

# **SUNWAY<sup>®</sup>**

## **CONSTRUCTION**



**Sunway Construction Group Berhad**  
**Q4 2019 Results Review Pack**  
**20 February 2020**

# 4Q 2019 HIGHLIGHTS

- New order 2019 : Achieved=1.8b (Target 1.5b)
- Target 2020 : 2b
- Active Tender O/S = 7b (>40% overseas)
- Many more in-house jobs in the pipeline

Outstanding Order Book  
@ Dec 2019 : 5.2b

## 4Q 2019 vs 3Q 2019

- 1) Turnover increased by > 20% (from 402.6m to 485.9m)
- 2) PBT increased by > 13% (from 35.6m to 40.5m)
- 3) Precast returned to profitable position with margin of 5.5%

## FYE 2019 vs FYE 2018

Although turnover declined by 21.6%, our overall PBT margin improved from 8.1% to 8.9%

## Share price (1 year movement)

Appreciated by > 43% (RM1.33 to RM1.91)

## Steady Dividend Flow

FYE 2017 to 2019 : 7 cents p.a / 70% PATMI

## FYE 2020 Potential projects :

High Speed Rail; ECRL 8.8b to 11.0b (40% allocated to local); Penang Transport Master Plan 24b; Bayan Lepas LRT 8.4b; MRT 3 revival est @ mid 2020; Sarawak Coastal Road Network 6b and second trunk road 5b.

## ASEAN expansion:

Confident in obtaining our overseas project in FYE 2020 due to delay on projects awarding by clients in both Myanmar and India

# Overview of Key Performance Highlights



RM mil	Unaudited Q4 FY 2019 Oct-Dec 19	Unaudited Q3 FY 2019 Jul-Sept 19	Unaudited Q2 FY 2019 April-Jun 19	Unaudited Q1 FY 2019 Jan-Mar 19	Unaudited YTD 2019 Jan-Sept 19	Restated YTD 2018 Jan-Dec 18
<b>Revenue</b>	<b>485.9</b>	<b>402.6</b>	<b>440.2</b>	<b>440.0</b>	<b>1,768.7</b>	<b>2,256.8</b>
<b>PBT</b>	<b>40.5</b>	<b>35.6</b>	<b>41.2</b>	<b>40.1</b>	<b>157.4</b>	<b>182.7</b>
PBT Margin	8.3%	8.8%	9.4%	9.1%	8.9%	8.1%
<b>PATMI</b>	<b>31.6</b>	<b>33.5</b>	<b>33.2</b>	<b>31.0</b>	<b>129.3</b>	<b>144.4</b>
PATMI Margin	6.5%	8.3%	7.5%	7.0%	7.3%	6.4%
EPS * (sen)	2.45	2.60	2.57	2.40	10.02	11.18

\* Based on weighted average number of shares

RM mil Unaudited	Q4 FY 2019		Q3 FY 2019		Q2 FY 2019		Q1 FY 2019		YTD 2019		YTD 2018	
	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI	PBT	PATMI
<b>Profit as Announced</b>	<b>40.5</b>	<b>31.6</b>	<b>35.6</b>	<b>33.5</b>	<b>41.2</b>	<b>33.2</b>	<b>40.1</b>	<b>31.0</b>	<b>157.4</b>	<b>129.3</b>	<b>182.7</b>	<b>144.4</b>
<i>Special Items:</i>												
Disposal (gain)/loss	(2.7)	(2.7)	(0.1)	(0.1)	0.1	0.1	(0.3)	(0.3)	(3.1)	(3.1)	(1.0)	(1.0)
Impairment (reversal)/prov	2.8	2.8	(1.2)	(1.2)	1.4	1.4	0.1	0.1	3.0	3.0	2.2	2.2
Write off (gain)/loss	5.7	5.7	1.3	1.3	0.1	0.1	-	-	7.1	7.1	(1.2)	(1.2)
Foreign exchange (gain)/loss	0.4	0.4	0.1	0.1	(0.3)	(0.3)	0.1	0.1	0.2	0.2	(0.5)	(0.5)
Accretion of financial (assets)/liabilities	0.1	0.1	0.8	0.8	(1.2)	(1.2)	(1.0)	(1.0)	(1.3)	(1.3)	1.9	1.9
Arbitration (gain)/loss**	(1.6)	(1.6)	2.1	2.1	(0.8)	(0.8)	(2.0)	(2.0)	(2.3)	(2.3)	(3.6)	(3.6)
<b>Profit (Net of Special Items)</b>	<b>45.2</b>	<b>36.3</b>	<b>38.6</b>	<b>36.5</b>	<b>40.3</b>	<b>32.3</b>	<b>36.9</b>	<b>27.9</b>	<b>161.0</b>	<b>133.0</b>	<b>180.4</b>	<b>142.1</b>

# Balance Sheet and Gearing

RM'mil	Financial Year Ended 12/31/2019 (Unaudited)	Financial Year Ended 12/31/2018 RESTATEd
Non-current Assets	195	231
Current Assets	1,710	1,537
<b>Total Assets</b>	<b>1,905</b>	<b>1,768</b>
Current Liabilities	1,120	1,063
Non-current Liabilities	160	114
<b>Total Liabilities</b>	<b>1,280</b>	<b>1,176</b>
Shareholders' Funds	623	590
Non-Controlling Interests	2	1
<b>Total Equity</b>	<b>625</b>	<b>591</b>
<b>Total Equity &amp; Liabilities</b>	<b>1,905</b>	<b>1,768</b>
Total Bank Borrowings	286	114
Cash & Placement Funds	693	485
<b>Net Gearing Ratio</b>	<b>Net Cash</b>	<b>Net Cash</b>
Share Capital	259	259
<b>Net Assets Per Share</b>	<b>0.48</b>	<b>0.46</b>
Issued & Paid-up Share Cap	1,292.2	1,292.2

# Construction Segmental Review (1/3)

<u>Construction</u>	<u>Q4 19</u>	<u>Q3 19</u>	<u>Q2 19</u>	<u>Q1 19</u>	<u>YTD Q4 19</u>	<u>YTD Q4 18</u>
Revenue (RM'mil)	440.5	365.1	406.3	407.0	1,618.9	2,123.1
PBT (RM'mil)	38.0	35.4	41.2	40.0	154.6	181.7
PBT Margin	8.6%	9.7%	10.1%	9.8%	9.5%	8.6%

Revenue → saw an improvement as new building projects were slowly contributing more coupled with civil division with LRT 0708 which saw a significant increase in certification in the current quarter.

PBT → Profitability was higher in the immediate preceding quarter due to final account recognition.

Prospect → SunCon secured a total of RM1.8 billion new order book for the financial year ended 2019. Our outstanding order book now stands at RM5.2 billion. The Malaysian economic growth has moderated to 4.3% for full year 2019 (2018 : 4.7%) with construction sector showing a growth in fourth quarter 2019 of 1.0% (3Q 2019 : -0.5%). Construction sector recovered to 1.0%, due to higher capital spending in the civil engineering and residential segment. SunCon will continue to expand overseas and rely on its in-house pipeline projects by its intermediate holding company, Sunway Group for its sustained growth. Based on the above, barring any unforeseen circumstances, the Group will continue to deliver satisfactory performance for the coming year ending 2020.

# Precast Concrete Segmental Review (1/2)

<u>Precast Concrete</u>	<u>Q4 19</u>	<u>Q3 19</u>	<u>Q2 19</u>	<u>Q1 19</u>	<u>YTD Q4 19</u>	<u>YTD Q4 18</u>
Revenue (RM'mil)	45.4	37.5	33.9	33.0	149.8	133.7
PBT (RM'mil)	2.5	0.2	0.0	0.1	2.8	1.0
PBT Margin	5.5%	0.6%	0.1%	0.2%	1.9%	0.7%

Revenue → current quarter was higher due to present order book.

PBT → there was a turnaround in profitability this current quarter due to the commencement of several better yielding projects.

Prospect → Singapore's economy grew by 0.7% year on year in 2019 (2018 : 3.4%) while the construction sector grew by 2.8% (2018 : -3.5%) on the back of public sector construction activities. The Housing and Development Board (HDB) reported that a total of 14,591 units of flats have been launched up to November 2019 (2018 : 15,811; 2017 : 17,593; 2016 : 17,891). Around 16,000 to 17,000 Build-To-Order (BTO) flats will be launched in 2020, which 3,095 BTO flats have been launched for sales as of February 2020, to meet the additional demand following key policy changes. The household income cap for BTO flats and executive condominiums (ECs) have been raised by \$2,000, to \$14,000 and \$16,000 respectively. Based on the above, barring any unforeseen circumstances, the Group will continue to deliver satisfactory performance for the coming year ending 2020.

# Outstanding Order Book : 5.2b

As at Dec 2019 (RM mil)	Completion	Contract Sum	O/S Orderbook	
<b>Building</b>			<b>1,248</b>	<b>24%</b>
Putrajaya Parcel F	1Q 2019	1,610	33	
PPA1M Kota Bharu	2Q 2021	582	76	
<b>TNB HQ Campus (Ph 2)</b>	<b>2Q 2021</b>	<b>781</b>	<b>704</b>	
<b>PLC</b>	<b>2Q 2021</b>	<b>310</b>	<b>299</b>	
<b>Ozley Tower (MEP)</b>	<b>2Q 2022</b>	<b>68</b>	<b>67</b>	
<b>IOI Mall (MEP)</b>	<b>2Q 2021</b>	<b>68</b>	<b>68</b>	
<b>Infrastructure/Piling</b>			<b>2,026</b>	<b>39%</b>
MRT Y201 + S201	2Q 2021	1,213	163	
LRT 3 : Package GS07-08	2Q 2021	2,178	1,718	
Piling works	Various	99	24	
<b>GS06,09 + 7MD7 (Piling)</b>	<b>Various</b>	<b>99</b>	<b>65</b>	
<b>Sentul West Station (MEP)</b>	<b>1Q 2021</b>	<b>57</b>	<b>57</b>	
<b>Internal</b>			<b>1,654</b>	<b>32%</b>
SMC 4	4Q 2021	512	379	
Sunway Serene	3Q 2021	449	261	
Yelo 2	4Q 2021	352	300	
Velocity 3C4	2Q 2021	100	75	
Sunway GEOLake	1Q 2021	223	82	
Carnival Mall Ext	1Q 2021	286	226	
SMC Seberang Jaya	1Q 2021	180	146	
<b>BB Solar</b>	<b>4Q 2019</b>	<b>8</b>	<b>0</b>	
<b>Big Box Hotel</b>	<b>3Q 2020</b>	<b>100</b>	<b>72</b>	
<b>Parcel CP2 (piling)</b>	<b>3Q 2021</b>	<b>119</b>	<b>111</b>	
<b>Sw Pyramid Solar</b>	<b>2Q 2020</b>	<b>3</b>	<b>3</b>	
<b>Singapore</b>			<b>304</b>	<b>5%</b>
Precast	Various	331	157	
<b>New Order 2019</b>	<b>Various</b>	<b>160</b>	<b>147</b>	
<b>Grand Total</b>		<b>9,886</b>	<b>5,231</b>	
		<i>Red : Secured in 2019</i>	<i>1,772</i>	<i>1,593</i>

# New Order Book Secured : 2019

Projects (2019 new awards)	Client	Duration	Contract Sum (RM'mil)
TNB HQ Campus Development (Phase 2)	Tenaga National Berhad	26 months	781.3
LRT 3 - GS10 piling works	SN Akmida	12 months	47.6
LRT 3 - GS06 piling works	Rahimkon	4 months	12.8
Transit Oriented Development - Plot 7MD7	Putrajaya Development Sdn Bhd	16 months	38.8
Big Box Hotel (14 floor, 288 rooms)	Sunway MarketPlace Sdn Bhd	16 months	99.5
Kallang Whampoa C57 (Precast)	Hock Guan Cheong Builder Pte Ltd	36 months	29.5
Punggol North C14 (Precast)	Hong Leong Building Materials Pte Ltd	18 months	36.9
Precast -others			3.8
CP2 - Earthwork and pilings	Sunway SouthQuay Sdn Bhd	20 months	119.0
Oxley mixed development in Jalan Ampang - Electrical and ELV	NSC for Oxley Rising Sdn Bhd. Main Contractor : Ssangyong Engineering & Construction Co Ltd	35 months	67.8
Petronas Leadership Centre, Bangi	Petronas Management Training Sdn Bhd	20 months	310.0
IOI Mall (MEP)	IOI City Mall Sdn Bhd	18 months	68.0
Sental West Station (MEP)	MMC Gamuda KVMRT (UGW) JV	12 months	56.6
Big Box Rooftop solar	Sunway Century Sdn Bhd	3 months	8.0
Jurong West N2C20 (Precast)	Kienta Engineering Construction Pte Ltd	13 months	38.6
Tampines N9C18 (Precast)	Welltech Construction Pte Ltd	15 months	21.9
Sunway Pyramid solar	Sunway PFM Sdn Bhd	4 months	2.6
Tampines N6C3 - 354 dwelling units(Precast)	Kian Hiap Construction Pte Ltd	21 months	29.0
<b>Secured up to 31 Dec 2019</b>			<b>1,771.6</b>

**Target NEW order book**  
**FYE 2019 : RM 1.5b;**  
**FYE 2020 : RM2b**

**New order 2018 : 1.6b, 2017 : 4.0b, 2016 : 2.7b, 2015 : 2.6b, 2014 : 0.8b, 2013 : 2.9b, 2012 : 1.9b**  
**Outstanding Order book 2018 : 5.2b, 2017 : 6.6b, 2016 : 4.8b, 2015 : 3.8b,**  
**2014 : 3.0b, 2013 : 3.2b, 2012 : 4.1b**



# TNB Campus, Bangsar

**SUNWAY™**



AERIAL VIEW

- 1 BLOCK A
- 2 BLOCK B
- 3 BLOCK C
- 4 BLOCK D
- 5 CONVENTION CENTRE
- 6 INTERACTIVE CENTRE OF ELECTRICITY
- 7 PELITAWANIS
- 8 CHILDCARE

# Sunway Serene, Kelana Jaya

**SUNWAY**<sup>®</sup>  
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# Petronas Leadership Centre, Bangi

**SUNWAY**<sup>®</sup>  
CONSTRUCTION



# Sunway Geolake, South Quay Sunway

**SUNWAY**<sup>®</sup>  
CONSTRUCTION



# MRT V201 - Sg Buloh to Persiaran Dagang

**SUNWAY**<sup>®</sup>  
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*Sri Damansara West  
(SDW) Station*



*Damansara Damai  
Main Station*

# Thank You

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## **Next quarter announcement on 21 May 2020**

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