



BUMI ARMADA

MEDIA RELEASE

BUMI ARMADA REPORTS THIRD QUARTER 2018 RESULTS

- Bumi Armada posted revenue of RM588.0 million for the third quarter of 2018, as compared to RM641.4 million in the third quarter of 2017.
- FPO revenue in the third quarter of 2018 was RM405.7 million, as compared to RM402.7 million recorded in the third quarter of 2017.
- OMS revenue in the third quarter of 2018 declined to RM182.3 million, as compared to RM238.7 million in the third quarter of 2017.
- During the third quarter of 2018, the Group recognised non-cash impairments of RM41.4 million and RM522.1 million for the FPO and OMS businesses respectively.
- The Group registered a net loss¹ in the third quarter of 2018 of RM502.8 million, as compared to a net profit of RM123.7 million in the third quarter of 2017.
- Excluding the non-cash impairments, the Group would have reported a net profit of RM75.2 million.
- During the quarter, the FPO business secured a six-year and three-month extension for the Armada TGT 1 FPSO in Vietnam, as well as completed the Final Acceptance of the Armada Kraken FPSO in the North Sea, UK.
- During the quarter, the OMS business saw OSV fleet utilisation increase to 43%, versus 38% in the second quarter of 2018.
- Firm orderbook value at the end of the third quarter of 2018 was approximately RM21.0 billion, with additional optional extensions of up to RM10.3 billion.

RM million	Individual Quarter Ended		Year to Date Ended	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
Revenue	588.0	641.4	1,842.4	1,740.0
- FPO	405.7	402.7	1,312.5	980.0
- OMS	182.3	238.7	529.9	759.9
Operating Profit / (Loss) before Impairment	114.7	195.5	282.0	559.3
Profit / (Loss) before Tax	(514.2)	141.8	(1,033.4)	386.2
Profit / (Loss) after Tax	(513.4)	124.4	(1,056.9)	298.5
Net Profit / (Loss)	(502.8)	123.7	(1,039.9)	288.4
EPS (sen)	(8.56)	2.11	(17.71)	4.92

RM million	Q3 2018 30/09/2018	Q2 2018 30/06/2018
Revenue	588.0	654.0
- FPO	405.7	446.5
- OMS	182.3	207.6
Operating Profit / (Loss) before Impairment	114.7	(2.1)
Profit / (Loss) before Tax	(514.2)	(584.8)
Profit / (Loss) after Tax	(513.4)	(592.2)
Net Profit / (Loss)	(502.8)	(585.5)
EPS (sen)	(8.56)	(9.97)

¹ Net profit/loss refers to profit/loss for the financial period attributable to Owners of the Company.

Kuala Lumpur, 23 November 2018 - Malaysia-based international offshore energy facilities and services provider Bumi Armada Berhad (“Bumi Armada” or “the Group”) announced the Group’s third quarter (“Q3”) 2018 financial results.

The Group reported revenue of RM588.0 million for Q3 2018, which is 8.3% lower than the RM641.4 million reported in Q3 2017. Revenue contribution from the FPO business in Q3 2018 was RM405.7 million, a slight increase over the RM402.7 million recorded in Q3 2017 and a decline of 9.1% compared to the second quarter (“Q2”) 2018.

OMS revenue in Q3 2018 of RM182.3 million declined by 23.6% compared to Q3 2017. This was mainly due to lower contribution from the Armada Installer in the SC segment. The OSV segment saw an improvement in vessel utilisation, 43% in Q3 2018 as compared to 38% in Q2 2018.

On a segmental basis, the FPO business registered weaker income of RM144.5 million, as compared to RM182.4 million in Q3 2017, due to a non-cash impairment charge of RM41.4 million taken against the sale of the Armada Ulysses, a Very Large Crude Carrier (“VLCC”) tanker, which was a vessel held as an FPSO conversion candidate. The OMS business registered a segmental loss of RM545.2 million in Q3 2018 due mainly to a non-cash impairment of RM522.1 million on selected OSV vessels.

The Group also saw lower contribution in its other income in Q3 2018 compared to Q3 2017 and Q2 2018, due lower sale of vessels during the quarter.

The Group registered a net loss of RM502.8 million for Q3 2018, as compared to a net profit of RM123.7 million in Q3 2017. Excluding the non-cash impairments, the Group would have recorded a net profit of RM75.2 million for Q3 2018.

Commenting on the Q3 2018 financial results, Mr. Leon Harland, Executive Director and Chief Executive Officer of Bumi Armada said, “The availability performance across our fleet has been positive and is the result of our continuous efforts on safety awareness and proactive measures across the organisation. This has resulted in an increased operating profit of RM114.7 million for the quarter.

In the FPO business, we secured a six-year and three-month extension contract for the Armada TGT 1 FPSO in Vietnam, which is clear recognition of the capabilities of the unit and its strong operational track record. In Q3 2018 we also completed the final acceptance of the Armada Kraken FPSO on 4 September. This is a positive result to a project that has been extremely challenging both in its operational complexity and the environment, in the North Sea. During the quarter, the Group recognised a non-cash impairment of RM41.4 million in its FPO business, relating to the sale of the Armada Ulysses VLCC.

In the OSV segment, the Group took a non-cash impairment charge of RM522.1 million against approximately 70% of the OSV fleet. Vessel charter rates remain weak and our OSV team has become more conservative over the segment’s outlook going forward. Contributions from the SC segment in Q3 2018 weakened against Q2 2018 as the Armada Installer has completed this year’s work scope in the Caspian Sea. We continue to bid on new prospects for both the Armada Installer and the Armada Constructor for 2019 and beyond.

There is a continuing focus by the Group on strengthening our overall balance sheet. We are working with our lenders to put in place a refinancing of our USD500m debt, of which approximately one-third was due in October 2018. We have made a partial repayment of USD120 million in October 2018 and are looking to refinance the balance of debt into a longer-term facility.

Our primary focus for the rest of 2018 and into 2019 will remain on optimising our cost structure, strengthening our balance sheet, monetisation of under-utilised assets and collecting and generating more cash flow.”

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Please refer to the Unaudited Financial Statement for the full details of the Q3 2018 financial results of Bumi Armada Berhad.

Notes:

FPO	Floating Production & Operation
FPSO	Floating Production Storage & Offloading
OMS	Offshore Marine Services
OSV	Offshore Support Vessels
SC	Subsea Construction

About Bumi Armada

Bumi Armada Berhad is a Malaysia-based international offshore energy facilities and services provider with a presence in over 15 countries spread across five continents, underpinned by its access to over 1,600 people from over 35 nationalities.

Bumi Armada provides offshore services via two business units- Floating Production and Operation (“FPO”) of oil and gas solutions and Offshore Marine Services (“OMS”).

Bumi Armada is the fifth largest FPSO player in the world and an established OSV owner and operator, with extensive experience across Asia, Africa and Latin America. For more information, please refer to www.bumiarmada.com

For further information, please contact:**Mr Jonathan Duckett**

Senior VP, Investor Relations, Communication & Sustainability

Tel: +603 2171 5705

Email: jonathan@bumiarmada.com

Ms. Bonnie Liew

Manager, Investor Relations, Communication & Sustainability

Tel: +603 2171 5754

Email: bonnie.liew@bumiarmada.com