

PRESS RELEASE

For Immediate Release
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Sime Darby Berhad Q2 Net Profit More Than Doubles to RM633 million

Special dividend announced on one-off gain of RM272 million from the sale of Tesco Malaysia stake

PETALING JAYA, 25 February 2021 – Sime Darby Berhad reported a net profit of RM633 million for the Group's second quarter ended 31 December 2020 (Q2 FY2021), more than double of that reported in the second quarter ended 31 December 2019 (Q2 FY2020). The results were attributable to a RM272 million net gain from the sale of its 30 per cent stake in Tesco Malaysia and a robust performance from the Group's Motors division.

Excluding the gain from the sale of the interest in Tesco Malaysia, the Group's net profit for Q2 FY2021 was 28 per cent higher mainly due to the performance of the Motors division. Profit before interest and tax (PBIT) was 88.6 per cent higher year-on-year (YoY) at RM843 million, while revenue for Q2 FY2021 was up 10.1 per cent YoY at RM11.2 billion.

"Our Motors division has been a standout performer in the second quarter of FY2021, almost doubling its profit thanks to the outstanding contribution from our operations in China. Motors Australia's performance was also noteworthy given our turnaround of the Sydney dealerships, which we acquired in 2019. We have been fortunate that demand for luxury cars has remained relatively robust during this period."

"We are pleased that the sale of our stake in Tesco Malaysia was completed in Q2 FY2021. We also announced the sale of the Jining river ports during this quarter as we continue to deliver on our commitment to divest our non-core assets," said Dato' Jeffri Salim Davidson, Sime Darby Berhad's Group Chief Executive Officer.

"Whilst we are well positioned to ride the wave of demand for luxury cars, we remain mindful of the risks from the on-going COVID-19 pandemic, as well as the slowing demand for our products and services from the coal mining segment in Australia as a result of the restrictions on coal imports by China."

"Sime Darby has made employees' safety and wellbeing a top priority throughout the pandemic and has adopted various country specific initiatives, among which include working from home where possible, COVID-19 screenings, regular disinfection of facilities and support for physical and mental health, to name a few. We aim to ensure that our workplaces are safe and with minimal risk of COVID-19 infection to our employees, customers and the community," he added.

1H FY2021 Performance

Sime Darby Berhad recorded a 73.1 per cent jump in net profit for the six-months ended 31 December 2020 (1H FY2021) to RM914 million from RM528 million for the same period last financial year. Excluding the RM272 million in gains from the sale of its stake in Tesco Malaysia, the Group saw a 21.6 per cent increase in its net profit for the period due to the performance of the Motors division. The improved performance for 1H FY2021 was on a revenue of RM22.1 billion, a 12.4 per cent YoY increase from RM19.7 billion in 1H FY2020.

Motors division's PBIT increased by 82.3 per cent for 1H FY2021 to RM505 million mainly due to higher revenue and margins from its China operations which witnessed a strong rebound in consumer spending post-lockdown. PBIT for its Australasia businesses increased partly due to the successful turnaround of the new Sydney dealerships acquired in 2019. The division's South-east Asian operations, excluding Malaysia, recorded a significant improvement in profitability, mainly attributable to improved margins from its Singapore operations.

Industrial division's PBIT decreased by 17.4 per cent YoY to RM452 million in the six-month period ended 31 December 2020 mainly due to a 20.3 per cent decline in profit from the Australasian operations to RM303 million from RM380 million, as a result of lower equipment and parts revenue. The division's China operations maintained its performance due to strong demand for construction equipment with the government's focus on infrastructure projects to stimulate the economy.

Special and Interim Dividend

Sime Darby announced a special dividend of 4.0 sen per share and an interim dividend of 2.0 sen per share for the financial period ended 31 December 2020.

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About Sime Darby Berhad



Sime Darby Berhad celebrates 110 years of its inception and is proud to be 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 20,920 employees and a presence in 18 countries across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM14.759 billion (USD3.65 billion) as at 24 February 2021.

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