



MEMIONTEC
Membrane Ionexchange Technology

ANNUAL GENERAL MEETING
12 APRIL 2021, 2PM



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ANNUAL GENERAL MEETING

1. BUSINESS REVIEW
2. FINANCIAL REVIEW
3. STRATEGIES & PLANS



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TSEPC project: PAM Jay Mookervaart Water treatment plant at Daan Mogot, Jakarta



TSEPC project: Replacement of UF Membranes at Tuas South Desalination Plant, Singapore.



BOOT project: 40%-owned Water treatment plant at Hutannya, Jakarta.

SECTION 1:

BUSINESS REVIEW

BY MS SOELISTYO DEWI
SOEGIHARTO
MANAGING DIRECTOR

MEMIONTEC – CORPORATE PROFILE

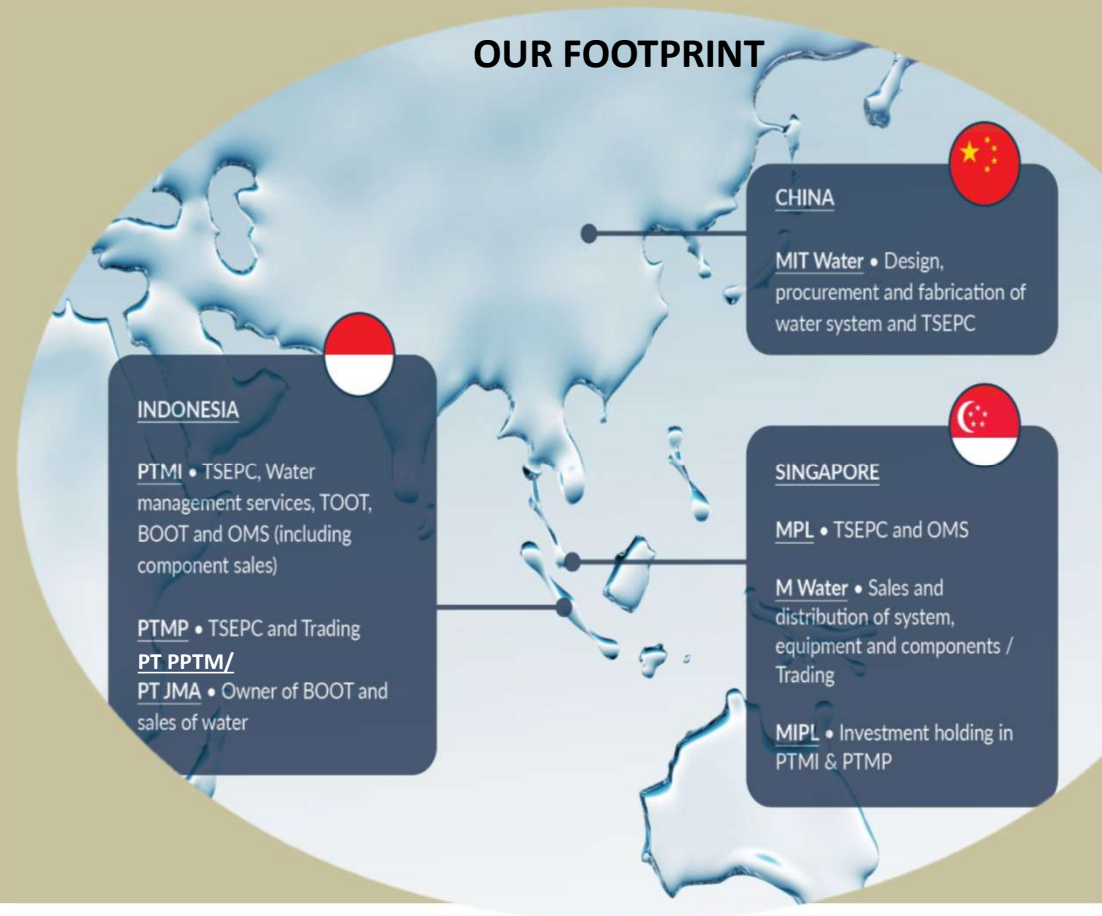
Long-established since 1996, well-diversified & renowned in the water industry



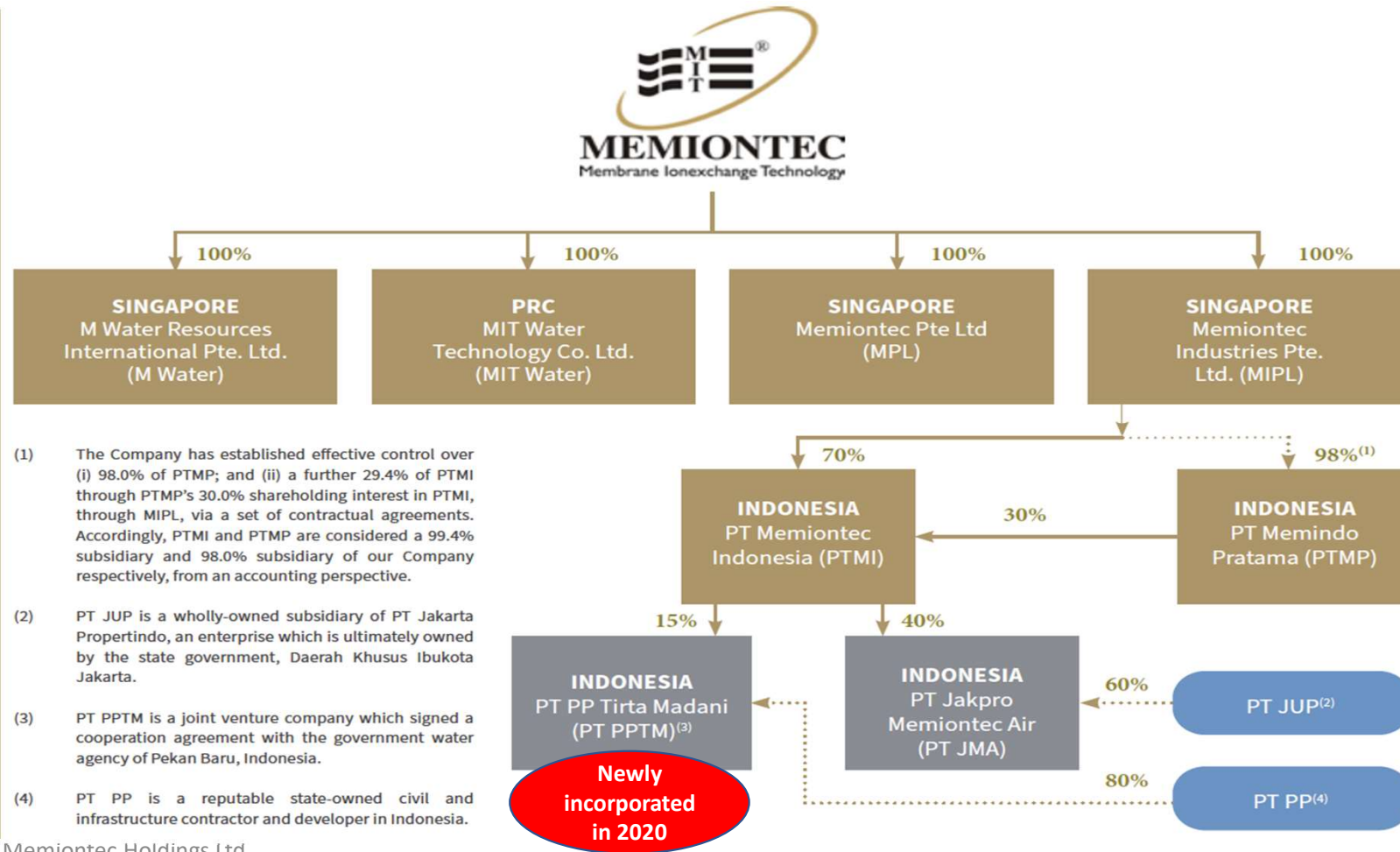
ABOUT US

- **One-stop water technology total solutions** provider with **> 20 years track record** in the water industry.
- **Long established since 1996 in Singapore;** expanded into **Indonesia** and **China** in 2004 and 2015 respectively.
- Water treatment technology includes the use of membranes, ion exchange, physical, chemical and biological processes.
- Our clientele includes both municipal and private companies in various industries (palm oil, power plant, real estate, agriculture, food & beverage, etc).
- **Listed on SGX-Catalist Board on 5 March 2020** (SGX: SYM) with **market capitalisation** of approximately **S\$50 million**.

OUR FOOTPRINT



MEMIONTEC – CORPORATE STRUCTURE



- (1) The Company has established effective control over (i) 98.0% of PTMP; and (ii) a further 29.4% of PTMI through PTMP's 30.0% shareholding interest in PTMI, through MIPL, via a set of contractual agreements. Accordingly, PTMI and PTMP are considered a 99.4% subsidiary and 98.0% subsidiary of our Company respectively, from an accounting perspective.
- (2) PT JUP is a wholly-owned subsidiary of PT Jakarta Propertindo, an enterprise which is ultimately owned by the state government, Daerah Khusus Ibukota Jakarta.
- (3) PT PPTM is a joint venture company which signed a cooperation agreement with the government water agency of Pekanbaru, Indonesia.
- (4) PT PP is a reputable state-owned civil and infrastructure contractor and developer in Indonesia.

OUR BUSINESS MODEL

CREATING SUSTAINABLE VALUE FOR SHAREHOLDERS

Redefined business model since 2017

TSEPC of water treatment plants

- Water/wastewater treatment solutions
- Water recycling solution
- Seawater treatment and desalination solution

OMS of water treatment plants

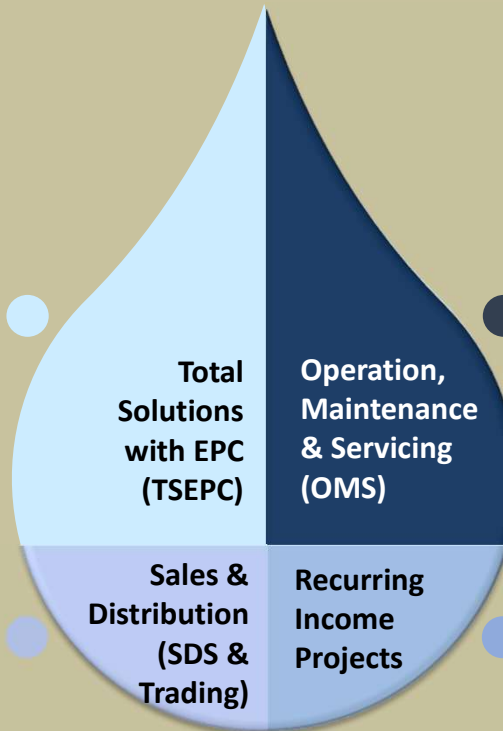
- Ongoing services for water plants owned, built and existing PUB works
- Provision of technical support and consultation

SDS & Trading

- Modular water systems
- Water treatment equipment
- Chemicals and components

Sales of water and investment income from long-term service concessionary projects (SOW & Investments)

- Co-owner of BOOT projects with long tenure water supply agreements

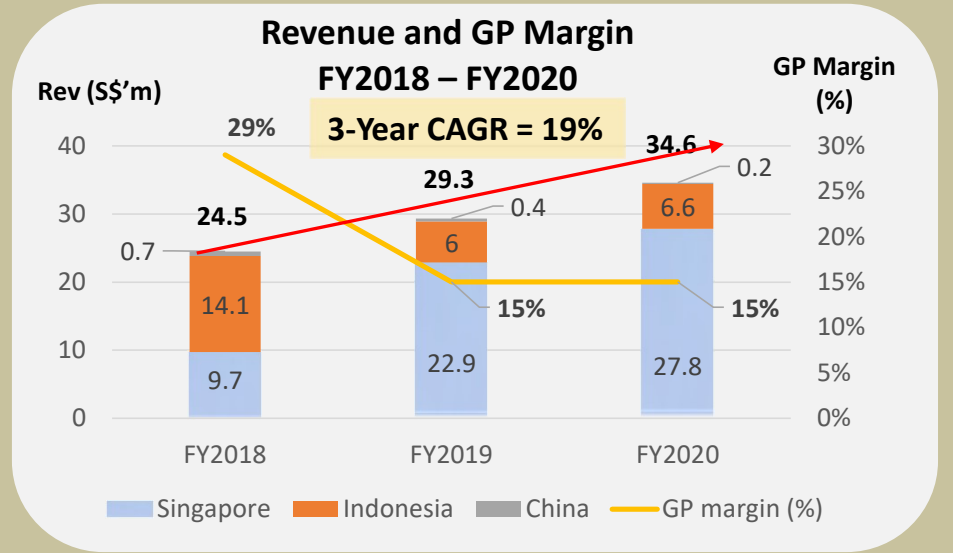


More **DIVERSIFIED** and **SYNERGISTIC**

2020 KEY DEVELOPMENTS & PERFORMANCE

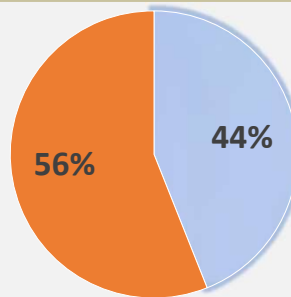


- **Successful IPO** on 5 March 2020.
- **SUBSTANTIAL RECOVERY** from **COVID-19** impact since 2H2020.
- **RECORDED REVENUE** in FY2020 at **S\$34.6m** (2019: 29.5m).
- **3-YEAR REVENUE CAGR** is **19%** between FY2018 and FY2020.
- **STRONG BOOK ORDER** at **S\$81.5m** as at **31 Dec 2020**.
- **INDONESIA** segment – fruitful year – secured **4 prominent municipal TSEPC contracts** with aggregate value of approx **S\$42m** and **1 NEW BOOT project** with 15% stake.
- **STRONG CASH POSITION** at S\$14.5m and in **NET CASH POSITION** of S\$9.23m as at 31 Dec 2020.
- **LIQUIDITY** strengthened - secured additional banking facilities.



BOOK ORDERS AS AT 31 DECEMBER 2020

\$81.5million



- Singapore
- Indonesia

Estimated execution of book orders in S\$m			Total
2021	2022	> 2022	
42.1	24.5	14.9	81.5



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**FOCUSED CAPABILITIES
INNOVATIVE SOLUTIONS**

SECTION 2:

FINANCIAL REVIEW FY2020 RESULTS

**BY MR LOW KIAN BENG
EXECUTIVE DIRECTOR**

KEY FINANCIAL HIGHLIGHTS

POSITIVE GROWTH FROM FY2019



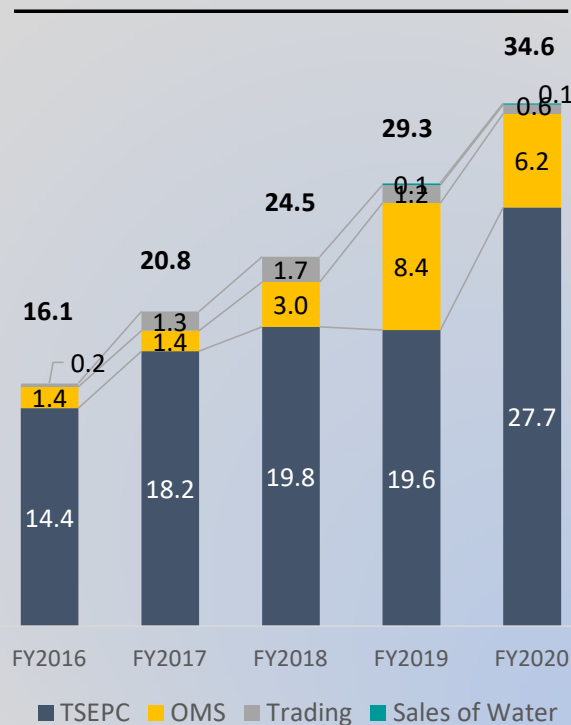
P&L PERFORMANCE(S\$'000)	FY2016	FY2017	FY2018	FY2019	FY2020	Movements (FY2020 vs FY2019)	
						Amount	%
Revenue	16,067	20,825	24,456	29,305	34,606	5,301	18%
Gross profit margin	23%	19%	29%	15%	15%	-	-
Profit before income tax	1,339	925	5,464	567	1,687	1,120	298%
Profit before income tax (excl. IPO exp)	1,339	925	5,464	1,530	2,007	477	31%
EBITDA	1,703	1,326	5,865	1,008	2,098	1,090	108%
Profit to shareholders	1,099	700	4,593	307	1,308	1,000	325%
Profit to shareholders (excl. IPO exp)	1,099	700	4,593	1,270	1,628	358	28%
SHAREHOLDERS' RATIOS							
Earnings per share (Singapore cents)	0.61	0.39	2.56	0.17	0.61	0.44	259%
Net asset value per share (Singapore cents)	2.87	2.66	5.10	5.01	7.75	2.74	55%
LIQUIDITY POSITION							
Gearing ratio (%)	35%	44%	16%	9%	31%	22%	244%
Net cash (S\$'000)	428	990	4,093	4,060	9,230	5,170	127%



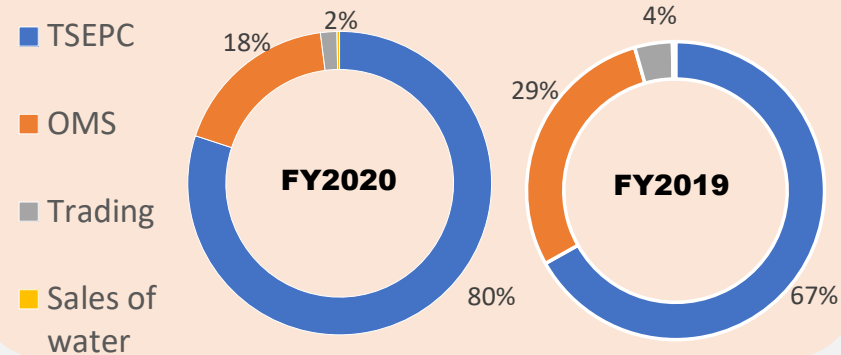
REVENUE PERFORMANCE

3-YEAR CAGR OF 19%, GEOGRAPHICALLY DIVERSIFIED

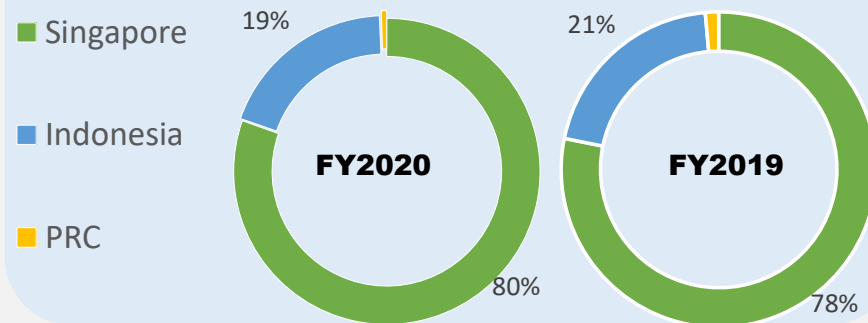
Total Revenue (S\$M)



Revenue by Business Segment



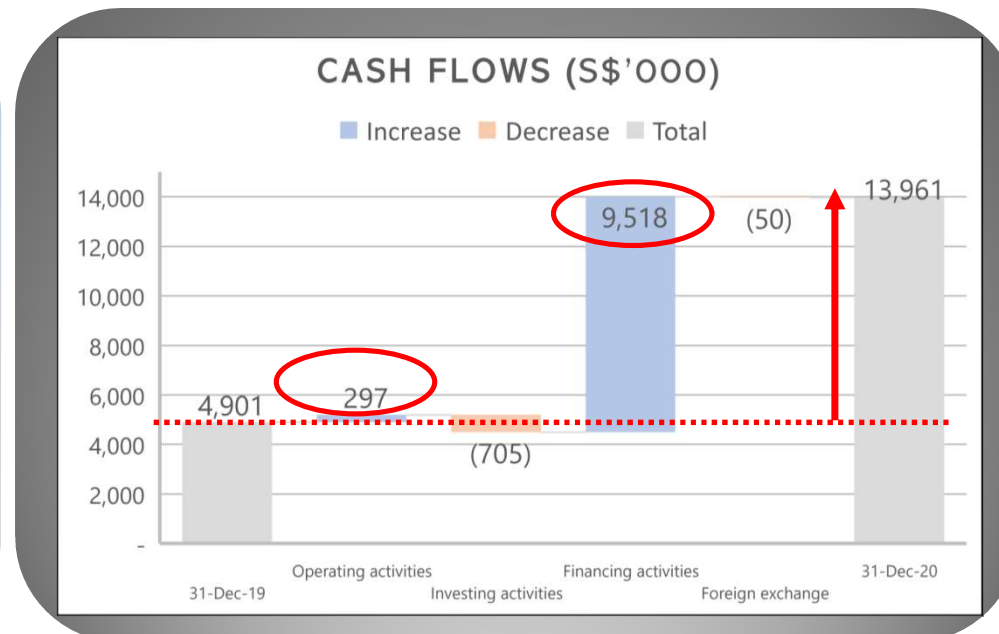
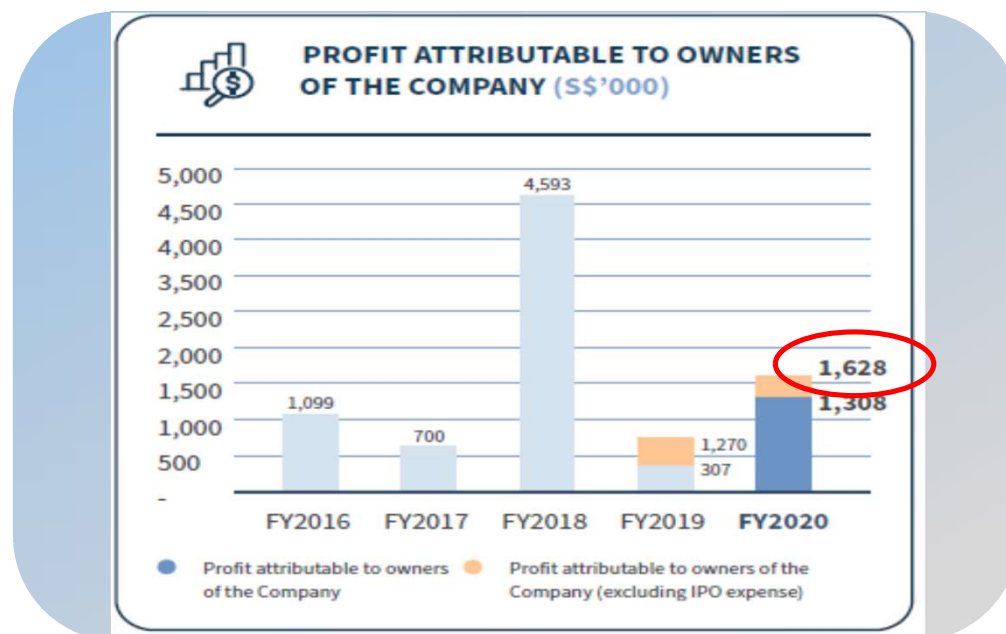
Revenue by Geographical Segment



- Revenue 3-year CAGR = **19%**.
- Higher contribution from **TSEPC projects** and **Singapore market**.
- **Indonesia contribution is expected to grow in 2021 – 2023** due to book orders secured in 2020.
- **Group GPM** maintained at **15%**. Group GPM is mainly driven by geographical contribution where **HIGHER MARGIN** is expected in **INDONESIA**.

PROFIT & LOSS AND CASH FLOWS

HISTORICALLY PROFITABLE; HEALTHY LIQUIDITY



- **PAT (incl. IPO exp) – Increase of S\$1.0m or 323% in FY2020 compared to FY2019.**
- **PAT (excl. IPO exp) – Increase of S\$0.4m or 28% in FY2020 compared to FY2019.**
- Higher revenue, higher other income and lower IPO expenses.

- **Cash flows increase of S\$9.06m in FY2020.**
- Increase due to IPO net proceeds of S\$7.0m, bank borrowings of S\$5.0m (repayable over 5 years) and net cash from operations of S\$0.3m.

STRONG FINANCIAL POSITION & CAPITAL STRUCTURE



FINANCIAL POSITION (S\$'000)	FY2020	FY2019
Cash and bank balances	14,527	4,901
Total assets	37,464	22,066
Total borrowings	5,295	841
Total liabilities	20,342	13,031
Total equity	17,122	9,035
Equity attributable to owners of the Company	17,079	8,993
No. of ordinary shares	220,257	179,610
NAV/share (Singapore cents)	7.75	5.00
GEARING		
Net debt/ Total equity (%)	31%	9%
EBITDA/ interest expenses (times)	16.8	7.9

FINANCIAL POSITION:

TOTAL ASSETS – INCREASED by S\$15.4m:

- INCREASE in CASH & BANK BALANCES by S\$9.63m from IPO proceeds and bank borrowings.
- NON-CURRENT ASSETS - increased by S\$0.4m:
 - (i) Partial capital investment of S\$0.18m in relation to the 15% stake in a JV company for the execution of a BOOT project in Pekan Baru, Indonesia (held as financial assets at OCI).
 - (ii) Additional capital investment in a JV, PT JMA, amounting to S\$0.45m.

TOTAL LIABILITIES – INCREASED BY S\$7.3m:

- Temporary bridging loan of S\$5.00 million under Enterprise Financing Scheme (“EFS”)

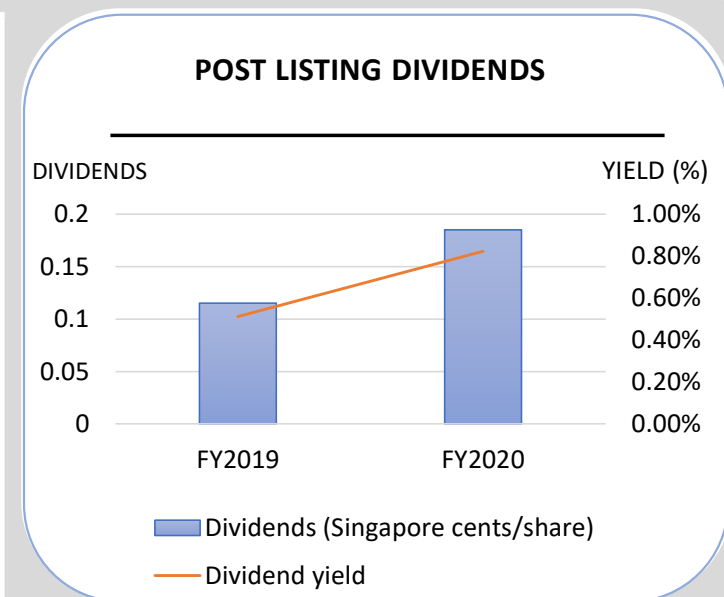
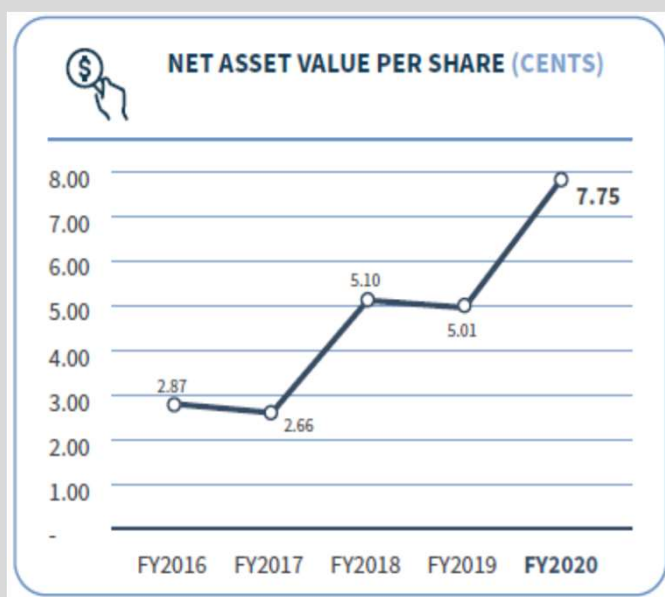
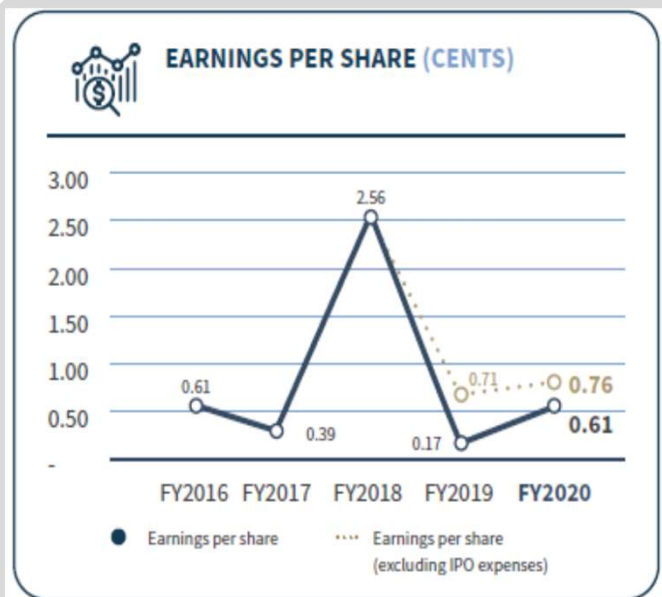
TOTAL EQUITY – INCREASED BY S\$8.1m:

- Increase in share capital of S\$8.2m due to issue of new shares, partially offset by decrease in other reserves by S\$1.1m.
- 2020 net profit of S\$1.3m.

GEARING:

- **HEALTHY at 31%**, with sufficient room to fund the Group’s **GROWTH & EXPANSION.**

KEY PERFORMANCE INDICATORS



- **EPS improved** by 259% from 0.17 cents in FY2019 to **0.61 cents** in FY2020, and from 0.71 cents to 0.76 cents (excl. IPO expenses).

- **NAV/share improved** by 55% from 5.01 cents in FY2019 to **7.75 cents** in FY2020.

- **2020 Dividend Payout** – 25% on adjusted PAT (2019: 20% on adjusted PAT).
- Barring unforeseen circumstances, **Dividend payout ratio** expected to be continued or may be improved in the future, *subject to dividend policy in Offer Document dated 22 Feb 20, Pg 59, and shareholders' approval in next AGM.*



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SECTION 3:

STRATEGIES & PLANS

**BY MR TAY KIAT SENG
CHIEF EXECUTIVE OFFICER**

BUSINESS STRATEGIES & PLANS

MAXIMISING SHAREHOLDERS' VALUE

1 EXPANSION IN EXISTING MARKETS

SINGAPORE

- Public tenders for larger scale projects.
- Industrial projects in TSEPC space for MNCs.
- OMS services – Semi-conductor, pharmaceutical and petrochemical sectors.

INDONESIA

- TSEPC for municipal space (with local partners).
- TSEPC and OMS - Palm oil, power, paper & pulp, F&B and O&G.
- JV equity investment in more BOOT projects.

CHINA

- Provide systems and equipment to improve cost-efficiency for our Group.
- Third party TSEPC projects.

OTHER FOCUS AREAS

- Consultancy and front-end engineering design services.
- Sales and distribution - working with our current established principal partners.

2 EXPANSION INTO NEW GEOGRAPHICAL MARKETS

- Southeast Asia, and beyond, with strong demand for water.
- Via business collaboration, strategic alliances, joint ventures or investments.

3 EXPANSION THROUGH MERGERS & ACQUISITIONS

- To gain access to new markets, strengthen market position and/or develop our total solution and supply chain more cost effectively.

4 INVEST IN MORE BOOTS AND TOOTS

- To generate recurring and potentially, stable income streams.
- Invite strategic investors and partners to co-invest in such projects.

↑ REVENUE

Maximising
shareholders'
value

↑ ROE

↓ COGS

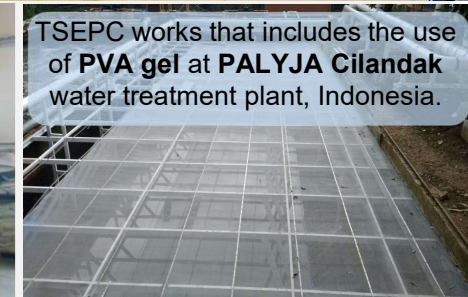
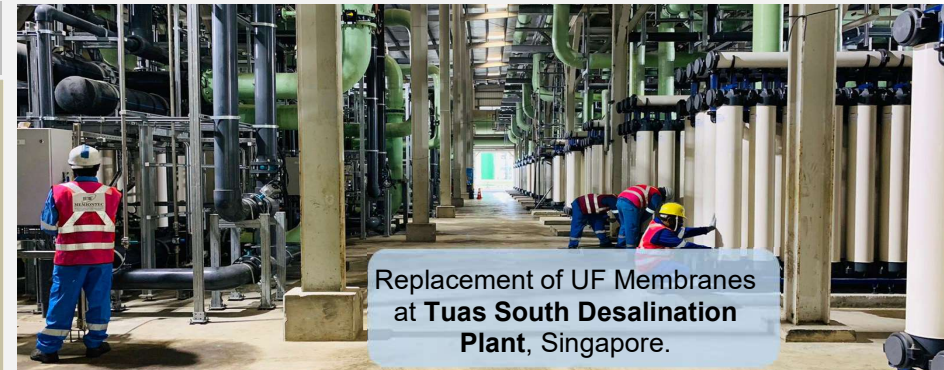
↓ OP. COSTS

BUSINESS STRATEGIES & PLANS

KEY FOCUS BY BUSINESS SEGMENT

TSEPC

1. TSEPC is main revenue driver for the Group.
 - 1.1 Singapore segment (matured market):
 - Opportunities for NEWater plants & upgrading works.
 - **2020 - Won some decent size TSEPC projects** during the year.
 - **Future - Prudently** select and step up efforts in **tender participation for large-scale public projects (>S\$100m)**.
 - Closely monitoring the **efficient and timely execution** of existing orders.
 - **Strengthening human capital** (talent and headcount) & support **infrastructure** (ERP system) at holding level for smooth and cost effective execution of projects.
 - 1.2 Indonesia segment (high growth market):
 - **Various opportunities for municipal tenders**, consistent with Indonesia's efforts to decrease water pollution and increase clean water accessibility.
 - Formed **selective collaboration with established Indonesian engineering companies** & won 4 prominent TSEPC municipal contracts worth approx. S\$42m and 1 BOOT project with 15% stake.
 - **Future: Enter into more partnership with prominent state-owned enterprises & water technology partners** for municipal projects.



BUSINESS STRATEGIES & PLANS

KEY FOCUS BY BUSINESS SEGMENT



<p>OMS</p>	<ul style="list-style-type: none"> • OMS revenue mainly arises from Singapore market, more opportunities for maintenance of WTP of durations of 1-3 years. • OMS in Indonesia relates to 25-year OMS service to our JV's WTP in Jakarta from Dec 19. • 2020 decrease in OMS revenue - expiry of a larger scale OMS contract & deferment of some non-essential works during the COVID period. • Singapore segment – stiff competition; to partner with key suppliers (at privileged cost) for tender. 	<p>SOW & Investments</p>	<p><u>Existing BOOT/ TOOT (3 projects):</u></p> <ul style="list-style-type: none"> • BOOT under a JV (40% owned) at Hutan Kota, Jakarta, Indonesia – Plant operating at Phase 1 capacity of 200 LPS; expected to increase to design capacity of 450 LPS once the distribution network (delayed by COVID-19) for the 300 LPS is completed. • TOOT under a joint operation (40% interest) at Jakarta, Indonesia – operations affected by COVID-19 from June 2020. Demand is expected to recover from mid 2021. • 1 new BOOT project (15% owned) at Pekan Baru, South Sumatra, Indonesia – awarded at end 2020.
<p>SDS & Trading</p>	<ul style="list-style-type: none"> • Invested in a machinery system for fabrication of precision pipe racks in China. • To secure new regional sales and stay cost competitive through (i) building up PRC subsidiary's capability through collaboration with established manufacturers and sourcing of economical quality materials; and (ii) synergising with Singapore HQ's resources, network, supply chain management & financing capability 	<p style="text-align: center;"><u>BOOT / TOOT investments (2 BOOTS & 1 TOOT)</u></p> <p style="text-align: center;">Although the total book value of our three investments amounted to \$3.7m as at end 2020, these investments will generate recurring income in the form of OMS work (for sales of water) and dividend returns. These projects attract strategic partners to participate based on fair valuation.</p>	

MORE BOOT INVESTMENTS & TSEPC - INDONESIA



1 BOOT 1

- Hutan Kota, Jakarta.
- Under operations - 25 yrs from Dec 2019.
- Our interest: 40%.

2 TOOT

- Waduk Pluit, Jakarta.
- Under operations - 25 yrs from Nov 2018.
- Our interest: 40%.

3 BOOT 2

- Pekanbaru, South Sumatra.
- Awarded, pending development.
- Our interest: 15% (PT PP: 80%.
- 25 yrs from Phase 1 (estimated July 2022).

Red Pin BOOT/TOOT

Blue Pin Key TSEPC projects

End of
Presentation.

Thank you!



Disclaimer Statement:

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.

