

# BUMI ARMADA Q4 2018 ANALYST BRIEFING

1<sup>st</sup> March 2019



BUMIARMADA



# Disclaimer

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# Agenda

1. Operational & Project Updates
2. Q4 2018 Financials
3. Outlook
4. Q&A

# Operational & Project Updates



# FPO Updates

- Challenges continue on Armada Kraken
- Other FPO units continue to maintain high performance
- Armada Perdana – Process ongoing for offload of the oil stored in the FPSO cargo tanks
- Continue to review options for Armada Claire
- Woodside court case has commenced



# OMS Updates

## OSV

- Vessel utilisation 38% in Q4 2018 and 43% in Q3 2018.
- Disposed of 1 vessel in Q4 2018
- Several other vessels currently under negotiation for sale

## Subsea Construction

- Waiting for decisions on bids for work in the Caspian.
- Armada KPI mobilised in September for work in Indonesia.



# Q4 2018 Financials





## Key takeaways

- Revenue in Q4 2018 decreased by 2.0% to RM576.3 million compared to Q3 2018
- Q4 2018 versus Q3 2018
  - FPO revenue decreased by 6.0% to RM381.4 million
  - OMS revenue increased by 6.9% to RM194.9 million
  - FPO segment results decreased by 21.9% to RM153.4 million
  - OMS segment results increased by 31.2% to RM58.5 million
  - Net loss<sup>(2)</sup> increased by >100% to RM1,262.9 million
  - Net profit before impairment<sup>(1)(2)</sup> decreased by 54% to RM34.3 million due to higher allowance for impairment losses for trade receivables and amount due from a joint venture of RM96.7 million
  - The Group's total order book as at 31 Dec 2018 was RM30.5 billion (RM20.2 billion of firm contracts and RM10.3 billion of optional extensions)

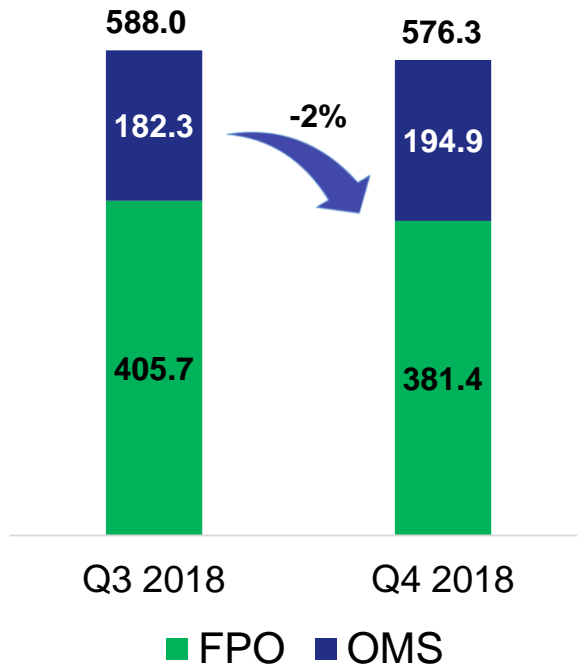
<sup>(1)</sup> Impairment on vessels

<sup>(2)</sup> Attributable to Owners of the Company

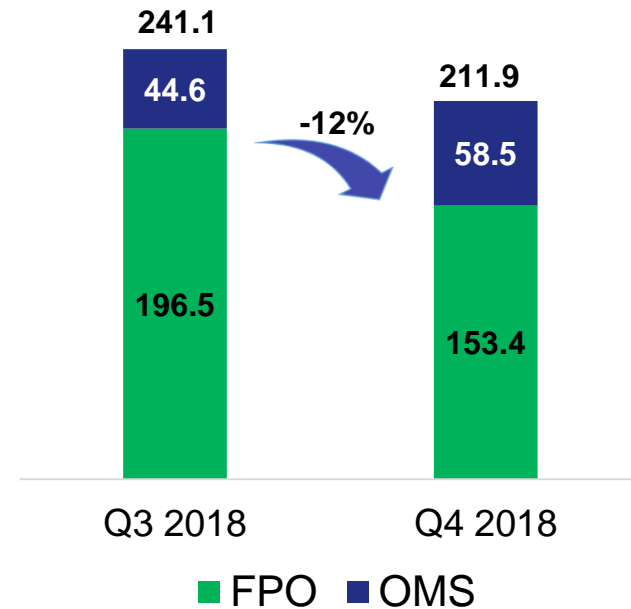


# Results Overview – Q4 2018 vs. Q3 2018 (in RM'mil)

## Revenue



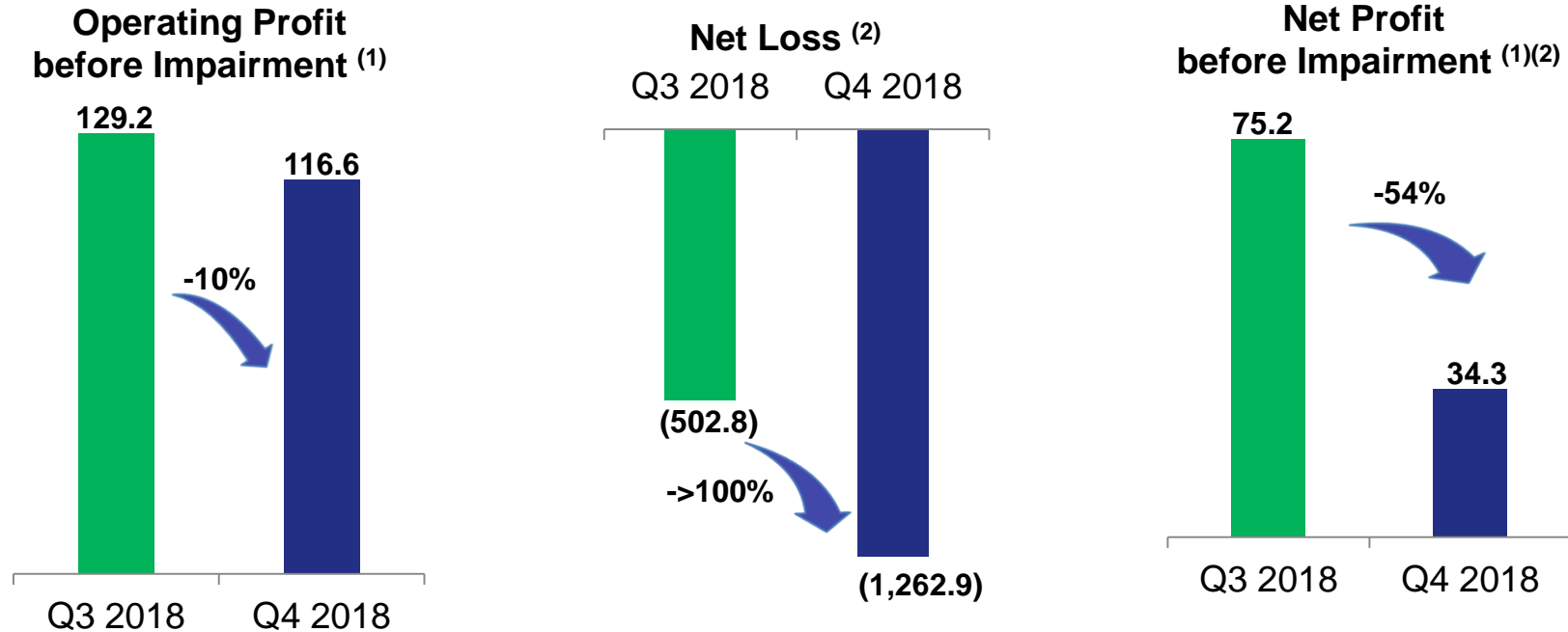
## Segment Results



- **FPO revenue and results decreased** due to lower revenue from Armada TGT FPSO and Armada Kraken FPSO
- **OMS revenue and results increased** due to recognition of variation order for the LukOil project in Q4 2018



# Results Overview – Q4 2018 vs. Q3 2018 (in RM'mil) (Continued)



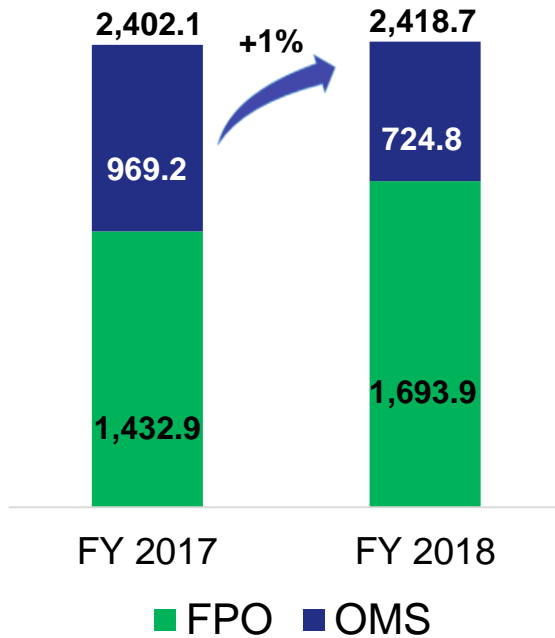
- **Operating profit before impairment decreased** due to Armada TGT FPSO and Armada Kraken FPSO, offset by the increase on OMS operating profits due to recognition of variation order for the LukOil project in Q4 2018
- **Higher net loss attributable to owners of the Company** due to impairment recognised for Armada Kraken FPSO and certain OSV vessels, and additional allowance for impairment losses
- Excluding the vessel impairments and allowance for impairment losses, the Group would have reported a net profit of RM34.3 million in Q4 2018

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

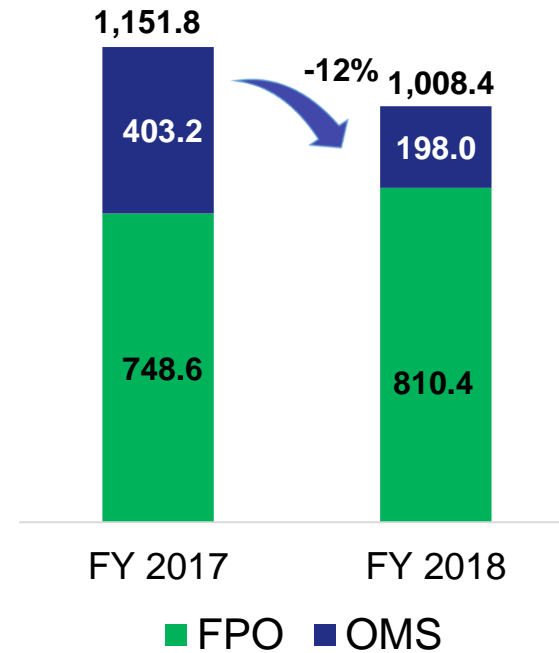
(2) Attributable to Owners of the Company

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

## Revenue



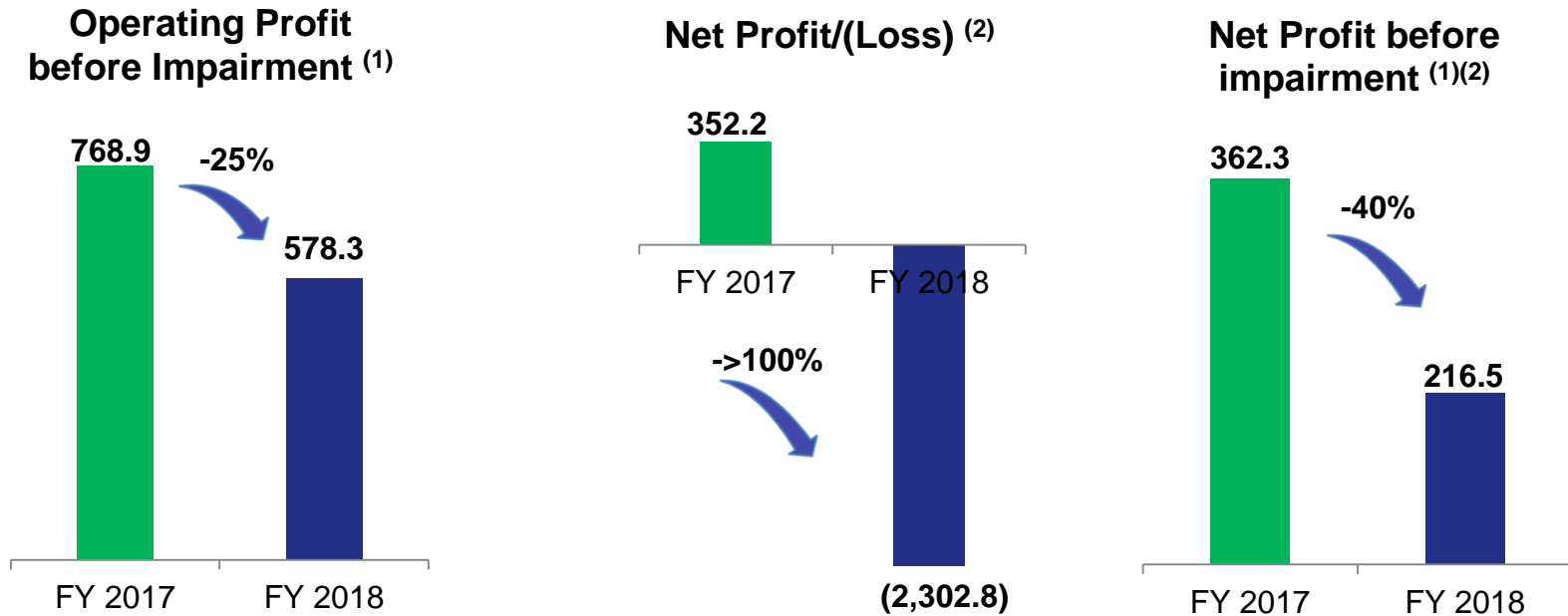
## Segment Results



- **FPO revenue and results increased** due to full year revenue recognised for Armada Olombendo FPSO and Armada Kraken FPSO
- **OMS revenue and results decreased** due to lower OSV vessel utilisation and one-off revenue recognised on work completed on the LukOil project arising from the signing of the supplementary agreement in 2017



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



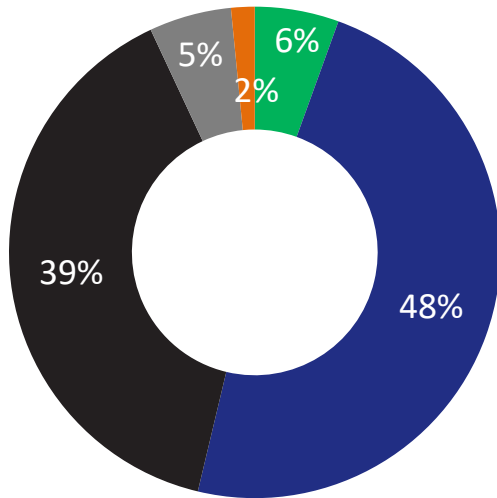
- **Operating profit before impairment decreased** due to lower OSV vessel utilisation and one-off revenue recognised on work completed on the LukOil project arising from the signing of supplementary agreement in 2017, offset by the increased contribution from Armada Kraken FPSO and Armada Olombendo FPSO
- **Higher net loss attributable to owners of the Company** due to impairment recognised for Armada Kraken FPSO and OSV vessel equipment and drydocking costs, and additional allowance for impairment losses
- Excluding the vessel impairments and allowance for impairment losses, the Group would have reported a net profit of RM216.5 million in FY 2018

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

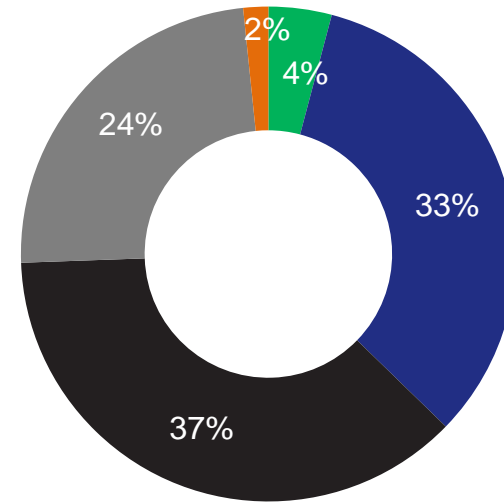
(2) Attributable to Owners of the Company

# Revenue composition by geographical %

FY 2017



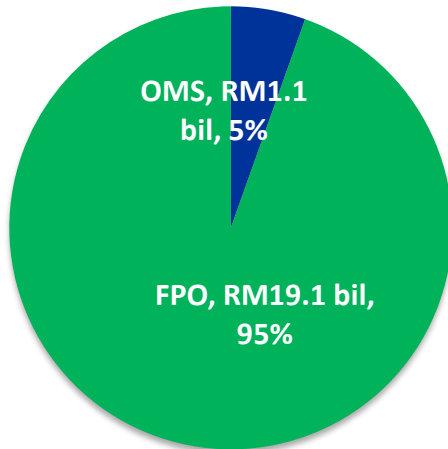
FY 2018



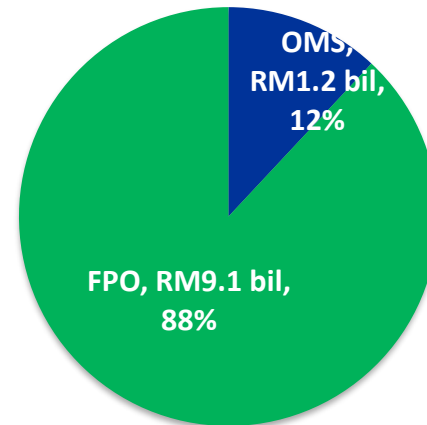
- Malaysia
- Asia (excluding Malaysia) and Australia
- Middle East & Africa
- Europe
- Latin America

## Order book as at 31 December 2018

As at 31 December 2018, the Group's firm order book stood at RM20.2 bil compared to RM21.0 bil as at 30 Sept 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: RM20.2bil



Optional extension period order book: RM10.3 bil

# Outlook





# Outlook

## Focus areas going forward:

- Safety culture and operational excellence
- Refinance our corporate debt
- Strengthen our balance sheet
- Cost management

# Q&A



# Thank You



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