



# ASL Marine Holdings Ltd.



**SHIPBUILDING**

**SHIPREPAIR**

**SHIPCHARTERING**

**Pulse of Asia 2008 - Presentation**

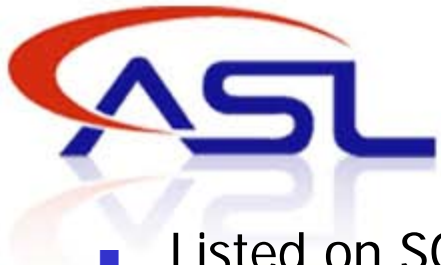
**8<sup>th</sup> July 2008**



## **Presentation Outline**

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- **Company Profile**
- **9M FY2008 Financial Review**
- **Business Review**
  - **Shipbuilding**
  - **Shiprepair**
  - **Shipchartering**
- **Business Outlook and Growth Drivers**



## Company Profile

- Listed on SGX-ST Mainboard on 17 March 2003
- Engages in 3 core businesses:-
  - Shipbuilding,
  - Shiprepair & Conversion
  - Shipchartering



### Shipbuilding and Shiprepair

- 3 shipyards in Singapore, Batam (Indonesia) and Guangdong (China)
- 150,000dwt Graving Dry Dock + 20,000dwt Floating Dock in Batam





## Company Profile

### Shipchartering

- Owns 175 vessels (61 tug, 3 AHT and 111 barge as at 31 March 2008)
- Engages in
  - Offshore Oil and Gas
  - Marine Infrastructure
  - Dredging, Land Reclamation & Marine Construction Works, and
  - Transportation of Cargoes such as aggregate, heavy equipment etc





# ASL Marine Holdings Ltd.



## 9M FY2008 Financial Review (Nine Months Ended 31 March 2008)



## 9M FY2008 Financial Review

<b>\$' million</b>	<b>9M FY2008</b>	<b>9M FY2007</b>	<b>Growth</b>	<b>FY2007</b>
<b>Shipbuilding</b>	173.4	152.2	13.9%	202.7
<b>Shiprepair</b>	47.0	30.9	52.0%	43.5
<b>Shipchartering</b>	64.7	50.8	27.6%	72.2
<b>Total Revenue</b>	<b>285.1</b>	<b>233.9</b>	<b>21.9%</b>	<b>318.4</b>
<b>Gross Profit</b>	53.2	35.5	50.0%	52.2
<b>Gross Margin</b>	<b>18.7%</b>	<b>15.2%</b>	<b>23.0%</b>	<b>16.4%</b>
<b>Net Profit</b>	42.1	27.3	54.3%	40.2
<b>Net Margin</b>	<b>14.8%</b>	<b>11.7%</b>	<b>26.5%</b>	<b>12.6%</b>



## 9M FY2008 Financial Review

<b>CASH FLOW</b>	<b>9M FY2008 \$' million</b>	<b>9M FY2007 \$' million</b>	<b>Change %</b>	<b>FY 2007</b>
<b>Net cash generated from operating activities</b>	133.7	25.8	418.0%	38.4
<b>Net cash used in investing activities</b>	(48.4)	(45.0)	7.5%	(65.8)
<b>Net cash (used in)/ generated from financing activities</b>	(12.0)	22.0	-154.7%	46.5
<b>Net increase in cash and cash equivalents</b>	<b>73.3</b>	<b>2.8</b>	<b>2,500.8%</b>	<b>19.1</b>
<b>Cash and cash equivalents at beginning of period</b>	47.6	28.6	66.5%	28.6
<b>Cash and cash equivalents at end of period</b>	<b>120.9</b>	<b>31.4</b>	<b>285.1%</b>	<b>47.7</b>



## 9M FY2008 Financial Review

	9M FY2008	9M FY2007	FY2007
<b>Earnings per Share* (cents)</b>	15.00	10.90	16.01
<b>Fully Diluted EPS** (cents)</b>	14.32	10.09	14.66
<b>Return on Equity (annualised)</b>	26.2%	25.9%	26.3%
<b>Return on Total Assets (annualised)</b>	10.1%	10.0%	9.1%

As at	31-Mar-08	30-Jun-07
<b>Net Asset Value Per Share*** (cents)</b>	71.54	59.68
<b>Gearing ratio</b>	0.49	0.82
<b>Net Gearing ratio</b>	Net cash	0.51

\* Based on weighted average of 280,988,596 (9M FY2007: 250,477,491, FY2007: 251,347,249) Ordinary Shares in issue during the period

\*\* Based on weighted average of 294,225,032 (9M FY2007: 270,520,527, FY2007: 274,585,892) Ordinary Shares in issue during the period

\*\*\* Based on 300,298,485 (30-Jun-07: 256,206,000) Ordinary Shares in issue





# 9M FY2008 Financial Review

As at	31-Mar-08	30-Jun-07
Share Price (cents)	101	174
Price Earnings ratio	5.29	11.87
Price / Net Assets Value per share	1.41	2.92
Market Capitalisation (\$'000)	303,301	445,798

ASL MARINE HLDGS  
as of 30-Jun-2008

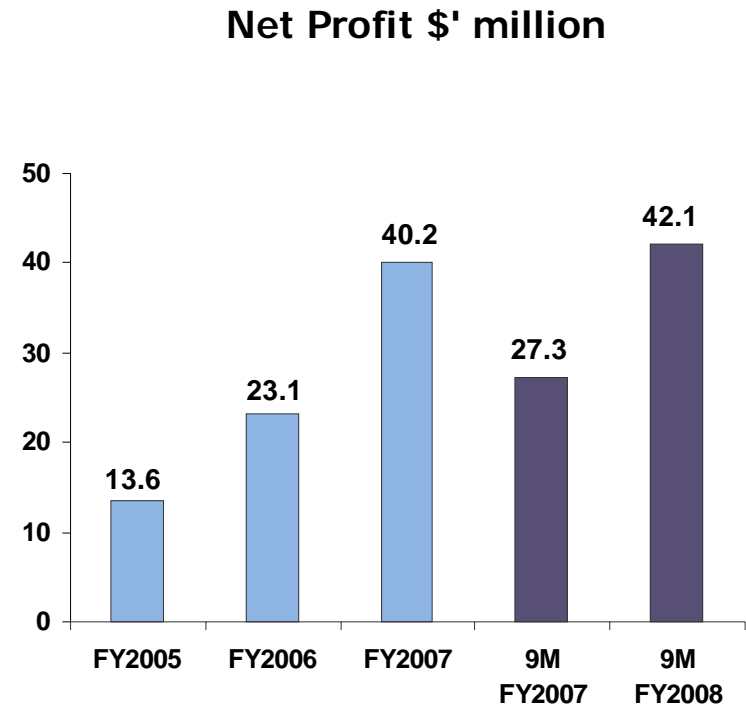
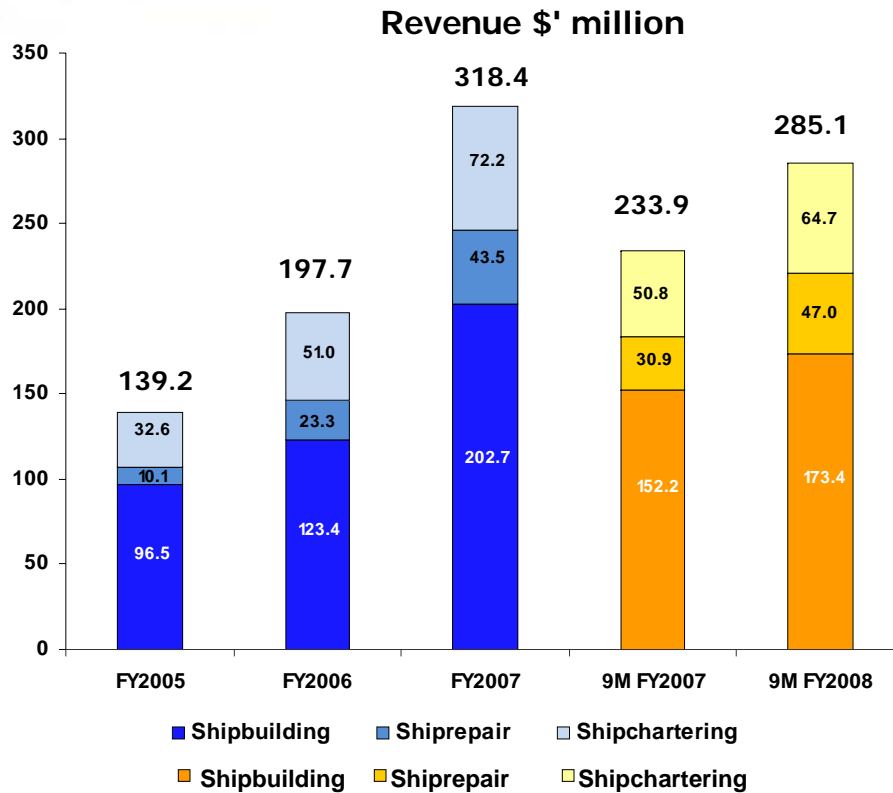


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# 9M FY2008 Financial Review



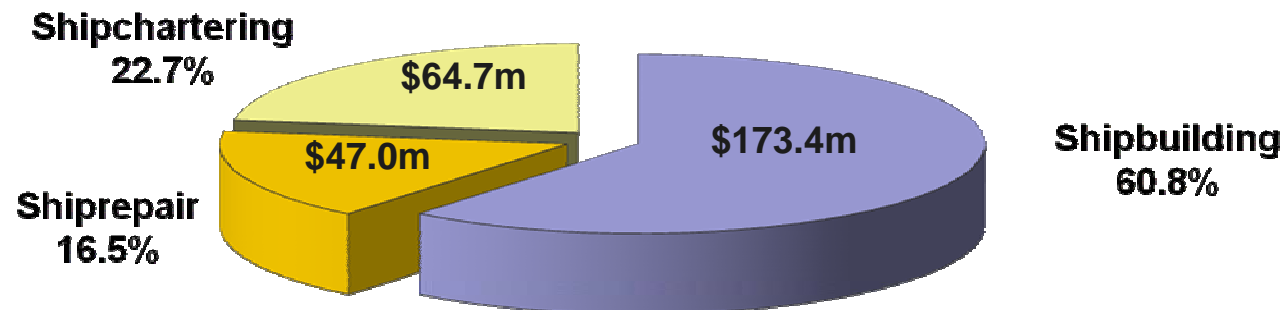
- 9M FY2008 revenue rose by 21.9% compared to 9M FY2007, approx 89.5% of FY2007 revenue
- 9M FY2008 net profit rose by 54.3% compared to 9M FY2007, approx 104.7% of FY2007 net profit



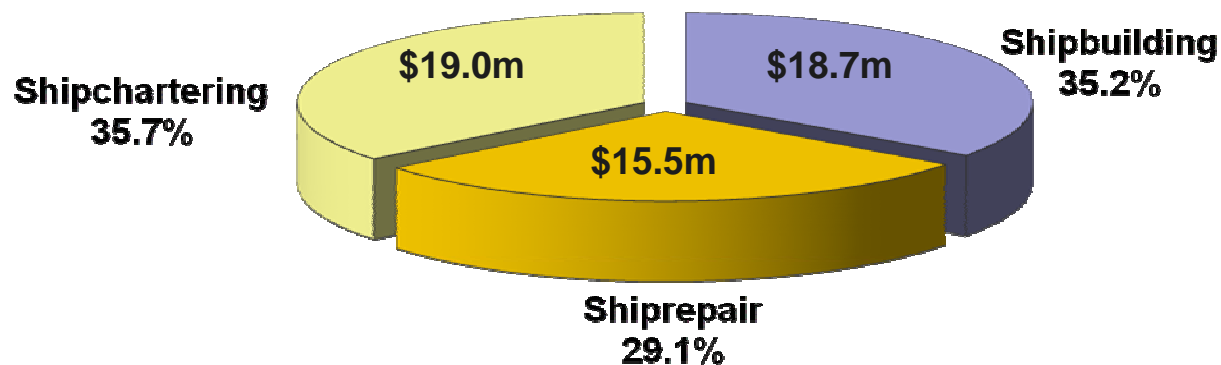
## Revenue & Gross Profit by Activities

The Group's strategy is to grow all 3 business segments so as to maintain sustainable profit even during economical downturn

9M FY2008 Revenue \$285.1 million



9M FY2008 Gross Profit \$53.2 million





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● SHIPBUILDING

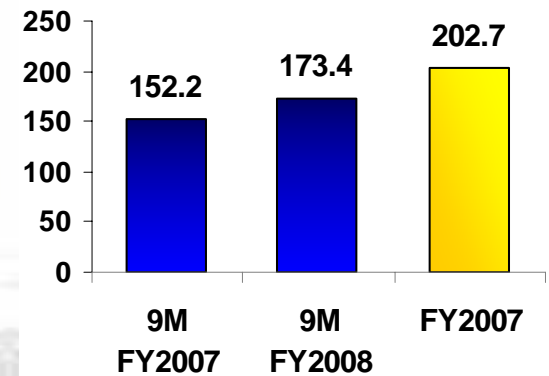
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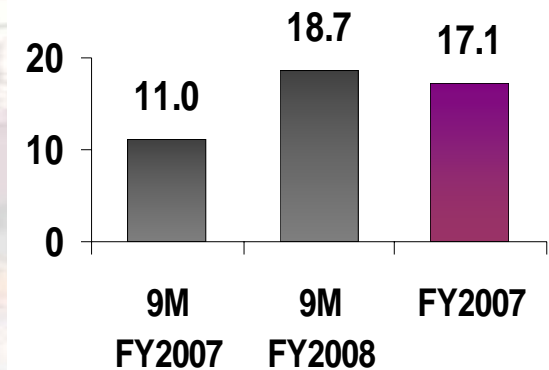
# Shipbuilding

- Revenue ↑ 13.9% to \$173.4 million in 9M FY2008
- Gross Profit ↑ 69.6% to \$18.7 million in 9M FY2008
- Gross margin ↑ from 7.2% in 9M FY2007 to 10.8% in 9M FY2008
  - Construction of increased number of vessels with higher contract values
  - Improved pricing derived from higher value projects

Revenue (\$'m)



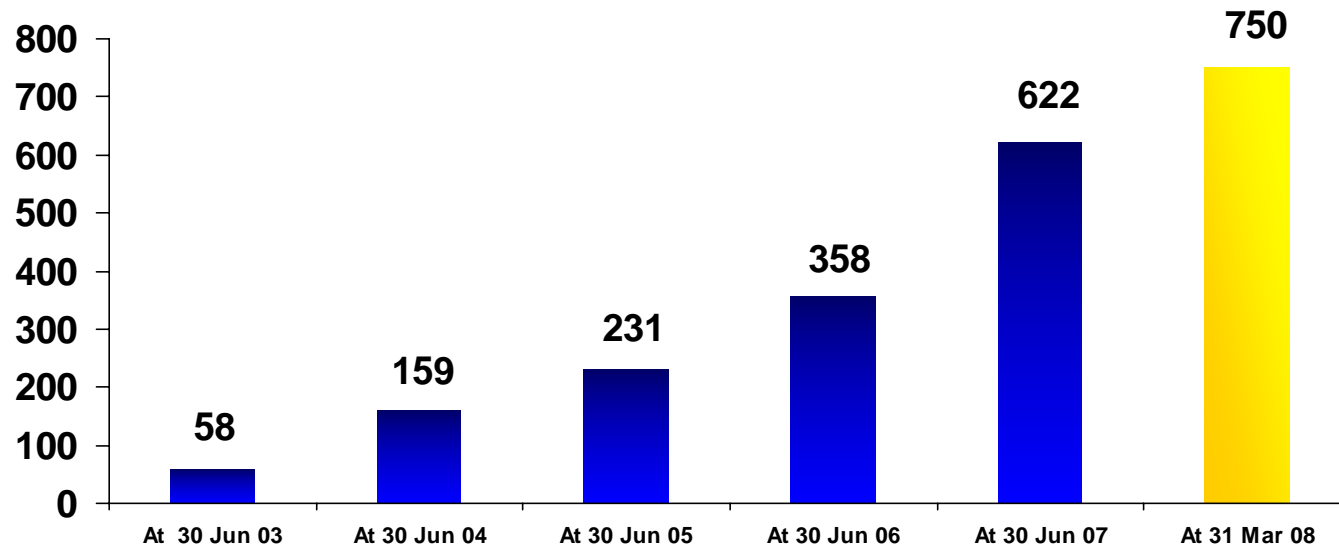
Gross Profit (\$'m)





## Record Shipbuilding Order Book

\$' million



- Level of shipbuilding enquiry remains healthy
- The Group continuously purchases and keeps in stock steel materials required for its shipbuilding operation
- Approx 33%, 41% and 26% of S\$750m are denominated in S\$, US\$ and Euro respectively. Beside utilising natural hedge, the Group entered into “plain vanilla” forward contracts to hedge against FX exposures



## Record Shipbuilding Order Book

Type of vessels	Unit	\$'million	%
Offshore Support Vessels	19	399	53
Tugs	22	200	27
Dredgers	2	109	15
Others	7	42	5
<b>TOTAL</b>	<b>50</b>	<b>750</b>	<b>100</b>
<b>Offshore Support Vessels comprised</b> AHT(1), AHTS(10), Subsea Operation Vessel (1), Heavy Lift Cum Pipelay Vessel(1), Emergency Response & Rescue vessels(6)			
<b>Tugs comprised Azimuth Stern Drive Tugs(8) and Rotor Tugs(14)</b>			

- Portfolio of customers from diverse sectors
- Riding on strong demand for support vessels used in offshore oil & gas exploration & production activities



- SHIP REPAIR AND SHIP CONVERSION



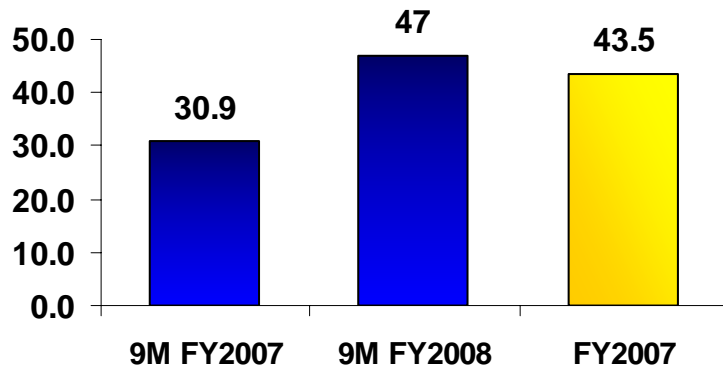




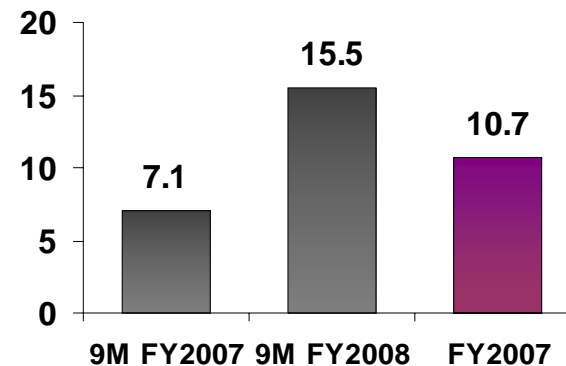
## Ship Repair and Ship Conversion

- Revenue ↑ 52.0% to \$47.0 million in 9M FY2008
  - Gross Profit ↑ 119.3% to \$15.5 million in 9M FY2008
  - Gross margin ↑ from 22.8% to 32.9% in 9M FY2008
- Increased number of shiprepair and ship conversion jobs undertaken
  - Higher margin shiprepair jobs undertaken
  - Improved operating efficiency

Revenue (\$'m)



Gross Profit (\$'m)





## Ship Repair and Ship Conversion

- Healthy level of enquiry
- Operating at full capacity
- Increased number of repeat customers
- Plans – Lengthening of existing graving dry dock
  - Addition of a Panamax and a Handymax graving dry dock








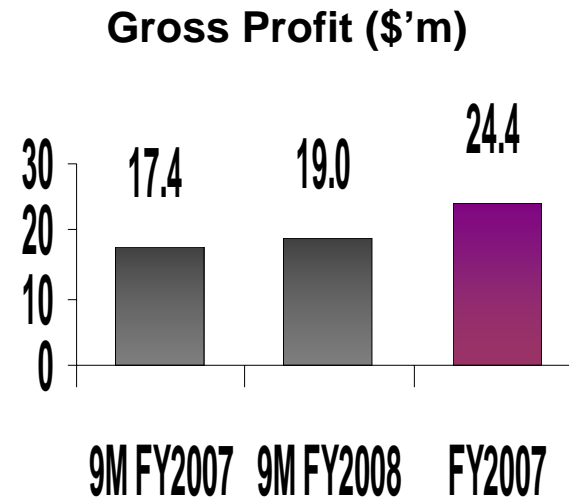
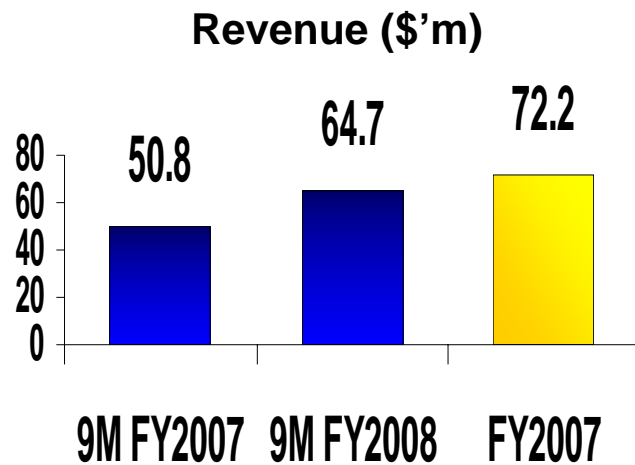
- **SHIPCHARTERING**





## Shipchartering

- Revenue  27.6% to \$64.7 million in 9M FY2008
- Gross profit  9.5% to \$19.0 million in 9M FY2008
- Gross margin  from 34.3% to 29.5% in 9M FY2008
  - Enlarged fleet size (No. of vessels increased from 151 to 175)
  - Lower vessel utilisation due to more vessels under mandatory repair in 9M FY2008
  - Higher proportion of charter income under contract of affreightment (9M FY2008: 29.5% 9M FY2007:18.0%)





## Shipchartering

	9M FY2008	9M FY2007	FY2007
<b>Fleet Size (units)</b>			
Tugs	61	57	60
Anchor Handling Tugs	3	1	1
Barges	111	93	97
<b>Total number of vessels</b>	<b>175</b>	<b>151</b>	<b>158</b>
Average age of vessels (years)	6	6	5
<b>Utilization Rate (%)</b>			
Tugs / AHT	77%	82%	82%
Barges	77%	83%	81%



**ASL Marine Holdings Ltd.**



**Business Outlook and Growth Drivers**

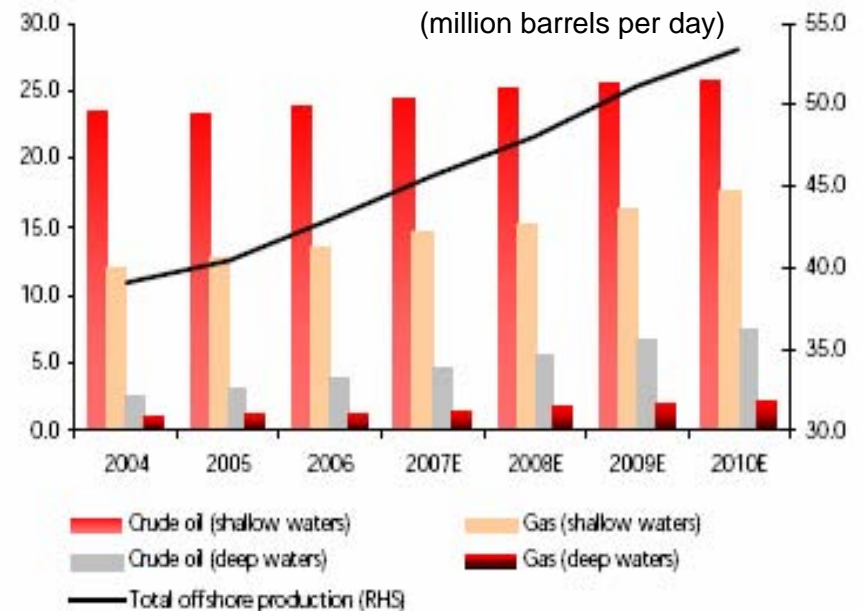


# Business Outlook

## Shipbuilding

- **Continual demand from its niche market in specialised vessels for:-**
  - **Offshore oil & gas exploration & production activities**
    - Anchor Handling Towing and Supply Vessel
    - Diving Support Vessel
    - Pipelay Vessel
  - **Land reclamation and dredging**
    - Cutter Suction Dredger
    - Water Injection Dredger
    - Hopper Barges
  - **Port and terminal operations**
    - ASD Tugs
    - Rotor Tugs
  - **Infrastructure development**
    - Towing Tugs
    - Workboats
    - Barges
- **Increased activity in deep water O&G production has led to increased demand in Offshore Support Vessels**

## Offshore Oil & Gas Production



Source: Energyfiles Ltd, DBS Vickers

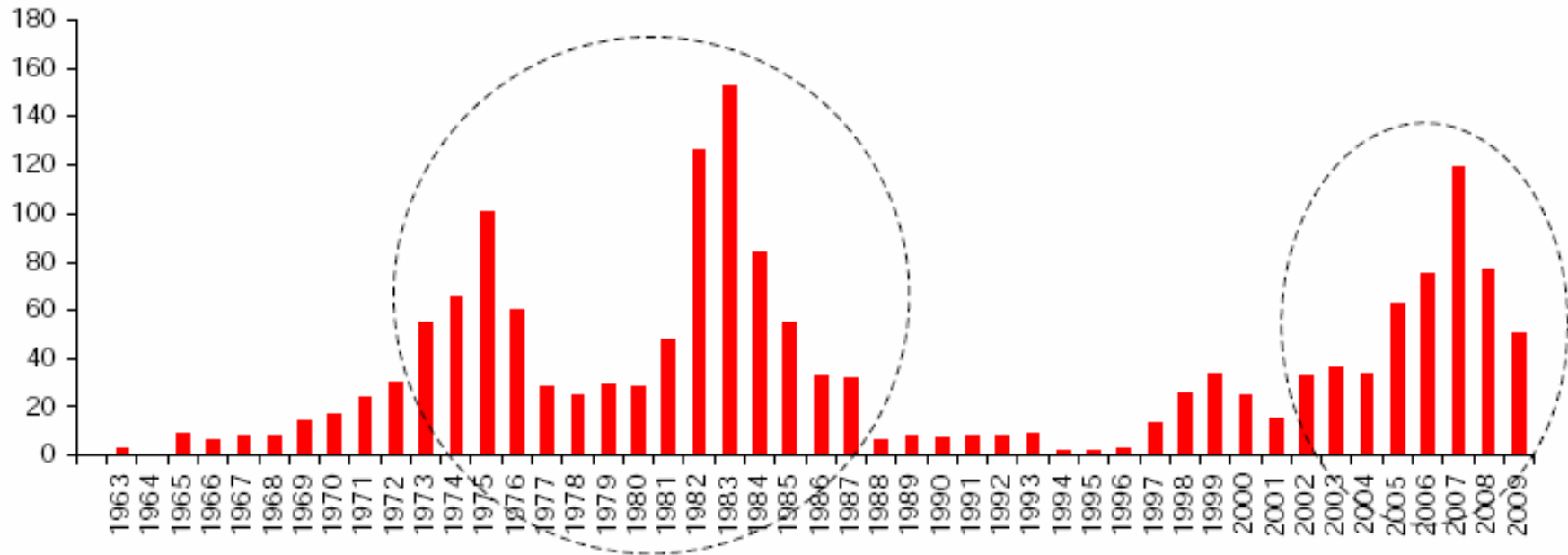


# Business Outlook

## Shipbuilding

(no. of vessels)

**An ageing global AHTS fleet is still in a renewal mode**



Source: Clarksons

**According to Clarksons, there were US\$189.9 bln worth of shipbuilding orders placed in 2007**





## Business Outlook

### Shiprepair and Ship Conversion

- Healthy demand generated by the increase in world fleet and shipping cargo volume
- Buoyant offshore oil and gas exploration & production activities
  - Life extension of older vessels
  - Conversion/ Modification of vessels (Heavy lift/ Accomodation Vessel, FSO/FPSO, Pipelay Vessel etc)
- Implementation by the International Maritime Organisation of more stringent regulatory requirements and standards on ships
  - Older single-hulled tankers to be phased out by 2010 worldwide
- As per Det Norske Veritas in a recent publication, shipping industry expected to face a ship repair capacity crunch



## Business Outlook

### Shipchartering

- Enlarged fleet size through planned fleet renewal and expansion programme
- Demand remains strong from:-
  - Buoyant offshore oil and gas activities
  - Domestic infrastructure construction projects in Singapore such as port expansion and integrated resort
  - Infrastructure development in the Middle East which generate demand for vessels such as tugs and barges used in the support of land reclamation and dredging projects



## Group Growth Drivers

### **Shipbuilding Order Book**

- Shipbuilding order book of \$750 million as at 31 March 2008. Level of shipbuilding enquiry remains healthy

### **Enhancement of Shipyard Capabilities**

- Lengthening of existing 150,000 dwt graving drydock from 260 meter to approx 360 meter for repair of larger vessels such as Capesize bulker, FSO/FPSO etc
- Adding two new graving drydocks with length of approx 220 meter and 180 meter for repair of medium-sized vessels such as Panamax, Handy/ Handymax, medium range tankers etc
- Total investment of \$30 million, expected to be completed in 2009



## Group Growth Drivers

### Shipchartering Expanding Fleet

- Shipchartering order book of approximately \$14 million as at 31 March 2008 for long term shipchartering contracts
- As at 31 March 2008, expects to take delivery of 22 vessels worth approximately \$48 million. These vessels include towing tugs, Straight Supply vessel, AHT/S vessel, Anchor Handling tug (of which internally built: 11 vessels worth approximately \$23 million)
- In 9M FY2008, the Group acquired \$76.1 million plant and equipment, of which \$52.2 million pertained to acquisition of vessels



- Thank You
- Q&A Session