Boustead Singapore Limited / Boustead Projects Limited

Joint FY2018 Financial Results Presentation

23 MAY 2018



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Presentation Agenda

- Overview
- Boustead Projects Financial Review
- Boustead Group Financial Review
- Division Performance Review
- Questions & Answers

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Overview

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Introducing Boustead

Engineering the world of the future

OVERVIEW

- Established in 1828 and Singapore's oldest continuous business
- Listed on SGX Mainboard since 1975
- Progressive global infrastructure-related engineering services & geo-spatial technology group



Energy-Related Engineering



Geo-Spatial Technology



Real Estate Solutions (Boustead Projects Limited)

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Our Global Network

OVERVIEW



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Our Global Footprint

OVERVIEW



Forbes Asia

Best Under A $Billion

SINGAPORE INTERNATIONAL 100

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Our Global Footprint

ASIA & OCEANIA

East Asia
China*
Hong Kong
Japan
Macau
South Korea*
Taiwan

South East Asia
Brunei
Indonesia*
Malaysia*
Myanmar
Philippines
Singapore*
Thailand*
Timor-Leste
Vietnam*

South Asia
Bangladesh
India*
Maldives
Pakistan
Sri Lanka

South West Asia
Bahrain
Iraq
Jordan
Kuwait
Oman
Qatar
Saudi Arabia*
UAE*

Central Asia
Azerbaijan
Turkmenistan

Australia & Oceania
Australia*
New Caledonia
New Zealand
Papua New Guinea

EUROPE

Eastern Europe
Hungary
Poland
Russia
Slovakia
Ukraine

Northern Europe
England*
Finland
Ireland
Isle of Man
Lithuania
Norway
Scotland
Wales

Southern Europe
Cyprus
Greece
Italy*
Spain*
Turkey*

Western Europe
Austria
Belgium
Germany
Netherlands
Switzerland

AFRICA

East Africa
Tanzania

North Africa
Algeria
Egypt
Libya
Tunisia

Middle Africa
Angola
Equatorial Guinea

West Africa
Cote d'Ivoire
Gabon
Ghana
Nigeria

THE AMERICAS

North America
Canada*
USA*

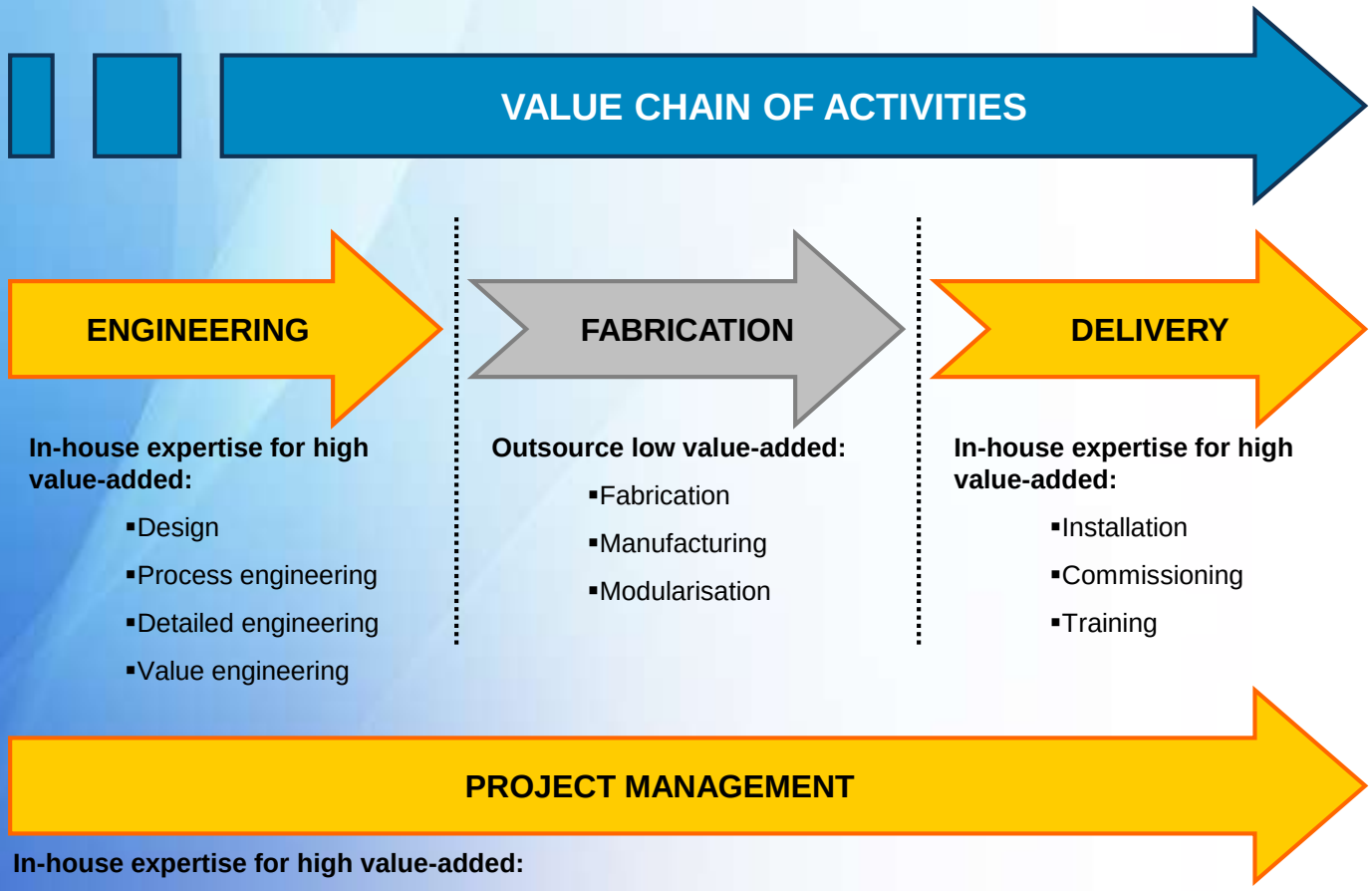
Latin America & Caribbean
Argentina*
Bolivia
Brazil*
Chile
Dominican Republic
Mexico
Netherlands Antilles
Peru
Venezuela*

***Regional/local offices**

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Group Business Model

- Undertaking only high value-added activities across value chain



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BP Group Financial Review

Boustead Projects Limited (BP)

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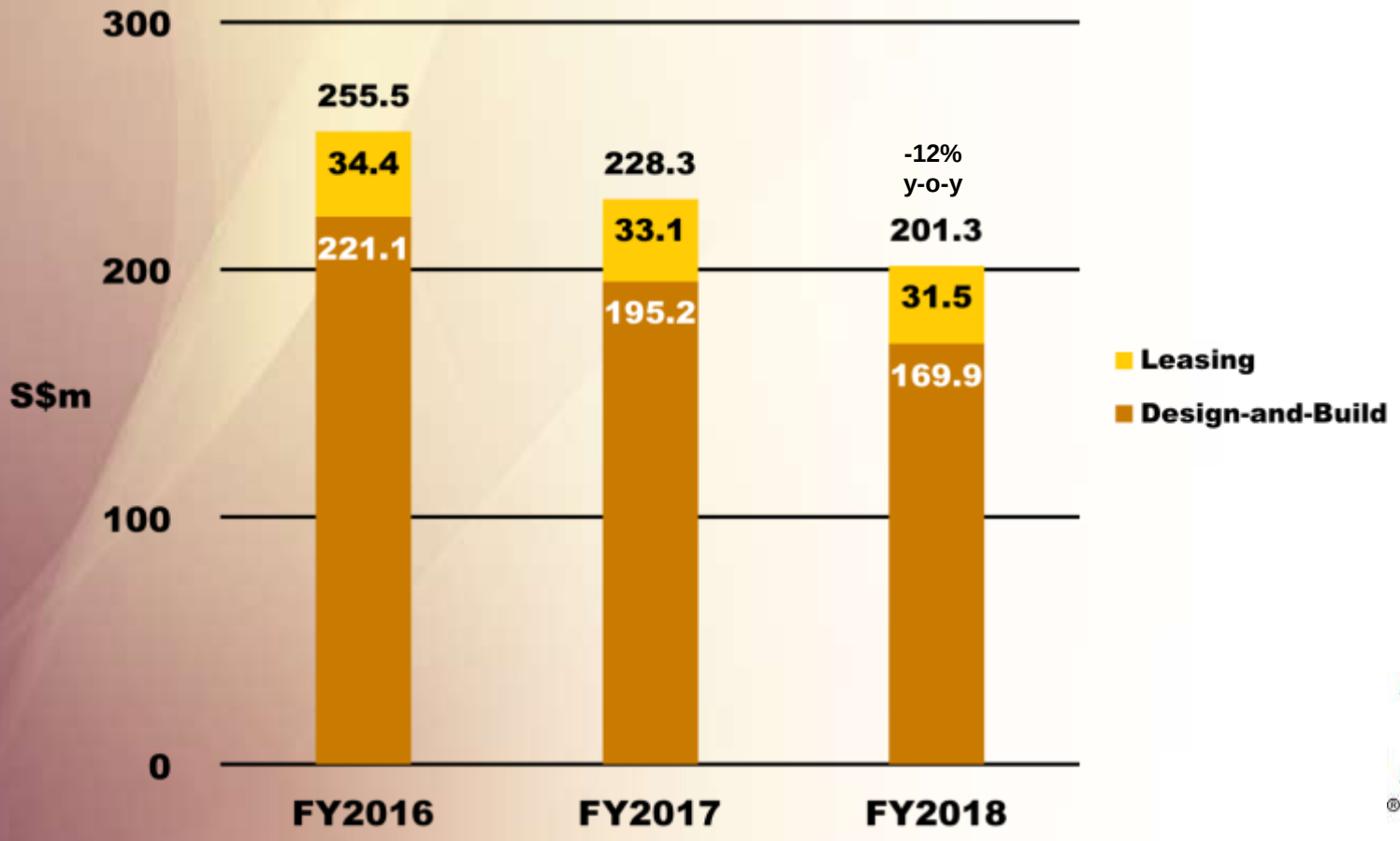
BP Group Financial Results

	FY2018	FY2017	Chg (%)
Revenue	S$201.3m	S$228.3m	-12
Gross profit	S$65.2m	S$58.5m	+11
Gross margin	*32%*	*26%*	
Other gains/losses – net	S$0.1m	S$14.7m	-99
Profit before income tax ("PBT")	S$35.5m	S$44.9m	-21
PBT margin	*18%*	*20%*	
Total profit	S$29.2m	S$36.2m	-20
Adjusted total profit (excludes other gains/losses and expenses associated with agreements for AusGroup and TripleOne Somerset)	S$29.2m	S$25.4m	+15
Earnings per share	9.1cts	11.3cts	-19
Net asset value per share	79.0cts	71.7cts	+10

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BP Group Revenue

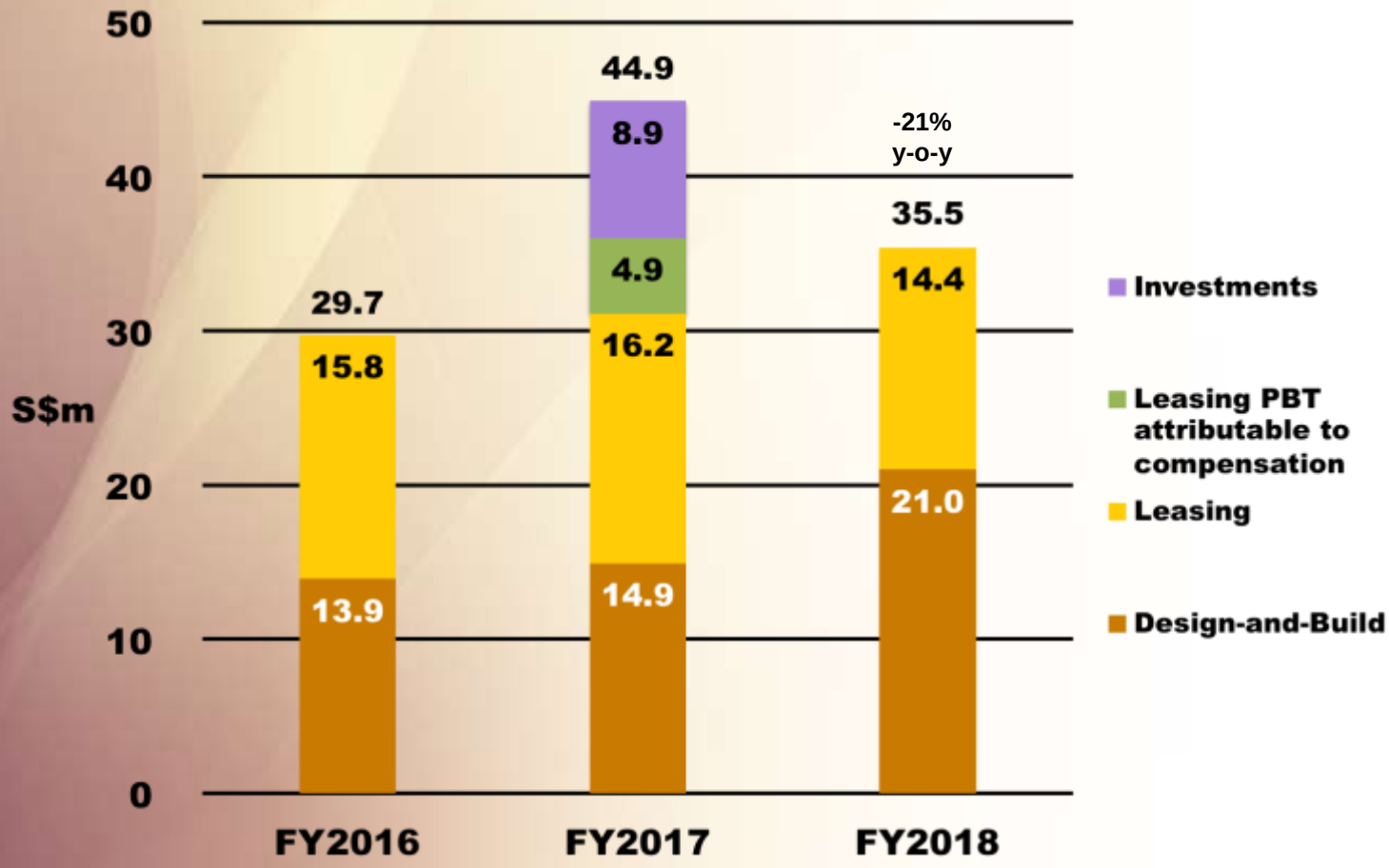
- Both design-and-build and leasing businesses contributed lower revenue



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BP Group PBT

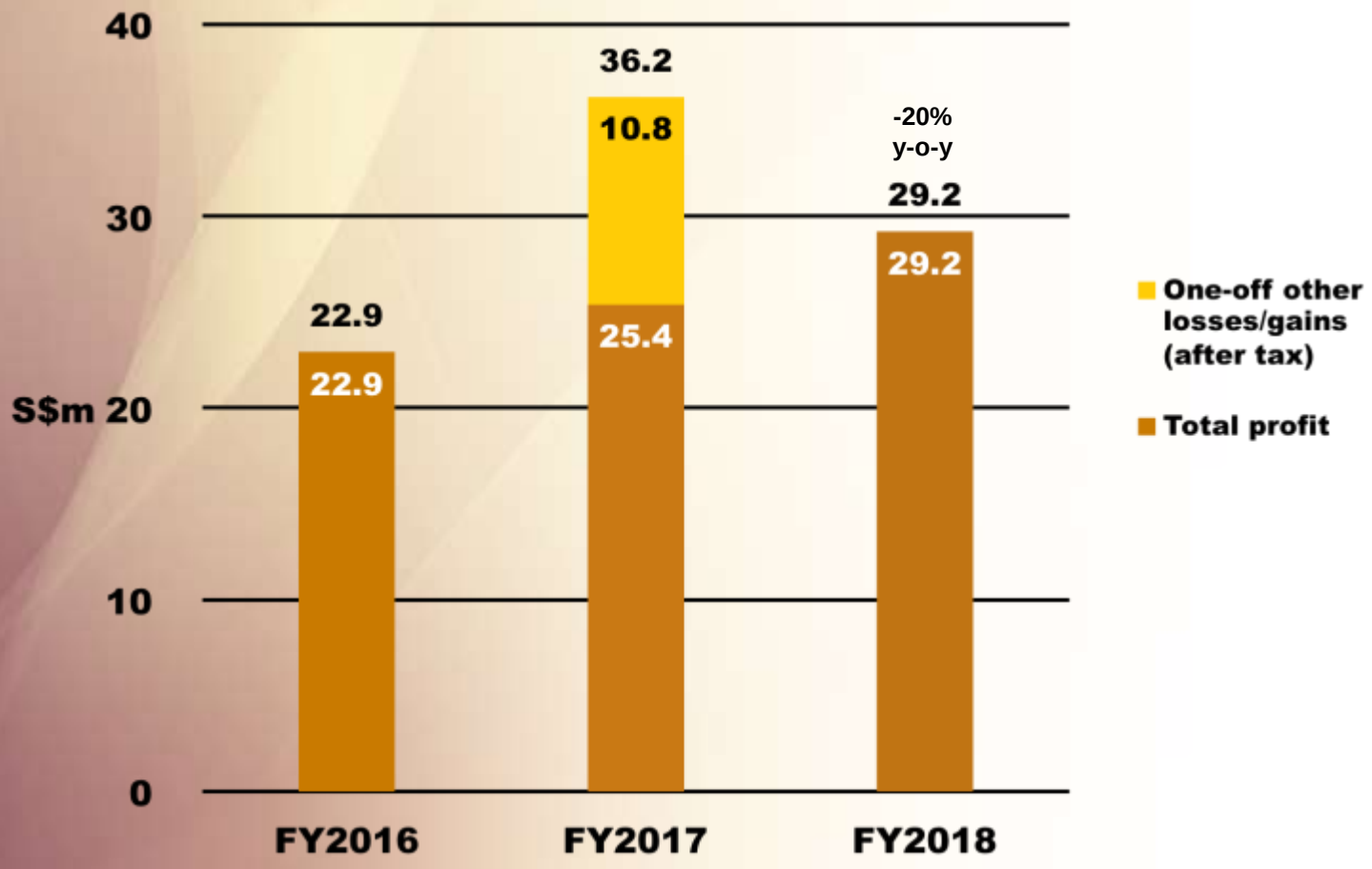
- Core PBT grew excluding impact of other gains



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BP Group Total Profit

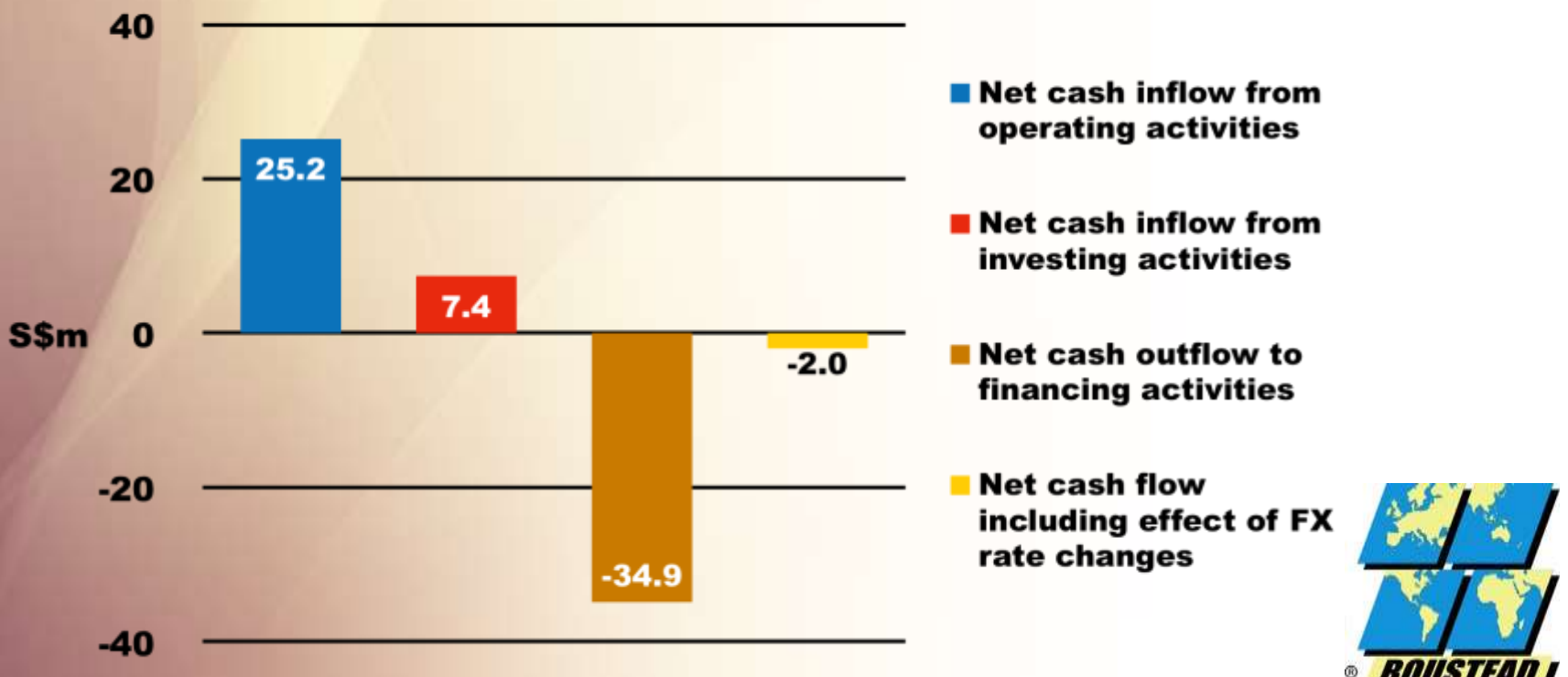
- Core total profit grew excluding impact of other gains



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BP Group Cash Flow

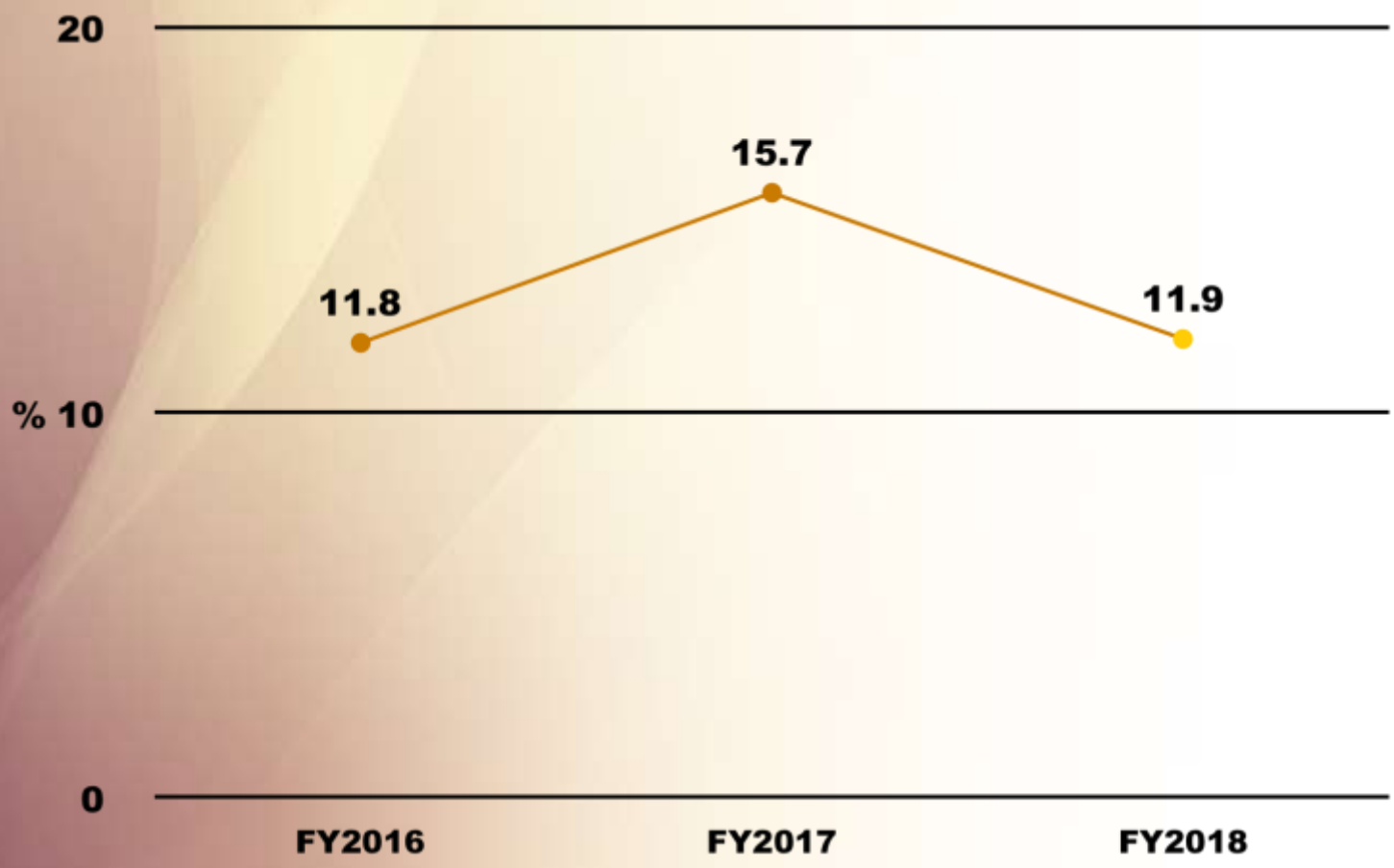
- Net cash used in financing activities for borrowing repayments, share buy-backs and dividends



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BP Group Return on Shareholders' Equity

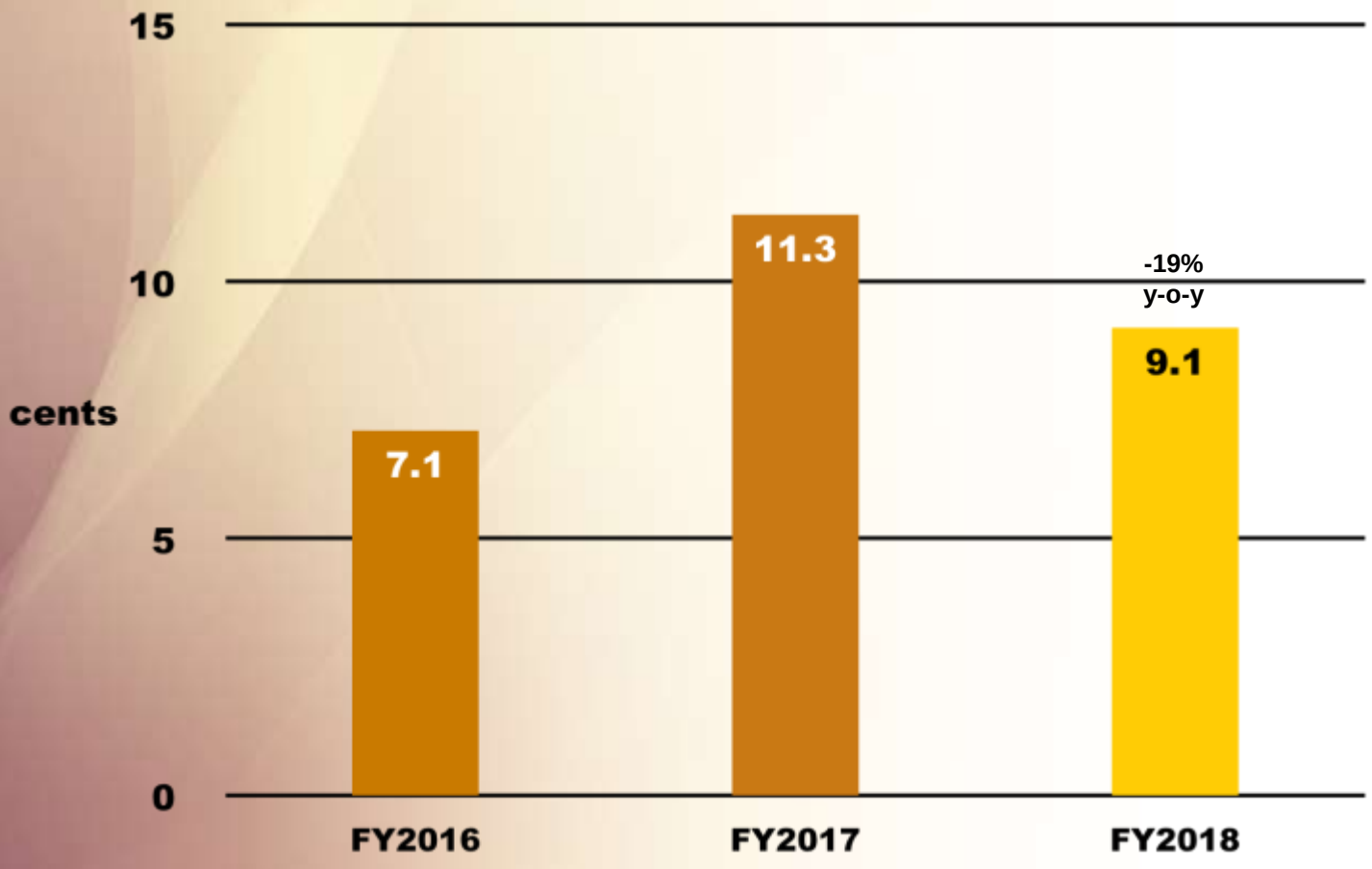
- Lower ROE due to absence of other gains



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BP Group Earnings per Share

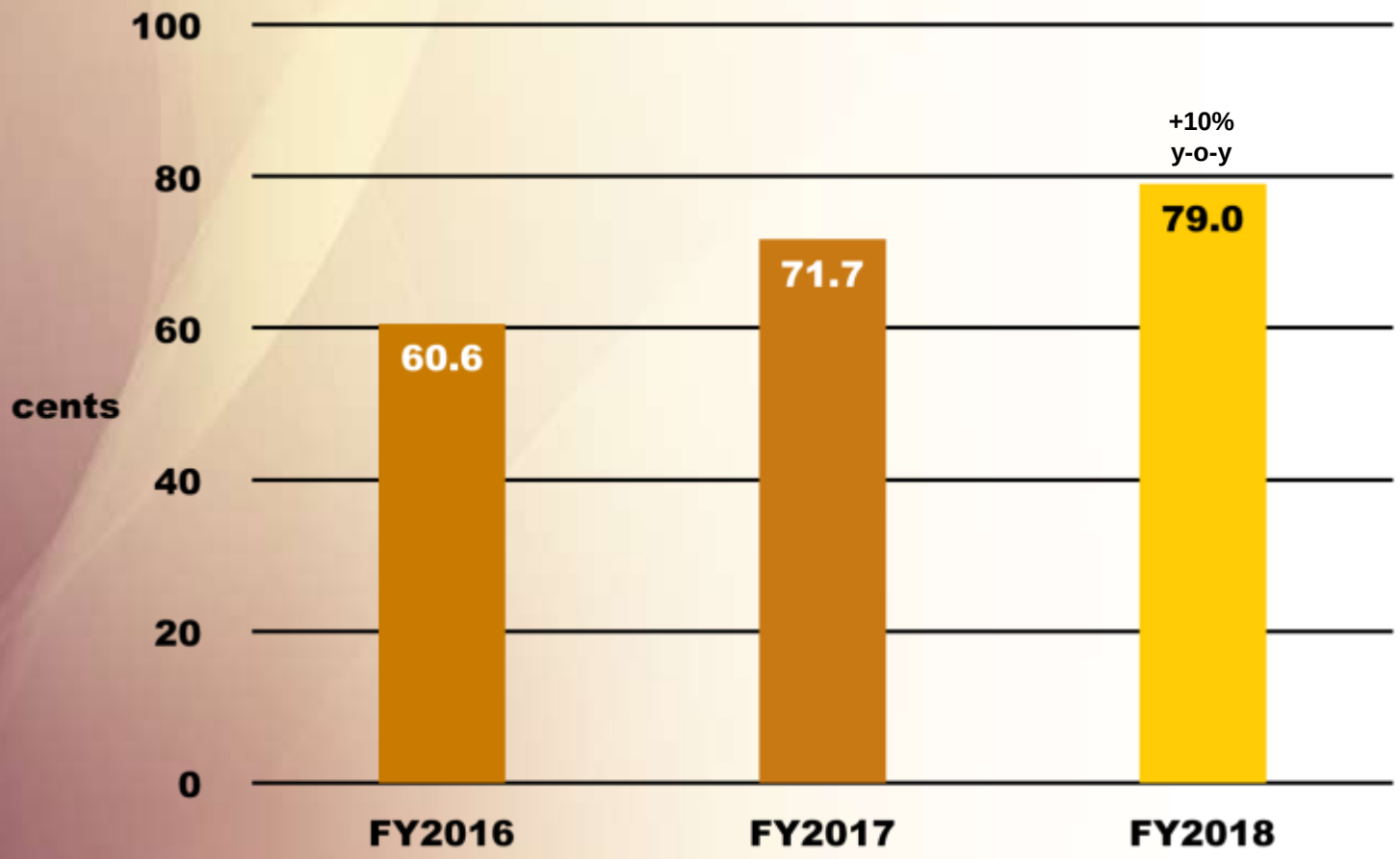
- Tracking net profit



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BP Group Net Asset Value per Share

- Higher NAV per share following shareholders' equity increase and share repurchases



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BP Group Proposed Dividends Since Listing

	FY2018	FY2017
Ordinary dividend (proposed)	1.5cts	1.5cts
Special dividend	-	1.0ct
Total dividend	**1.5cts**	**2.5cts**

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Group Financial Review

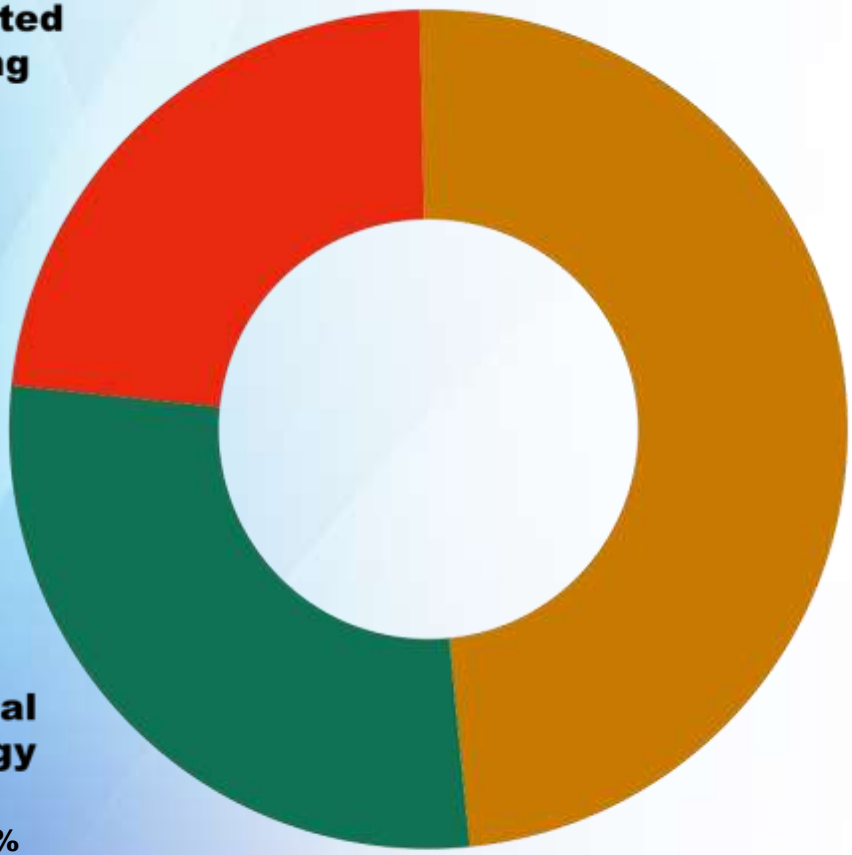
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Group Financial Results

	FY2018	FY2017	Chg (%)
Revenue	S$414.1m	S$433.8m	-5
Gross profit	S$151.8m	S$143.6m	+6
Gross margin	*37%*	*33%*	
Other gains/losses – net	-S$4.3m	S$17.0m	NM
PBT	S$54.0m	S$67.7m	-20
PBT margin	*13%*	*16%*	
Profit attributable to equity holders of the Company ("net profit")	S$25.4m	S$33.3m	-24
Adjusted net profit (excludes other gains/losses net of non-controlling interests)	S$29.5m	S$25.0m	+18
Earnings per share	4.9cts	6.4cts	-23
Net asset value per share	62.7cts	61.7cts	+2

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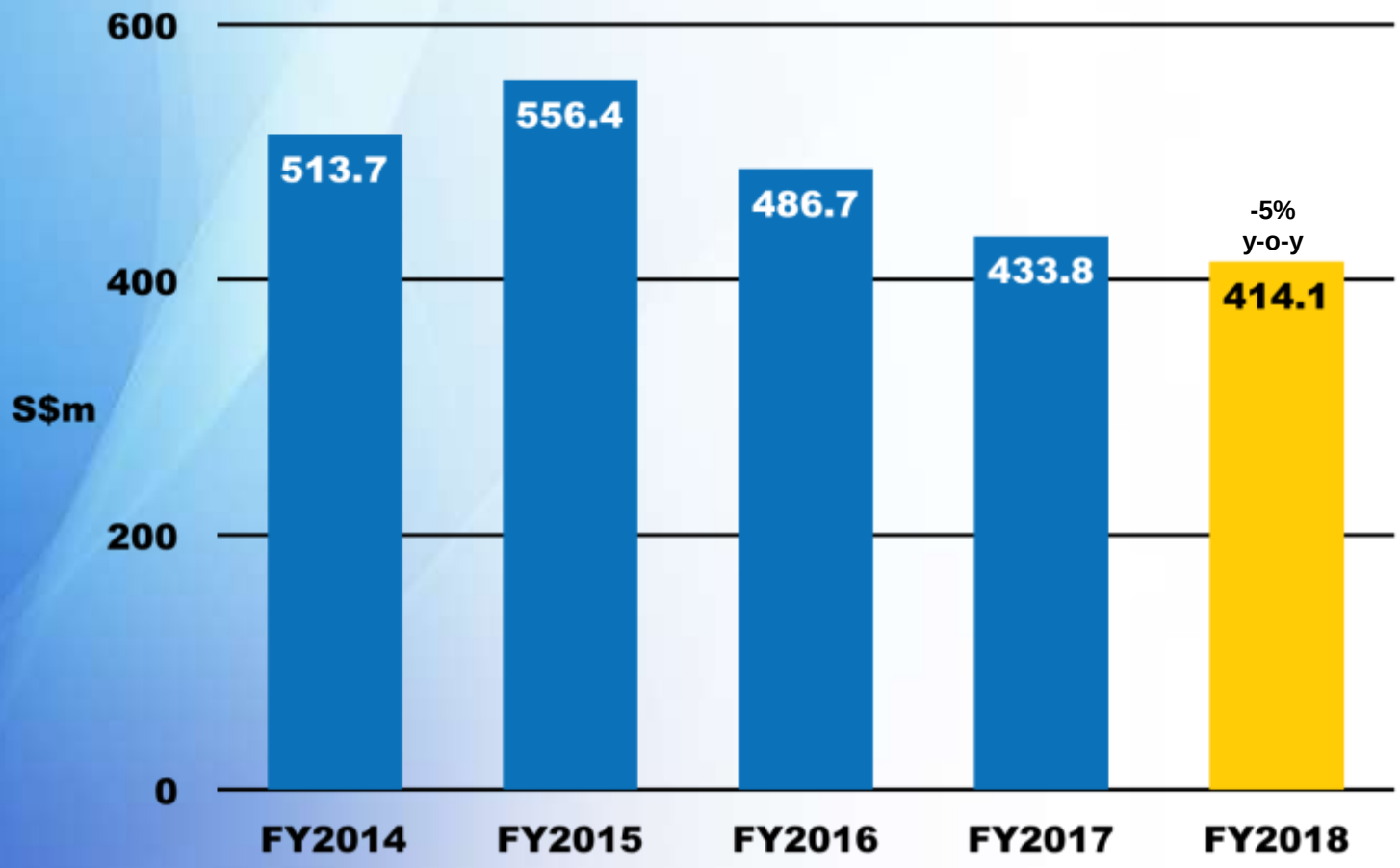
Group Revenue Mix by Division



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Group Revenue

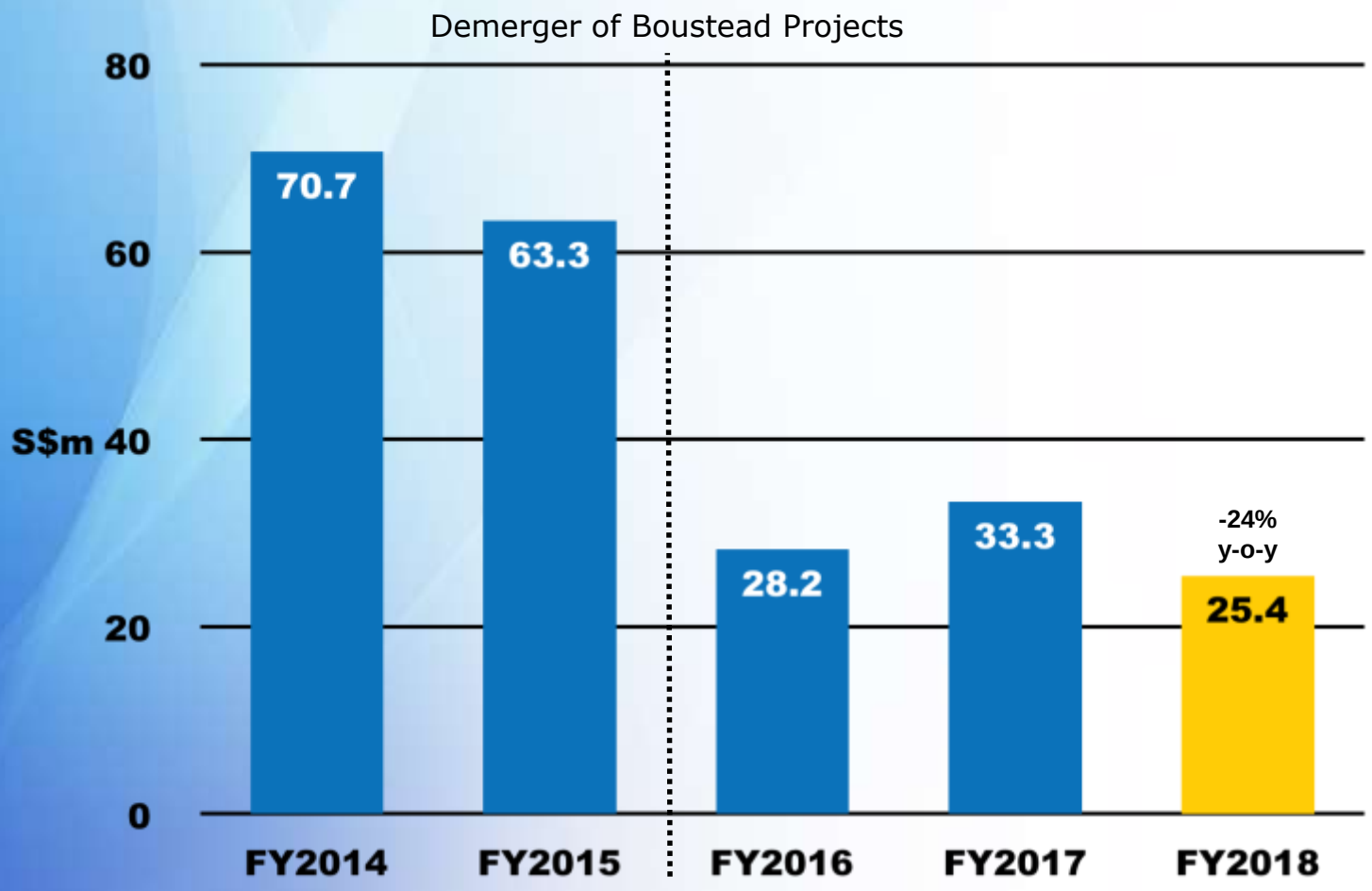
- Impacted by depressed global oil & gas market and challenging Singapore industrial real estate sector



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Group Net Profit

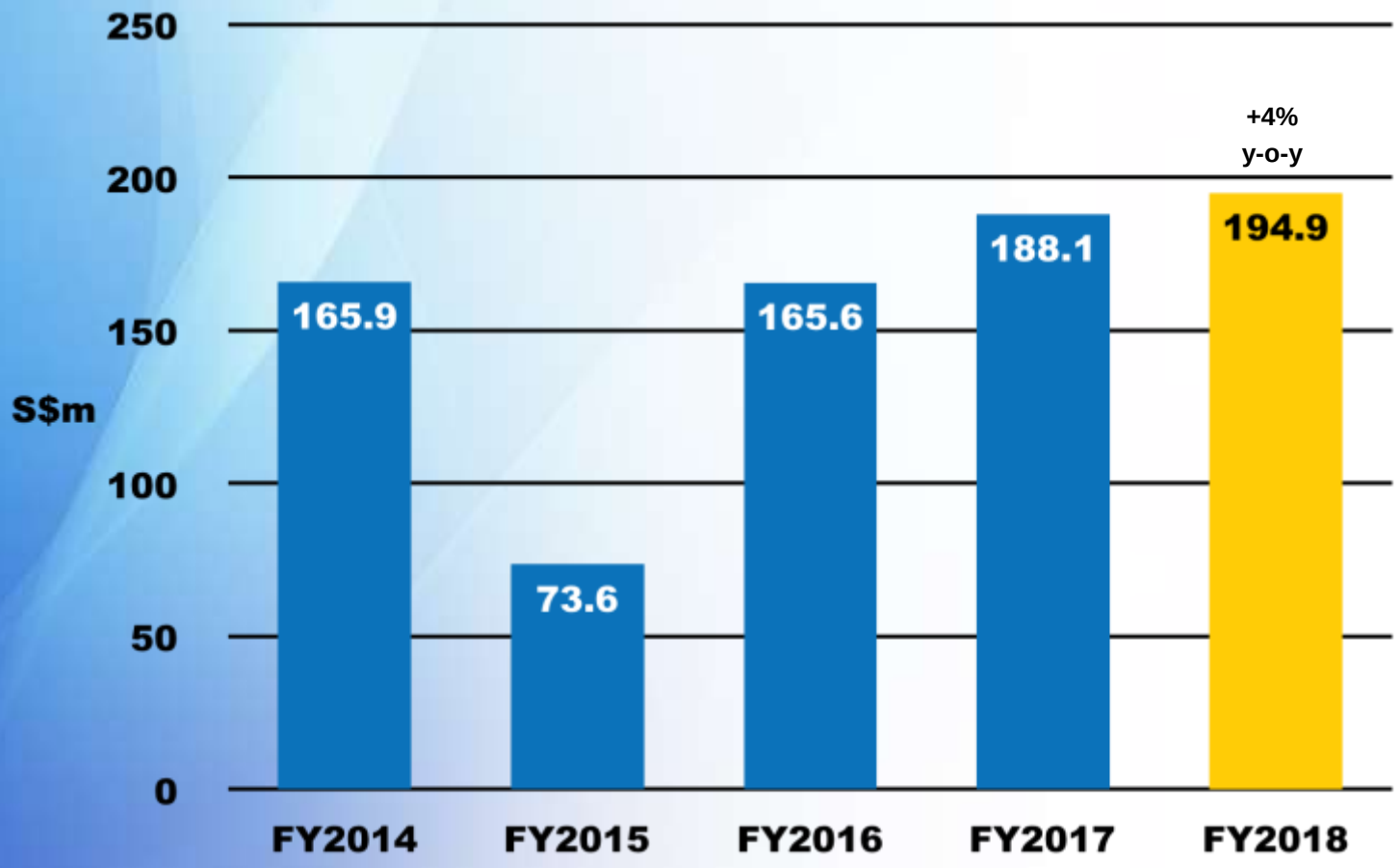
- FY2017 net profit boosted by one-off gains at BP



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Group Net Cash Position

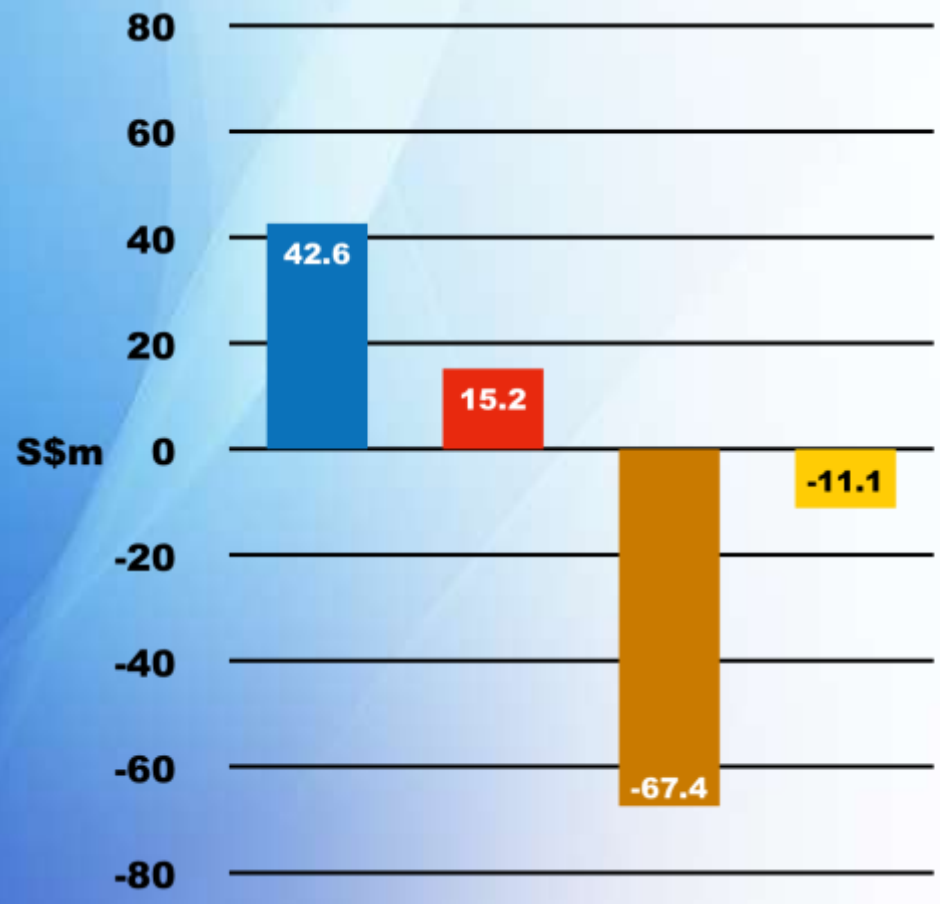
- Healthy net cash position



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Group Cash Flow

- Net cash outflows to financing activities for borrowing repayments, share buy-backs and dividends

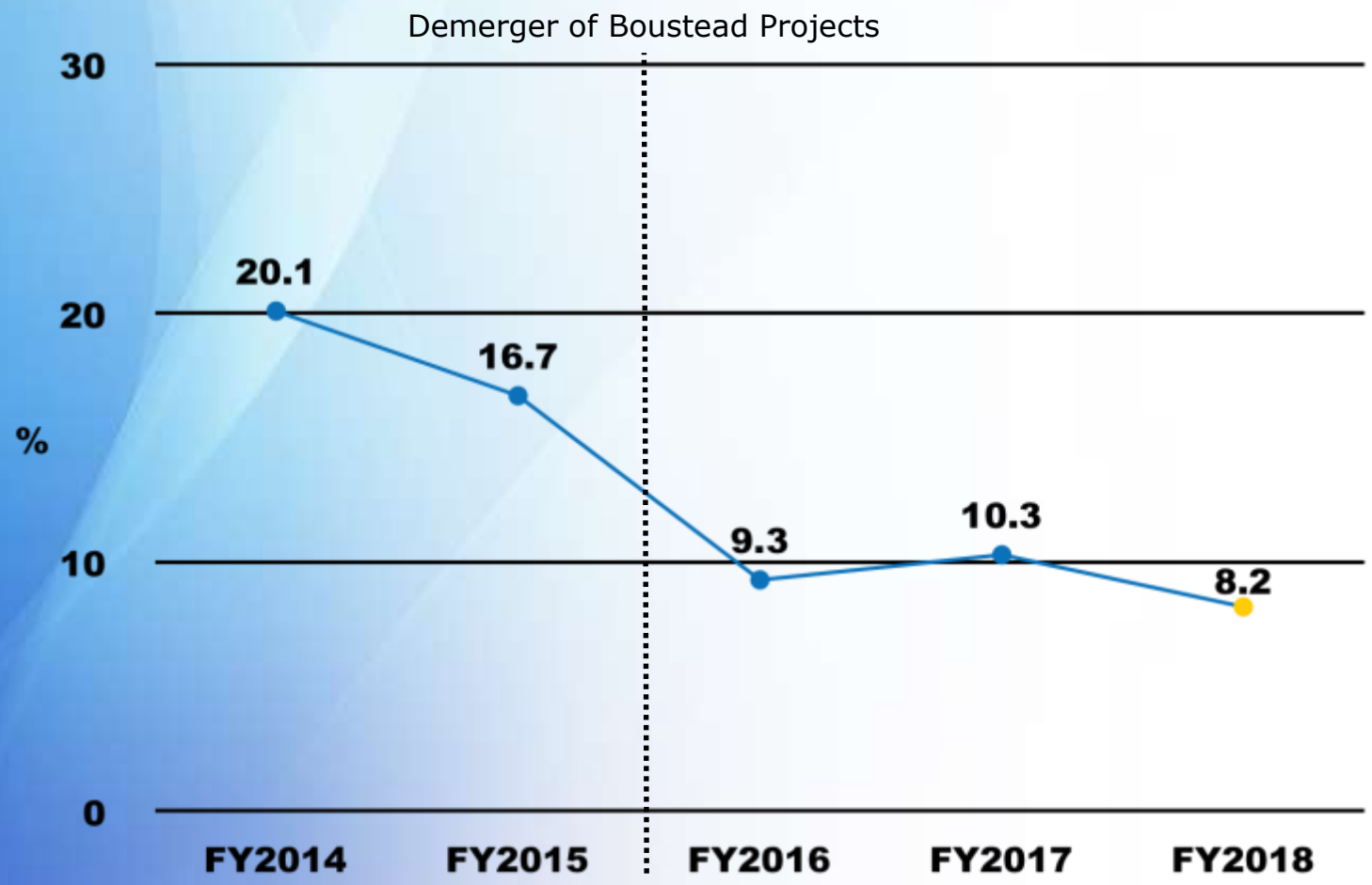


- Net cash inflow from operating activities
- Net cash inflow from investing activities
- Net cash outflow to financing activities
- Net cash flow including effect of FX rate changes

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Return on Shareholders' Equity

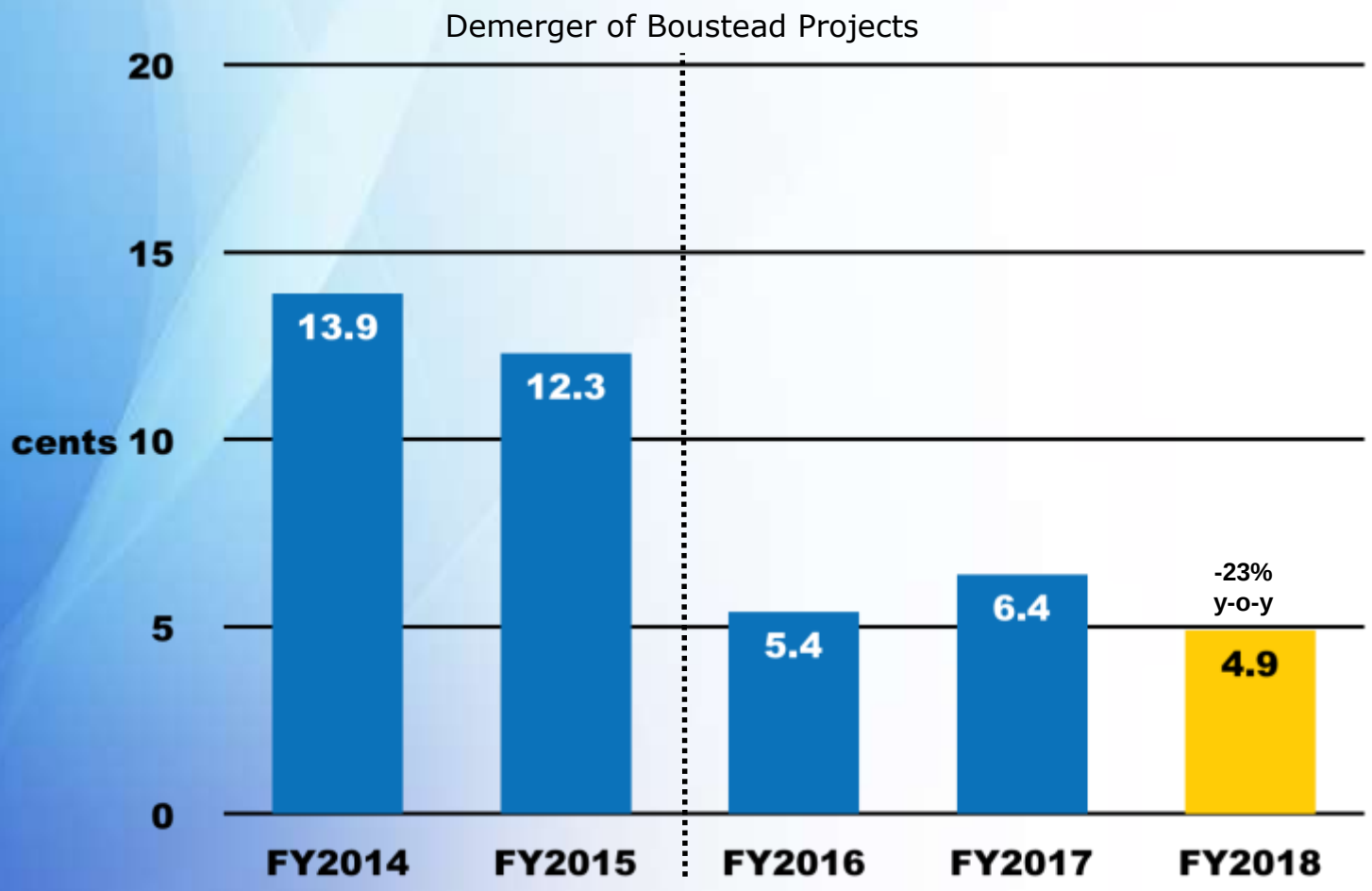
- Lower ROE due to absence of other gains



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Earnings per Share

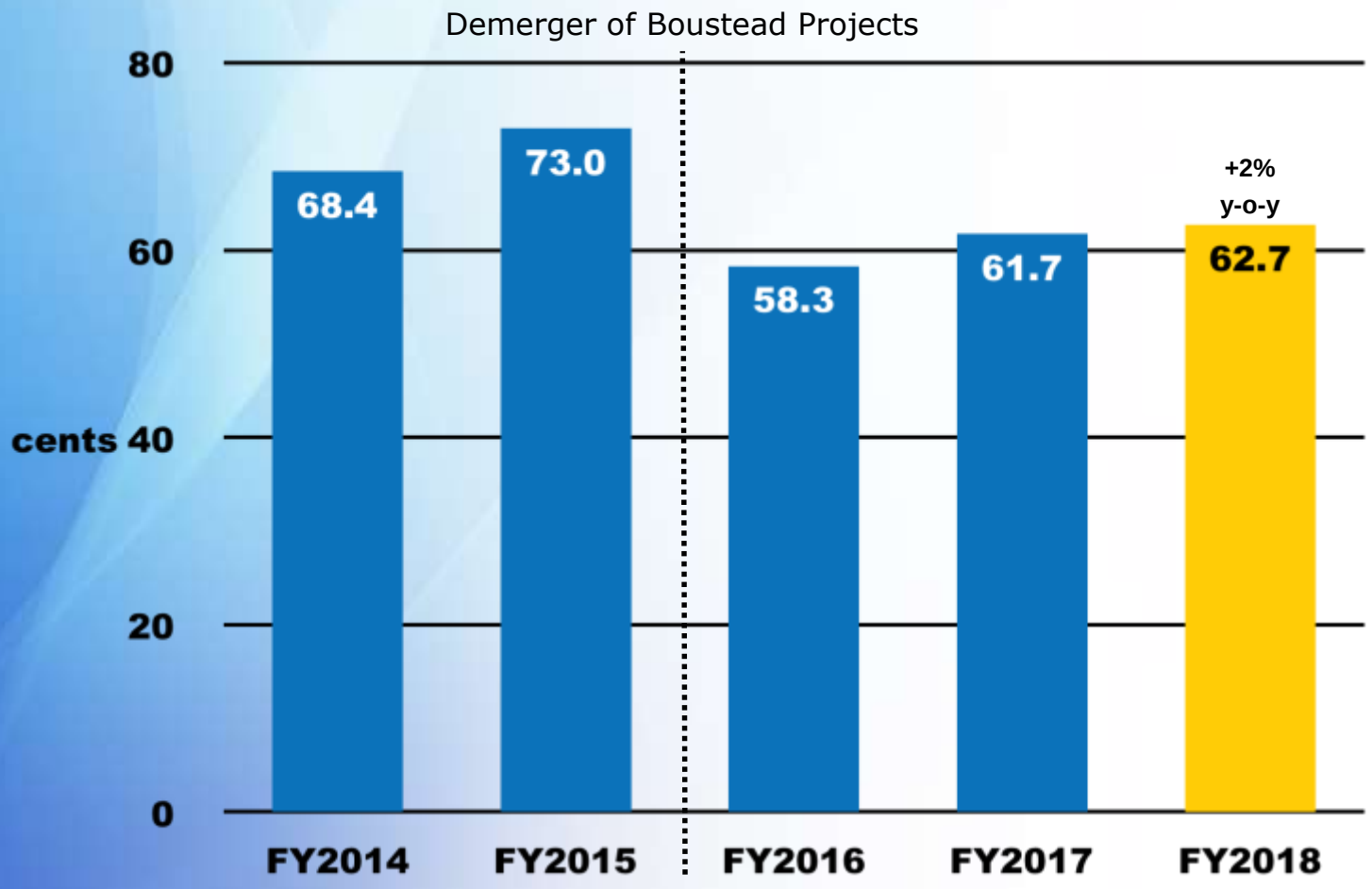
- Tracking net profit



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Net Asset Value per Share

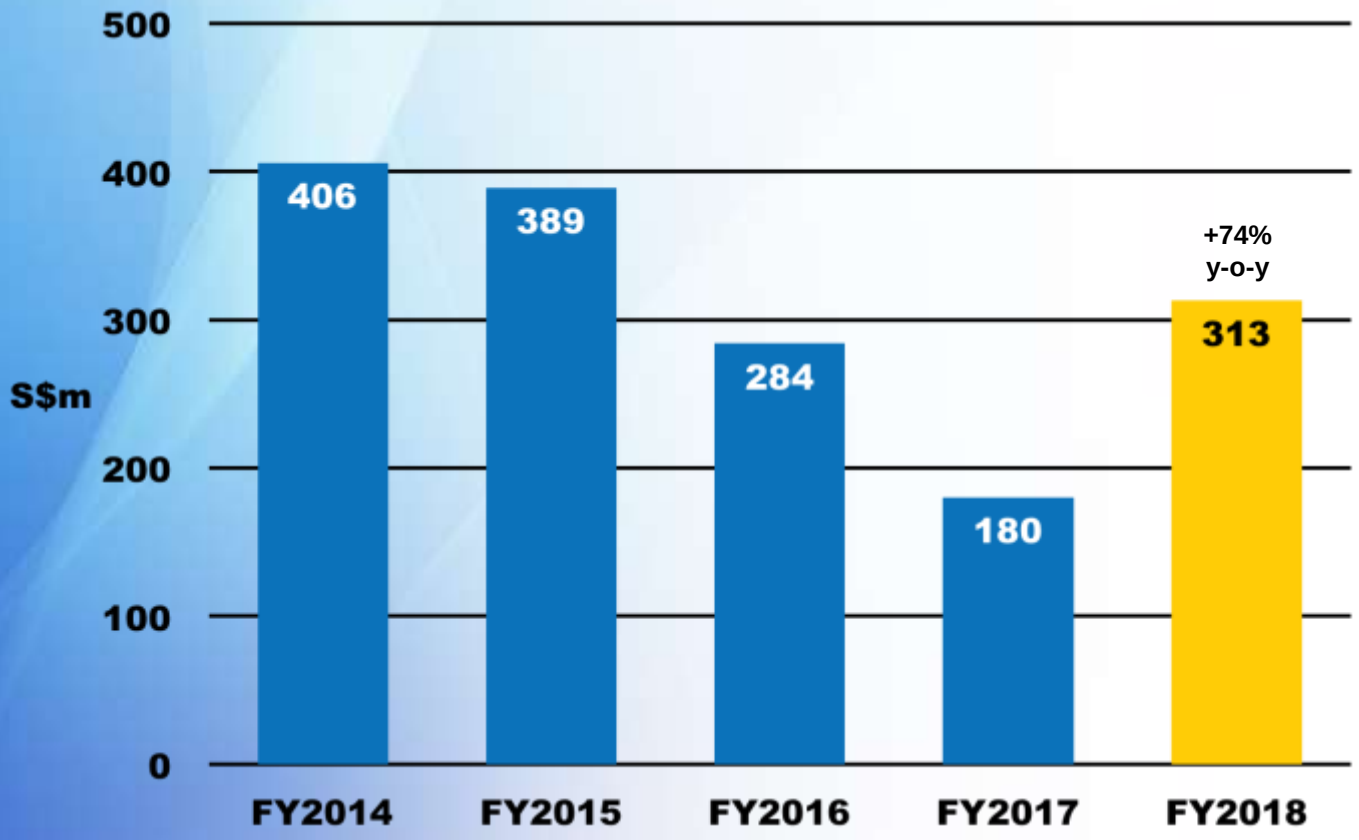
- Higher NAV per share following share repurchases



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Group Orders Secured

- Recovery in orders at Energy-Related Engineering Division and Real Estate Solutions Division



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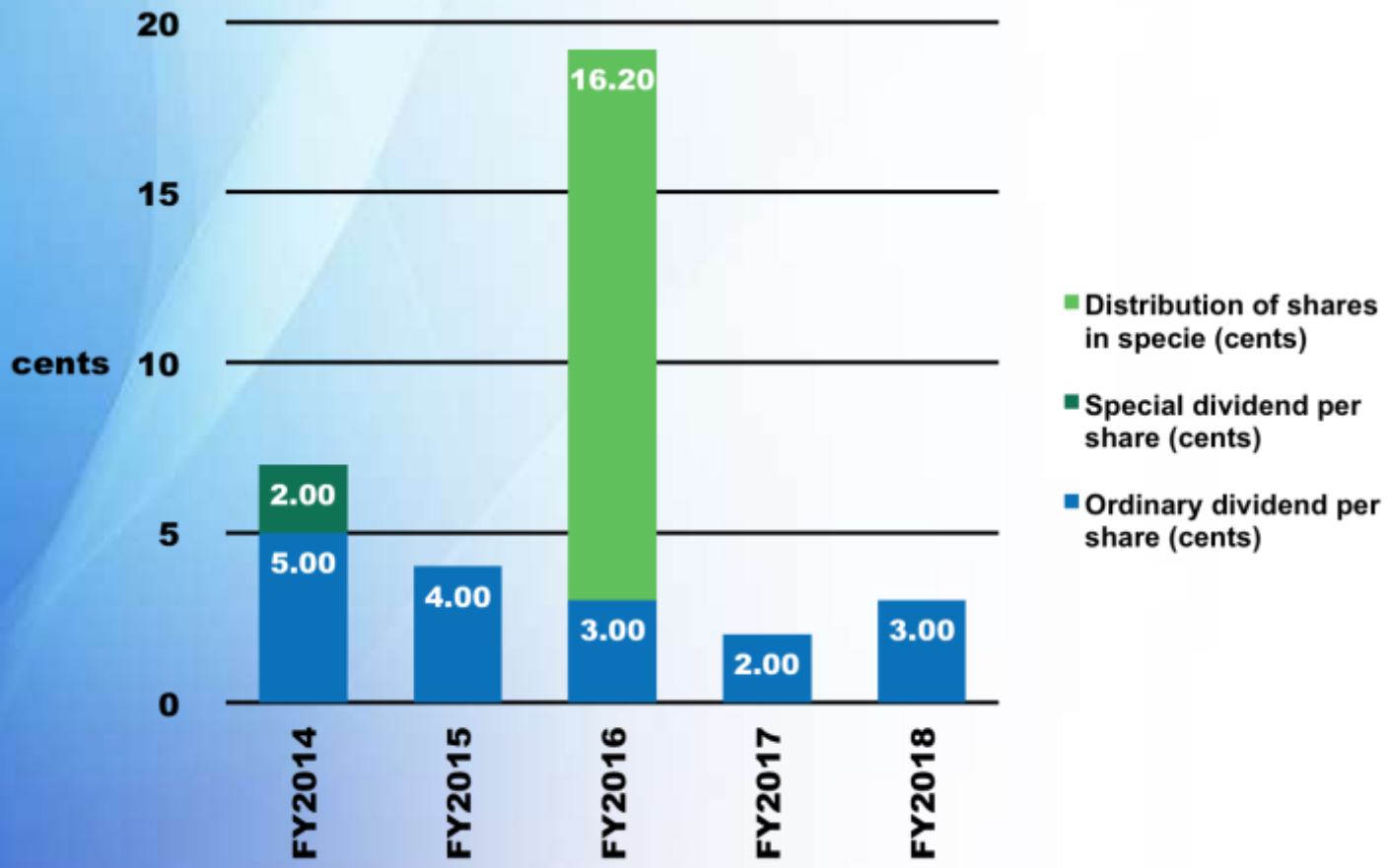
Group Dividend

	FY2018	FY2017
Interim dividend	1.0ct	0.5ct
Final dividend (proposed)	2.0cts	1.5cts
Total ordinary dividend	**3.0cts**	**2.0cts**

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Group Dividend

- Payout ratio of 61%



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Division Performance Review

Energy-Related Engineering

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Energy-Related Engineering

Division Revenue, PBT & Orders Secured

	FY2018 (S$)	FY2017 (S$)	Chg (%)
Revenue	94.9m	96.5m	-2
PBT	-4.6m	4.2m	NM
Orders secured	80m	40m	+100

- Continued recession in global oil & gas industries
  - Profitable if currency exchange losses and impairment of inventories at an oil & gas business unit are excluded

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Energy-Related Engineering
Prospects

- Slight improvement in prospects
  - Current order book backlog: S$89m
  - Global oil & gas outlook:
    - Global events in recent months indicate slight improvement in outlook
    - Focus on cost management

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Division Performance Review

Real Estate Solutions

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Real Estate Solutions

Division Revenue, PBT & Orders Secured

	FY2018 (S$)	FY2017 (S$)	Chg (%)
Revenue	201.3m	228.3m	-12
PBT	35.5m	44.9m	-21
Orders secured	233m	140m	+66

- Challenging industrial real estate landscape
  - Productivity improvements and unlocking of project cost saving
  - PBT decrease due to absence of one-off gains
  - Strong recovery in orders

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Real Estate Solutions

Prospects

- Capitalising on opportunities in Singapore and overseas
  - Current order book backlog: S$218m
  - Industrial real estate outlook:
    - Improvement in construction activities seen in Singapore but competition expected to remain intense and margins challenging
    - Growing design-and-build and development enquiry pipelines in Singapore and regionally

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Division Performance Review

Geo-Spatial Technology

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Geo-Spatial Technology

Division Revenue & PBT

	FY2018 (S$)	FY2017 (S$)	Chg (%)
Revenue	116.6m	108.3m	+8
PBT	24.6m	21.9m	+12

- Steady demand across exclusive markets in Australia and South East Asia
  - Record revenue

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Geo-Spatial Technology
Prospects

- Stable prospects
  - Sustained demand from government agencies
  - Smart cities transformations continue to drive demand for geo-spatial technology capabilities
  - Continued expansion of workforce and potential currency headwinds may affect margins

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Thank You

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Questions & Answers

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