



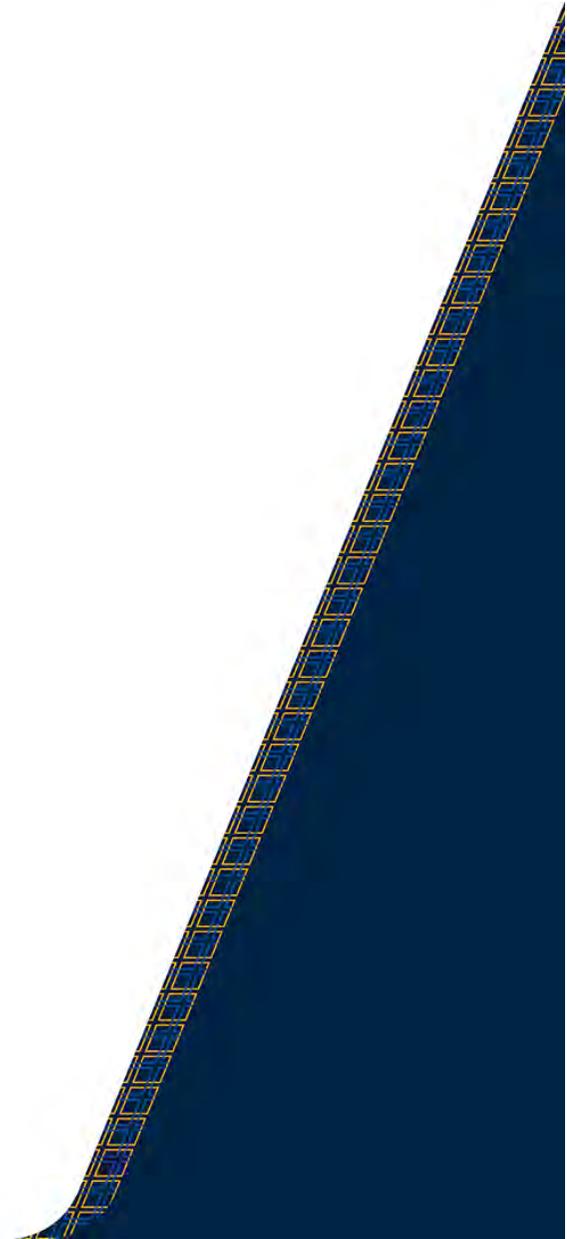
**BOUSTEAD**

Since 1828

# **Boustead Singapore Limited FY2021 Annual General Meeting**

**Management Presentation**

**28 July 2021**



# Disclaimer

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## Presentation Agenda

- Division Performance Review
- Group Financial Performance
- Polling Results for AGM Resolutions



# Division Performance Review

## – Real Estate



## Real Estate Division Revenue, PBT & Orders Secured

	<b>FY2021</b> <b>(S\$'m)</b>	<b>FY2020</b> <b>(S\$'m)</b>	<b>Chg</b> <b>(%)</b>
Revenue	<b>301.4</b>	426.2	-29
PBT	<b>*140.6</b>	27.5	+412
Orders secured	<b>178</b>	93	+91

\* Includes Boustead Industrial Fund ("BIF") value-unlocking transaction one-off gain of S\$134.8 million ("BIF Value Unlocking Gain")

- Revenue impacted by pandemic, prolonged project closures, lower productivity and shortage of foreign labour resources
- Record PBT supported by BIF Value Unlocking Gain
- Higher contracts secured due to geographic market expansion

## Real Estate Prospects



- Immediate term
  - Announced order backlog: S\$351 million
  - Industrial real estate outlook:
    - Challenging F2022 due to continued impact from pandemic including more difficult business development and margin pressure on contracts secured pre-pandemic
    - Technological transformation continues to be emphasised
  
- Longer term
  - Stronger platforms including BIF and fund management business to build recurring, long-term income streams
  - Demand for smart, eco-sustainable and future-ready developments to address climate change



# Division Performance Review – Energy Engineering



## Energy Engineering Division Revenue, PBT & Orders Secured

	<b>FY2021</b> <b>(S\$'m)</b>	<b>FY2020</b> <b>(S\$'m)</b>	<b>Chg</b> <b>(%)</b>
Revenue	<b>198.4</b>	144.5	+37
PBT	<b>28.0</b>	7.9	+254
Orders secured	<b>52</b>	304	-83

- Underperforming water business sold in FY21
- Excellent revenue and profit results a reflection of orders won in FY19 and FY20, and margin uplift during FY21
- Order secured during FY21 of \$52 million is not ideal, and initiative to grow brownfield services and work is not a success.

## Energy Engineering Prospects



- Immediate term
  - Announced order backlog: S\$96 million
  - Virtually certain less revenue and profit recognised for FY2022 compared to FY2021
  - Uptick in oil prices leading to more projects being kicked off in FY2022, leading to optimism that more than the S\$52 million of orders in FY2021 can be secured
  
- Longer term
  - Complex
  - Uncertain

# Energy Engineering

## What are experts saying about fossil fuel outlook?



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

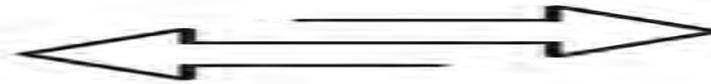
International Energy Agency

*“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



## 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, such as carbon capture and storage solutions?

## 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, such as carbon capture and storage solutions?

Maintain bid discipline at all times and not bid stupidly!



# Division Performance Review

## – Geospatial



## Geospatial Division Revenue, PBT & Deferred Services Backlog

	<b>FY2021</b> <b>(S\$'m)</b>	<b>FY2020</b> <b>(S\$'m)</b>	<b>Chg</b> <b>(%)</b>
Revenue	<b>170.4</b>	137.3	+24
PBT	<b>40.7</b>	29.7	+37
Deferred services backlog	<b>100</b>	73	+37

- Record revenue; fifth consecutive year of revenue and PBT growth despite currency headwinds
- Years of marketing efforts and investments in educating users leading to consistently growing demand for geospatial solutions

# Geospatial Esri Direct and Esri Aligned



## Esri Direct

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

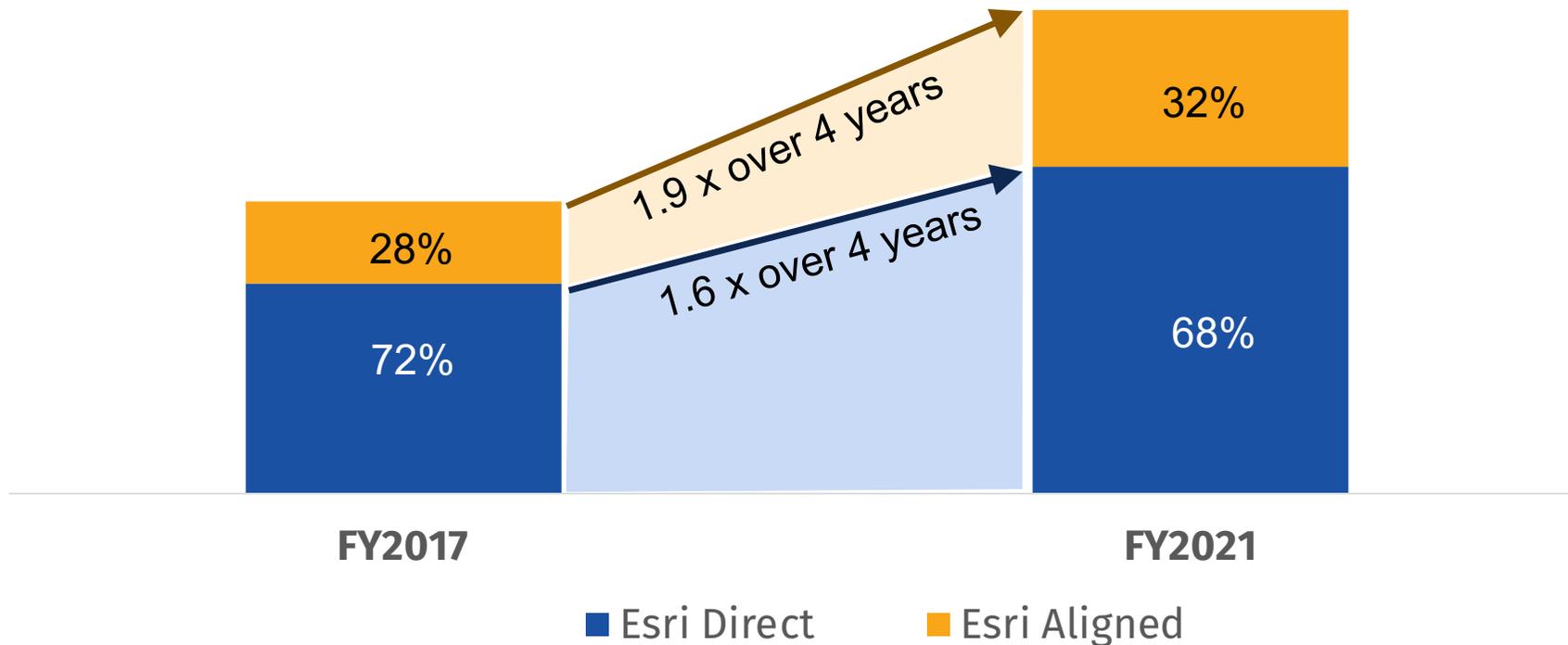


Leveraging synergies to create long-term, scalable business with enhanced offerings independent of distribution agreement

## Esri Aligned

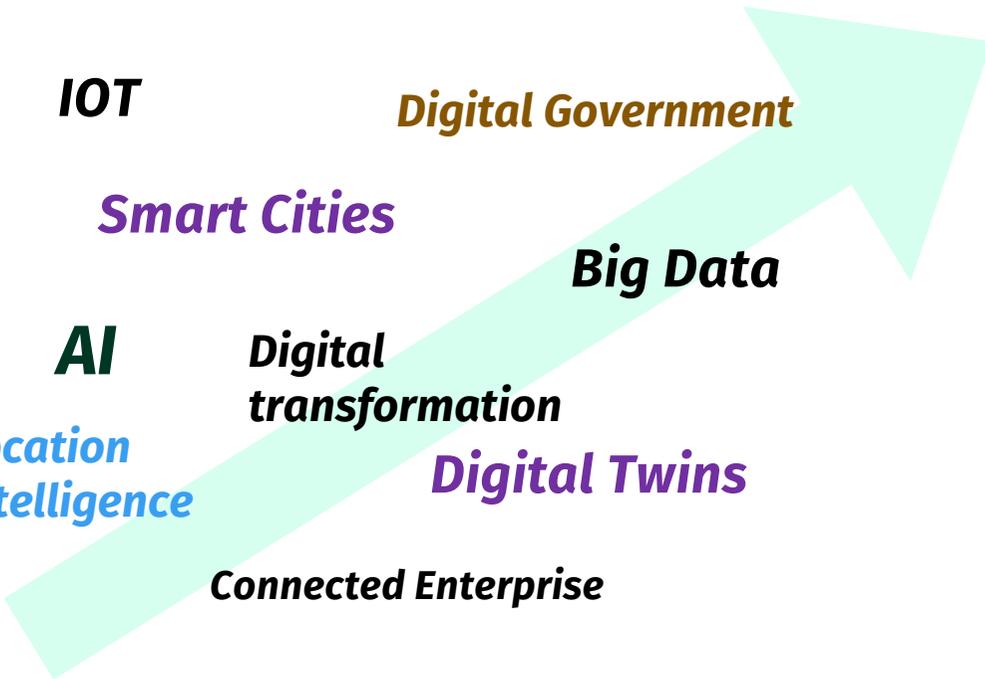
Revenue as a result of selling services, data products, 3rd party (including self-developed) solutions that enhance and extend the Esri ecosystem

# Geospatial Esri Direct and Esri Aligned Revenue Growth

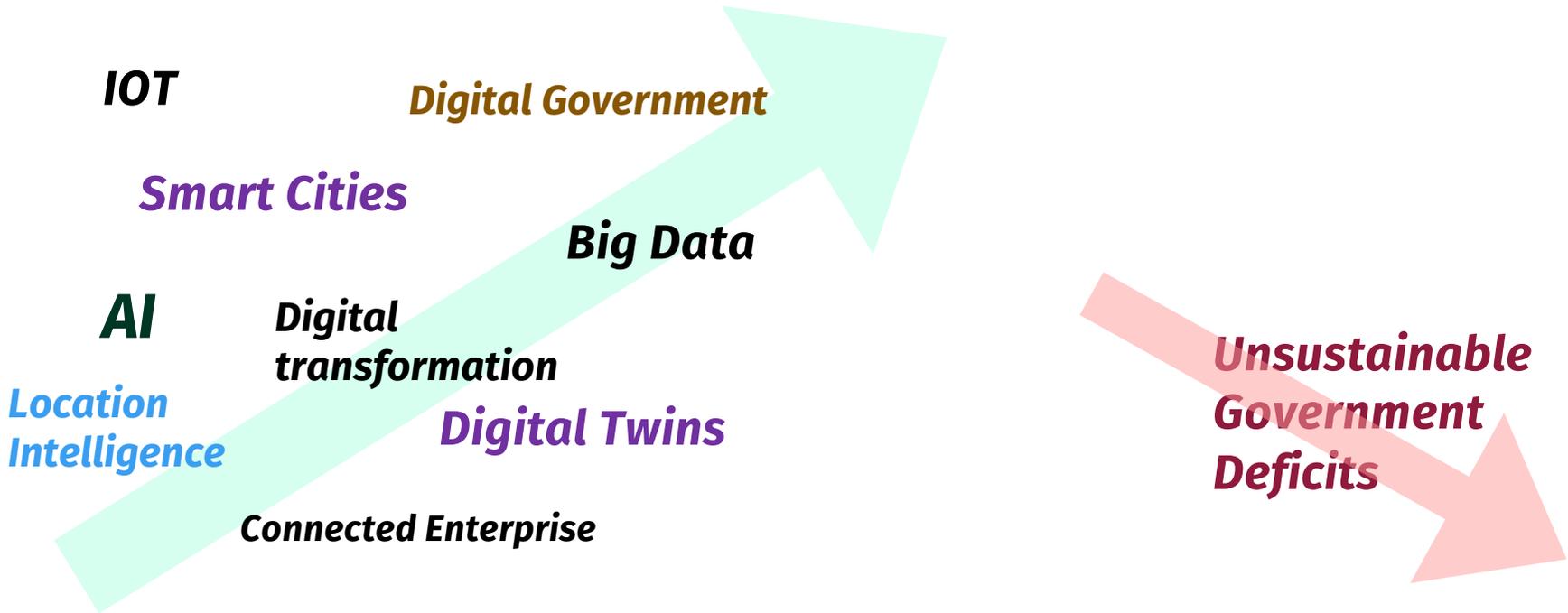


***We remain 100% committed to growing the Esri ecosystem whether through direct software sales or aligned services, solutions or datasets!***

# Geospatial Prospects



# Geospatial Prospects





# Division Performance Review – Healthcare



## Healthcare Division Revenue & PBT

	<b>FY2021</b> <b>(S\$'m)</b>	<b>FY2020</b> <b>(S\$'m)</b>	<b>Chg</b> <b>(%)</b>
Revenue	<b>15.2</b>	18.2	-16
Share of associate, Beijing Pukang (“Pukang”)	<b>1.5</b>	2.0	-25
PBT (includes share of Pukang’s income above)	<b>*-0.1m</b>	*1.1m	NM

\* Excludes S\$0.4m annual amortisation adjustment by Group upon acquisition over 3 years

- Negatively impacted by pandemic
- Sales process and culture to be improved

## Healthcare Prospects



- Immediate term
  - Somewhat uncertain
  - Singapore and China macro environment for rehab and products is improving; not so for Malaysia and Thailand
  - Sales and marketing process and culture still not optimised
  
- Longer term
  - Longer term trend for ageing demographics and more efficient healthcare delivery persists for foreseeable future
  - Internal priority to improve sales and marketing team capabilities to capture growing demand for solutions

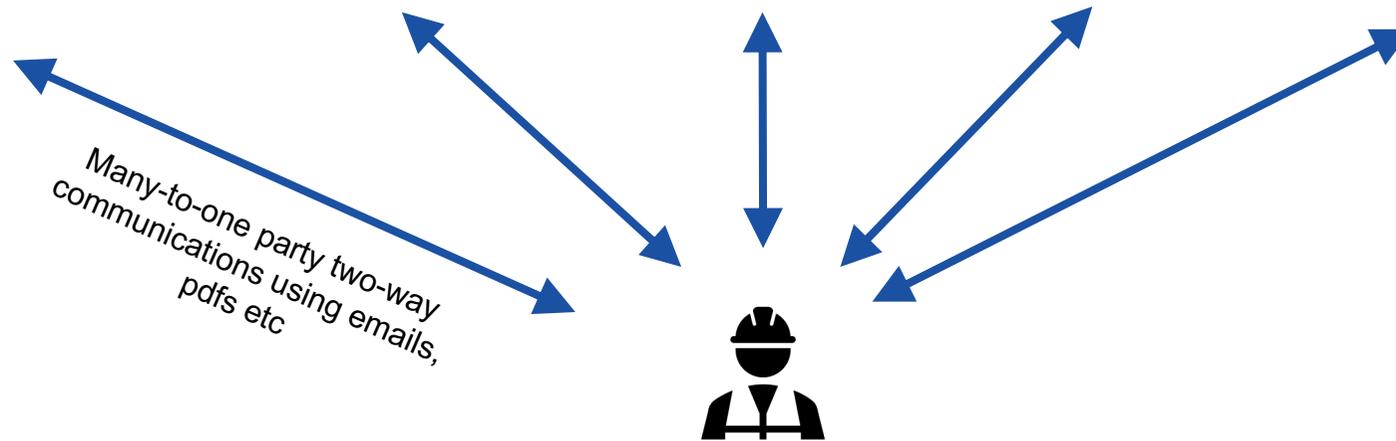
# Noteworthy Projects and Achievements



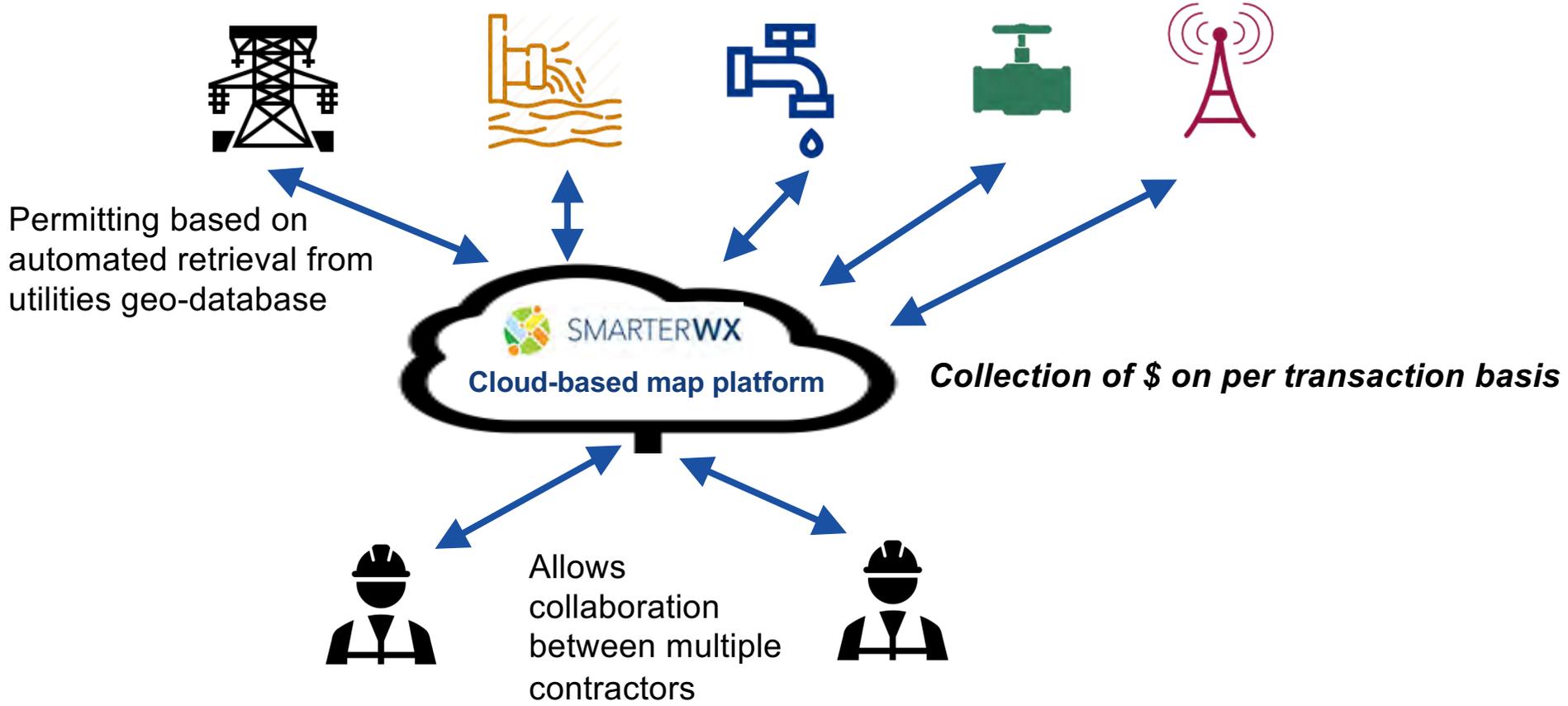
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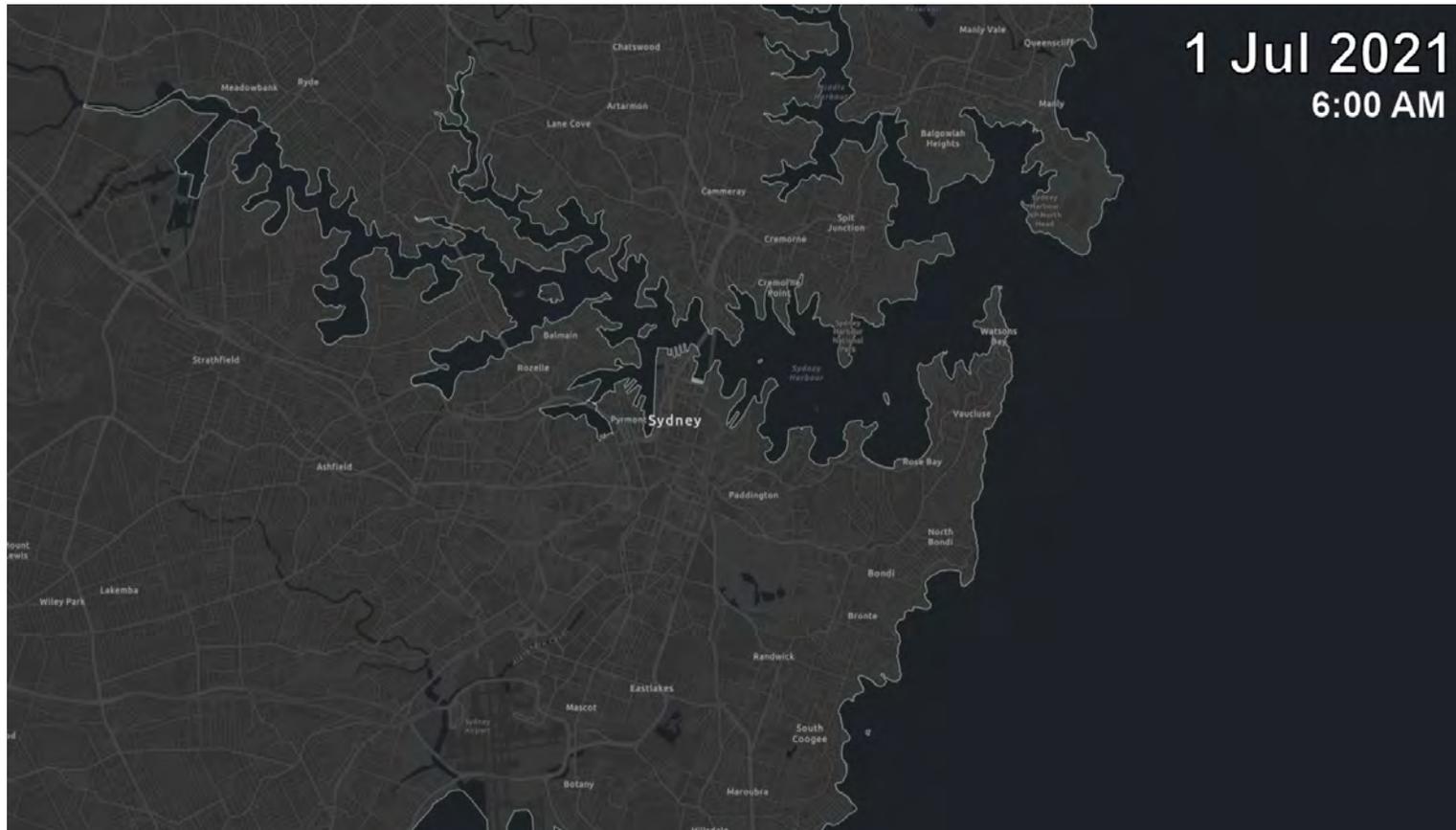
# Geospatial Conventional Construction Permitting Process



# Geospatial Conventional Construction Permitting Process



# Geospatial



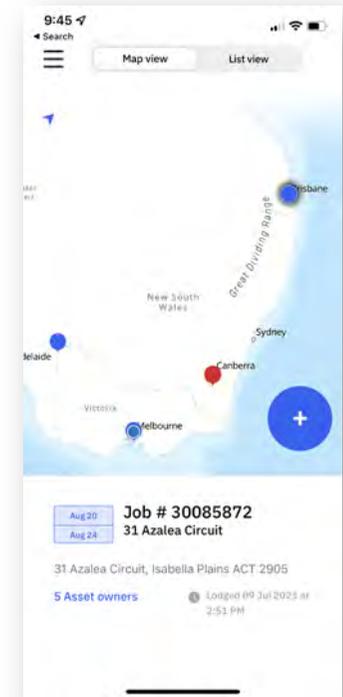
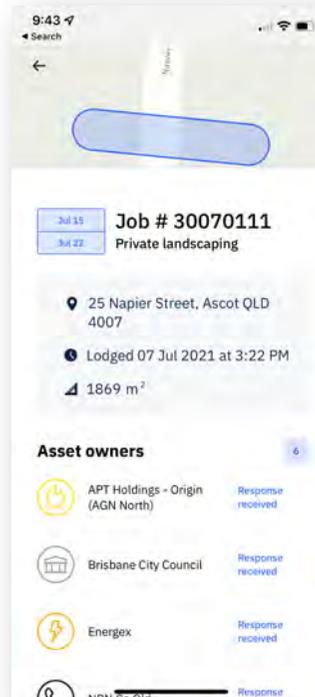
# Geospatial



**Brett Bundock**



**Gary Johnson**



Screenshots of construction personnel making enquiries to multiple utilities companies on his smart phone



中国队加油！

# Group Financial Performance

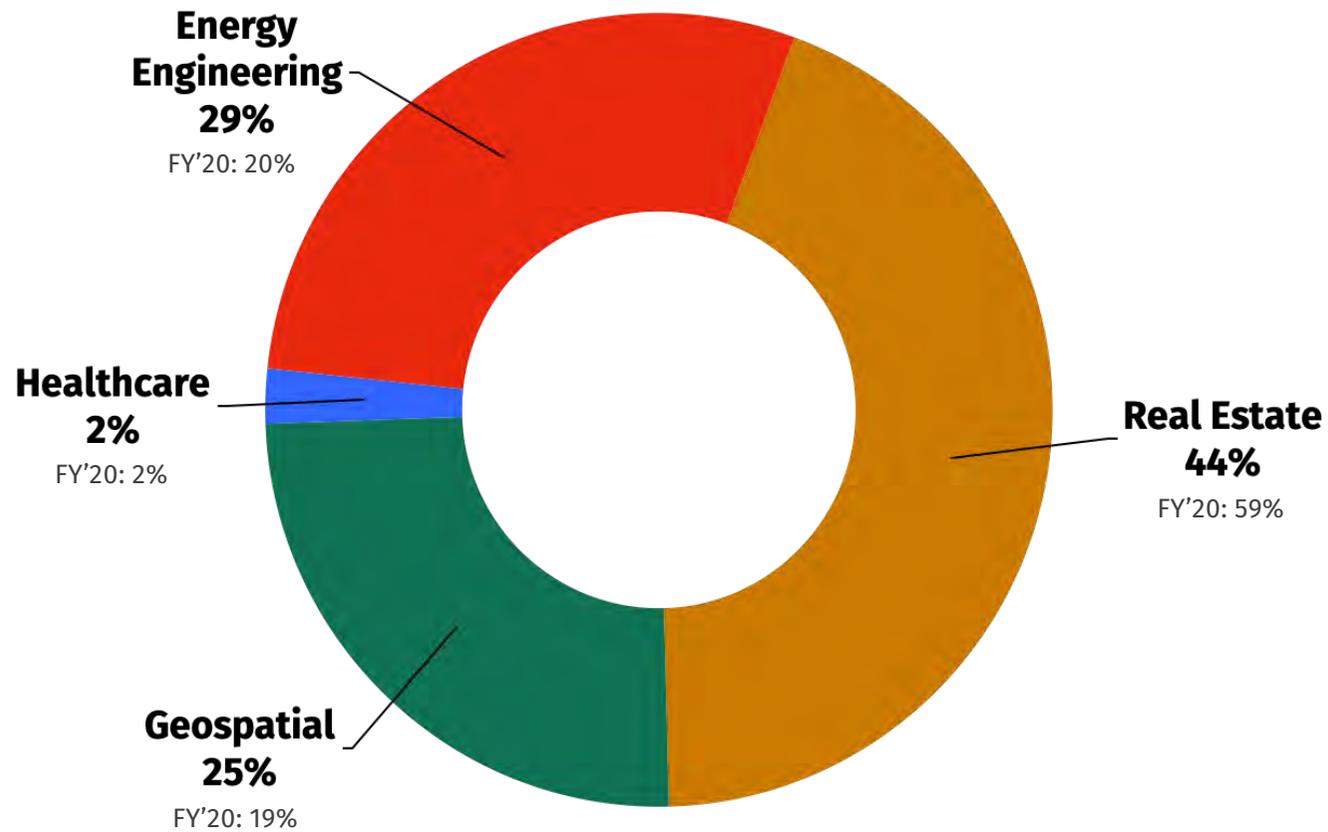
## Group Financial Results

	FY2021	FY2020	Chg (%)
Revenue	<b>S\$685.7m</b>	S\$726.6m	-6
Gross profit	<b>S\$173.6m</b>	S\$167.2m	+4
<i>Gross margin</i>	<b>25%</b>	23%	
PBT	<b>S\$204.3m</b>	S\$63.0m	+224
<i>PBT margin</i>	<b>30%</b>	9%	
Total profit	<b>S\$178.9m</b>	S\$44.5m	+302
Profit attributable to equity holders of the Company (“net profit”)	<b>S\$113.1m</b>	S\$30.9m	+266
Adjusted net profit*	<b>S\$44.6m</b>	S\$36.4m	+23
Earnings per Share (“EPS”)	<b>23.3cts</b>	6.3cts	+270
Net asset value (“NAV”) per share	<b>92.3cts</b>	70.3cts	+31

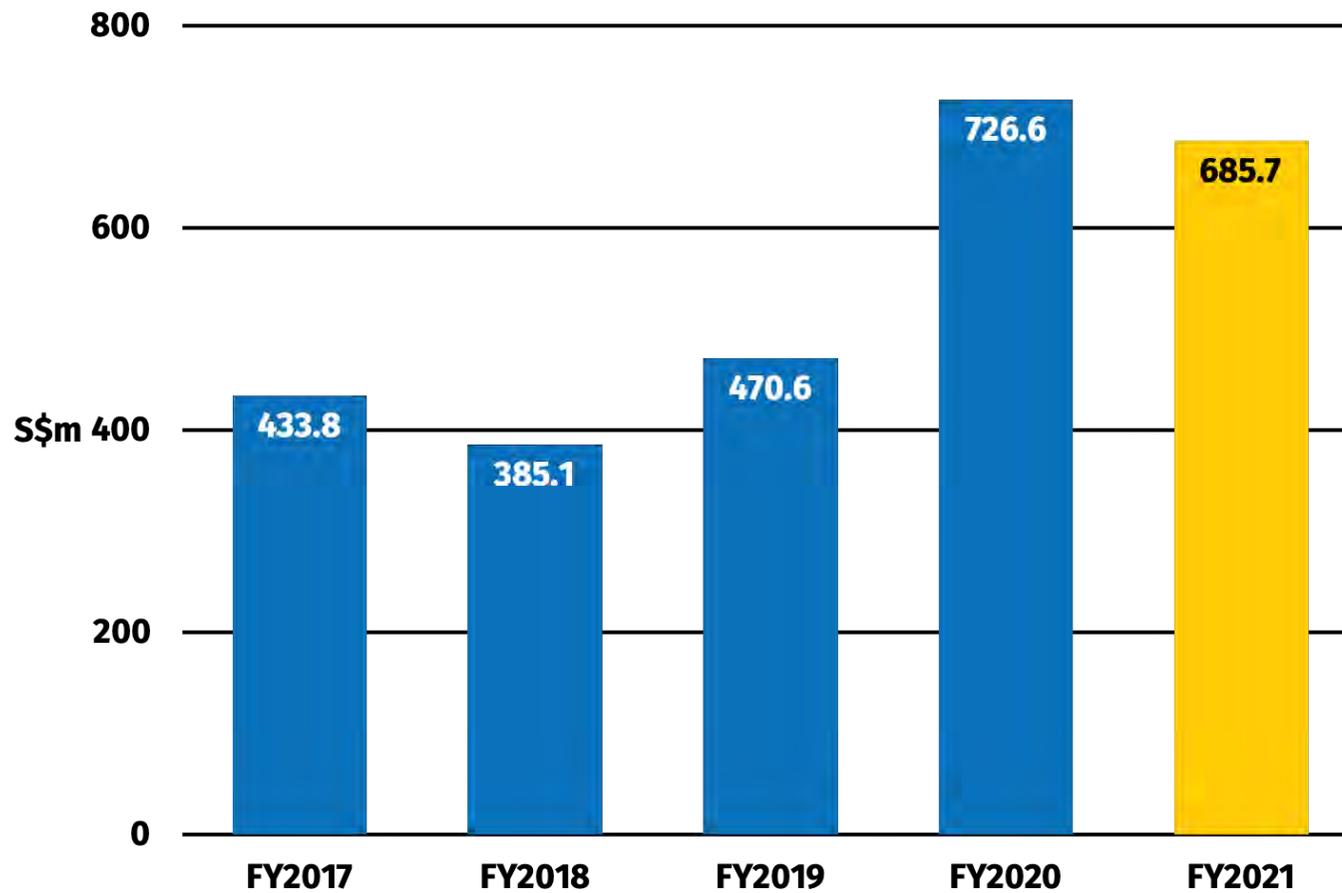
- Revenue impacted by the prolonged closure of the Singapore project sites of the Real Estate’s E&C business segment
- Record net profit supported by BIF Value Unlocking Gain

\* For comparative review, adjusted for other gains/losses net of non-controlling interests (includes BIF Value Unlocking Gain), one-off net gain from sale of water business, impairment losses, one-off legal settlement and payouts received from Jobs Support Scheme

## Group Revenue Mix by Division

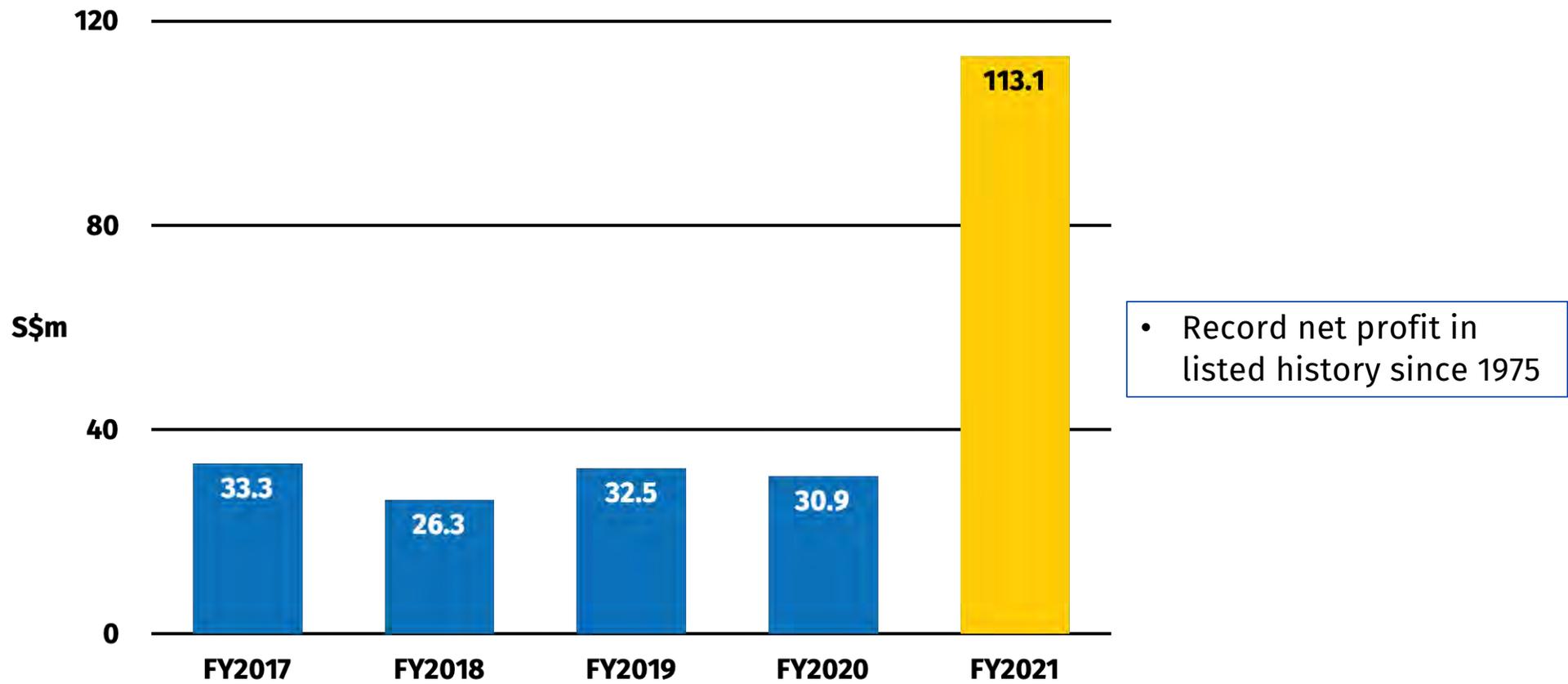


# Group Revenue

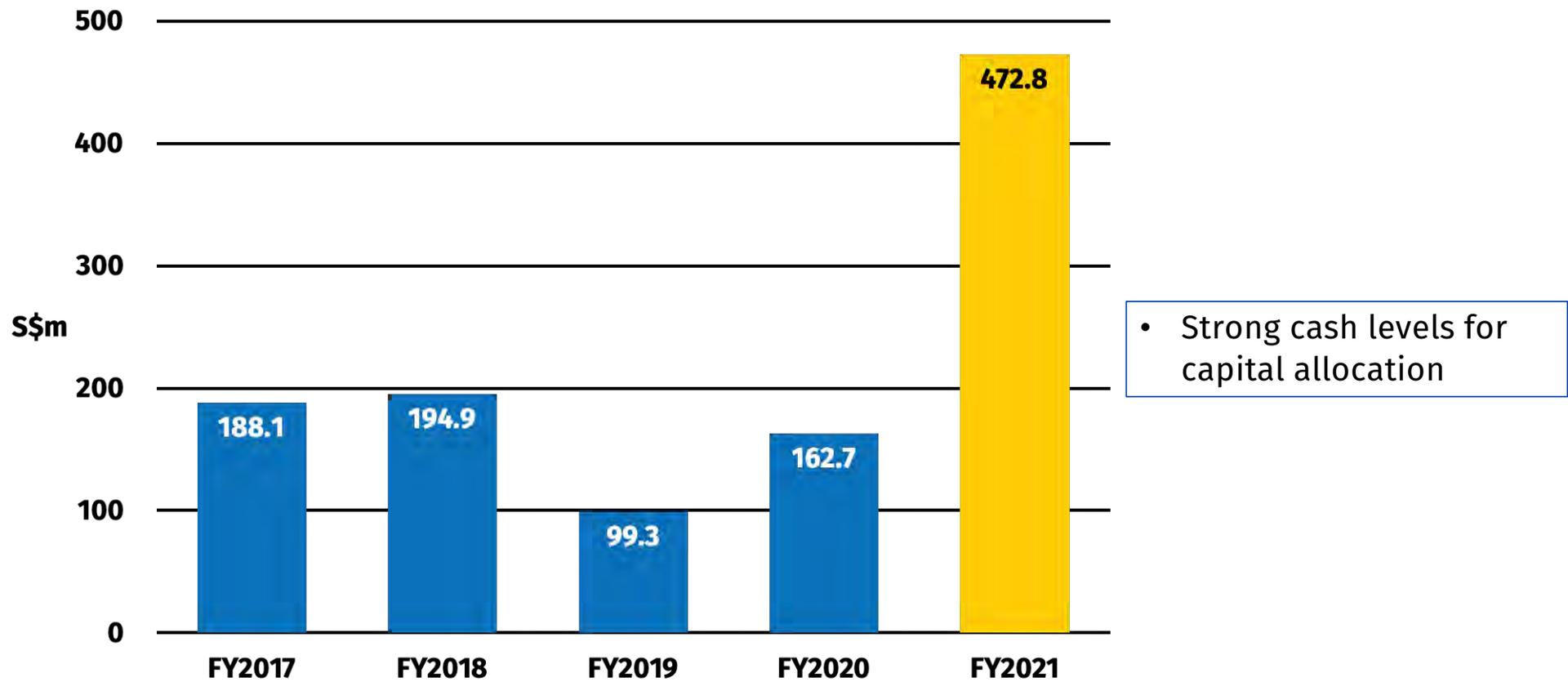


- Impact on Real Estate revenue buffered by better Energy Engineering and Geospatial revenue
- Second highest revenue achieved over past decade

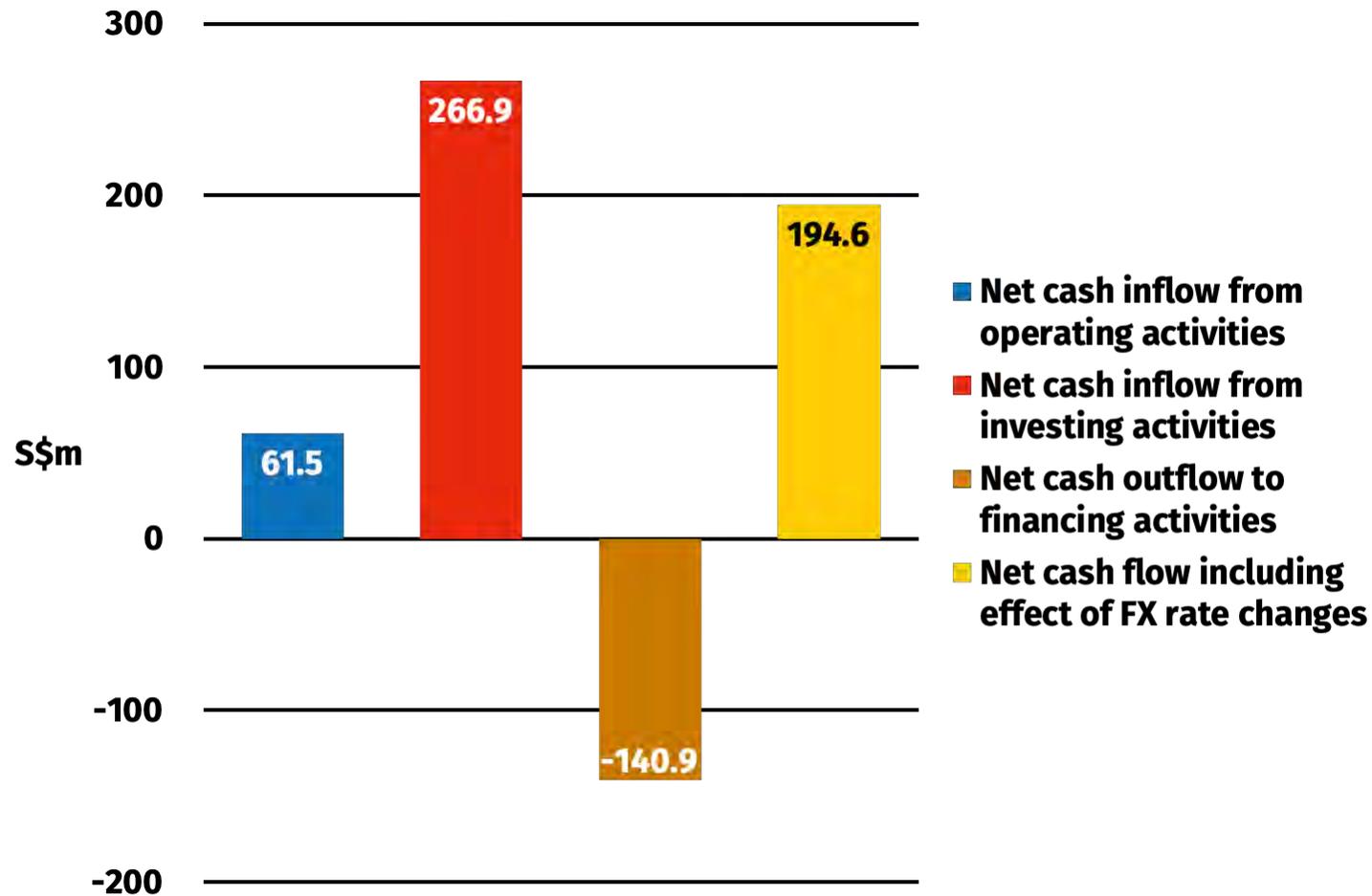
## Group Net Profit



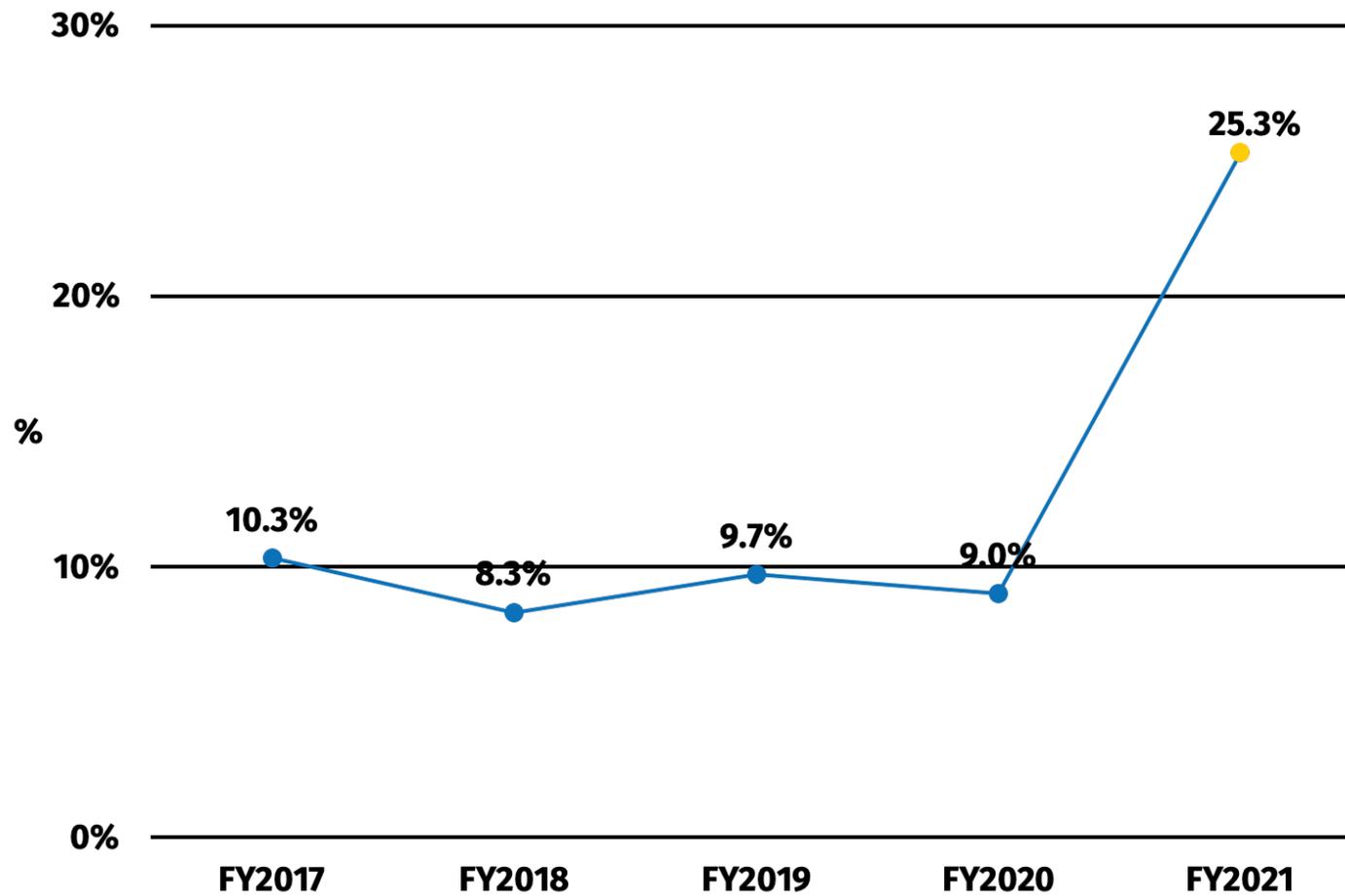
## Group Net Cash Position



## FY2021 Group Cash Flow

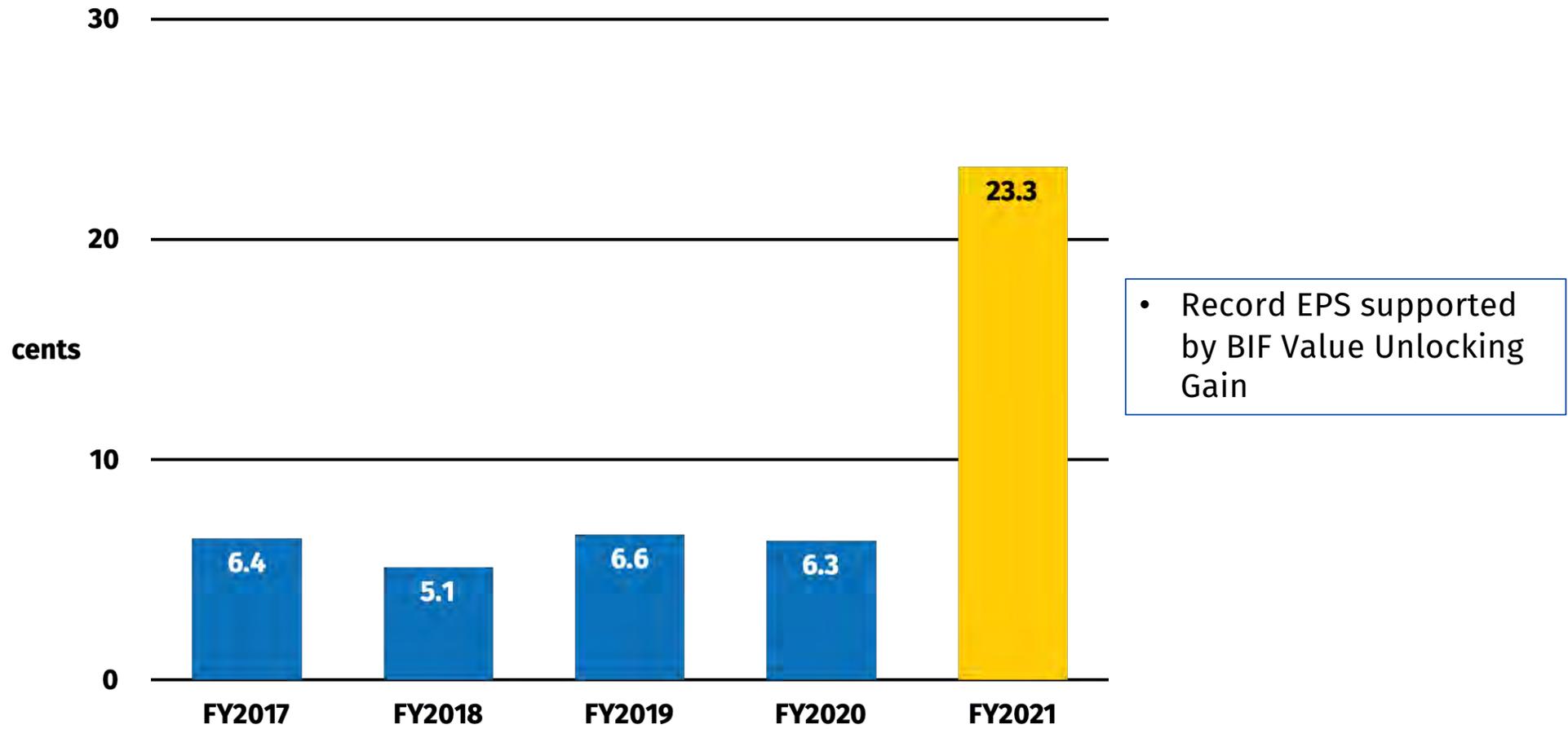


## Group Return on Shareholders' Equity

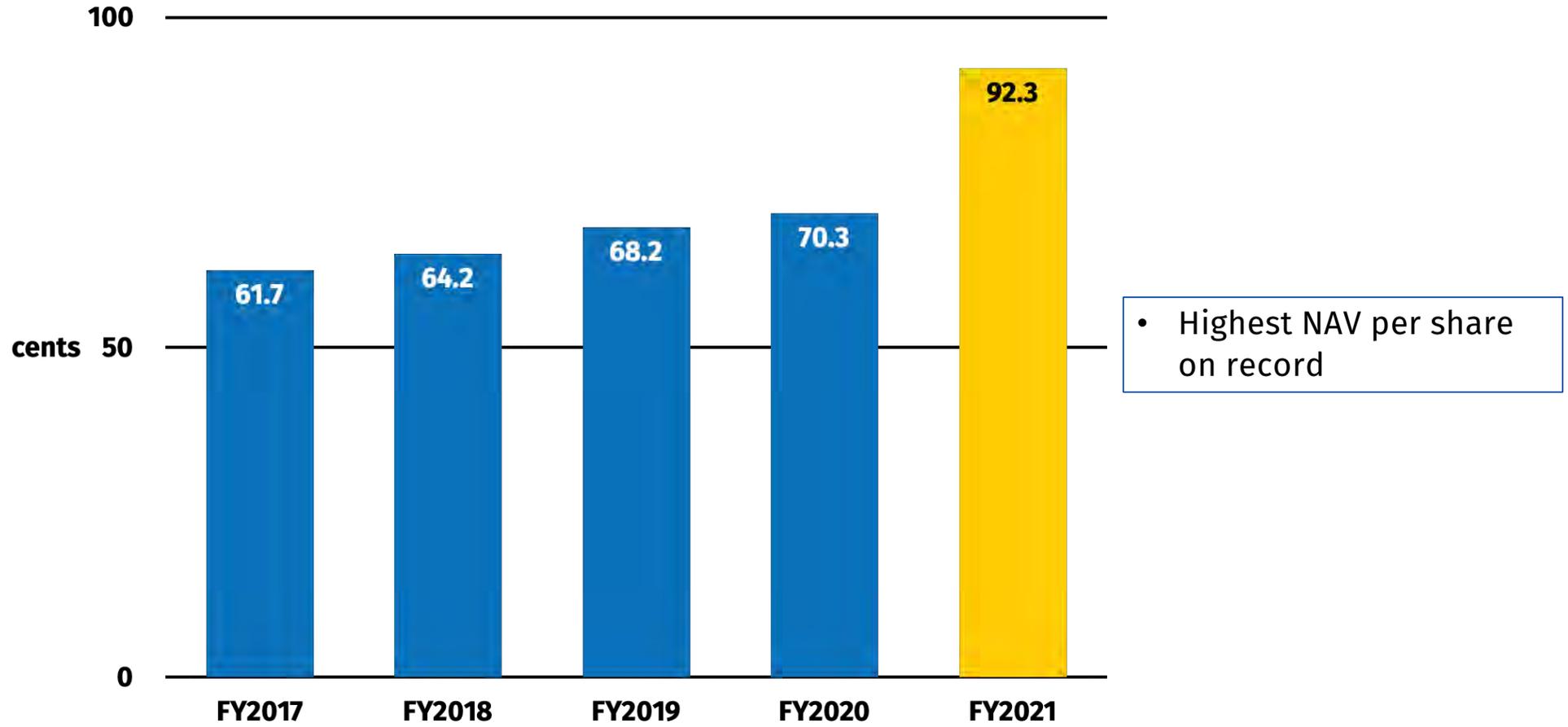


- ROE boosted by BIF Value Unlocking Gain

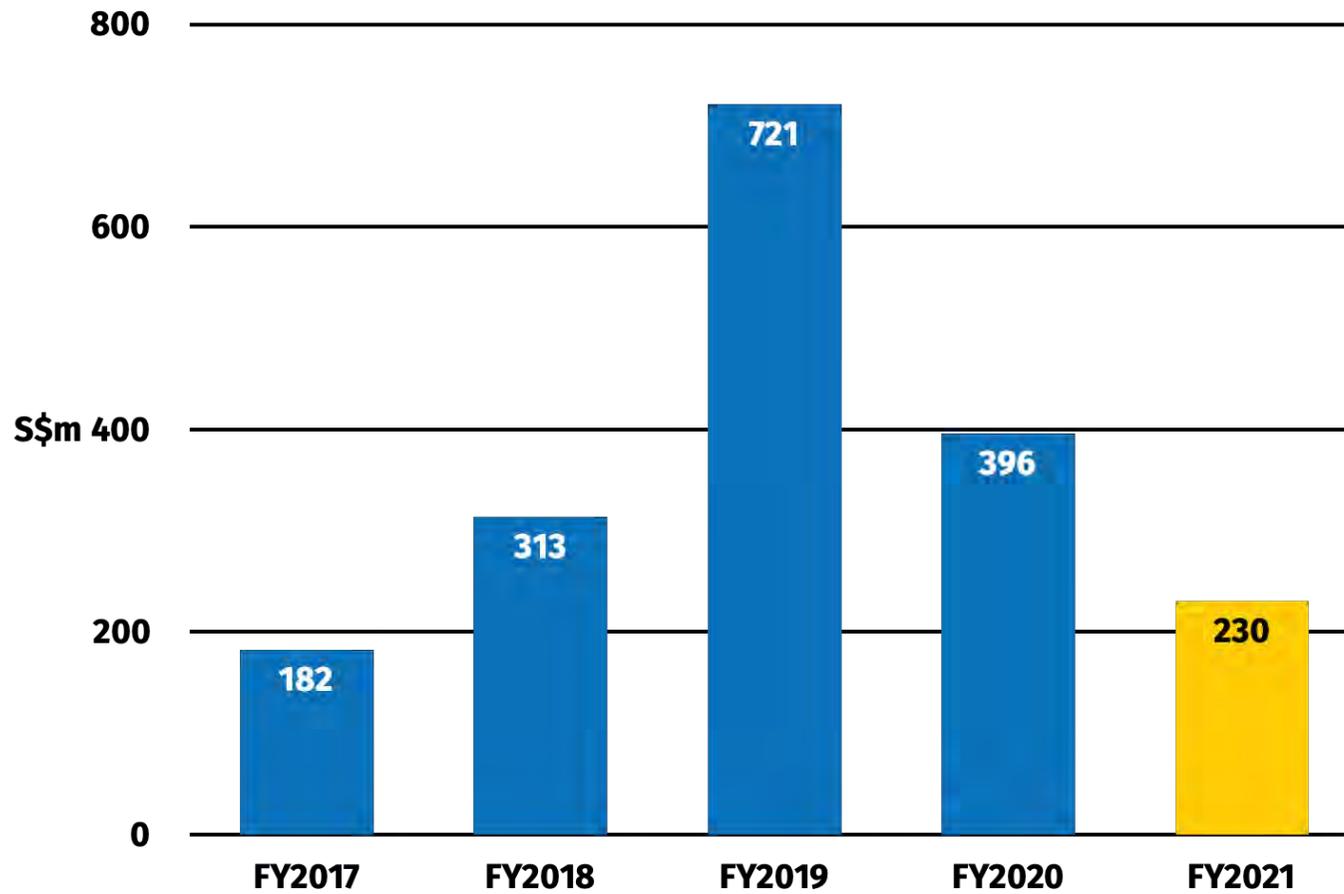
## Group EPS



# Group NAV per Share



# Group Orders Secured



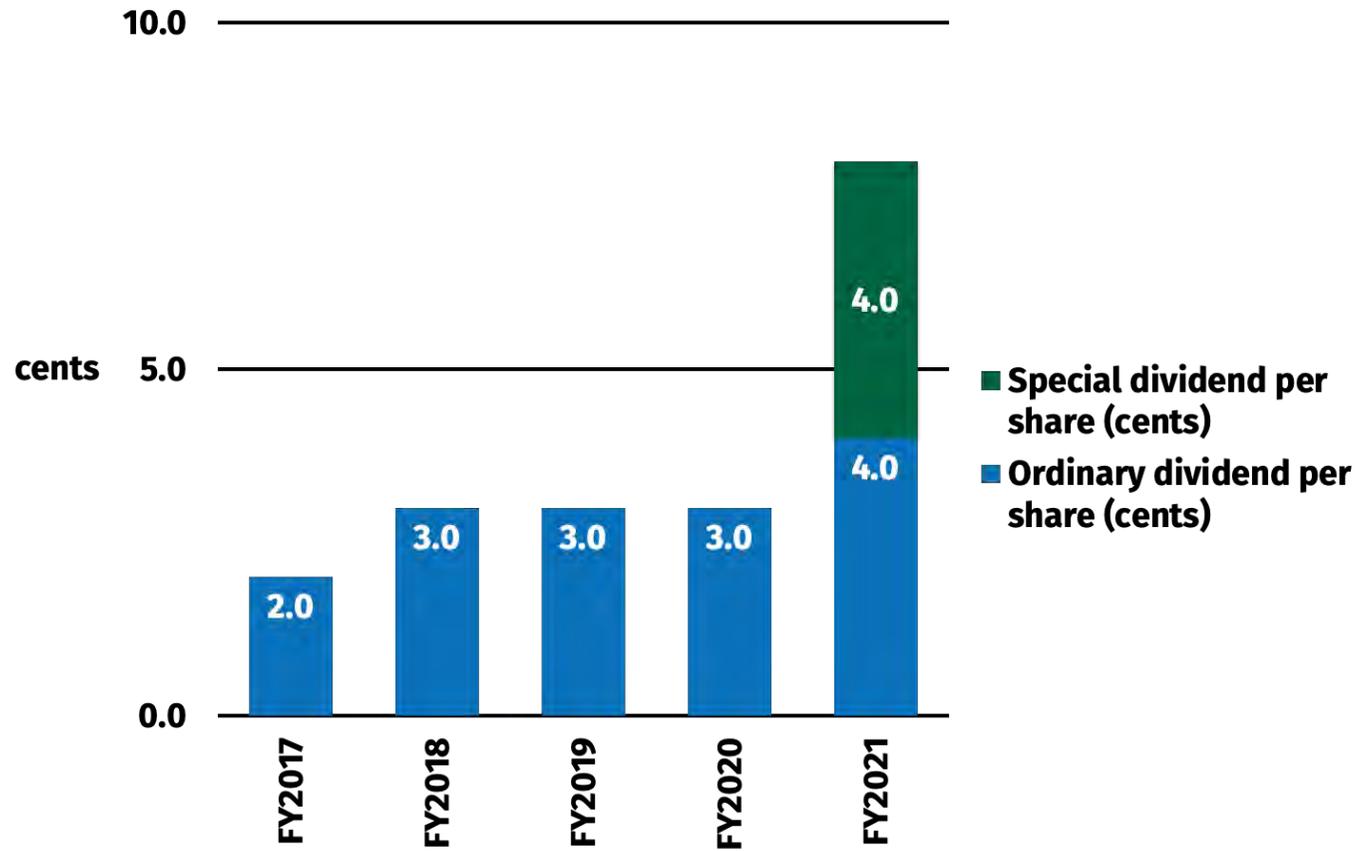
• Business development activities impacted by pandemic

## Group Dividend

	<b>FY2021</b>	FY2020
Interim dividend	<b>1.0cts</b>	1.0cts
Final dividend	<b>*3.0cts</b>	2.0cts
Special dividend	<b>*4.0cts</b>	0.0cts
<b>Total dividend</b>	<b>8.0cts</b>	3.0cts

\* Proposed

## Group Dividend (cont'd)





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**Thank You**