



PRESS RELEASE

**For Immediate Release
Wednesday, 26 February 2020**

Sime Darby Berhad 1H FY2020 PBIT Increases 21 per cent

PETALING JAYA, 26 February 2020 – Sime Darby Berhad reported a profit before interest and tax (PBIT) of RM827 million for the Group’s first half period ended 31 December 2019 (1H FY2020), a 20.9 per cent increase from the same period last financial year (1H FY2019), on strong growth in the Group’s Industrial Division in Australasia and China, and improved margins and higher revenue at the Group’s BMW China operations.

Revenue for the first half of FY2020 was up 7.8 per cent at RM19.7 billion, while net profit decreased 2.6 per cent year-on-year (YoY) from RM542 million to RM528 million for the period mainly due to a one-off RM129 million deferred tax credit from change in Real Property Gains Tax rates in the previous corresponding period.

Excluding the deferred tax credit and other one-off items, the Group’s core net profit for the period of RM560 million is a 36.6 per cent increase from the same period last financial year.

“Our performance during the first half of FY2020 in Greater China, which includes Hong Kong, Macau and Taiwan, was up significantly year-on-year, with the Industrial Division’s regional operations expanding by 40 per cent and the Motors Division’s Greater China business more than doubling profits. However, we are cautious about the prospects for the second half against the backdrop of the Covid-19 outbreak. Nevertheless, we are hopeful that the strong first half will help cushion the impact,” said Dato’ Jeffri Salim Davidson, Sime Darby Berhad’s Group Chief Executive Officer.

“It is still too early to predict the full impact of the outbreak on our operations, particularly for China and Singapore, but we are actively managing the situation, with the safety and wellbeing of our employees, customers and visitors to our facilities being our top priority. We remain hopeful that the outbreak will be contained in the near future.”

Sime Darby Berhad also reported improved PBIT for its second quarter ended 31 December 2019 (Q2 FY2020), with a 34.6 per cent increase from RM332 million in Q2 FY2019 to RM447 million. This is mainly attributable to higher revenue in the Group’s Industrial operations in Australasia and China, as well as a significant increase in profits in its BMW business in China. Net profit was 11 per cent lower at RM282 million from RM317 million.

Divisional Performance

In 1H FY2020, the Industrial Division recorded higher revenue in Australia and Greater China. The Motors Division was strengthened by a significant jump in profits from BMW China, offset by the weaker results in Singapore.

The Industrial Division reported a PBIT of RM547 million for 1H FY2020 compared with RM376 million for the same period in FY2019, thanks to an improvement in business performance, particularly in Australasia and China, which saw a 45.5 per cent increase in profit. Terra Cat, the rebranded New Zealand based Caterpillar dealership contributed RM1.7 million in Q2 FY2020. Meanwhile, the Division's China operations enjoyed higher equipment sales and product support, with a softening in the impact of the trade war.

The Motors Division saw its PBIT increase by 15.4 per cent for the first half of the financial year with profits doubling on improved margins from its Greater China operations. This helped overcome the relatively weaker results at the Singapore operations which reported lower margins.

The Logistics Division reported a PBIT of RM13 million for 1H FY2020 compared with RM104 million in 1H FY2019, which included a gain of RM78 million from the disposal of Weifang Water. The Division, which saw lower cargo throughput at Weifang port due to adverse weather conditions and competition, also registered a share of loss from joint ventures of RM12 million in 1H FY2020.

Ramsay Sime Darby Health Care, Sime Darby Berhad's 50:50 joint venture with Ramsay Health Care grew 6.7 per cent in 1H FY2020, contributing a PBIT of RM32 million to the Group on higher revenue from operations in Malaysia and Indonesia.

Interim Dividend

The Group announced an interim dividend of 2 sen per share for the financial year ending 30 June 2020.

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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 RM13.603 billion (USD3.210 billion) as at 25 February 2020.

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