

Sime Darby Property Achieves RM1.3 billion Sales in H1 FY2021

- Group posts revenue of RM1.1 billion and PBT of RM152.3 million in H1 FY2021;
- Q2 FY2021 sales registered at RM680.3 million;
- Strategic launch plans worth RM2.1 billion in H2 FY2021 places Company on track to meet the RM2.4 billion sales target for FY2021.

ARA DAMANSARA, 26 AUGUST 2021 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) posted RM1.3 billion sales for the six months ended 30 June 2021 (“H1 FY2021”), marking an 83.9% increase from the RM712.5 million achieved in the same period last year. In H1 FY2021, the Company’s revenue and profit before tax (“PBT”) increased 42.8% and 227.4% to RM1.1 billion and RM152.3 million respectively as compared to H1 FY2020. Profit after tax and minority interest (“PATAMI”) was recorded at RM80.5 million, improving from the RM90.3 million loss incurred in H1 FY2020.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican said that the Group will remain vigilant in the second half of FY2021 to continue the momentum of positive earnings across this financial year. Efforts will focus on enhancing resilience through strengthened operations and financial position.

“We are accelerating the Group’s income diversification through the industrial landed and lots product segment which now comprises 17.8% of our sales portfolio. This is coupled with our focus to launch projects at strategic locations with the right price points, unlock value through active land bank management, as well as exercise vigilant cost control for the remainder of the financial year,” said Dato’ Azmir.

H1 FY2021 Year-to-Date by Segment

The Property Development segment contributed 93.4% to the Group’s total revenue in the period under review. The segment achieved a revenue of RM1.1 billion, marking a 55% increase from last year’s RM703.5 million, and improved PBT by 265.5% to RM177.3 million from last year’s loss of RM107.1 million. This improvement was due to increased new sales and development activities in Sime Darby Property’s townships, namely City of Elmina, Elmina Business Park, The Glades, Bukit Jelutong and Serenia City in Selangor; KLGCC Resort in Kuala Lumpur; and Bandar Ainsdale and Nilai Impian in Negeri Sembilan, as well as higher sales of completed stocks in KL East and Melawati.

The Property Development segment's joint ventures and associates also registered a lower share of losses of RM6.2 million as compared to losses of RM19.0 million in the same period last year, with higher contribution from PJ Midtown and lower marketing expenses for the Battersea Power Station in the United Kingdom.

For the period under review, the Investment & Asset Management segment posted a 34.5% year-on-year revenue increase to RM48.7 million from RM36.2 million last year and improved PBT by 256.5% to RM12.4 million. The Group's Leisure segment posted a revenue and loss before tax ("LBT") of RM28.9 million and RM6.3 million respectively. Both segments were impacted by the ongoing Movement Control Order ("MCO") and imposition of lockdown from 1 June 2021.

Q2 FY2021 vs Q2 FY2020

Sime Darby Property achieved sales of RM680.3 million in Q2 FY2021, increasing its revenue to RM502.8 million from RM288.2 million in Q2 FY2020. This achievement was driven by the Property Development segment, with both Investment & Asset Management and Leisure segmental revenue also contributing to the growth. In addition, PBT increased by 150.3% year-on-year to RM57.3 million from last year's LBT of RM113.8 million in a quarter that was impacted by the incurrence of impairments and provisions.

Q2 FY2021 vs Q1 FY2021

In comparison with the previous quarter, the imposition of a lockdown from 1 June 2021 disrupted the Group's construction sites and sales galleries which were not allowed to operate. Revenue declined by 14.7% to RM502.8 million as compared to the preceding quarter, with PBT registered at RM57.3 million.

The Property Development segment recorded a revenue and PBT of RM537.7 million and RM83.3 million respectively. The lower profit was mitigated by higher contribution from Elmina Business Park, Bandar Ainsdale, Nilai Utama, Nilai Impian, The Glades, Lot 15 SJCC and Serini Melawati. Against the preceding quarter, Investment & Asset Management and Leisure segments achieved lower revenue of RM24.3 million and RM13.6 million respectively. Both segments rely on progressing to advanced phases of the National Recovery Plan which will enable the Group's assets such as KL East Mall and its award-winning golf club, TPC Kuala Lumpur to welcome back its patrons, with strict adherence to SOPs.

Financial and Operational Achievements

Sime Darby Property's financial position remains solid with cash balances of RM698.3 million as of 30 June 2021, out of which the Company achieved positive operating and financing cash flow of RM95.0 million and RM13.3 million respectively. Consequently, the net gearing ratio remained low among peers at 30%.

The Company's sales achievement in Q2 FY2021 is up by 7.9% compared to Q1 FY2021. This is spearheaded by residential landed products as the key sales contributor, contributing to 61.1% of the total sales achieved, including the 97% take-up rate of Lyra freehold double-storey linked homes in Bandar Bukit Raja and 96% take-up of Elmina Green Four homes in the City of Elmina. Residential high-rise was the second highest sales contributor at 21.4% while industrial landed and lots product category contributed 10.9%. The overwhelming response to the May preview of Jendela Residences luxury high-rise is leading to the introduction of the second tower of the prestigious development.

Throughout the year, the Group's sales and marketing efforts online have proven effective to continue engaging with homebuyers and advertise its strategic launches despite the MCO and lockdown. The recent introduction of its Virtual Sales Gallery ("VSG") allows the public to access Sime Darby Property's collection of products with a dedicated in-house team who are assigned to provide online and offline sales consultation to potential homebuyers.

Prospects for the Remainder of FY2021

H2 FY2021 is expected to be a challenging period for Sime Darby Property due to the disruptions from the ongoing MCO and lockdown. While construction in the property sector has been allowed to resume as at end-July 2021, it will take time for the Group's operations to gain momentum as it will operate under strict SOPs.

Dato' Azmir added, "Sime Darby Property aims to meet the RM2.4 billion sales target, backed by the strong H1 FY2021 performance of RM1.3 billion. The gross development value ("GDV") of our launch plans for the second half of the year is RM2.1 billion. In addition, our unbilled sales of RM1.8 billion as of 30 June 2021 remains a strong indicator of revenue visibility for the Group".

-END OF PRESS RELEASE-

About Sime Darby Property Berhad

Sime Darby Property is a leading property developer with a strong success rate of developing sustainable communities for over 48 years. With 24 active townships/developments, Sime Darby Property has a wide reach that encompasses assets and operations across the country. It marks its presence in the UK as part of a Malaysian consortium to develop the iconic Battersea Power Station Project in central London.

As a responsible corporate player, Sime Darby Property and its philanthropic arm Yayasan Sime Darby (YSD) actively roll out various initiatives to assist the underprivileged communities living within and nearby its townships nationwide. A multi award-winning property group with numerous international and local accolades, Sime Darby Property is the only Malaysian property developer to be rated by the Carbon Disclosure Project for carbon management and stakeholder engagement.

It is also the first Malaysian property developer to be awarded the International FIABCI Prix d'Excellence Awards twice for its Subang Jaya and UEP Subang Jaya townships. The company bagged its 10th consecutive Gold at the Putra Brand Awards 2019 and its 9th Top 10 Developers Awards at the BCI Asia 2020. Sime Darby Property has also been recognised as among the top developers in Malaysia in the annual The Edge Top Property Developers Awards, a recognition which the company consistently receives since 2009.

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