Q3 2015 Financial Results

20 November 2015

BUMIARMADA

"Knots Ahead of the Rest"

Disclaimer

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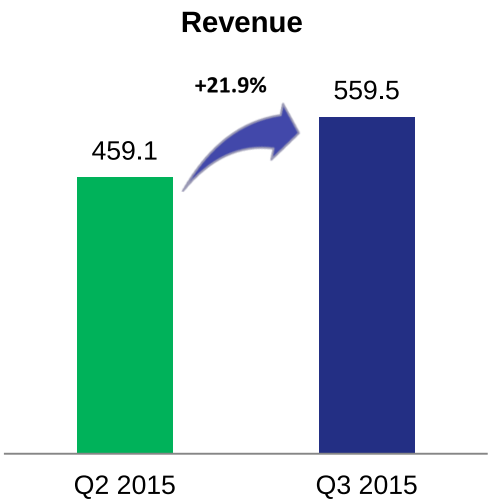
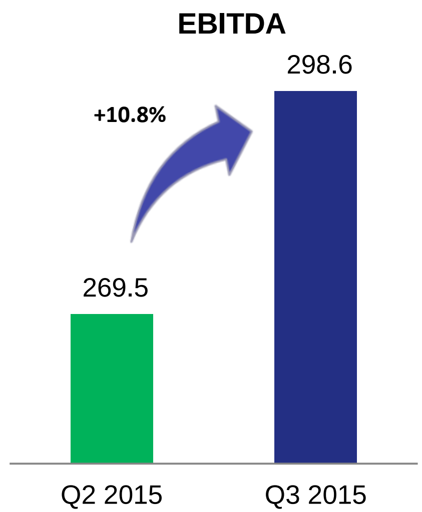
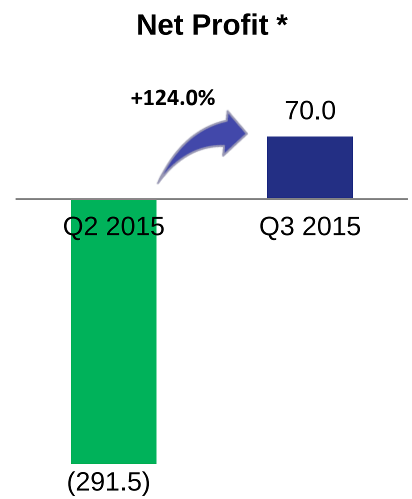
Key takeaways

- FPSO & FGS revenue increased 39.7% year-on-year from RM663.6 mil in YTD 2014 to RM927.4 mil in YTD 2015 and increased 34.7% quarter-on-quarter from RM271.1 mil in Q2 2015 to RM365.2 mil in Q3 2015.
- EBITDA increased 12.4% year-on-year from RM761.0 mil in YTD 2014 to RM855.1 mil in YTD 2015 and increased 10.8% quarter-on-quarter from RM269.5 mil in Q2 2015 to RM298.6 mil in Q3 2015.
- Q3 results included an impairment charge of available for sale financial assets of RM12.2 mil and a charge for staff retrenchment exercise of RM4.4 mil.
- Excluding the impairment charge, the Group would have posted an adjusted net profit of RM82.2 mil in Q3 2015 and RM248.6 mil in YTD 2015.
- OSV utilisation remained unchanged at 54% in Q3 2015 as compared to Q2 2015. All new FPSO and FGS conversions remain on track for delivery.
- Total order book stood at RM44.6 bil as at 30 September 2015 (comprising RM29.0 bil from firm period and RM15.6 bil from extension options).

Results Overview – Q3 2015 vs. Q2 2015 (in RM'mil)







Higher revenue due to:

- **Higher FPSO conversion activity driven by the Kraken and the Eni 1506 FPSO projects**
- **Higher OSV utilisation driven by Class A vessels**

Offset by:

- **Lower T&I activity as a result of reduce activity from the Lukoil project in the Caspian Sea**

Higher EBITDA due to:

- **Higher contributions from the FPSO conversion activity**
- **Higher share of results of joint ventures**

Offset by:

- **A charge related to the Lukoil project**
- **A charge for staff retrenchment exercise**
- **Non-repeat of a gain on disposal of a subsidiary in Q2**

- **Net core profit (excluding impairment charge) was RM82.2 mil for Q3 2015**
- **Impairment charge in Q3 2015 was RM12.2 as compared to RM383.6 mil in Q2 2015**

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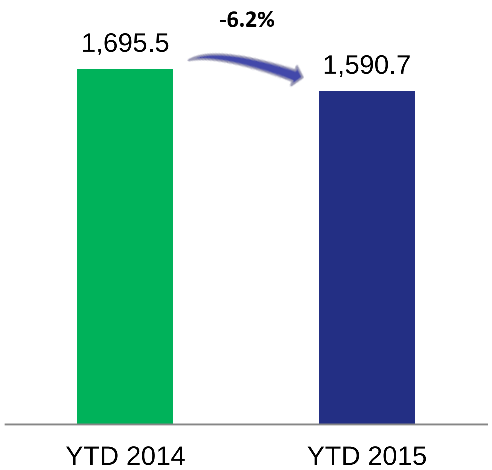
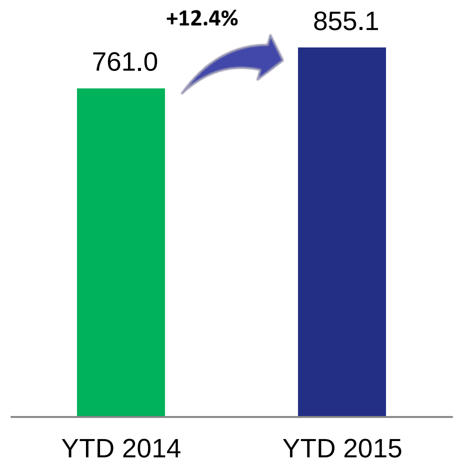
**Attributable to Bumi Armada shareholders*

Results Overview – YTD 2015 vs. YTD 2014 (in RM'mil)

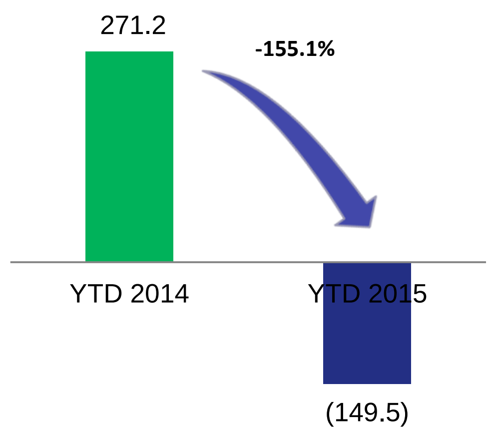
Revenue



EBITDA



Net Profit*



Lower revenue due to:
- **Decrease in OSV utilisation**
- **T&I activity as a result of reduced activity from the LukOil project in the Caspian Sea, and lower utilisation of the Armada Hawk and Armada Condor**

Offset by:
- **Higher conversion activity from the Kraken and Eni 1506 FPSO projects and the Armada LNG Mediterrana FGS project**

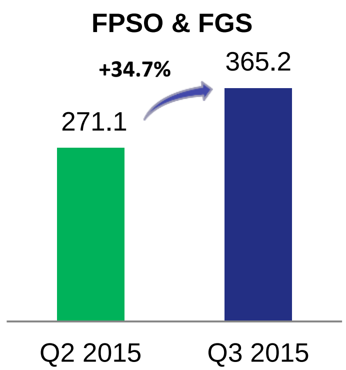
Higher EBITDA due to:
- **Higher contributions from FPSO and FGS conversion activities**
- **Higher share of results of joint ventures arising from conversion activity of the Madura FPSO project**

Offset by:
- **Lower contributions from OSV and T&I**
- **A charge for staff retrenchment exercise**

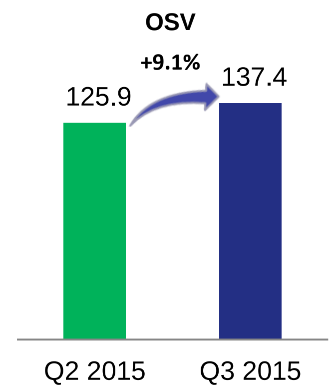
- **Net core profit (excluding impairment charge) was RM248.6 mil for YTD 2015**
- **Impairment charge in YTD 2015 was RM398.0 mil as compared to RM7.7 mil in YTD 2014**

Revenue composition by segments – Q3 2015 vs. Q2 2015 (in RM'mil)

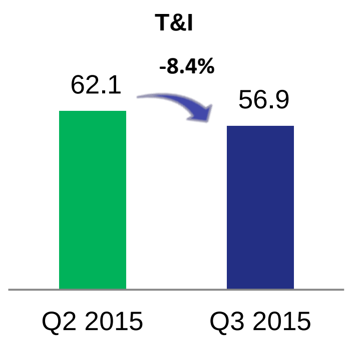
Performance in established segments driven by the underlying activities



Higher FPSO conversion activity driven by the Kraken and the Eni 1506 FPSO projects



Higher OSV utilisation driven by Class A vessels



Lower T&I activity as a result of reduce activity from the Lukoil project in the Caspian Sea

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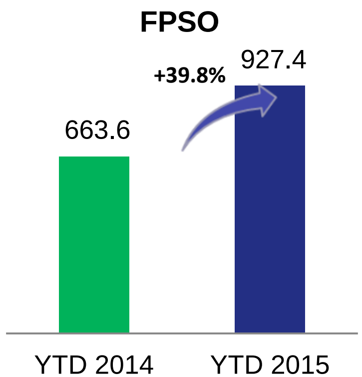
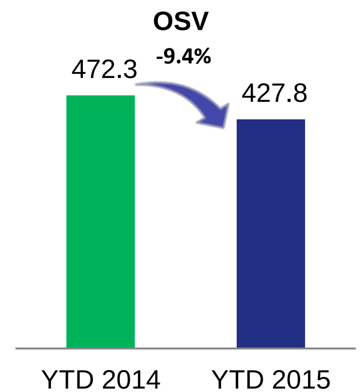
Revenue composition by segments – YTD 2015 vs. YTD 2014 (in RM'mil)

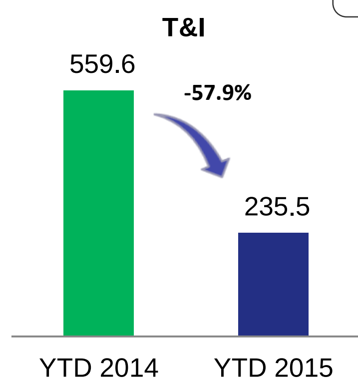
Performance in established segments driven by the underlying activities





Higher conversion activity from the Kraken and Eni 1506 FPSO projects and the Armada LNG Mediterrana FGS project

Decrease in OSV vessels utilisation



Lower T&I activity as a result of reduced activity from the LukOil project in the Caspian Sea, and lower utilisation of the Armada Hawk and Armada Condor

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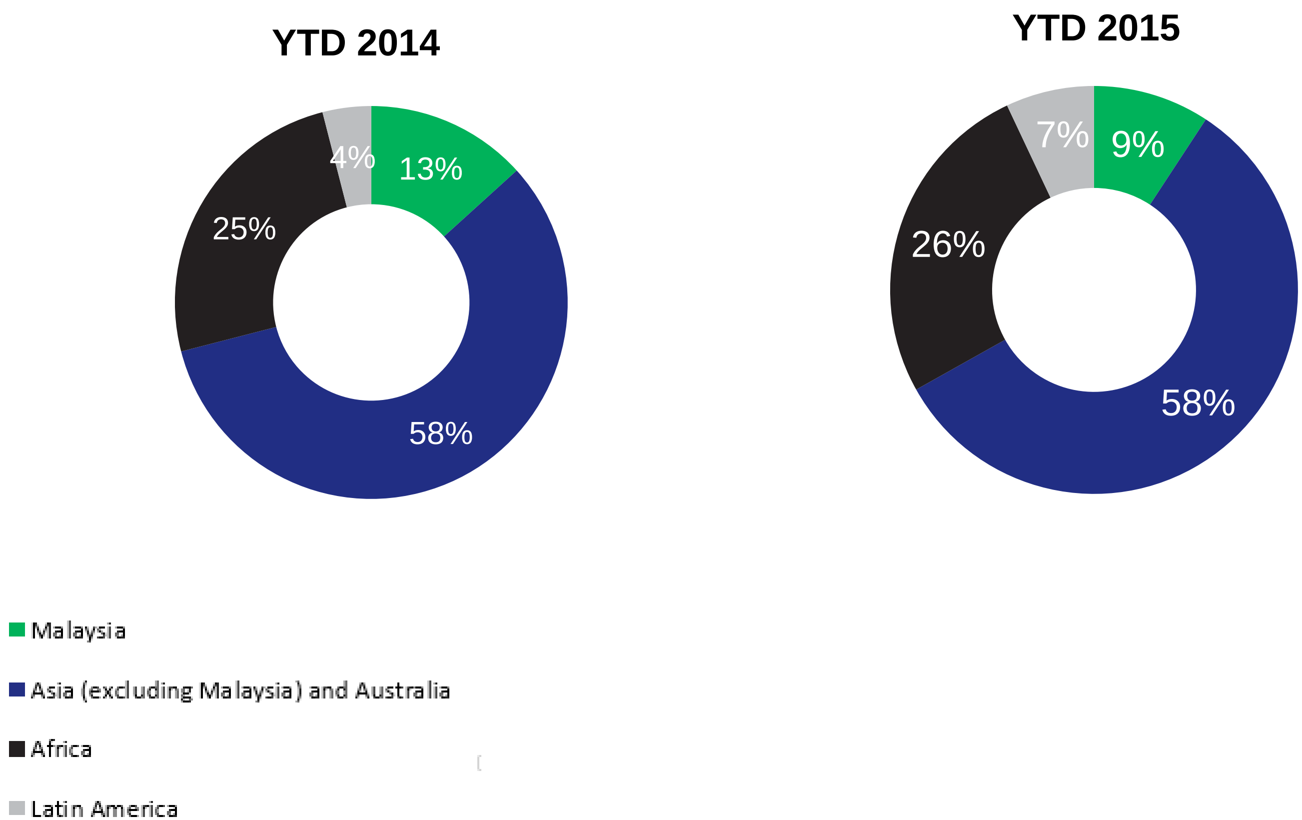
Revenue composition by geographical %

Malaysia based international company continued expansion across key regions



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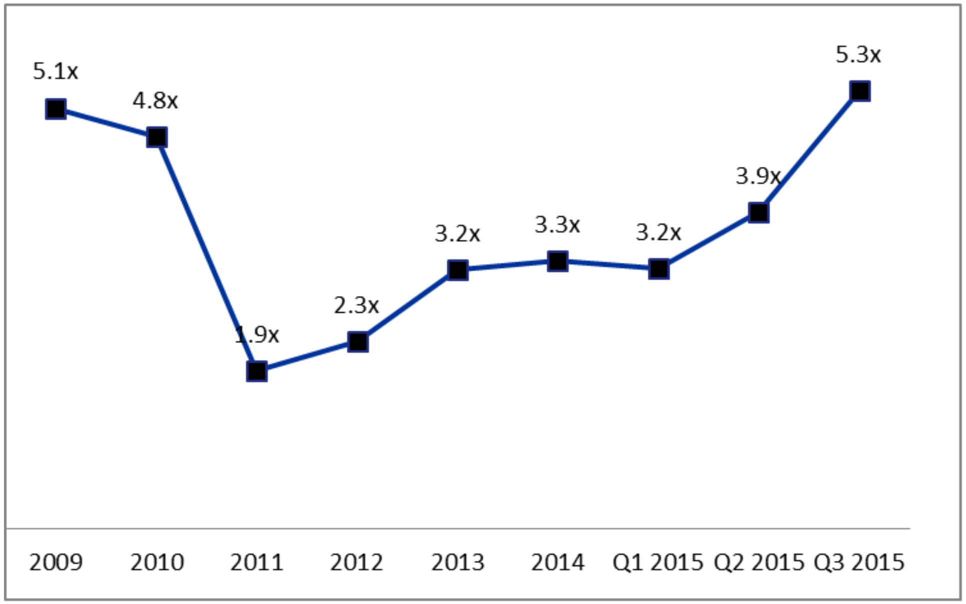
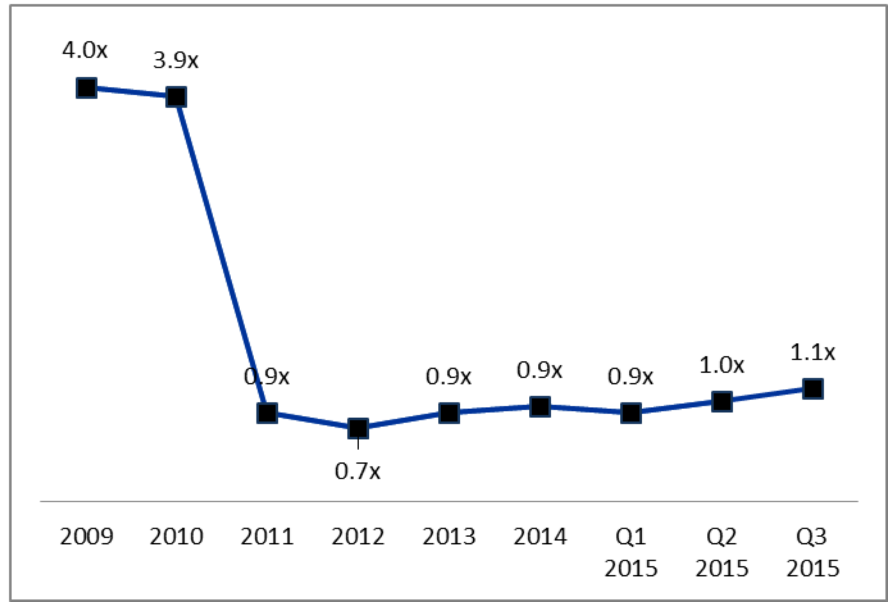
Leverage and capitalisation

Financial capacity intact to execute existing projects

Net Debt / EBITDA[1]



Gearing ratio[2]



[1] Calculated based on YTD 2015 EBITDA

[2] Gearing = Gross Debt / Shareholders Equity

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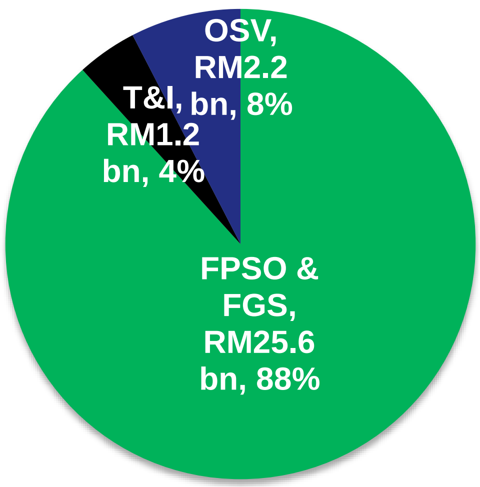
Order book as at 30 September 2015

Quality firm order book increases to RM29.0 bn (Q2: RM25.8 bn)

As at 30 September 2015, the Group's firm order book stood at RM29.0 bn compared to RM25.8 bn as at 30 June 2015. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on annual basis with a total potential contract sum of RM15.6 bn over the entire option periods.

Firm contract period

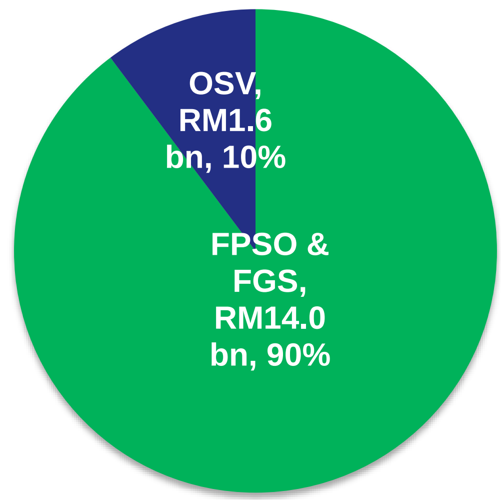
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM29.0bn*

Optional extension period

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



Optional extension period order book: RM15.6bn*

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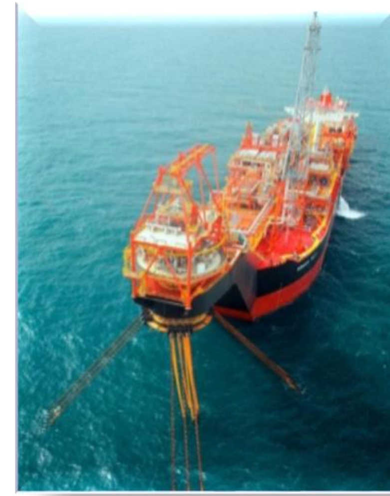
In summary

- Market remains challenging with oil prices trading between USD40-50/barrel.
- The FPSO and FGS businesses remain the core of the Company, generating 58% of the Group revenue for the first nine months of 2015.
- Focus on cost management and efficiency to continue.
- Major projects under conversion remain on-track.
- Long-term fundamentals remain intact, underpinned by our new FPSO and FGS projects and firm order-book of RM29.0 billion.

Thank you.



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