

PRESS RELEASE

For Immediate Release

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Sime Darby Berhad Reports Net Profit of RM244 million for Q3

PETALING JAYA, 24 May 2022 – Sime Darby Berhad reported a net profit of RM244 million for the third quarter ended 31 March 2022 (Q3 FY2022) compared with RM300 million in the previous financial year's corresponding quarter (Q3 FY2021), which benefitted from one-off gains totalling RM60 million. Excluding the one-off gains recognised in Q3 FY2021, the Group has largely sustained its performance for the quarter under review.

Revenue for the quarter was down by 4.1 per cent at RM10.6 billion.

Net profit for Q3 FY2022 was lower compared with the corresponding quarter last year as the Group's core businesses of Industrial and Motors were impacted by COVID-19 related disruptions in both China and Australasia. This saw lower contribution from Industrial Australasia which recorded higher operating costs. Further impacting results was a slowdown in construction activity in China, and supply chain constraints which were compounded by the military conflict in Ukraine. Q3 FY2021 also recorded one-off gains of RM39 million Singapore Goods and Services Tax refund and RM21 million net reversal of impairment of Eastern & Oriental Berhad.

For the nine-month period ended 31 March 2022 (9M FY2022), net profit was down to RM825 million from a year ago in the absence of the RM272 million gain from the Tesco Malaysia disposal, Singapore GST refund and a RM33 million net reversal of impairment with the sale of stake in Eastern & Oriental Berhad.

Excluding the one-off gains, net profit for the nine-month period was lower mainly due to reduced contribution from the Industrial division, which continued to be impacted by significant contraction in heavy equipment industry volume in China, and lower operating margins in Australasia. Revenue was down 4.1 per cent to RM31.8 billion for the period.

"On a core profit level for Q3 FY2022, we were able to deliver resilient results despite increasingly tough market conditions. Motors Malaysia was a standout performer as profits more than tripled from higher vehicle margins and higher profits from assembly operations. The reopening of economies and bullish commodity prices should sustain our business in the coming quarters," Sime Darby Berhad Group Chief Executive Officer Dato' Jeffri Salim Davidson said.

Despite the challenges inherent in the business environment today, Sime Darby continues to be supported by a solid balance sheet, broad geographical footprint, and strong brands. We remain committed to our long-term growth strategy and will continue

to capitalise on opportunities to rationalise our portfolio and double our efforts to strengthen our core businesses of Industrial and Motors,” Dato’ Jeffri said.

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 most admired 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 19 countries across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM15.527 billion (USD3.54 billion) as at 23 May 2022. For more information, please visit www.simedarby.com