

Q3 2016 Briefing

23rd November 2016



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Agenda

1. Q3 2016 Financials
2. Operational Highlights & Project Updates
3. Outlook
4. Q&A

Q3 2016 Financials



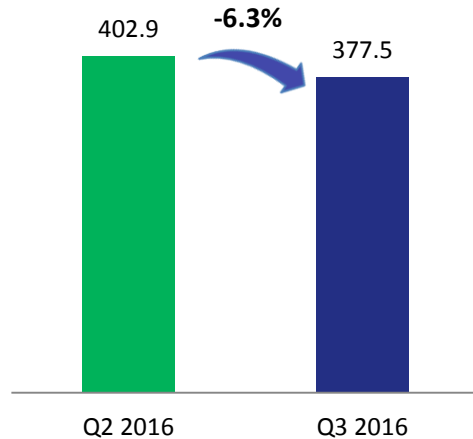
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Key takeaways

- The Group posted net profit ⁽¹⁾ for YTD 2016 of RM6.0 mil.
- EBITDA for YTD 2016 stands at RM541.2 mil, while EBITDA for Q3 2016 stands at RM91.0 mil.
- The Group generated net cash flows from operating activities for YTD 2016 of RM1,053.9 mil.
- The Group's total order book as at end-September 2016 was RM37.0 bil (RM24.1 bil of firm contracts and RM12.9 bil of optional extensions).

Results Overview – Q3 2016 vs. Q2 2016 (in RM'mil)

Revenue



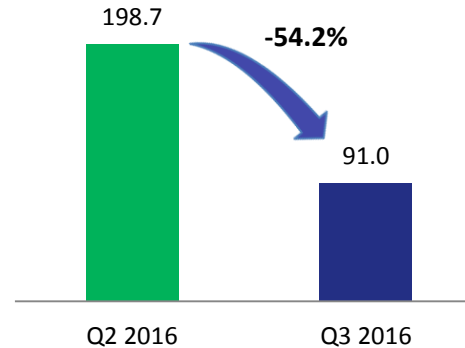
Lower revenue due to:

- Lower FPSO revenue due mainly to lower conversion activities from the Eni 1506 FPSO project as this project is near completion

Partly offset by:

- Increase in OMS revenue from the LukOil project in the Caspian Sea and Armada Installer
- OSV vessel utilisation remained stagnant in Q3 2016 as compared to Q2 2016

EBITDA



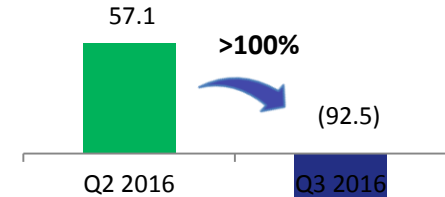
Decrease in EBITDA due to:

- Lower contributions from FPSO & FGS segment
- Lower earnings from Armada Sterling II and Karapan Armada Sterling III
- Net allowance of doubtful debts of RM79.6 mil

Partly offset by:

- Higher contributions from OMS segment, interest income and an one-off gain of disposal of non-current assets held-for-sale and property, plant and equipment of RM4.3 mil

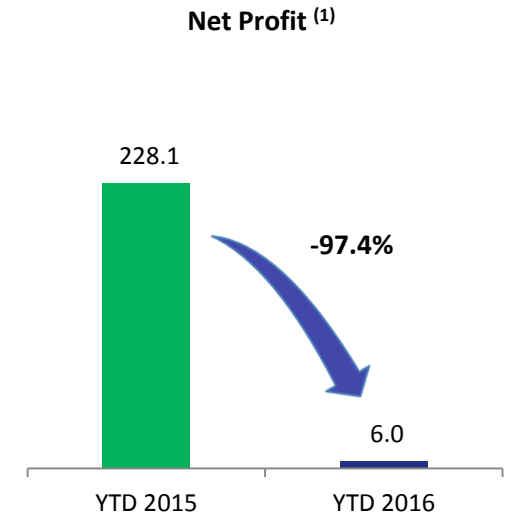
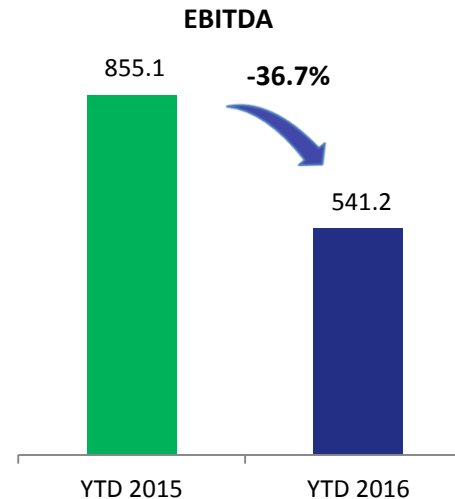
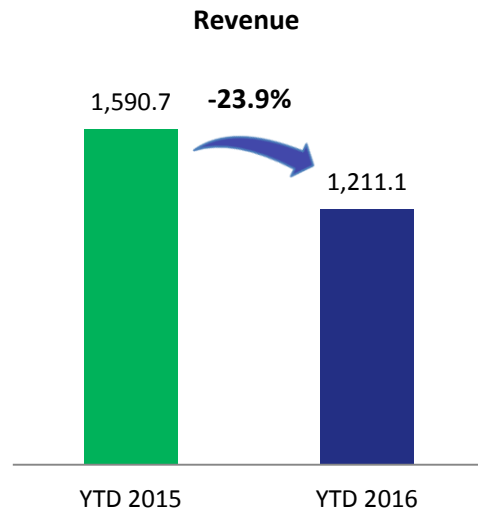
Net Profit ⁽¹⁾



- **Included in the net loss in Q3 2016 are the following exceptional item:**
 - Impairment loss on available-for-sale financial assets of RM4.2mil and net allowances for doubtful debts of RM79.6 mil
- **Excluding impairment charge and net allowance of doubtful debts, the Group posted a lower loss of RM12.9 mil**



Results Overview – YTD 2016 vs. YTD 2015 (in RM'mil)



Lower revenue due to:

- Lower contribution from Armada Claire, Armada Perdana and Armada Perkasa
- Decreased on the back of completion of conversion activities on the Kraken and Eni 1506 FPSO projects
- Lower utilisation of OSV vessels

Partly offset by:

- Higher contribution from the LukOil project in the Caspian Sea

Lower EBITDA due to:

- Lower contribution from FPSO & FGS segment
- Net allowance for doubtful debts of RM75.9 mil
- One-off gain on deemed disposal of a subsidiary in YTD 2015 of RM17.6 million

Partly offset by:

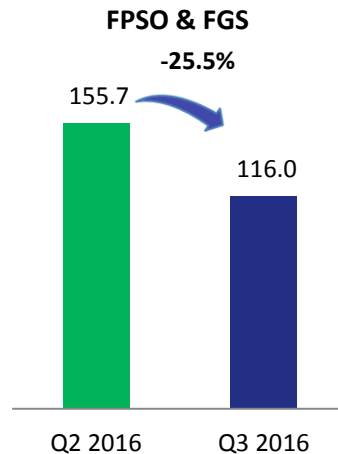
- Higher contributions from OMS segment
- Increased earnings from joint ventures from the operations of Armada Sterling, Armada Sterling II and higher conversion activities from Karapan Armada Sterling III

- **Included in the PAT are the following exceptional items:**
 - Impairment loss on property, plant and equipment, non-current asset held for sale and available-for-sale financial assets of RM597.6 mil
- **Excluding impairment charge and net allowance of doubtful debts, the Group posted a lower loss of RM81.9 mil**



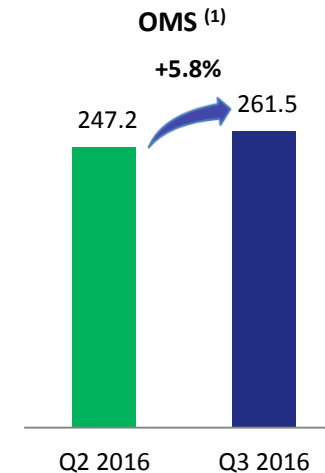
Revenue composition by segments – Q3 2016 vs. Q2 2016 (in RM'mil)

Performance in established segments driven by the underlying activities



Lower revenue:

- On the back of completion of conversion activities on the Eni 1506 FPSO project



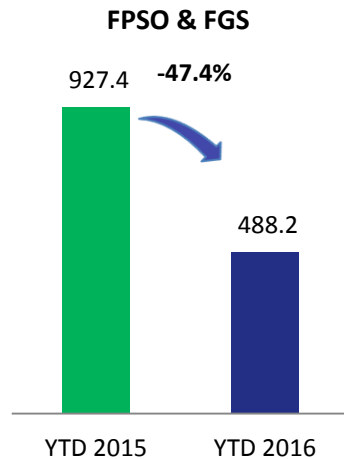
Higher revenue due to:

- Higher contribution from LukOil project in the Caspian Sea and Armada Installer
- The OSV vessel utilisation remained stagnant in Q3 2016 as compared to Q2 2016.

⁽¹⁾ OMS - Offshore Marine Services (previously separately known as OSV and T&I)

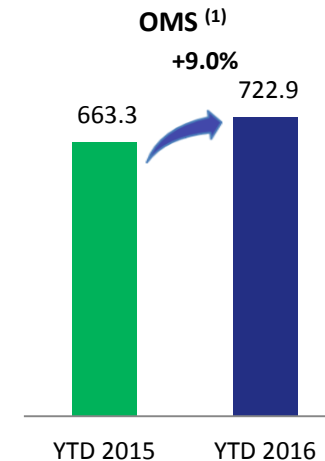
Revenue composition by segments – YTD 2016 vs. YTD 2015 (in RM'mil)

Performance in established segments driven by the underlying activities



Lower revenue due to:

- Lower conversion activities from the Eni 1506 and Kraken FPSO projects as these projects are near completion
- Reduced contribution from Armada Claire, Armada Perdana and Armada Perkasa



Increase revenue due to:

- Higher contribution from the LukOil project in the Caspian Sea and partly offset by lower OSV vessel utilisation

⁽¹⁾ OMS - Offshore Marine Services (previously separately known as OSV and T&I)

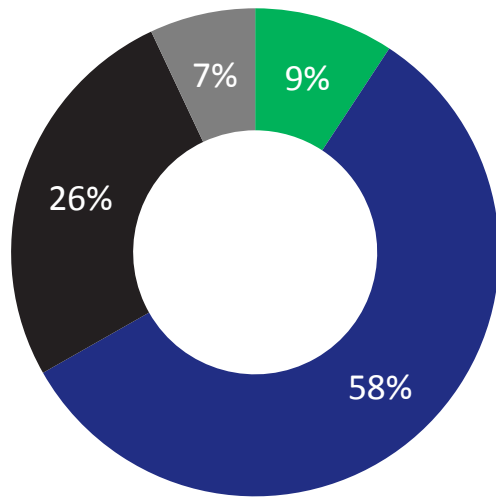
Net (loss)/profit after tax excluding provisions and non-cash charges

RM'mil	Quarter Ended 30 September 2016	Year Ended 30 September 2016
Net (loss)/profit attributable to Owners of the Company excluding impairment	(92.5)	6.0
Allowance for doubtful debts	79.6	75.9
	(12.9)	81.9

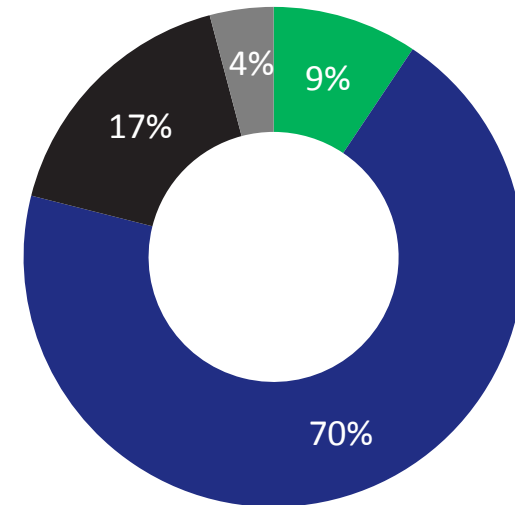
Revenue composition by geographical %

Malaysia based international company continued expansion across key regions

YTD 2015



YTD 2016



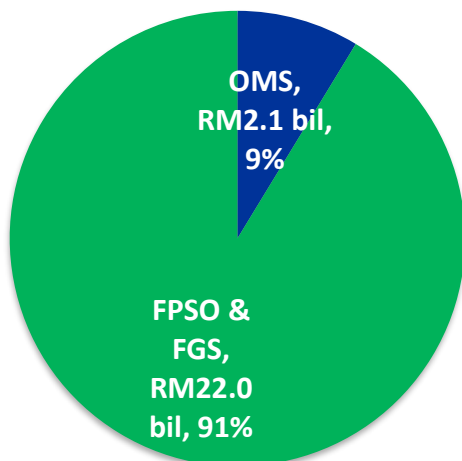
- Malaysia
- Asia (excluding Malaysia) and Australia
- Africa
- Latin America

Order book as at 30 September 2016

As at 30 September 2016, the Group's firm order book stood at RM24.1 bil compared to RM24.5 bil as at 30 June 2016. 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 RM12.9 bil over the entire option periods.

Firm contract period

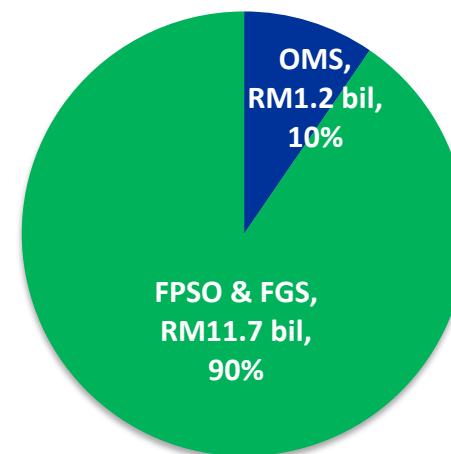
- The breakdown of order book with firm contract period by business segments (fleets) is as follows:



Firm contract period order book: RM24.1bil

Optional extension period

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



Optional extension period order book: RM12.9 bil



Operational Highlights & Project Updates



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Operational Highlights for Q3 2016

FPSO

- Operational fleet maintaining high uptimes averaging above 99%.
- Conversions – Sail aways for LNG, Kraken & Olombendo. Madura expected Q4.
- Armada Claire litigation is on-going.

OMS

- OSV fleet utilisation remained at 55% in Q3 2016, unchanged from Q2 2016.
- New Charters - 2 PSVs (AT303 and AT305) on charters with PCSB for 140 days. AT108 charter with Interoil extended until December 2016.
- Armada Installer and Armada Constructor have completed their job scope for Lukoil 2016 campaign.

Project Updates for Q3 2016

ARMADA LNG MEDITERRANA



ARMADA OLOMBENDO



Project Updates for Q3 2016

ARMADA KRAKEN



KARAPAN ARMADA STERLING III



Outlook

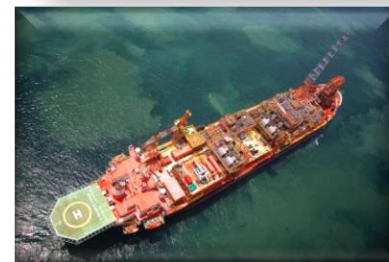


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Outlook

- Operating environment for the oil sector remains challenging.
- Transformation from project phase to operational phase.
- Pursuing a number of new FPSO prospects:
 - India – ONGC Kakinada
 - Vietnam - Repsol CRD
 - Nigeria – Eni Zaba Zaba
 - Ghana – Hess
 - Brazil – Petrobras Sepia

Q&A



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