



# Sime Darby Berhad

Analyst Briefing for 9 months & 3<sup>rd</sup> Quarter ended 31 March 2024

23<sup>rd</sup> May 2024



Developing  
Sustainable Futures



# **Sime Darby Berhad Group Results**

# FY2024 Financial Results

Reported Profit: 9 months ended 31 March 2024



In RM Million	9M FY2024	9M FY2023	YoY %
<b>Revenue</b>	<b>48,339</b>	<b>35,002</b>	38.1
<b>PBIT</b>	<b>2,180</b>	<b>1,177</b>	85.2
Finance income	105	47	
Finance costs	(502)	(206)	
<b>Profit before tax</b>	<b>1,783</b>	<b>1,018</b>	75.1
Taxation	(445)	(308)	
<b>Profit from continuing operations</b>	<b>1,338</b>	<b>710</b>	88.5
Perpetual sukuk	(21)	-	
Non-controlling interests	(142)	(40)	
<b>Net profit from continuing operations</b>	<b>1,175</b>	<b>670</b>	75.4
<b>Net profit from discontinuing/discontinued operations<sup>1</sup></b>	<b>2,042</b>	<b>166</b>	
<b>Net profit attributable to owners of the Company</b>	<b>3,217</b>	<b>836</b>	>100.0

1. Relates to Healthcare and Logistics

# FY2024 Financial Results

Core Profit: Reported Profit: 9 months ended 31 March 2024



In RM Million	9M FY2024	9M FY2023	YoY %
<b>Reported PBIT from continuing operations</b>	<b>2,180</b>	<b>1,177</b>	85.2
<b>Adjustments:</b>			
• Gain on disposal of Malaysia Vision Valley ("MVV") land	(279)	-	
• Foreign exchange gain on settlement of net investments	(25)	(19)	
<b>Core PBIT from continuing operations</b>	<b>1,876</b>	<b>1,158</b>	62.0
Net finance costs	(397)	(159)	
Taxation	(417) <sup>1</sup>	(308)	
Perpetual sukuk	(21)	-	
Non controlling interests	(142)	(40)	
<b>Core Net Profit from continuing operations</b>	<b>899</b>	<b>651</b>	38.1
<b>Core Net Profit from discontinuing/discontinued operations</b>	<b>35<sup>2</sup></b>	<b>40<sup>3</sup></b>	
<b>Core Net Profit</b>	<b>934</b>	<b>691</b>	35.2

Adjustments:

- Adjusted for tax effects of one-off items.
- Excludes net gain on disposal of Ramsay Sime Darby Healthcare ("RSDH") (total of RM2,007 million)
- Excludes net gain on disposal of the Weifang port companies and adjustments for depreciation, impairment and deferred tax (total of RM126m)

# FY2024 Financial Results

Segmental PBIT: 9 months ended 31 March 2024



In RM Million	9M FY2024			9M FY2023			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
<b>Continuing operations</b>								
<b>Industrial</b>	1,068	-	1,068	676	-	676	58.0	58.0
<b>Motors</b>	575	-	575	497	-	497	15.7	15.7
<b>UMW</b>	309	-	309	-	-	-	-	-
<b>Others</b>	11	-	11	51	-	51	(78.4)	(78.4)
<b>Corporate</b>	(87)	-	(87)	(66)	-	(66)	(31.8)	(31.8)
<b>Gain on disposal of MVV land</b>	279	(279)	-	-	-	-	-	-
<b>Forex</b>	25	(25)	-	19	(19)	-	31.6	-
<b>PBIT from continuing operations</b>	<b>2,180</b>	<b>(304)</b>	<b>1,876</b>	<b>1,177</b>	<b>(19)</b>	<b>1,158</b>	<b>85.2</b>	<b>62.0</b>
PBIT from discontinuing/discontinued operations	2,046	(2,007) <sup>1</sup>	39	160	(122) <sup>2</sup>	38	>100.0	2.6
<b>PBIT</b>	<b>4,226</b>	<b>(2,311)</b>	<b>1,915</b>	<b>1,337</b>	<b>(141)</b>	<b>1,196</b>	<b>&gt;100.0</b>	<b>60.1</b>

Adjustments:

1. Net gain on disposal of Ramsay Sime Darby Health ("RSDH")
2. Net gain on disposal of the Weifang port companies and adjustments for impairment and depreciation

# FY2024 Financial Results

Reported Profit: Quarter ended 31 March 2024



In RM Million	Q3 FY2024	Q3 FY2023	YoY %
<b>Revenue</b>	<b>18,835</b>	<b>11,528</b>	63.4
<b>PBIT</b>	<b>759</b>	<b>405</b>	87.4
Finance income	49	24	
Finance costs	(206)	(81)	
<b>Profit before tax</b>	<b>602</b>	<b>348</b>	73.0
Taxation	(151)	(108)	
<b>Profit from continuing operations</b>	<b>451</b>	<b>240</b>	87.9
Perpetual sukuk	(17)	-	
Non-controlling interests	(85)	(13)	
<b>Net profit from continuing operations</b>	<b>349</b>	<b>227</b>	53.7
<b>Net profit from discontinuing/discontinued operations<sup>1</sup></b>	<b>(9)</b>	<b>13</b>	
<b>Net profit attributable to owners of the Company</b>	<b>340</b>	<b>240</b>	41.7

1. Relates to Healthcare and Logistics

# FY2024 Financial Results

Core Profit: Quarter ended 31 March 2024



In RM Million	Q3 FY2024	Q3 FY2023	YoY %
<b>Reported PBIT from continuing operations</b>	<b>759</b>	<b>405</b>	87.4
<b>Adjustments:</b>			
• Foreign exchange gain on settlement of net investments	-	(7)	
<b>Core PBIT from continuing operations</b>	<b>759</b>	<b>398</b>	90.7
Net finance costs	(157)	(57)	
Taxation	(151)	(108)	
Perpetual sukuk	(17)	-	
Non controlling interests	(85)	(13)	
<b>Core Net Profit from continuing operations</b>	<b>349</b>	<b>220</b>	58.6
<b>Core Net Profit/(loss) from discontinuing/discontinued operations</b>	<b>(9)</b>	13	
<b>Core Net Profit</b>	<b>340</b>	<b>233</b>	45.9

# FY2024 Financial Results



Segmental PBIT: Quarter ended 31 March 2024

In RM Million	Q3 FY2024			Q3 FY2023			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
<b>Continuing operations</b>								
<b>Industrial</b>	359	-	359	236	-	236	52.1	52.1
<b>Motors</b>	180	-	180	170	-	170	5.9	5.9
<b>UMW</b>	262	-	262	-	-	-	-	-
<b>Others</b>	(2)	-	(2)	15	-	15	<(100.0)	<(100.0)
<b>Corporate</b>	(40)	-	(40)	(23)	-	(23)	(73.9)	(73.9)
<b>Forex</b>	-	-	-	7	(7)	-	-	-
<b>PBIT from continuing operations</b>	<b>759</b>	<b>-</b>	<b>759</b>	<b>405</b>	<b>(7)</b>	<b>398</b>	<b>87.4</b>	<b>90.7</b>
PBIT from discontinuing/ discontinued operations	(5)	-	(5)	13	-	13	<(100.0)	<(100.0)
<b>PBIT</b>	<b>754</b>	<b>-</b>	<b>754</b>	<b>418</b>	<b>(7)</b>	<b>411</b>	<b>80.4</b>	<b>83.5</b>

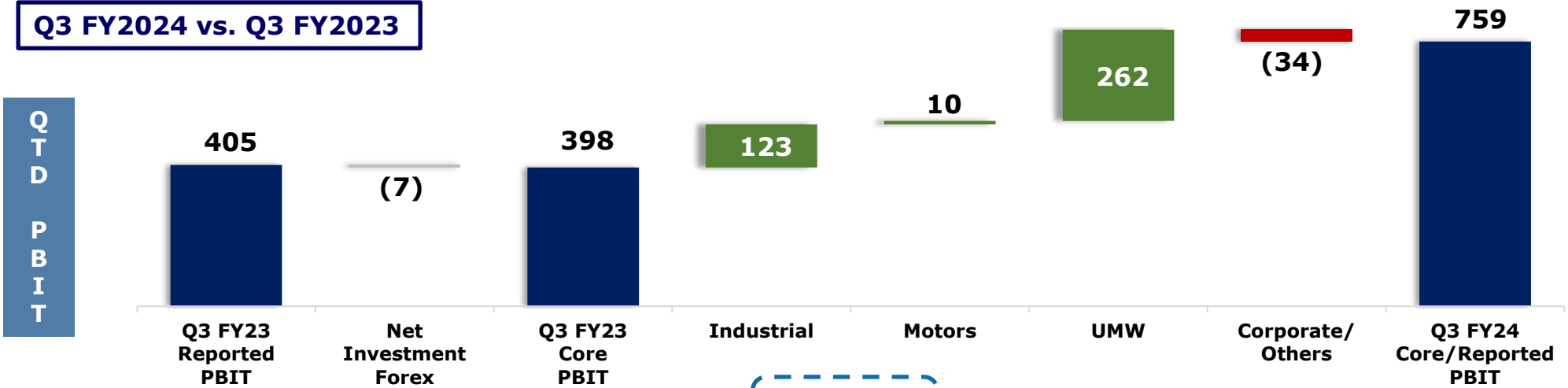


# PBIT - from continuing operations

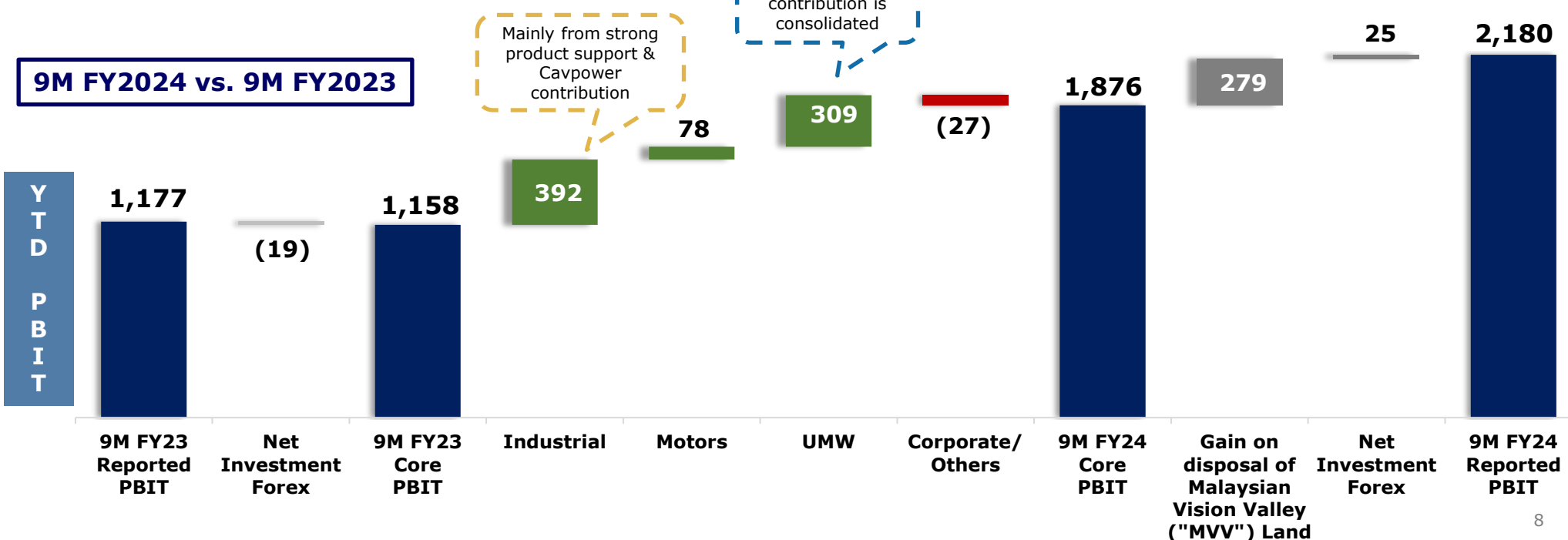


YTD Core PBIT from continuing operations was 62% higher mainly due to higher profit from Industrial Australasia and profit contribution from UMW

## Q3 FY2024 vs. Q3 FY2023



## 9M FY2024 vs. 9M FY2023

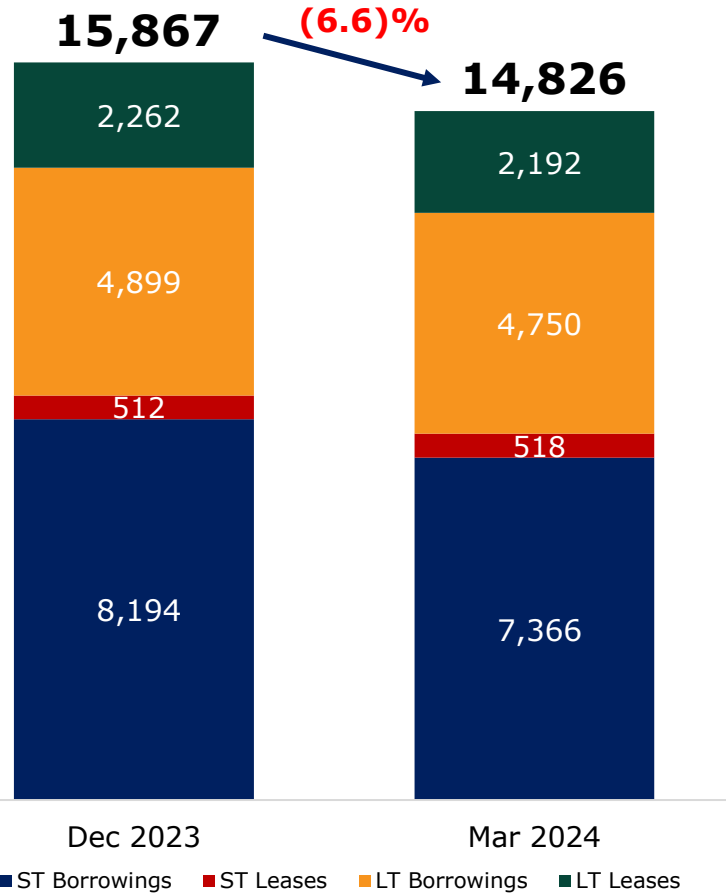


# FY2024 Financial Results

Snapshot of borrowing position as at 31 March 2024



## Long Term vs Short Term Debt



## Total Debt



# RM 14.8bn

As at 31 March 2024

**RM22.8bn**  
Total Equity

**0.65x**  
Debt/Equity Ratio

**0.49x**  
Net Gearing

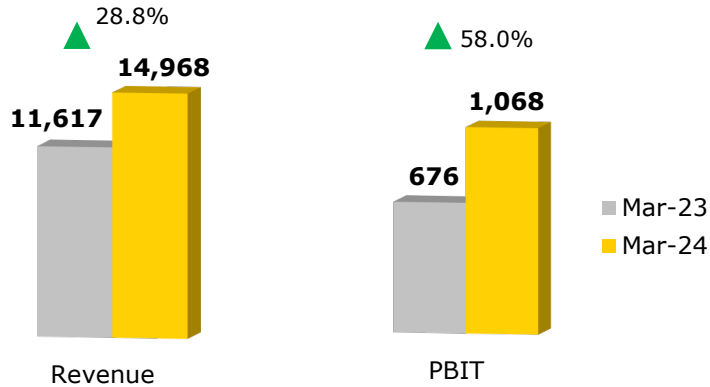
**RM3.6bn**  
Bank balances,  
deposits and cash

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# **Industrial Division**

# Industrial Division

Strong performance from the Australasia operations



In RM Million	9M FY2023	9M FY2024
Australasia	8,281	11,427
China	2,002	1,885
Malaysia	735	943
Singapore & Others	599	713
<b>Total Revenue</b>	<b>11,617</b>	<b>14,968</b>
Australasia	572	923
China	68	48
Malaysia	-	46
Singapore & Others	36	51
<b>Total PBIT</b>	<b>676</b>	<b>1,068</b>
<b>PBIT margin</b>	<b>5.8%</b>	<b>7.1%</b>
<b>Annualised ROIC</b>	<b>8.2%</b>	<b>9.5%</b>

## Australasia

- The increase of profit in Australia was mainly attributed to higher product support and mining equipment revenue.
- Onsite Rental (acquired in April 2023) contributed PBIT of RM121 million and Cavpower Group (acquired in November 2023) contributed PBIT of RM32 million; both after acquisition adjustments.
- New Zealand – PBIT declined to RM16m (9MFY2023: RM37m) as the recession in New Zealand had resulted in lower equipment sales as well as lower margins due to price competition.

## China

- Equipment sales affected by slowdown in the construction industry.

## Malaysia

- Higher profits derived mainly from equipment sales and product support.

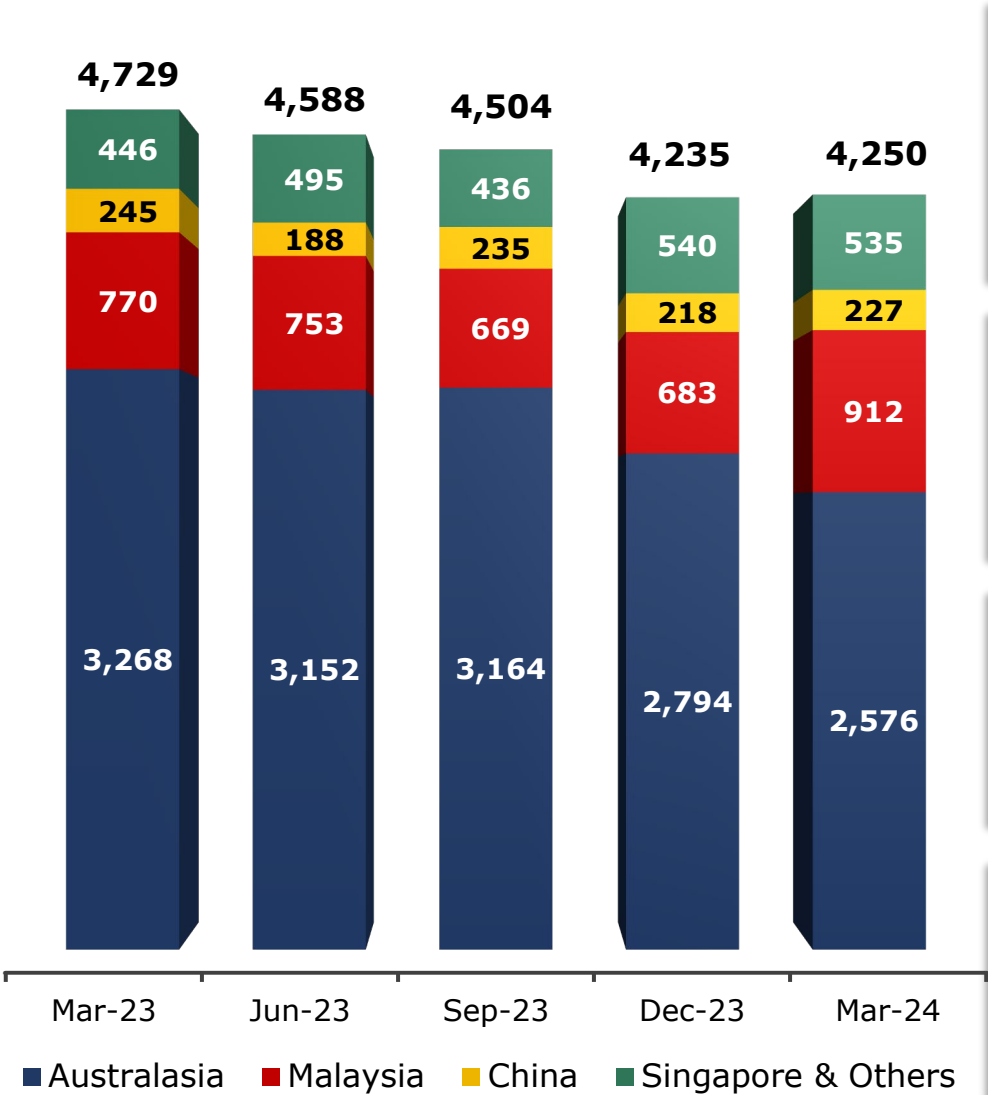
## Singapore & Others

- Higher profits driven by the product support and engine segments.

# Industrial Outlook



Order book mainly from mining projects in Australia



## AUSTRALASIA

- Demand for mining equipment remains steady.
- In New Zealand, CAT price premiums have impacted margins while economic conditions remain challenging.



## CHINA

- Debt restructuring and financial constraints of property developers have impacted demand for construction equipment.



## MALAYSIA

- Increased infrastructure projects is expected to support demand for equipment from the construction sector.
- The engine segment continues to have demand from construction of data centres.



## SINGAPORE

- Revenue growth in the engines segment is supported by the energy industry.
- Construction of new data centres are anticipated to boost demand for engines and product support.

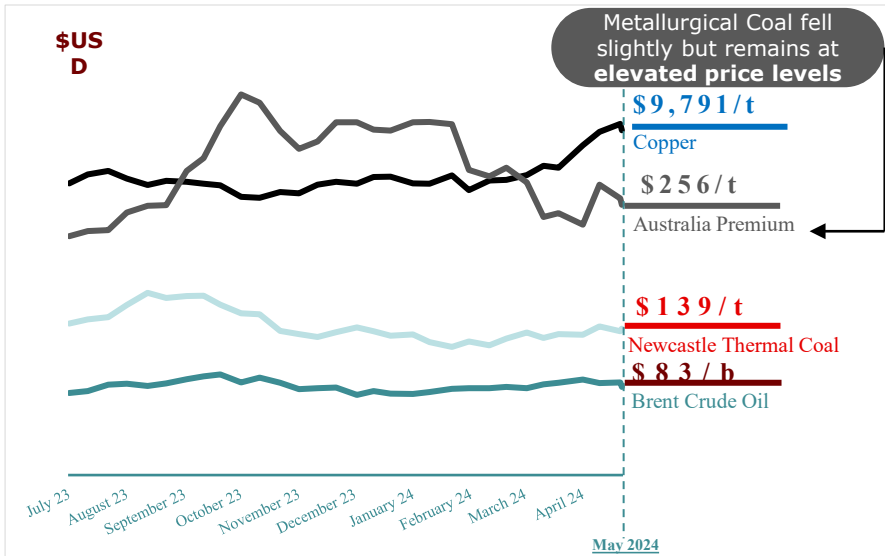
Note – Dec 2023 and Mar 2024 order book for Australasia does not include Cavpower

# Industrial Division

Benefitting from Robust Commodity Prices; Copper on a Surge



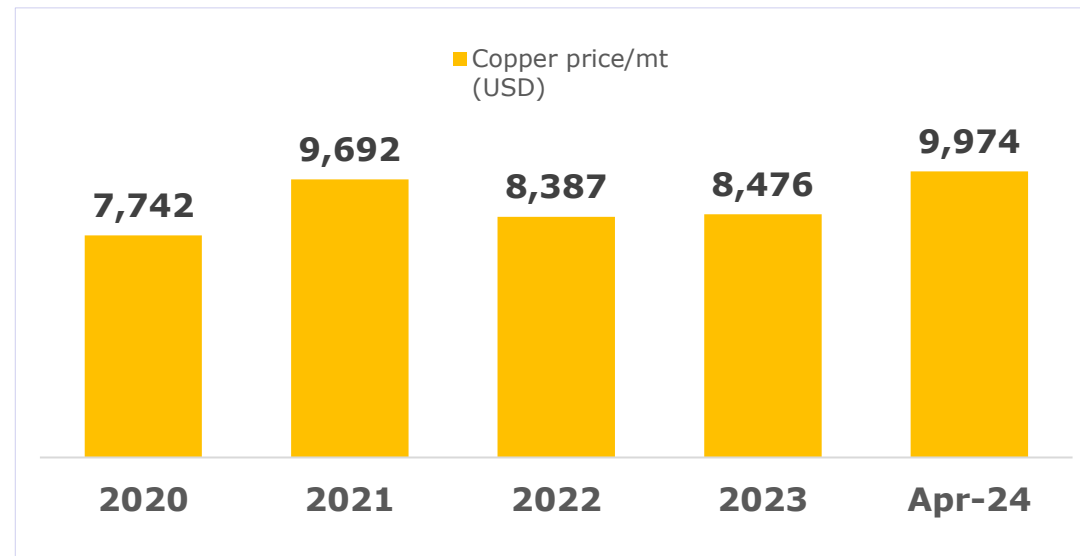
## Robust Commodity Prices



Commodity prices remain elevated:

- **Metallurgical coal** prices remain elevated as **production centers emerge** from the **rainy season**
- **Governments** encouraging the **shift** to **green energy transition**, thus creating demand for metals such as aluminium, copper and tin.

## Strong Demand for Copper



- **Strong copper prices** on the back of demand from **power generation, EVs** and **electronic devices** which is expected to push the **copper supply deficit** to 6.5 million metric ton (McKinsey).
- BHP announced plans to **acquire** Anglo American to **create** the **world's biggest copper producer**.



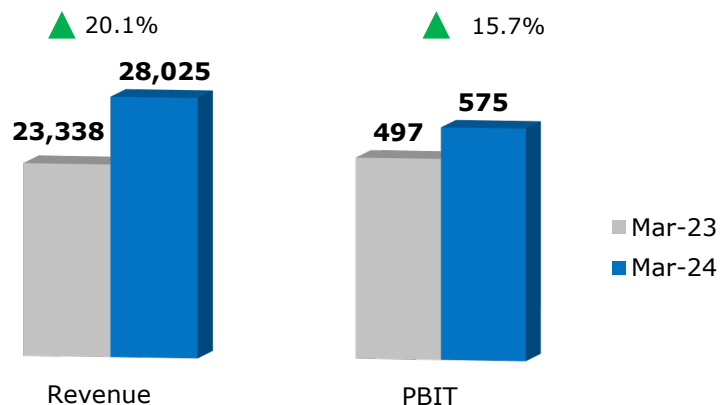
**Cavpower in South Australia allows us to capitalise on the copper boom**

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# Motors Division

# Motors Division

Strong performance in Malaysia and Singapore, partly offset by weaker results from China



In RM Million	9M FY2023	9M FY2024
Malaysia	4,777	6,603
China	10,738	11,638
Australasia	4,141	4,719
Singapore & Others	3,682	5,065
<b>Total Revenue</b>	<b>23,338</b>	<b>28,025</b>
Malaysia	202	349
China	87	(18)
Australasia	151	140
Singapore & Others	57	104
<b>Total PBIT</b>	<b>497</b>	<b>575</b>
<b>PBIT margin</b>	<b>2.1%</b>	<b>2.1%</b>
<b>Annualised ROIC</b>	<b>6.9%</b>	<b>6.7%</b>

## Malaysia

- Higher profits were mainly supported by strong revenue growth, particularly for Sime Darby Auto Connexion.
- Higher assembly profit supported by the increase in units assembled.

## China

- Mainland China – Persistent price competition had impacted vehicle margins.
- Taiwan – Significant improvement in results with higher revenue and margins.
- Hong Kong – Higher sales of electric vehicles.

## Australasia

- New Zealand - Strong performance from the commercial and transport businesses.
- Lower profitability from retail operations due to lower margins.

## Singapore & Others

- Singapore – Higher sales of electrical vehicles.



# Motors Outlook



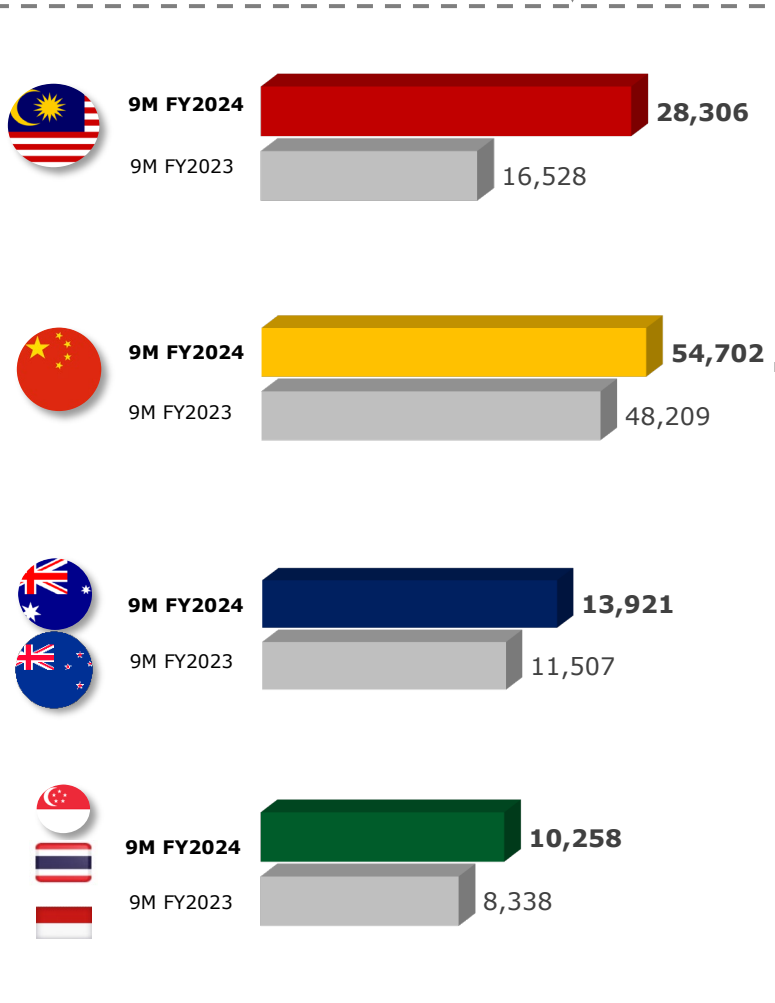
Electric vehicle sales anticipated to benefit from government incentives

Units sold  
by region

**107,187**  
Units Sold\*  
(9M FY2023: 84,582)

**39,582**  
Units Assembled  
(9M FY2023: 23,988)

\* Includes cars sold on consignment



## MALAYSIA

- The government continues to support EV adoption with tax incentives such as a 2-year extension of the excise duty, sales tax exemption, and import tax exemption for EV components used in locally-assembled (CKD) EVs.
- EV demand is expected to grow on the back of the favourable government policies, coupled with the introduction of more new EV models.

## CHINA

- Continued intense price competition between car manufacturers amid increasing supply.
- EV sales are anticipated to sustain its growth trajectory, albeit at a slower pace compared to the prior year.

## AUSTRALASIA

- The growth in EV charging stations coupled with the initiatives of the Federal Chamber of Automotive Industries to change a policy on the New Vehicle Efficiency Standards are set to enhance EV sales.
- Consumer sentiment has been impacted by high interest rates and inflationary pressures.

## SINGAPORE & THAILAND

- In Singapore, higher Certificate of Entitlement (COE) premiums may impact demand.
- High prices have deterred EV sales. However, Singapore's taxi sector is expected to lead the way in EV adoption.

# Motors Outlook

Exciting new models coming out in the next 12 months



**Xpeng G6**

Hong Kong/Macau - 2024



**Mini Cooper MINI Electric**

China - 2024



**BMW i5 M60**

Australia - 2024

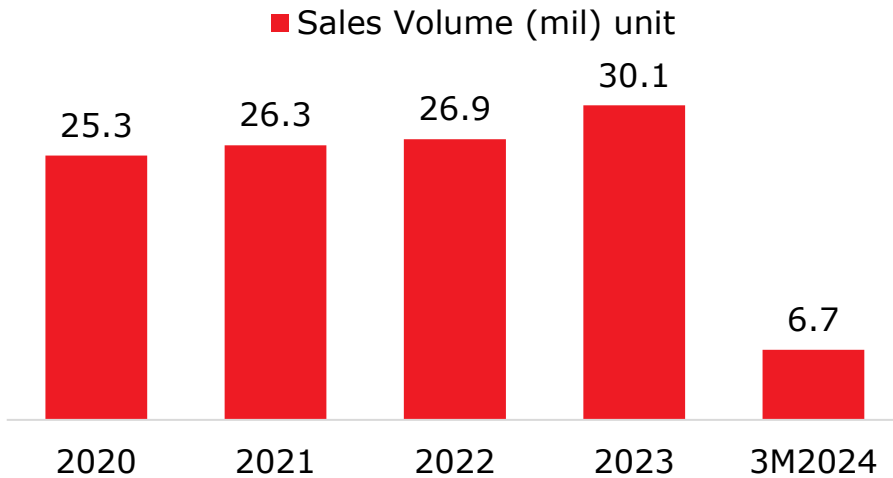


**Volvo EX30**

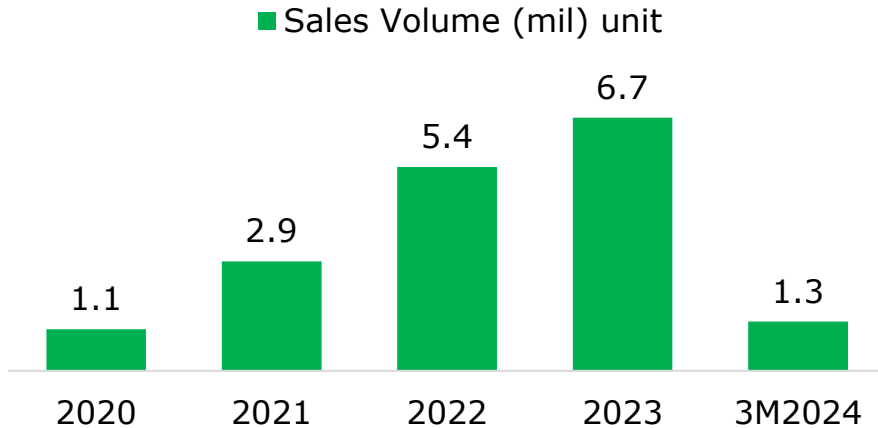
Malaysia - 2024

New vehicle sales in China remains strong

## China New Vehicle Sales



## BEV sales in China



Data from the China Association of Automobile Manufacturers (CAAM)



BYD Ocean-M concept

### Products launched



Chery Tiggo 9 PHEV



Jaeooc J8 PHEV



Neta L

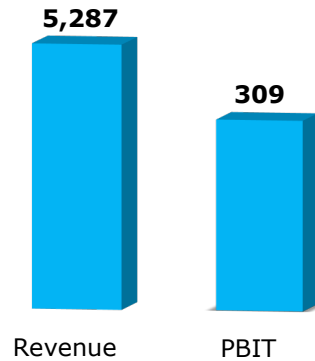


BAIC X55II

- Government introduced promotion policies such as **trade-in policies** to **boost auto sales** in some regions.
- While **sales** continues to **grow**, **margins** are **declining** due to **intense competition** and **discounting** among auto players.
- **Year-to-date**, sales volume was **6.7 million units**, up **10.6%** year-on-year, while **BEV sales** was up by **13.3%**.

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# UMW Division



In RM Million	9M FY2024
Automotive	4,646
Equipment (continuing)	307
Manufacturing & Engineering	330
Others	4
<b>Total Revenue</b>	<b>5,287</b>
Automotive	291
Equipment (continuing)	37
Manufacturing & Engineering	24
Others	(43)
<b>Total PBIT</b>	<b>309</b>
<b>PBIT margin</b>	<b>5.8%</b>
<b>Annualised ROIC (based on Q3 only)</b>	<b>10.0%</b>

**Note** - no prior year comparatives as consolidated from December 2023 onwards

## Automotive

- Sales remained strong for the January-March period, supported by continuing demand.
- The Total Industry Volume (TIV) grew by 5% in the quarter.

## Equipment

- The Equipment segment's performance is sustained in the quarter, supported by the encouraging demand in both local and overseas markets.

## Manufacturing & Engineering

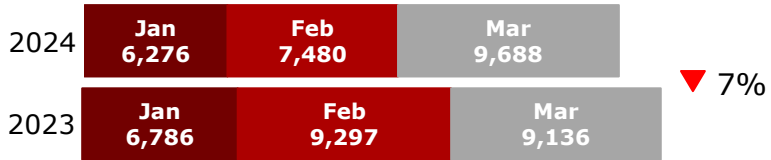
- The growth in Auto components and Lubricants sub-segments was in line with the strong sales registered by the automotive industry.
- The Aerospace sub-segment continues to ramp up production in line with the scheduled delivery of fan cases.

	2019	2020	2021	2022	2023	2024F
TIV	604,281	529,514	508,883	721,177	799,731	740,000

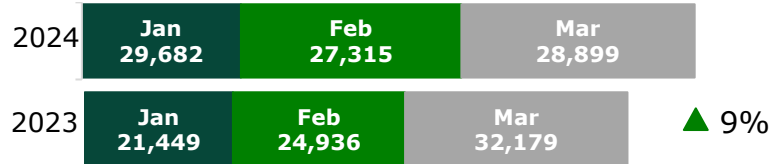
### Monthly sales



Market leader in the non-National segment



Maintained market leadership since 2006



### Models launched

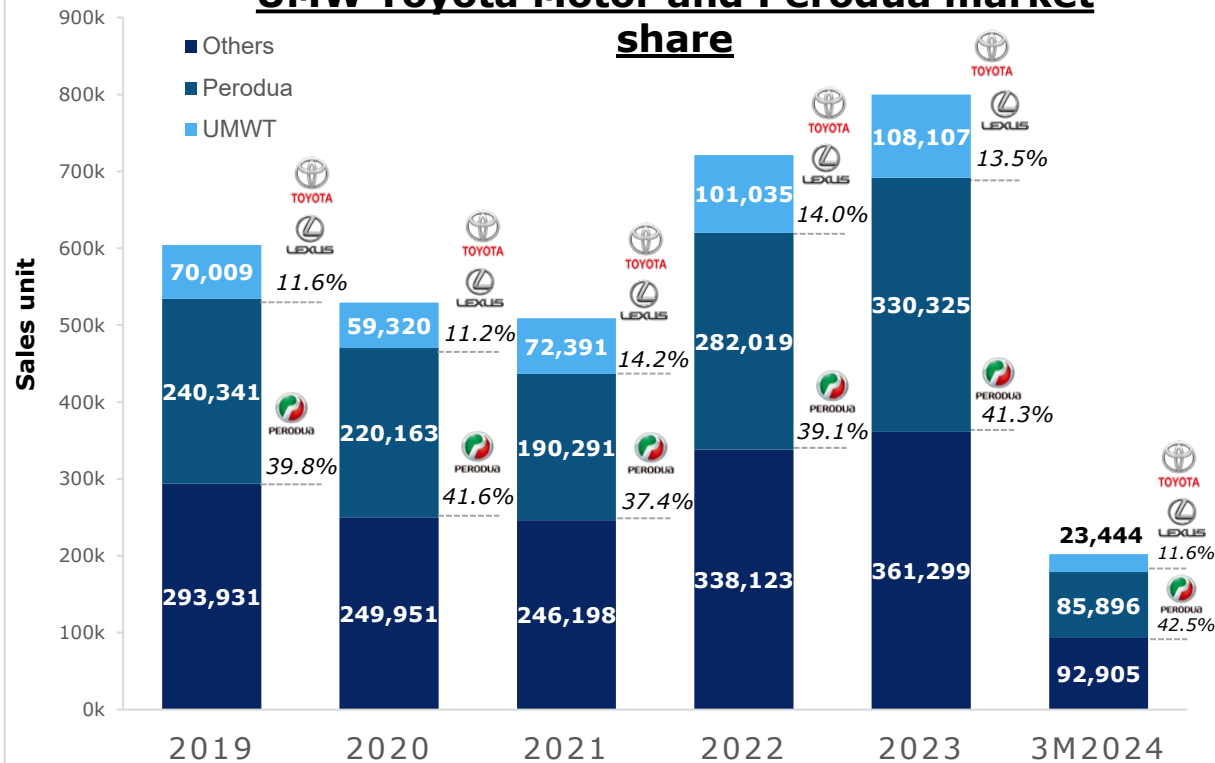


1 April 2024  
The All-New Hiace SLWB  
from **RM169,000**



25 April 2024  
Toyota Yaris G Limited  
from **RM99,600**

### UMW Toyota Motor and Perodua market share



**3M2024 sales**  
**202,245 units**  
**▲ 5% Y-o-Y**



**Thank You**