

# Q1 FY2023 Financial Results Briefing

Sapura Energy Berhad | 27 June 2022



# Disclaimer

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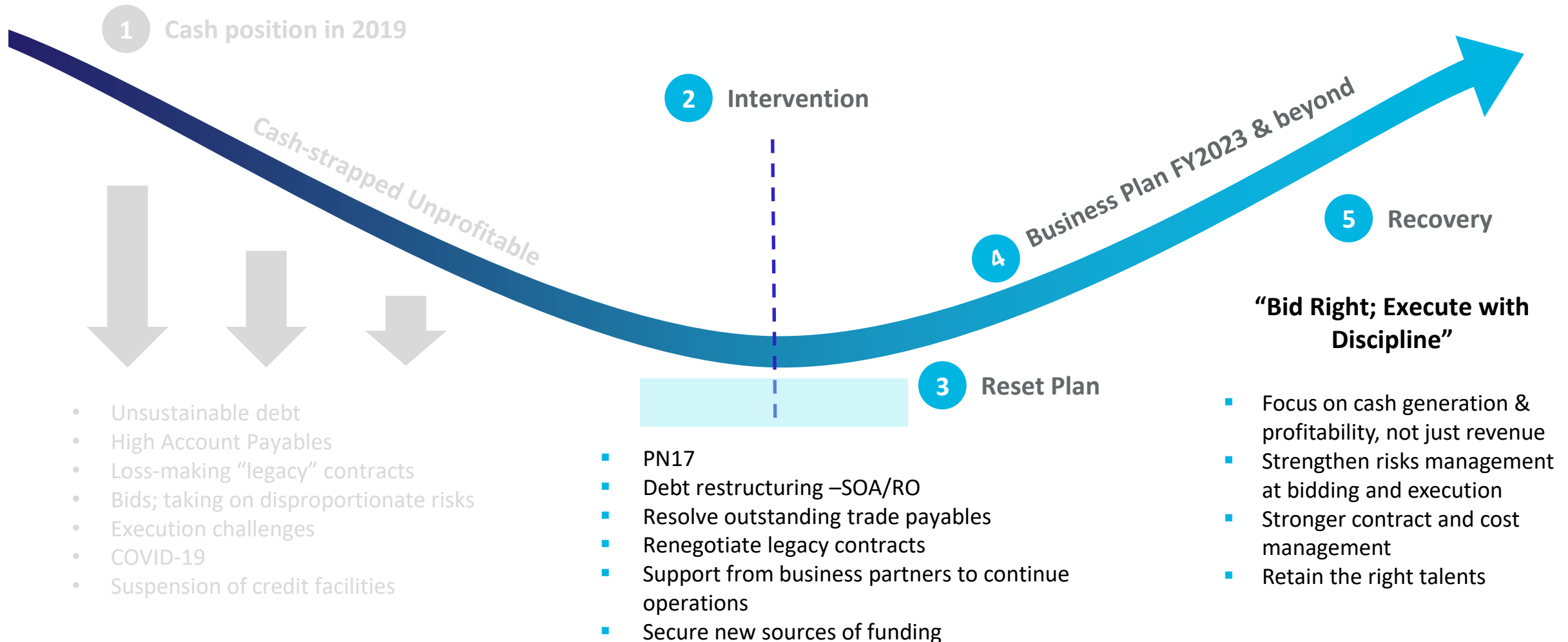




# Opening Remarks

# Path to Recovery

Imperative to restructure debts, revise contracts and manage cost





# Q1 FY23 Highlights



## Financials

Amounts in RM million

<b>Group Results</b>	<b>250</b> EBITDA	<b>77</b> JV Profit	<b>92</b> PATAMI
<b>Segmental EBITDA^</b>	<b>62</b> E&C	<b>31</b> O&M	<b>50</b> Drilling

- Group revenue of **RM886mn**
- Foreign exchange gain of **RM176mn**
- Subsidiaries new order intake of **RM2.5bn**
- Orderbook stood at **RM8.3 bn**



^ Excluding share of profit from JV and Corporate/elimination



## Business

- + Challenges: Liquidity and Legacy contracts
- + Close collaboration with key stakeholders to navigate liquidity challenges
- + RESET journey progressing, delivers more clarity on forward looking actions
  - + Cash conservation with RM300mn additional working capital facilities drawn in Q2 FY23
  - + Proposed Schemes of Arrangement (“SOA”) and extension of Restraining Orders (“RO”)
  - + Bid Right; Execute with Discipline; Underpinned by appropriate risk appetite



# **Q1 FY2023 Financial Performance**

# Q1 FY23 Financial Performance

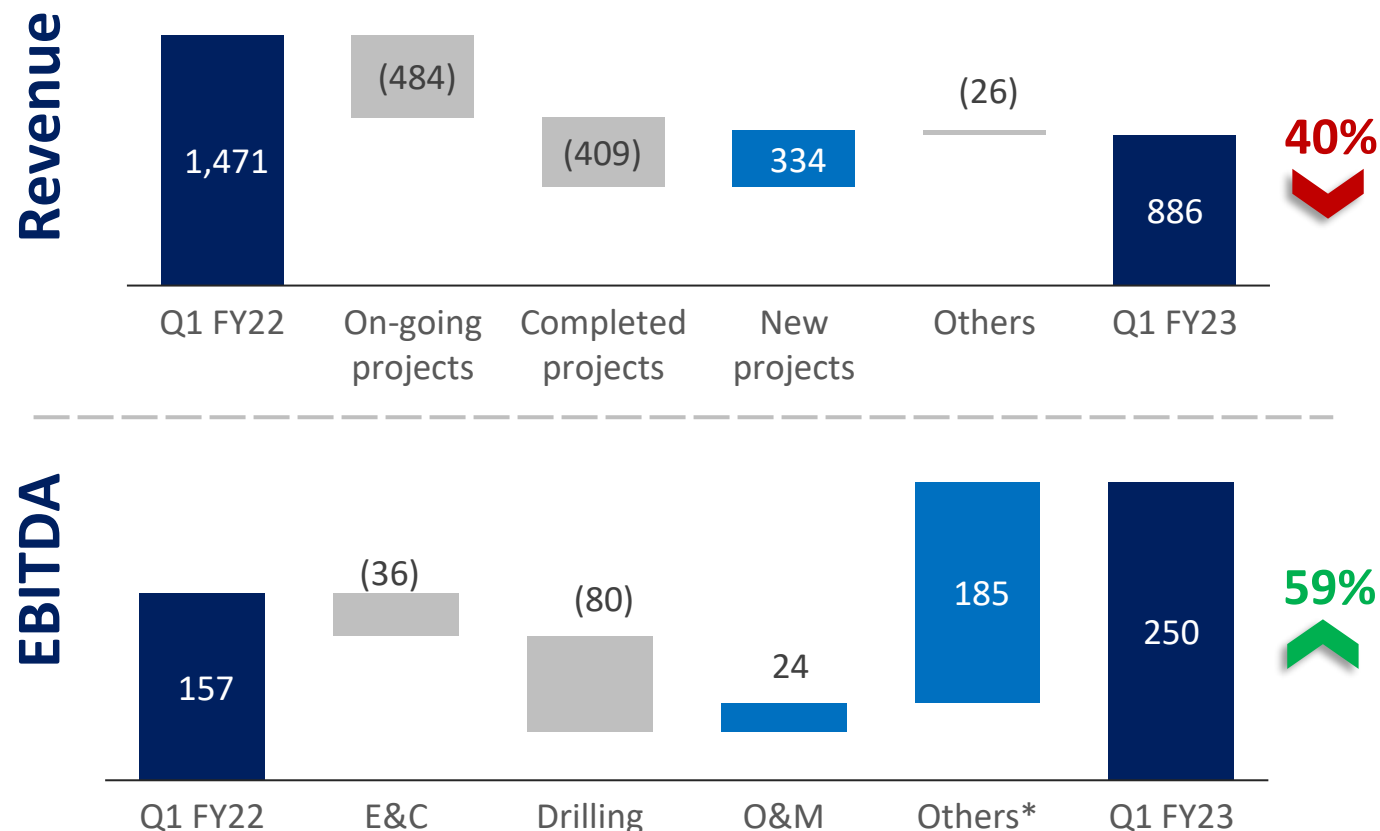
## Group financial highlights by quarter

Amounts in RM million

	Q1 FY23	Q4 FY22 <sup>^</sup>	Q1 FY22
Revenue	<b>886</b>	427	1,471
EBITDA	<b>250</b>	(1,020)	157
EBITDA %	<b>28%</b>	(239%)	11%
PATAMI	<b>92</b>	(6,767)	(97)

<sup>^</sup> Adjusted Q4 FY22 results to conform with FY22 audited financial statements

### Q1 FY23 vs Q1 FY22 analysis



#### PATAMI:

Increased is aligned with higher EBITDA and lower finance cost, depreciation and taxation

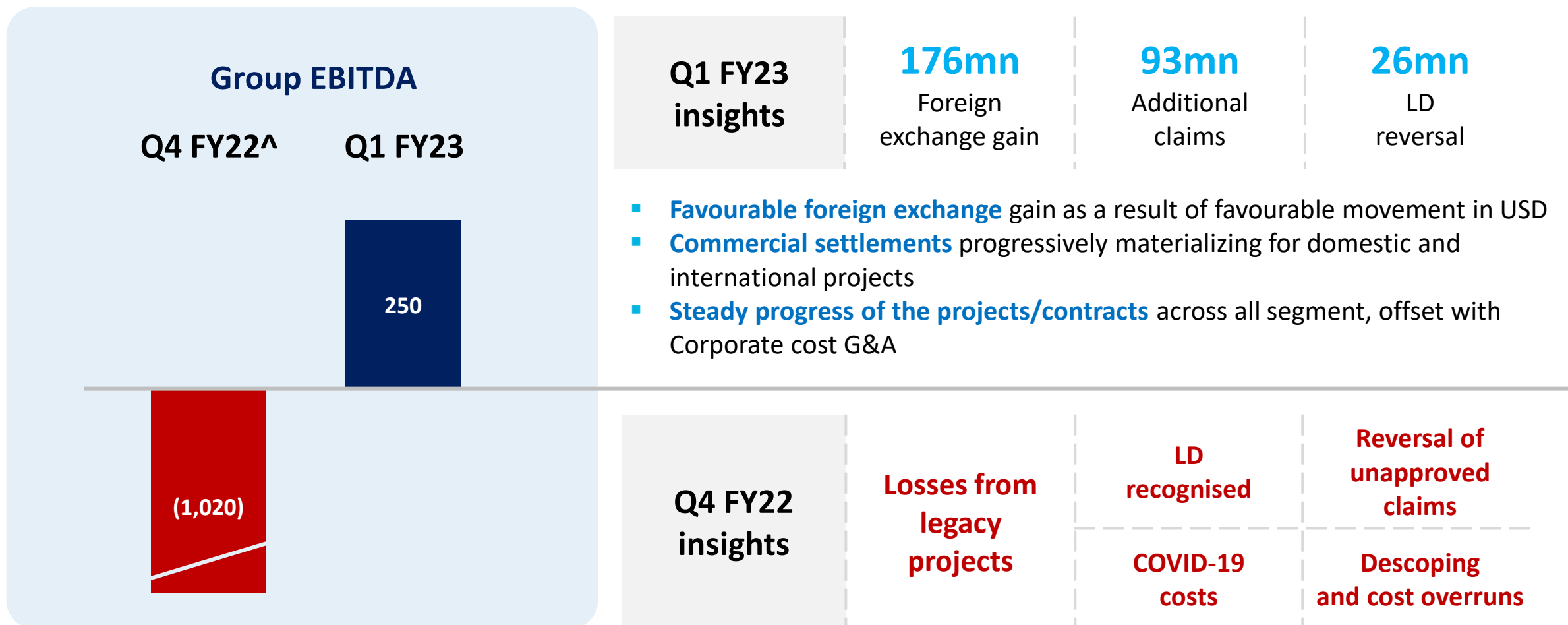
\* Mainly due to foreign exchange gain



# Turnaround in Sapura Energy Group EBITDA against Q4 FY22

Reducing number of ongoing legacy contracts, commercial settlements and favourable foreign exchange gain

Amounts in RM million

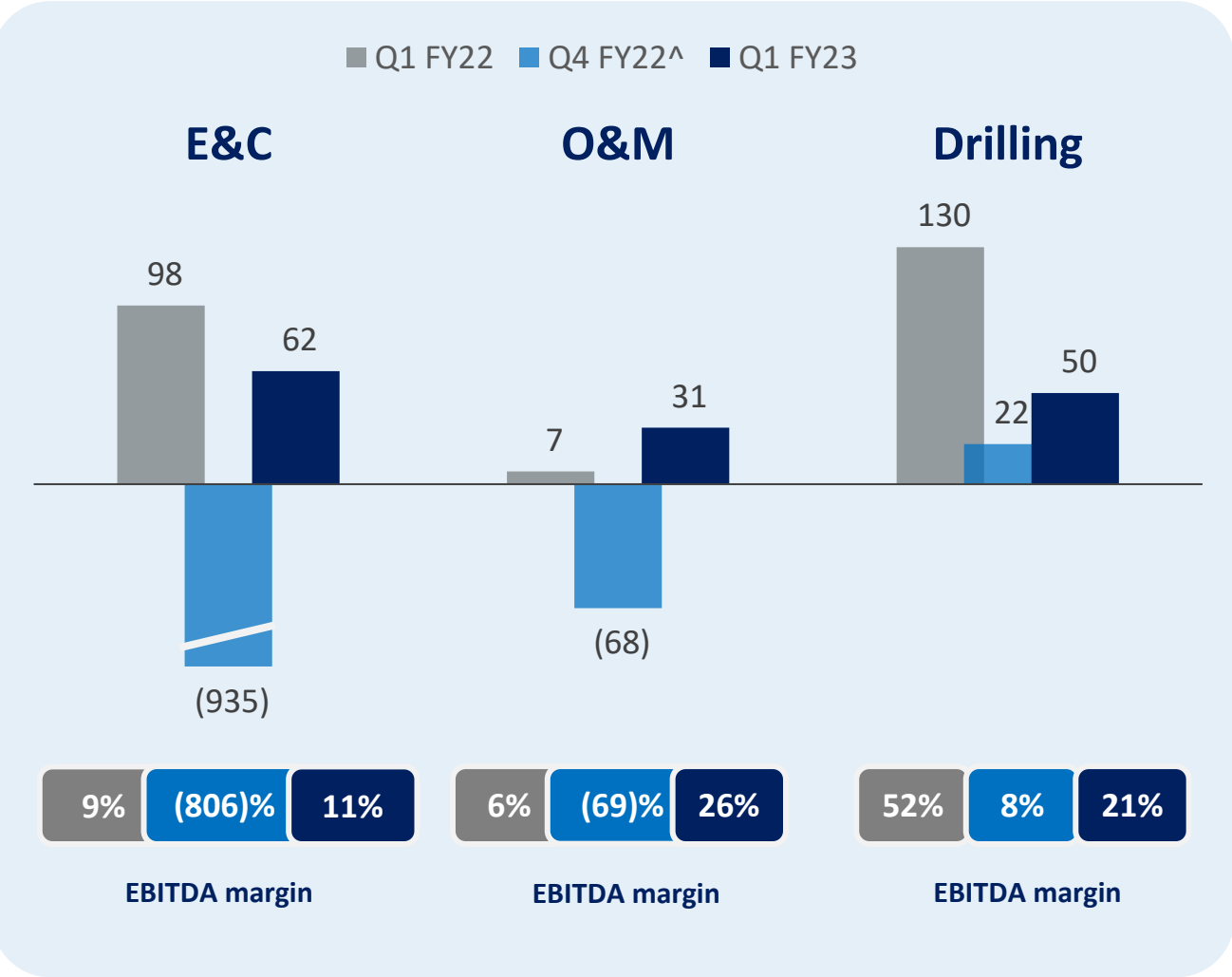


<sup>^</sup> Adjusted Q4 FY22 results to conform with FY22 audited financial statements

# Q1 FY23 Segmental EBITDA

Improved performance across all segments against Q4 FY22

Amounts in RM million



## Q1 FY23 vs Q4 FY22 analysis



### E&C

Improvement mainly due to **steady progress for ongoing projects** and progressively **materialising commercial settlements**



### O&M

Improvement mainly due to **progress for ongoing projects** and progressively **materialising additional claims**



### Drilling

Improvement mainly due to **lower non-operational costs**

^ Adjusted Q4 FY22 results to conform with FY22 audited financial statements

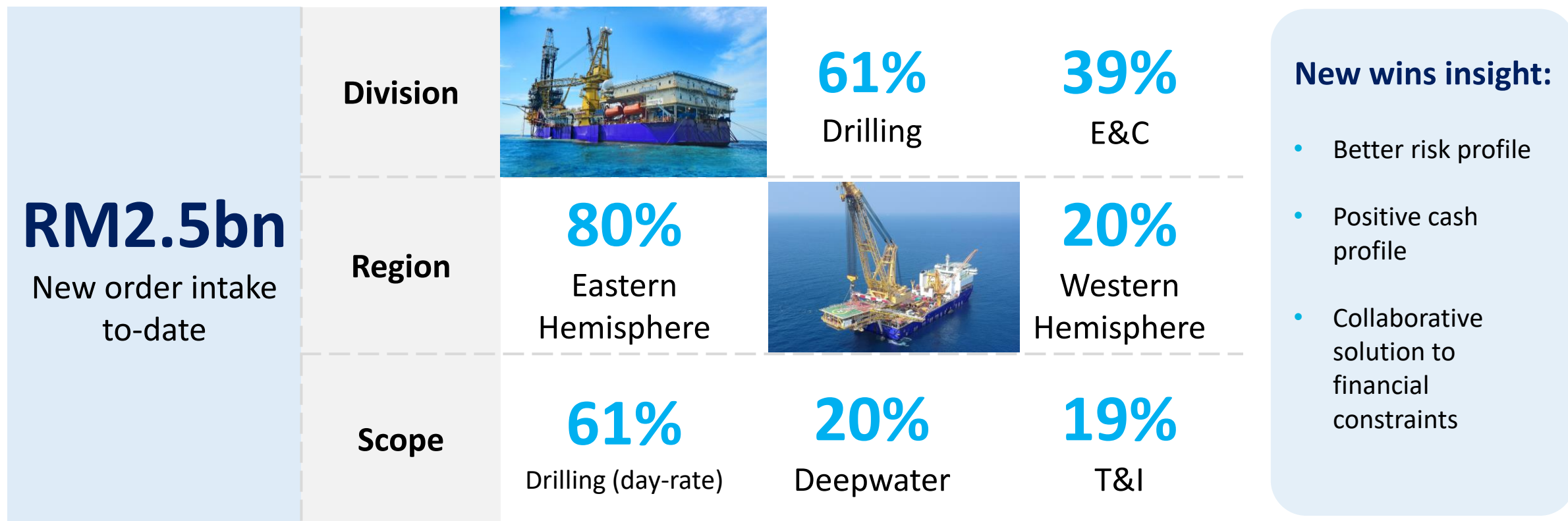




# Business Updates

# RM2.5bn New Order Intake Secured To-date

Testament to Sapura Energy's Reset Plan and the trust from existing clients



**Note:** Announced new order intake of RM2.7bn including RM0.2bn JV portion

Aligned with “Bid Right” strategy and walked away from contracts that could pose risks to our cashflow

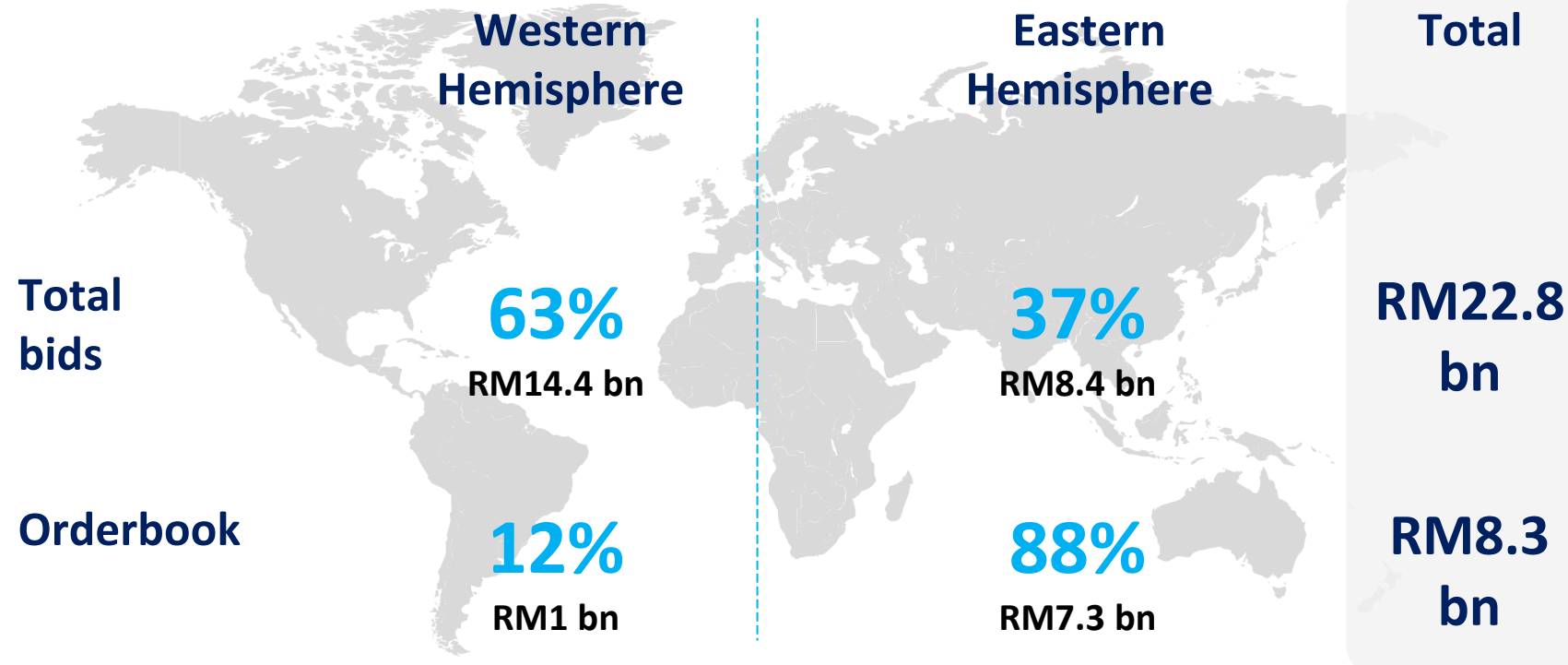


# Group Bid Book and Orderbook

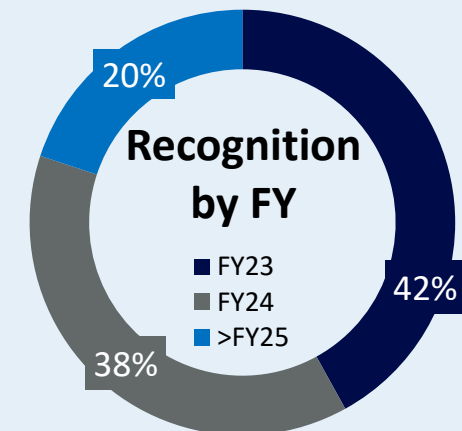
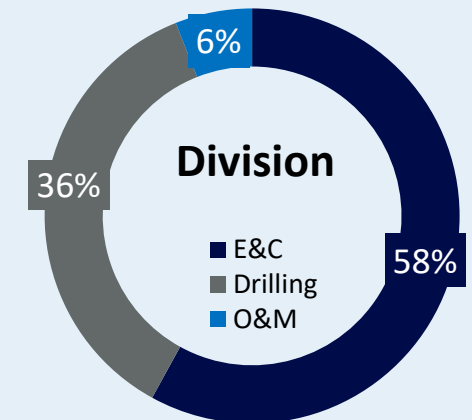
Robust orderbook balance post new order intake

## Q1 FY23 Orderbook

Amounts in RM



## RM8.3bn Orderbook insights



Note: Not included in the above is non-consolidated orderbook of RM6.2bn, representing 100% of JV portions

# Business Updates | E&C

## Continued delivery despite challenges

36

Ongoing  
projects

6

Completed  
projects

3

Commencement  
of new projects

- **Ongoing offshore activities** in Q1 FY23: Hess Phase 3 in Malaysia and DeNoVo Zandolie in Trinidad & Tobago
- **Ongoing fabrication** for Hess Phase 4A, Mubadala Pegaga MRU and ONGC 98/2 projects in Lumut Yard
- **Completed 6 projects** including ENI Amoca in Mexico, PETRONAS Bakau and Bayan, and EnQuest Seligi in Malaysia.
- **New contracts win in Q1 FY23:** Hess Phase 4 T&I in Malaysia, Enauta Atlanta Deepwater in Brazil, Chevron West Delta in USA, and BW Energy Adolo in Gabon
- **Yard utilisation at 31%** and Key **vessel utilisation at 25%**



### Challenges

- **Client deferment of projects to FY 24** impacting FY23 vessel utilization.
- **Project cash flow**
- **Ongoing negotiations to achieve cash neutrality** on legacy contracts.



# Business Updates | E&C - Brazil

Brazil operations continue to be resilient



# 6

PLSVs are working in Brazil  
for Petrobras in Q1 FY23

## Location/Field worked (Basin)

Sapura Esmeralda



Campos

Sapura Onix



Santos

Sapura Jade



Santos

Sapura Rubi



Espirito Santo

Sapura Diamante



Campos

Sapura Topazio



Santos

## Key highlights

- Utilization of all 6 vessels in Q1 FY23 is 94.82%
- Both Diamante and Topazio have successfully secured charter and service contracts with Petrobras for 3.5 years ranging between end of FY22 to FY26.
- Sapura Diamante started the contract with Petrobras in September 2021.
- Sapura Topázio started the contract with Petrobras in February 2022.

# Business Updates | O&M

## Maintain/deliver contracts and progressing on claims

### Hook Up & Commissioning

10

Ongoing  
Projects<sup>^</sup>

1

Completed  
Project

- **BoBe** Year 2022 campaign (change order) **successfully** completed
- **Pegaga HUC successfully achieved Ready For Startup milestone** in February 2022 and 1st Gas in March 2022
- **PCSB** has issued **intention for 1 year contract extension** (SKG MCM year 2023 execution), currently under negotiation for contract rates and T&C
- **Good progress** on the COVID-19 claims under PETRONAS.

<sup>^</sup> 5 HUC contracts and 5 TMM long term contracts

### Geosciences & OSV

2

Completed projects

- MV Gemia have **secured 14 months hire from Exxon EMEPMI**
- **8% average utilisation for Sapura Wira** in Q1 FY23 due to deferment of BSP Geotechnical campaign to Q3 FY23
- Other **OSV vessels clocked 52% average utilisation**

### Turbo-machinery JV

10

Ongoing  
contracts

- 5 ITBs under Petronas MSA framework – LOA secured for CHOC, KPOC and HESS
- On going negotiation for balance 2 ITB's and expecting award by FY23
- ITB's under Petronas GTSA framework aborted and MSA Framework to be extended from 2022 to 2024

### Technology services

28

Ongoing  
projects

1

Completed  
Project

- **Completed FAT and delivery of Hess 4A** platform telecomm package to Lumut yard, ready for installation & commissioning
- **Completed 1** gas turbine Major Inspection at PETRONAS Melaka Refinery





# Business Updates | Drilling

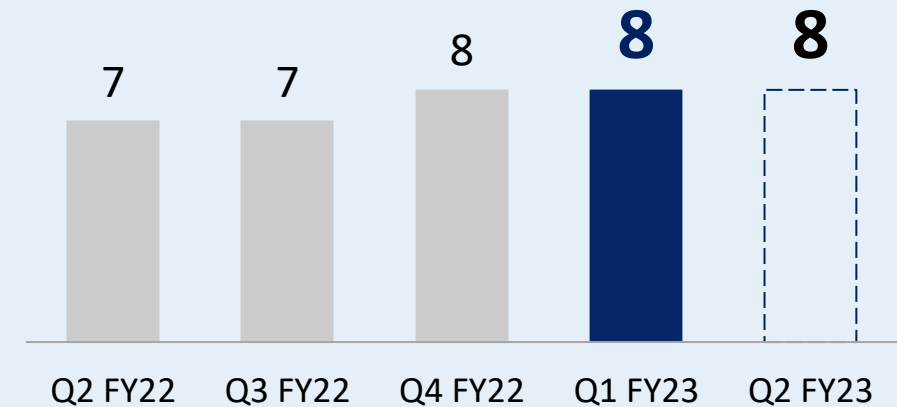
## Secured long-term contracts in Thailand

Rigs	Client	Location	Technical Utilisation (Operational Performance)
Berani	Foxtrot	Ivory Coast	91.7%
Jaya	Chevron	Angola	100%
Alliance	Shell	Brunei	99.8%
Esperanza	PCSB	Malaysia	95%
Pelaut	EnQuest	Malaysia	100%
T-9	PCSB	Malaysia	100%
T-17	PTTEP	Thailand	100%
T-18	PTTEP	Thailand	100%

- Secured RM1.6 billion of new contracts (PTTEP, ExxonMobil, EnQuest, Shell)
- Jaya commenced 2-years contract extension from Chevron in Angola
- T9 and Pelaut commenced new campaigns for PCSB and EnQuest

### Rig activity Trend

# of active rigs in the quarter



#### No of Secured Rig Days:

Q1 FY23: 515 days (Jaya and Pelaut transition vs Q4)

Q4 FY22: 620 days



# Business Updates | E&P

## Leading independent oil and gas company in Asia Pacific

**Production** curtailed by downstream cutbacks at MLNG plant due to unplanned shutdowns, expected to resume at full capacity when MLNG is fully restored in Aug 2022.

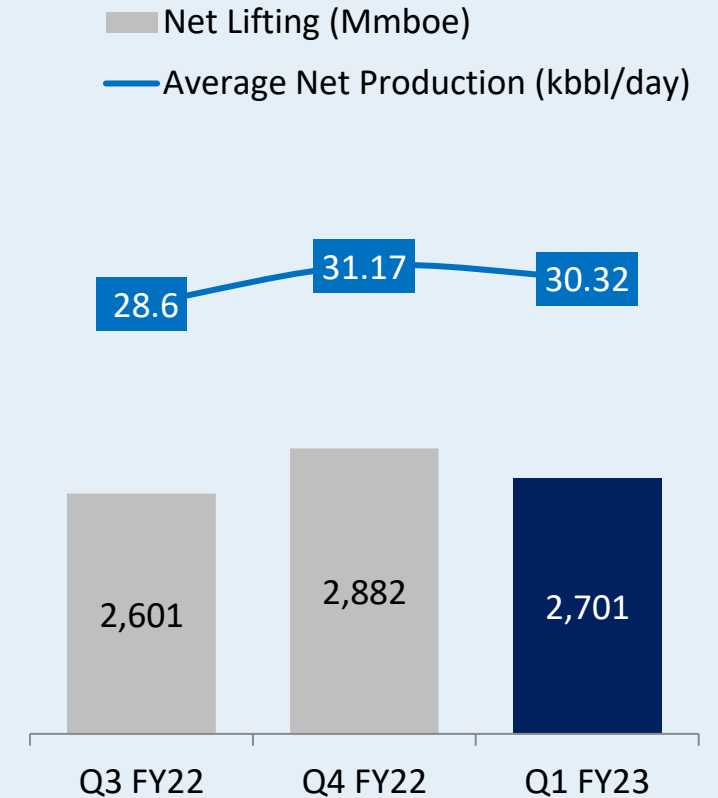
**Portfolio of strong project pipelines** in SK408 and SK310 Production Sharing Contracts:

- SK408 Jerun EPCIC progressing per plan. Project on schedule to achieve First Gas in Aug 2024.
- Two of the 5 smaller discoveries in SK408 high-graded and accelerated for development.
- SK310 B14 project being matured through joint development with PTTEP's Lang Lebah under SISGES Ph2

**Further upside potential** from exploration opportunities:

- Malaysia – Awarded SB412 PSC in March 2022. Pursue further exploration opportunities via MBR2022 and farm-ins
- Mexico Block 30 – Two exploration wells planned 2H FY23
- Western Australia – Several prospects within the Vulcan sub-basin identified. In discussion with partners on future drilling plans
- New Zealand Toutouwai discovery – Appraisal plans in place subject to host government approval on Operator's farm down plan

### Lifting & Average Production



*Ave. crude lifting price of USD108/bbl  
(compared to USD79.9/bbl in Q4 FY22)*





# Sapura Energy Reset Updates

# Progress and ongoing efforts to regain stable platform

Ongoing efforts	Cash Conservation	Legacy contract	New funding	Debt restructuring	Scheme of Arrangement	Divestment plan
	Reduce cost base	Negotiation on legacy contracts to achieve cash neutralisation	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
Progress-to-date	On-going	4 E&C projects	RM300 mn	On-going	On-going	>RM300 mn
	Preserved cash to extend runway for restructuring	Making headway in our negotiation with clients to ensure our legacy contracts are cash neutral	New working capital facilities drawn and partially utilised	Close collaboration with key stakeholders	Working the Proof of Debt with vendors	Divestment proceeds from sale of assets <sup>^</sup>  <sup>^</sup> Including divestment of Sapura 3000

**Progress is on-track**



