Gamuda Berhad

A Year of Multiple Records

FY2017 INVESTORS' BRIEFING

28 September 2017

INCOME STATEMENT SUMMARY

GAMUDA

(RMmil)	FYE July 2017	FYE July 2016	Change (%)
Revenue	**3,211.4**	**2,121.9**	**+51**
Profit from operations (EBIT)	682.3	494.1	+38
Finance Costs	(104.3)	(126.0)	-17
Share of JVs (net of tax) *Share of JVs (net of tax) - normalised*	39.4 *137.8*	201.8 *201.8*	-80 *-32*
Share of associates (net of tax)	208.7	210.7	-1
Profit before tax ***Profit before tax - normalised***	**826.0** ***924.5***	**780.7** ***780.7***	**+6** ***+18***
Tax	(169.8)	(111.9)	+52
Minority Interests	(54.1)	(42.6)	+27
Net profit attributable to equity holders ***Net profit attributable to equity holders - normalised***	**602.1** ***700.5***	**626.1** ***626.1***	**-4** ***+12***
Fully diluted EPS (sen) - normalised	*27.7*	*25.3*	
Dividend per share (sen)	**12.0**	**12.0**	
EBIT margins (%)	**21.2**	**23.3**	
PBT margins (%) ***- normalised***	**28.8**	**36.8**	

INCOME STATEMENT SUMMARY (before FRS 11)

GAMUDA

(RMmil)	FYE July 2017	FYE July 2016	Change (%)
Revenue	**5,702.5**	**4,170.9**	**+37**
Profit from operations (EBIT)	803.0	782.1	+27
Finance Costs	(119.3)	(140.8)	-15
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	208.7	210.7	-1
Profit before tax ***Profit before tax - normalised***	**892.5** ***990.9***	**852.0** ***852.0***	**+5** ***+16***
Tax	(236.3)	(183.2)	+29
Minority Interests	(54.1)	(42.6)	+27
Net profit attributable to equity holders ***Net profit attributable to equity holders - normalised***	**602.1** ***700.5***	**626.1** ***626.1***	**-4** ***+12***
Fully diluted EPS (sen) *- normalised*	*27.7*	*25.3*	
Dividend per share (sen)	**12.0**	**12.0**	
EBIT margins (%)	**14.1**	**18.8**	
PBT margins (%) ***- normalised***	**17.4**	**20.4**	

BALANCE SHEET SUMMARY

GAMUDA

(RMmil)	As at 31 July ’17	As at 31 July ’16
Current Assets	6,436.0	5,146.7
Current Liabilities	2,566.6	2,168.7
Current Ratio	2.5x	2.4x
Total borrowings	5,243.3	4,808.3
Cash and marketable securities	1,042.3	1,472.9
Net cash	**(4,201.0)**	**(3,335.4)**
Share capital	3,372.4	2,419.0
Reserves Non-controlling interests	4,103.6 369.1	4,459.2 336.0
Equity attributable to equity holders	**7,845.1**	**7,214.2**
Net gearing (overall)	**54%**	**46%**
Net assets per share (RM)	3.05	2.84

QUARTERLY SEGMENTAL PROFITS

GAMUDA

(RMmil)	Q416	Q117	Q217	Q317	Q4 `17	Q4 `16	+/-
Construction & Eng	78.4	59.3	84.2	87.4	78.6	78.4	-
Properties	45.7	47.7	51.1	45.0	96.4	45.7	+111
Concessions	99.8	113.4	103.8	104.5	119.5*	99.8	+20
Group Pretax Profit	**223.9**	**220.5**	**239.1**	**236.7**	**294.5***	**223.9**	**+32**
Group Net Profit	**152.1**	**162.1**	**166.3**	**170.9**	**201.3***	**152.1**	**+32**

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

YTD Segmental PBT

(RMmil)	FY17	FY16	+/-
Construction	309.5	218.4	+42
Properties	240.2	220.7	+9
Concessions	441.2*	412.8	+7
Group PBT	**990.9***	**852.0**	**+16**

YTD PBT Margins

%	FY17	FY16
Construction	9.3	8.5
Properties	12.9	19.7
Concessions	n.m.	n.m.
Group PBT	**17.4***	**20.4**

KEY HIGHLIGHTS

GAMUDA

- **New record performance -** normalised net earnings of RM701m (+12%) marginally beat the previous record achieved in FY14; normalised group PBT improved 16% to a record RM991m**;** impairment for SMART brought down reported net earnings to RM602m (-4%)

- **Construction was the key earnings driver –** FY17 earnings surged to RM310m (+42%), whilst properties earnings expanded RM240m (+9%); SMART highway concession suffered asset impairment totalling RM98.5m due to reduced traffic volume forecasts

- **Order book stands at RM7.8bn –** RM10bn/year new order book targets for 2017/18 still remain; ECRL subcontract likely to be awarded before year end

- **KVMRT2 –** works rapidly gaining momentum, and will be key earnings driver over the next 2 to 3 years; tunnel drives to commence from Feb 2018

- **FY18 property presales target raised by 50% –** strong overseas projects coupled with new domestic townships expected to drive presales to RM3.5bn; FY17 presales came in at RM2.4bn (+14%), exceeding our target by 14%

- **New multi-year growth cycle in store –** underpinned by strong construction growth, property earnings recovery, order book buildup; another record year seen in FY18

- **Splash –** new proposal for disposal in the works

KEY UPDATES – Construction

GAMUDA

- **Record FY –** FY17 earnings of RM310m (+42%) beat the previous record of RM289m in FY14; revenue expanded by 29% to RM3.3bn, driven by rapidly-increasing works on KVMRT2; margin improved to 9.3% vs 8.5% in the previous FY; Q4 margin came in at 9.9%, up from 8.3% in Q3
- **KVMRT2 –** 94% of total project awarded comprising 36 works packages valued at over RM30bn; these include 1 Underground, 10 Viaduct, 6 stations, 7 Systems, 2 supply packages, 2 depot packages; Underground works attained 10% progress at end FY17; progress expected to accelerate significantly from FY18 onwards
- **KVMRT2 –** earthworks, foundation works at advanced stages, with viaduct launching commencing in some packages (Elevated); excavation, ground treatment, retaining wall construction all in advanced stages, with initial stations works starting (Underground); UG works will require 16 tunnel drives, using 12 TBMs; first tunnel drive to start in Feb 2018
- **KVMRT3 –** project details being finalised; Cabinet approval anticipated by mid-2018, and project rollout by late 2018/early 2019
- **Penang Transport Master Plan (PTMP) –** submissions to SPAD and DoE completed; validity of LoA for PDP agreement extended by another year to August 2018

CONSTRUCTION ORDER BOOK

GAMUDA

- Current unbilled order book about **RM7.8 billion** (July 2017)

Major Projects	Balance works (RMbn)	Completion Status		Comments
		% now	completion date	
Recently Secured				
KVMRT Line 2 (SSP Line) Underground (50% share)	6.9	10	Mid-2022	Works in full swing; 1st tunnel drive to commence in Feb 2018
Pan Borneo Sarawak (65% share)	0.9	8	Early 2021	Preparatory works completed; mainstream works commencing
Recently Completed				
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

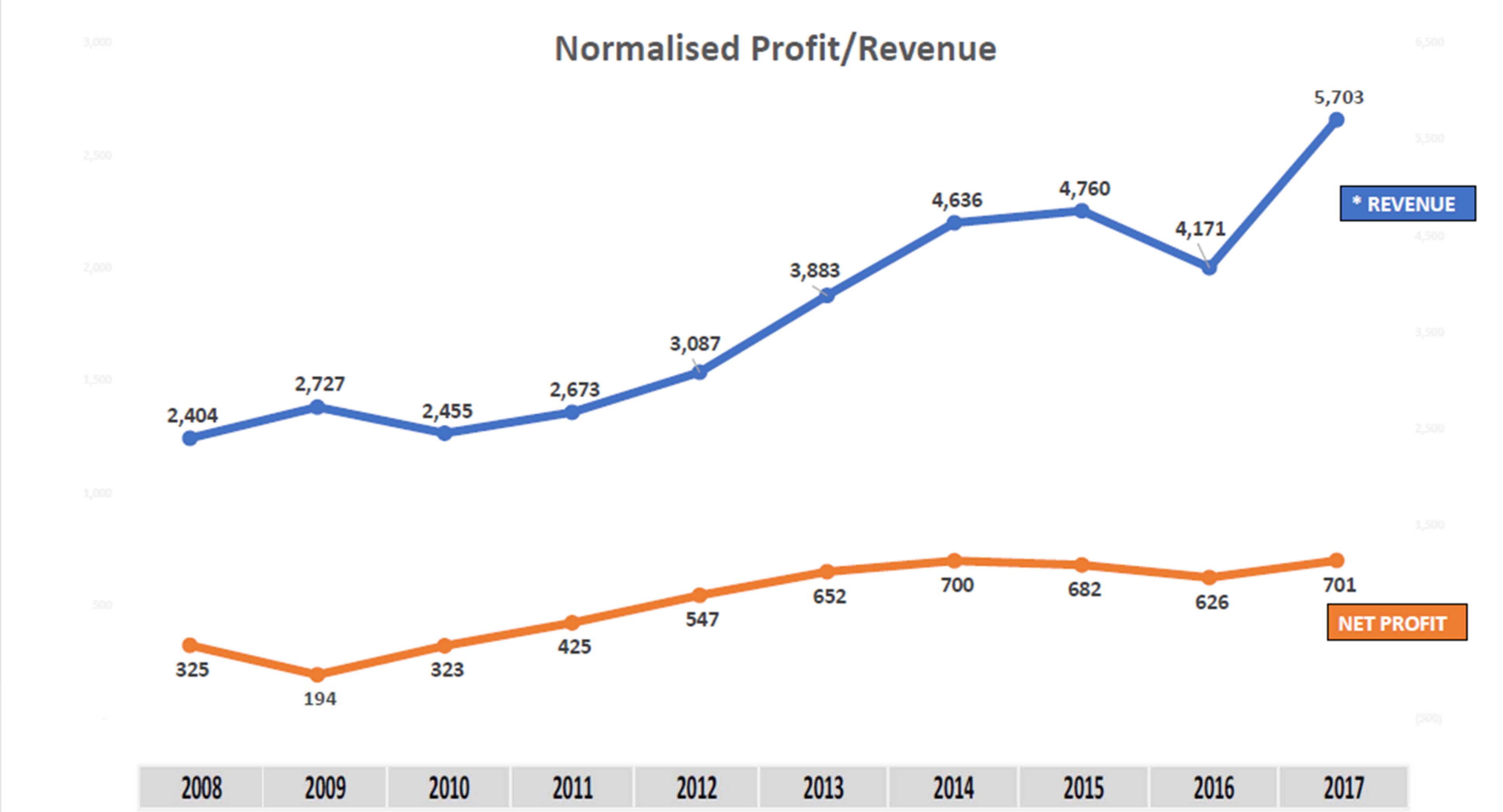
GAMUDA

- **Stronger Q4 boosts FY17 performance –** FY17 PBT came in at RM240m (+9%), driven largely by record performances in Vietnam; Vietnam contributed almost RM1bn in revenue, >50% of group revenue; group revenue rose 67% to RM1.9bn
- **Margins stabilize –** Q4 margin stabilized, enabling FY17 margins to come in at 12.9%, but still substantially weaker than 19.7% in FY16; however, margin upside remains limited given the sales mix (lower profitability of overseas projects), and high upfront costs for new townships
- **Property presales hits record RM2.4bn –** RM1bn presales achieved in Q4 alone; RM2.0bn unbilled sales at end Q4; FY18 presales target raised nearly 50% to RM3.5bn, expected to be driven by Gamuda Gardens, Twentyfive.7 (domestic), and sustained strong sales from Vietnam and Singapore
- **Township launches –** Kundang already launched, Gamuda Gardens, Twentyfive.7 to be launched by end 2017, and Gamuda Cove to be launched by mid-2018; these new townships have a combined GDV of RM34bn or 62% of the total RM55bn
- **Overseas properties –** Vietnam remains strong, exceeding RM1bn presales for the first time; after a breather in FY17, Singapore expected to improve in FY18; construction at Chapel St nearing completion, and take-up rates expected to pick-up in coming months

FY17 – A YEAR OF MULTIPLE RECORDS

GAMUDA

- Revenue: RM5.7b; +19% over old record RM4.8b (FY15)
- Group PBT: RM991m; +8% over old record RM915m (FY14)
- Net Profit: RM701m; +RM0.2k over old record (FY14)
- Construction: RM310m; +7% over old record RM289m (FY14)
- Property presales: RM2.4b; +14% over old record RM2.1b (FY16)
- Vietnam properties: RM1.08b; +71% over old record RM0.63b (FY16)



* Revenue : Including share of joint venture companies

GAMUDA

Thank You