

Q1 FY2022 Financial Results Briefing

Sapura Energy Berhad
29th June 2021



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Agenda



- 1 Opening Remarks
- 2 Q1 FY22 Financial Performance
- 3 Business Updates
- 4 Business Outlook
- 5 Q&A Session



Opening Remarks

Opening remarks

- Business and operating environment remain challenging, still conditioned by pandemic
- Encouraging activities in Q1 with few projects offshore (98/2, PRP7, Bakau), fabrication ongoing for Pegaga, 98/2 and Hess projects
- Significant improvement in Drilling with recommencement of Jaya and T-19
- Delivered projects with focus on:
 - Safety first
 - Discipline in operational excellence
 - Agility in managing COVID-19 impact
- Positive market outlook as reflected by improved oil price at around \$75/bbl, though economic recovery may be uneven across sectors and regions due to slow vaccine distribution in developing countries
- Closed the quarter with RM11.8 bn orderbook, continue to be selective in our bid process from the pool of RM147 bn of bids and prospects across our addressable markets and regions

Agility in managing COVID-19 impact

COVID-19 Protocol

Yard

- Bi-weekly sampling of RTK-Antigen testing for personnel including independent contractors, subcontractors and clients
- Mega drive-thru test held at Lumut on 1st June - 4,530 tests conducted on all relevant personnel



Offshore

Must pass below requirements before allowed onboard of vessels:

- Tested negative for COVID-19 via PCR test
- Quarantine (based on country's regulations)

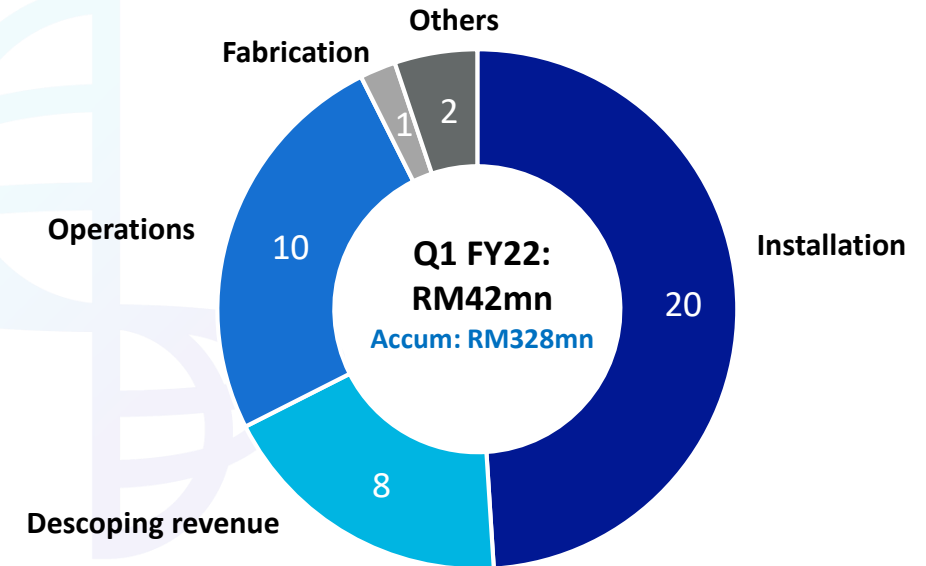
Office

- All employees required to work from home
- Bi-weekly RTK-Antigen testing for all employees and visitors before office entry

Vaccine

In the midst of securing vaccines for our employees

April 21 COVID-19 financial impact by type of nature



Installation: Standby costs, costs for quarantine and tests, manhours idling

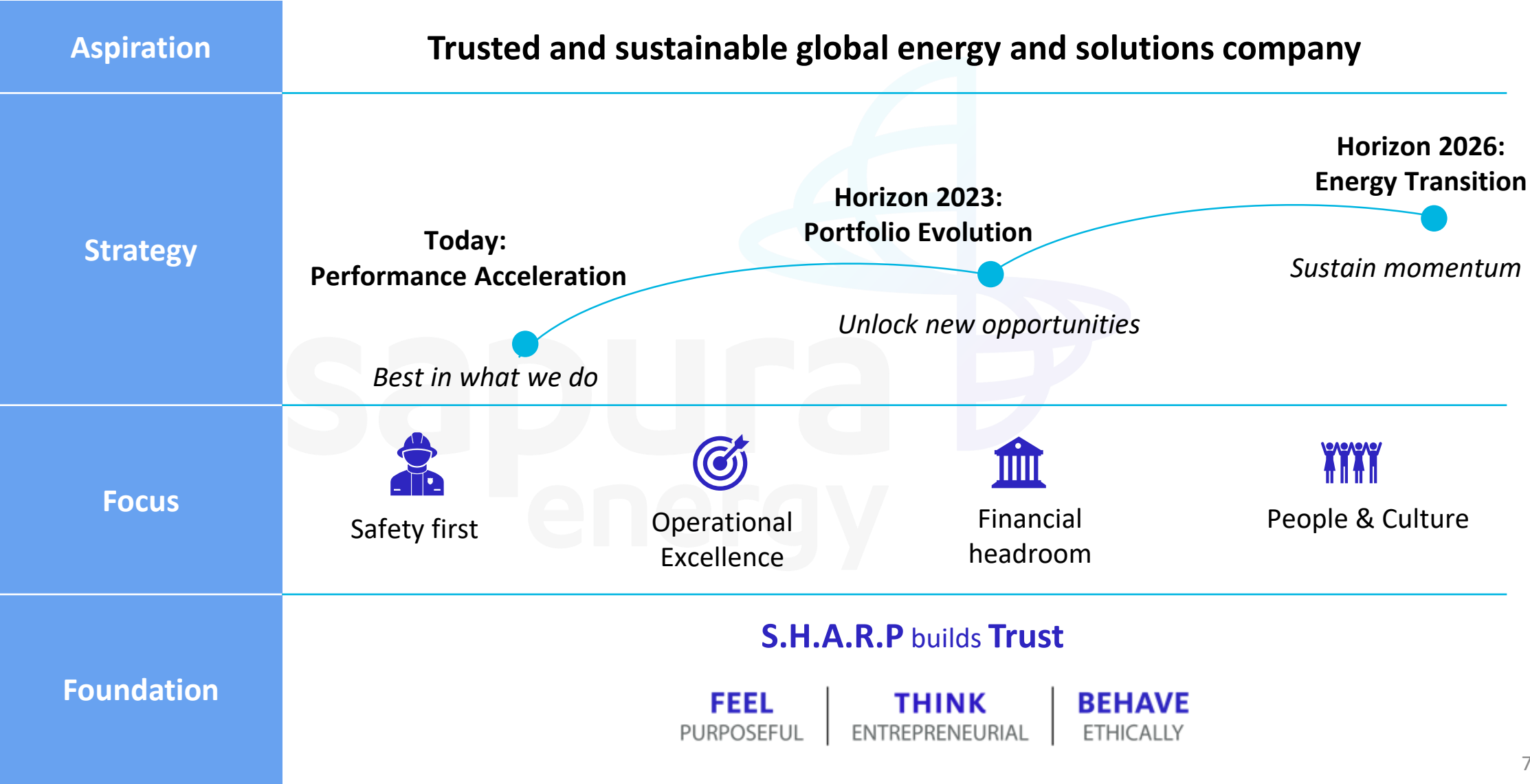
Descoping revenue: Reduced rate on Cabgoc Jaya and early termination of ExxonMobil T-9

Operations: Additional costs for quarantine and COVID-19 tests

Fabrication: Extra costs due to unfavorable productivity impact

Others: Additional costs for Corporate office, PMT, logistics and HUC

Roadmap towards energy transition





Q1 FY2022 Financial Performance

Q1 FY2022 Performance

Group Financial Highlights by Quarters

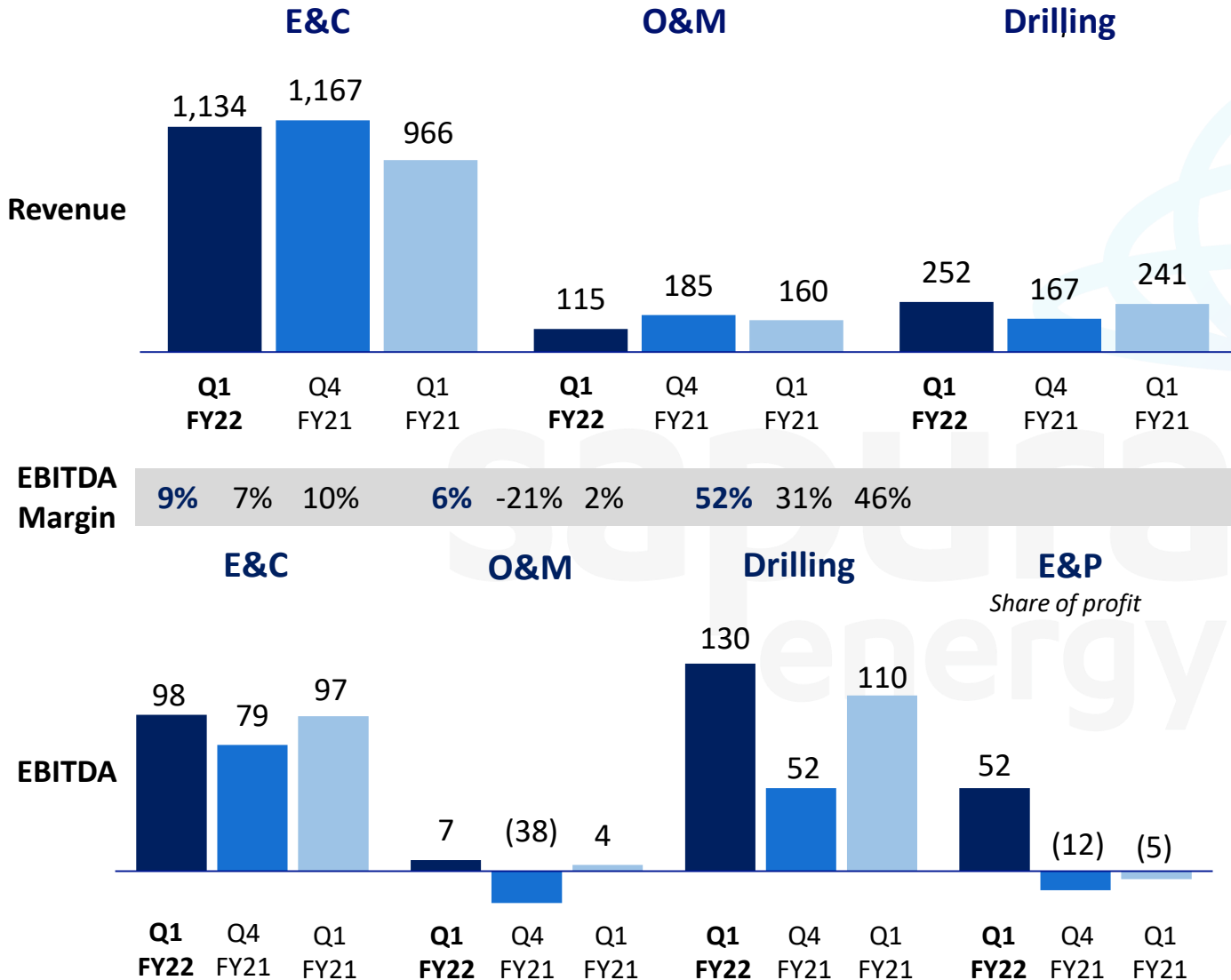
<i>RM in millions</i>	Quarter on Quarter		
	Q1 FY22	Q4 FY21	Q1 FY21
Revenue	1,471	1,444	1,357
EBITDA (Reported)	157	50	203
EBITDA (Normalised)	164	44	203
EBITDA margin (%)	11%	3%	15%
PATAMI (Reported)	(97)	(216)	14
PATAMI (Normalised)	(49)	(193)	14

- **Against Q1 FY21:** Revenue grew by 8% reflecting higher activities in the quarter, however EBITDA decreased slightly mainly due to unfavorable effects of US Dollar exchange rate movement against Ringgit Malaysia
- **Against Q4 FY21:** EBITDA increased by more than 100% predominantly due to higher contribution from Drilling and E&C in the quarter, despite still incurring standby cost for bad weather conditions and cost arising from COVID-19
- Q1 FY22 normalised EBITDA and PATAMI excludes one-off unamortised borrowing costs and de-designation of hedging instrument

Q1 FY2022 Performance

Segmental Financial Highlights by Quarters

RM in millions



Key highlights

E&C : Better EBITDA margin compared to Q4 FY21 due to improved project margins mainly contributed by cost optimization and operational efficiencies exercise

O&M : Higher EBITDA margin against Q1 FY21 and Q4 FY21 albeit lower revenue driven by operational efficiencies improvement

Drilling : Increased revenue and EBITDA margin resulted from higher number of working rigs including recommencement of Jaya & T9 operations and improved operating margins

Contribution from associates and JV

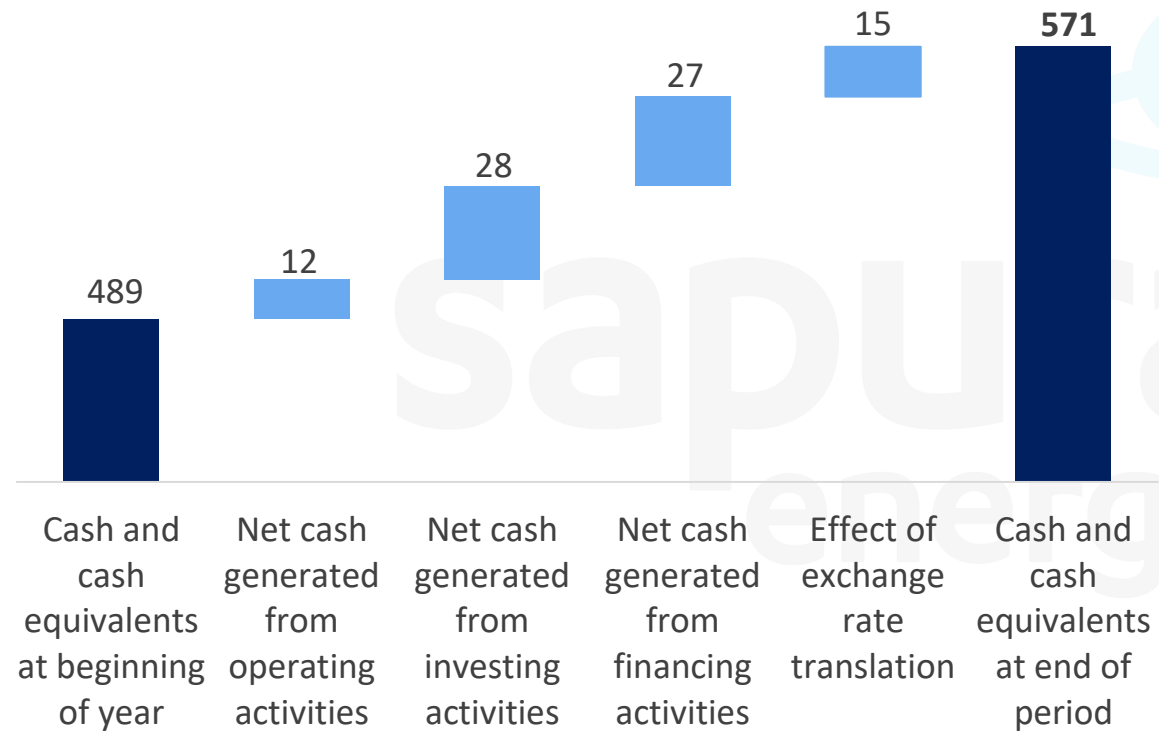
Division	Q1 FY22	Q4 FY21	Q1 FY21
E&P	52	-12	-5
E&C	8	11	85
O&M	4	7	2
Corporate*	-	9	-
Total	64	15	82

*Corporate – Labuan Shipyard Engineering

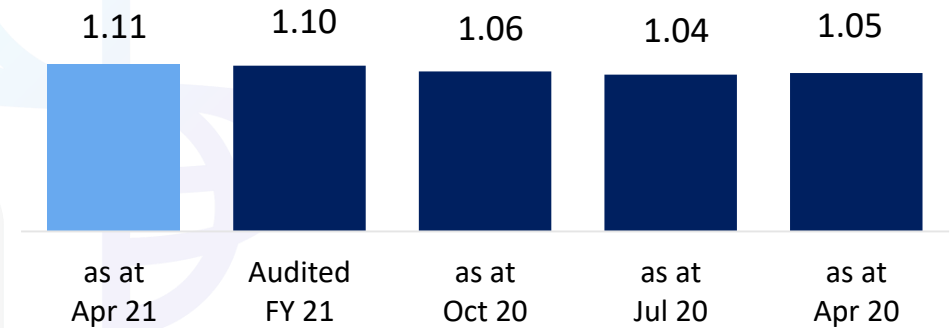
Q1 FY22 Performance

Cashflow and Balance Sheet Highlights

Cashflow (RM in millions)



Net Debt to Equity (times)



- Post refinancing – RM3.1 bn of debt reclassified to long term
- RM850 mn unutilized working capital as at Q1 FY22



Business Updates

E&C: Significant progress delivered despite challenges

Key highlights

- 37 live projects and operating in more than 12 countries globally
- Completed 5 projects in Q1 FY22
- Progressing renewables offshore windfarm Yunlin Project, Taiwan
- Significantly progressed the Central Processing Platform (CPP) fabrication to 96% complete for Mubadala Pegaga project, Malaysia
- Successfully installed CPP Jacket and Flare Support Jacket offshore India for ONGC 98/2 project, a key milestone

Yard



- Yard utilisation at 38% in Q1 FY22
- 3,100 people working in the yard
- Key projects currently in execution:
 - Mubadala Pegaga (CPP)
 - ONGC 98/2 (CPP)
 - Hess Phase 3
 - Hess Phase 4a

Vessels

Sapura 3500



Sapura 3000



Sapura 1200



Constructor



Sapura 2000



Sapura 900



- Key vessel utilization at 52% in Q1 FY22 due to execution of these projects:
 - ONGC 98/2
 - Yunlin
 - BSP PRP7
 - 2H Bakau Pan-Malaysia

E&C: Brazil operations continue to be resilient

Client	Vessels	Location/Field worked	Remaining Orderbook
Petrobras	Sapura Esmeralda*	Marlin Sul, Campos Basin	RM3,400 mn
	Sapura Onix	Portcall, Niteroi/RJ	
	Sapura Jade*	Berbigão, Sururu and Sepia, Santos Basin	
	Sapura Rubi	Berbigão, Santos Basin	
ENI Mozambique	Sapura Diamante	Coral South Field, Rovuma Basin, Africa	-
PetroRio	Sapura Topazio	Tubarão Azul, Campos Basin	RM11.2 mn

Key highlights

- 5 vessels were working in Brazil, including Topazio which mobilized to Tubarao Azul field for PetroRio after contract with Petrobras ended in December 2020
- Utilization of all vessels working for Petrobras in Q1 FY22 ranges from 70% – 100%
- Diamante successfully executed the pipeline installation for ENI project in Mozambique, Africa
- Both Diamante and Topazio are under active tender with Petrobras pursuing a potential 3.5 years charter contract plus options

*Jade and Esmeralda went for drydocking in Feb'21 and Apr'21 respectively

O&M: A unique portfolio serving the O&G value chain

Hook Up & Commissioning

Hook up and commissioning of new facilities (Greenfield), upgrading and rejuvenation of existing facilities (Brownfield) and Topsides Facilities Repair and Maintenance

Key Highlights

- 13 projects ongoing with 2 new projects commencing in Q1 FY22
- Deployed more than 1,000 personnel offshore, accumulating ~1 million safe manhours in Q1 FY22
- Completion of 2 key HUC scopes:
 - Malikai Phase 2 - resulting in First Oil achievement 2 months ahead of plan
 - E6 Phase 2 - platform onstream on 17th March 2021.

55% Average Vessel Utilization in Q1 FY22



Gemia



Sapura Duyong



Sarku 300



KPV Redang



Sapura Aman



KPV Kapas

Geosciences

Provision of Geotechnical services (bore hole, pilot hole, Cone Penetration Test, piston core, and in-house reporting) and Geo-survey services

Key Highlights

- 17* projects progressing, 8 new projects commenced in Q1 FY22
- Delivered BSP and PCSB Soil Investigation contracts with Zero Loss Time Injury and First Aid Case
- Served projects across Malaysia, Brunei, Taiwan and Thailand.
- Q1 FY22 utilization for Sapura Wira at 52%

* Including minor projects

O&M: A unique portfolio serving the O&G value chain

Technology Services

Provision of plant & equipment services, development, maintenance & support of fuel retail solutions and systems integration of offshore telecommunication systems

Key Highlights

- 32* projects ongoing including minor projects
- On-time completion of gas turbine major inspection at Melaka Refinery
- Achieved 97% Service Level Agreement (SLA) on PDB maintenance & support contract

Key Customer Assets Maintained



5 gas turbines



8 offshore and 28 onshore cranes



500+ petrol stations POS and OPT

Turbomachinery JV

Provision of OEM certified field service engineers, gas turbine component repair capabilities, OEM spares, upgrades and remote monitoring and diagnostic services

Key Highlights

- 11 active projects as at Q1 FY2022
- Quick turnaround time for MLNG repair parts to fulfil Train 9 outage
- Completed the set-up of Remote Monitoring & Diagnostics (RM&D) Centre in Shah Alam Facility.

Field Service Engineers



5,175 Hours
89% Utilization

Repairshop



7,361 Hours
100% Utilization

RM&D Centre



> 1,300 rotating equipment across global monitored

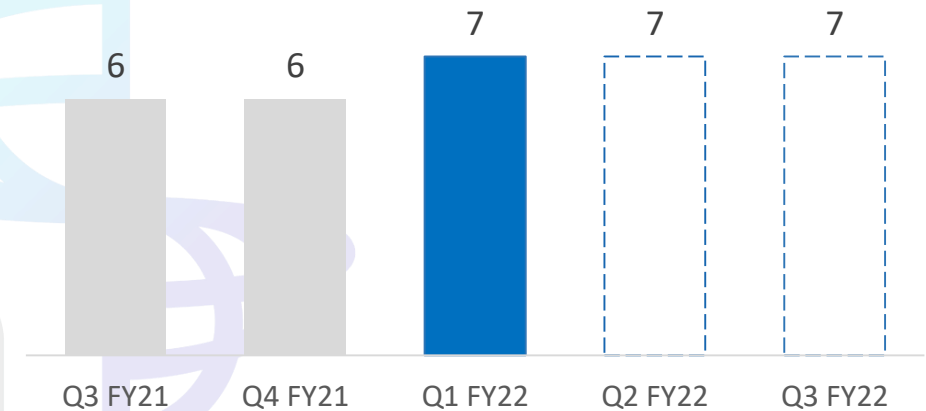
* Including minor projects

Drilling: Increased activity with strong performance

Rigs	Client	Location	Technical Utilisation Q1 FY22 (Operational Performance)
Berani	TOTAL	Congo	100.0%
Jaya	CABGOC	Angola	99.3%
Alliance	Shell	Brunei	98.8%
Esperanza	Shell	Malaysia	99.9%
Pelaut	Shell	Brunei	97.1%
T-9	EXXON	Malaysia	100.0%
T-18	PTTEP	Thailand	99.7%

- Increased activities (T-9 & Jaya restart, Berani follow-up campaign in Ivory Coast)
- Strong operational and financial performance
- Securing longer-term contracts

Rig activity Trend
of active rigs in the quarter



Note: 7 stacked rigs as at end Q1 FY22 (T-10, T-11, T-12, T-17, T-19, T-20, Setia)

E&P: Full production following GoLaBa onstream

SapuraOMV – Leading Independent Oil and Gas Company in Asia Pacific

Excellent HSSE Performance with zero TRIR YTD. More than 1,450 LTI free days since June 2017

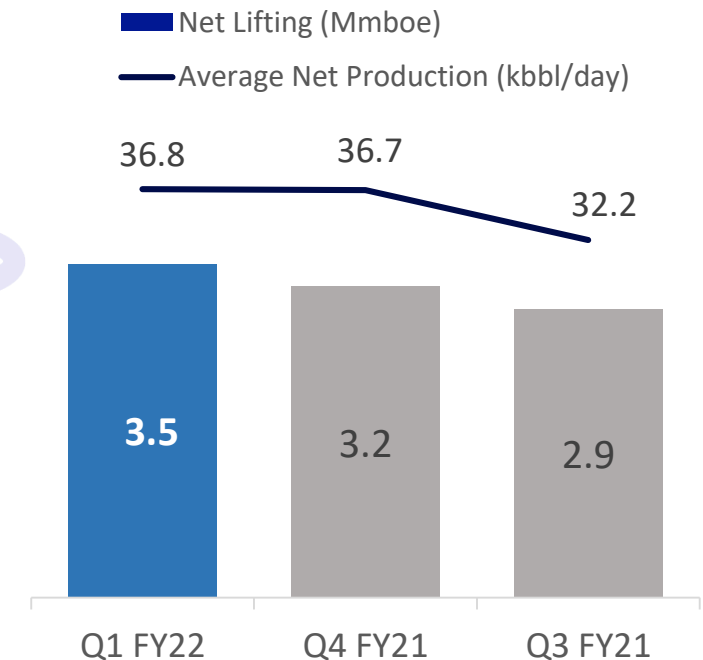
Strong growth prospects in SK408 and SK310 Production Sharing Contracts:

- Stable production from all assets
- SK408 Jerun has progressed into Execute phase. The EPCIC work is progressing as per schedule
- SK310 B14 - PETRONAS steer for joint development with PTTEP's Lang Lebah under SISGES Ph2
- Divestment of PM assets - good progress with expected closing in 2H 2021

Significant upside potential from exploration opportunities:

- Mexico Block 30 (Sureste basin) - First exploration well planned FY23
- Australia (Carnarvon & Vulcan sub-basin) – Expanding footprints with 3 new awarded permits and farm-in into Neptune's AC/P50
- New Zealand Toutouwai discovery – Further appraisal plans being matured

Lifting & Average Production



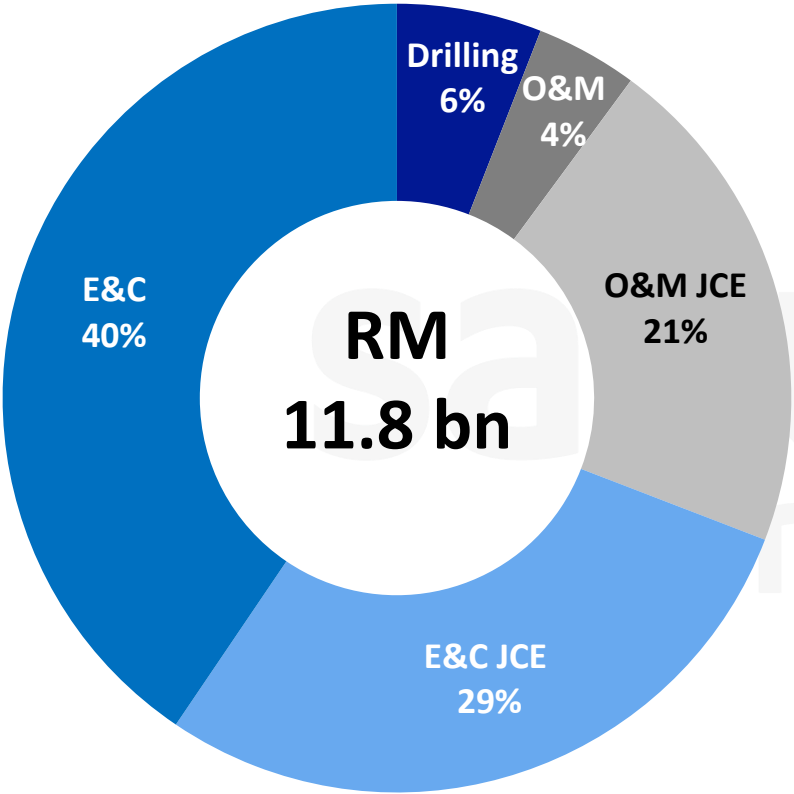
*Ave. crude lifting price of USD64.1/bbl
(compared to USD44.4/bbl in Q1 FY21)*



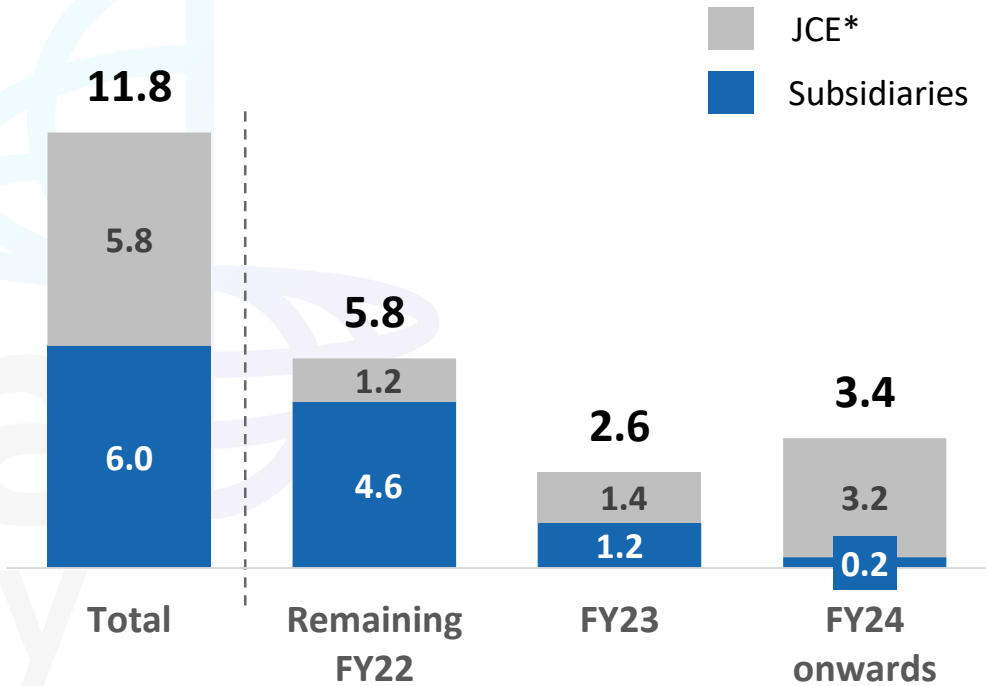
Business Outlook

Group Orderbook as at Q1 FY22

Order Book By Division



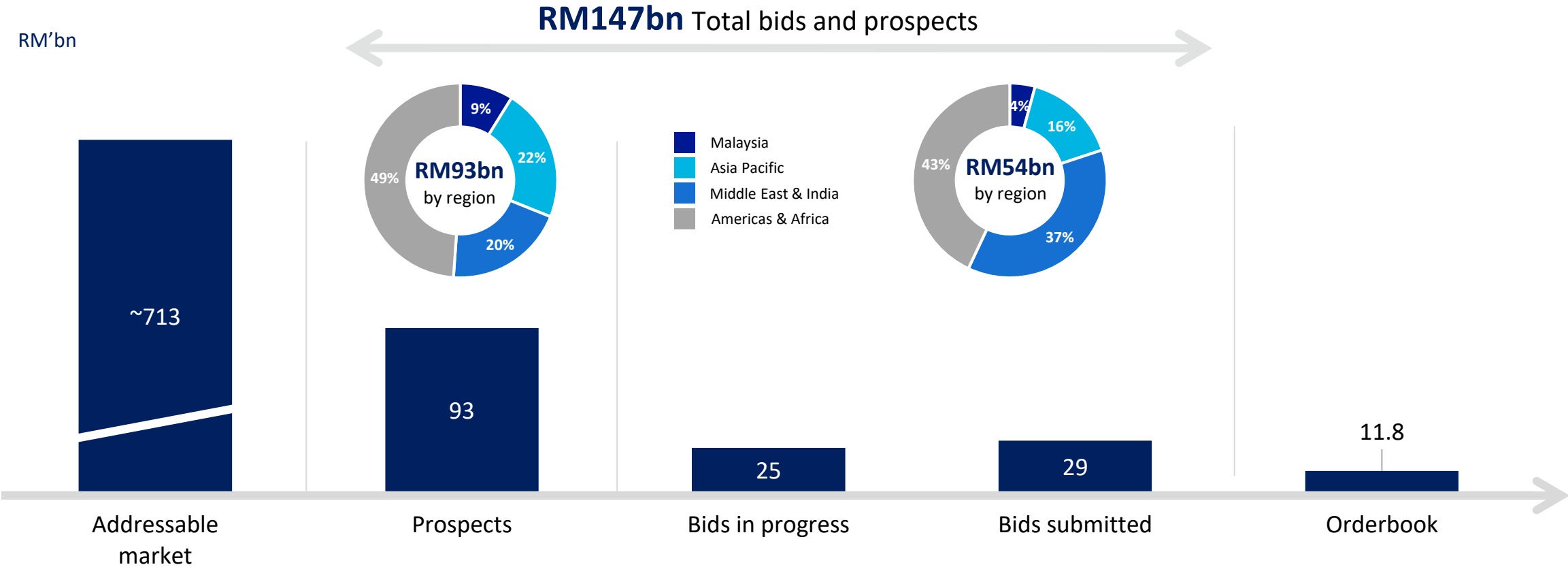
Recognition by year



~95% of FY22 revenue has been secured to date, optimistic to exceed FY21 revenue

*Represents 100% of jointly controlled entities portions

Business sustainability funnel



Addressable market (2021 – 2022):

- EPCI
 - SURF
 - Drilling
 - Offshore Wind
- Within existing regions

Prospects and ongoing bids:

- Split by division: 94% E&C, 4% Drilling, 2% O&M
- Diversified bid funnel across regions and segments with 52% from gas development projects, 42% oil, 6% renewables
- Americas & Middle East region expected to grow mainly from Brazil, Kingdom of Saudi Arabia and Qatar EPCIC projects

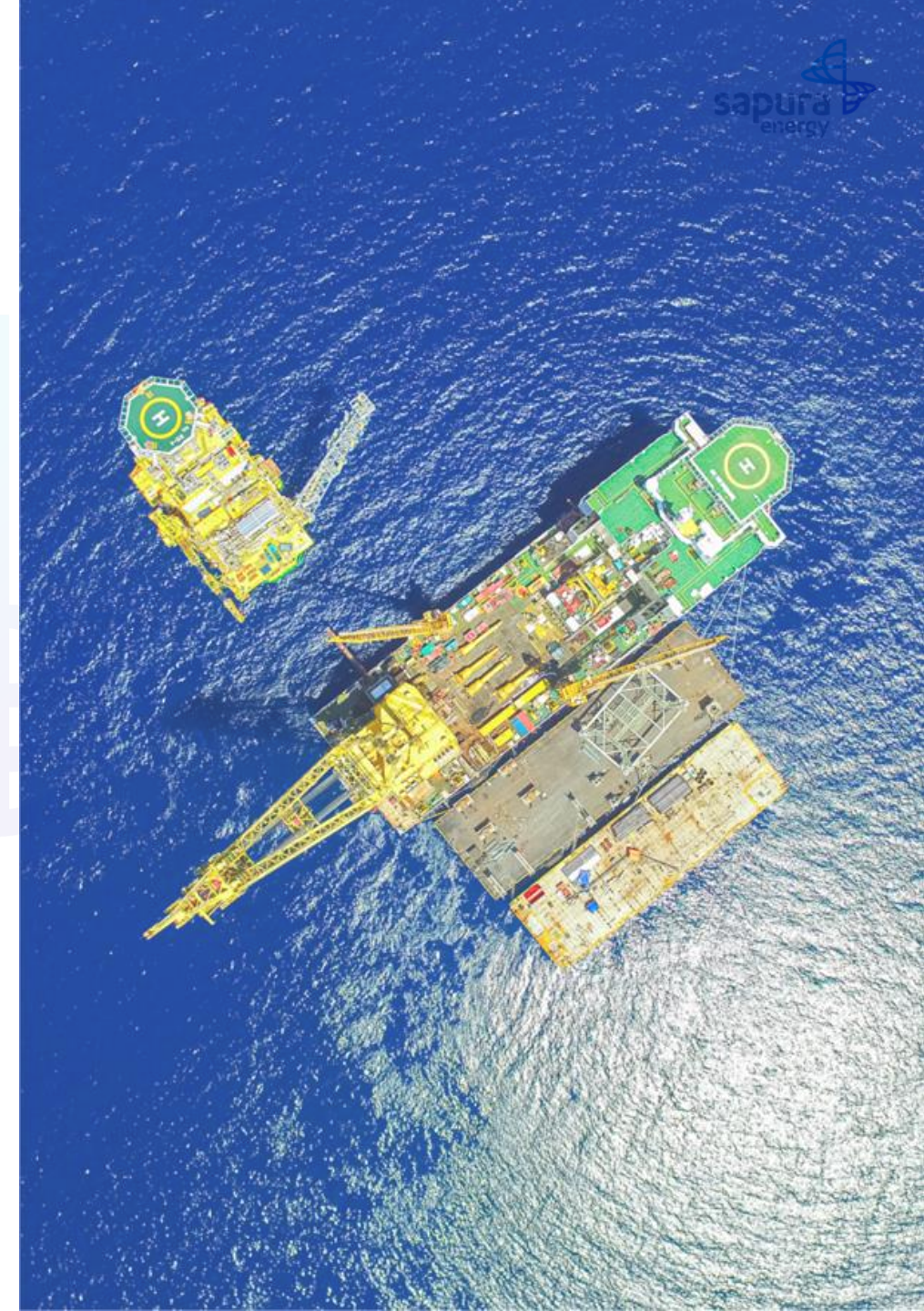
Closing remarks

Industry outlook remain challenging

- Global oil demand forecasted to rebound this year, but have yet seen significant acceleration in capex spending by oil majors and national oil companies
- Expect positive outlook of higher activities in second half of 2021 and beyond
- Higher oil price helps E&P, though limited impacts in short term given the development phase. Optimistic with long term outlook
- Focused execution on E&C to create breathing space for growth, with more prospects & leads in the pipeline. Cautiously expect clients spend < market expectations.

Reinforcing focus to improve profitability and sustainability

- Financial headroom; RM3.1bn debt re-classified as long-term and RM850mn unutilized working capital available
- More than 95% of FY22 revenue has been secured to date
- Bids and prospects remain robust at RM147bn with ongoing bids valued at RM54 bn
- Continued discipline in operational excellence to improve profitability while managing COVID-19 impacts





Q&A

