



# FY2022 Results Announcement

Analyst Briefing: Full Year ended 30 June 2022

17 August 2022



Delivering  
Sustainable Futures

A thick, solid red vertical bar positioned to the left of the main title.

# **Sime Darby Berhad Group Results**

# FY2022 Financial Results



Reported Profit: Financial year ended 30 June 2022

In RM Million	FY2022	FY2021	YoY %
<b>Revenue</b>	<b>42,502</b>	<b>44,302</b>	(4.1)
<b>PBIT</b>	<b>1,841</b>	<b>2,245</b>	(18.0)
Finance income	39	35	
Finance costs	(148)	(121)	
<b>Profit before tax</b>	<b>1,732</b>	<b>2,159</b>	(19.8)
Taxation	(474)	(573)	
<b>Profit from continuing operations</b>	<b>1,258</b>	<b>1,586</b>	(20.7)
Non-controlling interests	(86)	(107)	
<b>Net profit from continuing operations</b>	<b>1,172</b>	<b>1,479</b>	(20.8)
<b>Net profit from discontinuing operations<sup>1</sup></b>	<b>(69)</b>	<b>(54)</b>	
<b>Net profit attributable to owners of the Company</b>	<b>1,103</b>	<b>1,425</b>	(22.6)

1. The Logistics segment is classified as discontinuing operations following the proposed divestment of the Weifang Port companies.

# FY2022 Financial Results



Core Profit: Financial year ended 30 June 2022

In RM Million	FY2022	FY2021	YoY %
<b>Reported PBIT from continuing operations</b>	<b>1,841</b>	<b>2,245</b>	(18.0)
<b>Adjustments</b>			
• Fair value loss on financial assets (MES)	-	2	
• Leasehold land impairment	-	89	
• Gain on disposals	-	(332) <sup>1</sup>	
• Singapore Motors GST refund	-	(39)	
• Share of results / loss on disposal of E&O	-	(33)	
• Income from legacy corporate exercise	(12)	-	
• Forex (gain)/loss on settlement of net investment	(6)	13	
<b>Core PBIT from continuing operations</b>	<b>1,823</b>	<b>1,945</b>	(6.3)
Net finance costs	(109)	(86)	
Taxation	(471) <sup>2</sup>	(538) <sup>2</sup>	
Non controlling interests	(86)	(107)	
<b>Core Net Profit from continuing operations</b>	<b>1,157</b>	<b>1,214</b>	(4.7)
<b>Core Net Profit from discontinuing operations</b>	<b>38<sup>3</sup></b>	<b>34<sup>3</sup></b>	
<b>Core Net Profit</b>	<b>1,195</b>	<b>1,248</b>	(4.2)

Adjustments:

1. Gain on disposal of Tesco (RM294m), Gain on disposal of Motors properties (RM38m)
2. Adjusted for tax effects of one-off items
3. Excludes Logistics impairments (RM71m in FY2022, RM85m in FY2021), accrual of deferred tax liabilities arising from the proposed Logistics disposal (RM36m in FY2022) and loss on disposal of Jining ports (RM3m post-tax in FY2021)

# FY2022 Financial Results



Segmental PBIT: Financial year ended 30 June 2022

In RM Million	FY2022			FY2021			Reported PBIT	Core PBIT
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT	YoY %	YoY %
<b>Continuing operations</b>								
<b>Industrial</b>	803	-	803	909	2 <sup>2</sup>	911	(11.7)	(11.9)
<b>Motors</b>	1,020	-	1,020	1,050	12 <sup>3</sup>	1,062	(2.9)	(4.0)
<b>Healthcare</b>	45	-	45	15	-	15	>100.0	>100.0
<b>Others</b>	23	(12) <sup>1</sup>	11	357	(327) <sup>4</sup>	30	(93.6)	(63.3)
<b>Corporate</b>	(56)	-	(56)	(73)	-	(73)	23.3	23.3
<b>Forex</b>	6	(6)	-	(13)	13	-	-	-
<b>PBIT from continuing operations</b>	<b>1,841</b>	<b>(18)</b>	<b>1,823</b>	<b>2,245</b>	<b>(300)</b>	<b>1,945</b>	<b>(18.0)</b>	<b>(6.3)</b>
<b>Discontinuing operations</b>								
<b>Logistics</b>	(40)	71 <sup>5</sup>	31	(64)	87 <sup>5</sup>	23	37.5	34.8
<b>PBIT</b>	<b>1,801</b>	<b>53</b>	<b>1,854</b>	<b>2,181</b>	<b>(213)</b>	<b>1,968</b>	<b>(17.4)</b>	<b>(5.8)</b>

Adjustments:

1. Income from legacy corporate exercise (RM12m)
2. Fair value loss on financial assets (RM2m)
3. Leasehold land impairment (RM89m), gain on disposal of properties (RM38m), Singapore Motors GST refund (RM39m)
4. Gain on disposal of Tesco (RM294m), share of results / loss on disposal of E&O (RM33m)
5. Logistics impairments (RM71m in FY2022, RM85m in FY2021), Loss on disposal of Jining ports (RM2m pre-tax in FY2021)

# FY2022 Financial Results



Reported Profit: Quarter ended 30 June 2022

In RM Million	Q4 FY2022	Q4 FY2021	YoY %
Revenue	10,851	11,300	(4.0)
PBIT	554	501	10.6
Finance income	11	11	
Finance costs	(46)	(32)	
Profit before tax	519	480	8.1
Taxation	(138)	(176)	
Profit from continuing operations	381	304	25.3
Non-controlling interests	(5)	(21)	
<b>Net profit from continuing operations</b>	<b>376</b>	<b>283</b>	<b>32.9</b>
Net profit from discontinuing operations	(98)	(72)	
<b>Net profit attributable to owners of the Company</b>	<b>278</b>	<b>211</b>	<b>31.8</b>

# FY2022 Financial Results



Core Profit: Quarter ended 30 June 2022

In RM Million	Q4 FY2022	Q4 FY2021	YoY %
<b>Reported PBIT from continuing operations</b>	<b>554</b>	<b>501</b>	10.6
<b>Adjustments</b>			
• Leasehold land impairment	-	89	
• Gain on disposal of Motors properties	-	(38)	
• Forex (gain)/loss on settlement of net investment	(6)	15	
<b>Core PBIT from continuing operations</b>	<b>548</b>	<b>567</b>	(3.4)
Net finance costs	(35)	(21)	
Taxation	(138) <sup>1</sup>	(163) <sup>1</sup>	
Non controlling interests	(5)	(21)	
<b>Core Net Profit from continuing operations</b>	<b>370</b>	<b>362</b>	2.2
<b>Core Net Profit from discontinuing operations</b>	<b>9<sup>2</sup></b>	<b>13<sup>2</sup></b>	
<b>Core Net Profit</b>	<b>379</b>	<b>375</b>	1.1

Adjustments:

- Adjusted for tax effects of one-off items
- Excludes Logistics impairments (RM71m in FY2022, RM85m in FY2021) and accrual of deferred tax liabilities arising from the proposed Logistics disposal (RM36m in FY2022)

# FY2022 Financial Results



Segmental PBIT: Quarter ended 30 June 2022

In RM Million	Q4 FY2022			Q4 FY2021			Reported PBIT	Core PBIT
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT	YoY %	YoY %
<b>Continuing operations</b>								
Industrial	280	-	280	246	-	246	13.8	13.8
Motors	272	-	272	295	51 <sup>1</sup>	346	(7.8)	(21.4)
Healthcare	8	-	8	(4)	-	(4)	>100.0	>100.0
Others	(7)	-	(7)	3	-	3	<(100.0)	<(100.0)
Corporate	(5)	-	(5)	(24)	-	(24)	79.2	79.2
Forex	6	(6)	-	(15)	15	-	-	-
<b>PBIT from continuing operations</b>	<b>554</b>	<b>(6)</b>	<b>548</b>	<b>501</b>	<b>66</b>	<b>567</b>	<b>10.6</b>	<b>(3.4)</b>
<b>Discontinuing operations</b>								
Logistics	(60)	71 <sup>2</sup>	11	(73)	85 <sup>2</sup>	12	17.8	(8.3)
<b>PBIT</b>	<b>494</b>	<b>65</b>	<b>559</b>	<b>428</b>	<b>151</b>	<b>579</b>	<b>15.4</b>	<b>(3.5)</b>

Adjustments:

1. Leasehold land impairment (RM89m), gain on disposal of properties (RM38m)
2. Logistics impairments (RM71m in FY2022, RM85m in FY2021)

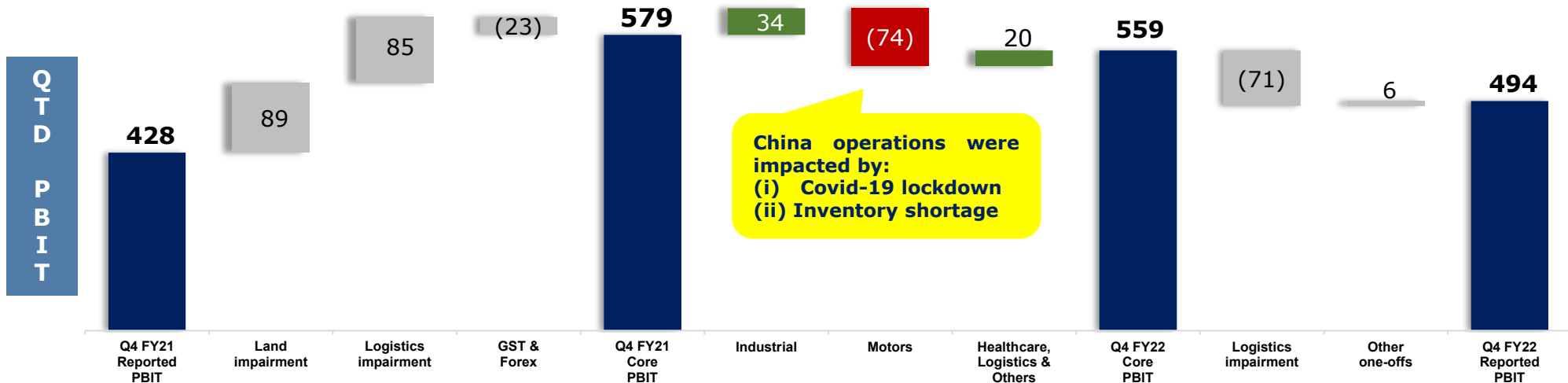


# Core and Reported PBIT

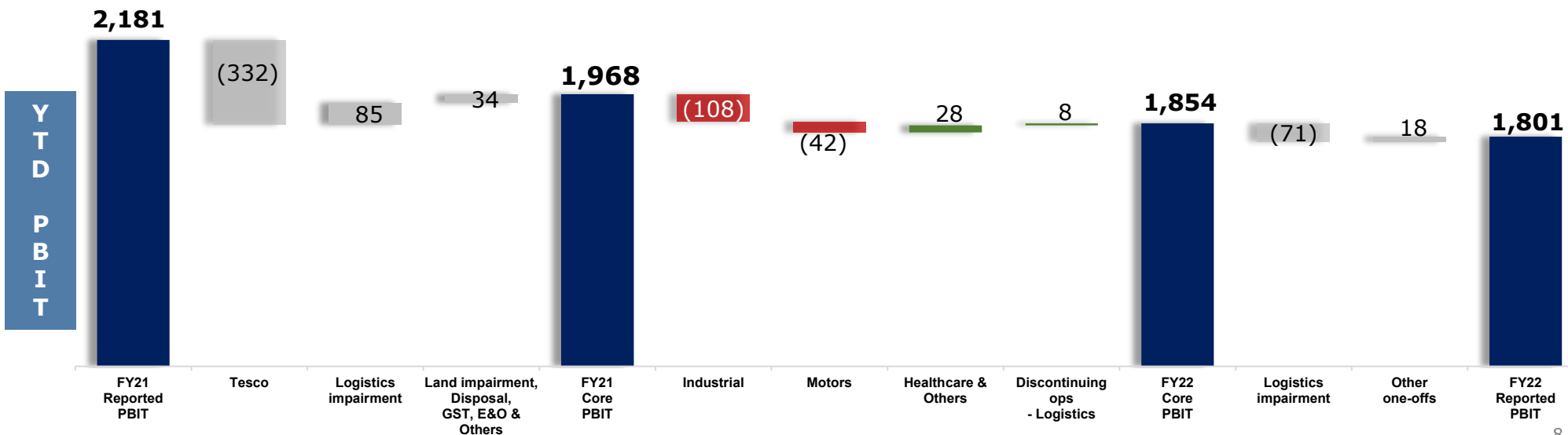


Lower YTD core profits mainly from Industrial and Motors China

## Q4 FY2022 vs. Q4 FY2021



## FY2022 vs. FY2021

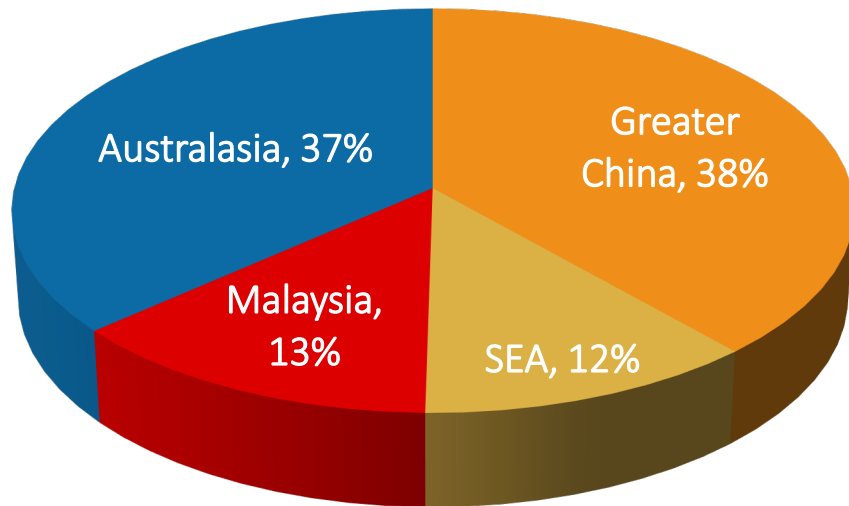


# FY2022 Financial Results



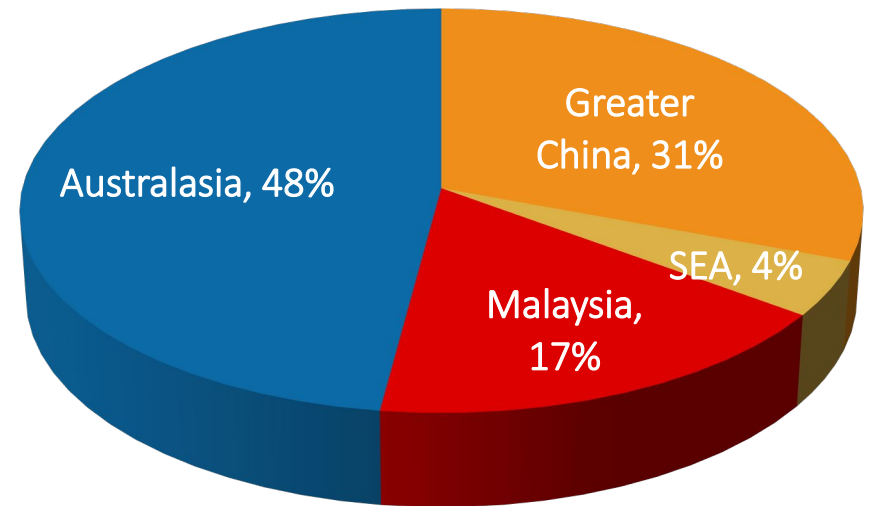
Regional Contribution: FY2022 ended 30 June 2022

## Revenue Breakdown



Greater China SEA Malaysia Australasia

## Core PBIT Breakdown



Greater China SEA Malaysia Australasia

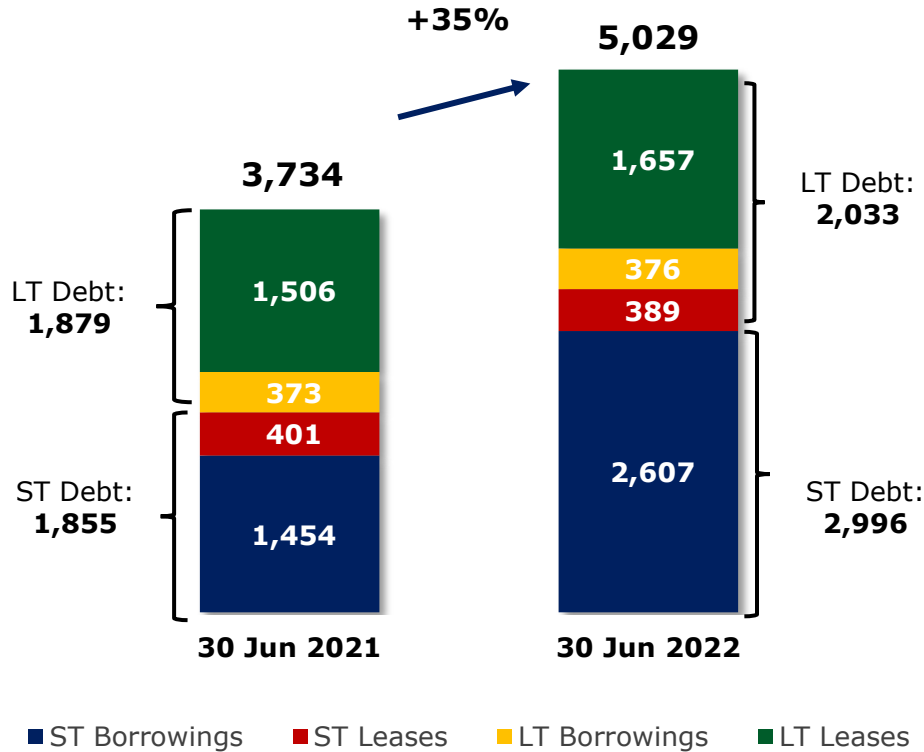
# FY2022 Financial Results



Snapshot of borrowing position as at 30 June 2022

## Long Term vs Short Term Debt

## Total Debt



# RM 5.0bn

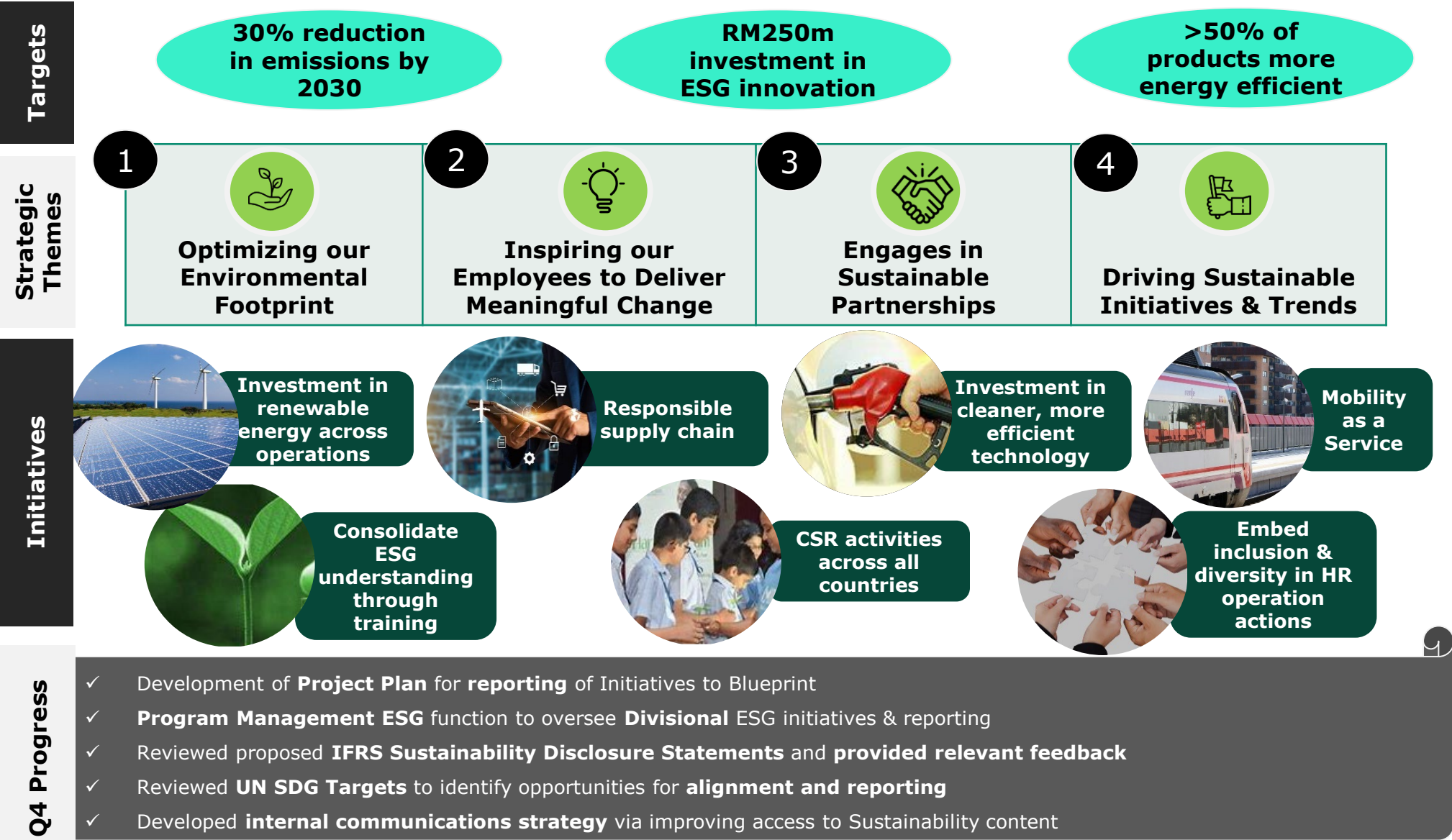
As at 30 June 2022

**RM16.4bn**  
Total Equity

**0.3x**  
Debt/Equity Ratio

**RM1.9bn**  
Bank balances,  
deposits and cash

# ESG Themes & Flagship Initiatives

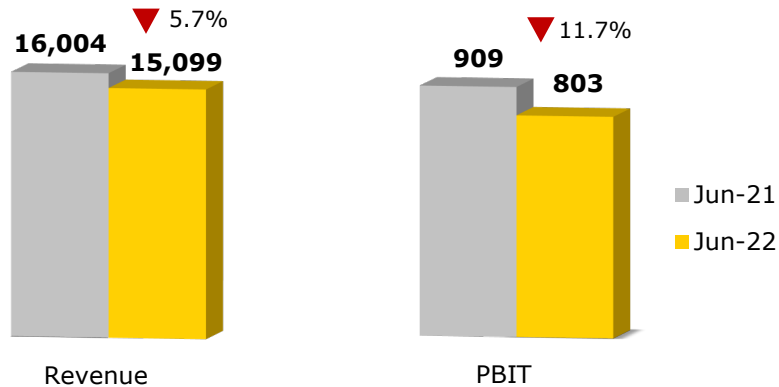


A thick, solid red vertical bar positioned to the left of the title text.

# Segmental Results



Australasia performance held up well, offset by lower profits contribution from China



In RM Million	FY2021	FY2022
Australasia	9,619	10,610
China	4,810	2,926
Malaysia	945	921
Singapore & Others	630	642
<b>Total Revenue</b>	<b>16,004</b>	<b>15,099</b>
Australasia	670	675
China	171	94
Malaysia	31	(2)
Singapore & Others	39	36
<b>Total Core PBIT</b>	<b>911</b>	<b>803</b>
FV Loss on Financial Asset	(2)	-
<b>Total PBIT</b>	<b>909</b>	<b>803</b>
<b>PBIT margin</b>	<b>5.7%</b>	<b>5.3%</b>
<b>Core PBIT margin</b>	<b>5.7%</b>	<b>5.3%</b>
<b>ROIC</b>	<b>10.1%</b>	<b>8.3%</b>

## Australasia

- Higher revenue attributed to strong deliveries for mining and construction equipment in Australia.
- Profits were marginally lower mainly due to higher operating expenses, negated by higher contributions from Terra CAT and Salmon Earthmoving.
- Terra CAT profit contribution (FY2022: RM49m vs FY2021: RM22m) stemming from strong equipment sales.
- Salmon Earthmoving profit contribution – RM22m (acquired in Oct 2021).

## China

- Lower revenue predominantly due to significant contraction in equipment market volume.

## Malaysia

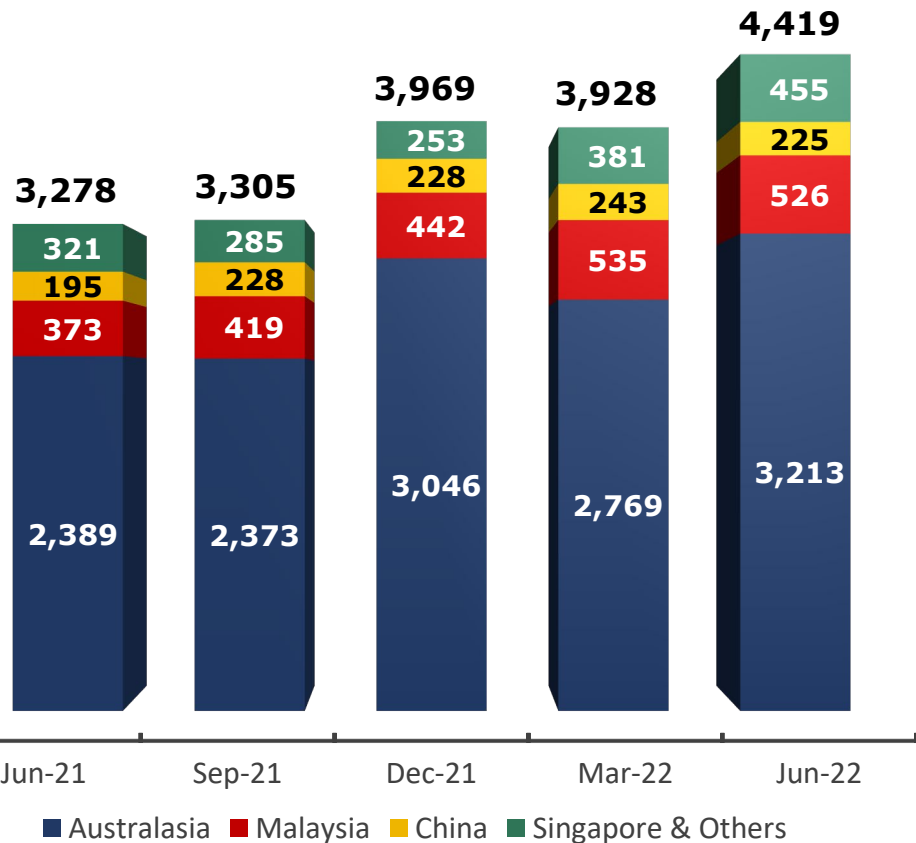
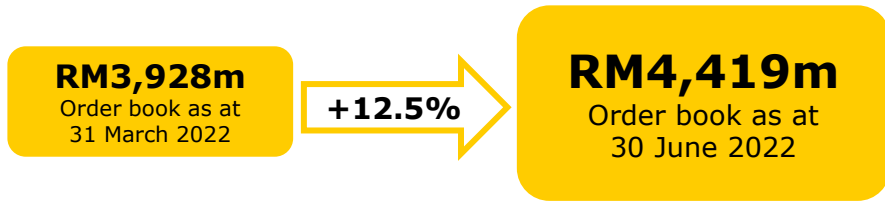
- Results included recognition of project losses and higher debtor provision.

## Singapore & Others

- The lower profits were mainly due to higher forex loss on intercompany dividend receivable and recognition of wage subsidies in the previous corresponding period.



Order book increased by 12.5% from March 2022. Significant order backlog.



## AUSTRALASIA

- Order book anchored by continued strong demand from the mining sector.
- The product support operations remain concerned with labour shortages. In addition, inflationary pressures could impact wage costing for union contracts.
- Cautious sentiment for the construction sector in New Zealand amidst market slowdown from record high.



## CHINA

- Outlook for the industrial equipment market remains uncertain as market volume recovery is highly dependent on fiscal stimulus schemes.
- Zero-Covid stance could continue to affect business sentiment and pose disruptions to the sales operations.



## MALAYSIA

- Market sentiment for the construction sector has improved following the resumption of mega projects, but labour crunch and rising material costs remain as concerns.
- Risk of project cost overrun due to extended lead time for engines and components amid global supply chain challenges.



## SINGAPORE

- Continued strong demand for engines from data centre activities.
- Demand in the construction sector has picked up, but challenges around labour shortages and cost pressure persist.

Moderating prices should drive more servicing; Large construction pipeline in Australia

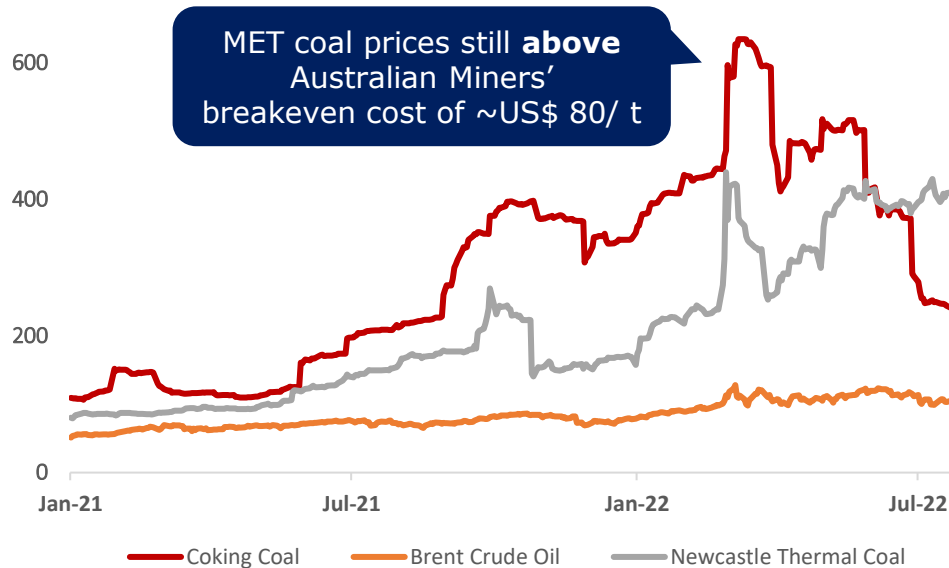


## Commodity Prices Softening

**Coking Coal**  
@ July 2022:  
**US\$240/t**

**Newcastle Thermal Coal**  
@ July 2022:  
**US\$440/t**

**Brent Crude Oil**  
@ July 2022:  
**US\$108/b**



**Lower commodity prices** should drive Aftersales and product support, which offer higher margin

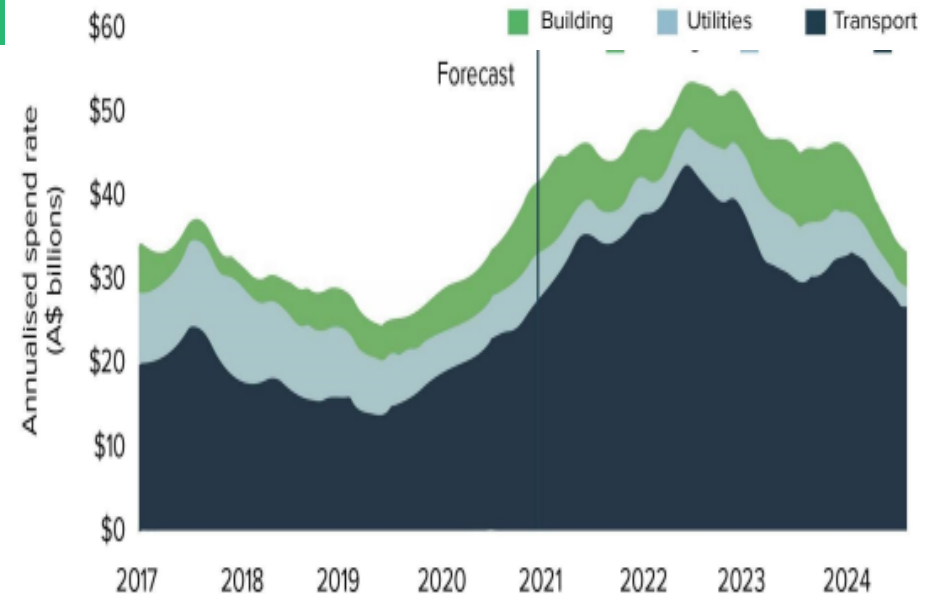
- Softening prices will incentivize customers to **service existing fleet on schedule**
- Profitable Miners would still allocate capital for **new equipment**

Source: Bloomberg IAC1 – AUS Premium Coking Coal Futures



## Increased Infrastructure Activity

Infrastructure Investment by sector, AUD\$ billion 



Source: Turner & Townsend and BIS Oxford Economics



**Large government infra stimulus** should drive Australia's engineering work and are expected to drive Industrial equipment growth.

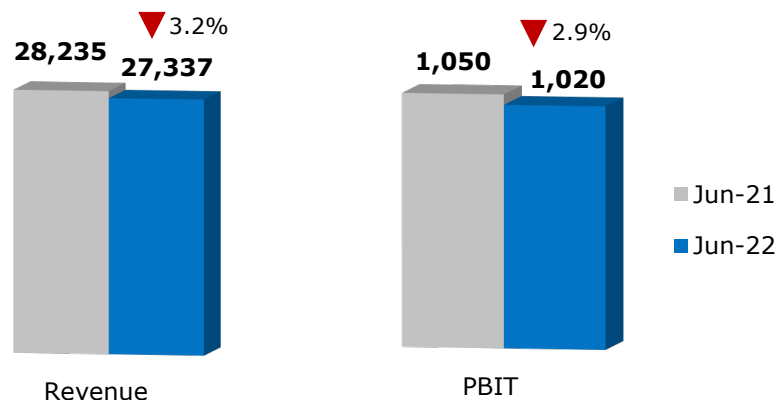


**Stronger customer activity** will benefit our rental fleet business (Salmon), which has a wide range of rental equipment assets.





China had strong performance before lockdowns hit; Malaysia recorded solid performance.



## China, HK, Macau & Taiwan

- China – Lower unit sales; operations were impacted by inventory shortages and Covid-19 restrictions.
- HK – Higher wage subsidies in the previous corresponding period.

## Southeast Asia

- Singapore – Lower revenue mitigated by higher margins; recognition of wage subsidies in the previous corresponding period.
- Thailand – Lower revenue mainly from the Mazda operations as sales were impacted by Covid-19 restrictions in the earlier months.

## Malaysia

- Higher revenue and profit from retail operations.
- Lower dividend income (FY2022: RM48m vs FY2021: RM113m).

## Australasia

- Mainly attributed to strong results from the commercial vehicle and transport operations.

In RM Million	FY2021	FY2022
China, HK, Macau & Taiwan	14,057	13,298
Southeast Asia	5,295	4,362
Malaysia	4,129	4,717
Australasia	4,754	4,960
<b>Total Revenue</b>	<b>28,235</b>	<b>27,337</b>
China, HK, Macau & Taiwan	551	458
Southeast Asia	51	48
Malaysia	252	279
Australasia	208	235
<b>Total Core PBIT</b>	<b>1,062</b>	<b>1,020</b>
Land impairment	(89)	-
Singapore GST Refund	39	-
Property disposals	38	-
<b>Total PBIT</b>	<b>1,050</b>	<b>1,020</b>
<b>PBIT margin</b>	<b>3.7%</b>	<b>3.7%</b>
<b>Core PBIT margin</b>	<b>3.8%</b>	<b>3.7%</b>
<b>ROIC</b>	<b>14.3%</b>	<b>12.4%</b>



Sales volume held up well in MY & SG despite tight supply chains. Expect normalization in FY23.

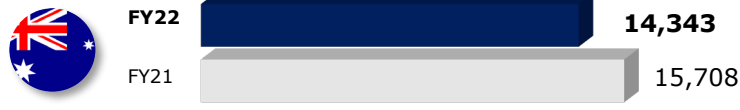


**BEV Sold:**  
3,371

**92,594**  
**Units Sold**  
(FY2021: 103,417)

**25,248**  
**Units Assembled**  
(FY2021: 17,141)

## Units sold by region



### CHINA

- Sales operations continue to be at risk of being disrupted by zero-Covid stance.
- Various local governments have implemented trade-in subsidies and tax incentives for EV purchases, scheduled to expire on 31<sup>st</sup> Dec 2022.
- New model launches are expected to help boost sales, subject to availability of inventories.

### SE ASIA

- Increasing digital penetration of used car platforms is expected to drive the growth of used car market in Singapore.
- The Thai government has proposed corporate tax exemptions for EV charging station providers to fuel EV adoption.

### MALAYSIA

- The recent end of SST exemption is likely to impact sales and margins in 2HFY2023.
- Consumer purchasing power continues to be strained by inflationary pressures.
- The anticipation of fresh model line-up is expected to create appealing product offering.

### AUSTRALASIA

- The Australian Labor Party has secured outright majority in the recent Federal Election. Environment sustainability bills are at the top of its legislative agenda, including bills to abolish import tariffs and taxes for electric vehicles.
- The impact of inflationary pressures on consumption and supply chain constraints continue to challenge the auto sector.

# Market Dynamics



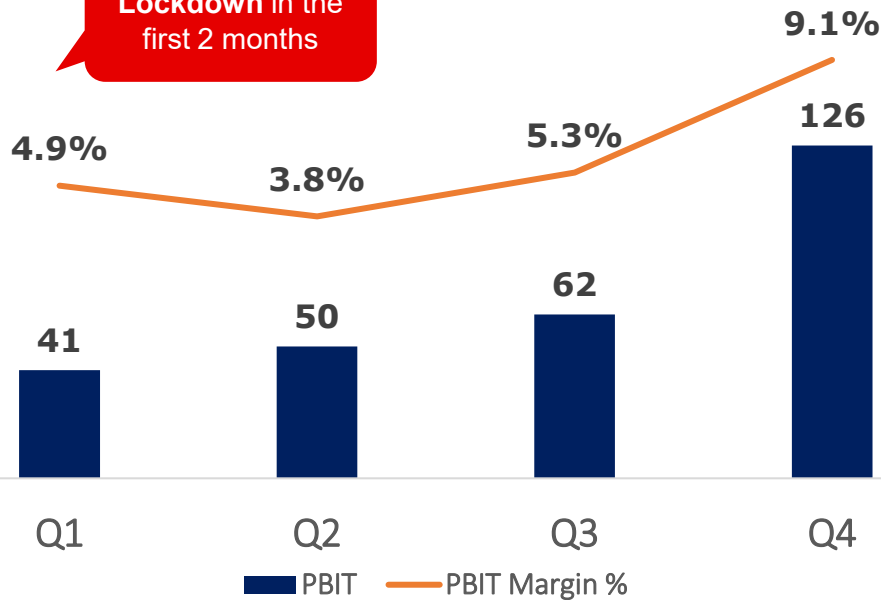
Outstanding Q4 results in Malaysia; continuous network expansion in China

## Motors Malaysia ended the FY22 well

FY22 PBIT (Malaysia Motors)



Lockdown in the first 2 months



### Motors Malaysia outperformed

- Strong demand supported SST exemption

## Massive expansion of scale in China

New BMW dealerships in pipeline (FY 2022-23)



● New dealerships awarded



**As a Tier-1 BMW dealer,** we have been actively expanding in the Greater Bay Area of China



**New dealerships in the pipeline** should make meaningful contribution after ramp-up phase

# Motors Outlook



Exciting new models coming out in the next 12 months



**BMW i7 (First All Electric 7 Series)**  
China, Malaysia – 2022/2023



**Ford Ranger Raptor**  
Malaysia – 2022/ 2023



**BMW i3**  
Only in China – 2022/2023



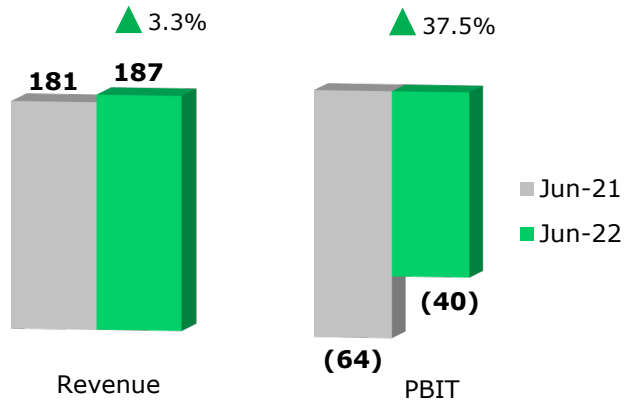
**BMW i5**  
China, Malaysia – 2022/ 2023<sub>9</sub>

# Logistics and Healthcare

Losses at Logistics due to impairments; Higher share of profits from Healthcare



## Logistics



### Ports

- Profitability improved following the divestment of Jining ports in December 2020 (losses in previous year).
- Results included fair value gain on Jining investment of RM6 million.

### Forex

- Mainly from translation of RMB financial assets to HKD.
- Results partly offset by forex losses in the current period.

**17.1 million MT**  
General cargo throughput

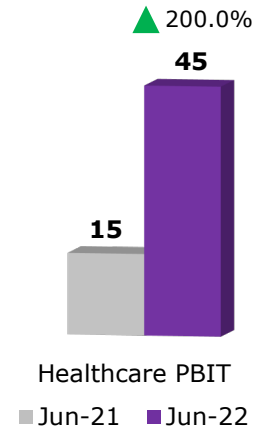
(FY2021: 14.9 million MT)  
(12.4 million MT excluding Jining ports)

**100,295 TEU**  
Container throughput  
(FY2021: 106,147 TEU)

In RM Million	FY2021	FY2022
<b>Total Revenue</b>	<b>181</b>	<b>187</b>
Weifang Port	11	33
Assoc & JVs	1	(3)
Jining ports/inv	(2)	6
Forex	13	(5)
<b>Total Core PBIT</b>	<b>23</b>	<b>31</b>
Impairments	(85)	(71)
Loss on disposal of Jining ports	(2)	-
<b>Total PBIT</b>	<b>(64)</b>	<b>(40)</b>
<b>PBIT margin</b>	<b>-35.4%</b>	<b>-21.4%</b>
<b>Core PBIT margin</b>	<b>12.7%</b>	<b>16.6%</b>
<b>ROIC</b>	<b>-3.7%</b>	<b>-2.2%</b>



## Healthcare



In RM Million	FY2021	FY2022
<b>Healthcare PBIT</b>	<b>15</b>	<b>45</b>
<b>Healthcare ROIC</b>	<b>2.3%</b>	<b>6.4%</b>

- Share of results depicted improvement as the previous corresponding period included write-down of deferred tax assets, impairment of assets and dividend withholding tax.



**Thank you**