

Gamuda Berhad

MRT3 – All Systems Go!

Q222 INVESTORS' BRIEFING

23 March 2022

KEY HIGHLIGHTS



- **Strong HY driven by significant margin expansion** – despite HY revenue staying flat, group pretax and net profits surged 44% and 41% to RM474m and RM330m respectively; pretax margin expanded almost 5% from 11.4% to 16.2% y-o-y
- **Construction strong, properties rebound after lockdown lifted** – construction sustained its outstanding performance into Q2, and property earnings rebounded strongly after operations normalized post lockdowns in Malaysia and Vietnam
- **Order book triples in strong start to year** – strategic breakthroughs were achieved in challenging markets like Australia and Singapore, which delivered RM7.4b in new order book, tripling the outstanding order book to a record RM10.4b; the division now targets a RM20b order book by FY23
- **MRT3 gets the final green light to proceed** – the RM31b project will be implemented via a PPP/PFI funding model, with tenders to be called in Q2, and award of main civil works packages by Q4 this year
- **Properties presales beat targets, powered by a near-doubling in domestic sales** – HY presales hit RM1.9b (+27% y-o-y), driven entirely by a surge in domestic sales to RM0.9b (+87%) whilst overseas sales remained flat; full year target now revised up 14% to RM4.0b

INCOME STATEMENT



(RMmil)	HY ended 31 Jan '22	HY ended 31 Jan '21	Change (%)
Revenue	2,035.4	1,659.4	+23
Profit from operations (EBIT)	248.2	191.2	+30
Finance Costs	(56.9)	(54.6)	+4
Share of JVs (net of tax)	166.1	91.6	+81
Share of associates (net of tax)	61.3	69.2	-11
Profit before tax	418.7	297.4	+41
Tax	(66.5)	(40.5)	+64
Non-controlling interests	(22.7)	(23.4)	-3
Net profit attributable to equity holders	329.5	233.5	+41
Fully diluted EPS (sen)	13.1	9.3	
Dividend per share (sen)	6.0	0.0	
EBIT margins (%)	12.2	11.5	
PBT margins (%)	20.6	17.9	

INCOME STATEMENT (before FRS 11)



(RMmil)	HY ended 31 Jan '22	HY ended 31 Jan '21	Change (%)
Revenue	2,927.2	2,893.2	+1
Profit from operations (EBIT)	477.8	322.5	+48
Finance Costs	(65.0)	(63.1)	+3
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	61.3	69.2	-11
Profit before tax	474.1	328.6	+44
Tax	(121.9)	(71.7)	+70
Non-controlling interests	(22.7)	(23.4)	-3
Net profit attributable to equity holders	329.5	233.5	+41
Fully diluted EPS (sen)	13.1	9.3	
Dividend per share (sen)	6.0	0.0	
EBIT margins (%)	16.3	11.1	
PBT margins (%)	16.2	11.4	

BALANCE SHEET SUMMARY



(RMmil)	As at 31 Jan '22	As at 31 July '21
Current Assets	9,927.8	9,895.1
Current Liabilities	4,206.9	4,480.9
Current Ratio	2.4x	2.2x
Total borrowings	5,422.1	5,227.8
Cash and marketable securities	3,699.0	3,538.0
Net cash (borrowings)	(1,723.1)	(1,689.8)
Share capital	3,620.9	3,620.9
Reserves	5,715.0	5,542.6
Non-controlling interests	360.9	352.1
Total Equity	9,696.9	9,515.7
Net gearing (overall)	18%	18%
Net assets per share (RM)	3.71	3.65

QUARTERLY SEGMENTAL PROFITS



(RMmil)	Q221	Q321	Q421	Q122	Q222	Q221	%
Construction & Eng	77.0	90.6	154.3	125.1	124.2	77.0	+61
Properties	9.9	74.0	126.9	29.0	68.7	9.9	+594
Concessions	87.5	48.1	30.8	65.5	61.6	87.5	-30
Group Pretax Profit	174.4	212.7	312.0	219.6	254.4	174.4	+46
Group Net Profit	123.1	141.8	214.1	152.4	177.1	123.1	+44

YTD Segmental PBT

YTD PBT Margins

(RMmil)	HY22	HY21	%	%	HY22	HY21
Construction	249.3	153.7	+62	Construction	14.1	7.5
Properties	97.6	23.3	+319	Properties	10.5	3.9
Concessions	127.1	151.6	-16	Concessions	n.m	n.m
Group PBT	474.1	328.6	+44	Group PBT	16.2	11.4

CASH FLOW SUMMARY



(RM mil)	HY ended Jan '22	HY ended Jan '21
Net cash (used in)/ generated from operating activities	(186.1)	97.5
Net cash (used in)/generated from investing activities	164.2	(684.6)
Net cash generated from/(used in) financing activities	178.8	528.7
Net (decrease) increase in cash and cash equivalents	157.0	(58.3)
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	1,450.9	1,437.2

GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 31 Jan '22	As at 31 Jan '21
Long Term Borrowings		
Medium Term Notes	2,955.0	2,645.0
Term Loans	1,248.1	463.2
Revolving Credits	13.2	33.2
	4,216.3	3,141.4
Short Term Borrowings		
Medium Term Notes	90.0	490.0
Commercial Papers	200.0	800.0
Term Loans	218.8	293.3
Revolving Credits	697.1	1,304.6
	1,205.8	2,888.0
Total Borrowings	5,422.1	6,029.3

KEY UPDATES – Construction



- **Construction sustained its strong performance into Q2** – profitability remained strong as MRT2 approached the 95% completion mark; revenue fell 14% y-o-y as works began to taper off, but pretax surged 62% to RM249m, resulting in pretax margins almost doubling from 7.5% to 14.1%
- **Order book triples to RM10.4b** – strategic breakthroughs were achieved in Australia and Singapore in Feb this year; in Australia, we clinched the prized AUD2.16b SMW-WT project, with Laing O’Rourke as a delivery partner; in Singapore, we clinched our first underground tunnelling project, the SGD467m Defu Station and Tunnels project in a 60:40 JV with Wai Fong, a renowned local player
- **New projects will be government-funded, paid progressively** – as such, these projects will require only minimal capital, mainly to fund works-in-progress; advance payments for mobilization will also ease project cashflow considerably
- **Well-positioned to become a major regional tunnelling contractor** – the recent successes will position the group to participate in the strong pipeline of upcoming metro, rail and road projects in key overseas markets like Australia, Singapore and Taiwan; the division targets to win at least one new project a year from each of these markets to sustain our order book at the RM20-25b level
- **MRT3 to roll out this year** – an ambitious roll-out timeline has been unveiled by MRTTC, with tender awards targeted by year-end; the RM31b, 51km Circle Line will comprise 40km elevated and 11km underground tracks; 5 packages will be awarded via open tender – 2 for Elevated Works, 1 for Underground, 1 for Systems, and 1 for Project Management to assist MRTTC in managing the project 9

CONSTRUCTION ORDER BOOK



- Current unbilled order book about **RM10.4 billion** (Feb 2022)

Major Projects	Balance works (Rmb)	Completion Status		Comments
		% now	completion year	
1) KVMRT Line 2 (50% share)	1.3	92	2022	Approaching completion
2) Pan Borneo Sarawak (65% share)	0.2	83	2022	Steady progress
3) Marine bridge, Taiwan (70% share)	0.1	62	2022	First Taiwan win; on schedule
4) Bus depot, S'pore (45% share)	0.3	16	2023	Steady progress
5) Seawall project, Taiwan (70% share)	0.5	29	2025	Second Taiwan win; on schedule
6) Other local projects	0.4	Various	Various	Building works, etc
7) Transmission line, Taiwan (50% share)	0.2	0	2024	Third Taiwan win
8) Defu Station, Tunnels, S'pore (60% share)	0.9	0	2030	First tunnel project in Singapore
9) Sydney Metro West, Western Tunnel, Australia (100% share)	6.5	0	2026	Significant breakthrough project in Australia

KEY UPDATES – Properties



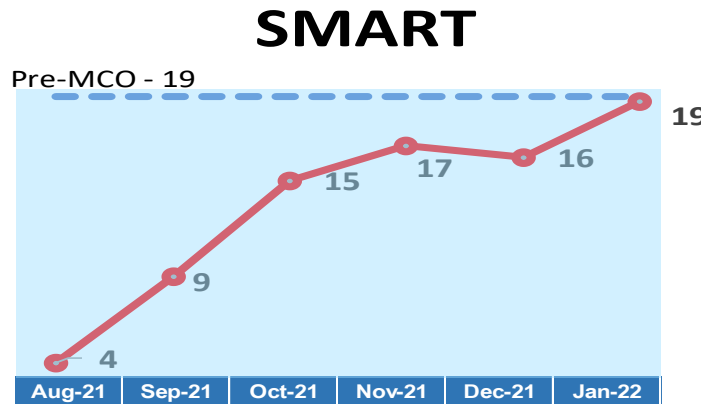
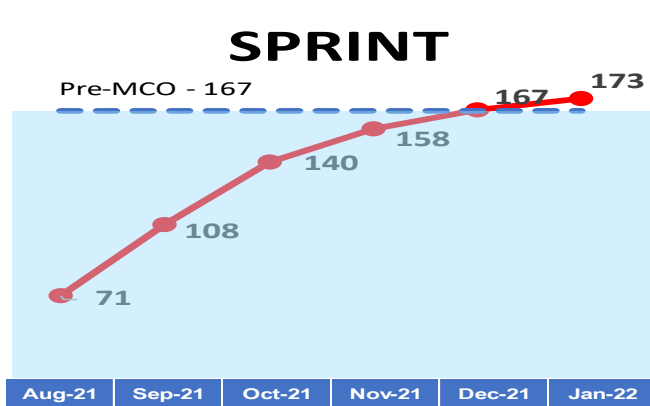
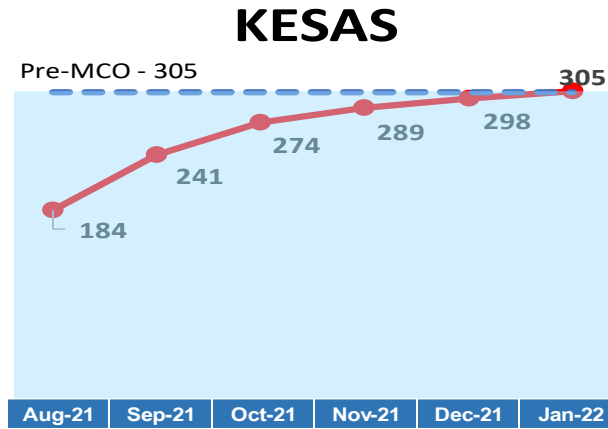
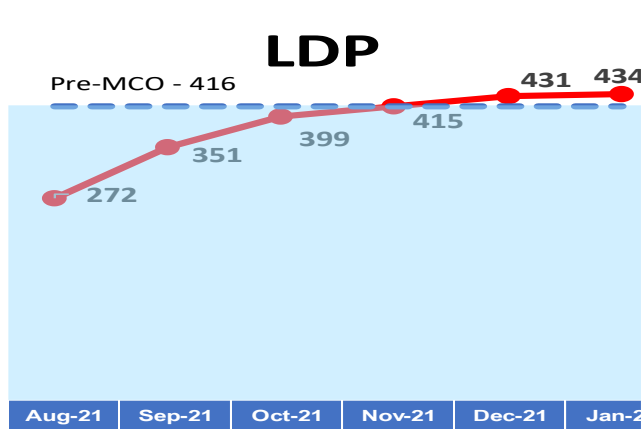
- **Playing catch-up in Q2** – after being impacted by lockdowns in Q1, the easing of Covid restrictions in Vietnam has enabled operations to normalize, underpinning the strong earnings achieved in Q2
- **Revenues and earnings both surged in Q2** – the strong Q2 performance enabled HY revenue to surge 57% y-o-y to RM933m, and earnings to quadruple to RM98m; similarly, pretax margins also surged to 10.5% from 3.9% last year
- **Presales beat expectations, full year target raised** – HY presales topped RM1.9b (+27%), and appears likely to well surpass our RM3.5b target for FY22; with sales momentum picking up, we have raised our FY target to RM4b (+39% y-o-y); unbilled sales broke the RM5b mark to hit a record RM5.2b
- **Domestic sales nearly doubled, overseas sales flat** – for the HY, domestic sales closed the gap with overseas sales, accounting for 48% of total presales; domestic presales expanded to RM0.9b (+87%), and were mainly driven by Gamuda Cove (+291%), twentyfive.7 (+279%), Gamuda Gardens (+68%)
- **OLA's growth compensated for Vietnam's decline** – presales at Singapore's OLA more than doubled to RM587m (+118%), whilst both Hanoi and HCMC projects combined fell by half to RM364m, primarily due to declining sales at Celadon City as the township nears full completion
- **Aggressive growth strategies being finalized** – two growth drivers will be critical to attaining targets - fast maturing local townships, and a rapid expansion in 'Quick Turnaround Projects' overseas

KEY UPDATES – Concessions



- Expressway volumes have fully recovered to pre-pandemic levels

Traffic vol ('000) per day



Traffic At End Jan'22

LDP

Traffic is **104%** of pre-MCO levels

KESAS

Traffic is **100%** of pre-MCO levels

SPRINT

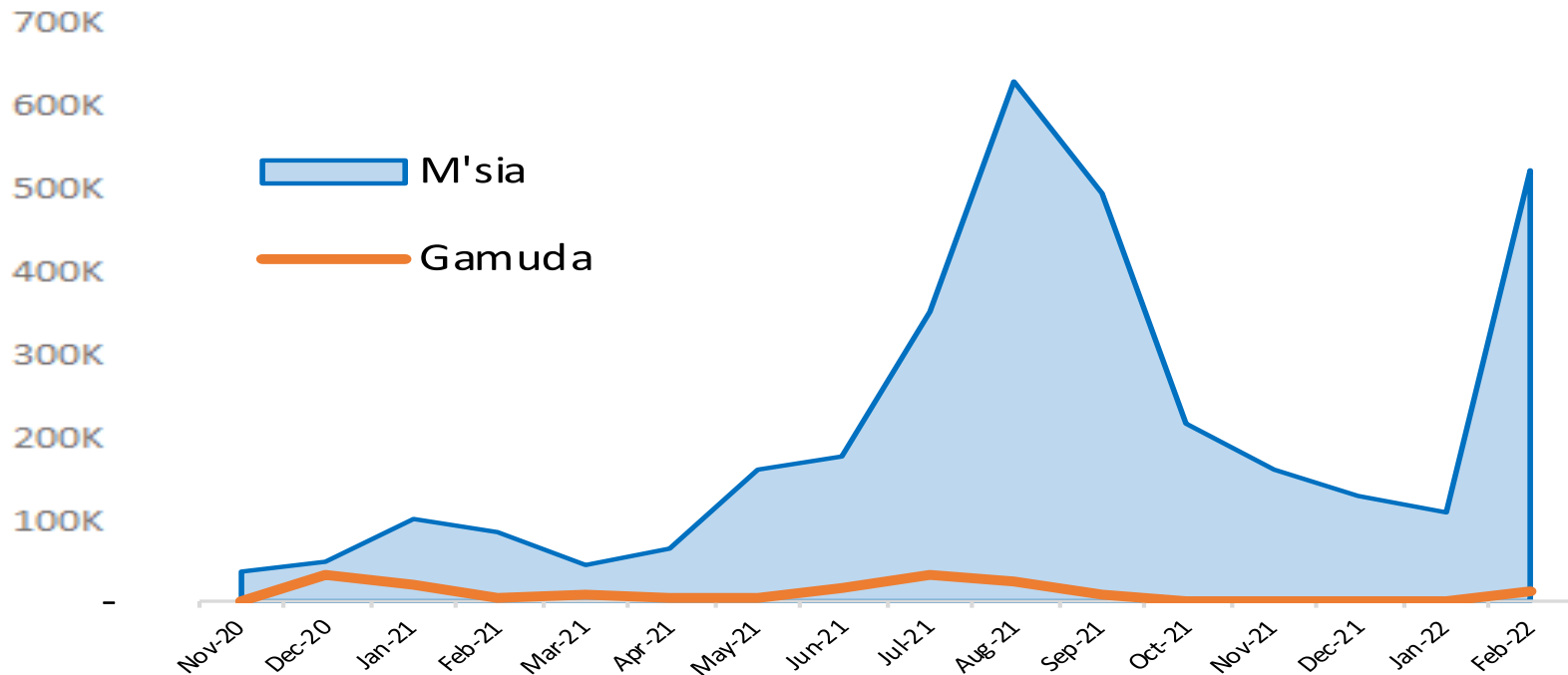
Traffic is **104%** of pre-MCO levels

SMART

Traffic is **100%** of pre-MCO levels

1 Gamuda's Covid cases kept under control, even when national figures surged, thanks to our rigorous Covid control measures; limiting disruption to operations

Monthly Covid Cases: Malaysia vs Gamuda



Thank You