

Hyflux Ltd

1Q2017 Results Review

4 May 2017

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Executive highlights

- 1Q2017 PATMI at \$0.8 million
- Excluding Tuaspring losses from weak Singapore power market, 1Q2017 PATMI was \$27.8 million
- Tuaspring assets/liabilities classified as Held for Sale
- Completed divestment of 50% stake in Galaxy Newspring portfolio in March 2017, remaining proceeds from the divestment were also duly received before the end of 1Q2017

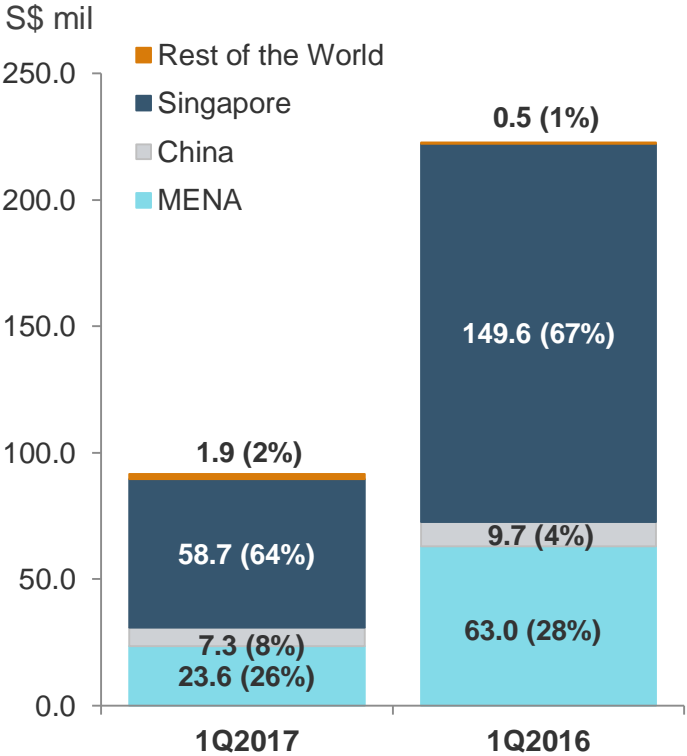
Revenue and profit

<u>S\$ mil</u>	1Q2017	1Q2016	% Change
Revenue ⁽¹⁾	91.5	222.8	(59)
PATMI	0.8	7.3	(89)
Results from Tuaspring	(27.0)	(18.5)	46
PATMI excl. Tuaspring ⁽²⁾	27.8	25.8	8

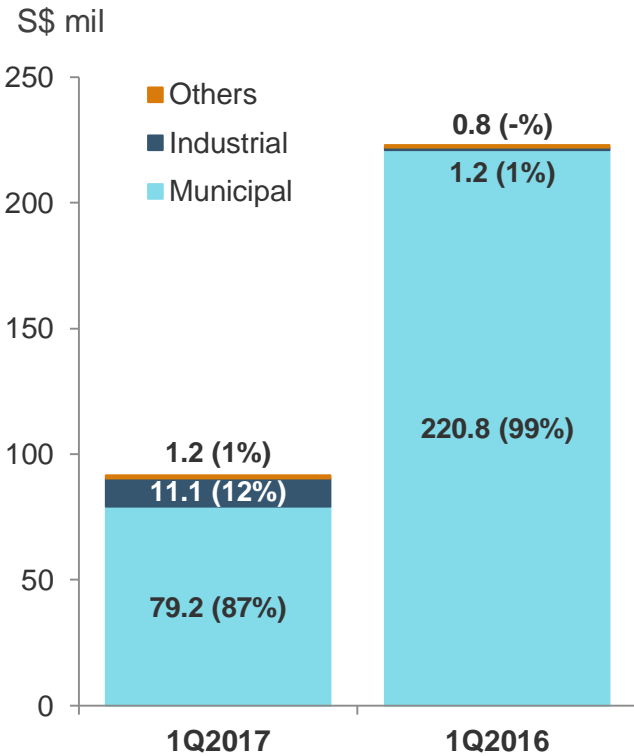
- Lower EPC activities from TuasOne Waste-to-Energy (WTE) project in Singapore and Qurayyat project in Oman
- 1Q2017 PATMI impacted by full effect of weak Singapore power market (Tuaspring power plant commenced operations only in March 2016)
- Tuaspring classified as Held for Sale – results shown separately
 - (1) Revenue adjusted to exclude Tuaspring
 - (2) PATMI adjusted to exclude Tuaspring

Revenue breakdown by region and sector

By Region



By Sector



- Lower EPC activities for TuasOne WTE and Qurayyat IWP
- Revenue excludes Tuaspring, which is classified as Held for Sale

Expenses

<u>S\$ mil</u>	1Q2017	1Q2016	% Change
Raw Materials & Consumables	38	159	(76)
Staff Costs	24	19	29
Depreciation, Amortisation & Impairment	4	4	(9)
Other Expenses	17	14	14
Finance Costs	14	11	25
Total Expenses	97	207	(53)

- Lower direct costs in line with lower revenue
- Higher staff costs and finance costs driven by projects

Excludes Tuaspring results, which is shown separately

Balance sheet

<u>S\$ mil</u>	31 Mar 2017	31 Dec 2016
Equity	1,193	1,549
Non-current Assets	1,230	2,545
Non-current Liabilities	1,166	1,311
Current Assets	2,444	1,298
Current Liabilities	1,315	984
Net Gearing (x)	0.80	0.81

- Tuaspring assets/liabilities classified as assets/liabilities held for sale
- shift from Non-current assets/liabilities to Current assets/liabilities
- Decrease in equity due to redemption of S\$300 million perpetual capital securities in Jan 2017

Cash flows

<u>S\$ mil</u>	1Q2017	1Q2016
Operating Cash Flows before SCA	(45)	158
Operating Cash Flows after SCA and Tax Paid	(87)	(34)
Investing Cash Flows	267	(32)
Financing Cash Flows	(42)	(65)
Net Cash Changes	138	(131)
Cash & Cash Equivalents	386	181

SCA: Service concession arrangements

- Cash from investing activities of S\$267.2 million was mainly due to net proceeds from disposal of Galaxy and repayment of short-term loan extended to Galaxy, following divestment
- Net cash outflow from financing activities primarily due to redemption of S\$295.0 million perpetual capital securities and project finance drawdowns

Group outlook

- Main revenue contributions from the TuasOne WTE project in Singapore and the projects in the Kingdom of Saudi Arabia
- Qurayyat project expected to commence operations in the second half of FY2017
- As part of asset light strategy, the Group is seeking divestment of Tianjin Dagang Desalination Plant and partial divestment of Tuaspring IWPP, subject to relevant regulatory approvals



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