

Q2 FY2022 Financial Results Briefing

Sapura Energy Berhad
30th Sep 2021



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Agenda



- 1 Opening Remarks
- 2 Q2 FY22 Financial Performance
- 3 Business Updates
- 4 Lookahead and Closing Remarks
- 5 Q&A Session



Opening Remarks

Q2 Key Messages

Challenges..

- COVID-19
- Project execution
- Liquidity

Continue delivering..

- 10 projects completed in Q2
- Major projects commencing in 2H
 - Aramco CRPO 59
 - Chevron Decommissioning
 - Pegaga MRU & Hess 4a
 - PCSB Kasawari Integrated Drilling Project
- Jerun Development progressing as planned
- Orderbook: Subsidiary RM7.5 bn; JCE RM7.2 bn
- New wins: Subsidiary RM0.9 bn; JCE RM1.7 bn
- Bid book: RM35 bn



Q2 FY2022 Financial Performance

Q2 FY22 Performance

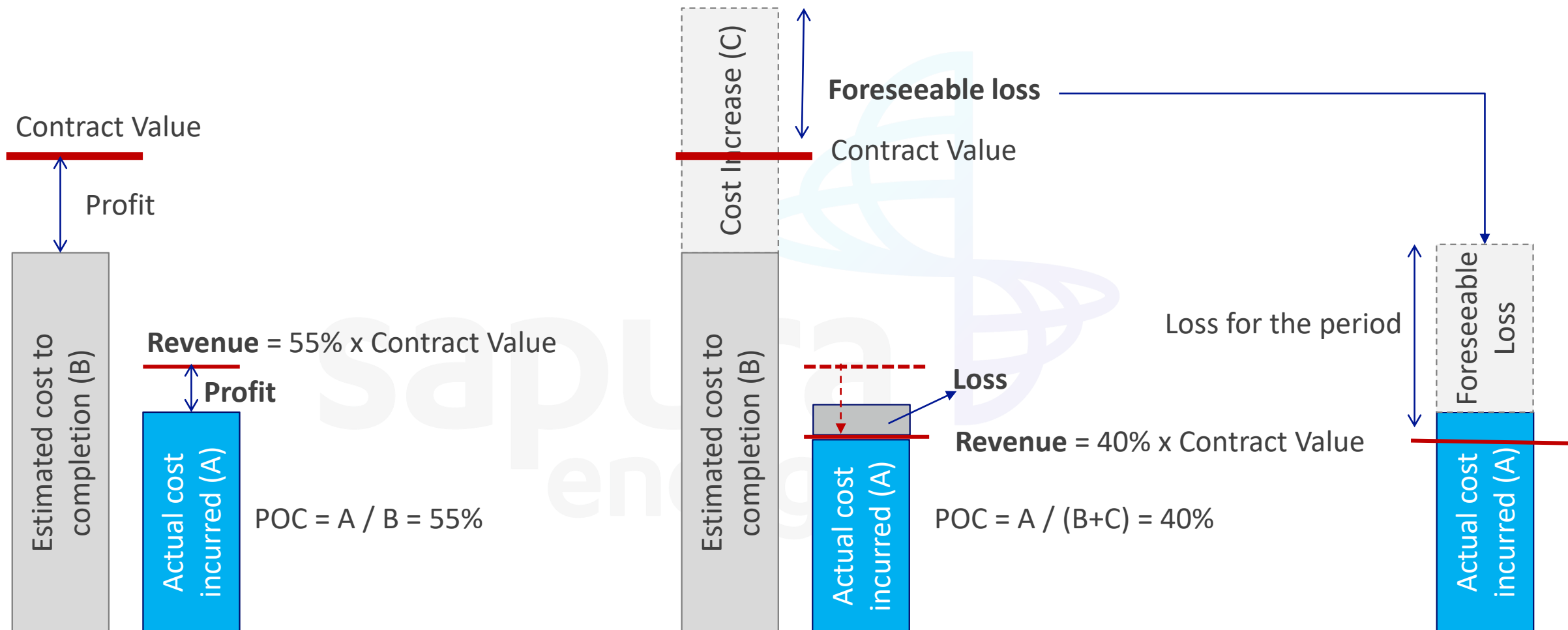
Group Financial Summary by Quarters

<i>RM in million</i>	Quarter on Quarter		
	Q2 FY22	Q1 FY22	Q2 FY21
Revenue	747	1,471	1,219
EBITDA (Reported)	(1,169)	157	320
EBITDA margin (%)	(156%)	11%	26%
PATAMI (Reported)	(1,517)	(97)	24

- **Revenue:** Decrease due to lower POC for projects mainly from E&C and O&M divisions in the current quarter. The lower POC was the result of higher project cost, foreseeable losses and disruption of activities due to COVID-19.
- **EBITDA:** Dropped following recognition of approximately RM1.0 bn foreseeable losses and higher costs for certain projects (mainly in Taiwan & India) on top of incurring additional costs arising from COVID-19 (Q2 FY22: RM69 mn; 1H FY22: RM111 mn).
- LATAMI in the quarter was also impacted by a well write off (RM47 mn) and divestment of PM blocks (RM47 mn) in E&P segment.

Q2 FY22 Performance

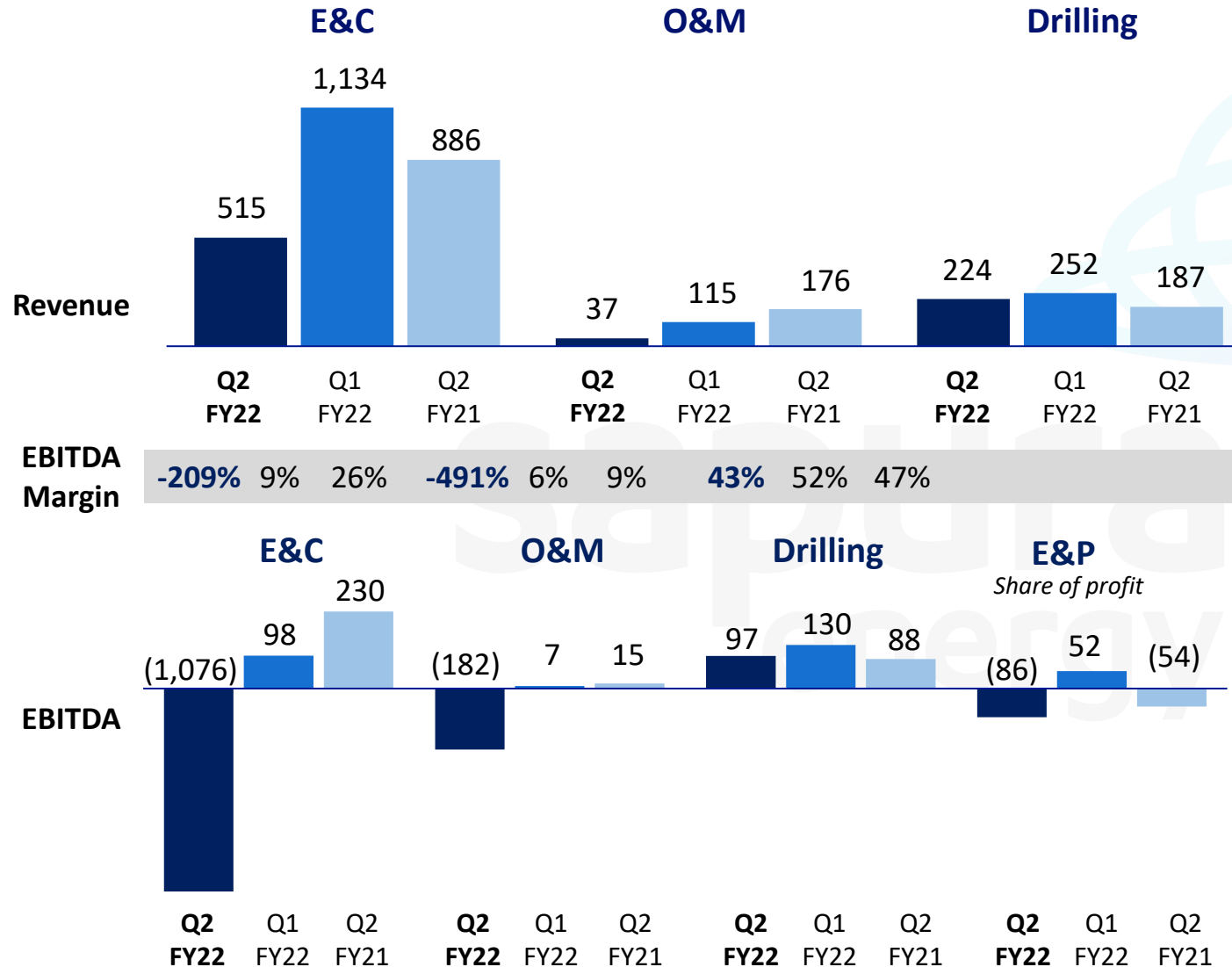
Percentage of Completion ("POC") Illustrations



Q2 FY22 Performance

Segmental Financial Summary by Quarters

RM in million



Key highlights

E&C : EBITDA was impacted by reduced revenue due to lower POC and higher cost and foreseeable losses, as well as lower activities. These were due to revised projects schedule and COVID-19 impact

O&M : EBITDA was impacted by reduced revenue due to lower POC and higher cost and foreseeable losses, as well as lower activities. These were due to revised projects schedule and COVID-19 impact

Drilling : Slight decrease in operating margins mainly due to additional COVID-19 impact (quarantine cost and test) and commencement of Kasawari Integrated Drilling project

Contribution from Associates and JV

Division	Q2 FY22	Q1 FY22	Q2 FY21
E&P	(86)	52	(54)
E&C*	10	8	30
O&M	2	4	5
Corporate**	2	-	-
Total	(71)	64	(19)

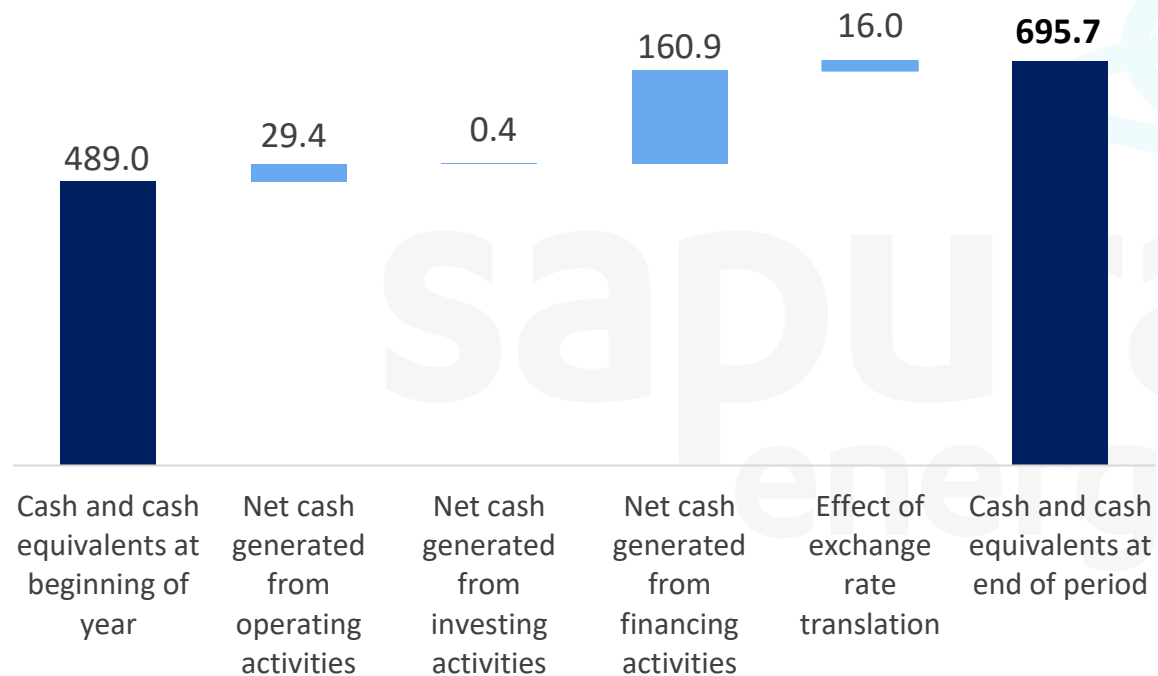
* Brazil JV: Q2 FY22: RM14 mn, Q1 FY22: RM13 mn, Q2 FY21: RM35 mn

**Corporate – Labuan Shipyard Engineering

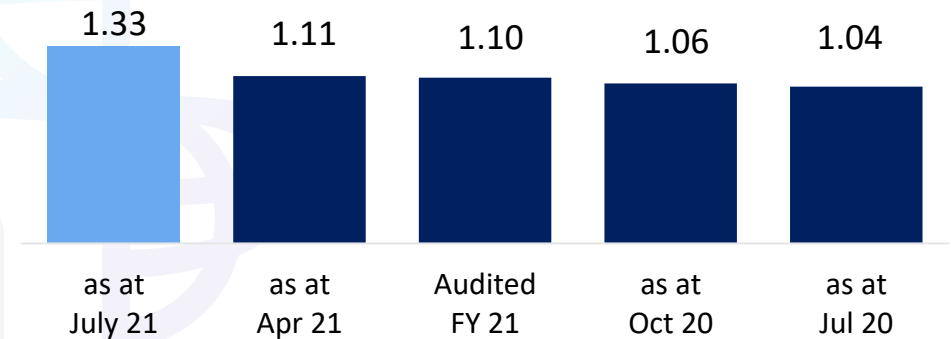
Q2 FY22 Performance

Cashflow and Balance Sheet Highlights

Cashflow (RM in million)



Net Debt to Equity (times)



- MCF 2021 Facility has been reclassified to Current in Q2 due to a breach in one of the financial covenants
- Waiver from lenders for the breach has been obtained and the facility will be reclassified to Non-Current in the next quarter
- RM612 mn unutilised working capital as at Q2 FY22









Business Updates

Highlights

- CPP Floatover for Mubadala Pegaga
- Monopile installation for offshore windfarm Yunlin Project, Taiwan
- Pipeline installation for Total in Qatar and ENI Amoca in Mexico
- Kasawari Wellhead Platform Jacket and Topside installation in Sarawak
- Asset utilisation
 - Yard utilisation at 24% in Q2 FY22
 - Key vessel utilization at 85% in Q2 FY22

Challenges

- Change of local site conditions relating to the Taiwan project led to the review of our baselines schedules – resulting in us having to re-base our costs and recognise foreseeable losses
- COVID-19 disruption to activities resulted in a multiplier effect to costs
- Recovery through commercial settlement is taking longer than anticipated
- Discussions with clients are ongoing to resolve these issues

Client	Vessels	Location/Field worked
Petrobras	Sapura Esmeralda 	Albacora, Campos Basin
	Sapura Onix 	Berbigão, Santos Basin
	Sapura Jade 	Lula South, Campos Basin
	Sapura Rubi 	Buzios Field, Santos Basin
PetroRio	Sapura Topazio 	Baia de Guanabara
Idle	Sapura Diamante 	

Key highlights

- 5 vessels were working in Brazil in Q2 FY22:
 - 4 vessels with Petrobras
 - 1 with PetroRio
- Utilization of all 4 vessels working for Petrobras in Q2 FY22 ranges from 86% – 100%
- Diamante successfully executed the pipeline installation for ENI project in Mozambique, Africa in Q1 FY22. The vessel is idle during Q2 FY22.
- Both Diamante and Topazio have successfully secured charter and service contracts with Petrobras for 3.5 years ranging between end of FY22 to FY26.
- Total orderbook stands at RM4.8 bn

Hook Up & Commissioning

- 12 projects ongoing in Q2 FY22
 - 7 HUC contracts
 - 5 Topside Major Maintenance long term contracts
- PRP7 HUC campaign completed in Brunei
- 70% average vessel utilization in Q2 FY22



HTS Gemia



WB Sapura Aman



WB Sapura Duyong



WB Sarku 300



HTS KPV Kapas



WB KPV Redang

Geosciences

- 1 project commenced in Q2 FY22 (PCSB Bestari Geophysical campaign)
- 85% utilization for Sapura Wira in Q2 FY22



Sapura Wira
(Geotech & Geophysics Survey Vessel)

Technology Services

- 26 maintenance contracts ongoing in Q2 FY22
- Executed offshore commissioning of PTTEP's PESA platform telecommunication package
- Completed 1 gas turbine Major Inspection at Melaka Refinery.(Quarterly)
- Achieved 98% Service Level Agreement (SLA) for PDB petrol stations system maintenance & support

Turbomachinery JV

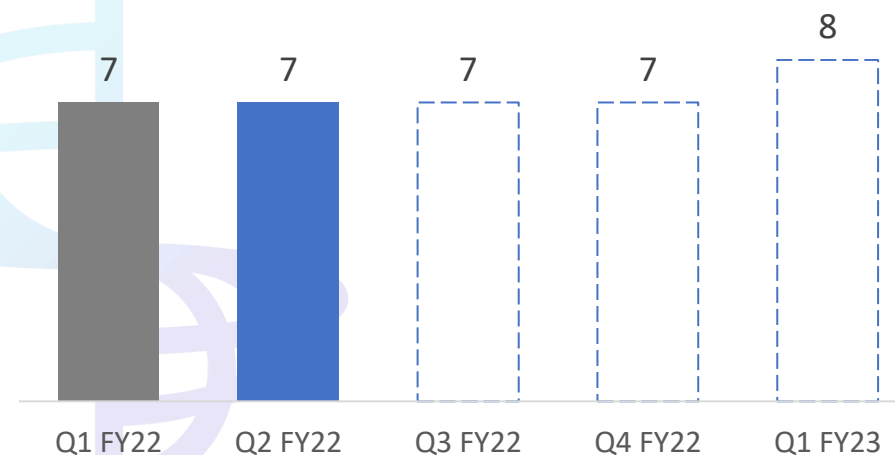
- 11 active projects as at Q2 FY2022
- 3 ITBs under Petronas MSA framework - Negotiation ongoing and expecting award in second half of the year
- Proposal for new Gas Turbine Technology NOVA - submitted and expecting award by end of FY22

Drilling

Rigs	Client	Location	Technical Utilisation Q2 FY22 (Operational Performance)
Berani	FOXTROT	Ivory Coast	79.7%
Jaya	CABGOC	Angola	100.0%
Alliance	Shell	Brunei	99.8%
Esperanza	Shell	Malaysia	100.0%
Pelaut	Shell	Brunei	97.8%
T-9	EXXON	Malaysia	100.0%
T-18	PTTEP	Thailand	100.0%

- Secured first Integrated Drilling contract in Malaysia and multiple longer-term day-rate contracts
- Strong operational performance
- Seamless transfer of Berani from Congo to Ivory Coast

Rig activity Trend
of active rigs in the quarter



Note: 7 stacked rigs as at end Q2 FY22 (T-10, T-11, T-12, T-17, T-19, T-20, Setia)

SapuraOMV – Leading Independent Oil and Gas Company in Asia Pacific

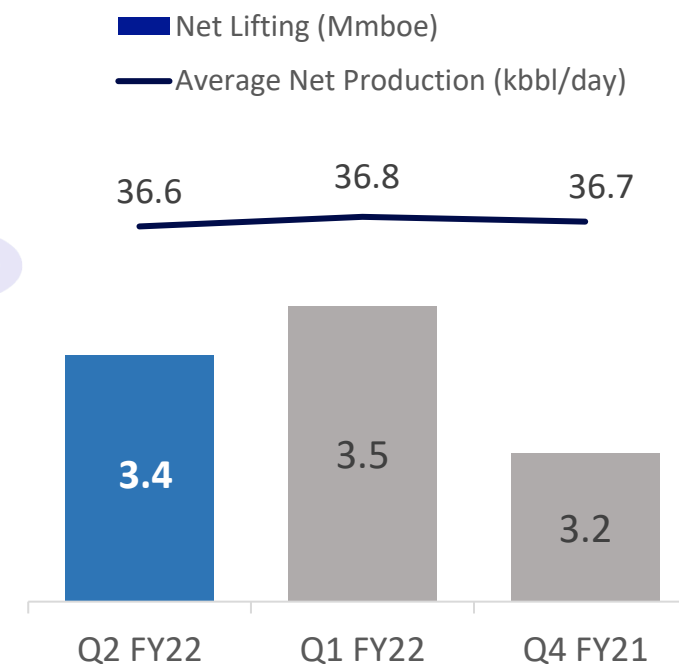
Completed divestment of Peninsular Malaysia assets on 1st. August 0001 hrs.

Strong growth prospects in SK408 and SK310 Production Sharing Contracts:

- Stable production from all assets
- SK408 Jerun EPCIC work is progressing as per schedule. First Steel cut expected Nov 2021.
- Area Development Plan for 5 smaller discoveries
- SK310 B14 - pursuing joint development with PTTEP's Lang Lebah under SISGES Ph2

Significant upside potential from exploration opportunities:

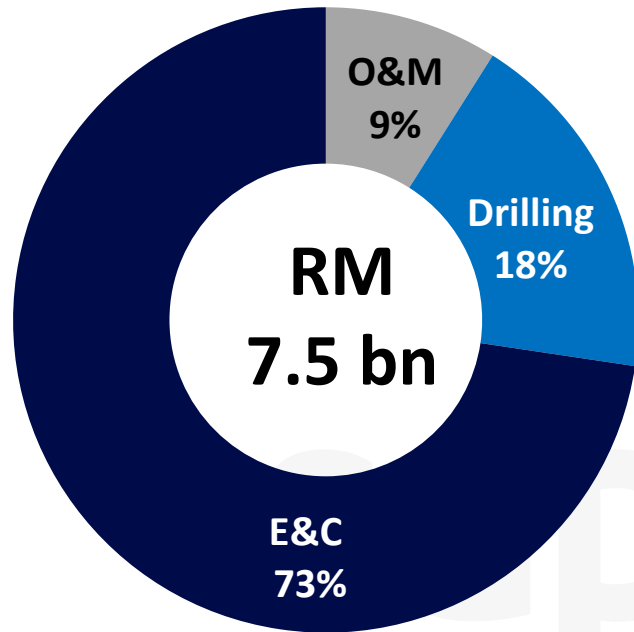
- Mexico Block 30 – two exploration well planned FY23
- Western Australia – Expanding footprints with 3 new awarded permits and farm-in into Neptune's AC/P50; exploration wells planned FY23
- New Zealand Toutouwai discovery – Further appraisal plans being matured

Lifting & Average Production

*Ave. crude lifting price of USD73.3/bbl
(compared to USD36.6/bbl in Q2 FY21)*

Group Orderbook

Order Book By Division

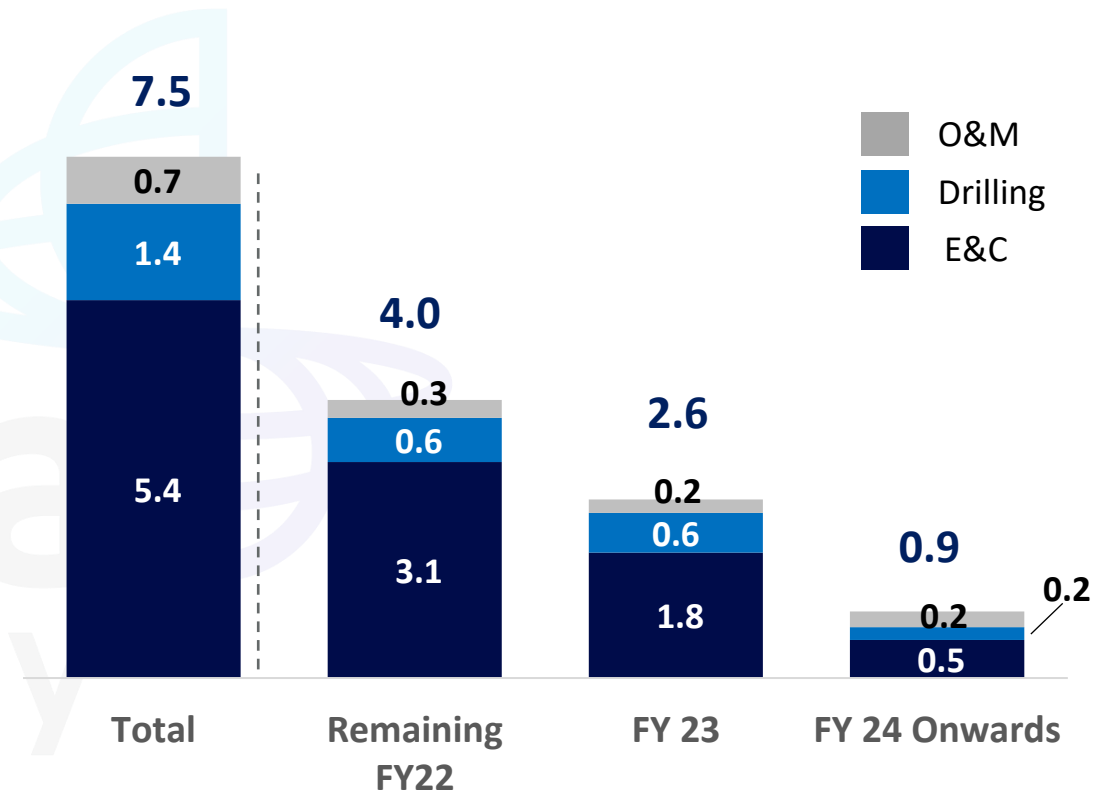


Recently announced RM0.9 bn contract wins in subsidiary:

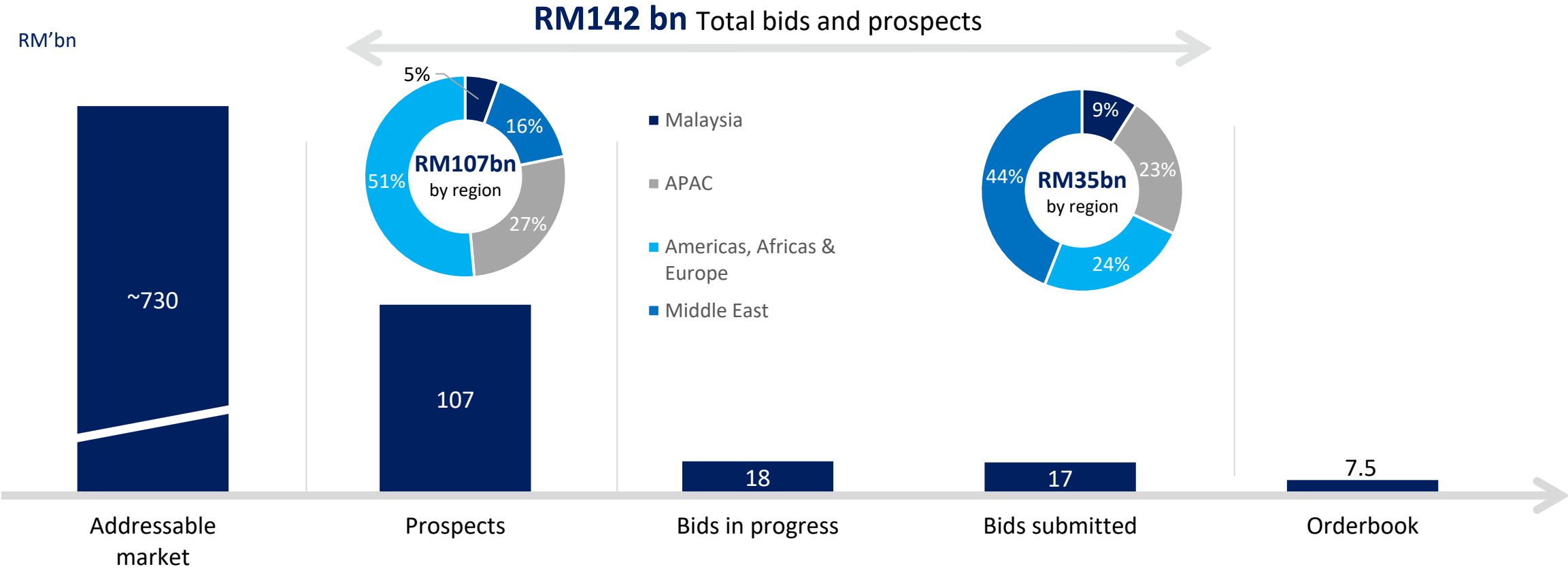
- Dorado Wellhead Platform
- Spartan & Spar Halyard Umbilical Replacement Transportation And Installation Works

JCE Orderbook stands at RM7.2 bn including Brazil JV's new wins of RM1.7 bn

Recognition by Year



Business Sustainability Funnel: Focused Bid Book



Addressable market (2021 – 2022):

- EPCI
- SURF
- Drilling
- Offshore Wind

Within existing regions

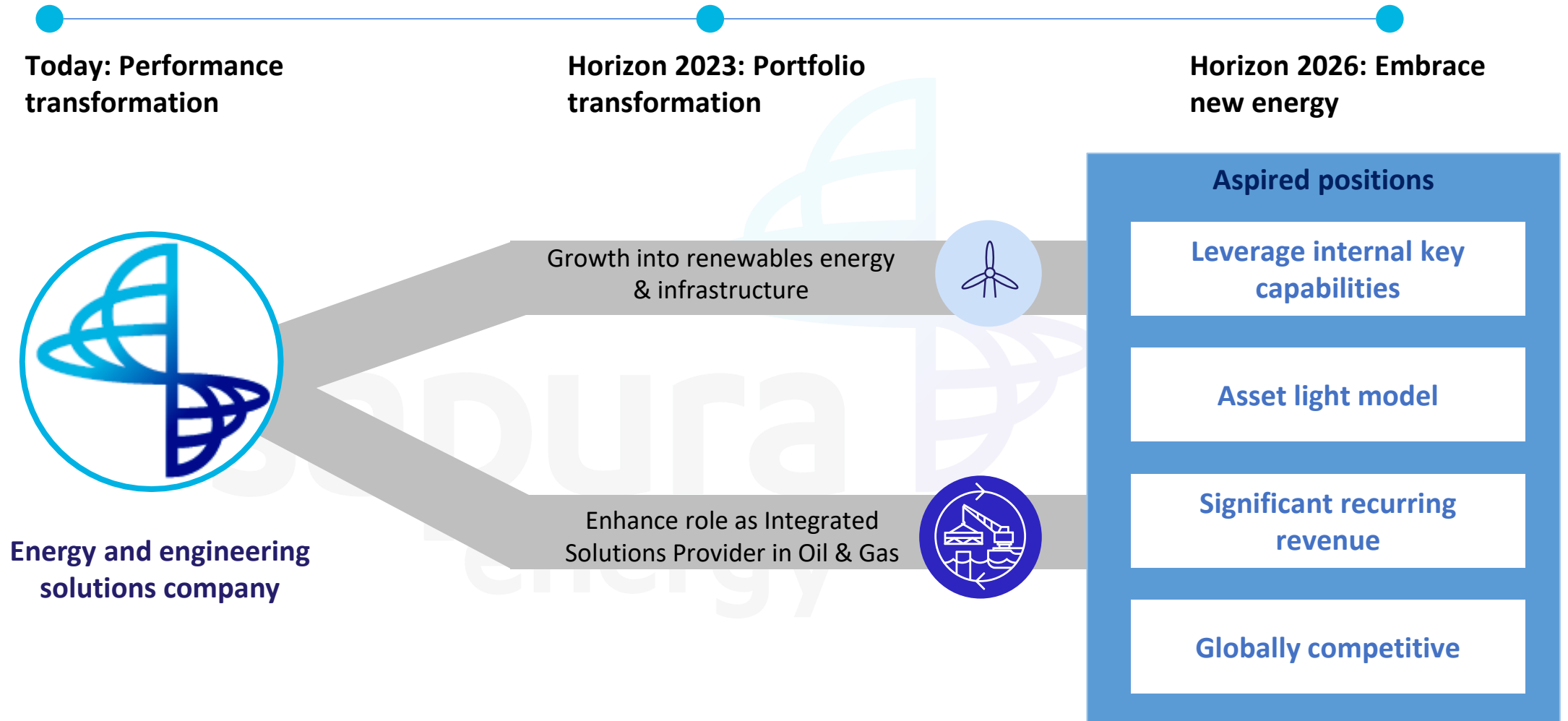
Prospects and ongoing bids:

- Split by division: 96% E&C, 2% Drilling, 2% O&M
- Diversified bid funnel across regions and segments for prospects with 57% oil, 39% from gas development projects, 5% renewables
- Americas & Middle East region expected to grow mainly from Brazil, UAE and Qatar EPCIC projects



Lookahead and Closing Remarks

Reset journey roadmap





Q&A



