



YOUR CONNECTION TO THE RIGHT MACHINE



ENGINEERED FOR  
**RESILIENCE**

# FY2018 Presentation

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# Presentation Outline

 Financial Highlights Outlook, Strategies  
& Recent  
Developments



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# Financial Highlights



# Financial Summary

*Strong competition continued to weigh down performance  
but signs of recovery are starting to show with the Group securing several new order wins*

Financial Highlights	FY2018 S\$'000	FY2017 S\$'000	% Change
Revenue	72,886	90,151	(19.2)
Gross Profit	17,814	21,794	(18.3)
Gross Profit Margin	24.4%	24.2%	0.2 pp
EBITDA	3,065	8,727	(64.9)
Other Income	3,025	4,155	(27.2)
Operating Expenses*	24,015	26,164 <sup>+</sup>	(8.2)
Net Loss Attributable to Owners of the Company	(3,469)	(1,071)	NM
Adjusted Net (Loss) / Profit	(3,469)	1,558 <sup>+</sup>	NM
Basic (LPS) / EPS (cents) <sup>#</sup>	(3.12)	1.40 <sup>+</sup>	NM

\*: Includes distribution expenses and administrative expenses

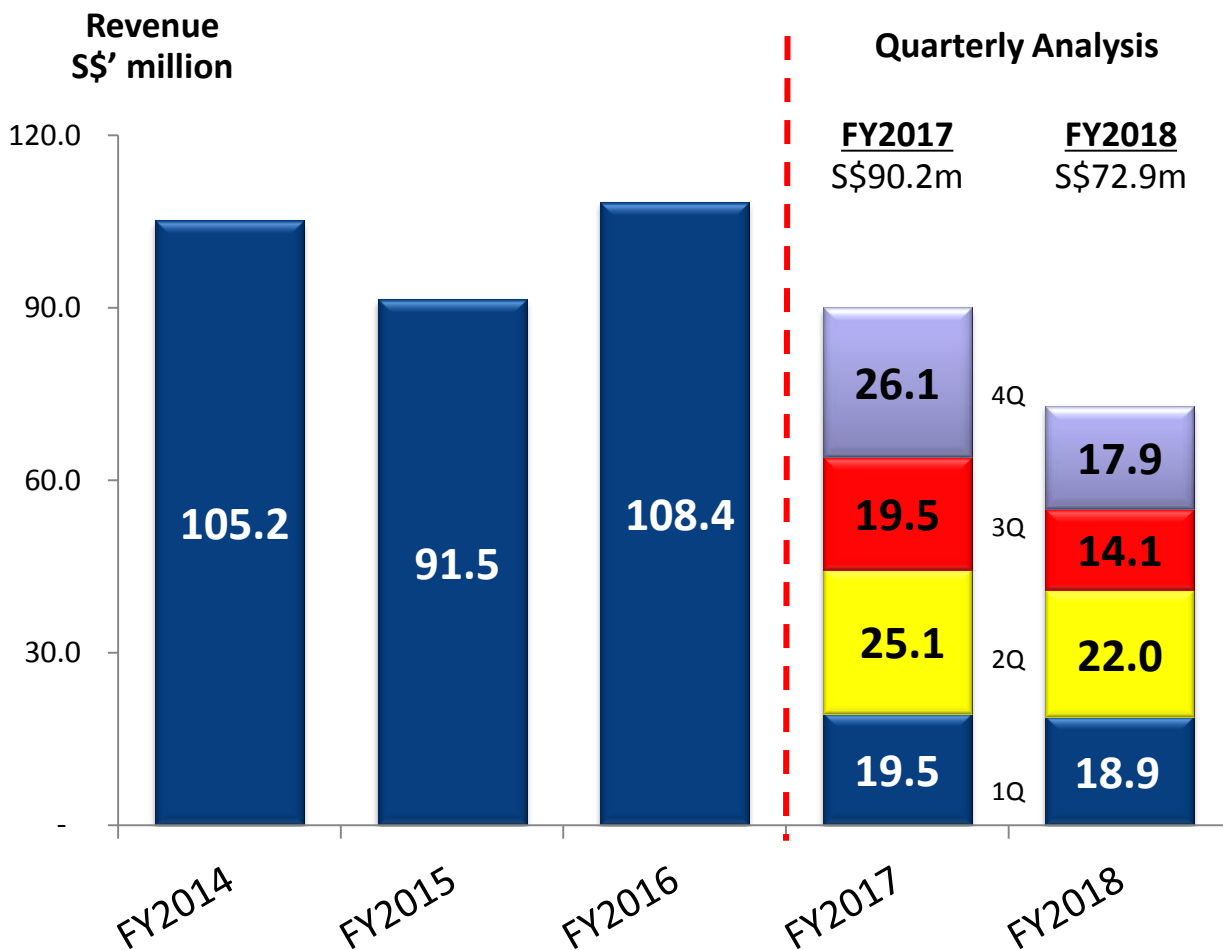
pp: Percentage points

<sup>+</sup>: Excluding one-time non-cash impairment of S\$2.6 million in relation to intangible assets for FY2017

<sup>#</sup>: Based on weighted average number of shares of 111,281,821 for FY2018 (FY2017: 111,281,821).

NM: not meaningful

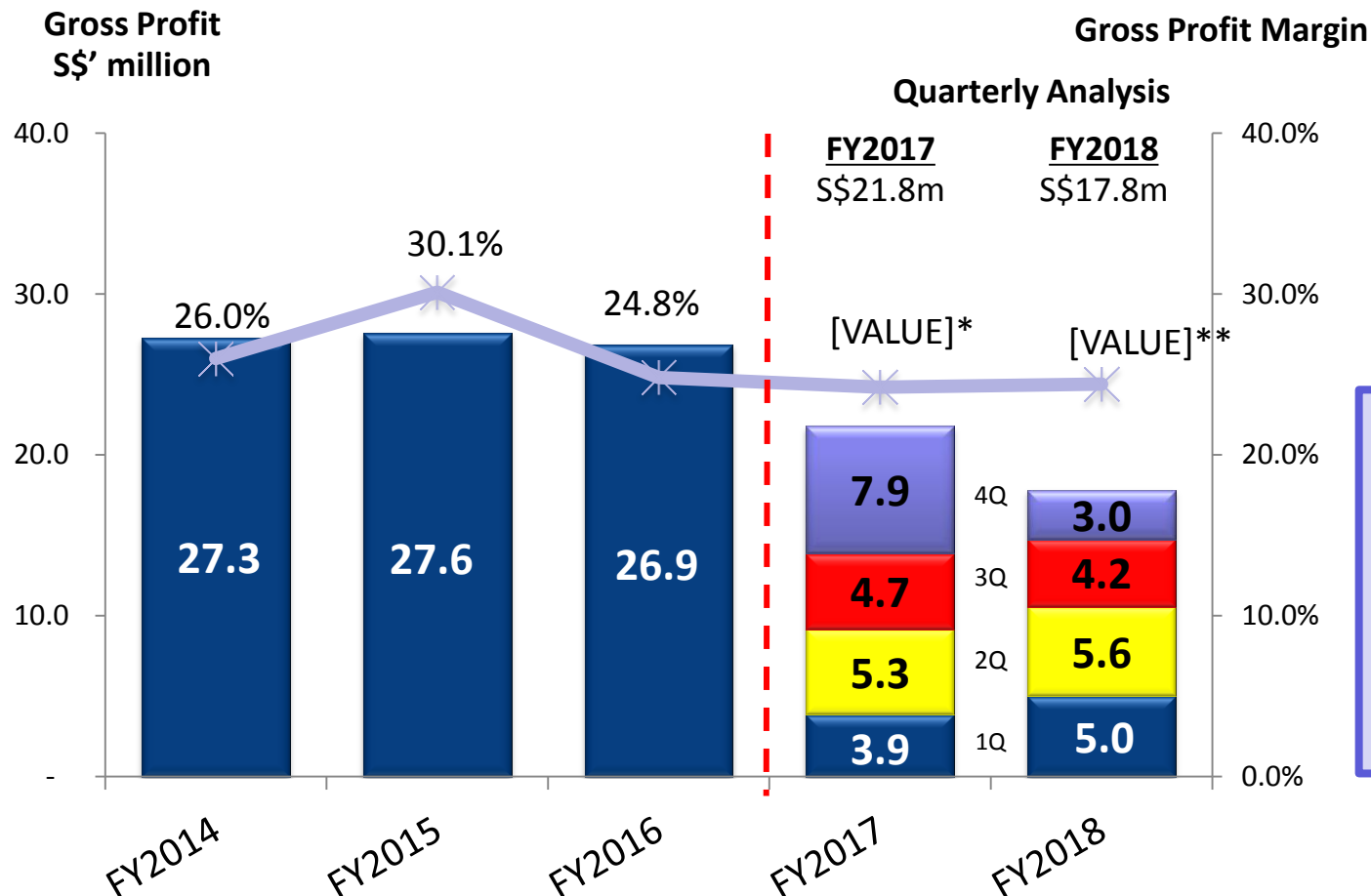
# Revenue



## Decrease in Revenue

- Project and Distribution business segments affected by competitive market conditions, customers delay of collection and commencement of projects.

# Profitability Trend (Gross Profit / Gross Profit Margin)



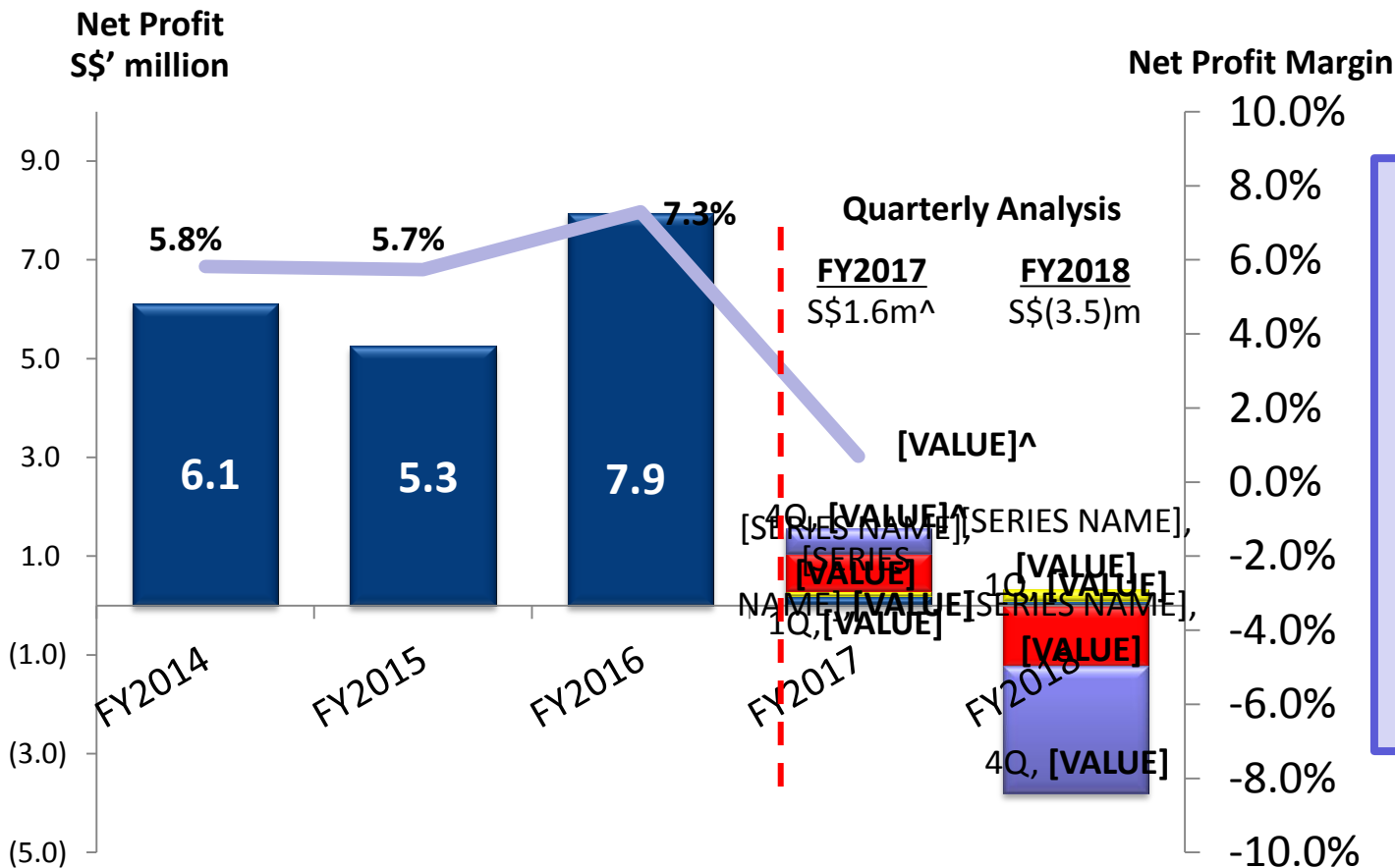
## Gross Profit and GPM

Gross Profit affected by lower sales with a marginal improvement of GPM

\*FY2017 GPM \*\*FY2018 GPM



# Profitability Trend (Net (Loss)/Profit / Net Profit Margin)

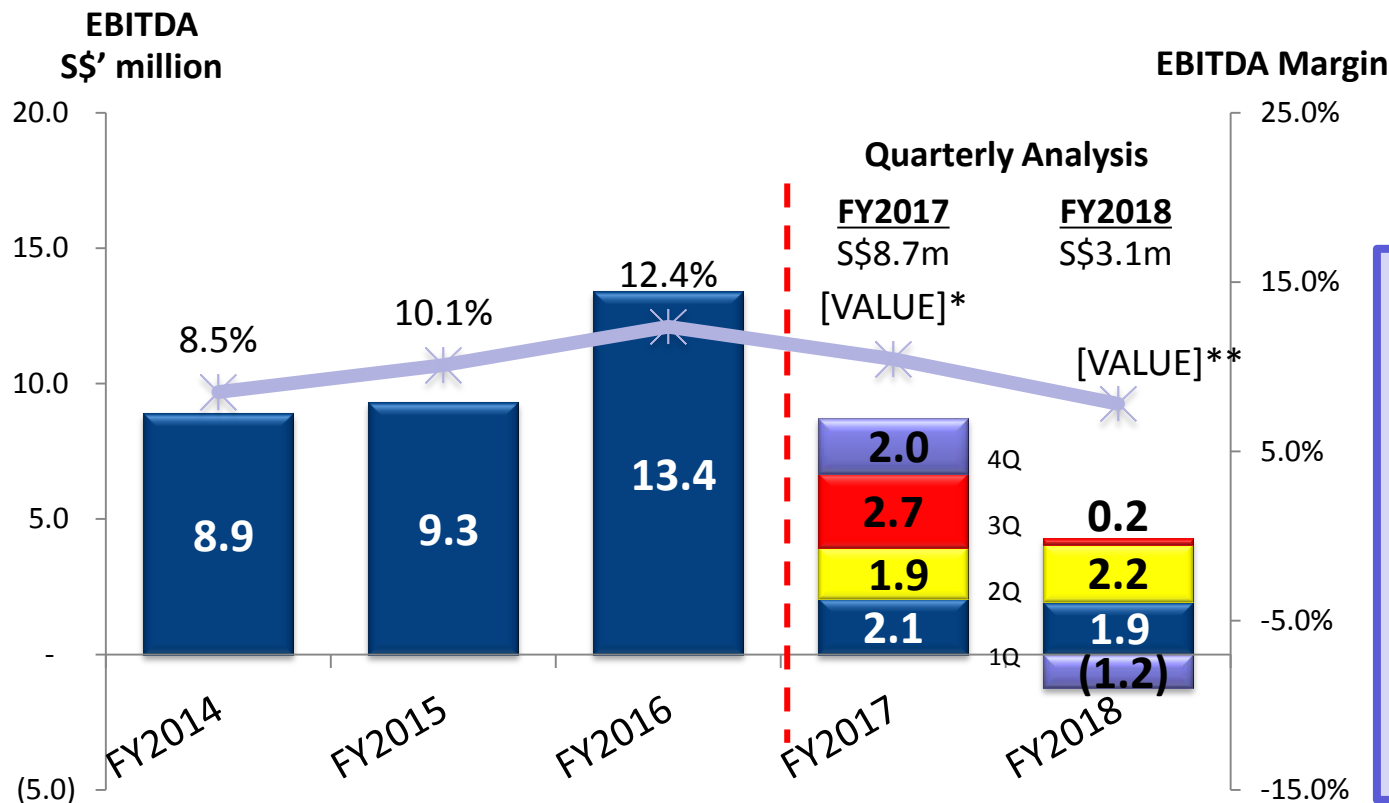


## Net Loss and NPM

- Weak revenue, low gross profit, reduced finance income and other income resulted in a net loss, despite reduced operating expenses



# Profitability Trend (EBITDA / EBITDA Margin)

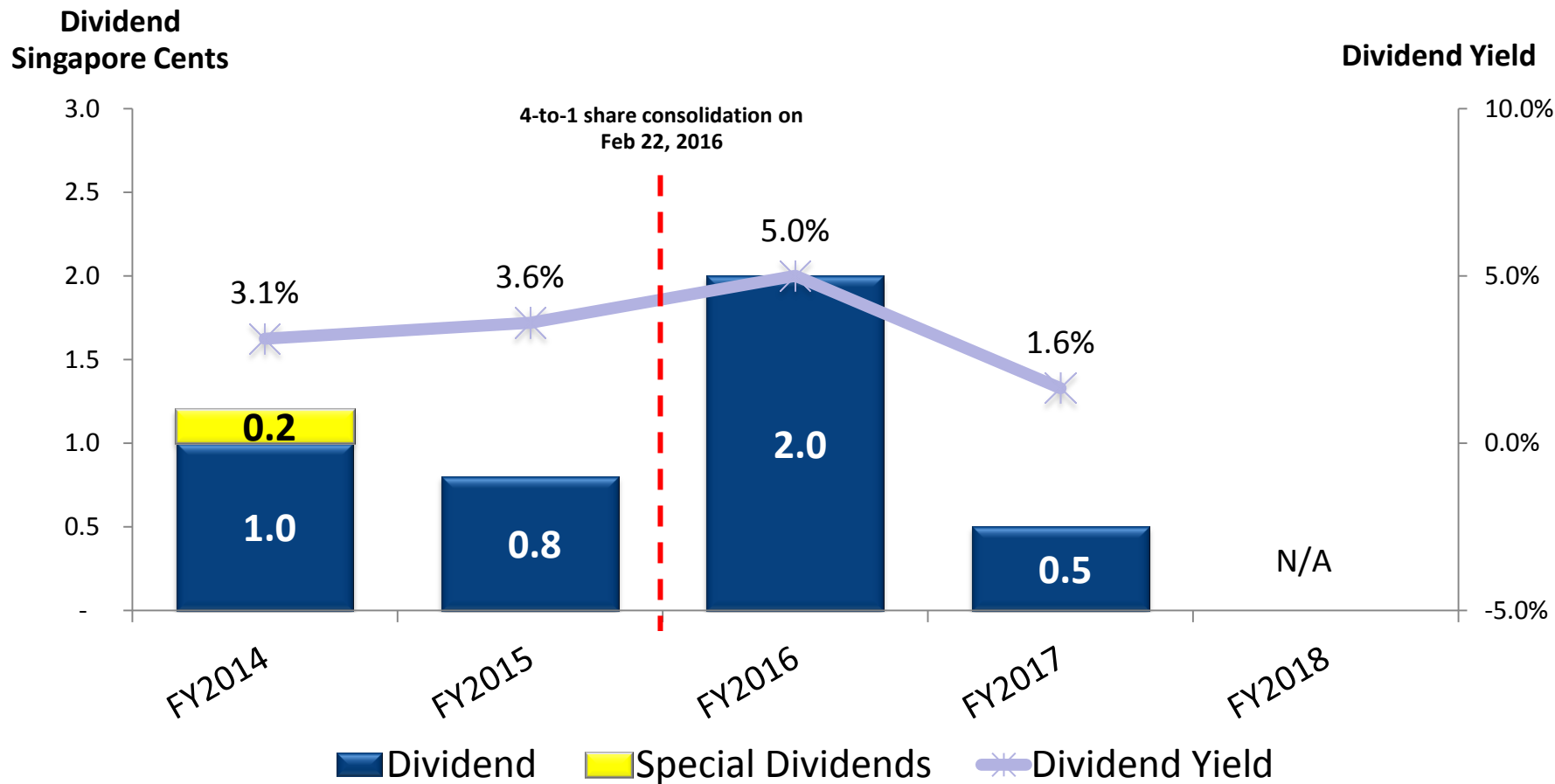


## Lower EBITDA and EBITDA Margin

- Lower EBITDA and EBITDA Margin due mainly to lower gross profit, finance income and other income, despite lower operating expenses

\*FY2017 EBITDA Margin \*\*FY2018 EBITDA Margin

# Dividend Trend (Dividends / Dividend Yield)



# Balance Sheet

Balance Sheet	30 April 2018 S\$'000	30 April 2017 S\$'000
Property, plant and equipment	64,142	68,707
Intangible assets	11,094	11,833
Inventories	33,270	30,550
Trade and other receivables	14,284	23,068
Contract work-in-progress	7,293	4,254
Cash and short-term fixed deposits	24,001	25,618
Loans and borrowings	73,852	74,049
Total equity attributable to owners of the company	61,610	66,380
Net gearing ratio	0.81	0.73
Net asset value per ordinary share (S\$' cents) <sup>#</sup>	55.36	59.65

<sup>#</sup>: Based on 111,281,821 number of shares



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# Outlook, Strategies & Developments

# Outlook

## Brighter horizons

- Intense competition persists with near-term outlook remaining challenging
- However, stabilisation of oil and coal prices have lifted the medium-term outlook, underpinning a slow recovery in upstream projects
- Pick up in sales is expected to be gradual

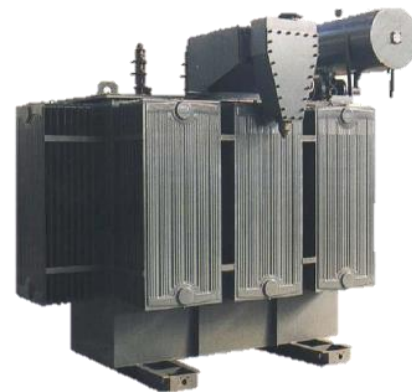
## Charting a path towards stability

- Increase in enquires with S\$30.0 million in new contract wins, strengthening the Group's order book going into FY2019
- The Group continues to expand its reach securing contracts spreading across several sectors such as utilities, data centres, marine vessels and industrials
- Group will maintain a keen eye on any developments in the region and continue to promote its comprehensive power generating solutions to capture viable opportunities

# Strategies

## Distribution Business

- New distributorship “BUKH” engines for fast craft vessel
- Explore new territories such as Thailand, Sri Lanka, Bangladesh and Myanmar
- New JV set up to manufacture and distribute transformers, generator sets and power solution products, as well as provide after sales and maintenance services
- Localization in our key markets
  - ✓ Indonesia – Set up branches and employ new staff
  - ✓ Vietnam – Send full time staff to be on the ground



## Project Business

- **ZPA – System Integrator for Power, Control and System Solutions**
  - ✓ Already a brand name in offshore power, control and system solutions but has made its mark onshore in the last three years in sectors such as utilities
  - ✓ Tied up with more major suppliers
  - ✓ Aims to increase brand equity in the region in countries such as The Philippines, Cambodia and Myanmar
- **MPG – One-Stop Power Generator Solutions**
  - ✓ A leading player in the generator market in Singapore
  - ✓ Exploring possible markets such as Vietnam and Myanmar
  - ✓ Pursuing opportunities in the generator set rental market



## Recent Developments

- **Feb 2018 – Striking Off of Wholly-Owned Subsidiary, AceGen Pte. Ltd.**
- **Feb 2018 – Sale and Purchase of Shares Agreement Relating to Disposal of Shares in Z-Power Automation Vietnam Co. Ltd.**
  - Proposed disposal of 50% of the issued and paid-up share capital of Z-power Automation Vietnam Co. Ltd to IPE Automation Sdn. Bhd, which owns the other 50% of Z-power Vietnam
- **Feb 2018 – Joint Venture Entity in Myanmar incorporated**
  - With effect from 31 January 2018, issued and paid-up capital of US\$ 150,000
  - XMH Engineering (50%), Myanmar MarcoPolo Co., Ltd. (25%), Bulox Power Pte. Ltd. (25%)
- **Aug 2017 – Entered into joint venture through XMH Engineering Pte. Ltd. with Myanmar Marcopolo Co., Ltd and Bulox Power Pte. Ltd.**
  - Manufacture and/or assemble transformers, generator sets and power solution products and to provide after sales and maintenance services relating to transformers, generator sets or power solution related activities in Myanmar



# Share Statistics

<b>Bloomberg code</b> <b>Reuters code</b>	XMH SP EQUITY XMHL.SI	
Share Price	S\$0.225	
Market Capitalization (111.3M shares)	S\$25.0 million	
Trailing P/E	-	
NAV per share	S\$0.554	
Free Float	26.4%	
Substantial Shareholders	Insiders	47.0%
	Credence Capital	18.8%

Source: Company Statements, Bloomberg as at 29 June 2018



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**THANK YOU**

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