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Boustead Projects Limited FY2023 Annual General Meeting

Management Presentation

28 July 2023



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Presentation Agenda

1. Boustead Projects (“BP”) Group Financial Performance Summary

2. Overview

3. Business Review – Engineering & Construction (“E&C”)

4. Business Review – Real Estate

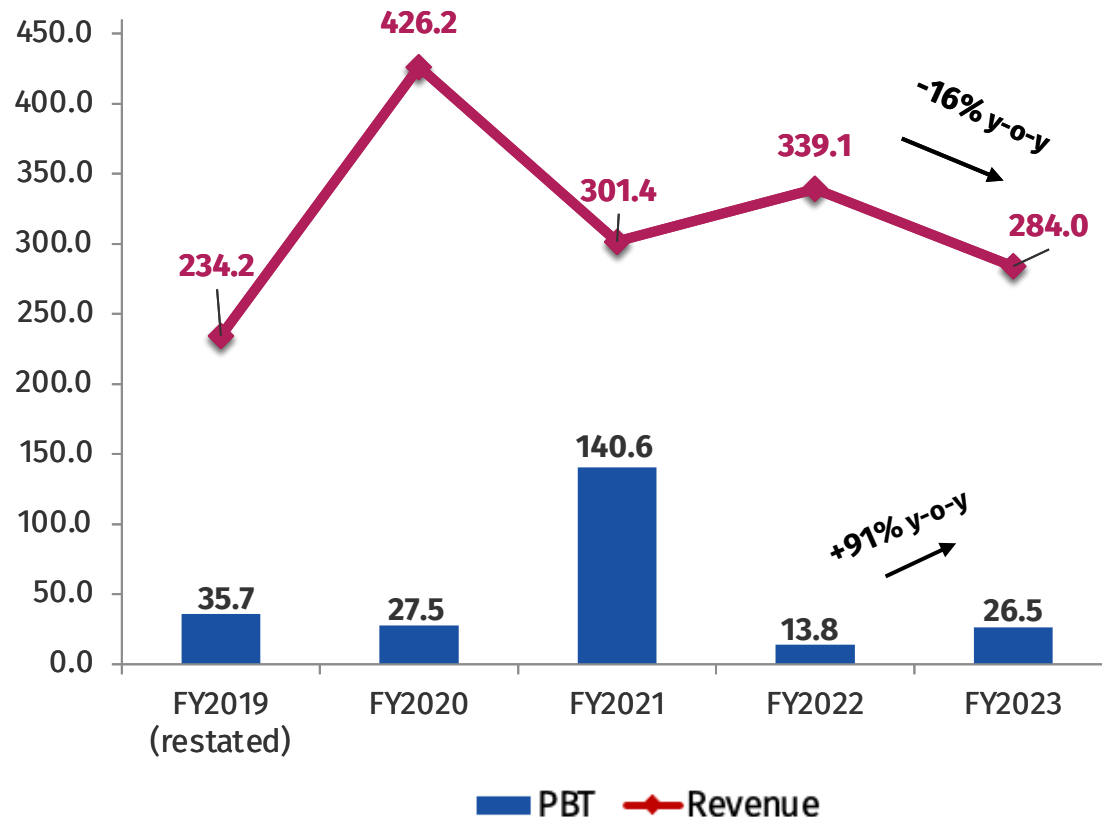
BP Group Financial Performance Summary



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BP Group Financial Performance Summary

Amount
(S\$m)



- Lower overall revenue due to lower contributions from E&C Business arising from lower conversion of order backlog, and lower contributions from Real Estate Business
- Higher profit before income tax (“PBT”) due to higher gross profit, other income, one-off gain on disposal of subsidiary (holding Boustead Industrial Park) and lower overhead expenses

Overview



Building Forward for a Sustainable Business

Strong Foundations

Rebuilding Order Backlog with Clean Slate

- Substantial completion of pre-pandemic projects
- Rebuilding order backlog with high value-added sector projects
- Over S\$378m of unconverted backlog that had been secured post-pandemic at healthier margins

Robust Balance Sheet

- S\$177.7m in consolidated cash balance
- S\$126m in unutilised credit lines
- Low debt-to-equity ratio of 0.4%*
- Lower loan-to-valuation ratio of 2.8%**
- Strong interest coverage ratio of 77.7***

* Based on total borrowings divided by total equity.

** Based on total borrowings divided by the combined independent professional valuations of properties held for sale and investment properties.

*** Based on profit before depreciation, amortisation, interest and income tax divided by interest expense on borrowings.

Building Forward for a Sustainable Business

**Strong
Foundations**

**Growth
Platforms**

Developing Our Best Asset – Our People

- 185 staff in group, with 23% outside of Singapore
- Initiatives to train and develop staff capabilities
- Awarded SkillsFuture Employer Award (Gold) for commitment towards lifelong learning and skills development

Diversified Real Estate Platforms to Enhance Resilience

- Over S\$2b in total AUM for managed core and development platforms
- Asset class diversification – industrial, commercial and hospitality asset classes
- Geographical diversification – Singapore, Vietnam and Malaysia

Building Forward for a Sustainable Business

**Strong
Foundations**

**Growth
Platforms**

**Focused
Strategies**

Targeted Expansion

- 76% of E&C backlog in targeted high value-added sector
- 14% of new secured projects in Malaysia
- 8.6% of AUM in Vietnam
- ~S\$200m green warehouse redevelopment at 36 Tuas Road

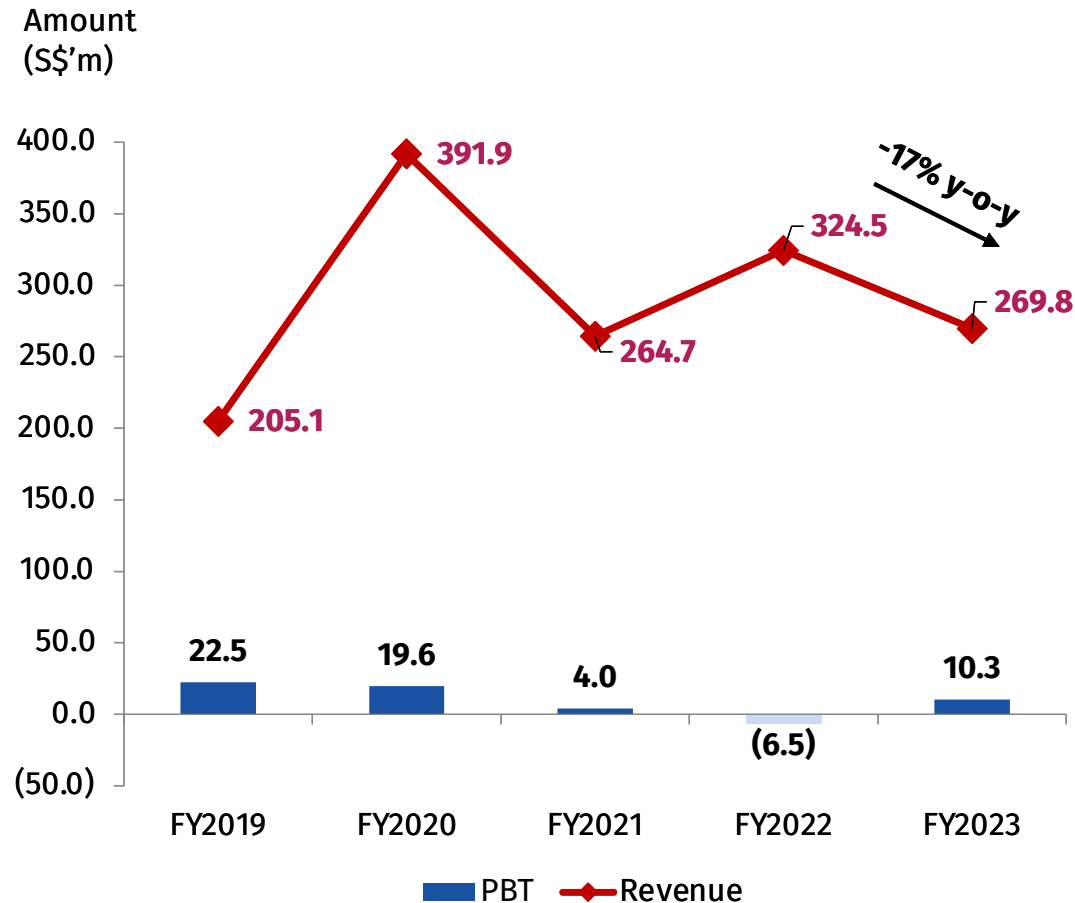
Partnership Expansion

- 2 new institutional investors secured for 36 Tuas Road redevelopment
- Expansion of Boustead Industrial Fund via open market acquisition of J'Forte Building

Business Review – E&C

Business Review: E&C

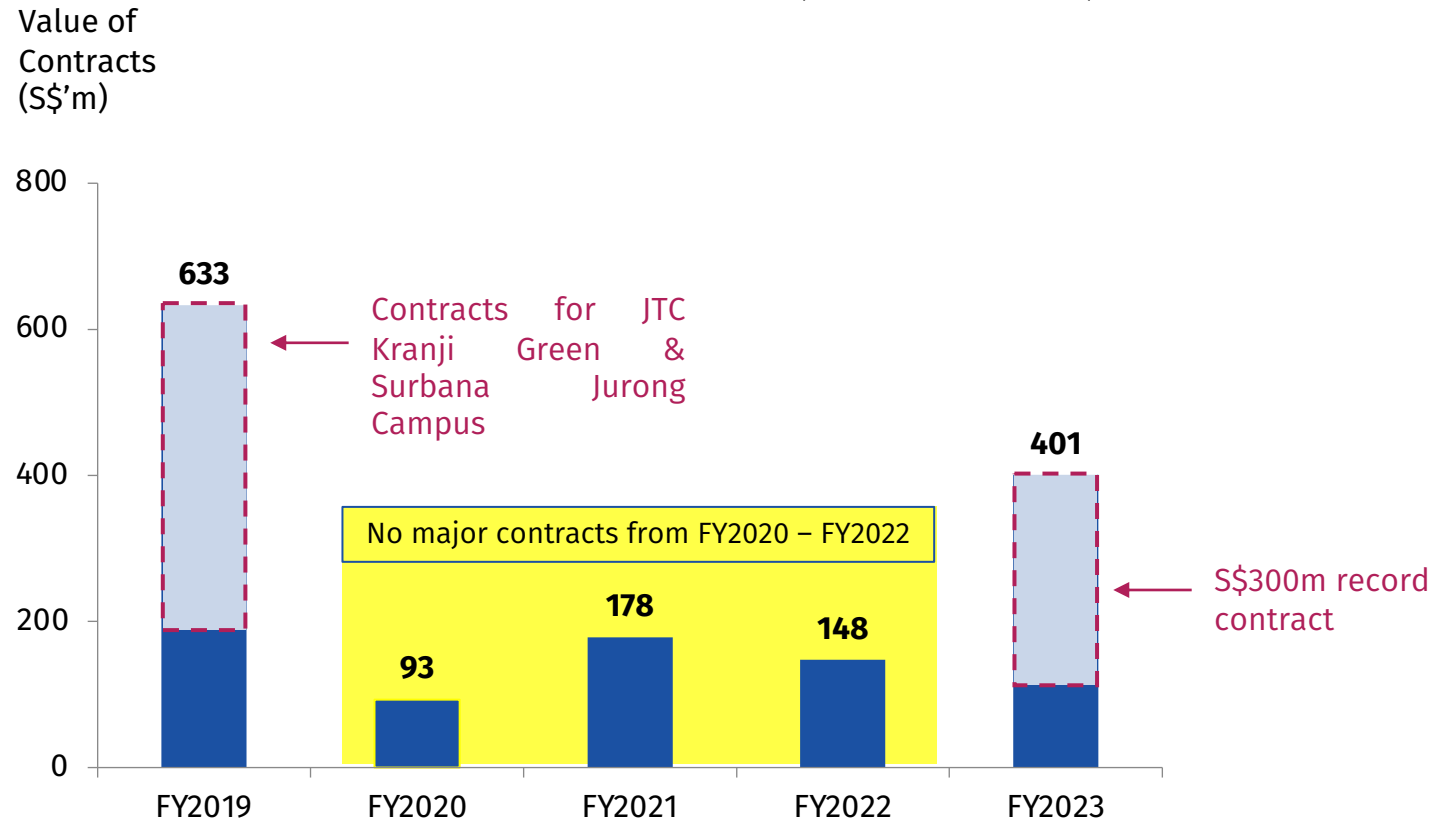
E&C Business Performance (FY2019 – FY2023)



- Lower revenue due to leaner order backlog of projects carried forward at end of FY2022
- Return to profitability due to significant completion of pre-pandemic projects where margins were impacted by escalated costs

Business Review: E&C (cont'd)

E&C - Value of Contracts Secured (FY2019 – FY2023)



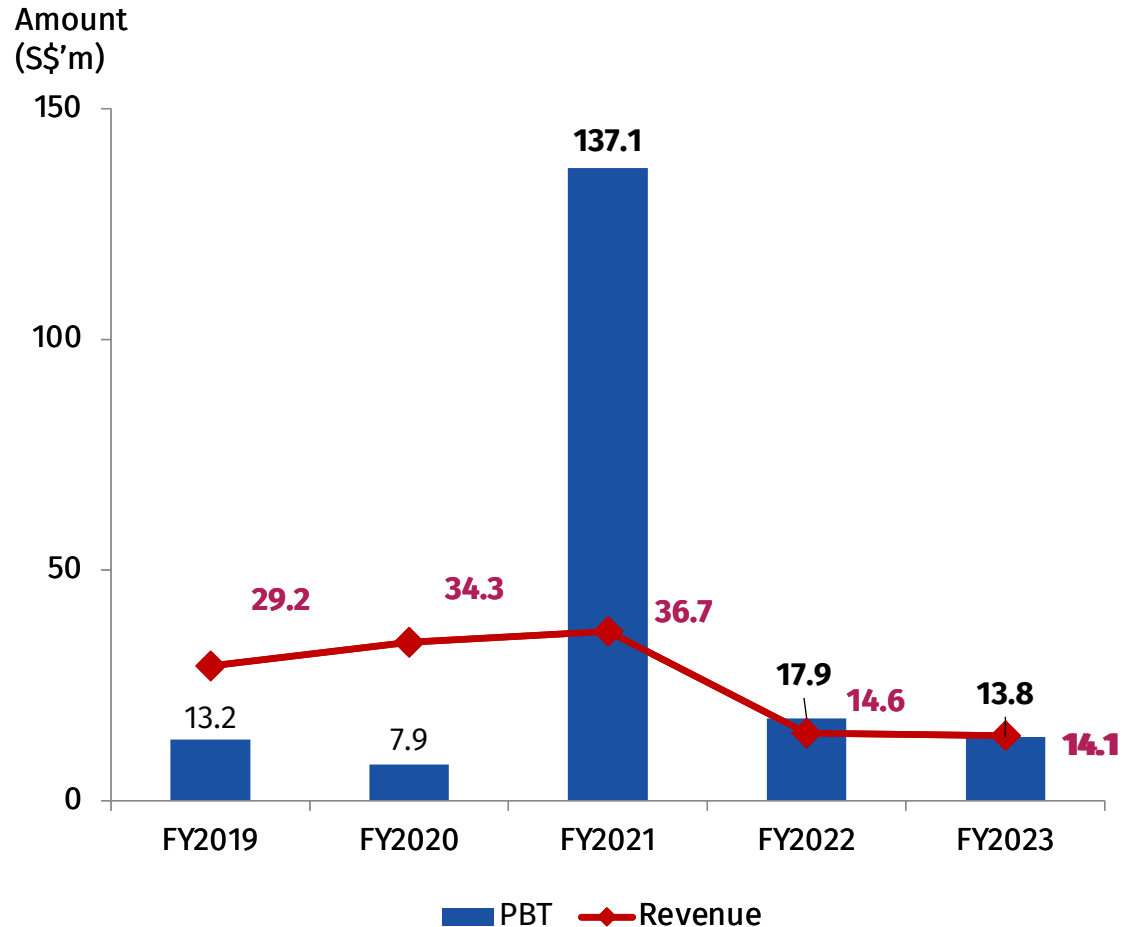
- In FY2023, S\$401 million of contracts secured
- Substantially cleared pre-pandemic backlog and continued to rebuild order backlog in targeted high value-added sectors
- Contract of approximately S\$300 million by Fortune 500 corporation secured in Jul 2022, largest on record

Business Review – Real Estate



Business Review: Real Estate

Real Estate Business Performance (FY2019 – FY2023)

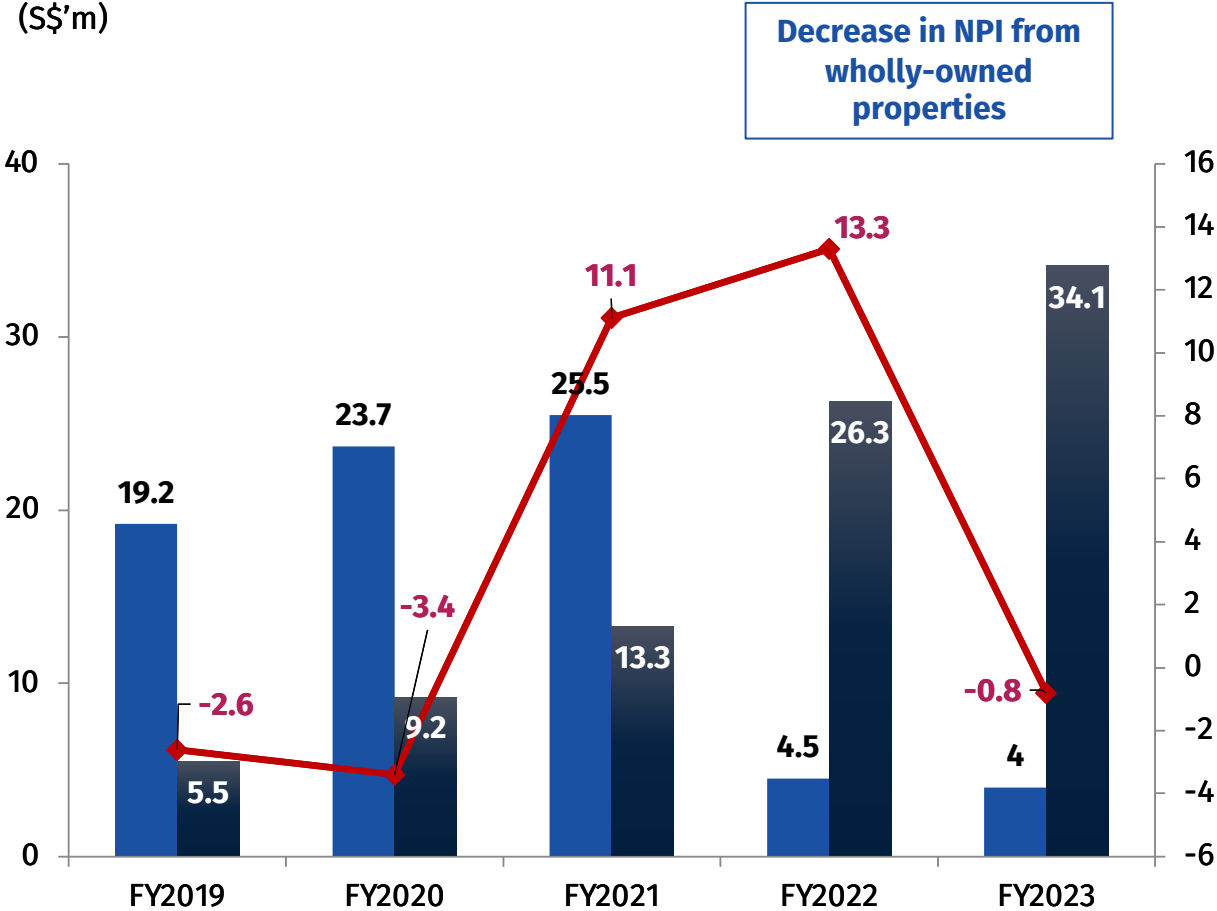


- Lower revenue due to impending redevelopment of vacant property and lower non-recurring acquisition and performance fees
- Lower PBT due to lower revenue and higher interest rates and property expenses

Business Review: Real Estate

Real Estate Business Performance (FY2019 – FY2023)

Amount
(S\$'m)







- NPI from wholly-owned properties
- BP's share of NPI from jointly-owned properties (including BIF)
- ◆ Share of (losses)/profits of associates and joint ventures

- Higher NPI from jointly-owned properties recorded due to higher committed occupancies, as well as recognition of full year contribution from 8 & 12 Seletar Aerospace Heights
- Lower NPI from wholly-owned properties recorded due to the disposal of subsidiary (holding Boustead Industrial Park in Vietnam)

Business Review: Real Estate (cont'd)

Different real estate platforms across asset classes as growth drivers

Total AUM over S\$2 billion				
Platforms	SG Industrial Development	SG Industrial Core	SG Non-Industrial	VN Industrial Development
AUM (S\$'m)	587 	690 	590 	175 
Market	Regional Industrial	Singapore Industrial	Singapore Mixed-Use	Vietnam Industrial
Number of assets	8	15	1	8 (completed assets)
Occupancy rate	90%	98%	-	76%
WALE (years)	>8	>5	-	>2

- SG Ind. Development – 36 Tuas Road redevelopment project
- SG Ind. Core – Acquisition of 26 Tai Seng Street asset
- SG Non-Ind. – Commencement of operation by COMO Group
- VN Ind. Development – Completion of Yen Phong 2C (Phase 1) development



Looking Ahead



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Looking Ahead

- Barring any unforeseen events in project execution, the E&C Business expects improved margin trends to continue – arising from the conversion of revenue from projects secured post-pandemic.
- The decline in industrial output and global demand presents potential headwinds in the market. Nonetheless, the BP Group will strive to replenish its construction and development order books the right way.
- The commencement of operations within the 28 & 30 Bideford Road (known as COMO Orchard) will further contribute to the BP's Group income. However, the share of depreciation (under 'Share of Losses from Associates') arising from the asset will weigh down the Real Estate Business results during stabilisation.
- BP Group's pipeline of stabilised assets are further expanding – with improved occupancies of the Group's development assets, and addition of further assets in the years ahead. Management will continue exploring options to further syndicate, dispose or inject into our core platform.
- Whilst trading is currently suspended for BPL shares, BPL continues to be listed on the SGX Mainboard. Management will continue to execute strategies and outlined plans that have been communicated in past announcements.

Words of Appreciation for Boustead Projects Colleagues and Stakeholders





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Thank you

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