

KTL GLOBAL LIMITED

Wiring The Threads Of Success

Non-Deal Roadshow





Backdrop of Offshore Industry



- Despite fall in crude oil prices which have affected the global offshore industry, pockets of growth still exist
- The sector is witnessing increasing demand for specialised higher-value services with stringent safety requirements
- Has led to greater emphasis on quality and certification of equipment



Ropes and Rigging Sub-Sector



- Increase in drilling activities in recent years have led to higher demand for specialised and stronger ropes
- When functioning in sub sea conditions, ropes must be able to withstand heavy loads without elongation
- Sea bed has become increasingly crowded leading to more intricacies during operations
- Synthetic ropes – which are one-seventh the weight of traditional steel ropes making it buoyant in water – are a good alternative; demand at inflection point

→ KTL Global intends to leverage on the new market dynamics to combat falling oil prices

Corporate Overview



- Listed on the SGX-Mainboard in 2007, KTL Global is one of the world's largest rigging equipment companies
- Headquartered in Singapore, the Group manufactures premium steel wire rope, synthetic rope and subsea rigging equipment
- Provides related technical services – including testing, certification and maintenance – to oil and gas market
- Presence in major oil & gas hubs – through facilities in Singapore, Middle East, Malaysia, Korea and China

KTL Global's Products



- Steel wire rope for general offshore applications and drilling
- High performance wire rope – for cranes and winches
- Heavy lift wire rope slings and grommets
- Sling and shackle rental (service)
- Lifting sling sets for offshore containers
- General engineering wire rope slings and grommets
- Pennant lines for towing bridles
- Rigging accessories, hooks and fittings
- Deck and anchor handling equipment
- Standard synthetic rope
- Mooring systems



KTL Global's Services



- Testing
- Spooling
- Rental
- Training
- Solutions
- Inspection and certification
- Wire rope lubrication



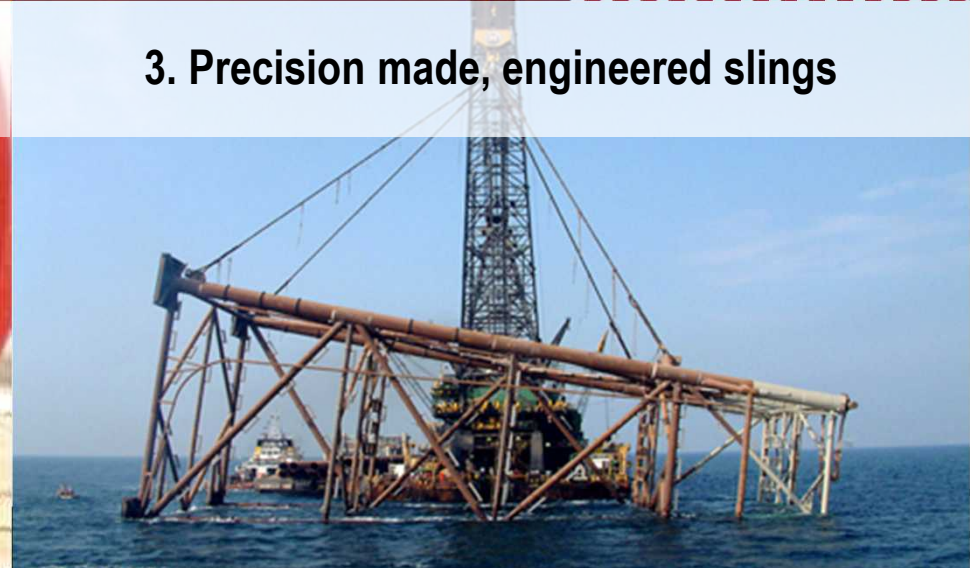
Four Core Activities



1. Conversion of steel wire rope to multi-part, cable laid slings



3. Precision made, engineered slings



2. Manufacturing



4. After sales servicing and technical services



Global Footprint



- Manufacturing facilities (full rigging shop): Singapore, Malaysia, Korea and the UAE
- Service facilities: Indonesia (Batam and Jakarta), China (Shanghai)
- Strategic partners: Mexico and Brazil

Successful Track Record



KTL has developed a reputation in the heavy lift industry



Saipem



EMAS



PETROBRAS



Seaway Heavy Lifting



1. Extending Geographical Footprint | Korea



Korea

- Announced on 4 June 2015 the acquisition of 20%-stake in Korean rigging specialist Dae Kwang for US\$5.0M; complementary strengths will help group move up the value chain
- Accelerate push into Korea's O&M industry which will serve as springboard to North Asia
- **Upon completion of acquisition, KTL Global will equity account Dae Kwang's profit**



1. Extending Geographical Footprint | Korea



About Dae Kwang



- Dae Kwang is one of Korea's leading rigging and equipment companies – manufactures and provides services
- Has various certifications such as ISO 9001:2000, ISO 14001, OHSAS 18001 and won “Order of Industrial Service Merit” by the Korean government
- Has three facilities – one in Ulsan, two in Kyungju
- Constructing new 100,000 sqm facility (completed by end 2015); allow the Group to take on larger-scale, higher-value projects



1. Extending Geographical Footprint | China



China

- Established 40%-owned JV – KTL Offshore Technology (Nantong) Co Ltd (“KTLN”) – which trades in high-end slings, rigging and provides other related technical services
- The Group believes that it will be able to increase its market share in China via KTLN as O&G companies prefer to work with integrated providers who offer rope and rigging products as well as services
- KTLN intends to:
 - Set up four sales representative offices within next 9 months
 - Complete new rigging shop to produce steel ropes by October 2015
 - Build up its assets
 - Complete construction of 300,000 sq. ft. facility in Nantong by December 2015
- **KTLN has secured S\$1.1 million in orders (mostly product sales) in the first three months of operations with revenue to be recognized in FY2016**
 - **Revenue from servicing segment expected to be the dominant revenue contributor from FY2016**



1. Extending Geographical Footprint | ME



Middle East

- 107,634 sq. ft. facility in Hamriyah Free Zone, UAE, is largest dedicated wire rope and rigging facility in Middle East
 - Accredited with IO 9001:2008 & ISO 17020 certification
 - Manufactures heavy slings, synthetic ropes, general slings and offers wire rope reel storage
 - **Contributed S\$9.0M revenue in FY2014 and expected to increase by approximately 40% in FY2015**
 - Plans to increase staff strength and build up capabilities to position it as a hub for European market
-



1. Extending Geographical Footprint | M'sia



Malaysia

- 30-year 217,800 sqft leasehold industrial land in Tanjung Langsat, Johor; Malaysia' largest dedicated rigging facility and one of the largest in Southeast Asia
- Expected to be fully operational by end of 2015 (relocation from Singapore to Malaysia has commenced; rope slings and rigging production has started)
- Focus on producing and warehousing steel rigging gears
- Manpower in Malaysia to increase from 18 to 50 by end 2015





2. Scaling Up The Value Chain



Renewed focus on higher-value products and higher-margin services business:

a) Heavier Tonnage Synthetic Ropes

- First roundsling machine, *KimLift*, commissioned, allowing KTL to manufacture synthetic slings of up to 3,000 MT (compared to 1,700 MT previously)
- Synthetic slings are one-seventh the weight of steel ropes and able to lift heavy tonnages without elongation
- Production man-hours halved
- Demand for synthetic slings at an inflection point

b) Certification and Managed Services

- Complex requirements and operators shifting from “Capex” to “Opex” models have led to an increase in outsourced services and certification to specialists like KTL
- Intends to increase provision of managed services (which typically offer higher gross margins)

3. Streamlining Internal and Operating Efficiencies



- Completion of Malaysian facility will serve as catalyst for Group-wide improvements in cost and operational efficiency
- Mitigate high labour costs, government levies and utility charges as well as shortage of workers, faced in Singapore
- Singapore will remain as Group headquarters; facility to manufacture synthetic slings, lifting slings and mooring rope
- To reduce its headcount in Singapore over the next two years
- Since beginning of 2015, the Group has leased out over 70,000 sq. ft. of unused space and intends to lease out more space as it is freed up



Financials



| (S\$'000) | 9MFY15 | 9MFY14 | % |
|-------------------------|--------|--------|-----------|
| Revenue | 56,749 | 55,017 | 3.1 |
| Gross Profit | 18,266 | 19,061 | (4.2) |
| Gross Profit Margin (%) | 32.2 | 34.6 | (2.4) ppt |
| Net Profit After Tax | 2,155 | 2,656 | (18.9) |
| EPS (cents) | 0.97 | 1.19 | (18.5) |

| (S\$'000) | As at 31 March 2015 | As at 30 June 2014 | % |
|---------------------------|---------------------|--------------------|------|
| Net Assets | 45,911 | 45,617 | 0.6 |
| Cash and Cash Equivalents | 2,658 | 2,033 | 30.7 |
| NAV per share (cents) | 20.4 | 20.4 | 0 |



Outlook



1

Continue to position itself as a leader in producing synthetic ropes and rigging and related specialized services, which offer higher margins than the manufacture and sale of steel products.

2

UAE hub to increase revenue contribution by approximately 40% in FY2015, with increased emphasis for more sophisticated products and services

3

40%-owned China JV and 20%-owned Dae Kwang expected to contribute positively to the Group's financial results in FY2016, and this contribution will increase significantly in FY2017

4

Relocation of activities to Malaysia expected to translate into significant operational cost efficiencies in FY2016, which will rise further in FY2017

5

Strengthen core competencies while looking out for possible mergers and acquisitions

Thank You



Media and Investor Contact Information:

WeR1 Consultants Pte Ltd
38A Circular Road, Singapore 049394
Tel: (65) 6737 4844 | Fax: (65) 6737 4944
Ian Lau, ianlau@wer1.net
Sheryl Sim, sheryl@wer1.net