



COSMOSTEEL HOLDINGS LIMITED

COSMOSTEEL HOLDINGS LIMITED

FY2022 INVESTOR UPDATE

21 November 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**



FY2022 revenue: \$46.1 million

- Energy: 57%
- Marine: 5%

- Trading: 36%
- Others: 2%

**Safety &
Quality
Focused**



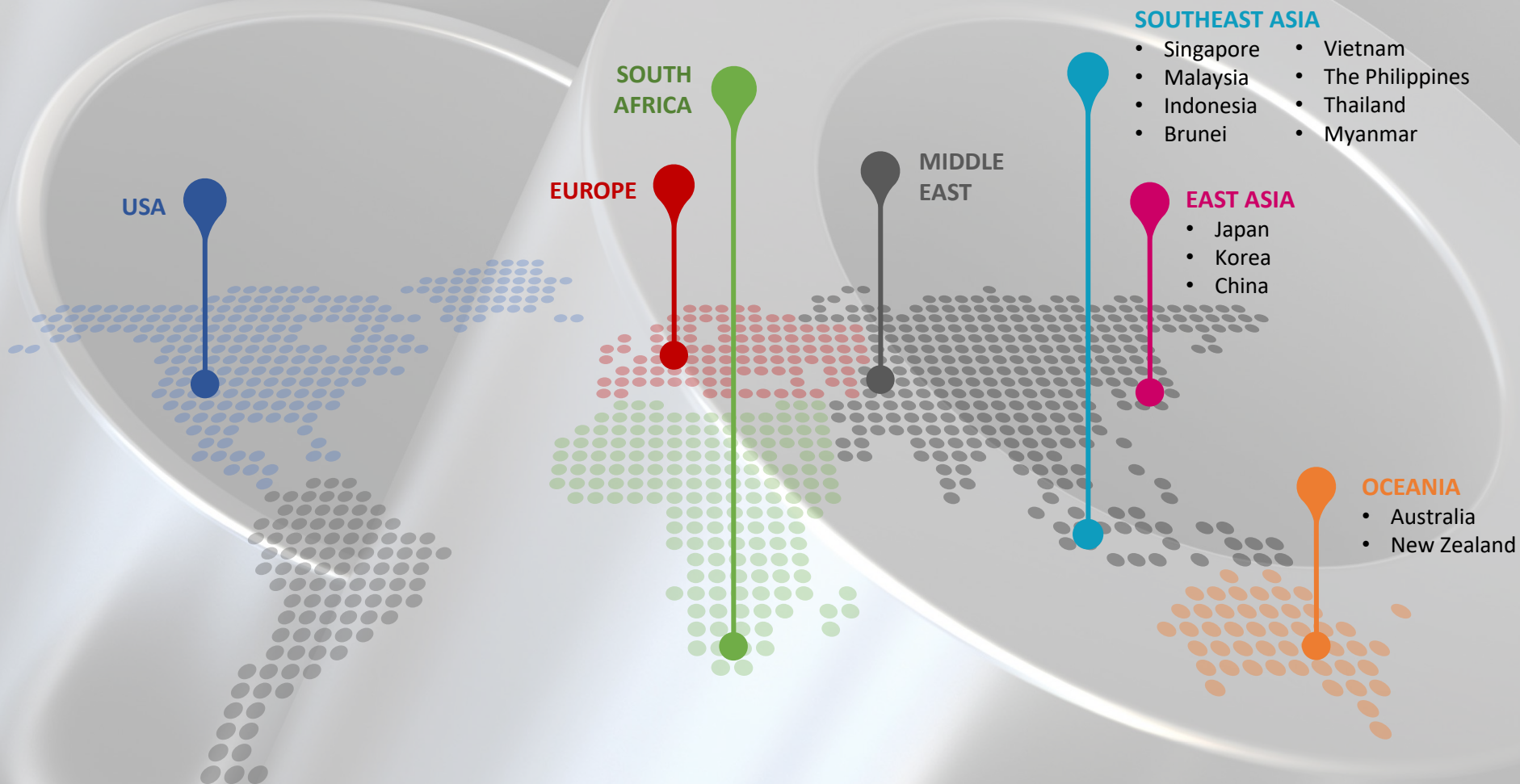
Certifications

- ISO 9001:2015
- ISO 14001:2015
- ISO 45001:2018
- ISO 22301:2019
- 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

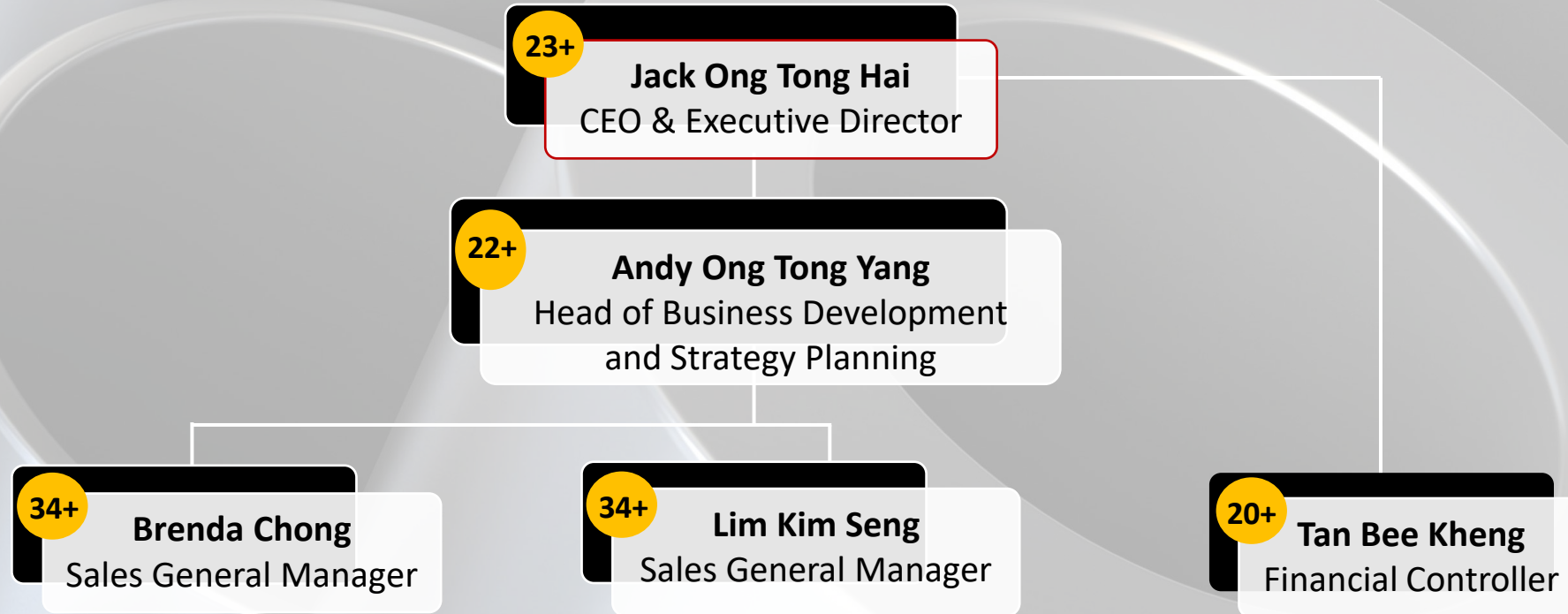


Others


- 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**

 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 30 November 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**

Temporary occupation permit has been granted by the Building and Construction Authority on 26 August 2022 in respect of the **partial redevelopment** of 14 Lok Yang Way



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

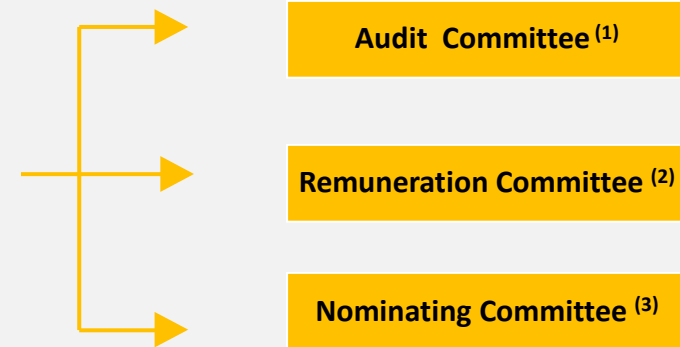
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Directors

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

Independent Director

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



- Ranked 92nd out of 489 companies on the SGTI in 2022 (SGTI 2021: Ranked 58th out of 519 companies)
- 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

FY2022

(12 months ended 30 September 2022)

Financial Snapshot

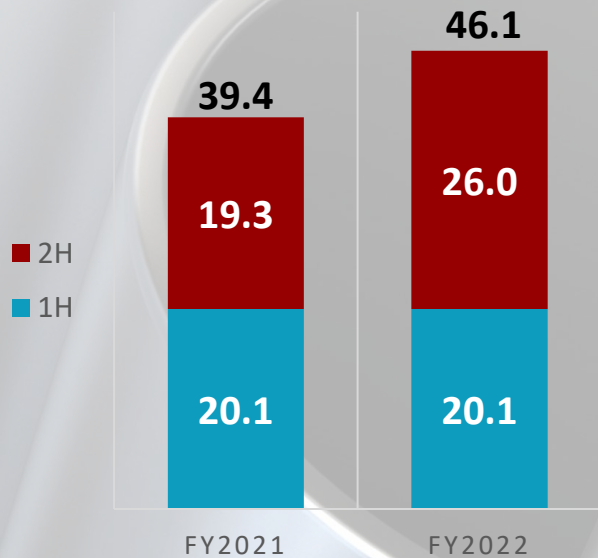


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S\$'Million	FY2020	FY2021	FY2022
Revenue	86.8	39.4	46.1
Gross profit	16.7	7.0	11.0
Net profit after tax	5.3	2.4	2.3
Earnings per share (cents)	1.82	0.81	0.81
Net asset value per share (cents)	27.89	28.37	29.80

Revenue

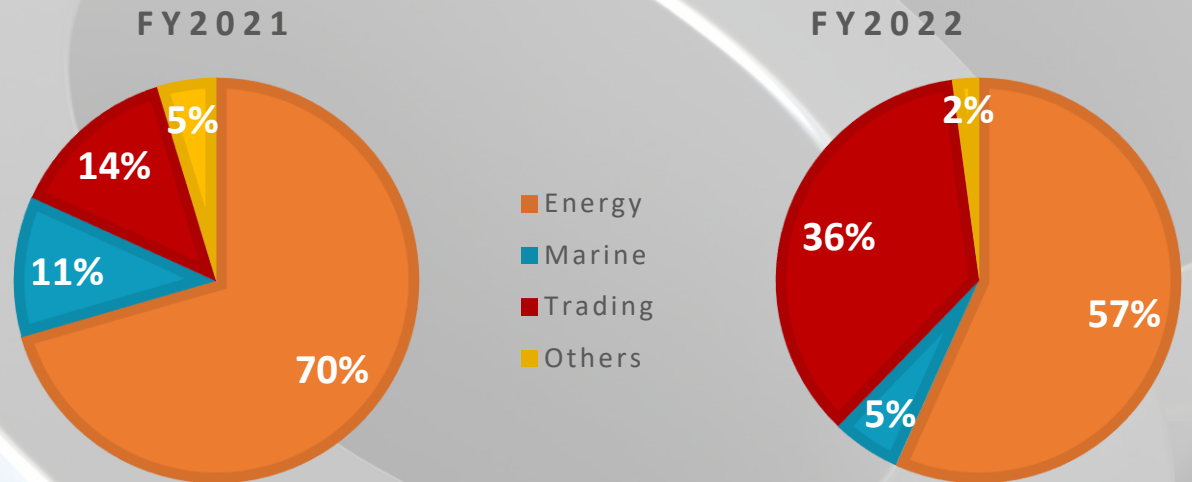
Total Revenue (S\$'m)



FY2022 Revenue

- 1H: ↓ 0.2%
- 2H: ↑ 35.2%
- Full year: ↑ 17.1%

Revenue by Customer Type (%)



FY2022 Revenue by Customer Type

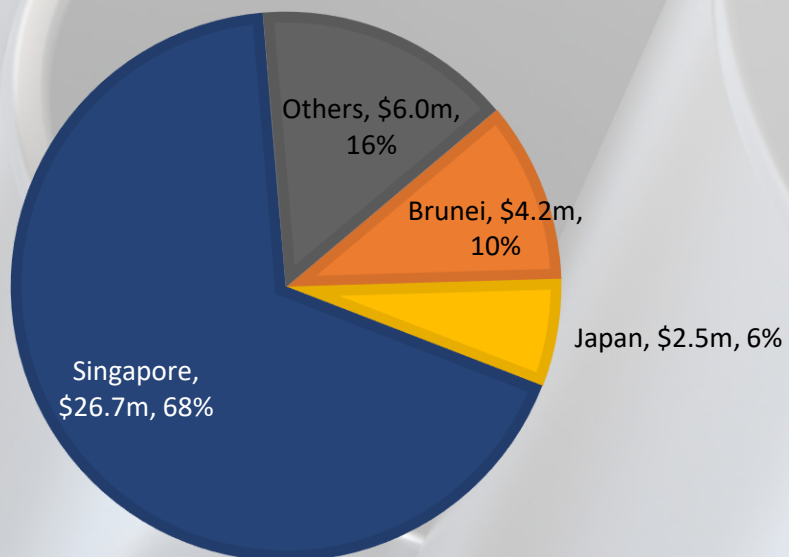
- Energy Sector: ↓ 5.9% to \$26.1m
- Marine Sector: ↓ 42.8% to \$2.5m
- Trading Sector: ↑ 208.3% to \$16.5m
- Others Sector: ↓ 47.7% to \$1.0m

Revenue by Geographical Market

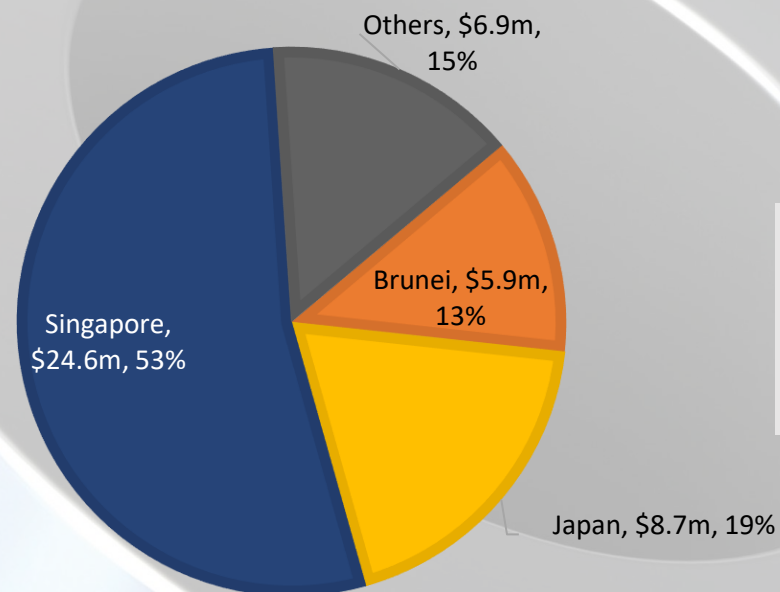


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FY2021



FY2022



FY2022 Revenue by Geographical Market

- Singapore, the main revenue contributor, ↓ 8.0% to \$24.6m

Note:

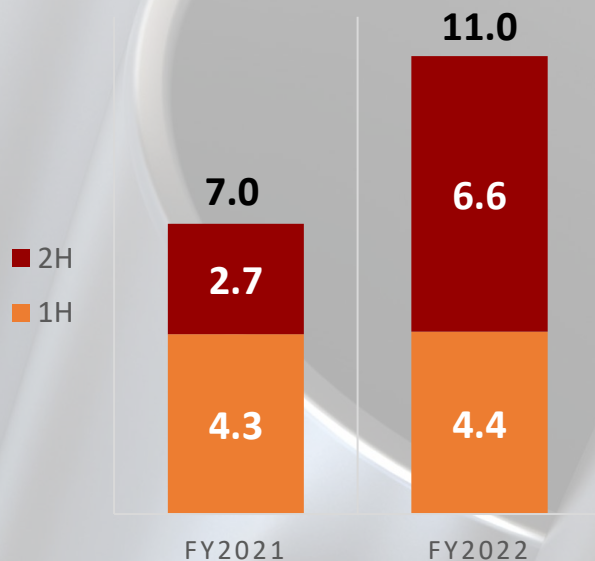
- In FY2022, other than Singapore, Brunei and Japan, no single country accounted for 10% or more of the Group's revenue (FY2021: Singapore and Brunei).

Profit & Loss



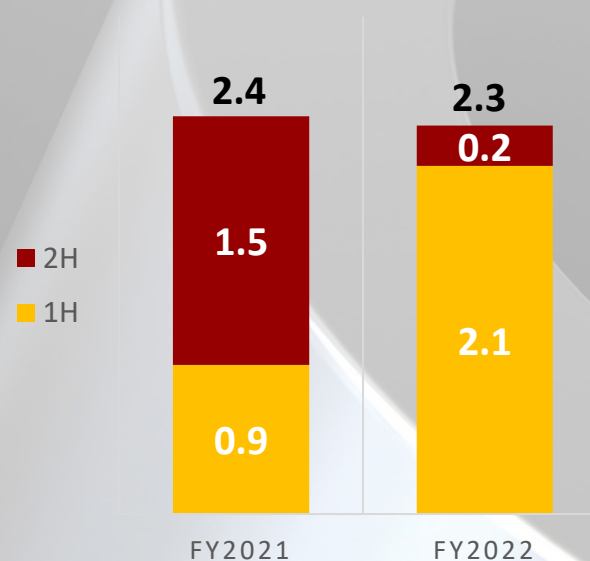
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Gross Profit (S\$'m)



↑ 57.8%

Profit After Tax (S\$'m)



↓ 3.4%

Gross profit

- GP margin ↑ 6.2 percentage points to 24.0%

Profit after tax

- Other gains (net) ↓ 51.2% to \$3.2m mainly from allowance for impairment on trade receivables and decrease in reversal of allowance for impairment on inventories, partly offset by foreign exchange gains
- Other operating expenses ↑ 5.6% to \$11.5m
- Finance costs ↓ 7.2% to \$0.3m

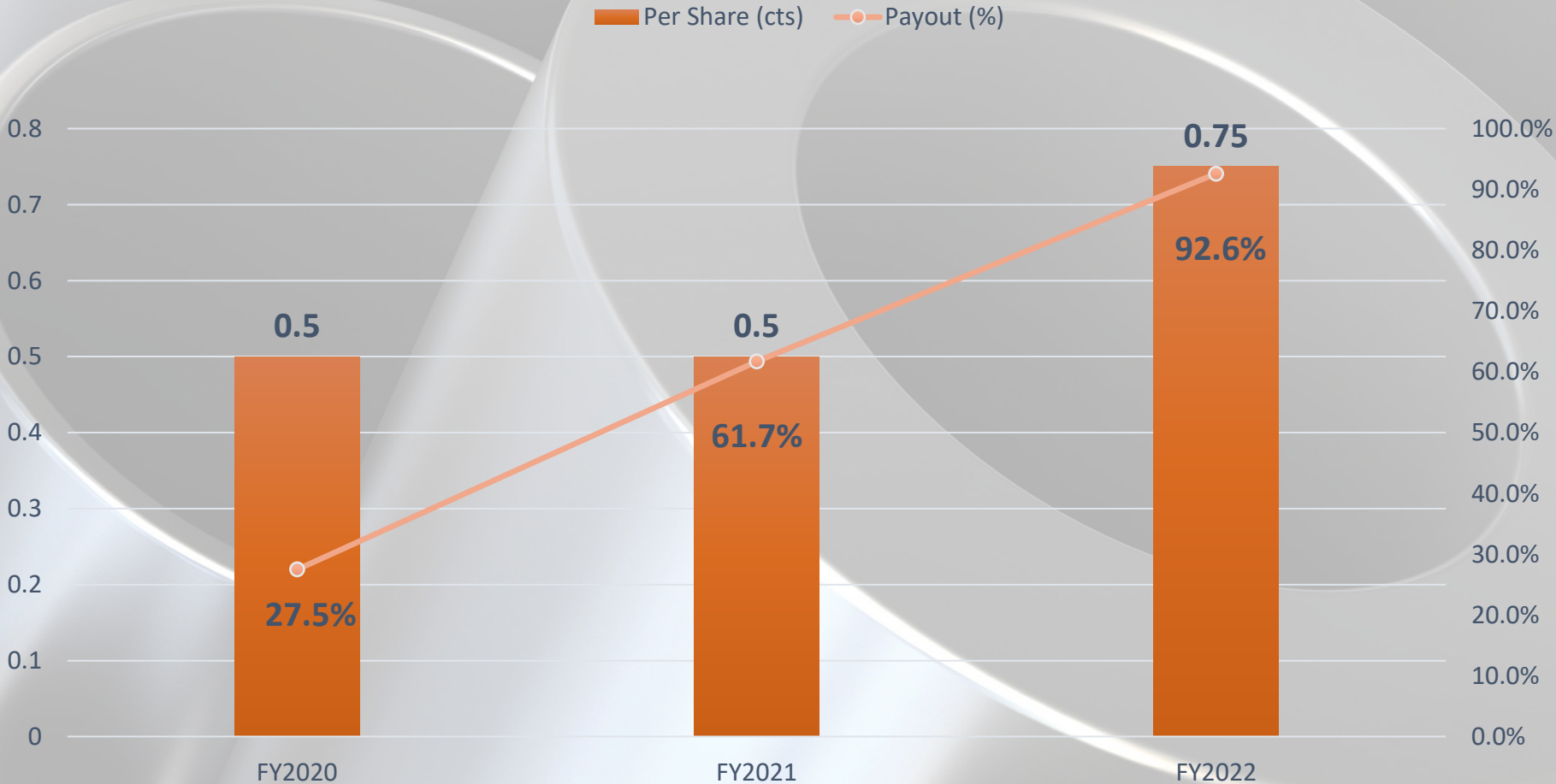
Key Financial Indicators

Profitability Ratios (%)	FY2021	FY2022
Return on Total Assets	2.5	2.7
Return on Equity	2.9	2.8
Efficiency Ratios (Days)	FY2021	FY2022
Trade Receivables Turnover	158	95
Trade Payables Turnover	23	33
Inventory Turnover	455	351
Liquidity Ratios (Times)	FY2021	FY2022
Current Ratio	9.55	6.57
Debt-to-Equity Ratio	0.24	0.26

Dividend



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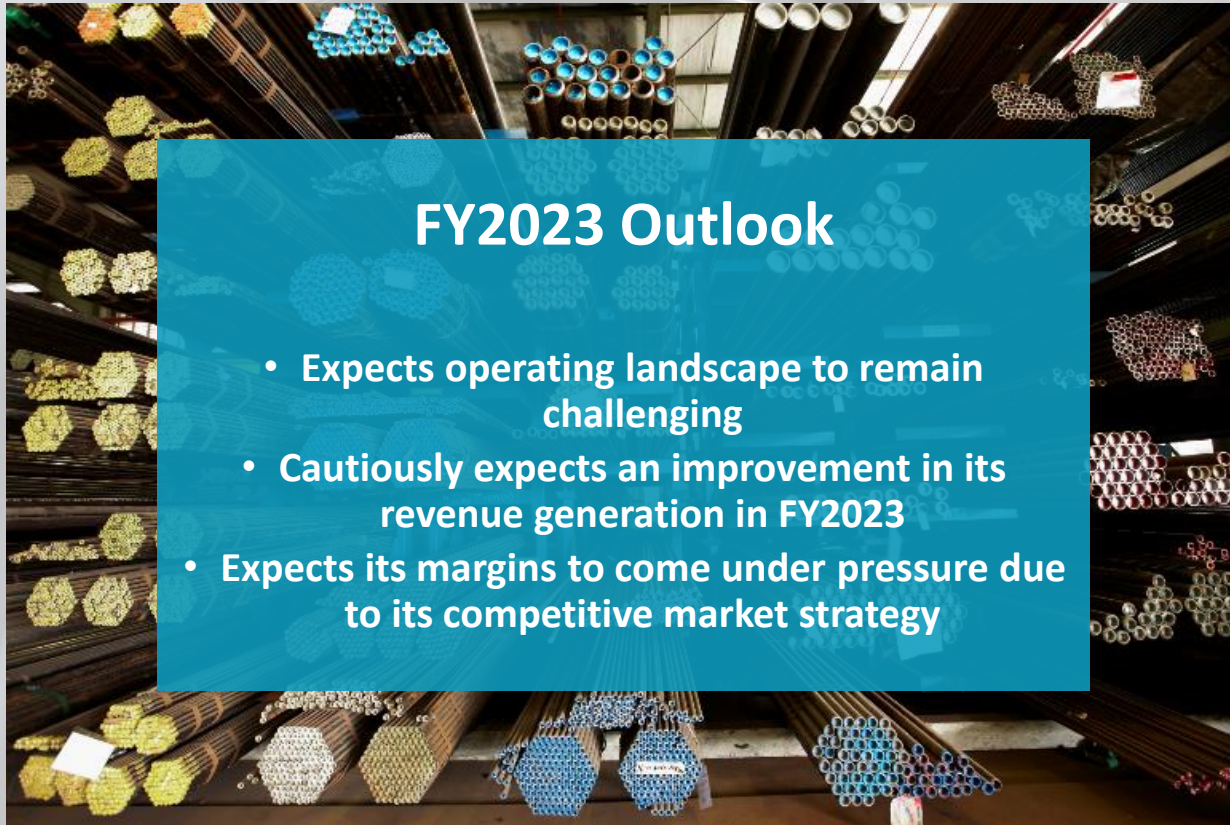




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OUTLOOK & STRATEGY

Business Outlook & Strategy



STRATEGY FOCUS

1. Strengthen revenue generation

- Identify new potential markets and customers
- Explore suitable opportunities for growth

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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