

**SUNWAY**®

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**FROM VISION  
TO REALITY**

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**SUNWAY BERHAD**

Q4 2019 RESULTS BRIEFING PACK

25 FEBRUARY 2020

## 1) Full Year Performance

- PBT up 9.3%.
- PATMI up 18.8%.

## 2) Higher Dividends For The Year

- Second interim dividend of 4.5 sen declared. Dividend Reinvestment Scheme (DRS) will apply to the entire portion of the second interim dividend whereby shareholders will be given the option to elect to reinvest the whole or part of the dividend into new Shares of the Company.
- Full year dividend of approximately 9.07 sen per share, up from 7.12 sen per share in 2018.

## 3) Key Indicators

- Property Sales : **RM 1.55 billion** (Effective: RM 1.1 billion)
- Property Unbilled Sales : **RM 2.7 billion** (Effective: RM 2.1 billion)
- Construction Outstanding Order Book : **RM 5.2 billion**
- 2019 Order Book Replenishment : **RM 1.8 billion**

### Note:

Profit before tax of the Group is impacted by the adoption of MFRS15 on one of the Group's Singapore and China property development projects, for which the Group can only recognise the development profit upon completion. The full recognition of the balance of the development profit of approximately RM 160 million for the projects will be done upon VP delivery in 2020.

# Overview of Key Performance Highlights

RM'mil	Q4 FY 2019	Q4 FY 2018	Q3 FY 2019	YTD 2019	YTD 2018
	Unaudited	Restated	Unaudited	Unaudited	Restated
	Oct - Dec 2019	Oct - Dec 2018	Jul - Sep 2019	Jan - Dec 2019	Jan - Dec 2018
<b>Revenue</b>	<b>1,353.2</b>	<b>1,452.4</b>	<b>1,226.5</b>	<b>4,780.4</b>	<b>5,410.2</b>
EBIT	195.3	212.3	222.2	826.4	824.0
EBIT Margin	14.4%	14.6%	18.1%	17.3%	15.2%
<b>PBT</b>	<b>260.4</b>	<b>243.7</b>	<b>223.3</b>	<b>914.2</b>	<b>836.8</b>
PBT Margin	19.2%	16.8%	18.2%	19.1%	15.5%
<b>PATMI</b>	<b>200.3</b>	<b>181.2</b>	<b>183.4</b>	<b>766.6</b>	<b>645.5</b>
PATMI Margin	14.8%	12.5%	15.0%	16.0%	11.9%
EPS (sen) *	3.79	3.53	3.43	14.61	13.24

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

(RM'mil)	Q4 2019		Q4 2018		Q3 2019		YTD 2019		YTD 2018	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	-	-	(43.6)	(43.6)	(59.2)	(59.2)
Fair value gain (I. Properties)	(35.5)	(30.3)	(29.9)	(28.6)	-	-	(35.5)	(30.3)	(29.9)	(28.6)

\* 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	31/12/2019 (Unaudited)	30/9/2019 (Unaudited)
Non-current Assets	13,287.0	12,915.1
Current Assets	10,270.9	10,134.4
<b>Total Assets</b>	<b>23,557.9</b>	<b>23,049.4</b>
Current Liabilities	10,207.3	9,788.3
Non-current Liabilities	3,177.1	3,128.2
<b>Total Liabilities</b>	<b>13,384.4</b>	<b>12,916.6</b>
Shareholders' Funds	8,392.2	8,376.5
Perpetual Sukuk	1,150.0	1,150.0
Non-Controlling Interests	631.3	606.3
<b>Total Equity</b>	<b>10,173.5</b>	<b>10,132.9</b>
<b>Total Equity &amp; Liabilities</b>	<b>23,557.9</b>	<b>23,049.4</b>
Total Borrowings	9,570.6	9,250.9
Cash and bank balances and placement in funds	5,888.8	6,035.9
<b>Net Gearing Ratio ^</b>	<b>0.36</b>	<b>0.32</b>
Share Capital	5,393.7	5,393.6
Number of Ordinary Shares	4,933.9	4,933.9
<b>Net Assets Per Share</b>	<b>1.70</b>	<b>1.70</b>

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

	<u>Q4 2019</u>	<u>Q4 2018<sup>^</sup></u>	<u>Q3 2019</u>	<u>YTD 2019</u>	<u>YTD 2018<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>162.9</b>	<b>132.8</b>	<b>154.4</b>	<b>584.8</b>	<b>459.7</b>
<b>Operating Profit</b> (RM'mil)	<b>13.8</b>	<b>18.1</b>	<b>14.7</b>	<b>59.2</b>	<b>52.1</b>
<b>OP Margin</b>	<b>8.5%</b>	<b>13.6%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>11.3%</b>
<b>EBIT (RM'mil)</b> (incl. share of associates & JCE)	<b>13.8</b>	<b>18.1</b>	<b>14.7</b>	<b>59.2</b>	<b>52.1</b>
<b>EBIT Margin</b> (incl. share of associates & JCE)	<b>8.5%</b>	<b>13.6%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>11.3%</b>

<sup>^</sup> Based on restated figures

## Review of 4<sup>th</sup> Quarter Performance

- Yoy, revenue is higher due to higher occupancy from increased number of new beds and higher admissions and outpatient treatments.
- Yoy, operating profit and EBIT are lower due to operating loss from the newly opened Sunway Medical Centre Velocity which amounted to RM11.7 million in the current quarter, partly offset the strong performance from the flagship hospital, Sunway Medical Centre.
- Qoq, revenue is higher due to higher contribution from Sunway Medical Centre Velocity.
- Qoq, operating profit and EBIT are lower due to the higher operating loss from Sunway Medical Centre Velocity which increased to RM11.7 million from RM6.8 million in the preceding quarter

# Property Development Segmental Review

	<u>Q4 2019</u>	<u>Q4 2018<sup>^</sup></u>	<u>Q3 2019</u>	<u>YTD 2019</u>	<u>YTD 2018<sup>^</sup></u>
Revenue (RM'mil)	218.2	203.8	126.2	545.9	619.6
Operating Profit (RM'mil)	77.7	22.4	45.1	163.3	118.2
OP Margin	35.6%	11.0%	35.7%	29.9%	19.1%
EBIT (RM'mil) (incl. share of associates & JCE)	114.6	43.4	51.3	214.7	149.0
EBIT Margin (incl. share of associates & JCE)	52.5%	21.3%	40.6%	39.3%	24.0%

<sup>^</sup> Based on restated figures

## Review of 4<sup>th</sup> Quarter Performance

- Yoy, revenue is higher due to higher sales and progress billings from local development projects.
- Yoy, operating profit and EBIT are higher due to higher progressive profit recognition from local development projects and recognition of a portion of the development profit for the China property development project.
- Qoq, revenue is higher due to higher sales and progress billings from local development projects.
- Qoq, operating profit and EBIT are higher in line with the higher revenue, further boosted by recognition of a portion of the development profit for the China property development project.

# Property Investment Segmental Review

	<u>Q4 2019</u>	<u>Q4 2018<sup>^</sup></u>	<u>Q3 2019</u>	<u>YTD 2019</u>	<u>YTD 2018<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>220.9</b>	<b>222.6</b>	<b>209.7</b>	<b>803.5</b>	<b>814.8</b>
<b>Operating Profit</b> (RM'mil)	<b>67.2</b>	<b>84.8</b>	<b>52.2</b>	<b>239.3</b>	<b>237.4</b>
<b>OP Margin</b>	<b>30.4%</b>	<b>38.1%</b>	<b>24.9%</b>	<b>29.8%</b>	<b>29.1%</b>
<b>EBIT (RM'mil)</b> (incl. share of associates & JCE)	<b>114.8*</b>	<b>121.6*</b>	<b>93.6</b>	<b>443.8*</b>	<b>432.0*</b>
<b>EBIT Margin</b> (incl. share of associates & JCE)	<b>52.0%</b>	<b>54.6%</b>	<b>44.6%</b>	<b>55.2%</b>	<b>53.0%</b>

\* Includes fair value gain of investment properties of Sunway Berhad and share of fair value gain from Sunway REIT

<sup>^</sup> Based on restated figures

## Review of 4<sup>th</sup> Quarter Performance

- Yoy, revenue is largely flat due to improved occupancy rates at the Group's hospitality properties were able to partly offset the lower rental income after the disposal of Sunway University assets to Sunway REIT.
- Yoy, operating profit and EBIT are lower mainly due to lower contribution from the Group's hospitality properties and investment properties.
- Qoq, revenue is higher mainly due to higher contributions from the Group's theme parks and hospitality segment arising from the higher visitorship during the festive months and school holidays.
- Qoq, operating profit and EBIT are higher in line with the revenue. Further, EBIT in the current quarter was boosted by fair value gains from revaluation of the investment properties of RM35.5 million, partly offset by lower contribution from the hospitality segment .

# Construction Segmental Review

	<u>Q4 2019</u>	<u>Q4 2018<sup>^</sup></u>	<u>Q3 2019</u>	<u>YTD 2019</u>	<u>YTD 2018<sup>^</sup></u>
<b>Revenue</b> (RM'mil)	<b>318.0</b>	<b>489.1</b>	<b>315.6</b>	<b>1,273.3</b>	<b>1,847.9</b>
<b>Operating Profit</b> (RM'mil)	<b>28.1</b>	<b>46.2</b>	<b>34.9</b>	<b>144.5</b>	<b>172.6</b>
<b>OP Margin</b>	<b>8.8%</b>	<b>9.4%</b>	<b>11.1%</b>	<b>11.3%</b>	<b>9.3%</b>
<b>EBIT (RM'mil)</b> (incl. share of associates & JCE)	<b>32.6</b>	<b>47.1</b>	<b>35.0</b>	<b>149.4</b>	<b>173.2</b>
<b>EBIT Margin</b> (incl. share of associates & JCE)	<b>10.3%</b>	<b>9.6%</b>	<b>11.1%</b>	<b>11.7%</b>	<b>9.4%</b>

<sup>^</sup> Based on restated figures

## Review of 4<sup>th</sup> Quarter Performance

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

# Construction Order Book – RM5.2 billion

As at 31 December 2019

RM'mil

## Infrastructure/Piling

LRT 3: Package GS07-08

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

Sentul West Station

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 3C4

Sunway South Quay CP2

BB Solar

Sunway Pyramid Solar

## Singapore

Precast



Putrajaya Parcel F



PPA1M Kota Bharu



MRT V201

# Thank You

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**Next quarter announcement on 27 May 2020**

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