

Hyflux Ltd

3Q2015 Results Review

4 November 2015

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Executive highlights

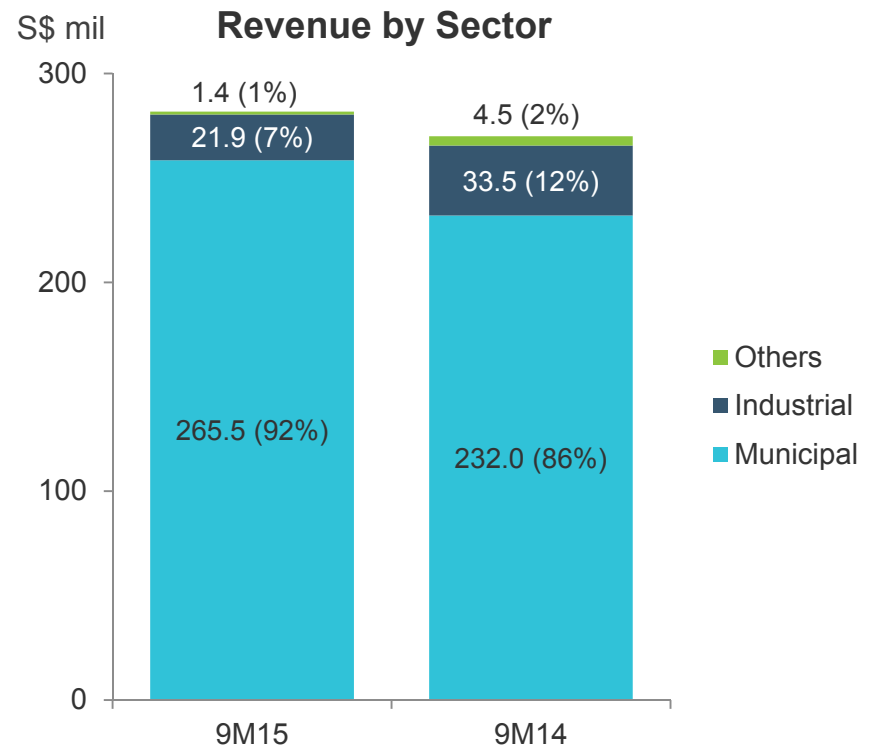
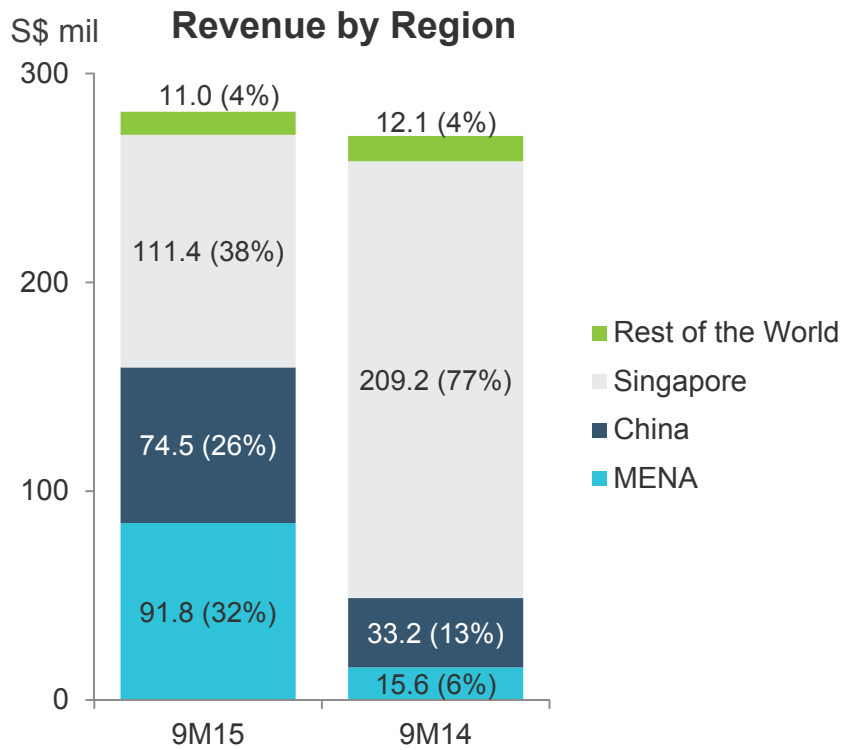
- Lower PATMI in 3Q15 YTD due to lower divestment activities
- Key EPC activities in 2015/2016:
 - Qurayyat Independent Water Project, Oman
 - TuasOne WTE Plant, Singapore
- Tuaspring Power Plant's testing and commissioning is on schedule, expected to be fully operational in 2016

Revenue & profit

<u>S\$ mil</u>	9M15	9M14	% Change
Total Revenue	288.8	270.0	7
Other Income	60.9	144.9	(58)
PBT	43.0	106.7	(60)
PATMI	38.0	110.6	(66)

- Increase in revenue from Qurayyat Independent Water Project in Oman, containerised desalination system for Saudi Arabia and disposal of five China water plants in June 2015.
- Lower PATMI was mainly a result of the divestments of Hyflux Innovation Centre and the Marmon entities in 2014.

Revenue breakdown



Higher MENA contribution from Qurayyat project in Oman.

Expenses

<u>S\$ mil</u>	9M15	9M14	% Change
Raw Materials & Consumables	121	124	(2)
Staff Costs	48	56	(16)
Depreciation, Amortisation & Impairment	16	17	(6)
Other Expenses	77	76	(2)
Finance Costs	29	24	24
Total Operating & Finance Expenses	291	296	(2)

- Decrease in Staff Costs was due to a lower level of engineering, construction and procurement (EPC) activities.
- Finance Costs were mainly for financing the development of the Tuaspring project.

Balance sheet

<u>S\$ mil</u>	30 Sep 2015	31 Dec 2014
Equity	1,310	1,342
Non-current Assets	2,137	1,903
Non-current Liabilities	1,103	1,009
Current Assets	860	839
Current Liabilities	584	391
Net Gearing	0.83x	0.51x

- Consolidation of Tianjin Dagang Desalination Plant as wholly-owned subsidiary contributed to higher gearing and higher non-current assets (previously equity accounted as 50% joint venture)

Cash flow

<u>S\$ mil</u>	9M15	9M14
Operating CF before SCA	(4)	46
Operating CF after SCA and tax paid	(65)	(139)
Investing CF	(98)	218
Financing CF	72	214
Net Cash Changes	(92)	292
Cash & Cash Equivalents	323	528

SCA: Service concession arrangement

- Operating cash outflow after SCA and tax paid was due to investments in the Tuaspring and Qurayyat projects.
- Cash used in investing activities included acquisitions and capital expenditure.
- Decrease in cash from financing activities was partly due to the repayment of borrowings, interest and dividend payments.

Group outlook

- Tuaspring Power Plant's testing and commissioning is on track, scheduled to be fully operational in 2016.
- Depressed oil prices will have impact on Group's near-term outlook; many countries have scaled back on infrastructure projects
- Development of WTE plant in Singapore, Qurayyat Independent Water Project and other projects in Middle East will take place over next few years.
- Continue to explore water asset divestments.



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