



Financial Results & Group Update

For nine months ended 30 September 2023

23 November 2023



Setia Alaman Industrial Park, Klang



Setia Alam Impian, Shah Alam



Sapphire by the Gardens, Melbourne



Setia City, Shah Alam

Macroeconomic Outlook

Fundamentals to stabilise in Setia's key markets – Malaysia, Vietnam and Australia



MALAYSIA

- **Expected GDP** growth: 4% in 2023, 4-5% in 2024 (BNM)
- **Weaker external demand** to weigh on near-term growth
- **Employment and wage growth** support household spending
- Investment activity supported by **infrastructure projects and national master plans**
- **OPR to remain at 3.0% until end-2023** (Reuters poll)



VIETNAM

- **Expected GDP** growth: 5% in 2023; 5.5% (2024) and 6.0% (2025)
- Driven by **domestic demand**
- **Moderate recovery** of private investment from **2024 onwards**, partially compensated by growth in public investment and eased financing constraints
- State Bank of Vietnam (SBV) to keep **monetary conditions accommodative and conducive** to support credit demand and growth



AUSTRALIA

- **Expected GDP** growth: 2.0% in 2023; 1.75% (2024)
- Growth drivers: **migration, public/private investments, exports**
- Significant housing shortage, Government targeting **1.2 million houses in 5 years**
- Majority settling in Melbourne and Sydney, **increased demand on housing**

Malaysia Property Sector Outlook

Residential and Industrial sectors supported by infrastructure developments and government policy

RESIDENTIAL



- **Housing demand to increase** due to stable interest rates and firmer job market (MHPI 2Q '23: 212.3 points; roughly unchanged YoY)
- **Residential demand supported by infrastructure developments** (e.g. MRT3/LRT, HSR) and **government policy** (MM2H relaxation, Housing Credit Guarantee Scheme)

OFFICE



- **Pressure on rental and occupancy rates** due to excess supply
- Occupancy rates remained flat at 79.0% in 1H '23 (2H '22: 78.5%)
- Growing need for **eco-friendly buildings** (corporate offices) and **co-working** spaces (SMEs)

INDUSTRIAL



- **Major projects** in focus (Johor–Singapore Special Economic Zone & Rapid Transit System, West Coast Expressway, East Coast Rail Link)
- **New Industrial Master Plan (NIMP)** and **New Energy Transition Roadmap (NETR)** to spur **FDI/DDI**
- **Relocation** of manufacturing bases **from China** to ASEAN

RETAIL & HOTEL



- Malaysia's **mall occupancy increased** marginally to 77% in 1H '23 (1H '22: 76%)
- **Hotel industry** expected to rise ahead of **Visit Malaysia Year 2026**

Resilient performance amid challenging economic conditions



RM3.89 billion sales in 9M 2023 surpassed last year's level

- Achieved **sales of RM3.89 bil** in 9M 2023 (87% local; 13% international)
- **Completed inventories of RM804 mil cleared** in 9M 2023
- **Bookings secured** in as of 30 Sep 2023 totaled **RM450 mil**



Strengthening capital framework

- **Net gearing improved to 0.53x** in Sep 2023 (Jun 2023: 0.55x, Dec 2022 0.57x) via disciplined debt reduction
- **Landbank management and catalytic growth:** sold **17.99 acres** of **commercial land** in Setia City to KSL Bestari for total price of **RM228.8 mil**. Estimated **gain on disposal: RM140.6 mil**



Earnings visibility

- **Unbilled sales: RM6.76 bil** at Sep 2023
- **44 ongoing projects** and effective remaining **landbank of 5,549 acres** with total **GDV of RM113.11 bil**
- Landed & commercial properties with **total GDV of RM498.7 mil were launched in 3Q 2023:** ~97% take-up in *Bandar Kinrara*, ~60% in *Setia Bayuemas* and *Setia Fontaines*



Accelerate regional growth

- **Land acquisition: prime land** site of 1,374 sq m (14,790 sq ft) in **St Leonards, Sydney, Australia**
- Preliminary development plan: primarily **residential**, with **commercial and retail**
- Estimated **GDV of AUD236 mil** (RM708 mil)

Landbank Management Updates – Land Acquisition (Sydney)

Continuation of Australia expansion over the next 2-3 years



20 Atchison Street, St Leonards, Sydney (1,374 sq m / 14,790 sq ft)

Acquisition date	3 Sep 2023
Land tenure	Freehold
Consideration	AUD 73.3 mil (RM 220 mil)
Proposed development	Estimated GDV: AUD 236 mil (RM 708 mil) Residential (primary), commercial, retail
Commencement	Q3 2024



- **Future revenue growth pipeline** for the Group
- Allows **continuation of Australia expansion** over the next 2-3 years
- Highly **sought-after prime suburb**, strong demand mainly from owner occupiers downsizing and affluent visitors
- **Key amenities** within proximity:
 - St Leonards train station
 - Future Crows Nest Metro station
 - St Leonards Medical Precinct
 - Chatswood Chase Shopping Centre
 - Schools

Landbank Management Updates – Land Monetisation (Setia City)

Expediting Setia City as a fully integrated commercial hub



Setia City
(17.99 acres)

SPA signing	23 Nov 2023
Purchaser	KSL Bestari Sdn Bhd
Land tenure/use	Freehold / Commercial
Sale proceeds	RM228.8 million
Est. gain on disposal (PAT)	RM140.6 million

**Subject to EPU approval*

To expedite Setia City as a fully integrated commercial hub

- Enhance value of remaining undeveloped landbanks

Achieve sales and profit in immediate years

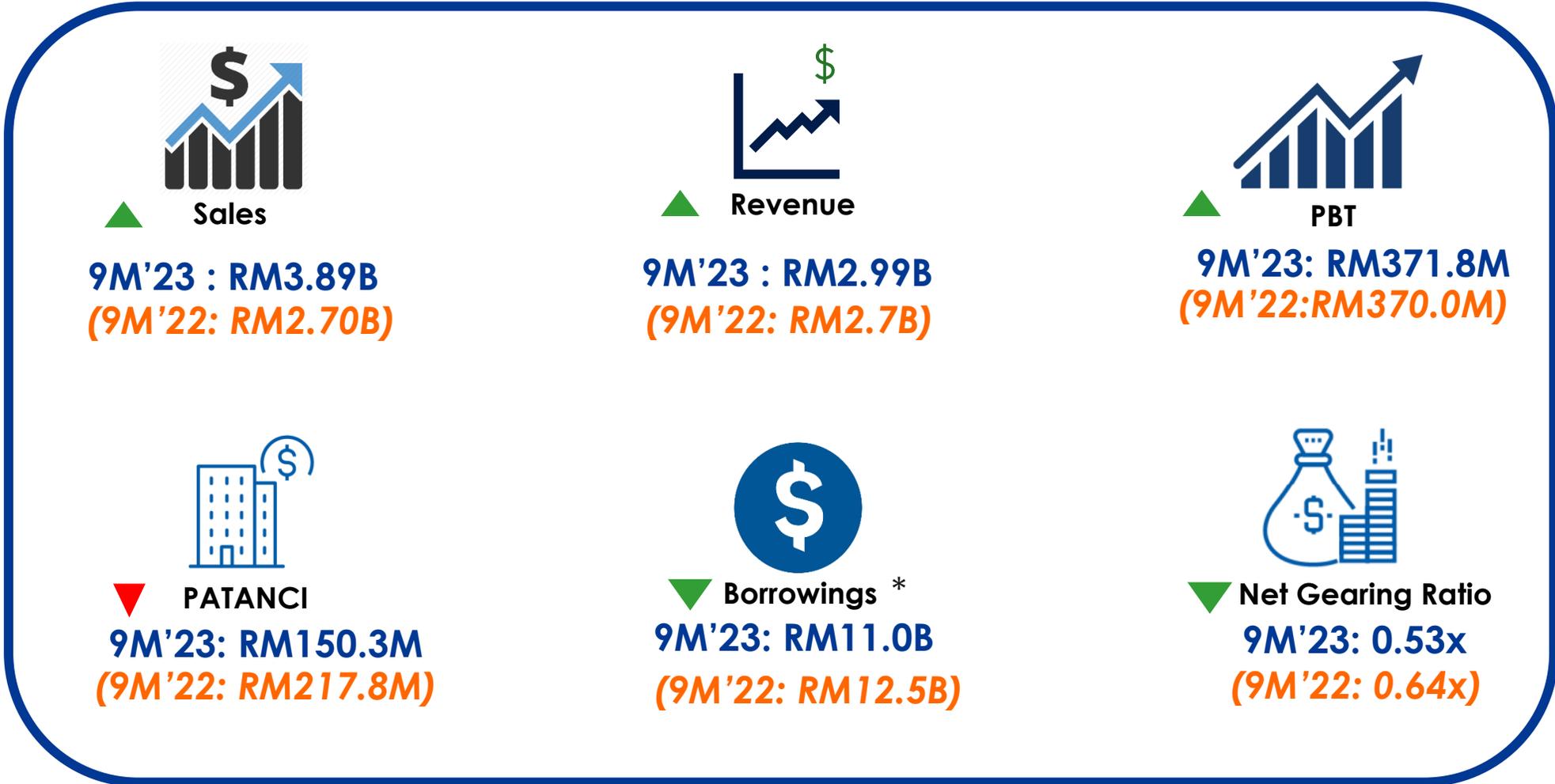
- In line with Group's strategic plan to monetise non-core landbank not planned for immediate development

Improved capital efficiency

- Net cash inflow can be redeployed to further expedite Setia City development
- Reduction of outstanding loans

Key Financial Highlights

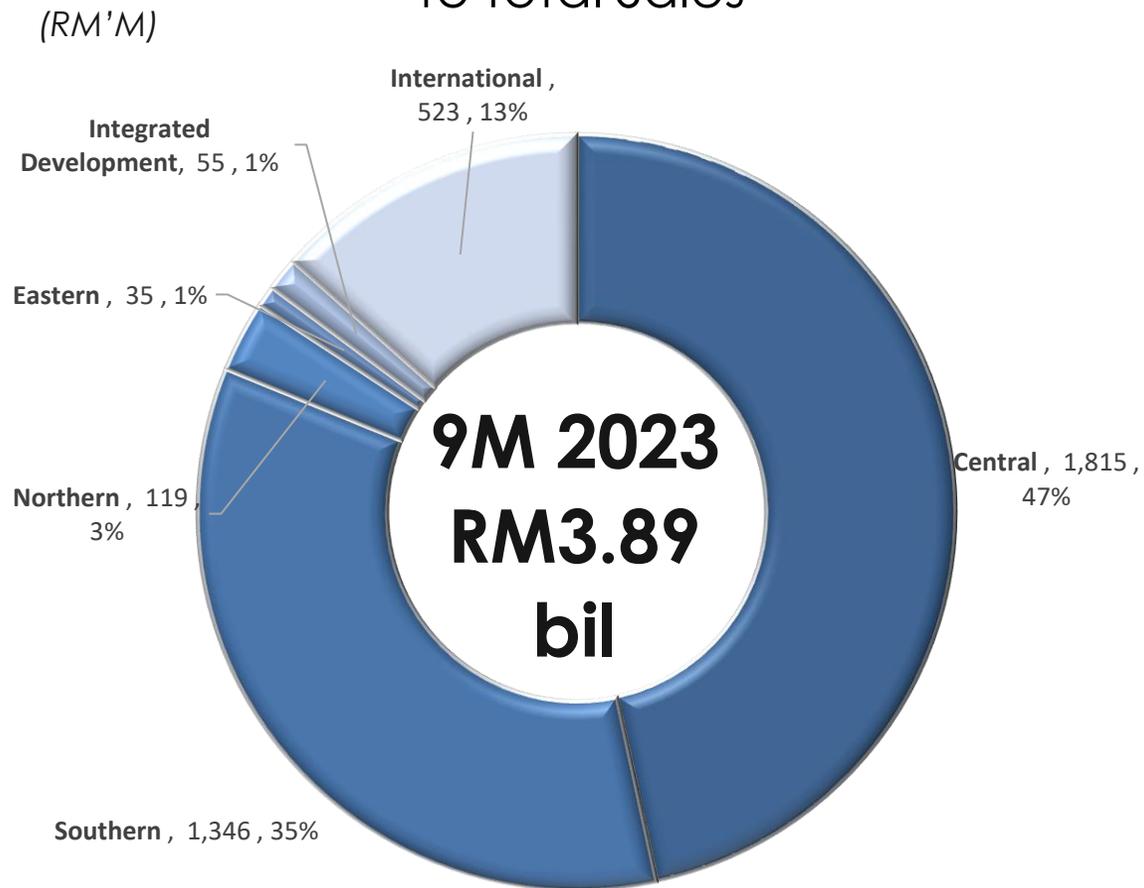
Revenue growth and de-gearing intact despite macroeconomic headwinds



Note *: Excluding RCPS

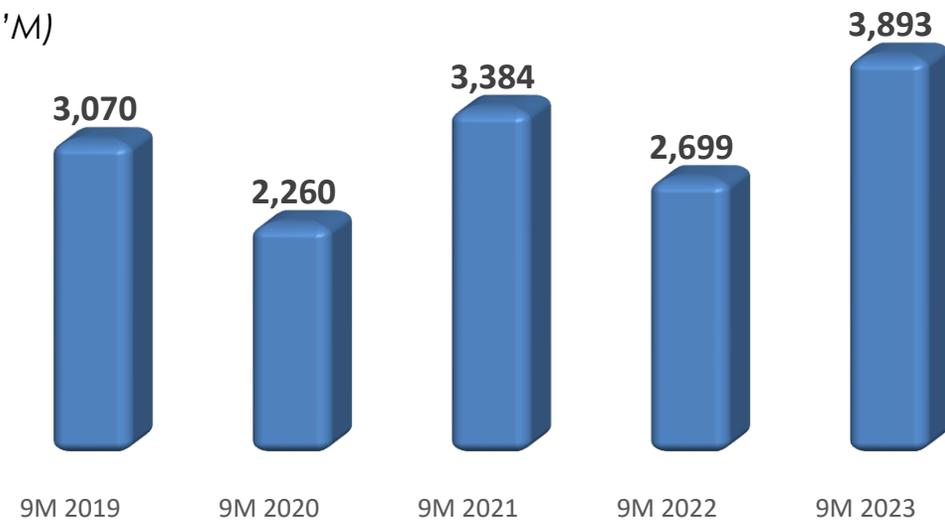
YoY sales growth driven by land monetisation, Southern region and Australia

Central contributed 47% to total Sales

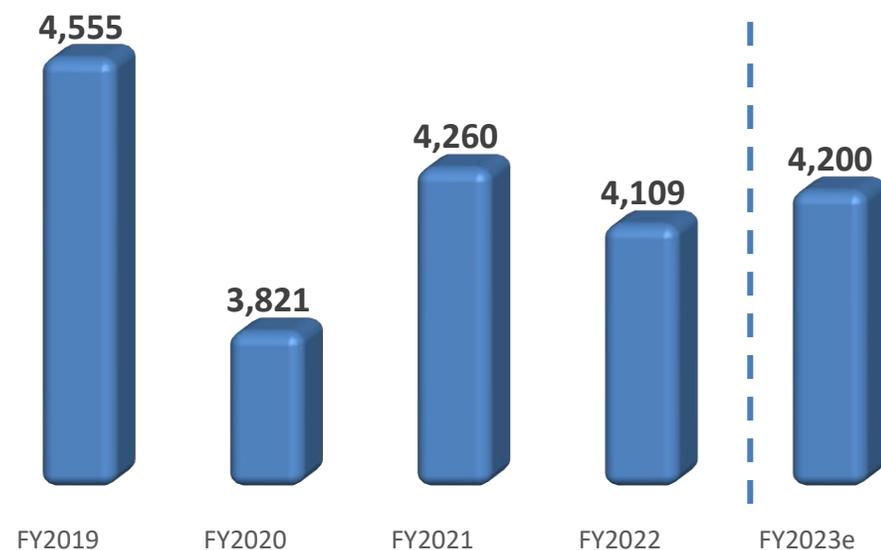


- Note :
- 87% of total sales was achieved locally
 - Sales from Completed inventories : RM804 million.

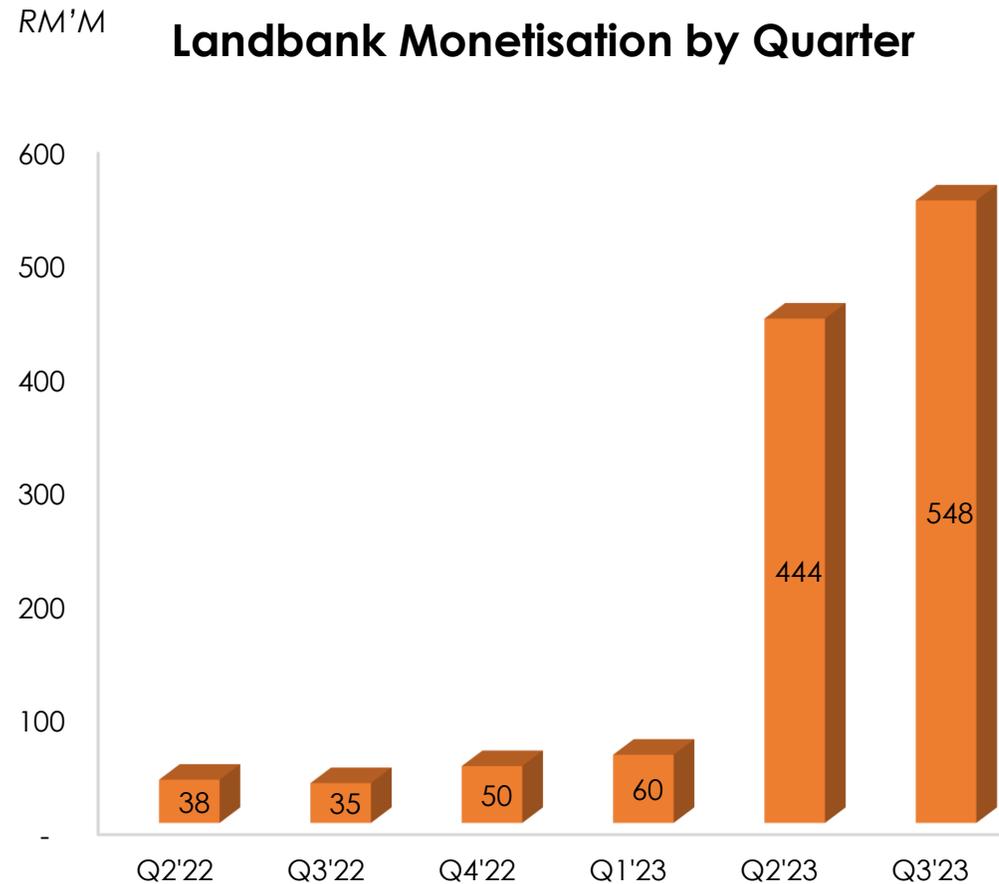
YoY Group Sales Performance (RM'M)



5-year Group Sales Performance (RM'M)



Commitment to monetising non-core land to strengthen capital framework and pursue future growth opportunities



- Land monetisation contributed 27% of 9M '23 total sales

Landbank Monetisation - 9M '23

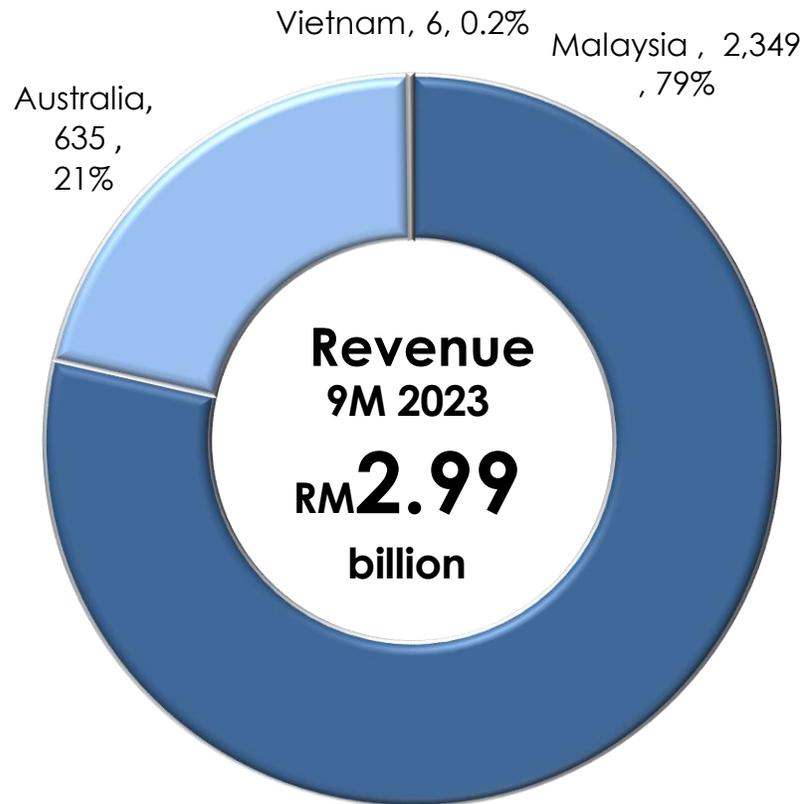
Land	Acreage	Proceeds (RM'mil)
Central - Bandar Setia Alam	4.6	60
Southern - Tanjung Kupang	1.1	26
Central - Glengowrie, Semenyih	500.0	392
Central - Alam Impian	3.4	26
Southern - Tebrau, Johor	959.7	548
9M 2023 Total	1,468.8	1,052

- **Setia City – 17.99 acres (expected 4Q '23)**
 - SPA signed on 23 Nov 2023 with KSL Bestari Sdn Bhd
 - Sale proceeds: RM228.8 mil
 - Subject to EPU approval

25% increase in Q3 2023 revenue to RM1.08 billion, mainly due to Australia (handover of UNO Melbourne Stage 2)

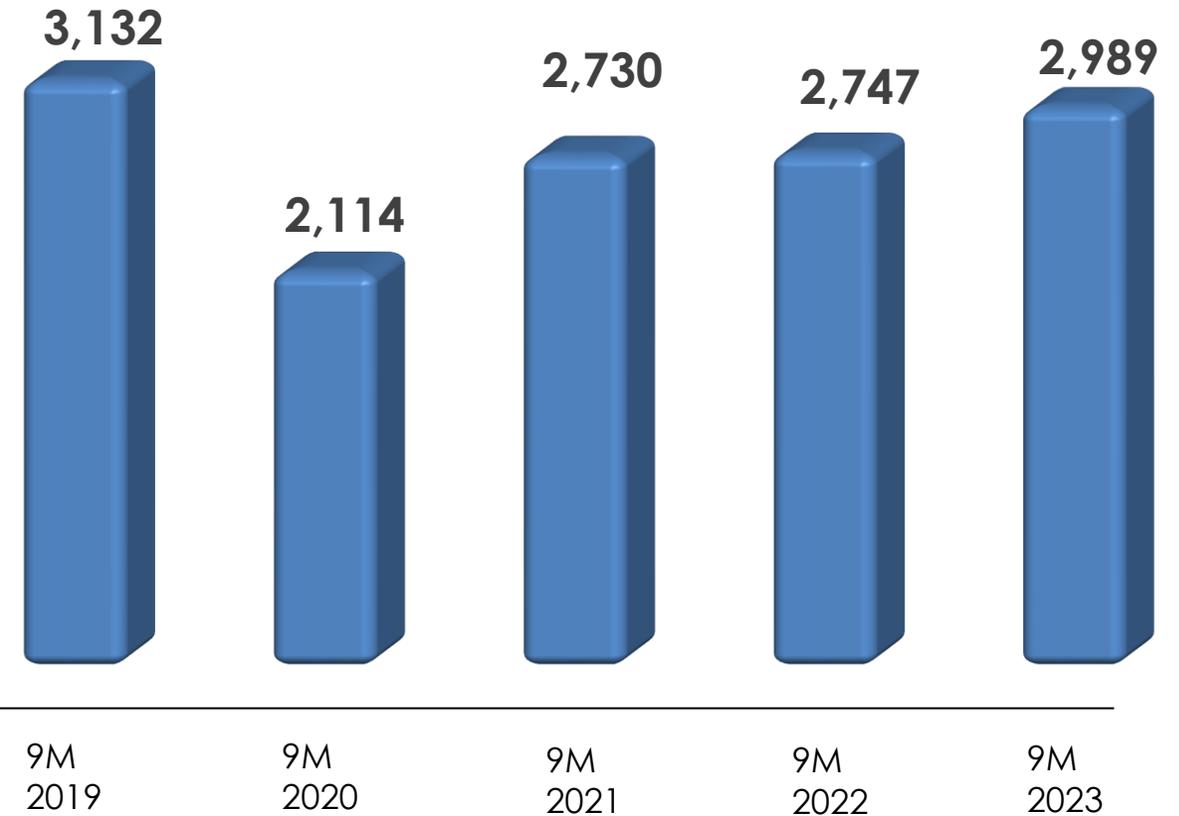
Malaysia contributed 79% to total Revenue

(RM'M)



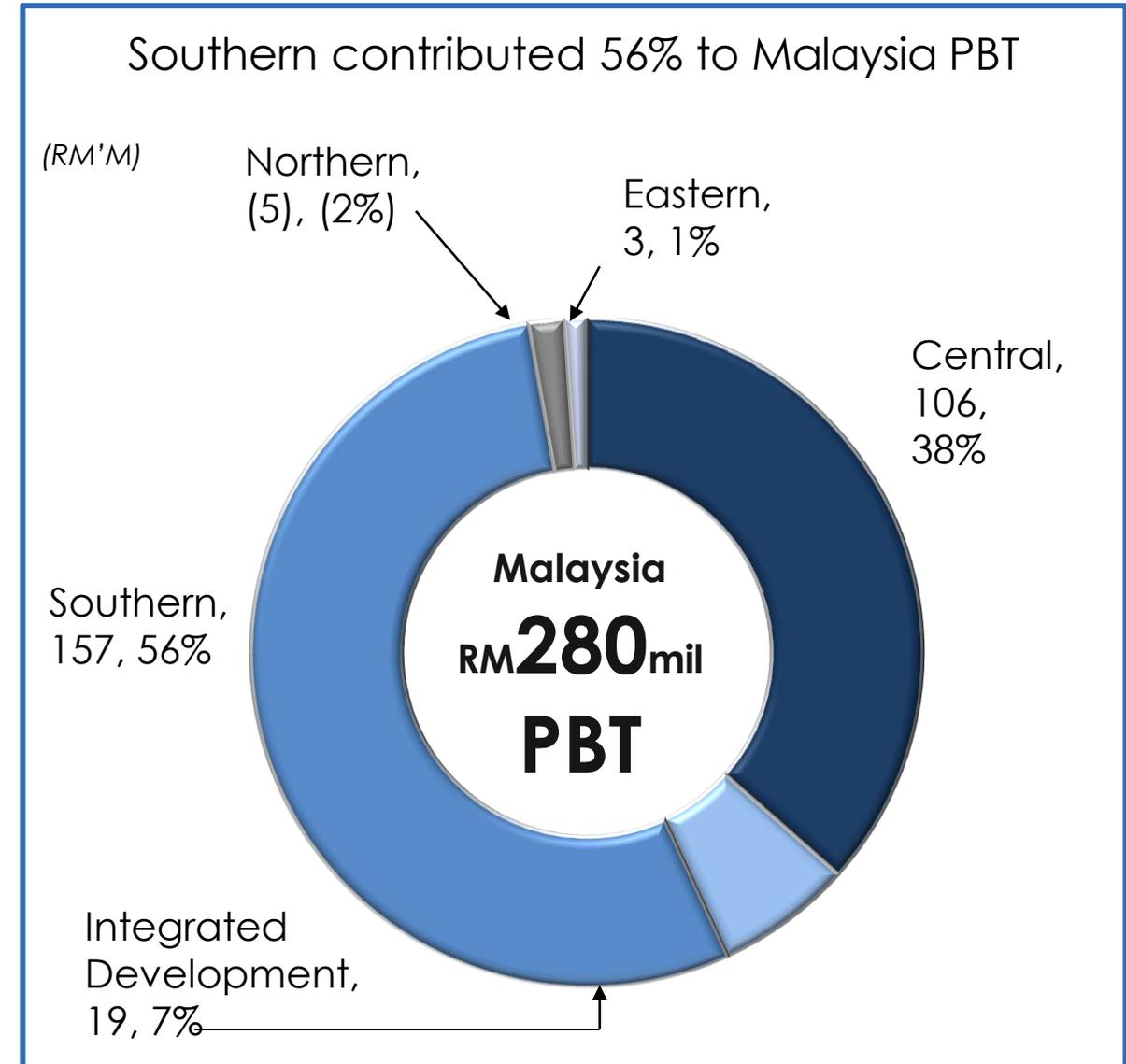
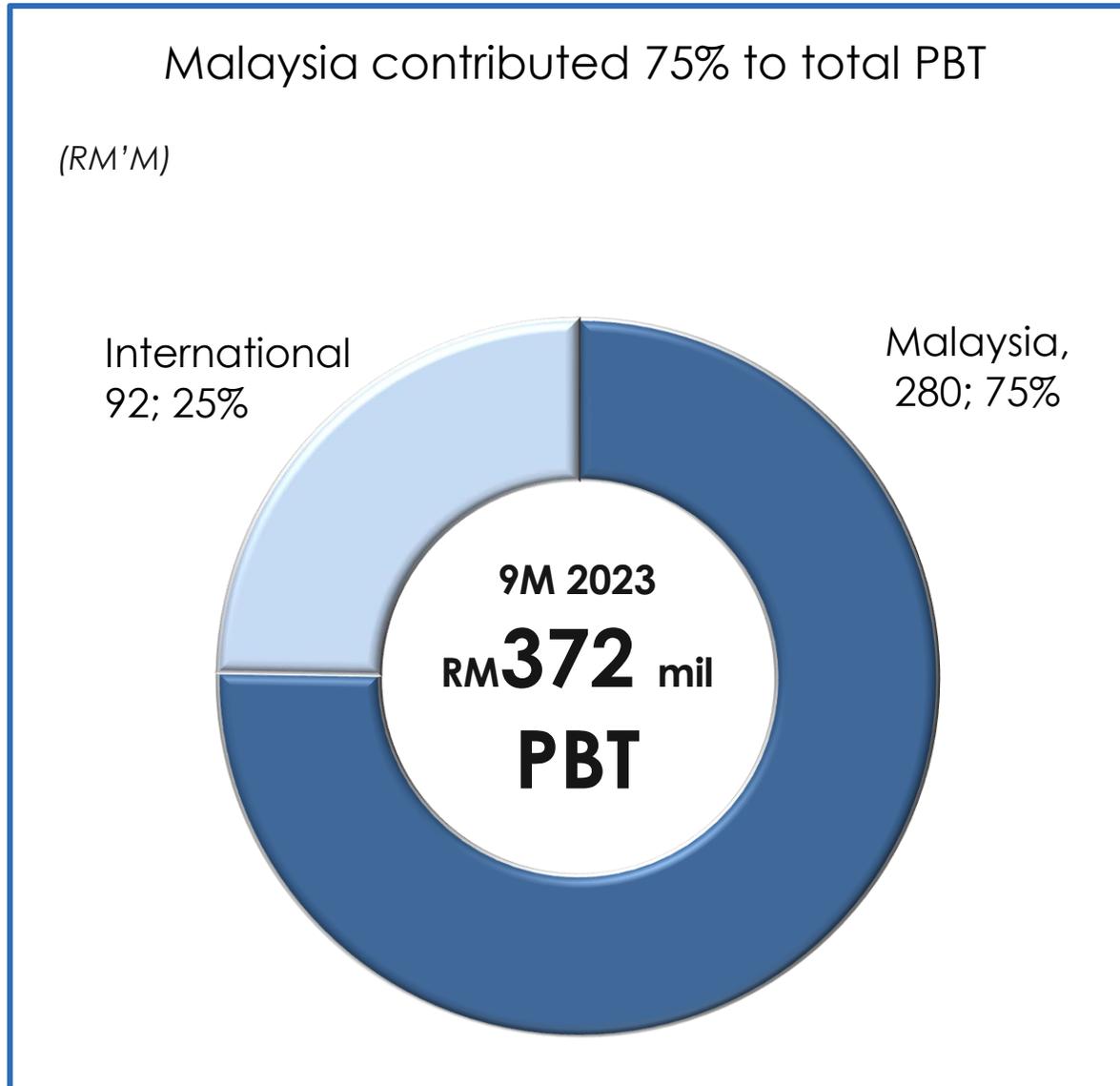
Group Revenue Performance YoY

(RM'M)



9M 2023 – Profitability performance

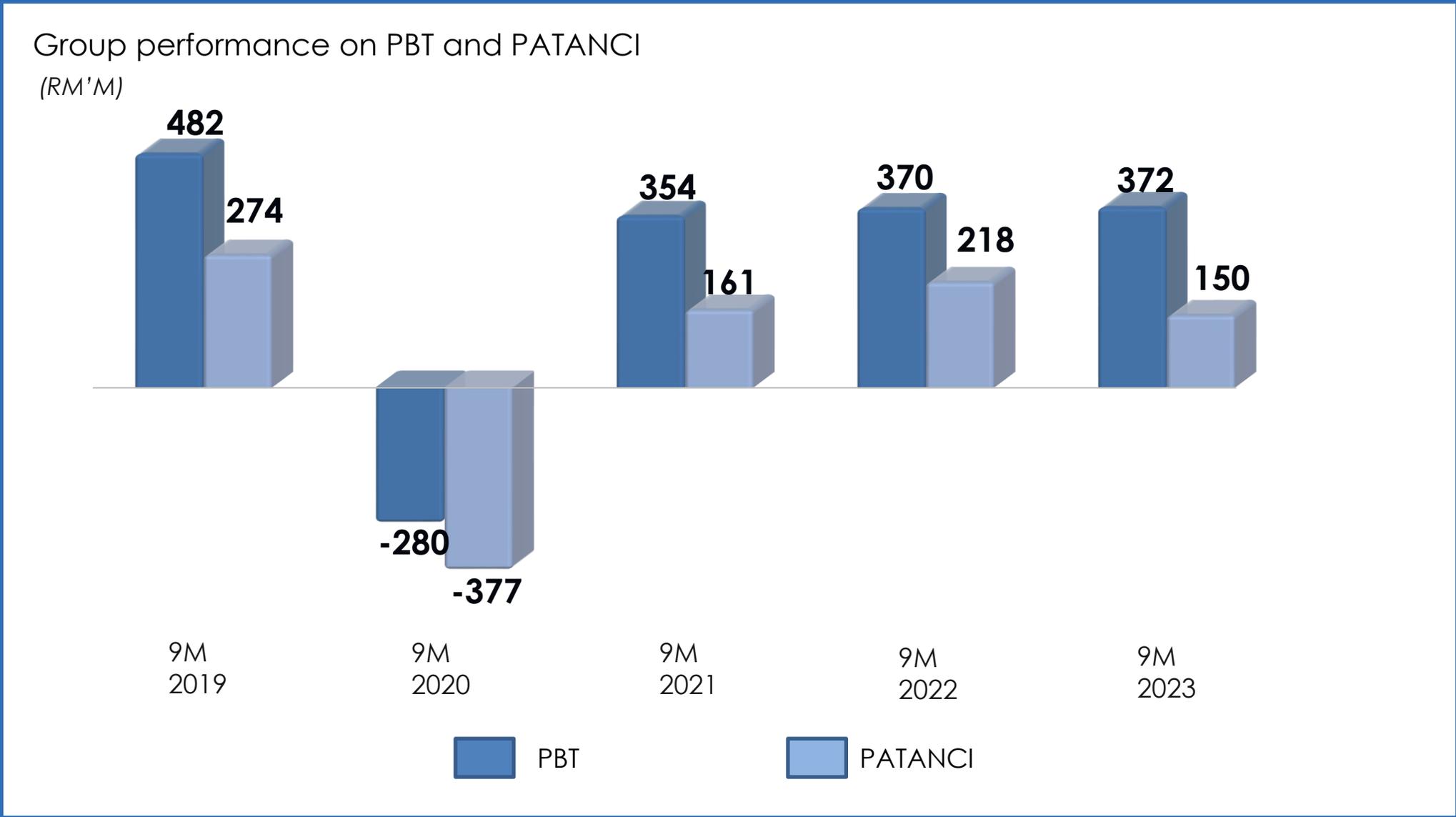
Southern Region was the largest contributor to 9M '23 PBT



PBT and PATANCI – 5-year performance



Lower PATANCI in 9M '23 due to impact of higher opex, forex losses, JV losses, finance costs and tax expenses



Encouraging take-up rates for landed residential and commercial properties

Northern region

Setia Fontaines



CITY CENTRE BUSINESS HUB (COMMERCIAL)

Type: 2 Storey Shop Office
Lot Size: 22' x 70'
Built-up Area: 2,932 – 3,199 sq ft
Price Range: RM871k – RM1.1mil
No. of units: 106
Launch Date: August 2023

56%
take up

Central region

Bandar Kinrara



Ph 7A4C (IRAMA VILLA III)

Type: 2 Storey Terraced House
Lot Size: 20' x 80' & 22' x 75'
Built-up Area: 2,262 – 2,997 sq ft
Price Range: RM1.43 mil – RM2.40 mil
No. of units: 38
Launch Date: August 2023

97%
take up

Central region

Setia Bayuemas



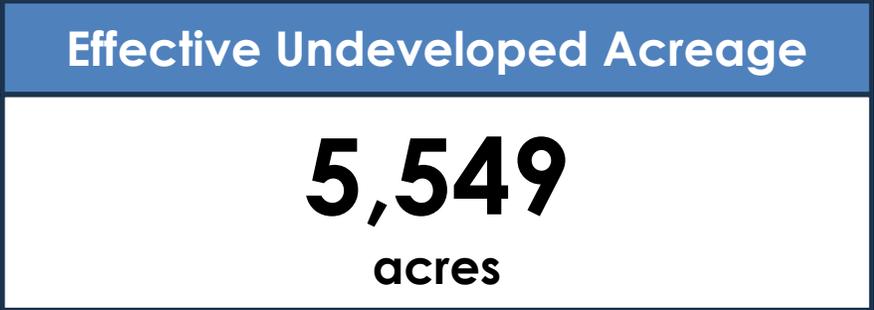
Ph RP2 (LAELIA II)

Type: 1½ Storey & 2 Storey Terraced House
Lot Size: 20' x 70'
Built-up Area: 1,182 – 2,129 sq ft
Price Range: RM629k – RM1.05 mil
No. of units: 97
Launch Date: September 2023

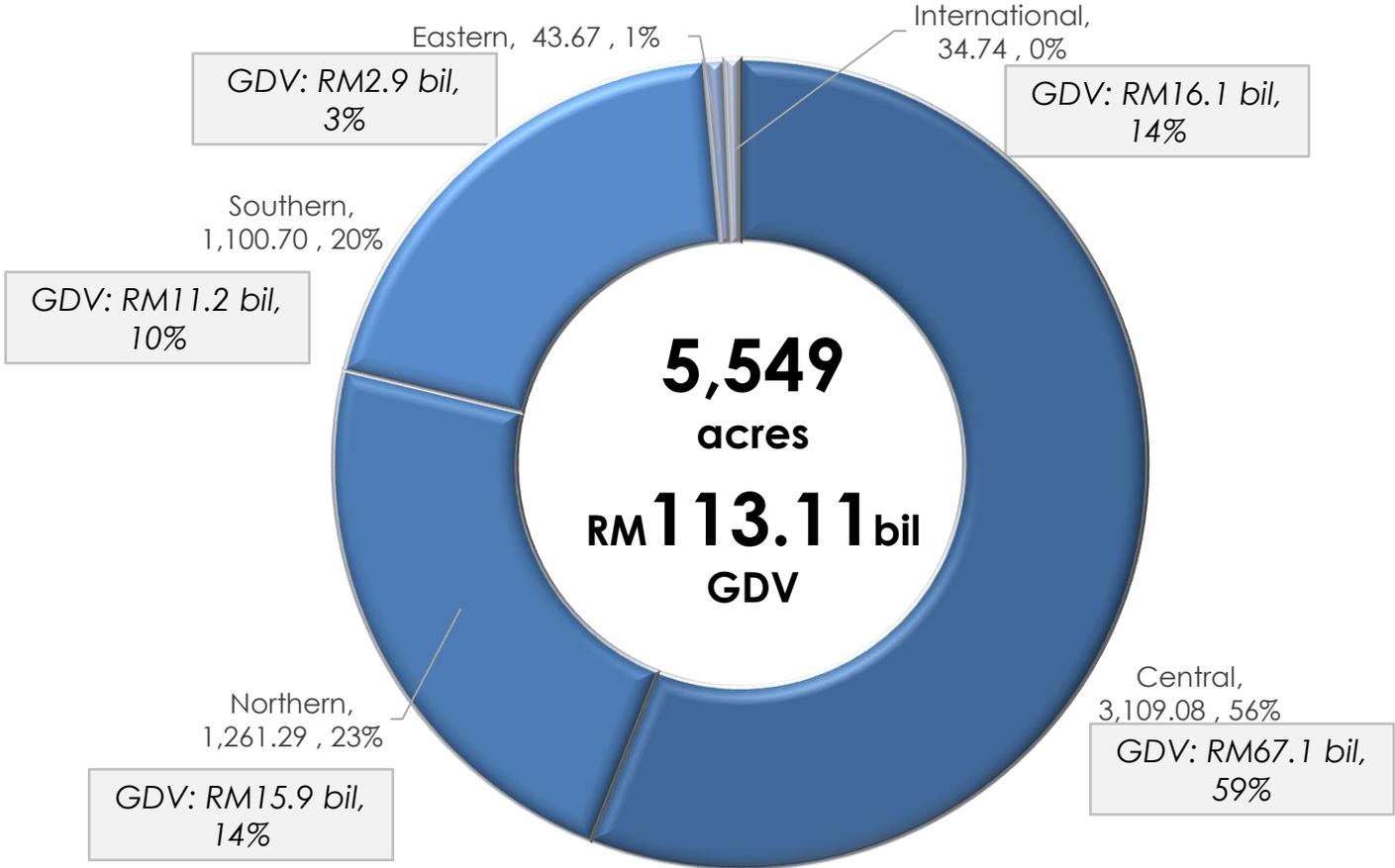
63%
take up

Unbilled Sales, Land Banks and GDV

Unbilled Sales of RM6.76 billion is supported by 5,549 acres of effective remaining land banks with a total effective remaining GDV of RM113.11 billion as at 30 September 2023



REMAINING LAND BANKS



44 On-going Projects (as at 30 September 2023)

Wide range of product offerings to support growth



Northern

1. Setia Fontaines
2. Setia Pearl Island
3. Setia Greens
4. Setia Sky Vista
5. Setia Sky Ville



Eastern

1. Aeropod



Central

1. Setia Alam
2. Setia City
3. Setia Ecohill
4. Setia Ecohill 2
5. Setia Eco Park
6. PrecinctArundina @ Setia Eco Park
7. Setia Eco Templar
8. Setia Eco Glades
9. Setia Sky Seputeh
10. TRIO by Setia
11. KL Eco City
12. Bandar Kinrara
13. Temasya Glenmarie
14. Setia AlamImpian
15. Setia Alamsari
16. Setia Bayuemas
17. Alam Damai
18. Setia Mayuri
19. Setia Safiro
20. Setia Warisan Tropika



Southern

1. Setia Eco Cascadia
2. Setia Tropika
3. Setia Indah
4. Setia Eco Gardens
5. Bukit Indah Johor
6. Setia Business Park 1
7. Setia Business Park 2
8. Taman Perling
9. Taman Rinting
10. Taman Pelangi
11. Taman Pelangi Indah
12. Taman Industri Jaya



International

1. Battersea Power Station
2. Sapphire By The Gardens
3. UNO, Melbourne
4. Eco Xuan
5. Eco Lakes
6. Qinzhou Industrial Park

ESG



Sustainability Framework – 15 UNSDGs

Organisational Purpose and Vision

Setia

Vision: To be the leader in creating Sustainable communities and enriching lifestyles

Mission: P.L.A.C.E.S

Product | Leader in Transforming Real Estate | A+ People | Communities at Heart | E-nnovation & Technology | Shareholders' Value

Sustainability Themes

Sustainability Governance

Setia's oversight of sustainability practices as led by its governance structure

Key Material Matters

Economic	Environmental	Social
Sustainable, Innovative and Quality Development	Best Practices in Environmental Management	Positive, Sustained Community & Social Impacts
Economic Performance Innovation	Emissions Environmental Compliance	Occupational Health & Safety Customer Satisfaction Community & Social Impact

UN SDG Alignment



Key Principles

Stakeholder Engagement	Anticipating and Responding to Changes in the Business Environment	Integrate sustainability goals into business process	Strengthening sustainability practices through continuous learning and environments
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Key Business Processes

Strategic Planning Policies & Procedures	Regulatory Compliance Reporting & Monitoring Assurance & Verification	Budget & Financial Planning Risk Management Brand Management	Talent Management Digital Transformation
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9 Key Features



Smart Home System



Smart Lock



Solar Switch Ready



Green Switch



Rainwater Harvesting System



Box 366



EV Port Ready



Healthier Air Quality



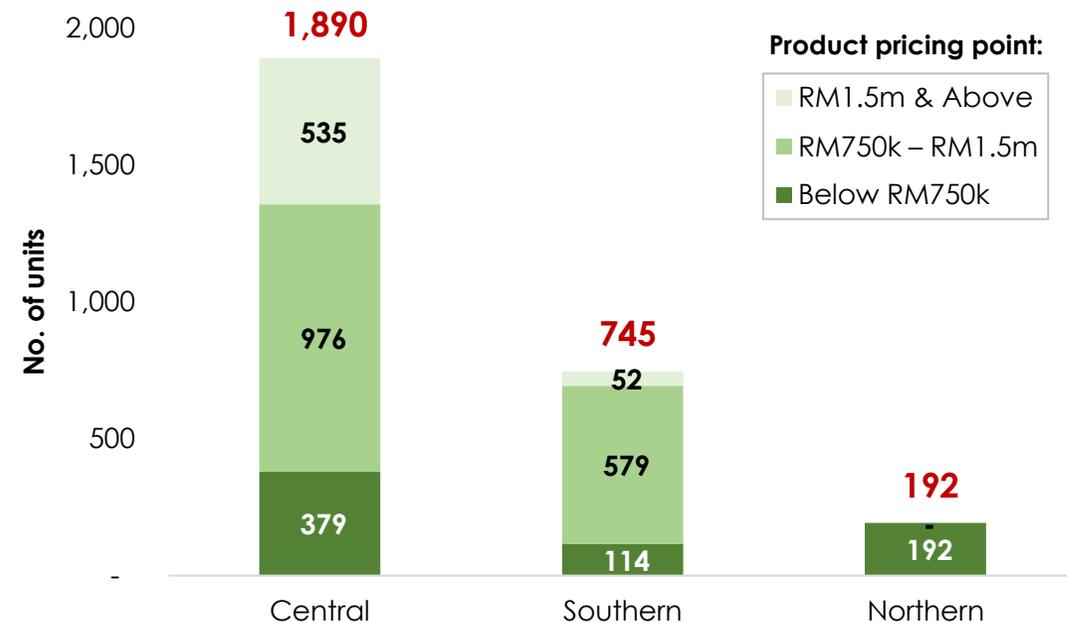
Industrialised Building System (IBS)

General Information

- Product Range (default)
 - RM 750k and Above
- Products below RM 750k
 - 6 developments
- Solar Capacity
 - Single Phase: 2.25kWp
 - Three Phase: 4kWp

Current Status

- On-Going Projects
 - 40 projects
- Units Installed with eGreen Living features
 - **2,827 Units**





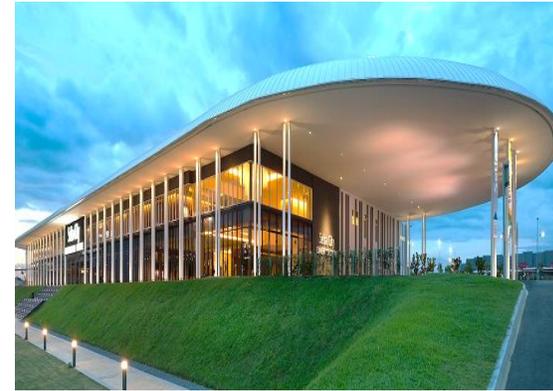
Setia Corporate HQ, Setia Alam, Selangor

Office building



Setia SPICE, Penang

Convention centre



Setia City Convention Centre, Setia Alam, Selangor



Setia City Mall, Setia Alam, Selangor

Shopping mall



(Planned) Setia Eco Glades Commercial Hub, Cyberjaya**

Commercial/Retail



Setia Alam Impian Sales Gallery, Shah Alam, Selangor

Sales gallery



Setia Tropika Welcome Centre, Johor

Clubhouse



Setia Ecohill Club 360, Semenyih, Selangor

Note*: Solar installations effective 12 April 2022 to-date MOU with Tenaga Nasional Berhad. Prior installations under individual solar vendor contracts are excluded

** : Artist impression only



RECAP: 9M 2023 Highlights

Resilient performance amid challenging economic conditions



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Reaffirming our 2023 Business Strategies

Strengthening our financials and unlocking future value

Way Forward



**Set Sales target
RM4.2 B**



Pare Down Borrowings
Reduce net gearing ratio



Strategic Launches
Focus on landed properties
Capital allocation with good returns



**Reduce
Completed Stocks**
Right pricing and financing
package



Optimise Land Banks
Accelerate Developments &
strategic partnerships



Australia

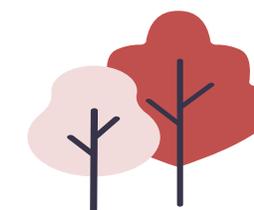


Vietnam

Overseas Expansion
Strong growth markets
with good returns



Digitalisation
To be the leading digital property
player and to enhance human
connection in a digital world



Advancing ESG
Through our commitments
and people

Thank You

Disclaimer

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