

Group Financial Review

FINANCIAL SUMMARY

In accordance with the approved accounting standards, the Group adopts two different income recognition policies for its property development business. Income from the development business in Malaysia and Singapore is recognised over time, throughout the development periods. As such, they contribute revenue and profit more regularly to the Group. However, income from our development business in Australia, Vietnam and the UK is recognised at a point in time upon the completion and handover of developed properties, hence its revenue and profit contribution are more irregular.

In Australia, our two projects namely Sapphire by the Gardens and UNO Melbourne contributed their respective revenue streams to the Group from FY2022 to FY2025.

In the UK, the Group has delivered the completion of Phase 2, Phase 3A and Phase 3B from FY2021 to FY2025 through its 40% interest in the redevelopment of the Battersea Power Station ("BPS"). Similar to the developments in Australia, income from BPS development is also recognised at a point in time upon the completion and handover of developed properties. The Group does not consolidate the revenue of BPS as it is a jointly controlled-entity but the results will be equity accounted into the Group's results.

In Singapore, following the completion of its third development project known as the "Daintree" in Dec 2022, the Group has scaled down its operations in the country.

Malaysia remains as the Group's main contributor of revenue from its local development business. It has been contributing consistently, save for some periodical fluctuations due to time-to-time variation in the overall projects development portfolio achievement.



Against the backdrop of challenges arising from the global outbreak of Covid-19 pandemic leading to unprecedented disruption to the operations of the Group in the property development, retail malls and construction sectors in Malaysia and overseas, the Group finished the FY2021 commendably by achieving a profit before tax that was at par with the pre-Covid performance in FY2019.

FY2022 was another challenging year for the property sector as the eruption of Russian-Ukraine war resulted in rising inflationary pressure on the commodities and building materials coupled with the lockdown in China which inadvertently disrupted the global supply chain. The shortage of labour faced by most industries aggravated the site progress of our projects nationwide. However, with the timely contributions from our Australian projects namely Sapphire by the Gardens and UNO Melbourne, the Group was able to deliver another set of improved financial results in FY2022 as compared to the preceding year.

In FY2023, the Group further reduced its borrowings by RM1.30 billion bringing down the net gearing ratio to 0.49x from 0.57x in FY2022. Despite the challenges of interest rates hikes and foreign exchange rate volatilities, the Group managed to achieve a set of financial results for FY2023 that was close to that achieved in FY2022. The Group successfully navigated these challenges by divesting a few parcels of non-strategic lands and pursued cost optimisation initiatives.

FY2024 was a record year for the Group with revenue and profit at new highs over the past 3-year period. The Group recorded revenue and profit attributable to shareholders of RM5.3 billion and RM576 million respectively at the back of a few major land transactions. The Group's robust performance of the property development business had been supported by 42 ongoing projects. Consequently, the Group's net gearing ratio for FY2024 has dropped to 0.35x from 0.49x in FY2023 with borrowings lower by RM1.6 billion and cash and bank balance higher by RM646 million, putting the Group on a stronger financial footing.

In FY2025 the Group achieved revenue of RM4.2 billion and a Profit Before Tax (PBT) of RM969 million, driven by resilient local property development in Central and Southern regions including value unlocked from land transactions. Despite a lower topline in FY2025, PBT remained stable, driven by contribution from high margin strategic land transactions, steady delivery of property development segment, and cost savings in the construction segment from effective projects close out, partially offset with write-downs in inventories. The Group continued to strengthen its financial position through its strategic income diversification plans, disciplined debt reduction program, while balancing capital allocation for new projects developments with its de-gearing plans. The Group's has reduced approximately RM0.6 billion of borrowings in FY2025, with its net gearing ratio improving further to 0.33x in FY2025 from 0.35x in FY2024.

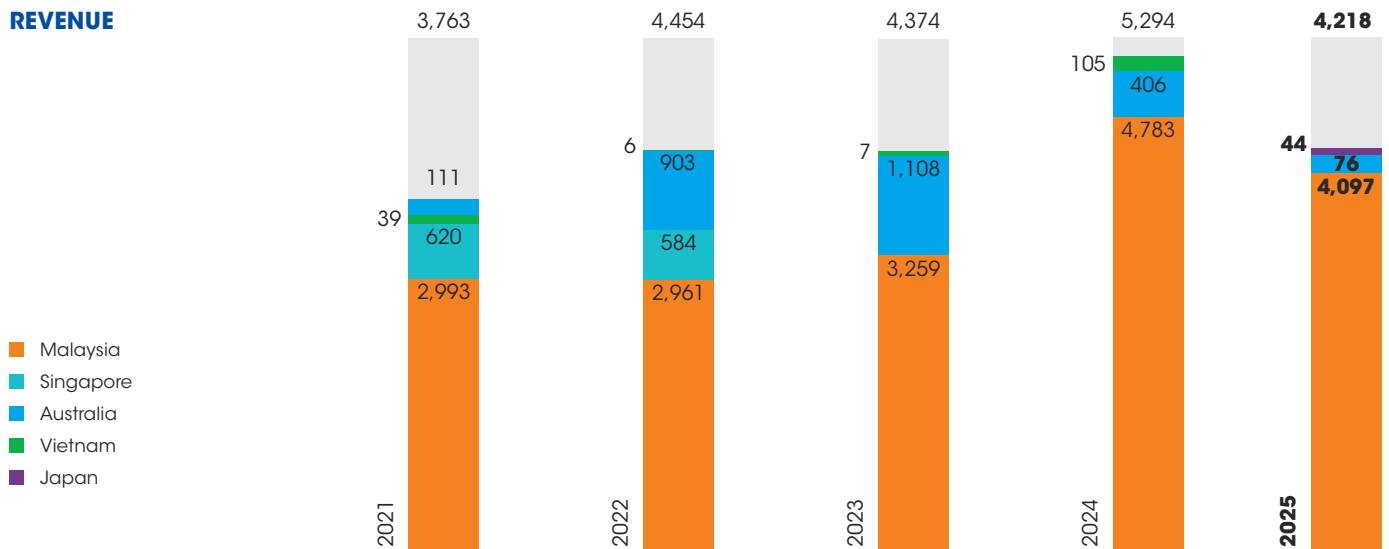
5-Year Group Financial Summary

	← As per respective years' audited financial statements →				31 December 2025
	31 December 2021	31 December 2022	31 December 2023	31 December 2024	
Revenue	3,763	4,454	4,374	5,294	4,218
Gross Profit	1,007	1,065	1,341	1,801	1,663
Profit Before Tax – Before significant impairment provisions	542	580	656	1,149	1,169
Significant impairment:	–	(16)	–	(27)	(200)
Profit Before Tax – After significant impairment provisions	542	564	656	1,122	969
Profit After Tax	347	364	357	631	604
Profit Attributable to Owners of the Company	284	308	299	576	510
Share Capital	8,490	8,500	8,723	9,238	9,239
Share Capital – RCPS-i A	1,087	1,087	1,087	1,087	1,087
Share Capital – RCPS-i B	1,035	–	–	–	–
Share Capital – RCPS-i C	–	937	719	203	203
Equity Attributable to Owners of the Company	14,176	14,083	14,450	14,614	14,798
Total Assets Employed	31,184	29,819	29,006	27,604	27,083
Total Net Tangible Assets	15,278	14,940	15,286	15,565	15,792
Earnings Per Share (sen)	3.7	3.6	4.8	10.2	8.6
Dividend Per Share (sen)	0.65	1.47	1.34	2.88	2.55
Net Assets Per Share Attributable to Owners of the Company (RM)	2.96	2.96	2.90	2.66	2.70
Return on equity (%)	2.0	2.2	2.1	3.9	3.4
Net gearing ratio (times)	0.61	0.57	0.49	0.35	0.33
Dividend payout ratio (%)*	55.7	64.0	58.1	39.7	41.0
Share Price – High (RM)	1.72	1.42	1.06	1.80	1.50
– Low (RM)	0.85	0.41	0.51	0.79	0.73

* Inclusive of RCPS-i A, B & C dividend.

5-Year Group Financial Highlights

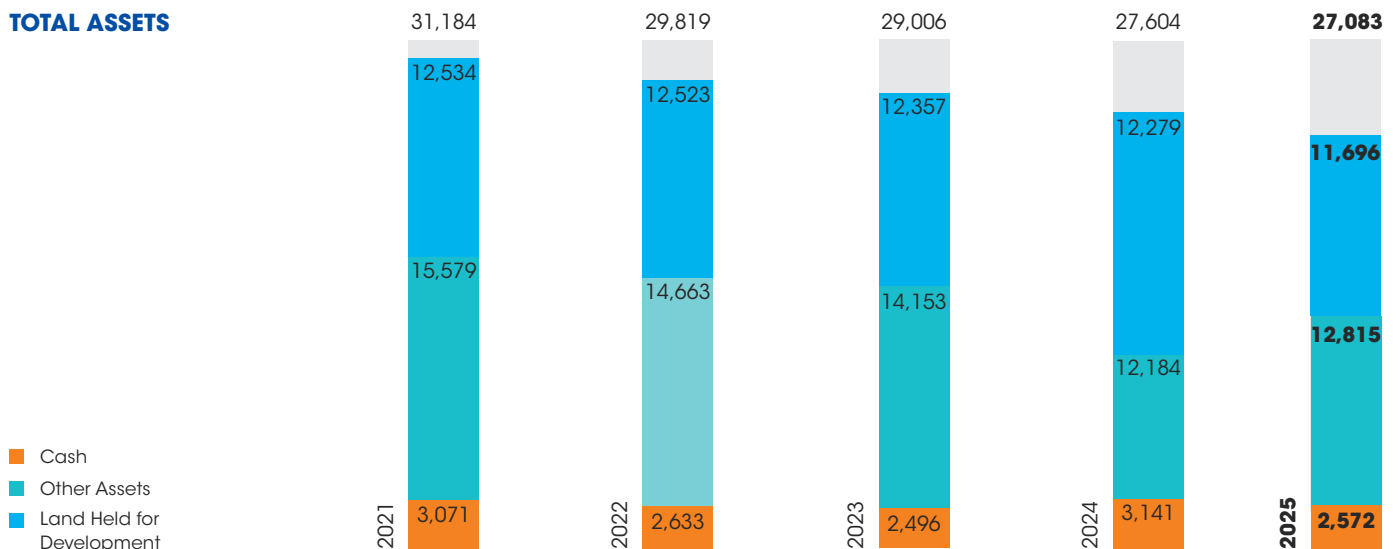
REVENUE



PROFIT ATTRIBUTABLE TO SHAREHOLDERS

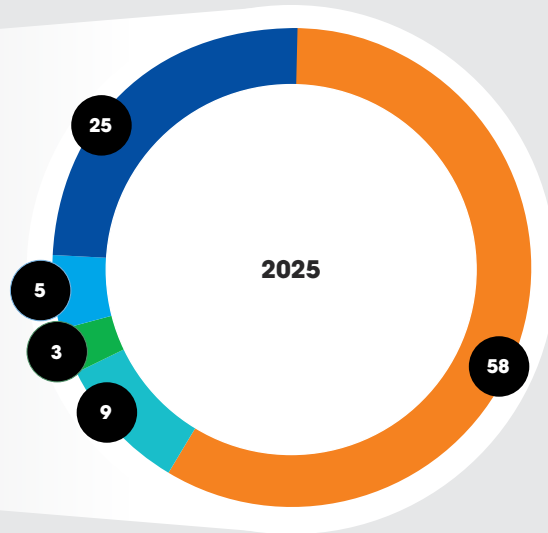
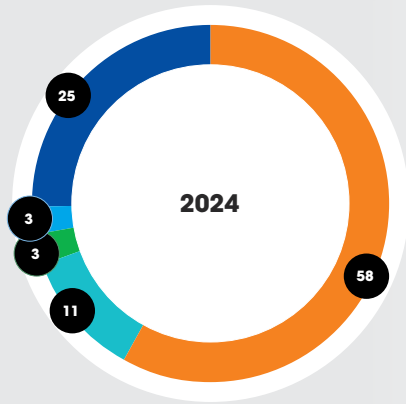


TOTAL ASSETS



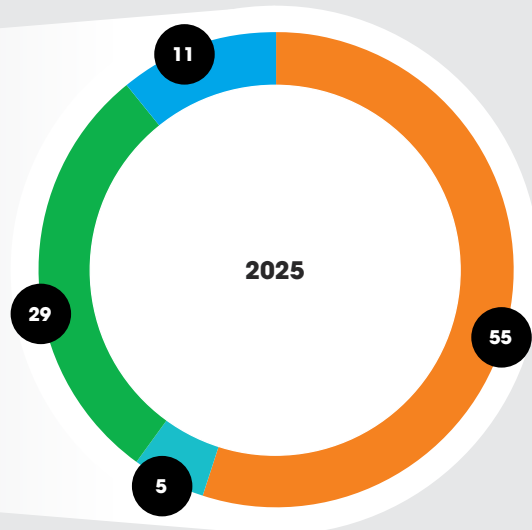
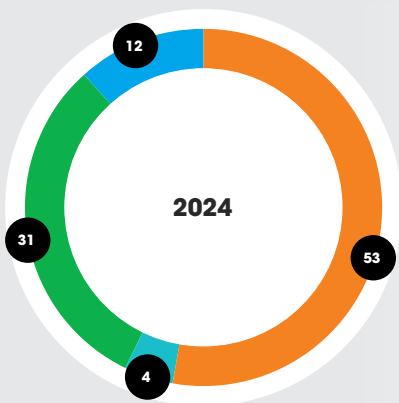
Simplified Group Statements of Financial Position

ASSETS (%)



- Landheld and property development cost and inventories
- Cash & bank balances
- Property, plant and equipment
- Receivables
- Other assets

LIABILITIES & EQUITY (%)



- Shareholders' funds
- Non-controlling interest
- Borrowings
- Other liabilities

Quarterly Performance

FINANCIAL RESULTS

RM' million	1Q FY2025 31-Mar-25	2Q FY2025 30-Jun-25	3Q FY2025 30-Sep-25	4Q FY2025 31-Dec-25	FY2025 Total
Revenue	771	944	872	1,631	4,218
Operating profit	235	311	269	602	1,417
Share of results from joint ventures & associates	(13)	(38)	(30)	(21)	(102)
Other gains/(losses)	5	3	2	(13)	(3)
Profit before interest and tax	227	276	242	567	1,312
Profit before taxation	141	196	161	471	969
Profit after taxation	89	121	99	295	604
Profit attributable to owners of the Company	67	100	68	275	510

SEGMENTAL RESULTS

RM' million	1Q FY2025 31-Mar-25	2Q FY2025 30-Jun-25	3Q FY2025 30-Sep-25	4Q FY2025 31-Dec-25	FY2025 Total
Revenue					
Property Development	719	893	811	1,573	3,996
Construction, Investment Holding & Others	51	51	61	58	222
Total	771	944	872	1,631	4,218
Profit/(loss) before tax					
Property Development	133	186	148	507	974
Construction, Investment Holding & Others	8	9	13	(36)	(5)
Total	141	196	161	471	969

Statement of Value Added and Distribution

This Statement of Value Added shows the total wealth we created and how it was distributed, taking into account how much was retained and reinvested in S P Setia for future growth.

RM' million	FY2024 RM' million	FY2025 RM' million
VALUE ADDED:		
Revenue	5,293	4,218
Purchase of goods and services	(3,551)	(2,571)
Value added by the Group	1,742	1,647
Other income	378	313
Share of result of associates	55	111
Share of result of joint ventures	(181)	(213)
Total value added available for distribution	1,994	1,858
DISTRIBUTION:		
To employees		
– Salaries and other staff costs	269	270
To government & society		
– Income Tax	491	366
– Zakat & Donation	7	6
To provider of capital		
– finance cost	384	343
– dividend	157	226
Retained for future reinvestment & growth		
– depreciation & amortisation	55	43
– retained profits	576	510
– minority interest	55	94
Total Distributed	1,994	1,858
RECONCILIATION:		
Profit for the year	631	604
Add: Depreciation & amortisation	55	43
Finance costs	384	343
Dividend	157	226
Staff cost	269	270
Income Tax	491	366
Zakat & Donation	7	6
Total Value Added	1,994	1,858

