malaysia

- Sales were affected by the movement restriction measures due to the coronavirus outbreak in the later half of the financial year.

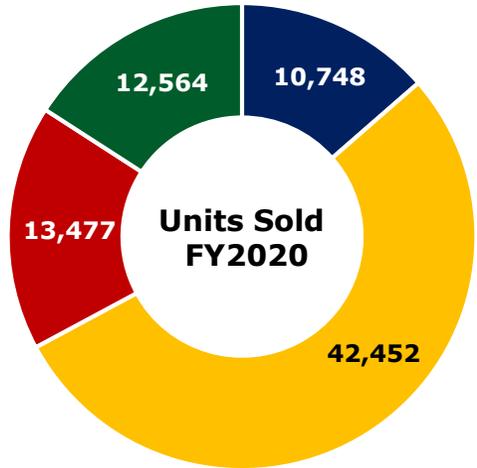
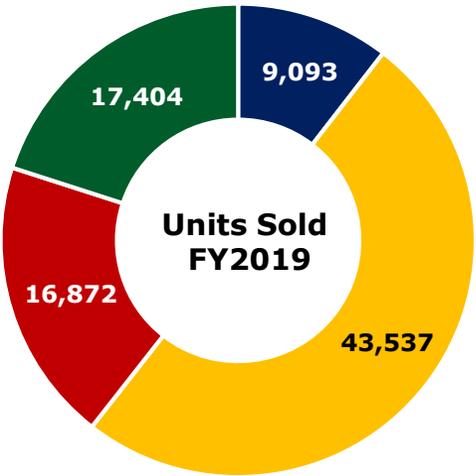
Australasia

- Higher revenue mainly due to revenue from newly acquired businesses.
- The commercial vehicle operations recorded lower unit sales due to the slowdown in the New Zealand economy and the coronavirus outbreak in the second half of FY2020.

Motors Outlook



Sales in China expected to be significantly affected by the coronavirus outbreak



79,241
Units Sold
(FY2019: 86,906)

23,831
Units Assembled
(FY2019: 37,210)

■ Australasia ■ China ■ Malaysia ■ Southeast Asia ex Asia



Malaysia

- TIV expected to fall due to the Covid-19 pandemic which has halted car production and caused supply and demand shocks.
- Overall automotive sector is likely to remain under pressure from cautionary consumer spending, though stimulus measures such as the sales tax exemption would support sales



China

- Measures to boost auto sales has been put in place by China's commerce ministry.
- In the longer term, luxury segment expected to continue growing on the back of increasing higher-income population.



Southeast Asia ex Malaysia

- Despite drop in COE premiums, growth of vehicle sales in Singapore is expected to fall as weaker economic outlook will drive consumer to cut down on discretionary spending.
- Thailand is expected to see a fall in vehicle sales due to tightening loan conditions and lower consumer confidence amidst slowing economic environment.



Australasia

- Vehicle sales expected to fall as a result of social distancing requirements and economic slowdown.

Upcoming model launches expected in 1H FY2021



BMW 5 Series Sedan
China – Oct 2020



KIA Sorento
Taiwan – Nov 2020



BMW X3M X4M
Malaysia – Aug 2020



BMW 2 Series Grand Coupé
HK – Aug 2020

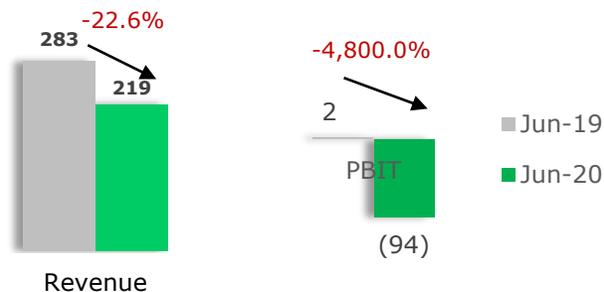
Logistics and Healthcare



Losses for Logistics due to lower throughput, share of loss from joint ventures and impairments



Logistics



Ports

- Measures put in place by China to control the coronavirus outbreak, environmental inspections and stiff competition has affected throughput.

Forex

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

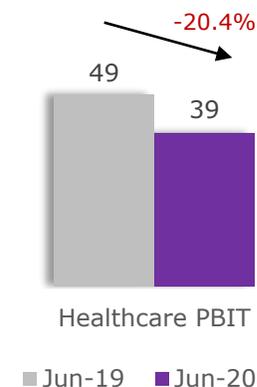
24.2 million MT
General cargo throughput
(FY2019: 30.3 million MT)

156,662 TEU
Container throughput
(FY2019: 272,435 TEU)

In RM Million	FY2019	FY2020
Ports	264	219
Water	19	-
Total Revenue	283	219
Ports - Subsidiaries	45	33
Ports – Assoc & JVs	(4)	(13)
Water	9	-
Forex	(7)	(5)
Total Core PBIT	43	15
Gain on disposals	78	18
Share of loss /impairment of WPS	(119)	(98)
Impairment of WSDLT and Jining Longgong Port assets	-	(29)
Total PBIT	2	(94)
PBIT margin	0.7%	(42.9%)
Core PBIT margin	15.2%	6.8%
ROIC	0.1%	(5.1%)



Healthcare



In RM Million	FY2019	FY2020
Healthcare PBIT	49	39
Healthcare ROIC	6.3%	6.0%

- Lower profit mainly due to impairments of assets and the impact of the coronavirus outbreak in the 2nd half of FY2020.

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Thank you

Appendices

4Q FY2020 Results Announcement ended 30 June 2020



4Q FY2020 External Revenue by Region

In RM Million	4Q FY2020	4Q FY2019	YoY %
Industrial			
Malaysia	153	268	(42.9%)
Southeast Asia ex Malaysia	128	156	(17.9%)
China/HK	1,406	1,074	30.9%
Australia/NZ	2,414	2,268	6.4%
	4,101	3,766	8.9%
Motors			
Malaysia	564	952	(40.8%)
Singapore/Thailand	268	993	(73.1%)
China/HK/Macau/Taiwan	2,934	2,846	3.1%
Australia/NZ	877	680	29.0%
	4,642	5,471	(15.2%)
Logistics			
Ports	51	69	(26.1%)
	51	69	(26.1%)
	-	-	
Others	27	17	58.8%
TOTAL	8,821	9,323	(5.4%)

4Q FY2020 Results Announcement ended 30 June 2020



4Q FY2020 PBIT by Region

In RM Million	4Q FY2020	4Q FY2019	YoY %
Industrial			
Malaysia	(6)	19	(131.6%)
Southeast Asia ex Malaysia	10	17	(41.2%)
China/HK	83	53	56.6%
Australasia	117	123	(4.9%)
	204	212	(3.8%)
Motors			
Malaysia	123	154	(20.1%)
Singapore/Thailand	(6)	(20)	(70.0%)
China/HK/Macau/Taiwan	51	115	(55.7%)
Australia/NZ	26	27	(3.7%)
	194	276	(29.7%)
Logistics			
Ports	10	11	(9.1%)
WPS and other impairments	(127)	(119)	
Forex	(2)	(5)	(60.0%)
Gain on Disposal	18	-	
	(101)	(113)	(10.6%)
Healthcare	(6)	7	(185.7%)
Others	24	(15)	(260.0%)
TOTAL	315	367	(14.2%)

Thank you