



PRESS RELEASE

**For Immediate Release
Tuesday, 26 November 2019**

Sime Darby Berhad Q1 Core Net Profit Increases 43 per cent

PETALING JAYA, 26 November 2019 – Sime Darby Berhad reported a net profit of RM246 million for the Group’s first quarter ended 30 September 2019 (Q1 FY2020), a 9.3 per cent increase from its first quarter ended 30 September 2018 (Q1 FY2019), on strong growth in the Group’s Industrial Division, in particular its Australasia and China operations, and improvement in the Group’s Motors business in China.

Revenue for the first quarter was up 7.1 per cent at RM9.48 billion, while profit before interest and tax (PBIT) was 8.0 per cent higher year-on-year (YoY) at RM380 million.

Excluding one-off gains, impairments and provisions, the Group’s core net profit rose 42.9 per cent YoY from RM189 million to RM270 million.

“We have reported a good set of results, with our Industrial Division recording wins in most markets, riding on the mining and construction waves to enjoy increased sales in the China and Australasia region. Our order book for the Industrial Division is solid at RM2.5 billion as at 30 September 2019. Our Motors Division too saw significant improvements, particularly in the China market this quarter from higher margins from vehicle sales,” said Dato’ Jeffri Salim Davidson, Sime Darby Berhad’s Group Chief Executive Officer.

“This is a promising start to FY2020 given the uncertainties surrounding the global economy and the tough competition, especially in the Motors segment. While we are cautiously optimistic of the prospects ahead, we remain focused on integrating our new acquisitions and on executing our strategies.

Q1 FY2020 versus Q1 FY2019

The Industrial Division reported a PBIT of RM260 million for the quarter compared to RM184 million in the same period in FY2019, bolstered by improved contributions from all regions, particularly Australasia, which enjoyed a 34 per cent improvement in profit. In contrast, the Q1 FY2019 results included a RM15 million restructuring costs for the Malaysian operations.

The Motors Division saw its PBIT increase by 27.6 per cent for the quarter on improved margins at BMW China with profits more than doubling, while higher revenue and margins at its Hong Kong and Macau operations saw profits grow significantly from a low earnings base in the previous corresponding period. Its Malaysian operations’ PBIT was comparatively lower YoY by 20.5 per cent, as sales were exceptionally high in Q1 FY2019

due to the tax holiday period. The Singapore market however, was impacted by competition which contributed to a decrease in profits in the Division's local operations.

The Logistics Division reported a PBIT of RM6 million for Q1 FY2020 compared with RM89 million in Q1 FY2019, which included a gain of RM78 million from the disposal of Weifang Water and a RM9 million profit contribution.

Ramsay Sime Darby Health Care, Sime Darby Berhad's 50:50 joint venture with Ramsay Health Care maintained its performance for Q1 FY2020, contributing a PBIT of RM15 million to the Group.

For further information, please contact:

Tan Yee Pheng

Group Communications

Sime Darby Berhad

Tel: +60193816330

Email: tan.yee.pheng@simedarby.com

About Sime Darby Berhad

Sime Darby Berhad is a 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 approximately 20,000 employees and a presence 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 RM15.643 billion (USD3.74 billion) as at 25 November 2019.

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