Hyflux Ltd
3Q2017 Results Review

9 November 2017

Disclaimer

FORWARD-LOOKING STATEMENT

This presentation has been prepared by Hyflux Ltd for the information of the attendees of this presentation.

The presentation contains forward-looking statements which are based on current expectations, projections and assumptions about future events. Although Hyflux believes that these expectations, projections and assumptions are reasonable, these forward-looking statements are subject to risks, uncertainties and assumptions about Hyflux and its business operations that could cause actual results to differ materially from those expressed or implied by these forward-looking statements. Such risks include industry and economic conditions; currency fluctuations between the Singapore dollar and other currencies; governmental, statutory, tax, public policy and regulatory changes; and the continued availability of financing in the amounts and the terms necessary to support future business.

Investors are cautioned not to place undue reliance on these forward-looking statements which are based on current views of Hyflux's management on future events.

Any forward-looking statement in this presentation is accurate only as of the date it is issued. Hyflux has no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law.

The presentation is not and does not constitute or form part of any offer, invitation or recommendation to subscribe for or purchase any security and neither this presentation nor anything contained in it shall form the basis of, or be relied upon in connection with, any contract, commitment or investment decision.

No representation or warranty express or implied is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or opinions contained herein. None of Hyflux Ltd or any of its affiliates, advisors or representatives shall have any liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this document or its contents or otherwise arising in connection with this presentation.

Executive highlights

- 3Q2017 loss at S$26.1 million, 9M2017 at S$50.4 million
- Excluding Tuaspring, PATMI for 3Q2017 and 9M2017 was S$0.5 million and S$24.1 million respectively
- Singapore power market continues weak performance
- Launch of the flagship ELO Water Therapy Centre in central Singapore

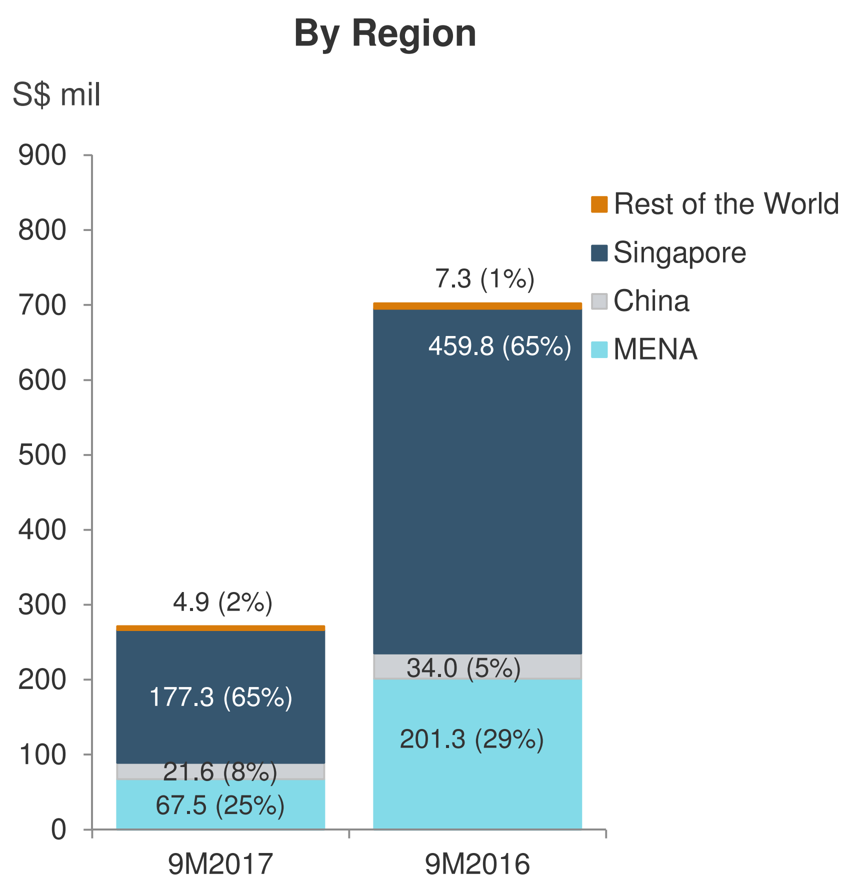
Revenue and profit

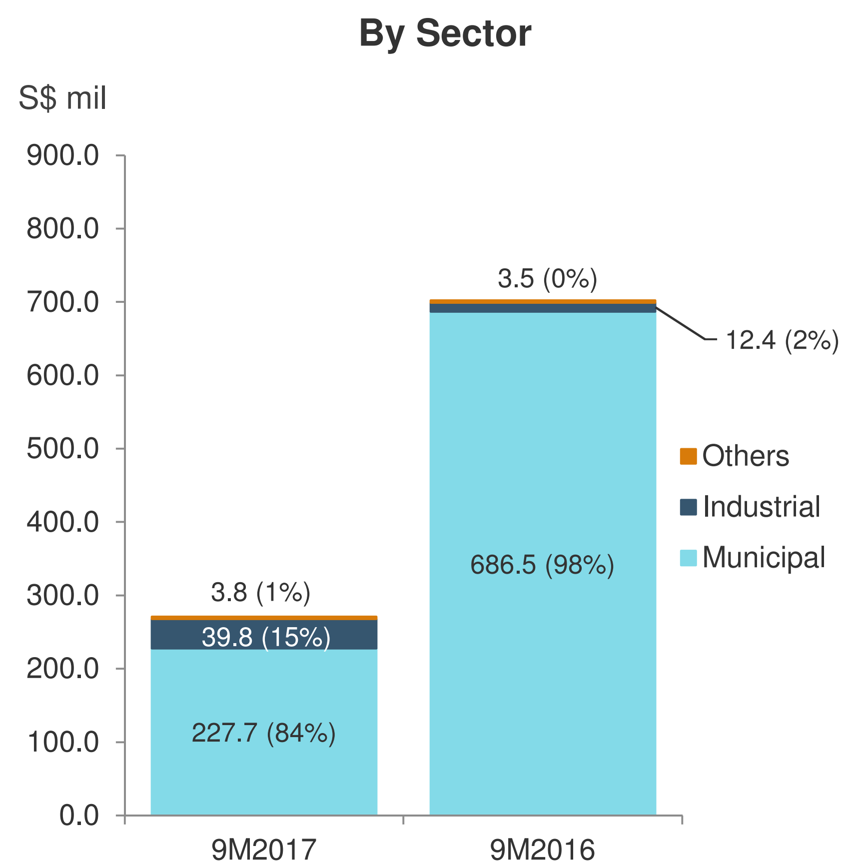
S$ mil	9M2017	9M2016	% Change
Revenue	271.3	702.4	(61)
PATMI excluding Tuaspring	24.1	102.3	(76)
Results from Tuaspring	(74.5)	(82.0)	(9)
PATMI	(50.4)	20.2	NM

NM: Not Meaningful

- In line with planned construction schedules, there were lower EPC activities from TuasOne Waste-to-Energy (WTE) project in Singapore and Qurayyat project in Oman
- EPC profits unable to fully cover Tuaspring losses in 9M2017
- Tuaspring classified as Held for Sale – results shown separately
  - *(1) Revenue excludes Tuaspring*
  - *(2) PATMI presented with and without Tuaspring*

Revenue breakdown by region and sector





- Lower EPC activities for Tuasone WTE in Singapore and Qurayyat IWP in Oman
- Revenue excludes Tuaspring, which is classified as Held for Sale

Expenses

S$ mil	9M2017	9M2016	% Change
Raw Materials & Consumables	131	465	(72)
Staff Costs	70	60	17
Depreciation, Amortisation & Impairment	12	13	(8)
Other Expenses	53	56	(5)
Finance Costs	43	35	23
Total Operating & Finance Expenses	309	629	(51)

- Lower direct costs in line with lower revenue from EPC projects
- Higher staff cost from labour-intensive construction phase of projects
- Higher finance costs resulting from project finance drawdowns following milestone achievements of the TuasOne and Qurayyat projects

Excludes Tuaspring results, which are shown separately

Balance sheet

S$ mil	30 Sep 2017	31 Dec 2016
Equity	1,102	1,549
Non-current Assets	1,336	2,545
Non-current Liabilities	1,197	1,311
Current Assets	2,291	1,298
Current Liabilities	1,329	984
Net Gearing (x)	1.07	0.81

- Decrease in equity due to redemption of S$295 million perpetual capital securities in Jan 2017 and the operating loss for the nine months ended 30 Sep 2017

- Tuaspring and Tianjin Dagang assets/liabilities classified as held for sale
  - Shift from Non-current assets/liabilities to Current assets/liabilities

Cash flows

S$ mil	9M2017	9M2016
Operating Cash Flows before SCA	(66)	373
Operating Cash Flows after SCA and Tax Paid	(211)	(211)
Investing Cash Flows	251	(132)
Financing Cash Flows	(64)	215
Net Cash Changes	(24)	(128)
Cash & Cash Equivalents	222	231

SCA: Service concession arrangements

- Cash from investing activities of S$251 million was mainly due to proceeds from disposal of Galaxy and repayment of short-term loan extended to Galaxy.
- Net cash outflow from financing activities primarily due to redemption of S$295 million perpetual capital securities and offset by project finance drawdowns.

Group outlook

- The Singapore power market continues to adversely impact results for the Group, with losses expected for the rest of 2017
- Partial divestment of Tuaspring Integrated Water and Power Project and full divestment of Tianjin Dagang Desalination Plant in progress
- Negotiations on Ain Sokhna IWPP in Egypt underway
- The Group announced the sale and partial leaseback of its Tuas manufacturing facility with an estimated net gain of S$39.6 million, pending regulatory approval
- In addition, the Group launched its flagship ELO Water Therapy Centre in central Singapore. This is a significant milestone for the Group's consumer business
- The proposed spin-off of the consumer business, via dividend in specie, is in progress. The subsequent planned listing will unlock the value of this high growth business for Hyflux shareholders


SUSTAINABLE
SOLUTIONS
THAT
TRANSFORM
LIVES