

FY2021 Results Announcement

Analyst Briefing: Half Year Ended 31 December 2020

25 Feb 2021



Delivering
Sustainable Futures

Sime Darby Berhad Group Results

FY2021 Financial Results



Reported Profit: Half-year ended 31 December 2020

In RM Million	1H FY2021	1H FY2020	YoY %
Revenue	22,120	19,685	12.4
PBIT	1,290	827	56.0
Finance income	21	23	
Finance costs	(61)	(85)	
Profit before tax	1,250	765	63.4
Taxation	(276)	(209)	
Profit after tax	974	556	75.2
Non-controlling interests	(60)	(28)	
Net profit attributable to owners of the Company	914	528	73.1

FY2021 Financial Results



Core Profit: Half-year ended 31 December 2020

In RM Million	1H FY2021	1H FY2020	YoY %
Reported PBIT	1,290	827	56.0
Adjustments			
• Fair value loss on financial assets (MES)	2	9	
• Loss on disposal of Jining ports	2	-	
• Gain on disposal of Tesco	(294)	-	
• Share of profit/impairment of equity interest in E&O	(12)	22	
• Forex (gain)/loss on settlement of net investment	(2)	1	
Core PBIT	986	859	14.8
Net finance costs	(40)	(62)	
Taxation	(253) ¹	(209)	
Non controlling interests	(60)	(28)	
Core Net Profit	633	560	13.0

Adjustments :

1. Tax adjustments: Disposal of Tesco (RM22m), Disposal of Jining ports (RM1m)

FY2021 Financial Results



Segmental PBIT: Half-year ended 31 December 2020

In RM Million	1H FY2021			1H FY2020			Reported PBIT	Core PBIT
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT	YoY %	YoY %
Industrial	452	2 ¹	454	547	9 ¹	556	(17.4)	(18.3)
Motors	505	-	505	277	-	277	82.3	82.3
Logistics	9	2 ²	11	13	-	13	(30.8)	(15.4)
Healthcare	25	-	25	32	-	32	(21.9)	(21.9)
Others	332	(306) ³	26	(12)	22 ³	10	>100.0	>100.0
Corporate	(35)	-	(35)	(29)	-	(29)	(20.7)	(20.7)
Forex	2	(2)	-	(1)	1	-	>100.0	-
PBIT	1,290	(304)	986	827	32	859	56.0	14.8

Adjustments :

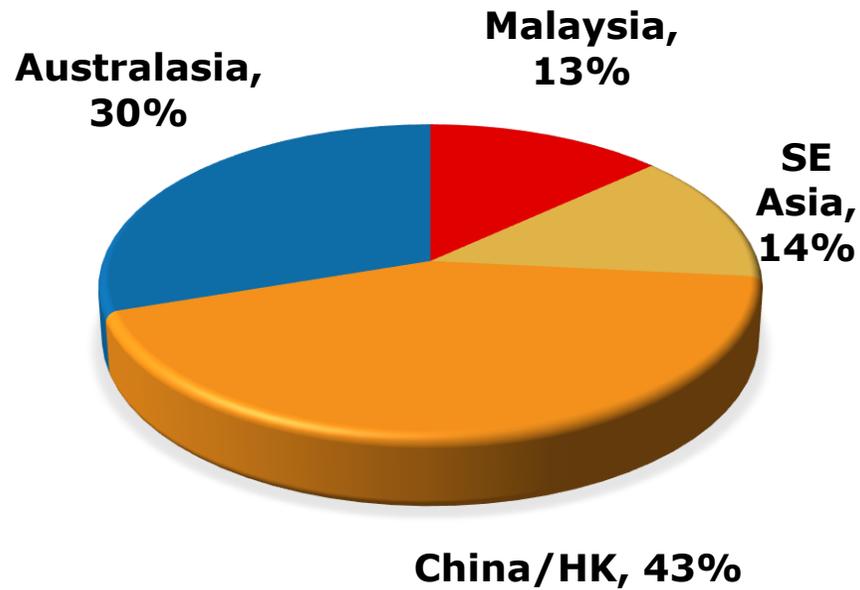
1. Fair value loss on financial assets (RM2m in 1HFY2021, RM9m in 1HFY2020)
2. Loss on disposal of Jining ports (RM2m in 1HFY2021)
3. Gain on disposal of Tesco (RM294m in 1HFY2021) and share of profit/impairment of equity interest in E&O (RM12m in 1HFY2021, RM22m in 1HFY2020)

2Q FY2021 Financial Results



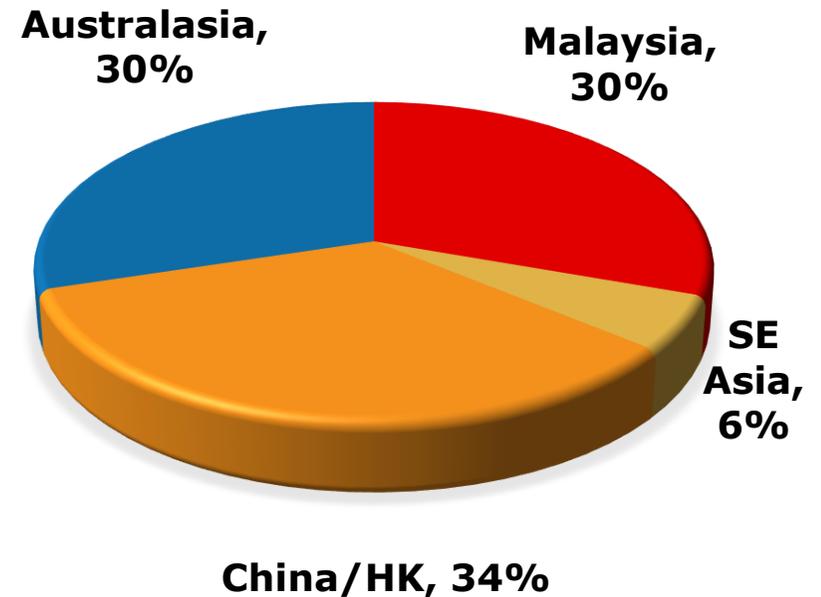
Regional Contribution: 2QFY2021 ended 31 December 2020

Revenue Breakdown



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

PBIT Breakdown



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

FY2021 Financial Results



Reported Profit: Quarter ended 31 December 2020

In RM Million	Q2 FY2021	Q2 FY2020	YoY %
Revenue	11,243	10,209	10.1
PBIT	843	447	88.6
Finance income	9	12	
Finance costs	(28)	(46)	
Profit before tax	824	413	99.5
Taxation	(156)	(116)	
Profit after tax	668	297	124.9
Non-controlling interests	(35)	(15)	
Net profit attributable to owners of the Company	633	282	124.5

FY2021 Financial Results



Core Profit: Quarter ended 31 December 2020

In RM Million	Q2 FY2021	Q2 FY2020	YoY %
Reported PBIT	843	447	88.6
Adjustments			
• Fair value loss on financial assets (MES)	1	5	
• Loss on disposal of Jining ports	2	-	
• Gain on disposal of Tesco	(294)	-	
• Share of profit/impairment of equity interest in E&O	(12)	6	
• Net forex loss/(gain) on settlement of net investment	8	(3)	
Core PBIT	548	455	20.4
Net finance costs	(19)	(34)	
Taxation	(133) ¹	(116)	
Non controlling interests	(35)	(15)	
Core Net Profit	361	290	24.5

Adjustments :

1. Tax adjustments: Disposal of Tesco (RM22m), Disposal of Jining ports (RM1m)

FY2021 Financial Results



Segmental PBIT: Quarter ended 31 December 2020

In RM Million	Q2 FY2021			Q2 FY2020			Reported PBIT	Core PBIT
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT	YoY %	YoY %
Industrial	256	1 ¹	257	287	5 ¹	292	(10.8)	(12.0)
Motors	282	-	282	143	-	143	97.2	97.2
Logistics	3	2 ²	5	7	-	7	(57.1)	(28.6)
Healthcare	11	-	11	17	-	17	(35.3)	(35.3)
Others	319	(306) ³	13	4	6 ³	10	>100.0	30.0
Corporate	(20)	-	(20)	(14)	-	(14)	(42.9)	(42.9)
Forex	(8)	8	-	3	(3)	-	-	-
PBIT	843	(295)	548	447	8	455	88.6	20.4

Adjustments :

1. Fair value loss on financial assets (RM1m in Q2FY2021, RM5m in Q2FY2020)
2. Loss on disposal of Jining ports (RM2m in Q2FY2021)
3. Gain on disposal of Tesco (RM294m in Q2FY2021) and share of profit/impairment of equity interest in E&O (RM12m in Q2FY2021, RM6m in Q2FY2020)

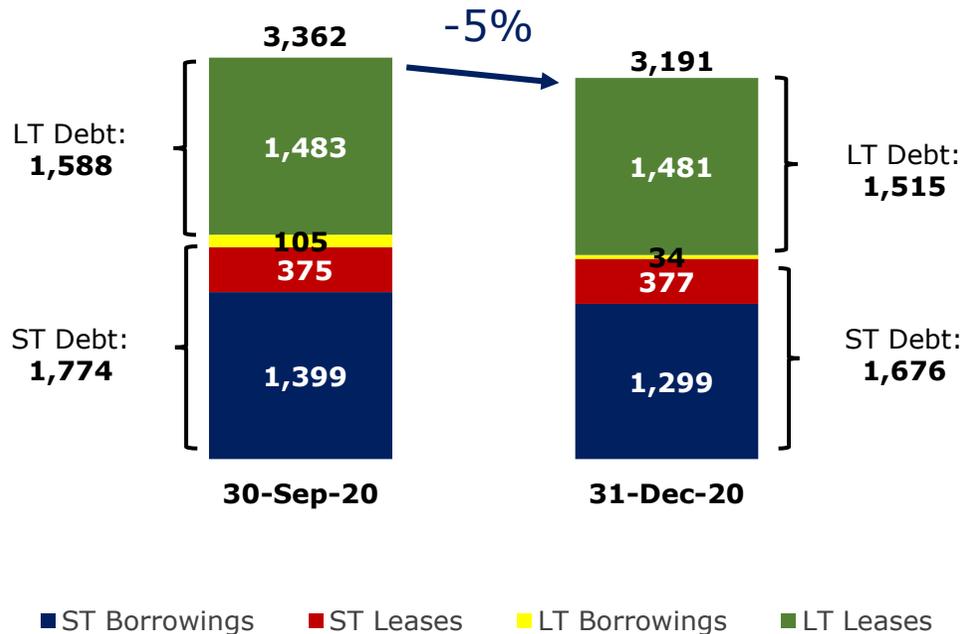
FY2021 Financial Results



Snapshot of borrowing position as at 31 Dec 2020

Long Term vs Short Term Debt

Total Debt



RM3.2bn
As at 30 Dec 2020

RM15.8bn
Total Equity

0.20x
Debt/Equity Ratio

RM1.8bn
Bank balances,
deposits and cash

Segmental Results



Profits declined mainly due to lower revenue in Australasia



Australasia

- Lower mining equipment and parts revenue in Australia.
- Terra Cat contributed revenue of RM505m and PBIT of RM8m.
- Results partly offset by the stronger AUD – 3.00 vs 2.85.
- Fair value loss on financial assets of RM2 million (1HFY2020 – loss of RM9m).

China

- Higher revenue from equipment and parts sales backed by Government infrastructure investments. However, faced with lower margins due to fierce competition.

Malaysia

- Slow recovery of sales since the coronavirus outbreak.
- Product support and equipment deliveries heavily impacted by COVID-19 restrictions.

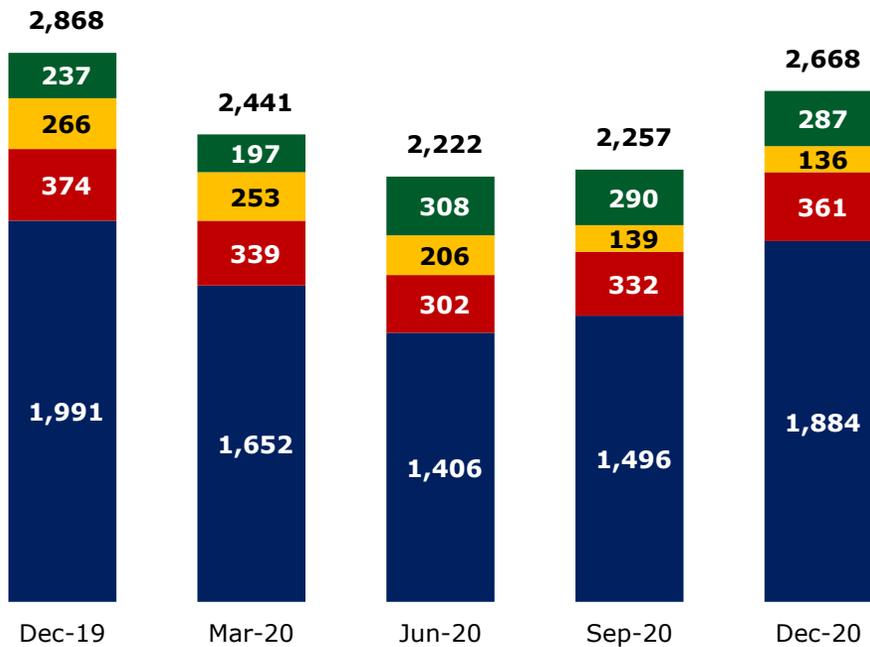
Singapore & Others

- Results continue to be hampered by COVID-19 restrictions

In RM Million	1H FY2020	1H FY2021
Australasia	4,954	4,470
China	2,099	2,443
Malaysia	523	497
Singapore & Others	395	296
Total Revenue	7,971	7,706
Australasia	389	305
China	112	113
Malaysia	21	12
Singapore & Others	34	24
Total Core PBIT	556	454
FV Loss on Financial Asset	(9)	(2)
Total PBIT	547	452
PBIT margin	6.9%	5.9%
Core PBIT margin	7.0%	5.9%
Annualised ROIC	12.4%	10.6%



Order book increased by 18.2% from September 2020



■ Australasia ■ Malaysia ■ China ■ Asia

* Dec 2020 includes Terra CAT order book of RM91m.



AUSTRALASIA

- Cautious outlook due to uncertainty in the global commodity markets and ongoing impact of China's alleged ban on Australian coal imports.
- Deployment of monetary and fiscal stimulus is foreseen to support a rebound in Australia's economic recovery.
- Outlook for construction industry in New Zealand remains optimistic.



CHINA

- Market outlook remain positive backed by strong containment measures and policy support. However, recent resurgence of the coronavirus infections may dampen the pace of economic recovery.



MALAYSIA

- Despite expectations of a muted recovery in the construction sector, Budget 2021's RM37b direct infrastructure allocation may see 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.

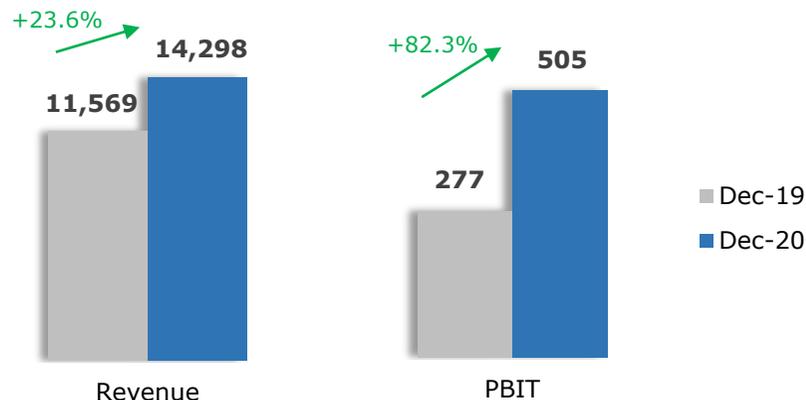


SINGAPORE

- Recovery of the construction sector is expected to be driven by public sector projects.
- The sector remain concerned with rising material costs and manpower constraints amid the coronavirus pandemic lockdown restrictions.



Higher profits mainly due to strong performance of the Greater China operations.



In RM Million	1H FY2020	1H FY2021
China, HK, Macau & Taiwan	5,559	7,034
Southeast Asia	2,561	2,657
Malaysia	1,856	2,406
Australasia	1,593	2,201
Total Revenue	11,569	14,298
China, HK, Macau & Taiwan	163	316
Southeast Asia	(1)	41
Malaysia	66	64
Australasia	49	84
Total PBIT	277	505
PBIT margin	2.4%	3.5%
Core PBIT margin	2.4%	3.5%
Annualised ROIC	6.7%	14.1%

China, HK, Macau & Taiwan

- Performance of BMW and super luxury operations remain strong with high vehicles sales and improved margins especially from the super luxury segment.
- Higher profit at BMW China operations from lower discounting.

Southeast Asia

- Higher units sold and improved margins at the Singapore operations.

Malaysia

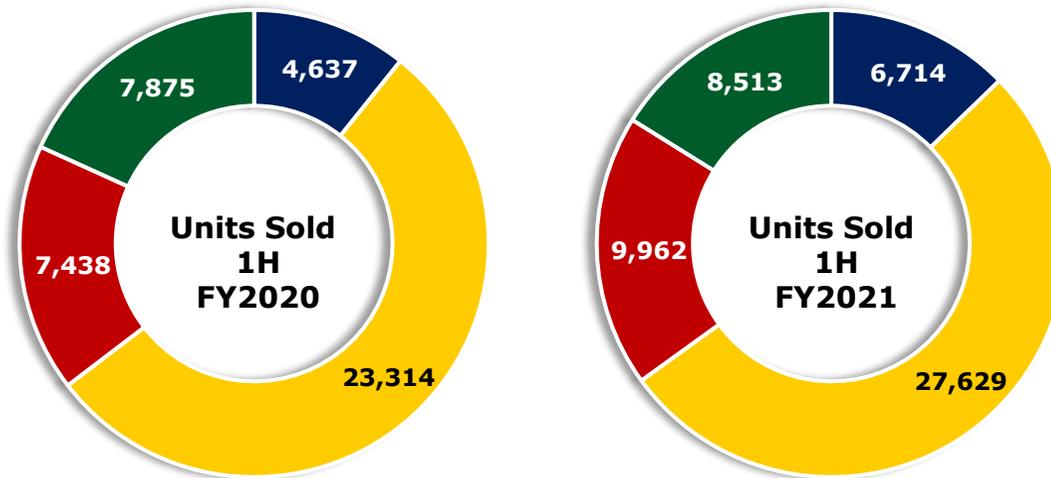
- Higher revenue due to higher units sold supported by the sales-tax exemption provided under the PENJANA Stimulus Package.
- Higher profit contribution from retail and distribution operations offset against the lower profit from car rental operation.

Australasia

- Higher profit contribution from the new Sydney dealerships.
- Improved margins from passenger vehicle operations in New Zealand.
- Lower revenue recorded by the commercial vehicle operations in New Zealand due to shrinking truck market and shortage of supply.



Strong recovery in vehicle sales post lockdowns/restrictions



■ Australasia ■ China ■ Malaysia ■ SE Asia

52,818
Units Sold
(1H FY2020: 43,264)

8,002
Units Assembled
(1H FY2020: 12,394)



MALAYSIA

- TIV projected to grow steadily in 2021 supported by the extension of the 100% sales tax exemption on locally-assembled (CKD) models and 50% on fully-imported (CBU) model to 30 June 2021.
- However, prolonged Movement Control Order (MCO) increases pressure on the automotive sector.



SE ASIA

- Though Singapore is set for a slow economic recovery, sales of luxury cars in the country is expected to remain resilient following the shift in consumer mobility preferences.
- Thailand is expected to see a rise in vehicle sales as government stimulus measures are implemented.



CHINA

- The automotive industry continues to be supported by government policies and extension of new-energy vehicle sales subsidies.
- The luxury segment is expected to keep flourishing on the back of China's growing affluent population.



AUSTRALASIA

- Automotive sales is expected to grow following increased positive consumer confidence backed by the government efforts in encouraging consumption.



Upcoming model launches expected in 3Q FY2021



BMW M3

China - Mac 2021



Porsche 718 Cayman

Aus/ NZ - Mac 2021



BMW M4

China - Mac 2021



Volvo XC40

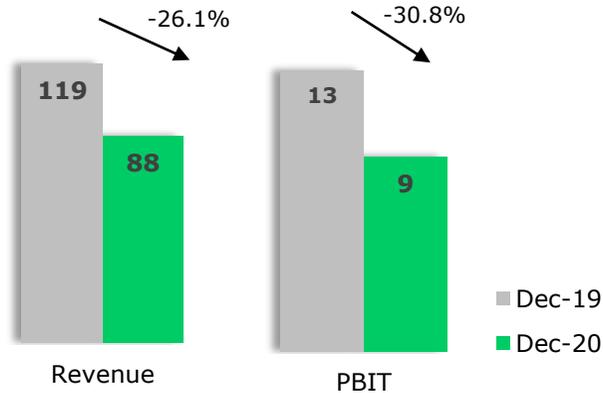
Aus/ NZ - April 2021

Logistics and Healthcare

Logistics – Impact of lower throughput was mitigated by forex gain



Logistics



Ports

- Port operations registered lower bulk and container throughput by 35.2% and 40.4% respectively mainly due to stiff competition.

Forex

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

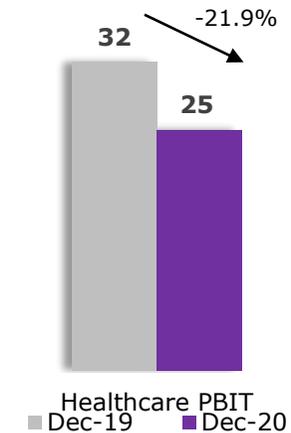
In RM Million	1H FY2020	1H FY2021
Total Revenue	119	88
Ports - Subsidiaries	27	-
Ports – Assoc & JVs	(12)	(1)
Forex	(2)	12
Total PBIT	13	11
Loss on disposal of Jining ports	-	(2)
Total PBIT	13	9
PBIT margin	10.9%	10.2%
Core PBIT margin	10.9%	12.5%
Annualised ROIC	1.3%	1.0%

8.8 million MT
General cargo throughput
(1H FY2020: 13.6 million MT)

63,092 TEU
Container throughput
(1H FY2020: 105,935 TEU)



Healthcare



In RM Million	1H FY2020	1H FY2021
Healthcare PBIT	32	25
Healthcare Annualised ROIC	10.0%	7.5%

- Patient volumes remain low following the resurgence of the coronavirus outbreak during the quarter.

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Thank you

Appendices

2Q FY2021 Results Announcement ended 31 Dec 2020



2Q FY2021 External Revenue by Region

In RM Million	2Q FY2021	2Q FY2020	YoY %
Industrial			
Malaysia	267	259	3.1%
SE Asia ex Malaysia	153	195	(21.5%)
China/HK	1,314	1,015	29.5%
Australia/NZ	2,247	2,506	(10.3%)
	3,981	3,975	0.2%
Motors			
Malaysia	1,147	996	15.2%
SE Asia ex Malaysia	1,389	1,248	11.3%
China/HK/Macau/Taiwan	3,527	3,034	16.2%
Australia/NZ	1,139	883	29.0%
	7,202	6,161	16.9%
Logistics			
Ports	44	57	(22.8%)
	44	57	(22.8%)
Others	16	16	0%
TOTAL	11,243	10,209	10.1%

2Q FY2021 Results Announcement ended 31 Dec 2020



2Q FY2021 PBIT by Region

In RM Million	2Q FY2021	2Q FY2020	YoY %
Industrial			
Malaysia	7	9	(22.2%)
SE Asia ex Malaysia	17	16	6.3%
China/HK	55	70	(21.4%)
Australasia	177	192	(7.8%)
	256	287	(10.8%)
Motors			
Malaysia	38	35	8.6%
Singapore/Thailand	15	(2)	-
China/HK/Macau/Taiwan	186	90	106.7%
Australia/NZ	43	20	115.0%
	282	143	97.2%
Logistics			
Ports	(2)	6	-
Forex	7	1	600%
Gain on Disposal	(2)		-
	3	7	(57.2%)
Healthcare	11	17	(35.3%)
Others	291	(7)	-
TOTAL	843	447	88.6%

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Thank you