



**Financial Year 2019 (FY2019)
Results Announcement
Second Quarter Ended 30 June 2019
29 August 2019**





Financial Highlights for Second Quarter of FY2019 (2QFY19) and First Half of FY2019 (1HFY19) Ended 30 June 2019

2QFY19 and 1HFY19 Ended 30 June 2019

In RM'm	2QFY19	2QFY18	YOY %	1HFY19	1HFY18	YOY %
Revenue	865.9	617.4	40.3	1,441.0	1,176.9	22.4
Segment Results	174.7	47.0	271.7	248.3	72.6	241.9
PBIT	150.6	45.5	231.0	428.6	82.7	418.3
PBT	179.5	73.8	143.1	480.9	116.8	311.7
PATAMI	205.3	46.6	340.8	470.3	80.2	486.2
Basic EPS (sen)	3.0	0.7	340.8	6.9	1.2	486.2

2QFY19 vs 2QFY18

- **Higher Revenue of +40.3% YoY** due to:
 - Higher development profits as a result of higher sales and development activities from Bandar Bukit Raja (BBR), Bukit Jelutong, Nilai Impian and City of Elmina
 - Development land sales at BBR and Bandar Ainsdale – RM159.0m
 - Non-core strategic land sale (Bukit Selarong) – RM88.9m
- **PBIT improved +231.0% YoY** attributed by:
 - Lower operating cost of RM87.8m vs RM99.5m in 2QFY18, an improvement of 11.8% YoY
 - Gain on Bukit Selarong land sale of RM81.1m
 - Higher share of losses of JV/Associates of RM14.9m
 - Offset by write-down and provisions of RM(58.6)m

1HFY19 vs 1HFY18

- **Higher Revenue of +22.4% YoY** due to:
 - Higher sales and development activities progress from Cantara Residences, BBR, Serenia City and City of Elmina
 - Development land sales at BBR and Bandar Ainsdale – RM159.0m
 - Non-core strategic land disposal (Bukit Selarong) – RM88.9m
- **PBIT rose +418.3% YoY** due to:
 - Higher contribution from property development
 - Disposal gains on properties in Singapore of RM208.8m vs Other gains of RM9.4m in 1HFY18
 - Offset by one-off items of RM(58.6)m

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Improvements in Core Earnings

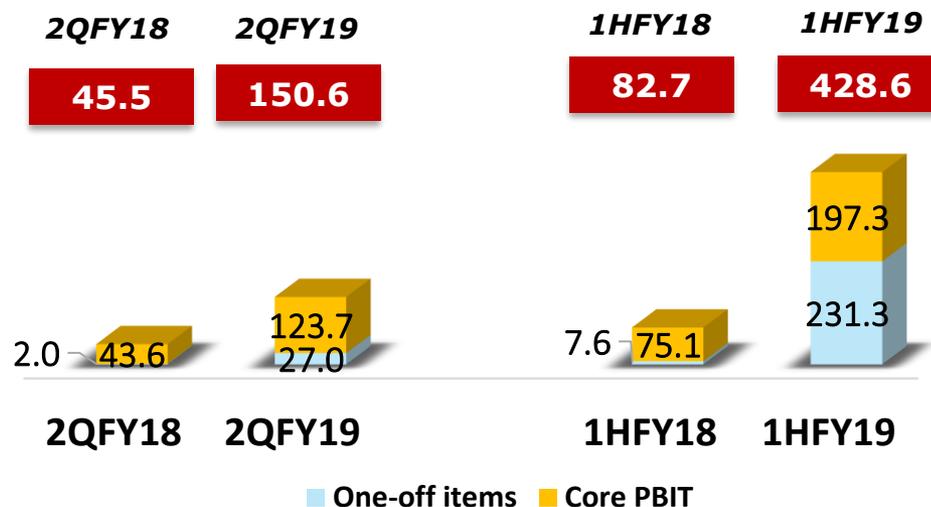
REVENUE

<i>In RM'm</i>	2QFY19	2QFY18	%	1HFY19	1HFY18	%
Reported revenue	865.9	617.4	↑ 40.3	1,441.0	1,176.9	↑ 22.4
Non-core land sales	(88.9)	(3.4)		(88.9)	(3.4)	
Core Revenue	777.0	614.0	↑ 26.5	1,352.1	1,173.5	↑ 15.2

KEY TAKEAWAY

- Revenue:** Largely derived from core operations
- PBIT:** Excluding one-off items of RM231.3m in 1HFY2019, **core PBIT higher by 162.7%** driven by higher contribution from Property Development

PBIT



One-off items in 1HFY2019:

Gain on Bukit Selarong land sale	81.1
Gain on disposal of properties in Singapore	208.8
Impairment and provisions	(30.1)
Provision for outstanding obligation on an investment property disposed in FY2017	(28.5)

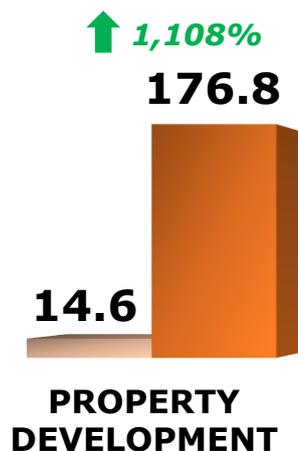
Total one-off items (54% of total PBIT) **231.3**

1HFY2019 Core PBIT **197.3**



Segment Results for 2QFY19

In RM'mil



2QFY18 vs 2QFY19



■ 2QFY18

■ 2QFY19

Property Development

- **Higher development profits as a result of higher sales and development activities** from Bandar Bukit Raja, Bukit Jelutong, Nilai Impian and City of Elmina and further enhanced with **core land sales** in Bandar Bukit Raja (50 acres) and Bandar Ainsdale (15 acres) of RM55.8m and RM10.1m, respectively
- **Gain on disposal of Bukit Selarong land (300 acres)** of RM81.1m
- Offset by development provisions and write-down/write-off of property development cost and impairment of inventories of RM(30.1)m
- **Higher share of loss of JV/Associates** of RM13.8m (2QFY18: Loss of RM6.3m)

Property Investment

- Prior year's result included the profit from supply of teaching equipment of RM29.6m from the concession arrangement and gains on disposal of investment properties in United Kingdom of RM9.4m
- **Recorded a share of profit from SD CapitaMall of RM0.2m** (2QFY18: Loss of RM0.7m) due to higher occupancy rate achieved at Melawati Mall of 86% (2QFY18: 80%)

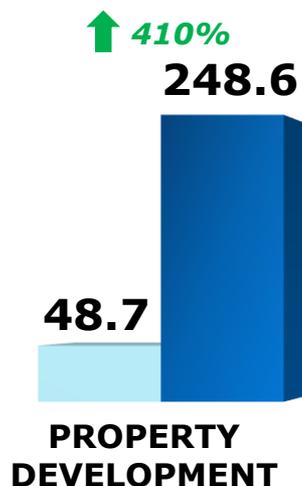
Leisure & Hospitality

- Higher loss recorded in previous year as **TPC, KL - West Course** was under renovation



Segment Results for 1HFY19

In RM'm



1HFY18 vs 1HFY19

■ 1HFY18

■ 1HFY19



Property Development

- Higher development profits due to **higher sales and development activities** from Cantara Residences, Bandar Bukit Raja, Bukit Jelutong, Nilai Utama and City of Elmina and **completion of core land sales** in Bandar Bukit Raja (50 acres) and Bandar Ainsdale (15 acres) of RM55.8m and RM10.1m, respectively
- Gain on disposal of Bukit Selarong land (300 acres)** of RM81.1m
- Offset by development provisions and write-down/write-off of property development cost and impairment of inventories of **RM(30.1)m**
- Lower share of loss of JV/Associates** of RM12.0m (1HFY18: Loss of RM25.3m)

Property Investment

- Higher contribution from **facility and asset management services of RM4.9m** (1HFY18: RM4.2m)
- Higher share of profit from SD Capitamall of RM1.5m** (1HFY18: Loss of RM0.1m) due to higher **occupancy rate** achieved at Melawati Mall of 86% (1HFY18: 79%)
- Offset with share of loss from Shaw Brothers of RM1.1m (1HFY18: Profit of RM2.3m)
- 1HFY18 included the one-off contribution from the delivery of teaching equipment of RM29.6m at Pagoh Education Hub

Leisure & Hospitality

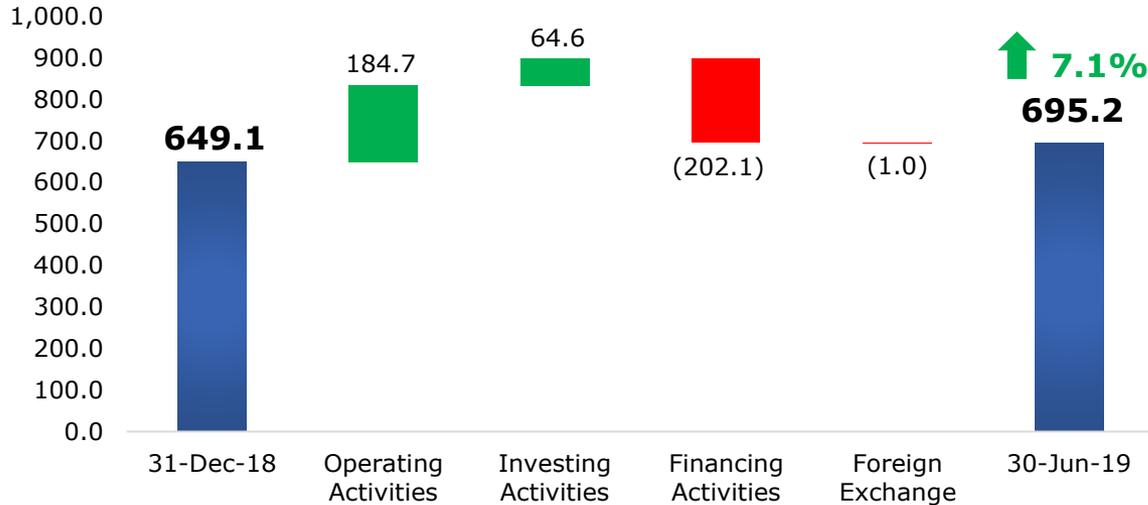
- Lower operating loss recorded by **TPC, Kuala Lumpur of RM0.1m** (1HFY18: Loss of RM5.5m) due to higher revenue recorded during the period



Cash and Borrowings as at 30 June 2019

Cash & Cash Equivalents

(In RM'm)



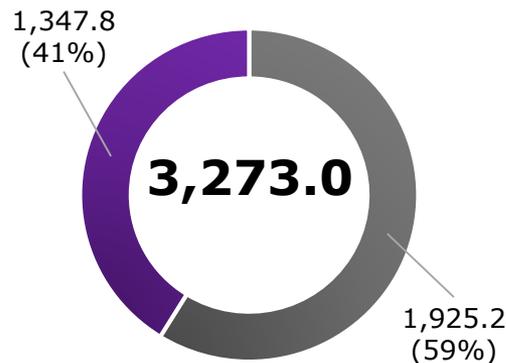
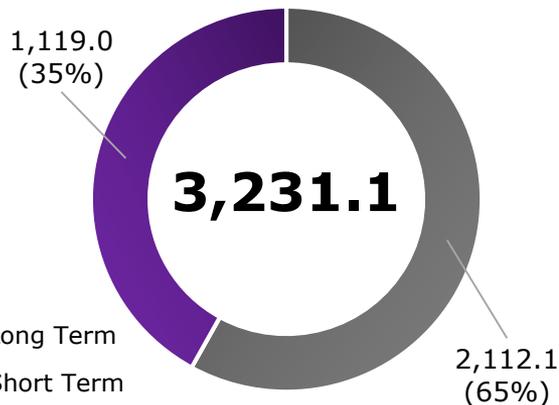
- **Higher net cash inflow from operating activities** mainly due to higher sales from KLGCC Resort (East Residence), Melawati, Bukit Jelutong, Cantara Residences and City of Elmina
- **Positive net cash flow from investing activities** mainly due to proceeds from disposal of Darby Park Executive Suites 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 (RM89.6m), net repayments of borrowings (RM35.3m) and dividend paid (RM68.0m)

Group Borrowings

(In RM'm)

30-Jun-19

31-Dec-18



- ✓ **Repayment of revolving credits, partly offset by new long term borrowings raised**

Gross D/E Ratio

32.8%

(31 Dec'18: 34.6%)

Net D/E Ratio

25.8%

(31 Dec'18: 27.8%)



Operational Performances for 2QFY19 and 1HFY19 Ended 30 June 2019

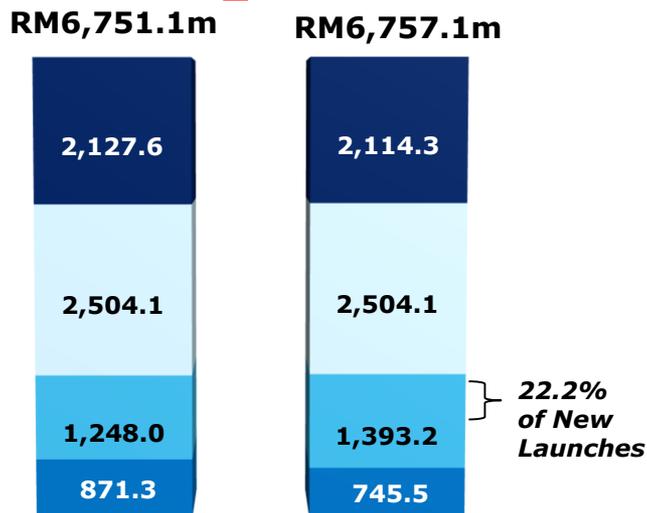


Property Development Inventories

Total Inventories

In RM'm

↑ 0.1%



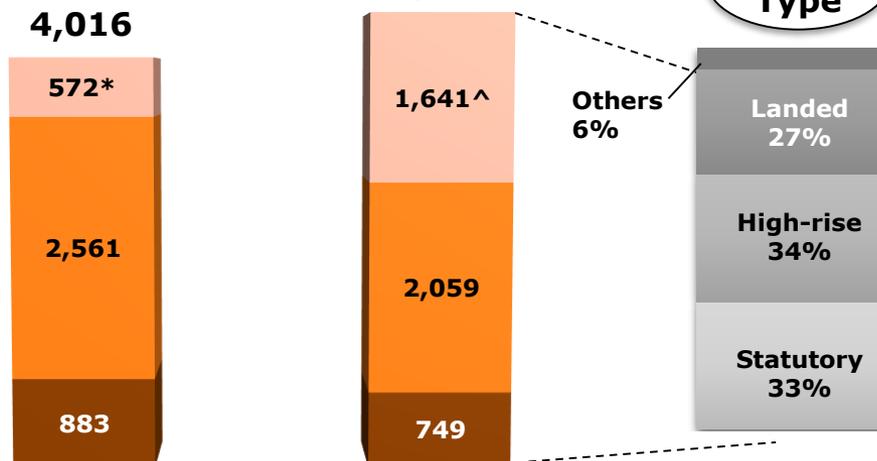
31 Dec'18

30 Jun'19

- Land Held for PD
- Ongoing - Future Developments
- Ongoing - Launched Developments¹
- Completed

Unsold Units by Development

↑ 10.8%



31 Dec'18

30 Jun'19

- Completed Units
- Ongoing
- New Launch

* Number of units launched from July - Dec'18

^ Number of units launched from Jan - Jun'19

- ❑ Higher inventories held by ongoing launched developments (+11.6%)
- ❑ Completed stocks reduced by 14.4% as a result of sales and marketing efforts for East Residence, KLGCC Resort and Serini, Taman Melawati

- ❑ Lower completed units by 15.2% especially:
 - ❑ Serini at Taman Melawati (sold 42 units)
 - ❑ East Residence at KLGCC (sold 21 units)
- ❑ New launch stock in 1HFY19 rose +186.9%, mainly from Rumah Selangorku project at Elmina West (562 units) and landed properties (Elsa & Kyra) at Bandar Bukit Raja (245 units)

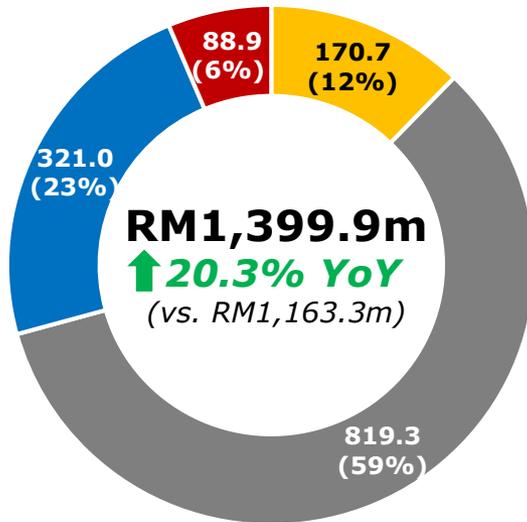
Note: ¹ Costs of new launches as at 30 June 2019 mainly from The Ridge, KL East (31 December 2018: Cipta 3, Serenia City)



Sales Performance for 1HFY2019

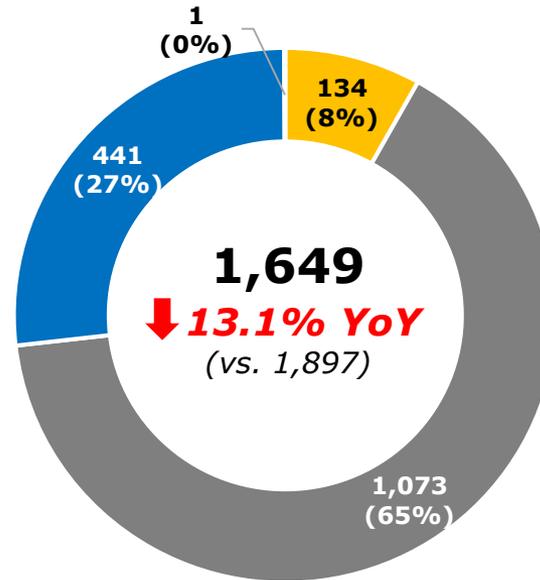
Sales Achieved

(In RM'm)



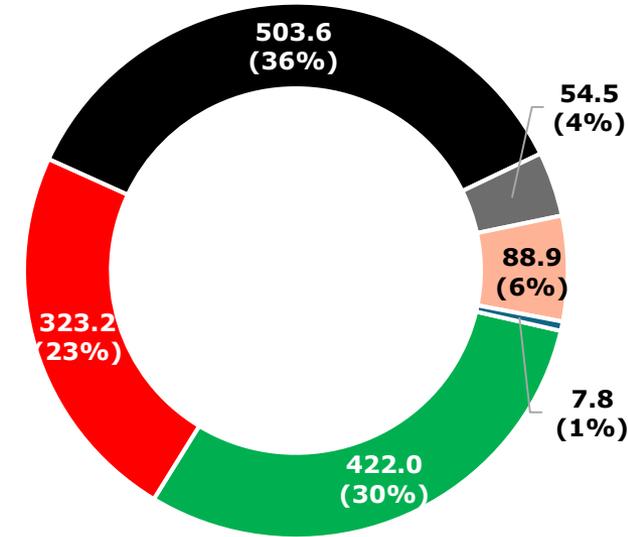
Units Sold

(In units)



Sales by Location

(In RM'm)



■ Completed units ■ Ongoing ■ New Launch ■ Non-core strategic land sales

- Aggressive sales and marketing efforts via Primetime 8 and Pop Raya Campaigns, resulting in positive sales momentum and take-up rates
- 59% and 23% were recorded from Ongoing Developments and New Launches, respectively.

- Lower units sold YoY as prior year included the sales of 542 units of Rumah Selangorku homes at Putra Heights, against 253 statutory units recorded in 1HFY2019

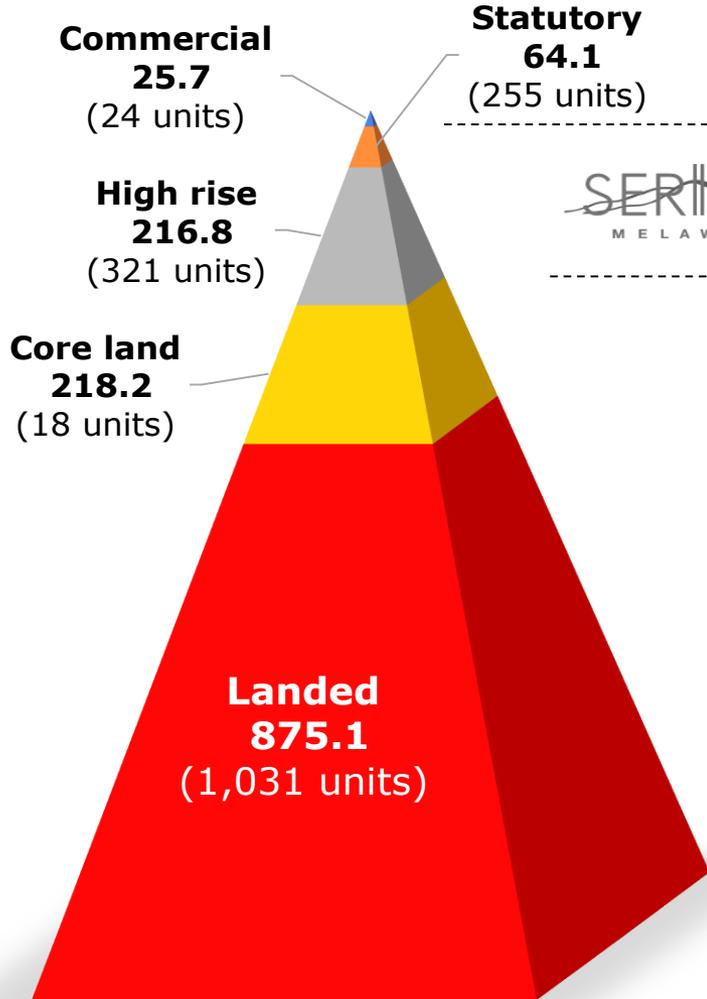
- Along GCE
- Greater Klang Valley
- Kedah
- Klang
- Negeri Sembilan
- Johor
- Largely derived from our flagship townships at Bandar Bukit Raja, City of Elmina and Serenia City



Sales Mainly Driven By Landed Properties

Sales Achieved: RM1,399.9m

In RM'm



Unique Propositions



Affordable homes at highly connected locations



Transit-oriented and transit-adjacent developments

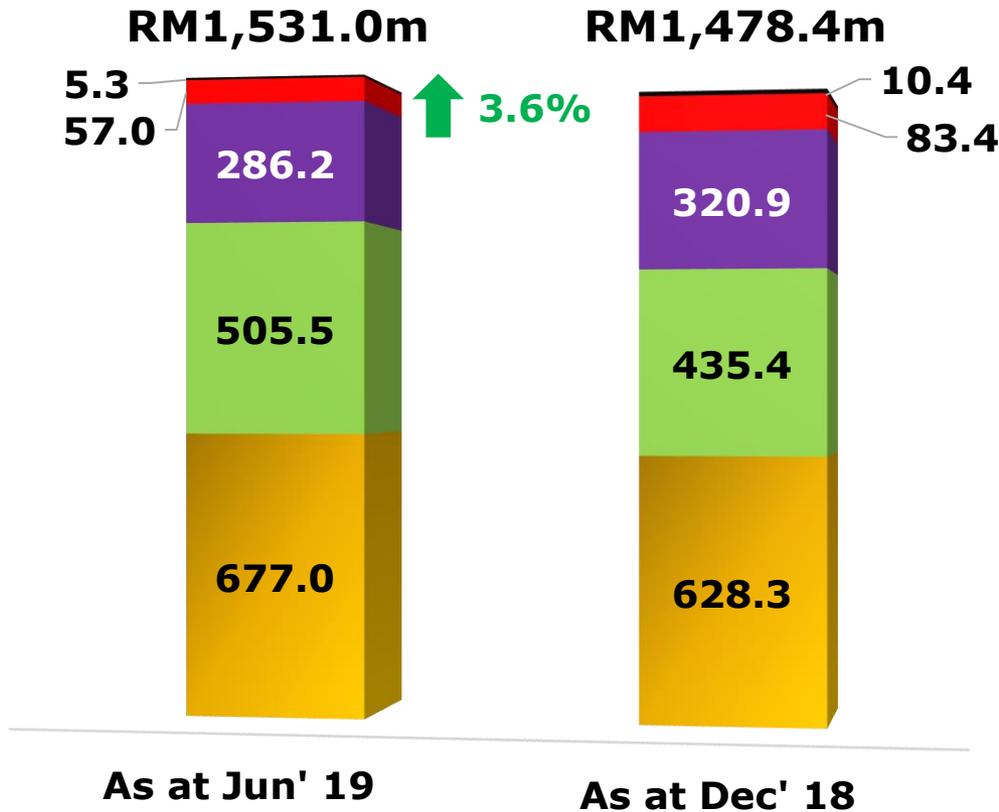


Mid-range landed properties at strategic locations to suit current demand



Unbilled Sales By Location

In RM'm



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

- Unbilled Sales of RM1,531.0 million is **an improvement of 3.6%** from RM1,478.4 million as at 31 Dec'18
 - ✓ As a result of higher sales recorded during the PrimeTime 8 Campaign held in March – April 2019.

- **66.7% of Unbilled Sales is consisted of Township Developments**, mainly from Elmina West and Bandar Bukit Raja, whilst the Integrated Development's portion was hugely contributed from Senada Residences, KLGCC Resort and The Glade, Putra Heights.

- **Revenue recognition for next 3 years**

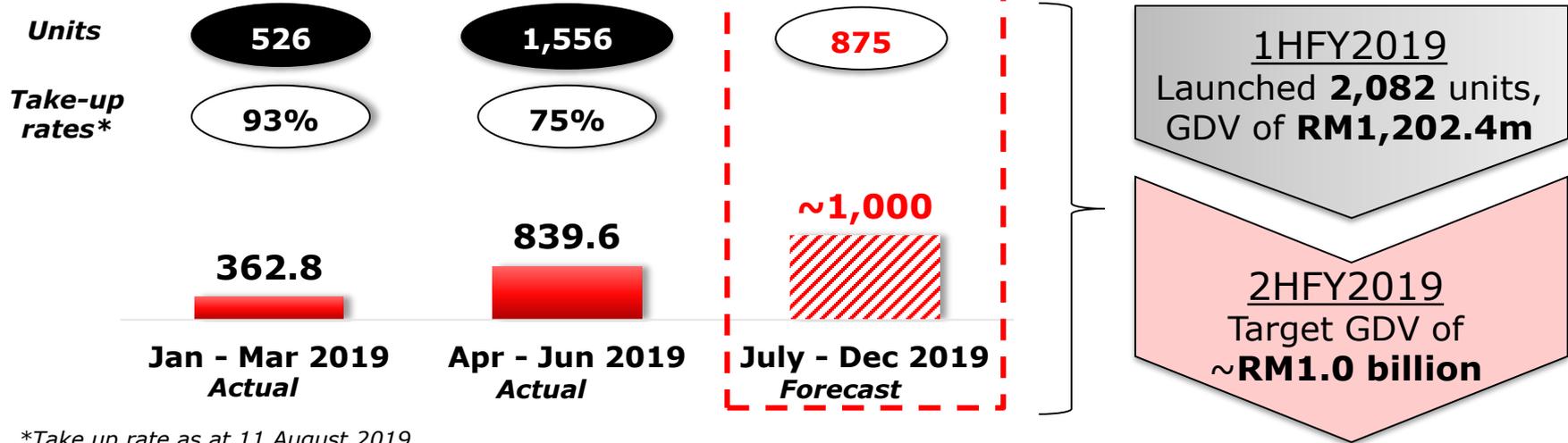
FY19	FY20	FY21
66%	26%	8%



Demand-Driven Launch Pipeline in FY2019

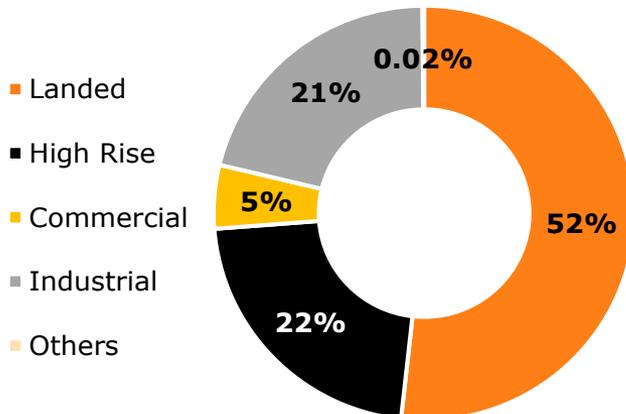
Gross Development Value

(In RM'm)

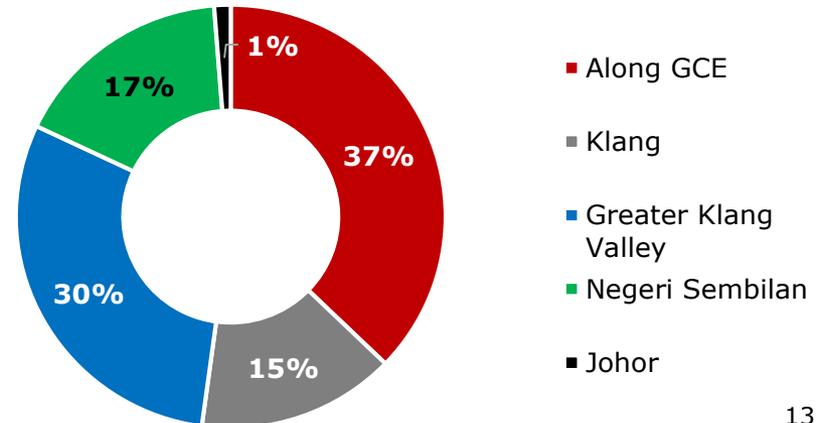


*Take up rate as at 11 August 2019

FY2019 Launch GDV By Product Type



FY2019 Launch GDV By Location



Continuous Marketing Efforts to Maintain Momentum from Primetime 8 and Pop Raya

July – September 2019

SPOTLIGHT 8

WEEKEND SUPERDEALS & LAUNCHES

Kajang, Johor & Negeri Sembilan	KL East	City of Elmina	Putra Heights	Bukit Jelutong	Subang Jaya	Bandar Bukit Raja	Serenia City
8	8	8	8	8	8	8	8
7 & 14 Sept	3 Aug	20 Jul	24 Aug	21 Sept	10 Aug & 28 Sept	13 & 27 Jul, 31 Aug	17 Aug
Superdeals	Superdeals	Superdeals	Superdeals	Superdeals & New Launch	Superdeals & New Launch	Superdeals & New Launch	New Launch

CAMPAIGN HIGHLIGHTS

- To clear the inventories for **New Launches, Ongoing Developments and Completed** Projects
- To **continue the sales momentum** from previous two marketing campaigns



New Launches

Launches at some of the best-selling townships:

- Bandar Bukit Raja
- Serenia City
- Bukit Jelutong
- Subang Jaya



HOC Extension

Enjoy stamp duty savings from RM15,696* for the next new launches
**based on price of RM628,888*



Weekend Superdeals

Incredible deals on selected properties each weekend and only valid for that specific weekend



Superdeal Vouchers

An extra RM2,000 rebate on top of existing rebates should they choose to purchase a SDP home during the Spotlight 8 Campaign period
(T&C applies)



July – December 2019 Launches

July – Sept' 2019 Launches (New Launches under Spotlight 8)

Value: RM312.6m

Units: 397

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

No. of Units : 25 units
Value : RM42.0 million
Launch Date : 27 July 2019



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

No. of Units : 100 units
Value : RM56.5 million
Launch Date : August 2019



**Bukit Jelutong
(Legenda Gardens)**
(2-storey Link House)

No. of Units : 38 units
Value : RM43.5 million
Launch Date : September 2019



Subang Jaya (Aurora)
(Serviced Apartment)

No. of Units : 234 units
Value : RM170.6 million
Launch Date : September 2019

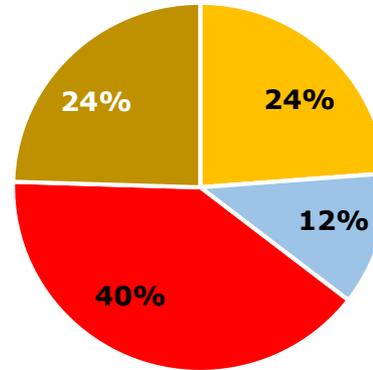


Oct – Dec' 19 Future Launches

Value: ~RM700.0m

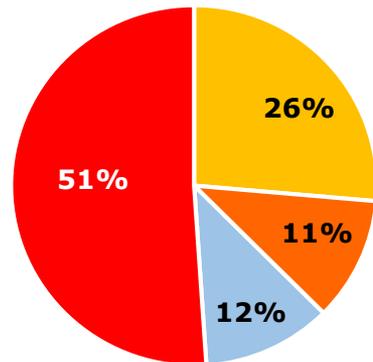
Units: 478

Value by Type



- Residential Landed
- Commercial
- Industrial
- Lot (Industrial)

Value by Location



- Along GCE
- Greater Klang Valley
- Klang
- N. Sembilan



Asset Monetisation Initiatives in FY2019



Total gains of RM289.9million



Non-core strategic land

300 acres of industrial land at Bukit Selarong estate, Kedah

- ✓ Sold for RM88.9m
- ✓ Completed in May 2019
- ✓ Recorded a gain of RM81.1m



Hospitality asset

Darby Park Executive Suites, Singapore

- ✓ Sold for RM280.5m
- ✓ Completed in Jan 2019
- ✓ Recorded a gain of RM203.4m



Hospitality asset

An apartment unit at The Orion, Singapore

- ✓ Sold for RM10.4m
- ✓ Completed in June 2019
- ✓ Recorded a gain of RM5.4m



Target completion by 4QFY2019



1.16 acres of freehold land at Jalan U-Thant, Kuala Lumpur



2 units of holiday bungalows on 1.71 acres of freehold land at Pulau Tikus, Pulau Pinang



Key Highlights

1 Sime Darby Property's Inclusion into FTSE4Good Index for 2nd consecutive year



FTSE4Good

- Successfully selected as an index constituent for
 1. FTSE4Good Bursa Malaysia Index
 2. FTSE4Good ASEAN 5 Index
- For the period of Jul'19 to Jun'20
- Highlights Sime Darby Property's commitment in **ensuring only the highest standards in ESG practices**

2 Launched Great Minds Campaign to Promote Mental Health Awareness on 23 Jul'19



- A 5-month campaign till November 2019
- In collaboration with Yayasan Sime Darby, and campaign partners, the Mental Illness Awareness and Support Association (MIASA) and Malaysian Mental Health Association (MMHA)



Aims to focus on 3 critical areas:

- i. Raising awareness
- ii. Early identification of mental health issues
- iii. Engaging stakeholders on caring their mental health

3 First Drive-thru KFC in Bandar Universiti Pagoh (BUP) on 23 Apr'19



- Via strategic partnership with **QSR Brands Holdings Berhad**
- To enhance township's value proposition and meet the demand of its burgeoning student population



4 Delivery of completed units in 1HFY19: 259

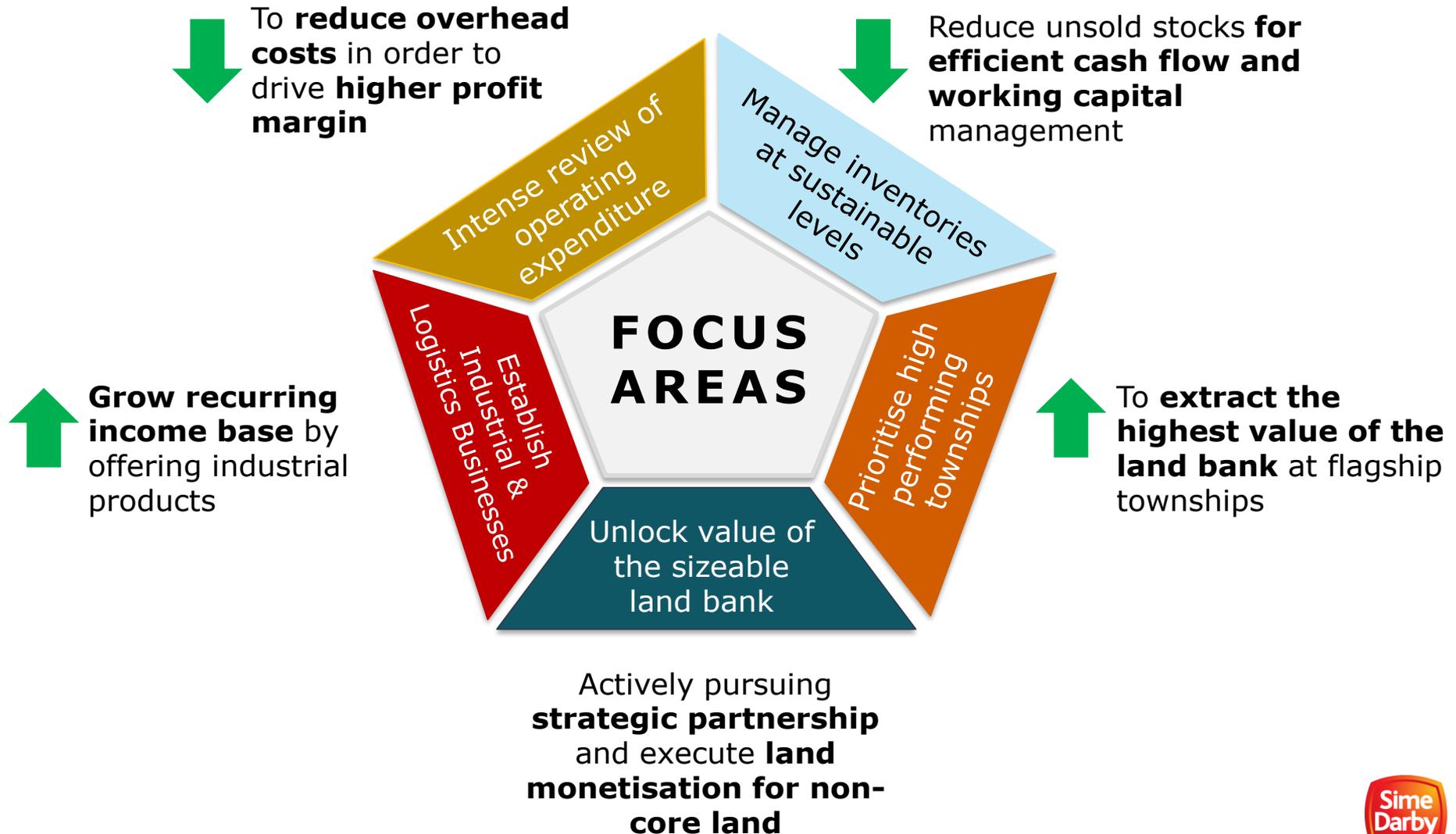
- Bandar Universiti Pagoh **177**
- Bandar Bukit Raja **82**



Moving Forward



Future Prospects Supported by Focused Strategies



Conclusion

1

Significant **improvement on core earnings** driven by positive **sales momentum** and **higher revenue growth** on development activities

2

Actively **clearing unsold inventories**, particularly **completed stocks**

3

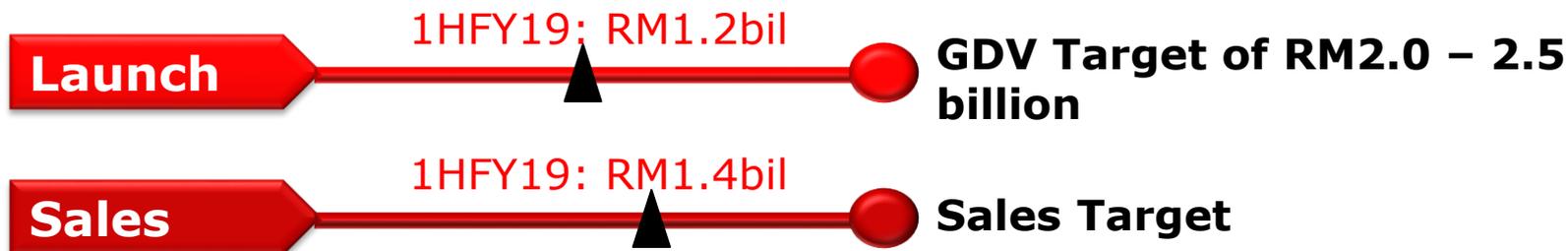
Backed by **positive operating cash flow** with continuous focus on **working capital management**

4

Emphasise on **active land bank management** to unlock value of the Group's sizeable land bank to develop Industrial & Logistics Business Segment and **grow recurring income base**



On Track to meet FY2019 Targets



THANK YOU

SIME DARBY PROPERTY INVESTOR RELATIONS

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APPENDICES

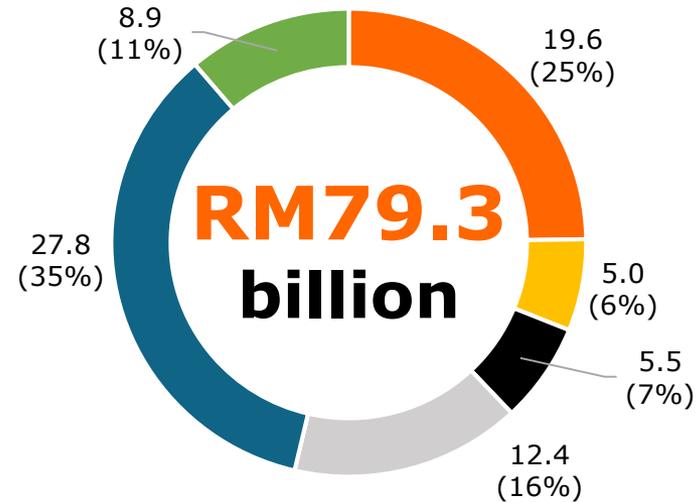
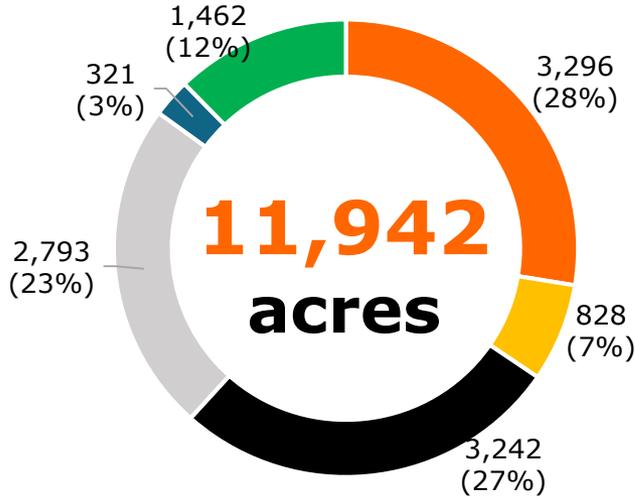
Sustainable Growth with Remaining Developable Period of 10 to 25 years

As at 30 June 2019

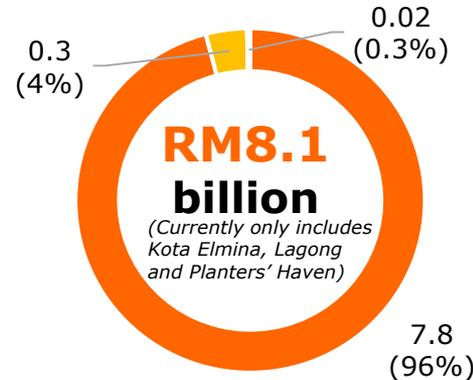
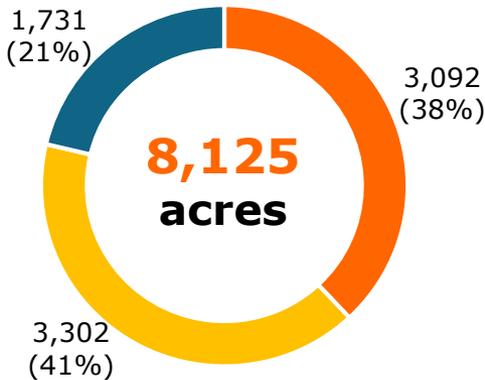
By Remaining Developable Land

By Remaining Gross Development Value (GDV)

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Legend

- Guthrie Corridor
- Negeri Sembilan
- Johor
- Klang
- Greater Klang Valley & Others
- Serenia City

Notes:

1. Township categorisation:

- Guthrie Corridor: (Ongoing) Elmina West, Elmina East, Denai Alam & Bukit Subang and Bukit Jelutong, (Future) Kota Elmina & Lagong
- Negeri Sembilan: (Ongoing) Nilai, Bandar Ainsdale, Planters' Haven & Chemara, (Future) MVV and others
- Johor: Bandar Universiti Pagoh and Taman Pasir Putih
- Greater Klang Valley & Others:
 - (Ongoing) Ara Damansara, KLGCC Resort, Putra Heights, KL East, USJ Heights, Taman Melawati, Saujana Impian, SJCC and SJ7
 - (Future) Jalan Acob, Victoria Estate and others



Launches of Statutory/Affordable Collection

As at 11 August 2019

2018 (Jan – Dec)

Township	Name	Type	Units	Take-up (%)	Average Price Per Unit (RM)
Nilai Utama	Orkid	Double-storey Link House	132	99	~450,000
Nilai Utama	Anggerik	Double-storey Link House	142	100	~500,000

2019 (Jan – Dec)

Township	Name	Type	Units	Take-up (%)	Average Price Per Unit (RM)
Bandar Universiti Pagoh	Harmoni Permai	Double-storey Link House	60	73	~430,000
Bandar Bukit Raja 1	Elsa	Double-storey Link House	165	99	~470,000
Elmina West	Harmoni 1	Statutory Apartment	562	47	~240,000
Bandar Bukit Raja	Kyra	Double-storey Link House	194	91	~652,078*
Bandar Ainsdale	BA7A : DSLH (20'x65')	Double-storey Link House	74		~460,000

■ Not yet launched – expected to be launched in 4QFY2019

*Price before rebates and discounts

