

# Gamuda Berhad

*Explosive Growth on the Horizon*

**Q4'23 INVESTORS' BRIEFING**

*27 September 2023*

# KEY HIGHLIGHTS



- **Second consecutive record-breaking year** – group revenue, PBT and net profits all broke through FY22's record-breaking levels, growing 41%, 7% and 7% respectively; a remarkable performance overall, given the absence of two key profit drivers in FY23 – toll highways (disposed), and the MRT2 project (completed)
- **Both GE and GL post record-breaking performances** – GE achieved all-time high revenue and earnings as an 7-fold revenue surge from Australia cushioned a flat domestic division; Similarly, GL achieved record sales, revenue, earnings as QTP projects ramped up sales to contribute 27% of groupwide sales from 2% previously
- **GE's revenue surges past record RM6b** – this 79% revenue surge was propelled by a four-fold increase in overseas revenues (mainly Australia), amidst flat domestic revenues; overseas revenues now contribute 57% to GE's total revenue; PBT grew a respectable 22% to RM688m, whilst margin came in at 11.1%
- **GL sets new records** – presales topped RM4.1b (+2%), revenue broke RM2.8b (+4%) and PBT improved to RM455m (+2%); PBT margin slipped slightly to 16.0%; the division targets RM5.6b (+37%) presales in FY24, driven largely by Vietnam and QTP projects
- **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
- **Order book prospects remain strong** – project pipeline remains bright in both domestic and overseas markets; new wins of up to 6 large projects are possible over the next 3 -15 months
- **Overseas contributions now account for half of topline, bottomline** – by revenue, overseas accounts for 51% (vs 31% previously); by net profit, overseas accounts for 49% (vs 32% previously)

# LOOKING AHEAD (3 years and beyond) GAMUDA

Revenue (Rmb)	FY22A	FY23F	FY24F	FY25F	steady state FY26 and beyond
<b>Gamuda Engineering</b>	3.3	5	8	9	12
<b>Gamuda Land</b>	2.7	4	5	6	8

<b>TOTAL</b>	6	9	13	15	20
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**FLASHBACK TO Q422 – Dato Lin’s vision and targets for Group over medium term**

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



<b>(RMmil)</b>	<b>FY ended 31 July '23</b> <i>(incl 3 months of highway contributions)</i>	<b>FY ended 31 July '22</b> <i>(incl 12 months of highway contributions)</i>	<b>Change</b> <b>(%)</b>
<b>Revenue</b>	<b>8,281.2</b>	<b>5,143.9</b>	<b>+61</b>
Profit from operations (EBIT)	953.9	715.8	+33
Finance Costs	(81.5)	(96.8)	-16
Share of JVs (net of tax)	227.1	311.6	-27
Share of associates (net of tax)	27.9	85.6	-67
<b>Profit before tax</b>	<b>1,127.4</b>	<b>1,016.1</b>	<b>+11</b>
Tax	(233.5)	(180.1)	+30
Non-controlling interests	(33.8)	(29.8)	+13
<b>Core net profit attributable to equity holders</b>	<b>860.1</b>	<b>806.2</b>	<b>+7</b>
Fully diluted EPS (sen)	31.8	31.6	
<b>Dividend per share (sen)</b>	<b>50.0*</b>	<b>6.0</b>	
<i>* including special dividend of 38 sen/share</i>			
<b>EBIT margins (%)</b>	<b>11.5</b>	<b>13.9</b>	
<b>PBT margins (%)</b>	<b>13.6</b>	<b>19.8</b>	

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



(RMmil)	FY ended 31 July '23 <i>(incl 3 months of highway contributions)</i>	FY ended 31 July '22 <i>(incl 12 months of highway contributions)</i>	Change (%)
<b>Revenue</b>	<b>9,088.9</b>	<b>6,434.5</b>	<b>+41</b>
Profit from operations (EBIT)	1,267.5	1,149.0	+10
Finance Costs	(92.4)	(112.6)	-18
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	27.9	85.6	-67
<b>Profit before tax</b>	<b>1,203.0</b>	<b>1,122.0</b>	<b>+7</b>
Tax	(309.1)	(285.9)	+8
Non-controlling interests	(33.8)	(29.8)	+13
<b>Core net profit attributable to equity holders</b>	<b>860.1</b>	<b>806.2</b>	<b>+7</b>
Fully diluted EPS (sen)	31.8	31.6	
<b>Dividend per share (sen)</b>	<b>50.0*</b>	<b>6.0</b>	
<i>* including special dividend of 38 sen/share</i>			
<b>EBIT margins (%)</b>	<b>13.9</b>	<b>17.9</b>	
<b>PBT margins (%)</b>	<b>13.2</b>	<b>17.4</b>	

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



(RMmil)	FY ended 31 July '23 <i>(no highway contributions)</i>	FY ended 31 July '22 <i>(no highway contributions)</i>	Change (%)
<b>Revenue</b>	<b>9,041.2</b>	<b>6,179.9</b>	<b>+46</b>
Profit from operations (EBIT)	1,226.3	1,096.4	+12
Finance Costs	(89.3)	(93.6)	-5
Share of JVs (net of tax)	-	-	-
Share of associates (net of tax)	6.1	6.0	+1
<b>Profit before tax</b>	<b>1,143.1</b>	<b>1,008.9</b>	<b>+13</b>
Tax	(306.4)	(267.4)	+15
Non-controlling interests	(22.0)	(15.6)	+41
<b>Core net profit attributable to equity holders</b>	<b>814.7</b>	<b>725.8</b>	<b>+12</b>
Fully diluted EPS (sen)	29.0	28.5	
<b>Dividend per share (sen)</b>	<b>50.0*</b>	<b>6.0</b>	
<i>* including special dividend of 38 sen/share</i>			
<b>EBIT margins (%)</b>	<b>13.5</b>	<b>17.7</b>	
<b>PBT margins (%)</b>	<b>12.6</b>	<b>16.3</b>	

# BALANCE SHEET



(RMmil)	As at 31 July '23	As at 31 July '22
Current Assets	15,227.5	13,344.0
Current Liabilities	6,958.6	6,349.7
Current Ratio	2.2x	2.1x
Total borrowings	6,923.7	4,780.1
Cash and marketable securities	4,177.3	3,495.1
<b>Net cash (borrowings)</b>	<b>(2,746.4)</b>	<b>(1,285.0)</b>
Share capital	4,078.1	3,723.2
Reserves	6,744.3	6,181.8
Non-controlling interests	135.5	349.4
<b>Total Equity</b>	<b>10,957.9</b>	<b>10,254.4</b>
<b>Net gearing (overall)</b>	<b>25%</b>	<b>13%</b>

# QUARTERLY SEGMENTAL PROFITS

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

(RMmil)	Q422	Q123	Q223	Q323	Q423	Q422	%
<b>Construction &amp; Eng</b>	157.5	139.2	187.2	180.5	181.0	157.5	+15
<b>Properties</b>	188.3	75.3	78.3	129.1	172.5	188.3	-8
<b>Concessions</b>	15.9*	60.0	0.0	0.0	0.0	15.9	n.m.
<b>Group Pretax Profit</b>	<b>361.7</b>	<b>274.5</b>	<b>265.5</b>	<b>309.5</b>	<b>353.4</b>	<b>361.7</b>	-2
<b>Group Net Profit</b>	<b>255.2</b>	<b>190.4</b>	<b>194.6</b>	<b>223.3</b>	<b>251.8</b>	<b>255.2</b>	-1

\* After RM26m write-off for sale of SMART

## YTD Segmental PBT

## YTD PBT Margins

(RMmil)	FY23	FY22	%	%	FY23	FY22
<b>Construction</b>	687.9	563.1	+22	<b>Construction</b>	11.1	16.3
<b>Properties</b>	455.2	445.8	+2	<b>Properties</b>	16.0	16.3
<b>Concessions</b>	60.0	113.1	-47	<b>Concessions</b>	n.a.	n.m.
<b>Group PBT</b>	<b>1203.0</b>	<b>1122.0</b>	<b>+7</b>	<b>Group PBT</b>	<b>13.2</b>	<b>17.4</b>



# SEGMENTAL ANALYSIS (by segment & geography)



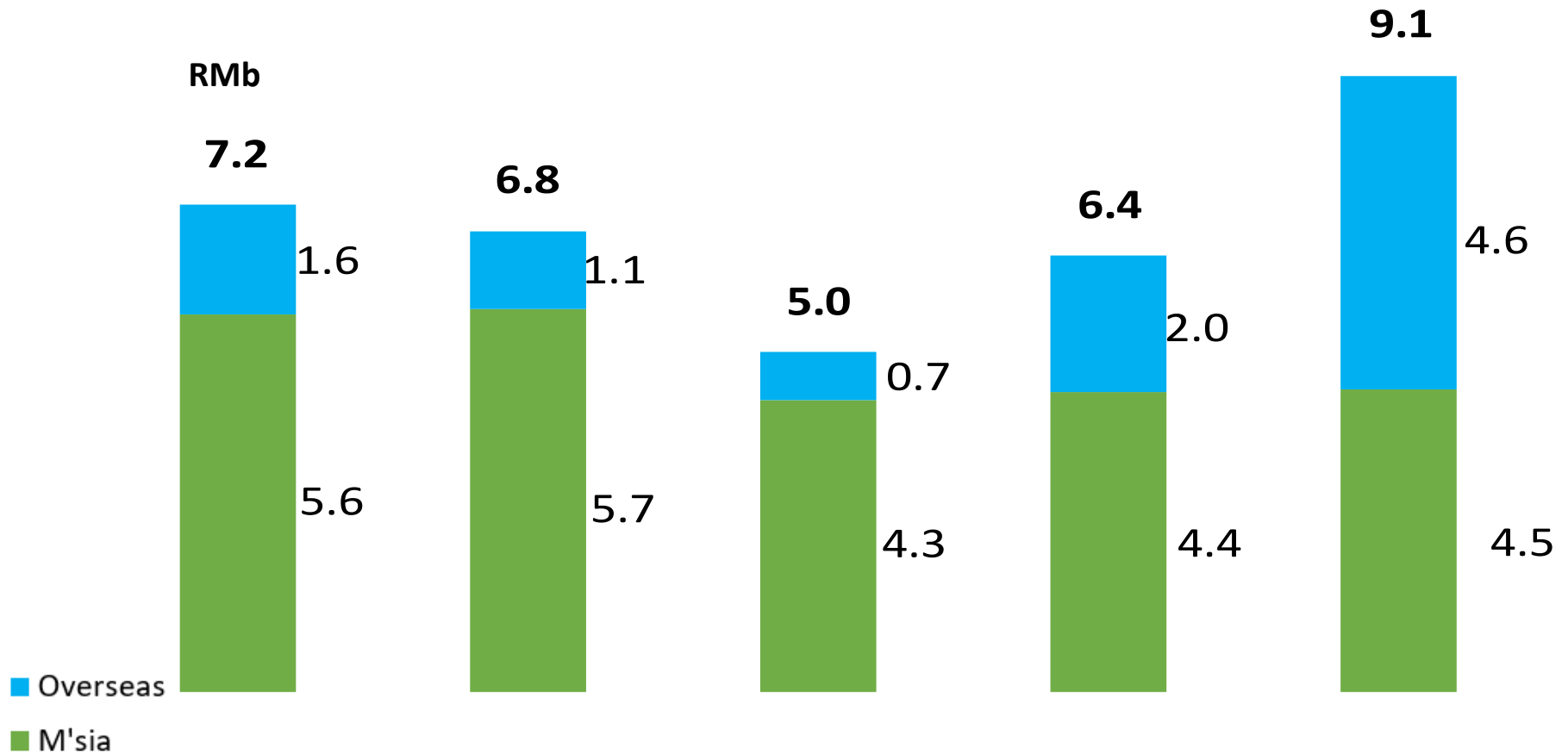
(RMm)	FY ended 31 July '23	FY ended 31 July '22	Change (%)
<b>Revenue (by segment)</b>			
Construction	6,191.9	3,452.4	+78
Properties	2,849.3	2,727.5	+8
Concession	47.7	254.6	-81
<b>Total Revenue</b>	<b>9,088.9</b>	<b>6,434.5</b>	<b>+42</b>
<b>Core Net Profit (by segment)</b>			
Construction	500.0	415.5	+20
Properties	314.7	310.3	+1
Concession	45.4	80.4	-44
<b>Total Core Net Profit</b>	<b>860.1</b>	<b>806.2</b>	<b>+7</b>
<b>Revenue (by geography)</b>			
Overseas	4,630.9 (51%)	2,001.9 (31%)	+137
Malaysia	4,458.0 (49%)	4,432.6 (69%)	-1
<b>Total Revenue</b>	<b>9,088.9 (100%)</b>	<b>6,434.5 (100%)</b>	<b>+41</b>
<b>Core Net Profit (by geography)</b>			
Overseas	418.1 (49%)	261.7 (32%)	+59
Malaysia	442.0 (51%)	544.5 (68%)	-18
<b>Total Core Net Profit</b>	<b>860.1 (100%)</b>	<b>806.2 (100%)</b>	<b>+7</b>

# SEGMENTAL ANALYSIS (overseas segments)



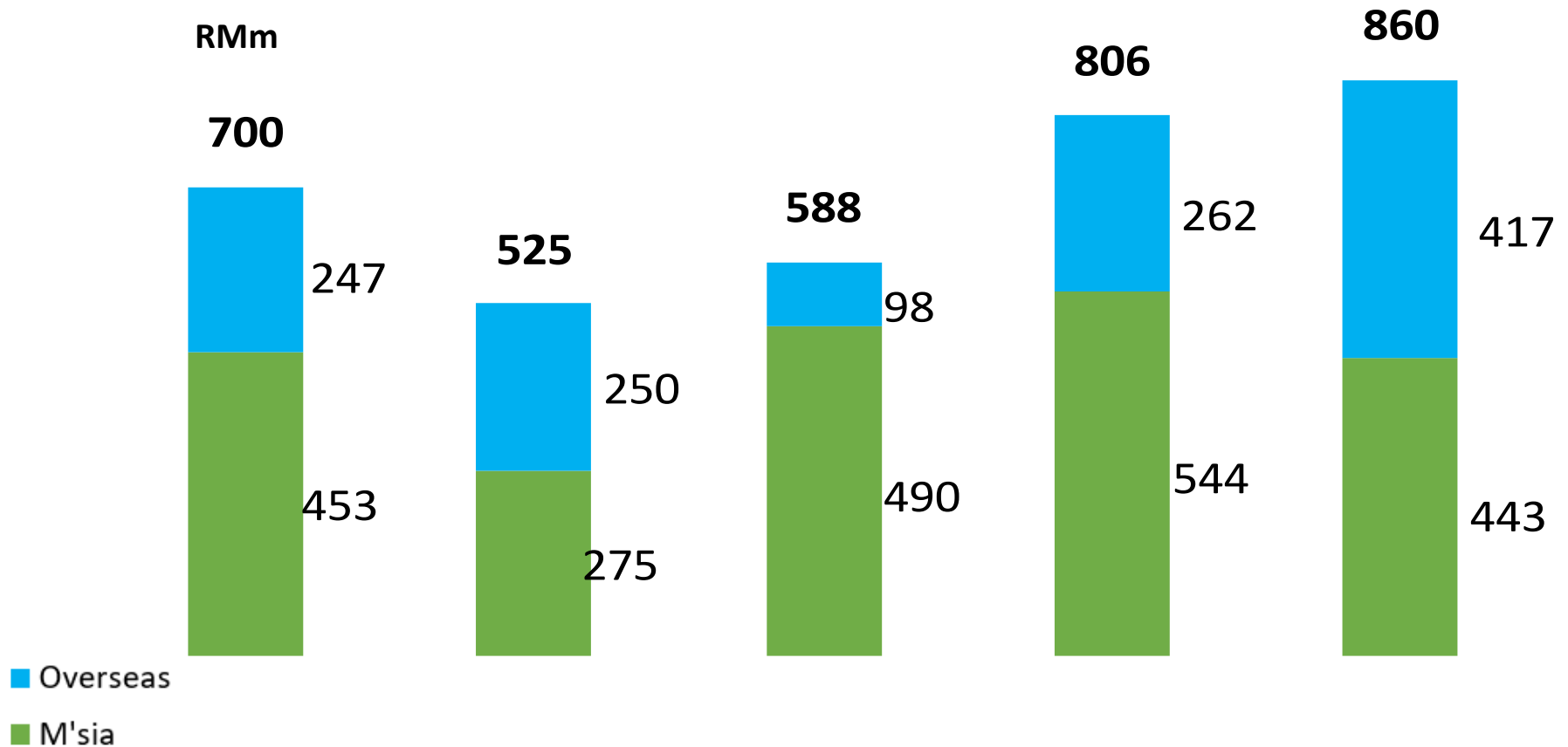
(RMm)	FY ended 31 July '23	FY ended 31 July '22	Change (%)
<b>Overseas revenue (by segment)</b>			
Construction	3,509.0	714.4	+391
Properties	1,121.8	1,287.6	-13
<b>Total Revenue</b>	<b>4,630.9</b>	<b>2,001.9</b>	<b>+131</b>
<b>Overseas net profit (by segment)</b>			
Construction	108.2	(26.7)	n.m.
Properties	309.9	288.4	+7
<b>Total Net Profit</b>	<b>418.1</b>	<b>261.7</b>	<b>+60</b>
<b>Overseas net margin (%) (by segment)</b>			
Construction	3.1	(3.7)	
Properties	27.6	22.4	
<b>Overall overseas margin</b>	<b>9.0</b>	<b>13.1</b>	

## GROUP – Past 5 years revenue by geography



FY 2019	FY2020	FY2021	FY2022	FY2023
Pre Covid-year	Half Covid-year	Full Covid-year	Post Covid-year	Post Covid-year

## GROUP – Past 5 years net earnings by geography



FY 2019	FY2020	FY2021	FY2022	FY2023
Pre Covid-year	Half Covid-year	Full Covid-year	Post Covid-year	Post Covid-year

# CASH FLOW SUMMARY



(RM mil)	FY ended 31 July '23	FY ended 31 July '22
Net cash (used in)/ generated from operating activities	(588.9)	470.1
Net cash (used in)/generated from investing activities	837.3	396.5
Net cash generated from/(used in) financing activities	694.4	(319.6)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>942.8</b>	<b>547.0</b>
Effects of exchange rate changes	(20.7)	51.2
Cash and cash equivalents at beginning of the period	1,908.4	1,310.3
<b>Cash and cash equivalents at end of the period</b>	<b>2,830.6</b>	<b>1,908.4</b>

# GROUP BORROWINGS AND DEBT SECURITIES



(RM mil)	As at 31 July '23	As at 31 July '22
<b>Long Term Borrowings</b>		
Medium Term Notes	2,650.0	1,950.0
Term Loans	2,864.0	1,277.6
Revolving Credits	0.0	3.1
	<b>5,514.0</b>	<b>3,230.7</b>
<b>Short Term Borrowings</b>		
Medium Term Notes	200.0	900.0
Commercial Papers	200.0	100.0
Term Loans	177.0	136.3
Revolving Credits	832.6	413.1
	<b>1,409.7</b>	<b>1,549.3</b>
<b>Total Borrowings (excluding discontinued operations)</b>	<b>6,923.7</b>	<b>4,780.0</b>

# KEY UPDATES – Construction

- **Australia drives revenue surge** – amidst a flat domestic market, overseas revenues rose four-fold, whilst Australian revenues rose seven-fold to underpin GE's 79% surge in FY23 revenue; significant progress was achieved at SMW, which is now 37% completed vs 5% a year ago; full scale tunnel boring works are ongoing with one TBM recently launched, with the final TBM to be launched next month; Coffs Harbour and M1 projects are also ramping up significantly
- **Ongoing SMW review highly unlikely to impact SMW-WTP** – project review will be completed in Q4 this year, by which time SMW-WTP will have exceeded 50% completion; with both TBMs in the midst of tunnelling, it would be extremely costly, nor practical operationally to scale-down, delay or defer the project at this advanced stage; furthermore, NSW's recent Budget also indicates no material cuts are being planned for this project
- **Order book stands at RM20.6b** – upon completion of another A\$0.4b ongoing contracts novation at DTI, the effective order book stands at RM21.8b; this is still heavily dominated by Australian projects (58%) followed by Malaysia (27%)
- **PSI works have started** – preliminary works have started following EMP approval; this RM3.7b turnkey contract is expected to take 7-8 years to complete Phase 1
- **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
- **New project pipeline remains strong** – GE continues to aggressively pursue large infra projects in both domestic and overseas markets; based on current visibility, up to 6 large projects could be secured within the next 3-15 months
- **Status of MRT3 still unclear** – the upcoming Budget '24 could shed some light on its timeline, but validity of tenders have been extended to end this year

# CONSTRUCTION ORDER BOOK (Malaysia)



- Total group unbilled order book about **RM20.6 billion** (July 2023)

Remaining Projects	Balance works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<b><u>MALAYSIA (TOTAL RM5.9b/29%)</u></b>				
1) Silicon Island - Phase 1	3.7	0	2023/2030	1260 acre reclamation project
2) Rasau WTP –Phase 1	1.9	5	2022/2025	Mobilizing
3) Pan Borneo Sarawak (65% share)	0.0	99	2020/2022	Demobilizing
4) Second trunk road Sarawak	0.0	50	2020/2024	Steady progress
5) Residential building works	0.1	88	various	Steady progress
6) Data centre and others	0.2	n.m.	various	Steady progress
<b>Total Malaysia</b>	<b>5.9</b>			



# CONSTRUCTION ORDER BOOK (Overseas Australia)

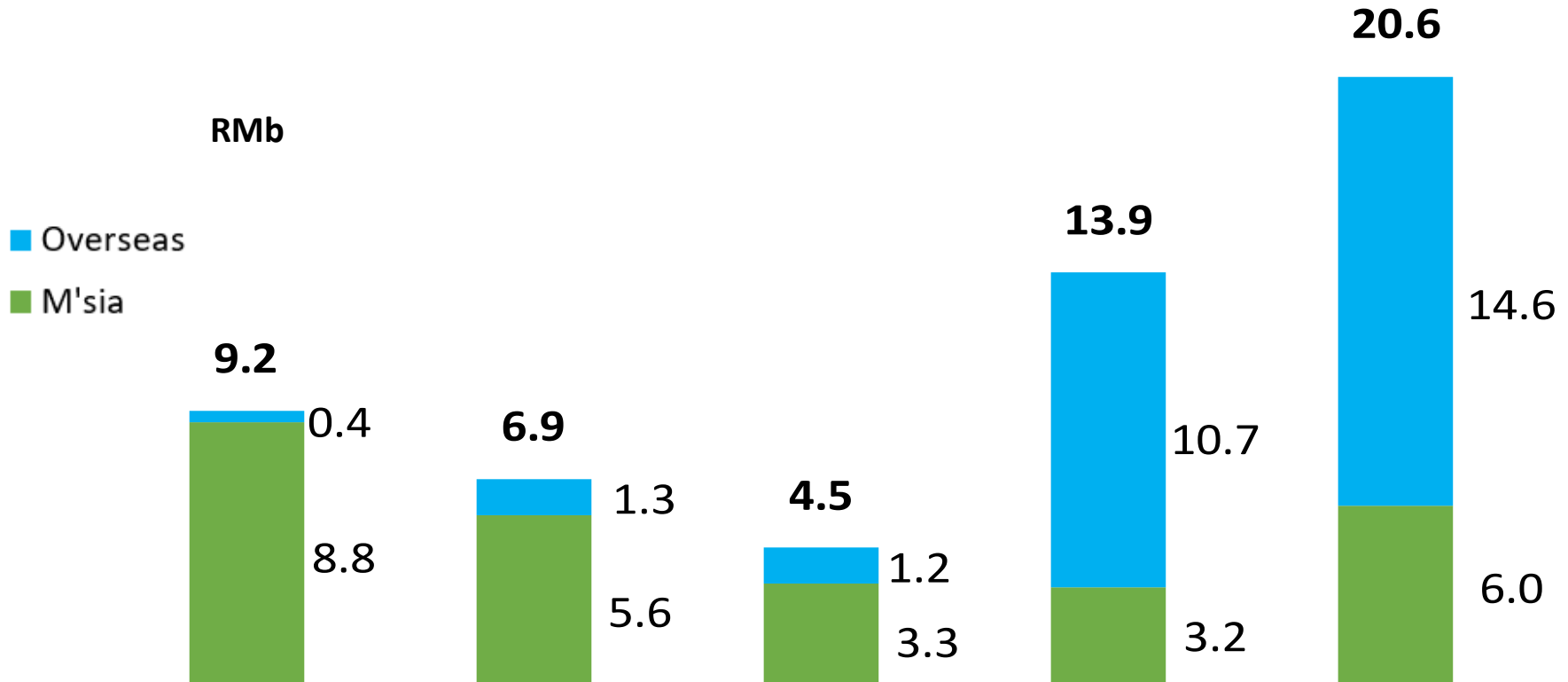
Remaining Projects	Bal works (Rmb)	Completion Status		Comments
		% now	Award/ Completion year	
<b><u>OVERSEAS AUSTRALIA</u></b>				
<b><u>(TOTAL RM11.4b/55%)</u></b>				
<b><u>Australia</u></b>				
1) SMW-WTP (100% share)	4.1	37	2022/2026	2 TBMs launched
2) Coffs Harbour Bypass (50% share)	1.8	11	2022/2027	Second Australia win
3) M1 Motorway (40% share)	1.1	4	2023/2028	Third Australian win
4) DTI projects*	4.4	various	various	* Acquisition completed; remaining A\$0.4b contracts being novated
<b>Total Australia</b>	<b>11.4</b>			

# CONSTRUCTION ORDER BOOK (Overseas Others)



Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
<b><u>OVERSEAS OTHERS</u></b> <b><u>(TOTAL RM3.3b/16%)</u></b>				
<b><u>Taiwan</u></b>				
1) Marine bridge (70% share)	0.1	84	2019/2023	1 <sup>st</sup> Taiwan win; on schedule
2) Seawall reclamation (70% share)	0.2	65	2020/2025	2 <sup>nd</sup> Taiwan win; on schedule
3) Transmission line (50% share)	0.2	9	2021/2025	3 <sup>rd</sup> Taiwan win; initial works
4) Marine bridge ext (70% share)	0.1	65	2022/2024	4 <sup>th</sup> Taiwan win; mobilizing
5) Tao Yuan underground (60% share)	1.3	0	2022/2030	5 <sup>th</sup> Taiwan win; mobilizing
<b>Total Taiwan</b>	<b>1.9</b>			
<b><u>Singapore</u></b>				
1) Bus depot (100% share)	0.5	42	2019/2023	Taken over JV partner's share
2) Defu station, tunnels (60% share)	0.9	7	2022/2030	1 <sup>st</sup> tunnel project in Singapore
<b>Total Singapore</b>	<b>1.4</b>			

# GE – Past 5 years construction orderbook by geography

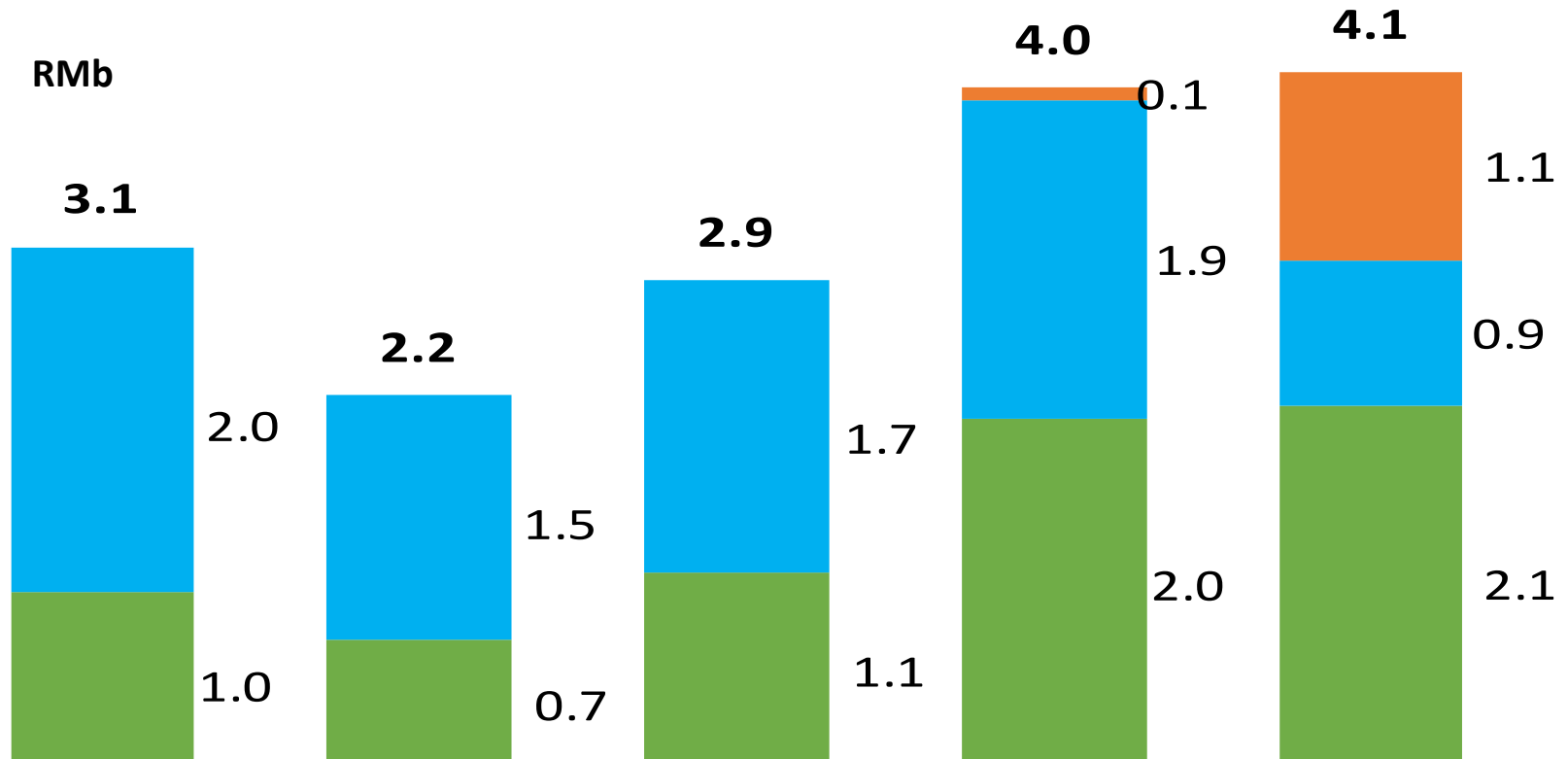


FY 2019	FY2020	FY2021	FY2022	FY2023
Pre Covid-year	Half Covid-year	Full Covid-year	Post Covid-year	Post Covid-year

# KEY UPDATES – Properties

- **Record achievements** – GL chalked up new records in its 3 key metrics – RM4.1b presales (+2%), RM2.8b revenue (+4%) and RM455m PBT (+2%); worth noting is its Q4 presales alone which totaled RM2.2b, more than double its 9-months presales of RM1.9b; unbilled sales now stand at RM6.7b
- **Presales evenly split between domestic (52%) and overseas (48%)** – domestic presales totaled RM2.1b (+4%), whilst overseas presales (including QTPs) totaled RM2.0b (unch); of significance is the ramping up of QTP sales to RM1.1b from virtually zero last year, to now account for 27% of presales groupwide
- **Vietnam QTPs are now our best-sellers** – top selling projects include Elysian and Artisan Park, which collectively account for 67% of QTP presales; take-up rates have been strong – 84% (Elysian), 70% (Artisan Park), West Hampstead (61%); Artisan Park, West Hampstead will likely be fully sold in FY24 followed by Elysian in FY25
- **Domestic townships continue to mature** – our 3 best-sellers domestically continue to be Gamuda Cove, Gamuda Gardens and twentyfive.7, which collectively accounted for 73% of groupwide presales; Gardens Park (adjacent to Gamuda Gardens) is expected to make its market debut in FY24
- **GL expects to double its revenue in FY24** – based on locked-in unbilled sales, the division targets to double its revenue to RM6b in FY24 from RM2.8b now, as it ramps up building works in all its markets
- **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

# GL – Past 5 years presales breakdown by segment



FY 2019	FY2020	FY2021	FY2022	FY2023
Pre Covid-year	Half Covid-year	Full Covid-year	Post Covid-year	Post Covid-year

■ Malaysia ■ Overseas ■ QTPs

# Thank You