

Press Release

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Immediate Release

## **SOLID FIRST HALF FINANCIAL PERFORMANCE, RM2.56 BILLION SALES IS ABOVE TARGET, IMPROVED NET GEARING LEVEL**

### **Key Highlights:**

- Sales achievement of RM2.56 billion for the first half of 2023, representing more than 60% of the FY2023 sales target demonstrates robust demand for the Group's offerings.
- 19% higher gross profit year-on-year of RM577.9 million for the first half 2023 driven by enhanced operational efficiency and the continuing recovery of the Malaysian property market.
- Improvement of the net gearing ratio to 0.55x signifies the progress and dedicated commitment by the Group in strengthening its capital framework and strategic portfolio management.

KUALA LUMPUR - S P Setia Berhad has announced solid financial results for the first half of 2023. The Group secured total sales of RM2.56 billion, with local projects contributing RM2.19 billion or approximately 86% of the sales. Sales in the Central region generated RM1.49 billion, supported by RM589.0 million from the Southern region and RM74.0 million from the Northern region. The remaining sales were contributed largely from international sales. Furthermore, it was announced that the Group has secured total bookings of RM470.0 million as of 30 June 2023.

“The strong performance of S P Setia in the first half of 2023 demonstrates our ongoing commitment to delivering high-quality developments and solutions. We are pleased with these positive results, which reflect the strong demand for our projects, both locally and internationally,” said Datuk Choong Kai Wai, President & CEO of S P Setia Berhad.

From an operational standpoint, the Group's performance has demonstrated notable improvement, evidenced by a higher gross profit of RM577.9 million for the first half 2023, a 19% increase year-on-year (RM311.3 million gross profit in the current quarter, a 13% increase from Q2 2022). This positive trajectory can be attributed to enhanced operational efficiency and the continuing recovery of the Malaysian property market, which, in turn, has propelled the revenue year-to-date to RM1.91 billion (RM942.7 million in the current quarter).

With 44 ongoing projects and unbilled sales amounting to RM6.82 billion as of 30 June 2023, the Group's earnings visibility in the short to mid-term is robust. Despite the global challenges posed by persistent inflation



and higher interest rates, the Group remains optimistic about achieving a noteworthy performance for the financial year 2023. Through the Group's disciplined debt reduction programme and de-gearing roadmap implementation across all its business units, the net gearing level of the Group has been reduced to 0.55x and is expected to improve further progressively.

In addition, the Group is committed to monetising non-strategic land and divesting non-core assets. Recently, the Group announced the disposal of 500 acres of land in Semenyih, Selangor and another eight parcels of land measuring 959.7 acres in Tebrau, Johor, for a total consideration of RM940 million. The revenue generated from the disposal of land will enable the Group to strengthen its financial position, reducing gearing levels and pursue future growth opportunities.

S P Setia is also preparing to launch its first-ever industrial development offering in the Klang Valley, known as Setia Alaman. This new development will feature a combination of industrial and commercial assets, bringing a unique blend of functionality and business opportunities to the area.

The Group had also introduced its latest sustainability and innovation-led initiative, Setia i-Home, launched in June 2023. This initiative marks another milestone in the Group's unwavering dedication to environmental sustainability. Setia i-Home showcases a range of advanced features such as a smart home system, solar switch ready, Green Switch, electric vehicle ("EV") switch, rainwater harvesting systems, and a healthier air quality environment, designed to promote energy efficiency and reduce carbon footprint. Furthermore, these homes are constructed using industrialised building systems, enabling faster and more efficient construction while minimising waste. By adopting this multi-faceted approach, S P Setia Berhad reinforces its pledge to creating green, sustainable communities and strengthening its position as an industry leader. This is in line with the Group's commitment on Environmental, Social and Governance ("ESG") initiatives.

"We are grateful for the support and trust of our stakeholders, especially our staff, known fondly as Team Setia, who have worked tirelessly for the said results. We will continue to focus on delivering quality developments and sustainable solutions, while continuing our long-term plan to move towards a lighter asset structure and leveraging on our effective remaining land bank of 6,870 acres with a total GDV of RM125.77 billion. We remain confident in achieving our targets for this financial year," affirmed Datuk Choong Kai Wai.

S P Setia Berhad's achievement in the first half of 2023 is proof of the Group's ongoing commitment to delivering quality developments while prioritizing sustainability efforts. The Group remains steadfast and determined to maintain its leading position in the industry, delivering strong growth and value to stakeholders.

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## About S P Setia

With a rich history dating back to 1974, S P Setia Berhad has established itself as a dominant force in the property development industry. As one of Malaysia's leading listed real estate players, the Group has built an impressive portfolio that encompasses a diverse range of projects, including townships, eco- sanctuaries, luxury enclaves, high-rise residences, and commercial developments.

Setting the bar for excellence, S P Setia is the proud recipient of 17 FIABCI World Gold Prix d'Excellence Awards, making it the only Malaysian developer to achieve such recognition from the esteemed International Real Estate Federation (FIABCI). Additionally, the Group has garnered 17 FIABCI Malaysia Property Awards to date. In 2022, S P Setia secured the coveted No.1 spot in The Edge Malaysia Top Property Developers Awards for an unprecedented 14th time, a testament to its unwavering commitment to delivering exceptional projects.

Harnessing its expertise, S P Setia has cemented its presence in Malaysia's key economic centers, namely the Klang Valley, Johor Bahru, Penang, and Sabah. Moreover, the Group has expanded its international footprint, with notable projects in Vietnam, Australia, Singapore, China, the United Kingdom, and Japan.

As of 30 June 2023, the Group boasts a portfolio of 44 ongoing projects, supported by a robust land bank consisting of 6,870 acres valued at a Gross Development Value (GDV) of RM125.77 billion. Furthermore, S P Setia's total unbilled sales stand at a notable RM6.82 billion.

With a steadfast commitment to excellence and an unwavering focus on delivering quality developments, S P Setia Berhad continues to lead the industry, driving growth and setting new benchmarks for success.

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