



COSMOSTEEL HOLDINGS LIMITED

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FY2021 INVESTOR UPDATE

25 November 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**



FY2021 revenue: \$39.4 million

- Energy: 70%
- Marine: 11%

- Trading: 14%
- Others: 5%

**Safety &
Quality
Focused**



Certifications

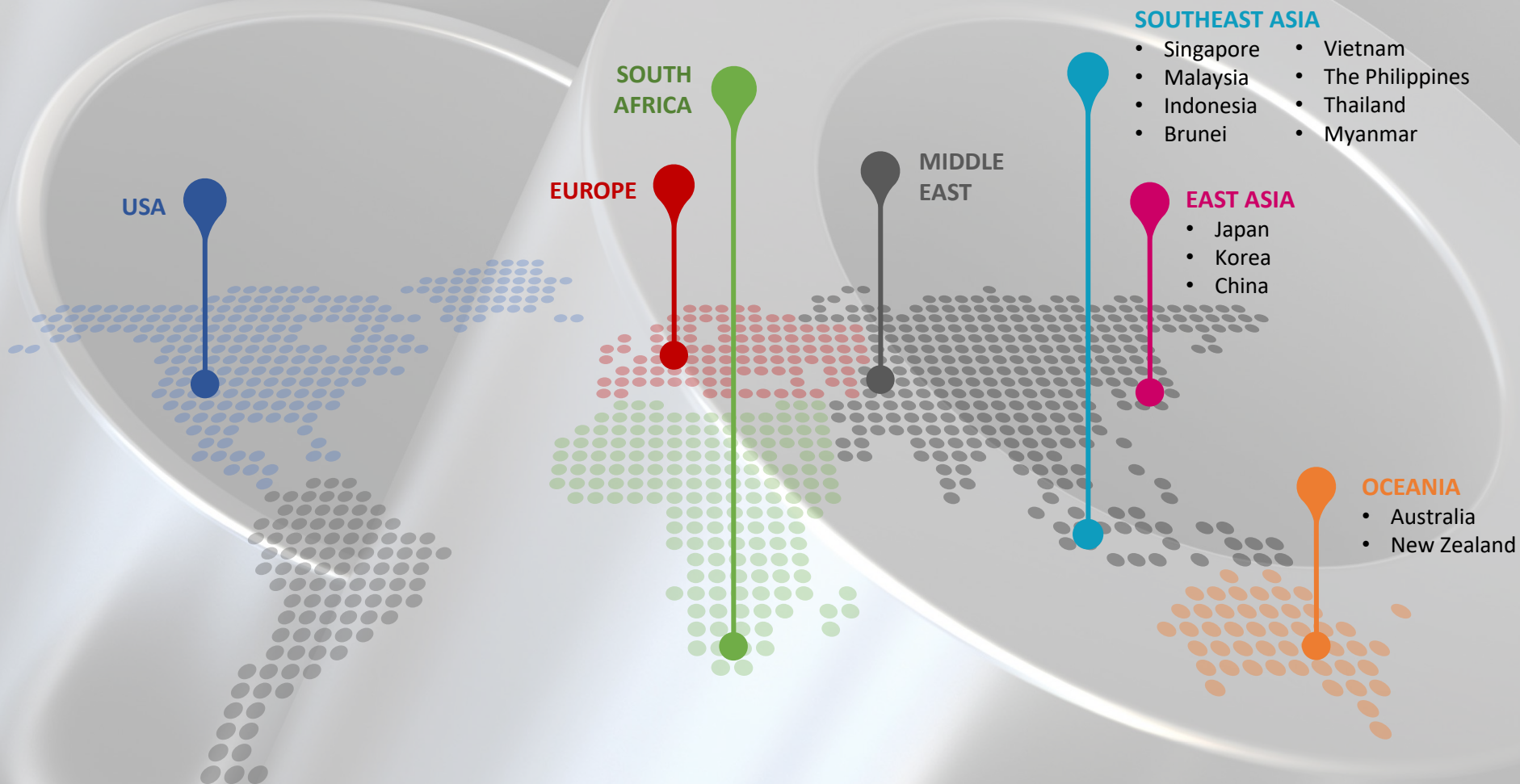
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

- ISO 22301:2012
- BizSAFE STAR

Our Markets



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Our Business Segments



Energy

- Offshore rig fabrication: jack-ups and semi subs
- 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

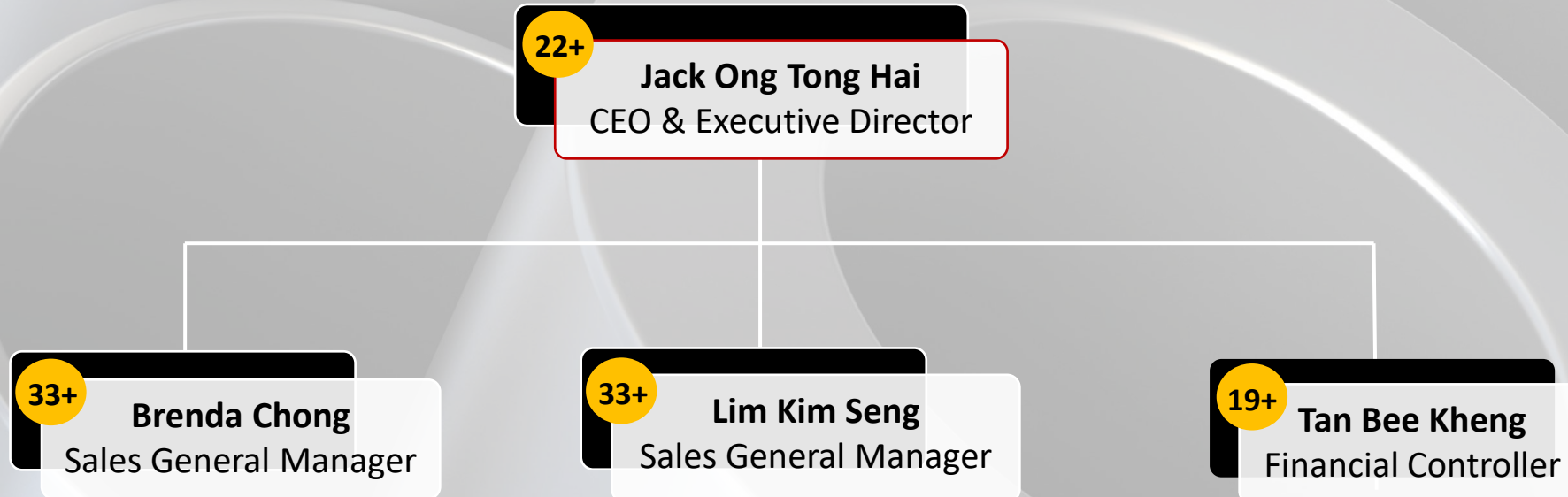


Others


- 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**

 Number of years of relevant industry experience

Our Warehouses



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Location	Site area (sq ft)	Use	Tenure
• 14 Lok Yang Way	111,363	Office & Warehouse	Until 15 June 2032
• 90 Second Lok Yang Road	69,998	Dormitory & Warehouse	Until 15 June 2032
• 21A Neythal Road	111,747	Covered Warehouse	Until 15 February 2022



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

14 Lok Yang Way is undergoing **partial redevelopment** to expand its warehouse storage space

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

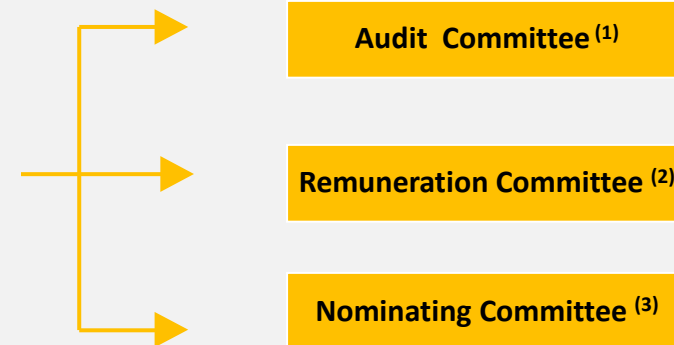
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Directors

Shiro Kanaya^{(2) (3)}, Tan Siok Chin^{(1) (2) (3)}

Independent Director

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



- Ranked 58th out of 519 companies on the SGTI in 2021 (SGTI 2020: Ranked 70th out of 577 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: 5-member board; 2 are independent

Updates on status of nominee directors of Hanwa Co., Ltd.:

- Mr Osamu Murai resigned as an Executive Director on 30 September 2021.
- Mr Hiromasa Yamamoto resigned as Non-Executive Non-Independent Director on 1 October 2021.
- Mr Shiro Kanaya was appointed as Non-Executive Non-Independent Director following Mr Yamamoto's resignation.



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FINANCIAL HIGHLIGHTS

FY2021

(12 months ended 30 September 2021)

Financial Snapshot



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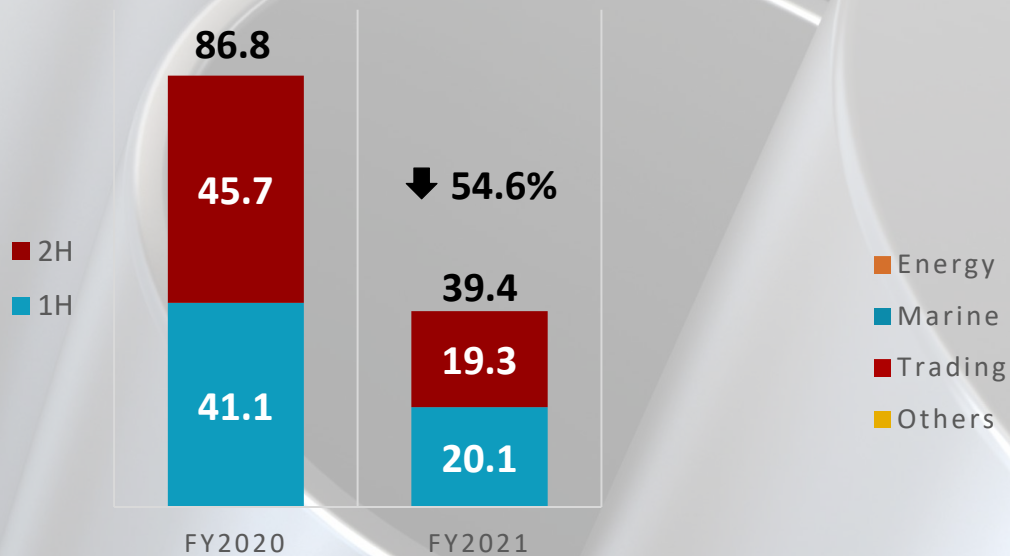
S\$'Million	FY2019	FY2020	FY2021
Revenue	91.6	86.8	39.4
Gross profit	18.7	16.7	7.0
Net profit after tax	2.8	5.3	2.4
Earnings per share (cents)	0.97	1.82	0.81
Net asset value per share (cents)	26.26	27.89	28.37

Revenue



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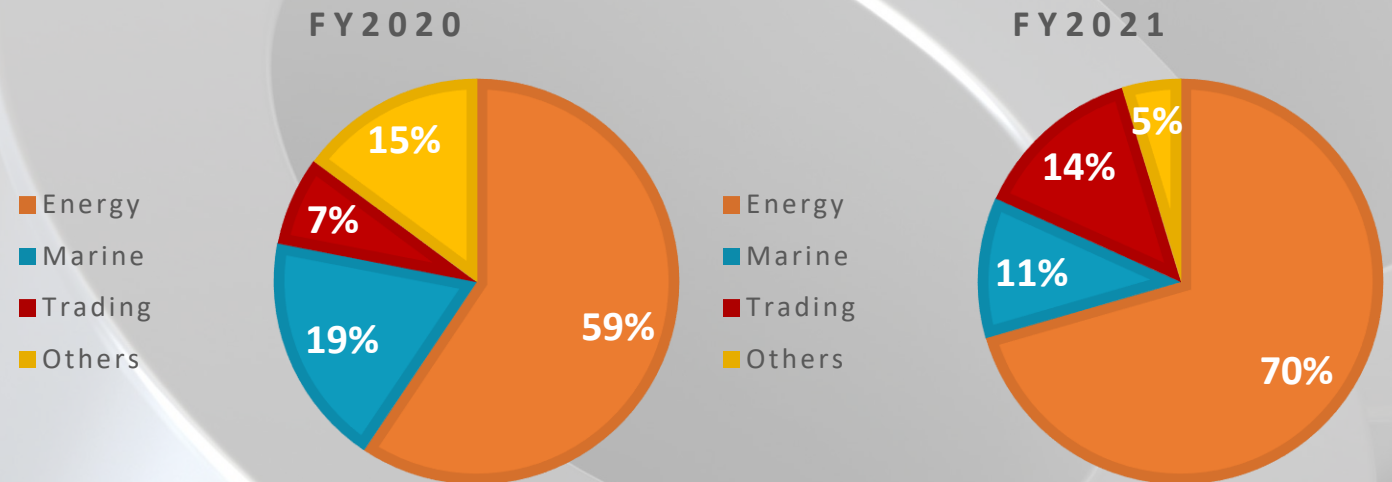
Total Revenue (S\$m)



FY2021 Revenue

- 1H: ↓51.1%
- 2H: ↓ 57.8%
- Due to muted customer demand

Revenue by Customer Type (%)



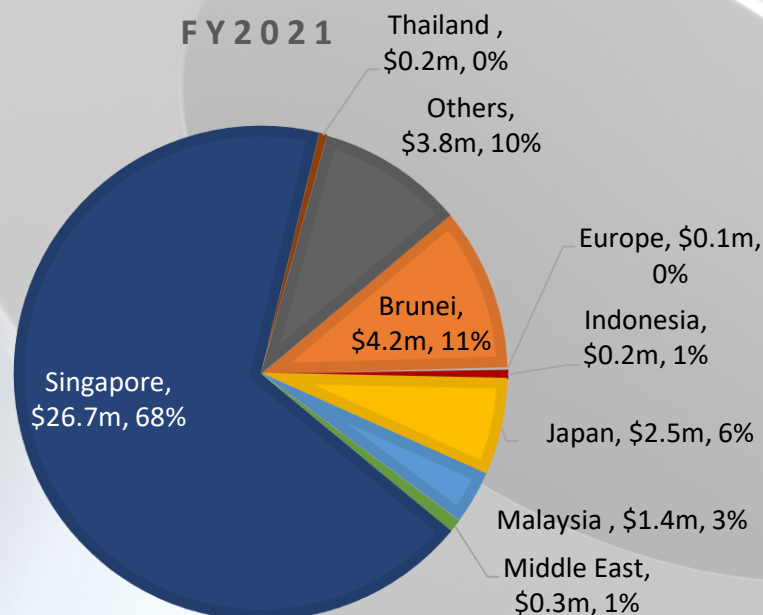
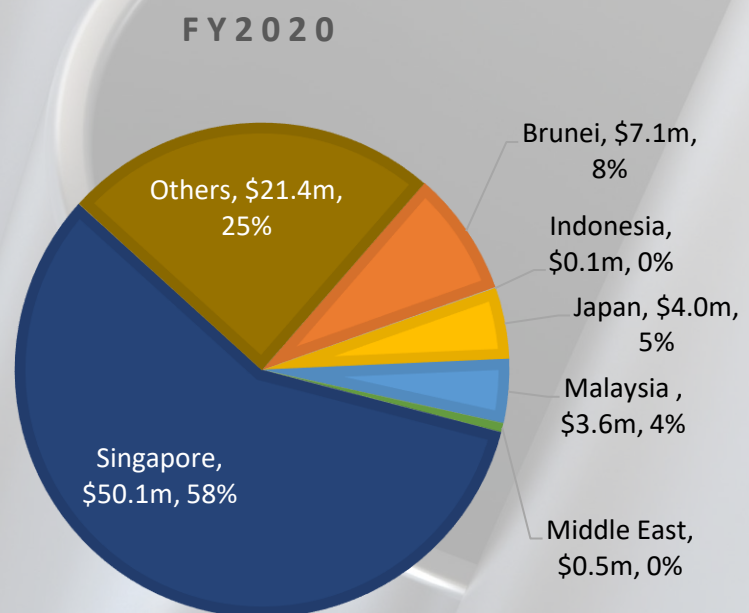
FY2021 Revenue by Customer Type

- Energy Sector: ↓ 46.1% to \$27.8m
- Marine Sector: ↓ 72.7% to \$4.4m
- Trading Sector: ↓ 13.3% to \$5.3m
- Others Sector: ↓ 85.7% to \$1.8m

Revenue by Geographical Market



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FY2021 Revenue by Geographical Market

- Revenue decreased across all markets except Europe, India, Indonesia, Norway and Thailand
- Singapore, the main revenue contributor, ↓ 46.6% to \$26.7m

Note:

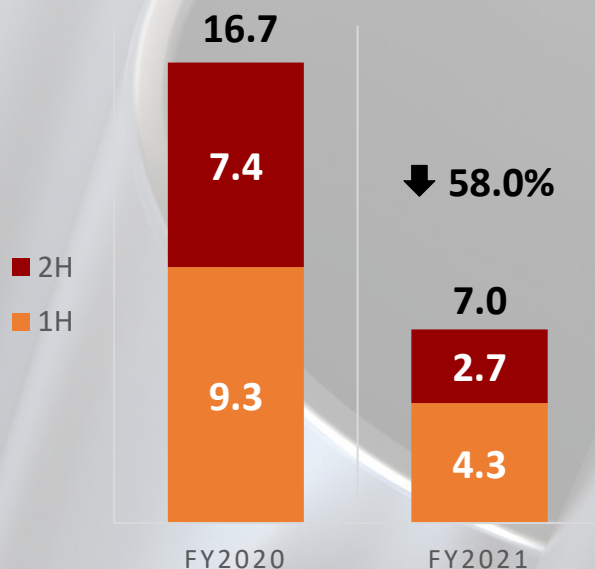
- In FY2021, customers in others are primarily located in Australia, Canada, Korea, Norway and Philippines (2020: Australia, Canada, Korea, Philippines and Taiwan).
- In FY2020, contributions from Europe, Vietnam and Thailand: Not meaningful (below \$20,000)

Profit & Loss

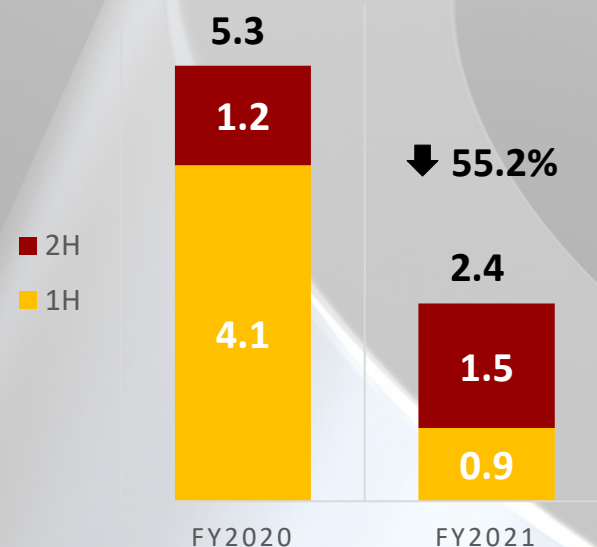


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Gross Profit (S\$'m)



Profit After Tax (S\$'m)



Gross profit

- GP margin ↓ 1.4 percentage points to 17.8%

Profit after tax

- Other gains (net) ↑ 170.6% to \$6.6m mainly from increase in inventories written back and reversal of allowance for impairment on trade receivables
- Other operating expenses ↓ 17.8% to \$10.9m
- Finance costs ↓ 36.9% to \$0.4m

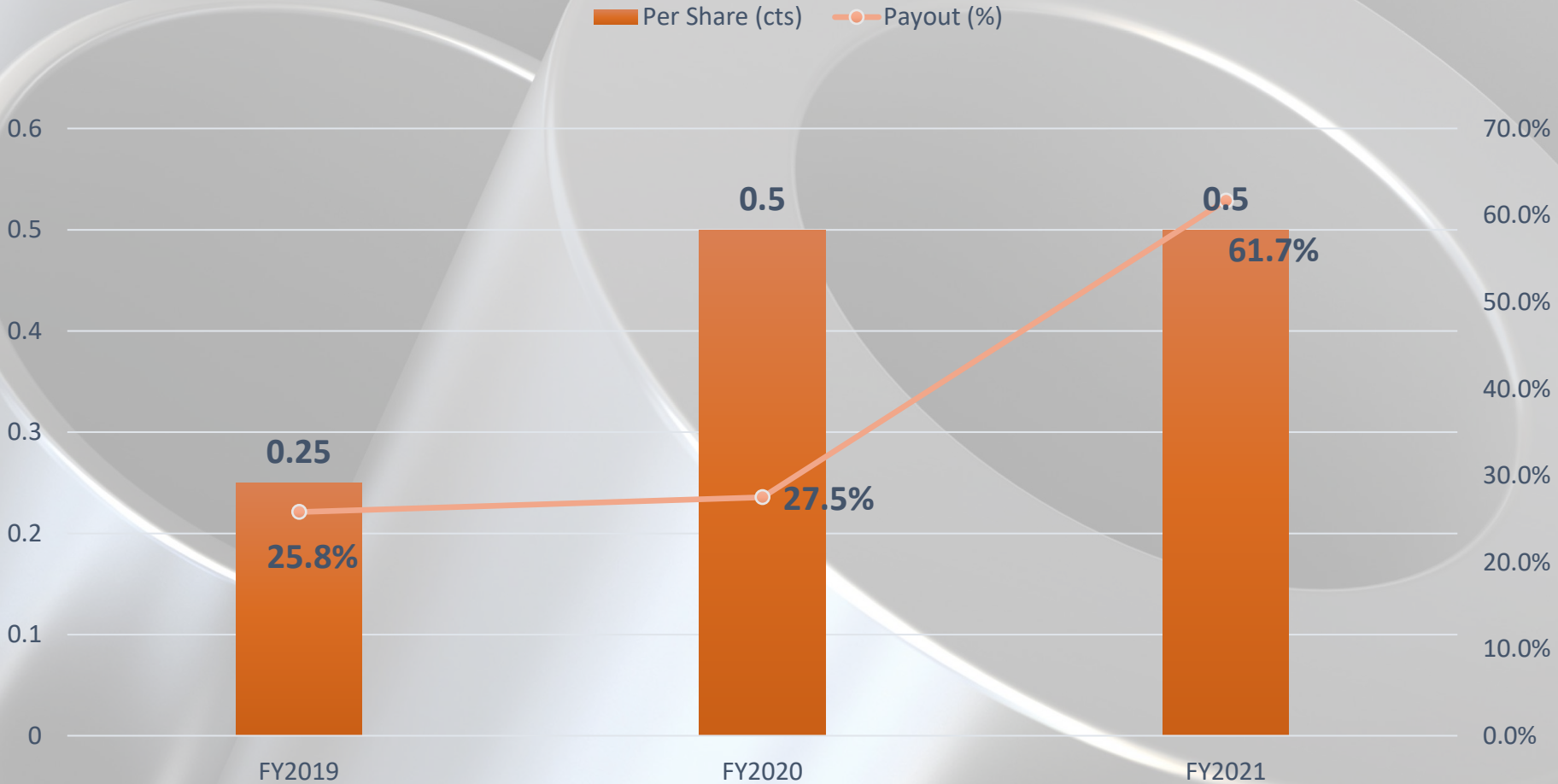
Key Financial Indicators

Profitability Ratios (%)	FY2020	FY2021
Return on Total Assets	5.3	2.5
Return on Equity	6.7	2.9
Efficiency Ratios (Days)	FY2020	FY2021
Trade Receivables Turnover	115	158
Trade Payables Turnover	21	23
Inventory Turnover	207	455
Liquidity Ratios (Times)	FY2020	FY2021
Current Ratio	3.84	9.55
Debt-to-Equity Ratio	0.38	0.24

Dividend



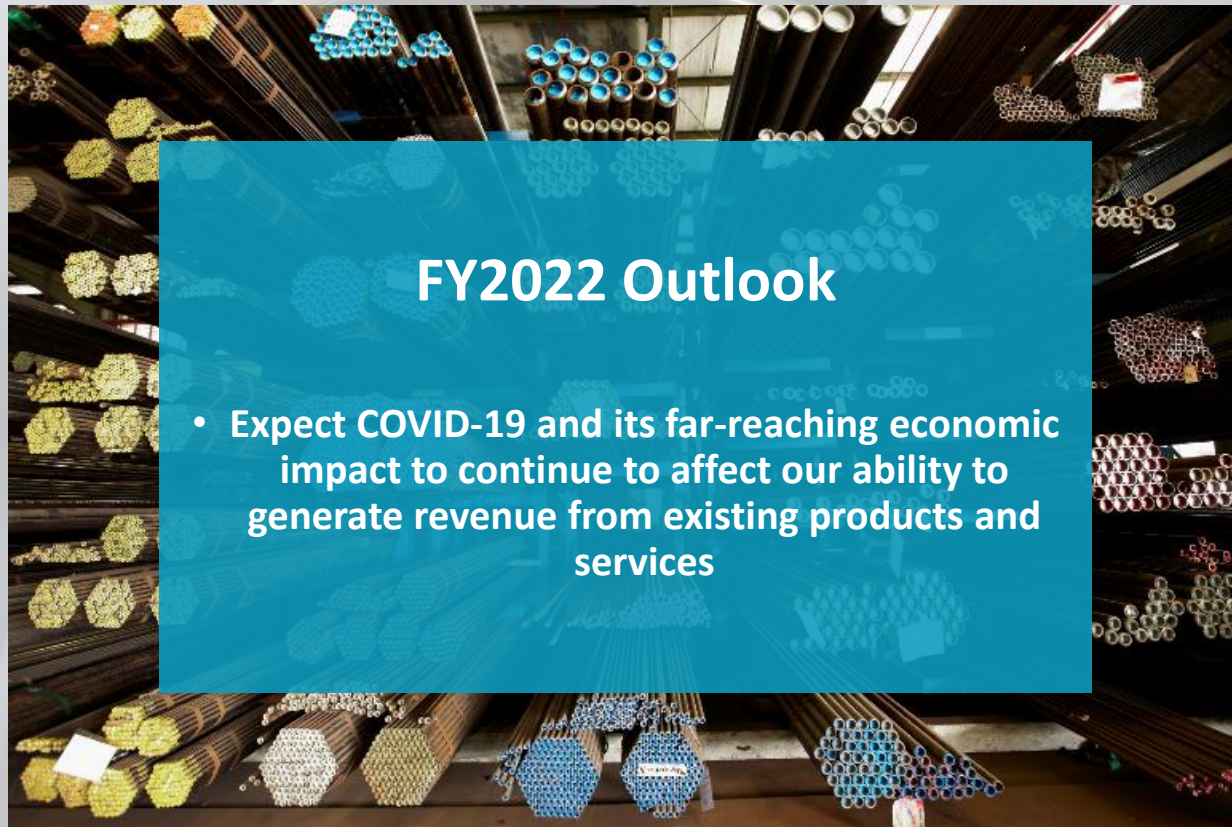
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OUTLOOK & STRATEGY



STRATEGY FOCUS

1. Revenue generation

- Secure new projects
- Diversify product offerings and services
- Explore other means to generate revenue

2. Improve market competitiveness

- Prioritise cost management
- Improve productivity and efficiency



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THANK YOU

For more information, please contact:

August Consulting | Silvia Heng | silviaheng@august.com.sg | Tel: 6733 8873