



# Corporate Presentation 6M2018 Results



# Sponsor's Statement

*This presentation has been prepared by United Global Limited (the “**Company**”) and its contents have been reviewed by the Company’s sponsor, SAC Capital Private Limited (“**Sponsor**”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Sponsor has not independently verified the contents of this presentation.*

*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) 6532 3829.*

# Who We Are

- \* Established in 1999, we are an independent lubricant manufacturer and trader based in Singapore and Indonesia.
- \* Specialist in Automatic Transmission Fluids (“ATF”) with a comprehensive range of products catered to specific transmission needs.



**Singapore**



**Indonesia**

# Our Brands and Products





# Growing presence (Post-IPO)

- Acquired 95% of PT Pacific Lubritama Indonesia (PLI) in July 2017
- Entered into JV/strategic partnership with distributors in Taiwan, Myanmar and Australia.
- Added 9 countries to our extensive distribution network to over 30 countries



**Indonesia plant (PLI)**



**Distribution Network**

# Combined Strength

	Staff Strength	Blending capacity (mt/ year)	Storage Capacity (mt)	Warehouse Space (sqm)	Trucks
Singapore	80	60,000	1,500	>1,300	-
Indonesia	125	80,000	17,000	>4,000	11
Combined	205	140,000	18,500	>5,300	11

# Competitive Strengths

1. Established track record as a **reliable** and **responsive** service provider
  - \* Ability to customize products and production volume at a reasonable price
  - \* Backed by blending and storage plants as well as laboratories in Indonesia and Singapore
2. Wide **distribution network** to over 30 countries
  - \* Formed strategic partnerships to strengthen relationship with distributors and suppliers
  - \* Leveraged on distribution network to diversify eg nanofibre
  - \* Diversified client base with exposure to automotive, industrial and marine sectors

# Financial Highlights



# Financial Highlights

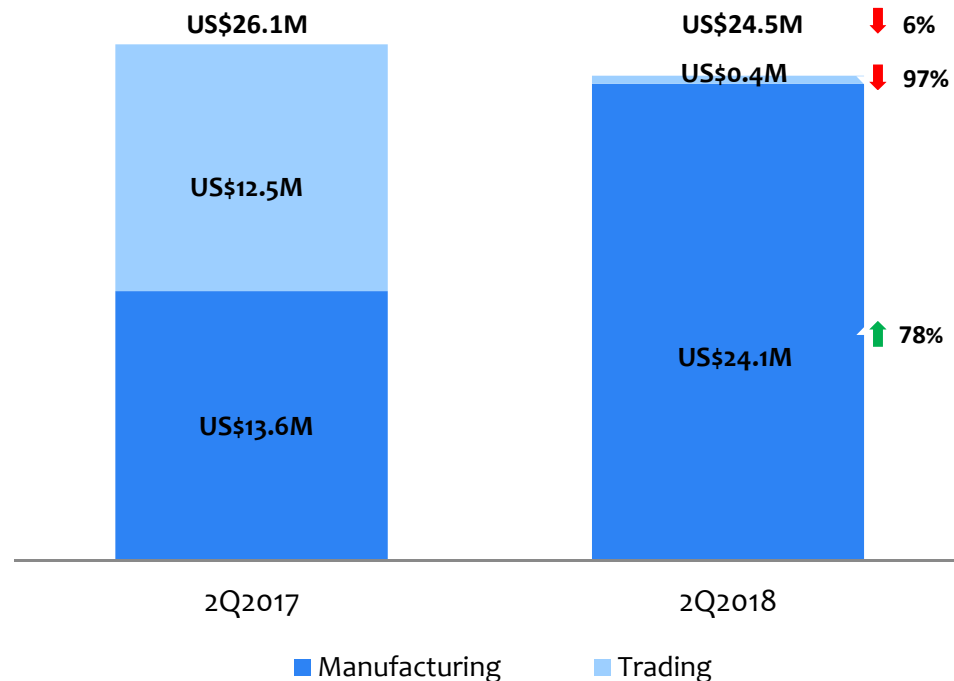
<b>Profit and Loss (US\$'000)</b>	<b>2Q2017</b>	<b>2Q2018</b>	<b>% Change</b>	<b>6M2017</b>	<b>6M2018</b>	<b>% Change</b>
Revenue	26,053	24,529	(5.8%)	45,815	55,501	21.1%
Gross profit	4,304	3,981	(7.5%)	7,867	9,834	25.0%
Key expenses:						
- Distribution cost	(556)	(662)	19.1%	(1,040)	(1,494)	43.7%
- Administrative exp*	(1,383)	(2,215)	60.2%	(2,567)	(4,388)	70.9%
Net Profit (after tax)	1,964	898	(54.3%)	3,639	3,164	(13.1%)
Overall gross margin (%)	16.5	16.2	(0.3pp)	17.2	17.7	0.5 pp
Net profit margin (%)	7.5	3.7	(3.8pp)	7.9	5.7	(2.2) pp

▪ *6M2018 results included a 6-months contribution from PLI recorded under manufacturing segment*

\* *Administrative expenses include foreign exchange loss of 2Q2018: US\$400,000; and 6M2018: US\$649,000 (Foreign exchange gain of 2Q2017: US\$186,000; and 6M2017: US\$118,000)*

# Segmental Review

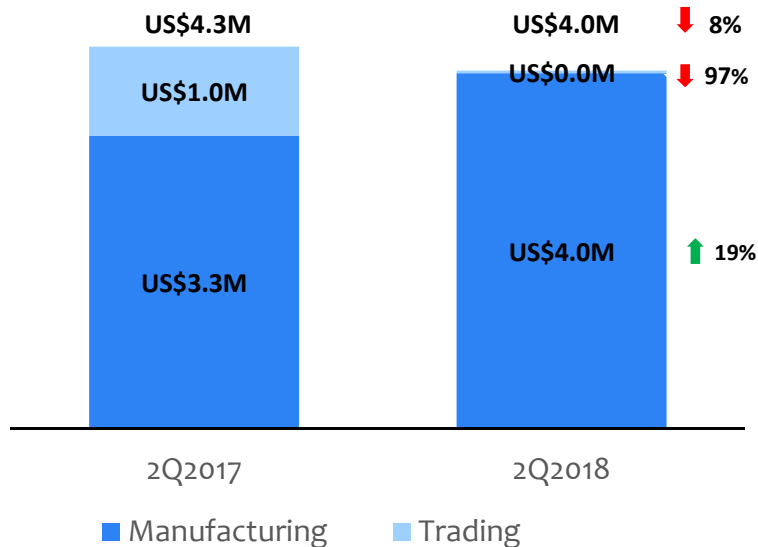
## Revenue



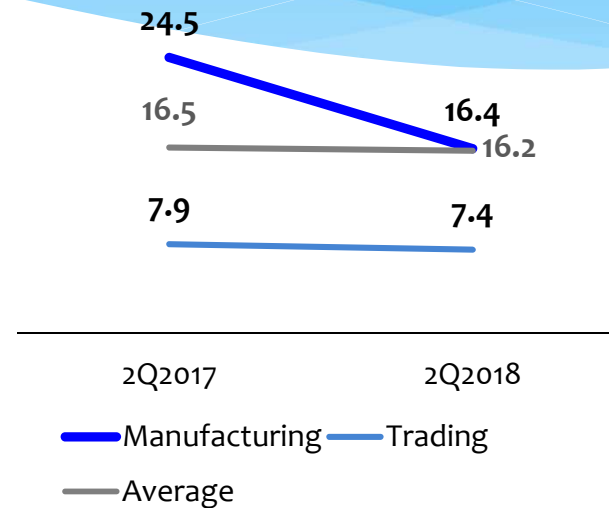
- **Manufacturing** revenue increased by 78% to US\$24.1M
  - Attributed to revenue contribution by PLI
  - Increase is slightly offset by PLI's lower Average Selling Price ("ASP") and different product mix
- **Trading** revenue decreased by 97% to US\$0.4M
  - Attributed to elimination of inter-group base oil and additives cross selling from Singapore plant to PLI

# Segmental Review

## Gross Profit



## Gross Profit Margin % (GPM)



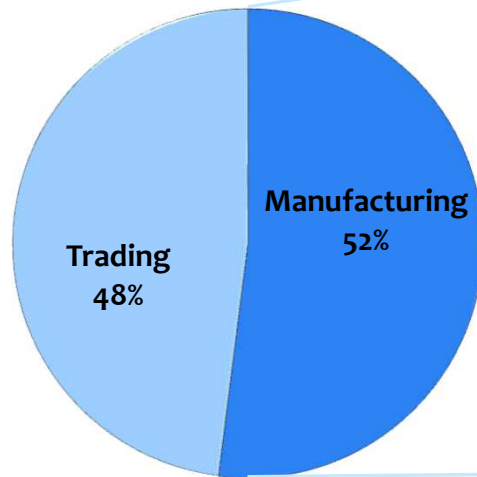
### Manufacturing

- Gross profit increased by 19% to US\$4.0M; gross profit margin decreased by 8.1 pp to 16.4% mainly due to different product mix, more competitive pricing and higher raw material cost.

### Trading

- Gross profit decreased by 97% to US\$31,000; gross profit margin decreased by 0.5 pp to 7.4%.

# Revenue Segmental Review



**2Q2017**



**2Q2018**

Higher % of manufacturing revenue in 2Q2018 post PLI acquisition

# Balance Sheet

US\$'000	As at 31 December 2017	As at 30 June 2018
<b>Financial Position</b>		
Non-current assets	13,167	16,412
Current assets	43,508	41,504
Non-current liabilities	840	835
Current liabilities	22,178	22,971
Shareholders' equity	32,770	33,249

# Other Indicators

	As at 31 December 2017	As at 30 June 2018
NAV per share	10.4 US cents	10.5 US cents
Gross Gearing Ratio	0.3 times	0.3 times
Net Gearing Ratio	Net Cash	Net Cash
	6M2017	6M2018
Earnings per share*	1.3 US cents	1.0 US cent

*\*Based on weighted average number of shares of 316,211,000 for 6M2018 and 282,812,000 for 6M2017*



# Dividend

- \* *The Board recommends an interim dividend of 0.5 Singapore cent per ordinary share.*

# Business Update & Strategy

# Business Update

- \* Joint venture with PFR Management and DP United in Australia (Mar 2018)
- \* New nano-fibres oil absorbent JV completed trial run in Jun 2018; mass production to start in 3Q2018

# Our Strategy

## Focus on premium markets

- Building presence in Australia
- Developed new in-house brand “Ichiro”

## M&A & JVs

- Acquisition of PLI
- Partnering distributors in Myanmar, Taiwan and Australia

## Diversification

- JV with M-TechX to manufacture nano-fibres

# Delivering Value



Market Capitalisation* S\$ 147 million				
Share Price* 46.5 Singapore cents	NAV@ 10.5 US cents	P/E^ 17 times	Total equity@ US\$ 34.1m	Dividend yield* 2.6%

\* As at 10 August 2018

@ As at 30 June 18

^ P/E = Price as at 10 Aug 2018 / (6M2018 EPS \* 2)

Source: ShareInvestor, Company Data

**Thank You**

