



COSMOSTEEL HOLDINGS LIMITED

**Results  
For FYE  
30 September 2012**

# A LEADER IN OUR FIELD



**A leading supplier and distributor of piping system components to the Energy and Marine industries in Southeast Asia and other regions with an established track record of close to 30 years**

**1-stop  
Inventory  
Specialist**



- Extensive products range
- Pipes, fittings and flanges
- Over 20,000 line items
- Customisation services

**Serving  
Growing  
Industries**



**As % of FY12 revenue: \$155.0m**

<b>Energy: 84.0%</b>	<b>Trading: 4.1%</b>
<b>Marine: 11.6%</b>	<b>Others: 0.3%</b>



**Reputable  
Customers**

**Longstanding relationships with blue-chip customers:**

<b>Keppel</b>	Over 20 years	<b>Exxon Mobil</b>	Over 10 years
<b>SembCorp</b>	Over 20 years	<b>Chevron</b>	Over 15 years
<b>Alstom</b>	Over 10 years	<b>Shell</b>	5 years

**Safety- and  
Quality-  
Driven**

**Certification**

<b>ISO 9002:1994 (2000)</b>	<b>ISO 14001:2004 (2009)</b>
<b>ISO 9001:2000 (2003)</b>	<b>OHSAS 18001:2007 (2009)</b>
<b>ISO 9001:2008 (2009)</b>	<b>BizSAFE STAR (2012)</b>

# 378,000 SQ FT OF WAREHOUSING FACILITIES



Location	Approximate site area (sq ft)	Tenure
• 14 Lok Yang Way	111,363	60 year wef 16 June 1972
• 21A Neythal Road	111,751	30 years lease wef 16 August 1989
• 90 Second Lok Yang Road	69,998	30 + 10 years lease wef 16 March 1979
• 28 Tuas Avenue 13	85,000	Rented

Inventory management process supported by integrated computerised system, ERP



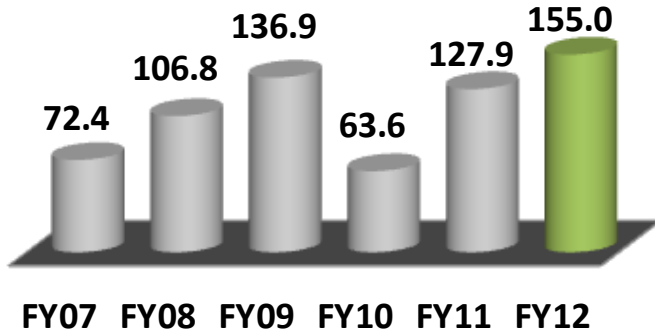
**FY2012  
Financial  
Highlights**



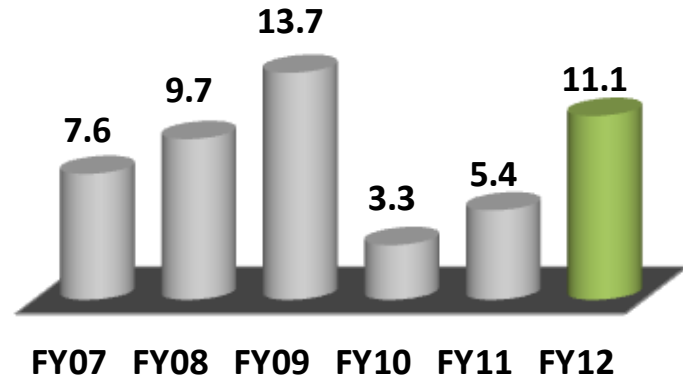
# BACK ON THE GROWTH TRACK



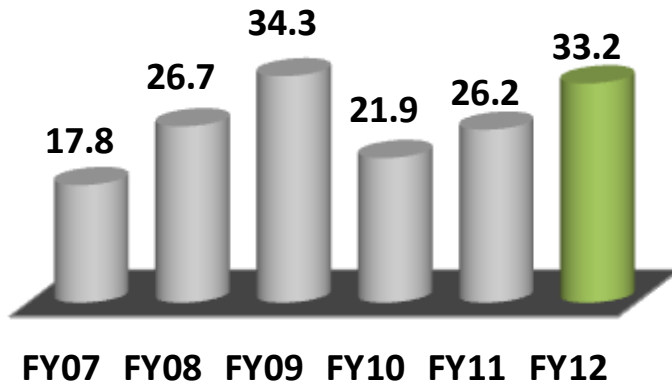
Revenue (S\$m): CAGR ↑16%



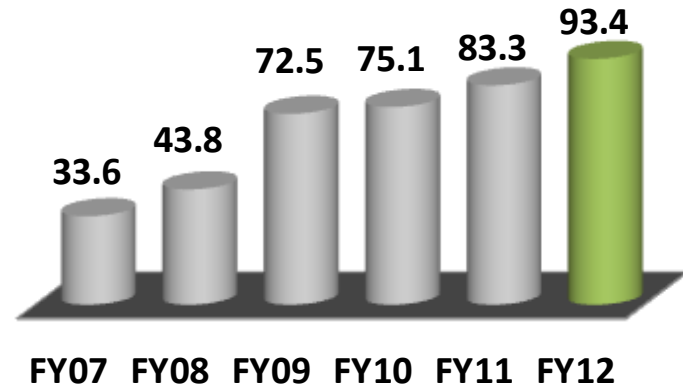
Net Profit (S\$m): CAGR ↑8%



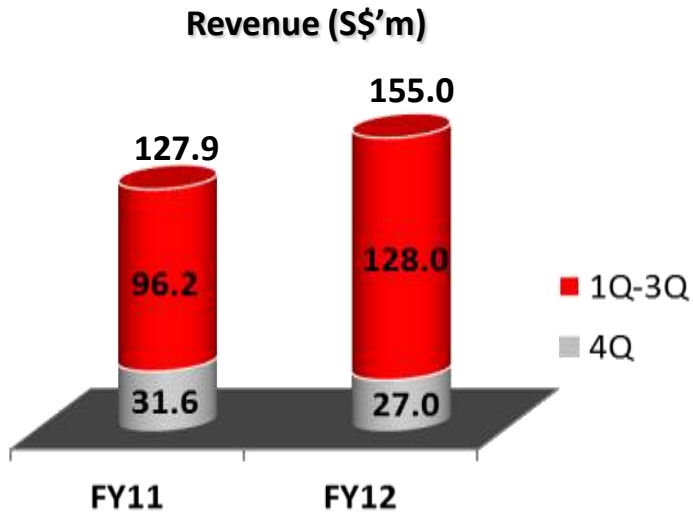
Gross Profit (S\$m): CAGR ↑13%



Equity (S\$m): CAGR ↑23%



# HEALTHY REVENUE GROWTH



**FY2012 revenue: ↑ 21.2%**

• Drivers - Energy and Marine customers

**Energy and Marine: ↑ 23.8%**

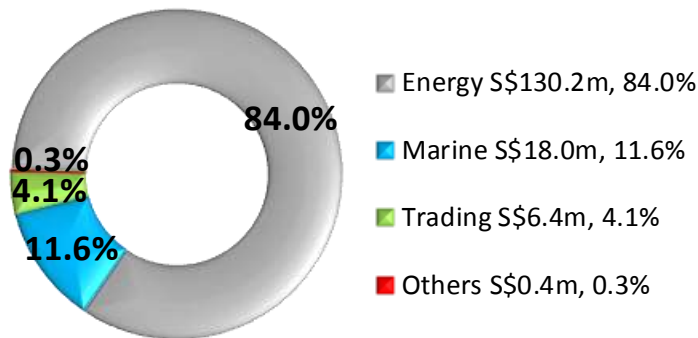
• Energy contribution ↑ 26.6% - positive impact of 5-year Enterprise Framework Agreement for the Asia Pacific region with a key O&G customer

**Trading: Stable**

**Others: ↓ 73.6%**

• Due to a one-time project secured from a manufacturer in FY2011

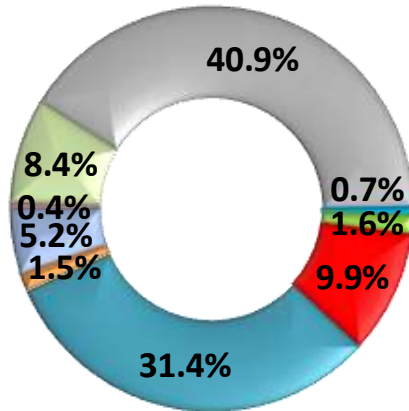
**FY2012 Revenue by Customer Type (%)**



# REVENUE BY GEOGRAPHICAL MARKET

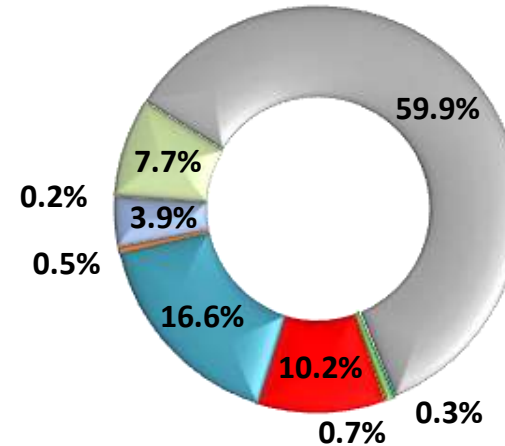


FY2011



- Singapore S\$52.3m, 40.9%
- Middle East S\$0.9m, 0.7%
- Europe S\$2.0m, 1.6%
- Brunei S\$12.6m, 9.9%
- Vietnam S\$40.2m, 31.4%
- Indonesia S\$2.0m, 1.5%
- Malaysia S\$6.7m, 5.2%
- Thailand S\$0.6m, 0.4%
- Others S\$10.7m, 8.4%

FY2012



- Singapore S\$92.8m, 59.9%
- Middle East S\$0.3m, 0.3%
- Europe S\$1.1m, 0.7%
- Brunei S\$15.8m, 10.2%
- Vietnam S\$25.8m, 16.6%
- Indonesia S\$0.8m, 0.5%
- Malaysia S\$6.1m, 3.9%
- Thailand S\$0.4m, 0.2%
- Others S\$11.9m, 7.7%

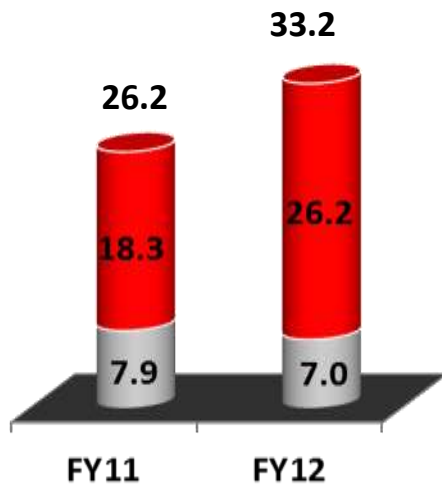
- Increased revenue flows from Singapore, Vietnam, Brunei and Others in FY2012
  - Singapore contribution ↑77.6% from key O&G customer based here

# IMPROVED PROFITABILITY



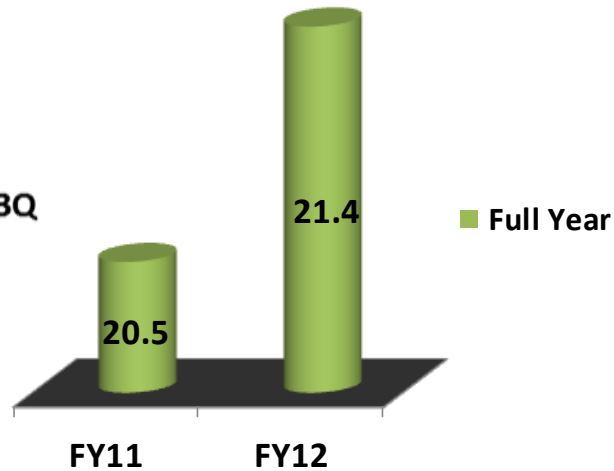
Gross Profit (S\$'m):

↑ 26.7%



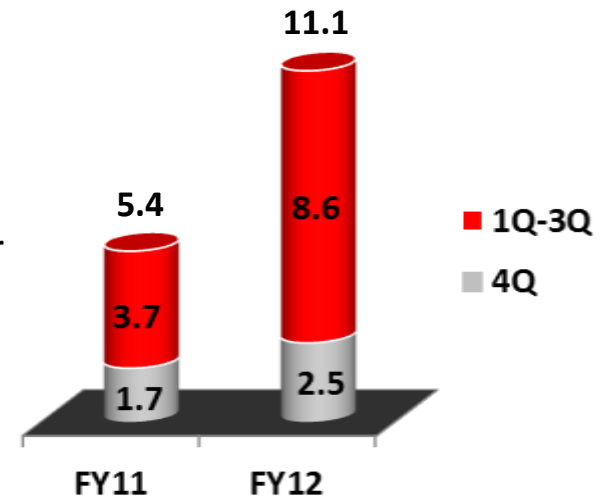
Gross Profit Margin (%):

↑ 0.9 % point



Net Profit (S\$'m):

↑ 105.7%



- In line with revenue growth
- Close monitoring and control of operational costs

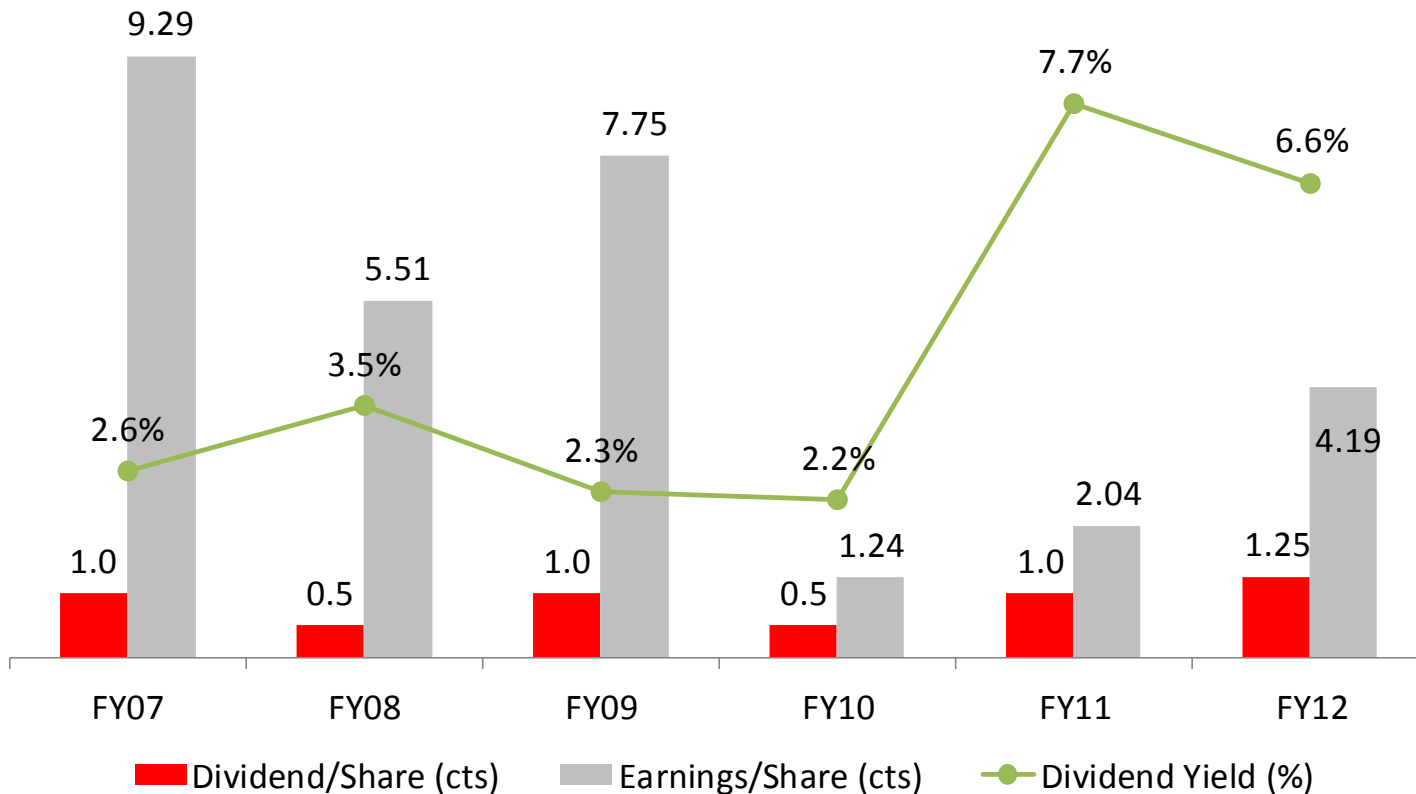


# KEY FINANCIAL INDICATORS



<b>Profitability Ratios (%)</b>	<b>FY11</b>	<b>FY12</b>
Return on Total Assets	5.77	8.97
Return on Equity	6.79	12.51
<b>Efficiency Ratios (Days)</b>	<b>FY11</b>	<b>FY12</b>
Trade Receivables Turnover	72	64
Trade Payables Turnover	27	36
Inventory Turnover	314	319
<b>Liquidity Ratios (Times)</b>	<b>FY11</b>	<b>FY12</b>
Current Ratio	2.17	1.97
Gearing ratio	0.84	0.89

# REGULAR DIVIDEND PAYOUTS SINCE IPO



- EPS is calculated based on the following number of shares issued at each financial year end:- FY07: 81,743,000 shares; FY08: 176,200,000 shares; FY09: 176,487,671 shares; FY10 to FY12 : 263,999,997 shares
- Dividend yield is calculated based on the closing share price at each financial year end from [www.shareinvestor.com](http://www.shareinvestor.com)



# Strategies



# OUTLOOK AND STRATEGY



## Outlook for FY2013 and beyond...

- Challenging market conditions
- Margin pressures

## Inventory specialist

- Extensive and ready stocks for quick turnaround

## Market expansion

- Intensify marketing efforts in the Asia Pacific region
- Strengthen ties with existing and new customers

## Prudent financial management policy

- Stay vigilant
- Cost controls

# SALIENT HIGHLIGHTS



- A market leader and inventory specialist
- Strong and diversified customer base from the Energy and Marine industries
- Proven profitability track record
- Stable dividend policy
- Experienced and prudent management



COSMOSTEEL HOLDINGS LIMITED

**Thank you  
Q&A**

# CUSTOMERS TYPES

## Energy industry



Our products are used for offshore rig fabrication (including jack-up and semi submersible-rigs), FPSO/FSO vessel conversion and building and onshore Energy facilities fabrication

## Marine industry



Our products are used for shipbuilding and repairs

## Water industry



We supply spiral welded pipes widely used in water treatment plants and other related infrastructure projects in Singapore and the region

## Traders

We sell our products to traders who on-sell them to other customers

## Others



Our customers in other industries include manufacturing and pharmaceutical sectors