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# Boustead Singapore Limited FY2023 Annual General Meeting

## Management Presentation

**28 July 2023**

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# Presentation Agenda

- Business Performance
- Group Financial Performance
- Historical Value Creation
- Q&A



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# Business Performance

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# Boustead Singapore Limited at a Glance



Real Estate



Energy Engineering



Geospatial



Healthcare

**Separately listed with its own board and management**

**In conjunction with Division Leadership, BSL sets strategy, determines operating frameworks, selects key executives and sets operating targets which fit with longer term goals**

# Boustead Singapore Limited at a Glance



Real Estate



Energy Engineering



Geospatial



Healthcare

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**In conjunction with Division Leadership, BSL sets strategy, determines operating frameworks, selects key executives and sets operating targets which fit with longer term goals**

# Our People Running Our Businesses on a Day-to-day Basis




## ENERGY ENGINEERING

- **Stuart Cummings**
  **Chief Executive Officer**
  Boustead International Heaters



- **Ian Hallas**
  **Head of Process Engineering**
  Boustead International Heaters



- **David Norton**
  **Head of Sales**
  Boustead International Heaters



- **Prasun Chakraborty**
  **Managing Director**
  Controls & Electrics



- **R N Gopa Kumar**
  **Head of Projects**
  Controls & Electrics





## GEOSPATIAL

- **Brett Bundock**
  **Managing Director**
  Boustead Geospatial Division
  Esri Australia



- **Leslie Wong**
  **Managing Director**
  Esri South Asia



- **Joe Lee**
  **Chief Executive Officer**
  Esri Singapore



- **Tan Choon Sang**
  **Chief Executive Officer**
  Esri Malaysia





## HEALTHCARE

- **Don Quah**
  **Acting Chief Executive Officer**
  BMEC

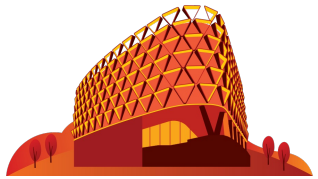


- **Wong Siow Nan**
  **Division Manager**
  BMEC





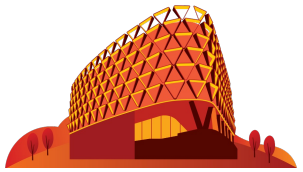
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# Division Performance – Real Estate

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# Real Estate
## Division Revenue, PBT & Orders Secured



| | **FY2023 (S$'m)** | FY2022 (S$'m) | Chg (%) |
|---|---|---|---|
| Revenue | **284.0** | 339.1 | -16 |
| PBT | **26.5** | 13.8 | +92 |
| Orders secured | **401** | 148 | +171 |

- Boustead Projects prevailed over challenges of pandemic to deliver another year of profitable performance
- Notwithstanding that Boustead continues to explore options to delist and privatise Boustead Projects, we are confident that its management and Board will continue to execute its business strategies well

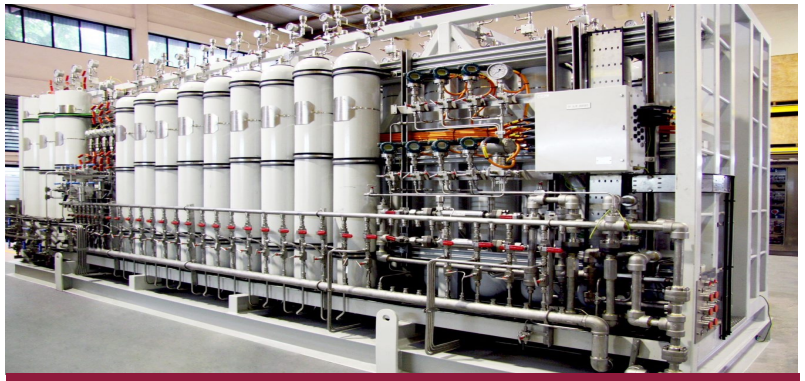



# Division Performance – Energy Engineering

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# Energy Engineering
# Product Offerings and Services

## Hydraulic / Pnuematic Control Systems



Wellhead Control Panels / Hydraulic Power Units



Chemical Injection Skids

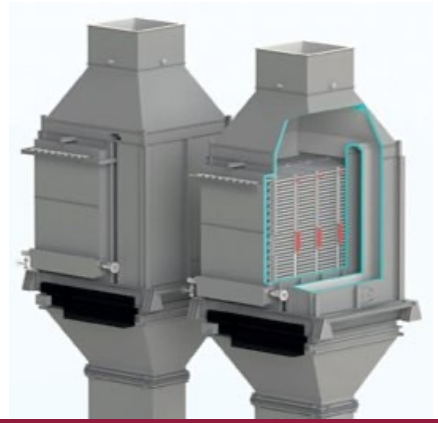
## Heat Transfer Products



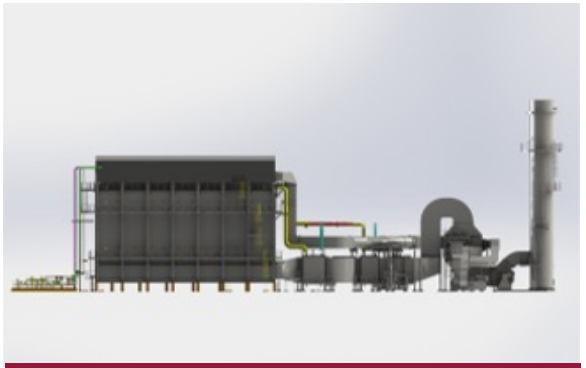
Furnaces



Waste Heat Recovery Units



Once Through Steam Generators (won S$40m of work in FY2023 relating to this, with more in pipeline)



Reformers

# Energy Engineering
## Product Offerings and Services – New Capabilities



Boustead Controls new manufacturing facility in Saudi Arabia, with S$11m worth of equipment sales achieved




Acquired a team of 15 FTEs in the USA, significant improvement in aftermarket servicing capabilities



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# Energy Engineering
## Division Revenue, PBT & Orders Secured



| | FY2023 (S$'m) | FY2022 (S$'m) | Chg (%) |
|---|---|---|---|
| Revenue | **98.0** | 112.3 | -13 |
| PBT | **15.2** | 15.8 | -4 |
| Orders secured | **182*** | 45 | +304 |

** Includes uplifts and variation orders.*

- Lower revenue and PBT due to reduced order backlog carried forward at end of FY2022
- More than 3x order intake in FY2023 compared to FY2022
- FY2023 order intake is 2nd highest ever

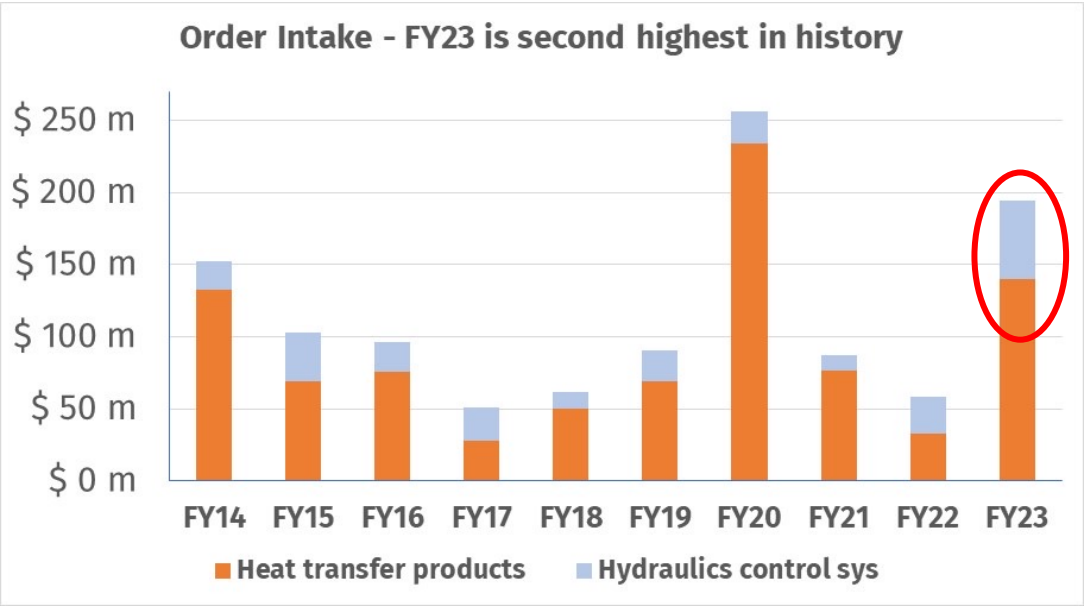
# Energy Engineering
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# Energy Engineering
# Prospects



- Near to mid-term
  - Strong order book
  - New product offerings for heat transfer
  - New capabilities through addition of team members
  - New facility for wellhead control panels in Saudi

- Longer term
  - Complex
  - Uncertain

# Energy Engineering
## No Agreement on Energy Transition from Fossil Fuels



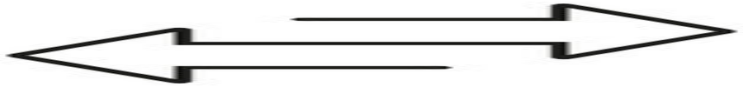
***"....there should be no new investments in oil & gas production fields, coal mines or unabated coal power plants beyond 2021...."***

International Energy Agency



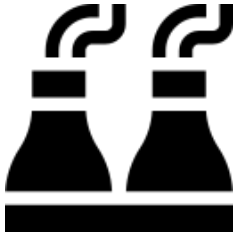
***"The outlook for natural gas is more resilient than for oil ...when combined with carbon capture use and storage."***

BP



***"Fossil fuel use will not disappear any time soon. Our scenario envisages fossil fuels having a 77% share of global energy demand [in 2040]."***

Wood McKenzie





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# Energy Engineering
## No Agreement on Energy Transition from Fossil Fuels



***"....there should be no new investments in oil & gas production fields, coal mines or unabated coal power plants beyond 2021...."***

International Energy Agency

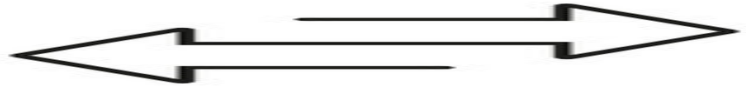
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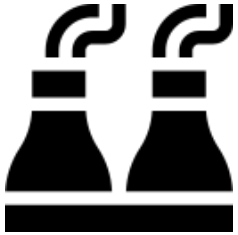
BP

***"Fossil fuel use will not disappear any time soon. Our scenario envisages fossil fuels having a 77% share of global energy demand [in 2040]."***

Wood McKenzie







***Our team believes that energy transition will take longer than most think .....***



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# Energy Engineering
## Addressing Uncertain Long-term Prospects



- Stay nimble and scale business quickly according to demand for oil & gas projects
- Spend more time on chasing projects which are somewhat more resilient to transition to net-zero emissions such as natural gas projects / LNG projects / petrochemicals such as plastics / fertilisers
- Continue building brownfield service capabilities
- Find out if heat transfer expertise can be deployed in other complex but non-oil & gas projects

# Energy Engineering
## Addressing Uncertain Long-term Prospects



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- Continue building brownfield service capabilities
- Find out if heat transfer expertise can be deployed in other complex but non-oil & gas projects

Maintain bid discipline at all times and not bidding stupidly!



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# Division Performance – Geospatial

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# Geospatial
## Product and Service Offerings



Professional Services

SmarterWX

SMARTERWX

Data Products

Managed Services

esri

ArcGIS Desktop and Extensions

esri

Other ArcGIS Apps

esri

ArcGIS Enterprise Server and Extensions

esri

ArcGIS Online and Extensions

**Esri Aligned**

**Esri Direct**

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# Geospatial
## Esri Direct and Esri Aligned



### Esri Direct

Revenue as result of selling Esri Inc's software products under distribution agreement



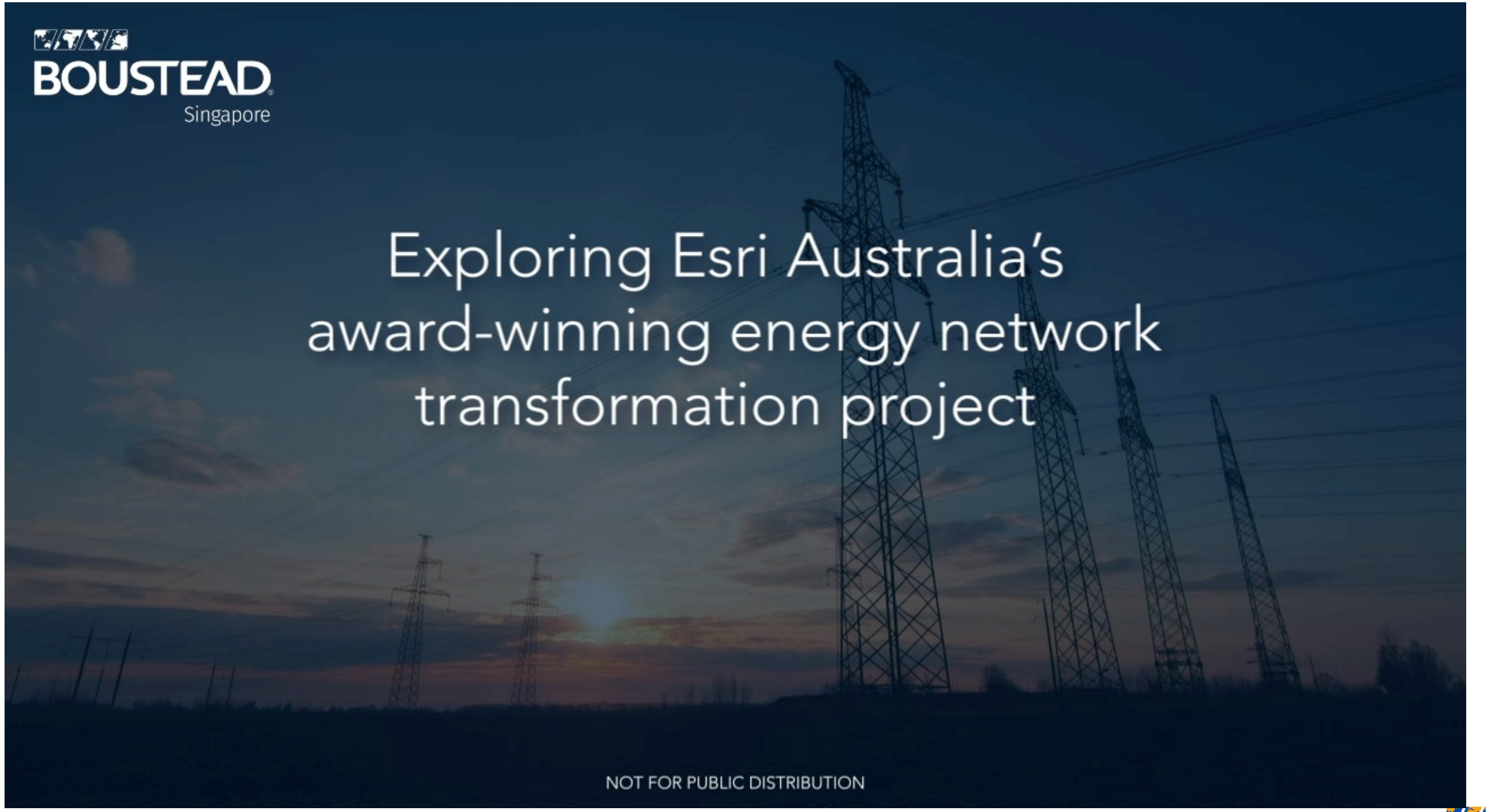

### Esri Aligned

Revenue as result of selling services, data products, 3rd party (including self-developed) solutions that enhance and extend Esri ecosystem

Leveraging synergies to create long-term, scalable business with enhanced offerings independent of distribution agreement

# Geospatial
# Project Showcase





# Geospatial
## Division Revenue, PBT & Deferred Services Backlog



| | **FY2023 (S$'m)** | FY2022 (S$'m) | Chg (%) |
|---|---|---|---|
| Revenue | **168.0** | 168.3 | 0 |
| PBT | **35.4** | 36.9 | -4 |
| Deferred services backlog | **92** | 113 | -19 |

- No growth for second consecutive year
- IT staff wage inflation, high staff attrition rates affecting business
- Recent big contract win in Australia of A$48m will lead to improvement in FY2024 results

# Geospatial

## Selling and Delivering a GIS Project Requires More and More Extensive Knowledge



GIS /geographic science

Customer industry knowledge

Software dev customisation

Other software sys- ERP, database etc

IT infra, cloud env, cyber security

# Geospatial Prospects





IOT



Smart Cities



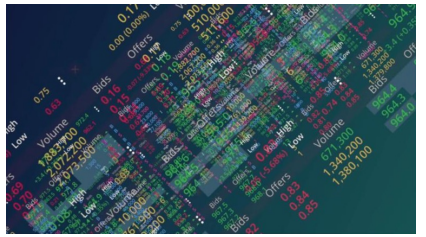
Digital Government



AI



Digital Transformation



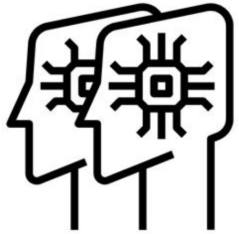
Big Data



Location Intelligence



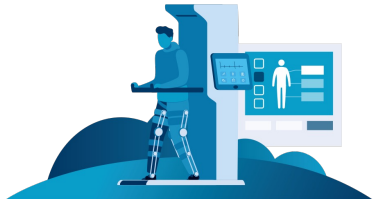
Connected Enterprise



Digital Twins



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# Division Performance – Healthcare

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# Healthcare
# Product Offerings and Services – Equipment Sales

## Equipment Sales





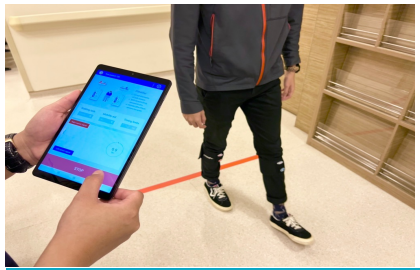
Rehabilitation and Sports Science

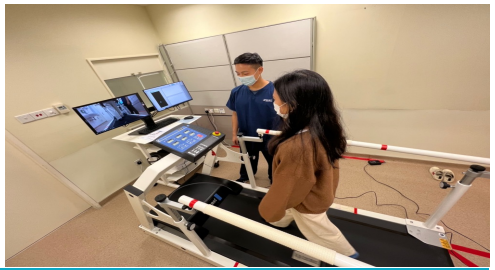
## Service Offerings





Wound Care Mattress Disinfection and Installation





Functional Assessment Centre at Changi General Hospital, Singapore



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# Healthcare
# De-cluttering the business



| | |
|---|---|
| **Medical** | ~~• Medical equipment distribution (SEA)~~<br>~~• Healthcare simulation/mannequin distribution~~<br>~~• Small hospital construction and fit-out business~~<br>~~• Rental and provision of continuous blood pressure monitoring devices to dialysis centres~~ |
| **Rehab** | • Operating Functional Assessment Centres (SG)<br>~~• Rehab equipment distribution (HK)~~<br>• Rehab equipment distribution (SEA)<br>~~• Physio clinics (SG)~~<br>~~• Stroke rehab business under "Bodyengineering" (SG)~~ |
| **Sleepcare** | ~~• Sleep apnea consumer device distribution (Asia)~~<br>~~• Sleep disorder diagnostic service (SEA, CN)~~ |
| **Sports Science** | • Sports science equipment distribution (SEA) |
| **Hospital & Others** | • Wound care mattress service business (SEA, HK)<br>~~• Aerospace simulation equipment distribution (SEA)~~<br>~~• General cleaning and disinfection~~<br>~~• "Healing From Home" e-commerce platform~~ |

| | |
|---|---|
| **Rehab** | • Operating Functional Assessment Centres (SG)<br>• Rehab equipment distribution (SEA) |
| **Sports Science** | • Sports science equipment distribution (SEA) |
| **Hospital & Others** | • Wound care mattress service business (SEA, HK) |



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# Healthcare
## Division Revenue & PBT



| | **FY2023 (S$'m)** | FY2022 (S$'m) | Chg (%) |
|---|---|---|---|
| Revenue | **11.1** | 12.0 | -7 |
| Share of associate, Beijing Pukang ("Pukang") | **0.3** | 0.6 | -50 |
| PBT (includes share of Pukang's income above) | **-1.4** | *-6.2 | +78 |

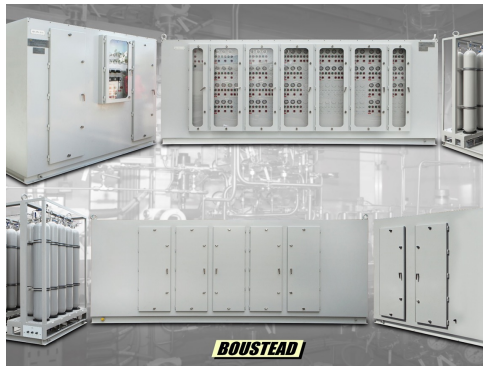
* Excludes S$0.1m of remaining annual amortisation adjustment by Group on acquisition in FY2022.

- Pukang affected by tough economic conditions in China
- Healthcare business losing less money than last year, but still not on path to sustainability or meaningful growth
- Strategic review urgently needed

# Noteworthy Projects and Achievements

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# Energy Engineering
## Largest Ever Wellhead Control Panel Contract by Boustead Controls & Electrics



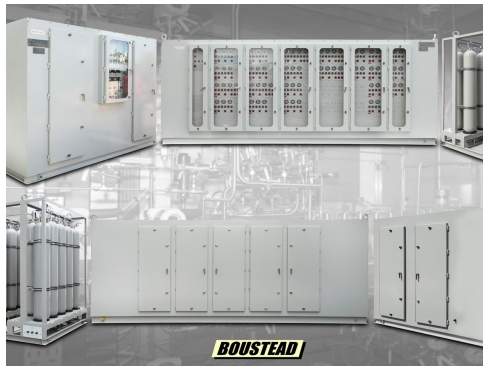



- Boustead Controls & Electrics (BCE) will be supplying 13 sets (one for each platform) of bespoke WHCP for the Qatar Energy North Field Expansion Project
- This project will increase Qatar's LNG production capacity by 64%
- Largest single contract value for BCE of approximately S$36m



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# Energy Engineering
## Largest Ever Wellhead Control Panel Contract by Boustead Controls & Electrics








**Prasun Chakraborty**
**Managing Director**



**R N Gopa kumar**
**Head of Projects**

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# Group Financial Performance

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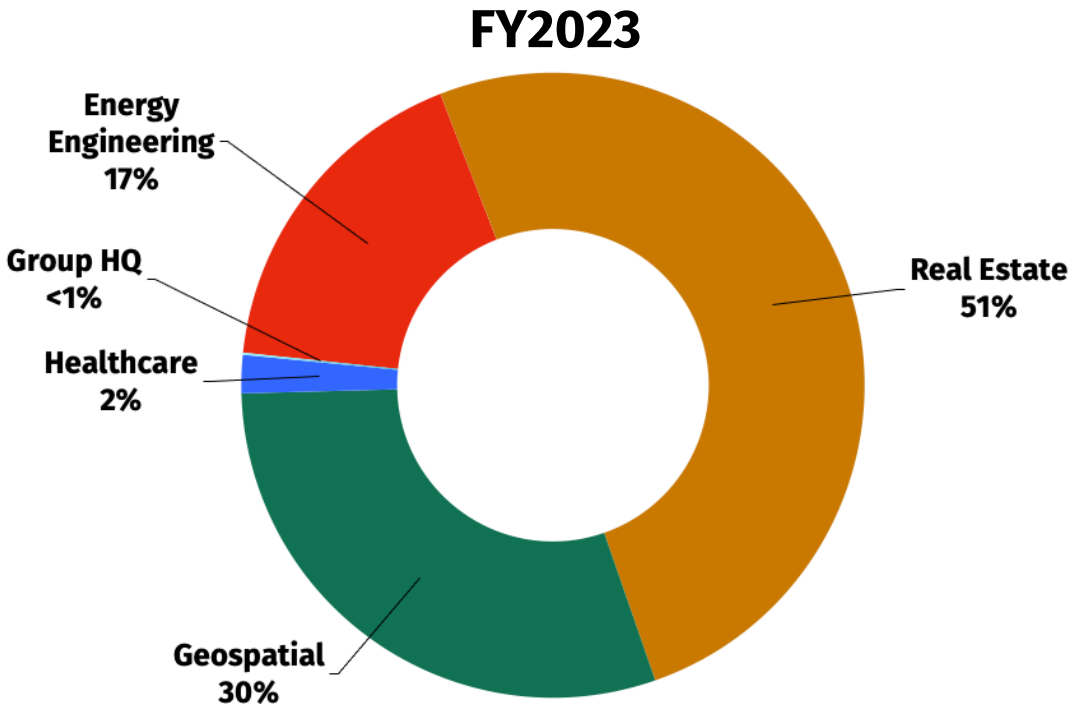
# Group Financial Results

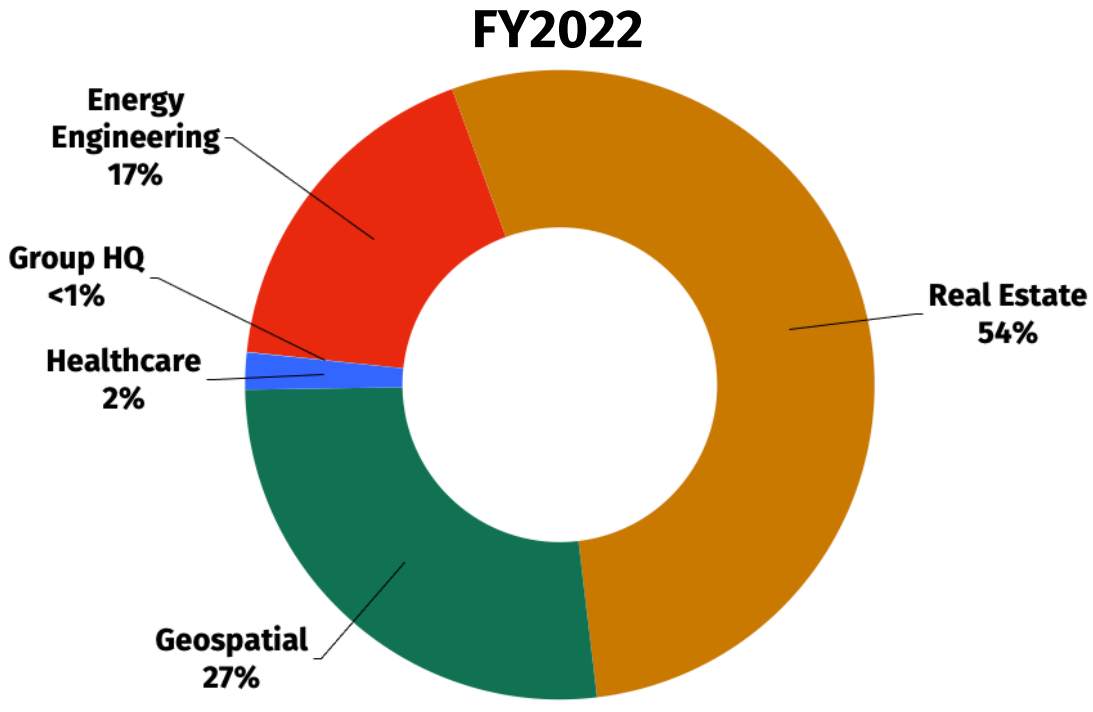
| | **FY2023** | FY2022 | Chg (%) |
|---|---|---|---|
| Revenue | **S$561.6m** | S$631.8m | -11 |
| Gross profit | **S$157.0m** | S$144.8m | +8 |
| *Gross margin* | ***28%*** | *23%* | |
| PBT | **S$76.5m** | S$55.2m | +38 |
| *PBT margin* | ***14%*** | *9%* | |
| Total profit | **S$56.2m** | S$38.8m | +45 |
| Profit attributable to equity holders of the Company ("net profit") | **S$45.3m** | S$30.6m | +48 |
| Adjusted net profit* | **S$31.5m** | S$32.4m | -3 |
| Earnings per share ("EPS") | **9.4cts** | 6.3cts | +49 |
| Net asset value ("NAV") per share | **94.9cts** | 89.9cts | +6 |

* For comparative review, net profit is adjusted for other gains/losses, impairments and Jobs Support Scheme, all net of non-controlling interests

- Revenue mainly impacted by decreased revenue contributions from Energy Engineering Division and Real Estate Division
- Higher net profit largely due to higher gross profit, interest income, Real Estate Division's sale of subsidiary (holding Boustead Industrial Park) to JV in Vietnam, reversal of impairment loss and significant currency exchange gains

# Group Revenue Mix by Division

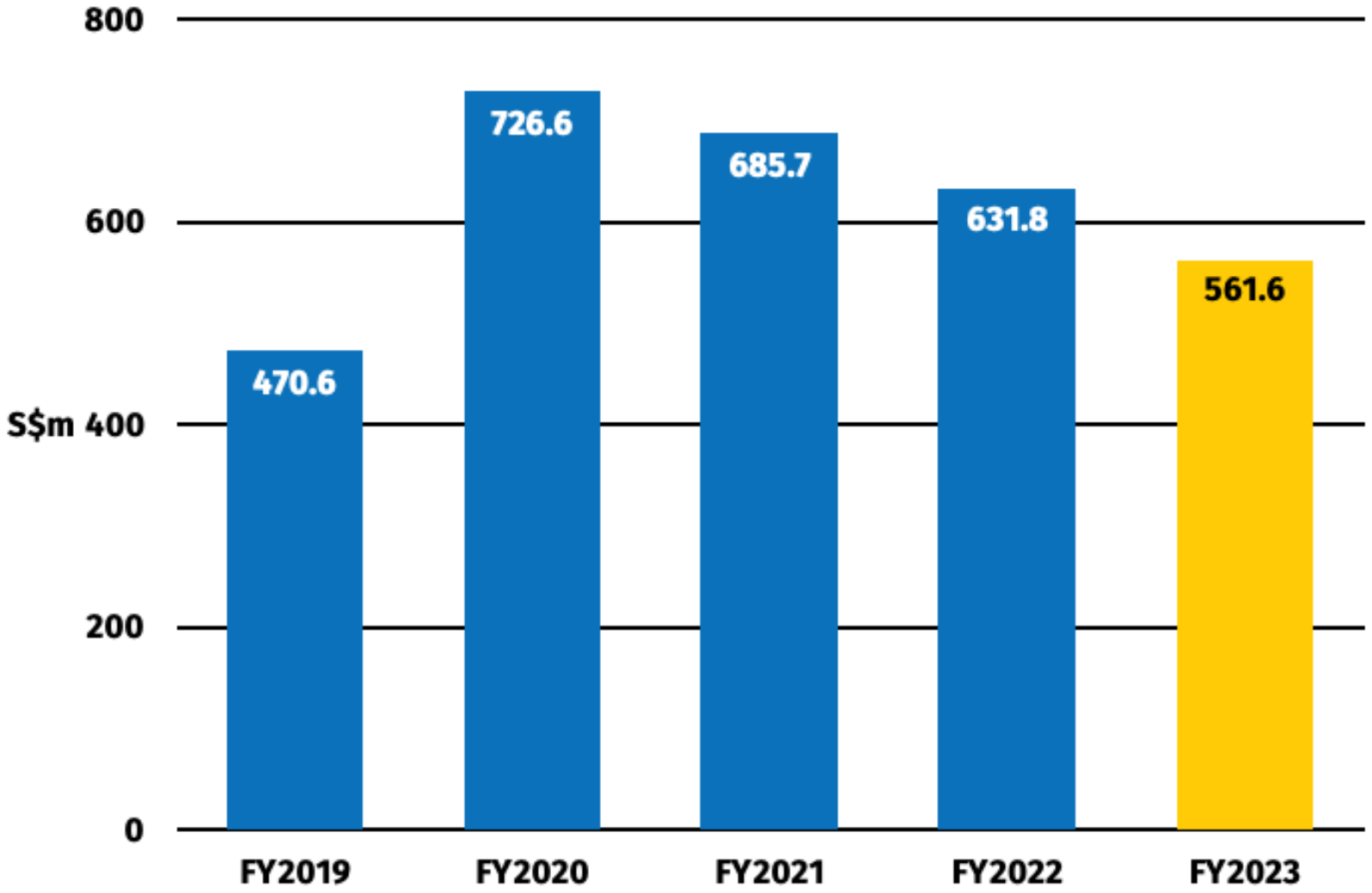





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# Group Revenue

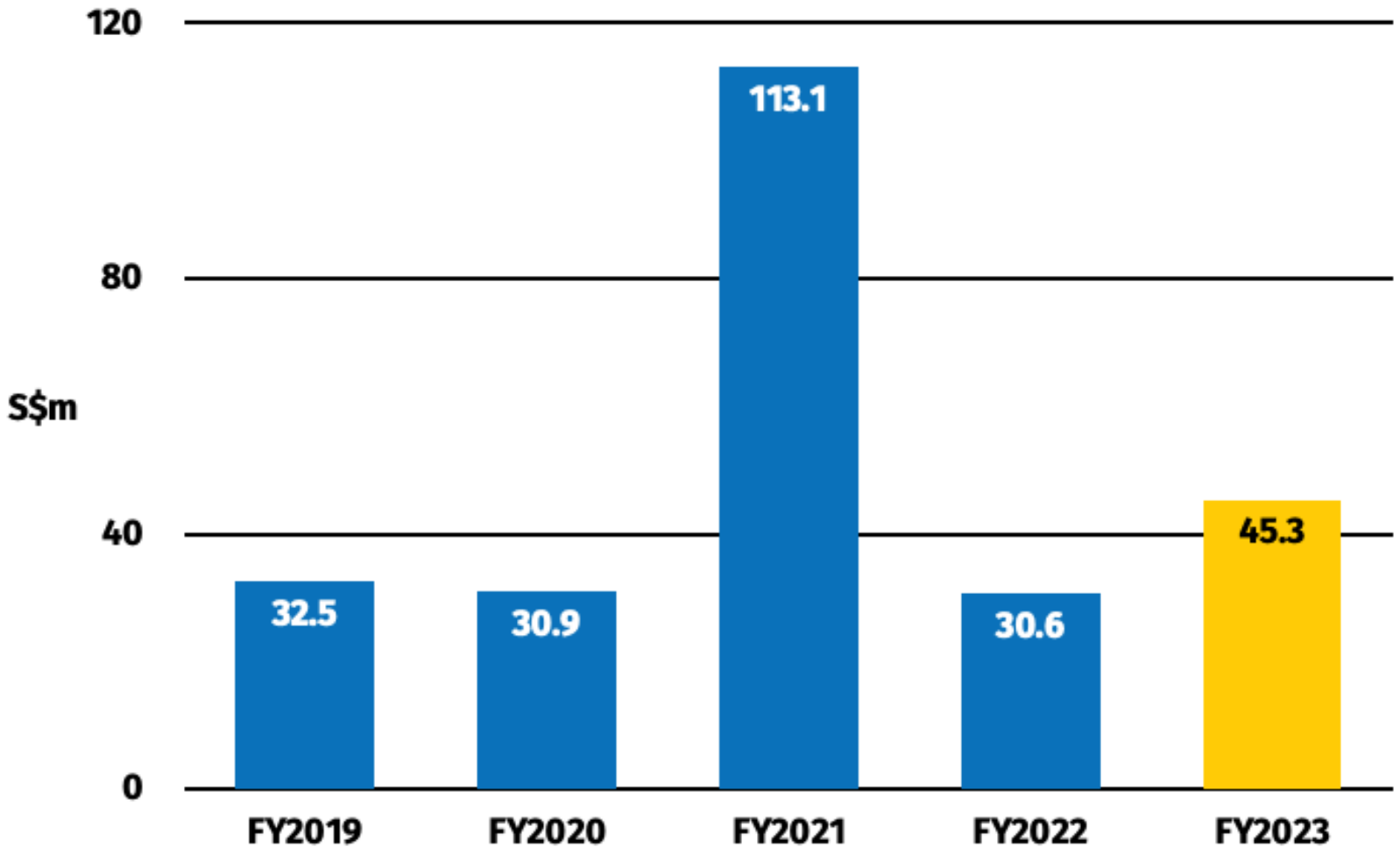



- Downward trend as Group cleared sizeable legacy projects secured pre-pandemic, especially under Real Estate Division



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# Group Net Profit

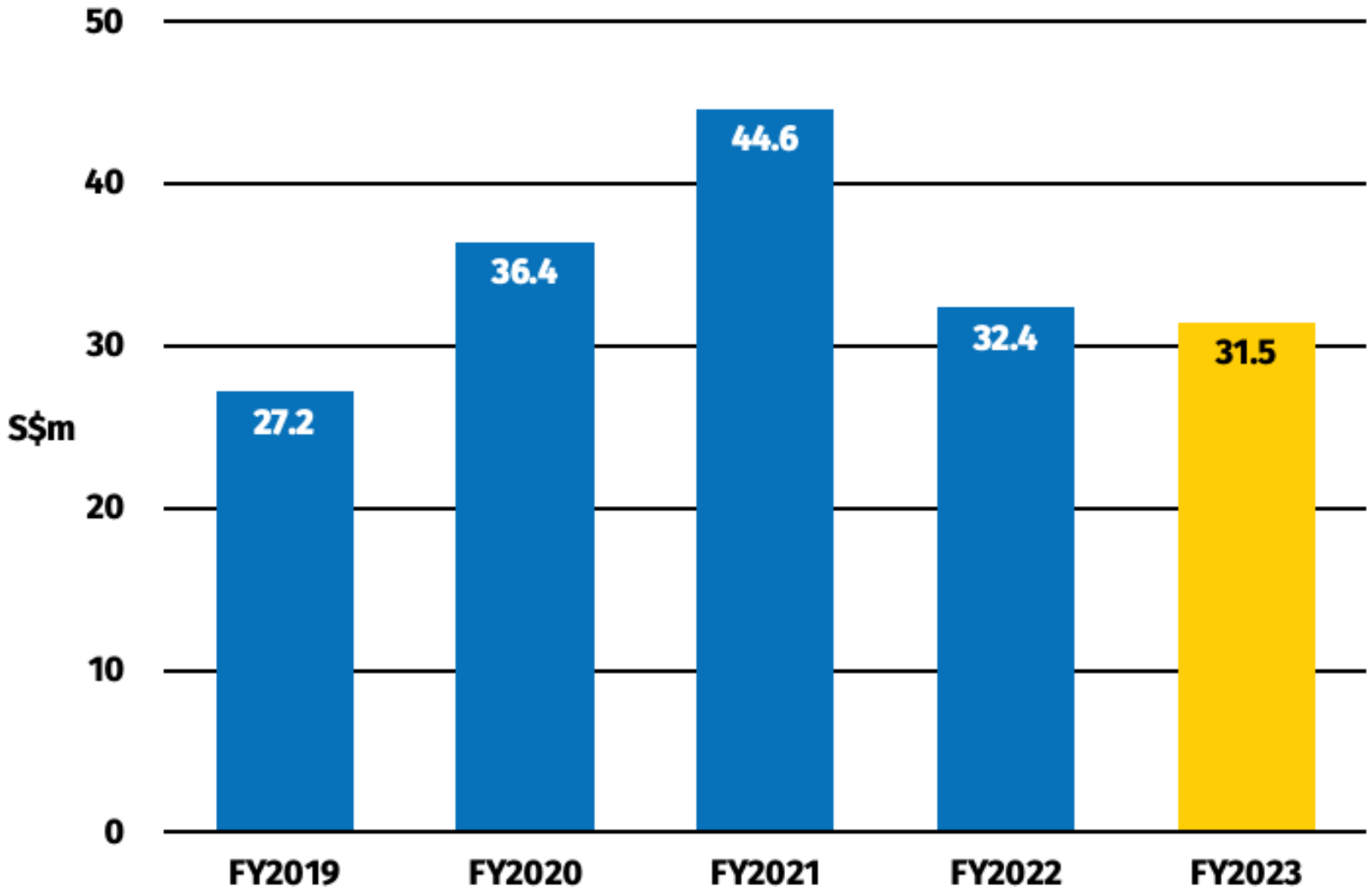



- Spike in FY2021 due to value-unlocking gain from Boustead Industrial Fund



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# Group Adjusted Net Profit

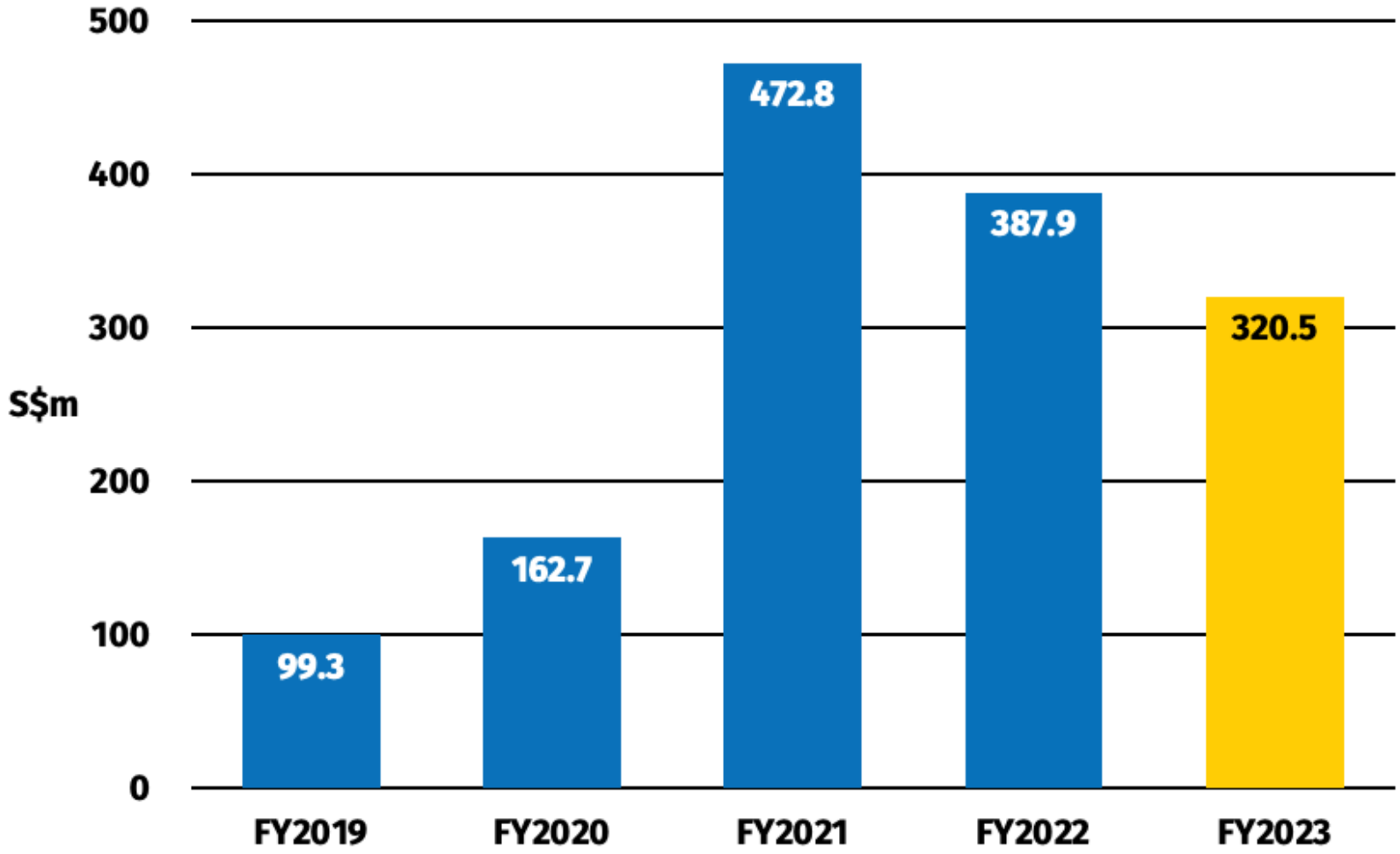



- Adjusted net profit remained comparable



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# Group Net Cash Position

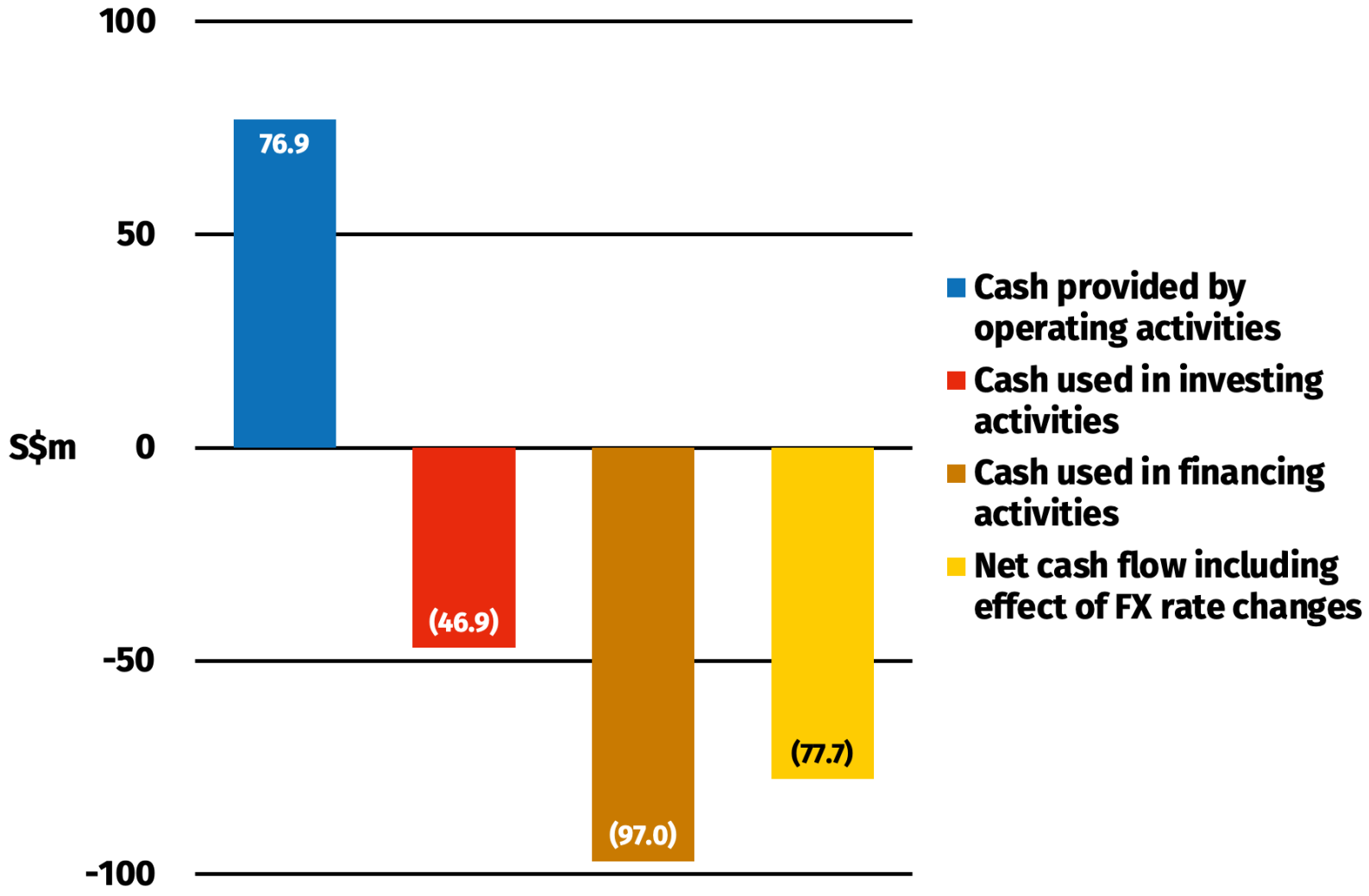



- Healthy cash levels for capital allocation
- S$63.8 million used to consolidate shareholdings in Boustead Projects, for all purchases of its shares during FY2023



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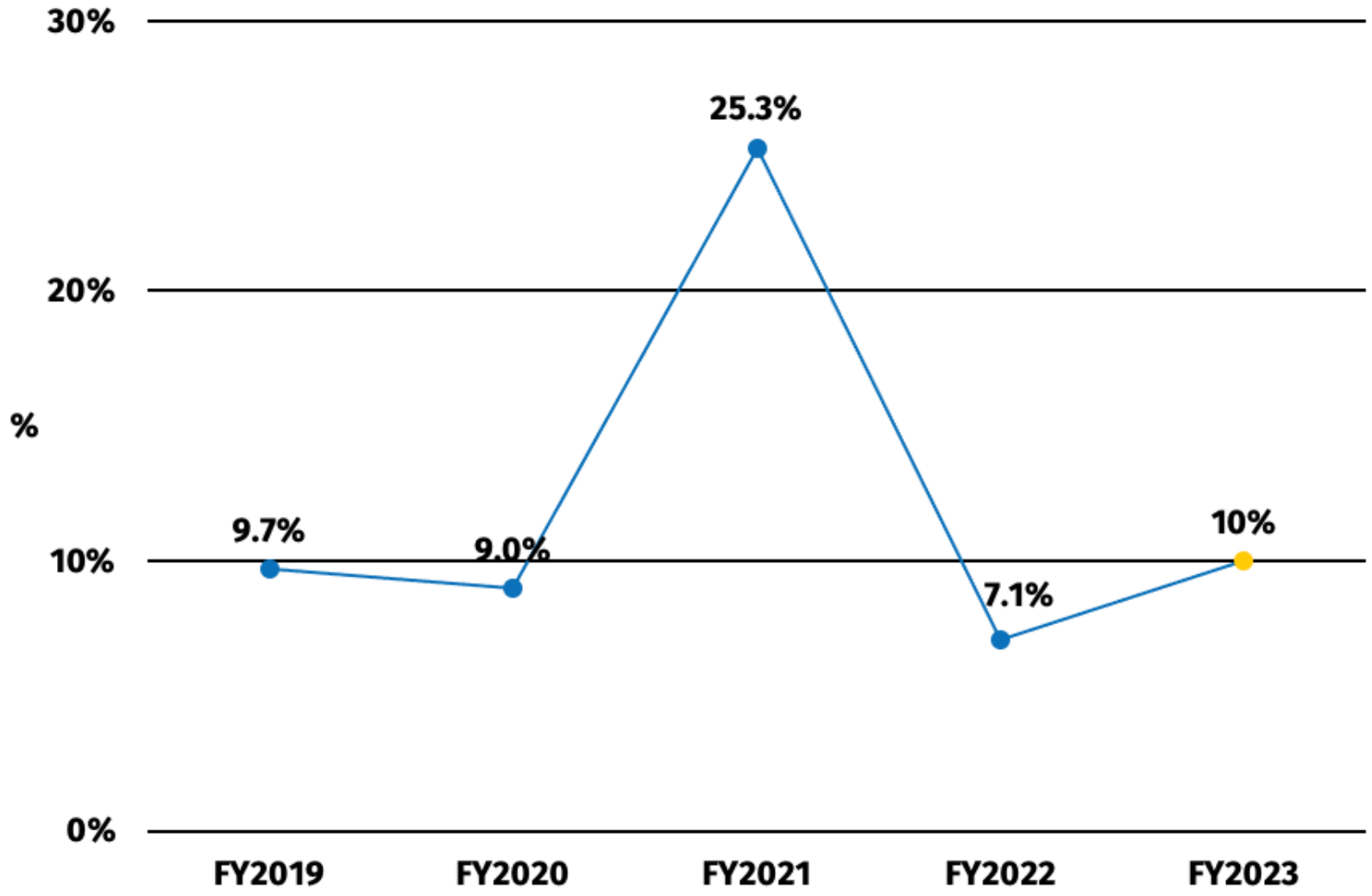
# FY2023 Group Cash Flow






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# Group Return on Shareholders' Equity

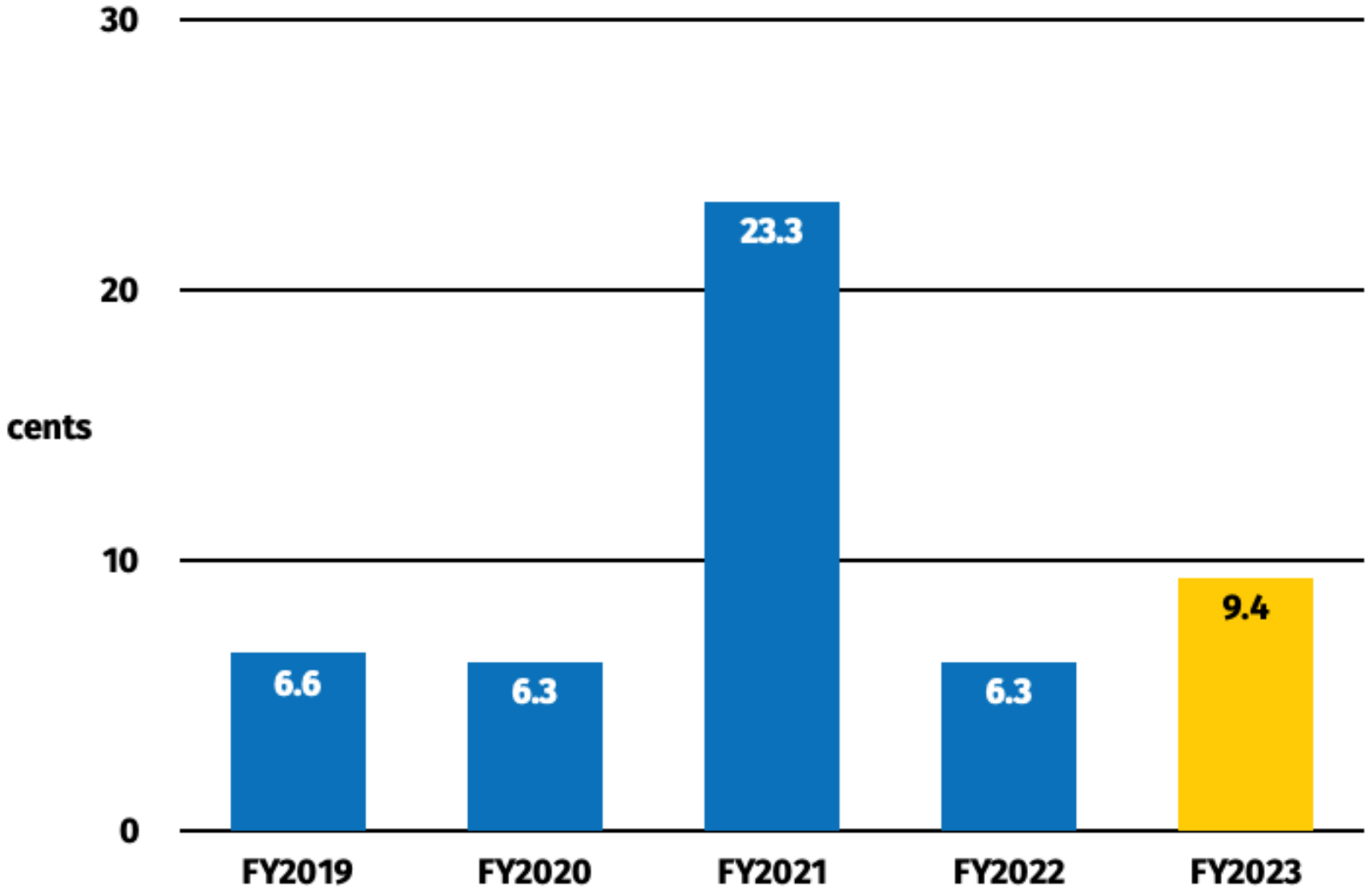



- Higher ROE due to increase in net profit



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# Group EPS

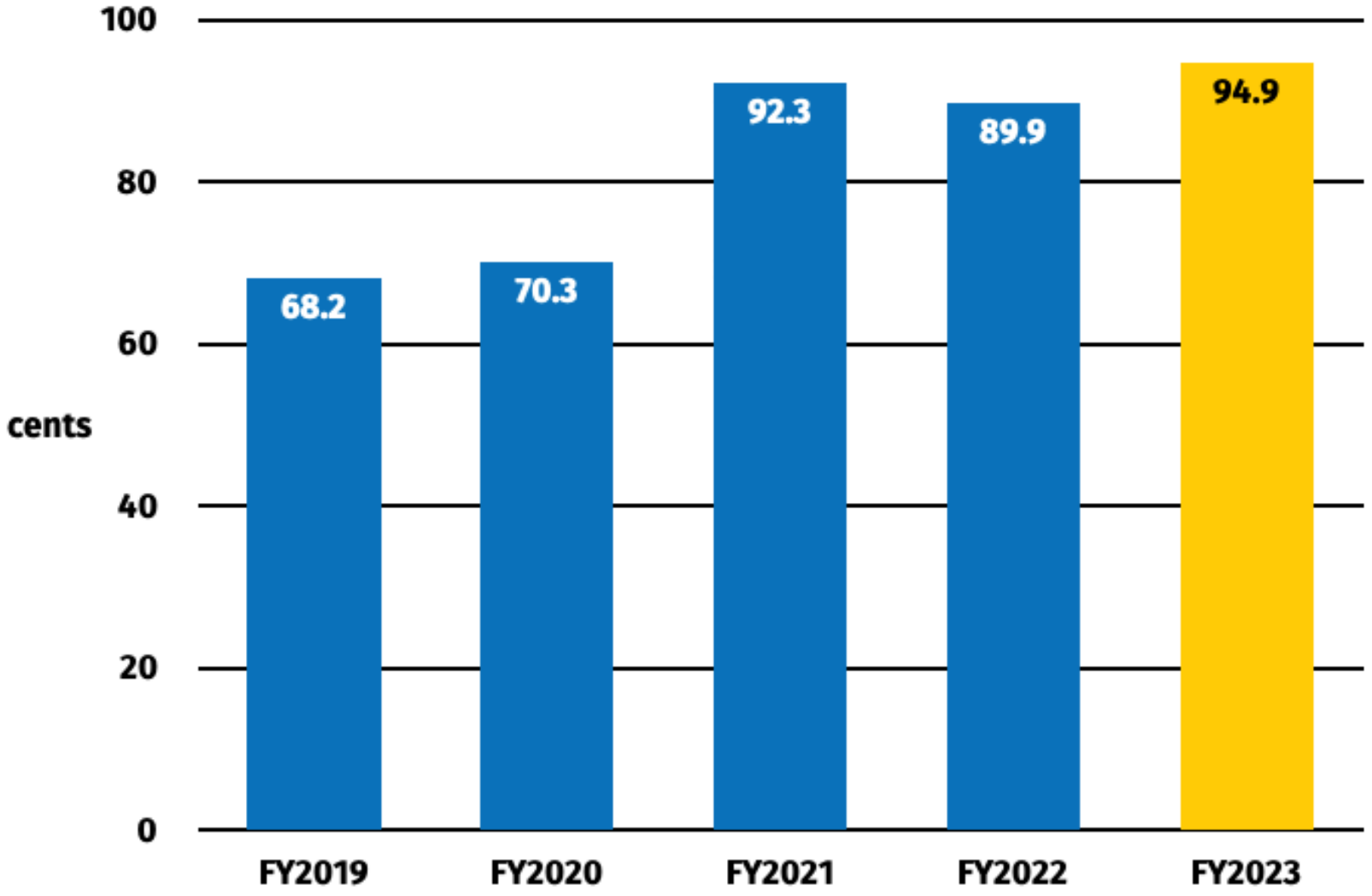



- Higher EPS due to higher net profit



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# Group NAV per Share

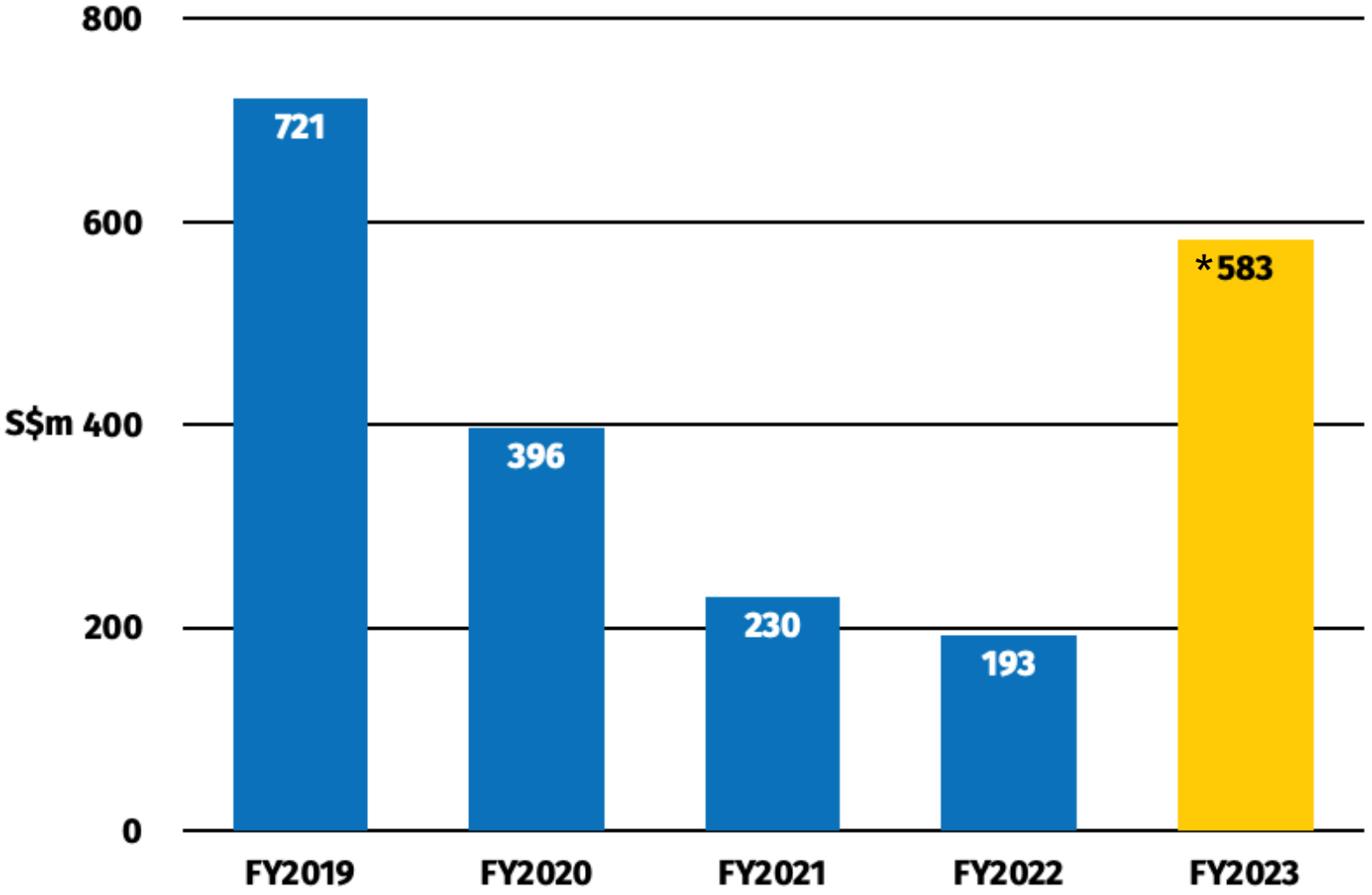



- Higher NAV due to increased profits and greater consolidation of shareholdings in Boustead Projects following voluntary unconditional general offer



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# Group Engineering Orders Secured




* Includes uplifts and variation orders

- Real Estate – S$401m
- Energy Engineering – S$182m
- Total orders secured almost three times amount secured in FY2022



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# Group Dividend

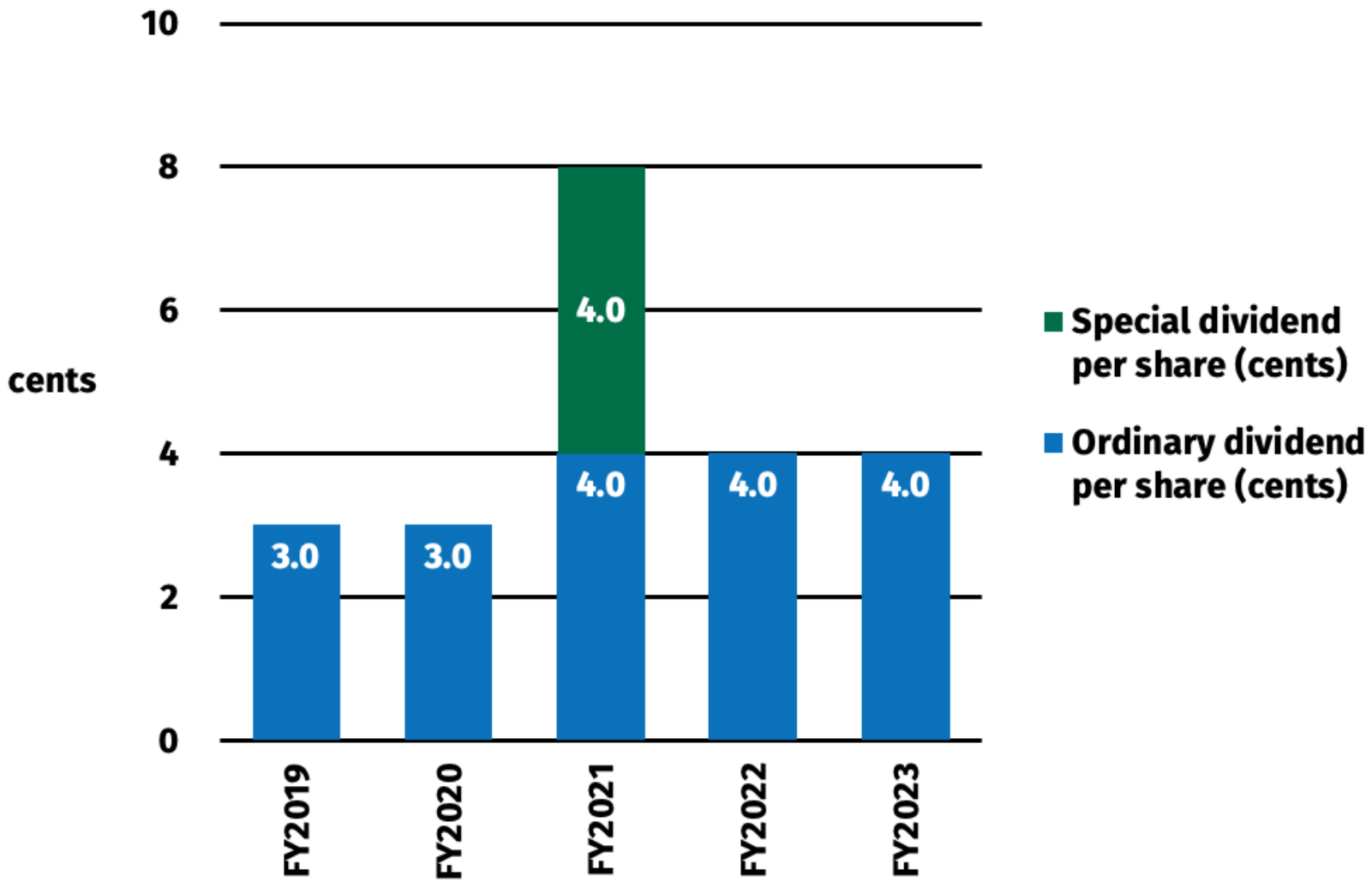
| | **FY2023** | FY2022 |
|---|---|---|
| Interim dividend | **1.5cts** | 1.5cts |
| Final dividend | ***2.5cts** | 2.5cts |
| Total dividend | **4.0cts** | 4.0cts |

* Proposed



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# Group Dividend (cont'd)




- Maintained ordinary dividend at 4 cents per share throughout pandemic
- FY2021 special dividend at 4 cents per share due to value-unlocking gain from Boustead Industrial Fund



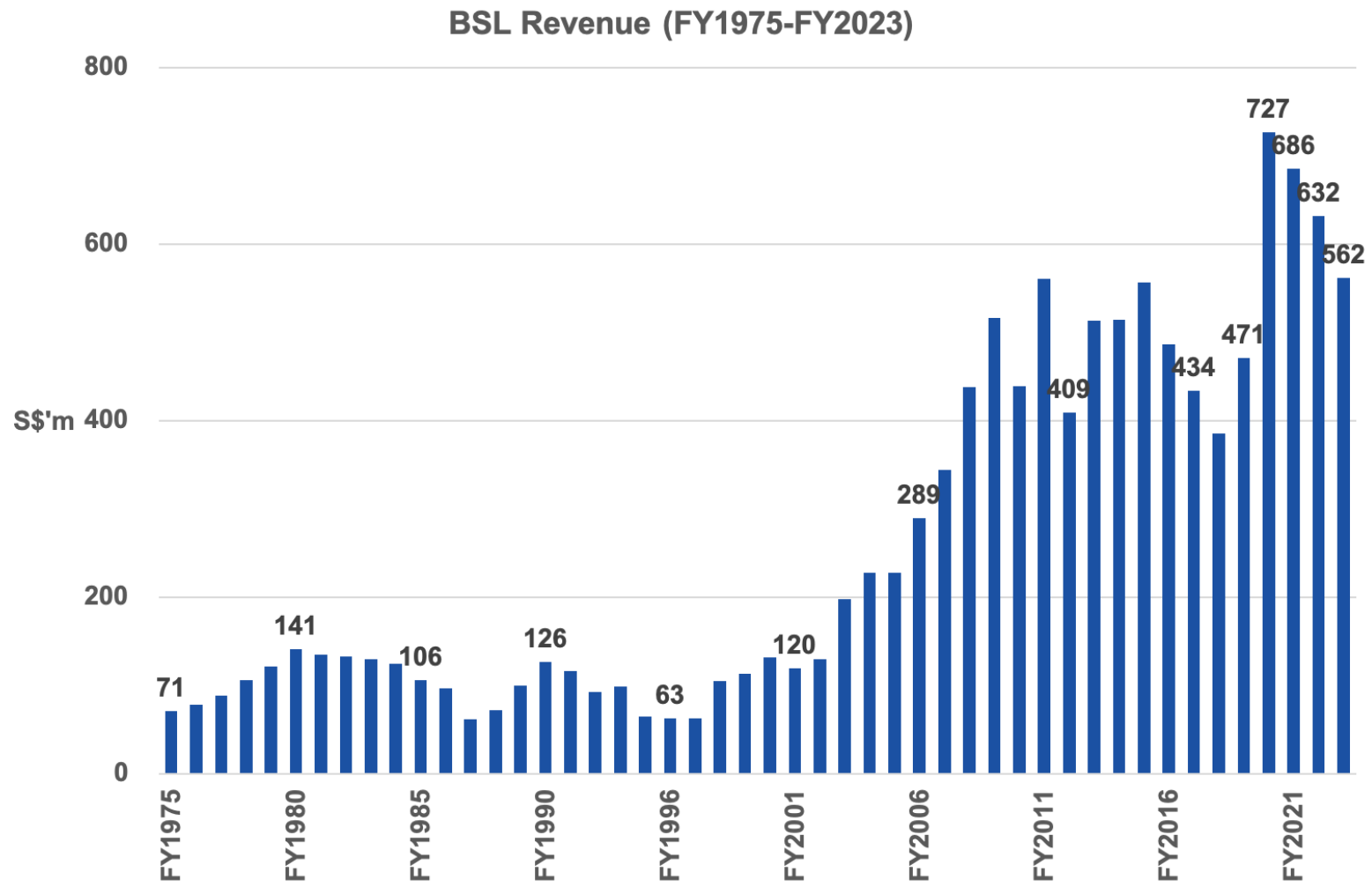
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# Historical Value Creation

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# BSL Revenue (FY1975-FY2023)

## From listing date

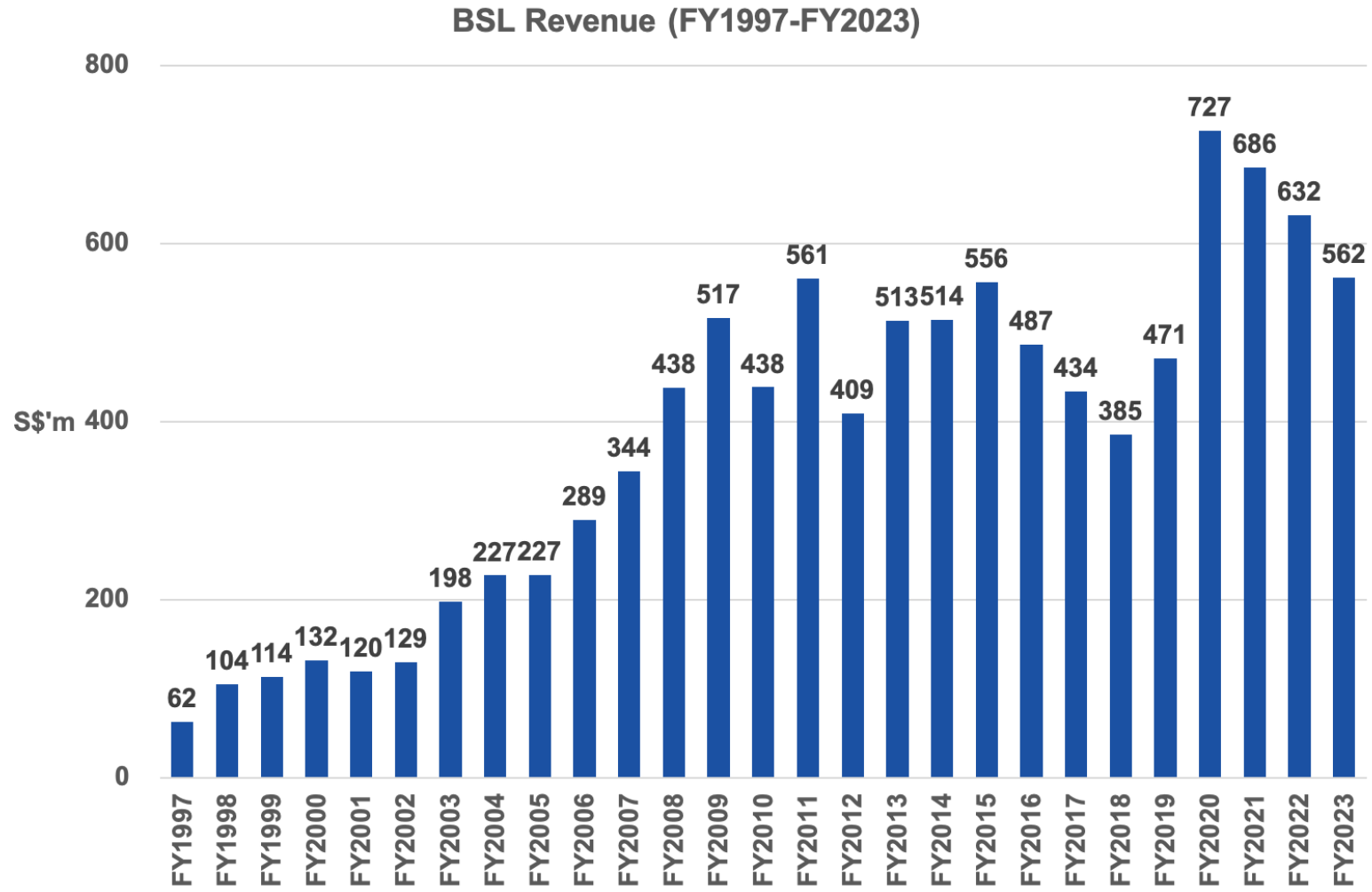





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# BSL Revenue (FY1997-FY2023)

## From takeover date by current management team (CAGR +9%)

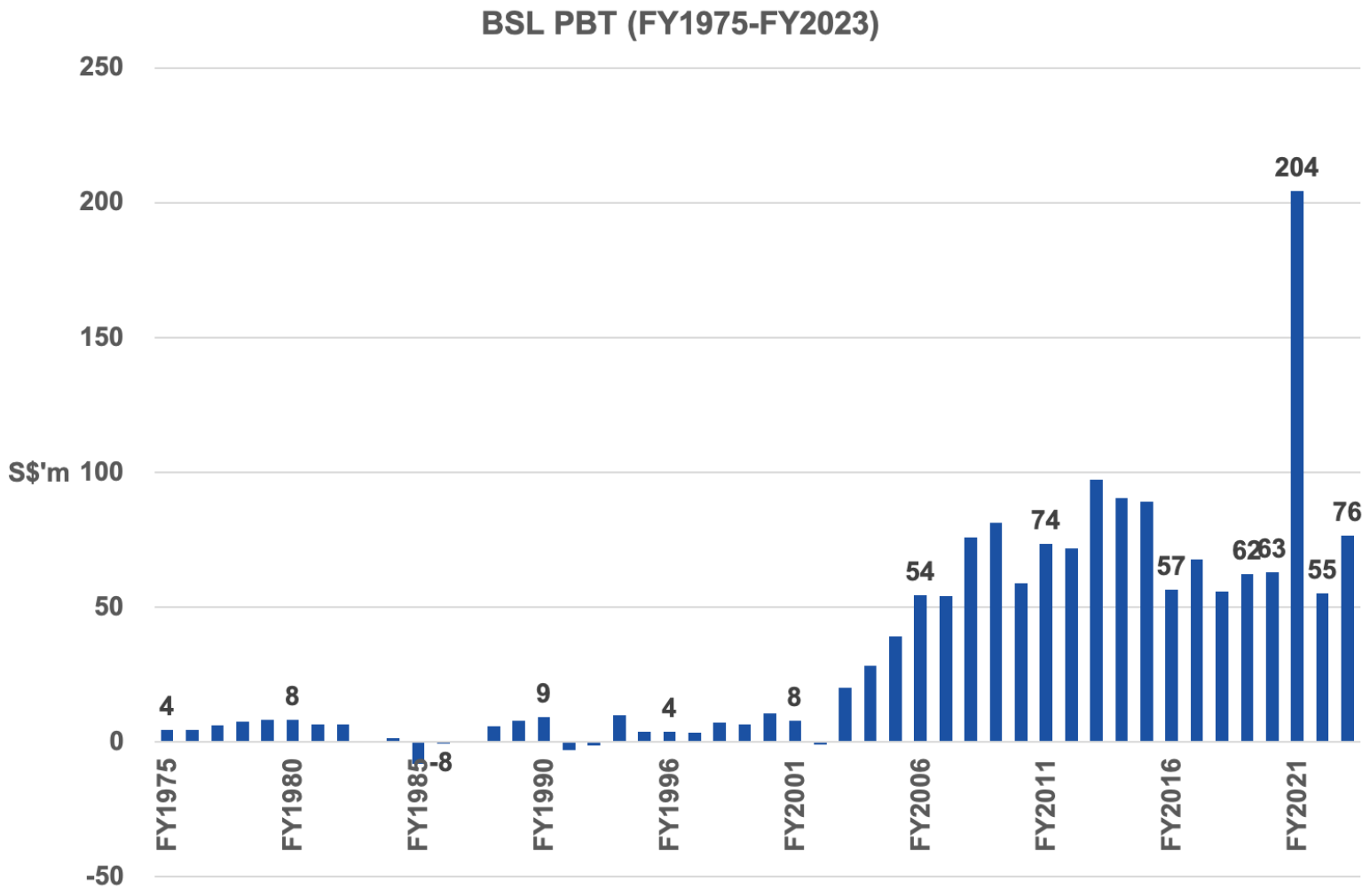





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# BSL PBT (FY1975-FY2023)

## From listing date

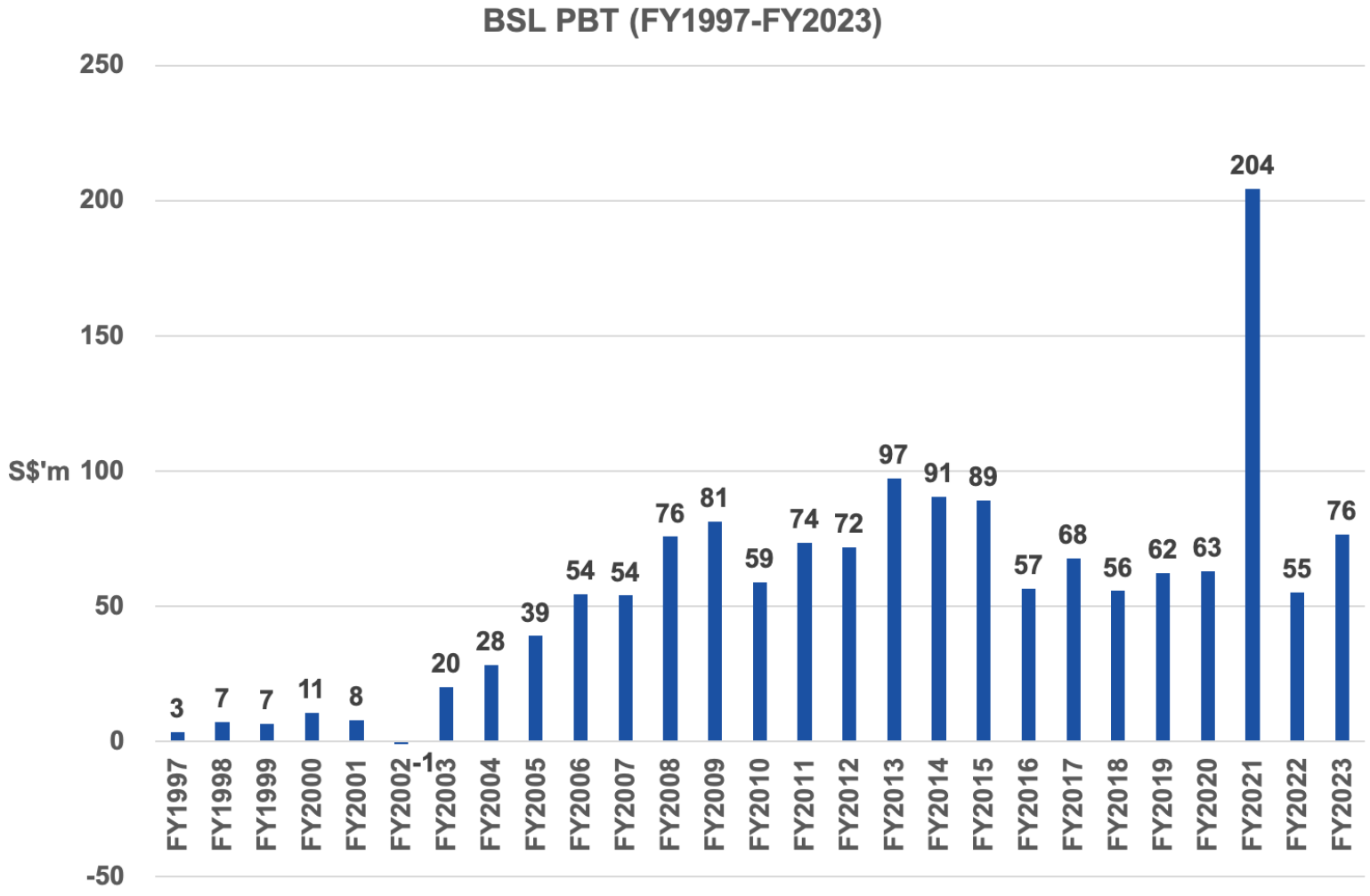





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# BSL PBT (FY1997-FY2023)

## From takeover date by current management team (CAGR +13%)

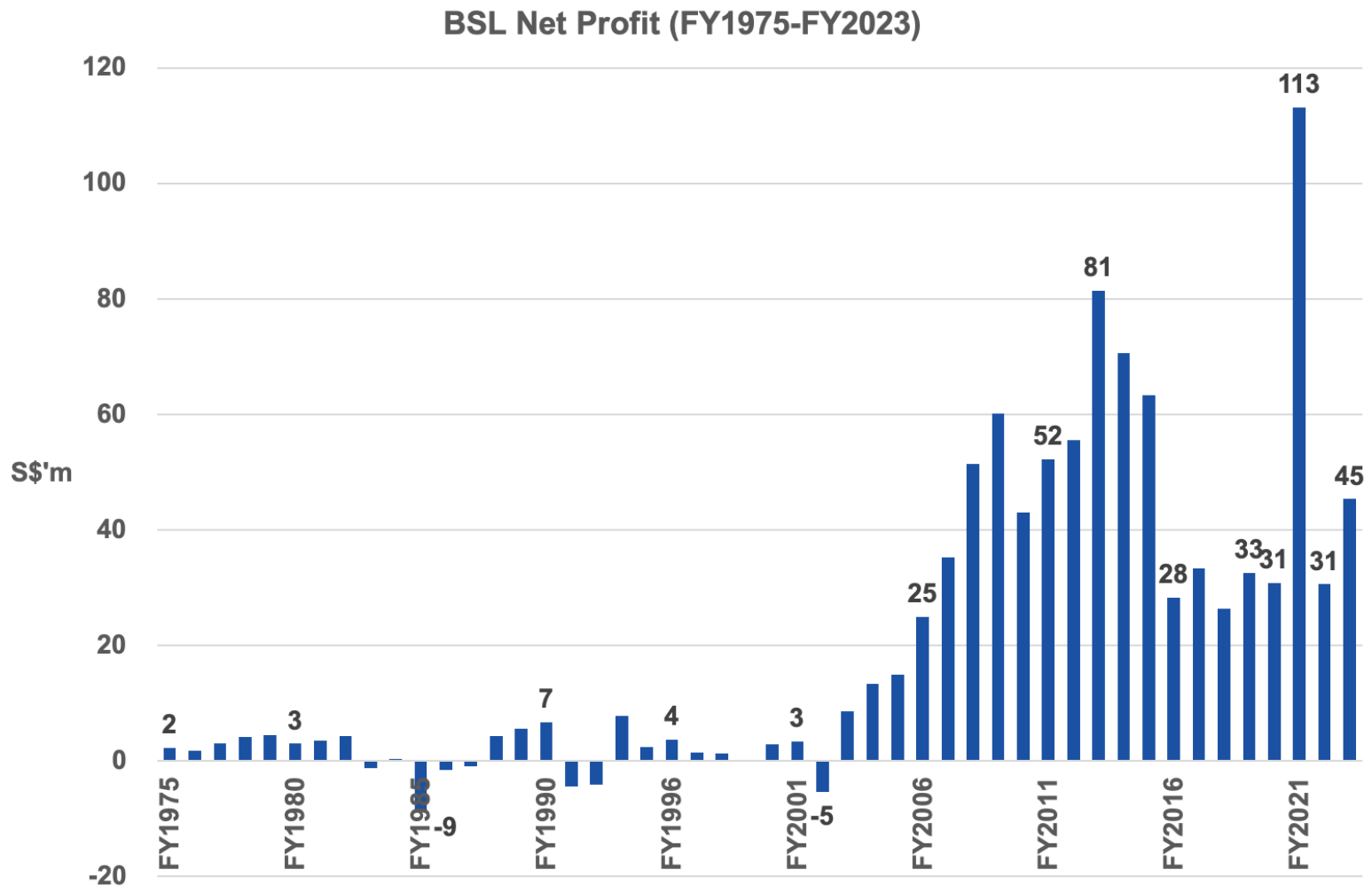





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# BSL Net Profit (FY1975-FY2023)

## From listing date

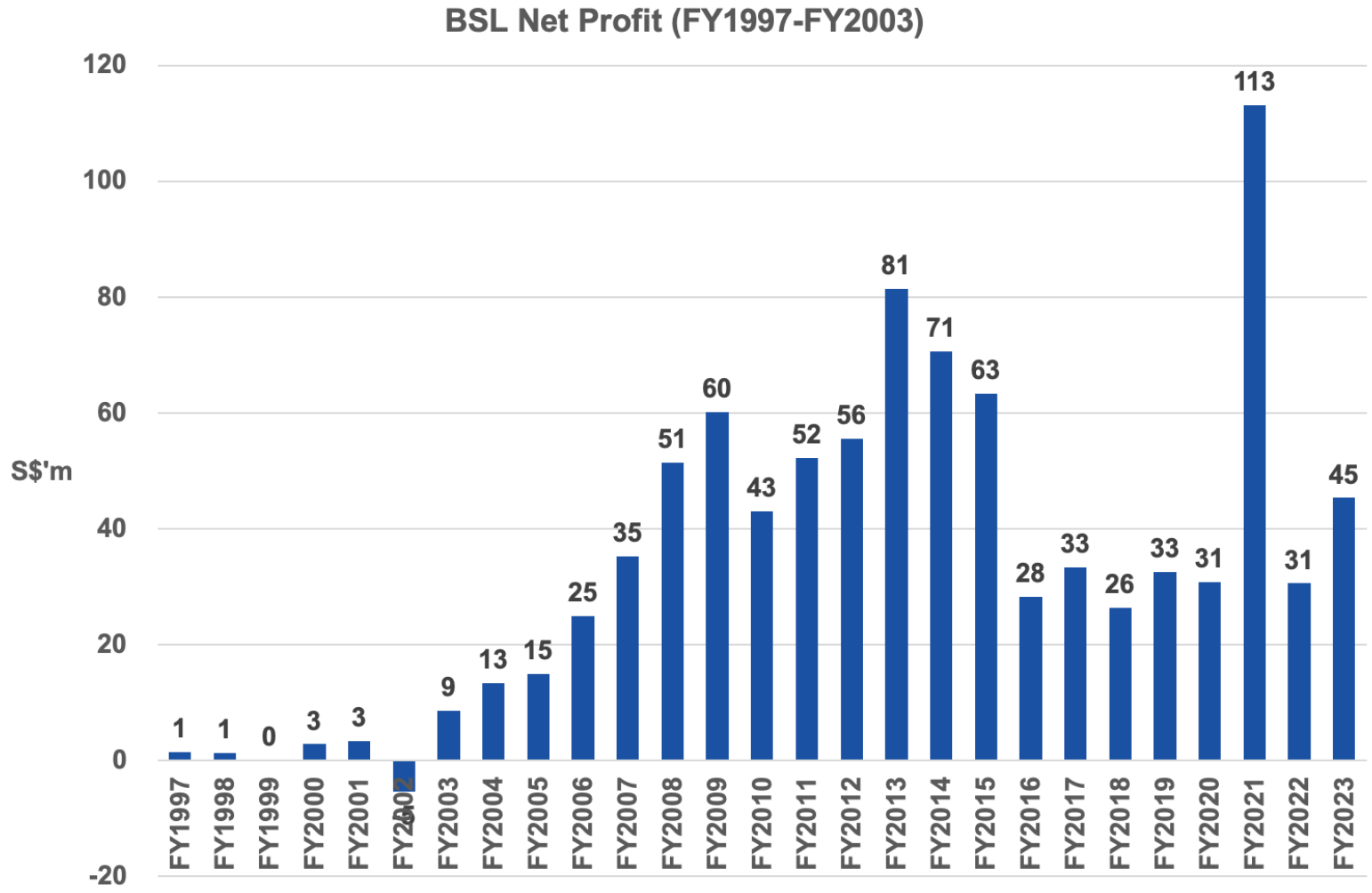





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# BSL Net Profit (FY1975-FY2023)

## From takeover date by current management team (CAGR +14%)






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# Total Shareholder Return

## From takeover date by current management team

| Date | Share Costs & Returns | Value (S$) | Comments |
|---|---|---|---|
| 7-Mar-1996 | BSL share price | (2.780) | Closing share price on management takeover date |
| 26-Jun-1999 | BSL rights issue | (0.300) | Closing share price on final cum rights and warrants |
| 26-Jun-1999 | BSL warrants | (0.309) | Closing share price on final cum rights and warrants |
| | BSL cash dividends | 10.620 | Cash dividends from FY1997 to FY2023 |
| 12-May-2008 | EasyCall offer price (adjusted for distribution ratio) | 1.280 | Offer price |
| | BPL cash dividends (adjusted for distribution ratio) | 0.891 | Cash dividends from FY2016 to FY2022 |
| 28-Feb-2023 | BPL offer price (adjusted for distribution ratio) | 3.648 | Offer price |
| 24-Jul-2023 | BSL share price | 11.200 | Closing share price |
| | | **24.250** | |
| | | | |
| | **Total shareholder return** | **715.5%** | |
| | | | |
| **Date** | **Key Event** | **Multiplier Effect** | **Comments** |
| 5-Jul-1999 | BSL rights offer | 1.6 | 3 BSL rights and 3 BSL warrants for every 10 BSL shares held; right exercisable at S$1.00 and warrant exercisable at S$1.03 |
| 11-Feb-2000 | BSL share split | 4.0 | 4 BSL shares for every BSL share held |
| 27-Feb-2006 | EasyCall dividend-in-specie | n.a. | 4 EasyCall shares for every 10 BSL shares held |
| 1-Feb-2008 | EasyCall offer price | n.a. | Offer price of S$0.50 for every EasyCall share |
| 20-Aug-2008 | BSL share split | 2.0 | 2 BSL shares for every BSL share held |
| 24-Apr-2015 | BPL dividend-in-specie | n.a. | 3 BPL shares for every 10 BSL shares held |
| 6-Feb-2023 | BPL offer price | n.a. | Offer price of S$0.95 for every BPL share |



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## Thank you

For investor relations enquiries, please contact:

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