



**MISC BERHAD**  
**53<sup>RD</sup> ANNUAL GENERAL MEETING**  
**27 APRIL 2022**

# 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 Group at a Glance

Listed since **1987** on  
Bursa Malaysia



Among the world's leading  
shipping conglomerates with  
a market capitalization of

**USD 7.6 BILLION**



**53**

years of sterling track  
record in delivering  
energy-related  
maritime solutions  
and services

Modern fleet of

**106**

LNG, Petroleum and  
Product vessels



Reputable Floating  
Production System  
(FPS) owner-operator  
with

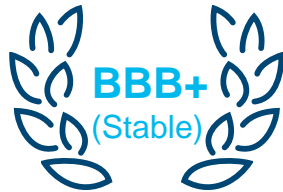
**12**

assets



Moody's Investors  
Service

**Strong**  
credit rating  
in the marine  
transport sector



S&P  
Global Ratings

International and diverse  
workforce of

**8,851**

sea and shore employees  
from **47** nationalities





## MISC's Four Core Businesses



### Gas Assets & Solutions

- Owns / operates 39 vessels: 30 LNGCs, 2 FSUs, 1 LBV and 6 VLECs.
- Sterling reputation for operational excellence.
- Consistent track record of reliable and on-time cargo deliveries.



### Petroleum & Product Shipping

- Owns / operates 67 tankers and market leader in specialist lightering operation
- Advancing green shipping solutions with modern and technologically advanced fuel-efficient vessels
- Industry pioneers in the fields of modular capture vessels and LNG dual-fuel vessels.



### Offshore Business

- Owns 12 floating assets: 6 FPSOs, 5 FSOs and 1 Semi-FPS
- Strong relationships of mutual trust with key Asia-based partners, subcontractors and suppliers.



### Marine & Heavy Engineering

- Owns and operates one of the region's largest marine and heavy engineering facilities.
- The only Malaysian yard with the capacity and skills to undertake complex offshore mega structures and marine facilities projects.





# Supported by Three Key Enablers



## Integrated Marine Services

- Globally renowned ship management company, with stellar track record for the highest quality and standards of delivery.



**Manages 85 vessels**  
with both sea & shore  
staff of more than **4,500**

- High vessel availability and utilization rate of more than 97%



## Port Management & Maritime Services

- Centre of excellence for port management and maritime services.



Excellent HSSE  
culture with  
**ZERO LTI**  
since 1999

- Strong industry reputation, with more than two decades of experience in port and terminal operations and maritime services.



## Maritime Education & Training

- Training institution mainly for seafarers as well as offshore platforms and shipping industry.



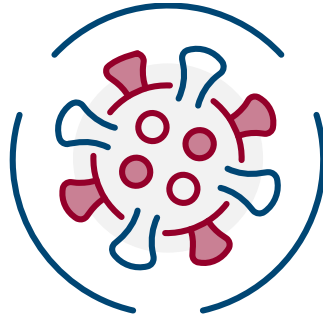
Offers over **170**  
courses including  
customized courses

- Providing a broad spectrum of maritime education and training, beyond Standards of Training, Certification and Watchkeeping (STCW).



# 2021 IN REVIEW

# Year of Recovery and Resilience



## Prolonged pandemic

- Worldwide vaccination programme
- Uneven vaccine access
- Fresh outbreaks as new variants emerged
- Global supply chain disruptions
- Increase in global inflation
- Investors and financiers had trepidations on funding due to uncertainty



## Road to recovery

- Loosening of pandemic-related restrictions
- Rising stock market
- Surge in oil prices
- Decreased unemployment
- Capex spending increase and project resumption



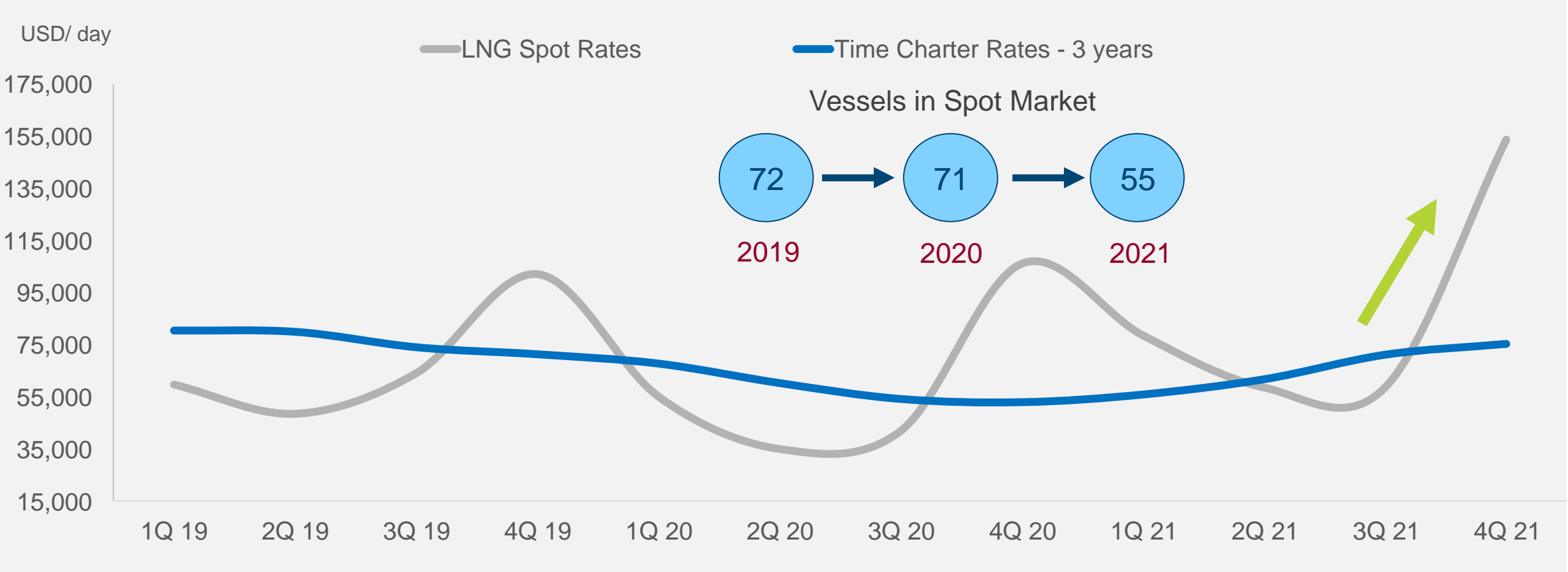
## Sustainability in the limelight

- Climate change agenda – COP26
- Extreme weather events
- Energy transition initiatives
- Social equality
- Diversity and inclusion



# LNG Spot Rates Surged towards Winter Season

## LNG Charter Rates

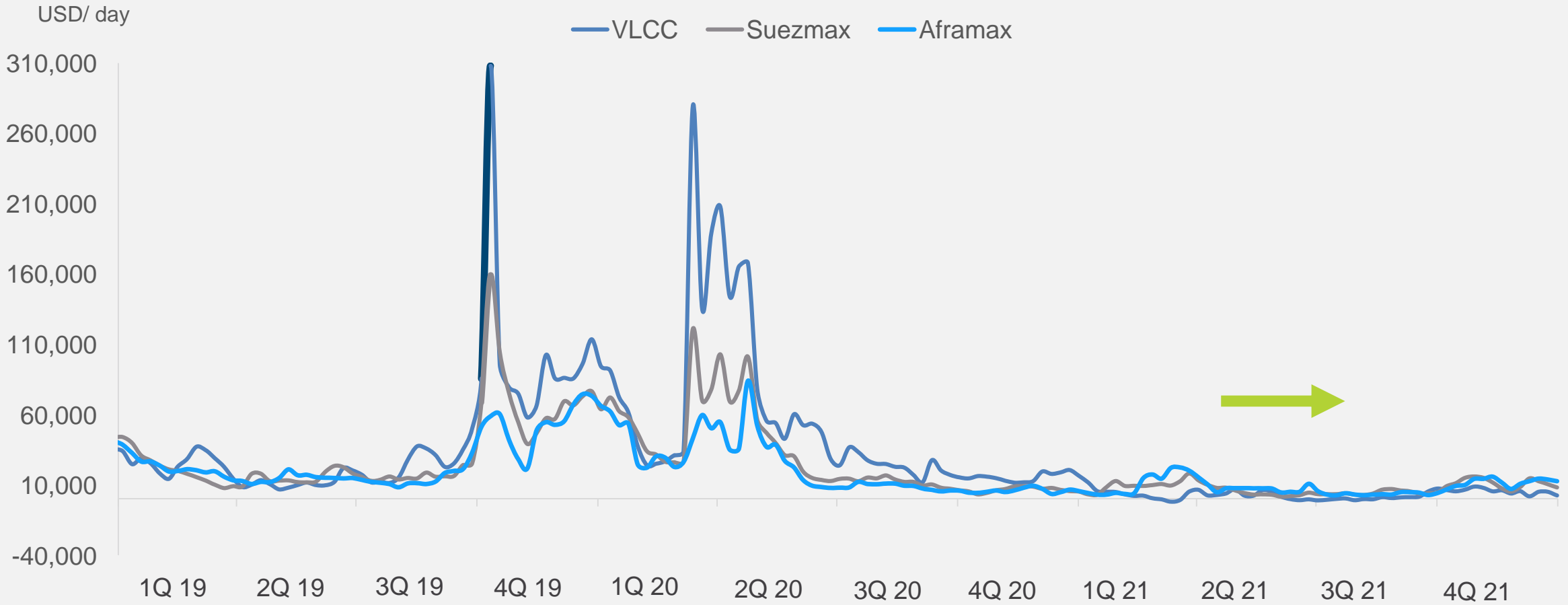


Source: LNG Shipping Database, Wood Mackenzie



# Depressed Tanker Market throughout 2021

## Average Crude Tanker Earnings

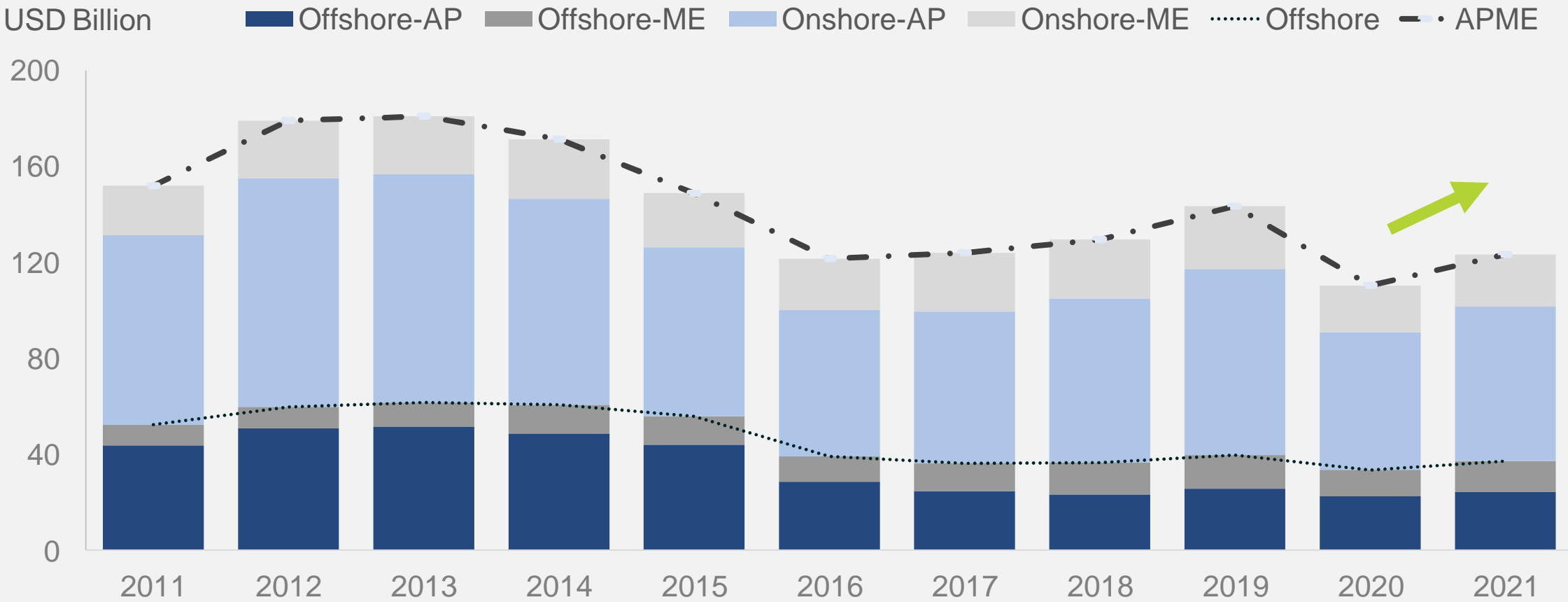


Source: Clarksons



# Rebound in E&P Capex with Strengthened Oil Prices

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

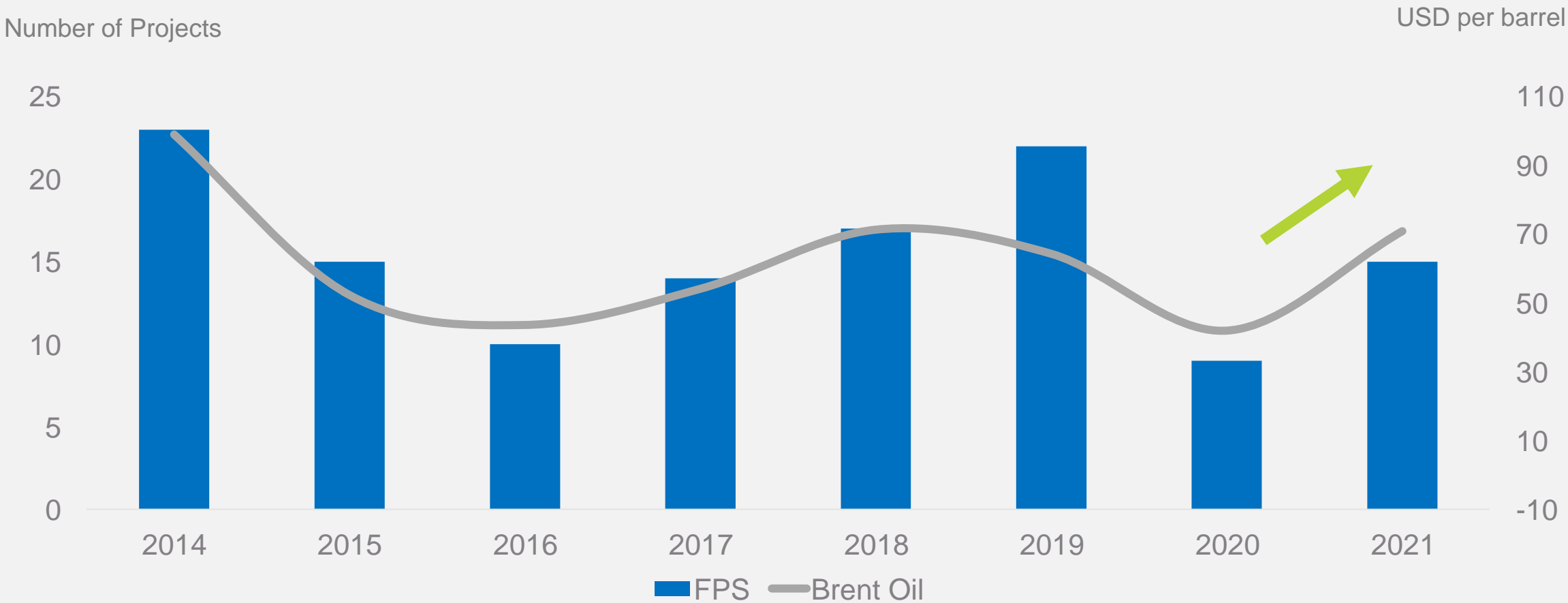


Source: IHS Markit



# The FPS Markets Improved in Tandem

## Floating Production System (FPS) Awards



Source: EMA, EIA





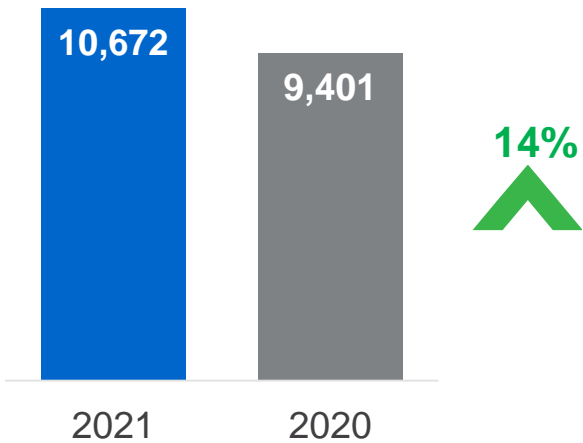
# FINANCIAL HIGHLIGHTS



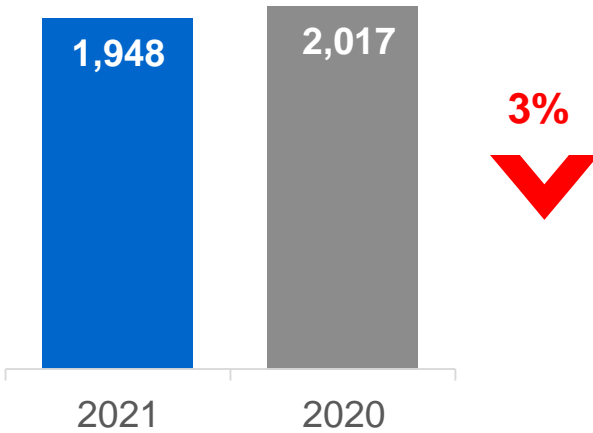


# Robust Financial Results Despite Difficult Environment

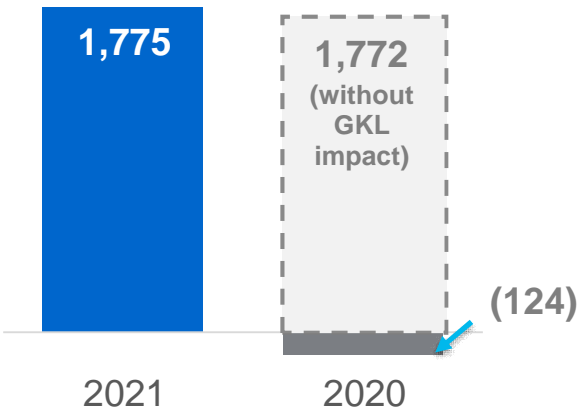
Revenue



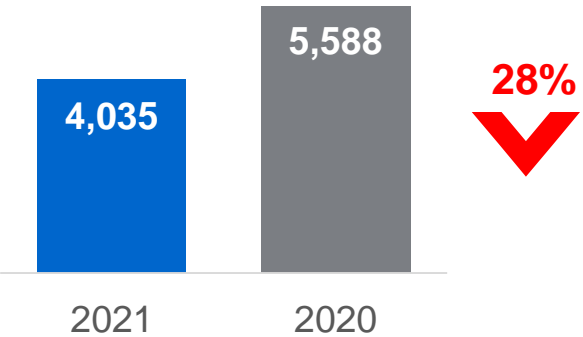
Operating Profit



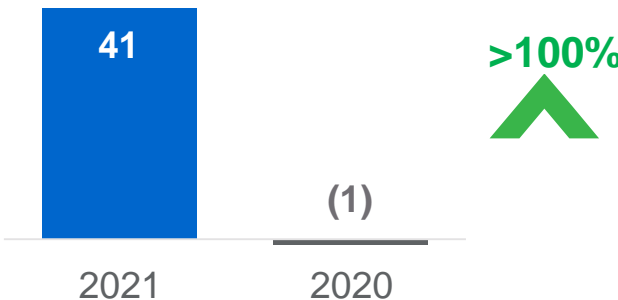
Profit/(Loss) Before Tax



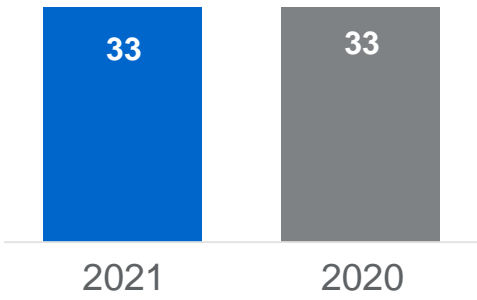
Cash Flows from Operating Activities



Earnings/(Loss) Per Share (Sen)

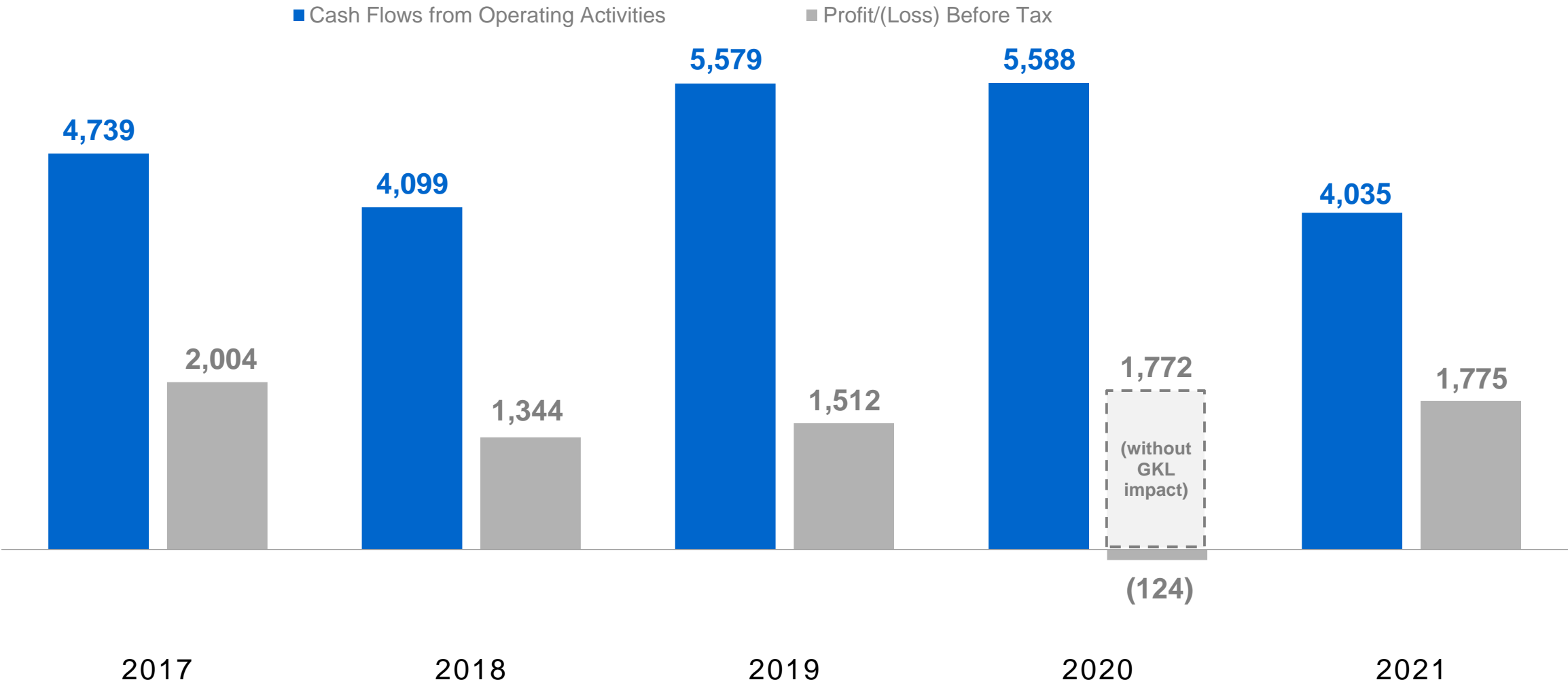


Dividends Per Share (Sen)





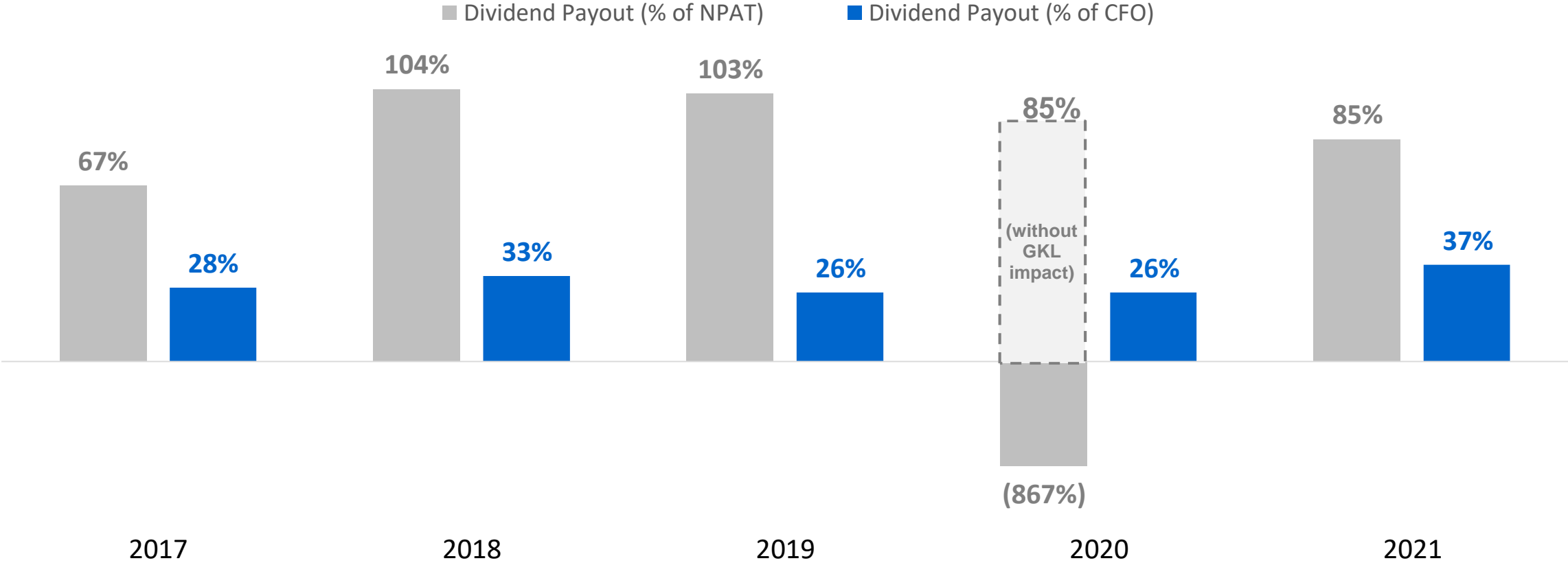
# Cash Flows from Operating Activities





# Sustainable Dividend

2017	2018	2019	2020	2021
30 sen	30 sen	33 sen	33 sen	33 sen

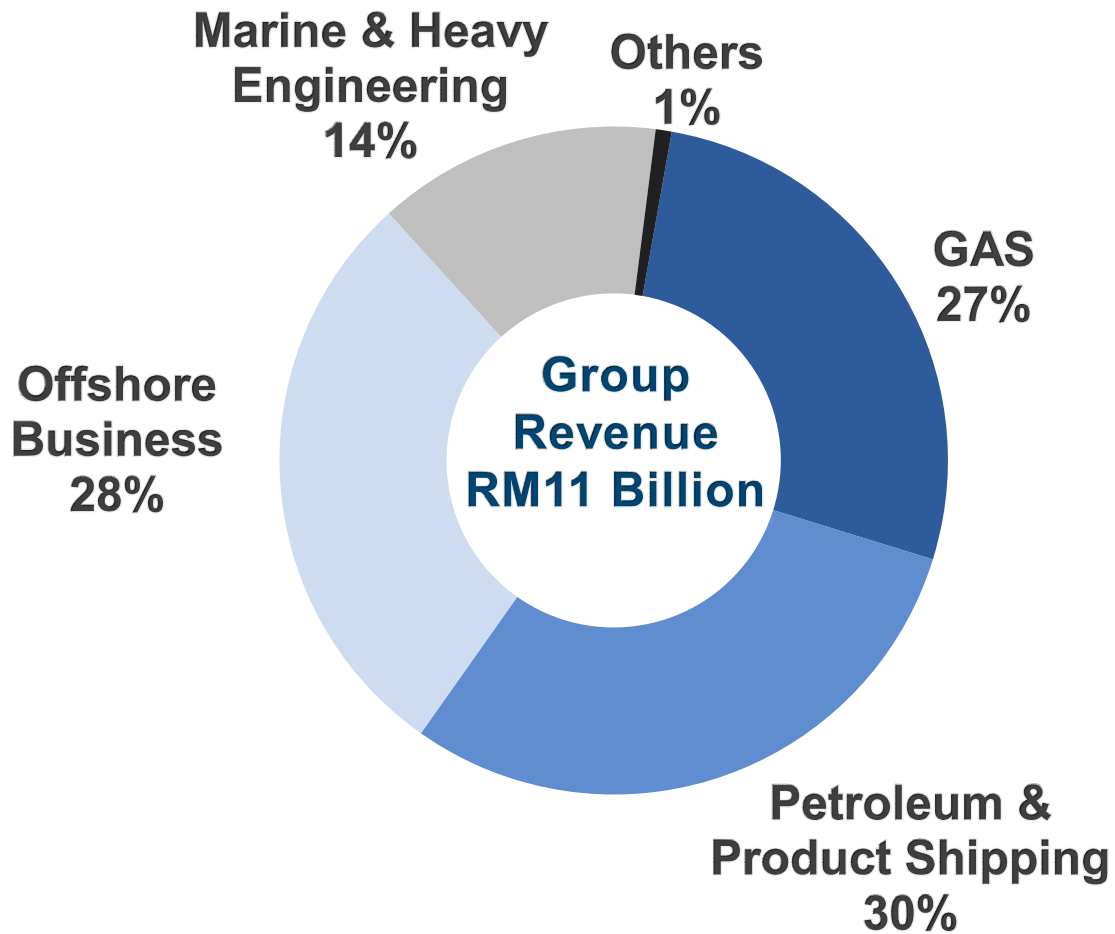


\* NPAT – Net Profit after Tax  
\* CFO – Cash flow from Operating Activities

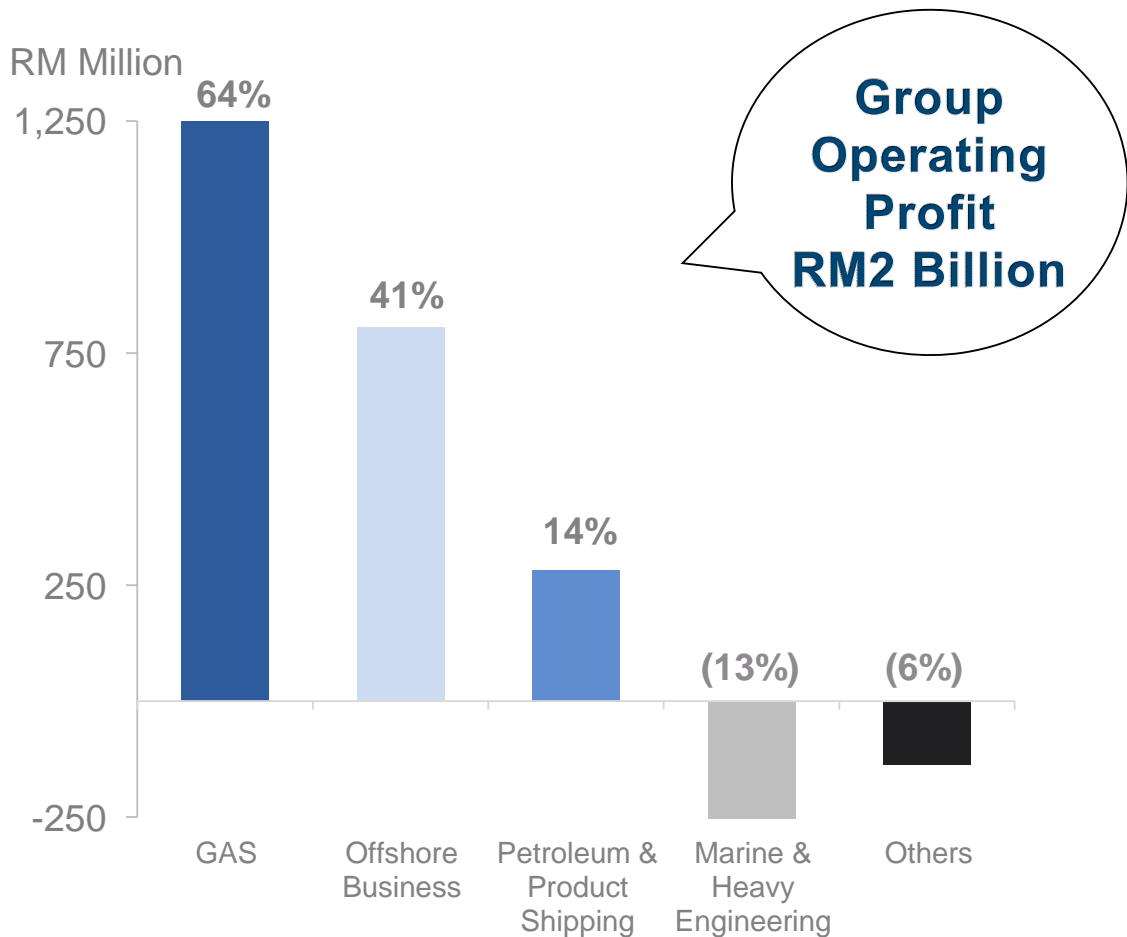


# Profits from GAS, Petroleum & Product Shipping and Offshore Business

REVENUE BREAKDOWN



OPERATING PROFIT BREAKDOWN





## Mixed Performances Across Industry Segments

**Container ships and bulk carriers drive seven-fold surge in MOL profit**

**Nordic American Tankers cuts losses in half, pitches tanker recovery**

**Keppel's FY 2021 net profit surges to S\$1.02 billion, the highest in 6 years**

**GasLog Partners profit dragged to loss by LNG write down of steamships asset values**

Company focused on debt repayments and improving breakeven rates as older ships make their presence felt in finances

**Euronav blames Omicron for delayed recovery as annual loss hits \$339m**

**Bumi Armada FY21 net profit soars to RM574mil, highest since listing**

**Russia's Sovcomflot reveals lower 2021 profit, but stays mum on sanctions**

**Modec revises 2021 earnings downward... again**

Japanese FPSO recognises additional costs associated with Brazil

**Nakilat logs new profit record, topping 2020's all-time high**

**Sembcorp Posts Net Profit of S\$279 Million, Up 78% in FY2021**

**Maersk delivers biggest-ever profit by a shipping company**

Danish liner giant set to repeat 2021's blockbuster profit this year

**K Line profit soars on robust cargo demand**

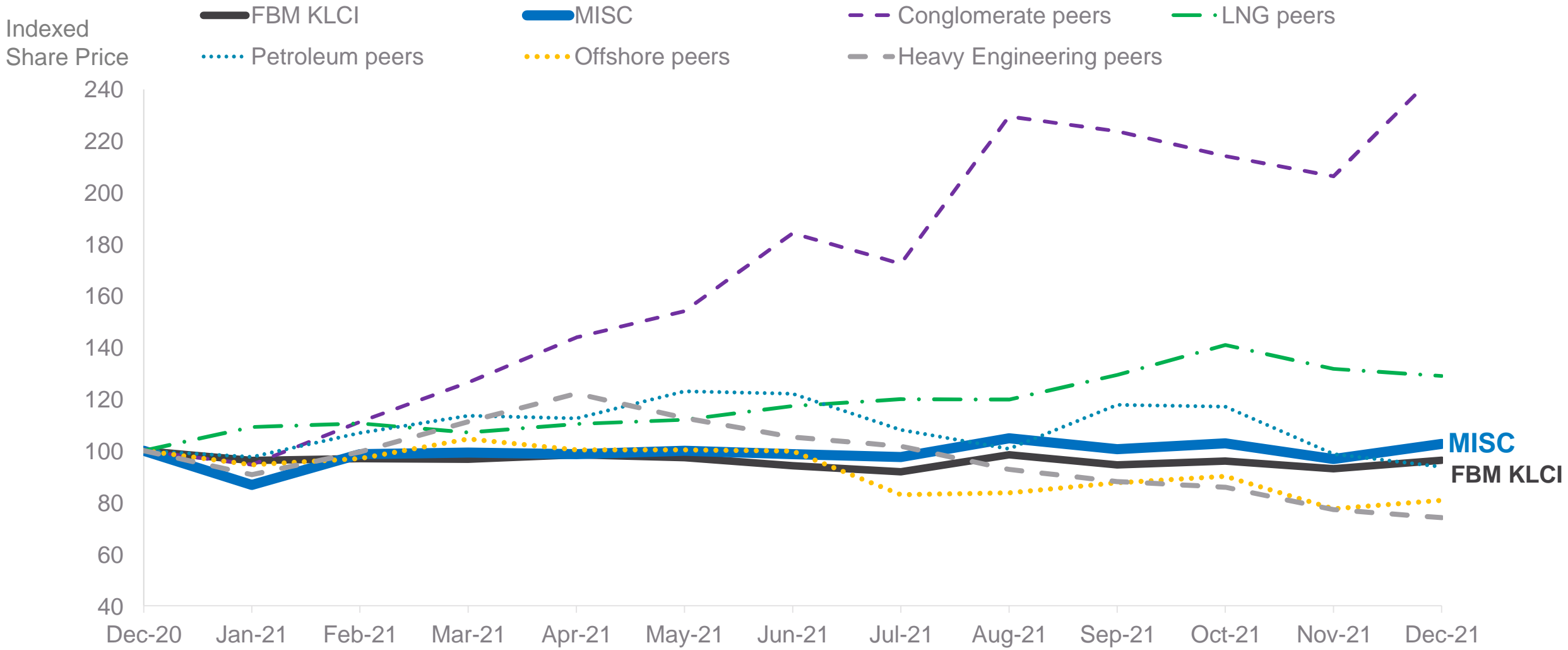


## Mixed Performances Across Industry Segments

	REVENUE		NPAT	
	2020 (+/- %)	2021 (+/- %)	2020 (+/- %)	2021 (+/- %)
MISC Berhad	5% ▲	14% ▲	> - 100% ▼	>100% ▲
Conglomerate Peers	- 2% ▼	10% ▲	>100% ▲	>100% ▲
LNG Peers	- 1% ▼	5% ▲	85% ▲	>100% ▲
Petroleum Peers	19% ▲	- 47% ▼	>100% ▲	> - 100% ▼
Offshore Peers	23% ▲	19% ▲	- 50% ▼	81% ▲
Heavy Engineering Peers	- 9% ▼	2% ▲	> - 100% ▼	> - 100% ▼



# Steady Share Price Throughout the Year



Note: Index is based on end of the month share price

Source: Bloomberg





# CORPORATE MILESTONES AND ACHIEVEMENTS IN 2021





# Focused Delivery Across the Value Chain



## GAS ASSETS & SOLUTIONS

- Took delivery of remaining 5 VLECs and 2 LNGCs co-owned with JV partners
- Signed an MOU with Wison Group to develop and commercialise LNG-to-Power (L2P) solutions, focusing on floating storage regassification power



## PETROLEUM & PRODUCT SHIPPING

- Continued providing greener shipping solutions through securing long-term charter contracts for 3 newbuild LNG dual-fuel VLCCs; one of the world's first dual-fuel VLCCs
- Winner of the Singapore Registry of Ships (SRS) Ship Owner of the Year Award 2021 for commitment and contribution to the maritime ecosystem



## OFFSHORE BUSINESS

- Secured contract extensions for 4 assets – *FPSO Kikeh*, *FPSO Ruby II*, *FSO Puteri Dulang* and *FPSO Bunga Kertas*
- Obtained Malaysian Society for Occupational Health & Safety (MSOSH) Gold Class 1 Award for *FSO Orkid*



## MARINE & HEAVY ENGINEERING

- Secured EPCIC contract SK408W Jerun Development Project
- Largest rooftop solar installation in a single compound within Malaysia
- Marine segment secured 43 new clients, 9 of which are new gas-related clients



## Focused Delivery Across the Value Chain (cont'd)



### INTEGRATED MARINE SERVICES

- Transition to an agency-based business model and becoming a full-fledged third party shipmanager
- Awarded Gold Merit Award under Logistics and Transportations Sectors by MSOSH
- Signed Neptune Declaration on Seafarer Wellbeing and Crew Change to demonstrate commitment to seafarer wellbeing during COVID-19



### PORT MANAGEMENT & MARITIME SERVICES

- Awarded Occupational Safety and Health Gold Merit Award by MSOSH
- Recognised as a member of the Principal Committee and Offshore Expert Group in the Oil Companies International Marine Forum (OCIMF)



### MARITIME EDUCATION & TRAINING

- Conducted Malaysia's first hybrid Standards of Training, Certification and Watchkeeping for Seafarers (STCW) courses
- Awarded Occupational Safety and Health Gold Merit Award under Educational Sectors, Petroleum, Gas, Petrochemical and Allied Sectors by MSOSH



# Industry Recognition for Our Achievements

## AWARDS & RECOGNITIONS

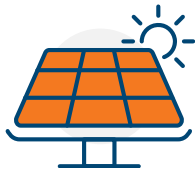


### SUSTAINABLE BUSINESS AWARDS (SBA) MALAYSIA

Winner of:

- Waste Productivity & Materiality
- Climate Change & Emissions
- Land Use & Biodiversity

Significant Achievement award recognition for Stakeholder Management



### LARGEST ROOFTOP SOLAR INSTALLATION IN A SINGLE COMPOUND WITHIN MALAYSIA

MHB yard, Pasir Gudang



### CHAMBER OF SHIPPING OF AMERICA (CSA)

- Jones F. Devlin Award for Safety for 48 vessels
- Environmental Achievement Award for 50 vessels



### SINGAPORE INTERNATIONAL MARITIME AWARDS (IMA)

Singapore Registry of Ships (SRS)  
Ship Owner of the Year  
Award won by AET



### GREEN AWARD FOUNDATION

Certification awarded to AET for Eagle Bintulu



### MSOSH OCCUPATIONAL SAFETY AND HEALTH AWARDS

- Four Gold Merit awards
- One Gold Class 1 awards



### DOW JONES SUSTAINABILITY EMERGING MARKETS INDEX

Inaugural inclusion  
(The only Malaysian transportation sector company listed)



### FTSE4GOOD BURSA MALAYSIA INDEX

8 consecutive years

## CONSTITUENT OF

## SIGNATORY OF



### THE NEPTUNE DECLARATION ON SEAFARER WELLBEING & CREW CHANGE

MISC Berhad, AET & Eaglestar



### BRITISH MALAYSIAN CHAMBER OF COMMERCE (BMCC) CLIMATE ACTION PLEDGE

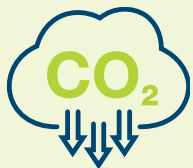
MISC Group





# Successfully Combining Commercial Viability and ESG Priorities

## ENVIRONMENT<sup>1</sup>



**15% reduction of GHG intensity compared to 2008**

- ✓ High-spec LNG dual-fuel vessels
- ✓ The Castor Initiative - Deep-sea Ammonia-fueled zero-carbon emission vessels by 2024
- ✓ No Major Spills since 2013
- ✓ Strongly supporting economic, environmental and social charter principles

## SOCIAL

### Recognized Health & Safety Standards



**Gold Merit Awards**

### Diverse & Inclusive Work Environment

Female Board Members	Female Employees (Onshore)	Diverse Nationalities
<b>33%</b>	<b>25%</b>	<b>47</b>

### Community Investment



**Marine Biodiversity Conservation Programmes**



## GOVERNANCE

### Sustainability Framework

- ✓ 5 Sustainability Pillars – Financial & Non-Financial (ESG) Strategic Priorities
- ✓ Supports 11 of 17 UN Sustainable Development Goals

### Robust Code of Conduct & Business Ethics and Standards

- ✓ Code of Conduct & Business Ethics, Anti Bribery & Corruption Manual, Whistleblowing & No Gift Policy
- ✓ Procedures to ensure absence of modern slavery
- ✓ Responsible Supply Chain

## Strong Sustainability Ratings



**SUSTAINALYTICS**

**18.8** Low Risk



Achieved

**FULL SCORE**

**In FTSE4Good Bursa Malaysia (Governance Theme) 3 Consecutive Years**



# Net-Zero GHG Commitment

MISC Group is committed to achieving net-zero GHG emissions by 2050



## Our Pathway Towards Decarbonisation

- Converting our fleet and ensuring newbuilds are zero-carbon emissions from 2030 or sooner if possible
- Retrofitting carbon removal technologies on low methane slip, LNG dual-fuel vessels
- Use of renewable energy on our vessels, offshore assets and land operations
- Deploying digital energy-efficient technologies and increasing operational efficiencies



## MISC 2050

# MISC 2050

FUTURE MADE POSSIBLE

Strategic roadmap to reimagine the economic and social role of MISC come the year 2050

To identify new business opportunities and build new income streams to be added to our business portfolio mix by capitalising on energy transition opportunities



### Opportunity Area – Pillar 1

Renewable Energy Value Chain



### Opportunity Area – Pillar 2

Waste-to-Value Chain

We will leverage on our capabilities and focus our ideas within:

- maritime-based and asset leasing business model
- repurposing existing maritime assets in the industry
- expanding our present skill sets by reskilling and retooling our people

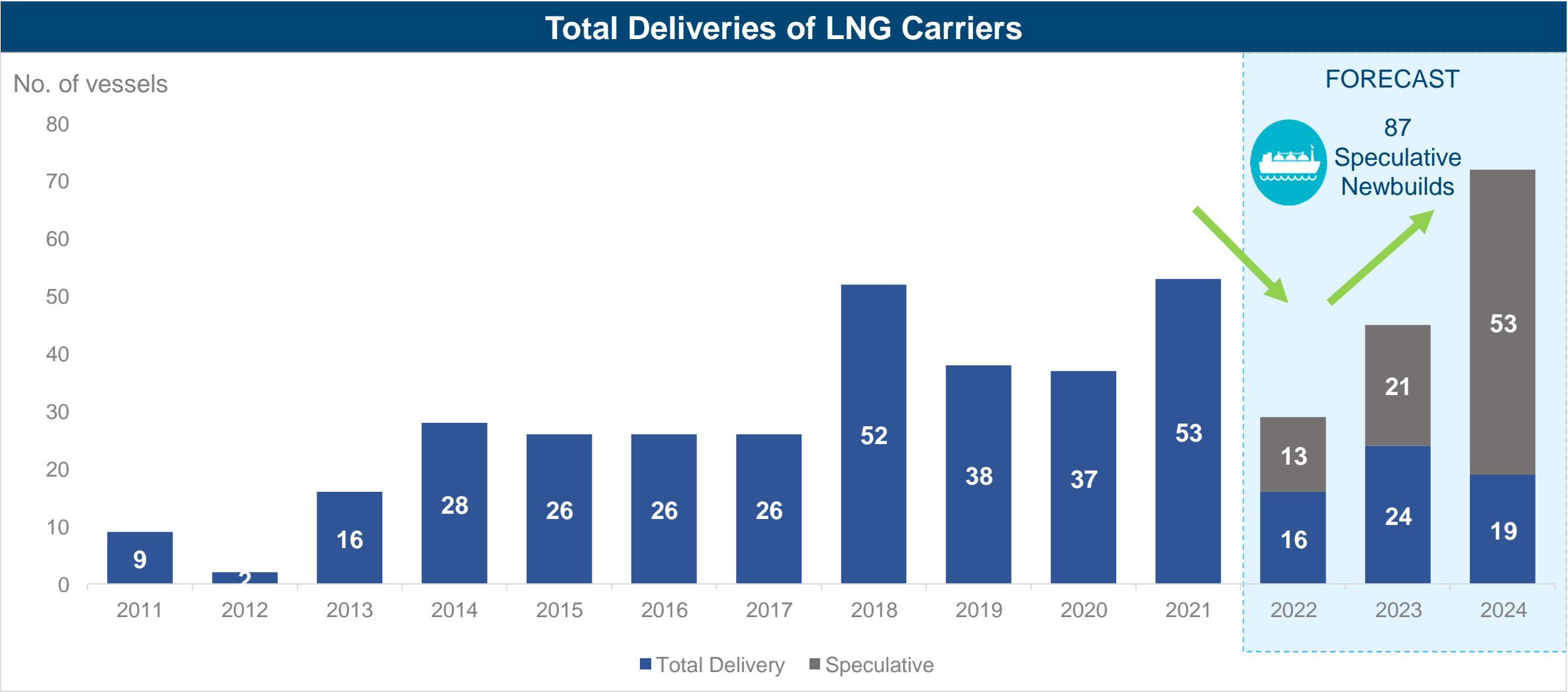




# EXPECTATIONS FOR 2022



# Lower Deliveries of LNG Newbuilds in 2022



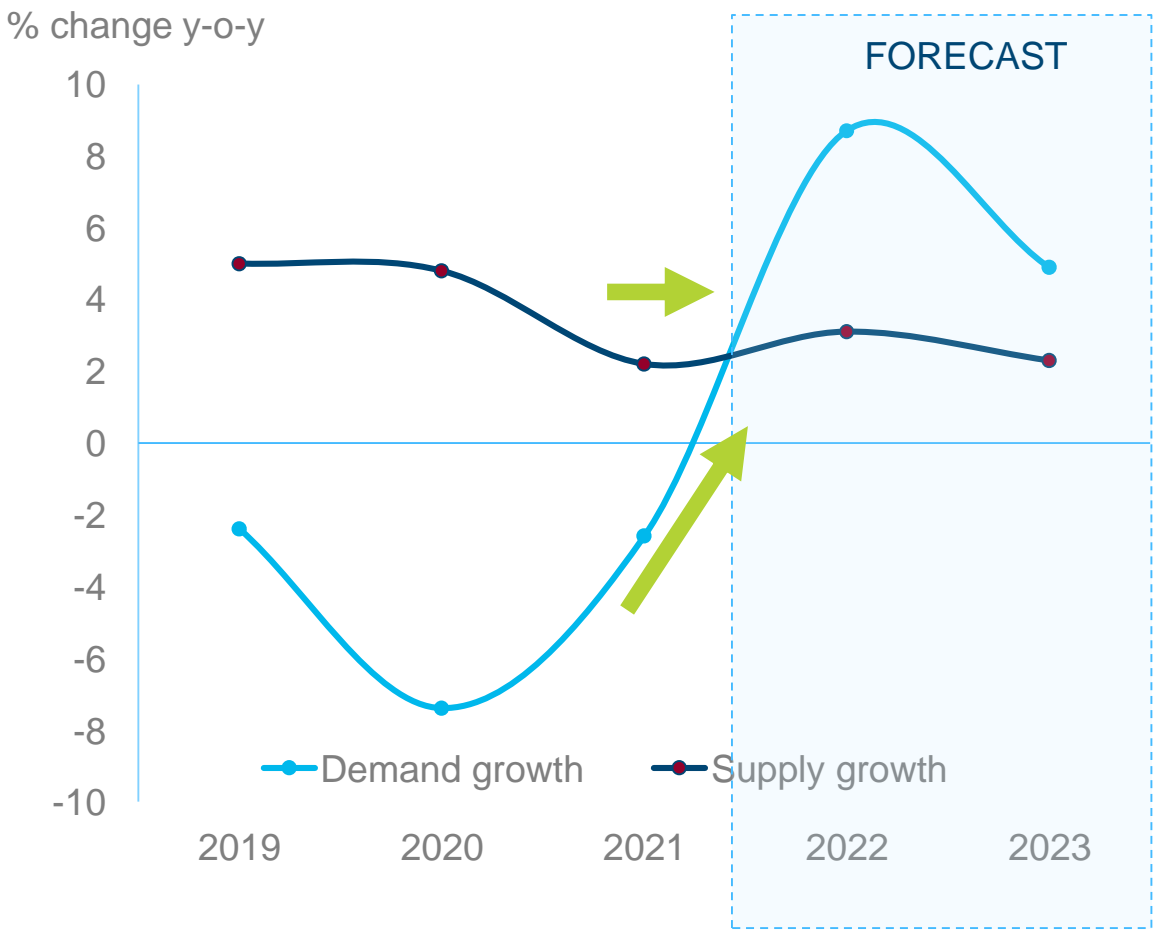
Source: LNG Shipping Database, Wood Mackenzie





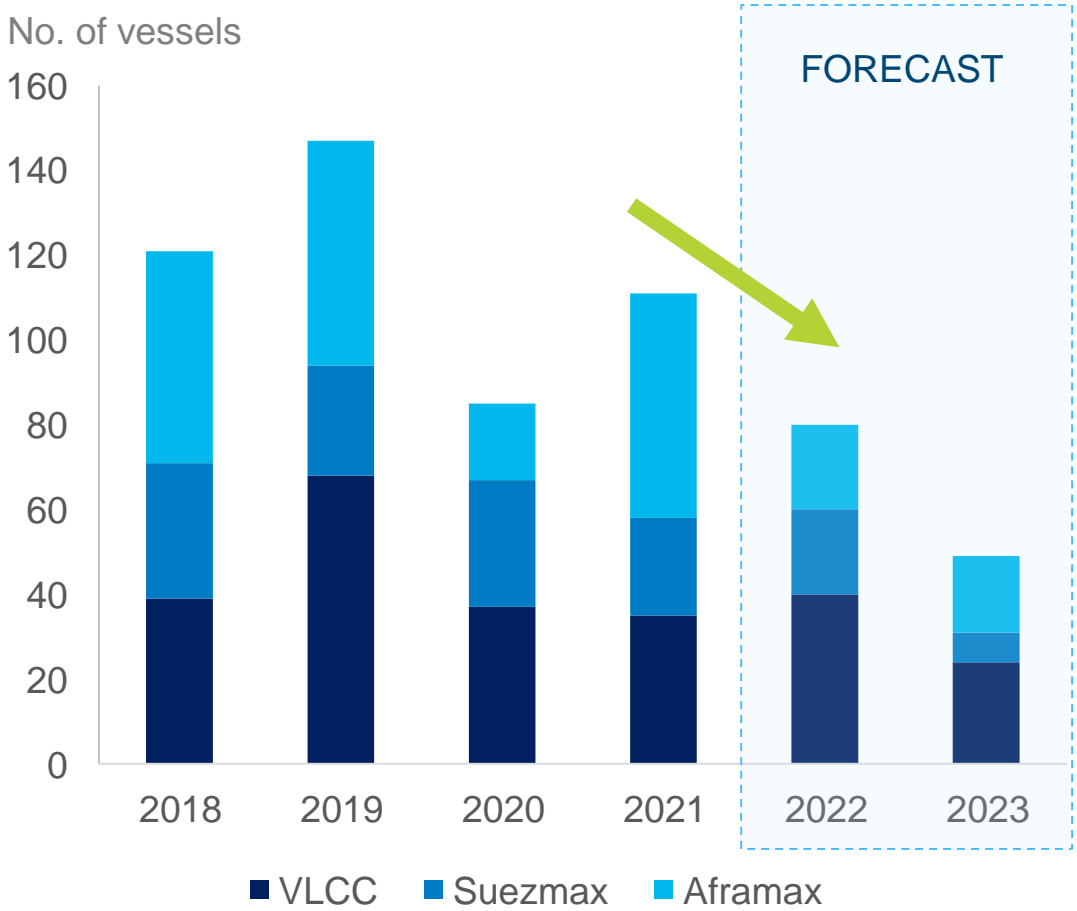
# Petroleum Fleet Growth to Remain Subdued in 2022

## Tanker Demand and Supply Growth in %



Source: Clarksons

## Tanker Deliveries by Segment

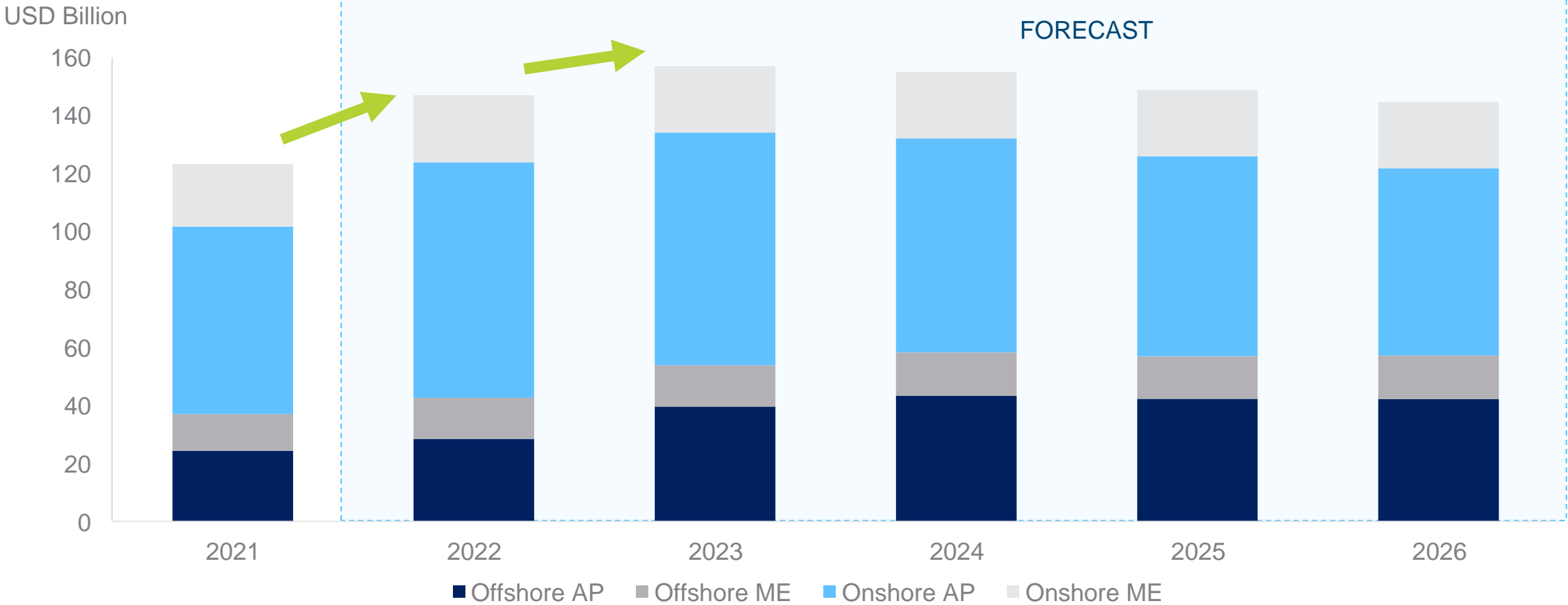


Source: Clarksons / Drewry



# Upstream CAPEX Spending to Continue Rising in 2022

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

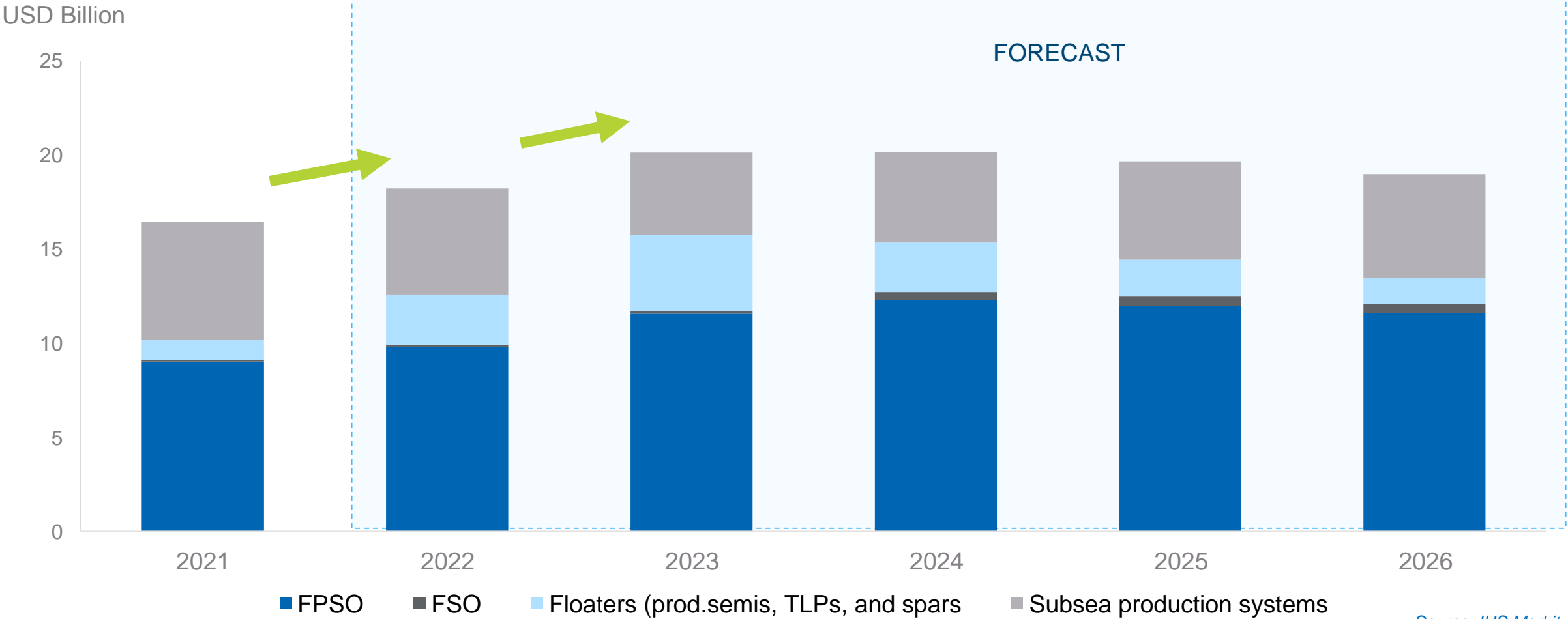


Source: IHS Markit



# FPS Awards to Remain High in Line with Increasing Oil Prices

## Floating Production System (FPS) Awards



Source: IHS Markit



## Priorities for 2022

- Focused execution of the construction/conversion of the Mero 3 project which is facing pressure from cost escalation and delay due to the problematic global supply chain
- Ensure the successful delivery of 6 DPSTs into service and therefore growing the list of cash generating assets of the Group
- Launch of MISC's corporate bond programme and subsequent issue
- Accelerate the commercialization success of 3 maritime-based digital start ups by the MISC Group
- Implementation of various internal transformation programmes that form the digital backbone of the Group

THANK YOU

***eaglestar***

***mms***



[www.misc.com.my](http://www.misc.com.my)

**MISC BERHAD** 196801000580 (8178-H)

Level 25, Menara Dayabumi, Jalan Sultan Hishamuddin, 50050 Kuala Lumpur