

SUNWAY®

FROM VISION
TO REALITY



SUNWAY BERHAD

Q1 2019 RESULTS BRIEFING PACK

21 MAY 2019

1) Year on Year

- PBT up 11.4% due to higher contributions from most business segments, except trading and manufacturing and quarry.
- PATMI up 13.8%.
- PATMI would have been up by 46.7% if not for the adoption of MFRS 15*.

2) Quarter on Quarter

- Q1 results are traditionally weaker than Q4.

3) Key Indicators

- Property Sales : **RM 263 million** (Effective: RM 172 million)
- Property Unbilled Sales : **RM 2.2 billion** (Effective: RM 1.8 billion)
- Construction Outstanding Order Book : **RM 5.7 billion**
- Q1 2019 Order Book Replenishment : **RM 1.0 billion**

* With the adoption of MFRS 15, progressive development profits of RM39.5 million which could have been recognised in the current quarter from the Group's Rivercove Residences project in Singapore and Sunway Gardens project in Tianjin, China has to be deferred until its completion.

Overview of Key Performance Highlights

RM'mil	Q1 FY 2019 Unaudited Jan - Mar 2019	Q1 FY 2018 Restated Jan - Mar 2018	Q4 FY 2018 Restated Oct - Dec 2018
Revenue	1,123.6	1,281.5	1,452.4
EBIT	159.5	166.7	212.2
EBIT Margin	14.2%	13.0%	14.6%
PBT	177.3	159.2	244.1
PBT Margin	15.8%	12.4%	16.8%
PATMI	136.4	119.9	182.8
PATMI Margin	12.1%	9.4%	12.6%
EPS (sen) *#	2.70	2.44	3.69

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

(RM'mil)	Q1 2019		Q1 2018		Q4 2018	
	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	-	-
Fair value gain (I. Properties)	-	-	-	-	(29.9)	(28.6)
Additional 5% RPGT provision for I. Properties	-	-	-	-	-	20.0

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

The earnings per share calculations have excluded the distribution to holders of perpetual sukuk.

Balance Sheet and Gearing

RM'mil	31/3/2019 (Unaudited)	31/12/2018 (Restated)
Non-current Assets	12,517.1	12,133.5
Current Assets	9,927.4	9,174.6
Assets Held for sale	486.1	486.1
Total Assets	22,930.7	21,794.2
Current Liabilities	9,087.0	9,161.8
Non-current Liabilities	4,057.9	3,630.9
Total Liabilities	13,144.9	12,792.7
Shareholders' Funds	8,151.4	7,982.4
Perpetual Sukuk	1,000.0	400.0
Non-Controlling Interests	634.3	619.1
Total Equity	9,785.8	9,001.5
Total Equity & Liabilities	22,930.7	21,794.2
Total Borrowings	9,443.2	8,873.2
Cash and bank balances and placement in funds	5,939.4	5,136.0
Net Gearing Ratio	0.36	0.42
Share Capital	5,380.2	5,379.4
Number of Ordinary Shares	4,924.9	4,924.4
Net Assets Per Share	1.66	1.62

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

Property Development Segmental Review

	<u>Q1 2019</u>	<u>Q1 2018^</u>	<u>Q4 2018^</u>
Revenue (RM'mil)	87.9	132.3	203.8
Operating Profit (RM'mil)	18.9	17.7	22.4
OP Margin	21.5%	13.4%	11.0%
EBIT (RM'mil) (incl. share of associates & JCE)	24.4	22.9	43.4
EBIT Margin (incl. share of associates & JCE)	27.8%	17.3%	21.3%

^ Based on restated figures

Review of Performance

- Yoy, revenue is lower due to lower sales and progress billings from local development projects.
- Yoy, operating profit and EBIT are higher due to the reversal of provisions made previously which are now not required.
- Qoq, performance is lower due to lower sales and progress billings from local development projects. Further, the preceding quarter's performance was also boosted by the completion and handover of Emerald Residences and Emerald Boulevard in Sunway Iskandar during that quarter.

Property Investment Segmental Review

	<u>Q1 2019</u>	<u>Q1 2018^</u>	<u>Q4 2018^</u>
Revenue (RM'mil)	196.7	193.0	222.6
Operating Profit (RM'mil)	52.8	54.8	84.7
OP Margin	26.8%	28.4%	38.1%
EBIT (RM'mil) (incl. share of associates & JCE)	89.5	87.4	121.6 *
EBIT Margin (incl. share of associates & JCE)	45.5%	45.3%	54.6%

* Includes fair value gain of investment properties of Sunway Berhad

^ Based on restated figures

Review of Performance

- Yoy, revenue is marginally higher due to higher contribution from Sunway Geo in Sunway South Quay, as well as improved contribution from the Group's theme parks.
- Yoy, EBIT is higher in line with the higher revenue. Operating profit, however, is lower due to lower contributions from the hospitality division in the current quarter.
- 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. Further, EBIT in preceding quarter was also boosted by share of fair value gains from revaluation of investment properties of RM29.9 million

	<u>Q1 2019</u>	<u>Q1 2018^</u>	<u>Q4 2018^</u>
Revenue (RM'mil)	346.2	443.7	489.1
Operating Profit (RM'mil)	40.0	39.0	48.6
OP Margin	11.5%	8.8%	9.9%
EBIT (RM'mil) (incl. share of associates & JCE)	40.0	39.0	49.5
EBIT Margin (incl. share of associates & JCE)	11.6%	8.8%	10.1%

^ Based on restated figures

Review of Performance

- Yoy, revenue is lower due to lower progress billings from local construction projects and higher intra-group eliminations.
- Yoy, operating profit and EBIT are largely in line with the corresponding quarter of the previous financial year as it was boosted by lower intra-group profit eliminations in the current quarter.
- Qoq, performance is lower due to lower progress billings from local construction projects

Construction Order Book – RM5.7 billion

Infrastructure/Piling

LRT 3: Package GS07-08

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

Piling works

Building

Putrajaya Parcel F

PPA1M Project Kota Bharu

Shah Alam Warehouse

TNB HQ Campus

GDC (Plant 2)

Internal

Sunway Velocity Medical Centre

Sunway Medical Centre 4

Sunway Iskandar - Emerald Residences

Sunway Iskandar - Retail Complex

Sunway Iskandar - Big Box Hotel

Sunway Serene - Serviced Residences

Sunway Geo Lake

Sunway Carnival Extension

Sunway Medical Centre Seberang Jaya

Sunway Velocity TWO (Plot A Project)

Sunway Velocity 3C4

Others

Singapore

Precast



Putrajaya Parcel F



ISKL



MRT V201

	<u>Q1 2019</u>	<u>Q1 2018^</u>	<u>Q4 2018^</u>
Revenue (RM'mil)	126.8	101.9	132.8
Operating Profit (RM'mil)	13.1	9.6	18.0
OP Margin	10.3%	9.5%	13.6%
EBIT (RM'mil) (incl. share of associates & JCE)	13.1	9.6	18.0
EBIT Margin (incl. share of associates & JCE)	10.3%	9.5%	13.6%

^ Based on restated figures

Review of Performance

- Yoy, revenue is higher due to higher occupancy from increased number of new beds and higher outpatient treatments.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, revenue is lower due to the festive period and reduced number of working days in the current quarter compared to the preceding quarter.
- Qoq, operating profit and EBIT are lower in line with the lower revenue.

Thank You

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Next quarter announcement on 27 August 2019

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