



1H2023 RESULTS PRESENTATION

28 JULY 2023



- **Address by CEO**
- **Address by Acting GFD**
- **Question and Answer Session**



Consolidating Our Position Globally with Purpose

Combination of Sembcorp Marine and Keppel Offshore & Marine to create
A Premier Global Player with Deep Engineering Expertise.

Synergistic Competencies & Capabilities

- Combined yard capabilities, technology and engineering talent enable better & faster response to energy transition
- Leverage global footprint and customer relationships to secure more orders

Competitive Advantages

- Achieve greater scale and cost efficiencies
- Ability to undertake strategic investments in capabilities and R&D to differentiate from competitors

Stronger Operational & Financial Standing

- Increased order book comprising major ongoing projects to leverage yard facilities; improved revenue/bottom line
- Improved gearing and financial position

- Strong order wins of S\$4.3b in 1H2023 resulting in net order book of S\$19.7b, including S\$0.7b of Repairs & Upgrades projects, with deliveries till 2030
- Renewables and cleaner/green solutions form 40% of the Group's net order book
- Delivery of four key projects in 1H2023
- 1H2023 revenue of S\$2.9b, a notable 164% increase from S\$1.1b in 1H2022
- Strong operational performance enabled the Group to achieve EBITDA of S\$258m before provisions for contracts and merger expenses; Maintained positive EBITDA of S\$27m after provisions
- Net loss of S\$264m



Four Major Projects Delivered

- **Leikanger** – Third zero-emission fully battery-operated Ropax ferry designed and built for Norled
- **Vox Alexia** – Third dual-fuel newbuild LNG-powered trailing suction hopper dredger for Van Oord
- **Janet Marie** – Second of two newbuild LNG-powered container ships
- **BW Opportunity** – FPSO modification and upgrade for BW Offshore



Leikanger – Zero-emission Ropax ferry

Successfully Delivered 144 Repairs & Upgrades Projects

- A significant increase in 1H2023 compared to 96 vessels in 1H2022.
- Vessels completed include:
 - 28 LNG carriers
 - 14 cruise ships
 - 1 FSRU conversion
 - 1 FPSO upgrade
 - A wide range of vessel types & offshore structures



Strong Operational Execution

- Achieved integration of Shell *Whale* FPU mega topside and hull in a single lift by the Group's 30,000-tonne goliath cranes, in a shorter time
- Petrobras FPSO newbuilds *P-78/80/82/83*, are in various phases of construction
- *Gimi*, the second of three EPC FLNG conversions for Golar LNG, with delivery expected in 3Q2023



Integration of Shell *Whale* FPSO mega topside and hull

Strong Operational Execution

- RWE Renewables' 1.4GW HVDC Offshore Converter Platform for **Sofia** Offshore Wind Farm
- TenneT's HVDC Offshore Converter Station for **DoIWin 5** Offshore Wind Farm
- Two Wind Turbine Installation Vessels for Dominion Energy and Maersk Supply Service for the U.S. market

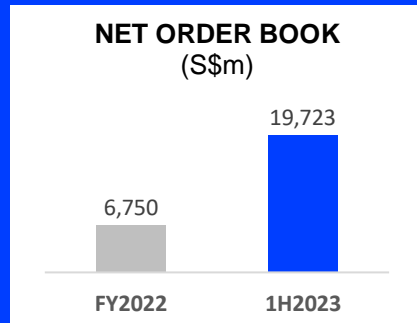


Sofia Offshore Converter Platform for RWE Renewables

\$4.3b New Orders

Including:

- Three units of 2GW HVDC Offshore Converter Platforms for TenneT
- Two Offshore Substations valued at S\$500m for Empire Offshore Wind
- Secured EPCI contract for the modification and upgrading of Chevron's LNG fleet



Advancing Technology & Product Development



Signing of the TCOMS Master Research Collaboration Agreement on 27 Apr 2023

Key Highlights

- Established Ocean Lab and Master Research Agreement with Technology Centre for Offshore and Marine, Singapore (TCOMS) to advance smart ocean systems and infrastructure
- Partnering ABS on digital transformation and smart yard initiatives - Mobile Wearable Personal Device Monitoring System
- Joint Development Project by wholly-owned subsidiary LMG Marin with partners GTT, TotalEnergies and Bureau Veritas to develop a liquid hydrogen carrier concept design

Positive Contributions to Economy, Environment and Society



Community Walk for autism awareness on 1 July 2023

Affirming Our Commitment to ESG

- Supporting customers and stakeholders to address climate changes through innovative and sustainable clean energy value chain solutions
- Strategic expansion to offshore renewables, new energies and offshore & maritime decarbonisation
- Dedicated Corporate Social Responsibility (CSR) committee

Key Highlights

- 40% of net order book on renewables and cleaner/green solutions
- Yards in Singapore, Philippines, China and Brazil powered by renewable energy sources
- Secured green trade finance facility with banker's guarantee worth S\$1.1b

Industry continues to improve on the back of energy transition & energy security concerns

Focus on strong project execution, new opportunities, and converting order pipeline into firm contracts

Orders continue to strengthen across the energy transition trajectory; from O&G production facilities to floating LNG solutions & offshore renewable projects

Committed to growing order book and building future-ready capabilities



- Continued drive for brand awareness of new corporate identity
- Post-merger implementation executed; Focus on synergy-sizing and value creation
- Capital structure and strategy review on track for completion by end 2023

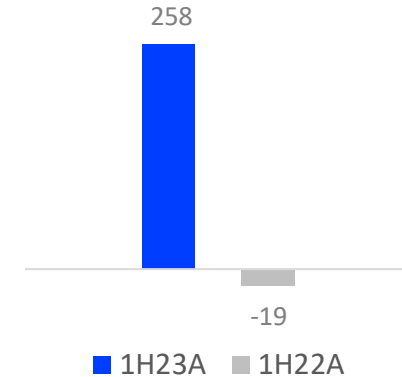


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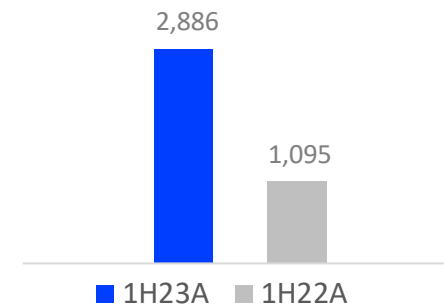
- Positive **EBITDA** (before provision for contracts & merger expenses) of S\$258m for 1H2023, compared to negative **EBITDA** of S\$19m in 1H2022
- **Revenue** of S\$2.9b was 2.6 times that of 1H2022
- **Free cash outflow** of S\$173m in 1H2023, as compared to an inflow of S\$297m in 1H2022
- **Net gearing** was 0.17x as at 1H2023 vs 0.26x as at end Dec 2022
- **Net loss** was S\$264m for 1H2023, a higher loss compared to 1H2022 of S\$143m. Net loss before provision for contracts & merger expenses was S\$33m
- Secured S\$4.3b new orders for 1H2023. **Net order book** was at S\$19.7b.

**Adjusted EBITDA is before provision for contracts and merger expenses*

Adjusted EBITDA*
(S\$'m)



Revenue (S\$'m)



FINANCIAL HIGHLIGHTS



| S\$ million | 1H2023 | 1H2022 | + / (-) % |
|---------------------|--------|--------|-----------|
| Revenue | 2,886 | 1,095 | 164 |
| Adjusted EBITDA* | 258 | (19) | n.m. |
| EBITDA | 27 | (19) | n.m. |
| Operating Loss | (173) | (115) | 50 |
| Loss before tax | (241) | (134) | 80 |
| Net Loss | (264) | (143) | 85 |
| EPS (basic) (cents) | (0.47) | (0.46) | 2 |

- Revenue growth of 164% attributed to revenue from a larger order book following the combination, strong operational execution, and progressive deliveries
- EBITDA was positive S\$27m for 1H2023 as compared to negative S\$19m for 1H2022
- Net loss of S\$264m in 1H2023, 85% higher than 1H2022 due to provision for contracts and merger expenses.

*Adjusted EBITDA is before provision for contracts and merger expenses

| S\$ million | 30 June 2023 | 31 Dec 2022 | + / (-) % |
|---------------------------|-----------------|----------------|-----------|
| Shareholders' Funds | 8,170 | 3,769 | 117 |
| Net Debt | 1,389 | 998 | 39 |
| Net Working Capital | (1,451) | (301) | 382 |
| Net gearing ratio (times) | 0.17 | 0.26 | (35) |
| ROE (%) - annualised | (8.9) | (6.7) | 33 |
| Net Asset Value (cents) | 11.97 | 12.01 | (0.3) |

- Shareholders' funds increase due to the acquisition of Keppel Offshore and Marine
- Net gearing for 1H2023 was 0.17 times (vs 0.26 times at FY2022)
- Net asset value per share was 12 cents and net tangible asset per share was 5.5 cents

FREE CASH FLOW

| S\$ million | 1H2023 | 1H2022 |
|--|--------------|-------------|
| Operating Profit/(Loss) before working capital changes | 62 | (1) |
| Working capital changes | (147) | 340 |
| Net Interest & Tax Paid | (48) | (32) |
| Net cash (used in) / operating activities | (133) | 307 |
| Net Investments & Capex | (46) | (10) |
| Dividends Received | 6 | - |
| Net cash (used in) / investing activities | (40) | (10) |
| Cash (outflow)/inflow | (173) | 297 |

- Net cash used in operating activities was S\$133m as a result of working capital requirement for on going projects during 1H2023
- Free cash outflow of S\$173m due to lower collection from projects in 1H2023 as compared to 1H2022

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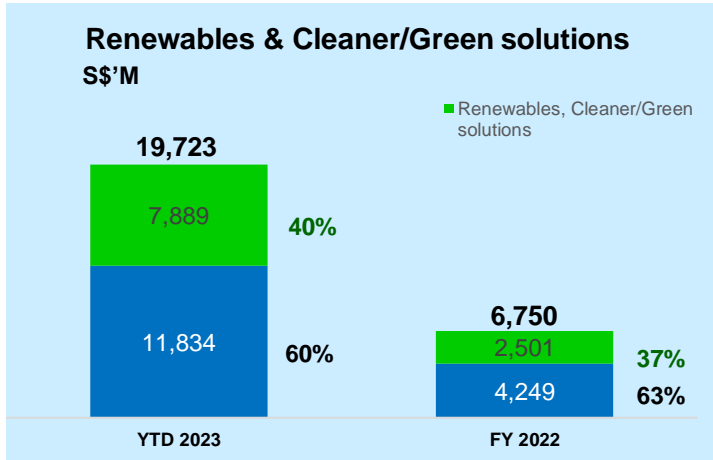
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Engineering Our Future Together

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.

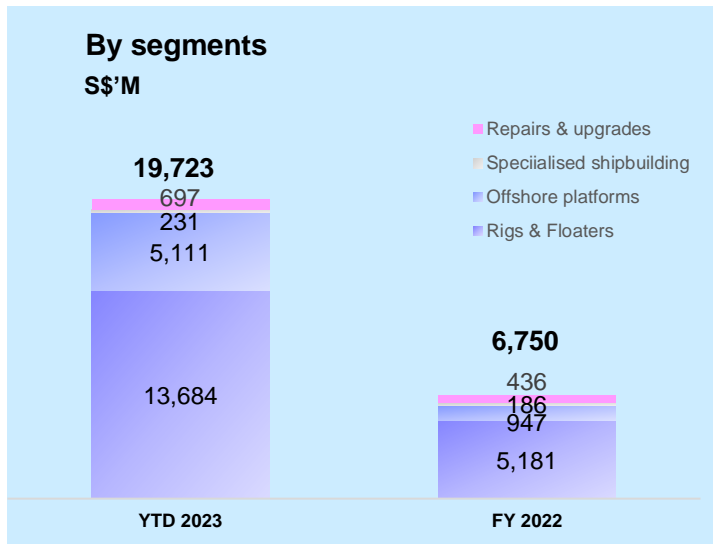
Additional Information

Net Order Book – YTD 2023



New Orders of S\$4.3b secured for YTD 2023, including renewables projects such as:

- Two 2GW HVDC Offshore Converter Platforms for TenneT Offshore Wind Farm Projects in Netherlands
- Award of two Offshore Substation Platform EPCC contracts following successful completion of FEED from Empire Wind



Net Order Book of S\$19.7b for YTD 2023 comprises:

- S\$19.0b of projects under execution with deliveries till 2030
- S\$0.7 billion of ongoing Repairs & Upgrades projects
- Renewables and cleaner/green solutions comprise approximately 40% of the Group's net order book.

Net Order Book



| Product / Services | Contract Value | | Clients |
|--|----------------|---------------|--|
| | Gross | Net | |
| <u>For delivery in 2023</u> 2 FPSO Modules Fabrication & Integration / 2 JUs / 1 FLNG Conversion / 2 TSHDs / 1 FPSO Topside Integration / 1 FSRU Conversion 1 FPU / 1 LNG Bunker Vessel | \$'M 3,424 | \$'M 237 | Petrobras / Boskalis / Borr Drilling / Golar / Van Oord / Manson Construction / Single Buoy Moorings / GAS-Fifteen / NFE / Modec Shell / Indah Singa |
| <u>For delivery in 2024</u> 1 offshore HVDC converter station and an onshore converter station / 2 Offshore Substation* / 2 FPSO Integration / 1 FPU Refurbishment / 1 Wind Turbine Installation Vessel / 1 FPSO Topside 1 Pluto Train | 1,657 | 603 | TenneT Offshore GmbH / *Name withheld / BW Offshore / Single Buoy Moorings / Salamanca FPS / Blue Ocean Marine / Modec Bechtel |
| <u>For delivery in 2025</u> 2 JUs / 1 FPSO / 1 FLNG Conversion / 1 offshore substation* 1 FLNG Facilities Conversion / 1 Sturgeon WTIV / 1 HVDC Electrical System / 1 Napant | 6,429 | 3,341 | Borr Drilling / Petrobras / Golar / *Name withheld NFE Innovation / Phoenix / Sofia / Emgepron |
| <u>For delivery in 2026</u> 1 Gas Topsides EPCI / 2 Offshore Wind Farm Substations | 1,234 | 1,120 | Major Energy Company in Australia / Empire Wind LLC |
| <u>For delivery in 2027 onwards</u> 3 FPSOs 2 TenneT 2GW HVDC | 15,160 | 13,725 | Petrobras TenneT |
| Sub-total | 27,904 | 19,026 | |
| Add: Ship repairs & upgrades | | 697 | |
| Total as at 30 June 2023 | | 19,723 | |

Highlights:

- 4 Projects delivered YTD 2023:
 - a) ROPAX ferry
 - b) FPSO modification/upgrade – BW Opportunity
 - c) Trailing Suction Hopper Dredger
 - d) LNG container ship
- 37 projects under execution amounting to S\$19.0b with deliveries till 2030
- S\$0.7 billion of ongoing Repairs & Upgrades projects - 45 LNGCs and LPG carriers, 16 cruise vessels, 2 rigs, 8 navy vessels, 1 FPSO and around 37 other vessels types