

# BUMI ARMADA Q3 2018 ANALYST BRIEFING

23<sup>rd</sup> November 2018



BUMIARMADA



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# Agenda

1. Operational & Project Updates
2. Q3 2018 Financials
3. Outlook
4. Q&A

# Operational & Project Updates



## FPO Updates

- Armada TGT 1 – 6-yr and 3-mth extension signed in Vietnam on 3 August.
- Armada Kraken – Achieved final acceptance for Armada Kraken on 4 September.
- Maintaining high uptimes on our operating vessels.
- Armada Perdana – Process ongoing for offload of the oil stored in the FPSO cargo tanks.
- Sale of Armada Ulysses.



# OMS Updates

## OSV

- Vessel utilisation 43% in Q3 2018 and 38% in Q2 2018.
- Reviewed OSV Strategy.

## Subsea Construction

- Completed Lukoil 2018 campaign:
  - Armada Installer completed pipe laying operations in June.
  - Armada Constructor completed post - trenching work in October.
- Armada KPI mobilised in September for work in Indonesia.



# Q3 2018 Financials



## Key takeaways

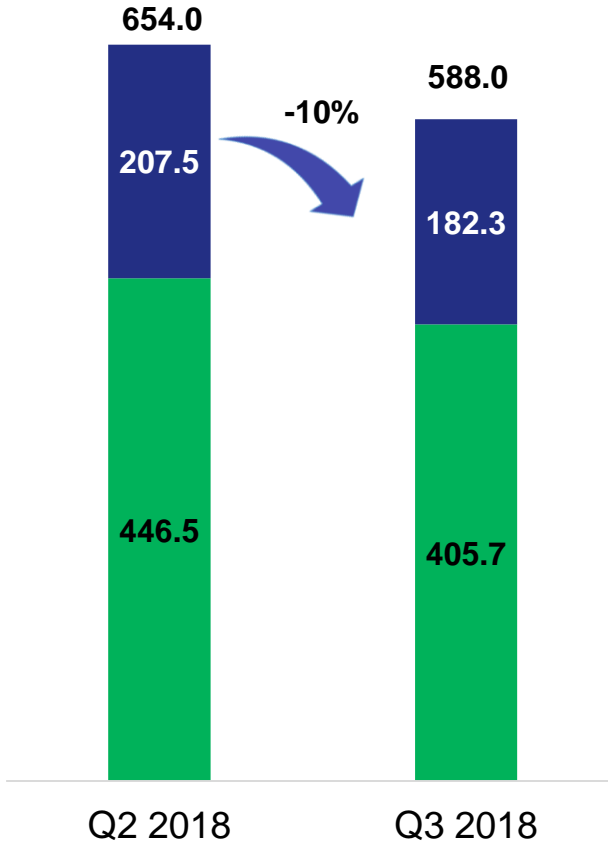
- Revenue in Q3 2018 decreased by 10.1% to RM588.0 million compared to Q2 2018.
- Q3 2018 versus Q2 2018
  - FPO revenue decreased by 9.1% to RM405.7 million
  - OMS revenue decreased by 12.2% to RM182.3 million
  - FPO segment results increased by 18% to RM196.5 million
  - OMS segment results decreased by 40% to RM44.6 million
  - Net loss <sup>(1)</sup> decreased by 14% to RM502.8 million
- Q3 2018 impairment of vessels relates to the following:
  - Impairment of certain OSV vessels of RM522.1 million. The impairment assessment is being carried out due to lower than expected financial performance of the OSV segment.
  - Impairment of a FPSO vessel which has been designated as asset held for sale to its fair value.
- The Group's total order book as at 30 Sept 2018 was RM31.3 billion (RM21.0 billion of firm contracts and RM10.3 billion of optional extensions).

<sup>(1)</sup> Attributable to Owners of the Company



# Results Overview – Q3 2018 vs. Q2 2018 (in RM'mil)

## Revenue



## Segment Results



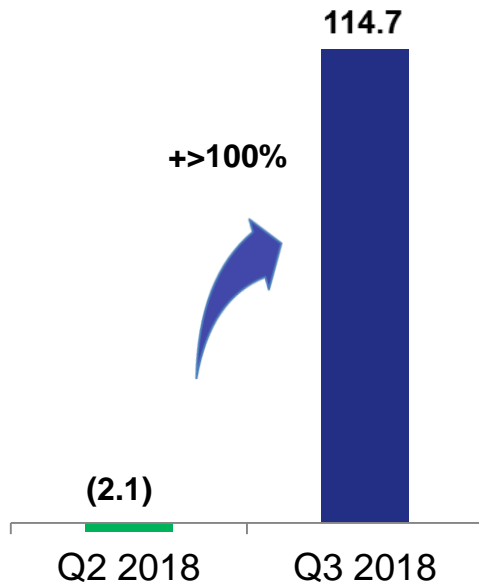
■ FPO ■ OMS

■ FPO ■ OMS

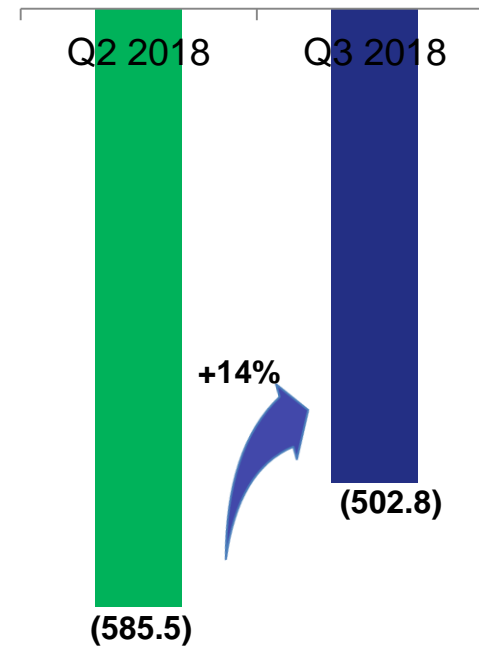


# Results Overview – Q3 2018 vs. Q2 2018 (in RM'mil) (Continued)

## Operating (Loss)/ Profit before Impairment <sup>(1)</sup>



## Net Loss <sup>(2)</sup>



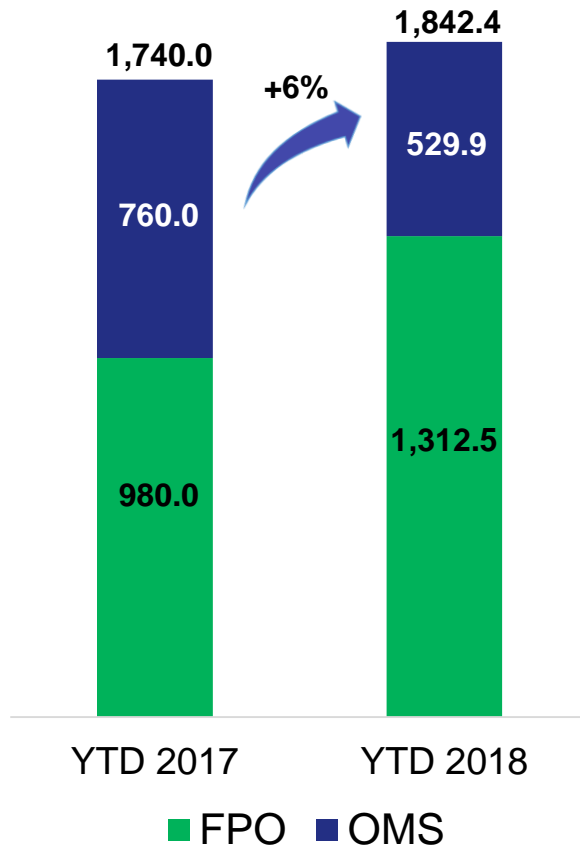
(1) Impairment on vessels

(2) Attributable to Owners of the Company

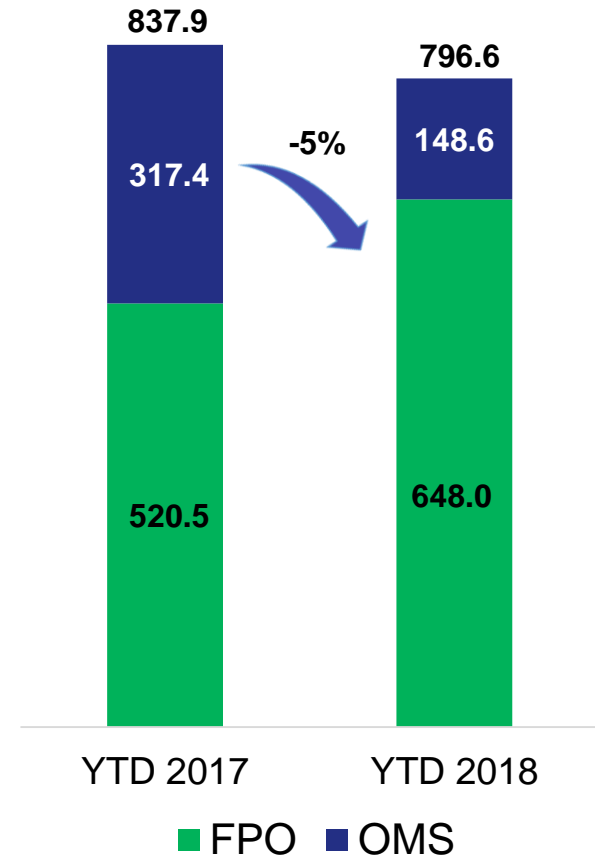


# Results Overview – YTD 2018 vs. YTD 2017 (in RM'mil)

## Revenue

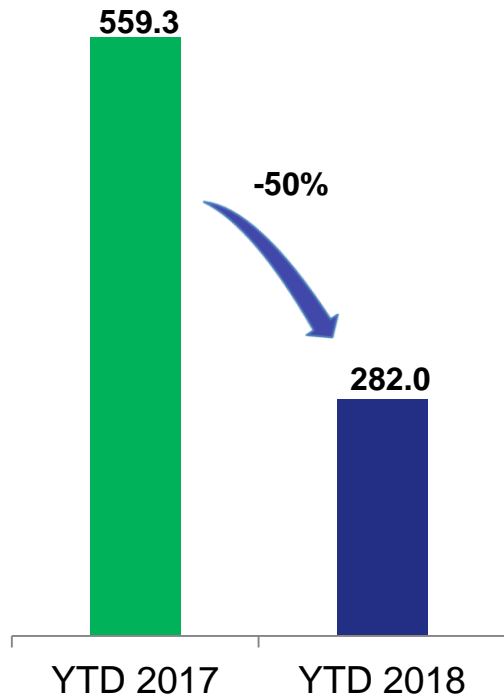


## Segment Results

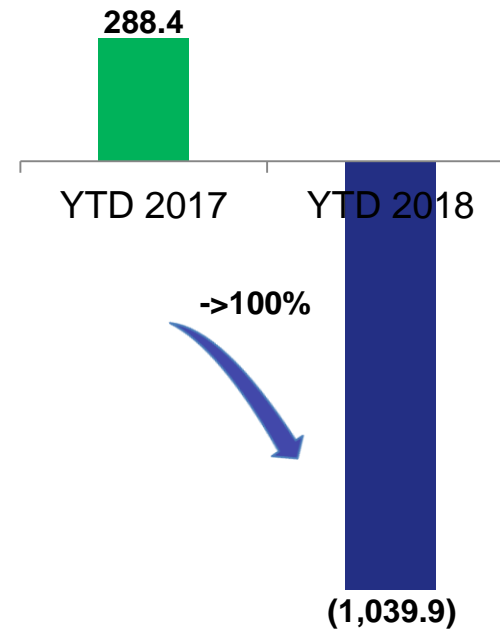


# Results Overview – YTD 2018 vs. YTD 2017 (in RM'mil) (Continued)

## Operating Profit before Impairment <sup>(1)</sup>



## Net Profit/(Loss) <sup>(2)</sup>



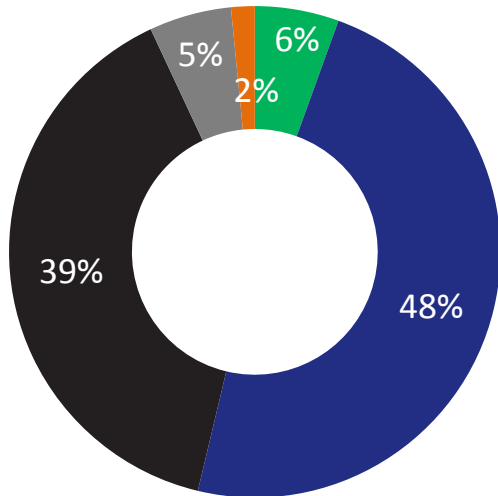
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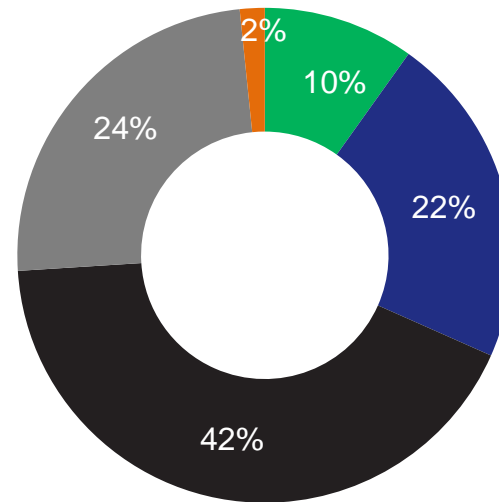


# Revenue composition by geographical %

## YTD 2017



## YTD 2018

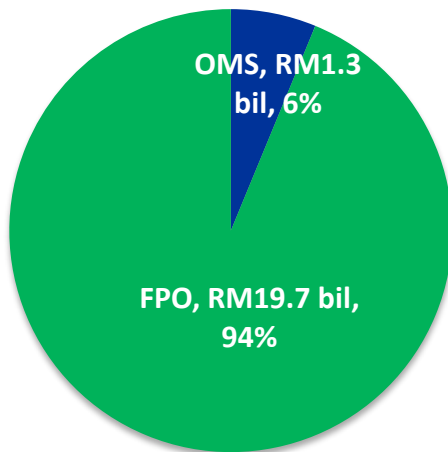


- Malaysia
- Asia (excluding Malaysia) and Australia
- Middle East & Africa
- Europe
- Latin America

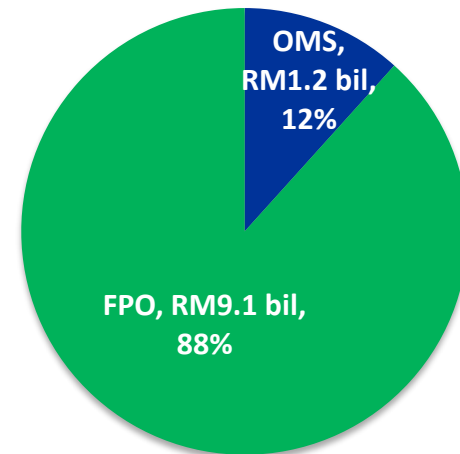


## Order book as at 30 September 2018

As at 30 September 2018, the Group's firm order book stood at RM21.0 bil compared to RM20.2 bil as at 30 June 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 RM10.3 bil over the entire option periods.



Firm contract period order book: RM21.0bil



Optional extension period order book: RM10.3 bil

# Outlook



# Outlook

## Focus areas going forward:

- Safety culture and operational excellence
- Managing our costs
- Refinancing corporate debt
- Strengthening our balance sheet
- Generating cash flow across the businesses



# Q&A



# Thank You



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