



**sembcorp
marine**

Integrated Synergies, Global Possibilities.

CORPORATE PRESENTATION 1H2022 RESULTS BRIEFING

12 AUG 2022

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Agenda

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

Significantly Improved Performance

- ❖ **Strong execution and successive completion of projects,**
- ❖ **Completed seven key projects and two of three Ropax ferries**
- ❖ **Sequential revenue improvement since 1H2021**
- ❖ **Significantly lower net loss year-on-year**
- ❖ **Net order book crossed S\$2.5 billion with S\$1.9 billion of new contract wins in 1H2022**



- **Successful Delivery of Projects**
- **Ongoing Project Execution**

Successful Delivery of Projects



Deepwater Atlas – Delivered world’s first eighth-generation ultra-deepwater drillship with breakthrough capabilities for enhanced operational safety, efficiency and performance to Transocean in June 2022.



Fabrication of six production topsides and four bridges for TotalEnergies Tyra Redevelopment Project off the coast of Denmark in Jan 2022



Johan Castberg – Newbuild FPSO delivered to Equinor in February 2022 for harsh-environment operation in the Barents Sea following completion in Norway.



Energean Power – Newbuild FPSO set off from Singapore in April 2022 and now on location at Technip Energies’ Karish Field.

Successful Delivery of Projects

Conversion of the second of three FSRUs for KARMOL.

Work is underway for the conversion and upgrading of the third FSRU Karmol LNGT Powership Europe (ex-LNG Vesta).



Fabrication of 15 wind turbine jacket foundations for Jan De Nul Formosa 2 Offshore Wind Farm located offshore Miaoli County in the Taiwan Strait.



Hella & Dragsvik – Sailaway of two zero-emission full battery-operated Ropax ferries, in March and July respectively. Dragsvik will join Hella, which successfully commenced service in May 2022 under Norled's shortsea Hella-Vangsnes-Dragsvik connections.

Offshore hook-up and commissioning of the Offshore Substation and Reactive Compensation Station for Ørsted's Hornsea 2 Offshore Wind Farm in the UK North Sea.



96 vessels serviced covering naval vessels, cruise liners, LNG carriers, crude oil tankers and bulk carriers.



Projects Under Execution as at 30 June 2022

Renewables Solutions

- Maersk Supply Service – Wind Turbine Installation Vessel
- RWE Renewables – Sofia Offshore Wind Farm: Offshore Converter Platform

Process Solutions

- North Oil Company – Gallaf Batch 2: Wellhead Platforms
- Shapoorji: FPSO Conversion
- Shell – Whale Project: Newbuild FPU
- Tupi P-71: FPSO Modification, Integration and Topside Modules Fabrication

Gas Solutions

- Major Energy Company in Australia – Gas Topsides Engineering, Procurement, Construction and Installation
- Bechtel – Pluto Train 2 Project: Modules Assembly of LNG Gas Processing Trains
- MOL – LNG Bunker Vessel

Ocean Living Solutions

- Norled – Full Battery-operated Ropax Ferry (Third unit)
- Emgepron – NApAnt Scientific Research Support Vessel

Advanced Drilling Rig Solutions

- Transocean – Deepwater Titan Drillship

Strategic Technological Collaborations

- ❖ Design, fabrication and integration of a hydrogen fuel cell system onto a Ropax vessel
- ❖ Development of a first-of-its-kind ammonia bunkering vessel
- ❖ Development of sustainable ocean data centres
- ❖ Joint research project with TCOMS to further develop, validate, test and enhance the Group's SWACH Floating Wind Solution
- ❖ Development of the Group's proprietary SI-VAM Wind Solution

Proposed Combination



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Keppel **Offshore** ⁽¹⁾
& Marine



Creation of a premier global player offering offshore renewables, new energy and cleaner solutions in the offshore & marine sector



World-class engineering capabilities and global operational capabilities



Well-established track records for quality and reliability in executing complex, large-scale projects



Synergies from the combined operating and engineering capabilities are expected to deliver long-term value creation



Based on a 50:50 enterprise value ratio between Sembcorp Marine and Keppel O&M, and resultant agreed equity value exchange ratio post-adjustments⁽²⁾, the Combined Entity will be 44%-owned by Sembcorp Marine shareholders and 56%-owned by Keppel

- 1) Keppel O&M's legacy rigs and associated receivables to be sold to a separate Asset Co that will be 10.0%-owned by Keppel and 90.0%-owned by other investors while Floatel International Ltd and Dyna-Mac Holdings Ltd to be retained by Keppel.
- 2) The enterprise value ratio to equity value exchange ratio adjustment takes into account the respective capital structures of the two companies, the S\$500 million cash that Keppel O&M will pay to Keppel immediately prior to the closing of the transaction, and other adjustments.

Position for Recovery

- ❖ **Concrete steps taken to position Sembcorp Marine for global energy transition**
- ❖ **Improving industry outlook for oil & gas and offshore renewables/green solutions with improved order visibility**
- ❖ **Secured S\$1.9 billion worth of new orders in 1H2022. Working on multiple tender opportunities and actively converting orders pipeline into firm contracts**
- ❖ **Anticipate operational and financial performance to continue to improve**

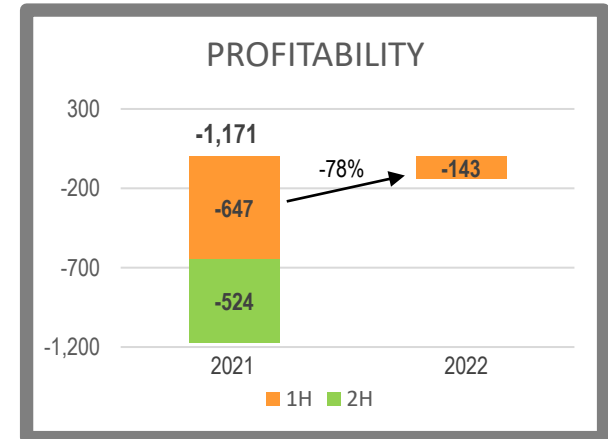
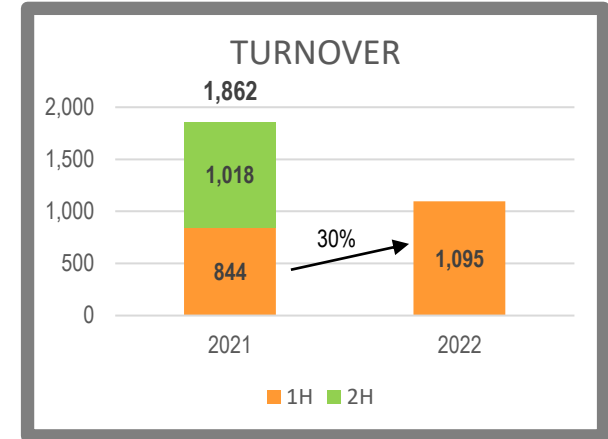


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1H2022 Key Financial Highlights

- ❖ 1H2022 Revenue of S\$1,095 million, 30% higher YoY
- ❖ 1H2022 Net loss of S\$143 million, 78% lower YoY
- ❖ 1H2022 EBITDA of –S\$19 million, 97% lower YoY
- ❖ Strong execution of projects contributed to improvement in financial performance
- ❖ New orders of S\$1.9 billion; Net order book of >S\$2.5 billion as at 30 June 2022



1H2022 Financial Performance

Group (S\$ million)	1H2022	1H2021	+/(-) %
Turnover	1,095	844	30
Gross Loss	(93)	(588)	(84)
EBITDA	(19)	(611)	(97)
Operating Loss	(115)	(709)	(84)
Loss before tax	(134)	(728)	(82)
Net Loss	(143)	(647)	(78)
EPS (basic) (cts)	(0.46)	(5.01)	(91)

- Revenue underpinned by positive outcomes for project completion terms with key customers and initial contributions from new projects
- Pandemic-related challenges largely resolved coupled with financial prudence resulting in overall improved operational and financial performance
- Net loss attributed to lower than breakeven activity volume; and residual COVID-19 challenges resulted in one-off cost provisions and overheads
- Significant EBITDA improvement, close to breakeven

Group (S\$ million)	1H2022	1H2021	% change
Net cash flow used in operating activities	307	(2)	n.m.
Net cash used in investing activities (mainly Capex)	(10)	(22)	(55)
Net cash flow from financing activities	15	41	(63)
Net increase in Cash	312	17	n.m
Cash in balance sheets	1,415	788	80

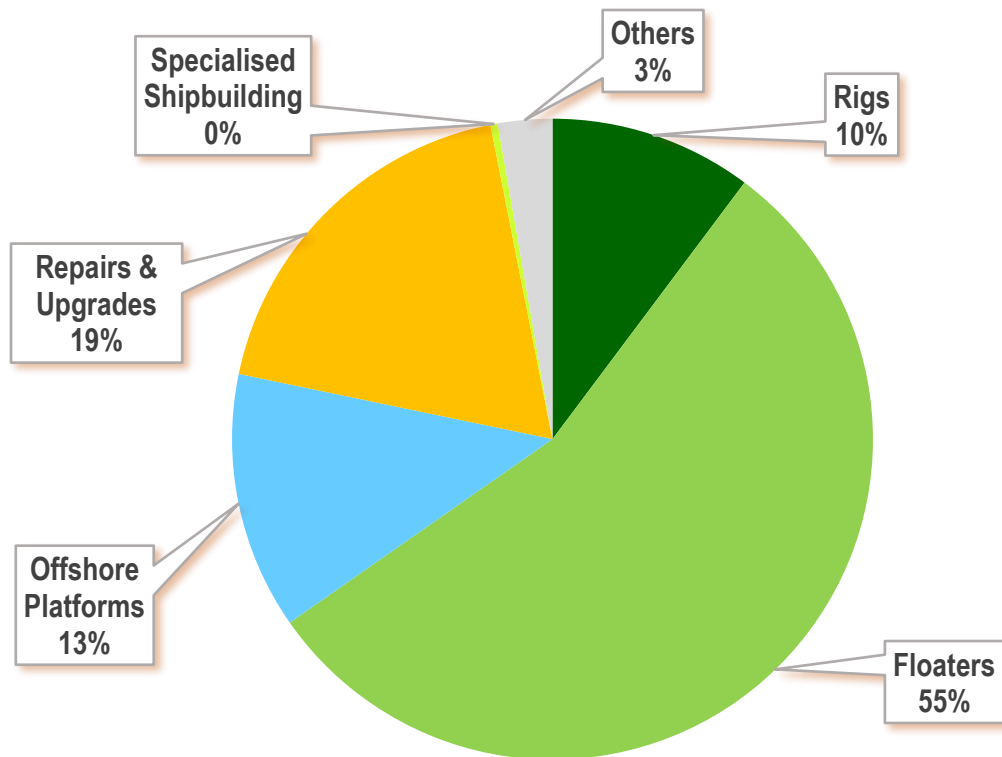
- **Positive operating cash flow from increased project receipts**
- **Optimised maintenance capex, no new capex**
- **Minimal movements in financing activities**
- **Overall net increase in cash**

Capital, Gearing and ROE

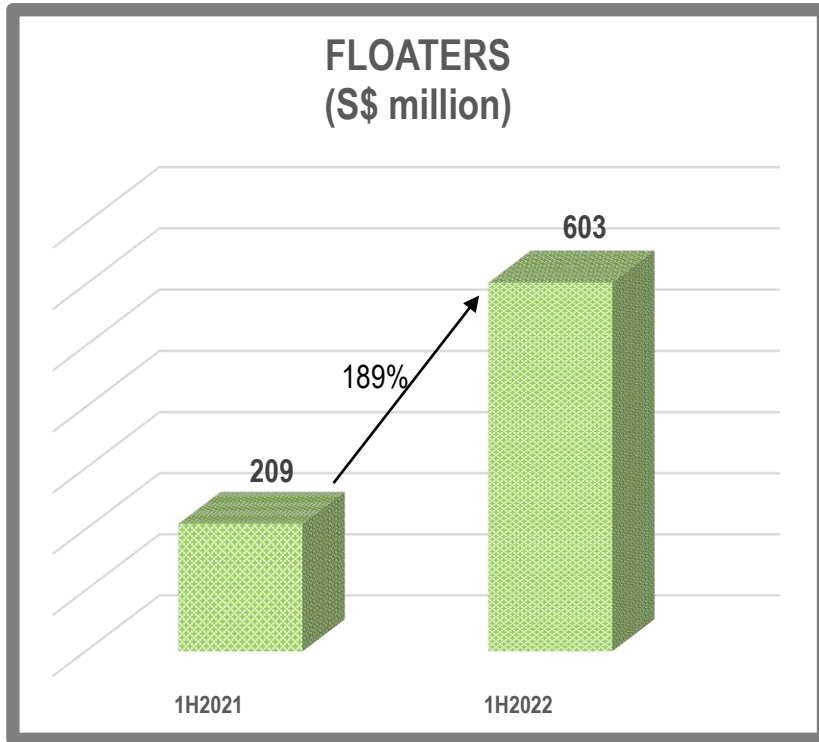
Group (\$ million)	1H2022	FY2021	% change
Shareholders' Funds	3,867	4,001	(3)
Net Debt	1,712	1,972	(13)
Net Working Capital	278	493	(44)
Net gearing ratio (times)	0.44	0.49	(10)
Interest coverage ratio (times)	(0.3)	(12.4)	(98)
ROE (%)	(7.3)	(30.5)	(76)
ROTA (%)	(2.0)	(12.0)	(83)
Net Asset Value (cents)	12.32	12.75	(3)

- Net debt improved to S\$1.7 billion with lower gearing ratio at 0.44
- No usage of balance S\$720 million Rights Issue proceeds

1H2022 SEGMENTAL REVENUE



	1H2022	1H2021	YoY +/(-) %
Floaters	603	209	189
Repairs & Upgrades	204	238	(14)
Offshore Platforms	142	296	(52)
Rigs	112	60	87
Specialised Shipbuilding	4	14	(71)
Others	30	27	11
Total	1,095	844	30



- Floaters revenue rose 189% to S\$603 million
- Projects include FPSO & FPU (newbuild & conversion)

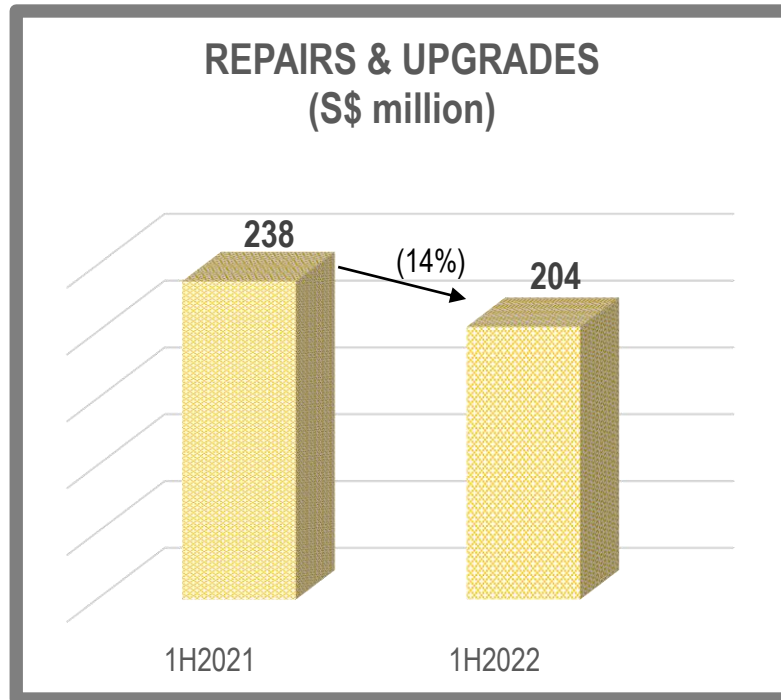
Delivered

- Equinor Johan Castberg - Newbuild FPSO
- Technip Energies Karish - Newbuild FPSO

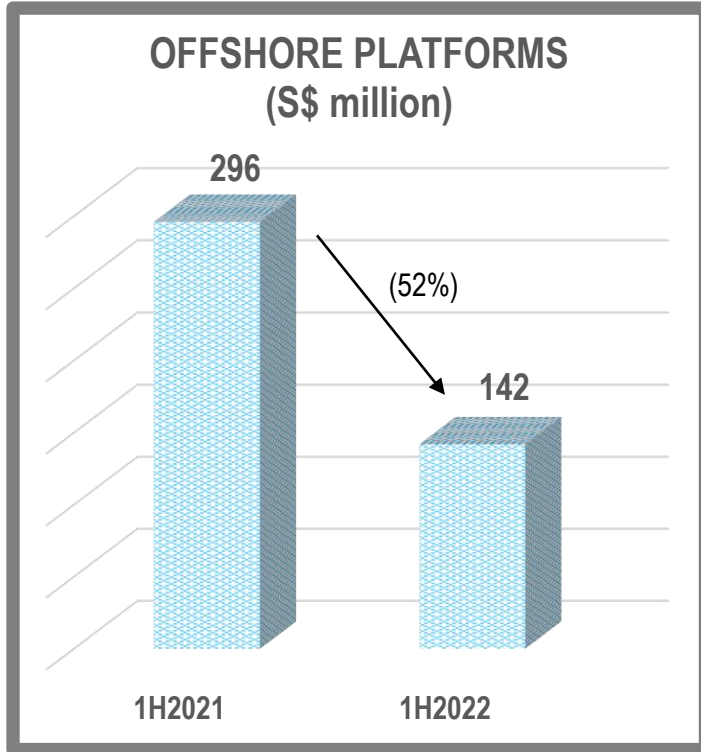
Ongoing Projects

- Shell Whale - Newbuild FPU
- P-71 - Newbuild FPSO
- Shapoorji - FPSO Conversion

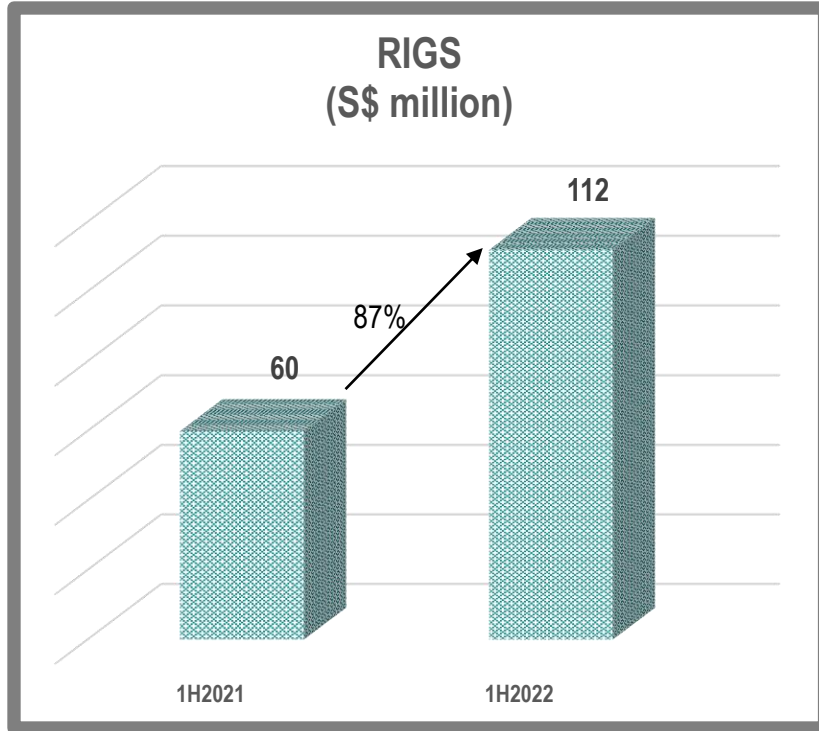
Repairs & Upgrades



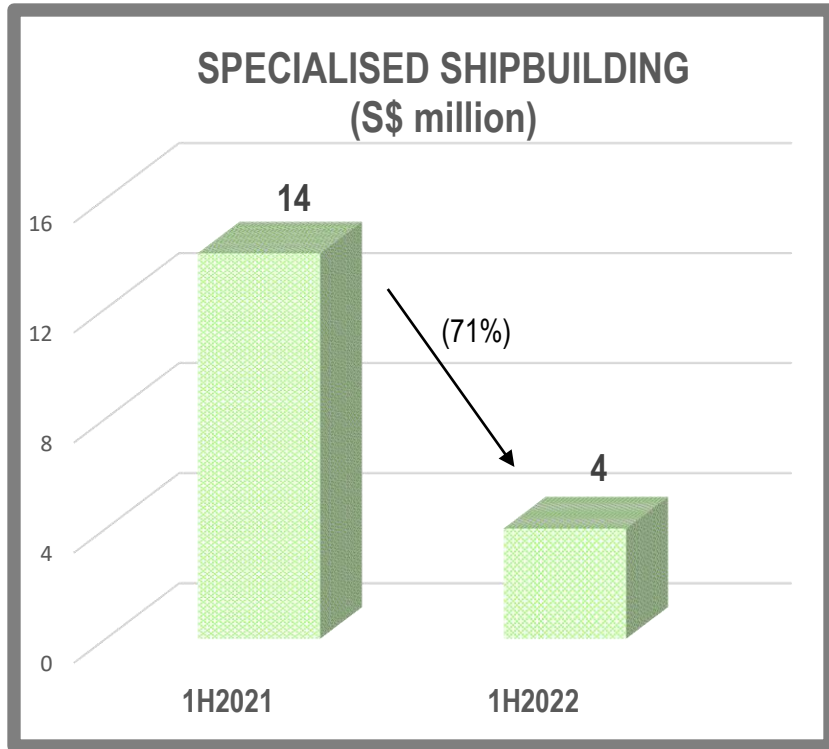
- Revenue declined by 14% YoY due to COVID-19 impact
- Increase in vessel serviced to 96
- 10 LNG carriers serviced (largest segment)
- Upgrades for FSRU & LNG reliquefaction with BWMS



- Revenue declined 52% YoY as more projects neared completion
- Projects include Fixed Production Platform, Offshore Wind Farm Platform and Gas Topside
- **Delivered:**
 - Orsted Hornsea 2 Offshore Wind Farm
 - Reactive Compensation Station (RCS) Topsides
 - Jan De Nul Formosa 2 Offshore Wind Farm – Wind Turbine Jacket Foundations
 - TotalEnergies Tyra Redevelopment Project
- **Projects under execution:**
 - RWE Renewables Sofia Offshore Wind Farm
 - Gas Topsides for Major Energy Company in Australia
 - Bechtel – Pluto Train 2 Project
 - NOC Gallaf Batch 2: Wellhead Platforms

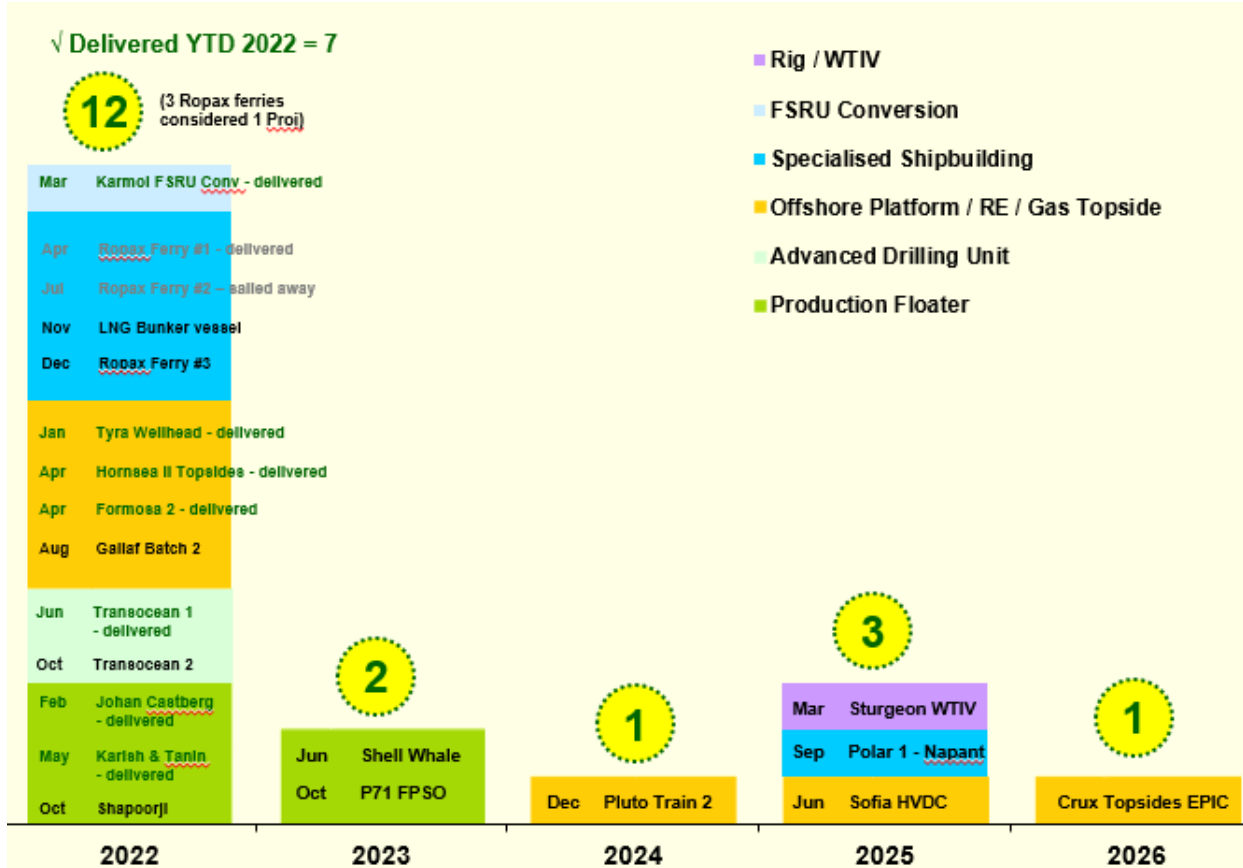


- Revenue rose 87% YoY
- Projects include Drillship and WTIV
- **Delivered:**
 - Transocean Deepwater Atlas
- **Projects under execution:**
 - Transocean Deepwater Titan
 - Maersk WTIV



- Revenue declined 71% YoY with projects nearing completion
- Projects include Ropax Ferry, LNG Bunker Vessel and Naval Research Vessel
- **Delivered:**
 - Two units of Norled Ropax ferries
- **Projects under execution**
 - Third & last unit of NorledRopax ferries
 - 12,000 cubic metres LNG bunker vessel
 - Emgepron – NApAnt Research Support Vessel

Project Delivery Schedule



- 19 projects under execution
- 12 projects for delivery in FY2022
- 7 projects delivered YTD
- Balance to be delivered by FY2026



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