



PRESS RELEASE

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Sime Darby Berhad 9M FY2020 PBIT Up 7.5 per cent

PETALING JAYA, 21 May 2020 – Sime Darby Berhad reported a profit before interest and tax (PBIT) of RM1.1 billion for the Group’s nine-month period ended 31 March 2020 (9M FY2020), a 7.5 per cent increase from the same period last financial year (9M FY2020).

Strong operating results from the first half of the financial year provided the Group with a buffer to soften the impact of lower revenue and profits from the Group’s Greater China operations following the coronavirus outbreak there, in the third quarter ended 31 March 2020 (Q3 FY2020).

Revenue for the 9M FY2020 period was up 4.8 per cent at RM28.1 billion, while net profit decreased 15.8 per cent year-on-year (YoY) from RM764 million to RM643 million.

The Group’s core net profit for the period, which excludes a RM129 million in deferred tax credit and other one-off items, was RM717 million, a 12.7 per cent increase from the same period last financial year.

“The solid performance of our operations in the first half of the financial year cushioned the adverse results in the third quarter. Our operations in China are now almost back to normal. Demand for cars and hydraulic excavators there appears to have rebounded and both the Motors and Industrial operations have had a relatively strong April. And in Australia, where mining is an essential industry, our customers have continued to depend on Hastings Deering to provide support to ensure that their mining trucks are running smoothly”, Sime Darby Berhad’s Group Chief Executive Officer Dato’ Jeffri Salim Davidson said.

“Our recent announcement on the deal for the disposal of our 30 per cent interest in Tesco Malaysia for RM300 million is a testament of our commitment to rationalise our non-core assets despite challenging market conditions.”

Sime Darby Berhad reported a 20.2 per cent decline in PBIT YoY to RM265 million for Q3 FY2020, due to lower revenue and profits from the Group’s Industrial and Motors divisions in Greater China, despite gains in its Australian Industrial operations. The results for the quarter included a RM40 million impairment the Group recognised on its investment in Eastern & Oriental (E&O) Berhad. Excluding this, the Group’s core PBIT for Q3 FY2020 was 8.6 per cent lower YoY at RM307 million from RM336 million in the last corresponding period. Net profit for Q3 FY2020 was 48.2 per cent lower YoY, at RM115 million.

Divisional Performance

The Industrial Division registered a PBIT increase of 30.2 per cent to RM763 million for the 9M FY2020 period mainly due to higher revenue from its Australian operations, where the mining sector continued to operate due to its classification as an essential sector. Its performance helped offset significantly lower profits from the Division's Greater China operations in the third quarter of FY2020.

The Motors Division recorded a PBIT increase of 8 per cent to RM380 million for the 9M FY2020 period, supported by a significant increase in profits in its Greater China operations, particularly its BMW operations in China in the first half of FY2020 from improved margins. Its Greater China and Australasian operations saw considerable declines in Q3 FY2020 as businesses were disrupted due to the coronavirus outbreak. However, its Singaporean operations recorded an increase in the sale of used cars.

The Logistics Division posted a PBIT decrease of 93.9 per cent for the 9M FY2020 period, as the previous corresponding period included a gain of RM78 million from the disposal of Weifang Water. Excluding this, profit decreased 81.1 per cent YoY mainly due to higher share of losses from joint ventures and lower port throughput due to environmental restrictions and the coronavirus outbreak.

The Healthcare Division saw its PBIT increase by 7.1 per cent to RM45 million during the 9M FY2020 period mainly due to higher revenue at both the Ramsay Sime Darby Health Care's Malaysian and Indonesian operations.

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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 RM13.671 billion (USD3.14 billion) as at 20 May 2020.

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