

# Hyflux Ltd

## Q1 FY2014 Results Review

8 May 2014

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# Executive highlights

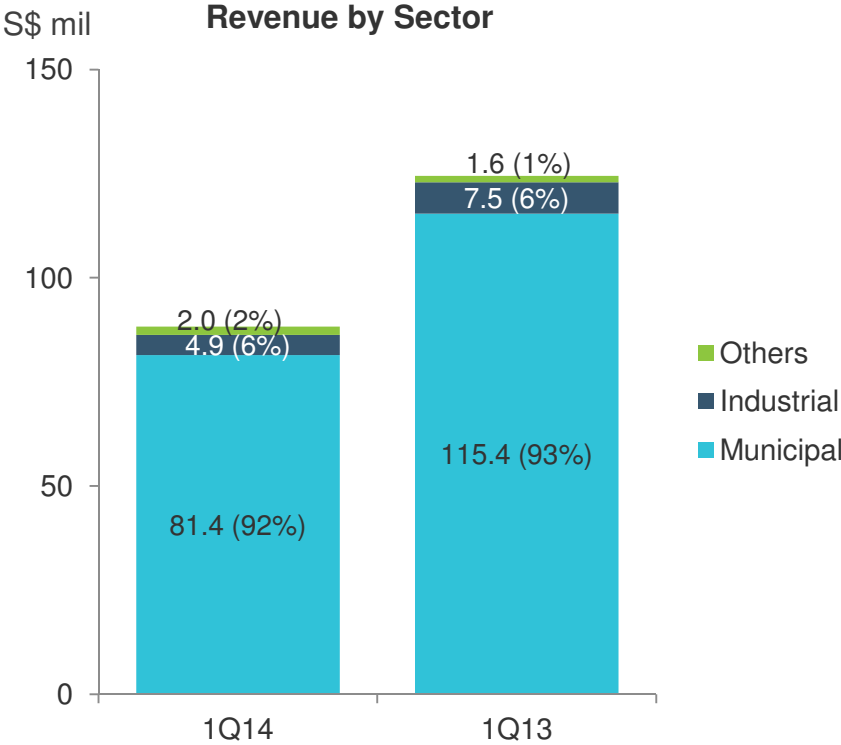
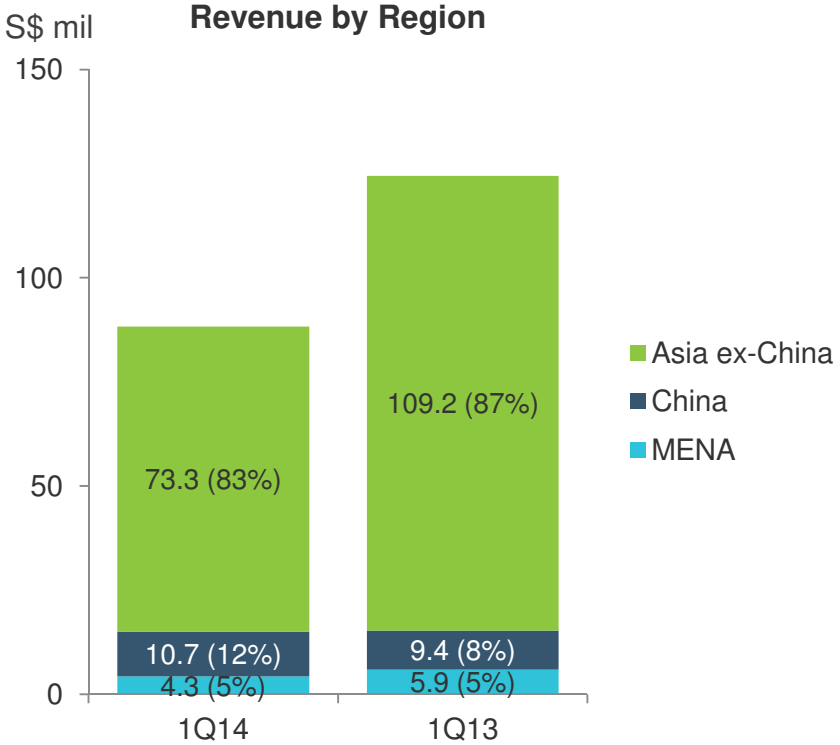
- Profit boost from asset recycling strategy
- Actively pursuing tenders for large-scale water projects in Middle East, Africa and Asia

## Revenue & profit

<u>S\$ mil</u>	1Q14	1Q13	% Change
Total Revenue	88.3	124.5	(29)
Other Income	56.9	1.9	NM
PBT	38.4	10.0	NM
PATMI	37.9	8.0	NM

- Revenue reduced in 1Q14 in line with lower engineering, procurement and construction activities which reflected the timing of project commencement.
- Higher other income and PATMI contributed by divestment of our joint venture with Marmon Water LLC group in March 2014 amounting to \$54.1 million.

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



# Expenses

<u>S\$ mil</u>	1Q14	1Q13	% Change
Raw Materials & Consumables	36	74	(52)
Staff Costs	18	17	7
Depreciation, Amortisation & Impairment	7	4	59
Other Expenses	34	12	NM
Finance Costs	8	6	40
Total Operating & Finance Expenses	103	113	(9)

- Lower raw materials and consumables used in line with revenue trend.
- Higher other expenses were mainly due to higher utilities cost for Tuaspring plant from the delay in the operational readiness of the national power grid to connect to our plant, as well as a provision for receivables amounting to S\$10.7 million.

# Balance sheet

<u>S\$ mil</u>	31 Mar 2014	31 Dec 2013
Equity	1,201	886
Non-current Assets	1,825	1,776
Non-current Liabilities	1,016	1,150
Current Liabilities	432	360
Net Current Assets	392	261
Net Gearing	0.62x	1.15x

- Equity and net current assets rose as a result of the S\$300 million perpetual capital securities issued in January 2014.

# Cash flow

<u>S\$ mil</u>	1Q14	1Q13
Operating CF before SCA	14	(37)
Operating CF after SCA and tax paid	(49)	(141)
Investing CF	58	(2)
Financing CF	205	39
Net Cash Changes	214	(104)
Cash & Cash Equivalents	458	244

*SCA: Service concession arrangement*

- Decrease in cash used in operating activities after SCA and tax paid was in line with revenue.
- Net cash from investing activities included proceeds from the divestment of our joint venture and associate with Marmon Water LLC group in March 2014.
- Cash generated from financing activities was largely from the proceeds of the perpetual capital securities issued in January 2014.





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