

Press Release

16 May 2024

For Immediate Release

S P Setia reports strong profit growth and continues its de-gearing trajectory in the first quarter of FY 2024, reaffirming its financial strength and resilience

Key Highlights:

- **Profit Growth: Profit before tax rose to RM181.2 million** in Q1 2024, representing a **56% increase** compared to the same period in the previous year, demonstrating Setia's **effectiveness in driving operational efficiency and adaptability**.
- **Consistent De-gearing efforts: 8% improvement of Net Gearing ratio (0.45x)** achieved in Q1 2024 from 0.49x in the previous quarter, due to the Group's disciplined approach in debt and borrowings management.
- **2024 Sales target RM4.4 billion: on track**

Kuala Lumpur, Malaysia — S P Setia Berhad ("Setia" or "the Group") reported growth across its wide-ranging portfolio across domestic and international markets driven by demand for its products despite the challenging global business environment, as well as implementation of effective business strategies across its diverse portfolios, locally and internationally.

"Our first-quarter results is a testament to the robustness of our business model and the success of our strategic market expansions. We've seen growth across the board, and while we're looking ahead with positivity, we're conscious of the need to maintain a steady hand on the tiller," shared Datuk Choong Kai Wai, President & CEO of S P Setia Berhad.

Sales have remained strong, with a total of RM1.42 billion sales achieved in the quarter mainly contributed by the Southern and Central region domestically in Malaysia. "Project completions, notably within Australia, have been particularly successful and point to the wisdom of our diversified approach," Datuk Choong remarked.

With new projects launched during the quarter with a combined GDV of RM146.2 million and favourable market uptake, Setia's projections for continued upward momentum look secure. The Group's strong unbilled sales and 41 active projects spread across its strategically positioned landbanks underpin its measured approach in balancing capital allocation decisions and growth expansion plans.

The Group has demonstrated a 56% uptick in profit before tax to RM181.2 million in Q1 2024, highlighting the consistent efficiency in its wide-ranging operations, particularly in managing landbanks and commercial assets, including office spaces and retail complexes.

The Group's property development segment achieved profit before tax of RM180.8 million in Q1 2024; a 38.6% step up from last year, driven by higher gross profit as the Group benefits from higher contribution from its Eco Xuan development project in Vietnam, supported by landbank management and higher contribution from domestic property development. The Group's wide range of investment properties and hotels had also contributed higher profit during this quarter, compared to the loss-making performance last year.

Datuk Choong commented, "It's heartening to see our efforts bear fruit on the international stage. We are pushing our expansion ambitions while exercising caution and keen market insight." The Group has strengthened its foothold in key Malaysian hotspots such as Shah Alam and Cyberjaya, reinforcing its domestic market dominance. Meanwhile, Setia's bold moves into coveted areas in Malaysia, alongside advancements in Vietnam and Australia, evidence a strategic push to cement its status as a formidable player in the global property landscape.

Bolstered by the 4% to 5% projected economic growth in 2024, supported by resilient domestic demand and improvement in external demand outlook by Bank Negara Malaysia*, Setia is on track to meeting its RM4.40 billion sales target for the year. Datuk Choong noted, "We're navigating the challenges presented by a volatile global economy with a measured and strategic approach that keeps us at the forefront of industry innovation and market leadership."

2024 marks S P Setia's 50th year anniversary, where various sales and marketing campaigns and customers engagement programs are set to be rolled out throughout the year with the theme "50 years of Shaping the Future". "Our purpose to build sustainable communities have driven us for the past 50 years and will continue to do so" Datuk Choong remarked, as S P Setia pushes forward to shape spaces that inspire a richer life.

**20th March 2024 - Bank Negara Malaysia Economic and Monetary Review 2023:*
https://www.bnm.gov.my/-/ar2023_en_pr

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About S P Setia

With a rich history from 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 encompassing a diverse range of projects, including townships, eco-sanctuaries, luxury enclaves, high-rise residences, industrial parks 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. To date, 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 centres, 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.

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.

As of 31 March 2024, the Group boasts a portfolio of 41 ongoing projects, supported by a robust land bank of 5,381 acres valued at a Gross Development Value (GDV) of RM105.28 billion. Furthermore, S P Setia's total unbilled sales stand at a notable RM5.38 billion.

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