



HONG LEONG ASIA LTD.

FY 2021 RESULTS PRESENTATION

25 FEB 2022 | MR. STEPHEN HO, CEO

2021 FINANCIALS

	FY 2021	FY 2020	Change (%)
Revenue (S\$'000)	4,932,589	4,496,207	9.7%
Net Profit (S\$'000)	119,431	155,207	(23.1%)
Net Profit Excluding Discontinued Operation (S\$'000)	118,743	152,993	(22.4%)
PATMI (S\$'000)	60,121	46,745	28.6%
Earnings Per Share (Cent)	8.04	6.25	28.6%
Dividends Per Share (Cent)	2.00	1.00	100.0%
Net Cash Flow Generated from Operating Activities (S\$'000)	130,666	306,072	(57.3%)
	31 Dec 2021	31 Dec 2020	Change (%)
Net Debt ¹ / Equity Ratio	(0.37)	(0.66)	(43.9%)
Net Debt ² / Equity Ratio	2.02	1.98	2.0%

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of \$342M (31 Dec 2020: \$551M)

² Net Debt is defined as Trade and Other Payables 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 Debt position of \$106M (31 Dec 2020: Net Cash Position of \$213M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	FY 2021	FY 2020	Change (%)
Diesel Engines	Volume (Units)	456,791	430,320	6.2%
	Revenue	4,428,830	4,102,795	7.9%
	Profit After Tax	85,687	155,537	(44.9%)
Building Materials	Revenue	471,130	362,988	29.8%
	Profit After Tax	28,179	12,748	121.0%
Rigid Packaging	Revenue	30,171	25,732	17.3%
	Loss After Tax	(974)	(560)	73.9%
Corporate and Others	Revenue	2,458	4,692	(47.6%)
	Profit/(Loss) After Tax	5,851	(14,732)	N.M.

KEY HIGHLIGHTS OF CASH FLOW

	FY 2021 (S\$'000)	FY 2020 (S\$'000)
Operating Cash Flow before Working Capital Changes	334,790	404,777
Net Cash Flow Generated from Operating Activities	130,666	306,072
(Less)/Add:		
Capital Expenditure (PPE, Right-of-Use Assets and Intangible Assets)	(200,672)	(242,415)
Purchase of Other Investments	(12,651)	-
Net Cash Inflow from Disposal of PPE, Right-of-Use Assets and Other Investments	12,088	22,833
Acquisition of Non-Controlling Interests in Subsidiaries	-	(49,147)
Contribution by Non-Controlling Interests	-	11,149
Additional Investment in Associates and Joint Ventures	(71,822)	-
Dividends Received from Associate, Joint Ventures and Other investments	1,531	1,123
Dividends Paid to Shareholders of the Company	(7,478)	(7,478)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(94,144)	(69,459)
Net Proceeds from Shares Issue	48	-
Net Increase from Borrowings	58,307	39,921
Net Release of Deposits with Banks	5,999	14,344
Interest Paid, Net	(3,651)	(2,597)
Repayment of Obligations under Lease Liabilities	(11,426)	(13,454)
Net Cash Flow	(193,205)	10,892
Free Cash Flow	(70,006)	63,657

KEY BUSINESS UPDATES

Business Segment

Diesel Engines / New Energy Powertrains

Business Updates

- Yuchai sold 456,791 engine units in FY 2021, an increase of 6.2% YoY, but with much of the growth weighted towards 1H21 ahead of China's transition to National VI engines.
- Less favorable product mix, transition costs for National VI , rising input costs crimped margins.
- Continues with Research and Development initiatives to develop New Energy powertrains. These include e-CVT power-split hybrid powertrain, integrated electric drive axle powertrain and hydrogen fuel cell systems and hydrogen powered engines.

Some Key Developments:

- ❖ Venture with Beijing Xing Shun Da Bus to develop hydrogen fuel-cell powered systems/bus in the Beijing, Tianjin and Hebei markets (Oct 2021)
- ❖ Partnership with Nanning Government under Yuchai Xin-Lan New Energy Power Technology for hydrogen fuel cell powertrains (Sep 2021)
- ❖ Strategic partnership with Sunlong Bus to develop Electric Vehicles (June 2021)

KEY BUSINESS UPDATES

Business Segment

Building Materials

Business Updates

- Demand for concrete and related products in Singapore rebounded as construction activities picked up in 2021. In Malaysia, demand was impacted by rounds of lockdowns but begun to see recovery in late 2021.
- Order books for Precast and Ready Mix Concrete business in Singapore remain strong.
- Digitalisation of business processes and automation continues. The Group's automated Integrated Construction and Prefabrication Hub will be ready end 2022.
- 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.

Some Key Developments:

- ❖ Acquisition of 20% in BRC Asia (Oct 2021)
- ❖ Addition of limestone reserves with acquisition of MCB Quarries (Dec 2021)

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

KEY 2025 COMMITMENTS

- 50% reduction in CO2 emission intensity by 2025 (from 2016 levels)
- 35% substitution of recycled materials in total concrete volume
- 30% substitution of coal with Alternative Fuels

EMPOWERING OUR PEOPLE AND COMMUNITIES

KEY 2025 COMMITMENTS

- 100% of sites to establish and implement stakeholder engagement plans
- Achieve 40 hours of training per employee per year aligned to career development plans
- Develop and roll out diversity and inclusion policy

BUILDING RESILIENCE FOR THE LONG-TERM

KEY 2025 COMMITMENTS

- Maintain Zero fatalities and injuries
- Maintain Zero corruption and fraud incidents across operations.
- Develop and roll out Supplier Code of Conduct to reflect ESG criteria (and all new suppliers to be screened)


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