

# Hyflux Ltd

## Q1 FY2013 Results Review

9 May 2013

## Executive headlines

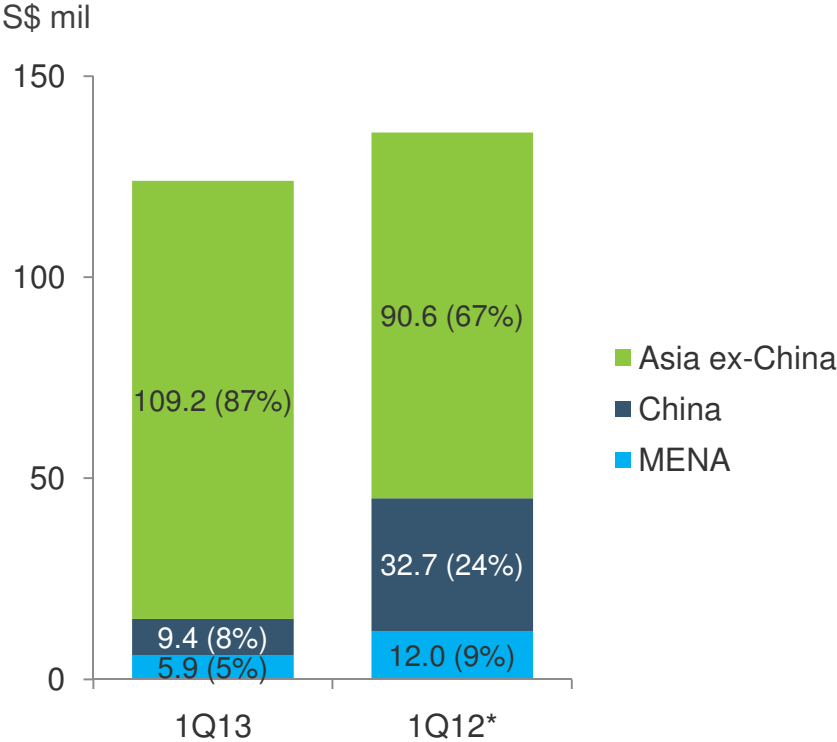
- PATMI up 5% y-o-y
- Higher gross margin of 40%
- Improving outlook for the global water industry

## PATMI rose 5% in 1Q13

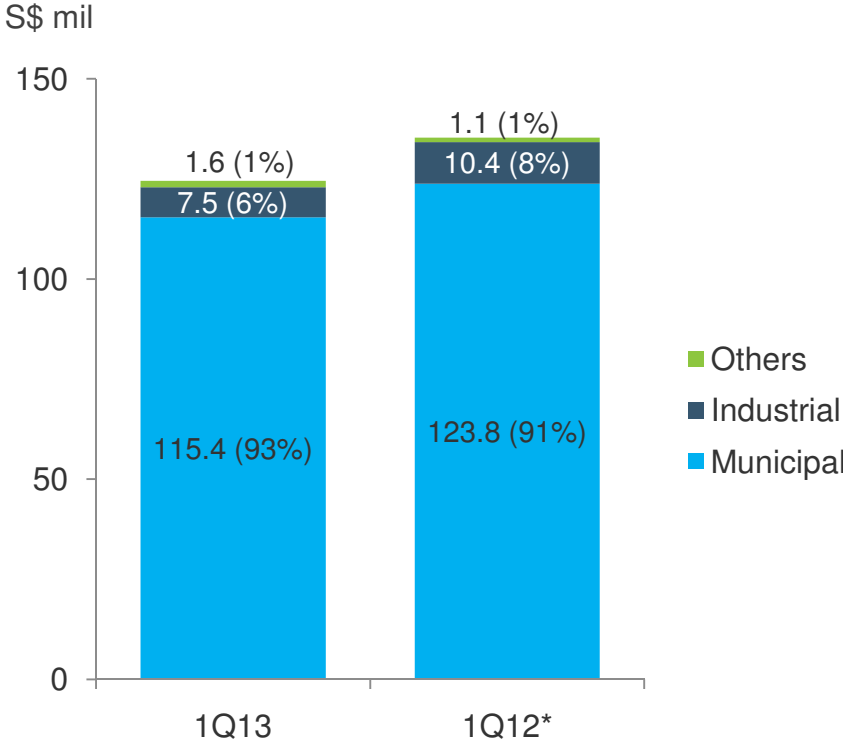
<u>S\$ mil</u>	1Q13	1Q12*	% Change
Total Revenue	124.5	135.3	(8)
PBT	10.0	10.5	(5)
PATMI	8.0	7.7	5

*\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)*

# Asia ex-China and municipal sector were major revenue contributors



- Revenue from Asia ex-China was higher due to execution of projects in the region.



- Municipal sales continued to be the key driver with the execution of projects in Asia.

\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)

## Lower raw materials, consumables and staff costs contributed to decline in total expenses

<u>S\$ mil</u>	1Q13	1Q12*	% Change
Raw Materials & Consumables	74.4	84.9	(12)
Staff Costs	16.8	17.6	(5)
Depreciation & Amortisation	4.2	3.9	9
Other Expenses	12.1	12.3	(2)
Finance Costs	6.0	5.1	17
Total Operating & Finance Expenses	113.5	123.7	(8)

*\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)*

# Gross margin improved with cost management

	1Q13	1Q12*
Gross Margin	40%	37%
Net Margin	6%	7%

*\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)*

## Balance sheet remains healthy

<u>S\$ mil</u>	31 Mar 13	31 Dec 12*
Equity	895	877
Non-current Assets	1,407	1,302
Non-current Liabilities	999	938
Current Liabilities	312	375
Net Current Assets	486	513
Net Gearing	0.7x	0.6x

- Non-current assets rose due to progressive investments in project development .
- Increase in non-current liabilities was mostly the result of higher loans and borrowings to support project execution.

*\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)*

## Cash position is strong

<u>S\$ mil</u>	1Q13	1Q12**
CF Operating before SCA*	(37)	75
CF Operating after SCA* and tax paid	(141)	(13)
CF Investing	(2)	(6)
CF Financing	39	(41)
Net Cash Changes	(104)	(60)
Cash & Cash Equivalents	402	569

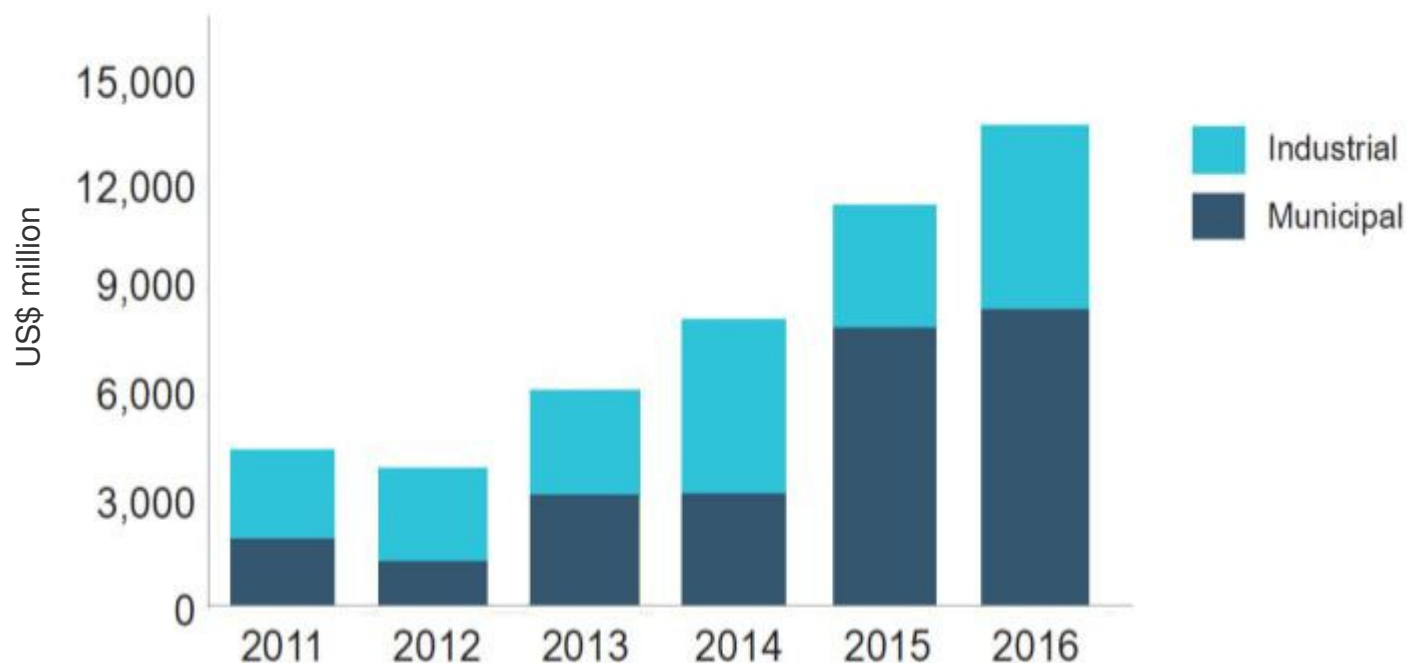
\*SCA: Service concession arrangement

\*\*Restated due to adoption of new Singapore Financial Reporting Standards 111 – Joint Arrangements (SFRS 111)



# Improving global desalination market outlook

Global seawater & brackish water desalination market



- Governments are investing in large-scale municipal water projects due to pent-up demand.
- More stringent water discharge standards are being imposed and industries are increasingly encouraged to seek alternative sustainable sources of water such as recycling and desalination.

Chart Source: GWI Global Water Market Report 2014



**WATER  
SOLUTIONS  
THAT  
IMPACT LIVES**

Slide 10

*Hyflux*

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