

Sime Darby Property Records PBIT of RM97.9 Million in Q1 FY2021

- Revenue of RM589.5 million and profit before interest and tax (“PBIT”) of RM97.9 million in Q1 FY2021, on the back of commendable financial and operational performance;
- Achieved RM630.2 million in sales in Q1 FY2021 to place the Group on track towards FY2021 sales target of RM2.4 billion, with unbilled sales of RM1.7 billion;
- Healthy take-up rates averaging over 90% for products launched recently achieved through robust digital marketing efforts throughout the pandemic period;
- Recognised as EdgeProp Malaysia’s ‘Responsible Developer: Building Sustainable Development Award’.

ARA DAMANSARA, 27 MAY 2021 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) posted a revenue of RM589.5 million and PBIT of RM97.9 million for its first financial quarter ended 31 March 2021 (“Q1 FY2021”), a significant year-on-year improvement compared to the restated Q1 FY2020 results. The restatement for FY2020 takes into account the Group’s adoption of the Agenda Decision on IAS 23 Borrowing Costs from 1 January 2021 onwards, whereby borrowing costs for a project phase cease to be capitalised once it is launched.

In the first financial quarter, minimal disruption to the Group’s business operations resulted in revenue increasing year-on-year by 23.7%, with PBIT recording a significant improvement from a loss before interest and tax (“LBIT”) of RM2.3 million in Q1 FY2020. Overall, the year-on-year improvement in profitability for the quarter was buoyed by cost management initiatives, which have started to pay off. The Group registered a profit after tax and minority interest (“PATAMI”) for its shareholders of RM60.6 million for Q1 FY2021.

Q1 FY2021 Year-on-Year by Segment

Sime Darby Property’s improved financial performance in Q1 FY2021 was led by its Property Development segment which contributed revenue and PBIT of RM553.0 million and RM103.8 million respectively, as compared to RM440.7 million and RM7.6 million last year. This significant improvement was mainly attributed to higher sales and development activities in the Group’s townships, such as the City of Elmina, KLGCC Resort, KL East and Serenia City. Additionally, the Property Development segment recorded a lower share of losses from its joint ventures and associates of RM2.5 million as compared to RM10.6 million a year ago.

In Q1 FY2021, the Group's other business segments of Investment & Asset Management and Leisure continue to face challenges in their respective businesses, due to the reimposition of Movement Control Orders ("MCO") from January 2021 onwards. The Investment & Asset Management segment recorded a revenue of RM22.4 million and LBIT of RM2.7 million, mainly arising from startup costs associated with the opening of KL East Mall in November 2020. As for the Leisure segment, despite revenue declining year-on-year by 24.2%, LBIT was lower at RM3.1 million compared to RM5.4 million last year as a result of consolidation of its operations. Recovery in both segments will be heavily dependent on containment measures undertaken, success of the ongoing national vaccination programme, and continued reimposition of the MCO.

Q1 FY2021 vs Preceding Q4 FY2020 Quarter

On a quarter-on-quarter basis, Sime Darby Property's Q1 FY2021 revenue of RM589.5 million was 16.4% lower against its Q4 FY2020 revenue which had recorded an increase in sales of its integrated development projects in KLGCC Resort, KL East and Subang Jaya City Centre. Notwithstanding, PBIT for Q1 FY2021 at RM97.9 million was more than double the adjusted PBIT of RM46.9 million for Q4 FY2020 (excluding one-offs from write-down / write-off of inventories, impairment of assets & provisions totalling RM94.9 million). This was achieved through better planning, cost control and project management of the Group's township projects.

Other Financial / Operational Achievements

In terms of the Group's financial position, total equity improved to RM9.4 billion as at Q1 FY2021, compared to RM9.2 billion a quarter ago, and consequently, gross and net gearing ratio remain stable at 37.4% and 29.5% respectively. The Group also continues to generate positive net cash flows from its operating activities, particularly via the sale of completed stocks, resulting in a healthy cash balance of RM746.3 million as at Q1 FY2021.

"Property Development continues to be the main driver for Sime Darby Property, contributing 94% of the Group's revenue in Q1 FY2021. Our sales target is on track through our robust digital marketing efforts, coupled with the Government's ongoing Home Ownership Campaign 2021. In addition, we have been able to achieve healthy take-up rates of over 90% for our recently launched products in the first quarter with total bookings standing at RM0.8 billion", said Sime Darby Property's Group Managing Director, Dato' Azmir Merican.

Sime Darby Property's signature approach to develop communities with distinctive social and environmental features has been recognised with EdgeProp Malaysia's 'Responsible Developer: Building Sustainable Development Award' at EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2021. At the same ceremony, the Group's exciting township, City of Elmina, located in Shah Alam, Selangor bagged two awards, namely, 'The Editor's Choice Awards for Malaysia's Exemplary Sustainable Community Park' for its Elmina Central Park, as well as 'EdgeProp-ILAM Malaysia's Sustainable Landscape Awards'.

Prospects for the Remainder of FY2021

Sime Darby Property has responded effectively to the challenges faced during the pandemic with strategic and tactical plans to fully transform the Group into a sustainable real estate development company by 2025. Key priorities are to increase its product range and broaden the Group's income base and business portfolio, as well as build sustainable townships.

Dato' Azmir said, "As an established property developer, we will continue to remain agile and work hard to create sustainable, long-term value for our stakeholders through adjacent opportunities within the real estate industry. The Group has steadily grown through its industrial & logistics segment to accelerate our income base diversification strategy with products in a new industrial township measuring over 400 acres set to be launched this year. We are also executing tactical launch plans at prime locations with the right price points, to unlock value through active land bank management and pursue vigilant cost management in FY2021."

-END OF PRESS RELEASE-

About Sime Darby Property

Sime Darby Property is a leading property developer with a strong success rate of developing sustainable communities for over 48 years. With 24 active townships and developments, Sime Darby Property has a wide reach that encompasses assets and operations across the country. It marks its presence in the UK as part of a Malaysian consortium to develop the iconic Battersea Power Station Project in central London.

As a responsible corporate player, Sime Darby Property and its philanthropic arm Yayasan Sime Darby (YSD) actively roll out various initiatives to assist the underprivileged communities living within and nearby its townships nationwide. A multi award-winning property group with numerous international and local accolades, Sime Darby Property is the only Malaysian property developer to be rated by the Carbon Disclosure Project for carbon management and stakeholder engagement.

It is also the first Malaysian property developer to be awarded the International FIABCI Prix d'Excellence Awards twice for its Subang Jaya and UEP Subang Jaya townships. The company bagged its 10th consecutive Gold at the Putra Brand Awards 2019 and its 9th Top 10 Developers Awards at the BCI Asia 2020.

Sime Darby Property has also been recognised as among the top developers in Malaysia in the annual The Edge Top Property Developers Awards, a recognition which the company consistently receives since 2009.

For more information, log on to www.simedarbyproperty.com

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