



# Corporate Presentation 1H2017 Results



**Singapore Plant**



**Indonesia Plant**



**Malaysia Partner**

# Sponsor's Statement

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*SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.*

# Who We Are

- Founded in 1999, we are an independent lubricant manufacturer and trader based in Singapore and Indonesia.
- Blending capacity of 44,000MT in Singapore and 80,000MT in Indonesia.
- Distribution in over 30 countries, mainly in the APEC.
- Specialist in automatic transmission fluids (“ATF”) with a comprehensive range of products catered to specific transmission needs.



**United Oil**



## Automotive

Automatic transmission fluids, gasoline engine oils, passenger car motor oils, diesel engine oils, etc

## Industrial

Hydraulic oils, turbine oils, compressor oils, refrigeration oils, vacuum pump oils, etc

## Marine

System oils, cylinder oils, trunk piston engine oils, outboard motor oils, wire rope oils, etc

## Specialty Fluids

Brake fluids, coolants, anti-freeze, after market additives, lithium complex grease, etc

## Metal Working Fluids

Soluble cutting oils, neat cutting oils, forming oils, quenching oils, rust prevention oils

# Certifications



**ISO 9001:2008 #**  
**Lloyd's Register Quality Assurance Limited**  
 Quality management system



**BizSAFE level 3 #, CultureSAFE**  
**Workplace Safety and Health Council**  
 Workplace safety of our lubricant blending facility and in-house laboratory



**EOLCS License**  
**American Petroleum Institute (API)\***  
 Lubricants products performance specifications



ACEA

**European Automobile Manufacturers' Association (ACEA)\***  
 Lubricant products performance specifications



**Japanese Engine Oil Standards Implementation Panel (JASO)\***  
 Lubricant products performance specifications



**Society of Automotive Engineers (SAE)\***  
 Viscosity specifications



**International Lubricants Standardisation and Approval Committee (ILSAC)\***  
 Gear oils and crankcases performance specifications



**American Society for Testing Materials (ASTM)\***  
 Testing method



**China GB Standards\***  
 Testing method

\* We meet the standards/ specifications, or we are able to carry out tests with the standards set

# We were awarded/ obtained these certifications



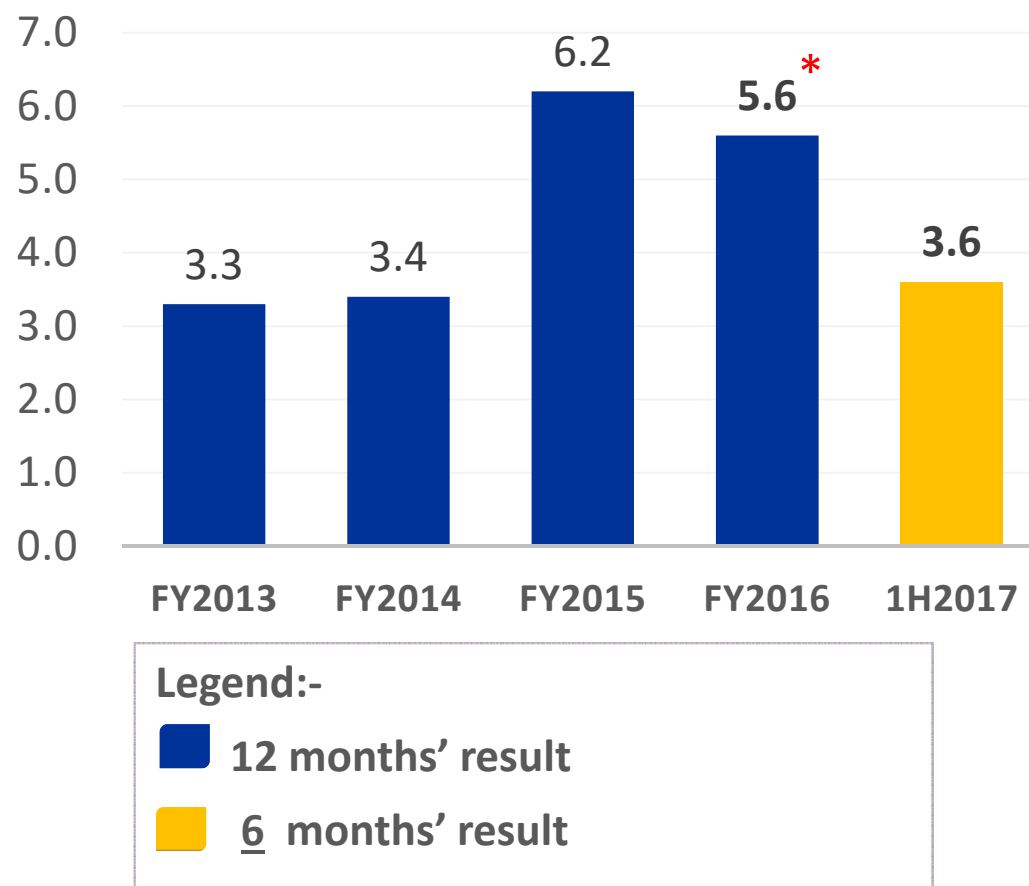
# One Year After Listing

# 1. Organic Growth

## Continued our profitability trend

- Net profit after tax increased from US\$3.3 million in FY2013 to US\$5.6 million in FY2016.
- “Cost-Plus Pricing” business model
  - Revenue may be affected by fluctuation of raw materials’ (base oil and additives) prices.
  - However, Company remains focused on driving volume, margins and overall profitability.

Profit After Tax (US\$M)



\* (Inclusion of IPO expenses charged to P&L of US\$0.6 million)

## 2. Inorganic Growth

### Acquisition of a LOBP

(“**LOBP**”: Lubricant Oil Blending Plant)

- With the acquisition of PLI in July 2017, we have tripled our blending capacity from 44,000MT to 124,000MT.
- In addition, PLI’s 17,000MT storage tanks and jetty access to 12,000MT ocean tanker capacity, add to the Group’s operational efficiency and export capabilities.



	Pre-acquisition	Post-acquisition*
NTA per share	6.29 US cents	7.81 US cents
Earnings per shares	2.17 US cents	2.65 US cents
Number of shares	282.8m	316.2m

\*Assuming that the Proposed Acquisition was completed on 1 January 2016 (EPS) and 31 December 2016 (NTA per share & Number of shares).

## 2. Inorganic Growth

### ➤ MOUs and Collaborations

- July 2017 - Entered into MOU with M-TechX to explore setting up a JV to undertake mass production and commercialisation of nano-fibres in oil absorbents, undertake further R&D of the technology for further commercialisation in the filter and ballast water sectors.
- January 2017 – Joint operation with Lighthouse Enterprise in Myanmar.
- December 2016 – Joint venture with Taiwan distributor, Jin Wei Chuang Co. Ltd.
- Strategic collaborations with CNOOC (China) and UNT Oil Company (Malaysia).

## 3. Dividends Payout

➤ Since our listing, we have declared dividends on a half-yearly basis:

Period	Dividend Per Share	Dividend Payout Ratio #
FY2016	1.0 <i>Singapore</i> cent	36.4%
1H2017	0.5 <i>Singapore</i> cent	31.4%

Note:

# Dividend payout ratio = Total dividend payable / Profit for the period (year)

➤ Barring any unforeseen circumstances, we intend to continue our dividend payout on half-yearly basis, even though we do not have a formal dividend policy.

# Growth Strategy

**Intensify our collaborations with our distributors, to push our products across the region: -**

## **Future Plans Disclosed In Our IPO Offer Document**

## **What We Have Achieved So Far**

✓	Expand and diversify business through investments, acquisitions and/or JVs	We completed the PLI acquisition in July 2017 and forged 3 JVs since listing
✓	Adapt to the competitive landscape promptly by keeping abreast of developments in the lubricant industry	We have upgraded our blending facilities in Singapore and tripled our blending capacity after acquiring PLI
✓	Expand into new markets and increase our presence in existing markets by establishing stronger and closer relationship with our customers, distributors and suppliers	Added four more countries (East Timor, Iraq, Kazakhstan and Mauritius) to our distribution network, making it a total of 37 countries to-date

# Growth Strategy

- Focus on premium markets, Australia & CIS (Commonwealth of Independent States).
- A new Sydney representative office will be up and running in October 2017, to tap into organic and inorganic growth.
- In the process of registering a new Japanese brand of lubricants in Japan.
- Reap the fruits of the successful integration of PLI into the Group's operations and the combined synergies to power the Group's growth.
- Explore other inorganic growth opportunities in Asia Pacific.

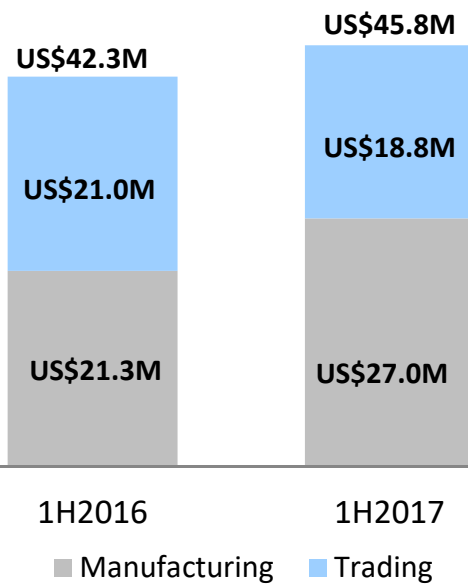




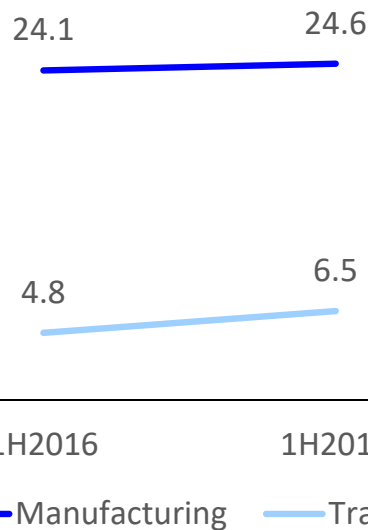
# Financial Highlights

# Revenue & Gross Profit

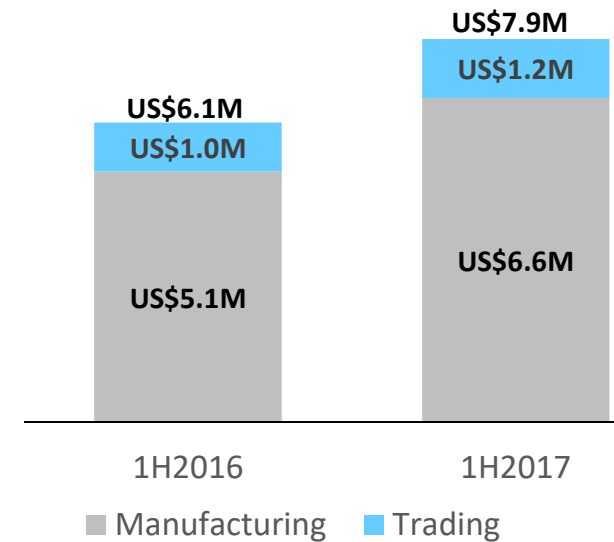
## Revenue



## Gross Profit Margin % (GPM)



## Gross Profit

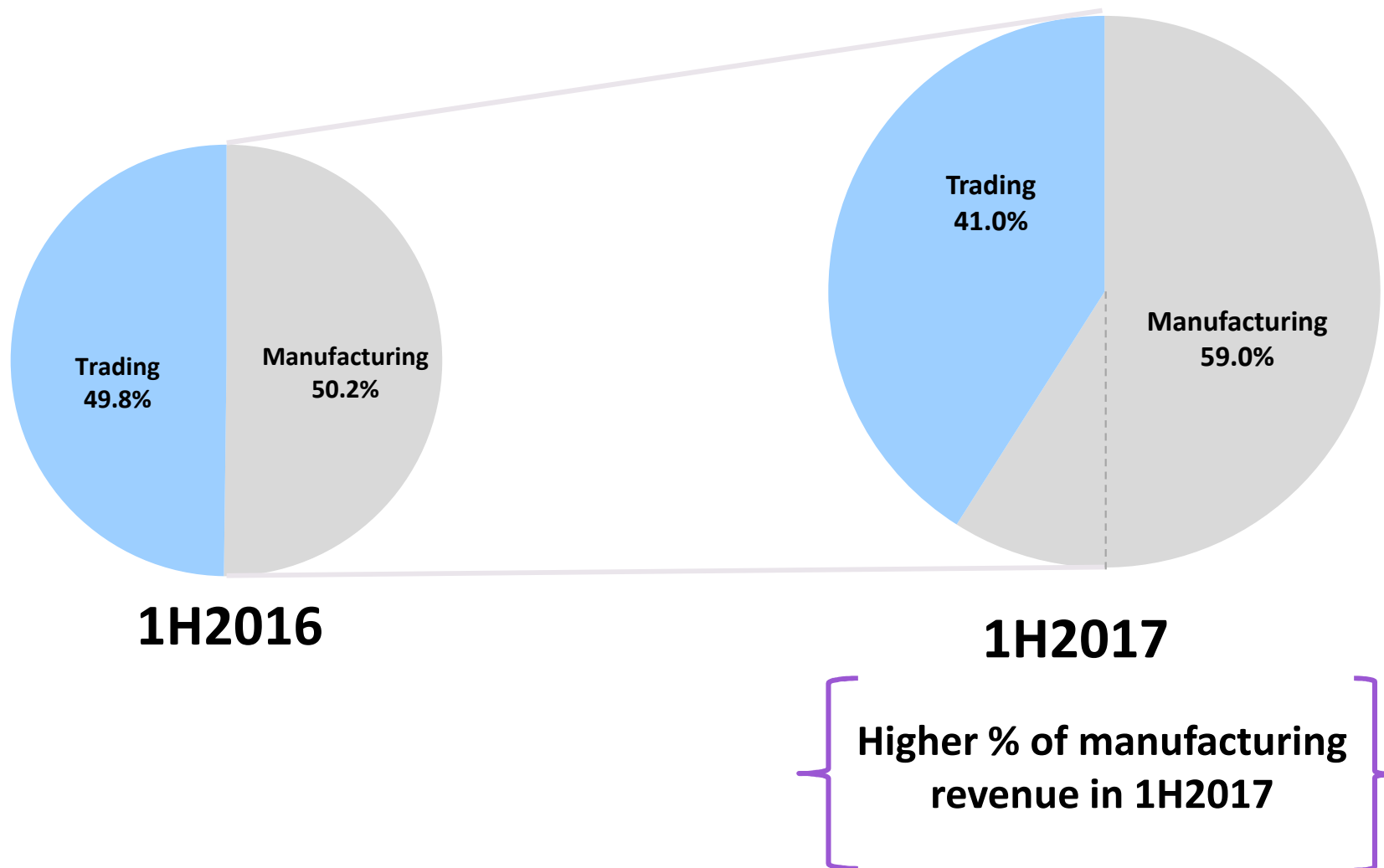


	Change in sales volume (%)	Change in average selling price (%)
Manufacturing	13.9	11.6
Trading	(25.9)	20.6
GROUP	(13.1)	24.7

➤ Group revenue increased 8.3% to US\$45.8M as a result of a 24.7% rise in average selling price offset by a 13.1% drop in sales volume

➤ Gross profit increased by 27.9% to US\$7.9M

# Revenue By Business Segment



# Financial Highlights

Profit and Loss (US\$'000)	1H2016	1H2017	Change Increase
Revenue	42,307	45,815	8.3%
Gross profit	6,149	7,867	27.9%
Profit for the period (after tax)	2,722	3,639	33.7%
Overall gross margin (%)	14.5	17.2	2.7ppt
Net profit margin (%)	6.4	7.9	1.5ppt

- *The Board recommends an interim dividend of 0.5 Singapore cent per ordinary share.*
- *Approximately 31% of 1H2017 net profits will be distributed as interim dividend.*

# Balance Sheet

Financial Position	As at 31 December 2016 US\$'000	As at 30 June 2017 US\$'000
Non-current assets	2,382	2,392
Current assets	31,807	34,871
Non-current liabilities	130	130
Current liabilities	16,222	16,670
Shareholders' equity	17,837	20,463

# Other Indicators

	1H2016	1H2017
Earnings Per Share	1.1 US\$ cents	1.3 US\$ cents*
	As at 31 December 2016	As at 30 June 2017
NAV Per Share	6.3 US\$ cents	7.2 US\$ cents
Gross Gearing Ratio	0.2 times	0.3 times
Net Gearing Ratio	Net cash	Net cash

\*Based on weighted average number of shares of 282,812,000



Thank You