

CORPORATE PRESENTATION

2H/FY 2020 Results Briefing



Agenda

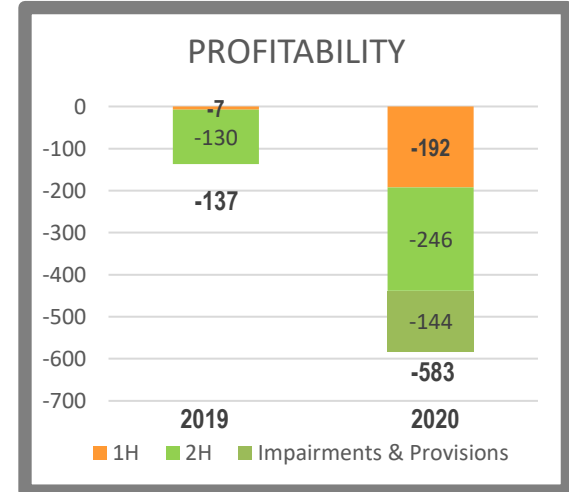
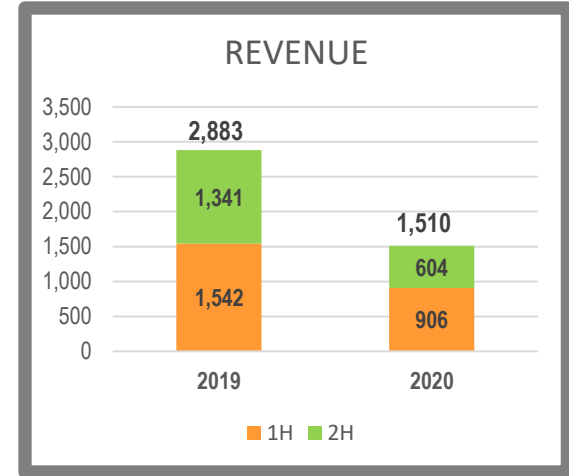
- **President & CEO Address**
(please refer to separate CEO speech text for details)
- **Group Finance Director Address**
- **Question and Answer Session**



- ❖ **Economic impact of the COVID-19 pandemic, on top of structural changes in the oil and gas sector further dampened oil and energy consumption, caused disruption to the offshore oil and gas value chains, reduction in CAPEX spending and deferment of Final Investment Decisions (FIDs)**
- ❖ **The Group's financial performance for the year was therefore severely affected by the onslaught of the 2020 economic turmoil**
- ❖ **The Group stayed on course, and continued to execute on its key strategic initiatives to build sustainable growth and enhance the Group's long term performance**

- ❖ **Production activities have gradually resumed from July 2020**
- ❖ **Disruption in global supply chains and the ongoing pandemic containment measures are unlikely to be lifted yet**
- ❖ **The Group was able to respond rapidly with agility to re-schedule resource deployment**
- ❖ **The Sembcorp Marine team has executed well and in compliance to all regulatory measures**
- ❖ **Careful planning across all levels and sites to ensure completion of ongoing projects with due consideration to the safety and wellness of employees and all stakeholders**

- ❖ The Group recorded lower revenue YoY due to the challenging economic backdrop; delays in execution of existing projects; deferment of FIDs and cut in CAPEX by our customers.
- ❖ The Group registered a higher net loss mainly due to decline in turnover and asset impairments and provisions made in 4Q 2020,
- ❖ None of the Group's existing projects were cancelled during the year



- **Successful Completion of Projects**
- **Projects in Progress**
- **New Opportunities**



- ❖ **Successful completion of projects aligned to the Group's active pursuit of projects with cleaner energy focus - Tangguh LNG modules; Offshore Windfarm Jacket foundations for the Hornsea 2; CNTIC VPower Energy; major upgrade of *Asuka II***
- ❖ **Continues to benefit from the new IMO regulations on ballast water treatment and fuel sulphur reduction with completion of 34 Ballast Water Management Systems retrofit projects and 16 scrubber projects**
- ❖ **Recognition as World Number 1 in the LNGC/FSRU/FSU sector with a total of 18 repair and conversion projects**

Hornsea 2 Offshore Wind Farm Jacket Foundations – Ørsted Engineering, Procurement and Construction of Jackets



Project: Engineering, procurement and construction of an Offshore Substation (OSS) Jacket and a Reactive Compensation Station (RCS) Jacket for the Hornsea 2 Offshore Wind Farm Project

Customer: Optimus Wind Limited (subsidiary of Ørsted)

Delivery: August 2020

Location: UK, North Sea

Successful Completion of Projects

FSU CNTIC VPower Energy FSU Conversion & Upgrade of LNG Tanker



Project: Floating Storage Unit (FSU) conversion of LNG tanker

Customer: Synergy Group / VPower Group

Delivery: November 2020

Operation: Myanmar

- ❖ Gradual resumption of production from early July 2020
- ❖ Full workforce levels near the end of November
- ❖ Implementation of measures to protect our workers, customers, vendors and other stakeholders



Mask-wearing & safe distancing in yards



Regular routine testing for COVID-19



Regular disinfecting of common touchpoints

Projects Under Execution as at 31 December 2020
<p>Renewables Solutions</p> <ul style="list-style-type: none"> Orsted Hornsea 2 Offshore Wind Farm – Offshore Substation (OSS) and Reactive Compensation Station (RCS) Topsides Jan De Nul Formosa 2 Offshore Wind Farm – Wind Turbine Jacket Foundations RWE Renewables Sofia Offshore Wind Farm – Early Works Contract
<p>Process Solutions</p> <ul style="list-style-type: none"> Equinor Johan Castberg - Newbuild Floating Production, Storage and Offloading Vessel (FPSO) Technip Energies Karish - Newbuild FPSO Shell Vito - Newbuild Floating Production Unit (FPU) Shell Whale - Newbuild FPU NOC Gallaf Batch 2 Well Head Platforms and Bridges Tupi P-71 - Newbuild FPSO Shapoorji - FPSO Conversion
<p>Gas Solutions</p> <ul style="list-style-type: none"> MOL LNG Bunker Vessel TOTAL Tyra Redevelopment Project - Topsides and Bridges Upgrade of Major Floating Storage & Regasification Units (FSRU) and Floating Storage Units (FSU) including the FSRU Karmol LNGT Powership Africa, FSRU Karmol LNGT Powership Asia and the FSU Torman II
<p>Ocean Living Solutions</p> <ul style="list-style-type: none"> Battery-operated Roll-on, Roll-off Passenger Ferries (Three units)
<p>Advanced Drilling Rig Solutions</p> <ul style="list-style-type: none"> Transocean Deepwater Atlas Drillship Transocean Deepwater Titan Drillship

- ❖ Production activities resumed gradually from early July 2020 to reach almost full workforce levels near the end of November
- ❖ The Group has a net order book of S\$1.82 billion, comprising S\$1.51 billion of projects under execution and S\$0.31 billion of ongoing repairs & upgrades projects with firm deliveries in 2021
- ❖ LMG Marin, a wholly owned subsidiary, awarded Best Medium Ropax award at the *Work Boat World Best 2020 Awards* for the zero-emission ferry Hjellevstad propelled by battery power

Projects Under Execution: Renewables Solutions

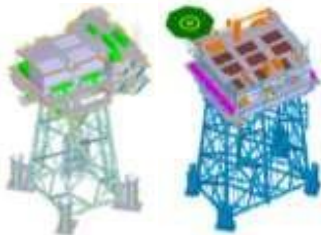
Hornsea 2 Offshore Wind Farm Project – Ørsted
EPC, Onshore Commissioning, Sea-Fastening, Loadout and Offshore
Hook-up & Commissioning of Two Offshore Wind Farm Topsides



OSS topsides



RCS topsides



Project: Engineering, procurement, construction, integration, onshore commissioning, sea-fastening, loadout and offshore hook-up and commissioning of an Offshore Substation (OSS) and a Reactive Compensation Station (RCS)

Customer: Optimus Wind Limited (subsidiary of Orsted)

Location: UK North Sea

Projects Under Execution: Renewables Solutions

Formosa 2 Offshore Wind Farm Project – Jan De Nul Fabrication of 15 Wind Turbine Jacket Foundations



Project: Fabrication of 15 wind turbine jacket foundations for the Formosa Phase 2 Offshore Wind Farm.

Customer: Jan De Nul n.v.

Location: Taiwan Strait, offshore Miaoli County

Projects Under Execution: Renewables Solutions

Sofia Offshore Wind Farm – RWE Renewables

Early Works Contract for HVDC Electrical System Offshore Substations



Project: Early works contract for HVDC electrical system offshore substations

Customer: RWE Renewables

Location: Dogger Bank Field, UK East Coast

Projects Under Execution: Process Solutions

Johan Castberg Project – Equinor

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



Project: Turnkey engineering, procurement and construction of newbuild FPSO hull and living quarters

Customer: Equinor (formerly Statoil)

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

Projects Under Execution: Process Solutions

Technip Energies Karish FPSO

EPC Construction & Integration of FPSO Hull, Living Quarters & Topside Modules



Project: EPC construction and integration of a newbuild FPSO hull, living quarters and topside modules, including owner-furnished equipment

Customer: Technip Energies

Location: Karish deepwater field developments in the Eastern Mediterranean

Projects Under Execution: Process Solutions

Shell Vito FPU

Construction and Integration of FPU Hull, Topsides and Living Quarters



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

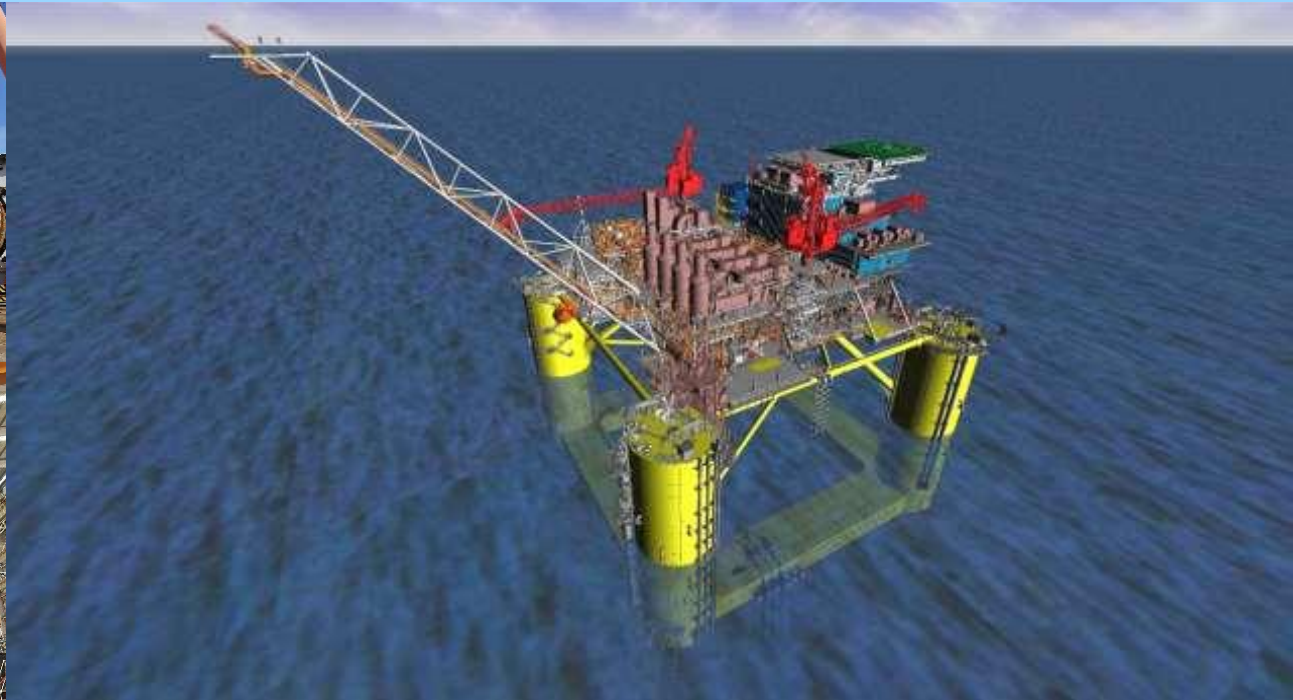
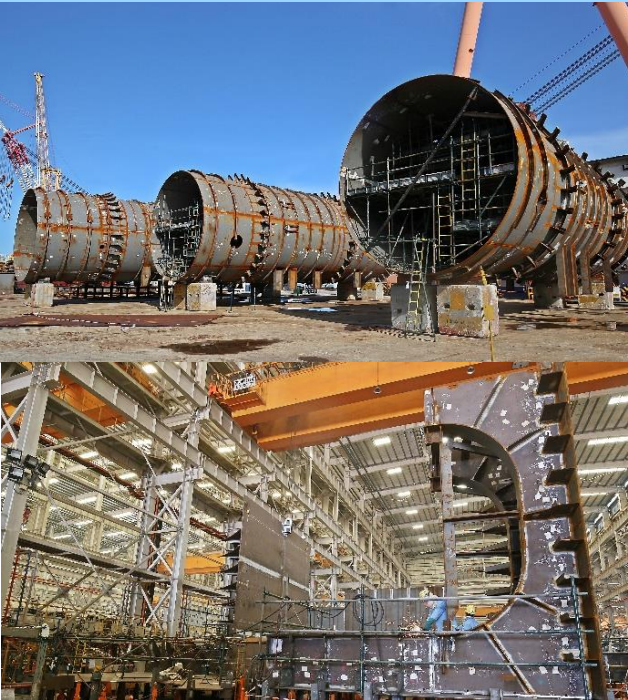
Customer: Shell Offshore Inc.

Operation: Mississippi Canyon, US Gulf of Mexico

Projects Under Execution: Process Solutions

Shell Whale FPU

Construction and Integration of FPU Hull, Topsides and Living Quarters



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

Customer: Shell Offshore Inc.

Operation: Whale Field, US Gulf of Mexico

Projects Under Execution: Process Solutions

Gallaf Batch 2 Well Head Platforms – NOC

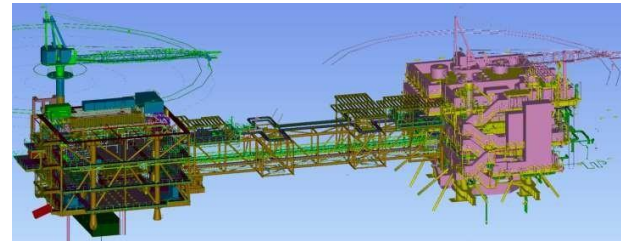
Engineering, procurement, construction, installation and commissioning of jackets, topsides, bridges and offshore integration



Project: Engineering, procurement, construction, installation and commissioning of jackets, topsides, bridges and offshore integration of two wellhead platforms and bridges

Customer: North Oil Company

Location: Al Shaheen oil field, offshore Qatar



Projects Under Execution: Process Solutions

P-71 FPSO Project

Fabrication of topside modules and integration works of newbuild FPSO hull



Project: Fabrication of topside modules and integration works for newbuild FPSO hull

Customer: Tupi B.V.

Operation: Offshore Brazil

Projects Under Execution: Process Solutions

FPSO Conversion of VLCC Ariake

FPSO conversion project with Shapoorji Pallonji and Bumi Armada



Project: FPSO conversion of VLCC Ariake, including hull repairs and upgrading as well as fabrication of three topside modules

Customer: Joint venture companies of Shapoorji Pallonji Oil and Gas Private Limited and Bumi Armada Berhad

Operation: East coast of India

Projects Under Execution: Gas Solutions

LNG Bunker Vessel Newbuild

Design and Construction of 12,000 cbm LNG bunker vessel



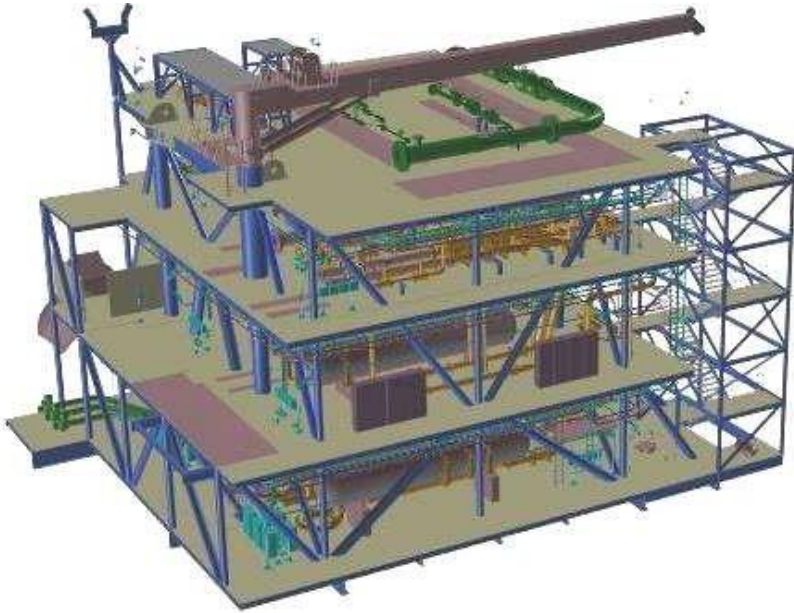
Project: Design and construction of 12,000 cbm dual-fuel LNG bunker vessel with GTT Mark III Flex membrane tank system; to be the biggest vessel of its kind built in Singapore

Customer: Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui O.S.K. Lines, Ltd. (MOL)

Operation: Deployment in Singapore

Projects Under Execution: Gas Solutions

Tyra Wellhead Riser Platform Topsides and Bridges – TOTAL Fabrication of Topsides and Bridges



Project: Fabrication of 6 topsides (WHRP and Risers) and 4 bridges for Tyra Redevelopment Project

Customer: TOTAL E&P Danmark AS

Location: Tyra field, Danish sector of the North Sea

Projects Under Execution: Gas Solutions

Major FSRU and FSU Conversion & Upgrade



FSU conversion & upgrading of Torman II for
Gasfin Development S.A. / NYK

Conversion & Upgrade of Major Floating Storage & Regasification Units (FSRU) and Floating Storage Units (FSU):

- FSRU – Karmol LNGT Powership Africa
- FSRU – Karmol LNGT Powership Asia
- FSU – Torman II



FSRU conversion & upgrading of Karmol LNGT Powership Africa and Karmol LNGT Powership Asia for MOL / Karadeniz JV

Projects Under Execution: Ocean Living Solutions

Norled Ropax Ferries Project

Design and Construction of 3 Battery-powered Proprietary-designed Roll-on Roll-off Passenger (Ropax) Ferries



Project: Design and construction of three battery-powered ropax ferries based on a proprietary design by Sembcorp Marine's wholly-owned subsidiary LMG Marin

Customer: Norled AS

Operation: Norway



Projects Under Execution: Advanced Drilling Rig Solutions

Transocean Drill Ships

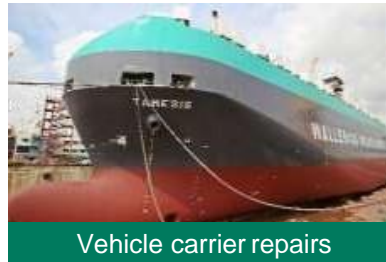
Construction of 2 Proprietary Design High-Specification Drill Ships



Project: Construction of 2 high-specification ultra-deepwater drill ships for Transocean based on Sembcorp Marine's proprietary Jurong Espadon 3T drillship design.

Customer: Transocean

FY 2020 Repairs & Upgrades – Diverse Marine & Offshore Projects



FY 2020 Repairs & Upgrades – Cruise Ships



Sembcorp Marine completed 26 cruise ship repairs and upgrades in 2020 – a credible performance despite the impact of COVID-19 on the cruise industry



Norwegian Escape from Norwegian Cruise Line



Pacific Explorer from P&O Australia



Majestic Princess from Princess Cruises



Westerdam from Holland AmericaLine



Genting Dream from Dream Cruises

FY 2020 Repairs & Upgrades Highlights

Successful Makeover of Asuka II Cruise Ship



Successful makeover of NYK Cruises' Asuka II – Japan's largest cruise ship – involving extensive refurbishment and scrubber installation – in the first quarter of 2020



Higher Value Works at Repairs & Upgrades

World Leader in LNG Carrier / FSRU / FSU Repairs, Upgrades & Conversions



Sembcorp Marine was recognised as World Number One in the LNG Carrier / FSRU / FSU sector, with a total of 18 repair and conversion projects under its belt in 2020



Conversion and delivery of FSU CNTIC VPower Energy



Gas Solutions projects: (From left) FSRU Karmol LNGT Powership Africa, FSRU Karmol LNGT Powership Asia, and FSU Torman II undergoing major conversion and upgrading



LNG carrier repairs & upgrades for GasLog LNG Services' fleet

- ❖ **Increasing impetus for customers to restart the development of deferred projects on possible economic recovery**
- ❖ **Latin American Region, especially offshore Brazil continues to be very active in E&P activities.**
- ❖ **Well positioned to seize opportunities leveraging its EJA integrated yard, the largest and most advanced yard in Brazil**
- ❖ **Pre-FID engineering work for SPE Cambo FPSO in anticipation of development sanction on the project in late 2021**
- ❖ **Preferred supplier of RWE Renewables for its 1.4GW Sofia Offshore Wind Farm's High Voltage Direct Current (HVDC) electrical transmission system**
- ❖ **Ongoing development of several battery-operated ferries**
- ❖ **Commenced basic design work for a customer's wind turbine installation vessel (WTIV)**
- ❖ **Commenced early design works for vessels for ocean living**

- ❖ **The Rights Issue enabled the Group to strengthen its liquidity and balance sheet**
- ❖ **The demerger from Sembcorp Industries allowed the Group to be more focused in executing its business strategy**
- ❖ **The Group's business on a firmer footing with Temasek as a direct and significant shareholder.**
- ❖ **Compelling strategic benefits of:**
 - **Enhanced strategic and operational focus**
 - **Strengthened customers' confidence in its focused execution**
 - **Improved agility to respond to evolving market dynamics and seize opportunities**

To sustain its business and successfully compete in the global arena for new opportunities, Sembcorp Marine has implemented three key strategies:

- ❖ Strategic Expansion into Existing and Adjacent Markets to Remain Resilient & Relevant**
- ❖ Augmentation of Core Capabilities & Technology to Enhance Competitiveness**
- ❖ Strategic Investments in Technology and Human Capital to be Future Ready**

- ❖ Strategic acquisition of intellectual property, technologies and engineering talent
- ❖ Investments in R&D and disruptive technologies
- ❖ Industry collaboration to tap best-in-class capabilities

Our R&D Collaborations



Project: Development of Maritime Hydrogen Fuel Cell

Partners: Equinor, Toyota, Wilhelmsen, NCE Maritime Cleantech, Norled, University of South-Eastern Norway and Corvus Energy



Projects: Joint Lab@TBY, Digital Design and Advanced Manufacturing

Partner: A*STAR



Project: Carbon Capture & Storage

Partners: Gassnova, The Research Council of Norway, DNV GL, Moss Maritime, Altera Infrastructure and TGE Marine Gas Engineering

Our Technology Companies



- ❖ Management of resources with added prudence and discipline**
- ❖ Deferment of all non-essential CAPEX and implementation of group-wide cost optimisation**
- ❖ Financial discipline and prudence to manage balance sheet and further strengthen the Group's financial position**

Looking Ahead

Despite the present trajectory of a gradual economic recovery, it remains premature to predict a strong and sustainable recovery for the industry. Sembcorp Marine expects losses to continue. However, the Group will continue its strategic initiatives to build business resilience and position itself for future growth.

- As global players in the world's energy system transform and pivot in favour of cleaner energy, and build the appropriate energy infrastructure, it is anticipated that there will be increasing green opportunities. Sembcorp Marine stands poised to benefit from this transition with innovative and sustainable solutions, underpinned by its technology bench strength across the global offshore, marine and energy value chain.

The completion of the Group's Rights Issue in 2020 has strengthened our liquidity position and balance sheet. The Group will manage its liquidity prudently to ride through the current uncertainty and challenging business environment.

Agenda

- President & CEO Address
- **Group Finance Director Address**
- Question and Answer Session



- ❖ **Group revenue at S\$1.51 billion, down 48% YoY due to production stoppages and delays caused by COVID-19**
- ❖ **Net loss of S\$439 million before Impairments & Provisions**
- ❖ **Impairments & Provisions of S\$162 million (pre-tax) / S\$144 million (post-tax)**
- ❖ **Net loss of S\$583 million after Impairments & Provisions**
- ❖ **No cancellation of existing projects during the year**
- ❖ **As at end-2020, net order book of S\$1.82 billion**
- ❖ **Post S\$2.1 billion Rights Issue, Balance Sheet strengthened; Net debt to equity at 0.75 times**

2H 2020 Financial Performance

Group (S\$ million)	2H 2020	2H 2019	+/(-) %
Turnover	604	1,341	(55)
Gross Loss	(296)	(118)	n.m.
EBITDA	(308)	(21)	n.m.
Operating Loss	(409)	(141)	n.m.
Loss before tax	(450)	(161)	n.m.
Net Loss	(390)	(130)	n.m.
EPS (basic) (cts)	(4.60)	(5.99)	(23)

**Excluding Material Impairments and Provisions,
2H 2020 Gross Loss, EBITDA and Net Loss are as follows:**

Group (S\$ million)	2H 2020
Gross Loss	(262)
EBITDA	(146)
Net Loss	(246)

FY 2020 Financial Performance

Group (S\$ million)	FY 2020	FY 2019	+ / (-) %
Turnover	1,510	2,883	(48)
Gross Loss	(490)	(92)	n.m.
EBITDA	(380)	104	n.m.
Operating Loss	(582)	(139)	n.m.
Loss before tax	(671)	(177)	n.m.
Net Loss	(583)	(137)	n.m.
EPS (basic) (cts)	(10.88)	(6.32)	(72)
NAV (cts)	29	104	n.m. ⁽¹⁾

(1) Not meaningful due to effects of S\$2.1 billion Rights Issue

**Excluding Material Impairments and Provisions,
FY 2020 Gross Loss, EBITDA and Net Loss are as follows:**

Group (S\$ million)	FY 2020
Gross Loss	(456)
EBITDA	(218)
Net Loss	(439)

Impairments & Provisions

Group (S\$ million)	2H 2020	FY 2020
<u>Impairments & Provisions</u>		
Increase in provisions for reinstating TK Yard	74	74
Impairment loss on a marine vessel	49	49
Write down of inventory relating to jack-up equipment	34	34
Expected credit loss on receivables	5	5
Tax effects	(18)	(18)
Total Impairments & Provisions (post-tax)	144	144

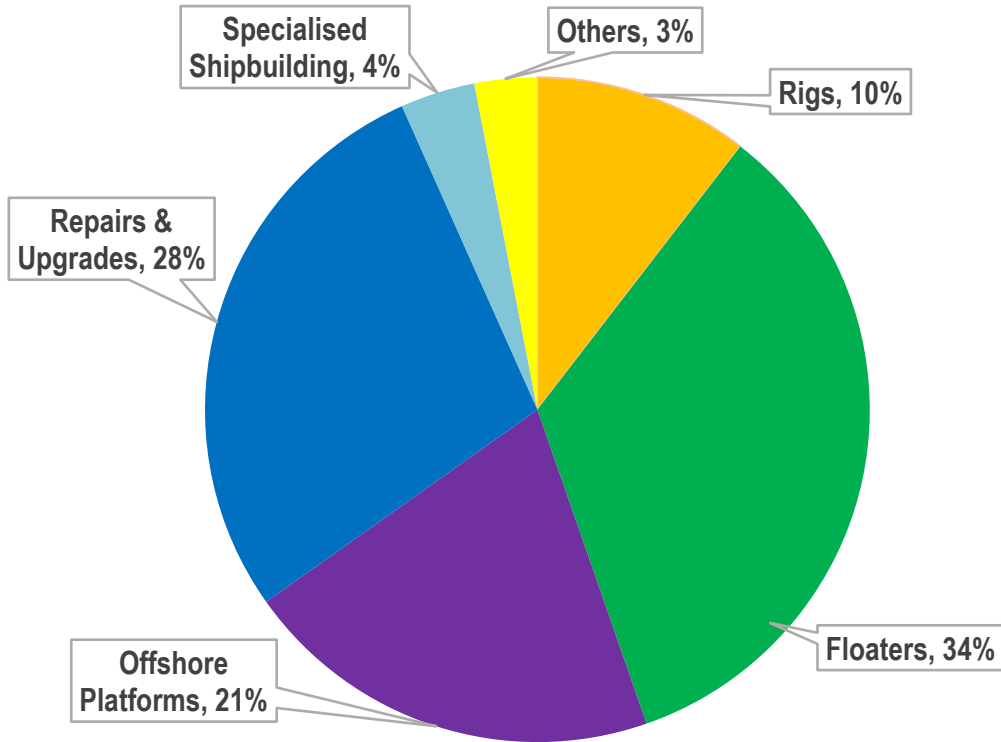
Capital, Gearing and ROE

Group (\$ million)	FY 2020	FY 2019	% change
Shareholders' Funds	3,667	2,173	69
Net Debt	2,777	4,012	(31)
Net Working Capital	(259)	(310)	(16)
Net gearing ratio (times)	0.75	1.14	(34)
Interest coverage ratio (times)	(2.7)	0.8	n.m.
ROE (%)	(19.9)	(6.1)	n.m.
ROTA (%)	(5.1)	(0.1)	n.m.
Net Asset Value (cents)	29.21	103.96	n.m. ⁽¹⁾

(1) Not meaningful due to effects of S\$2.1 billion Rights Issue

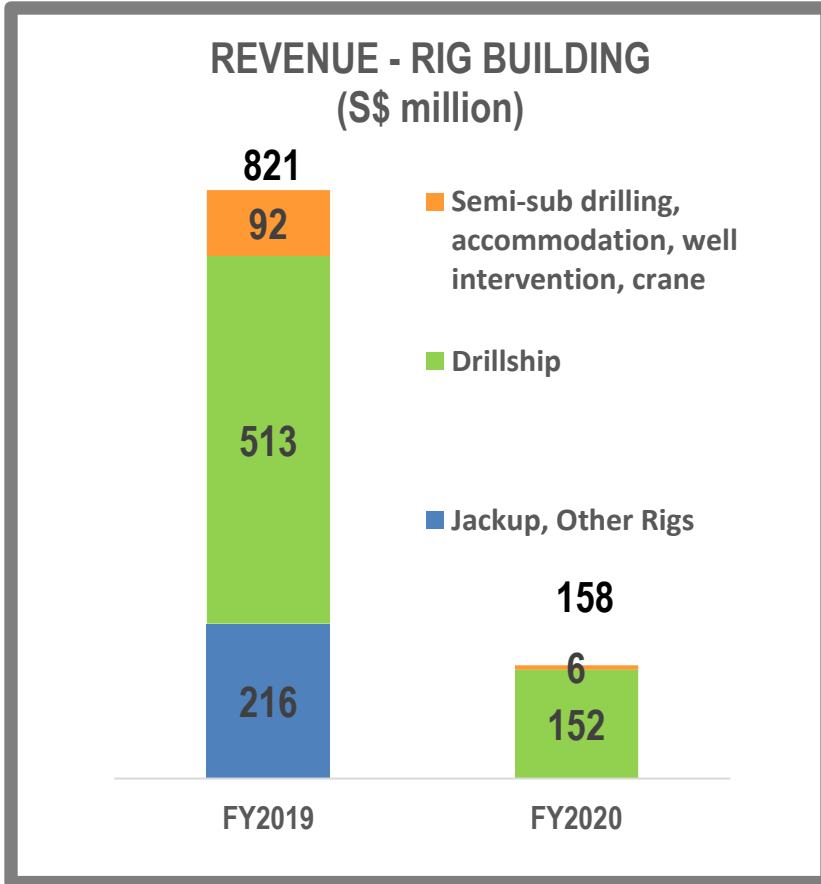
Group (S\$ million)	FY 2020	FY 2019	% change
Net cash flow (used in)/generated from operating activities	(750)	(296)	n.m.
Net cash used in investing activities (mainly Capex)	(88)	(312)	(72)
Net cash flow from/(used in) financing activities (mainly net proceeds from Right Issues and borrowings)	1,226	164	n.m
Net increase/(decrease) in Cash	388	(444)	n.m.
Cash in balance sheets	772	389	98
Borrowings	(3,549)	(4,401)	(19)
Net Debt	(2,777)	(4,012)	(31)

FY 2020 SEGMENTAL REVENUE

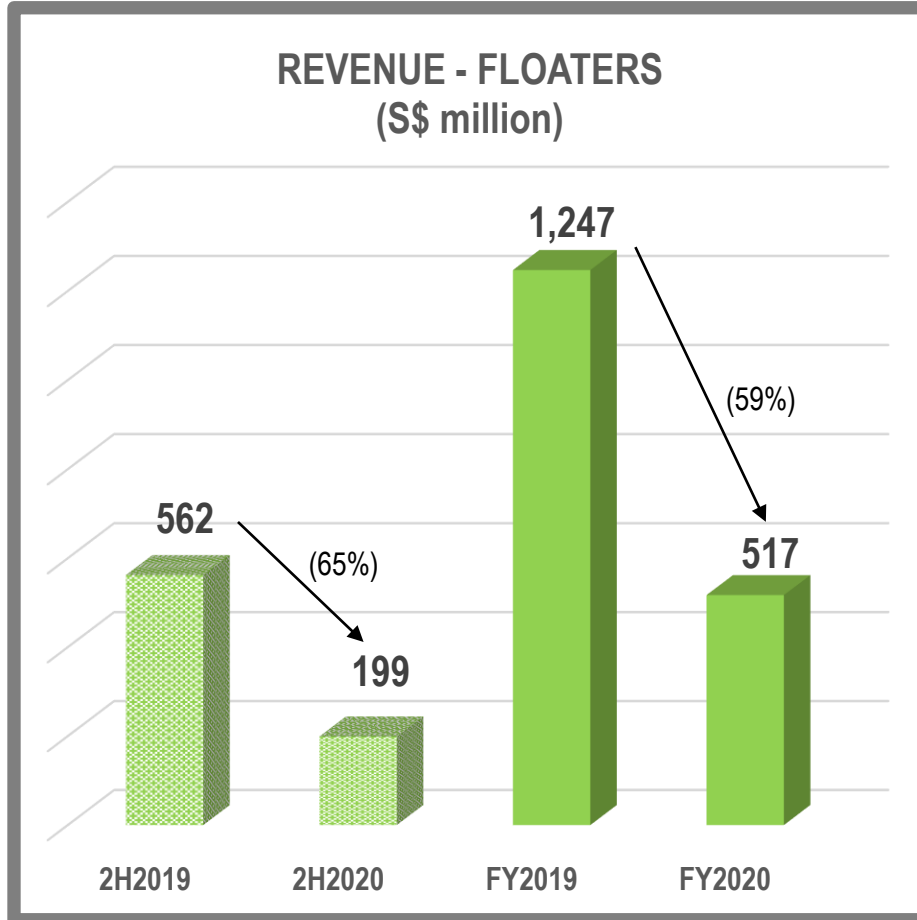


	FY 2020	FY 2019	YoY +/(-) %
Rigs	158	821	(81)
Floaters	517	1,247	(59)
Offshore Platforms	310	131	137
Repairs & Upgrades	425	605	(30)
Specialised Shipbuilding	56	35	60
Others	46	43	8
Total	1,510	2,883	(48)

Rig Building

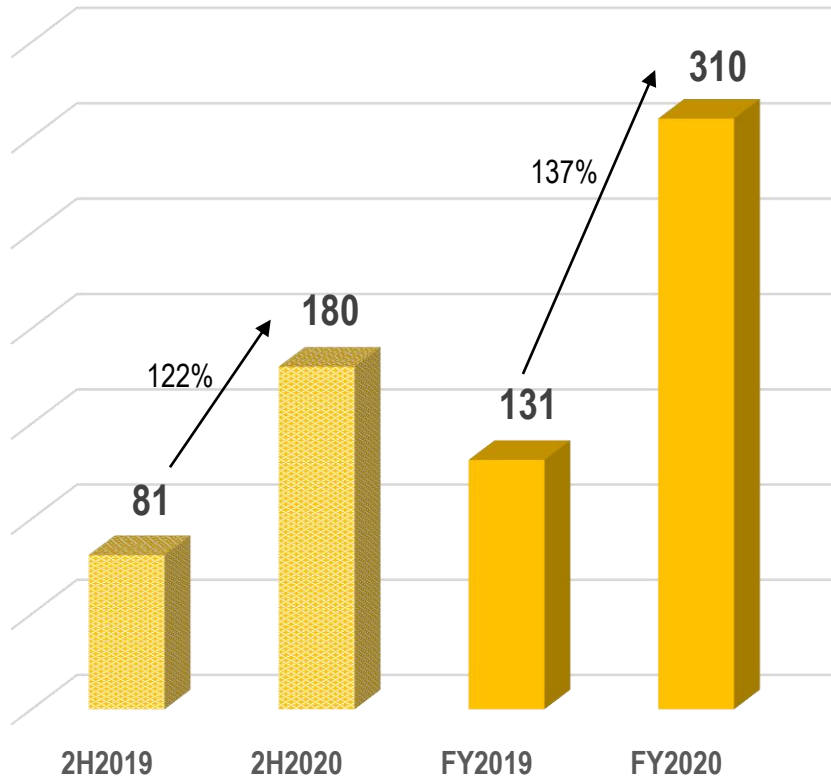


- Rig building revenue was S\$158 million in FY 2020 (FY 2019: S\$821 million)
- Lower revenue reflects significantly lower offshore rig building activity and the production time out due to COVID-19 restriction order
- Revenue mainly from 2 Transocean advanced drillship projects



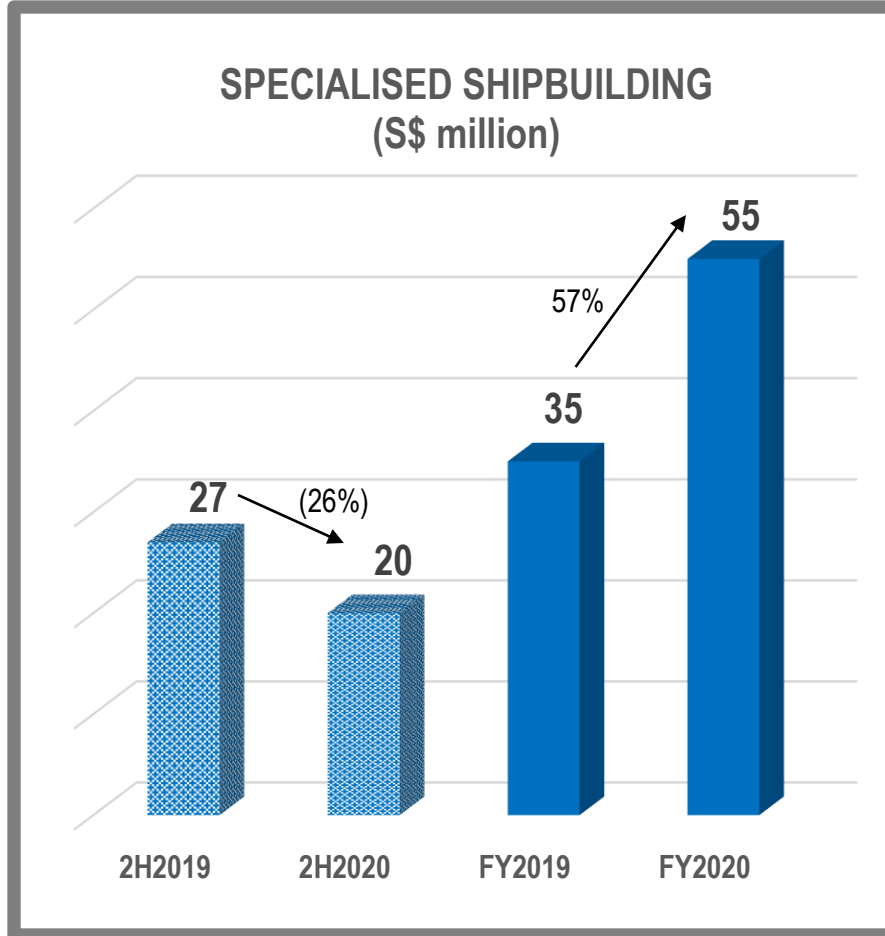
- Floaters revenue at S\$517 million for FY 2020, a decline of 59% YoY
- Affected by production stoppages in relation to COVID-19 restriction order
- Gradual resumption of yard operation with projects in various WIP stages
- Projects include offshore floating production, new build and conversions
 - Equinor Johan Castberg - Newbuild FPSO
 - Technip Energies Karish - Newbuild FPSO
 - Shell Vito - Newbuild FPU
 - Shell Whale - Newbuild FPU
 - P-71 - Newbuild FPSO
 - Shapoorji - FPSO Conversion

OFFSHORE PLATFORMS
(S\$ million)



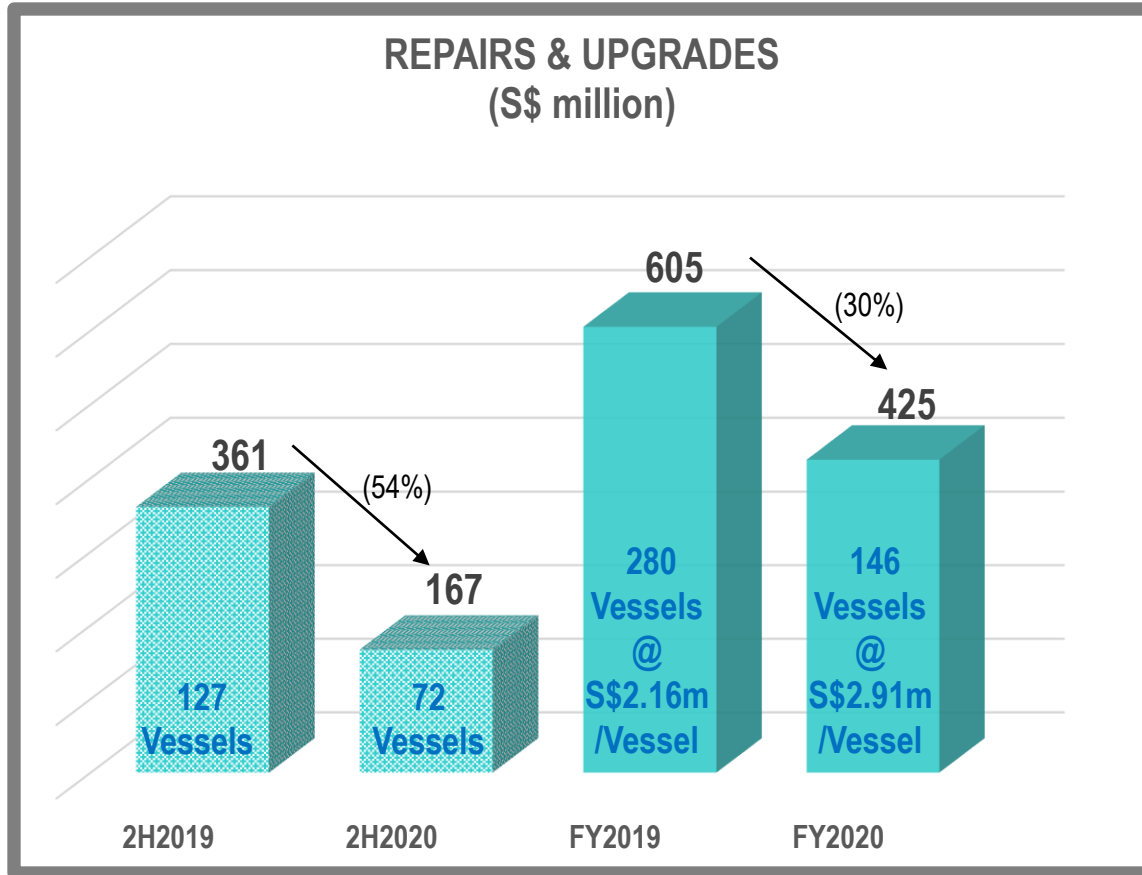
- **Offshore Platforms revenue more than doubled YoY to S\$310 million for FY 2020**
- **Notable Renewable Solution Projects under execution:**
 - Orsted Hornsea 2 Offshore Wind Farm Reactive Compensation Station (RCS) Topsides
 - Jan De Nul Formosa 2 Offshore Wind Farm – Wind Turbine Jacket Foundations
 - RWE Renewables Sofia Offshore Wind Farm – Early Works Contract

Specialised Shipbuilding



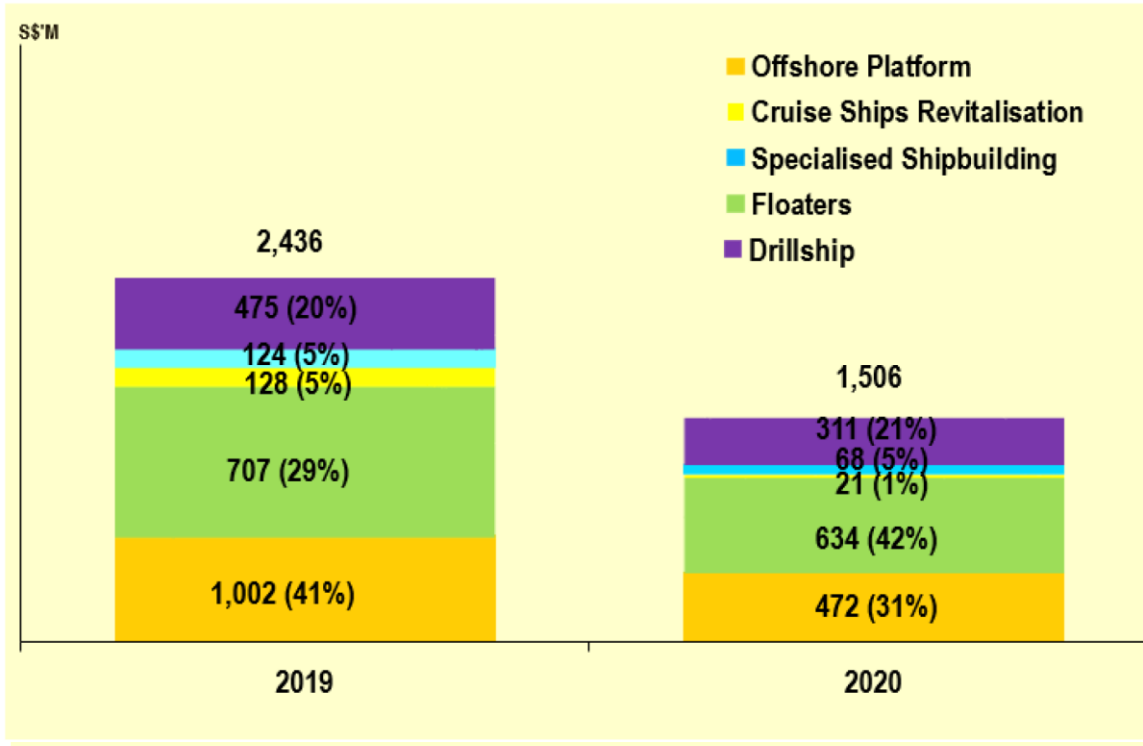
- **Specialised Shipbuilding revenue increased 57% YoY to S\$55 million for FY 2020**
- **Projects under execution**
 - 3 units of Battery-operated Ropax (Roll-on-Roll-off Passenger) ferries
 - 12,000 cubic metres LNG bunker vessel

Repairs & Upgrades



- Revenue from repairs & upgrades declined by 30% YoY to S\$425 million for FY 2020
- Affected by production stoppages in relation to COVID-19 restriction order
- Improved vessel mix and higher value works for FY 2020

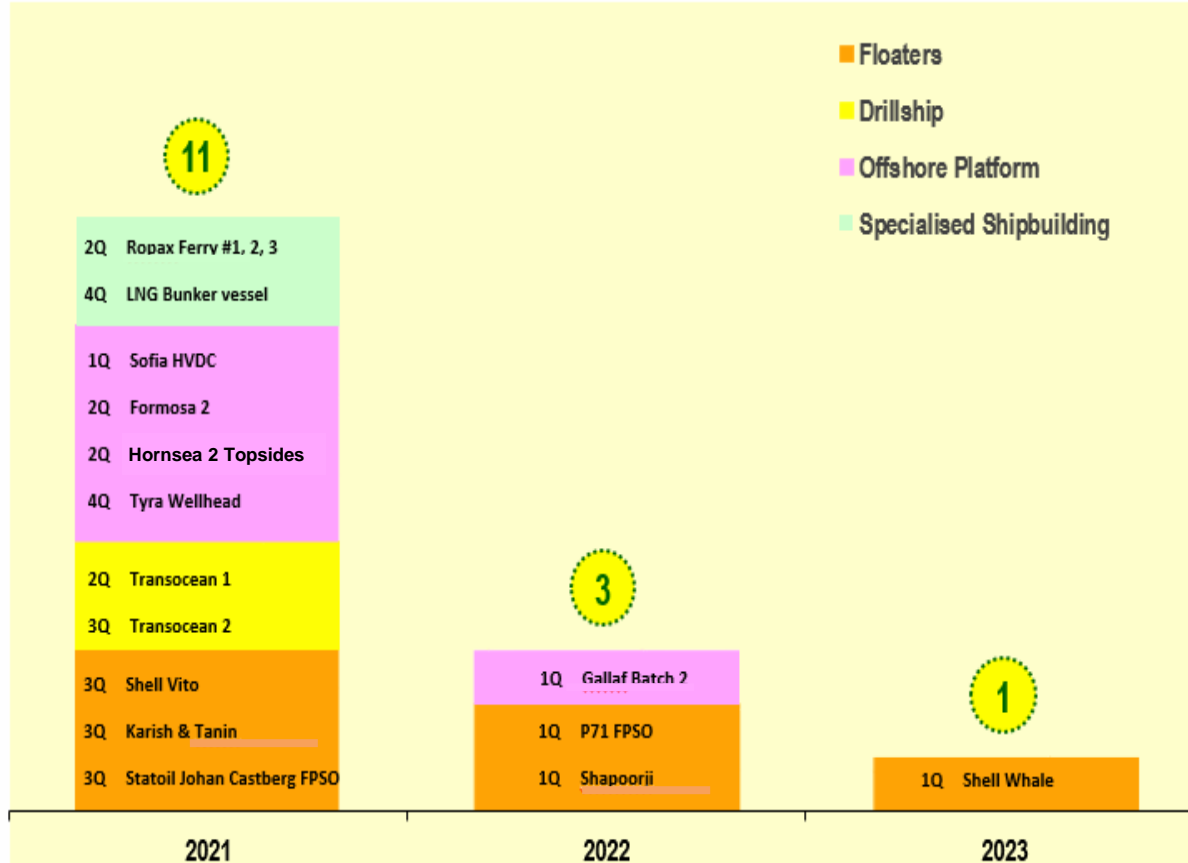
Net Order Book at S\$1.82 billion



Net Order Book of S\$1.82 billion comprises:

- S\$1.51 billion of projects under execution (with a total original contract sum of S\$6.5 billion)
- S\$0.31 billion of ongoing Repairs & Upgrades projects with firm deliveries in 2021
- Increased visibility from 2H 2020

Project Delivery Schedule



- 15 existing projects under execution
- Majority (11) to be delivered in FY 2021
- Balance to be delivered by FY 2023

Agenda

- President & CEO Address
- Group Finance Director Address
- Question and Answer Session



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.



**sembcorp
marine**

Integrated Synergies, Global Possibilities.