
Sime Darby Property Q1 Profit Doubles

Sets Positive Tone for FY2024

- The Group registered its strongest Q1 Performance for Revenue, Operating Profit & Sales since the 2017 demerger;
- Achieved 42.8% YoY Revenue growth to RM978.7 million;
- PBT surges 84.6% to RM180.8 million and PATAMI doubles to RM123.6 million;
- Recorded 38.8% YoY increase in sales to RM955.9 million, driven by diversified product mix with significant contribution from industrial product

ARA DAMANSARA, 21 MAY 2024 – Sime Darby Property Berhad (“Sime Darby Property” or “Group”) registered a robust start to FY2024, achieving record-high Q1 revenue since the 2017 demerger. The Group’s RM978.7 million revenue for its first financial quarter ended 31 March 2024 (“Q1 FY2024”) marked 42.8% increase from the RM685.3 million achieved in the same period last year. Driven by higher sales volume and successful project execution, the Group recorded Operating Profit (“OP”) of RM196.6 million, an increase of 73.1% year-on-year (“YoY”) from RM113.5 million and Profit Before Tax (“PBT”) of RM180.8 million, signifying 84.6% YoY growth from RM97.9 million. Profit after tax and minority interest (“PATAMI”) achieved an exceptional 103.7% YoY increase, doubling to RM123.6 million.

Sime Darby Property’s Group Managing Director, Dato’ Azmir Merican said, “The Group’s Q1 performance has outperformed financial and operational expectations. We are actively diversifying our products and income streams. This quarter, our industrial segment emerged as the top contributor to our overall sales performance.”

Commenting on the final close of its inaugural Industrial Development Fund (“IDF”) fundraising, Dato’ Azmir added: “We are delighted to announce the final close of the IDF at RM1.0 billion, underscoring the confidence and backing from a diverse group of institutional and foreign investors. The IDF is a Shariah-compliant real estate development fund between Sime Darby Property and LOGOS SE Asia Pte. Ltd. (“LOGOS Property”) to develop 177 acres of industrial and logistics assets in Bandar Bukit Raja.”

Q1 FY2024 YoY by Segment

The Property Development segment accounted for 94.6% of the Group’s revenue for the quarter, totalling RM925.6 million, marking a 45.4% increase compared to the same period last year. The

results were driven by an increasingly diversified product mix with higher contributions from industrial products, higher sales and increased on-site development activities across key townships, including Bandar Bukit Raja, Serenia City, Ara Damansara, Putra Heights, SJ7 and Elmina Business Park, coupled with contribution from land monetisation in Kedah, leading to an overall increase of 84.3% YoY PBT to RM170.3 million.

The Investment & Asset Management (“IAM”) segment recorded higher revenue of RM29.1 million, rising 10.7% YoY. The increase is attributable to improved occupancy rate within the retail sub-sector, notably at KL East Mall, which rose from 85% to 90%, paired with higher visitor footfall during the festive period. PBT for the segment grew substantially to RM12.3 million on the back of stronger retail sub-segment.

Q1 FY2024 Launches and Sales

The Group launched products worth RM820.2 million in Gross Development Value (“GDV”). Industrial lots and 2-storey detached factories worth RM588.7 million in GDV were launched in Bandar Bukit Raja 3 Industrial Park, with a take-up rate of 60.6% as of 28 April 2024. Double-storey shop offices worth RM150.2 million in GDV at The Corak in Serenia City was 86.4% taken-up as of 28 April 2024.

Sime Darby Property continued its robust sales momentum into Q1 FY2024, achieving RM955.9 million in sales, reflecting a 16.9% increase compared to Q4 FY2023. The Group’s effective product diversification strategy was evident as the industrial segment accounted for 30.2% of the quarter’s total sales, while residential-landed and residential high-rise accounted for 26.7% and 24.5%, respectively. Key projects contributing to the strong performance include industrial products in Serenia City, residential landed products such as Elmina Green 7 and The Eight in the City of Elmina, and Serenia Anisa (1 & 2) in Serenia City. Additionally, notable contributions were derived from residential high-rise properties, including Hype Residences in Subang Jaya, TRiARA Residences in Ara Damansara, and Serasi Residences (1 & 2) in Putra Heights.

The strong sales achievement in Q1 FY2024 was underpinned by the Group’s diverse offerings during the Chinese New Year *Dragon Deals Campaign*. This initiative resulted in sales bookings totalling RM351.8 million for 376 properties, reflecting strong market resonance and customer engagements.

Other Financial / Operational Achievements

The Group's unbilled sales stood at RM3.6 billion, securing stable earnings visibility for the next three years. As of 28 April 2024, Sime Darby Property's bookings amounted to RM2.4 billion, with completed inventories registering at RM466.3 million in GDV. With a healthy cash balance of RM647.1 million and a net gearing ratio of 23.8%, Sime Darby Property is well-positioned for sustained growth and financial stability.

In Q1 FY2024, Sime Darby Property upheld its success streak with top recognition at the 2023 Putra Brand Awards. The consumer-voted Platinum for Property Development signifies people's unwavering trust in the Sime Darby Property brand, recognising the Group's commitment to delivering innovative and sustainable products. The Elmina Rainforest Knowledge Centre ("ERKC") also secured another esteemed accolade in the Environmental Category at the FIABCI Malaysia Property Award 2023, reaffirming dedication to environmental stewardship and community engagement. These achievements stand as a testament to the ongoing pursuit of excellence and leadership in the industry.

Outlook for FY2024

Sime Darby Property anticipates a favourable outlook in FY2024, driven by the robust industrial segment and the general improvement in the residential market. The Group is poised for further growth with the launch of two landmark projects, the highly anticipated signature residences, The Ophera at KLGCC Resort, and the Elmina Lakeside Mall. These developments reflect our proactive approach to meeting market demands and enriching the lives of our customers.

Dato Azmir added "Our strong Q1 performance indicates that the Group is on the right track with our strategies, product developments, and offerings. Sime Darby Property remains guided by its Purpose to be a Value Multiplier for People, Businesses, Economies, and the Planet, and we will maintain the discipline to deliver greater value to our stakeholders."

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