



HONG LEONG ASIA LTD.

RESULTS PRESENTATION HALF YEAR ENDED 30 JUNE 2022

11 AUG 2022 | MR. STEPHEN HO, CEO

1H 2022 FINANCIALS

	1H 2022	1H 2021	Change (%)
Revenue (S\$'000)	2,096,577	2,838,742	(26.1%)
Profit before Income Tax from Continuing Operations (S\$'000)	80,944	111,443	(27.4%)
Profit from Continuing Operations, Net of Tax (S\$'000)	64,151	90,338	(29.0%)
Total Attributable Net Profit (PATMI) (S\$'000)	42,579	40,737	4.5%
Earnings Per Share (cents)	5.69	5.45	4.4%
Net Cash-flow Generated from/(Used in) Operating Activities (S\$'000)	109,323	(37,957)	N.M.

	30 Jun 2022	31 Dec 2021	Change (%)
Net Debt ¹ / Equity Ratio	(0.36)	(0.37)	(2.7%)
Net Debt ² / Equity Ratio	1.59	2.02	(21.3%)

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of \$337M (31 Dec 2021: \$342M)

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 Cash position of \$169M (31 Dec 2021: Net Debt position of \$106M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	1H 2022	1H 2021	Change (%)
Diesel Engines	Volume (Units)	180,911	285,342	(36.6%)
	Revenue	1,798,222	2,600,971	(30.9%)
	Profit After Tax	29,944	74,405	(59.8%)
Building Materials	Revenue	282,015	222,887	26.5%
	Profit After Tax	28,656	10,671	168.5
Rigid Packaging	Revenue	13,180	14,255	(7.5%)
	Profit/(Loss) After Tax	9,854 ¹	(383)	NM
Corporate and Others	Revenue	3,160	629	402.4%
	(Loss)/Profit After Tax	(4,303)	5,645	NM

Note 1: Profit after tax for 1H 2022 included gain on disposal of assets held-for-sale of S\$10.6 million.

KEY HIGHLIGHTS OF CASH FLOW

	1H 2022 (S\$'000)	1H 2021 (S\$'000)
Operating Cash Flow before Working Capital Changes	182,309	213,714
Net Cash Flow Generated from/(Used in) Operating Activities	109,323	(37,957)
(Less)/Add:		
Capital Expenditure (PPE)	(59,871)	(63,979)
Capital Expenditure (Intangible Assets)	(12,874)	(24,785)
Purchase of Other Investments	-	(12,651)
Net Cash Inflow from Disposal of PPE, Right-of-Use Assets, Assets Held-For-Sale and Other Investments	15,159	8,329
Contribution by non-controlling interests	872	-
Additional Investment in Associates and Joint Ventures	(674)	(3,634)
Dividends Received from Associates, Joint Ventures and Other investments	4,931	1,164
Dividends Paid to Shareholders of the Company	(14,958)	(7,478)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(22,598)	(36,581)
Net Proceeds from Shares Issue	-	48
Net (Decrease)/Increase from Borrowings	(48,934)	33,478
Net Release of Deposits with Banks	13,246	879
Interest Paid, Net	(3,271)	(3,221)
Repayment of Obligations under Lease Liabilities	(5,372)	(5,978)
Net Cash Flow	(25,021)	(152,366)
Free Cash Flow	36,578	(126,721)

BUSINESS UPDATES

Business Segment	Business Updates
Diesel Engines/New Energy Powertrains	<ul style="list-style-type: none"> • Lower revenues on reduced volumes (-36.6% YoY). • Slower growth in China, regional lockdowns have crimped demand for commercial vehicles • Off-road engines (-12.7% YoY) performing relatively better when compared to truck and bus engines (-56.8% YoY) • Continue with significant investments in R&D to develop Tier4 compliant off-road engine units, New Energy powertrains(hydrogen, fuel cell, electric and hybrids) • New large capacity (~16l) hydrogen engine launched (June 2022) • Xin-Lan New Energy Power Co venture with Beijing Xing Shun Da Bus Co (Mar 2022)
Building Materials Unit (BMU)	<ul style="list-style-type: none"> • Recovery of volumes and pricing for concrete and related products in Singapore. Demand rebounded as the construction sector recovered • Order books for BMU Singapore's Precast and Ready Mix Concrete businesses remain strong. Shortage of construction workers have improved though there remains delays at some projects • Digitalization of business processes and automation continues. HLA's Integrated Construction and Prefabrication Hub with leading-edge automation will be ready later in 2022 • BMU Malaysia (Tasek) recorded recovery but the industry's condition remains tough (higher input costs, labour shortage & tight credit environment). Sales volumes and performance were affected in 1H 2022

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)

Asia-Pacific climate leaders: Which companies cut emissions?



Source:

<https://asia.nikkei.com/Spotlight/Environment/Climate-Change/Asia-Pacific-climate-leaders-Which-companies-cut-emissions2>

Hong Leong Asia is one of 4 Singapore Companies to be recognised as a Climate Leader in Asia Pacific in 2022

Criteria for inclusion in the ranking:

- HLA is headquartered in one of 14 territories in the Asia-Pacific region
- HLA reported its greenhouse gas emissions for the years 2015 and 2020
- HLA had revenues of at least US\$50 million in 2020
- HLA reduced its emissions by at least 3% year-on-year between 2015 and 2020



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**

in Hong Leong Asia Ltd.