



COSMOSTEEL HOLDINGS LIMITED

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1HY2022 INVESTOR UPDATE

11 May 2022



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

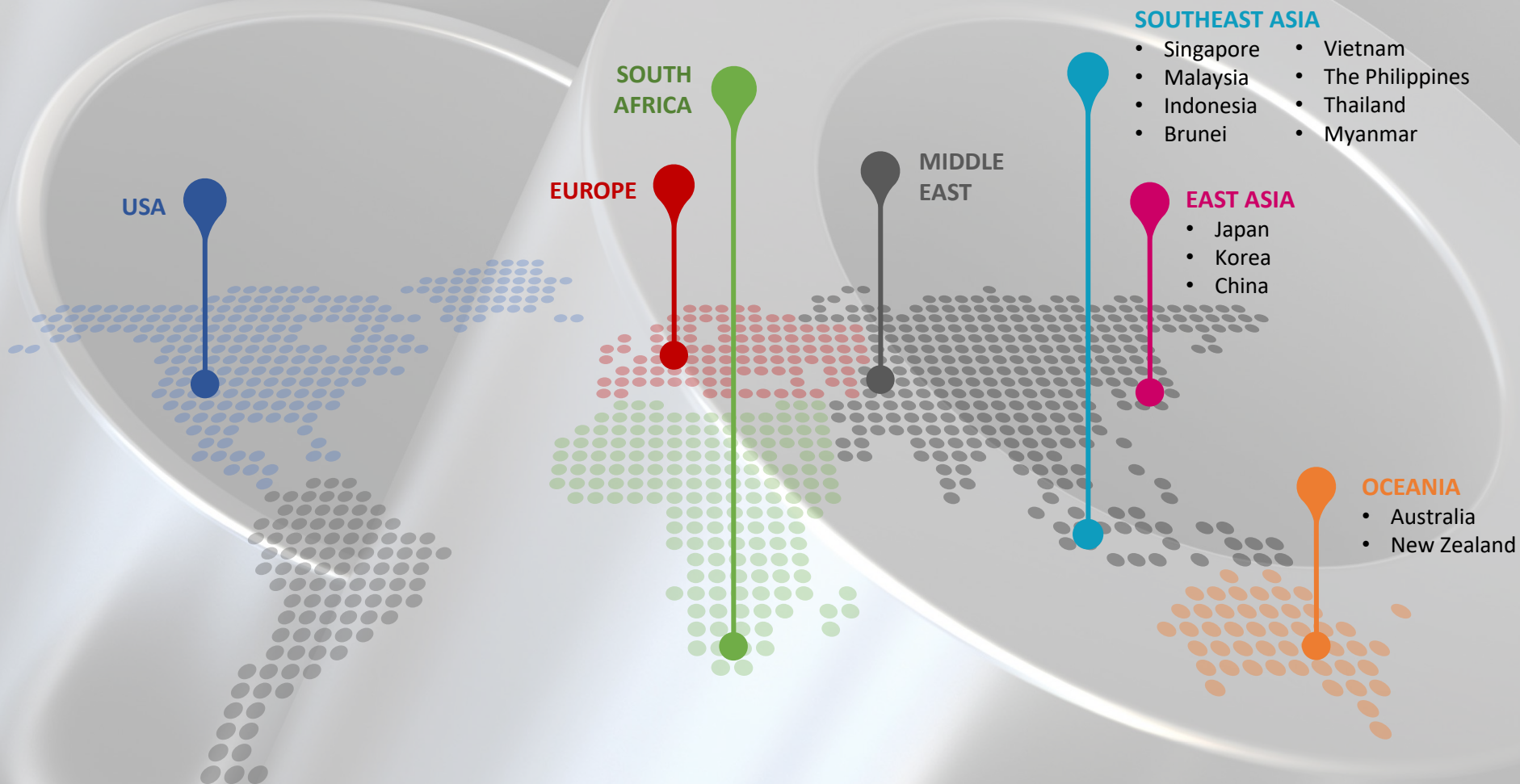
- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018

- ISO 22301:2012
- BizSAFE STAR

Our Markets



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Our Business Segments



Energy

- Offshore rig fabrication: jack-ups and semi-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

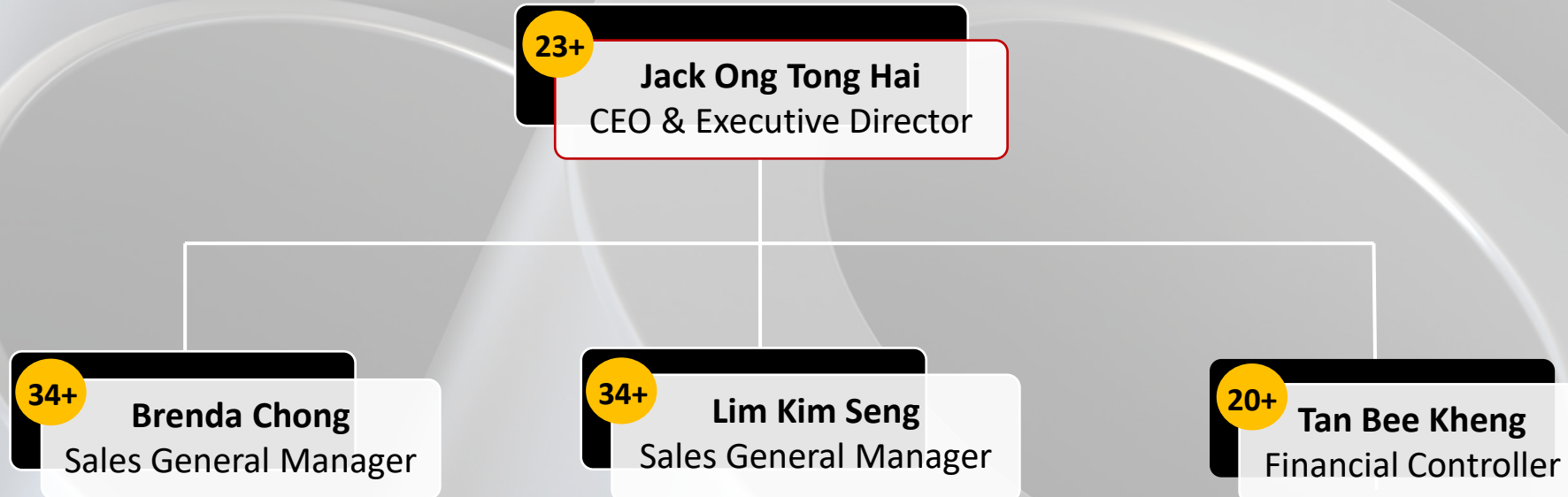


Others

- 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	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 August 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**

Ongoing **partial redevelopment** of 14 Lok Yang Way 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

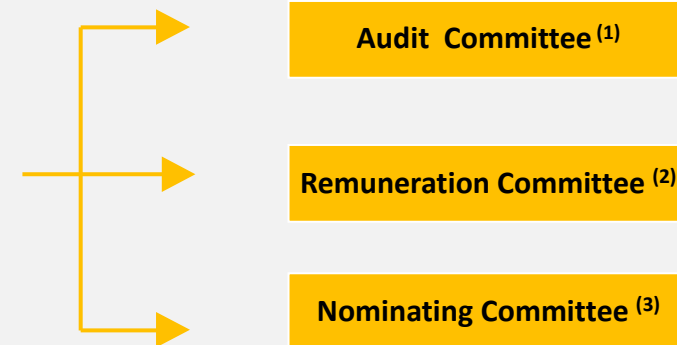
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Directors

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

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



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FINANCIAL HIGHLIGHTS

1HY2022

(6 months ended 31 March 2022)

Financial Snapshot

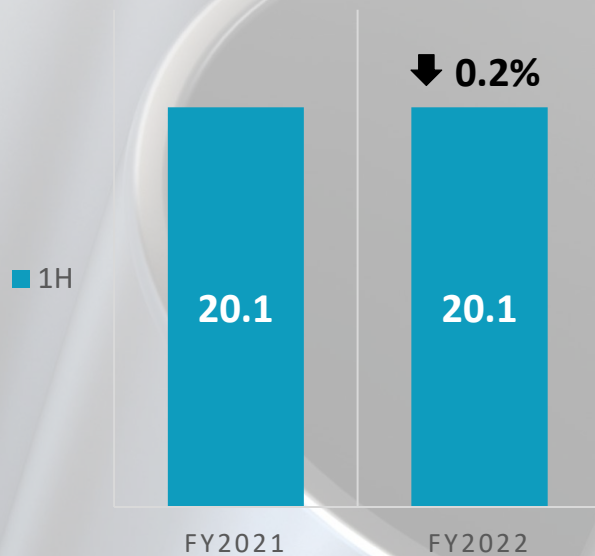
S\$'Million	FY2020	FY2021	1HY2021	1HY2022
Revenue	86.8	39.4	20.1	20.1
Gross profit	16.7	7.0	4.3	4.4
Net profit after tax	5.3	2.4	0.9	2.0
Earnings per share (cents)	1.82	0.81	0.30	0.71
Net asset value per share (cents)	27.89	28.37	27.67	28.40

Revenue



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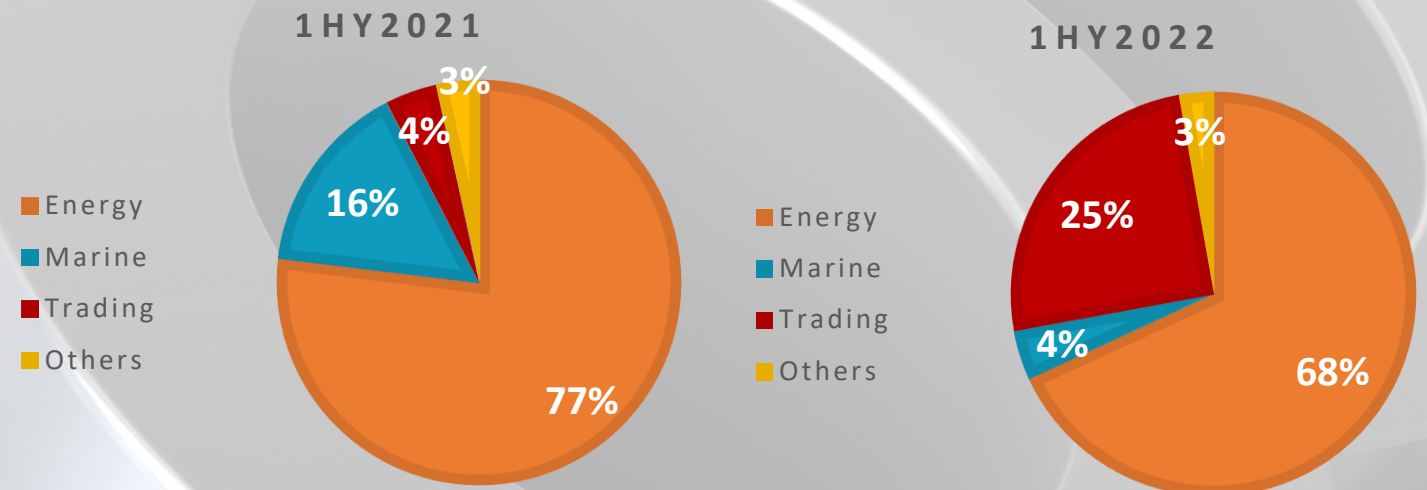
Total Revenue (S\$m)



1HY2022 Revenue

- Revenue remained relatively stable at \$20.1m

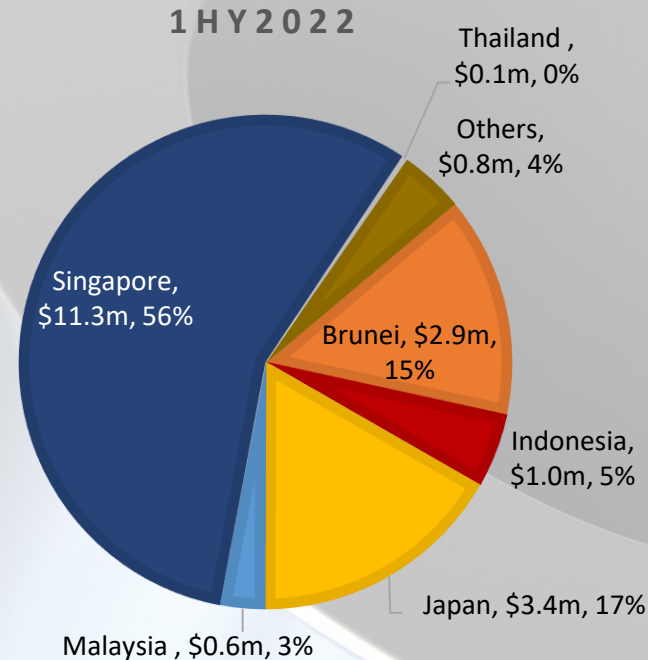
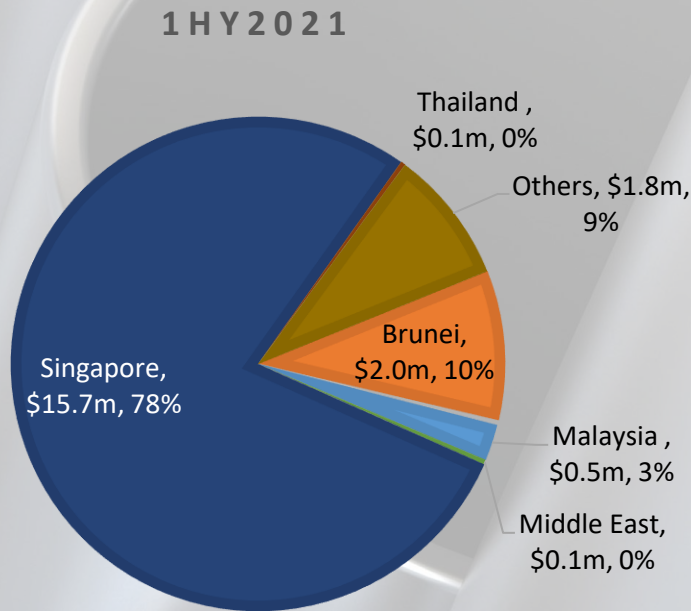
Revenue by Customer Type (%)



1HY2022 Revenue by Customer Type

- Energy Sector: ↓ 11.7% to \$13.7m
- Marine Sector: ↓ 74.5% to \$0.8m
- Trading Sector: ↑ 505.0% to \$5.0m
- Others Sector: ↓ 19.8% to \$0.6m

Revenue by Geographical Market



1HY2022 Revenue by Geographical Market

- Revenue increased across all markets except Singapore, Middle East, Thailand and Others
- Singapore, the main revenue contributor, ↓ 28.0% to \$11.3m

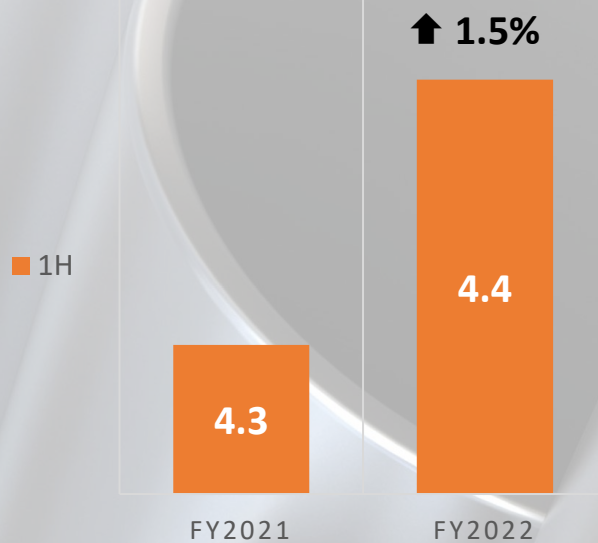
Note:

- Contributions that were not meaningful ie below \$30,000
 - 1HY2021: Indonesia, Japan and Vietnam
 - 1HY2022: Middle East and Vietnam

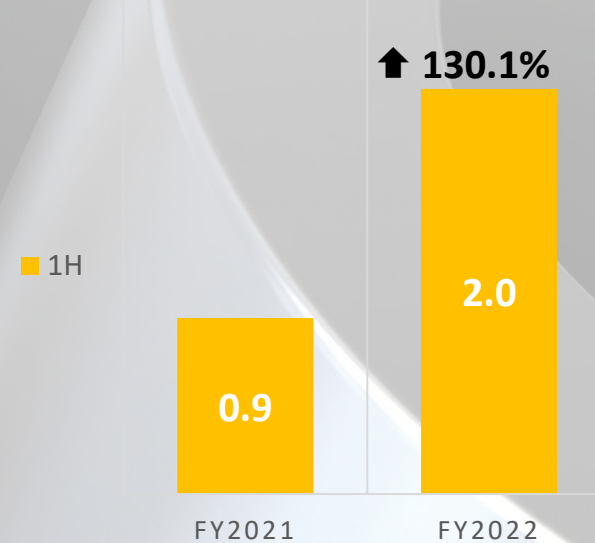
- Countries where customers in the Others category are primarily located
 - 1HY2021: Australia, Canada, Norway and Philippines
 - 1HY2022: Australia, Canada, Korea and Philippines

Profit & Loss

Gross Profit (S\$'m)



Profit After Tax (S\$'m)



Gross profit

- GP margin ↑ 0.3 percentage points to 21.9%

Profit after tax

- Other gains (net) ↑ 61.7% to \$3.7m mainly from increase in inventories allowance written back and foreign exchange gains
- Other operating expenses ↑ 3.0% to \$5.7m
- Finance costs ↓ 27.2% to \$0.2m

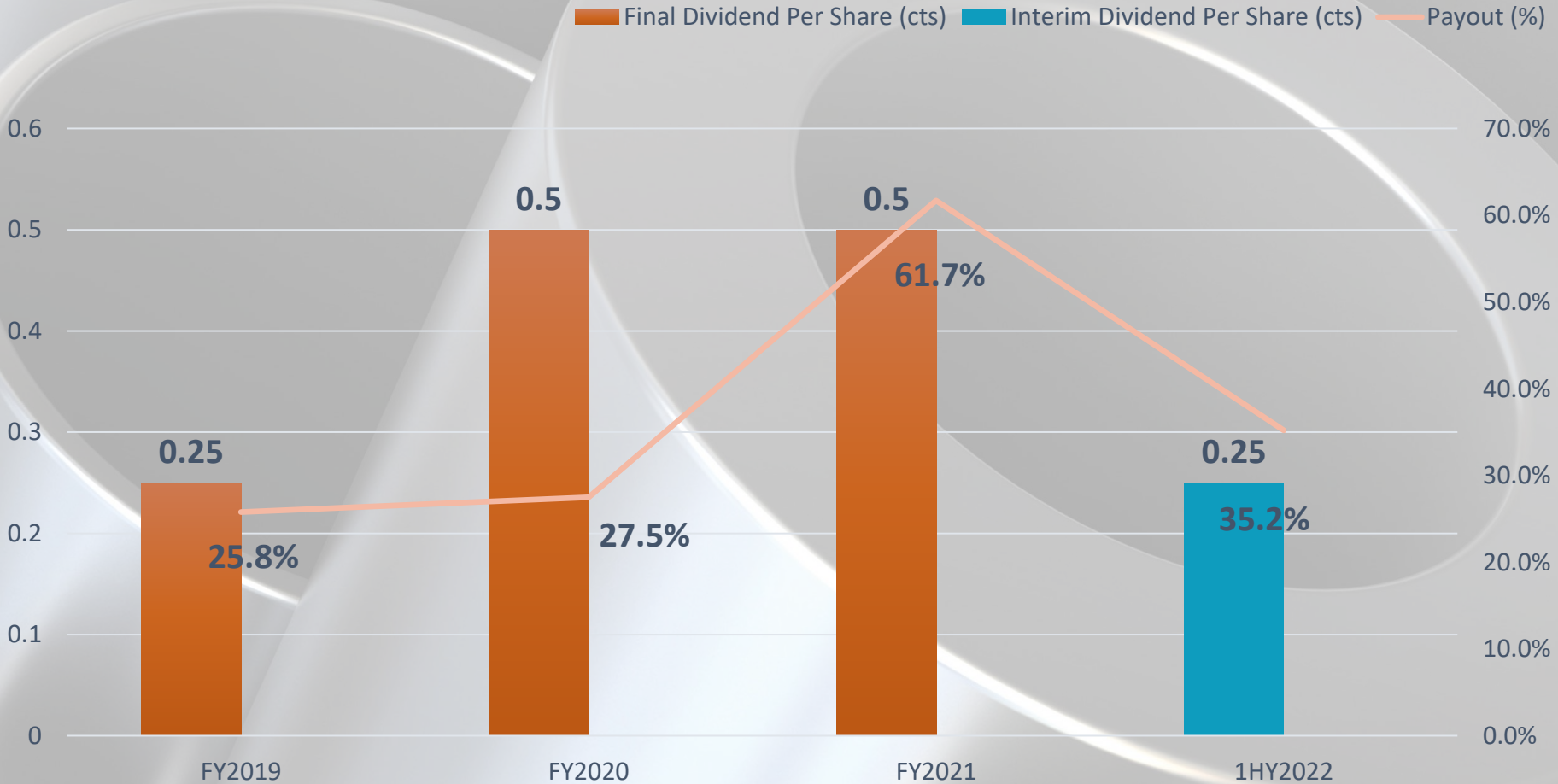
Key Financial Indicators

Profitability Ratios (%)	1HY2021	1HY2022
Return on Total Assets	2.1	4.8
Return on Equity	2.2	5.0
Efficiency Ratios (Days)	1HY2021	1HY2022
Trade Receivables Turnover	169	86
Trade Payables Turnover	17	27
Inventory Turnover	497	428
Liquidity Ratios (Times)	1HY2021	1HY2022
Current Ratio	10.01	9.33
Debt-to-Equity Ratio	0.25	0.20

Dividend



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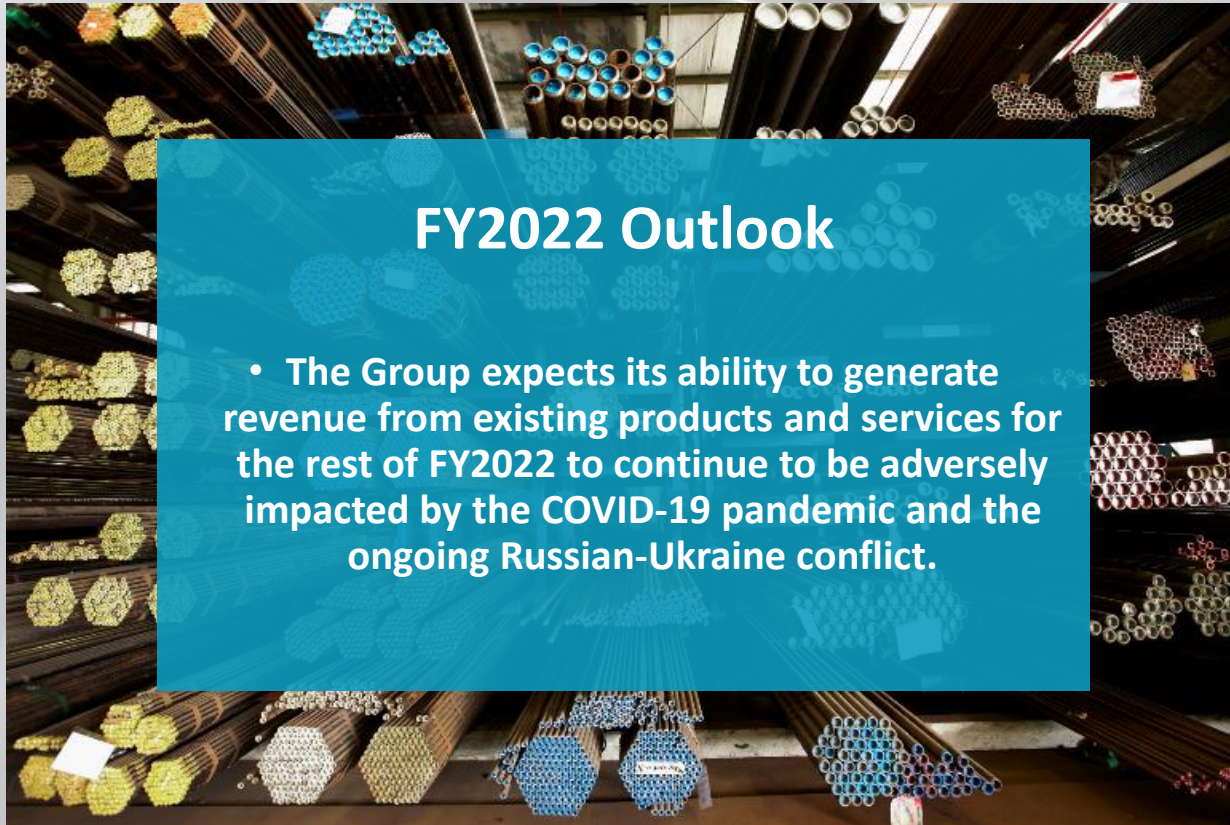
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OUTLOOK & STRATEGY

Business Outlook & Strategy



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FY2022 Outlook

- The Group expects its ability to generate revenue from existing products and services for the rest of FY2022 to continue to be adversely impacted by the COVID-19 pandemic and the ongoing Russian-Ukraine conflict.

STRATEGY FOCUS

1. Strengthen revenue generation

- Diversify into other geographical markets
- Diversify existing range of product offerings and services

2. Improve market competitiveness

- Prioritise cost management
- Improve productivity and efficiency



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THANK YOU

For more information, please contact:

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