

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 the First Quarter Ended 30 September 2024

28 November 2024

sime

Group Financial Results



Q1 FY2025 Results

Reported Profit: Quarter ended 30 September 2024

In RM Million	Q1 FY2025	Q1 FY2024	YoY %
Revenue	18,264	13,980	30.6
PBIT	1,214	830	46.3
Finance income	27	27	
Finance costs	(184)	(129)	
Profit before tax	1,057	728	45.2
Taxation	(180)	(154)	
Profit from continuing operations	877	574	52.8
Non-controlling interests	(65)	(9)	
Perpetual Sukuk	(17)	-	
Net profit from continuing operations	795	565	40.7
Net profit from discontinuing/discontinued operations¹	5	24	
Net profit attributable to owners of the Company	800	589	35.8

1. Relates to the UMW Komatsu Heavy Equipment group, Healthcare and Logistics

Q1 FY2025 Results

Core Profit: Quarter ended 30 September 2024

In RM Million	Q1 FY2025	Q1 FY2024	YoY %
Reported PBIT from continuing operations	1,214	830	46.3
Adjustments			
• Gain on disposal of Malaysia Vision Valley (“MVV”) land	(458)	(279)	
• Gain on disposal of Chubb Singapore	(18)	-	
• Gain on disposal of Ferrari operations in Australia	(23)	-	
• Forex loss/(gain) on settlement of net investments	5	(13)	
Core PBIT from continuing operations	720	538	33.8
Net finance costs	(157)	(102)	
Taxation ¹	(127)	(126)	
Non-controlling interests	(65)	(9)	
Perpetual Sukuk	(17)	-	
Core Net Profit from continuing operations	354	301	17.6
Core Net Profit from discontinuing/discontinued operations	5	24	
Core Net Profit	359	325	10.5

Adjustments:

1. Adjusted for tax effects of one-off items of RM53m in Q1FY2025 and RM28m in Q1FY2024

Q1 FY2025 Results

Segmental PBIT: Quarter ended 30 September 2024

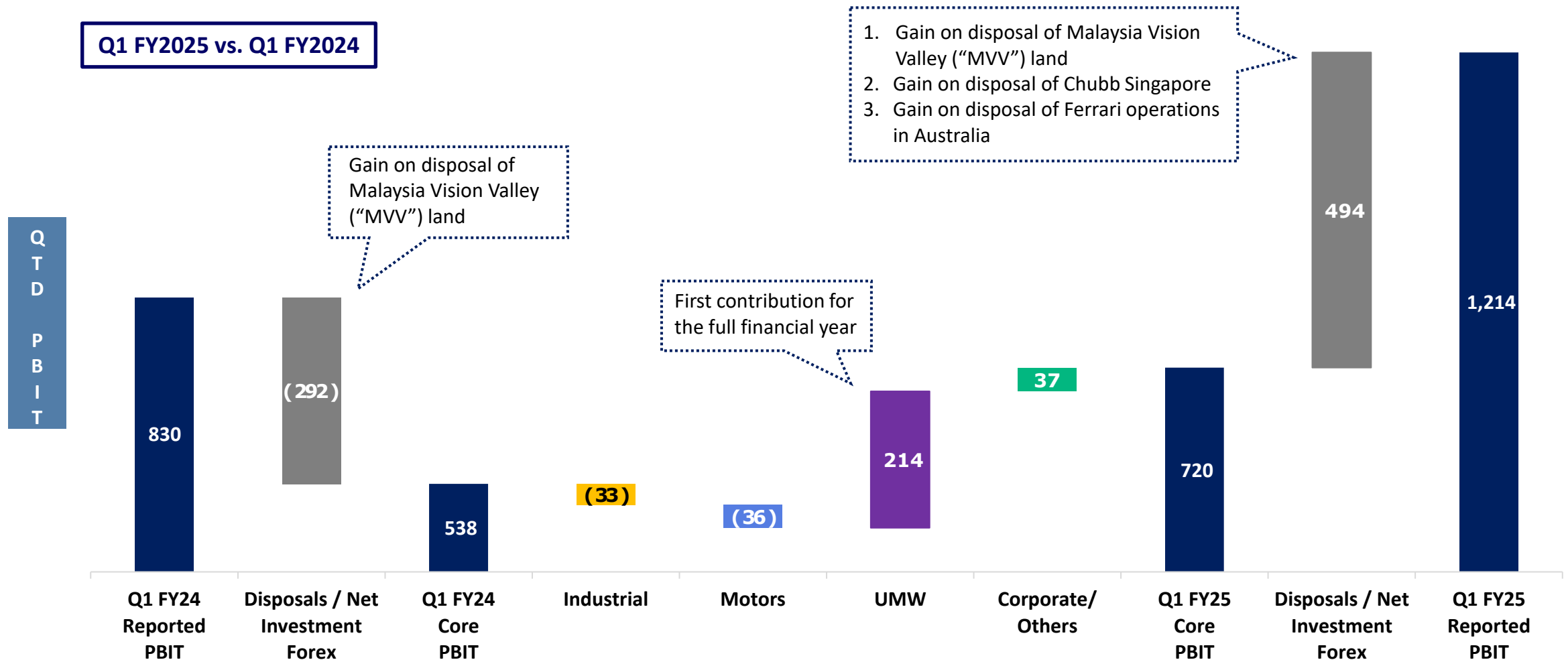
In RM Million	Q1 FY2025			Q1 FY2024			Reported PBIT YoY %	Core PBIT YoY %
	Reported PBIT	Adjustments	Core PBIT	Reported PBIT	Adjustments	Core PBIT		
Continuing operations								
Industrial	343	(18) ¹	325	358	-	358	(4.2)	(9.2)
Motors	190	(23) ²	167	203	-	203	(6.4)	(17.7)
UMW	214	-	214	-	-	-		
Others	40	-	40	4	-	4		
Corporate	(26)	-	(26)	(27)	-	(27)		
Gain on disposal of MVV land	458	(458)	-	279	(279)	-		
Forex	(5)	5	-	13	(13)	-		
PBIT from continuing operations	1,214	(494)	720	830	(292)	538	46.3	33.8
PBIT from discontinuing/ discontinued operations	14	-	14	24	-	24		
PBIT	1,228	(494)	734	854	(292)	562	43.8	30.6

1. Gain on disposal of Chubb Singapore

2. Gain on disposal of Ferrari operations in Australia

PBIT from continuing operations

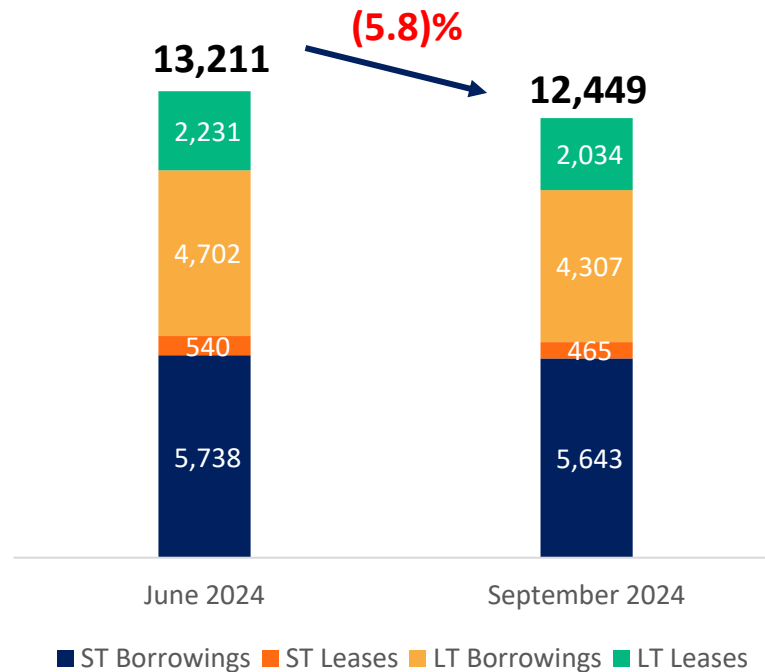
YTD Core PBIT from continuing operations was 33.8% higher, mainly due to profit contribution from UMW



Q1 FY2025 Results

Snapshot of borrowing position as at 30 September 2024

Long Term vs Short Term Debt



Total Debt



RM12.4bn

As at 30 September 2024

RM22.2bn
Total Equity

0.56x
Debt/Equity Ratio

0.44x
Net Gearing

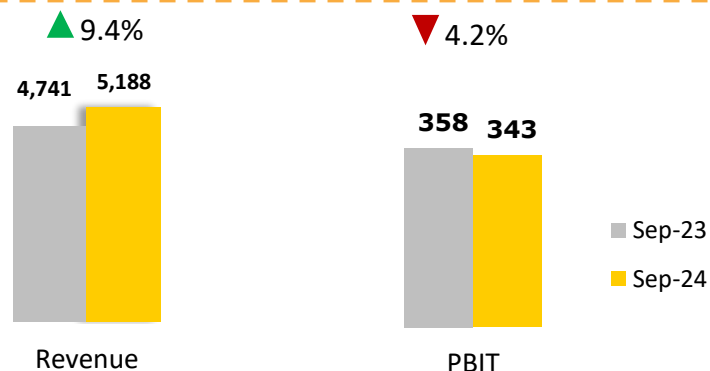
RM2.6bn
Bank balances,
deposits and cash



Industrial Division

Industrial Division

Despite the higher revenue, profit declined due to lower margins



In RM Million	Q1 FY2024	Q1 FY2025
Australasia	3,591	4,023
China	579	695
Malaysia	311	238
Singapore & Others	260	232
Total Revenue	4,741	5,188
Australasia	309	287
China	18	10
Malaysia	11	8
Singapore & Others	20	20
Total Core PBIT	358	325
Gain on disposal of Chubb SG	-	18
Total PBIT	358	343
PBIT margin	7.6%	6.6%
Core PBIT Margin	7.6%	6.3%
ROIC	11.1%	10.0%

Australasia

- Higher mining and construction equipment deliveries. However, profitability declined, as it was impacted by a currency-related parts price reduction in the current quarter.
- Onsite Rental and Cavpower Group contributed PBIT of RM53 million (excluding associates); both after acquisition adjustments.

China

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

Malaysia

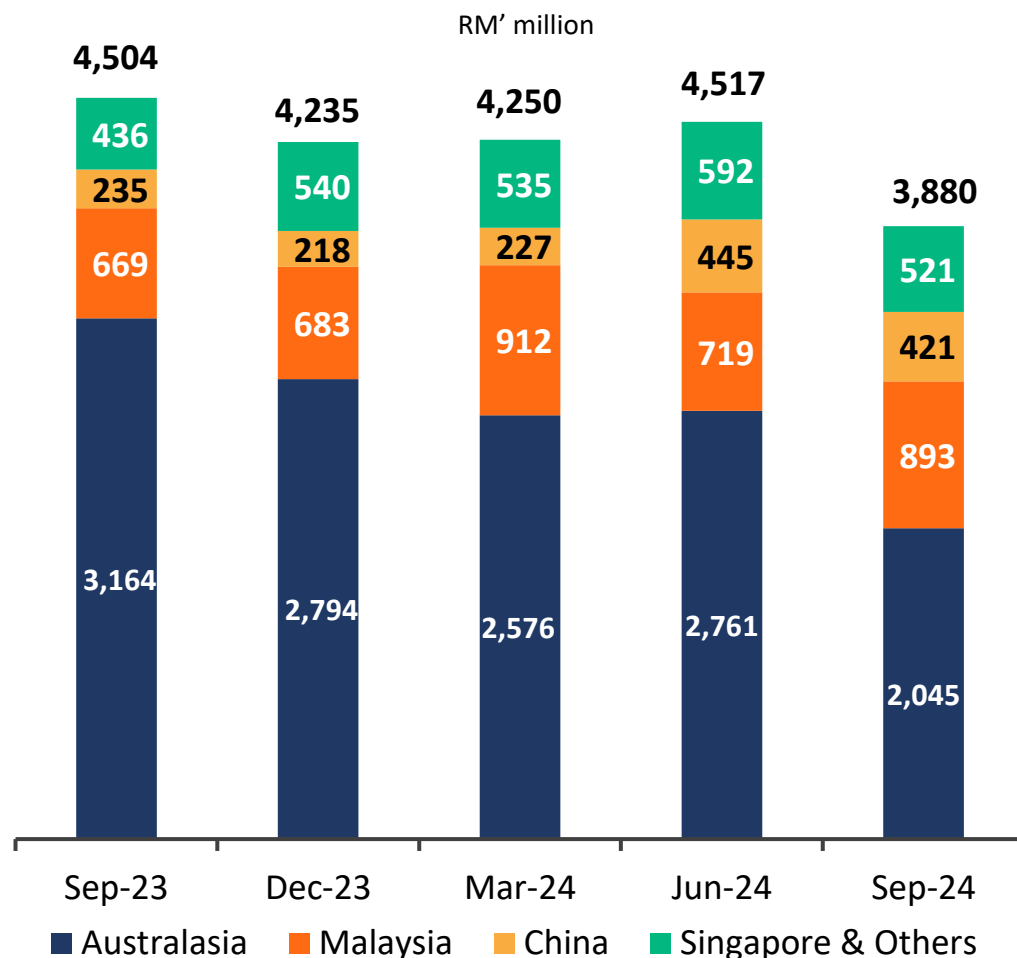
- Results were impacted by lower allied equipment deliveries as well as low project milestone revenue recognition from energy services.

Singapore & Others

- PBIT was supported by higher product support contribution, mitigating lower deliveries from both CAT and Allied equipment business segments.

Industrial Outlook

Lower order book in this current quarter due to big deliveries but increased in October



AUSTRALASIA

- Demand for commodities continues to remain strong.
- Mining customers' fleet utilisation is expected to remain healthy based on their production guidance.
- Secured a contract to supply mining trucks worth RM798m in Australia in October.
- Order book increased to RM2,843m.



CHINA

- The overall market remains challenging and uncertain, despite numerous announcements of stimulus measures to restore confidence.
- Impact on CEL is exacerbated due to high exposure to the construction industry.



MALAYSIA

- Additional energy & transport projects have been secured and new tenders across marine, oil & gas and electric power segments are in the pipeline.
- Contract awards for construction projects have been encouraging, presenting opportunity to supply heavy machinery.



SINGAPORE

- Maritime and oil & gas customers continue to drive the performance of the Power Systems segment through new sales and product support. Data centres remain a key customer sector.
- Construction activities have been slow, impacting equipment sales and opportunities for parts and services.

Industrial Division

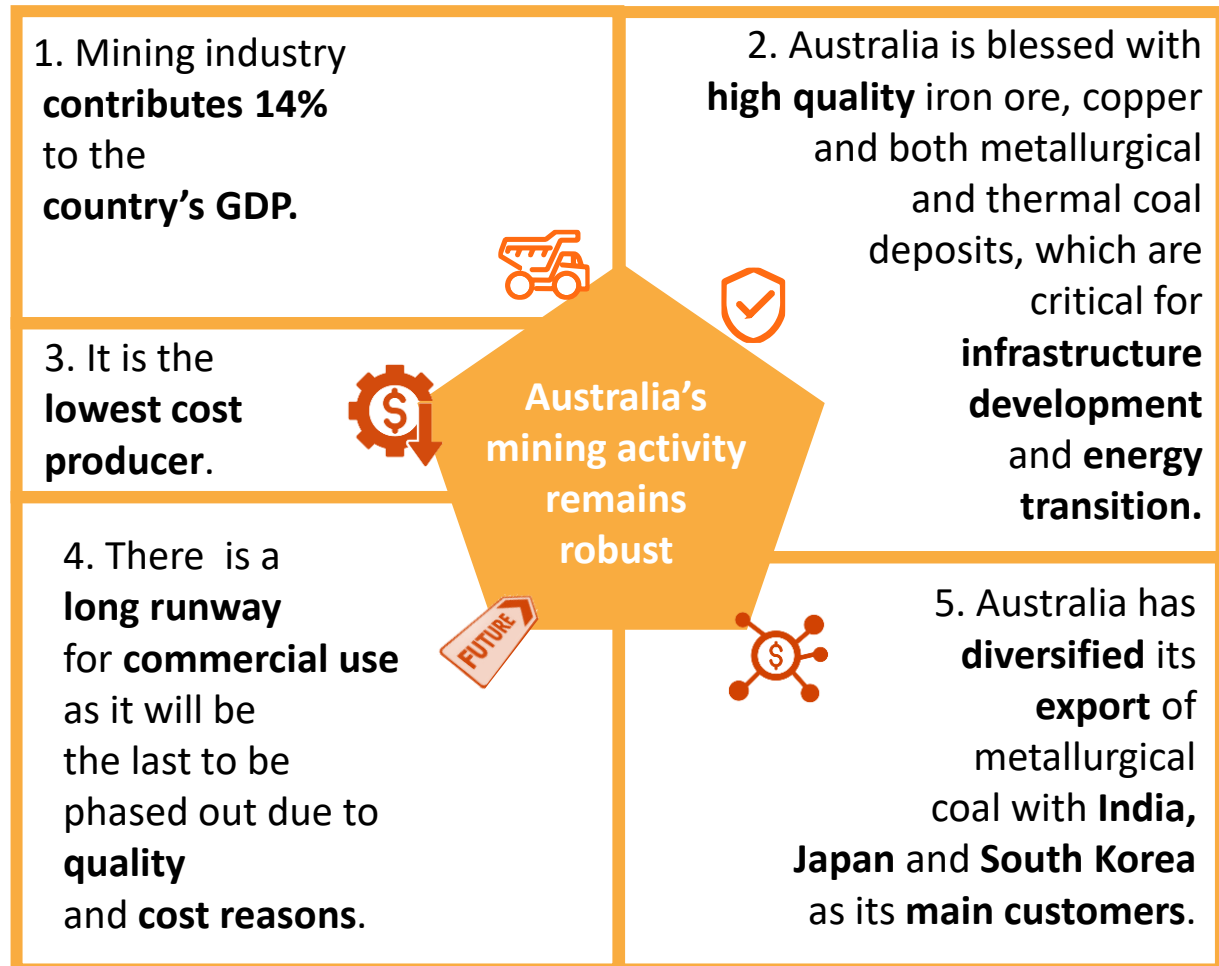
Strong demand for commodity, supported by infrastructure development and energy transition

Commodity demand remains strong



Our Industrial business has thrived due to strong commodity demand, leading to high equipment spending and after-sales.

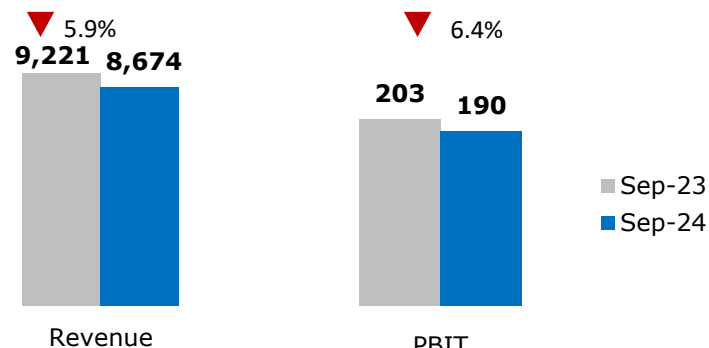
Our acquisition of Cavpower has significantly bolstered our presence in South Australia, a region vital for copper.



Motors Division

Motors Division

Lower sales in key markets, except Singapore



In RM Million	Q1 FY2024	Q1 FY2025
Malaysia	2,139	2,016
China	3,919	3,023
Australasia	1,660	1,399
Singapore & Others	1,503	2,236
Total Revenue	9,221	8,674
Malaysia	99	86
China	19	6
Australasia	61	28
Singapore & Others	24	47
Total Core PBIT	203	167
Gain on disposal of Ferrari Operations	-	23
Total PBIT	203	190
PBIT margin	2.2%	2.2%
Core PBIT Margin	2.2%	1.9%
ROIC	7.7%	7.4%

Malaysia

- Lower profits mainly due to lower unit sales, partly offset by higher assembly revenue.

China

- Mainland China – Continued price competition had adversely impacted vehicle margins.
- Hong Kong and Macau – Operating losses were recorded mainly due to lower sales.

Australasia

- New Zealand – Results impacted by the economic downturn.
- Australia - Lower profitability from retail operations due to lower margins.

Singapore & Others

- Higher profits mainly due to higher electric vehicle sales in Singapore.

Motors Division

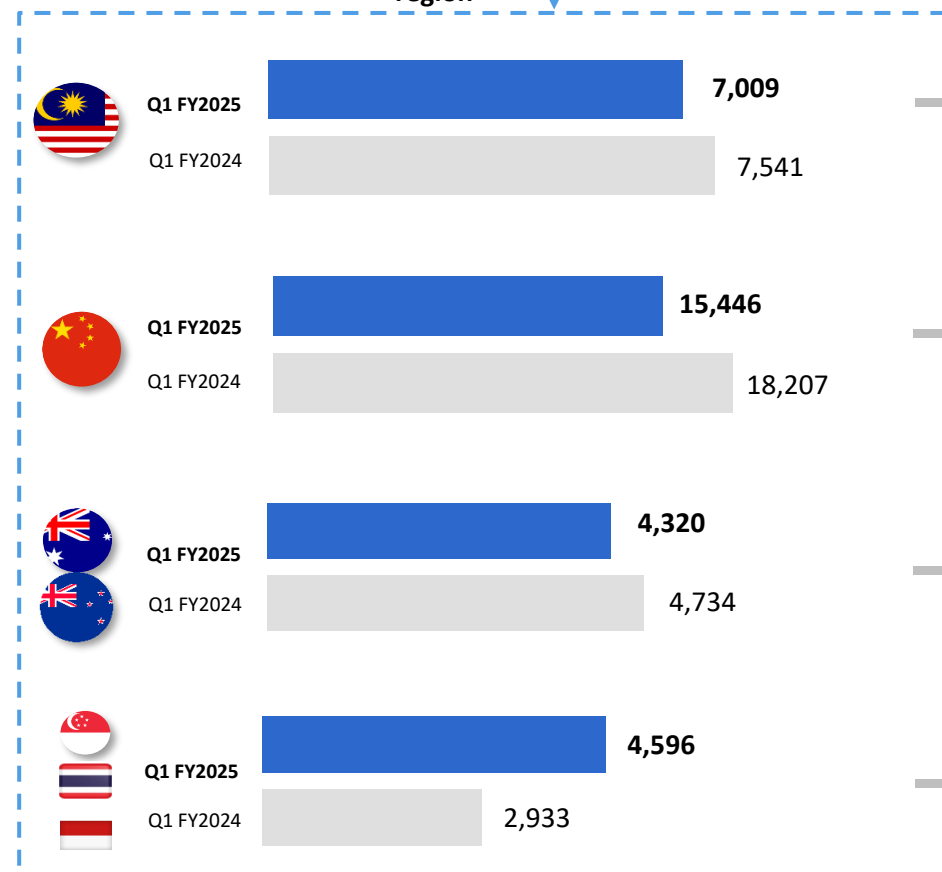
Lower sales in key markets, except Singapore

31,371
Units Sold*
(Q1 FY2024: 33,415)

10,080
Units Assembled
(Q1 FY2024: 10,467)

* Includes cars sold on consignment

Units sold by region



MALAYSIA

- Tax incentives such as the excise duty, sales and import tax exemptions for CBU and exemption for EV components used in locally-assembled (CKD) EVs will continue to support EV adoption.
- Budget 2025 made no mention of EV tax break extension; the market outlook is estimated to remain unchanged from the previous quarter.

CHINA

- The aggressive price competition is expected to persist as NEV brands strive to capture market share.
- Post US election, China may encounter higher trade barriers as countries like the US and EU impose tariffs and local-content rules to protect domestic industries.
- In the long term, Mainland China to experience growth as the government continues to support the transition towards new energy vehicles and exports of vehicles.

AUSTRALASIA

- Sales in Australia are expected to grow, driven by strong demand for SUVs and EVs, although high interest rates and inflation could pose challenges.
- In New Zealand, sales are expected to decline due to elevated borrowing costs and weakening domestic demand, with growth in the CV segment providing some relief.

SINGAPORE & THAILAND

- Singapore market continues its cyclical upswing, supported by the increased COE quota (+4% for November 24 – January 25 period) and continued strong demand for EV.
- Thailand’s sales outlook remains subdued, with sales declining due to ongoing economic and financial challenges, including high household debt and stricter auto loan criteria.

Motors Division

Vehicle sales continue to grow, action plans in place to address margins

China announced USD1.4 trillion stimulus package over 5 years to spur consumer demand.

Infrastructure investment - to create jobs and stimulate domestic consumption

Support for the real estate sector – to stabilise property prices

Consumer spending incentives – to boost retail sales

Lower interest rates and tax relief - to improve liquidity

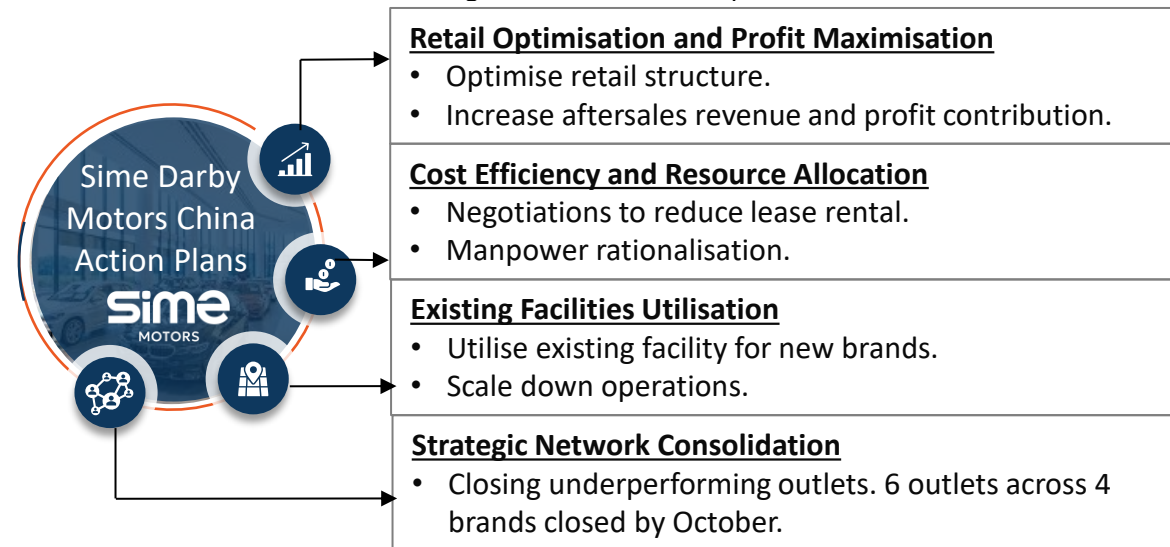
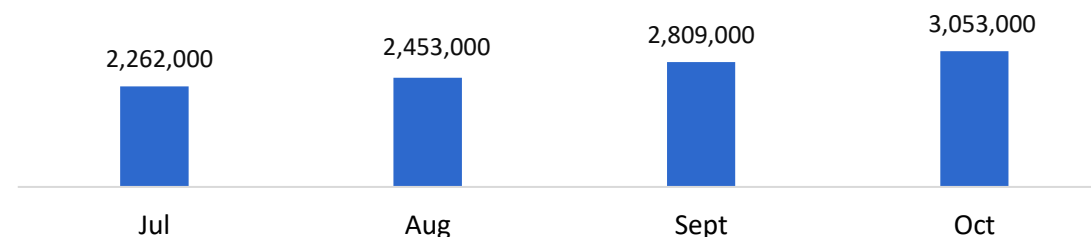
Financial aid for struggling enterprises

Green energy boost – to prioritise investments in renewable energy, electric vehicles and green technology.

China Motors – volume continues to grow

■ 2024 China Total Auto Sales

Monthly sales is on an uptrend.
YTD Oct 2024, sales is up 2.9% y-o-y.



Motors Outlook

Exciting new models to drive sales



BMW 520i M Sport
Malaysia – September 2024



Volvo EX90
China – 2024



BYD M6
Malaysia - October 2024



BMW i5 M60
Australia –2024



Volvo XC90
Malaysia – 2025

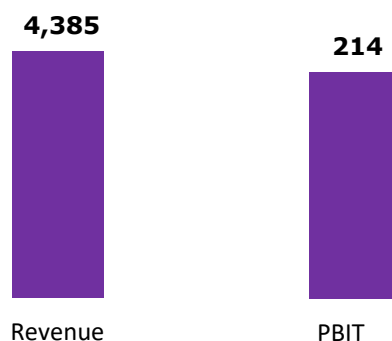


BYD Sealion 7
Malaysia - November 2024

UMW Division

UMW Division

Revenue and PBIT largely contributed by the automotive business



In RM Million	Q1 FY2025
Automotive	3,830
Equipment (continuing)	246
Manufacturing & Engineering	291
Others	18
Total Revenue	4,385
Automotive	232
Equipment (continuing)	15
Manufacturing & Engineering	2
Others	(35)
Total PBIT	214
PBIT margin	4.9%
Annualised ROIC	8.8%

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

Automotive

- Vehicle sales remained robust in the current quarter.
- UMWT sold 27,010 units in the current quarter (corresponding quarter: 28,274 units).*
- Perodua has sold 89,192 units in the current quarter (corresponding quarter: 87,917 units).*

* Sales to dealers

Equipment

- Profitability declined compared to the pre-acquisition corresponding period mainly due to acquisition adjustments.

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.

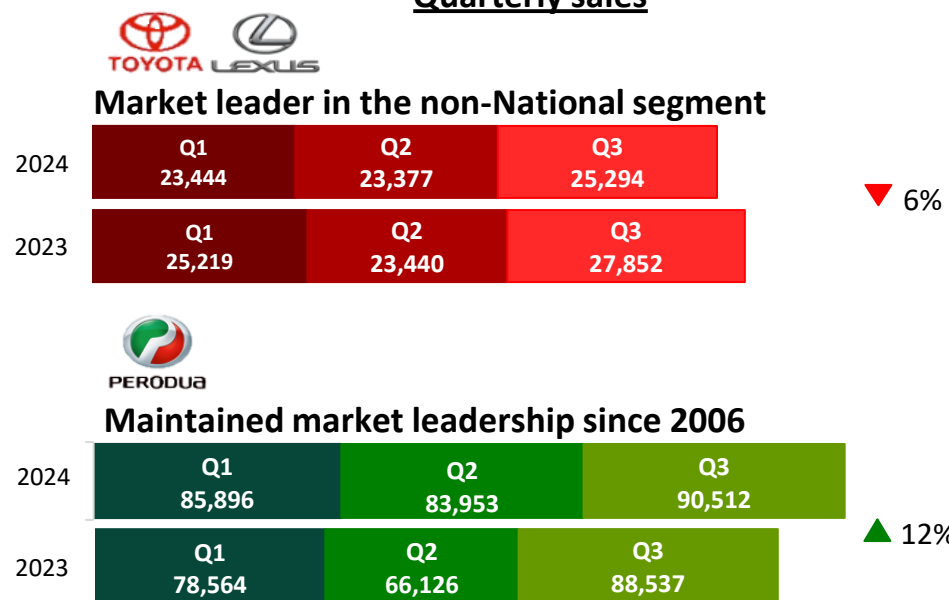
UMW Division

UMW Toyota Motor and Perodua sales & Total Industry Volume

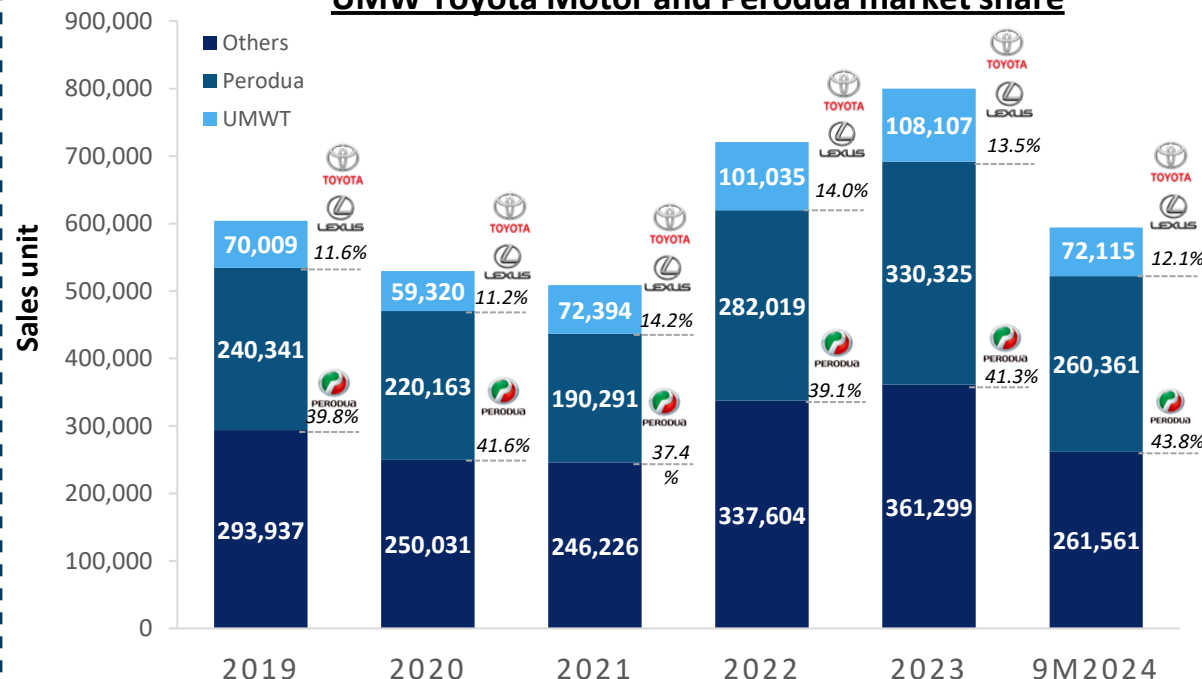
	2019	2020	2021	2022	2023	2024F
TIV	604,287	529,514	508,911	720,658	799,731	800,000*

*Revised from 765,000 units and 740,000 units earlier

Quarterly sales



UMW Toyota Motor and Perodua market share



Order taking has started for the new **Toyota Corolla Cross** on 15 November, estimated price from RM140,000.



9M2024 sales
594,037 units
▲ 4% Y-o-Y



Thank You