

**SUNWAY®**



**SUNWAY BERHAD**

Q1 2017 RESULTS BRIEFING PACK

29 MAY 2017

## 1) Year on Year

- Revenue improved 2.1%.
- PATMI improved 5.7%.
- PATMI margin improved to 9.9% from 9.6%.

## 2) Quarter on Quarter

- Q1 results are traditionally weaker than Q4.

## 3) Key Indicators

- Property Sales : **RM 142 million** (Effective: RM 125 million)
- Property Unbilled Sales : **RM 1.4 billion** (Effective: RM 1.1 billion)
- Construction Outstanding Order Book : **RM 4.6 billion**
- YTD Order Book Replenishment : **RM 894 million**

# Overview of Key Performance Highlights

RM'mil	Q1 FY 2017 Unaudited Jan - Mar 2017	Q1 FY 2016 Unaudited Jan - Mar 2016	Q4 FY 2016 Audited Oct - Dec 2016
<b>Revenue</b>	<b>1,091.3</b>	<b>1,069.0</b>	<b>1,293.4</b>
EBIT	159.9	192.2	284.3
EBIT Margin	14.6%	18.0%	22.0%
<b>PBT</b>	<b>153.1</b>	<b>176.1</b>	<b>270.6</b>
PBT Margin	14.0%	16.5%	20.9%
<b>PATMI</b>	<b>107.9</b>	<b>102.1</b>	<b>185.8</b>
PATMI Margin	9.9%	9.6%	14.4%
EPS (sen) *	5.33	5.71	9.08

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

(RM mil)	Q1 2017		Q1 2016		Q4 2016	
	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (I. Properties)	-	-	-	-	(37.4)	(20.5)
Fair value of ESOS	-	-	2.4	2.4	(3.5)	(3.5)
	-	-	<b>2.4</b>	<b>2.4</b>	<b>(40.9)</b>	<b>(24.0)</b>

\* Based on weighted average share capital on respective dates

# Balance Sheet and Gearing

	31/3/2017 (Unaudited)	31/12/2016 (Audited)
Non-current Assets	9,831.1	9,737.4
Current Assets	8,886.3	9,014.6
<b>Total Assets</b>	<b>18,717.4</b>	<b>18,752.0</b>
Current Liabilities	6,854.1	7,527.2
Non-current Liabilities	3,468.4	2,991.5
<b>Total Liabilities</b>	<b>10,322.5</b>	<b>10,518.7</b>
Shareholders' Funds	7,614.9	7,469.7
Non-Controlling Interests	779.9	763.5
<b>Total Equity</b>	<b>8,394.9</b>	<b>8,233.2</b>
<b>Total Equity &amp; Liabilities</b>	<b>18,717.4</b>	<b>18,752.0</b>
Total Borrowings	7,620.7	7,413.2
Cash and bank balances and short-term investments	4,050.3	4,080.1
<b>Net Gearing Ratio <sup>^</sup></b>	<b>0.43*</b>	<b>0.40</b>
Share Capital	2,075.9	2,063.1
<b>Net Assets Per Share</b>	<b>3.68</b>	<b>3.62</b>

<sup>^</sup> Net Gearing = (Total Borrowings – Cash and bank balances and short term investments) / Total Equity

\* The Group's borrowings in foreign currencies are always hedged using cross currency swaps. However, the translated borrowing amount in Ringgit is required to be marked-to-market at the prevailing exchange rate during the loan tenure. If based on the hedged borrowing amount, the net gearing as at 31 March 2017 would be lower at 0.38 times.

# Property Development Segmental Review

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>Q4 2016<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>143.3</b>	<b>234.1</b>	<b>406.3</b>
<b>Operating Profit</b> (RM'mil)	<b>7.9</b>	<b>55.7</b>	<b>119.3</b>
<b>Op. Profit Margin</b>	<b>5.5%</b>	<b>23.8%</b>	<b>29.4%</b>
<b>EBIT (RM'mil)</b> (incl. share of assc. & JCE)	<b>20.5</b>	<b>70.5</b>	<b>132.1</b>
<b>EBIT Margin</b> (incl. share of assc. & JCE)	<b>14.3%</b>	<b>30.1%</b>	<b>32.5%</b>

<sup>^</sup>Based on audited figures

## Review of Performance

- Yoy, revenue is lower due to lower sales and progress billings from local development projects. Also, no sales was recorded from the Group's wholly owned Avant Parc project in Singapore in the current quarter, as the project was fully sold in Q2 2016.
- Yoy, operating profit and EBIT are lower due to lower profit recognition from local development projects and in line with the lower revenue.
- Qoq, revenue is lower due to the handover of Sunway Geo Retail Shops and Flexi Suites Phase 1 and the sale of Penang land to Sunway REIT in Q4 2016, as well as lower sales from Sunway Velocity, Sunway Rymba Hills and Sunway Nexis in the current quarter.
- Qoq, operating profit and EBIT are lower as profit in the preceding quarter was also boosted due to the reasons above.

# Property Investment Segmental Review

	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>Q4 2016<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>186.9</b>	<b>169.2</b>	<b>172.9</b>
<b>Operating Profit</b> (RM'mil)	<b>44.1</b>	<b>36.4</b>	<b>51.6</b>
<b>Op. Profit Margin</b>	<b>23.6%</b>	<b>21.5%</b>	<b>29.8%</b>
<b>EBIT*</b> (RM'mil) (incl. share of assc. & JCE)	<b>74.2</b>	<b>64.0</b>	<b>79.8</b>
<b>EBIT Margin</b> (incl. share of assc. & JCE)	<b>39.7%</b>	<b>37.8%</b>	<b>46.1%</b>

\*Includes fair value gain of investment properties of Sunway Berhad.

<sup>^</sup>Based on audited figures

## Review of Performance

- Yoy and qoq, revenue is higher due to additional revenue from the new Sunway Velocity Mall which opened in December 2016.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, operating profit and EBIT are lower due to fair value gains on investment properties of RM37.4 million recorded in Q4 2016 from the annual revaluation exercise.



	<u>Q1 2017</u>	<u>Q1 2016</u>	<u>Q4 2016<sup>^</sup></u>
Revenue (RM'mil)	316.8	311.4	288.7
Operating Profit (RM'mil)	34.7	35.6	24.0
Op. Profit Margin	11.0%	11.4%	8.3%
EBIT (RM'mil) (incl. share of assc. & JCE)	34.7	35.6	24.0
EBIT Margin (incl. share of assc. & JCE)	11.0%	11.4%	8.3%

<sup>^</sup>Based on audited figures

## Review of Performance

- Yoy, revenue, operating profit and EBIT are in line.
- Qoq, revenue is higher due to lower intra-group eliminations in Q1 2017.
- Qoq, operating profit and EBIT are higher due to higher profit recognition from a local infrastructure project which is nearing completion.

# Construction Order Book – RM4.6 billion

**SUNWAY™**

## Infrastructure

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

MRT Package V201 - Advance Works

SUKE (Cheras - Ulu Kelang) - Bore Piling

DASH (Puncak Perdana - Kota Damansara) - Bore Piling

## Others

Putrajaya Parcel F

KLCC NEC

KLCC Package 2 (Piling & Substructure)

KLCC Package 2A (Substructure)

Hospital Universiti Kebangsaan Malaysia (MEP Works)

International School of Kuala Lumpur

Gas District Cooling Plant 1 in Putrajaya

Others

## Internal

Sunway Velocity Hotel and Offices

Sunway Medical Centre Phase 3 (Sub & Superstructure)

Sunway Geo Retail Shops & Flexi Suites Phase 2

Sunway Iskandar - Emerald Residences

Sunway Medical Centre 4

Sunway Velocity Medical Centre

Sunway Iskandar - 88 units Shoplots

Sunway Iskandar - Retail Complex

Sunway Kelana Jaya Condominium

Others

## Singapore

Precast



Putrajaya Parcel F



Sunway Velocity



KLCC North East Car Park,  
Package 2 & 2A



## Projects

Sunway Serene (Kelana Jaya Condo)

MRT Station Works S201

Gas Distric Cooling Plant 1 in Putrajaya

SUKE (Cheras - Ulu Kelang) - Bore Piling

DASH (Puncak Perdana - Kota Damansara) - Bore Piling

CP3 Walkway

Precast

# Thank You

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**Next quarter announcement on 29 August 2017**

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