

BUMI ARMADA Q2 2018 ANALYST BRIEFING

29th August 2018



BUMIARMADA

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Agenda

1. Operational & Project Updates
2. Q2 2018 Financials
3. Outlook
4. Q&A

Operational & Project Updates



FPO Updates

Project Updates:

- Armada Kraken:
 - I. Amendment to bareboat charter (AA2) has been signed
 - II. Now enabling progression towards final acceptance.
 - III. Mitigates various exposures under the original contract.

Operating Vessels:

- Armada TGT 1 – Contract extension agreed and signed, 6 years 4 months.
- Armada Perdana – Client case converted to Chapter 7. Discussions ongoing for offload of the oil stored in the FPSO cargo tanks.



OMS Updates

OSV

- Vessel utilisation 39% in Q2 2018, compared to 38% in Q1 2018.

Subsea Construction

- Armada Installer completed pipe laying operations in June for Lukoil 2018 scope and demobilised vessel.
- Armada Constructor working on post - trenching & backfilling operations for Lukoil 2018 campaign.



Q2 2018 Financials



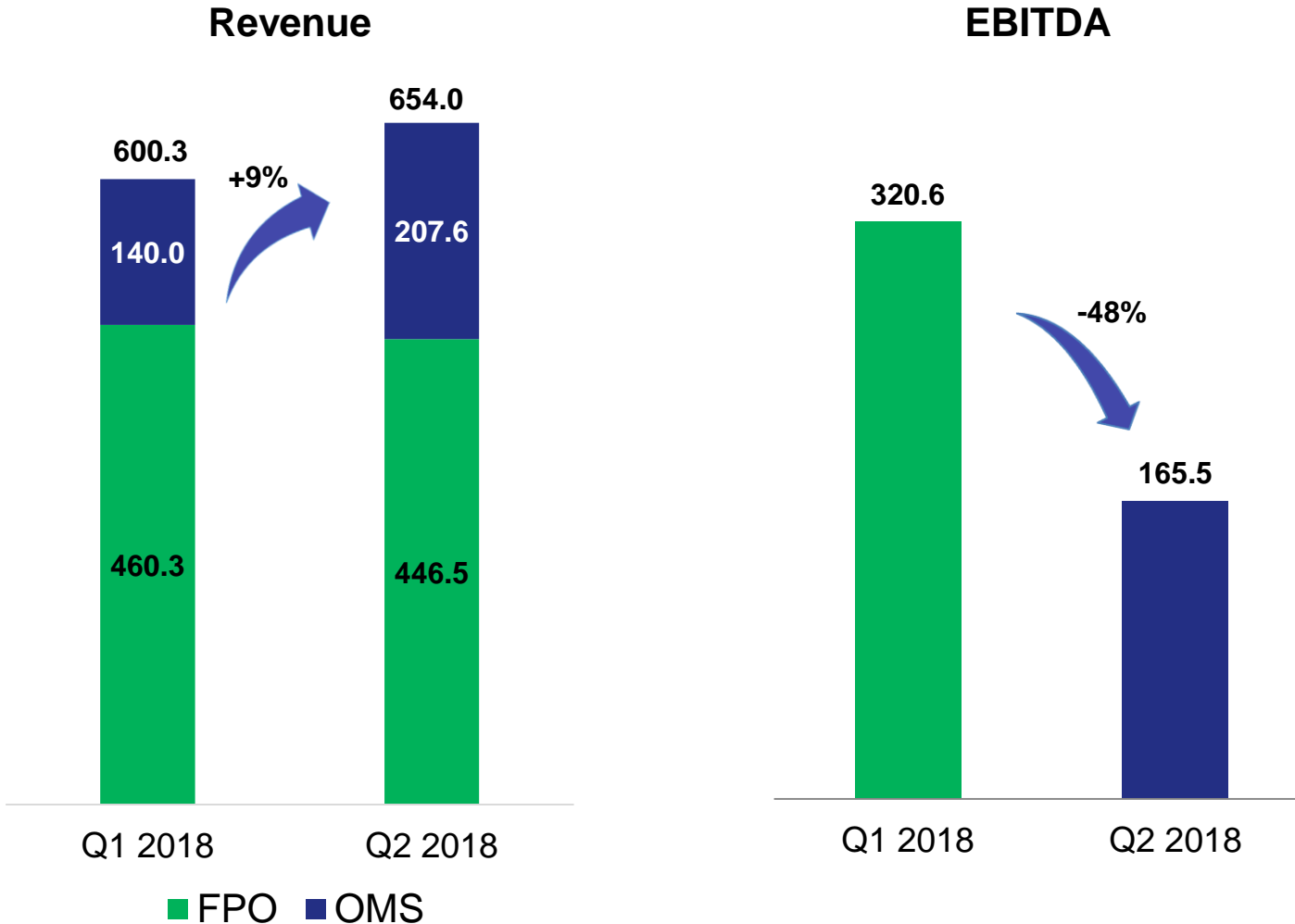
Key takeaways

- Revenue in Q2 2018 increased by 8.9% to RM654.0 million compared to Q1 2018.
- An impairment charge of RM478.9 was recognised in Q2 2018 in FPO segment (Armada Kraken FPSO and Armada Gema).
- Q2 2018 versus Q1 2018
 - FPO revenue decreased by 3.0% to RM446.5 million
 - OMS revenue increased by 48.3% to RM207.6 million
 - EBITDA⁽¹⁾ decreased by 48.4% to RM165.5 million
 - Net profit ⁽²⁾ decreased by >100% to loss of RM585.5 million
 - Excluding impairment of vessels, The Group posted net loss ⁽²⁾ of RM106.6 million
- The Group's total order book as at 30 June 2018 was RM32.0 billion (RM20.2 billion of firm contracts and RM11.8 billion of optional extensions).

⁽¹⁾ Earnings before interest, tax, depreciation, amortisation and impairment

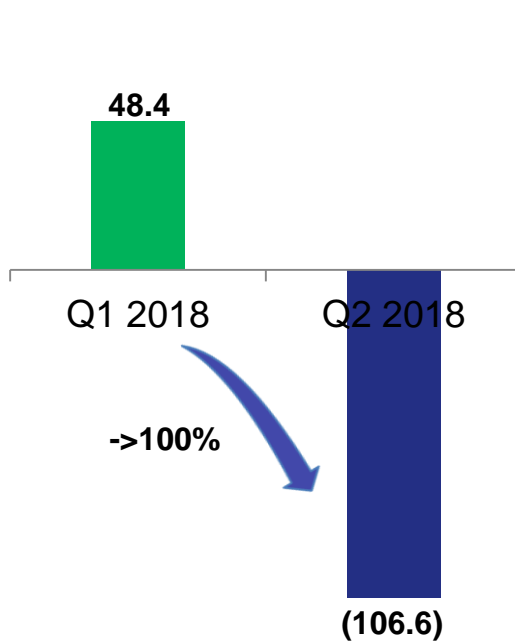
⁽²⁾ Attributable to Owners of the Company

Results Overview – Q2 2018 vs. Q1 2018 (in RM'mil)

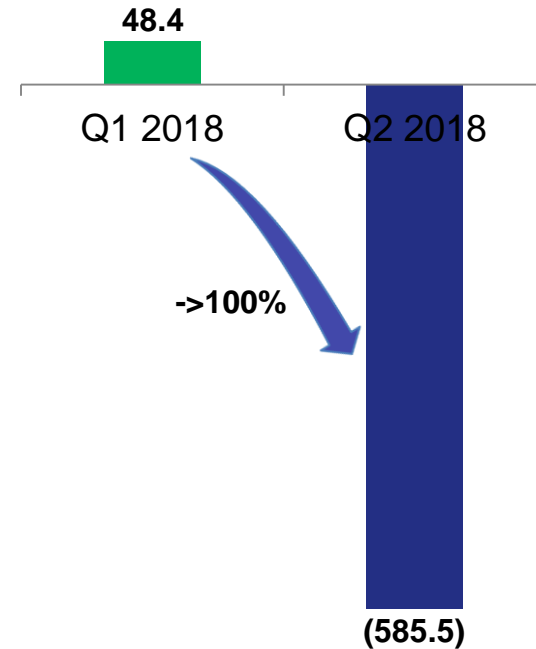


Results Overview – Q2 2018 vs. Q1 2018 (in RM'mil) (Continued)

**Net Profit/(Loss) ⁽¹⁾
before impairment**



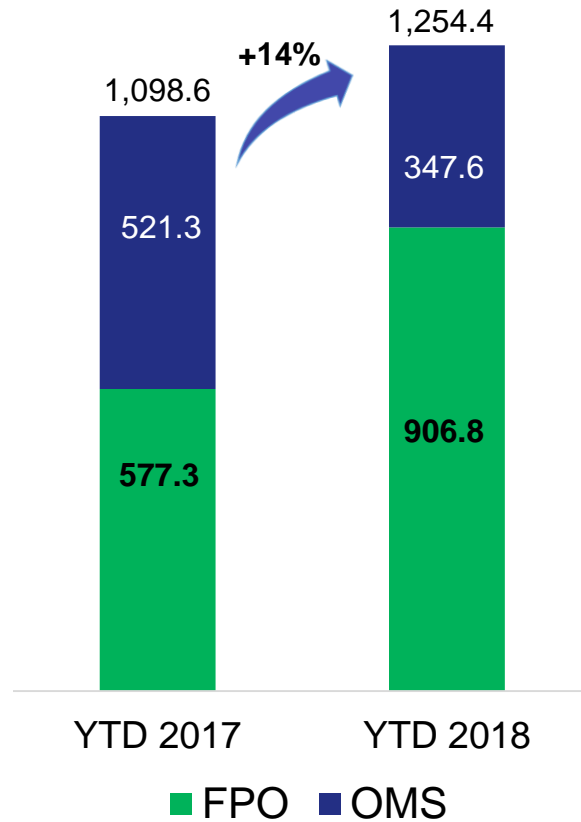
**Net Profit/(Loss) ⁽¹⁾
after impairment**



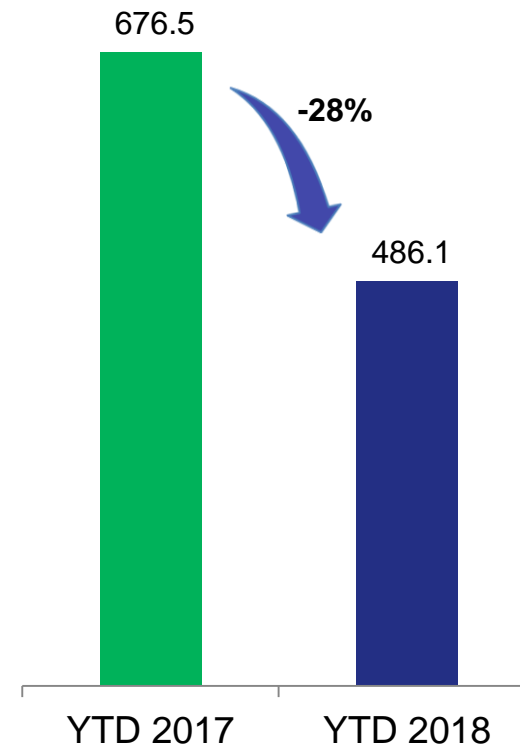
(1) Attributable to Owners of the Company

Results Overview – YTD 2018 vs. YTD 2017 (in RM'mil)

Revenue



EBITDA

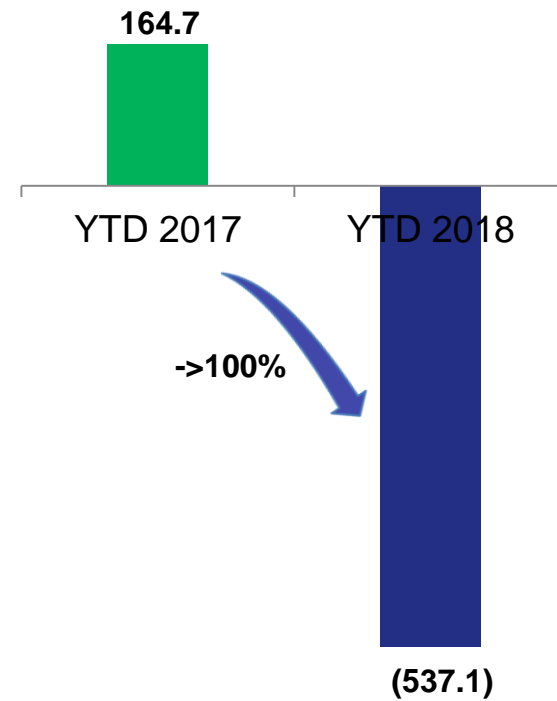


Results Overview – YTD 2018 vs. YTD 2017 (in RM'mil) (Continued)

**Net Profit/(Loss) ⁽¹⁾
before impairment**



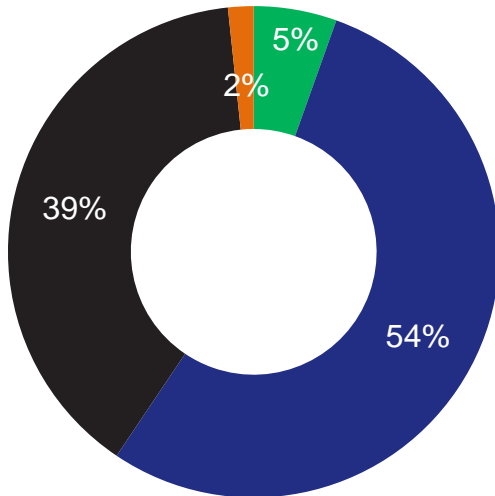
**Net Profit/(Loss) ⁽¹⁾
after impairment**



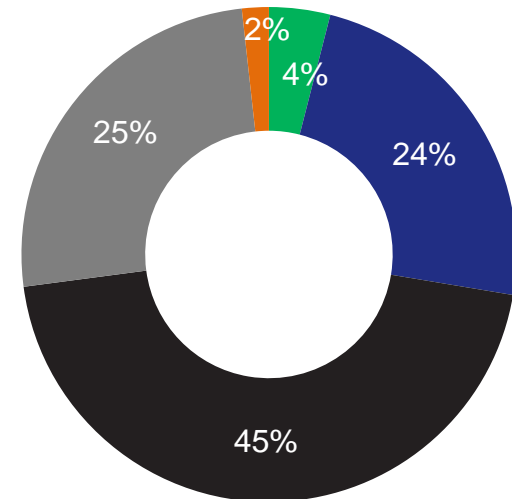
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Revenue composition by geographical %

YTD 2017



YTD 2018



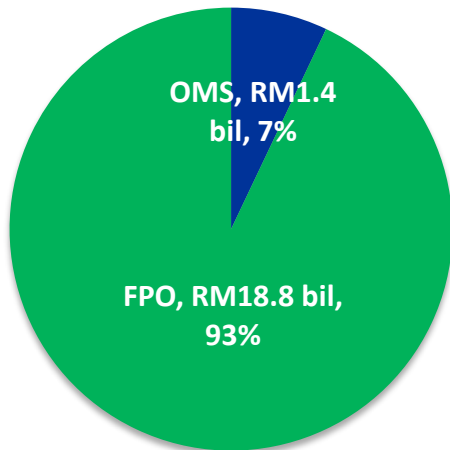
- Malaysia
- Asia (excluding Malaysia) and Australia
- Middle East & Africa
- Europe
- Latin America



Order book as at 30 June 2018

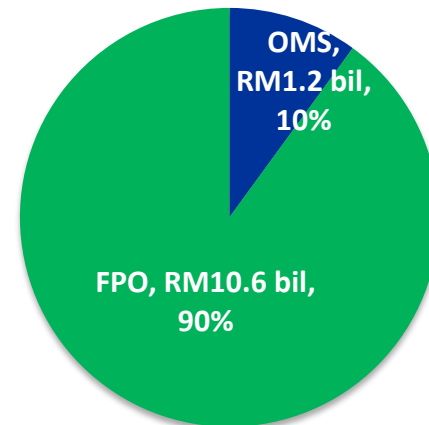
As at 30 June 2018, the Group's firm order book stood at RM20.2 bil compared to RM20.7 bil as at 31 March 2018*. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential value of RM11.8 bil over the entire option periods.

- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM20.2bil

- The breakdown of order book with optional contract period by business segments (fleets) is as follows:



Optional extension period order book: RM11.8 bil

* The Group's firm order book as at 31 March 2018 was revised from RM26.2 bil to RM20.7 bil due to error in computation.

Outlook



Outlook

FPO

- Acceptance of Kraken FPSO
- Focus on key proposals
- Armada Claire, Perdana redeployment opportunities

OMS

- OSV: Focus on business to be cash flow positive
- Subsea: Completion of Lukoil 2018 campaign, building orderbook 2019 & beyond

CORPORATE

- Focus on strengthening balance sheet
- Safety culture and operational excellence

Q&A



Thank You



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