




Financial Year Ended 31 December 2019

Fourth Quarter & Full Year Results Announcement


27 February 2020

MEMBER OF
Dow Jones Sustainability Indices

In collaboration with  **SAM**
a RobecoSAM brand



Property



Financial Highlights for Fourth Quarter of FY2019 (4QFY19) and Financial Year Ended 31 December 2019 (FY2019)

4QFY19 and FY19 Ended 31 December 2019

In RM mil

	4QFY2019	4QFY2018	YoY(%)	FY2019	FY2018	YoY(%)
Revenue	888.9	788.8	12.7	3,180.0	2,446.0	30.0
Segment Results	101.9	(69.6)	246.4	395.8	39.1	911.4
PBIT	120.6	(90.8)	232.9	567.3	30.9	1,737.2
PBT	143.6	(91.1)	257.6	665.7	78.7	746.3
PATAMI	103.0	(347.5)	129.6	598.5	(238.5)	351.0
Basic EPS (sen)	1.5	(5.1)	129.6	8.8	(3.5)	351.0

4QFY2019 vs 4QFY2018

Revenue rose 12.7% YoY attributable to:

- Higher sales and development activities achieved in Bukit Jelutong, Serenia City, Cantara Residences, East Residences and RSKU Putra Heights
- Revenue further enhanced with disposal of non-strategic land in Jalan U-Thant amounting to RM33.3m

PBIT jumped 232.9% YoY mainly due to:

- Gain on disposal of non-core land (Jalan U-Thant) of RM30.1m and gain on disposal of properties in Singapore and Pulau Pinang totalling to RM36.7m
- Impacted by impairment, provisions and write-off of RM29.6m and additional provision of RM10.0m on disposal obligations in relation to property disposed in FY2017

Last year's loss was impacted by provision of impairments and tax provision

FY2019 vs FY2018

Revenue jumped 30.0% from FY2018 due to:

- Higher sales and development activities in our major townships, KLGCC Resort and Cantara Residences
- Core land sales in Bandar Bukit Raja and Bandar Ainsdale of RM181.3m
- Disposal of non-core lands totalling RM152.2m

Significant improvement in PBIT is mainly due to:

- Higher contribution from property development
- Gain on disposal of non-core lands and properties in Singapore and Pulau Pinang totalling to RM383.7m
- Impacted by impairment, provisions and write-off of RM101.6m and additional provision of RM65.8m on disposal obligations in relation to property disposed in FY2017
- Previous year was impacted by high impairments

PATAMI improved mainly due to:

- Higher contribution from property development
- Gain on disposal of non-core lands and properties in Singapore and Pulau Pinang totalling to RM347.4m
- Effect of tax uplift
- Last year's loss was impacted by provision of impairments and tax provision

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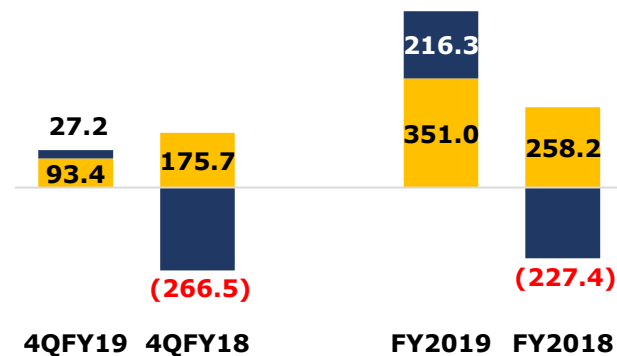
Core Earnings Improved Year-on-Year

REVENUE

<i>In RM mil</i>	4QFY19	4QFY18	%	FY2019	FY2018	%
Reported Revenue	888.9	788.8	↑ 12.7	3,180.0	2,446.0	↑ 30.0
Non-core land sales	33.3	-		152.2	3.4	
Core Revenue	855.6	788.8	↑ 8.5	3,027.8	2,442.6	↑ 24.0

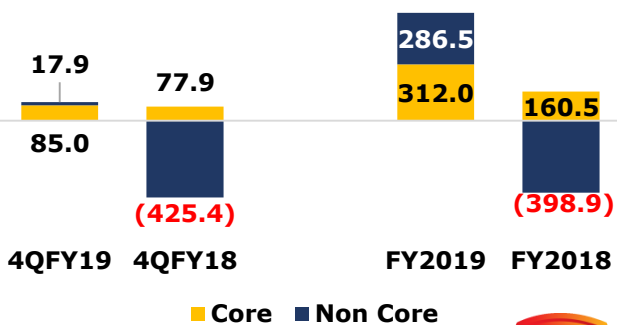
PBIT

<i>In RM mil</i>	4QFY19	4QFY18	%	FY2019	FY2018	%
Reported PBIT	120.6	(90.8)	↑ 232.9	567.3	30.9	↑ 1,737.2
One-off Items	27.2	(266.5)		216.3	(227.4)	
Core PBIT	93.4	175.7	↓ (46.9)	351.0	258.2	↑ 35.9



PATAMI

<i>In RM mil</i>	4QFY19	4QFY18	%	FY2019	FY2018	%
Reported PATAMI	103.0	(347.5)	↑ 129.6	598.5	(238.5)	↑ 351.0
One-off Items	17.9	(425.4)		286.5	(398.9)	
Core PATAMI	85.0	77.9	↑ 9.2	312.0	160.5	↑ 94.4



■ Core ■ Non Core

- Core revenue and profit were supported by higher sales and development activities
- Property Development constituted 94% and 74% of revenue and PBIT respectively



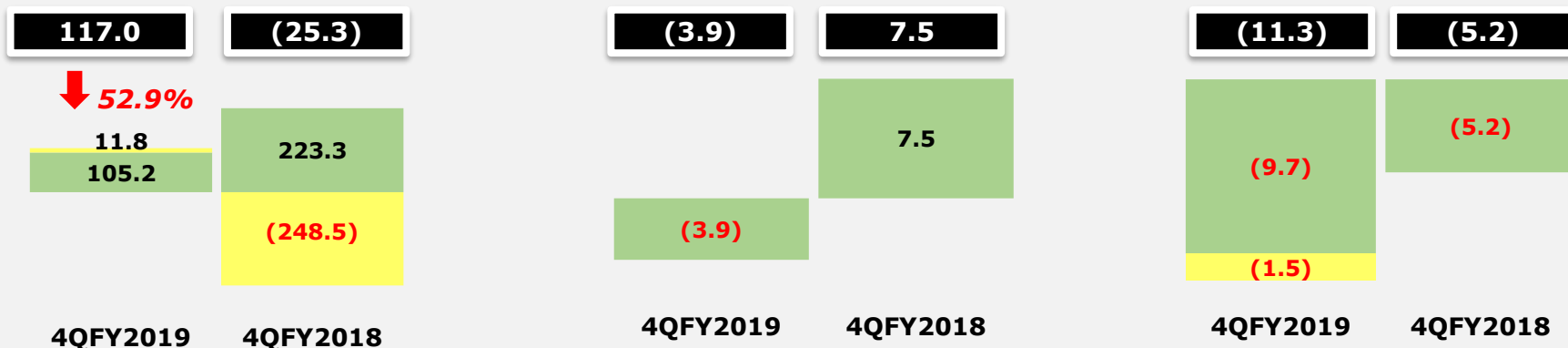
SEGMENT RESULTS FOR 4QFY2019

In RM mil

4QFY2019 vs 4QFY2018*

Core

Non-core



*4QFY2018 segment results excluded elimination

Property Development

- Higher sales and development activities in Bukit Jelutong, Serenia City, Cantara Residences, East Residences and RSKU Putra Heights
- Gain on disposals of non-strategic land sales (Jalan U-Thant) of RM30.1m
- However, the result is partially impacted by impairments, provisions and write-offs of RM18.1m
- Previous year's losses was mainly due to huge impairments and write-offs totalling to RM236.6m, partially mitigated by profit from land sale to SDMIT of RM122.7m

Property Investment

- Recorded a loss mainly due to:
 - ✓ Pre-commencement expenditure of KL East Mall
 - ✓ Lower contribution from concession arrangement
 - ✓ Lower share of result from Melawati Mall

Leisure & Hospitality

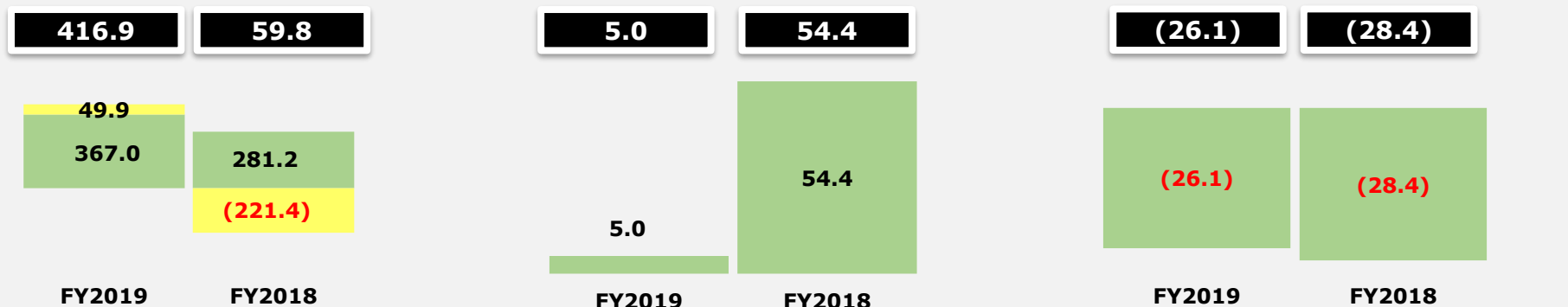
- Higher loss recorded due to lower contribution from the Convention Centre
- One-off provision of RM1.5m



SEGMENT RESULTS FOR FY2019

In RM mil

FY2019 vs FY2018*



*FY2018 segment results excluded elimination

Property Development

- Higher sales and development activities in Denai Alam, Bukit Jelutong, Nilai Utama, Bandar Bukit Raja, Serenia City and Putra Heights townships, KLGCC Resort and Cantara Residences
- Results were further enhanced with gains on compulsory acquisition and non-strategic land sales totalling RM138.2m (FY2018: RM3.3m)
- Results were offset by
 - ✓ Provision and impairment totalling RM86.6mil (FY2018: 217.7m)
 - ✓ Higher share of losses from JV and associates of RM31.4mil (FY2018: loss of RM26.8m) due to higher marketing expenses incurred by Battersea and lower share of profit from PJ Midtown

Property Investment

- Melawati Mall improved to a profitable position from loss of RM1.2m in FY2018 due to higher occupancy rate of 86% (FY2018: 81%)
- The strong performance in the FY2018 is due to:
 - ✓ Higher contribution from concession arrangement of RM29.6m (delivery of teaching equipment) (FY2019: RM1.9m)
- Result was also impacted by:
 - ✓ Pre-commencement expenditure of KL East Mall of RM8.8m

Leisure & Hospitality

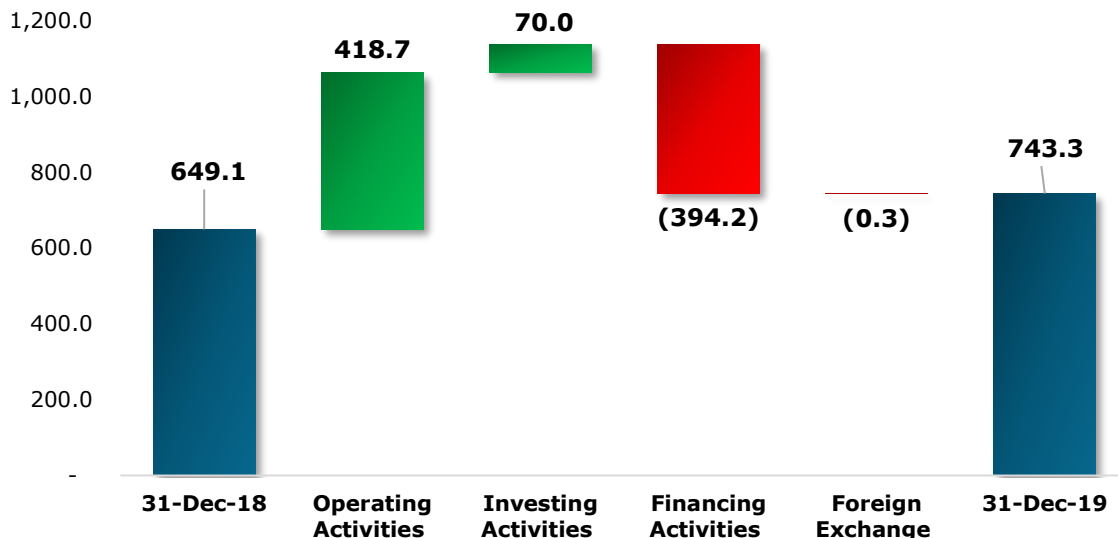
- The improvement was mainly due to higher revenue recorded by TPC, KL. Previous year's result was affected by TPC KL temporary closure of West Course for renovation works
- The improvement is also due to divestment of loss-making hospitality assets in previous year



CASH AND BORROWINGS AS AT 31 DECEMBER 2019

Cash & Cash Equivalents

(In RM mil)



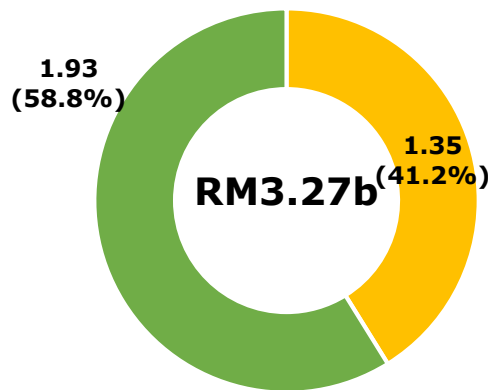
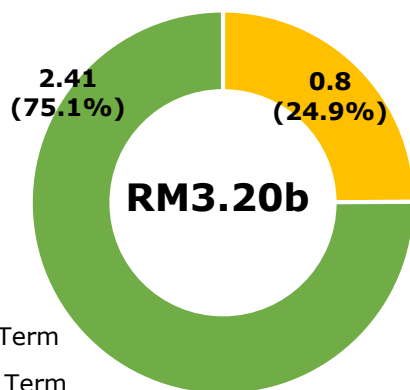
- **Higher net cash inflow from operating activities** mainly due to higher sales from KLGCC Resort (East Residences), Taman Melawati, Bukit Jelutong, Cantara Residences and City of Elmina
- **Positive net cash flow from investing activities** mainly due to proceeds from disposal of Darby Park Executive Suites and Orion Apartment in Singapore. A portion of the proceed was invested in Battersea (RM170.0m)
- **Net cash used in financing activities** include finance costs paid (RM169.7m), repayment of lease liabilities (RM18.5m), net borrowings repaid (RM70.0m) and dividend paid (RM136.0m)

Group Borrowings

(In RM mil)

31-Dec-19

31-Dec-18



Gross D/E Ratio

32.2%

(30 June 19: 32.8%)
(31 Dec 18: 34.6%)

Net D/E Ratio

24.7%

(30 June 19: 25.8%)
(31 Dec 18: 27.8%)

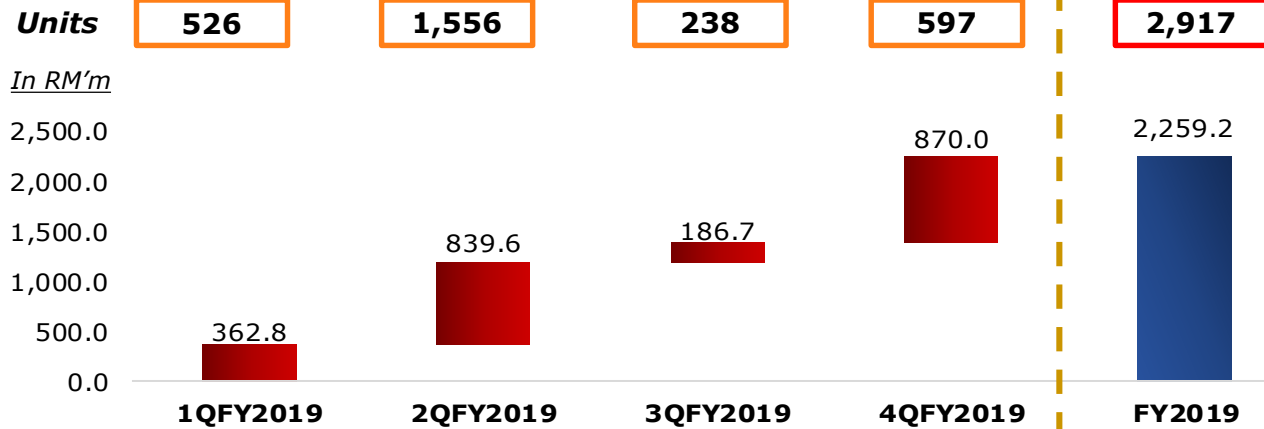


Operational Performances for FY2019



LAUNCHES IN FY2019

GDV & Units of Launches in FY2019



FY2019

✓ Launched with
**GDV of
RM2,259.2m
and 2,917
units**

FY2019 Launches with 100% take-up rate



Elmina Valley 5, City of Elmina



Lagenda Gardens, Bukit Jelutong



Elsa, Bandar Bukit Raja

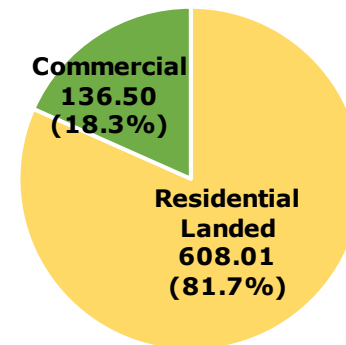


Serenia Arena, Serenia City

Future Launches in 1QFY2020

Units : ~1,000

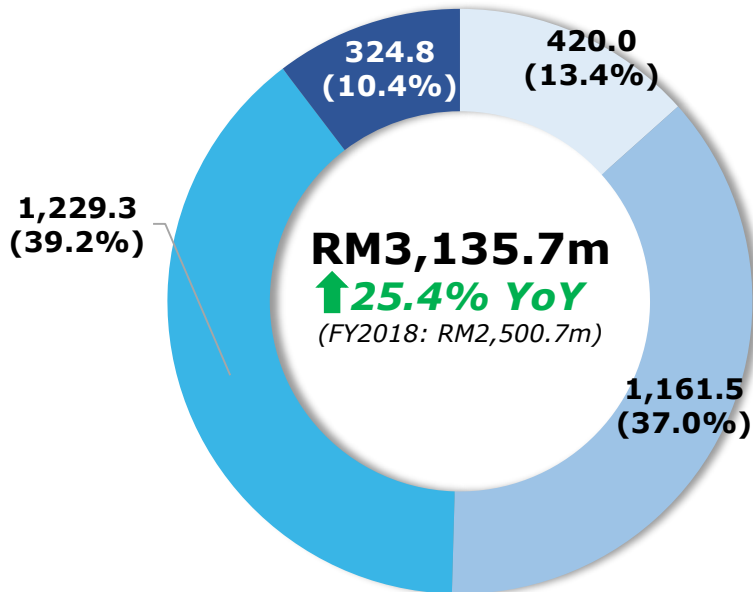
GDV : ~RM0.7bn



SALES ACHIEVED AND UNITS SOLD

Sales Achieved

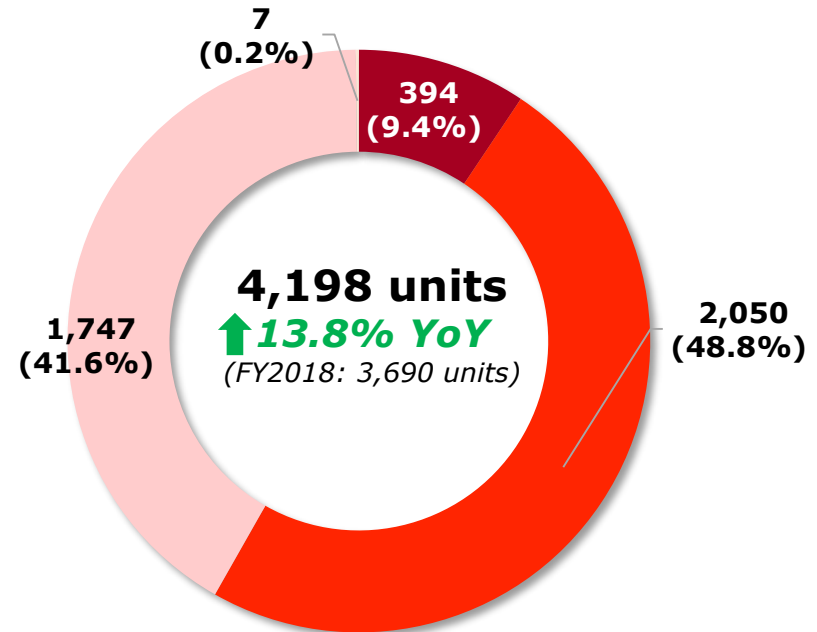
(In RM mil)



■ Completed Units ■ Ongoing
■ New Launch ■ Land Sales

Units Sold

(In units)



■ Completed Units ■ Ongoing
■ New Launch ■ Land Sales

- ❑ Positive sales performance and take up rate was attributed to **aggressive marketing and sales efforts throughout FY2019**
- ❑ Achieved sales of RM420.0m from Completed inventories in FY2019 which is **>100% higher than the completed inventories sold in FY2018**
- ❑ Units sold from the Ongoing projects are mainly from the **City of Elmina and Bandar Bukit Raja as well as Cantara Residences in Ara Damansara township**



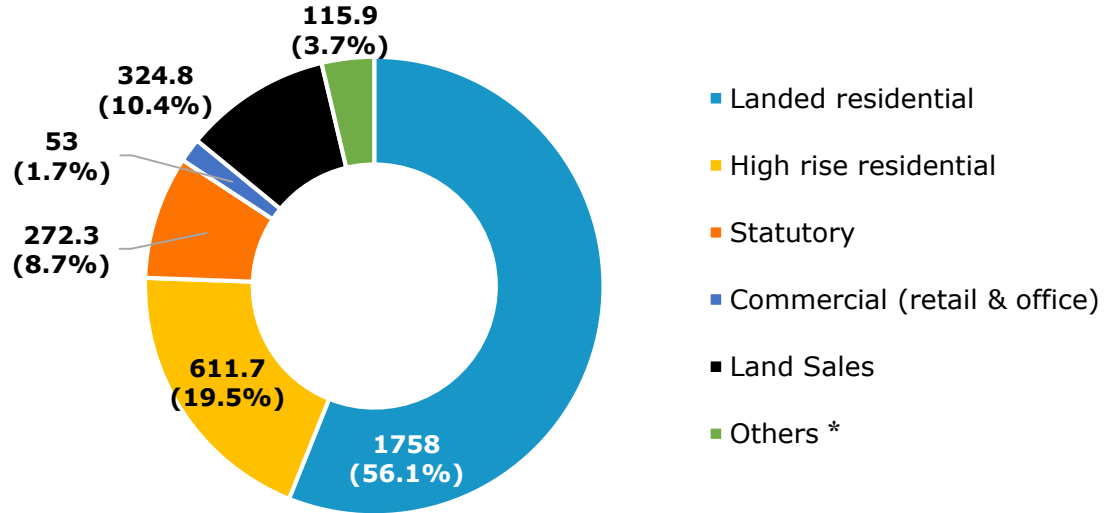
SALES ACHIEVED BY PRODUCT TYPE AND LOCATION

YTD 31 December 2019

Sales Achieved: RM3,135.7 million

In RM'm

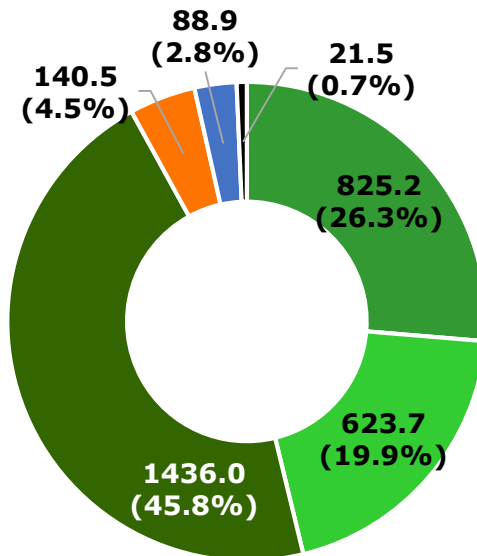
By Product Type



In RM'm

- Guthrie Corridor
- Klang
- Other areas in Klang Valley
- Negeri Sembilan
- Kedah
- Johor

By Location

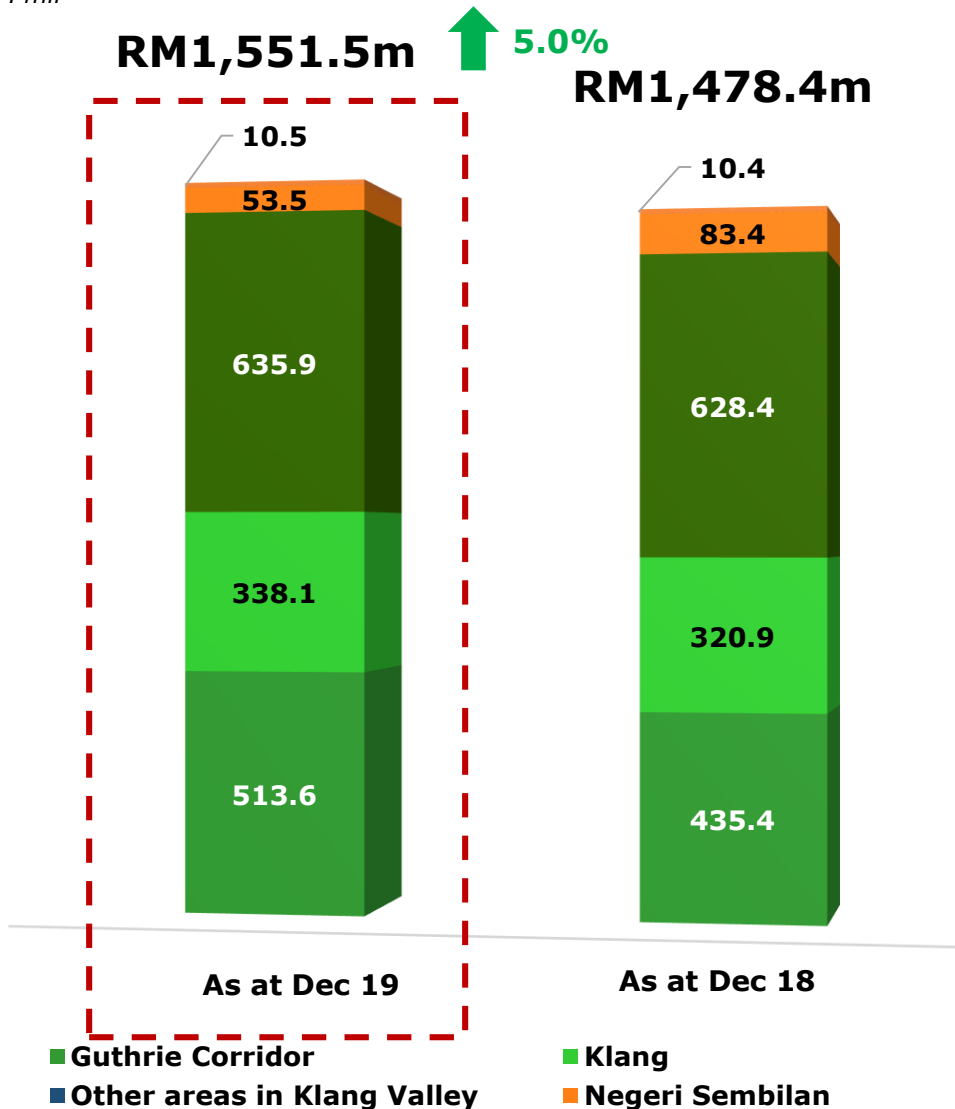


* Others represent Agricultural, residential, commercial and industrial lots



UNBILLED SALES BY LOCATION

In RM mil



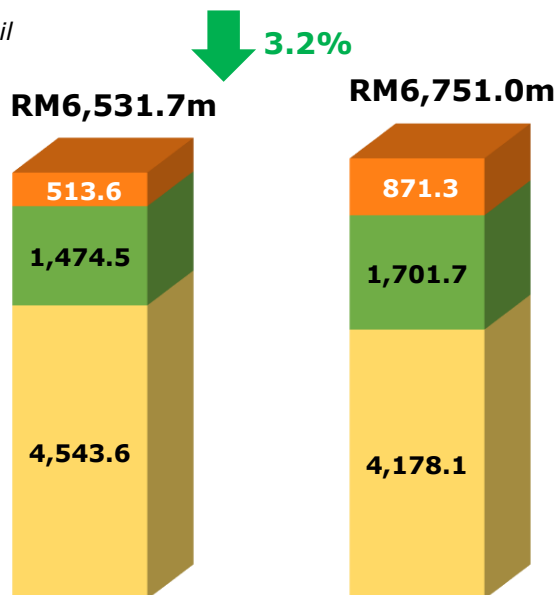
- Unbilled Sales **increased by 5.0%** from December 2018 due to **outstanding sales recorded during Primetime 8 and Spotlight 8 Campaign**
- 70.1% of Unbilled sales derived from township development, out of which 86.8% derived from **SDP's flagship township (Elmina West, Bandar Bukit Raja and Serenia City)**
- 91.8% of unbilled sales for integrated development comes from **The Glades in Putra Heights, Senada in KLGCC and Lot 15 in SJCC**



PROPERTY DEVELOPMENT INVENTORIES

Total Inventories¹

In RM mil



31-Dec-19

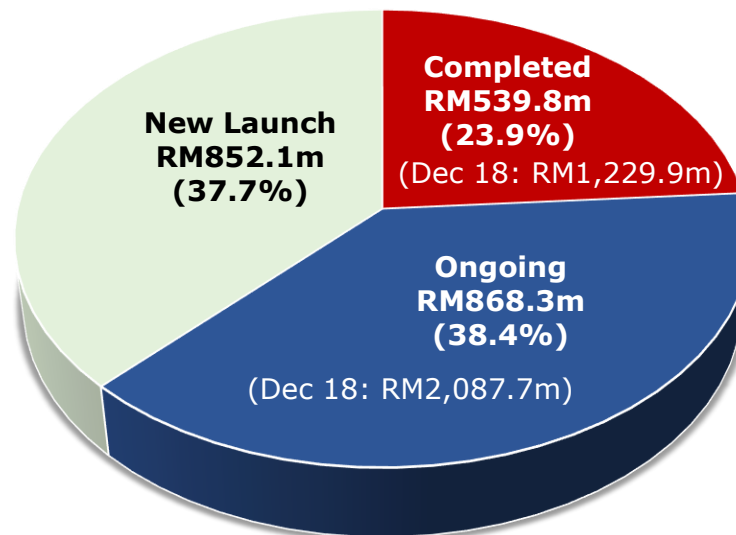
31-Dec-18

■ Land Held for PD ■ Ongoing Development ■ Completed

GDV of Unsold Units

GDV: RM2,260.2m

Units: 2,741



- ❑ Completed and ongoing inventories **reduced by RM588.5m or 22.5% YoY**
- ❑ Increase in Land Held for PD for both FY2019 and FY2018 is due to the **reclassification of current inventories to non-current inventories to better reflect the level of ongoing active development activities**

- ❑ Value of **completed and ongoing unsold units reduced by 56.1% and 58.4%** respectively on YoY
- ❑ With the **Spotlight 8 campaign, the Group managed to reduce the completed inventories**



1. Total inventories exclude inventories in leisure and hospitality

Strategy Moving Forward



Sustainable & Balanced Growth Strategies to reach our Vision...



LEADER IN BUILDING SUSTAINABLE COMMUNITIES

5 ASPIRATIONS ANCHORED ON SUSTAINABILITY

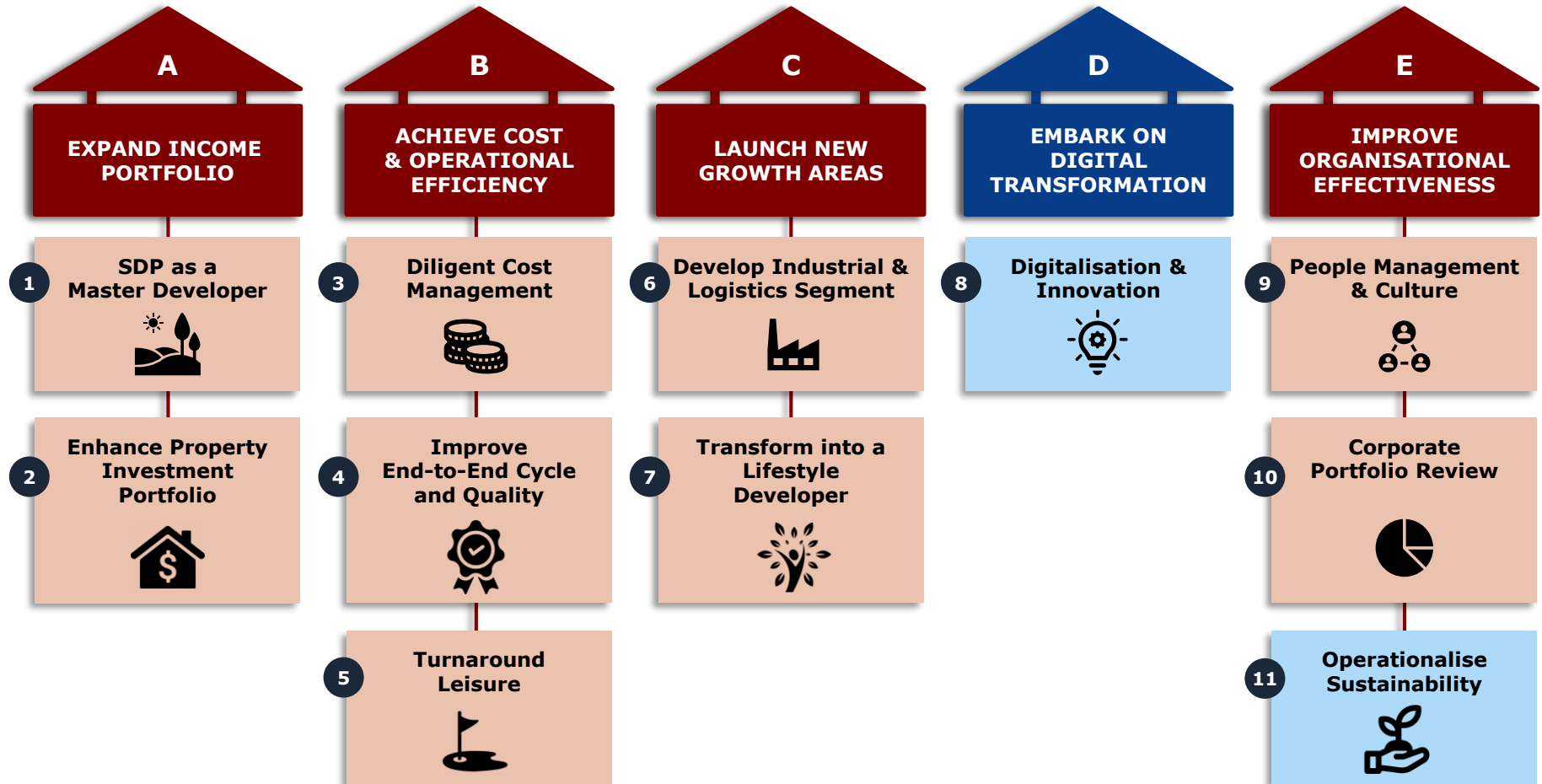
<p>PEOPLE Contribute to a Better Society</p>	<p>PLANET Minimise Environmental Harm</p>	<p>PROSPERITY Deliver Sustainable Value</p>
<p>1 EMPLOYER OF CHOICE 2 PEOPLE'S PREFERRED DEVELOPER</p>	<p>3 INDUSTRY LEADER IN ENVIRONMENTAL CONSERVATION EFFORTS</p>	<p>4 SUSTAINABLE GROWTH & SHAREHOLDER RETURNS 5 TOP GENERATOR OF SHARED PROSPERITIES</p>

5 STRATEGIC PRIORITIES TO STRENGTHEN OUR FOUNDATION




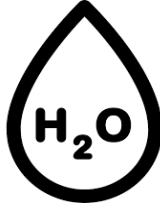

ENHANCE BAU		GROW NEW AREAS		OPTIMISE OPERATING MODEL
A	B	C	D	E
EXPAND INCOME PORTFOLIO	ACHIEVE COST & OPERATIONAL EFFICIENCY	LAUNCH NEW GROWTH AREAS	EMBARK ON DIGITAL TRANSFORMATION	IMPROVE ORGANISATIONAL EFFECTIVENESS



... executed with SHIFT2.0 Transformation Plan focusing on 11 strategic initiatives



SUSTAINABILITY ACHIEVEMENTS HIGHLIGHTS

<p>MEMBER OF Dow Jones Sustainability Indices In Collaboration with RobecoSAM</p> <p>DJSI 2018 & 2019 Constituent <i>Global Sustainability Index</i></p>	 <p>FTSE4Good</p> <p>FTSE4Good BURSA FTSE4Good Asean 5 2018 & 2019 Constituent <i>Global Sustainability Indexes</i></p>	 <p>CDP DISCLOSURE INSIGHT ACTION</p> <p>CDP Inclusion 2019 Rating-C <i>Global Carbon & Environmental Disclosure & Rating Platform</i></p>	 <p>TPCKL 1st & only Malaysian Audubon certified golf course <i>Global Golf Course Sustainability Accreditation</i></p>
 <p>TOTAL CARBON EMISSIONS REDUCTION 17,367tCO₂-e (RM2.37 Mil savings in 2019 compared to 2018) and Emissions Intensity Reduction Target exceeded <i>Reducing our impact on Global Warming and Climate Change</i></p>	 <p>Waste Intensity reduction 2.25% (against 2016 Baseline) <i>Reducing pollution impact</i></p>	 <p>Water Intensity reduction 2.26% (against 2016 baseline) <i>Reducing water availability stress</i></p>	 <p>19,520 Red List Trees Planted (2011-2019) <i>Planting rare Malaysian tree species</i></p>  <p>92,680 Total Trees Planted (2011-2019) <i>Applying our 1:1 Replacement Target. Building resilience & a carbon sink</i></p>

Note: Carbon results third party assurance scheduled for completion Mar 2020. Previous years carbon assurance have not found major issues with the past data, GHG and IPCC methodologies applied.

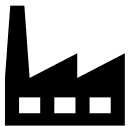
CONCLUSION



Remains focused on **growing our core development business** by offering properties within the affordable and mid-range price points in strategic locations



Actively **monetising low-yielding assets to unlock value** and channel the capital into business opportunities with better returns



Expands further the industrial and logistic developments to increase the Group's recurring income

THANK YOU

SIME DARBY PROPERTY INVESTOR RELATIONS

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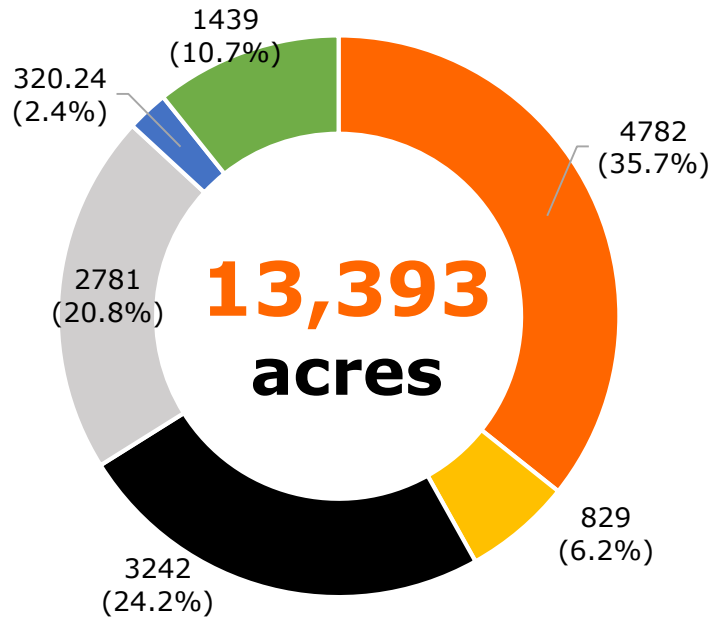
Website : <https://www.simedarbyproperty.com/investor-relations>

APPENDICES

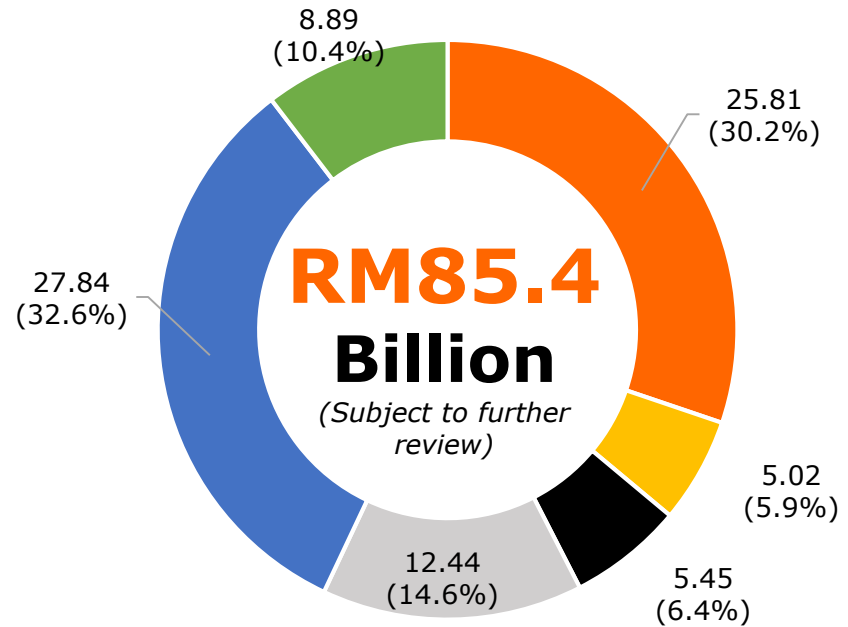
Sustainable Growth with Remaining Developable Period of 25 to 30 years

As at 31 December 2019

By Remaining Developable Land



By Remaining Gross Development Value (GDV)



■ Guthrie Corridor
 ■ Negeri Sembilan
 ■ Johor
 ■ Klang
 ■ Other areas in Klang Valley
 ■ Serenia City

❖ Remaining developable area for future developments i.e MVV, Planters' Haven West, Lagong and others amount to **6,585 acres**

Notes:

Township categorisation:

- Guthrie Corridor: Elmina West, Elmina East, Denai Alam & Bukit Subang, Bukit Jelutong and Kota Elmina
- Negeri Sembilan: Nilai, Bandar Ainsdale, Planters' Haven & Chemara
- 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

