



COSMOSTEEL HOLDINGS LIMITED

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1HY2021 INVESTOR UPDATE

10 May 2021



COSMOSTEEL HOLDINGS LIMITED

OPERATIONS REVIEW

Business Overview

**One-stop
Inventory
Specialist**



- Over 25,000 line items
- Pipes, fittings, flanges, cables & cable management, and structural products
- 293,000 sq ft (site area) storage capacity
- International network

- Customisation services
- Project management services
- In-house quality assurance
- Non-destructive testing services

**Serving
Multi-
industries**



FY2020 revenue: \$86.8 million

- Energy: 59%
- Marine: 19%

- Trading: 7%
- Others: 15%

**Safety &
Quality
Focused**



Certifications

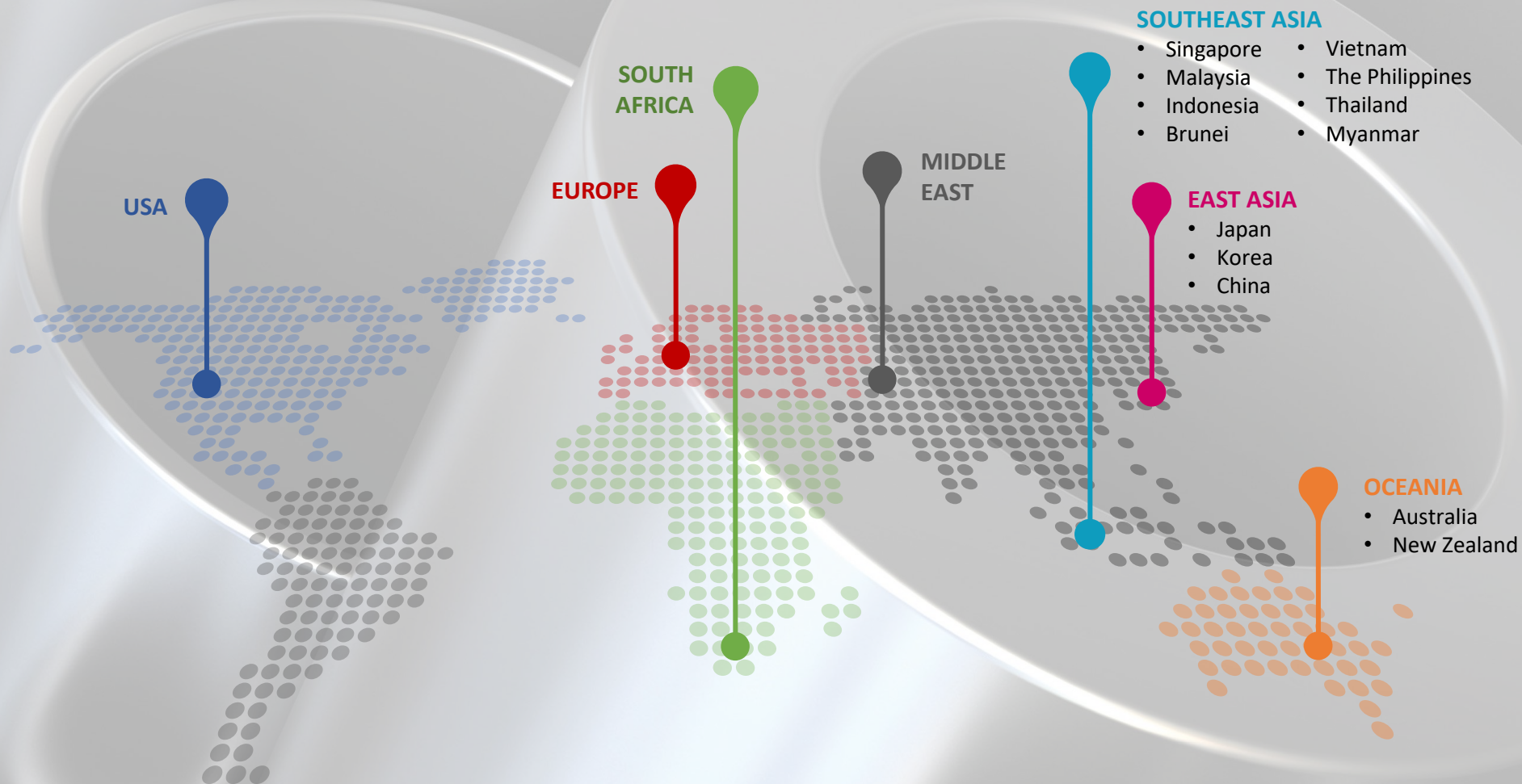
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

- ISO 22301:2012
- BizSAFE STAR

Our Markets



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Our Business Segments



Energy

- Offshore rig fabrication: jack-ups and semi-sub
- FPSO/FSO new builds and conversion
- Onshore energy facilities fabrication
- Renewable energy facilities such as wind energy structures



Marine

- Shipbuilding
- Ship repairs



Traders

- Sell products to traders who on-sell them to other customers

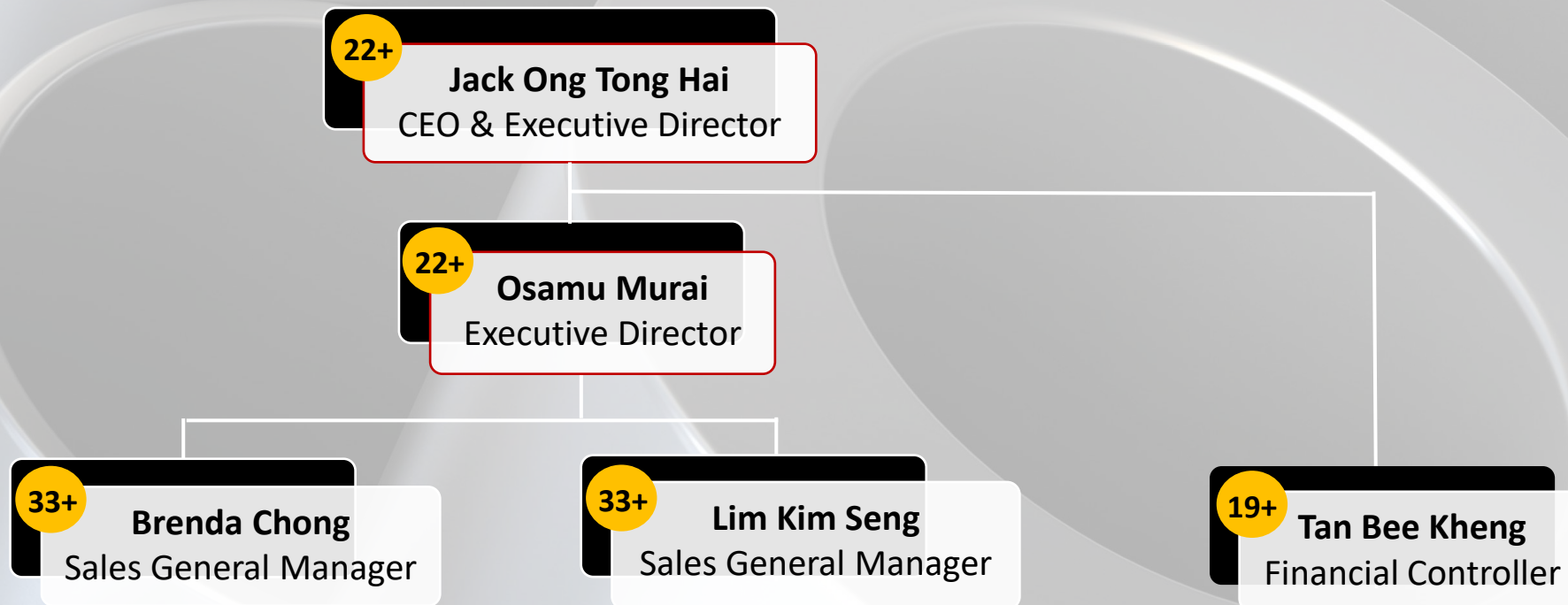


Others

- Supply to other industries such as manufacturing

Broad customer base that uses our products as components mainly to construct piping systems for the conduit of liquids and gases in the production processes of the Energy, Marine and Other industries

Experienced Management



Highly experienced executive and senior management team with **extensive and relevant industry experience**;
Strong sales and marketing team with **established contacts and in-depth industry knowledge**

Our Warehouses

Location	Site area (sq ft)	Use	Tenure
• 14 Lok Yang Way	111,363	Office & Warehouse	60 years lease wef 16 June 1972
• 90 Second Lok Yang Road	69,998	Dormitory & Warehouse	30 + 10 + 13.25 years lease wef 16 March 1979
• 21A Neythal Road	111,747	Covered Warehouse	Lease renewed till 15 August 2021

Solidifying **operational security** with extensive warehousing totalling **293,000 sq ft** (site area) and inventory management process supported by an integrated computerised **ERP system**



Corporate Governance

Well-organised and transparent committee structure to uphold the best practices in Corporate Governance

Board of Directors

Chairman and Independent Director

Low Beng Tin^{(1) (2) (3)}

Executive Directors

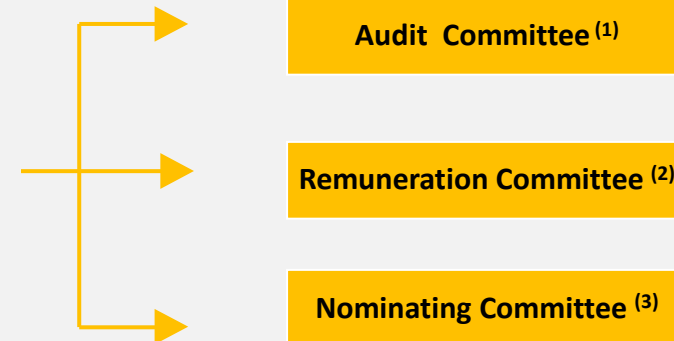
Jack Ong Tong Hai (CEO), Osamu Murai

Non-Executive Non-Independent Directors

Hiromasa Yamamoto^{(2) (3)}, Tan Siok Chin^{(1) (2) (3)}

Independent Director

Hor Siew Fu^{(1) (2) (3)}



- Ranked 70th out of 577 companies on the SGTI in 2020 (SGTI 2019: Ranked 79th out of 578 companies)
- Runner-up for Most Transparent Company, Energy Category at the SIAS 20th Investors' Choice Awards
- Experienced independent directors with varied experience in legal and accounting professions
- Board composition: 6-member board; 2 are independent



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FINANCIAL HIGHLIGHTS

1HY2021

(6 months ended 31 March 2021)

Financial Snapshot

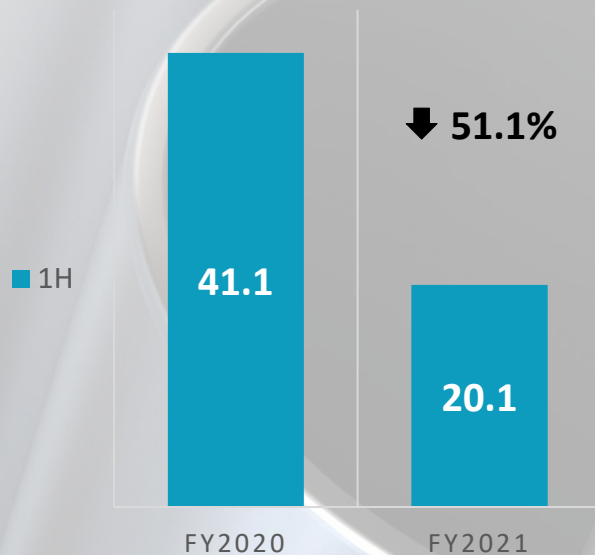


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S\$'Million	FY2019	FY2020	1HY2020	1HY2021
Revenue	91.6	86.8	41.1	20.1
Gross profit	18.7	16.7	9.3	4.3
Net profit after tax	2.8	5.3	4.1	0.9
Earnings per share (cents)	0.97	1.82	1.40	0.30
Net asset value per share (cents)	26.26	27.89	27.45	27.67

Revenue

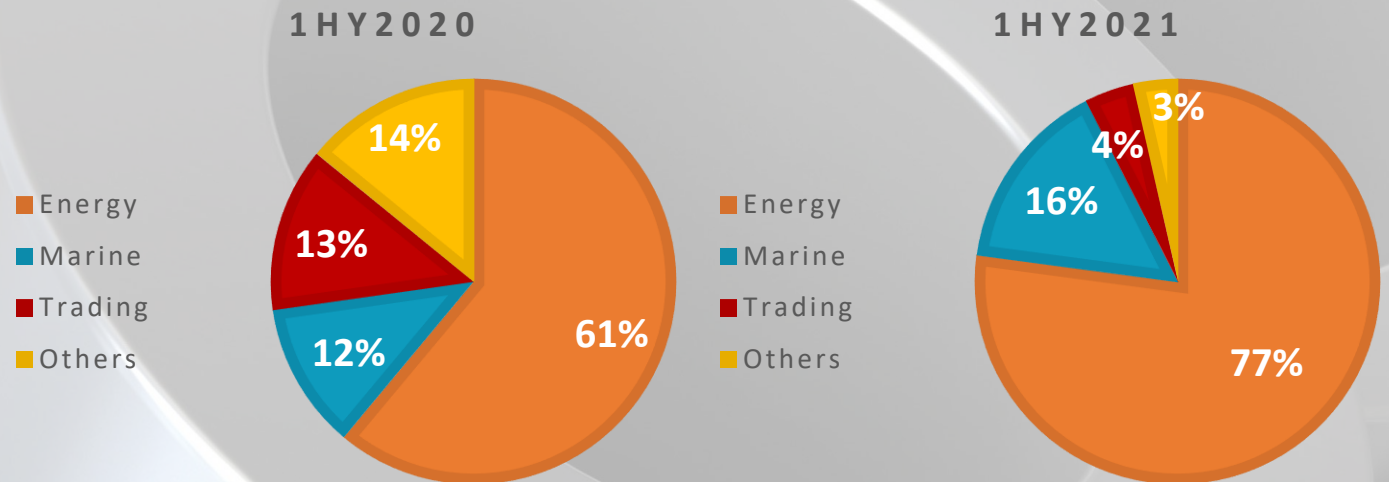
Total Revenue (S\$m)



1HY2021 Revenue

- Revenue increased in India, Norway, Thailand and US but decreased in all other markets
- Revenue from Singapore: ↓ 21.0% to \$15.7 m; 78.2% of total revenue

Revenue by Customer Type (%)



1HY2021 Revenue by Customer Type

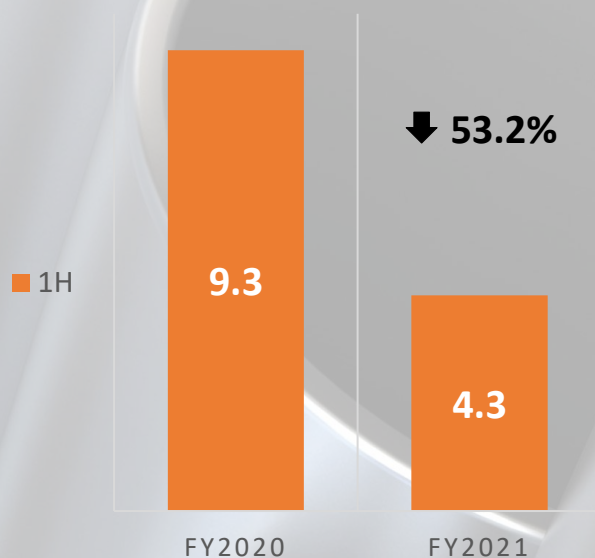
- Energy Sector: ↓ 38.3% to \$15.5m
- Marine Sector: ↓ 35.4% to \$3.1m
- Trading Sector: ↓ 84.6% to \$0.8m
- Others Sector: ↓ 88.2% to \$0.7m

Profit & Loss

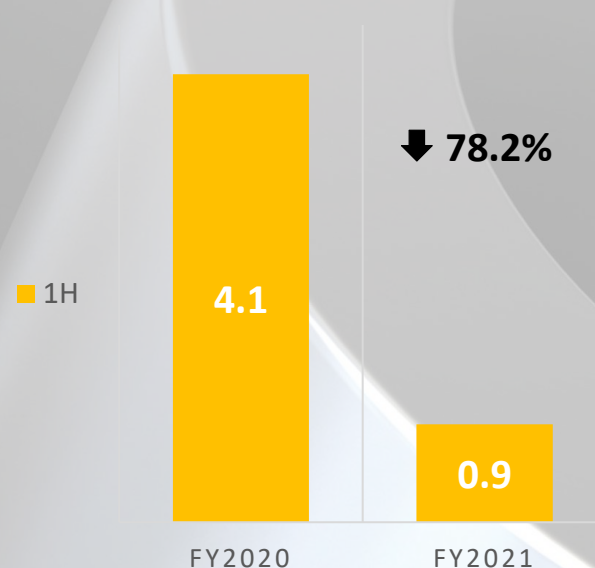


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Gross Profit (S\$'m)



Profit After Tax (S\$'m)



Gross profit

- GP margin ↓ 1.0 percentage points to 21.6%

Profit after tax

- Other gains ↓ 3.1% to \$2.3m mainly from forex adjustments losses and decrease in reversal of inventories write down offset by reversal of allowance for impairment on trade receivables
- Other operating expenses ↓ 23.9% to \$5.5m
- Finance costs ↓ 33.5% to \$0.2m

Key Financial Indicators

Profitability Ratios (%)	1HY2020	1HY2021
Return on Total Assets	8.2	2.1
Return on Equity	10.4	2.2
Efficiency Ratios (Days)	1HY2020	1HY2021
Trade Receivables Turnover	124	169
Trade Payables Turnover	42	17
Inventory Turnover	209	497
Liquidity Ratios (Times)	1HY2020	1HY2021
Current Ratio	4.33	10.01
Debt-to-Equity Ratio	0.35	0.25



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OUTLOOK & STRATEGY

Business Outlook & Strategy



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FY2021 Outlook

- Expect COVID-19 and its knock-on economic impact continue to affect our ability to secure new projects and revenue generation in 2H

STRATEGY FOCUS

1. Revenue generation

- Expand product offerings
- Increase marketing efforts
- Strengthen ties with customers
- Scout for new potential markets
- Possible diversification into other business activities

2. Improve market competitiveness

- Prioritise cost management
- Improve productivity and efficiency
- Cautious inventory management with sales of existing inventories



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THANK YOU

For more information, please contact:

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