



# SIME DARBY BERHAD

Investor Presentation

January 2019



Developing  
Sustainable Futures



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# Company overview



# Latest Developments (1/2)

Good FY18 results, monetization plan on track, changing political landscape provides opportunities

## FY18 results

- Sime Darby Berhad reported strong set of numbers for FY2018
- **Revenue** – RM33.8bn | **PBIT** – RM1,074m | **Net Profit** – RM618m | **Core net profit** – RM835m (36% increase YoY)
- Largely attributed to mining recovery in Australia and increased infrastructure spend in China
- Motors was impacted by the losses from the exit of the BMW business in Vietnam (RM199m)
- Industrial order book up by 94% from RM1.4bn to RM2.7bn due to Australia mining recovery

## Monetisation of non-core assets

- **Weifang Water:** Sale completed in Sept 2018 for RM275m, recording a post-tax gain of RM65m
- **Ports:** Sale process underway
- **Review of non-core and non-strategic businesses** within Motors and Industrial completed. Asset rationalization in progress.

## BMW Engine Assembly

- May 2018: SDB officiated the opening of new BMW engine assembly facility in Kulim, Kedah
- Plant produces **~10,000 engines** a year and increases the **local content** of our cars, making them more cost competitive
- Plant is the **second BMW engine plant in the region** after Thailand.
- Assembly is a key component in our strategy as Motors is looking to assemble more marques

## Impact of new government following 9 May elections

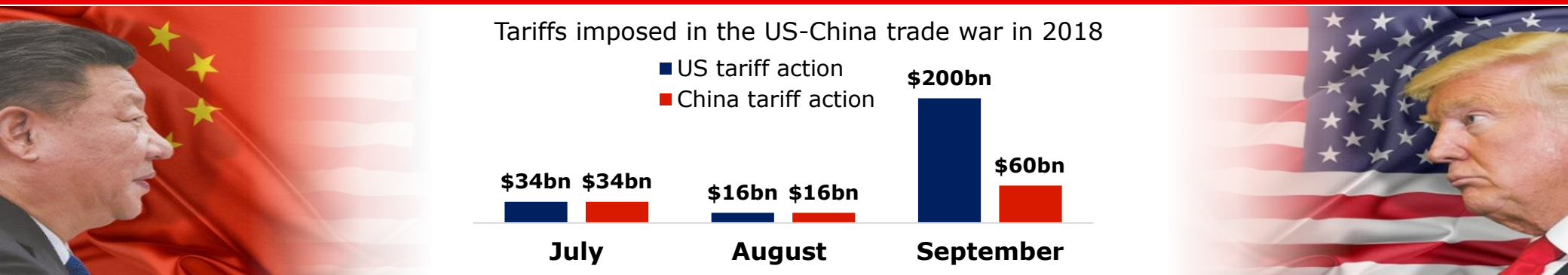
- Review of infra projects: Expected delay/cancellation of large projects (ECRL, HSR) may lead to **lower equipment sales**
- Motors: **Subsidy on RON95** will benefit sales of mass market brands
- Industrial: RM5bn for Sabah and RM4bn for Sarawak for **infra spending to benefit CAT**
- Healthcare: Initiatives to encourage **medical tourism** (RM20m) will benefit RSDH

## Positive Australia mining outlook

- Adani will self-finance its Carmichael mine that has the production target of 27.5 million tons a year
- **Thermal coal prices** have more than **doubled** since 2016
- Exploration has increased in the Queensland coal sector for the first time since 2011-12

# Latest Developments (2/2)

Minimal direct impact due to localization



Dec  
2018

- **Imposition of additional tariffs will be held off for 90 days.** Possible trade deal is being negotiated
- **China to temporarily remove additional 25% tariffs (40%→15%) on US autos and 5% on certain US auto parts** for three months, beginning 1 Jan 2019.

## Motors

## Industrial

### Direct Impact

- Minimal impact as **75% of BMWs sold in China are manufactured locally**
- Bestselling BMW models in China are 3 series, 5 series, 7 series and X5 (50% of sales)
- **All are locally assembled** except for the X5 which is CBU from the US (11% of sales)
- CAT equipment sold in China are sourced from China, Indonesia, India, Thailand, Brazil, UK
- Minimal impact as **~95% of machine sales are from factories in China**
- Some parts are imported from the US, but if China imposes tariffs on these, CAT will be able to source these parts from Korea or Japan

### Indirect Impact

- Delayed purchases: BMW cars are "nice to have" but not "must have" products, hence, customers may hold back purchases **if consumer sentiment is weak.**
- However, potential reduction in autos import tariffs should spur demand
- **No negative sentiment observed by China team for CAT products** as they are still preferred by customers for being best in class.
- Infra spending: China plans to put **more money into infrastructure projects** to help soften the blow to the economy from the China-US trade war. This should spur equipment sales.



# Sime Darby Berhad

Leading trading company in APAC with strong partnerships with premium brands



One of the **largest** BMW dealers in the world



One of the **largest** CAT dealers globally



**6** hospitals in Malaysia & Indonesia



**4** ports in China

Logistics

## FY18 Financial Snapshot



**Revenue**  
RM33,828m



**PBIT**  
RM1,074m



**EBITDA**  
RM1,738m



**PATAMI**  
RM618m



**Total Assets**  
RM24,857m



**Shareholders' Funds**  
RM14,370m

**18 Countries & Territories<sup>(1)</sup>**

**20,096 Employees<sup>(2)</sup>**

● Motors ● Industrial ● 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 September 2018. Excludes employees of Ramsay Sime Darby Healthcare

# Business Overview

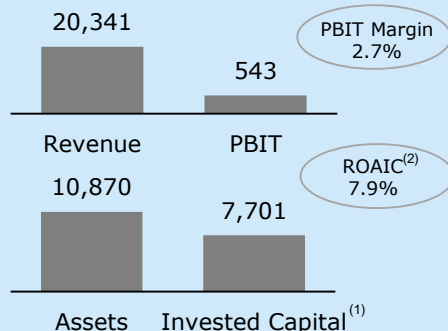
Diversified trading and logistics company; valuable healthcare component

## Motors



- Retail, distribution and assembly businesses
- Presence in 10 countries & territories across APAC, over 40 years experience
- Represents 31 brands, ranging from luxury brands (e.g. BMW, Porsche, Rolls Royce) to mass market brands (e.g. Ford, Hyundai), as well as trucking names (e.g. Hino and Mack)
- BMW dealer since 1972 and is the second largest BMW dealer group globally

(FY18; RM m)

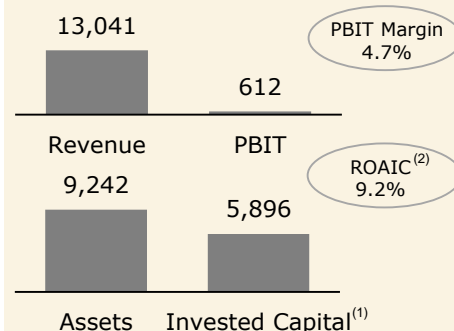


## Industrial



- Comprehensive range of equipment and services, i.e., new and used machine and engine sales, rental and full range of product support services
- Network of more than 109 branches throughout APAC
- Balanced sectoral exposure in mining, construction, forestry, marine and energy
- Also provides comprehensive range of industrial solutions via Allied Brands and Energy Solutions
- CAT dealer since 1929 and is the third largest CAT dealer globally

(FY18; RM m)

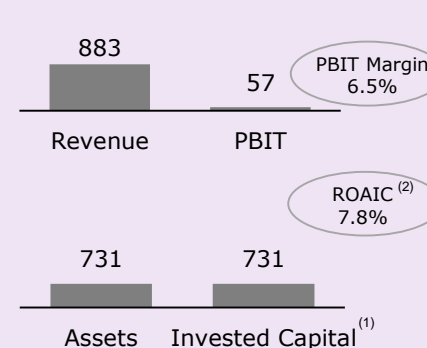


## Healthcare



- 50:50 JV with Ramsay Healthcare for the management of hospitals and provision of healthcare services

(FY18; RM m)

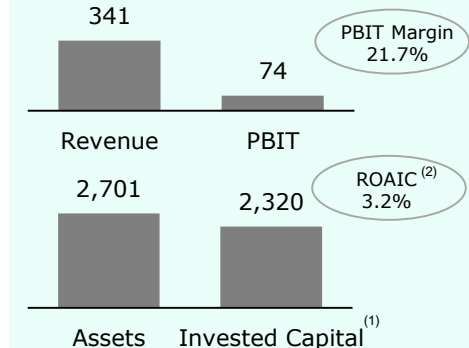


## Logistics



- Ports and logistics in Shandong, Eastern China
- Entered Shandong in 2005 and is currently the largest multi-purpose port in Yellow Delta River, Shandong

(FY18; RM m)



## Others



- 12% stake in Eastern & Oriental
- Own c.8,800 acres of land in the Malaysia Vision Valley region and 4 corporate towers in Ara Damansara
- 30% stake in Tesco Malaysia
- Provision of shared services to all Sime Darby pure plays
- Insurance broking services in Malaysia, Singapore, Hong Kong and Thailand

(1) Invested capital is total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities) (2) ROAIC is PBIT divided by average invested capital

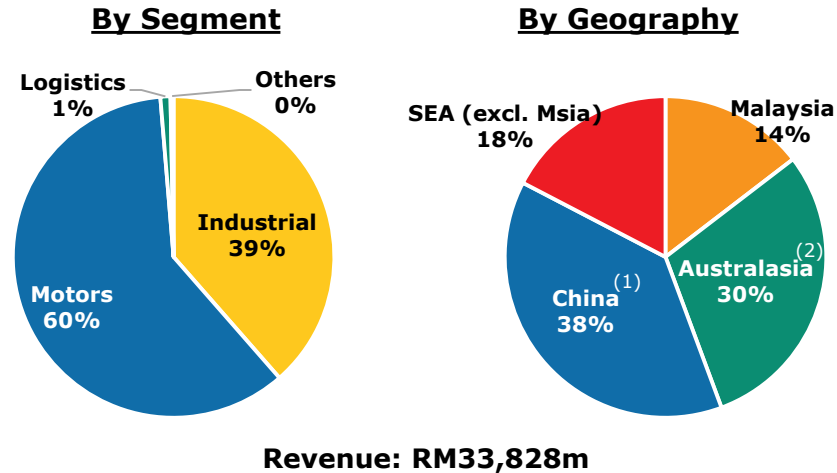


# FY2018: Segmental Information

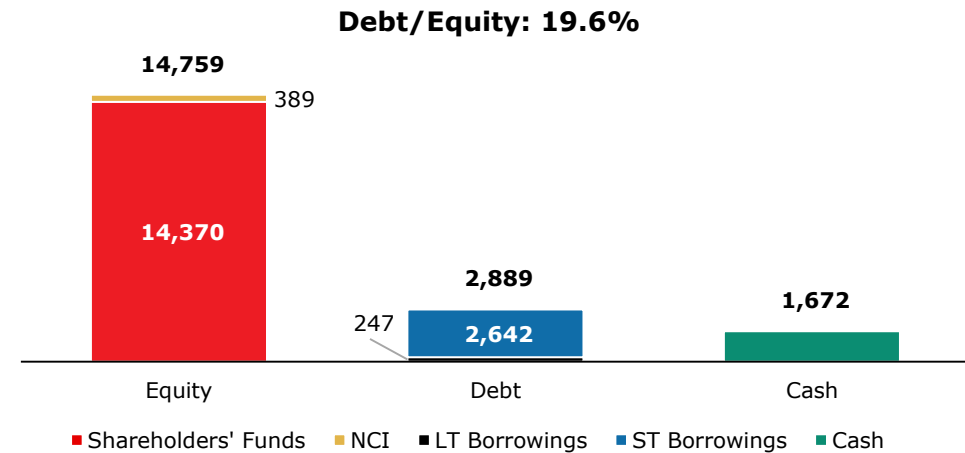
Diversified exposure across segments and geographies, low gearing for expansion

(FYE June 2018; RM mm)

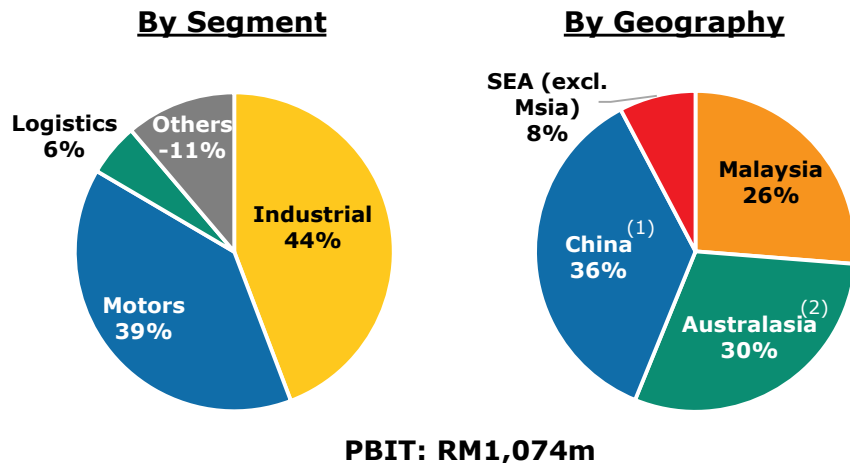
## Total Revenue



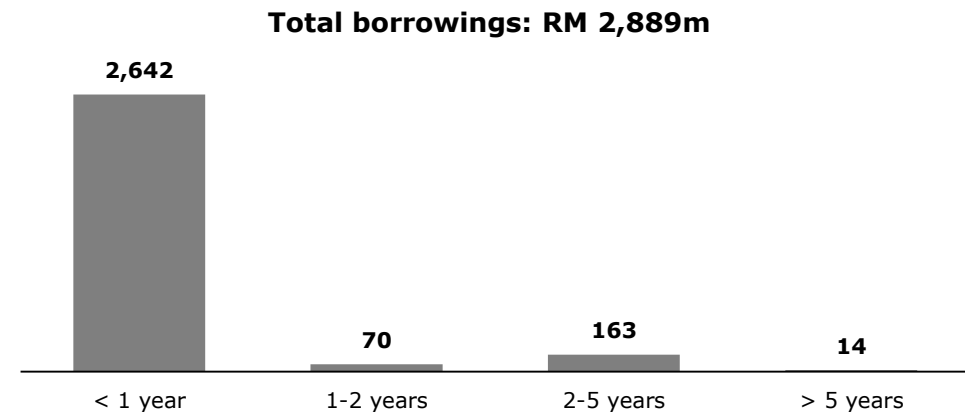
## Capital Structure



## Total PBIT



## Total Borrowings (By maturity)



(1) China consists of China, Hong Kong, Macau & Taiwan; (2) Australasia consists of Australia, New Caledonia, New Zealand, Papua New Guinea & Solomon Islands



# FY2018 Financial Results

Reported Profit: 12 Months ended 30 June 2018

In RM Million	FY2018	FY2017	YoY %
<b>Revenue</b>	<b>33,828</b>	<b>31,087</b>	<b>8.8</b>
<b>PBIT</b>	<b>1,074</b>	<b>784</b>	<b>37.0</b>
Finance income <sup>(1)</sup>	104	512	
Finance costs	(113)	(289)	
<b>Profit before tax</b>	<b>1,065</b>	<b>1,007</b>	<b>5.8</b>
Taxation	(380)	(212)	
<b>Profit from continuing operations</b>	<b>685</b>	<b>795</b>	<b>(13.8)</b>
Non-controlling interests & Perpetual	(67)	(180)	
<b>Net profit from continuing operations</b>	<b>618</b>	<b>615</b>	<b>0.5</b>
<b>Net profit from discontinued operations (Plantation &amp; Property)</b>	<b>1,301</b>	<b>1,823</b>	
<b>Net profit attributable to owners of the Company</b>	<b>1,919</b>	<b>2,438</b>	

(1) Includes finance income from discontinued operations of RM48m (FY2018) and RM465m (FY2017)



# FY2018 Financial Results

Core Net Profit: 12 Months ended 30 June 2018

In RM Million	FY2018	FY2017	YoY %
<b>Reported PBIT</b>	<b>1,074</b>	<b>784</b>	<b>37.0</b>
<b>Adjustments</b>			
• Disposal of/compensation from properties	(238)	(30)	
• Bucyrus impairment	-	257	
• Motors Vietnam	199 <sup>(1)</sup>	66	
• Impairment of equity in E&O	103	-	
• Disposal of E&O shares/warrants	-	(35)	
• Yayasan Sime Darby – deconsolidated in Q3	85 <sup>(2)</sup>	27	
• ONGC Provision	28	-	
• Net corporate forex gain	(23)	(120)	
<b>Core PBIT</b>	<b>1,228</b>	<b>949</b>	<b>29.4</b>
Net finance costs	(56)	(137)	
Tax expense	(282)	(140)	
Non controlling interests	(55)	(59)	
<b>Core Net Profit</b>	<b>835</b>	<b>613</b>	<b>36.2</b>

(1) Includes impairment of distribution rights (RM61m) and write-down of inventories (RM89m); (2) Includes writedown of assets (RM61m), expenses (RM37m) and reversal of accruals (RM13m)

# Value Creation Plan

Strategic Plans to Deliver Returns and Growth



To be the leading Motors & Industrial multi-national in Asia Pacific

REVENUE ENHANCEMENT	COST OPTIMISATION	BUSINESS EXPANSION	PORTFOLIO RATIONALISATION	EXPAND HEALTHCARE	SYNERGISTIC M&A
<p>Enhanced sales from <b>mining &amp; infrastructure spend</b> and <b>new model launches</b></p> <p><b>Digitalisation</b> to grow market share</p> <p>Focus on <b>after-sales</b></p>	<p><b>Operational excellence</b> to strengthen resilience</p> <p><b>Turnaround</b> under - performing businesses</p>	<p>Expansion into <b>adjacencies</b></p> <p><b>Assembly</b> for existing partners and introduce new marques to assemble</p>	<p>Disposal of <b>non-core businesses</b> to streamline portfolio</p>	<p>Expansion of <b>Healthcare</b> via operational excellence, asset maximisation and M&amp;A</p>	<p>Explore <b>new markets</b> to represent new or existing marques</p>

**REVENUE ENHANCEMENT, COST MANAGEMENT, BUSINESS EXPANSION & PORTFOLIO RATIONALISATION ARE KEY DRIVERS**





# Business Characteristics

High volume, low margin business with large footprint across Asia; strong partnerships

## Cyclical business

Business dependent on **commodity cycle** (coal, O&G) for Industrial and **model cycle** for Motors

BMW sales expected to pick up with **popular new models**



BMW X5 2019

Industrial benefiting from **pick up in coal prices**

**22%**

Coal % of world energy consumption by 2040<sup>(1)</sup>

## Broad footprint across Asia Pacific

- **Large network** and strong **"know how"** in the **Asia Pacific region**
- Diversified operational footprint with **exposure to emerging markets and developed economies**

- **Proxy to key macro trends** i.e. growing Asian affluence (BMW), demographics (Healthcare) and commodity upcycle (Industrial)

## High volume, low margin business

Business is characterized by **high unit sales and low trading margins (~3%)**. However, if working capital is managed well, cash flows are significant and ROIC can be high.



## Capital requirement not strenuous

Undemanding capex requirements which largely revolve around showroom upgrades and warehouses

## Long-standing partnership with premium brands

Partner of choice for MNCs who wish to expand in Asia



## Healthcare a hidden gem



- **Premium hospitals** in Indonesia and Malaysia tap into growing affluence in the region
- Significant **expansion opportunities in other Asian markets** by leveraging on brand
- Asian healthcare business supported by **strong valuations**

## Low gearing, room for expansion

**19.6%** Debt to equity ratio

Ample **debt headroom for strategic expansion** and M&As

# 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  
Resources Officer



**SCOTT W. CAMERON**

Managing Director,  
Sime Darby Industrial



**ANDREW BASHAM**

Managing Director,  
Sime Darby Motors



**TIMOTHY LEE CHI TIM**

Managing Director,  
Sime Darby Logistics



**PETER HONG**

Managing Director,  
Sime Darby Healthcare

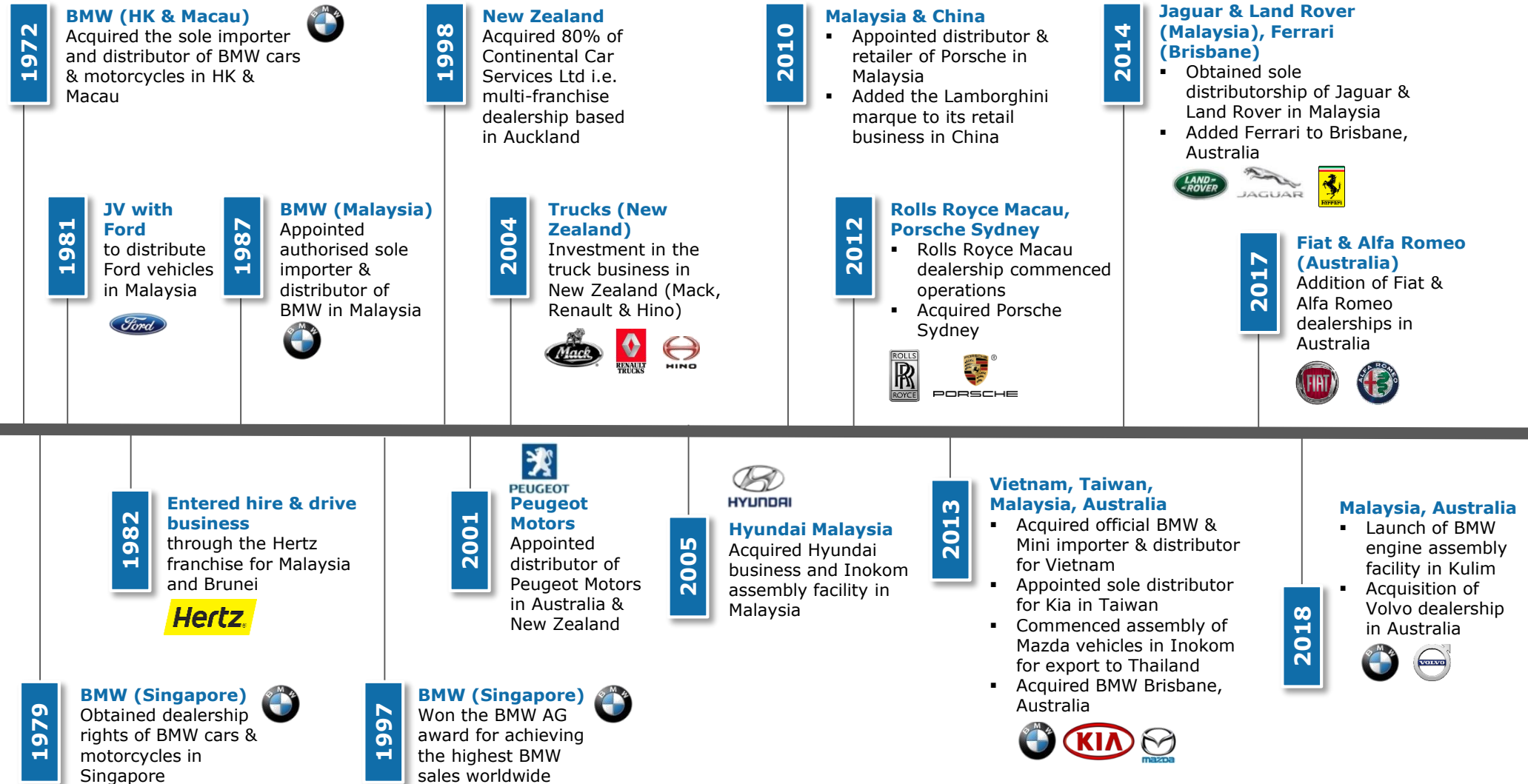


# Motors Division

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# History & Key Milestones

## Solid Track Record Across 9 Markets in the Asia Pacific Region





# Sime Darby Motors

We represent strong luxury and mass market brands across APAC

Malaysia	Singapore	Thailand	Australia	New Zealand	Hong Kong	Macau	China	Taiwan
<b>Distributor &amp; Dealer</b>        <b>Assembly (Inokom)</b>    	<b>Distributor &amp; Dealer</b>   	<b>Dealer</b>   	<b>Dealer</b>       	<b>Distributor &amp; Dealer</b>      <b>Dealer</b>      	<b>Distributor &amp; Dealer</b>        	<b>Distributor &amp; Dealer</b>        	<b>Dealer</b>     	<b>Distributor &amp; Dealer</b>  <b>Assembly</b> 
<b>Rental</b>  	<b>Rental</b>  		<b>Rental</b> 					

# Sime Darby Motors

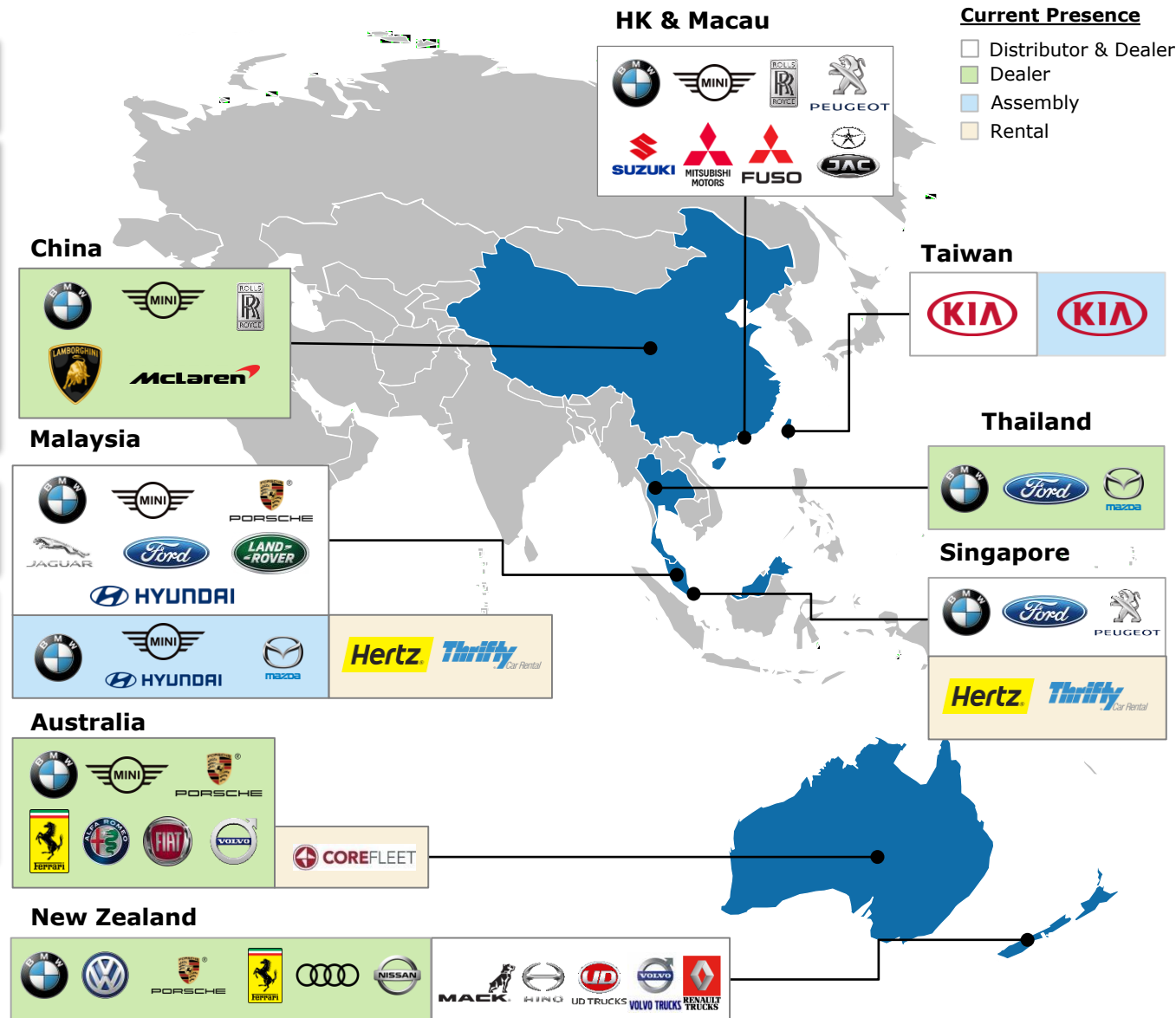
## Focused on Expansion in Asia Pacific

### Countries & Achievements

- One of the **largest** BMW dealer globally
- One of **Top** Rolls Royce dealers in Asia Pacific
- A **leading** Distribution group in Malaysia
- A **leading** Commercial Vehicle Distributor in NZ

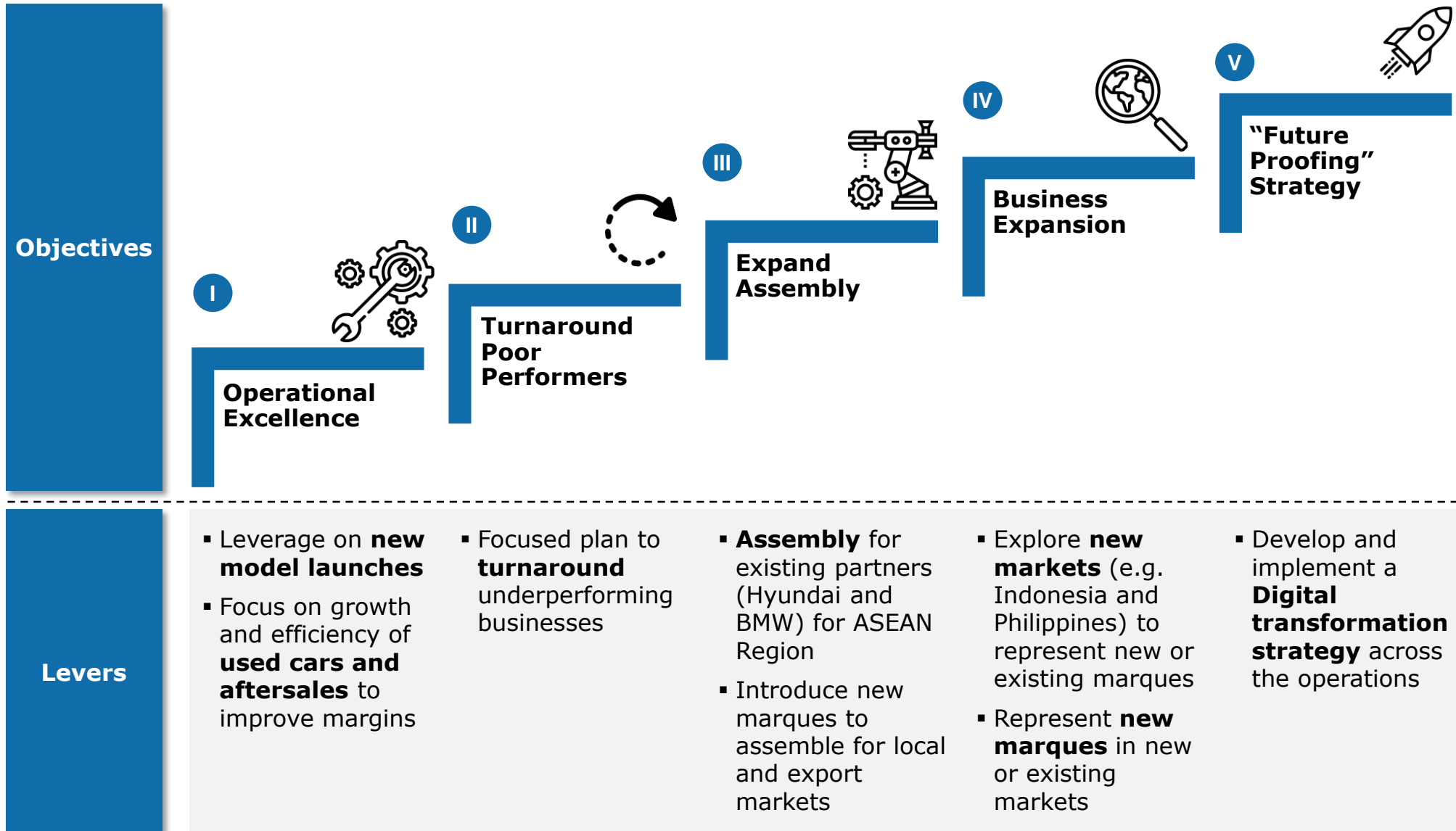
### Key Strategic Partners

- BMW (44 years) – Seven markets
- Ford (37 years) – Singapore, Thailand and Malaysia
- Porsche (30 years) – Malaysia, Australia and New Zealand
- Hyundai (14 years) – Malaysia



# Sime Darby Motors

Focus on new model launches, expand assembly, M&A for new territories and marques



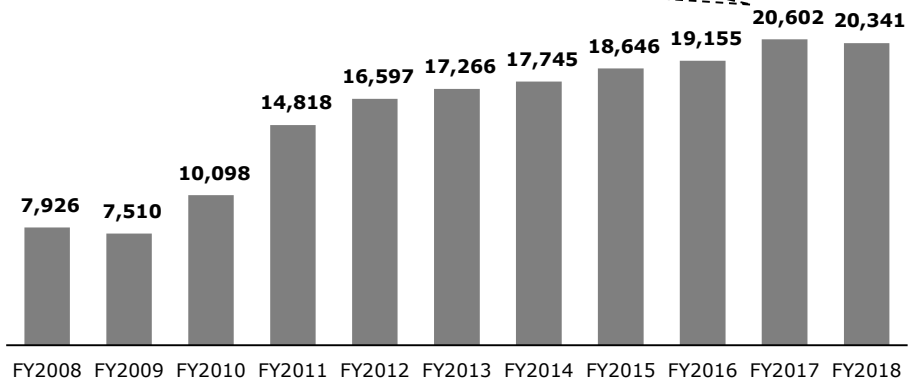


# Sime Darby Motors

## Key Financial Highlights

### Revenue (RM mm)

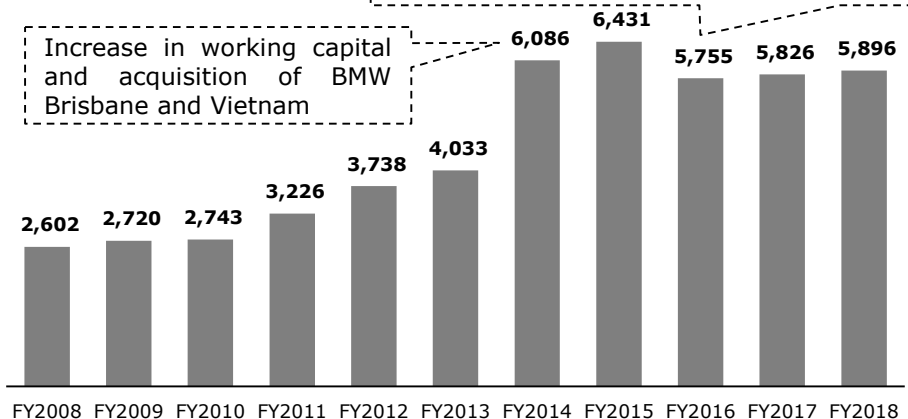
Record sales of the trucking business across all brands in NZ, higher sales volume in China and increased COE quota & timely launches of new BMW models in Singapore



### Invested Capital<sup>(3)</sup> (RM mm)

Reduction in working capital - inventories, receivables and cash balances

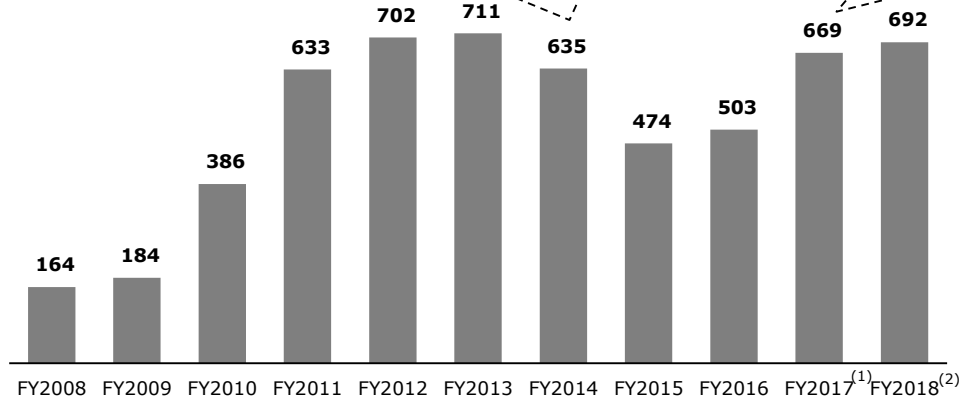
Increase in working capital and acquisition of BMW Brisbane and Vietnam



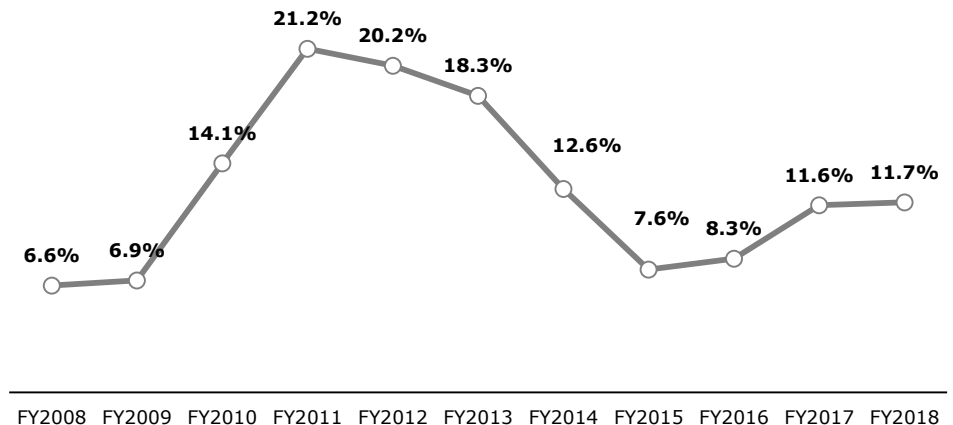
### PBIT (RM m)

Impacted by GST in Malaysia and government policy in China

Stronger contributions from Malaysia and China operations



### ROAIC<sup>(4)</sup> (%)



(1) Excludes losses on Vietnam operations (RM66m) and gains on property disposals (RM30m)

(2) Excludes impairments of RM199m relating to Vietnam and gains on property disposal of RM50m

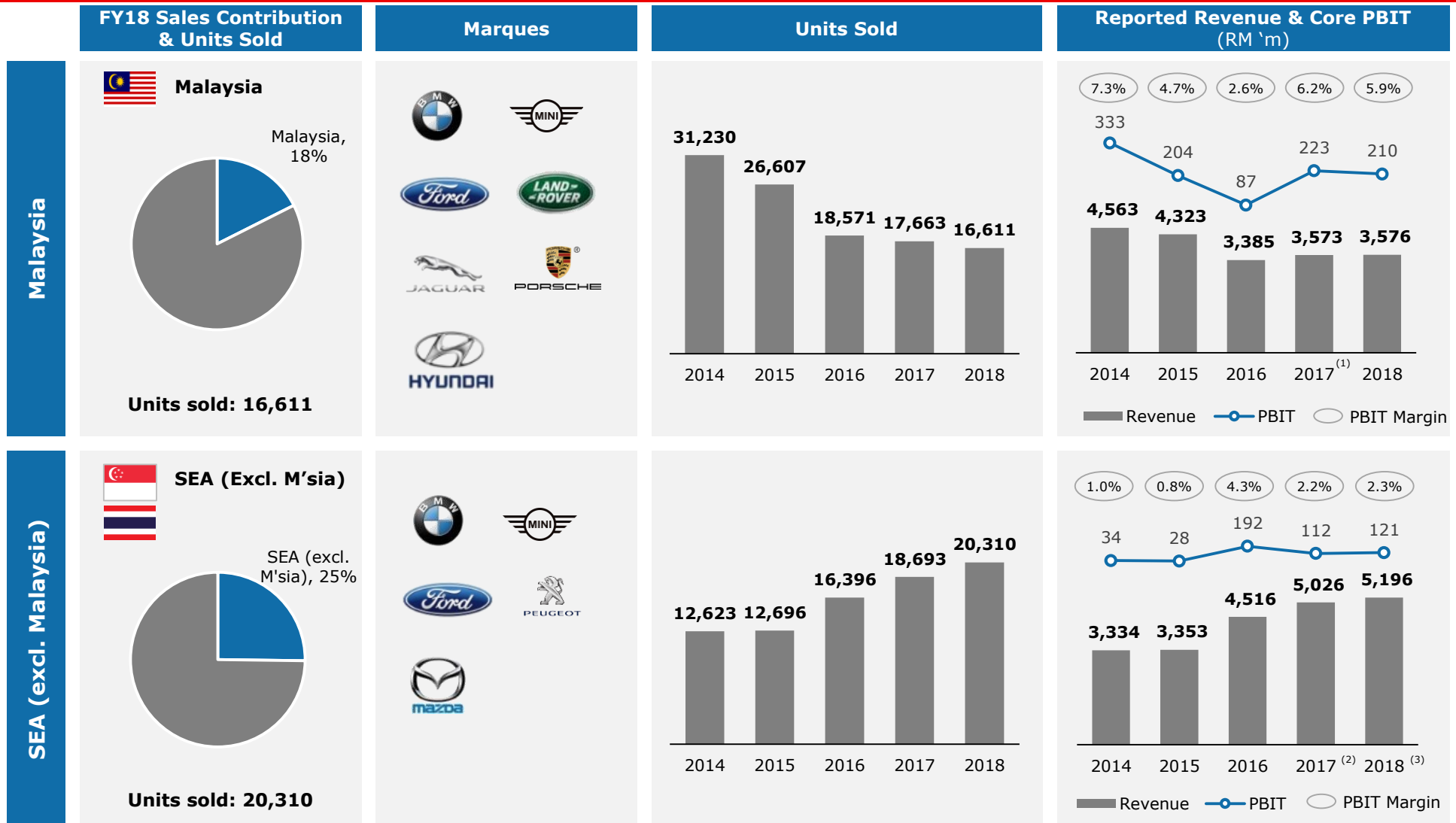
(3) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)

(4) ROAIC is calculated as PBIT divided by average invested capital



# Sime Darby Motors

## Units Sold, Revenue & PBIT by Region (1/2)



(1) Excludes land compensation of RM9m

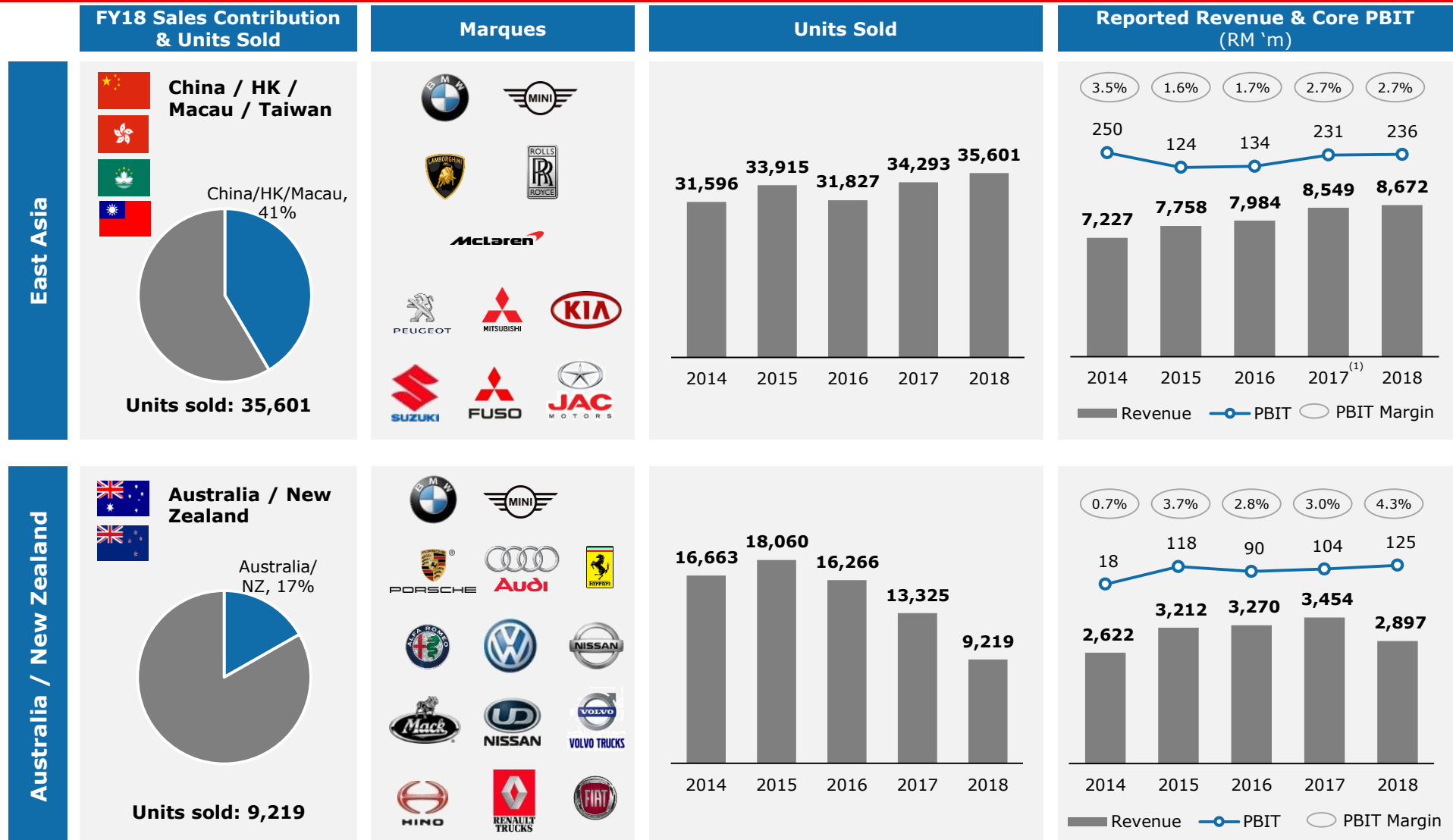
(2) Excludes a goodwill impairment of RM19m and provision on inventories of RM18m in Vietnam

(3) Excludes impairment of distribution rights or RM61m and writedown of inventories amounting RM89m in Vietnam

Source: Audited accounts, Corporate presentation

# Sime Darby Motors

## Units Sold, Revenue & PBIT by Region (2/2)



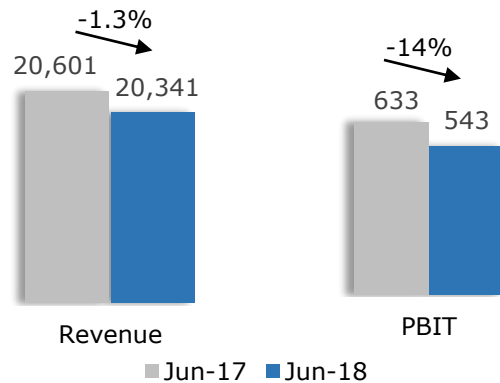
(1) Excludes land compensation of RM41m  
Source: Audited accounts, Corporate presentation

Source: Audited accounts, Corporate presentation



# Sime Darby Motors

Improved performance in China region



In RM Million	FY2017	FY2018
China, HK, Macau & Taiwan	8,550	8,672
Singapore & Thailand	4,548	5,127
Malaysia	3,571	3,576
Australia & NZ	3,454	2,897
Vietnam	478	69
<b>Total Revenue</b>	<b>20,601</b>	<b>20,341</b>
China, HK, Macau & Taiwan	201	236
Singapore & Thailand	141	121
Malaysia	223	210
Australia & NZ	104	125
<b>Total Core PBIT</b>	<b>669</b>	<b>692</b>
Vietnam	(66)	(199)
Property disposal/compensation	30	50
<b>Total PBIT</b>	<b>633</b>	<b>543</b>
<b>PBIT margin</b>	<b>3.1%</b>	<b>2.7%</b>
<b>Core PBIT margin</b>	<b>3.3%</b>	<b>3.4%</b>
<b>ROIC</b>	<b>10.9%</b>	<b>9.2%</b>

## China, HK, Macau, Taiwan

- Higher volume from luxury cars in Hong Kong
- Financial performance in Taiwan improved due to new models being launched and growing dealer network

## Singapore, Thailand

- Includes share of loss from associate (Munich Auto) of RM10m

## Malaysia

- Higher corporate costs despite higher sales volume due to zero-rated GST in June 2018

## Australia, NZ

- Higher profit after the divestment of loss-making operations and improved light commercial rental business due to mining recovery

## Vietnam

- Impairment of distribution rights (RM61m) and write-down of inventories (RM89m)

## Property Disposal

- Land/property compensation: China (RM41m) and Malaysia (RM9m)
- FY2017: Disposal of property in Hong Kong

# Sime Darby Motors

Upcoming Model launches expected to boost sales in 2QFY2019



**BMW 7 Series**  
October 2018



**Ford Ranger**  
October 2018



**Hyundai Tucson**  
October 2018



**BMW X5**  
November 2018



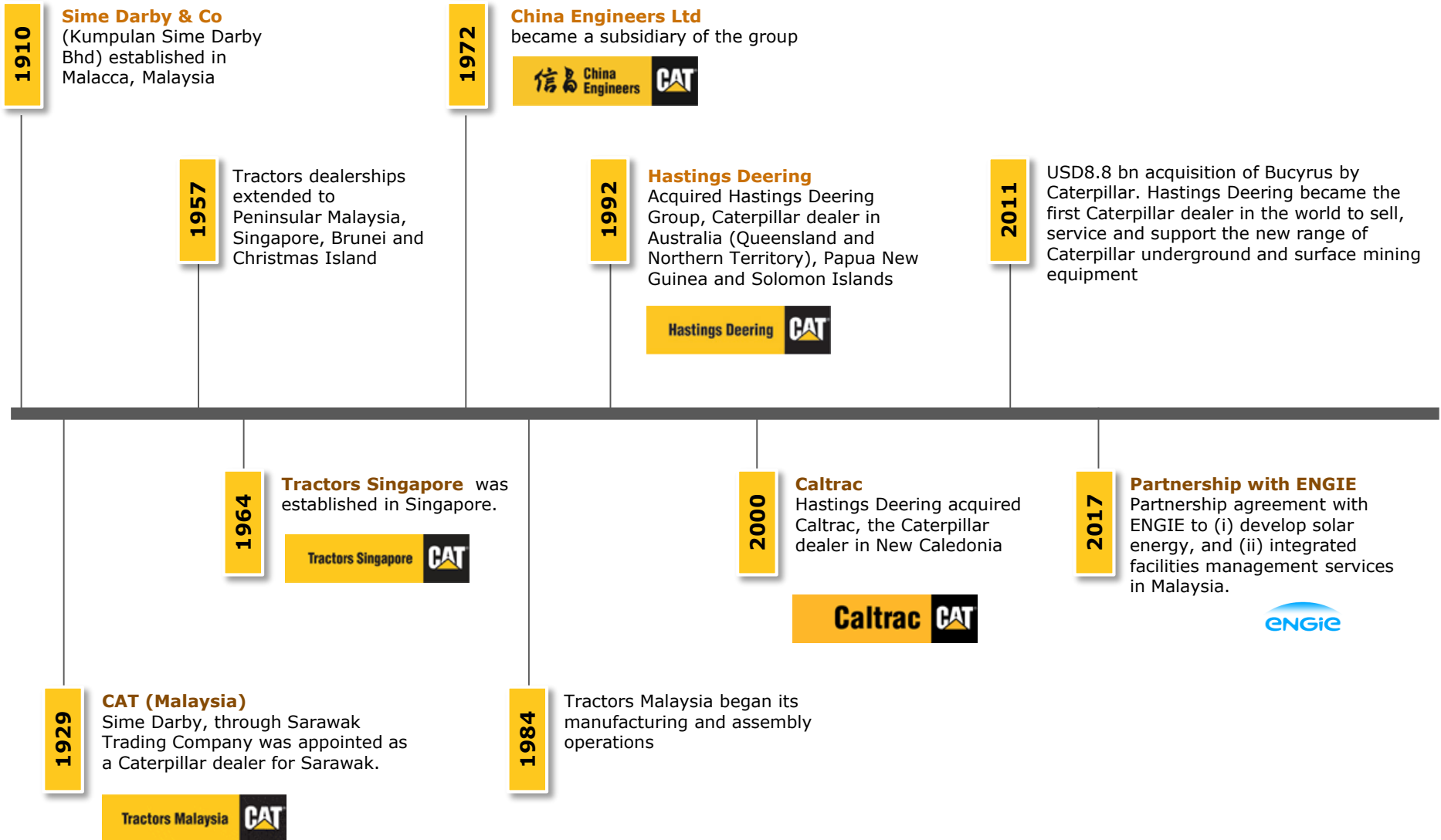
# Industrial Division

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# History & Key Milestones

Long-standing Partnership with Caterpillar Since 1929





# Sime Darby Industrial

Strong brands and comprehensive market reach across APAC



Industrial

## CAT Dealer Operations

	Malaysia, Brunei
	Singapore, Maldives, Christmas Island
	Hong Kong, Macau
	Southeast China (Province of Guangdong, Guangxi, Hainan, Fujian, Hunan, Jiangxi) and Xinjiang
	Australia (Queensland & Northern Territory), PNG & SI
	New Caledonia

## Allied Brands Group

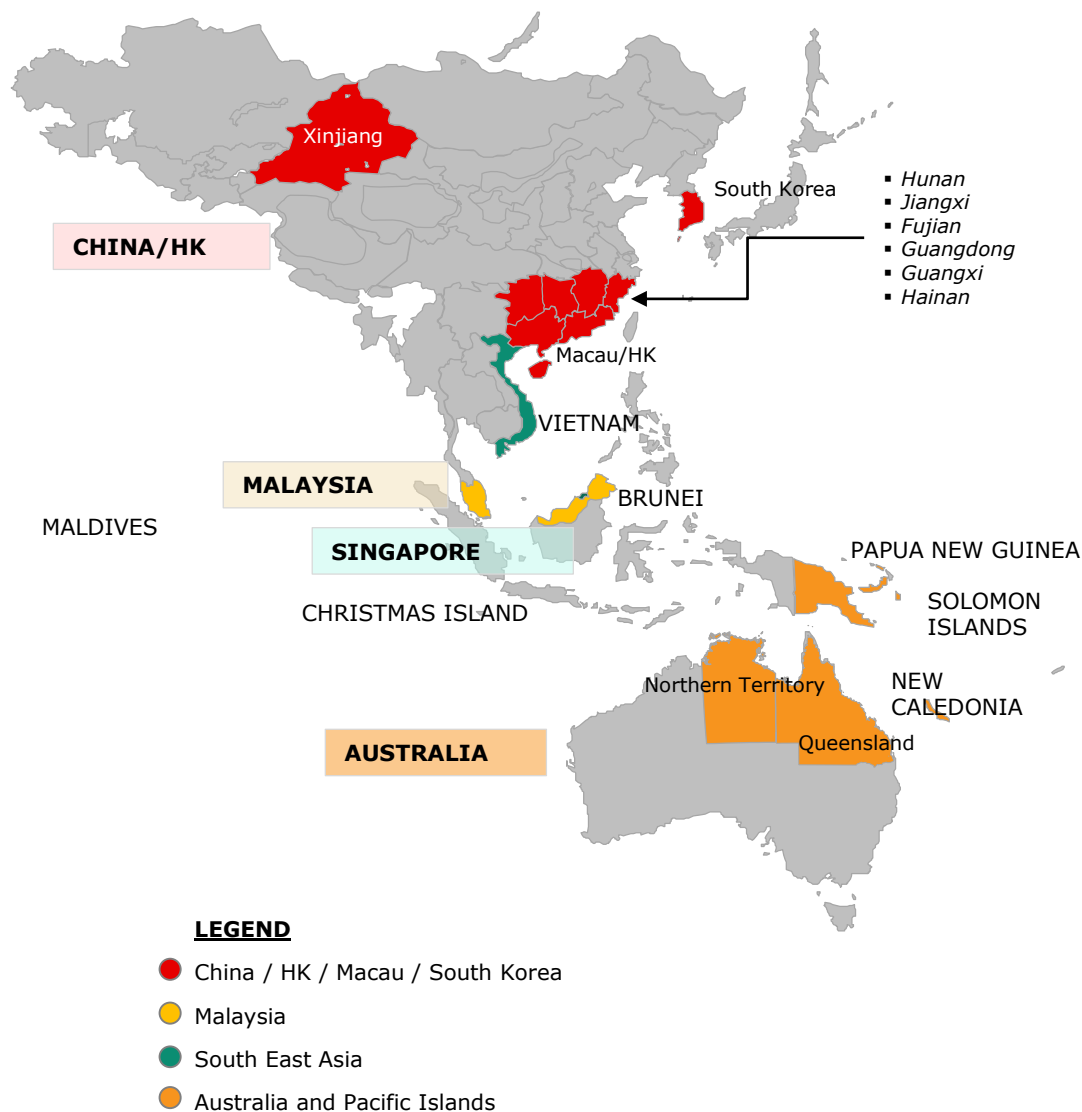
	Malaysia (via JV with Kubota Corp & Marubeni Corp)		Hong Kong & Macau, China
	Asia Pacific region (JV with Terberg Benschop)		Hong Kong & Macau
	Malaysia, Christmas Island (Indian Ocean), Singapore		China
	Malaysia		Australia
	Malaysia, Hong Kong, Macau, China, South Korea		Australia, China & Malaysia
	Singapore		Vietnam
	Australia, Malaysia & Singapore		Christmas Island (Indian Ocean), Singapore, Maldives

## Energy Solutions Group

Mecomb Group: Singapore, Malaysia and Thailand	
Engineering & Technical Services: Malaysia	

# Sime Darby Industrial

Regional Presence Across 17 Countries and Territories, Supported by a Network of Branches



- Principal activities
  - Sale, rental and used equipment of Caterpillar equipment and engine
  - Sale of parts, service maintenance, equipment monitoring system and technology equipment's
- Regional presence: **14 countries & territories**<sup>(1)</sup>
- No. of branches: **109**<sup>(2)</sup>
- Orderbook: **RM2.74 bn** (as at 30 June 2018)
- Total no. of employees: **8,151** (as at 31 May 2018)

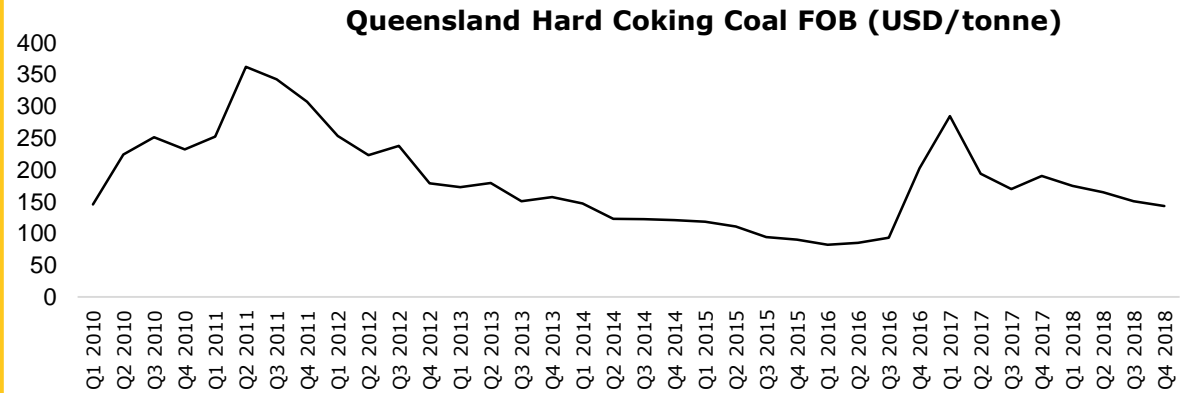
Regional industry presence	No. of branches <sup>(1)</sup>	Construction	Forestry	Mining	Quarry	Power Systems
China & HK, Macau	63	✓		✓	✓	✓
South East Asia	23 (4 depot & 7 CAT rental stores)	✓	✓			✓
Australasia	23	✓		✓		

Note: (1) Regional presence defined as locations in which Sime Darby Industrial has assets or employees; (2) Refers to Caterpillar branches only

# Sime Darby Industrial

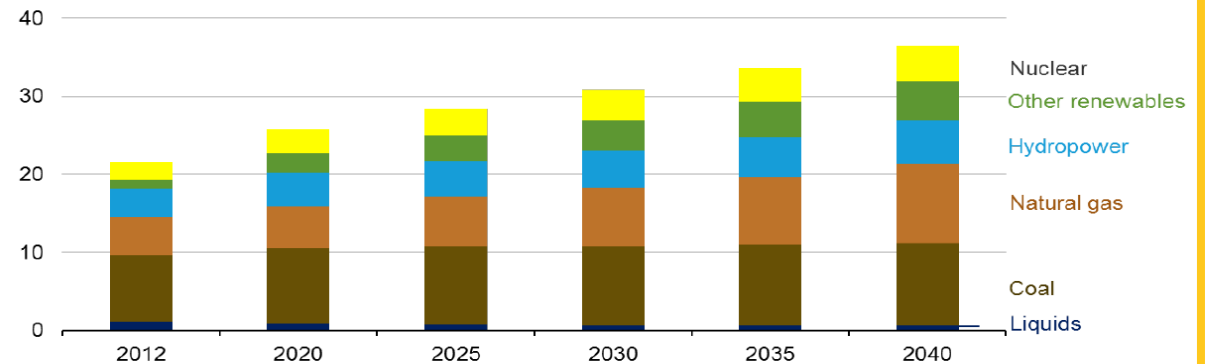
## Key Industry Highlights

- **Metallurgical coal prices have stabilised** around **USD200/tonne** vs. average FOB cost for Queensland producers of USD100/tonne.
- The return to profitability has sparked **renewed capital investment** by BHP Billiton



- Coal will continue to remain **relevant as a source of power** for the next two decades.
- Utilisation is projected to remain constant at 10 trillion kilowatt hours, ~30% of fuel requirements.

world net electricity generation by source  
trillion kilowatt hours

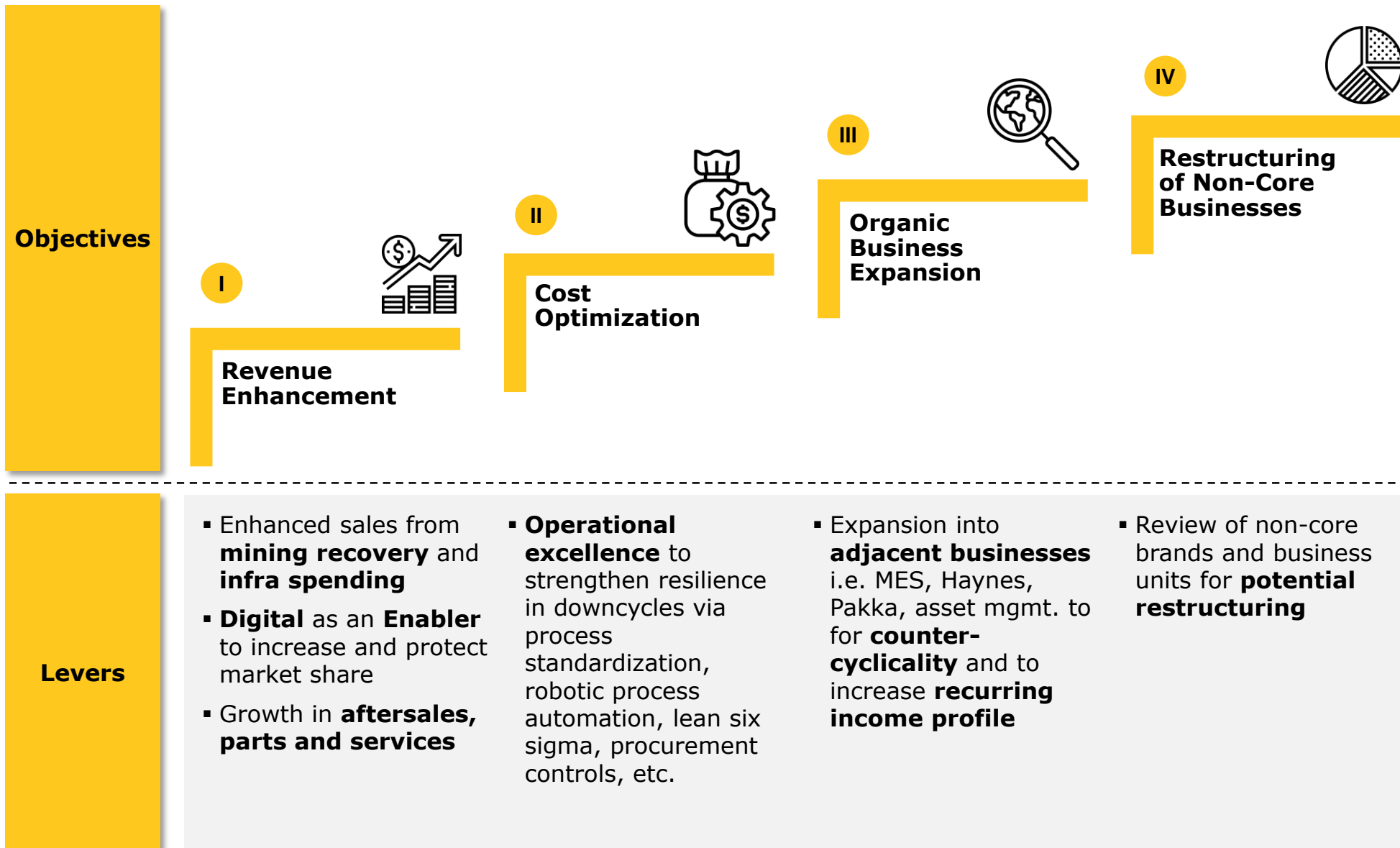


Source : EIA International Energy Outlook 2016

# Sime Darby Industrial



Leverage on commodity upswing, digital as key enabler, enhance recurring income profile



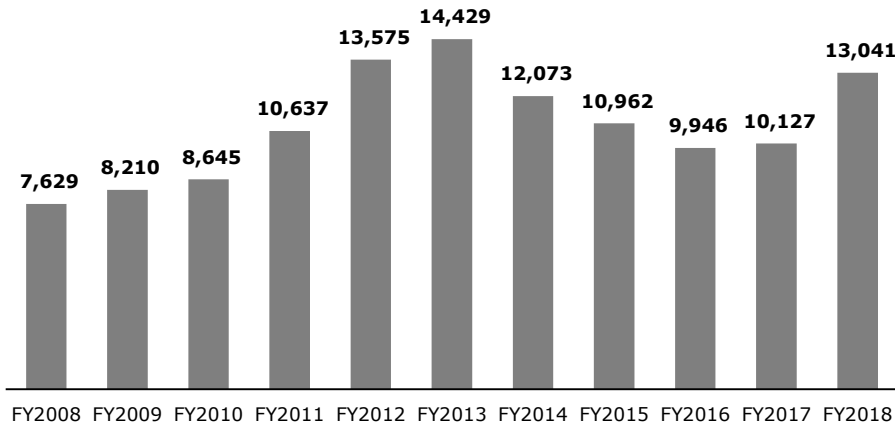




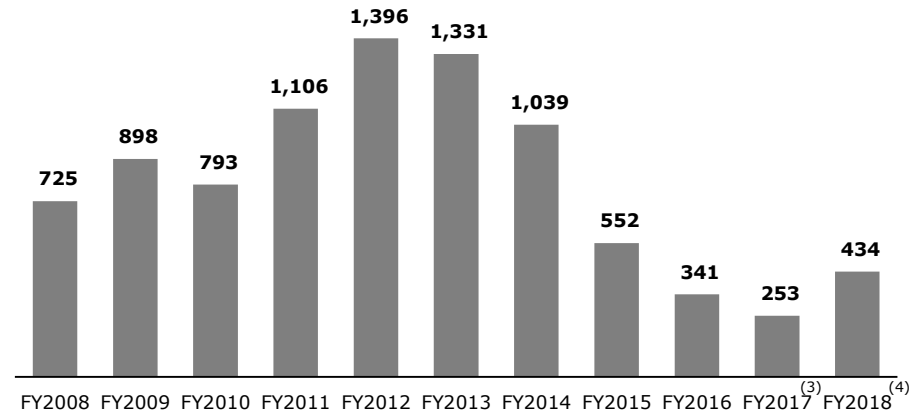
# Sime Darby Industrial

## Key Financial Highlights

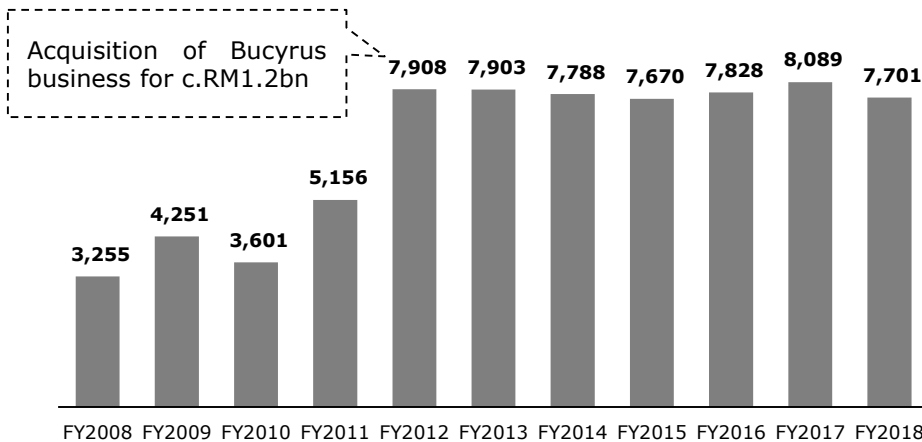
### Revenue (RM m)



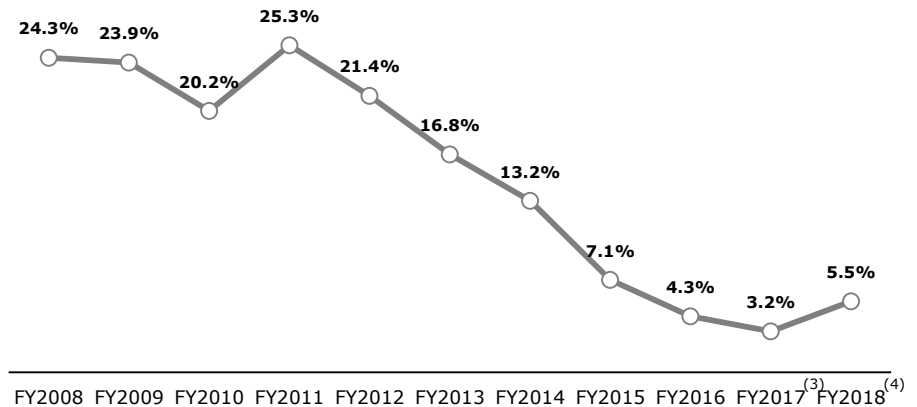
### PBIT (RM m)



### Invested Capital<sup>(1)</sup> (RM m)



### ROAIC<sup>(2)</sup> (%)



#### Note:

- (1) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)
- (2) ROAIC is calculated as PBIT divided by invested capital
- (3) Excludes impairments and provisions of RM257m related to Bucyrus
- (4) Excludes RM178m gain on property disposal

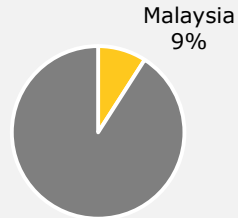
# Sime Darby Industrial

## Revenue & PBIT by Region (1/2)

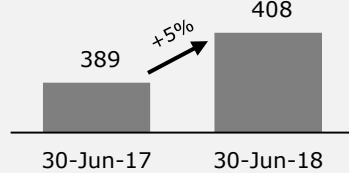
Malaysia

### FY18 Sales Contribution & YoY Orderbook

#### FY18 Sales Contribution



#### Orderbook



### Products / Services

#### CAT New Equipment & Engines



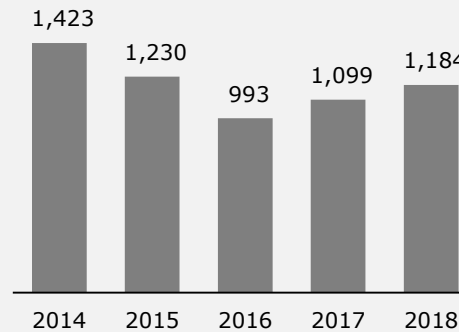
#### Rental & Used Equipment

#### Parts & Services

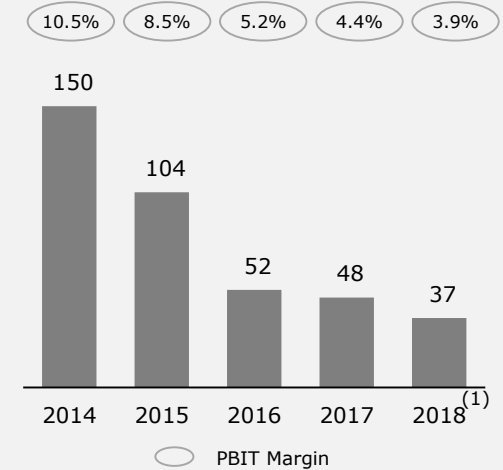
#### Allied Solutions

#### Energy Solutions

### Revenue (RM 'm)

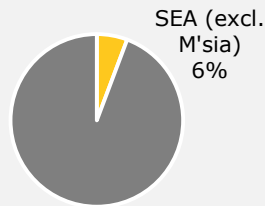


### Core PBIT (RM 'm)

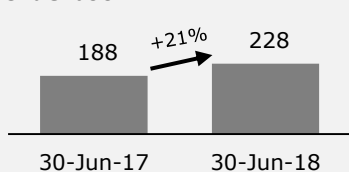


SEA (excl. Malaysia)

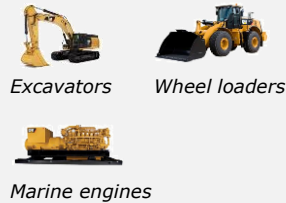
### FY18 Sales Contribution



#### Orderbook

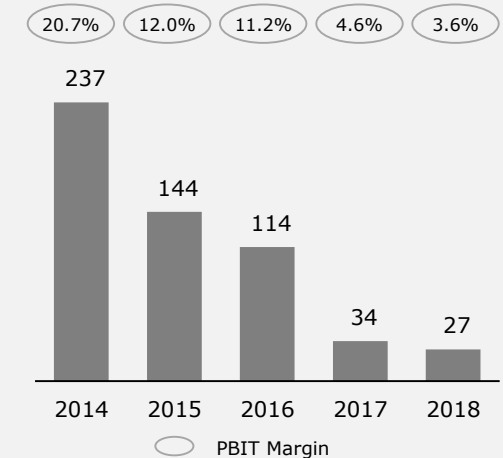
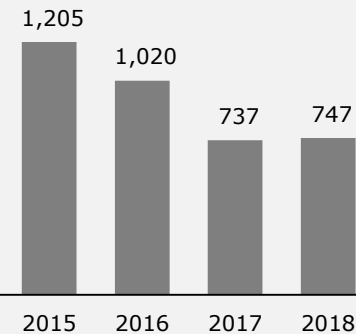


#### CAT New Equipment & Engines



#### Rental & Used Equipment

#### Parts & Services



Note:

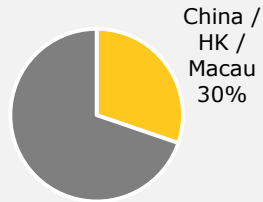
(1) Excludes gain on property disposal of RM9m

# Sime Darby Industrial

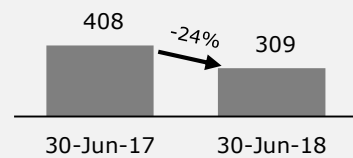
## Revenue & PBIT by Region (2/2)

### FY18 Sales Contribution & YoY Orderbook

#### FY18 Sales Contribution



#### Orderbook



### Products / Services

#### CAT New Equipment & Engines



Excavators

Dozers



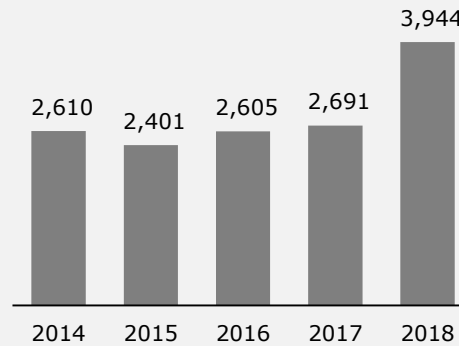
Wheel loaders

Marine engines

#### Rental & Used Equipment

#### Parts & Services

### Revenue (RM 'm)

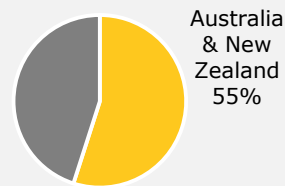


### Core PBIT (RM 'm)

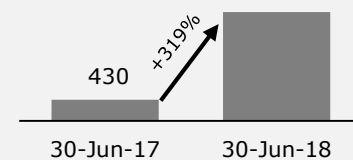


East Asia

#### FY18 Sales Contribution



#### Orderbook



#### CAT New Equipment & Engines



Large mining trucks

Underground mining loaders

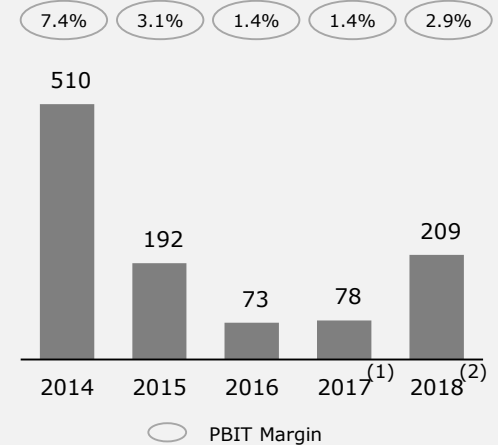
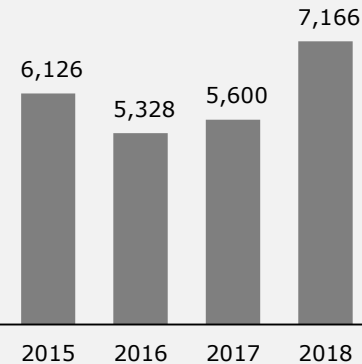


Hydraulic mining shovels

Dozers

#### Rental & Used Equipment

#### Parts & Services



Australia &amp; Pacific Islands

#### Note:

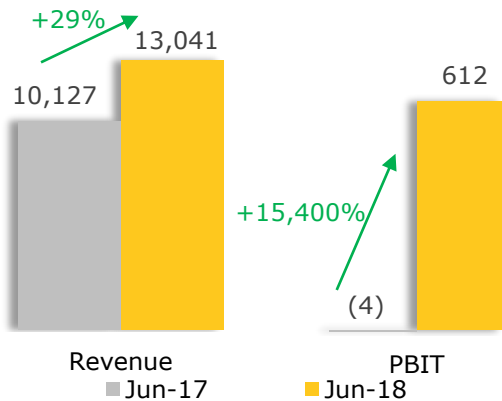
(1) Excludes impairments and provisions of RM257m related to Bucyrus

(2) Excludes gain on property disposal of RM169m



# Sime Darby Industrial

Strong demand from Australia mining and China infrastructure spending



In RM Million	FY2017	FY2018
Australasia	5,600	7,166
China	2,691	3,944
Malaysia	1,120	1,184
Southeast Asia	715	747
<b>Total Revenue</b>	<b>10,127</b>	<b>13,041</b>
Australasia	78	209
China	93	161
Malaysia	48	37
South East Asia	34	27
<b>Total Core PBIT</b>	<b>253</b>	<b>434</b>
Disposal of Properties	-	178
Bucyrus Impairment	(257)	-
<b>Total PBIT</b>	<b>(4)</b>	<b>612</b>
<b>PBIT margin</b>	-	<b>4.7%</b>
<b>Core PBIT margin</b>	<b>2.5%</b>	<b>3.3%</b>
<b>ROIC</b>	-	<b>7.9%</b>

## Australasia

- Improved contribution from equipment deliveries to both mining and construction sectors
- Product support business segment (mainly parts) attributed to higher sales from increased mining activities

## China

- Higher deliveries of new equipment and improved contribution from product support in growing construction sector and initiatives in infrastructure developments

## Malaysia

- Weaker results mainly from lower product support sales and low milestone billings from ongoing projects

## South East Asia

- RM20m share of losses from associate (APAC Energy Rental) (FY2017: RM14m)

## Property Disposal

- Gains from disposal of properties amounting to RM169m in Australia and RM9m in Malaysia



# Logistics Division

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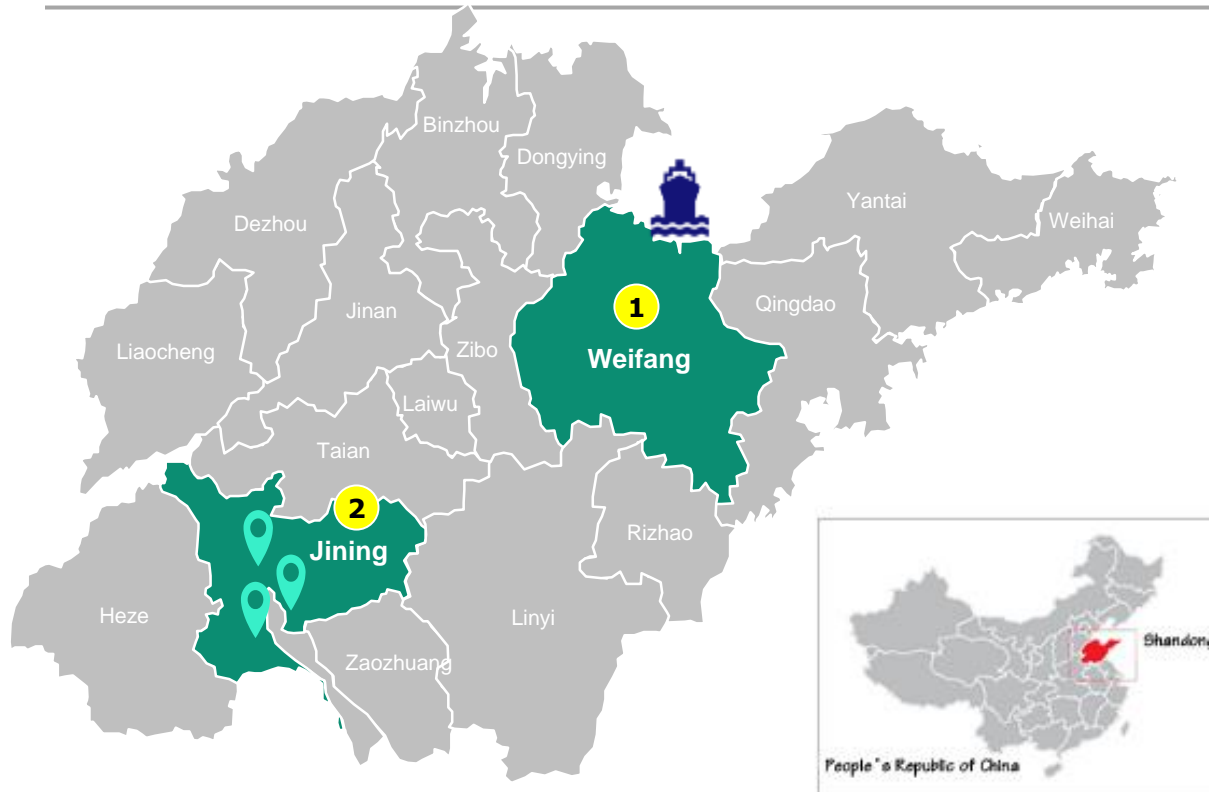


# Business Overview

Well-connected major multipurpose port in the Yellow Delta River

- Sime Darby Logistics is the primary operator of Weifang Port, of which operations cover dry bulk, break bulk, liquid bulk, general cargo and container handling services.
- The Division also operates three river ports located in Jining, Shandong Province. The Jining Ports provide basic port related services such as stevedoring and storage services primarily for coal and coal-related products
- In September 2018, successfully disposed of Weifang Water for RM270m, locking in an RM70m profit.

## Location of Assets



## Annual Throughput & Capacity

### 1 Weifang Port (Sea Port)

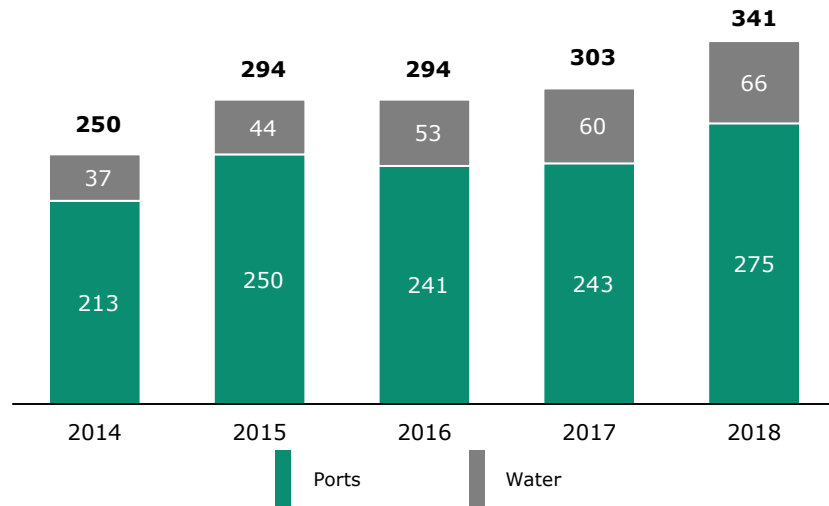
	FY2018
Throughput - bulk	21.7 mm MT
Throughput - container	240.5 k TEU
Capacity - bulk	20.0 mm MT
Capacity - container	463.2 k TEU
Target Capacity - bulk (FY2020)	40.6 mm MT

### 2 Jining Ports (River Port)

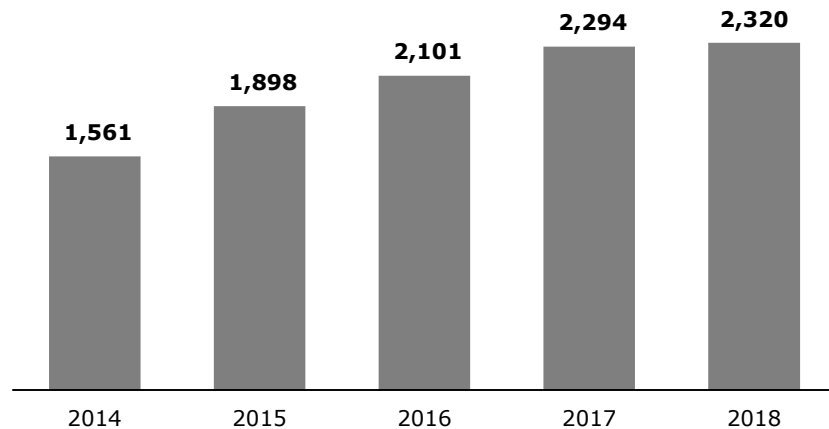
	FY2018
Throughput	10.9 mm MT
Capacity	16.4 mm MT
Target Capacity (FY2020)	18.7 mm MT

# Key Financial and Operational Highlights

## Revenue (RM 'm)



## Invested Capital<sup>(1)</sup> (RM 'm)

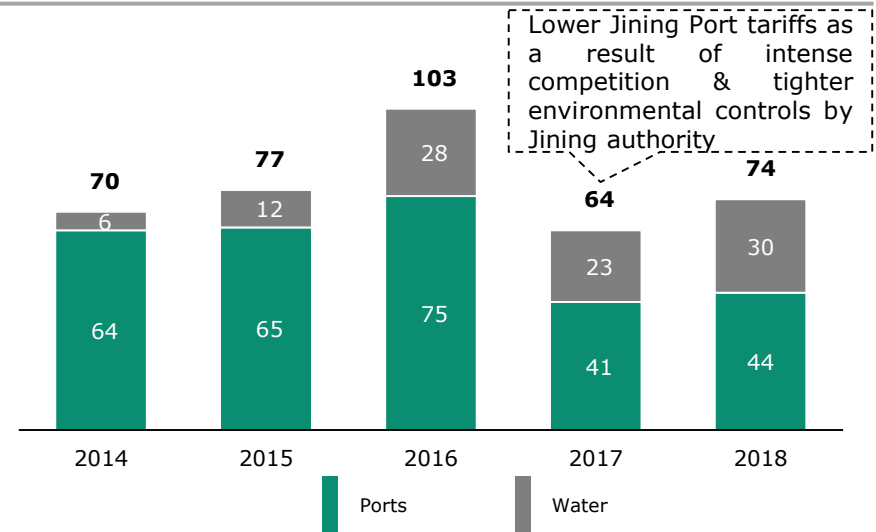


### Notes:

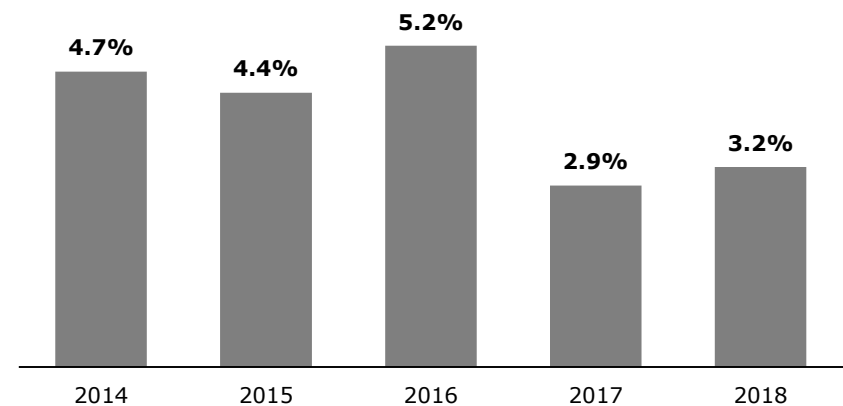
(1) Invested capital is calculated as total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)

(2) ROAIC is calculated as PBIT divided by average invested capital

## PBIT (RM 'm)

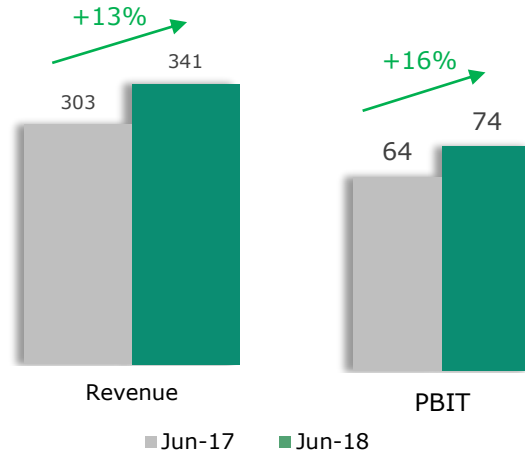


## ROAIC<sup>(2)</sup> (%)



# Sime Darby Logistics

Higher port throughput; Gain on Weifang Water disposal



In RM Million	FY2017	FY2018
Ports	243	275
Water	60	66
<b>Total Revenue</b>	<b>303</b>	<b>341</b>
Ports	46	44
Water	22	28
Forex	(4)	2
<b>Total PBIT</b>	<b>64</b>	<b>74</b>
<b>PBIT margin</b>	<b>21.1%</b>	<b>21.7%</b>
<b>ROIC</b>	<b>2.8%</b>	<b>3.2%</b>

## Ports

- Higher general cargo and container throughput
- FY17 includes RM10m gain on disposal of 50% equity interest in Weifang Sime Darby West Port

## Water

- Higher profit from Weifang Water mainly due to cessation of depreciation and amortisation of its operations following its classification as a disposal group

## Forex

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

**32.6 million MT**  
General cargo throughput  
(FY2017: 31.1 million MT)

**240,536 TEU**  
Container throughput  
(FY2017: 219,778 TEU)



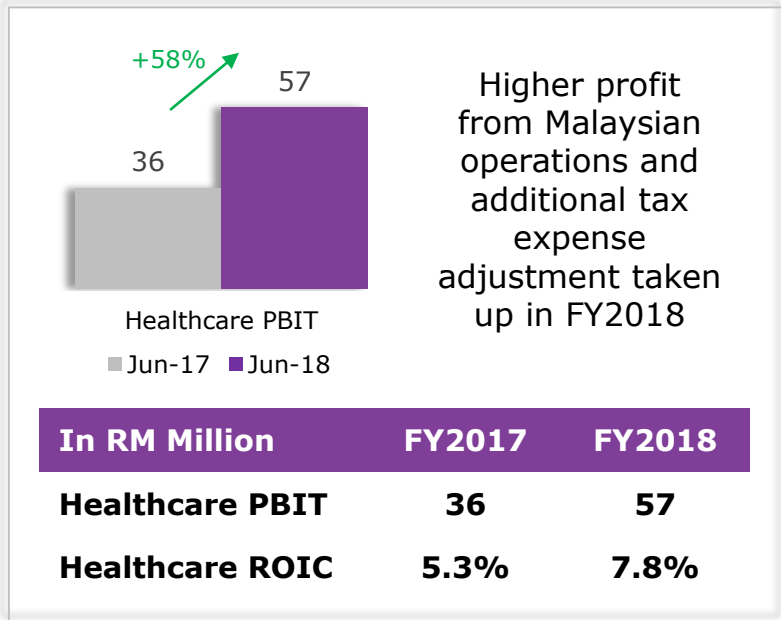
# Healthcare Division

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# Ramsay Sime Darby Health Care

Premium hospitals in Malaysia and Indonesia with good earnings growth



## Asia-focused Portfolio



## Positive Prospects

- Demographic Trends**
  - Fast growing sector in Asian emerging markets due to **population growth & increasing life expectancy**
  - Rising affluence** in Asia
- Organic Growth**
  - Driving **cost reduction** and attaining **operational excellence** will also drive profit growth
- Availability of Opportunities**
  - Strategic partnerships** in Asia





# Others

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# Malaysia Vision Valley Land

~8,800 acres of land – Option to sell to SD Property

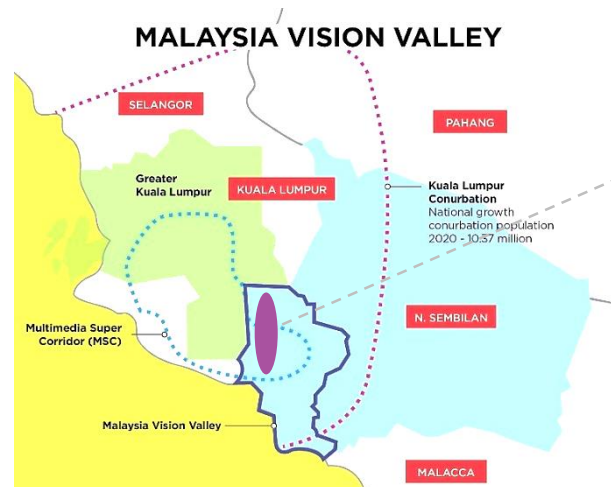
## Highlights of MVV

MVV is a large scale project announced by the Malaysian Prime Minister during his 2016 Budget speech, and is a component of the Government's 11th Malaysia Plan and the National Transformation Plan.

Tenure of development  
**30-year project**

Total development area  
**379,000 acres**

Coverage area  
**Seremban and Port Dickson in Negeri Sembilan**



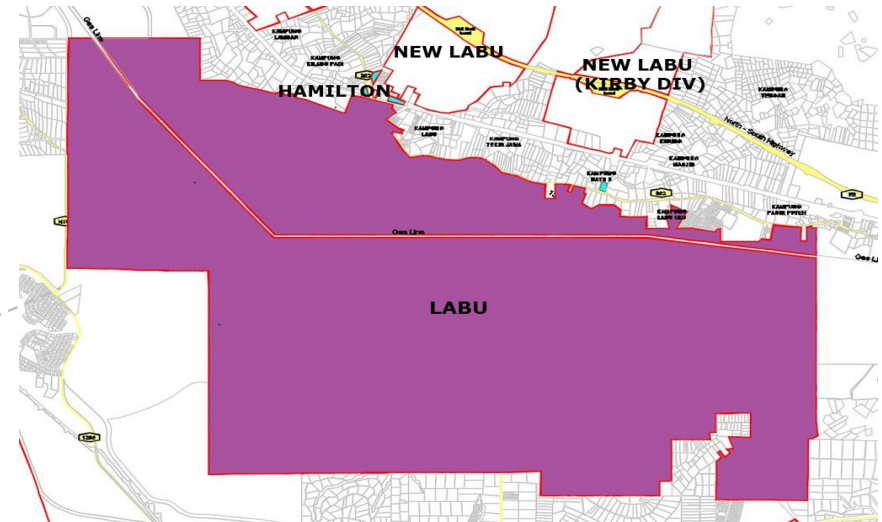
The area is intended to focus on **4 key development drivers**:

- High-technology manufacturing
- Tourism
- Skill-based education and research
- Specialised services

MVV development is expected to:

- ✓ **Attract investments of RM290bn by 2045**
- ✓ **Create 1.38 million new job opportunities**

## Option to sell ~8,800 acres



- Sime Darby Berhad holds c.**8,800** acres of land in MVV area, acquired for **RM2.5 bn** in FY17
- Signed **29 option agreements** with SD Property for the potential sale of 29 parcels
- The options are valid for a **5-year period** (plus 3 years extension option)
- The timing of exercise of the option by Property will be dependent on the MVV development plan which is currently being developed
- Transfer value will be based on market price at the point of exercise



# Appendices

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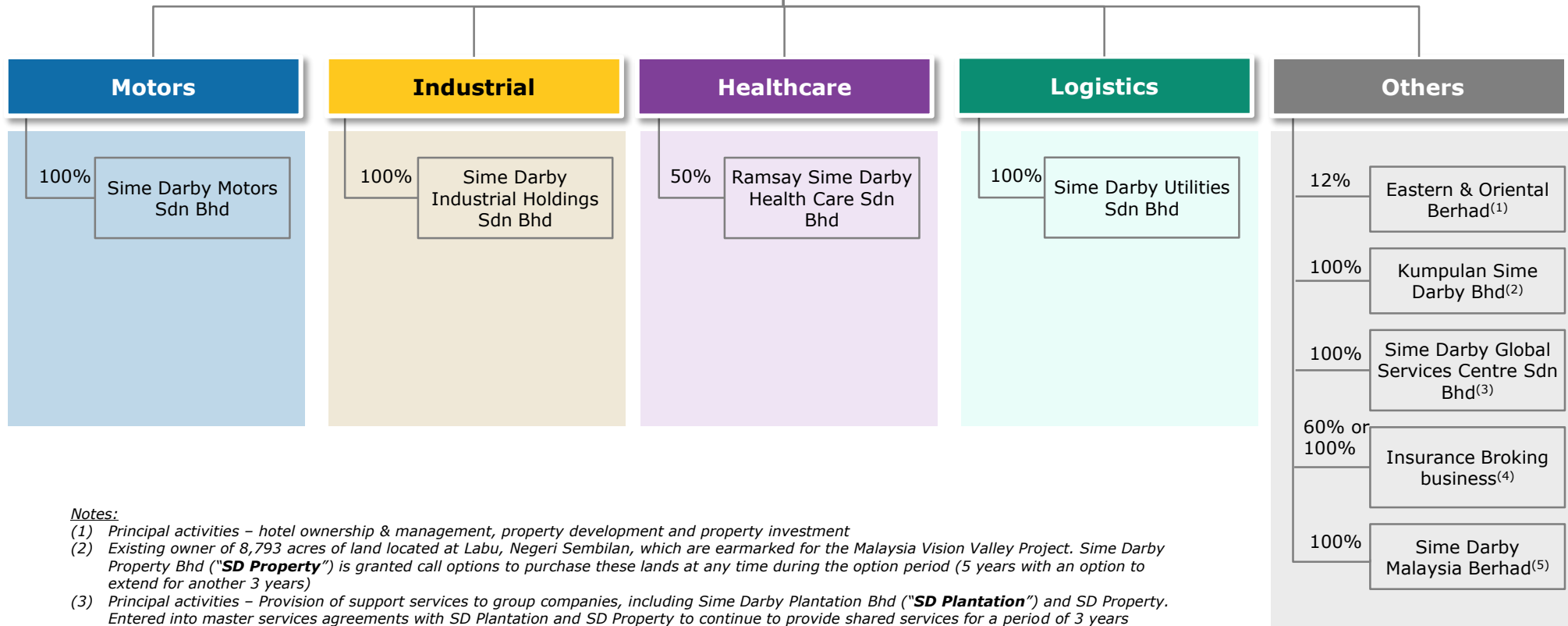
# Sime Darby Berhad

## Group Corporate Structure



(RM million)

30-Jun-18	Motors	Industrial	Logistics	Others	Group
<b>External Debt</b>	1,048	1,483	316	42	2,889
<b>Cash</b>	605	480	227	360	1,672
<b>Revenue</b>	20,341	13,041	341	105	33,828
<b>PBIT</b>	543	612	74	(155)	1,074



### Notes:

- (1) Principal activities – hotel ownership & management, property development and property investment
- (2) Existing owner of 8,793 acres of land located at Labu, Negeri Sembilan, which are earmarked for the Malaysia Vision Valley Project. Sime Darby Property Bhd ("SD Property") is granted call options to purchase these lands at any time during the option period (5 years with an option to extend for another 3 years)
- (3) Principal activities – Provision of support services to group companies, including Sime Darby Plantation Bhd ("SD Plantation") and SD Property. Entered into master services agreements with SD Plantation and SD Property to continue to provide shared services for a period of 3 years
- (4) Principal activities – insurance and reinsurance brokers, insurance advisory and consultancy services. Malaysia – 60% owned Sime Darby Lockton, Singapore and Hong Kong – 100% owned
- (5) Principal activities – holding of trademarks (SIME DARBY mark, logo and tagline). Entered into trademark and brand license agreement with SD Plantation and SD Property for the licence of the trademarks for a period of 4 years



# Sime Darby Berhad

## FY2018 Balance Sheet

(FYE June 2018; RM million)	Motors	Industrial	Logistics	Healthcare & Others	Total
Fixed Assets	3,291	2,735	1,715	23	7,764
Assocs, JVs & Investments	336	100	424	979	1,839
Inventories	3,762	3,447	1	-	7,210
Receivables	2,627	2,319	300	467	5,713
Tax Assets	249	161	34	215	659
Cash	605	480	227	360	1,672
<b>Total Assets</b>	<b>10,870</b>	<b>9,242</b>	<b>2,701</b>	<b>2,044</b>	<b>24,857</b>
<b>Shareholders' Equity</b>	4,462	3,179	708	6,021	14,370
Non Controlling Interests	18	266	103	2	389
<b>Total Equity</b>	<b>4,480</b>	<b>3,445</b>	<b>811</b>	<b>6,023</b>	<b>14,759</b>
Payables	2,924	3,182	347	381	6,834
IG balances	2,178	1,008	1,222	(4,408)	-
Borrowings & Leases	1,048	1,483	316	42	2,889
Tax Liabilities	240	124	5	6	375
<b>Total Liabilities</b>	<b>6,390</b>	<b>5,797</b>	<b>1,890</b>	<b>(3,979)</b>	<b>10,098</b>
<b>Total Equity &amp; Liabilities</b>	<b>10,870</b>	<b>9,242</b>	<b>2,701</b>	<b>2,044</b>	<b>24,857</b>
<b>Invested Capital<sup>1</sup></b>	<b>7,700</b>	<b>5,896</b>	<b>2,320</b>	<b>1,448</b>	<b>17,364</b>
<b>Debt/Equity (%)</b>	<b>23.4%</b>	<b>43.0%</b>	<b>39.0%</b>	<b>0.7%</b>	<b>19.6%</b>

Notes:

(1) Invested capital is total assets (excluding tax assets and intercompany balances) less operating liabilities (i.e. all liabilities except borrowings, intercompany balances, leases and tax liabilities)



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# Thank You

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