



Ship Building



Shiprepair & Conversion



Ship Chartering



**ASL MARINE**  
Corporate Presentation FY2010

# Presentation Outline



- **Group Overview**
- **FY2010 Financial Review**  
(for the year ended 30 June 2010)
- **Operational Review**
  - **Shipbuilding**
  - **Shiprepair and Conversion**
  - **Shipchartering**
- **Business Outlook & Strategies**



# ASL MARINE

Group Overview



# Company Profile



- **Core businesses:-**
  - Shipbuilding
  - Shiprepair and Conversion
  - Shipchartering
- **Shipbuilding and Shiprepair**
  - 3 shipyards in Singapore, Batam (Indonesia) and Guangdong (China)
  - Batam yard: 3 Dry docks (300,000 dwt, 60,000 dwt & 20,000 dwt)



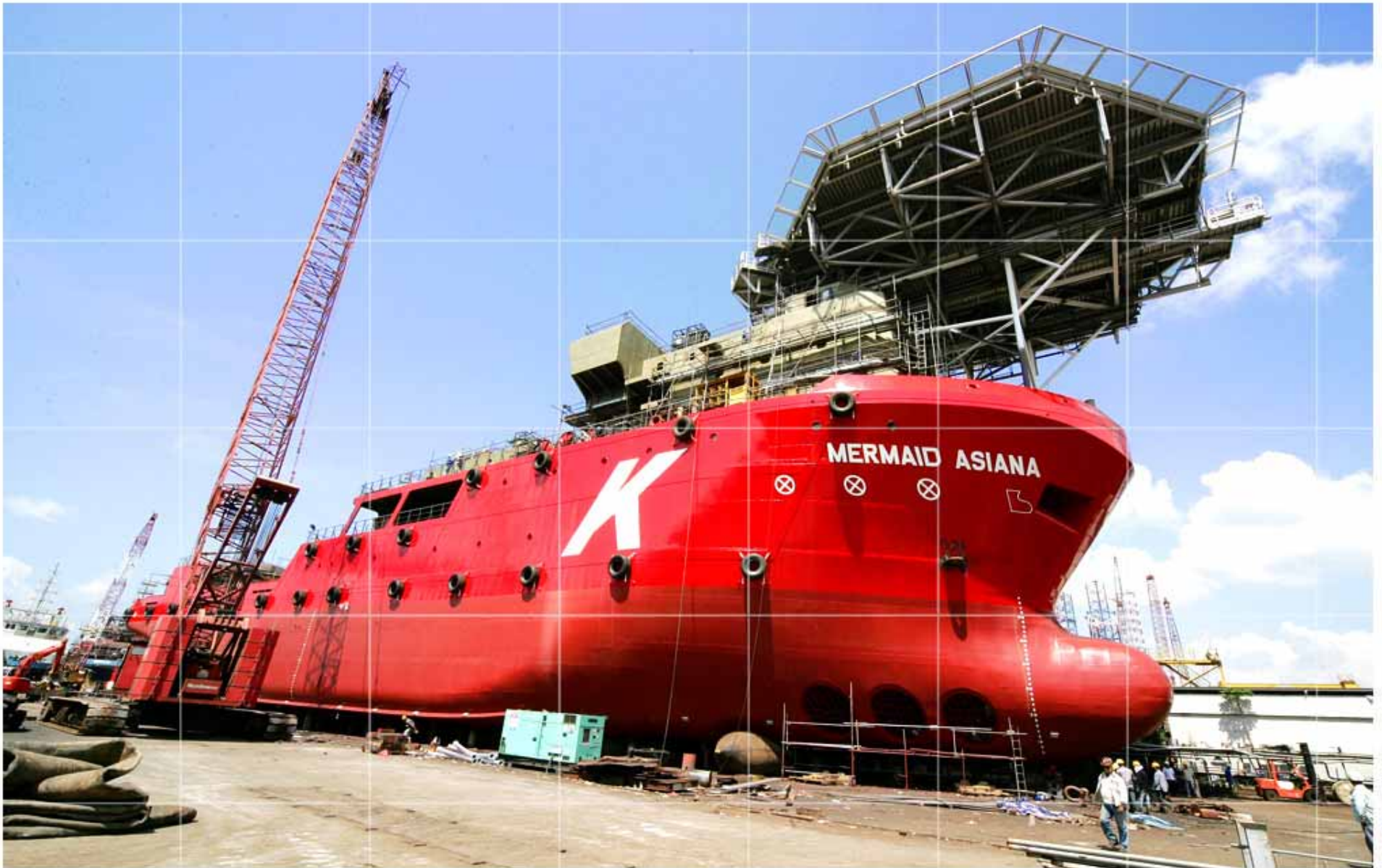
# Company Profile



- **Shipchartering**

- Fleet size at 30 June 2010: 177 vessels
- Mainly towing tugs, Anchor Handling Tugs, barges and other vessels
- Vessels charter on time or bareboat basis to following industries:
  - Offshore Oil and Gas
  - Marine Infrastructure
  - Dredging, Land Reclamation & Marine Construction Works, and
  - Transportation of cargoes such as aggregates, heavy equipment etc





# ASL MARINE

Financial Review



# Financial Performance



	4QFY10 (S\$m)	4QFY09 (S\$m)	chg %	FY2010 (S\$m)	FY2009 (S\$m)	chg %	Comments
Revenue	105.1	102.2	2.8	468.4	435.4	7.6	Increased revenue of shipbuilding & shiprepair and conversion partially offset by lower revenue of shipchartering
Gross Profit	14.5	19.1	(24.0)	60.8	78.0	(22.2)	- Lower gross profit due to: - Pricing pressure & larger ship conversion projects
Gross Profit Margin	13.8%	18.7%	-	13.0%	17.9%	-	- Lower vessel utilisation & charter pricing
Other Operating Income	2.6	1.1	142.5	9.3	30.0	(69.0)	- Lower gain on vessels disposal of S\$6.7m (FY2009: S\$15.1m) - Absence of one-off gain of S\$12.2m on disposal of a jointly-controlled entity in FY2009
Other Operating Expense	(2.7)	(3.5)	(24.0)	(3.4)	(7.6)	(55.0)	
Net Profit	7.2	7.5	(4.1)	37.3	71.1	(47.5)	
Net Margin	6.8%	7.3%	-	8.0%	16.3%	-	
EBITDA	20.6	20.5	0.7	87.3	115.6	(24.5)	

# Cash Flow



Cash Flows (S\$m)	FY2010	FY2009	% chg
Net cash generated from operating activities	63.9	57.0	12.2
Net cash used in investing activities (Capital expenditure net of disposal)	(67.2)	(99.1)	(32.3)
Net cash (used in)/ generated from financing activities (Borrowings net of repayment & dividends payment)	(8.1)	34.0	Nm
Net decrease in cash	(11.4)	(8.2)	38.1
Cash at the beginning of the year	94.8	103.0	(8.0)
Cash at the end of the year	83.3	94.8	(12.1)



# Financial Ratios



For the year	FY2010	FY2009
Basic Earnings per Share <sup>1</sup> (cents)	12.45	23.68
Fully Diluted Earnings per Share <sup>2</sup> (cents)	12.44	23.68
Return on Equity	11.5%	24.1%
Return on Total Assets	5.0%	10.1%

As at	30 Jun 10	30 Jun 09
Net Asset Value per Share <sup>3</sup> (cents)	105.25	96.32
Gearing Ratio	0.66	0.67
Net Gearing Ratio	0.38	0.34

Based on weighted average of

<sup>1</sup> 299,601,166 shares in issue for FY2010 (FY2009: 300,067,254)

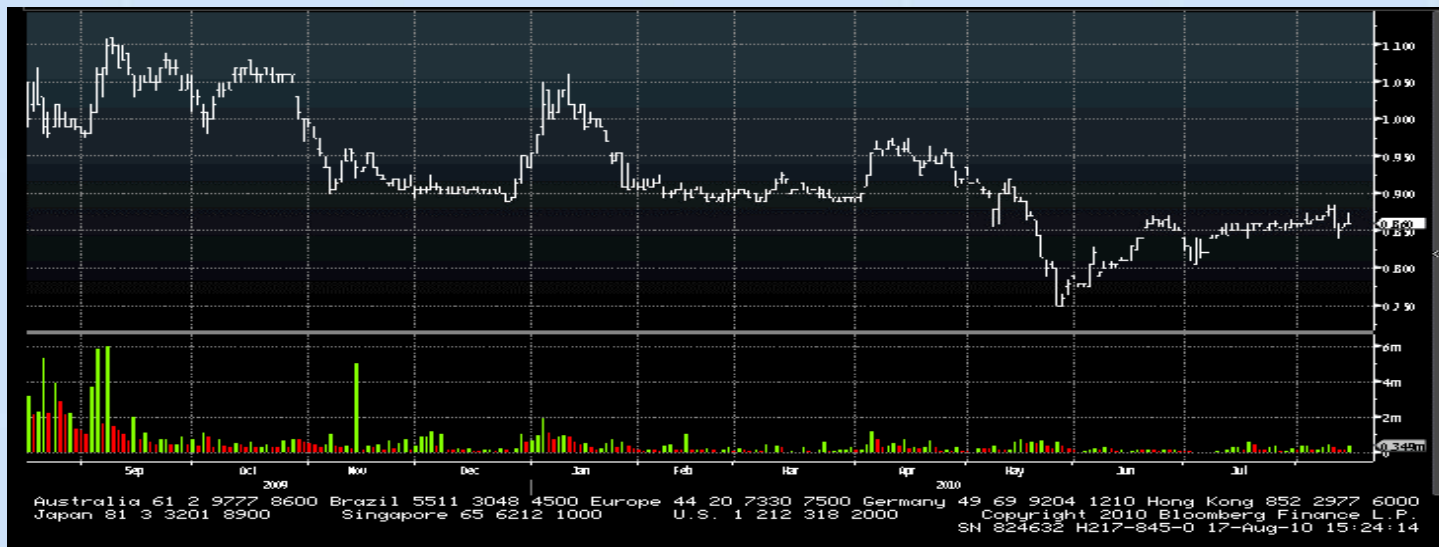
<sup>2</sup> 299,621,638 shares in issue for FY2010 (FY2009: 300,094,093)

<sup>3</sup> 299,604,002 Shares as at 30 June 2010 (30 June 2009: 299,589,002)

# Share Price Information



As at	16 Aug 10	17 Aug 09
Share Price (S\$)	0.86	1.01
Price Earnings Ratio	6.91	4.27
Price / Net Asset Value per Share	0.82	1.05
Market Capitalization (S\$m)	257.7	302.6





# ASL MARINE

Operational Review



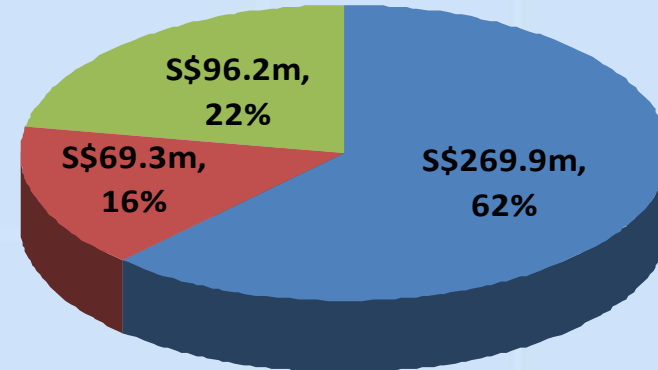
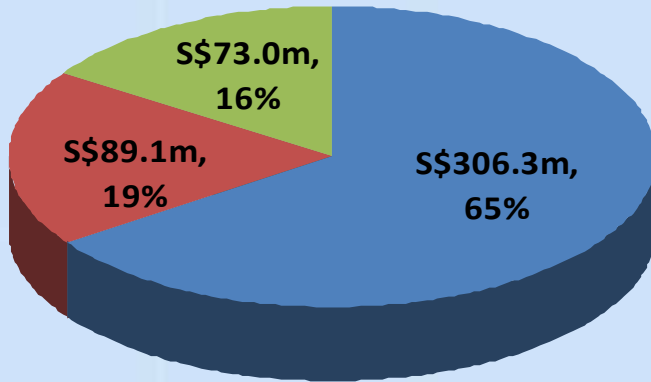
# Revenue and Gross Profit by Activities



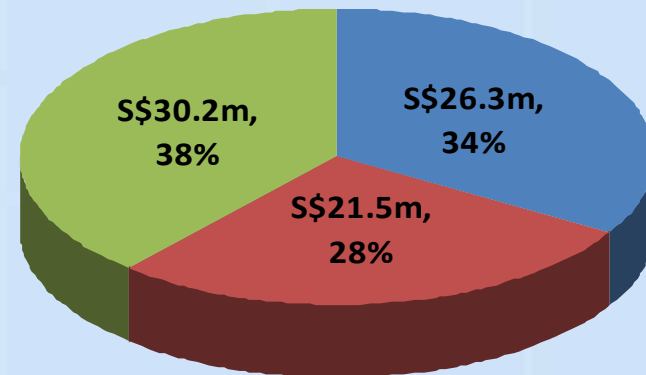
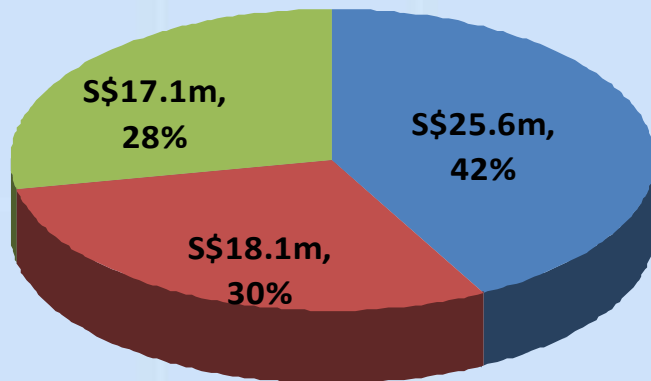
FY2010

FY2009

**Revenue S\$468.4m (FY2009: S\$435.4m)**



**Gross Profit S\$60.8m (FY2009: S\$78.0m)**



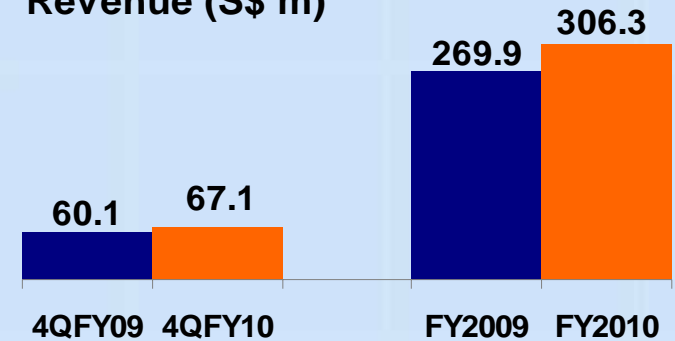
- Shipbuilding
- Shiprepair
- Shipchartering

# Shipbuilding

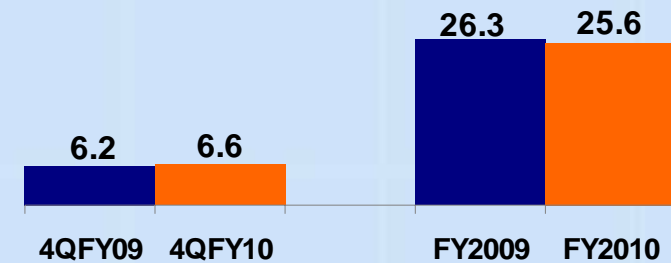


- Revenue increased by 14% to S\$306.3m
- Gross profit declined by 3% to S\$25.6m
- Gross margin of 8.4% impact by technical complexities encountered for certain projects completed in FY2010

Revenue (S\$m)



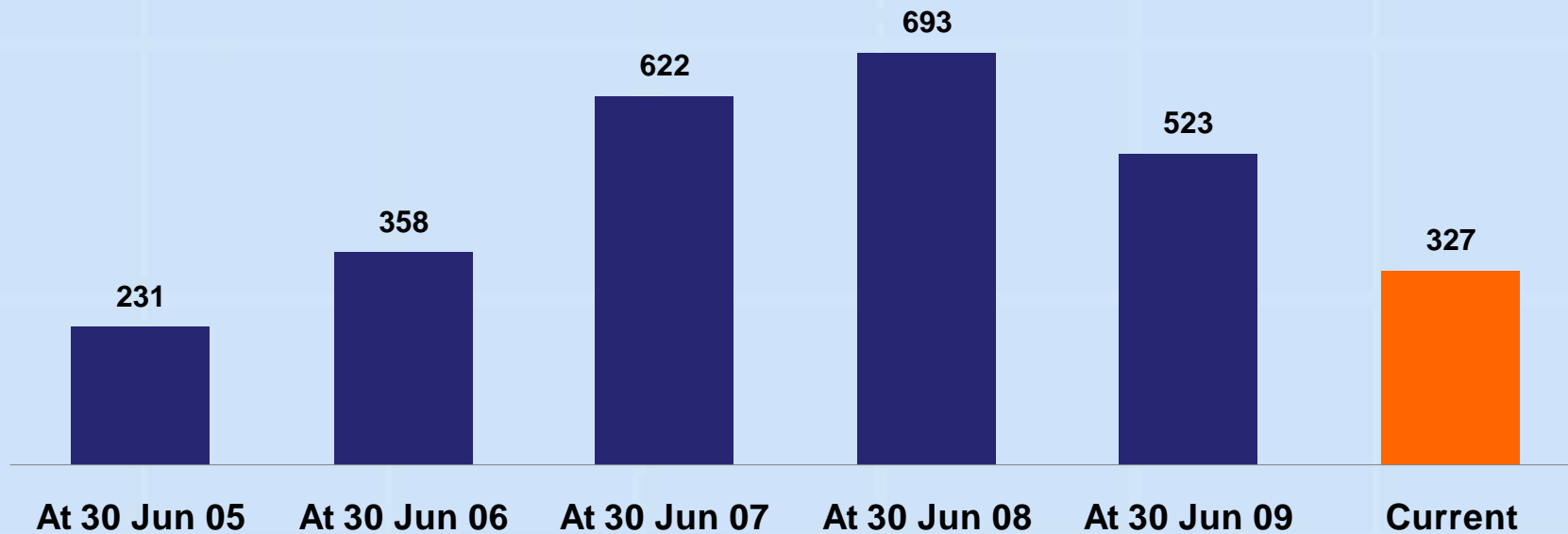
Gross Profit (S\$m)



# Shipbuilding Order Book



(S\$m)



- Order book of S\$327 million
  - Included recently secured new shipbuilding orders worth S\$55 million for 30 vessels
  - Total 47 vessels with progressive deliveries up to first quarter of 2012



# Shipbuilding Order Book



Type of Vessels	Units	FY2011		After FY2011		Total	
		S\$m	%	S\$m	%	S\$m	%
Offshore Support Vessels	4	37	11	14	4	51	15
Tugs	12	74	23	46	14	120	37
Dredgers	2	116	36	13	4	129	40
Other Vessels	29	27	8	-	-	27	8
<b>Total</b>	<b>47</b>	<b>254</b>	<b>78</b>	<b>73</b>	<b>22</b>	<b>327</b>	<b>100</b>

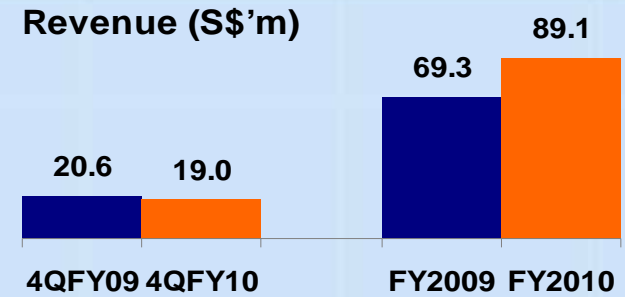
- Offshore Support Vessels comprised AHTS and Diving Support Vessel
- Tugs comprised Rotor Tugs and Azimuth Stern Drive Tugs

# Shiprepair & Conversion

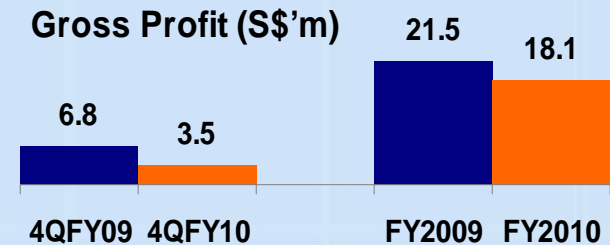


- Revenue up by 28% to S\$89.1m contributed by larger conversion jobs
- Gross profit reduced by 16% to S\$18.1m
- Gross margin declined from 31.0% to 20.3% due to
  - pricing pressure
  - lower margin for larger conversion jobs

Revenue (S\$m)



Gross Profit (S\$m)

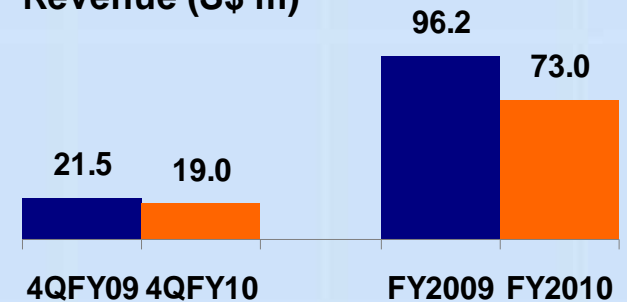


# Shipchartering

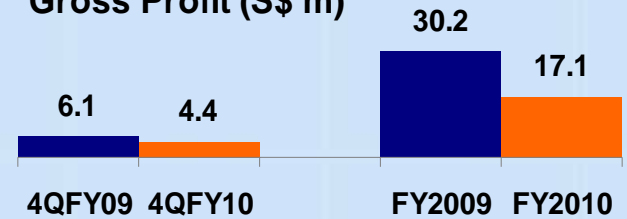


- Revenue declined by 24% to S\$73.0m
- Gross profit declined by 44% to S\$17.1m
- Gross margin declined from 31.4% to 23.4% in FY2010 affected by
  - lower vessel utilization rate
  - softened charter pricing

Revenue (S\$m)



Gross Profit (S\$m)







# ASL MARINE

Business Outlook & Strategies

# Business Outlook & Strategies



## Shipbuilding

- Recently secured new shipbuilding orders worth S\$55 million for 30 vessels comprising tugs, pipe-lay barge and other barges
- Demand for new builds expected to remain subdued due to:
  - uncertain global economic outlook
  - over-supply in some important sub-sectors of the shipping industry
- Focus on increasing efficiency on existing order book deliveries
- Outstanding orderbook of S\$327 million will sustain shipbuilding operations until early 2012

## Shiprepair

- Long-term outlook reasonably positive based on:
  - Increasing world fleet
  - Recurring and mandatory requirements to maintain sea worthiness of vessels and comply with requirement of classification societies

# Business Outlook & Strategies



## Shiprepair (cont)

- Added capacity at Batam yard due to completion of:
  - Lengthening of existing dry dock from 260 to 340 metres (300,000 dwt)
  - Addition of two medium-sized dry docks (60,000 dwt & 20,000 dwt)

## Shipchartering

- Shipchartering demand supported by:
  - Domestic marine infrastructure, construction and land reclamation projects e.g. port expansion, new international cruise terminal
  - Transportation of aggregates and coal in South East Asia
  - Offshore oil and gas activities in South East Asia and Australia
  - Marine infrastructure, harbour and terminal services sectors in Australia
- Order book of S\$6 million for long term charter contracts



# Business Outlook & Strategies



## Capital Expenditure

- Group incurred total capex of S\$89 million in FY2010 including S\$12 million for vessels, S\$8 million for plant & machinery and S\$69 million for assets under construction (yard infrastructure development and vessels)
- As at end FY2010, shipchartering operations have an outstanding delivery order of 12 vessels worth S\$84 million comprising towing tugs, barges, ROV support vessel, AHTS and AHT. All of these vessels are being built internally.



**ASL MARINE**

**Thank You**