



**sembcorp
marine**

Integrated Synergies, Global Possibilities.

CORPORATE PRESENTATION FY2021 RESULTS BRIEFING

25 FEB 2022

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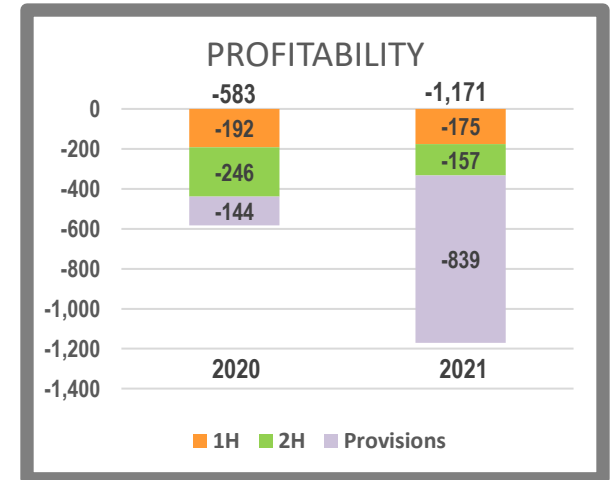
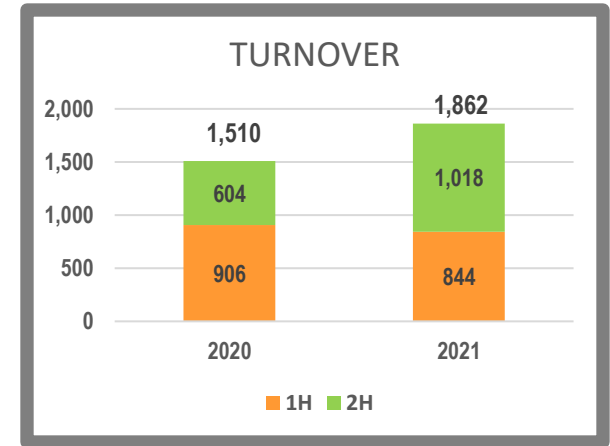
Agenda

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



- ❖ **Continuing operational challenges and work disruptions due to COVID-19**
- ❖ **Took active measures to improve project execution and demonstrated operational resilience, flexibility and capabilities**
- ❖ **Completed four key projects with successful delivery to customers amid pandemic-led operational challenges**
- ❖ **Remain committed to complete existing projects**

- ❖ Recorded revenue of S\$1,018 million for 2H2021, culminating in FY2021 revenue of S\$1,862 million, 23% higher YoY
- ❖ Registered a full year net loss of S\$1,171 million reflecting significantly higher provisions of manpower and other related costs
- ❖ Provisions totaled S\$839 million (post-tax basis)
- ❖ None of the Group's existing projects were cancelled during the year



Successful completion of S\$1.5 billion Rights Issue in September 2021

- ❖ **Enhanced liquidity to meet existing operational funding requirements and fulfil existing commitments**
- ❖ **Bolstered Balance Sheet supports ongoing strategic expansion into high growth renewables and clean energy segments**
- ❖ **Improved financial agility to seize opportunities and respond to evolving market dynamics**



- **Successful Completion of Projects**
- **Ongoing Project Execution**
- **New Order Developments**

Successful Completion of Projects



Tyra Redevelopment Project – Completed four wellhead platforms, two riser platforms and four bridges for TotalEnergies. Tyra East platforms and bridges were delivered in Jul 2021 and Tyra West platforms and bridges were delivered in Jan 2022



Formosa 2 Offshore Wind Farm – Completed construction of 15 wind turbine jacket foundations for Jan De Nul. Four jacket foundations sailed away in Oct-Nov 2021 and one jacket foundation in Feb 2022. The remaining jacket foundations are awaiting sailaway pending customer's vessel availability.



- Safe and efficient integration of the Vito topside with its FPU hull in a single lift using Tuas Boulevard Yard's pair of goliath cranes with a combined 30,000-tonne lifting capacity
- **Vito Regional Facility** sets off for the US Gulf of Mexico in early Jan 2022 following delivery to Shell at end-Dec 2021



Delivery of **Johan Castberg FPSO project**, comprising construction of FPSO hull and living quarters, to Equinor for completion in Norway

Successful Completion of Projects

Major FSRU/FSU conversions:

- FSRU Karmol LNGT Powership Africa delivered to **KARMOL** in Mar 2021 for operations in Senegal to bring cleaner energy to West Africa
- FSU GasLog Singapore in July 2021 for **GasLog LNG**

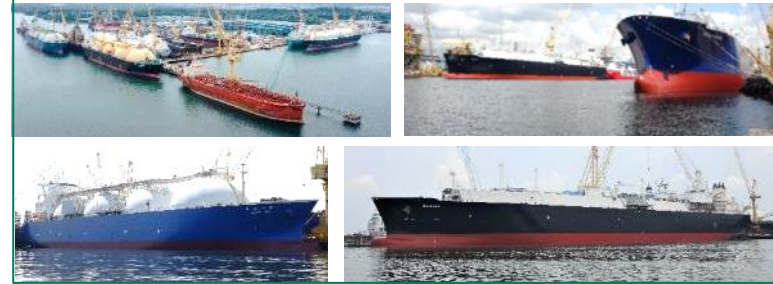


- **Upgraded FPSO Ningaloo Vision** for **Teekay**,
- **Repaired FSO Prem Pride** for **Synergy Marine Group**, and **FSO Caspian Sea** for **Omni Terminals Offshore**
- **Upgraded heavy-lift carrier Aegir** for **Heerema**
- **Decontamination works & damage repairs** for vessels



- **29 cruise ship refit & maintenance projects** for customers, such as **Carnival Australia**, **Celebrity Cruises**, **Princess Cruises**, **Royal Caribbean** and new FFC partner **Compagnie Du Ponant**

- **16 LNG carrier refits & upgrades** for customers, including **GasLog**, **MOL LNG**, **NWSSSC Australia**, and **NYK LNG**.
- Completed Murex, Macoma, Magdala, three of five LNG reliquefaction plant installation projects for **Seapeak** (formerly Teekay Gas) and **Shell**



- **Green technology retrofit solutions:**
Completed 30 BWMS and scrubber projects



Projects Under Execution as at 31 December 2021

Renewables Solutions

- Jan De Nul – Formosa 2 Offshore Wind Farm
- Ørsted – Hornsea 2 Offshore Wind Farm: Offshore Hook-up and Commissioning of Offshore Substation and Reactive Compensation Station Topsides
- RWE Renewables – Sofia Offshore Wind Farm: Offshore Converter Platform

Process Solutions

- Equinor - Johan Castberg: Newbuild Floating Production, Storage and Offloading Vessel (FPSO)
- NOC – Gallaf Batch 2: Wellhead Platforms
- Shell – Whale Project: Newbuild FPU
- Shapoorji: FPSO Conversion
- Tupi P-71: FPSO Modification, Integration and Topside Modules Fabrication

Gas Solutions

- Bechtel – Pluto Train 2 Project: Modules Assembly of LNG Gas Processing Trains
- MOL – LNG Bunker Vessel
- TotalEnergies - Tyra Redevelopment Project: Topsides and Bridges
- Technip Energies – Karish: Newbuild FPSO
- KARMOL – Karmol LNGT Powership Asia and Karmol LNGT Powership Europe: FSRU Conversion and Upgrading Projects

Ocean Living Solutions

- Norled – Full Battery-operating Roll-on/Roll-off Passenger Ferries (Three units)

Advanced Drilling Rig Solutions

- Transocean Deepwater Atlas Drillship
- Transocean Deepwater Titan Drillship

- ❖ Commenced year with net order book of S\$1.8 billion, comprising S\$1.5 billion of projects under execution (with a total original contract sum of S\$6.5 billion) and S\$0.3 billion of Repairs & Upgrades projects
- ❖ Secured new contracts of about S\$1.0 million in 2021 despite challenging industry conditions and market environment
- ❖ Current net order book of S\$1.3 billion, comprising S\$1.1 billion of projects under execution and S\$0.2 billion of ongoing repairs & upgrades projects
- ❖ Green energy solutions comprise ~43% of the Group's net order book
- ❖ Total of 16 projects with 12 scheduled completion in 2022 and remainder in 2023-2025



Other Notable Projects



- Approval in Principle attained from ABS for the conceptual design of a first-of-its-kind ammonia bunkering vessel, developed by Sembcorp Marine together with partners MOL and ITOCHU Corporation
- Augments decarbonisation efforts of the marine industry



- Parts fabricated by additive manufacturing (AM) and installed onboard oil tanker Polar Endeavour by Sembcorp Marine were validated by ABS to be in good working condition six months after installation in Nov 2021
- The success of this joint development project with ABS, ConocoPhillips Polar Tankers and 3D Metalforge augurs well for the adoption of AM in the marine industry
- Sembcorp Marine is able to customise parts for customers and reduce material wastage and remove supply chain inefficiencies



- Signed MOU with Shell and Penguin International in April 2021 to jointly develop hydrogen as a marine fuel to champion decarbonisation in the maritime industry



- As part of the MOU with Big Data Exchange (BDx) and National University of Singapore Faculty of Engineering, Sembcorp Marine will contribute an offshore platform solution to advance the development of sustainable ocean data centres to address sustainability and environmental challenges



- Partnership with Singapore Power to deploy additional 4.0 MWp of solar energy in Tuas Boulevard Yard to boost its existing 4.5 MWp solar power capacity to 8.5 MWp – enabling the Group to avoid more than 4,200 tonnes of carbon emissions annually, equivalent to taking about 1,300 cars off the road.

New Order Developments

Improving industry outlook on the back of rising oil prices provide impetus for resumption of deferred activities, FIDs and capital expenditures

Improved prospect and opportunities associated with the global transition towards cleaner energy and sustainable solutions.

- ❖ **Actively attending to emerging tender opportunities in the Renewable Energy and Gas Solutions segment**
- ❖ **Tenders in progress for FPSOs, FSOs and FPU projects**
- ❖ **Secured 10 projects relating to the installation of Ballast Water Management Systems and a scrubber project**
- ❖ **Commenced work on FEED contract awarded by Altera for the development of an FPSO facility for the Dorado FPSO project**
- ❖ **Secured advanced orders for the repair and upgrade of 13 LNG carriers and the refit of three cruise vessels**
- ❖ **Continue to review relevant opportunities and grow pipeline of orders and projects**

Sustainability Commitment & Green Innovation



Winner of the prestigious **Sustainability Award**, presented for the first time by the **Maritime and Port Authority of Singapore** (MPA), at the Singapore International Maritime Awards 2021

Recognition of Sembcorp Marine's steadfast commitment to sustainability, which is integrated into the Group's business strategy and embedded into its operations



MF HYDRA, the world's first liquid hydrogen-powered vessel designed by wholly-owned subsidiary LMG Marin, won two awards:

- **Ship of the Year Award** from **Skipsrevyen**, a 50-year-old Nordic maritime magazine publication house
- **Best Medium Ro-Pax Award** at **Work Boat World 2021 Awards**



(Photo: Quark Expeditions)

Ultramarine, a polar-class cruise vessel designed by wholly-owned subsidiary LMG Marin, was awarded the **Best Medium Cruise Ship Award** at **Work Boat World 2021 Awards**.

The vessel is designed with a pioneering mix of advanced sustainability features to reduce its environmental impact

WSH Excellence

Won 24 awards at the Workplace Safety and Health (WSH) Awards 2021

Potential Combination



Potential Combination aims to create sustainable value over the long term

- ❖ Better positioned to capture opportunities arising from the energy transition
- ❖ Enhanced ability to support larger and more complex contracts
- ❖ Greater synergy from combined operational scale, broader geographical footprint and enhanced capabilities



Continue to Strive for Growth and Position for Recovery

- ❖ In FY2022, the Group will need to complete and deliver a total of 12 existing projects.
- ❖ Provisions for costs to complete these projects have already been made in FY2021. The Group is also on track to conclude negotiations on project completion terms with its key customers. Barring any unforeseen events, this should contribute positively to the Group's results in 1H2022.
- ❖ The industry outlook for the oil & gas, renewables and other green solutions continues to improve. It is important for the Group to convert its orders pipeline into firm contracts on a timely basis in FY2022.
- ❖ Taking the above factors into account, the Group expects its financial performance in FY2022 to be significantly better than FY2021.



Agenda

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

- ❖ **Group revenue at S\$1,862 million, up 23% YoY**
- ❖ **Net loss of S\$332 million before Provisions**
- ❖ **Provisions of S\$839 million (post-tax)**
- ❖ **Net loss of S\$1,171 million after Provisions**
- ❖ **No cancellation of existing projects during the year**
- ❖ **As at 31 December 2021, net order book of S\$1.3 billion**

Higher Provisions for FY2021

Significantly higher provisions to complete ongoing projects and other provisions (post-tax basis)

Group (S\$ million)	FY2021
Provisions for costs to be incurred:	
1. Additional labour & other costs to complete projects	696
2. Yards' reinstatement costs	75
3. Asset impairment loss & project stock write-down	68
Total Provisions (post-tax)	839

2H2021 Financial Performance

Group (S\$ million)	2H2021	2H2020	+/(-) %
Turnover	1,018	604	69
Gross Loss	(494)	(296)	67
EBITDA	(416)	(308)	35
Operating Loss	(515)	(409)	26
Loss before tax	(527)	(450)	17
Net Loss	(523)	(390)	34
EPS (basic) (cts)	(2.27)	(4.46)	(49)

**Excluding Material Provisions,
2H2021 Gross Loss, EBITDA and Net Loss are as follows:**

Group (S\$ million)	2H2021	2H2020	+/(-) %
Gross Loss	(137)	(262)	(48)
EBITDA	(49)	(146)	(66)
Net Loss	(156)	(246)	(37)

FY2021 Financial Performance

Group (S\$ million)	FY2021	FY2020	+/(-) %
Turnover	1,862	1,510	23
Gross Loss	(1,082)	(490)	n.m.
EBITDA	(1,028)	(380)	n.m.
Operating Loss	(1,224)	(582)	n.m.
Loss before tax	(1,255)	(671)	87
Net Loss	(1,171)	(583)	n.m.
EPS (basic) (cts)	(6.49)	(10.57)	(39)

Excluding Material Provisions,

FY2021 Gross Loss, EBITDA and Net Loss are as follows:

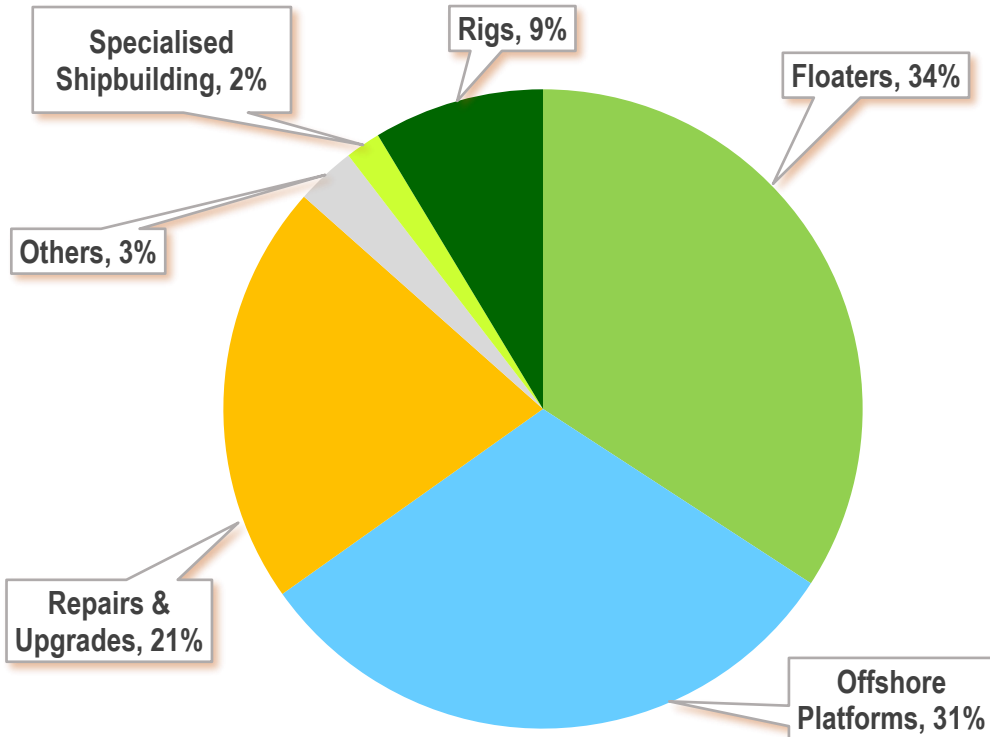
Group (S\$ million)	FY2021	FY2020	+/(-) %
Gross Loss	(289)	(456)	(37)
EBITDA	(101)	(218)	(54)
Net Loss	(332)	(439)	(24)

Capital, Gearing and ROE

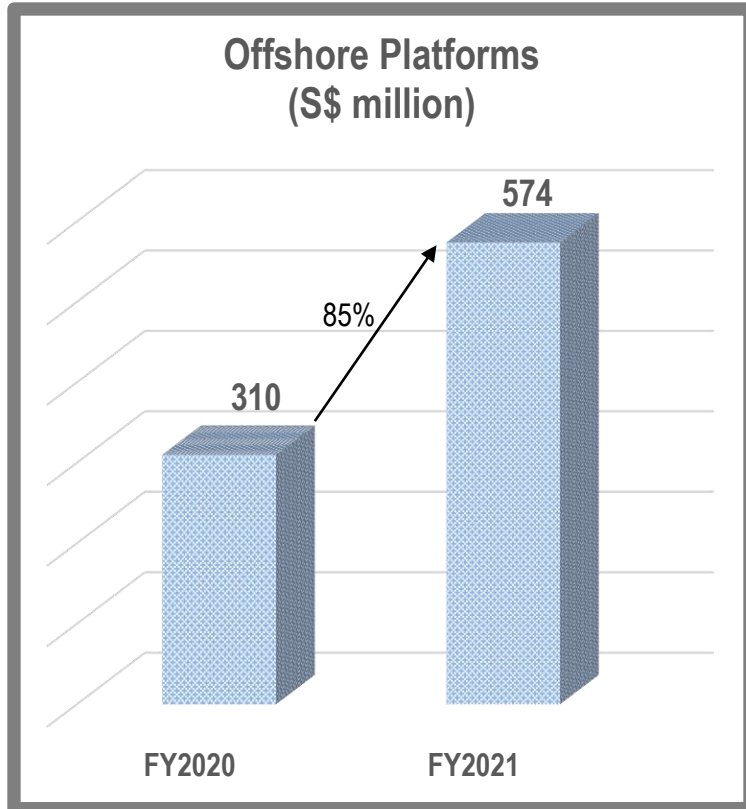
Group (\$ million)	FY2021	FY2020	% change
Shareholders' Funds	4,001	3,667	9
Net Debt	1,972	2,777	(29)
Net Working Capital	493	(259)	n.m.
Net gearing ratio (times)	0.49	0.75	(35)
Interest coverage ratio (times)	(12.4)	(2.7)	n.m.
ROE (%)	(30.5)	(19.9)	53
ROTA (%)	(12.0)	(5.1)	n.m.
Net Asset Value (cents)	12.75	29.21	(56)

Group (S\$ million)	FY2021	FY2020	% change
Net cash flow used in operating activities	(589)	(750)	(21)
Net cash used in investing activities (mainly Capex)	(44)	(88)	(50)
Net cash flow from financing activities (mainly net proceeds from Rights Issue, offset by net repayment of borrowings)	964	1,225	(21)
Net increase in Cash	331	387	(14)
Cash in balance sheets	1,104	772	43

FY2021 SEGMENTAL REVENUE

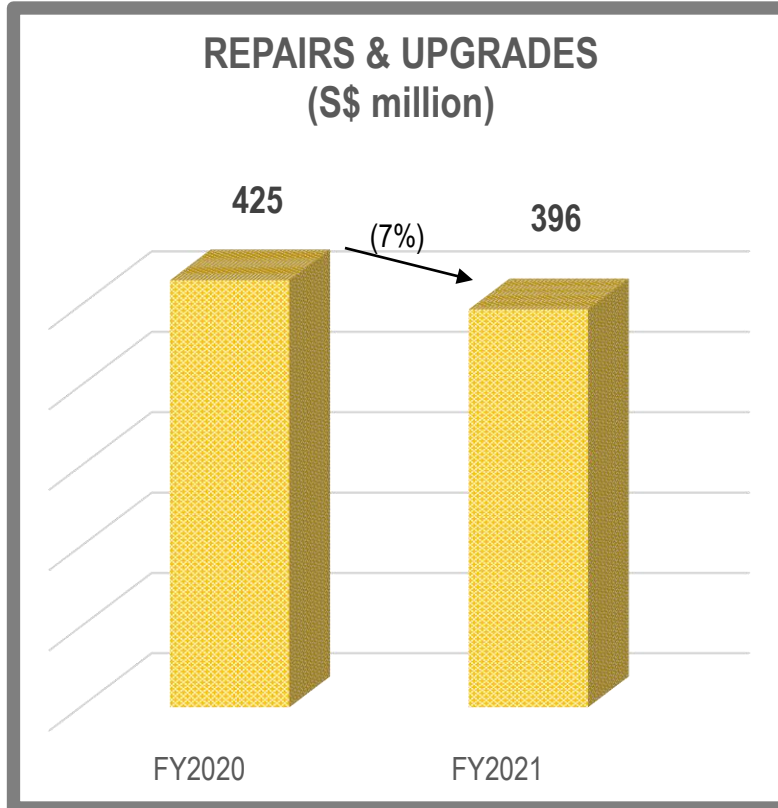


	FY2021	FY2020	YoY + / (-) %
Offshore Platforms	574	310	85
Repairs & Upgrades	396	425	(7)
Floaters	643	517	24
Rigs	160	156	3
Specialised Shipbuilding	33	56	(41)
Others	56	46	21
Total	1,862	1,510	23

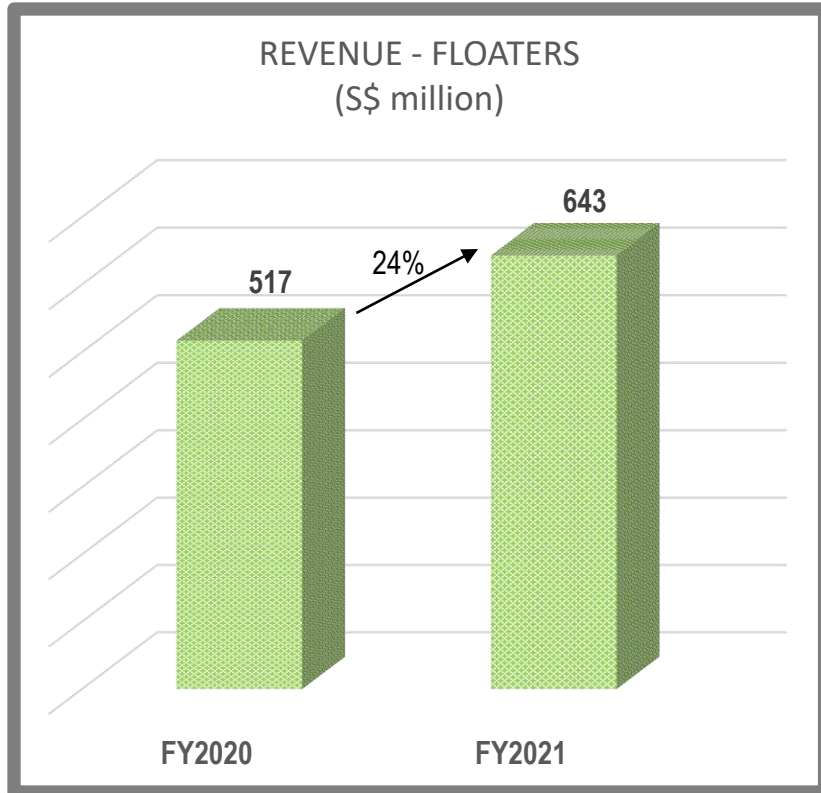


- **Offshore Platforms revenue rose by 85% to S\$574 million for FY2021**
- **Notable Renewable Solution Projects under execution:**
 - Orsted Hornsea 2 Offshore Wind Farm Reactive Compensation Station (RCS) Topsides
 - Jan De Nul Formosa 2 Offshore Wind Farm – Wind Turbine Jacket Foundations
 - RWE Renewables Sofia Offshore Wind Farm

Repairs & Upgrades



- Revenue from repairs & upgrades declined slightly by 7% compared to the corresponding year
- Lower number of vessel serviced and lower value per vessel



- Floaters revenue rose 24% to S\$643 million for FY2021
- Projects include offshore floating production, new build and conversions

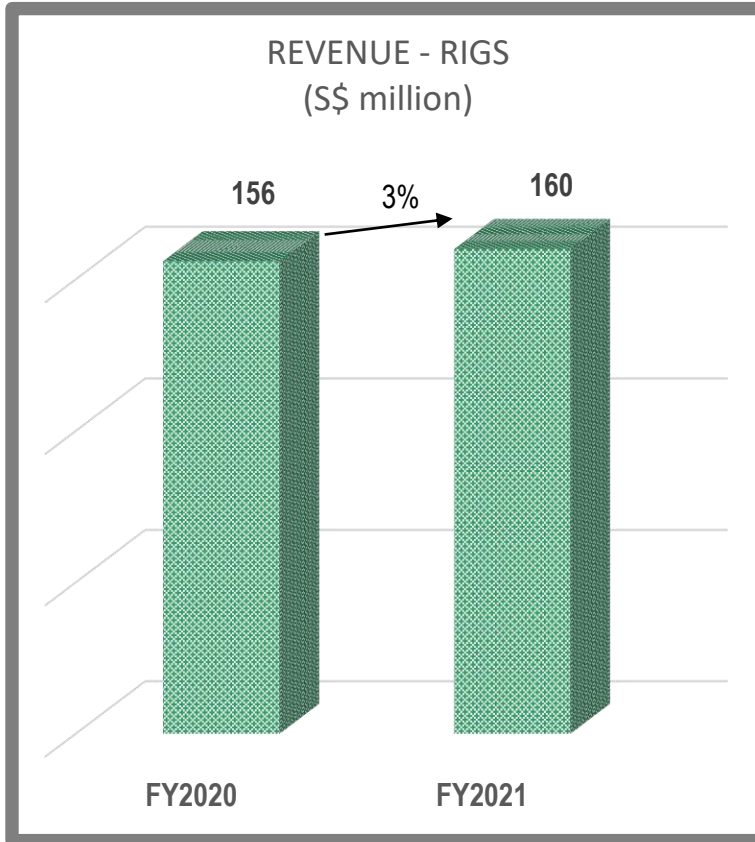
Completed and delivered

- Equinor Johan Castberg - Newbuild FPSO
- Shell Vito - Newbuild FPU

Ongoing Projects

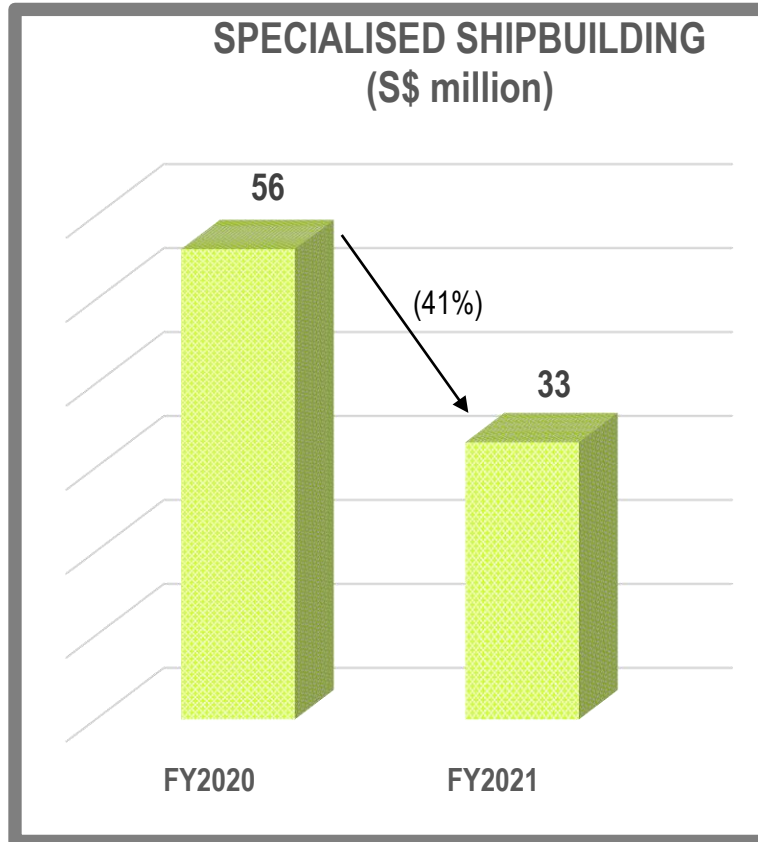
- Technip Energies Karish - Newbuild FPSO
- Shell Whale - Newbuild FPU
- P-71 - Newbuild FPSO
- Shapoorji - FPSO Conversion

Rig Building



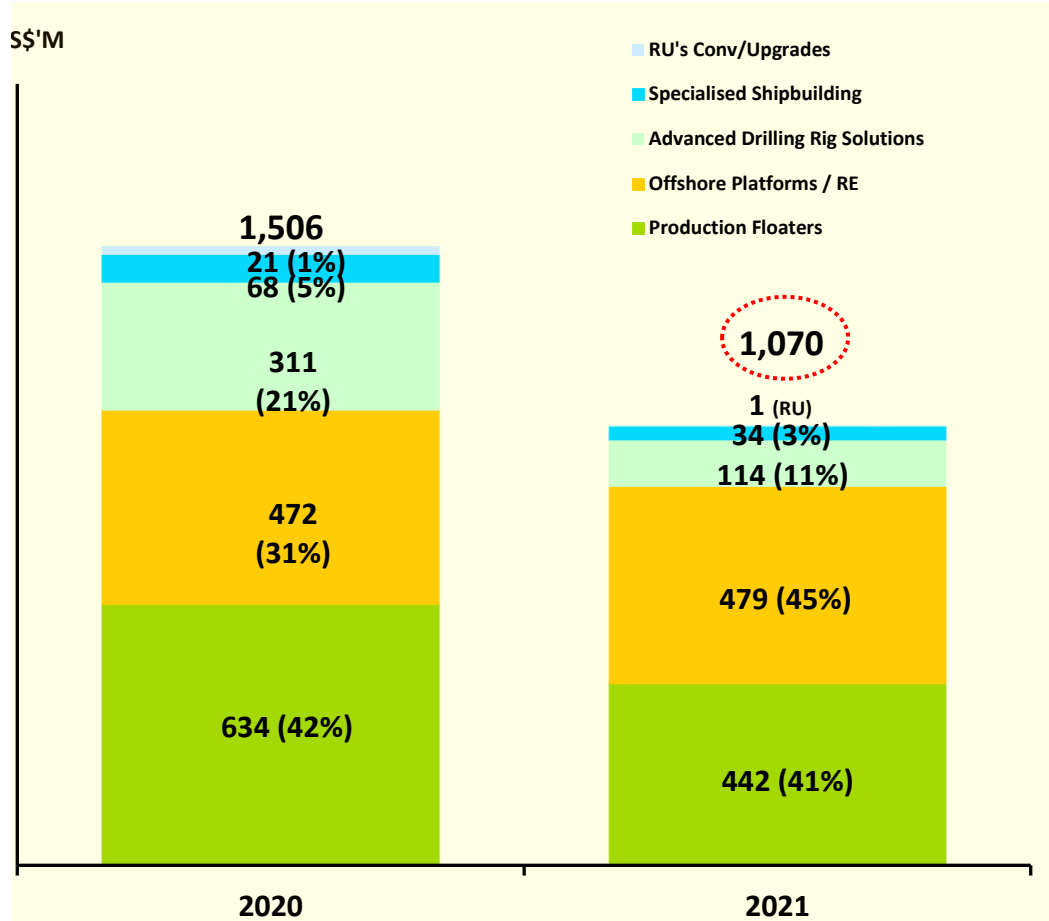
- Rig building revenue slightly up 3% to S\$160 million
- Offshore rig building activities remained subdued in FY2021

Specialised Shipbuilding



- **Specialised Shipbuilding revenue declined 41% YoY to S\$33 million for FY2021**
- **Projects under execution**
 - 3 units of Battery-operated Ropax (Roll-on-Roll-off Passenger) ferries
 - 12,000 cubic metres LNG bunker vessel

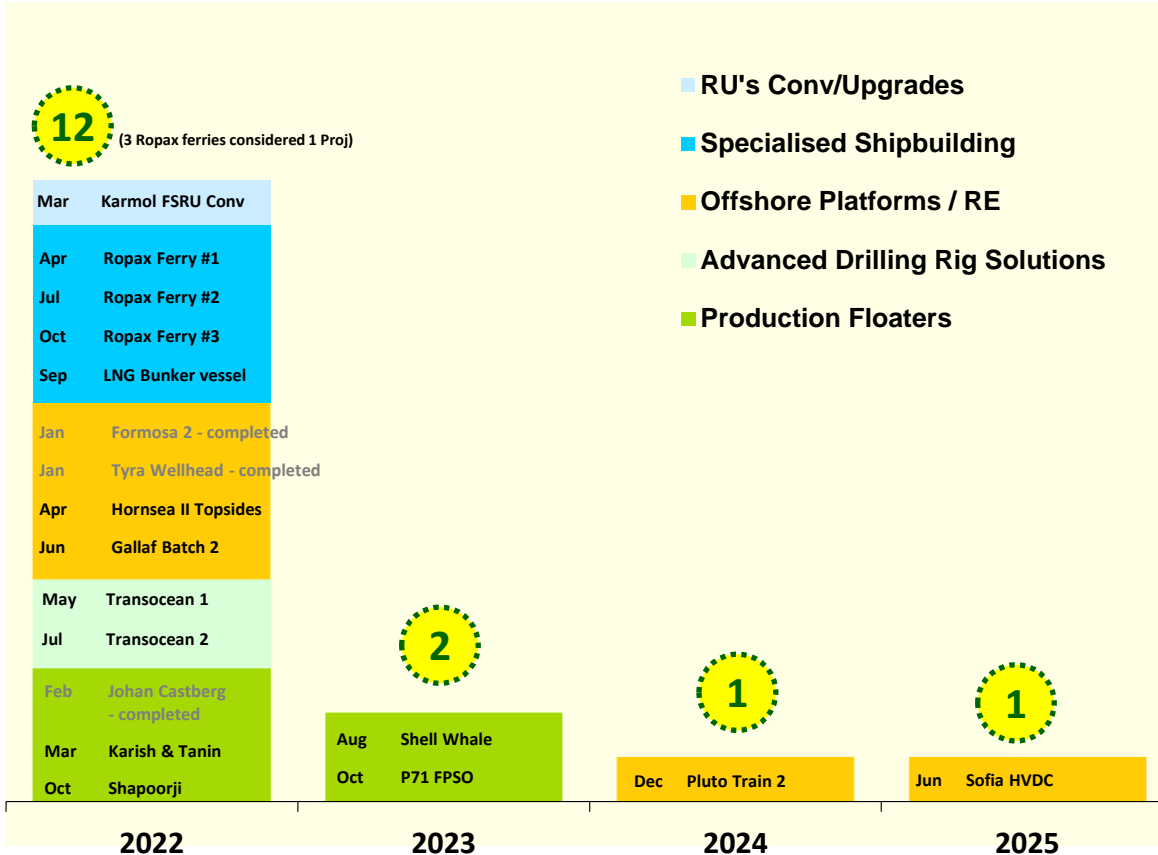
Net Order Book at S\$1.3 billion



Net Order Book of S\$1.3 billion comprises:

- S\$1.1 billion of projects under execution (with a total original contract sum of S\$6.1 billion)
- S\$0.2 billion of ongoing Repairs & Upgrades projects
- New order secured include Sofia HVDC Electrical System, FPSO P-71 Modification Work & Pluto Train
- Overall improvement in order visibility
- To-date no cancellation of existing projects

Project Delivery Schedule



- 16 existing projects under execution
- 12 projects to be delivered by FY 2022
- Balance to be delivered by FY 2025



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