

Boustead Singapore Limited / Boustead Projects Limited

Joint FY2017 Financial Results Presentation

23 MAY 2017



ENGINEERING THE WORLD OF THE FUTURE

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Presentation Agenda

- Overview
- Boustead Projects Financial Review
- Boustead Group Financial Review
- Division Performance Review
- Questions & Answers





Overview

Introducing Boustead

Engineering the world of the future

OVERVIEW

- Established in 1828, Boustead Singapore is a progressive global infrastructure-related engineering services and geo-spatial technology group
- Singapore's oldest continuous business

Geo-Spatial
Technology



Energy-Related
Engineering



Real Estate
Solutions
(Boustead
Projects)



Our Global Network

OVERVIEW



Our Global Footprint

OVERVIEW



Forbes
Asia

**Best Under
A
Billion**

SINGAPORE
INTERNATIONAL

100



Our Global Footprint

ASIA & OCEANIA

East Asia

China*
Japan
Macau
South Korea*
Taiwan

South East Asia

Brunei
Indonesia*
Malaysia*
Myanmar
Philippines
Singapore*
Thailand*
Timor-Leste
Vietnam*

South Asia

Bangladesh
India*
Maldives
Pakistan
Sri Lanka

South West Asia

Bahrain
Cyprus
Iraq
Jordan
Kuwait
Oman
Qatar
Saudi Arabia*
Turkey*
UAE*

Central Asia

Azerbaijan
Kazakhstan
Turkmenistan

Australia & Oceania

Australia*
New Caledonia
New Zealand
Papua New Guinea

EUROPE

Eastern Europe

Hungary
Poland
Russia
Slovakia
Ukraine

Northern Europe

England*
Finland
Ireland
Isle of Man
Lithuania
Norway
Scotland
Wales

Southern Europe

Greece
Italy*
Spain*

Western Europe

Austria
Belgium
Germany
Netherlands
Switzerland

AFRICA

East Africa

Tanzania

North Africa

Algeria
Egypt
Libya
Tunisia

Middle Africa

Angola
Equatorial Guinea

West Africa

Cote d'Ivoire
Ghana
Nigeria

THE AMERICAS

North America

Canada*
USA*

Latin America & Caribbean

Argentina*
Bolivia
Brazil*
Chile
Dominican Republic
Mexico
Netherlands Antilles
Peru
Venezuela*

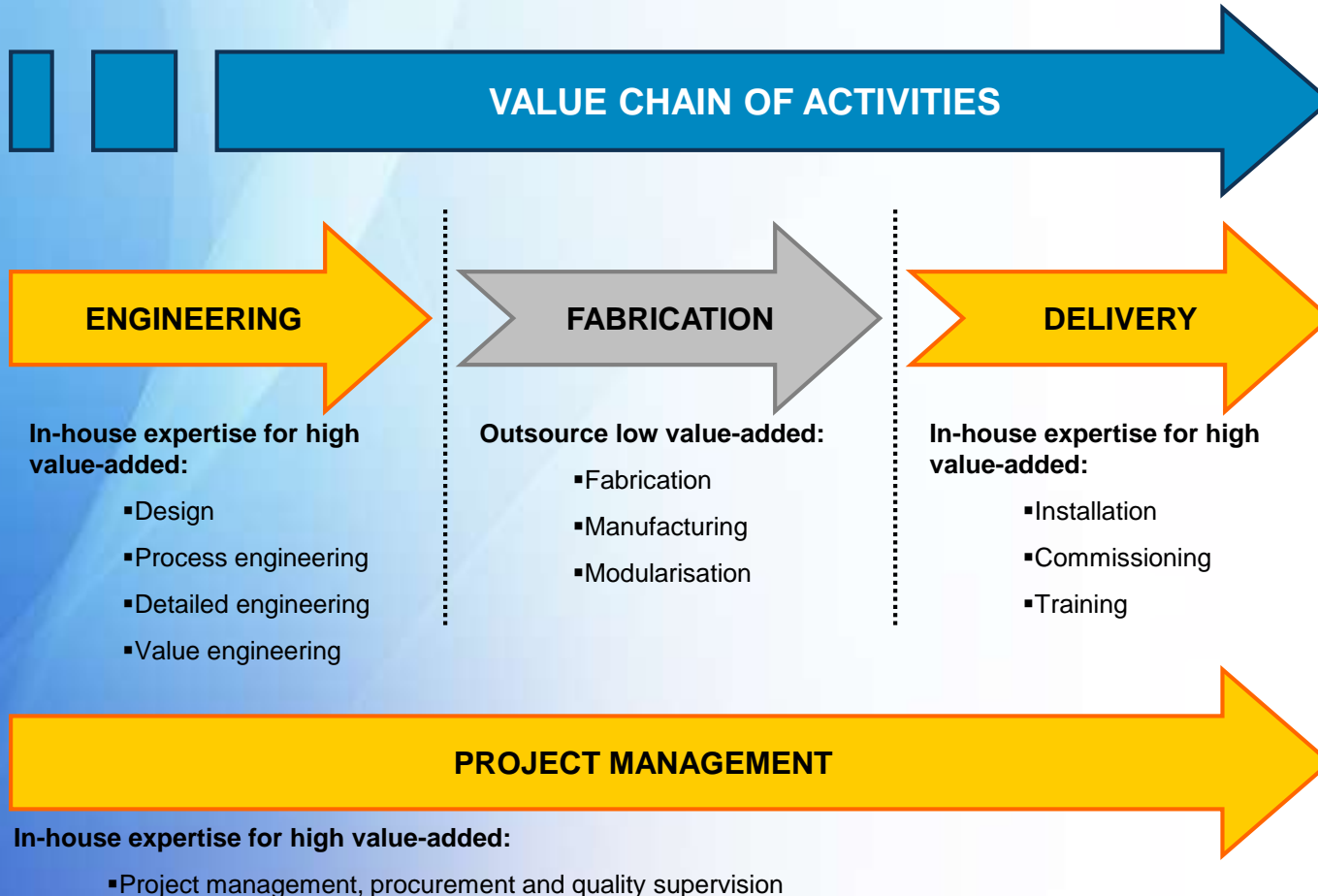


*Regional/local offices

Group Business Model

OVERVIEW

- Undertaking only high value-added activities across value chain





BP Group Financial Review

Boustead Projects Limited (BP)



BP Group Financial Results

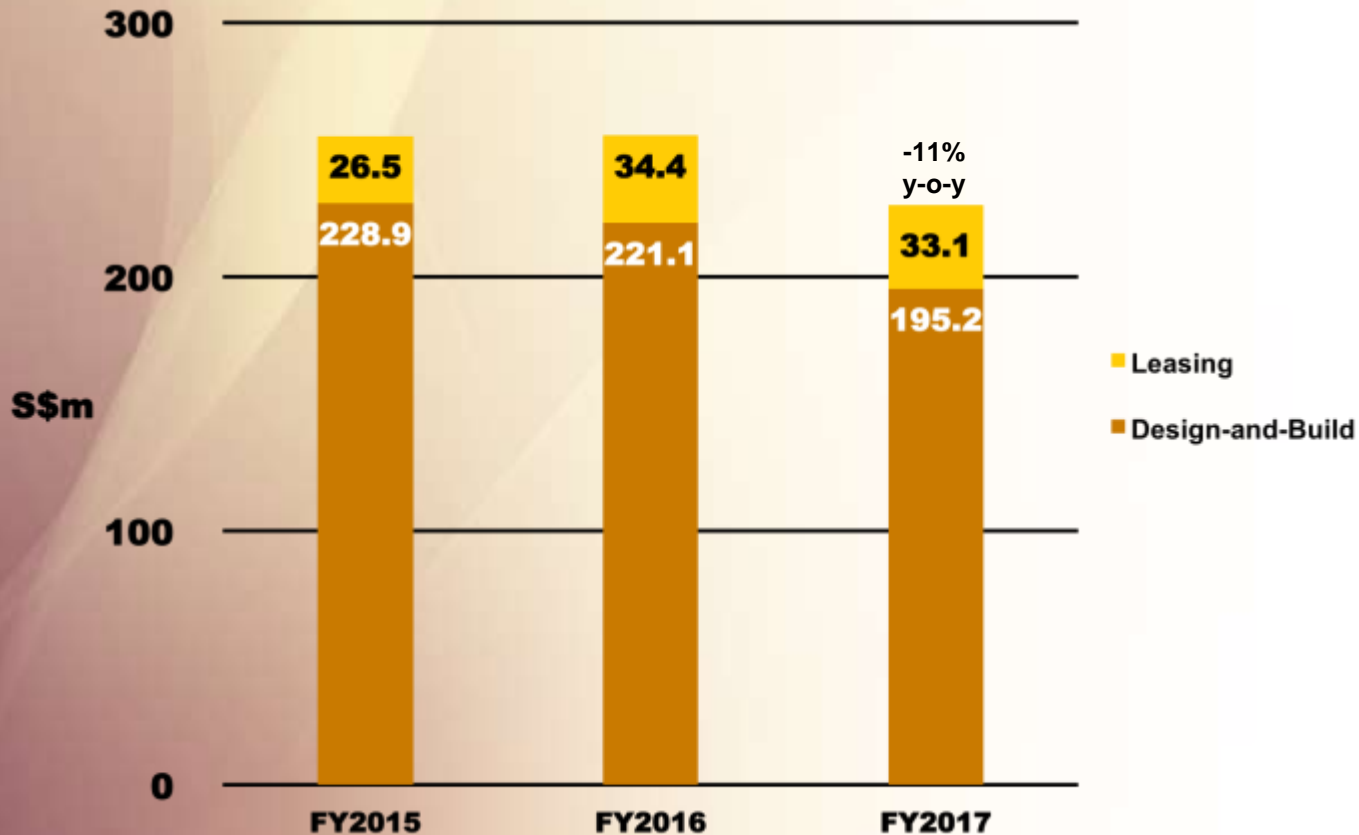
	FY2017	FY2016	Chg (%)
Revenue	S\$228.3m	S\$255.5m	-11
Gross profit	S\$58.5m	S\$59.0m	-1
<i>Gross margin</i>	26%	23%	
Profit before income tax ("PBT")	S\$44.9m	S\$29.7m	+51
<i>PBT margin</i>	20%	12%	
Total profit	S\$36.2m	S\$22.9m	+59
Adjusted total profit*	S\$24.8m	S\$23.0m	+8
Earnings per share	11.3cts	7.1cts	+59
Net asset value per share	71.7cts	60.6cts	+18

* Adjusted for other gains and losses after income tax for comparative review



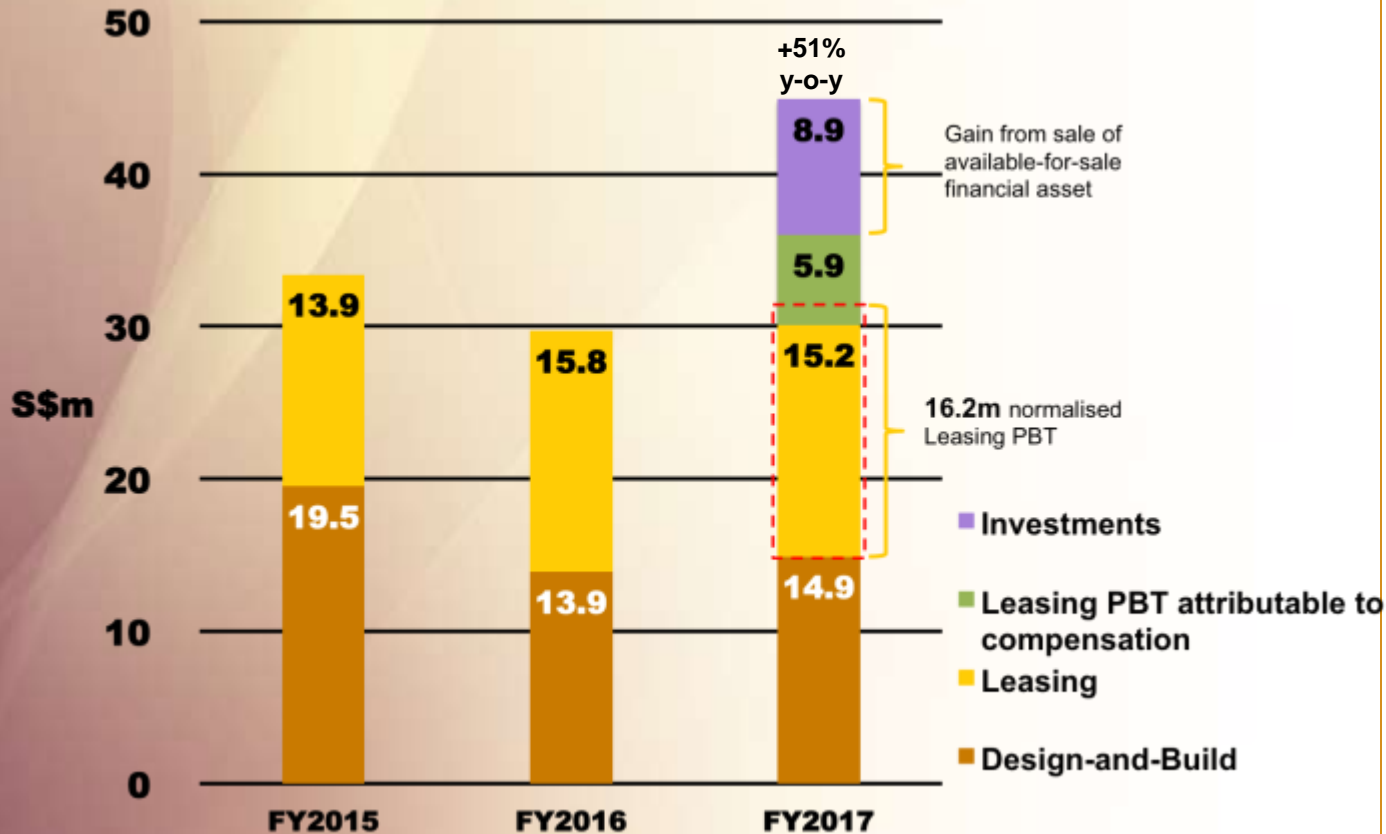
BP Group Revenue

- Both design-and-build and leasing businesses contributed lower revenue



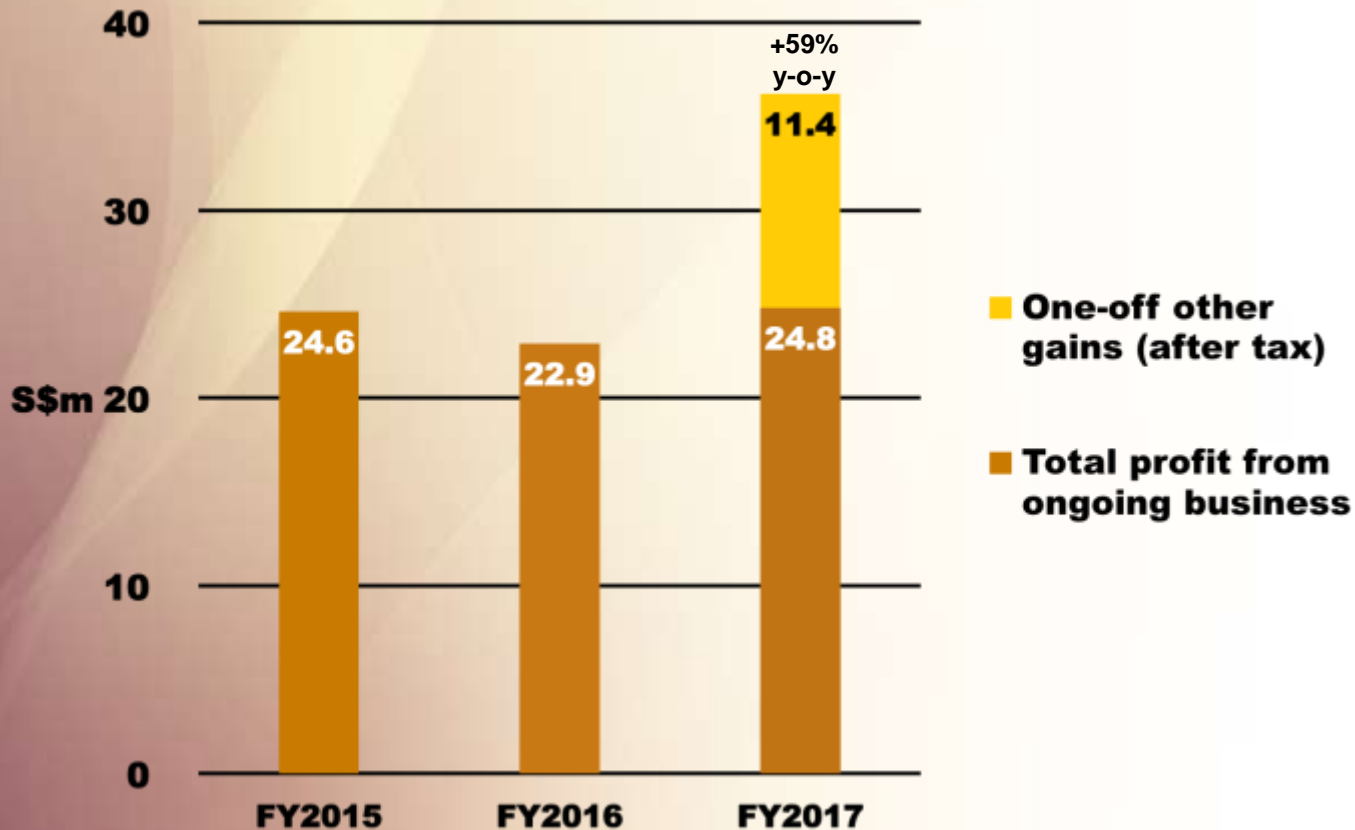
BP Group PBT

- Boostered by better design-and-build performance and other gains



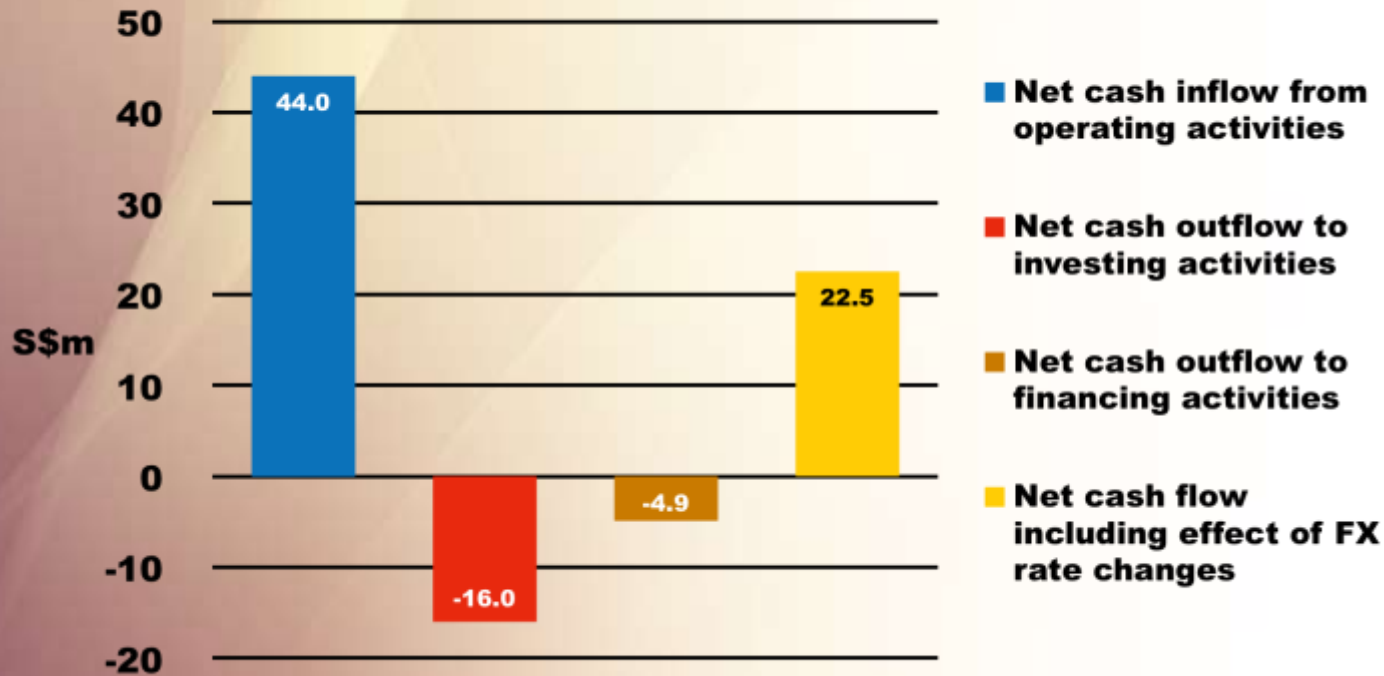
BP Group Total Profit

- Boosted by other gains



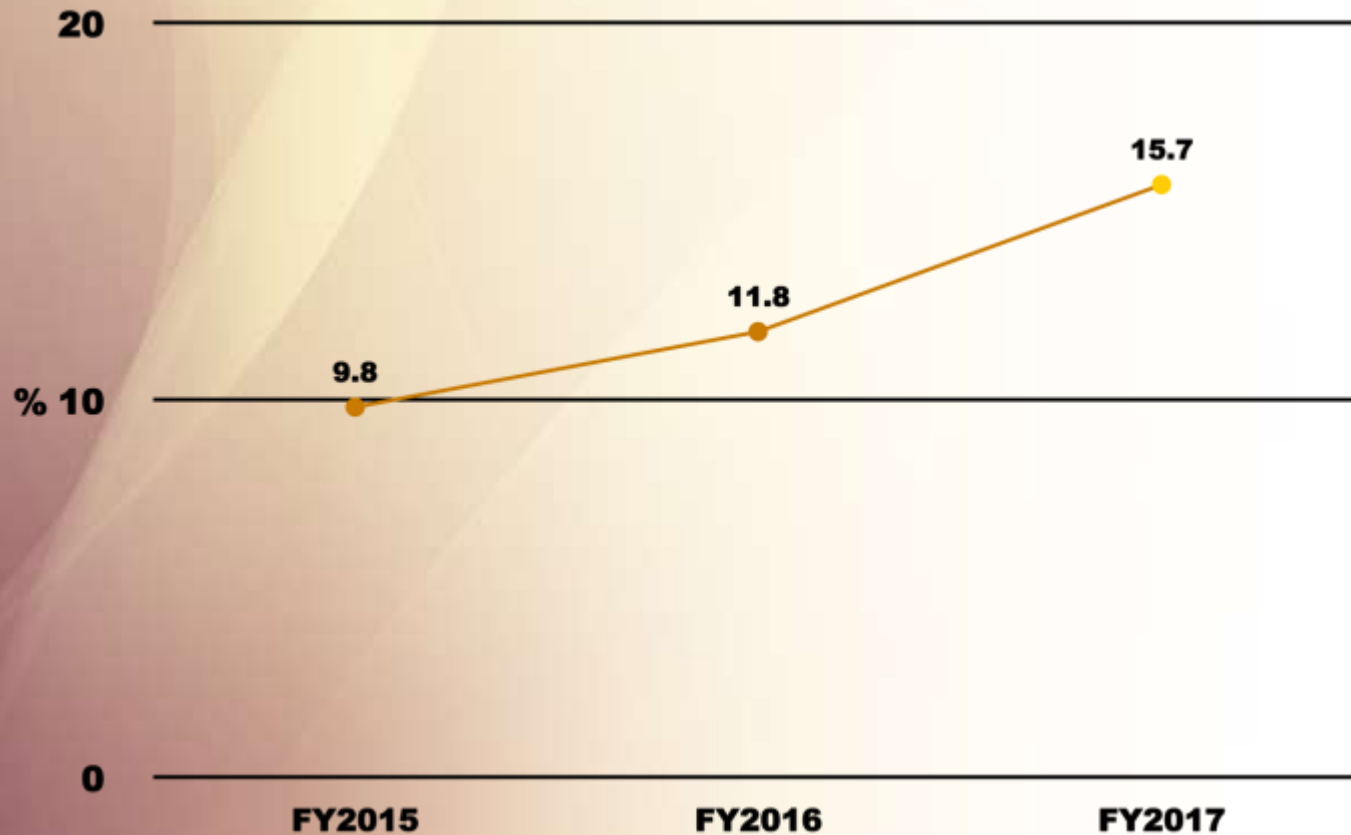
BP Group Cash Flow

- Continued strong operating cash inflows partially offset by investing and financing cash outflows



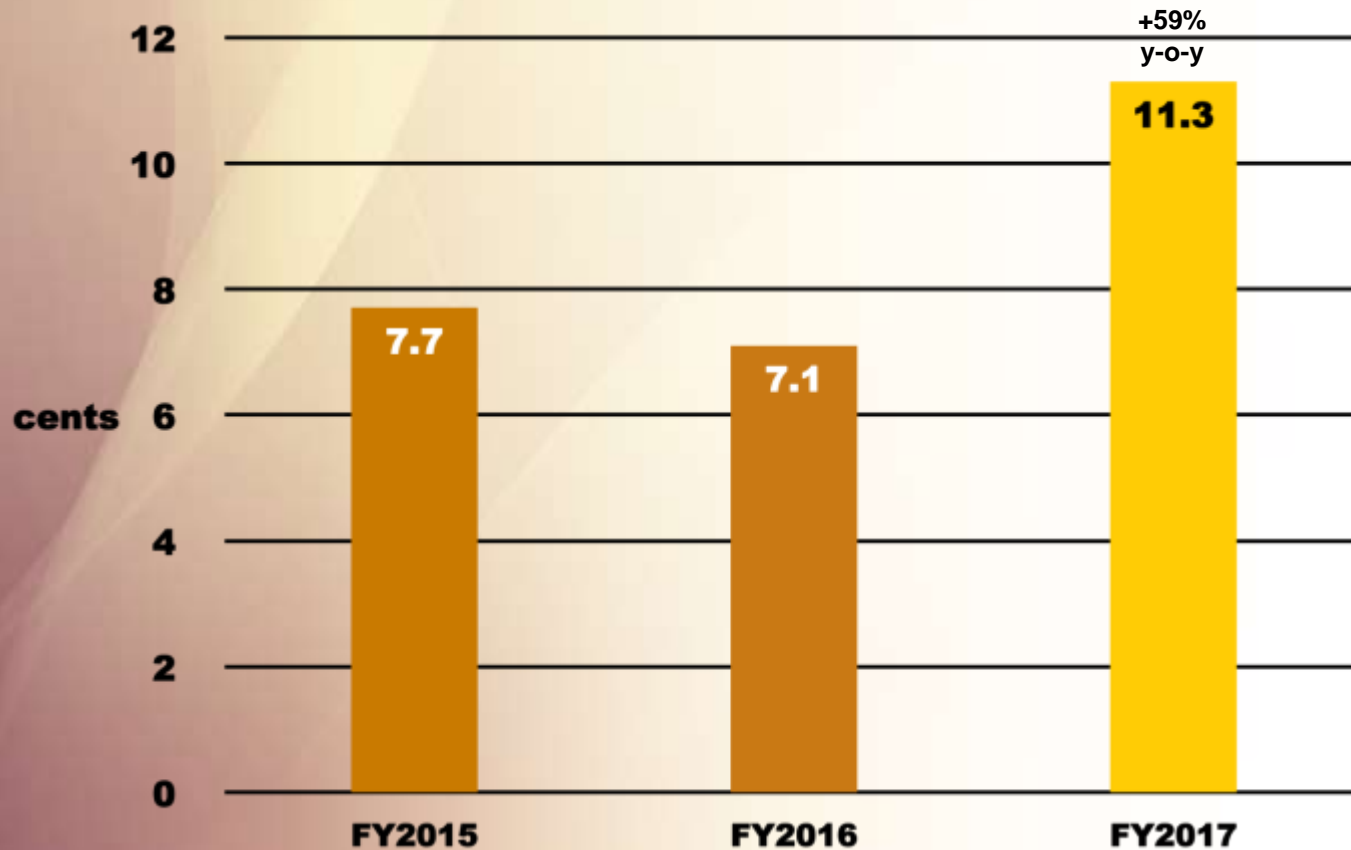
BP Group Return on Shareholders' Equity

- Higher ROE achieved due to better net profit



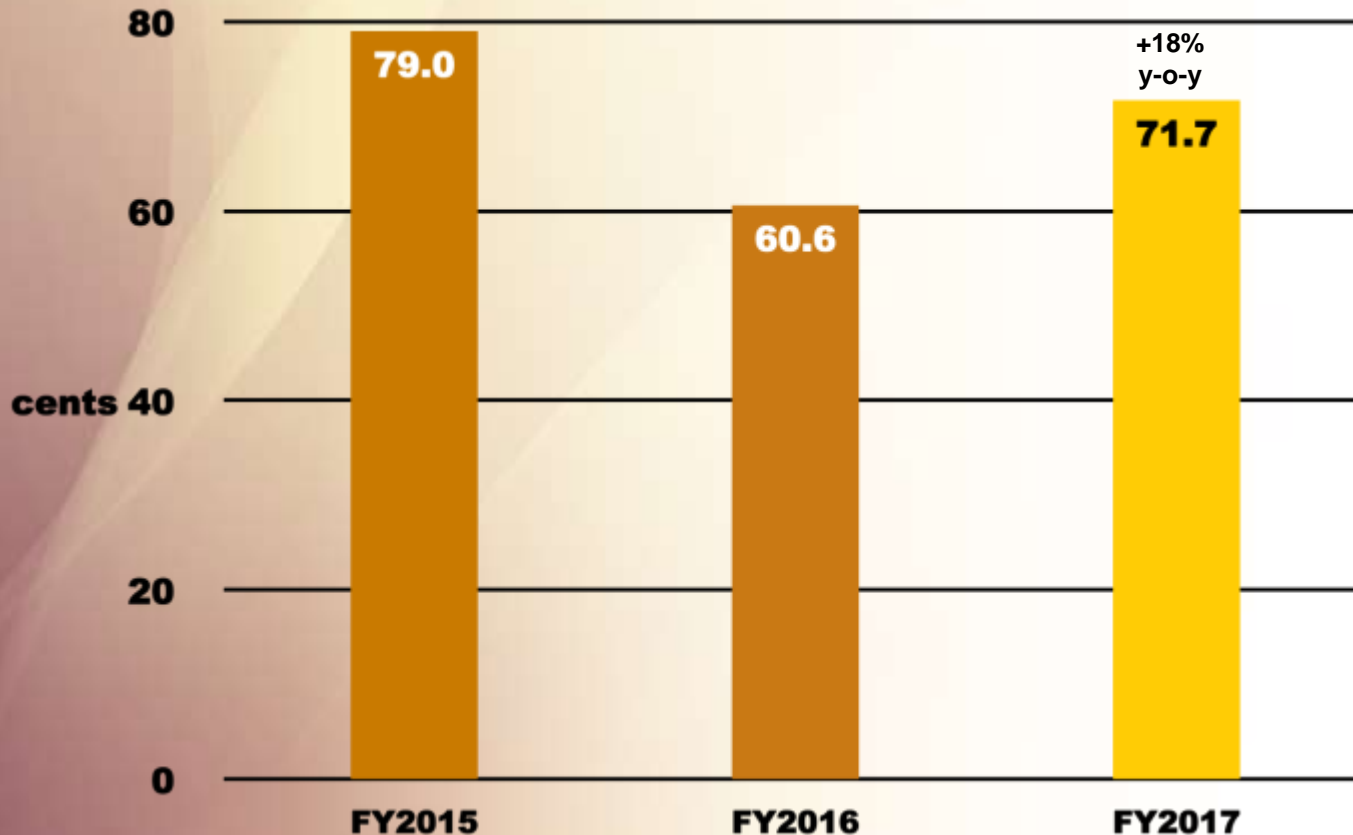
BP Group Earnings per Share

- Tracking net profit



BP Group Net Asset Value per Share

- Rebuilding NAV per share following step-down effect of S\$80m demerger dividend paid by BP to Boustead Singapore in FY2016



BP Group Proposed Maiden Dividend Since Listing

	FY2017	FY2016
Ordinary dividend	1.5cts	-
Special dividend	1.0ct	-
Total dividend	2.5cts	-





Group Financial Review

Group Financial Results

	FY2017	FY2016	Chg (%)
Revenue	S\$433.8m	S\$486.7m	-11
Gross profit	S\$143.6m	S\$150.6m	-5
<i>Gross margin</i>	33%	31%	
PBT	S\$67.7m	S\$56.5m	+20
<i>PBT margin</i>	16%	12%	
Profit attributable to equity holders of the Company (“net profit”)	S\$33.3m	S\$28.2m	+18
Adjusted net profit*	S\$25.0m	S\$27.6m	-9
Earnings per share	6.4cts	5.4cts	+19
Net asset value per share	61.7cts	58.3cts	+6

*Adjusted for other gains and losses net of non-controlling interests for comparative review



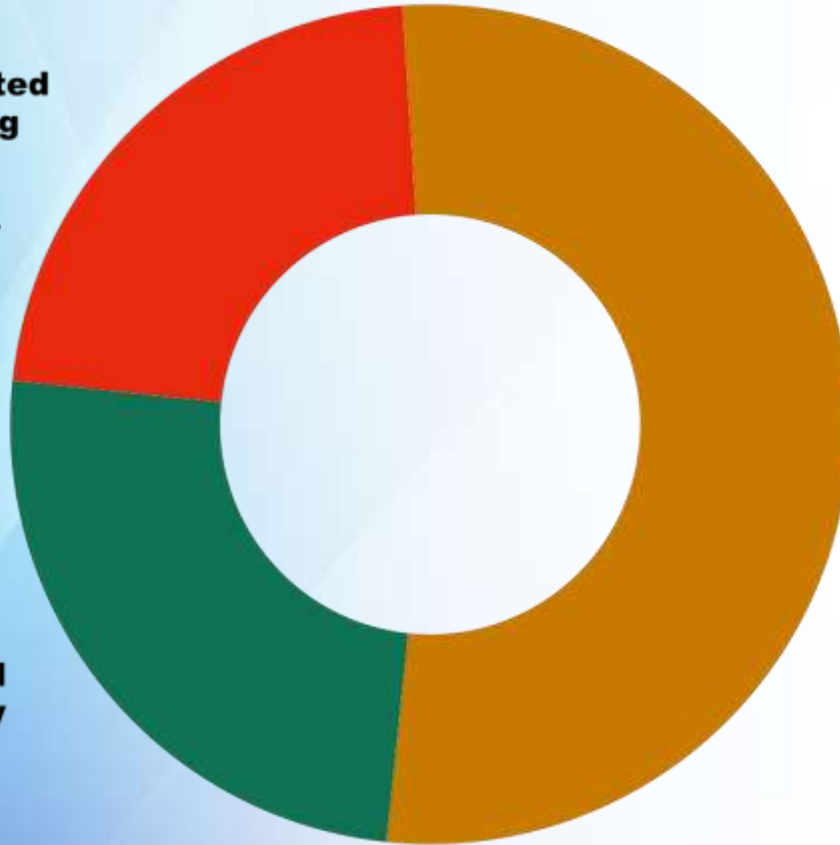
Group Revenue Mix by Division

**Energy-Related
Engineering**
22%

FY'16: 26%

**Geo-Spatial
Technology**
25%

FY'16: 21%



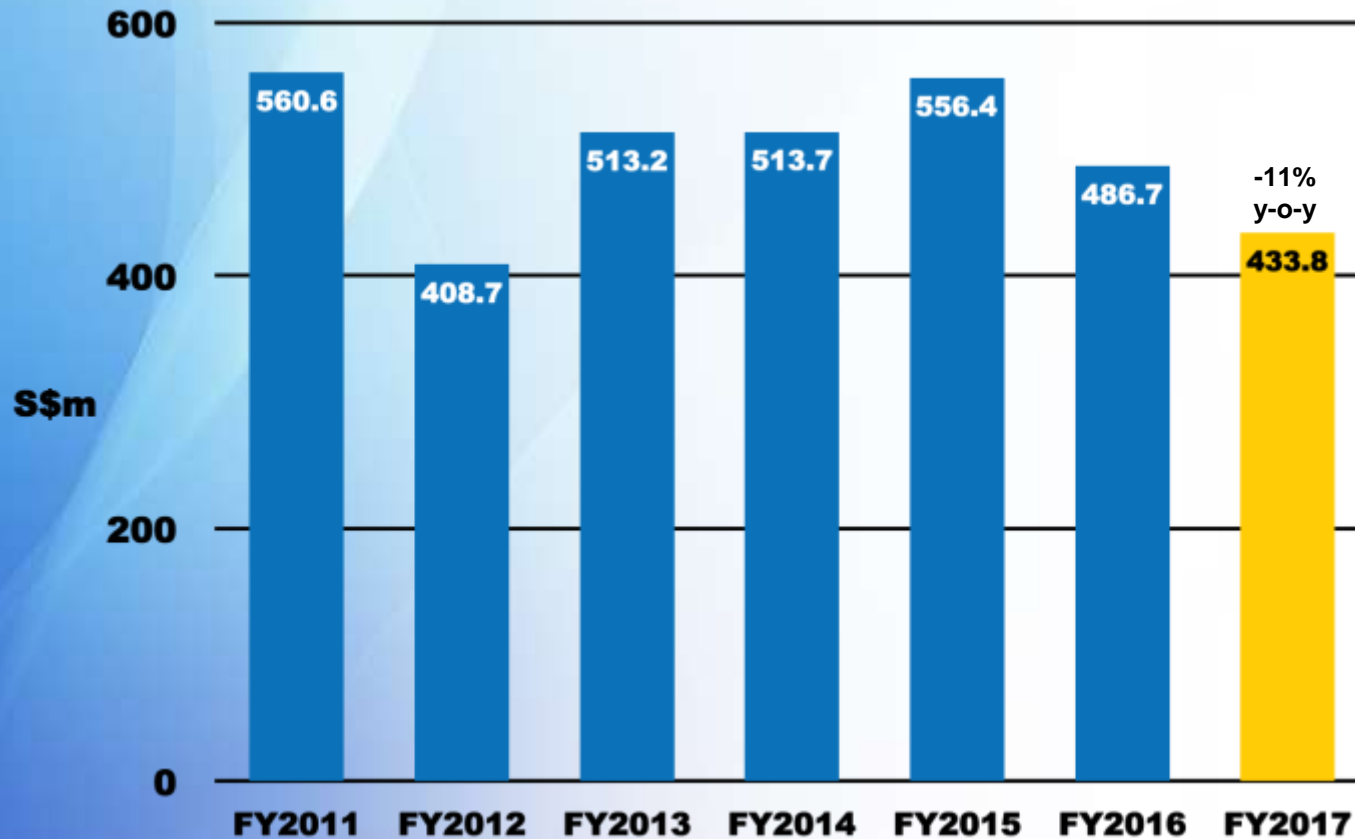
**Real Estate
Solutions**
53%

FY'16: 53%



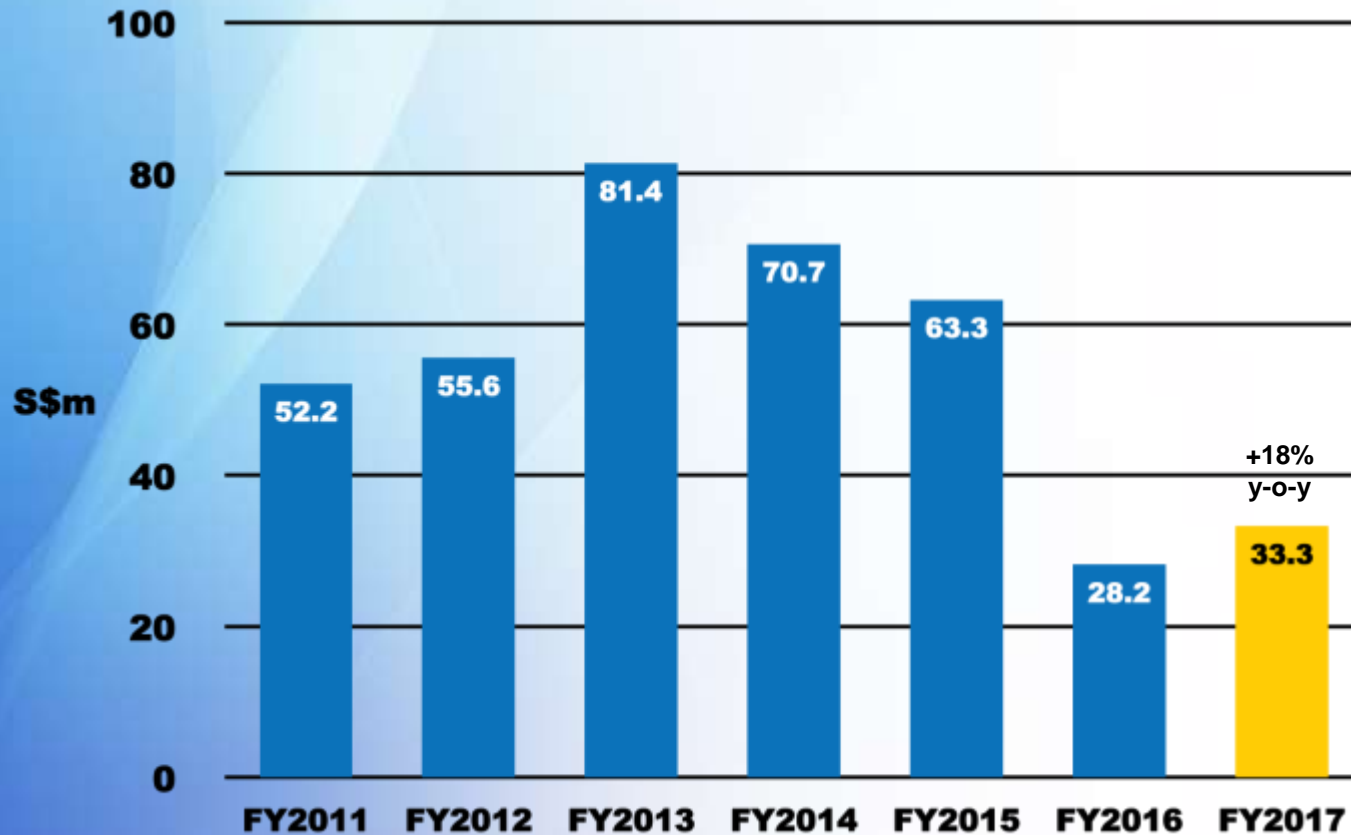
Group Revenue

- Impacted by depressed global oil & gas market and challenging Singapore industrial real estate market



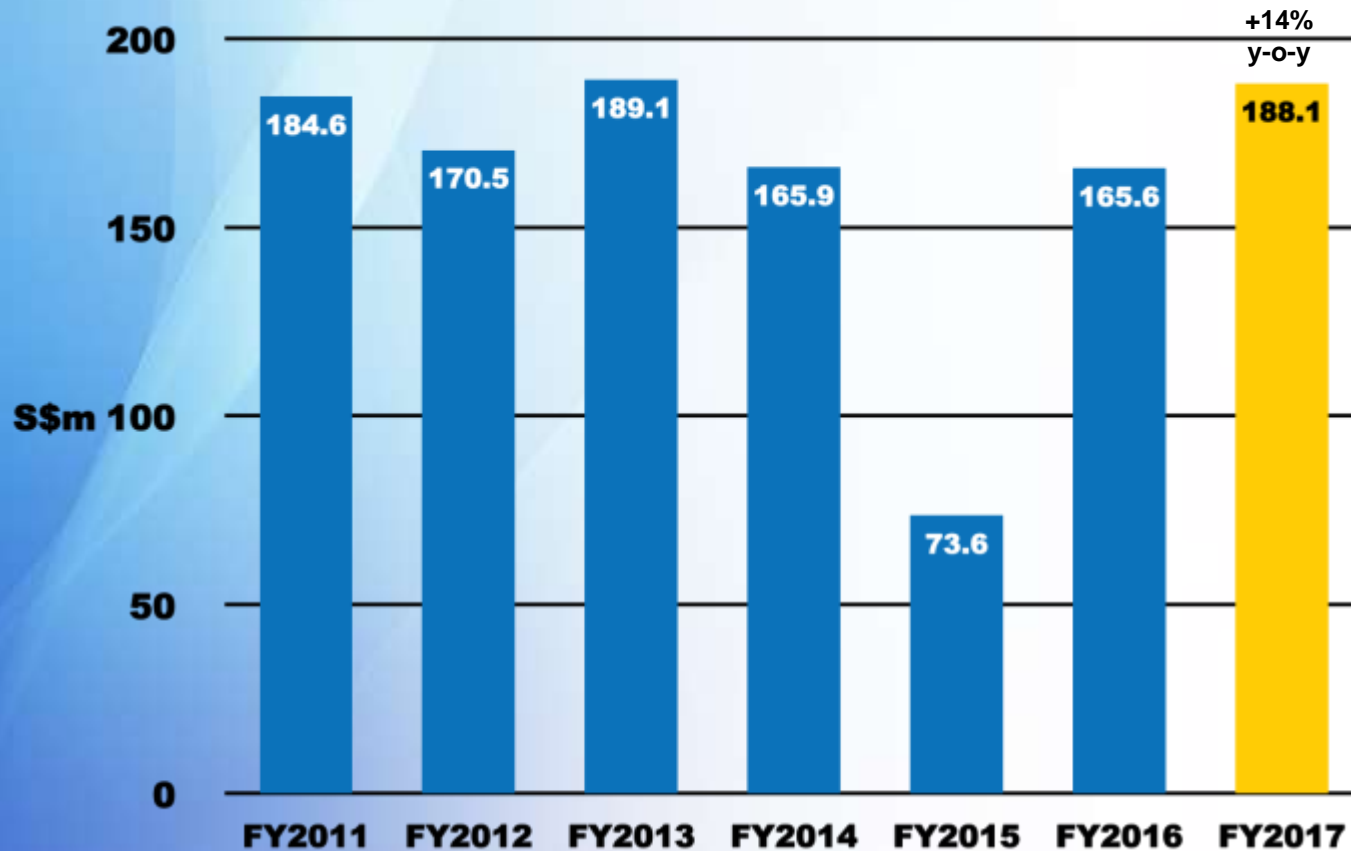
Group Net Profit

- All divisions profitable despite challenges
- Boosted by one-off gains at BP



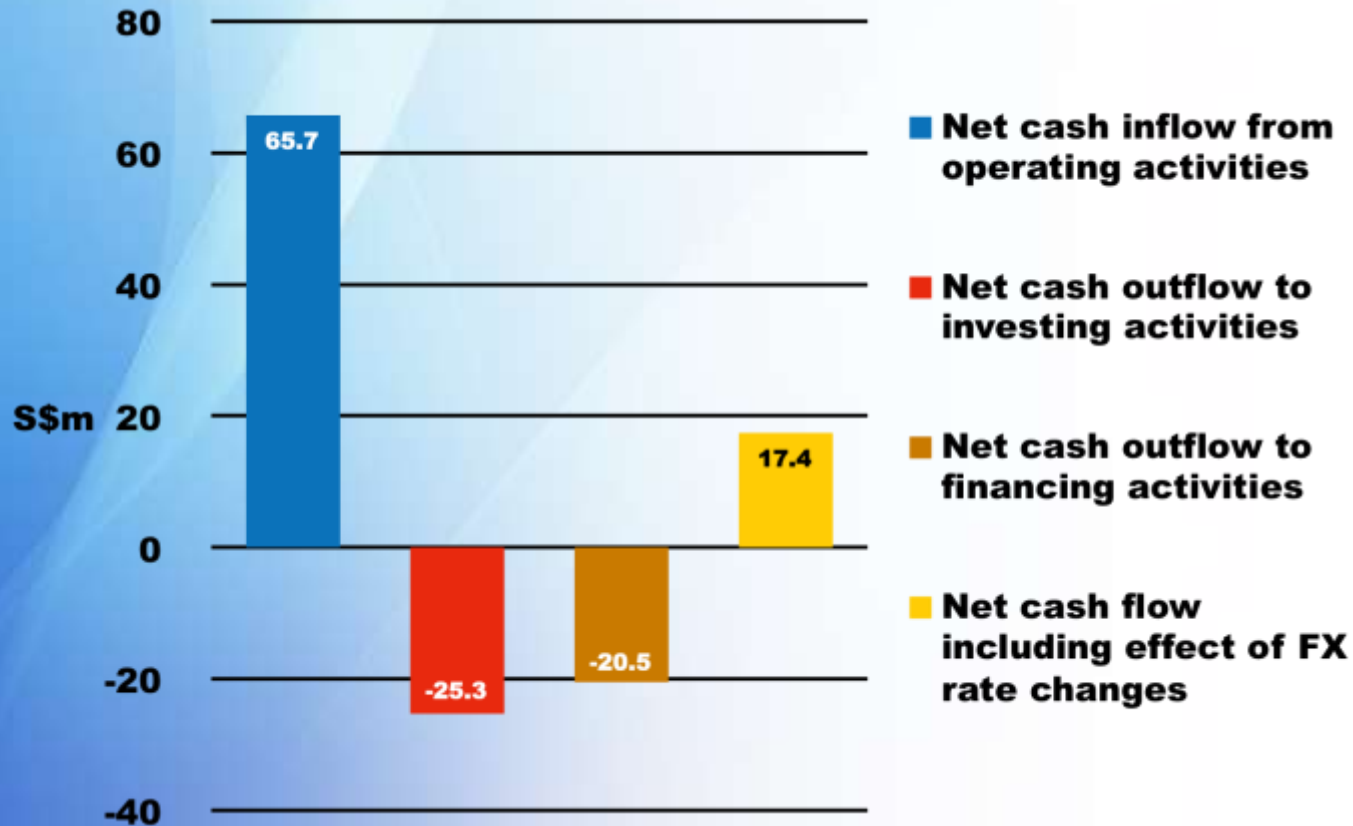
Group Net Cash Position

- Healthy net cash position



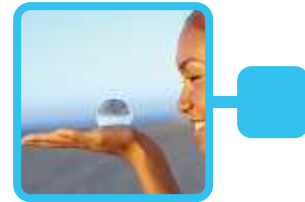
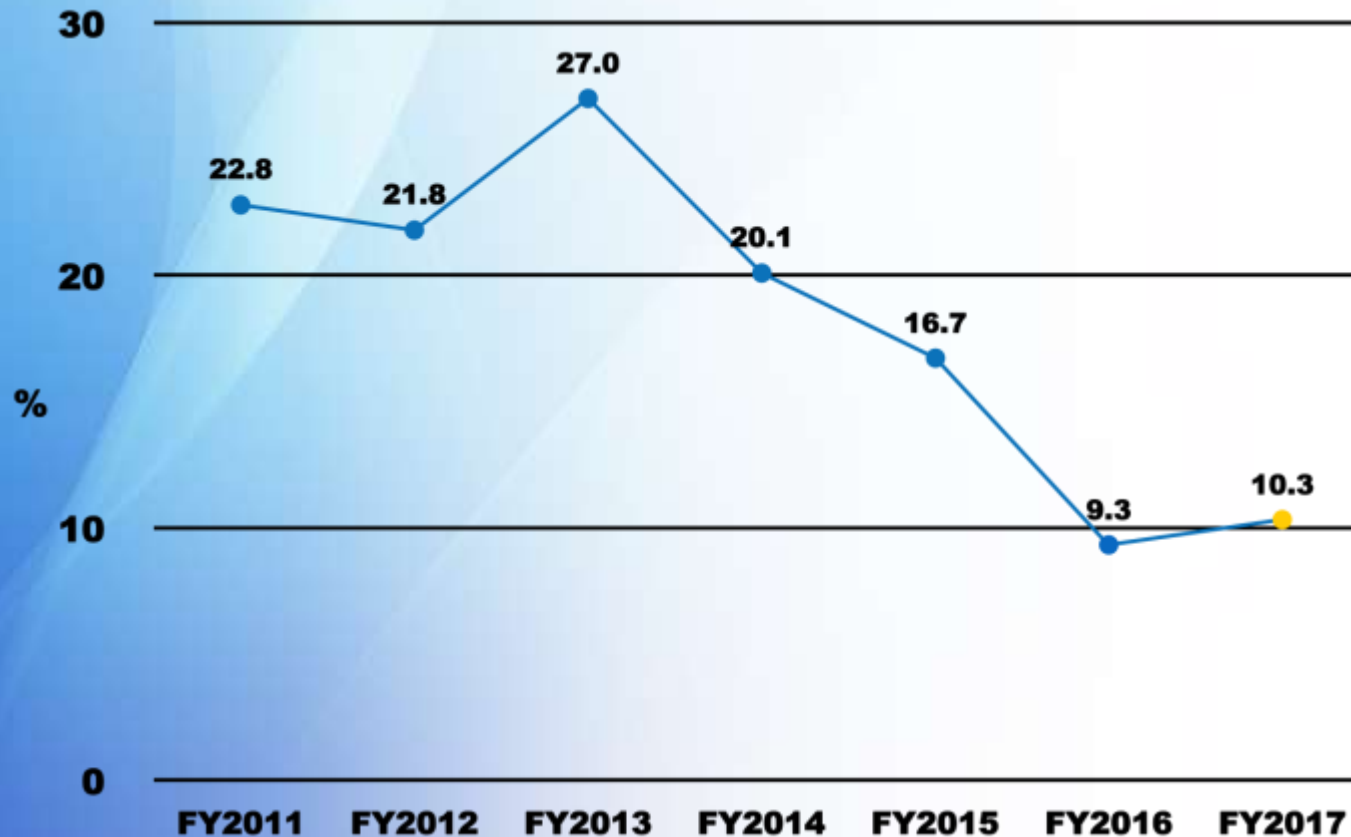
Group Cash Flow

- Continued strong operating cash inflows partially offset by investing and financing cash outflows



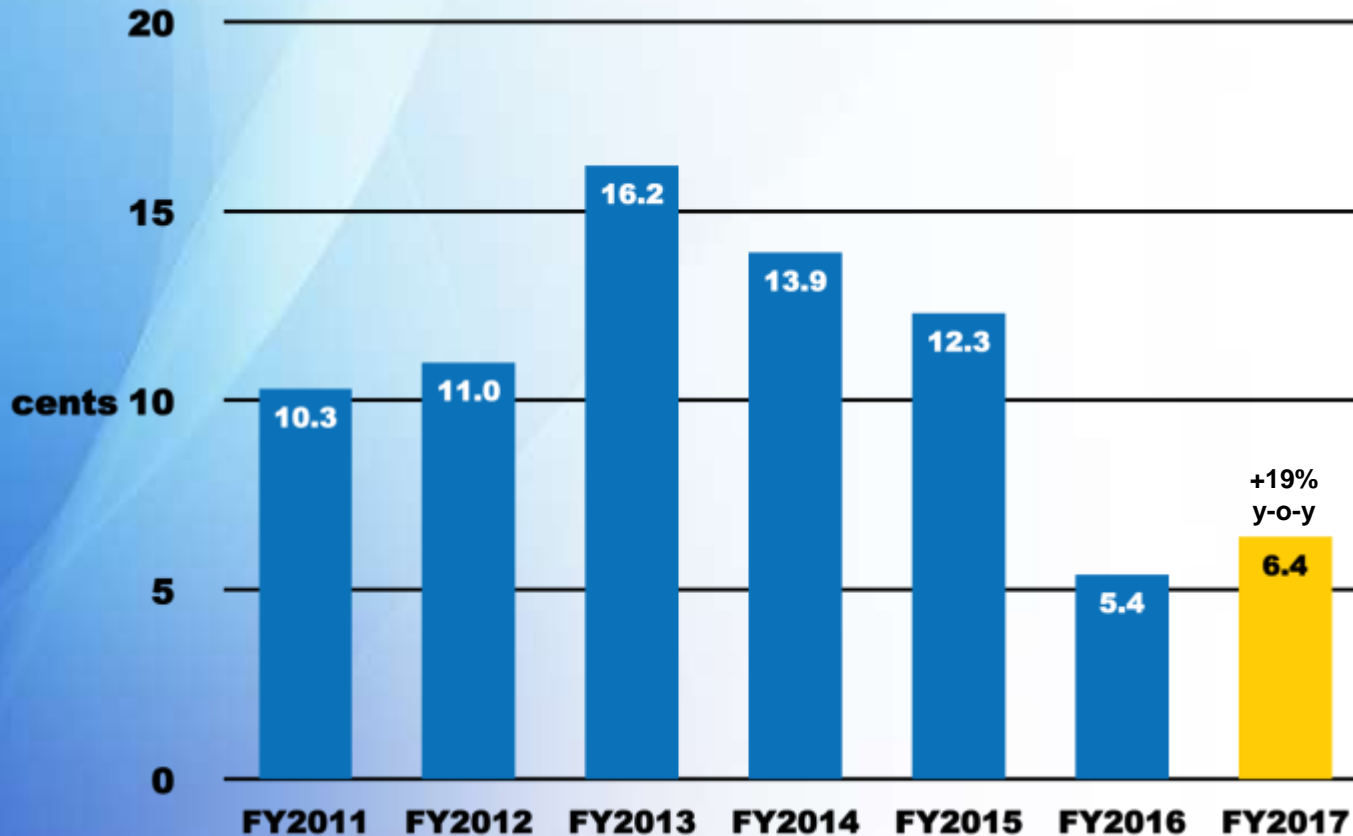
Return on Shareholders' Equity

- Higher ROE achieved due to better net profit



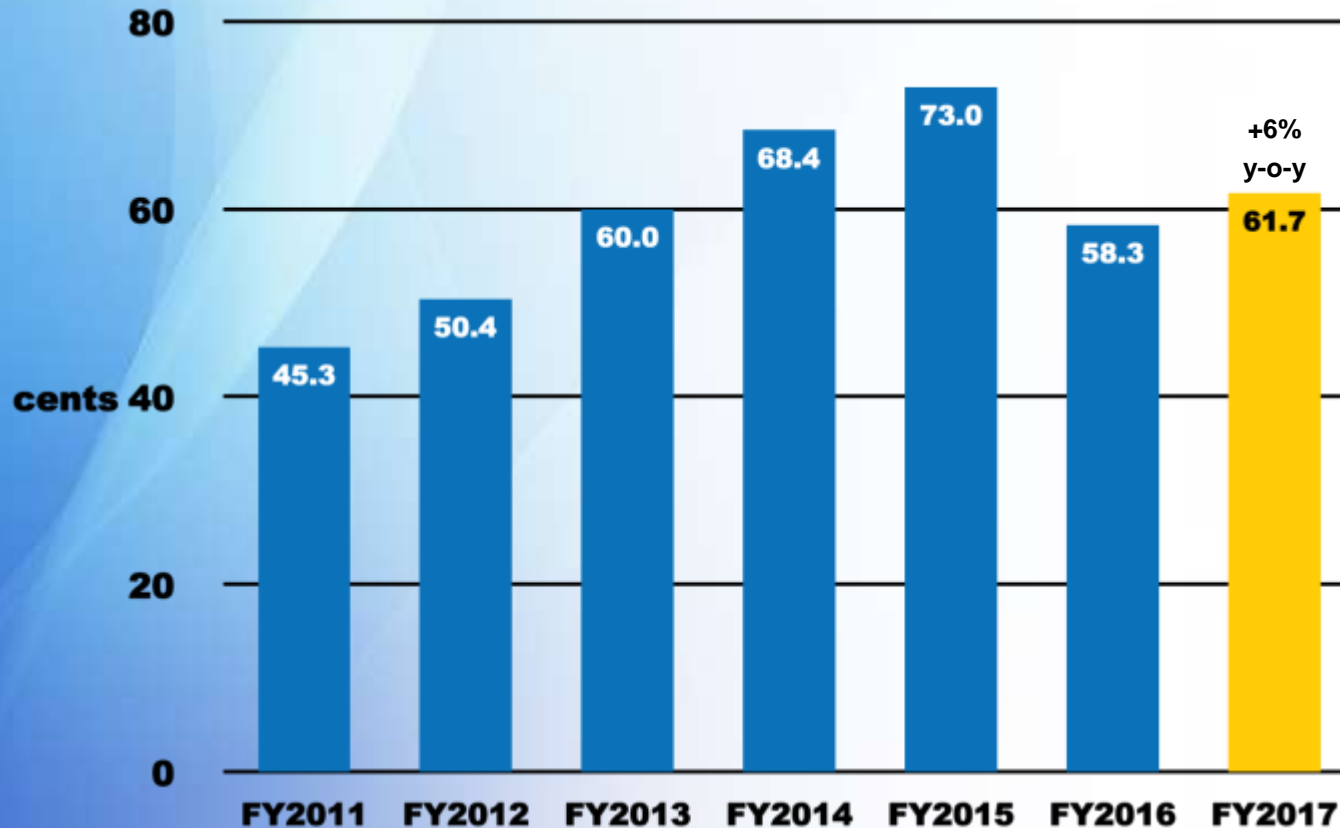
Earnings per Share

- Tracking net profit



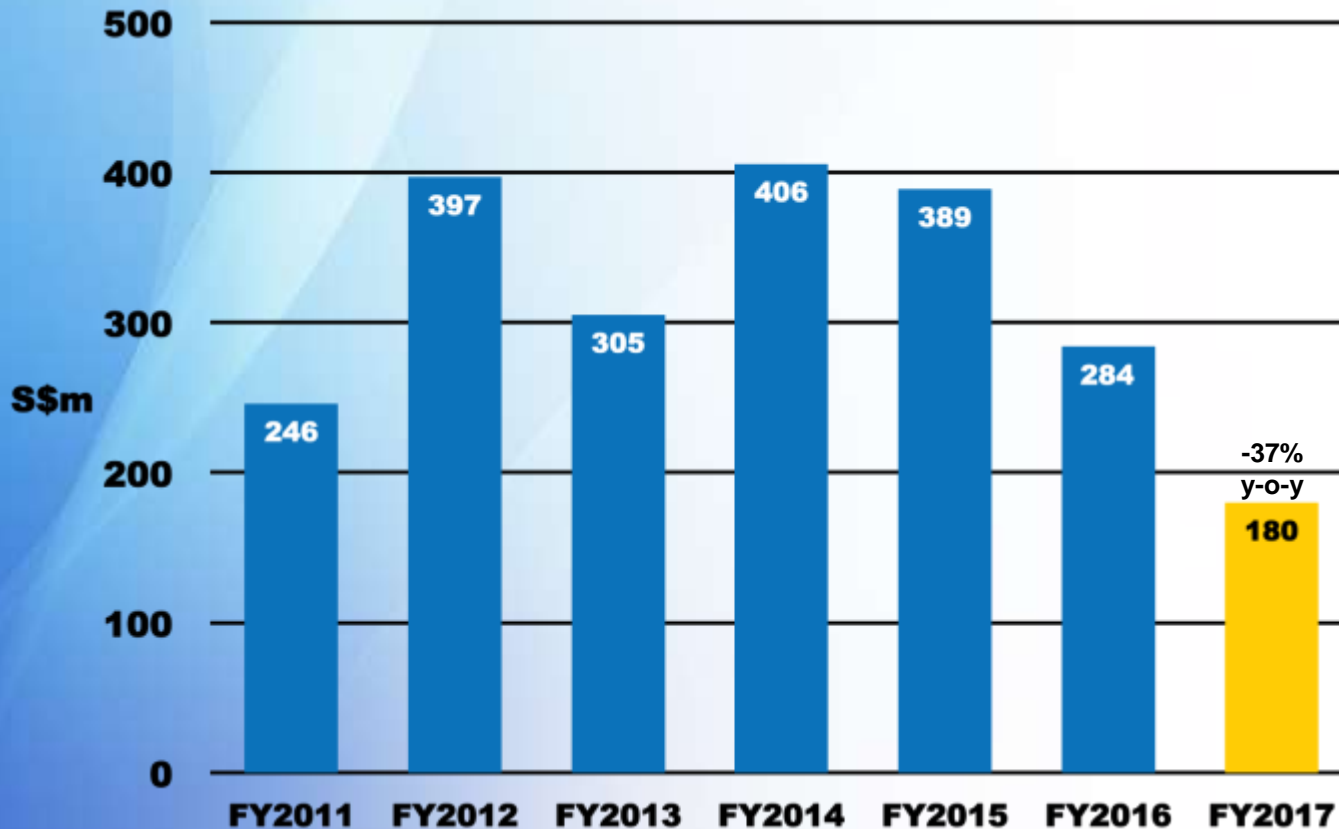
Net Asset Value per Share

- Rebuilding NAV per share following step-down effect of demerger of BP in FY2016



Group Orders Secured

- Lower orders due to challenging macro economic and industry-specific environments



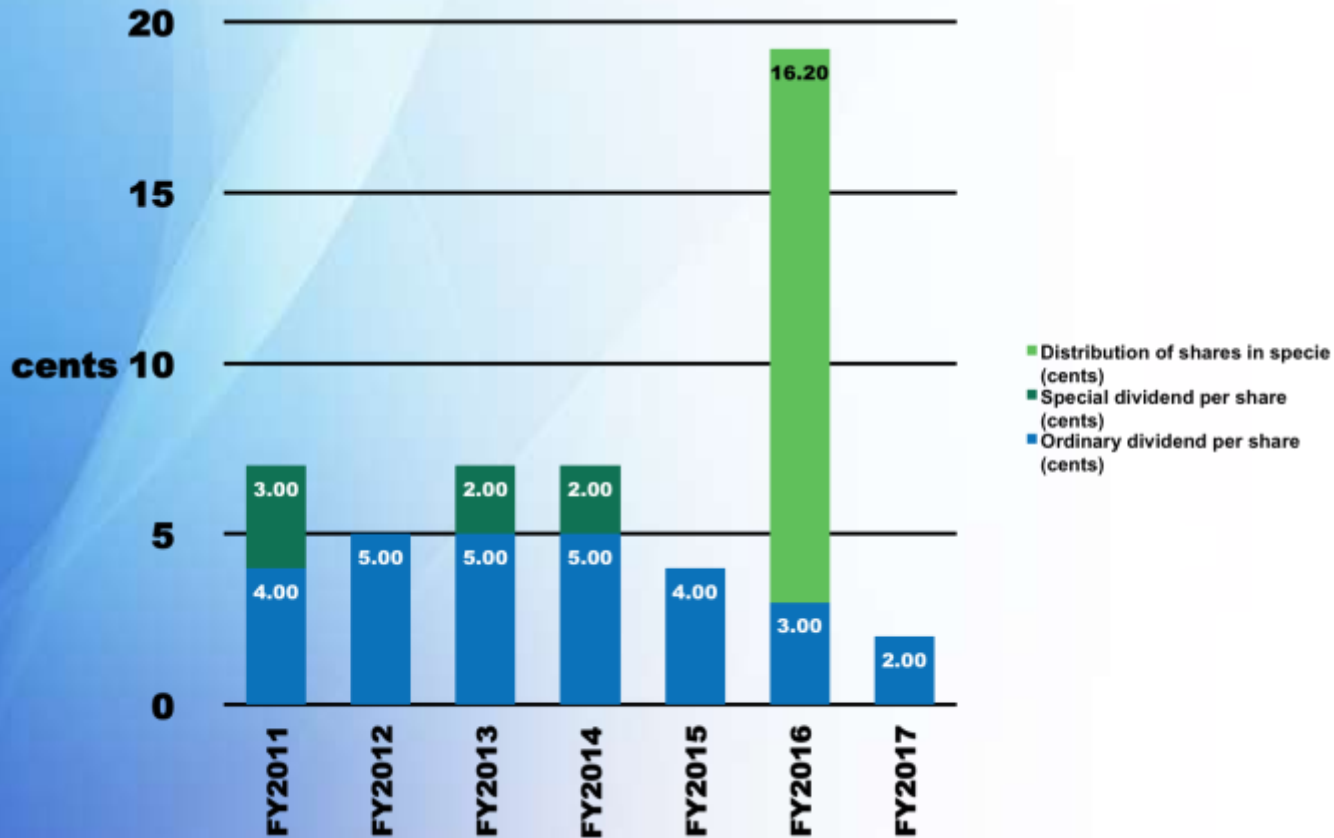
Group Dividend

	FY2017	FY2016
Interim dividend (paid)	0.5ct	1.0ct
Final dividend (proposed)	1.5cts	2.0cts
Total ordinary dividend	2.0cts	3.0cts
Dividend <i>in specie</i> of Boustead Projects' shares (distributed)	-	16.2cts
Total dividend	2.0cts	19.2cts



Group Dividend

- Payout ratio of 31%





Division Performance Review

Energy-Related Engineering

Energy-Related Engineering

Division Revenue, PBT & Orders Secured

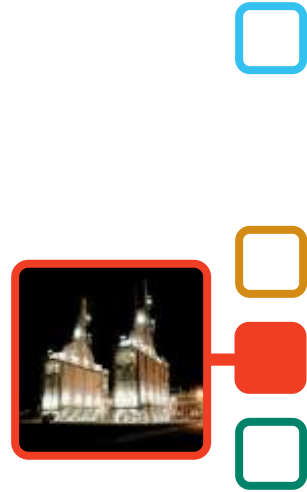
	FY2017 (S\$)	FY2016 (S\$)	Chg (%)
Revenue	96.5m	128.0m	-25
PBT	4.2m	9.1m	-54
Orders secured	40m	95m	-58

- Continued decline in revenue and profit
 - Adversely impacted by third year of recession in global oil & gas industries
 - Oil & gas businesses still profitable after excluding foreign exchange gains
 - Oil & gas businesses restructured internally and with supply chain to address difficult operating environment



Energy-Related Engineering Prospects

- Focusing on cost management
 - Current order book backlog: S\$79m
 - Oil & gas outlook
 - Uncertainty in global crude and natural gas prices
 - Historically high global crude inventories
 - Potential M&A opportunities





Division Performance Review

Real Estate Solutions



Real Estate Solutions

Division Revenue, PBT & Orders Secured

DIVISION FINANCIAL REVIEW

	FY2017 (S\$)	FY2016 (S\$)	Chg (%)
Revenue	228.3m	255.5m	-11
PBT	44.9m	29.7m	+51
Orders secured	140m	189m	-26

- Revenue decrease
 - Challenging industrial real estate landscape
- PBT increase
 - Better design-and-build performance and one-off gains



Real Estate Solutions

Prospects

- Leveraging on strategic platforms for medium to long-term growth
 - Current order book backlog: S\$146m
 - Industrial real estate outlook:
 - Challenging operating environment in Singapore
 - Capturing opportunities in high value industries
 - Expanding business in overseas markets of Malaysia, Vietnam, China and Indonesia through strategic partnerships with reputable partners, investments and M&A





Division Performance Review

Geo-Spatial Technology

Geo-Spatial Technology

Division Revenue & PBT

DIVISION FINANCIAL REVIEW

	FY2017 (S\$)	FY2016 (S\$)	Chg (%)
Revenue	108.3m	103.0m	+5
PBT	21.9m	19.9m	+10

- Increase in revenue and profit
 - Firm demand across Australia and South East Asia
 - Higher PBT on revenue growth and better gross margins



Geo-Spatial Technology

Prospects

- Steady prospects
 - Sustained demand from government agencies
 - Riding mega trends in big data mapping analysis and smart cities
 - Continued expansion of workforce may affect margins
 - Currency headwinds may affect margins





Thank You



Questions & Answers
