



立德集团有限公司
KTMG LIMITED



Evolving

Our Way Forward

ANNUAL GENERAL MEETING FY2023

25 June 2024



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AGENDA

FY2023 KEY HIGHLIGHTS

FINANCIAL HIGHLIGHTS

OUTLOOK & STRATEGY GOING FORWARD



FY2023 KEY HIGHLIGHTS

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We maintain our competitive edge by continuously evolving through technologies and innovative products, seizing every opportunity to expand our market reach and propel growth

AUTOMATION & NEW TECHNOLOGIES

Leveraging automation and advanced technologies (Lean Manufacturing & General Sewing Data Software) to promptly adapt to changing trends and meet industry and customer needs

EXPANSION OF CUSTOMER BASE

Successfully broadened customer base from traditional customer segment (casual wear, loungewear and pyjamas) into thriving athleisure market

1ST INTERNATIONAL ATHLEISURE CUSTOMER

Achieved a significant milestone by securing our first international athleisure customer - cementing our foothold in this growing segment



FINANCIAL HIGHLIGHTS



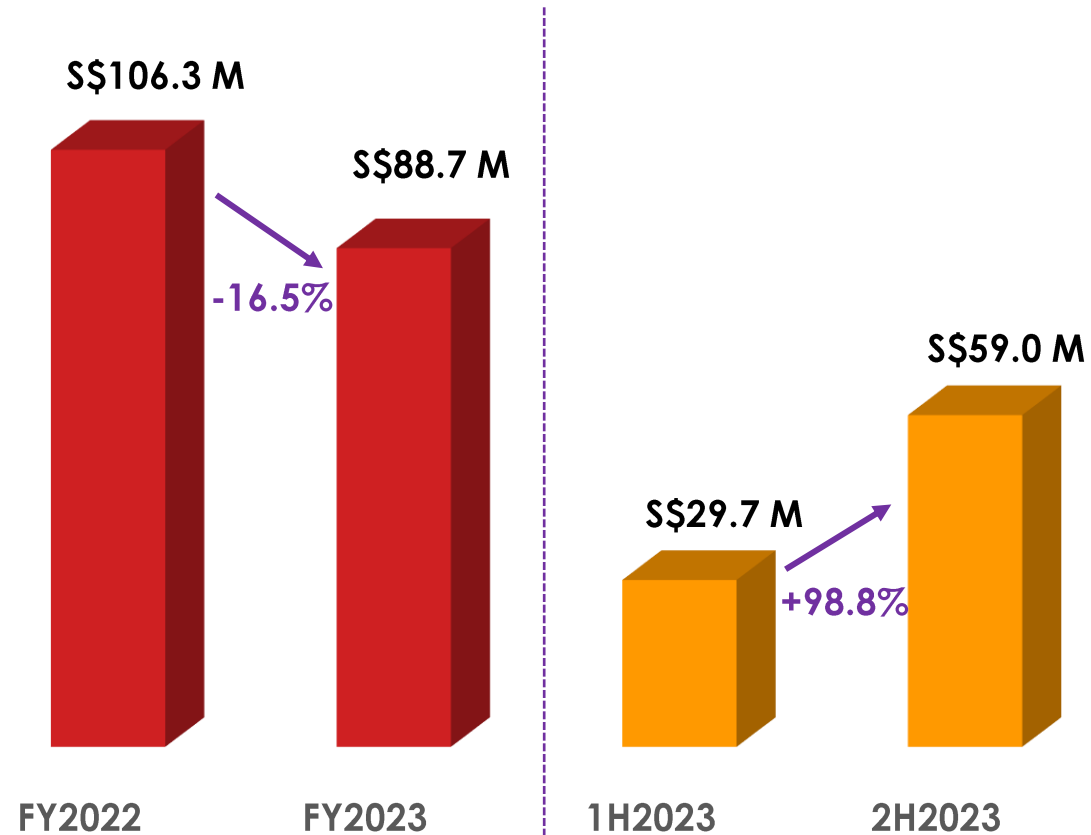
FINANCIAL HIGHLIGHTS

S\$'000	FY2023	FY2022	Variance
Revenue	88,720	106,294	(16.5%)
Gross Profit	8,102	16,115	(49.7%)
Gross Profit Margin	9.1%	15.2%	(6.1 ppt)
Earnings Before Interest, Taxes, Depreciation and Amortisation (“ EBITDA ”)	1,306	7,468	(82.5%)
(Loss) / Profit Before Tax	(1,783)	4,356	NM
Net (Loss) / Profit Attributable to Shareholders	(1,969)	3,464	NM
(Loss) / Earnings per share (Singapore cents)	(1.16)	2.04	NM

NM – Not Meaningful



REVENUE

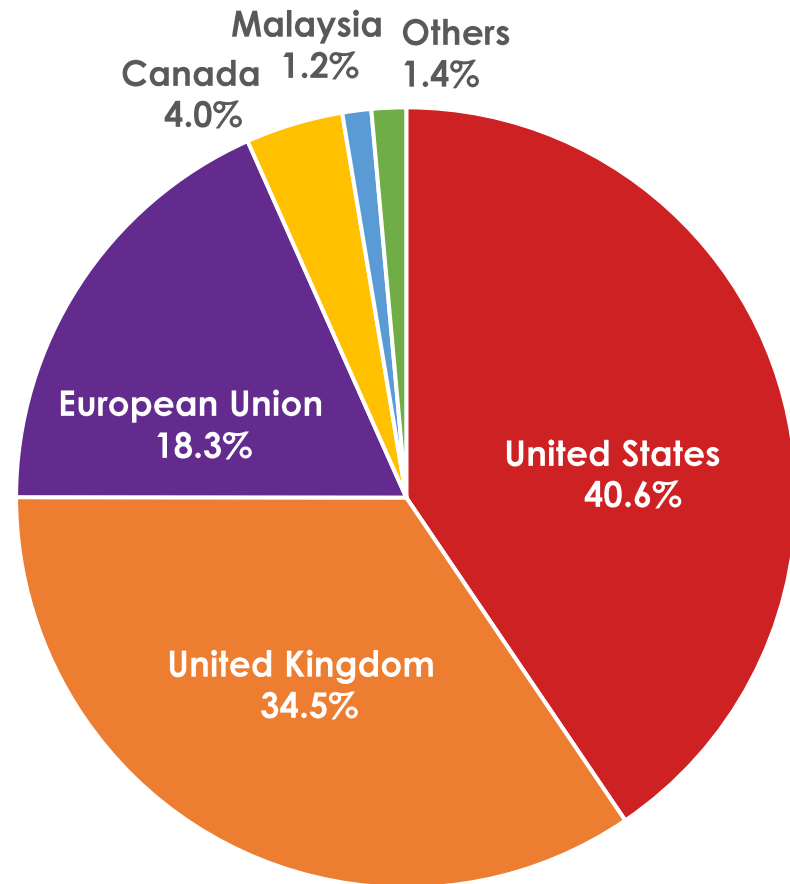


- Revenue for FY2023 was **down 16.5% to S\$88.7 million** due to lower apparel orders placed by existing customers.
- Demand was affected by lower consumer purchasing power as a result of the rising inflation and interest rates, particularly in the 1H2023.
- Despite a challenging start to 2023, our order book rebounded as key customers restocked after substantially clearing their excess inventories.
- In 2H2023, our revenue was also boosted by sales to our first international athleisure customer.



REVENUE BY GEOGRAPHY

FY2023 Revenue by Geographical Segment



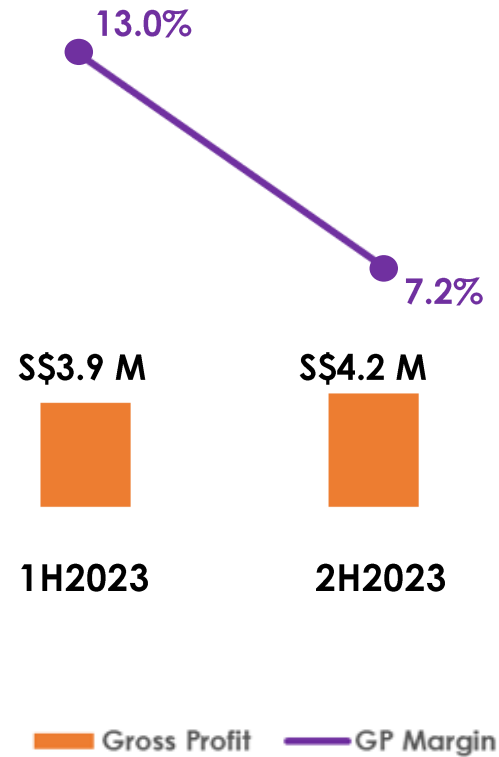
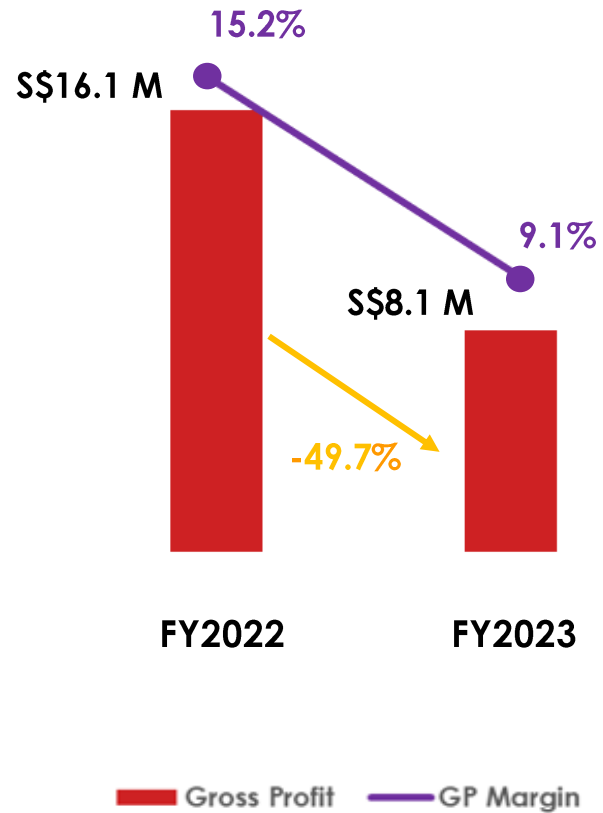
Country	FY2023	FY2022
United States	40.6%	27.1%
United Kingdom	34.5%	41.4%
European Union	18.3%	17.8%
Canada	4.0%	10.3%
Malaysia	1.2%	1.7%
Others	1.4%	1.7%
Total	100.0%	100.0%

The Group's largest markets in FY2023:
United States, United Kingdom & European Union

In FY2023, revenue contribution from the United States rose to constitute 40.6% of total sales, boosted by sales to our first international athleisure customer



GROSS PROFIT & GP MARGIN

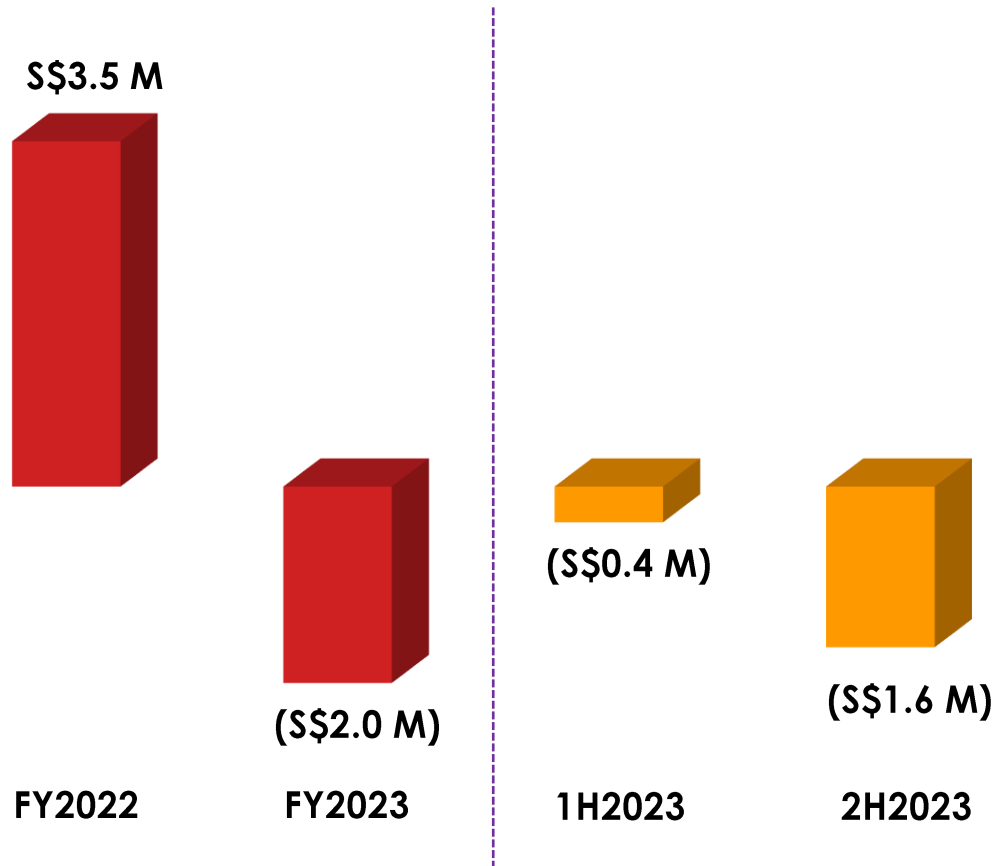


Despite lower raw material costs and savings in export handling charges, labour costs, and factory overheads, gross profit **declined by 49.7%** to **S\$8.1 million** in FY2023, while gross profit margin **narrowed by 6.1 percentage points** from **15.2% in FY2022 to 9.1% in FY2023** due to:

- diseconomies of scale from lower revenue in 1H2023.
- initial one-off costs to fulfil a substantial maiden order from new athleisure customer with a tight delivery schedule resulting in increased expenses (higher salaries and production-related costs, and freight and delivery charges) for the order concerned.



NET (LOSS) / PROFIT



- Due to lower revenue and gross profit, the Group registered a net loss attributable to shareholders of S\$2.0 million for FY2023

BALANCE SHEET POSITION



S\$'000	As at 31 Dec 2023	As at 31 Dec 2022
Non-current assets	16,306	18,205
Current assets	39,986	32,721
Total Assets	56,292	50,926
Current liabilities	35,857	26,463
Non-current liabilities	798	1,687
Total Liabilities	36,655	28,150
<i>Total Borrowings</i>	16,335	12,417
Shareholders' Equity	19,637	22,776
<i>Merger Reserve</i> ⁽¹⁾	(20,106)	(20,106)
Adjusted Shareholders' Equity ⁽²⁾	39,743	42,882
Net Gearing Ratio (times) ⁽³⁾	0.83	0.55
Adjusted Net Gearing Ratio (times) ⁽⁴⁾	0.41	0.29
Net Asset Value ("NAV")	19,637	22,776
NAV per share (Singapore cents)	11.57	13.42

(1) Merger Reserve arising from the RTO of Lereno Bio-Chem Ltd ("Lereno") in 2019 (ie. reverse acquisition charge to write off Lereno's accumulated losses).

(2) Shareholders' Equity after adding back Merger Reserve of S\$20.1 million

(3) Net Gearing Ratio is calculated based on Total Borrowings divided by Shareholders' Equity

(4) Adjusted Net Gearing Ratio is calculated based on Total Borrowings divided by Adjusted Shareholders' Equity



LIQUIDITY & CAPITAL RESOURCES

S\$'000	As at 31 Dec 2023	As at 31 Dec 2022
Net cash generated from operating activities	1,136	15,437
Net cash used in investing activities	(795)	(509)
Net cash generated from / (used in) financing activities	940	(12,610)
Net change in cash and cash equivalents	1,281	2,318
Effects of exchange rate changes on cash and cash equivalents	(290)	(216)
Cash and cash equivalents at beginning of financial year	4,966	2,864
Cash and cash equivalents at end of financial year	5,957	4,966
Add : Pledged deposits	1,869	1,348
Cash and bank balances	7,826	6,314



**OUTLOOK
&
STRATEGY
GOING
FORWARD**

BUSINESS OUTLOOK

- Cautiously optimistic of an improved outlook, with a potential rebound in consumer demand.
- Continue to enhance operational efficiencies and implement cost rationalisation.
- Ongoing skill development and adopting cutting-edge technologies (especially automation).
- Simplify supplier management processes for greater efficiency and better control over material costs and quality standards.
- Intensify marketing efforts to secure partnerships with more renowned international athleisure brands.





STRATEGY GOING FORWARD





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THANK YOU