

Gamuda Berhad

*Overseas revenues surge to
surpass domestic revenues*

Q3'23 INVESTORS' BRIEFING

22 June 2023

KEY HIGHLIGHTS



- **Overseas revenues surge to surpass domestic revenues** – the surge was driven by Australia construction; ytd groupwide, overseas revenues tripled to RM3.0b (52% of group, 43% at Q2), slightly surpassing domestic revenues of RM2.8b (48% of group, 57% at Q2); likewise, overseas net profits grew 43% to RM268m (44% of group, 36% at Q2); ytd, total group net profit grew to RM608m (+10%)
- **Growth spearheaded by construction** – Australia revenues surged in Q3 (10x vs Q3 last year), driven mainly by SMW-WTP which has reached 27% completion (20% in Q2); overseas construction earnings improved comfortably to offset declining domestic earnings; ytd, groupwide, construction PBT earnings rose 31% to RM507m whilst revenues surged 60% to RM3.8b; ytd, construction PBT margins fell to 13.3% from 16.2% previously
- **Properties grew by a modest 10%** – ytd, groupwide, properties contributed RM283m PBT, on a 15% increase in revenue to RM1.9b; PBT margins dipped slightly to 14.7% from 15.4%; overseas properties continue to achieve higher profitability than domestic; earnings from Celadon City continue to decline, but is being increasingly offset by rising earnings from the new QTPs
- **No earnings vacuum following highway disposal** – ytd, group net earnings are 10% higher than previously, despite having lost the highway concession earnings since its disposal in Q1 of FY23; we expect full year earnings to comfortably surpass last year's earnings despite the loss of highway earnings this year
- **DTI acquisition completed** – an additional A\$1.5b order book was taken in upon completion, whilst the remaining A\$0.5b is expected to be taken in once the remaining contracts are fully novated, expected to be no later than July '23
- **PSI/Penang LRT to commence in coming months** – Silicon Island Development (SID), the Project Developer of PSI, has awarded, through SRS TC, a RM3.5b turnkey contract to Gamuda to reclaim Phase 1 of Island A (now called Silicon Island); in a surprise move, the Fed govt has committed to directly funding the Penang LRT project, where SRS Consortium is the appointed PDP; negotiations are ongoing to finalize details of the project, including its implementation model; both the PSI and LRT works are expected to commence by year end
- **Property presales to ramp up further in Q4** – Q3 presales came in at RM0.9b bringing ytd presales to RM1.9b; full year presales target of RM4.5b maintained as there are substantial bookings in hand; expect a strong surge in Q4 presales

INCOME STATEMENT (as reported, continuing + discontinued operations, excluding one-off gain on disposal of highways)



(RMmil)	9 months ended 30 Apr '23 <i>(incl 3 months of highway contributions)</i>	9 months ended 30 Apr '22 <i>(incl 9 months of highway contributions)</i>	Change (%)
Revenue	4,864.4	3,216.1	+51
Profit from operations (EBIT)	609.5	462.2	+32
Finance Costs	(55.7)	(77.0)	-28
Share of JVs (net of tax)	204.4	228.6	-11
Share of associates (net of tax)	26.1	74.7	-65
Profit before tax	784.2	688.5	+14
Tax	(143.8)	(106.8)	+35
Non-controlling interests	(32.0)	(30.7)	+4
Core net profit attributable to equity holders	608.4	551.0	+10
Fully diluted EPS (sen)	22.6	21.7	
Dividend per share (sen)	50.0*	6.0	
<i>* including special dividend of 38 sen/share</i>			
EBIT margins (%)	12.5	14.4	
PBT margins (%)	16.1	21.4	

INCOME STATEMENT (pre-FRS, continuing + discontinued operations, excluding one-off gain on disposal of highways)



(RMmil)	9 months ended 30 Apr '23 <i>(incl 3 months of highway contributions)</i>	9 months ended 30 Apr '22 <i>(incl 9 months of highway contributions)</i>	Change (%)
Revenue	5,784.4	4,230.5	+37
Profit from operations (EBIT)	885.8	775.0	+14
Finance Costs	(62.5)	(89.2)	-30
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	26.1	74.7	-65
Profit before tax	849.5	760.5	+12
Tax	(209.1)	(178.9)	+17
Non-controlling interests	(32.0)	(30.7)	+4
Core net profit attributable to equity holders	608.4	551.0	+10
Fully diluted EPS (sen)	22.6	21.7	
Dividend per share (sen)	50.0*	6.0	
<i>* including special dividend of 38 sen/share</i>			
EBIT margins (%)	15.3	18.3	
PBT margins (%)	14.7	18.0	

INCOME STATEMENT

(pre-FRS, continuing operations only,
excluding one-off gain on disposal of highways)



(RMmil)	9 months ended 30 Apr '23 <i>(no highway contributions)</i>	9 months ended 30 Apr '22 <i>(no highway contributions)</i>	Change (%)
Revenue	5,736.7	4,061.8	+41
Profit from operations (EBIT)	842.8	711.7	+18
Finance Costs	(57.5)	(78.7)	-27
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	4.3	5.7	-25
Profit before tax	789.5	638.8	+24
Tax	(206.3)	(159.9)	+29
Non-controlling interests	(20.2)	(17.4)	+16
Core net profit attributable to equity holders	563.0	461.5	+22
Fully diluted EPS (sen)	20.1	18.2	
Dividend per share (sen)	50.0	6.0	
<i>* including special dividend of 38 sen/share</i>			
EBIT margins (%)	14.7	17.5	
PBT margins (%)	13.8	15.7	

BALANCE SHEET



(RMmil)	As at 30 April '23	As at 31 July '22
Current Assets	11,573.3	13,344.0
Current Liabilities	4,741.6	6,349.7
Current Ratio	2.4x	2.1x
Total borrowings	4,551.5	4,780.1
Cash and marketable securities	3,963.2	3,495.1
Net cash (borrowings)	(588.3)	(1,285.0)
Share capital	4,066.8	3,723.2
Reserves	6,614.6	6,181.8
Non-controlling interests	146.6	349.4
Total Equity	10,827.9	10,254.4
Net gearing (overall)	5%	13%
Net assets per share (RM)	4.02	3.88

QUARTERLY SEGMENTAL PROFITS

(continuing + discontinued operations, excluding gain on disposal of highways)

(RMmil)	Q322	Q422	Q123	Q223	Q323	Q322	%
Construction & Eng	81.8	157.5	139.2	187.2	180.5	81.8	+121
Properties	159.8	188.3	75.3	78.3	129.1	159.8	-19
Concessions	44.9	15.9*	59.9	0.0	0.0	44.9	n.m.
Group Pretax Profit	286.5	361.7	274.5	265.5	309.5	286.5	+8
Group Net Profit	221.5	255.2	190.4	194.6	223.5	221.5	+1

* After RM26m write-off for sale of SMART

YTD Segmental PBT

YTD PBT Margins

(RMmil)	9M23	9M22	%	%	9M23	9M22
Construction	506.9	386.3	+31	Construction	13.3	16.2
Properties	282.6	257.4	+10	Properties	14.7	15.4
Concessions	59.9	116.8	-49	Concessions	n.a.	n.m.
Group PBT	849.5	760.5	+12	Group PBT	14.7	18.0

SEGMENTAL ANALYSIS (by segment & geography)



(RMm)	9 months ended 30 April '23	9 months ended 30 April '22	Change (%)
Revenue (by segment)			
Construction	3,808.6	2,381.3	+60
Properties	1,928.1	1,672.1	+15
Concession	47.7	177.1	-73
Total Revenue	5,784.4	4,230.5	+37
Core Net Profit (by segment)			
Construction	352.3	261.5	+35
Properties	210.7	200.0	+5
Concession	45.4	89.5	-49
Total Core Net Profit	608.4	551.0	+10
Revenue (by geography)			
Overseas	3,004.9 (52%)	1,027.0 (24%)	+193
Malaysia	2,779.5 (48%)	3,203.5 (86%)	-13
Total Revenue	5,784.4 (100%)	4,230.5 (100%)	+37
Core Net Profit (by geography)			
Overseas	267.8 (44%)	187.0 (34%)	+43
Malaysia	340.6 (56%)	364.0 (66%)	-6
Total Core Net Profit	608.4 (100%)	551.0 (100%)	+10

CASH FLOW SUMMARY



(RM mil)	9 months ended 30 April '23	9 months ended 30 April '22
Net cash (used in)/ generated from operating activities	(242.9)	268.4
Net cash (used in)/generated from investing activities	2,508.8	596.5
Net cash generated from/(used in) financing activities	(1,505.2)	(292.8)
Net (decrease) increase in cash and cash equivalents	760.7	572.1
Effects of exchange rate changes	(39.7)	37.1
Cash and cash equivalents at beginning of the period	1,908.4	1,310.3
Cash and cash equivalents at end of the period	2,629.5	1,919.6

GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 30 April '23	As at 31 July '22
Long Term Borrowings		
Medium Term Notes	1,850.0	1,950.0
Term Loans	1,595.6	1,277.6
Revolving Credits	0.0	3.1
	3,445.6	3,230.7
Short Term Borrowings		
Medium Term Notes	100.0	900.0
Commercial Papers	200.0	100.0
Term Loans	93.7	136.3
Revolving Credits	712.2	413.1
	1,105.9	1,549.4
Total Borrowings (excluding discontinued operations)	4,551.5	4,780.1

KEY UPDATES – Construction

- **Another strong quarter** – Australia construction was the main revenue driver for the current Q3, surging 10x vs Q3 last year, as SMW-WTP achieved 7% progress in Q3 alone; declining domestic revenues have been comfortably offset by strong overseas revenue expansion; overseas construction revenues are now achieving RM1b/quarter, and are set to increase further as other overseas projects gain momentum
- **Order book stands at RM21.5b** – this includes two recent additions - a A\$1.5b (RM4.5b) immediate contribution from DTI, with a remaining A\$0.5b (RM1.5b) expected by July this year, and the turnkey contract worth RM3.5b for the reclamation works for Phase 1 of Island A (now called Silicon Island); the geographical mix of our total order book now comprises Malaysia (27%), and overseas (total 73%, comprising Australia 58%, other overseas 15%)
- **Phase I reclamation contract for Silicon Island awarded** – the Project Developer, Silicon Island Development (SID), has awarded a turnkey contract worth RM3.7b to SRS TC, a wholly-owned subsidiary of Gamuda; SRS TC has, in turn, awarded a RM3.5b turnkey reclamation contract to Gamuda Engineering to undertake the reclamation of 1260 acres of Silicon Island under Phase 1, which represents about 55% of the entire Silicon Island
- **Penang LRT gets direct Federal funding** – in a surprise move, the Federal government has committed to directly fund the Bayan Lepas LRT project, in return for scaling down the total reclamation scope to just Island A; Islands B and C will now no longer be part of the PTMP; under the agreement with the State, SRS Consortium is the approved PDP for the LRT project, and negotiations with the Federal govt are underway to finalize the project details and its implementation model
- **Targeting to double Australia construction revenues** – the group targets to double Australian revenues to a sustainable A\$3b/year in 2 to 3 years' time; both DTI and GEA will continue to aggressively grow their respective order books
- **MRT3 awards may still happen in 2023** – tender validity extended to Sept '23; however, even if contracts awarded, physical works will only start ramping up next year given the processes required before roll-out can happen

CONSTRUCTION ORDER BOOK (Malaysia)



- Total group unbilled order book about **RM21.5 billion** (April 2023)

Remaining Projects	Balance works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>MALAYSIA (TOTAL RM5.8b/27%)</u>				
1) Silicon Island - Phase 1	3.5	0	2023/2030	1260 acre reclamation project
2) Rasau WTP –Phase 1	1.9	2	2022/2025	Mobilizing
3) Pan Borneo Sarawak (65% share)	0.0	99	2020/2022	Demobilizing
4) Second trunk road Sarawak	0.0	44	2020/2024	Steady progress
5) Residential building works	0.1	75	various	Steady progress
6) Data centre and others	0.3	n.m.	various	Steady progress
Total Malaysia	5.8			

CONSTRUCTION ORDER BOOK (Overseas Australia)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS AUSTRALIA</u> <u>(TOTAL RM12.4b/58%)</u>				
<u>Australia</u>				
1) SMW-WTP (100% share)	4.8	27	2022/2026	Rapidly progressing
2) Coffs Harbour Bypass (50% share)	1.9	7	2022/2027	Second Australia win
3) M1 Motorway (40% share)	1.2	0	2023/2028	Third Australian win
4) DTI projects*	4.5	various	various	Acquisition completed; remaining A\$0.5b order book expected in July '23
Total Australia	12.4			

CONSTRUCTION ORDER BOOK (Overseas Others)

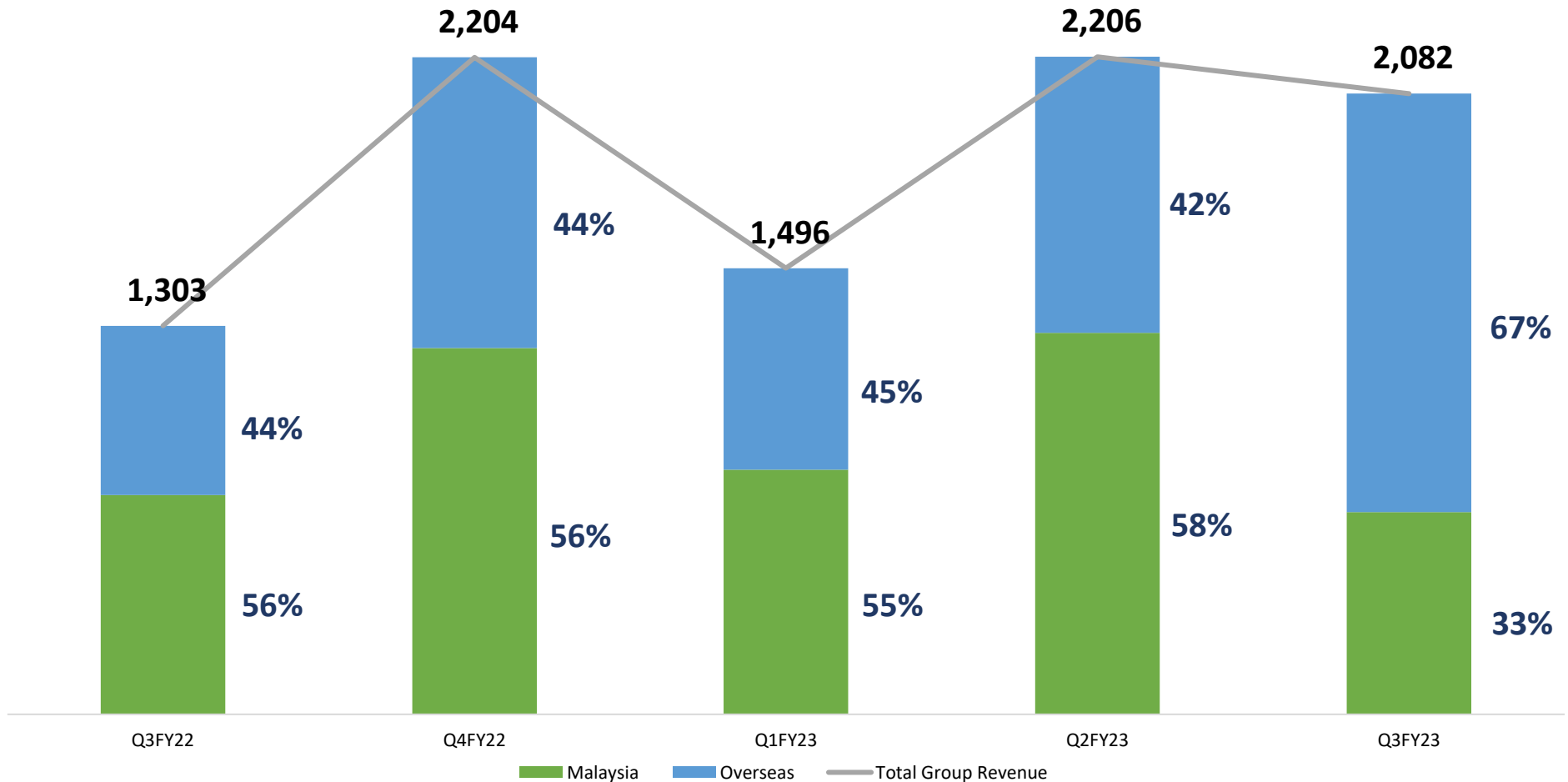


Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<u>OVERSEAS OTHERS</u> <u>(TOTAL RM3.3b/15%)</u>				
<u>Taiwan</u>				
1) Marine bridge (70% share)	0.1	82	2019/2023	1 st Taiwan win; on schedule
2) Seawall reclamation (70% share)	0.3	56	2020/2025	2 nd Taiwan win; on schedule
3) Transmission line (50% share)	0.2	1	2021/2025	3 rd Taiwan win; initial works
4) Marine bridge ext (70% share)	0.1	46	2022/2024	4 th Taiwan win; mobilizing
5) Tao Yuan underground (60% share)	1.3	0	2022/2030	5 th Taiwan win; mobilizing
Total Taiwan	2.0			
<u>Singapore</u>				
1) Bus depot (100% share)	0.5	35	2019/2023	Taken over JV partner's share
2) Defu station, tunnels (60% share)	0.8	4	2022/2030	1 st tunnel project in Singapore
Total Singapore	1.3			

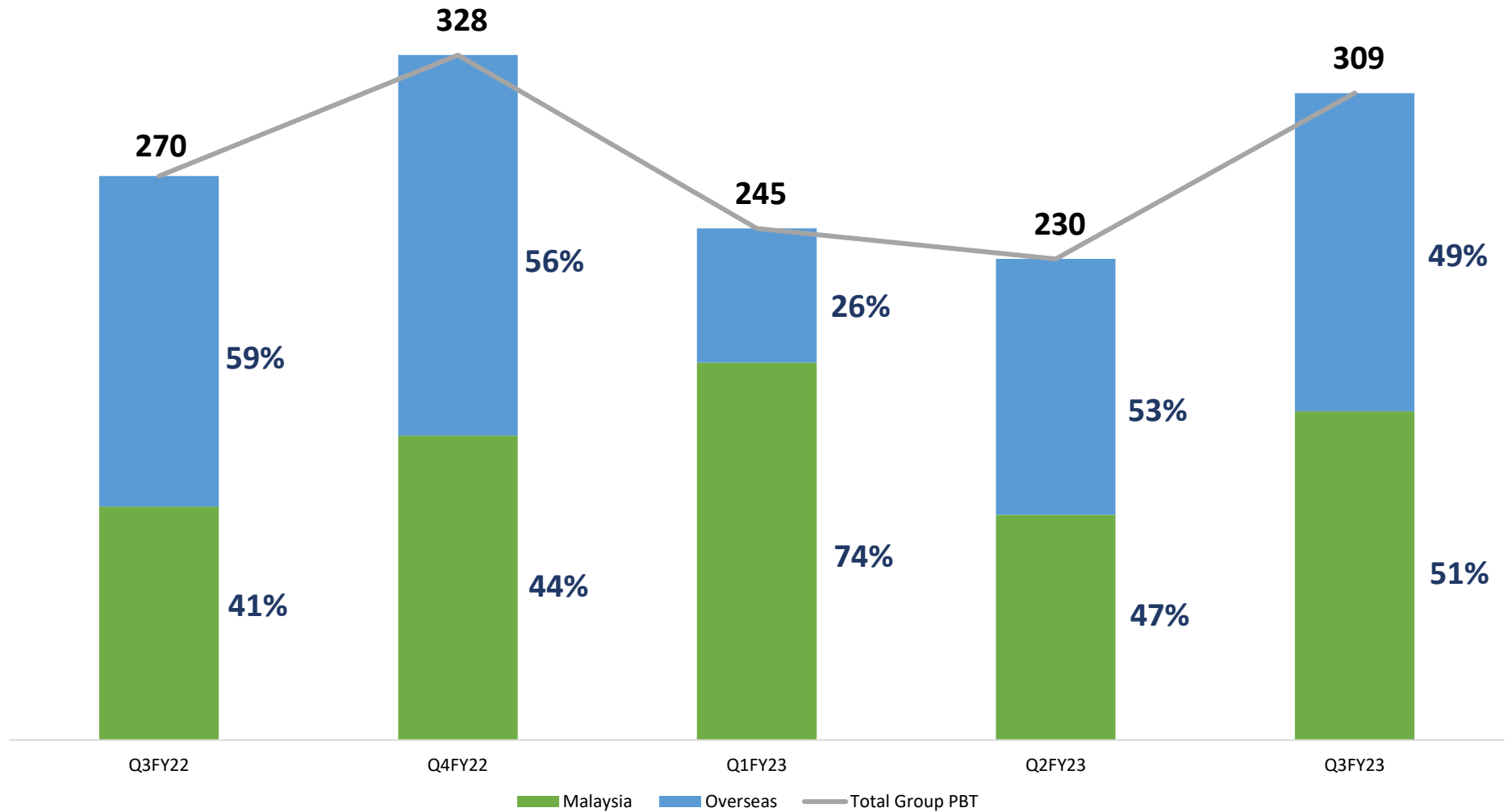
KEY UPDATES – Properties

- **Modest 9-months performance** – ytd, the division achieved a 10% growth in PBT to RM283m, on a 15% growth in revenue to RM1.9b; PBT margins dipped to 14.7% from 15.4%; PBT in Q3 was particularly strong, coming from an accelerated rate of building works
- **Presales increased to RM0.9b in Q3** – Q3 presales almost doubled the presales achieved in Q1 and Q2, bringing the 9-month presales to RM1.9b (-29% y-o-y); domestic presales came in at RM1.3b (unch), double that of overseas presales of RM0.6b (-54%); overseas presales fell sharply following the selling out of major projects like OLA and Celadon City in the last FY; however, the new overseas QTPs (Artisan Park, Elysian) now have strong sales momentum, and have achieved take-up rates between 45-55%, ranking as the division's top 2 overseas projects
- **Domestic presales supported overall presales** – in the 9-month period, domestic presales accounted for 66% of total presales; Gamuda Cove, Gamuda Gardens, Jade Hills and twentyfive.7 combined accounted for 85% of domestic presales; unbilled sales total RM5.7b
- **QTP presales picking up significantly** – active QTPs include West Hampstead Central (London), Artisan Park (Binh Duong), Elysian (HCMC) and The Canopy on Normanby (Melbourne); these 4 QTPs now account for almost a third of group presales
- **More QTPs to be added to portfolio** – with a total of 9 QTPs in its current portfolio, the group expects to add another 2 QTPs in 2023, and 2 or 3 new QTPs every year thereafter

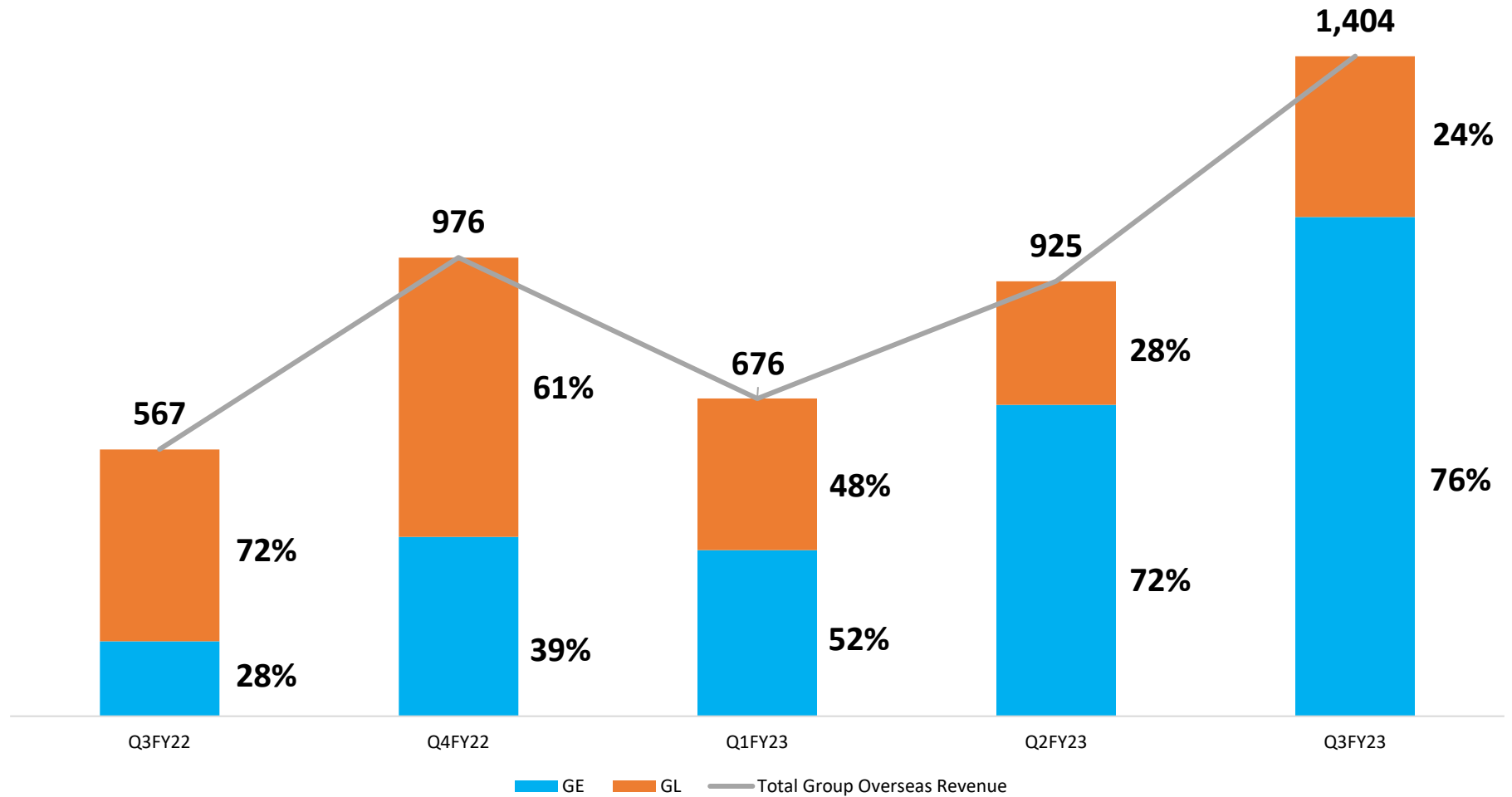
Group Revenue by Geography



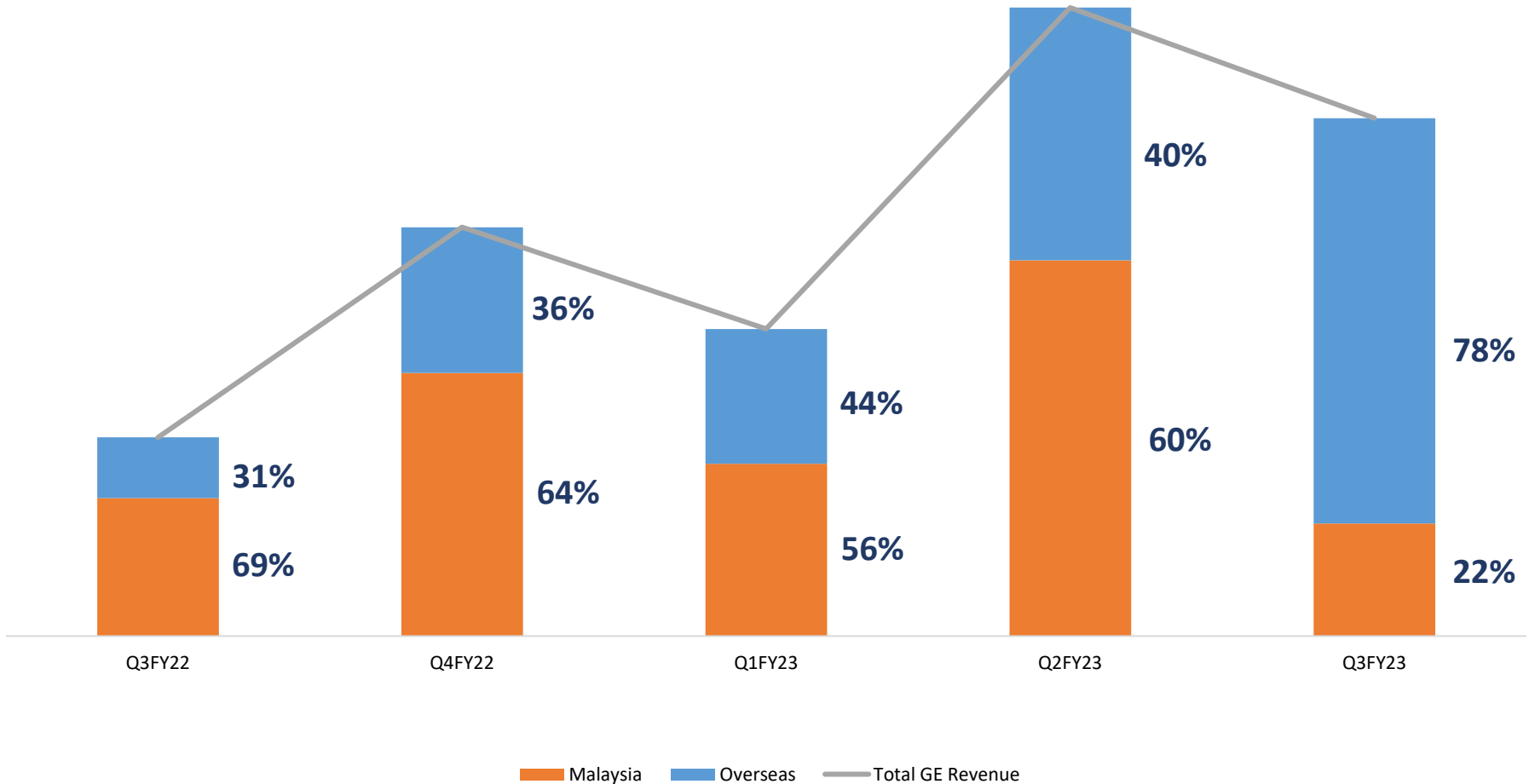
Group PBT by Geography



Group Revenue (Overseas)



GE Revenue by Geography



Thank You