

Hyflux Ltd

1H2015 Results Review

6 August 2015

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Executive highlights

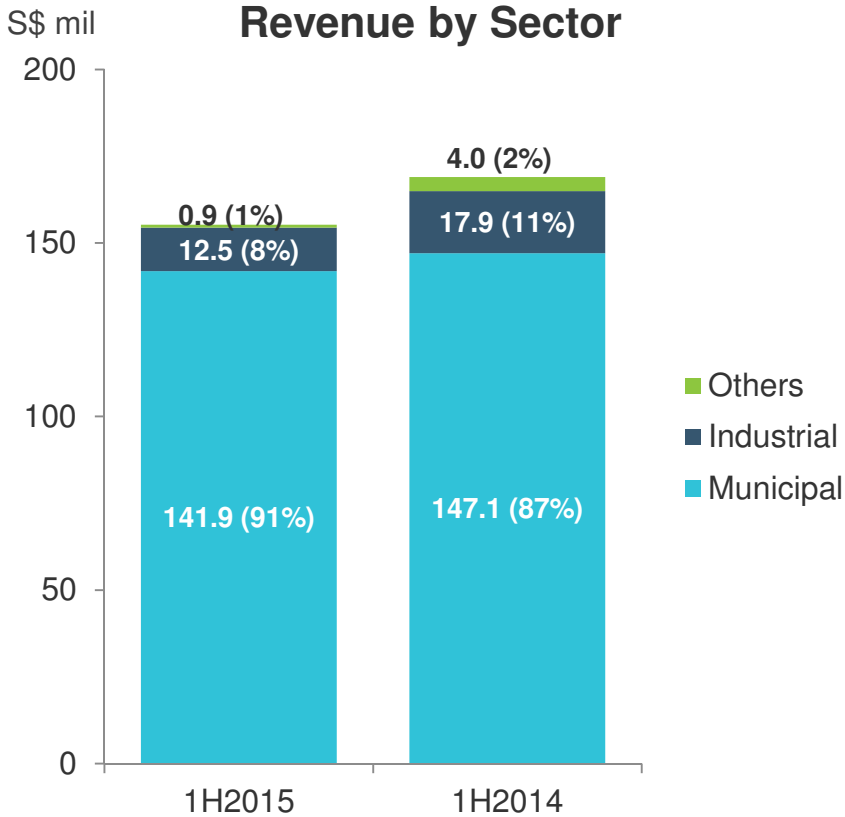
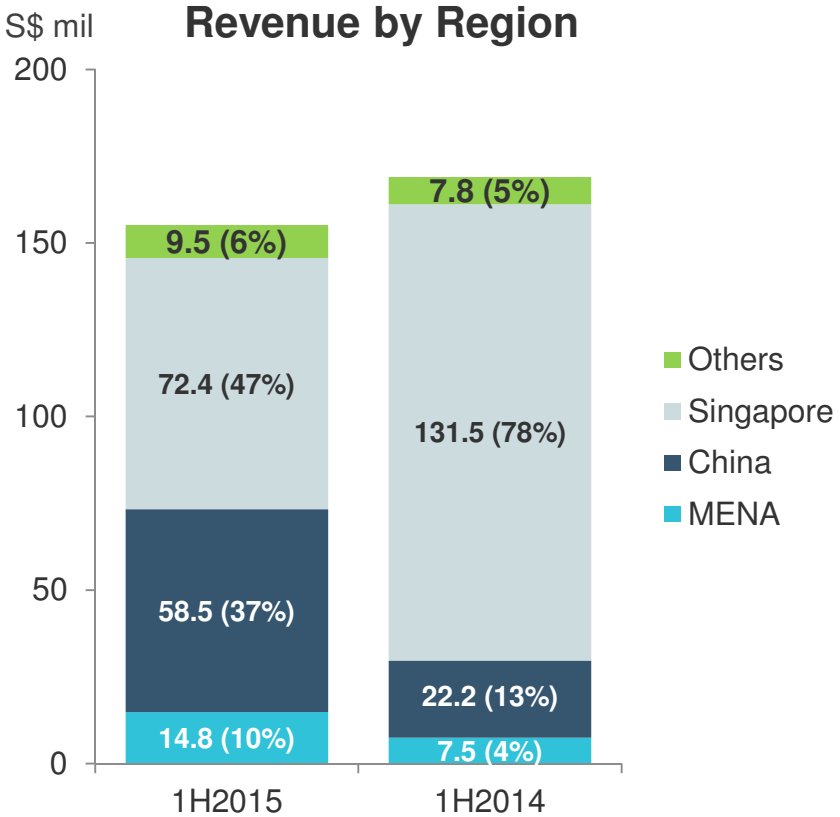
- 1H2015 PATMI at S\$31.6 mil.
- Commencement of testing and commissioning for Tuaspring Power Plant.
- Higher contributions from MENA expected in second half.

Revenue & profit

<u>S\$ mil</u>	1H2015	1H2014	% Change
Total Revenue	155.2	169.0	(8)
Other Income	38.7	142.2	(73)
PBT	34.9	98.7	(65)
PATMI	31.6	99.3	(68)

- Decrease in revenue in 1H2015 was due to substantial completion of Tuaspring plant.
- Lower divestment gains compared to 1H2014.
- 1H15 PATMI of S\$31.6 mil at 20% revenue.

Asia and Municipal sector continued to be key contributors



1H2015 revenue from China market included divestment of China water assets.

Expenses

<u>S\$ mil</u>	1H2015	1H2014	% Change
Raw Materials & Consumables	44	83	(46)
Staff Costs	31	38	(18)
Depreciation, Amortisation & Impairment	11	12	(4)
Other Expenses	44	55	(21)
Finance Costs	22	17	32
Total Operating & Finance Expenses	152	205	(26)

- Decrease in Raw Materials and Consumables used in line with revenue.
- Lower spending across major cost categories.
- Finance Costs mainly for financing the development of the Tuaspring project.

Balance sheet

<u>S\$ mil</u>	30 Jun 2015	31 Dec 2014
Net Equity	1,329	1,342
Non-current Assets	1,891	1,903
Non-current Liabilities	970	1,009
Current Assets	851	839
Current Liabilities	443	391
Net Gearing	0.65x	0.51x

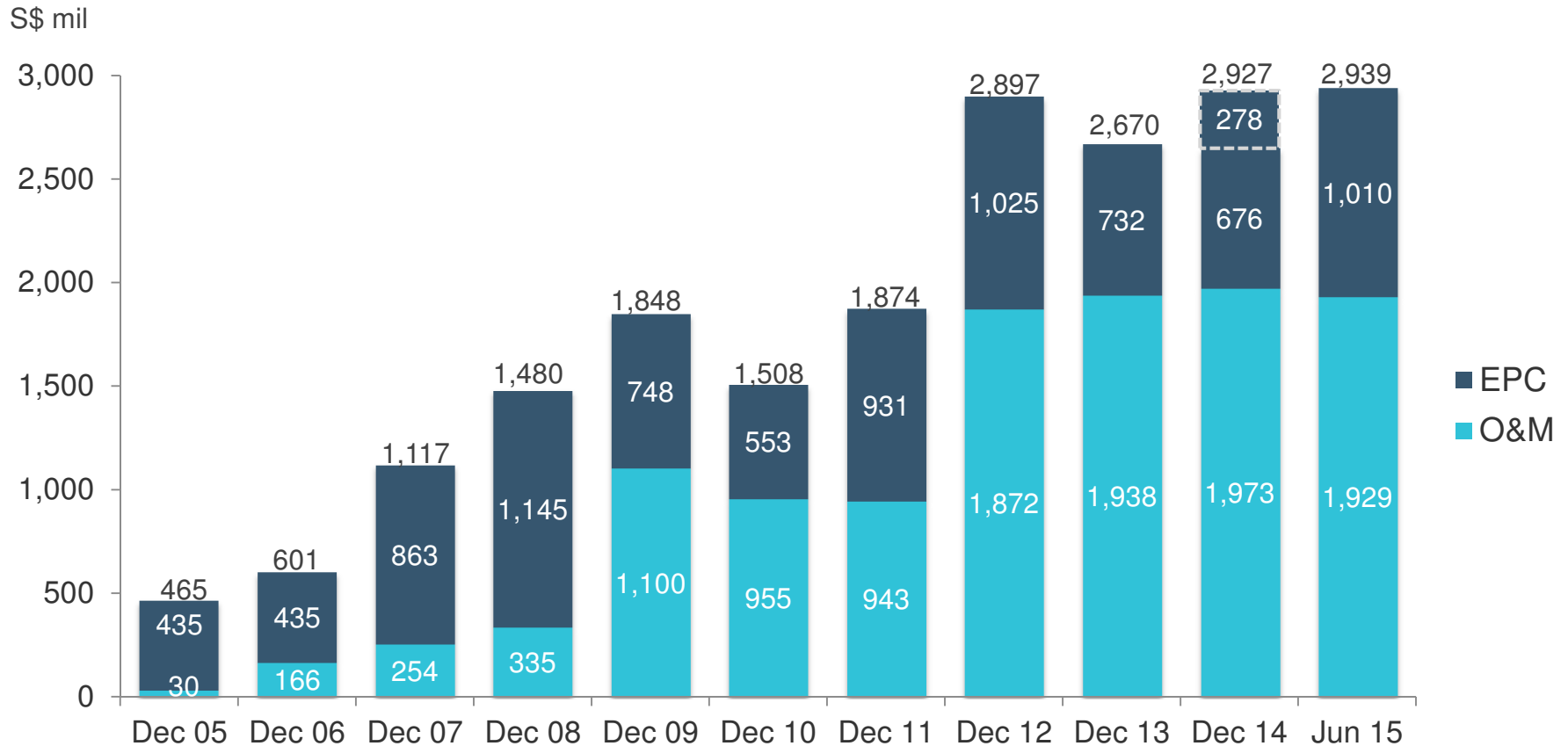
Cash flow

<u>S\$ mil</u>	1H2015	1H2014
Operating CF before SCA	(4)	24
Operating CF after SCA and tax paid	(67)	(93)
Investing CF	(30)	209
Financing CF	(77)	130
Net Cash Changes	(174)	246
Cash & Cash Equivalents	284	481

SCA: Service concession arrangement

- Operating cash outflows after SCA included investment in Tuaspring project.
- Cash used in investing activities included investments in subsidiaries and capital expenditure.
- Cash used in financing activities for the repayment of borrowings, interest payments and dividend payments.

Order book

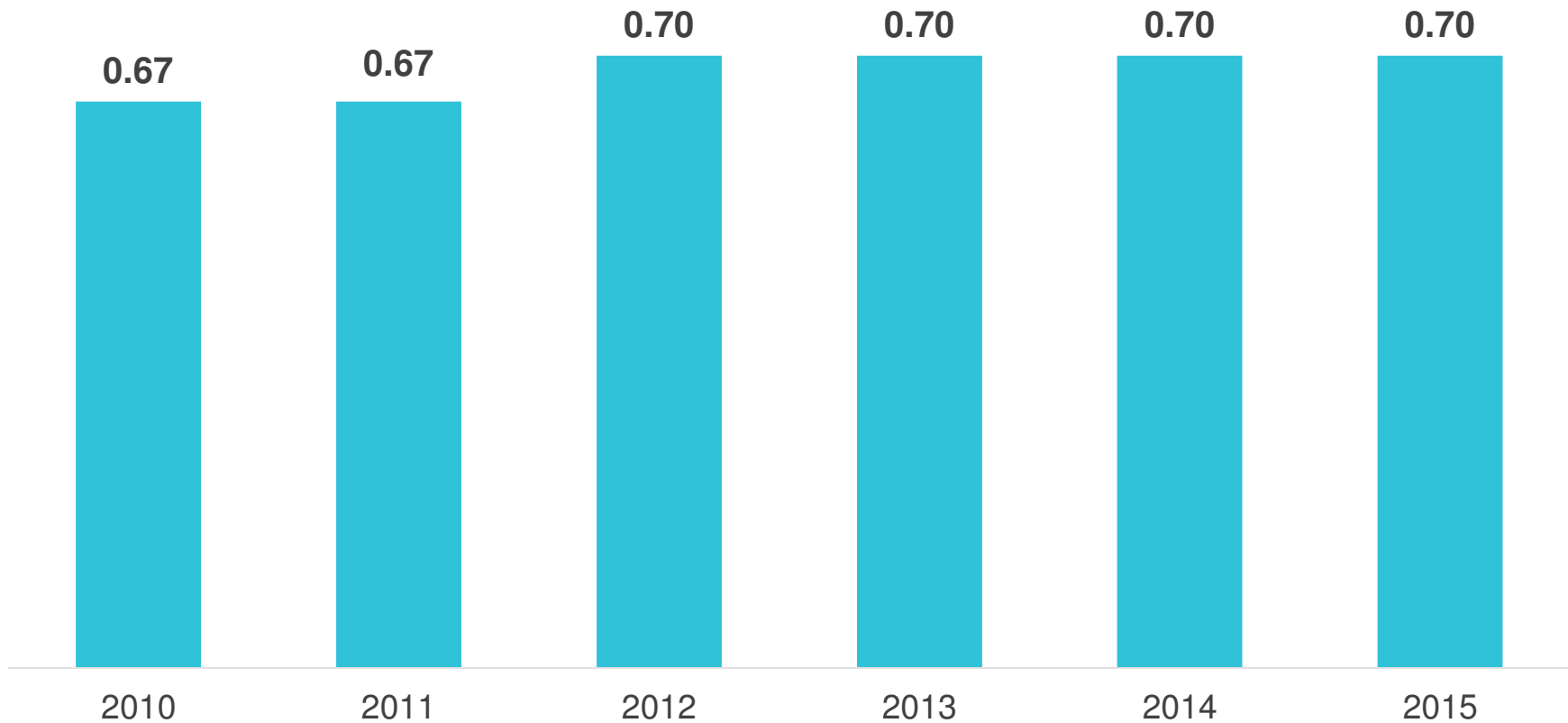


Note:

1. O&M order book is a summation of future revenues of our portfolio of plants over 20-30 year concession periods.
2. Dec-14 EPC order book included Qurayyat desalination project of \$278mil. The Water Purchase Agreement was signed in March 2015.
3. Jun-15 EPC order book included Dahej and Qurayyat desalination projects.
4. Jun-15 O&M order book included Tuaspring and Magtaa projects, and excluded five divested China SPCs.

Interim dividend of 0.70 Singapore cents per ordinary share declared

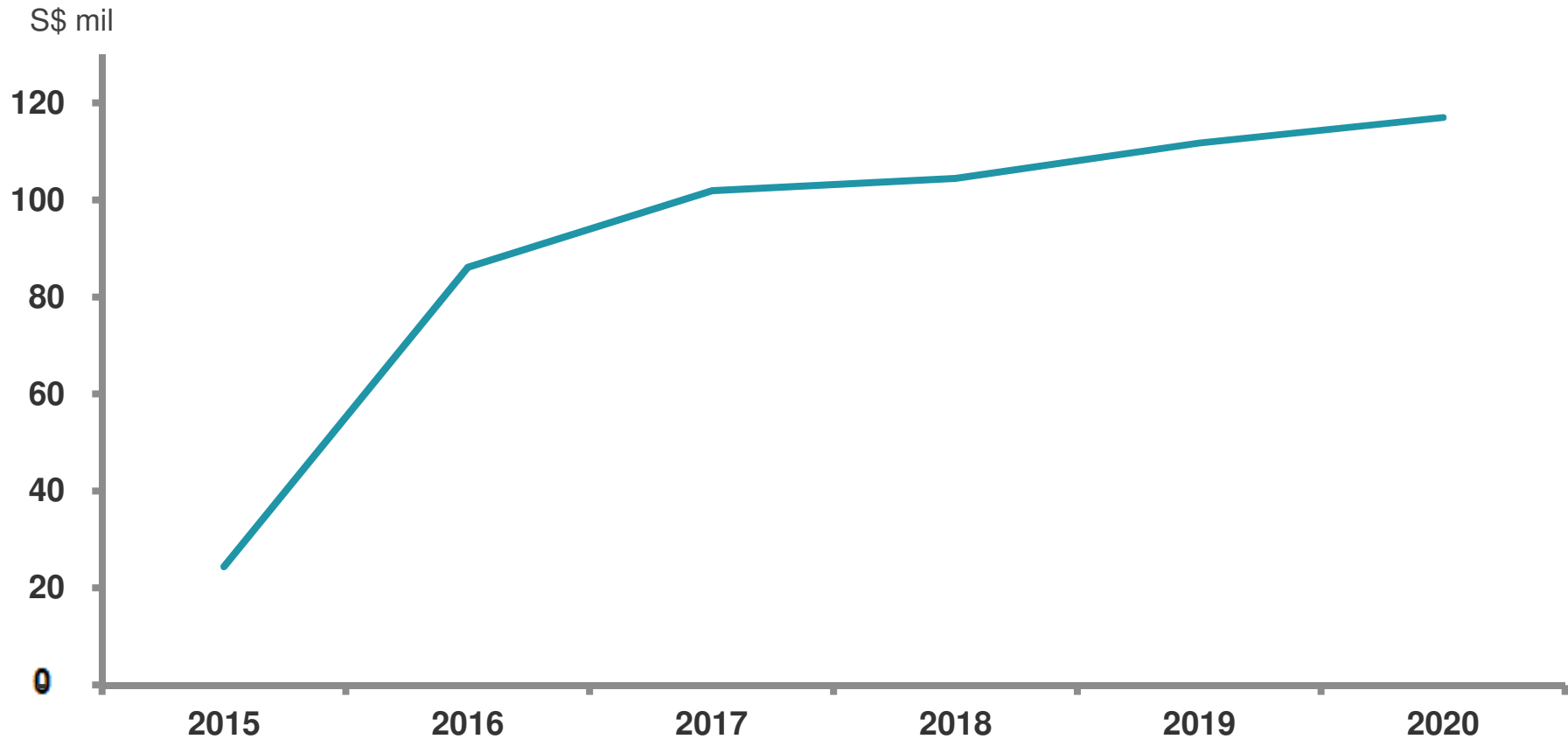
Interim dividend per ordinary share (Singapore cents)



Group outlook

- Tuaspring Power Plant has been connected to the power grid and testing and commissioning is in progress. Expected to be operational in early 2016.
- Higher contributions from MENA expected with development of Qurayyat IWP and Saudi Arabia containerised desalination system.
- Exploring potential divestment opportunities.

Recurring gross operating income



Note:

1. Estimates based only on existing portfolio and do not include any potential projects.
2. Includes O&M and asset returns from existing plants in China & Singapore, Tuaspring, Magtaa, Qurayyat, and membrane sales and other services.
3. Gross operating income is approximately EBITDA.
4. Actual results may vary due to external factors.

Thank You