



Sime Darby Berhad Corporate Investor Day

4 February 2025

sime

Section 1 Overview Of The New Sime

Continuous Demand for Commodities

Long-term bullish on China

Malaysian Automotive Leader

Deep Intrinsic Value

Overview Of Sime

Sime Is A Leading Trading Company In Asia Pacific, Built On Strong Partnerships With Top Automotive And Industrial Brands



FY 2024

Revenue* RM67.1bn	PATAMI RM3.3bn	PBIT* RM2.8bn	Shareholders' equity RM19.4bn

>30,000

Employees

18

Countries & Territories

With operations across Asia Pacific, we continue to grow & deliver sustainable value to our stakeholders

Leading CAT dealer globally	Large BMW dealer worldwide	Leading auto players in Malaysia	Distributor of the World's Leading EV in Malaysia & Singapore	60% market share in the Malaysian automotive industry	

* From continuing operations

Our universe of brands

We are the partner of choice for many of the world's leading brands

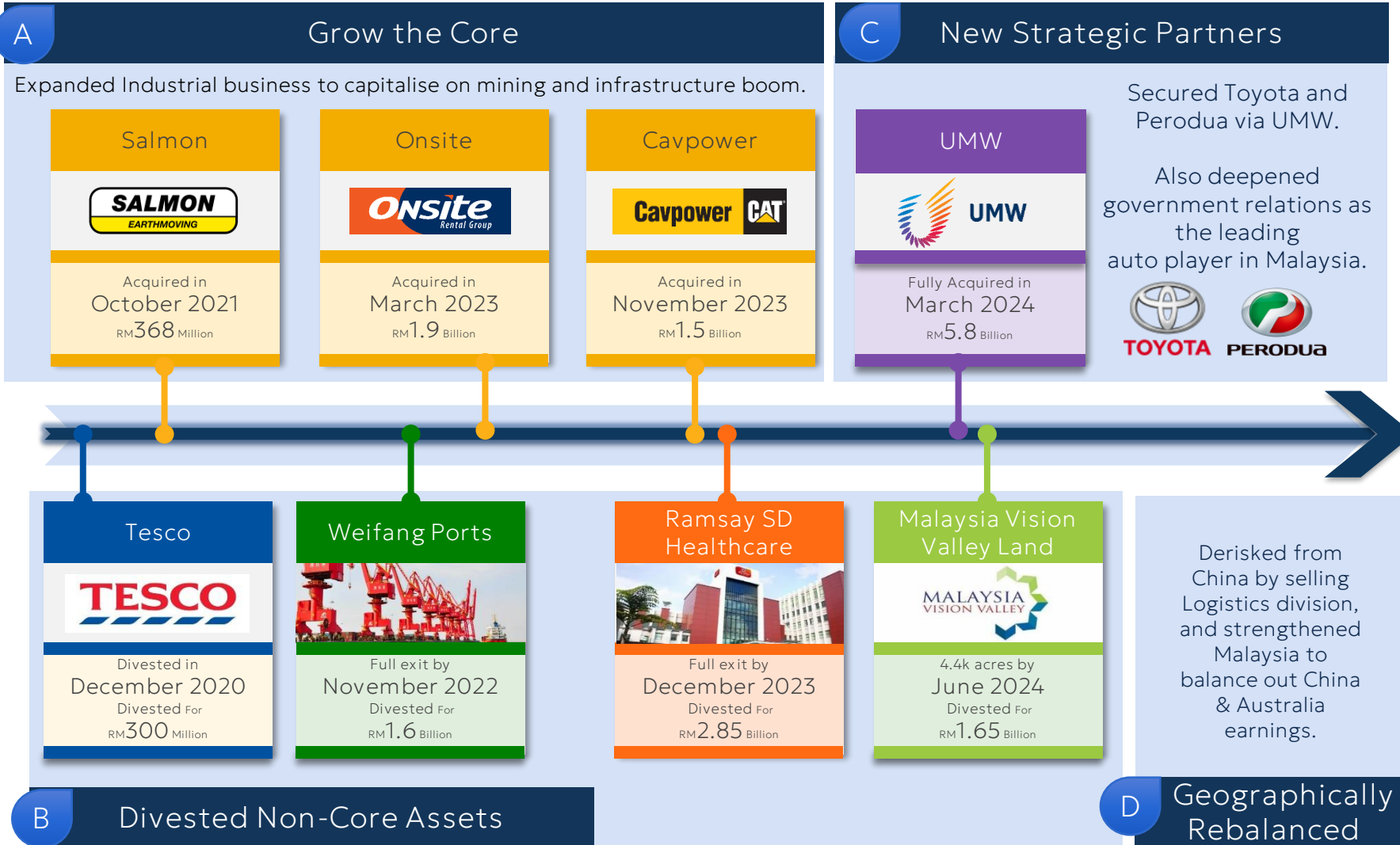


Note: Brands listed are not exhaustive

What Is Next For Sime Darby?

Having completed the execution of Phase 1 of our masterplan, we are geared for the Next Phase

Phase 1 Completed



Phase 2

What Is Next for Sime Darby?

We have a disciplined programme to improve our ROE to meet the target of 11%.

Strong focus on enhancing ROE through Operational Excellence



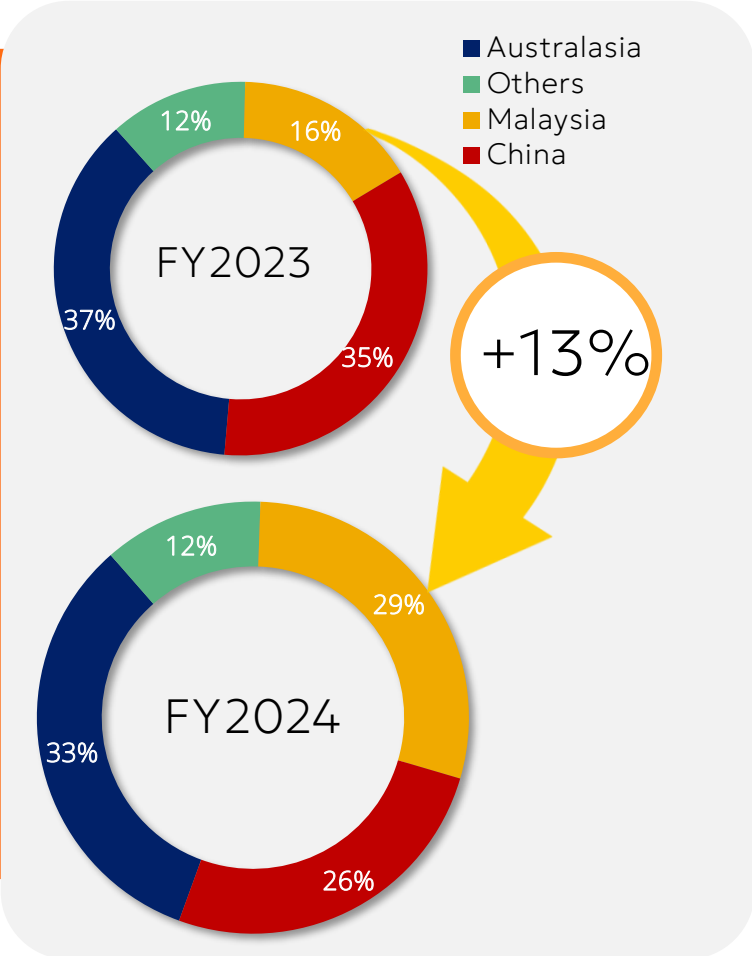
How Sime Darby Has Evolved (1/ 2)

With the UMW acquisition, we have diversified our revenue across regions

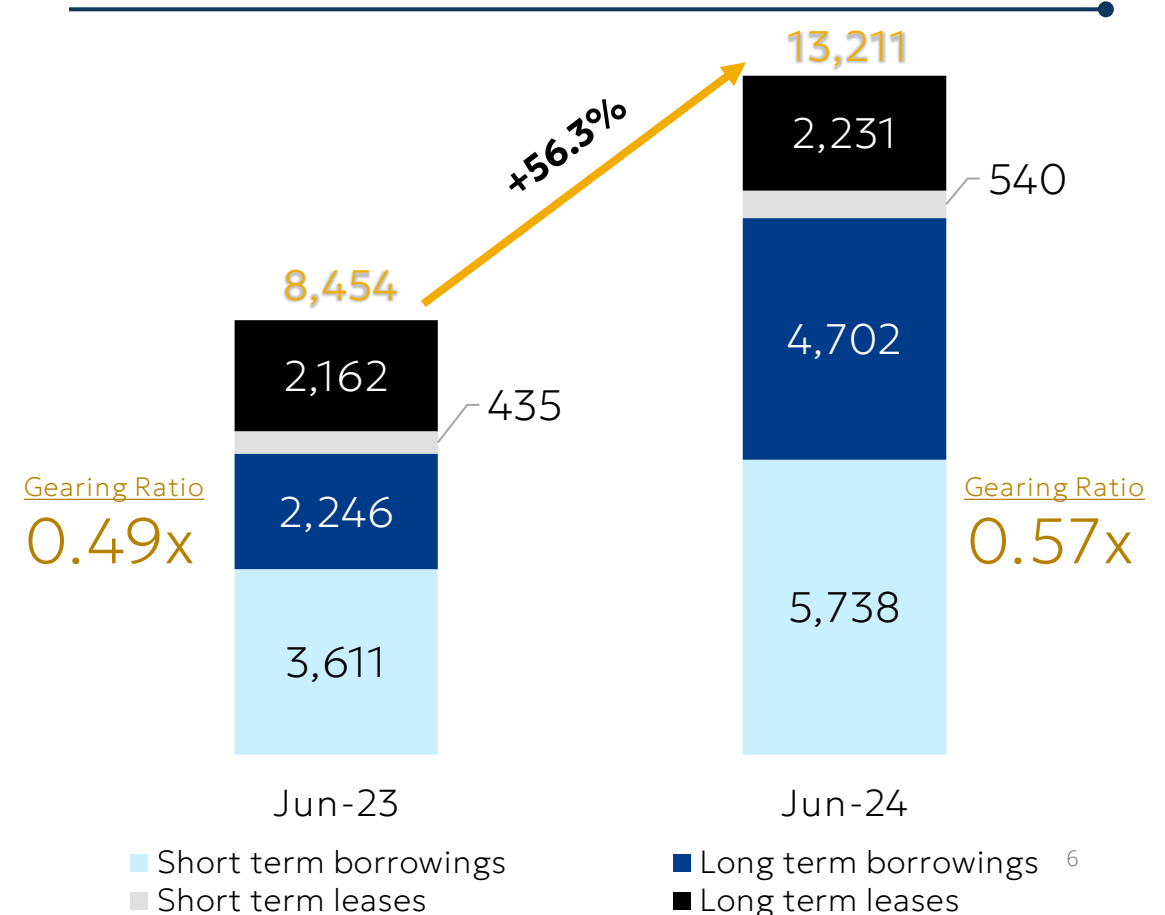
1 Diversified Geographical Revenue

2 Healthy Gearing Position

“
Revenue by geography is well-balanced between Australasia, China and Malaysia post UMW acquisition.
 ”



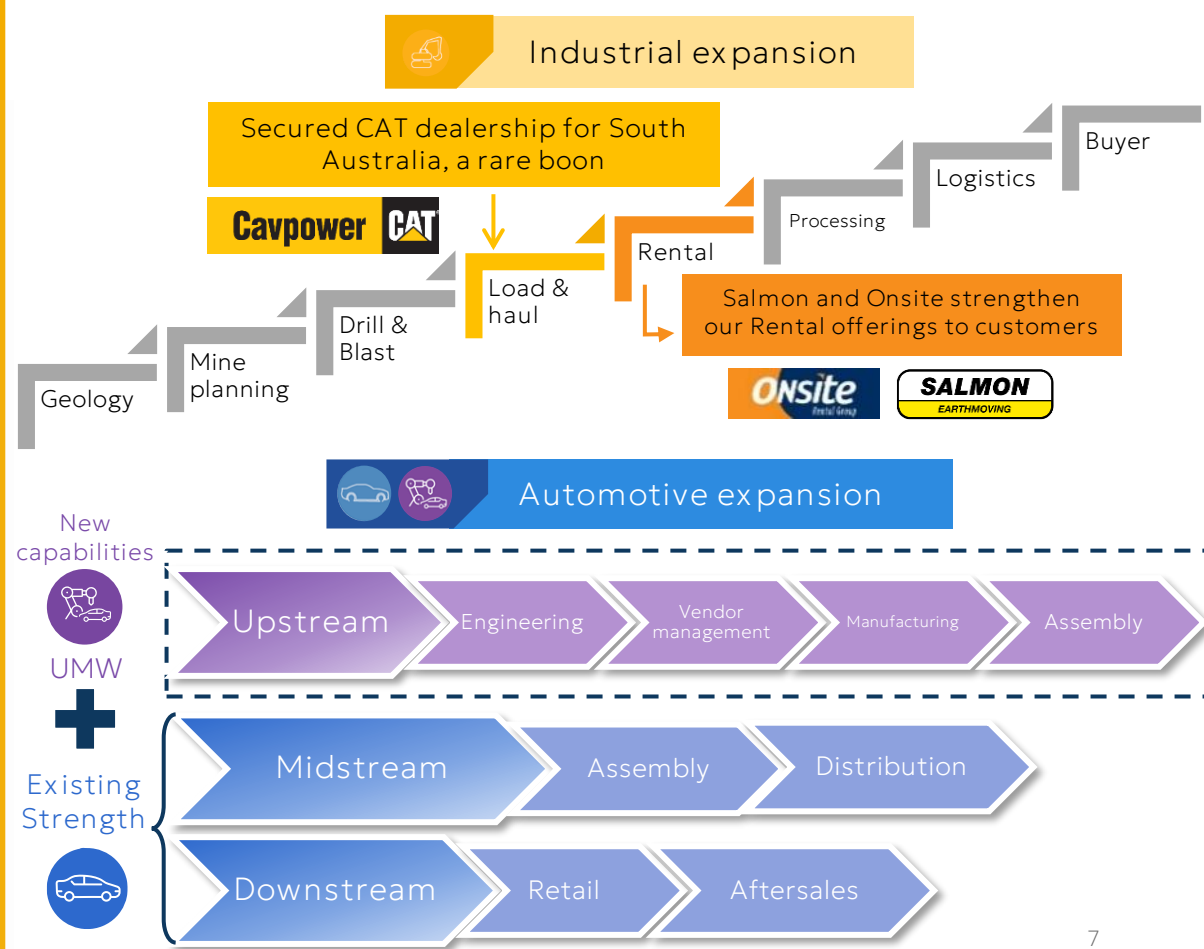
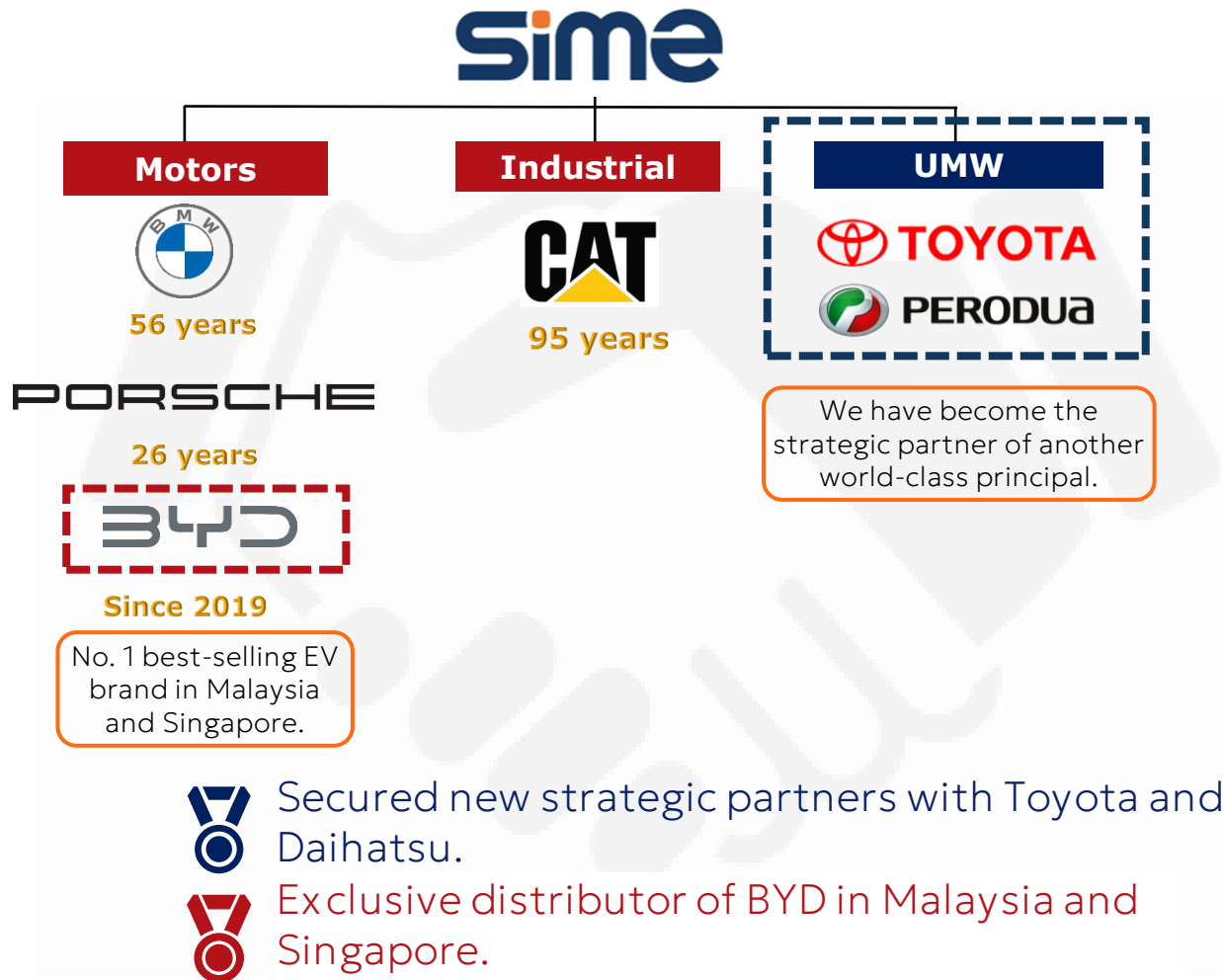
Following the acquisitions, our gearing has increased to 0.57x but remains manageable.



How Sime Darby Has Evolved (2/ 2)

We have secured a new partner in Toyota and extended our presence across the value chain

3 Secured a New Strategic Partner 4 Built up new capabilities



Operations overview

Our business is in retail & aftersales for industrial equipment & motors; we also acquired new capabilities with UMW acquisition




95 years Industrial



Equipment sales & after-sales services

14 countries & territories

Supply to mining & construction sectors, among others

One of the largest CAT dealers globally

95 years experience with CAT

56 years Motors **26 years** PORSCHE


Retail, distribution, rental & assembly


10 markets with over 200 branches

More than 30 brands from mass-market to luxury

One of the largest BMW dealers globally

56 years experience





TOYOTA UMW **PERODUA**

Secured a new strategic partnership with world-class brands such as Toyota and Perodua

Major shareholding (38%) in Perodua, Malaysia's national car

Automotive, equipment, manufacturing & engineering, and aerospace

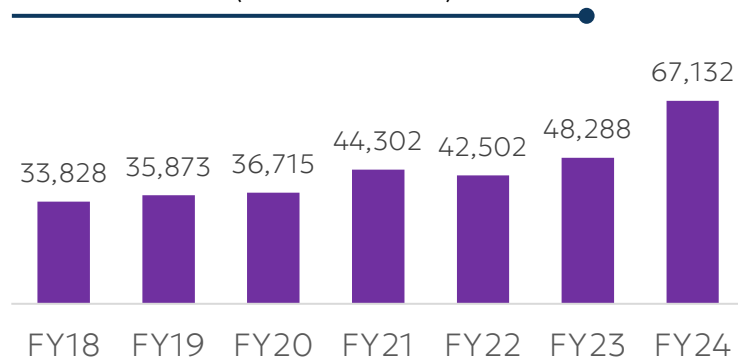
Regional presence in 5 countries

Malaysian automotive market share of >50%

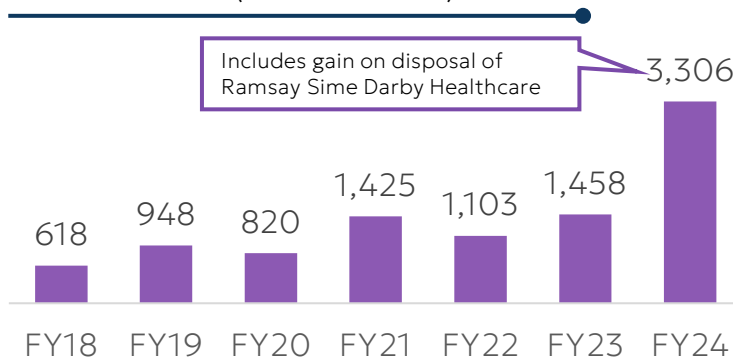
Sime: Financial Performance (FY2018-FY2024)

We have more than doubled our revenue and profits and have paid out sustainable dividends

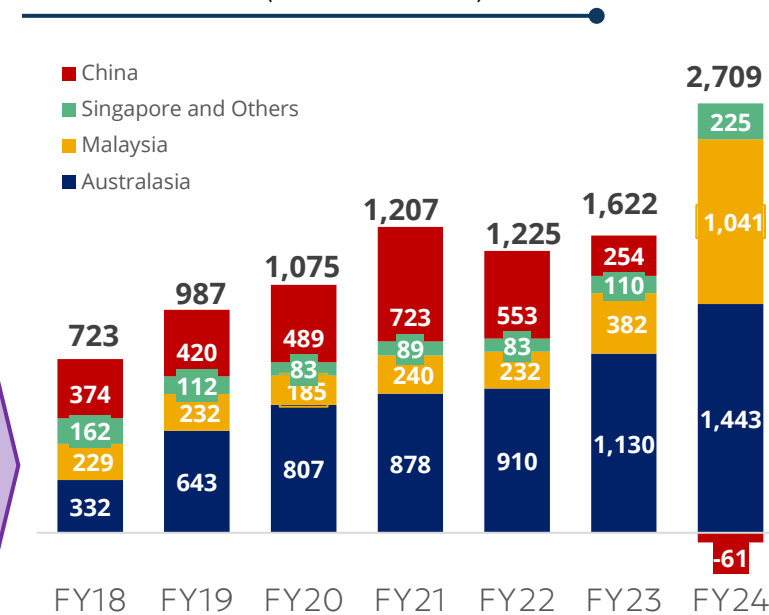
Revenue* (RM million)



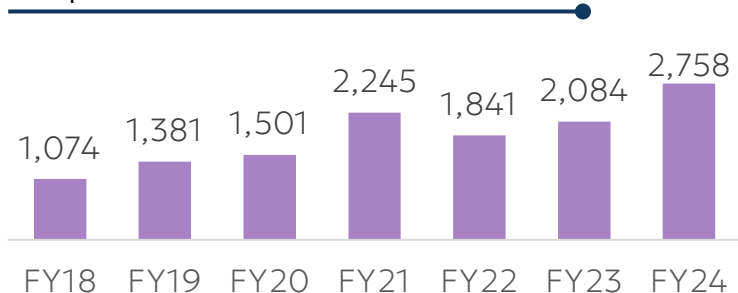
Net Profit (RM million)



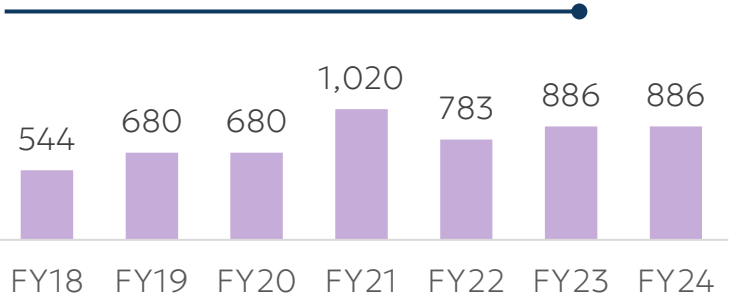
Core PBIT* (RM million)



Reported PBIT* (RM million)



Dividends Paid (RM million)



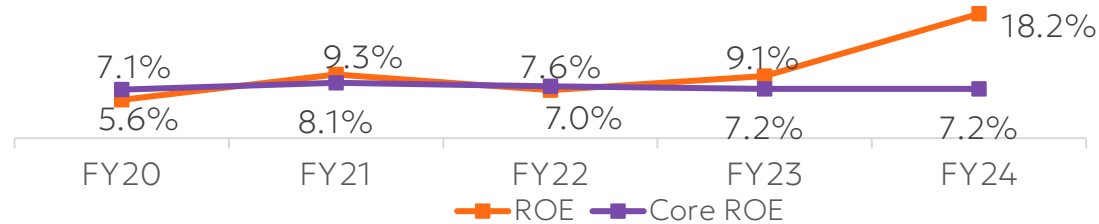
Our earnings are largely driven by Australia & Malaysia regions; with a “free option” on the China recovery.

* From continuing operations

ROE & Dividend Yield

Our roadmap to achieving 11% ROE and improving our Dividend Yield

A Historical ROE performance

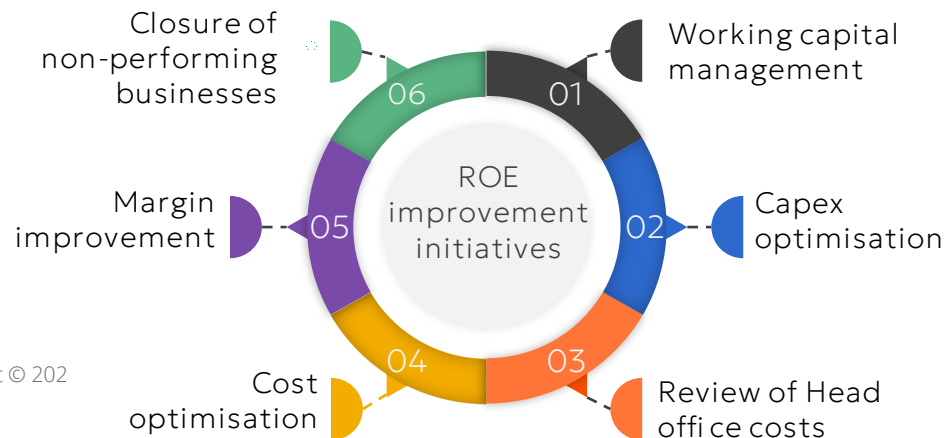


We achieved an ROE of 7.2% in FY2024, which was impacted by:

- China's economic slowdown 🇨🇳
- Large investments in Australia with goodwill (Cavpower and Onsite)
- High interest rates impacting our returns

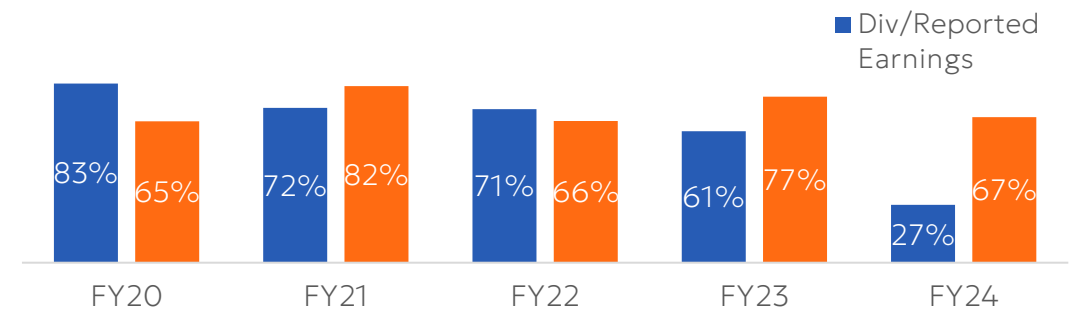
Our Plan Forward for ROE

ROE target of 11% ➔ Disciplined roadmap to achieve this target ➔ Which will provide sustainable dividend yields



B Historical dividend payout ratio

Historical Payout Trend: Consistently between 60%–80% (FY2019-FY2023)
We have consistently paid above 50% based on Core Net Profit



Group Dividend Policy

In FY2024, the payout ratio was 27% due to the Capital Allocation exercise.

- Proceeds from Healthcare divestment reallocated into UMW, strengthening our position with the top automotive brands in Malaysia.

1 Maintain our Dividend Payout Ratio of at least 50% of Earnings.

2 Explore special dividends after every non-core asset disposals.

Sime Darby is a proxy to the remarkable growth of Asia Pacific

Our businesses have exposure to high-value segments across Asia Pacific



Operating in Asia Pacific, a dynamic growth region

Asia is the **fastest growing** and most dynamic region in the world.

Asia Pacific is expected to account for nearly **60% of global GDP growth in 2024** (HSBC, 2024).



Leading Malaysia's automotive sector

With UMW, we have the **largest market share** in Malaysia automotive.

Malaysia's 2025 GDP growth forecast is **5.2%** (HSBC Global Research, 2025). This is likely to **boost consumer purchasing power**, driving demand for vehicles.



Exposure to strong demand for commodities

As a **resource-rich nation**, Australia holds many of the critical minerals needed to support the **threefold growth** of the global energy transition.

As a leading exporter of **high-grade met coal**, Australia will benefit from rising global seaborne demand, which is projected to grow from **295 Mt in 2019 to 365 Mt by 2030**.



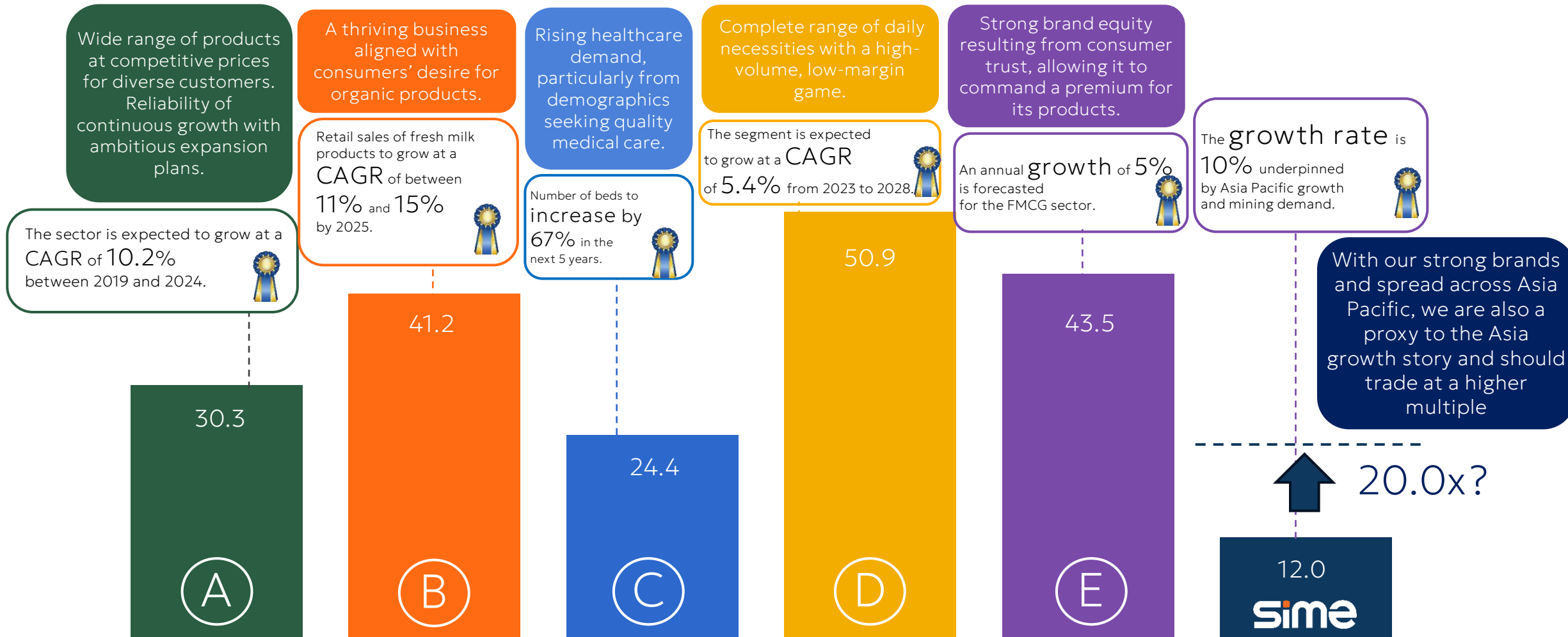
Luxury Market Growth driving demand for luxury vehicles

Massive intergenerational wealth transfer is expected to further drive this.

The global luxury market is set to **hit US\$606 bn by 2030, up from US\$162 billion with a 6% growth** (PwC, 2024)

Riding on the Asia Consumption Story

We should trade at a similar multiples to other Asia Pacific consumption stocks



Sustainability At Sime

In FY2024, Sime charted significant progress in meeting our sustainability targets

Net Zero

1. Committed to Net Zero Carbon Emissions by 2050.
2. Address climate change through comprehensive effort across our entire value chain.
3. 50% stake in Mine Energy Solutions (Australia) with its advance dual-fuel technology to reduce emissions.

Environment

1. Increasing our solar capacity to 7.1GWh and avoiding ~3,900 tCO₂-e emissions.
2. Increased green energy adoption in China, Malaysia, Singapore and Australia operations.
3. Achieved 50% recycling rates across various sites in Motors & Industrial divisions.

Social

1. Deployed the Driving Our Achievements (DA) Performance Management Framework to develop a high-performance culture.
2. Led initiatives through Yayasan Sime Darby in Malaysia and local NGO partnerships across international markets.

Governance

1. Implemented the Responsible Sourcing Policy to uphold ethical and environmental standards throughout our supply chains.
2. Enhanced Scope 3 reporting & recalculated baseline emissions in light of new acquisitions.

SUSTAINABILITY BLUEPRINT

Target 1

30% Reduction of Emissions by 2030 from 2020 levels (Scope 1 & 2 only)

23,000

Tonnes of CO₂-eq avoided in FY2024.
Additional 56,000 tonnes required to meet FY30 target

Target 2

Minimum RM250 million investments in ESG innovation by 2025

60%

Achieved with RM150 million spent on ESG investments

Target 3

>50% products in our portfolio by 2025 are more energy efficient than the 2020 product portfolio

>70%

Group's products are more efficient for both Motors and Industrial Divisions

Executive Leadership

Qualified & Experienced Management Team



DATO' JEFFRI SALIM
DAVIDSON

Group Chief Executive Officer



MUHAMMAD NOOR ABD
AZIZ

Group Chief Financial Officer



DEAN MEHMET

Managing Director,
Industrial Division



ANDREW BASHAM

Managing Director,
Motors Division



DATO' MUSTAMIR MOHAMAD

Managing Director,
UMW Division



MEGAT SHAHRUL AZMIR

Group Chief
Corporate Services Officer



ALICIA O'DONOGHUE

Group Chief
Strategy Officer



ROSELAINI FAIZ

Group Chief
Human Resource Officer



DENY RAHARDJO

Group Chief
Information & Digital Officer



JUNAIDAH ABDUL RAHIM

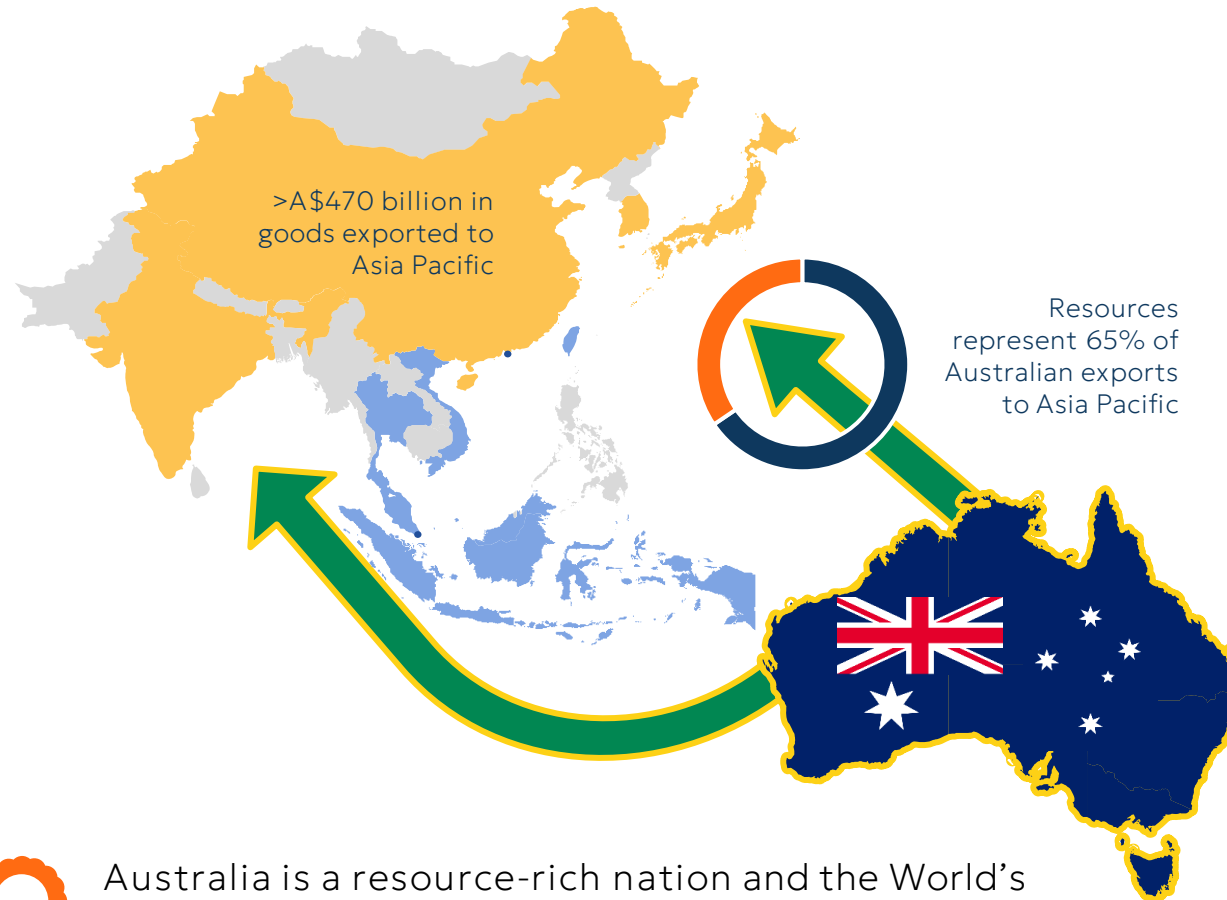
Group Secretary



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Section 2 Continuous demand for Commodities
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Deep Intrinsic Value

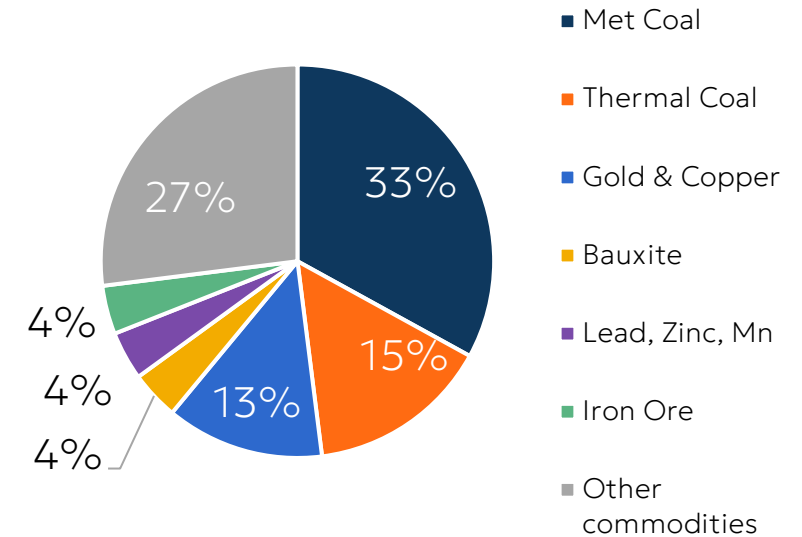
The Strategic Role Of Australia In Asia Pacific

Australia is strategically positioned to supply the critical resources required for Asia Pacific's growth



Australia is a resource-rich nation and the World's leading exporter of iron ore, coal, bauxite, and the third-largest exporter of copper.

Industrial's Resources Revenue by Commodity (FY24)

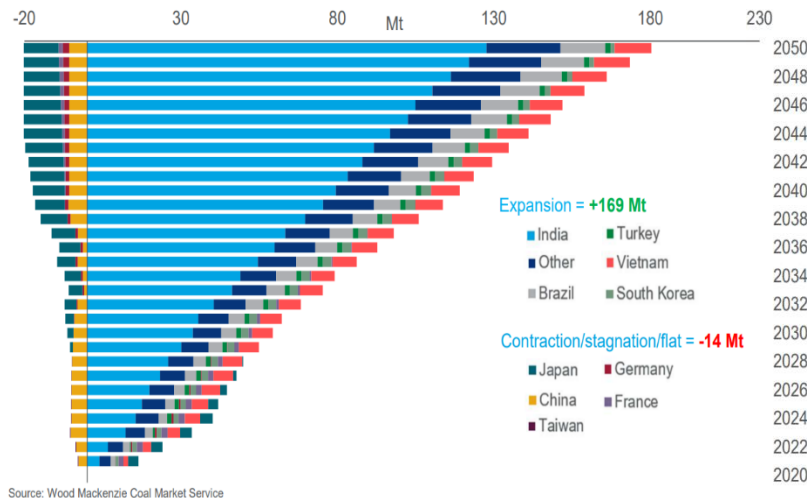


We continue to diversify our exposure, with the expansion into Iron Ore and Copper through our strategic acquisitions of Onsite and Cavpower.

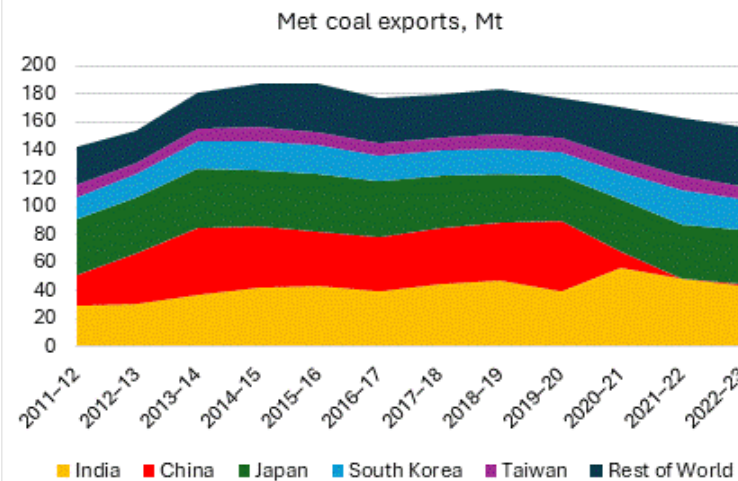
Long & Sustainable Demand For Australian Met Coal

With growth in met coal, we are positioned to capitalise on increased demand for equipment, parts, and services

A. Strong Demand for Met Coal



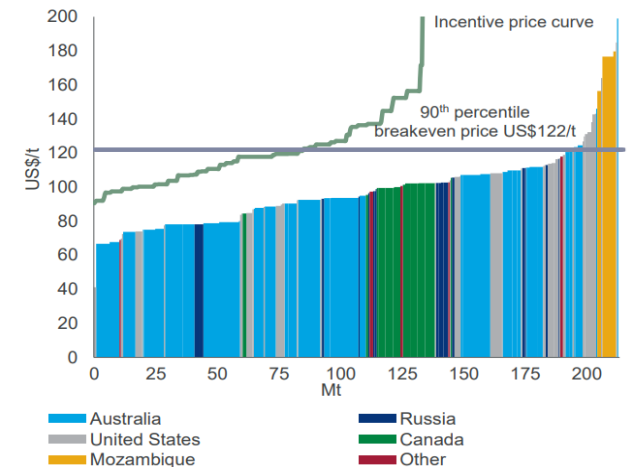
B. Diversified Customer Base for Commodities



In response to reduced Chinese demand, Australia has strategically expanded its market to other countries such as India, Japan, South Korea and Taiwan over the years.

C. Lowest Cost Producer Ensures Longevity

HCC breakeven and incentive price curves



Australia's Met Coal producers are at the lower end of the price breakeven curve.

This positions Australia, as a low-cost producer ensuring a long-term runway for equipment demand.

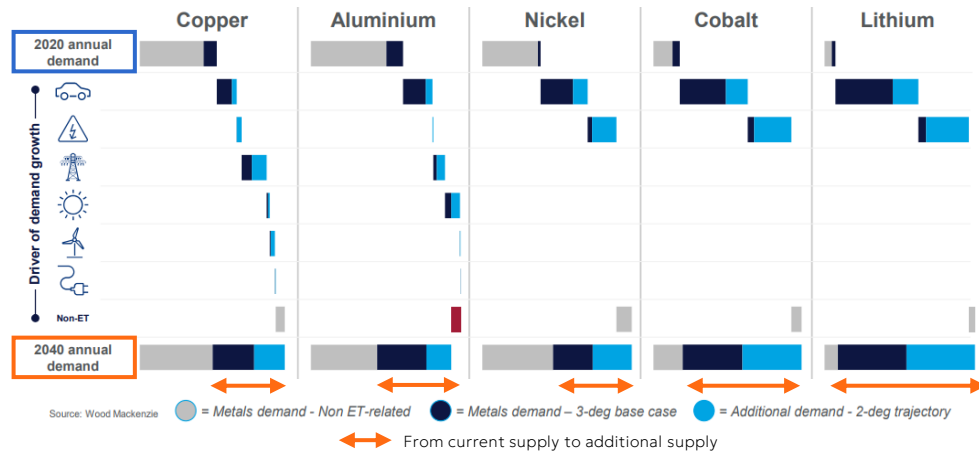
Globally, demand for met coal is expected to increase by 155 Mt by 2050.

India will be a primary driver of this demand with the nation's met coal imports to largely be met by Australia.

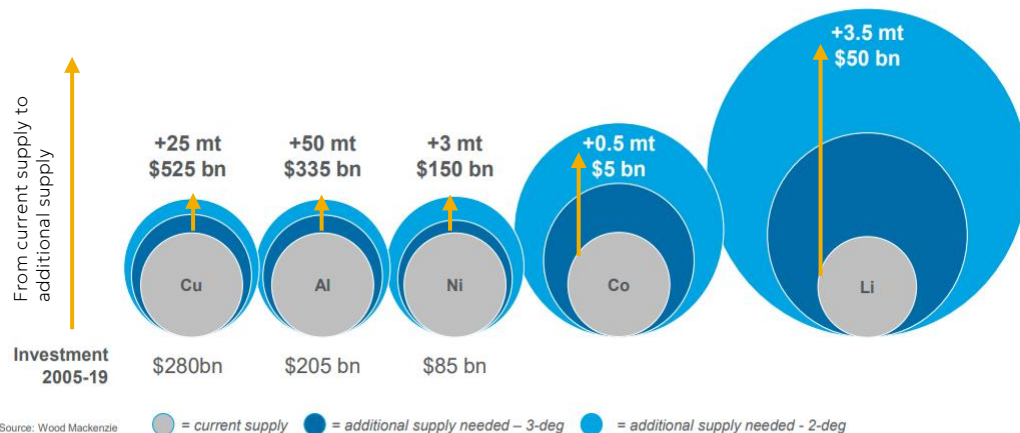
Energy Transition Will Further Drive Growth

Sime's exposure to Australia's critical minerals positions us to be an indispensable part of the net zero global economy

A. Intensifying Demand for Metals from the Energy Transition



B. Projected investment by 2035



Energy Transition requires even more intense demand for metals and minerals

- Electric vehicles.
- Renewables such as solar cells, wind turbines and geothermal power plants.



Between 2022-2050, the energy transition is estimated to require 6.5 billion tonnes of end-use materials renewables.



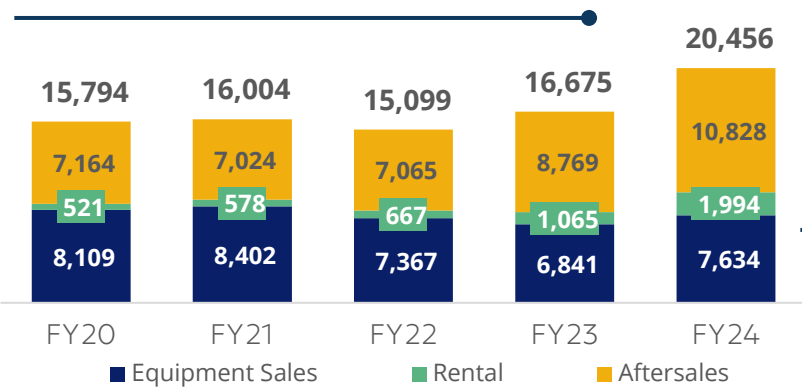
Supplying the metal to support the shift from the base case 3 degrees to a 2-degree trajectory requires ~\$1 trillion of investment by 2035.

Our Diversified Portfolio In Australia Provides Resilience To Our Earnings

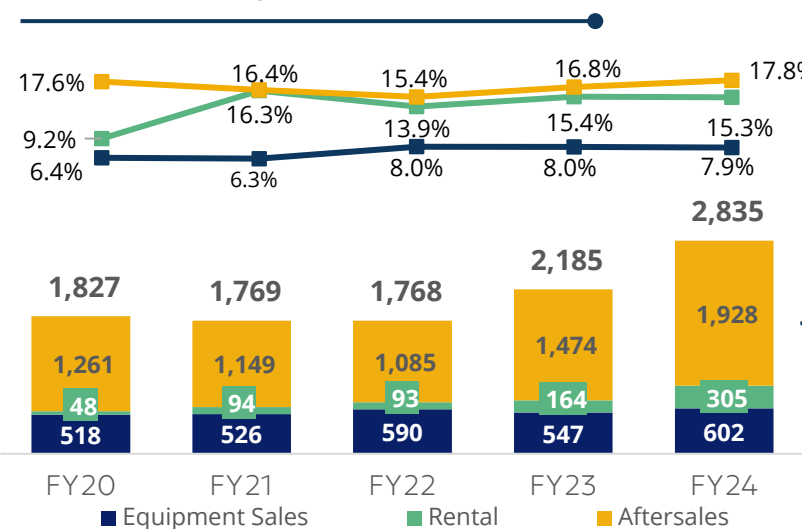
Sustained Growth Driven by High-Margin After-Sales and Strategic Acquisitions in Key Markets

1. High margin after-sales business continue to boost our earnings

Revenue (RM million)



PADE and Margins (RM million)



After-sales
After-sales services generate consistent and high-margin profits of 16-17% as customers return for maintenance and support

2. Our acquisitions position us at the forefront of Energy Transition



Onsite
(April 2023)
RM1.9 billion

Strategic rationale:

- Expansion into Western Australia (iron ore)
- 2nd largest B2B rental services in Australia
- Unrestricted operations across regions
- Drive revenue for customers who prefer asset-rental to maintain off-balance sheet




Cavpower
(Nov 2023)
RM1.5 billion

Strategic rationale:

- Expansion into South Australia (copper and battery minerals)
- Consistently ranks in the top two performing CAT dealerships across Asia Pacific*
- Service infrastructure boom in Southern Australia ~A\$25.6 bn projected investment

i. Aftersales includes Engineering Services

*Caterpillar Dealer Scorecard



Overview Of The New Sime
Continuous demand for Commodities
Section 3 Long-term bullish on China
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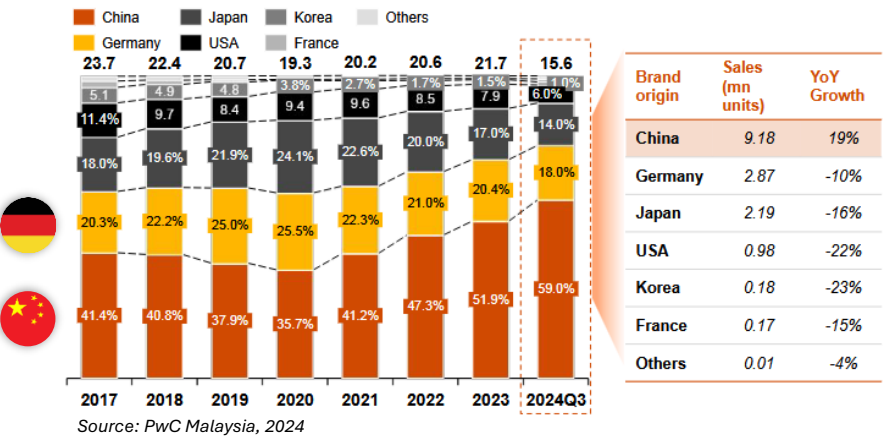
Economic Headwinds In Our Key Markets

Sime faces challenges in our key markets, but our broad brand portfolio gives us flexibility

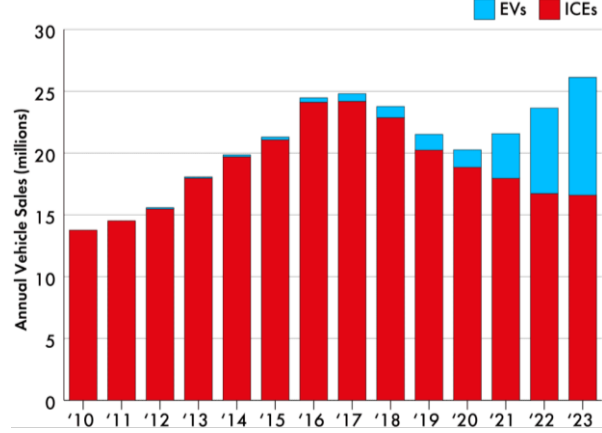
A China Brands Have Overtaken Western Brands

And consumers are buying more EVs and fewer ICEs

China Passenger Vehicle Retail Sales Volumes By Brand Origin (mn units)

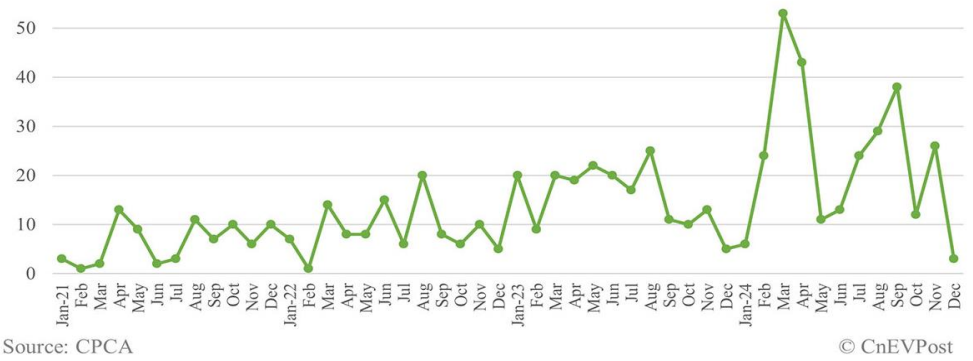


EV vs ICE Sales in China



To compete for market share OEMs are engaging in intense price discounting

Number Of Models With Price Cuts In China's Auto Market



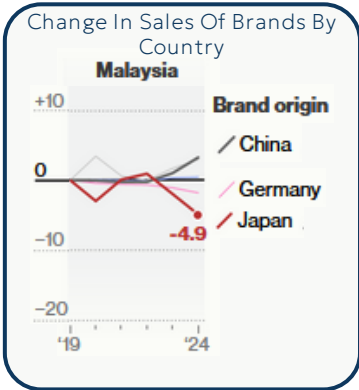
Source: CPCA

© CnEVPost

B



In Malaysia, Chinese brands are rising in popularity



Most Popular Car Brands In Malaysia

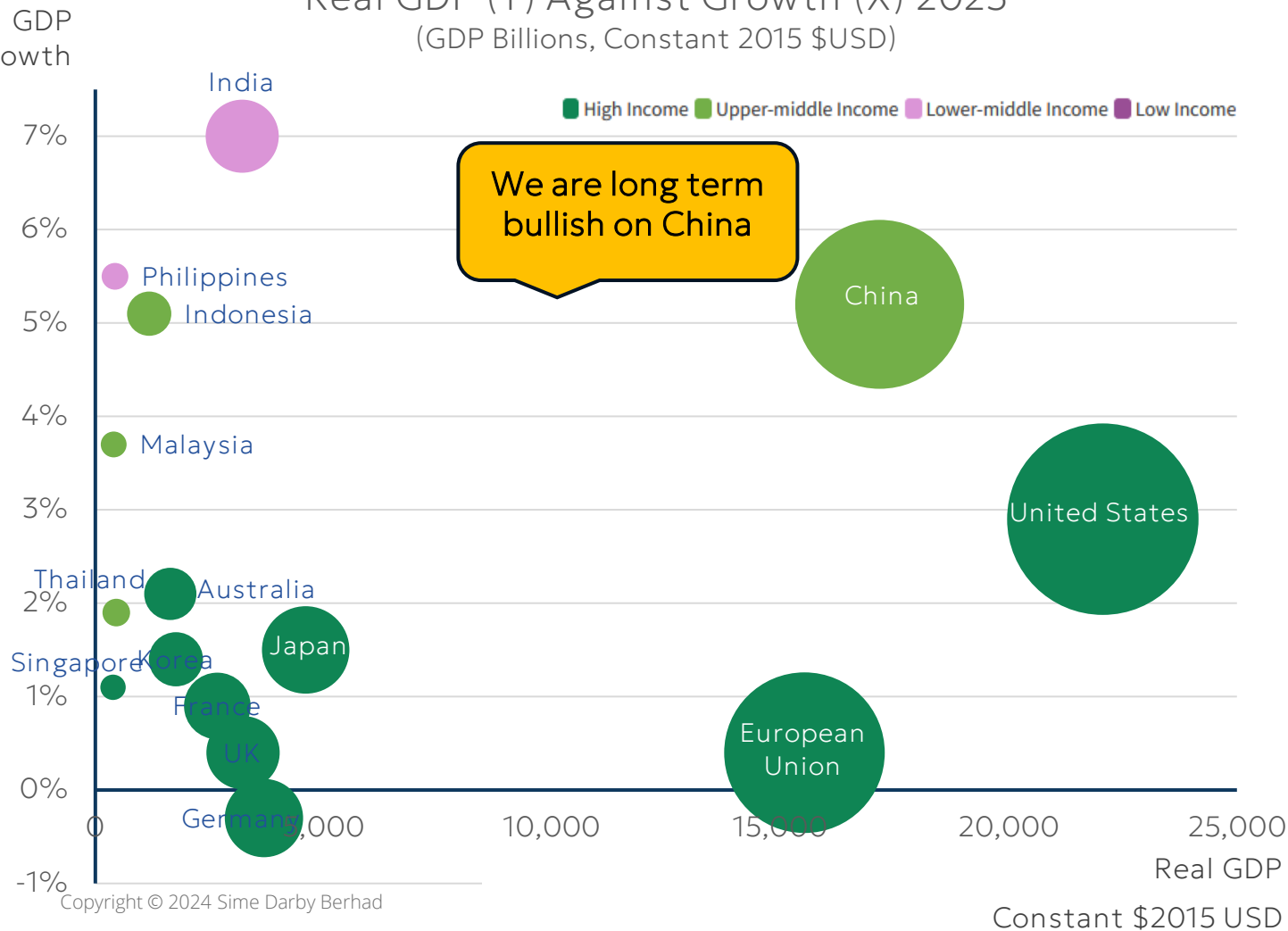
2023		11M2024	
Brand	Unit sold	Brand	Unit sold
1. Perodua	330,325	1. Perodua	325,900
2. Proton	150,975	2. Proton	134,099
3. Toyota	106,206	3. Toyota	88,017
4. Honda	80,027	4. Honda	72,245
5. Mitsubishi	23,177	5. Chery	16,655
6. Mazda	19,124	6. Mitsubishi	15,439
7. Isuzu	16,908	7. Mazda	13,510
8. BMW	11,973	8. Isuzu	11,912
9. Nissan	10,000	9. BMW	9,321
10. Mercedes Benz	9,315	10. BYD	7,278

Source: Malaysian Automotive Association, 2024

China Is The Fastest-Growing Large Economy

Despite the slowdown, China is still growing at a strong 5% rate

Real GDP (Y) Against Growth (X) 2023
(GDP Billions, Constant 2015 \$USD)



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China Growth Drivers

- Market-oriented Government Policies**
 China initiated economic reforms such as tax incentives to encourage FDI and technology.
- Largest Consumer Market**
 China is largest consumer economy today in purchasing power parity terms.
- Leader In New Technologies**
 China is a world-leader in many future technologies (renewables, EV, battery, semiconductors, gen AI)
- Large-scale Urbanisation**
 Rapid urbanisation provided abundant labour and a growing middle class which fuelled consumer demand.
- Strong Entrepreneurial Spirit**
 Mass entrepreneurship and innovation made China the world's second-largest producer of "unicorns".

Strong Government Support For The Economy

China's government has implemented a variety of measures to help shore up the economy

Government support for the economy to drive demand

In November, China announced a USD1.4 trillion stimulus package over 5 years to spur consumer demand. In December, China announced further plans to increase the budget deficit and cut interest rates

A

Infrastructure investment - to create jobs and stimulate domestic consumption.

B

Support for the real estate sector - to stabilise property prices.

C

Consumer spending incentives - to boost retail sales.

D

Lower interest rates and tax relief - to improve liquidity.

E

Financial aid for struggling enterprises.

F

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

China's Property Market Sees A Recovery

A glimmer of hope

China, residential-property sales volume
% change on a year earlier



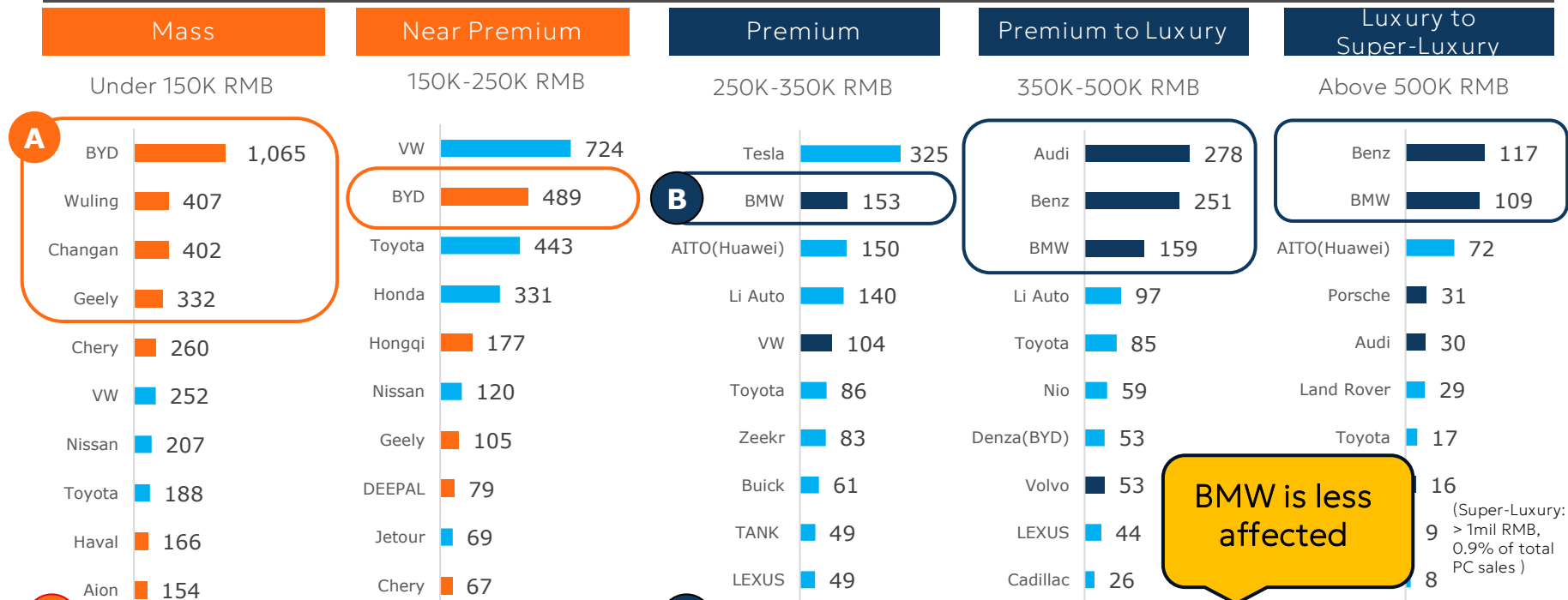
Sources: National Bureau of Statistics; Haver Analytics

Sales of new residential properties rose in November, the first net increase in over three years excluding a brief post-covid surge in 2023.

China Entrants are mainly playing in the Mass Market Segment

Mass brands crushed by local champion (BYD), BBA are contested by Tesla/premium NEV players but are somewhat insulated

Jan – July 2024 China Sales volume by all fuel type only (units, thousands)



A Mass/ Near Premium Market Segment Being taken over by local champions (BYD, Wuling)

B Premium Segment: Perennially stable market share of BBA, is contested by premium NEV brands (Tesla, Aito, Li, Nio, Denza)

BMW is less affected

BMW Neue Klasse

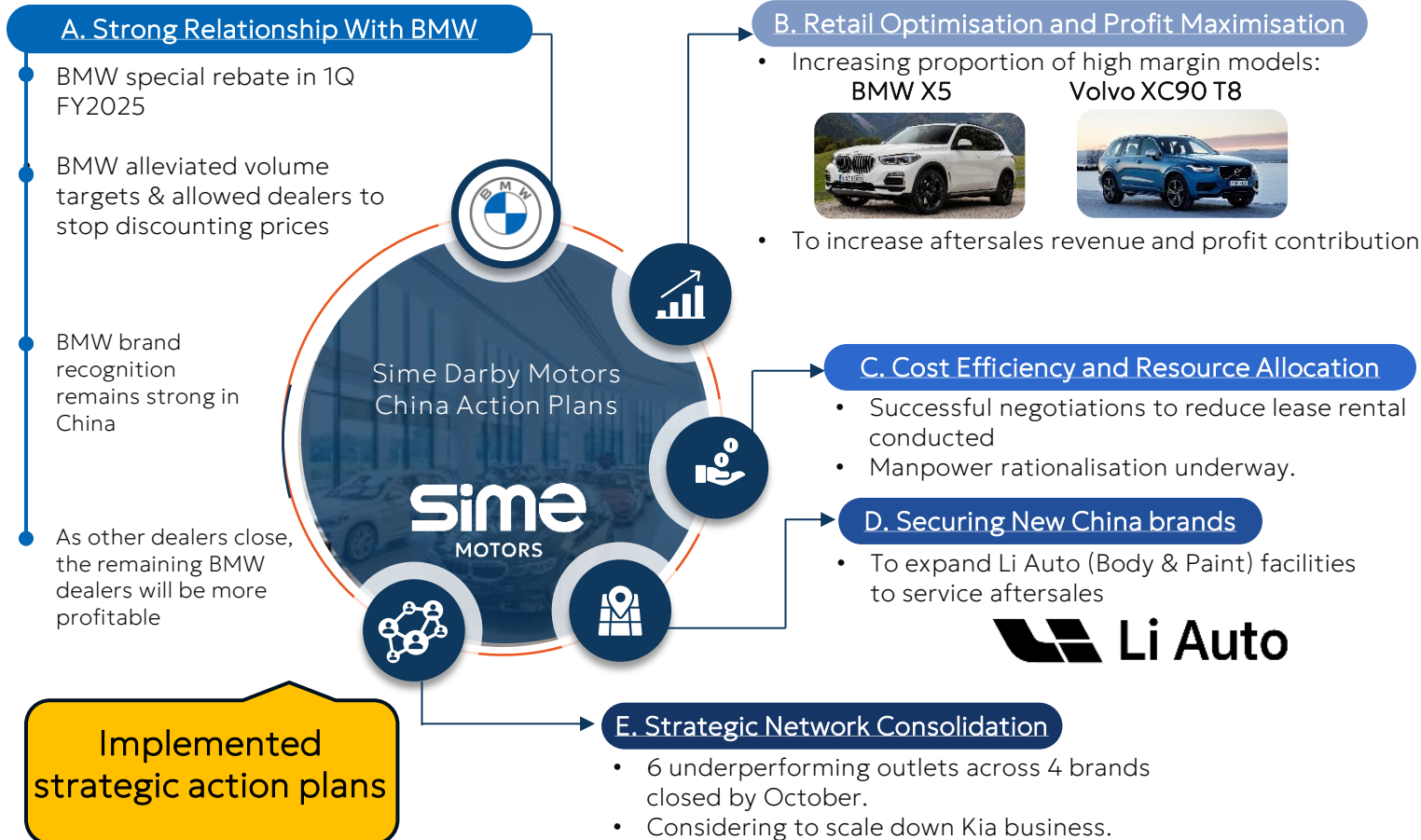


“BMW Design Shanghai is already working on special designs and functions for China-specific models of the New Class”
- CEO Oliver Zipse

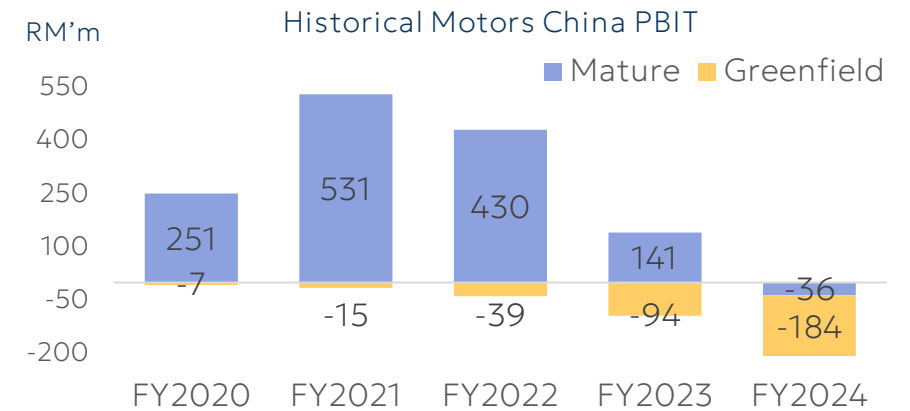
BMW is still an aspirational brand for the Chinese consumer & The Neue Klasse is localised in BMW’s ‘China-for-China’ strategy

Sime Is Improving Our China Business

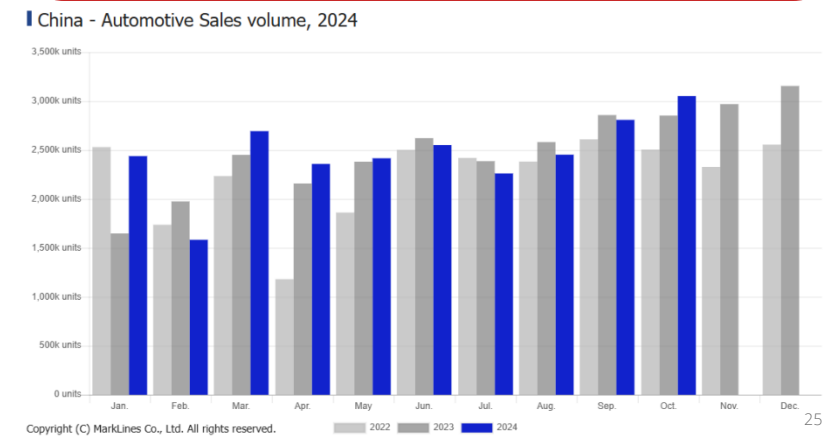
Our action plans to improve our China earnings is well underway, so that as the economy recovers, we are in the best position to bounce back




Our Mature Dealerships have been historically very profitable



China's Automotive TIV volumes have increased throughout 2024





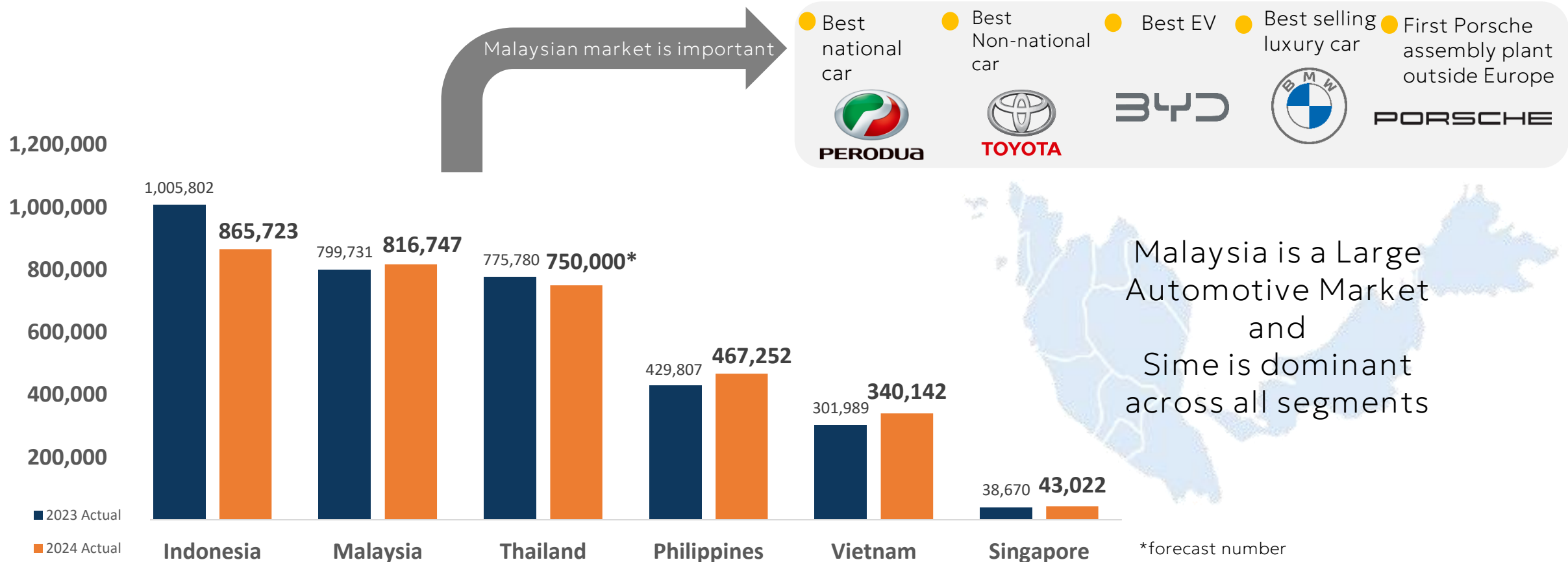
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Section 4 Malaysian Automotive Leader
Deep Intrinsic Value

Malaysia: One of ASEAN's Most Important Automotive Markets

Another Record-Breaking Year For Malaysia TIV In 2024

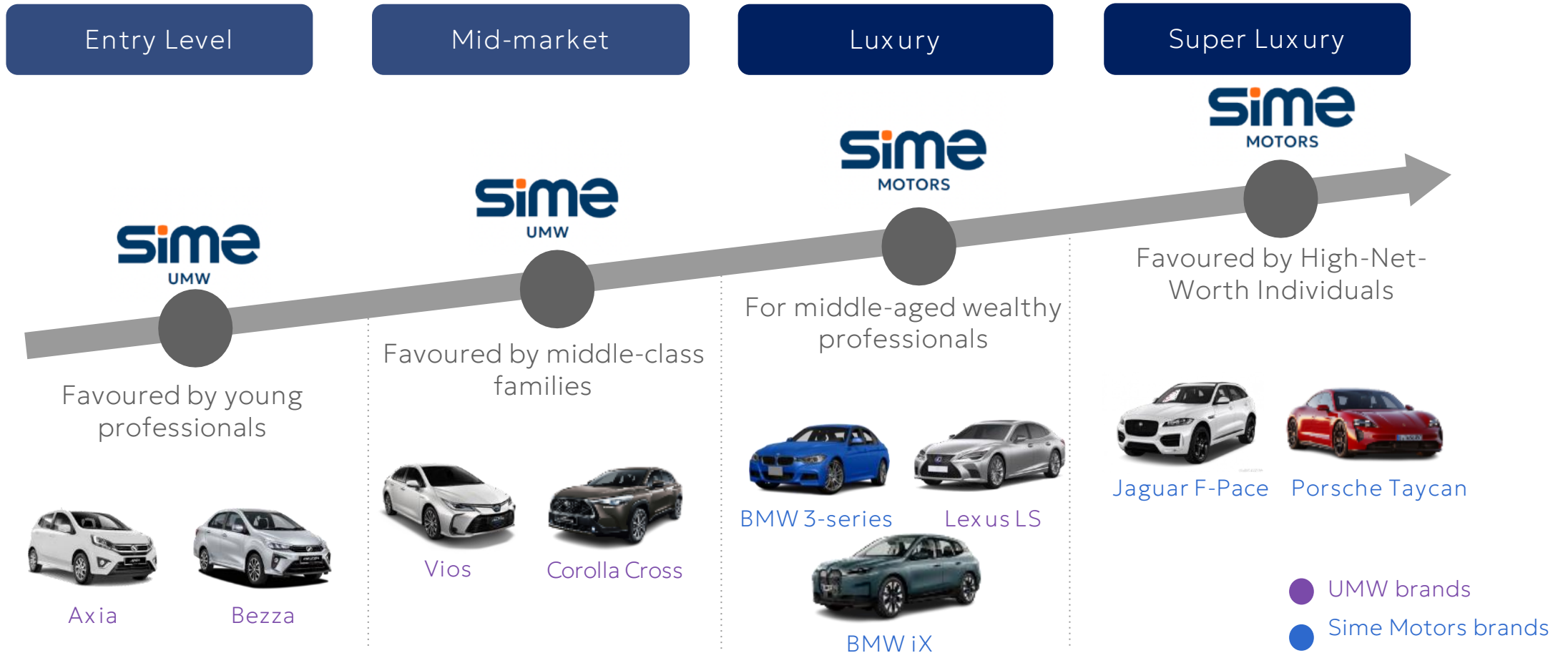
For two consecutive years, Malaysia has surpassed Thailand to be the second largest automotive market in ASEAN with Sime Darby controlling 60% of market share.



The automotive industry is one of the most supported industries in Malaysia, propelling its remarkable growth.

Sime: A Malaysian Automotive Leader

We control the full spectrum of segments from entry level to mass and premium to luxury with brands such as Perodua, Toyota, BMW & Porsche



● Sime Darby's 60% market share ensures we connect with Malaysian car owners at every stage of their automotive experience

Sime: Dominance in the Mass Market Segment

Perodua & Toyota ensure a strong & continuous sales pipeline due to price positioning



Toyota Is Resilient Towards China Brands

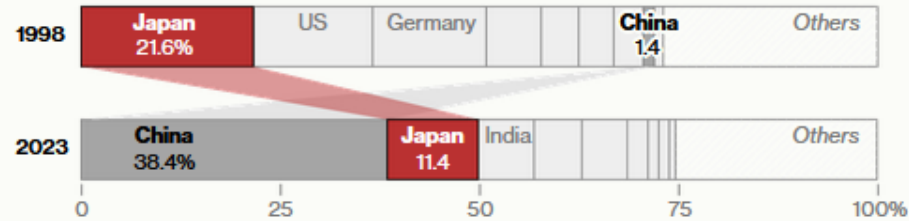
Toyota is the best Japanese auto brand, and is holding up strongly against new China entrants due to its reliability, manufacturing capabilities, and hybrid offerings

China OEMs are beating incumbent Japanese brands across our key markets

Toyota is able to outcompete Chinese cars for now, and we have a strong and new partnership with them

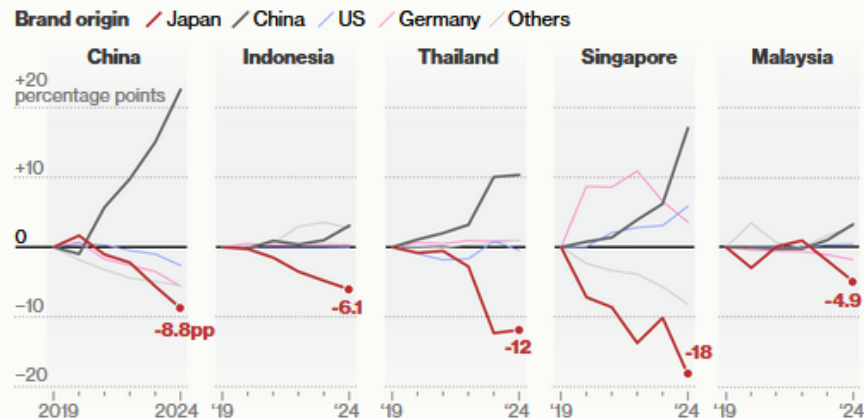
From Made in Japan to Made in China

Share of global passenger car production



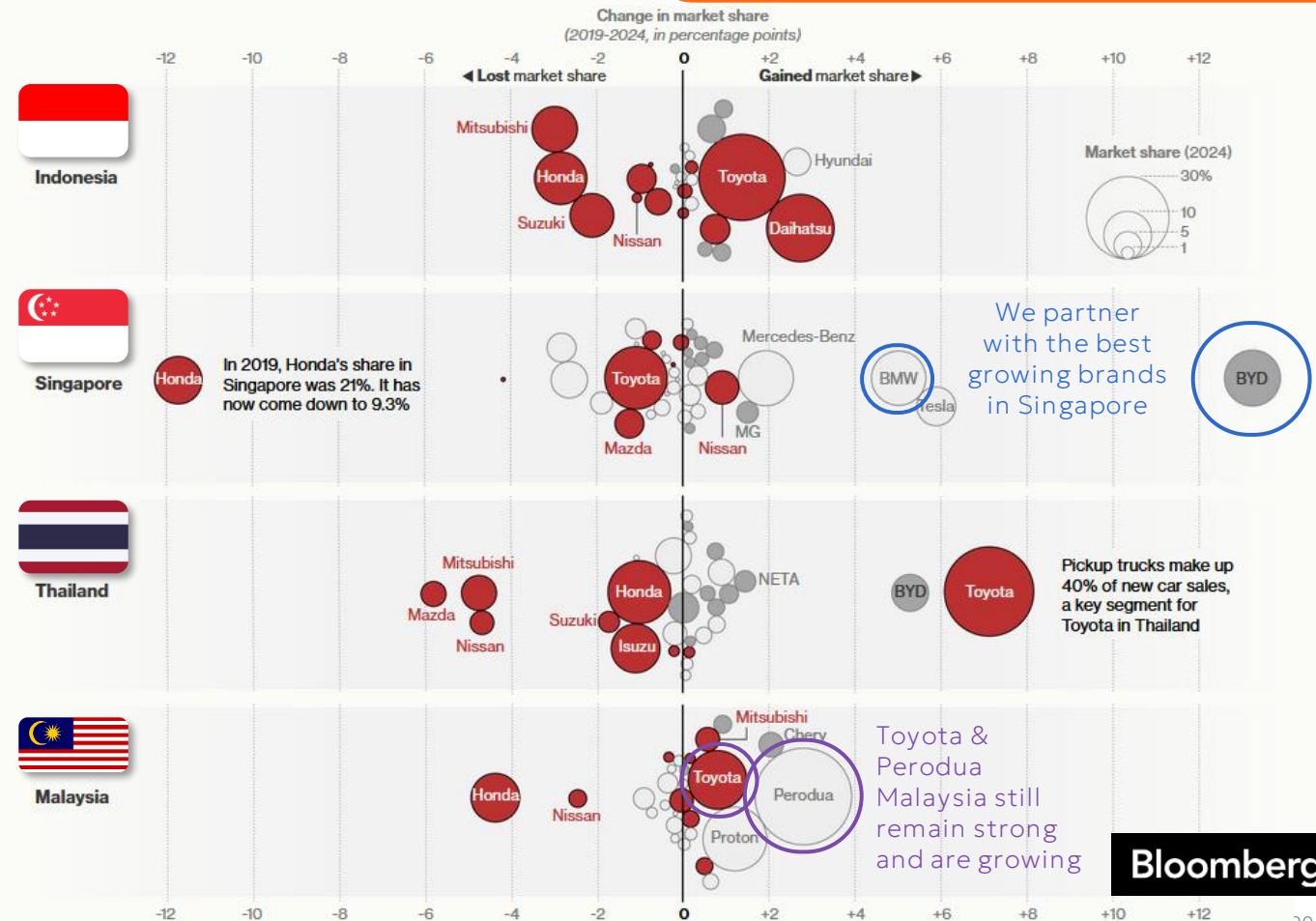
Japanese Carmakers Are Losing Out

Market shares are declining across the board



Toyota Holds On
Manufacturing muscle gives the world's no. 1 automaker an edge

Brand origin ● Japan ● China ○ Others



We partner with the best growing brands in Singapore

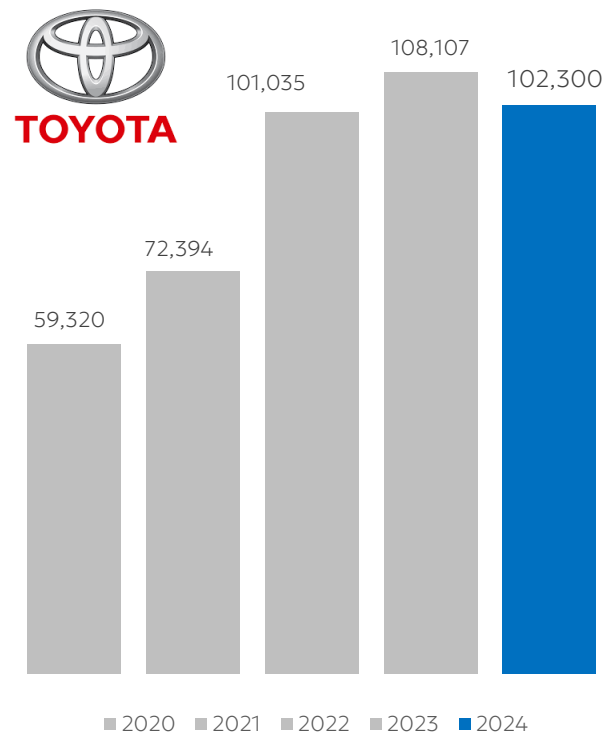
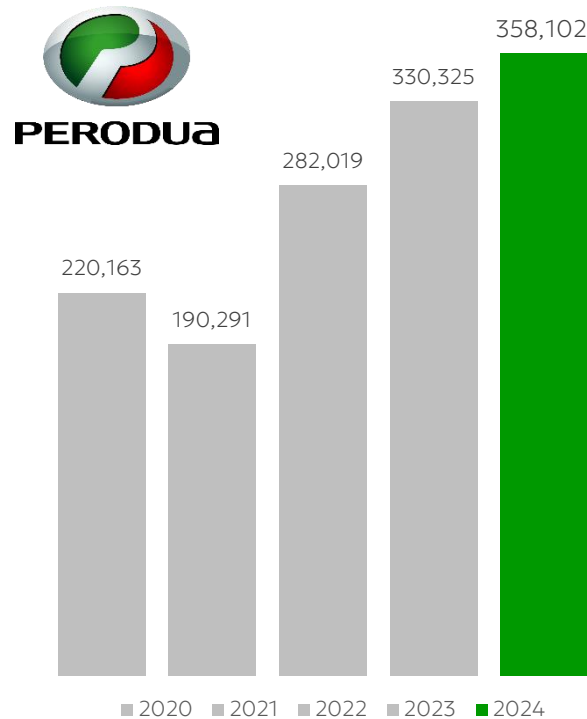
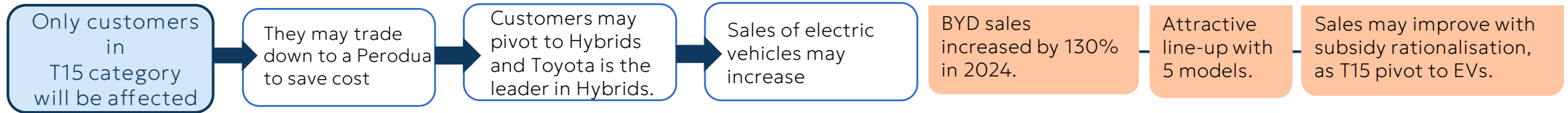
Pickup trucks make up 40% of new car sales, a key segment for Toyota in Thailand

Toyota & Perodua Malaysia still remain strong and are growing



RON95 Subsidy Removal Will Drive Sales

Sime is a key beneficiary of the subsidy removal through Perodua, Toyota and BYD



Perodua to launch its maiden electric vehicle in late 2025

Showcased eMO-II at KLIMS 2024

The EV is set to debut in the final quarter of this year.

Priced between RM50,000 and RM90,000.

It will be the cheapest EV in Malaysia.

Top EV brands in Malaysia in 2024

1.	BYD	8,570
2.	Tesla	5,137
3.	BMW	1,975
4.	MINI	637
5.	Great Wall Motor	615
6.	smart	603
7.	MG	592
8.	Volvo	583
9.	Chery	553
10.	Mercedes-Benz	496
11.	Porsche	405
12.	Xpeng	397

(Data from JPJ)





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Long-term bullish on China
Malaysian Automotive Leader

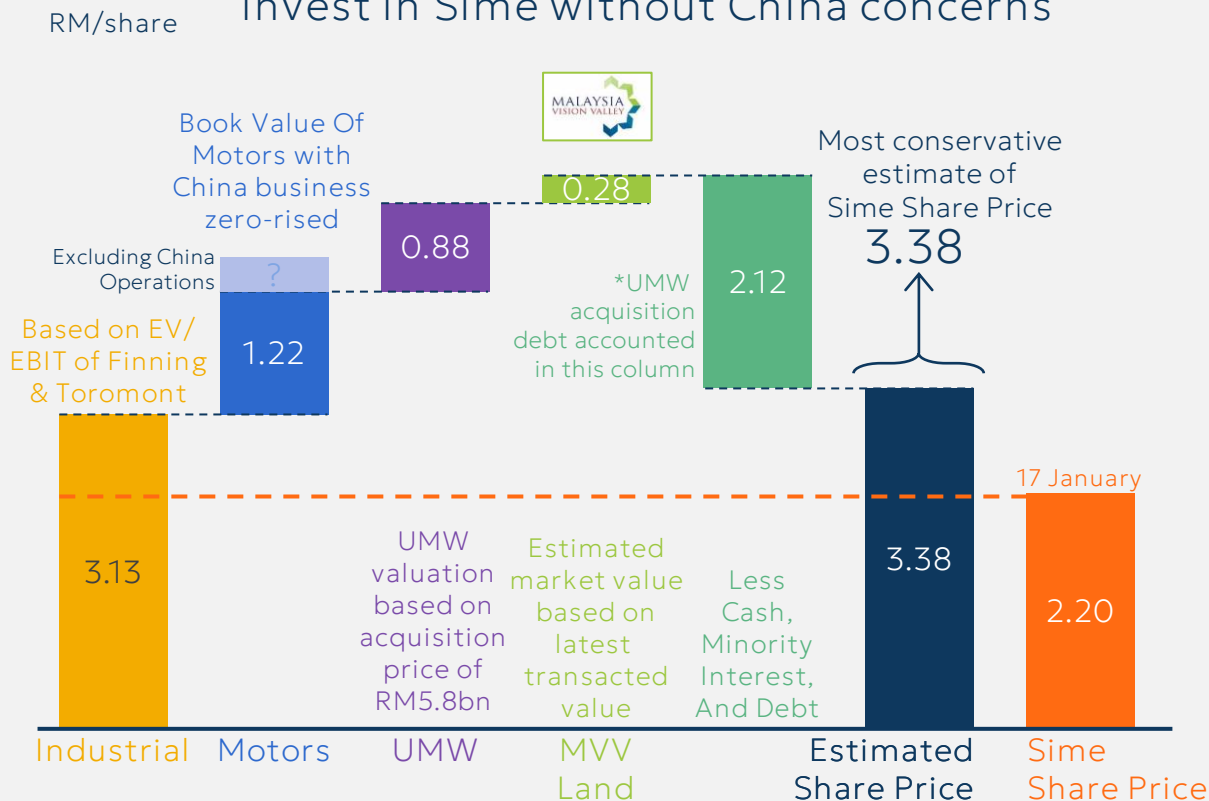
Section 5 Deep Intrinsic Value

Valuation: Sum Of The Parts, Book Value, Dividend Yield

Sime's present share price is deeply undervalued on a book value and sum of the parts basis, taking into consideration the quality and breadth of our businesses

A Sum Of The Parts

Even after zero-rising Motors China, the intrinsic value of Sime is still greater than the current share price; this means that you can confidently invest in Sime without China concerns

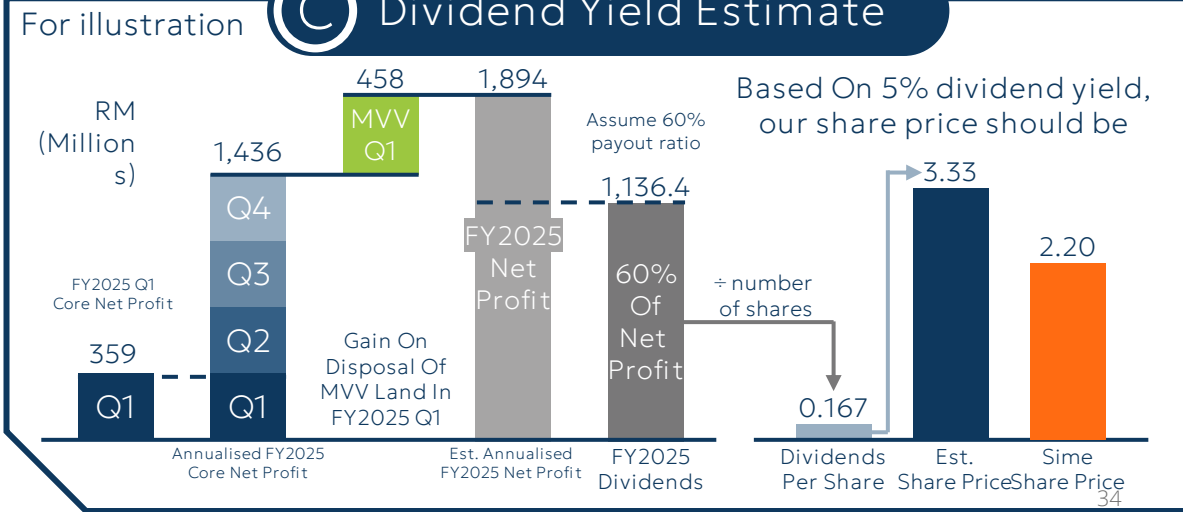


B Book Value Analysis

Sime is trading below Book Value which means we are getting high quality CAT, BMW, Toyota businesses "at cost" price



C Dividend Yield Estimate



In Conclusion

Strategic Growth and Value Proposition

1 Balanced Portfolio

- Sime has evolved with a richer, more balanced portfolio, which is further strengthened by our new strategic partnership with Toyota.

2 Regional Proxy

- Looking at the breadth and quality of our operations, we are a proxy to the fast-growing Asia Pacific region and should benefit from high multiples from the strong growth prospects.

3 Mining Demand

- Mining will continue to grow from infrastructure and Energy Transition demand in the region. Therefore, we believe we have a long and sustainable runway to capitalise on it.

4 China Resilience

- China is still a large & fast-growing economy, supported by the government's stimulus plans. Further, we have initiated actions for business improvements.

5 Perodua Leadership

- Perodua is a strong recurring earnings generator and is the undisputed market leader. The RON95 fuel subsidy removal will create further upside as customer downsize.

6 Deeply Undervalued

- Market has overreacted. Sime holds deep intrinsic value from the breadth of our operations and high-quality brands that we represent. This is a strategic opportunity to gain access to a high-quality portfolio “at cost” and profit from the China rebound.

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Thank You