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MEDIA RELEASE

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UEM EDGENTA ANNOUNCES A 22% GROWTH IN NET PROFIT FOR FY2018

Highlights:

- Delivered net profit of RM152.2 million for FY2018, representing a growth of 22% as compared to RM125.1 million for FY 2107;
- Declared a 2nd interim dividend of 8 sen, resulting in a total dividend payout of 14 sen for FY2018 representing a yield of 5.1% based on share price as at 31 December 2018

Full Release: Kuala Lumpur, 25 February 2019 – UEM Edgenta Berhad (“UEM Edgenta” or “Company”), the region’s leading Asset Management and Infrastructure Solutions company, announced its unaudited consolidated results for the year ended 31 December 2018 (“FY2018”) today which saw it posting a net profit of RM152.2 million, a surge of 22% on a year-on-year (“Y-o-Y”) basis. This compares with a revenue growth of 3% over the same period.

Growth was attributed to a strong performance in Q4 FY2018 which registered a Profit Before Tax (“PBT”) of RM82.9 million, a threefold increase when compared to Q3 FY2018 PBT of RM25.1 million. This is on the back of a 23% increase in revenue to RM647.4 million in the quarter, which saw two of the Company’s core divisions, the Healthcare and Infrastructure Services divisions, contributing almost 90% of revenue and PBT for FY2018.

On a Y-o-Y basis, the PBT for Q4 FY2018 was also 10% higher than Q4 FY2017 with a slight decline in revenue.

Amidst a challenging operating environment, UEM Edgenta was able to record a 3% increase in revenue to RM2.2 billion for FY 2018 as compared to FY 2017’s revenue of RM2.1 billion. The revenue growth was derived across all of UEM Edgenta’s major business divisions. PBT increased to RM198.2 million for FY2018 which was mainly due to improvements realised through group-wide efficiency and lower financing costs, resulting in a PBT margin increase to 9% in FY2018 as compared to 8% in FY2017.

Notably, the Healthcare Support division delivered a strong 8% increase in revenue and 7% increase in PBT on a Y-o-Y basis. Revenue grew on the back of new contracts secured in FY2018 in Singapore and Taiwan, coupled with a high customer retention rate of almost 90% in its commercial business. UEM Edgenta's Healthcare Support division has also benefited from the continuous sharing of best practices and technology transfer between its concession and commercial businesses such as the introduction of UETrack™, the commercial business' proprietary technology for service delivery, in Malaysian Government hospitals. These practices, coupled with a healthy pipeline of new projects, will enable organic growth for UEM Edgenta in FY2019.

Over the course of FY2018, UEM Edgenta has implemented operational excellence initiatives such as the "Lean" programme to build capabilities across the Company via process improvements and training, as well as technology and innovation-centric programmes to tackle high-impact operational areas, all of which have started to bear fruit. Moving forward, UEM Edgenta will continue to optimise its profit margins via such initiatives.

Additionally, UEM Edgenta maintained its robust balance sheet with a net cash position of RM70.1 million as at end-2018. This was attributable to strong cashflow from operations of RM209.3 million in FY2018. UEM Edgenta was also able to maintain its gross gearing ratio at a conservative 0.35 times.

"Despite the disposal of OIC in December FY2017, our results have surpassed last year's performance. UEM Edgenta's full-year profit after tax and non-controlling interest of RM148.2 million was higher than last year's profit of RM143.3 million when OIC's share of profits was included. This increased profitability and consistent cashflow generation has enabled us to deliver yet another strong full year dividend payout of 14 sen our shareholders," said Dato' Azmir Merican, Managing Director / Chief Executive Officer of UEM Edgenta.

Dato' Azmir further commented, "We are happy to be able to deliver significant profit growth after the disposal of OIC, a major subsidiary. We pared down debt, redeployed cash and rewarded shareholders, and at the same time delivered better results and growth. We have leveraged on new technologies to drive our growth in shaping an operationally excellent environment not just for UEM Edgenta but for our clients' businesses as well. We remain optimistic of our prospects in Healthcare and Infrastructure and as the industry leader in these sectors in the countries we operate, we will focus on protecting our market share, as well as expand and deepen our value chain offerings."

Dividend for FY2018

On the back of profits generated for the financial year, coupled with its strong financial position as at end-2018, UEM Edgenta has declared a 2nd interim dividend for FY2018 of 8 sen. Combined with the earlier 1st interim dividend of 6 sen declared in August 2018, total dividend payout is 14 sen and is equivalent to a payout ratio of 78.5% on FY2018's results, in line with the Company's enhanced dividend policy of at least 50% and up to 80% payout. The total dividend payout in FY2018 also represents a yield of 5.1% based on share price as at 31 December 2018 of RM2.72.

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About UEM Edgenta Berhad

UEM Edgenta (www.uemedgenta.com), a division of UEM Group Berhad is a leading Asset Management and Infrastructure Solutions company in the region. Listed on the Main Market of Bursa Malaysia Securities Berhad, our expertise covers Healthcare Support Services and Property & Facility Solutions within our Asset Management offering, and Infrastructure Services along with OPUS Consultants, our Asset Consultancy arm within Infrastructure Solutions. UEM Edgenta's full suite of services throughout the asset life cycle include consultancy, procurement & construction planning, operations & maintenance, as well as optimisation, rehabilitation and upgrades. UEM Edgenta has operational presence in Malaysia, Singapore, Indonesia, Taiwan, India and the Middle East region.

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