

Gamuda Berhad

On track for explosive growth

Q1'24 INVESTORS' BRIEFING

6 December 2023

KEY HIGHLIGHTS



- **Q1 sets the stage for an explosive FY** – group revenues more than doubled to RM2.8b whilst net profit rose 35% to RM195m, driven by strong overseas performances at both GE and GL; consequently, overseas shares of group revenues and net profits surged to 75% (45% previously) and 65% (25% previously) respectively
- **GE posts near-tripling of revenues** – despite declining domestic revenues, overseas revenues took up the slack to propel GE revenues to RM2.2b (+178%), well on track for its RM10b target (FY24); the revenue surge was powered by progress on Australian projects, as well as the first-time consolidation of DTI into the group; overseas activities now account for 84% of GE’s revenues, and 55% of its RM118m (+36%) net earnings
- **GL’s revenues slipped but achieved higher profits** – revenues slipped to RM606m (-6%), but net profits rose to RM77m (+32%); the division expects stronger quarters ahead to achieve its RM6b revenue target for FY24, underpinned by sustained growth and lumpy project recognitions; Q1 sales totaled RM454m, and is expected to pick up momentum in coming quarters; targeted RM5.6b sales for FY24 remains unchanged; unbilled sales stand at RM6.7b
- **Project pipeline remains strong** – ytd, the group clinched the RM3b Kaoshiung MRT project, and signed a shareholders JVA to develop a RM4b, 187.5MW Upper Padas Hydroelectric Dam project in Sabah; this BOT renewable energy project will anchor a new ‘green infra’ recurring income division for the group; a third win overseas is expected in the coming days, and will add further to the existing RM24b order book; prospects for more project wins in the coming months remains strong
- **Explosive growth on the horizon** – the group’s strong growth trajectory remains on track, as its regionalization strategy takes hold; multiple overseas markets are now key growth drivers for GE and GL; based on locked-in order book/unbilled sales, GE, GL are each expected to double their topline in FY24; if successful, FY24 is expected to be the third consecutive record-breaking year for the group

INCOME STATEMENT (as reported, continuing operations only)



(RMmil)	Q1 ended 31 Oct '23	Q1 ended 31 Oct '22	Change (%)
Revenue	2,804.7	1,306.6	+115
Profit from operations (EBIT)	243.2	147.9	+64
Finance Costs	(37.5)	(27.5)	+36
Share of JVs (net of tax)	32.1	62.7	-49
Share of associates (net of tax)	2.0	1.6	+25
Profit before tax	239.7	184.7	+30
Tax	(37.9)	(28.0)	+35
Non-controlling interests	(6.8)	(11.7)	-42
Net profit attributable to equity holders	195.0	145.0	+35
Fully diluted EPS (sen)	7.1	5.5	
Dividend per share (sen)	6.0	44.0*	
<i>* including 38 sen Special Dividend</i>			
EBIT margins (%)	8.7	11.3	
PBT margins (%)	8.5	14.1	

BALANCE SHEET



(RMmil)	As at 31 Oct '23	As at 31 July '23
Current Assets	15,479.8	15,223.2
Current Liabilities	6,190.3	6,812.0
Current Ratio	2.5x	2.2x
Total borrowings	7,393.6	6,923.7
Cash and marketable securities	4,598.9	4,177.3
Net cash (borrowings)	(2,794.7)	(2,746.4)
Share capital	4,223.0	4,078.1
Reserves	6,940.0	6,713.0
Non-controlling interests	145.7	135.5
Total Equity	11,308.7	10,926.6
Net gearing (overall)	25%	25%
Net assets per share (RM)	4.14	4.05

QUARTERLY SEGMENTAL PROFITS

(as reported, continuing operations only)

(RMmil)	Q123	Q223	Q323	Q423	Q124	Q123	%
Construction & Eng	111.5	152.6	181.3	172.9	133.0	111.5	+19
Properties	73.2	77.5	128.1	160.6	106.7	73.2	+46
Group Pretax Profit	184.7	230.1	309.5	333.5	239.7	184.7	+30
Group Net Profit	145.0	194.6	223.3	251.8	195.0	145.0	+35

YTD Segmental PBT

YTD PBT Margins

(RMmil)	Q124	Q123	%	%	Q124	Q123
Construction	133.0	111.5	+19	Construction	5.9	13.9
Properties	106.7	73.2	+46	Properties	17.6	11.4
Group Net Profit	239.7	184.7	+30	Group PBT	8.5	14.1

SEGMENTAL ANALYSIS (continuing operations only, by segment & geography)



(RMm)	Q1 ended 31 Oct '23	Q1 ended 31 Oct '22	Change (%)
Revenue (by segment)			
Construction	2,240.2	804.5	+178
Properties	605.9	644.2	-6
Total Revenue	2,846.0	1,448.7	+96
Net Profit (by segment)			
Construction	117.9	86.6	+36
Properties	77.1	58.4	+32
Total Net Profit	195.0	145.0	+34
Revenue (by geography)			
Overseas	2,136.1 (75%)	675.6 (47%)	+216
Malaysia	709.9 (25%)	773.0 (53%)	-8
Total Revenue	2,846.0 (100%)	1,448.7 (100%)	+96
Net Profit (by geography)			
Overseas	136.0 (70%)	48.5 (33%)	+180
Malaysia	59.0 (30%)	96.5 (67%)	-39
Total Net Profit	195.0 (100%)	145.0 (100%)	+34

SEGMENTAL ANALYSIS (continuing operations only, overseas segments)



(RMm)	Q1 ended 31 Oct '23	Q1 ended 31 Oct '22	Change (%)
Overseas revenue (by segment)			
Construction	1,889.6	353.3	+435
Properties	246.5	322.4	-24
Total Revenue	2,136.1	675.6	+216
Overseas net profit (by segment)			
Construction	65.3	(1.8)	n.m.
Properties	70.7	50.2	+41
Total Net Profit	136.0	48.5	+180
Overseas net margin (%) (by segment)			
Construction	3.5	(0.5)	
Properties	28.7	15.6	
Overall overseas margin	6.4	7.2	

CASH FLOW SUMMARY



(RM mil)	Q1 ended 31 Oct '23	Q1 ended 31 Oct '22
Net cash (used in)/ generated from operating activities	166.3	40.9
Net cash (used in)/generated from investing activities	(16.8)	775.4
Net cash generated from/(used in) financing activities	434.5	(358.0)
Net (decrease) increase in cash and cash equivalents	584.0	458.3
Effects of exchange rate changes	17.0	(15.7)
Cash and cash equivalents at beginning of the period	2,830.6	1,908.4
Cash and cash equivalents at end of the period	3,431.6	2,351.0

GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 31 Oct '23	As at 31 July '23
Long Term Borrowings		
Medium Term Notes	2,650.0	2,650.0
Term Loans	3,578.8	2,864.0
Revolving Credits	0.0	0.0
	6,228.8	5,514.0
Short Term Borrowings		
Medium Term Notes	100.0	200.0
Commercial Papers	200.0	200.0
Term Loans	177.1	177.0
Revolving Credits	687.7	832.6
	1,164.8	1,409.7
TOTAL BORROWINGS	7,393.6	6,923.7

KEY UPDATES – Construction



- **A sterling Q1 for GE** – on both P&L and order book fronts, the division delivered sterling results; revenues almost tripled, as all overseas projects picked up momentum and made good progress; GE Australia achieved a 7x increase in revenues, as SMW-WTP hit the 39% completion mark.
- **2 new projects delivered in Q1 with a third imminent** –
 - the RM3b Kaoshiung MRT project is significant in that it represents a breakthrough into Taiwan’s MRT market, where GE takes an 88% stake in the JV, and is the lead contractor
 - the RM4b Upper Padas hydro BOT project, in which Gamuda will take a 45% equity ownership stake; this project will anchor a new recurring income division for the group; finalization of this project is expected before mid-24; groundbreaking will take place tomorrow, to be officiated by the PM and the CM of Sabah; additional ‘bolt-on’ opportunity likely to be announced
- **Tunnel boring in full swing at SMW-WTP** – two Autonomous TBMs (Betty and Dorothy) have been deployed on the project; these award-winning A-TBMs are being used in Australia for the first time; NSW’s project review has been completed, with no impact expected on our package
- **PSI works have started** – about 3 acres of land has been reclaimed; groundbreaking ceremony is set for 10 Dec, to be officiated by the CM; two dredgers have been mobilized (Diana and Carina)
- **Penang LRT a high priority project for Fed** – discussions are at an advanced stage to finalize the implementation model of the project, which will be Federal funded; the project is expected to roll-out in the next 3-4 months
- **Status of MRT3 still unclear** – the validity of tenders have been extended for the 4th time to end Mar ‘24

CONSTRUCTION ORDER BOOK (Malaysia)



- Total group unbilled order book about **RM24.0 billion** (Oct 2023)

Remaining Projects	Balance works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>MALAYSIA (TOTAL RM5.7b/24%)</u>				
1) Silicon Island - Phase 1	3.7	0	2023/2030	3 acres reclaimed to date
2) Rasau WTP –Phase 1	1.8	5	2022/2025	Mobilizing
3) Pan Borneo Sarawak (65% share)	0.0	99	2020/2022	Demobilizing
4) Second trunk road Sarawak	0.0	50	2020/2025	81 days EOT approved
5) Others	0.1	88	various	Steady progress
6) Upper Padas hydro	n.a.	n.a.	n.a.	JVA agreement signed; project pending finalization
Total Malaysia	5.7			

CONSTRUCTION ORDER BOOK (Overseas Australia)

Remaining Projects	Bal works (Rmb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS AUSTRALIA</u> <u>(TOTAL RM12.1b/50%)</u>				
<u>Australia</u>				
1) SMW-WTP (100% share)	4.7	39	2022/2026	On schedule
2) Coffs Harbour Bypass (50% share)	1.7	16	2022/2027	On schedule
3) M1 Motorway (40% share)	1.1	9	2023/2028	On schedule
4) DTI projects	4.6	n.a.	various	Novation completed; fully incorporated into the group
Total Australia	12.1			

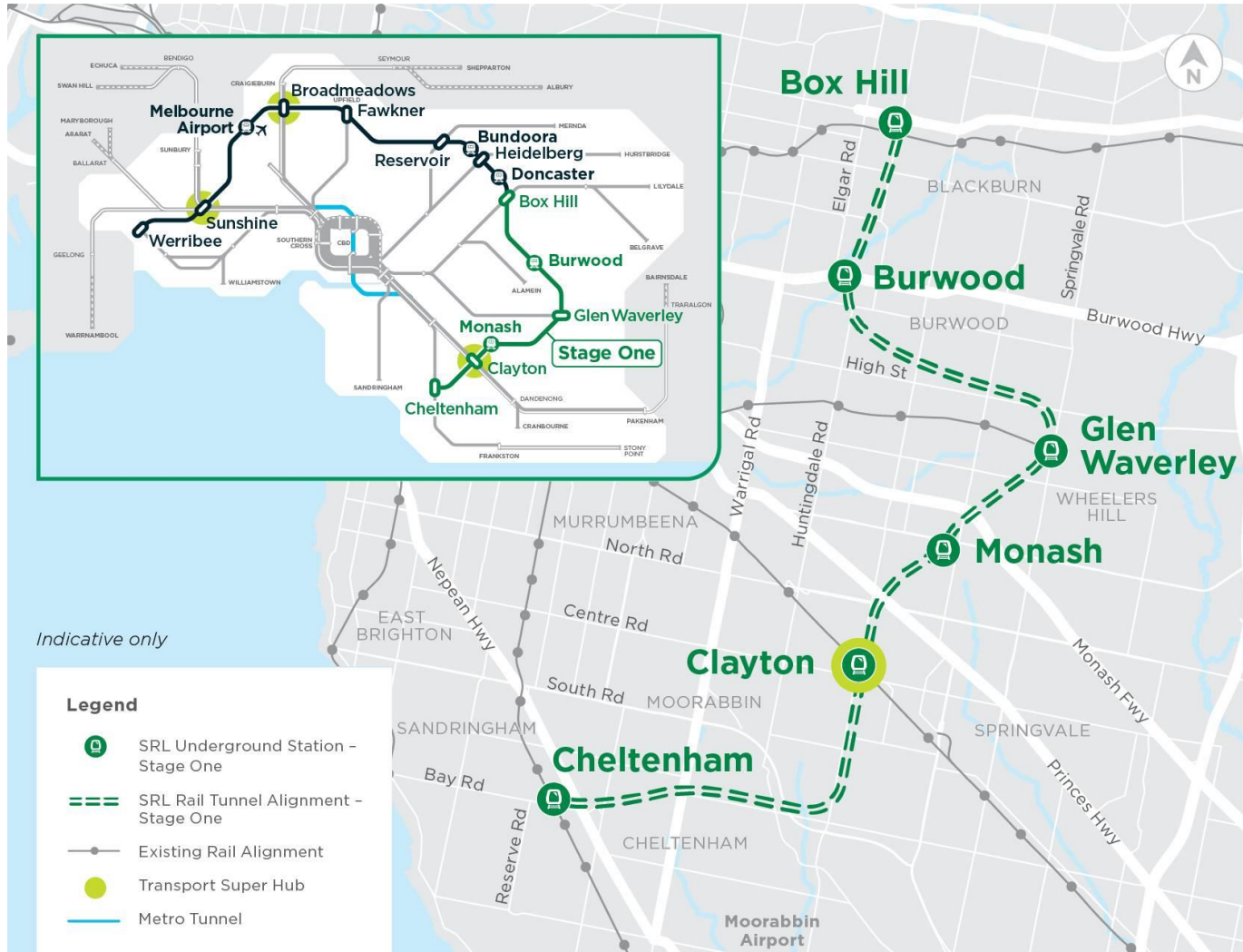
CONSTRUCTION ORDER BOOK (Overseas Others)



Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS OTHERS</u> <u>(TOTAL RM6.2b/26%)</u>				
<u>Taiwan</u>				
1) Marine bridge (70% share)	0.1	88	2019/2023	Nearing completion
2) Seawall reclamation (70% share)	0.2	72	2020/2025	On schedule
3) Transmission line (50% share)	0.2	11	2021/2025	Launch shaft under construction
4) Marine bridge ext (70% share)	0.1	74	2022/2024	Ahead of schedule
5) Tao Yuan underground (60% share)	1.3	1	2022/2030	Site clearing, mobilization works
6) Kaoshiung MRT YC01 (88% share)	3.0	0	2023/2032	Breakthrough into MRT sector
Total Taiwan	4.9			
<u>Singapore</u>				
1) Bus depot (100% share)	0.5	49	2019/2023	EOT application submitted
2) Defu station, tunnels (60% share)	0.9	10	2022/2030	1 st tunnel project in Singapore
Total Singapore	1.3			

KEY UPDATES – Properties

- **Lower revenue, higher profits** – overseas revenues fell to RM247m (-24%) as Celadon City winds down; a 12% growth in domestic revenues helped limit the division's revenue decline to RM606m (-6%); net profits, however, grew to RM77m (+32%), as both domestic and overseas profitability improved; PBT margins improved significantly to 17.6% from 11.4%
- **Sales off to a slow start** – the division clocked in RM454m in Q1 sales, but expects stronger sales in the coming quarters, underpinned by stronger domestic sales (including the maiden launch of Gamuda Park) and QTPs overseas; unbilled sales stand at RM6.7b
- **Domestic/Overseas split 61:39** – top selling domestic project continues to be the fast-maturing Gamuda Cove, accounting for 44% of domestic sales; top selling overseas project is Elysian, accounting for 80% of overseas sales ; QTPs accounted for almost all of overseas sales in Q1
- **Domestic townships continue to mature** – Gamuda Gardens is expected to see renewed interest when adjacent Gamuda Park is launched mid-24; meanwhile, opening of the Skyline Luge this weekend is likely to drive footfall and sales, similar to what was experienced when Splashmania debuted in Gamuda Cove; at twentyfive.7, the recent launch of Quayside Plaza saw all of its shop offices taken up
- **GL expects to double its revenue in FY24** – despite its slow Q1, the upcoming quarters are expected to be significantly stronger, as product launches are accelerated and lumpy project recognitions are booked in
- **More QTPs to be added to portfolio** – with a total of 8 QTPs in its current portfolio, the group expects to add another 2 QTPs in 2024, and 2 or 3 new QTPs every year thereafter



Thank You