

Gamuda Berhad

KVMRT3 – Award Decision Imminent

HY2018 INVESTORS' BRIEFING

23 March 2018

KEY HIGHLIGHTS



- **KVMRT3 award decision imminent** – RM45b project could be awarded within weeks; involves the construction of a 32km circle line, most of which will run underground
- **MMC-Gamuda-George Kent JV in the running for KVMRT3** – this new JV will be structured as a 45:45:10 JV with MMC and Gamuda each holding 45%
- **HSR PDP outcome in 3 months** – three strong contenders vying for this coveted role to manage the country's most prestigious railway project
- **Gamuda, MRCB in equal JV to bid for HSR PDP role** – a formidable JV with vast experience in managing and delivering large projects successfully
- **Property earnings set to expand significantly** – strong RM1.9b presales in HY (+120% y-o-y) will drive strong earnings growth from FY19 onwards
- **On track for record earnings this year** – driven by both construction and properties divisions

KEY UPDATES – Construction

- **KVMRT2** – PDP and UG progress at 15% and 20% respectively at end Q218, works rapidly gaining momentum, and will be key earnings driver over the next 3 years; first tunnel drive at Bandar Malaysia North station commenced on 1 March; more tunnel drives will commence in next 3 months
- **KVMRT2** – 98% of total project awarded comprising works packages valued at RM31bn; these include 1 Underground, 10 Viaduct, 6 stations, 7 Systems, 2 supply packages, 2 depot packages
- **KVMRT2** – more safety measures to be instituted following unfortunate Jinjang accident
- **Pan Borneo Sarawak** – progress has increased to 22% following start-up delays; progress expected to pick up further in coming months
- **Margins improved slightly** – Q2 margins improved to 11.6% from 10.2% in Q1; overall HY margin came in at 10.9% (HY17:9.5%)
- **Order book stands at RM6.9b** – to underpin strong earnings growth and visibility through to FY21; projected new order book expansion in 2018/19 likely to sustain growth and visibility through to FY24/25

CONSTRUCTION ORDER BOOK

- Current unbilled order book about **RM6.9 billion** (Jan 2018)

Major Projects	Balance works (RMbn)	Completion Status		Comments
		% now	completion date	
<u>Recently Secured</u>				
KVMRT Line 2 (SSP Line) Underground (50% share)	6.2	20	Mid-2022	Works in full swing; tunnel drives have commenced
Pan Borneo Sarawak (65% share)	0.7	22	Early 2021	Work momentum steadily building up
<u>Recently Completed</u>				
KVMRT Line 1 (SBK Line) Underground (50% share)	-	100	Mid-2017	Full line service opened on 17 July (2 weeks ahead of schedule)

KEY UPDATES – Properties

- **Strong Q2 presales** – Q2 presales totalled RM1b (Q217:RM0.4b); ytd, HY presales totalled RM1.9b (HY17:RM0.85b); on track to surpass the RM3.5b target for FY18; this should translate into stronger property earnings in coming years; unbilled sales totalled RM2.4b at end Q2
- **Driven by overseas projects** – HY presales were dominated by overseas projects, notably Vietnam and Singapore; two-thirds of group presales came from overseas projects, and one-third locally
- **Local sales underpinned by 3 projects** – Horizon Hills, Robertson, Jade Hills, and to a lesser extent, Gamuda Gardens
- **Margins still under pressure** – HY margins of 9.7% (HY17:14.0%) reflect sales mix (skewed towards overseas), and start-up margins of new local townships; margins expected to stabilize at current levels
- **Gamuda Cove preparing for launch** – this RM20b new township will be launched by end-2018

INCOME STATEMENT SUMMARY



(RMmil)	HY ended Jan '18	HY ended Jan '17	Change (%)
Revenue	1,774.6	1,358.8	+31
Profit from operations (EBIT)	354.3	301.9	+17
Finance Costs	(49.7)	(55.6)	-11
Share of JVs (net of tax)	117.3	69.3	+69
Share of associates (net of tax)	105.7	108.7	-3
Profit before tax	527.6	424.3	+24
Tax	(85.8)	(70.0)	+23
Minority Interests	(27.5)	(25.8)	+7
Net profit attributable to equity holders	414.3	328.4	+26
Fully diluted EPS (sen)	16.2	13.1	
Dividend per share (sen)	6.0	6.0	
EBIT margins (%)	20.0	22.2	
PBT margins (%)	29.7	31.2	

INCOME STATEMENT (before FRS 11)



(RMmil)	HY ended Jan '18	HY ended Jan '17	Change (%)
Revenue	3,469.6	2,412.0	+44
Profit from operations (EBIT)	512.6	413.5	+24
Finance Costs	(58.3)	(62.6)	-7
Share of JVs (net of tax)	-	-	
Share of associates (net of tax)	105.7	108.7	-3
Profit before tax	560.0	459.5	+22
Tax	(118.3)	(105.3)	+12
Minority Interests	(27.5)	(25.8)	+7
Net profit attributable to equity holders	414.3	328.4	+26
Fully diluted EPS (sen)	16.2	13.1	
Dividend per share (sen)	6.0	6.0	
EBIT margins (%)	14.8	17.1	
PBT margins (%)	16.1	19.1	

BALANCE SHEET SUMMARY



(RMmil)	As at 31 Jan '18	As at 31 Jul '17
Current Assets	7,448.7	6,434.5
Current Liabilities	3,241.1	2,566.6
Current Ratio	2.3x	2.5x
Total borrowings	5,730.1	5,243.3
Cash and marketable securities	1,390.9	1,042.1
Net cash	(4,339.2)	(4,201.2)
Share capital	3,400.9	3,372.4
Reserves	4,140.0	4,103.6
Non-controlling interests	361.2	369.1
Total Equity	7,902.1	7,845.1
Net gearing (overall)	55%	54%
Net assets per share (RM)	3.07	3.05

QUARTERLY SEGMENTAL PROFITS (before FRS 11)



(RMmil)	Q217	Q317	Q417	Q118	Q2 `18	Q2 `17	+/-
Construction & Eng	84.2	87.4	78.6	105.6	122.7	84.2	+48
Properties	51.1	45.0	96.4	49.9	58.5	51.1	+13
Concessions	103.8	104.5	119.5*	114.0	109.3	103.8	+4
Group Pretax Profit	239.1	236.7	294.5*	269.5	290.5	239.1	+21
Group Net Profit	166.3	170.9	201.3*	203.1	211.2	166.3	+27

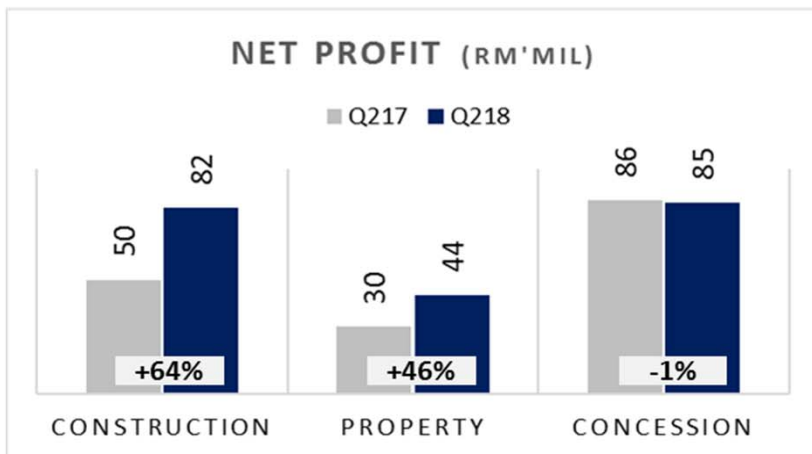
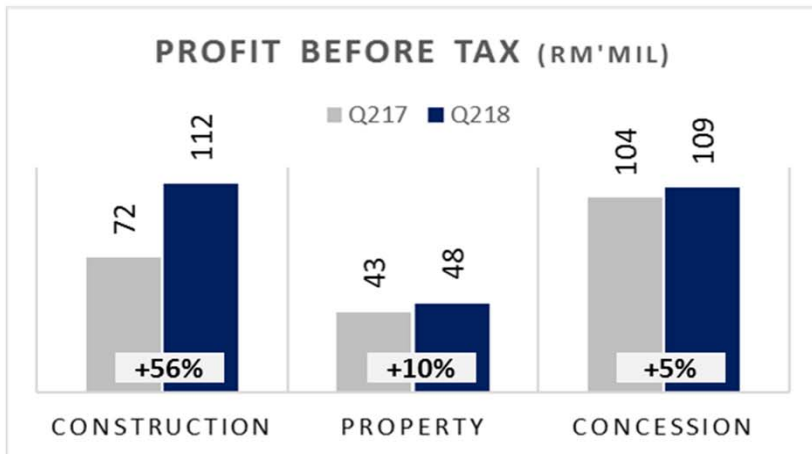
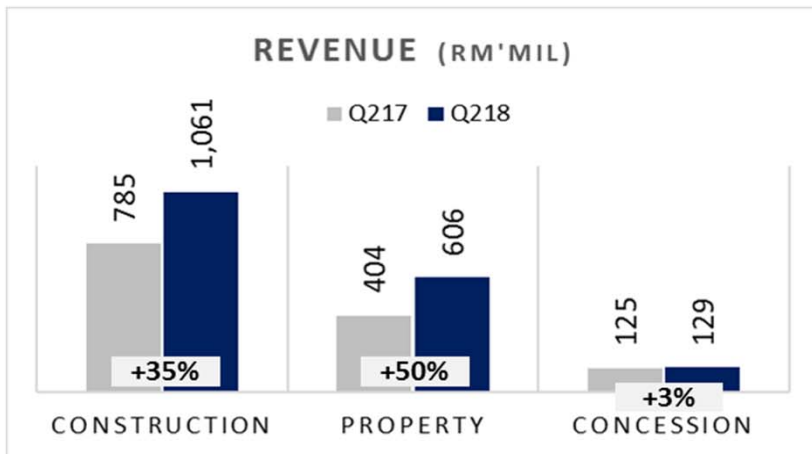
* normalised earnings, before one-off impairment of RM98.5m for SMART assets

YTD Segmental PBT

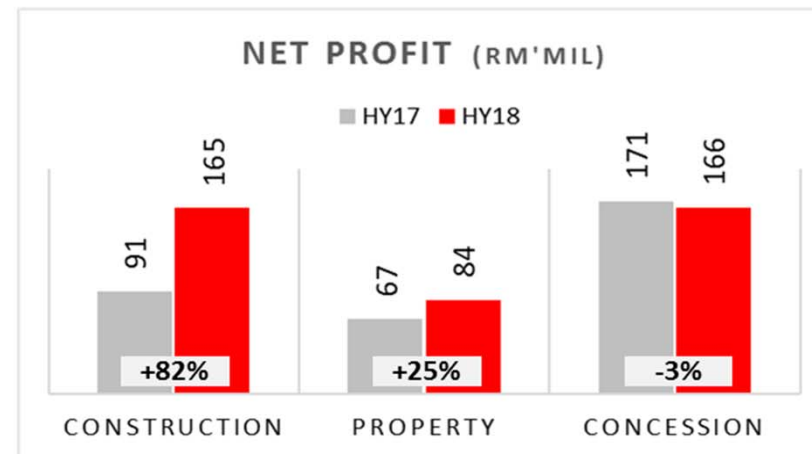
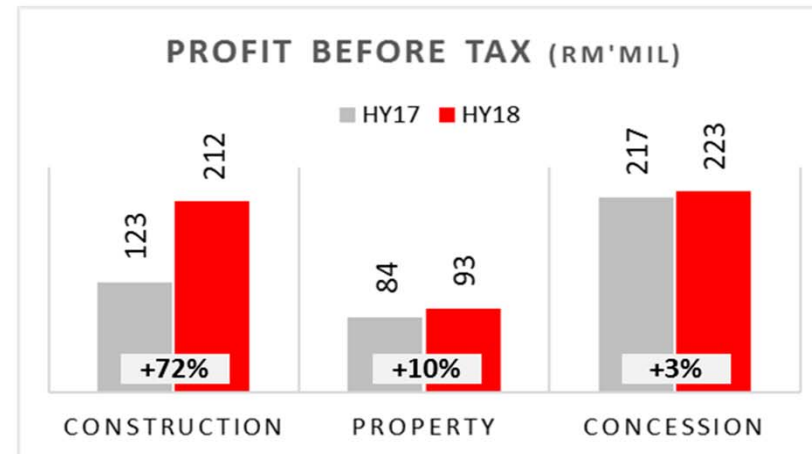
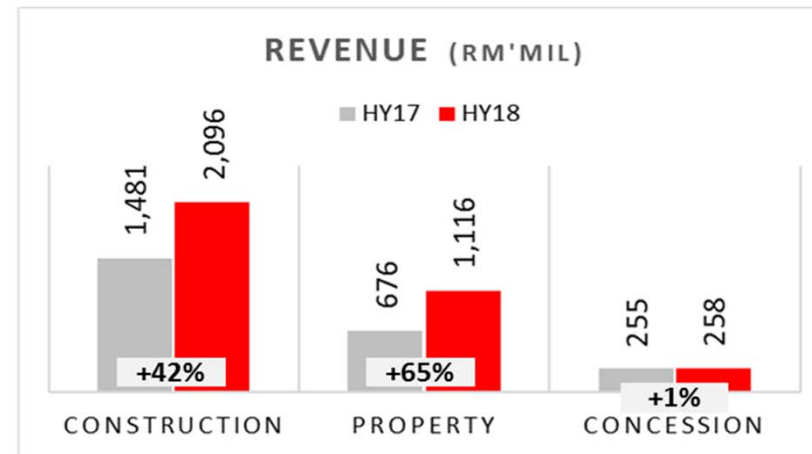
YTD PBT Margins

(RMmil)	HY18	HY17	+/-	%	HY18	HY17
Construction	228.4	148.0	+54	Construction	10.9	9.5
Properties	108.4	94.3	+15	Properties	9.7	14.0
Concessions	223.2	217.2	+3	Concessions	n.M	n.m.
Group PBT	560.0	459.5	+22	Group PBT	16.1	19.1

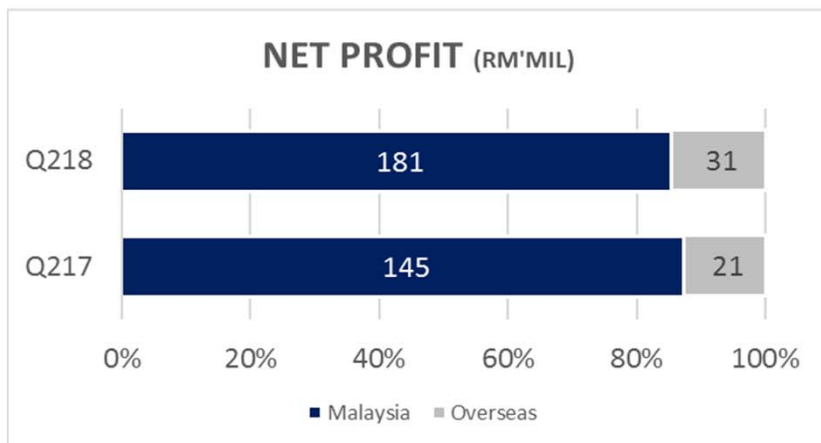
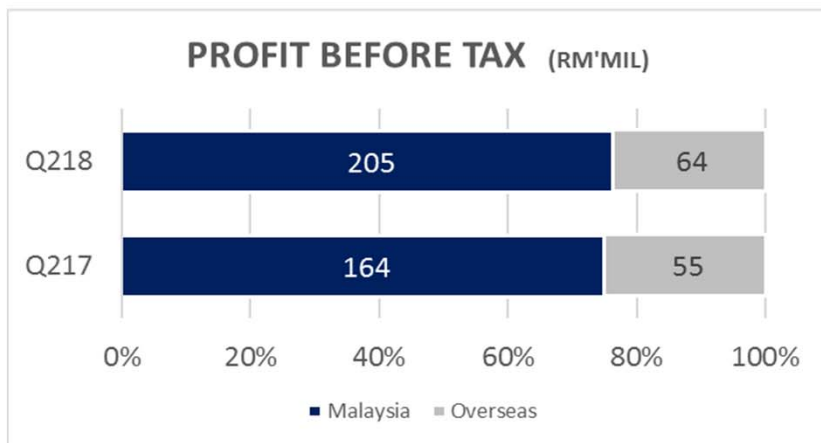
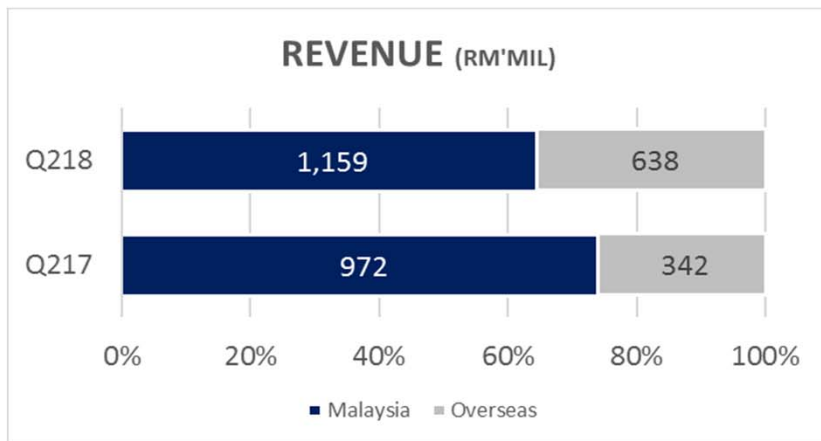
INDIVIDUAL QUARTERS



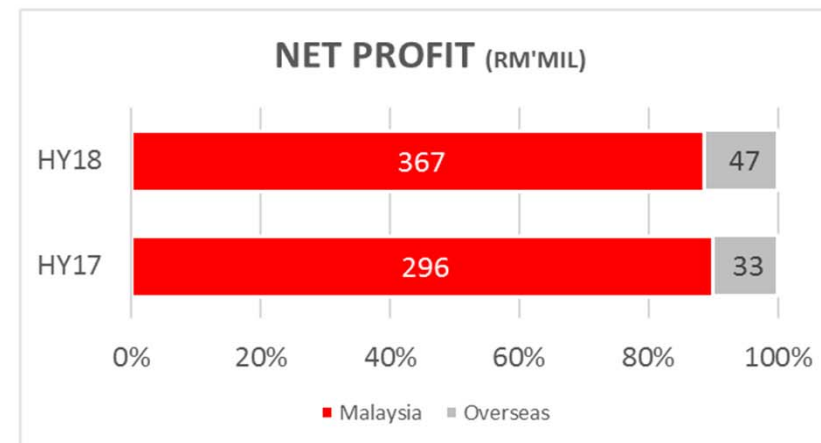
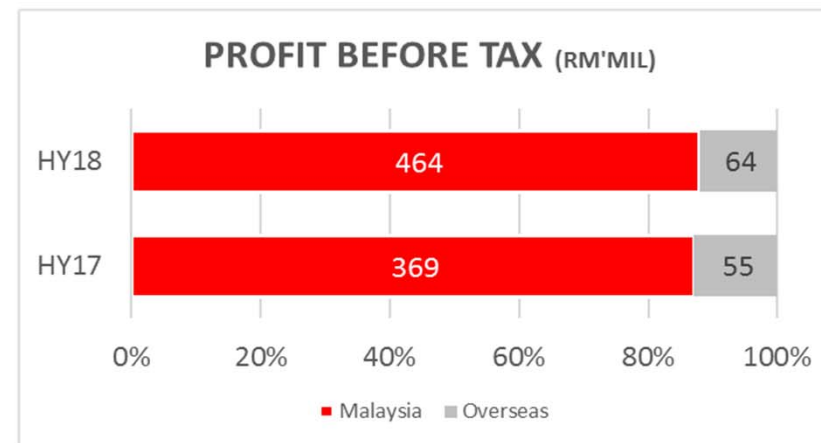
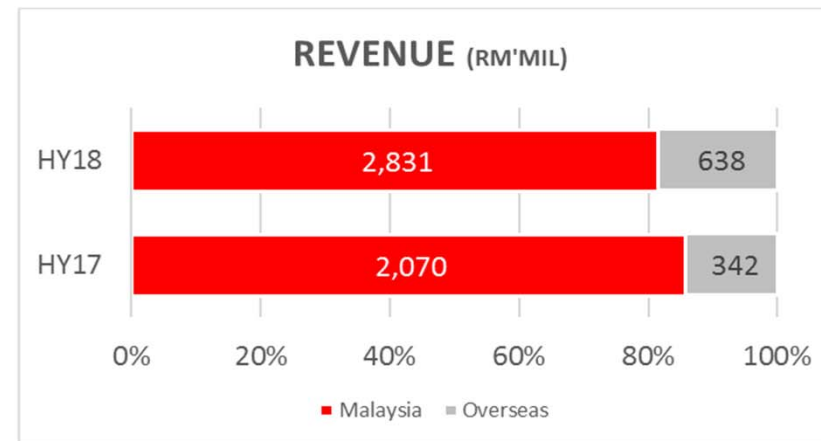
CUMMULATIVE QUARTERS



INDIVIDUAL QUARTERS



CUMMULATIVE QUARTERS



DA

Thank You