

TTJ Holdings Limited

FY2021 Results Briefing

September 2021

Celebrating
40
Years
OF QUALITY EXCELLENCE

**Structures that
Shape the Future**
1981 - 2021 and beyond



Business Overview



Widely known as 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
- Max. annual capacity: 42,000 tonnes of normal structural steel



Financial Performance

FYE 31 July 2021





Key Highlights

	FY2019	FY2020	FY2021
Revenue (S\$'M)	76.6	77.7	75.4

	FY2019	FY2020	FY2021
Profitability (S\$'M)			
Gross Profit	12.0	7.9	11.3
Net Attributable Profit / (Loss)	3.8	(11.3)	3.4

Other Losses (See note below)	(1.2)	(16.8)	(4.0)
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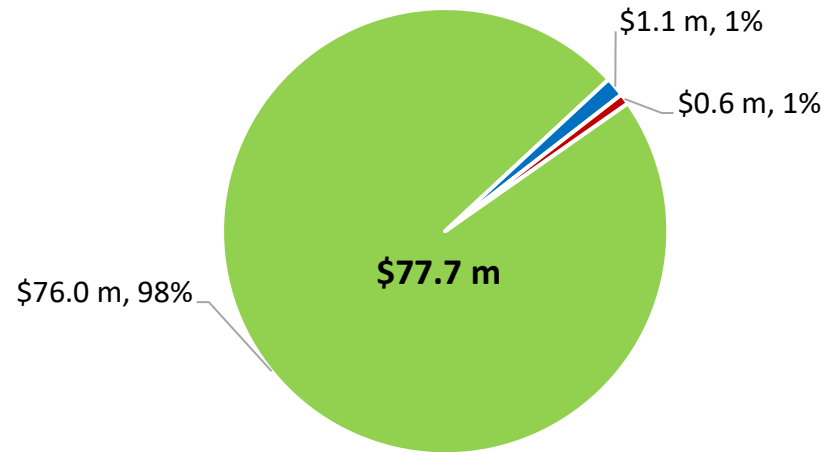
	FY2019	FY2020	FY2021
Margins (%)			
Gross Profit	15.7	10.2	15.0
Net Profit	5.0	NM	4.5

	FY2019	FY2020	FY2021
Dividends (S'cts)			
Dividends per share	0.4	0.4	0.8

- Other losses in FY2021 were mainly in relation to allowance for impairment arising from certain property, plant and equipment of the Waste Management and Treatment segment due to prevailing market condition and net foreign exchange losses recorded.
- Other losses in FY2020 were mainly in relation the allowance for impairment arising from a property of a subsidiary in Singapore due to prevailing market condition, property, plant and equipment written off and lease termination fee arising from a subsidiary which was disposed during FY2020 and loss on disposal of a subsidiary.

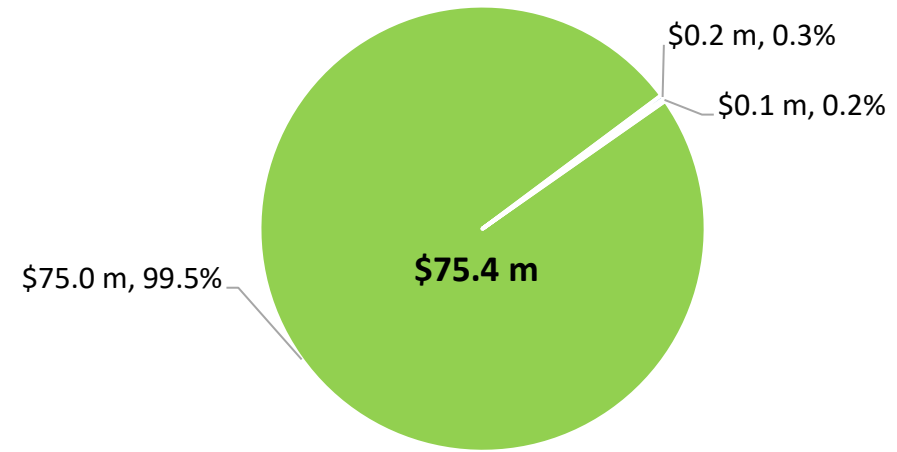
Segmental Revenue

FY2020 Revenue



■ Structural Steel ■ Waste Management and Treatment ■ Others

FY2021 Revenue



■ Structural Steel ■ Waste Management and Treatment ■ Others

- **Structural Steel revenue decreased 1.3% yoy**
 - Due to the slow and gradual restart of project sites across the construction industry when Circuit Breaker (CB) measures were first lifted and ongoing Safety Management Measures (SMM)
- **Waste Management and Treatment revenue not significant**
 - Persistent weak demand and low average selling prices for wood pellets

Any discrepancies in figures in the charts are due to rounding



Key Financial Indicators

Profitability Ratios

	FY2020	FY2021
EPS (S'cts)	(3.22)	0.97
Return on Assets (%)	(7.1)	2.1
Return on Equity(%)	(8.9)	2.6

Financial Position (\$\$'M)

	As at 31 Jul 2020	As at 31 Jul 2021
Total assets	158.6	164.1
Total liabilities	31.3	34.5
Shareholders' equity	125.9	129.7

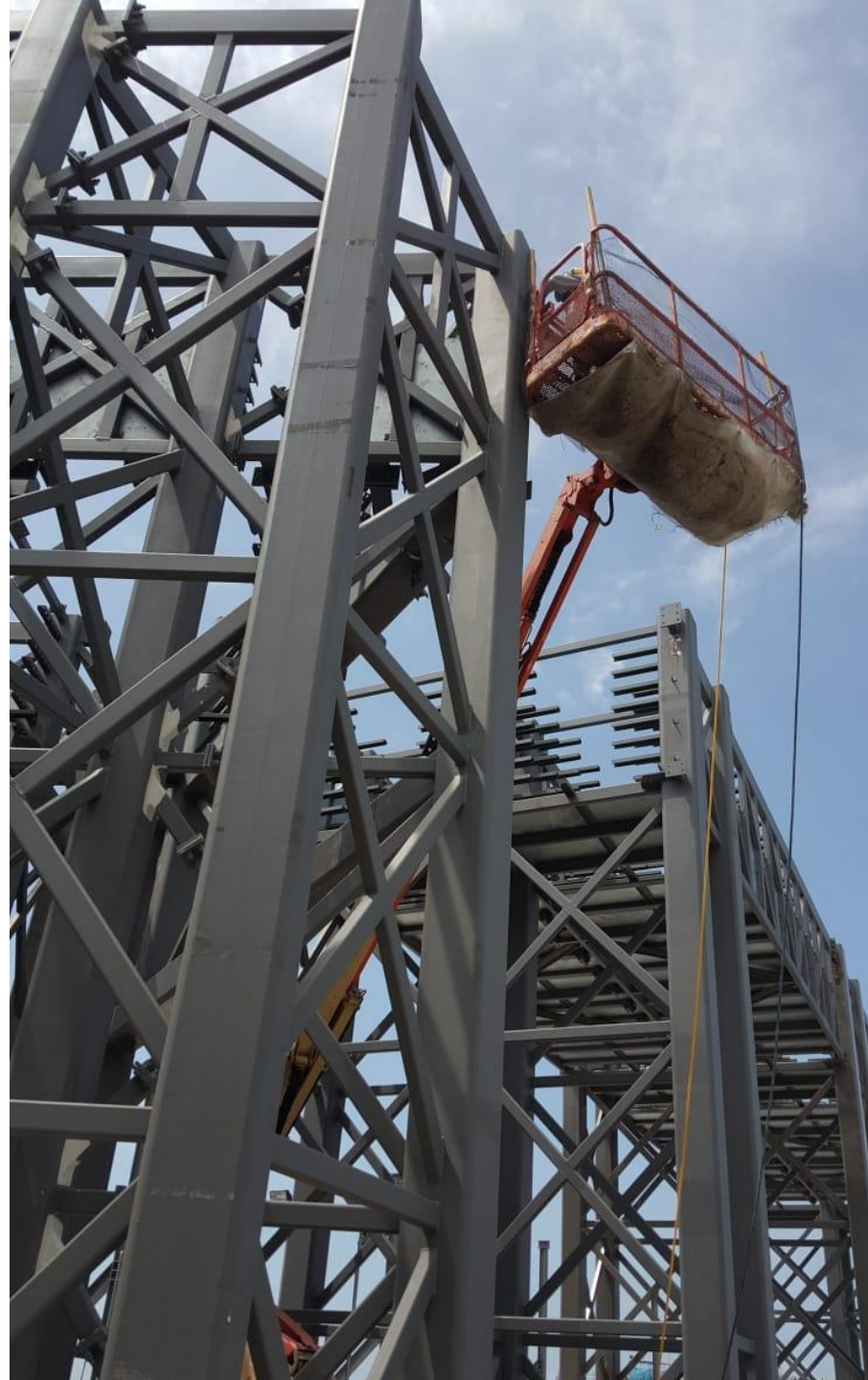
Net Asset Value

	As at 31 Jul 2020	As at 31 Jul 2021
Net asset value per share (S'cts)	36.01	37.10

Cashflow (\$\$'M)

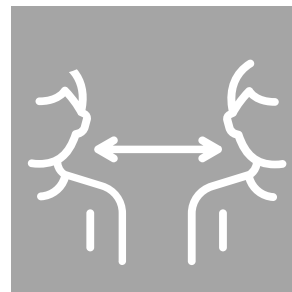
	FY2020	FY2021
Net cash from operating activities	7.6	6.2
Net cash used in investing activities	(6.6)	(1.5)
Net cash used in financing activities	(4.0)	(2.7)
Cash and cash equivalents	36.2	38.0

Business Updates



COVID-19 Pandemic

	Singapore	Malaysia and Thailand
OPERATIONAL IMPACT	<ul style="list-style-type: none"> Following our factory-converted dormitory being declared clear of COVID-19, our operations resumed since August 2020 in compliance with prevailing SMM guidelines Disruptions to manpower supply and workflow (slower) due to safe distancing measures 	<ul style="list-style-type: none"> COVID-19 situations still volatile Slow down in business activities due to restrictive movement controls / lockdowns Malaysia factory resumed operations in August 2021 following the nationwide total lockdown imposed in June 2021
FINANCIAL IMPACT	<ul style="list-style-type: none"> Government support has mostly tapered off since June 2021 Higher labour and material costs in the construction sector as prolonged and restrictive border controls impact supply chain 	<ul style="list-style-type: none"> Persistent weak demand and low average selling prices for wood pellets
RESPONSE TO COVID-19	<ul style="list-style-type: none"> All staff and workers are fully vaccinated Safe distancing measures implemented across the workplace and project sites Maintaining prudence in cash conservation and cash flow management 	



Key Business Developments in FY2021



Disposal of property & equipment in Johor for S\$13.4 million

- Non-core assets and have not been used for operations
- Disposal gain of approximately S\$1.6 million
- Estimated completion March 2022



Succession planning

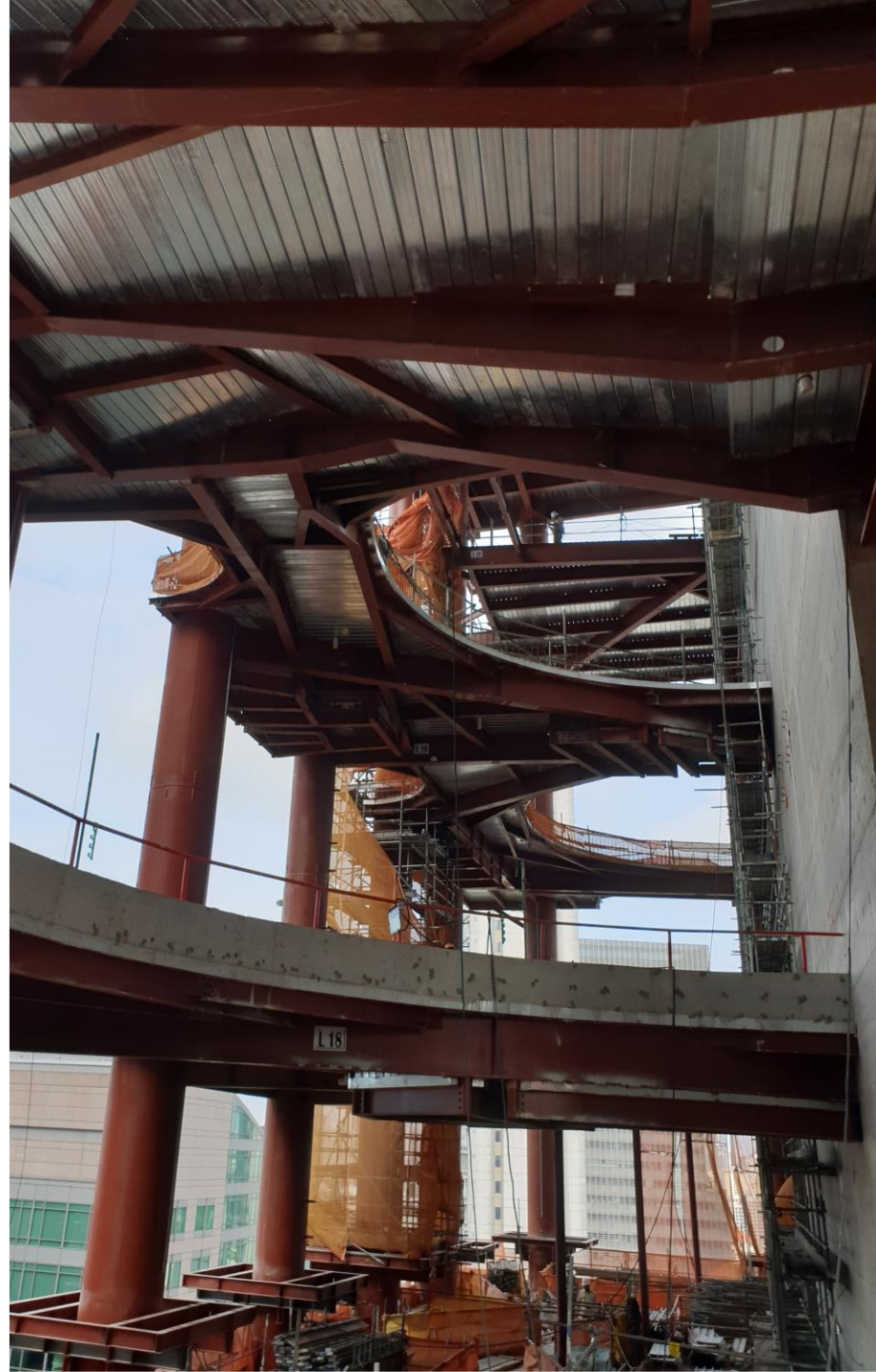
- Promotion of Chief Operating Officer Mr Elavarasu Somasundaram as Chief Executive Officer
- Redesignation of Mr Teo Hock Chwee from Chairman and Managing Director to Executive Chairman



Order book of S\$119 million (@ 23 September 2021)

- Secured S\$19 million in new contracts (as announced on 22 July 2021)
- Fulfilling existing projects which were delayed / postponed due to COVID-19
- Order book expected to be substantially delivered between FY2022 and FY2023

Industry Outlook



Construction to Recover in 2021 Despite Challenges

Construction Demand (Value of contracts awarded) (S\$ billion) (Source: BCA, 18 Jan 2021)

Year	Public	Private	Total
2021 (F)	15 - 18	8 - 10	23 - 28
2022-2025 (F)	14 - 18 / yr	11 - 14 / yr	25 - 32 / yr

2021 construction demand to recover to between S\$23b -S\$28b

- Public sector to drive 65% of this demand eg public housing and infrastructure projects

Steady improvement in construction demand to S\$25b -S\$32b per year from 2022-2025

- Public sector to lead the demand: Public residential developments and large infrastructure and institutional projects eg the Cross Island MRT Line (Phases 2 and 3), the Downtown Line Extension to Sungei Kadut, the cycling path networks, the relocation of Singapore Science Centre, the Toa Payoh Integrated Development, the Alexandra Hospital redevelopment and a new integrated hospital at Bedok
- Private sector construction demand to improve steadily in the medium term, contingent on the successful deployment and effectiveness of COVID-19 treatment and vaccines as well as easing of lockdown restrictions.

Singapore’s 2Q Economic Updates: GDP forecast for 2021 raised to “6.0 to 7.0%” on better-than-expected performance in 1H2021 and the latest external and domestic economic developments (Source: MTI, 11 Aug 2021)

- Construction sector grew by 106.2% YoY in 2Q 2021 as both public and private sector construction works expanded (compared to the low base last year due to the CB)
- Sector projected to recover from the 2020 low base but expected to remain substantially below pre-COVID levels even by end 2021

Potential Projects In Singapore

Public Sector Projects

- **Industrial:** Integrated Waste Management Facility @ Tuas, and Tuas Water Reclamation plant
- **Transport:** Cross Island Line, Jurong Region Line, Eastern Region Line, Integrated Transport Hub and North South Corridor
- **Government:** MHA Building, Police Building at Toa Payoh, NS Hub, Bedok Hospital and Elective Care Centre & National Dental Centre Building at SGH
- **Recreational:** Mandai Bird Park East Arrival Node, Mandai Rainforest Package C, and Mandai Boardwalk

Private Sector Projects

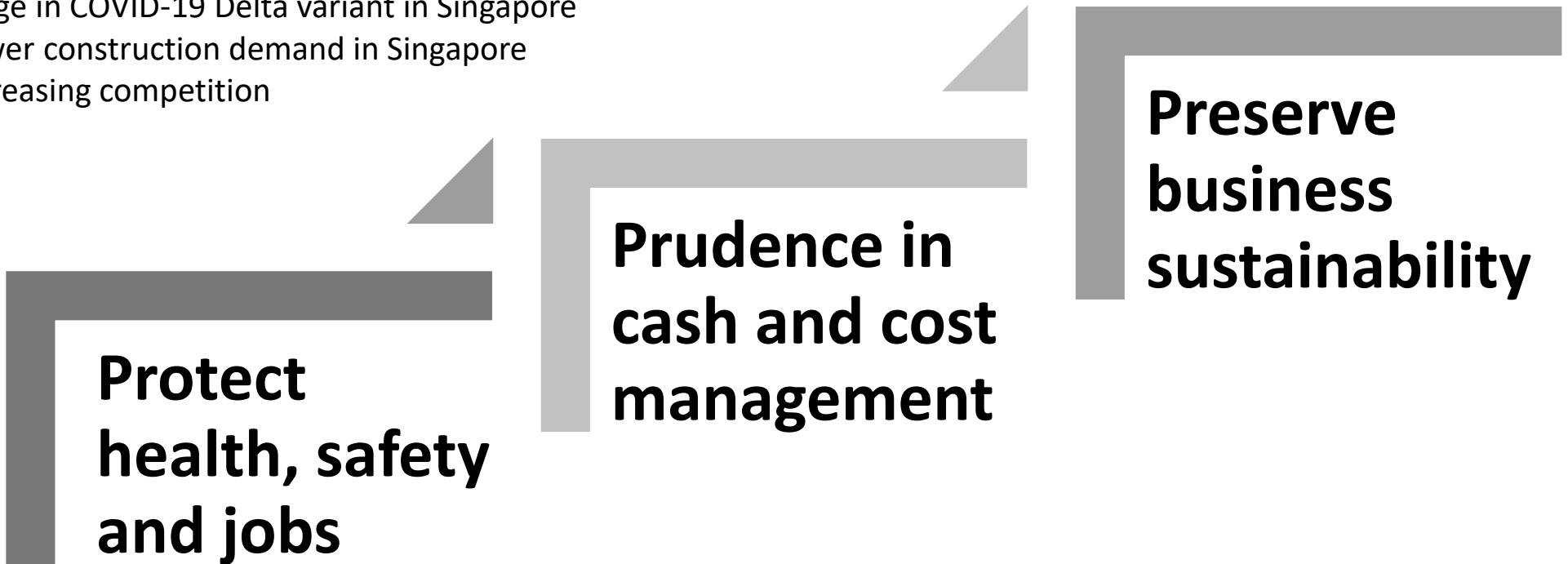
- **Jurong Island:** Banyan Combined Cycle Power Plant, Kuraray ES Project MC2 and GE GT26 HE upgrade
- **Commercial:** SF Project in Jurong Innovation District, High Rise Re-development Project, SP Labrador Tower, Global Foundries, AXA Tower Redevelopment and Fuji Xerox Towers Redevelopment
- **Medical / Pharmaceutical:** Exyte vaccine facilities
- **Overseas:** Shiplifts



Business Strategy

Main Challenges:

- Operating in the new normal where Safe Management Measures are necessary
- Manpower shortage and cost inflations caused by the COVID-19 pandemic
- Surge in COVID-19 Delta variant in Singapore
- Lower construction demand in Singapore
- Increasing competition



Thank You

