



Jardine Cycle & Carriage

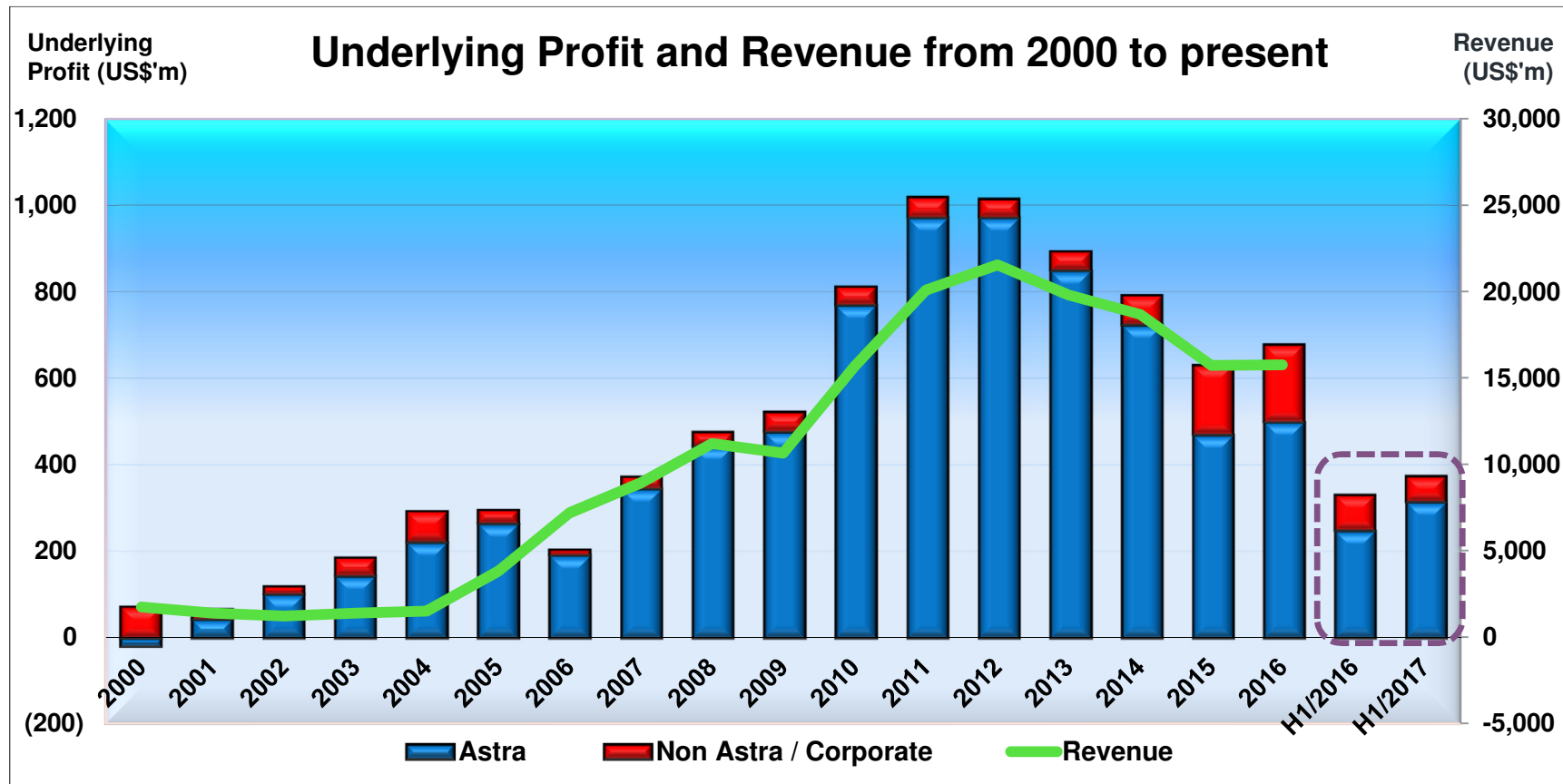
H1/2017 Results

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

Highlights

- **Underlying earnings per share up 13%**
- **Stronger contribution from most of Astra's businesses, up 27%**
- **Lower contribution from Direct Motor Interests, down 20%**
- **Lower contribution from Other Interests, down 46%**

Financial Highlights



Financial Highlights – Profit & Loss Account

	<u>H1/2017</u>	<u>H1/2016</u>	
	US\$m	US\$m	<i>Change</i>
Revenue	<u>8,519</u>	<u>7,703</u>	11%
Underlying profit	375	332	13%
Non-trading items	24	(4)	<i>n.m.</i>
Net profit	<u>399</u>	<u>328</u>	22%

Financial Highlights – Balance Sheet

	<u>Jun-17</u>	<u>Dec-16</u>	
	US\$m	US\$m	<i>Change</i>
Shareholders' funds	6,005	5,755	4%
Total equity	12,617	12,076	4%
Net debt	(3,395)	(2,845)	19%
Net cash (excl. FS)	291	709	-59%
Gearing	27%	24%	
Gearing (excl. FS)	n.a.	n.a.	
	US\$	US\$	
Net asset value per share	15.19	14.56	4%

Financial Highlights – Other

<u>H1/2016</u>	<u>H1/2017</u>		<u>H1/2017</u>	<u>H1/2016</u>	
S¢	S¢		US¢	US¢	<i>Change</i>
116	133	Underlying EPS	95	84	<i>13%</i>
114	141	EPS	101	83	<i>22%</i>
24	25	Dividend per share	18	18	<i>0%</i>

Group Structure



Jardine Cycle & Carriage



ASTRA INTERNATIONAL
50.1%

DIRECT MOTOR INTERESTS

OTHER INTERESTS

INDONESIA



Automotive



Financial Services



Heavy Equipment & Mining



Agribusiness



Infrastructure & Logistics



Information Technology



Property

SINGAPORE

100%

Cycle & Carriage Singapore

MALAYSIA

59.1%

Cycle & Carriage Bintang

INDONESIA

44.4%

Tunas Ridean

VIETNAM

25.1%

Truong Hai Auto Corporation

MYANMAR

60%

Cycle & Carriage Myanmar

THAILAND

25.5%

Siam City Cement

VIETNAM

22.9%

Refrigeration Electrical Engineering (REE) Corp

*As at June 2017

Underlying Profit



Underlying Profit – By Activity

	<u>H1/2017</u>	<u>H1/2016</u>	
	US\$m	US\$m	<i>Change</i>
Astra	315.3	248.7	27%
Direct motor interests	62.6	78.2	-20%
Other interests	8.3	15.3	-46%
Corporate costs	(10.9)	(10.3)	6%
Underlying profit	<u>375.3</u>	<u>331.9</u>	13%

Underlying Profit – Astra

	<u>H1/2017</u>	<u>H1/2016</u>	
	<u>US\$m</u>	<u>US\$m</u>	<i>Change</i>
Automotive	145.7	136.0	7%
Financial services	63.3	46.8	35%
Heavy equipment and mining	77.3	41.9	84%
Agribusiness	31.3	23.6	33%
Infrastructure and logistics	4.1	5.2	-21%
Information technology	2.1	2.7	-22%
Property	(0.8)	0.2	<i>n.m.</i>
Withholding tax on dividend	(7.7)	(7.7)	0%
	<u>315.3</u>	<u>248.7</u>	27%



Astra – H1/2017 Review

- Reported net profit equivalent to US\$702m under Indonesian accounting standards, 31% increase in local currency terms, with increases in most businesses
- US\$315m contribution to the Group's underlying profit, up 27%
- Wholesale 4W market increased marginally to 534,000 units. Astra's sales were 9% higher at 298,000 units (market share up from 51% to 56%)
- Wholesale 2W market down by 9% to 2.7m units. Astra Honda Motor's sales 7% lower at 2.0m units (market share up from 73% to 74%)
- Astra Otoparts' net income up 30% to US\$15m, due to higher earnings contributions from its joint venture and associated companies
- Amount financed through automotive-focused consumer finance operations increased 8% to US\$2.9bn. Amount financed through the heavy equipment-focused finance operations increased 68% to US\$237m

Astra – H1/2017 Review

- Permata Bank's net income of US\$47m (H1/2016: net loss of US\$62m) was mainly driven by an improvement in asset quality and the sale of a portfolio of its non-performing loans ("NPL") as planned. Gross NPL ratio declined from 8.8% at the end of 2016 to 4.7%, while net NPL ratio also declined from 2.2% to 1.8%. In June 2017, the bank completed a further US\$220m rights issue, which was fully subscribed
- Asuransi Astra Buana's net income 24% higher at US\$38m, primarily due to higher underwriting and investment income
- United Tractors' net income 85% higher at US\$257m mainly due to improved performances in its construction machinery, mining contracting and mining operations, all of which benefited from higher coal prices
 - Komatsu heavy equipment sales rose 69% to 1,751 units
 - Contract coal production up 4% to 52m tonnes
 - Overburden removal up 6% to 360m bcm
 - Coal sales 18% lower at 3.6m tonnes
 - Acset Indonusa's net income up 95% at US\$5m

Astra – H1/2017 Review

- Astra Agro Lestari's net income up from US\$59m to US\$78m, due to improved revenue from higher CPO prices and increased production. Average CPO prices up 16% at Rp8,536/kg, while sales of CPO and its derivatives were 10% higher at 833,000 tonnes
- Net income from infrastructure and logistics down 21% to US\$8m, mainly due to initial losses arising from the operational commencement of the Cikopo-Palimanan toll road and lower earnings from its water utility business
- Astra Graphia's net income down 25% to US\$5m, mainly due to lower revenue from its IT solutions business
- Net income from property division 94% higher at US\$5m, mainly due to higher development earnings recognised on its Anandamaya Residences development under Indonesian accounting standards. The project is scheduled for completion in 2018

Direct Motor Interests



Underlying Profit – Direct Motor Interests

	<u>H1/2017</u>	<u>H1/2016</u>	
	US\$m	US\$m	<i>Change</i>
Vietnam (Truong Hai Auto Corporation)	32.2	43.1	-25%
Singapore (Cycle & Carriage Singapore)	24.1	21.6	11%
Indonesia (Tunas Ridean)	6.9	9.3	-26%
Malaysia (Cycle & Carriage Bintang)	1.3	4.3	-70%
Myanmar (Cycle & Carriage Myanmar)	(1.9)	(0.1)	<i>n.m.</i>
	<u>62.6</u>	<u>78.2</u>	-20%

Truong Hai Auto Corporation (“Thaco”)

– H1/2017 Review

- Thaco’s contribution of US\$32m down 25% due mainly to lower margins as a result of increased competitive pressures following the reduction in import tariffs at the beginning of the year, partly offset by profit from its real estate business through Dai Quang Minh Real Estate Investment Joint Stock Company
- Vehicle market grew 5% to 165,500 units, while Thaco’s overall sales down 8% to 47,200 units, with its market share declined from 32% to 29%
- Thaco’s PC sales down 5% to 25,200 units and its CV sales down 10% to 22,000 units. PC market share down to 20% whilst CV market share increased to 56%



THACO
TRUONG HAI AUTO

Cycle & Carriage Singapore

– H1/2017 Review

- Cycle & Carriage Singapore's contribution of US\$24m up 11%, on higher PC sales and increased contribution from used cars
- PC market grew 5% to 45,800 units
- PC sales were up 21% to 7,300 units, with market share up from 14% to 16%. MB sales were 3,200 units whilst non-MB sales were 4,100 units, of which 550 units were sold to Uber
 - Mercedes-Benz unit sales up 4%
 - Kia unit sales grew 35%
 - Mitsubishi unit sales grew 53%
 - Citroen unit sales down 3%



Cycle & Carriage Bintang

– H1/2017 Review

- Cycle & Carriage Bintang's contribution of US\$1m significantly down due to a 13% reduction in unit sales and margin pressures from strong competition within the Mercedes-Benz network and in the premium car market, in particular BMW
- After-sales division continued to perform satisfactorily



Tunas Ridean – H1/2017 Review

- Tunas Ridean's contribution of US\$7m down 26%, due to weaker performances from its automotive and MTF consumer finance operations, partly offset by improved rental profit and 2W sales
- 4W sales up 8% to 27,100 units, but margins were impacted by increased discounting pressure. 2W sales were 5% higher at 105,800 units
- MTF's new lending volume up 1% to US\$732m, but profit was affected by higher AR losses



Other Interests



Underlying Profit – Other Interests

	<u>H1/2017</u>	<u>H1/2016</u>	
	US\$m	US\$m	<i>Change</i>
Other Interests	<u>8.3</u>	<u>15.3</u>	-46%

- SCCC's contribution was down from US\$14m to US\$5m due mainly to lower prices and sales volumes in Thailand and one-off expenses, partly offset by contributions from recently acquired operations in Sri Lanka and Vietnam
- REE's contribution was up from US\$1m to US\$3m due to improvements in its M&E, real estate, and power and water distribution businesses. REE's Q2 results will be accounted by the Group in Q3

Outlook

“The outlook for the rest of the year is positive with Astra, although its results may be tempered by increasing competition in the car market and soft demand in the motorcycle market. The Group’s Direct Motor Interests and Other Interests will continue to face challenges.”

Ben Keswick, Chairman

4th August 2017