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# **Boustead Singapore Limited FY2022 Annual General Meeting**

**Management Presentation**

**28 July 2022**

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## Presentation Agenda

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



## **Division Performance** **– Real Estate**

## Real Estate Division Revenue, PBT & Orders Secured



	<b>FY2022</b> <b>(S\$'m)</b>	FY2021 (S\$'m)	Chg (%)
Revenue	<b>339.1</b>	301.4	+13
PBT	<b>13.8</b>	*140.6	-90
Orders secured	<b>148</b>	178	-17

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

- As a shareholder of BP, the board at BSL has every confidence that BP management and board can navigate the tough macro environment



# **Division Performance** **– Energy Engineering**

## Energy Engineering Division Revenue, PBT & Orders Secured



	<b>FY2022 (S\$'m)</b>	FY2021 (S\$'m)	Chg (%)
Revenue	<b>112.3</b>	198.4	-43%
PBT	<b>15.8</b>	28.0	-44%
Orders secured	<b>45</b>	52	-13%

- Lower revenue and PBT due to reduced order backlog carried forward at end of FY2021
- Lower volume of contracts secured in FY2022 – not necessarily bad thing in view of high inflationary environment today

## Energy Engineering Prospects



- Immediate term
  - Announced order backlog: S\$39 million which is low by historical standards
  - FY2023 financial performance to be worse off than FY2022 in view of low order backlog
  - Healthier enquiry pipeline supported by improved market conditions
- Longer term
  - Complex
  - Uncertain



# Energy Engineering

## No agreement on Energy Transition from Fossil Fuels



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

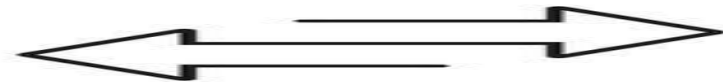
International Energy Agency

*“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

## Oil price volatility has made long-term planning very difficult



***“These are multibillion-dollars investments with long time horizons. How do you think about that with the uncertainty associated with the transition? That is a difficult balance to strike.”***

**Darren Woods, ExxonMobil Chief**

## 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



## Division Performance – Geospatial

## Geospatial

### Division Revenue, PBT & Deferred Services Backlog



	<b>FY2022</b> <b>(S\$'m)</b>	FY2021 (S\$'m)	Chg (%)
Revenue	<b>168.3</b>	170.4	-1
PBT	<b>36.9</b>	40.7	-9
Deferred services backlog	<b>113</b>	100	+13

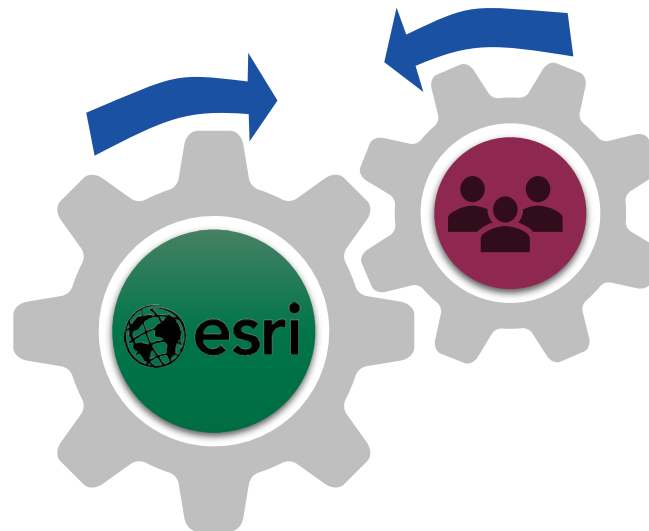
- No growth this year
- Lower PBT partly as result of increase in headcount in anticipation of greater volume of business
- Record year-end deferred services backlog due to more customers willing to commit to multi-year contracts

## Geospatial Esri Direct and Esri Aligned



### Esri Direct

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

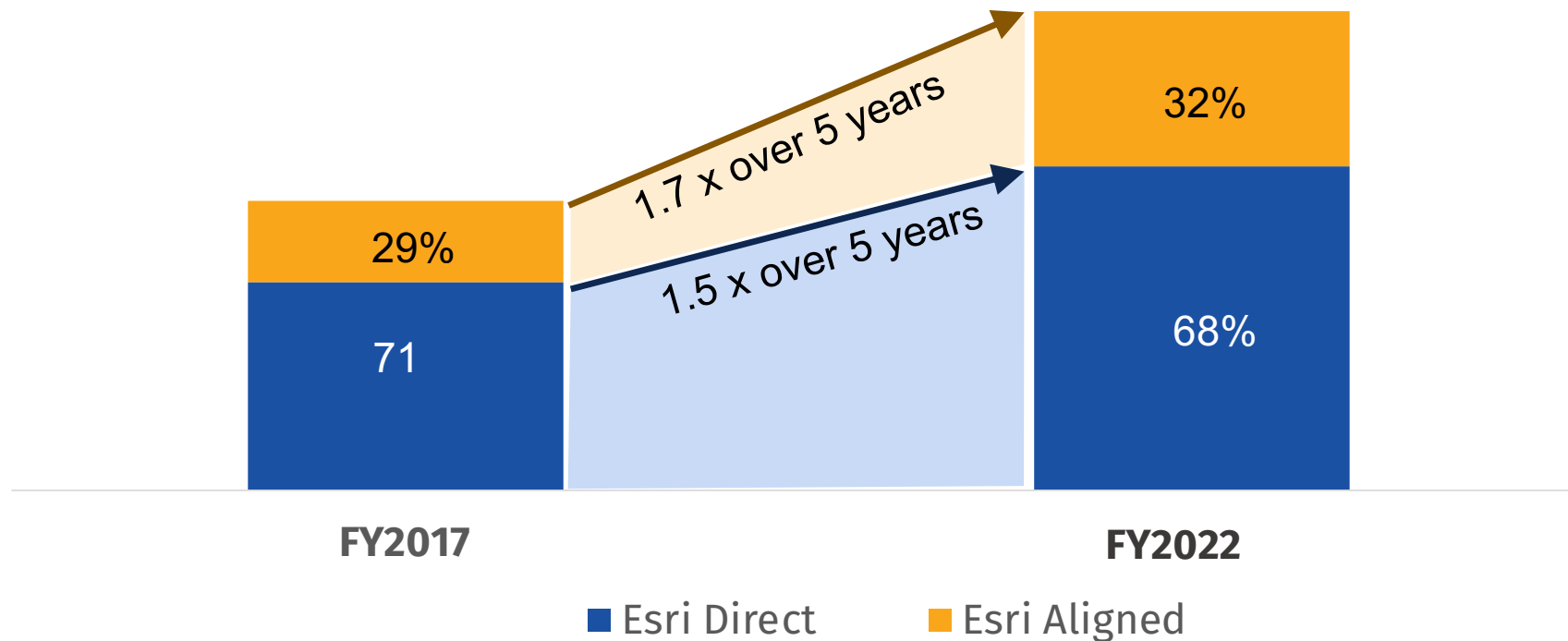


Leveraging synergies to create long-term, scalable business with enhanced offerings independent of distribution agreement

### Esri Aligned

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



***IOT***



***Location Intelligence***



***AI***



***Connected Enterprise***



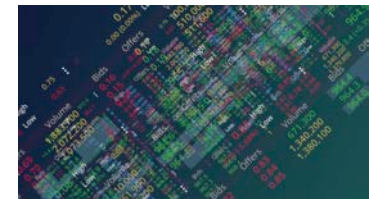
***Smart Cities***



***Digital transformation***



***Digital Government***



***Big Data***



***Digital Twins***





## Division Performance – Healthcare

## Healthcare Division Revenue & PBT



	<b>FY2022 (S\$'m)</b>	FY2021 (S\$'m)	Chg (%)
Revenue	<b>12.0</b>	15.2	-21%
Share of associate, Beijing Pukang ("Pukang")	<b>0.7</b>	1.5	-53%
PBT (includes share of Pukang's income above)	<b>*-6.2</b>	*-0.1	NM

\* Excludes S\$0.4m and S\$0.1m of annual amortisation adjustment by Group on acquisition in FY2021 and FY2022 respectively

- S\$3.2m of loss in FY2022 relates to various write-offs and impairments (inventory provisions, doubtful debts provisions, product development write-downs, impairment of loans made to Thai business unit)
- Pukang's results affected by Zero-COVID policy in China and lack of mega sporting events like Tokyo and Beijing Olympics

## Healthcare Prospects



- Immediate term
  - Leadership transition
  - No turnaround for FY2023 as raising performance levels of management and sales team is slow and painstaking
  - Number of product and service offerings within healthcare business to be reduced significantly
  - Pukang's management capabilities remain strong
  
- Longer term
  - Irrelevant

# Noteworthy Projects and Achievements



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## Energy Engineering Hydrogen-powered furnace for Essar Oil



**Stuart Cummings**  
Chief Executive Officer  
*Boustead International Heaters*

## Geospatial

# World's largest implementation of Esri Utility Network – Energy Queensland



**Brett Bundock**  
Managing Director  
Esri Australia

# Group Financial Performance

## Group Financial Results

	FY2022	FY2021	Chg (%)
Revenue	<b>S\$631.8m</b>	S\$685.7m	-8
Gross profit	<b>S\$144.8m</b>	S\$173.6m	-17
Gross margin	<b>23%</b>	25%	
PBT	<b>S\$55.2m</b>	**S\$204.3m	-73
PBT margin	<b>9%</b>	30%	
Total profit	<b>S\$38.8m</b>	S\$178.9m	-78
Profit attributable to equity holders of the Company ("net profit")	<b>S\$30.6m</b>	S\$113.1m	-73
Adjusted net profit*	<b>S\$32.3m</b>	S\$44.6m	-28
Earnings per share ("EPS")	<b>6.3cts</b>	23.3cts	-73
Net asset value ("NAV") per share	<b>89.9cts</b>	92.3cts	-3

- Revenue impacted by prolonged COVID-19 pandemic, inflationary pressures and volatile geoeconomic and geopolitical environment
- Lower net profit due to absence of BIF Value-Unlocking Gain registered in FY2021

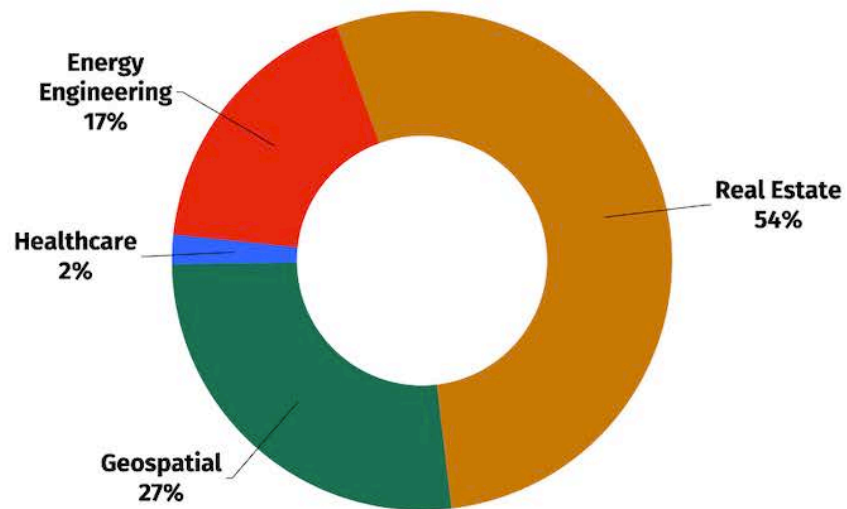
\* For comparative review, net profit is adjusted for other gains/losses net of non-controlling interests, impairments and Jobs Support Scheme

\*\* Includes BIF Value-Unlocking Gain

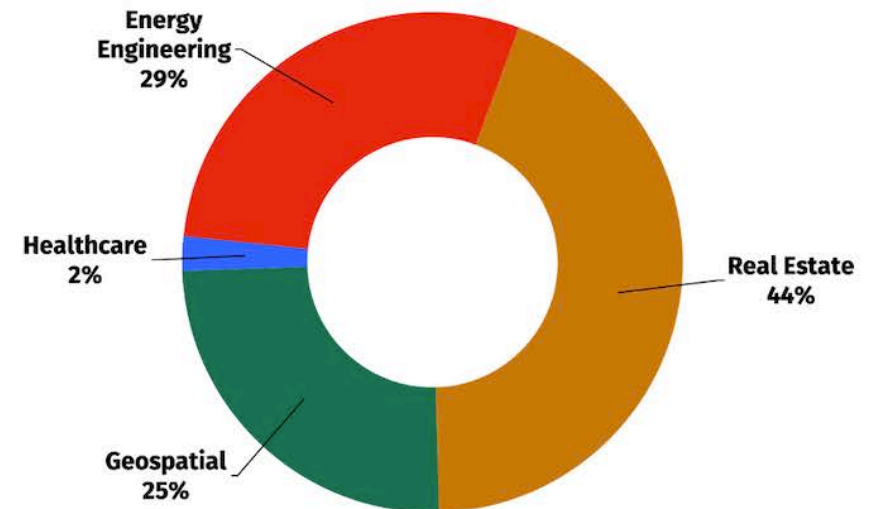


# Group Revenue Mix by Division

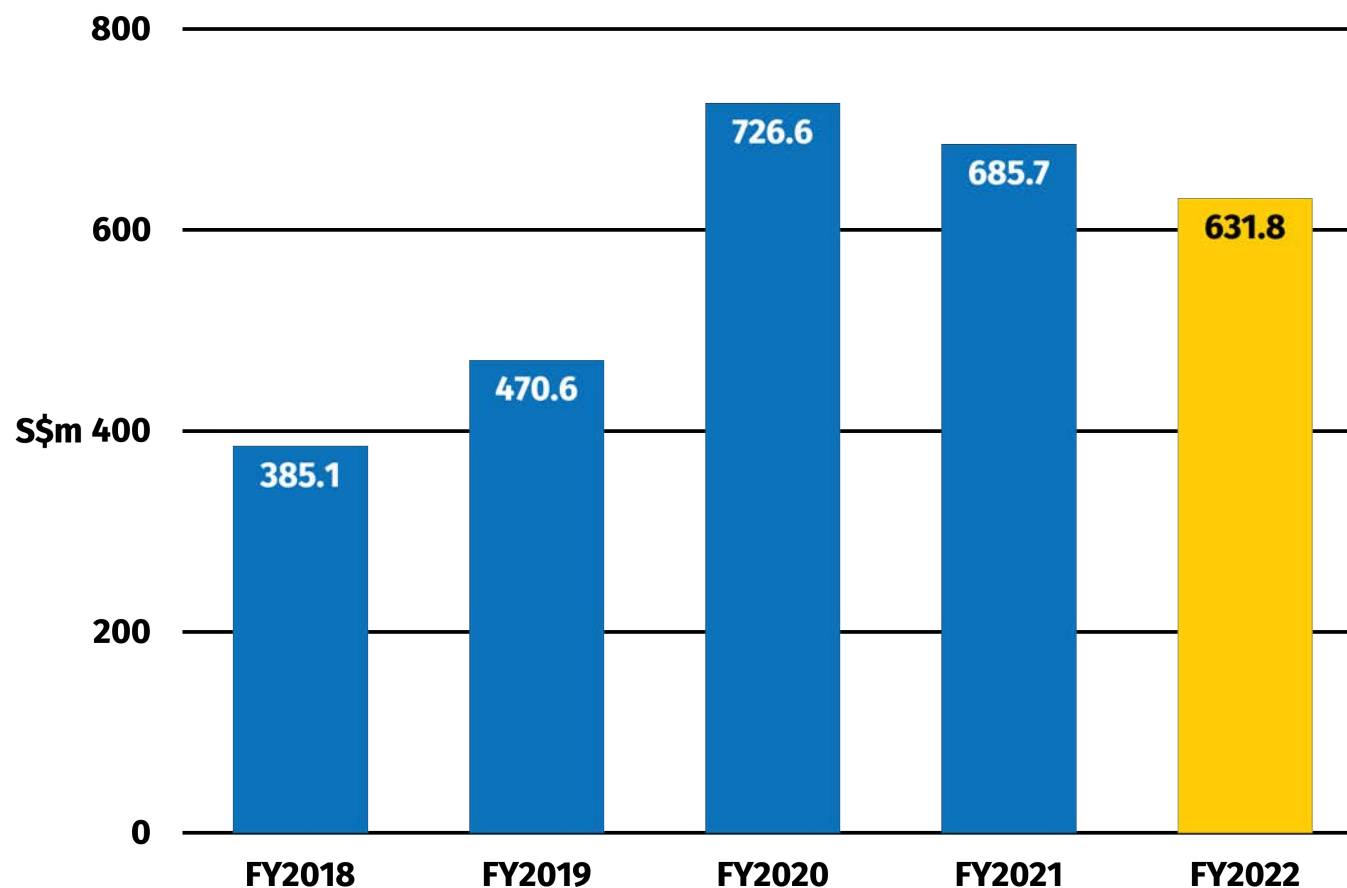
**FY2022**



**FY2021**

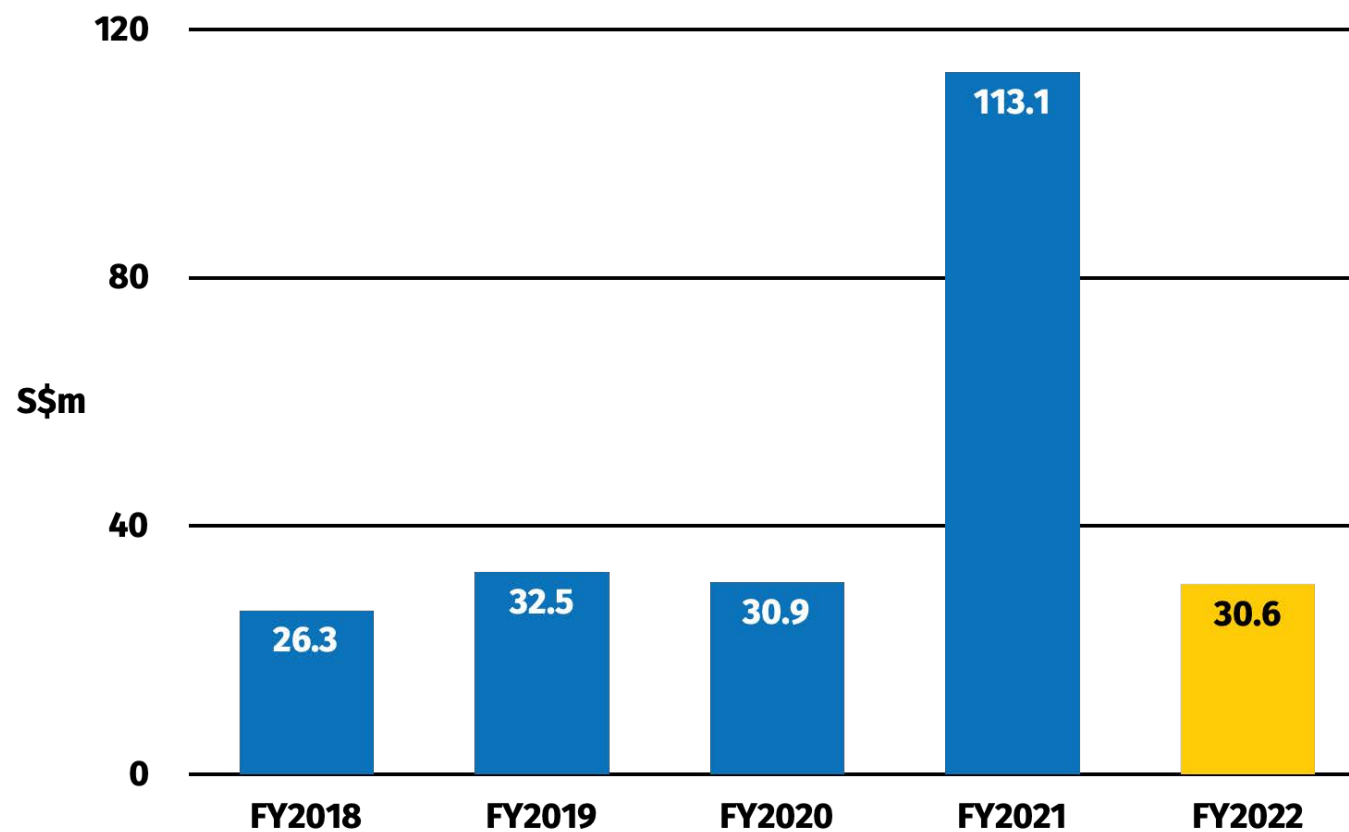


## Group Revenue



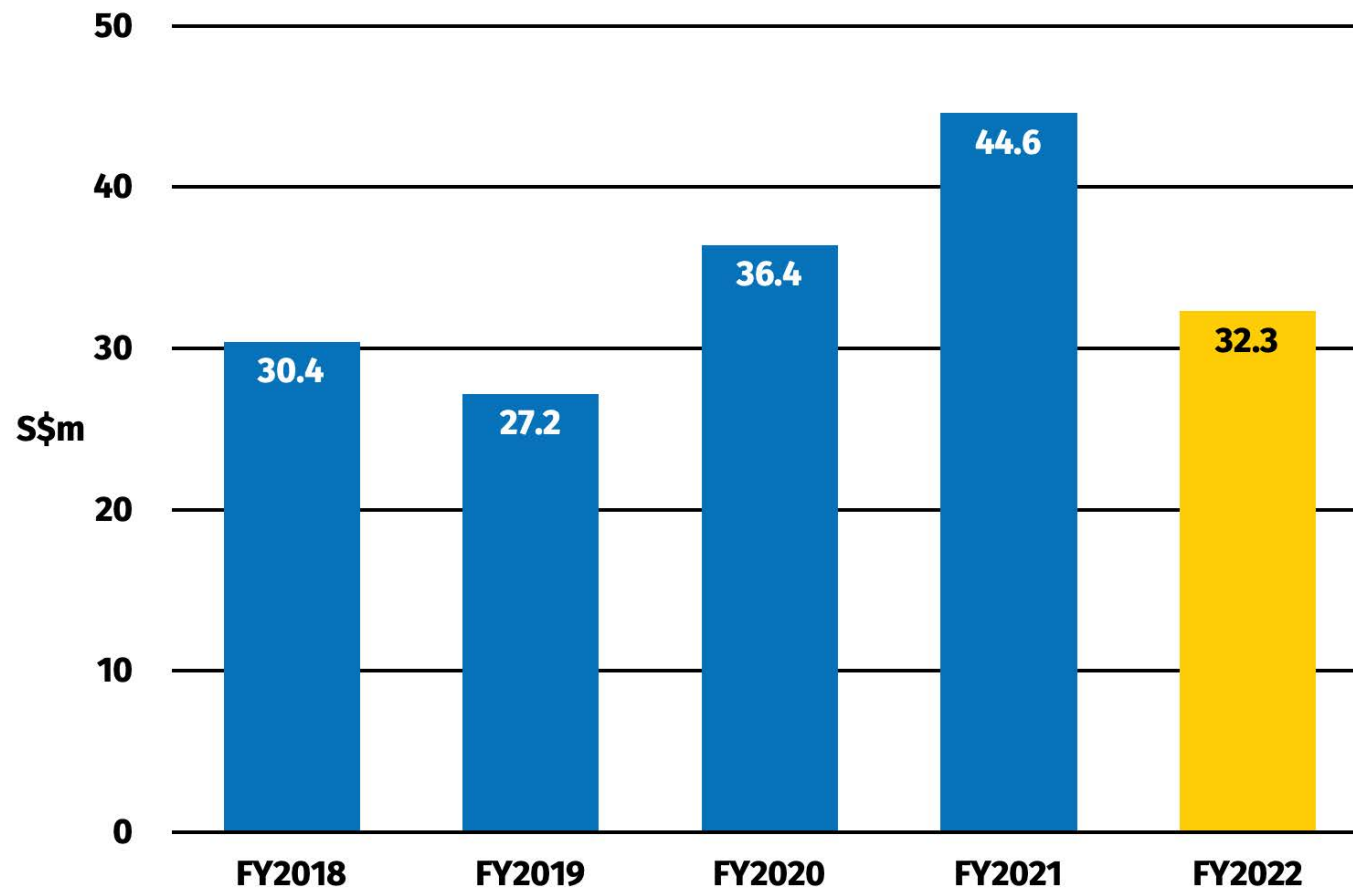
- Group revenue impacted by pandemic, inflationary pressures and volatile business environment
- Higher revenue recognition under Real Estate

## Group Net Profit



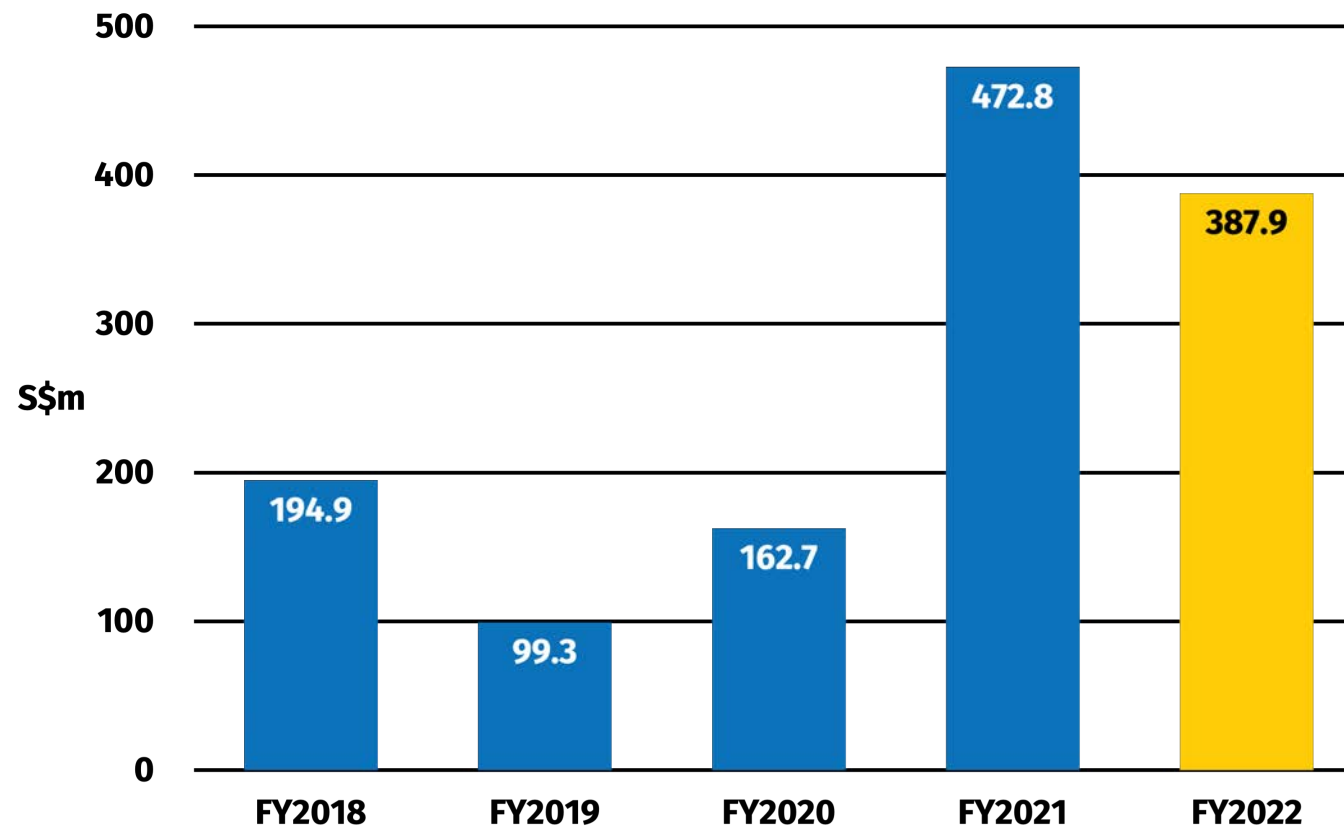
- Lower net profit due to absence of BIF Value-Unlocking Gain registered in FY2021

## Group Adjusted Net Profit



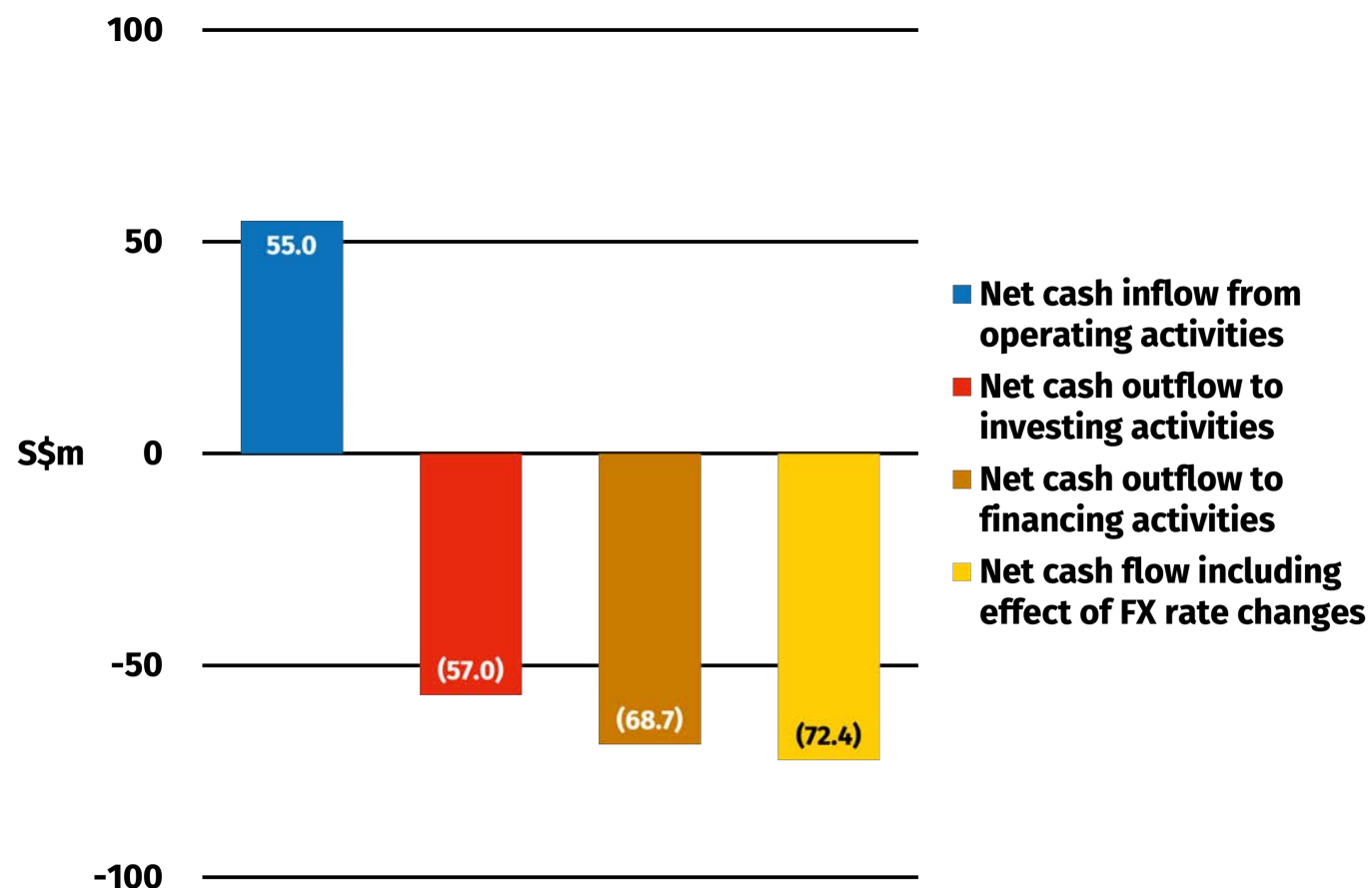
- Reasonable adjusted net profit achieved during pandemic

## Group Net Cash Position

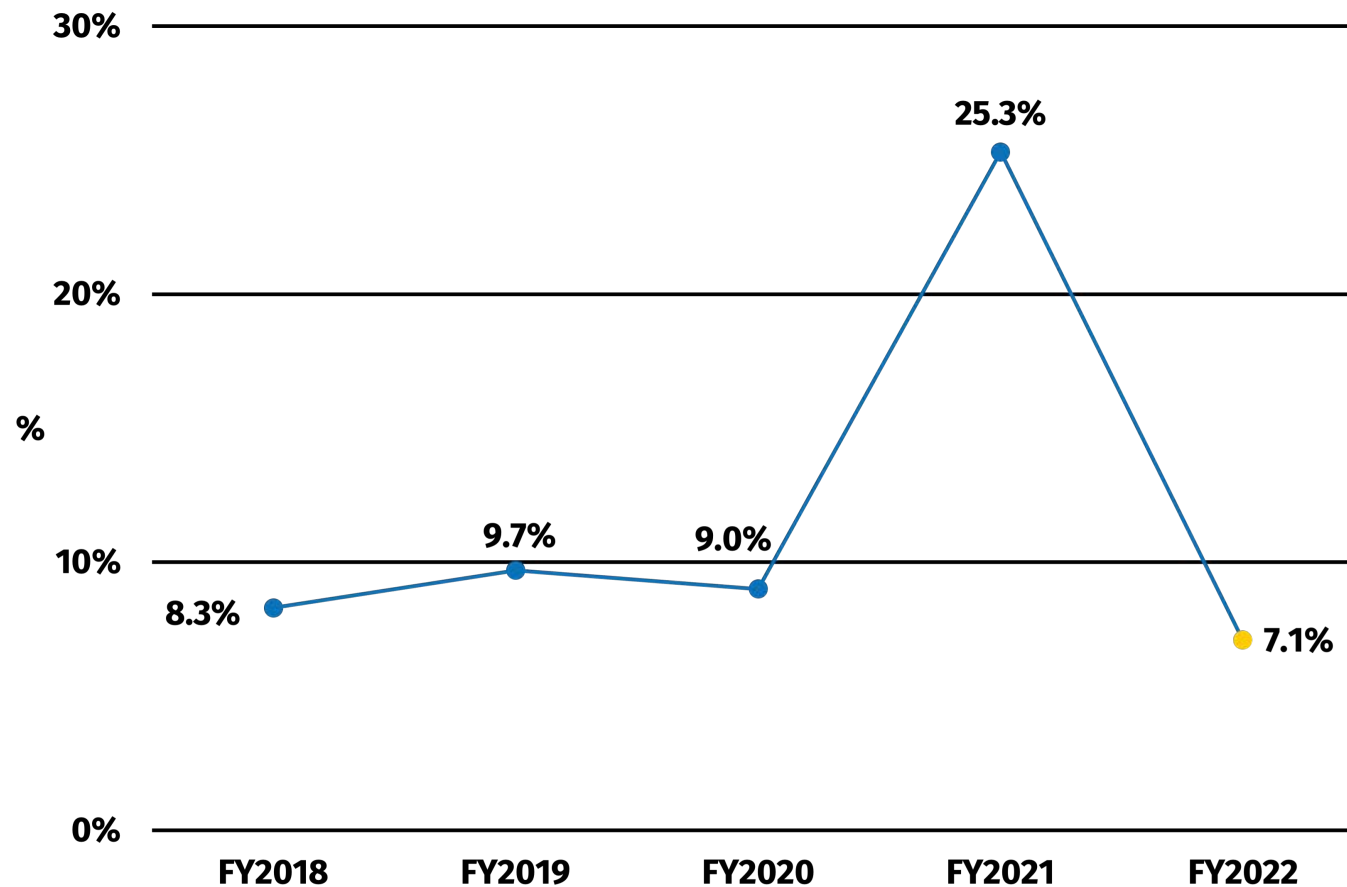


- Healthy cash levels for capital allocation

## FY2022 Group Cash Flow

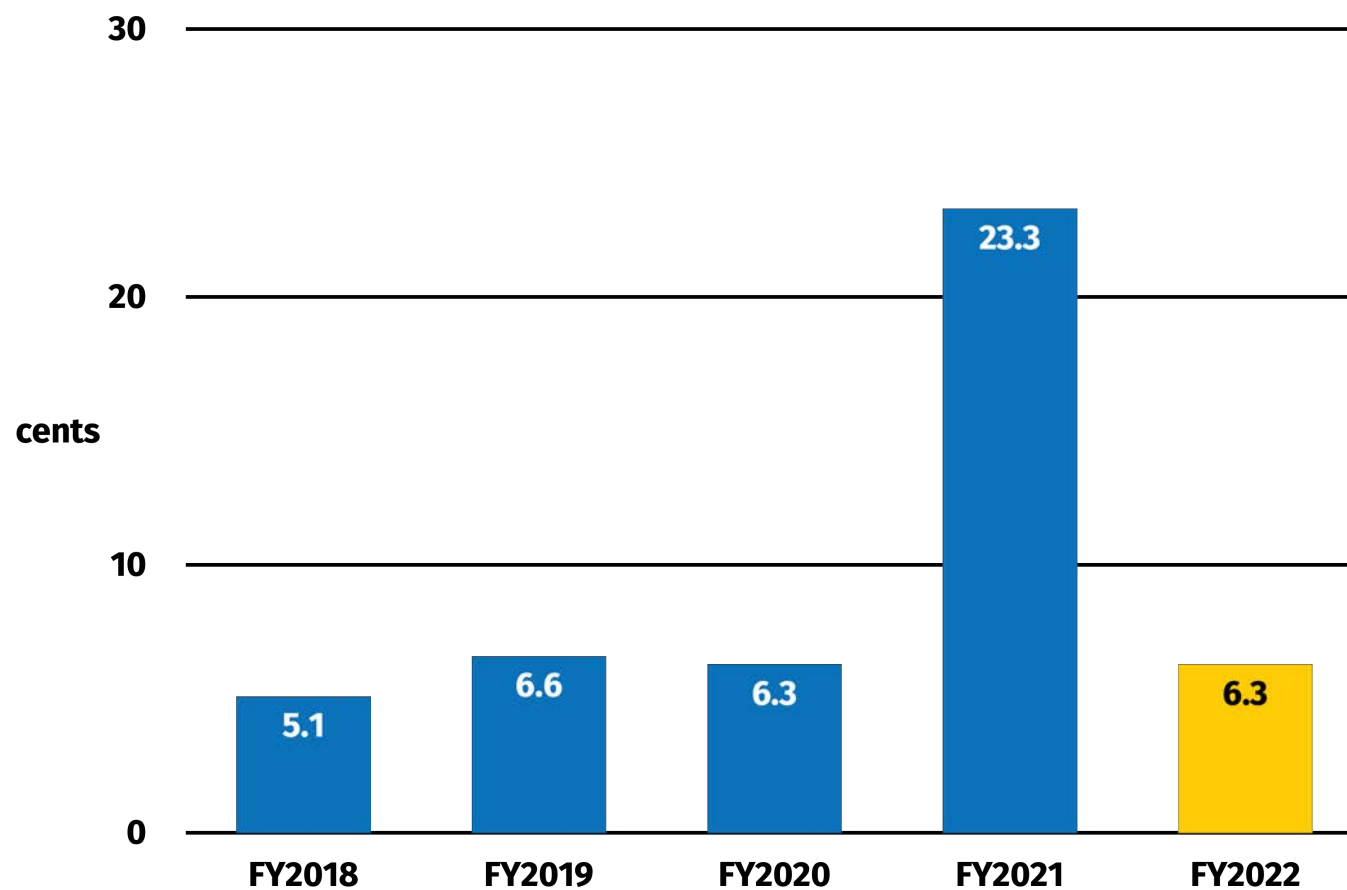


## Group Return on Shareholders' Equity



- Lower ROE due to absence of BIF Value-Unlocking Gain registered in FY2021

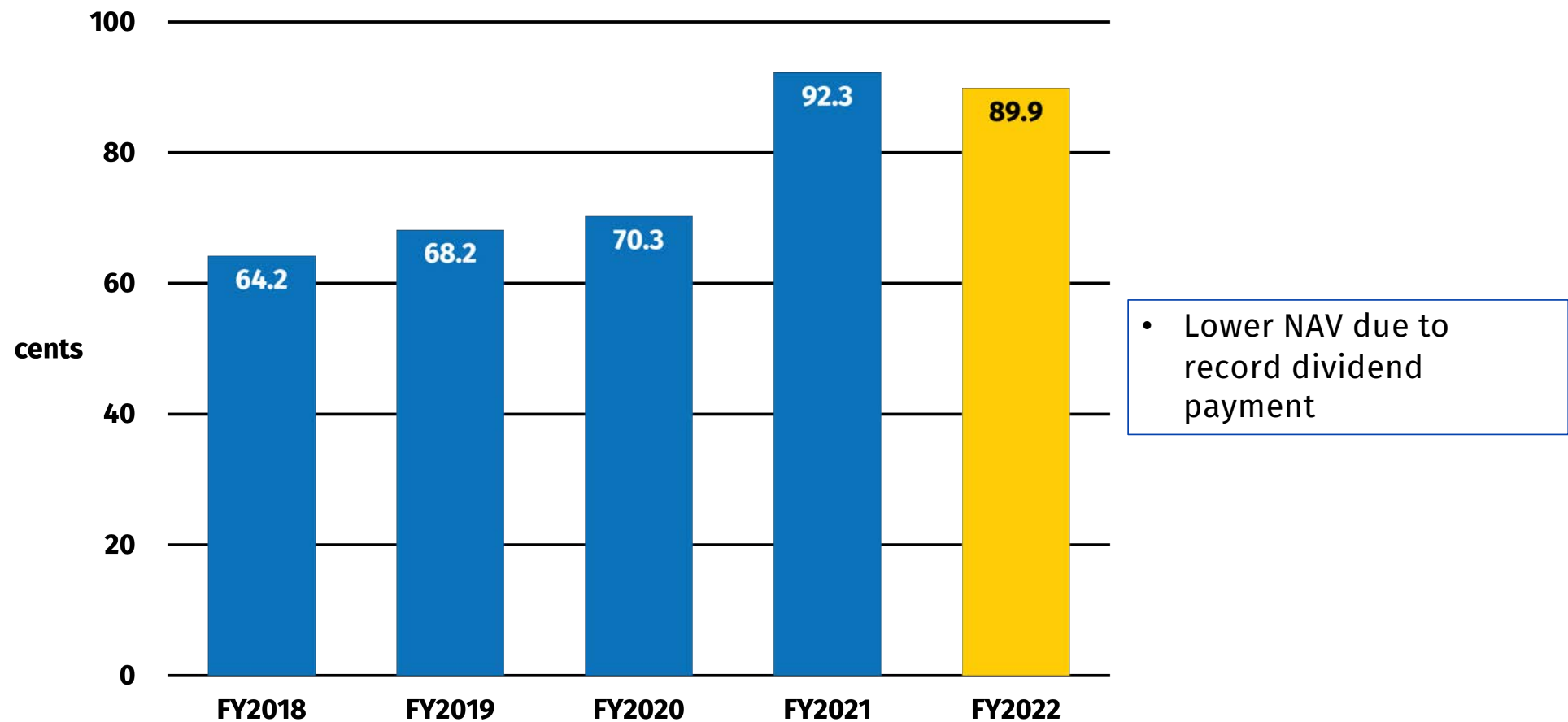
## Group EPS



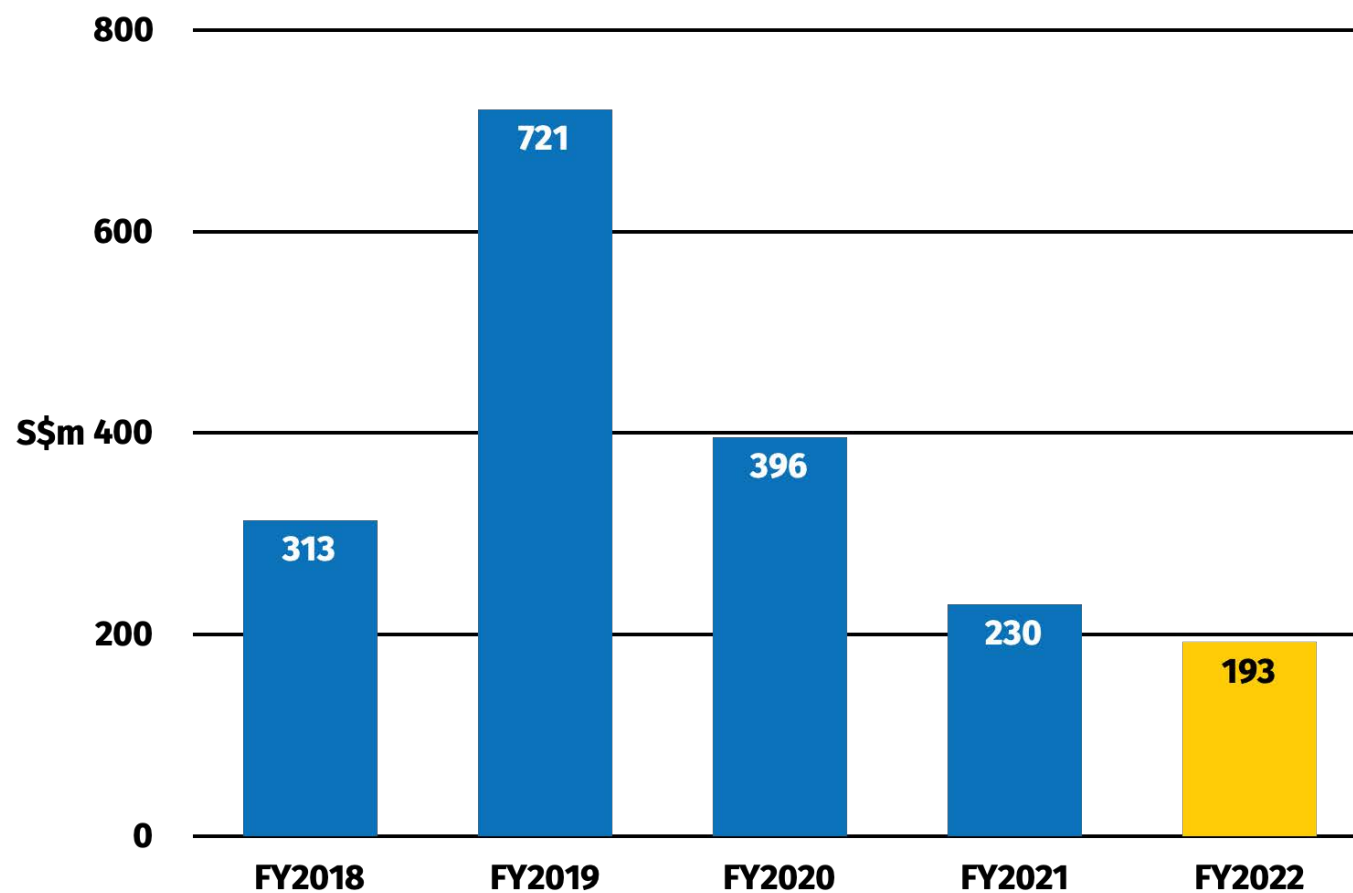
- Lower EPS due to absence of BIF Value-Unlocking Gain registered in FY2021



## Group NAV per Share



## Group Orders Secured



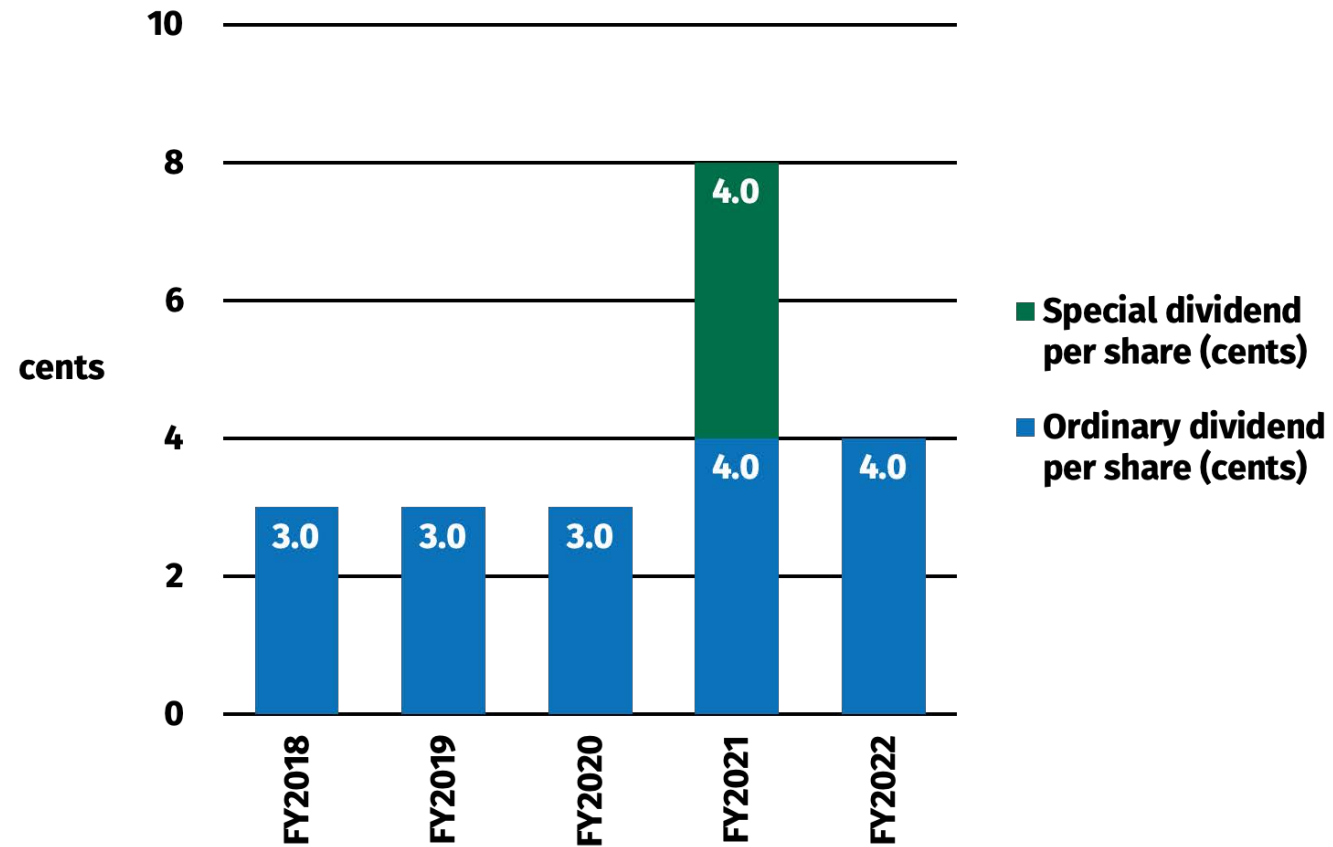
- Business development activities impacted by challenging conditions and global travel restrictions due to pandemic

## Group Dividend

	<b>FY2022</b>	FY2021
Interim dividend	<b>1.5cts</b>	1.0cts
Final dividend	<b>*2.5cts</b>	3.0cts
Special dividend	<b>0.0cts</b>	4.0cts
Total dividend	<b>4.0cts</b>	8.0cts

\* Proposed

## Group Dividend (cont'd)





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**Thank You**