

Boustead unit wins S\$100m energy contract in Europe

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BOUSTEAD Singapore's subsidiary, Boustead International Heaters (BIH), has secured a contract worth about S\$100 million from the oil & gas (O&G) industries.

The contract involves the design, engineering and supply of waste heat recovery units for a major energy infrastructure development in Europe.

The latest contract has raised the engineering and technology group's order book backlog to about S\$823 million. This includes the unrecognised project revenue remaining at the end of June 2019, plus the total value of new orders secured since then.

Boustead said BIH's process technologies are increasingly supporting the world's ongoing energy transition, with fired heater systems and waste heat recovery units used in gas processing and hydrogen production, as part of the world's multi-decade transition to relatively cleaner fuels and renewables.

Wong Fong Fui, chairman and group CEO of Boustead called the contract win an "extremely positive start to FY2020" for the subsidiary.

"While the global O&G recession appears to have bottomed out, our recent success comes during a time when highly challenging and competitive market environment conditions remain."

BIH is the group's largest subsidiary in the energy-related engineering division. Since the start of FY2020, this division has clinched more than S\$161 million in new contracts across major energy developments in Africa, Asia, Europe and North America. There has also been a doubling of the last reported order book backlog.

Boustead said the contract will likely have a positive material impact on the group's profitability and earnings per share for its FY2020 and FY2021.

Its shares closed half a cent lower at S\$0.715.