

# DRIVING SUSTAINABLE PROGRESS

**SUNWAY BERHAD**

**Q3 FY2023 RESULTS BRIEFING PACK**  
**22 November 2023**





## 1) Year on Year

- Revenue increased 21.1% ; while PBT increased by 10.1%.
- Revenue and PBT was higher in the current quarter on the back of higher contribution from most business segments except for the others segment.
- During the current quarter, one of the Group's Singapore property development project was completed and handed over, which contributed to a development profit of RM46.3 million.
- Despite the moderate growth anticipated in the fourth quarter, the group's business units are expected to remain resilient and will continue to perform satisfactorily. One of the Group's main growth drivers is the healthcare segment which continues to register strong growth and is on track in its pursuit of organic growth with several new hospitals in particular, SMC Damansara and SMC Ipoh coming on stream in the fourth quarter of 2024 and first quarter of 2025 respectively which will provide future earnings growth.
- Barring any unforeseen circumstances, the Board is optimistic that the Group's financial performance for the financial year 2023 will remain satisfactory.

## 2) Quarter on Quarter

- Revenue and PBT increased 4.8% and 22.1% respectively.
- Revenue was higher in the current quarter mainly due to higher contribution from most business segments except for the property development segment. Most of the business segments recorded higher profit before tax in the current quarter except for the others segment.

## 3) Key Indicators

- Property Sales : **RM 2.09 billion** (Effective: RM 1.86 billion)
- Property Unbilled Sales : **RM 4.64 billion** (Effective: RM 4.17 billion)
- Construction Outstanding Order Book : **RM 5.8 billion**
- YTD Q3 2023 Order Book Replenishment : **RM 2.2 billion** (surpassed 2023 target of RM2.0 billion)

# Overview of Key Performance Highlights

The key performance highlights:

RM'mil	Q3 FY 2023 Unaudited Jul - Sep 2023	Q3 FY 2022 Restated Jul - Sep 2022	Q2 FY 2023 Unaudited Apr - Jun 2023	YTD 2023 Unaudited Jan - Sep 2023	YTD 2022 Restated Jan - Sep 2022
<b>Revenue</b>	<b>1,539.1</b>	<b>1,270.5</b>	<b>1,468.2</b>	<b>4,271.0</b>	<b>3,663.4</b>
EBIT	275.8	225.3	217.6	689.5	625.3
EBIT Margin	17.9%	17.7%	14.8%	16.1%	17.1%
<b>PBT</b>	<b>247.8</b>	<b>223.8</b>	<b>203.0</b>	<b>642.8</b>	<b>611.4</b>
PBT Margin	16.1%	17.6%	13.8%	15.1%	16.7%
<b>PATMI</b>	<b>180.3</b>	<b>164.7</b>	<b>149.9</b>	<b>471.9</b>	<b>462.7</b>
PATMI Margin	11.7%	13.0%	10.2%	11.0%	12.6%
Basic EPS (sen) *	2.61	2.81	2.54	7.14	7.45

\* 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 2023		Q3 2022		Q2 2023		YTD 2023		YTD 2022	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain / (loss) (associate)	-	-	-	-	-	-	-	-	7.5 <sup>#</sup>	7.5
Fair value gain / (loss) (I. Properties)	-	-	-	-	-	-	-	-	-	-
Fair value gain (Others)	-	-	-	-	-	-	-	-	-	-
Net gain from disposal of one of its PI assets	-	-	21.8	20.2	-	-	-	-	28.1	21.3
Gain on disposal of one of the new start-up investments	-	-	-	-	-	-	-	-	26.6	26.6

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

# Balance Sheet and Gearing

RM'mil	30/9/2023 (Unaudited)	31/12/2022 (Restated)
Non-current Assets	17,954.8	17,720.1
Current Assets	10,028.2	8,341.4
<b>Total Assets</b>	<b>27,983.0</b>	<b>26,061.5</b>
Current Liabilities	8,617.2	8,025.2
Non-current Liabilities	5,289.5	4,478.9
<b>Total Liabilities</b>	<b>13,906.7</b>	<b>12,504.1</b>
Shareholders' Funds	13,006.1	12,525.7
Non-Controlling Interests	1,070.3	1,031.8
<b>Total Equity</b>	<b>14,076.3</b>	<b>13,557.4</b>
<b>Total Equity &amp; Liabilities</b>	<b>27,983.0</b>	<b>26,061.5</b>
Total Borrowings	10,210.1	9,056.2
Cash and bank balances	2,533.1	1,958.1
<b>Net Gearing Ratio ^</b>	<b>0.55</b>	<b>0.52</b>
Share Capital	5,484.4	5,393.9
Number of Ordinary Shares	5,932.5	5,866.9
<b>Net Assets Per Share</b>	<b>2.19</b>	<b>2.13</b>

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

# Property Development Segmental Review

	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Q2 2023</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>
Revenue (RM'mil)	309.5	278.1	362.1	919.4	722.7
Operating Profit (RM'mil)	2.8	25.2	44.7	61.7	54.2
OP Margin	0.9%	9.0%	12.3%	6.7%	7.5%
EBIT (incl. share of associates & JCE) (RM'mil)	74.2	39.2	54.4	154.4	100.2
EBIT Margin (incl. share of associates & JCE)	24.0%	14.1%	15.0%	16.8%	13.9%

## Review of 3rd Quarter Performance

- YoY, the better financial performance in the current quarter was mainly due to higher sales and progress billings from new and on-going local development projects. The higher EBIT margin in the current quarter was mainly attributed to the recognition of development profit of RM46.3 million as mentioned earlier.
- QoQ, excluding the development profit of RM46.3 million recognised in the current quarter, the financial performance in the current quarter was lower mainly due to lower progress billings from on-going local development projects.

Due to the adoption of MFRS 15, the development profit on one of the Group's Singapore property development projects will only be recognised upon completion and handover of the projects. As at the end of the current quarter, the accumulated progressive profit amounted to RM94.7 million, of which RM9.9 million was recorded in the current quarter, was not recognised.

# Property Investment Segmental Review

	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Q2 2023</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>
Revenue (RM'mil)	232.8	188.6	199.4	642.1	459.3
Operating Profit (RM'mil)	42.5	64.0	28.2	116.4	132.8
OP Margin	18.3%	34.0%	14.2%	18.1%	28.9%
EBIT (incl. share of associates & JCE) (RM'mil)	82.5	101.5	59.1	229.3	249.9
EBIT Margin (incl. share of associates & JCE)	35.4%	53.8%	29.7%	35.7%	54.4%

## Review of 3rd Quarter Performance

- YoY, the higher revenue in the current quarter was mainly due to the stronger performance from the leisure and hospitality businesses with increased visitorships to the theme parks and higher occupancy rates at the Group's hotels. However, operating profit was lower mainly due to higher operating costs. It should also be noted that the operating profit in the corresponding quarter of the previous financial year included a one-off gain from disposal of one of its property investment assets of RM16.6 million.
- QoQ, the financial performance in the current quarter was higher mainly due to higher contribution from the leisure segment as the number of visitors to the theme parks usually increase towards the second half of the year. Further, the current quarter also recorded higher contribution from its associate company, Sunway REIT.

	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Q2 2023</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>
Revenue (RM'mil)	424.0	305.1	404.1	1,156.0	990.6
Operating Profit (RM'mil)	57.4	35.3	48.8	150.0	122.8
OP Margin	13.5%	11.6%	12.1%	13.0%	12.4%
EBIT (incl. share of associates & JCE) (RM'mil)	57.4	35.3	49.2	150.6	123.0
EBIT Margin (incl. share of associates & JCE)	13.5%	11.6%	12.2%	13.0%	12.4%

## Review of 3rd Quarter Performance

- YoY, the better performance in the current quarter was due to higher progress billings from local construction projects.
- QoQ, the better financial performance in the current quarter was mainly due to higher progress billings from local construction projects.

# Construction Order Book – RM 5.8 billion

AS AT SEPT-23 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
<b>BUILDING</b>			2,024	35%
OXLEY TOWER (MEP)	4Q 2024	68	31	
OXLEY TOWER VO (MEP)	1Q 2024	9	9	
JHB1X0 - DATA CENTRE	3Q 2024	1,700	1,500	
K2 - DATA CENTRE	4Q 2024	190	190	
DAISO	Q2 2026	298	298	
<b>INFRASTRUCTURE/PILING</b>			599	10%
LRT 3 : PACKAGE GS07-08	2Q 2024	1,295	14	
RTS LINK PACKAGE 1B AND PACKAGE 5	2Q 2025	605	551	
LRT 3 : GS06	2Q 2024	191	35	
<b>INDIA</b>			318	5%
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	255	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	63	
<b>SUSTAINABLE ENERGY</b>			300	5%
SOLAR - EXTERNAL	Various	35	8	
SOLAR - INTERNAL	Various	12	4	
LSS4 GOPENG	4Q 2023	200	88	
LSS4 SHARP VENTURES	4Q 2023	185	88	
SOUTH QUAY SQUARE DCS	2Q 2025	35	29	
CGPP - GREEN	4Q 2025	46	46	
NEW ORDER 2023 - EXTERNAL	Various	45	38	
<b>SINGAPORE</b>			486	8%
PRECAST	Various	613	310	
NEW ORDER 2023 - EXTERNAL	Various	180	177	
<b>INTERNAL - SUNWAY GROUP</b>			2,061	36%
SMC 4 + VO	4Q 2023	612	62	
SUNWAY BELFIELD	4Q 2024	403	162	
SUNWAY VELOCITY 2	4Q 2023	352	7	
SOUTH QUAY SQUARE - SUPERSTRUCTURE	3Q 2024	756	357	
SOUTH QUAY SQUARE - SUPERSTRUCTURE (VO)	4Q 2025	607	607	
SW CARNIVAL MALL - REFURBISHMENT	2Q 2025	253	239	
SUNWAY VELOCITY 2B	4Q 2023	253	91	
SMC DAMANSARA	1Q 2024	240	126	
SMC IPOH + VO	1Q 2024	217	141	
SW INTERNATIONAL SCHOOL (SIS)	4Q 2023	140	6	
SUNWAY VELOCITY 3C4	4Q 2023	100	5	
BIG BOX OFFICE	COMPLETED	51	5	
SW FLORA	4Q 2025	278	250	
<b>GRAND TOTAL @ SEPT 2023</b>		<b>10,789</b>	<b>5,789</b>	
<b>RED : SECURED IN 2023</b>		<b>2,231</b>	<b>2,153</b>	



	<u>Q3 2023</u>	<u>Q3 2022</u>	<u>Q2 2023</u>	<u>YTD Q3 2023</u>	<u>YTD Q3 2022</u>
Share of results of joint ventures (RM'mil)	44.4	41.4	37.7	111.0	105.0

## Review of 3rd Quarter Performance

- YoY, the improved financial performance in the current quarter was underpinned by strong operational results from Sunway Medical Centre (“SMC”) Sunway City and SMC Velocity due to the increase in hospital activities, which mitigated the share of start-up operational losses from SMC Penang and Sunway Sanctuary of RM4.9 million, and higher operating costs. In addition, there was a higher share of additional tax payable of RM5.2 million following the normalisation of SMC Sunway City’s tax paying status as its investment tax allowance (“ITA”) was fully utilised in the previous financial year.
- QoQ, the financial performance in the current quarter was higher mainly due to the strong operational results from SMC Sunway City and SMC Velocity which mitigated the share of start-up operational losses from SMC Penang and Sunway Sanctuary. It should be noted that the share of start-up losses of SMC Penang has increased from RM1.3 million in the preceding quarter to RM1.6 million in the current quarter due to higher staff cost and depreciation charges.

# Thank You

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**Next quarter announcement on 21 February 2024**

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