

PRESS RELEASE

**For Immediate Release
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Sime Darby Berhad reports RM1.1 billion net profit in FY2022 amidst challenging market conditions

Key Highlights

- Industrial and Motors divisions delivered sustained earnings despite the slowdown in key markets, ongoing inventory shortages and COVID-19 related disruptions.
- FY2022 net profit was down mainly on absence of RM272 million gain from sale of Tesco Malaysia stake in FY2021
- Q4 FY2022 net profit was almost 32 per cent higher at RM278 million on improved performance from the Industrial division.
- Total dividend pay-out of 71 per cent of profits for FY2022 (11.5 sen a share)

PETALING JAYA, 17 August 2022 – Sime Darby Berhad reported RM1.1 billion in net profit for the financial year ended 30 June 2022 (FY2022) compared with RM1.4 billion in the financial year ended 30 June 2021 (FY2021) which included a one-off gain of RM272 million on the divestment of the Group's stake in Tesco Malaysia.

Excluding the gain, the Group's net profit declined marginally by 4.3 per cent due to lower profits from the Group's Industrial and Motors business in China which were impacted by industry-wide contraction in volume for heavy equipment, inventory shortages and COVID-19 restrictions. Revenue was lower at RM42.5 billion for the year compared with RM44.3 billion in FY2021.

For the fourth quarter ended 30 June 2022 (Q4 FY2022), net profit was almost 32 per cent higher to RM278 million with increased profits from the Industrial division and lower tax expense. Revenue was 4 per cent lower at RM10.9 billion.

"We reported over a billion ringgit in profits this year in spite of the multiple challenges brought on by a combination of supply chain disruptions and higher operating costs due to labour issues," Sime Darby Berhad Group Chief Executive Officer Dato' Jeffri Salim Davidson said.

"The Motors division had a tough year, especially in China. Malaysia was a standout performer despite two months of movement restrictions in the financial year, posting more than a 50 per cent increase in profits from operations. This was thanks to our BMW and Porsche dealerships as well as our assembly operations. The feather in our cap for FY2022 was the opening of our assembly plant for Porsche in Kulim, the first outside of Europe, which began delivering locally assembled Porsche Cayennes in March this year. The response from customers has been very encouraging," he added.

“For the Industrial division, strong commodity prices drove equipment demand in our key market of Australia. However, higher overhead costs ate into margins. In China, a slowdown in construction activity led to further contraction in the heavy equipment market,” Dato’ Jeffri said.

“Nevertheless, we have remained focused on our non-core rationalisation plan. We successfully signed the deal to divest Weifang Port in July which signifies our complete exit from the Logistics business. Moving forward, we will be a focused entity with two strong engines in automotive and heavy equipment,” he added.

“We believe that our skilled workforce, broad geographical footprint, and the support of the world’s best brands in heavy equipment and automotive will help us to stay on course. Sime Darby’s strong financial standing also allows us to take advantage of any opportunities that may come about to strengthen our core businesses and build additional capabilities along the value chain,” Dato’ Jeffri said.

Sime Darby declared a second interim dividend of 7.5 sen per share for Q4 FY2022. This brings the total dividend pay-out for FY2022 to 11.5 sen a share or RM783 million, representing a pay-out of 71 per cent of net profit.

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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 and territories across the Asia Pacific region. It is listed on the main market of Bursa Malaysia with a market capitalisation of RM15.66 billion (USD3.51 billion) as at 16 August 2022.

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