

120
YEARS

OF SOUTHEAST ASIAN
PARTNERSHIPS

FY 2018 Results

Disclaimer: Jardine Cycle & Carriage accepts no liability whatsoever with respect to the use of this document or its contents.



Long-term, strategic business interests in Southeast Asia

JARDINE CYCLE & CARRIAGE

Presence in Southeast Asia



LEGEND

- Our Presence
- Astra International
- Direct Motor Interests

- SINGAPORE:**
 - Cycle & Carriage Singapore
- MALAYSIA:**
 - Cycle & Carriage Bintang
- MYANMAR:**
 - Cycle & Carriage Myanmar
- INDONESIA:**
 - Tunas Ridean
- VIETNAM:**
 - Trung Hai Auto Corporation

- Other Strategic Interests

- THAILAND:**
 - Siam City Cement
- VIETNAM:**
 - Refrigeration Electrical Engineering Corporation
 - Vinamilk
 - Siam City Cement



ASTRA INTERNATIONAL

50.1% | Astra International

DIRECT MOTOR INTERESTS

100% | Cycle & Carriage Singapore

59.1% | Cycle & Carriage Bintang

60% | Cycle & Carriage Myanmar

46.2% | Tunas Ridean

25.3% | Truong Hai Auto Corporation

OTHER STRATEGIC INTERESTS

25.5% | Siam City Cement

24.9% | Refrigeration Electrical Engineering Corporation

10.6% | Vinamilk



Jardine Cycle & Carriage



FINANCIAL HIGHLIGHTS



Jardine Cycle & Carriage

75%

held by
Jardine Strategic

Founded in **1899**

Employs over
250,000 people

Listed on SGX
STI constituent



2018 snapshot:

Combined gross revenue*

US\$40 billion

Revenue

US\$19 billion

Underlying profit

US\$858 million

Market cap

US\$10 billion⁺



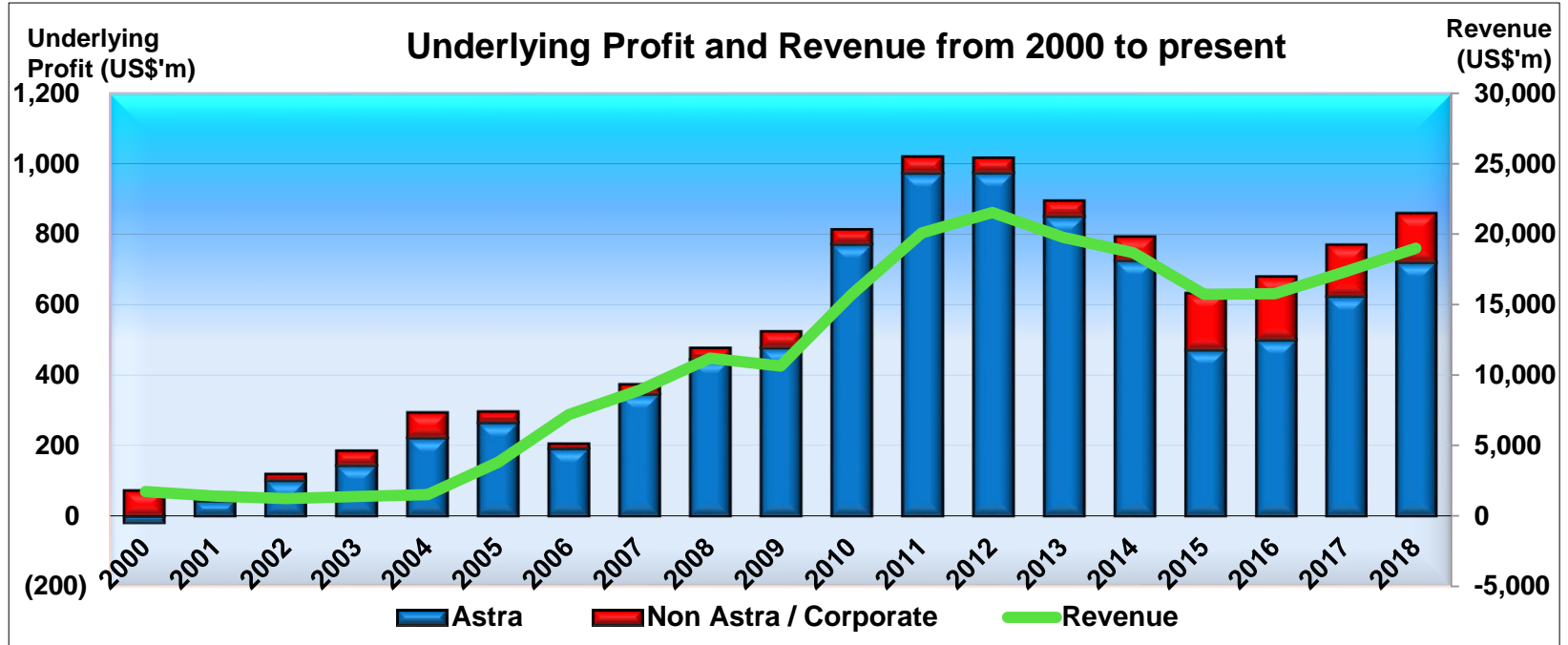
Jardine Cycle & Carriage

* Includes 100% of revenue from associates and joint ventures for full year ended 31 December 2018
+ As at end 2018

- Revenue and underlying earnings per share up 10% and 12%, respectively
- Strong performances across all businesses
- Underlying profit contributions:
 - Astra's contribution to Group's underlying profit up 15%
 - Direct Motor Interests' contribution to Group's underlying profit up 19%
 - Other Strategic Interests up significantly mainly due to Vinamilk dividends

Financial Highlights – Profit & Loss Account

Revenue and underlying profit up 10% and 12%, respectively



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Astra	-29%	55%	75%	74%	73%	84%	86%	89%	91%	89%	93%	94%	94%	94%	90%	73%	72%	80%	77%
Non-Astra	129%	45%	25%	26%	27%	16%	14%	11%	9%	11%	7%	6%	6%	6%	10%	27%	28%	20%	23%

Financial Highlights – Profit & Loss Account

Revenue and underlying profit up 10% and 12%, respectively

	<u>2018</u>	<u>2017</u>	
	US\$m	US\$m	Change
Revenue	<u>18,992</u>	<u>17,337</u>	10%
Underlying profit	858	770	12%
Non-trading items	(438)	169	nm
Net profit	<u>420</u>	<u>939</u>	-55%

**The 2017 accounts have been restated due to the adoption of IFRS 9 “Financial Instruments” and IFRS 15 “Revenue Contracts with Customers”*

Financial Highlights – Balance Sheet

Net debt up largely due to investments by Astra in its road toll business, a gold mining concession, GOJEK and other capital expenditure

	<u>Dec-18</u> US\$m	<u>Dec-17</u> US\$m	<i>Change</i>
Shareholders' funds	6,148	6,408	-4%
Total equity	13,493	13,398	1%
Net debt	(5,482)	(4,219)	30%
Net cash/(debt) (excl. FS)	(2,189)	(819)	167%
Gearing	41%	31%	
Gearing (excl. FS)	16%	6%	
Net asset value per share	US\$ 15.56	US\$ 16.22	-4%

Financial Highlights – Other

Underlying EPS up 12%, dividend per share at US¢87

	2018	Restated 2017	
	US¢	US¢	<i>Change</i>
Underlying EPS	217	195	12%
EPS	106	238	-55%
Dividend per share	87	86	1%



Jardine Cycle & Carriage



Contribution by Business

Underlying Profit – By Business

Growth in underlying profit driven by higher contributions across all businesses

	<u>2018</u> US\$m	Restated <u>2017</u> US\$m	<i>Change</i>
Astra	718.7	622.3	15%
Direct motor interests	144.6	121.3	19%
Other strategic interests	71.1	34.3	107%
Corporate costs	(76.4)	(8.4)	<i>nm</i>
Underlying profit	<u>858.0</u>	<u>769.5</u>	12%



Jardine Cycle & Carriage



Majority shareholder of leading
Indonesian diversified group

ASTRA INTERNATIONAL

Astra – Diversified Business Group in Indonesia

7 core businesses



Market share
51% Cars | 75% Motorcycles



Total amount financed from Astra's
consumer finance businesses
US\$5.6 billion



Largest coal mining contractor in
Indonesia



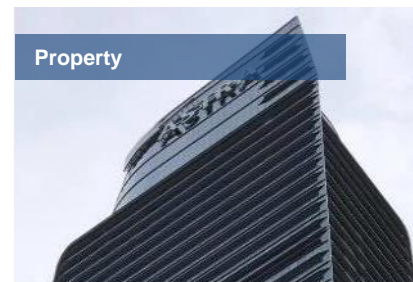
Total plantation area
285,000 hectares



Toll roads in operation and under
construction
313km



Provider of **document solutions** and
information technology &
communications solutions



Leading real estate projects including
Grade A office development
Menara Astra

Underlying Profit – Astra

Key growth contributors include heavy equipment, mining, construction and energy, and financial services



	2018	Restated 2017	
	US\$m	US\$m	<i>Change</i>
Automotive	272	284	-4%
Financial services	171	125	38%
Heavy equipment, mining, construction and energy	231	168	38%
Agribusiness	43	60	-28%
Infrastructure and logistics	7	4	64%
Information technology	7	7	-1%
Property	19	0	<i>nm</i>
Withholding tax on dividend	(31)	(25)	22%
	719	622	15%

Astra – FY2018 Review

15% increase in net profit

- Net profit equivalent to US\$1.5bn, 15% higher in local currency terms
- US\$719m contribution to the Group's underlying profit, up 15%
- Wholesale 4W market grew 7% at 1.2m units. Astra's wholesale sales 1% higher at 582,000 units (market share down from 54% to 51%)
- Wholesale 2W market increased 8% to 6.4m units. Astra's wholesale sales also increased by 9% to 4.8m units (market share stable at 75%)
- Astra Otoparts' net income up 11% to US\$43m, due mainly to increased revenues from its original equipment manufacturing and replacement market segments
- Amount financed through automotive-focused consumer finance operations decreased 1% to US\$5.6bn, mainly due to lower financing in the low-cost car segment. Contribution from the group's car-focused finance companies increased by 26% to US\$86m, as a result of lower loan loss provisions and an increased shareholding in Astra Sedaya Finance. Contribution from motorcycle-focused Federal International Finance was 16% higher at US\$162m from a larger loan portfolio

Astra – FY2018 Review

United Tractors net income up by 50%

- Amount financed through the heavy equipment-focused finance operations decreased 12% to US\$363m, mainly due to reduced lending to the small and medium-sized segment
- Permata Bank's net income at US\$63m, compared to US\$56m in 2017, mainly due to increased net interest income and recoveries from non-performing loans. Gross NPL ratio and net NPL ratio were at 4.4% and 1.7%, respectively (2017: 4.6% and 1.7%, respectively)
- Asuransi Astra Buana's net income 4% higher at US\$73m, primarily due to higher investment income
- United Tractors' net income 50% higher at US\$775m mainly due to improved performances in its construction machinery, mining contracting and mining operations as a result of increased coal prices
 - Komatsu heavy equipment sales up 29% at 4,878 units
 - Contract coal production up 11% to 125m tonnes
 - Overburden removal up 22% to 979m bcm
 - Coal sales up 11% at 7m tonnes
 - Acset Indonusa's net income down 88% at US\$1m mainly due to increased financing costs
 - Agincourt Resources reported gold sales of 35,000 oz

Astra – FY2018 Review

Improved earnings from infrastructure and logistics

- Astra Agro Lestari's net income down 27% at US\$101m, primarily due to lower crude palm oil prices. Average CPO prices 12% lower at Rp7,275/kg, while sales of CPO and its derivatives were 30% higher at 2.3m tonnes
- Infrastructure and logistics division reported net income of US\$14m compared to US\$17m net loss in 2017, mainly due to improved earnings from the Tangerang-Merak toll road and Serasi Autoraya, as well as the inclusion in the prior year's results of a one-off loss on the disposal of Astra's 49% interest in PAM Lyonnaise Jaya
- Astra Graphia's net income of US\$19m, 5% higher than the prior year as a result of increased revenue from its document and IT solution businesses
- Net income from property division down 28% at US\$11m, due to lower development earnings recognised from its Anandamaya Residences project, reflecting lower percentage completion in its final stages of construction



Established automotive
presence across Southeast Asia

DIRECT MOTOR INTERESTS

Direct Motor Interests



Singapore | Malaysia | Myanmar



Singapore

Leading diverse automotive group

6 Facilities | represents 8 brands

17% Passenger Cars market share
> 13,300 units sold



Bintang

Leading MB dealer group in Malaysia

13 Facilities | represents 2 brands

Listed on Bursa Malaysia
> 4,700 units sold



Myanmar

6 Facilities | represents 3 brands

#1 luxury car brand (**Mercedes-Benz**)
Top 3 mass market brands (**Mazda**)



Tunas Ridean



Represents **5** brands
Listed on Indonesia Stock Exchange

248,900 motorcycles sold
48,300 motor cars sold



THACO

THACO
TRUONG HAI AUTO

Represents **7** brands
Engages in
Property development & Agriculture

66,900 PC units sold
30,200 CV units sold

Underlying Profit – Direct Motor Interests

Overall underlying profit across Direct Motor Interests up 19%

	<u>2018</u> US\$m	Restated <u>2017</u> US\$m	<i>Change</i>
Singapore (Cycle & Carriage Singapore)	61.6	57.0	8%
Malaysia (Cycle & Carriage Bintang)	1.9	(1.3)	<i>nm</i>
Myanmar (Cycle & Carriage Myanmar)	(4.9)	(2.5)	96%
Indonesia (Tunas Ridean)	17.5	14.9	17%
Vietnam (Truong Hai Auto Corporation)			
- automotive	65.8	48.8	35%
- real estate	7.2	7.7	-6%
	73.0	56.5	29%
Less: central overheads	(4.5)	(3.3)	36%
	<u>144.6</u>	<u>121.3</u>	19%

Cycle & Carriage Singapore – FY2018 Review

Improved margins on passenger cars

- Contribution of US\$62m, up 8%
 - Margins improved on passenger cars
- PC market down 13% to 80,300 units
- PC sales down 7% at 13,300 units, market share rose from 16% to 17%
 - Mercedes-Benz unit sales down 6%
 - Kia unit sales up 2%
 - Mitsubishi unit sales down 7%
 - Citroen unit sales down 61%



CYCLE & CARRIAGE

Cycle & Carriage Bintang – FY2018 Review

9% increase in unit sales



- Contributed a profit of US\$2m, compared to a loss of US\$1m in the prior year
- 9% increase in unit sales as the company benefited from the zero rate of GST from June to August



Cycle & Carriage Myanmar – FY2018 Review

- Contributed a higher loss of US\$5m (2017: US\$3m loss) mainly due to higher capex depreciation and stock provisions, partly offset by increased sales volume

Tunas Ridean – FY2018 Review

Higher contributions from automotive, consumer finance and rental operations



- Contribution of US\$18m up 17%, due to improved performances from its automotive, consumer finance and rental operations
- 4W sales down 6% to 48,300 units, but margins improved due to less discounting
- 2W sales 11% higher at 248,900 units, benefiting from higher agricultural prices
- MTF's new lending volume up 22% to US\$1.9bn
- Rental business recorded higher gains on disposals, partly offset by increased depreciation and borrowing costs associated with fleet expansion and replacement



Truong Hai Auto Corporation (Thaco) – FY2018 Review

Overall unit sales up 11% to 97,100 units



- Contribution of US\$73m up 29%, due mainly to higher unit sales and improved margins
- Vehicle market grew 9% to 362,000 units as tariffs on CBUs were eliminated, following the full implementation of the ASEAN Trade in Goods Agreement in 2018
- Thaco's overall sales up 11% to 97,100 units, with market share stable at 27%
- Thaco's PC sales up 41% to 66,900 units, with market share at 23% (2017: 19%)
- Thaco's CV sales down 25% to 30,200 units, with market share at 47% (2017: 51%)

THACO
TRUONG HAI AUTO

Formation of Jardine International Motors (JIM)

- Single point of accountability for Jardine Matheson Group automotive interests (Southeast Asia + Greater China)
 - Leverage scale, maximise partnerships, consolidate expertise, share innovation, optimise transformation initiatives
- No change in shareholding; JC&C retains ownership of its Direct Motor Interests (DMI) business
- Formation of leadership of senior staff from JC&C and Jardine Motors Group
 - Eric Chan to succeed Haslam Preston as Managing Director, DMI and participate as an Executive Committee member of JIM
- JIM to become Jardine Matheson Group's automotive specialist and provide central resource to drive groupwide collaboration, minimise duplication and optimise cost
 - JC&C will be able to source services and expertise from JIM
- Better opportunities for employees
 - Broader work experience, wider range of learning, training and development



Jardine Cycle & Carriage



Diversified interests supporting Southeast Asia's growth

OTHER STRATEGIC INTERESTS

OTHER STRATEGIC INTERESTS



Siam City Cement



Listed on **Thailand Stock Exchange**

> **25 million tonnes** per annum of cement capacity

Leading cement manufacturer

#2 Thailand

#2 South Vietnam

#1 Sri Lanka

#1 Cambodia



REE Corp



Listed on **Ho Chi Minh Stock Exchange**

Engages in

- M&E services
- Property development and management
- Power & water investments



Vinamilk



Listed on **Ho Chi Minh Stock Exchange**

#1 dairy producer in Vietnam

> **250** products over **35** countries
250,000 retailers distribution network
Operates **13** dairy farms, owns **10** farms

Underlying Profit – Other Strategic Interests

Substantial growth to US\$71m driven by Vinamilk dividends

	<u>2018</u>	Restated <u>2017</u>	
	US\$m	US\$m	Change
Siam City Cement	20.2	11.3	79%
Refrigeration Electrical Engineering	19.0	13.7	39%
Vinamilk	31.9	9.3	nm
Other Strategic Interests	<u>71.1</u>	<u>34.3</u>	107%

- Siam City Cement's contribution of US\$20 million was significantly higher than the prior year, due to improved domestic performance and lower one-off expenses, partially offset by lower contributions from its regional operations
- REE's contribution of US\$19 million was 39% higher, due mainly to strong contributions from its power and water investments
- The Group recognised dividend income of US\$32 million from its 10.6% interest in Vinamilk

“The Group achieved good overall results in 2018, but Astra is likely to face a number of macro-economic and commercial headwinds in 2019, while the Group’s Direct Motor Interests and Other Strategic Interests may also see slower growth.”

Ben Keswick, Chairman
27th February 2019



Jardine Cycle & Carriage



THANK YOU