



COSMOSTEEL HOLDINGS LIMITED

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FY2023 INVESTOR UPDATE

20 November 2023



COSMOSTEEL HOLDINGS LIMITED

OPERATIONS REVIEW

Business Overview

**One-stop
Inventory
Specialist**



**Serving
Multi-
industries**



**Safety &
Quality
Focused**



- Over 20,000 line items
- Pipes, fittings, flanges, cables & cable management, and structural products
- Approximately 181,000 sq ft (site area) storage capacity
- International network

FY2023 revenue: \$83.4 million

- Energy: 80%
- Marine: 4%

Certifications

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

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

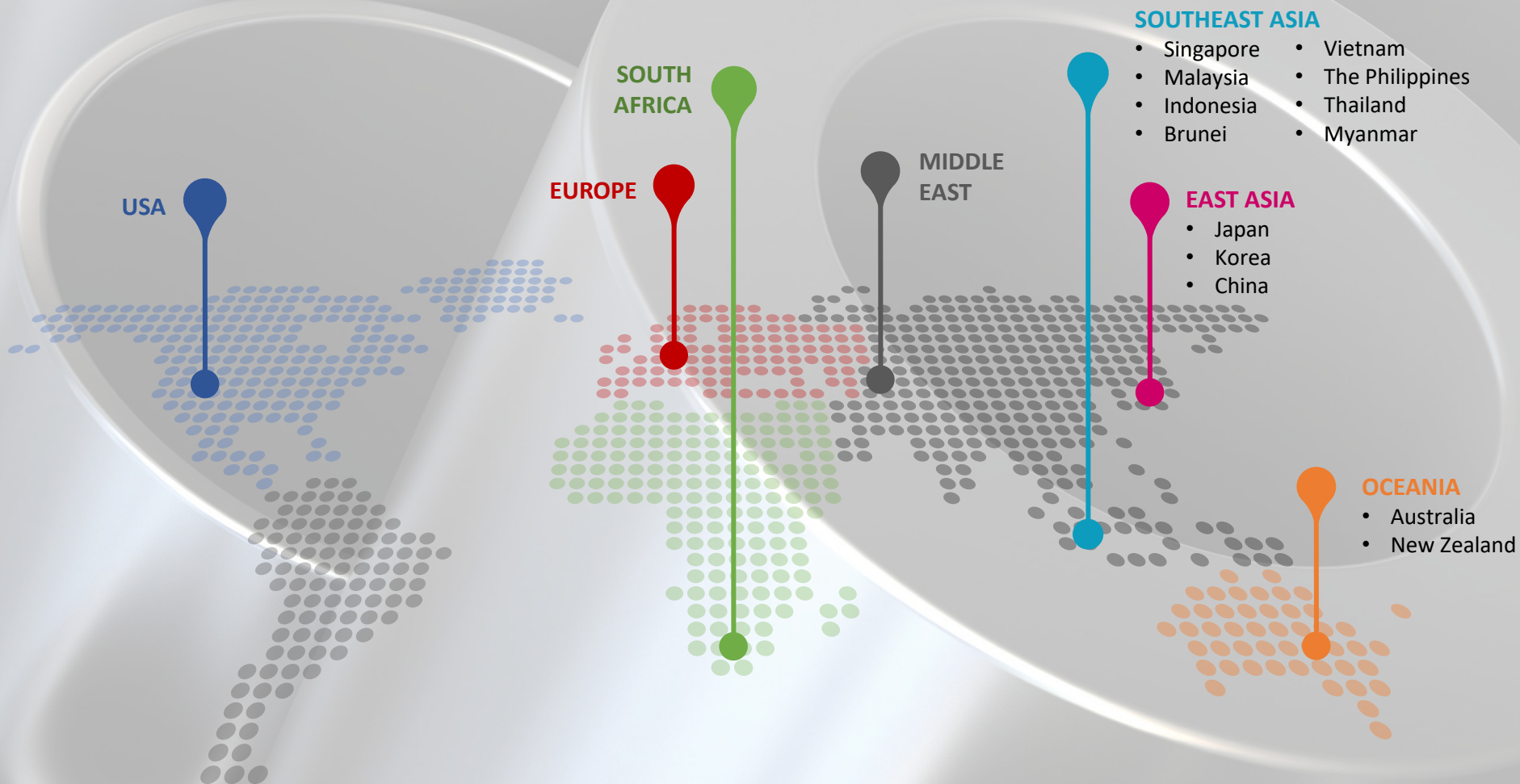
- Trading: 14%
- Others: 2%

- ISO 22301:2019
- BizSAFE STAR

Our Markets



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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 such as wind energy structures



Marine

- Shipbuilding
- Ship repairs



Traders

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

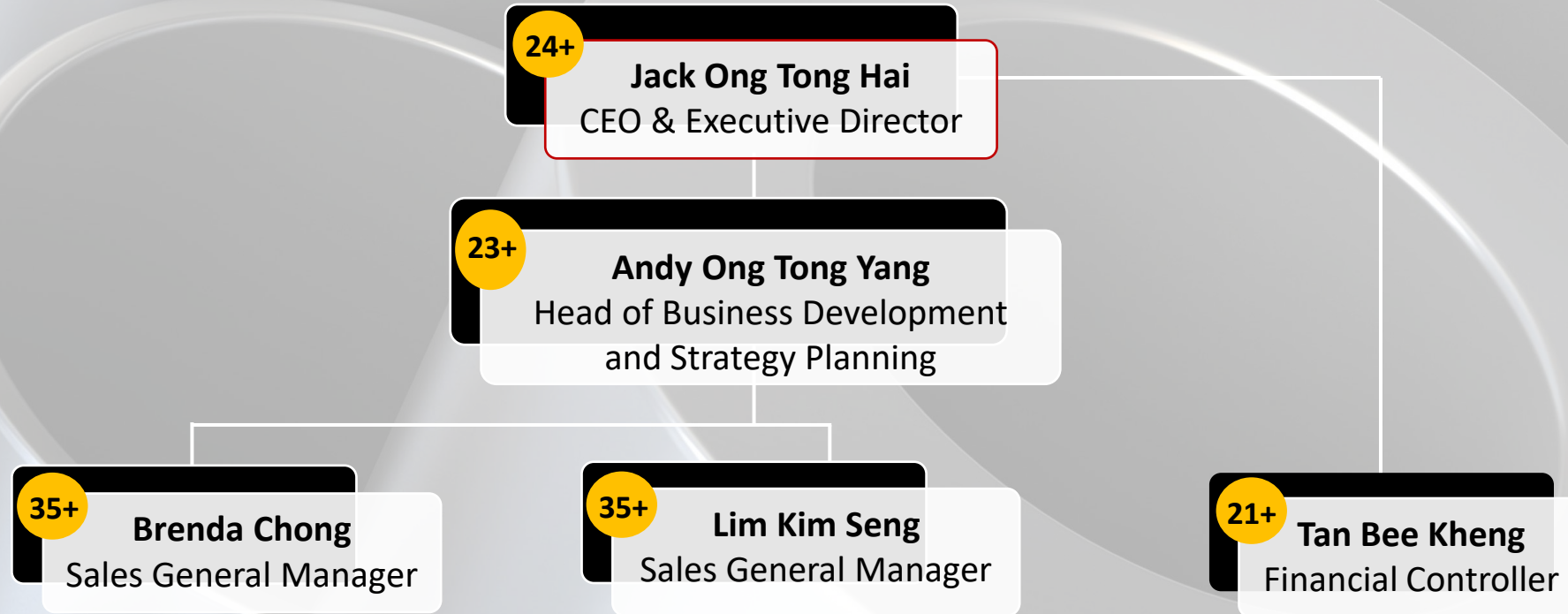


Others


- 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	Until 15 June 2032
• 90 Second Lok Yang Road	69,998	Dormitory & Warehouse	Until 15 June 2032

Solidifying operational security with extensive warehousing totalling 181,361 sq ft (site area) and inventory management process supported by an integrated computerised ERP system

In May 2023, entered into a Sale and Purchase Agreement (“SPA”) to acquire a warehouse facility totalling approximately 285,000 sq ft (site area) in Johor, Malaysia (subject to completion of SPA)



Corporate Governance

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

Board of Directors

Chairman and Non-Executive Non-Independent Director

Tan Siok Chin⁽¹⁾

Executive Directors

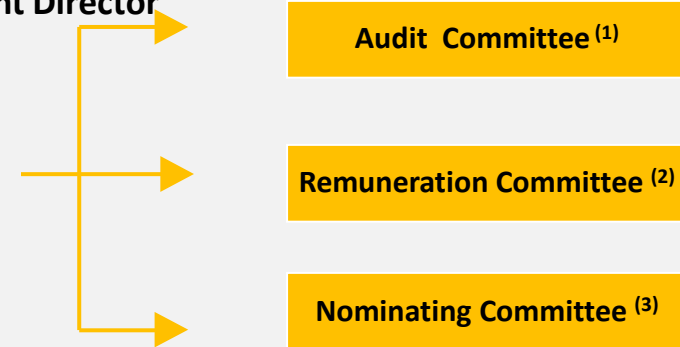
Jack Ong Tong Hai (CEO)

Non-Executive Non-Independent Director

Yasuhiko Watanabe⁽²⁾ ⁽³⁾

Independent Directors

Ong Tiew Siam⁽¹⁾ ⁽³⁾, Hor Siew Fu⁽¹⁾, Lim Jun Xiong Steven⁽²⁾ ⁽³⁾, Loo Cheng Guan⁽²⁾



- Ranked 61st out of 474 companies on the SGTI in 2023 (SGTI 2022: Ranked 92nd out of 489 companies)
- Experienced independent directors with varied experience in finance and accounting professions
- Board composition: 7-member board; 4 are independent



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FINANCIAL HIGHLIGHTS

FY2023

(12 months ended 30 September 2023)

Financial Snapshot

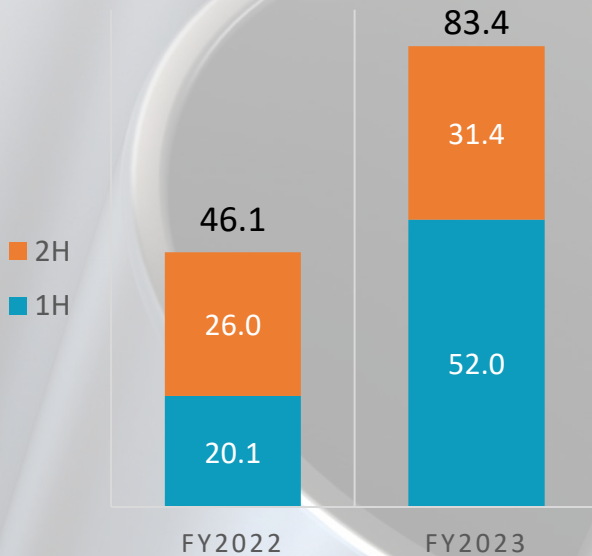
S\$'Million	FY2021	FY2022	FY2023
Revenue	39.4	46.1	83.4
Gross profit	7.0	11.0	13.2
Net profit after tax	2.4	2.3	2.8
Earnings per share (cents)	0.81	0.81	1.07
Net asset value per share (cents)	28.37	29.80	30.78

Revenue



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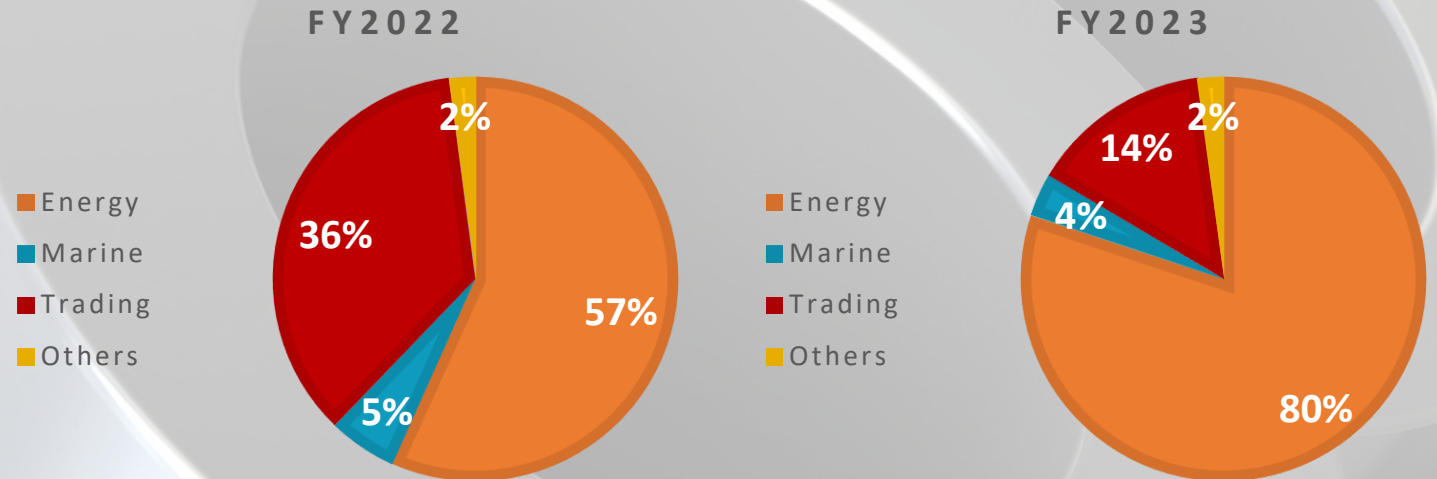
Total Revenue (S\$m)



FY2023 Revenue

- 1H: ↑ 159.3%
- 2H: ↑ 20.8%
- Full year: ↑ 81.1%

Revenue by Customer Type (%)



FY2023 Revenue by Customer Type

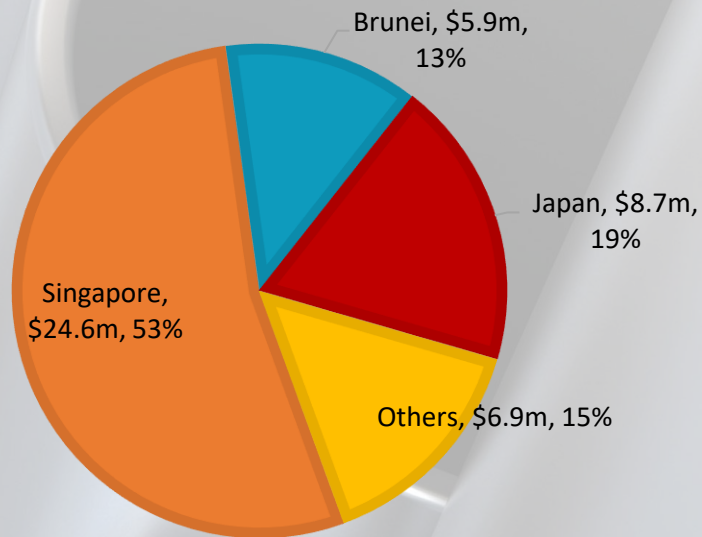
- Energy Sector: ↑ 155.7% to \$66.8m
- Marine Sector: ↑ 13.9% to \$2.9m
- Trading Sector: ↓ 27.2% to \$12.0m
- Others Sector: ↑ 82.1% to \$1.8m

Revenue by Geographical Market

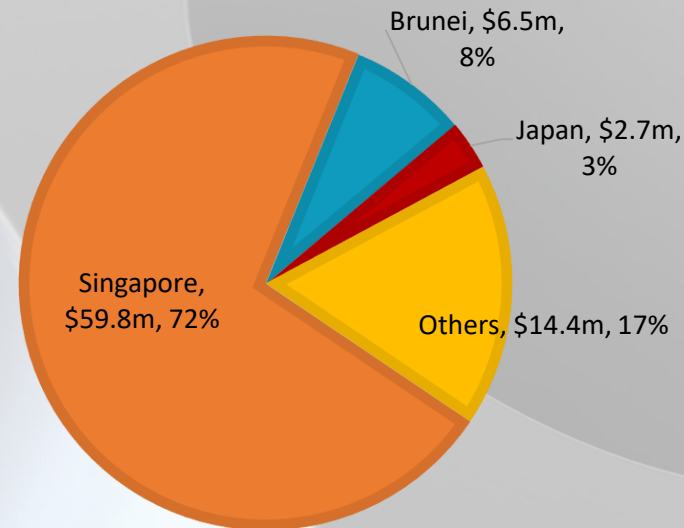


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FY 2022



FY 2023



FY2023 Revenue by Geographical Market

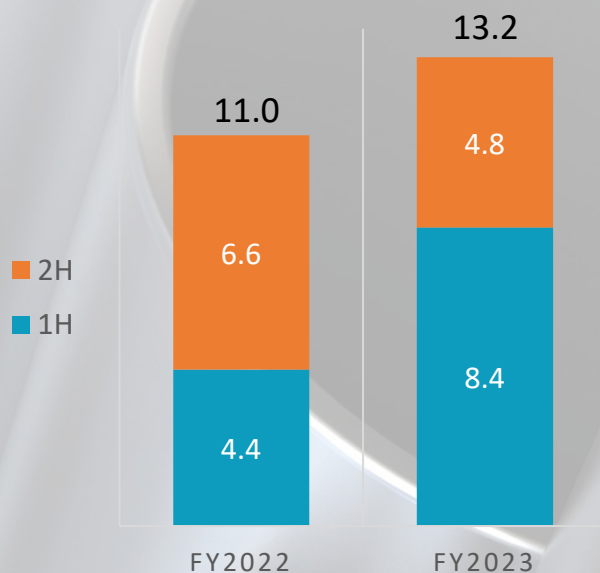
- Singapore: **↑143.0%** to \$59.8m
- Other countries: **↑112.2%** to \$14.4m
- Brunei and Japan: **↑9.3%** to \$6.5m and **↓68.9%** to \$2.7m respectively

Profit & Loss



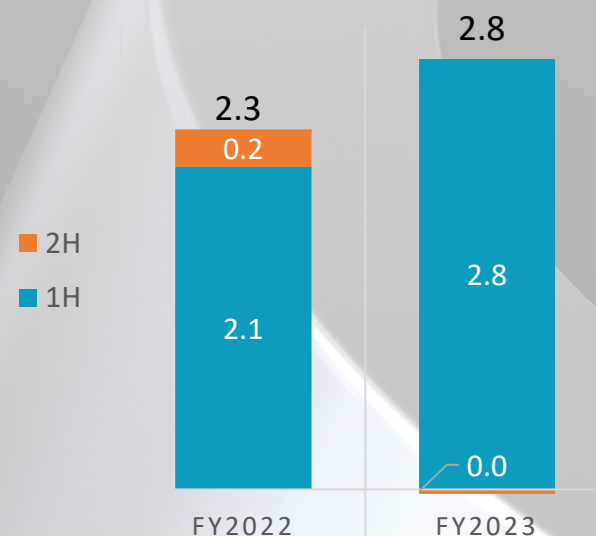
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Gross Profit (S\$'m)



↑ 19.4%

Profit After Tax (S\$'m)



↑ 23.1%

Gross profit

- GP margin ↓ 8.2 percentage points to 15.8%

Profit after tax

- Other operating expenses ↓ 3.9% to \$11.1m largely due to expiry of lease at 21A Neythal Road on 30 November 2022, partially offset by increase in depreciation of leasehold properties
- Finance costs ↑ 162.7% to \$0.9m mainly from the increase in loan and borrowings and higher interest rates
- Other gains (net) of \$1.6m (FY2022: Other gains (net) of \$3.2m) due to foreign exchange losses

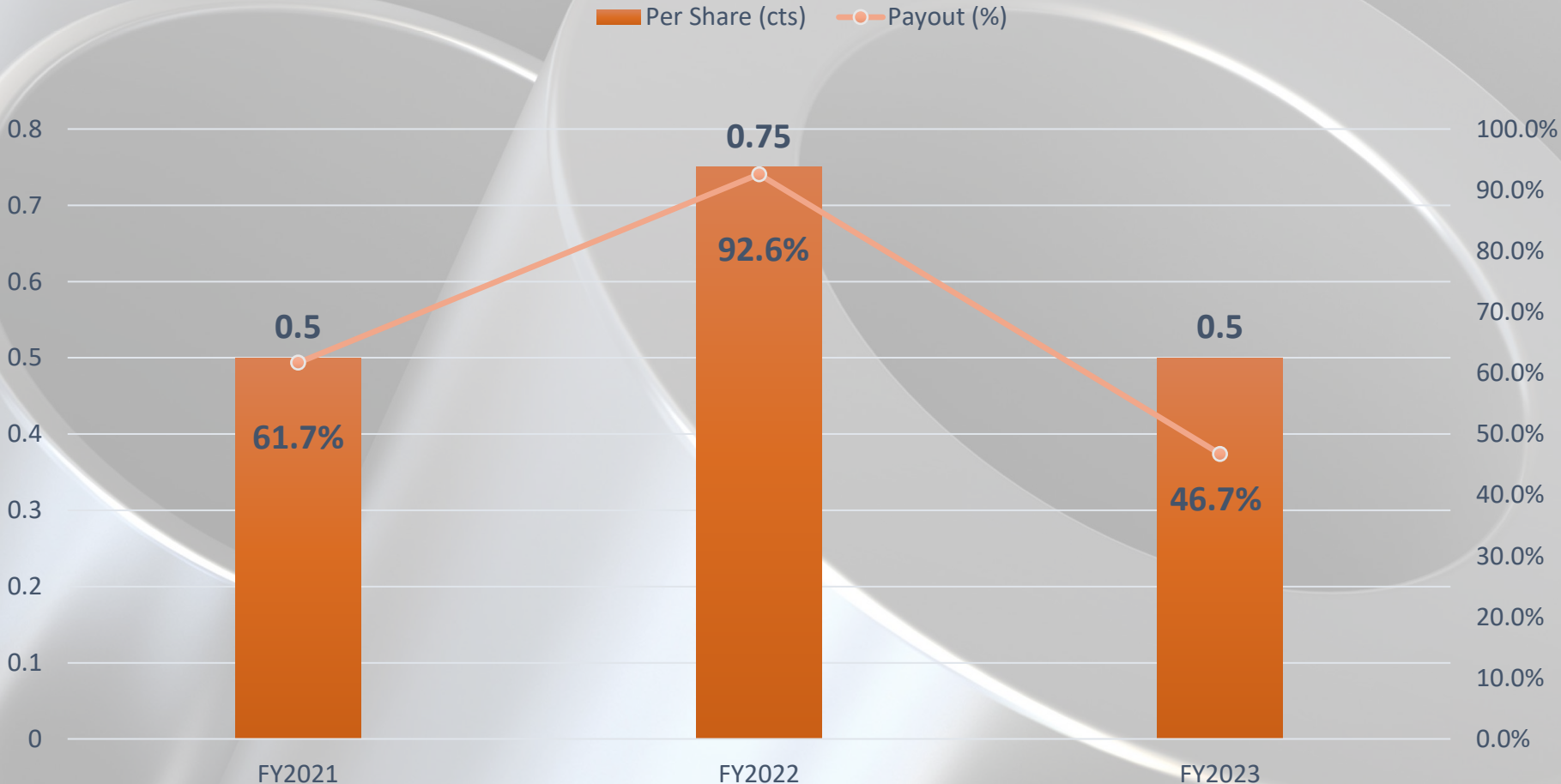
Key Financial Indicators

Profitability Ratios (%)	FY2022	FY2023
Return on Total Assets	2.7	4.0
Return on Equity	2.8	3.5
Efficiency Ratios (Days)	FY2022	FY2023
Trade Receivables Turnover	95	97
Trade Payables Turnover	33	18
Inventory Turnover	351	147
Liquidity Ratios (Times)	FY2022	FY2023
Current Ratio	6.57	5.32
Debt-to-Equity Ratio	0.26	0.27

Dividend



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OUTLOOK & STRATEGY

Business Outlook & Strategy



STRATEGY FOCUS

1. Strengthen revenue generation

- Identify new potential markets and customers
- Explore suitable opportunities for growth

2. Improve market competitiveness

- Manage cost effectively
- Improve productivity and efficiency



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THANK YOU

For more information, please contact:

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