




**Financial Year 2019 (FY2019)
Results Announcement
Third Quarter Ended 30 September
2019
28 November 2019**

MEMBER OF
**Dow Jones
Sustainability Indices**
In collaboration with  **SAM**
a RobecoSAM brand





**Financial Highlights for
Third Quarter of FY2019
(3QFY19) and 9 Months of
FY2019 (9MFY19) Ended
30 September 2019**

3QFY19 and 9MFY19 Ended 30 September 2019

In RM mil

	3QFY2019	3QFY2018	YOY %
Revenue	850.0	480.3	77.0
Segment Results	45.6	36.1	26.3
PBIT	18.1	39.0	(53.6)
PBT	41.1	53.0	(22.5)
PATAMI	25.2	28.8	(12.4)
Basic EPS (sen)	0.4	0.4	(12.4)

	9MFY2019	9MFY2018	YOY %
	2,291.1	1,657.2	38.2
	293.9	108.7	170.3
	446.7	121.7	267.2
	522.0	169.8	207.4
	495.6	109.0	354.5
	7.3	1.6	354.5

3QFY2019 vs 3QFY2018

- **Revenue rose +77.0% YoY** due to:
 - Strong operating performance mainly due to higher sales and development activities achieved in major townships
 - Revenue further enhanced with disposal of non-strategic land – RM30.0m
- **PBIT reduced by 53.6% YoY** due to:
 - Impacted by impairment, provisions and write-off of RM(42.0)m and additional provision of RM(27.3)m on disposal obligations in relation to property disposed in FY2017
 - Gain on disposal of non-strategic land of RM27.0m
 - Included in 3QFY2018 results was rental contribution from commencement of tenancy of an investment property of RM7.0m

9MFY2019 vs 9MFY2018

- **Higher Revenue of +38.2% YoY** due to:
 - Higher sales and development activities achieved in major townships
 - Development land sales in Bandar Bukit Raja and Bandar Ainsdale – RM159.0m
 - Non-strategic land disposal amounting to RM118.9m
- **PBIT improved significantly** attributable to:
 - Higher contribution from property development
 - Gain on disposal of non-strategic land totalling RM108.1m (9MFY2018: RM3.3m)
 - Gain on disposal of properties of RM208.8m (9MFY2018: RM12.0m) offset with additional provision of RM55.8m on disposal obligations in relation to a property disposed in FY2017
 - Offset by one-off provision/impairments of RM(72.1)m (9MFY2018: RM23.8m)
 - Improvement in TPC KL from previous loss of RM9.0m to loss of RM3.4m

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Improvements in Core Earnings

REVENUE

<i>In RM mil</i>	<u>9MFY2019</u>	<u>9MFY2018</u>	%	<u>3QFY2019</u>	<u>3QFY2018</u>	%
Reported Revenue	2,291.1	1,657.2	↑ 38.2	850.0	480.3	↑ 77.0
Non-strategic land sales	(118.9)	(3.4)		(30.0)	-	
Core Revenue	2,172.2	1,653.8	↑ 31.3	820.0	480.3	↑ 70.7

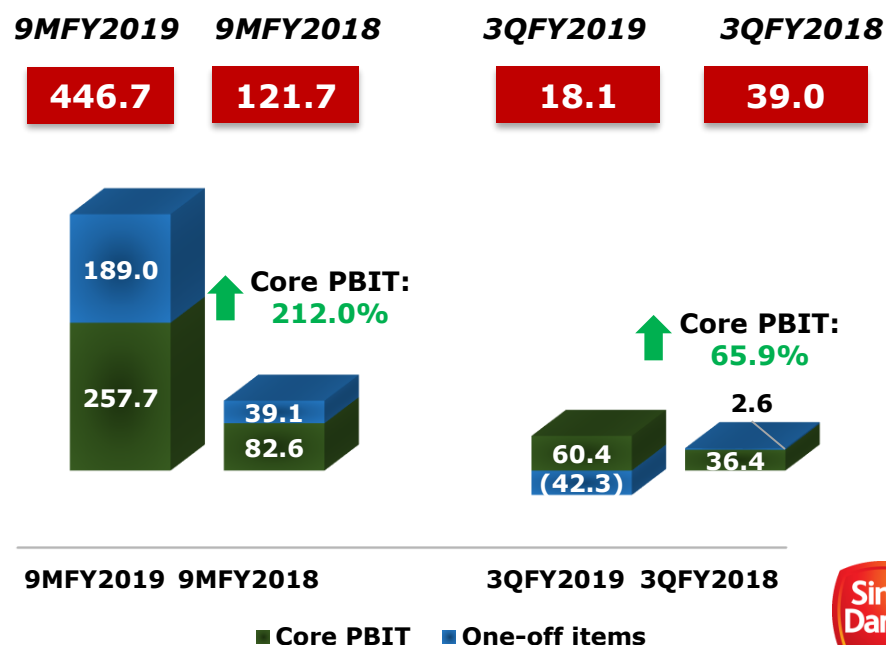
KEY TAKEAWAY

- Revenue:** Largely derived from core operations
- PBIT:** Excluding one-off items of RM189.0m in 9MFY2019, **core PBIT improved significantly** driven by higher contribution from Property Development

PBIT

One-off items in 9MFY2019:

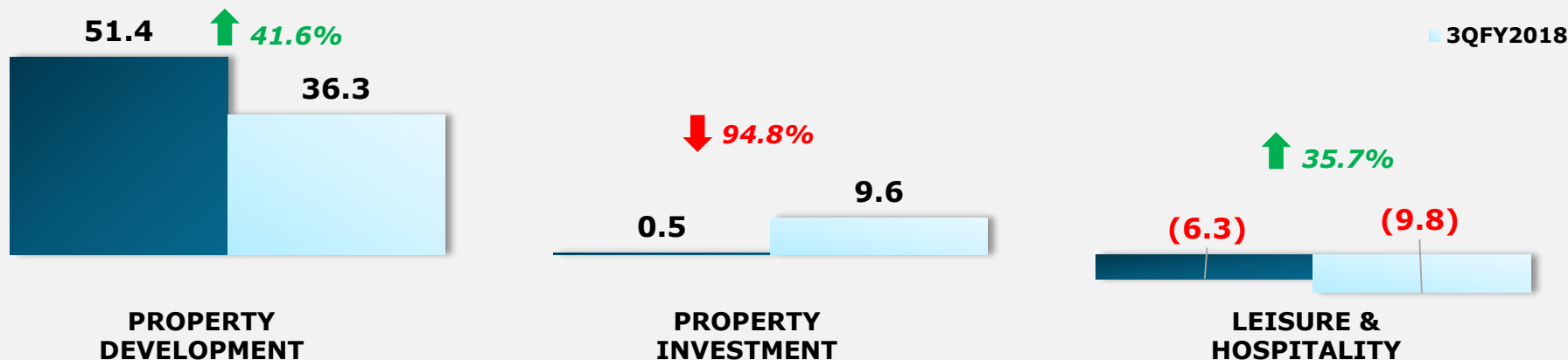
<i>In RM mil</i>	<u>9MFY2019</u>	<u>9MFY2018</u>
Gain on non-strategic land sales	108.1	3.3
Gain on disposal of properties	208.8	12.0
Impairment and provisions	(72.1)	23.8
Provision for outstanding obligation on an investment property disposed in FY2017	(55.8)	-
Total one-off items	189.0	39.1
Core PBIT	257.7	82.6
Reported PBIT	446.7	121.7



Segment Results for 3QFY2019

In RM mil

3QFY2019 vs 3QFY2018



Property Development

- Strong operating performance recorded in the quarter under review compared to the corresponding quarter in previous year mainly due to higher sales and development activities achieved in **Denai Alam, Elmina East, BBR, Serenia City, Chemara, Nilai Impian/Utama, Cantara Residences, East Residences and Putra Heights**
- Gain on disposals of non-strategic land of RM27.0m
- Results impacted by impairment, provisions and write-off of RM(40.0)m

Property Investment

- **Results in the quarter under review include impairment of receivables of RM2.6m.** Higher results in the corresponding quarter in previous year mainly due to contribution from commencement of tenancy of an investment property of RM7.0m
- Recorded **higher occupancy rate at Melawati Mall of 86%** (3QFY18: 80%)

Leisure & Hospitality

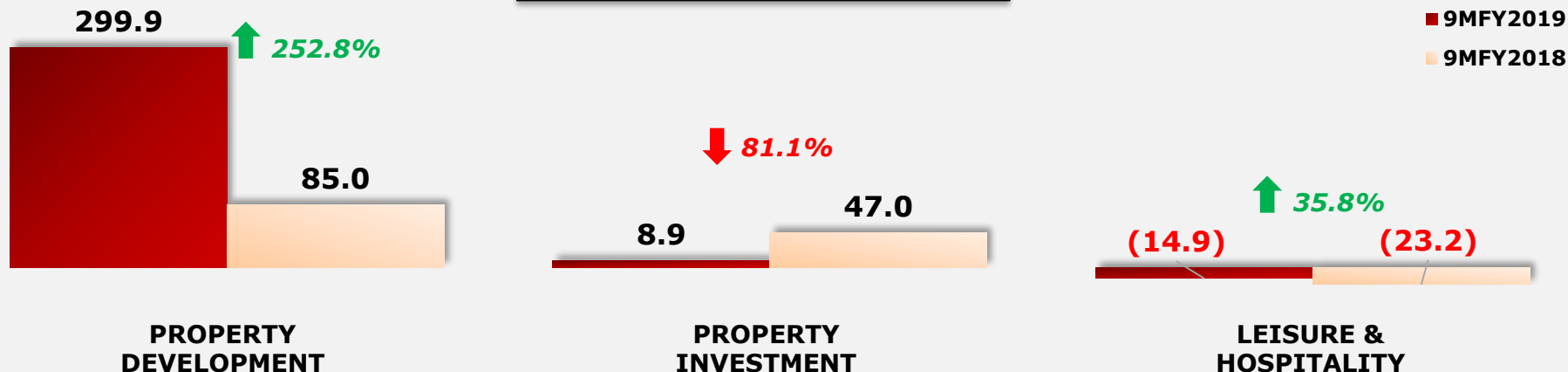
- Lower losses of RM3.3m recorded by TPC, KL. Previous year loss of RM3.6m was due to closure of West Course for renovation works
- The improvement was also **resulted from completion of divestments of loss-making hospitality assets in previous year**



Segment Results for 9MFY2019

In RM'mil

9MFY2019 vs 9MFY2018



Property Development

- Higher contribution from **Denai Alam, Bandar Bukit Raja, Serenia City and City of Elmina** as compared to corresponding period of previous year due to higher sales and development activities progress
- Gain of disposal from development land sales of RM65.9m
- Contribution from non-strategic land sale totalling RM108.1m
- Results impacted by impairment, provisions and write-off of RM(70.0)m
- Higher share of loss from JV/Associates** of RM35.4m (9MFY18: loss of RM29.2m) due to higher share of loss from Battersea and lower share of profit from PJ Midtown

Property Investment

- Current year include impairment of receivables of RM2.6m
- SD Capitaland improved to RM1.1m** (9MFY18: loss of RM1.2m) mainly due to **improvement in occupancy rate of the mall to 86%** (9MFY18: 80%)
- Included in previous year result is RM29.6m contribution from supply of teaching equipment from concession arrangement and contribution from commencement of tenancy of an investment property of RM7.0m

Leisure & Hospitality

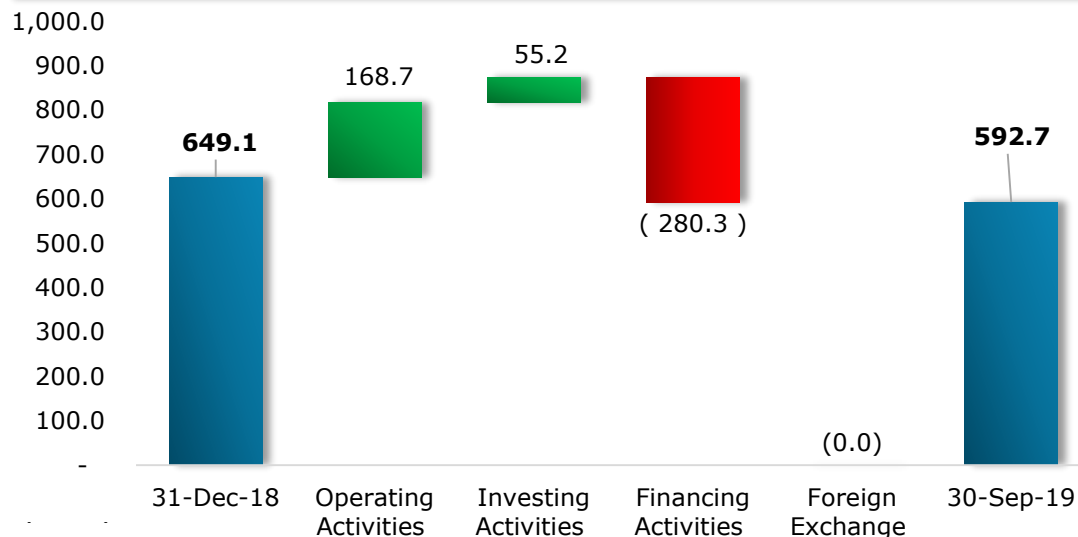
- Operating losses reduced by 36.0% or RM8.3m** compared to previous year mainly due to lower loss of RM3.4m registered by TPC KL (9MFY18: loss of RM9.0m). Previous year results was affected by TPC KL temporary closure of West Course due to renovation works
- The improvement is also due to divestment of loss-making hospitality assets in previous year totalling RM2.7m



Cash and Borrowings as at 30 Sep 2019

Cash & Cash Equivalents

(In RM mil)

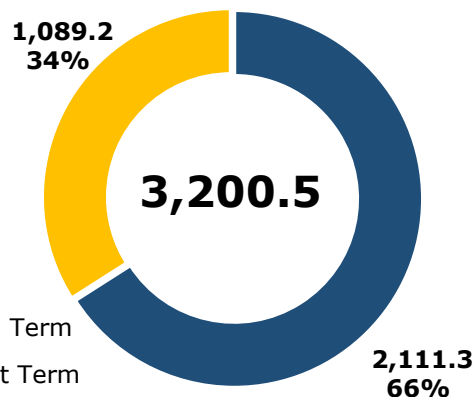


- Higher net cash inflow from operating activities mainly due to higher sales from KLGCC Resort (East Residences), Taman Melawati, Bukit Jelutong, Cantara Residences and City of Elmina
- Positive net cash flow from investing activities mainly due to proceeds from disposal of Darby Park Executive Suites 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 (RM132.2m), repayment of lease liabilities (RM13.9m), net borrowings repaid (RM66.2m) and dividend paid (RM68.0m)

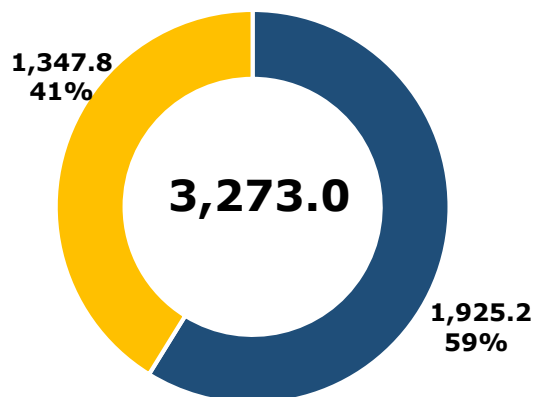
Group Borrowings

(In RM mil)

30-Sep-19



31-Dec-18



Gross D/E Ratio

32.8%

(31-Dec-18: 34.6%)

Net D/E Ratio

26.8%

(31-Dec-18: 27.8%)





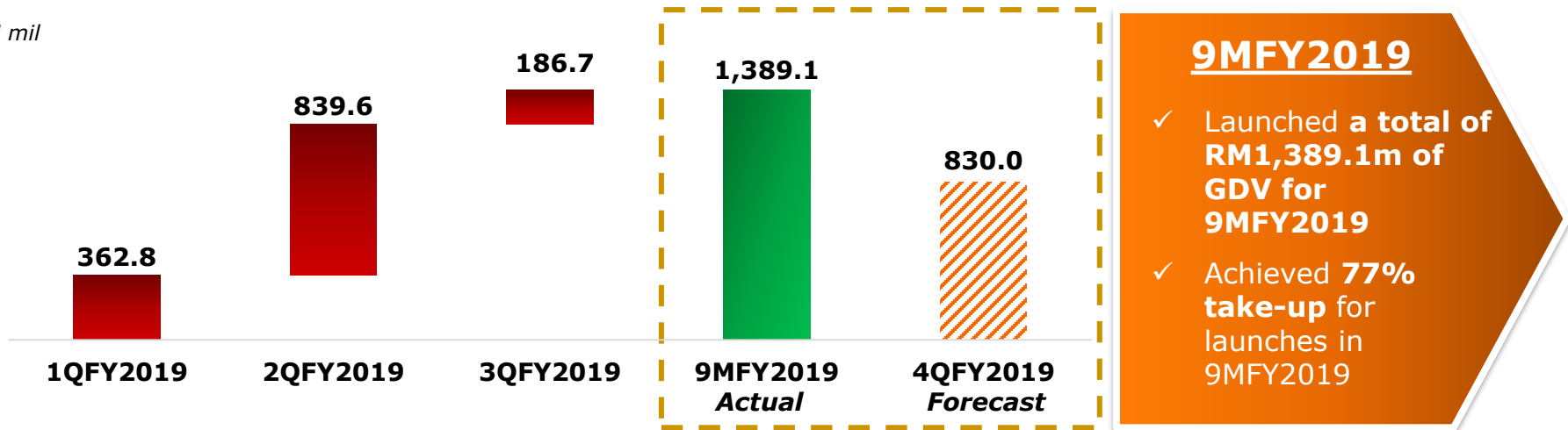
Operational Performances for 3QFY19 and 9MFY19 Ended 30 September 2019



Strategic Pipeline of Launches in FY2019

GDV of Launches in FY2019

In RM mil



Strong take-up for Q3FY2019 Residential Launches

Bandar Bukit Raja (Laman Lakeside) (Semi-Detached Residential)

No. of Units : 25 units
Value : RM42.0 million
Launch Date : July 2019



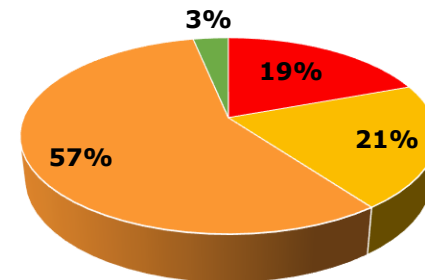
Serenia City (Arina 1 & 2) (2-storey Link House)

No. of Units : 200 units
Value : RM119.8 million
Launch Date : August 2019



Future Launches in Q4FY2019

GDV : RM0.83bn



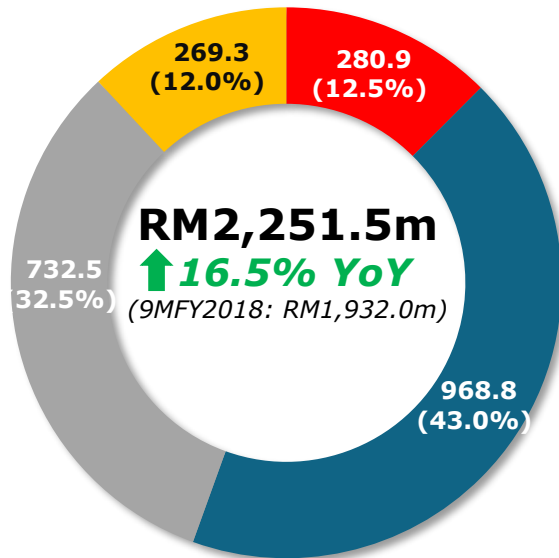
- Residential Landed
- Residential High Rise
- Industrial
- Commercial



Sales Performance for 9MFY2019

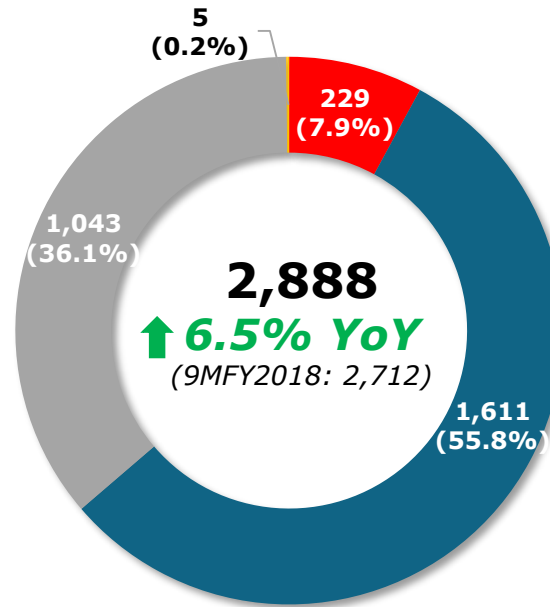
Sales Achieved

(In RM mil)



Units Sold

(In units)



■ Completed units ■ Ongoing ■ New Launch ■ Land sales

- ❑ **Aggressive sales and marketing efforts** resulting in positive sales momentum and take-up rates
- ❑ Out of the **total RM2.25bn sales achieved**, **43.0% and 32.5%** were derived from **Ongoing Developments and New Launches**, respectively
- ❑ Achieved sales of RM280.9m from completed inventories, **higher by more than 100.0%** from 9MFY2018

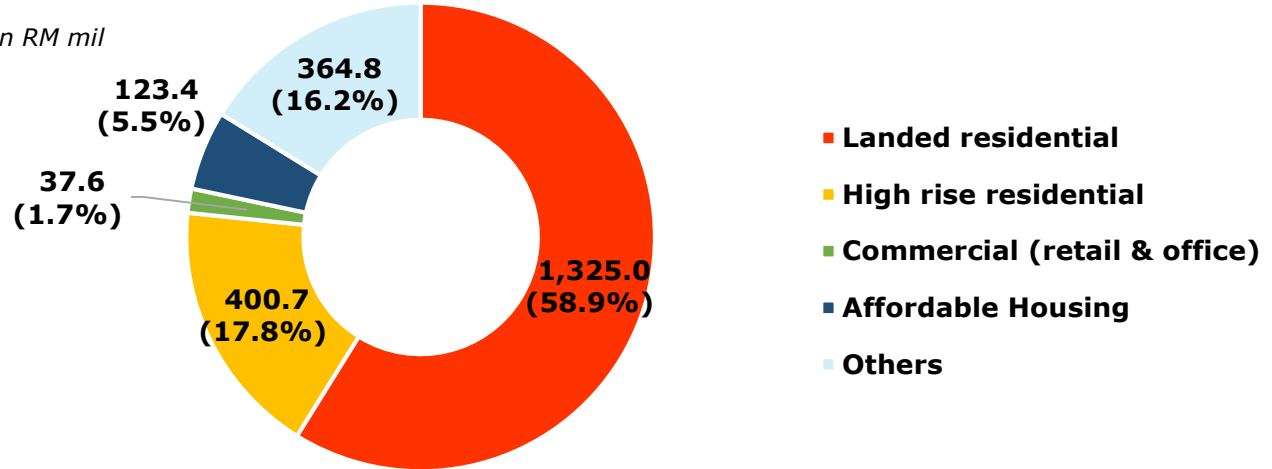


Sales Achieved By Product Type and Location

YTD 30 September 2019

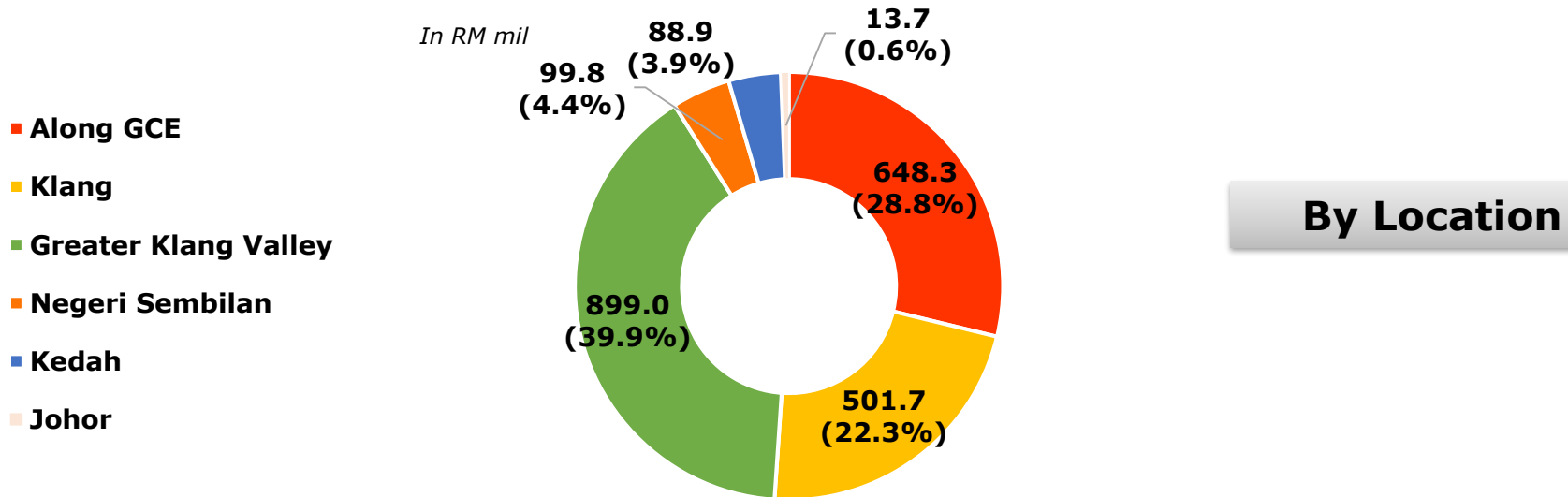
Sales Achieved: RM2,251.5million

In RM mil



By Product Type

In RM mil



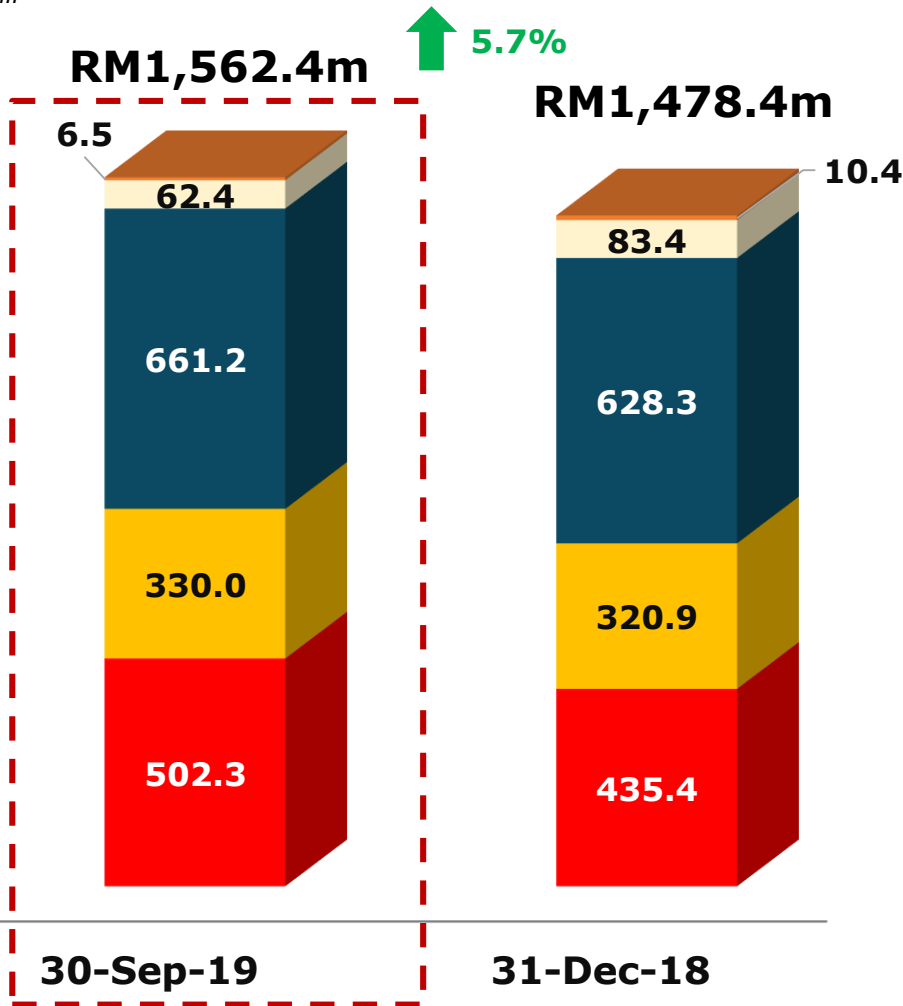
By Location

* Others represent Residential, commercial and industrial lots as well as land sales



Unbilled Sales By Location

In RM mil



- ❑ Unbilled Sales **increase by 5.7%** from December 2018 (RM1,478.4m) due to **outstanding sales recorded during Primetime 8 and Spotlight 8 Campaign**
- ❑ 68.3% of Unbilled sales derived from township development especially in **SDP's flagship township (Elmina West, Bandar Bukit Raja and Serenia City)**.
- ❑ 85.7% of unbilled sales for integrated development comes from **Harmoni 1 in Putra Heights, Senada in KLGCC Resort and Lot 15 in SJCC**

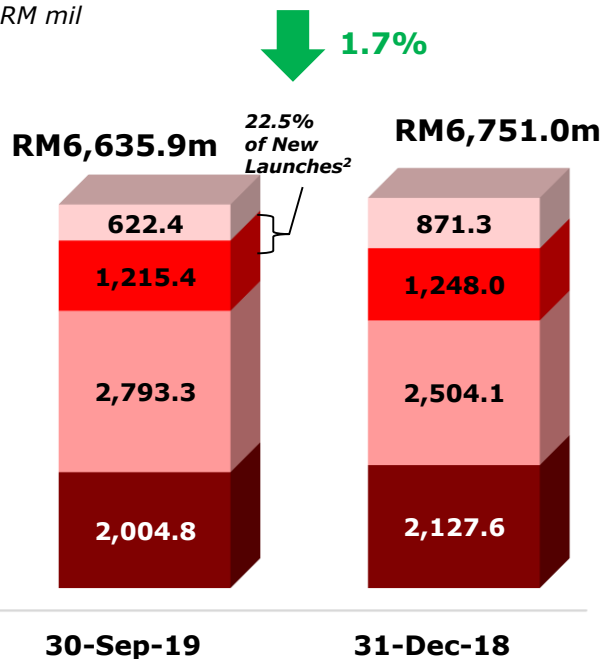
■ Along GCE ■ Klang ■ Greater Klang Valley ■ Negeri Sembilan ■ Johor



Property Development Inventories

Total Inventories¹

In RM mil



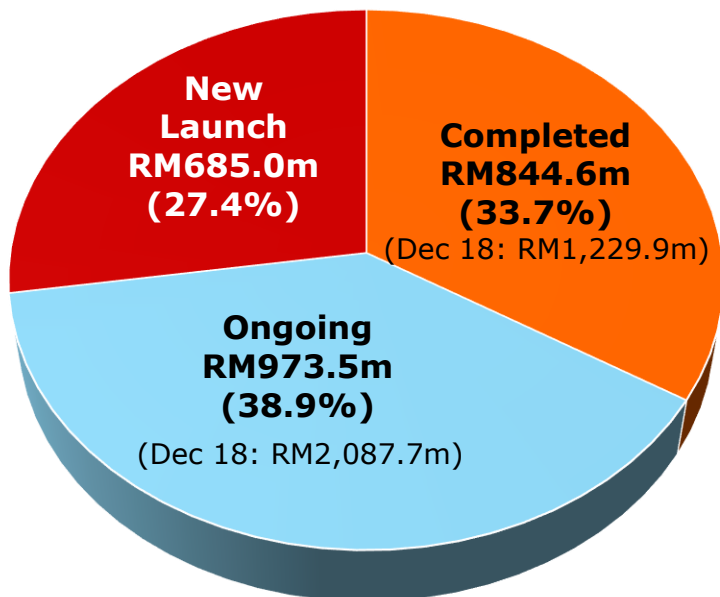
- Completed
- Ongoing - Launched Developments
- Ongoing - Future Developments
- Land Held for PD

- ❑ Higher inventories **held by ongoing future developments (+11.5%)**
- ❑ Completed inventories **reduced by 28.6%**

GDV of Unsold Units

GDV: RM2,503.1m

Units: 3,452



- ❑ Value of **completed unsold units reduced by 31.3%** when compared to 31 December 2018
- ❑ With the **Spotlight 8** campaign, the Group managed to sell **24 out of 48** phases with completed inventories

1. Total inventories exclude inventories in leisure and hospitality

2. Costs of new launches as at 30 Sep 2019 mainly from The Ridge in KL East, Reesia in Elmina East and Elmina Valley 5 in Elmina West (31 Dec 2018: Cipta 3 in Serenia City)

SHIFT2.0 Transformation Achievements & Plan

Key Highlights

Industrial Development: Successful Groundbreaking Ceremony for Bandar Bukit Raja Industrial Gateway



- ❖ Total estimated **GDV of RM530m** over 39 acres
- ❖ Development to be **undertaken via JV partnership with Mitsui & Co and Mitsubishi Estate**
- ❖ Unveiling first two tenants of build-to-suit industrial facilities in Bandar Bukit Raja
 - **Leschaco (Malaysia) Sdn Bhd**, a global logistics service provider
 - **Senheng Electric (KL) Sdn Bhd**, leading consumer electronics chain stores in Malaysia
- ❖ The built-to-suit facilities are the **first-of-its-kind ready supply chain hub** with:
 - Grade A facilities
 - Easy access to major expressways and Port Klang

Sime Darby Property's Spotlight 8 Campaign Hit the Spot with **RM1.1bil** Sales

- ❖ Achieved **RM2.1bil** of sales from **Primetime 8** (Mar – April 2019) and **Spotlight 8** (Jul – Sep 2019)
- ❖ **Over 900 homebuyers** saved millions of Ringgit throughout the Weekend Superdeals which is a part of Spotlight 8 campaign
- ❖ Launched **3 new projects** namely **Kyra and Laman Lakeside in BBR** and **Serenia Arina in Serenia City** during the 12-week campaign

dto Innovation: Launch of first co-created high-rise residential project in Subang Jaya (Aurora)



- ❖ Co-created through **Sime Darby Property's innovative platform – dto**
- ❖ Freehold units in Subang Jaya City Centre

Smarter & Greener Homes Through Collaboration with TNBX Sdn Bhd

- ❖ **MoU signed with TNBX Sdn Bhd**, wholly-owned subsidiary of TNB to provide **Smart Green Home solutions**, the first of its kind for the country
- ❖ The **first phase (Elmina Grove)** will offer **513 units of "Multi-Generational Homes"** with an estimated **GDV of RM324mil**, covering an area of approximately **34.8 acres**
- ❖ According to TNBX Managing Director, **estimated total of 1MW of green energy to be generated from the installed solar panels**

Moving Forward

Industrial Development: First Managed Industrial Park at Negeri Sembilan – Sime Darby XME Business Park, Nilai Impian



- ❖ **Gateway to MVV 2.0**
- ❖ **~150 units of ready-built factories over 70 acres** of freehold land in Nilai Impian
- ❖ Set amidst a **gated and guarded** environment with ample green lungs and versatile designs

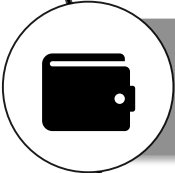


Conclusion

On Track to meet FY2019 Sales Target



Continuous focus to **improve our core earnings**



Active **cash flow and working capital management**



Continuous **active land bank management** focusing on market-driven product launches at our township



Focus on SHIFT2.0 transformation initiatives **to reduce direct and overhead cost to improve gross and operating profit margin**

THANK YOU

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