

SUNWAY®



SUNWAY BERHAD

Q4 2018 RESULTS BRIEFING PACK

28 FEBRUARY 2019

1) Full Year Performance

- Revenue up 3.3% due to higher contributions from most business segments, except property development.
- PATMI up 6.2%.
- PATMI would have been up by 22.9% if not for the adoption of MFRS 15*.

2) Higher Dividends For The Year

- Second interim cash dividend of 2 sen per share and share dividend distribution of 1 treasury share for every 100 existing ordinary shares held (*equivalent to approximately 1.62 sen per share based on share price of RM1.62 per share as at 28 February 2019*).
- Full year dividend of approximately 7.12 sen per share, up from 6 sen per share in 2017.

3) Key Indicators

- Property Sales : **RM 1.88 billion** (Effective: RM 1.56 billion)
- Property Unbilled Sales : **RM 2.1 billion** (Effective: RM 1.7 billion)
- Construction Outstanding Order Book (*as at 28 Feb 2019*) : **RM 6.0 billion**
- 2018 Order Book Replenishment : **RM 1.6 billion**

* With the adoption of MFRS 15, progressive development profits of RM103.7 million which could have been recognised in the current year 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)	Q4 FY 2018 (Unaudited) Oct - Dec 2018	Q4 FY 2017 (Restated) Oct - Dec 2017	Q3 FY 2018 (Unaudited) Jul - Sep 2018	YTD 2018 (Unaudited) Jan - Dec 2018	YTD 2017 (Restated) Jan - Dec 2017
Revenue	1,370.2	1,627.1	1,444.6	5,410.3	5,239.3
EBIT	168.1	210.2	197.4	789.1	852.6
EBIT Margin	12.3%	12.9%	13.7%	14.6%	16.3%
PBT	253.6	261.5	194.0	850.6	872.2
PBT Margin	18.5%	16.1%	13.4%	15.7%	16.6%
PATMI	192.3	172.6	145.3	659.0	620.6
PATMI Margin	14.0%	10.6%	10.1%	12.2%	11.8%
EPS (sen) *	3.96	3.59	2.99	13.53	12.90

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

(RM'mil)	Q4 2018		Q4 2017		Q3 2018		YTD 2018		YTD 2017	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Fair value gain (associate)	-	-	-	-	-	-	59.2	59.2	56.8	56.8
Fair value gain (I. Properties)	29.9	28.6	14.9	16.4	-	-	29.9	28.6	14.9	16.4
Additional 5% RPGT provision for I. Properties	-	(20.0)	-	-	-	-	-	(20.0)	-	-

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

Balance Sheet and Gearing

	31/12/2018 (Unaudited)	30/9/2018 (Unaudited)
Non-current Assets	11,365.1	11,084.1
Current Assets	9,235.2	10,071.1
Assets Held for Sale	486.1	-
Total Assets	21,086.4	21,155.1
Current Liabilities	8,720.1	8,816.8
Non-current Liabilities	3,261.8	3,482.3
Total Liabilities	11,981.8	12,299.1
Shareholders' Funds	8,484.7	8,229.8
Non-Controlling Interests	619.8	626.2
Total Equity	9,104.5	8,856.0
Total Equity & Liabilities	21,086.4	21,155.1
Total Borrowings	8,898.1	9,035.4
Cash and bank balances and placement in funds	5,134.4	5,290.0
Net Gearing Ratio ^	0.41	0.42
Share Capital	5,379.4	5,379.3
Number of Ordinary Shares	4,924.4	4,924.3
Net Assets Per Share	1.72	1.67

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

Property Development Segmental Review

	<u>Q4 2018</u>	<u>Q4 2017^</u>	<u>Q3 2018</u>	<u>YTD 2018</u>	<u>YTD 2017^</u>
Revenue (RM'mil)	203.8	398.3	194.8	619.6	935.3
Operating Profit (RM'mil)	22.5	102.9	33.9	118.0	194.3
OP Margin	11.0%	25.8%	17.4%	19.0%	20.8%
EBIT (RM'mil) (incl. share of associates & JCE)	43.5	96.6	38.1	148.7	224.4
EBIT Margin (incl. share of associates & JCE)	21.3%	24.3%	19.6%	24.0%	24.0%

^Based on restated figures

Review of Performance

- Yoy, performance is lower due to lower progress billings from local development projects. Performance in Q4 2017 was also boosted by the completion and handover of Sunway Velocity V-Residence 2 and Sunway Geo Retail Shops and Flexi Suites Phase 2 during the quarter.
- Qoq, revenue is higher due to higher sales and progress billings from local development projects.
- Qoq, operating profit is lower, however, as the preceding quarter's profit was boosted by the completion and handover of Sunway GEOSense (fka Sunway Geo Residences 2) in Sunway South Quay.
- Qoq, EBIT is higher due to completion and handover of Emerald Residences and Emerald Boulevard in Sunway Iskandar in the current quarter.

Property Investment Segmental Review

	<u>Q4 2018</u>	<u>Q4 2017[^]</u>	<u>Q3 2018</u>	<u>YTD 2018</u>	<u>YTD 2017[^]</u>
Revenue (RM'mil)	140.3	164.5	237.8	814.8	784.2
Operating Profit (RM'mil)	40.8	46.3	60.2	214.4	200.7
OP Margin	29.1%	28.2%	25.3%	26.3%	25.6%
EBIT (RM'mil) (incl. share of associates & JCE)	80.1*	63.6*	94.0	408.9*	367.1*
EBIT Margin (incl. share of associates & JCE)	57.1%	38.7%	39.5%	50.2%	46.8%

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

[^] Based on restated figures

Review of Performance

- The Group reclassified its investment in Sunway Velocity Mall Sdn. Bhd. and Sunway Velocity Hotel Sdn. Bhd. from investments in subsidiaries to investments in joint ventures (*Refer to Note A2 of Sunway Bhd's Q4 2018 Quarterly Report*). The adjustments due to the reclassification are reflected in Q4 2018 and Q4 2017.
- YTD, revenue is higher mainly due to additional contribution from new properties such as Sunway Geo in Sunway South Quay and additional room inventory at The Banjaran Hotsprings Retreat & Spa in Ipoh, as well as higher contribution from the Group's theme park.
- YTD, EBIT is higher in line with the higher revenue, and further boosted by the share of higher fair value gains from revaluation of investment properties and Sunway REIT properties in the current period of RM89.0 million compared to RM71.7 million in the corresponding period.

Construction Segmental Review

	<u>Q4 2018</u>	<u>Q4 2017[^]</u>	<u>Q3 2018</u>	<u>YTD 2018</u>	<u>YTD 2017[^]</u>
Revenue (RM'mil)	489.1	583.3	465.4	1,847.9	1,627.7
Operating Profit (RM'mil)	48.3	54.4	47.6	180.9	178.8
OP Margin	9.9%	9.3%	10.2%	9.8%	11.0%
EBIT (RM'mil) (incl. share of associates & JCE)	49.1	54.4	47.3	181.5	179.4
EBIT Margin (incl. share of associates & JCE)	10.0%	9.3%	10.2%	9.8%	11.0%

[^] Based on restated figures

Review of Performance

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

Construction Order Book – RM6.0 billion

Infrastructure/Piling

LRT 3: Package GS07-08

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

Others

Piling works

Building

Putrajaya Parcel F

Gas District Cooling Plant 1 & 2 Putrajaya

PPA1M Project Kota Bharu

Shah Alam Warehouse

TNB HQ Campus (Secured in February 2019)

Others

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

Sunway Velocity TWO (Plot A Project)

Sunway Velocity 3C4

Others

Singapore

Precast



Putrajaya Parcel F



ISKL



MRT V201

Thank You

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Next quarter announcement on 21 May 2019

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