

**2017**

# **Half-Yearly Results**

**Presentation to Analysts**

**7th August 2017**

# Jardine Matheson

## Review of 1H 2017

- Strong growth in underlying profit
- Favourable trading conditions generally
- Good performances from most Group companies
- Increases from Hongkong Land, Astra and Jardine Motors
- Financial position remains robust

# Jardine Matheson Group at 30<sup>th</sup> June

	Ownership %	JMH Economic Interest	JSH Economic Interest
Jardine Pacific	100	100	57
Jardine Motors	100	100	57
Jardine Lloyd Thompson	42	42	24
Jardine Strategic	84	84	-
- Hongkong Land	50	42	50
- Dairy Farm	78	65	78
- Mandarin Oriental	77	65	77
- Jardine Cycle & Carriage	75	63	75
• Astra	50	31	38

# Jardine Matheson Financial Summary

US\$m	Interim 2017	chg	Interim 2016	Annual 2016
Revenue (including associates & JVs)	38,072	10%	34,569	72,437
Revenue	19,430	8%	18,026	37,051
Underlying PBT	2,130	23%	1,726	3,729
<b>Underlying profit</b>	<b>765</b>	<b>20%</b>	<b>636</b>	<b>1,386</b>
Non-trading items	1,313		348	1,117
Profit attributable to shareholders	2,078	111%	984	2,503
<b>Underlying EPS, US\$</b>	<b>2.04</b>	<b>20%</b>	<b>1.70</b>	<b>3.71</b>
<b>DPS, US\$</b>	<b>0.40</b>	<b>5%</b>	<b>0.38</b>	<b>1.50</b>

# Jardine Matheson

## Underlying Profit Contribution

US\$m	Interim 2017	Interim 2016	chg
Jardine Pacific	68	54	26%
Jardine Motors	83	57	45%
Jardine Lloyd Thompson	36	31	17%
Hongkong Land	216	163	33%
Dairy Farm	137	128	7%
Mandarin Oriental	10	15	- 37%
Jardine Cycle & Carriage	45	58	- 22%
Astra	198	155	28%
Corporate & other interests	(28)	(25)	- 8%
<b>Underlying profit</b>	<b>765</b>	<b>636</b>	<b>20%</b>

# Jardine Matheson

## Non-Trading Items

US\$m	Interim 2017	Interim 2016
Change in fair value of investment properties in Hongkong Land	1,090	363
Sale of property interests	195	-
Change in interests in associates and joint ventures	8	(3)
VAT recovery in Jardine Motors	8	-
Sale of businesses	5	(1)
Litigation costs	-	(10)
Others	7	(1)
<b>Total</b>	<b>1,313</b>	<b>348</b>

# Jardine Pacific

## Underlying Profit Contribution

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Jardine Schindler	23	20	13%	44
JEC	6	6	3%	28
Gammon	16	8	96%	18
Jardine Restaurants	16	14	10%	28
Transport Services	11	6	115%	17
JTH Group	-	3	- 103%	9
Corporate and other interests	(4)	(3)	- 26%	(9)
Underlying profit	68	54	26%	135

# Jardine Motors

## Underlying Profit Contribution

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
China (incl. HK & Macau)	76	35	117%	98
UK	8	23	- 65%	30
Corporate	(1)	(1)	- 11%	(2)
Underlying profit	83	57	45%	126

- Good volume growth at improved margins in mainland China
- Results for China include interest and dividends received from Zhongsheng
- UK's Interim 2016 results included \$10m gain on the sale of a dealership

# Jardine Lloyd Thompson Financial Summary\*

£m	Interim 2017	Interim 2016	chg	Annual 2016
Revenue	690	619	11%	1,261
Underlying trading profit	110	98	12%	194
Underlying profit**	69	61	13%	111

- Risk and Insurance businesses recorded 12% growth in revenue
- UK Employee Benefits business saw 9% increase in revenue
- Underlying profit contribution to the Group up 17%
- Continued investment to further develop the global specialist lines business

\* 100% basis

\*\* Underlying profit attributable to the Group, on conversion to US\$ and after adjusting for restructuring costs in 2016:  
Interim 2017 – US\$36m, Interim 2016 – US\$31m, Annual 2016 – US\$56m

# Jardine Strategic Financial Summary\*

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Underlying profit	787	664	19%	1,438
Non-trading items	1,440	424		1,303
Profit attributable to shareholders	2,227	1,088	105%	2,741
Underlying EPS, US\$	1.35	1.12	21%	2.45
DPS, US¢	9.50	9.00	6%	30.00
NAV per share, US\$**	60.31		13%	53.25

\* 100% basis

\*\* Calculated on a market value basis

# Hongkong Land Financial Summary\*

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Underlying profit	517	393	32%	848
Total equity	34,253		9%	31,314
NAV per share, US\$	14.54		9%	13.30

- Investment properties performed well due to low vacancy levels generally and increased office rents in Hong Kong
- Development properties benefited from a greater number of completions in 2017

# Dairy Farm Financial Summary\*

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Sales including associates and JVs	10,448	10,110	3%	20,424
Sales	5,505	5,562	- 1%	11,201
Underlying profit	211	199	6%	460

- Food division saw mixed trading conditions
- Improved Health & Beauty performance, except in Singapore and Malaysia
- Increased contributions from Yonghui, IKEA and Maxim's

\* 100% basis

# Mandarin Oriental Financial Summary\*

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Combined total revenue of hotels under management	645	644	-	1,324
Underlying profit	15	25	- 39%	57
Adjusted shareholders' funds**	3,938		1%	3,888
Adjusted NAV per share, US\$**	3.13		1%	3.10

- Major ongoing renovation of London hotel impacted results
- Hong Kong performance stable

\* 100% basis

\*\* Adjusted to include the fair market value of the group's freehold and leasehold interests which were independently appraised as at 31<sup>st</sup> December 2016

# Jardine Cycle & Carriage

## Underlying Profit Contribution\*

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Astra	315	249	27%	500
Direct motor interests	63	78	- 20%	167
Other interests	8	15	- 46%	33
Corporate costs	(11)	(10)	- 6%	(21)
Underlying profit	375	332	13%	679

- Strong Astra performance
- Direct motor interests impacted by increased competition in Vietnam

\* 100% basis

# Astra

## Contribution to JC&C

US\$m	Interim 2017	Interim 2016	chg	Annual 2016
Automotive	146	136	7%	313
Financial services	64	47	35%	30
Heavy equipment & mining	77	42	84%	114
Agribusiness	31	24	33%	60
Infrastructure & logistics	4	5	- 21%	10
Information technology	2	3	- 22%	7
Property	(1)	-	NA	(8)
Withholding tax	(8)	(8)	-	(26)
Underlying profit	315	249	27%	500

# Jardine Matheson

## Analysis of Net Debt

US\$m	June 2017	gearing	Dec 2016	gearing
Jardine Pacific / Jardine Motors	37	-	(226)	17%
Hongkong Land	(1,882)	5%	(2,008)	6%
Dairy Farm	(685)	42%	(641)	41%
Mandarin Oriental	(321)	8%	(297)	8%
Jardine Cycle & Carriage	77	-	91	-
Astra	296	-	552	-
Jardine Matheson Corporate	212	-	154	-
Jardine Strategic Corporate	326	-	131	-
Jardine Cycle & Carriage Corporate	17	-	157	-
Net debt (ex financial services)	(1,923)	4%	(2,087)	4%
Net debt of financial services	(3,686)		(3,554)	

# Jardine Matheson Business Developments (1/2)

- Stake in Zhongsheng increased to 20%
- 28% stake in Greatview Aseptic Packaging acquired
- New Hongkong Land projects in Singapore
- Hongkong Land enters new cities in mainland China

# Jardine Matheson Business Developments (2/2)

- New management contracts at Mandarin Oriental
- Strategic review of The Excelsior hotel
- Astra's investment initiatives continue
- Group focus on innovation and technology

# Jardine Matheson

## Outlook for 2H 2017

- Full-year profit growth likely to be tempered:
  - No residential completions in Singapore
  - Increasingly competitive automotive markets
- Continued emphasis on sustained growth
- Strong potential in Group's markets

**2017**

# **Half-Yearly Results**

**Presentation to Analysts**

**7th August 2017**