



# SIME DARBY PROPERTY BERHAD

## 45<sup>TH</sup> ANNUAL GENERAL MEETING

31 October 2018





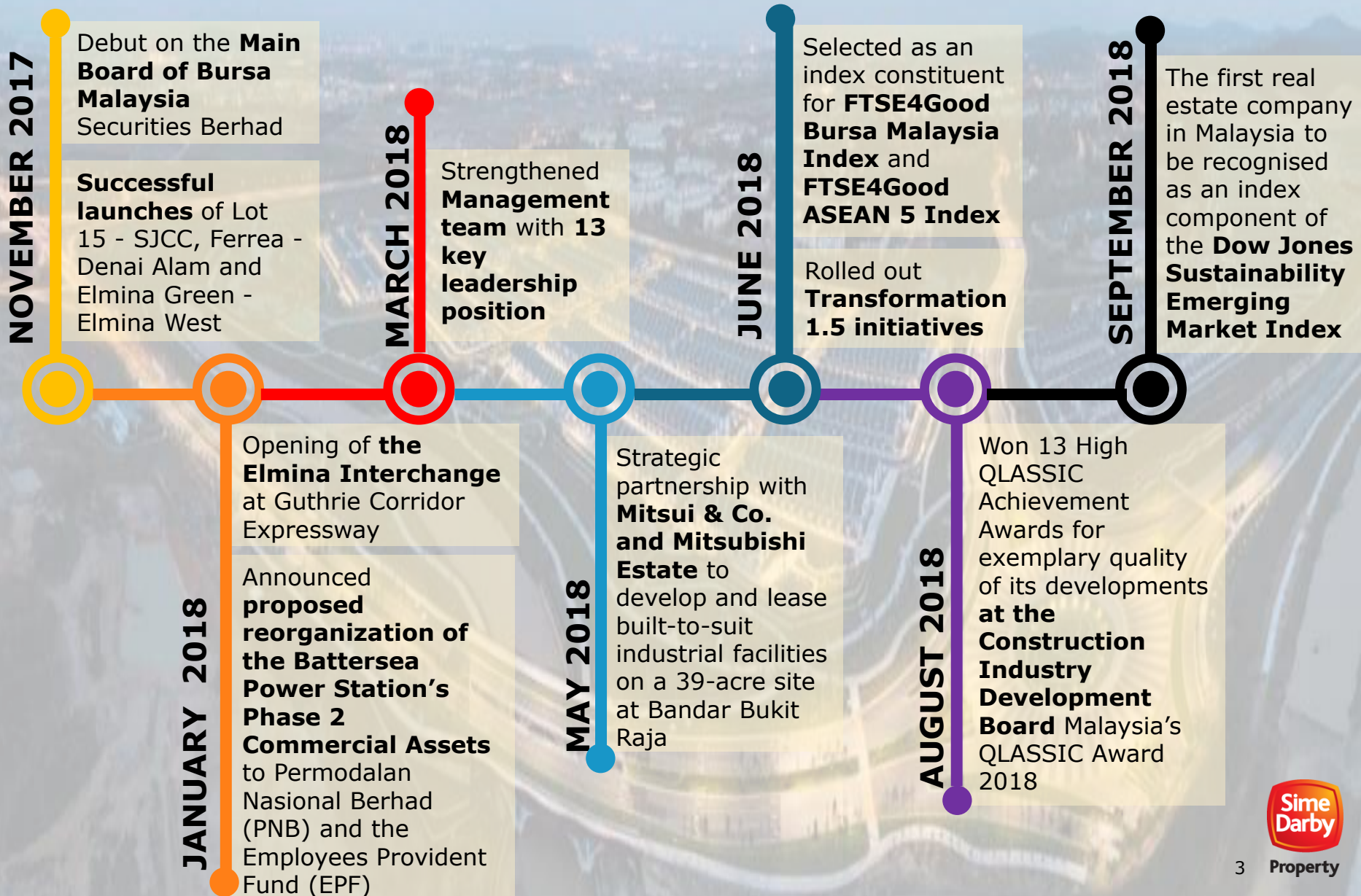
# 2017/18 Review



**Actual picture of Elmina Valley**  
• Delivered 853 units of  
Elmina Valley 1-3 in FY2018



# A Year of Transformation With Several Key Milestones



# Resilient Financial Deliverables in the First Year of Listing



Revenue

**RM2,353.1**  
million



PBIT

**RM682.5**  
million



PATAMI

**RM640.0**  
million

Return on  
Avg. SF  
**8.0%**

Net assets  
per share  
**RM1.40**



Shareholders'  
Fund (SF)

**RM9,734.6**  
million



Gross D/E Ratio  
**25.5%**



Total Dividend  
Payout  
**RM340.0**  
million

Dividend  
Payout Ratio  
**53.1%**

Dividend  
Yield  
**4.2%**



Net Sales Value

**RM2,250.0m**

Surpassing target of RM2.0bn

Unbilled Sales

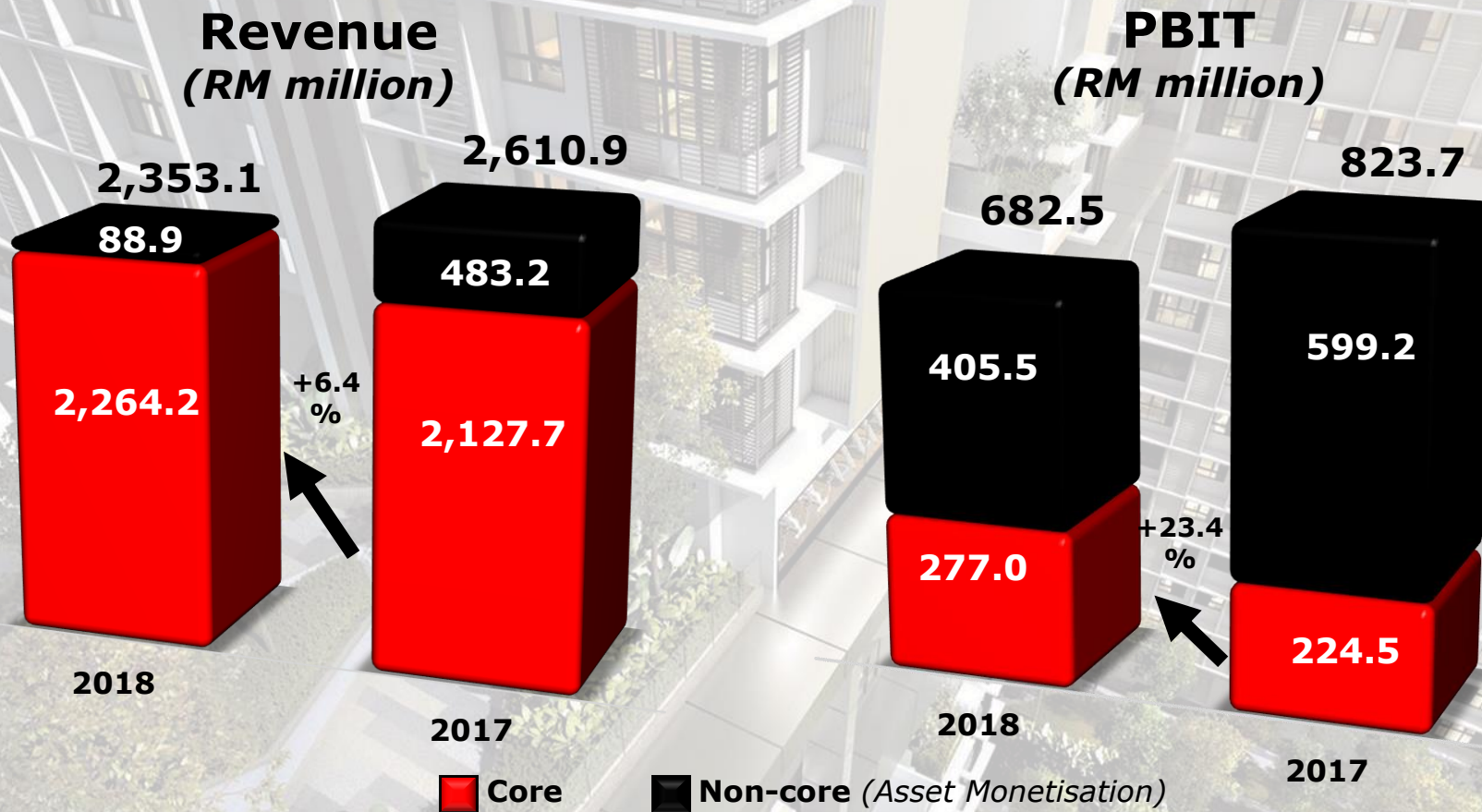
**RM2,034.0m**

Met target of RM2.0bn





# Improvement in Core Earnings



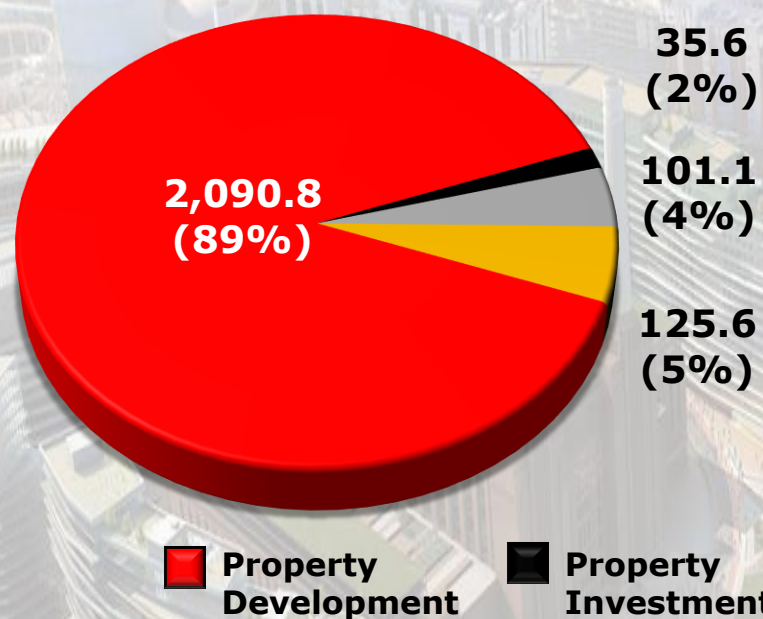
## ❑ Lower non-core revenue YoY attributable to:

- Strategic land sale in New Lunderston Estate and Glengowrie Estate of RM88m
- Sale of equity interest in MLDC and Seriemas Development Sdn Bhd to PNB Development Sdn Bhd of RM318m

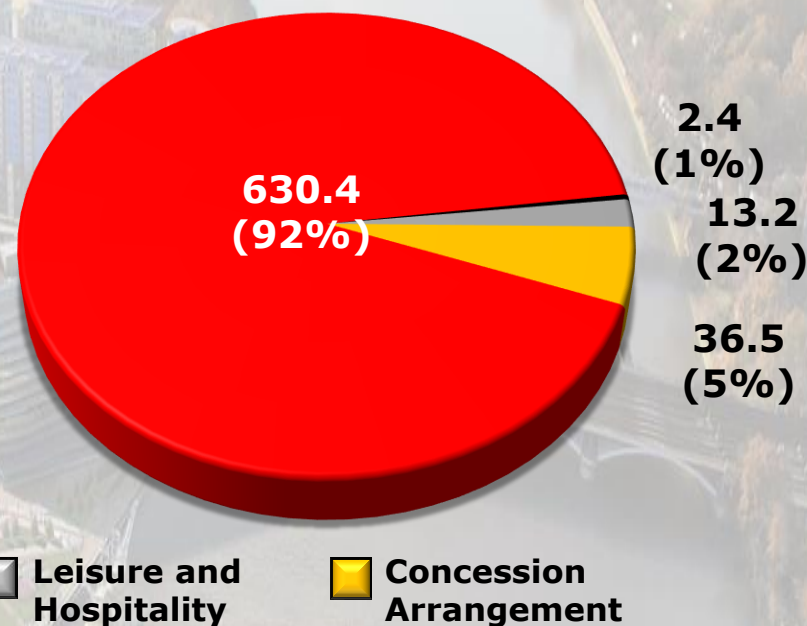
❑ The Group's **core revenue and core PBIT higher YoY by 6.4% and 23.4% respectively**, excluding the contributions from asset monetisation

# Property Development remained the main contributor (~90%) to the Group's total revenue and PBIT

## REVENUE RM2,353.1 million



## PBIT RM682.5 million

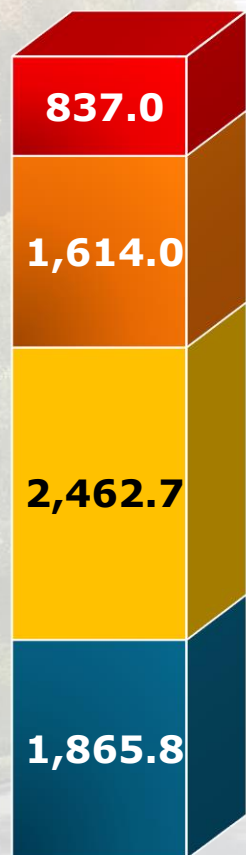


- ❑ **Higher PBIT in Property Development** driven by higher sales and development activities from flagship projects
- ❑ **Significant gains in Property Investment and Leisure and Hospitality** from the disposal of stakes in MLDC and Seriemas
- ❑ **PBIT of Concession Arrangement jumped almost sixfold** from RM6.1 million to RM36.5 million in FY2018



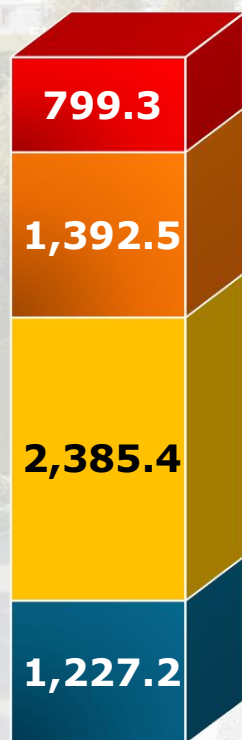
# Group's Inventories as at 30 June 2018

**RM6,779.4  
million**



**2018**

**RM5,806.7  
million**



**2017**

**17%**

**Completed: +5%**

- ~57% are from the Alya and Glades developments

**PDC - Launched: +16%**

- Increased activities at Elmina East, Elmina West and Bandar Bukit Raja

**PDC - Not Yet Launched: +3%**

- Costs incurred on infrastructure at new townships such as Serenia City and Bandar Universiti Pagoh

**Land Held for PD: +52%**

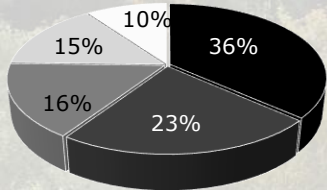
- Included RM689.6 million from the acquisition of MVV land measuring 1,880 acres



# Strong Sales and Unbilled Sales Performances

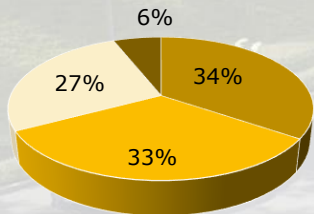
**UNITS SOLD**  
**3,045, +72% YoY**

## Greater Klang Valley



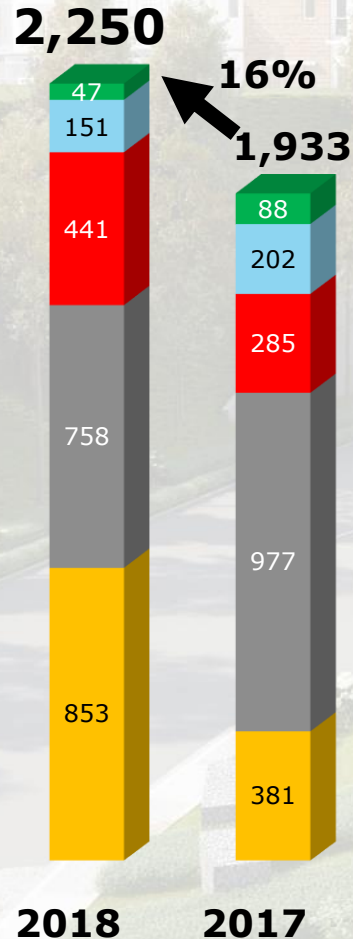
■ Putra Heights  
■ Serenia City  
■ Ara D'sara  
■ SJCC  
■ Others

## Along Guthrie Corridor

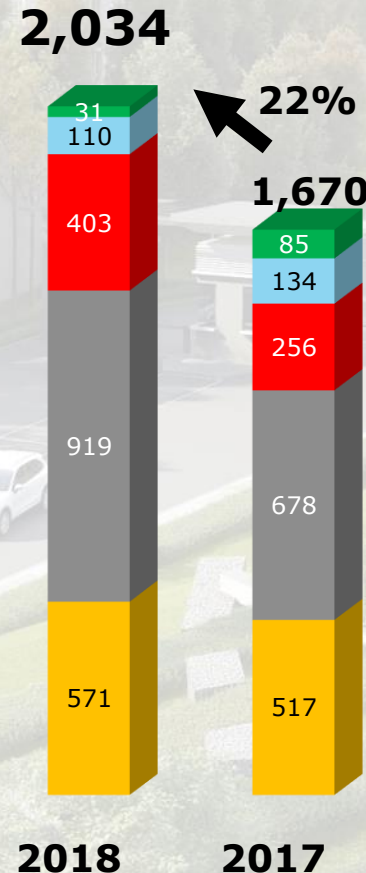


■ Elmina East  
■ Elmina West  
■ Denai Alam & Bukit Subang  
■ Bukit Jelutong

## Sales Achieved (RM'm)

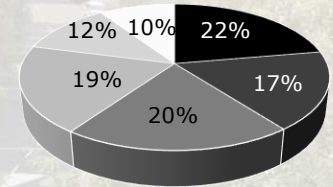


## Unbilled Sales (RM'm)



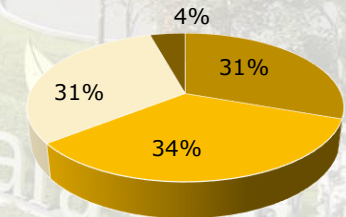
**UNITS COMPLETED**  
**2,305, +88% YoY**

## Greater Klang Valley



■ Putra Heights  
■ Serenia City  
■ Ara D'sara  
■ ALYA  
■ SJCC  
■ Others

## Along Guthrie Corridor



■ Elmina East  
■ Elmina West  
■ Denai Alam & Bukit Subang  
■ Bukit Jelutong

■ Along GCE ■ Greater Klang Vally ■ Klang ■ N.Sembilan ■ Johor



# Healthy Launches in Various Product Lines

**4,098 units launched worth RM2,709m**

**+139% YoY (1,717 units in FY2017)**



**Landed: 1,775 units**

## **Ferrea, Denai Alam**



Unit: 228  
GDV: RM197m

## **Semanea, Denai Alam**



Unit: 162  
GDV: RM192m

## **Elmina Green, Elmina**



Unit: 398  
GDV: RM304m

## **Serenia Amani, Serenia**



Unit: 302  
GDV: RM174m

## **Azira, Bandar Bukit Raja**



Unit: 166  
GDV: RM142m



**Affordable: 1,700 units**

## **Harmoni 1, Putra Heights**



Unit: 1,700  
GDV: RM389m



**High-Rise: 532 units**



**Lot 15, SJCC**  
Unit: 361  
GDV: RM277m



**Senada B, Alya**  
Unit: 170  
GDV: RM167m



**Commercial: 91 units**



**Laman Nadina, Elmina**  
Unit: 14  
GDV: RM28m



**Saujana Promenade, Pagoh**  
Unit: 35  
GDV: RM33m





# Moving Forward



**Battersea Power Station, London**  
• Handed over 855 units of Phase 1  
over 2 years in FY2017 & FY2018



# Malaysia's Property Market Remains Weak and Challenging

## Re-introduction of Sales and Service Tax (SST)

- Uncertainty on housing prices
- Buyers adopt "wait and see" approach
- Expect moderation in sales



## National Housing Policy

- Clear scope and parameters of proposed policy
- Streamline effort to deliver affordable houses

## Oversupply of high-rise medium range properties

- Industry is producing faster than the absorption rate
- High number of unsold condominium/apartment units in Selangor priced below RM1 million (~8,500 units) and Kuala Lumpur (~20,400 units) as at June'18 may affect the sales volume of ongoing / new launches

## Slower economic growth in Malaysia

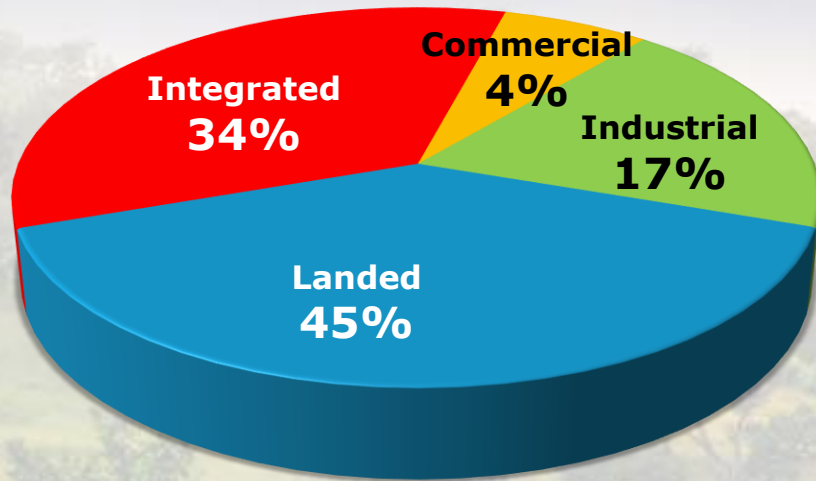
- Revised 2018 GDP growth forecast of 4.9% from 5.4%
- Expect an austere 2019 Budget

## Enhancement in People Management

- Upskilling and sourcing of capabilities in the Integrated Team
- Reduce operating expenditure

# Sustainable Pipeline of Launches in 2019

## Breakdown by GDV



**4,000 - 4,500 units to be launched, worth GDV of RM4 billion**

**Elmina 19%**

**Nilai 16%**

**Bukit Raja 13%**

**Serenia City 8%**

## Key Launches

Landed



### Elmina West

(2-storey house)

No. of Units : 780

Est. GDV : RM581.4mn



### Bukit Raja

(2-storey house)

No. of Units : 725

Est. GDV : RM428.5mn



### Serenia City

(2-storey house)

No. of Units : 628

Est. GDV : RM347.4mn

Integrated



### Putra Heights

(Serviced apartment)

No. of Units : 1,120

Est. GDV : RM340.2mn



### SJCC

(Serviced apartment)

No. of Units : 234

Est. GDV : RM170.6mn

Industrial



### Nilai Impian

(2 & 3-storey factory)

No. of Units : 149

Est. GDV : RM543.8mn





# We are committed to grow via a focused transformation plan

Our **SHIFT20 Transformation Plan** comprises **20 initiatives** which we have identified based on **5 Strategic Priorities** to transform the Group over the next five years.

Maximising

**S**takeholder Value

Enhancing and Developing

**H**uman Capital and Capabilities

Driving

**I**nnovation and Operational Excellence

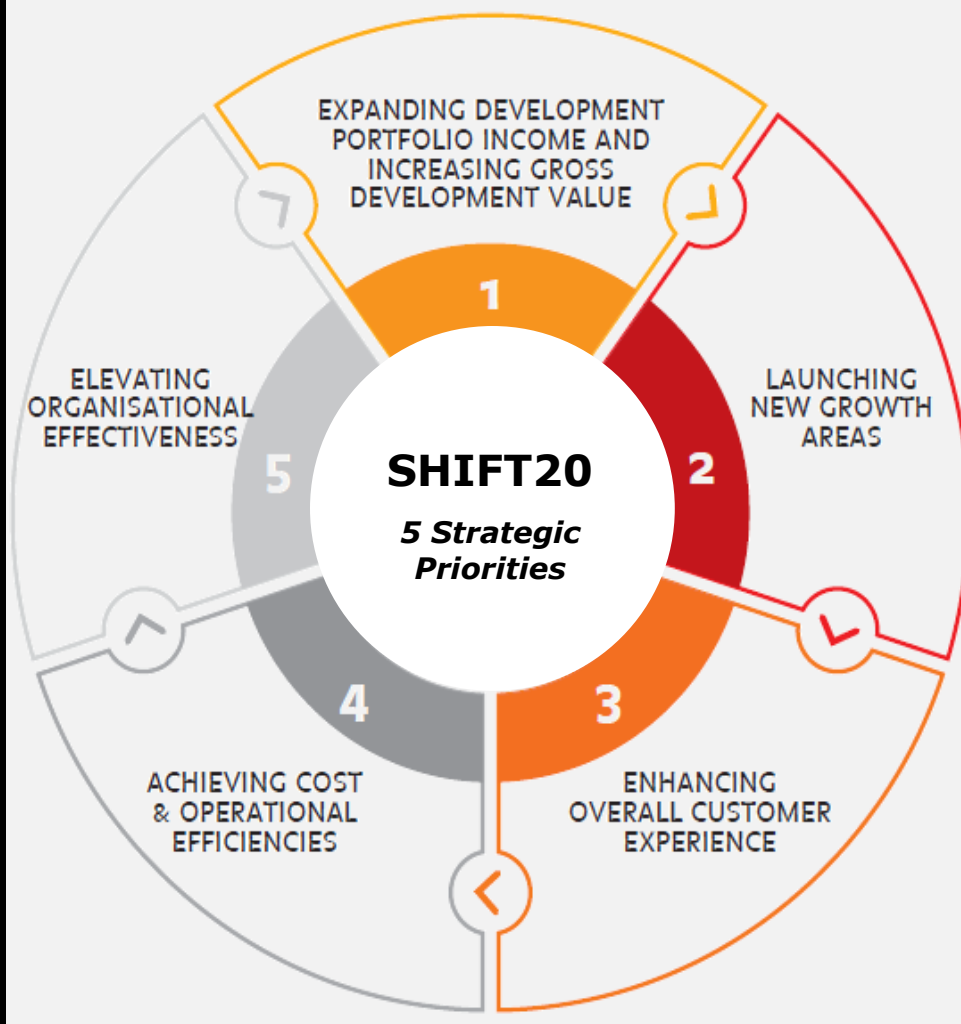
Strengthening

**F**undamentals and Business Focus  
Organisational

**T**ransformation towards Sustainable  
Growth

By executing

**20** strategic initiatives to achieve our  
Goals



# Property Development: Maintain the leadership position as a reputable township developer in Malaysia

## Key Strategic Priorities



**Prioritise on Reducing Completed & Launched Ongoing Inventories**



**Focus on Launches in Low to Mid-range Segment to Meet Demand**



**Establish New Segment for Industrial & Logistics Developments**



**Embark on First Phase of MVV Development**

## Identified Initiatives

Strategic **execution plan** to reduce **inventories** with carrying value of **RM2.5bn**, mainly from Alya, Planters' Haven, The Glades, KL East & Ara Damansara

**Launches below RM800,000 segment**, including Rumah Selangorku units in Elmina (below RM300,000)

**400 acres of industrial land identified for sale or development** with an estimated GDV of ~RM5.1bn to be realised over the next 5 years

Focus on **Parcel A** measuring **2,838 acres** and have **constant engagement** with State and Federal Government

## Key Targets



**More than 20%**  
Dividend Payout



**RM2.2 billion**  
in Unbilled Sales



**5% Increase**  
from FY2018 Customer Satisfaction Index





# Property Investment and Asset Monetisation: Grow recurring income and maintain a steady portfolio

## Key Strategic Priorities



**Generate Investment Income from Industrial Segment**



**Monetise Non-Strategic Land bank**



**Rationalise Low-yielding, Non-core Assets**

## Identified Initiatives

Embark on **Built-to-Suit & Lease model in Bandar Bukit Raja, Elmina and Serenia City**, with focus on 39 acres in Bandar Bukit Raja for 10 industrial plots with target commencement of construction in early 2019

**Target disposal of ~1,700 acres** of non-strategic land bank located in Northern Peninsula and East Malaysia

**Target completion of divestment** of hospitality assets in Singapore, Australia and Vietnam

## Key Targets



**Achieve 10%**  
PBIT contribution by 2023



**Grow a steady investment** asset portfolio and **unlock value** from divestment of non-core assets by 2019

# Concession Arrangement: Focus on growth and expansion of Pagoh Education Hub

## Key Strategic Priorities



**Management of Pagoh Education Hub**



**Explore Opportunities for Expansion of Pagoh Education Hub**

## Identified Initiatives

**Pagoh Education Hub as a source of recurring income** via availability charges and facilities management

Balance surrounding land area of ~400 acres which is **earmarked for future expansion** of education facilities

## Key Targets



**Stable and Consistent**

Cash Flows for the next 19 years



**Catalyst**

to Property Development Profitability in Bandar Universiti Pagoh



# THANK YOU



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