



SIME DARBY BERHAD

Investor Relations Discussion

October 2021



*Delivering
Sustainable Futures*



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Sime Darby Berhad

Sime Darby Berhad

Leading trading company in Asia Pacific with strong partnerships with Premium Brands



One of the largest BMW dealers in the World and the World's largest Rolls Royce dealer



Second largest CAT dealer globally



7 hospitals across Malaysia & Indonesia

● Industrial ● Motors ● Logistics ● Healthcare

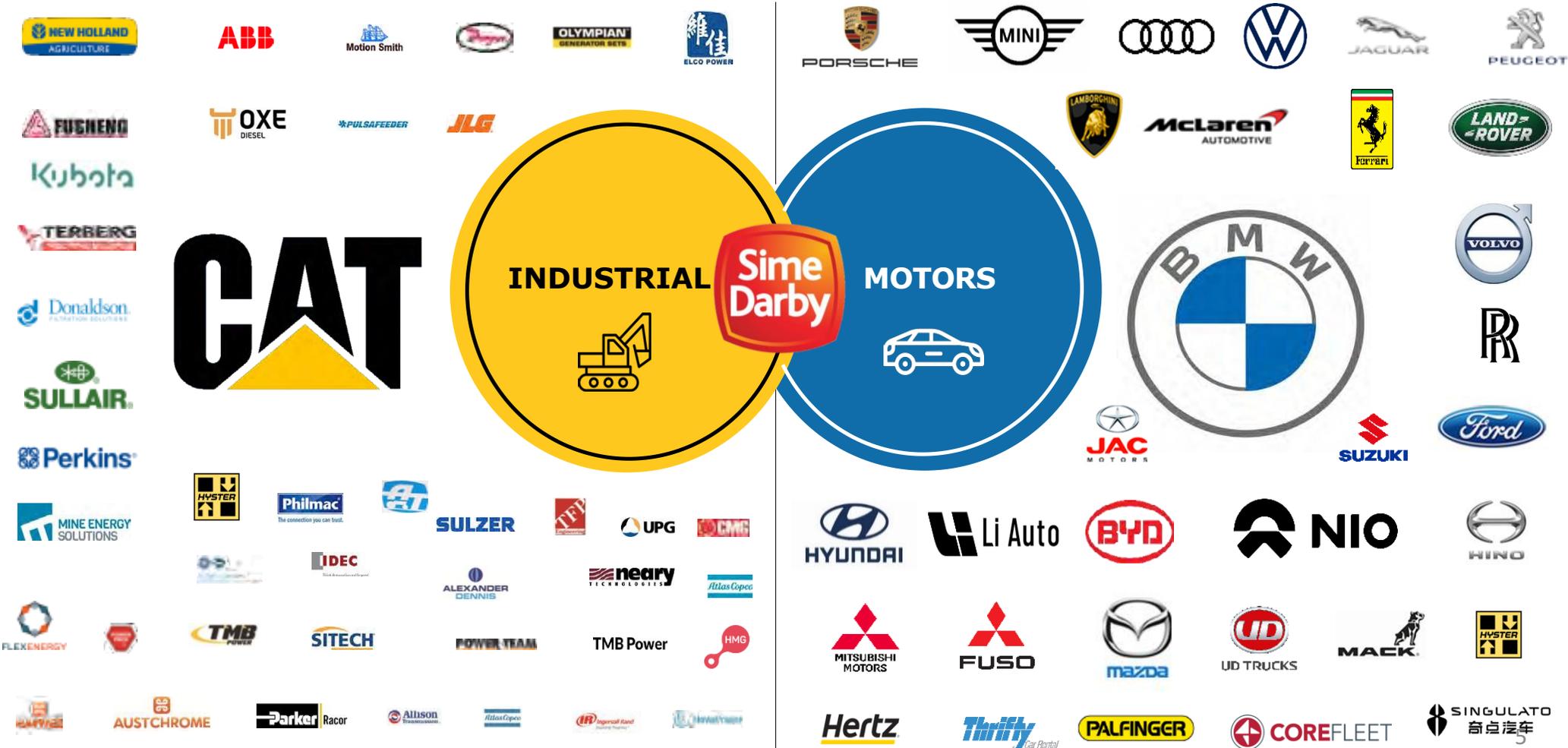
(1) Geographical footprint defined as locations in which Sime Darby Berhad has assets or employees, and includes JV's operations (i.e. Ramsay Sime Darby Health Care operates in Indonesia);
 (2) As at June 2021. Includes Group Head Office, Industrial, Motors, Logistics and other businesses. Excludes employees of RSDH; (3) Contribution as of FY21 preliminary

Brands that we carry

“Partner of Choice” for many of the World’s Leading Brands

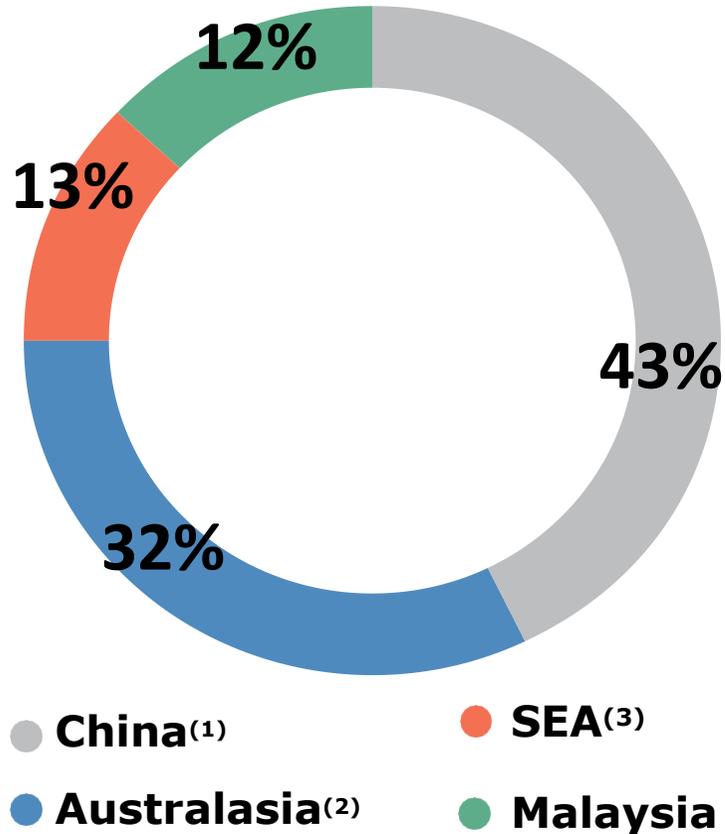
Industrial Powerhouse

Automotive Specialist



Sime Darby: Revenue by Geography

>80% of our Revenue is generated outside Malaysia; China & Australia are Key Markets



Notes:

- 1) Based on FY21 Revenue
- 2) China consists of China, Hong Kong, Macau & Taiwan
- 3) Australasia consists of Australia, New Zealand, Papua New Guinea & Solomon Islands
- 4) SEA consists of Singapore, Thailand, Indonesia

“Sime Darby Berhad is a **multinational company** whereby **~88%** of revenue comes from **outside Malaysia**”



China is the **largest** region, contributing **~40%** of our revenue



Our **second largest** region is **Australia**, contributing **~30%** of our revenue, largely from the **mining industry**

Sime Darby: Operations Overview

Retail & Aftersales for Motors & Industrial equipment, valuable Healthcare business



Motors

Retail, distribution,
rental & assembly

9 markets,
203
branches

More than 30 brands
from luxury to mass
market

One of the
largest BMW
dealers globally

50 years
experience



Industrial

Equipment &
after-sales services

152 branches
across 16 countries &
territories

Supply to **mining &**
construction
sectors, among
others

One of the **largest CAT**
dealers globally

92 years
experience with CAT



Healthcare

50:50 JV with
Ramsay
Healthcare



Partnered with
premium
healthcare
operator

7
internationally
accredited
hospitals in
Malaysia and
Indonesia

World-class
services with state-
of-art **medical**
technologies



Others



Seaport operations in
Eastern China –
loading/unloading &
storage of bulk cargo,
liquid chemicals and
containers



Owns **~8,800 acres** of
land in the MVV region



Owns **60%** of
Sime Darby Lockton
Insurance Brokers Sdn Bhd

The Sime Darby Advantage



Broad footprint across Asia Pacific and strong relationship with World Class principals



Strong Partnership with World Class Brands

- **Partner of choice** for world leading brands who want to expand in Asia
- Strong standards of **governance** and **professionalism**



Good understanding of Asia

- **Established network** and strong "know how" in the **APAC region**
- Our wide footprint across Asia Pacific gives us the ability to **leverage on different markets** to gain exposure to a broader earnings base
- Good proxy to **China's luxury play**



Expansion Driven

- **Expansion is in our DNA**, with strong expertise in M&A, Organic growth and brownfield expansion
- Some **notable M&As**:
 - Acquisition of CAT NZ **GOUGH GROUP**
 - Acquisition of Trivett dealerships to expand BMW in Sydney **Trivett**



Broad capabilities across our value chain

- Our capabilities extend **across the value chain** of our businesses, resulting in a **wide spectrum of opportunities** to capitalize on



Dry Powder to Deploy

- **Low gearing** & strong **Cash Flows**
- **Ample debt headroom** for strategic expansion & M&As

0.23x

Debt to equity ratio

As of 30 June 2021

FY2021 Financial Results

Reported Profit: Financial year ended 30 June 2021

In RM Million	FY2021	FY2020	YoY %
Revenue	44,483	36,934	 20.4
PBIT	2,181	1,407	 55.0
Finance income	46	51	
Finance costs	(122)	(183)	
Profit before tax	2,105	1,275	 65.1
Taxation	(575)	(402)	
Profit after tax	1,530	873	 75.3
Non-controlling interests	(105)	(53)	
Net profit attributable to owners of the Company	1,425	820	 73.8



FY2021 Financial Results

Core Profit: Financial year ended 30 June 2021

In RM Million	FY2021	FY2020	YoY %
Reported PBIT	2,181	1,407	55.0
Adjustments			
• Fair value loss on financial assets (MES)	2	72	
• Logistics & Land impairments	176 ¹	153 ²	
• Gain on disposal	(332) ³	(18) ⁴	
• Singapore Motors GST refund	(39)	-	
• Share of results / loss on disposal of E&O	(33)	58	
• Others	13 ⁵	(54) ⁶	
Core PBIT	1,968	1,618	21.6
Net finance costs	(76)	(132)	
Taxation	(539) ⁷	(393) ⁷	
Non controlling interests	(105) ⁷	(53) ⁷	
Core Net Profit	1,248	1,040	20.0

Adjustments :

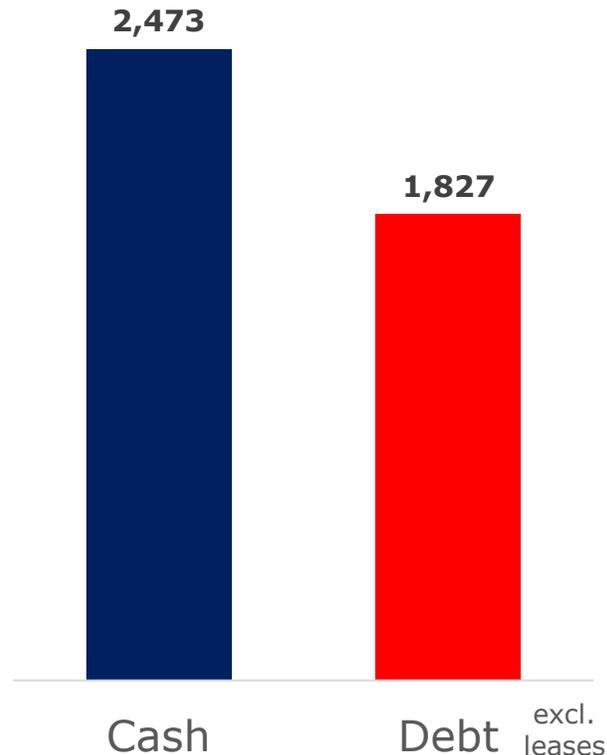
1. Motors impairment of leasehold land RM 89m, Logistics impairment RM 85m and Loss on disposal of Jining Ports RM 2m
2. Motors impairment of leasehold land RM 26m and Logistics impairment RM 127m
3. Gain on disposal of Tesco RM 294m, Gain on disposal of Motors properties RM 38m
4. Gain on disposal of Logistics sea-use-rights (SUR)
5. Forex loss on settlement of net investment RM 13m
6. Forex gain on settlement of net investment RM 7m, Reversal of impairment on PNG assets RM 32m and QP legal case settlement RM 15m
7. Adjusted for tax and non-controlling interest (NCI) effects of one-off items

FY2021 Financial Results

Strong cash flows and low gearing contributed to a net cash position as of 30 June 2021

Cash Position vs Debt

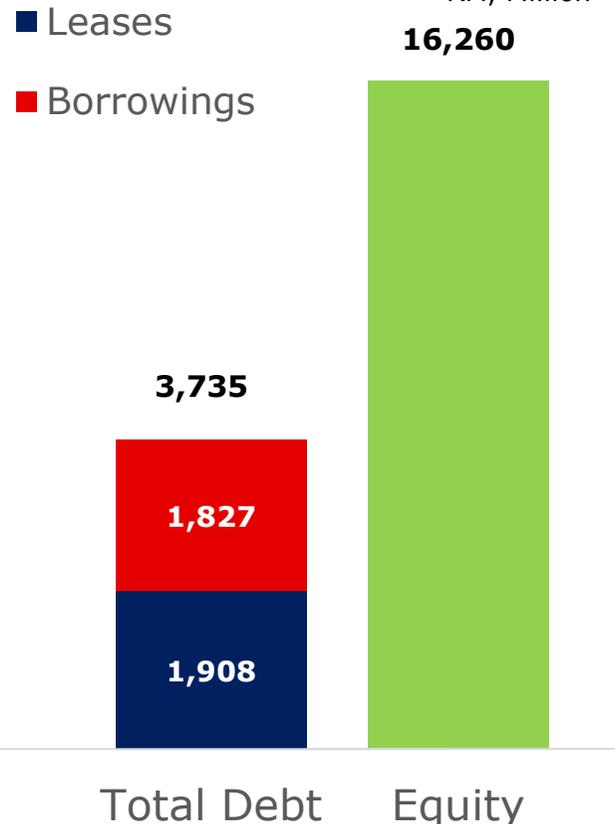
RM, Million



RM 0.6 bn
Net Cash

Gearing

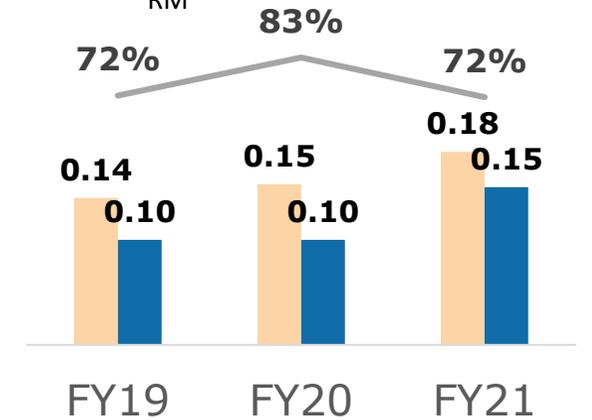
RM, Million



0.23x
Debt/Equity Ratio

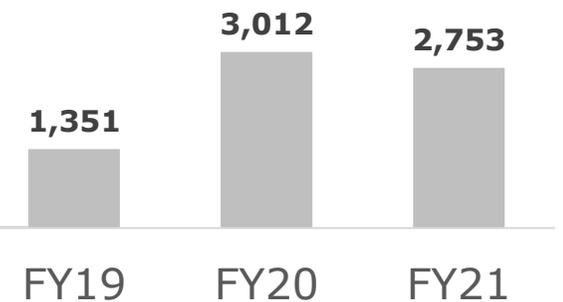
Dividend & Cash Flow

Core EPS RM DPS Dividend Payout %



Operating Cash Flow

RM, Million

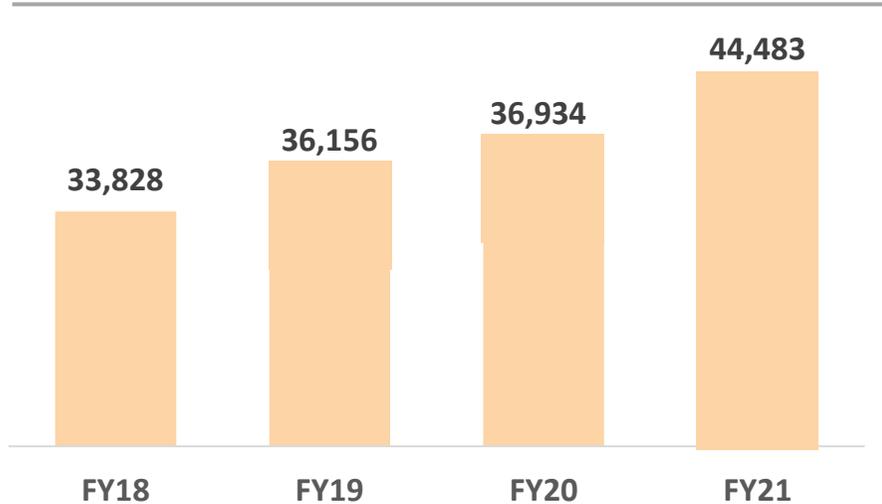


RM 2.7 bn
Operating Cash Flow

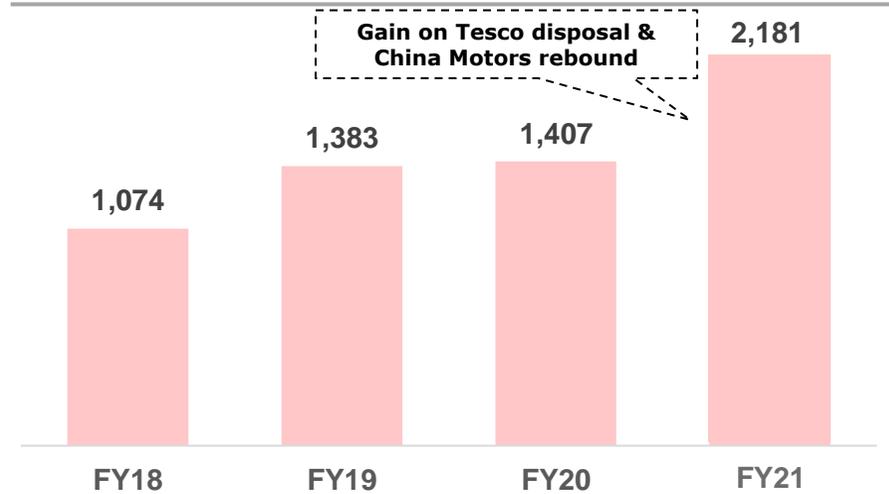
Key Financial Highlights: Post Demerger

Revenue and earnings growing consistently, post-demerger

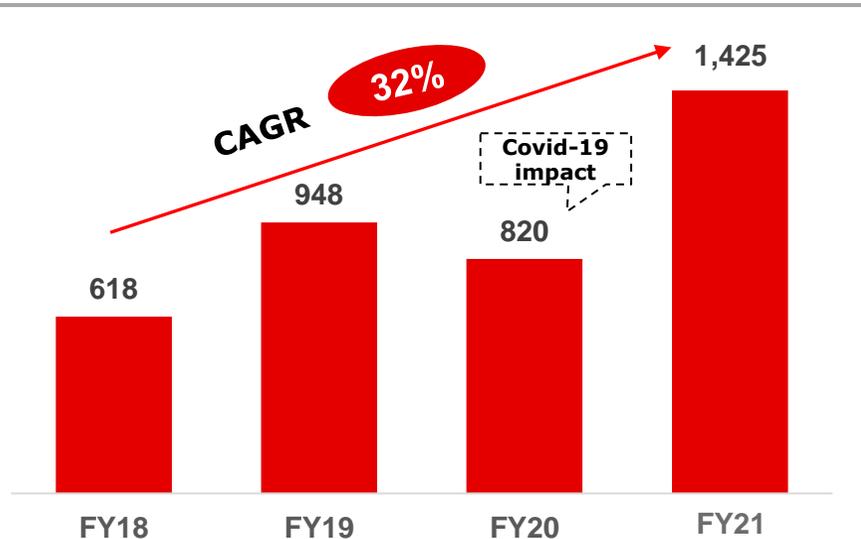
Revenue (RM million)



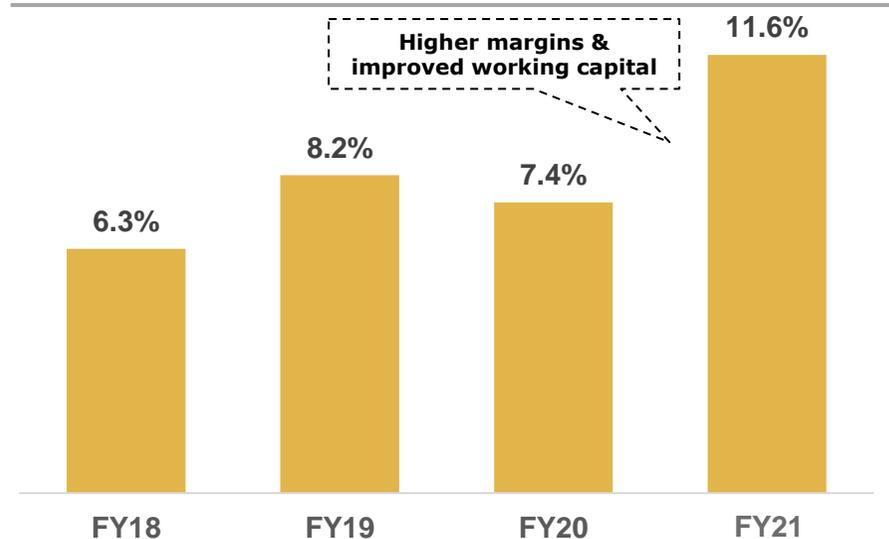
Reported PBIT (RM million)



PATAMI (RM million)



ROIC (%)



Business Expansion & Portfolio Rationalisation



We have been active in business expansion; rationalisation of large assets are ongoing

Organic Expansion

Dealerships



Shanghai Chengdu
Changsha
Qijing
Kunming
Balakong
Dongguan MINI



Shenzhen
Kunming
Guangzhou
Ara Damansara
Brisbane



Changsha



Brisbane

Assembly



Inokom Assembly
Porsche and Kia
Assembly

Industrial



Obtained
franchise for
Hyster Yale
forklifts for
Malaysia & Brunei

Mergers & Acquisition



Price: RM
574mn



Price: RM
440mn



Price: RM
177mn



EV: RM
370 mn



Price: RM
327 mn

Strategic Investments



Monetisation Of Non-Core Assets

TESCO

Proceeds:
RM300mn



Proceeds:
USD 6mn



Proceeds:
RM 93.5 mn



Nissan NZ

Proceeds:
NZD 3.3mn



Weifang Water

Proceeds:
RM 275mn



Jining Ports

Proceeds:
RM 300mn



Proceeds:
RM 3.6mn

Accomplished Business Development and Corporate Finance teams to execute our Corporate Transactions

Sime Darby: Corporate Strategy Blueprint



Focus on Transformational M&A, with expansion in China Auto and Mining Services

Strategy Blueprint FY2022



Enablers

- People Development
- Safety & Health
- Sustainability
- Technology & Innovation

Sime Darby: Our China Journey

China is our core market (40% revenue); looking to massively expand

Our China Operations



- We **entered into China in 1962** through China Engineers Limited (Industrial Division) and expanded business to include **Motors & Ports**.
- Now, China is our **largest revenue contributor** (40% group revenue).
- Our Operations in China:
 - **Tier 1 BMW dealer** with over 40,000 unit sales
 - **Large CAT dealer** for Southern China
 - Seaport in **Weifang Province**

Growth Strategies



- Riding on China's strong **organic GDP growth** for construction and luxury goods
- Acquisition of **large and transformative auto dealership** to expand sales network
- Continuous **greenfield expansion** for BMW and luxury marques in **Tier 3 and 4 cities**
- Looking to enter **other emerging markets** in search of the "Next China" (India & Indonesia)



Mining will Remain Relevant



With the energy transition & regional development, demand for mining is resilient

Mining remains globally relevant

Metals (lithium, cobalt etc.) are essential components for the Energy Transition; and mining is needed for extraction

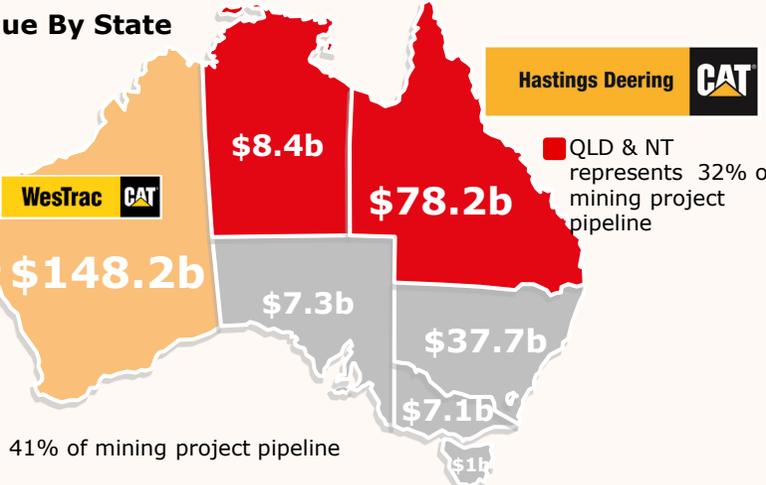
Energy Transition



Mining Revenue By State



Huge opportunity in Western Australia



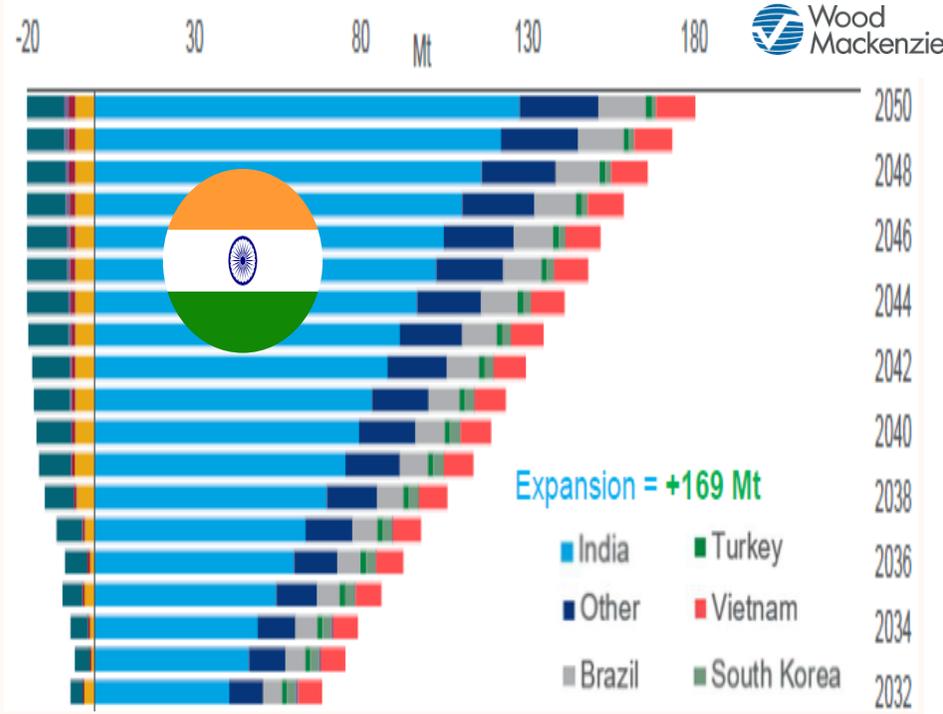
Metals & commodities are an essential component of the Energy Transition journey

Western Australia has substantial growth opportunities, and reinforces the need for a non-CAT presence

MET Coal: India demand will drive growth

India and SE Asia lead the long-term demand due to low base of urbanization and steel intensity

155 Mt net import demand growth by 2050



MET coal is a crucial component for steelmaking, and there is no commercially-viable alternative.

Less environmental impact as compared to thermal coal.

Dealers Play a Crucial Role in Automotive Sales



Luxury customers prefer physical touchpoints for test drive & service

Reason for importance



01



Physical interaction remains central especially for **luxury segment** (90% prefer physical visit)

02



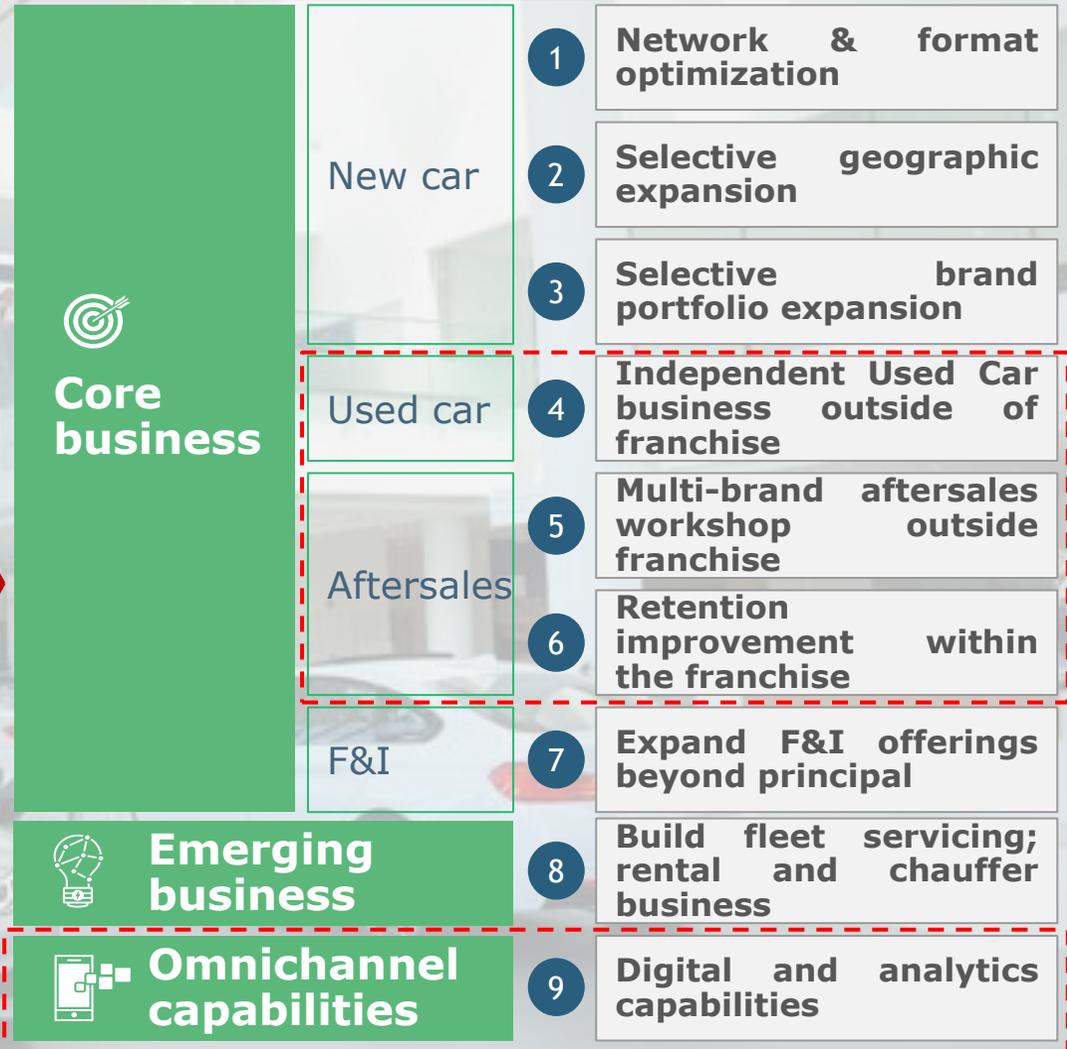
Regardless of **new formats (agency model)**, physical sites are needed for **test drive, delivery and after sales**

03



With EVs, authorised dealers could play a more important role as **sophisticated computerized systems** could push customers to the **official channels**

We will enhance:



To focus on Omnichannel, Used Car and Aftersales, which are the highest value segments

EV & Mobility Strategies

Committed to grow EV portfolio; Mobility to learn how autos is evolving



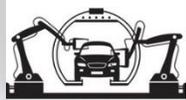
1 Leverage on EV line up of existing Principals



2 Secure partnerships with new EV OEMs



3 Enter the Ecosystem with Aftersales & Fleet 

4 Assembly of EV (RHD) and batteries for the region 

5 Distribution and rollout of EV charging infrastructure



Autonomous Connected



1 **Venture Capital**
RM 25m investments in start-up



2 **Fleet Management**



Aftersales for SOCAR
Working with TNB on EV fleet

3 **E-Commerce**



Online sales with Lazada & BMW
Digital showroom

Electrification Shared



4 **Omnichannel Transformation**
accenture

Collaboration with Accenture to re-define customer journey



ESG Framework



Key themes around Environment, Customer Journey and Technology & Innovation



Developing Sustainable Futures

Purpose

Targets

<p>30% reduction of emissions by 2030 (Scope 1 & 2 only) from 2020 levels</p>	<p>Minimum RM250m investments in ESG innovation by 2025</p>	<p>>50% products in our portfolio by 2025 are more energy efficient than 2020 product portfolio</p>
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Sustainability Themes

 <p>Optimising our environmental and social footprint</p>	 <p>Exceeding in sustainable partnerships</p>	 <p>Inspiring our employees to deliver meaningful change</p>	 <p>Driving sustainable innovation and technology</p>
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Flowing into the following Initiatives

Major Initiatives

E nvironment	S ocial	G overnance
<ol style="list-style-type: none"> Investment in renewable energy across all countries of operations Investments in cleaner, and more efficient technology Responsible supply chain 	<ol style="list-style-type: none"> Mobility & Omnichannel Consolidate ESG understanding through training and development CSR activities across all countries of operation Occupational health and safety 	<ol style="list-style-type: none"> Embed inclusion and diversity in our human resources and operational activities Business ethics & compliance

Next Steps

1 Identify gaps in initiatives 2 Review & develop KPI 3 Set up Governance

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 Resource Officer



NOOR ZITA HASSAN
Group Secretary



GLENN SHEAHAN
Group Chief Safety &
Sustainability Officer



DEAN MEHMET
Managing Director,
Industrial Division



ANDREW BASHAM
Managing Director,
Motors Division



LIEW THIAM HUAT
Managing Director,
Logistics Division



PETER HONG
Managing Director,
Healthcare Division



PEOW GOH
Group Chief Information
& Digital Officer



Industrial Division

Our Operations



Industrial has a large presence across 18 countries in Asia Pacific, representing seven well known industrial brands, including the second largest Caterpillar dealership group globally.



Heavy Equipment Sales (New and Used)



Power Systems Sales



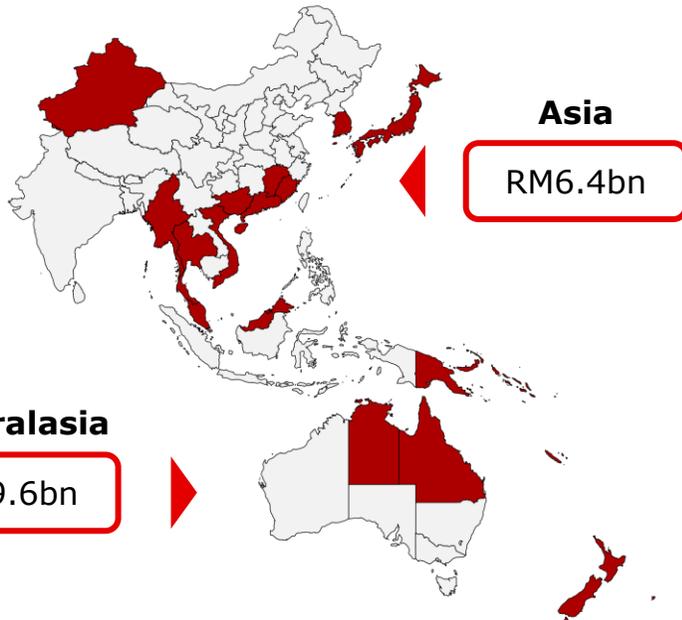
Product Support



Equipment Rental



Industrial Solutions

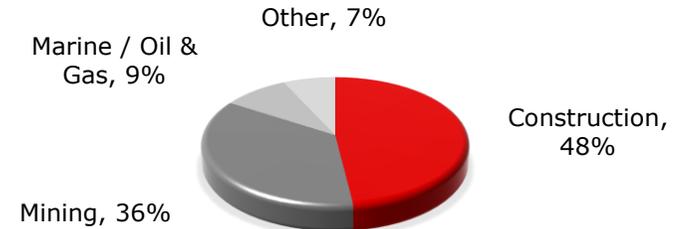


Revenue
RM16.0bn

PBIT
RM909m

PATAMI
RM551m

Revenue By Segment



Met coal represents 20% of total revenue, thermal 9%, and other resources 7%.

Division Business Profile and Portfolio



Diversified Products and Markets



Dragline



Skid Steer



Hydraulic Excavator



Mine Truck



Diesel Engine

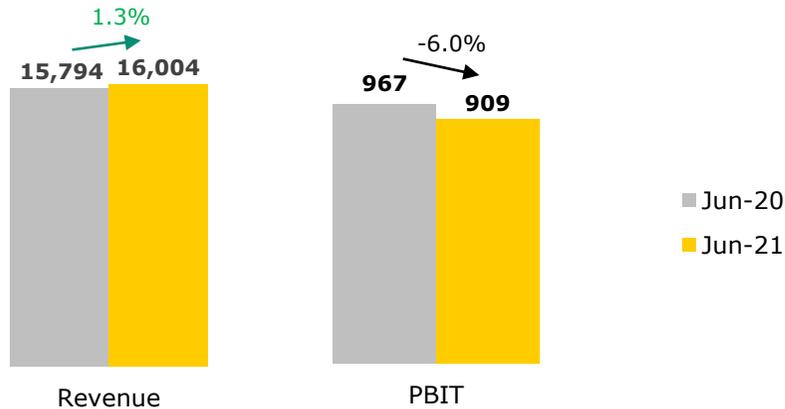


SEM Wheel Loader

Industrial Division FY21 vs FY20 Results



Profits dipped mainly due to lower revenue in Australasia and weaker margins in China



In RM Million	FY2020	FY2021
Australasia	9,914	9,619
China	4,255	4,810
Malaysia	913	945
Singapore & Others	712	630
Total Revenue	15,794	16,004
Australasia	717	670
China	212	171
Malaysia	17	31
Singapore & Others	61	39
Total Core PBIT	1,007	911
FV Loss on Financial Asset	(72)	(2)
Reversal of impairment on PNG assets	32	-
Total PBIT	967	909
PBIT margin	6.1%	5.7%
Core PBIT margin	6.4%	5.7%
ROIC	11.2%	10.1%

Australasia

- Lower revenue from the mining equipment and parts segments.
- Partly mitigated by Terra CAT profit contribution – FY2021: RM22m vs. FY2020: loss of RM12m (acquired in Sep 2019).
- Results partially offset by the stronger AUD – 3.08 vs 2.82.
- Fair value loss on financial assets of RM2m (FY2020: loss of RM72m).

China

- Higher equipment revenue supported by government infrastructure investments.
- However, the margins were adversely impacted by the strong competition from local equipment suppliers.

Malaysia

- Revenue increased on the back of higher revenue from used equipment and petroleum services.
- Recovery in the used and rental equipment operations and lower overheads.

Singapore & Others

- Slow recovery in the sales amidst COVID-19 labour crunch in Singapore.
- Includes loss of RM11m from Chubb Singapore in FY2021 due to contract loss provision.

Industrial Outlook

Orderbook continues to hold strong

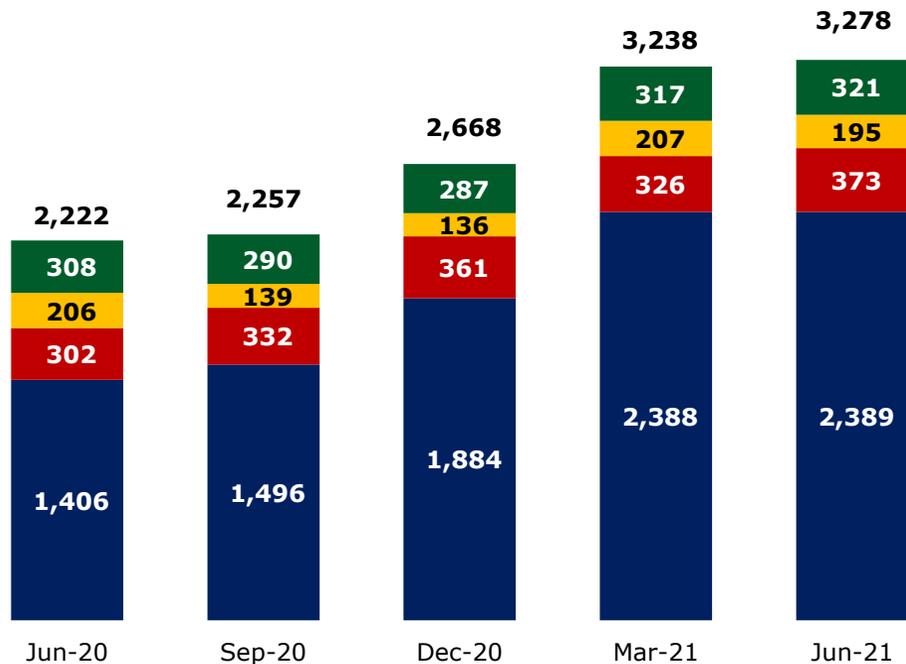
RM3,238m

Order book as at
31 March 2021

+1.2%

RM3,278m

Order book as at
30 June 2021



■ Australasia ■ Malaysia ■ China ■ Asia

* Jun 2021 includes Terra CAT order book of RM244m.



AUSTRALASIA

- Mining sector in Australia continues to face headwinds from on-going diplomatic disputes with China.
- The parts segment is subject to Caterpillar pricing adjustment due to currency fluctuations.
- Optimistic outlook for the construction industry in New Zealand due to pent-up demand and economic recovery.



CHINA

- Renewed optimism for the construction market following the recent pledge by the government to implement massive infrastructure bills.
- Brief lockdowns reimposed to contain Covid-19 outbreaks could slow economic productivity.



MALAYSIA

- The construction sector activity is expected to increase following the relaxation of movement restrictions. Nonetheless, uncertainties remain amidst the fear of new Covid-19 variants.
- Slow resumption of mega projects expected due to the prolonged lockdown impact on government's finances and political uncertainties.



SINGAPORE

- Phased recovery of the construction sector is supported by the healthy pipeline of public sector projects.
- While labour shortage persists, the government has recently launched a pilot scheme to facilitate steady inflow of migrant labour.



Motors Division

We represent >30 brands and operate >200 outlets in 9 markets across APAC with 43% of revenue from China

Footprint

China 43%



Taiwan 1%



HK & Macau 6%



Thailand 3%



Australia 8%



Malaysia 15%



New Zealand 8%



Singapore 16%



FY21 Financials

Revenue **RM28.2bn**

+35%

PBIT **RM1.0bn**

+83%

FY21 Achievements

85,000

New Cars

28,000

Used Cars

1.1 mn

Throughput

19,800

Cars Assembled

5,000

Rental Fleet Size

11,700

People

Long standing partnerships



49
years



40
years



40
years



23
years



18
years

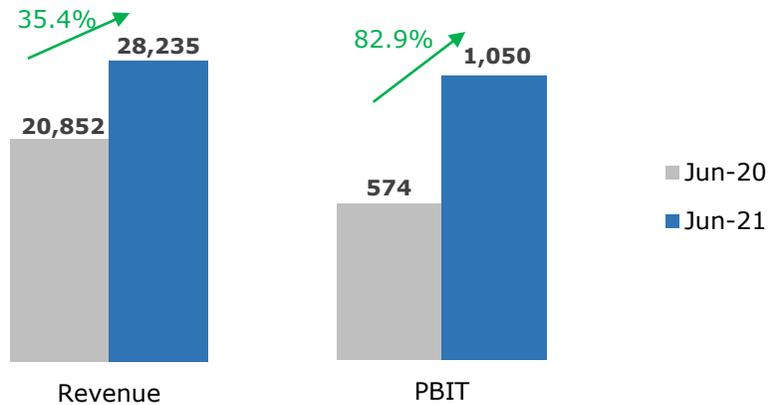


16
years

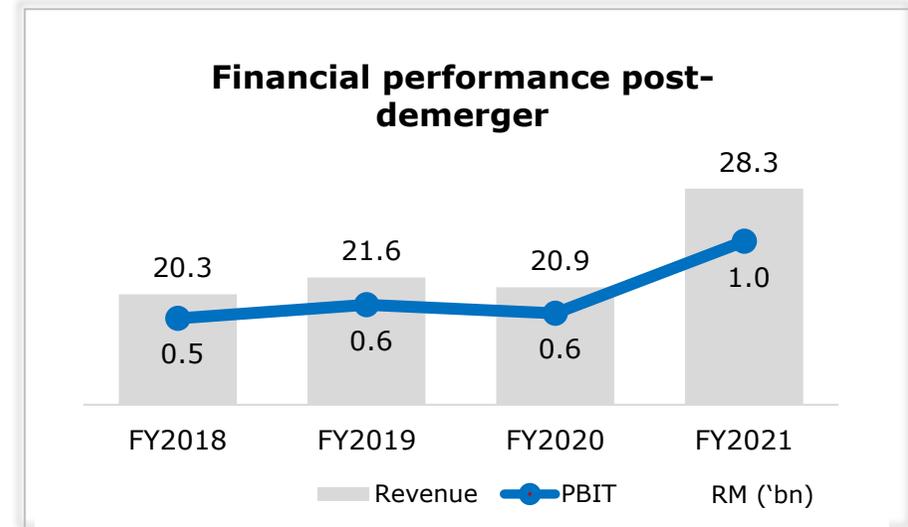


12
years

Profits doubled post-demerger on the back of investments and supportive macroeconomic trends



In RM Million	FY2020	FY2021
China, HK, Macau & Taiwan	10,308	14,057
Singapore & Thailand	3,885	5,295
Malaysia	3,256	4,129
Australia and New Zealand	3,403	4,754
Total Revenue	20,852	28,235
China, HK, Macau & Taiwan	277	551
Singapore & Thailand	21	51
Malaysia	212	252
Australia and New Zealand	90	208
Total Core PBIT	600	1,062
GST refund (Singapore)	-	39
Leasehold land impairment (Hong Kong)	(26)	(89)
Property disposals (Malaysia)	-	38
Total PBIT	574	1,050
PBIT margin	2.8%	3.7%
Core PBIT margin	2.9%	3.8%
ROIC	7.5%	14.3%



China

- Revenue spending due to border closures



Singapore

- Improved used car and rental vehicle margins



Malaysia

- Sales tax exemption



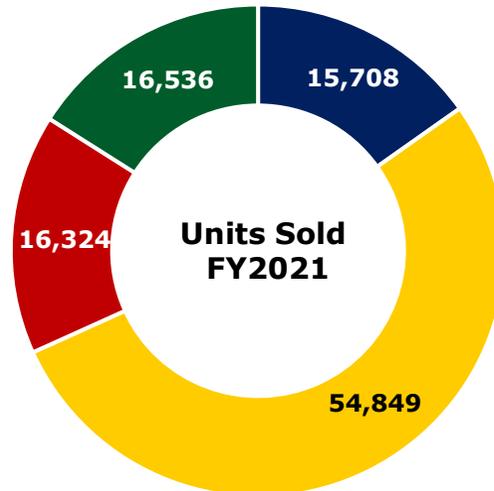
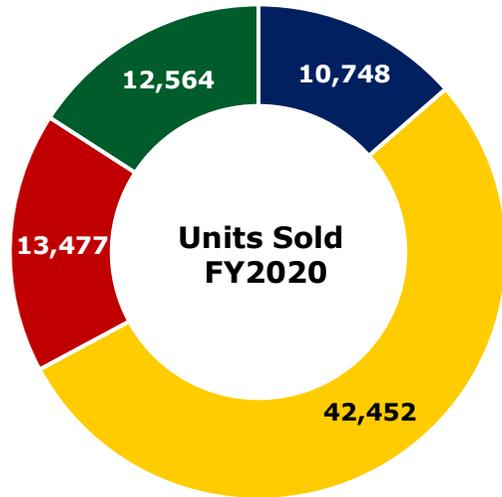
Australia and New Zealand

- Revenue spending due to border closures
- Contribution from new acquisitions

Motors Outlook



Mixed outlook amidst Covid-19 restrictions and global chip shortage



■ Australasia ■ China ■ Malaysia ■ SE Asia

103,417
Units Sold
(FY2020: 79,241)

17,141
Units Assembled
(FY2020: 23,831)



MALAYSIA

- TIV is expected to decrease from 2020 due to disruptions caused by the prolonged Movement Control Order (MCO).
- Sales and aftersales facilities are now allowed to operate under all phases of the National Recovery Plan (NRP), however consumer sentiment remains weak on the back of economic uncertainty.



SE ASIA

- The EV industry in Singapore is envisaged to benefit from tax incentives and stricter emission regulations.
- The automotive industry in Thailand is expected to recover in line with an improving global and domestic economic outlook.



CHINA

- Consumption upgrade continues to sustain the growth momentum for luxury cars.
- Nonetheless, government mobility restrictions caused by Delta outbreak might curtail consumption activity.



AUSTRALASIA

- Sales growth in both passenger and commercial vehicles are spurred by recovering economy and stronger consumer sentiment.
- However, the industry continues to be challenged by global chips shortage.

Motors Outlook



Upcoming model launches expected in FY2022



BMW iX3 LCI

China - Q4 2021/ Q1 2022



BMW X3 LCI

Malaysia - Q4 2021/ Q1 2022



BMW iX

China/ Malaysia - Q1 2022



BMW i4

Malaysia - Q1 2022



Healthcare Division

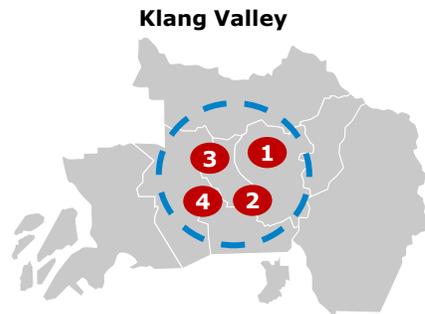
Operational Footprints



Premium tertiary hospitals with world class parentage



Cluster Hospital in Klang Valley



Malaysia's capital region with over 7mm inhabitants

1 SJMC



- Since 1985
- 444 licensed beds
- Top 2 COEs: Haematology-oncology and neuro spine;

2 ADCM



- Since 2012
- 117 licensed beds
- Top 2 COEs: Orthopaedic and Cardiology

3 PMC



- Since 2012
- 150 licensed beds
- Top 2 COEs: Women & children and geriatric health

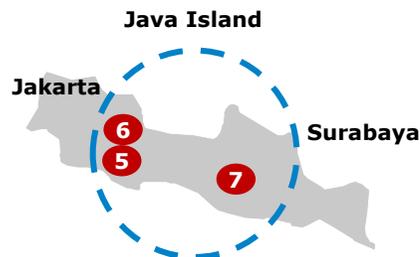
4 MHK¹



- Since 2016
- 171 licensed
- Top 2 COEs: O&G and aesthetic surgery



Cluster Hospital in Jakarta & Surabaya



Indonesia's two largest metropolitan cities with over 12mm inhabitants combined

5 RS Premier Bintaro



- Since 1988
- 205 licensed beds
- Top 2 COEs: Vascular Surgery and Orthopaedics Centre

6 RS Premier Jatinegara



- Since 1999
- 280 licensed beds
- Top 2 COEs: Cardiac Surgery and Neurosurgery

7 RS Premier Surabaya



- Since 1998
- 200 licensed beds
- Top 2 COEs: Heart Centre and Intensive Care Services

Key Highlights



Located at heart of economic centres and affluent regions.



Provides a wide range of healthcare services to premium & non-premium private & public patients.



7 hospitals



1,210 operational beds



Circa 1.3 m annual outpatient visits



Circa 1K+ specialists

Note:

1. Manipal Hospitals Klang (MHK) was acquired by RSDH in May 2021.

Operational Highlights



Operational capabilities comparable with key regional healthcare operators

FY20 data unless otherwise stated



FACILITIES

of hospitals

6

16

32

25

of beds (operational)

1,210

2,696

3,410

3,105

INPATIENT

Avg. revenue per inpatient admission

RM9,835

RM8,428

RM6,147

RM3,511

Revenue per bed

RM0.56mn

RM0.50mn

RM0.44mn

RM0.21mn

Inpatient ALOS (avg. length of stay)

3.7 days

2.9 days

2.6 days

3.2 days

Bed occupancy rate (%)

62%

57%

70%

49%

60%

45%

60%

53%

FY19

FY20

FY19

FY20

FY19

FY20

FY19

FY20

OUTPATIENT

Avg. revenue per outpatient

RM242

Not available

RM253

RM166

Healthcare Strategy Blueprint



Focused on growing its core business within the healthcare space



Vision:

To develop a regional tertiary healthcare platform with a core focus on tertiary care services.



Organic Growth



- Continue to **drive clinical excellence**, prioritize patient safety and service quality
- Enhance total customer experience**



Brownfield development



- Expansion and upgrading** plan for mature hospitals to maximise existing hospital footprint



Optimisation Strategies



- Replacement of existing strategic assets to **maximize value**
- Capitalize on trend towards **prevention and well being**



Inorganic Growth



- Accelerate growth and diversify geographic footprint through **acquisitions**

Key Enablers:



Organizational Structure



Medical expertise



Availability of Capital

Remains focused on delivering as a **regional premium healthcare operator and a "provider system of choice"** in the markets in which RSDH operates, as well as new areas of growth in **adjacent businesses** related to healthcare.

Recent Transaction



Scale up through acquisitions – Manipal Hospitals Klang

Target Overview



RM 247 million
Equity Value

RM 370 million
Enterprise Value



Manipal Hospitals Klang (MHK) is a 220-bed capacity (165 licensed beds), MSQH accredited tertiary care hospital in Klang, Selangor with 5 operating theatres and 15 ICU beds. Commenced operation in 2016.

Transaction Highlights

Deal Update

- **Deal:** In May 2021, RSDH acquired 100% equity stake of MHK for RM 370mn Enterprise Value (EV).
- **Financial implication:** RSDH internally funded the acquisition. The acquisition resulted in pro forma net debt/ EBITDA of 1.9x (still manageable).

Investment Rationale

- **Strategic expansion** enables RSDH to establish presence in Klang with favorable demographics trends and underpenetrated healthcare infra.
- **Synergy benefits** include cross-referrals, procurement savings from drug and medical supplies.
- Transaction **adds scale** and **contributes to approximately 10% of total RSDH group revenue.**

Note:

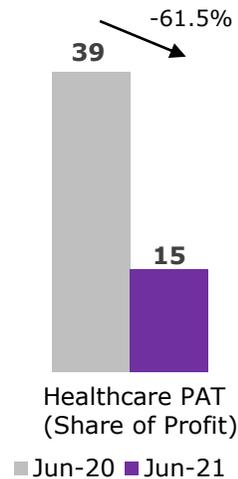
1. MHK's FYE 31 March

Healthcare FY21 vs FY20



61% drop due to tax adjustments, asset impairment and dividend withholding tax

Healthcare

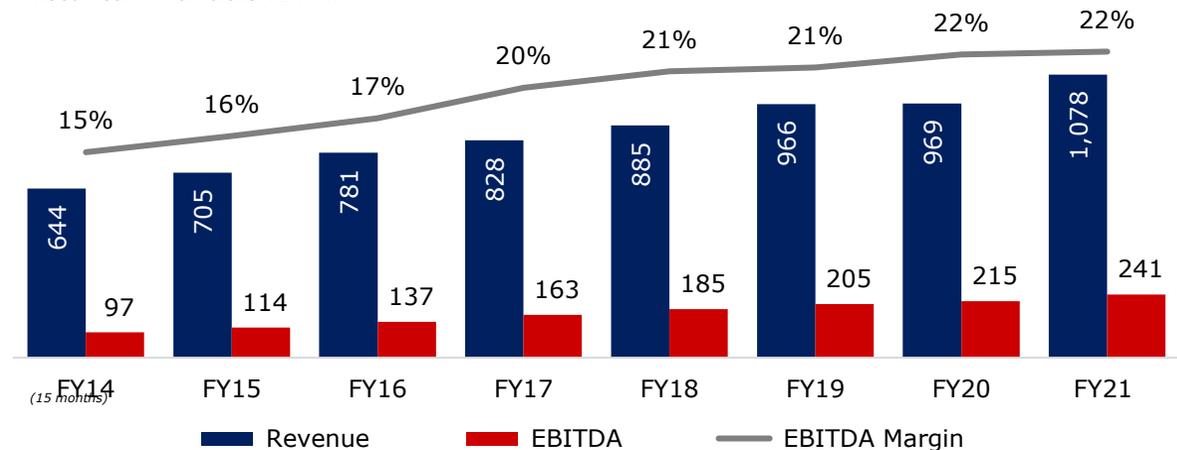


In RM Million	FY2020	FY2021
Healthcare PAT	39	15
Healthcare ROIC	6.0%	2.3%

- Results included write-down of deferred tax assets, impairment of assets and dividend withholding tax

- RSDH Group **Revenue stood at RM 1,078 m** (increase of 11 YoY from 2020) mainly due to delivery of COVID related cases services as well as higher acuity case mix which resulted in higher net revenue per patient day
- Solid recovery in YTD EBIT** with 33 YoY growth on the back of strong rebound across all hospitals, especially in Indonesia. However, the EBIT was impacted by one off impairment charges of RM 139 m for operations in Hong Kong
- Improved margins attributed to solid recovery in revenue which more than offset the higher supplies costs mainly due to increase usage of PPE as well as higher proportion of acuity cases across both Malaysia & Indonesia

Historical Financials RM Mn



- Pre-Covid (FY14-19) Revenue CAGR : 8%
- Pre-Covid (FY14-19) EBITDA CAGR : 16%



THANK YOU



*Delivering
Sustainable Futures*