

The background features a complex financial chart with candlesticks in blue and orange, overlaid with various technical indicators including moving averages and trend lines. A prominent value '187.12' is displayed in orange. The chart is set against a dark blue background with a grid of light blue lines and a pattern of white dots on the left side.

Sime Darby Berhad

Analyst Briefing for 1H FY2025 and Q2 FY2025 Ended 31 December 2024

24 February 2025

sime

Group Financial Results



1H FY2025 Results

Reported Profit: Half-year ended 31 December 2024

In RM Million	1H FY2025	1H FY2024	YoY %
Revenue	35,990	29,504	22.0
PBIT	1,916	1,421	34.8
Finance income	56	56	
Finance costs	(360)	(296)	
Profit before tax	1,612	1,181	36.5
Taxation	(330)	(294)	
Profit from continuing operations	1,282	887	44.5
Non-controlling interests	(149)	(57)	
Perpetual Sukuk	(35)	(4)	
Net profit from continuing operations	1,098	826	32.9
Net profit from discontinued operations ¹	7	2,051	
Net profit attributable to owners of the Company	1,105	2,877	(61.6)

1. Relates to the UKHE group and Healthcare.

1H FY2025 Results

Core Profit: Half-year ended 31 December 2024

In RM Million	1H FY2025	1H FY2024	YoY %
Reported PBIT from continuing operations	1,916	1,421	34.8
Adjustments			
• Gain on disposals (including MVV Land)	(499)	(279)	
• Forex loss/(gain) on settlement of net investments	5	(25)	
Core PBIT from continuing operations	1,422	1,117	27.3
Net finance costs	(304)	(240)	
Taxation ¹	(277)	(266)	
Non-controlling interests	(149)	(57)	
Perpetual Sukuk	(35)	(4)	
Core Net Profit from continuing operations	657	550	19.5
Core Net Profit from discontinued operations	7	44 ²	
Core Net Profit	664	594	11.8

1. Adjusted for tax effects of one-off items of RM53m in 1HFY2025 and RM28m in 1HFY2024.

2. Excludes net gain on disposal of Ramsay Sime Darby Healthcare (“RSDH”) (total of RM2,007 million).

1H FY2025 Results

Segmental PBIT: Half-year ended 31 December 2024

In RM Million	1H FY2025			1H FY2024			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Continuing operations								
Industrial	680	(18) ¹	662	709	-	709	(4.1)	(6.6)
Motors	308	(23) ²	285	395	-	395	(22.0)	(27.8)
UMW	486	-	486	47	-	47		
Others	24	-	24	13	-	13		
Corporate	(35)	-	(35)	(47)	-	(47)		
Gain on disposal of MVV land	458	(458)	-	279	(279)	-		
Forex	(5)	5	-	25	(25)	-		
PBIT from continuing operations	1,916	(494)	1,422	1,421	(304)	1,117	34.8	27.3
PBIT from discontinued operations	17	-	17	2,051	(2,007) ³	44		
PBIT	1,933	(494)	1,439	3,472	(2,311)	1,161	(44.3)	23.9

1. Gain on disposal of Chubb Singapore.

2. Gain on disposal of Ferrari operations in Australia.

3. Net gain on disposal of Ramsay Sime Darby Health Care ("RSDH").

Q2 FY2025 Results

Reported Profit: Quarter ended 31 December 2024

In RM Million	Q2 FY2025	Q2 FY2024	YoY %
Revenue	17,726	15,524	14.2
PBIT	702	591	18.8
Finance income	29	29	
Finance costs	(176)	(167)	
Profit before tax	555	453	22.5
Taxation	(150)	(140)	
Profit from continuing operations	405	313	29.4
Non-controlling interests	(84)	(48)	
Perpetual Sukuk	(18)	(4)	
Net profit from continuing operations	303	261	16.1
Net profit from discontinued operations ¹	2	2,027	
Net profit attributable to owners of the Company	305	2,288	(86.7)

1. Relates to the UMW Komatsu Heavy Equipment (“UKHE”) group and Healthcare.

Q2 FY2025 Results

Core Profit: Quarter ended 31 December 2024

In RM Million	Q2 FY2025	Q2 FY2024	YoY %
Reported PBIT from continuing operations	702	591	18.8
Adjustments			
• Forex gain on settlement of net investments	-	(12)	
Core PBIT from continuing operations	702	579	21.2
Net finance costs	(147)	(138)	
Taxation	(150)	(140)	
Non-controlling interests	(84)	(48)	
Perpetual Sukuk	(18)	(4)	
Core Net Profit from continuing operations	303	249	21.7
Core Net Profit from discontinued operations	2	20 ¹	
Core Net Profit	305	269	13.4

Adjustments:

1. Excludes net gain on disposal of Ramsay Sime Darby Health Care (“RSDH”) (total of RM2,007 million).

Q2 FY2025 Results

Segmental PBIT: Quarter ended 31 December 2024

In RM Million	Q2 FY2025			Q2 FY2024			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Continuing operations								
Industrial	337	-	337	351	-	351	(4.0)	(4.0)
Motors	118	-	118	192	-	192	(38.5)	(38.5)
UMW	272	-	272	47	-	47		
Others	(16)	-	(16)	9	-	9		
Corporate	(9)	-	(9)	(20)	-	(20)		
Forex	-	-	-	12	(12)	-		
PBIT from continuing operations	702	-	702	591	(12)	579	18.8	21.2
PBIT from discontinued operations ¹	3	-	3	2,027	(2,007) ¹	20		
PBIT	705	-	705	2,618	(2,019)	599	(73.1)	17.7

1. Net gain on disposal of Ramsay Sime Darby Health Care (“RSDH”).

PBIT from continuing operations

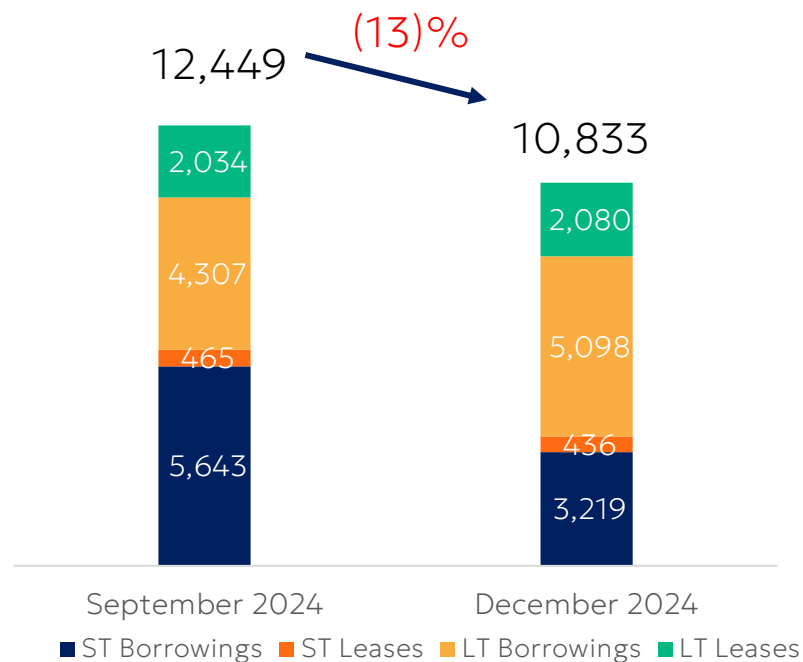
Half year Core PBIT from continuing operations was 27.3% higher mainly due to higher profit contribution from UMW division



Q2 FY2025 Results

Snapshot of borrowings position as at 31 December 2024

Long Term vs Short Term Debt



Total Debt



RM10.8bn

As at 31 December 2024

RM22.5bn
Total Equity

0.48x
Debt/Equity Ratio

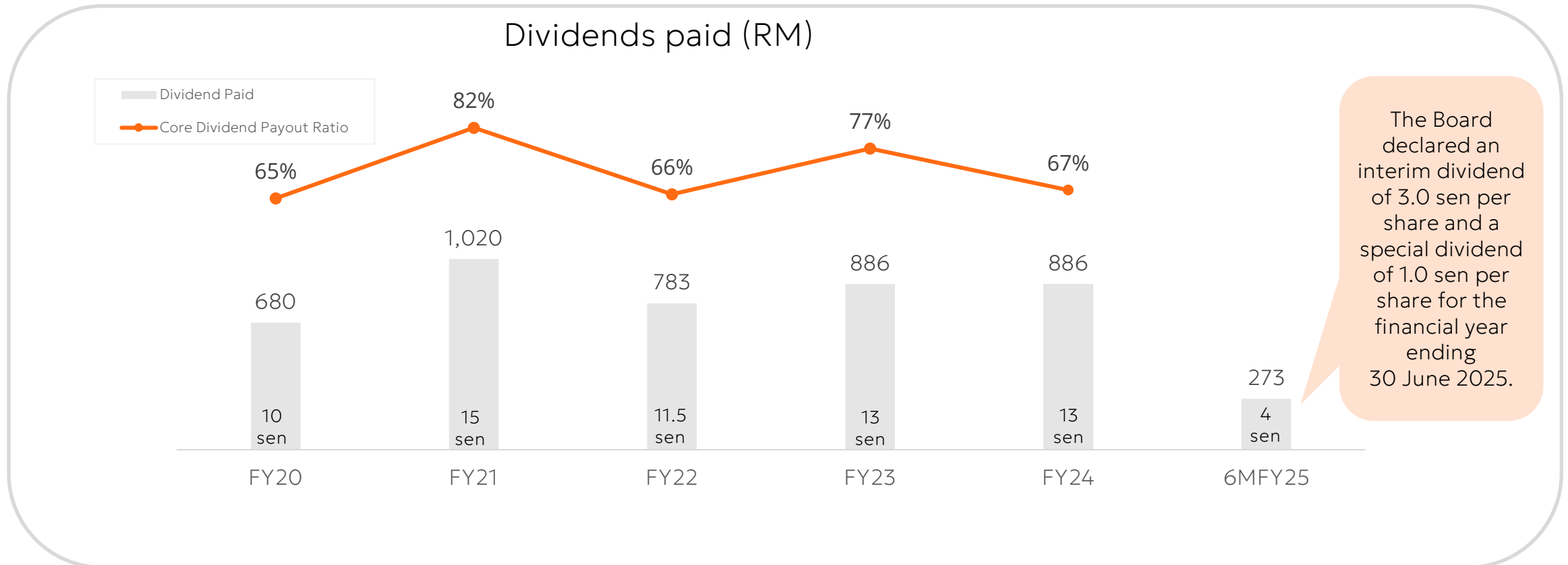
(Q1 FY2025 – 0.56x)

0.37x
Net Gearing

RM2.6bn
Bank balances,
deposits and cash

Dividend

2Q FY2025 results: Declared an interim dividend of 3.0 sen and a special dividend of 1.0 sen



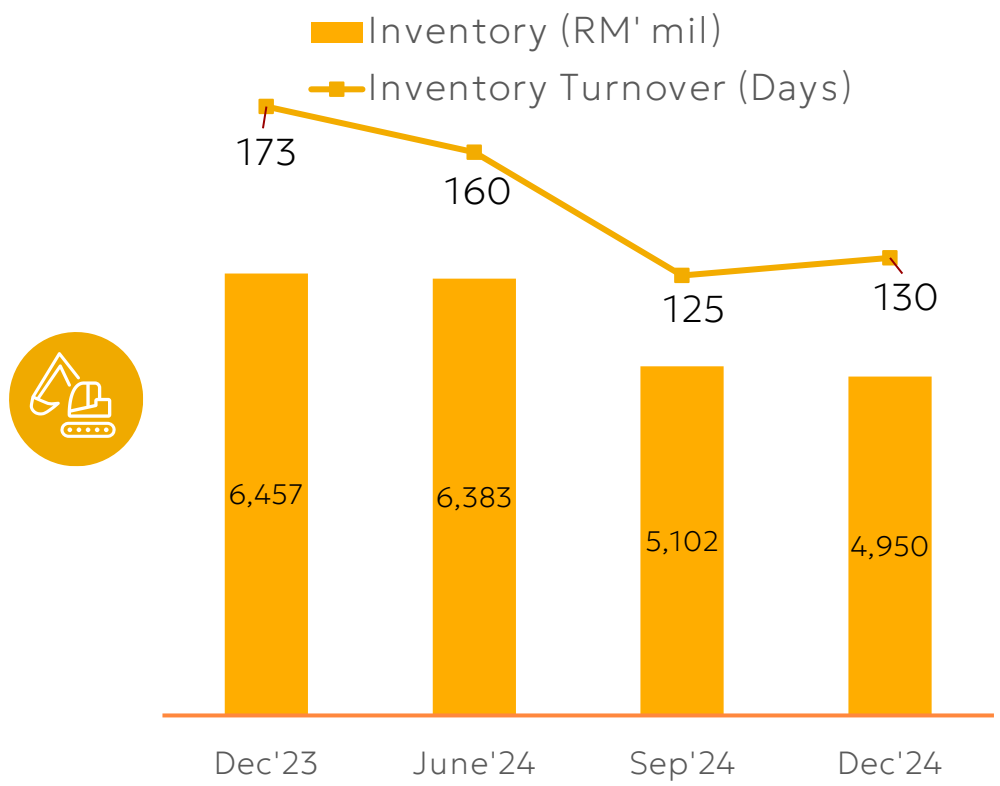
- 1 Maintain our Dividend Payout Ratio of at least 50% of earnings.
- 2 Consider special dividends on disposal of non-core assets.

Group: Inventory Optimisation

Enhancing Efficiency Through Inventory Turnover Improvements

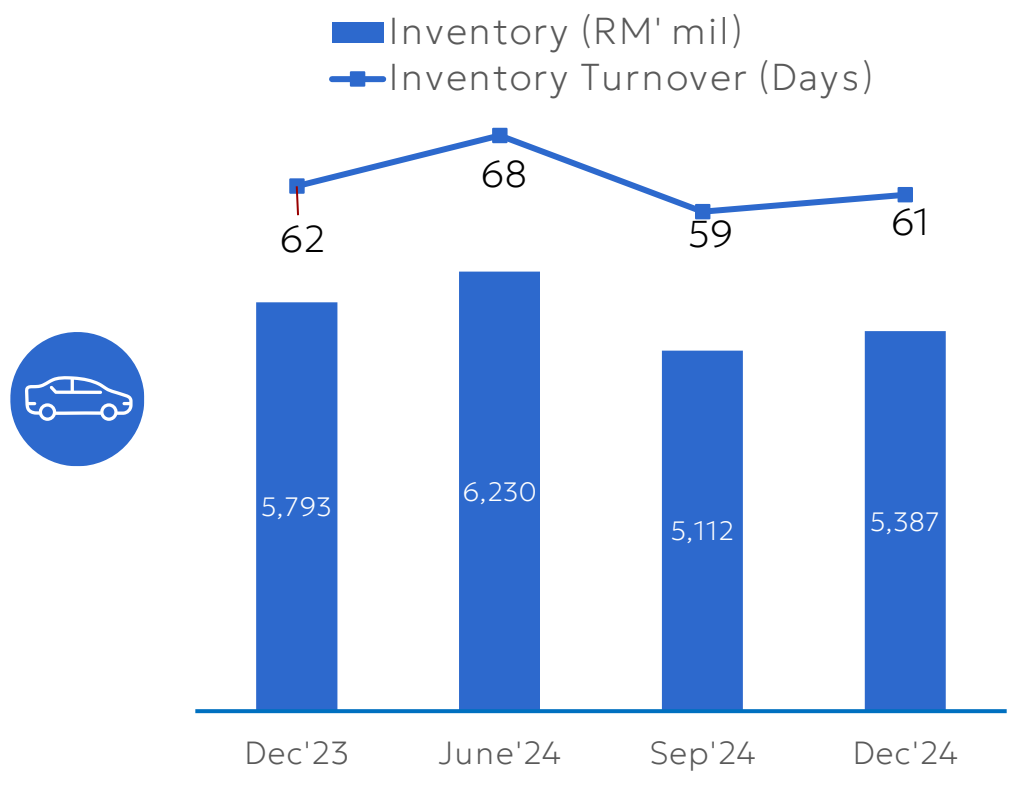
01 Industrial Inventory Optimisation

Our Industrial Equipment business serves B2B clients, leading to bulk orders and longer sales cycles



02 Motors Inventory Optimisation

Our Motors business operates in a B2C environment, requiring a balance between stock availability and turnover

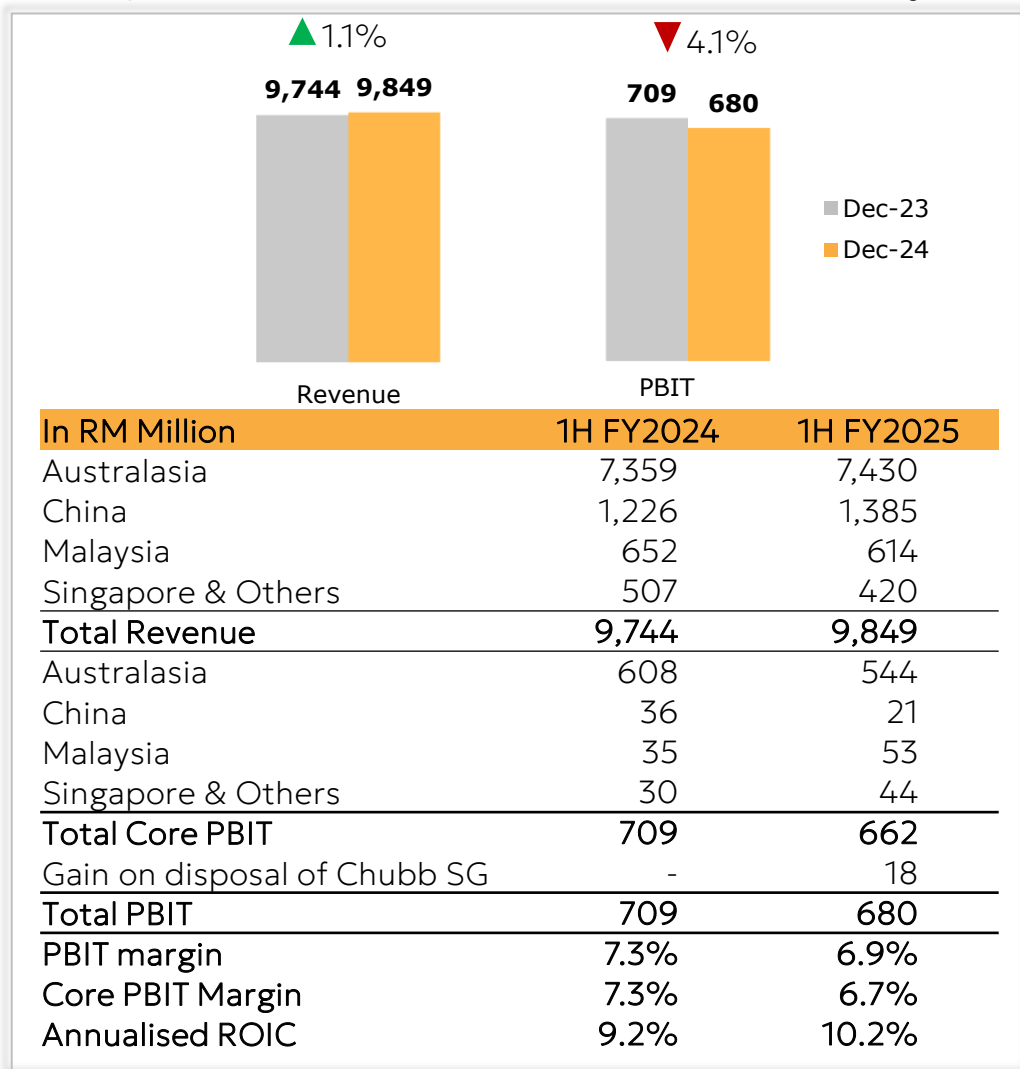




Industrial Division

Industrial Division

Higher revenues recorded, however overall GP% reduced slightly due to the product sales mix and Caterpillar Parts Price decrease from July 1



Australasia

- Revenue increased, although profits declined due to lower parts prices compared to the previous year and weaker AUD/MYR exchange rate.
- After acquisition adjustments, Onsite Rental generated RM81 million in PBIT (up from RM80 million in 1H FY2024), while Cavpower Group delivered RM29 million in PBIT (compared to RM13 million in 1H FY2024 being two months of trading results post acquisition).

China

- PBIT declined as market sentiment remained weak with the slowdown in the construction industry.

Malaysia

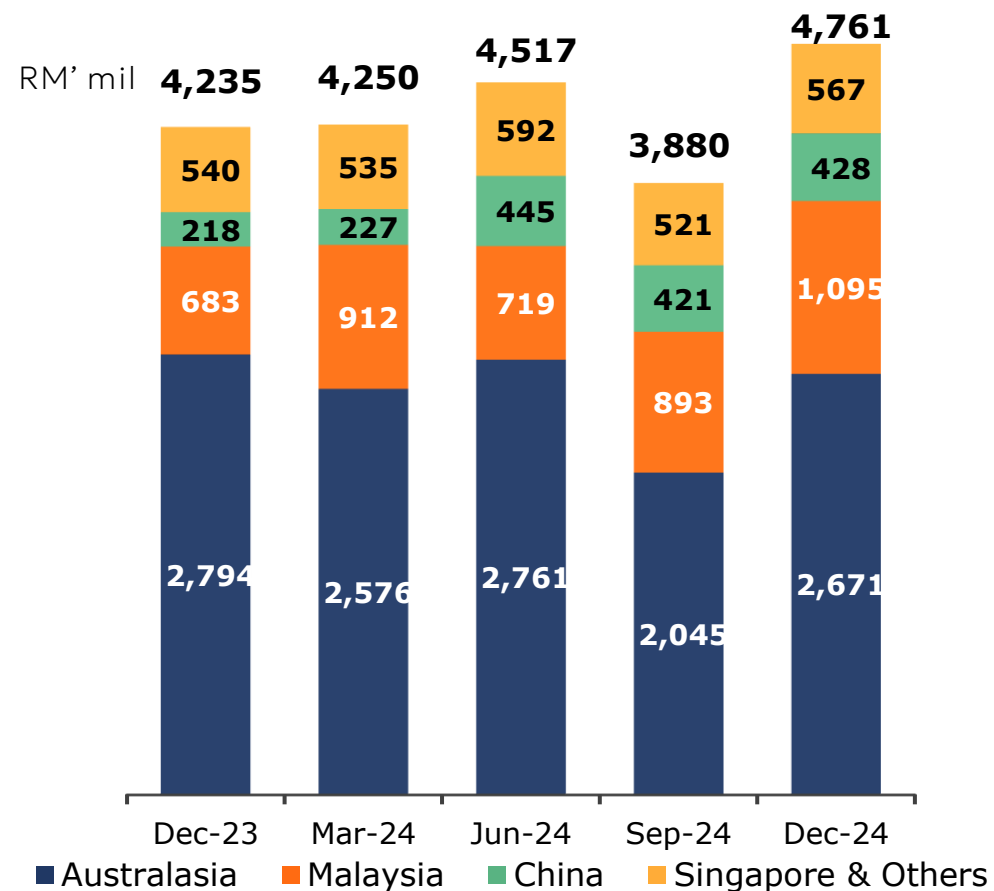
- Increased profitability driven by higher parts sales with better margin and data centre project milestone deliveries. Results include reversal of impairment of receivables following recovery from debtors.

Singapore & Others

- Increase in PBIT was driven by higher product support contribution, mitigating lower deliveries of CAT equipment.

Industrial Outlook

All regions recorded higher order books in the current quarter, driven by equipment and power systems pipeline



Note – Dec 2023 and Mar 2024 exclude Cavpower



AUSTRALASIA

- Demand for commodities remain strong as export volumes of primary commodities (copper, iron ore, met coal) are expected to grow while thermal coal is expected to remain stable.
- Mining customers' fleet utilisation is expected to remain high, based on their production guidance.



CHINA

- Demand for power systems is expected to continue to support the region's performance, especially for data center applications.
- The construction market remains challenging, impacting new equipment sales.



MALAYSIA

- Multiple power systems and energy services projects on hand for data centres, maritime, and oil and gas sectors continue to support the pipeline.
- Ongoing tenders of construction projects and new project announcements continue to present opportunities for supply of heavy machinery.



SINGAPORE

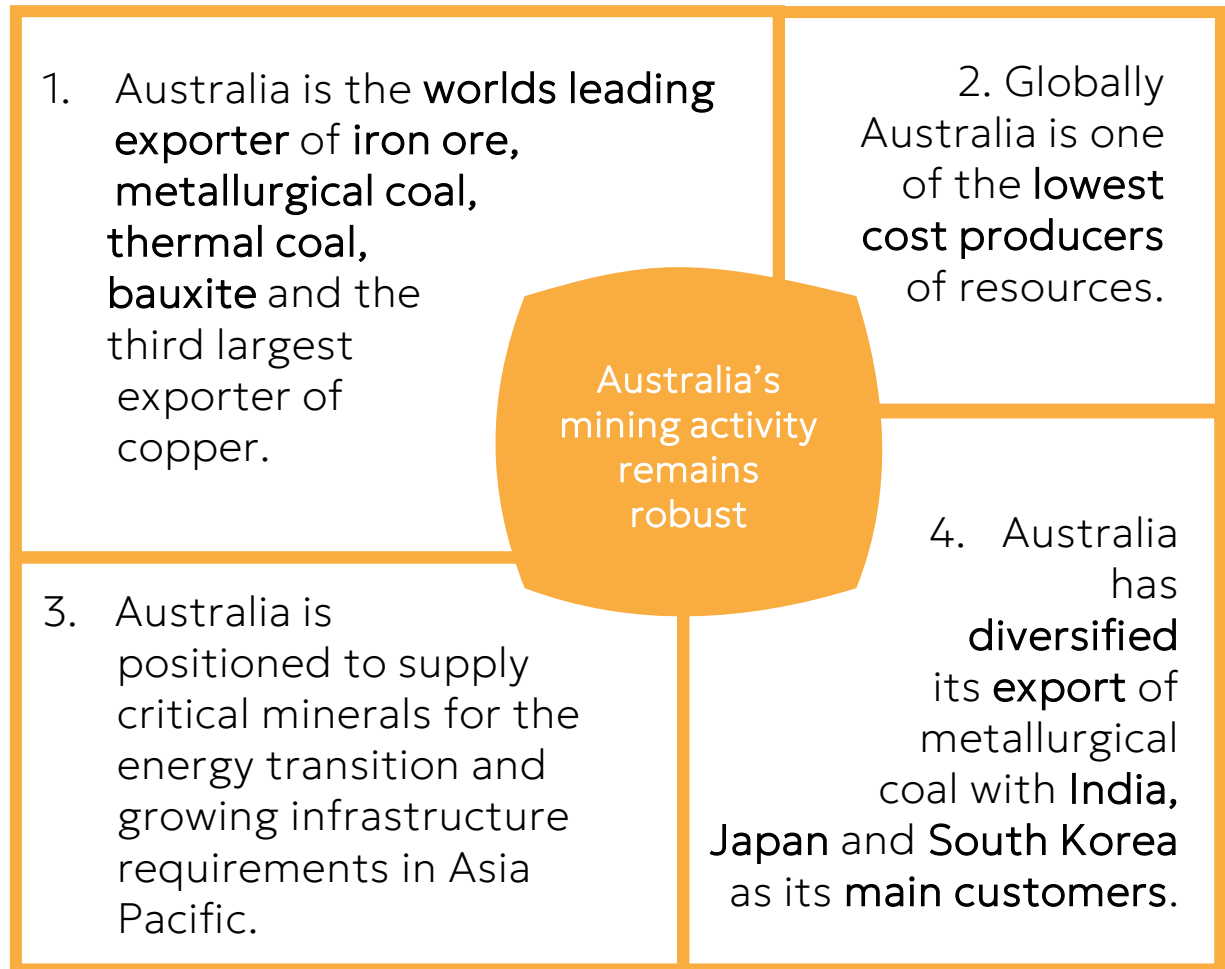
- The maritime, oil & gas and data centre sectors continue to drive the performance of the power systems segment through new sales and product support.
- The market for construction equipment remains challenging, impacting opportunities for new sales, parts and services.

Industrial Outlook

Strong demand for commodities, supported by infrastructure development and energy transition



Our Industrial business continues to benefit from the strong commodity demand, resulting in increased spending on equipment and after sales.

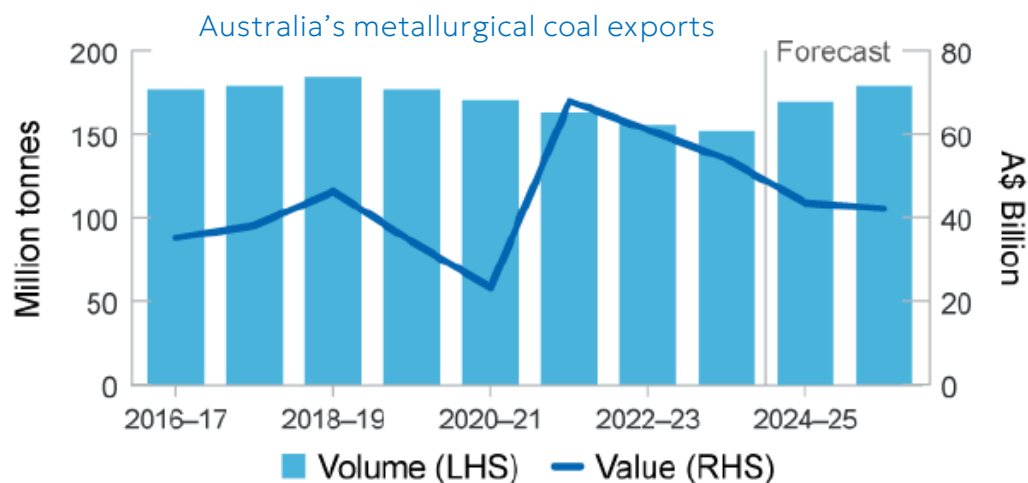


Industrial Outlook

Commodity export volumes are expected to pick up

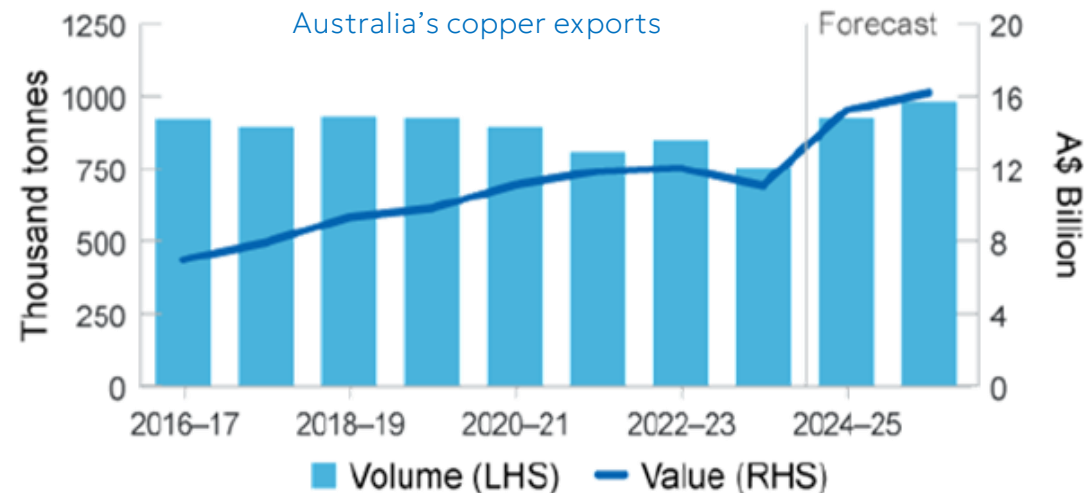
Source:
 Australian Government
 Department of Industry,
 Science and Resources

Australia's metallurgical coal sector



- Volumes are expected to grow over the next five years as new mines ramp up.
- Exploration spending remains high compared to historical averages.

Australia's copper sector



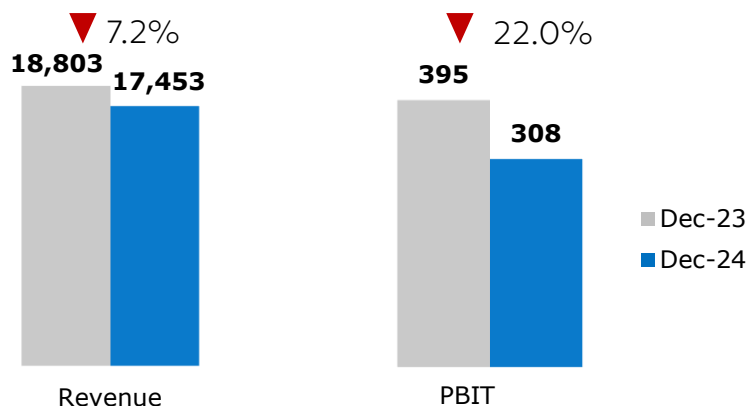
- Exports volumes expected to rise as a result of production growth.

Motors Division



Motors Division

Singapore performed well, cushioning the impact of lower sales in other markets



In RM Million	1H FY2024	1H FY2025
Malaysia	4,530	3,792
China	7,974	6,407
Australasia	3,188	2,643
Singapore & Others	3,111	4,611
Total Revenue	18,803	17,453
Malaysia	228	180
China	3	(10)
Australasia	107	36
Singapore & Others	57	79
Total Core PBIT	395	285
Gain on disposal of Ferrari	-	23
Australia Operations	-	23
Total PBIT	395	308
PBIT margin	2.1%	1.8%
Core PBIT Margin	2.1%	1.6%
Annualised ROIC	7.1%	6.0%

Malaysia

- Lower sales volume impacted profitability.

China

- Mainland China – Lower losses due to higher vehicle margins.
- Hong Kong and Macau – Weaker results mainly due to lower sales and vehicle margins.

Australasia

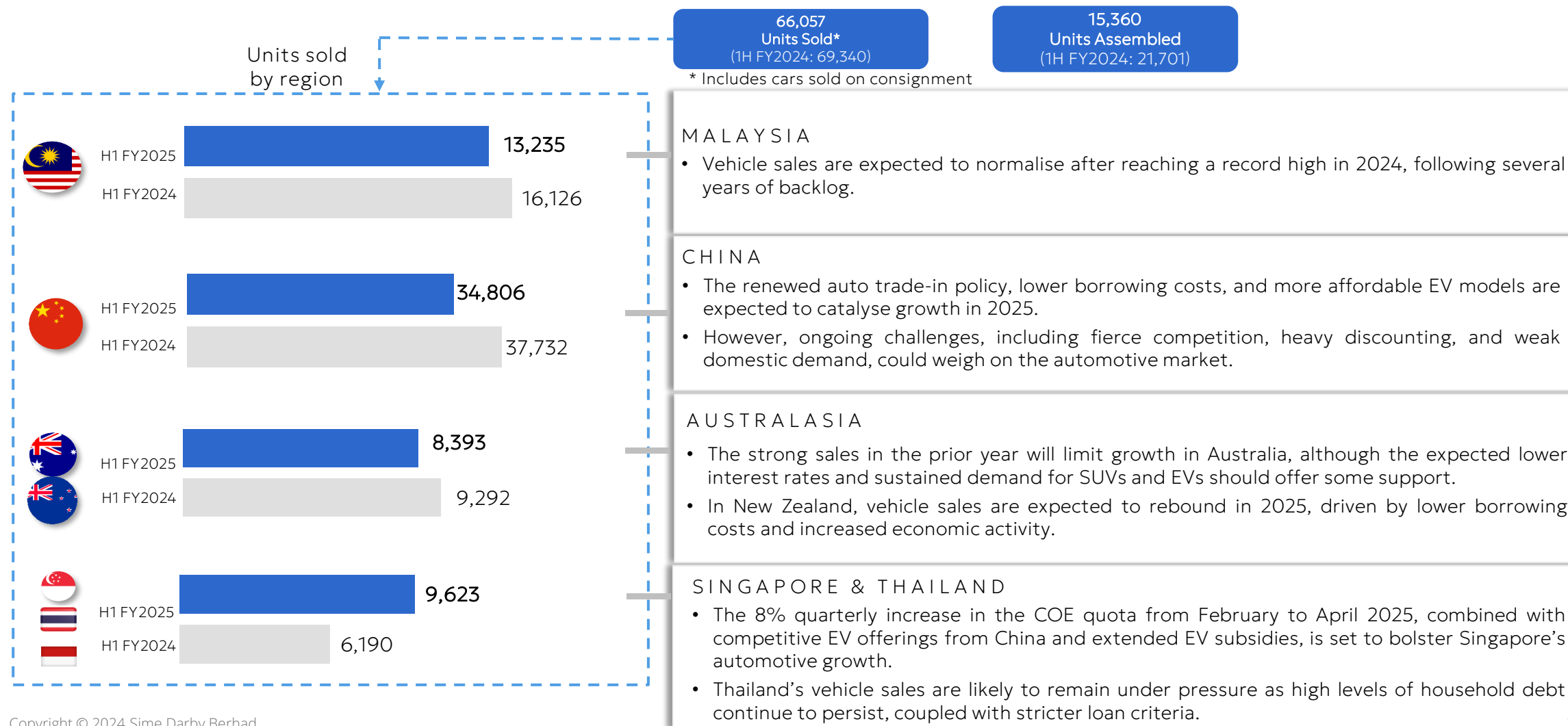
- New Zealand – Lower profitability impacted by lower commercial vehicle revenue and profit due to the weak economy.
- Australia - Lower profitability from retail operations due to lower sales volume.

Singapore & Others

- Higher electric vehicle sales in Singapore.

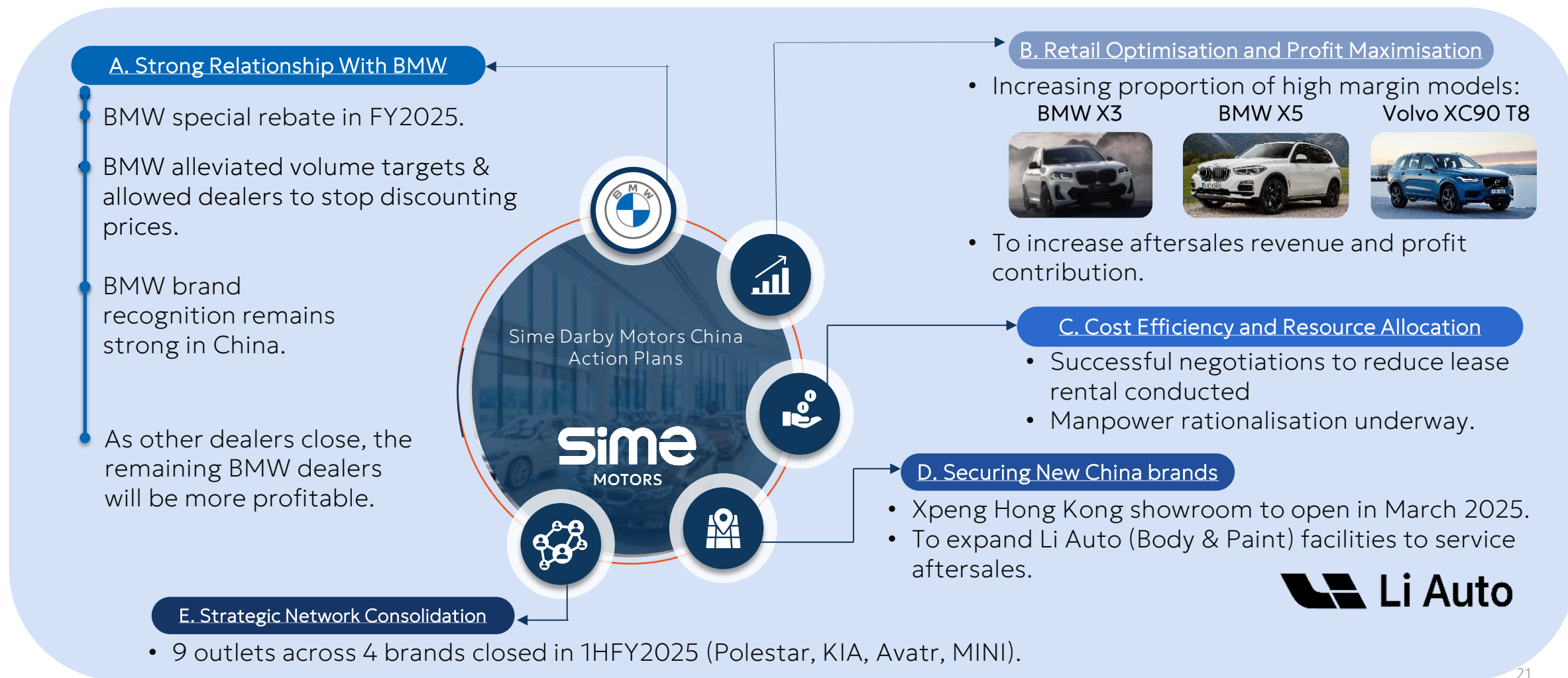
Motors Division

Lower vehicles sales in most markets due to intense competition



Sime Is Improving Our China Business

Our action plans to improve our China earnings is well underway, so that as the economy recovers, we are in the best position to bounce back



Motors Outlook


Exciting new models to drive sales



2025 BMW 3 Series
from RM273,000



2025 Porsche Cayenne S
E-Hybrid Coupe (CKD)
from RM728,000



Denza D9
(Malaysia & Singapore)



2025 BMW i4 eDrive35 facelift
from RM295,000

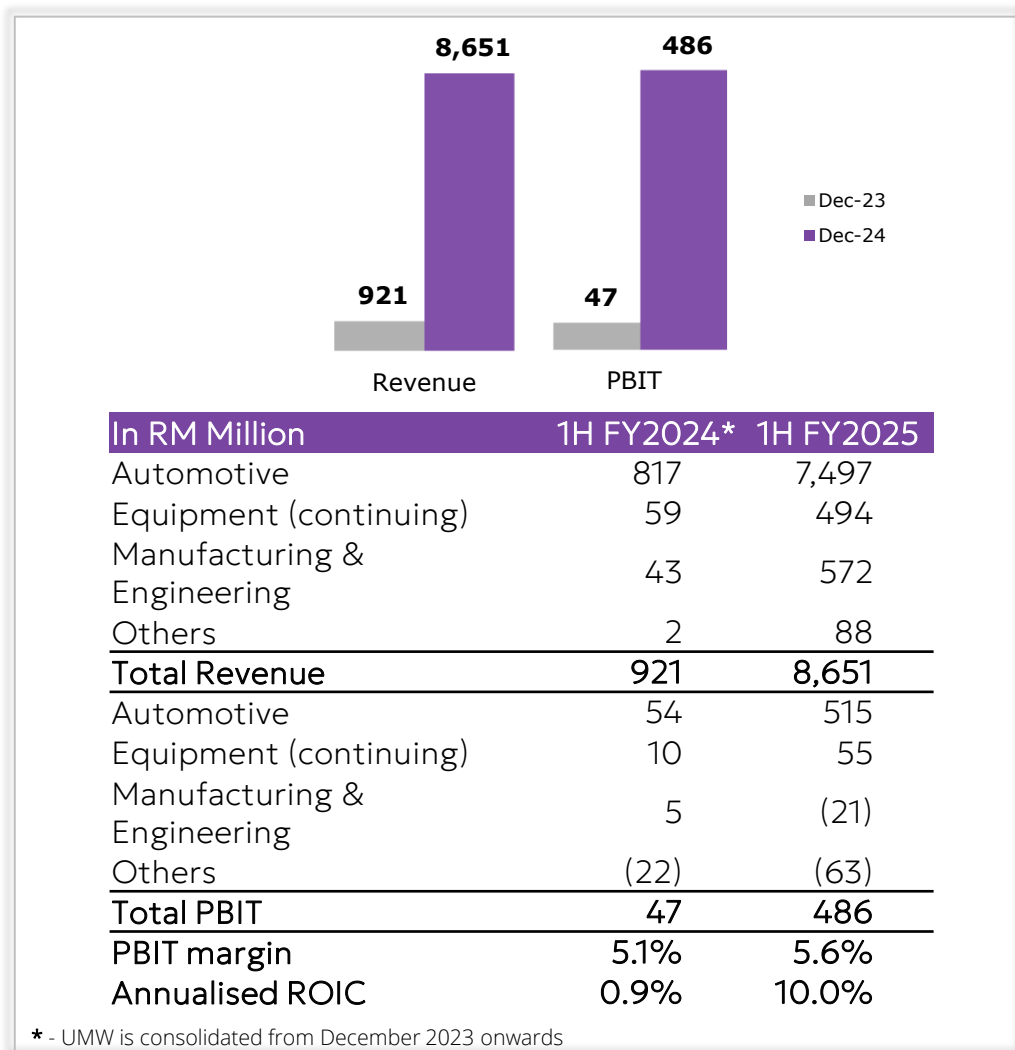


2025 BMW X3
(China)

UMW Division

UMW Division

PBIT largely contributed by the automotive business



Automotive

- UMWT sold 54,452 units in the current period (corresponding period: 58,131 units).*
- Perodua sold 188,001 units in the current period (corresponding period: 185,137 units).*

* Sales figures for the corresponding period are for comparison only. Financials for 1H FY2024 represents only half a month (December 2023)

Equipment

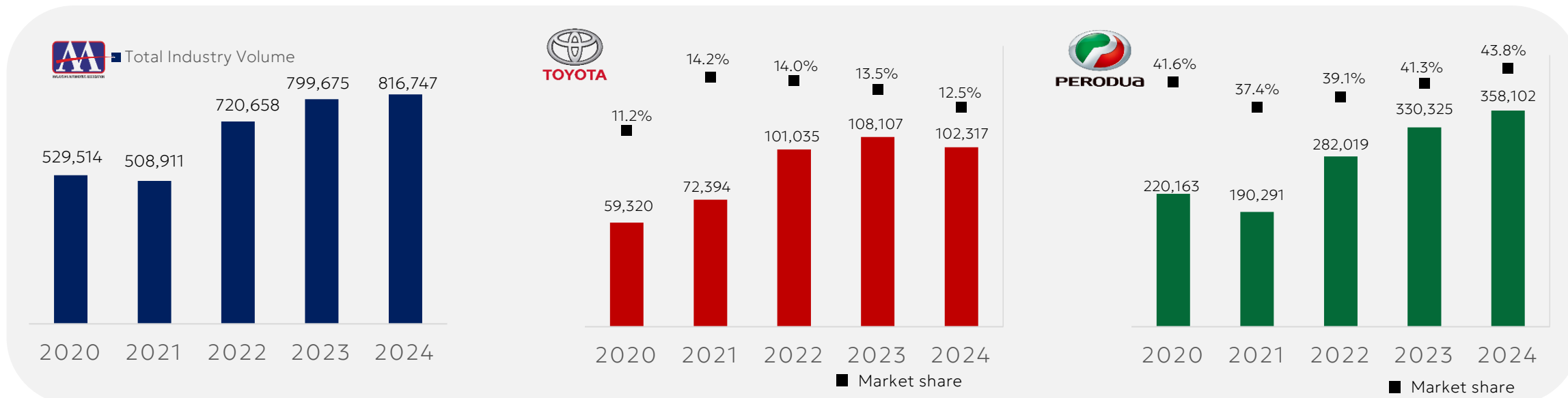
- Higher profits due to reduced operating expenses, offsetting lower deliveries due to market competition.

Manufacturing & Engineering

- Results during the quarter were adversely impacted by weaker results in the lubricants and aerospace business.
- The lubricant business was impacted by inventory adjustments.
- The aerospace business was impacted by delayed deliveries (57 units vs corresponding period: 74 units).

UMW Division

UMW Toyota Motor and Perodua sales & Total Industry Volume (TIV)



- TIV **exceeded 800,000 units** for the first time and registered a **2% increase** to 816,747 units in 2024.
- The **growth** was mainly supported by the **resilient economy** driving demand for vehicles.

- UMW Toyota Motor registered sales exceeding 100,000 units for the **third consecutive year** in 2024.
- It maintained its **leadership position** in the **non-National segment**.

- Perodua registered its **highest ever sales** in 2024 with 358,102 units, recording an **8% growth year-on-year**.
- It maintained its **leadership position** in the **Malaysian automotive industry** since 2006.

UMW Division

We have product offerings for T15 customers under all scenarios covered under RON95 subsidy rationalisation

Impact of RON95 subsidy rationalisation.



Our diverse product portfolio across affordable, hybrid, and electric vehicle segments provides with the means to adapt to higher fuel costs.

1 Customers may trade down to smaller cars to save costs.

Perodua dominance



Bezza



Axia



Myvi

2 They may pivot to Hybrids where Toyota is a leader.

Toyota Hybrids



Corolla Cross



Camry



Innova Zenix

3 Some may pivot to electric vehicles.

Electric Vehicles



Perodua EV

UMW Division

Models launched

The New 2025 Camry
From RM222k



The New 2025 Corolla Cross
From RM134k



TOYOTA



2025 Toyota GR Corolla facelift
RM367,000



2025 Toyota Corolla GR Sport
RM149,800



2025 Toyota GR Yaris facelift
RM315,600

The background features a solid dark blue color. On the left side, there are several overlapping, rounded rectangular shapes in various shades of blue and a muted orange. The shapes are layered, with some appearing more prominent than others, creating a sense of depth. The orange shape is the most vibrant, while the blues range from a very dark, almost blackish-blue to a slightly lighter, muted blue.

Thank You