



MISC 50th Annual General Meeting

24 April 2019



Disclaimer

This Presentation is not intended to form the basis of any investment decision with respect to MISC Berhad (MISC) and shall not form the basis of or be relied upon in connection with any contract or commitment whatsoever.

No representation or warranty, express or implied, is or will be made by MISC in relation to the accuracy and completeness of the information made available and any liability therefore is expressly disclaimed.

Although MISC believes that the expectations of its management as reflected by forward-looking statements contained in this Presentation are reasonable based on information currently available to it, no assurances can be given that such expectations will materialize as these are dependent on risks, uncertainties and other factors which in many cases are beyond MISC's control.

This Presentation and its contents are strictly confidential and must not be reproduced or disclosed without the prior written consent of MISC.

MISC Berhad – A Global Shipping Conglomerate



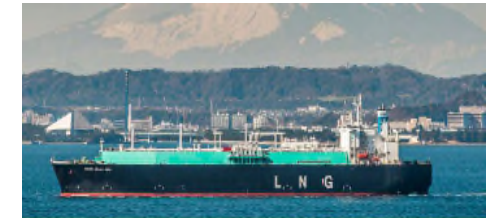
years of proven experience in delivering energy related maritime solutions and services

Among the world's
TOP 3
shipping conglomerates
by market capitalisation at
USD7.4 billion



One of the
Top 5
offshore
asset
owners

Second largest
single
owner/operator
of LNG carriers



**Moody's
Investors Service**

Strongest
credit rating
in marine
transport sector



**S&P
Global Ratings**



One of the
largest drydocks
in Southeast Asia with
2 drydock
facilities



Second largest
owner
of Aframax tankers

Four Core Businesses Providing Energy Related Maritime Solutions & Services



LNG ASSET SOLUTIONS

- Owns 29 LNG vessels and 2 Floating Storage Units (FSU)
- Delivers LNG to global customers



PETROLEUM SHIPPING

- Owns/operates 89 tankers
- Transports crude oil, petroleum products and chemicals, includes specialist services such as Dynamic Positioning Shuttle Tankers (DPST), Modular Capture Vessels and lightering business



OFFSHORE

- Owns 15 FPSO, FSO and other floating assets
- Provides offshore solutions that cater for marginal, conventional and deepwater field production



MARINE & HEAVY ENGINEERING

- Owns one of the largest drydocks in Southeast Asia with 2 drydock facilities
- Provides integrated and complex heavy engineering services, marine repair and conversion solutions

Supported by Three Key Enablers



INTEGRATED MARINE SERVICES

- Ship management arm of MISC
- Provides ship management and operation services to operate LNG, petroleum and product fleets globally as well as project management for MISC newbuilds



PORT & TERMINAL SERVICES

- Centre of excellence for port & terminal services
- Provides marine assurance and compliance, port and terminal operations, management and consultancy services



MARITIME EDUCATION & TRAINING

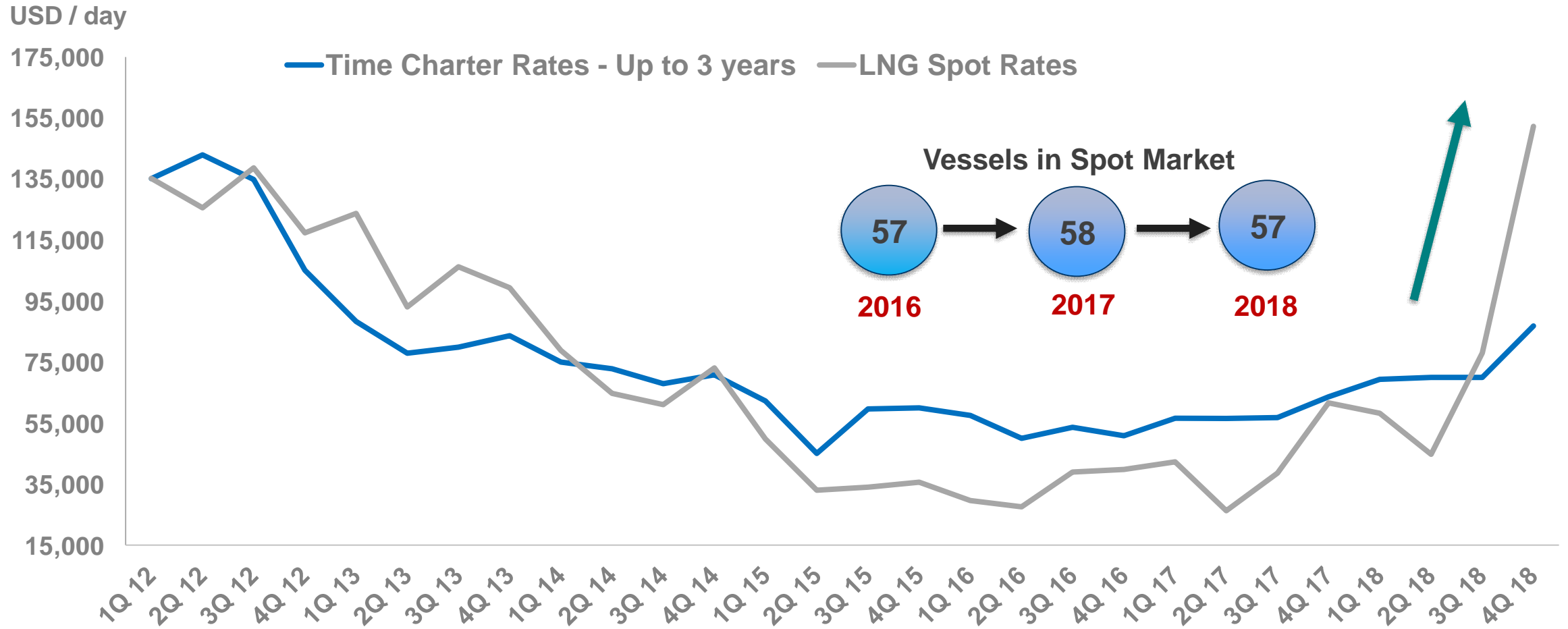
- Training institution mainly for seafarers as well as offshore platforms and shipping industry
- Offers wide range of courses such as pre and post-sea nautical and marine engineering programmes, as well as research and consultancy services

2018 IN REVIEW



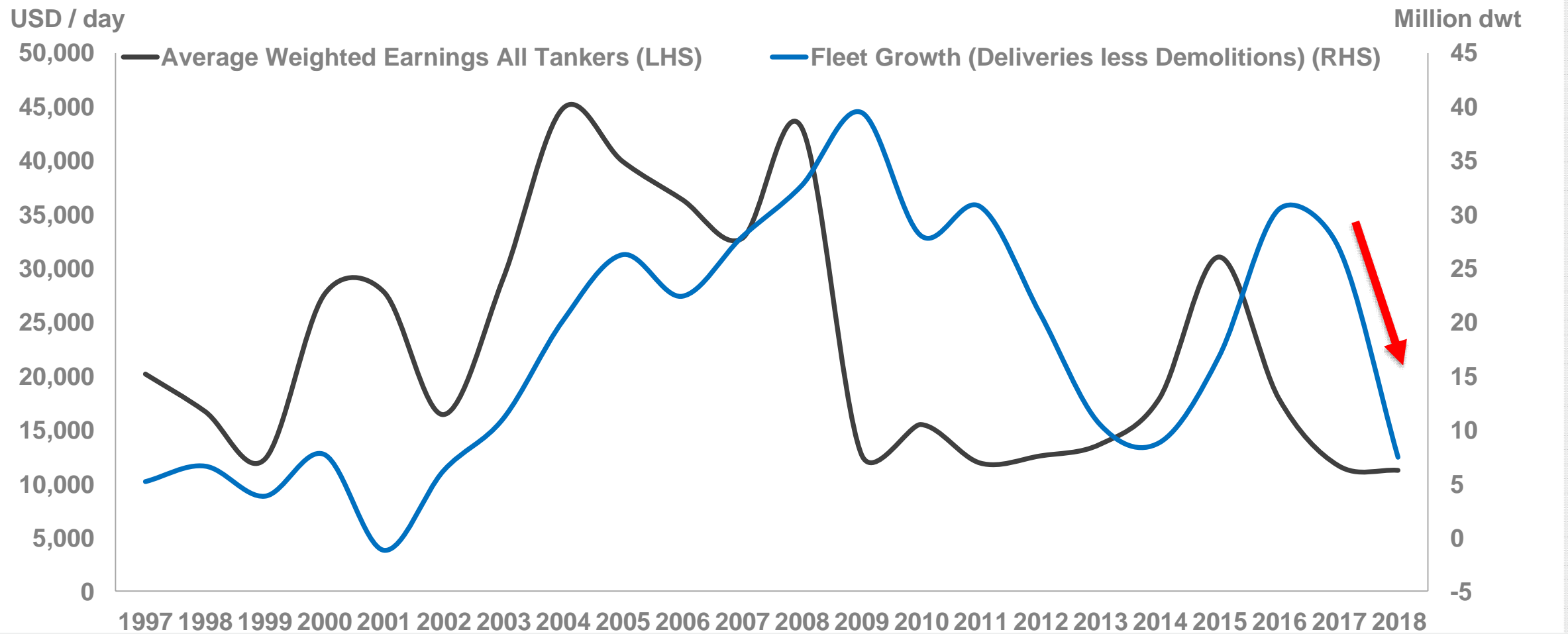
LNG Spot Rates on Historic Winter Run Towards Year End

LNG Charter Rates



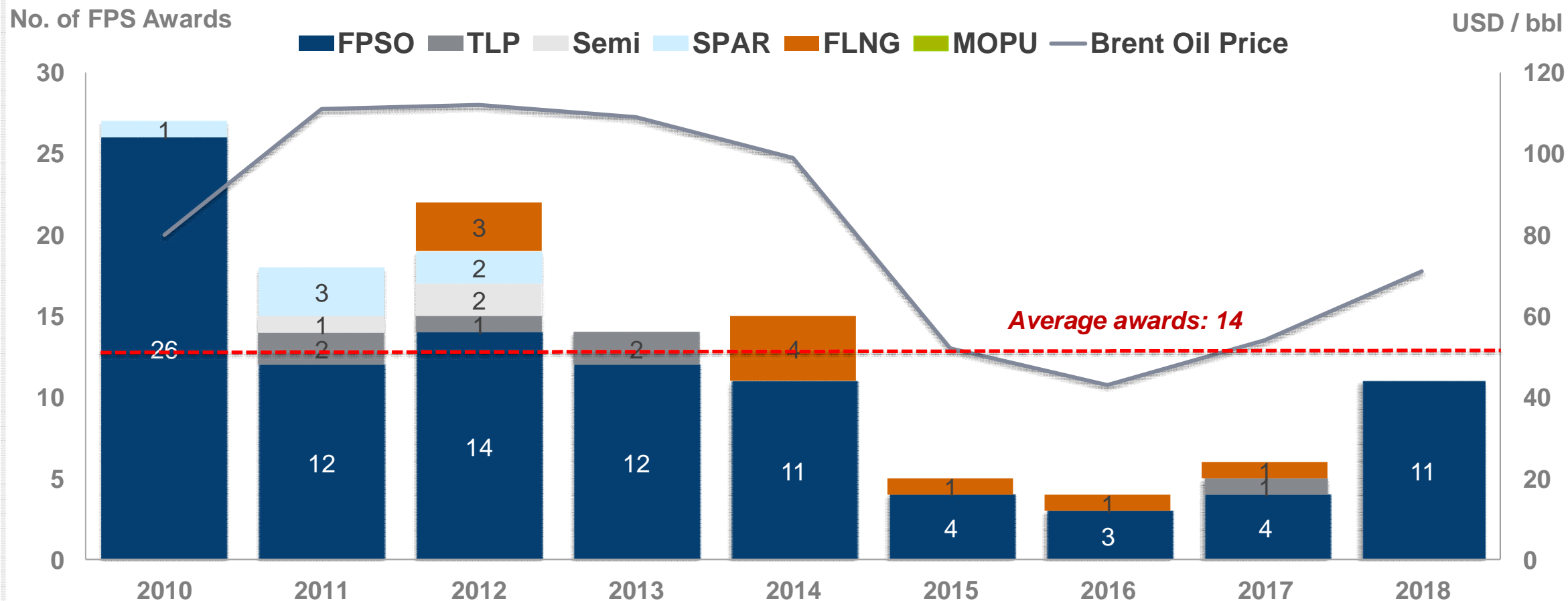
Crude Tanker Earnings Hit One of the Worst Years in Recent History

Average Crude Tanker Earnings versus Fleet Growth



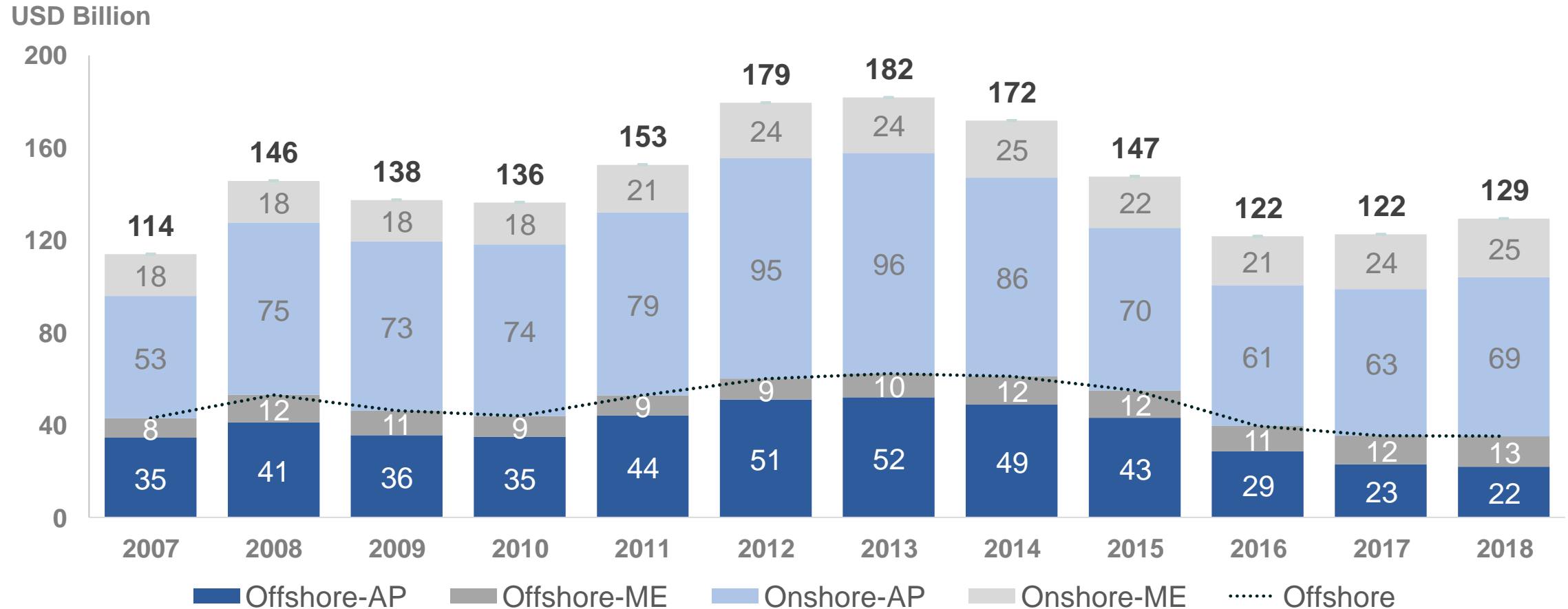
Recovery in Contract Awards for Floating Production System

Global Floating Production System (FPS) Awards



Slower Recovery in Exploration & Production CAPEX Spending

Asia Pacific (AP) & Middle East (ME) Exploration & Production (E&P) CAPEX Spending



A Year of Mixed Performance

Tsakos Energy (TNP) Reports Q4 Loss Misses Revenue Estimates

Exmar swings to loss as Tango FLNG is yet to start operation

Sembcorp Marine announces full-year net loss of \$74m

Teekay LNG's 2018 profit slumps

K Line hit with \$448m in losses from charter contract cancellations

Golar LNG posts fourth-quarter loss

Euronav losses widen in fourth quarter

Bumi Armada sinks into the red

Negative result comes as Malaysian company also reveals change in leadership

SBM Offshore adds to firepower as profit piles up

"The market is growing; a new cycle is coming up," chief executive Bruno Chabas said

Maersk positive on global container shipping despite Q4 miss

Teekay Corp Narrows Loss amid Stronger LNG, Crude Tanker Markets

Tanker rate spike pushes Sovcomflot back to profit in fourth quarter

Sapura back in the black

One-off gain from partnership with OMV sees Malaysian player return to profit

Nakilat eyes more expansion as profit rises

Qatari owner wants to diversify after adding shares in two LNGCs and an FSRU.

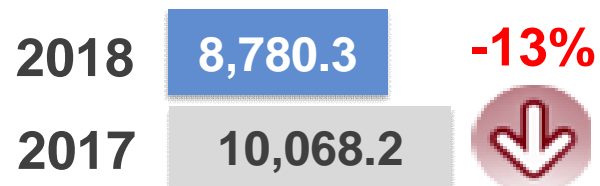
Keppel reverses losses to post S\$135m Q4 profit

FINANCIAL HIGHLIGHTS

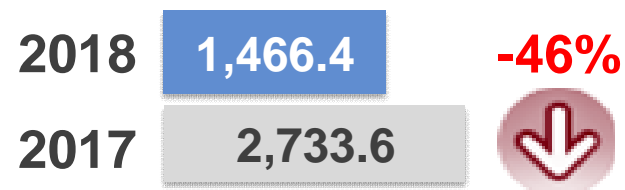


Financial Highlights FY2018 – Difficult Market Conditions

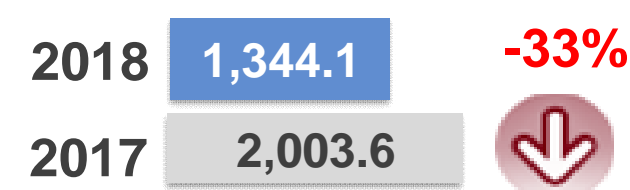
Revenue



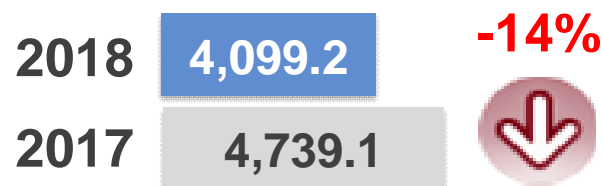
Operating Profit



Profit Before Tax

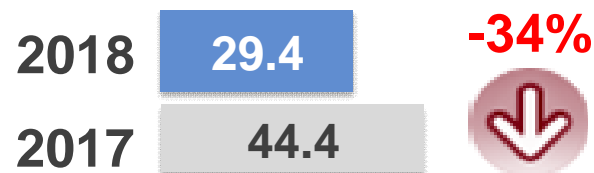


Net Operating Cash Flow



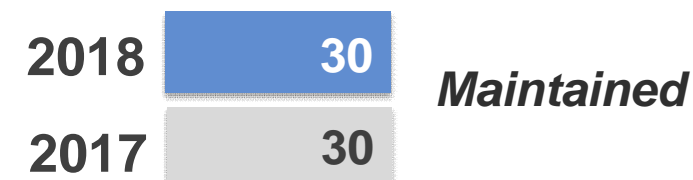
Earnings Per Share

(Sen)



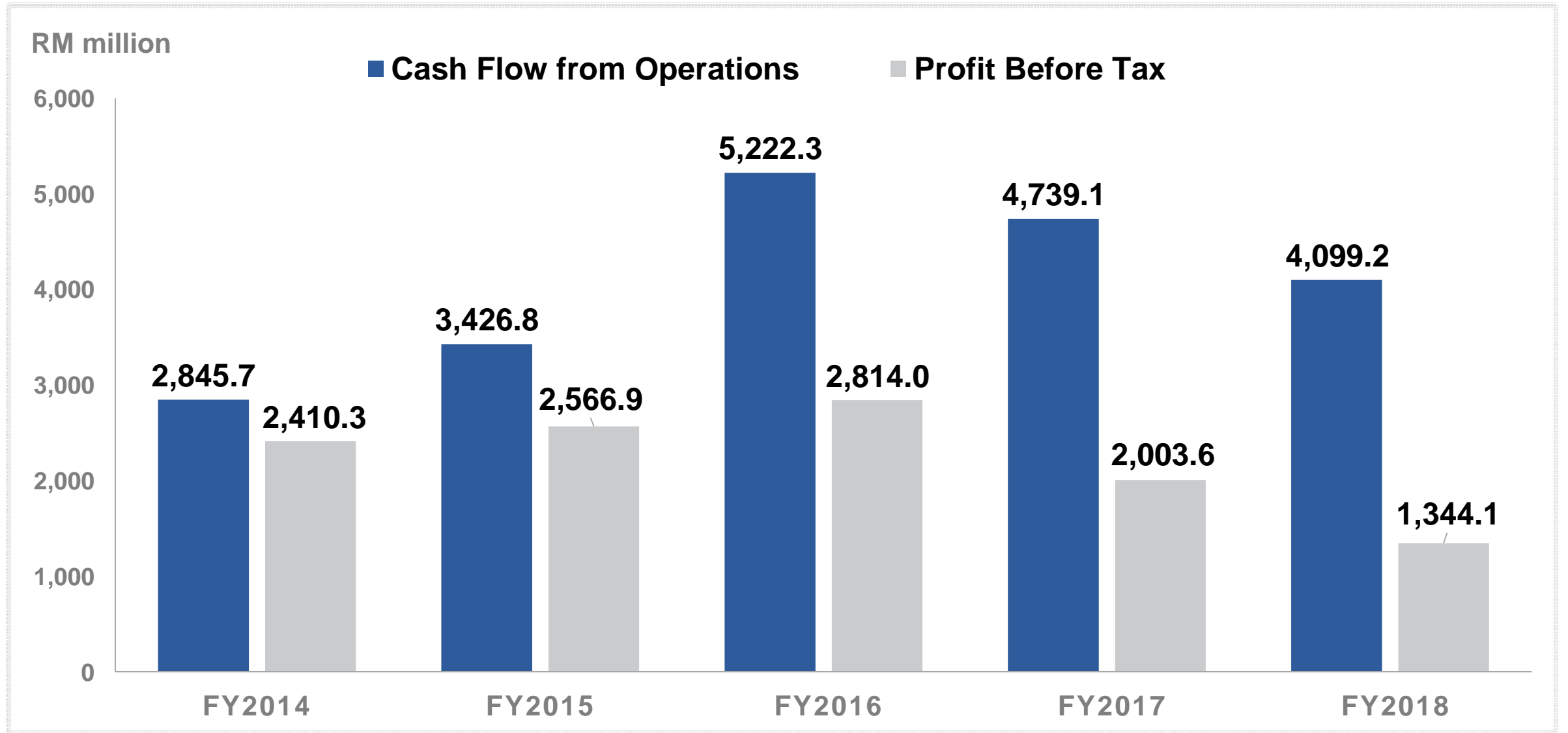
Dividends Per Share

(Sen)

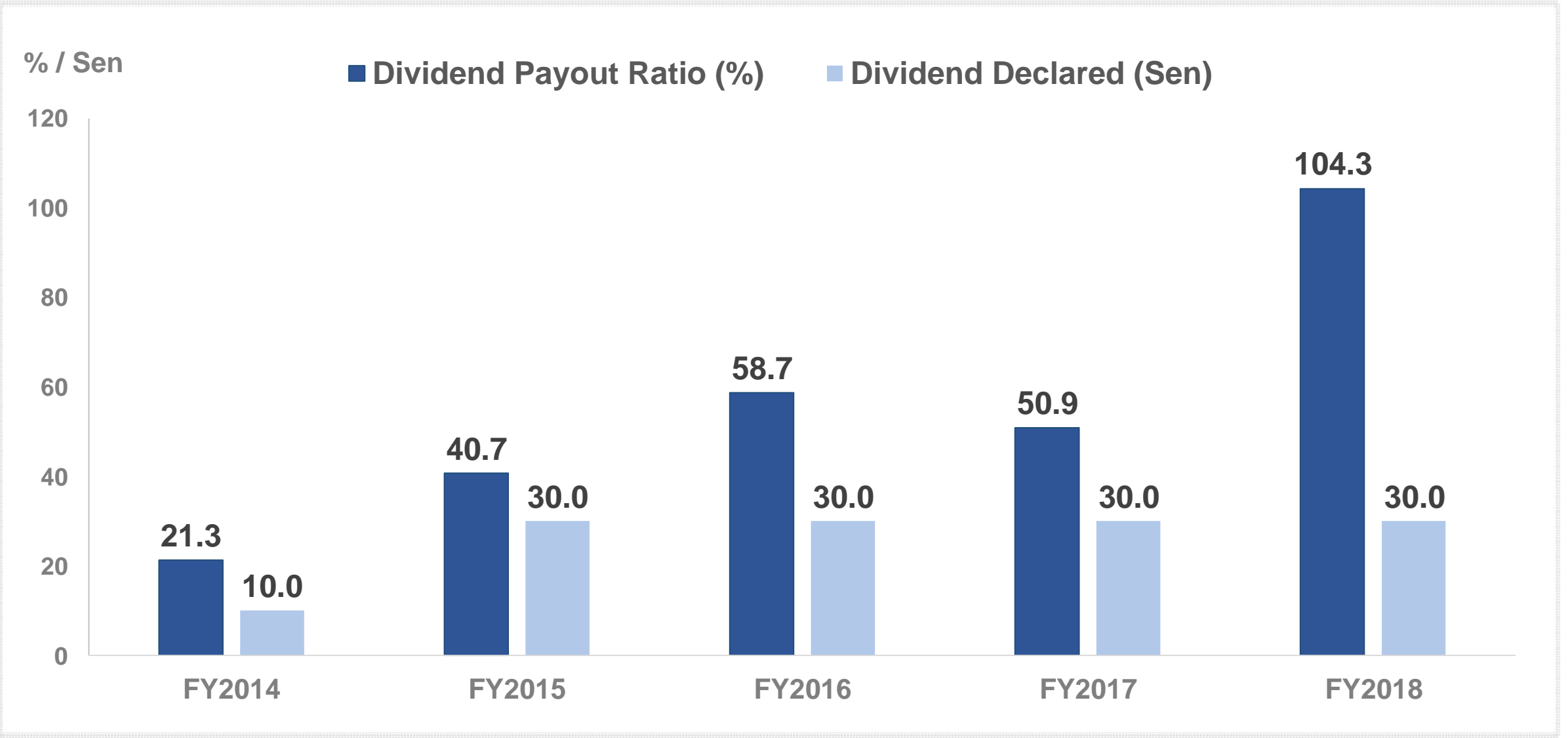


*All figures in RM million unless otherwise stated

However, Group Operating Cash Flow Remains Healthy

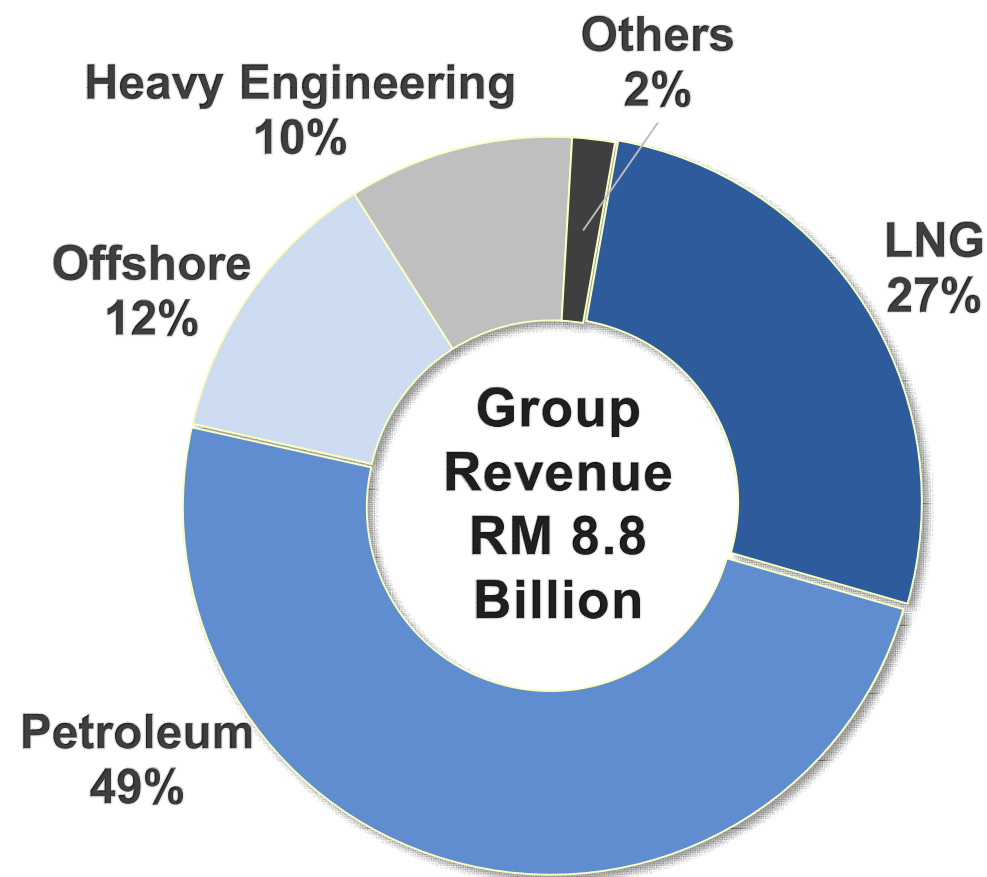


Consistent Dividend Payout for the Past Four Years

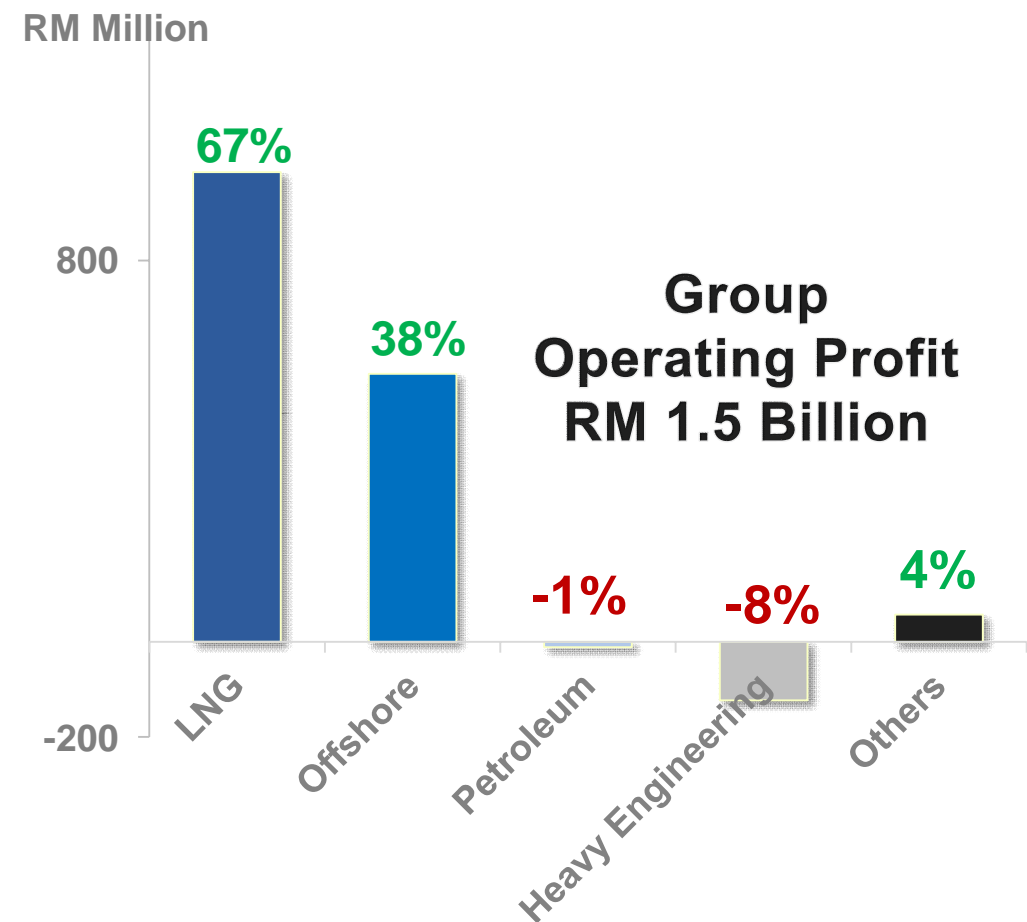


Segmental Contribution in FY2018

REVENUE BREAKDOWN



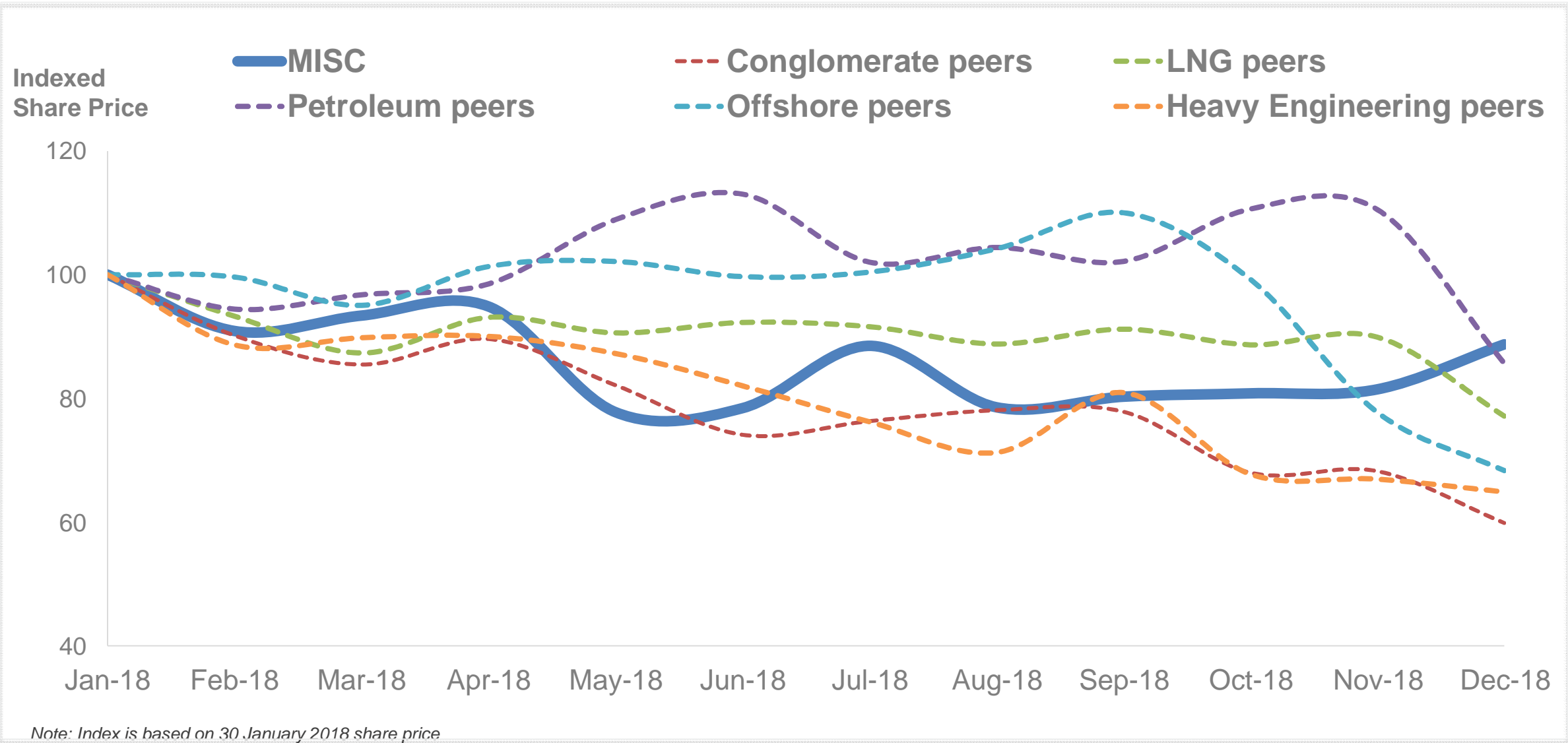
OPERATING PROFIT BREAKDOWN



Mixed Performances Across Industry Segments

	REVENUE		NPAT	
	2017 (+/- %)	2018 (+/- %)	2017 (+/- %)	2018 (+/- %)
MISC Berhad	5% ↑	- 13% ↓	- 29% ↓	- 33% ↓
Conglomerate Peers	- 2% ↓	9% ↑	> -100% ↓	- 27% ↓
LNG Peers	22% ↑	26% ↑	27% ↑	- 4% ↓
Petroleum Peers	- 16% ↓	12% ↑	> -100% ↓	> - 100% ↓
Offshore Peers	9% ↑	29% ↑	> -100% ↓	> 100% ↑
Heavy Engineering Peers	- 25% ↓	9% ↑	> -100% ↓	> - 100% ↓

MISC Share Price in 2018 Displayed Resilience



CORPORATE MILESTONES IN 2018



Focused Delivery Across the Value Chain



LNG ASSET SOLUTIONS

- Delivered the final two (2) Seri C class LNG vessels
- Two (2) LNG carriers, *LNG Portovenere* and *LNG Lerici* were chartered for five (5) years



PETROLEUM SHIPPING

- Delivered four (4) newbuilds in 2018: two (2) Aframax vessels and two (2) Suezmax vessels
- Won five (5) DPST contracts: four (4) with Petrobras and one (1) with Shell Brazil
- Won contract with Shell for two (2) newbuild LNG dual-fuelled Aframax tankers



OFFSHORE

- Successful sailaway of FSO *Benchamas 2* on 9 April 2018 and achieved first oil on 28 April 2018
- Secured a 16-year contract in July 2018 from HESS for FSO *Mekar Bergading*
- Won a seven (7) year contract with Idemitsu Kosan Co Ltd. for FSO in Vietnam



MARINE & HEAVY ENGINEERING

- Delivered five (5) units of Dangote Catenary Anchor Leg Mooring buoys to Dangote Oil Refining Company in offshore Nigeria
- Signed a Long-Term Agreement with Saudi Aramco in support of Saudi Aramco's Offshore Maintain Potential Program
- Awarded frame agreement by PETRONAS for the EPC of fixed offshore structure works

Focused Delivery Across the Value Chain (cont'd)



INTEGRATED MARINE SERVICES

- Recognised as the 'Safety Conscious Employer/Ship Operator of the Year' at the Safety at Sea Awards 2018 in London



MARITIME EDUCATION & TRAINING

- Obtained approval from Malaysia Ministry of Education to conduct Advanced Diploma programmes in Nautical Studies and Marine Engineering that open doors to a degree pathway



PORT & TERMINAL SERVICES

- Secured 14 Port & Terminal contracts and two (2) contracts with PETRONAS for supply of marine specialist and Roving Marine Marshall Services

Excellent Operational Performance in 2018



High overall vessel
availability rate of

99%



Excellent asset
performance
with uptime of
over

98%



30%

Reduction in
Lost Time Injury
Frequency (LTIF)



reduction in
carbon emission
intensity by

4%, 8%, 10%

for our LNG, Petroleum
& Product fleets respectively



ZERO

major spills
to the
environment



24%

Reduction in
Total Recordable
Case Frequency
(TRCF)

Industry Recognition of Our Operational and Safety Excellence



CLASSNK
Tanker
Operator
of the Year

Lloyd's List Global Awards 2018

Safety
Conscious
Employer/Ship
Operator of the Year



Safety at Sea Awards 2018



FTSE4Good
Bursa Malaysia
Index

3.5 score



MISC Annual
Report 2017 received

**CERTIFICATE
OF MERIT**

at the NACRA 2018

National Annual Corporate Report Awards (NACRA)



**The CSA Annual Safety
Awards/the Jones
F. Devlin Awards**

45
cargo
vessels

4
lightering
support vessels

----- Chamber of Shipping of America (CSA) -----

49
cargo
vessels

4
lightering
support vessels

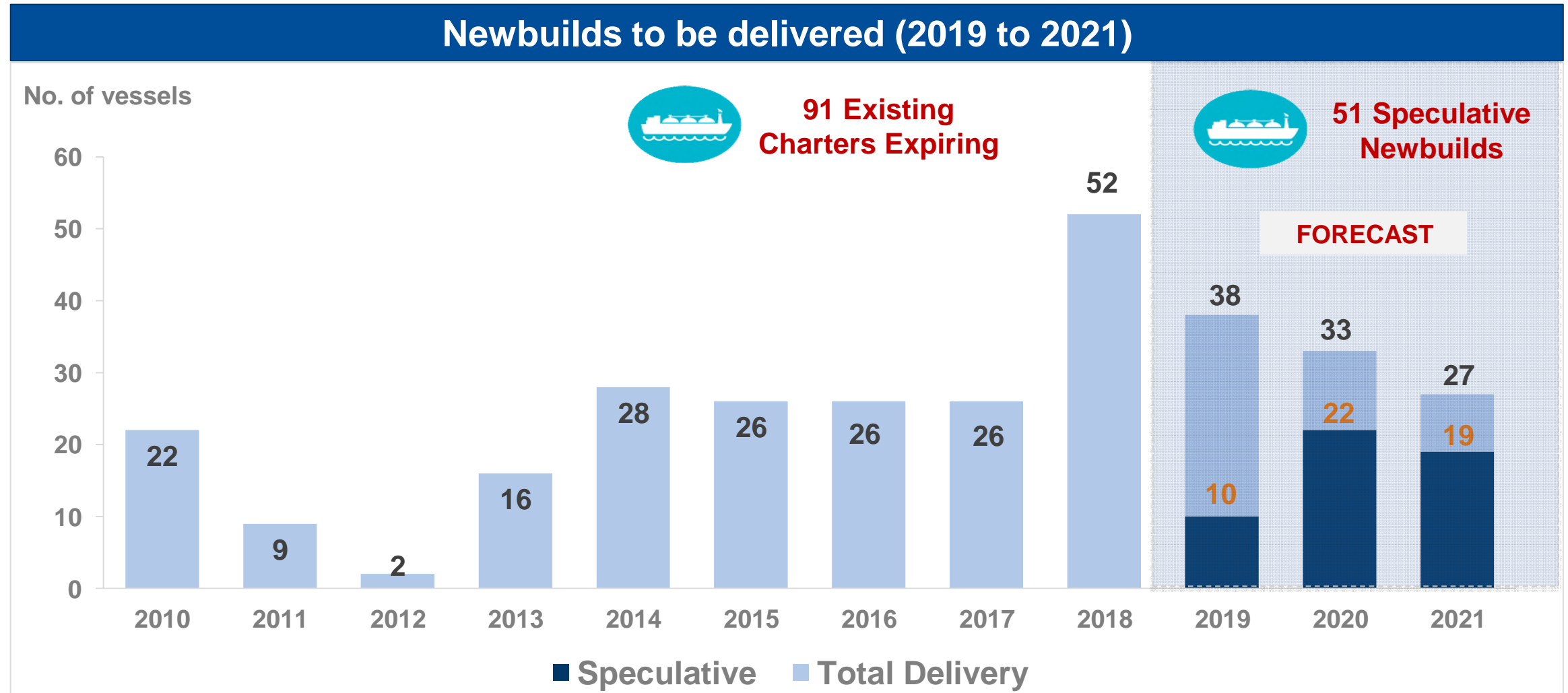
**The CSA Annual
Environmental
Achievement Awards**



EXPECTATIONS FOR 2019

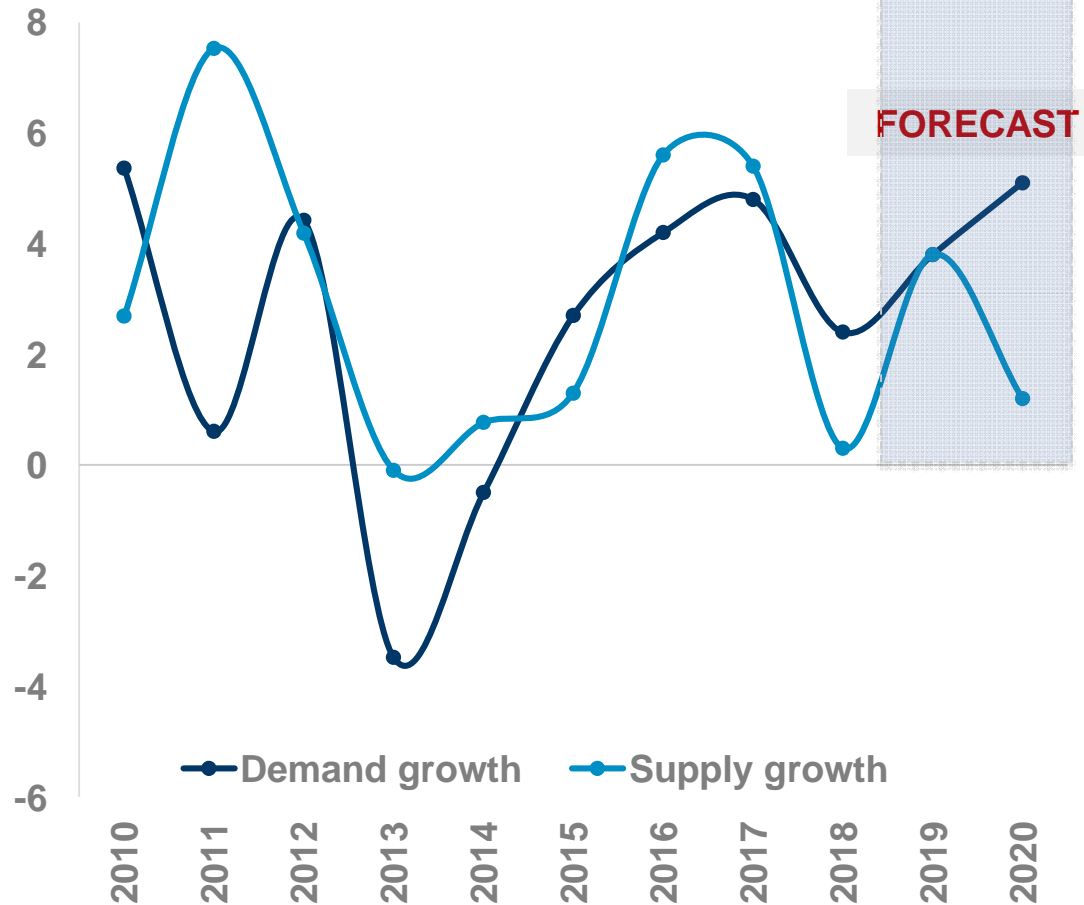


LNG Newbuild Deliveries to Slow, but High Expiring Contracts

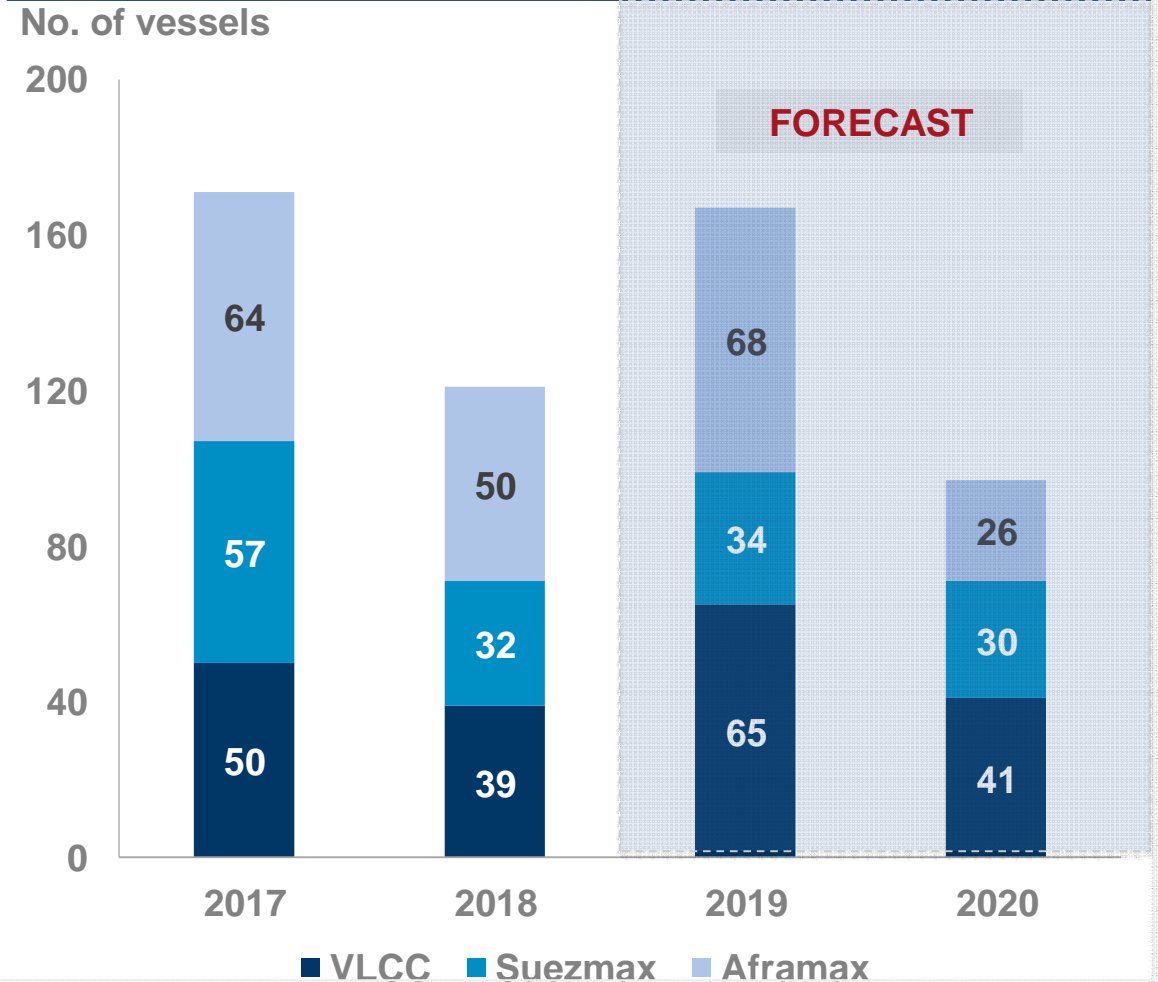


Petroleum Shipping Demand Growth to Accelerate

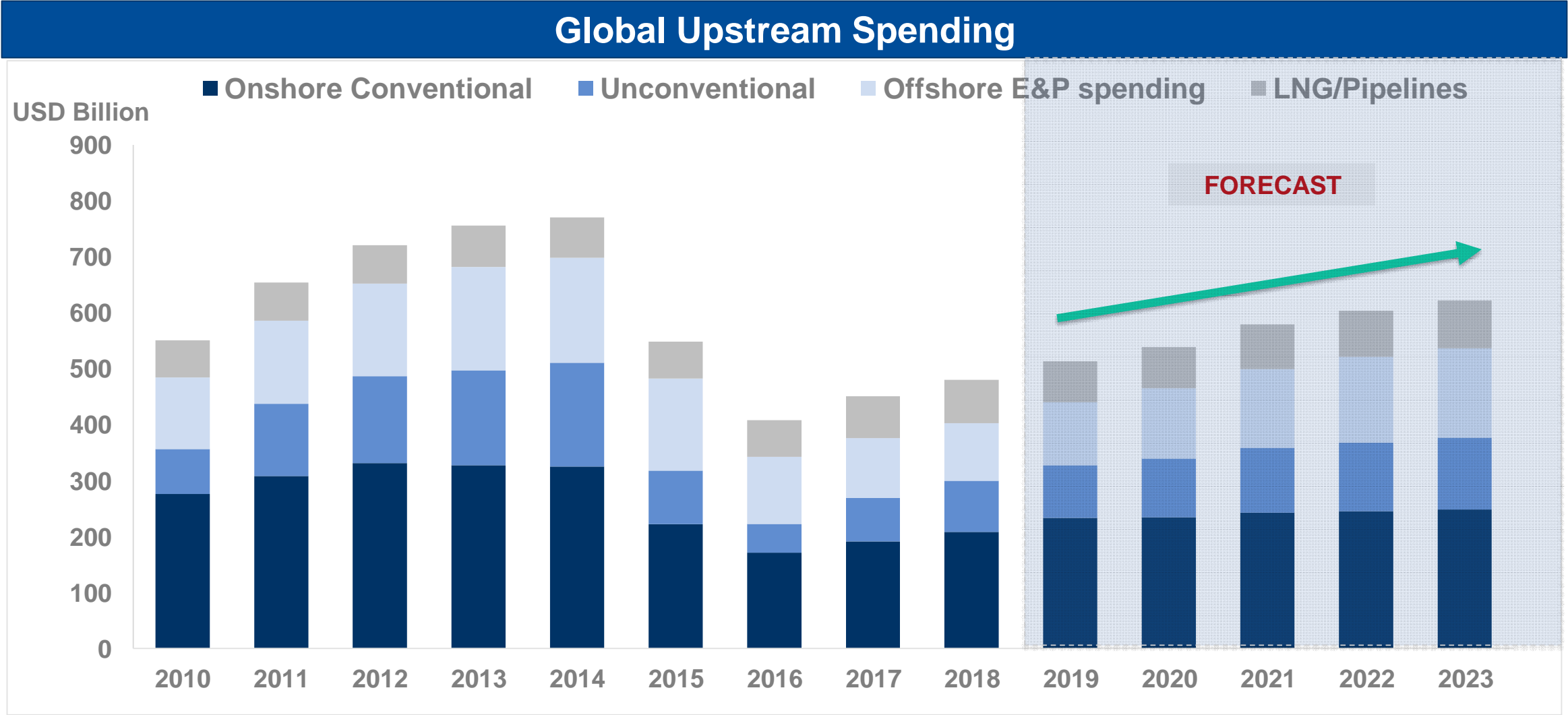
Tanker Demand and Supply Growth in %



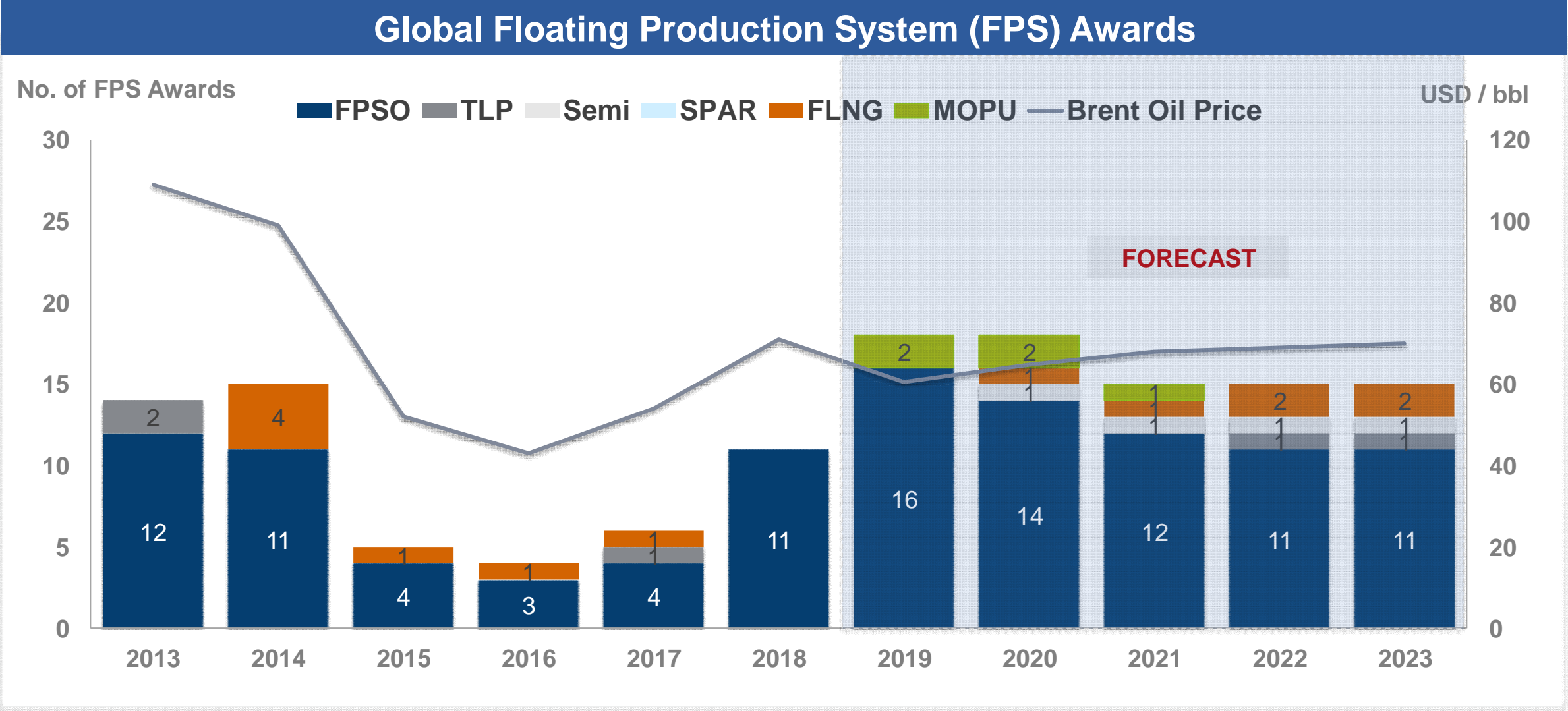
Tanker Deliveries by Segment



Continued Recovery in Upstream Offshore Investments

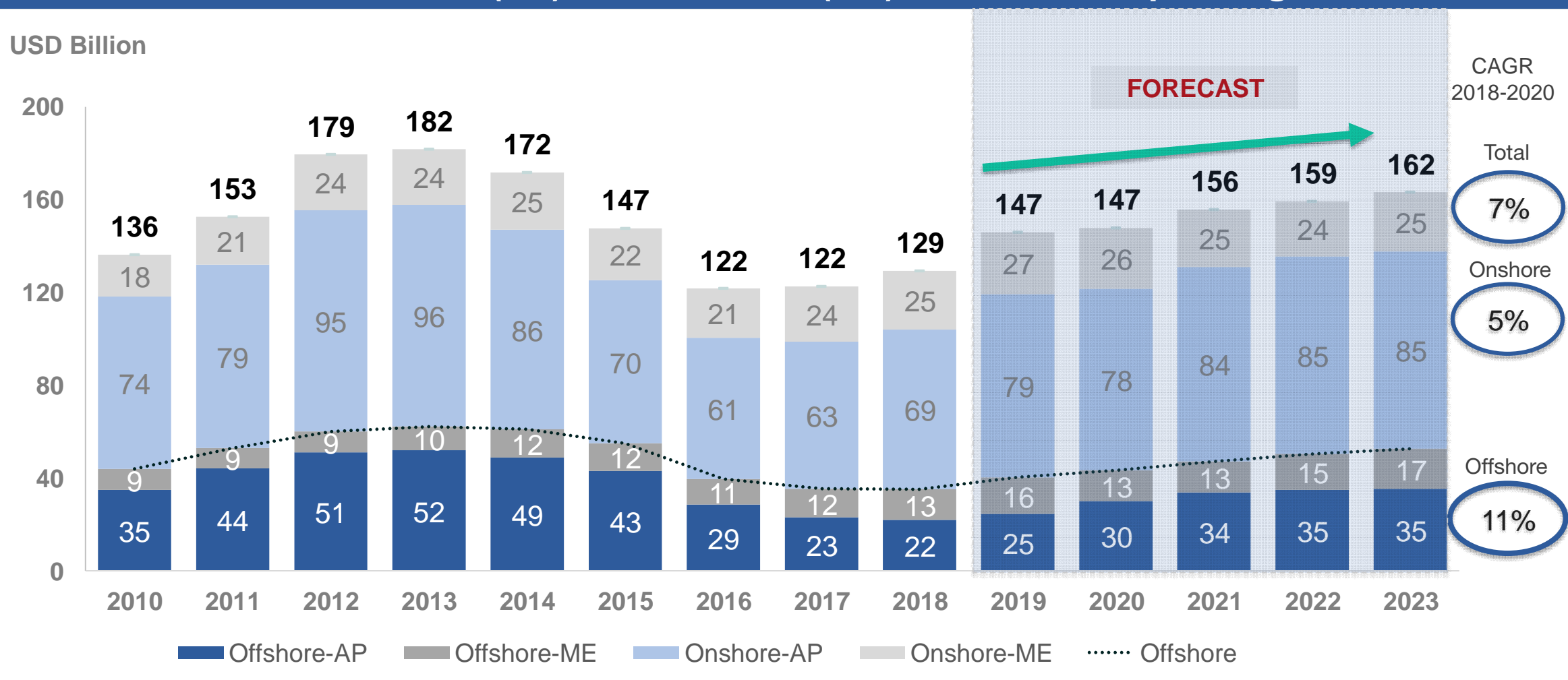


Greater Contract Awards in Global Offshore Production System



Continued Recovery in Exploration & Production Activities

Asia Pacific (AP) & Middle East (ME) E&P CAPEX Spending



Looking Ahead...

- **Increasing number of growth opportunities and our bidding success rate is improving**
- **We see tailwinds rather than headwinds in our pursuit of growth in our present economic and industry climate**
- **Our credit strength and acknowledged service quality are key attractions**
- **Operating cash flow is the true measure of our performance and our secured base of operating cash flow is growing as planned**

Thank You