

MISC ANALYST BRIEFING

1Q FY2015 Financial Results | 30 April 2015



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Puan Rozainah Awang

Vice President, Finance

Encik Rafiq Khan

General Manager, Corporate Planning & Development

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Financial Overview

By Puan Rozainah Awang | Vice President, Finance

Q1 FY2015 Highlights

- MISC Group revenue of USD688.0 million was 1.0% or USD6.7m lower than Q1 FY2014 revenue of USD694.7 million.
- Group EBITDA of USD256.7 million was 10.4% or USD29.7 million lower than Q1 FY2014 EBITDA of USD286.4 million.
- Group profit before tax from operations of USD153.3 million was 4.2% or USD6.8 million lower than Q1 FY2014 profit of USD160.1 million.

Financial Performance

	YTD			Quarter		
	Q1 FY 14 (Jan - Mar)	Q1 FY 15 (Jan - Mar)	yoy %	4Q Dec-14 (Oct - Dec)	1Q Mar-15 (Jan - Mar)	qoq %
In USD Mil						
Revenue	694.7	688.0	(1.0)	677.8	688.0	1.5
EBITDA	286.4	256.7	(10.4)	340.2	256.7	(24.5)
PBT from Operations	160.1	153.3	(4.2)	230.8	153.3	(33.6)
Non-Recurring Items	-	(11.9)	(11.9)	78.9	(11.9)	(115.1)
PBT	160.1	141.4	(11.7)	309.8	141.4	(54.4)
Net Profit	155.2	141.5	(8.8)	299.0	141.5	(52.7)
Shareholders' Fund	7,656.9	7,944.1	3.8	7,942.8	7,944.1	-
Cash	1,463.9	1,098.3	(25.0)	1,384.7	1,098.3	(20.7)
Borrowings	3,097.9	2,386.1	(23.0)	2,500.8	2,386.1	(4.6)
EPS (cents)	3.3	3.0	(9.1)	4.7	3.0	(36.2)
ROE (%)	7.7	6.8	(11.7)	10.6	6.8	(35.8)
ROA (%)	6.3	5.8	(7.9)	8.4	5.8	(31.0)
Net Debt/Equity	0.2	0.2	-	0.1	0.2	100.0
NTA/Share (cents)	172.7	178.6	3.4	178.8	178.6	(0.1)

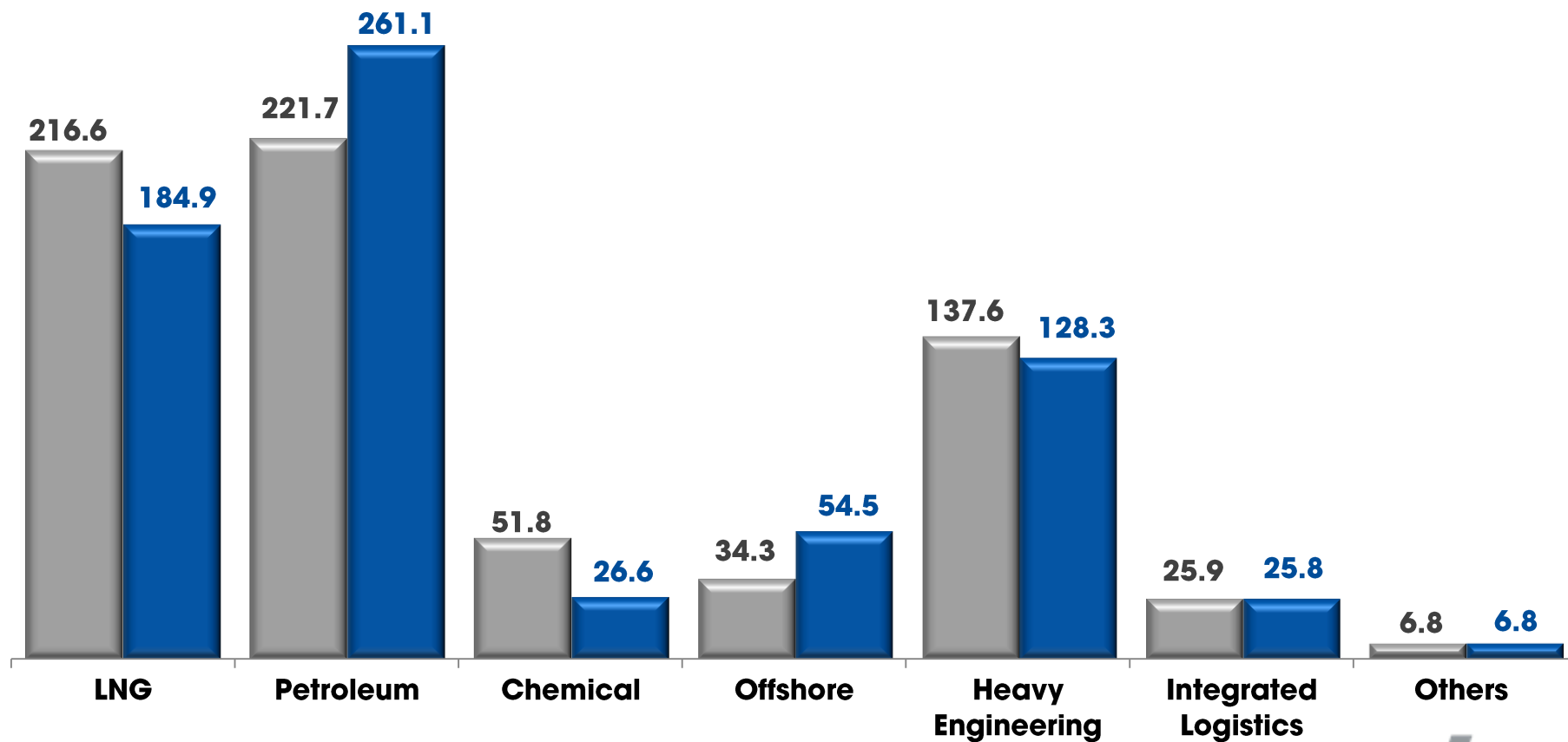
Revenue

USD mil.

YTD Segmental

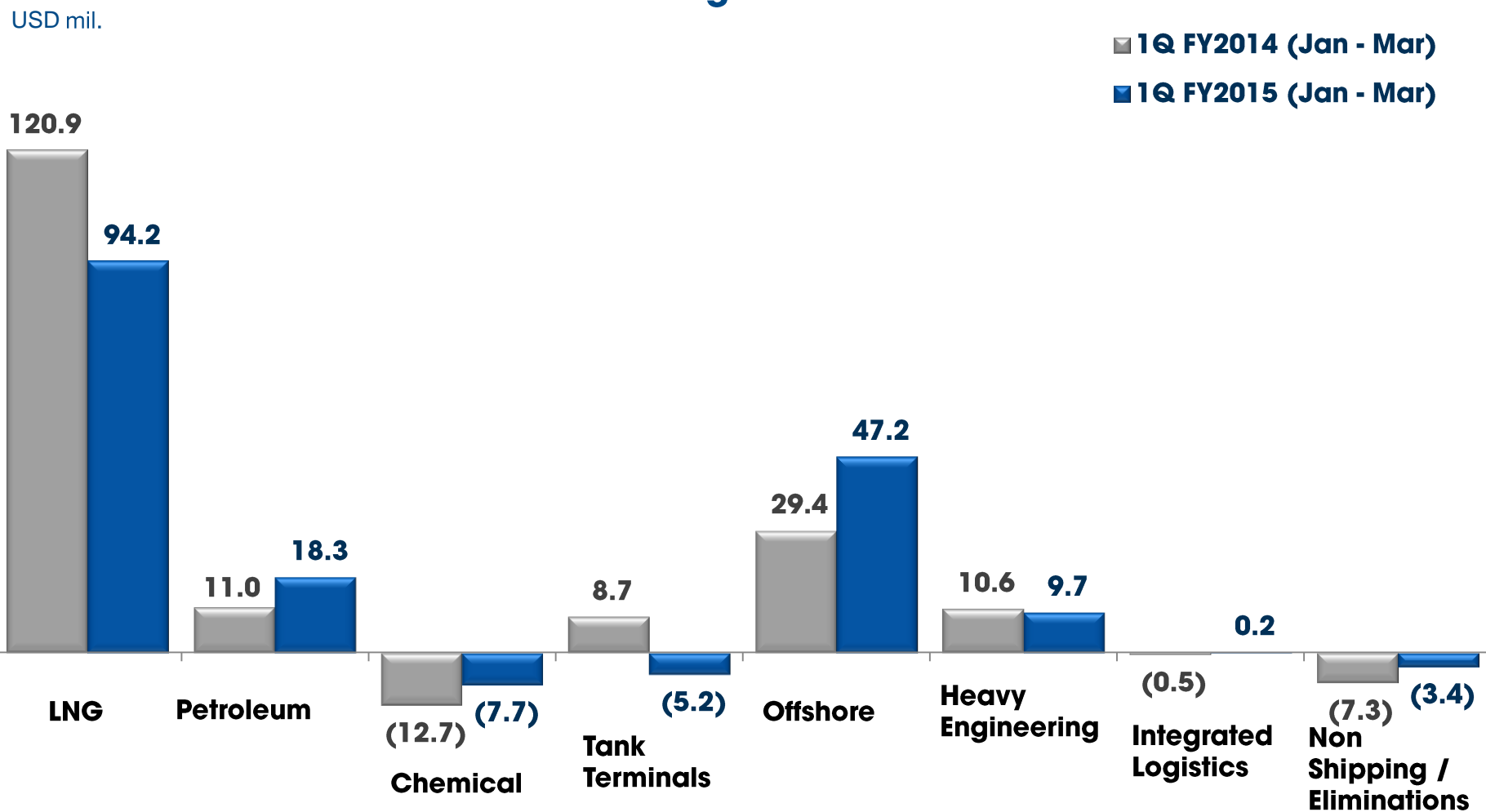
■ 1Q FY2014 (Jan-Mar)

■ 1Q FY2015 (Jan-Mar)



Profit Before Tax / (Loss Before Tax)

YTD Segmental*

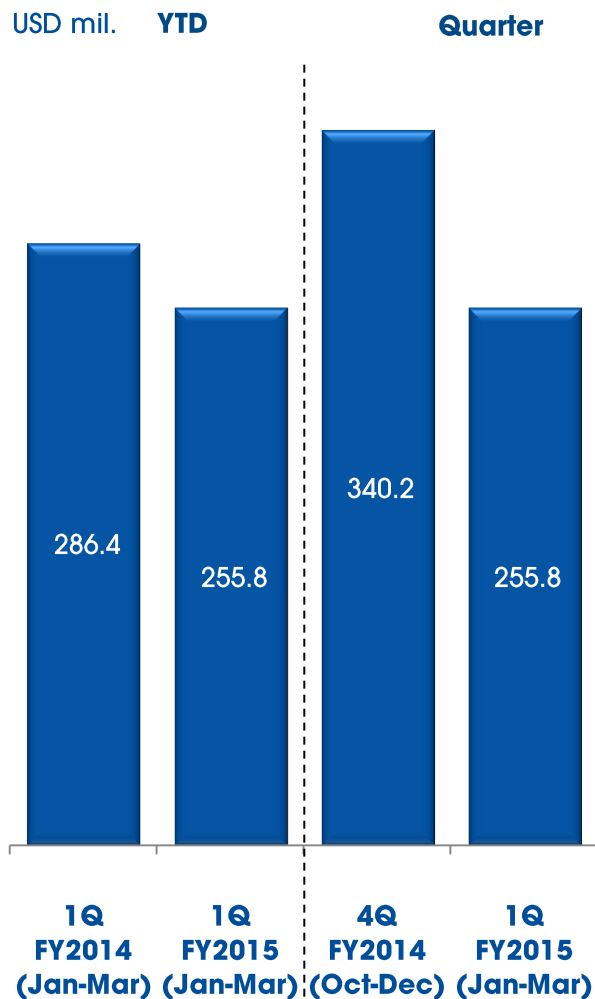


*Excluding non-recurring items

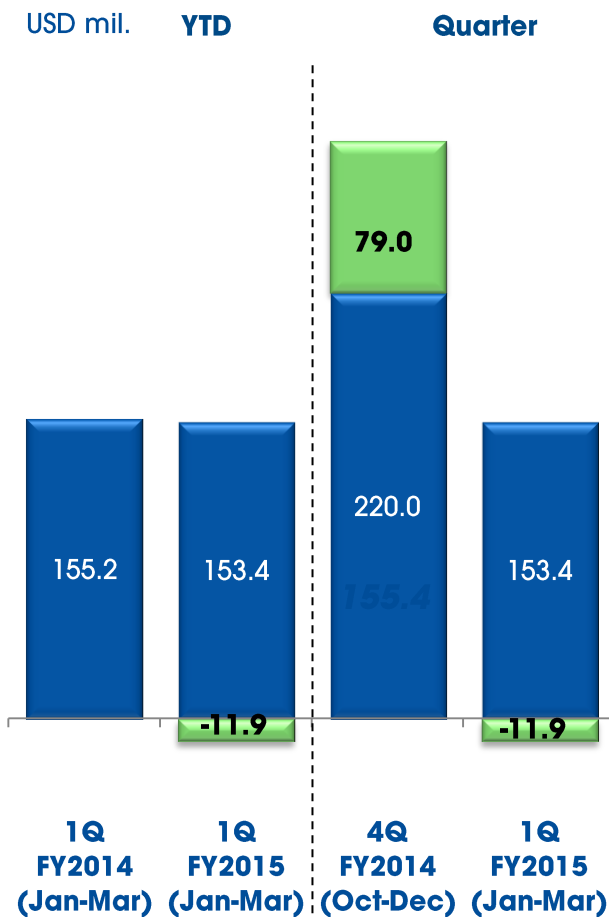
Profitability Profile

Group

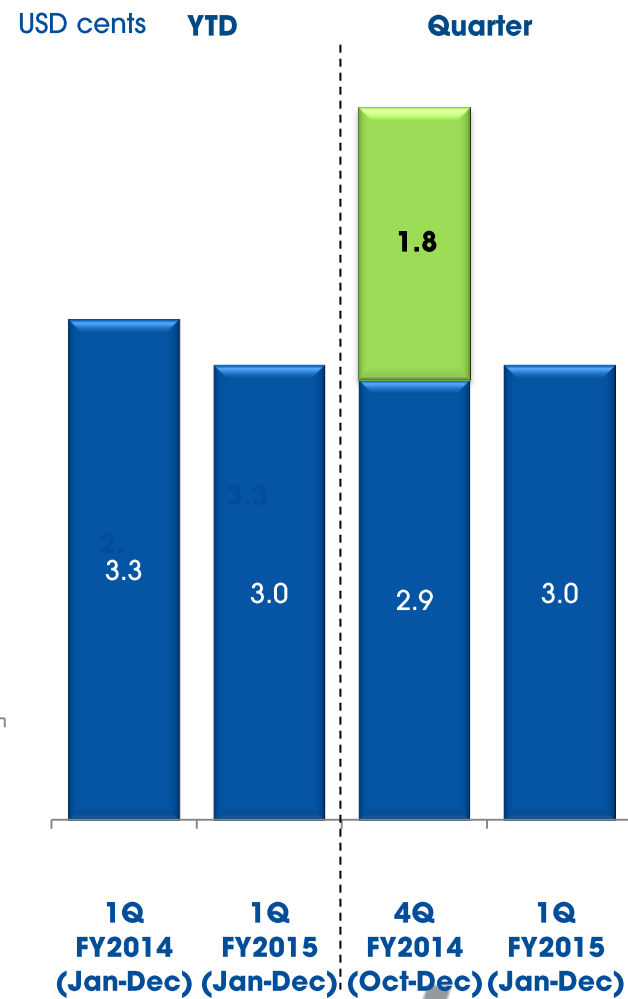
EBITDA



Net Profit/(Loss)



EPS



■ Core Earnings

■ Non-Recurring Items

misc

Market Environment

By En Rafiq Khan | General Manager, Corporate Planning & Development

LNG Tanker Rates: Under Pressure

USD/Day	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
Time Charter Rates - Up to 3 Years	76,875.0	50,583.3	-34% ↓	60,566.7	50,583.3	-16% ↓
Spot Rates	78,833.3	49,770.8	-37% ↓	73,080.6	49,770.8	-32% ↓

Source: Ship Brokers' Reports, Mar 2015

- LNG freight rates continue to be under pressure from rising fleet supply and low cargo availability.
- Speculative orders made during the past few years continue to inflate the global LNG fleet with 33 vessels (8% of current fleet) scheduled to be delivered in 2015.
- In the near term, freight rates are expected to remain under pressure as winter demand subsides and delivery of new vessels continue to come on stream.



Petroleum Tanker Rates: Holding Up

USD/Day	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
VLCC (200-300,000 dwt)						
Time Charter (1 Year)	26,591.3	41,908.3	58% ↑	33,437.5	41,908.3	25% ↑
Spot Rates	31,253.9	56,115.1	80% ↑	50,733.7	56,115.1	11% ↑
Suezmax (120-200,000 dwt)						
Time Charter (1 Year)	20,904.7	32,583.3	56% ↑	28,479.2	32,583.3	14% ↑
Spot Rates	33,260.4	54,191.7	63% ↑	44,488.4	54,191.7	22% ↑
Aframax (80-120,000 dwt)						
Time Charter (1 Year)	16,097.3	23,000.0	43% ↑	21,500.0	23,000.0	7% ↑
Spot Rates	31,265.3	40,932.4	31% ↑	34,048.5	40,932.4	20% ↑

Source: Ship Brokers' Reports, Mar 2015

- The petroleum tanker market is up on a seasonal high continuing from the increased winter chartering activities.
- The VLCC segment remained firm on high refinery runs in Asia Pacific, while the Suezmax and Aframax segments benefited from firm demand in the Mediterranean and Baltic.
- Fundamentals in the tanker market remained positive owing to slow fleet supply growth and firm demand.



Chemical Tanker Rates: Soft

Spot Rates (USD/Tonne)	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
Rotterdam - Far East 2,000mt Chems S/S*	141.1	104.4	-26% ↓	106.9	104.4	-2% ↓
Rotterdam -Taiwan 5,000 MT Easychems	111.3	84.4	-24% ↓	86.9	84.4	-3% ↓
Gulf-Far East 15K Chemical Rates	48.7	44.5	-9% ↓	50.7	44.5	-12% ↓

* S/S : Stainless Steel

Source: Ship Brokers' Reports, Mar 2015

- Freight rates for chemical tanker continued to be soft in 1Q FY2015 due to weak demand in the market.
- Chartering activity was also slowed down in the month of February following the Chinese Lunar New Year holidays in Asia.



Business Overview

By En Rafiq Khan | General Manager, Corporate Planning & Development

Segmental PBT

YTD

In USD mil.	1Q FY14 (Jan-Mar)	1Q FY15 (Jan-Mar)	yoy %
Shipping			
LNG	120.9	94.2	-22.1
Petroleum	11.0	18.3	66.4
Chemical	-12.7	-7.7	39.4
Other Businesses			
Offshore	29.4	47.2	60.5
Heavy Engineering	10.6	9.7	-8.5
Tank Terminals	8.7	-5.2	-159.8
Integrated Logistics	-0.5	0.2	140.0
Others	-14.6	-13.3	8.4
Eliminations	7.3	9.9	
TOTAL*	160.1	153.3	-4.2

Quarter

4Q FY14 (Oct-Dec)	1Q FY15 (Jan-Mar)	qoq %
98.2	94.2	-4.1
5.4	18.3	238.9
-8.7	-7.7	11.5
65.5	47.2	-27.9
13.4	9.7	-27.6
9.8	-5.2	-153.1
2.1	0.2	-90.5
-3.4	-13.3	-291.8
48.5	9.9	
230.8	153.3	-33.6

* excludes non-recurring items



1Q FY2015: Segmental Highlights

- **LNG:** Lower PBT mainly attributed to lower earning days for the quarter and contract expiry of Puteri Delima.
- **Petroleum:**
 - Profit for the quarter mainly from higher average freight rates from a strong market.
 - Took delivery of Eagle Barents during the quarter, the first of the 2 DP shuttle tankers.
- **Chemical:** Lower losses mainly due to lower bunker costs and lower bunker consumption from smaller fleet.
- **Offshore:** Lower PBT comparatively to previous quarter mainly due to one-off finance lease schedule adjustment for FPS Gumusut in 4Q FY2014.
- **Heavy Engineering:** Lower PBT mainly attributable to additional costs incurred for on-going projects.
- **Tank Terminal:** Loss recorded mainly attributed to late audit adjustments for VTTI for FY2014.





Thank You



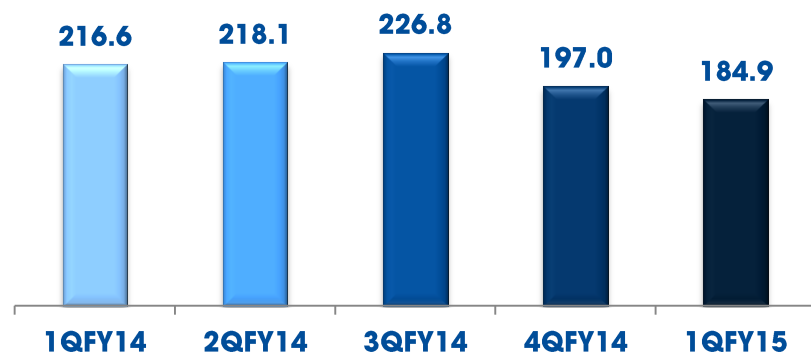
Appendices

Appendix 1

LNG Shipping

USD mil.

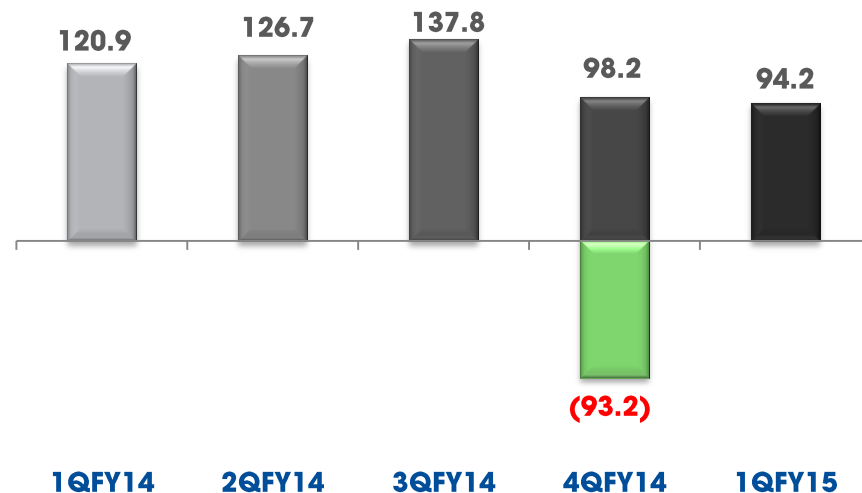
REVENUE



USD mil.

PBT

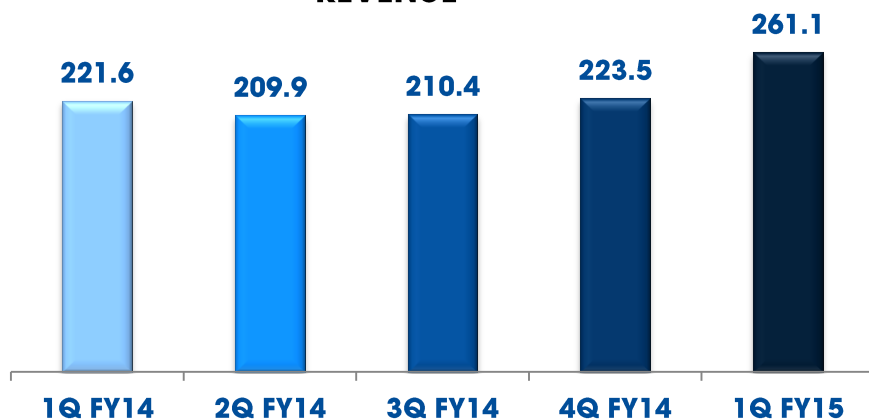
■ PBT ■ Non-Recurring Item



Petroleum Shipping

USD mil.

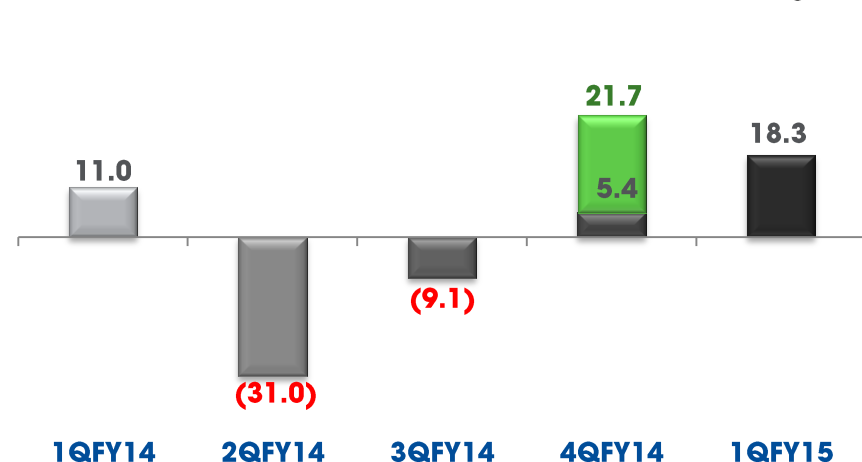
REVENUE



USD mil.

PBT

■ PBT ■ Non-recurring Item

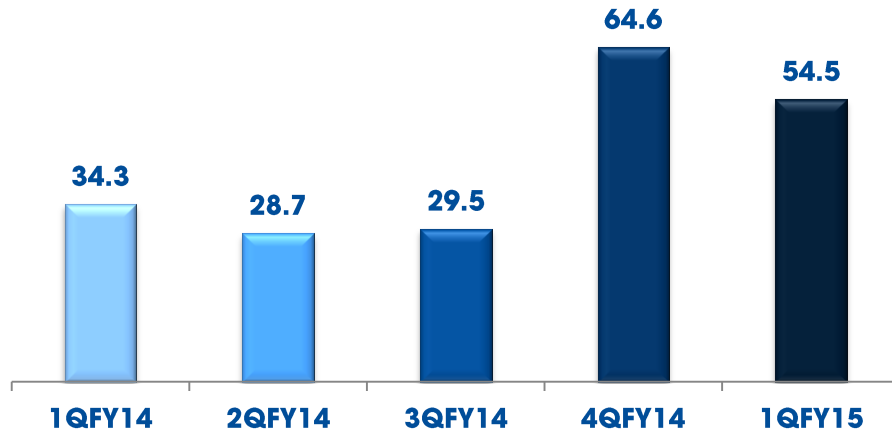


Appendix 1

Offshore

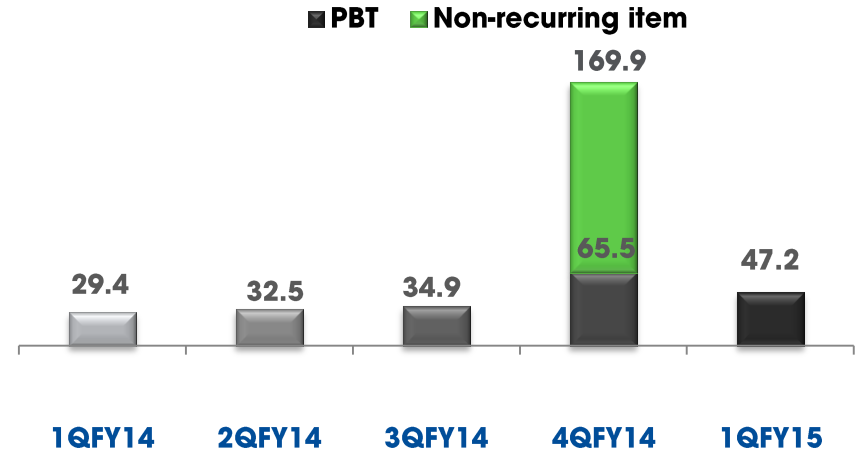
USD mil.

REVENUE



PBT

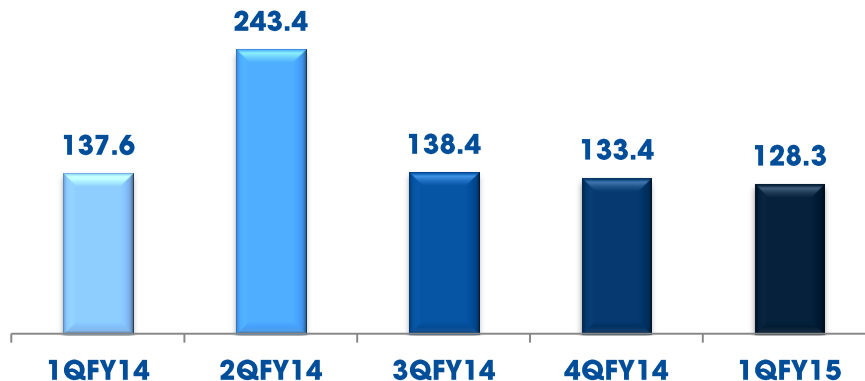
USD mil.



Heavy Engineering

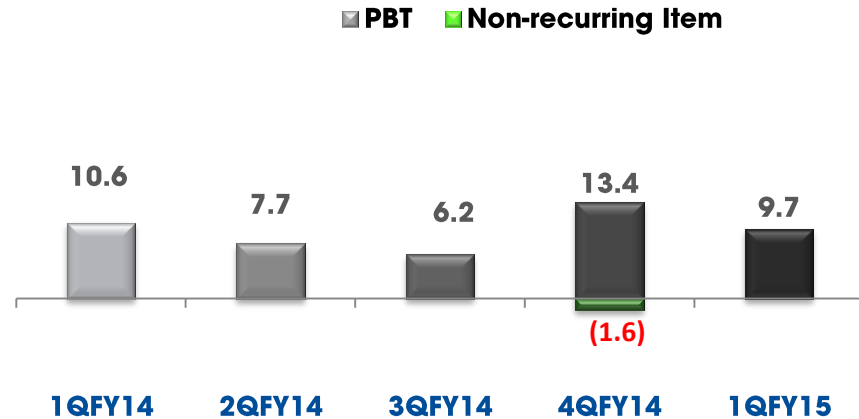
USD mil.

REVENUE



PBT

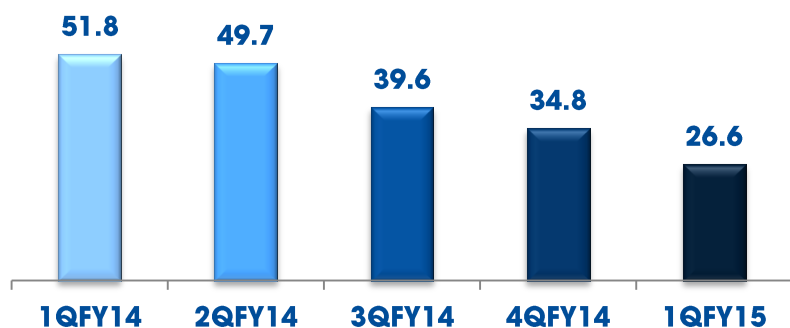
USD mil.



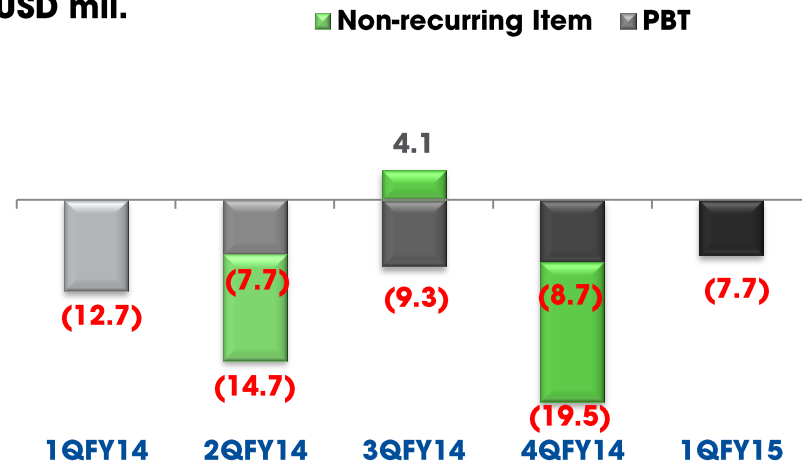
Appendix 1

Chemical Shipping

REVENUE
USD mil.



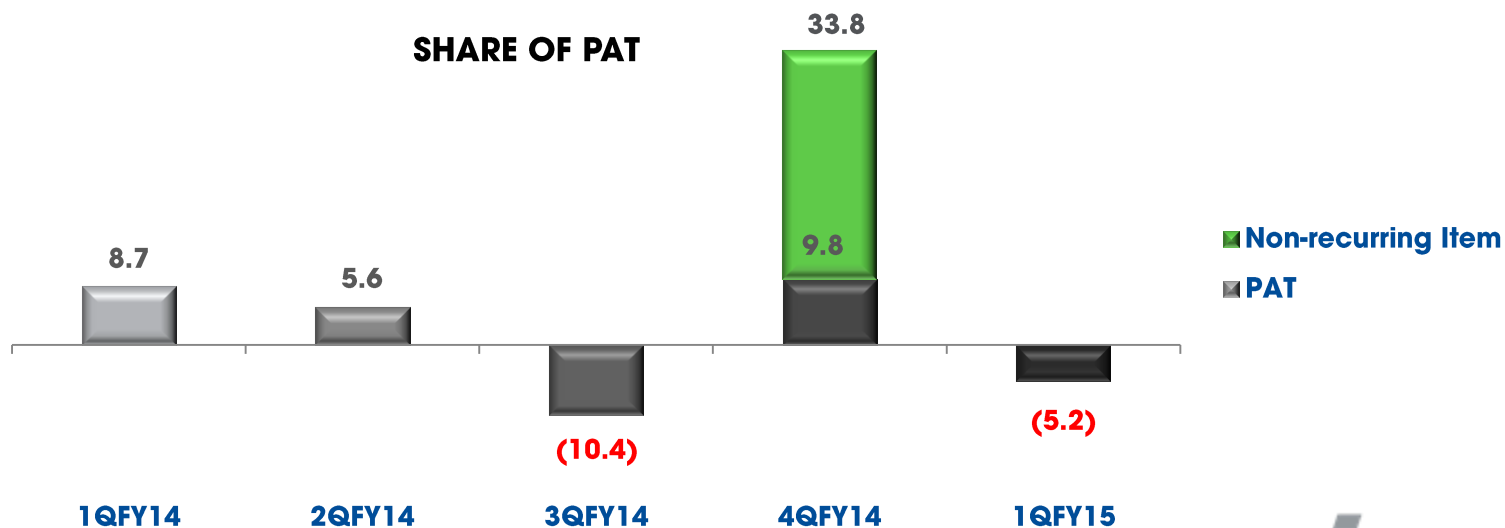
PBT
USD mil.



Tank Terminal

USD mil.

SHARE OF PAT



* 50% VTI and 36% effective interest in Langsat Terminal 1 and 2

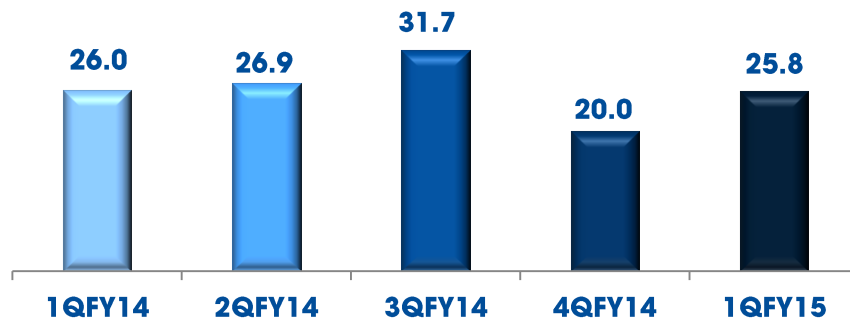


Appendix 1

MISC Integrated Logistics

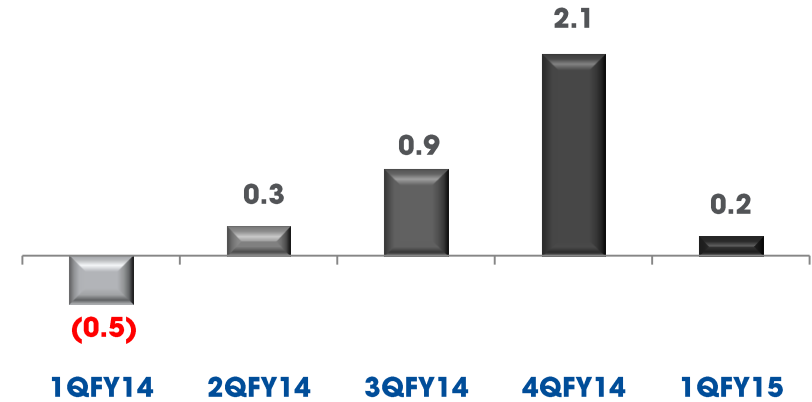
USD mil.

REVENUE



USD mil.

PBT



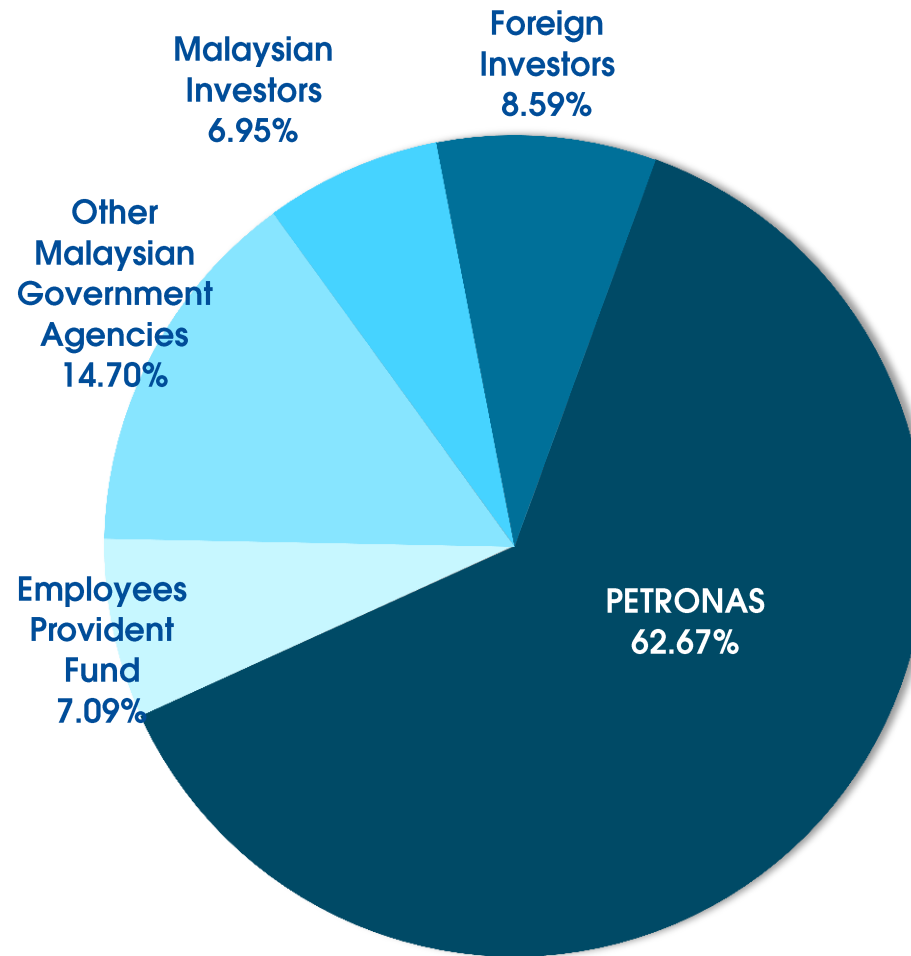
Appendix 2: Fleet Information

Business Unit	Vessel Type	Total Vessel Operated	Owned As At 31-Mar-15	Chartered-In As At 31-Mar-15 ⁽¹⁾	Average Age (yrs) 31-Mar-15	Industry Average Age (yrs) 31-Mar-15	Contracted Newbuilds/Conversions	Contracted In-Charters
LNG	LNG	27	27	–	14.9	11.5		
	FSU	2	2	–	33.5	–		
Petroleum	VLCC	13	10	3	6.9	8.5	-	-
	Suezmax	4	4	-	2.7	8.9	-	-
	Aframax	49	37	12	10.8	9.5	-	-
	LR2 ⁽²⁾	3	-	3	9.6	7.7		
	MR2	8	-	8	5.2	8.8	-	-
	Shuttle	3	3	-	2.8	9.6	1	-
Chemical	Chemical	14	7	7	5.1	9.6		
	LPG	1	–	1	17.0	15.9		
TOTAL		124	90	34			1	0
Offshore	FPSO/FSO/S-S	–	10	–	7.5		–	–
	MOPU ⁽³⁾	–	2	–	4.1		–	–



Shareholders' Profile

As At 31 March 2015

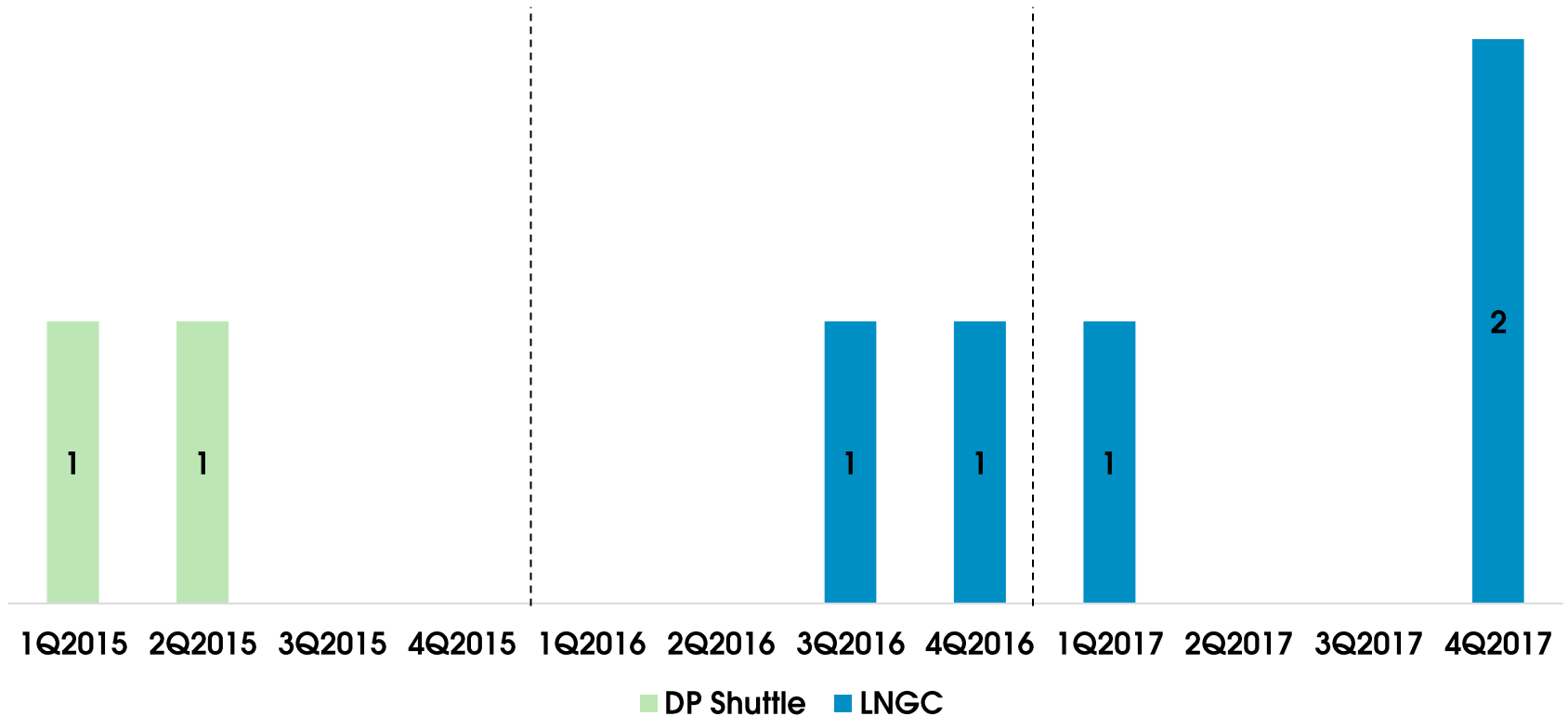


Appendix 4

Delivery Schedule

As At 31 March 2015

NEWBUILDINGS (Number of Vessel)





Appendix 5

Additional Information

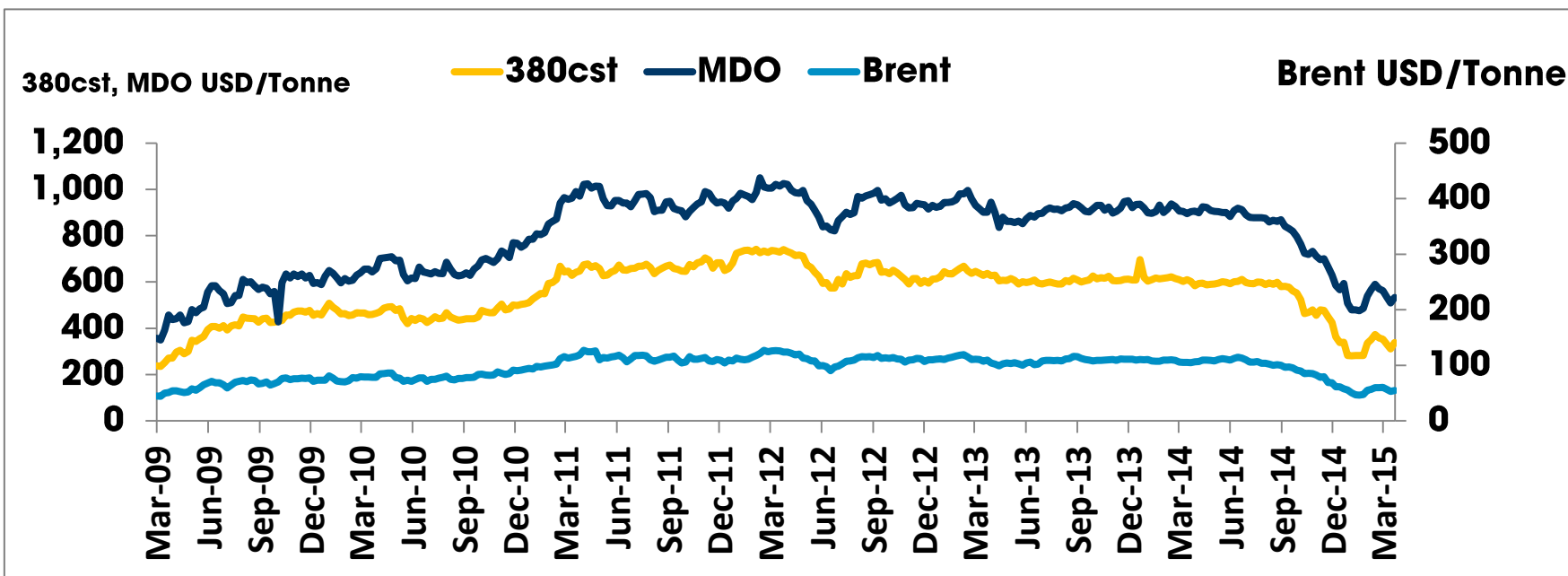
Veg Oil Rates: Down

Veg Oil Rates (USD/Tonne)	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
PALM OIL						
Straits – Europe	79.3	75.3	-5% ↓	77.7	75.3	-3% ↓
Straits – US Gulf	75.0	71.0	-5% ↓	69.0	71.0	3% ↑
Straits – Indian Subcon	32.9	30.1	-9% ↓	35.0	30.1	-14% ↓
Straits – Far East	37.9	30.7	-19% ↓	36.0	30.7	-15% ↓
SOYBEAN OIL						
South America - Far East	61.4	57.3	-7% ↓	61.7	57.3	-7% ↓

Source: Ship Brokers' Reports, Mar 2015

- Veg oil rates are weakest in the Far East following weak demand and slow chartering activities at the start of the quarter due to the Chinese Lunar New Year holidays in Asia.

Singapore Bunker Prices: Downward Slide



Bunker Prices (USD/Tonne)	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
380cst	612.2	318.6	-48% ↓	439.9	318.6	-28% ↓
MDO	910.8	524.6	-42% ↓	678.1	524.6	-23% ↓
Brent	107.9	54.0	-50% ↓	73.3	54.0	-26% ↓

Source: Ship Brokers' Reports, Mar 2015

- Bunker prices slide downwards, echoing oil price movement.



Tanker Demolition Prices: Downcast

(USD/LDT)

Country	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
China	335.0	215.0	-36% ↓	240.0	215.0	-10% ↓
India	475.0	390.0	-18% ↓	460.0	390.0	-15% ↓
Bangladesh	460.0	385.0	-16% ↓	455.0	385.0	-15% ↓

Source: Ship Brokers' Reports, Mar 2015

- Declining steel prices and a depreciating Indian rupee pushes demolition prices down.
- Implementation of the anti-dumping duty on cheap Chinese steel imports by the Indian government may help elevate prices in the future.

Newbuild Prices: Slightly Lower

Newbuild prices (USD Million)	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
LNG Tankers						
160,000 cbm	198.3	200.0	1%	200.0	200.0	0%
Petroleum Tankers						
VLCC (200 – 300,000 dwt)	97.3	96.5	-1%	97.6	96.5	-1%
Suezmax (120-200,000 dwt)	63.4	65.0	2%	65.3	65.0	-1%
Aframax (80-120,000 dwt)	53.9	53.6	0%	54.0	53.6	-1%
MR2 (45-50,000 dwt)	36.6	36.5	0%	36.9	36.5	-1%
Chemical : Coated						
35-37,000 dwt	34.7	31.0	-11%	32.7	31.0	-5%
40-45,000 dwt	41.7	36.0	-14%	37.0	36.0	-3%
Chemical : Stainless Steel						
35-37,000 dwt	66.7	64.0	-4%	65.7	64.0	-3%
40-45,000 dwt	83.3	79.0	-5%	80.7	79.0	-2%

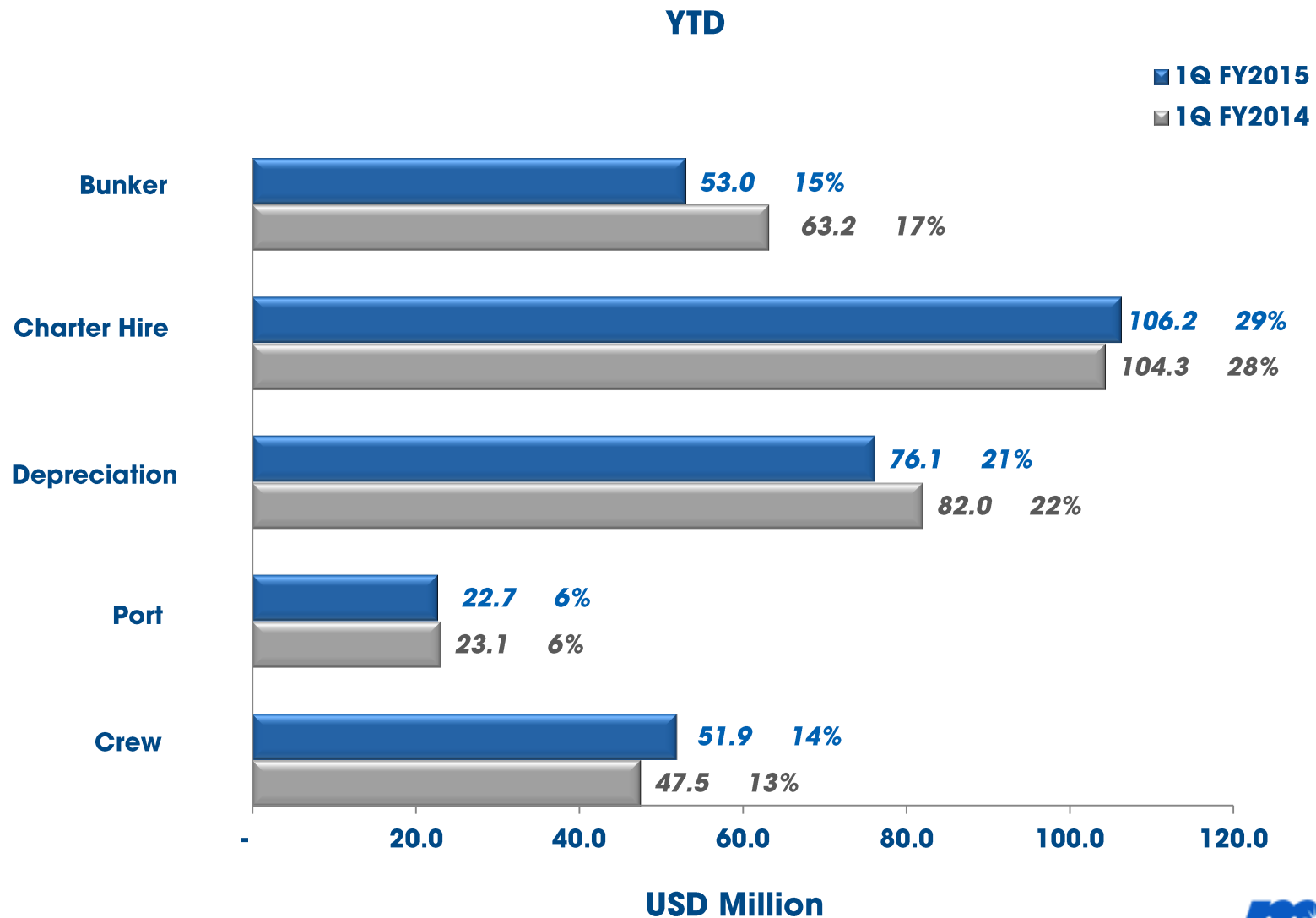
Source: Ship Brokers' Reports, Mar 2015

Secondhand Prices: Buoyant for Petroleum Tankers

Secondhand Prices (USD Million)	1Q 2014	1Q 2015	+/- YoY	4Q 2014	1Q 2015	+/- QoQ
Petroleum Tankers - 5 years						
VLCC (200 – 300,000 dwt)	70.3	81.0	15% ↑	76.3	81.0	6% ↑
Suezmax (120-200,000 dwt)	47.3	59.3	25% ↑	56.0	59.3	6% ↑
Aframax (80-120,000 dwt)	35.7	45.3	27% ↑	42.0	45.3	8% ↑
MR2 (45-50,000 dwt)	29.0	25.0	-14% ↓	25.2	25.0	-1% ↓
Chemical : Coated - 10 years						
35-37,000 dwt	16.3	15.0	-8% ↓	15.3	15.0	-2% ↓
40-45,000 dwt	23.0	17.0	-26% ↓	17.2	17.0	-1% ↓
Chemical : Stainless Steel - 10 years						
35-37,000 dwt	38.5	38.0	-1% ↓	38.7	38.0	-2% ↓
40-45,000 dwt	41.7	42.0	1% ↑	42.7	42.0	-2% ↓

Source: Ship Brokers' Reports, Mar 2015

Main Shipping Cost Components



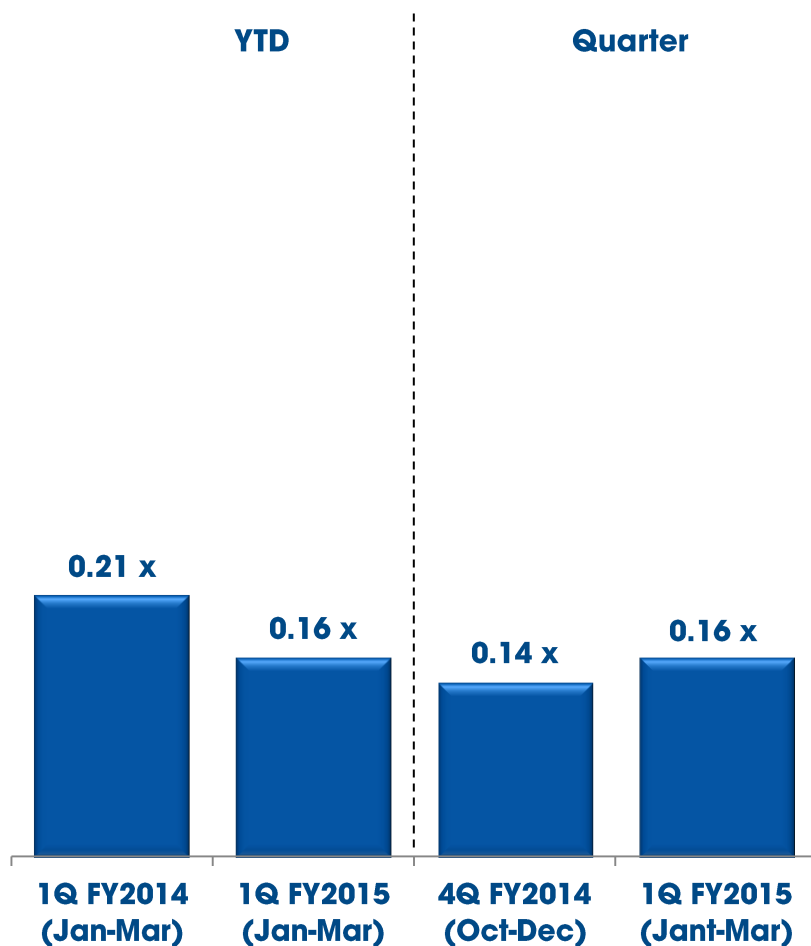
Liquidity Ratios (Core Earnings)

Group

Net Debt to Equity

YTD

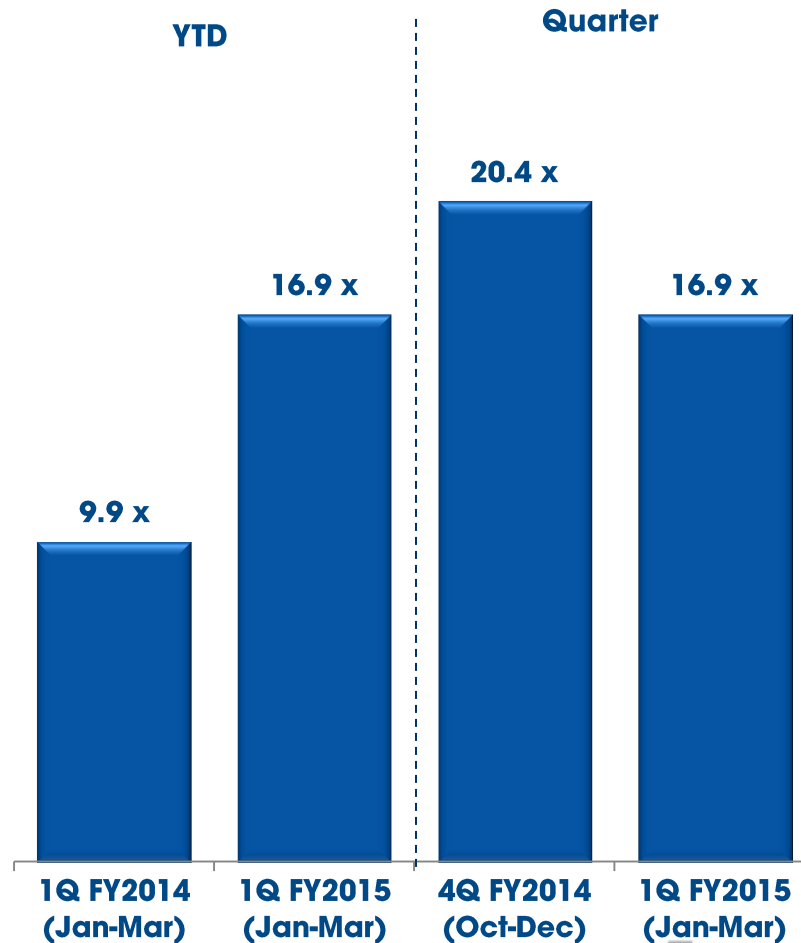
Quarter



Interest Cover

YTD

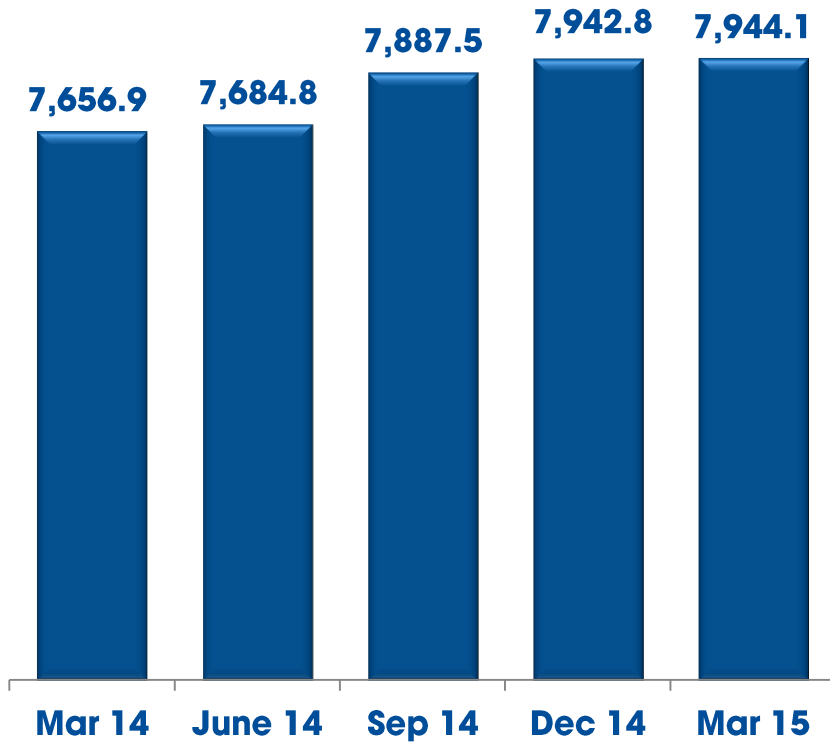
Quarter



Balance Sheet

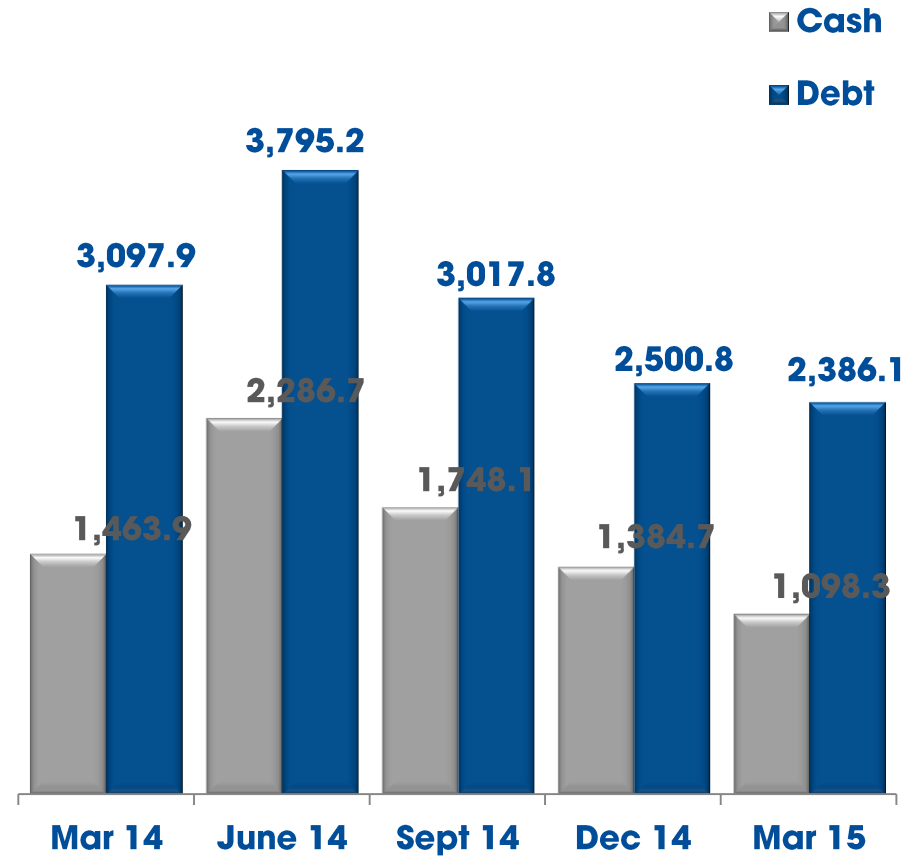
Shareholders' Funds

USD mil.



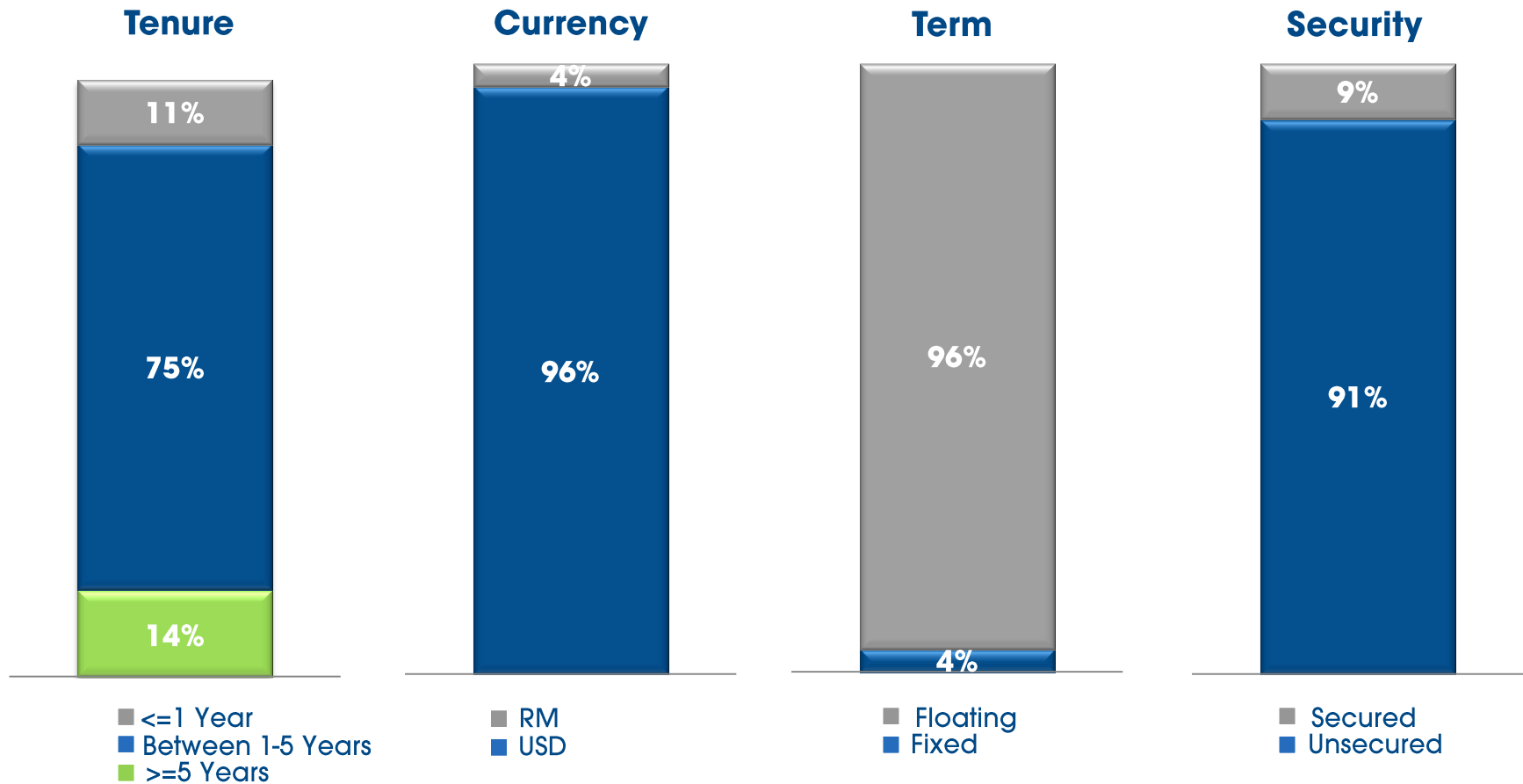
Total Debt & Cash Position

USD mil.

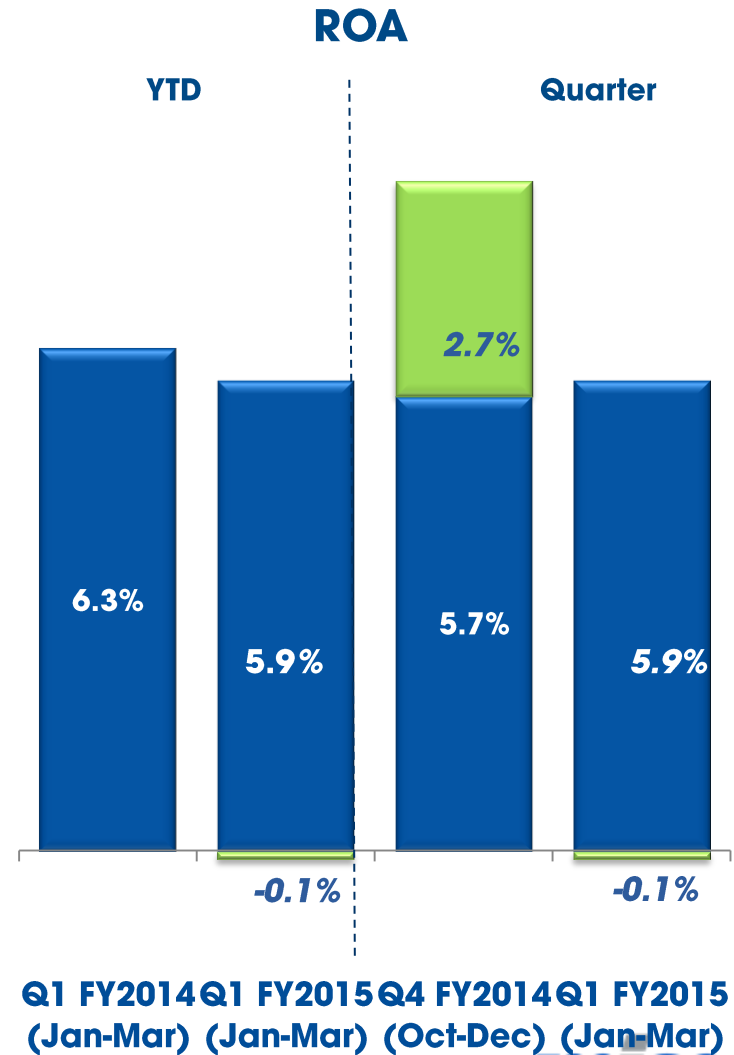
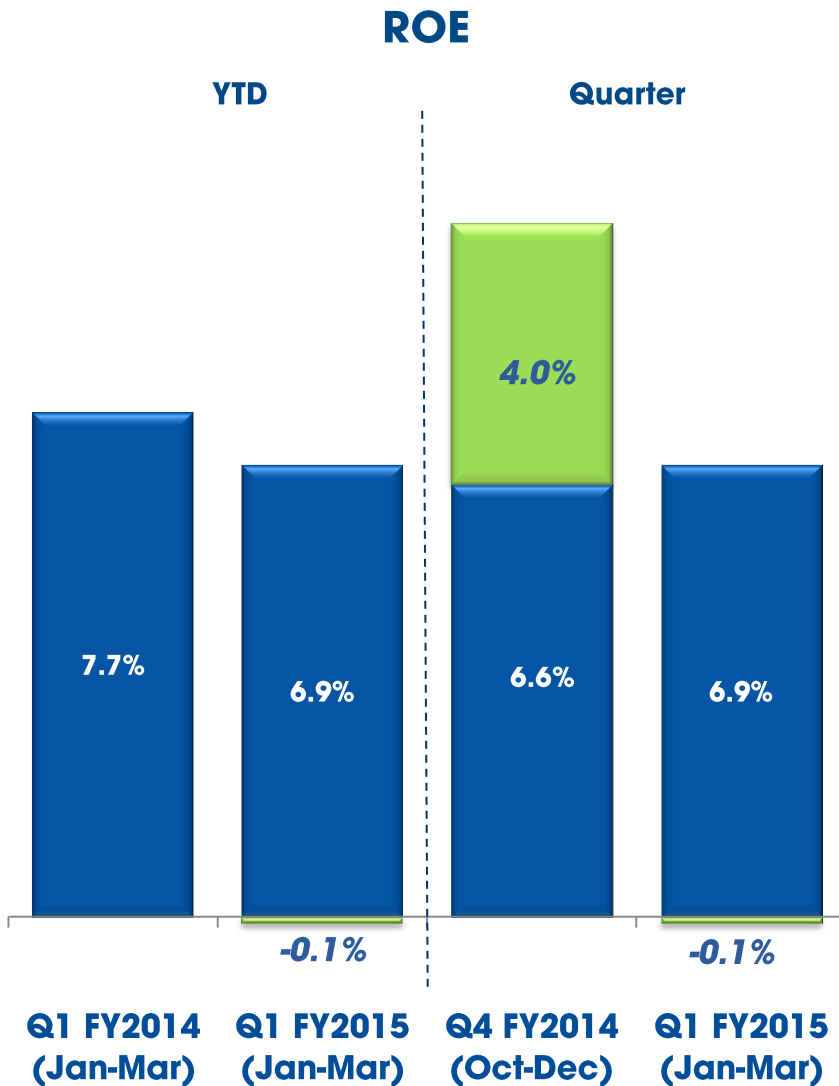


Debt Profile

As at 31 March 2015



Return on Investment



■ Core Earnings

■ Non-Recurring Items



Assets Profile

As at 31 March 2015

