

SUTL Enterprise Ltd

Date: 7 June 2024

Sailing Towards Sustained Growth and Strategic Expansion

Non-Rated

BBG	SUTL SP	
Market Cap (S\$m)	62.1	
Price (S\$)	0.70	
52-week range (S\$)	0.495-0.73	
Target Price (S\$)	-	
Shares Outstanding (m)	88.7	
Free Float	45.4%	
Major Shareholder	SUTL Global Pte Ltd	53.45%
	Tay Teng Guan	1.11%

Source: Company data, Bloomberg, SAC Capital

Listed on the Singapore Exchange Mainboard in 2000, SUTL Enterprise Limited has evolved into a premier developer, operator, and consultant of integrated marinas. Headquartered in Singapore, it operates the iconic ONE°15 Marina Sentosa Cove and manages various marinas under the ONE°15 brand globally. Over the years, the Group has diversified its services to include luxury yacht chartering, consultancy, and management services, establishing a strong presence in the marina and yachting industry. Through strategic expansions and a commitment to sustainability, SUTL has cemented its position as a leader in creating luxurious waterfront experiences.

In FY23, the Group achieved a milestone by surpassing S\$40m (+5.2%, y/y) in operating revenue and EPS increased to 9.31 S cents, up from 8.74 S cents in FY22 (+6.5%, y/y). This reflects the significant growth in marina, room, and banquet sales. The Group's financial position also improved, with net cash (including liquid financial assets) rising to S\$57.1m in FY23, up 16.1% y/y, which is close to its market cap of S\$62.1m.

Expansion and upgrading of facilities at ONE°15 Marina Sentosa Cove, reflecting the growing demand enhancing the marina's capacity to accommodate larger and more luxurious yachts. The marina underwent a S\$5 million upgrade, increasing the number of superyacht berths from 15 to 33. This expansion reflects the growing demand for super yachts among the uber rich and the Group's ability to cater to this high-end niche.

In Phuket, Thailand, the group is redeveloping an existing marina. This strategic initiative involves a soft loan of S\$1.5 million to refurbish Phase 1, which will include 16 berths. The marina, located in a prime spot and has easy access to popular islands. The redevelopment agreement includes a renewable five-year lease, with the potential to extend up to 30 years on government-owned land. Additionally, the Group plans to secure up to 60% ownership stake in the marina, conditional upon Thai law which necessitates partnering with a local Thai business owner who will hold a 40% stake. The expansion will eventually see the development of Phase 2, adding 77 more berths.

SUTL is strategically expanding its footprint across Asia, enhancing its global presence and market position. Recent developments include the opening of ONE°15 Marina Nirup Island in Indonesia in July 2023 and the upcoming ONE°15 Marina Panwa Phuket in Thailand in late 2024. Additionally, SUTL will be managing the Indonesia Navy Club in Jakarta, Taihu International Marina in Suzhou and ONE°15 Marina Logan Cove in Zhongshan, China, once they are completed, catering to the growing demand for luxury yachting.

The Group demonstrates its commitment to sustainability through significant initiatives such as the Blue Water EduFest. This annual event, held at ONE°15 Marina Sentosa Cove, brings together corporates, conservationists, volunteers, and academia to raise awareness about ocean and coastal conservation.

In FY23, SUTL Enterprise Limited showcased its commitment to delivering shareholder value through its robust financial performance and dividend policy. The Group paid dividends amounting to S\$4.4m, up from S\$1.7m in FY22. This increase reflects the company's confidence in its financial stability and growth prospects. SUTL's dividend policy aims to provide consistent and sustainable returns to its shareholders, balancing the need for reinvestment in growth opportunities with the desire to reward shareholders for their continued support. Over the past five years, dividend yield, ranged from 3.5% to 10.4%, with a payout ratio of more than 0.5.

Potential risks include i) regulatory and compliance challenges across different jurisdictions, ii) economic fluctuations affecting demand for luxury yachting and marina services, and iii) environmental risks such as climate change and extreme weather events impacting marina operations.

5-Year Share Price





































































































Source: Bloomberg

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YE Dec (S\$m)	FY19	FY20	FY21	FY22	FY23
Revenue	31.8	27.0	31.9	38.1	40.1
Revenue growth	(3.6%)	(15.0%)	17.9%	19.6%	5.2%
Net profit	1.8	2.4	3.0	6.9	7.5
Net profit growth	(68.0%)	34.2%	23.8%	133.2%	7.7%
EPS (S\$ cents)	2.9	3.7	5.7	8.7	9.3
EPS growth	(57.2%)	28.6%	55.6%	52.3%	6.52%
Dividend per share (S\$ cents)	2	2	12	5	5
Dividend yield	3.5%	4.8%	23.5%	10.4%	8.6%
Dividend payout	69.7%	54.2%	209.1%	57.2%	53.7%

Financial Highlights

Total Revenue (\$'000)	2023	         40,112
	2022	        38,132
	2021	        31,882
	2020	    27,035
	2019	     31,808
Profit Before Tax (\$'000)	2023	         9,681
	2022	        8,102
	2021	        4,502
	2020	    3,624
	2019	   3,130
EBITDA (\$'000)	2023	         15,277
	2022	        13,714
	2021	        10,180
	2020	    9,756
	2019	   8,961

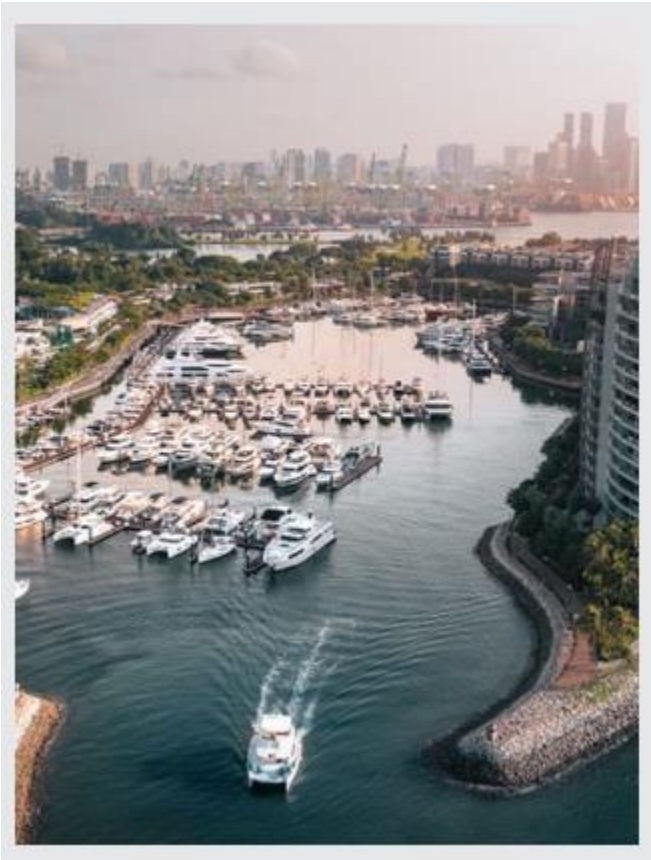
Source: Company data

ONE15 Marina Club Sentosa Cove Singapore

The club offers world-class facilities and exclusive club amenities. These include an infinity pool, a fitness centre, a member’s lounge, a modern spa, restaurants and a bar. The club also contains 26 rooms.

Fact Sheet

 272 Wet Berths (including 32 mega yachts berths)	 Waste Pump-out System
 60 Dry Berths	 Wi-Fi
 Fuel Sales (Petrol & Diesel)	 Exclusive Dining Venues
 Buggy Service To and From The Clubhouse	 Members' Lounge
 Metered Power Supply (Up to Three-Phase 500AMp)	 26 Hotel Rooms
 Metered Potable Water Supply	 Meeting Room Spaces
 Fire-Protection System	 Swimming Pool
 24-hour Security and CCTV Surveillance	 Gym & Spa
 Gated Marina Access	 Tennis Courts
 Laundry Room	



Source: Company data

ONE15 Marina Club Phuket





A gateway to international yachting routes.



Source: Company data

ONE15 Marina Nirup Island

The club, located off Batam, Indonesia, is just 8 nautical miles from Singapore. It opened in July 2023.

FACT SHEET	
 44 Berths (Phase 1)	 Wi-Fi
 Customs, Immigration, Quarantine (CIQ) Facility	 Restaurant
 24-hour Security and CCTV Surveillance	 Marina Reception
 Laundry Amenities	 Sea Sports Centre
 Shower Rooms	



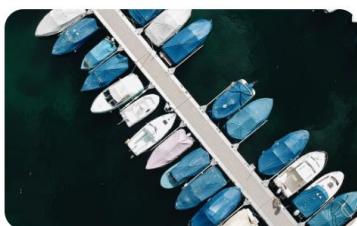
Source: Company data

Blue Water EduFest

Blue Water EduFest is an ocean conservation event which serves to protect our ocean in this part of the world. The three-day event will encompass a conference, a fund-raising event and a sustainable luxury showcase, culminating with a marina clean-up on the final day.

Marine Conservation Conference

The conference brings subject matter experts together to discuss on core ideas.



High Seas Treaty



Blue Carbon



Deep Sea Mining

Blue Water Heroes

A platform that provides a space for eco-champions to pitch their ideas to sponsors.

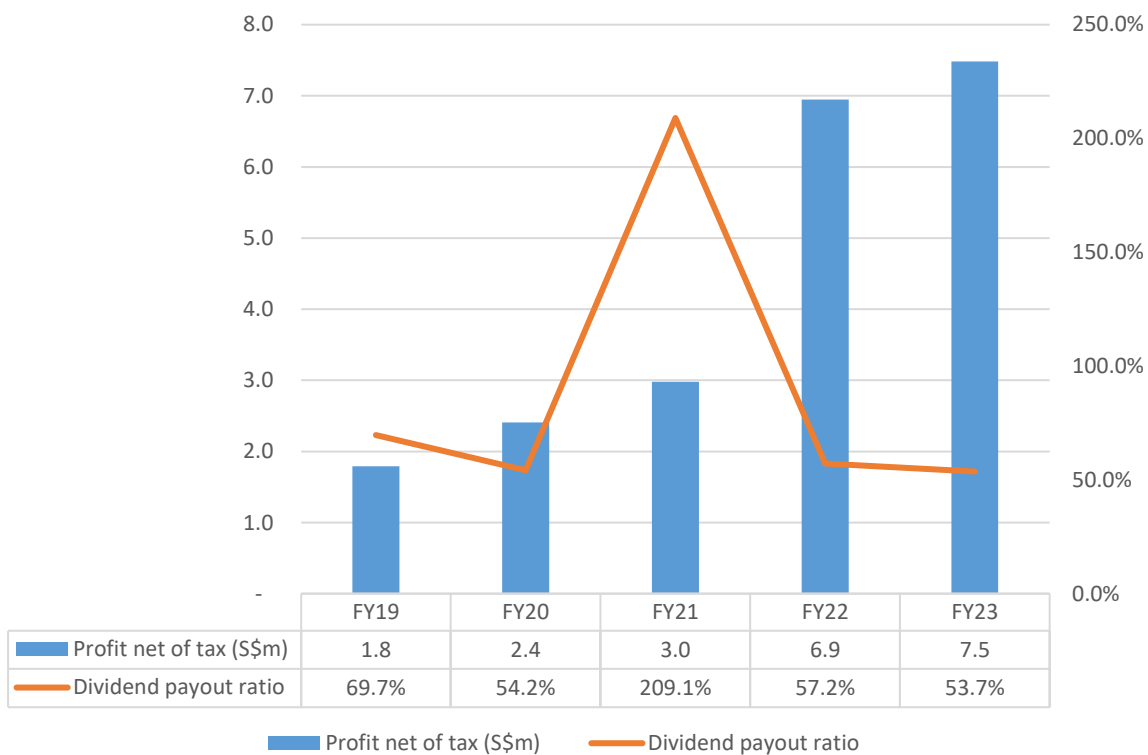


ONE15Clean Up



Dividends

The group has a payout ratio of over 50% since 2019. During the COVID-19 pandemic, the group paid a generous total dividend of 12 S cents in FY21.



Income Statement

YE Dec (S\$'m)	FY19	FY20	FY21	FY22	FY23
Sales of goods and services	20.9	15.6	20.4	27.5	29.5
Membership related fees and management fees	10.9	11.4	11.5	10.6	10.6
Total revenue	31.8	27.0	31.9	38.1	40.1
Other income	0.6	1.8	1.3	1.4	3.4
Item of Expenses					
Salaries and other employee benefits	(11.6)	(9.9)	(10.9)	(12.1)	(13.1)
Advertising, publication and event expenses	(1.6)	(0.7)	(0.5)	(0.9)	(1.0)
Depreciation expense	(5.8)	(6.1)	(5.7)	(5.6)	(5.6)
Cost of sales	(4.6)	(2.5)	(3.2)	(5.6)	(5.7)
Repair, maintenance and cleaning expenses	(1.8)	(1.5)	(1.7)	(1.9)	(2.0)
Utilities	(0.7)	(0.7)	(0.8)	(0.8)	(1.3)
Property tax	(0.9)	(0.2)	(0.8)	(0.9)	(1.1)
Allowance of doubtful receivables charges	(0.1)	(0.7)	-	(0.4)	(0.5)
Other expenses	(1.9)	(2.5)	(4.4)	(2.5)	(2.9)
Total expenses	(29.2)	(25.2)	(28.7)	(31.5)	(33.8)
Profit before tax	3.1	3.6	4.5	8.1	9.7
Income tax expense	(1.3)	(1.2)	(1.5)	(1.2)	(2.2)
Profit after tax	1.8	2.4	3.0	6.9	7.5

Balance Sheet

YE Dec (S\$'m)	FY19	FY20	FY21	FY22	FY23
ASSETS					
Non-current assets					
Property, plant and equipment	78.1	77.6	66.2	61.3	56.9
	78.1	77.6	66.2	61.3	56.9
Current assets					
Inventories	0.1	0.1	0.2	0.2	0.2
Trade and other receivables	3.5	2.8	2.8	0.4	4.0
Prepayments	0.4	0.4	0.4	2.6	0.5
Amount due from related companies	0.1	0.1	0.1	-	-
Other financial assets	-	-	-	29.7	26.9
Cash and cash equivalents	48.1	50.4	46.7	25.7	35.3
	52.3	53.7	50.1	58.6	66.9
Non-current assets classified as held for sale	-	-	4.7	4.4	3.2
	52.3	53.7	54.8	63.1	70.1
Total assets	130.5	131.3	121.1	124.4	127.0
EQUITY AND LIABILITIES					
Current liabilities					
Trade and other payables	9.4	11.1	9.7	10.6	11.6
Amount due to related companies	0.1	0.1	-	-	-
Loan from a subsidiary	-	-	-	-	-
Loan from non-controlling interests	-	-	5.2	5.2	5.1
Deferred membership income	3.8	3.6	3.6	3.7	3.6
Bank borrowings	-	0.1	0.4	0.4	-
Income tax payable	1.7	-	-	0.1	1.8
	14.9	15.0	18.8	19.9	22.2
Non-current liabilities					
Loan from non-controlling interests	4.0	4.2	-	-	-
Bank borrowings	-	1.4	1.0	0.7	-
Deferred membership income	52.1	48.1	43.9	39.6	35.7
Deferred tax liabilities	1.3	4.1	5.6	6.7	7.1
	57.4	57.8	50.6	47.0	42.9
Total liabilities	72.3	72.8	69.4	66.8	65.0
Equity					
Share capital	46.8	46.8	47.0	47.1	48.0
Treasury shares	-	(0.4)	(0.5)	(0.5)	(0.5)
Retained earnings	11.3	12.7	7.4	13.2	17.0
Other reserves	0.2	0.3	0.5	0.9	1.1
Equity attributable to owners of the Company	58.3	59.4	54.4	60.7	65.6
Non-controlling interests	(0.1)	(0.8)	(2.8)	(3.2)	(3.5)
Total equity	58.2	58.6	51.6	57.6	62.0
Total equity and liabilities	130.5	131.3	121.1	124.4	127.0

Cash Flow Statement

YE Dec (S\$'m)	FY19	FY20	FY21	FY22	FY23
Operating activities					
Profit before tax	3.1	3.6	4.5	8.1	9.7
Adjustments for:					
Depreciation of property, plant and equipment	5.8	6.1	5.7	5.6	5.6
Deferred membership income recognised	(4.3)	(4.7)	(4.3)	(3.9)	(3.9)
Property, plant and equipment written off	-	1.0	0.1	0.2	-
Impairment of property, plant and equipment	-	-	2.8	-	0.1
Allowance for doubtful receivables	0.1	-	-	-	-
Interest expenses	-	0.2	0.2	0.3	0.2
Interest income	(0.5)	(0.3)	(0.2)	(0.5)	(1.8)
Share-based payment expense	0.1	0.1	0.2	0.2	0.1
Currency realignment	-	-	0.1	0.4	0.5
Operating cash flows before changes in working capital	4.4	6.1	9.2	10.4	10.6
Changes in working capital:					
Decrease in inventories	-	-	(0.1)	-	-
Decrease / (Increase) in trade and other receivables and prepayments	(0.2)	0.1	-	0.1	(1.4)
Decrease / (Increase) in amounts due from related companies	-	-	-	0.1	-
Increase in amounts due to related companies	2.8	-	(0.1)	-	-
Increase in trade and other payables	0.1	1.7	(1.5)	0.9	0.9
Increase in deferred membership income	-	0.5	0.1	(0.3)	(0.1)
Cash flows generated from operations	7.1	9.3	7.6	11.2	10.0
Interest received	0.5	0.3	0.2	-	-
Net cash flows generated from operating activities	7.5	9.5	7.7	11.2	10.0
Investing activities					
Interest received	-	-	-	0.5	1.8
Redemption on maturity / (purchase) of other financial assets	-	-	-	(29.7)	2.7
Proceeds from sale of assets held for sale	-	-	-	-	0.9
Purchase of property, plant and equipment	(7.1)	(6.6)	(2.0)	(1.0)	(1.1)
Net cash flows used in investing activities	(7.1)	(6.6)	(2.0)	(30.1)	4.3
Financing activities					
Purchase of treasury shares	-	(0.4)	(0.1)	-	-
Dividend paid to shareholders	(1.7)	(1.7)	(10.3)	(1.7)	(4.4)
Proceeds from issuance	-	-	0.2	-	0.7
Loan from non-controlling interests	4.0	-	0.8	-	-
Proceeds/(repayment) of bank borrowings	-	1.5	(0.1)	(0.4)	(1.0)
Net cash flows generated (used in) / from financing activities	2.3	(0.7)	(9.4)	(2.1)	(4.7)
Net increase in cash and cash equivalents	2.7	2.2	(3.7)	(21.0)	9.5
Cash and cash equivalents at 1 January	45.4	48.1	50.4	46.7	25.7
Cash and cash equivalents at 31 December	48.1	50.4	46.7	25.7	35.3

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