

Sunway Construction Group Berhad

Q1 2016 Results Review Pack

26 MAY 2016



Record outstanding order book of RM5 billion !

- **High visibility of future earnings from record outstanding order book of RM5.0 billion as at March 2016 with new YTD 2016 order book secured of RM 2.0 billion (management's target of 2.5b).**
- **Construction Margin improved to 7.0% (1Q 2015 : 4.2%; Q4 2015 : 2.2%) whilst Precast Margin normalized to 22.8%.**
- **Preferred Contractor : Positive outlook for construction sector and pre-qualified for further several infrastructure projects (LRT 3, Pan Borneo, DASH, SUKE and etc) which should be awarded in 2016.**
- **Cash position continued to be strong (FYE Dec 2015 net cash = 331.6 million vs Mar 2016 = 297.9m).**

Overview of Key Performance Highlights

RM mil	Unaudited	Unaudited	Unaudited
	Q1 FY 2016	Q1 FY 2015	Q4 FY 2015
	Jan - Mar 2016	Jan - Mar 2015	Oct - Dec 2015
Revenue	424.4	496.1	470.3
EBIT	35.4	39.2	27.6
EBIT Margin	8.3%	7.9%	5.9%
PBT	37.5	39.6	29.4
PBT Margin	8.8%	8.0%	6.3%
PATMI	29.1	34.4	29.3
PATMI Margin	6.8%	6.9%	6.2%
EPS (sen) *	2.25	2.66	2.27

* Based on weighted average number of shares

RM mil	Q1 2016		Q1 2015		Q4 2015	
	PBT	PAT	PBT	PAT	PBT	PAT
Profit as Announced	37.5	29.1	39.6	34.4	29.4	30.4
<i>Special Items:</i>						
Foreign exchange (gain)/loss	(0.2)	(0.2)	2.1	2.1	1.6	1.6
Fair value of ESOS options	0.5	0.5	1.0	1.0	1.9	1.9
Profit (Net of Special Items)	37.8	29.4	42.7	37.5	32.9	33.9

Balance Sheet and Gearing

RM'mil	Quarter ended	Financial
	31/03/2016 (Unaudited)	Year Ended 31/12/2015 Audited
Non-current Assets	167.9	180.2
Current Assets	1209.0	1217.2
Total Assets	1,376.9	1,397.4
Current Liabilities	892.1	941.7
Non-current Liabilities	4.1	4.1
Total Liabilities	896.2	945.8
Shareholders' Funds	480.1	451.0
Non-Controlling Interests	0.6	0.6
Total Equity	480.7	451.6
Total Equity & Liabilities	1,376.9	1,397.4
Total Borrowings	30.3	136.8
Cash and bank balances and placement funds	328.2	468.5
Net Gearing Ratio	Net Cash	Net Cash
Share Capital	258.6	258.6
Net Assets Per Share	0.37	0.35

Construction Segmental Review

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>Q4 2015</u>
Revenue (RM'mil)	373.8	421.0	417.6
Profit Before Tax (RM'mil)	26.0	17.6	9.4
PBT Margin	7.0%	4.2%	2.3%

Review of Performance

- **Turnover.** The lower turnover in Q1 2016 compared to its corresponding and preceding quarters was due to lower bilings from the civil and building projects as some of them had reached or were near their completion stage. Our new project MRT V201 secured in April 2016 is at its planning and design stage and is only expected to contribute to turnover towards 2H 2016.
- **PBT.** Q1 2016 VS Q1 2015 improvement in margins as there were no provision for loss making project. The improvement of margin compared to its preceding quarter is due to better margins from its civil / infrastructure projects.

Note : Effective tax rate is now normalized to 22.6% compared to Q1 2015 of 13.2% as we have recognised DTA upfront in FYE 2015 during Q4 2015.



Afiniti Medini - Johor



Putrajaya Parcel F



MRT Package V4 – Semantan Station

Precast Concrete Segmental Review

	<u>Q1 2016</u>	<u>Q1 2015</u>	<u>Q4 2015</u>
Revenue (RM'mil)	50.5	75.1	52.6
Profit Before Tax (RM'mil)	11.5	22.0	20.0
PBT Margin	22.8%	29.3%	38.1%

Review of Performance

- Turnover decreased when compared with Q1 2015 due to lower delivery volume of existing projects which is only expected to peak production in 2H 2016.
- Lower margin in Q1 2016 is due to normalization of margin as previous corresponding quarter and preceding quarter benefitted from higher margins due to finalization of a few completed projects.



BMRC 53



Precast Yard in Singapore



BMC 50

Construction Order Book @ 31 Mar 2016 – RM5.0 bil

	Contract Sum (RM mil)	O/S Orderbook (RM mil)	
Infrastructure			
MRT Package V4 (Sec 17 to Semantan)	1,173	43	}
MRT Package V201 (Sungai Buloh - Persiaran Dagang)	1,213	1,213	
Johor			
Coastal Highway Southern Link	170	66	} 64%
Building			
Putrajaya Parcel F	1,610	1,450	
KLCC (NEC + Package 2 & 2a)	646	414	
Others	92	33	
Internal			
Sunway Velocity 2 Mall + Link Bridge	370	92	} 28%
Sunway Velocity Hotel + Office	93	69	
Sunway Velocity Medical Centre	200	159	
Sunway Geo Retail Shops & Flexi Suites	153	59	
Sunway Medical Centre 3 (Sub&Superstructure)	167	96	
Sunway Medical Centre 4 (2 towers)	380	380	
Sunway Iskandar - Citrine Swc Apt	213	106	
Sunway Geo Retail Shops & Flexi Suites Phase 2	244	207	
Sunway Lenang Phase 1A	96	30	
Sunway Iskandar - Emerald Residences	175	133	
Others	124	51	
Singapore			
Precast	844	416	} 8%
Grand Total	7,961	5,016	

New Order Book 2016 Secured YTD 2.0 bil



Projects	Contract Sum (RM mil)
MRT Package V201 (Sungai Buloh - Persiaran Dagang)	1,213
Velocity Link Bridge	20
MRT Spurline (piling)	12
Casa Kiara 3 (piling)	19
SMC4 & 5	380
Sunway Velocity Medical Centre	200
Sunway Velocity Hotel + Office	93
Precast	58
Grand Total	1,995

New order 2015 : 2.6b, 2014 : 0.8b, 2013 : 2.9b, 2012 : 1.9b

Thank You

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