Gamuda Berhad

Margin Recovery Imminent

Q4'24 INVESTORS' BRIEFING
26 September 2024

KEY HIGHLIGHTS

GAMUDA

- **Modest FY24 performance –** group revenues surged 64% to a record RM14.8b, powered by a tripling of Australian construction revenues, near-doubling of overseas properties revenues; however, net profit grew by a modest 12% to RM912m, as construction margins transitioned to reflect Australian profitability; consequently, GE's construction PBT margin fell from 10.0% to 5.9%; for GL, PBT margin fell from 15.5% to 11.3% as overseas margins shrank, but was mitigated by improved local margins; nevertheless, FY24 marks the third consecutive record year for revenue, core earnings, order book and property sales
- **Overseas revenues drive topline –** GE achieved a topline growth of 71% to RM10.6b, with overseas growing 155% to RM9.0b, but local declining 39% to RM1.6b (overseas/local now split 84/16); GL achieved a topline growth of 47% to RM4.2b, with overseas growing at a faster 75% to RM2.1b, and local growing at a slower 27% to RM2.1b (overseas/local revenues are now split 50/50); groupwide, overseas/local now split 75/25 (revenue), and 62/38 (net profit)
- **Local operations will drive top and bottomline in FY25/26 –** local construction will feature prominently as several large, profitable projects commence in the coming weeks and months; this is expected to drive local share of GE's revenues up to as high as 30% from 15% presently; consequently, blended margins for GE will also increase from its present 6% bottom
- **Margin recovery imminent –** for GE, a growing order book will drive topline, whilst a more profitable project mix will drive margin expansion and bottomline growth; for GL, an expanding QTP portfolio overseas and fast-maturing township projects locally will drive sales and revenue; additionally, rising margins from local townships will underpin margin expansion and bottomline growth for the group overall
- **Order book outlook still very strong –** several projects locally and overseas are expected to be awarded soon, and end CY24 will likely see an order book of between RM30b-35b, and increasing further to between RM40b-45b by end CY25; new wins are expected to come from all markets; GE has set a topline target of RM20b by FY28, for a CAGR of about 20%
- **GL targets to double topline by FY28 –** FY24 property sales topped a record-breaking RM5b (+22%), and the division now targets RM6b sales (+20%) for FY25; medium term drivers hinge upon a continued expansion of its QTP portfolio (presently 10 projects) where GL expects to invest RM7b over 5 years to generate a total GDV of RM19b; GL targets to achieve a topline of RM10b by FY28

INCOME STATEMENT (as reported, continuing operations only)

GAMUDA

(RMmil)	FY ended 31 July '24	FY ended 31 July '23	Change (%)
Total revenue	**14,796.5**	**9,028.0**	**+64**
Profit from operations (EBIT)	945.1	902.7	+5
Finance Costs	(173.4)	(78.4)	+121
Share of JVs (net of tax)	315.1	227.1	+39
Share of associates (net of tax)	10.5	6.3	+67
Profit before tax	**1,097.4**	**1,057.8**	**+4**
Tax	(155.1)	(221.1)	-30
Non-controlling interests	(30.2)	(22.0)	+37
Net profit attributable to equity holders	**912.1**	**814.7**	**+12**
Fully diluted EPS (sen)	32.1	30.3^	
Dividend per share (sen)	**16.0***	**50.0**	
**** second interim dividend raised to 10 sen/share***			
EBIT margins (%)	**6.4**	**10.0**	
PBT margins (%)	**7.4**	**11.7**	

BALANCE SHEET

(RMmil)	As at 31 July '24	As at 31 July '23
Current Assets	16,777.8	15,203.7
Current Liabilities	7,532.1	6,870.3
Current Ratio	2.2x	2.2x
Total borrowings	7,806.5	6,923.7
Cash and marketable securities	3,361.1	4,177.3
Net cash (borrowings)	**(4,445.5)**	**(2,746.4)**
Share capital	4,529.9	4,078.1
Reserves	6,835.4	6,713.0
Non-controlling interests	156.2	135.5
Total Equity	**11,521.5**	**10,926.6**
Net gearing (overall)	**39%**	**25%**
Net assets per share (RM)	4.10	4.05

QUARTERLY SEGMENTAL PROFITS

(as reported, continuing operations only)

(RMmil)	Q423	Q124	Q224	Q324	Q424	Q423	%
Construction & Eng	172.9	133.0	136.9	139.5	213.6	172.9	+24
Properties	160.6	106.7	102.8	129.4	135.5	160.6	-16
Group Pretax Profit	**333.5**	**239.7**	**239.6**	**268.9**	**349.1**	**333.5**	+5
Group Net Profit	**251.7**	**195.0**	**208.8**	**235.8**	**272.5**	**251.7**	+8

YTD Segmental PBT

(RMmil)	FY24	FY23	%
Construction	623.1	618.3	+1
Properties	474.3	439.4	+8
Group PBT	1,097.4	1,057.8	+4

YTD PBT Margins

%	FY24	FY23
Construction	5.9	10.0
Properties	11.3	15.5
Group PBT	7.7	11.7

SEGMENTAL ANALYSIS

(continuing operations only, by segment)

GAMUDA

(RMm)		FY ended 31 July '24		FY ended 31 July '23		Change (%)	FY24 Margin (%)	FY23 Margin (%)
Construction Revenue	Overseas	*[84%]*	8,964.0	*[57%]*	3,509.1	+155		
	Malaysia	*[16%]*	1,646.8	*[43%]*	2,681.0	-39		
	Total	*[100%]*	**10,610.8**	*[100%]*	**6,190.1**	**+71**		
Property Revenue	Overseas	*[50%]*	2,100.7	*[42%]*	1,199.7	+75		
	Malaysia	*[50%]*	2,085.0	*[58%]*	1,638.2	+27		
	Total	*[100%]*	**4,185.6**	*[100%]*	**2,838.0**	**+47**		
Group's Total Revenue			**14,796.4**		**9,028.1**	**+64**		
Construction Net Profit	Overseas	*[62%]*	312.0	*[22%]*	108.2	+188	3.5	3.1
	Malaysia	*[38%]*	189.3	*[78%]*	391.8	-52	11.5	14.6
	Total	*[100%]*	**501.3**	*[100%]*	**500.0**	**+0**	**4.7**	**8.1**
Property Net Profit	Overseas	*[63%]*	257.8	*[98%]*	308.5	-16	12.3	25.7
	Malaysia	*[37%]*	153.0	*[2%]*	6.2	+>1000	7.3	0.4
	Total	*[100%]*	**410.8**	*[100%]*	**314.7**	**+31**	**9.8**	**11.1**
Group's Net Profit			**912.1**		**814.7**	**+12**	**6.2**	**9.0**

SEGMENTAL ANALYSIS

(continuing operations only, by geography)

(RMm)		FY ended 31 July '24		FY ended 31 July '23		Change (%)	FY24 Margin (%)	FY23 Margin (%)
Overseas Revenue	Construction		8,964.0		3,509.1	+155		
	Property		2,100.7		1,199.7	+75		
	Total	***[75%]***	**11,064.7**	***[52%]***	**4,708.8**	**+135**		
Local Revenue	Construction		1,646.8		2,681.0	-39		
	Property		2,085.0		1,638.3	+27		
	Total	***[25%]***	**3,731.8**	***[48%]***	**4,319.3**	**-14**		
Group's total Revenue		***[100%]***	**14,796.4**	***[100%]***	**9,028.1**	**+64**		
Overseas Net Profit	Construction		312.0		108.2	+188	3.5	3.1
	Property		257.8		308.5	-16	12.3	25.7
	Total	***[62%]***	**569.9**	***[51%]***	**416.7**	**+37**	**5.2**	**8.8**
Local Net Profit	Construction		189.3		391.8	-52	11.5	14.6
	Property		153.0		6.2	+>1000	7.3	0.4
	Total	***[38%]***	**342.3**	***[49%]***	**398.0**	**-14**	**9.2**	**9.2**
Group's Net Profit		***[100%]***	**912.1**	***[100%]***	**814.7**	**+12**	**6.2**	**9.0**

CASH FLOW SUMMARY

GAMUDA

(RM mil)	FY ended 31 July ’24	FY ended 31 July ’23
Net cash (used in)/ generated from operating activities	150.9	404.4
Net cash (used in)/generated from investing activities	(1,261.6)	(232.8)
Net cash generated from/(used in) financing activities	909.8	771.2
Net (decrease) increase in cash and cash equivalents	**(200.9)**	**942.8**
Effects of exchange rate changes	(33.7)	(20.7)
Cash and cash equivalents at beginning of the period	2,830.6	1,908.4
Cash and cash equivalents at end of the period	**2,595.9**	**2,830.5**

GROUP BORROWINGS AND DEBT SECURITIES

(RM mil)	As at 31 July '24	As at 31 July '23
Long Term Borrowings		
Medium Term Notes	3,150.0	2,650.0
Term Loans	3,653.3	2,864.0
	6,803.3	**5,514.0**
Short Term Borrowings		
Medium Term Notes	0.0	200.0
Commercial Papers	0.0	200.0
Term Loans	66.1	177.0
Revolving Credits	937.2	832.6
	1,003.3	**1,409.7**
TOTAL BORROWINGS	**7,806.5**	**6,923.7**

KEY UPDATES – Construction

GAMUDA

- **Strong overseas performance drives revenue surge –** for FY24, GE's revenue rose 71% to RM10.6b, primarily fueled by a threefold increase from Australian construction. Local revenue continues to slide 39% to RM1.6b as MRT2 completed during the 1HY24; major ongoing local projects are Rasau, Silicon Island and DC projects
- **Expanding project pipeline in Australia –** DTI recently won the RM2.3b Metronet High-Capacity Signalling Project in Perth in a JV with Alstom. Both GEA and DTI remain shortlisted for several major projects, in both traditional infra and renewables; DTI in particular is closing in on a couple of renewables projects, where the outcomes are imminent; Australia now accounts for 44%of total order book
- **DC pipeline remains very bright –** negotiations are ongoing with various large DC players, with some at very advanced stages; we expect the DC pipeline to remain strong for the next few years
- **Mutiara LRT award expected by year end –** discussions with MRTC are progressing, and we continue to work on tying up the loose ends
- **Upper Padas hydro dam secured –** a Letter of Notification has been received from Sabah Energy Commission, paving the way for the signing of the PPA in 3 months' time. Construction works are expected to start early next year after financial close is achieved
- **Silicon Island progress to pick up significantly –** About 35 acres of land have been reclaimed to date; the works will gain significant momentum by year end once 2 more new dredgers are added to the existing 2 in operation
- **Rasau Water incident –** works are progressing normally at the main site whilst investigations into the embankment failure at the ancillary intake site are ongoing; we do not expect overall project completion to be affected as the intake works are not on the project's critical path
- **Margin expansion in FY25/26 expected –** this will be underpinned by a more profitable project mix as several large, profitable local projects kick off in the coming months

CONSTRUCTION ORDER BOOK (Malaysia)

GAMUDA

- Total group unbilled order book about **RM24.8 billion** (July 2024)

Remaining Projects	Balance works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
MALAYSIA (TOTAL RM7.0b/28%)				
1) Silicon Island - Phase 1	3.6	4	2023/2030	About 35 acres reclaimed to date
2) Rasau WTP	1.4	28	2022/2025	Works progressing normally at main site
3) Data Center Projects	2.0	2	2024/2026	In negotiations for several more
4) Upper Padas hydro	0.0	0	2024/2030	LoN received; BOT project to anchor new recurring income division
Total Malaysia	**7.0**			

CONSTRUCTION ORDER BOOK (Overseas Australia)

GAMUDA

- Total group unbilled order book about **RM24.8 billion** (July 2024)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
OVERSEAS AUSTRALIA (TOTAL RM10.8b/44%)				
Australia				
1) SMW-WTP (100% share)	2.8	65	2022/2026	On schedule
2) Coffs Harbour Bypass (50% share)	1.5	32	2022/2027	On schedule
3) M1 Motorway (40% share)	0.8	35	2023/2028	On schedule
4) DTI projects	3.4	n.a.	various	Shortlisted for several new projects
5) DTI's High-Capacity Signaling (46% share)	2.3	2	2024/2034	Recently won; in JV with Alstom
Total Australia	**10.8**			

CONSTRUCTION ORDER BOOK (Overseas Others)

GAMUDA

- Total group unbilled order book about **RM24.8 billion** (July 2024)

Remaining Projects	Bal works (RMb)	Completion Status		Comments
		% now	Award/ Completion year	
OVERSEAS OTHERS (TOTAL RM7.0b/28%)				
Taiwan				
1) Marine bridge (70% share)	0.0	100	2019/2023	Completed, pending CPC
2) Seawall reclamation (70% share)	0.1	81	2020/2025	EOT approved
3) Transmission line (50% share)	0.2	32	2021/2025	Both TBMs have been launched
4) Tao Yuan underground (60% share)	1.1	7	2022/2030	Site clearing, mobilisation works
5) Kaoshiung MRT YC01 (88% share)	2.9	1	2023/2032	Design works ongoing
Total Taiwan	**4.3**			
Singapore				
1) Bus depot (100% share)	0.3	69	2019/2023	EOT application submitted
2) Defu station, tunnels (60% share)	0.7	28	2022/2030	1st MRT project
3) West Coast Station (100% share)	1.7	0	2023/2032	2nd MRT project
Total Singapore	**2.7**			

KEY UPDATES – Properties

GAMUDA

- **Steady growth for GL –** for FY24, GL's revenue rose 47% to RM4.2b, driven by strong overseas project performance and contributions from several quick-turnaround initiatives, alongside domestic activities. Net profit increased by 31% to RM411m, while margins eased to 9.8% from 11.1%, largely due to the completion of the high-margin Celadon City project; local projects saw a significant margin improvement from 0.4% to 7.3% as key townships achieve strong sales and billings
- **Sales hit record-breaking RM5b –** FY24 sales surged to RM5b (+22%) driven by strong performances in both domestic and international markets. Vietnam led the way, contributing 93% of international sales. Our strategic entry into the Vietnamese market in 2007 continues to deliver sustained growth. GL targets RM6b (+20%) new sales for FY25. Unbilled sales stand at RM7.7b.
- **Overseas and local sales evenly split –** Vietnam and overseas sales grew at a healthy 27% to RM2.5b, slightly outpacing local sales which grew at 17% to RM2.5b. Looking ahead, we expect growth from Vietnam and overseas to continue to outpace local growth
- **Local townships drive margin expansion –** the fast-maturing townships (Cove, Gardens + Gardens Park, twentyfive.7) are all seeing rising sales and improved selling prices. We anticipate margins to continue expanding in the coming years; newly-launched Gardens Park (part of the enlarged Gamuda Gardens township), has been well-received, achieving a take-up rate of 63%
- **Best sellers in Malaysia and Vietnam –** top selling local projects in FY24 include Cove, Gardens + Gardens Park, twentyfive.7 and Horizon Hills, which collectively achieved sales totalling RM2.3b (+28%); in Vietnam, Gamuda City, Elysian and Eaton Park collectively achieved RM2.1b sales (+100%); Eaton Park, in District 2, achieved a 100% take-up rate within days after its launch
- **Introduced Park Homes, The Clove** - first-of-its-kind in Malaysia, the innovative cluster-of-8 home typology, branded as The Clove, will debut in 3 of GL's townships: Cove, Gardens and twentyfive7. Expected to boost sales, The Clove will launch in Q2 2025.
- **New QTPs to Drive FY25 Sales Growth** – FY25 sales will be augmented by two new QTPs in HCMC - Springville (RM1.8b GDV), The Meadows (RM0.3b GDV), coupled with stronger contributions from established local townships and ongoing QTPs in Vietnam.

Thank You