

SUNWAY®

FROM VISION
TO REALITY



SUNWAY BERHAD

Q2 2019 RESULTS BRIEFING PACK

27 AUGUST 2019

1) Year on Year

- PATMI up 23.6%, it would have been up by 37.0% if not for the adoption of MFRS 15*.
- Higher first interim dividend of 4.57 sen (2018: 3.5 sen), based on cash dividend of 3.0 sen per share and share dividend distribution of 1 treasury share for every 100 existing ordinary shares held (*equivalent to approximately 1.57 sen per share based on share price of RM1.57 per share as at 27 August 2019*).

2) Quarter on Quarter

- PBT up 42.9% and PATMI up 80.7% due to share of fair value gains from Sunway REIT and disposal gain on Sunway University assets.

3) Key Indicators

- Healthcare segment is a rising star with YoY operating profit growth of **58.6%**
- Property Sales : **RM 735 million** (Effective: RM 510 million)
- Property Unbilled Sales : **RM 2.7 billion** (Effective: RM 2.1 billion)
- Construction Outstanding Order Book : **RM 5.8 billion**
- YTD 2019 Order Book Replenishment : **RM 1.5 billion**

* With the adoption of MFRS 15, progressive development profits of RM26.8 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. The progressive development profits for the corresponding quarter of the previous financial year amounted to RM28.3 million. ²

Overview of Key Performance Highlights

RM'mil	Q2 FY 2019	Q2 FY 2018	Q1 FY 2019	YTD 2019	YTD 2018
	Unaudited	Restated	Unaudited	Unaudited	Restated
	Apr - Jun 2019	Apr - Jun 2018	Jan - Mar 2019	Jan - Jun 2019	Jan - Jun 2018
Revenue	1,077.2	1,260.2	1,123.6	2,200.8	2,541.7
EBIT	249.4	253.2	159.5	408.9	420.0
EBIT Margin	23.2%	20.1%	14.2%	18.6%	16.5%
PBT	253.2	243.0	177.3	430.5	402.2
PBT Margin	23.5%	19.3%	15.8%	19.6%	15.8%
PATMI	246.5	199.5	136.4	382.9	319.4
PATMI Margin	22.9%	15.8%	12.1%	17.4%	12.6%
Basic EPS (sen) *#	4.72	4.04	2.70	7.43	6.47

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

(RM'mil)	Q2 2019		Q2 2018		Q1 2019		YTD 2019		YTD 2018	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	(43.6)	(43.6)	(59.2)	(59.2)	-	-	(43.6)	(43.6)	(59.2)	(59.2)

* 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	30/6/2019 (Unaudited)	31/3/2019 (Unaudited)
Non-current Assets	12,711.7	12,517.1
Current Assets	10,496.0	9,927.4
Assets Held for sale	-	486.1
Total Assets	23,207.7	22,930.7
Current Liabilities	8,960.1	9,087.0
Non-current Liabilities	4,223.8	4,057.9
Total Liabilities	13,183.9	13,144.9
Shareholders' Funds	8,254.0	8,151.4
Perpetual Sukuk	1,150.0	1,000.0
Non-Controlling Interests	619.8	634.3
Total Equity	10,023.8	9,785.8
Total Equity & Liabilities	23,207.7	22,930.7
Total Borrowings	9,408.2	9,443.2
Cash and bank balances and placement in funds	6,440.7	5,939.4
Net Gearing Ratio ^	0.30	0.36
Share Capital	5,382.5	5,380.2
Number of Ordinary Shares	4,926.5	4,924.9
Net Assets Per Share	1.68	1.66

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

Healthcare Segmental Review

	<u>Q2 2019</u>	<u>Q2 2018[^]</u>	<u>Q1 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	140.8	108.2	126.8	267.6	210.1
Operating Profit (RM'mil)	17.6	11.1	13.1	30.7	20.8
OP Margin	12.5%	10.3%	10.3%	11.5%	9.9%
EBIT (RM'mil) (incl. share of associates & JCE)	17.6	11.1	13.1	30.7	20.8
EBIT Margin (incl. share of associates & JCE)	12.5%	10.3%	10.3%	11.5%	9.9%

[^] Based on restated figures

Review of 2nd Quarter 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 higher due to higher occupancy and higher outpatient treatments.
- Qoq, operating profit and EBIT are higher in line with the higher revenue.

Property Development Segmental Review

	<u>Q2 2019</u>	<u>Q2 2018[^]</u>	<u>Q1 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	113.6	88.7	87.9	201.4	221.0
Operating Profit (RM'mil)	21.6	44.1	18.9	40.5	61.8
OP Margin	19.1%	49.8%	21.5%	20.1%	28.0%
EBIT (RM'mil) (incl. share of associates & JCE)	24.4	44.4	24.4	48.8	67.4
EBIT Margin (incl. share of associates & JCE)	21.5%	50.1%	27.8%	24.2%	30.5%

[^] Based on restated figures

Review of 2nd Quarter Performance

- Yoy, revenue is higher due to higher sales and progress billings from local development projects.
- Yoy, operating profit and EBIT are lower compared to the corresponding quarter of the previous financial year, which benefitted from the foreign exchange gains realised from the accumulated profits distributed from the Group's Singapore property development projects.
- Qoq, revenue is higher due to higher sales and progress billings from local development projects.
- Qoq, operating profit is higher in line with the higher revenue.

Property Investment Segmental Review

	<u>Q2 2019</u>	<u>Q2 2018[^]</u>	<u>Q1 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	176.1	189.8	196.7	372.8	382.8
Operating Profit (RM'mil)	67.1	50.4	52.8	119.9	105.2
OP Margin	38.1%	26.6%	26.8%	32.2%	27.5%
EBIT (RM'mil) (incl. share of associates & JCE)	146.0*	137.8*	89.5	235.5*	225.1*
EBIT Margin (incl. share of associates & JCE)	82.9%	72.6%	45.5%	63.2%	58.8%

* Includes fair value gain of investment properties of Sunway REIT

[^] Based on restated figures

Review of 2nd Quarter Performance

- Yoy, revenue is lower due to lower rental income after the disposal of Sunway University assets to Sunway REIT, along with lower visitorship and lower occupancy rates at the Group's theme parks and hospitality properties.
- Yoy, operating profit and EBIT are higher mainly due to higher contribution from Sunway Velocity Mall and further boosted by the disposal gain on Sunway University assets of RM37.7 million.
- Qoq, revenue is lower due to lower rental income after the disposal of Sunway University assets to Sunway REIT and lower contributions from the Group's theme parks.
- Qoq, operating profit and EBIT are higher due to disposal gain on Sunway University assets, partially offset by lower contributions from the Group's hospitality properties and theme parks. Further, EBIT in the current quarter was also boosted by share of fair value gains from revaluation of Sunway REIT properties of RM43.6 million.

Construction Segmental Review

	<u>Q2 2019</u>	<u>Q2 2018[^]</u>	<u>Q1 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	293.5	449.7	346.2	639.6	893.4
Operating Profit (RM'mil)	41.5	46.4	40.0	81.5	85.4
OP Margin	14.1%	10.3%	11.5%	12.7%	9.6%
EBIT (RM'mil) (incl. share of associates & JCE)	41.7	46.4	40.0	81.7	85.4
EBIT Margin (incl. share of associates & JCE)	14.2%	10.3%	11.6%	12.8%	9.6%

[^] Based on restated figures

Review of 2nd Quarter 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 lower in line with the lower revenue.
- Qoq, revenue is lower due to lower progress billings from local construction projects and higher intra-group eliminations.
- Qoq, operating profit and EBIT are marginally higher due to higher contribution from the progressive profit recognition from the local construction projects.

Construction Order Book – RM5.8 billion

As at 30 June 2019

RM'mil

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

PETRONAS Leadership Centre

Oxley Tower

Internal

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

Sunway South Quay CP2

Others

Singapore

Precast



Putrajaya Parcel F



PPA1M Kota Bharu



MRT V201

Thank You

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Next quarter announcement on 21 November 2019

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