



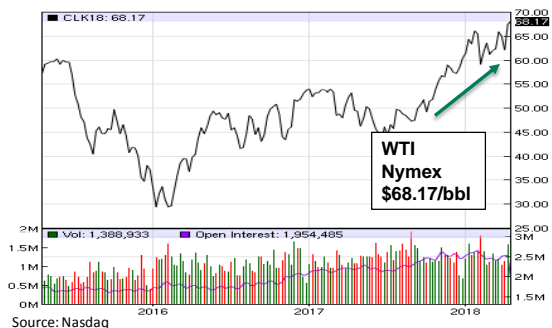
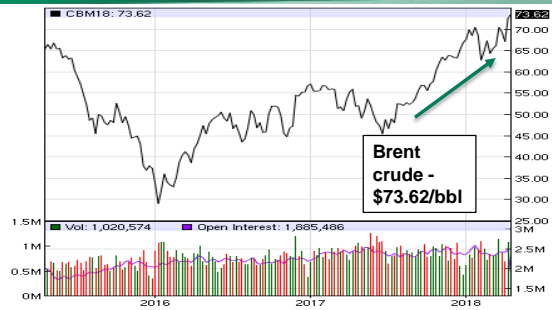
AGENDA

- ❖ **CEO Address**
- ❖ **CFO Financial Highlights**

CEO ADDRESS

- ❖ Macro Environment update
- ❖ Financial Performance for 1Q 2018
- ❖ Operations Review
- ❖ Outlook and Prospects

- ❖ Global economic growth outlook relatively upbeat, with projections of continued growth, supported by rising investment, trade and improving employment.
- ❖ Various macro-economic and geo-political factors, including heightened trade tensions and escalating protectionism, could impact such growth outlook.
- ❖ Oil price remained firm in 1Q 2018 on growing consumption. Sustained production cuts by OPEC and other oil-producing countries helped cushion the oversupply brought on by shale production revival.
- ❖ Global E&P capex spend continues to show signs of improvement. We continue to follow these developments closely to ensure our readiness to seize opportunities and strategically respond to evolving conditions in the industry.



Source: Nasdaq

Financial Performance

- ❖ While overall sentiment and offshore CAPEX spend has begun to improve, it will take some time for this to translate into new orders. Significant time and effort in project co-development with potential customers are needed before orders are secured. Competition continued to be intense.
- ❖ Overall business volume remained significantly below peak levels. This has resulted in operating losses in 4Q 2017 and the current quarter. Based on current secured orders, work volume for the foreseeable quarters is expected to remain low, and the trend of negative operating profit may continue.
- ❖ Key Highlights for 1Q 2018:
 - Total revenue of \$1.18 billion.
 - Net Profit was \$5 million. Excluding the effects of adoption of SFRS(I), for 1Q 2018, revenue would have been \$858 million and net loss would have been \$33 million.
 - New orders worth \$476 million secured in 1Q 2018, bringing our total net order book to \$7.71 billion as at end March 2018.

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Review of Operations – Deliveries

- ❖ During 1Q 2018, Sembcorp Marine successfully delivered three high-spec proprietary Pacific Class 400 jack-up drilling rigs. These include:
 - One jack-up unit, Hakuryu 14, to BOT Lease Co in January
 - Two jack-up units to Borr Drilling – Gerd in January, Gersemi in February.
- ❖ In April 2018, a further Pacific Class 400 jack-up rig was delivered to Borr Drilling. Together with one unit delivered in November 2017, we have delivered on schedule a total of four rigs to Borr Drilling, with a further five units to be delivered over the next 12 months.
- ❖ The Group also delivered the Kaombo Norte FPSO to Saipem in March 2018.
- ❖ The Kaombo Norte FPSO, owned by TOTAL, will have an oil processing capacity of 115,000 barrels per day, a water injection capacity of 200,000 barrels per day, a 100 million scfd gas compression capacity and a storage capacity of 1.7 million barrels of oil.

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Project deliveries in 2018

Kaombo Norte FPSO Conversion



Project: Conversion of a Very Large Crude Carrier into a turret-moored FPSO, including refurbishment, construction engineering, fabrication of flare, helideck, upper turret and access structure, integration of the topsides modules and lower turret components, and pre-commissioning
Operation: Kaombo project offshore Angola
Customer: Saipem . **Delivery:** 1Q 2018

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Project deliveries in 1Q 2018

Pacific Class 400 premium jack-up rigs delivered to Borr Drilling



Customer: Borr Drilling
Delivery: 1Q 2018
Contract: Sale of 9 Pacific Class 400 premium jack-up rigs to Borr Drilling

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Ongoing Projects – Heerema newbuild

Heerema Semi-submersible Crane Vessel



Project: Engineering and construction of a newbuild semi-submersible crane vessel
Customer: Heerema Offshore Services B.V.

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Ongoing Projects – FSO Newbuild

Ailsa FSO Newbuild



Project: Turnkey FSO newbuilding comprising engineering, procurement, construction and commissioning, including installation and integration of turret and topside modules
Customer: MODEC
Operation: TOTAL's Culzean field, UK North Sea

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Culzean Platform EPC Project



Project: Engineering, procurement, construction and onshore pre-commissioning of Central Processing Facility plus 2 connecting bridges, Wellhead and Utilities & Living Quarters Topsides

Customer: TOTAL S.A.

Operation: Culzean field, UK North Sea

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Central Processing Facility + GCM



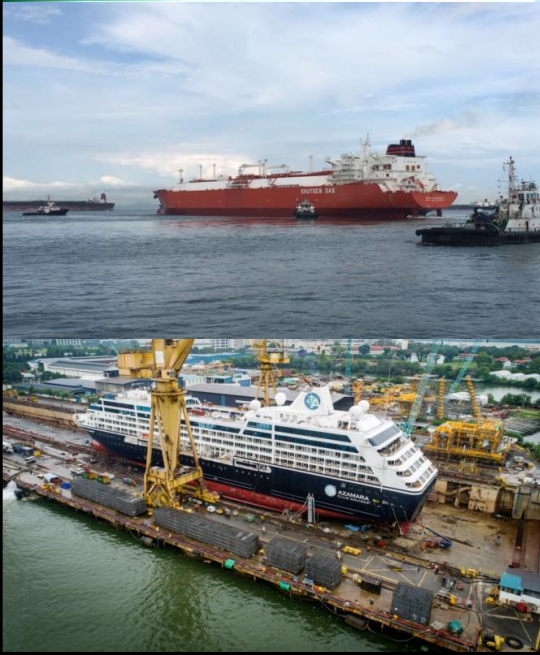
Utilities & Living Quarter topsides



Wellhead topsides

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REPAIRS & UPGRADES



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REPAIRS & UPGRADES



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- ❖ **Good progress being made for ongoing projects in our order book. These include:**
 - Turnkey engineering, procurement & construction of newbuild FPSO hull and living quarters for Statoil;
 - Engineering & construction of Sleipnir, the world's largest newbuild semi-submersible crane vessel for Heerema, on track for delivery in 2019;
 - Turnkey Design, Engineering, Procurement, Construction and Commissioning (DEPCC) of MODEC's newbuild harsh environment Floating Storage and Offloading (FSO) vessel named Ailsa for deployment at the Culzean field, UK North Sea.
 - Engineering, Procurement and Construction (EPC) of Central Processing Facility, Wellhead and Utilities & Living quarters platform for the Culzean field in the UK North Sea for TOTAL S.A (which acquired Maersk Oil & Gas A/S);
 - Conversion of FPSO Kaombo Sul for Saipem for operations offshore Angola.

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- ❖ **Construction of two high-spec ultra-deepwater drillships for Transocean based on Sembcorp Marine's proprietary Jurong Espadon III drillship design.**
- ❖ **Three newbuild Pacific Class 400 jack-up rigs under construction for delivery to Borr Drilling.**
- ❖ **Initial works have commenced for the engineering, procurement and construction of the hull and living quarters, fabrication and integration of various topside modules as well as installation of owner furnished equipment for a newbuild FPSO for TechnipFMC, for operations in the Eastern Mediterranean Sea.**
- ❖ **Ongoing projects at our overseas yards include:**
 - **Construction of a power generation module and other infrastructure (part of our EPC project with Maersk Oil) at our Sembmarine SLP yard in the UK;**
 - **Hull carry over works as well as topside modules construction and integration for the FPSO P-68 Tupi Project at our EJA Brazil yard.**

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- ❖ Repairs & Upgrades performed a total of 80 dry-dockings, repairs and upgrades in 1Q 2018. Revenue per vessel improved due to better vessel mix and more high value works but the number of vessels repaired was lower.
- ❖ Vessels repaired included container ships, bulk carriers, LNG carriers, cruise ships, navy vessels and offshore vessels.
 - Sembcorp Marine completed 4 major cruise ship repairs and upgrades (including scrubber installations) for alliance and other regular customers in 1Q 2018.
 - For LNG repairs, Sembcorp Marine completed 7 LNG carrier repairs for various long-term partners and regular customers in 1Q 2018. Forward bookings in these two segments remain robust.

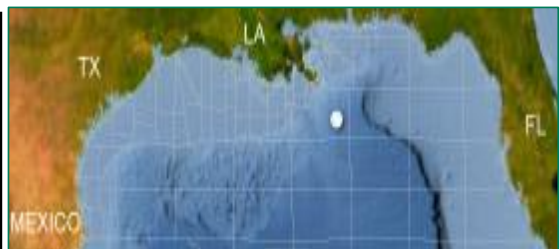
- ❖ In early March 2018, the media reported a tentative agreement between Sete Brasil and Petrobras, with Petrobras chartering four drilling units from the Sete Brasil fleet, subject to the satisfaction of certain conditions.
- ❖ Without prejudice to our arbitration proceedings, we continue to engage with Sete Brasil as necessary to better understand their restructuring plan. We are monitoring the situation actively and are well prepared to respond to the developments, as appropriate.
- ❖ We had in FY 2015 announced \$329 million provisions for the Sete Brasil contracts. We believe these provisions remain sufficient under the present circumstances.

- On March 28, 2017 we announced the award of a contract from TechnipFMC plc for Engineering, Procurement and Construction of the Hull and Living Quarters for a newbuild FPSO. The contract includes fabrication and integration of various topside modules, as well as installation of owner-furnished equipment.
- The FPSO hull is approximately 227m long and 50m wide, with a total oil storage capacity of 800,000 bbls and gas production capacity of 8 bcm (billion cubic metres) per annum.
- Scheduled for completion in the fourth quarter of 2020, the FPSO will be deployed at the Energean-operated Karish and Tanin deepwater field developments in the Eastern Mediterranean, approximately 90 km offshore Israel.



Vito Oil /Gas Field Location & Discovery details:

- ❖ We continue to make good progress on the LOI signed with Shell Offshore for the construction of the hull and topside as well as integration for the Vito floating production unit.
- ❖ We are pleased to inform that Shell has announced its decision to proceed with its deep-water Vito development in the US Gulf of Mexico.



Field Name	Vito
Discovery Date	Jul-09
Block	Mississippi Canyon 984, 985, 940
Reserve Type	Oil/Gas
Current Status	Discovery (Appraised)
Production Start	FID pending
Water Depth	1,282 m / 4,231 ft

Orderbook developments in 1Q 2018

- ❖ The LOI signed with US-based SeaOne Caribbean (SeaOne) in 3Q 2017 for the design and construction of at least two large Compressed Gas Liquid carriers is progressing well with FEED studies now in progress.
- ❖ We continue to make progress in the development of projects for our proprietary Gravifloat technologies for a range of near-shore LNG terminals and gas infrastructure solutions which range from liquefaction and regasification to storage and power generation.
- ❖ We remain hopeful that our advanced discussions with several potential customers on the Gravifloat solution will translate to initial orders.
- ❖ Actively marketing our suite of green technology retrofit solutions to the shipping industry, which include ballast water management system (BWMS) and gas scrubber solutions.

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Net orderbook at \$7.71 billion

- ❖ With the award of TechnipFMC FPSO hull and living quarters contract secured in March 2018, our net order book as at 1Q 2018 stands at \$7.71 billion, with completion and deliveries stretching into 2021.
- ❖ We continue to actively respond to enquiries and tenders for projects in the floaters, production platforms, gas solutions and specialised shipbuilding segments to further develop and strengthen our order book.
- ❖ These efforts form SCM's strategy of diversifying into new product segments and innovative solutions across the offshore and marine value chain – both within and outside the oil, gas and energy sectors.

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- ❖ Operations at our new generation Sembcorp Marine Tuas Boulevard Yard Phase II development have gone into full swing since its completion in January 2017.
- ❖ Plans are on track to progressively return older yards facilities and move our core operations to Tuas Boulevard Yard.
- ❖ We continue our R&D initiatives with strategic partners to develop technologies and applications which will further enhance our suite of innovative engineering solutions and operational excellence, especially through adoption of automation and other artificial intelligence.
- ❖ The development of these technologies will serve as enablers in transforming the way Sembcorp Marine operates, competes and leads in the industry.

- ❖ We continue to implement strategies to manage costs, enhance productivity and optimise our workforce.
- ❖ As we continue to respond to the business environment, productivity improvement initiatives to enhance competitiveness as well as right-sizing, re-training and re-organising our employees will continue.
- ❖ In preparation for growth opportunities, especially in new business segments, selective recruitment of specialist talents will continue.

Cash flow and Liquidity Management

- ❖ Guided by financial discipline and prudence as we build on our globally recognized track record and capabilities.
- ❖ Focused on actively managing our balance sheet and maintaining a healthy financial position as we grow our business. Safe, smooth and effective execution of orderbook a key priority.
- ❖ Capex for 1Q 2018 was \$44 million. Capex for the foreseeable future will continue to be incurred mainly for execution of our secured contracts or to facilitate future cost savings. In 1Q 2018, operating cash flow generated was \$31 million. Net gearing remained stable at 1.14 times.
- ❖ Majority of our order book and new orders continue to be on progress payment terms to minimize the need for significant working capital. This remains a key consideration as we build up our orderbook.
- ❖ With sufficient debt headroom, existing facilities and the continued support of our bankers and bondholders, we are confident of executing our orders and meeting our liquidity requirements.

Outlook

- ❖ Global exploration and production (E&P) spending trend continue to improve due to firmer oil prices in the first quarter of 2018.
- ❖ However, recovery in rig orders is expected to take some time as most of the drilling segments remain oversupplied, with day rates and utilization under pressure.
- ❖ The offshore production segment has improved with the FID of several projects. We continue to respond to an encouraging pipeline of enquiries and tenders for innovative engineering solutions.
- ❖ Repair and upgrades business is increasingly competitive, although demand for LNG carriers and cruise ships remains strong. Regulations for ballast water treatment coming into force in the foreseeable future will further underpin the potential of this segment. However the offshore segment for upgrades and repairs remains weak.

- ❖ The overall industry remains challenging. Despite improvements in E&P capex spending outlook, it will take some time for this to translate into new orders. Margins remain compressed with intensifying competition. Based on existing orders, overall business volume and activity is expected to remain low, and the trend of negative operating profit may continue. We continue to actively manage our costs to align with business volume.
- ❖ We continue to prudently manage our cash flows through securing projects with milestone progress payments to minimise working capital requirements.
- ❖ Sembcorp Marine will continue to actively pursue the conversion of enquiries into new orders, execute existing orders efficiently and position itself well for the industry recovery.

CFO Presentation

- ❖ Earnings Performance
- ❖ Financial Position

Performance Highlights

Key highlights:

For the 3 months to March 31, 2018:

- ❖ Turnover totalled \$1.18 billion compared with 1Q 2017 at \$746 million.
- ❖ Gross profit of \$43 million on earnings recognition of ongoing projects and deliveries.
- ❖ Group EBITDA of \$66 million.
- ❖ Net profit attributable to shareholders of \$5 million.
- ❖ Secured \$476 million in new orders in 1Q 2018.
- ❖ Group net orderbook stands at S\$7.71 billion.

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FINANCIAL HIGHLIGHTS

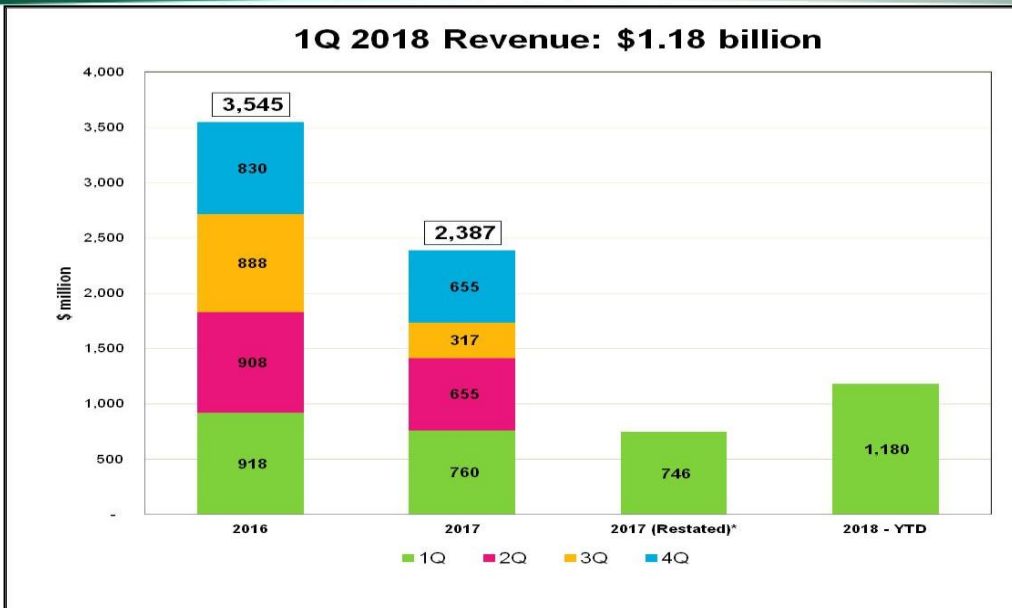
Group (\$ million)	1Q 2018	1Q 2017 (Restated)*	% change
Turnover	1,180.3	745.6	58
Gross Profit	43.1	15.2	184
EBITDA	65.6	55.8	18
Operating Profit	19.5	8.8	121
Profit before tax	6.1	33.8	(82)
Net Profit	5.3	37.0	(86)
EPS (basic) (cts)	0.25	1.77	(86)
NAV (cts)	115.7	**116.8	(1)

*Restated to reflect accounting changes on adoption of SFRS (I)

**As at 31 December 2017

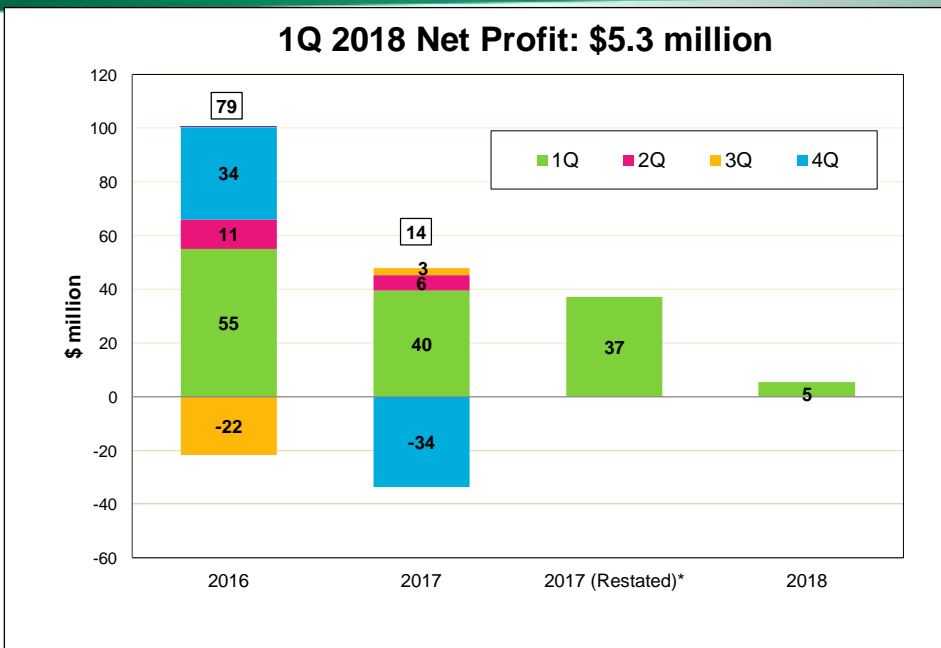
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Financial Review: Revenue



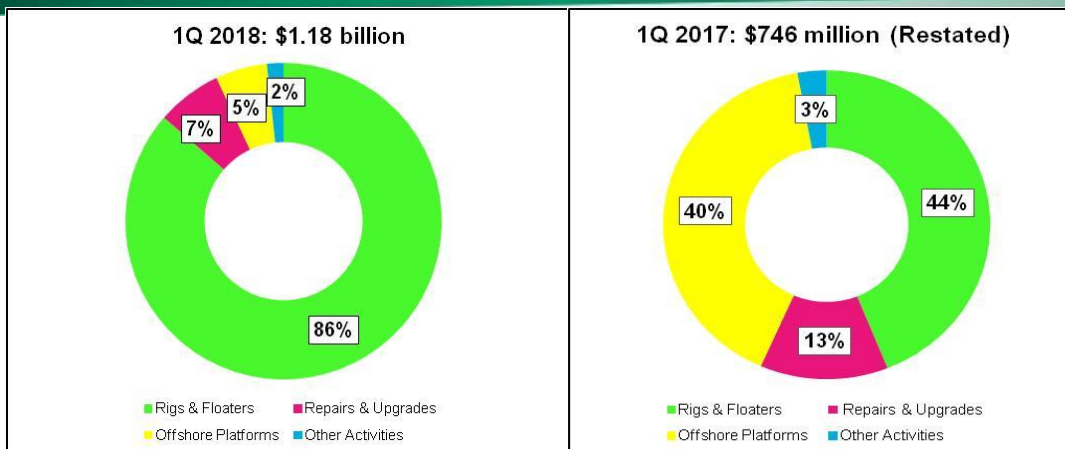
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Financial Review: Net Profit



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Business Review: Turnover by Segments



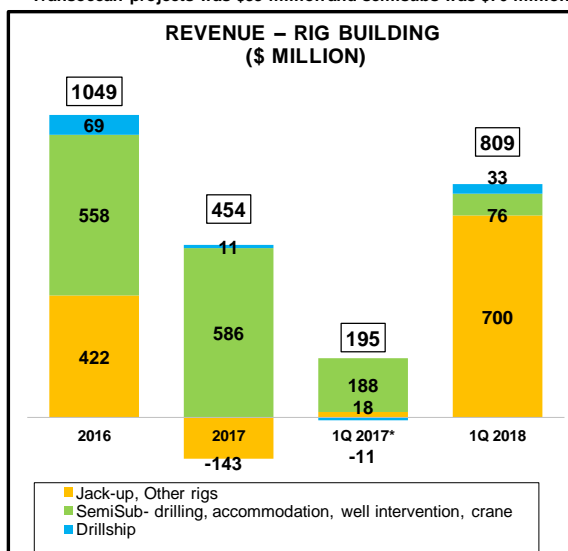
Turnover (\$ million)	1Q 2018	1Q 2017 (Restated)	% change
Rigs & Floaters	1,019	327	n.m.
Repairs & Upgrades	79	95	(17)
Offshore Platforms	62	302	(79)
Other Activities	20	22	(8)
TOTAL	1,180	746	58

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Core Business: Rig Building

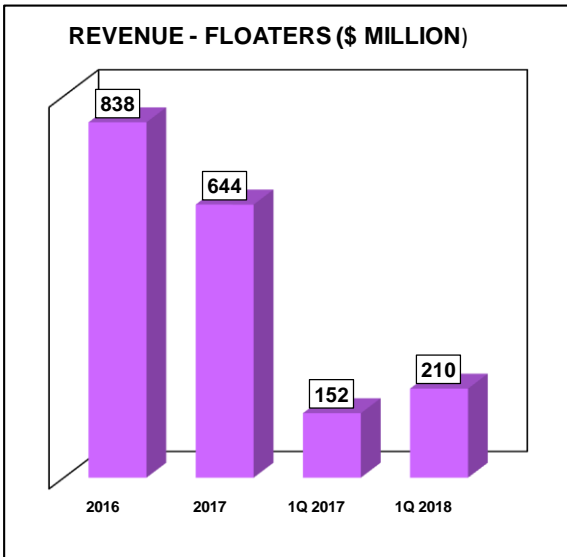
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- Rig building revenue was \$809 million in 1Q 2018 mainly on recognition of delivery of 2 jack-up rigs to Borr Drilling and 1 jack-up rig to BOTL during the quarter. Drillship revenue from Transocean projects was \$33 million and semisubs was \$76 million.



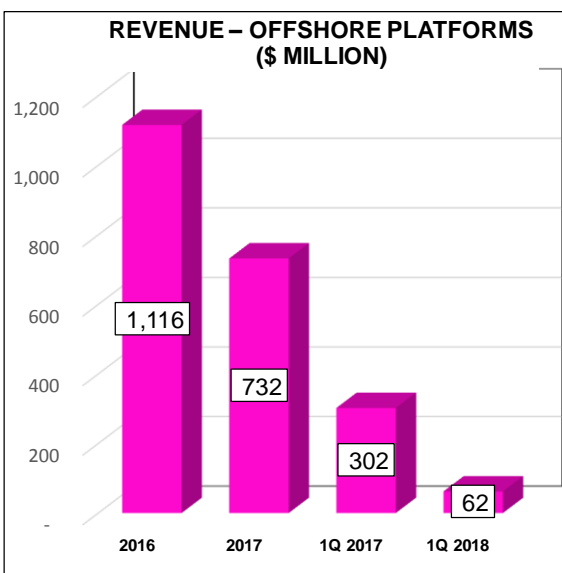
JACK UP RIGS SCHEDULE		
No. of completed rigs delivered in 1Q 2018	3	2 jackup for Borr Drilling, 1 for BOTL
No of Borr Drilling jack up rigs in WIP or completed stage	6	* Borr Drilling Jack up rigs 4 - 9
SEMI-SUBMERSIBLE, DRILLSHIP SCHEDULE		
No. of projects technically completed	2	* Harsh Environment CS60 semi-submersible rig for Seadrill – West Rigel – Agreement to sell for USD500 million. * Helix well-intervention semi-submersible
No. of projects in WIP stage	3	* Heerema Offshore semisub crane vessel * 1st drillship for Transocean, JE III * 2nd drillship for Transocean, JE III
Number of projects in suspended state	7	* Drillship 1 st unit, Sete Brasil * Drillship 2 nd unit, Sete Brasil * Drillship 3 rd unit, Sete Brasil * Drillship 4 th unit, Sete Brasil * Drillship 5 th unit, Sete Brasil * Drillship 6 th unit, Sete Brasil * Drillship 7 th unit, Sete Brasil

- Floater revenue increased 38% to \$210 million on higher percentage recognition for the Johan Castberg project



Offshore conversions	No. of projects	Brief description
No. of Projects delivered in 1Q 2018	1	* FPSO Norte - Kaombo
No. of projects in the WIP Stage	6	* P68 FPSO for Petrobras * P71 FPSO for Petrobras * P68 hull carry over work * FPSO Sul - Kaombo • FSO newbuild – Modec for Culzean field Statoil Johan Castberg FPSO project
No. of projects in Planning Stage	1	Karish & Tanin FPSO

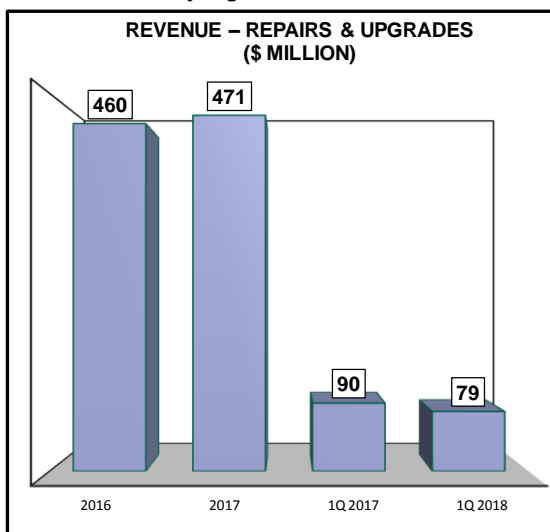
- Offshore Platforms revenue declined sharply to \$62 million in 1Q 2018 due to fewer projects on hand.



Offshore Platforms	No. of projects	Brief description
No. of projects in the WIP stage	1	* TOTAL Culzean topside modules – for well head platform, central facilities platform and utilities and living quarters platform
No. of projects in Planning Stage	1	Tangguh LNG

Core Business: Repairs & Upgrades

- Revenue from Repairs & Upgrades totaled \$79 million in 1Q 2018 on fewer ships repaired, although revenue per vessel was higher on improved vessel mix on relatively higher value works.



Period	1Q 2018	1Q 2017	% change
No. of vessels repaired	80	111	(28)
Average value per vessel (\$m)	0.99	0.81	22
Total repair revenue contribution (\$m)	79	90	(12)

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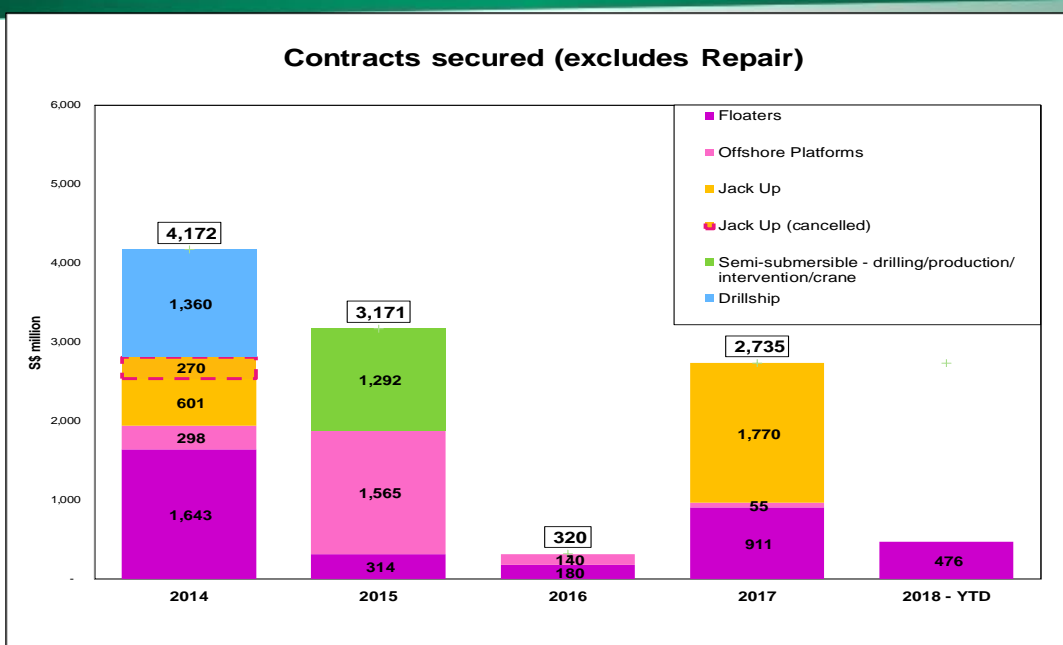
CAPITAL, GEARING & ROE

Group (\$ million)	Mar-18	Dec-17 (Restated)	% change
Shareholders' Funds	2,416	2,439	(1)
Net Debt	2,791	2,799	n.m.
Net Working Capital	814	1,503	(46)
Return on Equity (ROE) (%) (annualised)	0.9	6.5	(86)
Net Asset Value (cents)	115.7	116.8	(1)
Return on Total Assets (ROTA) (%) (annualised)	1.1	2.5	(56)
Net Gearing Ratio (times) *	1.14	1.13	1

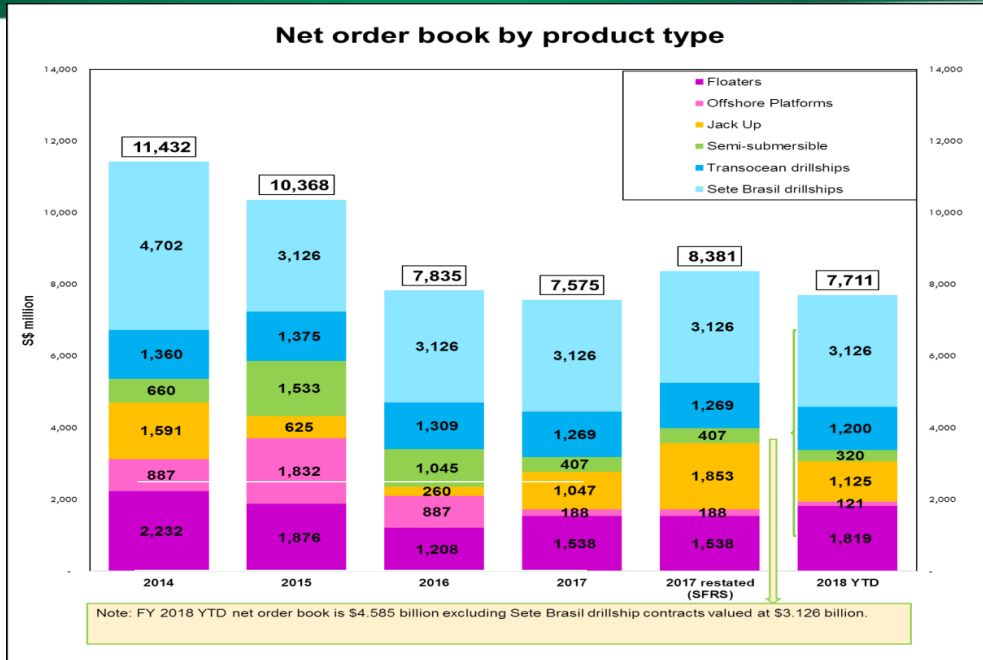
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Group (\$ million)	1Q 2018	1Q 2017 (Restated)	% change
Operating profit before working capital changes	67	57	18
Cash generated from operations	31	(69)	n.m.
Net cash generated from/(used in) operating activities	7	(87)	n.m.
Net cash (used in) investing activities	(44)	(53)	(17)
Net cash (used in)/ generated from financing activities	(244)	157	n.m.
Net (decrease)/increase in cash & cash equivalents	(281)	18	n.m.
Cash & cash equivalents in balance sheets	1,018	1,219	(16)
Borrowings	3,809	4,345	(12)
Net Debt	2,791	3,126	(11)

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This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.



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Integrated Synergies, Global Possibilities.