

Hyflux Ltd

1H2016 Results Review

4 August 2016

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Executive highlights

- 2Q2016 PATMI at \$2.6 million and 1H2016 PATMI at \$9.9 million
- Construction underway for projects in Singapore, Oman and Saudi Arabia
- Project financing close achieved for Qurayyat IWP and TuasOne WTE
- Singapore power market continues to face strong headwinds

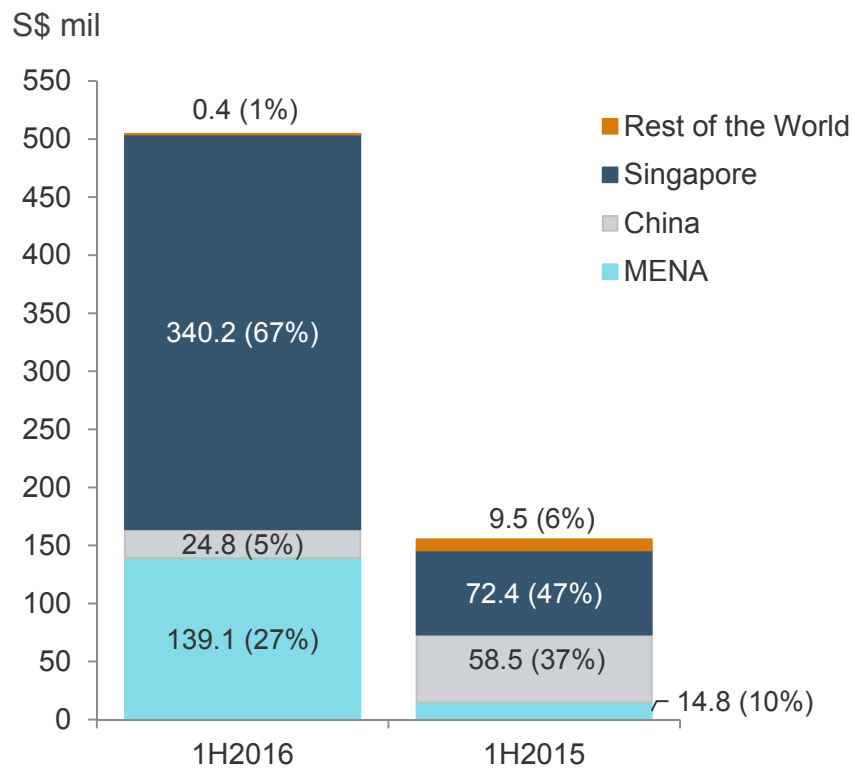
Revenue and profit

<u>S\$ mil</u>	1H2016	1H2015	% Change
Total Revenue	508.3	155.2	>100
PATMI	9.9	31.6	(69)

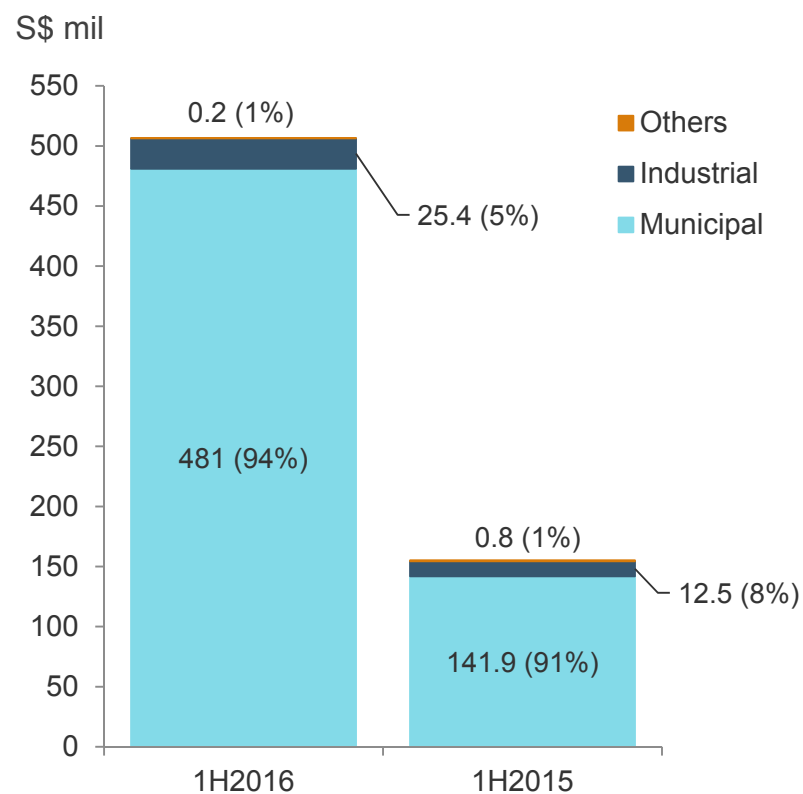
- Higher revenue contributed by TuasOne Waste-to-Energy (WTE) project and Qurayyat Independent Water Project (IWP).
- Profits from higher EPC activities partially offset by amortisation of Tuaspring power plant.
- Higher PATMI in 2015 was driven by divestment activities.
- Interim dividend of 0.20 Singapore cents per ordinary share declared.

Revenue breakdown by region and sector

By Region



By Sector



- Singapore revenue mainly from TuasOne WTE project.
- MENA revenue mainly from Qurayyat IWP.

Expenses

<u>S\$ mil</u>	1H2016	1H2015	% Change
Raw Materials & Consumables	377	44	>100
Staff Costs	39	31	24
Depreciation, Amortisation & Impairment	27	11	>100
Other Expenses	42	44	(4)
Finance Costs	29	22	35
Total Operating & Finance Expenses	514	152	>100

- Increase in total operating & finance expenses in line with increased EPC activities in Qurayyat IWP and TuasOne WTE project.
- Amortisation expenses from Tuaspring power plant started in Mar 2016.

Balance sheet

<u>S\$ mil</u>	30 Jun 2016	31 Dec 2015
Equity	1,723	1,301
Non-current Assets	2,411	2,030
Non-current Liabilities	1,136	779
Current Assets	1,164	995
Current Liabilities	717	946
Net Gearing (x)	0.49	0.85

- EPC activities of Qurayyat IWP and TuasOne WTE project contributed to the increase in financial receivables within non-current assets.
- Syndicated loan of US\$224 mil, which was refinanced in 1H2016, reclassified from current liabilities to non-current liabilities.

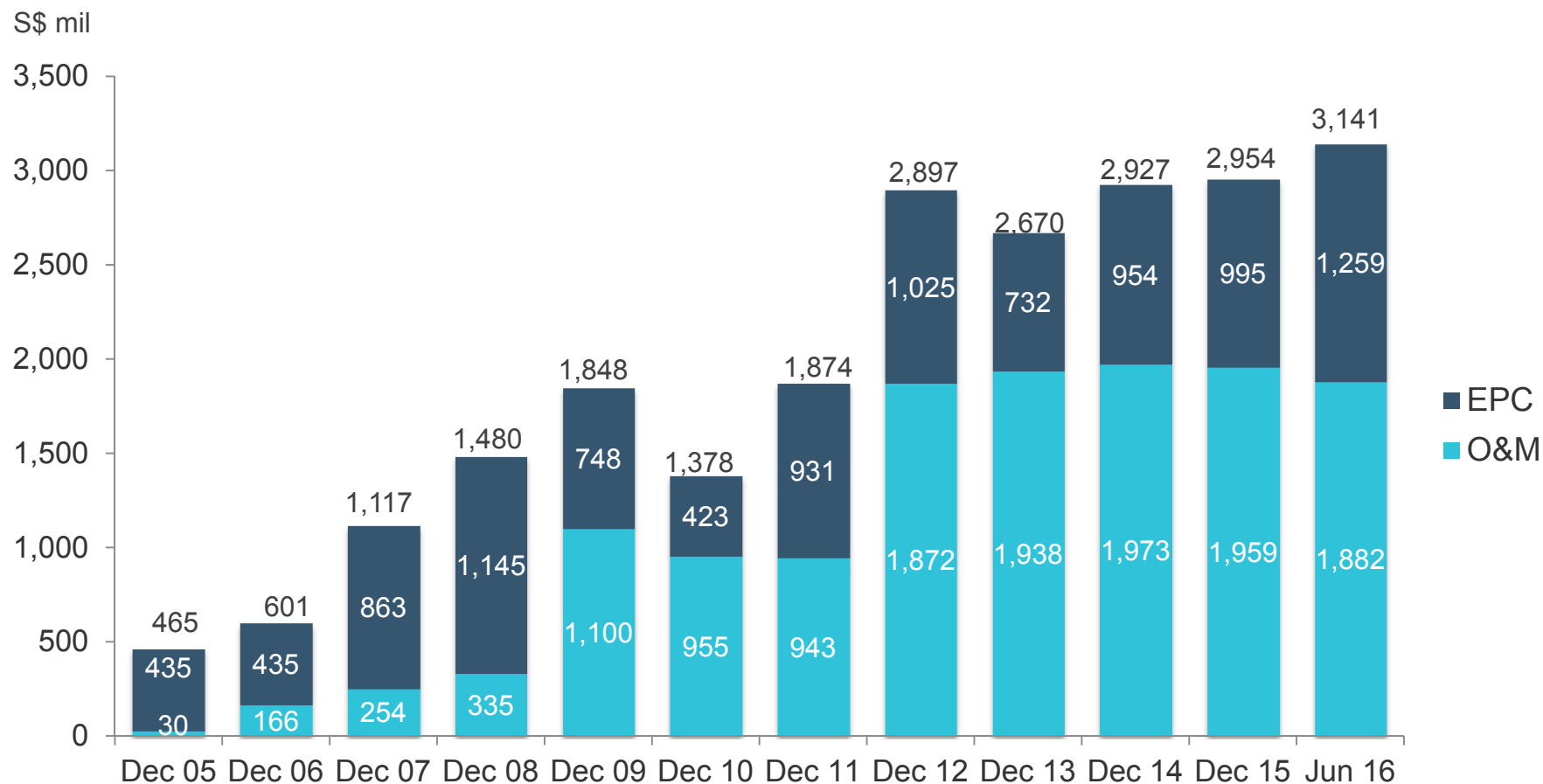
Cash flows

<u>S\$ mil</u>	1H2016	1H2015
Operating Cash Flows before SCA	239	(4)
Operating Cash Flows after SCA and Tax Paid	(136)	(67)
Investing Cash Flows	(43)	(30)
Financing Cash Flows	324	(77)
Net Cash Changes	146	(174)
Cash & Cash Equivalents	494	284

SCA: Service concession arrangements

- Operating cash flows after SCA and tax paid included investments into construction of Qurayyat IWP and TuasOne WTE project.
- Investing cash outflows mainly for investment in PT Oasis Water International, a 50% joint venture in Indonesia.
- Financing cash inflows mainly from proceeds from issuance of \$500 million perpetual capital securities in May 2016.

Order book



Note:

1. Jun-16 EPC Order Book includes TuasOne WTE , Egypt IWPP, Qurayyat and Khurais projects. Dahej Desalination project was removed from EPC Order Book effective Dec-15.
2. Jun-16 O&M Order Book includes Tuaspring and Magtaa projects, and excludes divested Hyflux China SPCs.
3. O&M order book is a summation of future revenues of our portfolio of plants over 20-30 year concession periods.

Group outlook

- Focus on executing current EPC order book.
- Actively pursue new projects in the Middle East, Africa, Americas and Asia despite global economic uncertainties.
- Power market in Singapore continues to face strong headwinds in near-term.
- Commencement of ELO drinking water production and launch of commercial water therapy facility in Singapore in third quarter of the year.



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