

**FINANCIAL RESULTS  
FOR THE 3 MONTHS ENDED  
31 March 2021**

1 June 2021

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An aerial photograph of two large offshore oil rigs in the middle of the ocean. The sun is high in the sky, creating a bright glare on the water's surface. The rigs are complex structures with cranes and scaffolding. The water is dark blue, and the sky is a lighter blue with some wispy clouds.

# INDUSTRY UPDATE

# INDUSTRY OUTLOOK

## ECONOMIC

- Progress on COVID-19 vaccination programs in developed countries
- Recoveries diverging dangerously as economies with slower vaccine rollout do worse
- Economic growth to increase to 6.0% in 2021 and 4.4% in 2022

## OIL & GAS

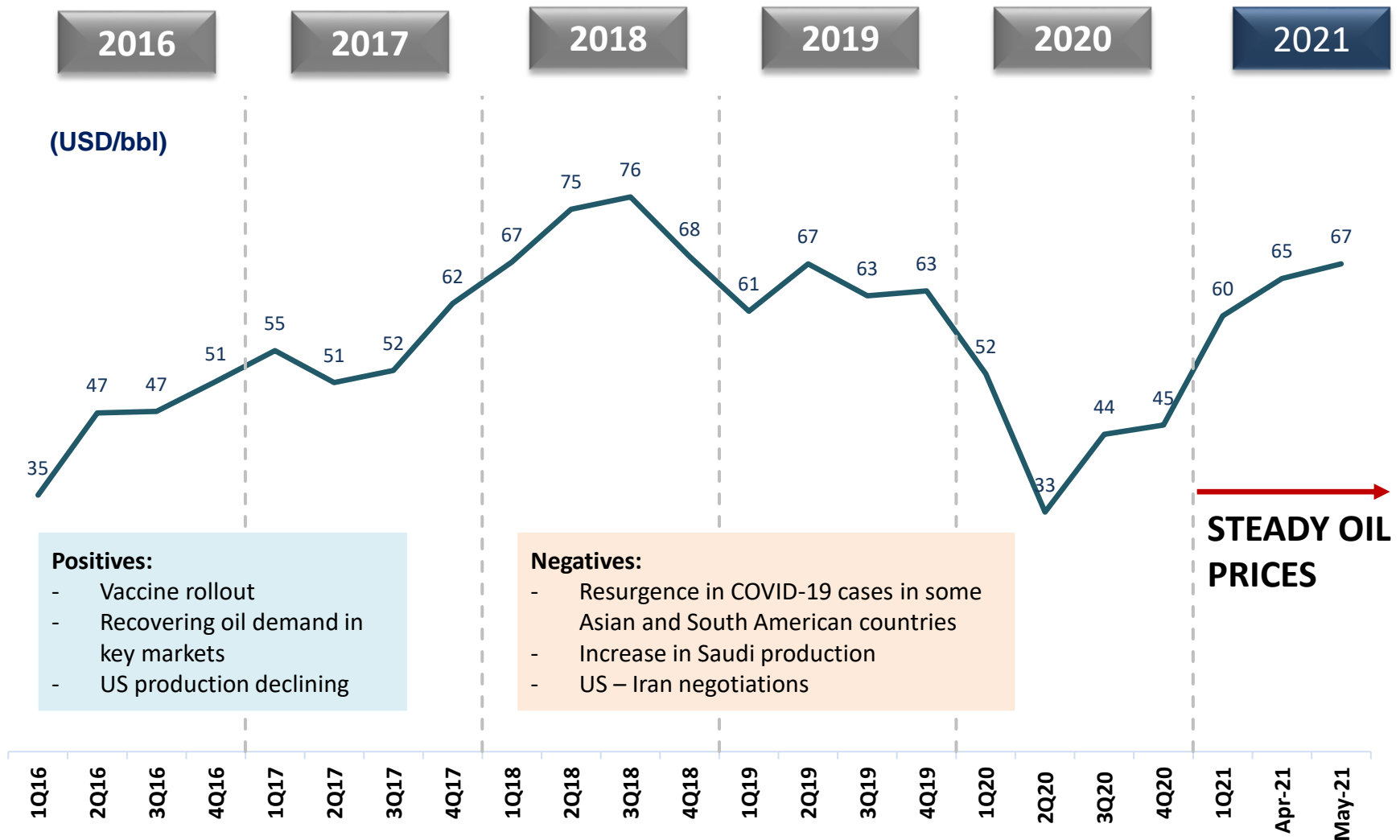
- Global oil demand increased by 2mbpd from 4Q20 to 2Q21
- Gas and LNG prices strengthened in 1H21
- OPEC+ to ease production cuts by 1mbpd in May 2021
- US supply has declined from 12mbpd to 11mbpd

## DRILLING RIG

- Oil majors under pressure to reduce CAPEX despite stable oil prices
- Jackup drilling rig demand improved while number of total rigs decreasing
- Utilization and daily charter rates recovering gradually

**Mixed signs on prospects for the medium term**

# OIL PRICE MOVEMENT - BRENT



**OIL PRICES HAS BEEN HOVERING ABOVE USD60/BBL SINCE JANUARY  
BUT UNCERTAINTIES REMAIN**



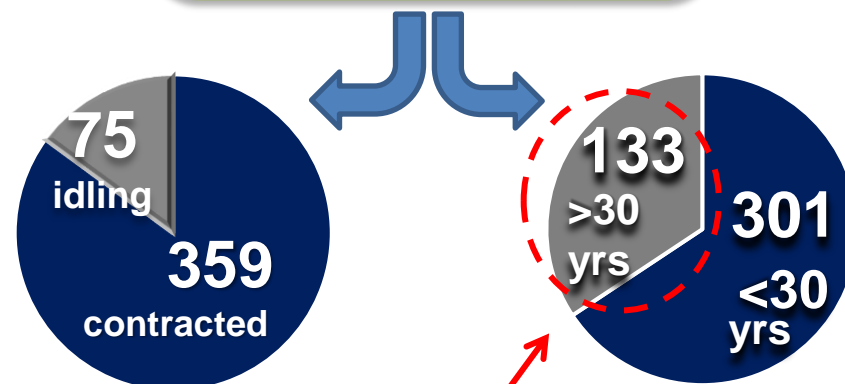
# DRILLING RIGS OUTLOOK - SUPPLY



**Less rigs** available  
in the future

Potential Rigs Coming Out From The Yard	Total
2021	17
2022	15
2023	3
<b>Grand Total</b>	<b>35</b>

Source: IHS Petrodata April 2021

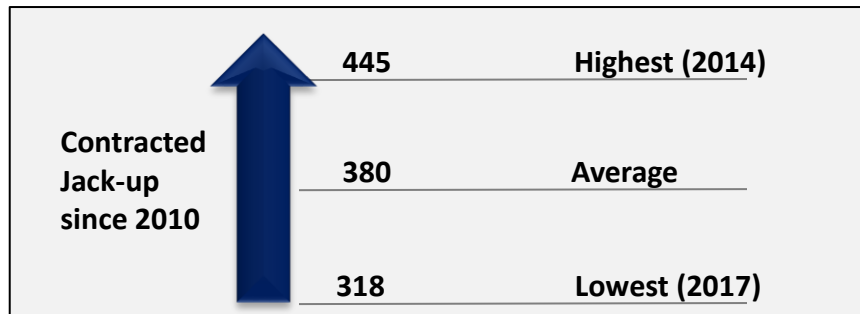


# DRILLING RIGS OUTLOOK - DEMAND

## WORLDWIDE JACK-UP DEMAND

REGION	2021A Information as at March	2022F
Southeast Asia (Excl. Malaysia)	26 [27]	29 [26]
Malaysia	10 [6]	10 [10]
Middle East / India	163 [163]	158 [154]
Others	160 [155]	147 [140]
<b>TOTAL</b>	<b>359 [351]</b>	<b>344 [330]</b>

## TOTAL JU DEMAND



## Utilisation in Malaysia

Total Rig in Malaysia	13
Working	10
Average Contracted Rig Utilisation	76%

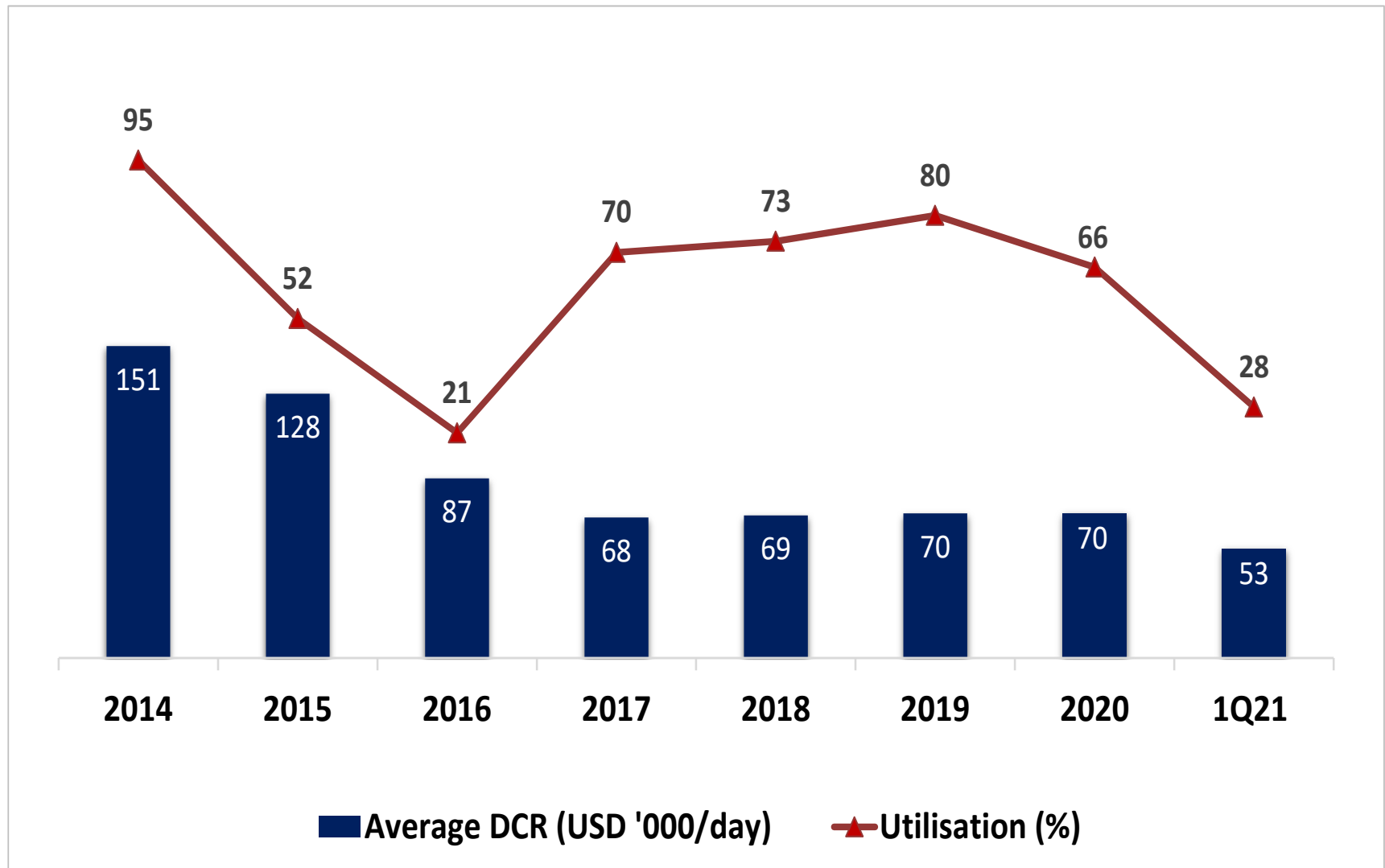


An aerial photograph of two large offshore oil rigs, likely jack-up rigs, positioned side-by-side in the ocean. The rigs have red hulls and complex blue and red steel structures. The rig on the left features a green helipad with a yellow 'H' on its deck. The background shows a calm sea under a clear sky with a warm, golden glow from the setting or rising sun. The text 'COMPANY OUTLOOK' is superimposed in large white letters across the center of the image.

# COMPANY OUTLOOK



# RIG UTILISATION AND AVERAGE DAILY CHARTER RATE



# LATEST ORDER BOOK STATUS

## Total Contract Value

**RM 615 m**  
+  
**RM 192 m**  
(option)  
=  
**RM 807 m**

## Remaining Order Book

**RM 507 m**  
+  
**RM 192 m**  
(option)  
=  
**RM 699 m**



### NAGA 2



PCSB

### NAGA 3



IDLE

### NAGA 4



MUBADALA

### NAGA 5



PCSB

### NAGA 6



IDLE

### NAGA 7



UNAVAILABLE

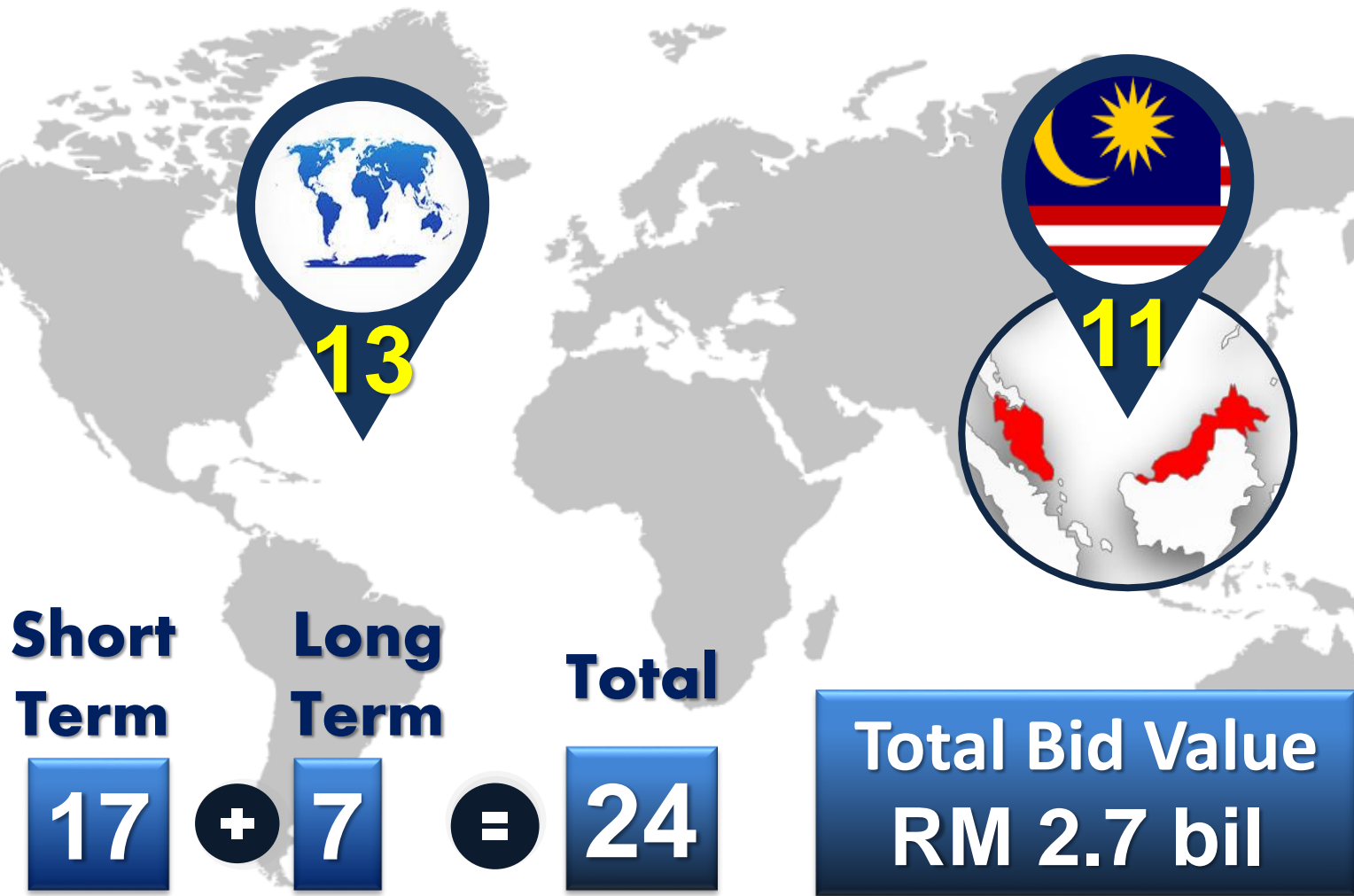
### NAGA 8



C. HESS



# CURRENT TENDER ACTIVITIES



As at 30 April 2021

# MAJOR SHAREHOLDERS



54.4%

Urusharta  
Jamaah

5.0%



2.3%



1.9%

**OTHERS**

33.7%



and PNB Funds



1.6%



1.1%

*Foreign  
shareholding: 4.4%*

As at 30 April 2021



An aerial photograph of a large offshore oil platform being moved by several tugboats in the deep blue ocean. The platform is a complex structure with various levels and equipment. It is being towed by at least five tugboats, with thick black oil slicks trailing behind them. The word "FINANCIALS" is overlaid in large white letters on a dark horizontal band across the center of the image.

# FINANCIALS

# 1Q 2021 KEY FINANCIAL HIGHLIGHTS

AVERAGE  
UTILISATION

**28%**

4Q20 : 50% / 1Q20 : 84%

AVERAGE  
DAY RATE

**USD53k**

4Q20 : 66k/ 1Q20 : 71k

OPERATIONAL  
EFFICIENCY

**99%**

4Q20 : 98% / 1Q20 : 98%

REVENUE

**RM44m**

4Q20 : 99m / 1Q20 : 176m

EBITDA

**(RM8m)**

4Q20 : 65m / 1Q20 : 98m

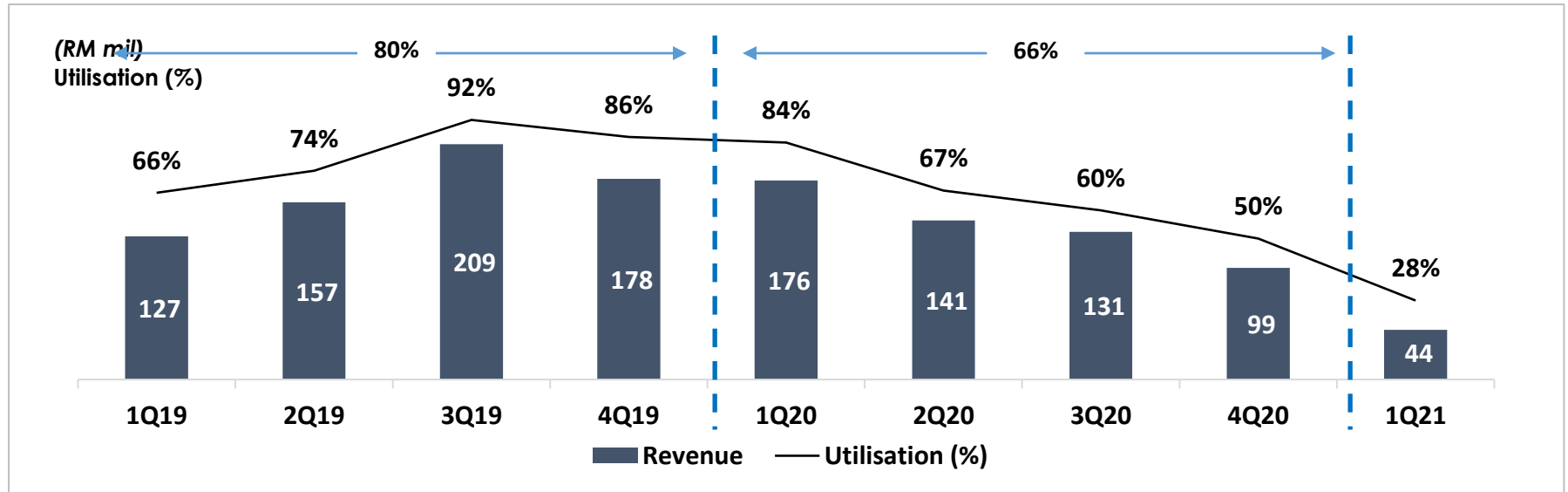
LAT

**(RM60m)**

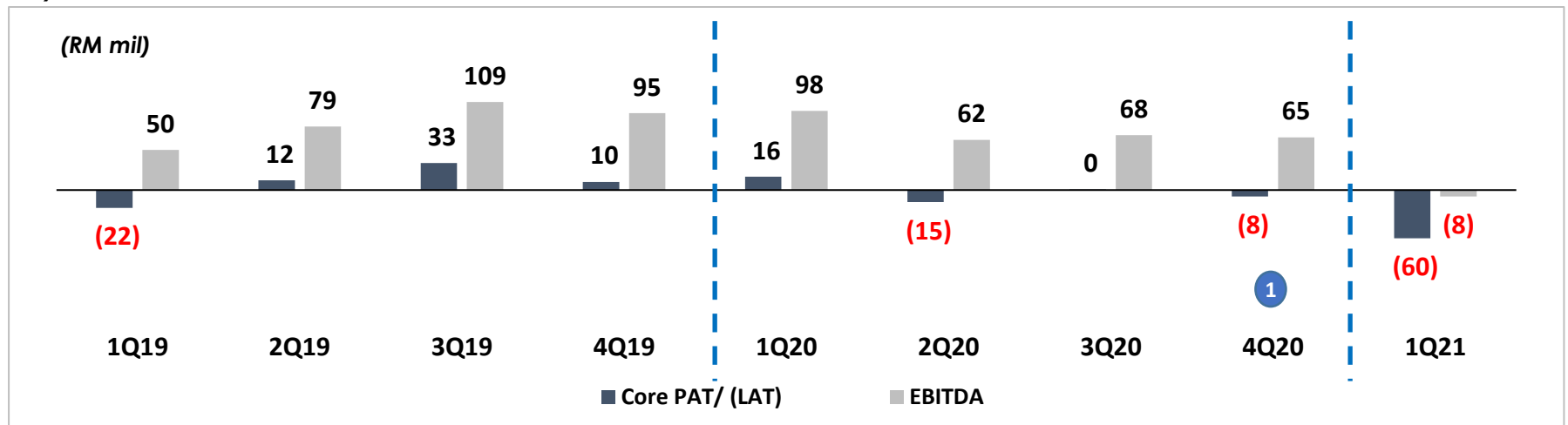
4Q20 : (492m) / 1Q20 : 16m



# EVOLUTION OF PERFORMANCE - QUARTERLY



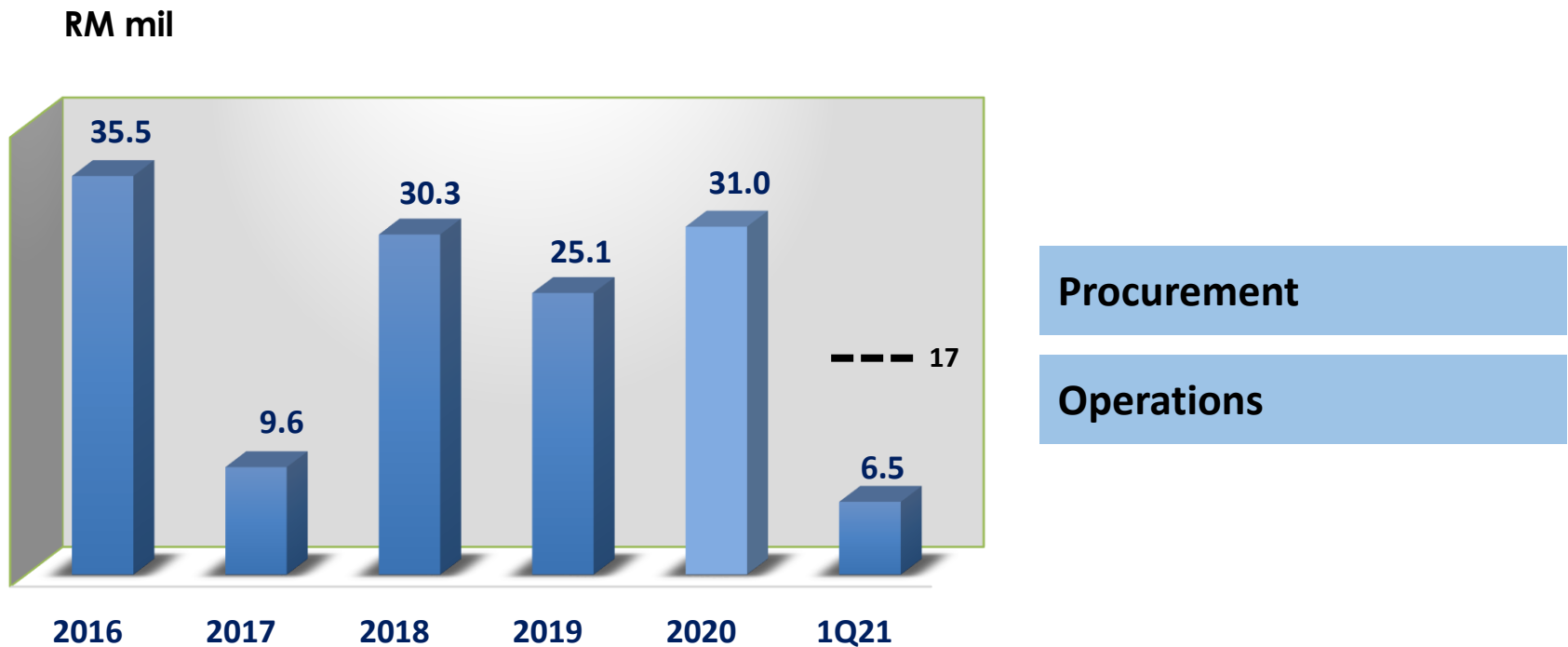
DCR (USD 'k)	69	71	70	71	71	72	72	66	53
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<sup>1</sup> Excludes (i) Impairment RM462 mil; and (ii) Accelerated Depreciation RM23 mil;

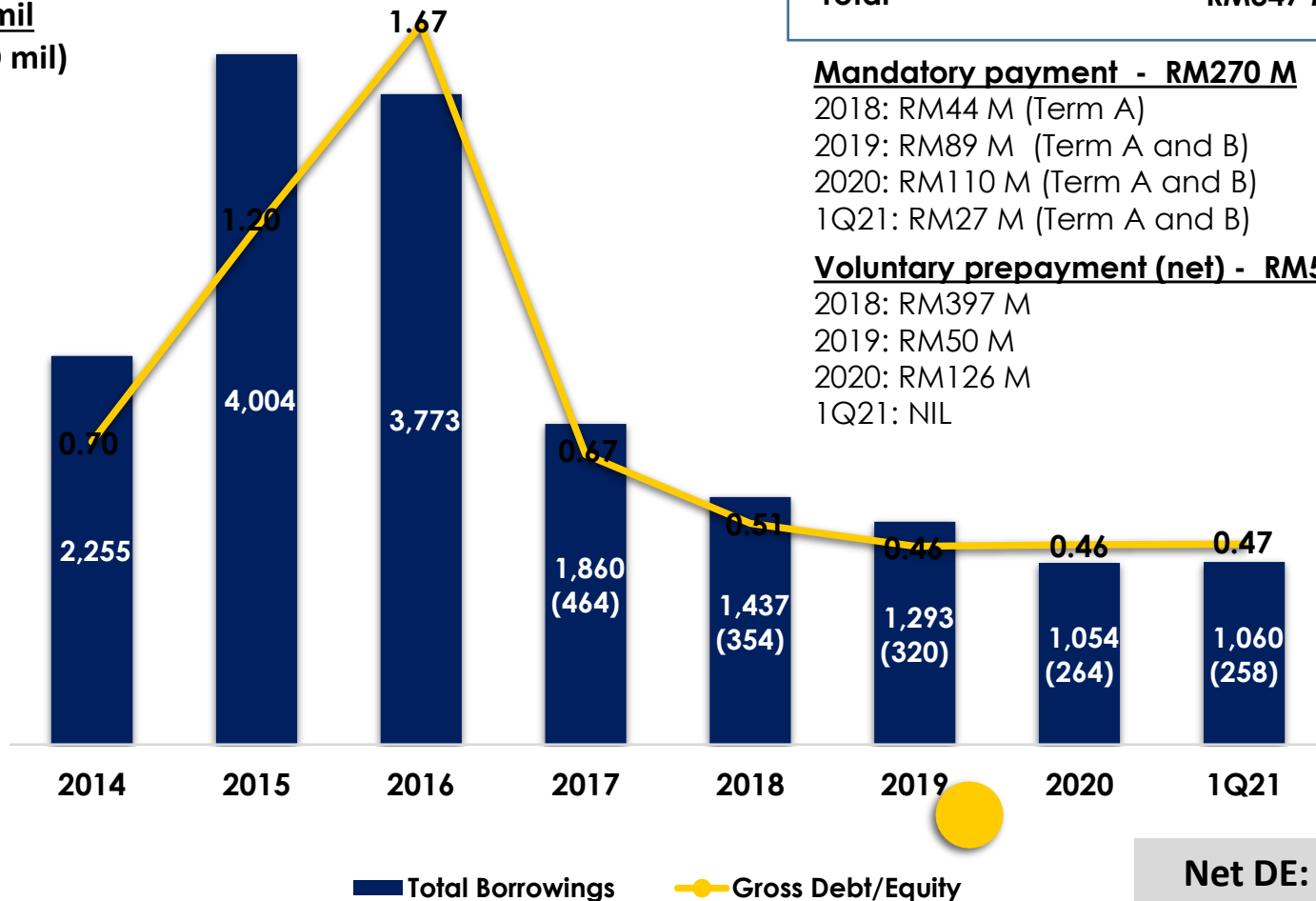
# MAJOR COST SAVINGS IN 1Q2021

## SAVED RM6.5 M in 1Q2021



# MAINTAINING LOW DEBT/ EQUITY RATIO

RM mil  
(USD mil)



Cash & cash equivalents RM223 M  
Short-term placements RM124 M  
**Total RM347 M**

## **Mandatory payment - RM270 M**

2018: RM44 M (Term A)  
2019: RM89 M (Term A and B)  
2020: RM110 M (Term A and B)  
1Q21: RM27 M (Term A and B)

## **Voluntary prepayment (net) - RM573 M**

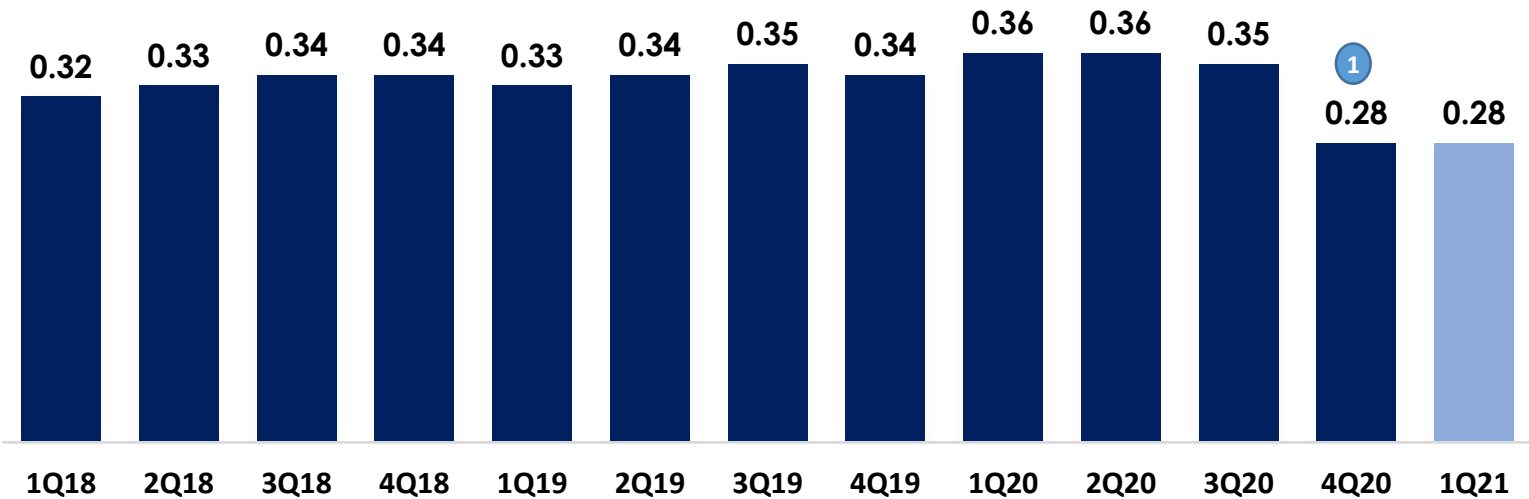
2018: RM397 M  
2019: RM50 M  
2020: RM126 M  
1Q21: NIL

**Net DE:  
0.31**



# NET ASSET PER SHARE

RM



<sup>1</sup> Due to impairment and accelerated depreciation of assets

Share Price  
31/05/2021

**RM 0.135**

Market Capitalisation  
31/05/2021

**RM 1.07 billion**

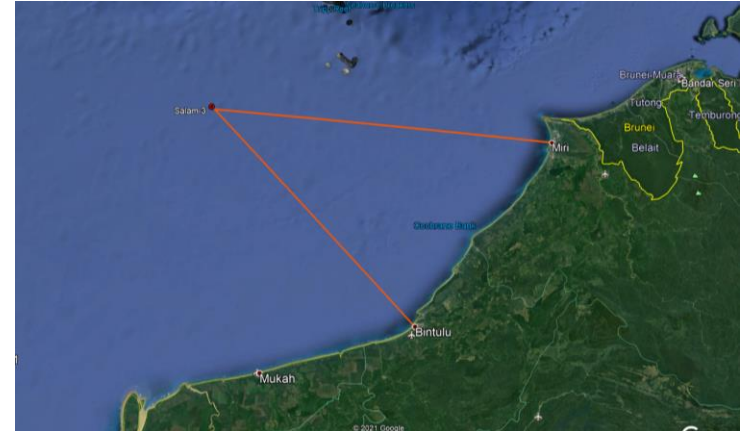
# KEY FINANCIAL RATIOS

Financial Ratios	2014	2015	2016	2017	2018	2019	2020	1Q21
Utilisation (%)	95	52	21	70	73	80	66	28
Average Daily Charter Rate (USD' 000)	151	128	87	68	69	70	70	53
Revenue (RM mil)	1,015	840	321	587	574	671	547	44
Revenue growth (%)	37.6	(17.2)	(61.8)	82.9	(2.2)	16.9	(18.5)	(75.0)
EBITDA (RM mil)	443	309	9	249	279	333	293	(8.0)
EBITDA margin (%)	43.7	36.8	2.9	42.4	47.1	49.2	53.1	(18.9)
PAT/ (LAT) (RM mil)	252	(369)	(396)	(145)	(20)	33	(492)	(60)
PAT/ (LAT) margin excluding Impairment and Accelerated Depreciation (%)	25.0	(2.5)	(125.3)	(25.1)	(1.6)	4.9	(1.5)	(137.7)
Earnings/ (Loss) per share attributable to equity holders of the Company (sen)	11.66	-17.08	-54.46	-36.79	-0.24	0.40	-5.99	-0.74
Total borrowings (RM mil)	2,254	4,004	3,773	1,860	1,437	1,293	1,054	1,060
Gross debt to equity ratio (x)	0.70	1.20	1.67	0.67	0.51	0.46	0.46	0.47
Net debt to equity ratio (x)	0.34	0.91	1.42	0.43	0.37	0.33	0.31	0.31
EBITDA / Interest (x)	17.0	4.8	0.1	1.8	3.2	4.1	4.5	n.m.

# NAGA 7 INCIDENT UPDATES

## Background Information

- Naga 7 commenced mobilization from Labuan on the 29<sup>th</sup> Apr 2021.
- On 3<sup>rd</sup> May 2021 at 14:10hrs while preloading on the port leg, the rig experienced rapid penetration.
- Abandon ship alarm was activated and all 101 crews onboard were successfully evacuated.
- Throughout the night, the rig was observed to maintain buoyancy, but when daylight began, witnesses saw the rig begin to list further.
- On 4<sup>th</sup> May 2021, Naga 7 had submerged at about 07:50hrs.



- Block WL4-00, Offshore Sarawak, Location Salam - 3
- Distance from shore
  - Bintulu ~ 220 km
  - Miri ~ 250 km
  - Labuan 423.8 km
- Water depth ~92 m



# NAGA 7 INCIDENT UPDATES

## Contract

- The client has the right to Terminate the contract if the rig is declared total loss.

## Insurance

### **a) Hull & Machinery**

- i. Insurance Broker and both Underwriters (H&M and P&I) have been notified.

### **b) Protection & Indemnities (P&I)**

- i. Insurer will be taking the lead on site security, pollution containment and wreck removal.

## Financial Impact

- The Group does not anticipate significant adverse impact to the financial performance of 2021 due to the unavailability of NAGA 7, as it is sufficiently insured.

A wide-angle photograph of the ocean under a blue sky with scattered white clouds. In the distance, an offshore oil rig is visible on the horizon. In the lower-left foreground, a red and white support vessel is moving across the water, leaving a white wake. The text "MOVING FORWARD" is overlaid in large, white, bold, sans-serif capital letters in the center of the image.

# MOVING FORWARD

# CURRENT OUTLOOK

**Potential economic recovery due to improved outlook for COVID-19 vaccine**

**US oil production has declined from 12.2 mbpd to 11.3 mbpd**

**Brent oil price has increased to above USD65/bbl since late-April**

**Both oil and gas price direction are uncertain in the medium term**

**PETRONAS Domestic CAPEX budget for 2021 has increased to RM22-25bil from RM17.4 bil in 2020**



# WHAT ARE WE DOING

**Continue to pursue contracts in the domestic market**

**Continue to tender in regional and global markets**

**Continue to improve operational and financial efficiencies**

**Increase automation and digitalisation**

**Enhance cost cutting measures and prioritising expenses**

**Developing new capabilities and expanding asset workscope**



An aerial photograph of a large offshore oil rig, specifically a semi-submersible drilling rig, floating on a deep blue sea. The rig is a complex of white and grey metal structures with several green helipads. A dark horizontal band across the center of the image contains the text "THANK YOU" in large, white, sans-serif capital letters.

# THANK YOU





Q & A