



**MISC BERHAD**  
**52<sup>ND</sup> ANNUAL GENERAL MEETING**  
**21 APRIL 2021**

**TOGETHER**

WE

KEEP

MOVING

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# MISC Group at a Glance

Among the world's



Shipping conglomerates by market capitalization at

**USD 7.7 BILLION**

*\* as at 31 December 2020*

**52**

years of proven experience in delivering energy related maritime solutions and services



Modern fleet of

**109**

LNG, Petroleum and Product vessels



FPSO/FSO owner-operators with

**14**

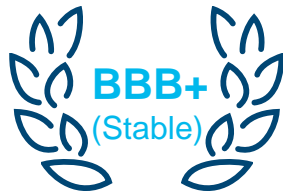
assets



Moody's Investors Service

**Strongest**

credit rating in marine transport sector



S&P Global Ratings

International and diverse workforce of more than

**8,600**

sea and shore employees from various nationalities





# MISC's Four Core Businesses



## LNG Asset Solutions

- Owns / operates 33 vessels: 29 LNGCs, 2 FSUs, 1 LBV and 1 VLEC.
- Sterling reputation for operational excellence.
- Consistent track record of reliable and on-time cargo deliveries.



## Petroleum & Product Shipping

- Owns/ operates 76 tankers including dynamic positioning shuttle tankers (DPST) and modular capture vessels (MCV).
- Advancing green shipping solutions with advanced fuel-efficient vessels, modular capture vessels and LNG dual-fuel vessels.



## Offshore Business

- Owns 14 FPSO, FSO and other floating assets.
- Strong relationships of mutual trust with key Asia-based partners, subcontractors and suppliers.



## Marine & Heavy Engineering

- Owns one of the largest drydocks in Southeast Asia with 3 drydock facilities.
- The only Malaysian yard with the capacity and skills to see through complex offshore mega structures and marine facilities projects.



# Supported by Three Key Enablers



## Integrated Marine Services

- Shipmanagement arm of MISC.



**High overall vessel availability and utilisation rate of > 99%**

- Globally renowned shipmanagement company, with stellar track record for the highest quality and standards of delivery.



## Port Management & Maritime Services

- Centre of excellence for port management and maritime services.



Excellent HSSE culture with **ZERO** LTI since 1999

- More than two decades of reputable experience in port and terminal operations and maritime services.



## Maritime Education & Training

- Training institution mainly for seafarers as well as offshore platforms and shipping industry.



Offers over **160** courses including customised courses

- Providing a broad spectrum of maritime education and training, beyond Standards of Training, Certification and Watchkeeping (STCW).



# 2020 IN REVIEW

# An Extremely Challenging and Unpredictable Year



## COVID-19 pandemic

- Worldwide health crisis
- Extended worldwide lockdowns
- Virtual shutdown of global economic activities, travel and trade
- Global economic recession
- Increased unemployment



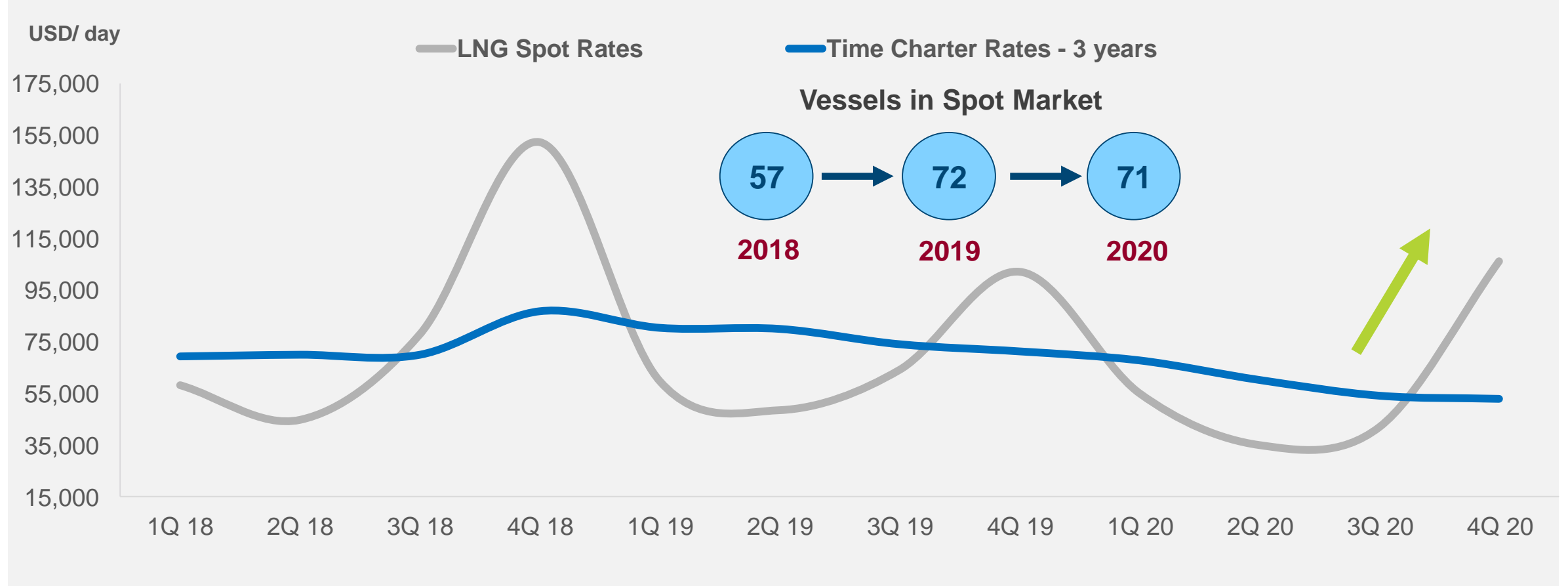
## Collapse in oil price

- Fall in oil demand
- Capex cuts and project deferrals by oil majors
- Oil price war
- Increase in floating storage (1H 2020)
- Depressed charter rates (2H 2020)



# LNG Spot Rates Rose Towards End 2020 Amid Colder Winter

## LNG Charter Rates



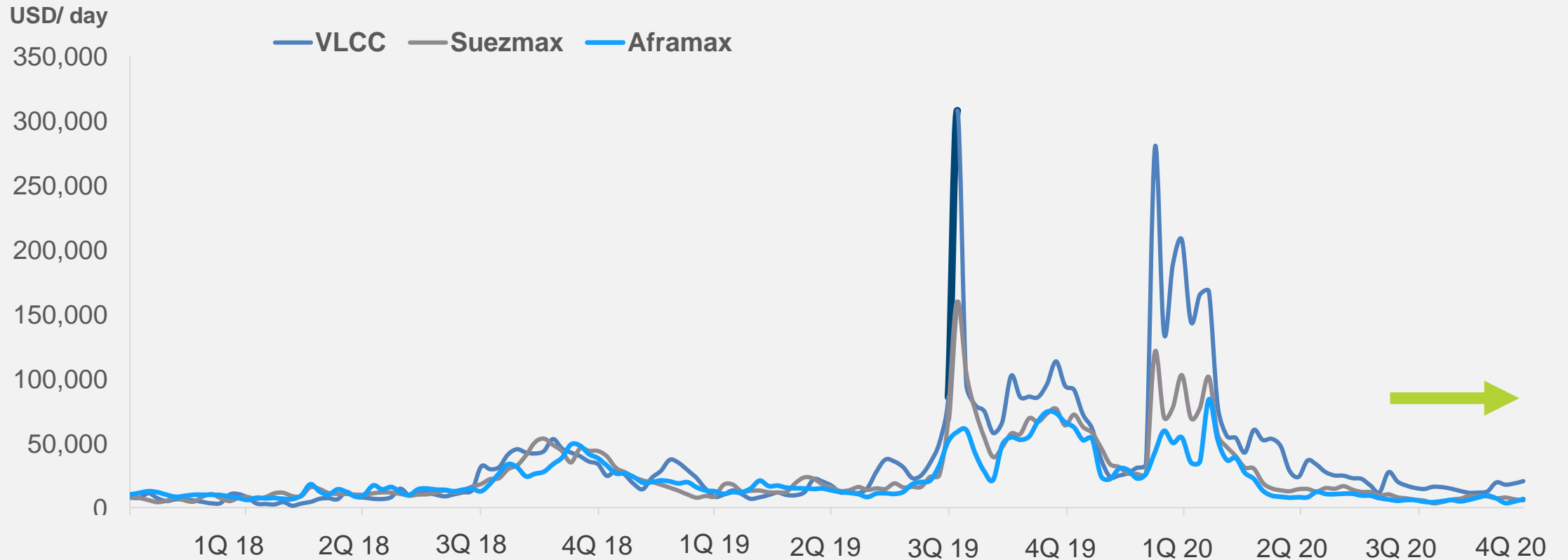
Source: LNG Shipping Database, Wood Mackenzie





# Tanker Rates Dipped in 2H 2020 After Initial Spike

## Average Crude Tanker Earnings

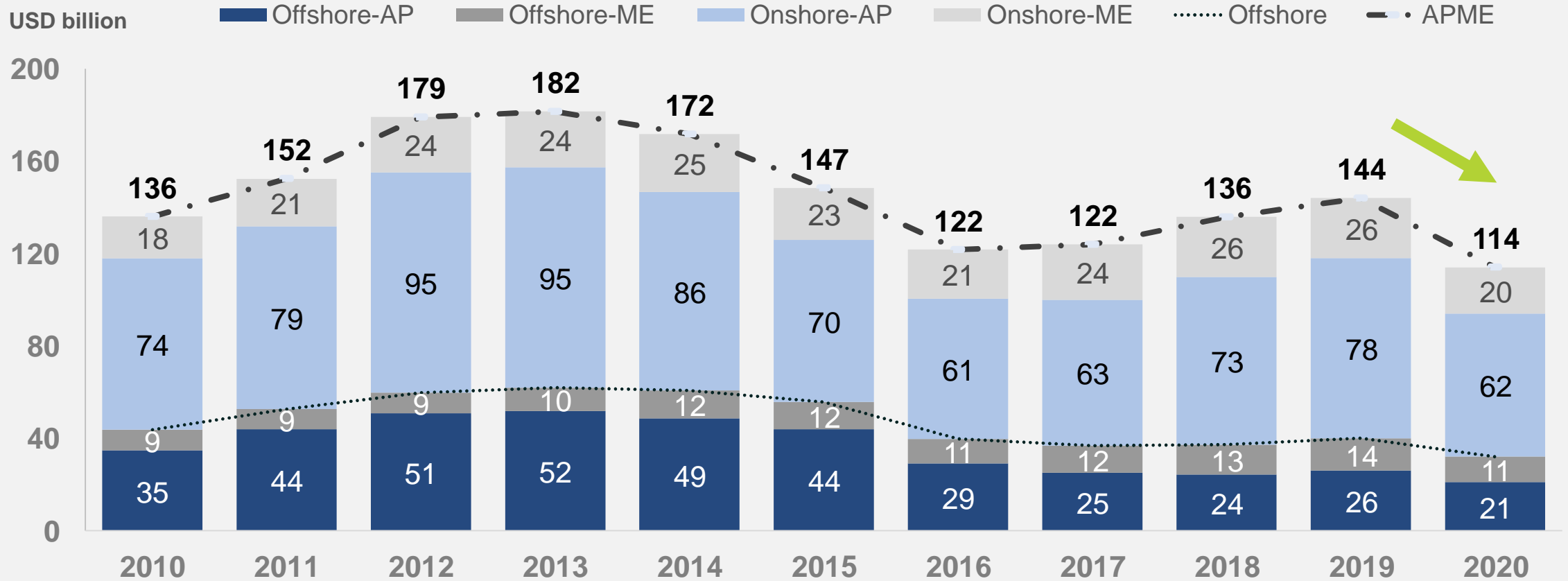


Source: Clarksons



# E&P Capex Sharply Reduced As Oil Price Collapsed

## Asia Pacific (AP) & Middle East (ME) Exploration & Production (E&P) Capex Spending

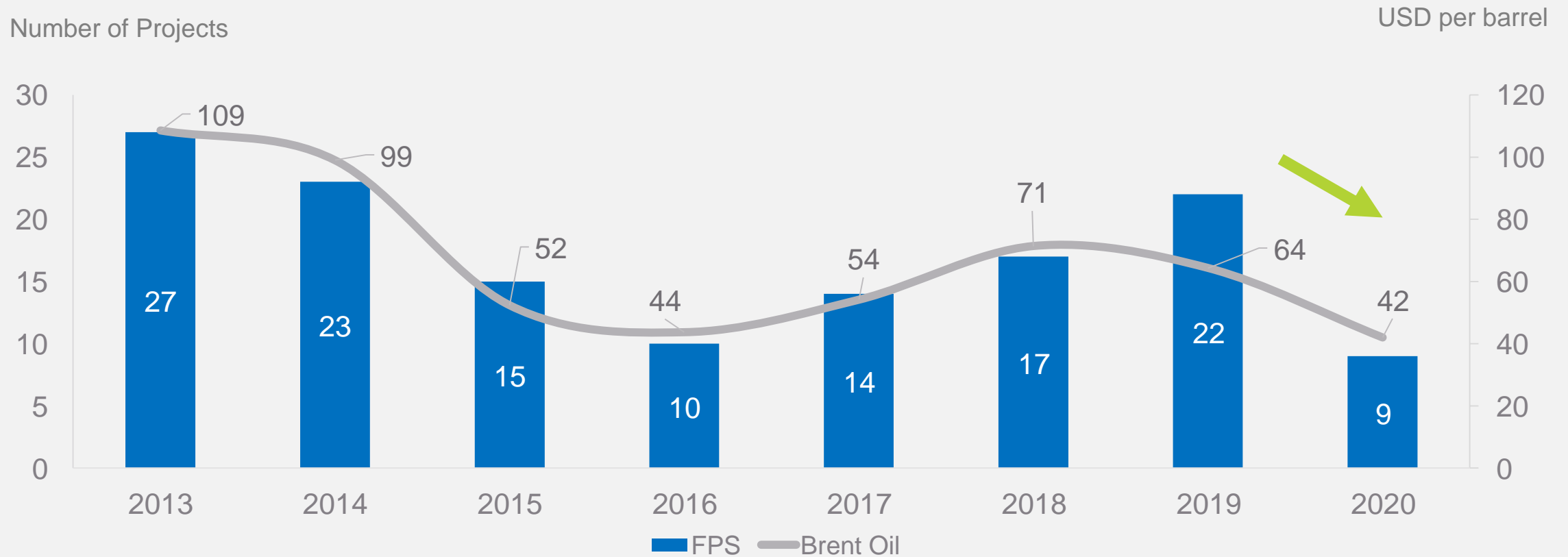


Source: IHS Markit



# The FPS Markets Roiled in Tandem

## Floating Production System (FPS) Awards



Source: EMA, EIA



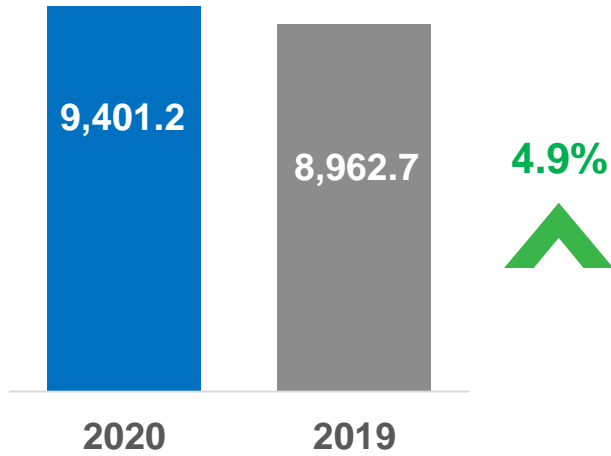
# FINANCIAL HIGHLIGHTS



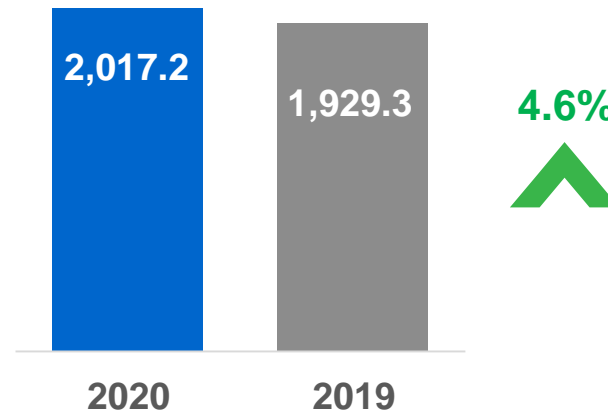


# Robust Operating Cash Flow Despite Difficult Environment

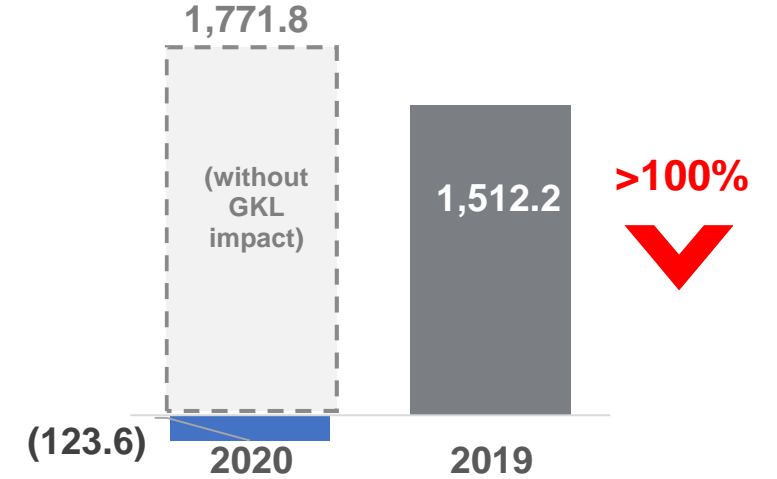
### Revenue



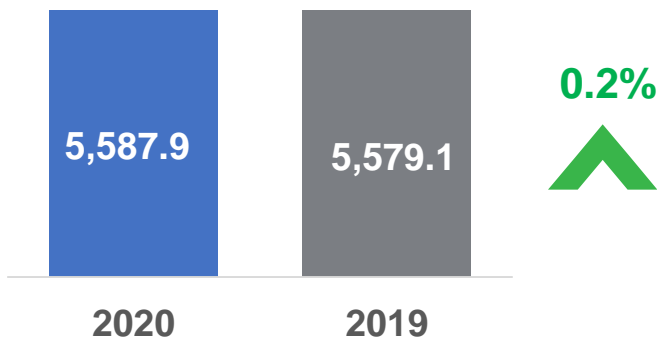
### Operating Profit



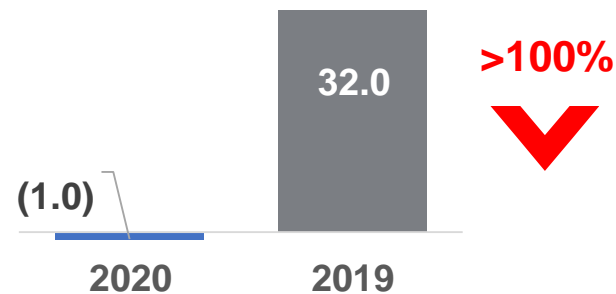
### (Loss)/Profit Before Tax



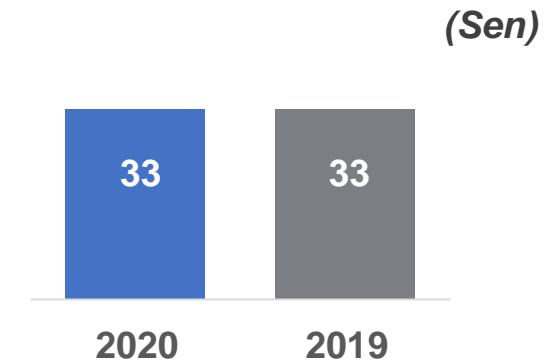
### Cash Flows from Operating Activities



### (Loss)/Earnings Per Share (Sen)



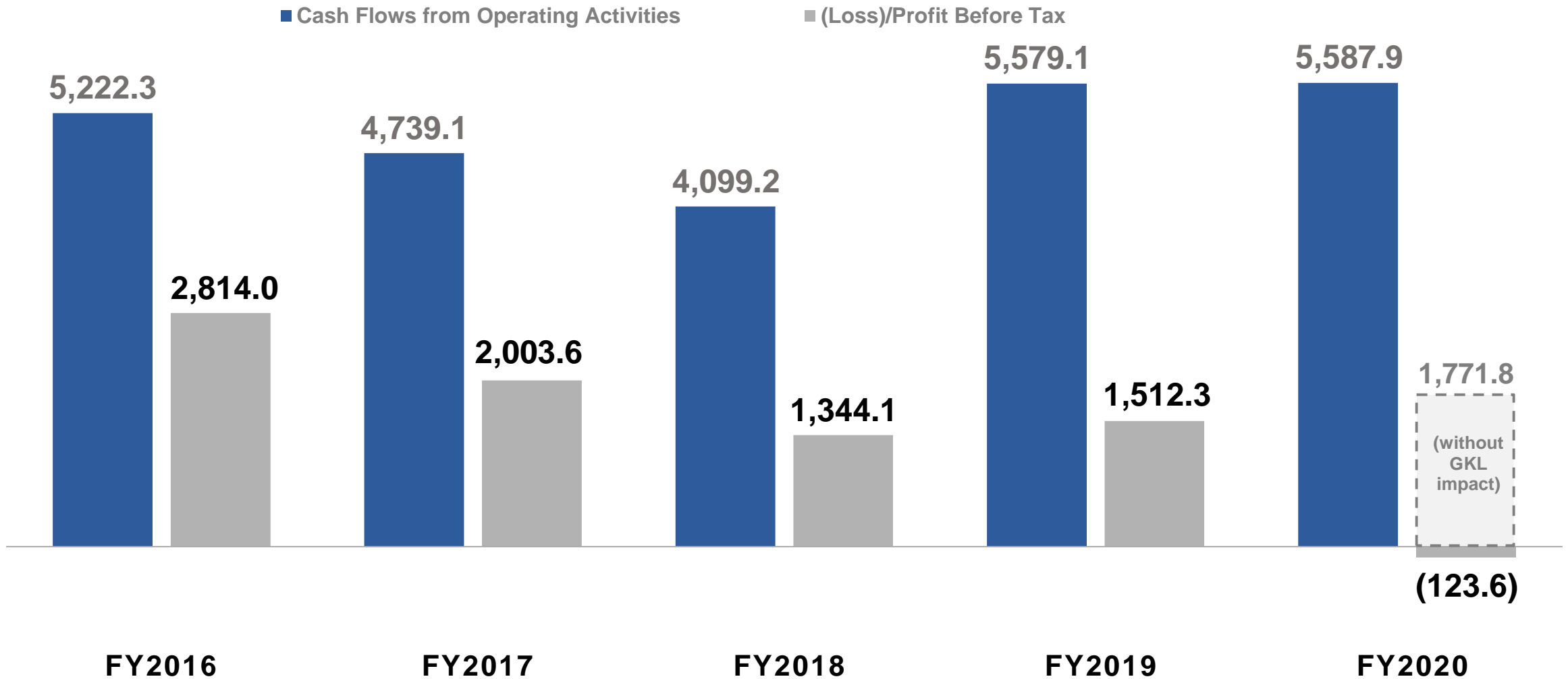
### Dividends Per Share



\*All figures in RM million unless otherwise stated



# Consistent Cash Flows from Operating Activities

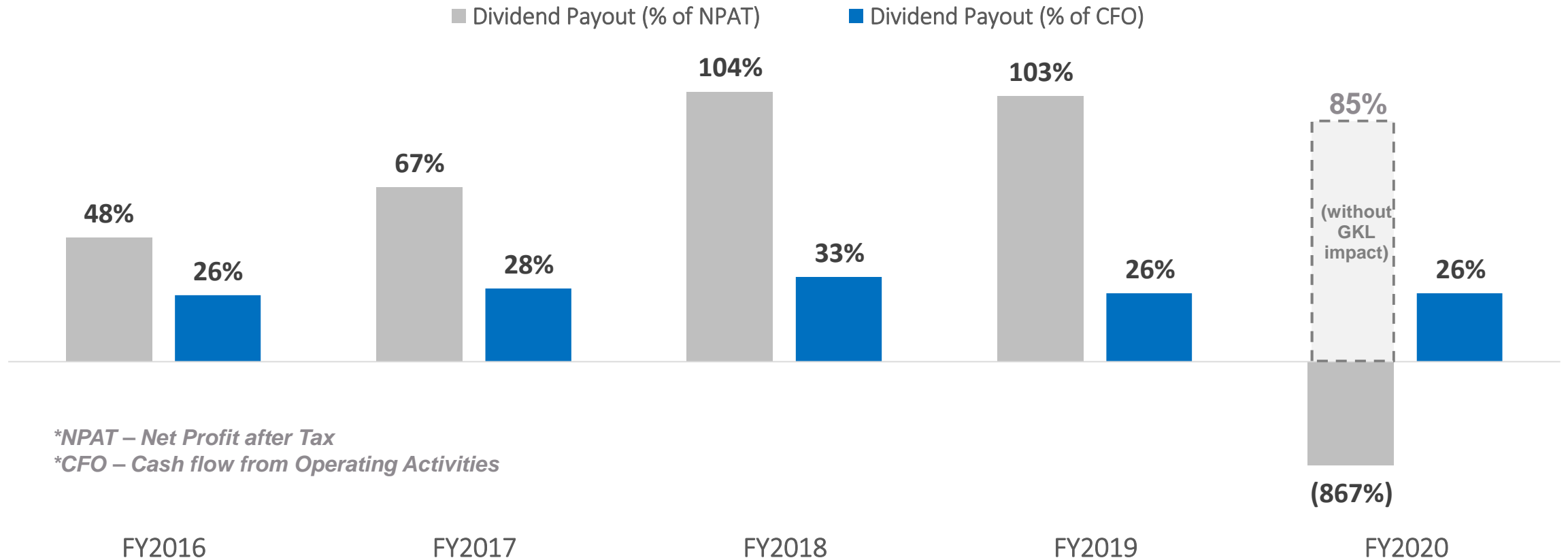


*\*All figures in RM million unless otherwise stated*



# Steady Increase in Dividend

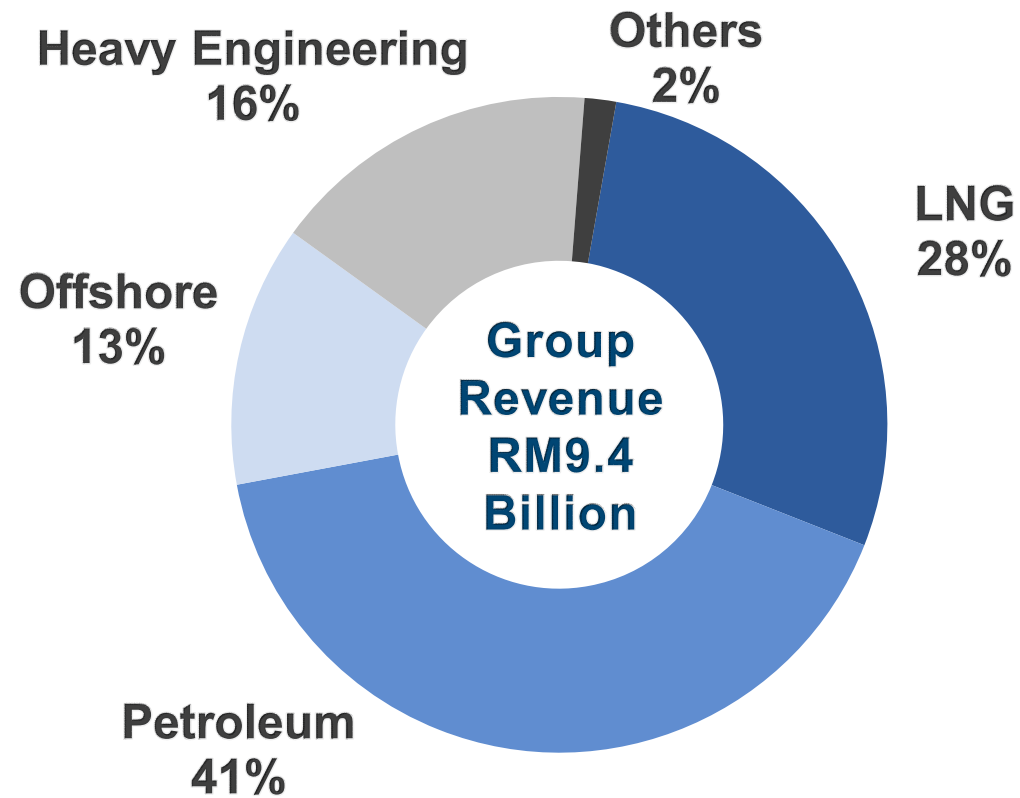
FY2016	FY2017	FY2018	FY2019	FY2020
30 sen	30 sen	30 sen	33 sen	33 sen



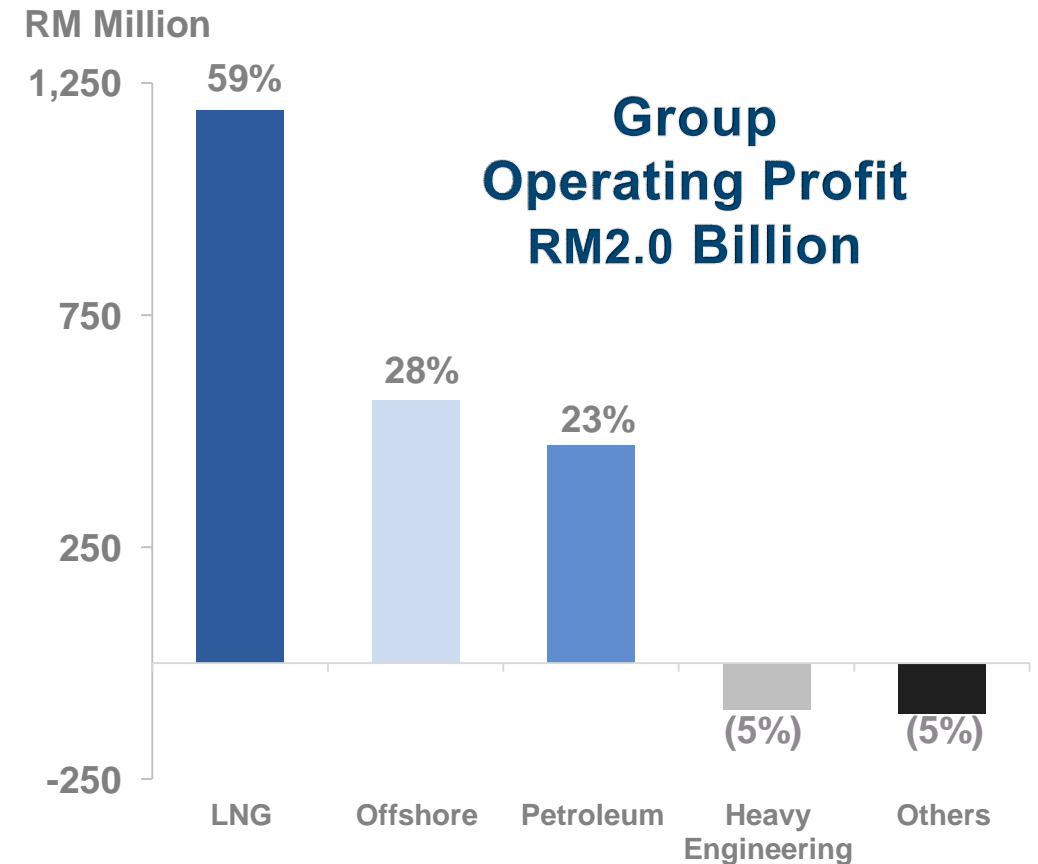


# Profits from LNG and Petroleum Shipping and Offshore

## REVENUE BREAKDOWN



## OPERATING PROFIT BREAKDOWN







## Mixed Performances Across Industry Segments

Keppel reports S\$506 million net loss for FY 2020 mainly due to offshore & marine impairments

**Exmar turns a profit for 2020 with settlement cash on FLNG unit**

Strong tanker year sends Canada's Teekay in the black for 2020

The Teekay group, which covers Teekay Tankers and Teekay LNG, among others, reports black figures for full-year 2020, particularly due to the exceptionally strong tanker market in the first half-year.

**Cosco Shipping Reports Highest Profit in 12 Years**

**Bumi Armada sails to higher profits**

Increased revenues help boost Malaysian player's bottom line in 2020

**A.P. Moller - Maersk delivers strong transformation progress and results in 2020**

**Impairments sink floater specialist BW Offshore into the red**

Revenues also suffer in 2020, but Norwegian company gives positive outlook

**Nordic American Tankers Ltd Says 2020 Was A Good Year, As It Anticipates Good Market Prospects**

**Yinson makes RM210mil profit in FY20, keeps payout steady**

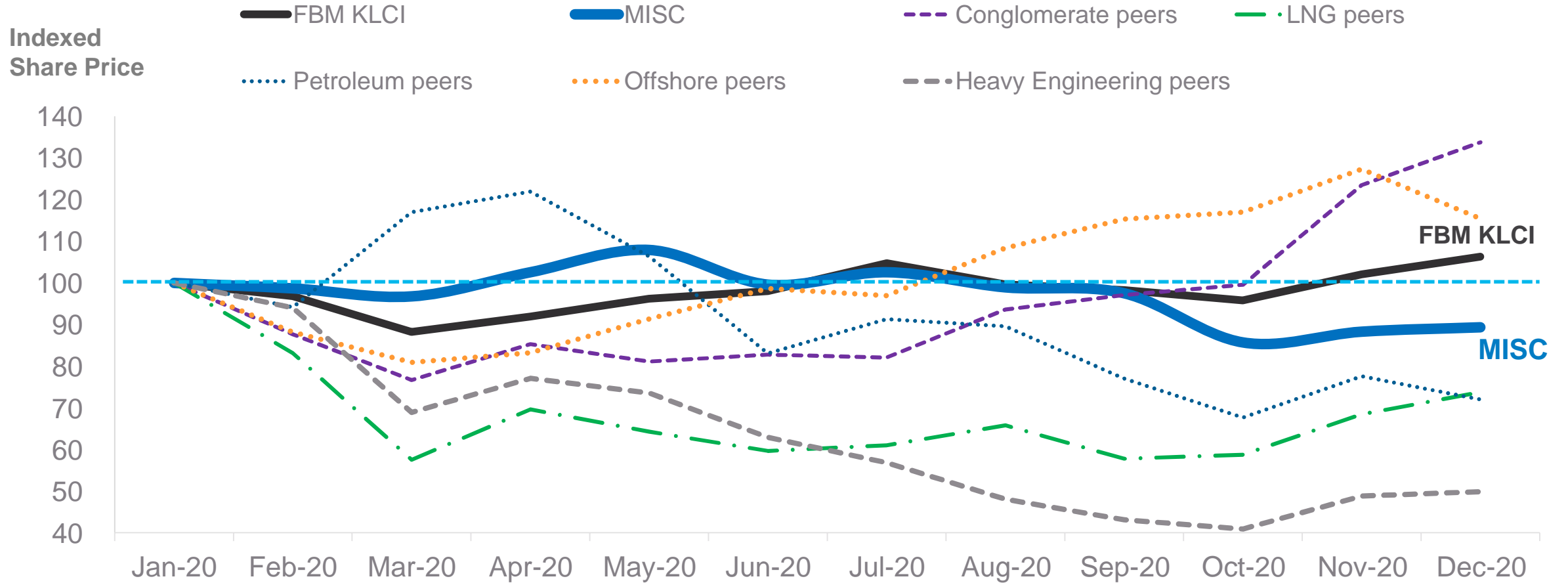


## Conglomerate, LNG and Petroleum Peers Performed Better

	REVENUE		NPAT	
	2019 (+/- %)	2020 (+/- %)	2019 (+/- %)	2020 (+/- %)
MISC Berhad	2% ▲	5% ▲	12% ▲	> - 100% ▼
Conglomerate Peers	- 9% ▼	- 11% ▼	> - 100% ▼	>100% ▲
LNG Peers	7% ▲	12% ▲	-13% ▼	>100% ▲
Petroleum Peers	34% ▲	20% ▲	> 100% ▲	> 100% ▲
Offshore Peers	21% ▲	20% ▲	- 4% ▼	- 30% ▼
Heavy Engineering Peers	8% ▲	- 8% ▼	37% ▲	> - 100% ▼



# MISC Share Price Displayed Resilience Despite Pandemic



Note: Index is based on end of the month share price

Source: Bloomberg





# CORPORATE MILESTONES AND ACHIEVEMENTS IN 2020



# Focused Delivery Across the Value Chain



## LNG ASSET SOLUTIONS

- Diversified its portfolio by entering niche ethane transport business through acquisition of six world's largest VLECs, and expanding footprint in China
- Successfully ventured into LNG bunkering segment, becoming the region's first commercial operator and ship manager for an LBV - *Avenir Advantage*



## PETROLEUM & PRODUCT SHIPPING

- Took delivery of six DPSTs in 2020 and one in 2021, comprising two LNG dual-fuel DPSTs and five eco-efficient DPSTs
- Secured long-term charter contracts for two newbuild LNG dual-fuel VLCCs



## OFFSHORE BUSINESS

- Secured first major deepwater FPSO project in Brazil
- Renewed contracts for a further five years for *FPSO Espirito Santo* in Brazil



## MARINE & HEAVY ENGINEERING

- Completed construction and commenced operations of new Dry Dock 3
- Marine segment secured six en-bloc agreements on top of repairing 12 LNGCs

# Focused Delivery Across the Value Chain (cont'd)



## INTEGRATED MARINE SERVICES

- Received Green Foundation Award for the LNG dual-fuel Aframax Eagle Brasilia
- Awarded Best Quality Ship Award 2019 for LNGC Seri Amanah by the Japan Federation of Pilots' Associations
- Received Chamber of Shipping America (CSA) Jones F. Devlin Award for safety and CSA Annual Environment Achievement Award for 58 vessels



## PORT MANAGEMENT & MARITIME SERVICES

- Awarded Occupational Safety and Health Award 'Gold Class II' by the Malaysian Society for Occupational Safety and Health (MSOSH)
- Successfully managed the first Southeast Asia's LNG bunkering vessel operation at Sungai Udang Port's regasification terminal unit
- Granted Oil Companies International Marine Forum (OCIMF) membership



## MARITIME EDUCATION & TRAINING

- Developed five new modular courses and two advanced diploma programmes to complement ALAM's 160 existing programmes
- Won the Malaysian Society for Occupational Safety and Health (MSOSH) Gold 2 Award in the educational sector category



# Industry Recognition for Our Achievements



Alpha Southeast Asia's Annual Institutional Investor Corporate Awards 2020

## WINNER

Most Organised Investor Relations

Most Consistent Dividend Policy

Strongest Adherence to Corporate Governance



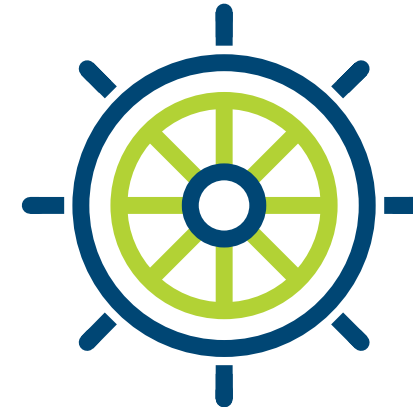
## Prime Minister's Hibiscus Award

Notable Achievement in Environmental Performance awarded to MISC Group



## Green Foundation Award

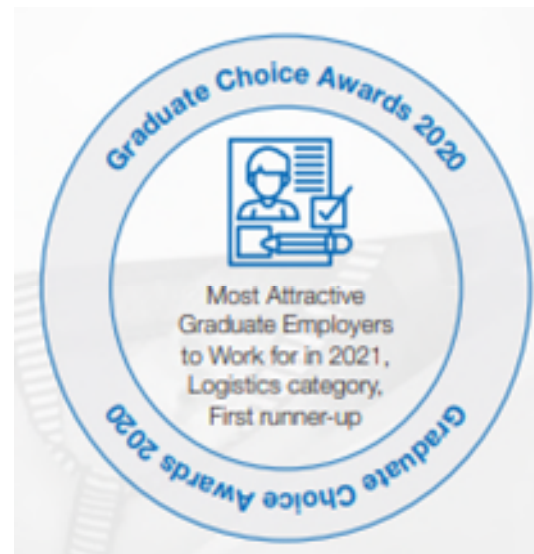
Recognition award to AET for *Eagle Brasilia, Eagle Balder, Eagle Barents, Eagle Bergen and Eagle Blane*



Chamber of Shipping of America (CSA)

**Jones F. Devlin Award for Safety** for 58 vessels

**Environment Achievement Award** for 58 vessels



Constituent of FTSE4Good Bursa Malaysia Index



**7 Consecutive years**





# Our Sustainability Performance



Reduction in carbon emission intensity by

**18%** LNG fleet  
**10%** Petroleum fleet  
**5%** Product fleet

from baseline of 2016



**Zero major spill since 2013**



**One fatality**



**Zero major security & cybersecurity incidents**



**60% and 31% reduction in LTIF and TRCF respectively**

*LTIF – lost time injury frequency  
TRCF – total recordable case frequency*

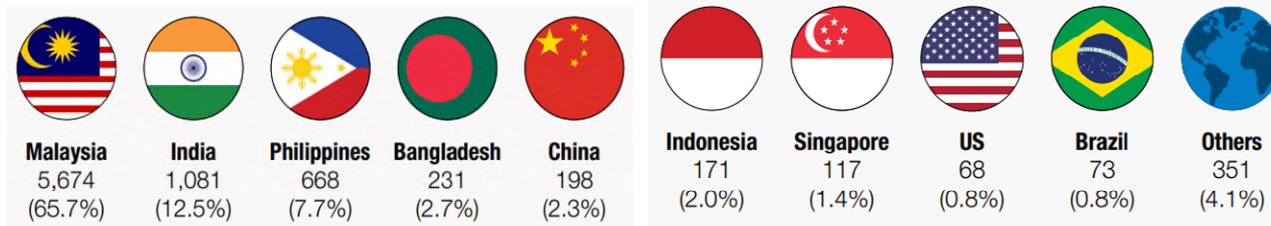


**Achieved 5/5 rating for Governance element in FTSE4Good since 2019**



**13% female  
87% male**

## Our diversity



**Nationalities of workforce**

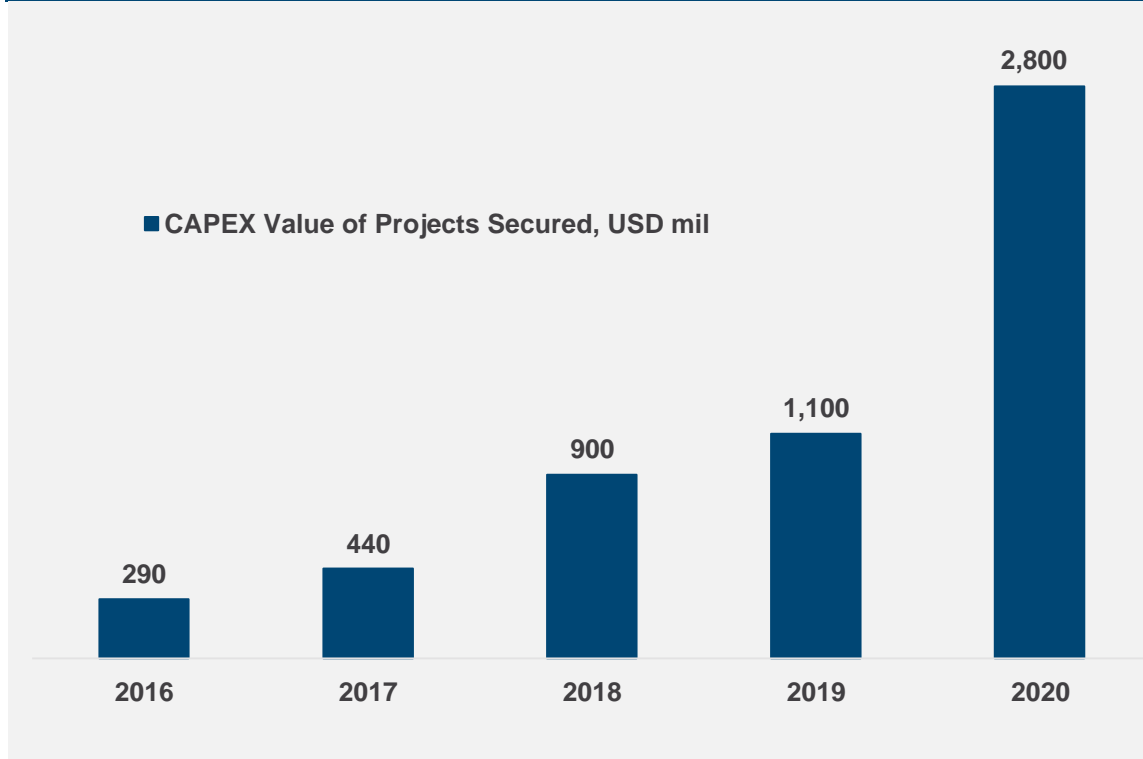
## COVID-19

**Contributed RM7.5 million for COVID-19 national pandemic response and COVID-19 related aid**

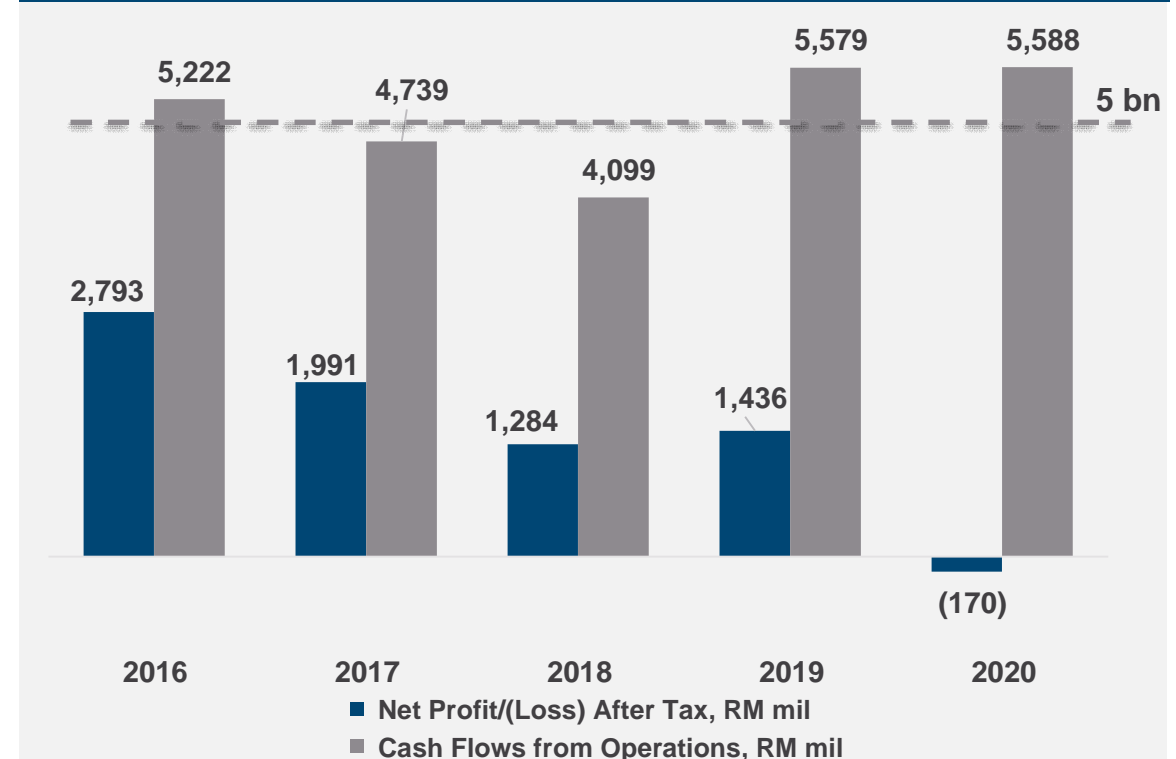


# MISC2020 Recap - Steady CFO and Growing Value of New Projects

CAPEX value of new projects secured has grown year-on-year, reaching USD2.8 billion in 2020



Generated cash flows from operations (CFO) of above RM4 billion (>USD1 bil) per annum consistently over past 5 years, and exceeding RM5 billion per annum in 2019 and 2020

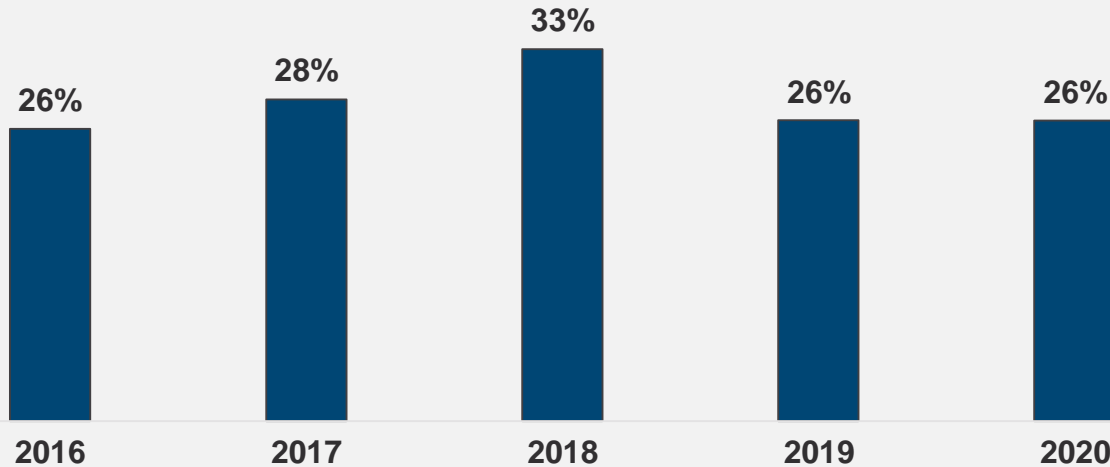




# MISC2020 Recap - Double Digit Return on Assets

Consistently maintained a high dividend payout of more than 25% of annual Cash flow from Operations (CFO) over past five years

■ Dividend Payout (% of CFO)

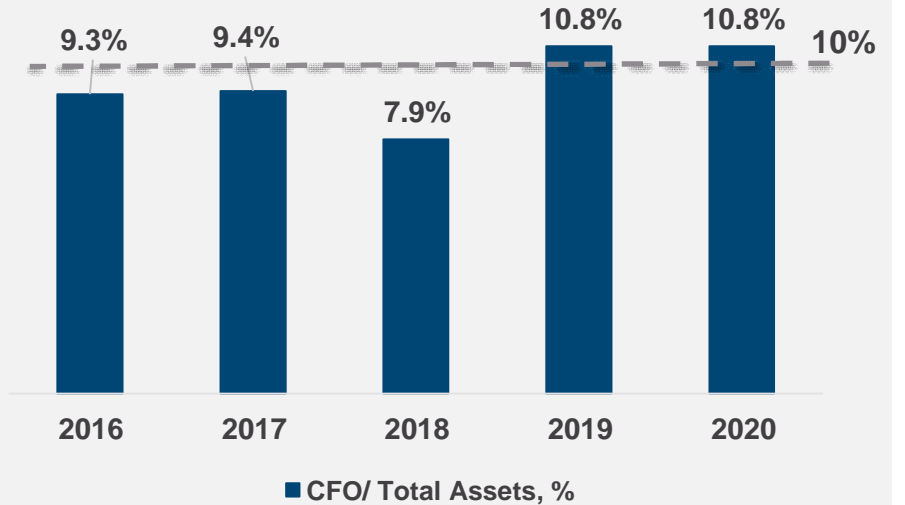


Dividends per share

FY2016	FY2017	FY2018	FY2019	FY2020
30 sen	30 sen	30 sen	33 sen	33 sen

CFO Return on Total Assets (CFROA) fairly stable at around 9% – 11% except in 2018

Cash flow from Operations Return on Total Assets (CFROA)





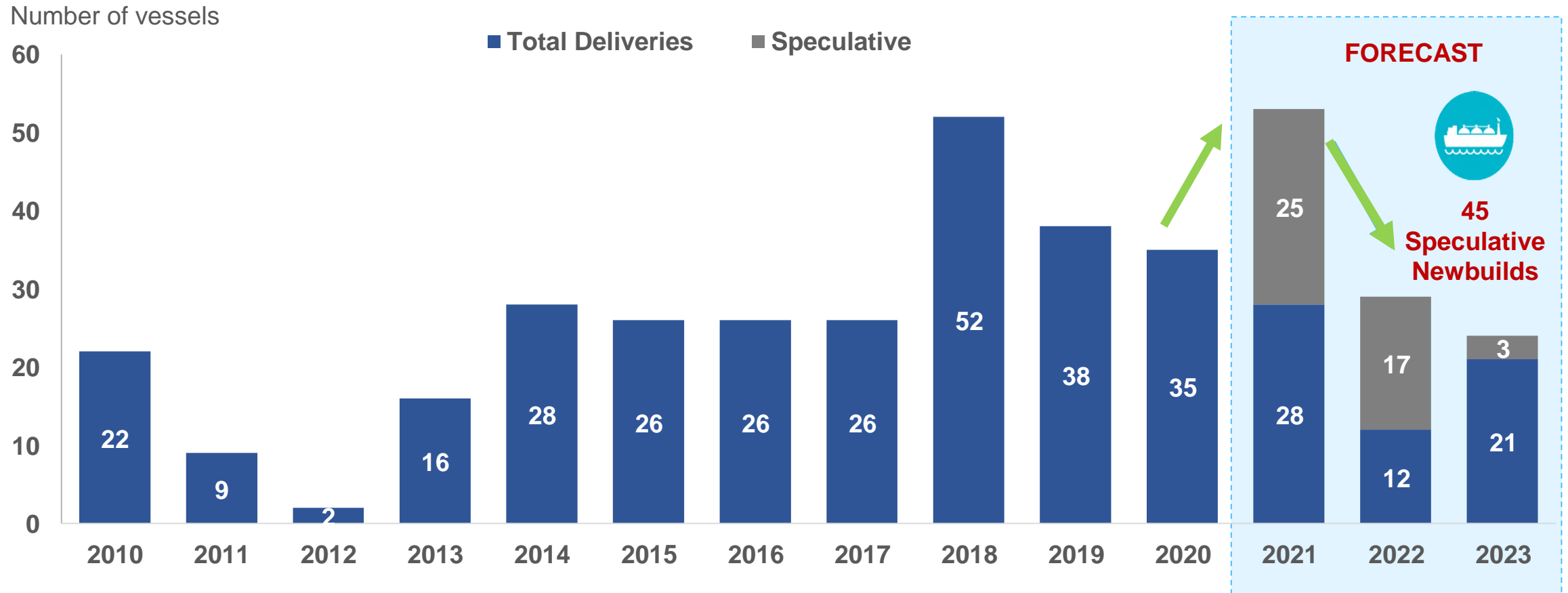


# EXPECTATIONS FOR 2021



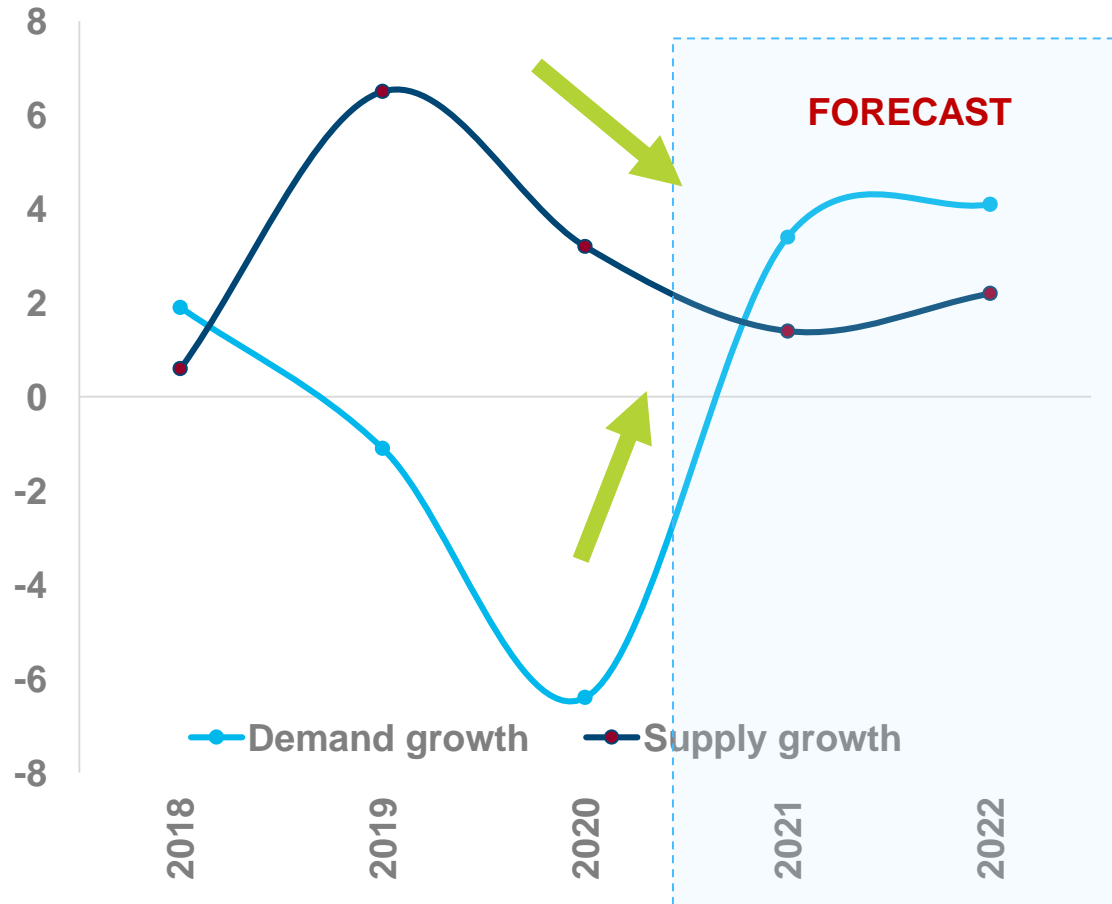
# Rising Delivery of LNG Newbuilds in 2021

## Total Deliveries of LNG Carriers



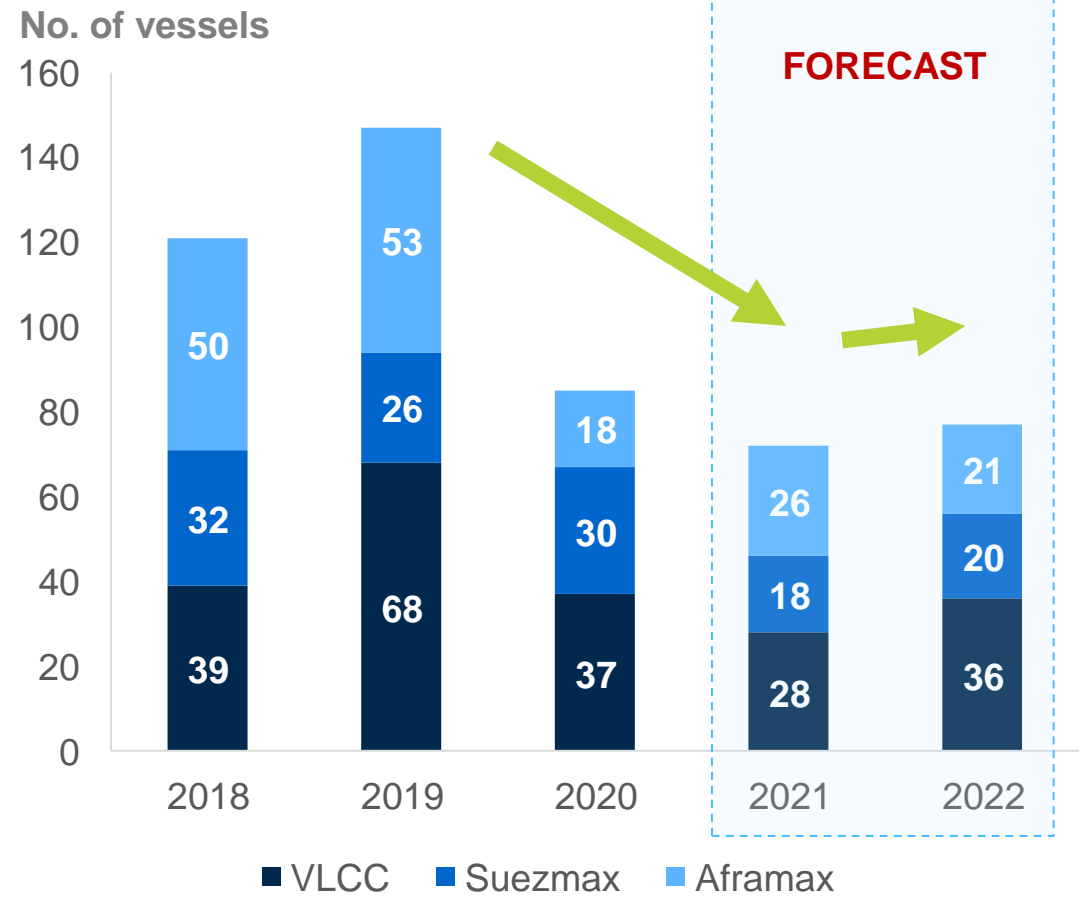
# Slower Petroleum Fleet Growth in 2021

## Tanker Demand and Supply Growth in %



Source: Clarksons

## Tanker Deliveries by Segment

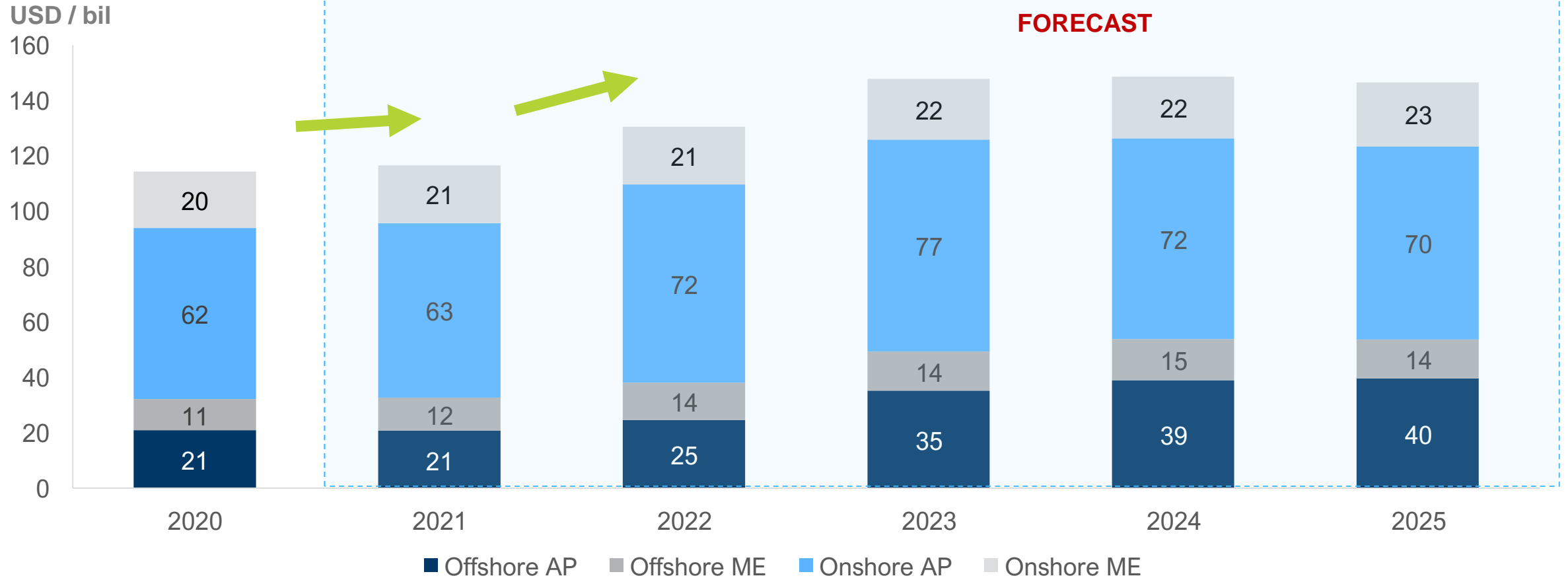


Source: Drewry



# Upstream CAPEX Spending to Remain Subdued in 2021

## Asia Pacific (AP) and Middle East (ME) E&P CAPEX Spending



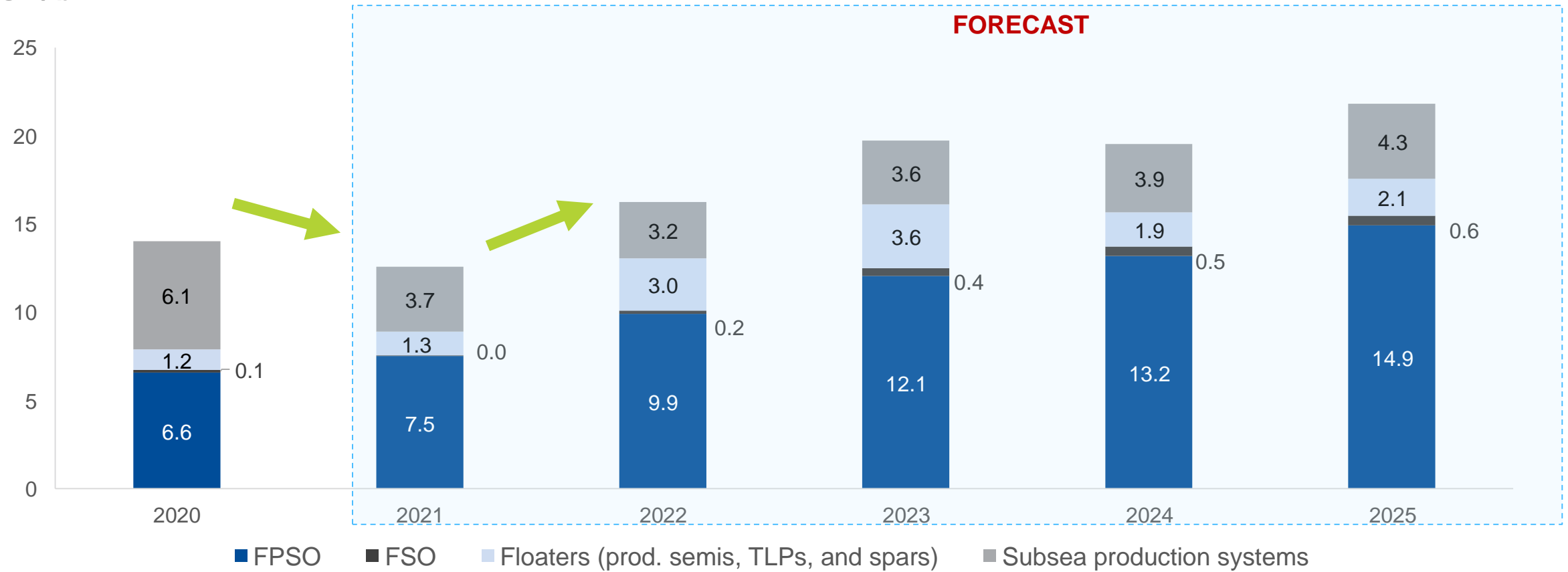
Source: IHS Markit



# FPS Awards to Rise Together with Expected Recovery in Oil Prices

## Floating Production System (FPS) Awards

USD / bil



Source: IHS Markit



## Priorities for 2021

- Focus on execution of projects secured - converting investments into cash generating assets
- Pipeline of projects secured very healthy - time to reap what was sowed
- A year of consolidation - will be very selective with growth opportunities
- Internal focus - internal transformations to strengthen the core for next wave of growth

THANK YOU

*eaglestar*

*mms*



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