

**FINANCIAL RESULTS**  
**FOR THE 6 MONTHS ENDED**  
**30 June 2021**  
26 August 2021

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An aerial photograph of two offshore oil rigs on the ocean. The sun is high in the sky, creating a bright reflection on the water's surface. The rigs are complex structures with multiple towers and platforms. The sky is blue with some light clouds.

# INDUSTRY UPDATE

# INDUSTRY OUTLOOK

## ECONOMIC

- Spread of Delta variant and higher COVID-19 infection rates
- Vaccine rollouts still progressing
- Slower economic recovery
- US Fed withdraws liquidity and strengthening dollar

## OIL & GAS

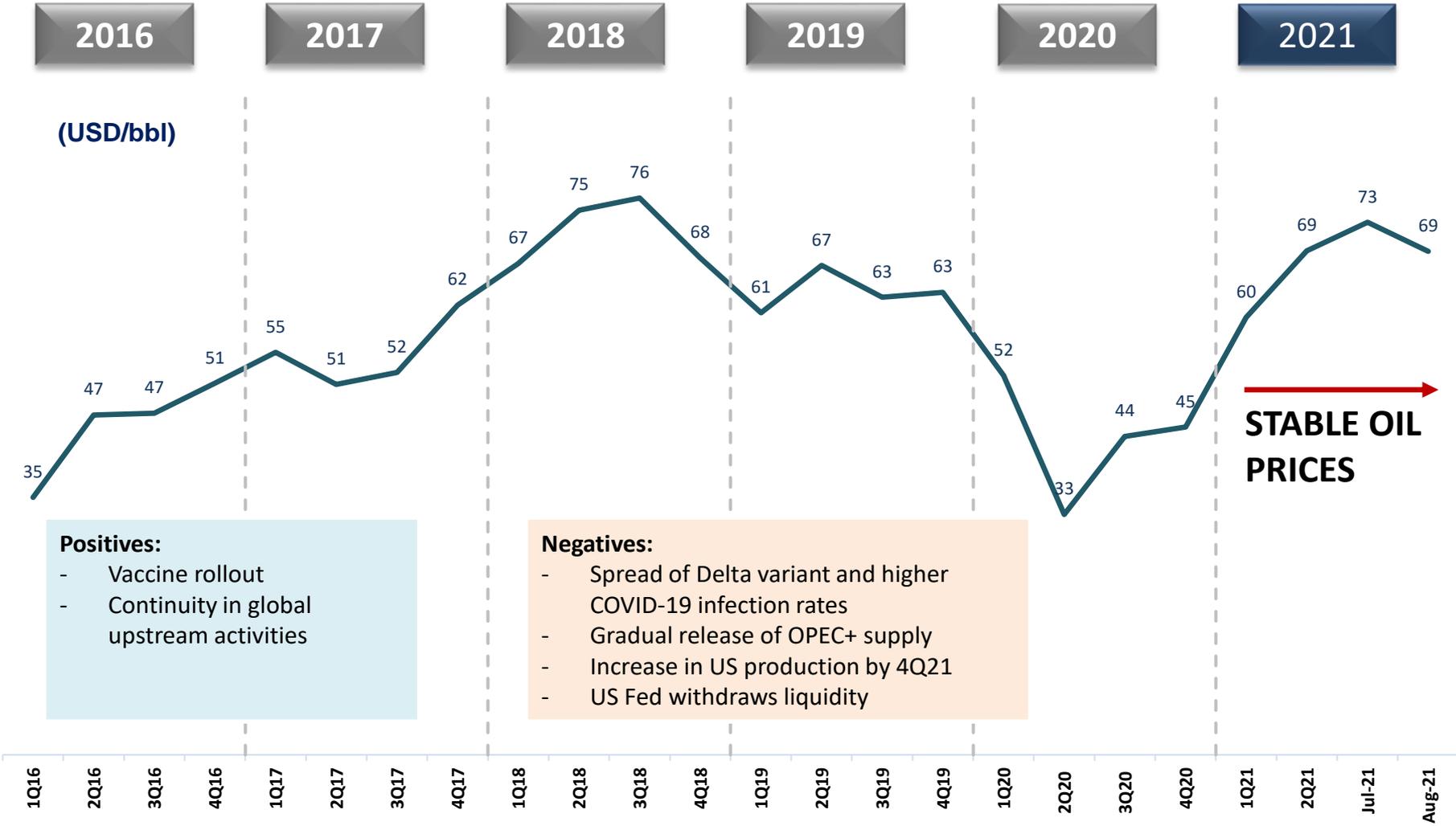
- Global oil demand growth projections face uncertainty
- Moderating Brent oil and Henry Hub natural gas prices
- Gradual release of OPEC+ quota until end 2022
- Increase in rig count and US oil production

## DRILLING RIG

- Global upstream CAPEX to see slight uptick in 2021 and 2022
- Jack-up drilling rig demand steady while rig supply decreasing
- Utilization and daily charter rates to increase slowly

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

# OIL PRICE MOVEMENT - BRENT



**OIL PRICES HAS BEEN HOVERING ABOVE USD60/BBL SINCE 1Q21  
BUT SHOWING SIGNS OF MODERATING**

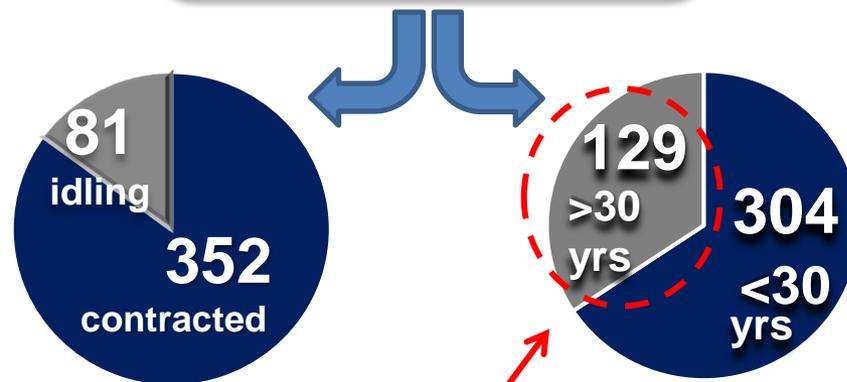
# DRILLING RIGS OUTLOOK - SUPPLY



**Less rigs** available in the future

| Potential Rigs Coming Out From The Yard | Total     |
|---|-----------|
| 2021                                    | 10        |
| 2022                                    | 13        |
| 2023                                    | 9         |
| <b>Grand Total</b>                      | <b>32</b> |

Source: IHS Petrodata July 2021



**Potential to be Retired**

# DRILLING RIGS OUTLOOK - DEMAND

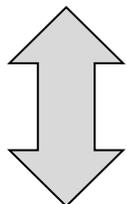
## WORLDWIDE JACK-UP DEMAND

| REGION                          | 2021A                   | 2022F      |
|---------------------------------|-------------------------|------------|
|                                 | Information as at March |            |
| Southeast Asia (Excl. Malaysia) | 29                      | 26         |
| Malaysia                        | 8                       | 8          |
| Middle East / India             | 162                     | 161        |
| Others                          | 153                     | 146        |
| <b>TOTAL</b>                    | <b>352</b>              | <b>341</b> |

## TOTAL JU DEMAND



## Historical range of Contracted Jack-up Rigs since 2010



**445** Highest (in 2014)

**380** Average

**318** Lowest (in 2017)

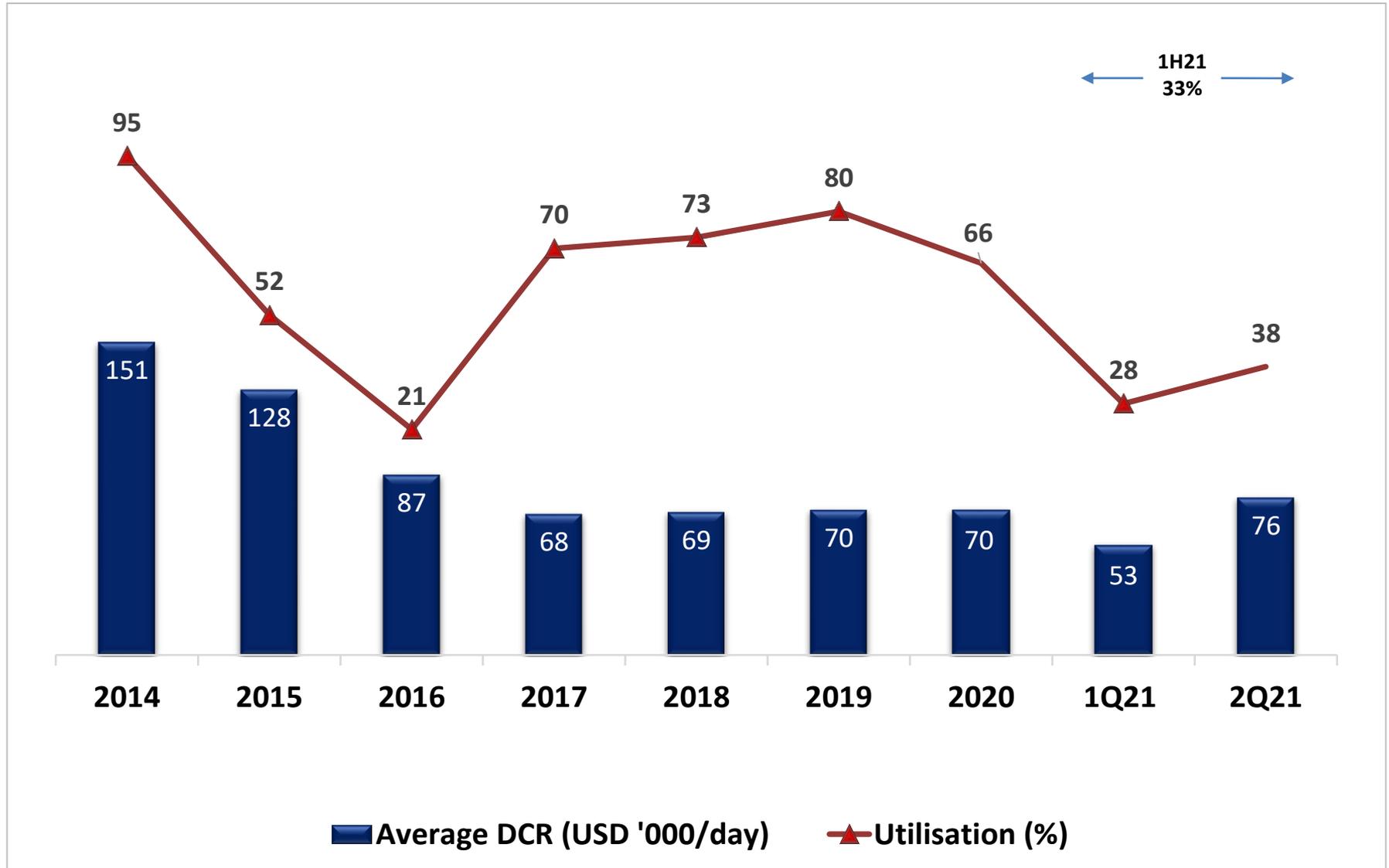
## Utilisation in Malaysia

|   |            |
|---|------------|
| Total Rig in Malaysia                     | 12         |
| Working                                   | 8          |
| <b>Average Contracted Rig Utilisation</b> | <b>67%</b> |



# COMPANY OUTLOOK

# RIG UTILISATION AND AVERAGE DAILY CHARTER RATE



# CURRENT TENDER ACTIVITIES



**Short  
Term**

**12**

**+**

**Long  
Term**

**5**

**=**

**Total**

**17**

**Total Bid Value  
RM 1.9 bil**

# MAJOR SHAREHOLDERS

## VELESTO energy



54.4%

Urusharta  
Jamaah

4.9%



3.7%



2.8%



1.6%



and PNB Funds



1.0%

**OTHERS**

31.6%

*Foreign  
shareholding: 4.5%*

As at 31 May 2021

An aerial photograph of an offshore oil rig in the middle of the ocean. The rig is a complex structure with various platforms and equipment. Several support vessels, including tugboats and supply boats, are positioned around the rig, connected by thick black cables. A long, dark pipeline extends from the rig towards the top right of the frame. The water is a deep blue with some whitecaps.

# FINANCIALS

# 2Q 2021 KEY FINANCIAL HIGHLIGHTS

AVERAGE  
UTILISATION

**38%**

1Q21 : 28% / 2Q20 : 67%

AVERAGE  
DAY RATE

**USD76k**

1Q21 : 53k/ 2Q20 : 72k

OPERATIONAL  
EFFICIENCY

**97%**

1Q21 : 99% / 2Q20 : 99%

REVENUE

**RM84m**

1Q21 : 44m / 2Q20 : 141m

EBITDA

**RM13m**

1Q21 : (8m) / 2Q20 : 62m

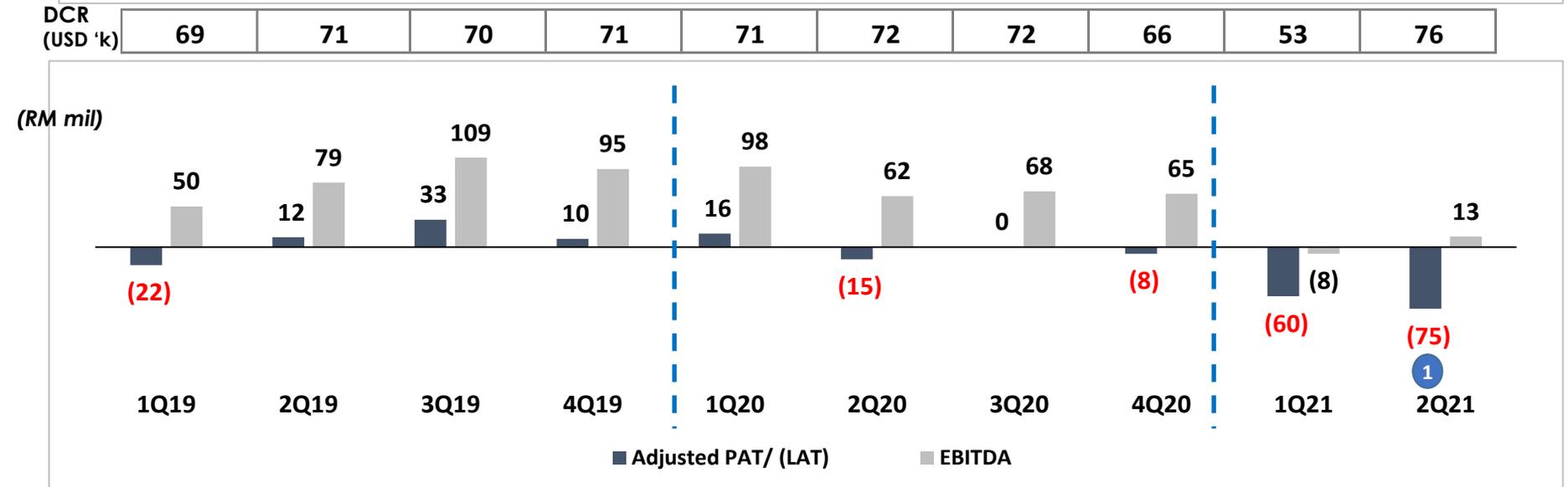
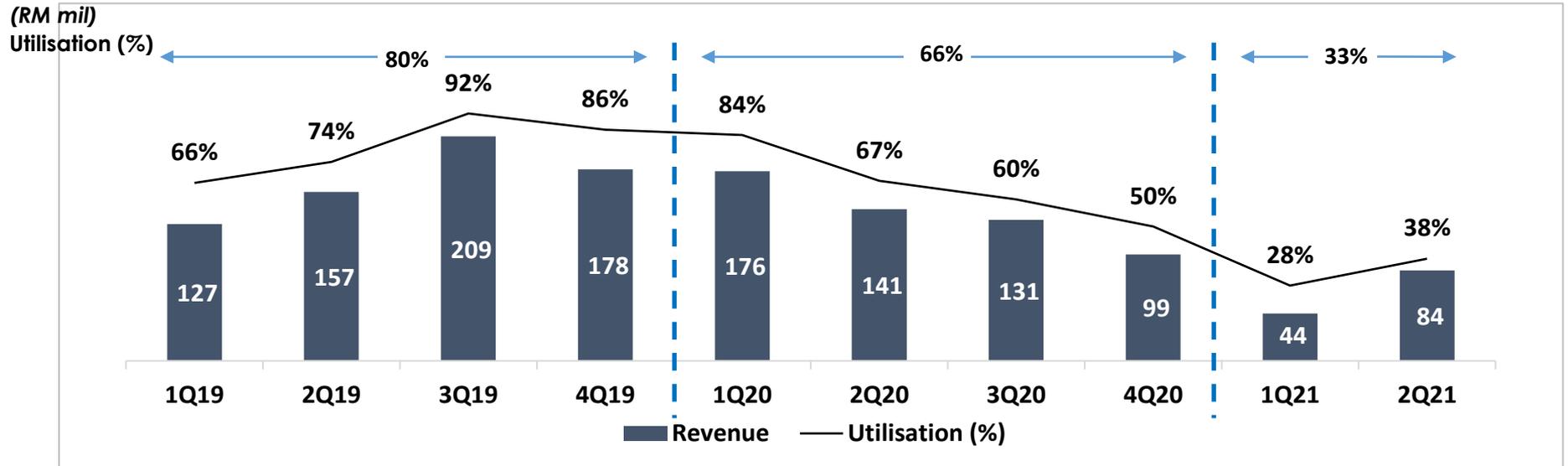
PROFIT AFTER TAX

**RM16m<sup>1</sup>**

1Q21 : (60m) / 2Q20 : (15m)

<sup>1</sup> Including one-off items i.e. assets written-off of RM461 mil and insurance claim of RM551 mil for NAGA 7

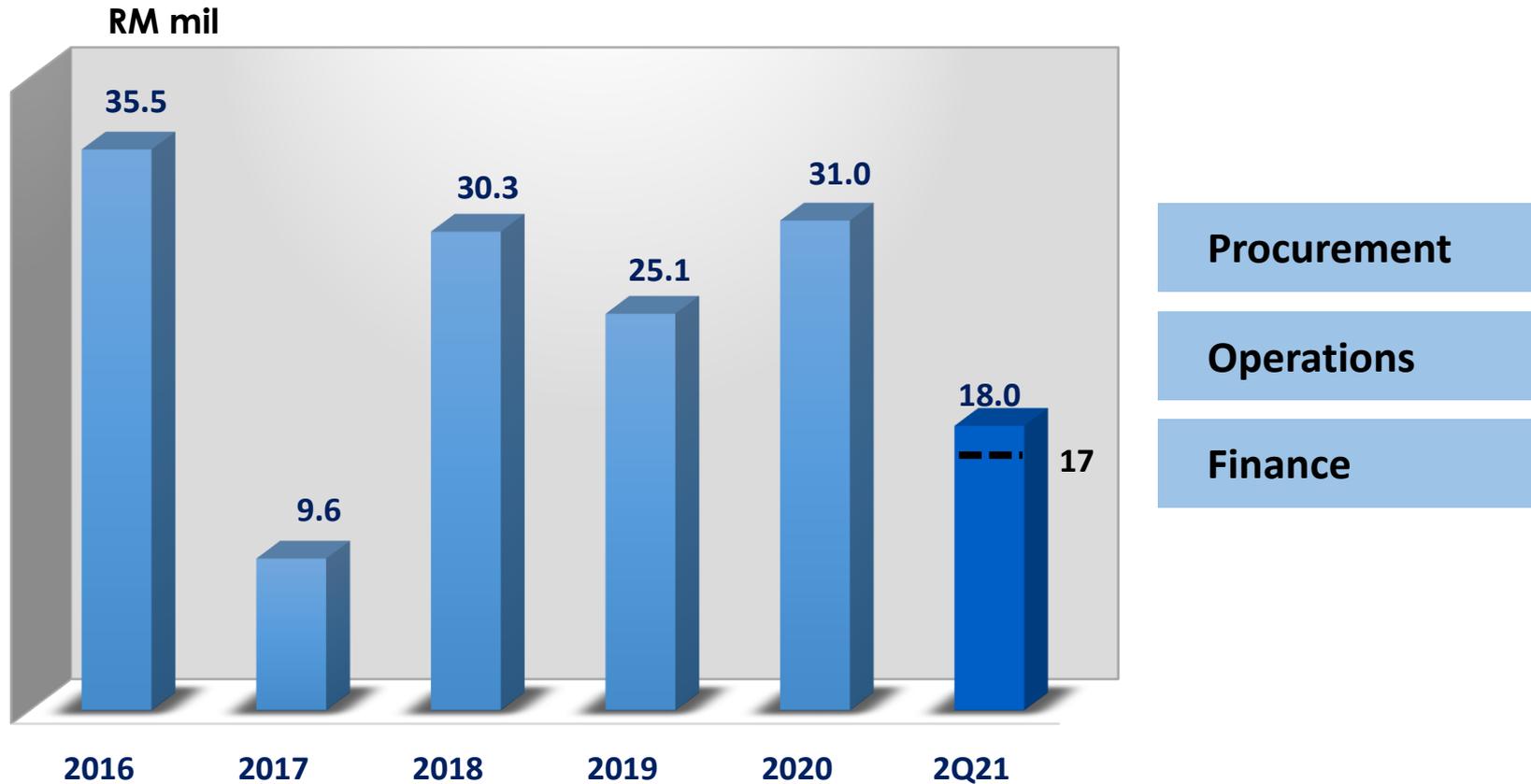
# EVOLUTION OF PERFORMANCE - QUARTERLY



<sup>1</sup> Excluding write-off of assets and insurance claim for NAGA 7

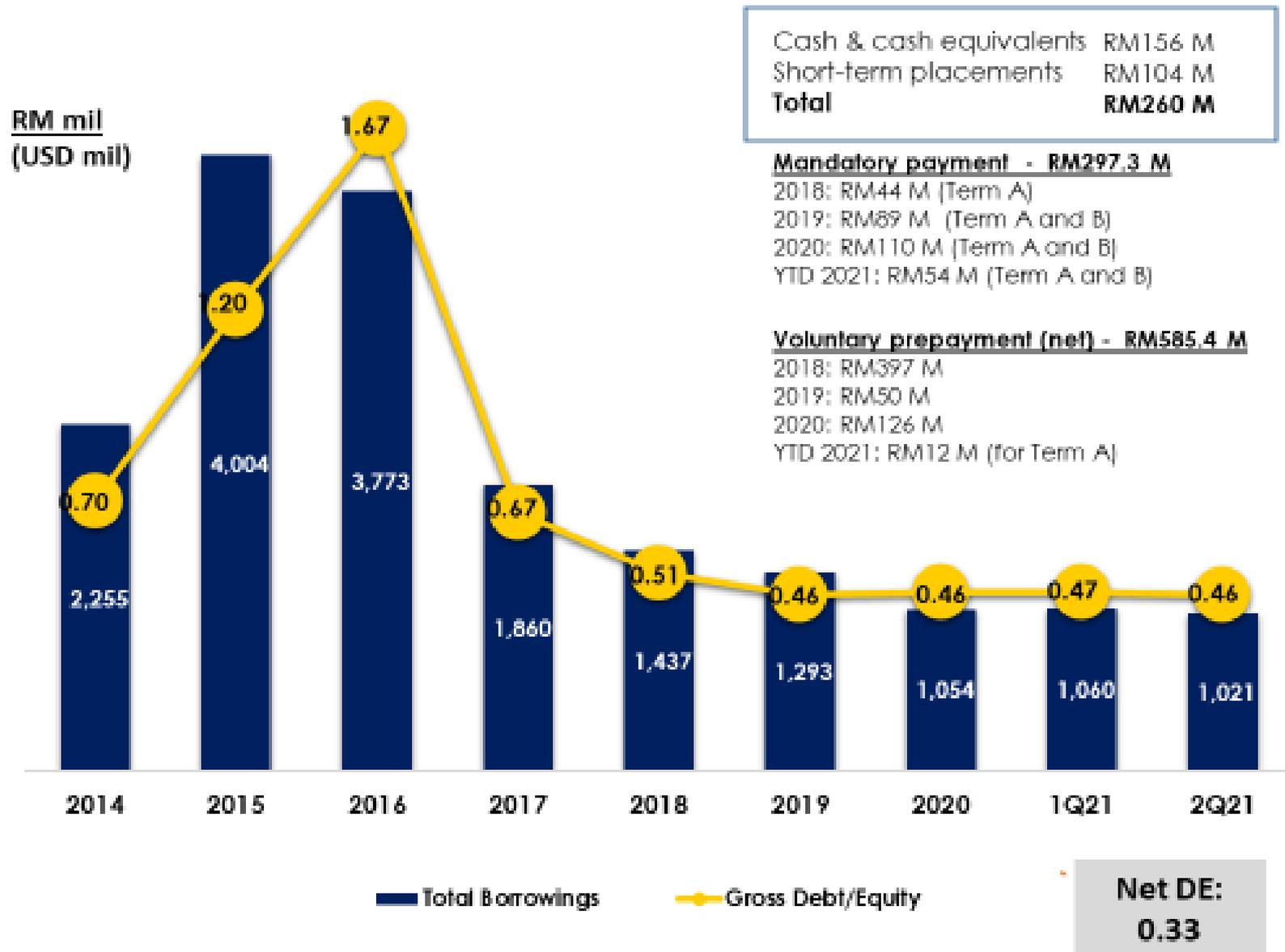
# MAJOR COST SAVINGS IN 2Q2021

## SAVED RM18m in 2Q2021

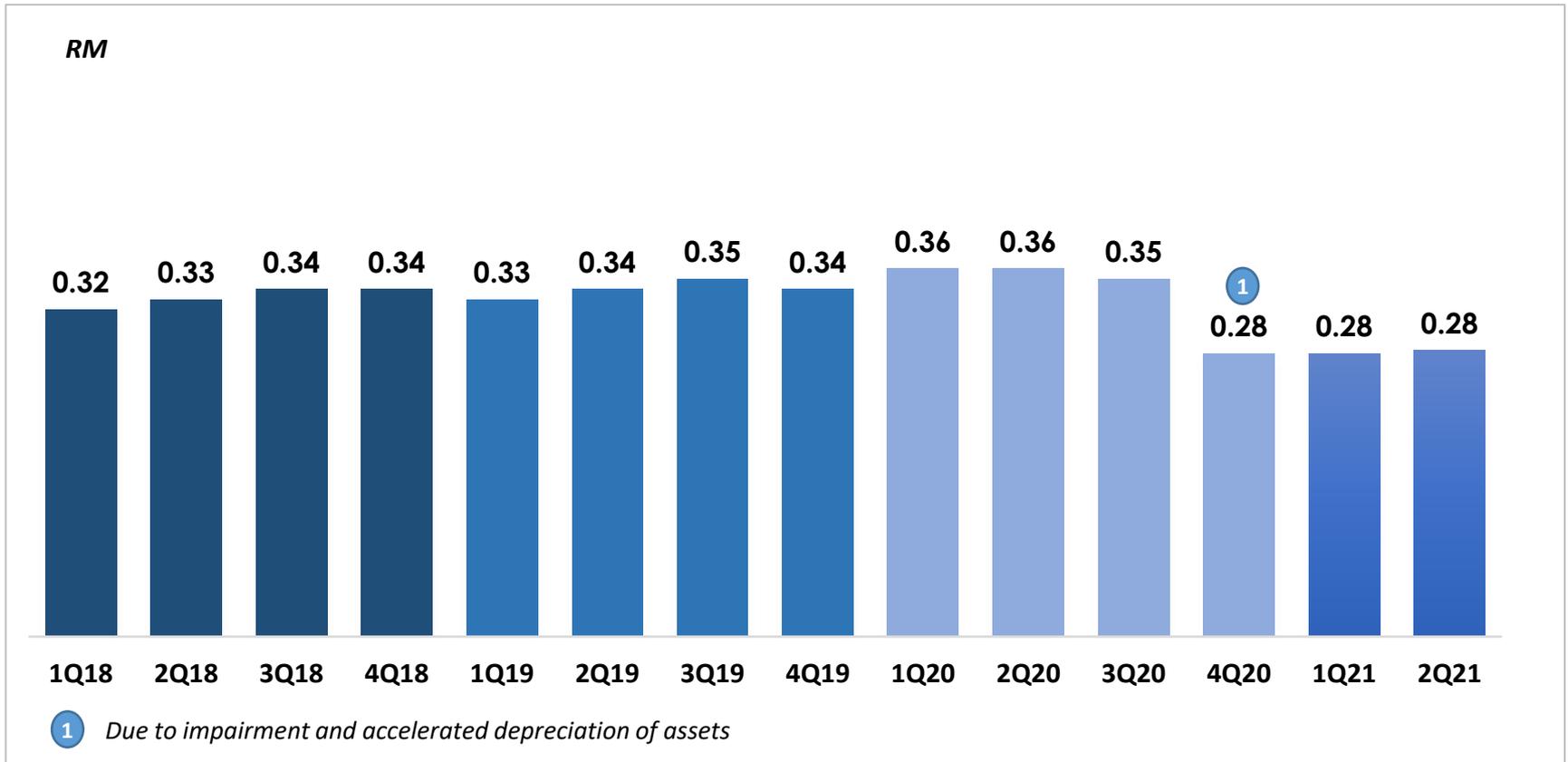


## ALREADY EXCEEDED 2021 TARGET

# MAINTAINING LOW DEBT/ EQUITY RATIO



# NET ASSET PER SHARE



Share Price  
25/08/2021

**RM 0.140**

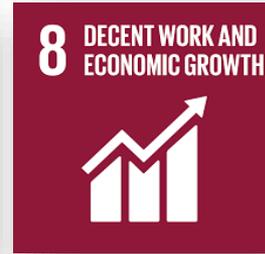
Market Capitalisation  
25/08/2021

**RM 1.15 billion**

# KEY FINANCIAL RATIOS

| Financial Ratios   | 2014  | 2015   | 2016   | 2017   | 2018  | 2019  | 2020   | 1H21   |
|--|-------|--------|--------|--------|-------|-------|--------|--------|
| Utilisation (%)  | 95    | 52     | 21     | 70     | 73    | 80    | 66     | 33     |
| Average Daily Charter Rate (USD' 000)  | 151   | 128    | 87     | 68     | 69    | 70    | 70     | 68     |
| Revenue (RM mil)   | 1,015 | 840    | 321    | 587    | 574   | 671   | 547    | 127    |
| Revenue growth (%)   | 37.6  | (17.2) | (61.8) | 82.9   | (2.2) | 16.9  | (18.5) | (59.8) |
| EBITDA (RM mil)  | 443   | 309    | 9      | 249    | 279   | 333   | 293    | 5      |
| EBITDA margin (%)  | 43.7  | 36.8   | 2.9    | 42.4   | 47.1  | 49.2  | 53.1   | 3.9    |
| PAT/ (LAT) (RM mil)  | 252   | (369)  | (396)  | (145)  | (20)  | 33    | (492)  | (44)   |
| Earnings/ (Loss) per share attributable to equity holders of the Company (sen) | 11.7  | (17.1) | (54.5) | (36.8) | (0.2) | 0.4   | (6.0)  | (0.5)  |
| Total borrowings (RM mil)  | 2,254 | 4,004  | 3,773  | 1,860  | 1,437 | 1,293 | 1,054  | 1,021  |
| Gross debt to equity ratio (x)   | 0.70  | 1.20   | 1.67   | 0.67   | 0.51  | 0.46  | 0.46   | 0.44   |
| Net debt to equity ratio (x)   | 0.34  | 0.91   | 1.42   | 0.43   | 0.37  | 0.33  | 0.31   | 0.33   |
| EBITDA / Interest (x)  | 16.99 | 4.83   | 0.08   | 1.80   | 3.18  | 4.09  | 4.52   | n.a.   |

# SUSTAINABILITY OUTCOMES 2020



Workforce  
**660 employees**  
(79% Malaysians)

**Zero fatalities** and  
**Zero major spills**

**44%** Directors  
**42%** Senior Management  
**Women**

Local Suppliers  
**RM120 mil**

**11% Reduction**  
in rig energy  
consumption  
**CO<sub>2</sub>**

**291** trained

# SUSTAINABILITY ACHIEVEMENTS 2021



## MSWG-ASEAN Corporate Governance Award 2020

- Excellence Award for CG Disclosure (Market Cap above RM300 million to RM1 billion)
- Industry Excellence Award



FTSE4Good

Included in  
**FTSE4Good Bursa  
Malaysia Index**



## Tier 1 (Setting the Pace)

for Sustainability disclosures  
by BURSA Malaysia



## 4-stars (Top-quartile)

ESG ranking by Bursa  
Malaysia and FTSE Russell

An aerial photograph of an offshore oil rig and a supply vessel on the ocean. The rig is a tall, lattice-structured tower in the distance. The supply vessel is a red and white ship in the lower left. The sky is blue with scattered white clouds. The text "MOVING FORWARD" is overlaid in large white letters in the center.

# MOVING FORWARD

# CURRENT OUTLOOK

**Mixed outlook on global economy due to heightening risk of COVID-19 situation and slower recovery**

**Global oil production is increasing due to release of OPEC+ quota and increasing US oil production**

**Brent oil price has moderated to around USD70/bbl from a high of USD75/bbl**

**Both oil and gas price are weakening but are well above 2020 levels**

**PETRONAS Domestic CAPEX budget for 2021 has increased to RM22-25bil from RM17 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, viewed from directly above. The rig is a complex of white and grey metal structures, including two prominent green helipads with yellow markings. The rig is situated in the middle of a vast, deep blue ocean. A dark horizontal band is superimposed across the center of the image, containing the text 'THANK YOU' in large, white, bold, sans-serif capital letters.

**THANK YOU**



Q & A