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## PRESS RELEASE

**For Immediate Release  
Wednesday, 29 May 2019**

### **Sime Darby Berhad Turns in Robust Third Quarter FY2019 Net Profit**

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*NOTE: On 30 November 2017, Sime Darby Berhad successfully completed the distribution and the listings of the company's entire shareholdings in Sime Darby Plantation Berhad and Sime Darby Property Berhad on the Main Market of Bursa Malaysia Securities Berhad. Accordingly, the results of the Plantation and Property businesses have been classified as Discontinued Operations and both Sime Darby Plantation Berhad and Sime Darby Property Berhad have been deconsolidated from Sime Darby Berhad, which is now focused on its Industrial, Motors, Logistics and Healthcare businesses (Continuing Operations).*

*For a like-for-like year-on-year comparison, only the Group's Continuing Operations, namely the Industrial, Motors, Logistics and Healthcare businesses, are relevant.*

PETALING JAYA, 29 May 2019 - Sime Darby Berhad reported a net profit of RM222 million for the third quarter ended 31 March 2019 (Q3 FY2019), a 64.4 per cent increase from the corresponding quarter last financial year. The positive results were largely driven by the Industrial Division's strong performance.

Revenue for Q3 FY2019 was 3.3 per cent higher year-on-year (YoY) at RM8.6 billion, while PBIT surged 47.1 per cent YoY to RM331 million. Excluding one-off gains, impairments and provisions, the Group's core PBIT for the quarter rose 28.1 per cent to RM337 million YoY while its core net profit saw a 32.6 per cent YoY hike to RM228 million.

#### **9M FY2019 Net Profit Up 68 per cent YOY**

For the nine-month period ended 31 March 2019 (9M FY2019), the Group's continuing operations posted a 67.9 per cent increase in net profit to RM764 million, from RM455 million in the same period last financial year (9M FY2018). This was substantially due to the strong performance of the Industrial Division's Australasian operations. Revenue for 9M FY2019 stood at RM26.8 billion, representing a 6.3 per cent increase YoY.

"Our Australian Industrial business has once again provided strong earnings to support the Group, as we continue to benefit from improved trading conditions in the mining and construction sectors in Australia. We expect these improved conditions to continue, as miners increase expenditure for both equipment replacement cycles and expansion," Sime Darby Berhad's Group Chief Executive Officer Dato' Jeffri Salim Davidson said.

#### **9M FY2019 vs 9M FY2018**

In 9M FY2019, the Group benefitted from the upturn in the Australian mining industry, which boosted equipment deliveries and contributed to higher margins from equipment

and parts sales for the Industrial Division. This provided some respite from the headwinds experienced by the Motors Division due to the challenging automotive markets in China and Singapore.

The Industrial Division achieved a 22.3 per cent increase in PBIT YoY in 9M FY2019 at RM575 million. Excluding one-off items, its core PBIT of RM616 million, representing a 102 per cent hike YoY.

The Motors Division reported a PBIT of RM352 million for 9M FY2019, 31.3 per cent higher YoY. The previous corresponding period included RM193 million in losses incurred in Vietnam. Stripping out one-off items, the Motors Division's core PBIT is 18.2 per cent lower YoY, as the result of competitive market conditions in China and a weaker vehicle sales environment in Singapore and Australia.

"The Motors Division performed well for the first nine months of financial year 2019 despite increasing competition in most markets, selling more units of BMW and Super Luxury vehicles in China, and BMW and Ford vehicles in Malaysia. We are confident that new model launches, particularly those in the premium segment, will spur growth despite the tough market environment," Jeffri said.

The Logistics Division saw an 88.5 per cent increase in its PBIT, mainly due to a gain from the disposal of Weifang Water. Excluding this, the Division's core profit saw a 39.3 per cent dip YoY, mainly from lower contribution across the Division following the disposal.

Ramsay Sime Darby Health Care, Sime Darby Berhad's 50:50 joint venture with Ramsay Health Care posted a lower share of profit YoY at RM42 million in 9M FY2019, due to tax adjustments in the previous period. Excluding the adjustment, the share of profit for 9M FY2019 would have been slightly higher than the previous financial year.

The Group's results for the period also included the recognition of the arbitration award received for the ONGC Wellhead project of RM26 million and a gain on the disposal of trademark of RM17 million.

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***About Sime Darby Berhad***

*Sime Darby Berhad is the partner of choice for the world's best brands in the Industrial and Motors sectors. We deliver sustainable value to our stakeholders through operational excellence, high performance standards and good corporate governance. Founded in 1910, Sime Darby Berhad today has a workforce of over 20,000 employees in 18 countries and territories across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM16.048 billion (USD3.83 billion) as at 28 May 2019.*

*For more information, please visit <http://www.simedarby.com>.*