

SUNWAY®



SUNWAY BERHAD

Q3 2017 RESULTS BRIEFING PACK

27 NOVEMBER 2017

1) Year on Year

- Revenue improved 16.0%
- PATMI improved 5.0%

2) Quarter on Quarter

- Revenue improved 6.3%
- PATMI up 7.6% after excluding share of fair value gains from Sunway REIT

3) Key Indicators

- Property Sales : **RM 583 million** (Effective: RM 533 million)
- Property Unbilled Sales : **RM 991 million** (Effective: RM 766 million)
- Construction Outstanding Order Book : **RM 6.8 billion**
- YTD Order Book Replenishment : **RM 4.0 billion**

Overview of Key Performance Highlights

RM mil	Q3 FY 2017 Jul - Sept 2017	Q3 FY 2016 Jul - Sept 2016	Q2 FY 2017 Apr - Jun 2017	YTD 2017 Jan - Sept 2017	YTD 2016 Jan - Sept 2016
Revenue	1,319.6	1,137.5	1,241.0	3,651.9	3,362.2
EBIT	203.0	211.1	290.2	653.1	622.6
EBIT Margin	15.4%	18.6%	23.4%	17.9%	18.5%
PBT	196.7	208.5	271.4	621.3	588.4
PBT Margin	14.9%	18.3%	21.9%	17.0%	17.5%
PATMI	150.9	143.6	196.9	455.7	400.1
PATMI Margin	11.4%	12.6%	15.9%	12.5%	11.9%
EPS (sen)*	7.38	7.02	9.62	22.23	20.74

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

(RM mil)	Q3 2017		Q3 2016		Q2 2017		YTD 2017		YTD 2016	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	(56.8)	(56.8)	(56.8)	(56.8)	(23.7)	(23.7)
Fair value of ESOS	-	-	4.5	4.5	-	-	-	-	9.2	9.2
	-	-	4.5	4.5	(56.8)	(56.8)	(56.8)	(56.8)	(14.5)	(14.5)

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

Balance Sheet and Gearing

RM mil	30/9/2017 (Unaudited)	30/9/2016 (Unaudited)	30/6/2017 (Unaudited)
Non-current Assets	9,808.1	9,582.6	9,893.9
Current Assets	10,160.9	8,415.3	9,859.6
Assets held for sale	295.5	4.5	-
Total Assets	20,264.5	18,002.4	19,753.5
Current Liabilities	7,721.3	7,054.9	7,702.1
Non-current Liabilities	3,748.2	2,826.2	3,498.6
Total Liabilities	11,469.6	9,881.1	11,200.7
Shareholders' Funds	7,984.4	7,419.7	7,739.6
Non-Controlling Interests	810.6	701.5	813.2
Total Equity	8,795.0	8,121.3	8,552.8
Total Equity & Liabilities	20,264.5	18,002.4	19,753.5
Total Borrowings	8,213.2	7,064.4	8,379.4
Cash and bank balances and placement in funds	5,229.4	3,999.5	4,891.6
Net Gearing Ratio [^]	0.34*	0.38	0.41
Share Capital	2,250.9	2,060.4	2,114.9
Number of Ordinary Shares	2,118.2	2,060.4	2,078.3
Net Assets Per Share	3.77	3.60	3.72

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

* The Group's borrowings in foreign currencies are always hedged using cross currency swaps. However, the translated borrowing amount in Ringgit is required to be marked-to-market at the prevailing exchange rate during the loan tenure. If based on the hedged borrowing amount, the net gearing as at 30 September 2017 would be lower at 0.32 times.

Property Development Segmental Review

	<u>Q3 2017</u>	<u>Q3 2016</u>	<u>Q2 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	162.2	247.6	271.1	576.6	796.7
Operating Profit (RM'mil)	20.8	45.3	65.8	94.5	154.0
Op. Profit Margin	12.8%	18.3%	24.3%	16.4%	19.3%
EBIT (RM'mil) (incl. share of assc. & JCE)	35.8	63.5	75.1	131.4	194.8
EBIT Margin (incl. share of assc. & JCE)	22.1%	25.7%	27.7%	22.8%	24.4%

Review of Performance

- Yoy and qoq, revenue is lower due to lower sales and progress billings from local development projects.
- Qoq, revenue is also lower due to vacant possession of Sunway Geo Residences in Sunway South Quay in the preceding quarter and absence of any vacant possession in the current quarter.
- Yoy and qoq, operating profit and EBIT are lower in line with lower revenue, as mentioned above.

Property Investment Segmental Review

	<u>Q3 2017</u>	<u>Q3 2016</u>	<u>Q2 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	225.4	189.9	207.4	619.7	519.2
Operating Profit (RM'mil)	60.8	50.0	43.0	147.8	110.9
Op. Profit Margin	26.9%	26.4%	20.7%	23.9%	21.3%
EBIT (RM'mil) (incl. share of assc. & JCE)	94.8	78.3	128.0*	297.0*	216.8*
EBIT Margin (incl. share of assc. & JCE)	42.1%	41.2%	61.7%	47.9%	41.8%

*Includes fair value gain of investment properties of Sunway REIT.

Review of Performance

- Yoy, revenue is higher due to additional revenue from the new Sunway Velocity Mall, which was opened in December 2016 and higher revenue from Sunway Pyramid Hotel which was re-opened progressively in 2017 following a refurbishment exercise in 2016.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, revenue is higher due to higher occupancy and higher visitorship to the Group's portfolio of investment properties.
- Qoq, operating profit is higher in line with the higher revenue. EBIT, however, is lower as the preceding quarter's EBIT was boosted by the share of fair value gains from revaluation of Sunway REIT properties of RM56.8 million.

Construction Segmental Review

	<u>Q3 2017</u>	<u>Q3 2016</u>	<u>Q2 2017</u>	<u>YTD 2017</u>	<u>YTD 2016</u>
Revenue (RM'mil)	416.6	287.9	310.9	1,044.4	848.7
Operating Profit (RM'mil)	37.8	31.3	40.8	113.3	100.9
Op. Profit Margin	9.1%	10.9%	13.1%	10.8%	11.9%
EBIT (RM'mil) (incl. share of assc. & JCE)	37.9	31.3	41.3	113.9	100.9
EBIT Margin (incl. share of assc. & JCE)	9.1%	10.9%	13.3%	10.9%	11.9%

Review of Performance

- Yoy and qoq, revenue is higher due to higher progress billings from local construction projects and lower intra-group eliminations.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, operating profit and EBIT are lower as the higher revenue did not translate to higher profit recognition.

Construction Order Book – RM6.8 billion

SUNWAY™

Infrastructure/Piling

LRT 3: Package GS07-08
MRT Package V201 & S201 (Sungai Buloh - Persiaran Dagang)
BBCC - Bore Piling
MRT Package V201 - Advance Works
Suke & DASH - Bore Piling
Mega Capital - Bore Piling

Building

Putrajaya Parcel F
KLCC (NEC, Package 2 and Package 2A)
Hospital Universiti Kebangsaan Malaysia (MEP Works)
International School of Kuala Lumpur
Gas District Cooling Plant 1 Putrajaya
PPA1M Project Kota Bharu
Shah Alam Warehouse
Others

Internal

Sunway Velocity Hotel and Offices
Sunway Velocity Medical Centre
Sunway Medical Centre 4
Sunway Iskandar - Citrine Svc Apt
Sunway Geo Retail Shops & Flexi Suites Phase 2
Sunway Iskandar - Emerald Residences
Sunway Iskandar - 88 units Shoplots
Sunway Iskandar - Retail Complex
Sunway Serene - Serviced Residences
Others

Singapore

Precast



Putrajaya Parcel F



ISKL



KLCC North East Car Park,
Package 2 & 2A

Projects

LRT 3: Package GS07-08

PPA1M Project Kota Bharu

Sunway Serene (52-Storey)

MRT Station Works S201

Gas District Cooling Plant 1 Putrajaya

BBCC – Piling Work

Shah Alam Warehouse

SUKE & DASH

Mega Capital – Piling Work

CP3 Walkway

Precast

Thank You

Email : irsunwayberhad@sunway.com.my

Website : www.sunway.com.my

Next quarter announcement on 28 February 2018

This presentation may contain certain forward looking statements due to a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions; interest rate trends; cost of capital and capital availability including availability of financing in the amounts and the terms necessary to support future business; availability of real estate properties; competition from other companies; changes in operating expenses including employee wages, benefits and training, property expenses, government and public policy changes. You are cautioned not to place undue reliance on these forward looking statements which are based on Management's current view of future events. Past performance is not necessarily indicative of its future performance.