



# Corporate Presentation 2Q2019 Results



# Sponsor's Statement

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# Who We Are

- Established in 1999, we are an independent lubricant manufacturer and trader based in Singapore and Indonesia.
- Offer a wide range of quality lubricant products.
- JV in manufacture and sale of nano-fibre.
- JV to distribute fuels to petrol stations in Philippines.



**Singapore**



**Indonesia**

# Our Brands and Products



**United Oil**  
PERFORMANCE • VALUE • RELIABILITY





# Growing presence

- Acquired 95% of PT Pacific Lubritama Indonesia (PLI) in July 2017
- To date, we distribute our products to 39 countries



**Indonesia plant**



**Warehousing facilities**

# Combined Strength

	Staff Strength	Blending capacity (mt/ year)	Storage Capacity (mt)	Warehouse Space (sqm)	Trucks
Singapore	78	60,000	1,500	>1,300	-
Indonesia	92	80,000	17,000	>4,000	13
Combined	170	140,000	18,500	>5,300	13

# Financial Highlights

# Financial Highlights

Profit and Loss (US\$'000)	Group 2Q2018	Group 2Q2019	% Change	Group 1H2018	Group 1H2019	% Change
Revenue <sup>1</sup>	24,529	39,439	60.8%	55,501	63,285	14.0%
Gross profit	3,981	5,338	34.1%	9,834	10,077	2.5%
Other income	75	112	49.3%	158	354	>100%
Key expenses:						
- Distribution cost	(662)	(716)	8.2%	(1,494)	(1,244)	(16.7%)
- Administrative exp <sup>2</sup>	(2,215)	(1,841)	(16.9%)	(4,388)	(3,516)	(19.9%)
Net Profit (after tax)	898	2,457	>100%	3,164	4,627	46.2%
Overall gross margin (%)	16.2	13.5	(2.7pp)	17.7	15.9	(1.8 pp)
Net profit margin (%)	3.7	6.2	2.5pp	5.7	7.3	1.6 pp

<sup>1</sup> 2Q2019 revenue lifted by goods exported to JV partner recorded in trading segment.

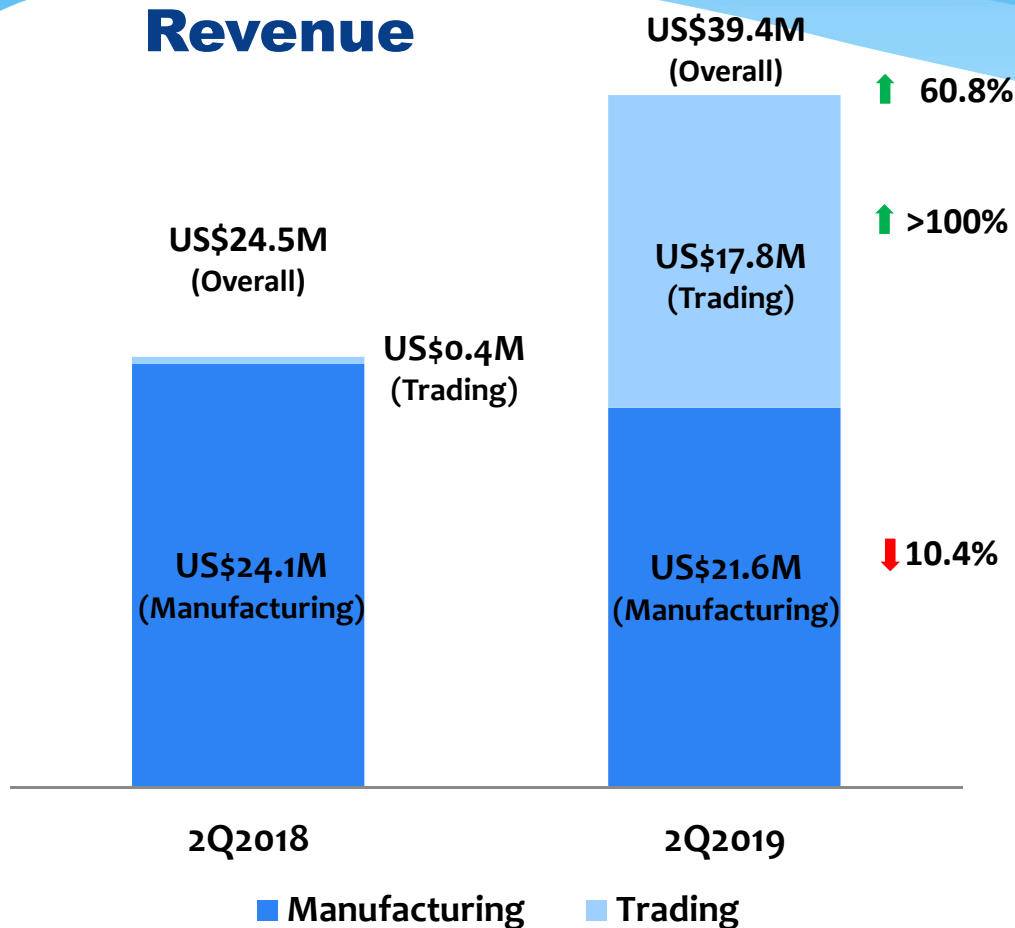
<sup>2</sup> 2Q2019 admin expenses decreased by 16.9% due to foreign exchange gain of US\$94,000 instead of foreign exchange loss of US\$400,000 in 2Q2018 mainly due to translation differences in US\$ denominated liabilities.

(Foreign exchange gain of 1H2019: US\$278,000; compare to Foreign exchange loss of 1H2018: US\$649,000)



# Segmental Review

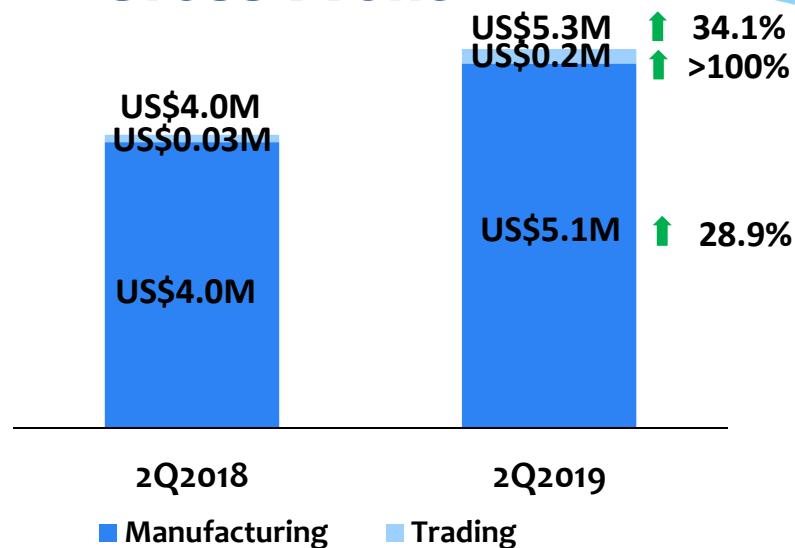
## Revenue



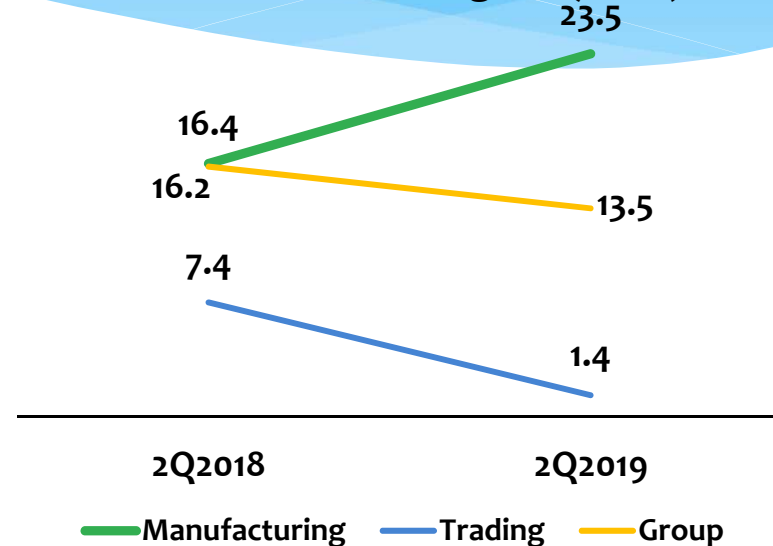
- **Manufacturing** revenue decreased by 10.4% to US\$21.6M due to:
  - Lower sales volume mainly attributable to slower business in the Indonesia plant;
  - This was partially offset by increase in Average Selling Price (“ASP”)
- **Trading** revenue increased by >100% to US\$17.8M due to:
  - Increase in sales volume due to goods exported to joint venture partner.

# Segmental Review

## Gross Profit



## Gross Profit Margin % (GPM)



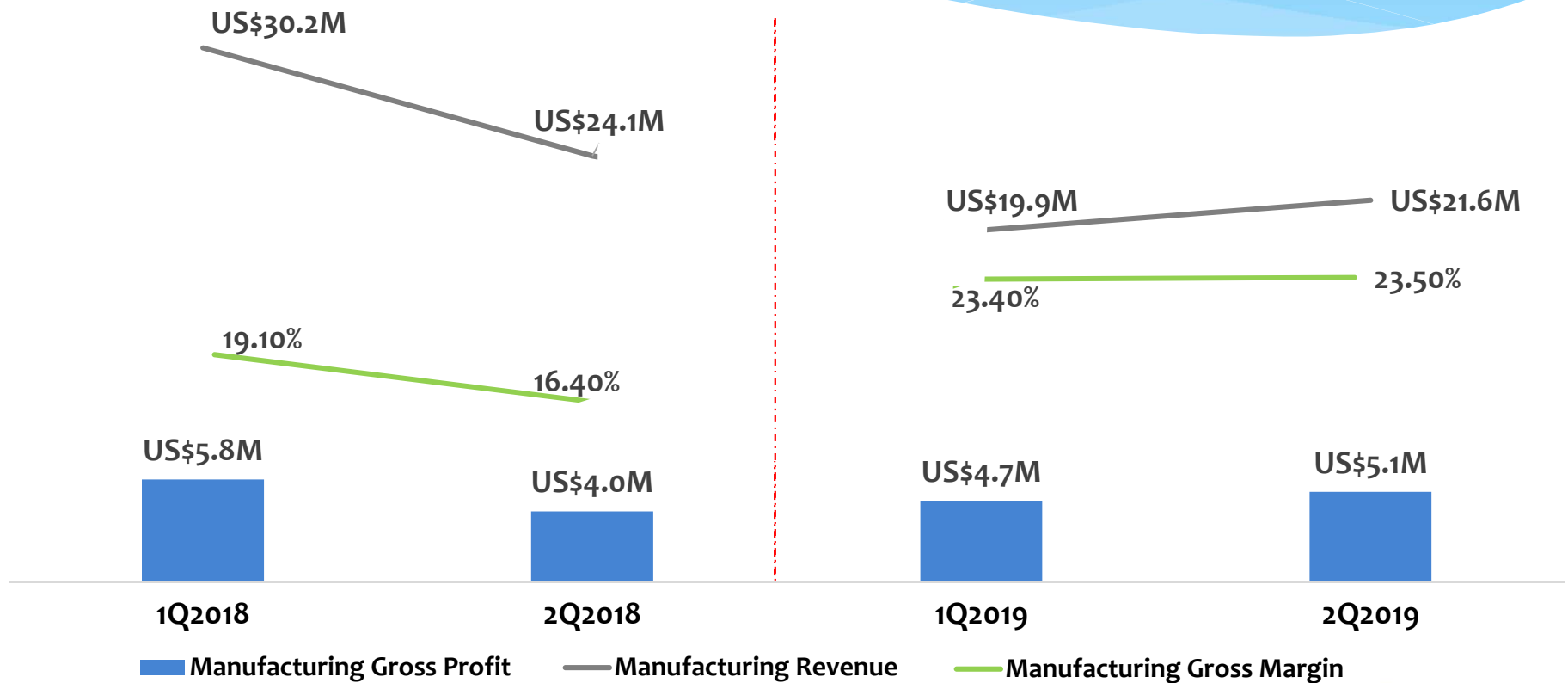
### Manufacturing

- Gross profit increased by 28.9% to US\$5.1M
- Gross profit margin improved by 7.1 pp to 23.5% mainly due to lower raw materials cost.

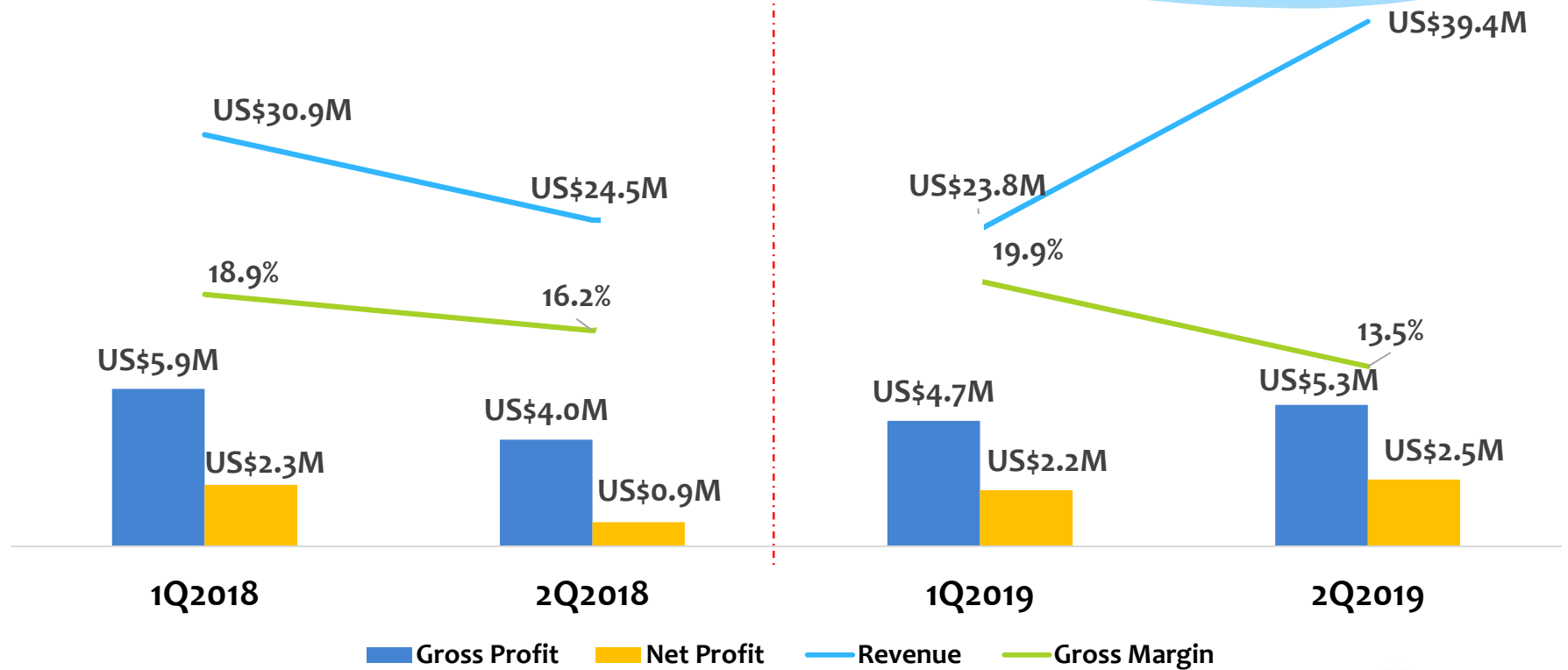
### Trading

- Gross profit surged multi-fold to US\$0.2M in 2Q2019 from US\$31,000 in 2Q2018
- Gross profit margin dropped by 6.0 pp to 1.4% due to the lower average selling price.

# Quarterly Financials (Manufacturing Sales)



# Quarterly Financials (Overall)



# Balance Sheet

US\$'000	As at 31 December 2018	As at 30 June 2019
<b>Financial Position</b>		
Non-current assets	14,523	12,481
Current assets	45,172	54,505
Non-current liabilities	931	970
Current liabilities	21,401	24,761
Shareholders' equity	36,452	40,290

# Other Indicators

	As at 31 December 2018	As at 30 June 2019
NAV per share	11.5 US cents	12.7 US cents
Gross Gearing Ratio	0.2 times	0.3 times
Net Gearing Ratio	Net Cash	0.02
	2Q2018	2Q2019
Earnings per share*	0.3 US cent	0.8 US cent

\*Based on weighted average number of shares of 316,211,000 for FY2018 and 2Q2019



# Company Updates & Strategy

# Growth Strategy

## Focus on premium markets

- Developed reputable brands to target premium markets

## M&A & JVs

- Asia's Global Partner

## Diversification

New subsidiaries for diversification

- United Innovations
- United Fuels
- United Renewables

# SBR Award

- United Global - Winner of Singapore Business Review's Listed Companies Award 2019 (Chemicals).



Singapore Business Review's Listed Companies Award 2019



Alex Lim  
General Manager, Operations  
United Global Limited  
Chemicals Category  
2019 Winner

**Thank You**