

# FY2021 Results Announcement

Analyst Briefing: First Quarter ended 30 September 2020

26 Nov 2020



Delivering  
Sustainable Futures

# **Sime Darby Berhad Group Results**

# FY2021 Financial Results



Reported Profit: Quarter ended 30 September 2020

In RM Million	Q1 FY2021	Q1 FY2020	YoY %
<b>Revenue</b>	<b>10,877</b>	<b>9,476</b>	14.8
<b>PBIT</b>	<b>447</b>	<b>380</b>	17.6
Finance income	12	11	
Finance costs	(33)	(39)	
<b>Profit before tax</b>	<b>426</b>	<b>352</b>	21.0
Taxation	(120)	(93)	
<b>Profit after tax</b>	<b>306</b>	<b>259</b>	18.1
Non-controlling interests	(25)	(13)	
<b>Net profit attributable to owners of the Company</b>	<b>281</b>	<b>246</b>	14.2

# FY2021 Financial Results



Core Profit: Quarter year ended 30 September 2020

In RM Million	Q1 FY2021	Q1 FY2020	YoY %
<b>Reported PBIT</b>	<b>447</b>	<b>380</b>	17.6
<b>Adjustments</b>			
• Fair value loss on financial assets (MES)	1	4	
• Share of loss/impairment of equity interest in E&O	-	16	
• Net forex gain on settlement of net investment	(10)	4	
<b>Core PBIT</b>	<b>438</b>	<b>404</b>	8.4
Net finance costs	(21)	(28)	
Taxation	(120)	(93)	
Non controlling interests	(25)	(13)	
<b>Core Net Profit</b>	<b>272</b>	<b>270</b>	0.7

# FY2021 Financial Results



Segmental PBIT: Quarter ended 30 September 2020

In RM Million	Q1 FY2021			Q1 FY2020			Reported PBIT	Core PBIT
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT	YoY %	YoY %
<b>Industrial</b>	196	1 <sup>1</sup>	197	260	4 <sup>1</sup>	264	(24.6)	(25.4)
<b>Motors</b>	223	-	223	134	-	134	66.4	66.4
<b>Logistics</b>	6	-	6	6	-	6	-	-
<b>Healthcare</b>	14	-	14	15	-	15	(6.7)	(6.7)
<b>Others</b>	13	-	13	(16)	16 <sup>2</sup>	-	181.3	100.0
<b>Corporate</b>	(15)	-	(15)	(15)	-	(15)	-	-
<b>Forex</b>	10	(10)	-	(4)	4	-	350.0	-
<b>PBIT</b>	<b>447</b>	<b>(9)</b>	<b>438</b>	<b>380</b>	<b>24</b>	<b>404</b>	<b>17.6</b>	<b>8.4</b>

Adjustments :

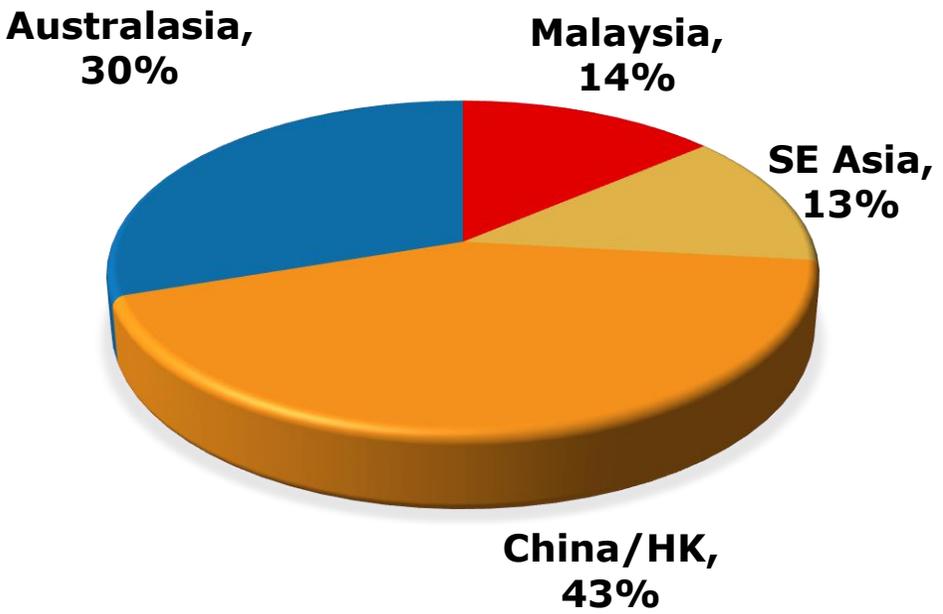
1. Fair value loss on financial assets (RM1m, RM4m)
2. Impairment of equity interest in E&O (RM16m)

# 1Q FY2021 Financial Results



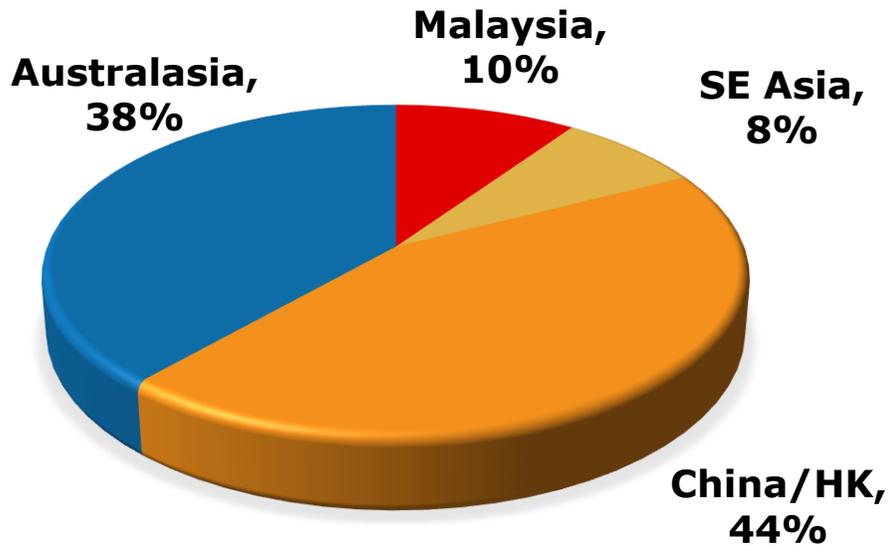
Regional Contribution: 1Q FY21 ended 30 Sep 2020

## Revenue Breakdown



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

## PBIT Breakdown



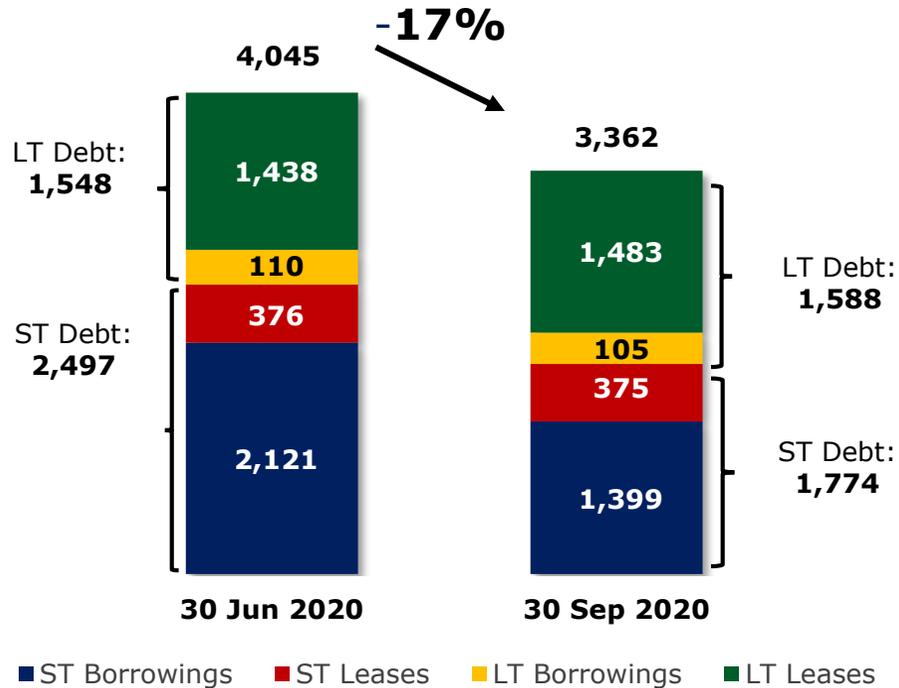
■ Malaysia ■ SE Asia ex Malaysia ■ China/HK ■ Australasia

# FY2021 Financial Results



Snapshot of borrowing position as at 30 Sep 2020

## Long Term vs Short Term Debt



## Total Debt



**RM3.4bn**  
As at 30 Sep 2020

**RM15.1bn**  
Total Equity

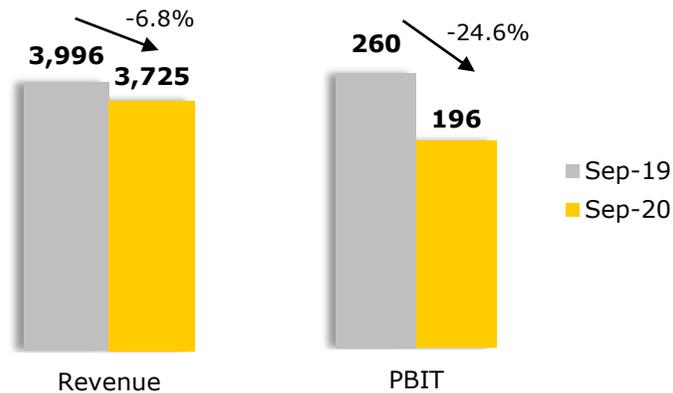
**0.22x**  
Debt/Equity Ratio

**RM2.0bn**  
Bank balances,  
deposits and cash

# Segmental Results



Profits declined mainly due to lower revenue in Australasia



In RM Million	Q1 FY2020	Q1 FY2021
Australasia	2,448	2,223
China	1,084	1,129
Malaysia	264	230
Singapore & Others	200	143
<b>Total Revenue</b>	<b>3,996</b>	<b>3,725</b>
Australasia	192	127
China	42	58
Malaysia	12	5
Singapore & Others	18	7
<b>Total Core PBIT</b>	<b>264</b>	<b>197</b>
FV Loss on Financial Asset	(4)	(1)
<b>Total PBIT</b>	<b>260</b>	<b>196</b>
<b>PBIT margin</b>	<b>6.5%</b>	<b>5.3%</b>
<b>Core PBIT margin</b>	<b>6.6%</b>	<b>5.3%</b>
<b>ROIC</b>	<b>2.8%</b>	<b>2.4%</b>

## Australasia

- Lower mining equipment and parts revenue in Australia following the decline in coal prices.
- Terra Cat contributed revenue of RM244m and PBIT of RM2m (acquisition was completed on 30 Sept 2019).
- Results partly offset by the stronger AUD – 3.00 vs 2.86.
- Fair value loss on financial assets of RM1 million (Q1FY2020 – loss of RM4m).

## China

- Higher profit mainly driven by equipment sales in the construction sector following the rise in Government infrastructure investment.

## Malaysia

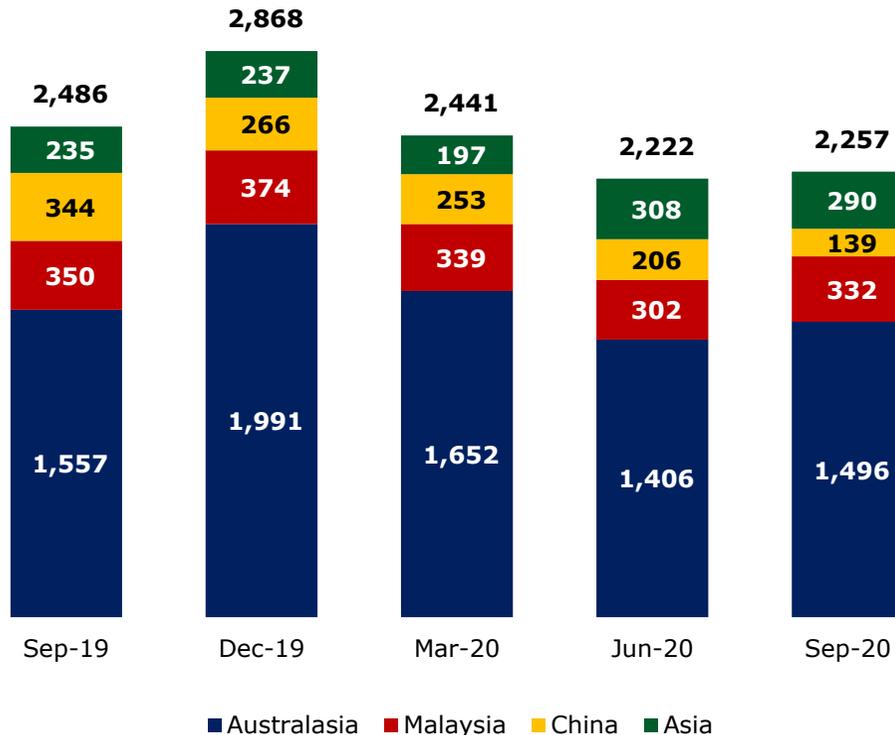
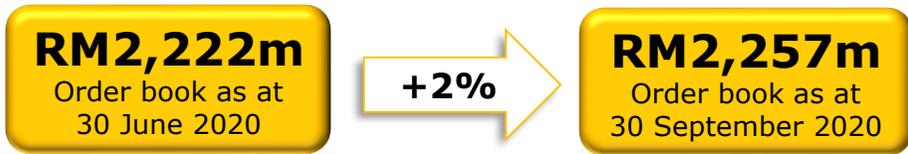
- Lower revenue as sales have not recovered since the coronavirus outbreak.

## Singapore & Others

- Sales of engines remained weak with low oil prices.



Order book increased by 2% from June 2020



## AUSTRALASIA

- Cautious outlook as China continues to tightly control coal imports from Australia.
- The Australian government has implemented fiscal and monetary policies to create jobs and support Australia's ailing economy.
- Outlook for construction industry in New Zealand remains optimistic.



## CHINA

- Pent-up construction demand and support from public infrastructure spending post-pandemic recovery underpins the positive outlook for construction in China.
- Construction activity expected to be back to pre-COVID levels by the first quarter of next year.



## MALAYSIA

- The construction sector is expected to bounce back with 13% growth next year on account of the acceleration and revival of major infrastructure projects such as the Mass Rapid Transit 2, Light Rail Transit 3, West Coast Expressway and Bayan Lepas Light Rail Transit as well as Pan Borneo and Coastal Highways in Sarawak.



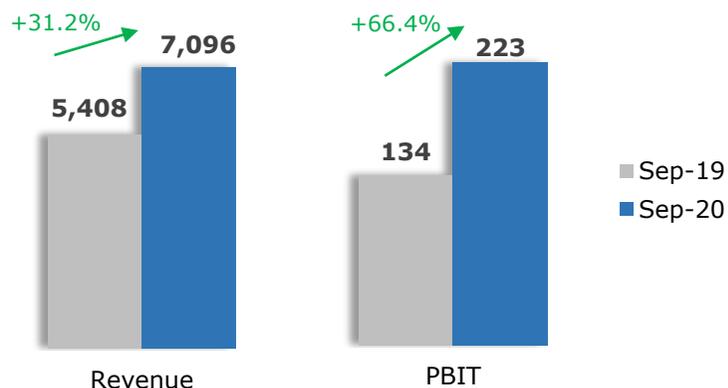
## SINGAPORE

- Recovery of the construction sector expected to be sluggish as the sector struggles to cope with a labour crunch with tighter border controls amid the coronavirus pandemic limiting the entry of new foreign workers into Singapore.

\* Q1FY21 included Terra CAT order book of RM96m.



## Higher profits in most regions as vehicle sales pick up post lockdown



In RM Million	Q1 FY2020	Q1 FY2021
China, HK, Macau & Taiwan	2,525	3,507
Southeast Asia	1,313	1,268
Malaysia	860	1,259
Australasia	710	1,062
<b>Total Revenue</b>	<b>5,408</b>	<b>7,096</b>
China, HK, Macau & Taiwan	73	130
Southeast Asia	1	26
Malaysia	31	26
Australasia	29	41
<b>Total PBIT</b>	<b>134</b>	<b>223</b>
<b>PBIT margin</b>	<b>2.5%</b>	<b>3.1%</b>
<b>Core PBIT margin</b>	<b>2.5%</b>	<b>3.1%</b>
<b>ROIC</b>	<b>1.7%</b>	<b>3.1%</b>

### China, HK, Macau & Taiwan

- Higher profit supported by strong performance of BMW operations and super luxury operations.
- Higher vehicles sales driven by strong momentum in premium automotive sector post lockdown.

### Southeast Asia

- Higher units sold, improved margins and lower inventory provisions at the Singapore operations.

### Malaysia

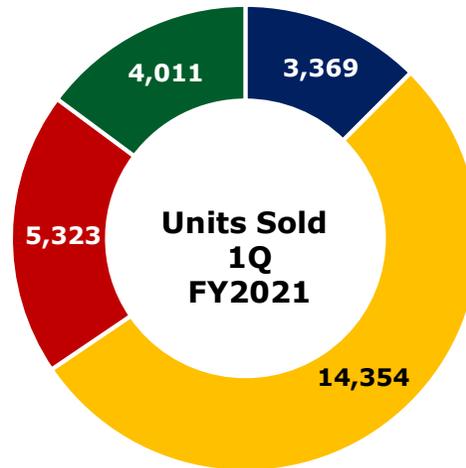
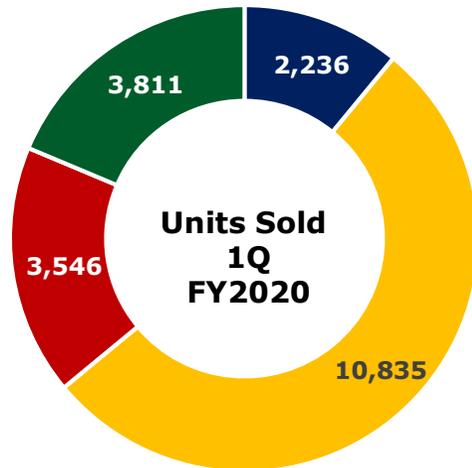
- Higher revenue from the luxury brands, supported by higher units sold mainly contributed by the sales-tax exemption under the PENJANA Stimulus Package.
- Profitability however declined due to lower car rental income and lower importer fees which were partly offset by higher profit from the BMW operations.

### Australasia

- Higher revenue and profit in Australian operations mainly driven by higher sales in the Brisbane operations and profit contribution from the new Sydney dealerships.
- Higher profit in New Zealand from the passenger vehicle operations.
- The Transport business contributed PBIT of RM1.5m.



Strong recovery in vehicle sales post lockdowns/restrictions



**27,057**  
Units Sold  
(Q1 FY2020: 20,428)

**3,499**  
Units Assembled  
(Q1 FY2020: 4,063)

■ Australasia ■ China ■ Malaysia ■ SE Asia



## MALAYSIA

- TIV expected to be supported by the 100% sales tax exemption on locally-assembled (CKD) models and 50% sales tax exemption on fully-imported (CBU) model, effective until 31 December 2020.
- However, TIV may be adversely impact with the extension of the Conditional Movement Control Order (CMCO).



## SE ASIA

- Sales of luxury cars in Singapore is expected to remain resilient with change in consumer preference for private mode of transportation due to the pandemic.
- Thailand is expected to see a rise in vehicle sales as government stimulus measures are implemented.



## CHINA

- Demand for luxury car sales is expected to stay resilient with the containment of the coronavirus outbreak by the Chinese government.
- The automotive industry is also supported by government policies such as vehicle scrappage programme and subsidies for new-vehicle sales.



## AUSTRALASIA

- Automotive sales expected to pick up as government incentives such as instant asset write off and more accessible financing for consumers are introduced.



Upcoming model launches expected in Q2 FY2021



**BMW 4 Series**  
China – Nov 2020



**KIA Sorento FMC**  
Taiwan – Nov 2020



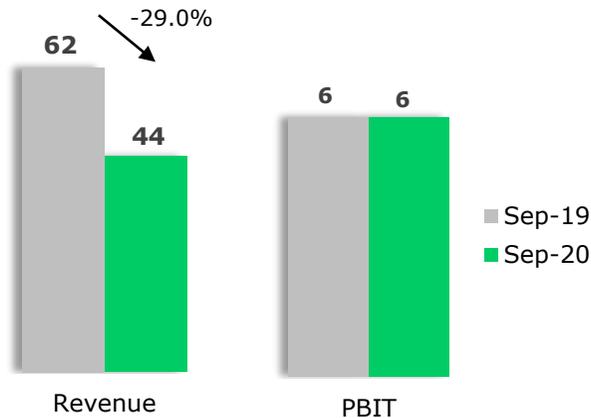
**BMW iX3**  
China – Nov 2020



**Porsche Panamera Facelift**  
Aus/ NZ – Dec 2020<sub>12</sub>



### Logistics



#### Ports

- Port operations registered 36.5% and 40.2% lower bulk and container throughput, mainly due to stiff competition.

#### Forex

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

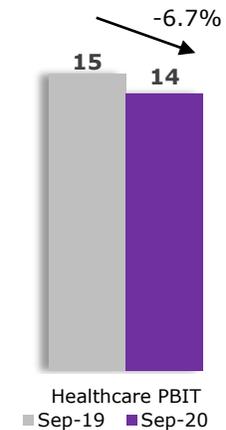
In RM Million	Q1 FY2020	Q1 FY2021
<b>Total Revenue</b>	<b>62</b>	<b>44</b>
Ports - Subsidiaries	15	-
Ports – Assoc & JVs	(6)	1
Forex	(3)	5
<b>Total PBIT</b>	<b>6</b>	<b>6</b>
<b>PBIT margin</b>	<b>9.7%</b>	<b>13.6%</b>
<b>Core PBIT margin</b>	<b>9.7%</b>	<b>13.6%</b>
<b>ROIC</b>	<b>0.3%</b>	<b>0.3%</b>

**4.63 million MT**  
General cargo throughput  
(Q1 FY2020: 7.29 million MT)

**33,300 TEU**  
Container throughput  
(Q1 FY2020: 55,675 TEU)



### Healthcare



In RM Million	Q1 FY2020	Q1 FY2021
<b>Healthcare PBIT</b>	<b>15</b>	<b>14</b>
<b>Healthcare ROIC</b>	<b>1.9%</b>	<b>2.1%</b>

- Patient volumes are still lower than the previous year post coronavirus outbreak, especially in Indonesia.

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**Thank you**

# Appendices

# 1Q FY2021 Results Announcement ended 30 Sep 2020



## 1Q FY2021 External Revenue by Region

In RM Million	1Q FY2021	1Q FY2020	YoY %
<b>Industrial</b>			
Malaysia	230	264	(12.9%)
SE Asia ex Malaysia	143	200	(28.5%)
China/HK	1,129	1,084	4.2%
Australia/NZ	2,223	2,448	(9.2%)
	<b>3,725</b>	<b>3,996</b>	<b>(6.8%)</b>
<b>Motors</b>			
Malaysia	1,256	860	46.4%
SE Asia ex Malaysia	1,268	1,313	(3.4%)
China/HK/Macau/Taiwan	3,507	2,525	38.9%
Australia/NZ	1,062	710	49.6%
	<b>7,096</b>	<b>5,408</b>	<b>31.2%</b>
<b>Logistics</b>			
Ports	44	62	(29.0%)
	<b>44</b>	<b>62</b>	<b>(29.0%)</b>
<b>Others</b>	<b>12</b>	<b>10</b>	<b>20.0%</b>
<b>TOTAL</b>	<b>10,877</b>	<b>9,476</b>	<b>14.8%</b>

# 1Q FY2021 Results Announcement ended 30 Sep 2020



## 1Q FY2021 PBIT by Region

In RM Million	1Q FY2021	1Q FY2020	YoY %
<b>Industrial</b>			
Malaysia	5	12	(58.3%)
SE Asia ex Malaysia	7	18	(61.1%)
China/HK	58	42	38.1%
Australasia	126	188	(33.0%)
	<b>196</b>	<b>260</b>	<b>(24.6%)</b>
<b>Motors</b>			
Malaysia	26	36	(27.8%)
Singapore/Thailand	26	1	2500.0%
China/HK/Macau/Taiwan	130	73	78.1%
Australia/NZ	41	29	41.4%
YSD Contribution		(5)	(100.0%)
	<b>223</b>	<b>134</b>	<b>66.4%</b>
<b>Logistics</b>			
Ports	1	9	(88.9%)
Water			
Forex	5	(3)	(266.7%)
Gain on Disposal			
	<b>6</b>	<b>6</b>	<b>0%</b>
<b>Healthcare</b>	<b>14</b>	<b>15</b>	<b>(6.7%)</b>
<b>Others</b>	<b>8</b>	<b>(35)</b>	<b>(122.9%)</b>
<b>TOTAL</b>	<b>447</b>	<b>380</b>	<b>17.6%</b>



**Thank you**