



**Positioned for GROWTH**



**ASL Marine  
Corporate Presentation  
FY2013**



# Presentation Outline



- **Corporate Overview**
- **FY2013 Financial Review**  
(12 months ended 30 June 2013)
- **Operations Review**
- **Business Outlook & Strategy**





## Corporate Overview



# Our Transformation



1974

1986

1989

1992

2003

2012



Founder Mr. Ang Sin Liu started operations in the trading of scrapped steel material

Purchased waterfront space at Pandan Road for shipbreaking activities. Subsequently diversified into shipbuilding and shiprepair

Expanded into shipchartering services

Shipbuilding and shiprepair businesses spun off into a separate entity headed by Mr. Ang Kok Tian

Listed on the SGX Mainboard on 17 March 2003

Acquired Vosta LMG Group and added an Engineering segment in the dredging industry

# Our Yards



*Our yards are currently operating at near full capacity*

Yard	ASL Shipyard Pte Ltd	PT ASL Shipyard Indonesia	PT Cemara Intan Shipyard	Jiangmen Hongda Shipyard Co Ltd
Country	Singapore	Batam, Indonesia	Batam, Indonesia	Guangdong, China
Area	3.7 Ha	35 Ha	16 Ha	8 Ha
Business Activities	Shipbuilding & Shiprepair	Shipbuilding & Shiprepair	Shipbuilding & Galvanising	Shipbuilding
Shipbuilding Facilities	2x building berth	2x building berth 5x fabrication shops	2x building berth	2x building berth
Shiprepair Facilities	800T shiplift	Graving Dock -300,000 dwt (340m x 60m x 11m) Graving Dock - 60,000 dwt (230m x 35m x 10m) Graving Dock - 20,000 dwt (180m x 25m x 9m) 2 finger piers 2 dolphin quays		

# Share Statistics



- As at 27 August 2013

Share Price	S\$0.64
Market Capitalisation	S\$ 268.5 million
Price to Earnings Ratio	5.93
Major Shareholder	Ang Family (65.3%)



# Company Profile



- **Core businesses:-**
  - Shipbuilding
  - Shiprepair and Conversion
  - Shipchartering
  - Engineering (VOSTA LMG group)



# Core Businesses

- Shipbuilding

Specialises In

## OSVs

- Pipelay vessels
- Subsea operation vessels
- AHTS
- PSVs
- Maintenance / accommodation vessels
- Rescue and standby vessels

## Dredgers

- Cutter suction dredgers
- Water injection dredgers

## Tugs

- Rotor tugs
- Azimuth stern drive tugs

## Barges

- Accommodation barges
- Pipe laying barges
- Work barges

## Commercial Vessels

- Chemical tanker
- Product tanker
- Bunkering tanker



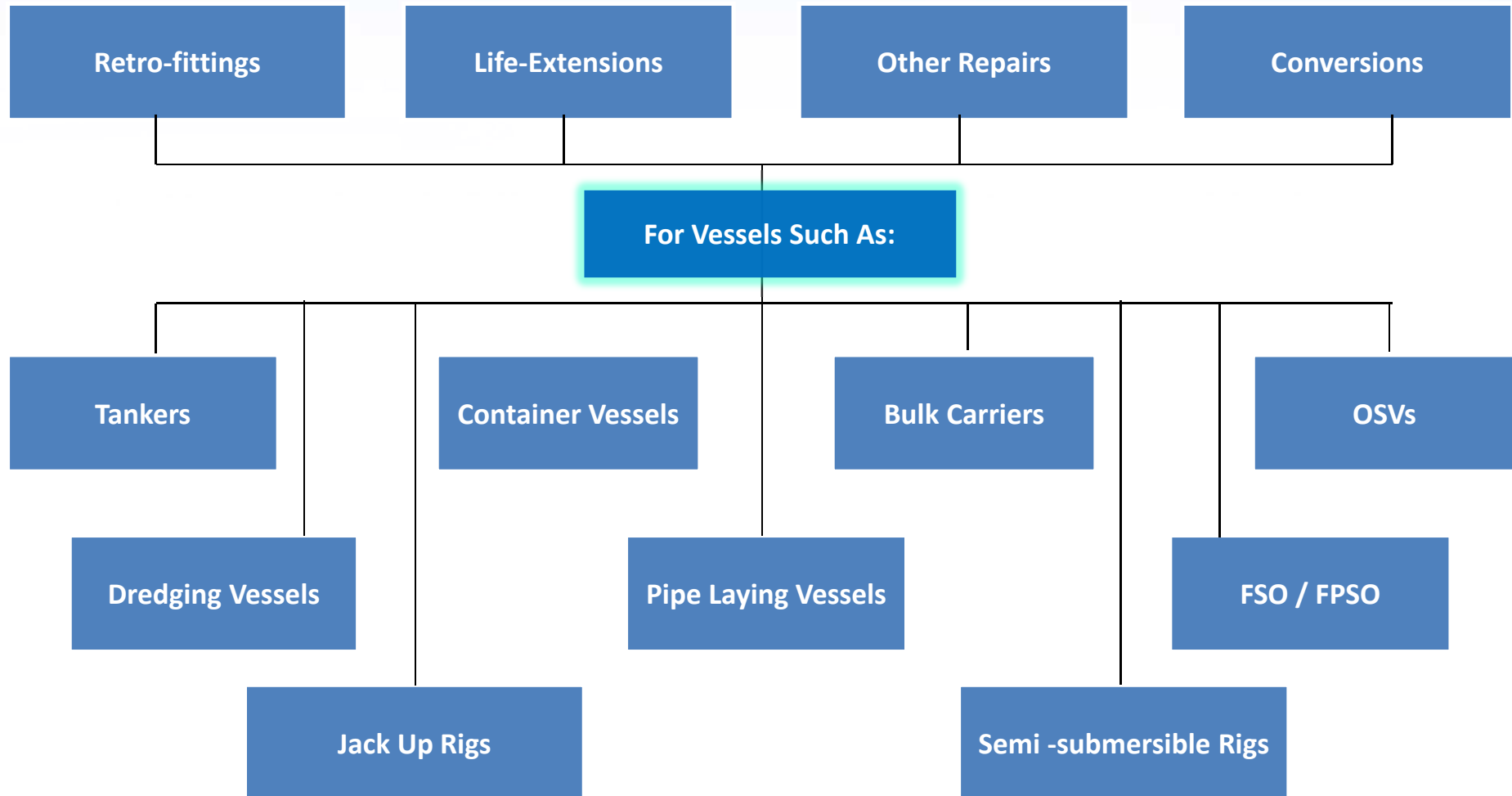


# Core Businesses



- Shiprepair and Conversion

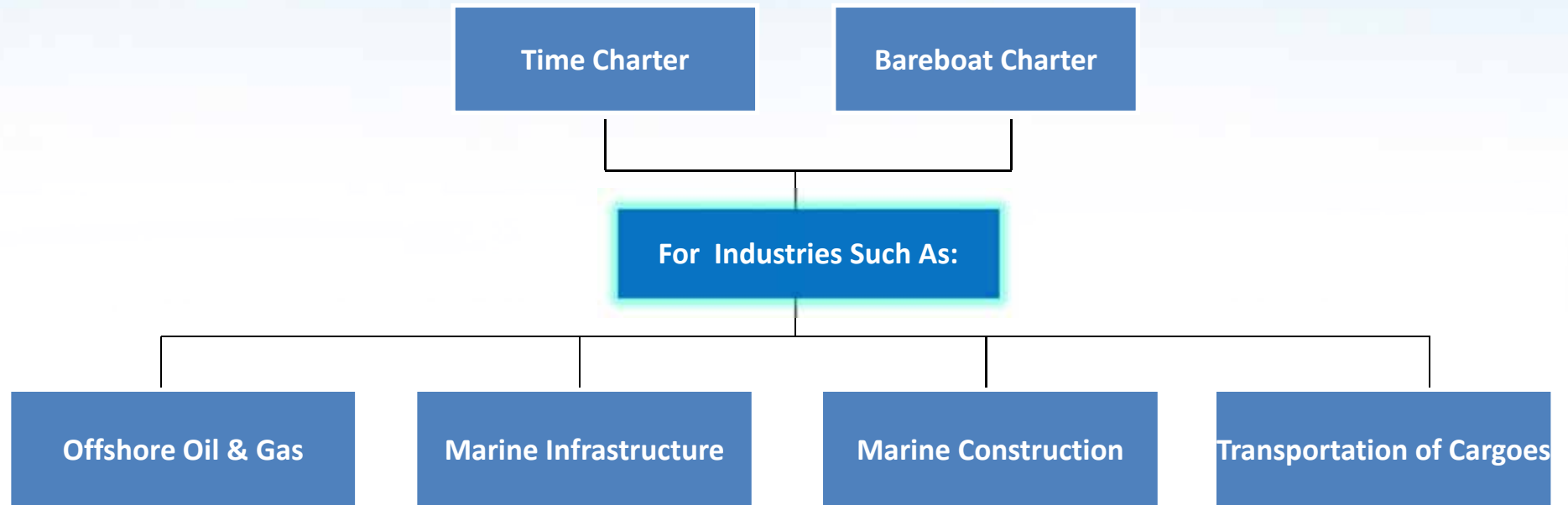
*We own the largest graving dry dock yard in Indonesia capable of handling larger vessels*



# Core Businesses



- Shipchartering



# Core Businesses

- **Shipchartering (continued)**

- Fleet size at 30 June 2013: **156** Vessels
- Of the **156** vessels, **39** vessels are deployed in Singapore, **20** vessels in Indonesia, **35** in Malaysia and **14** in Australia
- Details on the fleet and type of vessels are highlighted below:

Type of Vessels	No. of Vessels	Avg. Age of Vessels
Barges	103	7
Towing Tugs	45	8
AHT	2	1
AHTS	3	2
Chemical Tankers	2	3
ROV Support	1	1

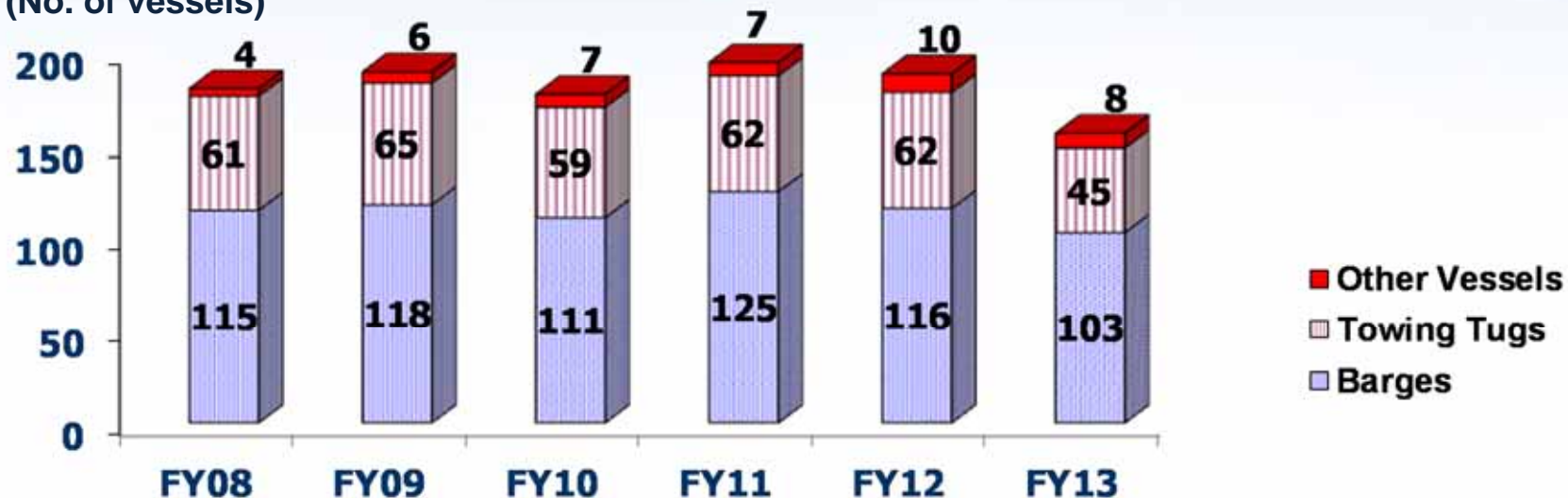


# Core Businesses



- Shipchartering (continued)

(No. of vessels)

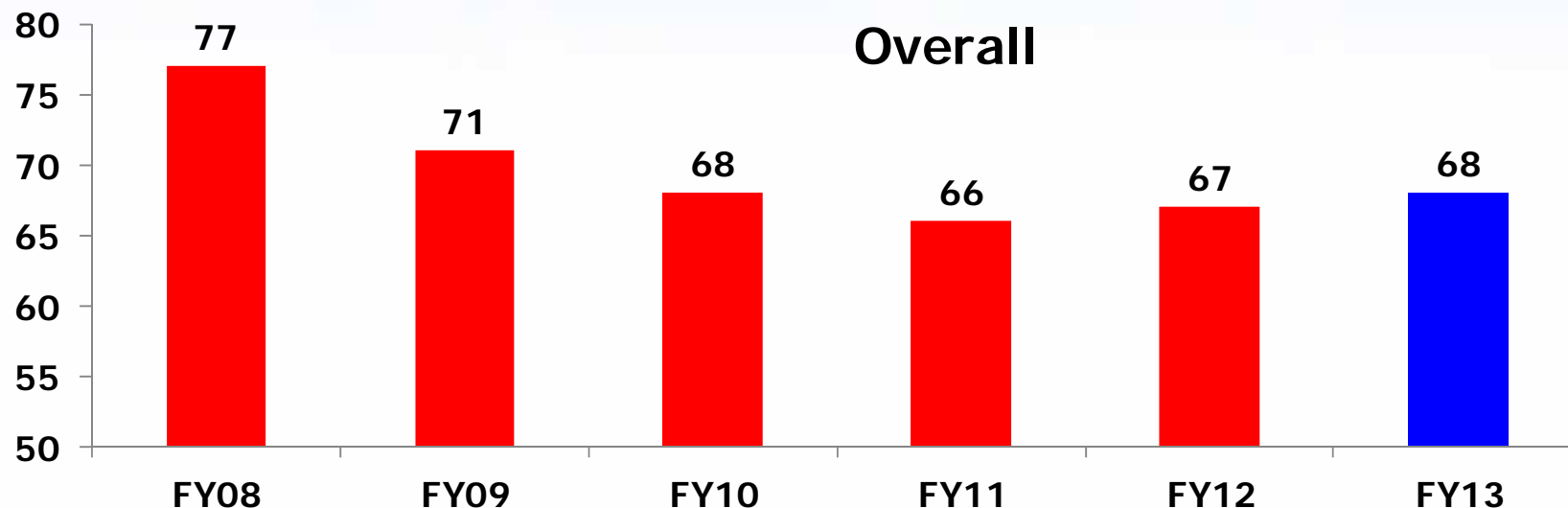


As at	FY08	FY09	FY10	FY11	FY12	FY13
AHT	4	4	4	3	5	2
AHTS	-	-	-	2	2	3
Chemical Tankers	-	1	2	2	2	2
ROV Support Vessel	-	-	-	-	1	1
Straight Supply Vessel	-	1	1	-	-	-
<b>Total of Other Vessels</b>	<b>4</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>10</b>	<b>8</b>

# Core Businesses

- Shipchartering (continued)

Vessel Utilisation (%)

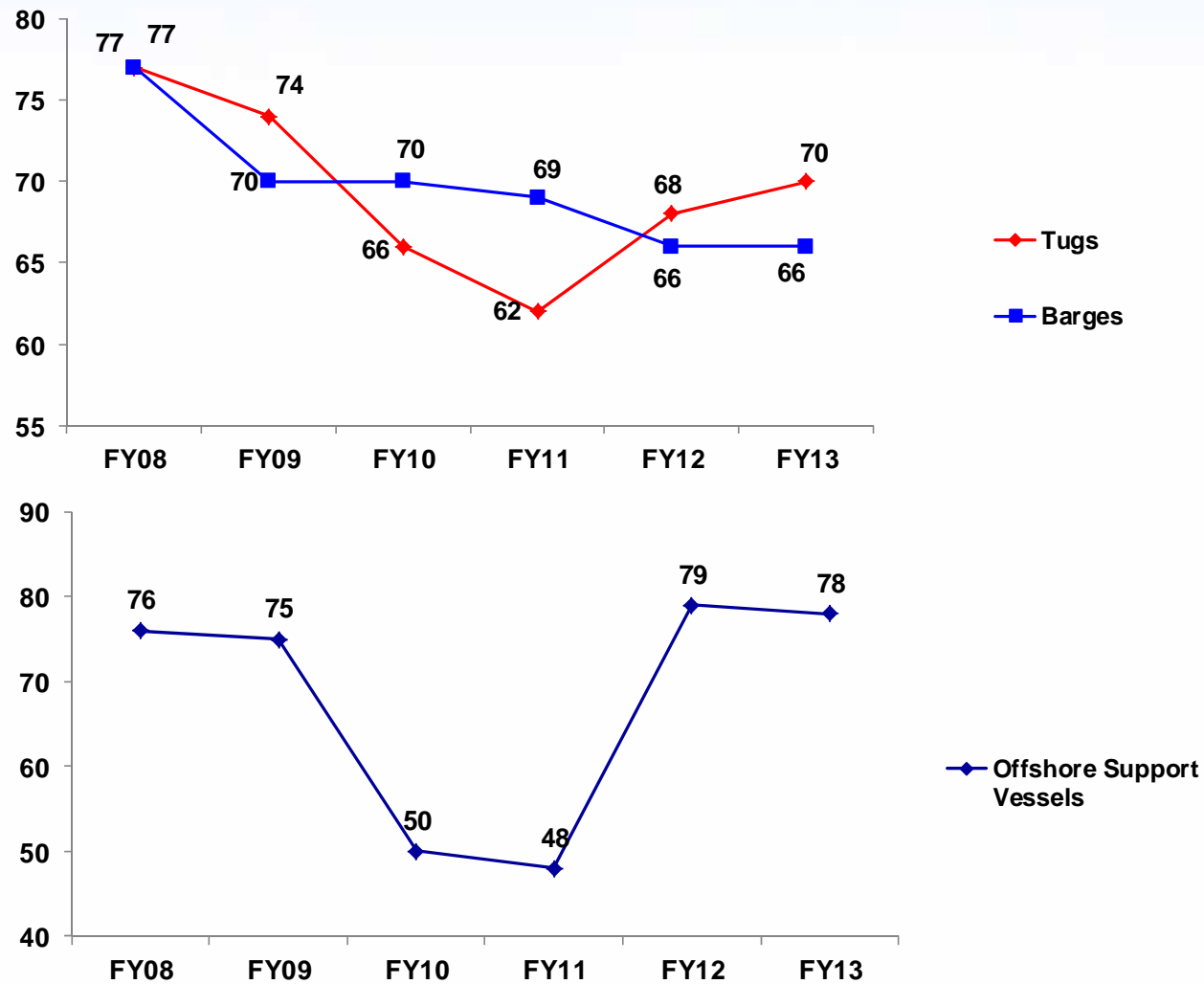


# Core Businesses



- Shipchartering (continued)

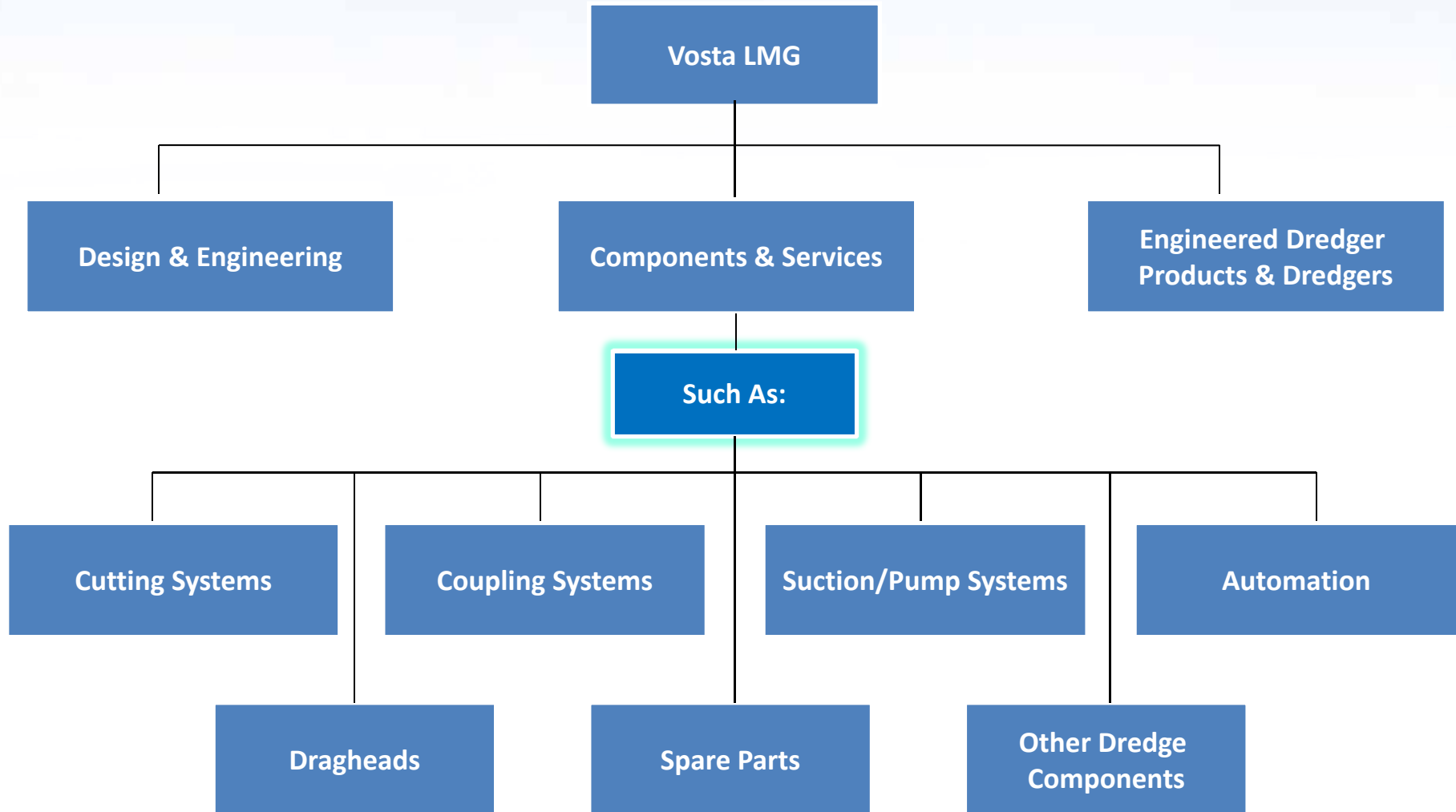
Vessel Utilisation (%)



# Core Businesses



- Engineering





**FY2013  
Financial Review**  
(12 months ended 30 June 2013)

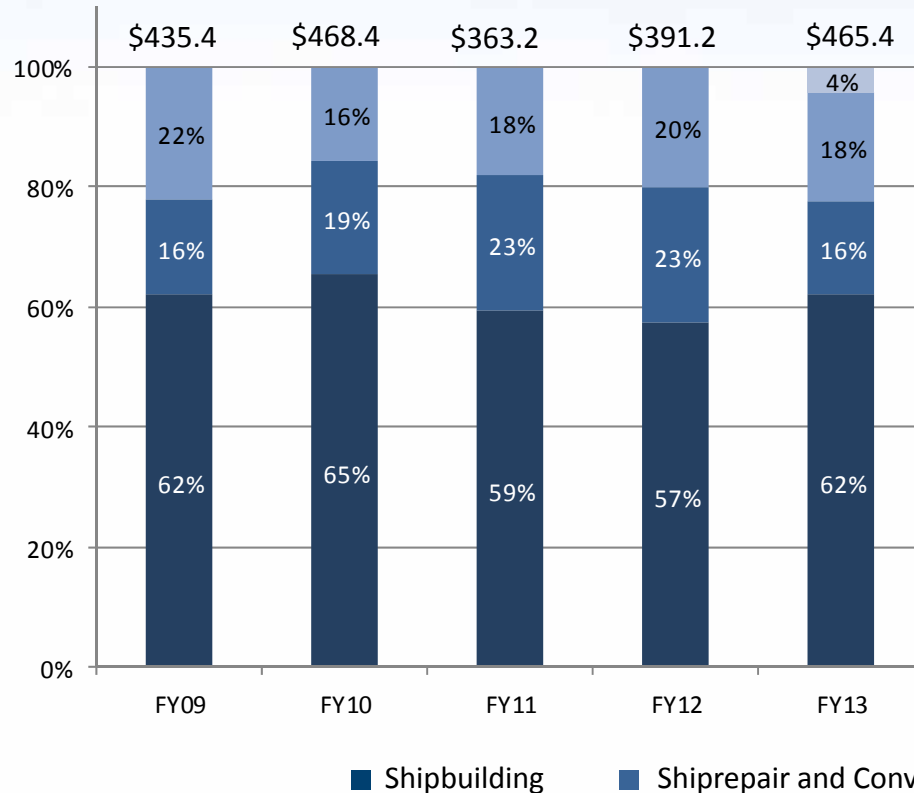




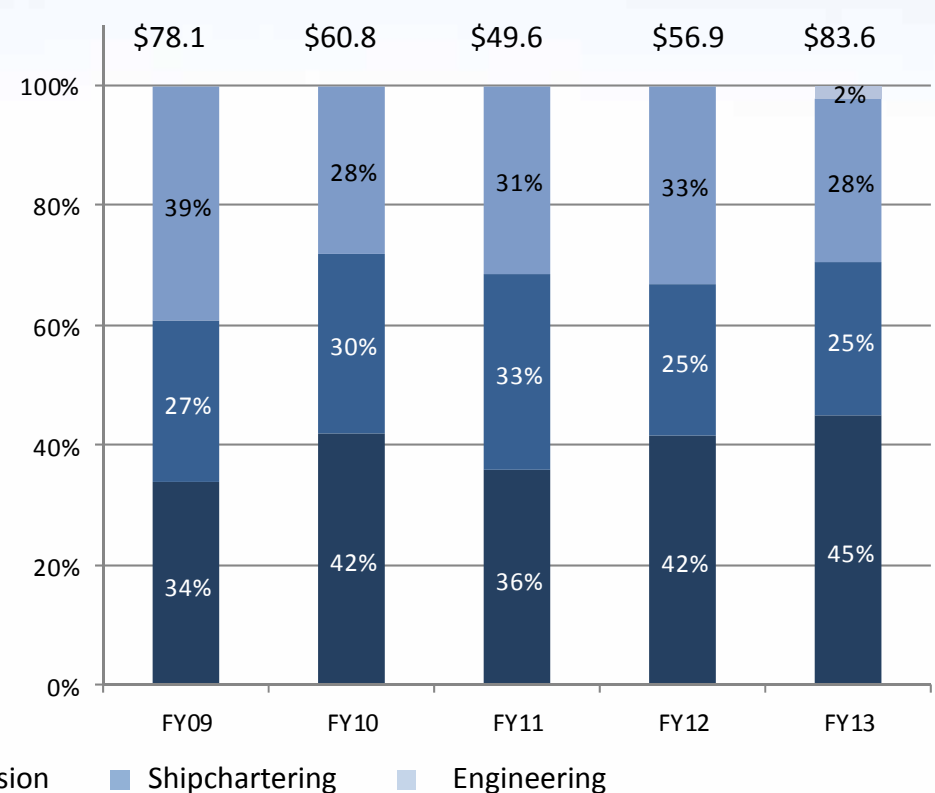
# 5 Year Financial Summary



## Revenue Contribution (\$S'm)



## Gross Profit Contribution (\$S'm)



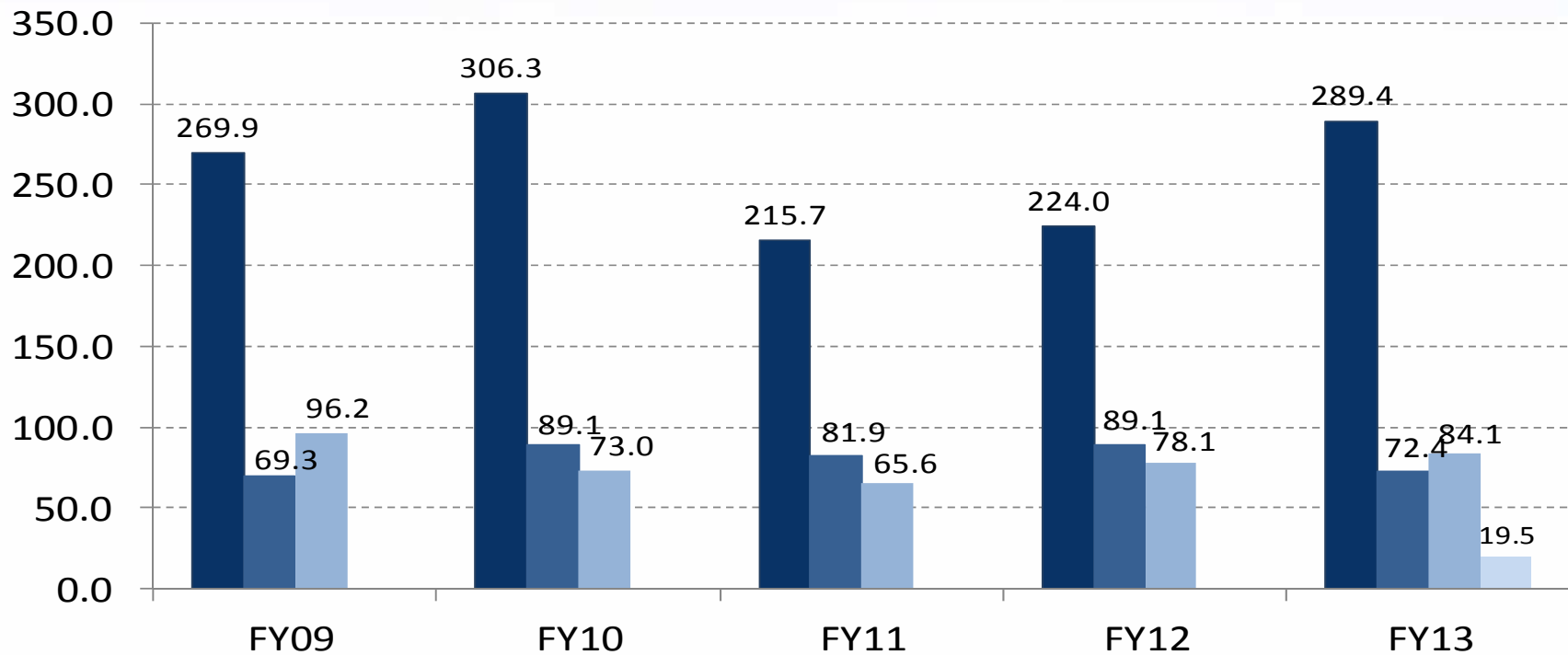
- Shipbuilding operation is the core revenue driver
- Higher gross profit margins and a more stable contribution from shiprepair and conversion and shipchartering segments as compared to shipbuilding segment tides the Group through cyclical fluctuations

# 5 Year Financial Summary



- Revenue Trend

■ Shipbuilding   
 ■ Shiprepair and Conversion   
 ■ Shipchartering   
 ■ Engineering



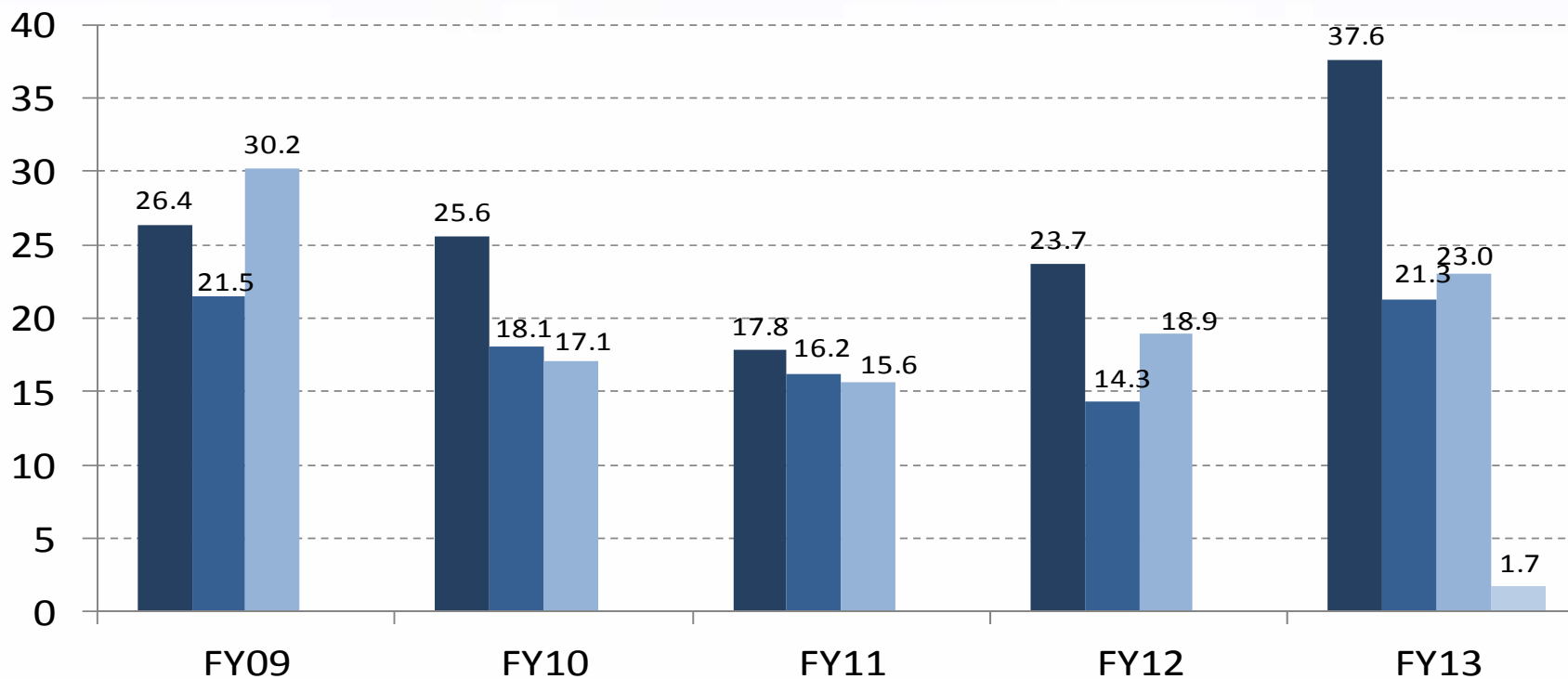
<b>Total Revenue (\$'m)</b>	<b>435.4</b>	<b>468.4</b>	<b>363.2</b>	<b>391.2</b>	<b>465.4</b>
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# 5 Year Financial Summary



- Gross Profit Trend

■ Shipbuilding   
 ■ Shiprepair and Conversion   
 ■ Shipchartering   
 ■ Engineering



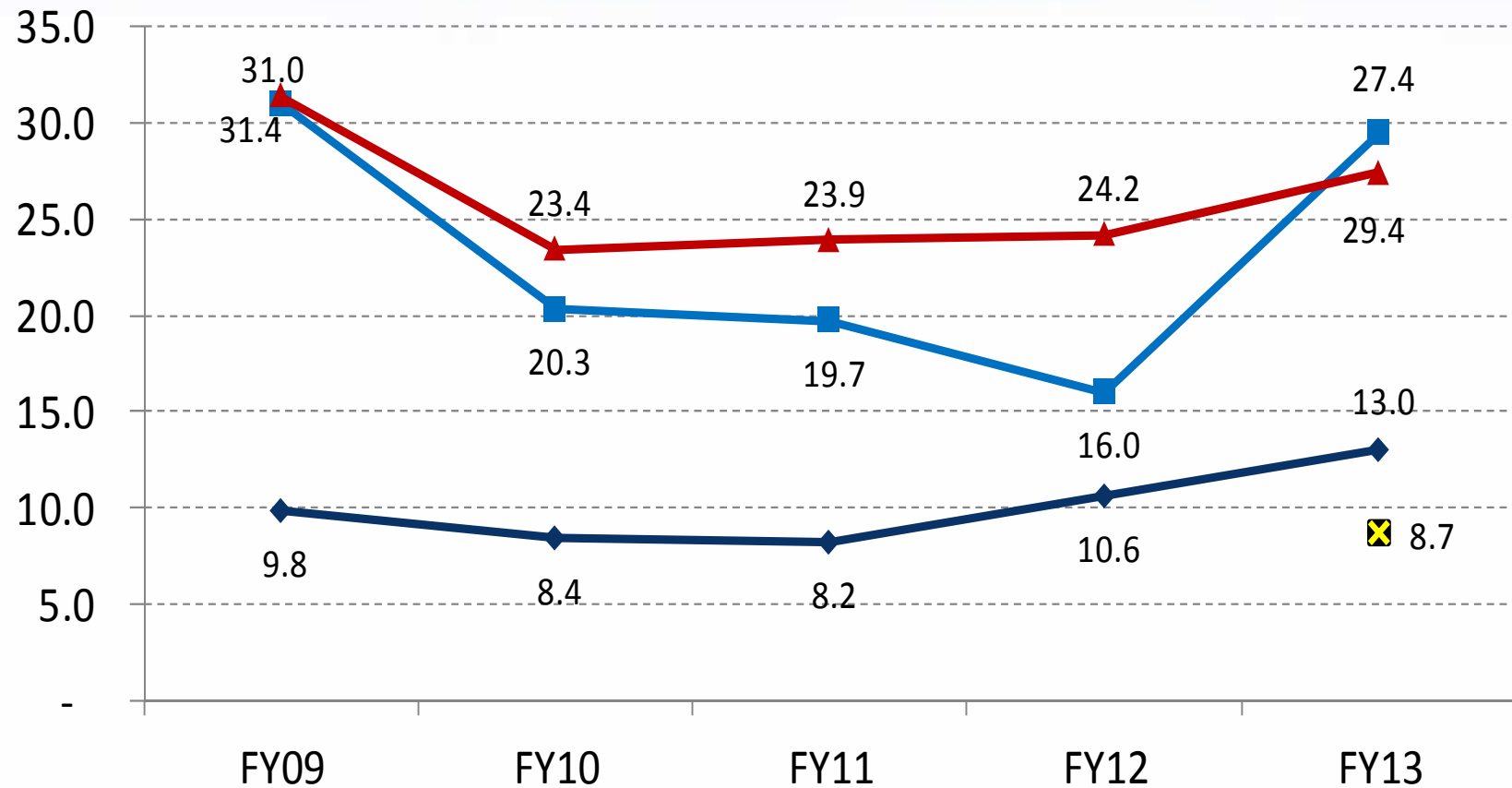
<b>Total Gross Profit (S\$m)</b>	<b>78.1</b>	<b>60.8</b>	<b>49.6</b>	<b>56.9</b>	<b>83.6</b>
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# 5 Year Financial Summary



- Gross Profit Margin Trend**

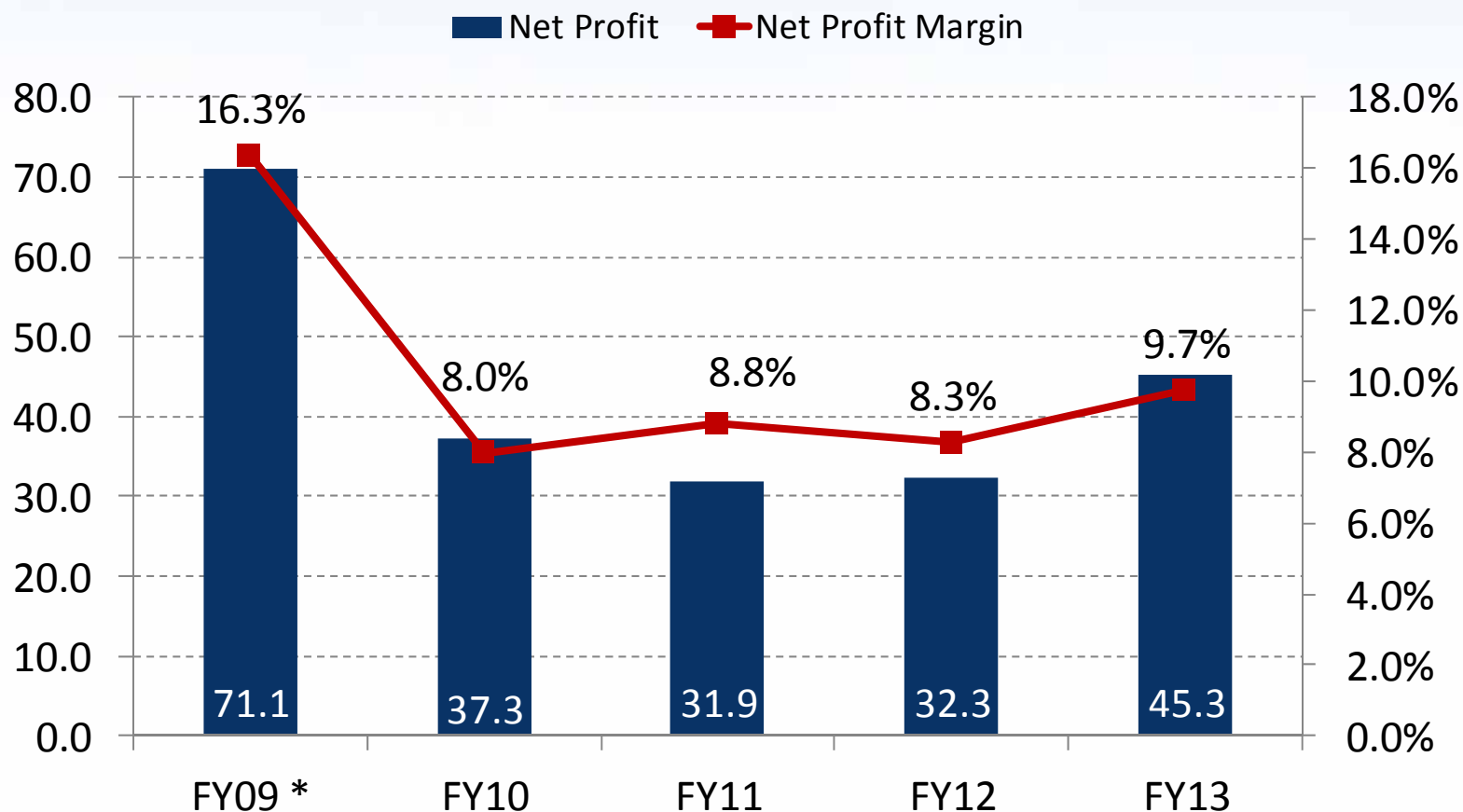
◆ Shipbuilding    ■ Shiprepair and Conversion    ▲ Shipchartering    ✕ Engineering



# 5 Year Financial Summary



- Net Profit Trend

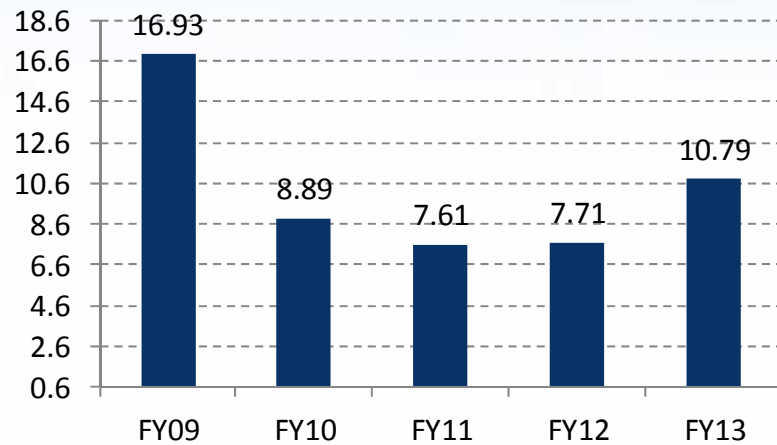


\* The Group's net profit for FY09 of S\$71.1 million included a one-off gain of S\$12.2 million relating to the divestment of ASL Energy Pte Ltd. Excluding the one-off gain, net profit and net profit margin will be S\$58.9m and 13.5% respectively.

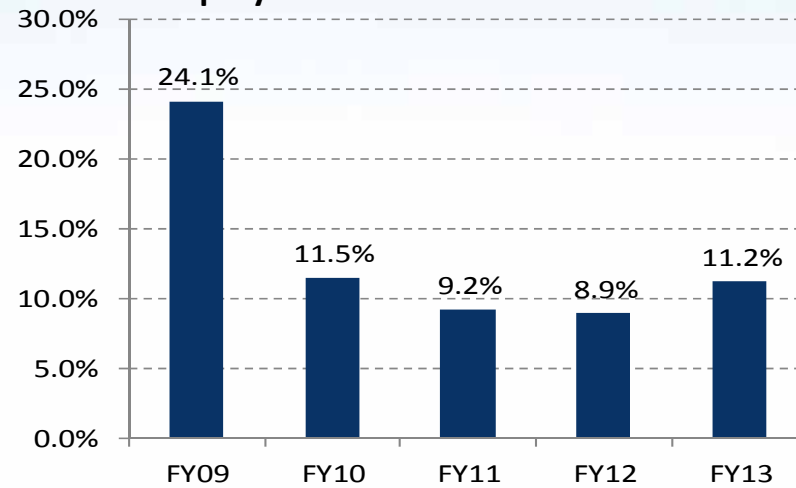
# 5 Year Financial Summary



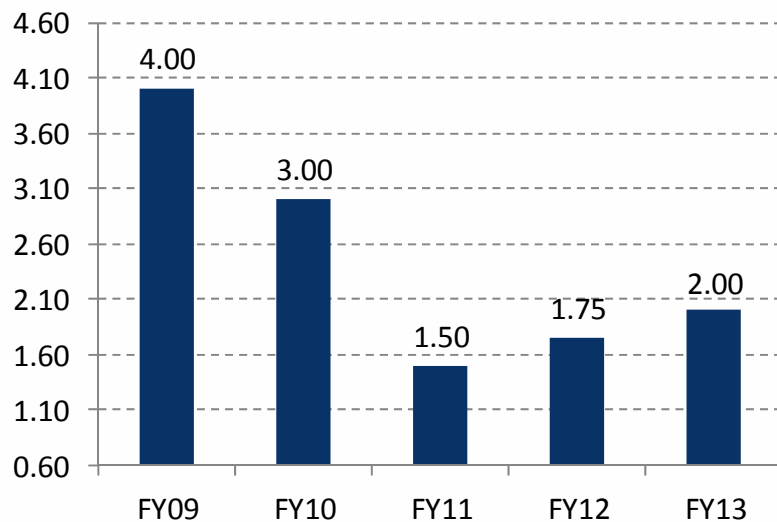
### Basic Earnings Per Share



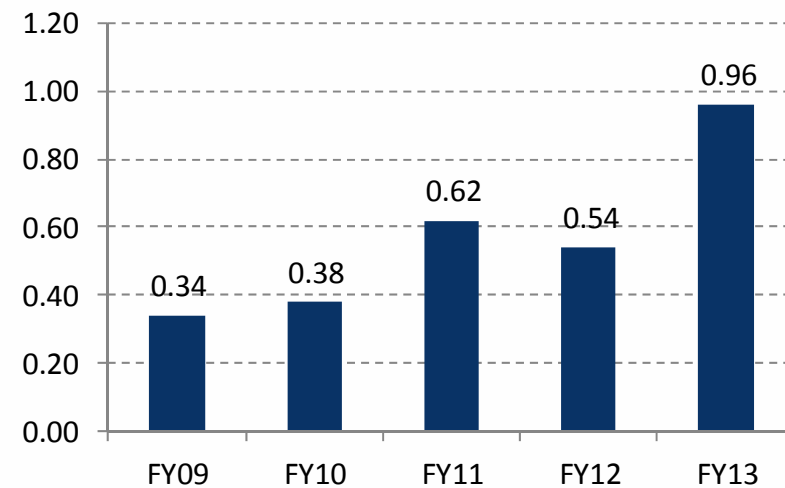
### Return on Equity



### Dividend Per Share



### Net Gearing Ratio



# Results Snapshot



	4Q FY13 (S\$m)	4Q FY12 (S\$m)	Chg %	FY13 (S\$m)	FY12 (S\$m)	Chg %
<b>Revenue</b>	<b>149.5</b>	<b>117.0</b>	<b>27.8</b>	<b>465.4</b>	<b>391.2</b>	<b>19.0</b>
<b>Gross Profit</b>	<b>23.3</b>	<b>18.0</b>	<b>30.0</b>	<b>83.6</b>	<b>56.9</b>	<b>47.0</b>
<b>Gross Profit Margin</b>	<b>15.6%</b>	<b>15.3%</b>	<b>-</b>	<b>18.0%</b>	<b>14.5%</b>	<b>-</b>
<b>Net Profit attributable to Shareholders</b>	<b>15.2</b>	<b>8.3</b>	<b>83.3</b>	<b>45.3</b>	<b>32.3</b>	<b>40.0</b>
<b>Net Profit Margin</b>	<b>10.2%</b>	<b>7.1%</b>	<b>-</b>	<b>9.7%</b>	<b>8.3%</b>	<b>-</b>
<b>EBITDA</b>	<b>36.1</b>	<b>20.1</b>	<b>79.4</b>	<b>104.4</b>	<b>83.7</b>	<b>24.8</b>
<b>Basis EPS (cents) <sup>1</sup></b>	<b>3.62</b>	<b>1.98</b>	<b>82.8</b>	<b>10.79</b>	<b>7.71</b>	<b>39.9</b>

<sup>1</sup> Based on weighted average of 419,511,294 shares in issue

# Business Operations Snapshot

## (Revenue and Gross Profit Margin)



Business Segments	4Q FY13		4Q FY12		FY13		FY12	
	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)
Shipbuilding	98.9	10.8	56.1	11.1	289.4	13.0	224.0	10.6
Shiprepair and Conversion	26.8	31.4	38.5	12.8	72.4	29.4	89.1	16.0
Shipchartering	17.2	24.1	22.4	30.4	84.1	27.4	78.1	24.2
Engineering	6.6	1.3	-	-	19.5	8.7	-	-
<b>Total</b>	<b>149.5</b>	<b>15.6</b>	<b>117.0</b>	<b>15.3</b>	<b>465.4</b>	<b>18.0</b>	<b>391.2</b>	<b>14.5</b>



# Shipbuilding



Breakdown of revenue:	4Q FY13 (No. of vessels)	4Q FY12 (No. of vessels)	4Q FY13 (S\$'000)	4Q FY12 (S\$'000)	Chg (%)
Offshore Support Vessels	15	7	74,460	34,478	116.0
Dredgers	1	1	15,159	2,333	549.8
Tugs	3	4	6,422	9,799	(34.5)
Barges and others	12	14	2,887	9,470	(69.5)
<b>Total</b>	<b>31</b>	<b>26</b>	<b>98,928</b>	<b>56,080</b>	<b>76.4</b>



# Shipbuilding



Breakdown of revenue:	FY13 (No. of vessels)	FY12 (No. of vessels)	FY13 (S\$'000)	FY12 (S\$'000)	Chg (%)
Offshore Support Vessels	17	8	220,890	108,797	103.0
Dredgers	1	3	36,942	41,524	(11.0)
Tugs	5	8	21,622	46,904	(53.9)
Barges and others	24	20	9,978	26,760	(62.7)
<b>Total</b>	<b>47</b>	<b>39</b>	<b>289,432</b>	<b>223,985</b>	<b>29.2</b>



# Shipbuilding



- Revenue increased 29.2% y-o-y to S\$289.4 million in FY2013, mainly due to higher number of Offshore Support Vessels constructed and projects achieving revenue recognition benchmark of 10%. The Group worked on 47 vessels in FY13 as compared to 39 vessels in FY12
- Gross profit margin improved to 13.0% in FY13 (FY12: 10.6%) due to the construction of two units of high value Platform Supply Vessels and reversal of unrequired construction costs provisions



# Shiprepair and Conversion



Breakdown of revenue:	4Q FY13 (S\$'000)	4Q FY12 (S\$'000)	Chg %	FY13 (S\$'000)	FY12 (S\$'000)	Chg %
Shiprepair	26,638	11,855	124.7	70,307	56,447	24.6
Conversion	-	26,347	(100.0)	600	31,480	(98.1)
Other marine related services	142	262	(45.8)	1,448	1,159	24.9
<b>Total</b>	<b>26,780</b>	<b>38,464</b>	<b>(30.4)</b>	<b>72,355</b>	<b>89,086</b>	<b>(18.8)</b>



# Shiprepair and Conversion



- Revenue declined 18.8% y-o-y to S\$72.4 million, as there were no major conversion jobs in FY2013, as opposed to the conversion of a FPSO vessel to a FSO vessel in FY2012. This was partially mitigated by higher shiprepair revenue of 24.6% to S\$70.3 million which arose from the completion of a rig repair job
- Gross profit margin improved significantly from 16.0% in FY2012 to 29.4% in FY2013 due to the write-back of subcontractor costs for prior year projects. Excluding the write back, gross profit margin would have been 22.0% in FY13



# Shipchartering



Breakdown of revenue:	4Q FY13 (S\$'000)	4Q FY12 (S\$'000)	Chg %	FY13 (S\$'000)	FY12 (S\$'000)	Chg %
Spot charter	13,663	14,677	(6.9)	58,536	54,257	7.9
Long-term charter	3,051	6,469	(52.8)	20,879	19,178	8.9
<b>Total charter</b>	<b>16,714</b>	<b>21,146</b>	<b>(21.0)</b>	<b>79,415</b>	<b>73,435</b>	<b>8.1</b>
Trade sales	515	1,060	(51.4)	4,730	3,769	25.5
Rental income	-	224	(100.0)	-	947	(100.0)
<b>Total</b>	<b>17,229</b>	<b>22,430</b>	<b>(23.2)</b>	<b>84,145</b>	<b>78,151</b>	<b>7.7</b>



# Shipchartering



- Revenue for FY13 rose by 7.7% to S\$84.1m due to:
  - additional charter income from 2 AHT acquired in 4Q FY12;
  - additional charter income from an AHTS acquired in 2Q FY13; and
  - greater demand for higher horse power tugs
- Gross profit increased 21.8% y-o-y in FY13 to S\$23.0m and gross profit margin lifted from 24.2% to 27.4% in FY13 due to:
  - additional gross profit from an AHTS acquired in 2Q FY13;
  - higher time charter income;
  - absence of additional depreciation of S\$0.7 million back charged from cancellation of vessels held for sale in 1QFY12 partially offset by
  - disposal of ROV support vessel in 1QFY13



# Balance Sheets



	30 Jun 13 (S\$m)	30 Jun 12 (S\$m)	Chg %
<b>Non-current Assets</b>	513.4	514.2	(0.2)
<b>Currents Assets</b>	609.0	340.0	79.1
<b>Total Assets</b>	1,122.4	854.2	31.4
<b>Current Liabilities</b>	493.3	308.2	60.1
<b>Non-current Liabilities</b>	223.6	182.6	22.4
<b>Total Liabilities</b>	716.9	490.8	46.1
<b>Total Equity</b>	405.5	363.4	11.6
<b>Property, Plant and Equipment</b>	478.7	509.0	(6.0)
<b>Bank Balances, Deposits and Cash</b>	88.2	95.5	(7.6)
<b>Total Borrowings</b>	469.9	285.2	64.7

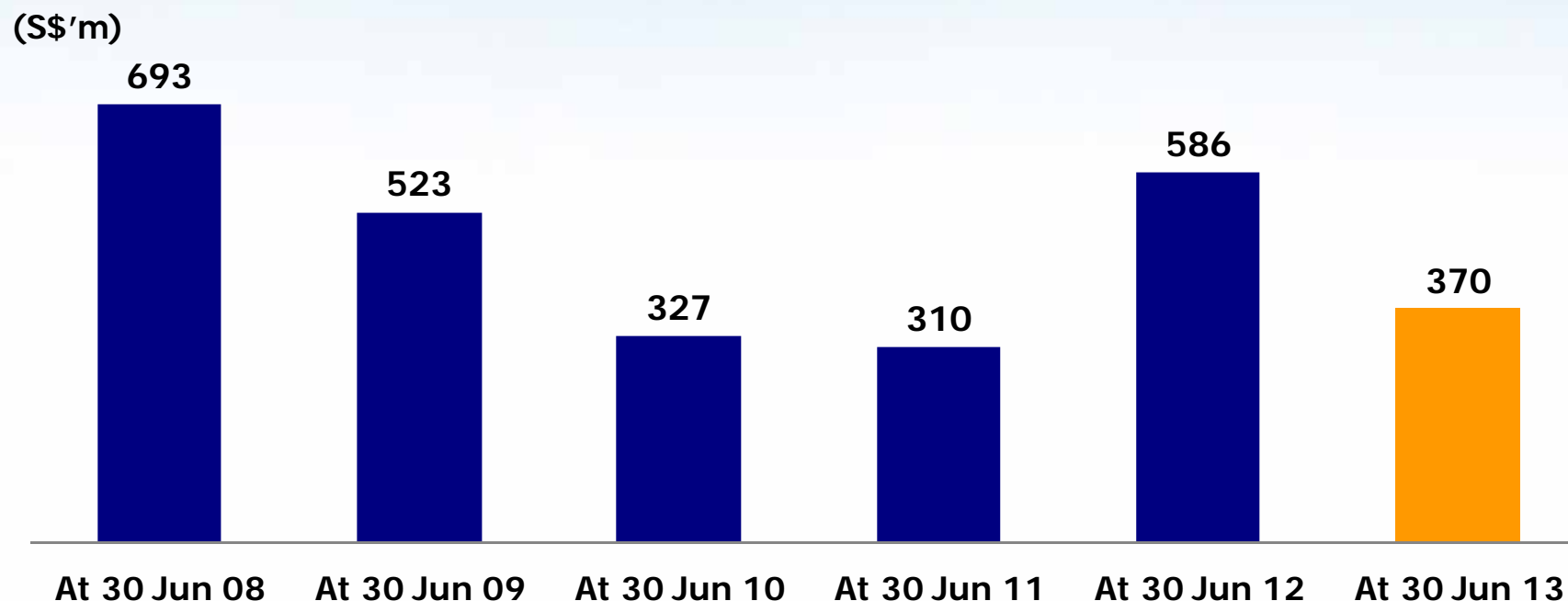




## Operations Review



# Shipbuilding Order Book



- Total outstanding order book of S\$370 million comprising of 28 vessels, including Offshore Support Vessels, self-propelled cutter suction dredger, tugs and barges

# Shipbuilding Order Book



Type of Vessels	Units	1H FY2014		After 1H FY2014		Total	
		S\$m	%	S\$m	%	S\$m	%
Offshore Support Vessels <sup>1</sup>	15	82	22	82	22	164	44
Tugs <sup>2</sup>	5	30	8	50	14	80	22
Dredgers and Barges	8	38	10	88	24	126	34
<b>Total</b>	<b>28</b>	<b>150</b>	<b>40</b>	<b>220</b>	<b>60</b>	<b>370</b>	<b>100</b>

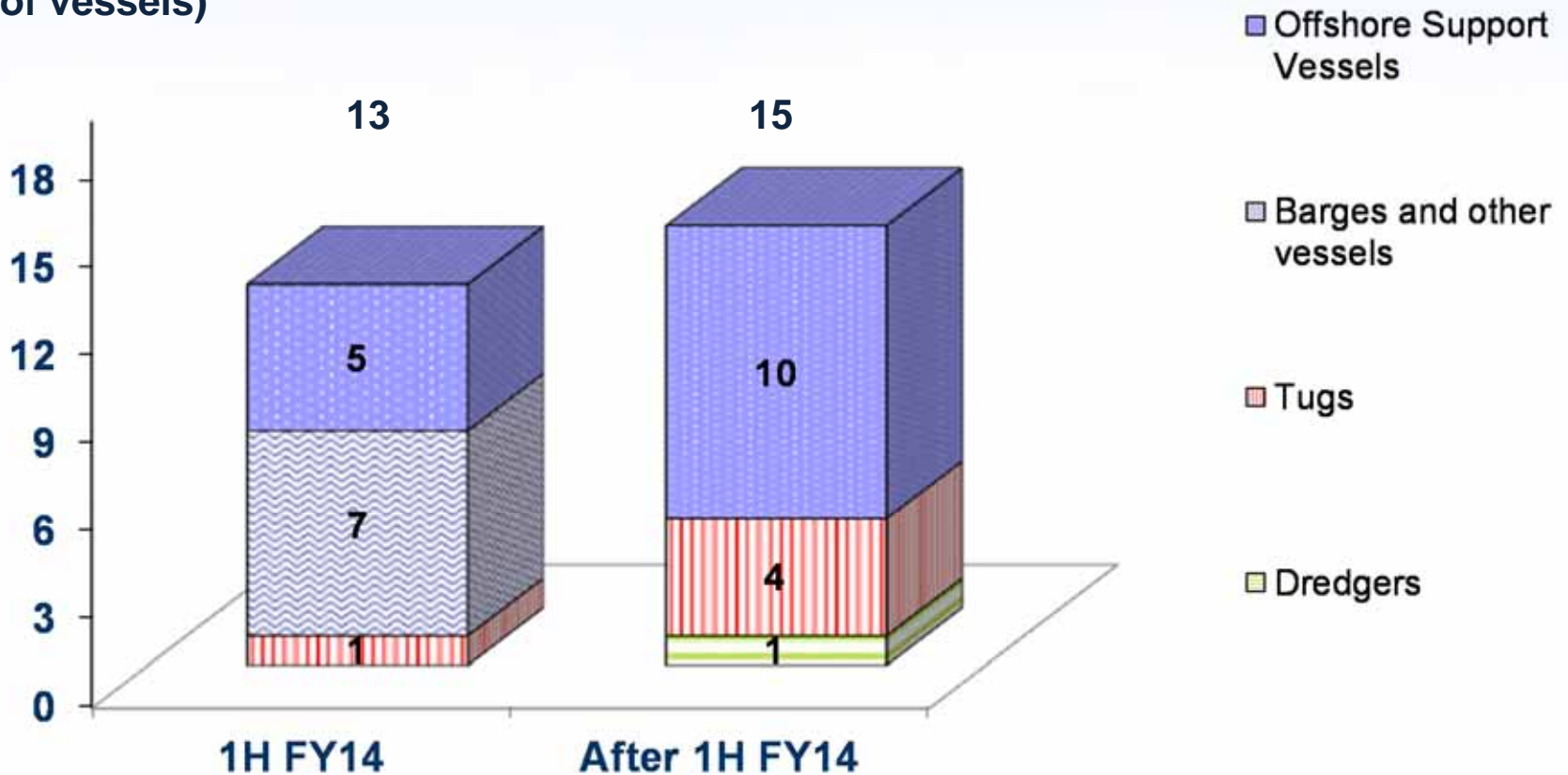
<sup>1</sup> Offshore Support Vessels, Emergency Response & Rescue Vessels and Platform Supply Vessels

<sup>2</sup> Rotor Tugs and Diesel Electric Hybrid ASD Tugs

# Vessel Delivery Schedule



(No. of vessels)





## **Business Outlook & Strategy**

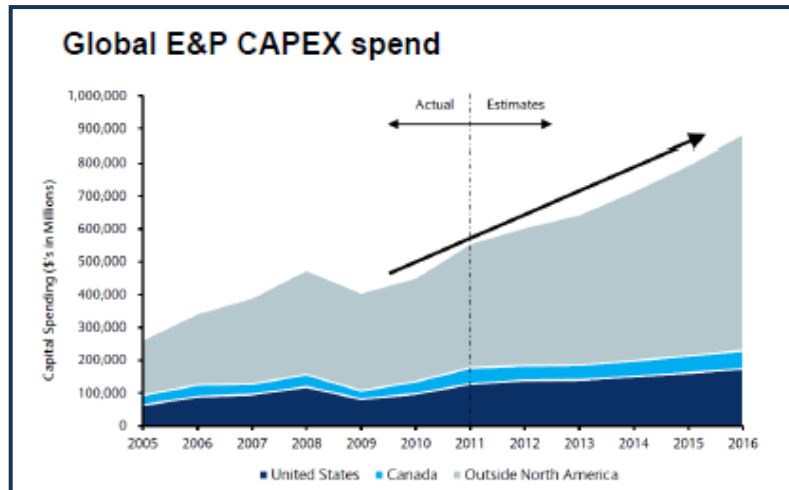


# Business Outlook & Strategy

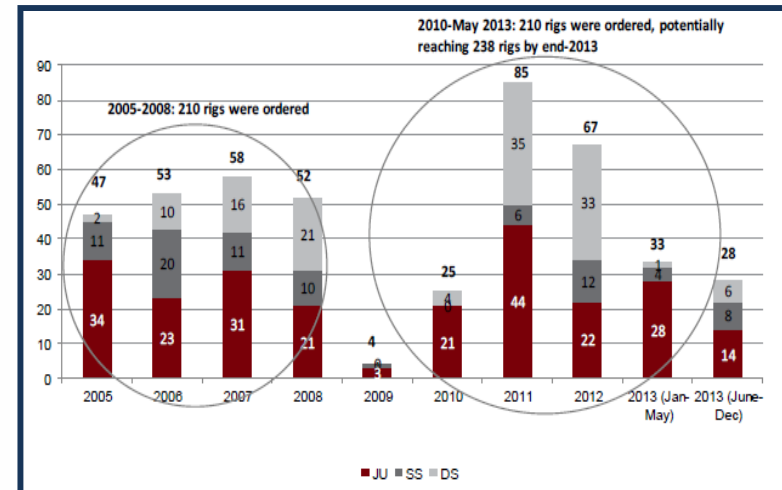


## Overall

- Oil prices remain at a level that we believe is conducive to oil and gas exploration and production activities.
- Demand for OSV and charter rates is expected to be robust.
- Healthy level of offshore activities in Indonesia is seen and this is expected to be beneficial to our Indonesia shipyards due to the cabotage laws regarding local content.
- Nevertheless the Group is mindful of the increased competition from the Chinese shipyards.



Source: DNB Oil, Offshore & Shipping Conference, 6 March 2013



Source: CIMB Offshore & Marine 15.6.2013

# Business Outlook & Strategy



## Shipbuilding

- Outstanding order book of S\$370 million for 28 vessels – comprised mainly OSV, AHTS, dredges, tug and barges.
- Leveraging on the increased activities within the region and buoyant outlook of the offshore and marine sector, the Group is deliberating on a proactive approach to enhance order book on a build-to-stock basis.
- Building program will focus on OSVs which include 4 x DP-2 AHTS and 1 x Maintenance Work Vessel at total cost of S\$85 million.

## Shiprepair and Conversion

- Scale up repair and conversion capabilities and improve turnaround time to maximise shipyard utilisation level.
- Focus will be on higher value offshore oil and gas repair / conversion projects such as oil rig, liftboat, subsea work vessel, FSO and FPSO.

# Business Outlook & Strategy



## Shipchartering

- As at 30 June 2013, the Group had an outstanding order book of approximately \$74 million with respect to long-term shipchartering contracts.
- Giving our attention to terminal operation, marine transportation and offshore support sectors. To increase proportion of vessels on long term charter thus improving utilisation rate.
- Strengthening our fleet of vessels by increasing the numbers of OSVs; complementary to build-to-stock shipbuilding strategy.
- Increasing our share in Indonesian OSV market.

## Engineering

- Dredging companies will need to continuously invest in maintaining and upgrading their equipment.
- Focus on dredge component business internationally.



# Business Outlook & Strategy



## Capital Expenditure

- Total capex of S\$113 million in FY13 comprised mainly:

	S\$m
Vessels	75
Assets under construction for yard infrastructure and vessels	7
Plant and machinery	31

- Shipchartering operations have an outstanding delivery order for 23 new vessels worth approximately S\$67 million comprising:

Shipchartering outstanding delivery orders	Unit
Barges	19
Tugs	2
Landing crafts	2
<b>Total</b>	<b>23</b>

# Share Price Information



As at	27 Aug 13	13 Aug 12
Share Price (S\$)	0.64	0.58
Price Earnings Ratio	5.93	7.52
Price / Net Asset Value per Share	0.67	0.69
Market Capitalization (S\$m)	268.5	243.3



Source: Bloomberg

# ASL vs Indices



**ASL's share price versus STI and FTSE Straits Times Oil and Gas Index (FSTOG)  
(for 27 Aug 12 to 27 Aug 13 – normalised graph based on %)**



**ASL Marine**  
**Thank you**

