



# Corporate Presentation 1H2020 Results

# Sponsor's Statement

*This presentation has been reviewed by the Company's sponsor, SAC Capital Private Limited (“Sponsor”).*

*This presentation has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this presentation, including the correctness of any of the statements or opinions made, or reports contained in this presentation.*

*The contact person for the Sponsor is Ms Tay Sim Yee, at 1 Robinson Road #21-00 AIA Tower Singapore 048542, telephone (65) 6232 3210.*

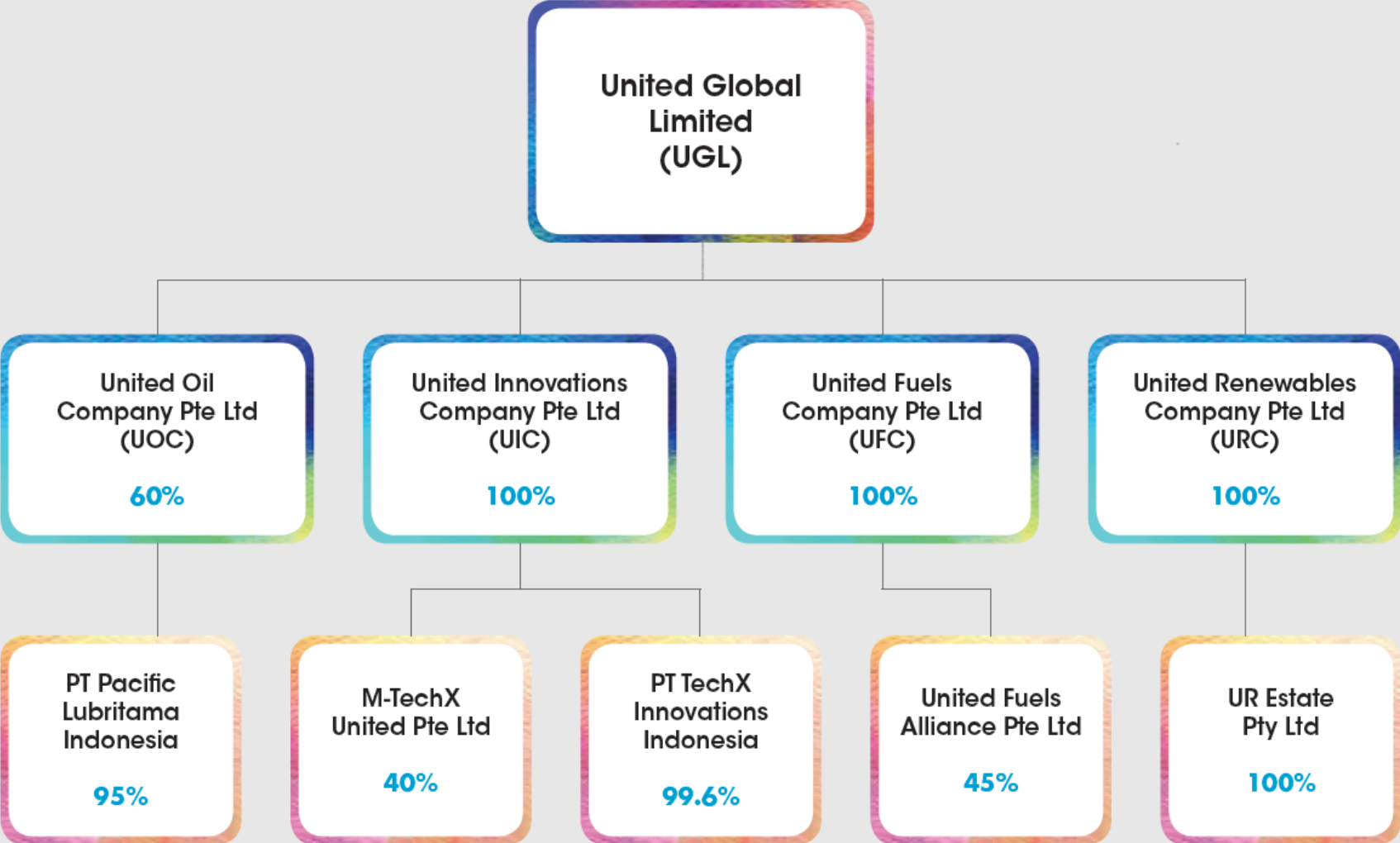
# Our Vision

**UNITED GLOBAL PTE LTD**

Asia`s Global Partner

In line with our aim of being **Asia`s Global Partner**, our vision is to build **sustainable, adaptable businesses for the common good** that will continually deliver the maximum possible **value to our stakeholders**.

# Group Structure



# Changes in Accounting Treatment to our Lubricants Business

- **United Oil (Lubricants Business) ceased to be a subsidiary and is considered a joint venture of the United Global Group** – Post-disposal of 40% stake in UOC Group to Repsol Downstream on 26 November 2019 [“SFRS(I) 11”]
- As a result, United Oil and its subsidiaries, PT Pacific Lubritama Indonesia and Ichiro Corporation Co., Ltd (collectively known as “UOC Group”) have been **de-consolidated** from the Group’s financial statements since 4Q2019
- Post-Disposal, the results of UOC group is reported as “**Share of profit of joint ventures**” (P&L statement) and “**Investment in joint ventures**” (balance sheet)
- In 1H2020, the Group’s revenue, cost of sales and gross profit recorded in the consolidated financial statements consist only of its remaining subsidiary, United Innovations Company Pte Ltd (nano-fiber oil absorbent manufacturing business)

# Financial Highlights: Group

# Financial Highlights: Group

Profit and Loss (US\$'000)	Group 1H2019	Group 1H2020	Change
Revenue <sup>1</sup>	63,285	83	(99.9%)
Gross profit/(loss)	10,077	(133)	NM*
Other income	354	626	76.8%
Key expenses:			
- Distribution cost	(1,244)	(12)	(99.0%)
- Administrative exp	(3,516)	(1,072)	(69.5%)
- Share of profit of joint ventures <sup>2</sup>	15	2,276	>100%
Net Profit (after tax)	4,627	1,676	(63.8%)

<sup>1, 2</sup> Prior to the de-consolidation of United Oil Company Pte Ltd and its subsidiaries, PT Pacific Lubritama Indonesia and Ichiro Corporation Co., Ltd (“UOC Group”) in November 2019, UOC Group (Lubricants Business) was the majority contributor of Group revenue for UGL. UOC Group has since been de-consolidated and is no longer accounted for in Group revenue. 1H2020 revenue thus consists only of contribution from UGL’s subsidiary, specifically, United Innovations Company Pte Ltd for its nano-fiber oil absorbent manufacturing business.

\* NM: Not meaningful

# Balance Sheet: Group

US\$'000	As at 31 December 2019	As at 30 June 2020
<b>Financial Position</b>		
Non-current assets	57,076	58,779
Current assets	52,748	41,530
Non-current liabilities	77	57
Current liabilities	6,480	2,753
Shareholders' equity	103,267	97,499



# Other Indicators: Group

	As at 31 December 2019	As at 30 June 2020
NAV per share	32.7 US cents	30.8 US cents
Gearing Ratio*	0.001 times	0.0009 times
	1H2019	1H2020
Earnings per share <sup>†</sup>	1.5 US cents	0.5 US cents

\*Calculated using formula  $\frac{\text{debt}}{\text{equity}}$

<sup>†</sup>Based on weighted average number of shares of 316,211,000

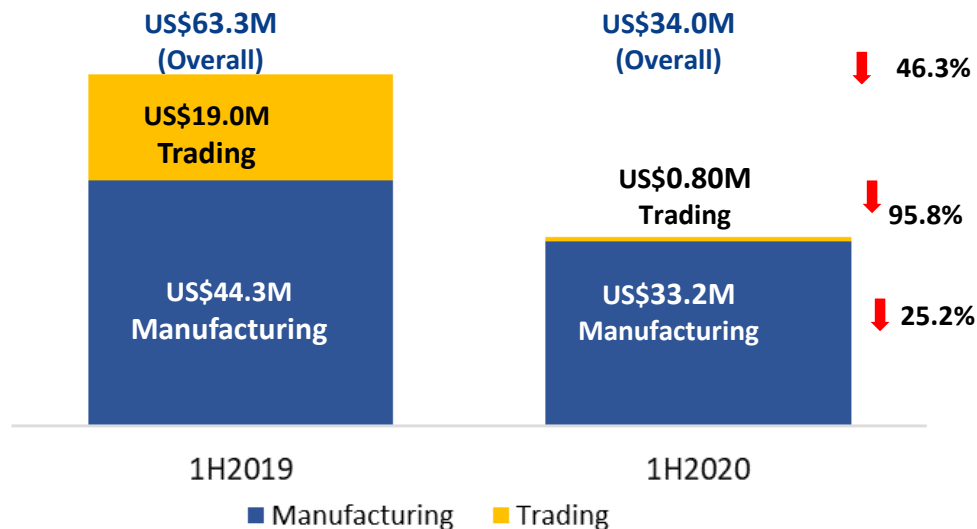
# Financial Highlights: UOC Group (Lubricants Business)

# Financial Highlights: UOC Group (Lubricants Business)

Profit and Loss (US\$'000)	Group 1H2019	Group 1H2020	Change
Revenue	63,285	33,967	(46.3%)
Gross profit	10,077	8,370	(16.9%)
Profit from the period	4,794	3,832	(20.1%)
Gross profit margin (%)	15.9	24.6	8.7 pp

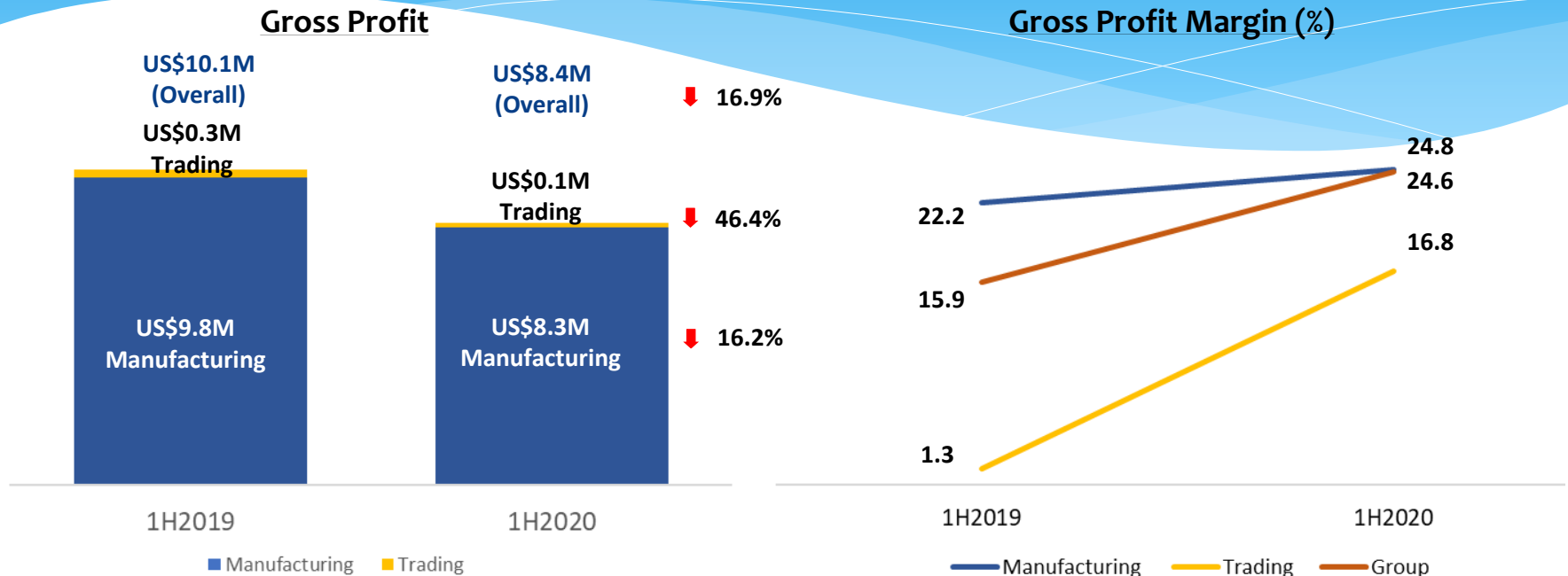
# Segmental Review: UOC Group (Lubricants business)

Revenue by Segment



- **Manufacturing (Lubricants business)** revenue decreased by US\$11.1 million mainly due to:
  - a decrease in sales volume, mainly attributable to slower business at the Singapore plant; and
  - a decrease in average selling price.
  
- **Trading (Lubricants business)** revenue decreased by US\$18.2 million mainly due to:
  - absence of goods exported to joint venture partner in current period.

# Segmental Review: UOC Group (Lubricants business)



## Manufacturing

- Gross profit decreased by 16.2% to US\$8.3M
- Gross profit margin improved by 2.6 pp to 24.8% mainly due to lower raw materials cost

## Trading

- Gross profit decreased by 46.4% to US\$134,000 due to absence of one-off trading to JV partner .
- Gross profit margin improved by 15.5 pp to 16.8% mainly due to higher average trading selling price achieved during 1H2020

# Business Outlook

# Business Outlook

- Broad-based effects of Covid-19 pandemic continue to pose challenges in 2H2020.
- Continued focus managing costs and receivables.

# Our Growth Strategy

## TRANSFORM

- From traditional lubes biz model to more sustainable and adaptable businesses

## GROW

- JV with Repsol to grow S'pore, M'sia, Indonesia, Vietnam markets

## DIVERSIFY

- United Innovations
- United Fuels
- United Renewables



**Thank You**