



PRESS RELEASE

**For Immediate Release
Thursday, 24 November 2022**

Sime Darby Berhad Reports Q1 FY2023 Net Profit of RM207 million

PETALING JAYA, 24 November 2022 – Sime Darby Berhad reported a net profit of RM207 million for the Group’s first quarter ended 30 September 2022 (Q1 FY2023). This was mainly driven by the Industrial division, which rebounded in the quarter under review compared with the corresponding quarter in FY2022, with profit before interest and tax (PBIT) increasing by 35 per cent to RM216 million.

However, weakening consumer sentiment in China impacted the Motors division, which registered a PBIT of RM176 million in the quarter as a result of lower margins from China operations. This was partly offset by higher profits from the Malaysia and Australasia operations.

The Group's revenue for Q1 FY2023 was 14.5 per cent higher at RM12.18 billion, compared with RM10.64 billion in Q1 FY2022.

“We kicked off FY2023 on a good note, against the backdrop of very trying economic conditions. The Industrial business has seen strong growth with a 35 per cent jump in the first quarter. This was due mainly to higher demand for parts with our customers’ backlogged maintenance work coming in, and higher parts prices in Australasia. We also saw a positive contribution from Salmon Australia, an equipment rental business we acquired just over a year ago. This is testament to our Value Creation Plan, which continues to bear fruit as we strengthen our Industrial division,” said Dato’ Jeffri Salim Davidson, Sime Darby Berhad’s Group Chief Executive Officer.

“The Motors division was impacted by market sentiment, which resulted in lower margins for higher volume. However, improved results from Malaysia and Australasia were able to help mitigate the impact from China. Malaysia’s performance was supported by ongoing deliveries for cars ordered during the sales tax holiday, while Australasia’s return to normal operations delivered improved results, compared to the previous corresponding quarter which was impacted by COVID-19 restrictions.

We completed the sale of Weifang Port companies in China early November. This marks our full exit from the non-core Logistics business and the last big-ticket item of our exercise to rationalise our business portfolio. The proceeds from the sale will now be channelled to support the growth of our core businesses of Industrial and Motors,” he added.

“FY2023 is expected to be a challenging year. However, we are confident that we will weather the storm. Looking at positive prospects ahead, for Motors, we will continue delivering the backlog of orders in Malaysia until the third quarter of FY2023. We have also recently secured the BYD distributorship for Malaysia, which promises to bring a lot of excitement to the Malaysian market.

The Industrial division, particularly the products and services supporting the mining sector, is expected to perform well this financial year with the backlog of maintenance work coming in and bullish commodity prices supporting continued investment in the resources sector," Dato' Jeffri said.

"Sime Darby remains committed to enhancing the efficiency of our operations as we carry on with our expansion plans. We will continue to invest to grow our sales network for both the Motors and Industrial businesses as well as actively exploring merger and acquisition opportunities to extend our core businesses reach," he added.

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 best 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 22, 862 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 RM14.91 billion (USD3.29 billion) as at 23 November 2022. For more information, please visit www.simedarby.com