

# INVESTORS UPDATE FY2020

20 November 2020



# OPERATIONS REVIEW





# BUSINESS OVERVIEW

## ONE-STOP INVENTORY SPECIALIST

- Over 25,000 line items
- Pipes, fittings, flanges, cables & cable management, and structural products
- 293,000 sq ft (site area) storage capacity



- International network
- Customisation services
- Project management services
- In-house quality assurance
- Non-destructive testing services

## SERVING MULTI-INDUSTRIES



**FY2020 revenue: \$86.8m**

**Energy: 59%**

**Trading: 7%**

**Marine: 19%**

**Others: 15%**



## SAFETY & QUALITY FOCUSED

### Certifications

ISO 9001:2015  
ISO 14001:2015  
ISO 45001:2018

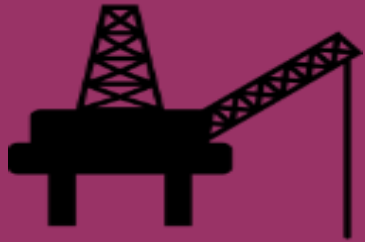
ISO 22301:2012  
BizSAFE STAR

# OUR MARKETS



# OUR BUSINESS SEGMENTS

## Energy



- Offshore rig fabrication: jack-ups and semi-sub
- FPSO/FSO new builds and conversion
- Onshore energy facilities fabrication
- Renewable energy facilities

## Marine



- Shipbuilding
- Ship repairs

## Traders



- Sell products to traders who on-sell them to other customers

## Others

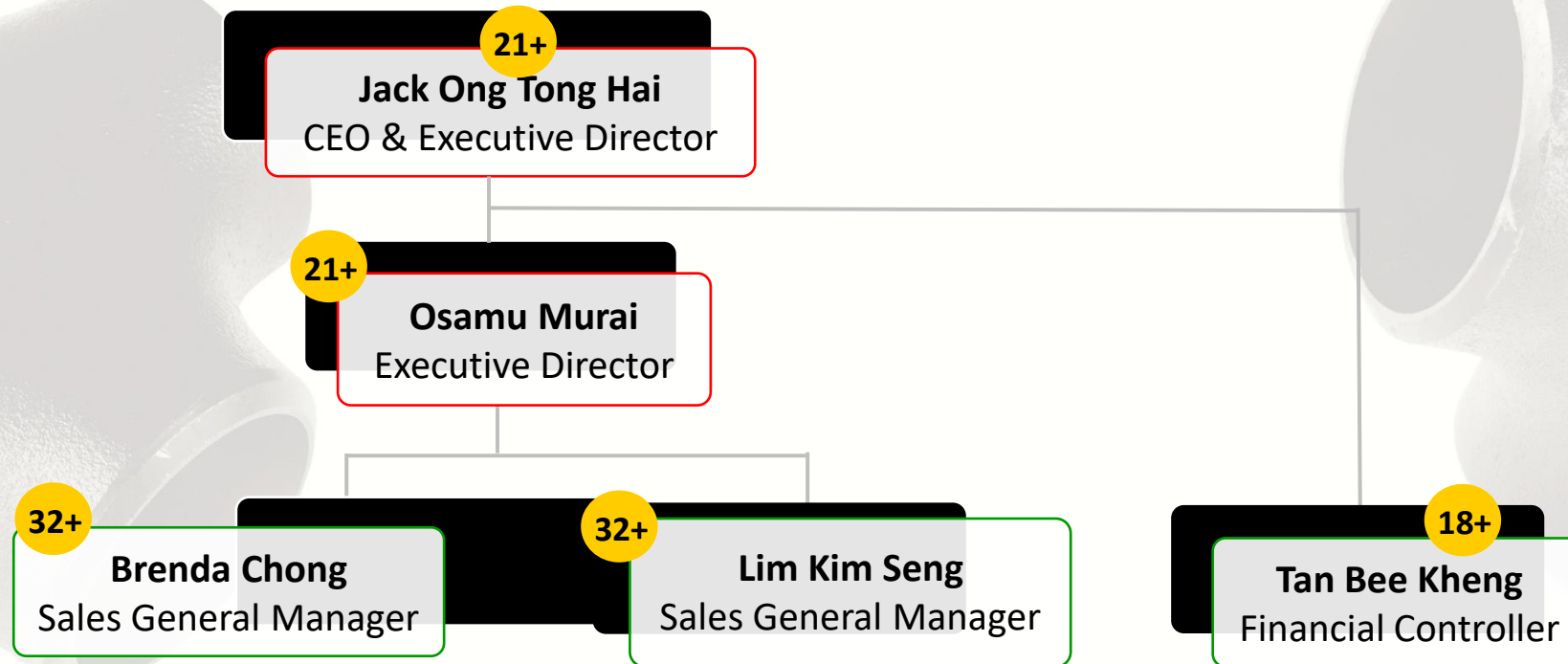


- Supply to other industries such as manufacturing


**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



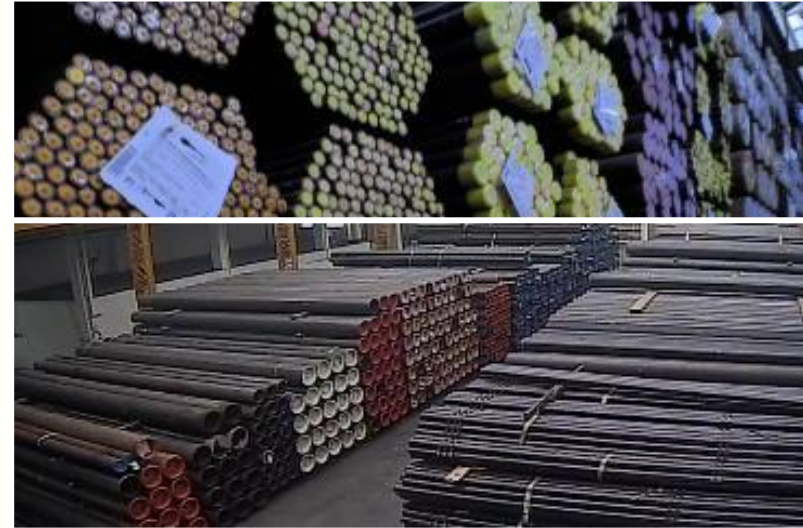
# EXPERIENCED MANAGEMENT



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*	60 years lease wef 16 June 1972
• 90 Second Lok Yang Road	69,998	Dormitory & Warehouse*	30 + 10 + 13.25 years lease wef 16 March 1979
• 21A Neythal Road	111,747	Covered Warehouse*	Lease renewed till 15 August 2021

**Solidifying operational security** with extensive warehousing totalling **293,000 sq ft (site area)** and inventory management process supported by an integrated computerised **ERP system**

Note: 36 Tuas Crescent was returned to JTC in July 2020

\*With machineries to provide value-added services to customise products to customers' specific requirements.

# CORPORATE GOVERNANCE

**Well-organised and transparent committee structure to uphold the best practices in Corporate Governance**

## Board of Directors

**Chairman and Independent Director**  
Low Beng Tin

**Executive Directors**  
Jack Ong Tong Hai (CEO), Osamu Murai

**Non-Executive Non-Independent Directors**  
Hiromasa Yamamoto, Tan Siok Chin\*

**Independent Director**  
Hor Siew Fu

**Audit Committee**

**Remuneration Committee**

**Nomination Committee**

- Ranked 70<sup>th</sup> out of 577 companies on the SGTI in 2020 (SGTI 2019: Ranked 79<sup>th</sup> out of 578 companies)
- Runner-up for Most Transparent Company, Energy Category at the SIAS 20<sup>th</sup> Investors' Choice Awards
- Experienced independent directors with varied experience in legal and accounting professions
- Board composition: 6 member board; 2 are independent

\*Ms Tan Siok Chin was re-designated from an Independent Director to non-executive non-independent director on 24 August 2020



# **FINANCIAL HIGHLIGHTS**

FY2020

# FINANCIAL SNAPSHOT

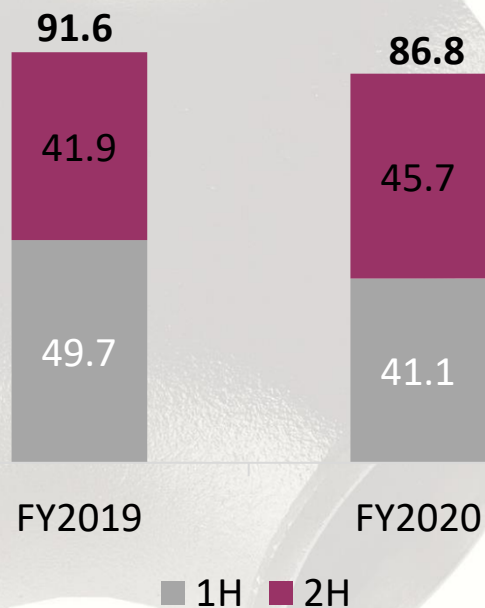
S\$'Million	FY2018	FY2019	FY2020
Revenue	82.2	91.6	<b>86.8</b>
Gross profit	13.7	18.7	<b>16.7</b>
Net (loss)/profit after tax	(32.3)*	2.8	<b>5.3</b>
(Loss)/earnings per share (cents)	(11.13)	0.97	<b>1.82</b>
Net asset value per share (cents)	25.30	26.26	<b>27.89</b>

*\* Includes inventories value written down that amounted to \$30.8 million in FY2018*



# REVENUE

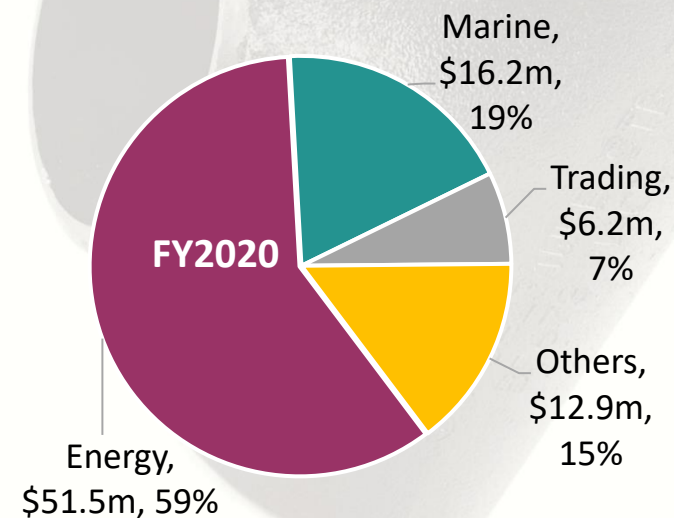
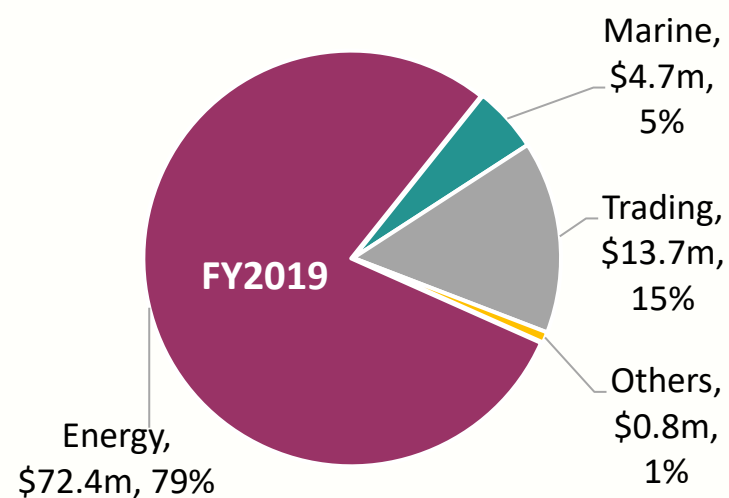
Total Revenue (\$\$m)



## Total revenue

- 1H: ↓ 17.2%
- 2H: ↑ 8.9%
- Full year: ↓ 5.3%

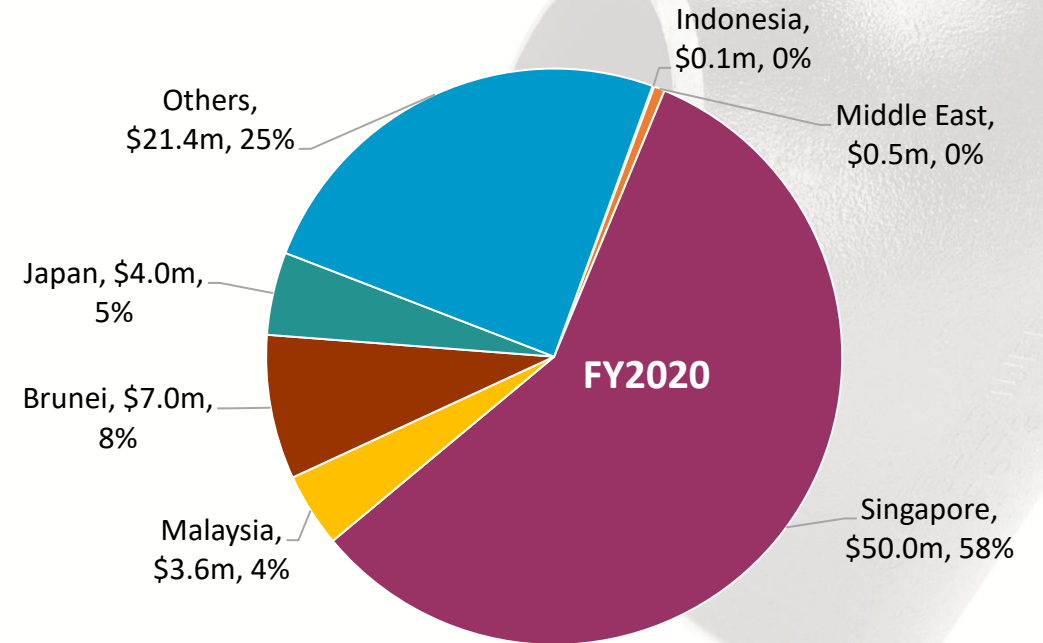
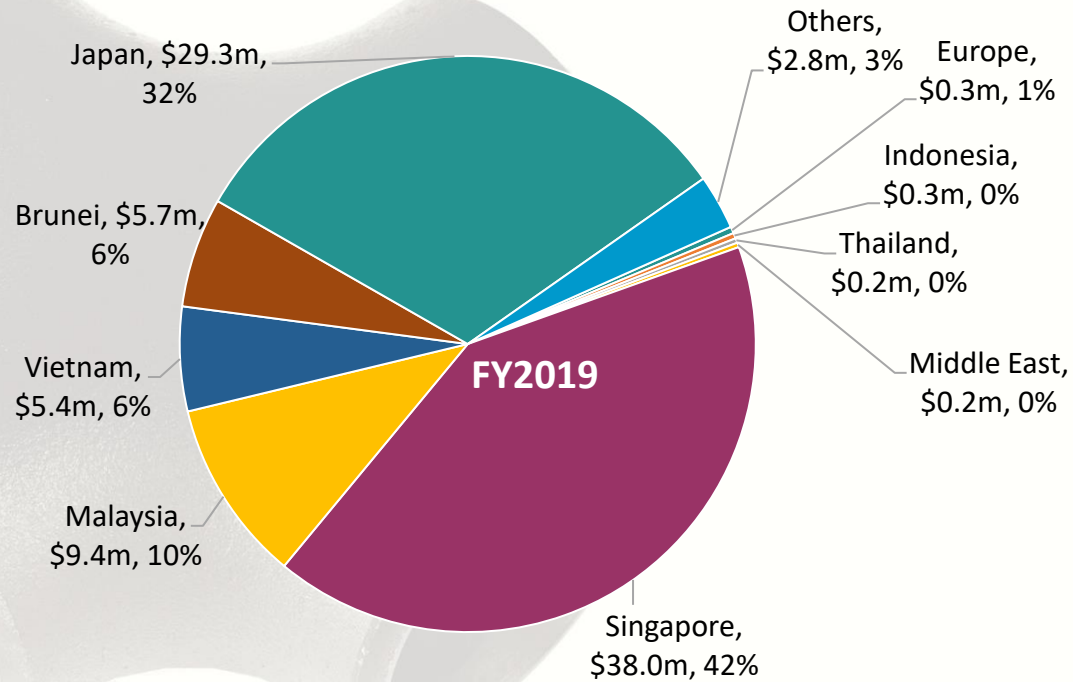
Revenue by Customer Type (\$\$m)



## Revenue by customer type

- Energy Sector: ↓ 28.8%
- Marine Sector: ↑ 245.2%
- Trading Sector: ↓ 55.2%
- Others Sector: ↑ 1,593.1%

# REVENUE BY GEOGRAPHICAL MARKET



## Revenue by geographical market

- Revenue increased across all markets except Europe, Indonesia, Japan, Malaysia, Thailand and Vietnam

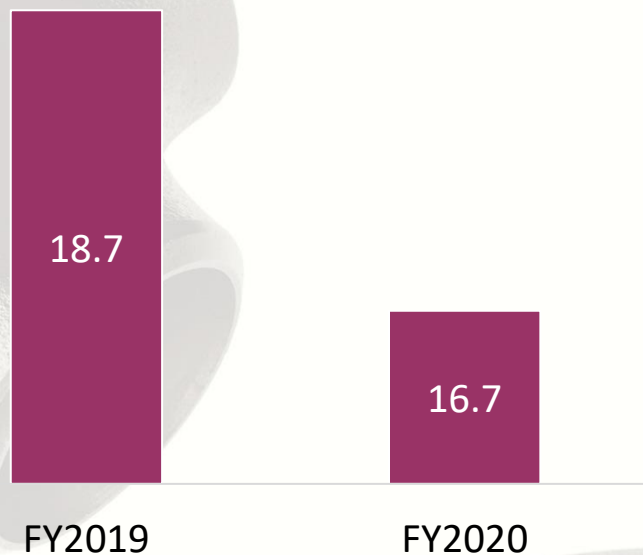
### Note:

- Others comprise customers from Australia, Canada, Korea, the Philippines and Taiwan (2019: Australia, China and the Philippines)
- Contributions from Europe, Vietnam and Thailand in FY2020: Not meaningful (below \$20,000)



# PROFIT & LOSS

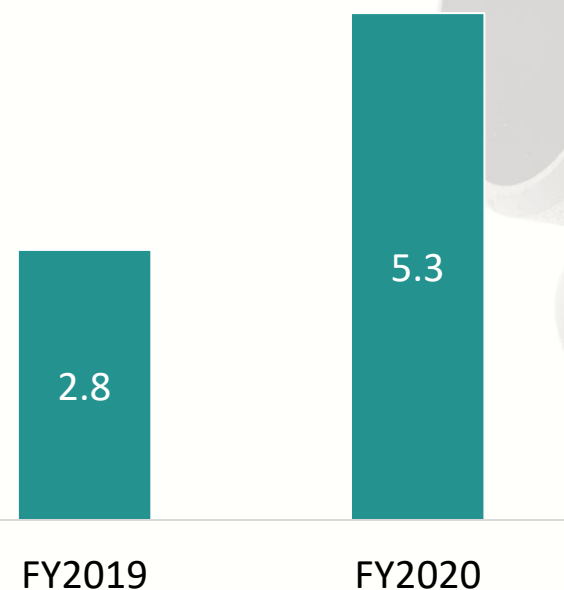
Gross Profit (\$\$'m)



**Gross profit** ↓ 10.8%

- GP margin ↓ 1.2 percentage points to 19.2%

Profit After Tax (\$\$'m)



**Net profit after tax** ↑ 87.7%

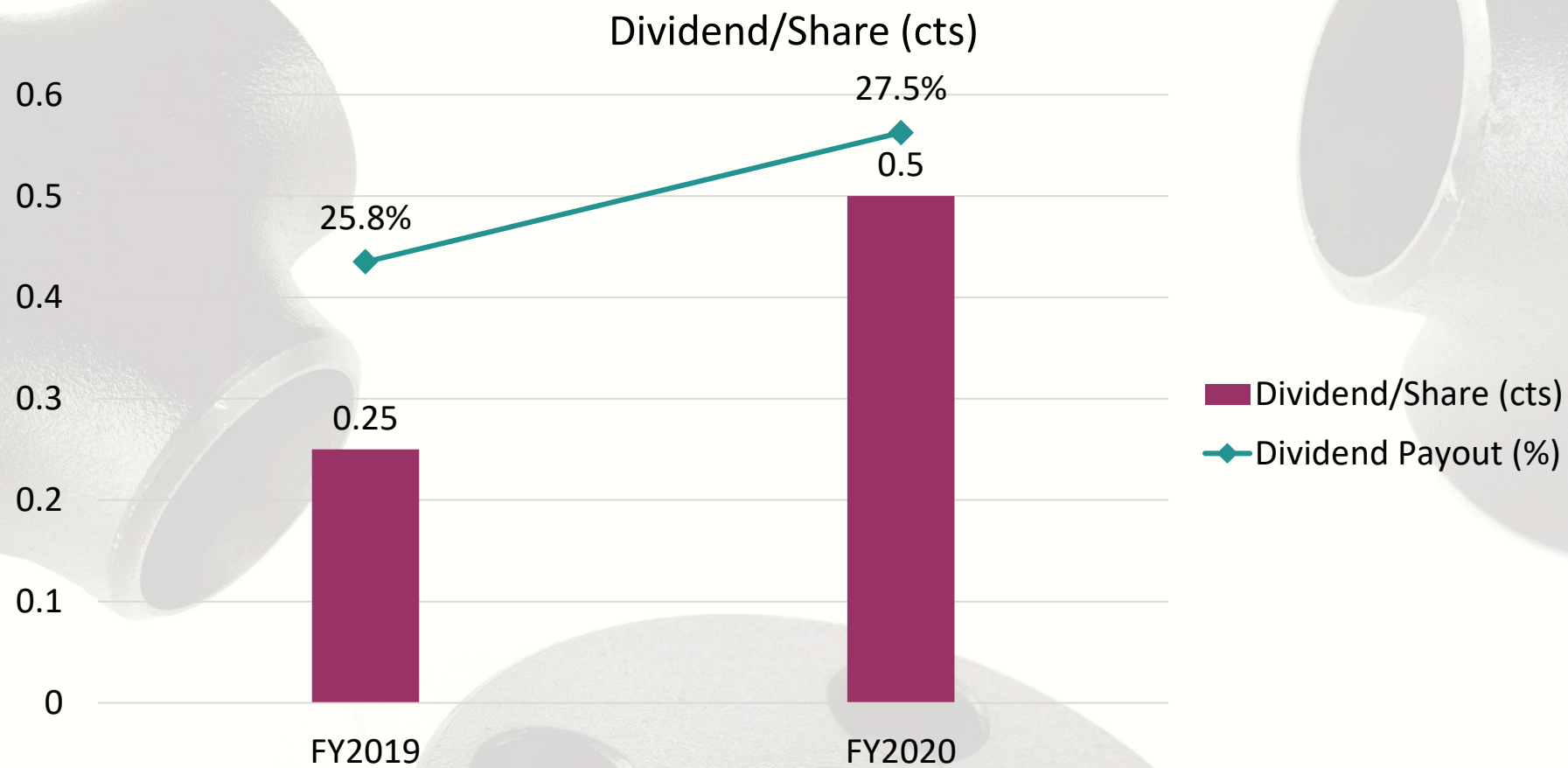
- Other gains ↑ 549.3% to \$2.4m mainly from write back of inventories value offset by impairment loss on trade receivables
- Other operating expenses ↓ 13.7% to \$13.3m
- Financial expense ↓ 33.5% to \$0.6m

# KEY FINANCIAL INDICATORS

<b>Profitability Ratios (%)</b>	<b>FY2019</b>	<b>FY2020</b>
Return on Total Assets	3.4	5.3
Return on Equity	3.7	6.7
<b>Efficiency Ratios (Days)</b>	<b>FY2019</b>	<b>FY2020</b>
Trade Receivables Turnover	98	115
Trade Payables Turnover	34	21
Inventory Turnover	205	207
<b>Liquidity Ratios (Times)</b>	<b>FY2019</b>	<b>FY2020</b>
Current Ratio	3.67	3.84
Debt-to-Equity Ratio	0.38	0.38



# Dividend







# OUTLOOK & STRATEGY



# BUSINESS OUTLOOK & STRATEGY



## FY2021 Outlook

- Expect COVID-19 and its knock-on economic impact to affect our ability to secure new projects and revenue generation

## STRATEGY FOCUS

### 1. Revenue generation

- Expand product offerings
- Increase marketing efforts
- Strengthen ties with customers
- Scout for new potential markets

### 2. Improve market competitiveness

- Prioritise cost management
- Improve productivity and efficiency
- Cautious inventory management with sales of existing inventories



# THANK YOU

For more information, please contact:

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