

A decorative line art graphic is positioned on the left side of the slide. It features a series of interconnected circles and lines, with a small white circle at the top left, resembling a stylized gear or a network diagram.

ROTARY ENGINEERING LIMITED

3Q 2015 RESULTS BRIEFING

5 November 2015

Smart thinking. Safe hands.



IMPORTANT NOTICE

This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital availability, competition from other companies and venues for the sale/distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business.

You are **cautioned not to place** undue reliance on these forward-looking statements, which are based on current view of management on future events.

This presentation should be read in conjunction with the financial results announced on the SGXNET on 4 November 2015.



OUTLINE

1. Financial Performance - Key Takeaways
2. Business Update and Development
3. Q&A



FINANCIAL PERFORMANCE KEY TAKEAWAYS



Headliners



3Q 2015 Performance Summary

Revenue
at S\$60M this quarter

GP margin holding well
at 22% ↑

Cost efficiency
through resource
optimization

PATMI 11% ↑

Maintain
low debt to equity
ratio



Financial Summary

S\$'000	3Q2015	3Q2014	▲ %	9M2015	9M2014	▲ %
Revenue	60.3	172.0	(65%)	217.1	562.0	(61%)
GP Margin	22%	17%	5%	22%	17%	5%
Other Income	2.0	0.5	NM	7.2	2.1	NM
FOREX	5.2	0.4	NM	7.6	(0.0)	NM
Profit before Tax	6.4	10.6	(40%)	20.0	40.0	(50%)
PATMI Margin	11%	6%	5%	8%	7%	1%
EPS (Cents)	1.1	1.9		3.0	6.7	

- Revenue dipped due to completion of major projects
- GP margin improved to 22%, attributed by continued productivity improvement efforts
- PATMI at 11%



Maintain a Strong Balance Sheet

All figures in S\$'000	Sep 2015	Dec 2014
Property, plant & equipment	43,718	48,389
Cash & short-term deposits	131,684	157,057
Trade & other receivables	107,366	185,504
Other assets	71,337	67,670
Total Assets	354,105	458,620
Total borrowings	9,475	11,041
Trade & other payables	93,252	143,526
Other liabilities	127,966	175,681
Total Liabilities	230,693	330,248
Shareholders' Equity	263,283	256,409
NAV per share (cents)	46.4	45.2
Net Debt* / Equity Ratio	0.04x	0.04x
Net Debt* / Total Assets	0.03x	0.02x

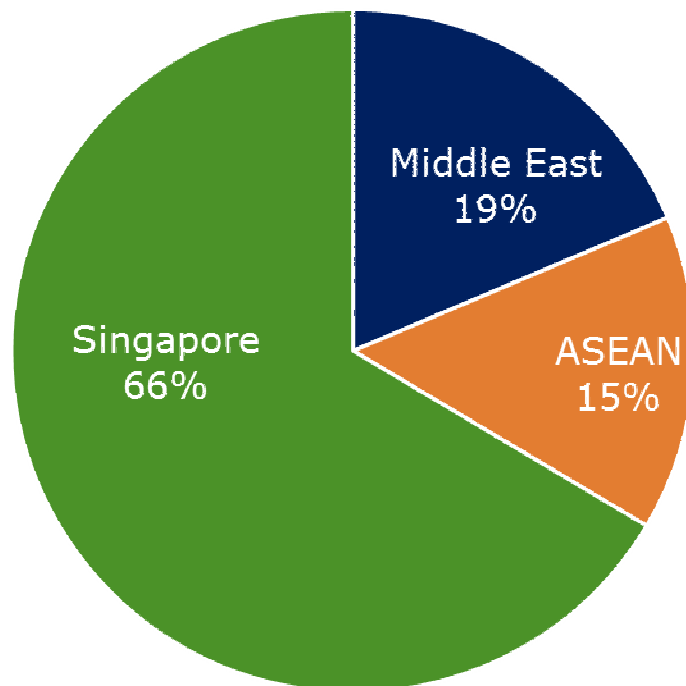
Note:

* Interest bearing debt

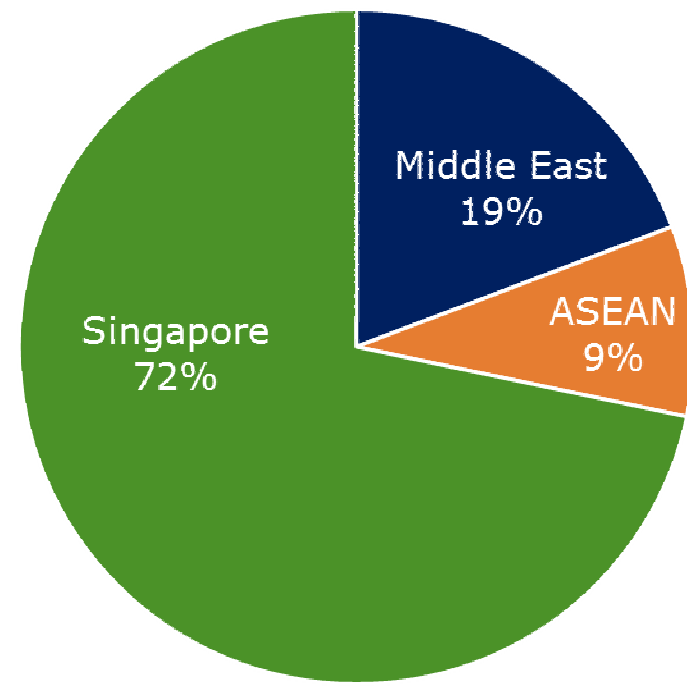
- **Maintained low debt to equity ratio**
- **Well positioned to capitalize on prospective investments**
- **NAV per share at 46.4 cents**

Revenue by Regions

3Q 2015

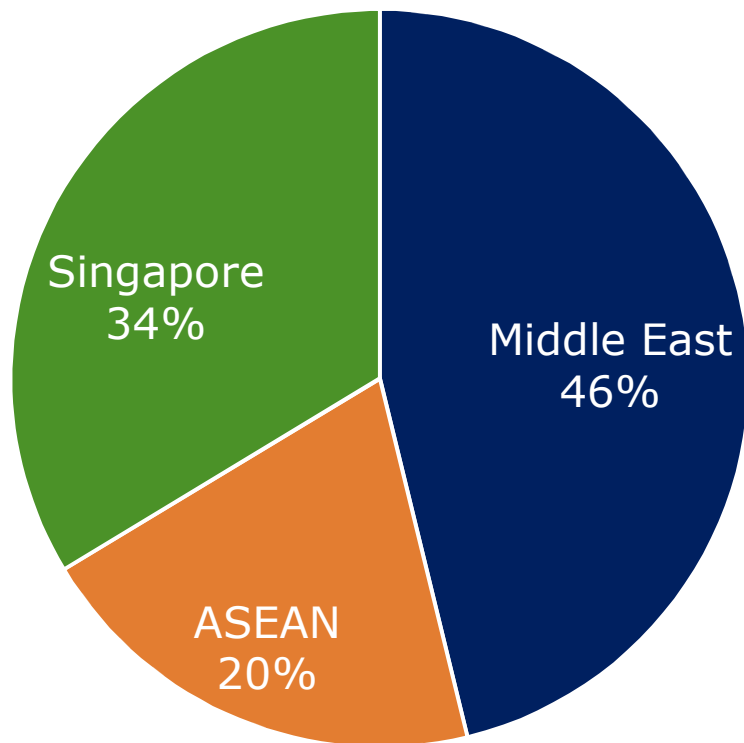


3Q 2014



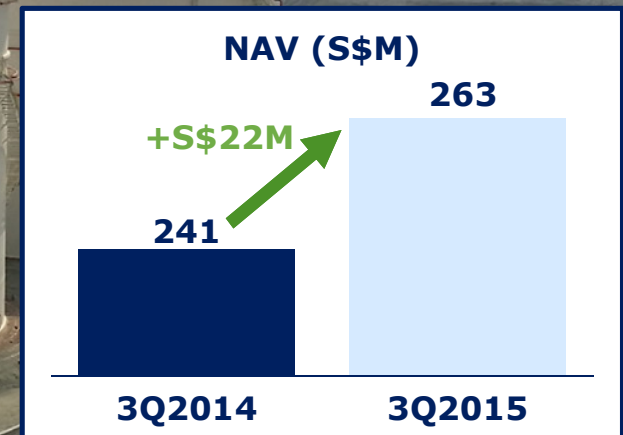
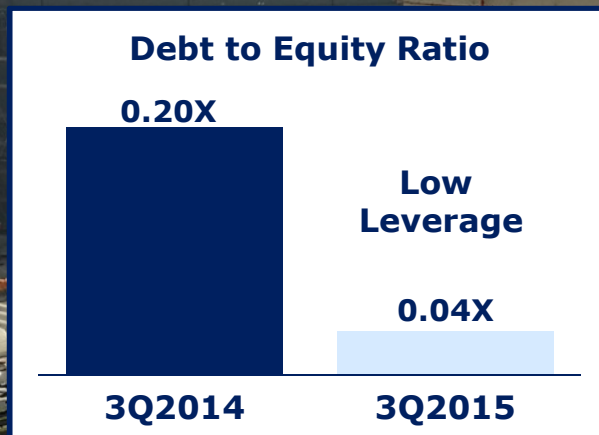
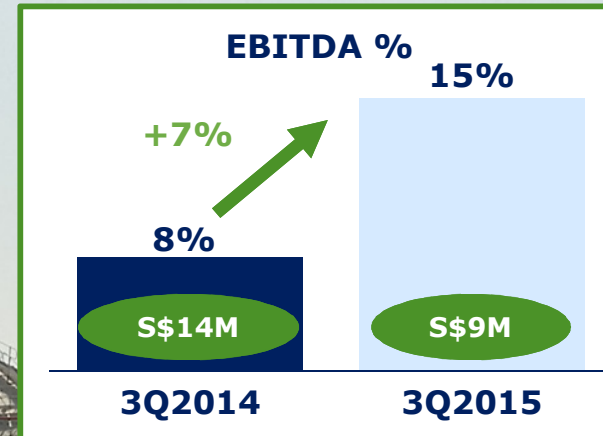
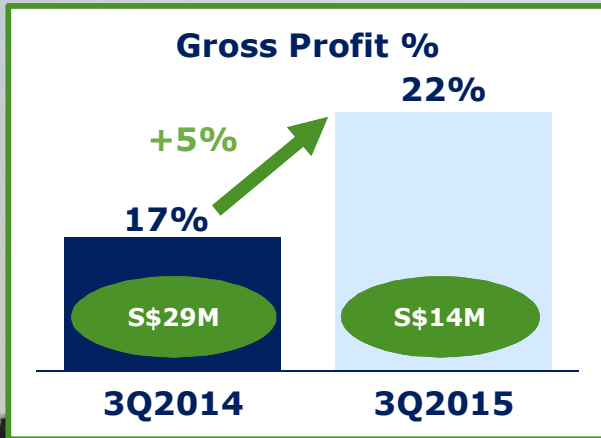
Order Book By Geographies

3Q2015 : S\$144M



- **Actively sourcing business opportunities in these regions**
- **SIJORI, ASEAN & Middle East continue to present potential for large scale projects**

Financial Cockpit





BUSINESS UPDATE & DEVELOPMENT

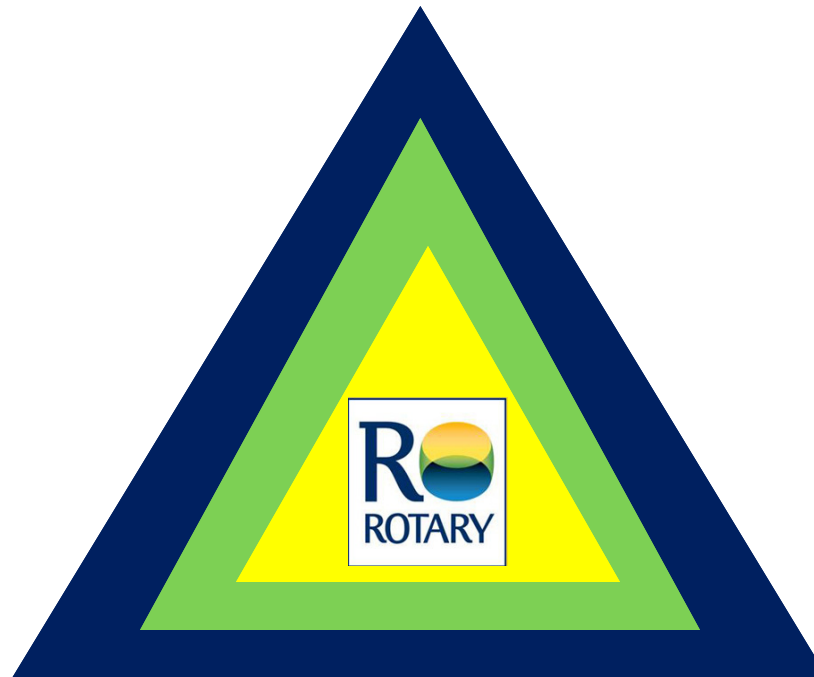




Business Development

SIJORI

(Singapore, Johor, Riau Islands)



ASEAN

(Mekong Delta Region –
Thailand, Vietnam)

Middle East

(UAE, Saudi Arabia, Oman)

Business Development (Cont.)

A wider approach to address new opportunities:



- **Tendering / Direct Negotiation**



- **Strategic partnerships / JV**



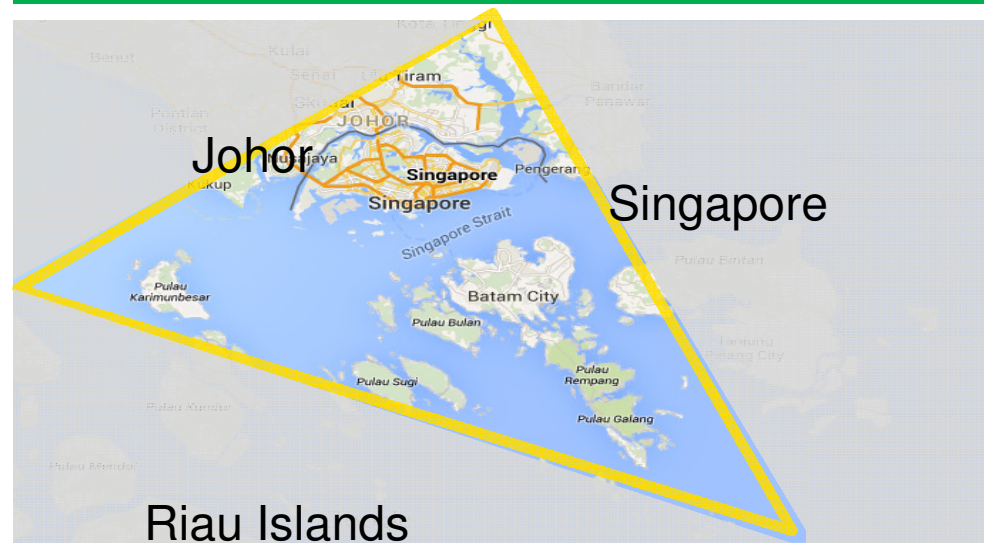
- **BOO / BOT / asset ownership**

Business Development (Cont.)

Singapore

- Higher value-add projects
- Mid-sized specialty chemicals companies
- Focus on Maintenance business:
 - ❖ Storage tank repair, refurbishment and upgrading
 - ❖ Oil terminals in Singapore are focusing on predictive and preventive maintenance
 - ❖ Received increased enquiries for total plant maintenance

SIJORI

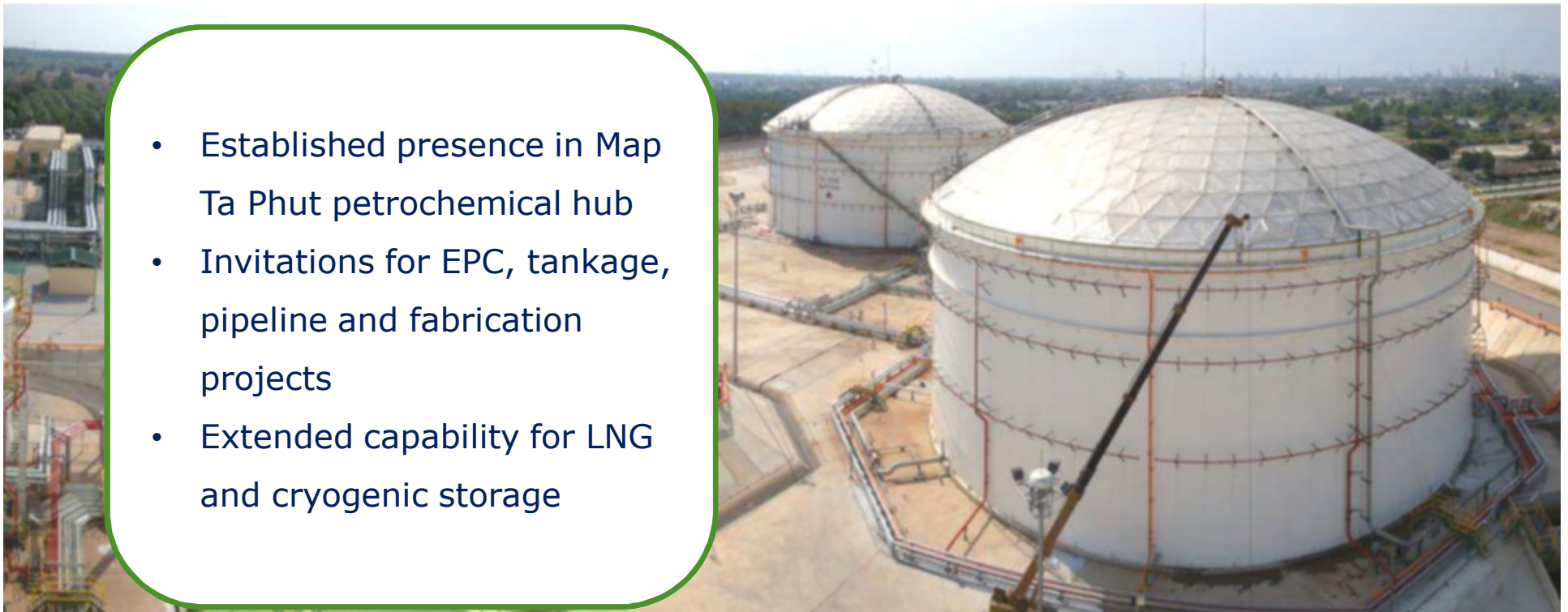


- Terminals, refineries spill-over into SIJORI
- Crude/Petrochemicals/LNG
- Oil terminal development site

Business Development (Cont.)

Thailand

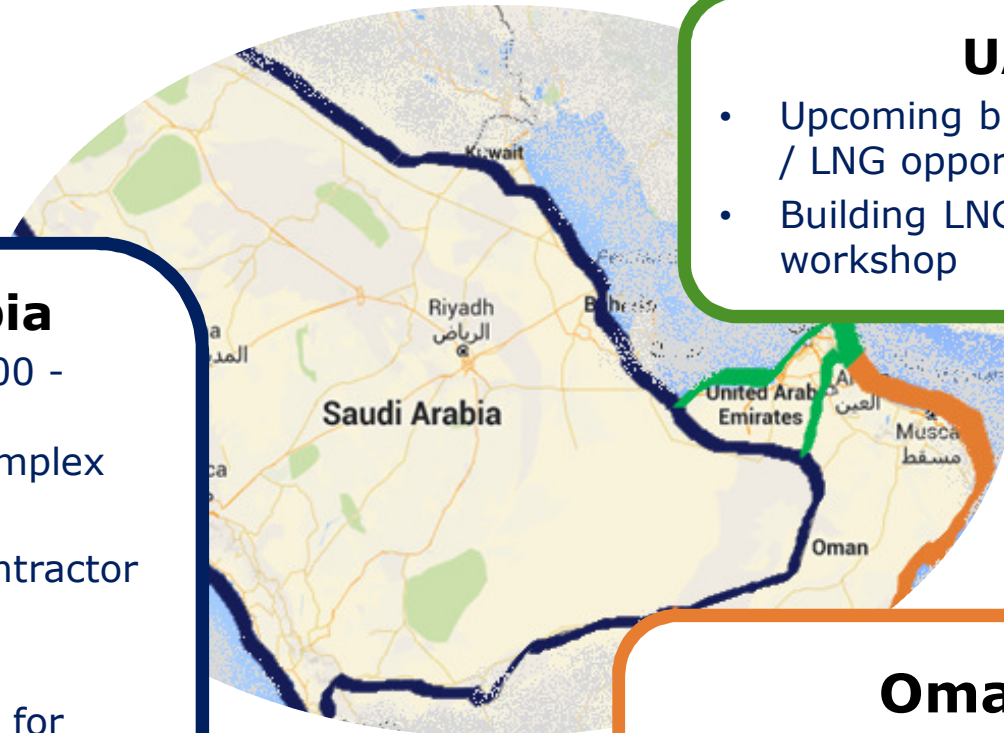
- Established presence in Map Ta Phut petrochemical hub
- Invitations for EPC, tankage, pipeline and fabrication projects
- Extended capability for LNG and cryogenic storage



Business Development (Cont.)

Saudi Arabia

- Projects within 200 - 300km of Jubail petrochemical complex
- Specialist sub-contractor
- New organisation structure tailored for local business environment



UAE

- Upcoming bulk liquid / lube / LNG opportunities
- Building LNG specialized workshop

Oman

- Opportunities in Raz Markaz, Al Jifnain and Duqm
- Oman engineers trained in Rotary

Business Development (Cont.)

LNG

- Progress on track for 1st LNG job in Thailand: completed roof installation for both tanks
- Looking at our 2nd LNG project in Middle-East. Building specialised LNG fabrication workshop
- Actively pursuing LNG opportunities in SE Asia

Integrated Service Provider

- End to end value chain integrator/aggregator
- Combination of technical & financial strength
- Participation in the full value chain with partners



THANK YOU