



COSMOSTEEL HOLDINGS LIMITED

COSMOSTEEL HOLDINGS LIMITED

1HY2024 INVESTOR UPDATE

13 May 2024



COSMOSTEEL HOLDINGS LIMITED

OPERATIONS REVIEW

Business Overview

**One-stop
Inventory
Specialist**



**Serving
Multi-
industries**



**Safety &
Quality
Focused**



- Over 20,000 line items
- Pipes, fittings, flanges, cables & cable management, and structural products
- Approximately 466,000 sq ft (site area) storage capacity
- International network
- Customisation services
- Project management services
- In-house quality assurance
- Non-destructive testing services

FY2023 revenue: \$83.4 million

- Energy: 80%
- Marine: 4%
- Trading: 14%
- Others: 2%

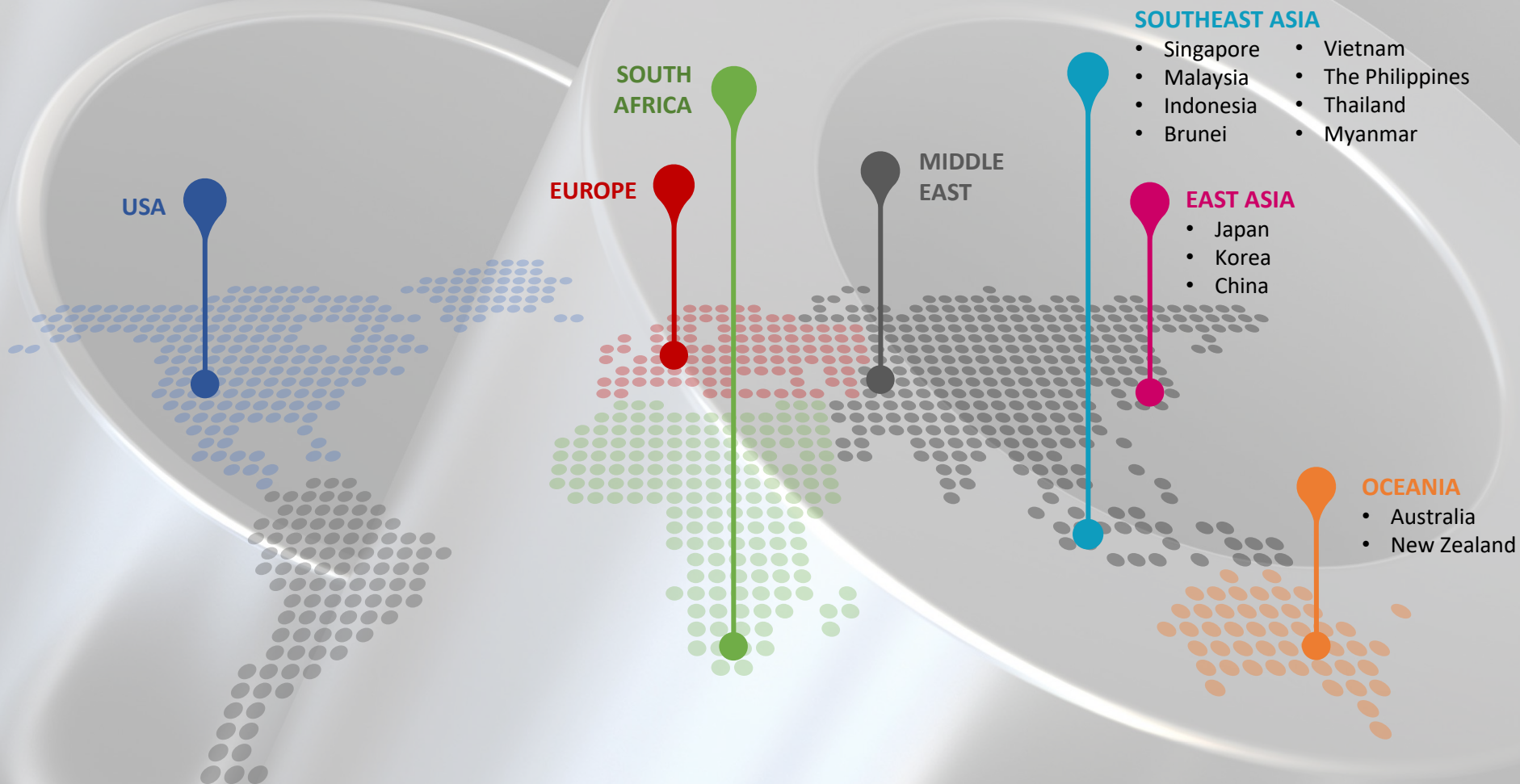
Certifications

- 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

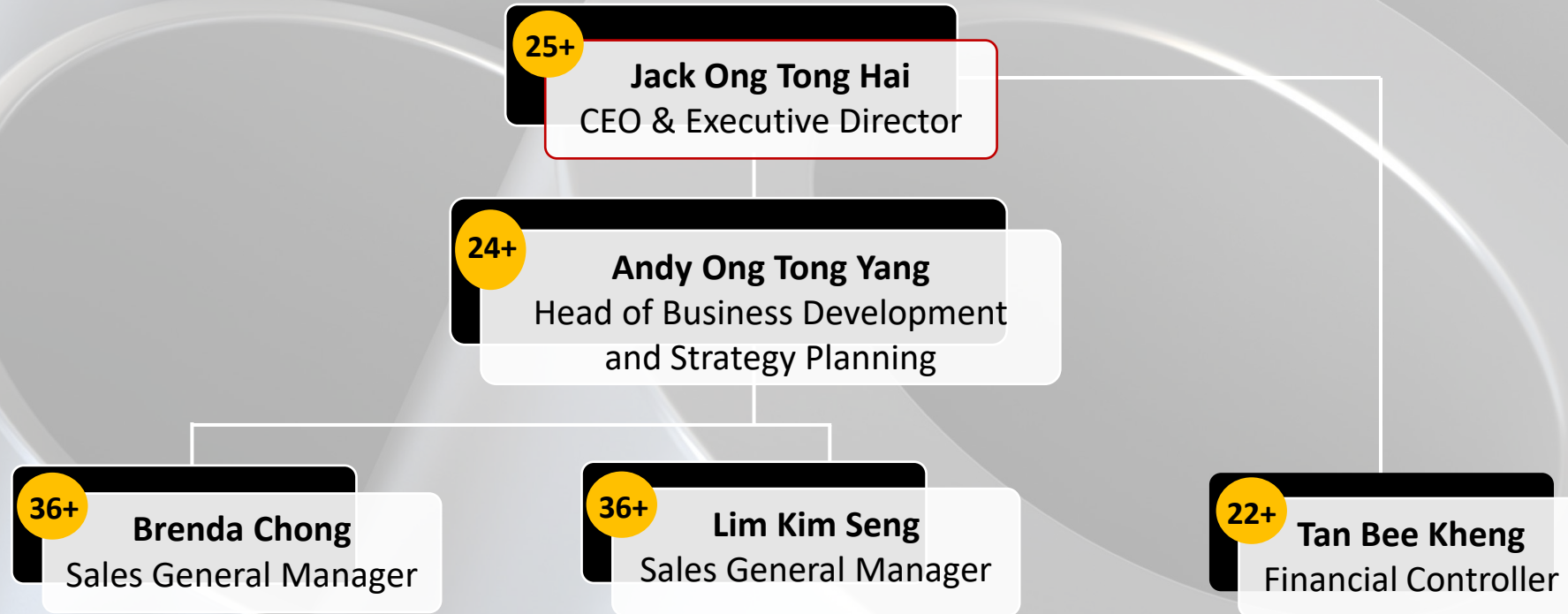


Others


- 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

| 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 |
| • Johor, Malaysia | 285,566 | Warehouse | Freehold |

Solidifying operational security with extensive warehousing totalling 466,927 sq ft (site area) and inventory management process supported by an integrated computerised ERP system

The acquisition of the warehouse facility totalling approximately 285,000 sq ft (site area) in Johor, Malaysia was completed on 15 February 2024.



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

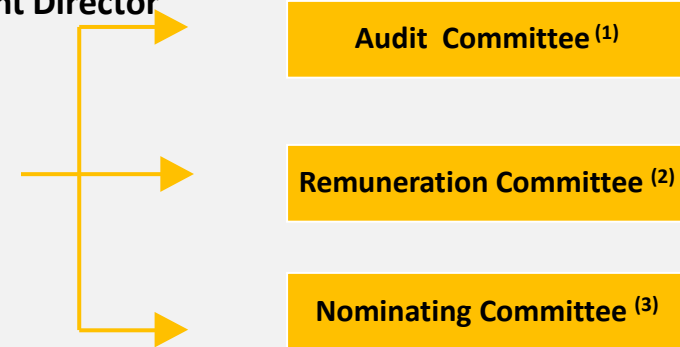
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Director

Yasuhiko Watanabe⁽²⁾ ⁽³⁾

Independent Directors

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



- Ranked 61st out of 474 companies on the SGTI in 2023 (SGTI 2022: Ranked 92nd out of 489 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

1HY2024

(6 months ended 31 March 2024)

Financial Snapshot



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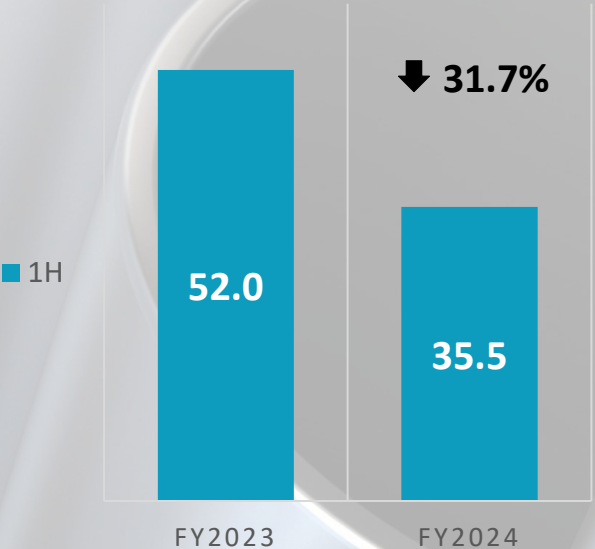
| S\$'Million | FY2022 | FY2023 | 1HY2023 | 1HY2024 |
|-----------------------------------|--------|--------|---------|---------|
| Revenue | 46.1 | 83.4 | 52.0 | 35.5 |
| Gross profit | 11.0 | 13.2 | 8.4 | 4.9 |
| Net profit/(loss) after tax | 2.3 | 2.8 | 2.8 | (1.3) |
| Earnings/(Loss) per share (cents) | 0.81 | 1.07 | 1.08 | (0.51) |
| Net asset value per share (cents) | 29.80 | 30.78 | 30.61 | 29.74 |

Revenue

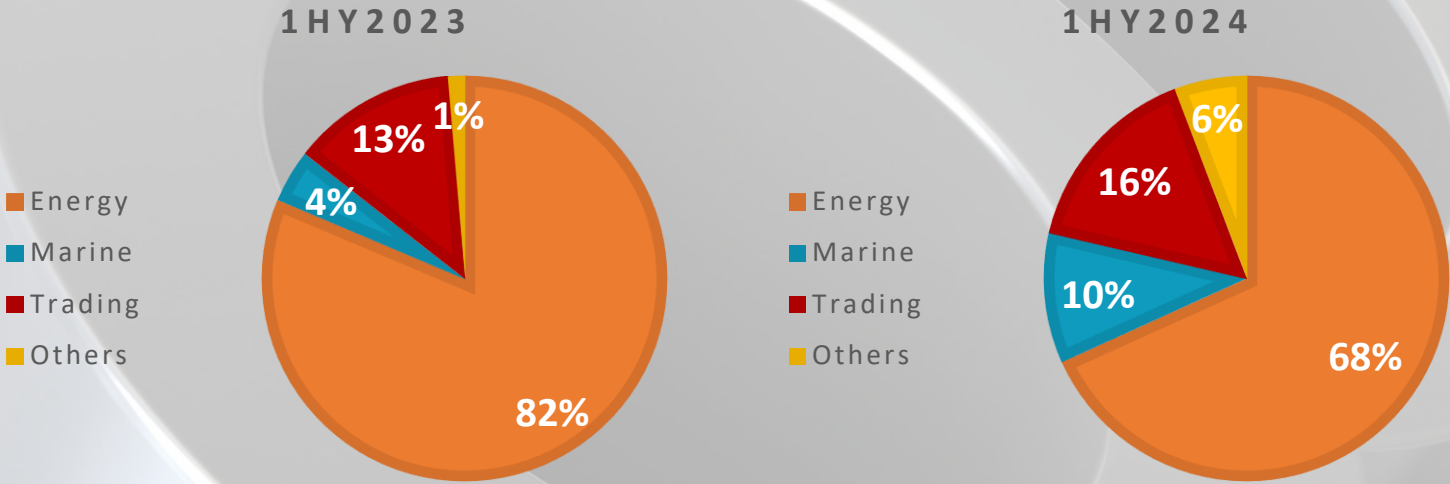


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Total Revenue (S\$m)



Revenue by Customer Type (%)



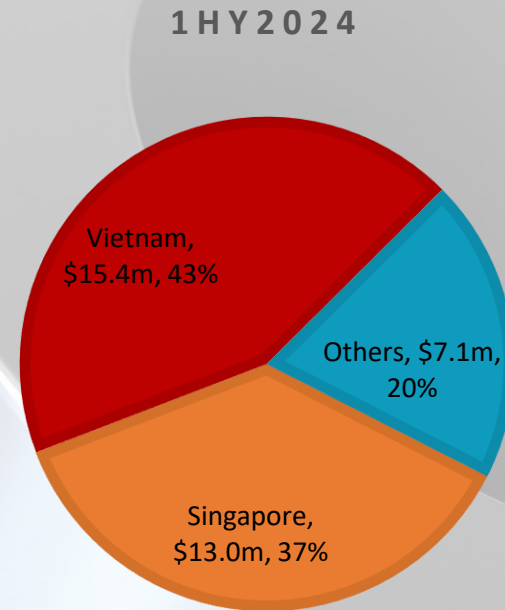
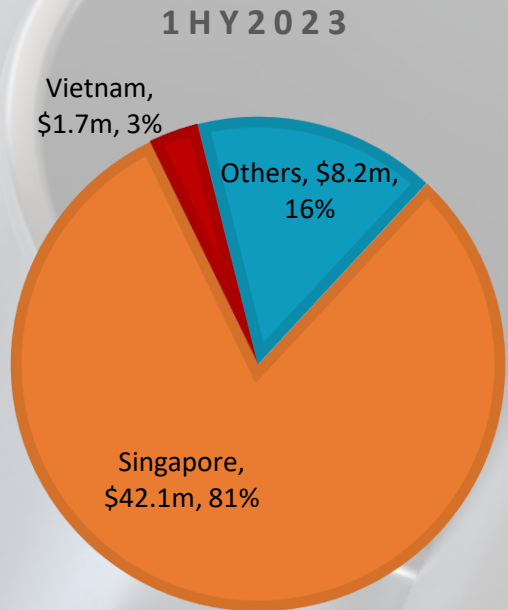
1HY2024 Revenue by Customer Type

- Energy Sector: ↓ 42.7% to \$24.3m
- Marine Sector: ↑ 69.2% to \$3.7m
- Trading Sector: ↓ 19.0% to \$5.5m
- Others Sector: ↑ 206.7% to \$2.0m

Revenue by Geographical Market



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1HY2024 Revenue by Geographical Market

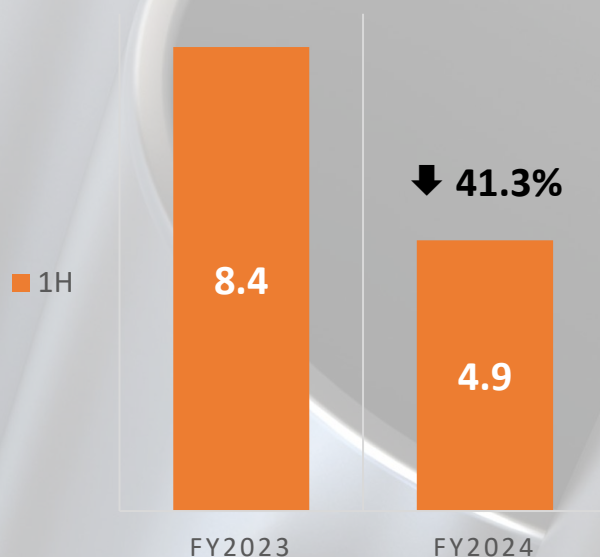
- Singapore: ↓ 69.0% to \$13.0m
- Vietnam: ↑ 807.4% to \$15.4m
- Other countries: ↓ 14.0% to \$7.1m

Profit & Loss

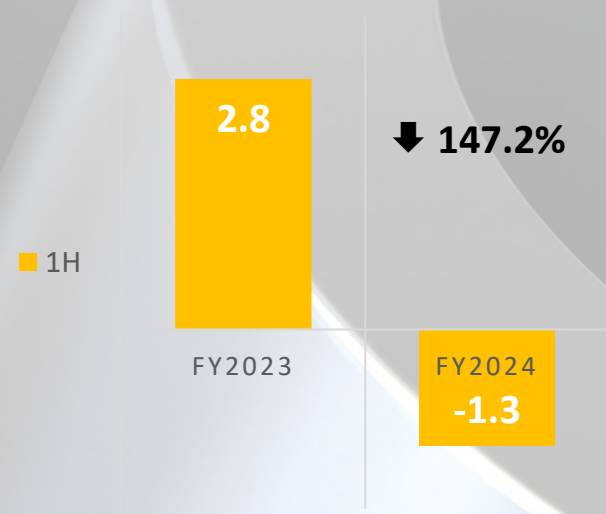


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Gross Profit (S\$'m)



Profit/(Loss) After Tax (S\$'m)



Gross profit

- GP margin ↓ 2.3 percentage points to 13.9%

Profit after tax

- Other operating expenses ↑ 4.0% to \$5.5m mainly due to higher employee benefits expense, repair and maintenance expense and increase in depreciation of land and building
- Finance costs ↑ 12.5% to \$0.4m
- Other losses (net) ↑ 655.3% to \$0.6m due to decrease in reversal of write-down of inventories, partly offset by decrease in foreign exchange transaction and translation losses

Key Financial Indicators

| Profitability Ratios (%) | 1HY2023 | 1HY2024 |
|---------------------------------|----------------|----------------|
| Return on Total Assets | 5.8 | -2.0 |
| Return on Equity | 7.2 | -3.4 |
| Efficiency Ratios (Days) | 1HY2023 | 1HY2024 |
| Trade Receivables Turnover | 96 | 162 |
| Trade Payables Turnover | 30 | 28 |
| Inventory Turnover | 119 | 154 |
| Liquidity Ratios (Times) | 1HY2023 | 1HY2024 |
| Current Ratio | 3.10 | 4.13 |
| Debt-to-Equity Ratio | 0.46 | 0.35 |



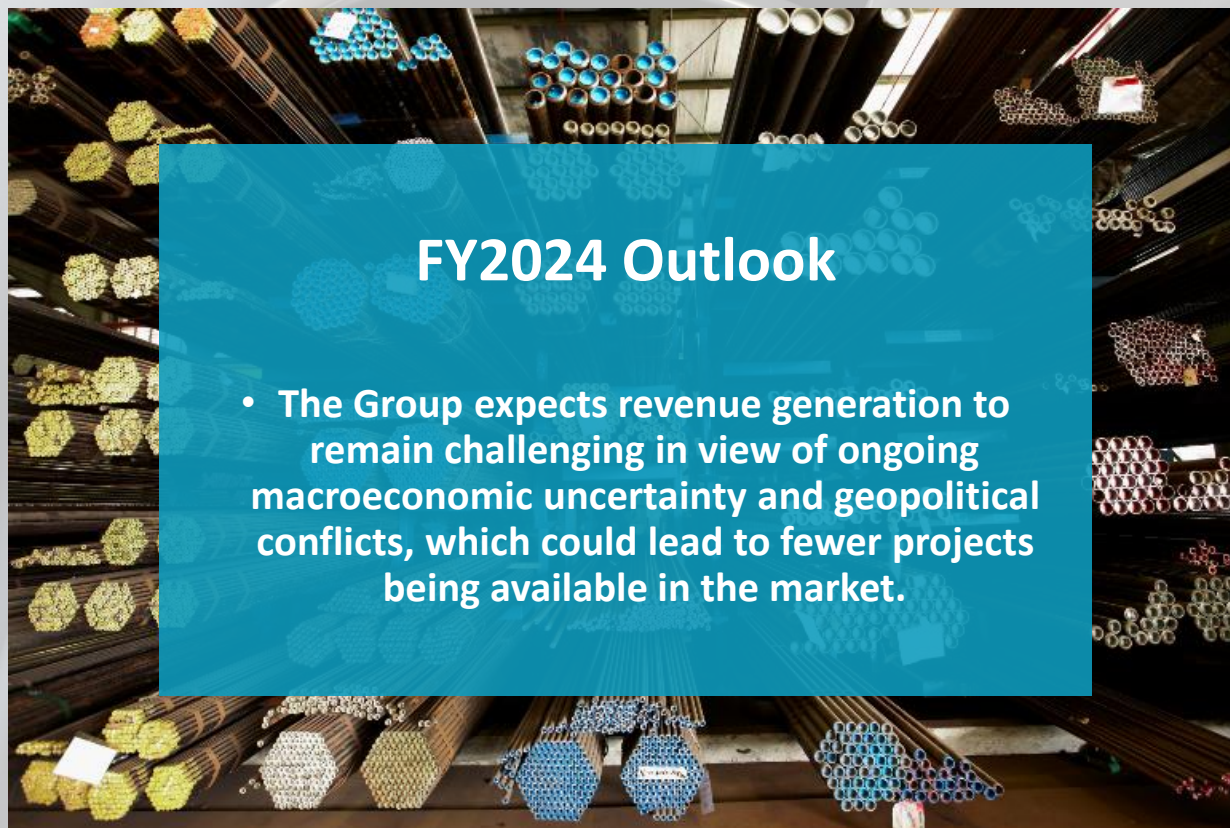
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OUTLOOK & STRATEGY

Business Outlook & Strategy



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FY2024 Outlook

- The Group expects revenue generation to remain challenging in view of ongoing macroeconomic uncertainty and geopolitical conflicts, which could lead to fewer projects being available in the market.

STRATEGY FOCUS

1. Strengthen revenue generation

- Remains watchful for new potential markets or suitable opportunities for growth

2. Improve market competitiveness

- Uphold tight cost controls



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THANK YOU

For more information, please contact:

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