



# Results Presentation

## Half Year Ended 30 June 2021

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HONG LEONG ASIA LTD | 12 AUGUST 2021

# 1H 2021 FINANCIALS

	1H 2021	1H 2020	Change (%)
Revenue (S\$'000)	2,838,742	2,137,155	32.8%
Profit before Income Tax from Continuing Operations (S\$'000)	111,443	105,310	5.8%
Profit from Continuing Operations, Net of Tax (S\$'000)	90,338	80,159	12.7%
Total Attributable Net Profit (PATMI) (S\$'000)	40,737	19,365	110.4%
Earnings Per Share (cents)	5.45	2.59	110.4%
Net Cash-flow (Used in)/Generated from Operating Activities (S\$'000)	(37,957)	47,834	N.M.

	30 Jun 2021	31 Dec 2020	Change (%)
Net Debt <sup>1</sup> / Equity Ratio	(0.45)	(0.66)	(31.8%)
Net Debt <sup>2</sup> / Equity Ratio	2.46	1.98	24.2%

<sup>1</sup> Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of \$397M (31 Dec 2020: \$551M)

<sup>2</sup> 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 Cash position of \$245M (31 Dec 2020: \$213M)



# KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	1H 2021	1H 2020	Change (%)
Diesel Engines	Volume (Units)	285,342	213,182	33.8%
	Revenue	2,600,971	1,971,780	31.9%
	Profit Before Tax	92,131	110,627	(16.7%)
Building Materials	Revenue	222,887	152,295	46.4%
	Profit Before Tax	13,913	301	N.M.
Rigid Packaging	Revenue	14,255	11,664	22.2%
	Loss Before Tax	(685)	(175)	291.4%
Corporate and Others	Revenue	629	1,416	(55.6%)
	Profit/(Loss) Before Tax	6,084	(5,443)	N.M.



# KEY HIGHLIGHTS OF CASH FLOW

	1H 2021 (S\$'000)	1H 2020 (S\$'000)
<b>Operating Cash Flow before Working Capital Changes</b>	<b>213,714</b>	<b>189,546</b>
<b>Net Cash Flow (Used in)/Generated from Operating Activities</b>	<b>(37,957)</b>	<b>47,834</b>
<b>(Less)/Add:</b>		
Capital Expenditure (PPE)	(63,979)	(55,785)
Capital Expenditure (Intangible Assets)	(24,785)	(39,738)
Purchase of Other Investments	(12,651)	-
Net Cash Inflow from Disposal of PPE, Right-of-Use Assets and Other Investments	8,329	1,459
Acquisition of Non-Controlling Interests in Subsidiaries	-	(27,659)
Additional Investment in Joint Ventures	(3,634)	-
Dividends Received from Associate, Joint Ventures and Other investments	1,164	-
Dividends Paid to Shareholders of the Company	(7,478)	-
Dividends Paid to Non-Controlling Interests of Subsidiaries	(36,581)	(29,953)
Net Proceeds from Shares Issue	48	-
Net Increase from Borrowings	33,478	154,474
Net Release of Deposits with Banks	879	26,358
Interest (Paid)/Received, Net	(3,221)	1,939
Repayment of Obligations under Lease Liabilities	(5,978)	(4,778)
<b>Net Cash Flow</b>	<b>(152,366)</b>	<b>74,151</b>
<b>Free Cash Flow</b>	<b>(126,721)</b>	<b>(47,689)</b>



# BUSINESS UPDATES

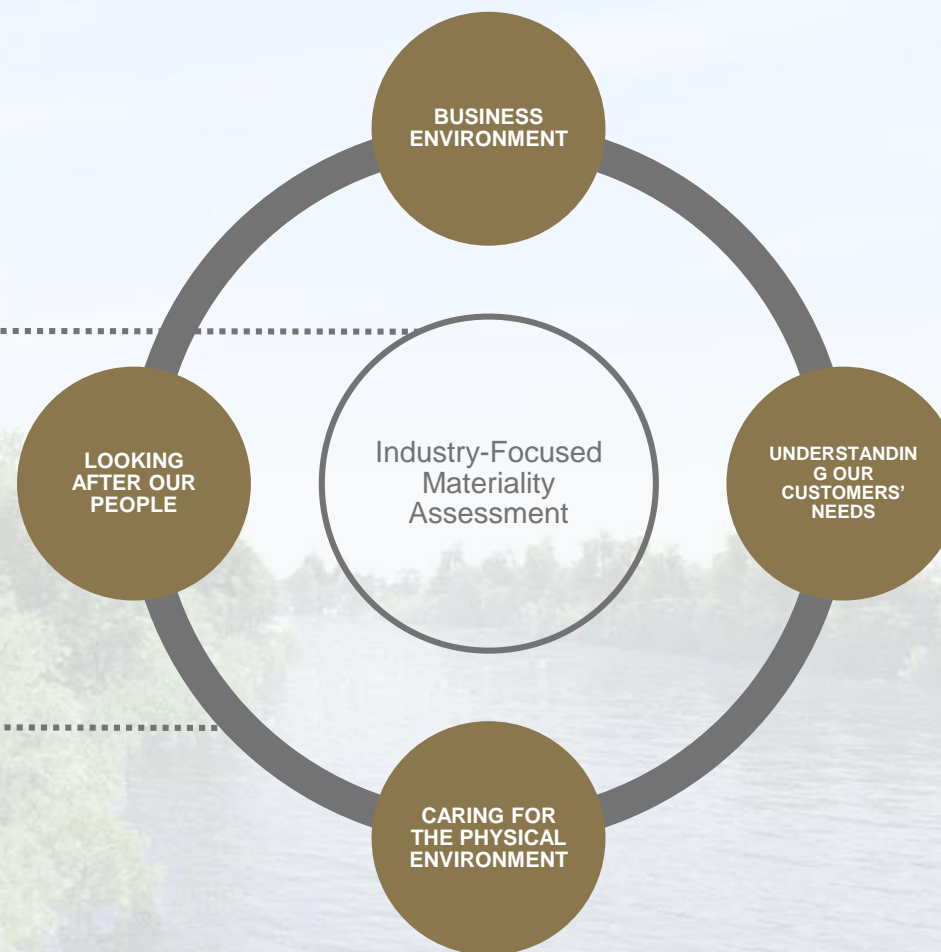
Business Segment	Business Updates
Diesel Engines /New Energy Powertrain	<ul style="list-style-type: none"> <li>• Strong volumes but rising input costs has crimped margins</li> <li>• Continue with significant investments in Research and Development (“R&amp;D”) to develop products to meet stringent National VI emission standard and New Energy powertrains.</li> <li>• These include solutions such as e-CVT power-split hybrid powertrain, integrated electric drive axle powertrain and hydrogen fuel cell systems</li> <li>• Strategic partnership with Sunlong Bus to develop Electric Vehicles (June 2021)</li> </ul>
Building Materials	<ul style="list-style-type: none"> <li>• Demand for concrete and related products in Singapore and Malaysia rebounded as the construction sector recovered from a low base in FY 2020</li> <li>• Order books for the Group’s Precast and Ready Mix Concrete businesses remain strong.</li> <li>• In Singapore, shortage of workers in most construction companies has caused many projects to be delayed</li> <li>• Digitalisation of business processes and automation continues. The Group’s Integrated Construction and Prefabrication Hub with leading-edge automation will enable the Precast business division to be highly efficient when ready in the second half of 2022</li> <li>• In Malaysia, Tasek with its integrated cement plant and ready-mix batching plants continues to work on operational improvements and cost discipline to counter the industry’s tough conditions</li> <li>• Movement Control Order has disrupted the progress of construction projects in Malaysia and interrupted the production of precast concrete components for construction work in Singapore</li> </ul>



# 2021 SUSTAINABILITY FRAMEWORK

## Key Initiatives to Update the Group's 2021 Sustainability Framework

- 1 ALIGN TO THE GROUP'S 2025 VISION AND CORE VALUES**
- 2 REVISION OF THE GROUP'S MATERIALITY ASSESSMENT SUPPORTED BY ENGAGEMENT SESSIONS TO PRESENT THE BUSINESS CASE**



*CURRENT SUSTAINABILITY FRAMEWORK*





THANK YOU

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