

# ***STAMFORD*** ***TYRES***

**Annual General Meeting FY2021**

**29 September 2021**



# CONTENTS

- **Financial Highlights – FY2021**
- **Group Strategy and Outlook in FY2022**

# Financial Highlights – FY2021

## Key Financial Indicators (Comparative)

	FY21	FY20
	S\$'000	S\$'000
Revenue	189,620	195,705
Gross profit	47,231	44,112
GP %	25%	23%
Operating costs	(48,454)	(51,728)
Share of results of JVs	1,125	377
Profit/(loss) before tax	4,485	(3,093)
Net profit/(loss) after MI	2,484	(4,013)
EPS (cents)	1.05	(1.70)
NAV (cents)	49.26	49.41

### The losses in FY20 were mainly due to:

- Lower revenue arising from increased competition and oversupply in the tyre market.
- A one-time expense relating to the closure of a loss-making operation in Australia.
- Higher allowance for doubtful receivables as a result of delayed and non-payment of trade receivables when due from customers, due to the Covid-19 pandemic.

# Financial Ratios

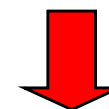
No	Ratio	FY21	FY20
1	Inventory turnover	209 days	217 days
2	Receivables turnover	82 days	90 days
3	Payables** turnover	151 days	134 days
4	Cash conversion cycle	140 days	173 days
5	Current ratio	1.69	1.57
6	Quick ratio	0.89	0.75
7	Net gearing	0.42	0.62

\*\*Note : Payables consist of trade payables and trust receipts borrowings.

# Cash Flows

		FY21 S\$'000	FY20 S\$'000
<b>Net cashflows from operating activities</b>	[A]	<b>28,482</b>	<b>7,369</b>
<i>Decrease in receivables</i>		8,720	4,613
<i>Decrease in inventories</i>		7,117	1,786
<b>Net cash (used in)/ from investing activities</b>	[B]	<b>(1,815)</b>	<b>(522)</b>
<i>Additions of property, plant and equipment (PPE)</i>		(3,803)	(1,765)
<i>Dividend income from joint venture company</i>		1,888	1,051
<i>Proceeds from disposal of PPE</i>		100	192
<b>Net cashflows (used in)/ from financing activities</b>	[C]	<b>(10,435)</b>	<b>5,540</b>
<i>Net proceeds from/ (repayment of) trust receipts</i>		1,780	(1,607)
<i>Repayment of long term loans</i>		(9,379)	(4,945)
<i>Proceeds from long-term loans</i>		10,243	4,000
<i>Dividends paid to shareholders</i>		(1,184)	(2,362)
<b>Net cash increase during the year</b>	[D]=[A]+[B]+[C]	<b>16,232</b>	<b>12,387</b>
Cash and cash equivalents at beginning of the year	[E]	25,730	13,709
Effect of exchange differences	[F]	(128)	(366)
<b>Cash and cash equivalents at end of the year</b>	[D]+[E]+[F]	<b>41,834</b>	<b>25,730</b>

# Dividends History



	FY17 S\$'001	FY18 S\$'000	FY19 S\$'000	FY20 S\$'000	FY21 S\$'000
Profit/(loss) after tax	8,112	5,193	474	(4,013)	2,484
Dividend	3,534	2,356	2,362	1,184	2,967
<b>Payout ratio</b>	<b>44%</b>	<b>45%</b>	<b>498%</b>	<b>(30%)</b>	<b>119%</b>
Dividend per share (cents)	1.5	1.0	1.0	0.5	1.25
Share price (30 Apr) (S\$)	0.31	0.34	0.27	0.27	0.21
<b>Dividend yield (%)</b>	<b>4.8%</b>	<b>2.9%</b>	<b>3.7%</b>	<b>1.9%</b>	<b>6.0%</b>
<b>EPS (cents)</b>	<b>3.44</b>	<b>2.20</b>	<b>0.20</b>	<b>(1.69)</b>	<b>1.05</b>

# Group Strategy And Outlook



# Group Strategy And Outlook

## Drive topline growth via brands and products diversification

- Deliver timely response to market needs and trends.
- Defend GP margin above 20%.
- Expand our sales and retailer network for tyres and wheels.
- Continue to focus on value-adding segments such as mining-related services, Stamford Tyres Mart retail chain and truck commercial centres.
- Continue to work closely with our Principals to improve communication, profitability and product mix.

## Contain operating costs and rationalise current assets

# “Thank You!”



**From the Management Team**