

## **SEATRIUM LIMITED 1H 2023 RESULTS BRIEFING**

**Address by Mr. Chris Ong, Chief Executive Officer  
WEBCAST, 28 JULY 2023 (FRIDAY) 10.00AM  
@ TUAS BOULEVARD YARD (EVENT HALL)**

### **Opening Remarks (Slide #2)**

1. Good morning, everyone. Thank you for joining us at Seatrium Limited's First Half 2023 Results Webcast.

### **[Engineering Our Future Together] (Slide #3)**

2. Since the completion of the combination in February this year, Seatrium has made notable progress in the delivery of our pipeline of projects. The continued building up of our order book is also testament to Seatrium's ambition for sustainable growth as a premier global player, leveraging on our combined competencies and capabilities to meet our customers' needs.
3. Through our suite of products spanning across oil & gas production facilities, floating liquefied natural gas solutions, offshore renewables, and cleaner/green solutions, Seatrium is building future-ready capabilities by leveraging our engineering knowledge and solutions to support the industry's energy transition towards a sustainable, operative environment.

### **[Group Operational Performance] (Slide #4)**

4. The Group secured S\$4.3 billion of new orders in 1H2023, bringing our net order book to over \$19 billion, with deliveries till 2030. Renewables and cleaner/green solutions comprise approximately 40% of this net order book.
5. Supported by the delivery of four major projects during this period, the Group recorded a revenue of \$2.9 billion for 1H2023, compared to S\$1.1 billion during the corresponding period last year. This increase in revenue was attributed to the combination's consolidation of projects and their continued operational milestones and deliveries.
6. Our strong operational performance has enabled the Group to achieve a significantly improved EBITDA of \$258m before provisions. Even after accounting for provisions for contracts and merger expenses, the Group still achieved a positive EBITDA of \$27m. We will continue to focus on our project management and executions, in order to further strengthen our EBITDA performance.
7. While the Group still reported a net loss in 1H2023, key measures are being worked on to steer the Group back to net profitability. This includes the streamlining of the Group's cost structure and the completion of the ongoing capital restructuring.

8. We will closely monitor the working capital needs of the Group and will continue to adopt a disciplined approach to cash flow as well as liquidity management. This will be further addressed in the financial performance segment of this briefing.

### **[Key Deliveries & Completions – Part 1] (Slide #5)**

9. We have had a busy start to 2023, with successive deliveries of four (4) major projects in 1H2023.
  - 3<sup>rd</sup> zero-emission fully battery-operated Ropax ferry, Leikanger, designed and built for Norled
  - 3<sup>rd</sup> dual-fuel newbuild LNG-powered trailing suction hopper dredger, Vox Alexia, for Van Oord
  - 2<sup>nd</sup> of two LNG-powered containerships, Janet Marie, for Pasha Hawaii
  - FPSO modification and upgrade of BW Opportunity for BW Offshore

### **[Key Deliveries & Completions – Part 2] (Slide #6)**

10. Seatrium continues to demonstrate our market leadership in the Repairs & Upgrades segment, with 144 vessels serviced at our network of yards in 1H2023, compared with 96 projects in the same period last year. These include 28 LNG carriers refits, 14 cruise ship repairs/upgrades, as well as conversion and major refits of offshore projects such as FSRUs and FPSOs.

### **[1H2023 Key Project Highlights – Part 1] (Slide #7)**

11. The Group currently more than 25 projects under execution. I will highlight some of the key projects.

#### Cleaner Oil & Gas Solutions

- Shell Whale FPU – We recently completed the integration of a mega topside with the Shell Whale FPU hull in a single lift using our game-changing 30,000-tonne Goliath cranes at the Tuas Boulevard Yard in 2Q2023. This project will also benefit from the synergies and experience from the earlier Shell Vito FPU project. It also demonstrates how the yard's enormous lifting capacity has become a winning differentiator for Seatrium's project executions.
- Petrobras EPC FPSOs – A series of EPC FPSO newbuild projects – P-78, P-80, P-82 and P-83 – are in various phases of construction for Petrobras, for the Buzios pre-salt development in offshore Brazil. These are being executed across different facilities in Singapore and Brazil, made only possible through harnessing Seatrium's global network of yards.
- Gimi FLNG - Gimi, the second of three EPC FLNG conversions for Golar LNG, is undergoing final phase of commissioning and testing, with scheduled completion in 3Q 2023 for deployment in offshore Mauritania and Senegal.

## **[1H2023 Key Project Highlights – Part 2] (Slide #8)**

### **Offshore Renewables & New Energies**

- RWE Renewables HVDC Offshore Converter Platform – Fabrication is on track for RWE Renewables' 1.4GW HVDC Offshore Converter Platform for the Sofia Offshore Wind Farm in the UK North Sea. Sofia is slated to be one of the largest wind farms in the world when completed.
  - DolWin 5 - TenneT's Offshore HVDC Converter Station for DolWin 5 Offshore Wind Farm is on track for sail-away in 3Q2023 for the next phase of works prior to installation in the German sector of the North Sea.
  - Two WTIVs for the US Market – Seatrium is constructing two Wind Turbine Installation Vessels for Dominion Energy and Maersk Supply Service, to service the U.S. market.
12. We expect continued strong execution with successive project deliveries and good progression on these existing projects. In fact, we have 11 more major projects scheduled for completion by the end of this year.

## **[New Contracts in 2023] (Slide #9)**

13. The new orders of \$4.3 billion secured in 1H2023 include: -
- A landmark win from TenneT to construct three 2GW HVDC Offshore Converter Platforms. These will be the biggest and most powerful of their kind in the industry – to serve TenneT's three offshore wind farm projects off the coast of Netherlands.
  - A \$500m contract for two offshore wind farm substations for Empire Offshore Wind for installation in the east coast of the U.S., to power more than one million homes in New York and support U.S. energy transition goals
  - An EPCI contract win from Chevron for its LNG fleet modification

## **[Innovation] (Slide #10)**

14. Innovation and technology are enablers for our industry's commitment towards decarbonisation and a sustainable operating environment. On this front, Seatrium continues to advance our technologies and new product development through strategic collaborations and partnerships.
15. In a tie-up with the Technology Centre for Offshore and Marine, Singapore (TCOMS), the Seatrium-TCOMS Ocean Lab has been established to advance the design and operational performance of smart ocean systems and infrastructure. This also saw a master research collaboration agreement signed on 27 April 2023.

16. Seatrium and ABS have collaborated to advance Pioneering Digital Transformation with Smart Yard Initiatives – In fact, Seatrium’s Mobile Wearable Personal Device (MWPD) Monitoring System has received Product Design Assessment (PDA) approval from ABS in April 2023.
17. Our wholly-owned subsidiary LMG Marin, has entered into a Joint Development Project with partners GTT, TotalEnergies and Bureau Veritas to develop a 150,000m<sup>3</sup> liquid hydrogen carrier concept design. This is to pave the way for safe and efficient transport of hydrogen at sea for maritime decarbonisation.

### **[Sustainability] (Slide #11)**

18. The Group’s efforts to put sustainability in the forefront of our business are outlined by our collective affirmation of commitment to ESG. We have in place a dedicated Corporate Social Responsibility (CSR) committee established to support the Board and Management on ESG matters.
19. Honing in to our execution centres - The drive for sustainable yard operations has resulted in the adoption of renewable energy sources to power Seatrium’s yards in Singapore, the Philippines, China and Brazil.
20. We have also gained traction in this area, from a financing perspective. The Group has secured green trade finance facilities with banker’s guarantee, worth S\$1.1 billion, to finance our sustainability efforts.
21. We will continue on our sustainability journey, in order not only to do well for our stakeholders, but to also do good for the community and the environment.

### **[Outlook] (Slide #12)**

22. In the face of our rapidly evolving industry, we continue to take steps to position Seatrium at the centre of the global energy transition to a low-carbon economy.
23. Amid the ongoing energy transition and heightened concerns for energy security, the industry outlook for oil & gas, offshore renewables and other green solutions continues to improve and strengthen.
24. In particular, the prospects for offshore-wind related orders will continue to be driven by Europe and the US’ needs to meet capacity targets by 2040. These targets are likely to be accelerated due to the above-mentioned increasing momentum of energy transition and governmental goals of net zero emissions.
25. Riding on these prospects, Seatrium is working on multiple tender opportunities and endeavours to strategically convert these into firm, quality contracts. We anticipate operational and financial performance to continue to improve in tandem.

**[Transformation & Integration Update] (Slide #13)**

26. Since the kick-off of our Seatrium brand launch in March, the Group continues on our drive to engage all our stakeholders on our new corporate identity and brand promise.
27. As I had covered during the 1Q2023 Business Update, Seatrium's post-merger implementation plans are being executed, including a focus on unlocking synergies to create long-term value for the future. We are on track on our transformation journey, with oversight through a dedicated Board Committee and a Transformation team.
28. The organisation's capital structure and strategy reviews are both also underway and are expected to be completed by end 2023.
29. Let me now pass the discussion to Paul Tan, our Group Finance Director, who will share more details on our 1H2023 financial performance. Thank you.

-The End-