

Corporate Presentation

Q2 2023 Results Review Pack | 23 Aug 2023

SUNWAY®



Key Highlights – 2Q 2023

Financial Highlights

Order Book (RM)

Outstanding

5.8 b

**As of Mar 23: 6.0b

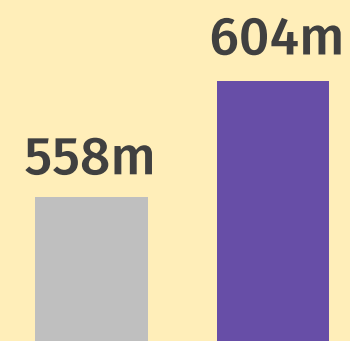
New Orders
Secured

1,594 m

Active Tender
Book

27.0 b

Revenue (RM'mil)

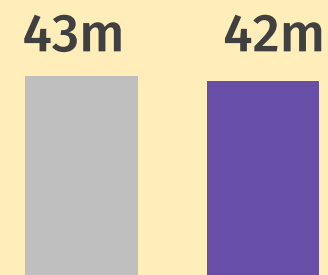


2Q 2022 2Q 2023

▲ 8%

- Higher turnover in 2Q 2023 due to improved progress in the newer projects and ICPH projects

PBT (RM'mil)



2Q 2022 2Q 2023

▼ 2%

- Higher profit margin in construction segment in 2Q 2022 due to finalization of accounts for completed projects
- PBT in precast segment rose in line with increased revenue in 2Q 2023 but profit margin remained consistent given the higher depreciation costs for ICPH plant

Entitlements

Dividend Distributions

First Interim Dividend for
FYE 2023

3.00
cents

▶ 64% ◀

of YTD June 2023
PATMI

Key Financial Overview – Financial Performance

RM mil	2Q 2023		1Q 2023		YTD 2023		4Q 2022		3Q 2022		2Q 2022		1Q 2022		FYE 2022	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
Revenue	604.1		522.1		1,126.2		503.4		469.3		557.9		624.7		2,155.2	
PBT	42.3		37.5		79.8		56.3		37.6		43.0		47.2		184.1	
PBT %	7.0%		7.2%		7.1%		11.2%		8.0%		7.7%		7.6%		8.5%	
PATMI	33.0		27.8		60.8		45.6		22.7		32.3		34.5		135.2	
PATMI %	5.5%		5.3%		5.4%		9.1%		4.8%		5.8%		5.5%		6.3%	
EPS* (sen)	2.56		2.16		4.72		3.54		1.76		2.51		2.68		10.48	

* Based on weighted average number of shares

RM mil	2Q 2023		1Q 2023		YTD 2023		4Q 2022		3Q 2022		2Q 2022		1Q 2022		FY 2022	
	Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Unaudited		Audited	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Profit as Announced	42.3	33.0	37.5	27.8	79.8	60.8	56.3	45.6	37.6	22.7	43.0	32.3	47.2	34.5	184.1	135.2
Special Items:																
Disposal (gain)/loss	-	-	(1.6)	(1.6)	(1.6)	(1.6)	(0.2)	(0.2)	(0.1)	(0.1)	(0.2)	(0.2)	(0.2)	(0.2)	(0.7)	(0.7)
Impairment (reversal)/prov	0.2	0.2	1.0	1.0	1.2	1.2	0.6	0.6	4.4	4.4	6.3	6.3	0.6	0.6	11.9	11.9
Write off (gain)/loss	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	-	-	0.1	0.1
Foreign exchange (gain)/loss	(0.6)	(0.6)	(0.2)	(0.2)	(0.8)	(0.8)	(0.9)	(0.9)	(0.9)	(0.9)	(0.3)	(0.3)	0.1	0.1	(2.1)	(2.1)
Fair value (gain)/loss*	(0.2)	(0.2)	(0.7)	(0.7)	(0.9)	(0.9)	0.4	0.4	0.0	0.0	(0.5)	(0.5)	-	-	(0.0)	(0.0)
Accretion of financial (assets)/liabilities	(0.1)	(0.1)	(0.4)	(0.4)	(0.5)	(0.5)	0.5	0.5	(1.3)	(1.3)	0.0	0.0	0.5	0.5	(0.4)	(0.4)
Profit (Net of Special Items)	41.6	32.3	35.6	25.9	77.2	58.2	56.7	46.0	39.7	24.8	48.3	37.6	48.2	35.5	192.9	144.0

*FV (gain)/loss inclusive hedging and retention FV

Key Financial Overview – Financial Position

Balance Sheet Ratios

Ratios	2017	2018	2019	2020	2021	2022
Average ROE	26%	26%	21%	12%	17%	18%
Average ROCE	31%	32%	23%	12%	16%	21%
Dividend Per Share	7.00 sen	7.00 sen	7.00 sen	4.00 sen	5.25 sen	5.50 sen
Dividend Payout Ratio	68%	63%	70%	71%	60%	53%
Net Gearing Ratio	Net Cash	Net Cash	Net Cash	0.16 times	0.19 times	Net Cash

Note: In FYE 2020, following the reassessment of the Group's investment in its wholesales funds, it was determined that its placement are in substance structured entities under its control / significant control and as such has been treated as subsidiary / associate. The above figures have been restated to reflect this accounting treatment.

Segmental Review - Construction

RM'mil	Q2 23	Q1 23	YTD Q2 23	Q4 22	Q3 22	Q2 22	Q1 22	FYE 2022
Revenue	535.6	469.1	1,004.7	443.9	419.0	523.0	587.8	1,973.7
PBT	39.1	36.2	75.3	51.1	35.0	41.1	46.2	173.4
PBT Margin	7.3%	7.7%	7.5%	11.5%	8.4%	7.9%	7.9%	8.8%

Revenue

Construction segment reported revenue of RM535.6 million and profit before tax of RM39.1 million compared to revenue of RM523.0 million and profit before tax of RM41.1 million in the corresponding quarter of the preceding financial year. The higher turnover recorded in the current quarter was due to improved progress for newer projects.

Prospects

The Malaysian economy grew by 2.9% in the second quarter of 2023 (1Q 2023: 5.7%) mainly driven by continued increase in domestic demand, improving labour market conditions and higher tourism activities. The construction sector expanded by 6.2% in the second quarter of 2023 (1Q 2023: 7.4%), due to continued progress of large infrastructure projects and support from higher special trade activities. On the domestic front, SunCon secured a 29.9MW quota under the Corporate Green Power Programme. Concurrently, SunCon is participating in the tender process initiated by Malaysia Rapid Transit System Sdn Bhd for the RTS ICQC Packages 2A and 2B. In addition, Tenaga Nasional Berhad introduced the Green Lane Pathway, a dedicated route providing efficient and environmentally responsible solutions for data centre operators. This initiative streamlines the approval and setup processes for data centres in Malaysia, likely drawing more data centre investors to the nation. Beyond data centre, Malaysia is experiencing a surge in foreign direct investments, particularly in warehouse and semiconductor manufacturing. SunCon, through strategic partnerships, has actively participated in several tenders within these domains and is currently awaiting the outcomes of these tender bids. The Ministry of Economy Malaysia has on 27 July 2023 unveiled the National Energy Transition Roadmap ("NETR"), outlining the steps to expedite the nation's energy transition. The roadmap's first phase features 10 flagship catalyst projects valued at RM25 billion, involving private sector collaboration. This strategy not only promises a swift energy transition but also increase growth opportunities, potentially boosting demand for solar power installations. This will be added advantage to the Renewable Energy sector. Internationally, SunCon formalized the EPC agreement for the Song Hau 2 thermal power plant in Vietnam in March 2023 and is awaiting the client's financial close.

PBT

However, profit margin for corresponding quarter of the preceding financial year was higher due to finalisation of accounts for completed projects.

Segmental Review - Precast

RM'mil	Q2 23	Q1 23	YTD Q2 23	Q4 22	Q3 22	Q2 22	Q1 22	FYE 2022
Revenue	68.5	53.0	121.5	59.5	50.3	34.9	36.9	181.6
PBT	3.2	1.3	4.5	5.2	2.6	1.9	1.0	10.7
PBT Margin	4.7%	2.5%	3.7%	8.7%	5.1%	5.4%	2.7%	5.9%

Revenue

Precast segment reported revenue of RM68.5 million and profit before tax of RM3.2 million compared to revenue of RM34.9 million and profit before tax of RM1.9 million in the corresponding quarter of the preceding financial year. Revenue improved in the current quarter largely due to the increased progress in ICPH projects.

PBT

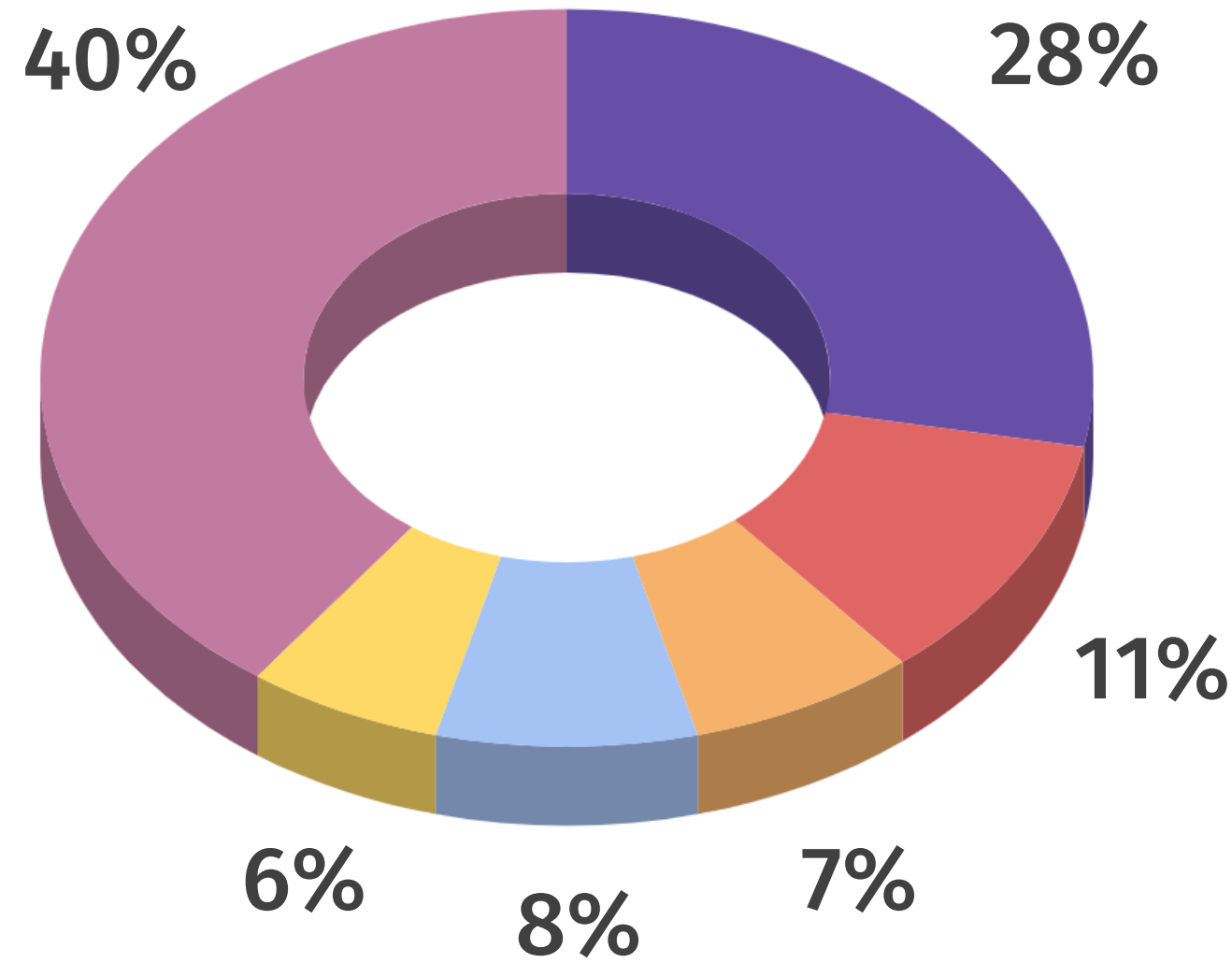
As a result, the profit before tax also rose in line with the revenue increased.

Prospects

Singapore's economy witnessed a growth of 0.1% on a quarter-on-quarter basis in the second quarter of 2023, a shift from the 0.4% decline in the first quarter. The construction sector saw a 2.7% growth on a quarter-on-quarter basis in the second quarter of 2023, up from the modest 0.3% in the prior quarter. The Housing and Development Board (HDB) released 4,428 and 5,480 flats for purchase in February and May 2023, respectively, and plans to introduce an additional 6,700 flats in September 2023. Between 2021 and 2025, the HDB aims to launch up to 100,000 flats, adjusting based on housing demand. Since over 90% of our precast segment sales are from Singapore HDB flats, our prospects are closely tied to these launches. On 21 July 2023, the HL-Sunway JV inaugurated the HL-Sunway Prefab Hub ("ICPH plant"), graced by Singapore's Minister for National Development, Desmond Lee. As the ICPH plant commences operations, SunCon anticipates a more significant contribution from our precast segment to the group's financials in the upcoming years.

Order Book - Summary

As of June 2023



- Inhouse
- Building
- Infrastructure / Piling
- India
- Singapore Precast
- Sustainable Energy

Ongoing

55 Projects

Total Outstanding Order Book

RM 5.8 bil

Target NEW Order Book

FYE 2023 : RM 2.0 bil

Previous Year Order Book

RM'bil	2022	2021	2020	2019	2018	2017
New Order	2.6	1.5	2.3	1.8	1.6	4.0
Outstanding Order Book	5.3	4.8	5.1	5.2	5.2	6.6

Order Book - Detailed

AS AT JUN-23 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
BUILDING			1,637	28%
OXLEY TOWER (MEP)	4Q 2024	68	38	
OXLEY TOWER VO (MEP)	1Q 2024	9	9	
JHB1X0 - DATA CENTRE	3Q 2024	1,700	1,593	
INFRASTRUCTURE/PILING			653	11%
LRT 3 : PACKAGE GS07-08	3Q 2023	1,295	15	
RTS LINK PACKAGE 1B AND PACKAGE 5	2Q 2025	605	587	
LRT 3 : GS06	3Q 2023	191	52	
INDIA			403	7%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	305	
MEENSURUTTI - CHIDAMBARAM (MC)	3Q 2023	315	98	
SUSTAINABLE ENERGY			346	6%
SOLAR - EXTERNAL	Various	35	12	
SOLAR - INTERNAL	Various	12	4	
LSS4 GOPENG	4Q 2023	200	126	
LSS4 SHARP VENTURES	4Q 2023	185	126	
SOUTH QUAY SQUARE DCS	2Q 2025	35	32	
NEW ORDER 2023 - EXTERNAL	Various	45	45	
SINGAPORE			451	8%
PRECAST	Various	676	376	
NEW ORDER 2023 - EXTERNAL	Various	76	75	

AS AT JUN-23 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
INTERNAL - SUNWAY GROUP			2,285	40%
SMC 4 + VO	3Q 2023	612	77	
SUNWAY BELFIELD	4Q 2024	403	202	
SUNWAY VELOCITY 2	3Q 2023	352	8	
SOUTH QUAY SQUARE - SUPERSTRUCTURE	3Q 2024	756	417	
SOUTH QUAY SQUARE - SUPERSTRUCTURE (VO)	4Q 2025	607	607	
SW CARNIVAL MALL - REFURBISHMENT	2Q 2025	253	253	
SUNWAY VELOCITY 2B	4Q 2023	253	112	
SMC DAMANSARA	2Q 2024	240	153	
SMC IPOH + VO	1Q 2024	217	165	
SW INTERNATIONAL SCHOOL (SIS)	3Q 2023	140	12	
SUNWAY VELOCITY 3C4	3Q 2023	100	9	
BIG BOX OFFICE	COMPLETED	51	5	
SW FLORA	4Q 2025	278	266	
GRAND TOTAL @ JUN 2023		10,214	5,776	
RED : SECURED IN 2023		1,594	1,574	

Order Book - Detailed

Projects (2023 new awards)	Client	Duration	Contract Sum (RM'mil)
Bidadari C17 - LPS	Eng Seng Lee Construction Co Pte Ltd	Dec-23	3.9
Precast - Watertanks (various projects)	Jin Cheng Pte Ltd	Various	9.4
Heliosel Solar PV System - Package L3	Heliosel Sdn Bhd	Dec-23	34.0
Heliosel Solar PV System - Package L2	Heliosel Sdn Bhd	Oct-23	10.5
RTS Package 1B and Package 5	Malaysia Rapid Transit System Sdn Bhd	Jun-25	604.9
South Quay Square Mix Development - 2nd SA	Sunway South Quay Sdn Bhd	Oct-25	606.6
Oxley Tower VO	BUCG (M) Sdn Bhd	Feb-24	8.5
Secured in 1Q 2023			1,277.7
Kallang Whampoa C23A	LBD Engineering Pte Ltd	Dec-25	63.0
Carnival Mall Refurbishment	Sunway Reit Management SB	Aug-24	253.0
Secured in 2Q 2023			316.0
TOTAL AS AT 2Q 2023			1,593.8

Project Highlights

Ongoing Projects : Residential

Sunway Belfield, Kuala Lumpur

- › Contract Value : RM403 million
- › Completion : 4Q 2024

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Project Highlights

Ongoing Projects : Residential

Sunway Flora Residences,
Bukit Jalil

- › Contract Value : RM278 million
- › Completion : 4Q 2025

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Project Highlights

Ongoing Projects : Mixed Commercial

Sunway South Quay, Sunway City

- › Contract Value : RM1.36 billion
- › Completion : 4Q 2025



Project Highlights

Ongoing Projects : Mixed Commercial

Sunway Velocity 2 – Plot B, Kuala Lumpur

- › Contract Value : RM253 million
- › Completion : 4Q 2023

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Project Highlights

Ongoing Projects : Medical Centre

Sunway Medical Centre Phase 4

– Extension, Sunway City

› VO : RM162 million

› Completion : 3Q 2023



Project Highlights

Ongoing Projects : Medical Centre

Sunway Medical Centre Damansara

- › Contract Value : RM240 million
- › Completion : 2Q 2024

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Project Highlights

Ongoing Projects : Data Centre

JHB1X0 - Data Centre, Sedenak Tech Park

- › Contract Value : RM1.7 billion
- › Completion : 3Q 2024



Project Highlights

Ongoing Projects : Infrastructure

LRT3 Package GS07&08, Klang Valley
(Kawasan 17 to Sri Andalas)

- › Contract Value : RM1.29 billion
- › Completion : 3Q 2023



Project Highlights

Ongoing Projects : Large Scale Solar 4 (LSS4)

1. LSS4, Kapar, Klang (50MW)
 - › Contract Value : RM185 million
 - › Completion : Dec 2023
2. LSS4, Gopeng, Perak (50MW)
 - › Contract Value : RM200 million
 - › Completion : Dec 2023



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Large Scale Solar 4, Kapar, Klang (50MW)



Large Scale Solar 4, Gopeng, Perak (50MW)

THANK YOU

Next quarter announcement on 21 Nov 2023