



# **Eversendai Corporation Berhad**

## **Analyst & Investor Briefing**

### **Q3 2011 Results**

**11 November 2011**

**EVERSENDAI**

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# AGENDA

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# Business Update



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# **BUSINESS UPDATE**

## **Q3 2011 Business Update**

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### **Overview**

- Eversendai has had a sustainable Q1, Q2 & Q3 2011 with strong margins across the board
- Growth is being driven by the Structural Steel segment
- Majority of contributions were for projects from the Middle East
  - 88% of the Group's revenue in 9M 2011 was from Middle East operations in UAE, Saudi Arabia and Qatar
  - Balance revenue of 7% and 5% from India and Malaysia respectively

### **Outstanding Orderbook**

- Strong orderbook of RM1.5 billion as at 30 September 2011
- 53% from Structural Steel projects, 12% from Power Plant and 35% from Civil Projects
- 60% from the Middle East projects, 37% from India and 3% from Malaysia

### **Fabrication Facilities**

- Acquisition of land for the fabrication plant in India has been finalised for 25 acres. Due diligence is on going for the balance 15 acres
- Construction of the fabrication plant is expected to start shortly with an expected completion in 2012. Total land, construction and fit out cost including plant & machineries for phase 1 is estimated at RM50 million

### **Human Resource**

- Personnel strength has increased from 6,424 as at 16 May 2011 to 6,894 as at 30 September 2011, an increase of 470 (7.3%). As our business is expanding, adequate personnel with the relevant experience and expertise are being recruited on an on-going basis

# BUSINESS UPDATE

## Key Achievements FPE 30 September 2011

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### New Contracts

- Total contracts won in 9M 2011 is valued at RM841 million, including the following major contracts:
  - Erhama Bin Jaber Al Jalahma Shipyard at Ras Laffan port, Qatar valued at RM133 million
  - KLIA 2 (new LCCT), Malaysia valued at RM41 million
  - Sabah Oil & Gas Terminal, Malaysia valued at RM31 million
  - Masdar Institute of Science & Technology Phase 1B, Abu Dhabi valued at RM17 million
  - Worli Mixed Use Development project in Mumbai, India valued at RM280m
  - Qatar Faculty of Islamic Studies (QFIS) Project in Doha, Qatar valued at RM39m
  - Salalah Airport expansion project in the Sultanate of Oman valued at RM57m
  
- 57% of the new projects secured in 9M 2011 are from the Middle East, 35% from India and balance 8% from Malaysia
  
- Structural Steel segment continues to dominate at 53%, while contribution from Civil Projects has increased to 35%

# BUSINESS UPDATE

## On-Going Projects

### New Doha International Airport (NDIA) CP51



- Contract valued at RM276 million
- 3<sup>rd</sup> phase of the airport awarded by the Six Construct Midmac JV
- The project is on track as per schedule

### King Abdullah Petroleum Studies & Research Centre (KAPSARC)



- Contract valued at RM154 million
- Awarded by Saudi Aramco after a fast-tracked approval to be part of their approved panel of contractors
- The project is on track as per schedule

### Capital Market Authority Tower



- Contract valued at RM226 million
- Awarded by Saudi Binladin group
- The project is on track as per schedule

### Cleveland Clinic Abu Dhabi

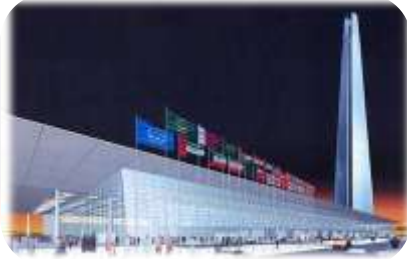


- Contract valued at RM280 million
- Awarded by Samsung – Sixco JV.
- The project is on track as per schedule

# BUSINESS UPDATE

## On-Going Projects

### Doha Convention Centre



- Contract valued at RM149 million
- Awarded by the Six Construct Midmac JV
- The project is on track as per schedule

### Gate District Abu Dhabi



- Contract valued at RM71 million
- Awarded by Arabian Construction Co.
- The project is on track as per schedule

### Boiler / ESP Package in Tuticorin



- Contract valued at RM62 million
- Awarded by BHEL
- The project is on track as per schedule

### BTG Package in Warora



- Contract valued at RM30 million
- Awarded by Emco Energy
- The project is on track as per schedule



# NEW CONTRACTS

## Some New Contracts Awarded

### Erhama bin Jaber Al Jalahma (Nakilat) Shipyard



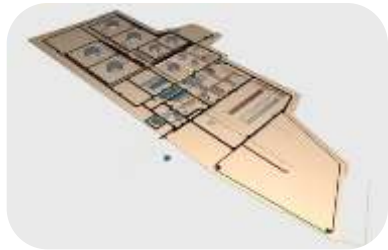
**Location:**  
Ras Laffan port, Qatar  
**Owner:**  
Qatar Petroleum  
**Contract Awarded:**  
June 2011  
**Contract Value:**  
RM133 million

### KLIA2 (LCCT)



**Location:**  
Sepang, Malaysia  
**Owner:**  
MAHB  
**Contract Awarded:**  
March 2011  
**Contract Value:**  
RM41 million

### Sabah Oil & Gas Terminal



**Location:**  
Sabah, Malaysia  
**Owner:**  
Petronas Carigali Sdn Bhd  
**Contract Awarded:**  
May 2011  
**Contract Value:**  
RM31 million

### Masdar Institute of Science & Technology Phase 1B



**Location:**  
Abu Dhabi, UAE  
**Owner:**  
Abu Dhabi Future Energy Co  
**Contract Awarded:**  
February 2011  
**Contract Value:**  
RM17 million

# NEW CONTRACTS

## Some New Contracts Awarded (Cont'd)

### Worli Mixed Use Development



**Location:**  
Mumbai, India  
**Owner:**  
Oberoi Realty  
**Contract Awarded:**  
September 2011  
**Contract Value:**  
RM280 million

### Qatar Faculty of Islamic Studies



**Location:**  
Doha, Qatar  
**Owner:**  
Qatar Foundation  
**Contract Awarded:**  
September 2011  
**Contract Value:**  
RM39 million

### Salalah Airport Expansion



**Location:**  
Sultanate of Oman  
**Owner:**  
Ministry of Transport & Communication  
**Contract Awarded:**  
September 2011  
**Contract Value:**  
RM57 million

### Samba HQ, Riyadh

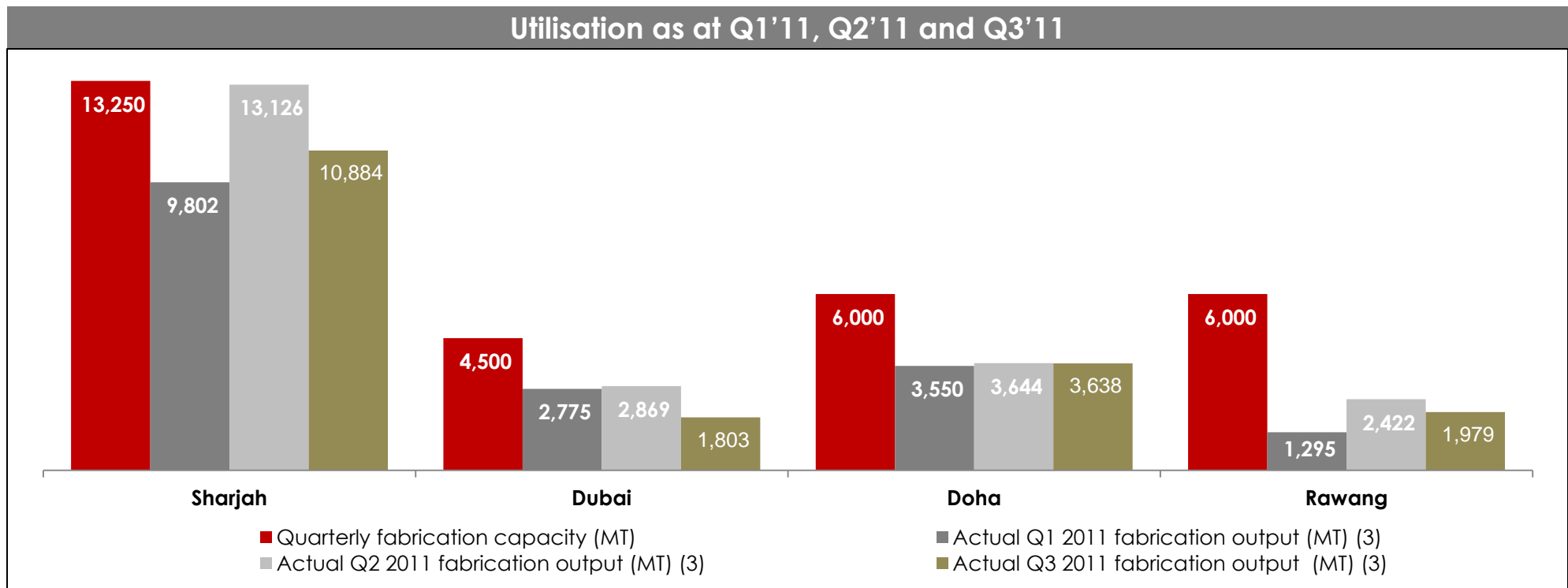


**Location:**  
Riyadh, Saudi Arabia  
**Owner:**  
SAMBA Head Quarters building - SAMBA BANK  
**Contract Awarded:**  
May 2011  
**Contract Value:**  
RM11 million

Total contract wins for 2011 as at 30 September 2011 is RM841 million

# FINANCIALS

## Capacity and Utilization



Notes:

- (1) Percentage of utilisation as at 31 March 2011, 30 June 2011 and 30 September 2011 represents actual fabrication output over quarterly fabrication capacity.
- (2) The annual fabrication capacity of combined fabrication facilities is measured in MT based on the production floor area, number of machines, production workers and the number of production operators manning the machines as at the end of each quarter being operational for a single shift plus overtime per day.
- (3) The quarterly fabrication capacity is 25% of the annual fabrication capacity.

- 9M 2011 capacity utilisation in Sharjah, Dubai, Doha and Rawang is 85%, 55%, 60% & 32% respectively.
- Capacity utilization is directly proportional to the complexity of the structures involved, where complex geometrical structures requires more man-days to fabricate.
- In Q3 2011 we were fabricating the complex geometrical structures for KAPSARC, Gate District Tower, Doha Convention Centre, New Doha International Airport Phase 3 projects with Architecturally Exposed Structural Steel (AESS) requirements.

# MOVING FORWARD

## Outlook & Strategy

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### Outlook in our Core Markets – the Middle East, Malaysia & India

- Our core markets continue to be vibrant and offer excellent opportunities to the Group
- Our projects are not affected by the US Debt Crisis and or the economic volatility of the Euro Zone Debt Crisis. Our focus is on infrastructural projects such as airports, hospitals, convention centers and commercial projects
- We will continue to grow at a healthy pace
- Middle East (UAE, Qatar, Saudi Arabia)
  - ✓ There are no unrest in the regions where we operate in the Middle East
  - ✓ We continue to receive regular enquiries for new tender proposals
  - ✓ Projects are being awarded progressively
- India
  - ✓ India continues to grow at a healthy pace
  - ✓ Several high rise building projects particularly in Mumbai and Bangalore are to be awarded
  - ✓ New Airports
  - ✓ India Ministry of Power expect demand for electricity in India to be 950,000 MW by 2030
- Malaysia

The construction sector is set to benefit from the high impact projects under the Government's 10<sup>th</sup> Malaysian Plan, which collectively worth approximately US\$20 billion. Some potential projects are as follows:

  - ✓ Manjung & Tanjung Bin Power plant projects
  - ✓ KL MRT project
  - ✓ Rapid project by Petronas

### Strategy & Business Focus

Our Strategy and Business Focus will remain on track

- Enhance penetration in existing and expand into new markets
- Continue to secure iconic projects
- Expand our service offering mechanical and electrical solutions for power plants
- Increase our fabrication capacity in India with our new facility

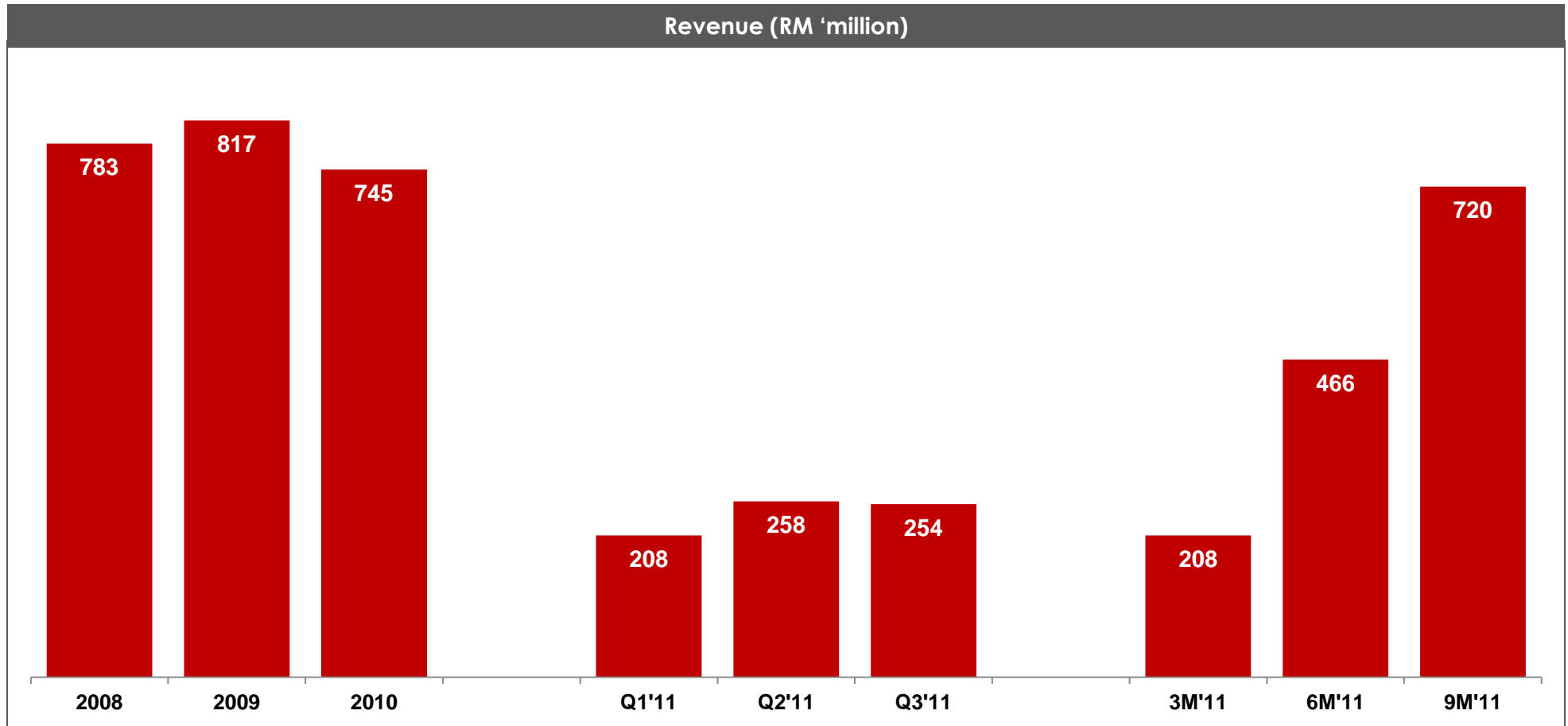
## Q3 2011 Results



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# Q3 2011 RESULTS

## Revenue

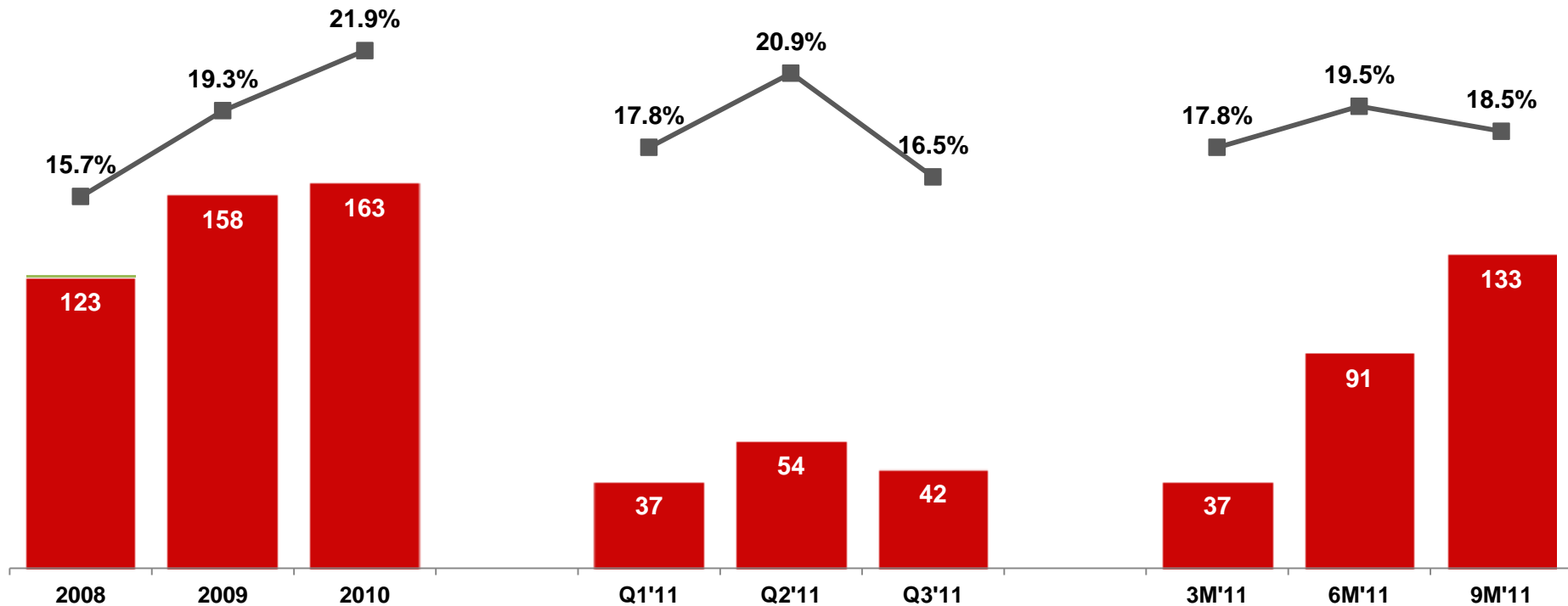


- Revenue for 9M 2011 of RM720.4 million represent a YoY rise of 30.7% (9M 2010: RM551.3 million) that was driven by the Structural Steel segment
- Revenue for Q3 2011 decreased slightly by 1.4% or RM3.7 million to RM254.4 million as compared to Q2 2011
- Revenue 9M 2011 represent 96.7% of full year revenue for 2010

# Q3 2011 RESULTS

## EBITDA

\*EBITDA (RM '000) & EBITDA Margin



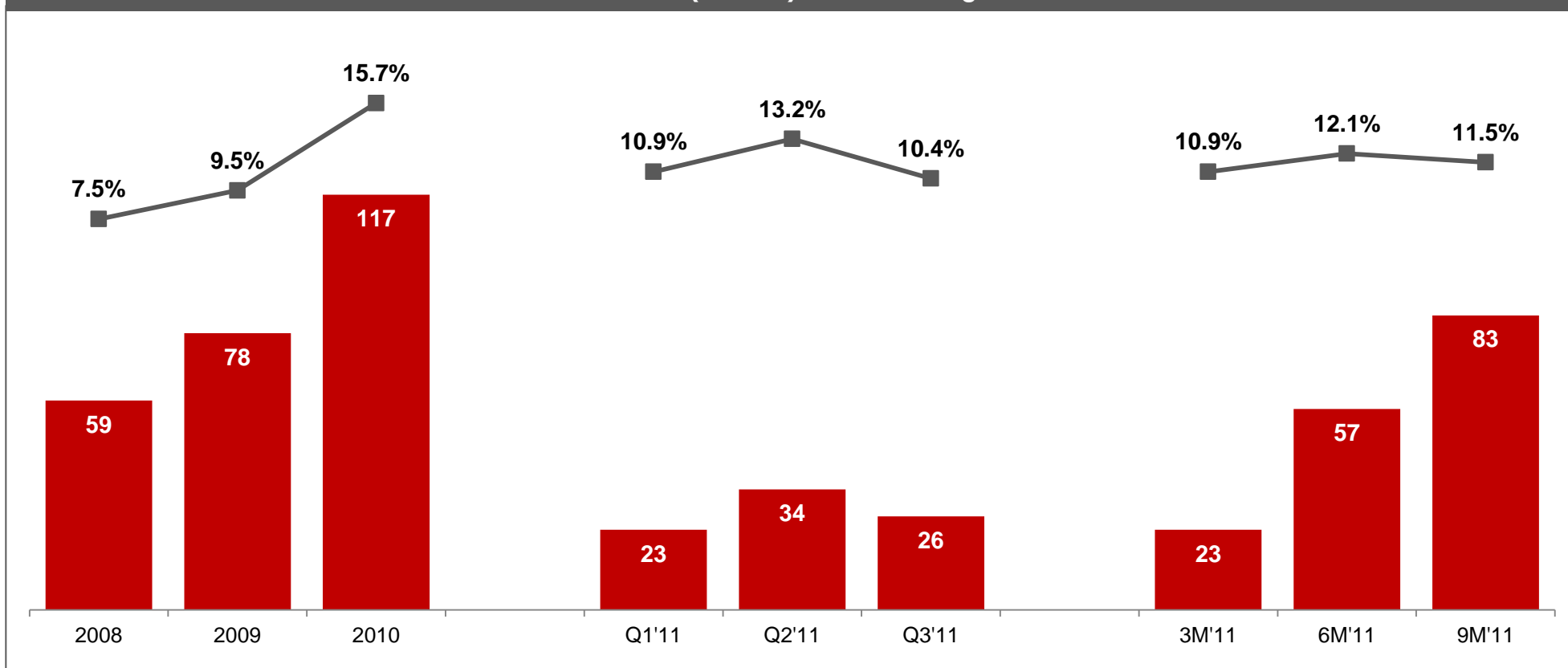
- EBITDA for Q3 2011 decreased by 23.1% from RM54.0 million in Q2 2011 to RM41.5 million in Q3 2011
  - This is mainly due to the variation order recorded in Q2 2011 for NDIA Phase I & extension Project which is in the completion phase and
  - IPO expenses written off in Q3 2011 amounting to RM3.8 million. If we add back the IPO Expenses, the EBITDA margin for Q3 2011 will be the same with Q1 2011 at 17.8%
- 35.5% growth in EBITDA for 9M 2011, an increase of RM34.7 million from 9M 2010: RM97.8 million



# Q3 2011 RESULTS

## PATAMI

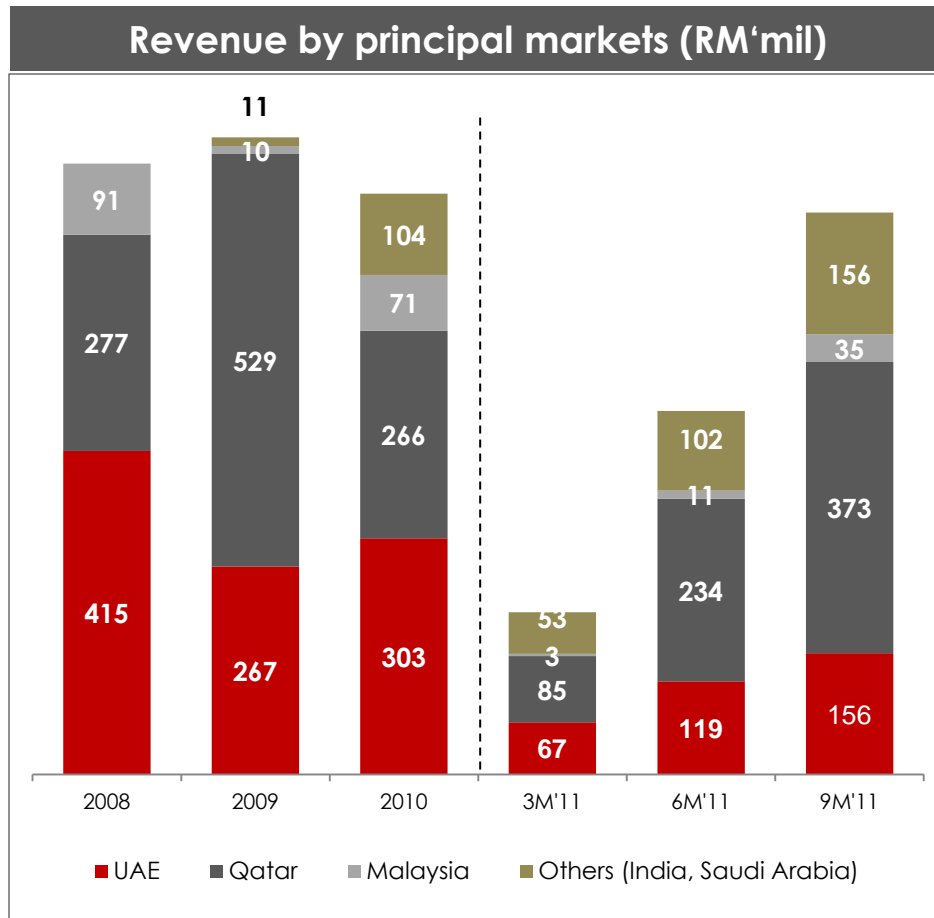
\*PATAMI (RM '000) & PATAMI Margin



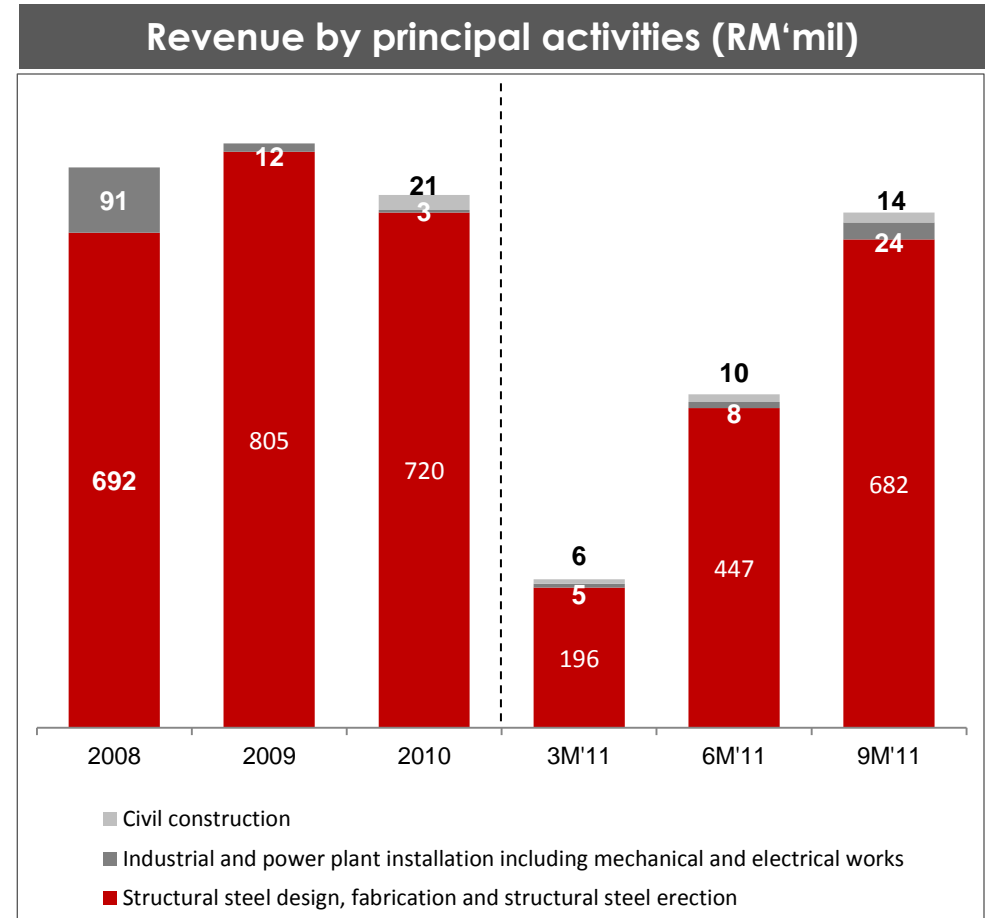
- PATAMI for Q3 2011 decreased by 22.3% or RM7.6 million from RM34.0 million in Q2 2011
  - This is mainly due to the variation order recorded in Q2 2011 for NDIA Phase I & extension Project which is in the completion phase, and
  - IPO expenses written off in Q3 2011 amounting to RM3.8 million. If we add back the IPO Expenses, the PATAMI margin for Q3 2011 will be RM30.2 million or 11.9% compared to 10.9% in Q1 2011
- 38.1% or RM22.9 million growth in PATAMI for 9M 2011 when compared to 9M 2010: RM60.1 million

# FINANCIALS

## Revenue by Principal Markets & Principal Activities



- For 9M 2011, our revenue was predominantly derived from projects in the Middle East at 88% whilst Malaysia and India contributed 5% and 7% respectively

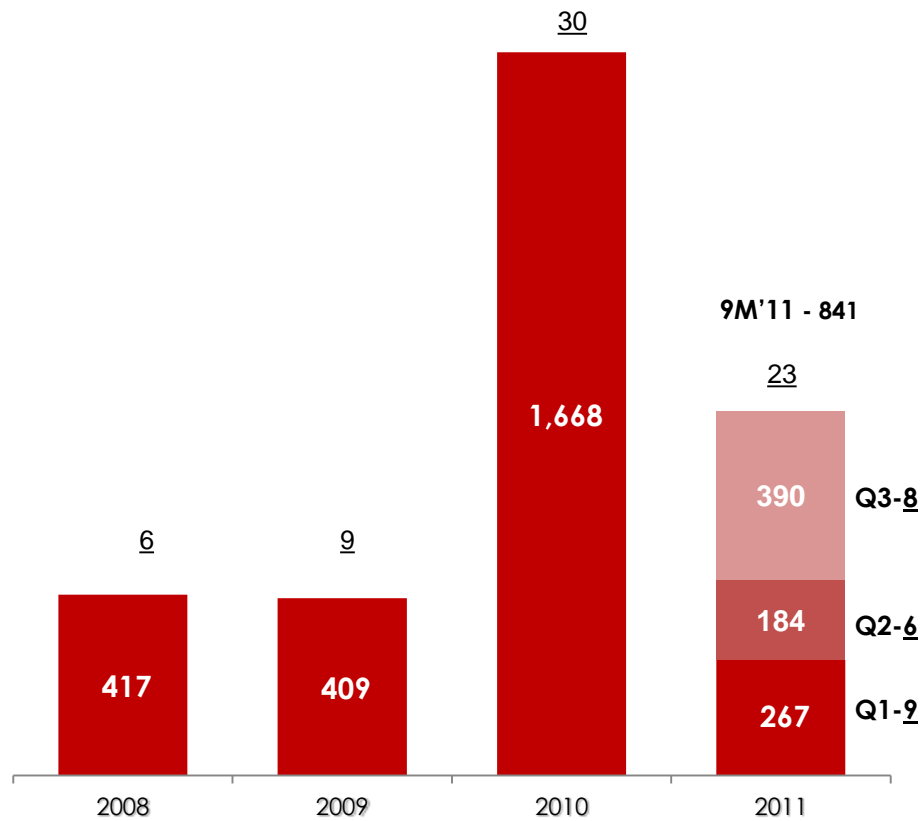


- 95% (RM682.5 million) of Revenue for 9M 2011 is from Structural steel segment, 3% from Power Plant segment and the balance 2% from Civil Construction segment

# FINANCIALS

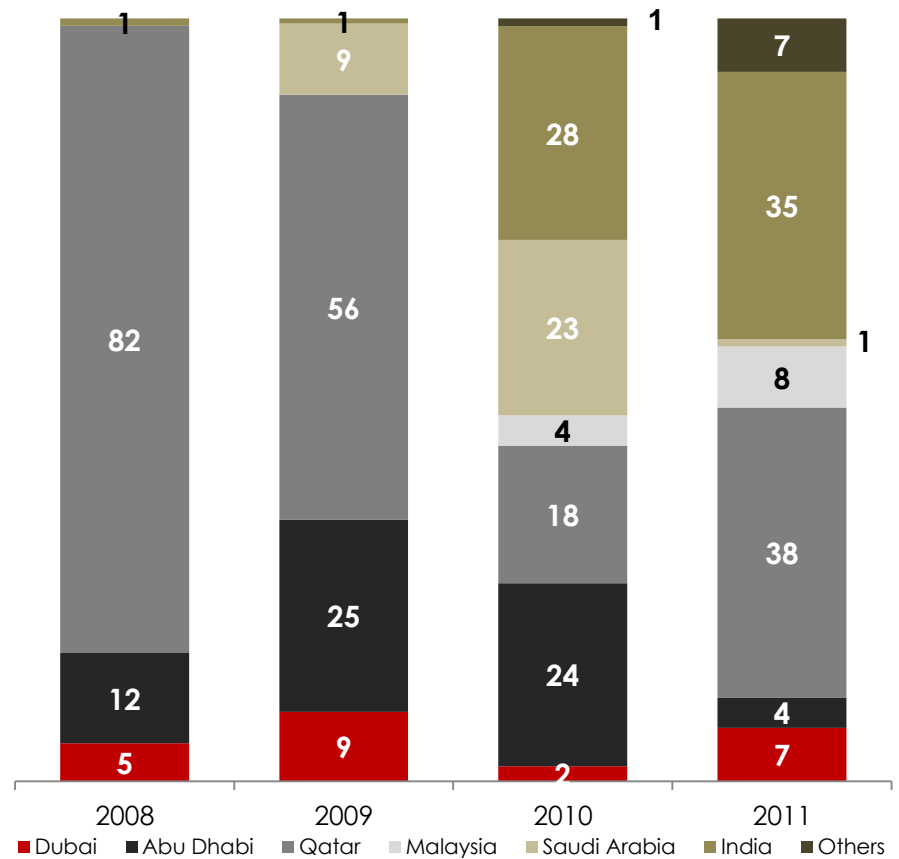
## Order Book – New

New Contract Awards 2008 – 9M 2011 (RM 'mil)



For 2011, based on new contract awarded as at each quarter end respectively.

New Contract Awards by Region 2008–9M'11 (%)



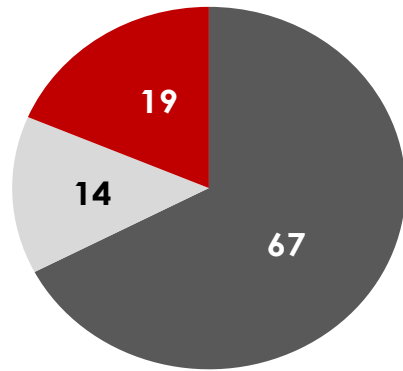
For 2011, based on new contract awarded as at 30 September 2011.

# FINANCIALS

## Order Book By Business Segment and Geography

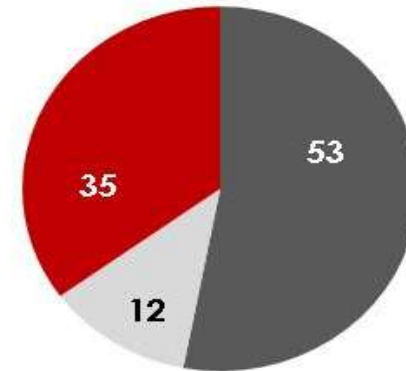
### Order Book Split by Business Segment (%)

As at 30 June 2011



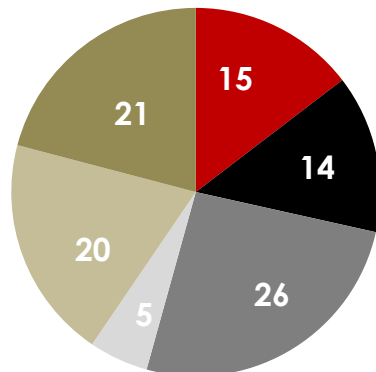
- Structural Steel  
Design, fabrication and structural steel erection (excluding industrial and power plant)
- Industrial and power plant  
installation including mechanical and electrical works
- Civil Construction

As at 30 Sept 2011



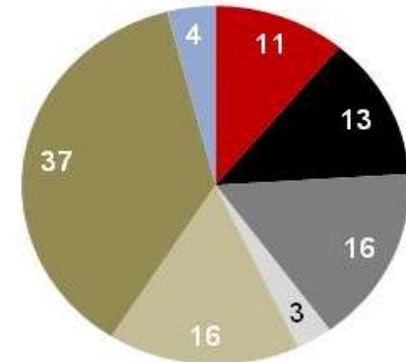
### Order Book Split by Geography (%)

As at 30 June 2011



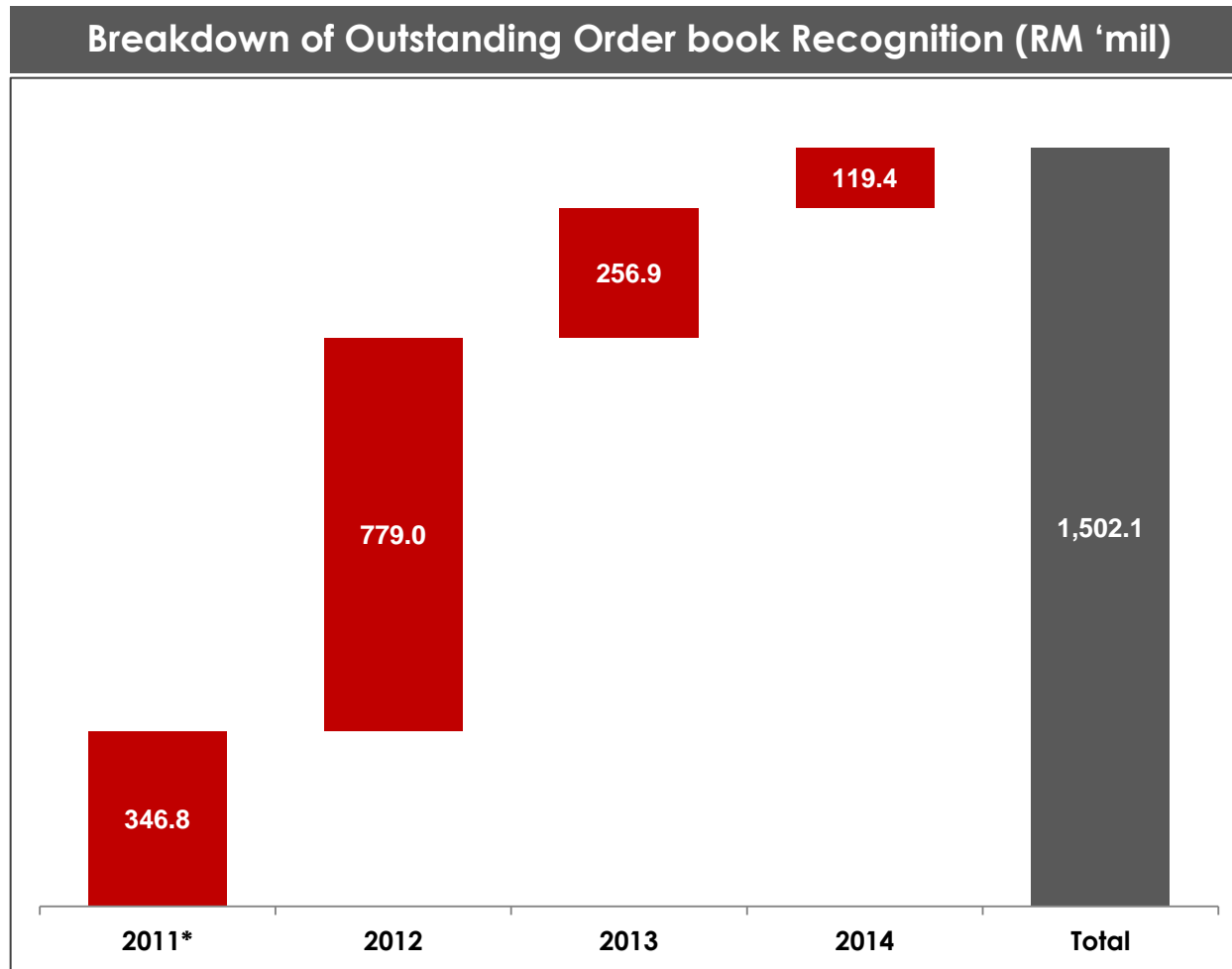
- Dubai
- Abu Dhabi
- Qatar
- Malaysia
- Saudi Arabia
- India
- Others

As at 30 Sept 2011



# FINANCIALS

## Order Book Run Rate From 30 September 2011



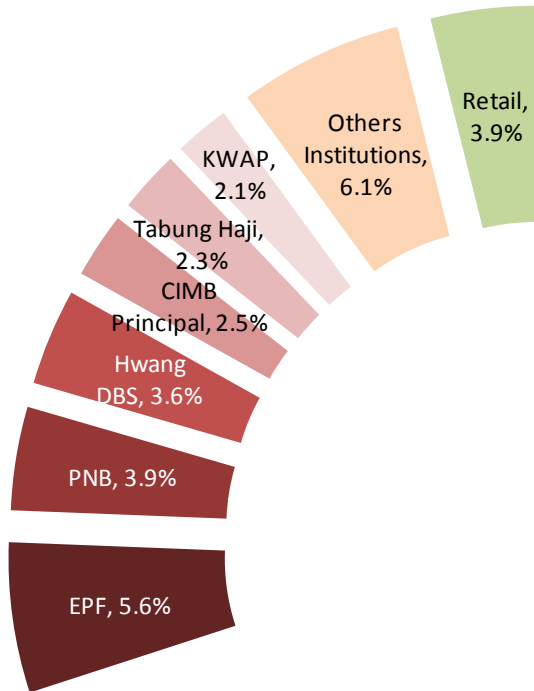
Note: \* For the remaining 3-month period from 1 October 2011 to 31 December 2011.

- ✓ The run rate of our orderbook is based on the various project schedules
- ✓ For 2011, revenue recognised is predominantly attributable to structural steel projects
- ✓ Whereas revenue for 2013 and 2014 is attributable to power plant and civil projects

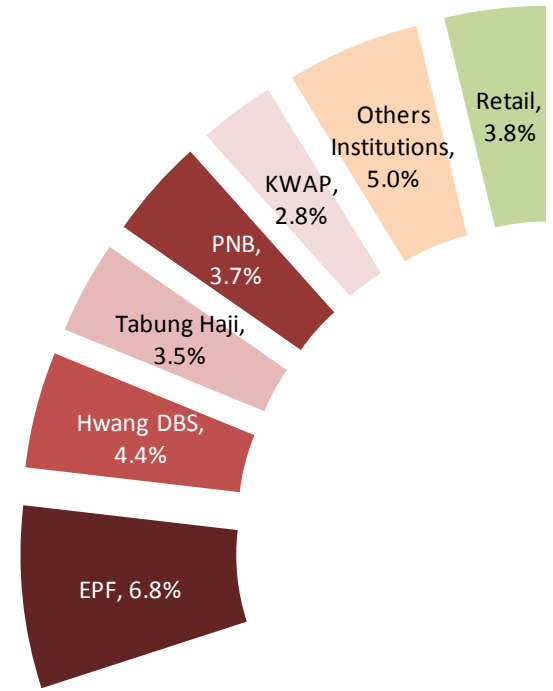
# SHAREHOLDING STRUCTURE

Shareholding Structure as at IPO & 31<sup>st</sup> October 2011

Shareholding Structure upon Listing



Shareholding Structure as at 31 October 2011



Note: Only Institutional investors holding more than 2% have highlighted individually.

Q&A  
Thank you



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