



HONG LEONG ASIA LTD.

1H 2024 RESULTS PRESENTATION

13 AUGUST 2024 | MR. STEPHEN HO KIAM KONG, CEO

1H 2024 FINANCIALS

	1H 2024	1H 2023	Change (%)
Revenue (S\$'000)	2,251,215	2,075,085	8.5%
Net Profit (S\$'000)	92,529	64,121	44.3%
Net Profit Excluding Discontinued Operation (S\$'000)	92,377	64,254	43.8%
Net Profit Attributable to Shareholders (S\$'000)	49,544	30,794	60.9%
Earnings Per Share (Cent)	6.62	4.12	60.9%
Interim Dividends Per Share (Cent)	1.0	-	N.A.
Net Cash Flow Generated from Operating Activities (S\$'000)	45,528	75,241	(39.5%)
	30 Jun 2024	31 Dec 2023	Change (%)
Net Debt ¹ / Equity Ratio	(0.42)	(0.39)	7.7%
Net Debt ² / Equity Ratio	2.03	1.75	16.0%

¹ Net Debt is defined as Loans and Borrowings, less Cash and Deposits. The Group is in a Net Cash position of S\$388M (31 Dec 2023: S\$346M)

² Net Debt is defined as Trade and Other Liabilities 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 S\$329M (31 Dec 2023: Net Cash Position of S\$252M)

KEY SEGMENT RESULTS

	Unless specified, figures are in S\$'000	1H 2024	1H 2023	Change (%)
Powertrain Solutions	Volume (Units)	192,743	165,793	16.3%
	Revenue	1,918,325	1,755,713	9.3%
	Profit After Tax	61,915	48,070	28.8%
Building Materials	Revenue	321,480	306,270	5.0%
	Profit After Tax	41,951	31,032	35.2%
Corporate and Others	Revenue	11,410	13,102	(12.9%)
	Loss After Tax	(11,489)	(14,848)	(22.6%)

KEY HIGHLIGHTS OF CASH FLOW

	1H 2024 (S\$'000)	1H 2023 (S\$'000)
Operating Cash Flow before Working Capital Changes	241,086	190,279
Net Cash Flow Generated from Operating Activities	45,528	75,241
(Less)/Add:		
Capital Expenditure (PPE and Intangible Assets)	(43,594)	(40,911)
Net Cash Inflow from Disposal of Subsidiary, Associate, Joint Venture, PPE and Other Investments	48,759	4,411
Contribution by Non-Controlling Interests	15,450	3,835
Additional Investment in Joint Venture	-	(1,246)
Dividends Received from Associates and Other investments	7,028	6,639
Dividends Paid to Shareholders of the Company	(14,960)	(14,960)
Dividends Paid to Non-Controlling Interests of Subsidiaries	(8,943)	-
Net Increase from Borrowings	49,456	140,278
Net Placement of Deposits with Banks	(7,884)	(53,774)
Interest Paid, Net	(2,365)	(4,731)
Repayment of Obligations under Lease Liabilities	(7,072)	(6,740)
Net Cash Flow	81,403	108,042
Free Cash Flow	1,934	34,330

KEY BUSINESS UPDATES

Business Segment

Business Updates

Powertrain Solutions

- 192,743 engine units sold in 1H 2024, an increase of 16.3% YoY. Growth in volumes was led by truck engines and bus/industrial engines. Sales increased in all products categories except pickups.
- Higher gross margins on on-going cost reduction efforts and better sales mix towards heavy-duty vehicle engines and industrial engines.
- R&D initiatives to develop New Energy powertrains such as hybrids, integrated electric drive axles, hydrogen fuel cell systems and hydrogen powered engines.

Some Key Developments:

- ❖ Launched 50 fuel cell powered bus with Beijing Xingshunda (82KW & 120KW versions).
- ❖ Launched new QT700-10 wind turbine fan main shaft.
- ❖ US\$40m/4m shares buyback program approved and announced by Board of China Yuchai in June 2024.
- ❖ Chinese Government programme on large scale equipment renewal announced in July 2024 to incentivise scrapping of older commercial vehicles and equipment in place of new energy solutions.

KEY BUSINESS UPDATES

Business Segment

Business Updates

Building Materials

- BMU's order books in the Precast and Ready-Mix Concrete (RMC) segments in Singapore continue to grow from public and private sector project launches.
- Prefabrication business in R3 Precast affected by slow project off-take in the industry.
- In Malaysia, Tasek's (integrated cement plant and RMC) profitability was supported by higher sales volume and selling prices.
- Tasek continues to improve its operational efficiency and working to increase the use of alternative fuels and alternative raw materials.

Some Key Developments:

- ❖ Investments in Integrated Construction and Prefabrication Hub facility in Punggol and RMC Ecosystem Batching Plant at Jurong Port have position us as a leading player in Singapore.
- ❖ Productivity in Singapore RMC delivery improved with use of 12 cubic metre ready-mix concrete trucks to counter the shortage in truck drivers.
- ❖ Improvement in Tasek's operational efficiency will counter some of the costs pressure arising from the removal of diesel subsidies in June 2024.

AWARDS & ACCOLADES

- Ranked 14th on the Singapore Governance and Transparency Index under the General Category by NUS Business School's Centre for Governance and Sustainability, *August 2024*
- Ranked among Asia's 350 leading companies as one of Asia Pacific Climate Leaders 2023 on the Financial Times and Statista list for transparency in reporting and greatest reduction in core emission intensity relating to Scopes 1 and 2 between 2017 and 2022 for the third consecutive year, *June 2024*
- Ranked 118th for the inaugural Fortune Southeast Asia 500 companies list, *June 2024*
- Ranked 90th as one of Singapore's Best Employers by The Straits Times and Statista, *April 2024*



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

EMPOWERING OUR PEOPLE AND COMMUNITIES

BUILDING RESILIENCE FOR THE LONG-TERM

1H 2024 INITIATIVES

- *CYI/GYMCL* – Yuchai Xingshunda's 50 green energy buses equipped with hydrogen fuel cells commenced commercial operations.
- *CYI/GYMCL* – Guangxi Foundry Company Ltd. has advanced in the wind energy sector with the launch of the QT700-10 turbine fan main shaft.
- *BMU, Malaysia* – Achieved highest alternative fuel substitution rate at 18%.
- *HLA* – Launched the Youth4Planet and Future Cities series under the Group's CSR / Impact program to raise awareness on climate change effects on the urban environment amongst youth and promote volunteerism within the organisation.
- *BMU, Singapore* – Conducted two supplier audits with regards to the Group's Supplier Code of Conduct.
- *HLA* – Launched new Occupational, Health and Safety reporting framework for safety incidents/accidents reporting.
- *BMU, Malaysia* – Achieved ISO 45001 at 66% of operational sites, compared to 33% in FY2023.


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