

# **FY2020 Annual General Meeting Presentation**

**25 August 2020**

Speakers:

**Mr. Wong Fong Fui**  
Chairman & Group CEO

**Mr. Wong Yu Loon**  
Executive Director & Deputy Group CEO

**Ms. Chan Shiok Faun**  
Group CFO

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# ***Presentation Agenda***

- Boustead Group Financial Review
- Division Performance Review
- Polling Results for AGM Resolutions

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Group CFO

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# ***GROUP FINANCIAL REVIEW***



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# Group Financial Results

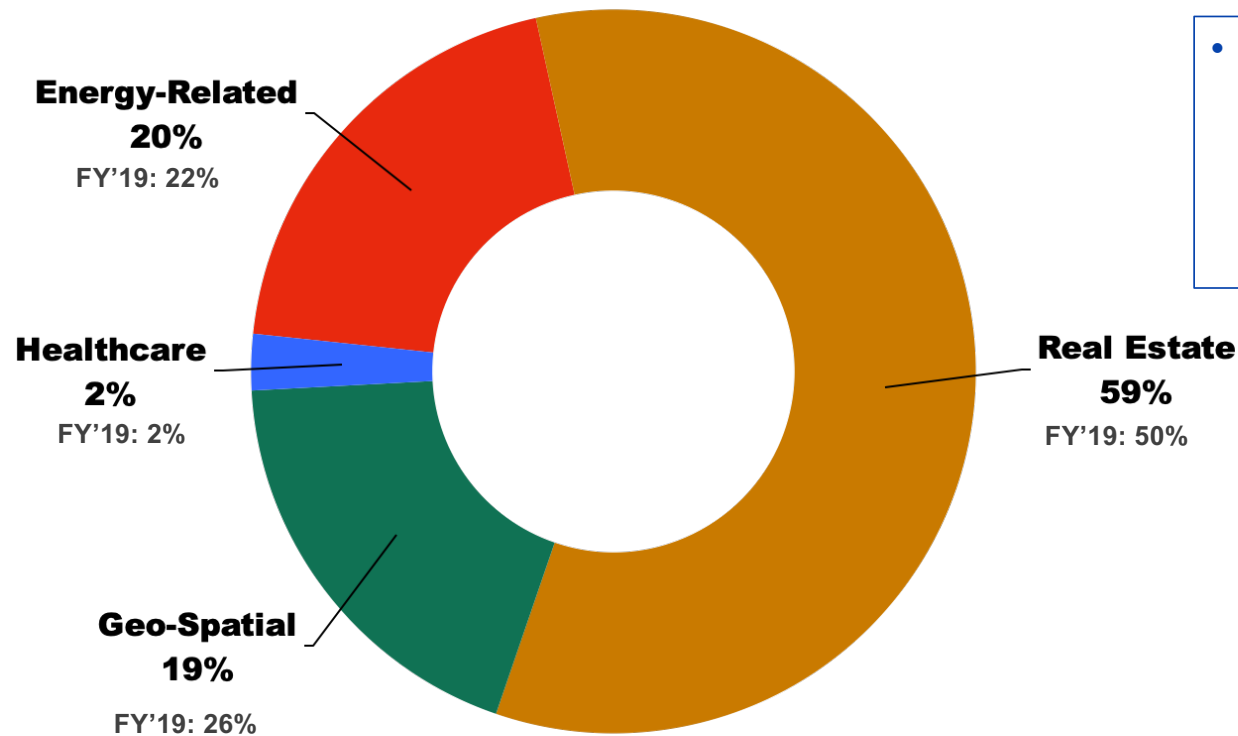
	FY2020	FY2019 (Restated)	Chg (%)
Revenue	S\$726.6m	S\$470.6m	+54
Gross profit	S\$172.1m	S\$141.1m	+22
<i>Gross margin</i>	24%	30%	
PBT	S\$63.0m	S\$62.4m (Note 1)	+1
<i>PBT margin</i>	9%	13%	
Total profit	S\$44.5m	S\$49.6m	-10
Profit attributable to equity holders of the Company ("net profit")	S\$30.9m	S\$32.5m	-5
Adjusted net profit*	S\$36.6m	S\$27.2m	+34
EPS	6.3cts	6.6cts	-5
NAV per share	70.3cts	68.2cts	+3

• Record revenue achieved

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

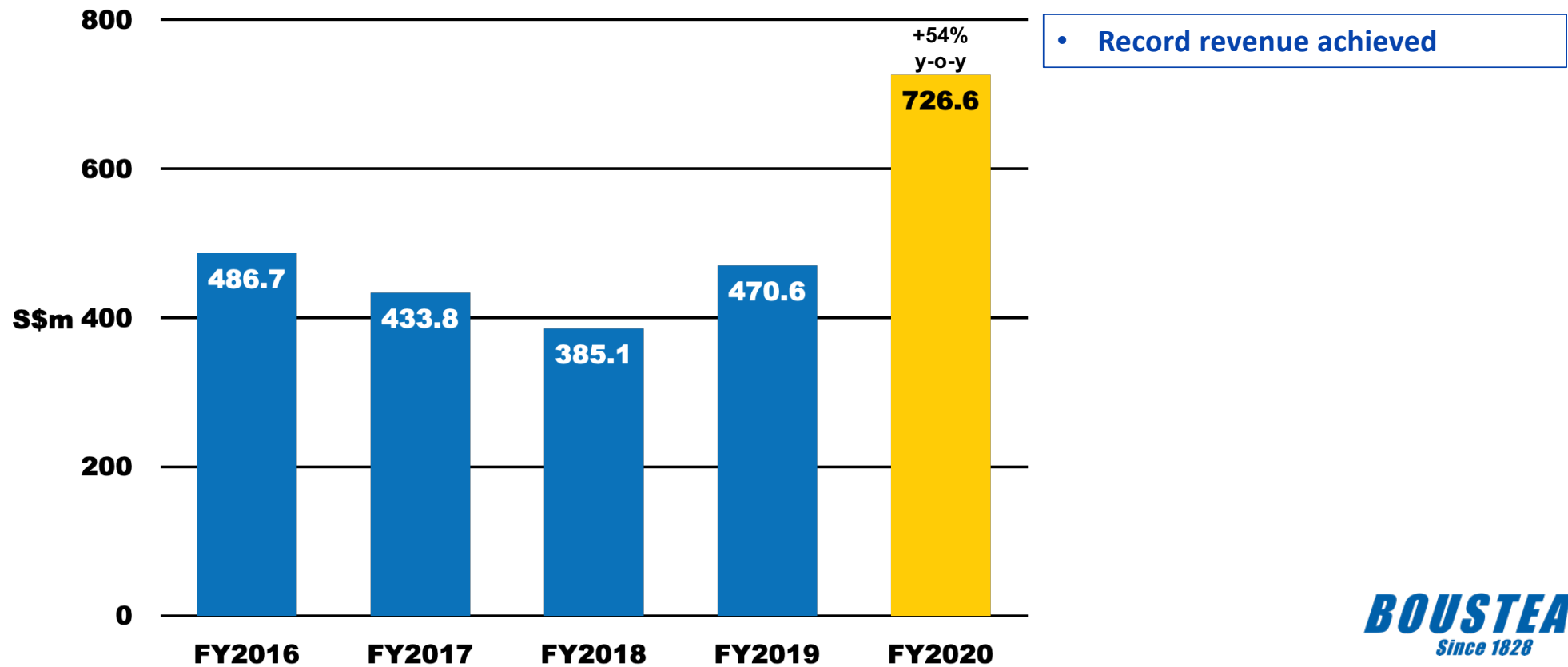
Note 1: Includes S\$5.9m pre-tax gain on sale of property, net of fees

# Group Revenue Mix by Division



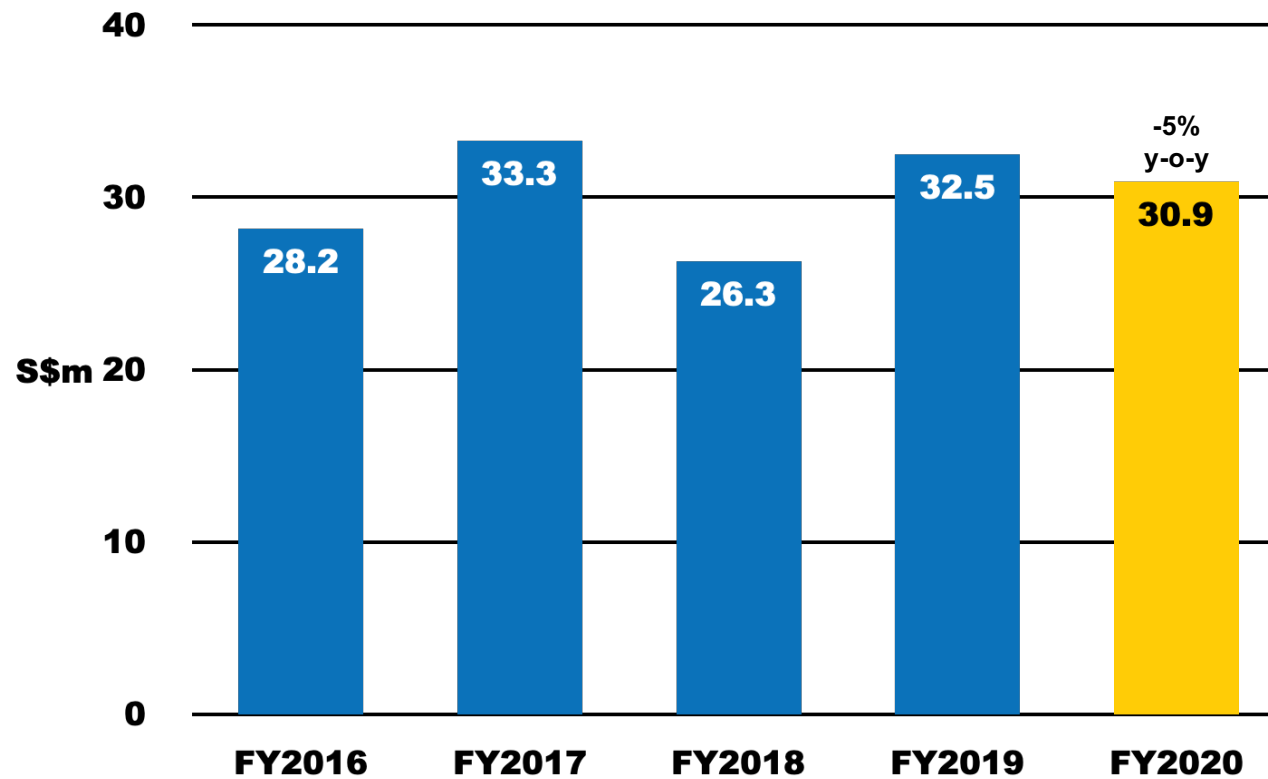
• Healthy order backlog carried forward from FY2019 for Real Estate Division contributed significantly to total revenue of Group

# Group Revenue



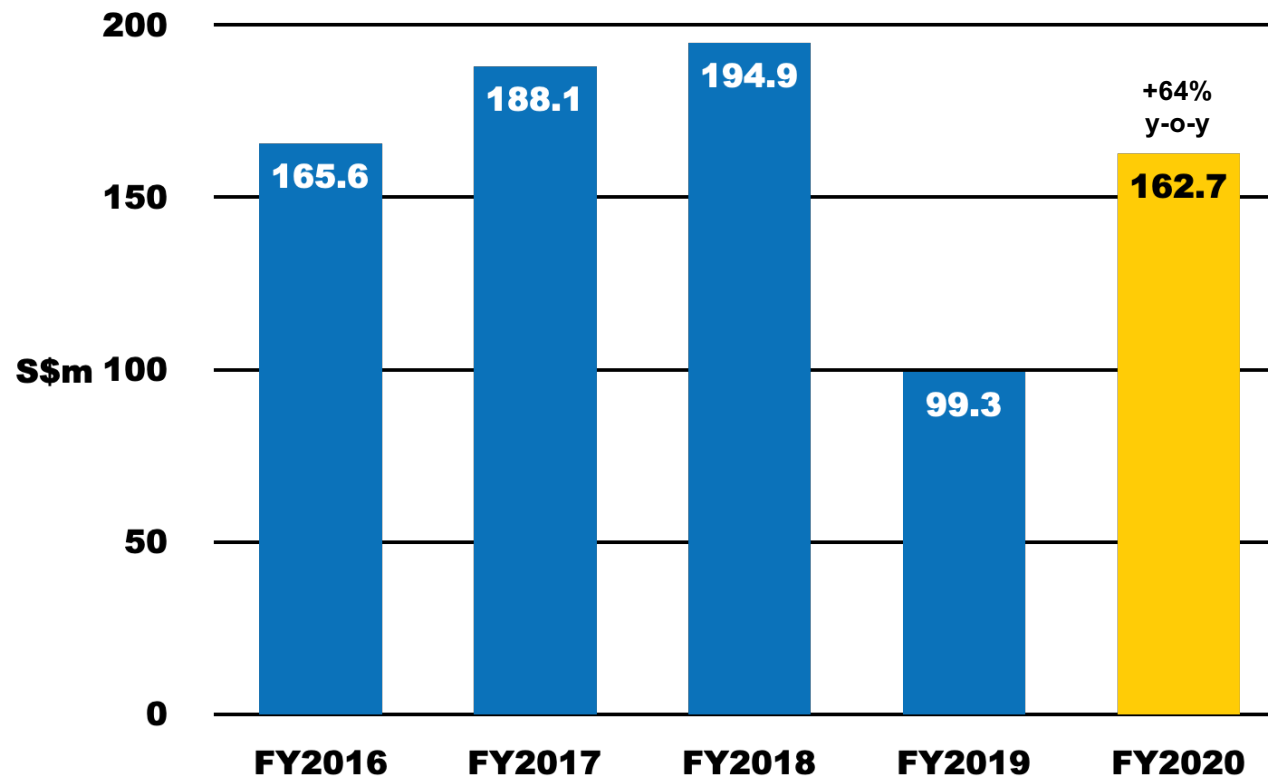


# Group Net Profit



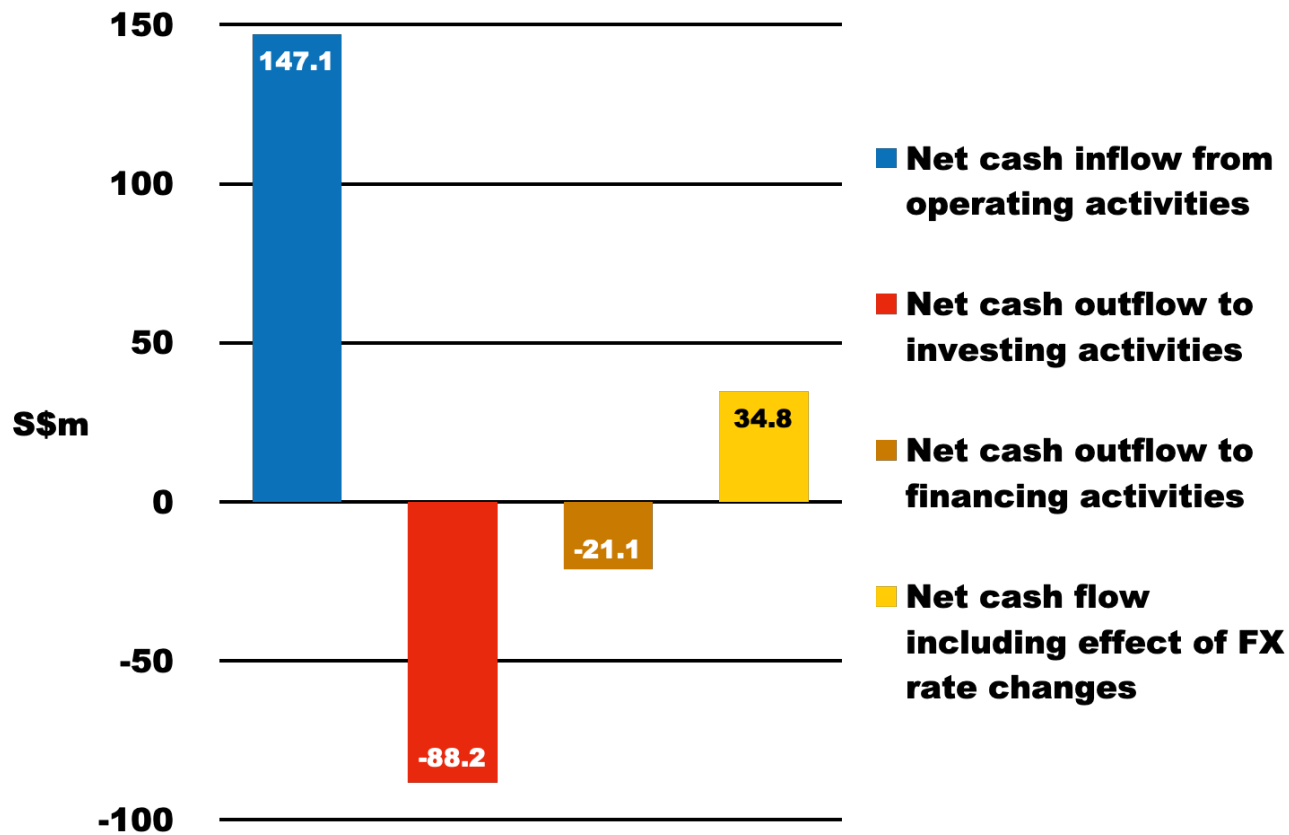
- Margin pressure
- Impairment losses
- Absence of gain on sale of property

# Group Net Cash Position



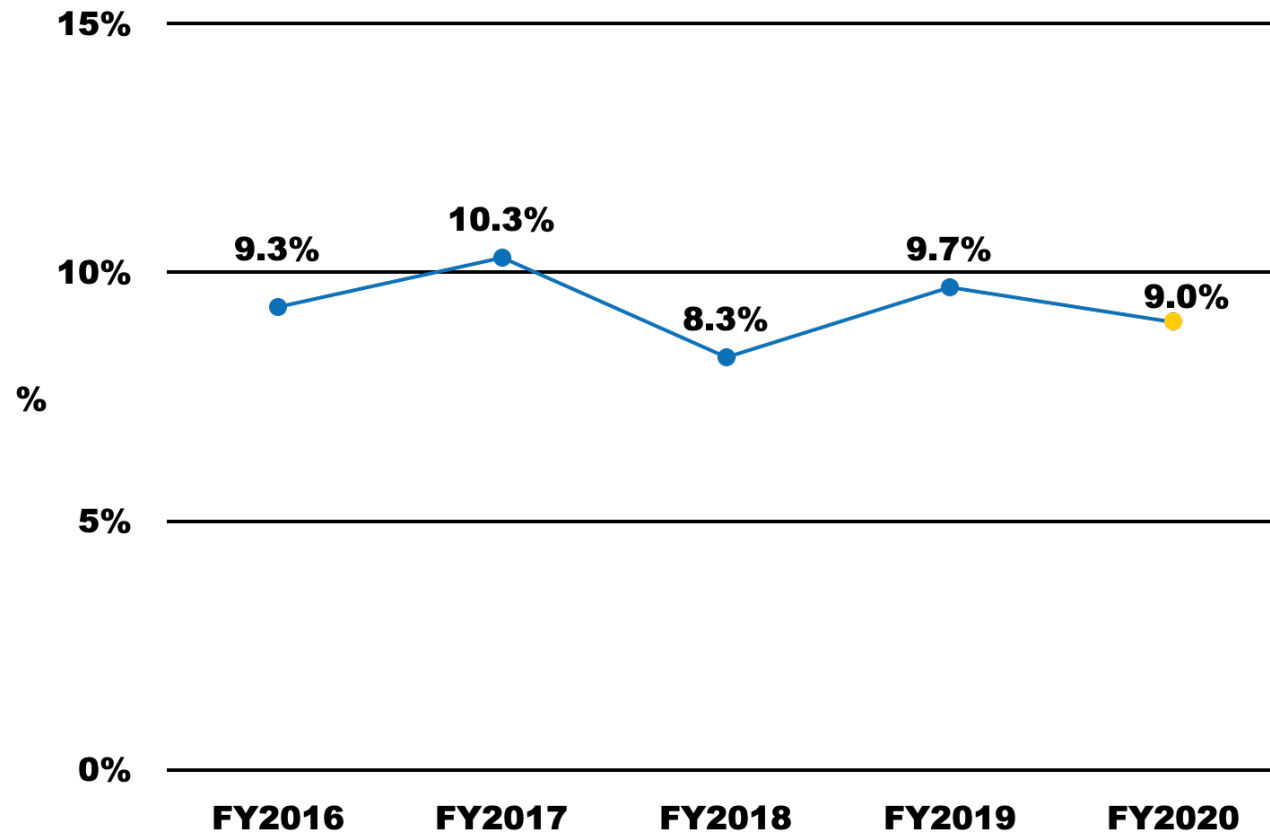
- Strong net cash position
- S\$49.5m investment securities; ~ 37% highly liquid

# Group Cash Flow

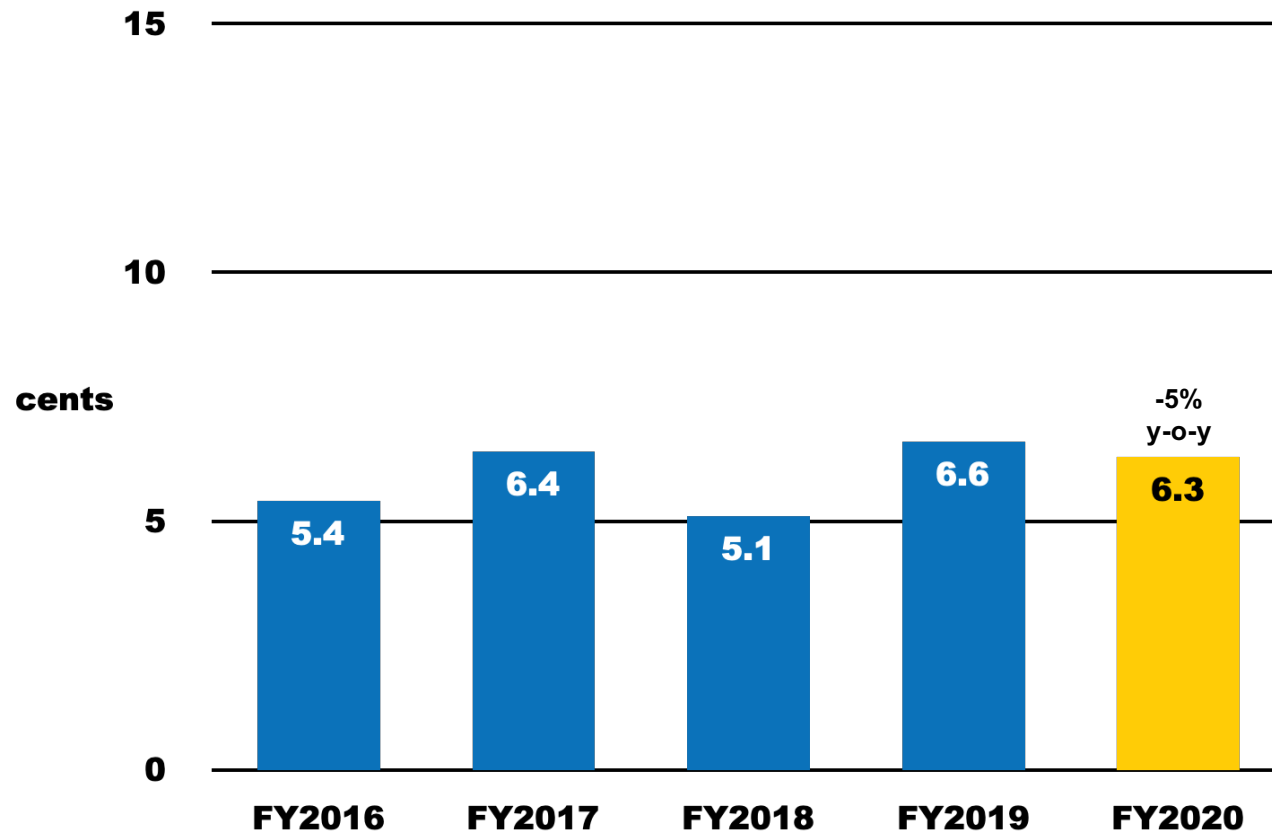


- Increase in cash and cash equivalents
  - Net cash inflow from operating activities of S\$147.1m
  - Net cash outflow to investing activities of S\$88.2m
  - Net cash outflow to financing activities of S\$21.1m

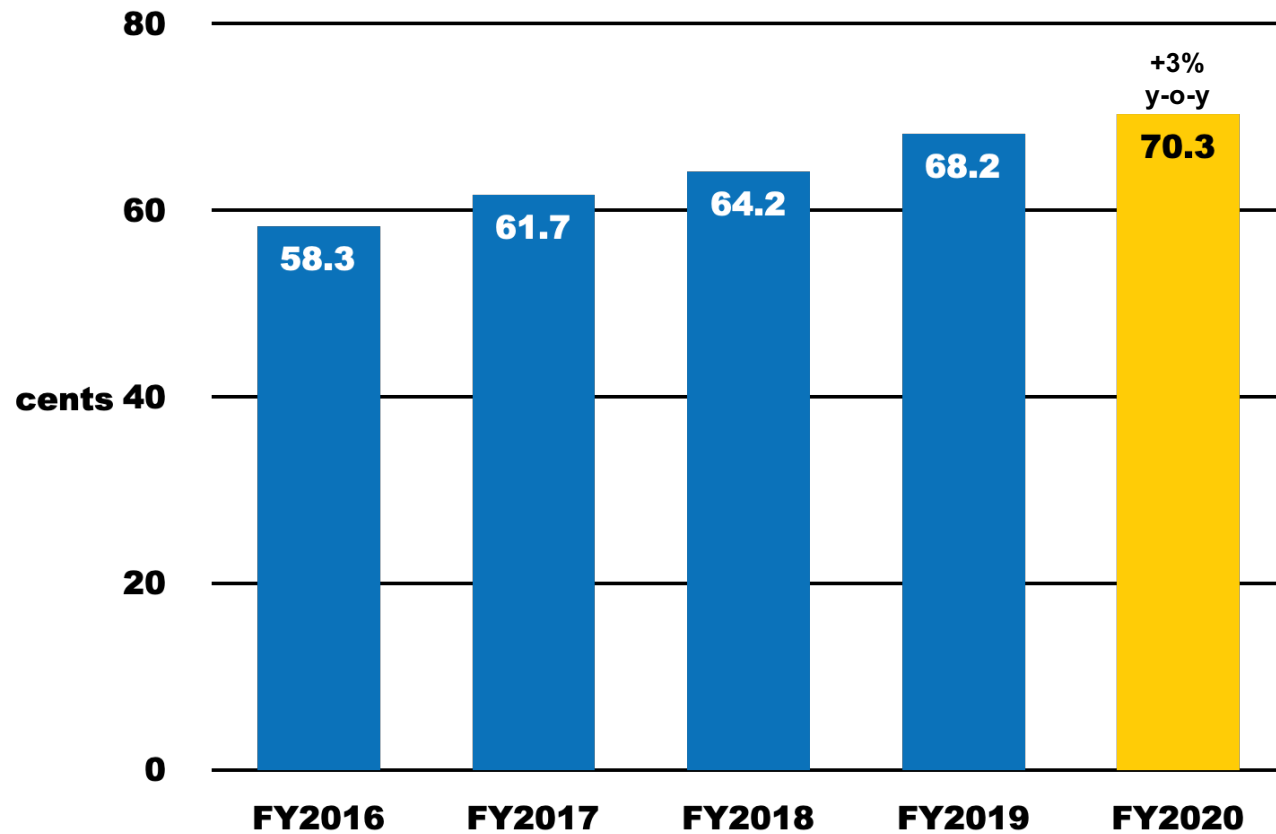
# Group Return on Shareholders' Equity



# Group Earnings per Share

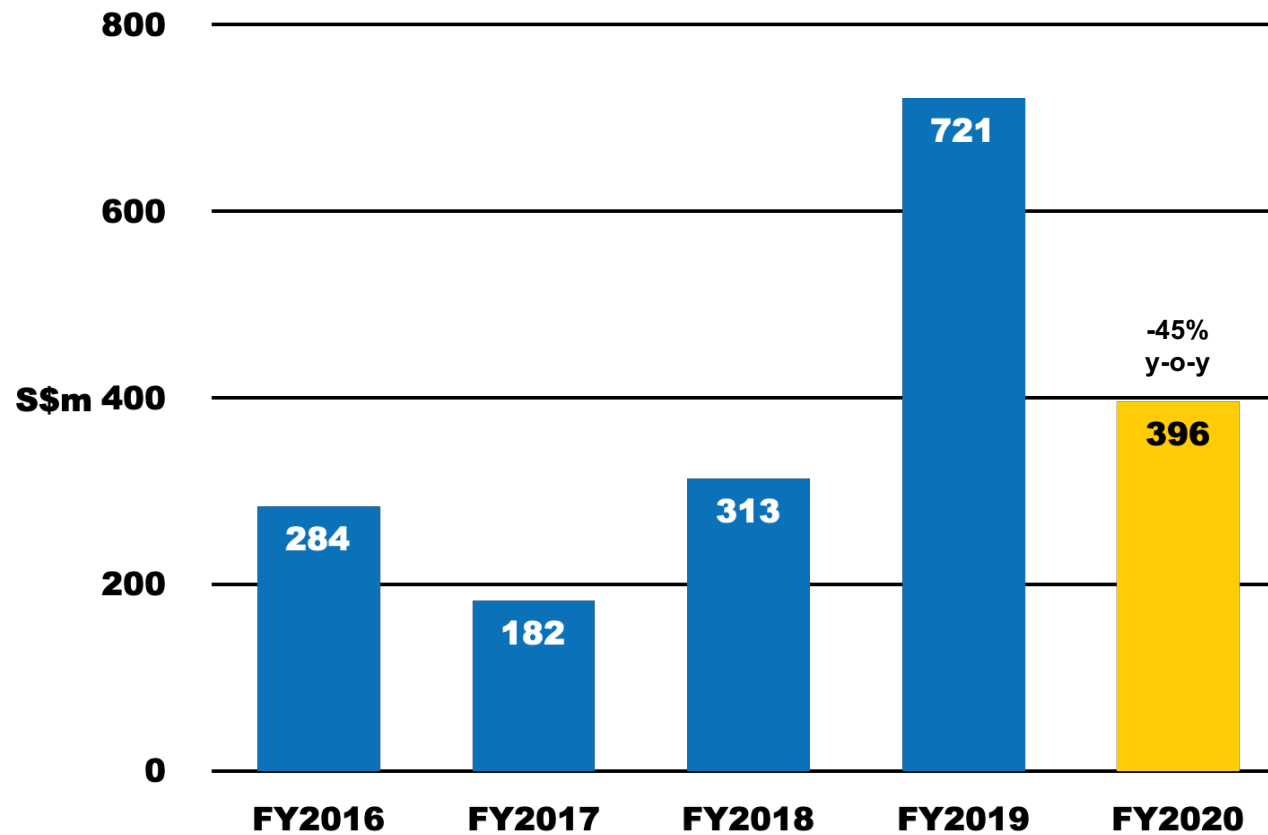


# Group Net Asset Value per Share



- Highest NAV per share over last 5 years

# Group Orders Secured



- Healthy orders secured; substantially from Energy Engineering Division

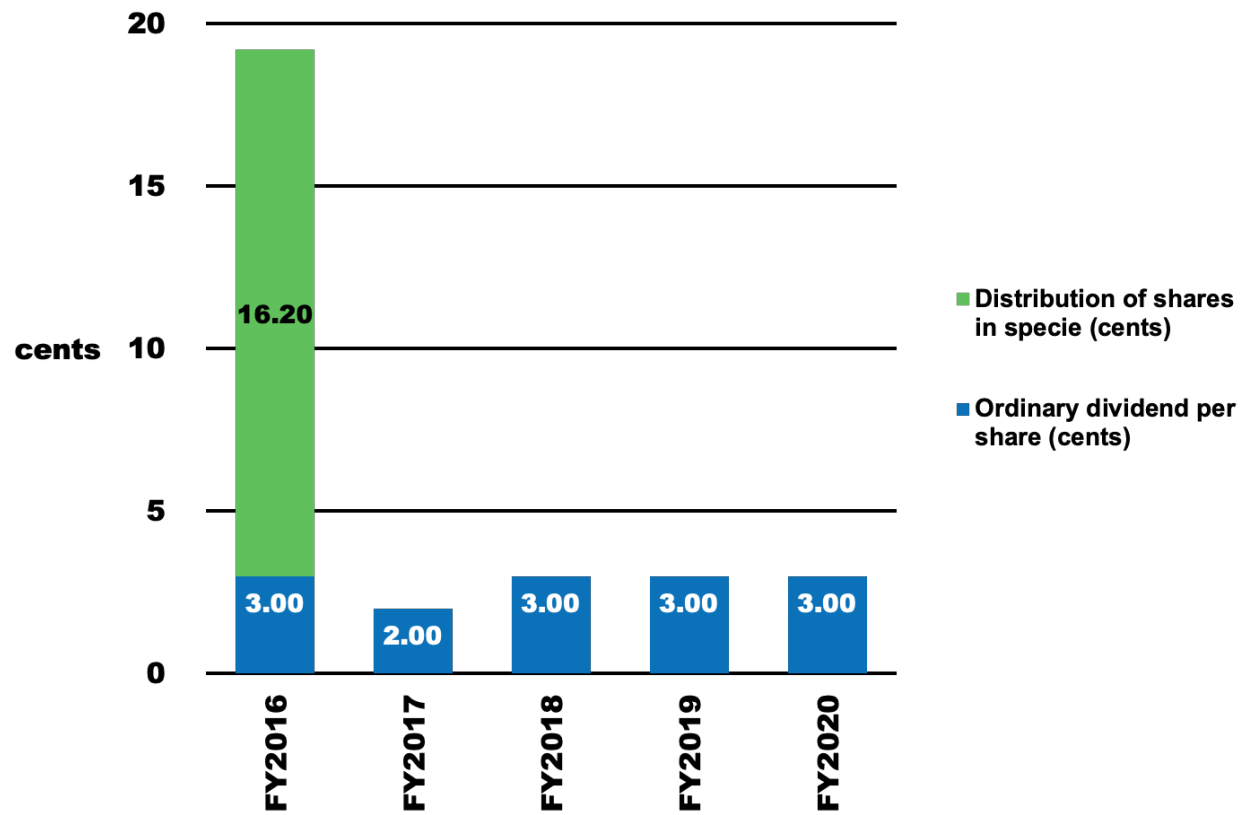
# Group Dividend

	<b>FY2020</b>	<b>FY2019</b>
Interim dividend	1.0ct	1.0ct
Final dividend	*2.0cts	2.0cts
<b>Total ordinary dividend</b>	<b>3.0cts</b>	<b>3.0cts</b>

\* Proposed



# Group Dividend (cont'd)



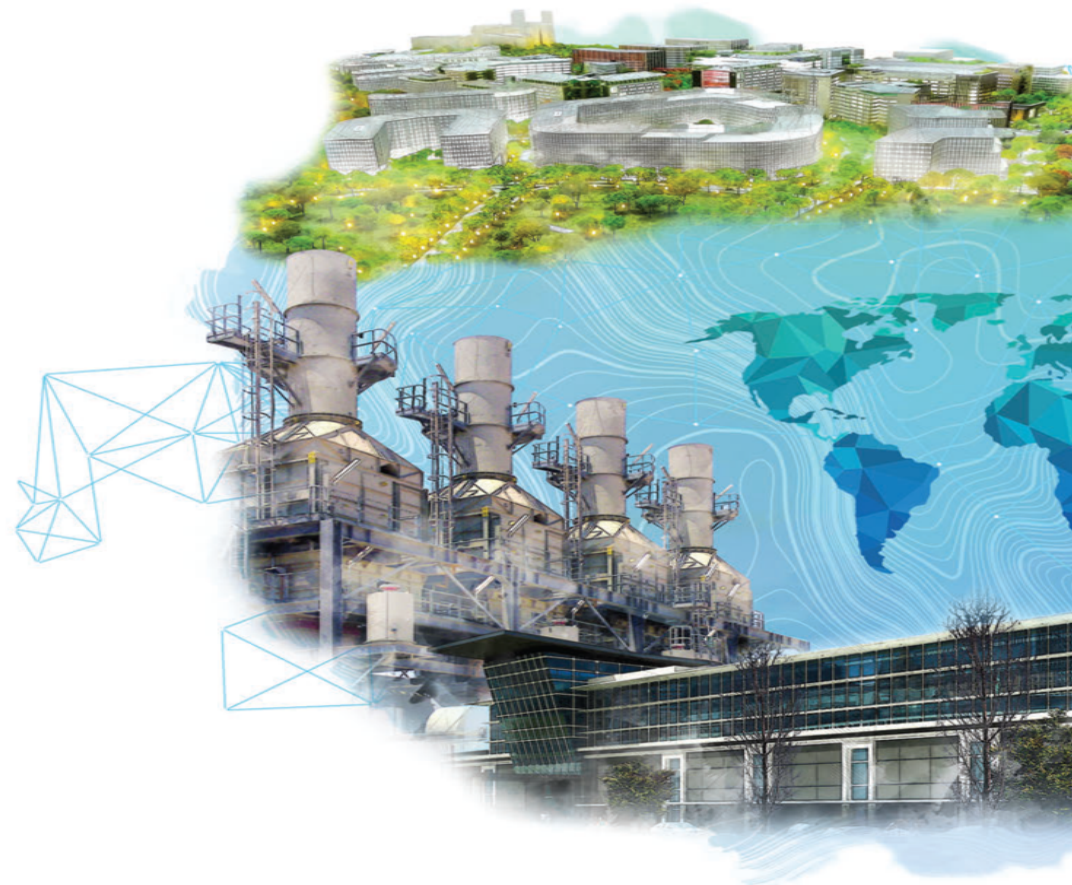
Dividend yield ~ 4.2%

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Energy Engineering

# ***DIVISION PERFORMANCE REVIEW***



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# **Energy Engineering**

## **Division Revenue, PBT & Orders Secured**



	<b>FY2020</b>	<b>FY2019</b>	<b>Chg</b>
	<b>(S\$)</b>	<b>(S\$)</b>	<b>(%)</b>
Revenue	144.5m	102.5m	+41
PBT	*7.9m	1.1m	+618
Orders secured	304m	89m	+242

\* Includes impairment losses

- Very strong performance from Boustead International Heaters
- Dragged down by underperforming water and wastewater treatment business and legacy mini-power plant business

# *Energy Engineering*

## *Prospects*



- Immediate term
  - Current order backlog: S\$279m
  - Full provisions made for legacy mini-power plant business
  - Dialling back activities for water and wastewater treatment business
  
- Longer term
  - Significant demand reduction for hydrocarbon based projects due to COVID-19 and to lesser extent, climate change concerns
  - Renewed focus on end-user aftermarket to mitigate reduced activities for new projects



Geospatial

# ***DIVISION PERFORMANCE REVIEW***



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# Geospatial

## Division Revenue, PBT & Orders Secured



	FY2020 (S\$)	FY2019 (S\$)	Chg (%)
Revenue	137.3m	122.1m	+12
PBT	29.7m	27.2m	+9

- Record revenue; fourth consecutive year of revenue and PBT growth despite currency headwinds
- Years of marketing efforts and investments in educating users leading to consistently growing demand for geospatial solutions

# *Geospatial*

## *Prospects*



- Immediate term
  - Impact on business from COVID-19 expected to be minimal
  
- Longer term
  - Smart city transformations and IoT adoption are underlying trends to drive demand
  - Unsustainable government deficits because of COVID-19 leading to concern for future; smaller client budgets anticipated in certain markets





Healthcare

# ***DIVISION PERFORMANCE REVIEW***



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# Healthcare

## Division Revenue, PBT



	<b>FY2020</b>	<b>*FY2019</b>	<b>Chg</b>
	<b>(S\$)</b>	<b>(S\$)</b>	<b>(%)</b>
Revenue	18.2m	11.4m	+60
Share of associate	1.9m	1.1m	+73
PBT (includes share of associate's income above)	**1.1m	**1.0m	+10

\* Results consolidated from 2Q FY2019 onwards following acquisition

\*\* Excludes S\$0.4m annual amortisation adjustment by Group upon acquisition over three years

- First full-year of revenue and PBT contribution; comparison with FY2019 not meaningful
- China associate made two 'bolt-on' acquisitions into healthcare education and training services, and local assembly and manufacturing in China

# Healthcare

## Prospects



- Immediate term
  - Growth negatively affected as rehabilitation products and labour saving solutions not priority for hospital clients this year
  - Deferral of Tokyo Olympics benefitted China associate as State General Sports Administration of China continues to buy division's sports performance and rehabilitation equipment in anticipation of next year's Olympics
  
- Longer term
  - Longer term trend for aging demographics and more efficient healthcare delivery persists for foreseeable future
  - Internal priority to improve sales and marketing team capabilities to capture growing demand for division's products and services



Real Estate

# ***DIVISION PERFORMANCE REVIEW***



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# Real Estate

## Division Revenue, PBT & Orders Secured



	FY2020 (S\$)	FY2019 (S\$)	Chg (%)
Revenue	426.2m	234.2m	+82
PBT	27.5m	*35.7m	-23
Orders secured	93m	633m	-85

\* Includes S\$5.9m pre-tax gain on sale of property, net of fees

- Record revenue on healthy order backlog
- PBT affected by lower gross margins, lower quantum of cost savings, higher overheads and absence of gain on sale of property
- Post-FY2020, COVID-19 resulted in lockdowns and prolonged suspension of construction activities

# *Real Estate*

## *Prospects*



- Sizeable order backlog to last 18 months
  - Current order backlog: S\$496m
  - Industrial real estate outlook:
    - Impact from COVID-19
    - Competition expected to remain intense and margins challenging
    - Technological transformation continues to be emphasised
    - Likely consolidation and financial difficulties for weaker competitors



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ENDURING BRANDS***

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**END OF PRESENTATION**

**THANK YOU**

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