

**FINANCIAL RESULTS  
FOR THE 9 MONTHS ENDED  
30<sup>th</sup> SEPTEMBER 2019**

29 NOVEMBER 2019

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An aerial photograph of an offshore oil rig and a supply ship. The rig is a large, complex structure with multiple cranes and a tall derrick. It has a red and white color scheme. A helicopter landing pad is visible on the rig. A red supply ship is positioned next to the rig, with its deck loaded with various supplies. The text "INDUSTRY UPDATE" is overlaid in large white letters on a dark blue background.

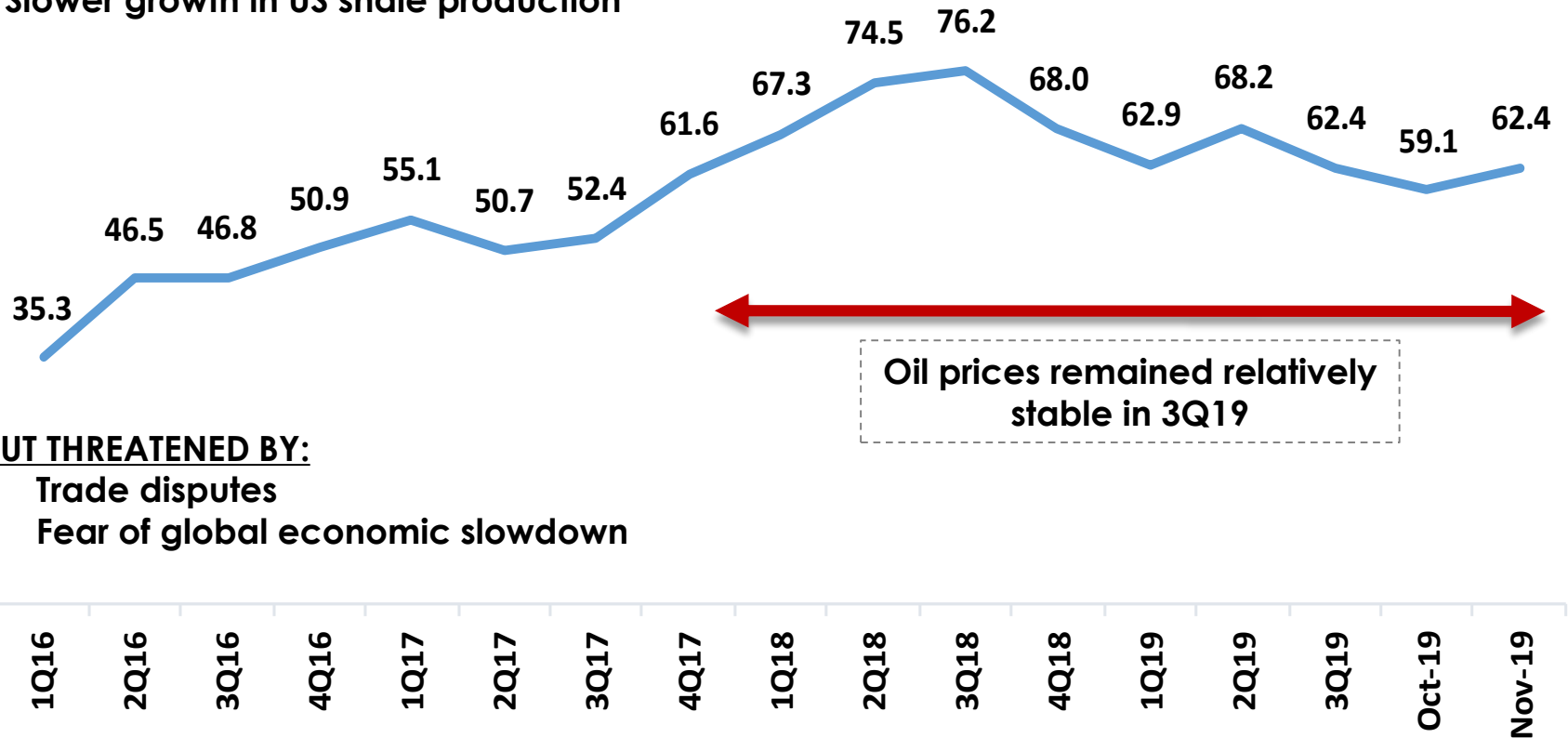
# INDUSTRY UPDATE

# BRENT PRICE MOVEMENT

## OIL PRICE CONTINUE TO BE SUPPORTED BY:

- OPEC+ quota extension
- Iran and Venezuela sanction
- Declining production capacity
- Slower growth in US shale production

(USD/bbl)



Oil prices remained relatively stable in 3Q19

## BUT THREATENED BY:

- Trade disputes
- Fear of global economic slowdown

1Q16 2Q16 3Q16 4Q16 1Q17 2Q17 3Q17 4Q17 1Q18 2Q18 3Q18 4Q18 1Q19 2Q19 3Q19 Oct-19 Nov-19

2016

2017

2018

2019

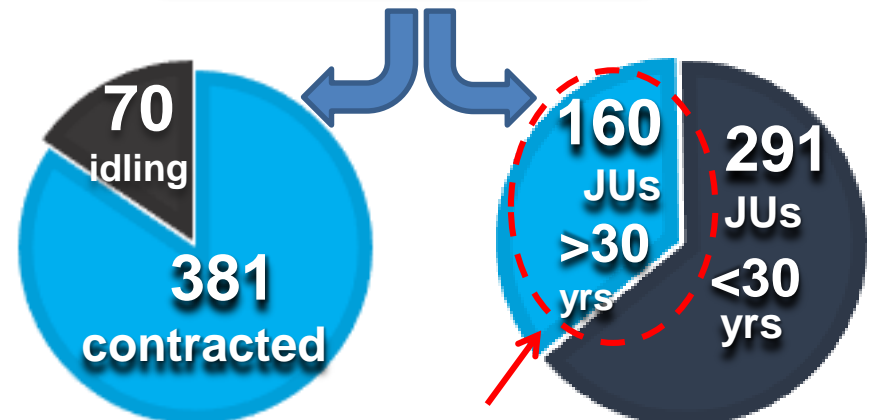
# DRILLING RIGS OUTLOOK - SUPPLY



**Lesser rigs** available  
in the future

Potential Rigs Coming Out From The Yard	Total
Total	55

Source: IHS Petrodata October 2019



**Potential to be Retired**



# DRILLING RIGS OUTLOOK - DEMAND

## WORLDWIDE JACK-UP DEMAND

REGION	2019A	2020F
Information as at October		
Southeast Asia (Excl. Malaysia)	28	33
Malaysia	14	10
Middle East / India	169	195
Others	170	164
<b>TOTAL</b>	<b>381</b>	<b>402</b>

Does not include PETRONAS' latest additional Jack-up rig requirement for 2019 and 2020

## TOTAL JU DEMAND



Source: IHS World Rig Forecast: Short Term Trends October 2019

## Marketed Utilisation in Malaysia

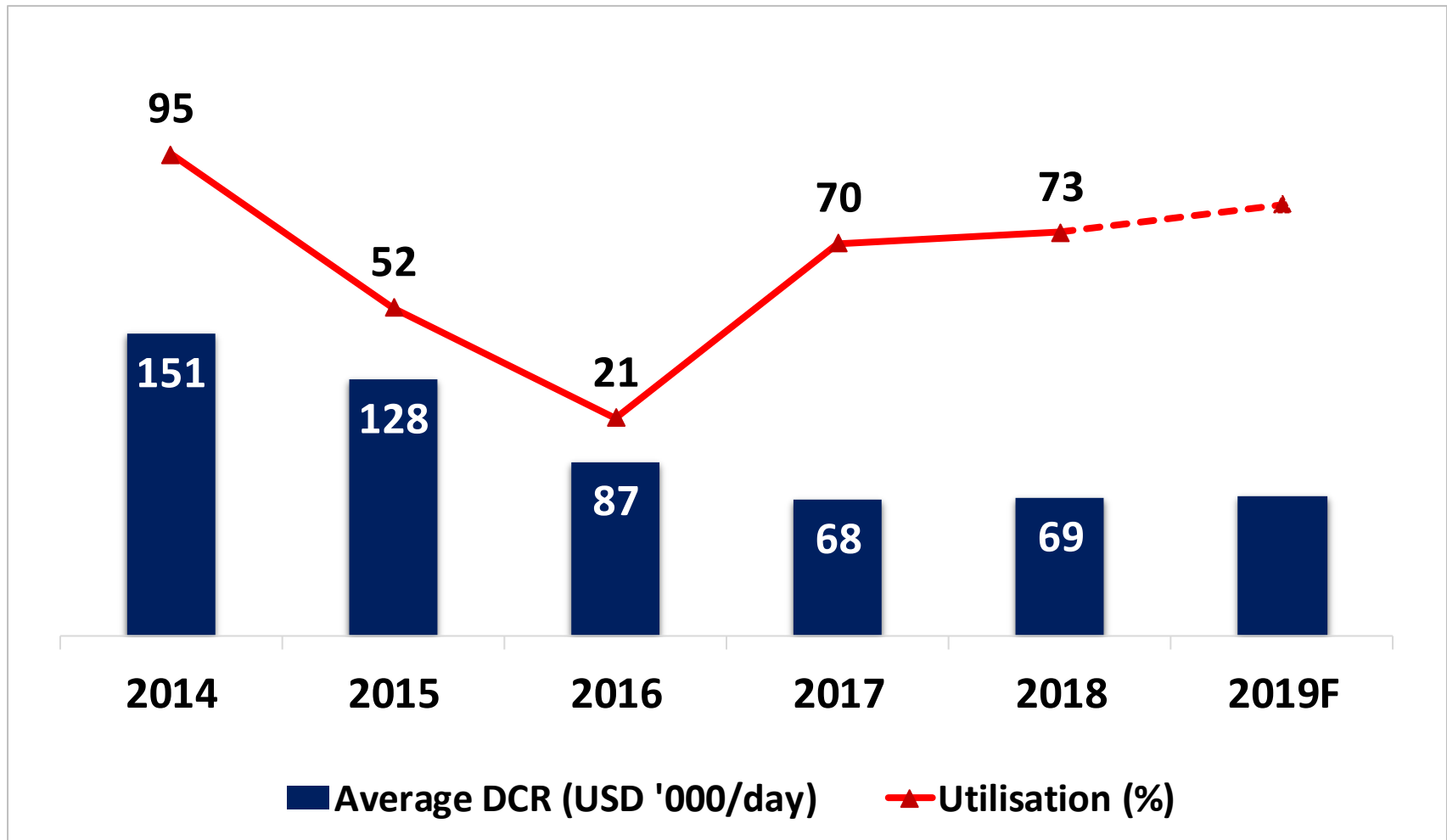
Total Rig in Malaysia	15
Contracted	14
Average Contracted Rig Utilisation	93%

Source: IHS Petrodata October 2019

An offshore oil rig is shown in the middle of the ocean under a dramatic, cloudy sky at sunset or sunrise. The rig has a prominent orange hull and a tall derrick. The water is a deep blue with visible waves. A semi-transparent dark blue horizontal band is positioned across the middle of the image, serving as a background for the title text.








# COMPANY OUTLOOK

# RIG UTILISATION AND AVERAGE DAILY CHARTER RATE





# LATEST ORDER BOOK STATUS

NAGA 2		PCSB
NAGA 3		PCSB
NAGA 4		ROC OIL
NAGA 5		PCSB
NAGA 6		PCSB
NAGA 7		SHELL
NAGA 8		HESS

**Total  
Contract Value**

**RM 1.7 b**

+

**RM 1.2 b**  
(option)

=

**RM 2.9 b**

**Remaining  
Order Book**

**RM 1.0 b**

+

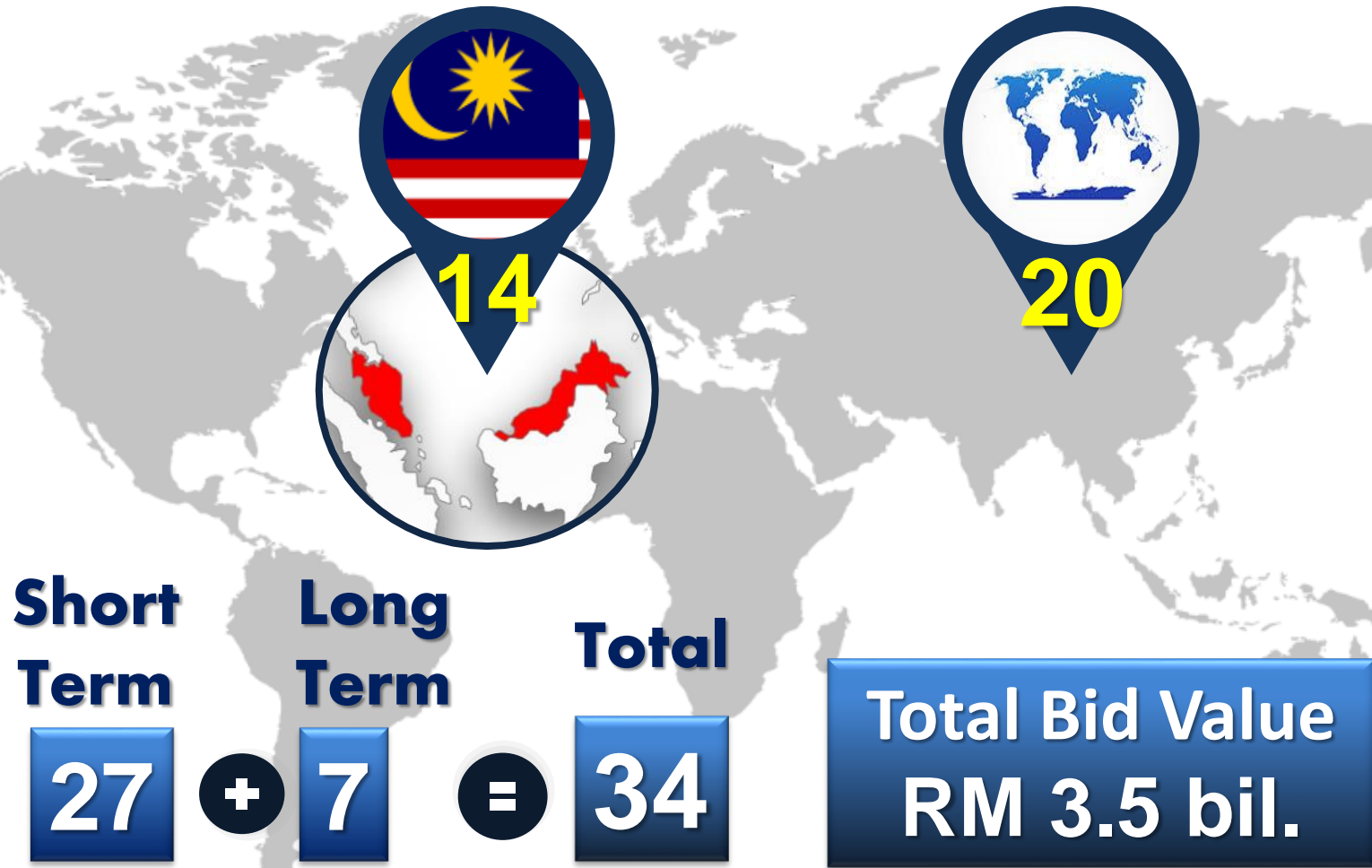
**RM 1.2 b**  
(option)

=

**RM 2.2 b**

*As at 31 October 2019*

# CURRENT TENDER ACTIVITIES



As at 31 October 2019

# RECENT ACHIEVEMENTS

2019

Q1'19

**Best Rig Performance Malaysia Operations**  
PETRONAS Carigali



**NAGA 6**



**NAGA 5**



**NAGA 3**

Q2'19

**Best Rig Performance Malaysia Operations**  
PETRONAS Carigali



**NAGA 2**



**NAGA 3**

Q3'19

**HSE Outstanding Performance Award -**  
Destini Oil Services Sdn Bhd

**Appreciation for Lang Lebah-1RDR2 –**  
PTTEP

**9-year Loss Time Injury free Milestone on 7**  
Sept 2019





# MAJOR SHAREHOLDERS

## VELESTO energy



59.2%



6.8%

Urusharta  
Jamaah

5.1%



**PUBLIC MUTUAL**  
WHOLLY-OWNED SUBSIDIARY OF PUBLIC BANK

3.0%



**Manulife**

2.2%



**Vanguard®**

1.6%

**OTHERS**

21.3%

**\* PNB** : PNB and Funds  
Permodalan Nasional Berhad

*Foreign shareholding: 5.1%*

Note: As at 10 Sept 2019

An aerial photograph of an offshore oil platform in the middle of a dark blue ocean. The platform is a complex of metal structures with yellow and red sections. Several support vessels, including tugboats and barges, are positioned around the platform, connected by thick black hoses. The word "FINANCIALS" is overlaid in large white letters on a dark horizontal band across the center of the image.

# FINANCIALS

# KEY FINANCIAL HIGHLIGHTS

## 3Q 2019

AVERAGE  
UTILISATION

**92%**

AVERAGE  
DAY RATE

**USD70k**

OPERATIONAL  
EFFICIENCY

**98.3%**

REVENUE

**RM209m**

PAT

**RM33m**

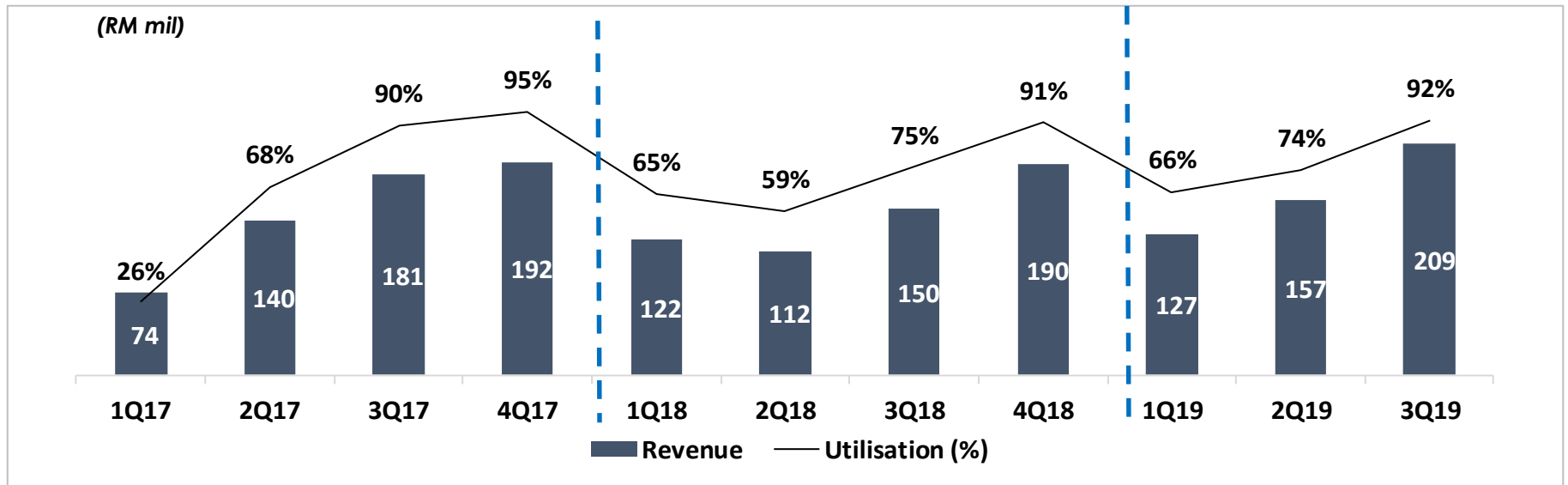
EBITDA

**RM109m**



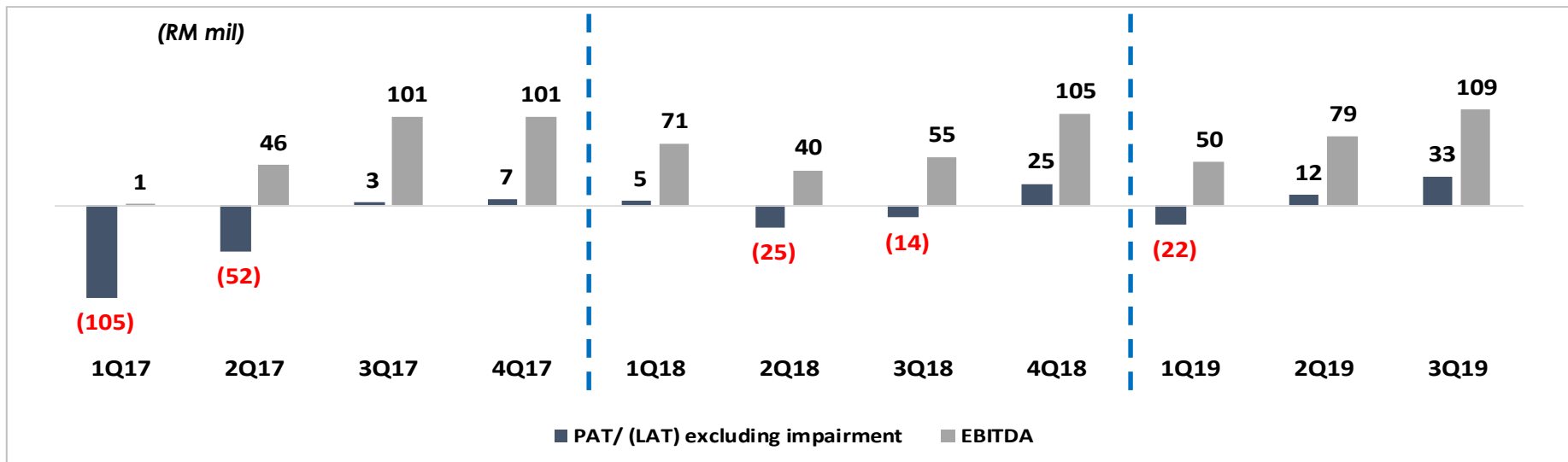


# EVOLUTION OF PERFORMANCE – QUARTERLY

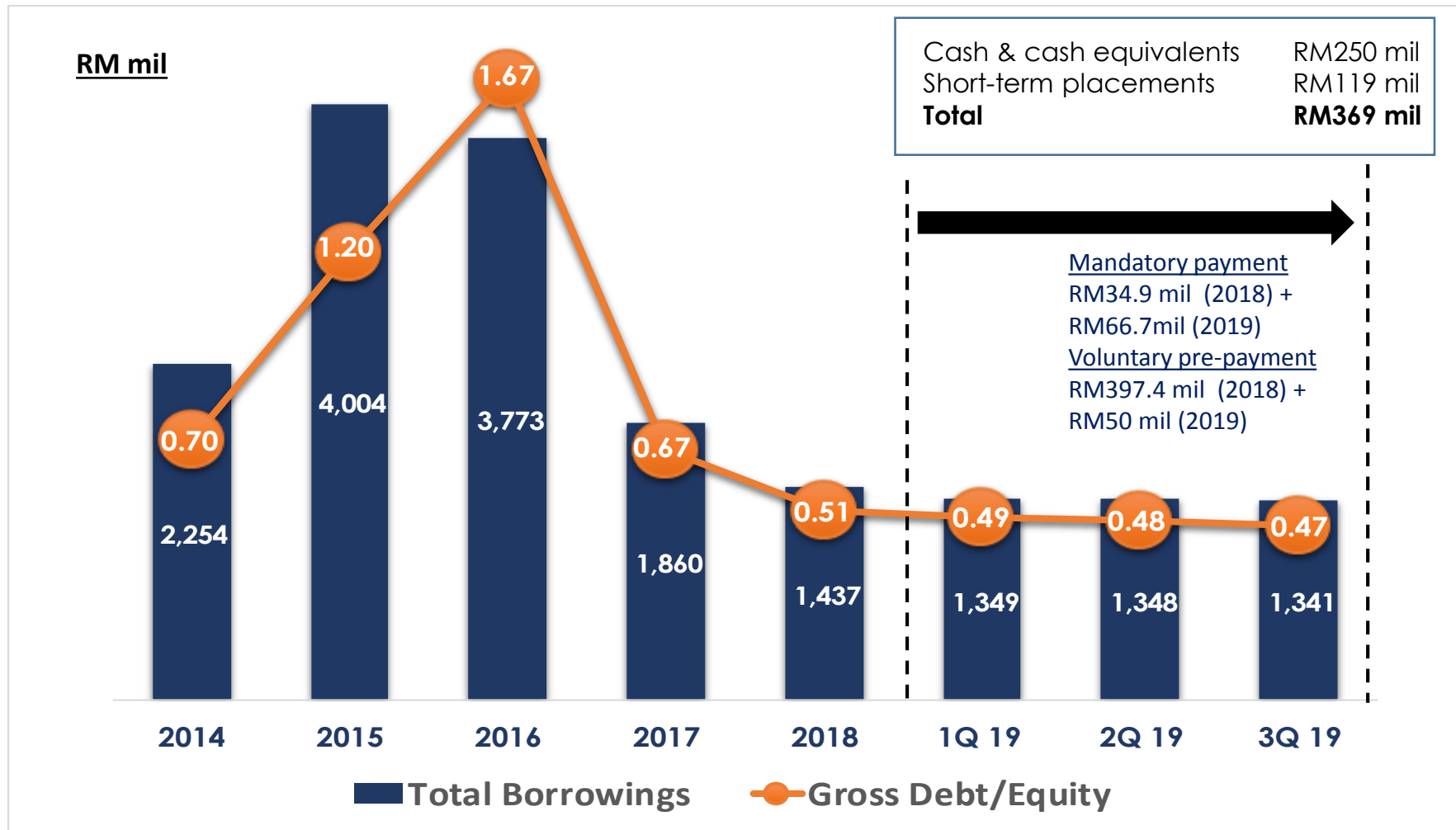


DCR (USD 'k)

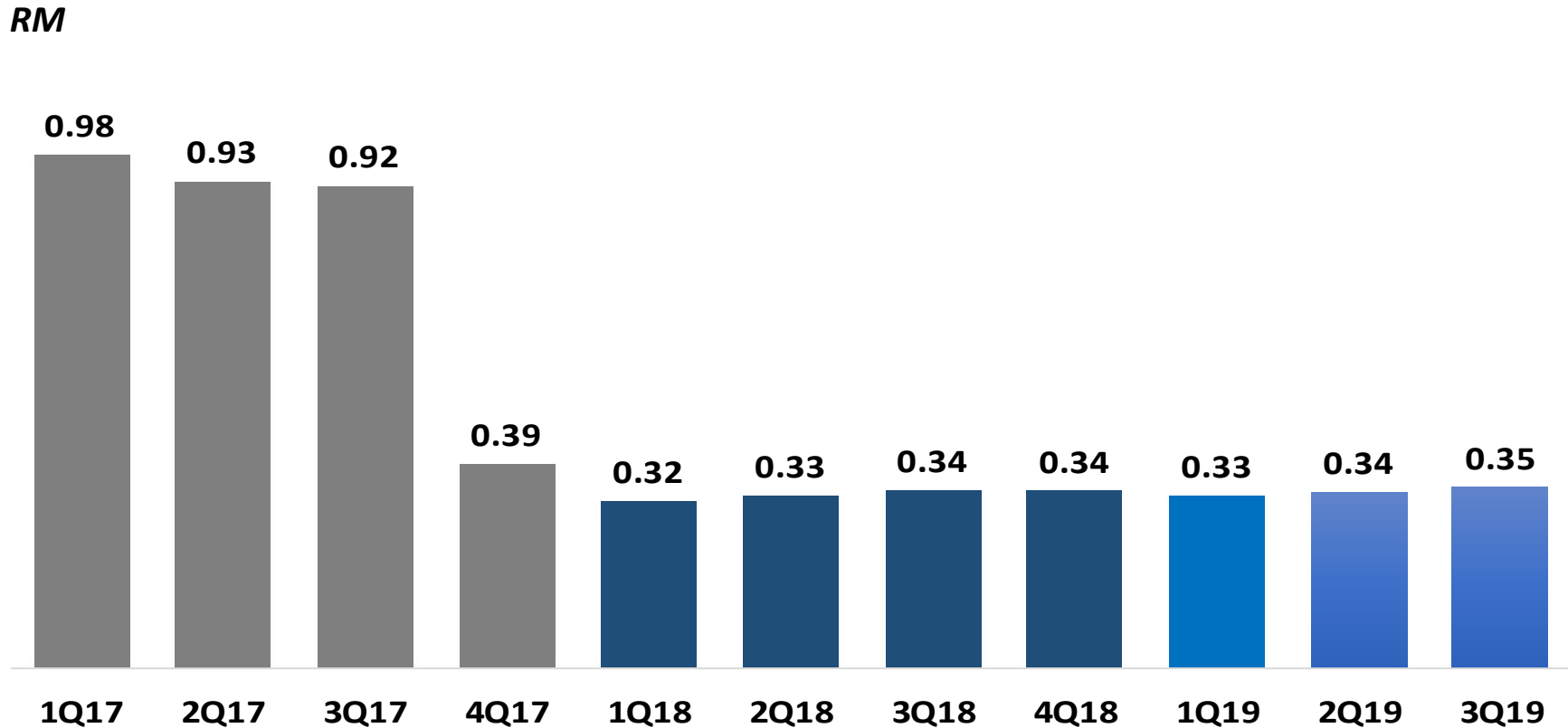
72	70	68	68	68	68	70	68	69	71	70
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# MAINTAINING LOW DEBT/ EQUITY RATIO



# NET ASSET PER SHARE



Share Price  
28/11/2019

**RM 0.38**

Market Capitalisation  
28/11/2019

**RM 3.12 billion**



# KEY FINANCIAL RATIOS

Financial Ratios	2014	2015	2016	2017	2018	YTD Sept 19
Revenue (RM mil)	1,015	840	321	587	574	493
Revenue growth (%)	37.6	(17.2)	(61.8)	82.9	(2.2)	<sup>1</sup> 28.4
EBITDA margin (%)	43.7	36.8	2.9	42.4	47.1	48.2
PAT/ (LAT) margin excluding impairment (%)	25.0	(2.5)	(125.3)	(25.1)	(1.6)	4.6
Earnings/ (Loss) per share attributable to equity holders of the Company (sen)	11.66	(17.08)	(54.46)	(36.79)	(0.24)	0.28
Total borrowings (RM mil)	2,254	4,004	3,773	1,860	1,437	1,341
Gross debt to equity ratio	0.70	1.20	1.67	0.67	0.51	0.47
EBITDA / Interest (x)	17.0	4.8	0.1	1.8	3.2	3.5

<sup>1</sup> Compared with previous year corresponding period

# EMPLOYEES' SHARE OPTION SCHEME (“ESOS”)

ESOS was approved by the shareholders of VEB on 31 October 2019;  
Offered and granted on 1 November 2019

## Issued size



**1.6%**  
(130.33 mil shares)

## Vesting Period



Three years from the  
Date of Offer,  
*i.e. November 2022;*  
*or any such earlier date*  
*as determined by the*  
*ESOS Committee.*

## Option exercise price



**RM 0.33**

*Closing market price of  
VEB shares on the date  
of offer: RM 0.35*

A wide-angle photograph of an offshore oil and gas field. In the foreground, a red supply vessel is visible on the left. In the middle ground, a large offshore platform with two tall derrick structures is visible. The horizon is flat, and the sky is filled with scattered white and grey clouds. The overall scene is set during the day with soft lighting.

# MOVING FORWARD

# CURRENT OUTLOOK

- Certain level of stability in oil price with upward potential
- Sustained global recovery of oil and gas industry
- Sustained increase in exploration and production activities
- Increased utilisation of Jack-Up rigs
- Further increase in day rates and longer contract duration
- Shortage of skilled personnel



# WHAT ARE WE DOING

- Continue to pursue medium term contract for remaining rigs
- Work towards further increase in day rates and improved terms & conditions
- Continue to improve operational, financial and costs efficiency
- Increase Hydraulic Workover Unit activities
- Develop and retain streams of sustainable human capitals
- Explore wider client base and geographical coverage



An aerial photograph of three large red offshore supply vessels, likely UMW NAGA 1, 2, and 3, positioned on a wide river. Each vessel is equipped with a tall, lattice-structured crane. The vessels have green helipads on their decks with yellow 'H' markings. In the background, a city with various buildings and industrial structures is visible along the riverbank, with hills in the distance under a cloudy sky.

# THANK YOU