

FOR IMMEDIATE RELEASE

Sime Darby Property's Revenue Jumps by 25% to RM1.4 billion in H1 FY2023

- The Group's sales surpassed RM1.5 billion, demonstrating strong market demand;
- Gross profit margin above guidance at 28%; PBT and PATAMI healthy at RM212.2 million and RM131.7 million respectively;
- First interim dividend of 1.0 sen declared;
- The Group revised its sales and GDV launch target to RM2.7 billion and RM4.0 billion respectively.
- The Group's Sukuk Musharakah was oversubscribed by more than eight times signalling robust investor confidence.

ARA DAMANSARA, 28 AUGUST 2023: Sime Darby Property Berhad ("Sime Darby Property" or "Group") registered revenue of RM1.4 billion for the six months ended 30 June 2023 ("H1 FY2023"), marking a 25% increase from the RM1.1 billion in the same period a year ago.

The Group's gross profit margin exceeded expectations at 28%, with profit before tax ("PBT") at RM212.2 million, and profit after tax and minority interest ("PATAMI") at RM131.7 million, reflective of the more competitive and dynamic market environment.

Fuelled by the progress of its on-going projects, the Group registered a higher revenue at RM688.9 million compared to the preceding quarter. PBT improved 17% Quarter-on-Quarter ("QoQ") to RM114.3 million while PATAMI also improved 17% to RM71.1 million.

Capitalising on market opportunities, the Group recorded sales totalling RM1.5 billion, which represents 65% of its RM2.3 billion sales target for FY2023. The industrial segment was the key contributor with 40% or RM597.0 million of total sales achieved in H1 FY2023.

Sime Darby Property's Group Managing Director, Dato' Azmir Merican, said, "In the face of current market dynamics, our strategy is rooted in understanding market nuances and consumer demand. This has allowed us to pivot effectively and capitalise on areas of growth while maintaining consistency in our offerings. This balance has been crucial for our continued sales and operational growth trajectory in H1 FY2023."

Further to its operational excellence, the Group won an impressive 33 awards in H1 FY2023, with two major wins for its City of Elmina and Cantara Residences at the 2023 FIABCI World Prix d'Excellence Awards held in the United States.

On 21 August 2023, the Group completed its second Sukuk issuance under the Sukuk Musharakah Programme with a nominal value of RM600 million. The issuance attracted significant attention from a diverse group of fixed-income and high-calibre investors, reaching an oversubscription of more than eight times and accumulating an order book valued at over RM4.8 billion, a testament of the market's confidence in our fundamentals.

H1 FY2023 vs H1 FY2022

The Property Development segment registered a robust 27% YoY revenue growth, reaching RM1.3 billion as compared to RM1.0 billion last year. The segment's resilient performance was largely due to a combination of stronger sales and profit contribution from both industrial and residential products. Concurrently, PBT reflected a 6% increment, translating to RM204.2 million, reflecting the increased in on-site development activities in Bandar Bukit Raja, Nilai Impian, Elmina Business Park, and Serenia City townships.

The IAM segment's revenue was also higher at RM52.5 million in H1 FY2023 driven by growth in retail sub-segment specifically KL East Mall which recorded an increase in occupancy rate from 81% to 86%. However, its PBT was lower at RM7.5 million from RM27.2 million, mainly due to a higher share of loss from joint ventures.

H1 FY2023 Launches and Sales

As the nation's leading property developer, Sime Darby Property continues to build on its strengths specifically on its successful and thriving townships, which are strategically positioned to offer best-in-class products with functional layouts and excellent amenities. During the first half of FY2023, the Group unveiled new projects valued at RM2.1 billion, which represents 70% of our full year launch target of RM3.0 billion. The offerings were diversified to meet market needs: 49% in residential landed, 30% in residential high-rise, 18% in industrial and 3% in commercial. The overall take-up rate of all products currently stood at 82%.

As at 20 August 2023, residential landed products recorded an average take-up rate of 80%. Emilia Phase 1 and 2 in Nilai reported impressive take-up rates of 100% and 98%, respectively.

The residential high-rise products reported an average take-up of 73% on the heels of two launches, namely Teja in Subang Jaya City Centre ("SJCC") and Serasi Residences in Putra Heights, at the tail end of H1 FY2023.

The Group's industrial products achieved an average take-up rate of 88%, with contributions mainly from The Prestige Collection Signature Factories in Elmina Business Park and industrial offerings in Bandar Universiti Pagoh – both fully sold. Similarly, XME Business Park Phase 2C in Nilai Impian recorded a 94% take-up.

Financial and Operational Achievements

Completed inventories reduced significantly to RM237.7 million from RM277.2 million as at 31 December 2022, the lowest level ever achieved since its demerger. The Group registered cash reserves of RM795.4 million, while net gearing ratio of 20.7% reflects strong cashflow and capacity for future expansion.

The Group posted higher unbilled sales of RM3.8 billion as at 30 June 2023, versus RM3.6 billion as at 31 December 2022 ensuring revenue visibility for the next three years. Current bookings stood at RM1.9 billion as at 6 August 2023.

Dividend

Sime Darby Property declared its first interim dividend of 1.0 sen dividend per share for the financial year ending 31 December 2023 amounting to a payout of RM68.0 million.

Outlook for FY2023

Confident that the strong momentum seen in the first half of 2023 will continue into the second half of the year, the Group has revised its sales target of RM2.3 billion to RM2.7 billion and the GDV launch target of RM3.0 billion to RM4.0 billion.

“Given the positive outlook, we believe that we are well-positioned to capitalise on the resilient market demand, which also presents us with an opportunity to maximise our property development growth over the coming years. We are optimistic in our ability to achieve our goals for the year and subsequently strive towards maximising shareholders’ value,” Dato’ Azmir concluded.

-END OF PRESS RELEASE-

About Sime Darby Property Berhad

Sime Darby Property is a leading property developer with 50 years of experience in building sustainable communities. With 25 active townships and developments under its belt, Sime Darby Property has a wide reach encompassing assets and operations across the country. It marked its presence in the United Kingdom as part of a Malaysian consortium that developed the iconic Battersea Power Station in Central London.

As a responsible corporate player, Sime Darby Property and its philanthropic arm, Yayasan Sime Darby (“YSD”) actively implement various social welfare initiatives to assist underprivileged communities living within and nearby its townships. A multi-award-winning property group with numerous international and local accolades, Sime Darby Property is a constituent of the MSCI ACWI Small Cap Index with MSCI ESG Rating of BBB and is rated by the Carbon Disclosure Project.

Sime Darby Property is honoured to be recognised with numerous real estate industry awards throughout the years. In 2022, the Group remains a top property developer in ‘The Edge Malaysia’s Top Property Developers Awards’, achieving the feat for the eleventh year running. The Group is also a consistent recipient of the ‘BCI Asia Awards’ for ‘Top 10 Developers (Malaysia)’ and was accorded a Platinum ranking in the Property Development category for Putra Brand Awards 2022, as well as named Top 10 in the ‘Top-of-The-Chart (RM1 billion and above)’ category under FIABCI-Malaysia and Star Media Group’s ‘Malaysia Developer Awards 2022’.

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