

# Analyst Briefing FY2021



A member of **UEM Group**



25<sup>th</sup> February 2022

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# We Are Edgenta



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## Asset Management

### EDGENTA

HEALTHCARE SUPPORT



- Over 300 hospitals in Malaysia, Singapore, Taiwan & India
- Provides non-clinical healthcare support and technology solutions to public and private healthcare institutions

### EDGENTA

PROPERTY & FACILITY SOLUTIONS



- Over 300 buildings under our care
- GBI Certified property & facilities manager
- Present in Malaysia & UAE

## 'Edgenta of The Future'

A tech-enabled business enabling Digital Transformation and productising proprietary SaaS solutions for Edgenta's core and new frontier businesses

Powered by

Edgenta



## Infrastructure Solutions

### EDGENTA

INFRASTRUCTURE SERVICES



- Manages the maintenance of 3,500 KMs of highways & state roads
- Present in Malaysia & Indonesia

### OPUS

CONSULTANTS  
AN EDGENTA COMPANY



- Over RM100 billion worth of projects delivered in Malaysia
- Multi-disciplinary infrastructure consultancy services and project management in roads and rails

Asset Management



Healthcare Support

Serving over **300** hospitals & healthcare facilities across the region

**32** MOH Malaysia hospitals certified **GOLD** in Energy Management

Managing more than **50,000** biomedical equipment worth over **RM3 billion**

Maintaining over **3.6** million m<sup>2</sup> of cleanable surfaces every day

Annual processing output of **18,000** tonnes of soiled linen



Property & Facility Solutions

> **RM55** million energy bill savings since 2017 for clients

Facility management services and tech at over **500** buildings & facilities

Energy efficiency solutions at **28** GBI-rated buildings

**81.4** million kWh energy savings per annum

**430** KG of organic waste diverted from landfills daily

Powering our client's assets the Edgenta Way through advanced technology & engineering excellence

Infrastructure Solutions



Infrastructure Services

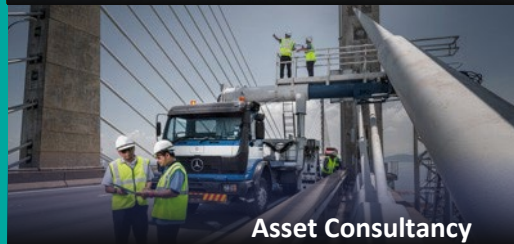
**RM8** billion worth of infrastructure assets managed

Over **3,100** KMs of highways & roads managed in Malaysia and Indonesia

Automation & Mechanisation projects producing up to **875%** increase in productivity

Safety Excellence across operations network with over **250** professionally trained experts

Road Asset Management System bringing **1,000** KMs of expressways and its assets online



Asset Consultancy

Involved in over **RM100** billion worth of infrastructure projects

Asset lifecycle management for tolled expressways covering **1,171** KMs

> **30** years delivering professional, multi-disciplinary engineering services

**400** professionals, including engineers and project managers across Malaysia

Project Management Consultant for the **896** KM Sarawak Coastal Road & Second Trunk Road Project



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# Analyst Briefing

FY2021



- 1. FY2021 in Review**
- 2. Group Financial Highlights**
- 3. Business Prospects**

# Finished strong in FY2021: EoTF2025 future proofing our foundation



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## REVENUE

**RM699.2 mil** | **RM2,293.2 mil**

▲ 22.3% QoQ (vs Q3 FY21)

▲ 13.0% YoY (vs FY20)

▲ 17.4% YoY (vs Q4 FY20)

## NORMALISED PAT

**RM25.2 mil** | **RM57.7 mil**

▲ 58.8% QoQ (vs Q3 FY21)

▲ 27.7% YoY (vs FY20)

▼ -47.9% YoY (vs Q4 FY20)

## DIVIDEND

**3 sen** per share single-tier interim dividend

## BALANCE SHEET

- ✓ Net asset per share of **RM1.84**
- ✓ Net cash of **RM167.8mil**
- ✓ Gross Gearing ratio of **0.29x**



## Finished strong with market recovery

**13%** YoY revenue growth

**28%** YoY normalised PAT growth

Enabling resumption of dividend of **3 sen** per share



## Healthy prospects – RM10.8b orderbook

**~RM1bn new contract wins**

68% in healthcare; 54% international



## EoTF2025 driving long-term resilience & sustainability

Geographical expansion, new products & services, cost optimisation, tech-enabled solutions

# Sustainability of the business anchored by our diversification strategy



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## International vs Malaysia

## Healthcare vs Others

**FY2021 Revenue**

**40%**  
international  
**60%**  
Malaysia

YoY Growth Contribution  
**76%**  
healthcare  
**24%**  
others

**FY2021 New Contracts**

**54%**  
international  
**46%**  
Malaysia

**68%**  
healthcare  
**32%**  
others

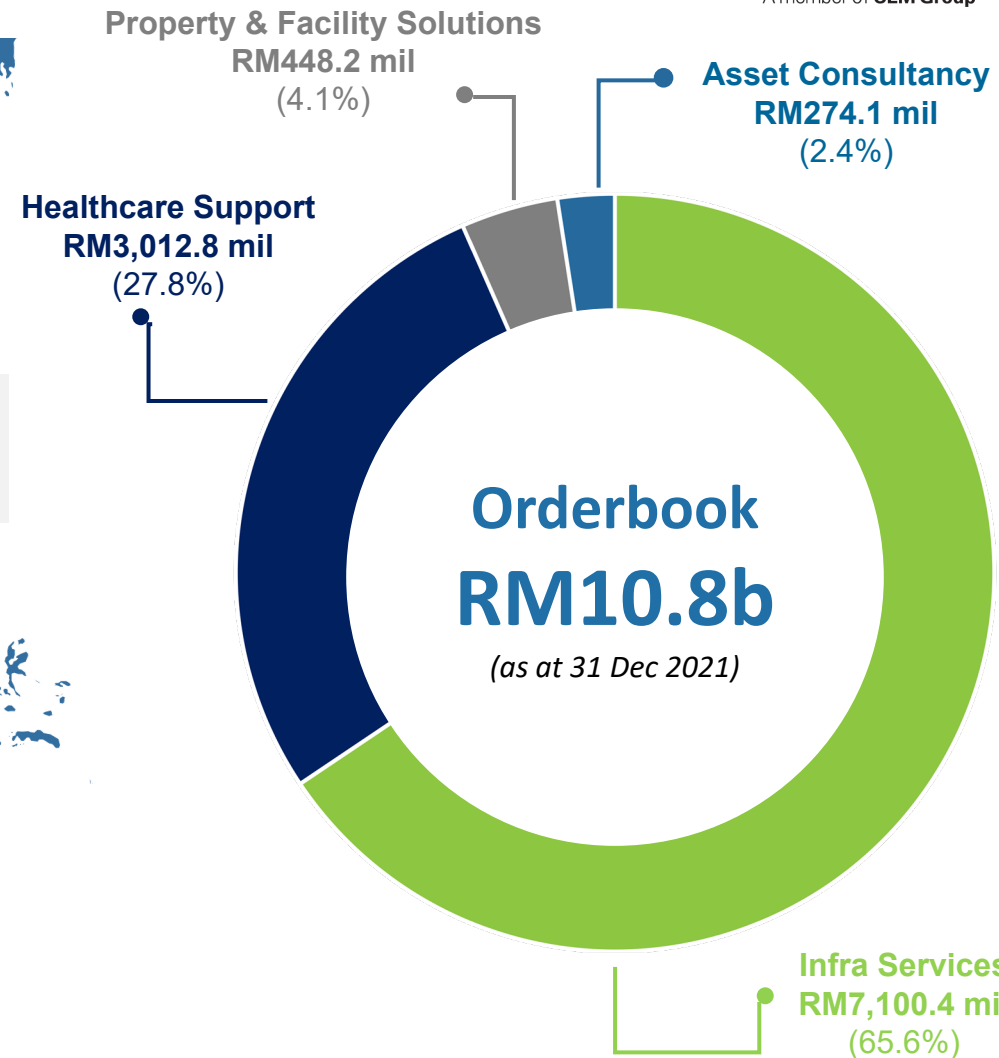
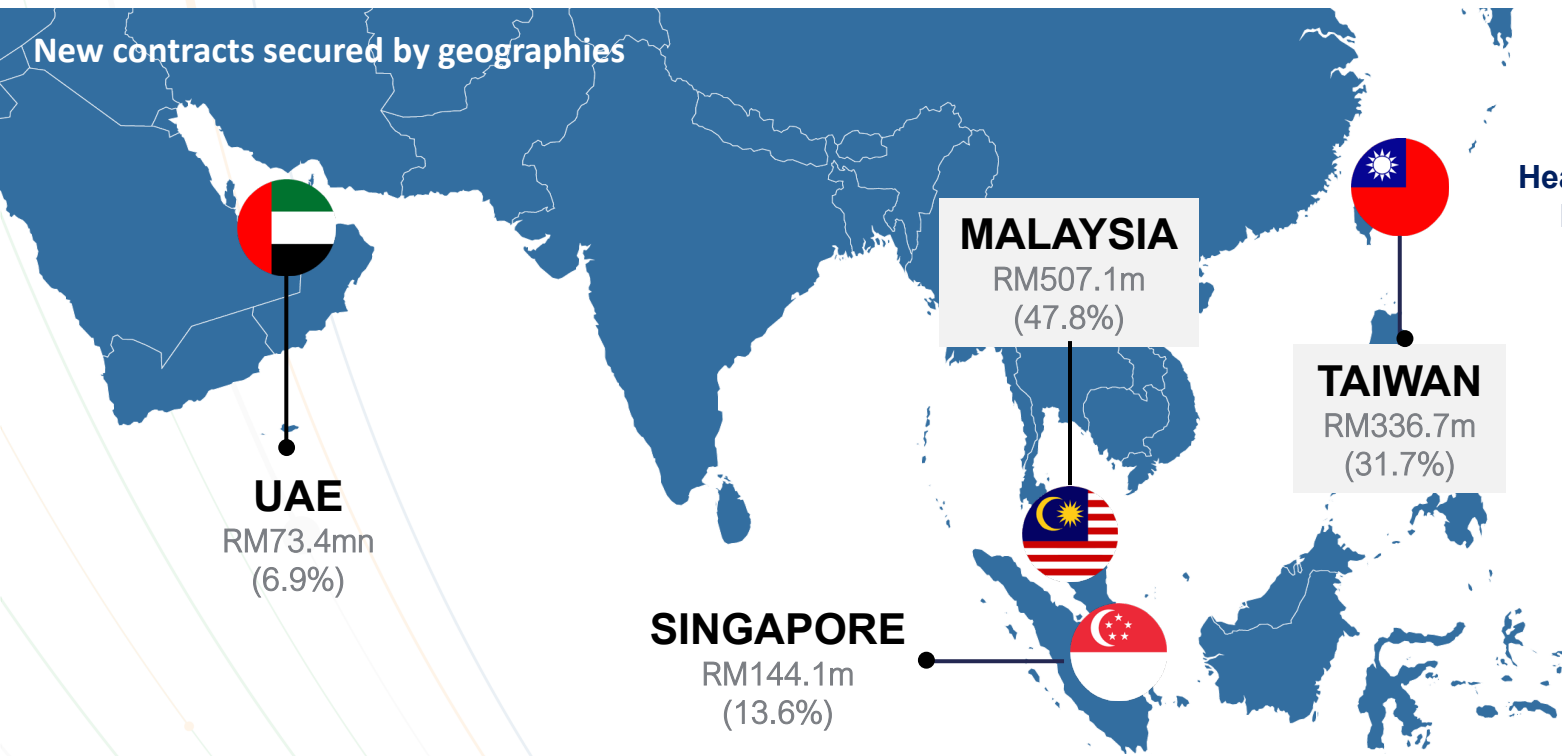


# ~RM1bn new contracts globally despite challenging market conditions

Healthcare Support: 68%, International: 54%



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### New contracts secured by divisions (in RM mn)



|                       |                  |                  |                         |
|-----------------------|------------------|------------------|-------------------------|
| Healthcare Concession | <b>RM1.8 bil</b> | Total Concession | <b>RM 9.0 bil (83%)</b> |
| Healthcare Commercial | <b>RM1.2 bil</b> | Total Commercial | <b>RM 1.9 bil (17%)</b> |

# New integrated healthcare services contributed to ~RM170m new contracts



Powered by: **QUICKMED**  
An Edgenta Solution



**~48,800**

COVID-19 quarantine tracking  
(as of 23 Feb 2022)



**~38,800**

COVID-19 assessment & vaccinations  
(as of 7 Feb 2022)



**14**

completed field hybrid ICUs  
(as of 23 Feb 2022)



**~20 units**

Repair-Through-Maintenance (RTM) for BEMS up to 2021  
(as of 31 Dec 2021)



1. Gamma Camera
2. Magnetic Resonance Imaging
3. CT Scan
4. Fluoroscopy Machine
5. Angiography Machine

# Megatrends shaping the future of asset management



## User-Centric Experience



Seamless incident reporting



Users control at fingertips



Personalised experience



## Powered by Artificial Intelligence



Real time dashboard



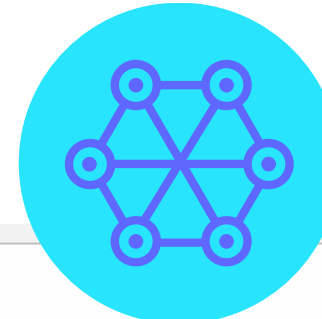
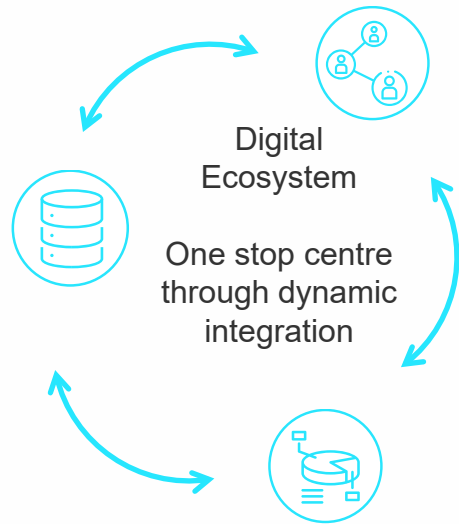
Automation of control, reporting



Predictive maintenance



## Interconnected Platforms



## Sustainable and ESG-driven



Energy efficient



Optimised water consumptions



Circularity

## Reimagining Asset Management



# Transforming our technology base towards the needs of the industry

Edgenta

# NXT

## Current tech...

**RAMS**  
AN EDGENTA SOLUTION

**34**  
hospitals  
online

**UETRACK™**  
AN EDGENTA SOLUTION

**287**  
properties  
online

**SMART  
CONNECT**

**241**  
ambulances  
tracked

**496**  
Vehicles tracked

**>1,000 KMs**  
highways monitored

**>6.9k**  
hospital  
FM devices measured

**QUICKMED**  
An Edgenta Solution

**~1,300**  
COVID-19  
screening booking

**50**  
pilot clinics  
for CMS, clinics  
and screening



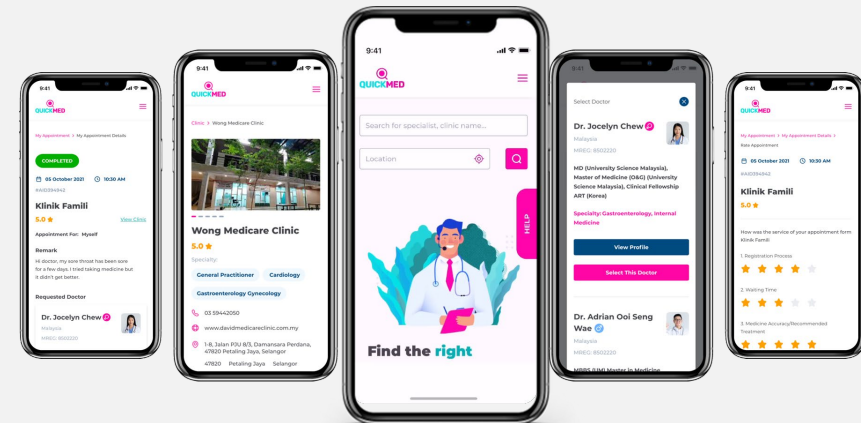
**IBCC-KLCC**

Digital Twin and integration of data to drive analytics that integrates with IoT devices to drive building automation

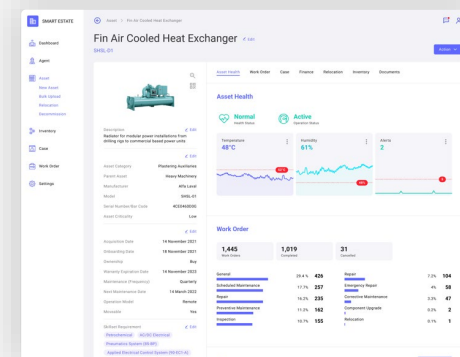
## Future tech...

**QUICKMED 2.0**  
An Edgenta Solution

Interoperability for clinics  
Enhanced patient care  
Discoverability and accessibility



**Edgenta NXT**  
**Smart Estate**



Automation



Insights-Driven



Interoperable



Compliance

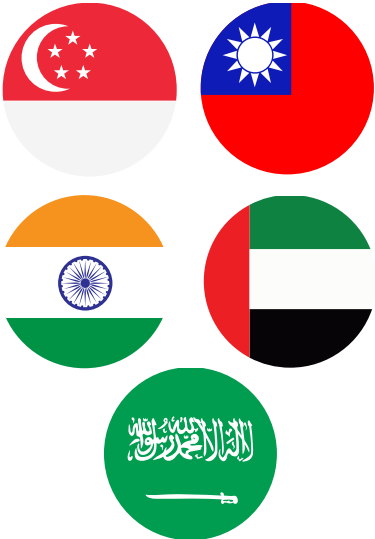


IoT Sensors

# Creating an integrated and sustainable global UEM Edgenta

## Expansion of regional footprint

Goal: Globally recognised brand with quality and smart services as USP



## Commercialising technology solutions

Goal: SaaS, PaaS, digital twin, AI as differentiator and disruptor



## Productisation of services

Goal: Differentiated capabilities driving sustainability for UEM Edgenta and its clients



## Optimisation of delivery model

Goal: Synergies across business portfolio to achieve structural cost advantage and optimise delivery model





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# Analyst Briefing

FY2021



1. **FY2021 in Review**

2. **Group Financial Highlights**

3. **Business Prospects**

# Q4 FY2021 Financial Position

Maintaining strong net cash position and healthy gearing to provide headroom for growth

## KEY FINANCIAL POSITION

| TOTAL ASSETS | NET ASSET PER SHARE                                                                      | GROSS GEARING RATIO                                                                       | NET CASH                                                                                        | CASH & BANK BALANCES                                                                            |
|--------------|------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------|
| RM2.8 bil    | RM1.84  | 0.29x  | RM167.8 mil  | RM583.0 mil  |

# QoQ & YoY Financial Highlights

| RM'mil<br>unless otherwise stated | QoQ               |                   |          |       |       | YoY               |                    |          |       |       |
|-----------------------------------|-------------------|-------------------|----------|-------|-------|-------------------|--------------------|----------|-------|-------|
|                                   | Q4 FY21           | Q3 FY21           | Variance |       |       | 12M FY21          | 12M FY20           | Variance |       |       |
| Revenue                           | 699.2             | 571.9             | ▲        | 127.3 | 22.3% | 2,293.2           | 2,028.7            | ▲        | 264.5 | 13.0% |
| EBITDA                            | 52.1              | 34.8              | ▲        | 17.3  | 49.7% | 153.7             | 131.6              | ▲        | 22.1  | 16.8% |
| EBITDA Margin (%)                 | 7.5%              | 6.1%              | ▲        | 1.4%  |       | 6.7%              | 6.5%               | ▲        | 0.2%  |       |
| PBT                               | 34.1              | 15.7              | ▲        | 18.4  | >100% | 79.4              | 46.9               | ▲        | 32.5  | 69.3% |
| PBT Margin (%)                    | 4.9%              | 2.7%              | ▲        | 2.2%  |       | 3.5%              | 2.3%               | ▲        | 1.2%  |       |
| PAT                               | 20.7              | 8.7               | ▲        | 12.0  | >100% | 43.8              | 14.4               | ▲        | 29.4  | >100% |
| PAT Margin (%)                    | 3.0%              | 1.5%              | ▲        | 1.5%  |       | 1.9%              | 0.7%               | ▲        | 1.2%  |       |
| Normalised PAT                    | 25.2 <sup>#</sup> | 15.9 <sup>^</sup> | ▲        | 9.3   | 58.5% | 57.7 <sup>*</sup> | 45.2 <sup>**</sup> | ▲        | 12.5  | 27.7% |
| Normalised PAT Margin (%)         | 3.6%              | 2.8%              | ▲        | 0.8%  |       | 2.5%              | 2.2%               | ▲        | 0.3%  |       |
| PATANCI                           | 20.4              | 9.1               | ▲        | 11.3  | >100% | 42.4              | 12.9               | ▲        | 29.5  | >100% |
| PATANCI Margin (%)                | 2.9%              | 1.6%              | ▲        | 1.3%  |       | 1.8%              | 0.6%               | ▲        | 1.2%  |       |
| Basic EPS (Sen)                   | 2.46              | 1.10              | ▲        | 1.36  | >100% | 5.10              | 1.55               | ▲        | 3.55  | >100% |

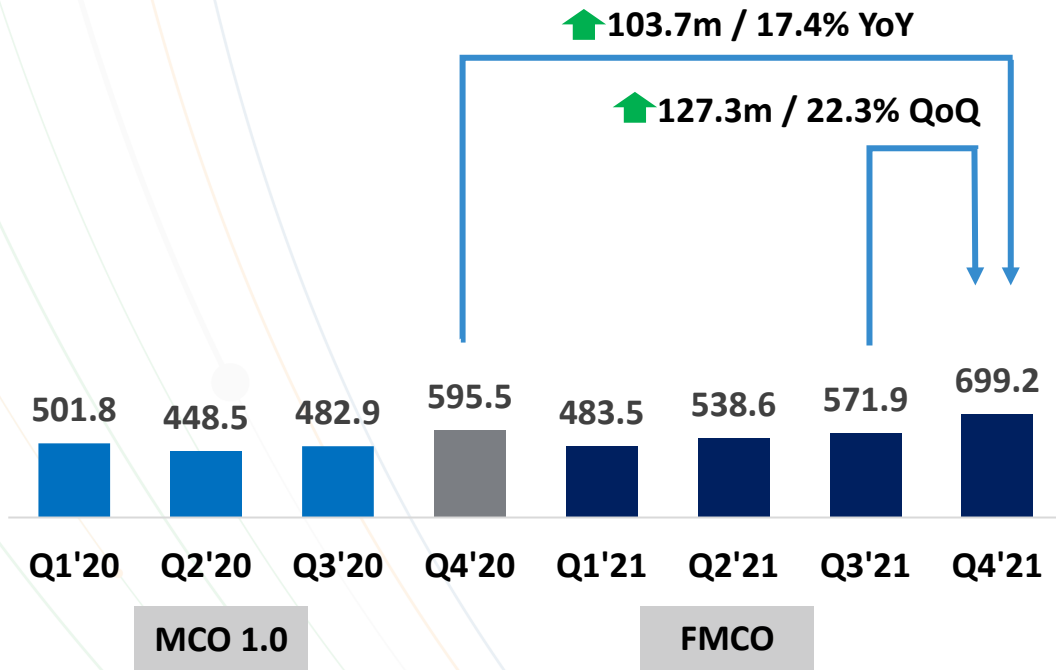
<sup>#</sup> Q4 FY21 – Excluding rationalization cost of RM1.0m and one-off forex translation loss of RM3.6m

<sup>^</sup> Q3 FY21 – Excluding rationalization cost of RM7.1m

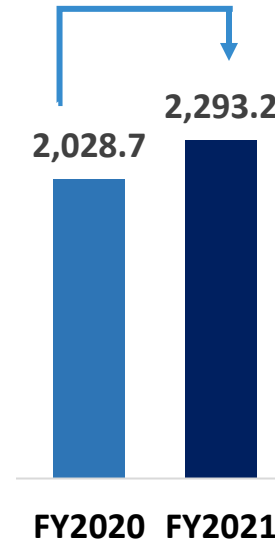
<sup>\*</sup> FY21 – Excluding rationalization cost of RM10.3m and one-off forex translation loss of RM3.6m

<sup>\*\*</sup> FY20 – Excluding one-off impairment of RM50m on unsold property inventory and one-off forex translation gain of RM19.2m

# Financial Highlights: Revenue (RM mil)



↑ 264.5m / 13.0% YoY



## Q4'21 vs Q4'20 (Q4 YoY)

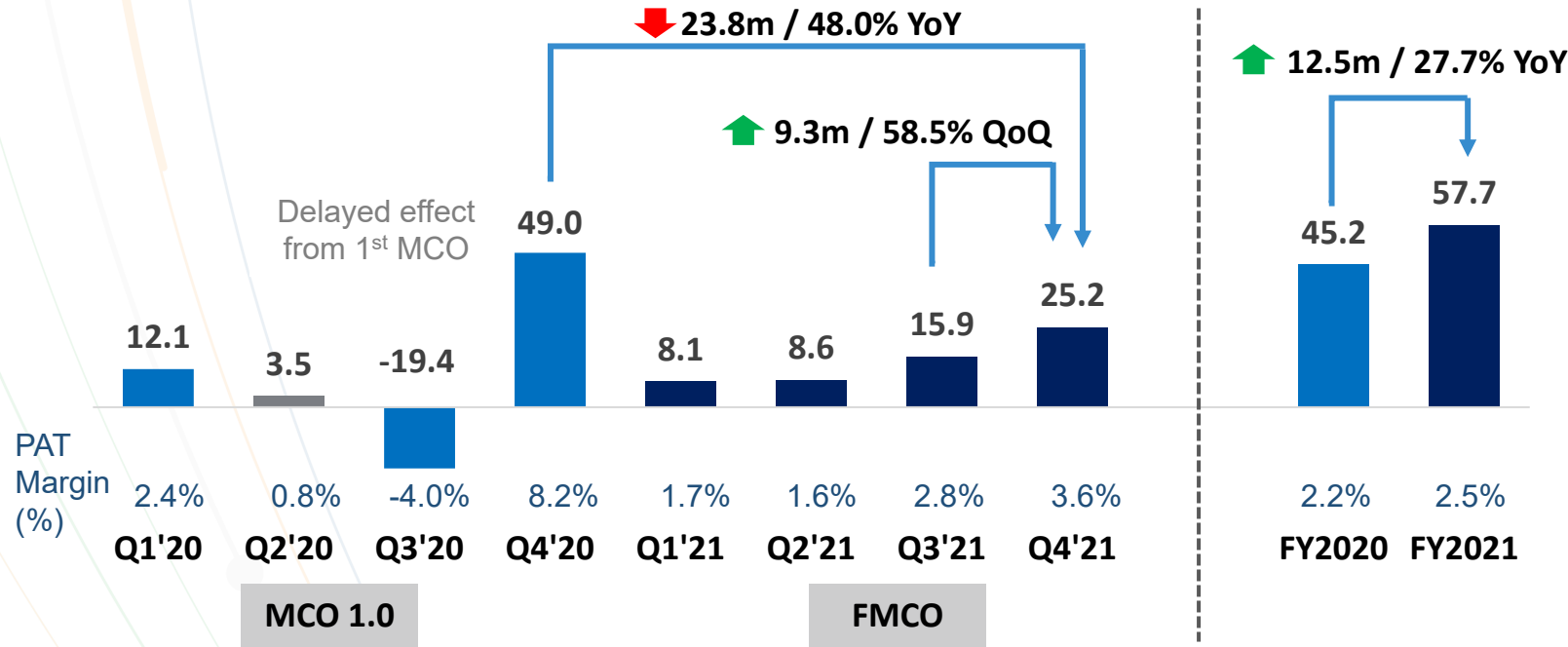
Higher revenue in Q4'21 mainly contributed by:

- Healthcare Support – higher revenue from Covid-19 related businesses, ie Hybrid ICU & digital trackers and additional billable works performed in Malaysia. Also, higher revenue from from SG & TW with commencement of new projects
- Infra Services – higher pavement work order and other billable expressway works in Malaysia; in-line with increasing of traffic volume on the expressway

## FY2021 vs FY2020 (12M YoY)

- Higher revenue in all segments except Asset Consultancy which saw a lower revenue this year due to delay in staff deployment to East Malaysia and reduction in contract value for Network Maintenance Management.

# Financial Highlights: Normalized PAT (RM mil)



## Q4'21 vs Q4'20 (Q4 YoY)

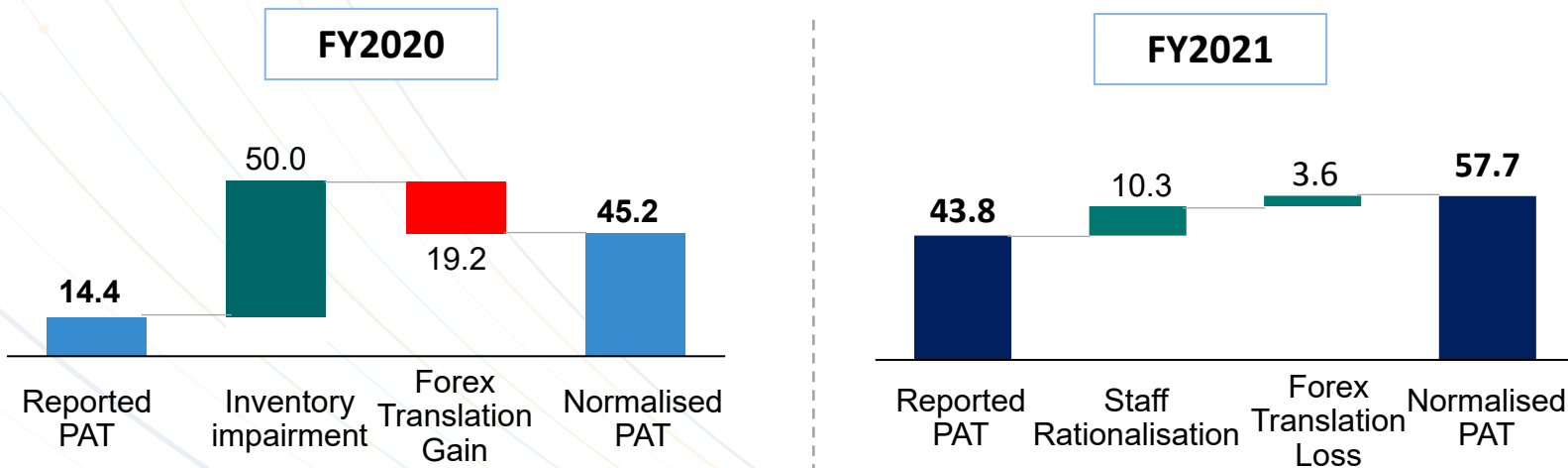
Q4'21 PAT was lower than Q4'20 mainly due to lower grant income received from the Singapore Government for Healthcare Support division, and reversal of impairment for receivables recognised last year.

## FY2021 vs FY2020 (12M YoY)

Higher PAT this year primarily driven by:

- Higher revenue from Healthcare Support division especially from the Covid-19 management business and new business won in Singapore & Taiwan
- Higher share of profit from associate companies in Healthcare support division
- Lower operating expenses and finance cost, resulting from our cost optimization initiatives

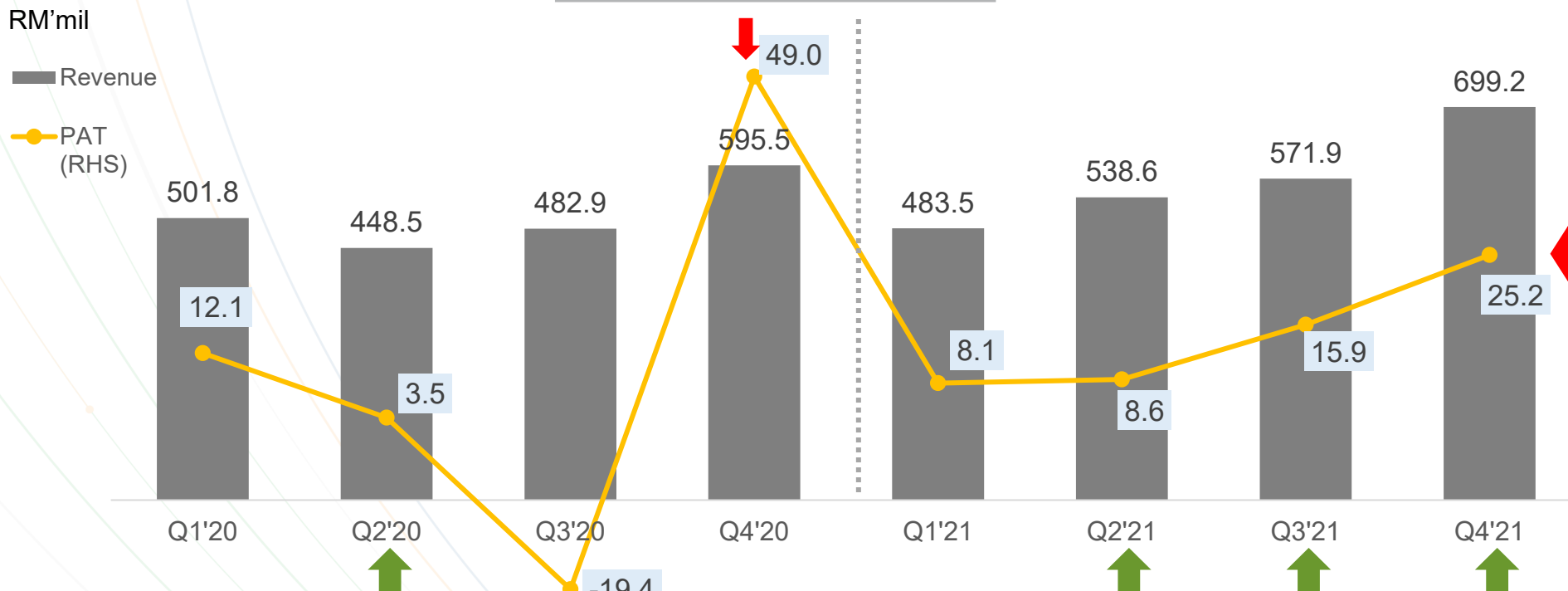
## Normalisation of PAT



# FY2021 Revenue and Normalised PAT by Quarter

Performance strengthened with the gradual recovery of economy post Covid

Surge of PAT in Q4'20 due to grant income received from Singapore Government and improved cost management by Healthcare Support division



QoQ normalised PAT for FY21 grew steadily at the back of higher revenue coupled with continuous initiatives to streamline and optimize the operating cost for the group

**PAT Normalisation:**  
Inventory impairment 50.0m  
Forex translation gain 19.2m

Rationalisation cost 2.3m

Rationalisation cost 7.1m

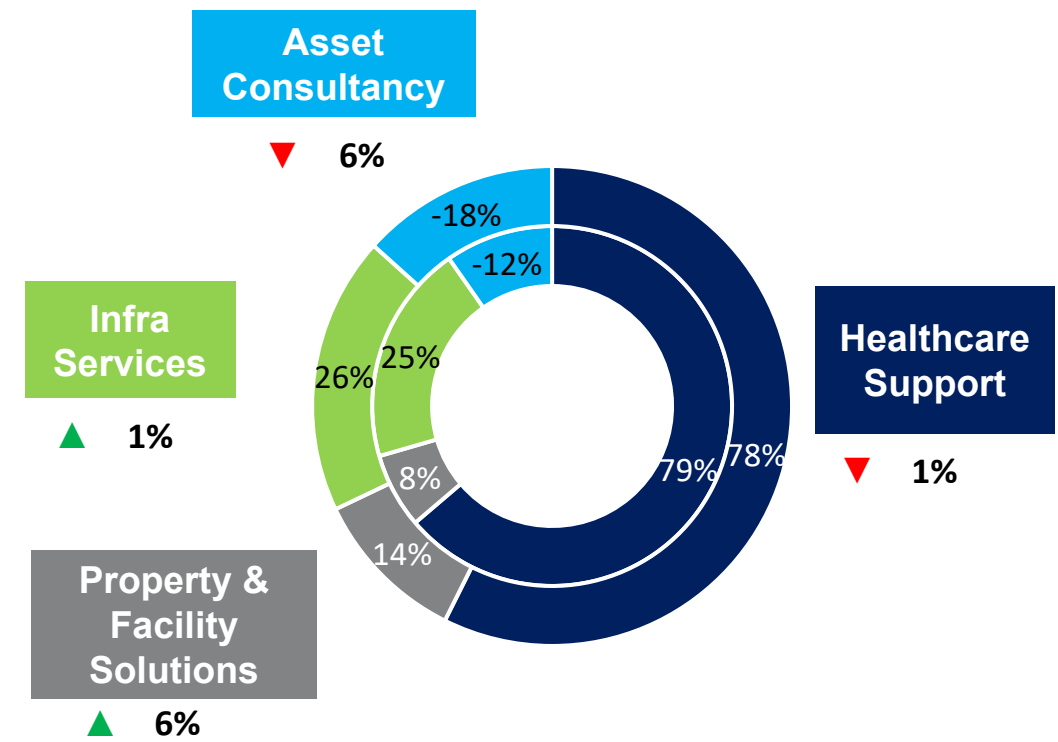
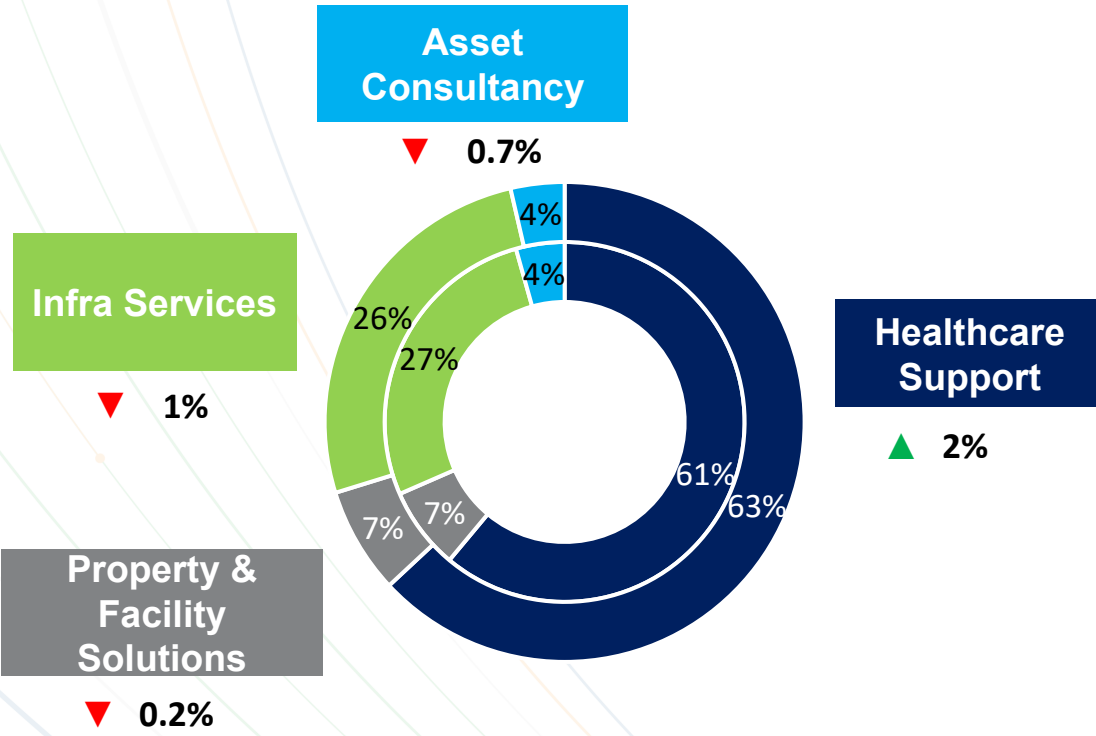
Rationalisation cost 1.0m  
Forex translation loss 3.6m

# FY2021 Segmental Contribution

Asset Management segment remain key contributors in a challenging operating environment

| Revenue (RM'mil) |         |          |       |
|------------------|---------|----------|-------|
| FY2020           | FY2021  | Variance |       |
| 2,028.7          | 2,293.2 | ▲ 264.5  | 13.0% |

| Normalised PAT (RM'mil) |        |          |       |
|-------------------------|--------|----------|-------|
| FY2020                  | FY2021 | Variance |       |
| 45.2                    | 57.7   | ▲ 12.5   | 27.7% |

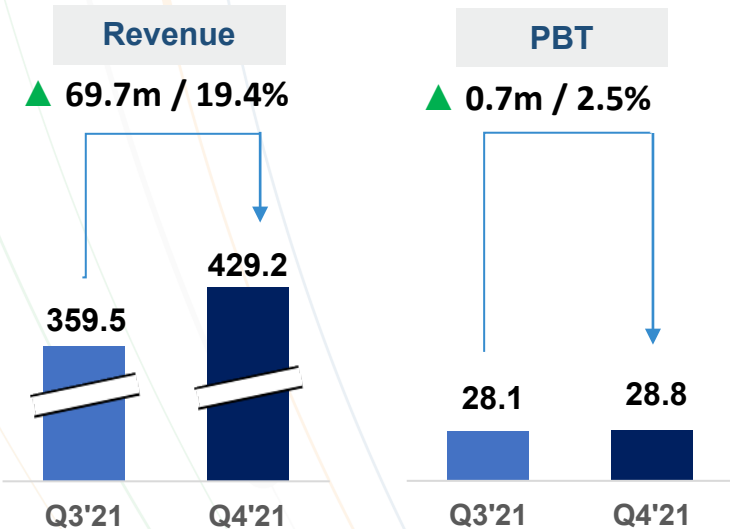


\* Chart excludes Property Development and others/elimination

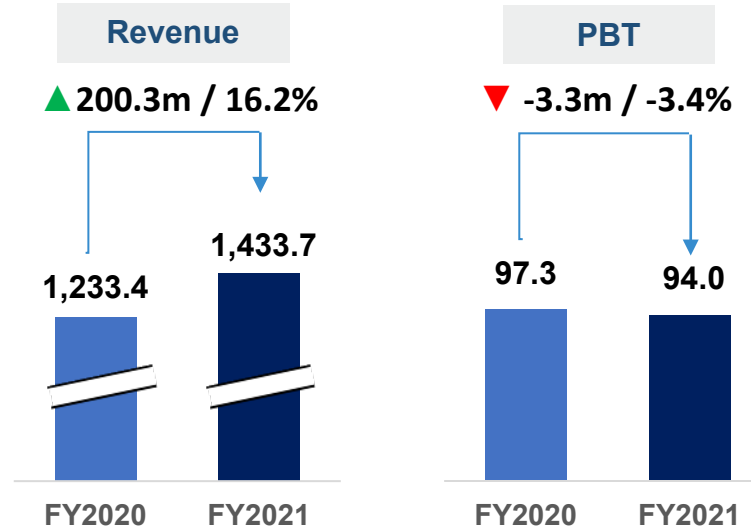
# Q4 FY2021 Segmental Performance Analysis: Asset Management

## Healthcare Support

### QoQ (RM'm)



### YoY (RM'm)



### Q4'21 vs Q3'21 (QoQ)

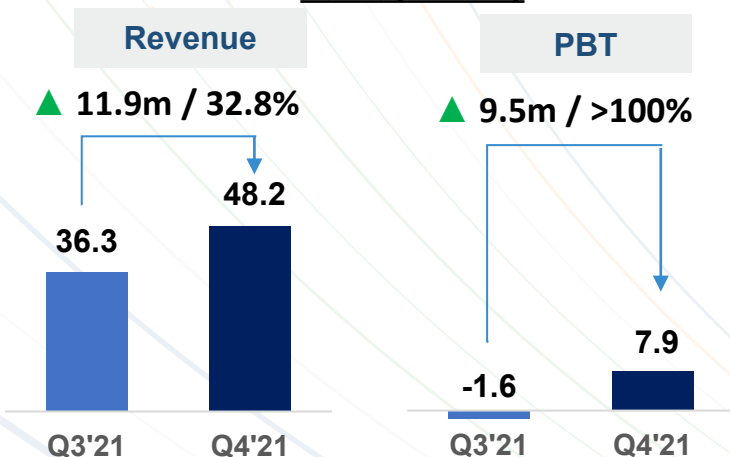
- Higher revenue mainly contributed by new revenue streams (hybrid ICU and digital trackers) and additional billable works performed in Malaysia
- Higher PBT mainly resulted from higher revenue and higher share of profit from associates

### FY2021 vs FY2020 (YoY)

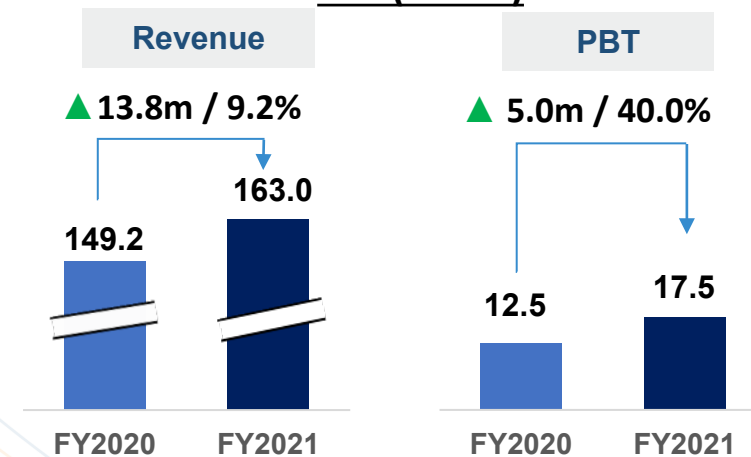
- Higher revenue from SG & TW, as well as new revenue stream from Covid-19 related businesses in MY
- Lower PBT mainly due to lower grant received from Singapore Government, but mitigated by flow through from higher revenue and higher share of profit from associates.

## Property & Facility Solutions

### QoQ (RM'm)



### YoY (RM'm)



### Q4'21 vs Q3'21 (QoQ)

- Higher revenue compared to previous quarter due to higher revenue from closure of 1 of the major design and build project and additional works from few IFM projects in Malaysia
- Higher PBT mainly due to flow through from higher revenue coupled with higher share of results for associate

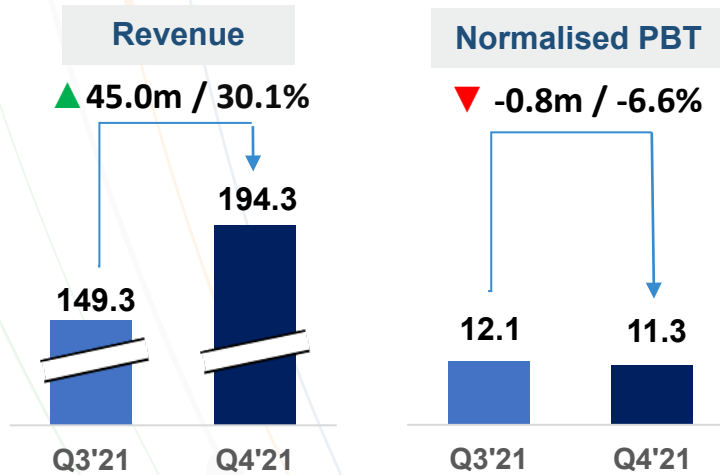
### FY2021 vs FY2020 (YoY)

- Higher revenue contribution from projects in Dubai and new projects in Malaysia e.g. IBCC-KLCC, UTP etc.
- Higher PBT due to flow through of higher revenue and higher share of profit from associate

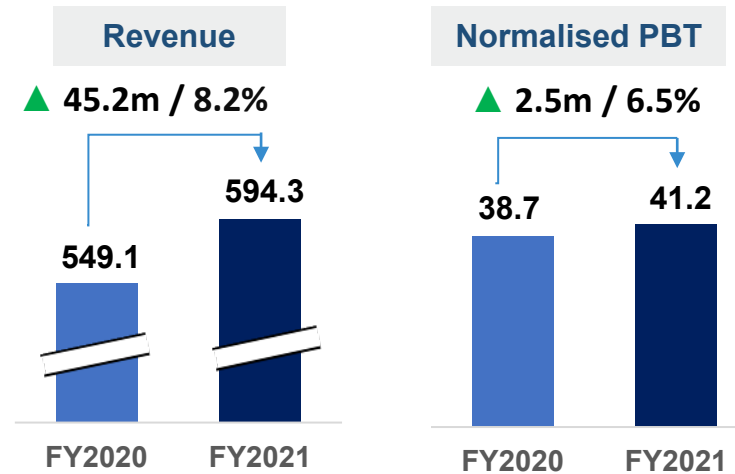
# Q4 FY2021 Segmental Performance Analysis: Infrastructure Solutions

## Infrastructure Services

### QoQ (RM'm)



### YoY (RM'm)



### Q4'21 vs Q3'21 (QoQ)

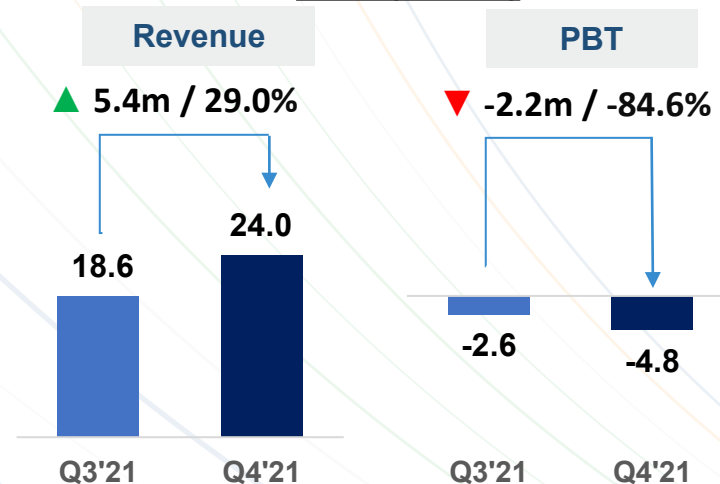
- Higher revenue mainly due to higher pavement and other billable works done for expressway in Malaysia with the gradual recovery of traffic volume
- Lower normalised PBT due to lower margin for PLUS work orders bundling.

### FY2021 vs FY2020 (YoY)

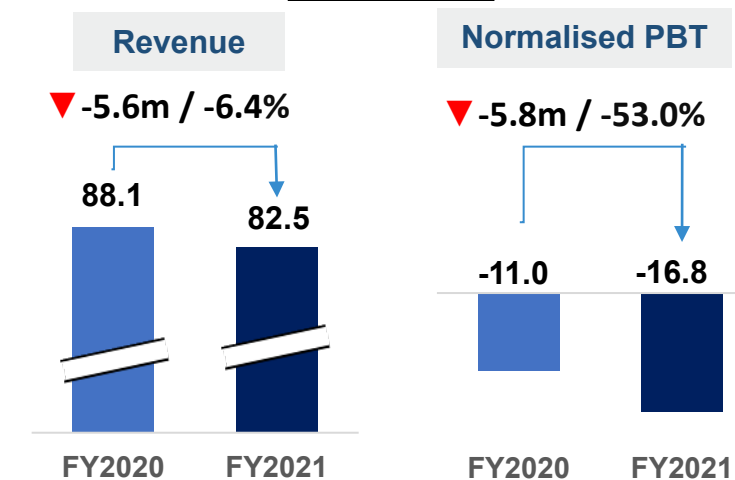
- Higher revenue due to increase of pavement and maintenance works from MY projects (JKR Selangor, JKR Sarawak and PLUS)
- Higher normalised PBT as compared to last year mainly driven by higher revenue with more work orders after lifting of MCO

## Asset Consultancy

### QoQ (RM'm)



### YoY (RM'm)



### Q4'21 vs Q3'21 (QoQ)

- Higher revenue mainly contributed by revenue recognized for KUTS project
- Higher loss before tax mainly due to reversal of accrued revenue for 1 project due to dispute in work packages

### FY2021 vs FY2020 (YoY)

- Lower revenue due to lower staff mobilisation of to EM and reduction in contract value for NMM contract
- Increase of normalised loss before taxation due to delay in deployment of staff to East Malaysia and reversal of accrued revenue for one of the build environment project



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# Analyst Briefing

FY2021



1. **FY2021 in Review**
2. **Group Financial Highlights**
3. **Business Prospects**

## Work-in-hand healthy at RM10.8b; provides long-term earnings visibility

As at 31 December 2021

| Divisions                                | Estimated Work-in-hand * |             |
|------------------------------------------|--------------------------|-------------|
|                                          | RM'mil                   | %           |
| <b>Healthcare Support Services</b>       |                          |             |
| Healthcare Concession                    | 1,800                    | 17%         |
| Healthcare Commercial                    | 1,212                    | 11%         |
| <b>Total</b>                             | <b>3,013</b>             | <b>28%</b>  |
| <b>Property &amp; Facility Solutions</b> | <b>448</b>               | <b>4%</b>   |
| <b>Infrastructure Services</b>           | <b>7,100</b>             | <b>66%</b>  |
| <b>Consultancy</b>                       | <b>264</b>               | <b>2%</b>   |
| <b>Total</b>                             | <b>10,826</b>            | <b>100%</b> |

\* Refers to secured order book and work based on scheduled rates

## OUR VISION

# EDGENTA OF THE FUTURE 2025

*To be a technology-enabled solutions company with a focus on healthcare by 2025*

## Our Strategy



### Expand footprint and deepen solutions base

Deliver long-term revenue growth – 12% p.a. over 5 years:

- Regional expansion
- New revenue streams
- Expand into adjacencies



### Extract value from core businesses

Cost savings of RM100 million over 5 years:

- Drive cost efficiencies through mechanisation and automation efforts, optimise procurement spend, streamline business structure



### Enhance product and technology proposition

New revenue streams from tech-enabled platforms:



Underpinned by

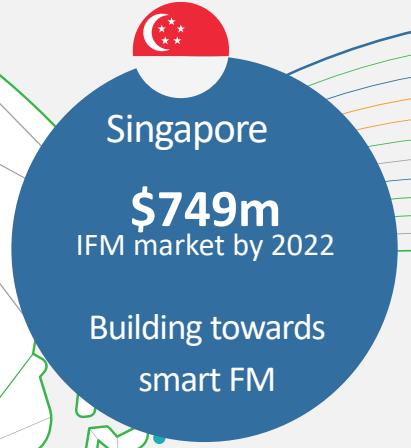
## Our Core Values



Expanding our footprint to access a bigger value pool



**KSA**  
**\$65.5b**  
FM market by 2025  
Focus on integrated healthcare, ESG, Tech



**Singapore**  
**\$749m**  
IFM market by 2022  
Building towards smart FM



**Taiwan**  
**\$14b**  
FM market by 2030  
Expansion into IFM & new verticals



**Indonesia**  
**~\$11b**  
for infra market  
Opportunities in infrastructure from capital relocation



**UAE**  
**\$2.6b**  
IFM Market  
Integrating technology and expansion into new verticals

# Asset Management: Building towards the future of IFM



# Business prospects

Through deepening geographical footprint and services

## Healthcare Support Services

### Integrated healthcare solutions



Smart BEMS



Online FEMS,  
RTM



Digital  
Healthcare



**Performance Based Contract**  
model for concession

**New service offerings**  
Consultancy, ESG, mobile clinical services



**Expansion in high growth**  
markets, e.g. GCC, M&A in SG

**Continue C-19 Business Solutions**  
i.e. hybrid ICUs, digital trackers, PPVs



## Property & Facility Solutions



**Integrate IFM with tech solutions**  
(IoT, analytics, community-based e-commerce)

**Expansion** into new clientele and  
industry verticals

Actively position **sustainability**  
**solutions** i.e. EPC, GBI  
certifications



**Leverage technology to**  
**empower clients** in  
building efficiency

**Expand into high-value**  
**commercial IFM contracts** incl. for  
**industrial-based buildings**, EPC  
and technology based solutioning



# Infrastructure Solutions: Capitalizing on Malaysia's 12MP

## Megatrend



**Rapid technology uptake**



**Arrival of hyperconnectivity**



**Focus on public-private partnership model**



**Importance of ESG**

## 12<sup>th</sup> Malaysia Plan



- **5G network** launched by end of 2021
- **Digital economy contribution** 25.5% of GDP by 2025



- **RM400bn commitment** vs RM248.5bn in 11MP
- **PPP 3.0 model** special facilitation fund for infra



- **Carbon-neutral** as early as 2050
- **Carbon pricing and carbon tax** to be introduced
- **Increase RE generation** 31% of total installed capacity by 2025
- **Energy Efficient Vehicle (EEV)** development priority

# Business prospects

## Pan Malaysia Strategy and growth in adjacent markets

### Infrastructure Services

**AMS** to drive **automation** and **efficiency** in operations



Production of **sustainability product** i.e. **reclaimed asphalt pavement (RAP) premix**

**Pan Malaysia expansion strategy** with a focus on East Malaysia  
**RM64b** for infra project



Pan Borneo Sarawak Highway



**Long term growth opportunities** in both East Malaysia, Indonesia and SEA

### Asset Consultancy

Actively pursue opportunities in Sabah & Sarawak as part of **Pan Malaysia expansion strategy** with a focus on East Malaysia



Explore opportunities in neighboring country, Indonesia: **East Kalimantan capital city development**

# Investment Rationale

A company with strong fundamentals capitalizing on new growth areas

## Defensive Stock with Strong Fundamentals



- Resumption of dividend payment, maintaining dividend policy of **50% to 80% dividend payout ratio** based on PATANCI.
- **Low gearing and healthy cash balance** to weather short-term volatility and deploy for growth, where required
- Targeting **FTSE4GOOD** inclusion

## Healthcare and digital ecosystem driving next phase of growth



- Provides a future-ready digital ecosystem that **enables connectivity and ease of integration**
- **Advancing digital healthcare transformation** beyond traditional offerings by improving accessibility, efficiency and connectivity

## Long-term Earnings Visibility



- Work In Hand remains healthy at **RM10.8 billion as at 31 December 2021**
- Strong foothold in core businesses sustained by **long-tenured contracts**

## Geographic Expansion



- Regional expansion in:
  - New high growth markets** i.e. Saudi Arabia in HSS/IFM
  - Moving up the value chain in existing market** Singapore: ME-15
- Execution of **Pan Malaysia Strategy** forms part of the key infrastructure growth with a large addressable market.

# Analyst Briefing FY2021



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## Thank You