



CEO ADDRESS

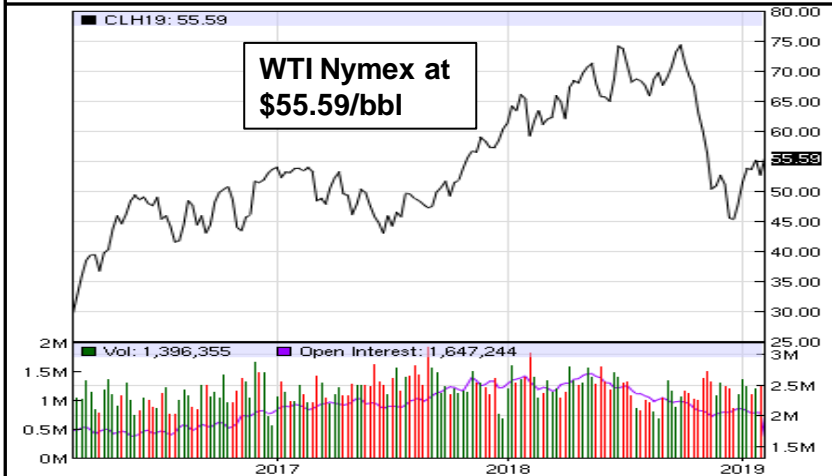
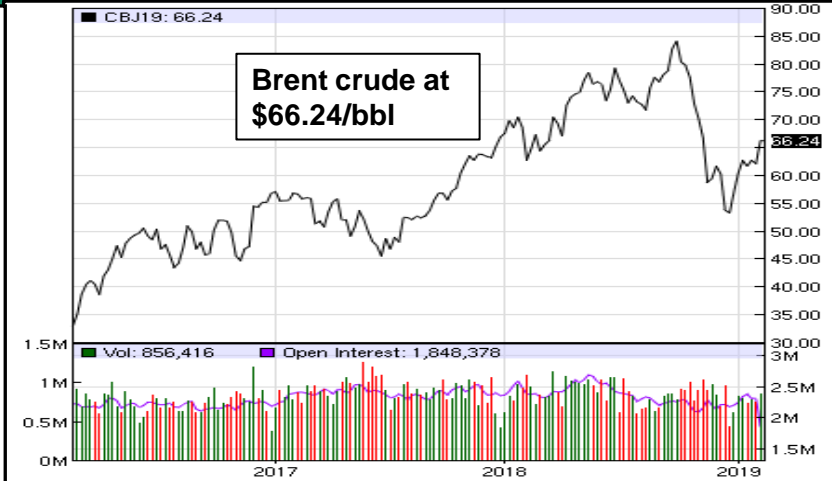
CFO FINANCIAL OVERVIEW

CEO ADDRESS

- ❖ **Macro Environment update**
- ❖ **Financial Performance for 4Q/FY2018**
- ❖ **Operations Review**
- ❖ **Outlook and Prospects**

(Please refer to CEO speech for details)

- ❖ Global economic growth softened towards end of 2018. Trade tensions, increased protectionism and effects of rising interest rates impact sentiments. For the year ahead, trend of moderate economic growth is projected to continue.
- ❖ Oil prices remain volatile. Demand expected to remain firm, price volatility to continue.
- ❖ The improved outlook for the offshore and marine sector continues. Offshore rigs utilisation and day rates for most segments have continued to stabilize or improve, underpinned by more drilling activities. Offshore capex spending continues to improve with more production projects moving towards final investment decision (FID) stage.
- ❖ While overall industry outlook continues to improve, significant time and effort for project co-development with potential customers are required before new orders are secured. Competition remains intense.



- ❖ **Business volume in 4Q 2018 remained stable, with increased contributions from new orders secured in the last twelve months, partially offset by completion of past orders. Overall business volume in FY2018 remained significantly below peak levels.**
- ❖ **For the fourth quarter of 2018, the Group posted a net profit of \$6 million. Excluding non-recurring items, net operating profit for 4Q 2018 was \$23 million, compared with operating losses of \$23 million, \$29 million, \$33 million and \$45 million for the preceding four quarters.**
- ❖ **Group gearing during 4Q 2018 increased slightly with higher working capital needs for ongoing projects, and payment for some capex and technology investments.**

For FY 2018:

- ❖ **New orders worth \$1.2 billion were secured in FY 2018, bringing our total net order book to \$6.21 billion as at end December 2018. This does not include orders of another \$160 million secured for the retrofitting of ballast water treatment systems and/or gas scrubbers for 58 vessels.**
- ❖ **Group revenue was \$4.89 billion, compared with \$3.03 billion in FY 2017.**
- ❖ **Net loss was \$74 million, compared with a Net profit of \$260 million in FY 2017.**
- ❖ **Net gearing was 1.44 times, compared with 1.37 times for 3Q 2018, and 1.13 times at end 4Q/FY 2017.**
- ❖ **In prudence, the Board is not recommending the payment of any dividend this year.**

The Group's net order book as at FY 2018 is \$6.21 billion, with completion and deliveries till 2021 (FY 2017: \$7.58 billion). Excluding the Sete Brazil drillship contracts, our net order book stands at \$3.09 billion (FY 2017: \$4.45 billion).

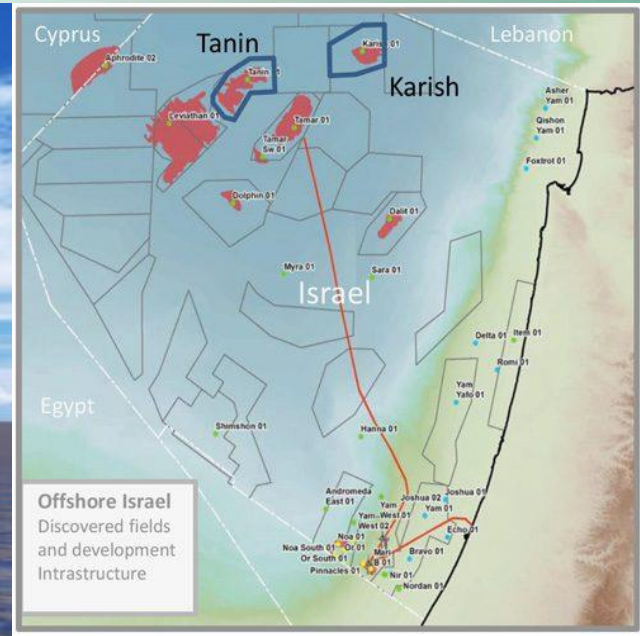
For FY 2018, we secured a total of \$1.2 billion in new contracts, including two projects for renewable energy engineering solutions worth over \$200 million secured in 4Q 2018. These included:

- ❖ Engineering, procurement, construction, hook-up and commissioning works of two substation topsides for Ørsted Wind Power subsidiary Optimus Wind Limited to be delivered in 1Q 2021 to UK's Hornsea 2 Offshore Wind Farm – the biggest wind farm of its kind in the world; and**
- ❖ Design and construction of three battery-powered Ropax ferries for Norled AS, to be delivered in 4Q 2020, marking the Group's entry into the Ropax ferry design and construction niche segment.**

Other significant new orders totalling \$730 million secured earlier in the year include:

- ❖ Construction and integration of hull, topsides and living quarters for Shell's Vito semi-submersible Floating Production Unit (FPU);**
- ❖ Engineering, Procurement and Construction of hull, living quarters and topside modules for TechnipFMC's newbuild Floating Production Storage and Offloading (FPSO) vessel.**
- ❖ In addition to the \$1.2 billion new orders above, another \$160 million of orders were secured for the retrofitting of ballast water treatment systems and/or gas scrubbers for 58 vessels.**

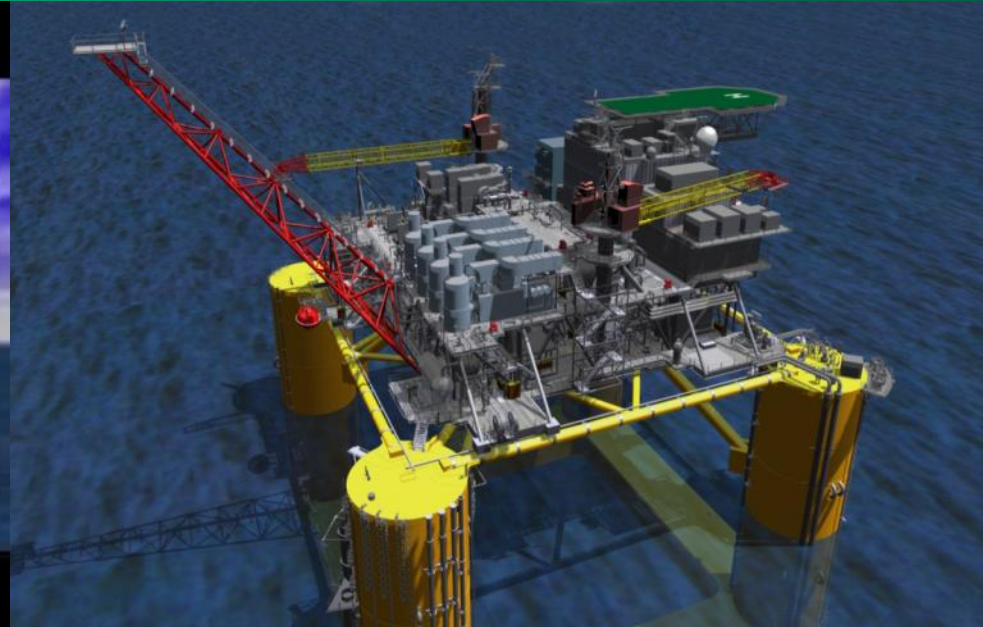
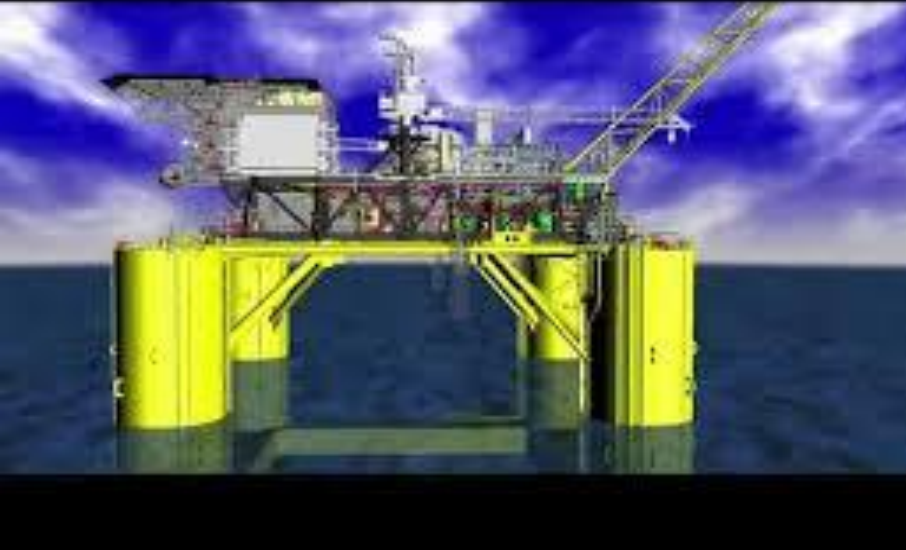
- ❖ We continue to work with Varg L.L.C., wholly owned by Teekay Offshore Partners, to progress the agreement for engineering, procurement and construction works for the modification, repair and life extension of the Petrojarl Varg FPSO. When finalised, the contract is worth an estimated US\$166 million.
- ❖ Commercialization of our proprietary Gravifloat technologies for a variety of nearshore LNG terminal and gas infrastructure applications are ongoing.
- ❖ Our strategy of diversifying into new product segments, acquiring new intellectual property rights and providing innovative solutions across the offshore, marine and energy value chain continue to gain traction.
- ❖ We continue to actively seek out opportunities across all our product segments, and are actively responding to an increasing pipeline of enquiries and tenders for innovative engineering solutions.



- **Project:** EPC construction and integration of a newbuild FPSO hull, living quarters and topside modules, including owner-furnished equipment.
- **Customer:** TechnipFMC.
- **Location:** When completed, the FPSO will be located at the Karish and Tanin fields, offshore from Israel.

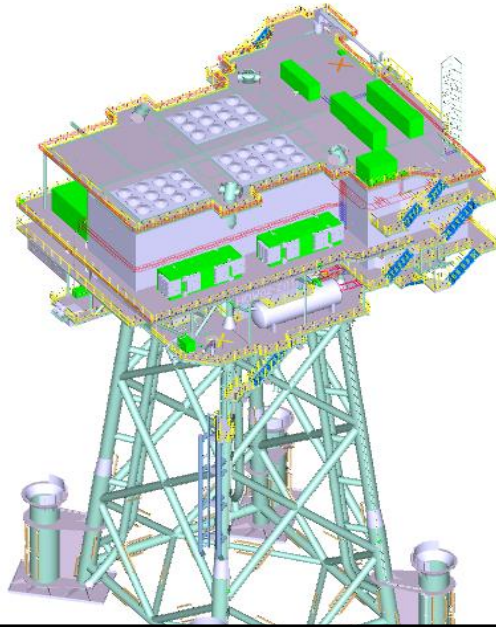


Offshore Israel – Discovered fields and Development infrastructure

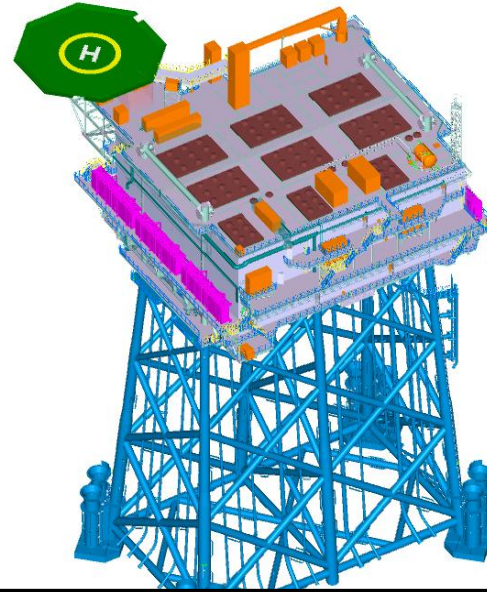


- **Project:** Construction and integration of hull, topsides and living quarters for Shell's Vito semi-submersible Floating Production Unit (FPU)
- **Customer:** Shell Offshore Inc. The Vito field development is owned by Shell Offshore Inc. (63.11%) and Statoil USA E&P Inc. (36.89%)
- **Location:** The Vito offshore field is located beneath more than 4,000 feet of water, approximately 150-miles southeast of New Orleans at the US Gulf of Mexico.

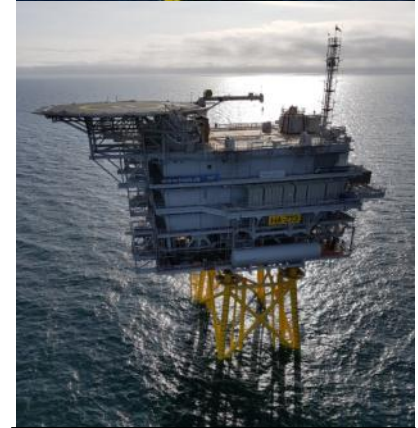




**Hornsea Offshore Wind Farm 2
Reactive compensation station**



**Hornsea Offshore Wind Farm 2
Offshore Substation**



Above photographic examples of 2 substation topsides installed at Hornsea 1. Project also led by Ørsted Wind Power.

- **Project:** Engineering, procurement, construction, hook-up and commissioning works for two substation topsides, to be deployed at the Hornsea 2 Offshore Wind Farm in the UK North Sea. Delivery in the first quarter of 2021.
- **Customer:** New customer Ørsted Wind Power subsidiary Optimus Wind Limited
- **Location :** The 1.4 gigawatt (GW) capacity Hornsea 2 Offshore Wind Farm – the world’s largest when operational in 2022 – is located 89km north-east of Grimsby, and will be capable of supplying green electricity to over 1.3 million UK households.



- **Project:** First design-and-construction roll on/roll off passenger (ropax) ship project comprising three identical plug-in ropax ferries.
- **Customer:** Norled AS, one of Norway's largest ferry and express boat operators.
- **Built to proprietary design from Sembcorp Marine subsidiary LMG Marin for delivery to Norled AS in the fourth quarter of 2020.**

Deliveries in FY 2018:

- ❖ **The final jack-up Transocean Njord was recently delivered to Borr Drilling at end January 2019 following the successful deliveries of seven units in 2018 and one in November 2017.**

Other significant deliveries in 2018 also include the :

- ❖ **Ailsa, Sembcorp Marine's first full turnkey newbuild Floating Storage Offloading (FSO) vessel for MODEC.**
- ❖ **Construction of production topsides and ancillary facilities for TOTAL for operation in the Culzean field in the UK North Sea sector.**
- ❖ **Conversion of Kaombo Norte and Kaombo Sul, two FPSOs delivered to Saipem for the Kaombo project located in offshore Angola; and**
- ❖ **Construction of Hakuryu 14, a proprietary design Pacific Class 400 jack-up rig for BOT Lease Co.**

Delivery of last jack-up rig to Borr Drilling

9th Pacific Class 400 premium jack-up rig to Borr Drilling in Jan 2019



Contract: Sale of 9 proprietary design Pacific Class 400 premium jack-up rigs to Borr Drilling

Customer: Borr Drilling

Delivery: Early Jan 2019 – Final 9th unit delivered (Njord)

Project deliveries in FY 2018

2 Pacific Class 400 premium jack-up rigs to Borr Drilling in 3Q18

Groa



Gyme



Contract: Sale of 9 proprietary design Pacific Class 400 premium jack-up rigs to Borr Drilling

Customer: Borr Drilling

Delivery: 3Q 2018 – 2 units delivered (Groa in July and Gyme in September)

Project deliveries in FY 2018

Ailsa FSO Newbuild



Project: Turnkey FSO newbuilding comprising design, engineering, procurement, construction and commissioning, including installation and integration of turret and topside modules

Customer: MODEC

Operation: TOTAL's Culzean field, UK North Sea

Delivery: 2Q 2018

Project deliveries in FY 2018

Kaombo Norte VLCC to 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

Project deliveries in FY 2018

Culzean Platform EPC Project



Well Head Fixed Platform
Topside
(Admiralty Yard, Singapore)



Utilities & Living Quarters Fixed
Platform Topside
(Admiralty Yard, Singapore)



Central Processing Facility
Fixed Platform Topside
(Admiralty Yard, Singapore)



Power Generation Module &
2 Interconnecting Bridges
(Sembmarine SLP, UK)

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

Delivery: 2Q 2018

We continue to make positive progress for our ongoing projects. These include:

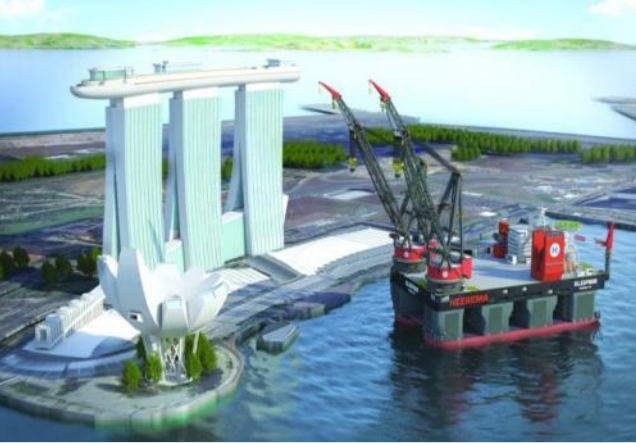
- ❖ **Engineering and construction of Sleipnir, the world’s largest semi-submersible crane vessel (SSCV) for Heerema;**
- ❖ **Construction of two high-specification ultra-deepwater drillships for Transocean, based on Sembcorp Marine’s proprietary Jurong Espadon III drillship design.**

We have commenced engineering and construction works for several newly secured contracts, comprising:

- ❖ **Turnkey engineering, procurement and construction of newbuild FPSO hull and living quarters for Equinor (formerly Statoil), for the Johan Castberg field development in the Barents Sea;**
- ❖ **Construction and integration of hull, topsides and living quarters for Shell’s Vito semi-submersible Floating Production Unit (FPU); and**
- ❖ **Engineering, procurement, construction and integration of a newbuild FPSO hull, living quarters and topside modules, including owner-furnished equipment, for TechnipFMC. The FPSO will be deployed to the Energean-operated Karish and Tanin deepwater field in the Eastern Mediterranean.**

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.

Construction of Transocean Drillships – 1st Unit



Project: Construction of two high-specification ultra-deepwater drillships for Transocean based on Sembcorp Marine's proprietary Jurong Espadon III drillship design.

Customer: Transocean

Construction of Transocean Drillships – 2nd Unit



Project: Construction of two high-specification ultra-deepwater drillships for Transocean based on Sembcorp Marine's proprietary Jurong Espadon III drillship design.

Customer: Transocean

Ongoing Projects – Johan Castberg Project for Equinor (former Statoil)

Turnkey Engineering, Procurement and Construction of Newbuild FPSO Hull and Living Quarters for Equinor – Commencement of Steel Fabrication

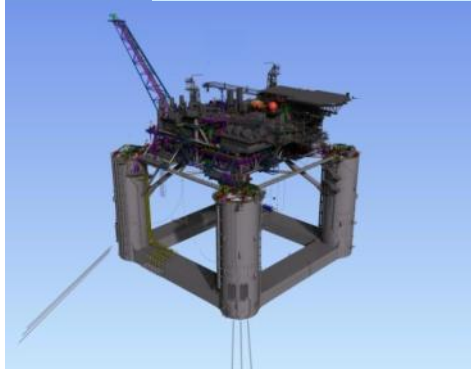


Project: Turnkey Engineering, Procurement and Construction of Newbuild FPSO Hull and Living Quarters

Customer: Equinor (former Statoil)

Operation: Johan Castberg field development, Barents Sea, offshore Norway

Construction and Integration of FPU Hull, Topsides and Living Quarters – Commencement of Steel Fabrication



Project: Construction and integration of hull, topsides and living quarters for Shell's Vito semi-submersible Floating Production Unit (FPU), including installation of owner-furnished equipment

Customer: Shell Offshore

Operation: Mississippi Canyon Block 984 , US Gulf of Mexico

- ❖ In FY 2018, we carried out a total of 296 dry-dockings, repairs and upgrades. Total revenue was \$471 million compared with \$497 million in FY 2017. Revenue per vessel was higher than FY 2017 on higher value works and improved vessel mix.
- ❖ SCM emerged as the world's top LNG repair yard (for the sixth time) with a total of 41 LNG ships repaired and upgraded in 2018.
- ❖ Strong performance to continue into 2019, having secured a significant number of LNG repairs and upgrades orders year-to-date
- ❖ Major offshore repairs and upgrading completed in 2018 include the upgrading of FPSO Pyrenees Venture for Modec / BHP as well as major repairs and demucking works for Chevron Thailand's Benchamas FSO.
- ❖ In the cruise ship market, we cemented our position as Asia's top cruise ship repair and upgrade solutions provider in 2018 with the completion of 10 cruise vessels repairs and upgrades in 2018, including one for new customer Norwegian Cruise Line.

- ❖ Completed a number of ballast water management systems (BWMS) retrofit projects in 2018. Noteworthy projects included BWMS installations for three vessels for Princess Cruise Lines. We also completed scrubber installation projects on a cruise ship and two tankers.
- ❖ Secured a total of \$160 million of orders for retrofitting of BWMS and gas scrubbers for 58 vessels. These include our biggest green technology retrofit contract from Greek owner Maran Tankers for the integration of 13 marine scrubbers and four BWMS installations on board their vessels.
- ❖ Going forward, we expect enquiries for BWMS installations and scrubber retrofitting works to remain strong.

REPAIRS & UPGRADES – LNG CARRIERS



Sembcorp Marine repaired a total of 41 LNG carriers in FY 2018, which is another record year.

REPAIRS & UPGRADES – CRUISESHIPS



Sailaway of Sapphire Princess after successful overhaul, including installation of 4 scrubber towers



Carnival Spirit cruise ship repairs



Sembcorp Marine completed 10 cruise ship repairs and upgrades in FY 2018

REPAIRS & UPGRADES – OFFSHORE



Major upgrading of FPSO
Pyrenees Venture for
MODEC / BHP Billiton



Repair of semi-submersible
Noble Clyde Boudreaux



Repair teams commemorating the successful upgrading FPSO Pyrenees Venture

- ❖ **In November 2018, Sete Brasil's judicial recovery plan was approved by its creditors. According to media reports, the plan includes the sale of four drilling rigs being built at two Singapore yards.**
- ❖ **We continue to monitor these developments and will respond accordingly.**
- ❖ **The \$329 million provision made by the Group in FY 2015 for the Sete Brasil contracts remains adequate under the current circumstances.**

- ❖ **Increased shareholdings in Semb-Eco Pte Ltd. To acquire from EGT five groups of core patents in ballast water treatment, exhaust gas cleaning, bio-fouling control and corrosion control for about S\$7.2 million**
- ❖ **Successfully acquired Sevan Marine's intellectual property rights in September 2018 to expand capabilities in cylindrical platform solutions for floating production and drilling.**
- ❖ **Strategic acquisition of Sevan Marine and prior investments in Sembmarine SSP, LMG Marin, Gravifloat and Aragon have further enhanced our intellectual assets and knowledge base.**
- ❖ **Poised to provide more innovative products and leading-edge solutions for the offshore, marine and energy industries.**

- ❖ **Continue to build up technologies and capabilities in the gas sector in view of the growing relevance of Liquefied Natural Gas (LNG) as a more environmentally-friendly fuel.**
- ❖ **Together with the American Bureau of Shipping (ABS) and A*STAR's Institute of High Performance Computing (IHPC), to develop new technologies, applications and capabilities that will advance the adoption of LNG as a globally preferred fuel.**
- ❖ **To tap the expertise and simulation capabilities of ABS and IHPC respectively in the development of market-ready solutions, technology and capabilities in LNG. The scope of work involves:**
 - **Approval, certification and enhancement of Sembcorp Marine's gas value chain solutions for small-scale LNG applications, such as LNG-battery hybrid tugs, LNG bunker vessels and LNG terminals;**

- **Joint development of projects focusing on offshore LNG processing, transfer and containment, and new applications of LNG as a sustainable fuel as well as augmenting the safety and reliability of LNG for offshore applications; and**
- **Developing training capabilities and conducting technical workshops to build and hone specialised knowledge and skill sets in LNG technology.**
- ❖ **To design and construct a series of up to 12 LNG-hybrid powered tugs which will progressively replace our existing diesel-powered tug fleet by 2025.**
- ❖ **Other areas of research ongoing at Tuas Boulevard Yard involve collaborating with technology partners DNV GL, A*STAR's SIMTech and NAMIC to develop smart technologies and innovative engineering solutions, test-bed and integrate automation and artificial intelligence as well as incubate and verify disruptive applications.**

- ❖ **Workforce optimisation, right-sizing, cost control and productivity enhancement continue.**
- ❖ **Continue to invest in employee training, re-skilling and up-skilling to equip our workforce with the appropriate skill-sets and core competencies needed especially for smooth execution of turnkey EPC newbuilding projects and gas value chain solutions.**
- ❖ **Overall strategy is to ensure long term workforce sustainability by maintaining and strengthening capabilities to enable us to develop and execute projects in a safe, efficient and effective manner, while positioning Sembcorp Marine to be ready to ride on the eventual market recovery.**

Yard Capacity Management

- ❖ **As part of the Group's transformation and yard consolidation strategy, the Group will continue to consolidate and maximise the utilisation of our integrated Tuas Boulevard Yard (TBY), while we review the schedule for returning our older yards in Singapore at or before their lease expiry dates. To date, we have returned the Pulau Samulun Yard to the Singapore Government, with two other yards in process of being returned.**
- ❖ **Group corporate headquarters is scheduled to move out from Tanjong Kling Yard (TK Yard) to its new location in TBY in 1H 2019. Significant operations have already moved to TBY, and the Group is scheduled to move out completely from TK Yard by end 2019, four years ahead of schedule and return the TK Yard to the Government.**
- ❖ **This will result in accelerated depreciation of the lease and certain fixed assets amounting to ~\$60 million over 15 months starting from 4Q 2018. After the move, the Group will realise cost savings estimated at \$48 million per annum from FY 2020.**

- ❖ **Financial prudence and discipline key considerations. Growing our order book, maintaining a strong balance sheet and ensuring healthy cash flow remain our key priorities.**
- ❖ **While successfully monetized entire 10 rigs inventory, significant improvement in liquidity will only occur over the next five years as we collect the balance ~\$1.2 billion of deferred payment for the rigs.**
- ❖ **Capex for FY 2018 was about \$343 million. We expect capex in the foreseeable future to be moderate, as we defer non-essential capex and proceed only those needed for execution of secured contracts, realization of cost savings or enhancement of execution capabilities.**

- ❖ **For FY 2018, operating cash flow generated before working capital changes was \$157 million. Net gearing was 1.44 times, compared with 1.37 times as at 3Q 2018 and 1.13 times as at end December 2017.**
- ❖ **Majority of our contracts and new orders secured on progressive payment terms, future new orders may have increased working capital needs as the industry continues to adjust to changing business models and constrained capital availability.**
- ❖ **We continue to manage our gearing and cash flows to ensure sustainable development and growth.**

- ❖ **Global capex spend for offshore exploration and production (E&P) is expected to improve further. While offshore drilling activities have increased, offshore rig orders will take some time to recover as the market remains over-supplied.**
- ❖ **Offshore production units are expected to dominate orders pipeline and Sembcorp Marine is responding to increasing enquiries and tenders for innovative engineering solutions.**
- ❖ **The ship repairs and upgrades segment remains intensely competitive although the market is expected to improve with higher work volume from the new IMO regulations requiring the installation of ballast water treatment systems and gas scrubbers.**
- ❖ **Overall business volume and activity for the Group, while stabilizing is expected to remain relatively low. We will continue to take steps to manage our costs, cash flows and gearing to address our balance sheet and to capitalise on new business opportunities.**

CFO Presentation

- ❖ **Earnings Performance**
- ❖ **Financial Position**

Key highlights:

For the year ended December 31, 2018:

- ❖ **Turnover totalled \$4.89 billion compared with FY 2017 at \$3.04 billion (restated).**
- ❖ **Group EBITDA of \$143 million.**
- ❖ **Net loss attributable to shareholders of \$74 million.**
- ❖ **Secured \$1.18 billion in new orders in FY 2018.**
- ❖ **Group net orderbook stands at \$6.2 billion.**

Financial Highlights

Group (\$ million)	4Q 2018	4Q 2017 (Restated)*	% change	FY 2018	FY 2017 (Restated)*	% change
Turnover	913.2	911.6	-	4,887.9	3,034.8	61
Gross Profit	19.9	130.9	(85)	3.1	345.8	(99)
EBITDA	59.1	183.5	(68)	143.1	498.6	(71)
Operating Profit/(Loss)	2.0	135.4	(98)	(52.3)	305.7	n.m.
(Loss) / Profit before tax	(5.6)	127.8	n.m.	(100.9)	280.9	n.m.
Net Profit/ (Loss)	5.9	117.3	(95)	(74.1)	260.2	n.m.
EPS (basic) (cts)	0.28	5.61	(95)	(3.55)	12.45	n.m.
NAV (cts)				110.68	116.81	

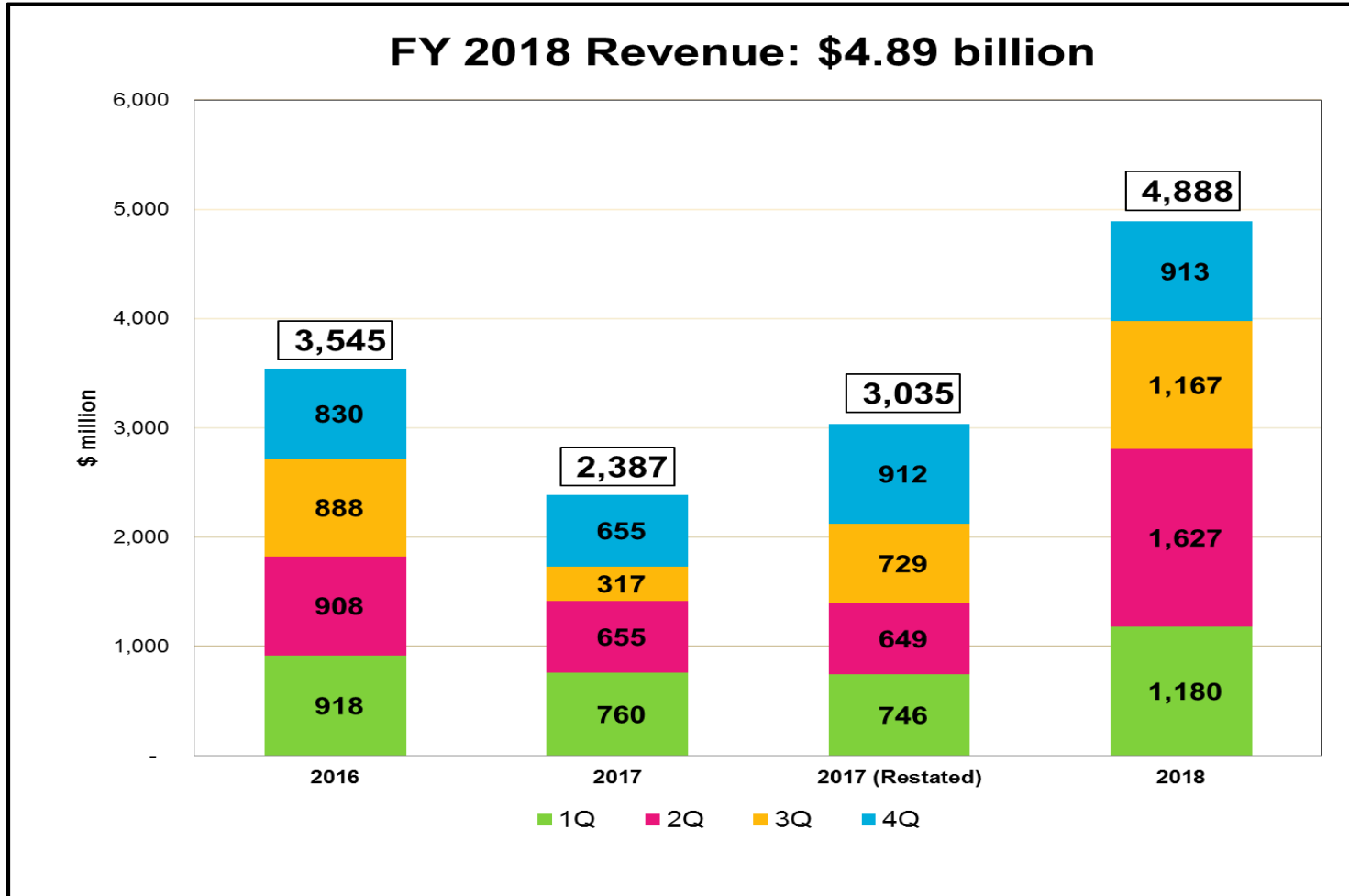
*Restated to reflect accounting changes on adoption of SFRS (I) from January 1, 2018.

Effects of Non-recurring items:

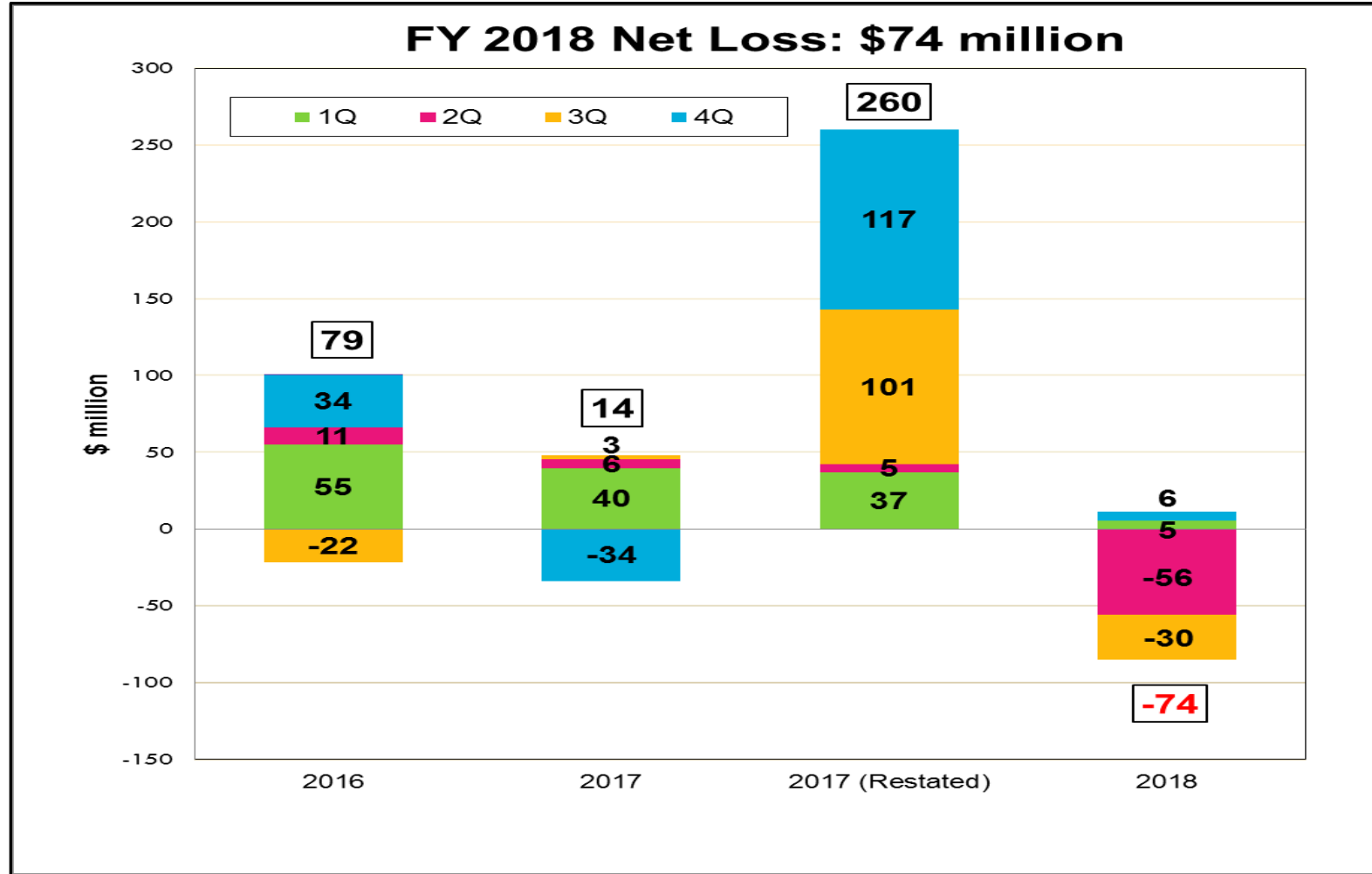
Group (\$ million)	4Q 2018	4Q 2017 (restated)	% Change		FY 2018	FY 2017 (restated)	% Change
Net Profit/(Loss)	5.9	117.3	(95.0)		(74.1)	260.2	n.m.
<i>Add / (Less) Non-recurring /one off items</i>							
Non-operating income - Sale of Cosco shares	-	(17.1)	n.m.		(0.1)	(64.8)	(99.8)
Non-operating expenses	-	6.8	n.m.		-	13.3	n.m.
Sale of West Rigel	-	-	n.m.		34.0	-	n.m.
Accelerated depreciation	12.0	-	n.m.		12.0	-	n.m.
Impairment of asset	4.7	-	n.m.		4.7	-	n.m.
Effects of contract termination	-	(151.8)	n.m.		(39.0)	(249.8)	n.m.
	16.7	(162.1)	n.m.		11.6	(301.3)	n.m.
Net Profit/(Loss) (excluding non-recurring, one-off items)	22.6	(44.8)	n.m.		(62.5)	(41.1)	52.1

*Restated to reflect accounting changes on adoption of SFRS (I) from January 1, 2018.

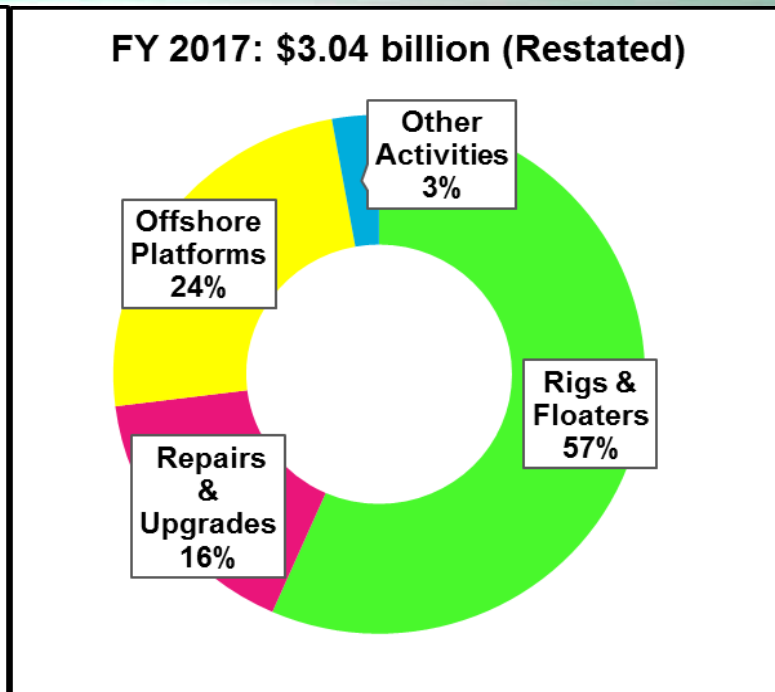
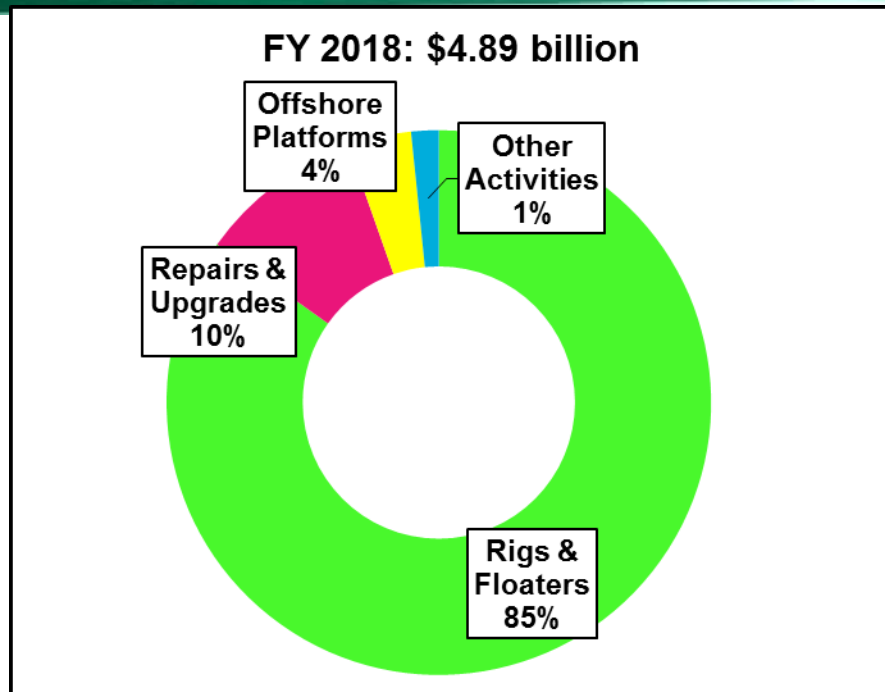
Financial Review: Revenue



Financial Review: Net Profit/Loss



Business Review: Turnover by Segments



Turnover (\$ million)	4Q 2018	4Q 2017 (Restated)	% change	FY 2018	FY 2017 (Restated)	% change
Rigs & Floaters	746	639	17	4,148	1,717	142
Repairs & Upgrades	140	145	(3)	476	499	(5)
Offshore Platforms	12	110	(89)	184	732	(75)
Other Activities	15	18	(16)	80	87	(8)
TOTAL	913	912	-	4,888	3,035	61

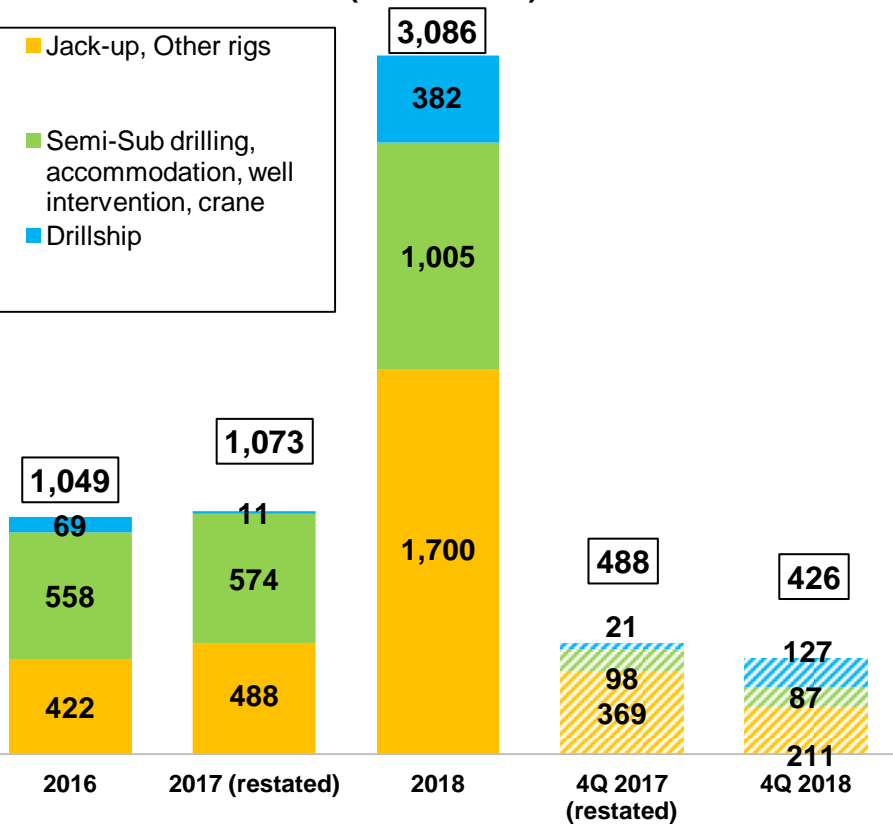
Rig building revenue was \$3.09 billion in FY 2018 mainly on recognition of delivery of 7 jack-up rigs to Borr Drilling, 1 jack-up rig to BOTL and the sale of West Rigel. Drillship revenue from Transocean projects was \$382 million, semi-subs was \$1 billion.

REVENUE – RIG BUILDING
(\$ MILLION)

■ Jack-up, Other rigs

■ Semi-Sub drilling, accommodation, well intervention, crane

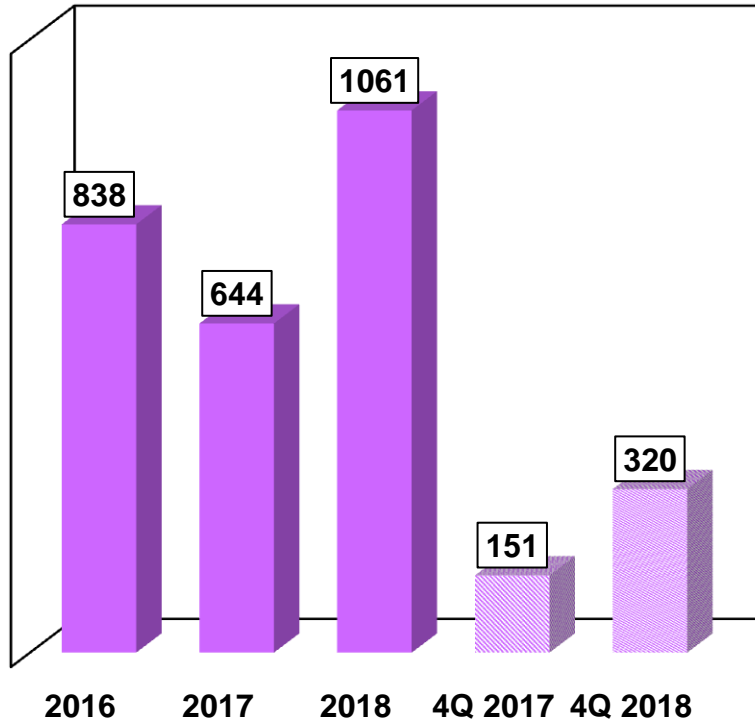
■ Drillship



JACK-UP RIGS SCHEDULE		
No. of completed rigs delivered in FY 2018	8	7 jack-ups for Borr Drilling, 1 for BOTL
No of Borr Drilling jack up rigs in WIP or completed stage	1	* Borr Drilling jack-up rig P2052
SEMI-SUBMERSIBLES, DRILLSHIPS SCHEDULE		
No. of projects delivered	2	* Harsh Environment CS60 semi-submersible rig– West Rigel – sold for USD500 million and delivered. * Helix well-intervention semi-submersible
No. of projects in WIP stage	3	* Heerema Offshore semi-sub 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

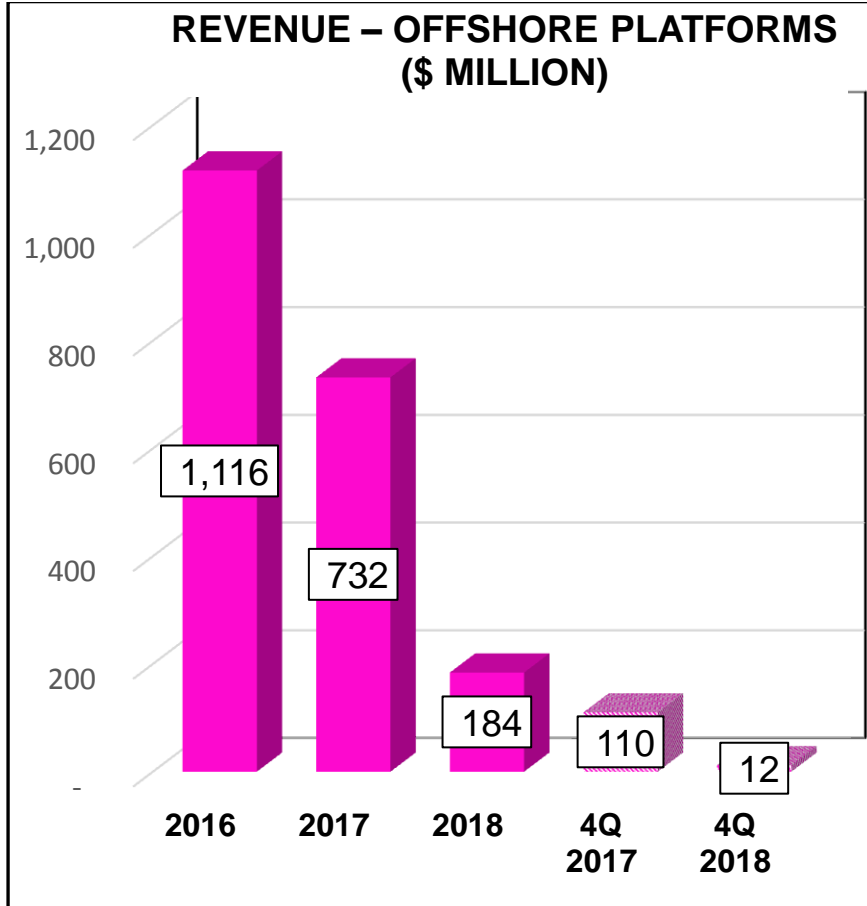
- FY 2018 Floater revenue increased 65% to \$1.06 billion on higher percentage recognition for the Johan Castberg, Shell Vito and Karish FPSO projects.

REVENUE - FLOATERS (\$ MILLION)



Offshore conversions	No. of projects	Brief description
○ No. of Projects delivered in FY 2018	3	* FPSO Norte – Kaombo * FSO Ailsa for Modec * FPSO Sul - Kaombo
○ No. of projects in the WIP stage	6	* P68 FPSO for Petrobras * P71 FPSO for Petrobras * P68 hull carry over work
		* Statoil Johan Castberg FPSO project
		* Shell Vito FPU project * Karish & Tanin FPSO project

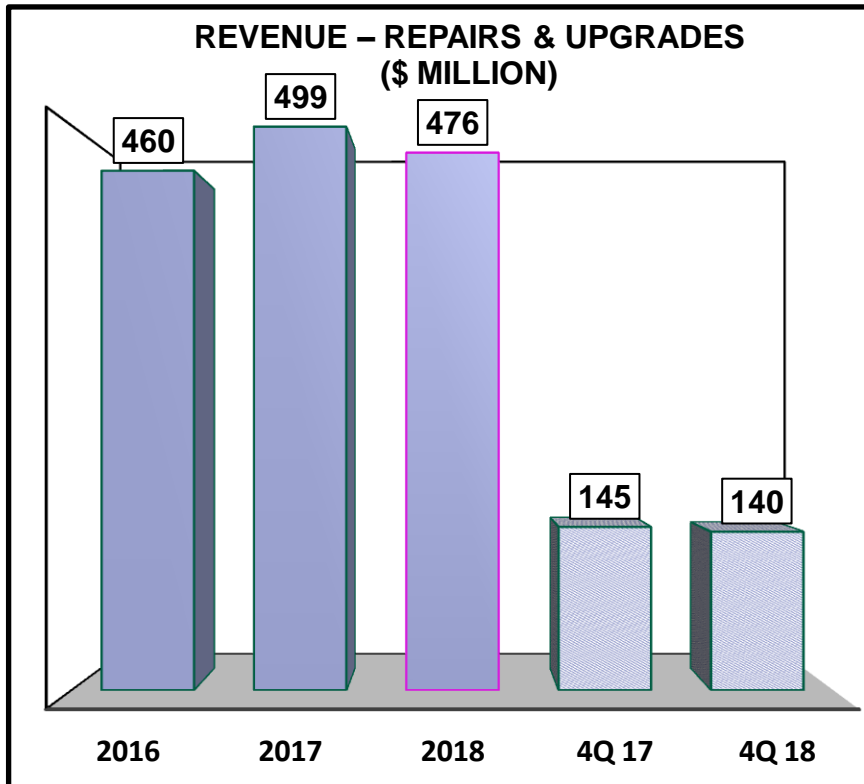
- Offshore Platforms revenue declined sharply to \$184 million in FY 2018 due to fewer projects on hand.



Offshore Platforms	No. of projects	Brief description
<ul style="list-style-type: none"> No. of projects delivered in 2018 	1	* TOTAL Culzean topside modules – for well head platform, central facilities platform and utilities and living quarters platform
<ul style="list-style-type: none"> No. of projects in WIP stage 	3	Tangguh LNG modules Hornsea II jackets Hornsea II substation topsides

Core Business: Repairs & Upgrades

- Revenue from Repairs & Upgrades totaled \$476 million in FY 2018 (FY 2017: \$499 million) on fewer ships repaired, although average revenue per vessel was higher on improved vessel mix on relatively higher value works.



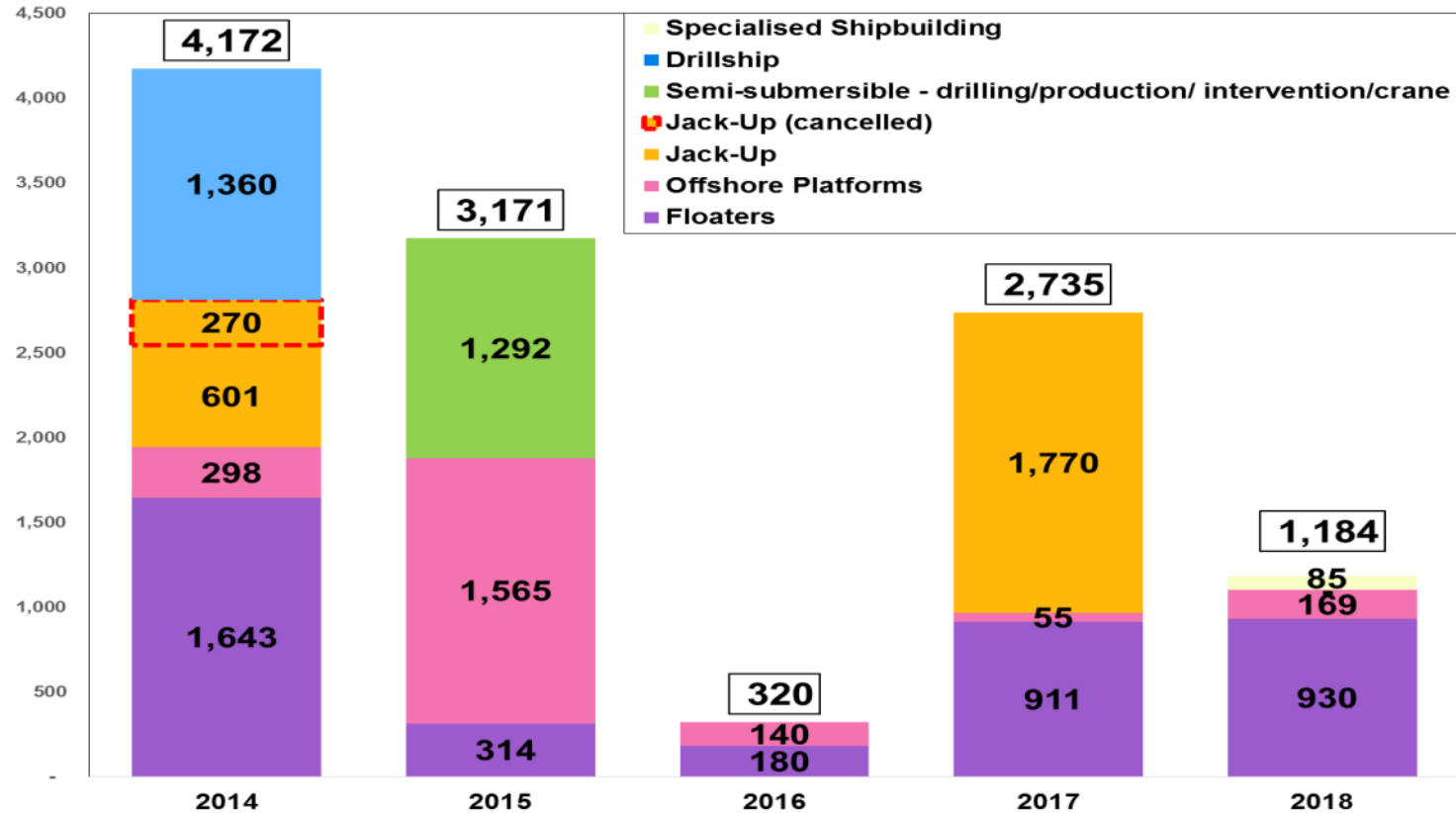
Period	FY 2018	FY 2017	% change
Number of vessels repaired	296	390	(24)
Average value per vessel (\$m)	1.61	1.28	26
Total repair revenue (\$m)	476	499	(5)

CAPITAL, GEARING & ROE

Group (\$ million)	Dec-18	Dec-17 Restated	% change
Shareholders' Funds	2,312	2,439	(5)
Net Debt	3,391	2,799	21
Net Working Capital	198	1,446	(86)
Return on Equity (ROE) (%) - annualised	(3.1)	11.1	n.m.
Net Asset Value (cents)	110.68	116.81	(5)
Return on Total Assets (ROTA) (%) - annualised	0.3	3.7	(92)
Total equity	2,348	2,480	(5)
Net Gearing Ratio (times) *	1.44	1.13	27
* Net debt/Total equity			

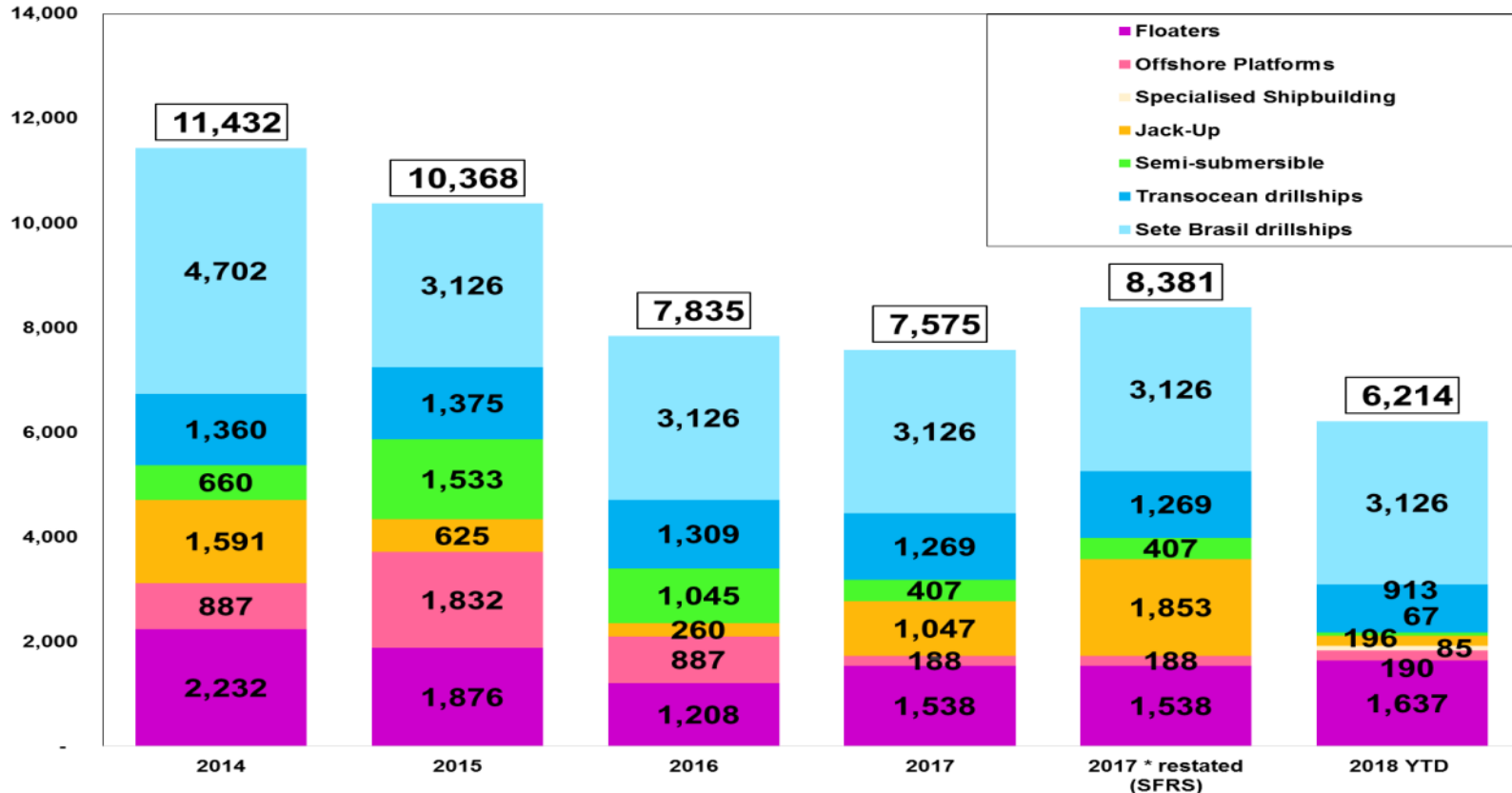
Group (\$ million)	4Q 2018	4Q 2017 (Restated)	% change	FY 2018	FY 2017 (Restated)	% change
Operating cashflow before working capital changes	68	148	(54)	157	489	(68)
Cash used in operations	(21)	556	n.m.	(121)	144	n.m.
Net cash flow from operating activities	(16)	539	n.m.	(170)	50	n.m.
Net cash flow from investing activities (mainly Capex)	(117)	(5)	n.m.	(382)	65	n.m.
Net cash flow from financing activities	290	(289)	n.m.	89	(24)	n.m.
Net increase/(decrease) in cash & cash equivalents	156	246	(37)	(464)	91	n.m.
Cash & cash equivalents in balance sheets				838	1,301	(36)
Borrowings				(4,229)	(4,100)	3
Net Debt				(3,391)	(2,799)	21

Contracts Secured (excludes Repairs & Upgrades) (\$ million)



Net Order Book – FY 2018 : \$6.21 billion

Net orderbook by Product Type



Note: FY 2018 YTD net order book is \$3.09 billion excluding Sete Brasil drillship contracts.

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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