



# FY2015 Results: Media & Analyst Briefing

*25 September 2015*



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**
- **2 production facilities - Maximum annual capacity of 42,000 tonnes of normal structural steel:**
  - Singapore: 20,000 tonnes
  - Johor, Malaysia: 22,000 tonnes
- **Operates a dormitory at Jalan Papan**
  - **capacity 5,300 persons**

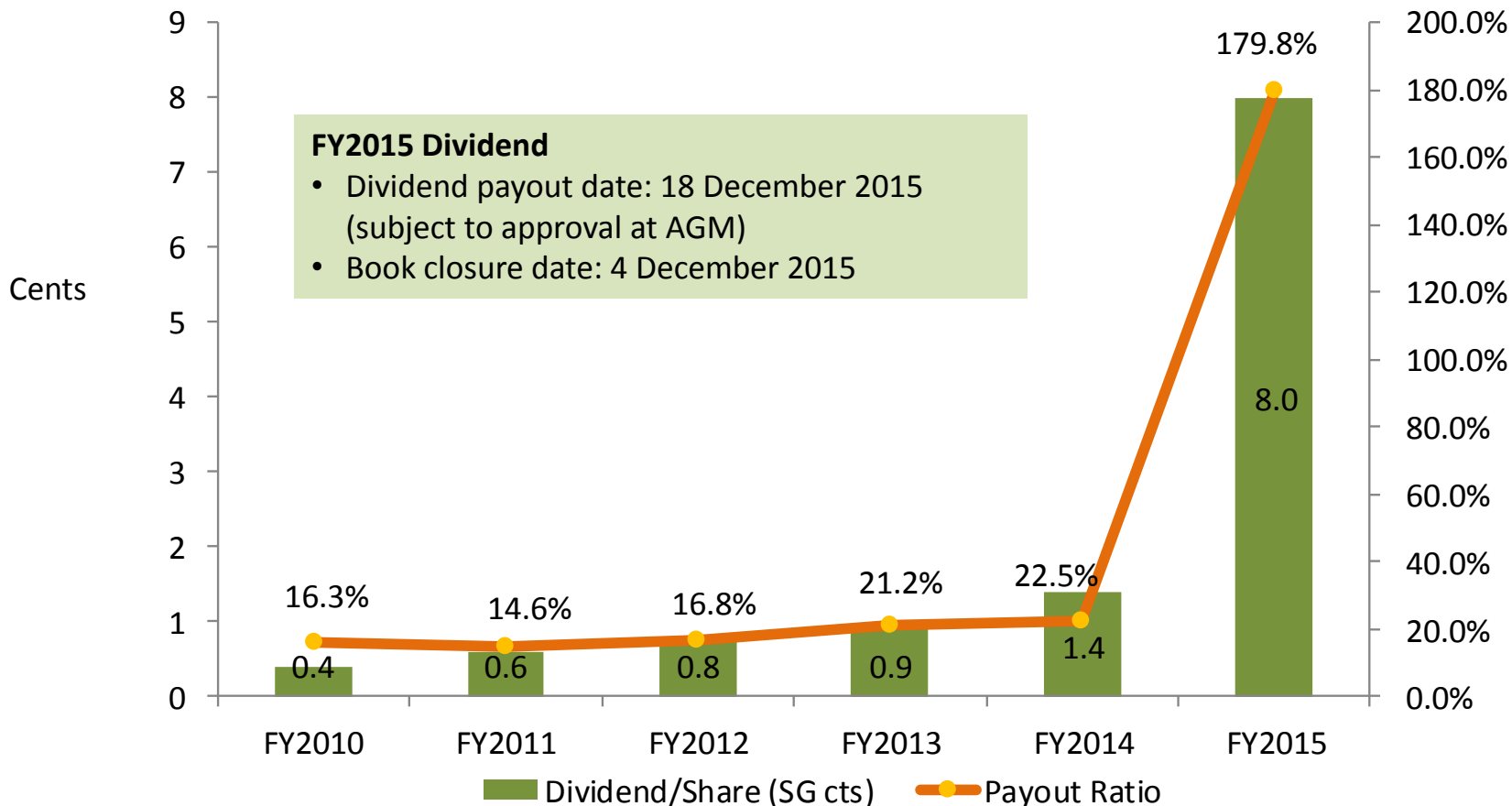


# FINANCIAL PERFORMANCE FOR FY2015

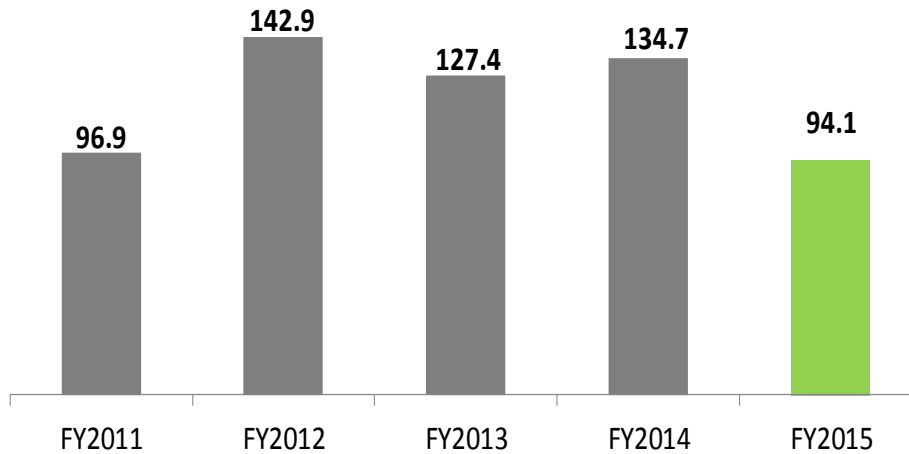
# Record Dividend of 8.0 cents / share



## Dividend Per Share



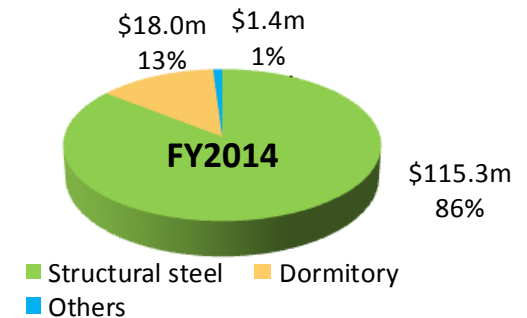
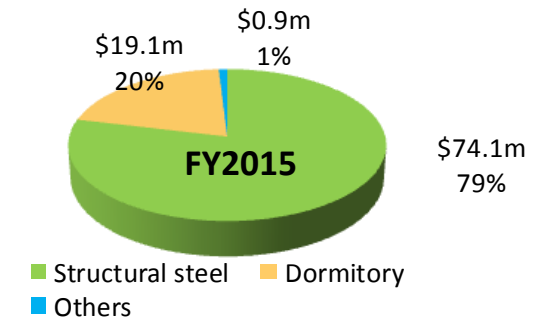
Payout ratio is calculated based on the following weighted average number of shares for the following financial years:- FY2010: 276.8 million shares; FY2011, FY2012 and FY2013: 350 million shares; FY2014: 349.8 million shares; FY2015: 349.6 million shares



## FY2015 vs FY2014: Revenue decreased 30% from \$134.7m to \$94.1m

- **Structural steel business: Decreased 36% to \$74.1m**
  - Less work completed for ongoing projects and executed fewer large-scale projects of higher contract value
  - Key projects included:
    - Tanjong Pagar Centre
    - Mediapolis @ one-North
    - Yishun Community Hospital
    - Tuas West MRT Extension Depot
    - DUO
    - MRT Downtown Lines 2 and 3
- **Dormitory business: Increased 6% to \$19.1m**
  - Marginal increase in rental rates

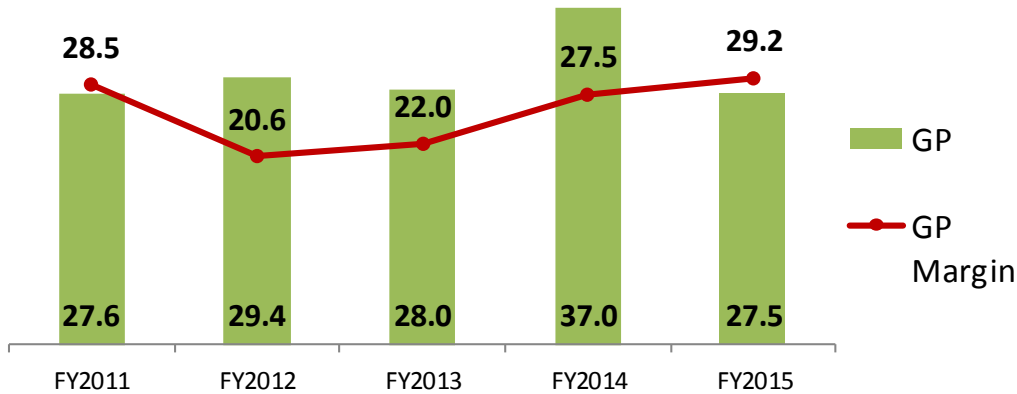
## Revenue by business segments



# Profitability



## Gross Profit (\$'m) and GP Margin (%)



### GROSS PROFIT

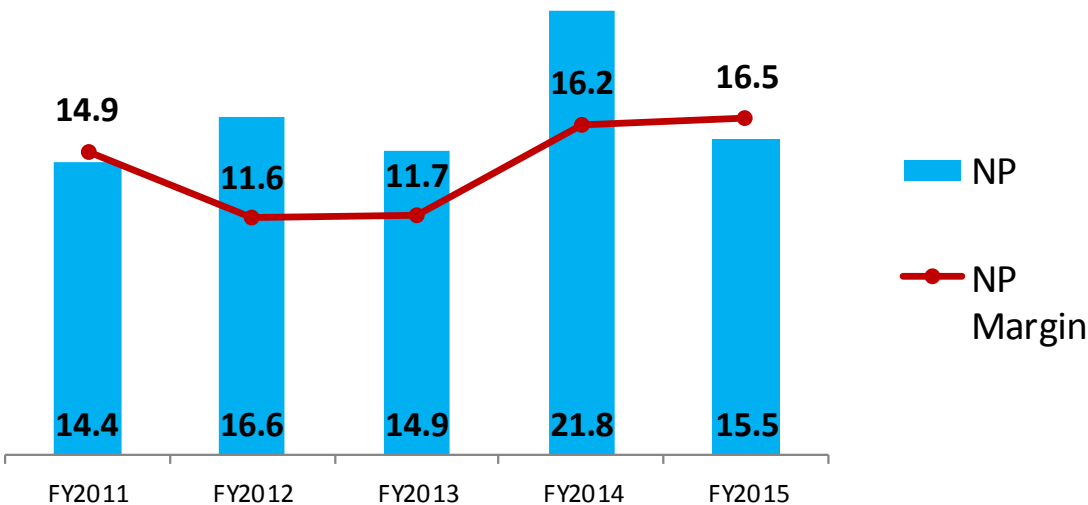
**GPM improved to 29.2% from 27.5%**

- Marginal increase in rental rates in dormitory business

**GP decreased by 26% to \$27.5m**

- Decrease in revenue from structural steel business offset by increase in revenue from dormitory business

## Net Profit (\$'m) and NP Margin (%)



### NET PROFIT ATTRIBUTABLE TO OWNERS (NET PROFIT)

**NPM improved to 16.5% from 16.2%**

**NP decreased by 29% to \$15.5m**

# Key financial indicators



| Profitability Ratios  | FY2012 | FY2013 | FY2014 | FY2015      |
|-----------------------|--------|--------|--------|-------------|
| EPS (cents)           | 4.75   | 4.25   | 6.23   | <b>4.45</b> |
| Return On Assets* (%) | 12.6   | 10.7   | 14.7   | <b>10.3</b> |
| Return On Equity*(%)  | 19.0   | 14.9   | 18.4   | <b>12.1</b> |

| Financial Position (S\$m) | As at 31 Jul 2014 | As at 31 Jul 2015 |
|---------------------------|-------------------|-------------------|
| Total assets              | 148.0             | <b>151.6</b>      |
| Total liabilities         | 29.2              | <b>22.9</b>       |
| Shareholders' equity      | 118.7             | <b>128.7</b>      |

| NAV                   | As at 31 Jul 2014 | As at 31 Jul 2015 |
|-----------------------|-------------------|-------------------|
| NAV per share (cents) | 33.94             | <b>36.82</b>      |

Note:

\* Based on profit net of tax

# Cash flow



| S\$'m  | FY2014 | FY2015       |
|--|--------|--------------|
| Net cash (used in) / from operating activities | 29.5   | <b>30.9</b>  |
| Net cash (used in) / from investing activities | (2.8)  | <b>1.0</b>   |
| Net cash (used in) financing activities        | (10.4) | <b>(5.6)</b> |
| Cash and cash equivalents                      | 57.8   | <b>84.1</b>  |





## BUSINESS UPDATES

# New contracts secured in FY2015



| Date Announced | Project description / site  | Value (\$M) |
|----------------|---|-------------|
| 20 Oct 2014    | <ul style="list-style-type: none"><li>• Changi Airport T1 and T2 (fixed gangways)</li><li>• Tampines Town Hub</li><li>• Civil defence shelter doors</li></ul> | 22          |
| 28 May 2015    | <ul style="list-style-type: none"><li>• Projects on Jurong Island</li><li>• Civil defence shelter doors (Thomson Line)</li></ul>                              | 35          |
| 17 Sep 2015    | <ul style="list-style-type: none"><li>• Civil defence shelter doors (Thomson Line)</li><li>• LNG project at Pengerang, Johor</li></ul>                        | 16          |

## **S\$99 million to be substantially fulfilled between FY2016 & FY2017**

Comprising ongoing key projects in the Group's pipeline

### **Amongst others, some of our on-going projects include:**

1. Tanjong Pagar Centre
2. DUO
3. Fixed Gangways to T1 and T2 Changi Airport
4. Tampines Town Hub
5. Projects on Jurong Island
6. LNG project at Pengerang, Johor
7. Civil defence doors for MRT stations along Thomson Line



## OUTLOOK

## 2014: \$37.7 billion

- Record high

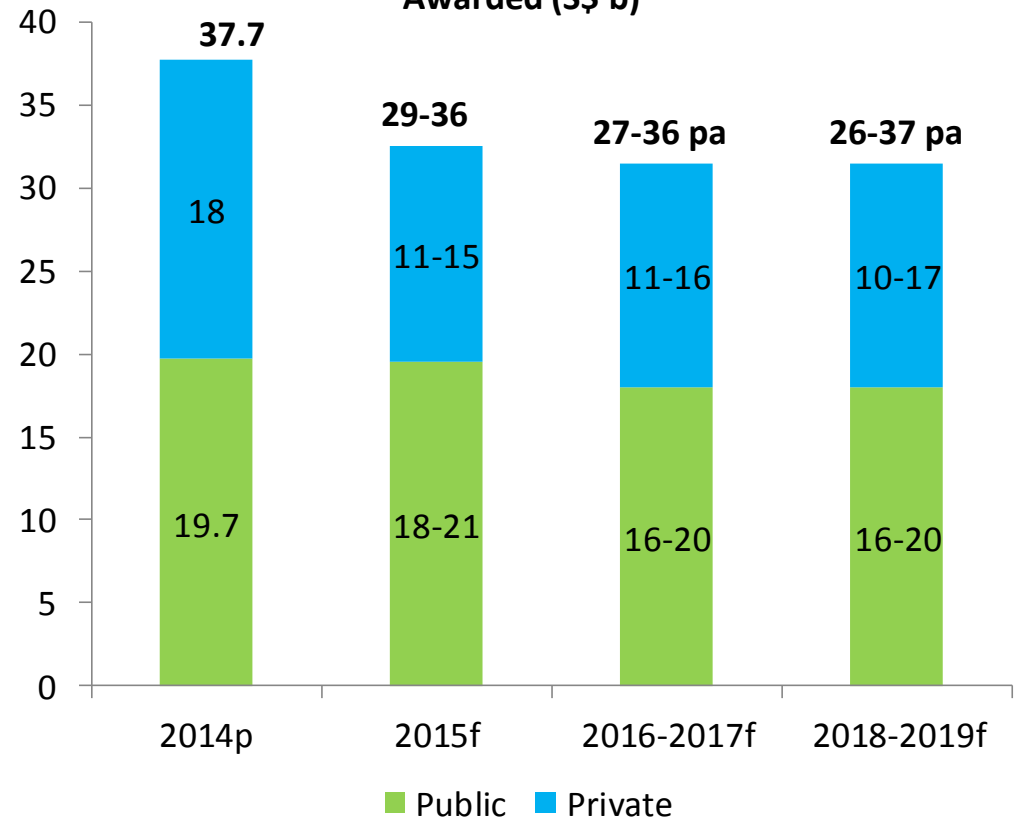
## 2015f: Construction demand sustained between \$29 - \$36 billion

- Stable public construction demand
  - Increase in industrial projects
  - Institutional and civil engineering works
- Private construction demand to moderate
  - Rise in civil engineering projects

## 2016-2019f: Average construction demand sustained between \$26 – \$37 billion

- Infrastructure needed for long-term population needs and maintain Singapore’s competitive edge
- 60% from building projects
- 40% from civil engineering projects

Singapore Construction Demand: Value of Contracts Awarded (S\$'b)



*p: preliminary*  
*f: forecast*  
*pa: per annum*

Source: BCA Press Release, “Public sector projects to sustain construction demand in 2015”, 8 Jan 2015

*The demand from the construction sector is likely to remain healthy with Singapore's population growth and the infrastructure development to support the growth*

## Key Challenges

- Keener competition
- Rising costs
- Foreign worker supply



# Some potential projects in Singapore



## **Potential Projects**

- Phase 3 Expansion OF Singapore LNG / Fourth LNG Storage Tank
- Second LNG Terminal in Singapore
- West Jurong Island 400kV Substation
- Petronas' Refinery and Petrochemical Integrated Development (**RAPID**) in Pengerang, Malaysia
- National Centre for Infectious Diseases (NCID) at Tan Tock Seng Hospital
- Changi Airport Terminal 5
- Expansion of KPE/TPE Interchange
- MRT Thomson Line
- MRT Thomson-East Coast Line and Changi Depot
- MRT Cross Island Line
- MRT Jurong Region Line
- MRT Eastern Region Line

- Singapore-KL High Speed Rail
- Singapore Power Transmission Cable Tunnel Project
- Robinson Tower
- States Court
- Data Centre in Western Singapore
- Hospital Projects
- Port/Berth Facilities
- Utilities Projects
- Recreational facilities development

## **Projects in the Pipeline**

- New Incineration Plant
- Phase 3 Expansion of Jurong Water Reclamation Plant



## Growth Drivers



**Malaysia – Structural Steel Opportunity**



**Singapore – Structural Steel and Dormitory (Opportunistic)**



**Stay Competitive:  
Productivity and Cost  
Management**





**THANK YOU**  
**Q&As**