



Digitally Driven,
Strengthening Sustainability



SUNWAY BERHAD
Q1 2020 RESULTS BRIEFING PACK
27 MAY 2020

1) Year on Year

- Revenue down 13.5%, while PBT declined by 39.2% amidst the COVID-19 pandemic which disrupted economic activities worldwide.
- The COVID-19 pandemic, the Movement Control Order (“MCO”) and conditional MCO since 18 March 2020 have caused significant disruptions and financial impact to the Group, particularly on the hospitality and leisure businesses under the Property Investment segment which were not allowed to operate during these periods.

2) Quarter on Quarter

- Aside from the impact of COVID-19, Q1 results are traditionally weaker than Q4 due to the seasonality factors.

3) Key Indicators

- Property Sales : **RM 581 million** (Effective: RM 522 million)
- Property Unbilled Sales : **RM 3.2 billion** (Effective: RM 2.6 billion)
- Construction Outstanding Order Book : **RM 5.4 billion**
- Q1 2020 Order Book Replenishment : **RM 513 million** (*To-date: RM 688 million*)

Note:

The development profits on one of the Group’s Singapore and China property development projects, which were earlier deferred due to the adoption of MFRS 15, will be recognised upon completion and handover of the projects in the second half of 2020.

Overview of Key Performance Highlights

RM'mil	Q1 FY 2020 Unaudited Jan - Mar 2020	Q1 FY 2019 Restated Jan - Mar 2019	Q4 FY 2019 Oct - Dec 2019
Revenue	971.4	1,123.6	1,353.0
EBIT	83.4	159.5	196.1
EBIT Margin	8.6%	14.2%	14.5%
PBT	107.8	177.3	261.2
PBT Margin	11.1%	15.8%	19.3%
PATMI	78.3	136.4	200.9
PATMI Margin	8.1%	12.1%	14.9%
EPS (sen) *	1.35	2.70	3.81

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

(RM'mil)	Q1 2020		Q1 2019		Q4 2019	
	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	-	-
Fair value gain (I. Properties)	-	-	-	-	(35.5)	(30.3)

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

The earnings per share is calculated based on net earnings after distribution to holders of perpetual sukuk.

Balance Sheet and Gearing

RM'mil	31/3/2020 (Unaudited)	31/12/2019 (Audited)
Non-current Assets	12,732.5	12,390.0
Current Assets	11,471.8	11,163.1
Total Assets	24,204.3	23,553.1
Current Liabilities	10,722.4	10,878.2
Non-current Liabilities	3,574.7	2,500.7
Total Liabilities	14,297.2	13,378.9
Shareholders' Funds	8,460.5	8,392.9
Perpetual Sukuk	800.0	1,150.0
Non-Controlling Interests	646.7	631.4
Total Equity	9,907.2	10,174.3
Total Equity & Liabilities	24,204.3	23,553.1
Total Borrowings	10,264.5	9,570.6
Cash and bank balances and placement in funds	5,957.1	5,888.9
Net Gearing Ratio ^	0.43	0.36
Share Capital	5,393.7	5,393.7
Number of Ordinary Shares	4,901.4	4,903.7
Net Assets Per Share	1.73	1.71

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

	<u>Q1 2020</u>	<u>Q1 2019^</u>	<u>Q4 2019</u>
Revenue (RM'mil)	149.2	126.8	162.9
Operating (Loss)/Profit (RM'mil)	(0.9)	13.1	13.8
OP Margin	-0.6%	10.3%	8.5%
(LBIT)/EBIT (RM'mil) (incl. share of associates & JCE)	(0.9)	13.1	13.8
LBIT/EBIT Margin (incl. share of associates & JCE)	-0.6%	10.3%	8.5%

^ Based on restated figures

Review of 1st Quarter Performance

- Yoy, revenue was higher due to additional contribution from Sunway Medical Centre Velocity which commenced operations in September 2019 and higher number of beds in Sunway Medical Centre.
- Yoy, operating loss and EBIT were due to the COVID-19 pandemic and commencement of the MCO which resulted in a sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre. Sunway Medical Centre Velocity registered an operating loss of RM11.9 million in the current quarter as projected for a new hospital.
- Qoq, revenue was lower due to the Chinese New Year festive period in January 2020 and the COVID-19 pandemic and commencement of the MCO which caused the sharp drop in the number of admissions and outpatient treatments at Sunway Medical Centre.
- Qoq, operating profit and EBIT were lower in line with the lower revenue.

	<u>Q1 2020</u>	<u>Q1 2019^</u>	<u>Q4 2019</u>
Revenue (RM'mil)	139.2	87.9	218.2
Operating Profit (RM'mil)	26.1	18.9	77.7
OP Margin	18.7%	21.5%	35.6%
EBIT (RM'mil) (incl. share of associates & JCE)	33.6	24.4	114.6
EBIT Margin (incl. share of associates & JCE)	24.2%	27.8%	52.5%

^ Based on restated figures

Review of 1st Quarter Performance

- Yoy, revenue was higher due to higher sales and progress billings from local development projects and completion and handover of a local development project.
- Yoy, operating profit and EBIT were higher in line with the higher revenue.
- Qoq, revenue was lower due to lower sales and progress billings from local development projects.
- Qoq, operating profit and EBIT were lower in line with the lower revenue. Further, EBIT in the preceding quarter was higher due to recognition of a portion of the development profit for the China property development project.

Property Investment Segmental Review

	<u>Q1 2020</u>	<u>Q1 2019^</u>	<u>Q4 2019</u>
Revenue (RM'mil)	134.3	196.7	220.9
Operating Profit (RM'mil)	29.7	52.8	67.2
OP Margin	22.1%	26.8%	30.4%
EBIT (RM'mil) (incl. share of associates & JCE)	60.6	89.5	114.8 *
EBIT Margin (incl. share of associates & JCE)	45.1%	45.5%	52.0%

* Includes fair value gain of investment properties of Sunway Berhad

^ Based on restated figures

Review of 1st Quarter Performance

- Yoy, revenue was lower due to the MCO which started from 18 March 2020 has resulted in the nationwide shutdown of all non-essential operations including the Group's hospitality and leisure businesses. Revenue in the current quarter was also lower due to lower rental income after the disposal of Sunway University assets to Sunway REIT, which was completed on 15 April 2019.
- Yoy, operating profit and EBIT were lower in line with the lower revenue.
- Qoq, revenue is lower mainly due to the COVID-19 pandemic and MCO closure as mentioned above and due to the seasonality factor as the leisure and hospitality divisions delivered stronger performance in the preceding quarter.
- Qoq, operating profit and EBIT are lower in line with the lower revenue. Further, EBIT in the preceding quarter was boosted by fair value gains from revaluation of the investment properties of RM35.5 million.

Construction Segmental Review

	<u>Q1 2020</u>	<u>Q1 2019^</u>	<u>Q4 2019</u>
Revenue (RM'mil)	218.0	346.2	318.0
Operating Profit (RM'mil)	19.8	37.8	28.1
OP Margin	9.1%	10.9%	8.8%
EBIT (RM'mil) (incl. share of associates & JCE)	19.9	37.8	32.6
EBIT Margin (incl. share of associates & JCE)	9.1%	10.9%	10.3%

^ Based on restated figures

Review of 1st Quarter Performance

- Yoy, revenue was lower due to lower progress billings from local construction projects and higher intra-group eliminations.
- Yoy, operating profit and EBIT were lower in line with the lower revenue.
- Qoq, revenue was lower due to lower progress billings from local construction projects.
- Qoq, operating profit and EBIT were lower in line with the lower revenue.

Construction Order Book – RM5.4 billion

SUNWAY™

As at 31 March 2020

RM'mil

Infrastructure/Piling

LRT 3: Package GS07-08

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

Sentul West Station

Piling works

Building

Putrajaya Parcel F

PPA1M Project Kota Bharu

TNB HQ Campus

PETRONAS Leadership Centre

Oxley Tower

IOI Mall MEP Works

Internal

Sunway Medical Centre 4

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

Sunway South Quay CP2

Renewable Energy (Internal)

BB Solar

Sunway Pyramid Solar

Rooftop Solar Projects

India

Thorapalli Agraharam - Jittandahalli Highway

Singapore

Precast



TNB HQ Campus



PPA1M Kota Bharu



MRT V201

Thank You

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Next quarter announcement on 25 August 2020

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