

## SEATRIUM LIMITED 1H2024 RESULTS BRIEFING

Address by Mr Adrian Teng, Chief Financial Officer  
WEBCAST, 2 AUGUST 2024 (FRIDAY) 10.00AM  
@ TUAS BOULEVARD YARD

### 1H2024 FINANCIAL SUMMARY (slide 13)

1. Thank you, Chris, and good morning to all.
2. I will now take you through the Group's financial performance.
3. For 1H2024, the Group's Revenue was S\$4.0 billion, a 39% increase year-on-year from our strong project execution.
4. The Group achieved an Underlying EBITDA of S\$390 million in 1H2024, a more than nine-fold increase as compared to S\$36 million in 1H2023.
5. Group Underlying Net Profit was S\$115 million, achieving a significant turnaround from a net loss of S\$264 million in the same period last year.
6. Our balance sheet is much stronger today. As at 30 June 2024, the Net Current Assets stood at S\$700 million, reversing from a Net Current Liabilities position of S\$1.5 billion last year. This positive swing of over S\$2.2 billion was driven by proactive capital management efforts in refinancing bank lines, obtaining new facilities, and managing key outstanding accounts receivables.

### INCOME STATEMENT HIGHLIGHTS (slide 14)

7. In 1H2024, our P-series projects contributed c.55% to the overall revenue of S\$4.0 billion. There was good progress made in our P-series projects, including hull arrival and integration of topside modules prior to commissioning for *P-78*, and ongoing construction of the hull, living quarters and topside modules for *P-80*, *P-82* and *P-83*. The Sturgeon Wind Turbine Installation Vessel and the 2-gigawatt High Voltage Direct Current Offshore Converter Platform projects were the other material revenue contributors in 1H2024.
8. Revenue from Repairs & Upgrades was S\$517 million in 1H2024, compared to S\$504 million in the same period last year, contributing to a growing baseload revenue for the Group.
9. 1H2024 Underlying EBITDA improvement from same period last year was driven by higher revenue, operating margin improvement, and lower overheads.

10. Our profit turnaround reflects our strong focus on project execution, improved gross margins, and prudent cost management. We are on track to realise the annual recurring savings of S\$300 million by next year.
11. 1H2024 Underlying Return on Equity was positive at 3.6%, a step towards our ROE target of 8% or more, by 2028 or earlier.

### **CAPITAL MANAGEMENT & NET LEVERAGE (slide 15)**

12. In 1H2024, the Group successfully divested the Batangas Yard in The Philippines and entered into an option to sell Crescent Yard in Singapore. These divestments come from the Group's strategic review to optimise its operations and yard footprint and will further contribute to savings on operating expenses going forward.
13. Net debt at 30 June 2024 increased to S\$1.8 billion from over S\$0.7 billion at the end of last year mainly due to increased working capital needs for ongoing projects.
14. Net Leverage ratio was 2.9 times as at 30 June 2024, within the 2028 Net Leverage target of 3 times, which was shared during our Investor Day.

### **FREE CASH FLOW (slide 16)**

15. In 1H2024, Free Cash outflow was S\$1.0 billion mainly due to working capital needs for ongoing projects.
16. We continue to adopt a disciplined approach to cash flow and liquidity management. We have adequate liquidity with more than S\$2.5 billion of cash and undrawn credit facilities as of 30 June 2024.
17. To support Seatrium's project needs for future business growth, we have secured a S\$1.1 billion three-year Committed Global Syndicated Bank Guarantee (BG) Facility supported by a group of eight financial institutions. The flexible structure of this facility is a first-of-its-kind in the offshore & marine sector in Singapore.

## **SUSTAINABLE FINANCE FRAMEWORK (SFF) (slide 17)**

18. As part of integrating sustainability into our financing strategy, we have also established Seatrium's inaugural Sustainable Finance Framework which provides overarching principles and guidelines on the execution and management of sustainability-linked financing transactions and use of proceeds.
19. The first sustainability framework in the offshore & marine industry to obtain an all-round "Strong" and "Very Strong" ratings, the SFF is developed in accordance with international sustainability principles and guidelines which include Key Performance Indicators and Sustainability Performance Targets which are material to Seatrium's sustainability strategy and business operations.
20. The 3 Key Performance Indicators are:
  - 30% reduction in Gross Greenhouse Gas (GHG) from 2008 baseline by 2030
  - Doubling revenue from renewable energy solutions from 2023 baseline by 2030
  - A workplace injury rate below the Singapore National Benchmark for the marine industry by at least 30% on a three-year rolling average basis
21. Standard Chartered Bank (SCB) was our Sustainability Advisor on this SFF and these targets were implemented into the US\$500 million credit facility Seatrium secured from SCB last year.
22. We believe with this SFF in place, Seatrium can continue to diversify its funding base and further grow our sustainability-linked and green banking facilities to enjoy lower financing costs.

## **STRONG NET ORDER BOOK (slides 18 & 19)**

23. Seatrium's net order book at S\$26.1 billion, comprising 32 projects with deliveries till 2031, will underpin our revenue visibility for the next 7 years.
24. Renewables and cleaner solutions comprise approximately 35% of our current record net order book.
25. We will now proceed to the Question-and-Answer session.
26. Thank You.

- End -