

SMART
LIVING WITH
Advancer
Global 前进集团

ADVANCER GLOBAL LIMITED

INVESTOR PRESENTATION
MARCH 2018



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The contact person for the Sponsor is Mr. Ong Hwee Li (Telephone: +65 6532 3829) at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542.)

OUR BUSINESS MODEL

- Advancer Global, an established and integrated workforce solutions and services provider in Singapore, operates through **two main business divisions: (i) Employment Services, and (ii) Facilities Management Services**, to provide a holistic suite of solutions and services to our diverse base of customers.
- To complement our business platforms, we will continue to **integrate and innovate to enhance operational efficiencies to bring greater effectiveness and benefits** to our diverse base of customers, both corporations and households.



OUR INTEGRATED PLATFORM



OUR FOCUSED BUSINESS SEGMENTS

- Advancer Global offers a **comprehensive and customised range of solutions and services** for our diverse customer base.



SMART FACILITY MANAGEMENT

- Aligned with Singapore government's initiatives towards a Smart Nation, the Group continues to **innovate our facilities management services by integrating Smart Technology solutions** to these services.



- Advancer Global is **well-placed to offer customizable facility management solutions and services** to provide a smart living lifestyle for everyone.

OVERVIEW OF FINANCIAL PERFORMANCE

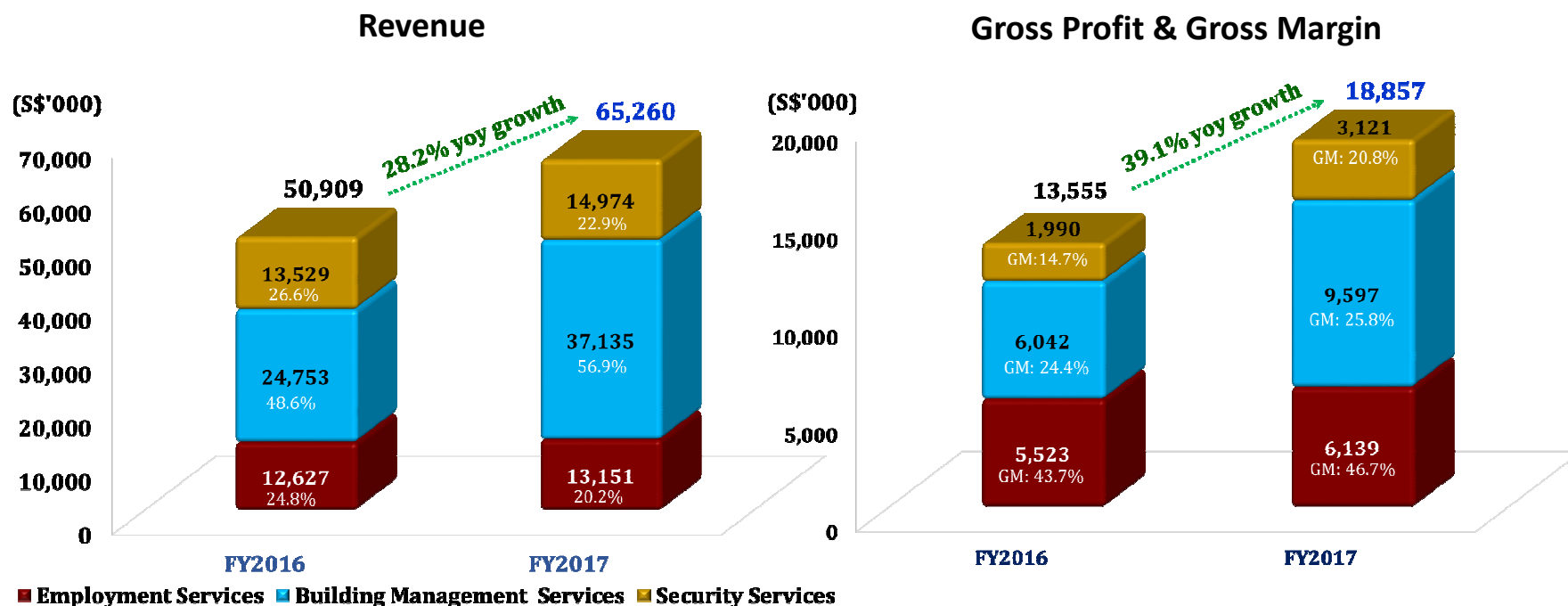
FYE 31 Dec (S\$'000)	FY2017	FY2016	Change YoY
Revenue	65,260	50,909	+ 28.2%
Gross profit	18,857	13,555	+ 39.1%
<i>Gross margin</i>	28.9%	26.6%	
Other operating income	1,320	2,747	- 51.9%
Administrative expenses	(16,701)	(12,896)	+ 29.5%
Finance expenses	(101)	(106)	- 4.7%
Profit before tax	3,375	3,300	+ 2.3%
Net profit attributable to Shareholders	3,056	2,675	+ 14.2%
Earnings Per Share (cents) ⁽¹⁾	1.69	1.54	+ 9.7%

Source: Company

Note:

- (1) Earnings per share was computed based on net profit attributable to shareholders and the weighted average number of shares (FY2017: 180.98 million and FY2016: 173.17 million).

FINANCIAL PERFORMANCE



- Higher revenue was attributed to:
 - ✓ higher placements of foreign domestic workers to households in Singapore for Employment Services segment
 - ✓ full-year contribution of subsidiaries acquired in second half of FY2016, particularly in the Building Management Services
 - ✓ higher aggregate service fees charged for on-going security services projects
- Higher margins across all business segments lifted composite gross margin to 28.9% in FY2017, as compared to 26.6% in FY2016.

BUSINESS SEGMENTS REVIEW

Revenue in S\$'000	FY2017	FY2016	YoY Change
Employment Services	13,151	12,627	+ 4.1%
Business Management Services	37,135	24,753	+ 50.0%
Security Services	14,974	13,529	+ 10.7%
Total	65,260	50,909	+ 28.2%

Gross Profit in S\$'000	FY2017	FY2016	YoY Change
Employment Services	6,139	5,523	+ 11.2%
Business Management Services	9,597	6,042	+ 58.8%
Security Services	3,121	1,990	+ 56.8%
Total	18,857	13,555	+ 39.1%

Gross Profit Margin	FY2017	FY2016	YoY Change
Employment Services	46.7%	43.7%	+ 3.0 ppt
Business Management Services	25.8%	24.4%	+ 1.4 ppt
Security Services	20.8%	14.7%	+ 6.1 ppt
Total	28.9%	26.6%	+ 2.3 ppt

OVERVIEW OF FINANCIAL POSITION

(S\$'000)	As at 31 Dec 2017	As at 31 Dec 2016
Non-current assets	9,698	9,089
Property, plant & equipment	2,511	1,488
Goodwill on consolidation	5,489	5,343
Intangible asset	1,597	2,159
Current assets	24,693	19,352
Trade & other receivables	16,622	11,088
Cash & bank balances	8,033	8,238
Total assets	34,391	28,441
Non-current liabilities	1,453	1,043
Current liabilities	10,873	11,221
Trade and other payables	9,608	9,986
Total liabilities	12,326	12,264
Shareholders' equity	21,621	15,720
NAV per share (cents)	11.64	9.08

Source: Company

Note:

- (1) NAV per share were computed based on shareholders' equity over the share capital (FY2017: 185.67 million shares and FY2016: 173.17 million shares. The increase in number of shares was due to the issue and allotment of 12.5 million shares to MES Group during the financial year.

STOCK STATISTICS AND KEY FINANCIAL RATIOS

STOCK STATISTICS		
Stock Code: SGX - 43Q Bloomberg – ADGL SP		
Last Price (as at 5 Feb 2018)	S\$0.28	
Number of ordinary shares	185.7 million	
Market Capitalisation	S\$52.0 million	

KEY FINANCIAL RATIOS	FY2017	FY2016
Return on Assets	8.9%	9.4%
Return on Equity	14.1%	17.0%
Asset/Equity	1.6	1.8
Current Ratio	2.3	1.7
Quick Ratio	2.3	1.7
Total Debts/Total Capital	8.1%	8.1%
Total Debts/Total Equity	8.8%	8.8%
P/E	16.6x	18.2x
P/B	2.4x	3.1x
P/Sales	0.8x	1.0x
EV/Sales	0.7x	0.9x
Div Yield	3.0%	2.8%

Group achieved high retention rate from existing customers with continuing new contract wins under Facilities Management Services division

- As at 31 December 2017, the Group has service contracts (with varying contract periods) amounting to approximately S\$3.6 million monthly from its facility management projects
- Customer retention rates for Group's Building Management Business and Security Business were 87.2% and 93.9% respectively

Strategic joint venture with TEE International in waste management and recycling

- Together with TEE International and another 3rd party, the Company acquired Chiang Kong Environmental Pte. Ltd. (which in turn owns Chiang Kiong Resources (Paper) Pte. Ltd.) and Envotek Engineering Pte. Ltd. for an aggregate consideration of S\$18.5 million

Recommended a final dividend of 0.34 Singapore cent per share for second half of FY2017

- Group declared and paid 0.49 Singapore cent per share in HY2017
- Group intends to declare approximately 50% of its net profit attributable to owners of the Company as dividends for financial years ended 31 December 2017 and financial year ending 2018
- Group announced on 9 February 2017 the adoption of a scrip dividend scheme to provide shareholders with greater flexibility by offering the option of receiving dividends in new shares or cash

Government's effort towards building Singapore into a Smart Nation

- innovate labour-intensive facilities management services through technology, and further enhance our existing man-machine method to address challenges on labour shortages and rising wages

Rising demand for security services amid declining manpower (aging population), higher wages and capped overtime hours

- continues to promote our integrated SMART Security solutions and services to private estates, commercial and industrial properties

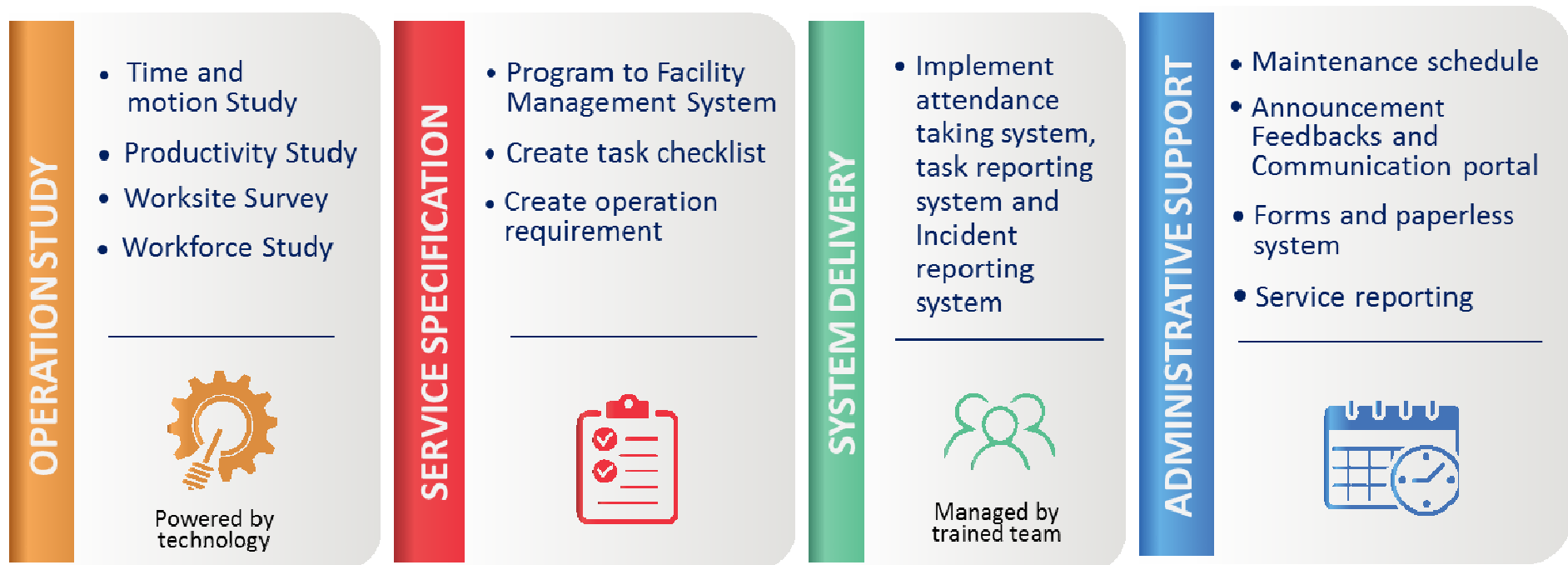
Optimise individual and yet complementary businesses of Group's subsidiaries

- drive growth through effective and cost-efficient integrated facilities management services to our broad base of customers
- continue to seek new and/or complementary businesses to enrich our solutions and services

AN EFFECTIVE HOLISTIC SOLUTIONS AND SERVICE PROVIDER

- The Group emphasises on **providing excellent services to our customers**. We continue to **invest and innovate** the traditional labour intensive services to **enhance efficiency and value-add** to our customers.

Our Solution → Man, Machine, Methods & Management



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THANK YOU!

Visit us at www.advancer.sg

