moving energy

ANALYST BRIEFING
Q2 2024 Financial Results

23 August 2024

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Q2 2024 HIGHLIGHTS

Q2 2024 Key Highlights

Revenue	Profit After Tax	Adjusted CFO*	Dividend Payout	Sustainability
USD **703** Million 9% decrease QoQ 10% decrease YoY	USD **121** Million 24% decrease QoQ 73% increase YoY	USD **289** Million 33% increase QoQ 49% decrease YoY	USD **76** Million 33% decrease QoQ 12% increase YoY	Achieved **5.23%** reduction in our fleet average GHG intensity 3% lower QoQ 14% lower YoY

FPSO Marechal Duque de Caxias **has arrived in offshore Brazil and preparing for first oil**

MHB secured second offshore wind project to build OSS HVDC Platform in support of TenneT's 2GW Programme

AET awarded with the Jones F. Devlin Safety Award for 47 vessels

MMASB and Darussalam Pilotage Services Sdn. Bhd. signed an MoU to advance maritime education and research collaboration

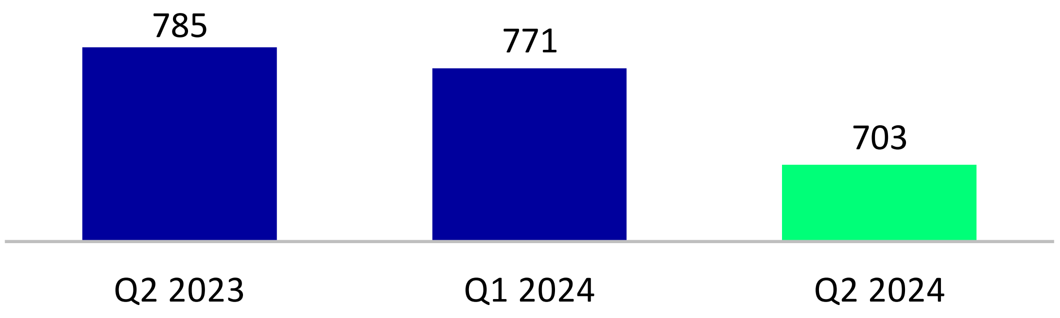
Note: QoQ represents Q2 2024 against Q1 2024
YoY represents Q2 2024 against Q2 2023

** Adjusted Cash Flow from Operations*

FINANCIAL PERFORMANCE

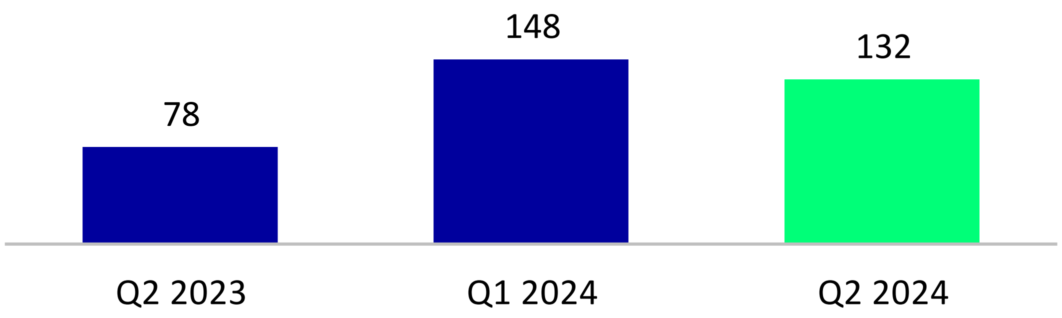
Q2 2024 vs Q2 2023: Higher profit from Heavy Engineering and Petroleum segment, partially offset by lower profit in the GAS Assets and Solutions segment

REVENUE



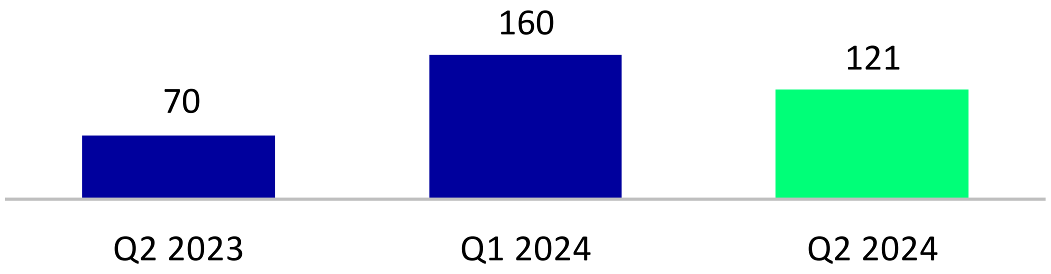
Lower revenue in Q2 2024 against Q2 2023 from on-going Heavy Engineering projects, coupled with lower freight rates and earning days in GAS Assets and Solutions segment

PBT FROM OPERATIONS^



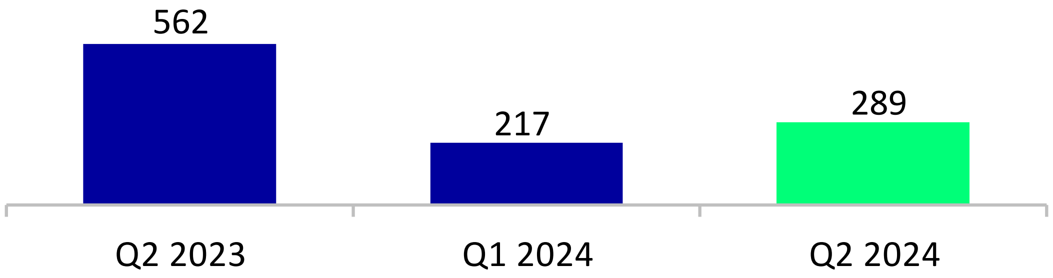
Higher profit in Q2 2024 contributed by Heavy Engineering segment from reduced costs alongside increased freight rates and earning days from Petroleum segment, partially offset by lower earning days and rates in the GAS Assets and Solutions segment

PAT



Higher PAT in Q2 2024 against Q2 2023 in line with higher PBT from operations

CASH FLOWS FROM OPERATIONS**



Lower CFO in Q2 2024 against Q2 2023 due to one-off prepayment received from Charterer within the GAS Assets and Solutions segment in the corresponding quarter

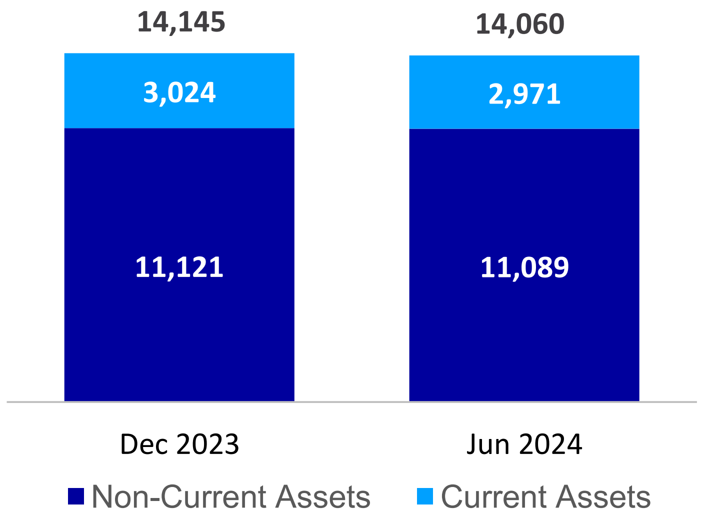
*All figures in USD Million unless otherwise stated

**Adjusted CFO

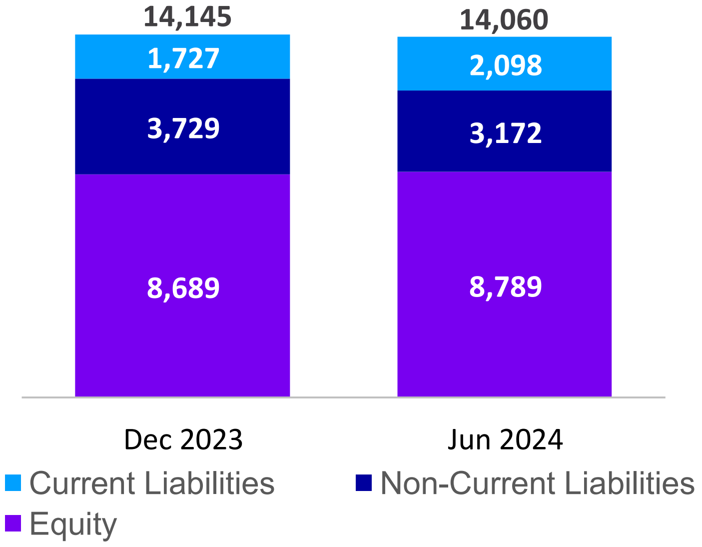
^PBT from operations are excluding the non-recurring items

Solid Balance Sheet With Prudent Risk Management

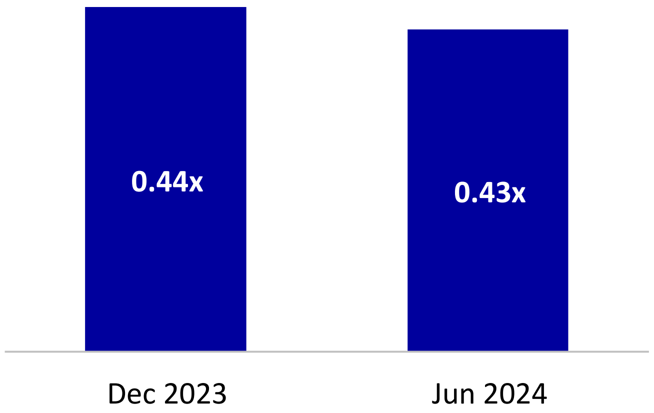
ASSETS



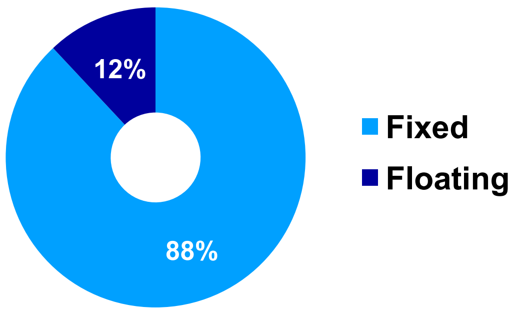
EQUITY AND LIABILITIES



GROSS GEARING RATIO

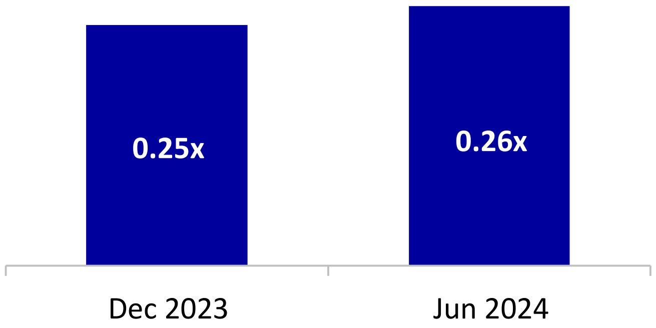


DEBT COMPOSITION AS AT JUNE 2024



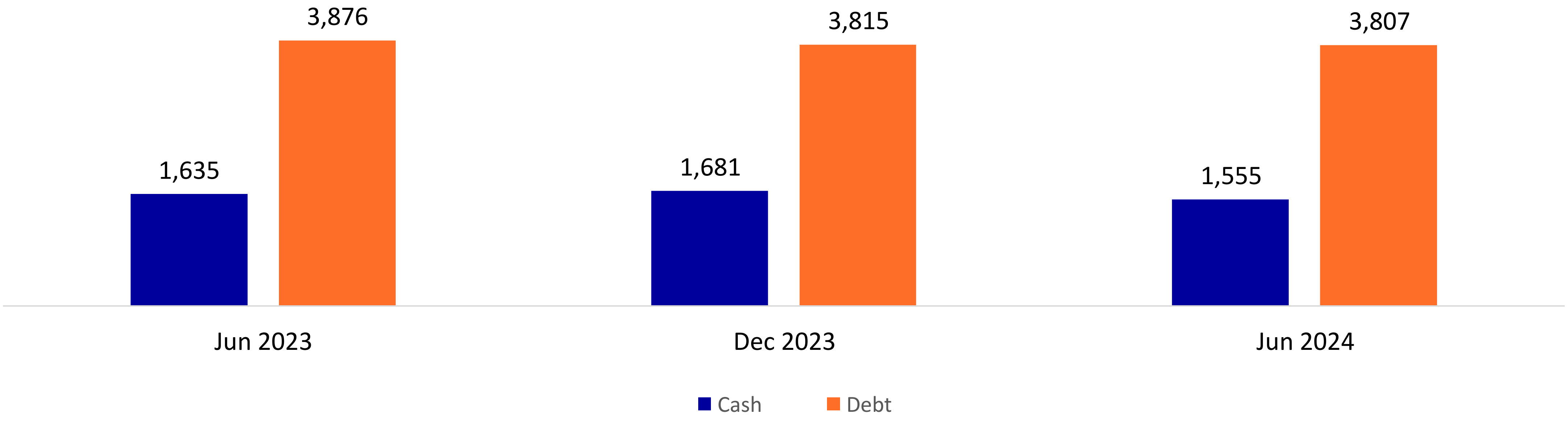
- The Group's balance sheet, gross gearing ratio and composition of fixed-rate debt recorded marginal movement compared to December 2023.

NET GEARING RATIO



**All figures in USD Million unless otherwise stated*

Cash & Debt Balances

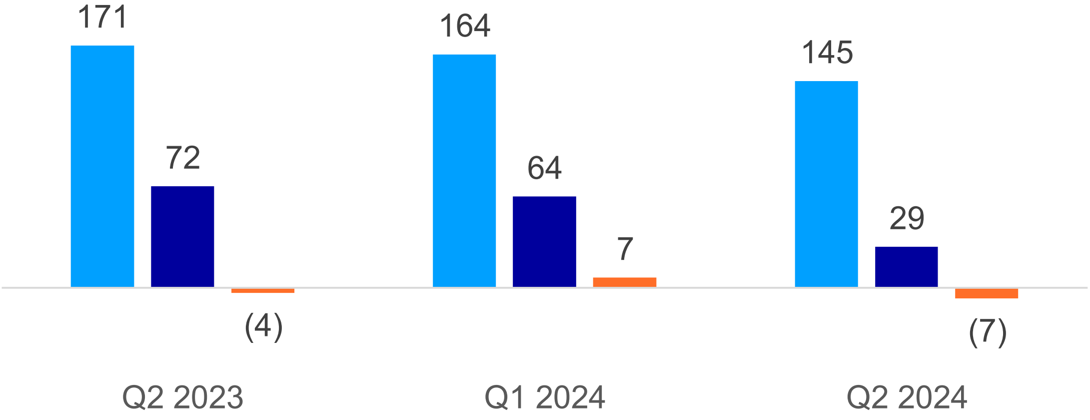


- Lower cash balance as at June 2024 against December 2023 mainly due to capex payments.
- Debt balance as at June 2024 against December 2023 remained fairly unchanged.

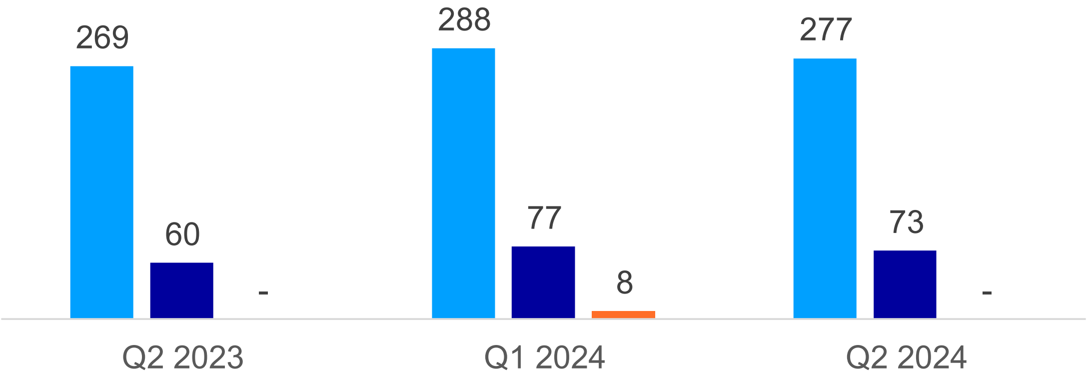
**All figures in USD Million unless otherwise stated*

Financial Performance by Business Segments

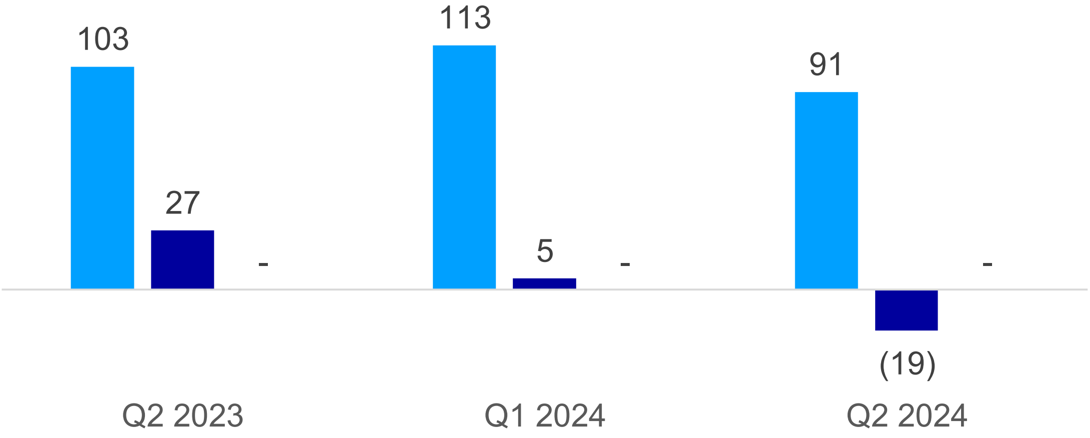
GAS



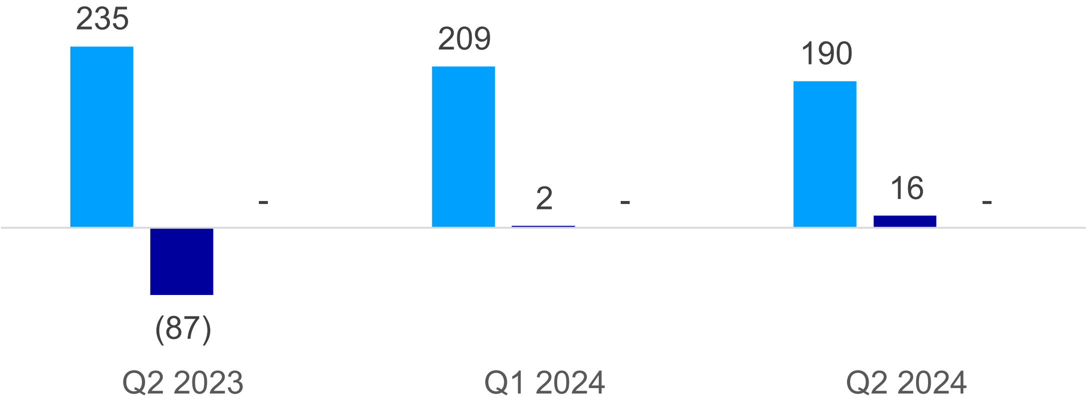
PETROLEUM



OFFSHORE



HEAVY ENGINEERING



Revenue PBT/(LBT) Non-recurring

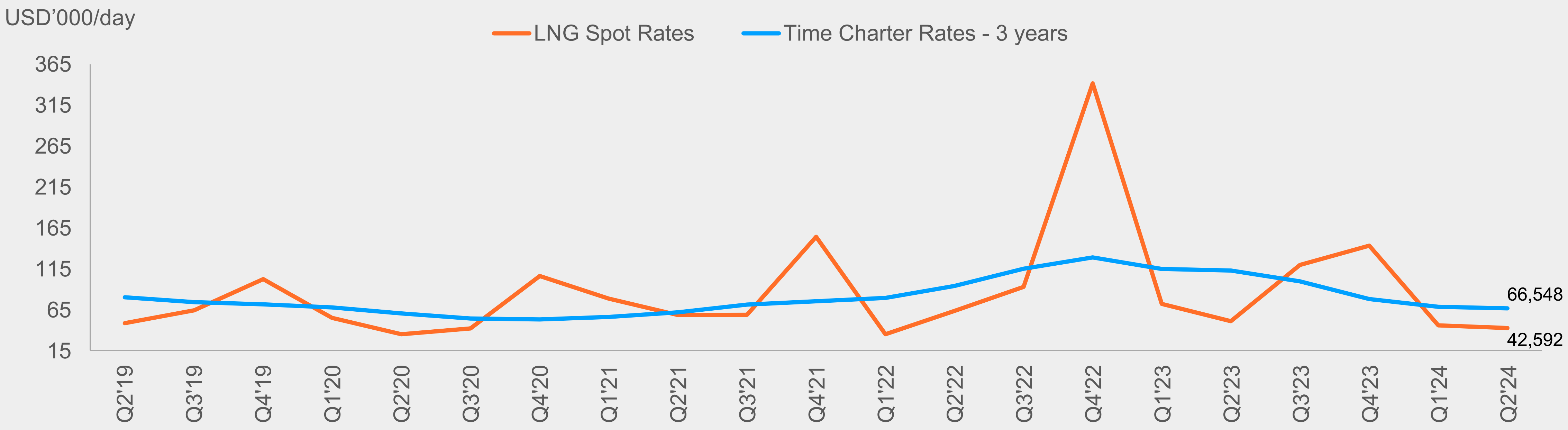
All figures in USD Million unless otherwise stated

MARKET ENVIRONMENT

LNG Shipping

Prospects remain positive with anticipated seasonal demand

LNG rates



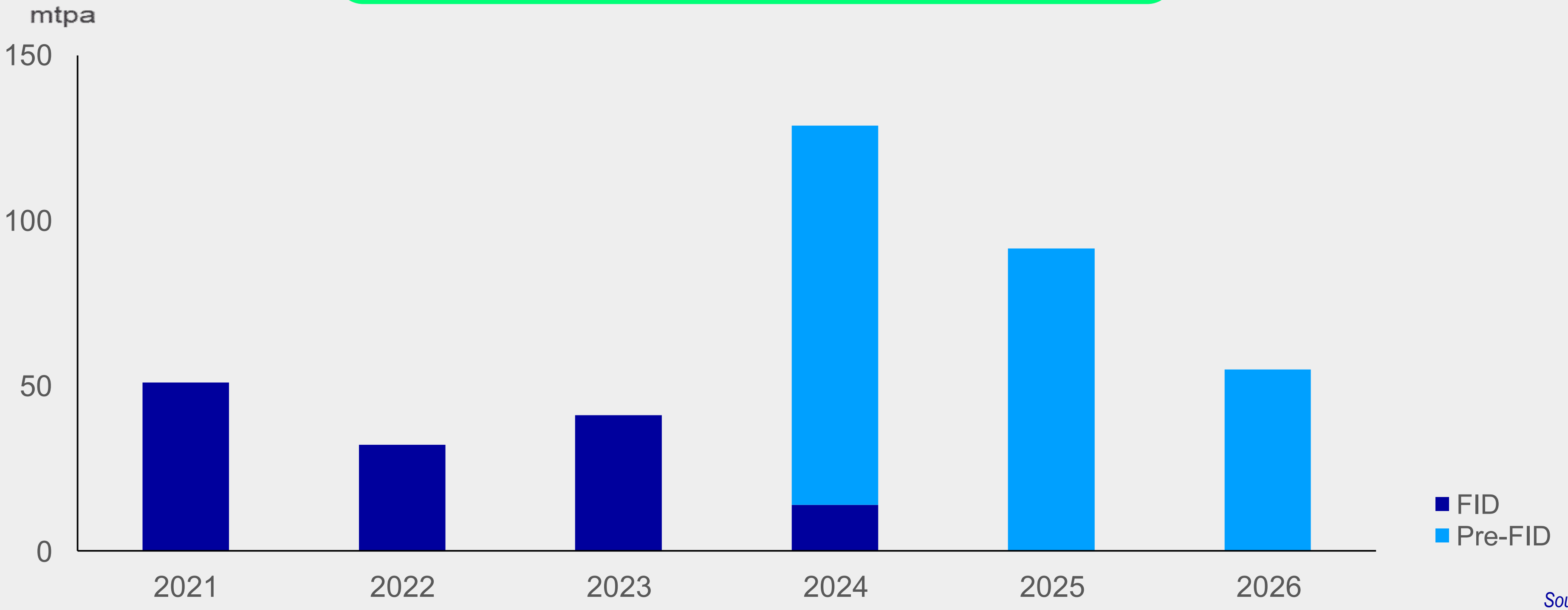
Source: Clarksons

- LNG spot rates remained subdued in Q2 2024 with slight improvements in June, driven by heatwaves in Asia that uplifted LNG demand and increased competition for Europe-bound cargoes for inventory restocking.
- The prospects for LNG shipping market remain positive as spot rates are anticipated to increase due to seasonal demand and potential winter restocking.

LNG Shipping

Project FID outlook remains positive despite some deceleration in 2024

LNG Liquefaction FID Outlook

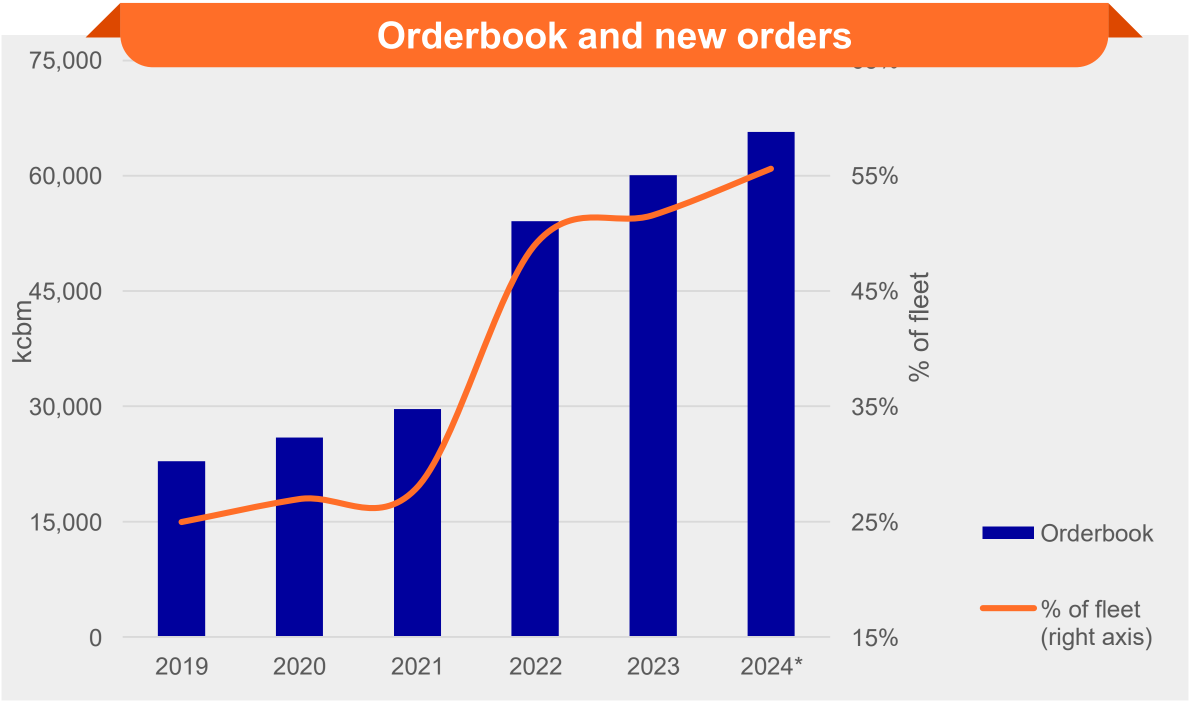


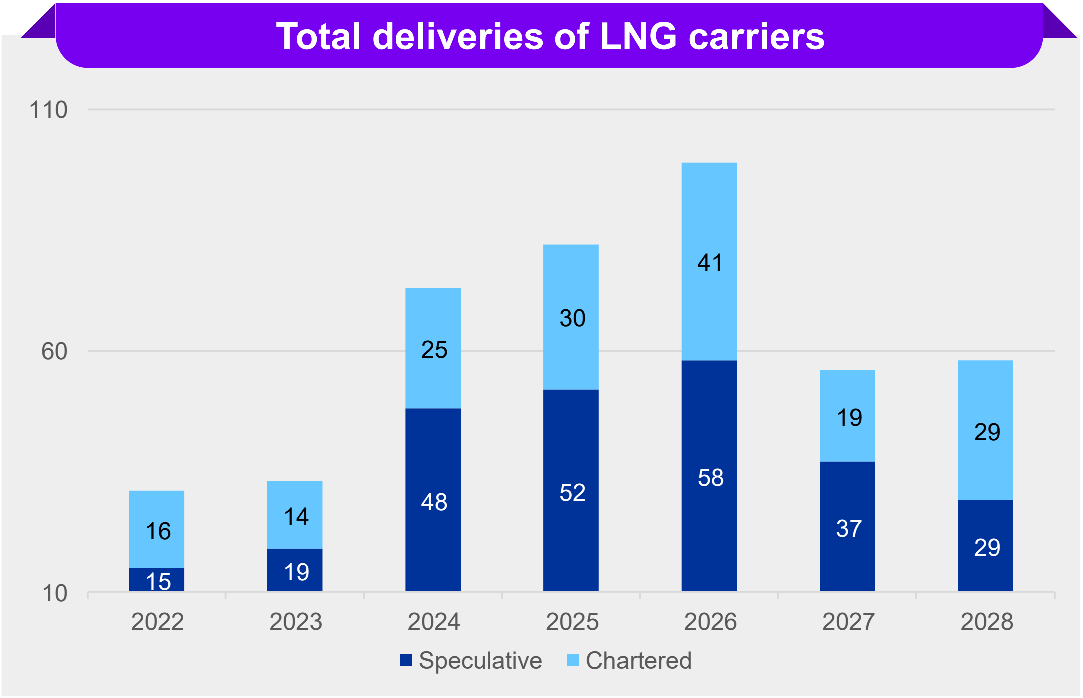
Source: Drewry

- Global liquefaction capacity is expected to grow between 2024 and 2029. The expansion of liquefaction facilities will keep the demand high for LNG carriers despite the US facing regulatory uncertainty.
- The outlook for Final Investment Decisions (FIDs) during the forecast period remains positive, despite a deceleration in the pace of FIDs, primarily due to the U.S. pause on LNG permits, which is likely to defer some projects to later years.

LNG Shipping

Surge in newbuilding orders amid strong LNG demand





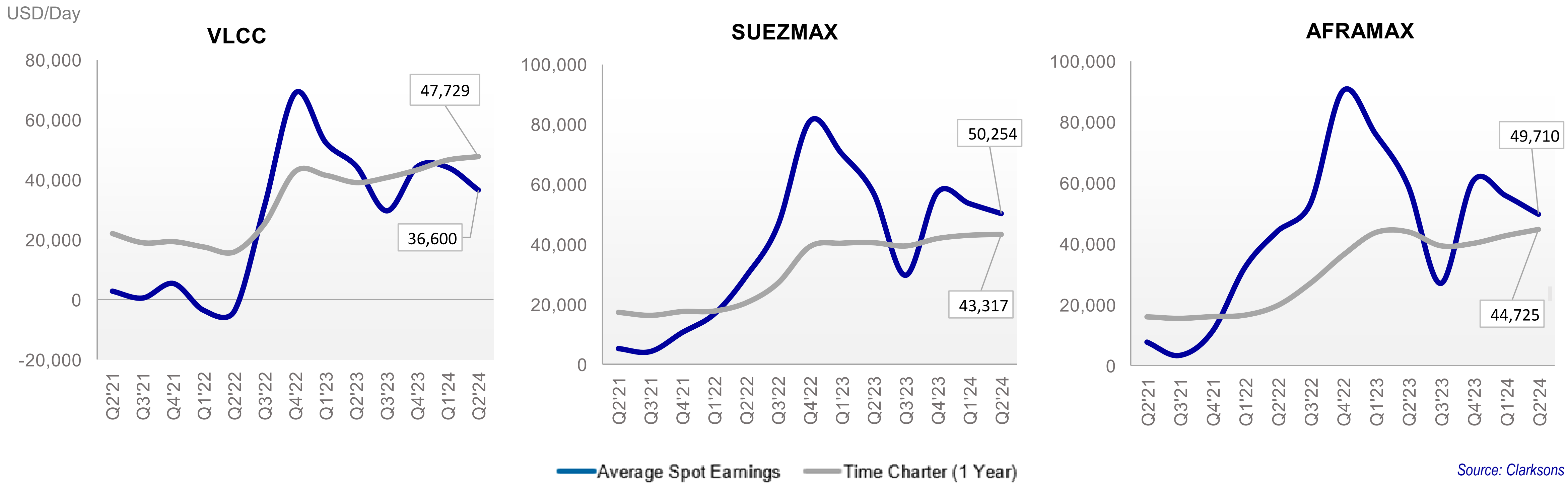
*Note: *as on 30 June 2024*

Source: Drewry and Woodmac

- As more planned liquefaction projects are expected to reach FID, newbuilding orders are expected to remain robust in 2024.
- New LNGCs are expected to be delivered into the market during 2024-2026. Despite this, delivery slippages are anticipated due to high workload at shipyards which will flow deliveries to subsequent years.

Petroleum Shipping

Average tanker rates remained resilient amidst increase in tonne-mile demand

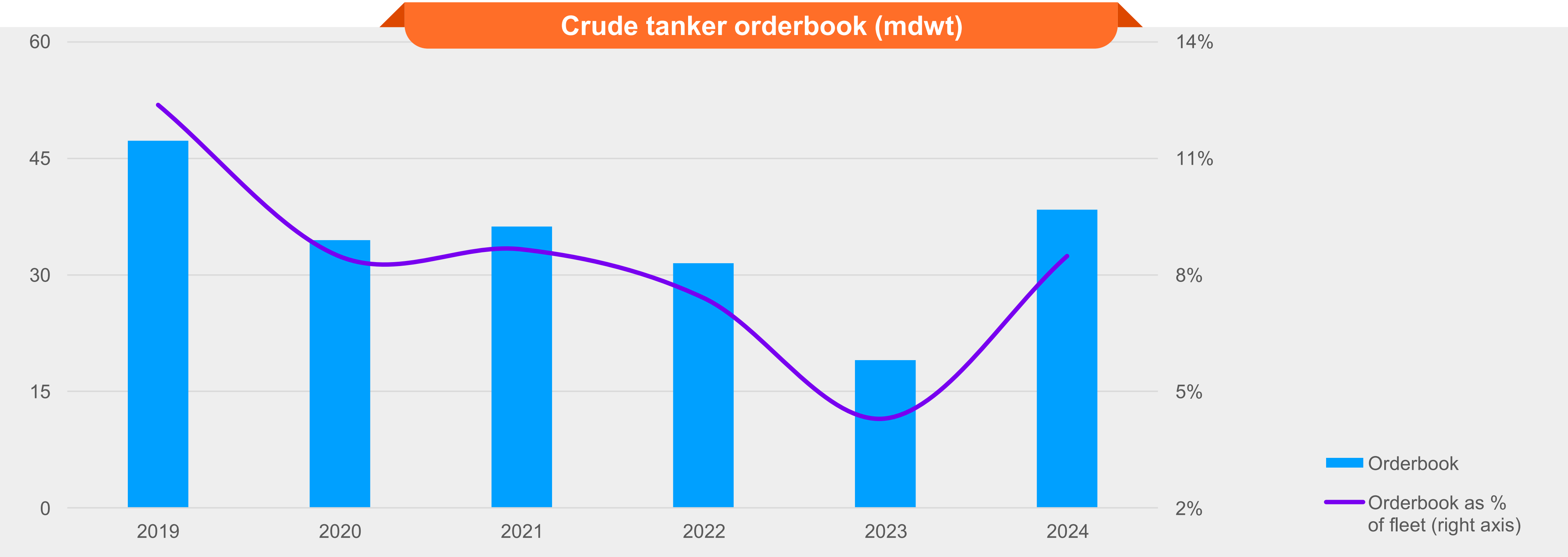


Source: Clarksons

- Spot rates for mid-sized tankers in Q2 2024 remained resilient while VLCC rates had softened amid weaker imports from China.
- Notwithstanding this, the overall tanker market outlook remains positive with increasing long-haul exports from the US, Brazil and Guyana and low fleet growth.

Petroleum Shipping

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



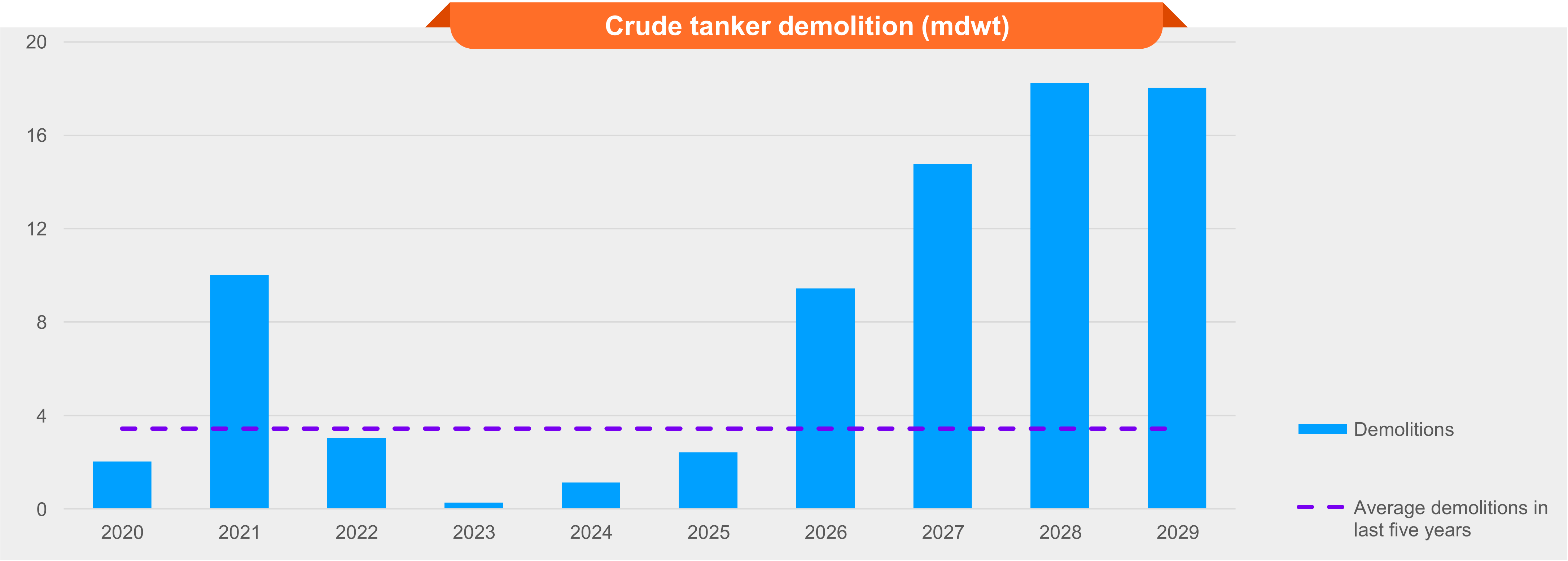
Note: Data as at Q2 2024

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

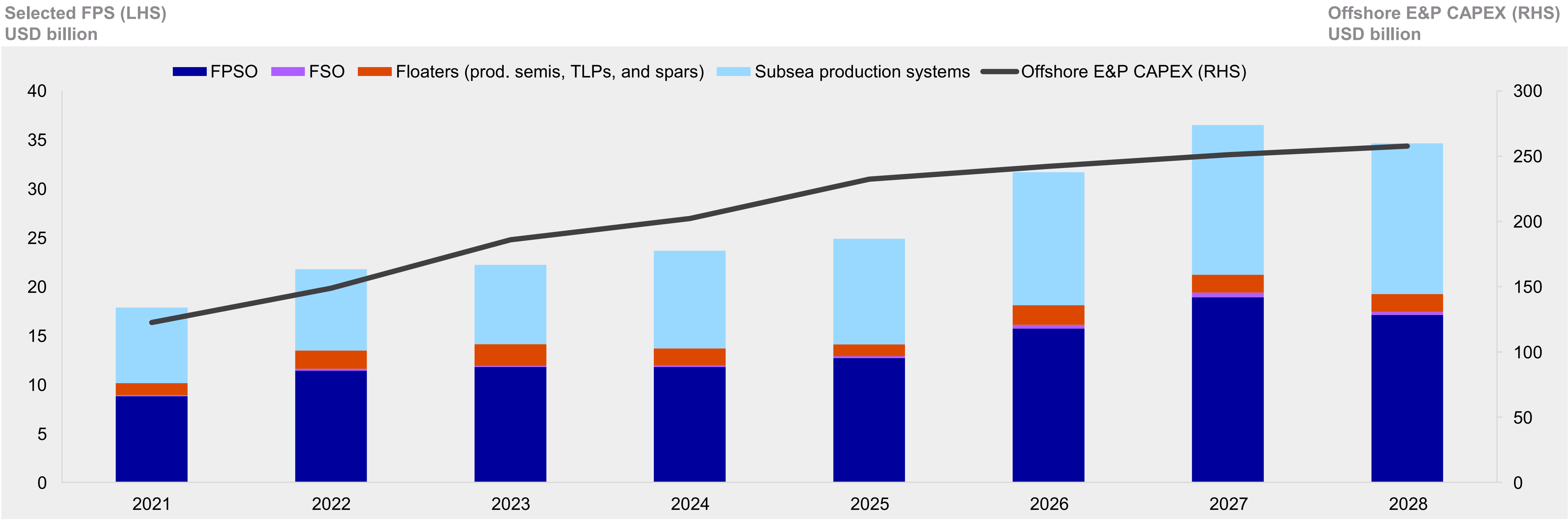


Source: Drewry

- Demolitions remain weak in 2024, although higher than the subdued levels in 2023.
- 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

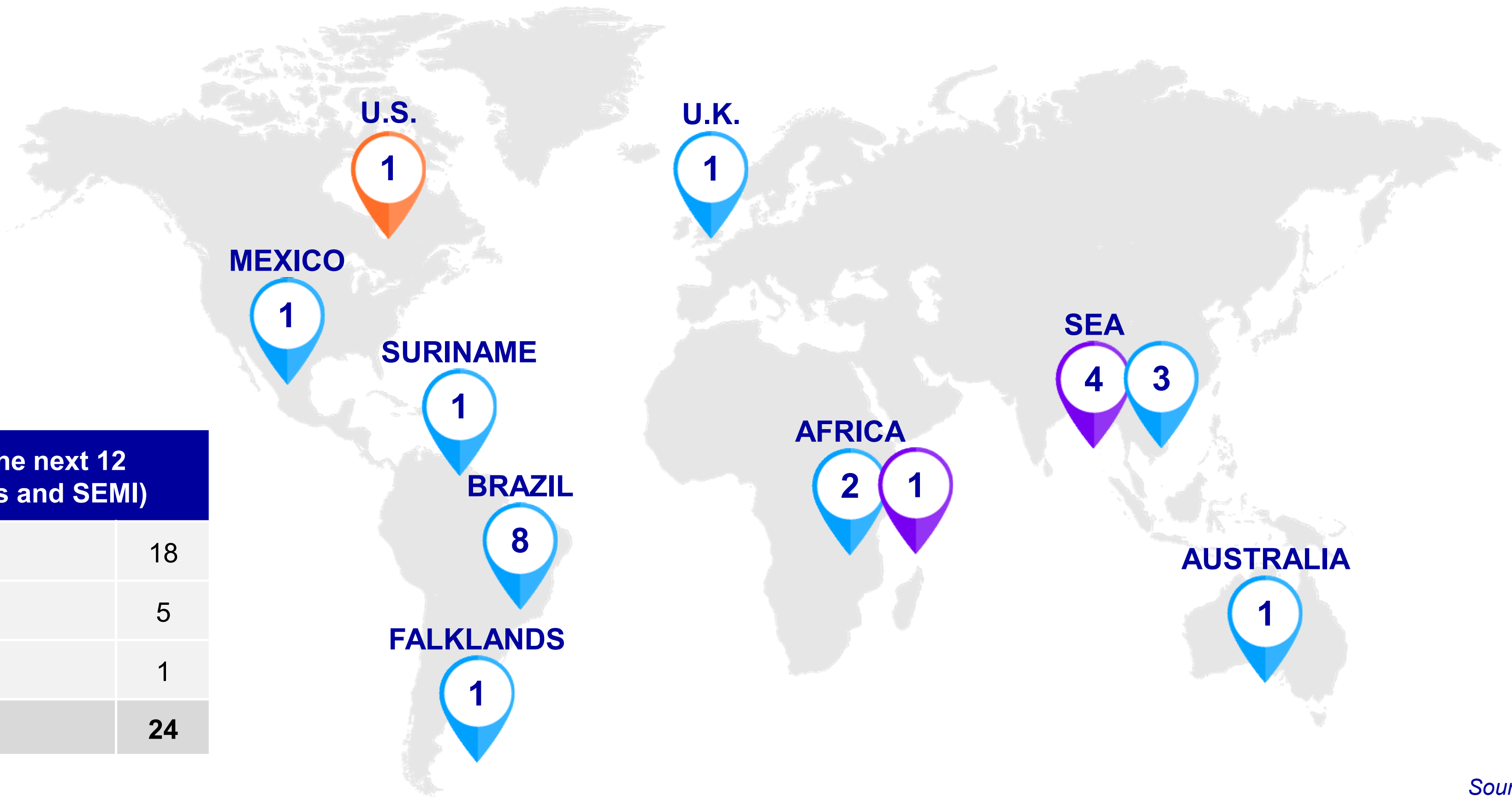


Source: S&P Global

- 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. The majority of this spending is being invested in technologies and practices that minimise environmental impact.
- This upward momentum is expected to generate a substantial upswing 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 mainly concentrated in the Atlantic Basin



Expected Awards in the next 12 months (FPSOs, FSOs and SEMI)	
FPSO	18
FSO	5
SEMI	1
Total	**24**

Source: EMA, S&P Global

- Demand for FPSOs is expected to stay firm within the next 12 months.
- Eight FPSO awards for Brazil and four from the Asia-Pacific. However, some awards for Petrobras could be further delayed due to high prices and lack of competition.

APPENDICES

Adjusted Cash Flow from Operations (“CFO”)

	Q2 2023 USD Mil	Q1 2024 USD Mil	Q2 2024 USD Mil
CFO per Statutory Financial Reporting	**519**	**41**	**286**
<u>Add/(Less)</u>:			
MFRS 16 lease payments*	(11)	(6)	(6)
Offshore construction work-in-progress**	52	183	33
Others and forex	2	(1)	(24)
Adjusted CFO	**562**	**217**	**289**

* 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 **<u>required</u> to be classified in the cash flow from operating activities**. As at 30 June 2024, the YTD payment was USD216.2 million.

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

Fleet Information as of 30 June 2024

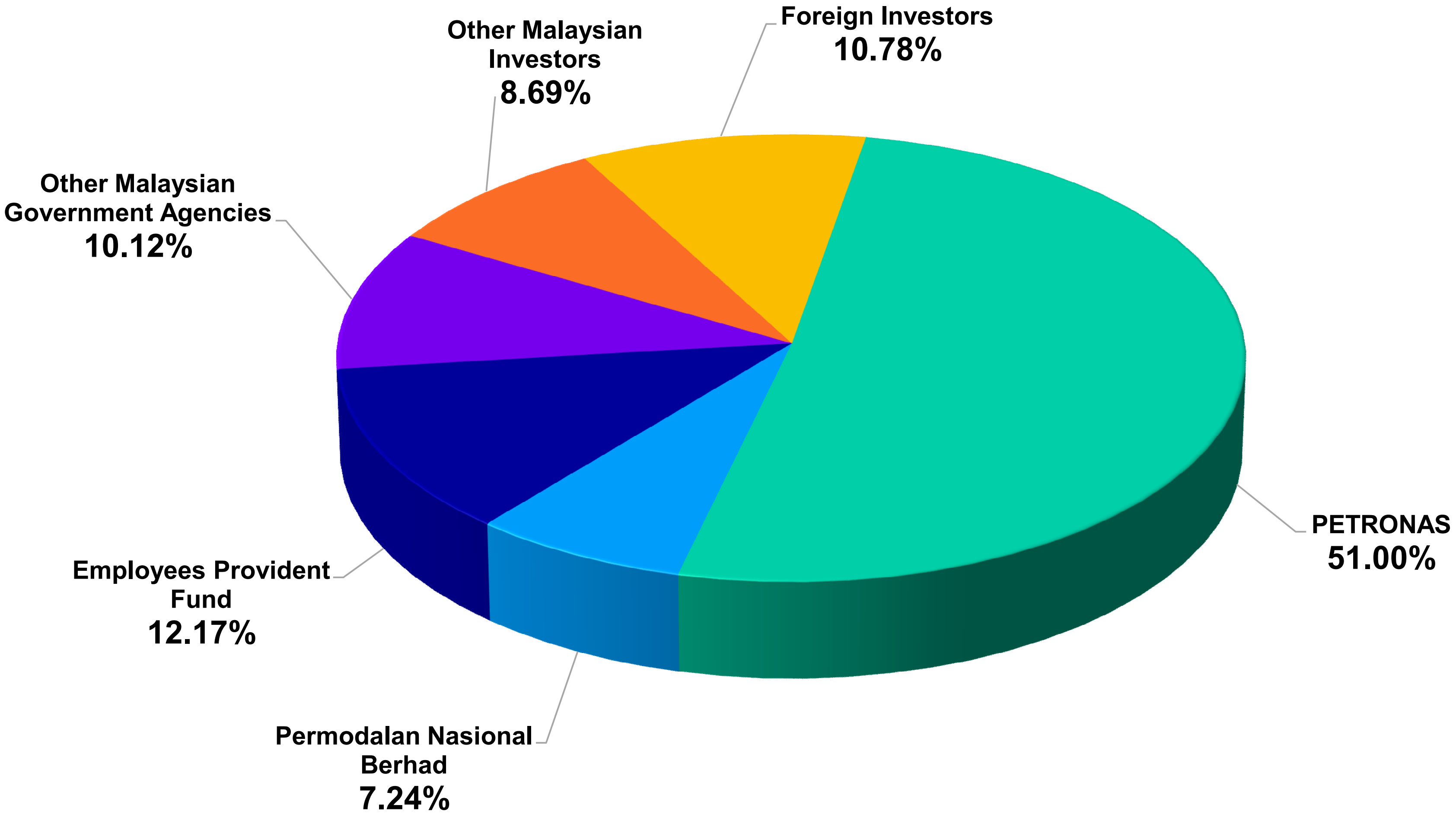
	Vessel Type	Total Vessel Operated	Owned	Chartered-In	Average Age (years)		Contracted Newbuilds/ Conversions
					MISC	Industry	
GAS	LNG	29	28	1	16.0	11.0	17*
	FSU	2	2	--	12.0	--	-
	VLEC	6	6	--	3.0	--	-
	LBV	1	--	1	4.0	--	-
Subtotal		38	36	2	--	--	17*
Petroleum	VLCC	13	13	--	7.6	12.0	-
	Suezmax	6	6	--	10.0	12.5	-
	Aframax	19	18	1	11.8	14.2	2
	LR2	2	2	--	7.0	10.7	-
	DPST	17	17	--	4.9	9.4	-
Subtotal		57	56	1	--	--	2
GRAND TOTAL		95	92	3	--	--	19
Offshore	FPSO/FSO/SS	11**	12	--	11.7	--	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 June 2024

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

Shareholders' Profile as of 30 June 2024



MISC One Year Share Price Performance

Share Price	RM
3-months average	8.19
6-months average	7.81
12-months average	7.37
High for the year (11 June 24)	8.62
Low for the year (17 Aug 23)	6.97

Source: Bloomberg

Q&A SESSION

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THANK YOU