

Sime Darby Property Delivers Exceptional Performance

Record-High Profit for FY2023

- The Group recorded its highest revenue and operating profit since the 2017 demerger of RM3.4 billion and RM606.4 million respectively. This marks its second consecutive year of exceptional results following its commendable FY2022 performance;
- With new launches worth RM4.0 billion in GDV, the Group outperformed its sales target by 22%, reaching RM3.3 billion in sales and sustaining its record high Unbilled Sales of RM3.6 billion;
- Recorded 33% growth YoY in Profit Before Tax (PBT) of RM610.3 million;
- Declared second dividend of 1.5 sen, bringing total dividend to 2.5 sen for FY2023;

ARA DAMANSARA, 23 FEBRUARY 2024 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) concluded its fiscal year ended 31 December 2023 (“FY2023”) with its highest post-2017 demerger revenue and operating profit, reaching RM3.4 billion and RM606.4 million, respectively. This marks its second consecutive year of exceptional results following its commendable FY2022 record of RM436.2 million operating profit. The Group achieved RM3.3 billion in sales, surpassing its RM2.7 billion sales target. Year-on-year (“YoY”), Profit after tax and minority interest (“PATAMI”) grew by 29%, totalling RM407.9 million compared to RM315.8 million in the previous year. Sime Darby Property declared total dividends of 2.5 sen per share in FY2023.

The Group’s revenue of RM3.4 billion marked a 25% YoY improvement, with profit before tax (“PBT”) registering a 33% YoY increase to RM610.3 million. The increase in revenue and PBT is primarily attributed to the robust sales performance and higher site progress in major townships within the Property Development Segment, supported by contributions from non-core land monetisation activities.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican said, “Our exceptional performance, coming on the heels of FY2022’s results, certainly demonstrates our operational and financial competencies, against the backdrop of an uncertain operating environment in 2023 as a result of supply chain constraints, foreign exchange movement and labour issues. We set high targets, and are pleased to have far exceeded these expectations. Our results reflect our execution capability and equally important, our SHIFT25 targets continue to progress well and remain on track.”

Q4 FY2023 vs Q3 FY2023

All of the Group's three business segments, namely, Property Development, Investment & Asset Management (IAM), and Leisure, recorded strong revenue in Q4 FY2023, contributing to the Group's sustained total revenue of RM1.0 billion for the second consecutive quarter. The Group achieved RM817.9 million in sales in Q4 FY2023, with residential high-rise products as the highest contributor recording RM327.8 million for the quarter. However, PBT declined by 26% to RM169.6 million from RM228.5 million QoQ, due mainly to higher land sale recognition in the preceding quarter.

FY2023 vs FY2022

In FY2023, the Group achieved higher revenue and profitability, driven by the Property Development segment, which contributed to 94% of total revenue along with a 33% YoY increase in PBT. In the IAM segment, KL East Mall's 90% occupancy rate contributed to the segment's revenue of RM107.8 million, with PBT recorded at RM15.8 million. The Leisure segment's revenue grew by 11% YoY to RM93.8 million. The segment also marked a milestone event – the LPGA-Maybank Championship, hosted at Kuala Lumpur Golf & Country Club in October 2023.

FY2023 Launches and Sales

The Group launched products worth RM4.0 billion in Gross Development Value ("GDV"), of which 17% comprised industrial products in Elmina Business Park, Bandar Bukit Raja, and Serenia City in Selangor; Hamilton Nilai City and Nilai Impian in Negeri Sembilan; and Bandar Universiti Pagoh in Johor. Residential landed and high-rise products recorded a notable average take-up rate of 73% for the same period, with Emilia in Nilai Impian and Teja in SJCC recording a 100% take-up rate.

The Group's FY2023 sales achievement of RM3.3 billion comprised a diversified product mix, including residential landed 36%, high-rise residential 27%, and industrial products 31%. The industrial and high-rise residential segments recorded improvements, contributing 15% and 2% growth YoY, amounting to RM1.0 billion and RM889 million, respectively. Overall bookings as at 4 February 2024 stood at RM1.9 billion.

As at 31 December 2023, the Group maintained its unbilled sales of RM3.6 billion, which will provide further earnings visibility for the next three years. Completed inventories stood at RM390.3 million in GDV, while cash balances stood at RM603 million with a strong operating cashflow, excluding land acquisition, of RM617 million. The Group recorded a net gearing ratio of 23%.

On the international front, the Group's Battersea Power Station project achieved £243 million (~RM1.4 billion) of residential sales in 2023. FY2023 was a pivotal year for the project, with more than eleven million visitors welcomed since 14 October 2022.

"Our SHIFT25 transformation journey is clearly delivering results and this is driving our optimism, despite the challenges that our sector may face in FY2024 and beyond. It has taken a great deal of energy and effort to arrive at where we are today, and we are in prime position to grow for the long term," said Dato' Azmir.

Dividend

Sime Darby Property declared a second single tier dividend of 1.5 sen per share in Q4 FY2023. This brings total dividends for FY2023 to 2.5 sen per share, amounting to RM170 million.

Outlook for FY2024

Sime Darby Property foresees a positive 2024 evidenced by rising sales volume, new property launches, successful completions as well as positive government policies and incentives. The Group announced an RM3.0 billion sales target and launches worth RM3.9 billion in GDV for FY2024. Sime Darby Property is expanding its retail and placemaking components with the Q2 opening of its second wholly-owned mall, the Elmina Lakeside Mall in the City of Elmina. The Group is optimistic about growth opportunities in this sector to broaden recurring income streams in the long term.

Sime Darby Property will remain guided by its Purpose to be a Value Multiplier for People, Businesses, Economies, and the Planet. To this end, the Group is laying its footprint in affordable homeownership via the new Seed Homes portfolio that aims to deliver solutions for the affordable housing segment in Malaysia.

Additionally, in line with its Net Zero pledge, Sime Darby Property has set a target to reduce emissions by 40% by 2030 for Scope 1 and 2 emissions and will increase engagement with industry associations and supply chains to advocate rapid decarbonisation.

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