



# 1HFY2015 Results: Media & Analyst Briefing

*12 March 2015*



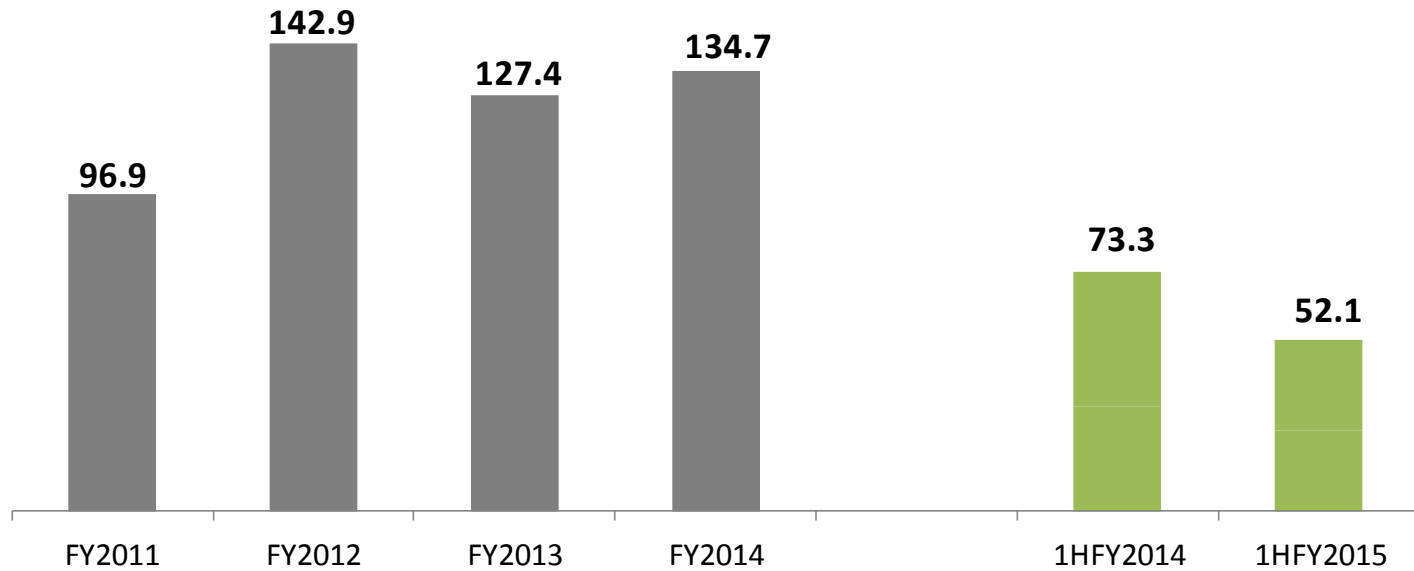
One of the largest **structural steel fabricators** with a reputation as a **leading structural steel specialist**

- **S1-accredited company with operations in Singapore and Malaysia**
- **Provides structural steel for diverse industries including many iconic projects in Singapore**
- **2 production facilities - Maximum annual capacity of 42,000 tonnes of normal structural steel:**
  - Singapore: 20,000 tonnes
  - Johor, Malaysia: 22,000 tonnes
- **Operates a dormitory at Jalan Papan**
  - **capacity 5,300 persons**



# FINANCIAL PERFORMANCE FOR 1HFY2015

# Revenue

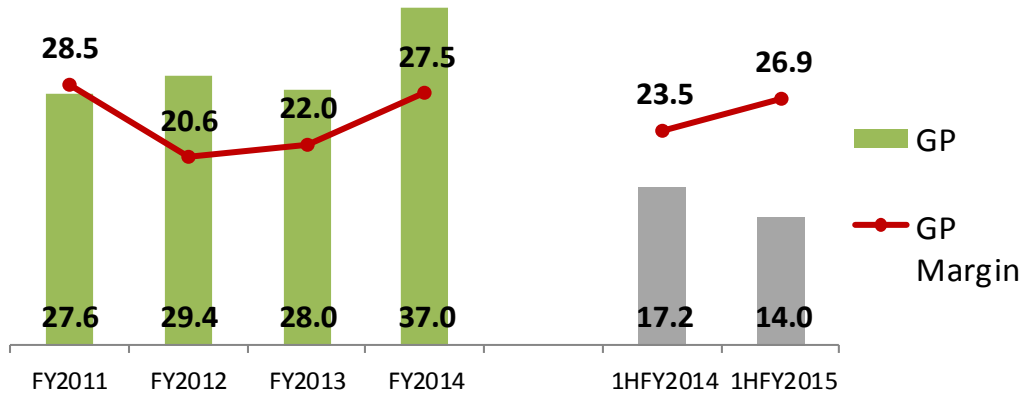


- Decrease in Structural Steel business
- Rise in Dormitory business

# Profitability



## Gross Profit (\$'m) and GP Margin (%)

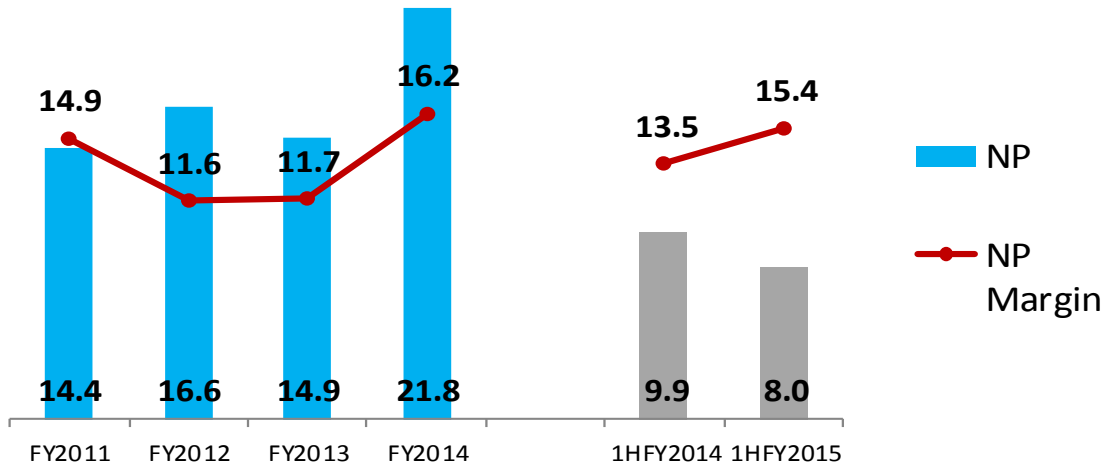


### GROSS PROFIT

**GPM improved to 26.9% from 23.5%**

- Rental revisions in dormitory business
- Margin improvements in structural steel projects

## Net Profit (\$'m) and NP Margin (%)



### NET PROFIT ATTRIBUTABLE TO OWNERS (NET PROFIT)

**NPM improved to 15.4% from 13.5%**

- Administrative expenses decreased by 33%
- Other charges increased substantially to \$1.5 million from an inventory write-down

# Key financial indicators



Profitability Ratios	FY2012	FY2013	FY2014	1HFY2014	1HFY2015
EPS (cents)	4.75	4.25	6.23	2.84	<b>2.30</b>
Return On Assets* (%)	12.6	10.7	14.7	6.9	<b>5.5</b>
Return On Equity*(%)	19.0	14.9	18.4	9.3	<b>6.6</b>

Financial Position (S\$m)	As at 31 Jul 2014	As at 31 Jan 2015
Total assets	148.0	<b>147.2</b>
Total liabilities	29.2	<b>26.0</b>
Shareholders' equity	118.7	<b>121.2</b>

NAV	As at 31 Jul 2014	As at 31 Jan 2015
NAV per share (cents)	33.94	<b>34.68</b>

Note:

\* Based on profit net of tax

# Cash flow



S\$'m	1HFY2014	1HFY2015
Net cash (used in) / from operating activities	13.8	<b>12.0</b>
Net cash (used in) / from investing activities	(3.1)	<b>0.7</b>
Net cash (used in) financing activities	(7.7)	<b>(5.4)</b>
Cash and cash equivalents	44.5	<b>65.2</b>



# BUSINESS UPDATES



# Recently secured contracts



Date Announced	Project description / site	Value (\$M)	Main Contractor/End customer
20 Oct 2014	<ul style="list-style-type: none"><li>• Changi Airport T1 and T2 (fixed gangways)</li><li>• Tampines Town Hub</li><li>• Civil defence shelter doors</li></ul>	22	PBT Engineering Pte Ltd.  Hexacon Construction Pte Ltd  Various

## **S\$78 million to be substantially fulfilled between FY2015 and FY2016**

Comprising ongoing key projects and projects in the Group's pipeline

- Tampines Town Hub
- Changi Airport T1 and T2 (Fixed gangway)
- Yishun Community Hospital
- Civil defence shelter doors
- DUO
- Mediapolis @ one-north
- Tanjong Pagar Centre



## OUTLOOK

# Construction Industry Outlook



## 2014: \$37.7 billion

- Record high

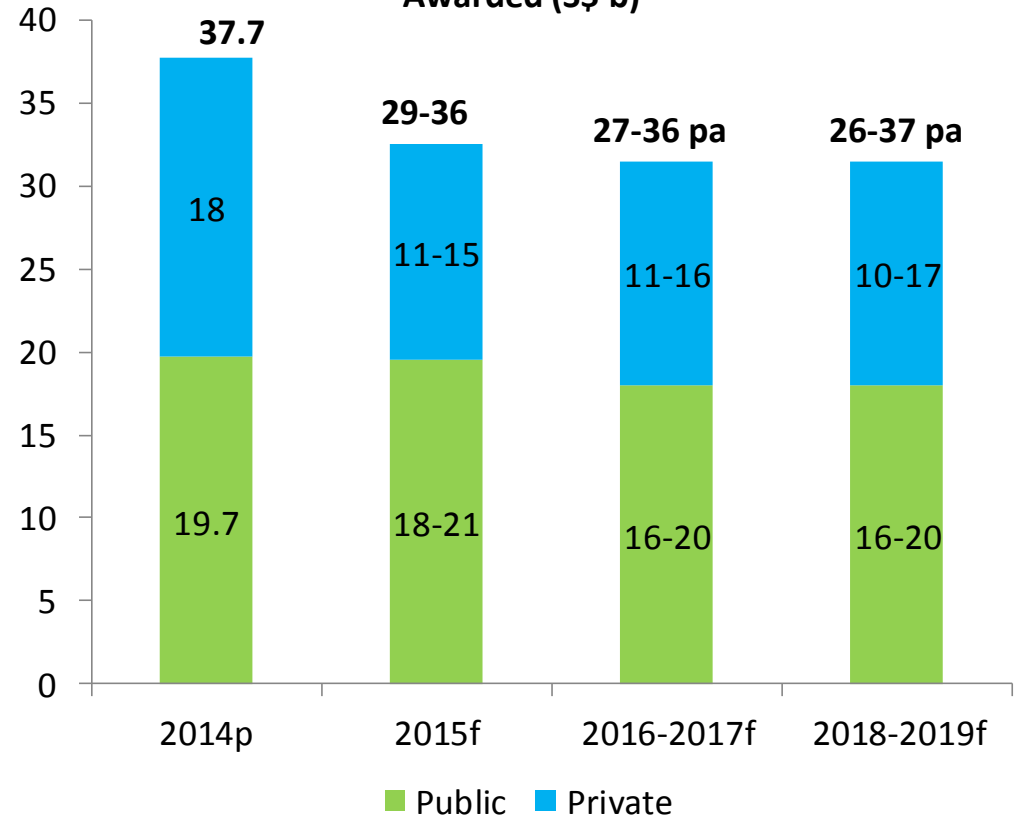
## 2015f: Construction demand sustained between \$29 - \$36 billion

- Stable public construction demand
  - Increase in industrial projects
  - Institutional and civil engineering works
- Private construction demand to moderate
  - Rise in civil engineering projects

## 2016-2019f: Average construction demand sustained between \$26 – \$37 billion

- Infrastructure needed for long-term population needs and maintain Singapore's competitive edge
- 60% from building projects
- 40% from civil engineering projects

Singapore Construction Demand: Value of Contracts Awarded (S\$'b)



*p: preliminary*  
*f: forecast*  
*pa: per annum*

Source: BCA Press Release, "Public sector projects to sustain construction demand in 2015", 8 Jan 2015

# Singapore Budget – Impacting Foreign Labour



The Straits Times  
www.straitstimes.com

Published on Feb 24, 2015

BUDGET 2015

## Foreign worker levy hike deferred for a year

Additional adjustments made for manufacturing, construction firms

By Chia Yan Min

LEVY hikes for firms employing foreign workers have been deferred for 12 months.

The move will give companies more breathing space as they battle a tight labour market and rising wage costs.

The higher levies for S Pass and work permit holders in all sectors were to kick in from July this year but will now be deferred until July next year, with additional adjustments for manufacturing and construction firms.

## Straits Times – 24 February 2015

*Deferring levy hikes for one year – Levy hikes for firms employing foreign workers have been deferred for 12 months.*

*The higher levies for S Pass and work permit holders in all sectors were to kick in from July this year but will now be deferred until July next year, with additional adjustments for manufacturing and construction firms.*

THE BUSINESS TIMES



BUDGET 2015

## Budget 'helps construction sector, but challenges remain'

By Mindy Tan tanmindy@sph.com.sg @MindyTanBT

25 Feb 5:50 AM

Singapore

THE parts of Budget 2015 relevant to the construction sector bode well for it in the long term, as they herald a continued focus on infrastructure development and a raising of skills sets, say industry observers and players.

They add, however, that the going will still be rough, particularly for companies still hoping to regain a footing from the impact of the national drive to restructure the economy.

## Business Times – 25 February 2015

*Innovate and improve productivity – The commentators were reacting to the government's continued plan to promote higher level job skills by simultaneously increasing the levy for basic skilled (or R2) workers, and reducing the man-year entitlement waiver levy for higher skilled (R1) workers.*

# Growth Opportunities in Singapore



*The demand from the construction sector is likely to remain healthy with Singapore's population growth and the infrastructure development to support the growth*

**Mega Projects by the Government**

**Increasing Demand for Infrastructure development**

**Population Growth in Singapore**

# Some potential projects in Singapore



## ***Potential Projects***

- Phase 3 Expansion OF Singapore LNG / Fourth LNG Storage Tank
- Second LNG Terminal in Singapore
- Aurora EOS for Exxonmobil Chemical Asia Pacific at Jurong Island
- West Jurong Island 400kV Substation
- Petronas' Refinery and Petrochemical Integrated Development (**RAPID**) in Pengerang, Malaysia
- National Centre for Infectious Diseases (NCID) at Tan Tock Seng Hospital
- Changi Airport Terminal 5
- Expansion of KPE/TPE Interchange
- MRT Thomson Line
- MRT Thomson-East Coast Line and Changi Depot
- MRT Cross Island Line

- MRT Jurong Region Line
- MRT Eastern Region Line
- Singapore-KL High Speed Rail
- Singapore Power Transmission Cable Tunnel Project
- Port/Berth Facilities
- Utilities Projects
- Recreational facilities development
- Robinson Tower
- Singapore North Coast Micron FABIO Extension

## ***Projects in the Pipeline***

- New Incineration Plant
- Phase 3 Expansion of Jurong Water Reclamation Plant

# Growth strategy amid a competitive landscape



## Growth Drivers



**Malaysia – Structural Steel  
Opportunity**



**Singapore – Structural Steel and  
Dormitory (Opportunistic)**



**Stay Competitive:  
Productivity and Cost  
Management**





**THANK YOU**  
**Q&As**