

Corporate Presentation

Q4 2021 Results Review Pack | 23 February 2022

SUNWAY[®]
CONSTRUCTION

4 YEARS
1981 - 2021



4Q 2021 HIGHLIGHTS – SunCon reports highest quarter profit since listing



Operations


Significant Events

- **Covid 19 Impact** : 4Q 2021 – operation resumed back to normalcy.
- **India** : Thorapalli Chidambaran received notice to commence on 7 Dec 2021 and Meensurutti Chidambaram on 8 August 2021.
- **LRT 3** : Advance progress at 85% (3Q 2021 : 80%)
- **Precast** : Highest HDB launch by Govt of Singapore of 23,000 units for year 2022 (35% increase from year 2021) will bode well for precast orders. ICPH in Pulau Ponggol Barat is set for opening on August 2022.
- **Renewable Energy** : Secured 2 no 50MW LSS4 EPC of 386m



Financials

4Q 2021 vs 4Q 2020

- **Dividend** : 2nd interim dividend for FYE 2021 of 4c
- **Revenue** : 627m vs 627m (no change).
- **PBT** : 91.0m vs 41.6m (>100% ). Higher profit this current quarter due to recalibration of better margin of some projects that are at advance stages of completion. [This is our highest quarterly profit announced since listing in 2015.](#)
- **Outstanding Order Book** : RM 4.8bil with RM1.5 bil new orders secured (O/s as at Sept 21: RM 4.7bil).
- **Cashflow** : Strong operating cashflow for Dec 2021 of RM236m from improved trade debtors ageing (Construction 2021 : 99 days; 2020 : 162 days)
- **Active Tender Book** : RM 4.3bil (50% civil infrastructure)

OVERVIEW OF KEY FINANCIAL – FINANCIAL PERFORMANCE

	4Q2021	3Q2021	2Q2021	1Q2021	YTD2021	4Q2020	3Q2020	2Q2020	1Q2020	YTD2020
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil	RM mil
Revenue	626.6	272.1	375.3	455.2	1,729.2	627.2	419.4	140.2	365.8	1,552.6
PBT	91.0	24.5	9.5	27.2	152.2	41.6	36.0	2.3	21.6	101.5
PBT %	14.5%	9.0%	2.5%	6.0%	8.8%	6.6%	8.6%	1.7%	5.8%	6.5%
PATMI	64.8	19.3	8.3	20.2	112.6	30.2	24.0	2.2	16.3	72.8
PATMI %	10.3%	7.1%	2.2%	4.4%	6.5%	4.8%	5.7%	1.6%	4.5%	4.7%
EPS* (sen)	5.0	1.5	0.65	1.57	8.73	2.34	1.86	0.17	1.27	5.64

RM mil Unaudited	Q4 FY 2021		Q3 FY 2021		Q2 FY 2021		Q1 FY 2021		YTD Q4'2021		Q4 FY 2020		Q3 FY 2020		Q2 FY 2020		Q1 FY 2020		YTD 2020	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
Profit as Announced	91.0	64.8	24.5	19.3	9.5	8.3	27.2	20.2	152.2	112.6	41.6	30.2	36.0	24.0	2.3	2.2	21.6	16.3	101.5	72.8
Special Items:																				
Disposal (gain)/loss	(0.9)	(0.9)	(0.2)	(0.2)	(0.2)	(0.2)	(1.2)	(1.2)	(2.4)	(2.4)	1.1	1.1	(3.7)	(3.7)	0.0	0.0	(0.0)	(0.0)	(2.5)	(2.5)
Impairment (reversal)/prov	10.4	10.4	4.9	4.9	(0.0)	(0.0)	0.4	0.4	15.6	15.6	5.5	5.5	5.0	5.0	1.4	1.4	0.5	0.5	12.3	12.3
Write off (gain)/loss	(0.1)	(0.1)	(0.0)	(0.0)			0.0	0.0	(0.1)	(0.1)					(0.1)	(0.1)			(0.1)	(0.1)
Foreign exchange (gain)/loss	(0.1)	(0.1)	0.2	0.2	0.0	0.0	0.0	0.0	0.2	0.2	(0.3)	(0.3)	0.2	0.2	0.0	0.0	(0.1)	(0.1)	(0.2)	(0.2)
Fair value (gain)/loss	(0.1)	(0.1)	0.0	0.0	(0.0)	(0.0)	-	-	(0.1)	(0.1)	(0.4)	(0.4)	0.1	0.1	0.9	0.9	0.9	0.9	1.5	1.5
Accretion of financial (assets)/liabilities	0.5	0.5	0.4	0.4	(0.3)	(0.3)	0.9	0.9	1.5	1.5	0.6	0.6	0.2	0.2	0.2	0.2	0.0	0.0	1.0	1.0
Legal case provision	17.3								17.3	-										
Profit (Net of Special Items)	118.1	74.5	29.8	24.7	9.1	7.9	27.3	20.3	184.3	127.4	49.3	37.9	43.8	31.9	4.8	4.6	22.8	17.6	120.7	92.0

OVERVIEW OF KEY FINANCIAL – FINANCIAL POSITION

Balance Sheet Ratios

	2016	2017	2018	2019	2020	2021
Average ROE	26%	26%	26%	21%	12%	17%
Average ROCE	43%	31%	32%	23%	12%	16%
Dividend Per Share	5 sen	7 sen	7 sen	7 sen	4 sen	5.25 sen
Dividend Payout Ratio	52%	68%	63%	70%	71%	60%
Net Gearing Ratio	Net Cash	Net Cash	Net Cash	Net Cash	0.16 times	0.19 times

Note: In FYE 2020, following the reassessment of the Group's investment in its wholesales funds, it was determined that its placement are in substance structured entities under its control / significant control and as such has been treated as subsidiary / associate. The above figures have been restated to reflect this accounting treatment.

CONSTRUCTION SEGMENT REVIEW

<u>Construction</u>	<u>Q4 21</u>	<u>Q3 21</u>	<u>Q2 21</u>	<u>Q1 21</u>	<u>YTD Q4 21</u>	<u>Q4 20</u>	<u>Q3 20</u>	<u>Q2 20</u>	<u>Q1 20</u>	<u>YTD Q4 20</u>
Revenue (RM'mil)	579.9	255.8	349.2	421.3	1,606.2	585.0	403.4	137.2	329.6	1,455.2
PBT (RM'mil)	88.7	26.9	9.5	23.7	148.7	37.3	34.8	5.8	20.8	98.8
PBT Margin	15.3%	10.5%	2.7%	5.6%	9.3%	6.4%	8.6%	4.2%	6.2%	6.8%



Revenue → Reported revenue of RM579.9 million and profit before tax of RM88.7 million compared to revenue of RM 585.0 million and profit before tax of RM37.3 million in the corresponding quarter of the preceding financial year. Corresponding quarter of the preceding financial year recorded only slightly higher turnover from the settlement of one of our India projects amounting to RM42 million.

PBT → PBT Margin for current quarter is much higher due to re-calibration of margin to reflect some upside as some projects are nearing completion and certainty of better margins are more visible.

Prospect → SunCon's outstanding order book now stands at RM4.8 billion (Sept 2021 : RM4.7 billion) with RM1.5 billion new order secured up to December 2021. In the 4th quarter of 2021, we secured 2 awards of 50MW LSS4 EPC contract. This is our maiden large scale solar projects since our entry to the solar space 2 years back. In addition, we have commenced work on our Thorapalli Jittandali HAM (Hybrid Annuity Model) India project after receiving appointed date on 7 December 2021. With this, both of our India HAM projects secured in May 2020 have commenced work in India

The Malaysian economy registered a positive growth of 3.6% in the fourth quarter of 2021 (3Q 2021: -4.5%), as economic activities resumed with the easing of containment measures. Construction sector improved with a smaller contraction of 12.2% (3Q21: -20.6%), supported by higher construction activity, especially in the non-residential and special trade subsectors, following the reopening of the economy. With the turnaround in growth in the fourth quarter, the economy grew by 3.1% for 2021 as a whole, and the unemployment rate declined to 4.3% (3Q 2021: 4.7%). Bank Negara Malaysia (BNM) reiterated that the Malaysian economy will expand between 5.5% and 6.5% for financial year ending 2022, underpinned by continued expansion in global demand and higher private-sector expenditure. SunCon will continue to focus on our overseas venture, mainly in India and also the bigger ASEAN region and India. On the domestic front, we are actively pursuing opportunities in the private and public sectors, including any Private Funding Initiatives (PFI), as well as pipeline projects from its immediate holding company, Sunway Berhad, and in the sustainable energy segment."

PRECAST SEGMENT REVIEW

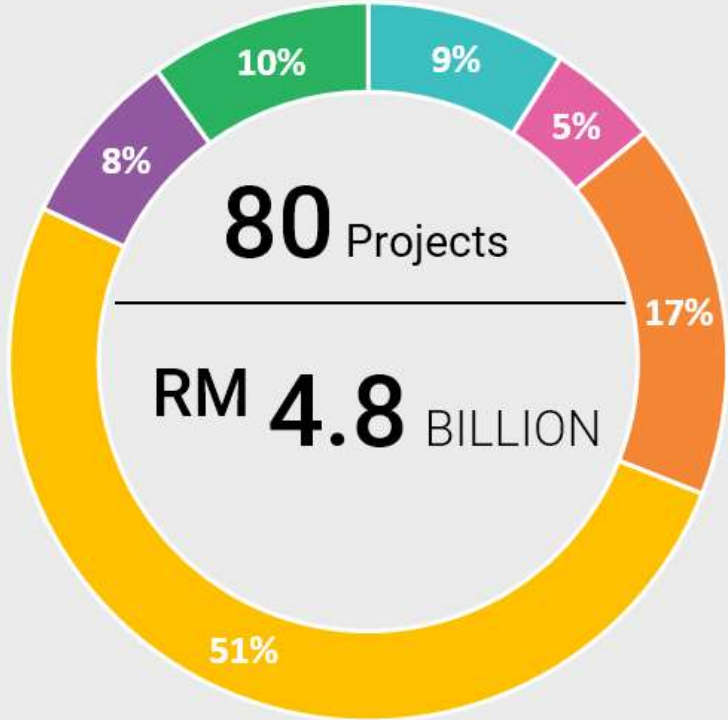
<u>Precast Concrete</u>	<u>Q4 21</u>	<u>Q3 21</u>	<u>Q2 21</u>	<u>Q1 21</u>	<u>YTD Q4 21</u>	<u>Q4 20</u> 	<u>Q3 20</u>	<u>Q2 20</u> 	<u>Q1 20</u>	<u>YTD Q4 20</u>
Revenue (RM'mil)	46.7	16.3	26.1	33.9	122.9	42.2	16.0	3.0	36.2	97.4
PBT (RM'mil)	2.3	(2.4)	(0.0)	3.6	3.4	4.3	1.2	(3.5)	0.8	2.7
PBT Margin	4.9%	-14.7%	-0.1%	10.6%	2.8%	10.2%	7.5%	>(100%)	1.9%	2.8%

Revenue → Reported revenue of RM46.7 million with profit before tax of RM2.3 million compared to revenue of RM42.2 million and profit before tax of RM4.3 million in the corresponding quarter of the preceding financial year. Turnover for current quarter was higher as a result of higher outstanding order book.

PBT → Lower profit in current quarter was due to impact of higher steel bar prices.

Prospect → Based on Ministry of Trade and Industry Singapore (MTI), the economy grew by 2.3% quarter on quarter in fourth quarter of 2021, accelerating from the 1.5% expansion recorded in the previous quarter. The construction sector shrank by 2.1% quarter on quarter in fourth quarter of 2021 as construction activities continued to be weighed down by labour shortages due to border restriction. Overall, GDP rose 7.6% in 2021, rebounding sharply from the 4.1% contraction clocked in 2020. The Housing and Development Board (HDB) plans to launch up to 23,000 new Build-to-Order (BTO) flats each year for 2022-2023 as it ramps up supply to meet strong housing demand from Singaporeans. The planned launches of up 23,000 new flats a year in 2022 and 2023 mark a 35 per cent increase from 2021's figure. These new launches will be located across mature and non-mature towns, HDB said in a press release on 16 December 2021 (2021 : 17,109; 2020: 16,752 units, 2019: 15,491 units, 2018: 15,811 units). Singapore HDB flats comprised of more than 90% of our precast segment sales and our prospect is largely dependent on these launches. With the ICPH plant scheduled to be in operations by 2H 2022, SunCon foresees that our precast segment will contribute more to the group's financials in the near future.

SOLID DIVERSIFIED ORDER BOOK - SUMMARY



- Building
- Infrastructure/Piling
- India
- Internal-building
- Singapore Precast
- Sustainable Energy

Target NEW order book → FYE 2022 : RM2b

	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
New Order	1.5b	2.3b	1.8b	1.6b	4.0b	2.7b	2.6b	0.8b	2.9b	1.9b
Outstanding Order Book	4.8b	5.1b	5.2b	5.2b	6.6b	4.8b	3.8b	3.0b	3.2b	4.2b

SOLID DIVERSIFIED ORDER BOOK – DETAILED

AS AT DEC-2021 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK		AS AT DEC-2021 (RM MIL)	COMPLETION	CONTRACT SUM	O/S ORDERBOOK	
BUILDING			419	9%	INTERNAL - SUNWAY GROUP			2,428	51%
PUTRAJAYA PARCEL F	Maintenance	1,610	11		SMC 4 + VO	2Q 2022	612	329	
TNB HQ CAMPUS (PH 2)	3Q 2022	781	294		SUNWAY SERENE	3Q 2022	413	86	
PETRONAS LEADERSHIP CENTRE (PLC)	Completed	305	49		SUNWAY BELFIELD	4Q 2024	403	361	
IOI MALL (MEP)	1Q 2022	68	13		SUNWAY VELOCITY 2	2Q 2022	352	115	
OXLEY TOWER (MEP)	1Q 2022	68	52		SOUTH QUAY CP2 - SUPERSTRUCTURE	4Q 2023	265	265	
INFRASTRUCTURE/PILING			232	5%	SOUTH QUAY CP2 - SUPERSTRUCTURE (VO)	3Q 2024	293	293	
LRT 3 : PACKAGE GS07-08	2Q 2022	1,295	196		SUNWAY CARNIVAL MALL EXT.	2Q 2022	286	42	
SENTUL WEST MRTUG ST. (MEP)	1Q 2022	57	9		SUNWAY VELOCITY 2B	4Q 2023	253	225	
CHAN SOW LIN MRTUG ST. (MEP)	1Q 2022	54	9		SMC DAMANSARA	1Q 2023	240	231	
JALAN TAMBUN, IPOH	4Q 2022	14	14		SMC SEBERANG JAYA	2Q 2022	180	61	
BANGSAR RISING - PILING	1Q 2022	5	5		SMC SEBERANG JAYA - VO	2Q 2022	16	16	
INDIA			818	17%	SMC IPOH	1Q 2024	150	149	
THORAPALLI - JITTANDAHALLI (TJ)	4Q 2023	508	508		SW INTERNATIONAL SCHOOL (SIS)	4Q 2022	121	69	
MEENSURUTTI - CHIDAMBARAN (MC)	3Q 2023	315	310		SIS - VO	4Q 2022	19	19	
SUSTAINABLE ENERGY			399	8%	SOUTH QUAY CP2 - PILING	2Q 2022	198	61	
SOLAR - EXTERNAL	Various	27	12		SUNWAY VELOCITY 3C4	3Q 2022	100	37	
NEW ORDER 2021 - EXTERNAL	Various	387	386		SUNWAY HOTEL RENOVATION	2Q 2022	81	29	
SINGAPORE			456	10%	BIG BOX OFFICE	2Q 2022	51	37	
PRECAST	Various	331	160		BUTTERWORTH-KULIM EXPRESSWAY	1Q 2022	4	2	
NEW ORDER 2021 - EXTERNAL	Various	298	296		DRAINAGE WORKS	4Q 2022	1	1	
					GRAND TOTAL @ DEC 2021		10,164	4,751	
					RED : SECURED IN 2021		1,474	1,445	

SOLID DIVERSIFIED ORDER BOOK – DETAILED

Projects (2021 new awards)	Client	Duration	Contract Sum (RM'mil)
Sunway International School -Sunway (VO)	Sunway Education Group Sdn Bhd	30 months	19.1
Big Box Office	Sunway Marketplace Sd Bhd	14 months	51.4
Tengah Park C2	Chiu Teng Construction Co. Pte Ltd	23 months	114.3
Sunway Medical Centre - Damansara Giza	Paradigm Fairview Sdn Bhd	24 months	180.0
DD Plastic (SIRIM)	Sirim Berhad	3 months	0.4
Tengah C7	LBD Engineering Pte Ltd	27 months	35.1
Ang Mo Kio N2C23A	Right Construction Pte LTd	27 months	35.7
Jalan Tambun	MBI	18 months	13.7
Sunway Medical Centre - Seberang Jaya (VO)	Alliance Parade Sdn Bhd	6 months	16.0
Secured in 1Q 2021			465.7
SMC Ipoh	Sunway Medical Centre Ipoh Sdn Bhd	27 months	150.0
Bangsar Rising - Piling	Bangsar Rising Sdn Bhd	6 months	4.6
Secured in 2Q 2021			154.6
Bidadari C15	Chiu Teng Construction Co. Pte Ltd	27 months	35.7
Woodlands N9C4	Newcon Builders Pte Ltd	27 months	63.0
Clementi N8C1	Primetop Engineering Pte LTd	12 months	14.7
Sunway Medical Centre - Damansara Giza	Paradigm Fairview Sdn Bhd	24 months	60.0
Solar	Various	Various	1.4
Drainage works	Sunway South Quay Sdn Bhd	3 months	1.0
Secured in 3Q 2021			175.7
SOUTH QUAY CP2 - SUPERSTRUCTURE	Sunway SouthQuay Sdn Bhd	July 2024	292.5
LSS4 - Gopeng	GBS Suria Sdn Bhd	24 months	200.0
LSS4 - Klang	Sharp Ventures Solar Sdn Bhd	24 months	185.0
Secured in 4Q 2021			677.5
TOTAL AS AT 4Q 2021			1,473.6
	M'sia - Inhouse		66%
	M'sia - External		14%
	S'pore - External		20%

Target NEW order book → FYE 2022 : RM2b

New order 2020 : 2.3b; 2019 : 1.8b; 2018 : 1.6b, 2017 : 4.0b, 2016 : 2.7b, 2015 : 2.6b, 2014 : 0.8b, 2013 : 2.9b, 2012 : 1.9b

Outstanding Order book 2020 : 5.1b 2019 : 5.2b; 2018 : 5.2b, 2017 : 6.6b, 2016 : 4.8b, 2015 : 3.8b, 2014 : 3.0b, 2013 : 3.2b, 2012 : 4.1b

PROJECT HIGHLIGHTS – Completed Projects : External

Petronas New Leadership Centre, Bangi

- Contract Value : RM310 million
- Client : Petronas
- Completed : Dec 2021



Job Scope : 1 storey semi basement car park, 4 storey institutional building, 2 guard house, 1 surau. This building is designed with a target of Platinum rating for both GBI and LEED. The building measures 470 meters long and by 36 meter depth including the central spine with a total built up area of 42,074.82 sq.m (452,725 sq. feet) including the sub-basement car park.

PROJECT HIGHLIGHTS – On-Going Projects : External

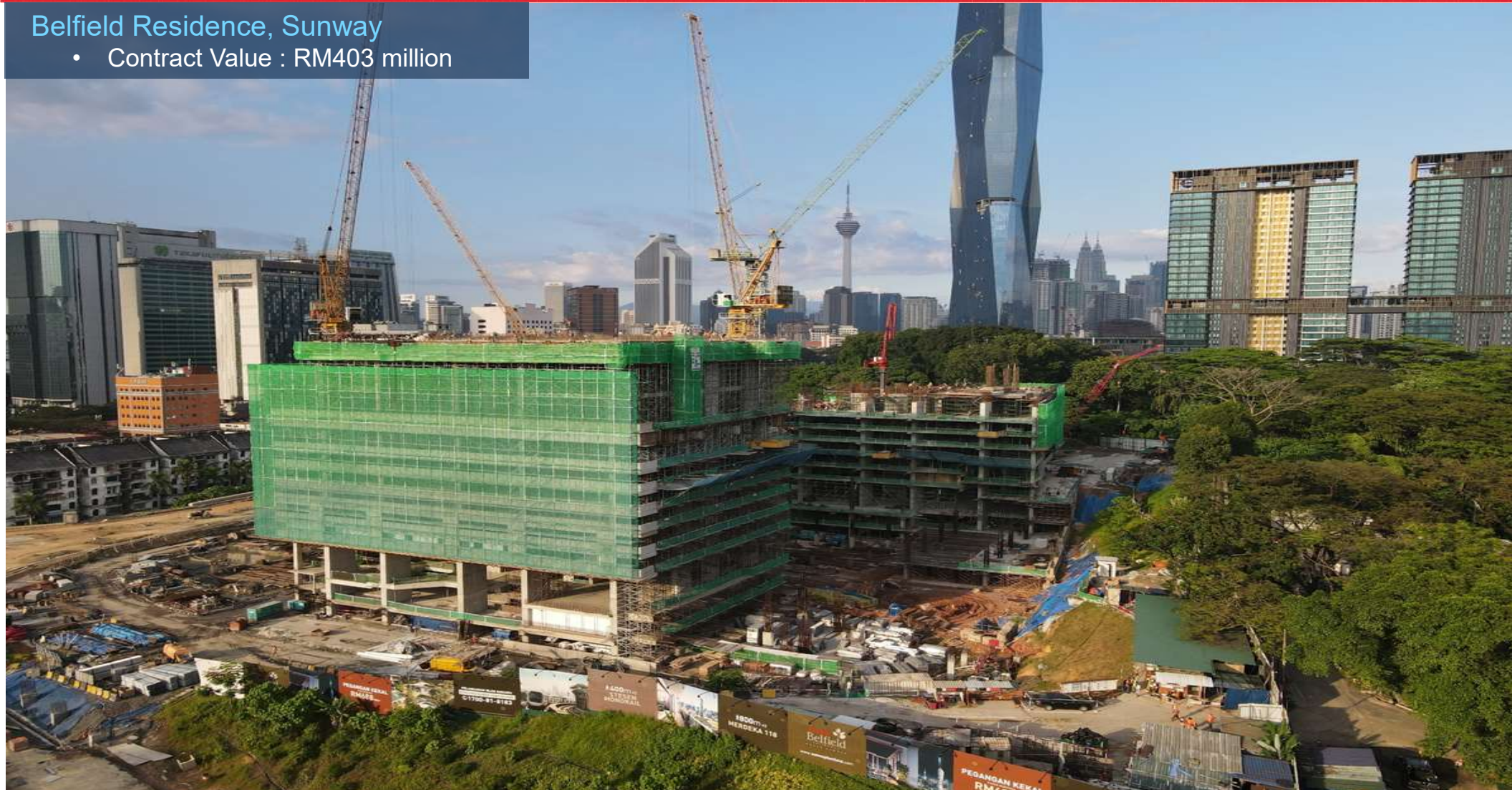
TNB HQ Campus Phase 2, Bangsar

- Contract Value : RM781 million (13.6 acres)
- Client : Tenaga Nasional Berhad
- Completion : 2Q 2022



PROJECT HIGHLIGHTS – On-Going Projects : Residential

Belfield Residence, Sunway
• Contract Value : RM403 million



PROJECT HIGHLIGHTS – On-Going Projects : Mixed commercial

CP2 mixed commercial, Sunway

- Contract Value : RM756 million



PROJECT HIGHLIGHTS – On-Going Projects : Velocity & Medical Centre

Sunway Velocity 2 – Plot B Contract Sum - RM253 million



Sunway Medical 4 - Extension VO: RM162 million 65% completion @ Dec 21



Proposed Construction of:-

- Phase 2A – 2-Storey Retail, 8-Storey Podium Carpark & 1-Storey Basement Carpark
- Phase 2B & 2C – 2 Blocks of 39-Storey Serviced Apartments

Main Building Works:-

- Tower D – Hospital Suites 180 new Outpatient Specialist Consultation Suites across the 3 blocks and 474 units of Senior Living residences
- Tower E – Hospital Block - dedicated Women's Tower
- Tower F – Hospital Block - dedicated Children's Tower

PROJECT HIGHLIGHTS – On-Going Projects : Northern region



◀ Sunway Carnival Mall Extension

- Gross floor area to 1.45 million sq ft from the current 780,000 sq ft
- Net lettable area (NLA) from around 500,000 sq ft to 830,000 sq ft.

Opening 2Q 2022

Sunway Medical, Seberang Jaya ▶

- 180-bed hospital with a six-bed intensive care unit

Opening 2Q 2022



Sunway Valley City (Phase 1)



PROJECT HIGHLIGHTS – On-Going Projects : Infrastructure

LRT3 Package GS07&08, Klang Valley | Kawasan 17 to Sri Andalas

- Contract Value : RM1.29 billion
- Client : MRCB George Kent Sdn Bhd
- Completion : Q2 2022 (85% completed @ 4Q 2021)



Job Scope :

- 9.2km of viaduct works
- 6 stations works
- 1 bridge over Klang River (Design & Build)
- 2 Park & Ride at Pasar Besar Klang and Sri Andalas
- 1 Centralised Labour Quarter at Johan Setia



COMPLETED PROJECTS – Civil/Infrastructure

MRT Putrajaya Line Package V201, Klang Valley | Sungai Buloh To Persiaran Dagang

- Contract Value : RM1.392 billion
- Client : MRT Corp Sdn Bhd

Duration : 60 months (completion May 2021)

Job Scope : 3 nos station, 142 nos piers, 180 km telco fibre optic relocation, 21.5 km underground HT cables relocation, 5.4 km water pipe relocation and 701 nos bored piles





THANK YOU

Next quarter announcement on 25 May 2022