



FY2022 Results Announcement

Analyst Briefing: Third Quarter ended 31 March 2022

24 May 2022



Delivering
Sustainable Futures

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Sime Darby Berhad Group Results

FY2022 Financial Results



Reported Profit: 9 months ended 31 March 2022

In RM Million	9M FY2022	9M FY2021	YoY %
Revenue	31,781	33,141	(4.1)
PBIT	1,307	1,753	(25.4)
Finance income	37	32	
Finance costs	(102)	(89)	
Profit before tax	1,242	1,696	(26.8)
Taxation	(336)	(397)	
Profit after tax	906	1,299	(30.3)
Non-controlling interests	(81)	(85)	
Net profit attributable to owners of the Company	825	1,214	(32.0)

FY2022 Financial Results



Core Profit: 9 months ended 31 March 2022

In RM Million	9M FY2022	9M FY2021	YoY %
Reported PBIT	1,307	1,753	(25.4)
Adjustments			
• Fair value loss on financial assets (MES)	-	2	
• Loss on disposal of Jining ports	-	2	
• Gain on disposal of Tesco	-	(294)	
• Singapore Motors GST refund	-	(39)	
• Share of results (net of loss on disposal) of E&O	-	(33)	
• Income from legacy corporate exercise	(12)	-	
• Forex gain on settlement of net investment	-	(2)	
Core PBIT	1,295	1,389	(6.8)
Net finance costs	(65)	(57)	
Taxation	(333) ¹	(374) ¹	
Non controlling interests	(81)	(85)	
Core Net Profit	816	873	(6.5)

1. Adjusted for tax effects of one-off items

FY2022 Financial Results



Segmental PBIT: 9 months ended 31 March 2022

In RM Million	9M FY2022			9M FY2021			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	523	-	523	663	2 ²	665	(21.1)	(21.4)
Motors	748	-	748	755	(39) ³	716	(0.9)	4.5
Logistics	20	-	20	9	2 ⁴	11	>100.0	81.8
Healthcare	37	-	37	19	-	19	94.7	94.7
Others	30	(12) ¹	18	354	(327) ⁵	27	(91.5)	(33.3)
Corporate	(51)	-	(51)	(49)	-	(49)	(4.1)	(4.1)
Forex	-	-	-	2	(2)	-	-	-
PBIT	1,307	(12)	1,295	1,753	(364)	1,389	(25.4)	(6.8)

Adjustments:

1. Income from legacy corporate exercise (RM12m)
2. Fair value loss on financial assets (RM2m)
3. Singapore Motors GST refund (RM39m)
4. Loss on disposal of Jining ports (RM2m)
5. Gain on disposal of Tesco (RM294m) and share of results, net loss on disposal of E&O (RM33m)

FY2022 Financial Results



Reported Profit: Quarter ended 31 March 2022

In RM Million	Q3 FY2022	Q3 FY2021	YoY %
Revenue	10,572	11,021	(4.1)
PBIT	410	463	(11.4)
Finance income	13	11	
Finance costs	(36)	(28)	
Profit before tax	387	446	(13.2)
Taxation	(123)	(121)	
Profit after tax	264	325	(18.8)
Non-controlling interests	(20)	(25)	
Net profit attributable to owners of the Company	244	300	(18.7)

FY2022 Financial Results



Core Profit: Quarter ended 31 March 2022

In RM Million	Q3 FY2022	Q3 FY2021	YoY %
Reported PBIT	410	463	(11.4)
Adjustments			
• Singapore Motors GST refund	-	(39)	
• Share of results (net of loss on disposal) of E&O	-	(21)	
• Income from legacy corporate exercise	(12)	-	
Core PBIT	398	403	(1.2)
Net finance costs	(23)	(17)	
Taxation	(120) ¹	(121)	
Non controlling interests	(20)	(25)	
Core Net Profit	235	240	(2.1)

1. Adjusted for tax effects of one-off items

FY2022 Financial Results



Segmental PBIT: Quarter ended 31 March 2022

In RM Million	Q3 FY2022			Q3 FY2021			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Industrial	150	-	150	211	-	211	(28.9)	(28.9)
Motors	237	-	237	250	(39) ²	211	(5.2)	12.3
Logistics	8	-	8	-	-	-	>100.0	>100.0
Healthcare	13	-	13	(6)	-	(6)	>100.0	>100.0
Others	19	(12) ¹	7	22	(21) ³	1	(13.6)	>100.0
Corporate	(17)	-	(17)	(14)	-	(14)	(21.4)	(21.4)
PBIT	410	-	398	463	(60)	403	(11.4)	(1.2)

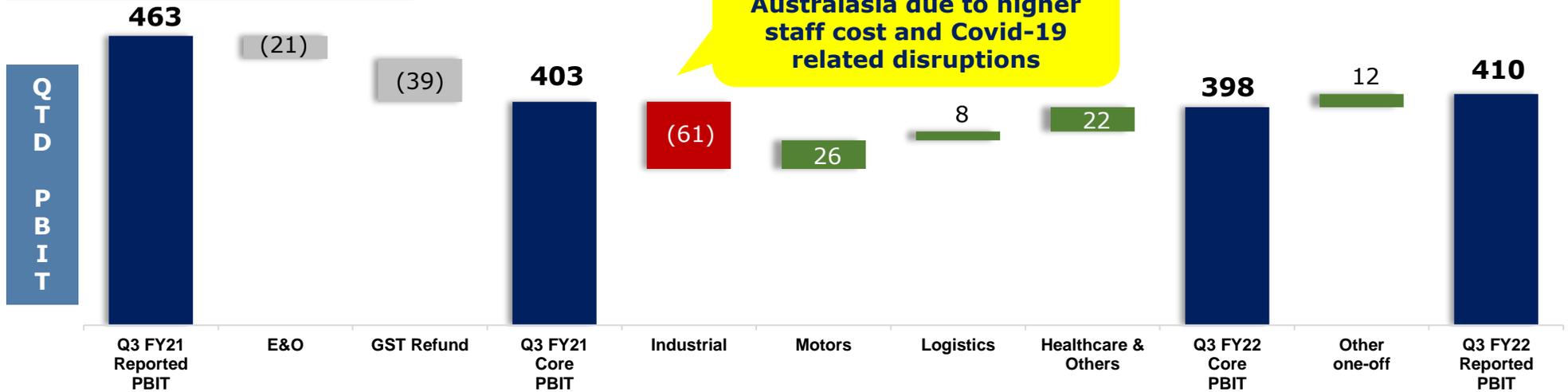
Adjustments :

1. Income from legacy corporate exercise (RM12m)
2. Singapore Motors GST refund (RM39m)
3. Share of results, net of loss on disposal of E&O (RM21m)

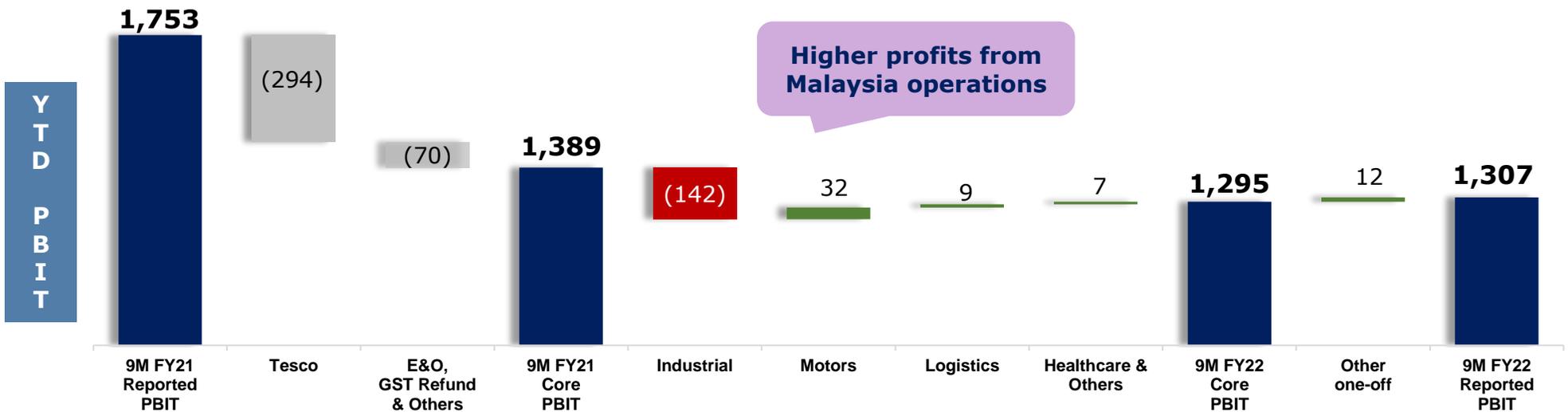
Core and Reported PBIT

Lower YTD core profits predominantly from the Industrial division

Q3 FY2022 vs. Q3 FY2021



9M FY2022 vs. 9M FY2021

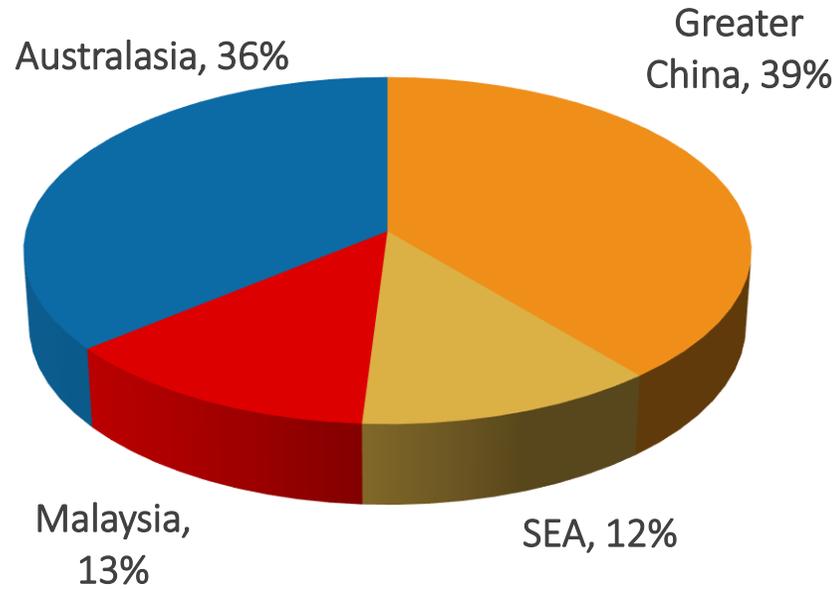


FY2022 Financial Results



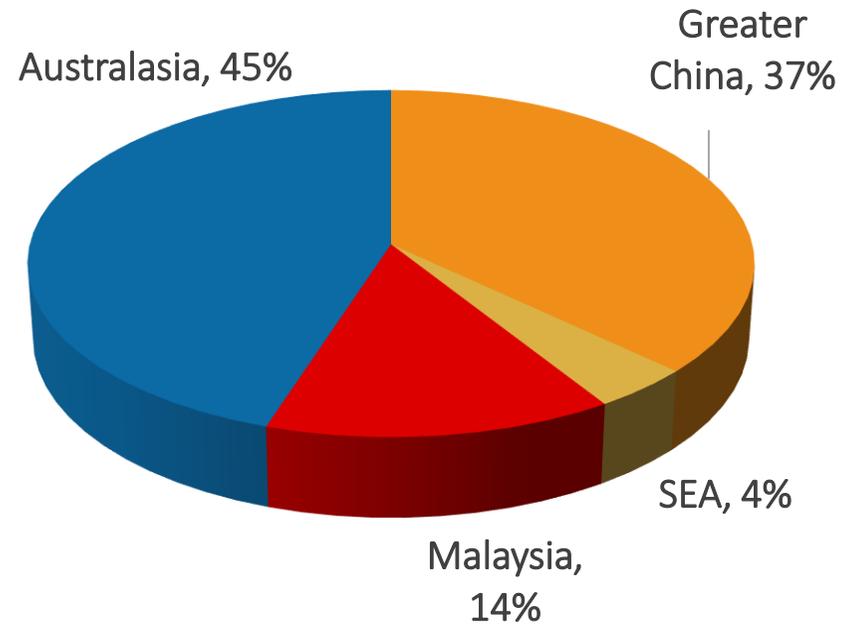
Regional Contribution: 3Q FY2022 ended 31 March 2022

Revenue Breakdown ¹



Greater China SEA Malaysia Australasia

Core PBIT Breakdown ¹



Greater China SEA Malaysia Australasia

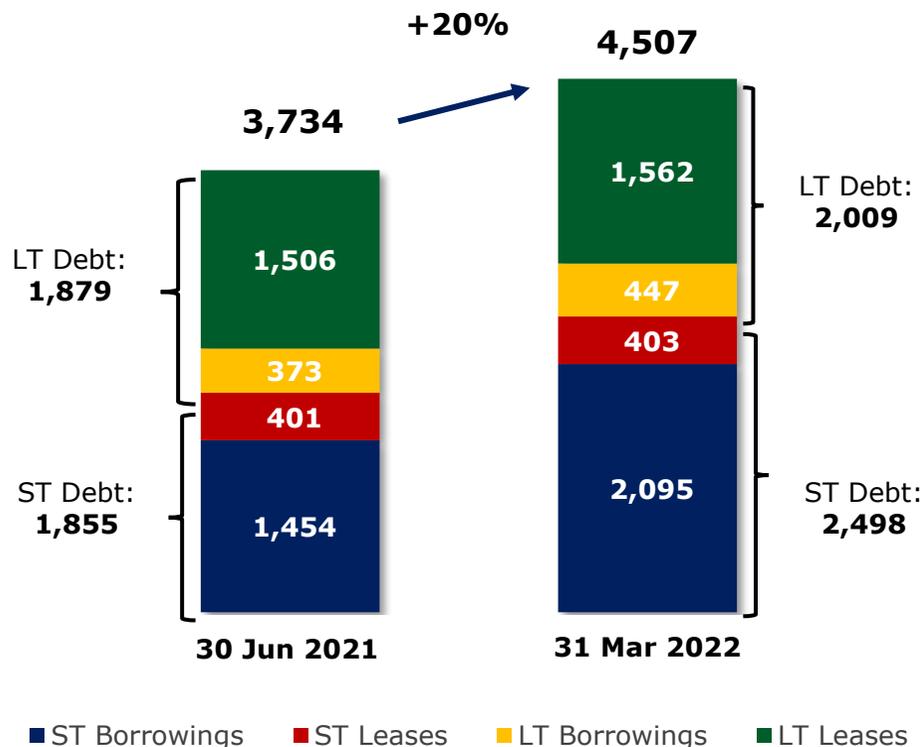
¹ Inclusive of Core Business of Motors & Industrial only

FY2022 Financial Results



Snapshot of borrowing position as at 31 March 2022

Long Term vs Short Term Debt



Total Debt



RM 4.5bn
As at 31 March 2022

RM16.3bn
Total Equity

0.27x
Debt/Equity Ratio

RM1.88bn
Bank balances,
deposits and cash

Environment



1
EV Charging Infrastructure



2
Renewables Energy Investments



3
Roll out of new EV models



4
MES-Alternative Fuels



5
Mobility as a Service



1
Anti Bribery
Anti Corruption policies



2
Good representation of female members on the Board



5
Safety is a main priority

ESG Initiatives

Governance

Social



1
CSR activities across all countries



3
Yayasan Sime Darby



Overall Sustainability Targets

30% reduction of emissions by 2030 (Scope 1 & 2 only)

Min. RM250m investments in ESG innovation by 2025

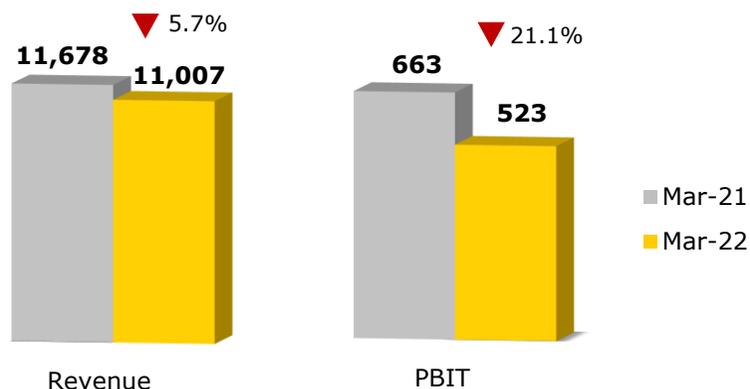
> 50% products in portfolio by 2025 are more energy efficient

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Segmental Results



Contraction in China equipment market size and higher operating expenses in Australasia



In RM Million	9M FY2021	9M FY2022
Australasia	6,883	7,605
China	3,620	2,227
Malaysia	716	684
Singapore & Others	459	491
Total Revenue	11,678	11,007
Australasia	471	410
China	139	71
Malaysia	21	20
Singapore & Others	34	22
Total Core PBIT	665	523
FV Loss on Financial Asset	(2)	-
Total PBIT	663	523
PBIT margin	5.7%	4.8%
Core PBIT margin	5.7%	4.8%
Annualised ROIC	10.1%	7.4%

Australasia

- Higher revenue driven by the mining and construction equipment sales in Australia.
- However, profits were lower mainly due to higher operating expenses as the businesses were impacted by Covid-19 related restrictions.
- Terra CAT registered higher profits (RM36m vs RM15m) attributed to higher equipment deliveries.
- Salmon Earthmoving profit contribution – RM10m (acquired in Oct 2021).

China

- Lower revenue as the equipment industry size significantly contracted.

Malaysia

- Despite lower revenue, operating profits were higher due to lower overheads.
- However, PBIT was lower mainly due to higher YSD donation (RM5m higher).

Singapore & Others

- Profits were impacted by forex loss on intercompany balances and recognition of wage subsidies in the previous corresponding period.



Order book higher YoY despite slight dip

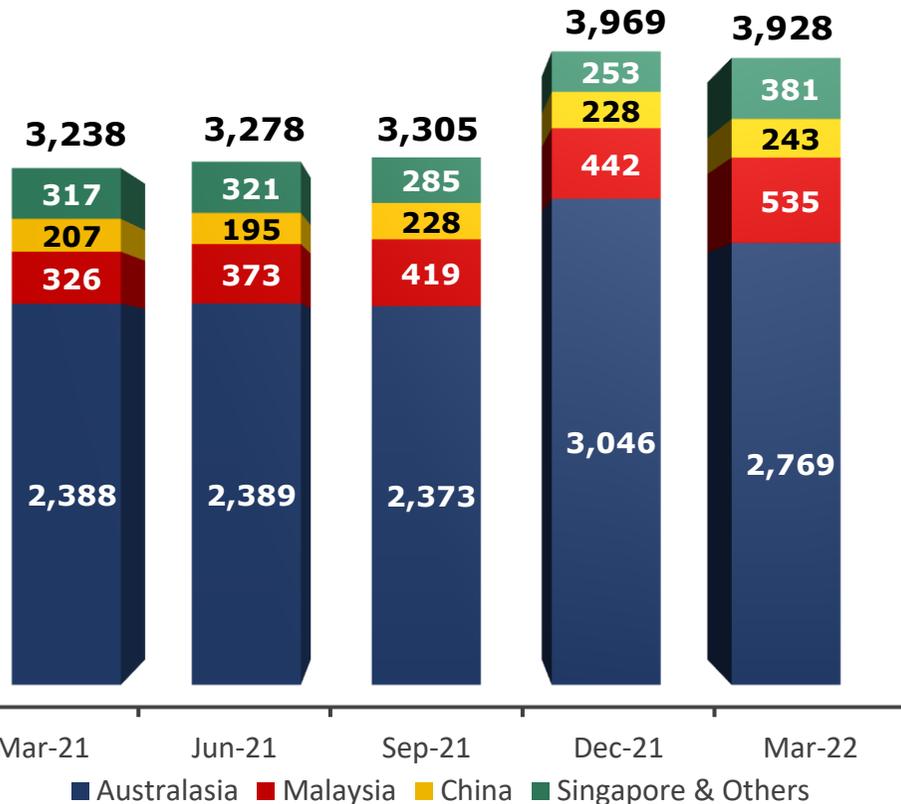
RM3,969m

Order book as at
31 December 2021

-1.0%

RM3,928m

Order book as at
31 March 2022



AUSTRALASIA

- Order book remains strong, supported by demand from the mining sector. Margins can vary based on product-customer mix.
- The product support segment is subject to labour cost overrun due to Covid 19-related disruptions.
- Inflationary pressures and currency fluctuations could impact costs and pricing.
- Outlook for construction equipment in New Zealand remains positive.



CHINA

- Outlook for the industrial equipment market remains uncertain. Recent Covid-19 lockdowns had impacted business sentiment, and government funding for constructions projects were put on hold.
- This could further result in higher lead time for machines and parts delivery, and labour-related restrictions.



MALAYSIA

- Mega construction projects expected to be revived. The government is proceeding with two major projects: MRT3 (based on hybrid funding model) and Pan Borneo Highway.
- Market competition for equipment exacerbated by price reduction by other players.



SINGAPORE

- Demand for engines from data centre projects remains healthy, however existing supply chain pressures are of concern.
- Construction sector has shown signs of improvement with resumption of mega projects, but higher freight costs could place pressure on profitability.

Industrial Drivers: Australasia



Strong commodities prices and a large construction pipeline spurring demand growth



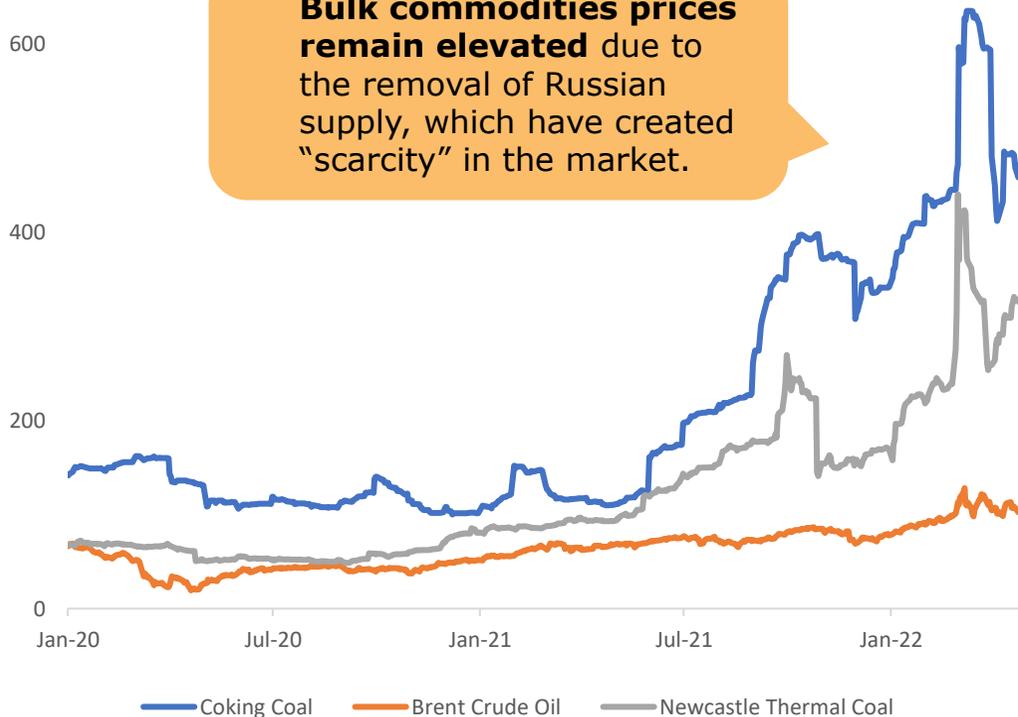
Commodities Upcycle

Coking Coal
@ May 2022:
US\$500/t

Newcastle Thermal Coal
@ May 2022:
US\$320/t

Brent Crude Oil
@ May 2022:
US\$110/b

Bulk commodities prices remain elevated due to the removal of Russian supply, which have created "scarcity" in the market.

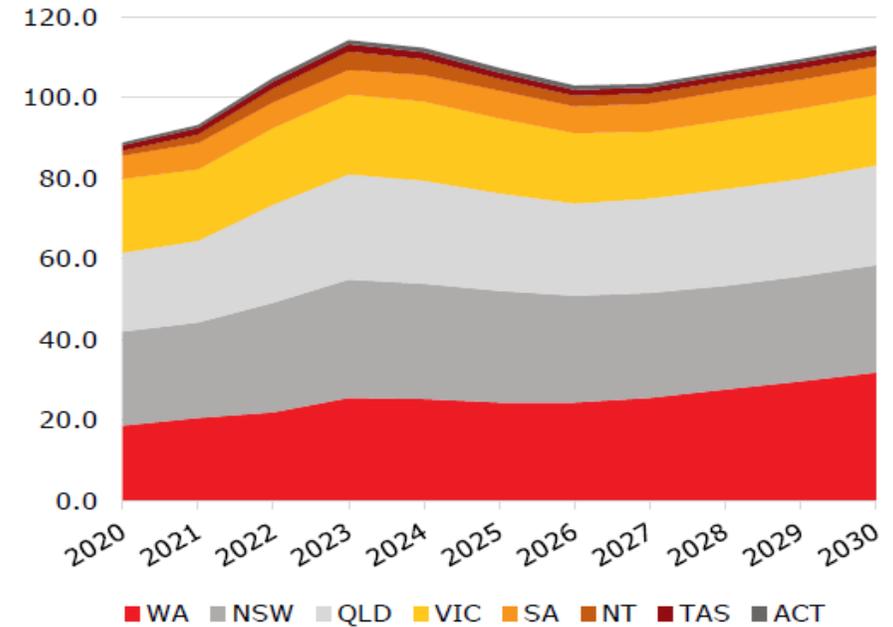


Source: Bloomberg IAC1 – AUS Premium Coking Coal Futures



Heightened Construction Activity

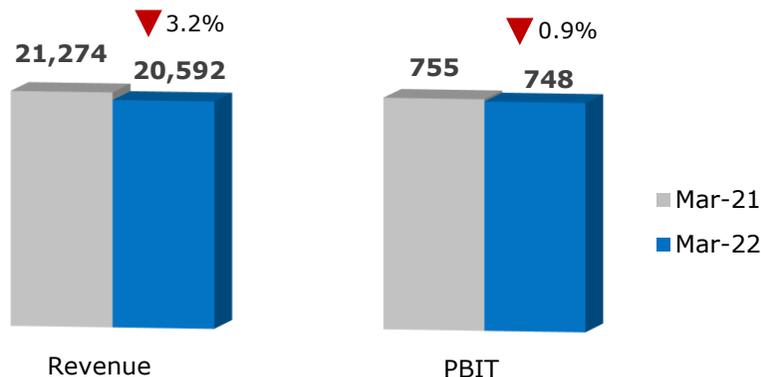
Construction Output Value, AUD\$ billion



Large government infra stimulus should drive Australia's engineering construction output value, which is expected to average A\$ 108 billion until 2030.



Higher core profit, predominantly from the Malaysia operations



In RM Million	9M FY2021	9M FY2022
China, HK, Macau & Taiwan	10,504	10,156
Southeast Asia	4,039	3,490
Malaysia	3,331	3,329
Australasia	3,400	3,617
Total Revenue	21,274	20,592
China, HK, Macau & Taiwan	441	404
Southeast Asia	55	29
Malaysia	82	153
Australasia	138	162
Total Core PBIT	716	748
Singapore GST Refund	39	-
Total PBIT	755	748
PBIT margin	3.5%	3.6%
Core PBIT margin	3.4%	3.6%
Annualised ROIC	13.8%	12.4%

China, HK, Macau & Taiwan

- Lower unit sales in China – partly due to inventory shortages and impacted by Covid-19 restrictions.
- HK registered lower profits as the previous corresponding period benefited from wage subsidies.

Southeast Asia

- Singapore – Lower passenger vehicle revenue; recognition of wage subsidies in the previous corresponding period.
- Thailand – Lower sales volume as the operations were impacted by Covid-19 restrictions earlier in the financial year.

Malaysia

- Higher revenue from the BMW and Porsche operations were offset by lower revenue from the Ford and Hyundai operations.
- Higher profits mainly due to higher vehicle margins and higher assembly profits.

Australasia

- New Zealand – Strong performance from the commercial vehicle and transport operations.

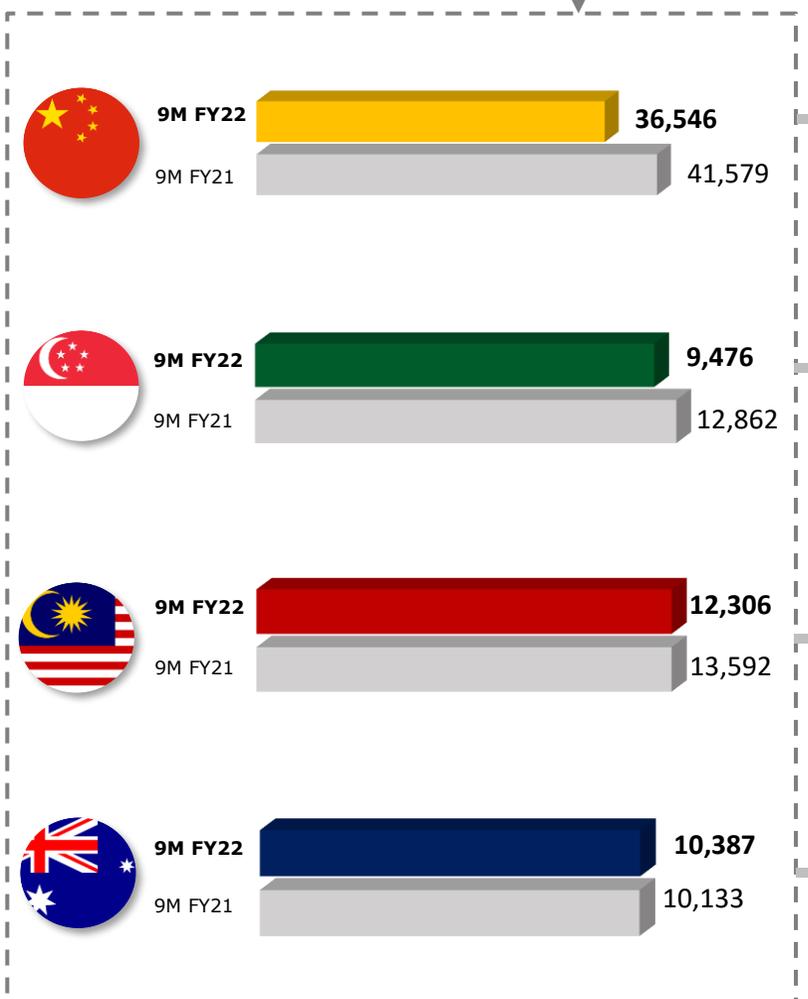


Prolonged supply chain issues, inflationary pressures and interest rates hikes are key concerns

68,715
Units Sold
(9M FY2021: 78,166)

19,445
Units Assembled
(9M FY2021: 13,476)

Units sold
by region



- CHINA**
- The restrictions in Covid-hit cities have impacted sales and caused further disruptions to supply chains.
 - The government pledged to introduce measures to ease economic pressures, including keeping benchmark interest rates unchanged and lowering bank reserve requirements.
- SE ASIA**
- The industry volume in Singapore is on a slow recovery. The impact of inflationary pressures on consumption and existing strict car ownership regulations could dampen sales.
 - In Thailand, the government has recently issued incentive packages for the EV industry including import duty and tax cuts, in view of its target to strengthen the nation's position as a key EV manufacturing hub in Asia.
- MALAYSIA**
- Positive impact of SST exemption is expected for the remaining exemption period (currently scheduled to expire in June 2022) but supply chain disruptions could potentially impact the fulfilment of orders.
 - In addition, inflationary pressures and the weaker Ringgit would also impact consumer purchasing power.
- AUSTRALASIA**
- Federal elections in Australia to take place in May 2022. Speculation of rate hikes to commence after the elections as countermeasures for inflation have increased uncertainty for business sentiment.
 - Environment sustainability is amongst the key discussions in the elections, and the EV segment plays a significant role to reduce carbon emissions.

Leadership in Electric Vehicles

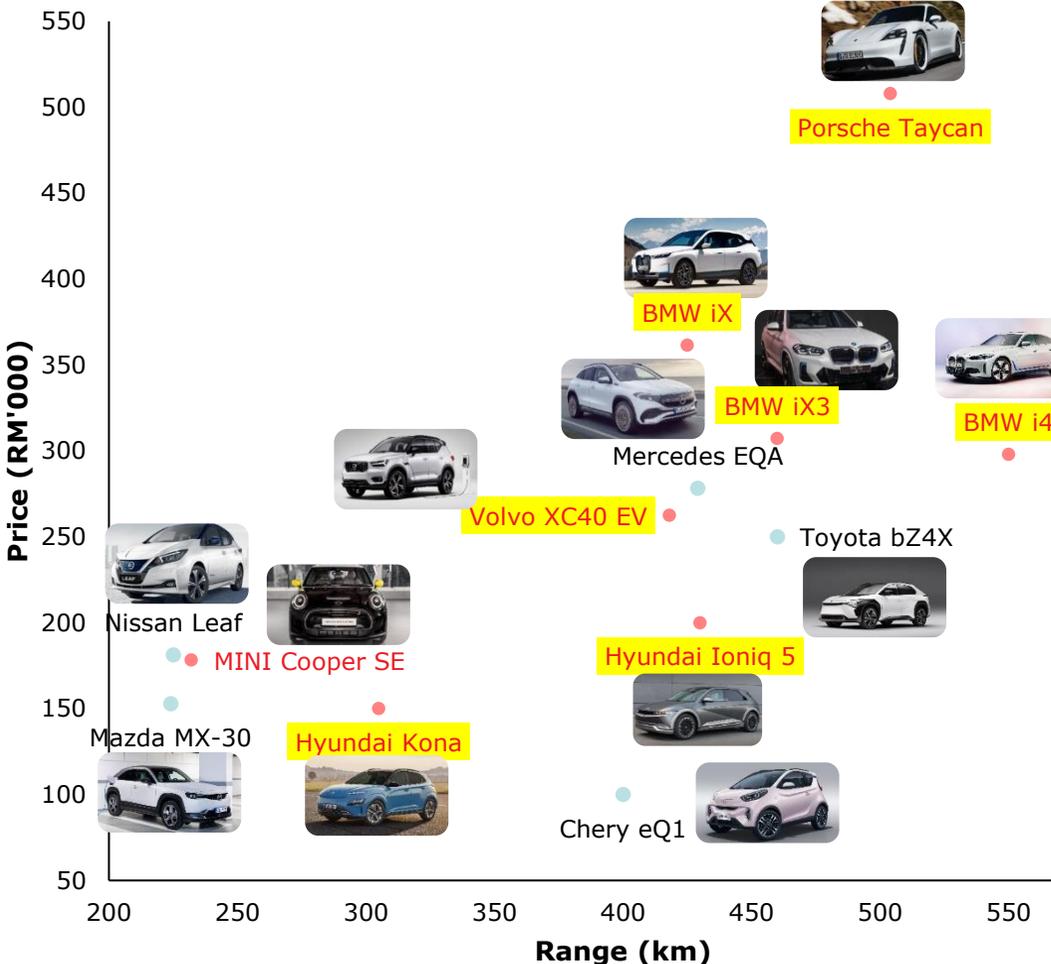


Runway of fast growth ahead: We have products across the “full spectrum” of segments

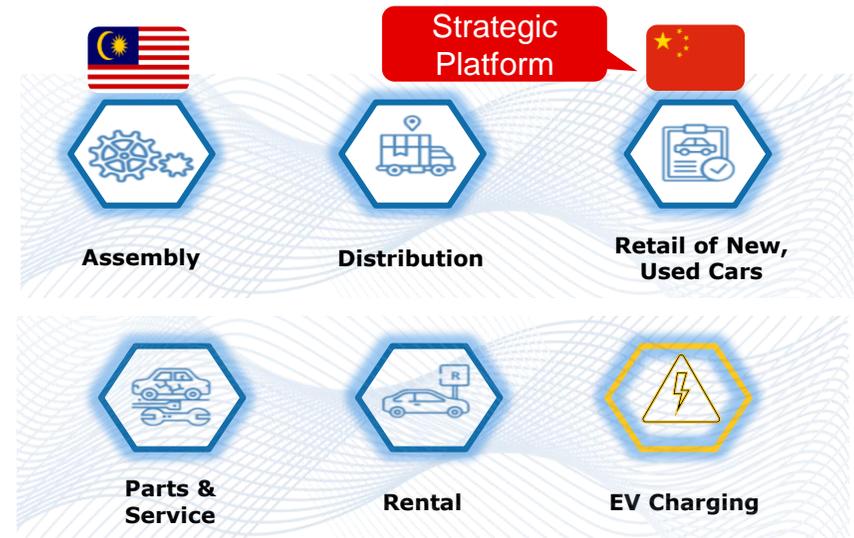
EV products across the “sweet spots”

Available/ Pipeline of BEV Models in Malaysia

NON-EXHAUSTIVE



Joining up the dots along EV value chain



Sime Darby has presence across the full spectrum of the value chain, giving us the “Right to Win” in EVs



Our China business gives us the ability to “look ahead” into how the EV game is evolving



Exciting new models in 2022



BMW 7 Series i7
China, Malaysia - 2022



BMW i3
China - 2022



BMW iX1
China, Malaysia - 2022/2023



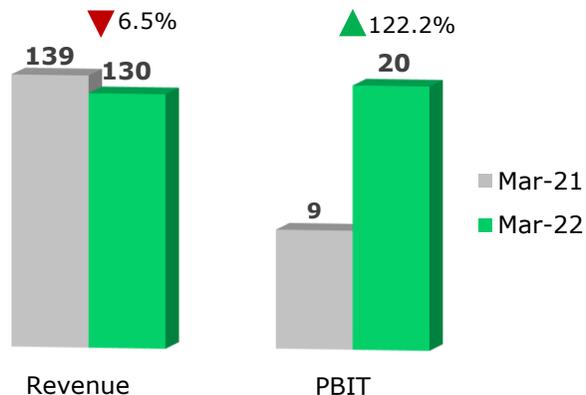
The New Range Rover
Malaysia - 2022₉

Logistics and Healthcare

Higher profits at both Logistics and Healthcare divisions



Logistics



In RM Million	9M FY2021	9M FY2022
Total Revenue	139	130
Weifang Port	8	11
Assoc & JVs	(2)	(2)
Jining ports/inv	(5)	4
Forex	10	7
Total PBIT	11	20
Loss on disposal of Jining ports	(2)	-
Total PBIT	9	20
PBIT margin	6.5%	15.4%
Core PBIT margin	7.9%	15.4%
Annualised ROIC	0.7%	1.5%

Ports

- Divestment of Jining ports in December 2020 (losses in previous year) has improved overall profitability in the current period.
- Results included fair value gain on Jining investment of RM4 million.

Forex

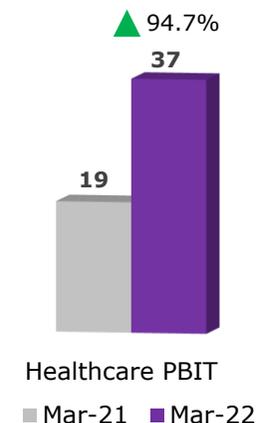
- Mainly from translation of RMB financial assets to HKD.

11.9 million MT
General cargo throughput
 (9M FY2021: 11.7 million MT)
 9.1 million MT excluding Jining ports

67,637 TEU
Container throughput
 (9M FY2021: 83,156 TEU)



Healthcare



In RM Million	9M FY2021	9M FY2022
Healthcare PBIT	19	37
Healthcare Annualised ROIC	3.8%	7.1%

- Share of results improved as the previous corresponding period included dividend withholding tax and write-down of deferred tax assets.



Thank you