

Presentation to Analysts

2017 Annual Results

9th March 2018

Introduction

2017 Annual Results

- The Jardine Matheson Group
- Overview of 2017
- Financial Summary
- Outlook for 2018

Jardine Matheson Group

at 31st December 2017

	Group 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	32	38

Jardine Matheson

at 31st December 2017

US\$m	2017	chg	2016
Revenue (including 100% of associates and JVs)	83,808	16%	72,437
Revenue	39,456	6%	37,051
Underlying PBT	4,378	17%	3,729
Underlying profit	1,568	13%	1,386
Non-trading items	2,217		1,117
Profit attributable to shareholders	3,785	51%	2,503
Underlying EPS, US\$	4.17	12%	3.71
DPS, US\$	1.60	7%	1.50

Overview of 2017

Jardine Matheson

- Good overall result
- Increasing contribution from mainland China
- Solid performance in Hong Kong
- Mixed performances in Southeast Asia
- Strategic investments in China, Vietnam, Thailand and Indonesia
- Exploring digital opportunities

Underlying Profit Contribution

Jardine Matheson

US\$m	2017	chg	2016
Jardine Pacific	164	21%	135
Jardine Motors	184	46%	126
Jardine Lloyd Thompson	69	22%	56
Hongkong Land	406	15%	353
Dairy Farm	261	-12%	297
Mandarin Oriental	35	-2%	36
Jardine Cycle & Carriage (ex. Astra)	82	-27%	112
Astra	402	29%	312
Corporate & other interests	(35)	15%	(41)
Underlying profit	1,568	13%	1,386

Non-Trading Items

Jardine Matheson

US\$m	2017	2016
Change in fair value of investment properties in Hongkong Land	1,930	1,043
Sale of property interests	194	158
Others	93	(84)
	2,217	1,117

Balance Sheet

Jardine Matheson

US\$m	12/2017	chg	12/2016
Total equity	57,770	16%	49,737
Shareholders' funds	25,669	18%	21,800
NAV per share, US\$*	68.21	17%	58.15
Net debt (ex financial services)	(3,403)	-63%	(2,087)
Gearing	6%		4%
Net debt of financial services	(3,400)	4%	(3,554)

* Calculated on a book value basis

Analysis of Net Debt

Jardine Matheson

US\$m	12/2017	gearing	12/2016
Jardine Pacific / Jardine Motors	164	-	(226)
Hongkong Land	(2,548)	7%	(2,008)
Dairy Farm	(599)	34%	(641)
Mandarin Oriental	(327)	26%	(297)
Jardine Cycle & Carriage	(714)	6%	800
Jardine Matheson Corporate	202	-	154
Jardine Strategic Corporate	419	-	131
Net debt (ex financial services)	(3,403)	6%	(2,087)
Net debt of financial services	(3,400)		(3,554)

Consolidated Cash Flow (1 of 2)

Jardine Matheson

US\$m	2017	2016
Operating activities	4,298	3,967
Investing activities		
- Capital expenditure	(5,841)	(2,594)

Capital Expenditure & Investments

Jardine Matheson

US\$m	2017	2016
Capital expenditure	5,841	2,594
- Investments in and advances to associates & JVs	2,380	733
- Purchase of other investments	1,609	294
- Purchase of tangible assets	1,184	996
- Additions to investment properties	372	313
- Others, including investments in subsidiaries	296	258
Increase in interests in subsidiaries	194	362
Trading properties capex	860	397
Major capex of associates and JVs	4,638	2,325
Other	158	14
Total Capital Expenditure & Investments	11,691	5,692

Consolidated Cash Flow (2 of 2)

Jardine Matheson

US\$m	2017	2016
Operating activities	4,298	3,967
Investing activities		
- Capital expenditure	(5,841)	(2,594)
- Disposals, advances and repayments from associates and JVs*	1,866	531
Financing activities (including dividends paid)	60	(1,068)
Net increase in cash and cash equivalents	383	836
Cash and cash equivalents at beginning of year	5,531	4,773
Exchange	87	(78)
Cash and cash equivalents at end of year	6,001	5,531

* Includes redemption of convertible bonds by Zhongsheng of \$398 million in 2017

Jardine Pacific

Underlying Profit Contribution

US\$m	2017	chg	2016
Jardine Schindler	47	5%	44
JEC	30	7%	28
Gammon	31	75%	18
Jardine Restaurants	24	-15%	28
Transport Services	25	52%	17
JTH	7	-25%	9
Corporate and other interests	-	98%	(9)
Underlying profit	164	21%	135

Jardine Motors

Underlying Profit Contribution

US\$m	2017	chg	2016
China (incl. HK & Macau)	171	74%	98
UK	15	-49%	30
Corporate	(2)	-6%	(2)
Underlying profit	184	46%	126

- Increased profits from mainland China
- Good year in Hong Kong
- UK business results lower, 2016 included gain on sale of a dealership

Jardine Lloyd Thompson

Financial Summary*

£m	2017	chg	2016
Revenue	1,386	10%	1,261
Underlying trading profit	214	10%	194
Underlying profit**	127	14%	111

- Risk and Insurance businesses growing globally
- UK Employee Benefits returned to growth
- Ongoing investment in US Specialty

* 100% basis

** Underlying profit attributable to the Group on conversion to US\$, and after adjusting for restructuring costs in 2016:
2017 – US\$69m, 2016 – US\$56m

Jardine Strategic

Financial Summary*

US\$m	2017	chg	2016
Underlying profit	1,598	11%	1,438
Non-trading items	2,521		1,303
Profit attributable to shareholders	4,119	50%	2,741
Underlying EPS, US\$	2.76	13%	2.45
DPS, US¢	32.00	7%	30.00
NAV per share, US\$**	59.08	11%	53.25

* 100% basis

** Calculated on a market value basis

Hongkong Land

Financial Summary*

US\$m	2017	chg	2016
Underlying profit	970	14%	848
Total equity	36,808	18%	31,314
NAV per share, US\$	15.63	18%	13.30

- Investment property performed well, particularly in Hong Kong
- Higher rate of sales completions in development property in mainland China
- NAV increase principally reflects increased value of Central portfolio

* 100% basis

Dairy Farm

Financial Summary*

US\$m	2017	chg	2016
Sales including associates and JVs	21,827	7%	20,424
Sales	11,289	1%	11,201
Underlying profit	403	-13%	460

- Underperformance in Food in Southeast Asia
- Encouraging performance from Convenience Stores
- Health & Beauty grew revenue and profits
- Good result for IKEA offset by store pre-opening costs

* 100% basis

Mandarin Oriental

Financial Summary*

US\$m	2017	chg	2016
Combined total revenue of hotels under management	1,380	4%	1,324
Underlying profit	55	-4%	57
Adjusted shareholders' funds**	5,747	48%	3,888
Adjusted NAV per share, US\$**	4.57	47%	3.10

- London renovation ongoing
- Other hotels, in particular MO Hong Kong, performed well
- Nine new management contracts announced
- NAV increase due to revaluation of Excelsior

* 100% basis

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

Jardine Cycle & Carriage

Underlying Profit Contribution*

US\$m	2017	chg	2016
Astra	641	28%	500
Direct motor interests	125	-25%	167
Other strategic interests	34	3%	33
Corporate costs	(12)	43%	(21)
Underlying profit	788	16%	679

- Astra contribution increased 28%
- Mixed results in non-Astra businesses

* 100% basis

Astra

Contribution to JC&C

US\$m	2017	chg	2016
Automotive	284	-9%	313
Financial services	139	369%	30
Heavy equipment, mining, construction & energy	171	50%	114
Agribusiness	60	-	60
Infrastructure & logistics	4	-57%	10
Information technology	7	-	7
Property	1	N/A	(8)
Withholding tax	(25)	4%	(26)
Underlying profit	641	28%	500

Underlying Profit Contribution

Jardine Matheson

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Underlying profit	1,568	13%	1,386

Outlook for 2018

Jardine Matheson

- Continue to drive growth in existing businesses and markets
- Greater China and Southeast Asia focus
- Integrate digital opportunities while leveraging our key strengths
- Committed to investing in our businesses and people

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