



Q1 FY2021 Financial Results

Virtual Analyst Briefing | 28 May 2021 | 10.00am



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Q1FY2021 Key Highlights (Financial)

Resilience demonstrated by its Q1FY2021 financial performance

Financial Performance Snapshot

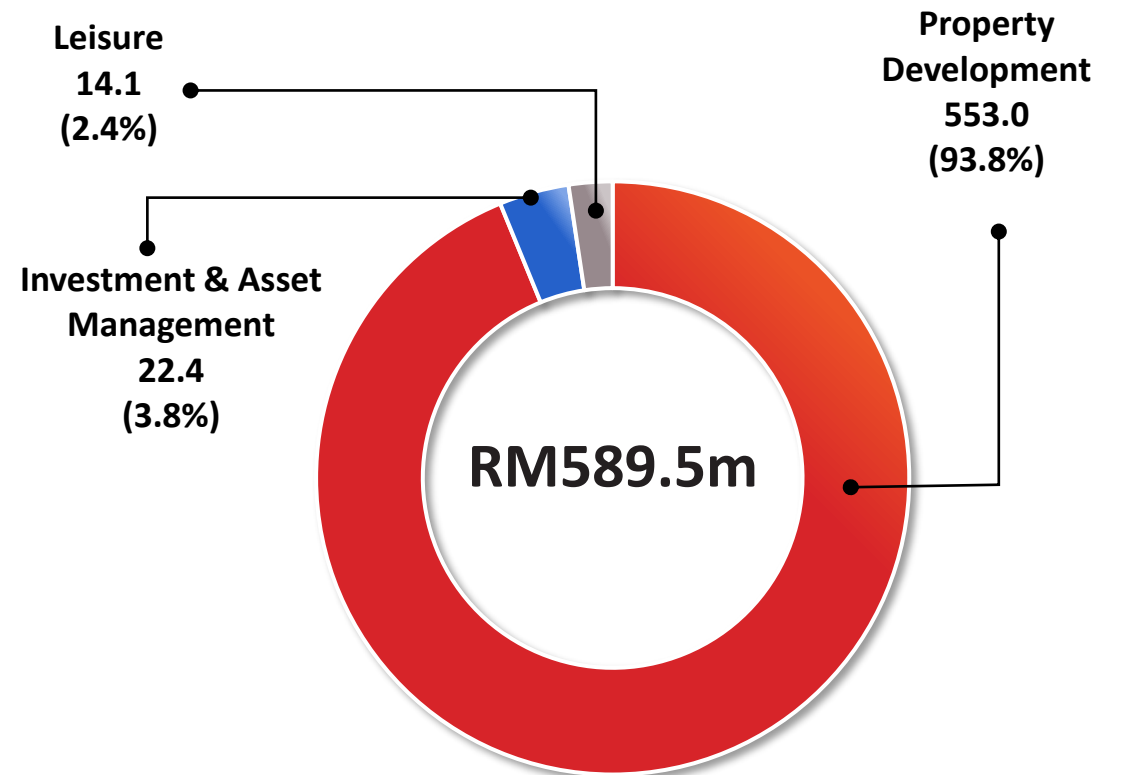
Revenue RM589.5m	Reported PBIT RM97.9m	Reported PATAMI RM60.6m
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Financial Position*

Cash Balances RM746.3m	Total Equity RM9,346.4m	Net Assets per Share Attributable to Owners of the Company RM1.35
Gross Gearing 37.4%	Net Gearing 29.5%	

*as at 31 March 2021

Segment Revenue



Q1FY2021 Key Highlights (Operational)

Sales achievement of RM630.2m, on track to meet FY2021 sales target of RM2.4b



Property

Operational Highlights

- Robust digital marketing efforts led to healthy take-up rates of >90% for the new launches
- Sales achieved of RM630.2m; revenue visibility with RM1.7b in unbilled sales and RM0.8b in total bookings

- Awards won for Sime Darby Property's signature approach to develop communities with distinctive social and environmental features

186 units launched
with RM111m GDV in
Q1FY2021

**RM630.2m sales /
515 units sold**
(mostly residential
landed or not new
launches; ~ 29% of value)

RM1.7b
unbilled sales

>90% take-up rates
average for
Q1 new launches

RM0.8b
total bookings*



EdgeProp
'Responsible Developer: Building
Sustainable Development Award'

Financial Performance for Q1FY2021

First Quarter ended 31 March 2021 (Q1FY2021)

Profit & Loss Performance

Revenue increase of 23.7% YoY to RM589.5m; PBIT improvement to RM97.9m for the quarter (vs previous year's loss); no one-offs in the quarter



Financial Performance (YoY & QoQ)

RM mil	(Restated)			(Restated)	
	Q1FY2021	Q1FY2020	YoY%	Q4FY2020	QoQ%
Revenue	589.5	476.7	23.7	705.2	(16.4)
Gross Profit	158.2	79.5	98.9	161.2	(1.9)
PBIT/(LBIT)	97.9	(2.3)	4,434.2	(48.0)	303.8
PBIT/(LBIT) excl. one-offs	97.9	(2.3)	4,293.1	46.9	108.8
PBT/(LBT)	95.0	(5.7)	1,777.9	(45.3)	309.8
PATAMI/(LATAMI)	60.6	2.7	2,129.0	(63.6)	195.3
PATAMI/(LATAMI) excl. one-offs	60.6	1.8	3,291.6	21.2	185.3
Basic Earnings/(Loss) Per Share (sen)	0.9	0.0	2,129.0	(0.9)	195.3

Key Takeaways

Q1FY2021 vs Q1FY2020 (YoY)

- Revenue increased by 23.7% YoY to RM589.5m; PBIT improved from a loss position of RM2.3m to RM97.9m
- Significant improvement in revenue and PBIT due to:
 - Higher sales and development activities in City of Elmina, Serenia City, Melawati, KL East and KLGCC Resort
 - Lower OPEX buoyed by cost management initiatives (-15% YoY)
 - Lower share of losses from JVs and associates of RM2.5m (Q1FY2020 losses: RM10.6m)
- PATAMI of RM60.6m registered for the quarter
- No one-offs in the current quarter

Q1FY2021 vs Q4FY2020 (QoQ)

- Current quarter's revenue of RM589.5m was 16.4% lower QoQ as the preceding quarter recorded higher sales from its integrated development projects in KLGCC, KL East, SJCC and Ara Damansara
- PBIT in Q1FY2021 was more than double Q4FY2020's profit with:
 - Better planning & cost control in completed & ongoing township development projects including Elmina East, Temu and Elmina Valley 5
 - Operating expenses reduced by 40% QoQ due to consolidation of operations

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.

Segmental Revenue and PBIT/ (LBIT) Analysis for Q1FY2021 (1/2)

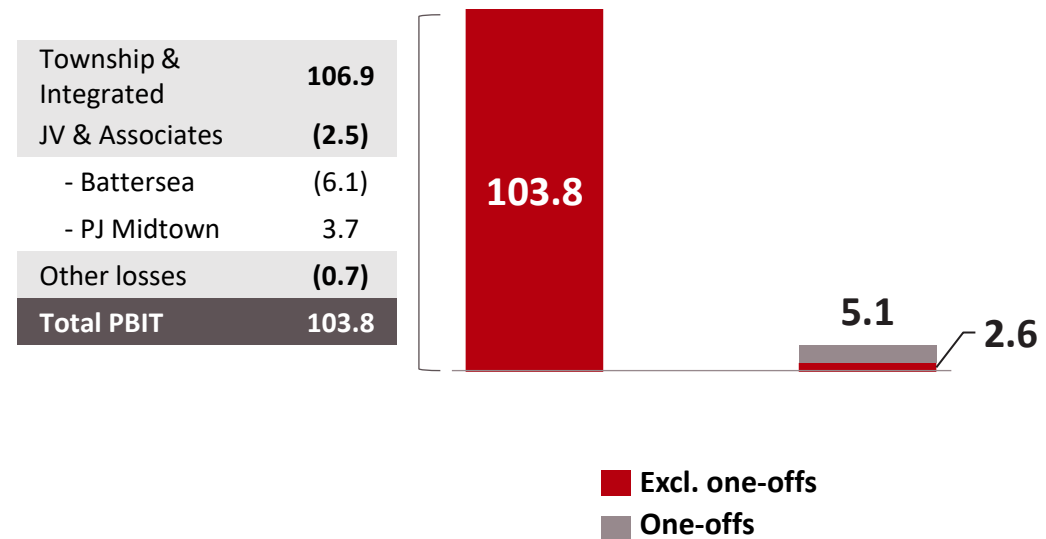
Effective initiatives boosted higher PBIT in Property Development segment

Property Development

Performance improved by > 10-fold due to:

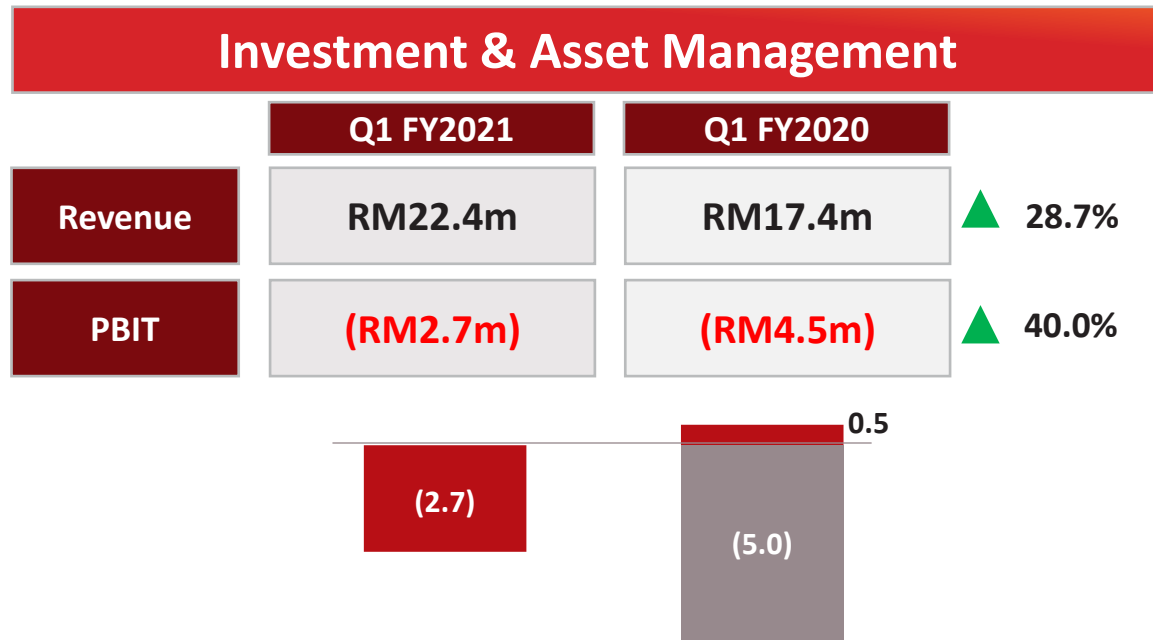
- Higher revenue (+25.5% YoY) resulted by higher sales and development activities in City of Elmina, Serenia City, Melawati, KL East and KLGCC Resort
- Lower share of losses from JVs and associates of RM2.5m (Q1FY20 losses: RM10.6m) mainly from:
 - Battersea Power Station Project – Q1FY21 loss of RM6.1 (Q1FY20: -RM10.2m)
 - PJ Midtown – Q1FY21 gain of RM3.7m (Q1FY20: RM1.3m)
- Operating expenses reduced by 16.6% YoY buoyed by better planning & cost control
- Result in Q1FY20 was adversely impacted by:
 - Implementation of MCO and the expiry of HOC 2019 impacted the development activities and registration of new sales
 - Thin profit margin derived from land sale in Australia of RM118.7m

	Q1 FY2021	Q1 FY2020	
Revenue	RM553.0m	RM440.7m	▲ 25.5%
PBIT	RM103.8m	RM7.6m	▲ 1,259.3%

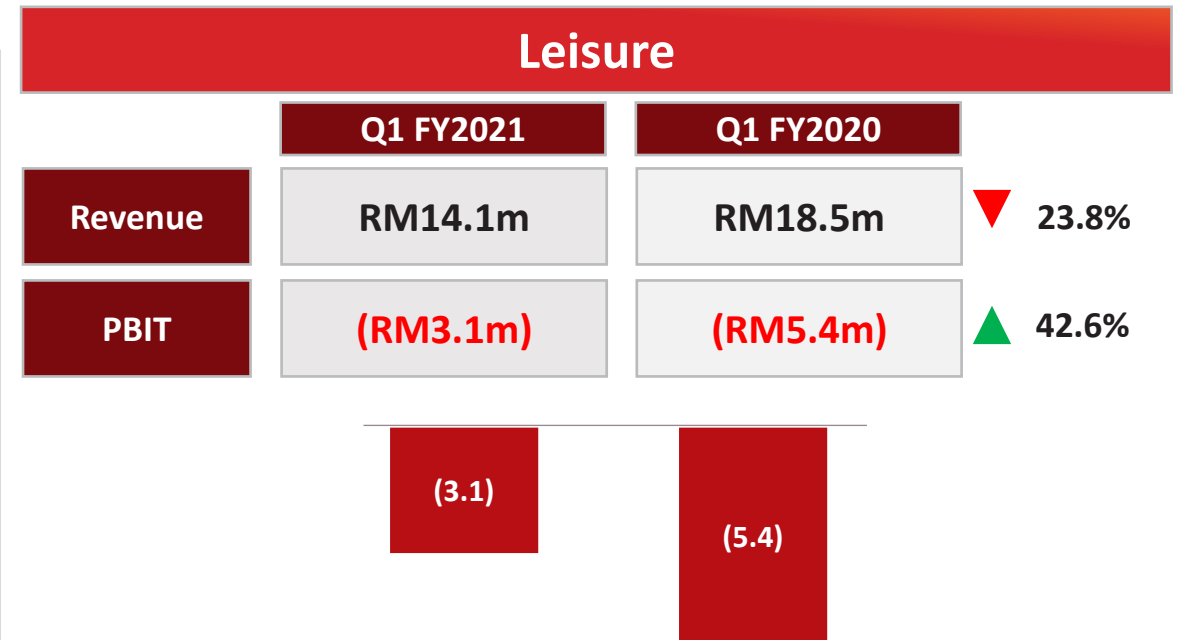


Segmental Revenue and PBIT/ (LBIT) Analysis for Q1FY2021 (2/2)

Lower losses seen in Investment & Asset Management and Leisure segments



- **Higher revenue (+28.7% YoY)** mainly attributed to **contribution from KL East Mall (KLEM)** which was opened in late November 2020 (RM4.8m)
- **Q1FY21 results was adversely affected by:**
 - Higher start-up costs associated with the opening of KLEM, resulting in higher losses of RM2.0m
 - Higher share of losses from Melawati Mall of RM2.1m (Q1FY20 loss: RM0.7m) as rent concessions were given
- **LBIT improved by 40.0% YoY** as Q1FY20 was dragged by a downward adjustment of RM5.0m in respect of an asset disposed previously

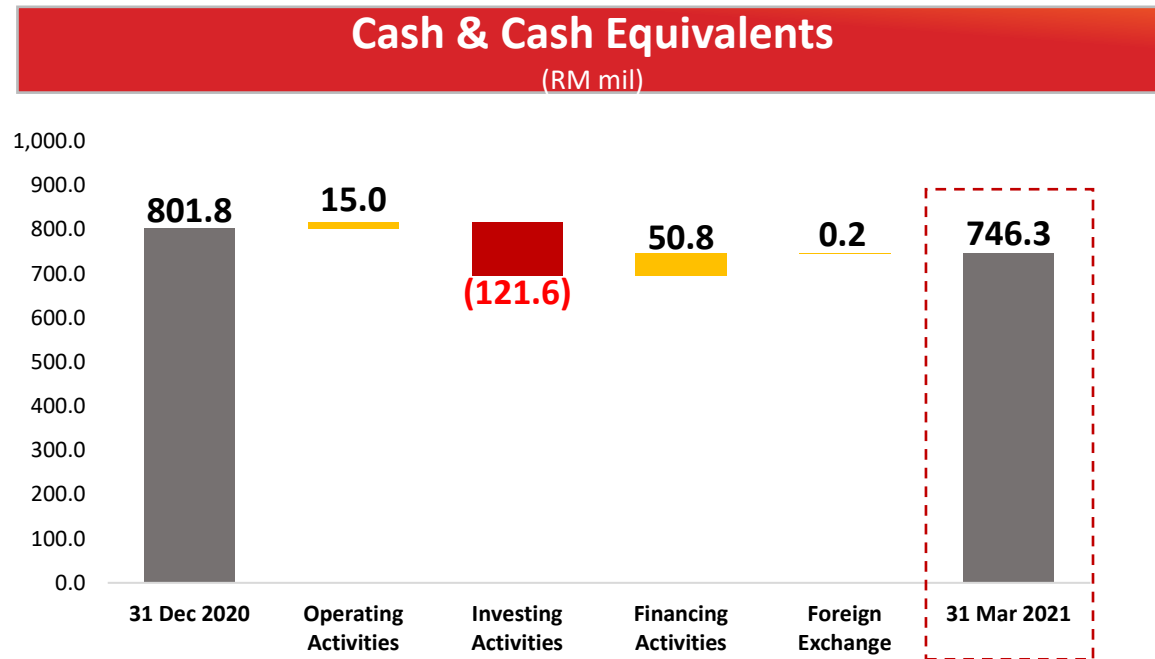


- **Revenue declined by 23.8% YoY** due to:
 - **Contributions from events and functions remained low** following the Covid-19 pandemic; and
 - **Temporary business closure** due to the reimposition of MCO
- **LBIT improved by 42.6% YoY** upon consolidation of its operations to drive operational and cost efficiency

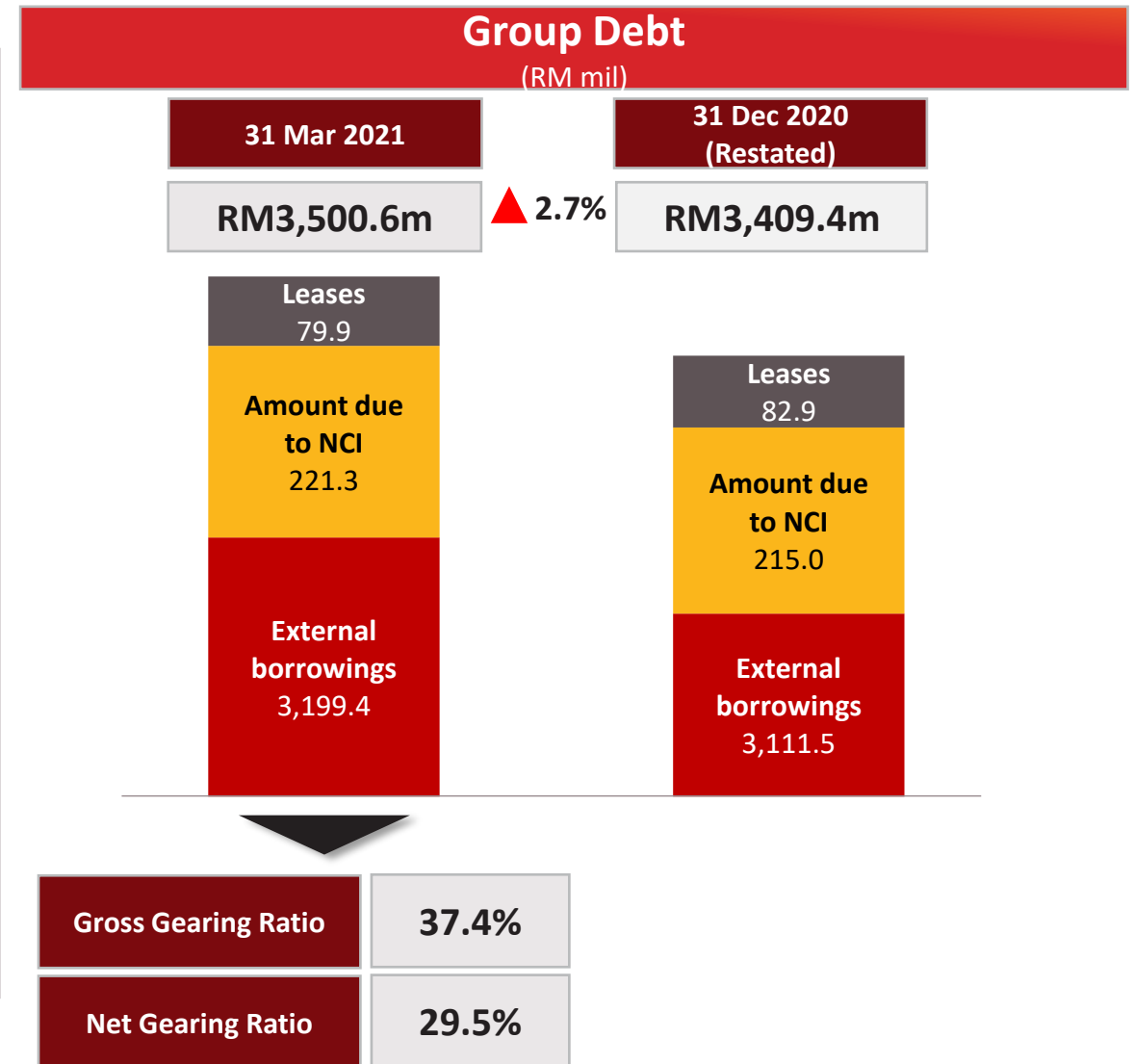
■ Excl. one-offs
■ One-offs

Cash and Debt as at 31 March 2021

Cash balances remained healthy with positive operating cash flow generated from sales of completed stocks



- **Positive net cash inflow from operating activities** mainly due to sales achieved from completed stocks and collections from ongoing development
- **Net cash outflow from investing activities** mainly related to equity injection into Battersea of RM120.3m
- **Net cash outflow in financing activities** mainly includes net drawdown from borrowings offset by finance costs paid and repayment of lease liabilities



Property Development Inventories

More property development activities to unlock land value, coupled with reduction in completed stocks

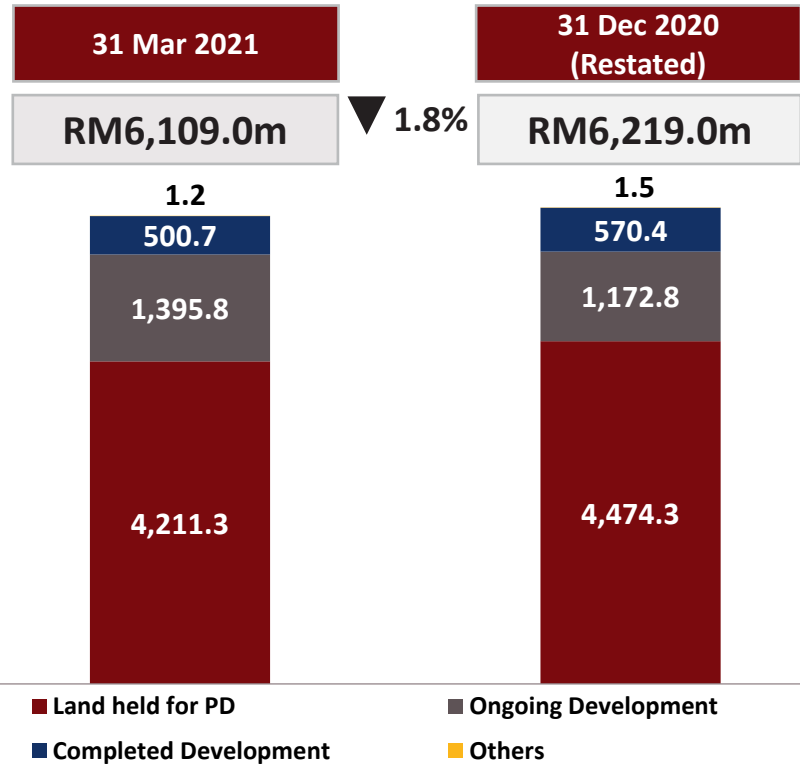
Definitions:

- Completed – Projects **completed as at 1 Jan 2021**
- Incoming Completed – Projects **to be completed in FY2021**
- Not New Launch – Target **completion after FY2021**
- New Launch – Projects **launched in FY2021**



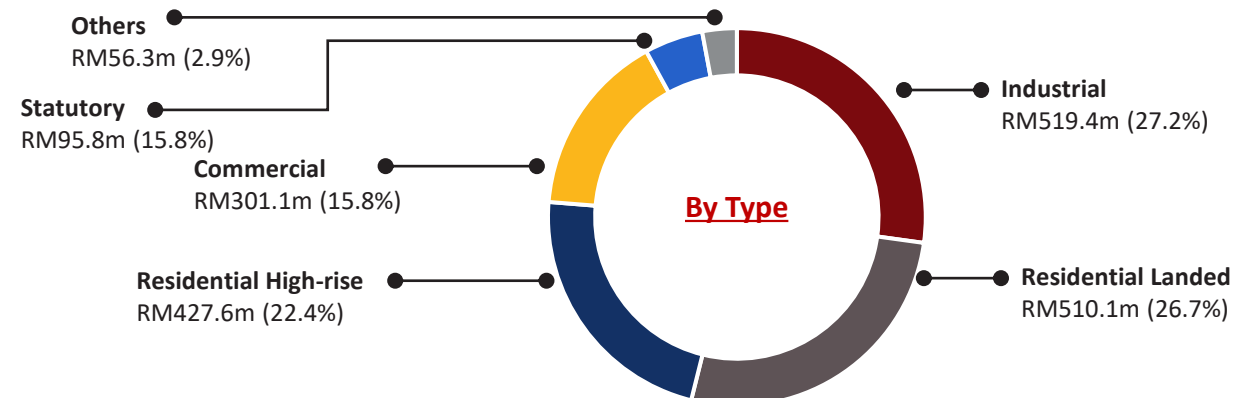
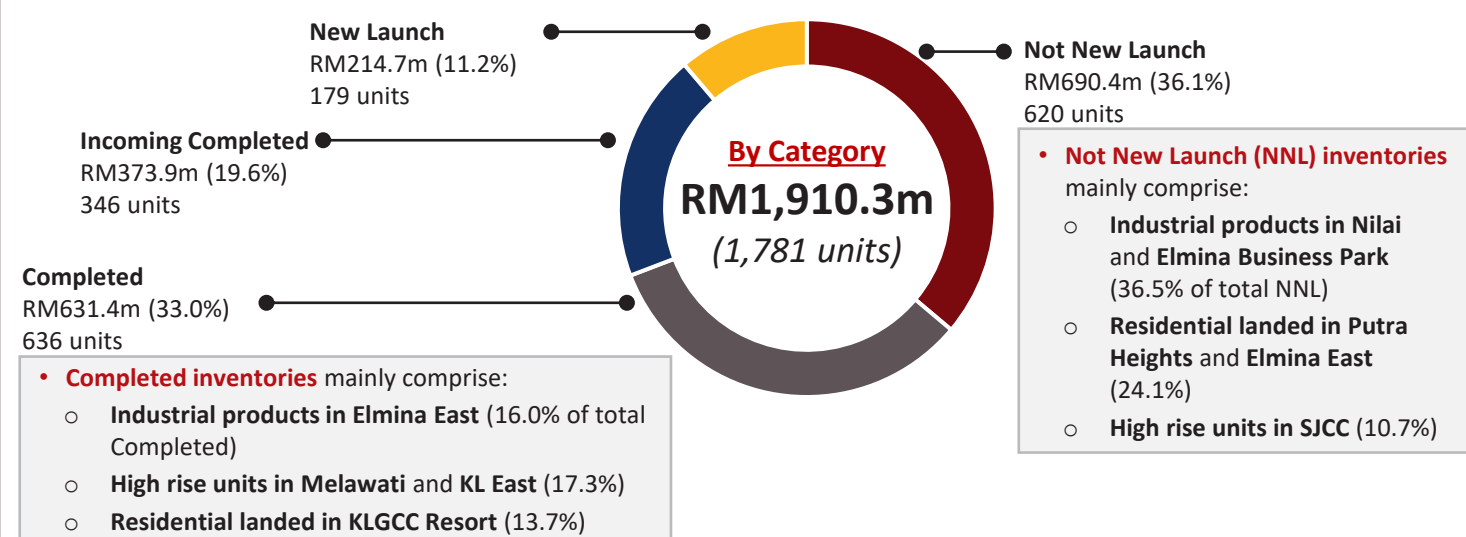
Property

Carrying Value



- Reclassification of costs (RM126m) from Land Held for PD to Ongoing inventories, as a result of more property development activities
- Reduction of completed inventories by 12.2% mainly from integrated development at KL East, Taman Melawati and KLGCC Resort of RM54.4m

Unsold Stocks in GDV & Units



Operational Performance for Q1FY2021

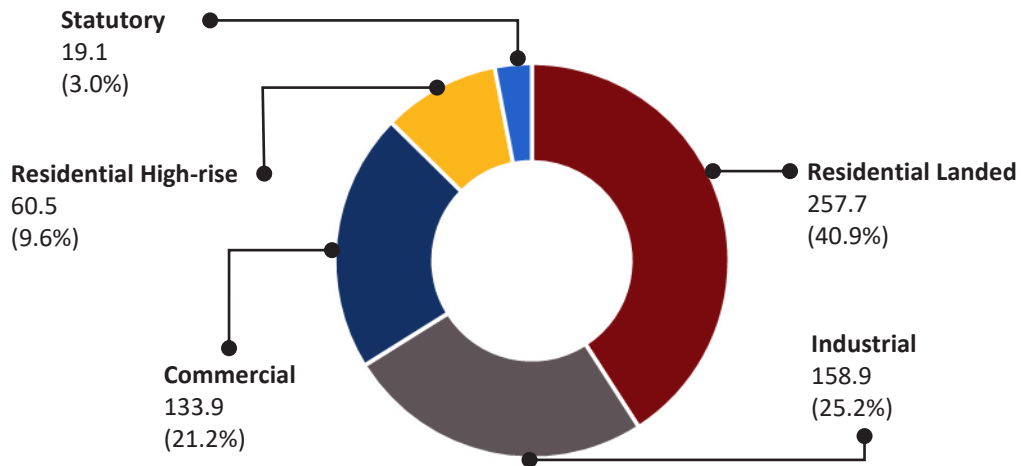
Sales Achieved by Product Type and Location

Residential landed products continue to drive sales achieved; buoyed by industrial products as second highest contributor

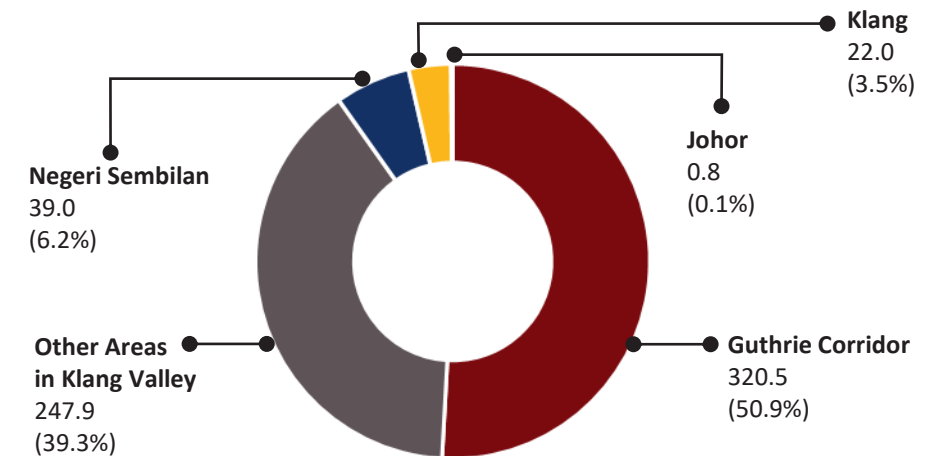


Q1 FY2021 Sales Achieved RM630.2m

By Product Type (RM mil)



By Location (RM mil)



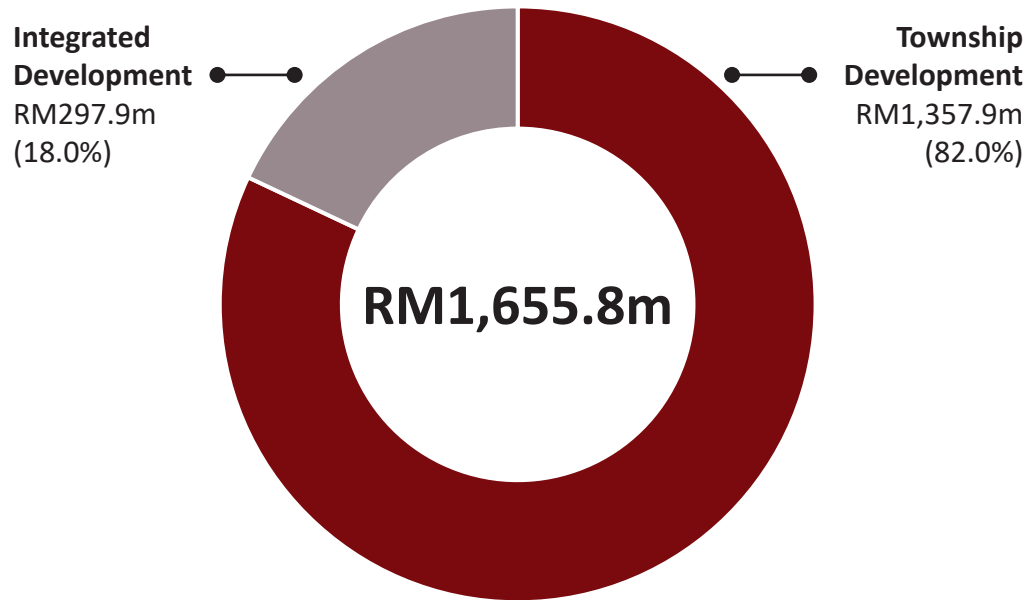
- Residential landed product remained as key sales contributor mainly from City of Elmina (RM142.9m or 22.7% of total sales), Serenia City (RM50.9m or 8.1%) and Bandar Bukit Raja (RM20.5m or 3.3%)
- Industrial products emerged as the second highest sales contributor (from third highest in Q4FY20), with sales contribution mainly from Elmina Business Park (RM101.5m or 16.1% of total sales)
- Higher commercial contribution seen in the quarter mainly from commercial products at Senada at KLGCC Resort (RM85.8m or 13.6% of total sales)

- Guthrie Corridor comprises of City of Elmina, Bukit Jelutong and Elmina Business Park (50.9% of total sales)
- Other Areas in Klang Valley - Senada at KLGCC Resort and Serenia City contributed 15.3% and 12.6% respectively to the total sales
- Klang - Bandar Bukit Raja took up 3.5% of total sales

Unbilled Sales as at 31 March 2021

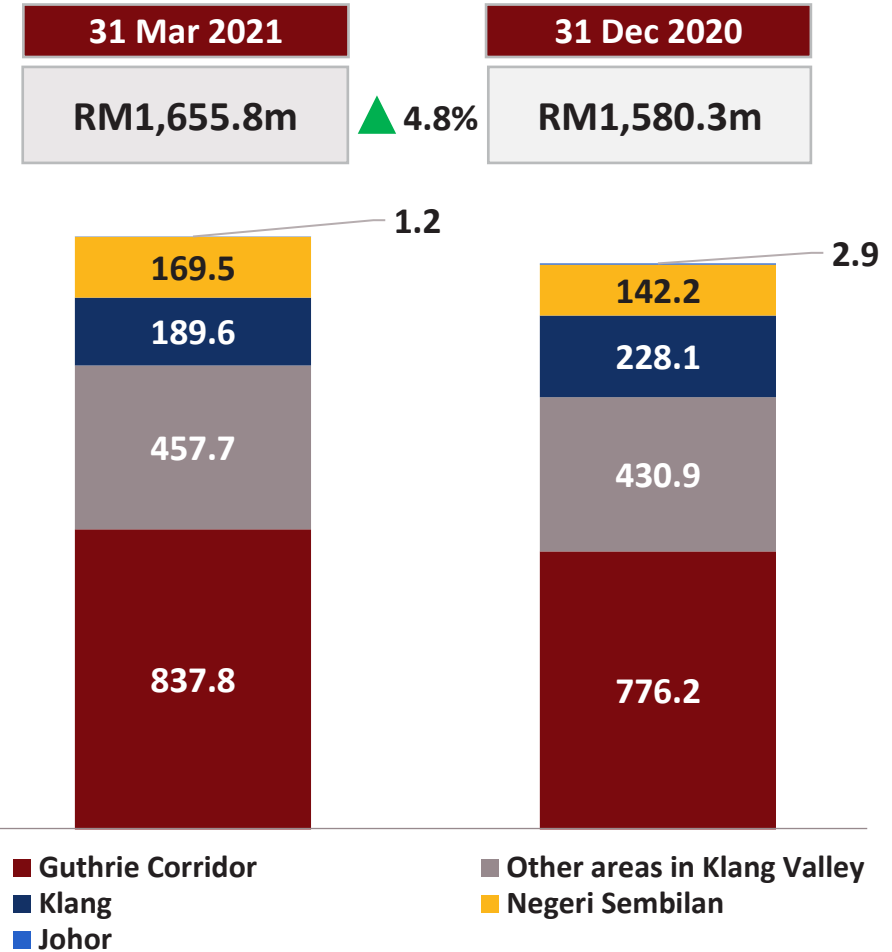
Stable unbilled sales with majority from Township Development

By Property Development Type



- Unbilled sales level as at 31 March 2021 stood at **RM1.7b** (31 Dec 2020: RM 1.6b) - **increased by 4.8%**
- **~76%** of the unbilled sales will be **recognised by FY2021**

By Location



Q1 FY2021 Launches

Encouraging average take-up rates of >90% for projects launched in the first quarter



Property

Launches in Q1 FY2021
186 units | RM111 million GDV



100% Take-up rate

122 units, GDV: RM80 mil
Launched: 29 January 2021



97% Take-up rate

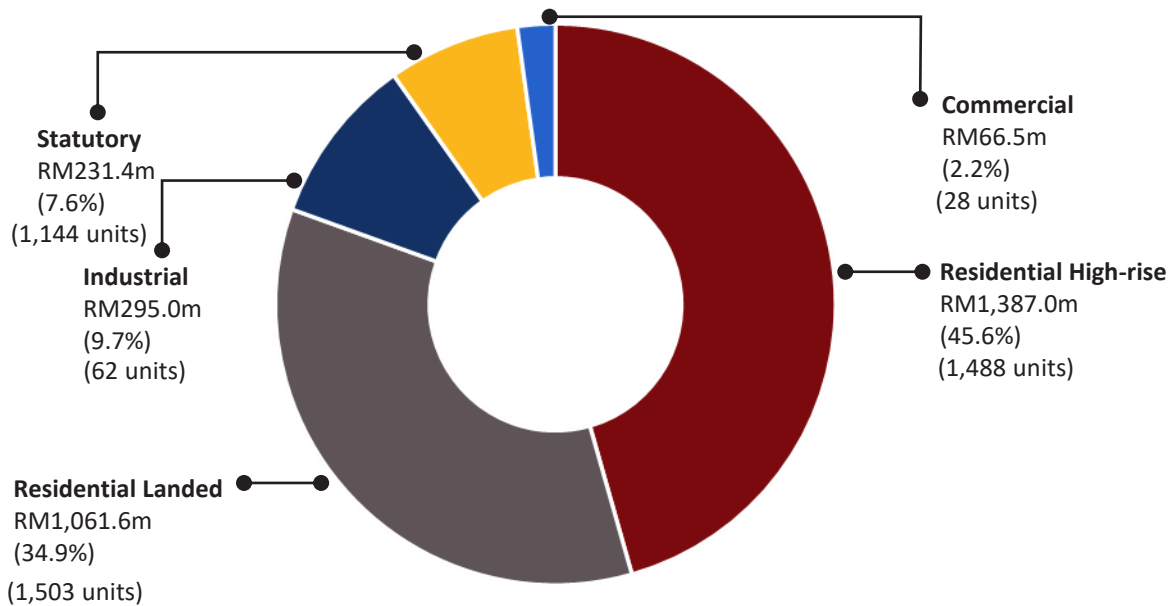
64 units, GDV: RM31 mil
Launched: 14 March 2021

Q2 to Q4 FY2021 Launches

Strategic launch plan + robust digital marketing & sales initiatives to sustain sales performance

Remaining Planned Launches FY2021 Q2-Q4: ~RM3.0 billion GDV

Agile Launch Plan with Healthy Product Mix



Planned launches in Q2: **RM1,636.4m & 1,838 units**

Product	Units	GDV (RM mil)	GDV proportion
Residential high rise	520	898.0	54.9%
Residential landed	589	434.7	26.6%
Industrial products	24	174.8	10.7%
Statutory	702	122.8	7.5%
Commercial	3	6.1	0.4%
Total	1,838	1,636.4	100%

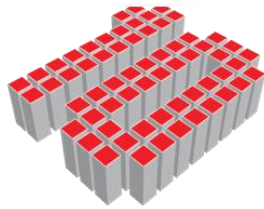
Key Highlights

- **Residential High-rise:** Luxury high rise Jendela Residences at KLGCC Resort
- **Residential Landed:** City of Elmina, Bandar Bukit Raja & Bandar Ainsdale
- **Industrial:** Introducing a new industrial township measuring >400 acres
- **Statutory:** Bandar Bukit Raja, Serenia City & Semenyih
- **Commercial:** Taman Pasir Putih

Year-to-date Awards & Recognitions

Further recognitions on SD Prop's as a leader in building sustainable communities

BCI ASIA
AWARDS



TOPTEN
DEVELOPERS 2020

BCI Asia Top 10 Awards

15 February 2021

BCI Asia Top 10 Developers
(Malaysia)

EdgeProp



EdgeProp Malaysia's Best Managed and Sustainable Property Awards 2021

4 April 2021

- Responsible Developer: Building Sustainable Development Award
- The Editor's Choice Awards for Malaysia's Exemplary Sustainable Community Park – Elmina Central Park
- EdgeProp-Institute of Landscape Architect Malaysia's Sustainable Landscape Awards – Elmina Central Park

MARC



Lead Managers' League Table Awards

9 April 2021

Malaysian Rating Corporation Berhad's
Sustainability Award 2020

Strategy Moving Forward

2021 Outlook

Expect 2021 to remain challenging; agile launch plan & cashflow preservation is key

COVID-19 pandemic continues to prevail

- Nationwide MCO 3.0 (12 May to 7 June)
- **Containment measures, success of the national vaccination programme & continued reimposition of MCO** are essential to market recovery

Property overhang issue in a subdued market

- **Greater KL*** – overhang residential units **decreased 10% YoY** to 8,026 units in Q3 2020 (~46% of total launched units)
** Including KL, Putrajaya and Selangor*
- **Negeri Sembilan** - overhang residential units **decreased 3.8% YoY** to 1,008 units in 2020 (~20% of total launched units)

Source: NAPIC

Agenda Decision on International Accounting Standards 23

- Once a property development **project phase is launched**, the **borrowing costs incurred can no longer be capitalised** but are to be **charged out to the P&L** – impact to SD Prop's P&L from FY2021 onwards

(SD Prop's finance costs increased to RM32.3mil from RM12.5 mil in the restated P&L for Q1FY20 by adopting the Agenda Decision)

Commitment for equity injection to Battersea Power Station Project

- The Group's **portion of the commitment** as at 31 March 2021 is estimated up to **£128.2 mil** (equivalent to **RM731.7 mil**) – injected RM120.3m to Battersea in Q1FY2021

Potential impact

Revenue & Profit

Profit

Cashflow

Sime Darby Property **stands resilient against** the upcoming risks and challenges and is also **well-positioned to harness opportunities for a strong rebound**

MY: Better Economic Performance in Q1 2021

MY: Smaller GDP contraction of -0.5% (4Q 2020: -3.4%) despite the imposition of MCO 2.0

UK: Housing market shows sign of recovery

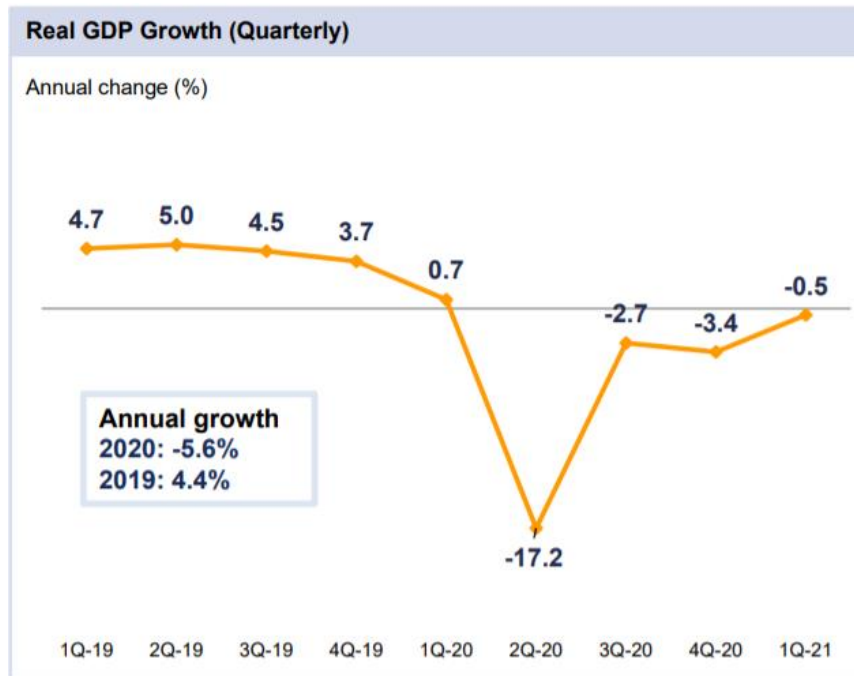


Property



BANK NEGARA MALAYSIA
CENTRAL BANK OF MALAYSIA

“The smaller decline of 0.5% in the first quarter was supported mainly by the improvement in domestic demand and robust exports performance”



“Malaysia remains on track to achieve projected growth of 6.0% – 7.5% in 2021”

Source: Bank Negara Malaysia

Q1FY2021 Quarterly Result Announcement and Briefing

UK house prices register fastest annual growth since 2007

Marc Daniel Davies / Bloomberg
May 19, 2021 17:49 pm +08



Surveys suggest the housing market picked up momentum in April as coronavirus lockdown restrictions began to ease, raising hopes that prices will weather the phasing out of the stamp-duty holiday from the end of next month. (Photo by Bloomberg)

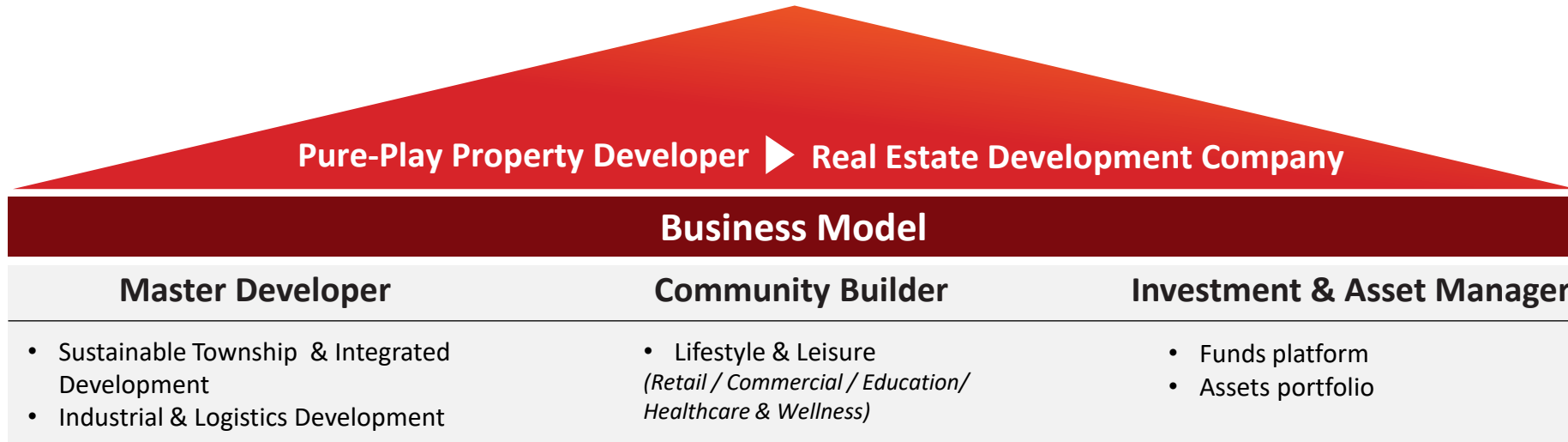
“U.K. house prices rose in March at their fastest annual pace (+10.2% YoY) since the financial crisis (August 2007) as tax incentives and a brightening economic outlook injected renewed vigor into the property market”

“Housing market picked up momentum in April as coronavirus lockdown restrictions began to ease”

Source: The Edge CEO Morning Brief, Malaysia – 20 May 2021

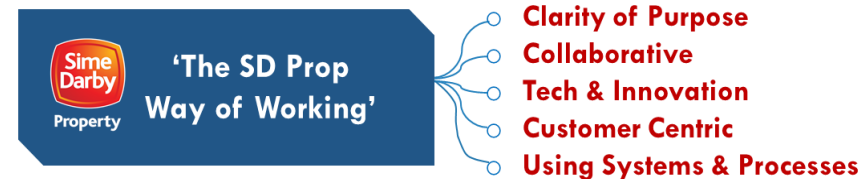
Future End-State by 2025

Transformation from a pure-play property developer to a sustainable real estate development company



Guided by 4 Corporate Priorities

7 Focus Areas



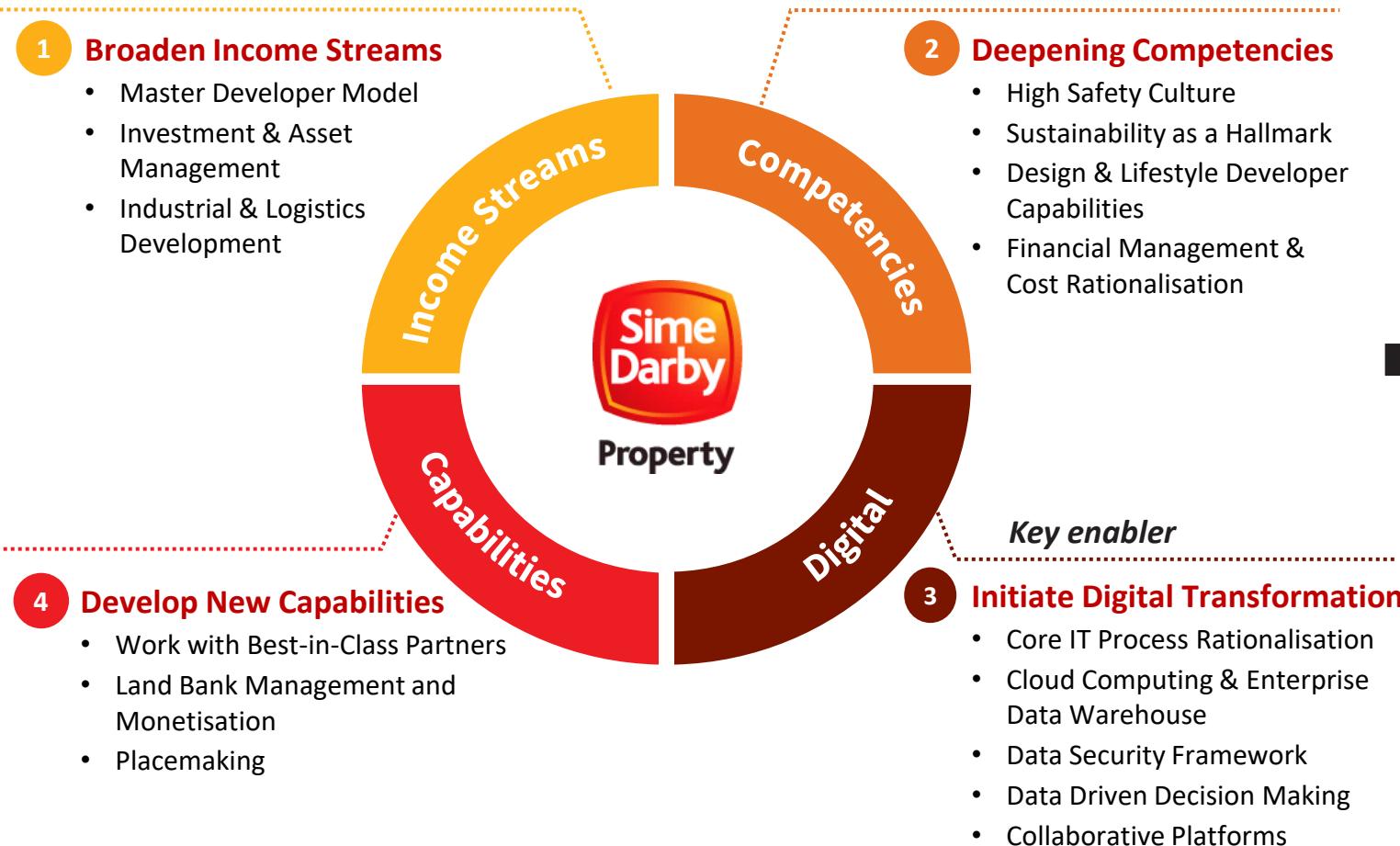
Strategic and Tactical Plans are Essential to Achieve End-State 2025

Bridging the gap between strategy and execution



The **4 Corporate Priorities** will serve as a guide to pivot our business...

...underpinned by **7 Focus Areas**



- 1 Operational Excellence
- 2 Organisational Excellence
- 3 Safety & Sustainability
- 4 Customer First
- 5 Tech & Innovation
- 6 Branding & Communication
- 7 New Revenue Streams

7 Focus Areas

Connecting the dots for our organisational transformation journey



1	Operational Excellence	Establish a firm foundation to transform the Group into a performance-driven organisation through continuous improvement in the way we work
2	Organisational Excellence	Raise productivity and enrich talent pool with internal development and strategic external hiring
3	Safety and Sustainability	Develop a safe workplace for employees and business partners for the pursuit of sustainability in the three strategic pillars of People, Planet and Prosperity.
4	Customer First	Drive improved customer experience via the adoption of new technologies
5	Tech and Innovation (T&I)	Develop technological capabilities to expand use of digital channels and data analytics
6	Branding & Communication	Enhance stakeholder interest in the Group's innovative offerings & solutions as a lifestyle developer via communication activities that add value to the marketing process & sales outcomes
7	New Revenue Streams	Establish prominence in other segments of the industry to accelerate the diversification of income and complement property development

Investment Proposition

Investment Proposition

Strong fundamentals and track records for growth



1	Resilient Financial Position	Improved Financial Performance	Solid Balance Sheet	Revenue Visibility	
	<i>* as at Mar 2021</i> <i>^ as at Apr 2021</i>	Revenue RM589.5m (+23.7% YoY)	Low Net Gearing 29.5%	Unbilled Sales RM1.7b*	Bookings RM0.8b^
		Turnaround in PBIT YoY RM97.9m (> 40-fold YoY)	Healthy Cash Position RM746.3m	Q2-Q4 Planned Launches ~RM3.0b	
2	Stable Shareholders' Return	Stable Return		Attractive Valuation	
		FY2020 Dividend Payout Ratio (excl. one offs) 87.9%		Discount to Book Value & GDV ~61%	
				Price-to-Book Value 0.5x	
3	Strong Intrinsic Value	Solid Track Record > 40 Years	The only local property developer rated by Carbon Disclosure Project (CDB)		Sukuk Musharakah Programme <ul style="list-style-type: none"> • Rated AA+_{IS} • Stable outlook
		Land bank <ul style="list-style-type: none"> • ~20k acres (existing) • ~20k acres (options) 	Constituent of: <ul style="list-style-type: none"> • FTSE4Good BURSA Index • MSCI ESG Index rated BBB 		Well-positioned to benefit from <ul style="list-style-type: none"> • Malaysia Vision Valley 2.0 • Pagoh Special Economic Zone



Property

THANK YOU / Q&A SESSION

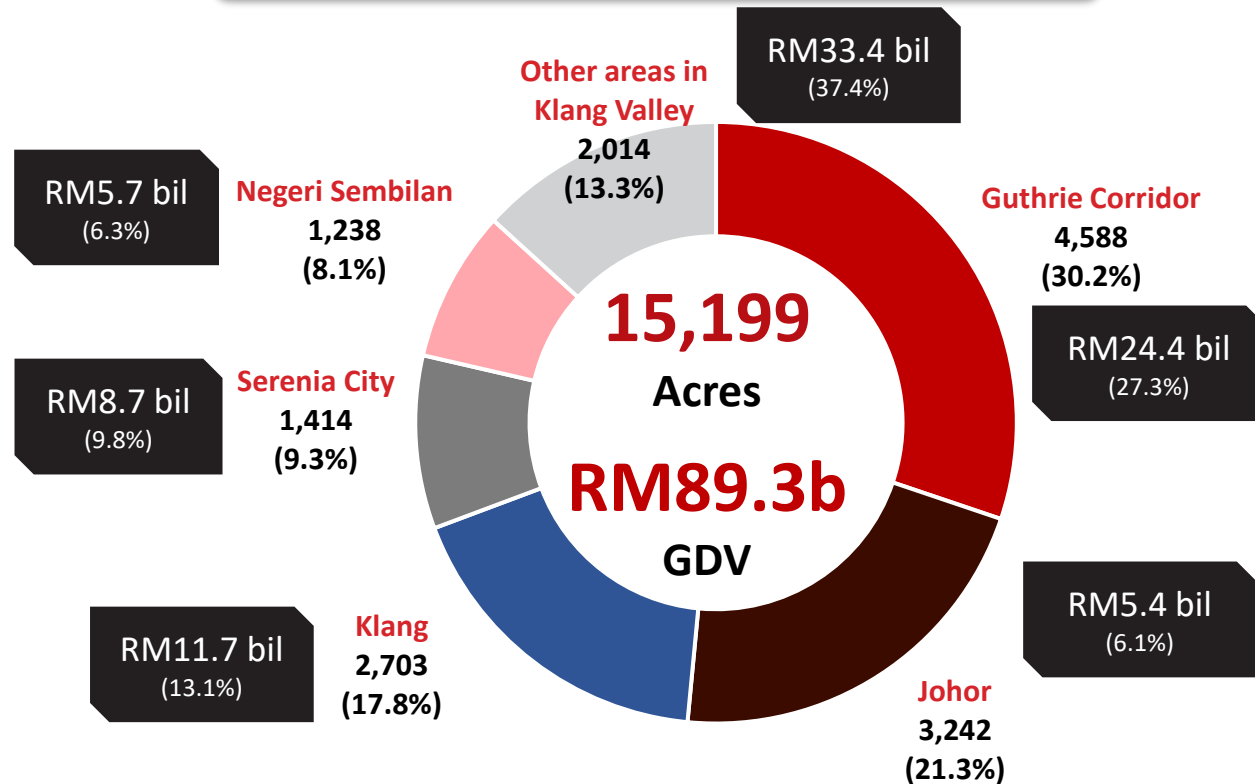


Appendix

Remaining Landbank and GDV as at 3 May 2021

Sustainable growth with remaining developable period of 25-30 years

Ongoing Remaining Developable Land



Remaining developable area for **future developments** (MVB, Planters' Haven West and others) – **4,612 acres**

Access to approximately **20,000 acres** of land bank via **call option agreements**

SD Prop is **actively reviewing its landbank and monetisation planning** to unlock the strategic land value

Notes:

Township categorisation:

- Guthrie Corridor: Elmina West, Elmina East, Denai Alam & Bukit Subang, Bukit Jelutong and Elmina Business Park
- Negeri Sembilan: Nilai, Bandar Ainsdale, Planters' Haven, Chemara and Hamilton
- Johor: Bandar Universiti Pagoh and Taman Pasir Putih
- Other Areas in Klang Valley: Ara Damansara, KLGCC Resort, Putra Heights, KL East, USJ Heights, Taman Melawati, Saujana Impian, SJCC, SJ7 and Lagong