

Gamuda Berhad

Australian Tender Outcomes Imminent

Q1 '22 INVESTORS' BRIEFING

21 Dec 2021

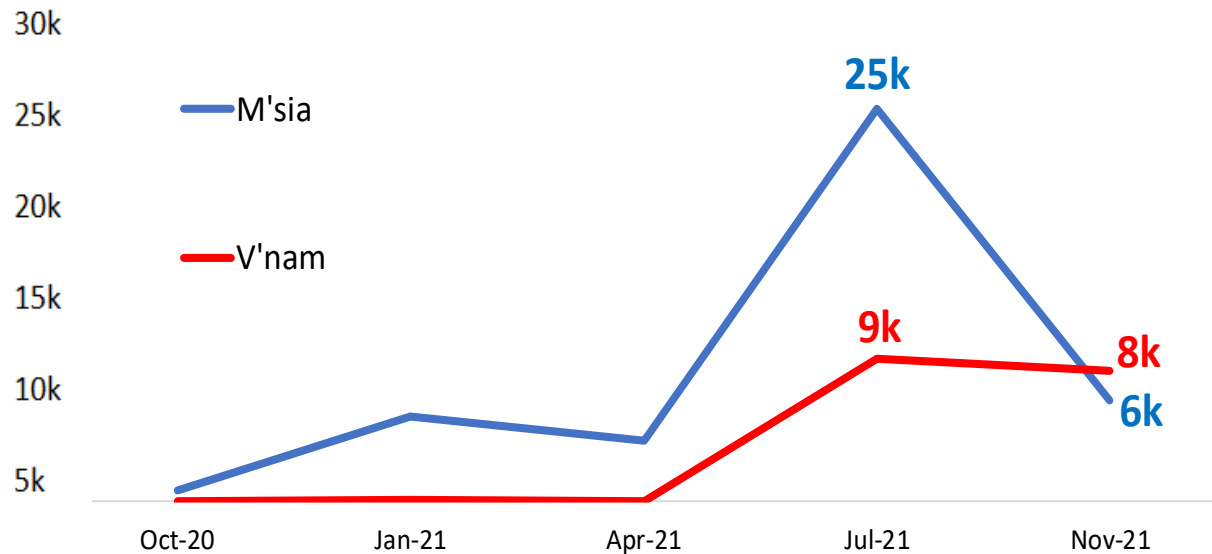
KEY HIGHLIGHTS



- **Strong Q1 to kick off FY22** – despite a slight dip in revenue, both pretax and net profits achieved 43% and 38% growths to RM220m and RM152m respectively; EBIT and pretax margins expanded significantly, whilst an interim dividend of 6 sen was reinstated following a suspension of dividend last year
- **MRT2 drove construction, Vietnam mostly in lockdown** – construction earnings surged as MRT2 edged towards the 90% financial progress milestone; Vietnam was forced into lockdown for most of Q1, thus capping its earnings contributions to the Group; expressway earnings rebounded as the Klang Valley exited the lockdown
- **Australia tender outcomes imminent** – the results of two tenders in NSW are expected within the next 2 months; we remain optimistic on securing at least one of them
- **MRT3 awaiting Cabinet approval for hybrid funding model** – MRTC has indicated that a PFI/PPP funding model will be adopted to kickstart the project, for which Cabinet approval is expected soon; tenders are targeted to be called in Q3 next year, based on MRTC's indicative timelines
- **Properties presales gain further traction** – Q1 presales totalled RM838m (+25% y-o-y), and is on track to meet the targeted RM3.5b for the full year; overseas sales continue to outsell domestic sales by 2 to 1; unbilled sales set another new record of RM4.9b

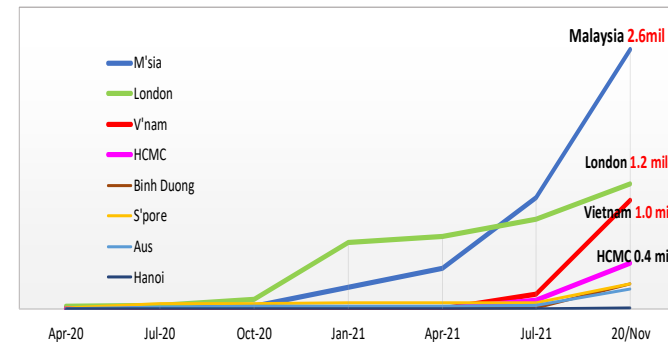
**1 M'sia lockdown lifted end of this qtr (Oct'21) as daily Covid cases dip.
V'nam under lockdown for 2/3 of this qtr as Covid cases surged;
V'nam lockdown eased in Oct'21**

Daily Covid Cases in M'sia & V'nam

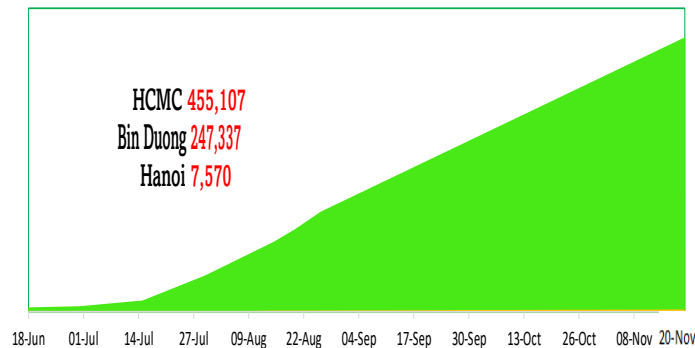


HCMC, epicenter of outbreak in Vietnam, lockdown from Jun to Sep '21.
Hanoi lockdown from July to Sep'21.

Cum Covid Cases by Countries



Cum Covid Cases in Vietnam



INCOME STATEMENT



(RMmil)	3 months ended 31 Oct '21	3 months ended 31 Oct '20	Change (%)
Revenue	747.1	764.0	-2
Profit from operations (EBIT)	103.1	94.9	+9
Finance Costs	(9.9)	(27.1)	+64
Share of JVs (net of tax)	69.7	46.1	+51
Share of associates (net of tax)	28.6	27.9	+2
Profit before tax	191.5	141.8	+35
Tax	(27.3)	(20.2)	-35
Non-controlling interests	(11.9)	(11.3)	+5
Net profit attributable to equity holders	152.4	110.3	+38
Fully diluted EPS (sen)	6.1	4.4	
Dividend per share (sen)	6.0	0.0	
EBIT margins (%)	13.8	12.4	
PBT margins (%)	25.6	18.6	

INCOME STATEMENT (before FRS 11)



(RMmil)	3 months ended 31 Oct '21	3 months ended 31 Oct '20	Change (%)
Revenue	1,252.5	1,514.1	-17
Profit from operations (EBIT)	204.9	157.5	+30
Finance Costs	(13.8)	(31.3)	+44
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	28.6	27.9	+3
Profit before tax	219.6	154.1	+43
Tax	(55.4)	(32.5)	+70
Non-controlling interests	(11.9)	(11.3)	-5
Net profit attributable to equity holders	152.4	110.3	+38
Fully diluted EPS (sen)	6.1	4.4	
Dividend per share (sen)	6.0	0.0	
EBIT margins (%)	16.4	10.4	
PBT margins (%)	17.5	10.2	

BALANCE SHEET SUMMARY



(RMmil)	As at 31 Oct '21	As at 31 July '21
Current Assets	10,151.1	9,895.1
Current Liabilities	4,489.8	4,480.9
Current Ratio	2.3x	2.2x
Total borrowings	5,619.8	5,227.8
Cash and marketable securities	3,940.8	3,538.0
Net cash (borrowings)	(1,679.0)	(1689.8)
Share capital	3,620.9	3,620.9
Reserves	5,658.7	5,542.6
Non-controlling interests	349.6	352.1
Total Equity	9,629.2	9,515.7
Net gearing (overall)	17%	18%
Net assets per share (RM)	3.69	3.65

CASH FLOW SUMMARY



(RM mil)	3 months ended Oct '21	3 months ended Oct '20
Net cash generated from operating activities	(158.6)	51.1
Net cash (used in)/generated from investing activities	(328.1)	(740.6)
Net cash generated from/(used in) financing activities	376.6	322.7
Net (decrease) increase in cash and cash equivalents	(110.2)	(366.9)
Effects of exchange rate changes	(16.4)	(23.2)
Cash and cash equivalents at beginning of the period	1,310.3	1,518.8
Cash and cash equivalents at end of the period	1,183.8	1,128.7

QUARTERLY SEGMENTAL PROFITS



(RMmil)	Q121	Q221	Q321	Q421	Q1 `22	Q1 `21	%
Construction & Eng	76.7	77.0	90.6	154.3	125.1	76.7	+63
Properties	13.4	9.9	74.0	126.9	29.0	13.4	+116
Concessions	64.1	87.4	48.1	30.8	65.5	64.1	+2
Group Pretax Profit	154.1	174.3	212.7	312.0	219.6	154.1	+43
Group Net Profit	110.3	123.1	141.8	214.1	152.4	110.3	+38

YTD Segmental PBT

YTD PBT Margins

(RMmil)	Q122	Q121	%	%	Q122	Q121
Construction	125.1	76.7	+63	Construction	14.6	7.2
Properties	29.0	13.4	+116	Properties	9.9	4.2
Concessions	65.5	64.1	+2	Concessions	n.m	n.m
Group PBT	219.6	154.1	+43	Group PBT	17.5	10.2

GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 31 Oct '21	As at 31 Oct '20
Long Term Borrowings		
Medium Term Notes	2,955.0	2,645.0
Term Loans	1,124.4	542.8
Revolving Credits	21.5	38.2
	4,100.9	3,226.0
Short Term Borrowings		
Medium Term Notes	90.0	490.0
Commercial Papers	700.0	800.0
Term Loans	75.0	199.0
Revolving Credits	653.8	1,094.0
	1,518.8	2,583.0
Total Borrowings	5,619.8	5,808.9

KEY UPDATES – Construction

- **Construction maintained its strong performance in Q1** – profitability improved as MRT2 approached the 90% completion milestone; revenue fell 20% y-o-y as works begin to tail-off, but pretax surged 63% to RM125m, resulting in pretax margins doubling from 7.2% to 14.6%
- **PSI commencement likely in 2HY22** – relevant studies are being updated, and a fresh application for EIA approval is expected to be submitted in late Q122; approval is expected to be secured 3-6 months after submission
- **Tender outcomes for Australian projects imminent** – an expected slight delay in the outcome of the SMW (Western Tunnel) project will likely mean that the Western Sydney Airport Link (tunnel and station boxes) tender results will be out first; results of both tenders are now expected in Q122
- **MRT3 awaiting Cabinet approval for revised funding model** – MRTC has indicated that the project will be undertaken using a hybrid PFI/PPP funding model; upon Cabinet approval, targeted for this month, implementation will commence, and tenders for the civil works are targeted for early Q322
- **Order book stands at RM3.8b** – MRT2 accounts for half of the outstanding order book; order book is sufficient to last another 2 years

CONSTRUCTION ORDER BOOK

- Current unbilled order book about **RM3.8 billion** (Oct 2021)

Major Projects	Balance works (RMb)	Completion Status		Comments
		% now	completion year	
1) KVMRT Line 2 (50% share)	1.9	87	2022	Nearing completion
2) Pan Borneo Sarawak (65% share)	0.2	79	2022	Steady progress
3) Marine bridge, Taiwan (70% share)	0.2	58	2022	Progressing on schedule
4) Bus depot, Singapore (45% share)	0.3	14	2023	Steady progress
5) Seawall project, Taiwan (70% share)	0.5	25	2025	Second Taiwan win
6) Other local projects	0.5	Various	Various	Building works
7) Transmission line, Taiwan (50% share)	0.2	0	2024	Third Taiwan win

KEY UPDATES – Properties

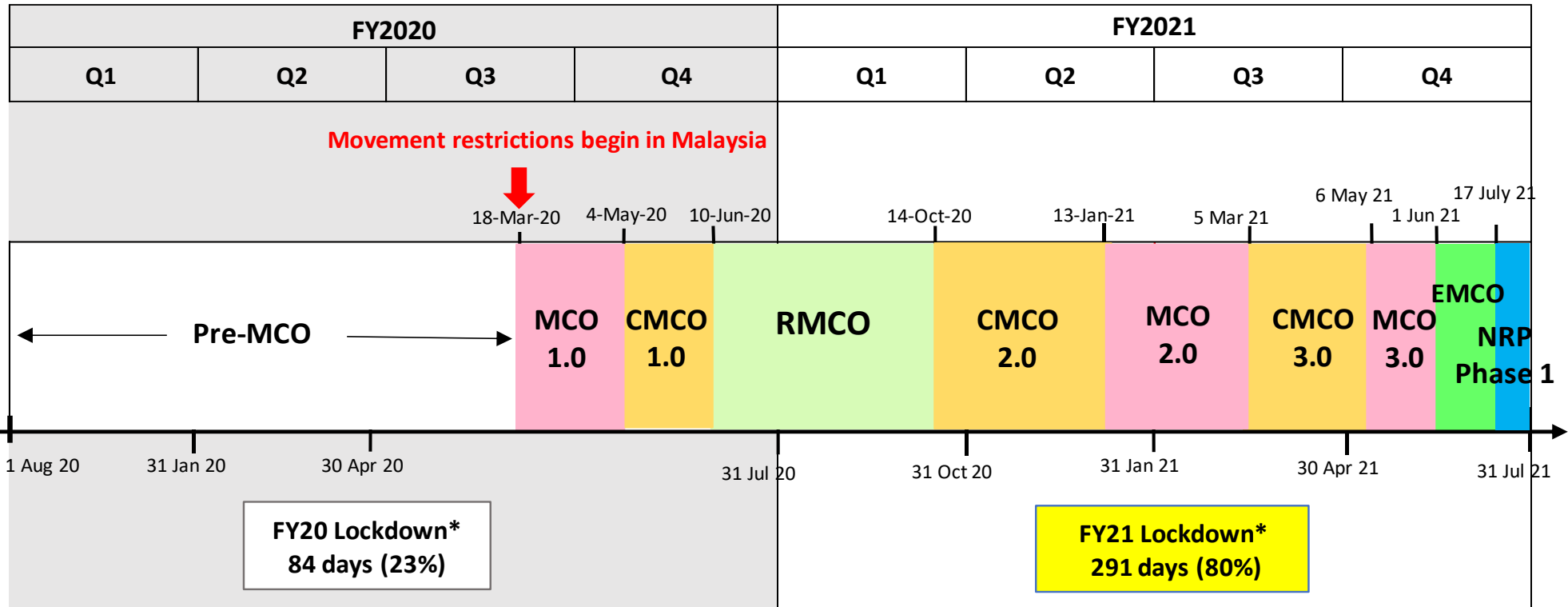
- **Q1 performance capped by Vietnam** – a spike in Covid cases in Vietnam forced it into lockdown for two months of the quarter, and significantly disrupted building works progress; the situation has improved since, and operations have started to normalise
- **Earnings doubled from a low base previously** – revenue slipped 9% y-o-y, but pretax doubled to RM29m; consequently, pretax margins also surged from 4.2% to 9.9%
- **Presales expanded 25% y-o-y** – Q1 chalked up presales of RM838m, and is well on track to meet the full year target of RM3.5b; overseas outpaced domestic presales by 2 to 1; domestically, presales grew 46%, whilst overseas grew at a slower 16% y-o-y; unbilled sales topped a new record of RM4.9b
- **Maturing townships drive domestic presales** – all 3 new townships continue to achieve encouraging presales, with the top three selling projects being Gamuda Gardens, Gamuda Cove and twentyfive.7, collectively accounting for 70% of domestic presales
- **OLA is the main driver of overseas presales** – presales at Singapore’s OLA almost doubled in Q1, driving its overall take-up rate to 94%, and accounted for more than half of overseas presales; Celadon City and Gamuda City each accounted for just under a quarter of overseas presales
- **FY22 presales target at RM3.5b** – economic reopenings, coupled with maturing townships, are expected to underpin a 22% presales growth this year

KEY UPDATES – Concessions

- **Expressway volumes have returned to pre-pandemic levels** – traffic volumes have steadily increased over the last few months since the economic reopening, and is now back at pre-pandemic levels for the major highways like LDP and Kesas
- **Earnings were flat in Q1** – water and expressway earnings combined stayed flat in Q1

Thank You

Our Malaysian businesses faced more lockdowns this year as Covid cases surged



*Lockdown = EMCO + MCO + CMCO (exclude RMCO)

- Except for critical projects like MRT2 and Pan Borneo which continued operations, sales galleries, building works and IBS factories were not allowed to operate when EMCO was imposed at tail end of this year.