

PARAMOUNT

Unaudited 9M2020 Results

27 November 2020

3Q2020 Results

3Q2020 vs 3Q2019 Financial Results

		3Q2020	3Q2019	+/-	%
<u>Continuing</u>					
Revenue	RM'Mil	218.9	157.1	61.8	39%
Profit before tax	RM'Mil	36.6	7.4	29.2	395%
EBITDA	RM'Mil	44.7	16.7	28.0	168%
Profit after tax	RM'Mil	26.1	1.1	25.0	2273%
<u>Discontinued</u>					
Profit after tax	RM'Mil	0.0	33.8	(33.8)	-100%
Profit for the period					
	RM'Mil	26.1	34.9	(8.8)	-25%
Profit attributable to ordinary equity holders of the company					
	RM'Mil	19.8	30.3	(10.5)	-35%
Earnings per share	Sen	3.23	4.99	(1.76)	-35%
Dividend per share	Sen	0.00	0.00	0.00	0%

For 3Q2020, the Group recorded a revenue from continuing operations of RM218.9million, which was 39% higher than that of the corresponding quarter last year of RM157.1 million. However, the Group's profit before tax (PBT) from continuing operations was 395% higher at RM36.6 million (3Q2019: RM7.4 million) mainly attributable to the higher profit contribution from the property division. Notwithstanding the improvement in PBT from continuing operations, the Group's profit attributable to ordinary equity holders of the Company was lower by 35% at RM19.8 million (3Q2019: RM30.3 million) mainly due to the financial results of the pre-tertiary and tertiary education businesses are no longer consolidated after the divestment of the Company's controlling equity stakes in February 2020 and September 2019, respectively. In addition, 3Q2019 also included a gain of RM23.3 million on disposal of the tertiary education business.

9M2020 vs 9M2019 Financial Results

		9M2020	9M2019	+/-	%
<u>Continuing</u>					
Revenue	RMMil	405.2	496.4	(91.2)	-18%
Profit before tax	RMMil	38.8	51.4	(12.6)	-25%
EBITDA	RMMil	62.5	72.0	(9.5)	-13%
Profit after tax	RMMil	27.0	30.4	(3.4)	-11%
<u>Discontinued</u>					
Profit after tax	RMMil	470.6	47.1	423.5	899%
Profit for the period					
	RMMil	497.6	77.4	420.2	543%
Profit attributable to ordinary equity holders of the Company					
	RMMil	483.1	64.9	418.2	644%
Earnings per share	Sen	78.84	10.72	68.12	635%
Dividend per share	Sen	29.00	2.00	27.00	1350%
Net asset per share	RM	2.31	1.81	0.50	28%
Shareholders' funds	RMMil	1,420.8	1,097.7	323.1	29%
ROE	%	42.3	6.3	36.0	571%
Gross Debt/Equity Ratio	Times	0.44	0.69	(0.25)	-36%

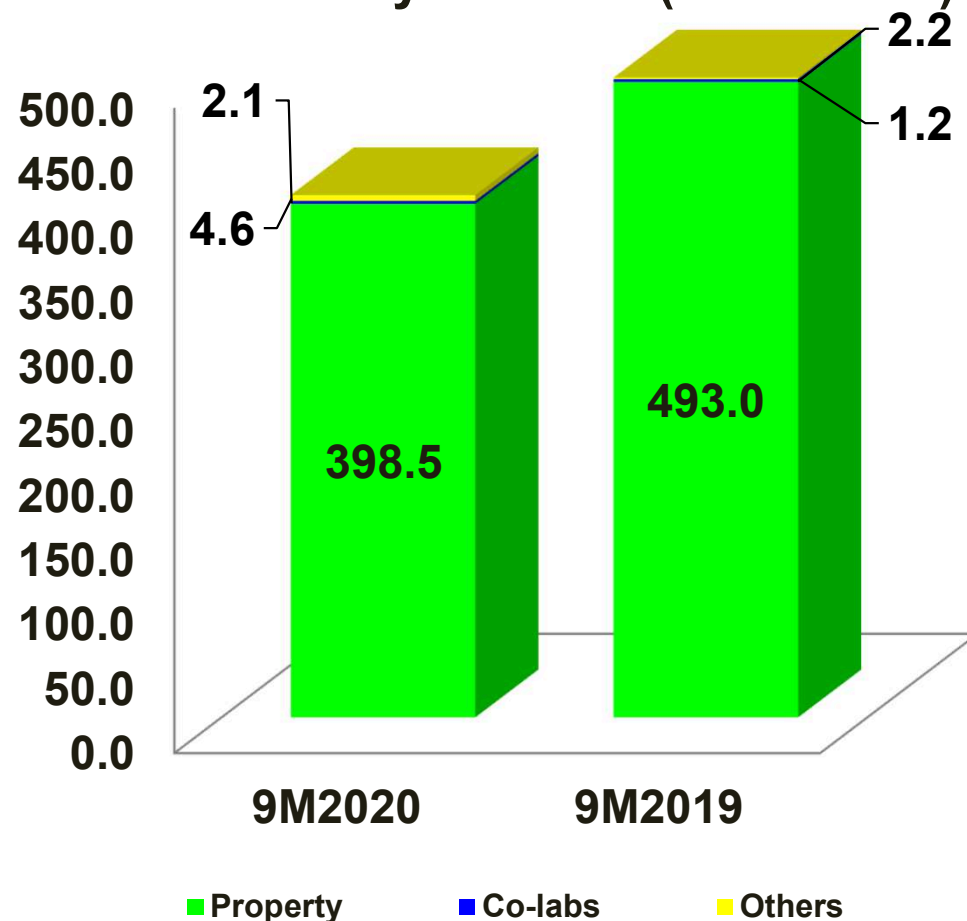
9M2020 vs 9M2019 Financial Results

Continuing operations

For 9M2020, the Group's revenue from continuing operations was RM405.2 million, which was 18% lower than that of the corresponding period last year of RM496.4 million. On the back of lower revenue, the Group recorded a PBT from continuing operations of RM38.8 million as compared to RM51.4 million in 9M2019. This was mainly attributable to the negative impact of the COVID-19 pandemic to the property division in 2Q2020 but was mitigated by the improvement in profitability in 3Q2020 as compared to the corresponding quarter last year. However, the Group's profit attributable to ordinary equity holders of the Company has increased by RM418.2 million to RM483.1 million (9M2019: RM64.9 million) contributed by the gain recognised on the disposal of the pre-tertiary education business of RM460.6 million in 1Q2020.

Revenue – continuing operations

Revenue By Division (RM'Million)



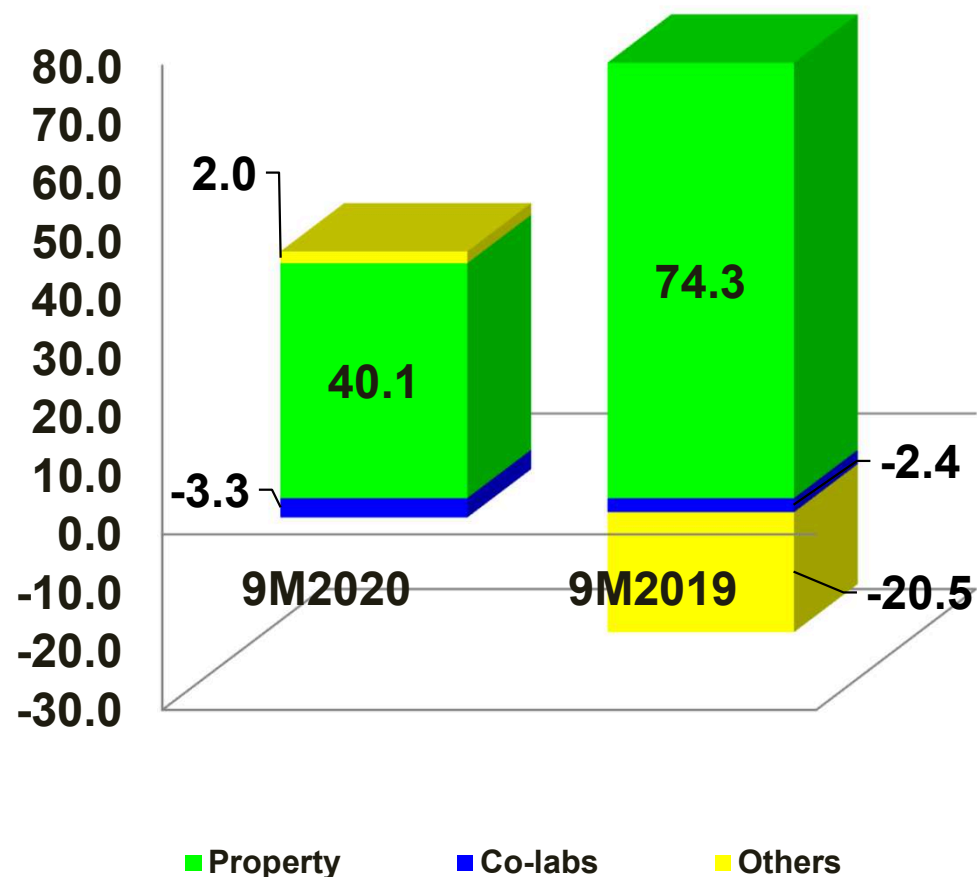
Property Division

Lower revenue was mainly due to:

- Unprecedented disruption caused by the COVID-19 pandemic in 2Q2020 leading to the loss of construction time, deferment of project launches and the longer lead time for sales conversion; but was mitigated by
- Achievement of higher revenue in 3Q2020. The main revenue contributors were Utropolis Batu Kawan development in Penang, Bukit Banyan development in Kedah and Greenwoods Salak Perdana development in Selangor

PBT - continuing operations

PBT By Division (RM'Million)



Property Division	Lower PBT was mainly attributable to the weaker financial performance in 2Q2020 arising from the disruption caused by the COVID-19 pandemic but was mitigated by the improvement in profitability in 3Q2020
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Statement of Financial Position

RM'000	30/9/2020	31/12/2019
Non-current assets	1,572,410	1,538,447
Current assets	1,160,185	1,535,106
Total assets	2,732,595	3,073,553
Current liabilities	409,786	884,910
Net current assets	750,399	650,196
Non-current liabilities	652,666	724,494
Total liabilities	1,062,452	1,609,404
Total equity	1,670,143	1,464,149
Total equity and liabilities	2,732,595	3,073,553

Debt/Equity Ratio

	30/9/2020	31/12/2019
	RM'Mil	RM'Mil
Borrowings	729.1	911.9
Cash & bank balances	229.5	134.7
Total equity*	1,670.1	1,464.1
	30/9/2020	31/12/2019
Gross D/E ratio	0.44	0.62
Net D/E ratio	0.30	0.53

*Included Private Debt Securities of RM249 million (2019: RM249 million)

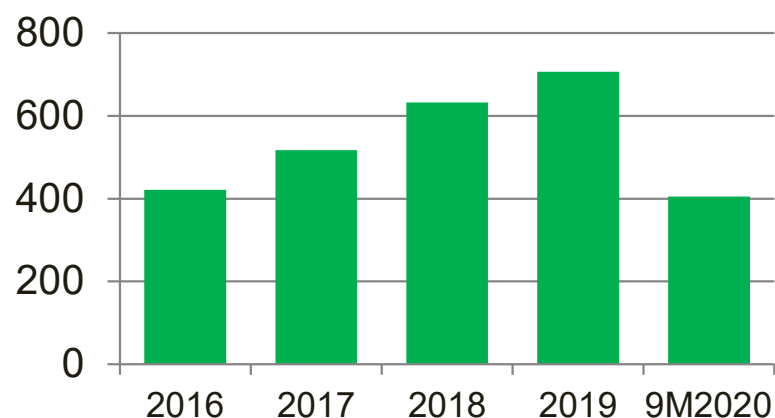
Gross D/E Ratio = Total Borrowings/Total Equity

Net D/E Ratio = (Total Borrowings-Cash & Bank Balances)/Total Equity

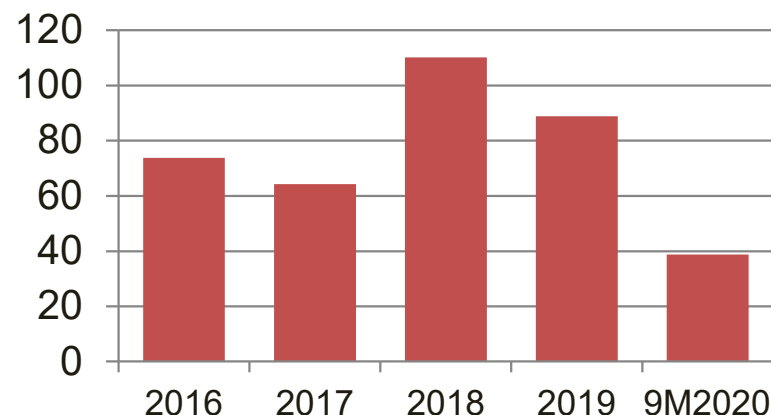
5-Year Financial Highlights

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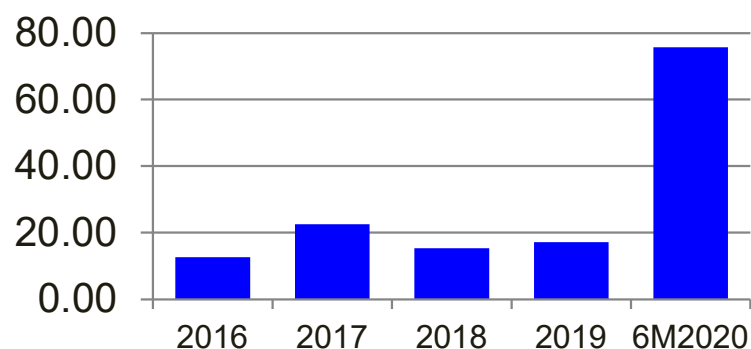
Revenue (RM'Mil)



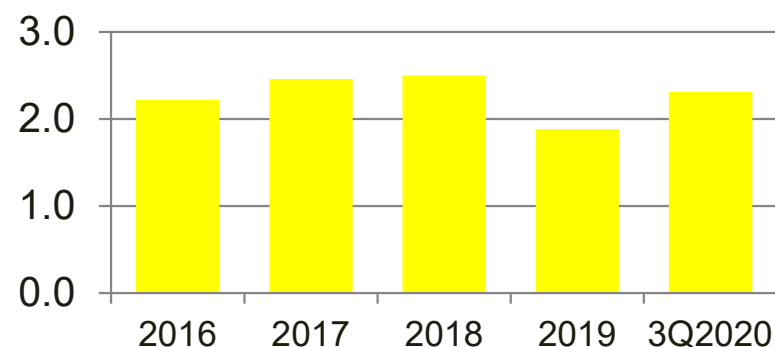
PBT (RM'Mil)



Earnings Per Share (Sen)



Net Assets Per Share (RM)



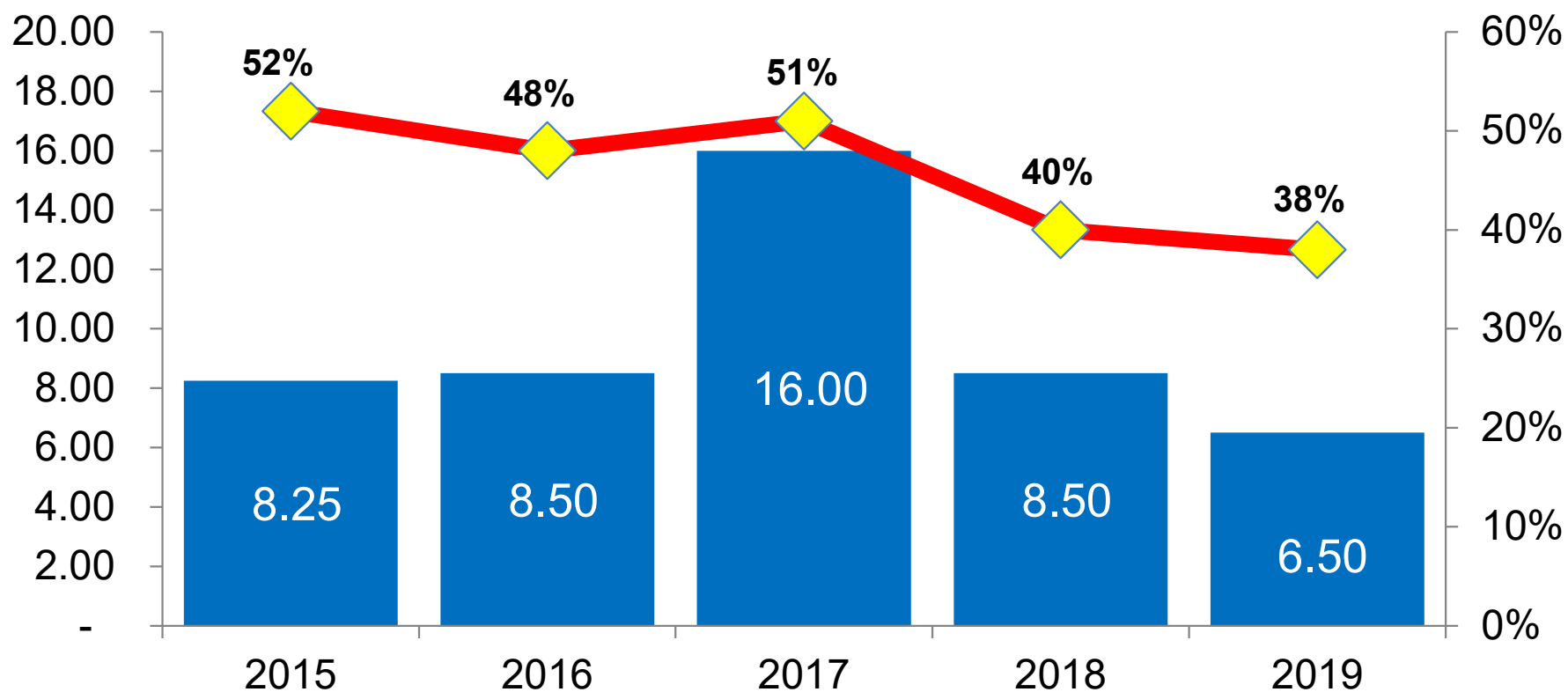
Note:

Revenue & PBT – These represent financials from continuing operations

Net assets (NA) per share - The NA per share as at 30/9/2020 and 31/12/2019 were based on the enlarged issued share capital after the bonus issue.

5-Year Financial Highlights

Gross Dividend Per Share (sen) and Payout Ratio (%)



9M2020 Highlights

9M2020 Highlights

Property Division

- Property sales of 1,052 units with a sales value of RM503 million;
- Unbilled sales stood at RM1,031 million as at 30 September 2020.
- Unprecedented disruption caused by the COVID-19 pandemic resulting in lower construction activities and sales achieved in 2Q2020

Education Division

- The disposal of Paramount's controlling equity interests in the pre-tertiary education business was completed on 20 February 2020 and a gain of RM460.6 million has been recognised in 1Q2020. Thereafter, the financial results of this business has been equity accounted as part of the Group's profit after taxation from continuing operations under the "Investment and Others" segment as Paramount retains an effective 20% equity interest in the pre-tertiary education group.

Total landbank & GDV

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	Remaining GDV* (Million)	Development Period	
			Start	End
On going Developments				
Kemuning Utama, Shah Alam	26.7	502	2004	2026
Sekitar26, Shah Alam	11.6	607	2013	2026
Bandar Laguna Merbok, Sungai Petani	0.0	2	1996	2018
Utropolis Glenmarie, Shah Alam	0.0	5	2013	2020
Bukit Banyan, Sungai Petani	169.0	449	2012	2027
Sejati Residences, Cyberjaya	10.3	436	2013	2025
Greenwoods, Salak Perdana	100.5	786	2015	2027
Utropolis Batu Kawan, Penang	21.4	1,945	2016	2027
Atwater, Petaling Jaya	0.0	286	2018	2022
Berkeley Uptown, Klang	15.4	648	2019	2028
Sejati Lakeside, Cyberjaya	18.9	374	2019	2023
Total	373.8	6,040		

Total Landbank & GDV

Projects developed by subsidiary companies	Remaining Gross Undeveloped Lands (Acres)	GDV* (Million)	Development Period	
			Start	End
Future Projects				
Machang Bubuk, Penang	69.2	420	2023	2027
Grand Total	443.0	6,460		

* Comprising potential GDV from undeveloped lands and GDV from properties launched but remained unsold as at 30 September 2020

Project developed by associate company	Remaining Gross Undeveloped Lands (Acres)	GDV^ (Million)	Development Period	
			Start	End
Na Reva	-	78	2020	2023

^ Being the Group's share of GDV from properties launched by Navarang Charoennakhon Company Limited but remained unsold as at 30 September 2020

Prospect for 2020

Prospect

In line with the reopening of the economy from earlier COVID-19 containment measures and improving external demand conditions, the Malaysian economy recorded a smaller contraction of 2.7% in the third quarter (2Q 2020: -17.1%). This recovery is seen across most economic sectors, particularly the manufacturing sector, which turned positive on account of strong electrical and electronics production activity. The recent resurgence of COVID-19 cases and targeted containment measures could affect the momentum of the recovery in the final quarter of the year. However, as most economic sectors have been allowed to continue to operate subject to compliance with standard operating procedures, the impact is expected to be less severe compared to the containment measures during previous periods. (Source: Bank Negara Malaysia Quarterly Bulletin for 3Q2020)

The property market will be weighed down by the economic uncertainties which could result in cautious household spending, reduced business expenditure and weakened employment market. Nevertheless, the relief measures and economic stimulus packages announced by the Government will play a key role in encouraging consumption and boosting employment. In addition, the low interest rate environment coupled with the reintroduction of the home ownership campaign since June 2020 is expected to continue to spur buying interests in properties.

a) Property

In 4Q2020, the Group intends to capitalise on the strong sales momentum generated in 3Q2020 and intensify the promotional activities to boost sales. The Group's unbilled sales of RM1.0 billion as at 30 September 2020 was a milestone achieved. Although this provides some visibility on the Group's cashflow in the near term, the pace at which this can be converted into billings would depend largely on the construction progress of the projects.

Prospect (cont'd)

a) Property (cont'd)

As at 30 September 2020, the Group had 443.0 acres of undeveloped land. In addition, the Group completed in October 2020 the purchase of 4.542 acres of land, with buildings erected thereon, for redevelopment. The land is located at Jalan Ampang Hilir, within the prestigious U-Thant enclave of Kuala Lumpur City Centre. The proposed development has a projected gross development value of RM863.0 million and is expected to commence in the third quarter of 2021 and completed over a period of five years.

b) Co-labs Coworking

Co-labs Coworking will be capitalising on opportunities arising from the change in business landscape as a result of the COVID-19 pandemic. This includes the demand for flexible workplace on a consult, design, build and manage workspace solutions service that cater to the specific needs of corporates under the new normal and the need for multiple work locations as part of office redesign, expansion and business continuity plans.

Prospect (cont'd)

Although most of the business operations of the Group has resumed to the pre-pandemic level during 3Q2020, the resurgence of COVID-19 infections remains a risk. Hence, the Group will continue to be vigilant and have taken measures to safeguard its staff wellbeing and minimise disruption to its supply chain. As cash and liquidity management are critical during this challenging time, the Group has also put in place risk mitigation plans and cost rationalisation measures to manage the Group's expenses but will continue to invest for long term business sustainability.

The earnings outlook of the Group's continuing operations for the current financial year is expected to be lower than the previous financial year having considered amongst others the negative impact from the halt of the Group's construction activities at its project sites in 2Q2020 as a result of the movement control order. However, the overall performance would be bolstered by the RM460.6 million gain on disposal of the pre-tertiary education business that was recognised in 1Q2020 and disclosed as part of the discontinued operations.

Statement Regarding Unaudited Financial Information

The unaudited financial information set forth above is preliminary and subject to adjustments and modifications.

Disclaimer on Forward-Looking Statements

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. All of these forward-looking statements are subject to risks and uncertainties that may change at any time, and, therefore, our actual results may differ materially from those we expected. We therefore caution against placing undue reliance on the forward-looking statements contained in this presentation, which are based on current view of management on future events.

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Thank You