

Q4 FY2022 Financial Results Briefing

Sapura Energy Berhad | 18 March 2022



Disclaimer

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Agenda



- 1 Opening Remarks
- 2 FY2022 Financial Performance
- 3 Business Updates
- 4 Q&A



Opening Remarks

FY2022 Full Year Highlights



Financials

- Group Results:

RM4.1 bn
Revenue

RM(2.3) bn
EBITDA

RM(8.9) bn
LATAMI

- EBITDA:

RM(2.2) bn
E&C

RM(0.2) bn
O&M

RM0.3 bn
Drilling

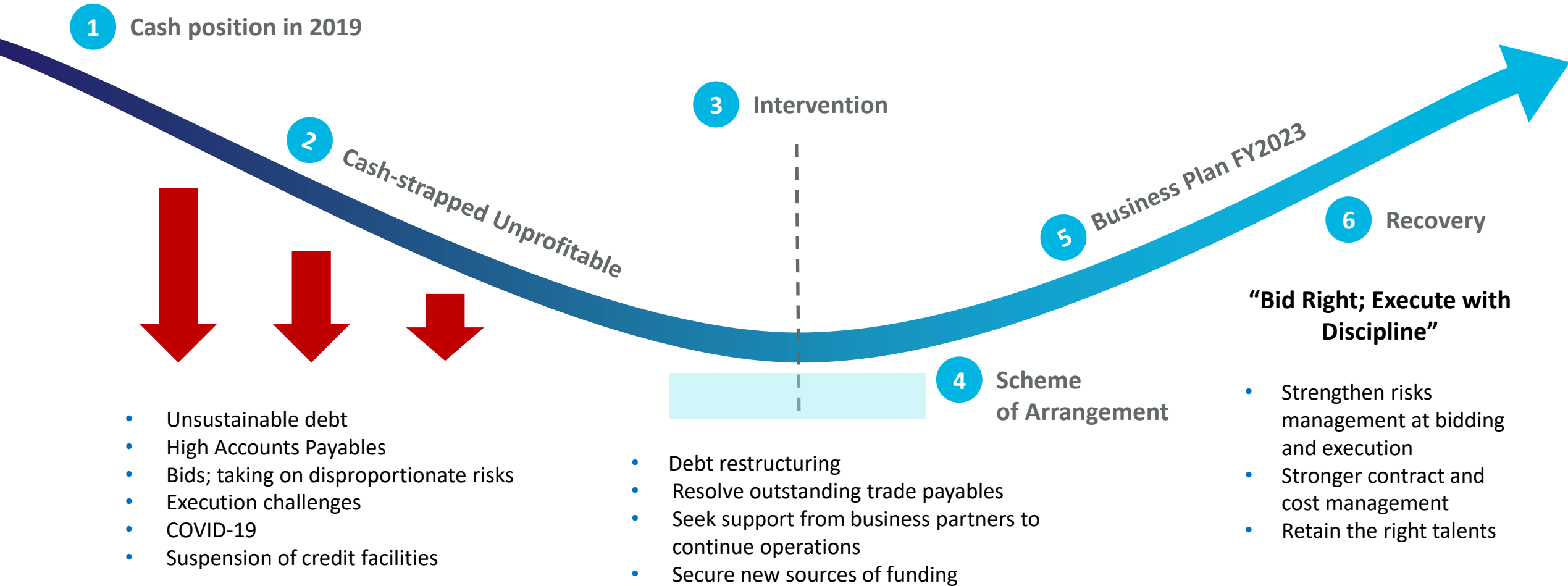
- JV and Associates shares of earnings RM84 mn
- Total Impairment RM5.6 bn
- Orderbook RM6.6 bn



Business

- Challenges: Liquidity; COVID-19; Legacy contracts
- Close collaboration with key stakeholders to navigate liquidity challenges
- Delivered projects despite challenging conditions
- RESET journey progressing, delivers more clarity on forward looking actions
 - Cash conservation
 - Proposed Schemes of Arrangement
 - Bid Right; Execute with Discipline; Underpinned by appropriate risk appetites

Necessary steps taken to turnaround Sapura Energy





FY2022 Financial Performance

FY2022 Performance

Group Financial Highlights by Quarter and Year

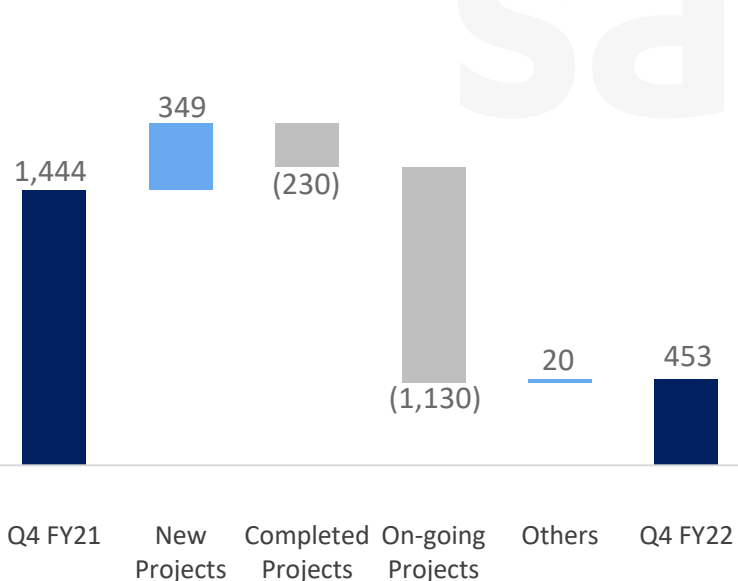
Amounts in RM million

Description	Quarter on Quarter			Year on Year	
	Q4 FY22	Q3 FY22	Q4 FY21	FY22	FY21
Revenue	453	1,456	1,444	4,127	5,348
EBITDA	(996)	(244)	50	(2,252)	809
PATAMI	(6,613)	(669)	(216)	(8,896)	(161)

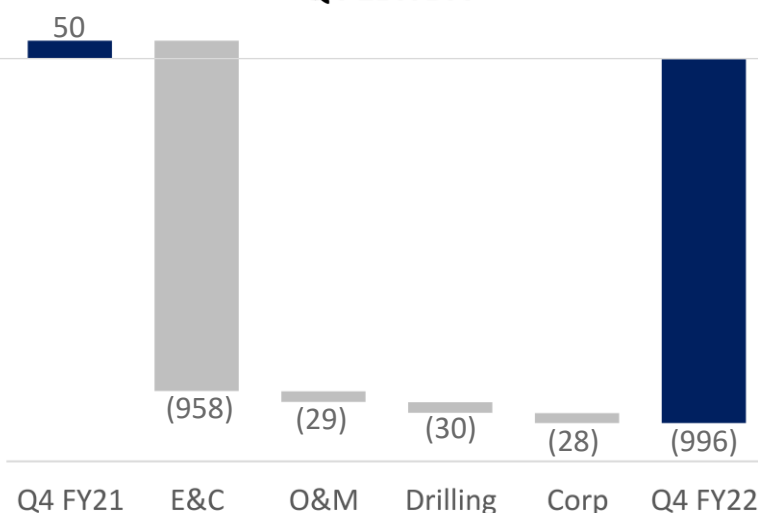
EBITDA by Division

Division	Q4 FY22	FY22
E&C	(879)	(2,162)
O&M	(68)	(241)
Drilling	22	349
Corp.	(71)	(198)
Total	(996)	(2,252)

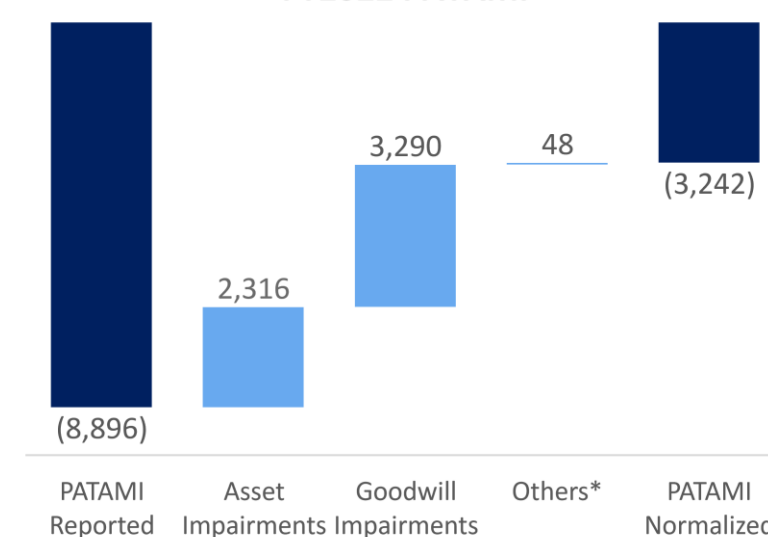
Q4 REVENUE



Q4 EBITDA



FY2022 PATAMI

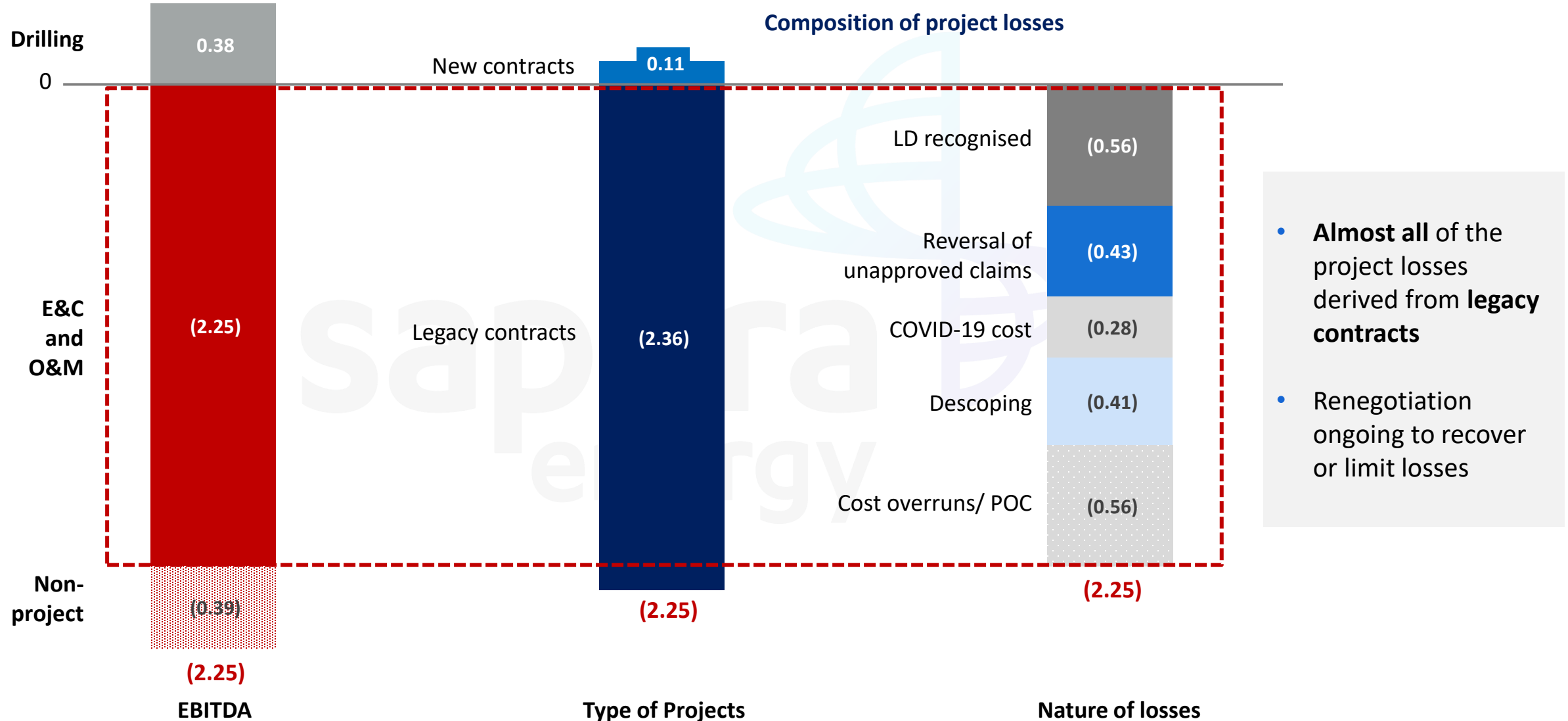


*Others includes Hedging Impact & Acceleration Transaction Cost

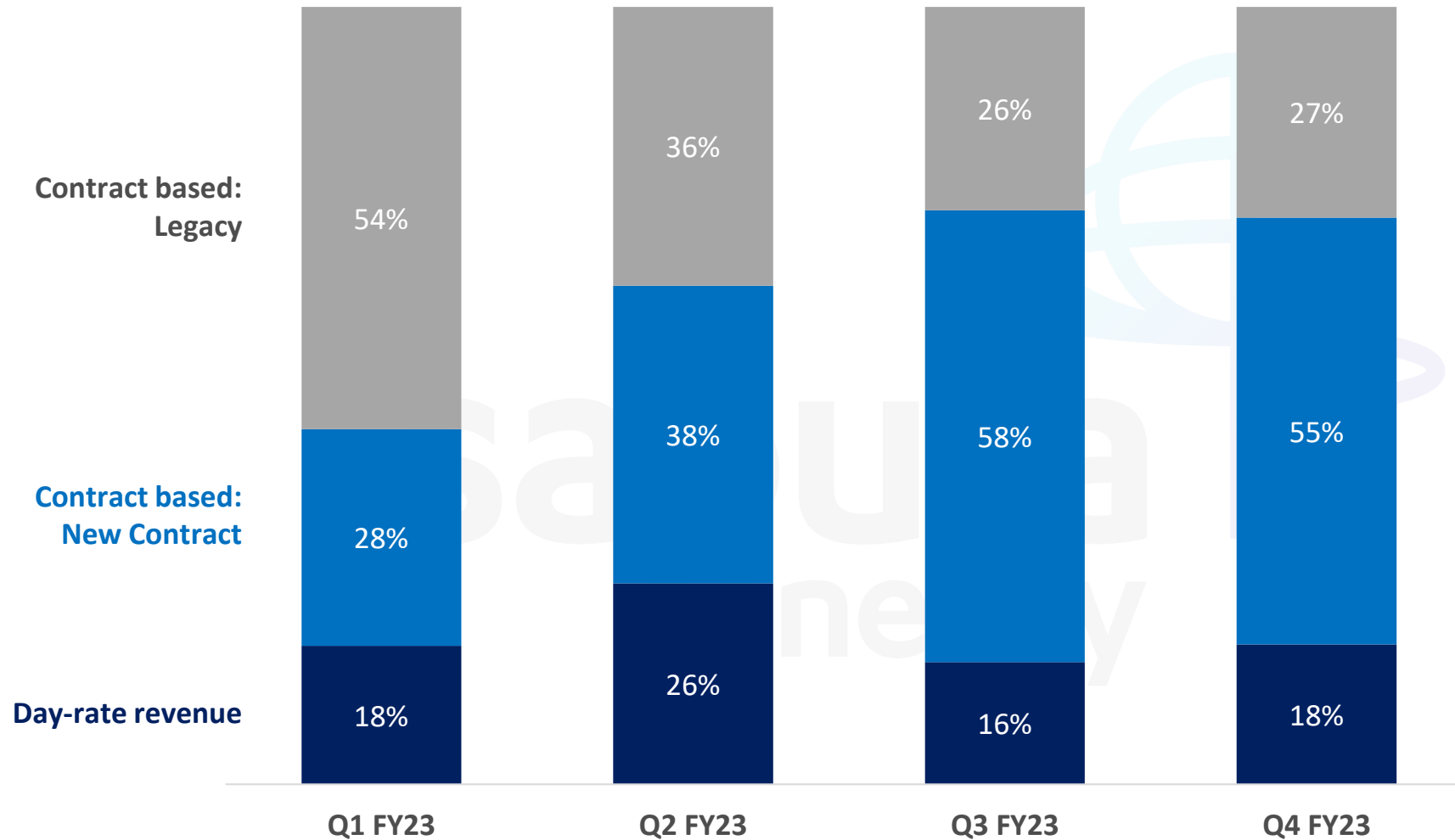
FY2022 Performance

Full year EBITDA and Project Losses

Amounts in RM billion



FY2023 revenue composition from secured projects



- Less exposure to legacy contracts
- Execute with discipline
- 16% - 26% stable day rate margin

Note: FY2023 expected revenue from current Orderbook (~RM5 bn)

FY2022 Performance

Changes in business outlook for impairment assessment against prior year

Division	Key Assumptions	Changes in key assumptions	Descriptions
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E&C and O&M

Revenue CAGR



3%

- More exposure to T&I in next few years
- Regional focus vs global focus
- Lower growth rate due to current liquidity issues

No of vessels



2 vessel

- Planned disposals

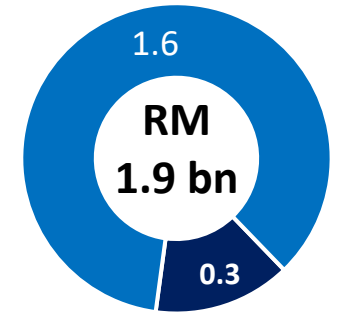
Discount rates



0.05%

- Higher risk-free rate on Malaysia Government Securities

Full Year Impairment



■ PPE ■ Goodwill

Drilling

Average day rate



36%

- Updated based on latest market outlook and firmed bids / prospect
- Higher competitions in the market

Scrap cold-stacked rigs



3 rigs

- No firm prospect due to delay in America market opening
- Higher reactivation cost due to long period of cold-stacking

Suspension of rig under construction



1 rig

- No firm prospect and financing

Utilisation rate



2% - 4%

- Better utilization rate for rigs operating in Thailand market with longer term contract

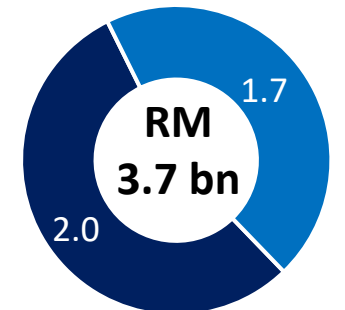
Useful life



5 years

- More stringent requirement from clients on age and safety

Full Year Impairment



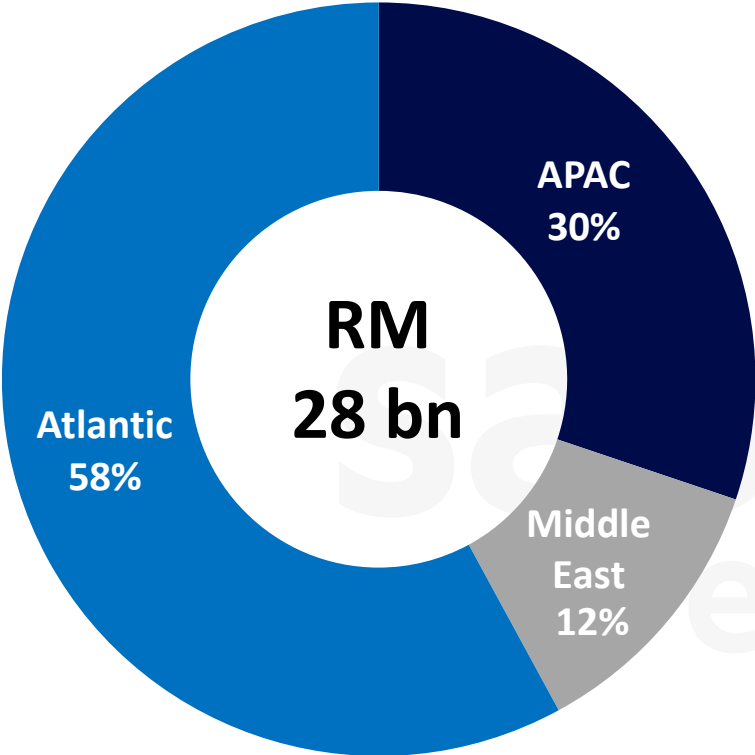
■ PPE ■ Goodwill



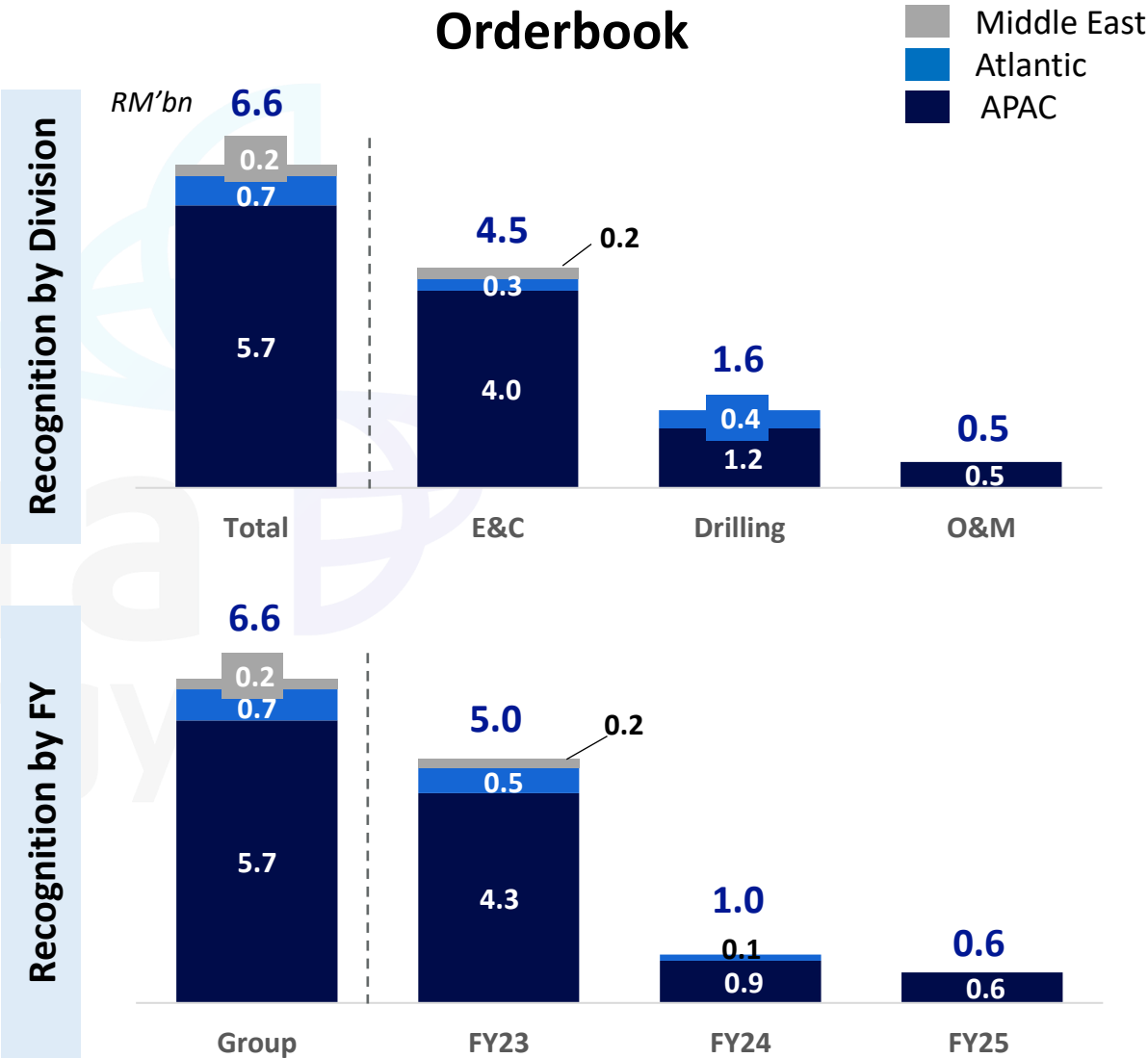
Business Updates

Group Bid Book and Orderbook

Total Bids by Regions



Orderbook



The Scheme of Arrangement (“SOA”) process

Orders granted

High Court of Malaya grants two Orders:

- nod for proposed SOA negotiations
- restraining order

Inform stakeholders

- 9 MCF lenders
- ~3,000 vendors

SOA covers outstanding claims

- with 23 named entities
- for work delivered on or before 31 Jan

Negotiate SOA

- Notice in two local dailies
- Kick-off town hall session with creditors
- Proof of debt process
- Propose and negotiate SOA with creditors
- Finalize proposed SOA

Vote & Sanction

- Court-convened meeting for creditors to approve SOA
- Court sanctions SOA; SOA binding on all creditors
- Execute SOA payment plan

Resolving the past to regain a stable platform

FY23 – regain stable platform

- Cash conservation
- Renegotiate legacy contracts
- Secure source for new funding to finance business plan
- Address unsustainable debts with lenders
- Conclude SOA with trade creditors
- Implementation of strategic divestment plan to align with core business

Rebuilding a sustainable Sapura Energy

- **Bid Right**
 - Strengthen risks management at bidding
 - Selective in bids to focus on preferred regions; Asia Pacific and the Atlantic
 - Shift balance of project portfolio towards transportation and installation
 - Fabrication to be centered in Lumut, Malaysia
- **Execute with Discipline**
 - Stronger contract, cost and risks management
- **Retain the right talents**

