

SUNWAY®



SUNWAY BERHAD

Q1 2018 RESULTS BRIEFING PACK

21 MAY 2018

1) Year on Year

- Revenue up 20.2%.
- PATMI up 14.1%.

2) Quarter on Quarter

- Q1 results are traditionally weaker than Q4.

3) Key Indicators

- Property Sales : **RM 166 million** (Effective: RM 141 million)
- Property Unbilled Sales : **RM 947 million** (Effective: RM 811 million)
- Construction Outstanding Order Book : **RM 6.1 billion**
- Q1 2018 Order Book Replenishment : **RM 542 million**

Overview of Key Performance Highlights

RM'mil	Q1 FY 2018 (Unaudited) Jan - Mar 2018	Q1 FY 2017 (Restated) Jan - Mar 2017	Q4 FY 2017 (Restated) Oct - Dec 2017
Revenue	1,308.4	1,088.8	1,729.9
EBIT	168.5	158.3	251.2
EBIT Margin	12.9%	14.5%	14.5%
PBT	160.9	151.6	260.4
PBT Margin	12.3%	13.9%	15.1%
PATMI	121.9	106.9	183.5
PATMI Margin	9.3%	9.8%	10.6%
EPS (sen) *	2.49	2.26 [#]	3.82

The following items were included in the calculation of the profit of the Group:

(RM mil)	Q1 2018		Q1 2017		Q4 2017	
	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (I. Properties)	-	-	-	-	(14.9)	(16.4)

* Based on weighted average number of shares on respective dates.

The earnings per share has been adjusted to reflect the bonus issue of four (4) bonus shares for every three (3) existing Sunway shares held by the entitled shareholders, which was completed on 6 October 2017.

Balance Sheet and Gearing

	31/3/2018 (Unaudited)	31/12/2017 (Restated)
Non-current Assets	10,995.3	10,830.2
Current Assets	9,112.7	9,066.9
Assets Held for sale	-	294.3
Total Assets	20,108.0	20,191.3
Current Liabilities	7,608.5	7,964.5
Non-current Liabilities	3,744.3	3,754.0
Total Liabilities	11,352.8	11,718.5
Shareholders' Funds	8,104.0	7,832.1
Non-Controlling Interests	651.2	640.7
Total Equity	8,755.2	8,472.8
Total Equity & Liabilities	20,108.0	20,191.3
Total Borrowings	7,882.4	8,259.4
Cash and bank balances and placement in funds	4,514.2	4,426.6
Net Gearing Ratio [^]	0.38	0.45
Share Capital	5,371.5	5,370.6
Number of Ordinary Shares	4,919.1	4,918.5
Net Assets Per Share	1.65	1.59

[^] Net Gearing = (Total Borrowings – Cash and bank balances and placement in funds) / Total Equity

Property Development Segmental Review

	<u>Q1 2018</u>	<u>Q1 2017[^]</u>	<u>Q4 2017[^]</u>
Revenue (RM'mil)	132.3	140.7	419.4
Operating Profit (RM'mil)	17.6	10.5	107.8
Op. Profit Margin	13.3%	7.5%	25.7%
EBIT (RM'mil) (incl. share of assc. & JCE)	22.8	23.0	105.1
EBIT Margin (incl. share of assc. & JCE)	17.3%	16.4%	25.1%

[^]Based on restated figures

Review of Performance

- Yoy and qoq, revenue is lower due to lower sales and progress billings from local development projects.
- Yoy, operating profit is higher due to higher profit recognition from local projects. EBIT, however, is lower due to lower profit recognition from overseas projects.
- Qoq, operating profit and EBIT are lower in line with the lower revenue. Profit in the preceding quarter was also boosted by the completion of Sunway Velocity V-Residence 2 and Sunway Geo Retail Shops and Flexi Suites Phase 2.

Property Investment Segmental Review

	<u>Q1 2018</u>	<u>Q1 2017[^]</u>	<u>Q4 2017[^]</u>
Revenue (RM'mil)	220.0	186.9	246.2
Operating Profit (RM'mil)	59.3	46.0	62.7
Op. Profit Margin	26.9%	24.6%	25.5%
EBIT* (RM'mil) (incl. share of assc. & JCE)	92.2	76.1	93.8
EBIT Margin (incl. share of assc. & JCE)	41.9%	40.7%	38.1%

*Includes fair value gain of investment properties of Sunway Berhad

[^]Based on restated figures

Review of Performance

- Yoy, revenue is higher due to higher contribution from Sunway Pyramid Hotel, which was operating at full inventory following its refurbishment exercise in 2016, and additional contribution from the new Sunway Velocity Hotel, which began operations in September 2017. Revenue was also higher due to improvement in revenue contribution from Sunway Velocity Mall and the Group's theme parks.
- Yoy, operating profit and EBIT are higher due to better performance registered by Sunway Velocity Mall as compared to the initial period, as well as better contribution from the other operations.
- Qoq, revenue is lower due to the seasonality factor, where the leisure and hospitality divisions delivered stronger performance in the last quarter of the year.
- Qoq, operating profit and EBIT are lower in line with the lower revenue.

Construction Segmental Review

	<u>Q1 2018</u>	<u>Q1 2017[^]</u>	<u>Q4 2017[^]</u>
Revenue (RM'mil)	443.7	316.8	583.3
Operating Profit (RM'mil)	38.8	38.2	56.5
Op. Profit Margin	8.8%	12.1%	9.7%
EBIT (RM'mil) (incl. share of assc. & JCE)	38.9	38.2	56.5
EBIT Margin (incl. share of assc. & JCE)	8.8%	12.1%	9.7%

[^]Based on restated figures

Review of Performance

- Yoy, revenue is higher due to higher progress billings from local construction projects and lower intra-group eliminations.
- Yoy, operating profit and EBIT are flat due to lower profit contribution from the precast division in the current quarter.
- Qoq, revenue is lower due to lower progress billings from local construction projects.
- Qoq, operating profit and EBIT are lower in line with the lower revenue and due to higher intra-group eliminations.

Construction Order Book – RM6.1 billion

Infrastructure/Piling

LRT 3: Package GS07-08

MRT Package V201 & S201 (Sungai Buloh - Persiaran Dagang)

BBCC - Bore Piling

MRT Package V201 - Advance Works

SUKE & DASH - Bore Piling

Building

Putrajaya Parcel F

KLCC (NEC, Package 2 and Package 2A)

Hospital Universiti Kebangsaan Malaysia (MEP Works)

International School of Kuala Lumpur

Gas District Cooling Plant 1 Putrajaya

PPA1M Project Kota Bharu

Shah Alam Warehouse

Internal

Sunway Velocity Medical Centre

Sunway Medical Centre 4

Sunway Iskandar - Emerald Residences

Sunway Iskandar - Retail Complex

Sunway Serene - Serviced Residences

Sunway GEOLake

Sunway Carnival Extension

Singapore

Precast



Putrajaya Parcel F



ISKL



KLCC North East Car Park,
Package 2 & 2A

Projects

Sunway GEOLake

Sunway Carnival Extension

Precast

Total

Thank You

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Next quarter announcement on 20 August 2018

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