

FY2020 Annual General Meeting Presentation

25 August 2020

Speakers:

Mr. Wong Fong Fui
Chairman & Group CEO

Mr. Wong Yu Loon
Executive Director & Deputy Group CEO

Ms. Chan Shiok Faun
Group CFO

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CREATING SHARED VALUE



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Presentation Agenda

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

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Ms. Chan Shiok Faun
Group CFO

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GROUP FINANCIAL REVIEW



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Group Financial Results

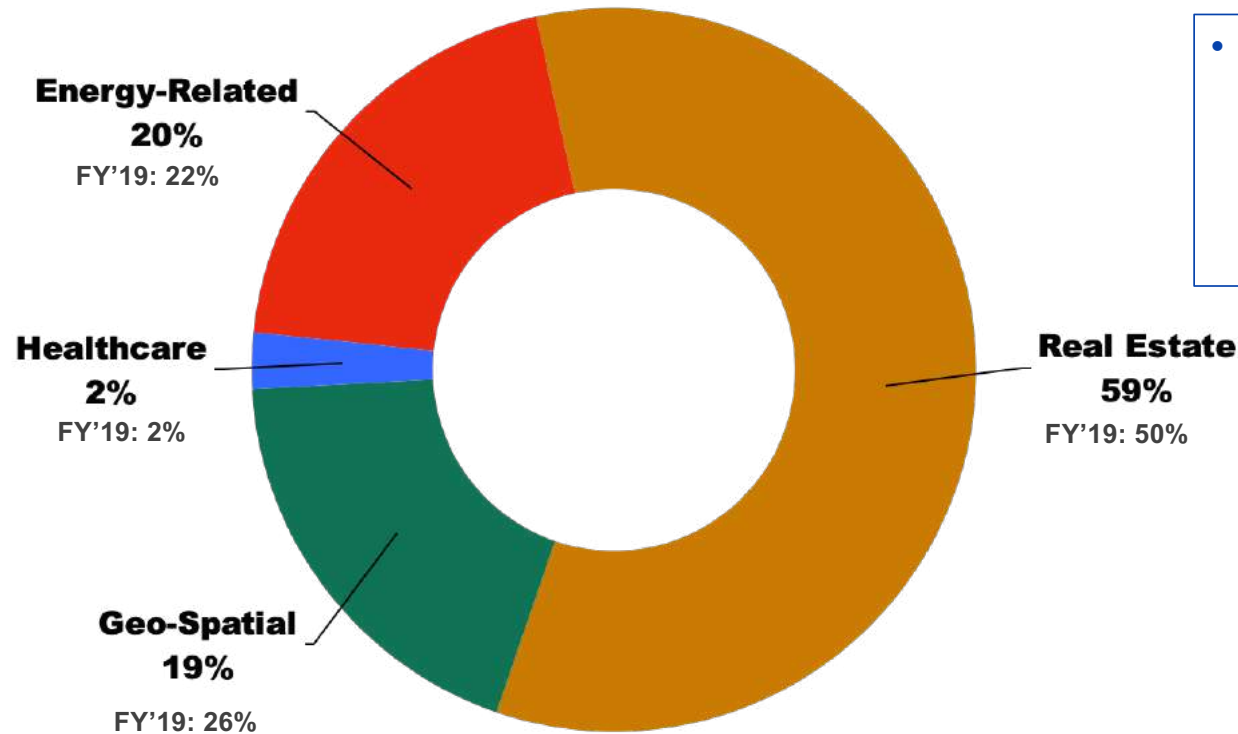
	FY2020	FY2019 (Restated)	Chg (%)
Revenue	S\$726.6m	S\$470.6m	+54
Gross profit	S\$172.1m	S\$141.1m	+22
<i>Gross margin</i>	24%	30%	
PBT	S\$63.0m	S\$62.4m (Note 1)	+1
<i>PBT margin</i>	9%	13%	
Total profit	S\$44.5m	S\$49.6m	-10
Profit attributable to equity holders of the Company ("net profit")	S\$30.9m	S\$32.5m	-5
Adjusted net profit*	S\$36.6m	S\$27.2m	+34
EPS	6.3cts	6.6cts	-5
NAV per share	70.3cts	68.2cts	+3

• Record revenue achieved

*Adjusted for other gains/losses net of non-controlling interests and impairment losses for comparative review

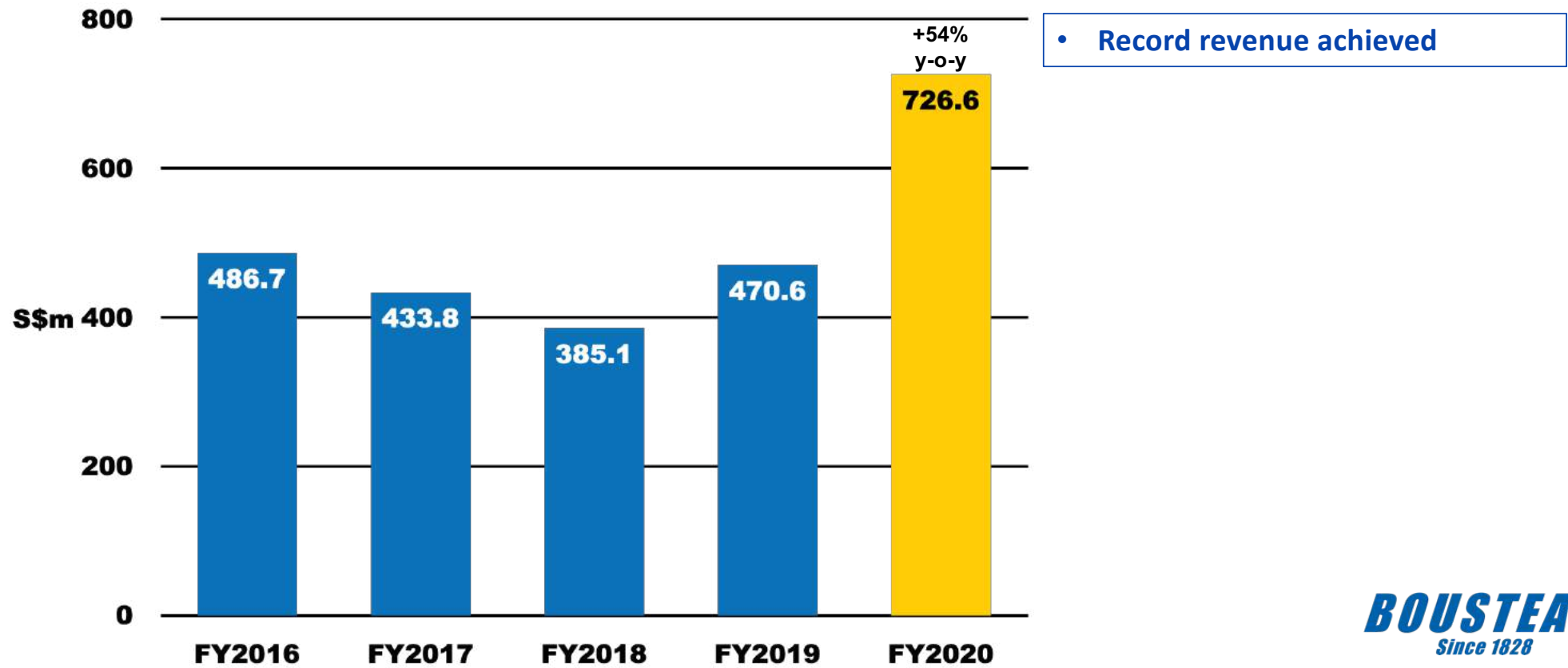
Note 1: Includes S\$5.9m pre-tax gain on sale of property, net of fees

Group Revenue Mix by Division

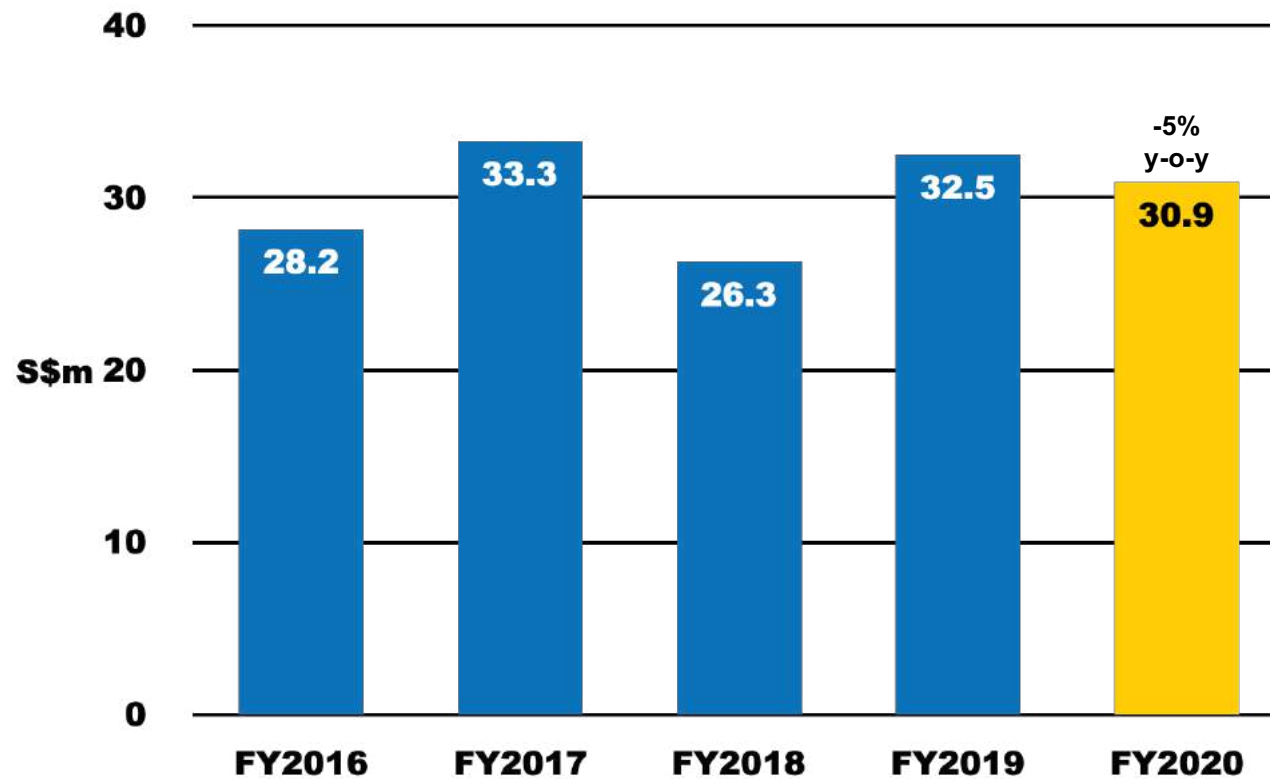


• Healthy order backlog carried forward from FY2019 for Real Estate Division contributed significantly to total revenue of Group

Group Revenue

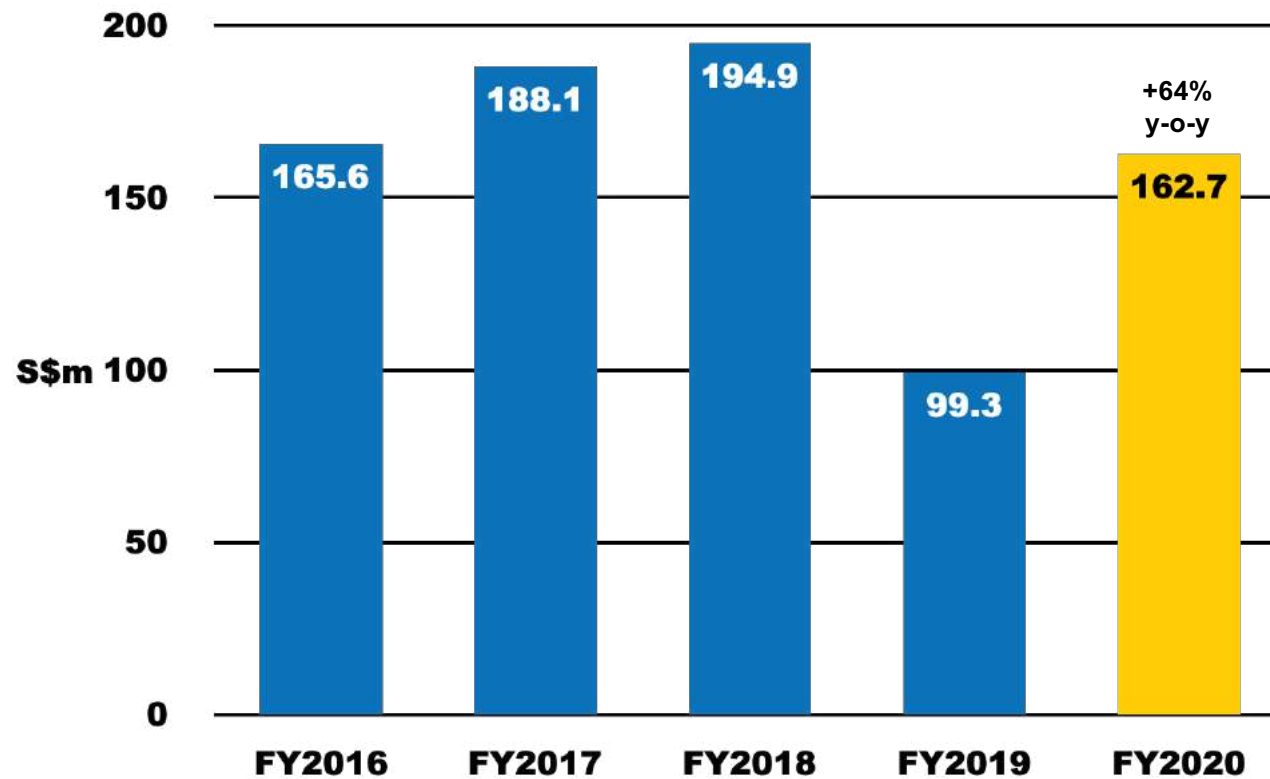


Group Net Profit



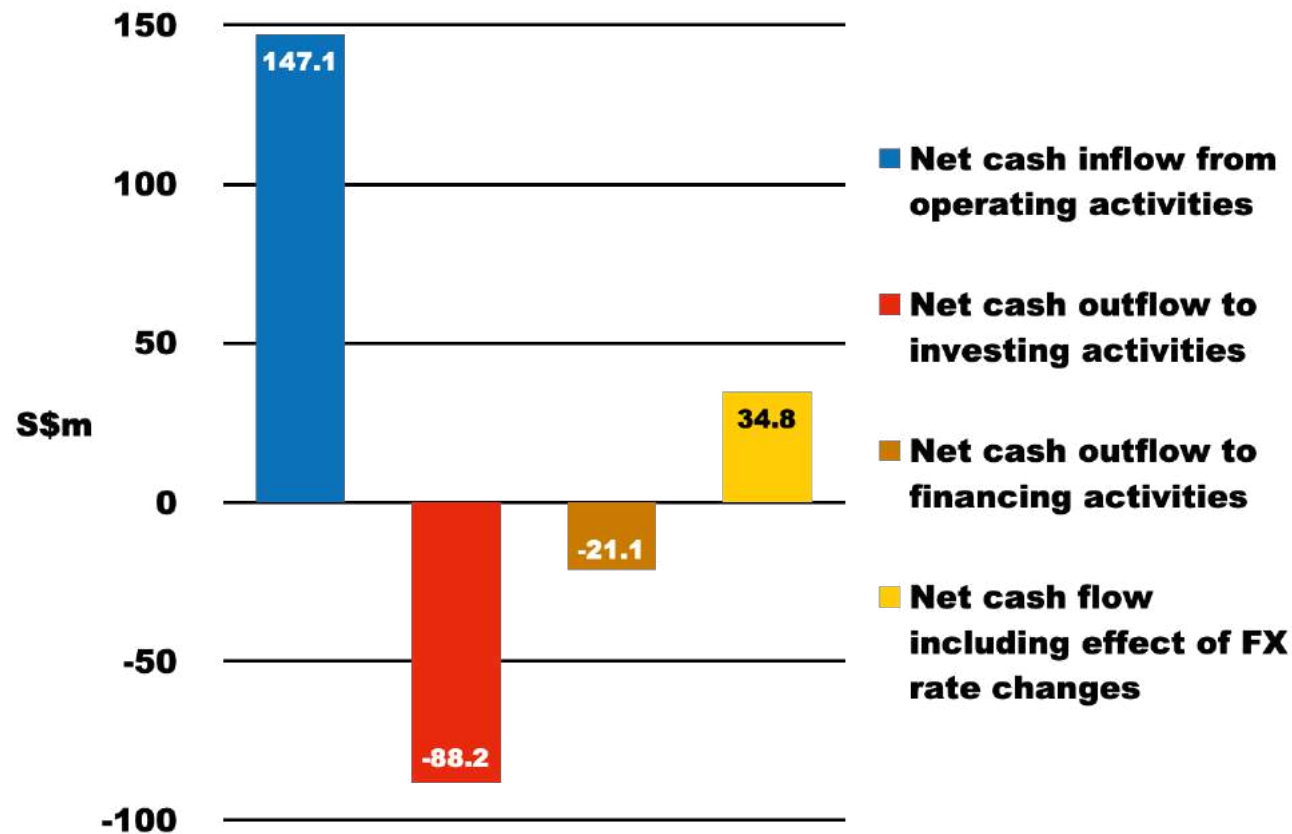
- Margin pressure
- Impairment losses
- Absence of gain on sale of property

Group Net Cash Position



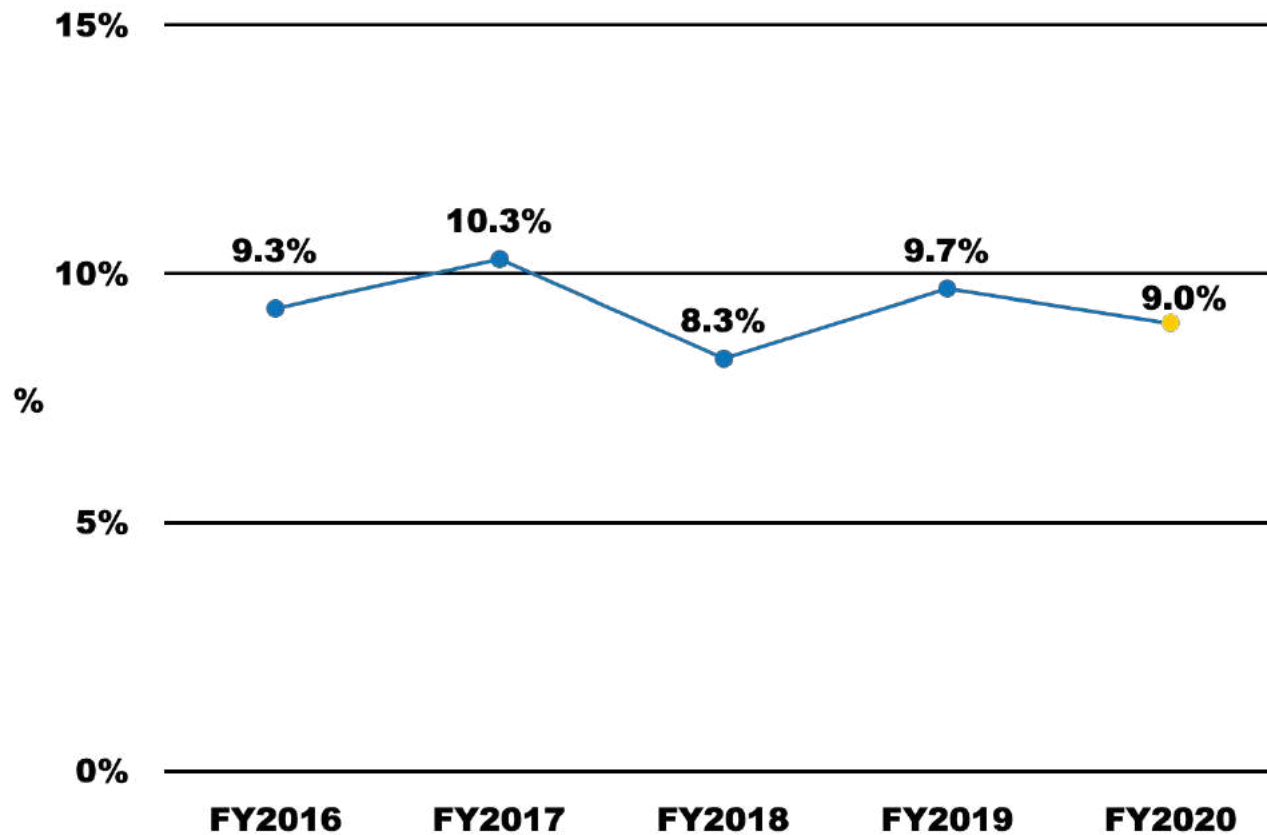
- Strong net cash position
- S\$49.5m investment securities; ~ 37% highly liquid

Group Cash Flow

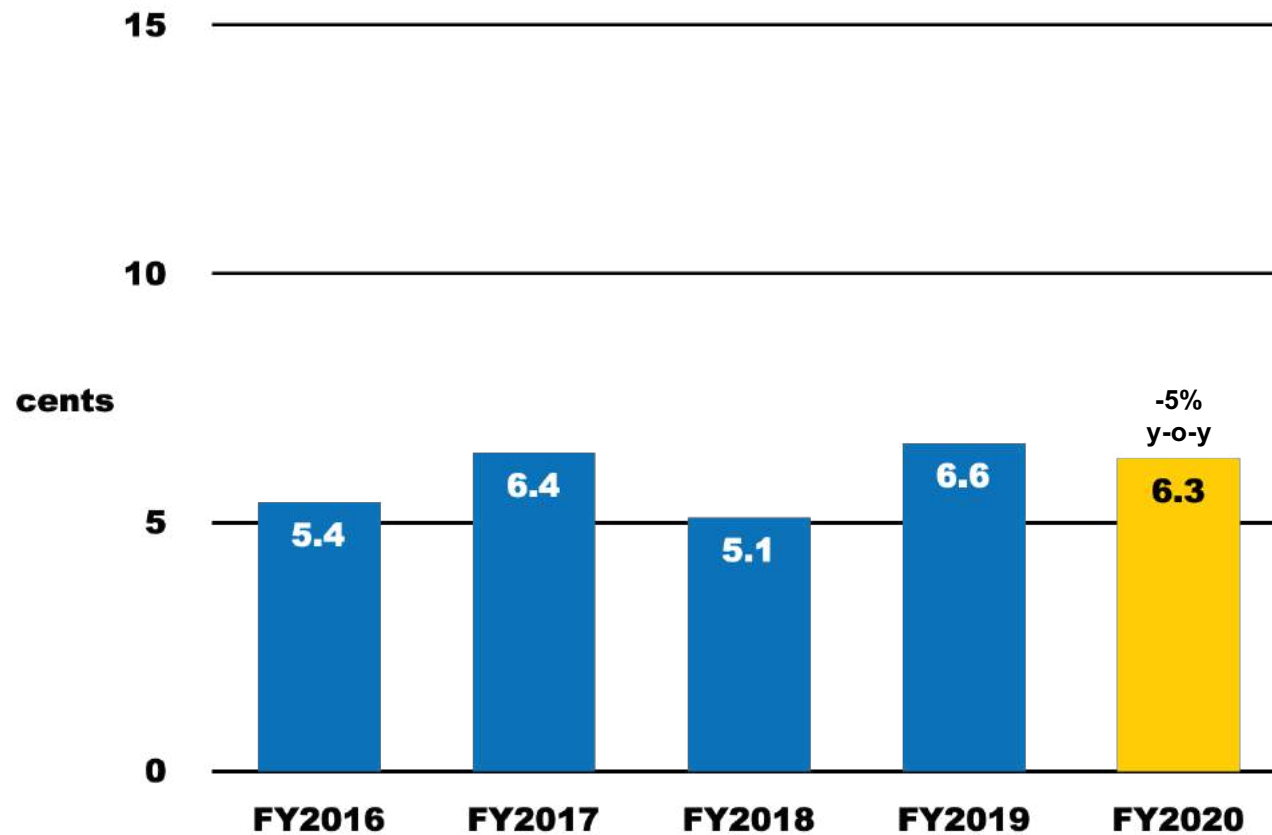


- Increase in cash and cash equivalents
 - Net cash inflow from operating activities of S\$147.1m
 - Net cash outflow to investing activities of S\$88.2m
 - Net cash outflow to financing activities of S\$21.1m

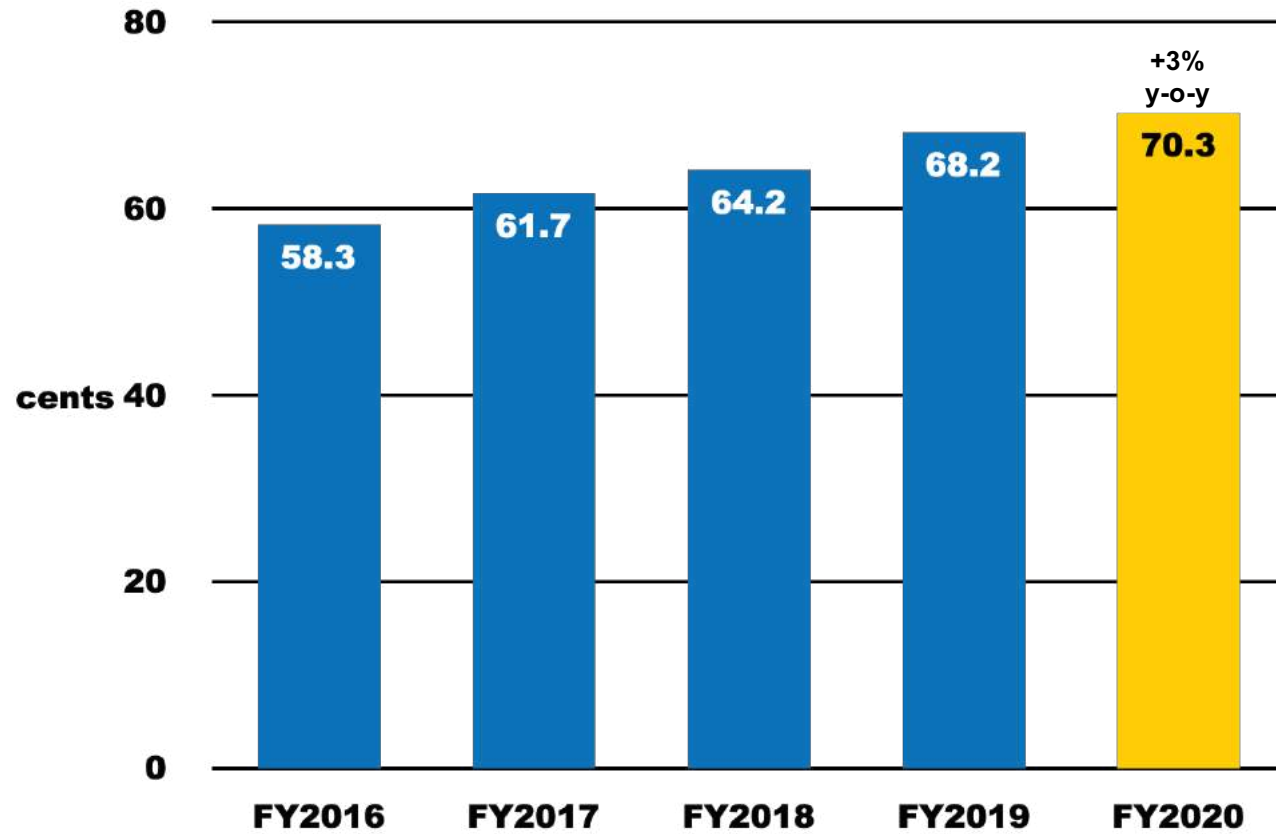
Group Return on Shareholders' Equity



Group Earnings per Share

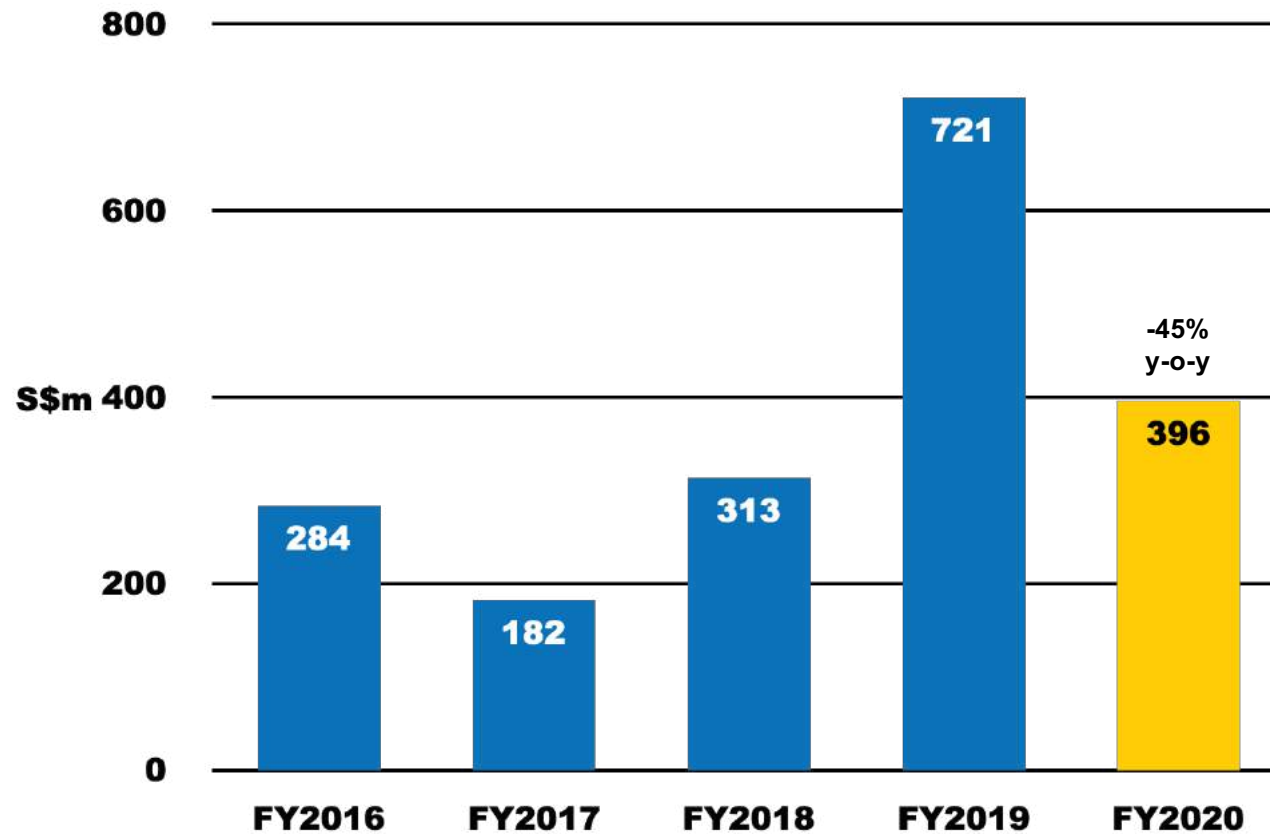


Group Net Asset Value per Share



- Highest NAV per share over last 5 years

Group Orders Secured



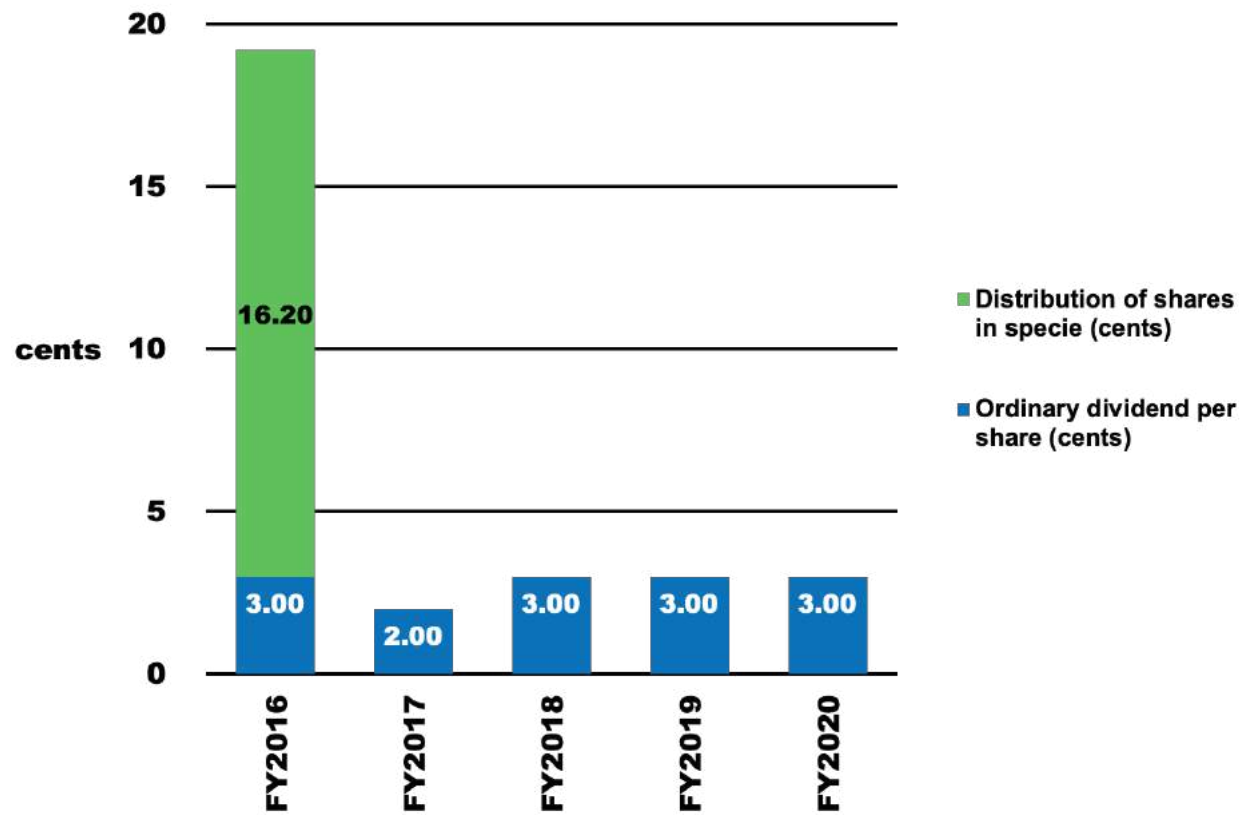
- Healthy orders secured; substantially from Energy Engineering Division

Group Dividend

	FY2020	FY2019
Interim dividend	1.0ct	1.0ct
Final dividend	*2.0cts	2.0cts
Total ordinary dividend	3.0cts	3.0cts

* Proposed

Group Dividend (cont'd)



Dividend yield ~ 4.2%

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Mr. Wong Yu Loon
Executive Director & Deputy Group CEO

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Energy Engineering

DIVISION PERFORMANCE REVIEW



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Energy Engineering

Division Revenue, PBT & Orders Secured



	FY2020	FY2019	Chg
	(S\$)	(S\$)	(%)
Revenue	144.5m	102.5m	+41
PBT	*7.9m	1.1m	+618
Orders secured	304m	89m	+242

* Includes impairment losses

- Very strong performance from Boustead International Heaters
- Dragged down by underperforming water and wastewater treatment business and legacy mini-power plant business

Energy Engineering

Prospects



- Immediate term
 - Current order backlog: S\$279m
 - Full provisions made for legacy mini-power plant business
 - Dialling back activities for water and wastewater treatment business

- Longer term
 - Significant demand reduction for hydrocarbon based projects due to COVID-19 and to lesser extent, climate change concerns
 - Renewed focus on end-user aftermarket to mitigate reduced activities for new projects



Geospatial

DIVISION PERFORMANCE REVIEW



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Geospatial

Division Revenue, PBT & Orders Secured



	FY2020 (S\$)	FY2019 (S\$)	Chg (%)
Revenue	137.3m	122.1m	+12
PBT	29.7m	27.2m	+9

- Record revenue; fourth 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

Prospects



- Immediate term
 - Impact on business from COVID-19 expected to be minimal

- Longer term
 - Smart city transformations and IoT adoption are underlying trends to drive demand
 - Unsustainable government deficits because of COVID-19 leading to concern for future; smaller client budgets anticipated in certain markets



Healthcare

DIVISION PERFORMANCE REVIEW



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Healthcare

Division Revenue, PBT



	FY2020 (S\$)	*FY2019 (S\$)	Chg (%)
Revenue	18.2m	11.4m	+60
Share of associate	1.9m	1.1m	+73
PBT (includes share of associate's income above)	**1.1m	**1.0m	+10

* Results consolidated from 2Q FY2019 onwards following acquisition

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

- First full-year of revenue and PBT contribution; comparison with FY2019 not meaningful
- China associate made two 'bolt-on' acquisitions into healthcare education and training services, and local assembly and manufacturing in China

Healthcare

Prospects



- Immediate term
 - Growth negatively affected as rehabilitation products and labour saving solutions not priority for hospital clients this year
 - Deferral of Tokyo Olympics benefitted China associate as State General Sports Administration of China continues to buy division's sports performance and rehabilitation equipment in anticipation of next year's Olympics

- Longer term
 - Longer term trend for aging demographics and more efficient healthcare delivery persists for foreseeable future
 - Internal priority to improve sales and marketing team capabilities to capture growing demand for division's products and services



Real Estate

DIVISION PERFORMANCE REVIEW



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Real Estate

Division Revenue, PBT & Orders Secured



	FY2020 (S\$)	FY2019 (S\$)	Chg (%)
Revenue	426.2m	234.2m	+82
PBT	27.5m	*35.7m	-23
Orders secured	93m	633m	-85

* Includes S\$5.9m pre-tax gain on sale of property, net of fees

- Record revenue on healthy order backlog
- PBT affected by lower gross margins, lower quantum of cost savings, higher overheads and absence of gain on sale of property
- Post-FY2020, COVID-19 resulted in lockdowns and prolonged suspension of construction activities

Real Estate

Prospects



- Sizeable order backlog to last 18 months
 - Current order backlog: S\$496m
 - Industrial real estate outlook:
 - Impact from COVID-19
 - Competition expected to remain intense and margins challenging
 - Technological transformation continues to be emphasised
 - Likely consolidation and financial difficulties for weaker competitors



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END OF PRESENTATION

THANK YOU

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