



Digitally Driven,
Strengthening Sustainability



SUNWAY BERHAD
Q3 2020 RESULTS BRIEFING PACK
27 NOVEMBER 2020

1) Year on Year

- Revenue down 16.2%; while PBT declined by 23.3%.
- Our hospitality and leisure businesses under the Property Investment segment which were worst hit by the impact of the Movement Control Order (MCO) only resumed operations in early July.
- The recovery rates of our various business segments were varied due to the different adaptation and compliance requirements imposed by the authorities for the various economic sectors.

2) Quarter on Quarter

- Revenue up 84.5%; PBT up 1,596.8%
- The current quarter experienced business operations recovery following the implementation of the less restrictive RMCO, compared to the preceding quarter which was impacted by MCO closure.

3) Key Indicators

- Property Sales : **RM 943 million** (Effective: RM 809 million)
- Property Unbilled Sales : **RM 3.1 billion** (Effective: RM 2.5 billion)
- Construction Outstanding Order Book : **RM 5.3 billion**
- YTD 30 September 2020 Order Book Replenishment : **RM 2.0 billion** (*To-date: RM 2.3 billion*)

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 fourth quarter of 2020.

Overview of Key Performance Highlights

RM'mil	Q3 FY 2020	Q3 FY 2019	Q2 FY 2020	YTD 2020	YTD 2019
	Unaudited	Restated	Unaudited	Unaudited	Restated
	Jul - Sep 2020	Jul - Sep 2019	Apr - Jun 2020	Jan - Sep 2020	Jan - Sep 2019
Revenue	1,027.2	1,226.5	556.6	2,555.3	3,427.3
EBIT	165.5	222.2	5.3	254.2	631.1
EBIT Margin	16.1%	18.1%	1.0%	9.9%	18.4%
PBT	171.3	223.3	10.1	289.3	653.8
PBT Margin	16.7%	18.2%	1.8%	11.3%	19.1%
PATMI	132.8	183.4	-6.7	204.4	566.3
PATMI Margin	12.9%	15.0%	-1.2%	8.0%	16.5%
EPS (sen) *#	2.51	3.43	(0.34)	3.52	10.90

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

(RM'mil)	Q3 2020		Q3 2019		Q2 2020		YTD 2020		YTD 2019	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value (gain)/loss (associate)	-	-	-	-	16.5	16.5	16.5	16.5	(43.6)	(43.6)

* 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	30/9/2020 (Unaudited)	30/6/2020 (Unaudited)
Non-current Assets	13,171.9	12,959.6
Current Assets	9,108.7	9,166.6
Assets Held for sale	368.2	364.8
Total Assets	22,648.8	22,491.0
Current Liabilities	8,949.6	10,853.2
Non-current Liabilities	3,920.9	1,989.2
Total Liabilities	12,870.6	12,842.4
Shareholders' Funds	8,355.9	8,232.4
Perpetual Sukuk	800.0	800.0
Non-Controlling Interests	622.4	616.3
Total Equity	9,778.3	9,648.7
Total Equity & Liabilities	22,648.8	22,491.0
Total Borrowings	9,283.0	9,335.2
Cash and bank balances and placement in funds	4,469.5	4,778.4
Net Gearing Ratio ^	0.49	0.47
Share Capital	5,393.7	5,393.7
Number of Ordinary Shares	4,900.6	4,901.4
Net Assets Per Share	1.71	1.68

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

Healthcare Segmental Review

	<u>Q3 2020</u>	<u>Q3 2019[^]</u>	<u>Q2 2020</u>	<u>YTD 2020</u>	<u>YTD 2019[^]</u>
Revenue (RM'mil)	168.0	154.4	125.1	442.3	422.0
Operating Profit (RM'mil)	19.5	14.7	-12.1	6.5	45.4
OP Margin	11.6%	9.5%	-9.7%	1.5%	10.8%
EBIT (RM'mil) (incl. share of associates & JCE)	19.5	14.7	-12.1	6.5	45.4
EBIT Margin (incl. share of associates & JCE)	11.6%	9.5%	-9.7%	1.5%	10.8%

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, revenue was higher due to improved contribution from Sunway Medical Centre Velocity which commenced operations in September 2019.
- Yoy, operating profit and EBIT were higher in line with the higher revenue. The performance of Sunway Medical Centre Velocity continued to improve, registering a lower operating loss of RM6.6 million compared to the loss of RM6.8 million in the corresponding quarter of the previous financial year.
- Qoq, revenue was higher due to higher number of admissions and outpatient treatments at Sunway Medical Centre following the implementation of the less restrictive RMCO.
- Qoq, operating profit and EBIT were higher in line with the higher revenue. The operating loss incurred by Sunway Medical Centre Velocity in the current quarter is also lower compared to the preceding quarter of RM9.5 million as business volume has improved with higher number of admissions.

Property Development Segmental Review

	<u>Q3 2020</u>	<u>Q3 2019[^]</u>	<u>Q2 2020</u>	<u>YTD 2020</u>	<u>YTD 2019[^]</u>
Revenue (RM'mil)	103.4	126.2	68.1	310.8	327.7
Operating Profit (RM'mil)	2.7	45.1	13.7	42.5	85.6
OP Margin	2.6%	35.7%	20.2%	13.7%	26.1%
EBIT (RM'mil) (incl. share of associates & JCE)	12.9	51.3	14.4	60.9	100.1
EBIT Margin (incl. share of associates & JCE)	12.5%	40.6%	21.2%	19.6%	30.6%

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, revenue was lower mainly due to lower sales, progress billings and profit recognition from the local development projects.
- Yoy, operating profit and EBIT were lower in line with the lower revenue.
- Qoq, revenue was higher mainly due to higher sales and progress billings from local development projects.
- Qoq, operating profit and EBIT were lower in the current quarter as the bulk of the preceding quarter's profit were boosted by one-off cost saving measures.

Property Investment Segmental Review

	<u>Q3 2020</u>	<u>Q3 2019[^]</u>	<u>Q2 2020</u>	<u>YTD 2020</u>	<u>YTD 2019[^]</u>
Revenue (RM'mil)	98.1	209.7	55.5	287.9	582.5
Operating (Loss)/Profit (RM'mil)	56.7	52.2	-10.0	76.4	172.1
OP Margin	57.8%	24.9%	-18.0%	26.5%	29.6%
(LBIT)/EBIT (RM'mil) (incl. share of associates & JCE)	74.8	93.6	-11.6*	123.8*	329.0*
LBIT/EBIT Margin (incl. share of associates & JCE)	76.3%	44.6%	-20.9%	43.0%	56.5%

* Includes fair value gain/(loss) of investment properties of Sunway REIT

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, financial performance continued to be impacted by low visitor arrivals due to the restrictive border controls, travel restrictions and stringent COVID-19 containment measures. Further, the performance of our associate company, Sunway REIT was also adversely affected due to lower rental income from its retail and hotel segments. This resulted in a lower share of profit from associates in the current quarter. However, the adverse financial impact to the operating profit was mitigated by a gain of RM50.5 million[#] on remeasurement of leases as per MFRS 16, arising from the expiry of the Master Lease Agreements (MLA) for some of the hotels and the entrance of a new MLA.
- Qoq, revenue in the current quarter improved across the leisure and hospitality segments which were impacted by the COVID-19 pandemic and MCO closure in the preceding quarter.
- Qoq, operating profit and EBIT was further boosted by a gain of RM50.5 million[#] on remeasurement of leases as mentioned above. Further, LBIT in the preceding quarter recorded a share of fair value loss from revaluation of Sunway REIT properties of RM16.5 million.

Construction Segmental Review

	<u>Q3 2020</u>	<u>Q3 2019[^]</u>	<u>Q2 2020</u>	<u>YTD 2020</u>	<u>YTD 2019[^]</u>
Revenue (RM'mil)	255.0	315.6	92.6	565.6	955.2
Operating Profit (RM'mil)	33.9	35.5	4.1	57.8	112.4
OP Margin	13.3%	11.2%	4.5%	10.2%	11.8%
EBIT (RM'mil) (incl. share of associates & JCE)	33.9	35.6	4.3	58.0	112.7
EBIT Margin (incl. share of associates & JCE)	13.3%	11.3%	4.6%	10.3%	11.8%

[^] Based on restated figures

Review of 3rd Quarter Performance

- Yoy, revenue was lower mainly due to higher intra-group eliminations as the proportion of in-house projects was higher.
- Yoy, operating profit and EBIT were only marginally lower due to reversal of intra-group profit eliminated earlier on property development projects.
- Qoq, revenue was higher due to higher progress billings from local construction projects as construction operations resumed post-MCO.
- Qoq, operating profit and EBIT were higher in line with the higher revenue.

Construction Order Book – RM5.3 billion

As at 30 September 2020

RM'mil

Infrastructure/Piling

LRT 3: Package GS07-08

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

Sentul West Station

Chan Sow Lin KVMRT (MEP)

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 TWO (Plot B Project)

Sunway Velocity 3C4

Sunway South Quay CP2

Sunway International School

Sunway Belfield

Hotel Guestroom Renovation

Renewable Energy (Internal)

New order

India

Thorapalli Agraharam - Jittandahalli Highway

Singapore

Precast



TNB HQ Campus



PETRONAS Leadership Centre



MRT V201

Thank You

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Next quarter announcement on 25 February 2021

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