

Hyflux Ltd

3Q FY2013 Results Review

7 November 2013

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Executive headlines

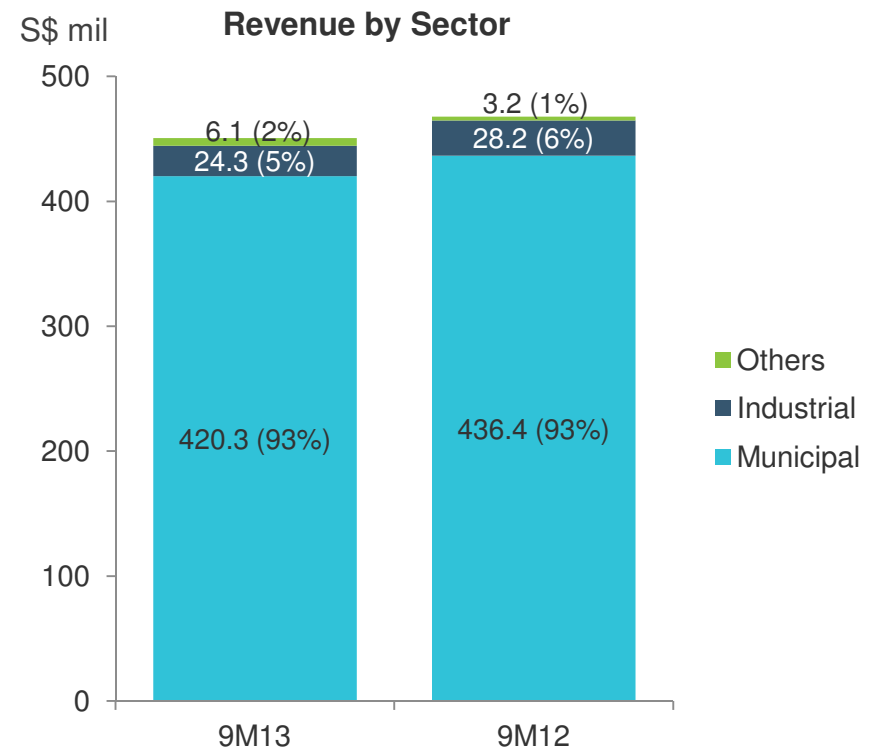
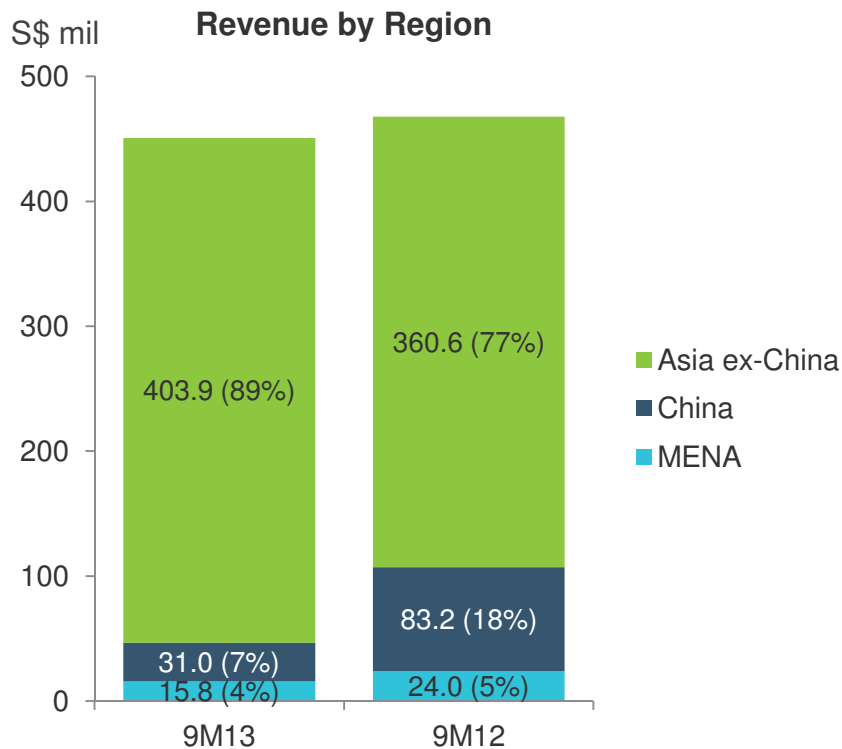
- 26% growth in revenue and 74% rise in PATMI for 3Q FY13
- Completion of projects in 3Q markedly lifts growth for the quarter
- A slower 4Q is expected given the completion of Tuaspring and the Dahej start-up timing

Higher revenue & profit

<u>S\$ mil</u>	3Q13	3Q12	% Change	9M13	9M12	% Change
Total Revenue	187.7	148.9	26	450.7	467.8	(4)
PBT	27.4	16.6	65	57.8	48.6	19
PATMI	25.3	14.5	74	51.0	39.7	28
Net Margin	13%	10%		11%	9%	

- Higher revenue and profits were largely due to the completion of projects in the third quarter.
- Achieved stronger margins in 3Q FY13 on the back of contributions by projects undertaken during the quarter and overall cost management

Asia ex-China and municipal sector continued to be key contributors



- Decline in revenue from China was largely due to a reduction in EPC projects.

Expenses

<u>S\$ mil</u>	3Q13	3Q12	% Change	9M13	9M12	% Change
Raw Materials & Consumables	71	87	(18)	227	294	(23)
Staff Costs	19	22	(16)	54	59	(9)
Depreciation, Amortisation & Impairment	28	5	NM	36	13	NM
Other Expenses	33	14	NM	58	40	46
Finance Costs	7	5	36	19	15	25
Total Operating & Finance Expenses	158	133	19	394	421	(6)

- Lower raw materials and consumables used as well as staff costs were a result of the completion of some major projects and improved cost management.
- The increase in depreciation, amortisation and impairment expenses were due to impairments and write-downs of certain carrying amounts of non-core assets.
- The rise in other expenses was due to the higher professional fees and rental expenses of machinery and equipment.

Balance sheet

<u>S\$ mil</u>	30 Sep 13	31 Dec 12
Equity	887	877
Non-current Assets	1,706	1,302
Non-current Liabilities	1,184	938
Current Liabilities	336	375
Net Current Assets	365	513
Net Gearing	1.06x	0.56x

- Increase in non-current assets was a result of continued investment in water plants.

Cash flow

<u>S\$ mil</u>	3Q13	3Q12	9M13	9M12
Operating CF before SCA	29	77	39	211
Operating CF after SCA and tax paid	(137)	(52)	(359)	(151)
Investing CF	(17)	1	(24)	(28)
Financing CF	108	(47)	186	34
Net Cash Changes	(46)	(98)	(198)	(145)
Cash & Cash Equivalents	319	481	319	481

SCA: Service concession arrangement

- Higher operating CF after SCA and tax paid reflected continued investments in water plants.

Group outlook

- Project start-up and completion scheduling point to a slower 4Q.
- Dahej desalination plant in India is on track for financial close with engineering, procurement and construction activities expected to commence in 2014.
- Apart from tendering for water infrastructure projects in key markets, Hyflux is also actively pursuing desalination and water recycling opportunities in the industrial water sector.
- For 4Q, Hyflux will also focus on tendering for various large projects in the Middle East and Africa regions.



**WATER
SOLUTIONS
THAT
IMPACT LIVES**

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