ANALYST BRIEFING

Q3 2024 Financial Results

14 November 2024

moving energy

DISCLAIMER

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Q3 2024 HIGHLIGHTS

Q3 2024 Key Highlights

Navigating short-term hurdles, building momentum for long-term growth

Revenue

USD 670 Million

5% decrease QoQ
8% decrease YoY

Profit After Tax

USD 80 Million

34% decrease QoQ
7% decrease YoY

Adjusted CFO*

USD 290 Million

<1% increase QoQ
1% decrease YoY

Dividend Declared

USD 86 Million

2% increase QoQ
19% increase YoY

Environment Pillar

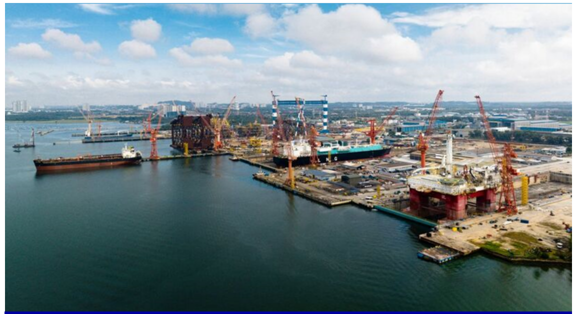
5.23 gCO_2e/ton-nm in GHG intensity

No change QoQ
12% reduction in emission YoY

***FPSO Marechal Duque de Caxias* has achieved its first oil in offshore Brazil**

Signed LOI with PETRONAS for the provision of long-term LNG shipping services for two newbuild LNGCs

MHB secures subcontract award from Uzma for conversion works of a Mobile Offshore Drilling Unit into a Mobile Water Injection Facility



MHB signs MoU with HD Hyundai Marine Solution to accelerate maritime decarbonisation efforts

Note: QoQ represents Q3 2024 against Q2 2024
YoY represents Q3 2024 against Q3 2023

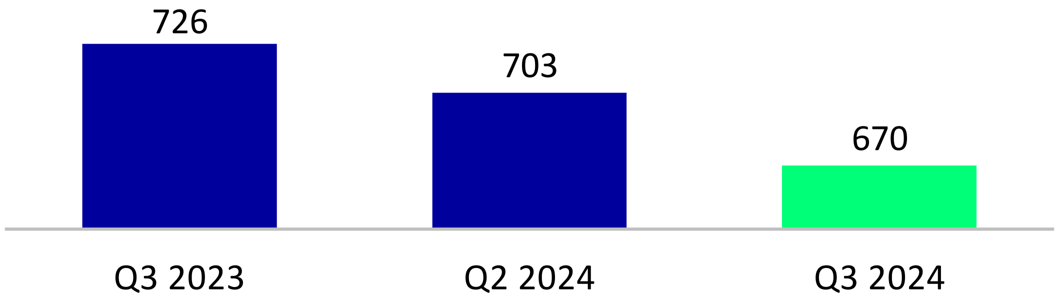
** Adjusted Cash Flow from Operations*

FINANCIAL PERFORMANCE

Financial Highlights

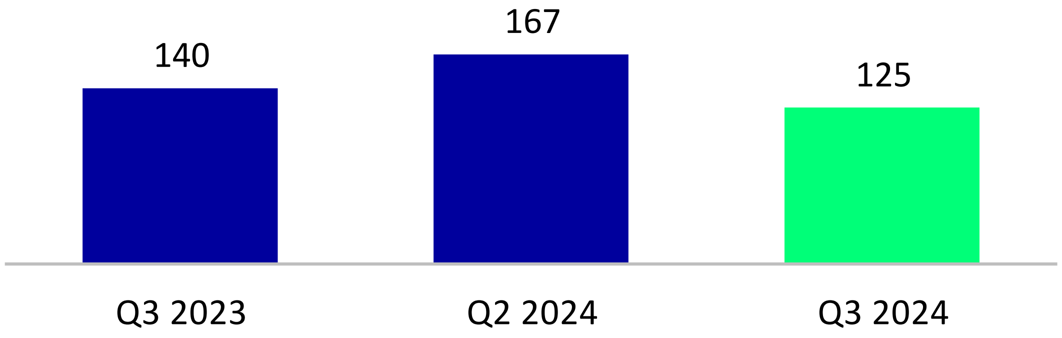
Operating profit declined in line with lower revenue, partly offset by additional cost provisions in corresponding quarter

REVENUE



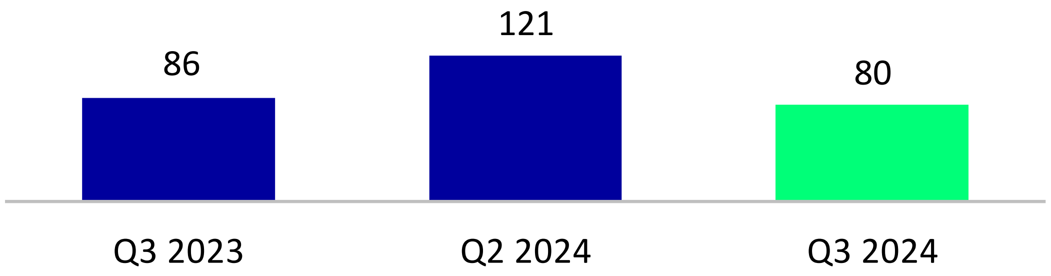
Lower revenue in Q3 2024 against Q3 2023 from lower construction revenue for FPSO MDdC in Offshore Business segment, coupled with lower freight rates and earning days in GAS Assets and Solutions segment, partially offset by higher revenue from on-going Heavy Engineering projects

OPERATING PROFIT



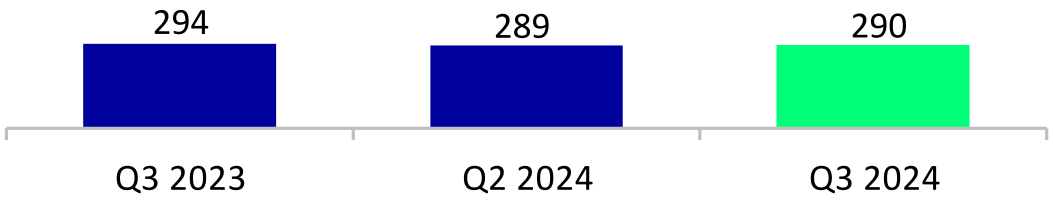
Lower operating profit in Q3 2024 against Q3 2023 in line with lower revenue in GAS Assets and Solutions segment, coupled with the operating loss in Offshore Business. This was partially offset by higher operating profit in Petroleum segment, in addition to cost provisions from on-going Heavy Engineering projects in the corresponding quarter

PAT



Lower PAT in Q3 2024 against Q3 2023 in line with lower operating profit

CASH FLOWS FROM OPERATIONS**



CFFO in Q3 2024 is comparable against corresponding quarter

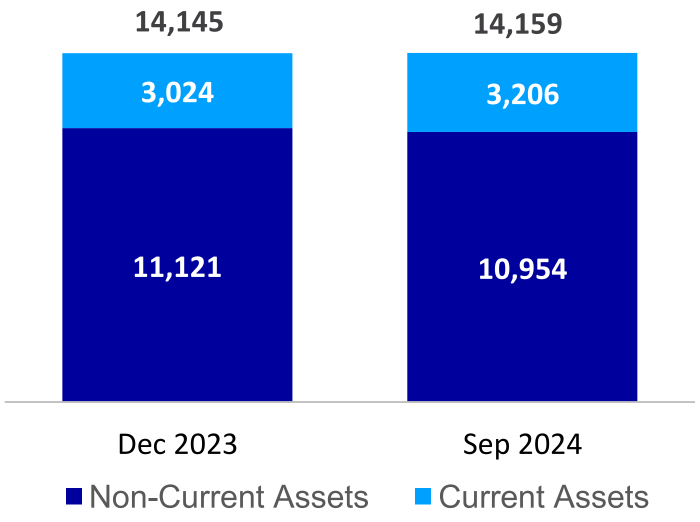
**All figures in USD Million unless otherwise stated*

***Adjusted CFO*

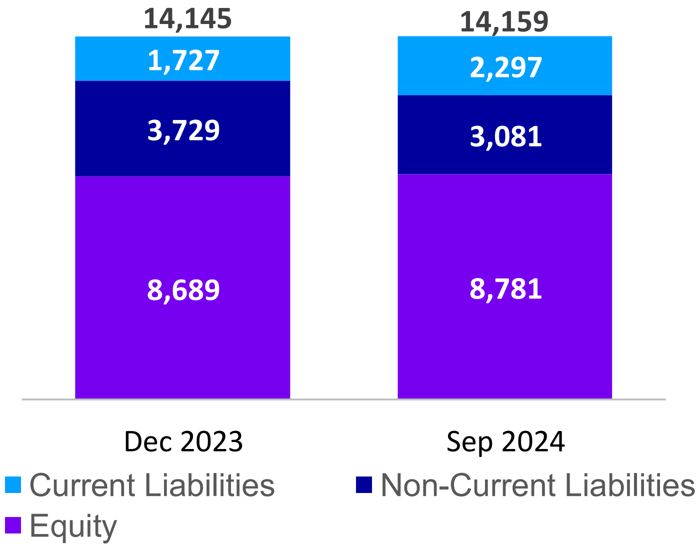
Balance Sheet & Gearing

Solid balance sheet with prudent risk management

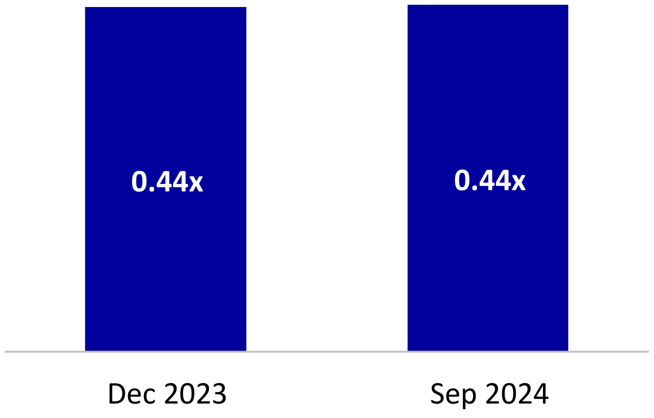
ASSETS



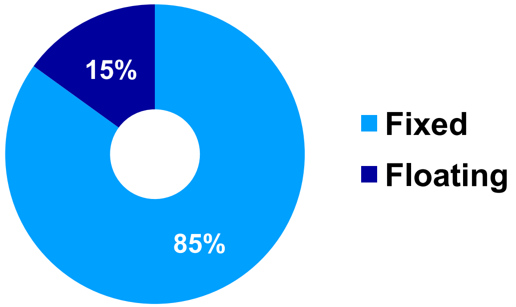
EQUITY AND LIABILITIES



GROSS GEARING RATIO

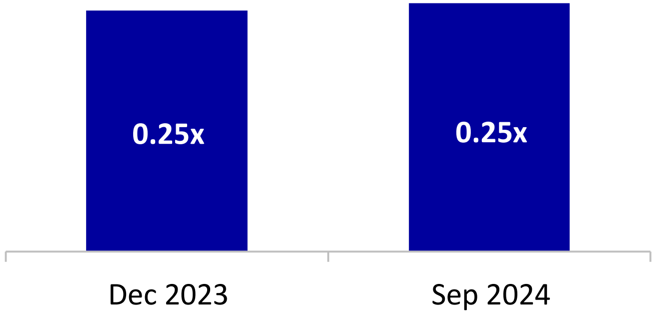


DEBT COMPOSITION AS AT SEP 2024



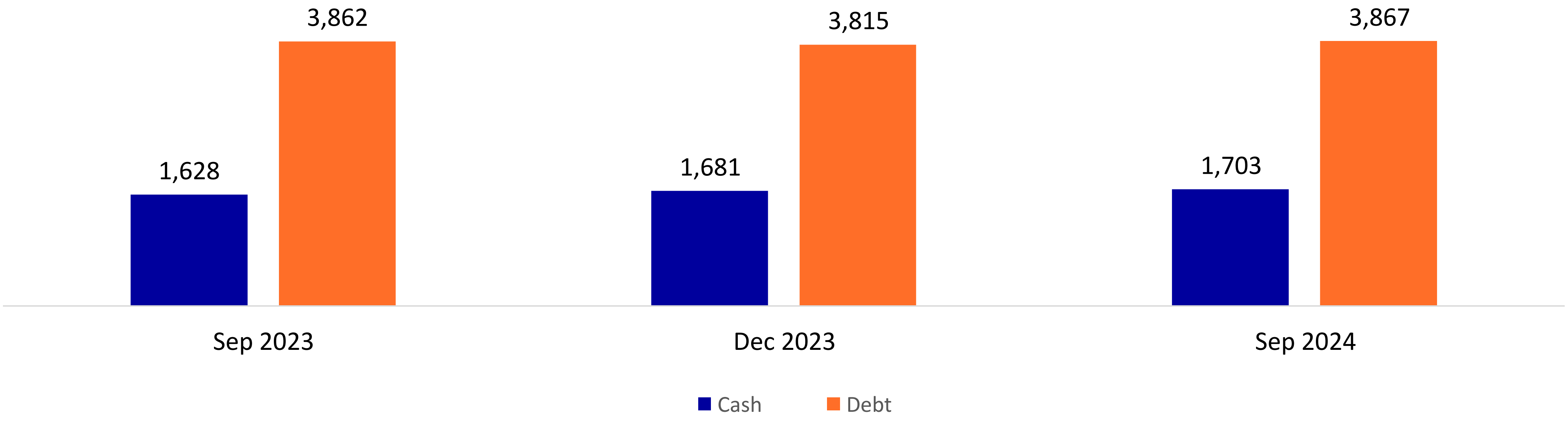
- The Group's balance sheet and composition of fixed-rate debt recorded marginal movement compared to December 2023.

NET GEARING RATIO



Cash and Debt Balances

Healthy cash and stable debt positions



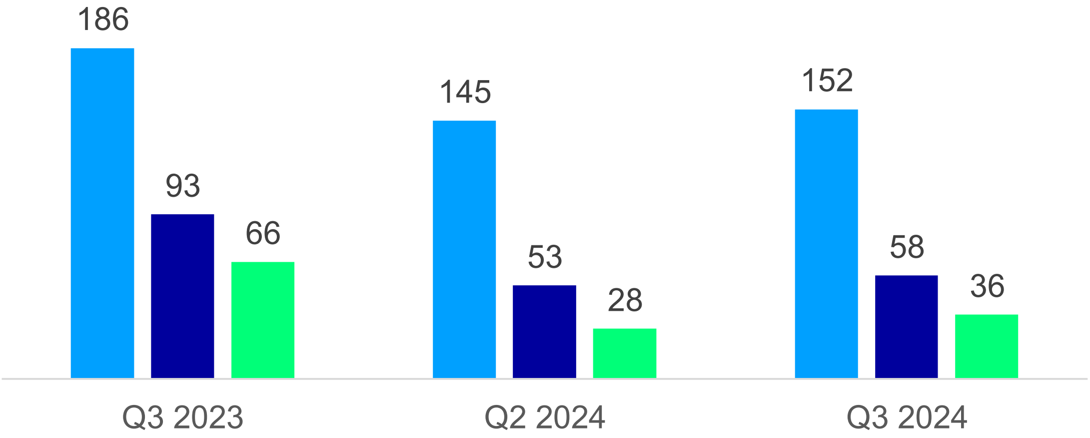
❖ Cash and debt balances as at September 2024 against December 2023 remained fairly unchanged.

**All figures in USD Million unless otherwise stated*

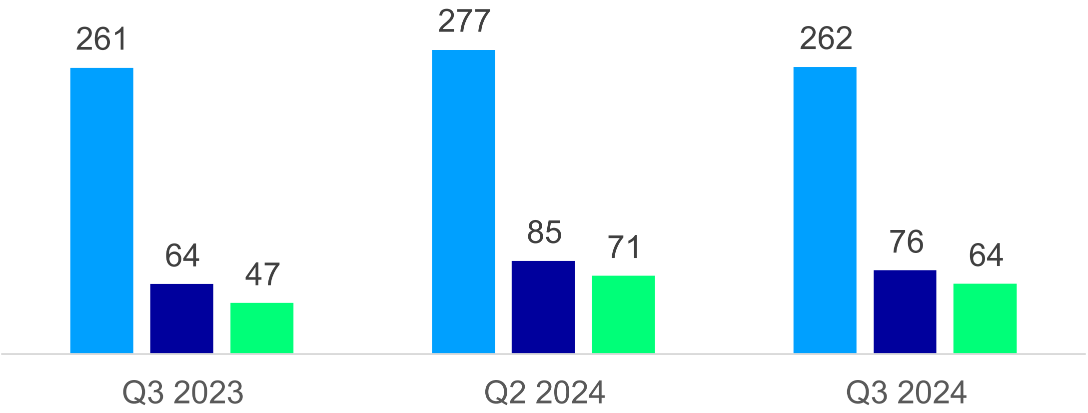
Financial Performance by Business Segments

Group revenue and profit declined YoY attributable to the GAS and Offshore business segments

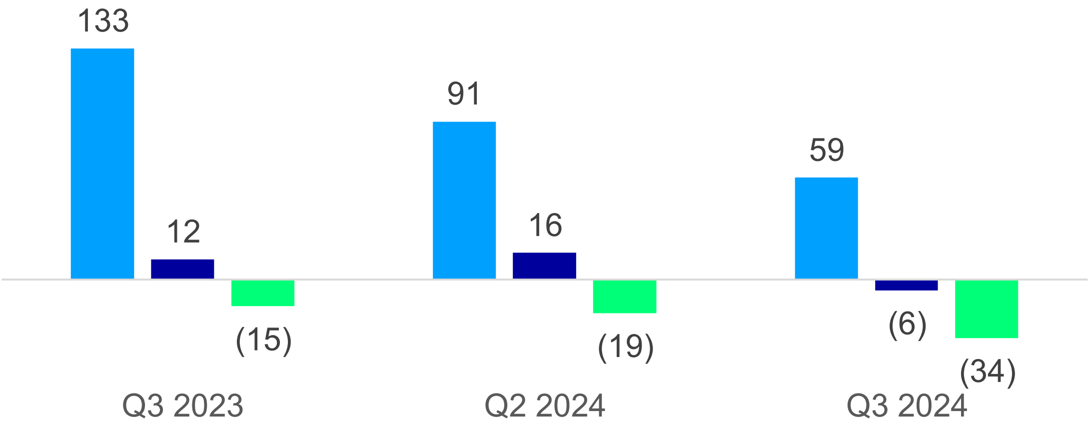
GAS



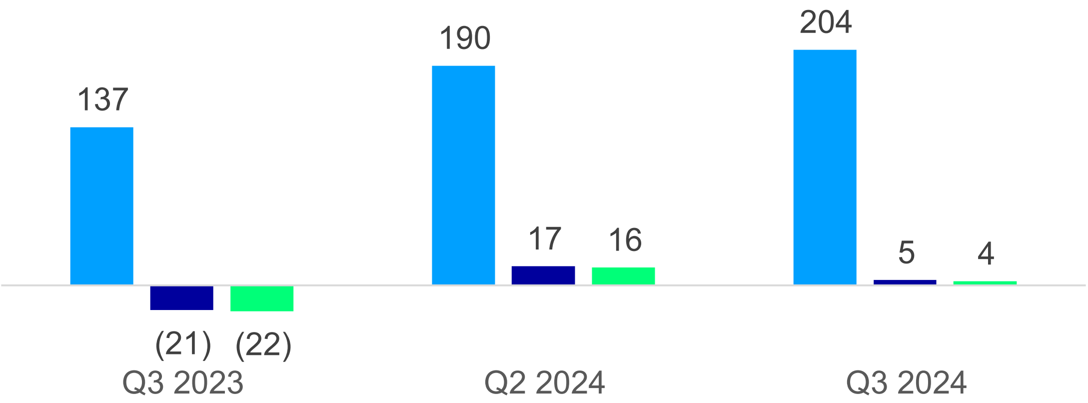
PETROLEUM



OFFSHORE



HEAVY ENGINEERING



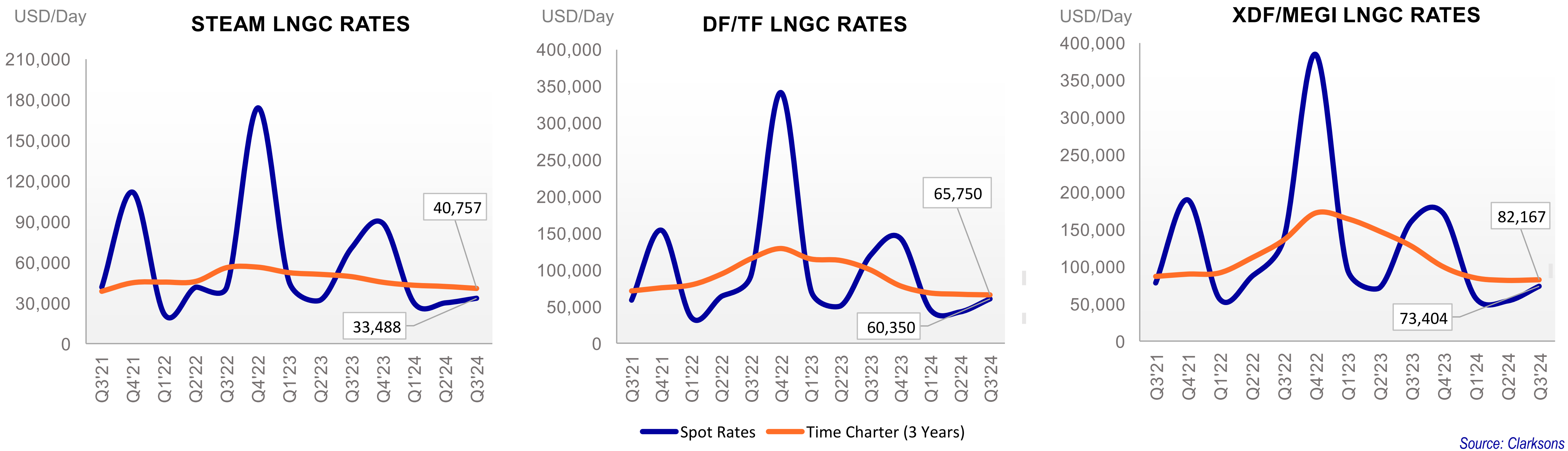
**All figures in USD Million unless otherwise stated*

Revenue | Operating Profit/(Loss) | PAT/(LAT)

MARKET ENVIRONMENT

LNG Shipping

Prospects expected to remain soft with anticipated high number of vessel deliveries and ample inventory in Europe

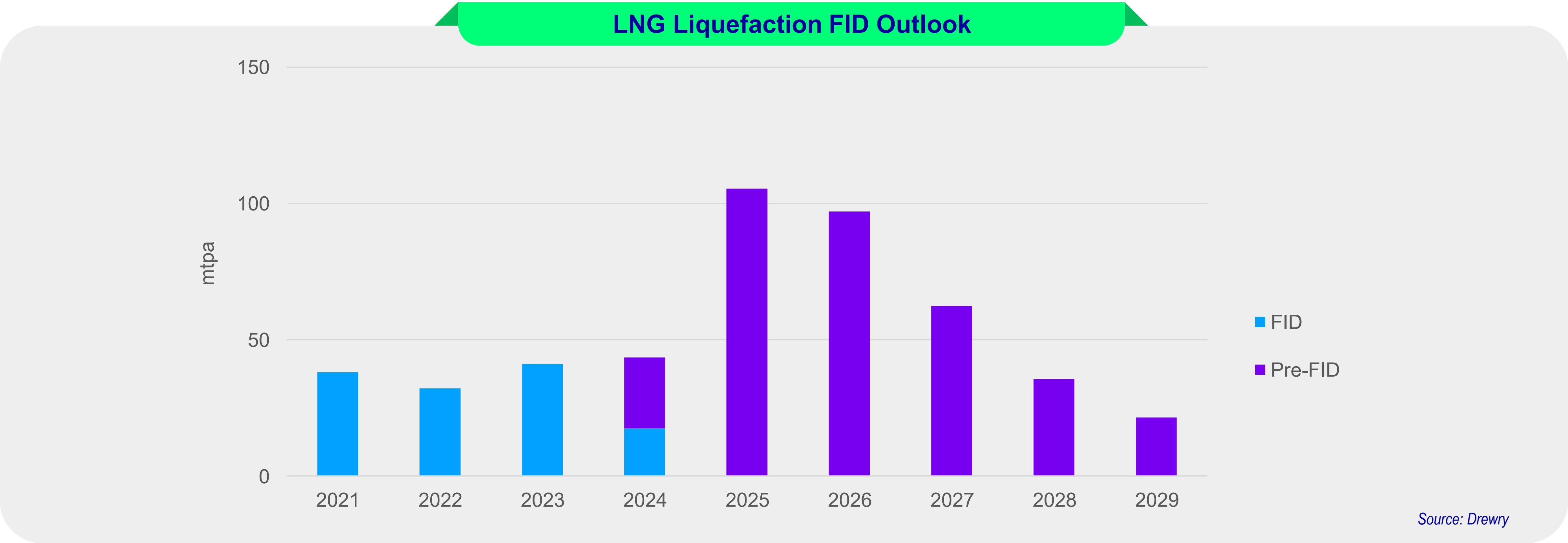


Source: Clarksons

- LNG spot rates remained moderate in Q3 2024 amidst subdued LNG demand in Asia and high inventory levels in Europe, which kept rates lower compared to previous years.
- The prospects for LNG shipping market are expected to remain softer compared to recent years, driven by a high number of vessel deliveries and limited additional liquefaction capacity.
- The outlook for LNG carriers with steam turbines is expected to decline, while spot rates for DF/TF and XDF/MEGI carriers are projected to trend upward going forward.

LNG Shipping

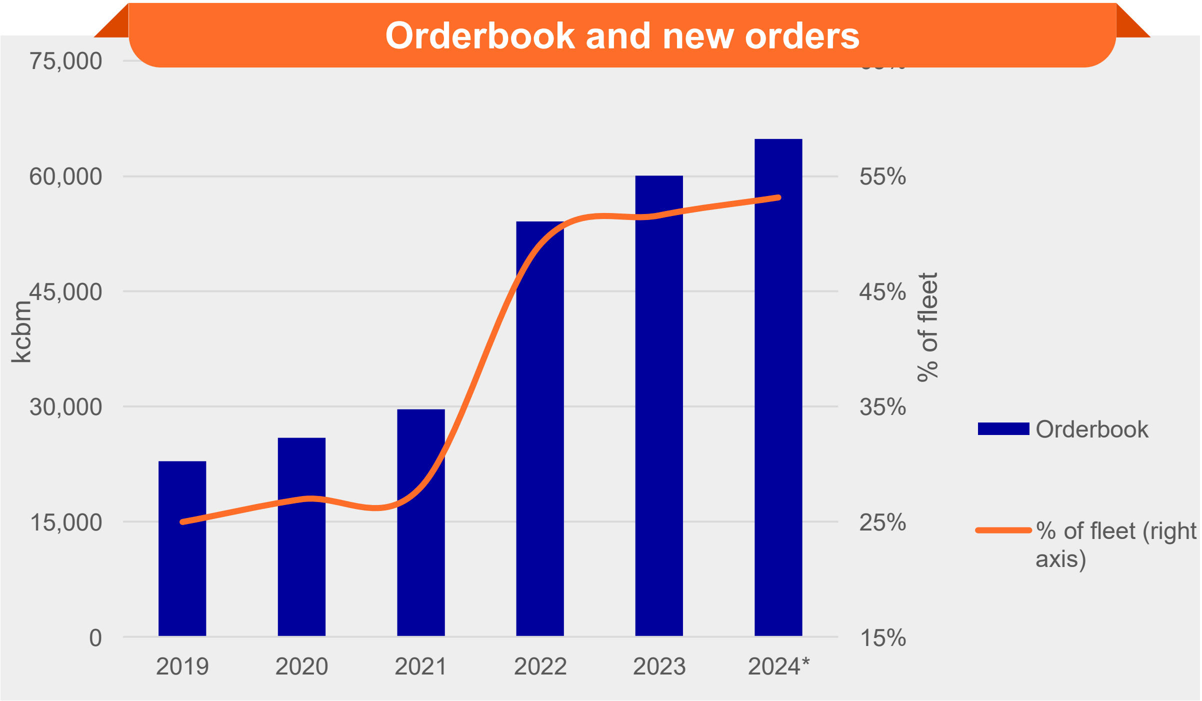
Project FID outlook remains positive despite some deceleration in 2024



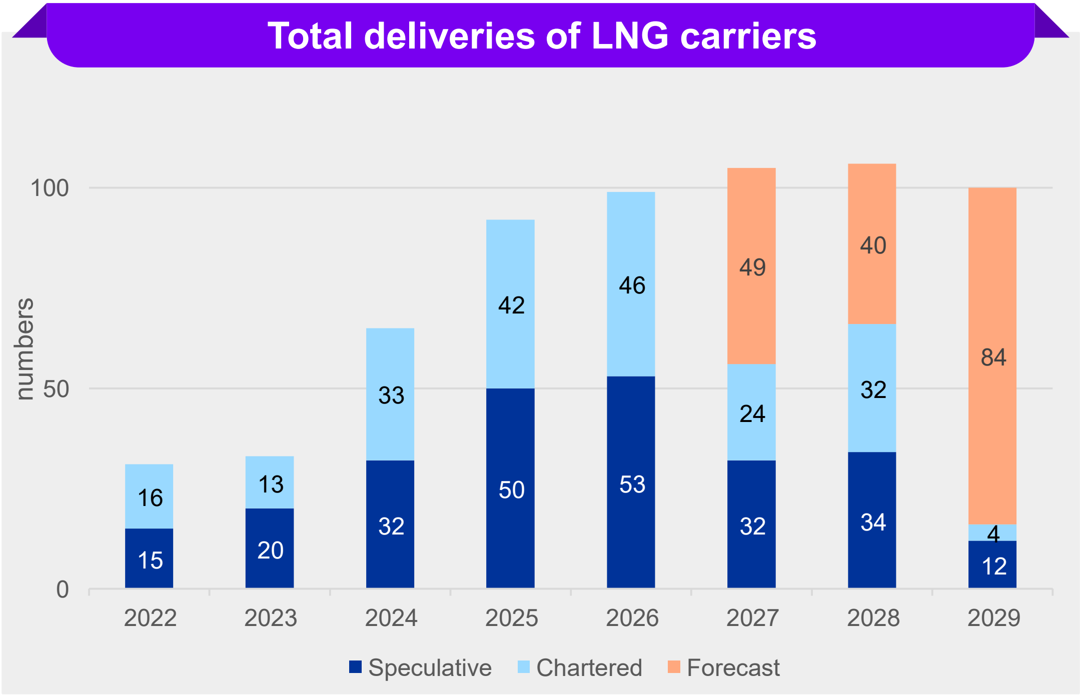
- The pace of Final Investment Decisions (FIDs) has decelerated in 2024 primarily due to the temporary pause by the US government on licensing of LNG projects.
- The outlook for FIDs during the forecast period remains positive as there are potential projects from the US, Qatar, and Africa which are backed by committed CAPEX spending and confirmed LNG supply agreements.

LNG Shipping

Surge in newbuilding orders amid strong LNG demand



Note: *as on 15 September 2024

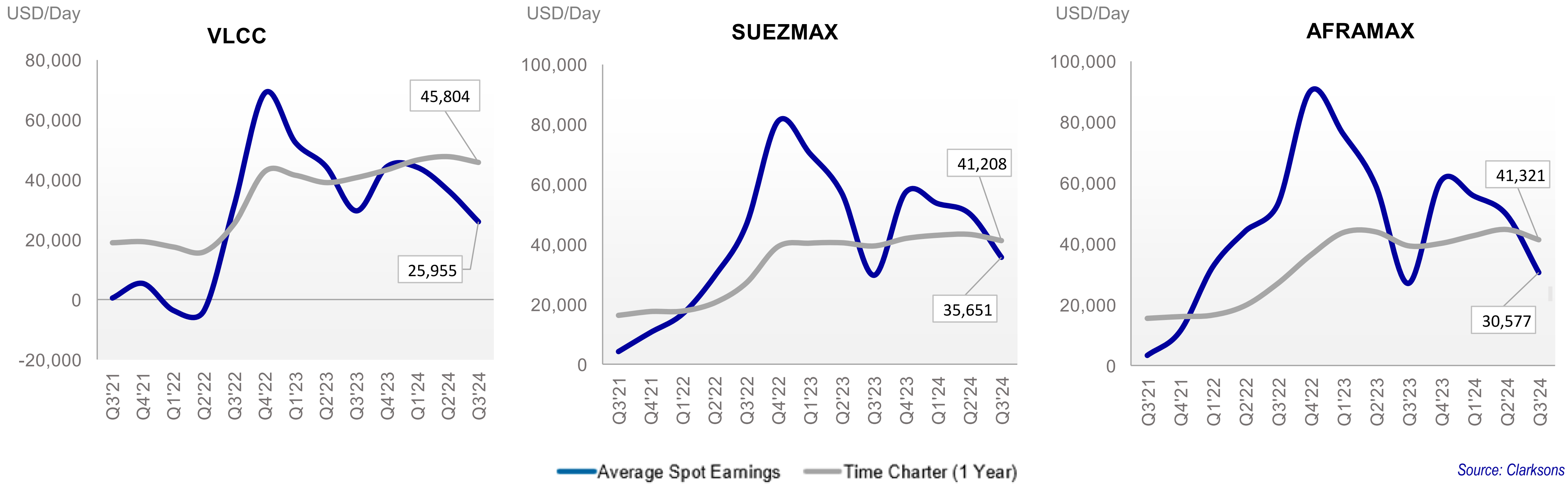


Source: Drewry and Woodmac

- As more planned liquefaction projects are expected to reach FID, newbuilding orders are expected to remain robust for remaining of 2024 and year onwards.
- High deliveries of new LNGCs are expected in the next two years. Despite this, delivery slippages are anticipated due to tight shipyard capacity which will flow deliveries to subsequent years.

Petroleum Shipping

Average tanker rates remain supported amidst increase in tonne-mile demand

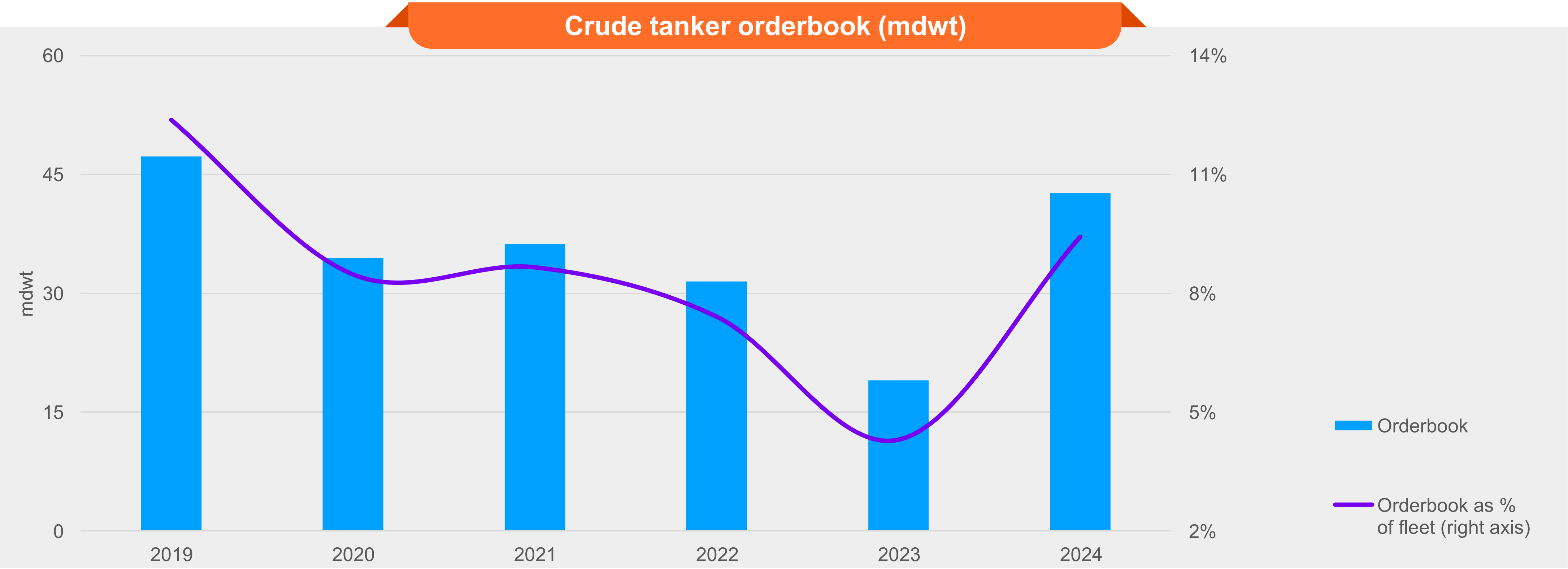


Source: Clarksons

- Spot rates for mid-sized tankers in Q3 2024 continued to soften due to weak seasonal demand and slowdown in refinery runs in the US and Europe.
- Notwithstanding this, the overall tanker market outlook remains supported by the growth in long-haul Atlantic-Asia trade, alongside limited fleet growth.

Petroleum Shipping

Crude tanker orderbook is expected grow in line with increasing tonnage demand



Note: Data as at Q3 2024

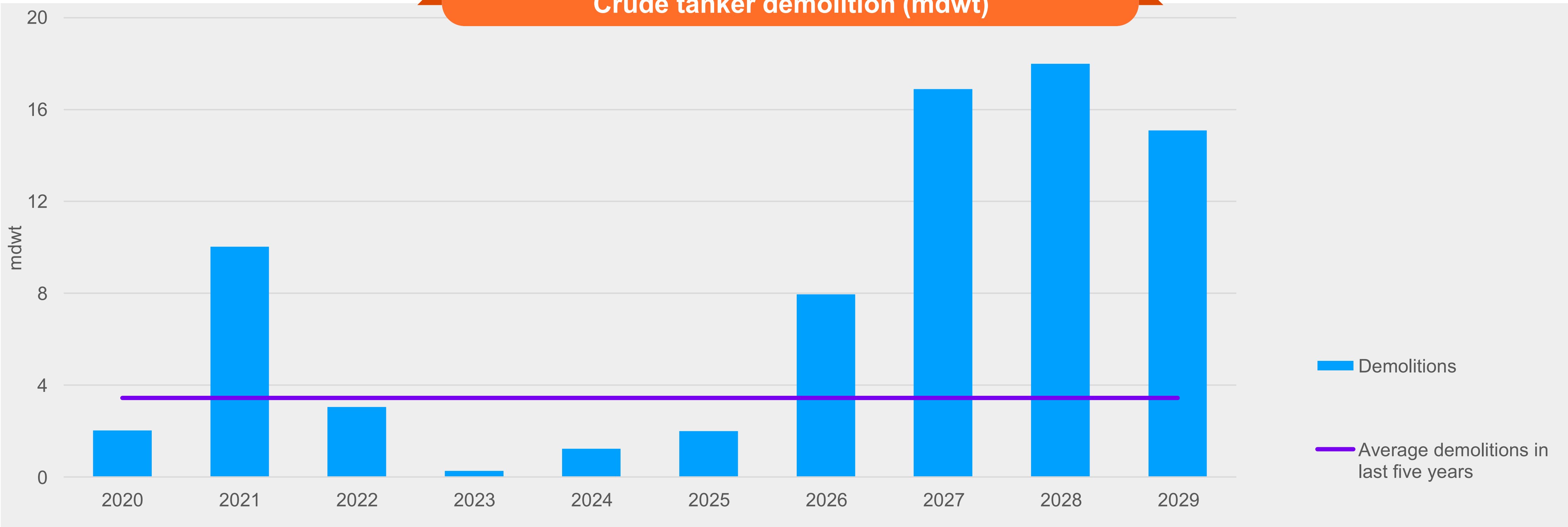
Source: Drewry

- The overall orderbook for crude tankers is expected to grow in the forecast period as the requirement for replacements to meet increasing tonnage demand, will encourage shipowners to invest in more new orders.

Petroleum Shipping

Demolitions to remain low in 2H2024

Crude tanker demolition (mdwt)

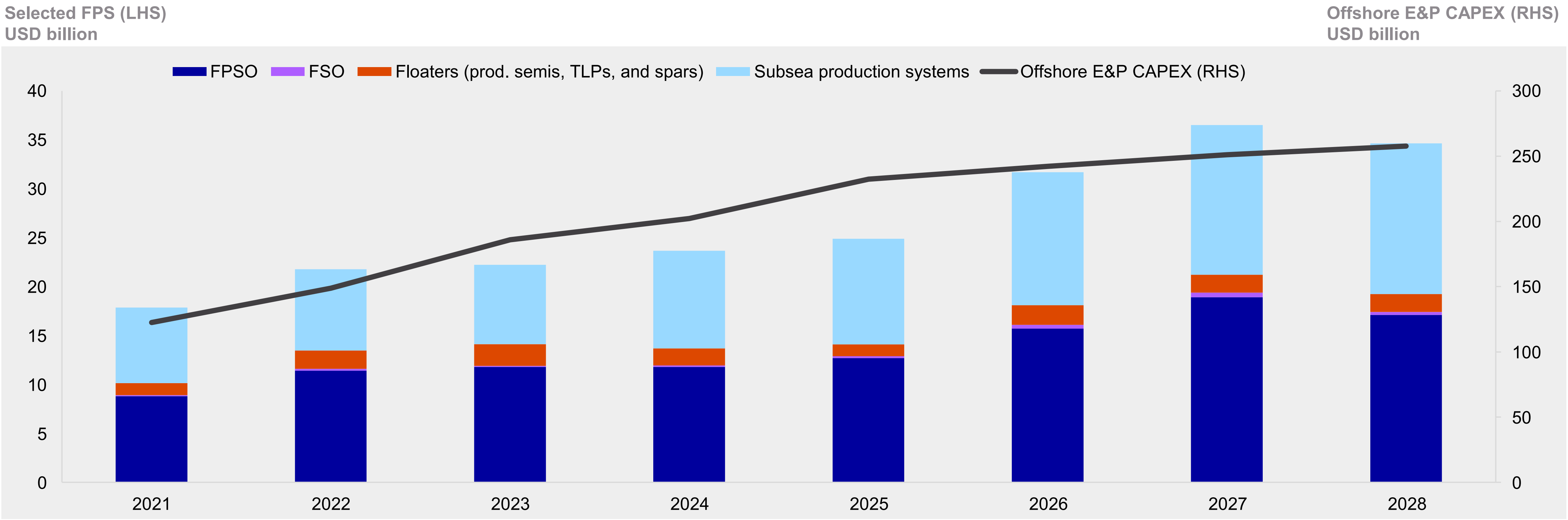


Source: Drewry

- Demolitions remain weak in 2024 as spot rates remain high and older vessels are expected to continue in operation.
- Additionally, the lack of replacement tonnage will slow down demolitions over the next two years but will revive from 2026.

Offshore

Continued steady growth in upstream CAPEX spending expected for 2024 and onwards

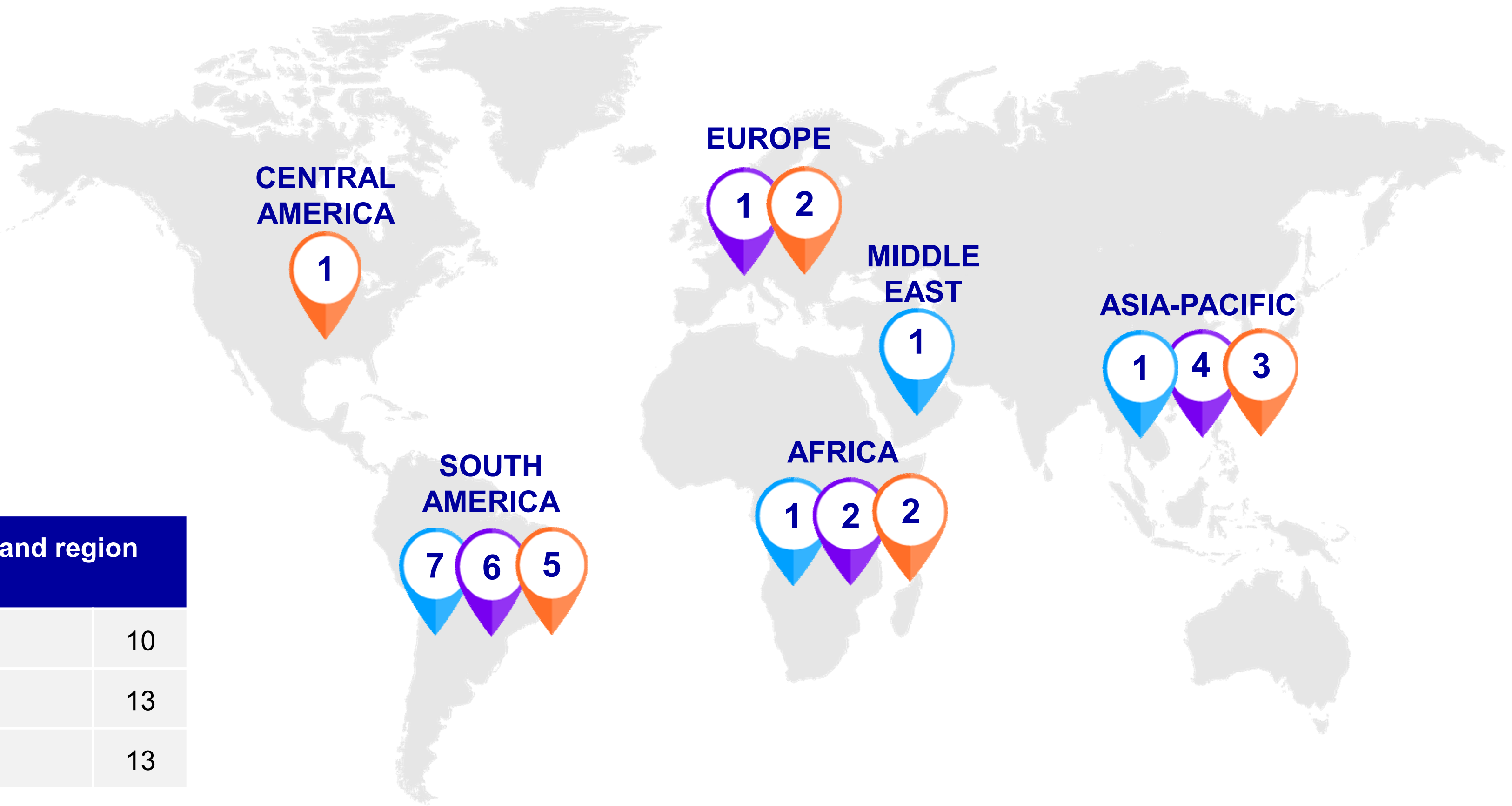


Source: S&P Global

- There is a significant upward trend in global offshore E&P capex expenditure, driven by the industry's commitment to explore and develop new offshore resources to meet global energy demand.
- This upward momentum is expected to generate substantial growth in the global FPSO market in the upcoming years, potentially leading to a higher number of FPSO awards particularly from South America and the Asia-Pacific.

Offshore

Upcoming greenfield FPSO projects are concentrated in the South America and Asia-Pacific regions



Forecast FPSO awards and region (2024 to 2026)		
● (blue)	2024	10
● (purple)	2025	13
● (orange)	2026	13

Source: S&P Global

- Newbuild FPSO awards are expected to stay firm over the next three years, with operators eyeing large FPSOs in South America and Asia-Pacific. However, some awards for Petrobras could be further delayed due to high costs.

APPENDICES

Adjusted Cash Flow from Operations ("CFO")

	Q3 2023 USD Mil	Q2 2024 USD Mil	Q3 2024 USD Mil
CFO per Statutory Financial Reporting	**219**	**286**	**247**
Add/(Less):			
MFRS 16 lease payments*	(3)	(6)	(7)
Offshore construction work-in-progress**	79	33	31
Others and forex	(1)	(24)	19
Adjusted CFO	**294**	**289**	**290**

* MISC considers all lease or charter-in of vessels and other assets as operating activities. For financial reporting purposes, payment of lease liabilities are classified in the cash flow from financing activities.

** **For financial reporting purposes**, the payments relating to construction/conversion activities for Offshore turnkey projects are **required to be classified in the cash flow from operating activities**. As at 30 June 2024, the YTD payment was USD246.8 million.

However, **MISC considers the payments as Capital Expenditure ("CAPEX") payments**, and **internally classifies them as an outflow from investing activities in measuring its performance and allocation of resources**.

Fleet Information as of 30 September 2024

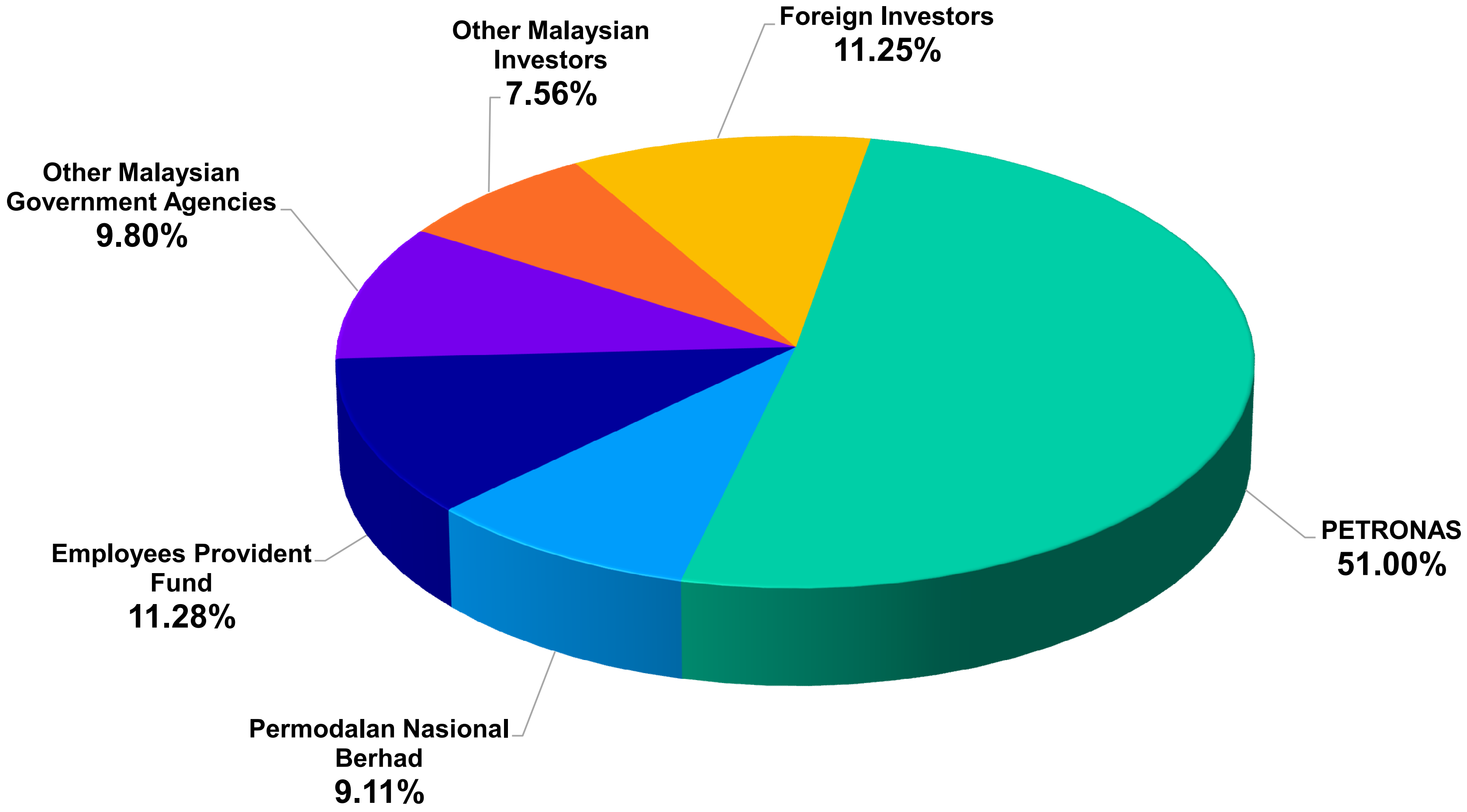
	Vessel Type	Total Vessel Operated	Owned	Chartered-In	Average Age (years)		Contracted Newbuilds/ Conversions
					MISC	Industry	
GAS	LNG	29	28	1	16.0	11.0	17*
	FSU	2	2	--	12.0	--	-
	VLEC	6	6	--	3.0	--	-
	LBV	1	--	1	4.0	--	-
Subtotal		38	36	2	--	--	17*
Petroleum	VLCC	13	13	--	7.8	12.2	-
	Suezmax	6	6	--	10.3	12.7	-
	Aframax	18	18	--	12.1	14.3	2
	LR2	2	2	--	7.2	11.0	-
	DPST	17	17	--	5.1	9.6	-
Subtotal		56	56	--	--	--	2
GRAND TOTAL		94	92	2	--	--	19
Offshore	FPSO/FSO/SS	11**	12	--	12.0	--	1

Note:
** contracted vessels include 12 vessels awarded by QatarEnergy, 25% owned by MISC, NYK, K-Line and CLNG through the joint venture.*
*** FPSO Bunga Kertas is currently under refurbishment.*

Schedule of Future Deliveries as of 30 September 2024

	GAS	Petroleum
	LNG Carriers	Aframaxes
2025	4	-
2026	11	-
2027	2	2

Shareholders' Profile as of 30 September 2024



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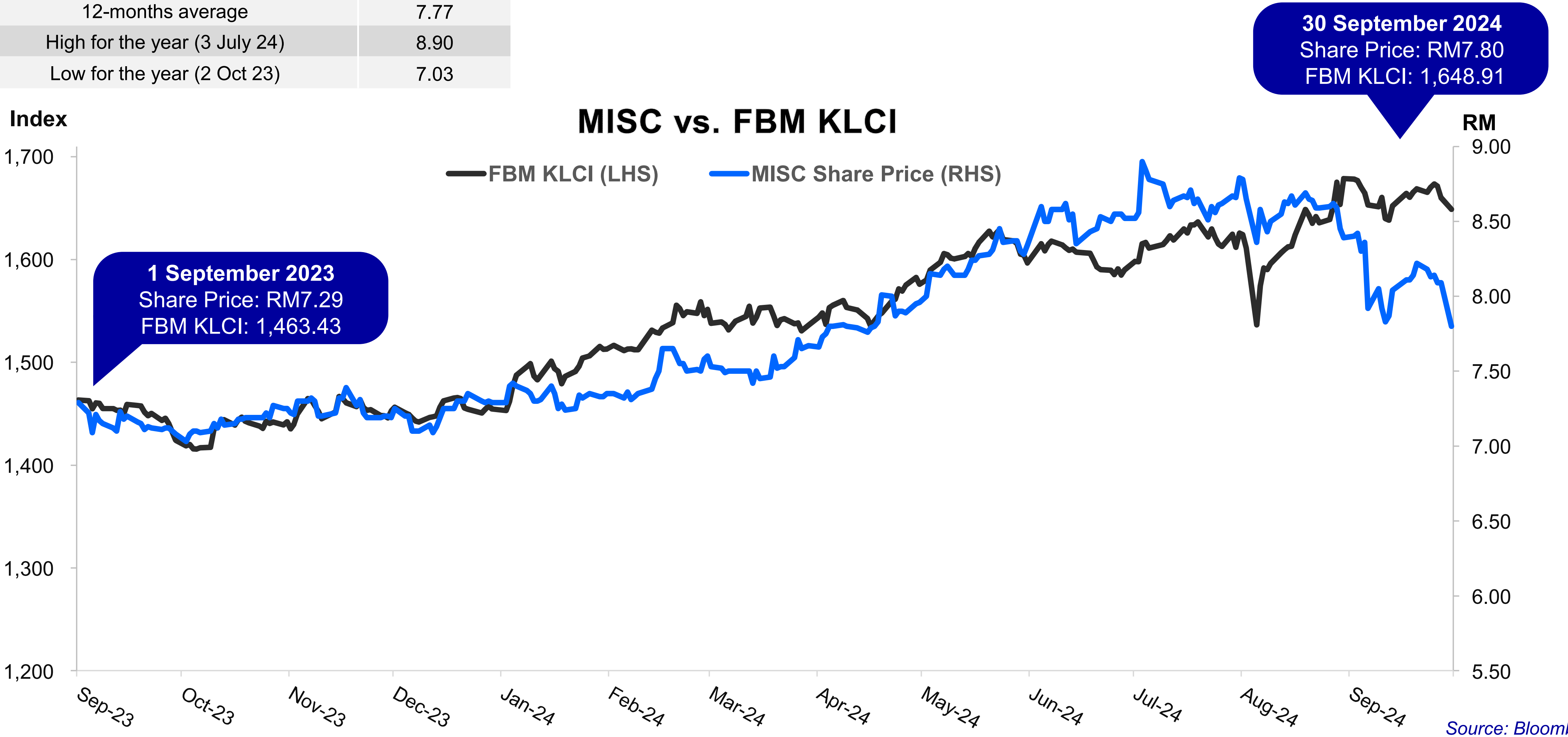
MISC One Year Share Price Performance

Share Price	RM
3-months average	8.46
6-months average	8.33
12-months average	7.77
High for the year (3 July 24)	8.90
Low for the year (2 Oct 23)	7.03



Source: Bloomberg

Q&A SESSION

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THANK YOU