

Design Studio Group Ltd

1H 2017

Financial Results



1H 2017 Highlights

Strong liquidity position

- Strong cash position of S\$42.5m in hand
- Liquidity ratio of over 2X

New management team

- New CEO and new CFO
- Strategic review & restructuring completed

Shareholders Returns

- Historic high return on equity
- Interim dividend of Singapore 1.25 cents

Solid prospects for growth

- Collaborations with Depa Group
- Growth in the regional markets

Financial Review



Profit and Loss Statement

(\$S'000)	Half Year		
	1H 2017	1H 2016	Variance
Revenue	62,956	62,610	346
Cost of sales	(52,521)	(49,494)	(3,027)
Gross profit	10,435	13,116	(2,681)
Other income	80	152	(72)
Total expenses	(7,507)	(5,843)	(1,664)
Operating profit	3,008 4.8%	7,425 11.9%	(4,417)
Finance income	61	87	(26)
Profit before tax	3,069 4.9%	7,512 12.0%	(4,443)
Tax expense	(699)	(1,233)	534
Profit after tax	2,370 3.8%	6,279 10.0%	(3,909)

Lower margin recorded on projects completed

Increase in staff costs relating to restructuring, foreign exchange loss and showroom related expenses



Balance Sheet

(S\$'000)	30.06.017	31.12.2016	Variance	
PPE	13,657	15,041	(1,384)	Depreciation charges , offset by purchase of PPE
Intangible assets	2,739	2,741	(2)	
Deferred tax assets	349	361	(12)	
Trade receivables	14,118	14,828	(710)	
Non-current assets	30,863	32,971	(2,108)	
Inventories	12,833	13,252	(419)	Higher amount of work-in-progress pending certification
Contract WIP	14,572	5,232	9,340	
Trade receivables	36,706	66,163	(29,457)	Decrease in revenue and collections from clients
Other current assets	7,659	9,334	(1,675)	
Cash and bank	42,547	53,963	(11,416)	Dividend payout to shareholders in May 2017
Current assets	114,317	147,944	(33,627)	
Total assets	145,180	180,915	(35,735)	
Trade payables	18,676	27,563	(8,887)	Payment made to creditors
Accrued expenses	25,819	38,232	(12,413)	Lower accruals of project expenses
Other liabilities	1,943	3,026	(1,083)	Less deposits made to suppliers and subcontractors
Provision for tax	2,060	3,402	(1,342)	
Current liabilities	48,498	72,223	(23,725)	
Non-current liabilities	75	75	-	
Net assets	96,607	108,617	(12,010)	
Equity holders	97,064	109,073	(12,009)	
NCI	(457)	(456)	(1)	
Total equity	96,607	108,617	(12,010)	



Cash Flow

(In S\$'000)	YTD June	
	2017	2016
Operating activities		
Profit before tax	3,069	7,512
Adjustments to working capital	1,740	1,361
Other movements	(1,972)	(7,809)
Cash flows generated from operating activities	2,837	1,064
Investing activities		
Net Capex	(426)	(629)
Finance income received	61	87
Net cash flows used in investing activities	(365)	(542)
Financing activities		
Fixed deposits pledged	(45)	152
Dividends paid on ordinary shares by the company	(13,664)	(13,664)
Repayment of finance lease liabilities	(8)	-
Net cash flows used in financing activities	(13,717)	(13,512)
Net movement in cash and cash equivalents	(11,245)	(12,990)
Cash and cash equivalents at end of the period	42,502	40,457

Operational Review

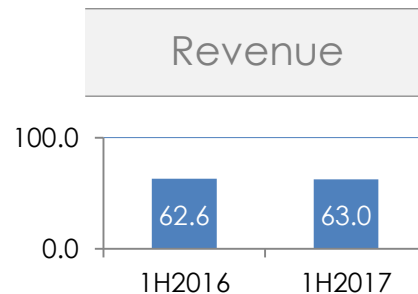


*Based in Singapore,
focused on high-end
hospitality, residential and
commercial fit out and
luxury furniture
manufacturing*



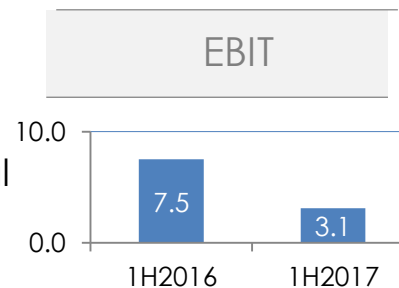
Financial highlights

- Revenue flat year on year, driven by hospitality and commercial sectors
- EBIT impacted by project mix, restructuring costs and foreign currency loss



Operational highlights

- Continues to see strength in hospitality and commercial sectors
- Seeking opportunities for expansion into Middle East, Thailand and other international markets.



Cautionary statement

This document contains certain 'forward looking statements' with respect to Design Studio Group's financial condition; results of operations and business; and certain of Design Studio Group's plans and objectives with respect to these items. By their very nature, forward looking statements are inherently unpredictable, speculative and involve risk and uncertainty because they relate to events and depend on circumstances that may occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by these forward looking statements. All written or verbal forward looking statements, made in this document or made subsequently, which are attributable to Design Studio Group or any other member of the Group or persons acting on their behalf are expressly qualified on this basis. Design Studio Group does not intend to update these forward looking statements.



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