



PRESS RELEASE

**For Immediate Release
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Sime Darby Berhad Reports Q1 FY2022 Net Profit of RM236 million

Group completes Salmon Earthmoving Holdings acquisition, contributing between RM150m and RM180m to revenue in FY2022

PETALING JAYA, 29 November 2021 – Sime Darby Berhad reported a lower net profit of RM236 million for the Group’s first quarter ended 30 September 2021 (Q1 FY2022) as its Industrial operations in China absorbed the impact of a slowdown in construction activities in the quarter.

Revenue for Q1 FY2022 was 1.9 per cent lower at RM10.67 billion, compared with RM10.88 billion in Q1 FY2021.

“China is a big part of the Group’s revenue and profits, and the Industrial division was impacted by the slowdown in infrastructure spend in China. Our Motors’ operations in China on the other hand, continued to deliver a strong set of results with higher sales of super-luxury vehicles.

The Industrial and Motors operations in all other markets performed well considering that many were under some form of movement restriction during the first two months of the quarter.

We are conscious of the economic and pandemic related headwinds that could impact our performance in our markets across the Asia Pacific region. Nevertheless, we remain positive on long-term prospects in the region, given that we have built strong fundamentals and fired up our businesses to remain resilient and well-positioned to capitalize on growth opportunities,” said Dato’ Jeffri Salim Davidson, Sime Darby Berhad’s Group Chief Executive Officer.

“I am pleased to announce that we have completed the acquisition of Australia’s Salmon Earthmoving Holdings in October. This will not only contribute between RM150 million and RM180 million to the Group’s revenue for FY2022, but also ensures our diversification into the construction rental sector and into a new market in Australia, New South Wales. We will continue to look for further growth opportunities and to manage the efficiency of our operations in order to mitigate any impact brought upon by external factors.”

The Industrial division’s profit before interest and tax (PBIT) for Q1 FY2022 was down 18.4 per cent to RM160 million. This was mainly due to a steep decline in profit from its China operations, which faced lower equipment deliveries and rental revenue following the slowdown in China’s construction activities. Industrial Australasia’s PBIT was 3 per cent higher for the quarter on higher equipment revenue as compared with Q1 FY2021, despite reduced margins from parts sales.

The Motors division's PBIT for Q1 FY2022 improved slightly as Motors China, excluding Hong Kong and Macau, reported a 15 per cent higher PBIT on higher revenue from the sale of super luxury vehicles, and higher profits in Malaysia.

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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 21,943 employees and a presence in 19 countries and territories across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM15.17 billion (USD3.58 billion) as at 26 November 2021. For more information, please visit www.simedarby.com