



PRESENTATION TO ANALYSTS

2020 HALF-YEARLY RESULTS

31st JULY 2020

Introduction

2020 Half-Yearly Results



- COVID-19
- Management Priorities
- Key Strategic Developments
- Review of 1H 2020
- Financial Summary
- Outlook for 2H 2020

COVID-19 Update



- COVID-19 creates challenges in all markets
- Support for employees, suppliers and partners
- Financial discipline
- Adapting businesses to meet changing customer needs
- Continuing confidence in Hong Kong and Asia more broadly

Management Priorities



- Addressing disruptive forces
- Adopting sustainable business practices
- Speed and agility
- Embracing technology and innovation
- Investment in people
- Fostering entrepreneurialism and finding new sources of revenue
- Building comprehensive data-driven relationships

Key Strategic Developments



- Progress on West Bund project
- Strong focus on capital allocation – sale of Permata Bank increases financial strength of Group
- Launch of *yuu* customer loyalty programme

Overview of 1H 2020

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- Material impact from COVID-19 on 1H results
- Some signs of recovery towards end of period but full year prospects remain uncertain
- Group well-placed for future growth

Jardine Matheson Group

at 30th June 2020



	Group Ownership %	JMH Economic Interest %	JSH Economic Interest %
Jardine Pacific	100	100	58
Jardine Motors	100	100	58
Jardine Strategic	85	85	-
- Hongkong Land	50	43	50
- Dairy Farm	78	66	78
- Mandarin Oriental	78	66	78
- Jardine Cycle & Carriage	75	64	75
• Astra	50	32	38

Financial Summary

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US\$m	Interim 2020	chg	Interim 2019	Annual 2019
Revenue (including 100% of associates and JVs)	44,936	-11%	50,274	103,308
Revenue	15,906	-21%	20,172	40,922
Underlying PBT	1,169	-45%	2,119	4,678
Underlying profit	373	-49%	738	1,589
Non-trading items	(1,148)	n/a	1,516	1,249
(Loss)/profit attributable to shareholders	(775)	n/a	2,254	2,838
Underlying EPS, US\$	1.01	-48%	1.96	4.23
DPS, US\$	0.44	-	0.44	1.72

Underlying Profit Contribution

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US\$m	Interim 2020	Interim 2019	chg
Jardine Pacific	53	56	-7%
Jardine Motors	61	107	-43%
Hongkong Land	151	198	-24%
Dairy Farm	69	115	-40%
Mandarin Oriental	(67)	7	n/a
Jardine Cycle & Carriage (ex. Astra)	1	45	-98%
Astra	109	207	-47%
Corporate & other interests	(4)	3	n/a
Underlying profit	373	738	-49%

Non-Trading Items

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US\$m	Interim 2020	Interim 2019
Change in fair value of investment properties in Hongkong Land	(933)	(37)
Change in fair value of The Excelsior site	(222)	-
Change in fair value of other investments	(63)	44
Asset impairment	(57)	-
Sale of Permata Bank	120	-
Sale of Jardine Lloyd Thompson	-	1,507
Others	7	2
	(1,148)	1,516

Jardine Pacific

Underlying Profit Contribution



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
JEC	12	9	31%	41
Jardine Restaurants	15	10	47%	13
Gammon	3	8	-58%	36
Jardine Schindler	14	21	-32%	48
Transport Services	5	8	-35%	18
Corporate and other interests	4	-	n/a	8
Underlying profit	53	56	-7%	164

- HACTL performs strongly, solid contributions from JEC and Restaurants
- Weaker performances from Jardine Schindler, Gammon and Aviation Services

Jardine Motors

Underlying Profit Contribution



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
China (incl. HK & Macau)	89	103	-14%	196
UK	(28)	5	n/a	1
Corporate	-	(1)	n/a	(1)
Underlying profit	61	107	-43%	196

- Weaker performance from Zung Fu on Chinese mainland and in Hong Kong
- UK badly impacted by lockdown measures
- Higher contribution from Zhongsheng, relating to 2H 2019 performance

Jardine Strategic

Financial Summary*



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
Underlying profit	395	779	-49%	1,681
Non-trading items	(1,356)	878		497
(Loss)/profit attributable to shareholders	(961)	1,657	n/a	2,178
Underlying EPS, US\$	0.71	1.38	-49%	2.98
DPS, US¢	10.50	10.50	-	35.50
NAV per share, US\$**	48.71		-16%	57.98

* 100% basis

** Calculated on a market value basis

Hongkong Land

Financial Summary*



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
Underlying profit	353	466	-24%	1,076
Total equity	35,986		-6%	38,290
NAV per share, US\$	15.41		-6%	16.39

- Office portfolio remains resilient
- Retail impacted by weaker consumer sentiment and rent relief
- Development Properties see fewer sales completions
- Revaluation loss of US\$2.2 billion

* 100% basis

Dairy Farm

Financial Summary*



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
Sales including associates and JVs	14,547	13,781	6%	27,665
Sales	5,240	5,761	-9%	11,192
Underlying profit	105	177	-40%	321

- Reduced contributions from Health & Beauty, Maxim's and Convenience Stores
- Strong performances by Grocery Retail and Home Furnishings

* 100% basis

Mandarin Oriental

Financial Summary*



US\$m	Interim 2020	Interim 2019	Chg	Annual 2019
Combined total revenue of hotels under management	276	641	-57%	1,325
Underlying (loss)/profit	(102)	11	n/a	41
Adjusted shareholders' funds**	5,490		-8%	5,936
Adjusted NAV per share, US\$**	4.35		-7%	4.70

- Majority of hotels closed throughout Q2
- Material recovery in business levels not expected until 2021

* 100% basis

** Adjusted to include the market value of the group's freehold and leasehold interests

Jardine Cycle & Carriage

Underlying Profit Contribution*



US\$m	Interim 2020	Interim 2019	chg	Annual 2019
Astra	171	326	-47%	716
Direct Motor Interests	-	33	n/a	63
Other Interests	28	66	-58%	126
Corporate costs				
- Exchange differences	(41)	11	n/a	17
- Others	(20)	(29)	30%	(59)
Underlying profit	138	407	-66%	863

- Significant fall in Astra contribution
- Automotive businesses impacted by temporary closures
- Weaker contribution from Thaco and timing of Vinamilk dividend

* 100% basis

Astra

Contribution to JC&C

US\$m



	Interim 2020	Interim 2019	chg	Annual 2019
Automotive	16	112	-86%	269
Financial services	69	100	-30%	216
Heavy equipment, mining, construction & energy	82	117	-30%	238
Agribusiness	12	-	n/a	4
Infrastructure & logistics	(7)	3	n/a	10
Information technology	1	1	-69%	7
Property	2	2	4%	3
Withholding tax	(4)	(9)	59%	(31)
Underlying profit	171	326	-47%	716

- Lower contributions from automotive, financial services and heavy equipment and mining operations

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Analysis of Net Borrowings



US\$m	June 2020	gearing	Dec 2019	gearing
Jardine Pacific / Jardine Motors	180	-	13	-
Hongkong Land	(5,628)	16%	(3,591)	9%
Dairy Farm	(1,091)	96%	(821)	66%
Mandarin Oriental	(412)	11%	(300)	7%
Jardine Cycle & Carriage	(1,260)	8%	(3,048)	20%
Jardine Matheson Corporate	433	-	1,199	-
Jardine Strategic Corporate	2,332	-	1,762	-
Net borrowings (ex financial services)	(5,446)	9%	(4,786)	7%
Net borrowings of financial services	(3,234)		(3,294)	

- Resilient operating cashflows
- Hongkong Land: payments for West Bund site, net of partner advance
- JC&C/Astra: sale of Permata Bank

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Consolidated Cash Flow



US\$m	Interim 2020	Interim 2019
Cash flows from operating activities	1,996	1,948
Investing activities		
- West Bund project net of partner advance in Hongkong Land	(2,227)	-
- Investments in and advances to associates and JVs	(290)	(1,049)
- Other capital expenditure	(765)	(1,196)
- Disposal of Permata Bank (2020) and JLT (2019)	1,136	2,084
- Other disposals, advances and repayments from associates and JVs	619	538
Principal elements of lease payments	(498)	(502)
Other financing activities (including dividends paid)	439	(357)
Net increase in cash and cash equivalents	410	1,466
Cash and cash equivalents at beginning of period	7,157	4,953
Exchange difference	(33)	58
Cash and cash equivalents at end of period	7,534	6,477
Gearing (ex financial services) *	9%	7%
Liquidity (cash and unused committed debt facilities) *	US\$14 billion	US\$14 billion

* At 30th June 2020 and 31st December 2019

Outlook for 2H 2020

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- Trading conditions expected to remain challenging
- Some signs of recovery in Q2 but possible resurgences of pandemic make prediction of full year results difficult
- Continued focus on identifying potential opportunities for future growth



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