

BOUSTEAD SINGAPORE LIMITED (SGX:F9D) FINANCIAL RESULTS ANNOUNCEMENT FOR 1H FY2022 ENDED 30 SEPTEMBER 2021

	1H FY2022	1H FY2021	Change
Revenue	S\$340.3m	S\$289.7m	+17%
Gross profit	S\$80.5m	S\$86.6m	-7%
Profit before income tax ("PBT")	S\$35.4m	S\$31.8m	+11%
Total profit after income tax	S\$25.9m	S\$22.8m	+13%
Profit attributable to equity holders of the Company ("net profit")	S\$21.3m	S\$21.8m	-2%
Net profit (adjusted for comparative review)*	S\$19.0m	S\$25.1m	-24%
- Earnings per share	4.4cts	4.5cts	-2%
- Net asset value per share	89.2cts	73.6cts	+21%

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

Note to Editors: The Group's revenue is largely derived from project-oriented businesses and as such, half-year results would not accurately reflect the full-year performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

1H FY2022 Highlights:

- Overall revenue was 17% higher year-on-year at S\$340.3 million, with the COVID-19 pandemic appearing to have a marginal impact on the Group's overall revenue performance, although there was high variability in the impact on each division's revenue performance.
- Total profit was 13% higher year-on-year at S\$25.9 million, while net profit was 2% lower year-on-year at S\$21.3 million. Net profit remained stable despite significant challenges posed by the pandemic, geoeconomic and geopolitical headwinds, mainly due to a resumption of more normalised revenue recognition at the Real Estate Division (Boustead Projects) counterbalancing the significantly lower revenue recognition at the Energy Engineering Division, and buffered by effective cost management measures, foreign exchange gains, lower finance expenses and share of profit of associates and joint ventures.
- For a comparative review, after adjusting for other gains/losses net of non-controlling interests, impairments and the Jobs Support Scheme ("JSS"), net profit for 1H FY2022 would have been 24% lower year-on-year.
- The Group's current order backlog of S\$342 million (unrecognised project revenue remaining at the end of 1H FY2022 plus the total value of new orders secured since then) remains marginally healthy, although it is significantly lower than the S\$650 million announced a year earlier. However, outside of the order backlog, the Geospatial Division maintained a healthy S\$116 million in deferred services backlog at the end of 1H FY2022.
- The Board has declared an interim dividend of 1.5 cents per share, a 50% increase over that of the previous year's comparative period.

SINGAPORE, 12 NOVEMBER 2021 – SGX Mainboard-listed Boustead Singapore Limited (“Boustead” or the “Group”), a progressive global infrastructure-related engineering and technology group, has today announced its unaudited financial results for the six months ended 30 September 2021 (“1H FY2022”).

For 1H FY2022, overall revenue was 17% higher year-on-year at S\$340.3 million, with the COVID-19 pandemic appearing to have a marginal impact on the Group’s overall revenue performance, although there was high variability in the impact on each division’s revenue performance. Total profit was 13% higher year-on-year at S\$25.9 million, while net profit was 2% lower year-on-year at S\$21.3 million. Net profit remained stable despite significant challenges posed by the pandemic, geoeconomic and geopolitical headwinds, mainly due to a resumption of more normalised revenue recognition at the Real Estate Division (Boustead Projects) counterbalancing the significantly lower revenue recognition at the Energy Engineering Division, and buffered by effective cost management measures, foreign exchange gains, lower finance expenses and share of profit of associates and joint ventures.

For a comparative review, after adjusting for other gains/losses net of non-controlling interests, impairments and the JSS, net profit for 1H FY2022 would have been 24% lower year-on-year.

As the Group delivered steady profitability from its core businesses and maintained a healthy net cash position, the Board of Directors has declared an interim dividend of 1.5 cents per share, a 50% increase over that of the previous year’s comparative period.

Mr Wong Fong Fui, Chairman and Group Chief Executive Officer of Boustead said, “Despite the challenging conditions brought about by a prolonged pandemic, I am heartened to see that the Boustead Group has managed to deliver an encouraging set of results for 1H FY2022, demonstrating our resilient business model. The resumption of more normalised construction activities has helped the Real Estate Division to return to profitability in 1H FY2022, with its recovery enhancing the Group’s overall profitability.”

Mr Wong added, “As the COVID-19 situation gradually improves globally, we hope to see the business outlook progressively get better over the remainder of FY2022. Nonetheless, the Group will continue to apply strict cost management measures and a risk-managed approach to business opportunities and investment decisions to weather any potential disruptions and strengthen our resilience.”

The Energy Engineering Division continued to operate in a challenging global oil & gas (“O&G”) environment, where the rising demand and prices of crude oil and natural gas did not translate into more investments by global O&G corporations. Instead, global O&G corporations have opted to delay final investment decisions amid uncertainty over longer term factors, leading to fewer contracts. With a lower order backlog carried forward at the end of FY2021 as compared to FY2020, and fewer new contracts secured in FY2022 to date, the division’s revenue was 37% lower year-on-year at S\$68.7 million.

The Real Estate Division (Boustead Projects)’s revenue was 104% higher year-on-year at S\$179.1 million, mainly due to the resumption of more normalised revenue recognition on Engineering & Construction (“E&C”) projects in 1H FY2022. In 1H FY2021, most of the division’s E&C projects were under a nationwide four-month closure imposed by the authorities in Singapore to contain the pandemic.

The Geospatial Division’s revenue was comparable year-on-year at S\$86.2 million, with firm and stable demand for geospatial technology and smart mapping capabilities across the region against the backdrop of the prolonged pandemic and currency exchange headwinds.

The Healthcare Division’s revenue was 8% lower year-on-year at S\$6.4 million. The pandemic continued to put pressure on the demand for the division’s rehabilitative care and sports science solutions across South East Asia, with many clients placing continued focus on addressing the pandemic, resulting in a delay in orders.

Overall gross profit for 1H FY2022 was 7% lower year-on-year at S\$80.5 million, with the overall gross margin decreasing to 24% as compared to 30% in 1H FY2021. There was margin pressure felt across most of the Group. Boustead Projects also registered a lower gross margin in 1H FY2022, following lower rental revenue at its Real Estate business segment after it divested interests in 14 properties to Boustead Industrial Fund in March 2021 (Real Estate business segment gross margins from rental revenue are higher as compared to E&C business segment gross margins from turnkey E&C projects).

PBT for 1H FY2022 was 11% higher year-on-year at S\$35.4 million, mainly attributable to reasons mentioned earlier.

The recovery in Boustead Projects' PBT helped to offset the significantly weaker PBT performances of the Energy Engineering Division and Healthcare Division. The Energy Engineering Division's PBT was 41% lower year-on-year at S\$9.6 million due to the lower revenue conversion arising from the more challenging global O&G environment. The Healthcare Division's loss before income tax of S\$1.7 million was aggravated by the poorer performance of South East Asia operations, despite the stronger performance of the division's associate in China.

The Group's net asset value per share was 89.2 cents at the end of 1H FY2022, compared to 92.3 cents at the end of FY2021 and 73.6 cents at the end of 1H FY2021. The net cash position (i.e. net of all bank borrowings) declined to S\$362.8 million at the end of 1H FY2022, translating to a net cash per share position of 75.1 cents. In addition, the Group held S\$95.0 million in investment securities at the end of 1H FY2022.

In FY2022 to date, the Group has been awarded approximately S\$93 million in new contracts, with highly challenging conditions and global travel restrictions that made it difficult to conduct meaningful business development activities. This situation is expected to improve as borders reopen and vaccinations rates improve globally. The current order backlog of S\$342 million (unrecognised project revenue remaining at the end of 1H FY2022 plus the total value of new orders secured since then) – of which S\$62 million is under the Energy Engineering Division and S\$280 million is under the Real Estate Division – remains marginally healthy, although it is significantly lower compared to S\$650 million announced a year earlier. However, outside of the order backlog, the Geospatial Division maintained a healthy S\$116 million in deferred services backlog at the end of 1H FY2022.

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About Boustead Singapore Limited

Established in 1828, Boustead Singapore Limited (SGX:F9D) is a progressive global Infrastructure-Related Engineering and Technology Group listed on the SGX Mainboard.

Focusing on the niche engineering and development of key infrastructure to support sustainable shared socio-economic growth in global markets, our strong suite of engineering services under our Energy Engineering Division and Real Estate Division centres on energy infrastructure and smart, eco-sustainable and future-ready business park and industrial developments.

In addition, we provide technology-driven transformative solutions to improve quality of life for all walks of life. Our Geospatial Division provides professional services and exclusively distributes Esri ArcGIS technology – the world's leading geographic information system, smart mapping and location analytics platform – to major markets in the Asia Pacific. The software creates digital infrastructure solutions and digital twins that enable smart nations, smart cities and smart communities to solve the world's most complex problems through effective and sustainable improvement of human wellbeing and ecosystems, and planning and management of key infrastructure and resources. Our Healthcare Division provides innovative medical solutions that address niche age-related chronic diseases and mobility issues, with a focus on rehabilitative care and sports science in the Asia Pacific.

With a vast global network stretching across Asia, Australia, Europe, Africa and the Americas, we are ready to serve the world. To date, we have undertaken projects in 90 countries and territories globally.

In 2008 and 2009, we were recognised in the prestigious Forbes Asia 200 Best Under A Billion as one of the Asia Pacific's 200 best public-listed corporations under US\$1 billion in revenue. In 2017, we were ranked by FinanceAsia as Singapore's Best Small-Cap in the annual Asia's Best Companies Poll. In 2019, we were awarded the Most Transparent Company in the Industrials Category and Sustainability Award (Runner-Up) in the Mid Cap Category by the Securities Investors Association (Singapore). For the second successive year in 2021, we were ranked among Singapore's Best Employers, at 40th overall and 1st under our respective category of Business Services & Supplies (including Real Estate) in an evaluation encompassing 1,700 large corporations. We are also listed on the MSCI World Micro Cap Index, FTSE Global Small Cap Index, FTSE Developed Small Cap Index and FTSE ST Industrials Index.

Visit us at www.boustead.sg.

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