

BUMI ARMADA Q2 2019 ANALYST BRIEFING

30 Aug 2019



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Agenda

- Operational Updates
- Q2 2019 Financials
- Outlook
- Q&A

Operational Updates



Q2 2019 Operational Updates

Overall operations in Q2 2019 were in-line with expectations

Corporate

- Safe operations in Q2 with no LTIs recorded
- Focus on cost continues

FPO

- Marked improvement on Armada Kraken FPSO
- Other FPO units continue stable operations

OMS

- No new work for SC in the Caspian Sea
- Sold two (2) OSVs in Q2 2019 – OSV fleet at 37 vessels
- Q2 2019 OSV fleet utilisation at 51%, versus 39% in Q1 2019

Q2 2019 Financials

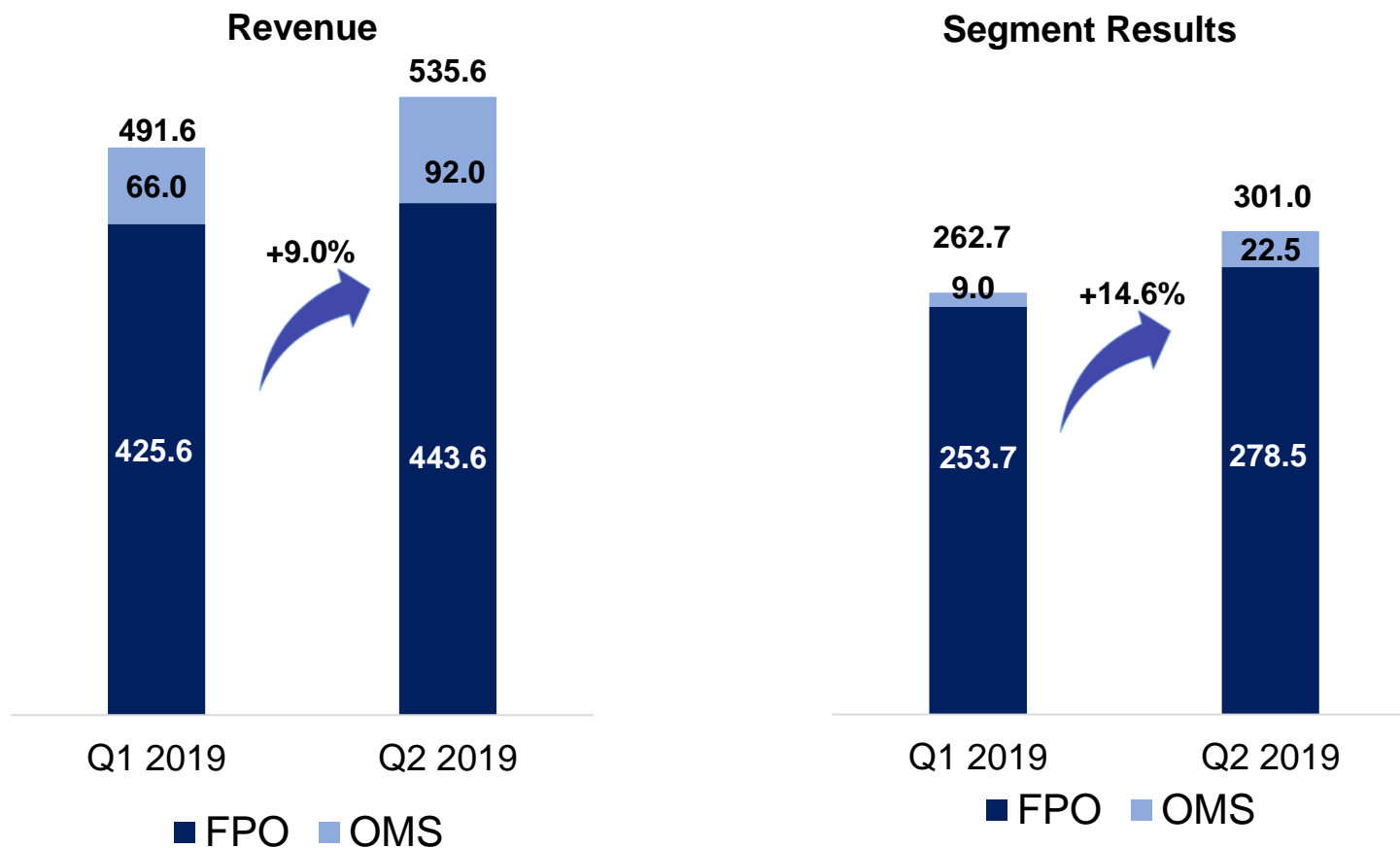


Key takeaways

- Revenue in Q2 2019 increased by 9.0% to RM535.6 million compared to Q1 2019
- Q2 2019 versus Q1 2019
 - FPO revenue increased by 4.2% to RM443.6 million
 - OMS revenue increased by 39.4% to RM92.0 million
 - FPO segment results increased by 9.7% to RM278.5 million
 - OMS segment results increased by >100% to RM22.5 million
 - Net profit ⁽¹⁾ increased by 25.7% to RM78.2 million
 - The Group's total order book as at 30 June 2019 was RM28.8 billion (RM18.9 billion of firm contracts and RM9.9 billion of optional extensions)

⁽¹⁾ Attributable to Owners of the Company

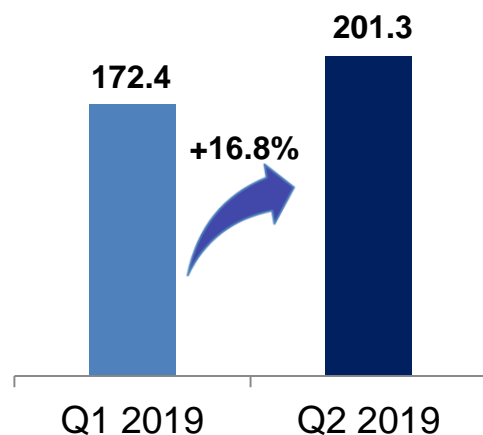
Results Overview – Q2 2019 vs. Q1 2019 (RM'm)



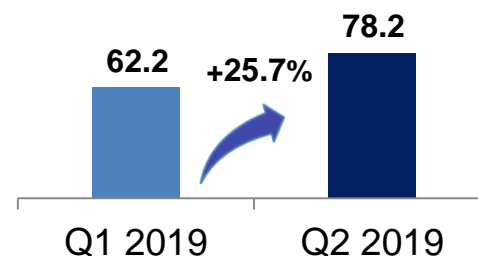
- **FPO revenue and results increased** mainly due to higher contribution from Armada Kraken FPSO and Armada Olombendo FPSO
- **OMS revenue and results increased** due to improved OSV vessel average utilisation rates to 51% in Q2 2019 as compared to 39% in Q1 2019

Results Overview – Q2 2019 vs. Q1 2019 (RM'm)

Operating Profit before Impairment ⁽¹⁾



Net Profit ⁽²⁾

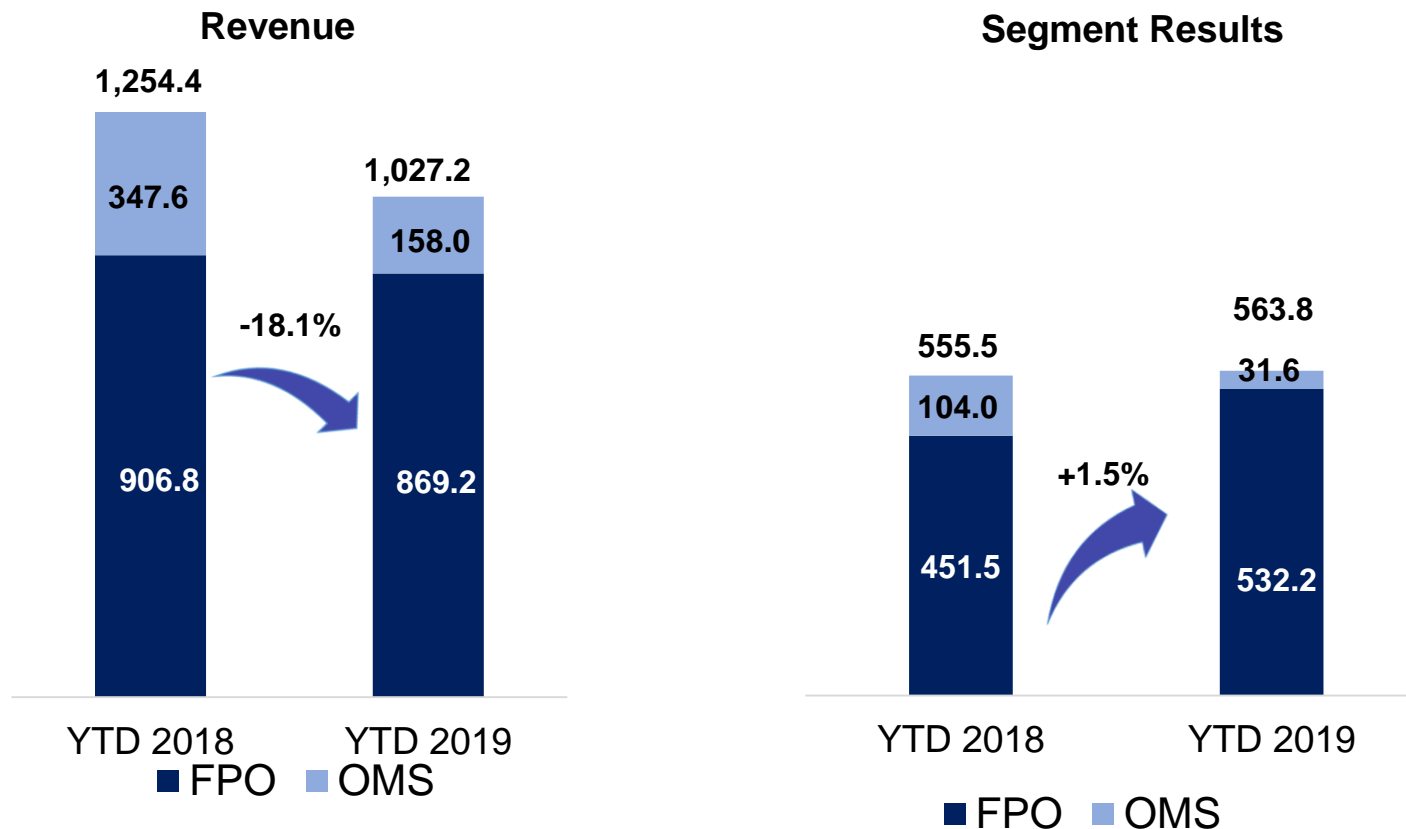


- **Operating profit before impairment and net profit increased** due to higher contribution from Armada Olombendo FPSO and higher OSV utilisation in Q2 2019

(1) Net allowance for impairment losses

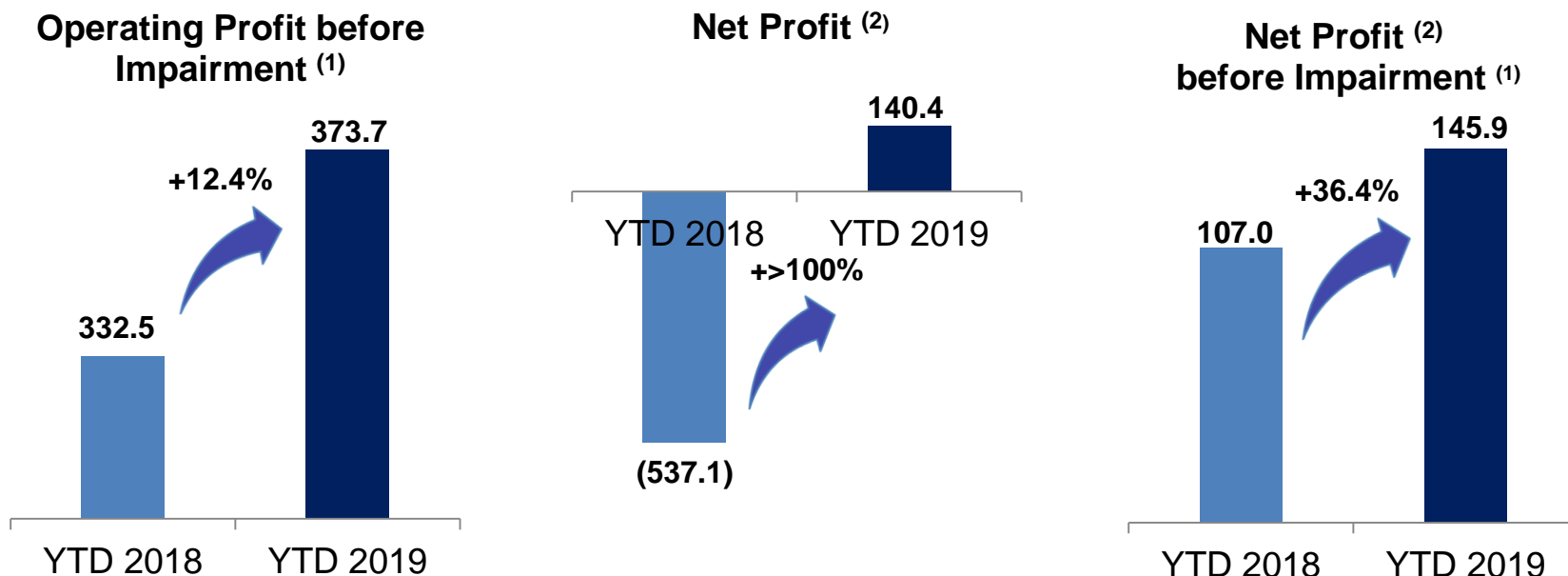
(2) Attributable to Owners of the Company

Results Overview – YTD 2019 vs. YTD 2018 (RM'm)



- **FPO revenue decreased** due to lower revenue from Armada TGT FPSO subsequent to the signing of the extension agreement in August 2018
- **FPO results increased** due to higher contribution from Armada Kraken FPSO and Armada Olombendo FPSO
- **OMS revenue and results decreased** due to completion of the LukOil project in the Caspian Sea in December 2018

Results Overview – YTD 2019 vs. YTD 2018 (RM'm)



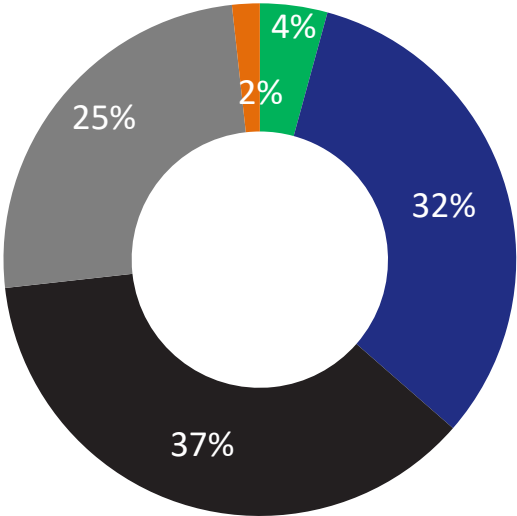
- **Operating profit before impairment increased** due to lower depreciation as a result of impairment losses recognised during the financial year ended 31 December 2018
- **Higher net profit attributable to Owners of the Company** due to impairment losses and net allowance for impairment losses on receivables in YTD 2018
- Excluding the allowance for impairment losses, the Group would have reported a net profit of RM107.0 and RM145.9 million in YTD 2018 and YTD 2019 respectively.

⁽¹⁾ Impairment on vessels and net allowance for impairment losses

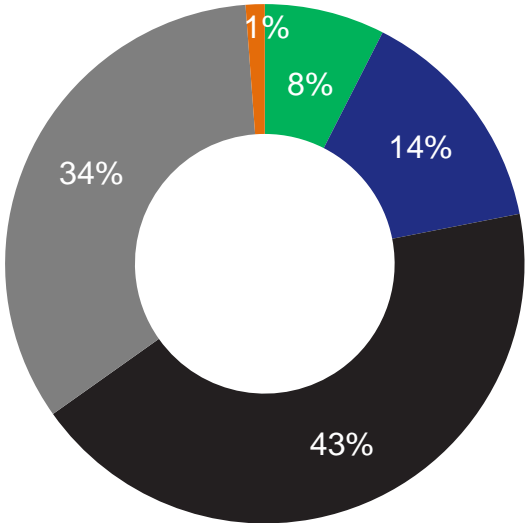
⁽²⁾ Attributable to Owners of the Company

Revenue composition by geographical %

YTD 2018



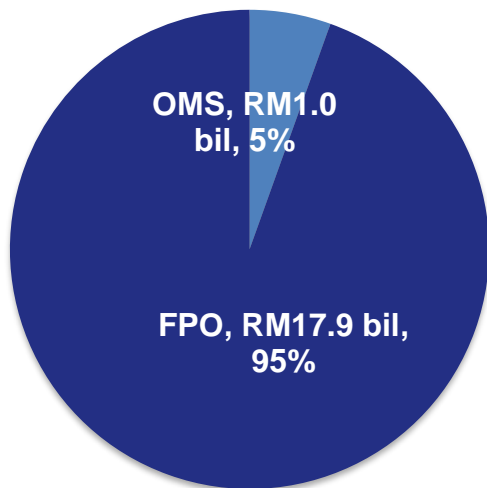
YTD 2019



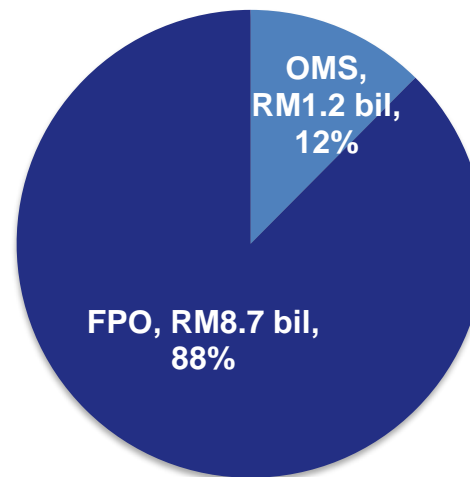
- Malaysia
- Asia (excluding Malaysia)
- Middle East & Africa
- Europe
- Latin America

Order book as at 30 June 2019

As at 30 June 2019, the Group's firm order book stood at RM18.9 bil compared to RM19.3 bil as at 31 March 2019. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential value of RM9.9 bil over the entire optional extension period.



Firm contract period order book: RM18.9 bil



Optional extension period order book: RM9.9 bil

Outlook



Forward strategy

- Maintain focus on HSSEQ
- Performance of Armada Kraken FPSO
- Reduce costs and debt
- Monetise selected assets
- Secure charters for the OMS vessels

Q&A

