



Q3 FY2022

# FINANCIAL RESULTS

## ANALYST BRIEFING PRESENTATION







**Property**

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# 9M FY2022 Financial Highlights

Commendable performance recorded as profit doubles in 9M FY2022; Well positioned to achieve financial and operational targets for the year



## ● Financial Performance Snapshot

**Revenue** ▲ 21%

**RM1,785.2 million**

(9M FY2021: RM1,478.1m)

**Profit Before Tax** ▲ 90%

**RM323.1 million**

(9M FY2021: RM169.8m)

**PATAMI** ▲ >100%

**RM212.7 million**

(9M FY2021: RM84.1m)

## ● Financial Position as at 30 September 2022

**Cash Position**

**RM876.2 million**

(As at 31 Dec 2021: RM909.7m)

**Total Equity**

**RM9,372.5 million**

(As at 31 Dec 2021: RM9,506.0m)

**Net Assets per Share Attributable  
to Owners of the Company**

**RM1.36**

(As at 31 Dec 2021: RM1.38)

**Gross Gearing Ratio**

**37.6%**

(As at 31 Dec 2021: 41.0%)

**Net Gearing Ratio**

**28.2%**

(As at 31 Dec 2021: 31.5%)

# 9M FY2022 Operational Highlights

Surpassed FY2022 sales target with RM2.7 billion sales achieved in 9 months; Strong sales momentum in Q3 FY2022 of RM808.3 million continued to strengthen the Group's resilient performance



## ● Sales Snapshot

**Sales Achieved** ▲ 43%

**RM2.7 billion**

(2,750 units sold)

9M FY2021: RM1.9 bil

**Total Bookings** ▲ 24%

**RM2.1 billion**

(as at 6 Nov 2022)

As at 7 Nov 2021: RM1.7 bil

**Unbilled Sales** ▲ 67%

**RM3.5 billion**

(as at 30 Sept 2022)

9M FY2021: RM2.1 bil

## ● Product Launches

**9M FY2022 New Launches**

**RM2.1 billion GDV**

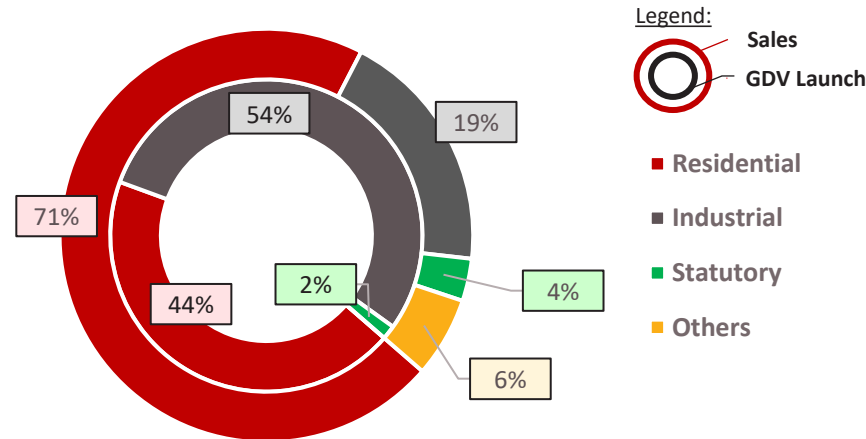
**Average Take-up Rates\***

(9M FY2022 New Launches)

- All products: 90%
- Residential: 92%
- Industrial: 88%

\*Average take-up rates as at 6 November 2022

## ● Sales Achieved & GDV Launch Composition (9M FY2022)



### % Contribution:

- Residential: 71% (Sales); 44% (GDV launched)
- Industrial: 19% (Sales); 54% (GDV launched)



**Twin Factories 3, Elmina Business Park**  
24 units | RM133.7m | Sept 2022

**100%**  
take-up



**Serenia Anira 1 & 3, Serenia City**  
200 units | RM145.5m | June & July 2022

**88%**  
Avg. take-up\*

\*Combined avg. take-up rates



# Q3 FY2022 Corporate Awards & Development Highlights

SD Property has been recognised as Top 10 Property Developer in Malaysia for the 11<sup>th</sup> year running at The Edge Malaysia Top Property Developers Award and 10<sup>th</sup> win at the BCI Asia Awards



## ● Key Corporate Awards & Recognitions



Top 10 Property Developer in Malaysia at The Edge Malaysia Top Property Developers Award 2022



Top 10 Developers in Malaysia at the 17<sup>th</sup> BCI Asia Awards 2022



Top 10 of the Top-of-The-Chart (RM1b & above) category at the Malaysia Developer Awards 2022



10 Awards won at the StarProperty Awards 2022 including All-Star Award, 8 Excellence Awards for BBR, Serenia City, KLGCC, KL East & Putra Heights



Best Championship Course in Asia Pacific (KLGCC) – Bronze Category at the Asian Golf Awards 2022



3 Awards won at the Media Specialist Association Awards 2022  
(Gold – Data Analytics; Bronze – Marketing Technology & Media Performance)

## ● Key Corporate Developments



Launch of Serenia City's First Urban Farm with BoomGrow



Groundbreaking ceremony for development of a multi-tenanted Ready-Built Warehouse at BBR Industrial Gateway



# Highlights on Battersea Power Station Opening Ceremony

Battersea Power Station officially launched to public on 14 October 2022 and welcomed more than a quarter of a million visitors during its opening weekend



Yang di-Pertuan Agong Al-Sultan Abdullah Ri'ayatuddin Al-Mustafa Billah Shah Ibnu Almarhum Sultan Haji Ahmad Shah Al-Musta'in Billah officiated the opening ceremony of the Malaysian-owned Battersea Power Station in Central London, ahead of its public launch on Friday, 14 October 2022

... BBC

## [Battersea Power Station opens after decades of decay](#)

Looming over the River Thames, Battersea Power Station lay derelict for decades. On Friday, though, the reinvention of one of London's truly...



The Star

## [Battersea Power Station receives more than 250000 visitors](#)

Battersea Power Station opened its doors to the public on Oct 14, alongside Electric Boulevard, following a transformational eight-year...

The Guardian

## ['Full of life again': Battersea power station opens to shoppers](#)

Among the thousands of people who rushed into the building after the grand opening of the newly developed Battersea power station were Orla...



Control Room B



Turbine Hall A



# Financial Performance

Third Quarter (Q3 FY2022) & Nine Months (9M FY2022) ended 30 September 2022

# Profit & Loss Performance

Revenue of RM1.8b in 9M FY2022 grew +21% against preceding year; while PBT soared to RM323.1m (+90% YoY) strengthened by continued profitability from all business segments



RM mil	Q3 FY2022	Q3 FY2021 (restated)	YoY %	Q2 FY2022 (restated)	QoQ %	9M FY2022	9M FY2021 (restated)	YoY %
Revenue	689.3	387.4	▲ 77.9	615.6	▲ 12.0	1,785.2	1,478.1	▲ 20.8
Gross Profit	207.5	82.1	▲ >100.0	191.3	▲ 8.5	532.0	371.9	▲ 43.1
% Margin	30.1	21.2	▲ 8.9	31.1	▼ (1.0)	29.8	25.2	▲ 4.6
PBIT	91.4	5.3	▲ >100.0	146.8	▼ (37.8)	321.9	166.2	▲ 93.7
PBT	94.1	7.3	▲ >100.0	145.9	▼ (35.5)	323.1	169.8	▲ 90.2
% Margin	13.6	1.9	▲ 11.7	23.7	▼ (10.1)	18.1	11.5	▲ 6.6
PATAMI	56.1	(5.2)	▲ >100.0	105.0	▼ (46.5)	212.7	84.1	▲ >100.0
% Margin	8.1	(1.3)	▲ 9.4	17.1	▼ (9.0)	11.9	5.7	▲ 6.2
Basic Earnings Per Share (sen)	0.8	(0.1)	▲ >100.0	0.8	◆ 0.0	3.1	1.2	▲ >100.0

## Quarter-to-date: Q3 FY2022 (YoY & QoQ)

- YoY**
- Revenue of RM689.3m and PBT of RM94.1m improved by 78% and >100% YoY as Q3 FY2021 was affected by enforcement of FMCO in June – August 2021 which resulted in lower contribution from PD & Leisure segments
- QoQ**
- Revenue and Gross Profit increased by 12% and 9% respectively;
    - Better performed PD segment with stronger sales achieved from new launches in major townships (City of Elmina, Bandar Bukit Raja, Elmina Business Park, Serenia City and Nilai Impian);
    - Leisure and I&AM performance remained on par with preceding quarter
  - PBT decreased by 36% partly due to stronger performance in Q2 FY2022 driven by gains from the dilution of equity interest in IDF amounting to RM44.1 mil

## 9M FY2022 vs 9M FY2021 (YoY)

- Revenue increased by 21% to RM1.8b driven by strong sales performance and positive on-site development; gross profit increased to RM532.0m (+43% YoY) with margin expansion to 30% (+5% YoY)
- PBT improved by 90% YoY from RM169.8m to RM323.1m underpinned by profitability growth by all 3 business segments and supported by:
  - Gain from dilution of equity interest in IDF
  - Gain on disposal of equity interest of asset in Vietnam under Leisure segment
  - Progress from active land bank management & monetisation



# Segmental Revenue and PBT Analysis for 9M FY2022

Property Development segment contributed to higher revenue and PBT by 19% and 72%, driven by positive sales momentum and stronger activation



## Property Development (PD)

	9M FY2022	9M FY2021	
Revenue	RM1,643.1m	RM1,377.3m	▲ 19.3%
PBT	RM270.3m	RM157.0m	▲ 72.1%

### 9M FY2022 vs 9M FY2021 (YoY)

- PD segment remain the largest revenue contributor to the Group at 92%
- Improved revenue and PBT by +19.3% & +72.1% respectively to RM1.6b and RM270.3m in 9M FY2022 attributable to:
  - Higher sales achieved; RM2.7b vs RM1.9b in 9M FY2021 where industrial products contributed to 19% in 9M FY2022 vs 16% same period last year
  - Positive overall site progress as compared to 9M FY2021 which was impacted by implementation of Full Movement Control Order (“FMCO”) in June to August 2021
  - Revenue from activation of new phases; in City of Elmina, Bandar Bukit Raja, Serenia City, Bandar Ainsdale, Nilai Impian, KL East & Putra Heights
  - Progress from active land bank management & monetisation, and gains in the previous quarters
- PBT margin improved to 16.5% (vs 11.4% in 9M FY2021)

# Segmental Revenue and PBT Analysis for 9M FY2022

I&AM recorded stronger performance via contribution from retail segment following the sector's rebound; Further improvement seen in Leisure segment's performance as PBT increased >100%



## Investment & Asset Management

	9M FY2022	9M FY2021	
Revenue	RM79.3m	RM63.0m	▲ 25.9%
PBT	RM42.1m	RM28.5m	▲ 48.0%

### 9M FY2022 vs 9M FY2021 (YoY)

- **Revenue increased by +25.9% YoY or RM16.3m to RM79.3m driven by:**
  - Higher revenue from KL East Mall ("KLEM") by RM9.0m (+57% YoY)
  - Higher occupancy rate in KLEM at 79.0% (vs 71.4% in 9M FY2021); and
  - Increasing average footfall by +85.4% (KLEM) and +74.3% (Melawati Mall) YoY
- **PBT improved by +48.0% YoY or RM13.6m to RM42.1m** as share of results from Melawati Mall improved by RM7.1m (+>100% YoY) mainly from increased rental contribution, as compared to last year which was affected by the adverse impact of MCO lockdowns
- PBT margin improved to 53.1% (vs 45.2% in 9M FY2021)

## Leisure

	9M FY2022	9M FY2021	
Revenue	RM62.8m	RM37.8m	▲ 66.4%
PBT/(LBT)	RM10.7m	(RM15.6m)	▲ >100%

### 9M FY2022 vs 9M FY2021 (YoY)

- **Significant growth in Revenue and PBT by +66.4% and >100% to RM62.8m and RM10.7 respectively** contributed by:
  - Increased revenue contribution from banqueting / F&B by RM16.1m (+>100% YoY) and golfing activities by RM10.0m (+>100% YoY), as compared to the adverse impact of MCO lockdowns
  - PBT enhanced by gain on disposal in Vietnam of RM8.9m in Q1 FY2022
- PBT margin improved to 17.0% vs LBT in 9M FY2021



# Cash and Debt as at 30 September 2022

Well-capitalised for growth; Healthy cash balances of ~RM876m with positive operating cash flow generated from improving sales and moderate net gearing of 28.2% as at 9M FY2022 (21.5% without BPS-related borrowings)

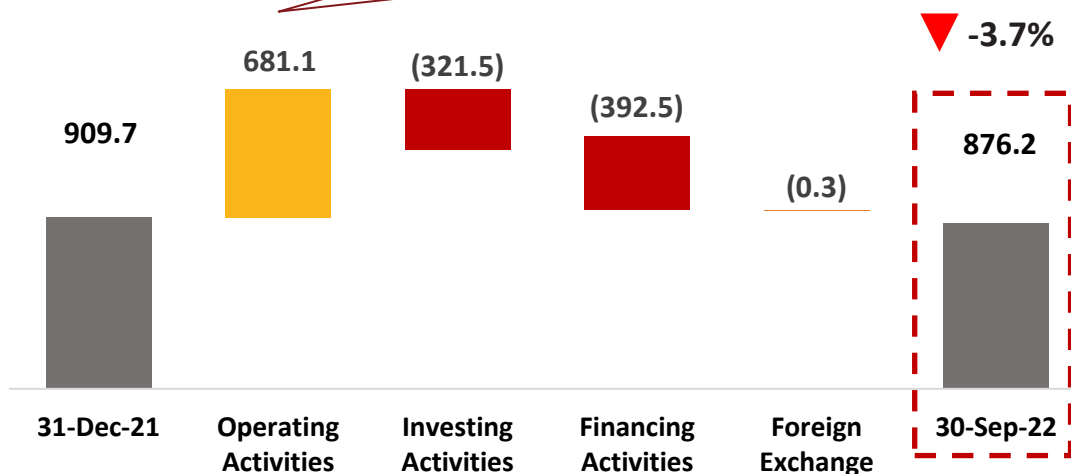


## Cash & Cash Equivalents

(RM mil)

### Net operating cash inflow remains positive:

- Positive net cash inflow from operating activities via collection from major development projects
- 9 phases HOVP in 9M FY2022



### Net investing cash outflow:

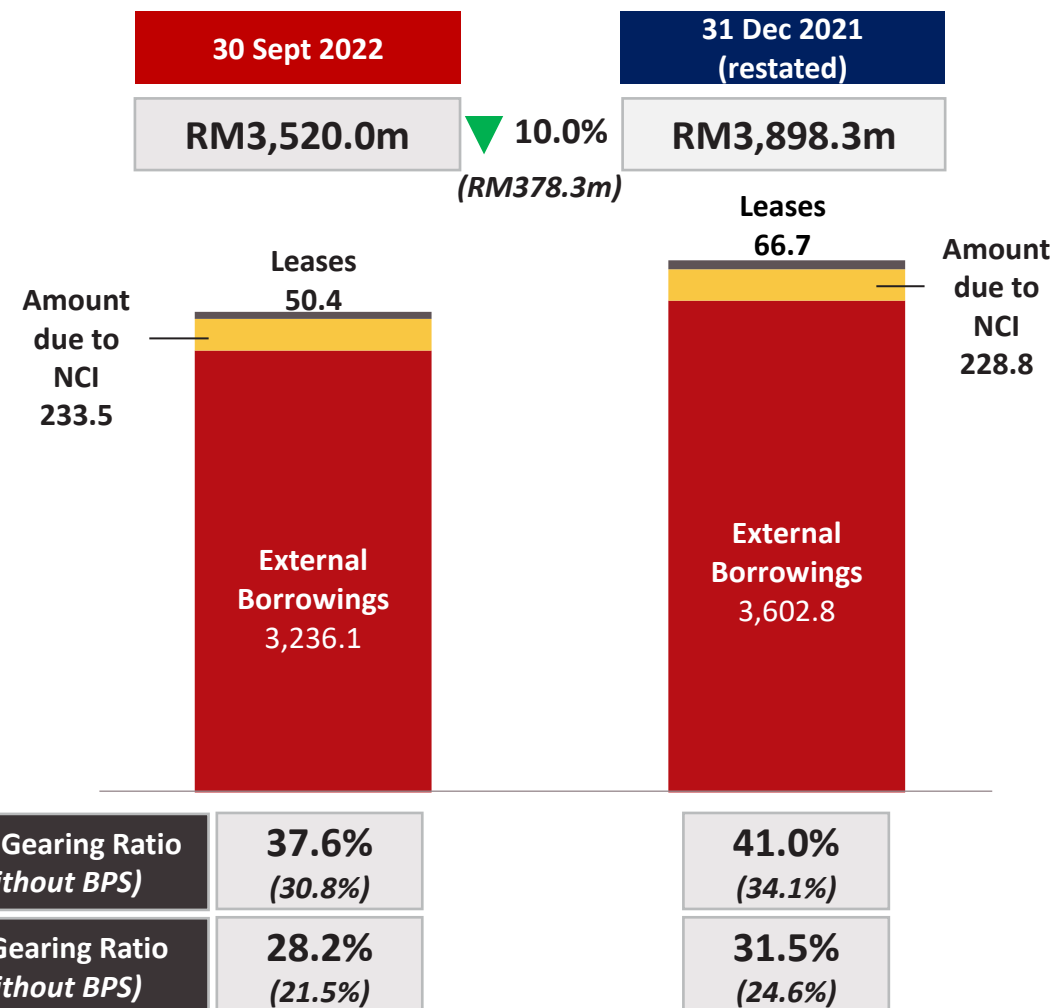
- Mainly related to equity injection into Battersea Power Station project of RM215.4m in H1 FY2022

### Net financing cash outflow:

- Net of repayment of borrowings, lease liabilities and interest of RM384.0m

## Group Debt

(RM mil)

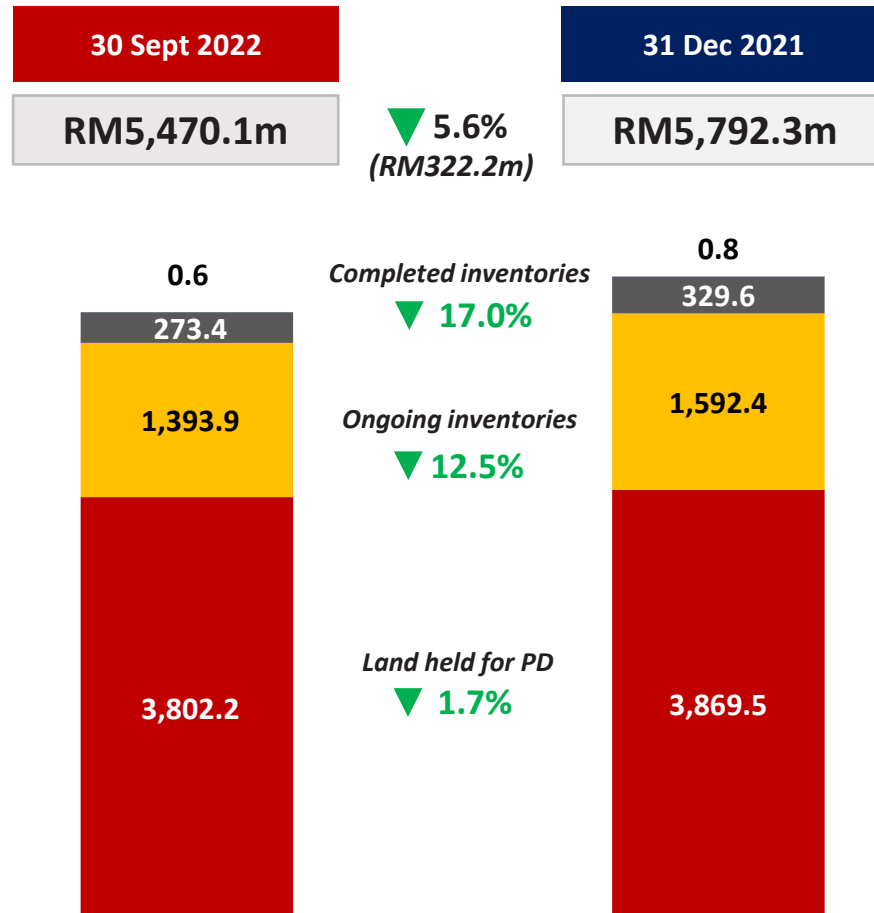


# Property Development Inventories as at 30 September 2022

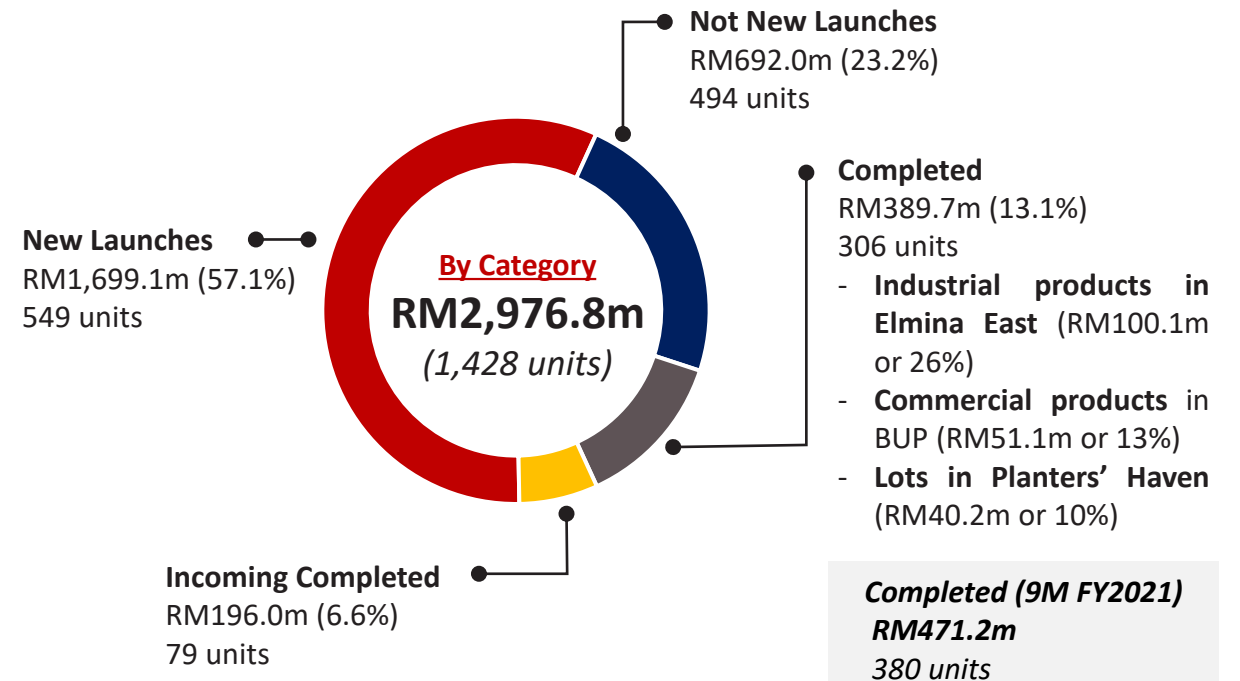
- Total inventories (carrying value) reduced by ~6% or RM322m in 9M FY2022 predominantly driven by landbank activation (via new launches and pace of development);
- Total inventories (GDV) of RM2.9b remain at manageable proportions with 57% consisting of New Launches; while ongoing inventories (Incoming Completed & Not New Launches) amount to 30%



## Inventories in Carrying Value



## Inventories in GDV & Units (9M FY2022)



**Cleared RM81.5m or 17.3% of completed inventories YoY**

### Definitions:

- Completed – Projects **completed as at 1 Jan 2022**
- Incoming Completed – Projects **to be completed in FY2022**
- Not New Launches – Projects **launched prior FY2022 & target completion after FY2022**
- New Launches – Projects **launched in FY2022**





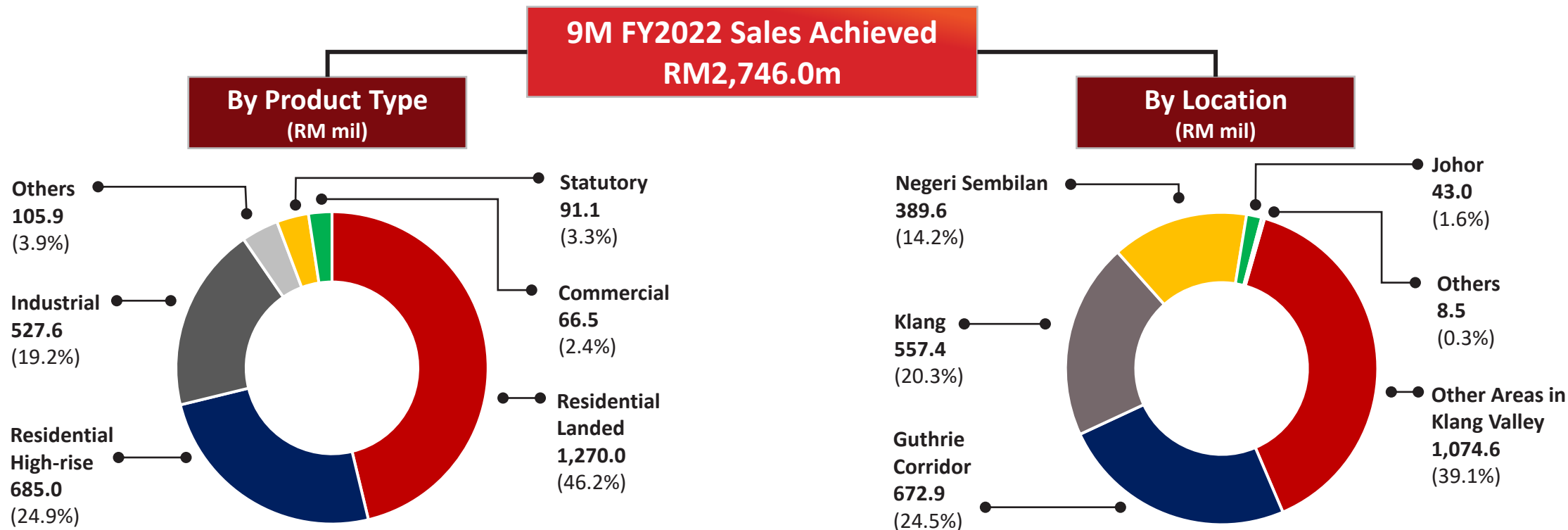
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# Operational Performance

Third Quarter (Q3 FY2022) & Nine Months (9M FY2022) ended 30 September 2022

# Sales Achieved by Product Type and Location

Residential landed product type in the City of Elmina, Bandar Bukit Raja (“BBR”) & Serenia City remained as the key sales contributor, followed by residential high-rise in KLGCC Resort



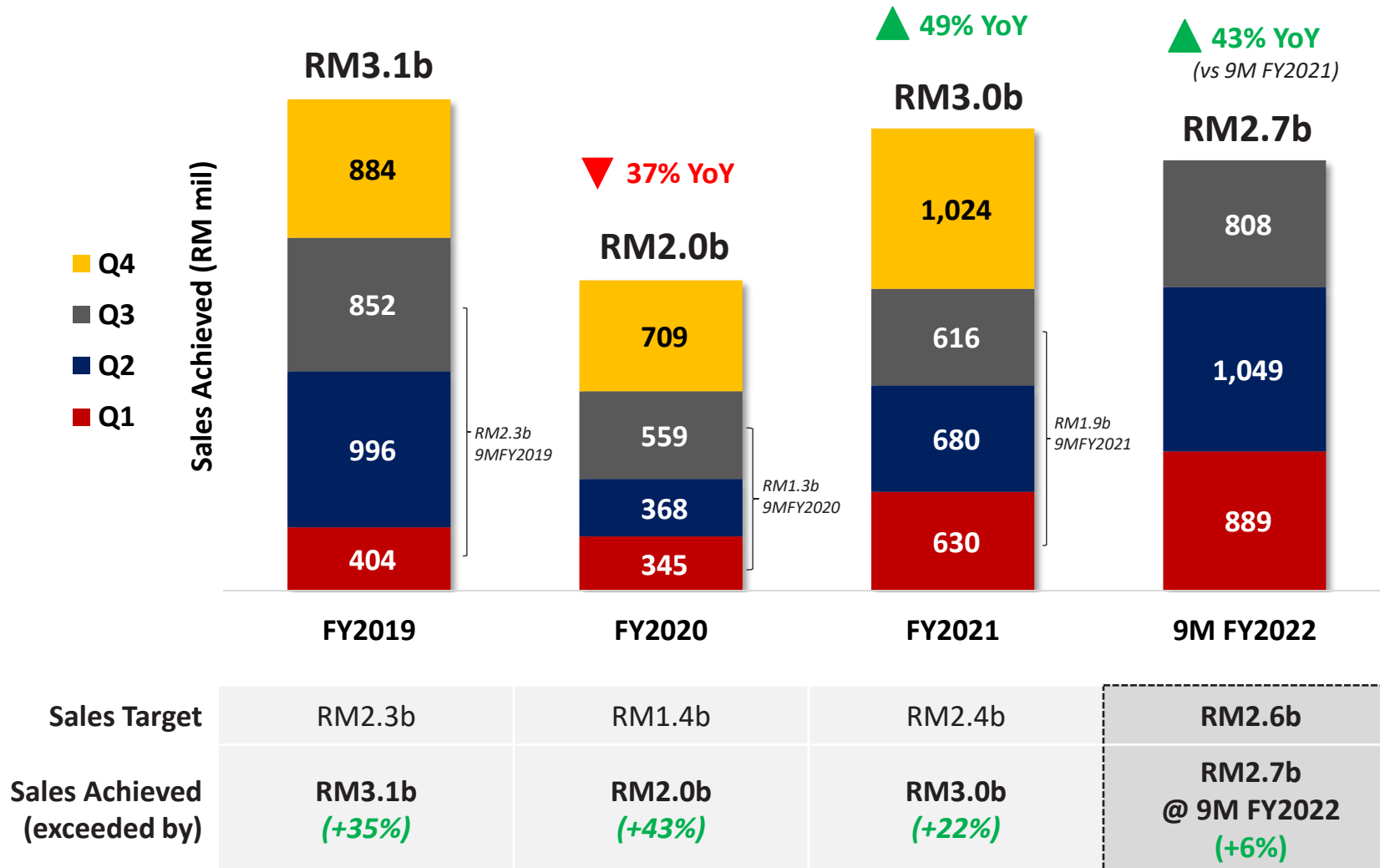
- **Residential landed** remained as top contributor (~46% or RM1.3b) mainly from **Ilham Residence 2** in City of Elmina, **Nadira 1 & 2** in Bandar Bukit Raja (“BBR”) & **Aiora 1 & 2** in Serenia City
- Followed by **residential high-rise** (~25% or RM685.0m) mainly from **Jendela Residences**, KLGCC Resort
- **Industrial** contributed ~19% or RM527.6m driven by **The Detached Factories** in BBR & **The Twin Factories 2** in Elmina Business Park

- **Other Areas in Klang Valley** – key sales contributor (~39%) driven by **KLGCC Resort** and **Serenia City** which comprised ~26% of the total sales
- **Guthrie Corridor** as the second sales contributor (~25%), mainly from **Elmina East** and **Elmina West**
- **Klang** – ~20% of total sales largely derived from **Bandar Bukit Raja 2**
- **Negeri Sembilan** – ~14% of total sales mainly from **Nilai Impian 2** and **Hamilton Nilai City**



# Sales Performance Breakdown (by Year/Quarter)

9M FY2022 sales of RM2.7b is 43% higher YoY and outperformed pre-pandemic level (9M FY2019) by 22%;  
Surpassed FY2022 sales target of RM2.6b in 9 months



**Bookings as at 6 Nov**  
**RM2.1 billion**

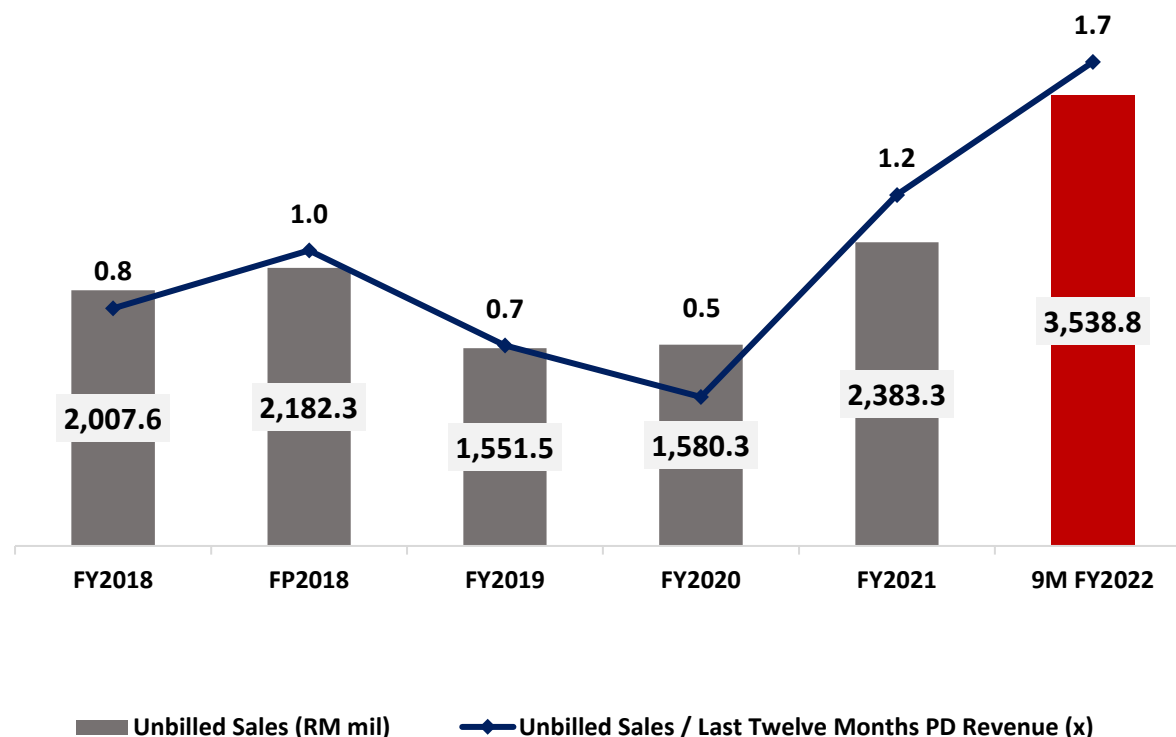
- 9M FY2022 sales achieved of RM2.7b is **43% higher YoY** (9M FY2021: RM1.9b) and **has exceeded its full year target** of RM2.6b
  - Outperformed pre-pandemic level by 22%** (9M FY2019: RM2.3b)
- Q3FY2022 sales achieved of RM808m improved by 31% YoY** (Q3FY2021: RM616m), mainly contributed by bookings conversion from new launches (~55%)
- Sales momentum anticipated to progress towards the year-end** with bookings amounting to RM2.1b as at 6 November 2022

# Unbilled Sales as at 30 September 2022

Unbilled sales recorded at RM3.5b or 1.7x cover ratio on the back of strong sales momentum in Q3 FY2022;  
Secured earnings visibility across the next two years

**RM3,538.8m as at 9M FY2022**

9M FY2021: RM2,084.6m



## By Property Development Type

### Township Development

RM2,372.4m

(67.0%)

9M FY2021: RM1,650.4m (79.2%)

### Integrated Development

RM1,166.4m

(33.0%)

9M FY2021: RM434.2m (20.8%)

## By Location

### Other Areas in Klang Valley

RM1,444.2m

(40.8%)

### Guthrie Corridor

RM989.2m

(28.0%)

### Klang

RM568.4m

(16.1%)

### Negeri Sembilan

RM524.3m

(14.8%)

### Johor

RM12.7m

(0.4%)

- Unbilled sales registered at RM3.5b as at 30 September 2022 (+5.4% QoQ; +69.8% YoY) (Q2 FY2022: RM3,357.0m; 9M FY2021: RM2,084.6m)
- Current unbilled sales cover ratio of 1.7x has improved by 0.5x since December 2021 and will continue to provide future earnings visibility, supported by contribution from Integrated Development (ID) which has increased its unbilled sales significantly to RM1.2b (9M FY2021 ID: RM434.2m)
- ~18% of the unbilled sales will be recognised in Q4 FY2022, bulk of the balance is expected to be recognised across the next two financial years



# FY2022 Launch Pipeline

Launched ~RM2.1b worth of products in 9M FY2022 achieving 90% average take-up rate for all launches;  
Remaining ~RM504m GDV to be launched in the final quarter with the return of residential high-rise products



## 9M FY2022

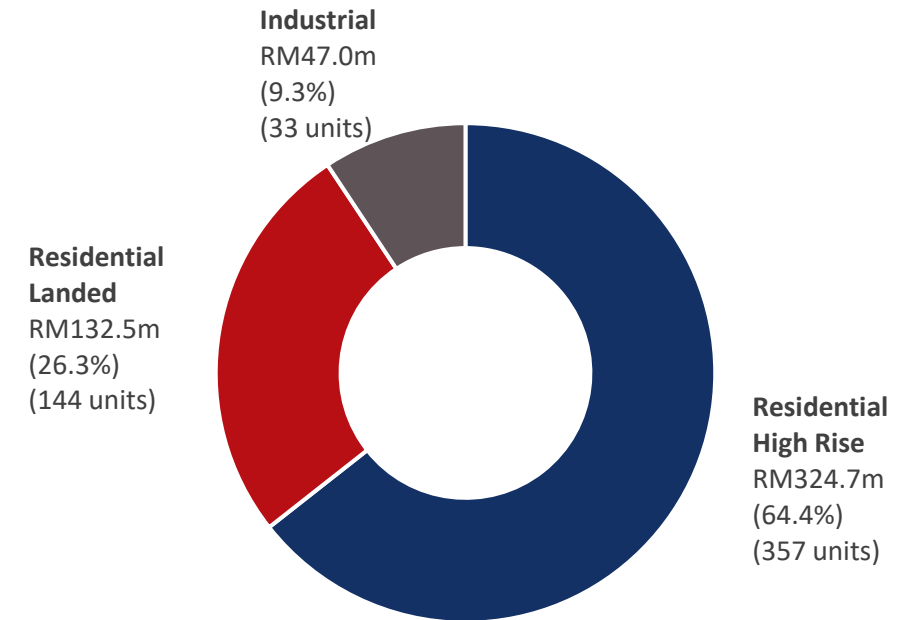
Units Launched: **1,520** | GDV Launched: **RM2,121.6m** | Avg. Take Up: **90%**

Product	9M FY2022 (Actual)				Q4 Remaining Launches	
	Units	GDV (RM mil)	GDV (%)	Avg. Take Up %	Units	GDV (RM mil)
Industrial	171	1,153.1	54%	88%	33	47.0
Residential Landed	1,195	937.5	44%	92%	144	132.5
Residential High Rise	-	-	-	-	357	324.7
Statutory	154	30.8	2%	92%	-	-
Commercial	-	-	-	-	-	-
Total	1,520	2,121.6	100%	90%	534	504.2

## Key Highlights (9M FY2022)

- **Industrial:**
  - Q1: Elmina Business Park & XME Business Park, Nilai Impian (RM151.5m GDV)
  - Q2: Bandar Bukit Raja 3 (RM619.8m GDV)
  - Q3: Hamilton Industrial Park 2, Bandar Universiti Pagoh, Elmina Business Park (RM381.8m)
- **Residential Landed:**
  - Q1: Dayana 2 Phase 2, Nilai Impian & Ilham Residences 2, City of Elmina
  - Q2: Anggun 2 (Bandar Ainsdale), Serenia Anira 1 (Serenia City), Nadira 1 & 2 (Bandar Bukit Raja), East 57 (KL East) & Elmina Green 6, City of Elmina
  - Q3: Serenia Anira 3, Serenia City & Elmina Green 6 Phase 2, City of Elmina

## Q4 FY2022 Remaining Launches 534 units | RM504.2 million GDV



Launched RM420.6m or 83% of Q4 planned launches (GDV) as at 20 November 2022

# Q3 FY2022 Industrial Launches

Industrial products contributed 65% of Q3 FY2022 launches with exceptional take-up rates, supported by the on-going industrial-driven “We’re the Go-To Experts” campaign





# Q3 FY2022 Residential Launches

Successful launch of residential products in Serenia City & the final stage of City of Elmina's third generation Signature Series, Elmina Green 6 which have garnered commendable average take-up rates of >80%



**Serenia Anira 1 & 3, Serenia City**  
200 units | RM145.5m | June & July 2022

**88%**  
Avg. take-up\*



**Elmina Green 6 Phase 1 & 2, City of Elmina**  
255 units | RM224.0m | June & Aug 2022

**83%**  
Avg. take-up\*







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# Battersea Power Station Updates





# Residential Sales & Leasing Update (YTD September)

Residential sales at the Power Station & Electric Boulevard totaled £247m as at 9M FY2022;  
New exciting offerings following its opening anchored by Lift 109 experience & the upcoming Art’otel



Phase 2: The Power Station	
Residential Sales	£166m
Leasing Status	90%

## Key Highlights:

- Lift 109, welcomed its first guests from 15 November 2022
- One of the most unique experiences in London, a one-of-a-kind glass elevator ascent 109m up to the top of one of the landmark’s iconic chimneys with a spectacular 360-degree view of the city’s skyline

Phase 3A: The Electric Boulevard	
Residential Sales	£81m
Leasing Status	81%

## Key Highlights:

- Art’otel London Battersea Power Station, will be officially launched on 21 February 2023, with doors open from 12 December 2022 for first stays
- The 164-bedroom hotel is located within Battersea Roof Gardens, a new building designed by Foster + Partners that forms a key part of the new Electric Boulevard



# Residential & Commercial Launches: Koa & 50 Electric Boulevard

Koa marked the first release of new residences at Battersea Power Station since 2014 with encouraging market responses and interests to-date; Recently launched commercial office space, 50 Electric Boulevard



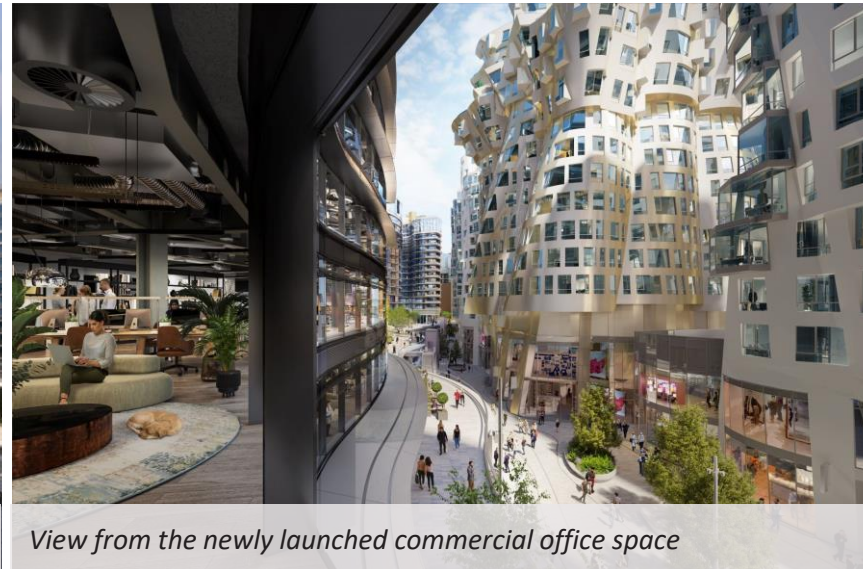
## Key Highlights

- **Launched Koa at Electric Boulevard on 21 October 2022**, following the official opening of Battersea Power Station on 14 October
  - A new collection of **204 apartments** at Battersea Power Station **designed by internationally renowned architects, Foster + Partners**
  - **Studio, one- and two-bedroom apartments, from £640,000**
  - **Located at the southern end of Battersea Roof Gardens**, near Zone 1 London Underground Station, on the new pedestrian high street
- **50 Electric Boulevard: 200,000 sq. ft. of next generation commercial office space**, to complete in summer 2023

Source: Battersea Power Station



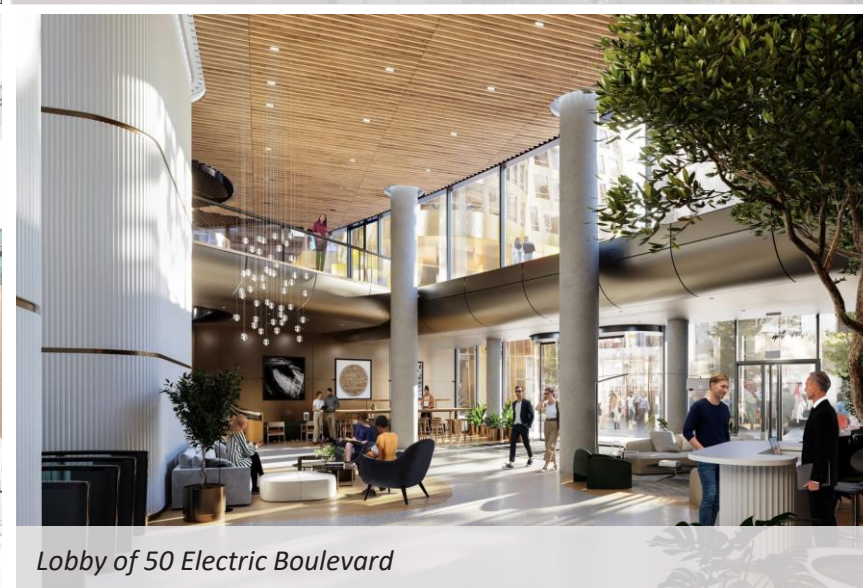
Koa at The Electric Boulevard



View from the newly launched commercial office space



Interior view of Koa, new apartment in Battersea



Lobby of 50 Electric Boulevard





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# Land Bank Management and Monetisation Plan

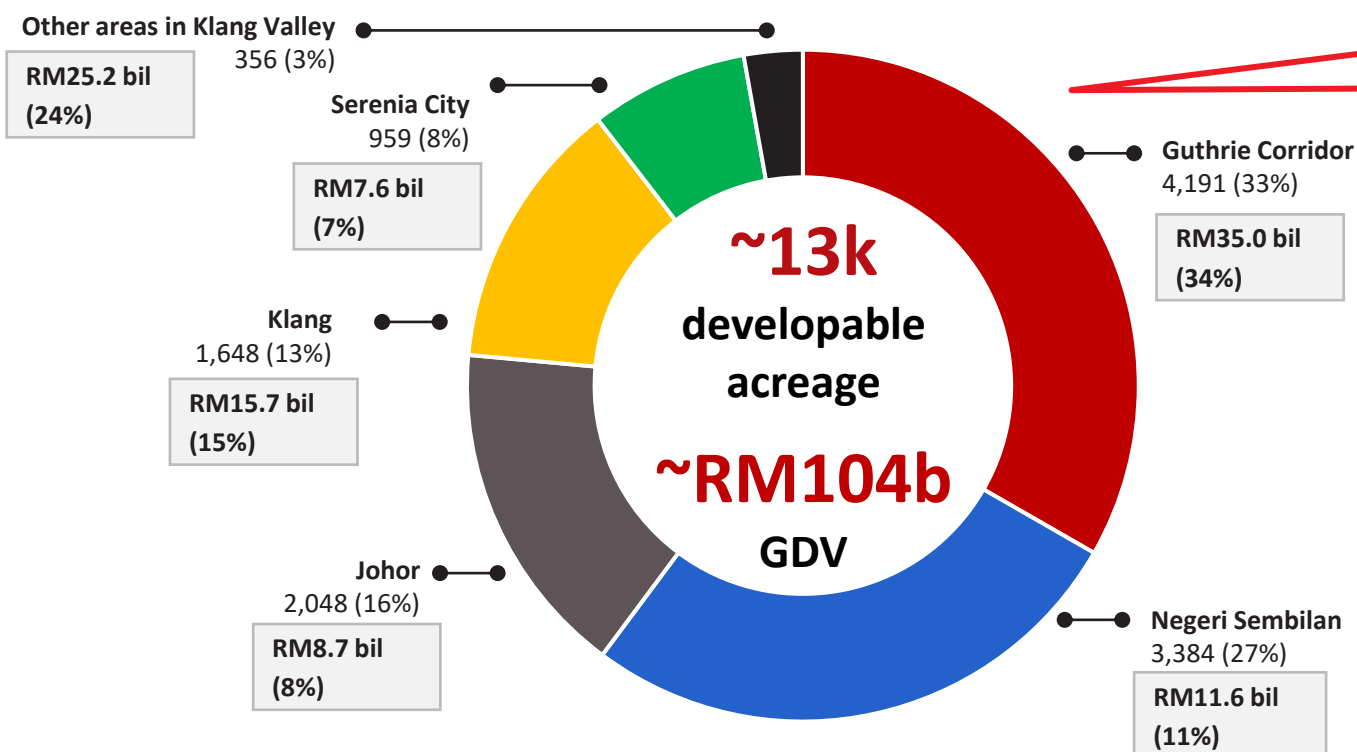


# Remaining Land Bank & GDV (as at September 2022)

~14,800 acres of land bank located strategically on the west coast of Peninsular Malaysia;

GDV of >RM100b to be unlocked for future earnings visibility

Ongoing Developable Lands	Future Developable Lands	Non-Core Lands
<p>~9,065 acres, RM87b</p> <p><i>Dec 2021: ~9,448 acres, RM89b</i></p>	<p>~3,522 acres, RM17b</p> <p><i>Dec 2021: ~3,507 acres, RM15b</i></p>	<p>~2,200 acres, RM1 – 3b</p> <p><i>(Range depending on GDV or Market Value)</i></p> <p><i>Dec 2021: ~2,453 acres</i></p>



## Land Utilisation Efficiency (Ongoing & Future)

**GDV/acre: RM12m – RM13m (net acreage)**

- Ongoing land bank activation and monetisation to unlock land value & contribute to Group's development
- One of the key metrics of the Group's transformation & growth plan

### Notes:

#### Township categorisation:

- Guthrie Corridor: Elmina West, Elmina East, Denai Alam & Bukit Subang, Bukit Jelutong, Elmina Business Park and Lagong
- Negeri Sembilan: Nilai Impian, Bandar Ainsdale, Planters' West, Chemara East, Semenyih, Hamilton Nilai City and MVV (Labu & New Labu)
- 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 and SJ7

# Land Bank Management & Monetisation Plan

Land development and monetisation continue to progress at a high rate as at 9M FY2022;  
Non-core land disposals gaining traction; additional proceeds to be utilised to fund new land acquisitions



## ● Land Activation

<i>In acres</i>	FY2019	FY2020	FY2021	9M FY2022
PD Land development & monetisation	~300	~250	~730	~530
Non-Core Disposals	-	-	~70	~610
Total (acres)	~300	~250	~800	~1,140

- ~800 acres of lands activated in FY2021 vs ~300 acres in previous years;
- Land activation as at 9M FY2022 (>1,000 ac) surpassed previous years' average (2019/2020)

## ● Newly Activated Industrial Townships

	Launch Date	Land Activated to-date (acres)	Launched GDV (RM mil)	Remaining Nett Acreage	Remaining GDV (RM bil)
BBR3	Jun 2022	~140	619	~720	5.9
Hamilton Nilai City	Jun 2021	~200	435	~90	0.5
Total (acres)		~340	1,054	~810	6.4

- **Approx. 340 acres in newly activated industrial townships** (BBR3 and Hamilton Nilai City) **within the past 1+ year**;
- Both townships cumulatively contributed ~RM1bil in GDV to-date;
- Total remaining GDV of **RM6.4bil** to be extracted

## ● Land Acquisitions

Pace of activation necessitates **land replenishment** for key matured townships to ensure sustainable expansion

- **Acquired 760 acres of Labu land at RM280m** on 27 October 2021
- **Exercised acquisition of 948 acres of Sungai Kapar land at RM618m** – pending completion

# Malaysian Economy & Sector Outlook



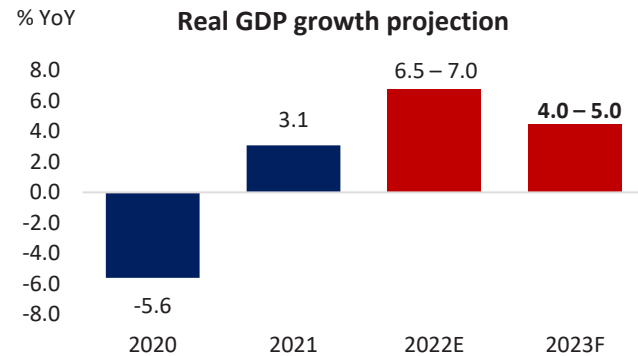
# Malaysian Economy & Sector Outlook

Malaysian economy to remain resilient with 4% - 5% growth forecasted in FY2023; Mixed outlook for the property sector as market headwinds and uncertainties continue to persist



**Malaysia's Q3 2022 GDP grew at 14.2% YoY (Q2 2022: 8.9%)**  
**2022E to range between 6.5% - 7%; and 4% - 5% in 2023F**

Malaysia GDP  
Annual change (%)



## Factors supporting growth in 2023F

- **Steady domestic demand;**  
(Driven by 5.8% growth in private expenditure)
- **Vibrant services sector;**  
(E-commerce & rapid transition to digitalization)
- **Implementation of new & ongoing high multiplier infra. projects;**  
(e.g MRT3, SSLR, ECRL & LRT3)
- **Sustained exports**  
(Moderate by 2.2% across all sectors)

## Key Challenges affecting Property Sector in 2022/23; Sectoral issues paired with macroeconomic headwinds

- 1 Foreign Labour Shortages**  
(Labour market expected to normalise in 2023; though uncertain exactly when)
- 2 Higher Material Costs**  
(Expected to stabilise as declining trend observed)
- 3 Rising Interest Rate Environment & Inflation**  
(Impacting purchaser affordability)
- 4 Political Uncertainties**  
(Policy uncertainties delaying decision making; State elections also looming)

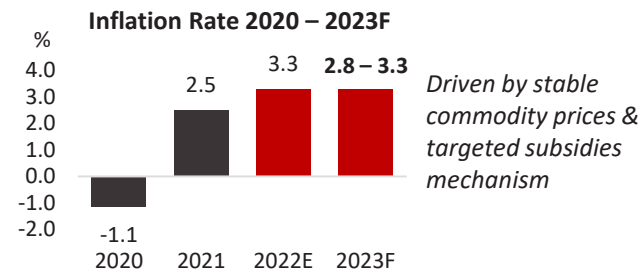
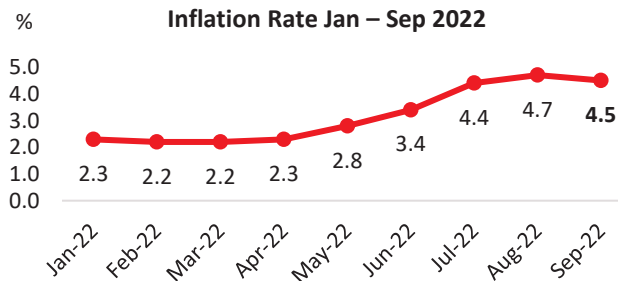
## Residential & Industrial are in the recovery & expansionary phases of property cycles – Knight Frank, Macquarie Research



Source: Knight Frank, Macquarie Research, October 2022

- **Residential transactions are mostly for own stay** which is driven by supportive policies to increase local homeownership (MY)
  - **Loan applications remain uptrend** since Nov 2021
- Industrial segment continue to benefit from the **growth of e-commerce & increase consumption**, which **drives demand for warehousing**

**Inflation rate in Sep 2022 recorded at 4.5%**, lower than 4.7% in Aug 2022;  
**2023F Inflation rate to remain manageable**, ranging between **2.8% - 3.3%**



**OPR increased by 25 bps to 2.75% on 3 Nov 2022**

its fourth consecutive rate hike in 2022, relatively within 2022/23F of 2.5%-3.0%

**Property players with exposure in landed residential and industrial segment expected to remain resilient despite macro headwinds**

# Investment Proposition





# Growth Expectations for FY2022

Well positioned to achieve financial and operational performance for the year to deliver greater returns for shareholders despite market headwinds



## Profitability Growth

### Sales & Launches

- Surpassed RM2.6b target (Sales) as strong momentum continued in Q3 with RM2.7b sales achieved
- Launched products amounting to RM2.1b in GDV (9M FY2022)
- Healthy diversified product-mix across residential (landed/high-rise) and industrial products of 53% and 46%

### Cost Optimisation

- 9M FY2022 GP margin of 30% surpassed target range of 20% to 25%
- Preserving margins via strong financial discipline

### Completed Stock

- Target <10% of total property development inventories

## Earnings Visibility & Financial Strength

### Unbilled Sales

- Target to remain above 1.0x
  - Currently at 1.7x cover ratio
- RM2.1b bookings secured as at 6 Nov 22
- Return of residential high-rise products in Q4 FY2022

### Operating Cash Flow

- Continue to remain healthy at ~RM876m in cash and equivalents (9M FY2022)
- Positive operating cashflow at RM681m
- Underpinned by sales capability, HOVP and progressive billings

### Gearing

- Healthy position at 28.2% net gearing ratio
- Well positioned to fund future growth initiatives

## Unlocking Value & Diversification

### Fund Management Platform

- Official groundbreaking of E-Metro Logistics Hub in H1 FY2022
- First phase totalling ~2mil sq. ft in GLA expected to be completed for prospective tenants (2023 onwards)

### Land Bank Management and Monetisation Plan

- Pace of land activation continue to accelerate beyond historical rate
- Acquired 760 acres of land in Labu in October 2021
- Exercised acquisition of 948 acres land in Sg. Kapar for future growth – pending completion

## Potential Downside Risks:

### Site Progress Challenges

Limiting top-line growth

### Inflationary Pressure

Margin compression

# Investment Proposition

Clarity of purpose, strengthened fundamentals and track record for growth;  
Towards greater income diversification and value multiplication



## ● Improved Financial Position

### 9M FY2022 Revenue

RM1,785.2 million

### 9M FY2022 Profit Before Tax

RM323.1 million

## ● Solid Balance Sheet

### Healthy Cash Position

RM876.2 million

### Moderate Net Gearing

28.2%

## ● Revenue Visibility

### Strong 9M FY2022 Sales

RM2,746.0 million

### Unbilled sales

RM3.5 billion / 1.7x  
cover ratio

### Bookings

RM2.1 billion (as at 6 Nov 2022)

## ● Stable Return

### Committed to dividend payout of >20%

**H1 FY2022: 43.4%** (First interim dividend of 1 sen)

FY2021: 49.7%

FY2020 (excl. one off): 133.4%

FY2019: 34.1%

## ● Opportunities for Growth

### Strategic Existing Land Bank

~15k acres with >RM100 billion GDV  
to be unlocked

### 25 Active Townships with Continued Growth

- City of Elmina
- Bandar Bukit Raja
- KLGCC Resort
- Serenia City
- Hamilton Nilai / MVV, etc.



## ● Income & Product Diversification

### Transformation journey towards – A Real Estate Company by 2025

#### Investment Assets Portfolio

- Group Net Lettable Area (NLA) of ~5 mil sq. ft
- ~2 mil sq. ft in NLA under WIP (SDPLOG, SDMIT)

#### Partnership with LOGOS Property

- 1st Industrial Development Fund established by a Malaysian public-listed developer
- First Close secured 70% in aggregate capital commitments for a fund size up to US\$250 million



LOGOS

### Industrial as key future growth engine

- Presence in 6 established townships
- GDV has grown 115% across FY2019 – 9MFY22 (Total of RM2.5 billion GDV launched)
- Exceptional take-up rate for recent launches







Property

**End of Presentation | Q&A**



# Thank you

**Sime Darby Property Berhad**

197301002148 (15631-P)

No. 2, Jalan PJU1A/7A

Ara Damansara

47301, Petaling Jaya

Selangor, Malaysia

[simedarbyproperty.com](http://simedarbyproperty.com)





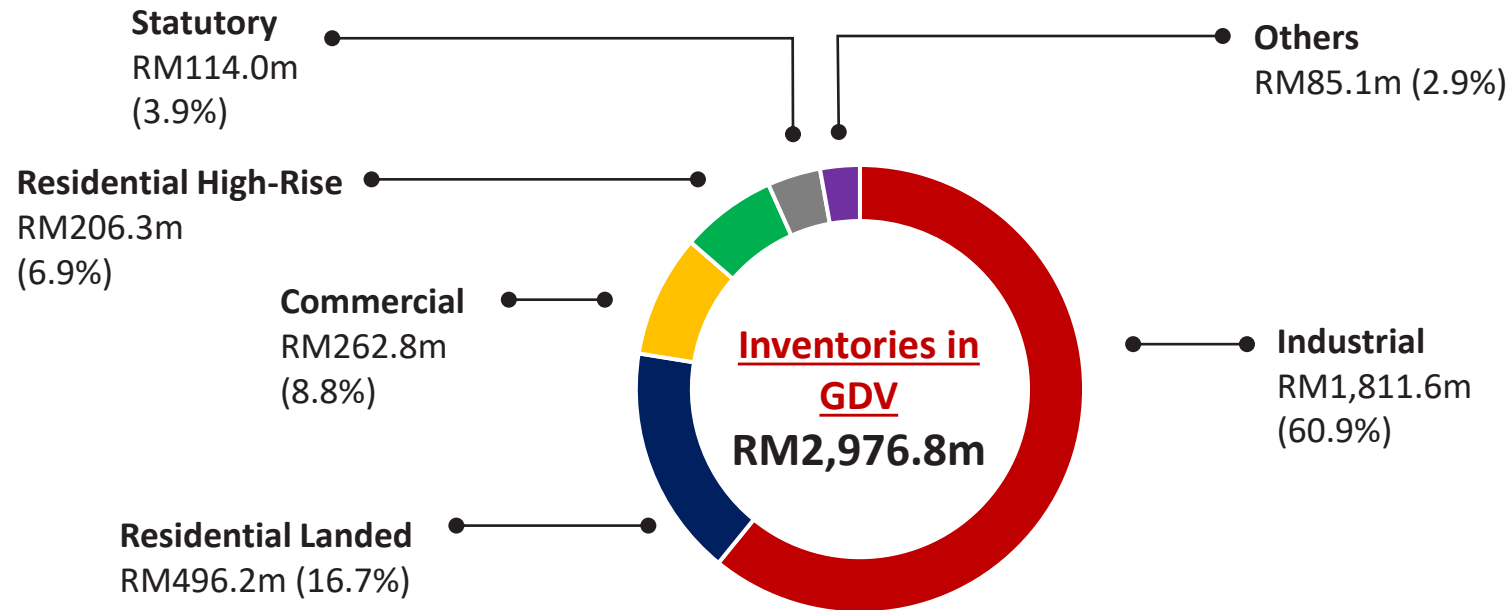
Property

# Appendices



# Property Development Inventories (as at Q3 FY2022)

By Type – mainly from industrial products (~61%) followed by residential landed products (~17%)





# Key Sustainability Achievements

As at 31 December 2021, achieved/exceeded the targets for **13 out of 18** company-specific 2030 Sustainability Goals



**1** A constituent of **MSCI ACWI SMALL CAP INDEX** (2018-current) and received **MSCI ESG RATING** of **BBB**



**2** **CDP Inclusion** (2018-current) *Rating C in Climate Change & B minus in Supplier Engagement*



**3** **RATED AA+IS**  
Sukuk Musharakah Programme  
*stable outlook by Malaysian Rating Corporation Berhad ("MARC")*



**4** **Special Mention Award for ESG Reporting**  
*Benchmarking Analysis in PwC Malaysia's Building Trust Awards 2021*

**SIME DARBY PROPERTY BERHAD**  
**SUSTAINABILITY POLICY**

**SIME DARBY PROPERTY BERHAD**  
**Quality, Health, Safety, Security and the Environment (QHSSE) Policy**

**5** **Integrated Sustainability Policy & QHSSE Policy**  
*Strengthening internal governance system*



**6** **22,809**  
IUCN Red List Trees Planted  
(as of 31 Dec 2021)  
*Planting Endangered, Rare & Threatened ("ERT") Malaysian tree species*



**7** **115,814**  
Total Trees Planted  
(as of 31 Dec 2021)  
*Applying our 1:1 Replacement Target. Building resilience & a carbon sink*



**Eco – Efficiency**

**Carbon Emission Reduction**  
*28.88% reduction equivalent to 14,336.16 tCO2-e*

**8** **Total Waste**  
*Total waste decreased by 35.72% (against 2020)*

**Water Intensity**  
*Total reduction of 15.88% (against 2020 baseline)*