

SUNWAY®



SUNWAY BERHAD

Q3 2018 RESULTS BRIEFING PACK

21 NOVEMBER 2018

1) Year on Year

- Revenue up 12.6%.
- PBT up 2.7%.
- PBT would have been up by 32.9% if not for the adoption of MFRS 15*.

2) Quarter on Quarter

- Revenue up 12.2%.
- PBT up 5.9% after excluding share of fair value gains from Sunway REIT in Q2 2018.

3) Key Indicators

- Property Sales : **RM 1.6 billion** (Effective: RM 1.4 billion)
- Property Unbilled Sales : **RM 2.1 billion** (Effective: RM 1.8 billion)
- Construction Outstanding Order Book : **RM 5.2 billion**
- YTD 2018 Order Book Replenishment : **RM 1.4 billion**

* With the adoption of MFRS 15, progressive development profits of RM57.1 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.

Overview of Key Performance Highlights

RM'mil	Q3 FY 2018 (Unaudited) Jul - Sep 2018	Q3 FY 2017 (Restated) Jul - Sep 2017	Q2 FY 2018 (Unaudited) Apr - Jun 2018	YTD 2018 (Unaudited) Jan - Sep 2018	YTD 2017 (Restated) Jan - Sep 2017
Revenue	1,444.6	1,283.0	1,287.1	4,040.1	3,612.2
EBIT	197.4	195.2	255.0	620.9	642.5
EBIT Margin	13.7%	15.2%	19.8%	15.4%	17.8%
PBT	194.0	188.9	242.2	597.1	610.7
PBT Margin	13.4%	14.7%	18.8%	14.8%	16.9%
PATMI	145.3	145.0	199.4	466.7	447.9
PATMI Margin	10.1%	11.3%	15.5%	11.6%	12.4%
EPS (sen) *	2.99	3.04 #	4.09	9.57	9.36 #

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

(RM'mil)	Q3 2018		Q3 2017		Q2 2018		YTD 2018		YTD 2017	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	(59.2)	(59.2)	(59.2)	(59.2)	(56.8)	(56.8)

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

The earnings per share has been adjusted to reflect the bonus issue of four (4) bonus shares for every three (3) existing Sunway shares held by the entitled shareholders, which was completed on 6 October 2017.

Balance Sheet and Gearing

	30/9/2018 (Unaudited)	30/6/2018 (Unaudited)
Non-current Assets	11,084.1	11,162.0
Current Assets	10,071.1	9,976.6
Total Assets	21,155.1	21,138.6
Current Liabilities	8,816.8	8,452.1
Non-current Liabilities	3,482.3	3,947.6
Total Liabilities	12,299.1	12,399.7
Shareholders' Funds	8,229.8	8,101.5
Non-Controlling Interests	626.2	637.4
Total Equity	8,856.0	8,738.9
Total Equity & Liabilities	21,155.1	21,138.6
Total Borrowings	9,035.4	9,056.1
Cash and bank balances and placement in funds	5,290.0	5,174.8
Net Gearing Ratio ^	0.42	0.44
Share Capital	5,379.3	5,372.6
Number of Ordinary Shares	4,924.3	4,919.8
Net Assets Per Share	1.67	1.65

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

Property Development Segmental Review



	<u>Q3 2018</u>	<u>Q3 2017[^]</u>	<u>Q2 2018</u>	<u>YTD 2018</u>	<u>YTD 2017[^]</u>
Revenue (RM'mil)	194.8	125.5	88.7	415.8	536.9
Operating Profit (RM'mil)	33.9	16.0	44.0	95.5	91.4
OP Margin	17.4%	12.8%	49.6%	23.0%	17.0%
EBIT (RM'mil) (incl. share of associates & JCE)	38.1	30.8	44.3	105.2	127.8
EBIT Margin (incl. share of associates & JCE)	19.6%	24.5%	49.9%	25.3%	23.8%

[^]Based on restated figures

Review of Performance

- Yoy and qoq, revenue is higher due to higher sales and progress billings from local development projects, further boosted by the completion and handover of Sunway GEOSense (fka Sunway Geo Residences 2) in Sunway South Quay in the current quarter.
- Yoy, operating profit and EBIT are higher in line with the higher revenue.
- Qoq, operating profit and EBIT are lower primarily due to the realisation of the foreign exchange gains from the Group's accumulated profits arising from its Singapore property development projects recorded in the preceding quarter.
- Yoy and qoq, EBIT would have been higher if not for the adoption of MFRS 15 on the Group's Rivercove Residences project in Singapore and Sunway Gardens project in Tianjin, China, for which the Group can only recognise the progressive development profits (RM57.1 million in the current quarter and RM28.3 million in the preceding quarter) upon completion.

Property Investment Segmental Review

	<u>Q3 2018</u>	<u>Q3 2017[^]</u>	<u>Q2 2018</u>	<u>YTD 2018</u>	<u>YTD 2017[^]</u>
Revenue (RM'mil)	237.8	225.4	216.7	674.5	619.7
Operating Profit (RM'mil)	60.2	62.9	54.1	173.6	154.3
OP Margin	25.3%	27.9%	25.0%	25.7%	24.9%
EBIT (RM'mil) (incl. share of associates & JCE)	94.0	96.9	142.6*	328.8*	303.5*
EBIT Margin (incl. share of associates & JCE)	39.5%	43.0%	65.8%	48.7%	49.0%

* Includes fair value gain of investment properties of Sunway REIT

[^] Based on restated figures

Review of Performance

- Yoy, revenue is higher due to additional contribution from new properties such as Sunway Velocity Hotel and Sunway Geo in Sunway South Quay, as well as improved contribution from Sunway Velocity Mall and the Group's theme parks.
- Yoy, operating profit and EBIT are marginally lower due to lower contribution from the other operations in the current quarter.
- Qoq, revenue is higher primarily due to higher contributions from the Group's theme parks, and higher occupancy at The Banjaran Hotsprings Retreat & Spa in Ipoh.
- Qoq, operating profit is higher in line with the higher revenue. EBIT, however, is lower as the preceding quarter's EBIT was boosted by share of fair value gains from revaluation of Sunway REIT properties of RM59.2 million.

Construction Segmental Review

	<u>Q3 2018</u>	<u>Q3 2017[^]</u>	<u>Q2 2018</u>	<u>YTD 2018</u>	<u>YTD 2017[^]</u>
Revenue (RM'mil)	465.4	416.6	449.7	1,358.8	1,044.4
Operating Profit (RM'mil)	47.6	41.5	46.2	132.7	124.4
OP Margin	10.2%	10.0%	10.3%	9.8%	11.9%
EBIT (RM'mil) (incl. share of associates & JCE)	47.3	41.6	46.2	132.4	125.0
EBIT Margin (incl. share of associates & JCE)	10.2%	10.0%	10.3%	9.7%	12.0%

[^] Based on restated figures

Review of Performance

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

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

Others

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 & 2 Putrajaya

PPA1M Project Kota Bharu

Shah Alam Warehouse

Internal

Sunway Velocity Medical Centre

Sunway Medical Centre 4

Sunway Iskandar - Emerald Residences

Sunway Iskandar - Retail Complex

Sunway Serene - Serviced Residences

Sunway Geo Lake

Sunway Carnival Extension

Sunway Medical Centre Seberang Jaya

Others

Singapore

Precast



Putrajaya Parcel F



ISKL



MRT V201

Thank You

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Next quarter announcement on 28 February 2019

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