



HONG LEONG ASIA LTD.

FY 2022 RESULTS PRESENTATION

24 FEBRUARY 2023 | MR. STEPHEN HO, CEO

2022 FINANCIALS

	FY 2022	FY 2021	Change (%)
Revenue (S\$'000)	3,881,141	4,932,589	(21.3%)
Net Profit (S\$'000)	102,592	119,431	(14.1%)
Net Profit Excluding Discontinued Operation (S\$'000)	102,917	118,743	(13.3%)
PATMI (S\$'000)	54,538	60,121	(9.3%)
Earnings Per Share (Cent)	7.29	8.04	(9.3%)
Dividends Per Share (Cent)	2.00	2.00	-
Net Cash Flow Generated from Operating Activities (S\$'000)	37,649	130,666	(71.2%)
	31 Dec 2022	31 Dec 2021	Change (%)
Net Debt ¹ / Equity Ratio	(0.16)	(0.37)	(56.8%)
Net Debt ² / Equity Ratio	1.81	1.98	(8.6%)

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of S\$143M (31 Dec 2021: S\$342M)

² Net Debt is defined as Trade and Other Liabilities and Loans and Borrowings, less Cash and Deposits and does not include Trade and Other Receivables. Including Trade and Other Receivables, the Group is in a Net Cash Position of S\$33M (31 Dec 2021: Net Debt Position of S\$106M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	FY 2022	FY 2021	Change (%)
Diesel Engines	Volume (Units)	321,256	456,791	(29.7%)
	Revenue	3,263,272	4,428,830	(26.3%)
	Profit After Tax	66,991	85,687	(21.8%)
Building Materials	Revenue	585,417	471,130	24.3%
	Profit After Tax	45,626	28,179	61.9%
Rigid Packaging	Revenue	25,747	30,171	(14.7%)
	Profit/(Loss) After Tax	8,228	(974)	(944.8%)
Corporate and Others	Revenue	6,705	2,458	172.8%
	(Loss)/Profit After Tax	(17,928)	5,851	(406.4%)

KEY HIGHLIGHTS OF CASH FLOW

	FY 2022 (S\$'000)	FY 2021 (S\$'000)
Operating Cash Flow before Working Capital Changes	343,032	334,790
Net Cash Flow Generated from Operating Activities	37,649	130,666
(Less)/Add:		
Capital Expenditure (PPE, Right-of-Use Assets and Intangible Assets)	(149,980)	(200,672)
Purchase of Other Investments	-	(12,651)
Net Cash Inflow from Disposal of Associate, PPE, Right-of-Use Assets, Assets classified as held-for-sale and Other Investments	15,353	12,088
Contribution by Non-Controlling Interests	10,913	-
Additional Investment in Associates and Joint Ventures	(1,072)	(71,822)
Dividends Received from Associate, Joint Ventures and Other investments	8,729	1,531
Dividends Paid to Shareholders of the Company	(14,958)	(7,478)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(33,419)	(94,144)
Net Proceeds from Shares Issue	39	48
Net Increase from Borrowings	19,065	58,307
Net Release of Deposits with Banks	29,386	5,999
Interest Paid, Net	(4,075)	(3,651)
Repayment of Obligations under Lease Liabilities	(12,905)	(11,426)
Net Cash Flow	(95,275)	(193,205)
Free Cash Flow	(112,331)	(70,006)

KEY BUSINESS UPDATES

Business Segment

Business Updates

Diesel Engines

- Yuchai sold 321,256 engine units in FY2022, a decrease of 29.7% YoY. This was mainly attributable to the on-road truck and bus segments as demand were affected by the COVID-19 outbreaks and frequent city lockdowns. The rate of decline in volumes sold moderated in the second half of 2022.
- Margins had gradually improved in the new National VI engines with sales mix changes and price increases as well as costs reduction efforts. Further margin improvements can be achieved when output volume start to increase.
- Continues with Research and Development initiatives to develop New Energy powertrains such as e-CVT power-split hybrid powertrain, integrated electric drive axle powertrain and hydrogen fuel cell systems and hydrogen powered engines.

Some Key Developments:

- ❖ Joint venture with Beijing Yuchai Xingshunda New Energy Technology Co., Ltd., to accelerate the development, manufacture and sale of fuel cell powertrain systems as well as core fuel cell power system components for the Beijing, Tianjin and Hebei markets (Mar 2022).
- ❖ An upgraded Yuchai S04220-61 series of engines became the first Chinese engines certified by the UN R49.07 Euro VI E stage emission standard (Apr 2022).
- ❖ Yuchai's new energy solutions subsidiary, Yuchai Xin-Lan New Energy Power Technology Co., Ltd., developed and integrated a 3.5 tonne electric drive axle into an EV light duty bus from Guangxi Shenlong for the Nanning bus market (Sep 2022).

KEY BUSINESS UPDATES

Business Segment

Business Updates

Building Materials

- Demand for concrete and related products in Singapore rebounded as many construction projects restarted in 2022. In Malaysia, industry conditions remained challenging due to higher input, electricity and energy costs, coupled with still tight credit conditions in the construction sector.
- Order books for Precast and Ready-Mix Concrete business in Singapore remain strong.
- In Malaysia, Tasek (integrated cement plant and ready-mix concrete) continues to work on operational improvements and cost discipline to counter the industry's tough conditions.
- Digitalisation of business processes and automation continues.

Some Key Developments:

- ❖ Completion of the Group's Integrated Construction and Prefabrication Hub manufacturing facility in December 2022 will enable the Precast division to be substantially automated and continue to position itself as a leading player in Singapore.
- ❖ The Group's RMC Ecosystem Batching Plant will commence operations at Jurong Port in the first half of 2023, which will enable the Ready-Mix Concrete unit to optimise supply chain efficiencies while enabling a greener footprint operationally.

SUSTAINABILITY

At HLA, our vision is to develop and deliver sustainable and innovative urban solutions for cities of the future.

In pursuit of this vision, we are committed to integrating sustainability into our business strategy. Empowering our people and driving innovation in low carbon and circular solutions for the built environment and transport sectors are crucial focus areas of our strategy.

Achieving our vision will not be easy. It will require investment, concerted effort and time, but it is an imperative for HLA given the global and local sustainability contexts facing our businesses.

We are committed to achieving the following focus Sustainable Development Goals throughout our operations and in our strategy:



DRIVING
INNOVATION FOR
A LOW-CARBON
AND CIRCULAR
ECONOMY

EMPOWERING
OUR PEOPLE AND
COMMUNITIES

BUILDING
RESILIENCE FOR
THE LONG-TERM


KEY 2022 INITIATIVES

- *CYI/GYMCL* - Supplied new energy buses equipped with Yuchai's range extenders to Macau SAR
- *CYI/GYMCL* - China's largest displacement and highest horsepower hydrogen engine, YCK16H, successfully ignited
- *BMU, Singapore* - Rolled out Singapore's first two 12 cubic metre ready-mix concrete trucks
- *BMU, Singapore* - Completed construction of the Group's Integrated Construction and Prefabrication Hub manufacturing facility at Pulau Punggol Barat
- *BMU, Singapore* - Refreshed Vision Statement and kicked off rebranding projects for key building materials businesses
- *HLA* - Signed up as a Green Pledge Advocate to support Singapore's 2030 Green Plan
- *CYI/GYMCL* - S04220-61 engine series became the first Chinese engines to obtain UN R49.07 Euro VI E stage emission standard certification
- *BMU, Singapore* - Obtained the Champion Award in Eco-Manufacturing certification for implementing lower environmental impact manufacturing practices within its production processes at one operational site

CONTACT US

HONG LEONG ASIA LTD.

16 Raffles Quay #26-00
Hong Leong Building
Singapore 048581

 +65 6220 8411

 investor_relations@corp.hla-grp.com

 www.hlasia.com.sg

 Hong Leong Asia Ltd.