



COSMOSTEEL HOLDINGS LIMITED

COSMOSTEEL HOLDINGS LIMITED

1HY2023 INVESTOR UPDATE

11 May 2023



COSMOSSTEEL HOLDINGS LIMITED

OPERATIONS REVIEW

Business Overview

**One-stop
Inventory
Specialist**



- Over 25,000 line items
- Pipes, fittings, flanges, cables & cable management, and structural products
- 181,361 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**



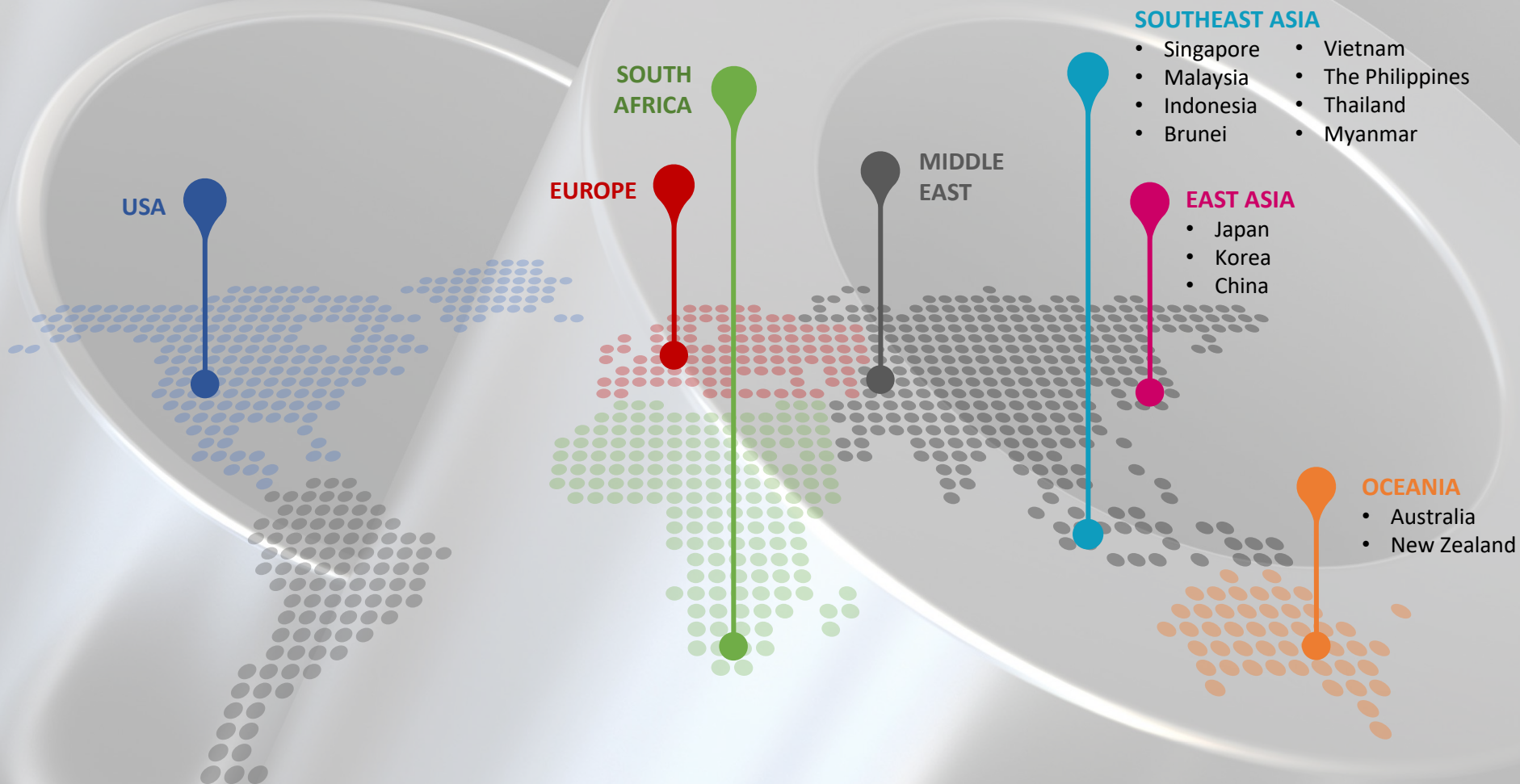
Certifications

- 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-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

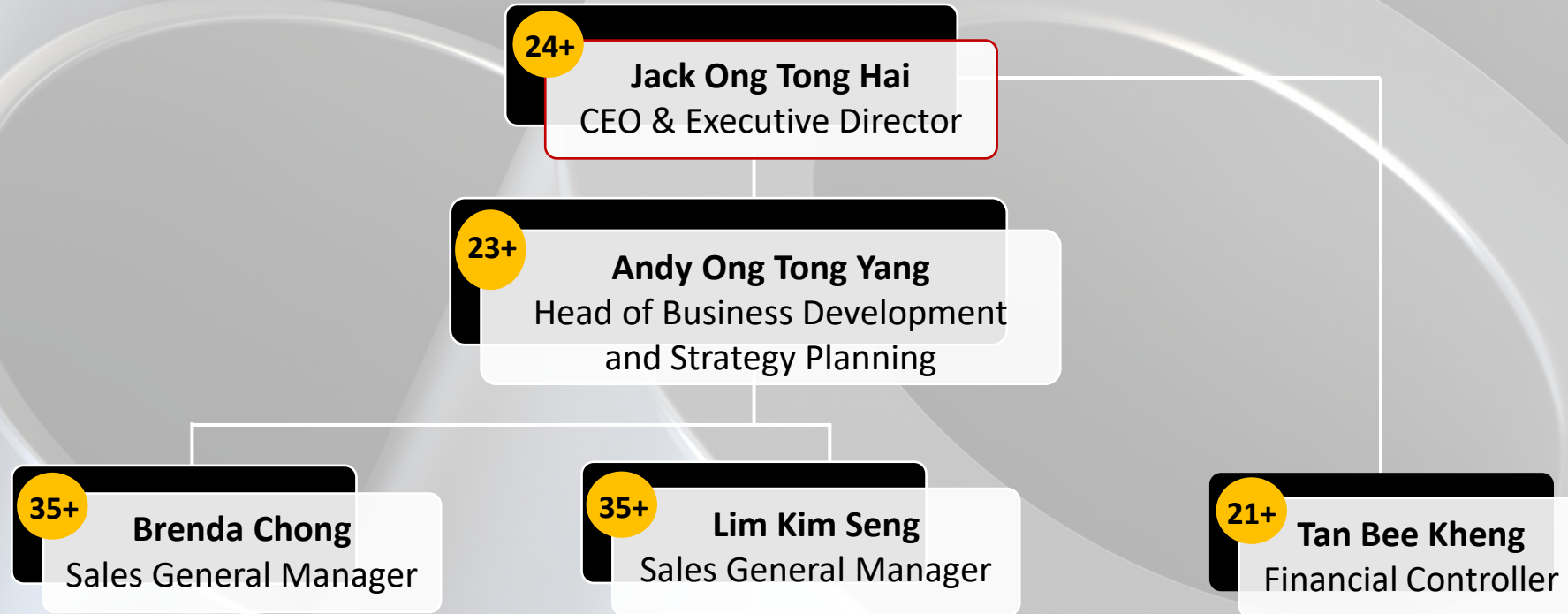


Others


- 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

Solidifying operational security with extensive warehousing totalling 181,361 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 Non-Executive Non-Independent Director

Tan Siok Chin⁽¹⁾

Executive Directors

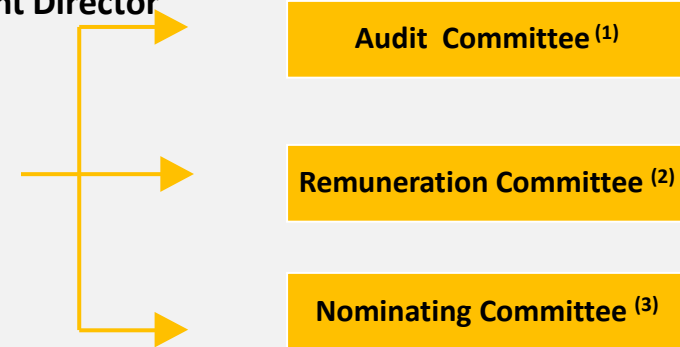
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Director

Shiro Kanaya⁽²⁾⁽³⁾

Independent Directors

Ong Tiew Siam⁽¹⁾⁽³⁾, Hor Siew Fu⁽¹⁾, Lim Jun Xiong Steven⁽²⁾⁽³⁾, Loo Cheng Guan⁽²⁾



- 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 finance and accounting professions
- Board composition: 7-member board; 4 are independent



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FINANCIAL HIGHLIGHTS

1HY2023

(6 months ended 31 March 2023)

Financial Snapshot



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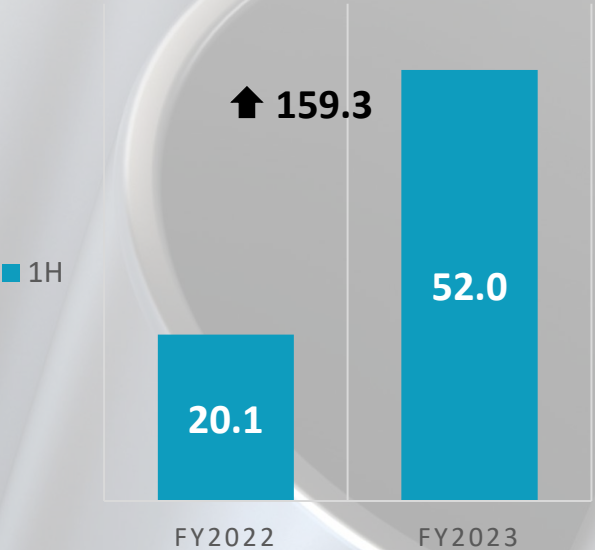
S\$'Million	FY2021	FY2022	1HY2022	1HY2023
Revenue	39.4	46.1	20.1	52.0
Gross profit	7.0	11.0	4.4	8.4
Net profit after tax	2.4	2.3	2.0	2.8
Earnings per share (cents)	0.81	0.81	0.71	1.08
Net asset value per share (cents)	28.37	29.80	28.40	30.61

Revenue

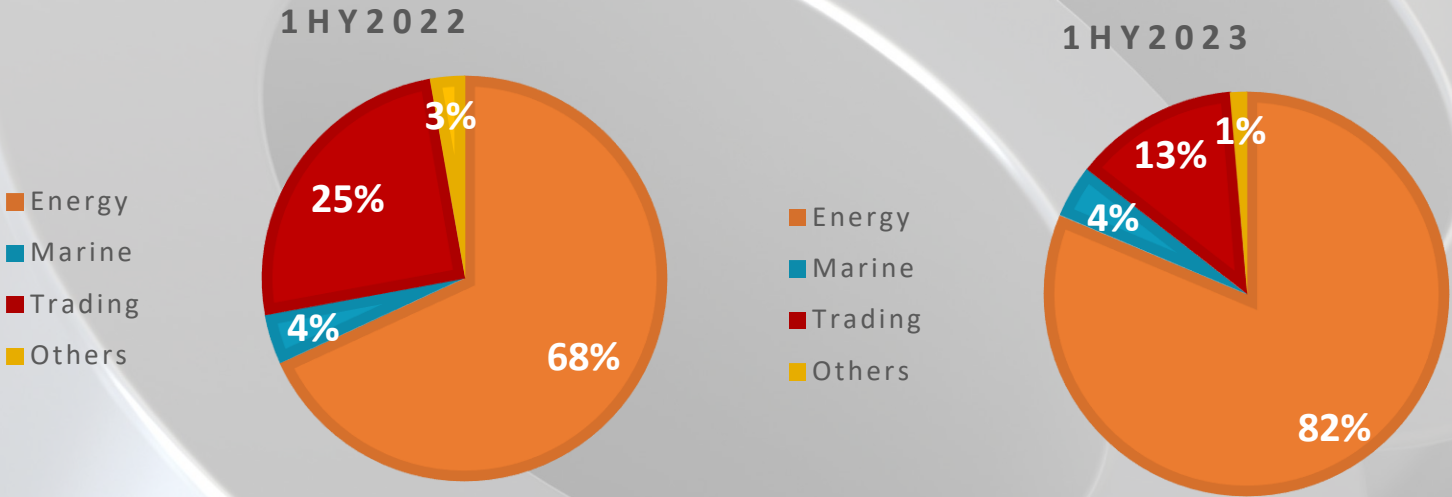


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Total Revenue (S\$m)



Revenue by Customer Type (%)



1HY2023 Revenue by Customer Type

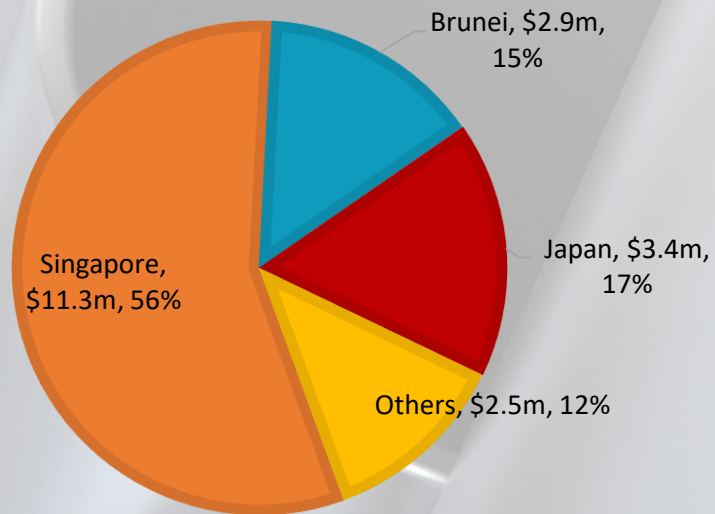
- Energy Sector: ↑209.6% to \$42.3m
- Marine Sector: ↑ 175.0% to \$2.2m
- Trading Sector: ↑ 35.6% to \$6.8m
- Others Sector: ↑ 21.2% to \$0.7m

Revenue by Geographical Market

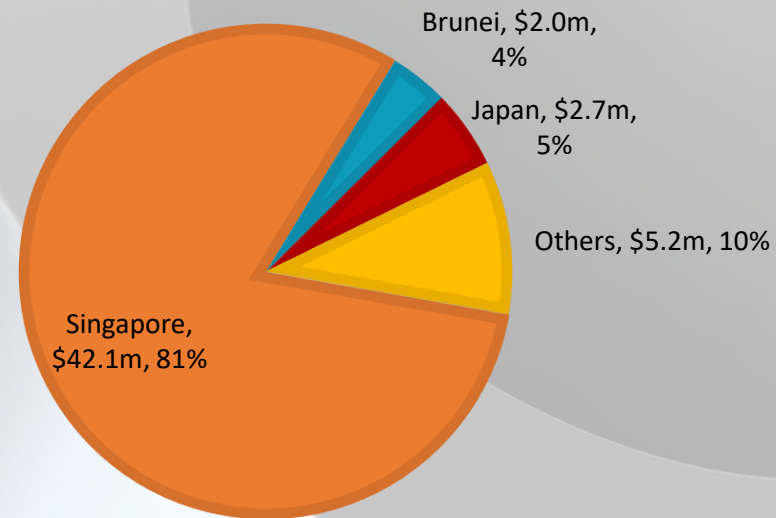


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1HY2022



1HY2023



1HY2023 Revenue by Geographical Market

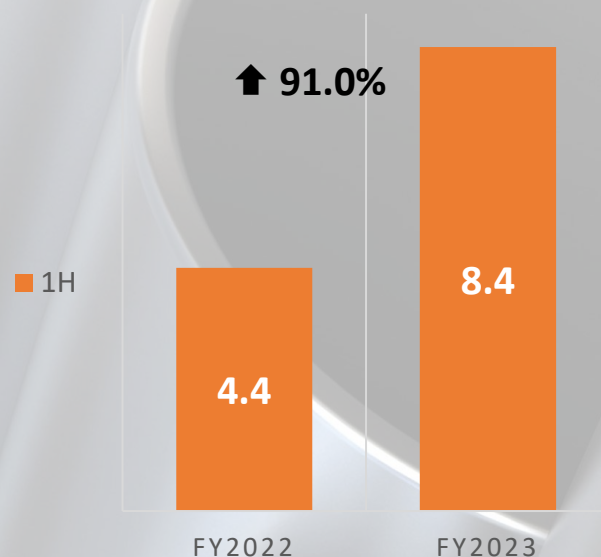
- Singapore: \uparrow 271.9% to \$42.1m
- Other countries: \uparrow 113.4% to \$5.2m
- Brunei and Japan: \downarrow 30.7% to \$2.0m and \downarrow 20.9% to \$2.7m respectively

Profit & Loss

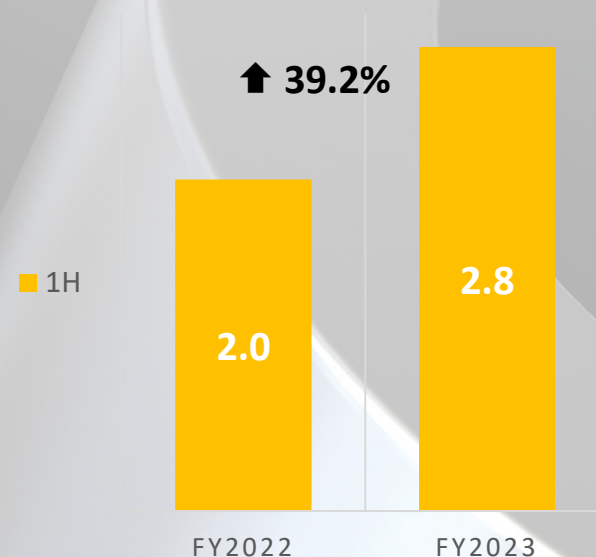


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Gross Profit (S\$m)



Profit After Tax (S\$m)



Gross profit

- GP margin ↓ 5.7 percentage points to 16.2%

Profit after tax

- Other operating expenses ↓ 6.3% to \$5.3m largely due to expiry of lease at 21A Neythal Road on 30 November 2022
- Finance costs ↑ 156.7% to \$0.4m mainly from the increase in loan and borrowings and higher interest rates
- Other losses (net) of \$85,000 (1HY2022: Other gains (net) of \$3.7m) due to foreign exchange losses and decrease in reversal of write-down of inventories

Key Financial Indicators

Profitability Ratios (%)	1HY2022	1HY2023
Return on Total Assets	4.8	5.8
Return on Equity	5.0	7.2
Efficiency Ratios (Days)	1HY2022	1HY2023
Trade Receivables Turnover	86	96
Trade Payables Turnover	27	30
Inventory Turnover	428	119
Liquidity Ratios (Times)	1HY2022	1HY2023
Current Ratio	9.33	3.10
Debt-to-Equity Ratio	0.20	0.46



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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

- Manage cost effectively
- Improve productivity and efficiency



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THANK YOU

For more information, please contact:

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