

A photograph of a young plant growing in a lush green field under a bright sky. A glowing blue digital wireframe is superimposed over the plant, symbolizing technology and innovation.

**Advancing Innovation,
Accelerating Growth**

SUNWAY®

SUNWAY BERHAD

Q3 FY2022 RESULTS
BRIEFING PACK
25 NOVEMBER 2022

A solid green background on the right side of the slide, featuring a white geometric network pattern of interconnected lines and dots in the bottom right corner.

1) Year on Year

- Revenue increased 48.3%; while PBT increased by 165.2%.
- Revenue was higher in the current quarter due to stronger revenue recorded from all the business segments. As a result, profit before tax in the current quarter was higher but several business segments like property development, quarry and others delivered lower profit contributions.
- Looking ahead, the improving domestic economic outlook augurs well for the Group. In addition, the Group expects its leisure, hospitality and healthcare segments to also benefit from the improving inbound leisure and medical-related tourism sectors as international travel continues to normalise. However, the group's property development segment may be affected by the recent increase in interest rates by Bank Negara but its consequential impact may be mitigated by the sustained economic recovery.
- Barring any unforeseen circumstances, the Board is confident that the Group's financial performance for the financial year 2022 will remain satisfactory.

2) Quarter on Quarter

- Revenue was marginally lower in the current quarter due to lower contributions from most business segments except for property investment, quarry and others segments. Profit before tax was higher due to higher contributions from most business segments which offset the lower contributions from construction and others segments.

3) Key Indicators

- Property Sales : **RM 1.43 billion** (Effective: RM 1.22 billion)
- Property Unbilled Sales : **RM 4.24 billion** (Effective: RM 3.73 billion)
- Construction Outstanding Order Book : **RM 4.0 billion**
- YTD Q3 2022 Order Book Replenishment : **RM 882 million**

Overview of Key Performance Highlights

The key performance highlights are for Continuing Operations only:

RM'mil	Q3 FY 2022 Unaudited Jul - Sep 2022	Q3 FY 2021 Unaudited Jul - Sep 2021	Q2 FY 2022 Unaudited Apr - Jun 2022	YTD 2022 Unaudited Jan - Sep 2022	YTD 2021 Unaudited Jan - Sep 2021
<u>Continuing Operations</u>					
Revenue	1,270.5	856.9	1,280.4	3,663.4	2,470.3
EBIT	225.3	72.3	243.2	639.8	157.0
EBIT Margin	17.7%	8.4%	19.0%	17.5%	6.4%
PBT	223.8	84.4	215.0	625.9	209.1
PBT Margin	17.6%	9.8%	16.8%	17.1%	8.5%
PATMI	164.7	51.8	168.9	473.7	139.6
PATMI Margin	13.0%	6.0%	13.2%	12.9%	5.7%
Basic EPS (sen) *	2.80	0.88	2.88	8.07	2.38

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

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

(RM'mil)	Q3 2022 PBT PATMI		Q3 2021 PBT PATMI		Q2 2022 PBT PATMI		YTD 2022 PBT PATMI		YTD 2021 PBT PATMI	
Fair value gain / (loss) (associate)	-	-	-	-	-	-	7.5@	7.5	-	-
Fair value gain / (loss) (I. Properties)	-	-	-	-	-	-	-	-	-	-
Gains from disposal of PI assets	16.6	15.0	-	-	11.5	6.3	28.1	21.3	-	-

@ Share of valuation gain pursuant to Sunway REIT's acquisition of an investment property

Balance Sheet and Gearing

RM'mil	30/9/2022 (Unaudited)	31/12/2021 (Audited)
Non-current Assets	18,221.4	17,085.6
Current Assets	7,839.7	7,998.7
Total Assets	26,061.1	25,084.3
Current Liabilities	6,879.5	6,706.2
Non-current Liabilities	5,454.8	5,255.8
Total Liabilities	12,334.3	11,962.0
Shareholders' Funds	12,466.5	12,030.4
Non-Controlling Interests	1,260.3	1,091.9
Total Equity	13,726.8	13,122.3
Total Equity & Liabilities	26,061.1	25,084.3
Total Borrowings	8,894.9	8,715.5
Cash and bank balances	2,152.9	2,810.3
Net Gearing Ratio ^	0.49	0.45
Share Capital	5,393.9	5,393.9
Number of Ordinary Shares	5,866.9	5,866.8
Net Assets Per Share	2.12	2.05

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

Property Development Segmental Review

	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Q2 2022</u>	<u>YTD Q3 2022</u>	<u>YTD Q3 2021</u>
Revenue (RM'mil)	278.1	197.1	286.4	722.7	441.6
Operating Profit (RM'mil)	25.2	43.0	24.7	54.2	71.7
OP Margin	9.0%	21.8%	8.6%	7.5%	16.2%
EBIT (incl. share of associates & JCE) (RM'mil)	39.2	45.6	33.0	100.2	91.1
EBIT Margin (incl. share of associates & JCE)	14.1%	23.1%	11.5%	13.9%	20.6%

Review of 3rd Quarter Performance

- YoY, revenue for the current quarter was higher mainly due to higher sales and progress billings from on-going local development projects and revenue recognition from two joint venture companies which became subsidiaries in the previous quarter. However, EBIT was lower in the current quarter. The higher EBIT in the previous corresponding quarter was mainly boosted by the stronger profit recognised from a completed and handed over local development project.
- QoQ, revenue was lower in the current quarter mainly due to lower progress billings from on-going local development projects in the current quarter. However, EBIT was higher due to higher progressive profit recognition from one of the Group's Singapore private condominium projects in the current quarter compared to preceding quarter.

Due to the adoption of MFRS 15, the development profit on two of the Group's Singapore property development projects will only be recognised upon completion and handover of the projects. The accumulated progressive profit of these projects as at the end of the current quarter amounted to RM101.7 million, of which RM14.2 million was recorded in the current quarter, was not recognised. These two projects are expected to be completed by the next financial year.

Property Investment Segmental Review

	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Q2 2022</u>	<u>YTD Q3 2022</u>	<u>YTD Q3 2021</u>
Revenue (RM'mil)	188.6	58.0	149.6	459.3	179.0
Operating Profit (RM'mil)	64.0	(14.0)	53.9	132.8	(37.6)
OP Margin	34.0%	-24.2%	36.0%	28.9%	-21.0%
EBIT (incl. share of associates & JCE) (RM'mil)	101.5	0.4	86.7	249.9	6.1
EBIT Margin (incl. share of associates & JCE)	53.8%	0.7%	58.0%	54.4%	3.4%

Review of 3rd Quarter Performance

- YoY, higher revenue in the current quarter was due to the higher revenue from operations of property investment assets, increased visitorship to the theme parks and higher occupancy rates at the Group's hotels. As a result, EBIT in the current quarter was much higher compared to the previous corresponding quarter. In addition, the current quarter was also boosted by stronger contribution from Sunway REIT as well as gain on disposal of a property investment asset of RM16.6 million.
- QoQ, the higher financial performance in the current quarter was mainly due to improved performance of the leisure and hospitality segments which saw higher visitorships and higher occupancy rates, coupled with continued strong performance by Sunway REIT, as well as net gains on disposal of property investment assets.

Construction Segmental Review

	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Q2 2022</u>	<u>YTD Q3 2022</u>	<u>YTD Q3 2021</u>
Revenue (RM'mil)	305.1	192.7	316.8	990.6	732.1
Operating Profit (RM'mil)	35.3	16.1	43.9	122.8	48.1
OP Margin	11.6%	8.3%	13.8%	12.4%	6.6%
EBIT (incl. share of associates & JCE) (RM'mil)	35.3	18.9	44.1	123.0	50.8
EBIT Margin (incl. share of associates & JCE)	11.6%	9.8%	13.9%	12.4%	6.9%

Review of 3rd Quarter Performance

- YoY, the financial performance in the current quarter was better due to higher progress billings from both local and overseas construction projects which contributed to the higher profit.
- QoQ, the lower revenue and EBIT was due to lower progress billings for some local projects in the current quarter and lower profit margins.

Construction Order Book – RM 4.0 billion **SUNWAY**™

AS AT SEPT-22 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
BUILDING			146	4%
PUTRAJAYA PARCEL F	Maintenance	1,610	14	
TNB HQ CAMPUS (PH 2)	4Q 2022	781	53	
PETRONAS LEADERSHIP CENTRE	Completed	305	23	
IOI MALL (MEP)	4Q 2022	68	4	
OXLEY TOWER (MEP)	4Q 2024	68	52	
PNB118 PKG A&B (MEP)	3Q 2022	8	2	
INFRASTRUCTURE/PILING			330	8%
LRT 3 : PACKAGE GS07-08	4Q 2022	1,295	73	
SENTUL WEST MRTUG ST. (MEP)	4Q 2022	57	1	
JALAN TAMBUN, IPOH	4Q 2022	14	11	
BANGSAR RISING - PILING	4Q 2022	5	1	
TASCO	3Q 2022	9	-	#
LRT 3 : GS06 (Piling)	2Q 2022	1	-	#
RTS LINK PACKAGE P2A	2Q 2025	112	104	
KB - Kuala Krai BR1-BR7 (Piling)	4Q 2022	2	1	
LRT 3 : GS06	3Q 2023	191	138	
INDIA			606	15%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	429	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	178	
SUSTAINABLE ENERGY			438	11%
SOLAR - EXTERNAL	Various	414	395	
NEW ORDER 2022 - EXTERNAL	Various	38	37	
NEW ORDER 2022 - INTERNAL	Various	8	6	
SINGAPORE			535	13%
PRECAST	Various	512	367	
NEW ORDER 2022 - EXTERNAL	Various	168	168	

AS AT SEPT-22 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
INTERNAL - SUNWAY GROUP			1,990	49%
SMC 4 + VO	3Q 2023	612	175	
SUNWAY SERENE	4Q 2022	413	14	
SUNWAY BELFIELD	4Q 2024	403	311	
SUNWAY VELOCITY 2	4Q 2022	352	34	
SOUTH QUAY CP2 -	3Q 2024	557	545	
SUNWAY CARNIVAL MALL EXT.	1Q2023	286	6	
SUNWAY VELOCITY 2B	4Q 2023	253	196	
SMC DAMANSARA	3Q 2023	240	202	
SMC SEBERANG JAYA	4Q 2022	196	6	
SMC IPOH	1Q 2024	150	64	
SW INTERNATIONAL SCHOOL (SIS)	4Q 2022	140	33	
SOUTH QUAY CP2 - PILING	4Q 2022	198	2	
SUNWAY VELOCITY 3C4	2Q 2023	100	40	
SUNWAY HOTEL RENOVATION	4Q 2022	81	5	
BIG BOX OFFICE	4Q 2022	51	8	
BUTTERWORTH-KULIM	4Q 2022	4	1	
DRAINAGE WORKS	4Q 2022	1	1	
WELLNESS ROAD & DRAIN	4Q 2022	1	1	
SMC IPOH VO	1Q 2024	67	67	
SW FLORA	4Q 2025	278	278	
GRAND TOTAL @ SEPT 2022		10,927	4,046	
RED : SECURED IN 2022		882	802	

	<u>Q3 2022</u>	<u>Q3 2021</u>	<u>Q2 2022</u>	<u>YTD Q3 2022</u>	<u>YTD Q3 2021</u>
Share of results of joint ventures (RM'mil)	41.4	-	35.3	105.0	-
Profit from Discontinued Operations, net of tax (RM'mil)	-	29.3	-	-	70.8

Review of 3rd Quarter Performance

- The financial results of the healthcare segment in 2021 were reported separately under Discontinued Operations in accordance with MFRS 5 due to the completion of the initial closing conditions related to the partial divestment of Sunway Healthcare Group in December 2021. With effect from 1 January 2022, the Group will only recognise its share of results in the healthcare segment in accordance with MFRS 128 under Continuing Operations.
- YoY, the healthcare segment reported a share of net profit of RM41.4 million in the current quarter which was higher than the net profit of RM29.3 million in the corresponding quarter of the previous financial year by 41.3%. The improved performance was due to higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity in the current quarter.
- QoQ, the healthcare segment reported a share of net profit of RM41.4 million in the current quarter which was higher than the share of net profit of RM35.3 million in the preceding quarter by 17.4%. The operating performance of the healthcare group in the current quarter continued to be driven by higher number of patients treated at both Sunway Medical Centre and Sunway Medical Centre Velocity.

Thank You

Email : irsunwayberhad@sunway.com.my

Website : www.sunway.com.my

Next quarter announcement on 23 February 2023

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