

SUNWAY®

**FROM VISION
TO REALITY**



SUNWAY BERHAD

Q3 2019 RESULTS BRIEFING PACK

21 NOVEMBER 2019

1) Year on Year

- PBT up 17.0%.
- PATMI up 26.6%.

2) Quarter on Quarter

- Revenue up 13.9%.
- PBT up 6.5% after excluding share of fair value gains from Sunway REIT in Q2 2019.

3) Key Indicators

- Property Sales : **RM 1.1 million** (Effective: RM 720 million)
- Property Unbilled Sales : **RM 2.8 billion** (Effective: RM 2.1 billion)
- Construction Outstanding Order Book : **RM 5.6 billion**
- YTD 2019 Order Book Replenishment : **RM 1.7 billion**

Note:

With the adoption of MFRS 15, progressive development profits of RM25.0 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 RM57.1 million.

Overview of Key Performance Highlights

RM'mil	Q3 FY 2019	Q3 FY 2018	Q2 FY 2019	YTD 2019	YTD 2018
	Unaudited	Restated	Unaudited	Unaudited	Restated
	Jul - Sep 2019	Jul - Sep 2018	Apr - Jun 2019	Jan - Sep 2019	Jan - Sep 2018
Revenue	1,226.5	1,416.1	1,077.2	3,427.3	3,957.8
EBIT	222.2	191.7	249.4	631.1	611.7
EBIT Margin	18.1%	13.5%	23.2%	18.4%	15.5%
PBT	223.3	190.9	253.2	653.8	593.1
PBT Margin	18.2%	13.5%	23.5%	19.1%	15.0%
PATMI	183.4	144.9	246.5	566.3	464.3
PATMI Margin	15.0%	10.2%	22.9%	16.5%	11.7%
Basic EPS (sen) ^{*#}	3.43	2.98	4.72	10.90	9.52

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

(RM'mil)	Q3 2019		Q3 2018		Q2 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)

* 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	30/9/2019 (Unaudited)	30/6/2019 (Unaudited)
Non-current Assets	12,915.1	12,711.7
Current Assets	10,134.4	10,496.0
Total Assets	23,049.4	23,207.7
Current Liabilities	9,788.3	8,960.1
Non-current Liabilities	3,128.2	4,223.8
Total Liabilities	12,916.6	13,183.9
Shareholders' Funds	8,376.5	8,254.0
Perpetual Sukuk	1,150.0	1,150.0
Non-Controlling Interests	606.3	619.8
Total Equity	10,132.9	10,023.8
Total Equity & Liabilities	23,049.4	23,207.7
Total Borrowings	9,250.9	9,408.2
Cash and bank balances and placement in funds	6,035.9	6,440.7
Net Gearing Ratio ^	0.32	0.30
Share Capital	5,393.6	5,382.5
Number of Ordinary Shares	4,933.9	4,926.5
Net Assets Per Share	1.70	1.68

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

	<u>Q3 2019</u>	<u>Q3 2018[^]</u>	<u>Q2 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	154.4	116.9	140.8	422.0	327.0
Operating Profit (RM'mil)	14.7	13.3	17.6	45.4	34.1
OP Margin	9.5%	11.4%	12.5%	10.8%	10.4%
EBIT (RM'mil) (incl. share of associates & JCE)	14.7	13.3	17.6	45.4	34.1
EBIT Margin (incl. share of associates & JCE)	9.5%	11.4%	12.5%	10.8%	10.4%

[^] Based on restated figures

Review of 3rd 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 due to the strong performance from the flagship hospital, Sunway Medical Centre, which was partly offset by the startup operating losses from the newly opened Sunway Medical Centre Velocity which amounted to RM6.8 million in the current quarter.
- Qoq, revenue is higher due to higher occupancy rate and higher outpatient treatments.
- Qoq, operating profit and EBIT are lower, partly offset by operating losses from the newly opened Sunway Medical Centre Velocity.

Property Development Segmental Review

	<u>Q3 2019</u>	<u>Q3 2018[^]</u>	<u>Q2 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	126.2	194.8	113.6	327.7	415.8
Operating Profit (RM'mil)	45.1	34.0	21.6	85.6	95.9
OP Margin	35.7%	17.5%	19.1%	26.1%	23.1%
EBIT (RM'mil) (incl. share of associates & JCE)	51.3	38.2	24.4	100.1	105.6
EBIT Margin (incl. share of associates & JCE)	40.6%	19.6%	21.5%	30.6%	25.4%

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, revenue is lower due to lower progress billings from local development projects, as well as the completion and handover of Sunway GEOSense in Sunway South Quay in the corresponding quarter of the previous financial year.
- Yoy, operating profit and EBIT are higher due to higher progressive profit recognition from local development projects.
- Qoq, revenue is higher due to higher sales and progress billings from local development projects.
- Qoq, operating profit and EBIT are higher in line with the higher revenue.

Property Investment Segmental Review

	<u>Q3 2019</u>	<u>Q3 2018[^]</u>	<u>Q2 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	209.7	209.3	176.1	582.5	592.2
Operating Profit (RM'mil)	52.2	47.5	67.1	172.1	152.6
OP Margin	24.9%	22.7%	38.1%	29.6%	25.8%
EBIT (RM'mil) (incl. share of associates & JCE)	93.6	85.3	146.0*	329.0*	310.4*
EBIT Margin (incl. share of associates & JCE)	44.6%	40.7%	82.9%	56.5%	52.4%

* Includes fair value gain of investment properties of Sunway REIT

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, revenue is largely flat due to improved occupancy rates at the Group's hospitality properties which partly offset lower rental income after the disposal of Sunway University assets to Sunway REIT.
- Yoy, operating profit and EBIT are higher mainly due to higher contribution from the Group's hospitality properties and higher share of profit from Sunway REIT which recorded better performance.
- Qoq, revenue is higher mainly due to higher contributions from the Group's theme parks and hospitality segment.
- Qoq, operating profit and EBIT are lower due to the disposal gain on Sunway University assets recorded in the preceding quarter. Further, EBIT in the preceding quarter was boosted by the share of fair value gains from revaluation of Sunway REIT properties of RM43.6 million.

Construction Segmental Review

	<u>Q3 2019</u>	<u>Q3 2018[^]</u>	<u>Q2 2019</u>	<u>YTD 2019</u>	<u>YTD 2018[^]</u>
Revenue (RM'mil)	315.6	465.4	293.5	955.2	1,358.8
Operating Profit (RM'mil)	34.9	41.0	41.5	116.4	126.4
OP Margin	11.1%	8.8%	14.1%	12.2%	9.3%
EBIT (RM'mil) (incl. share of associates & JCE)	35.0	40.7	41.7	116.7	126.1
EBIT Margin (incl. share of associates & JCE)	11.1%	8.8%	14.2%	12.2%	9.3%

[^] Based on restated figures

Review of 3rd 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 higher due to higher progress billings from local construction projects and lower intra-group eliminations.
- Qoq, operating profit and EBIT are lower due to lower progressive profit recognition from the local construction projects.

Construction Order Book – RM5.6 billion

As at 30 September 2019

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

Shah Alam Warehouse

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

BB Solar

Singapore

Precast



Putrajaya Parcel F



PPA1M Kota Bharu



MRT V201

Thank You

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Next quarter announcement on 25 February 2020

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