

# Hyflux Ltd

## FY2015 Results Review

18 February 2016

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# Executive Highlights

- PATMI for FY2015 was \$41.3 million
- Construction underway for Qurayyat Independent Water Project
- Tuaspring Power Plant connected to national power grid and started selling electricity
- Entry into waste-to-energy market with TuasOne WTE plant
- Develop consumer segment with new investments in ELO Water and PT Oasis

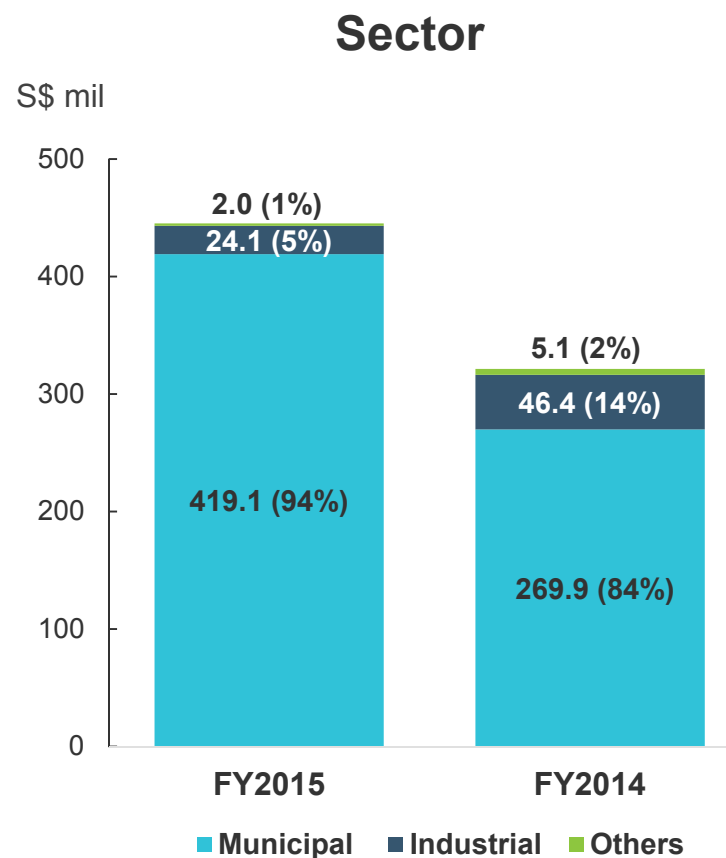
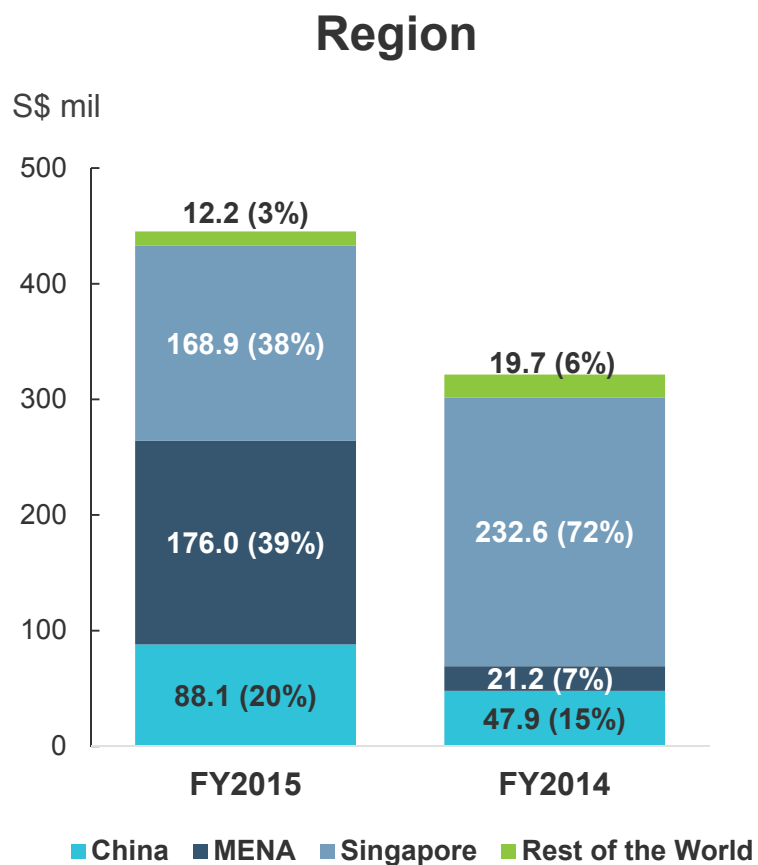
# Revenue & profit

<u>S\$ mil</u>	FY2015	FY2014	% Change
Total Revenue	445.2	321.4	39
Other Income	72.6	170.0	(57)
PBT	38.8	53.1	(27)
PATMI	41.3	57.5	(28)

- Increase in revenue from Qurayyat Independent Water Project in Oman, containerised desalination system for Saudi Arabia and disposal of five China water assets in June 2015.
- Lower PATMI was mainly a result of the divestments of Hyflux Innovation Centre and the Marmon entities in 2014.
- Final dividend of 1.00 Singapore cent per ordinary share proposed, bringing the total dividend for the year to 1.70 Singapore cents per ordinary share.

# Revenue by region and sector

- Higher MENA contribution from Qurayyat project in Oman



# Expenses

<u>S\$ mil</u>	FY2015	FY2014	% Change
Raw Materials & Consumables	224	164	37
Staff Costs	65	75	(13)
Depreciation, Amortisation & Impairment	22	33	(32)
Other Expenses	105	120	(13)
Finance Costs	43	35	23
Total Operating & Finance Expenses	459	427	7

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

# Balance sheet

<u>S\$ mil</u>	31 Dec 2015	31 Dec 2014
Equity	1,301	1,342
Non-current Assets	2,030	1,903
Non-current Liabilities	779	1,009
Current Assets	995	839
Current Liabilities	946	391
Net Gearing (x)	0.85	0.51

- 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)



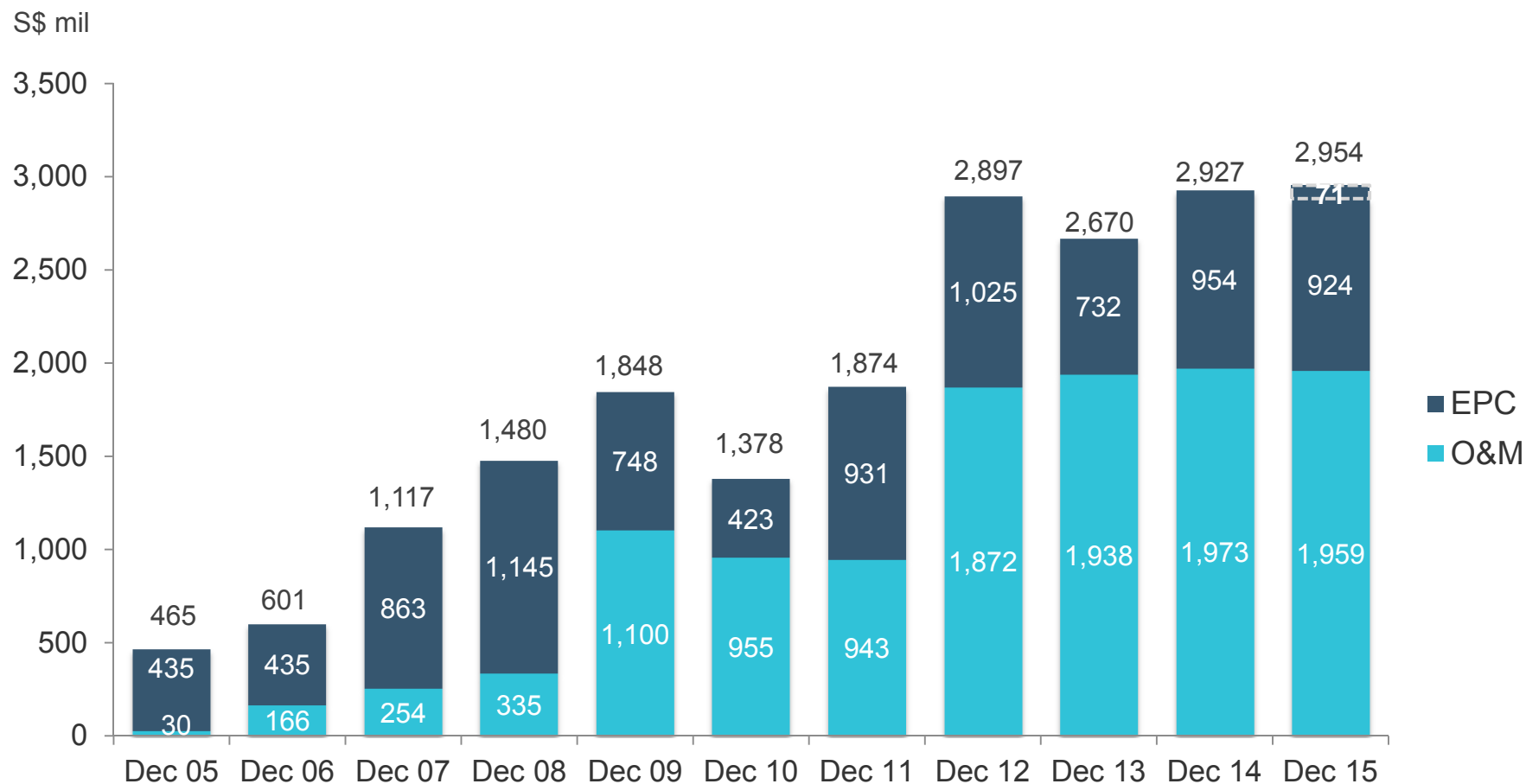
# Cash flows

<u>S\$ mil</u>	FY2015	FY2014
Operating CF before SCA	84	(15)
Operating CF after SCA and tax paid	(44)	(226)
Investing CF	(104)	206
Financing CF	60	210
Net Cash Changes	(88)	190
Cash & Cash Equivalents	314	444

*SCA: Service concession arrangement*

- Operating cash inflow before SCA contributed by proceeds from disposal of 5 China water assets.
- 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.

# 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-15 EPC Order Book includes Qurayyat and TuasOne WTE projects, and excludes Dahej Desalination project.
3. Dec-15 O&M Order Book includes Tuaspring and Magtaa projects, and excludes divested Hyflux China SPCs.
4. Dec-15 EPC Order Book includes the project in Khurais, Saudi Arabia of US\$50.4mil (S\$71 mil equivalent) announced in Jan-16.

# Tuaspring Integrated Water and Power Project, Singapore

Power Plant Connected to Grid, Commenced Electricity Sales



## Project Details

Capacity	318,500 m <sup>3</sup> /day (water) 411 MW (power)
Concession Period	25 years (water)
Online	2013 (water) 2016 (power)
Project Description	Desalination water - Industrial and domestic use Power plant – Supply electricity to desalination plant and excess to be sold to national power grid
Award	Distinction, Desalination Plant of the Year, GWI Global Water Awards 2014

# Qurayyat Independent Water Project, Oman

## Signed 20-year Water Purchase Agreement



Project Details	
Capacity	200,000 m <sup>3</sup> /day
Concession Period	20 years
Expected Commercial Operation	May 2017
Project Description	Desalination plant –Supply water to governorate of Muscat
Total Project Cost	Approx. US\$250 mil (EPC contract US\$210 mil)



# TuasOne Waste-to-Energy Plant, Singapore

Singapore's Largest, Most Land Efficient & Energy Efficient Plant



## Project Details

Capacity	3,600 tonnes/day
Concession Period	25 years
Project Description	Design-Build-Own-Operate (DBOO)
% Stake	75% (Consortium partner Mitsubishi Heavy Industries : 25%)
Total Project Cost	Approx. S\$750 mil (EPC contract S\$636 mil)

# ELO Water

## Grow Consumer Segment for Steady Recurring Income

- Acquired 30% stake in Kaqun Europe, consumer water technology company



Investment Details	
% Stake	30% stake in Kaqun Europe (70% stake in ELO Water, a joint entity with Kaqun Europe)
Investment Cost	US\$8 mil
ELO Water Descriptions	Highly oxygenated water that nourishes the body and enhances well-being To be distributed in Asia-Pacific, Middle East and Africa

# Investment in PT Oasis

## Ready Platform for Hyflux's Consumer Products

- Acquired 50% equity stake, to be injected over three years



Investment Details	
% Stake	50% equity stake
Investment Cost	S\$50 mil, over 3 years
Investment Descriptions	Access to PT Oasis established distribution and customer networks in Indonesia

# Group outlook

- Falling oil prices, slower growth in China as well as volatility and lower liquidity in the global markets to impact near-term outlook
- Challenging electricity market due to current market landscape
- Construction of Qurayyat IWP in Oman, TuasOne WTE plant in Singapore and projects in Saudi Arabia are underway
- Continue to explore water asset divestments opportunities



# Thank You