



MISC Berhad
54th Annual General Meeting

18 APRIL 2023

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Agenda

1. MISC in brief
2. 2022 in review
3. Key highlights
4. Expectations for 2023



MISC IN BRIEF



A leading maritime conglomerate with proven track record



Global presence with

55
year history



Listed on Bursa with a market capitalization of

RM32 billion



Continuously demonstrating resilience through

YoY Double-Digit revenue growth



Solid balance sheet with total assets of

RM63 billion



107

Modern fleet of LNG, Petroleum & Product vessels



12

Reputable Floating Production System owner-operator



10,000

International and diverse workforce of sea & shore employees from **Over 40 nationalities**

Strong

credit rating in the marine transport sector



Moody's Investors Service



S&P Global Ratings

Member of

Dow Jones Sustainability Indices

Powered by the S&P Global CSA

for 2 consecutive years

Inaugural entry as **Sustainability Yearbook Member** in the S&P Global Yearbook 2023



What we do

Delivering Revenues Through 4 Core Business



Gas Assets & Solutions

23%

of 2022 Group Revenue

- ❖ Transports up to 6.1% of global LNG
- ❖ One of the world's largest single owner and operators of LNG carriers – **30 LNG carriers**



Petroleum & Product Shipping

34%

of 2022 Group Revenue

- ❖ Leading global owner and operator of crude and clean petroleum tankers
- ❖ **68 Tankers** and market leader in specialist lightering operations



Offshore Business

31%

of 2022 Group Revenue

- ❖ Top 5 Floating Production Systems owner and operator in the world
- ❖ **12 Floating assets**



Marine & Heavy Engineering

12%

of 2022 Group Revenue

- ❖ Owner of the single largest fabrication yard and one of the largest drydocks in Southeast Asia

Supported by 3 Key Enablers



Integrated Marine Services

- ❖ Ship management arm with a team of ~5,000 highly skilled professionals
- ❖ High vessel availability and utilisation rate >99%



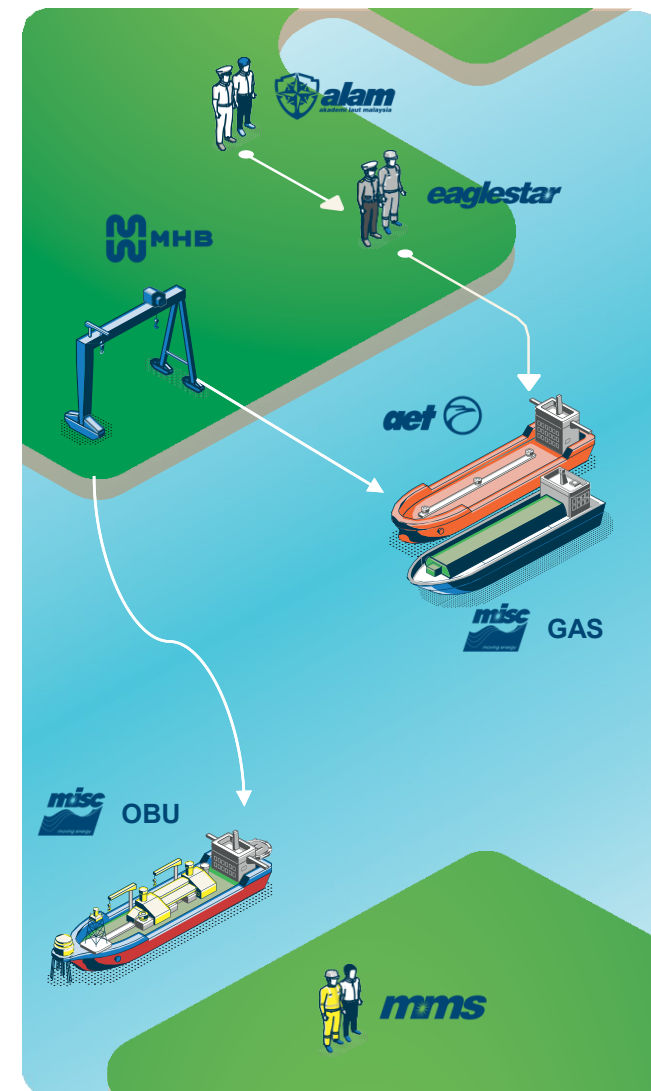
Port Management & Maritime Services

- ❖ Over two decades of reputable experience
- ❖ Performed first Ship to Ship LNG Bunkering in Sg Udang Port



Maritime Education & Training

- ❖ Training institution for seafarers, offshore platforms and shipping industry
- ❖ To achieve University College status by 2025/2026





2022 IN REVIEW



2022 has been an eventful year

Global economic conditions, ongoing geopolitical tensions and increasing focus on energy transition were the main drivers for change...



The cost-of-living crisis, tightening financial conditions, geopolitical tensions, supply chain disruption and high inflation is weighing heavily on the economic outlook.



Geopolitical tensions caused a re-assessment of economic relationships and dependencies, increasing polarisation and disrupting established trade routes.

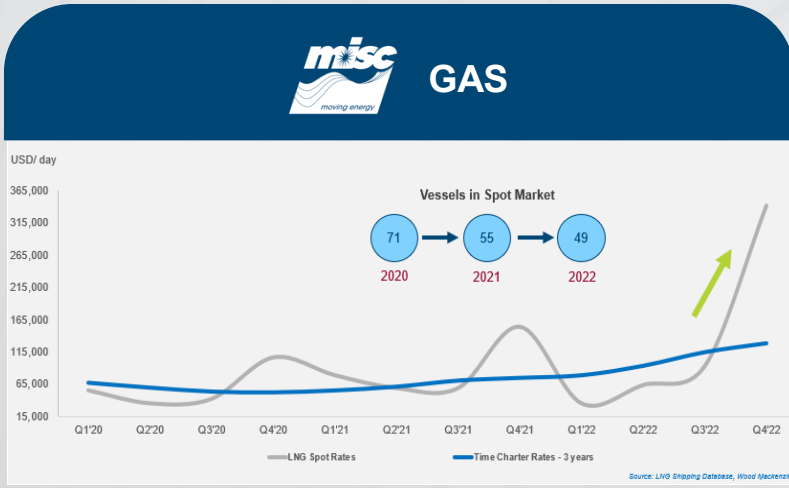


Longer term, growing societal demand for cleaner energy and rapid decarbonization will cap fossil fuel demand growth.

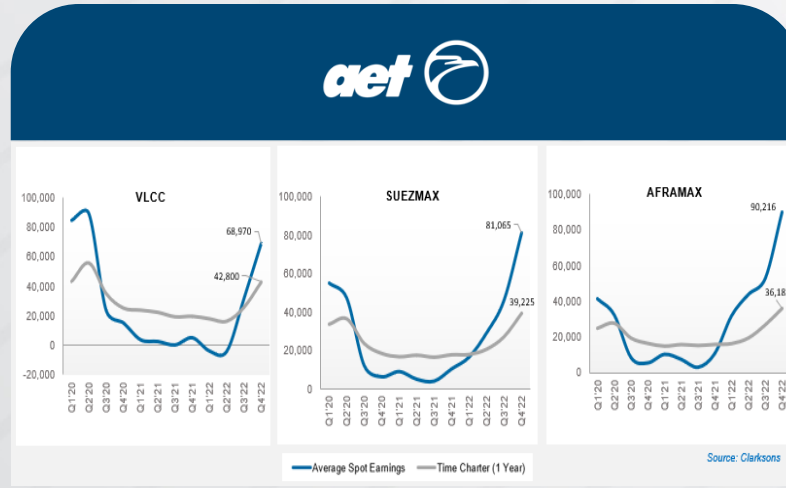


Underlying factors that supported our achievements

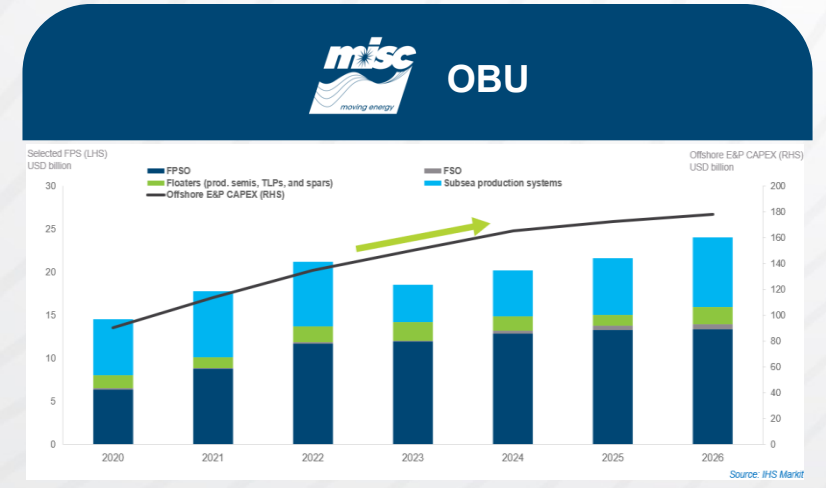
Some business segments leveraged firming markets by capitalizing on the opportunities...



LNG rates accelerated with high EU demand



Average tanker rates strengthened



Increase in upstream activities driven by E&P CAPEX spending

Charter rates for both LNG and Petroleum tankers remained positive throughout the year coupled with expected buoyant outlook for upstream activities.







KEY HIGHLIGHTS BUSINESS AND FINANCIAL PERFORMANCE



Consistent performance in 2022

Notwithstanding a turbulent year, the MISC Group was able to secure numerous successes as listed below.

KEY HIGHLIGHTS

| | | | | | |
|--|--|--|---|---|---|
|  <p>Project Award</p> |  <p>12 LNGCs with QatarEnergy (25% stake)</p> |  <p>2 LNGCs with SRM</p> |  <p>Contract extensions for FPSO Bunga Kertas and Ruby 2</p> |  <p>FEED & EPCIC for the Kasawari Carbon Capture & Storage project</p> |  <p>EPC for the Rosmari-Marjoram gas project</p> |
|  <p>Project Delivery & Execution Excellence</p> |    <p>Delivery of 6 DPSTs & 2 DF VLCCs in AET</p> | <h3>BOND MARKETS</h3> <p>Successfully issued USD 1.0 billion Global Medium-Term (GMTN) Notes</p> | |  <p>Transformation and digitalisation efforts to transform finance, procurement and contract management is ongoing</p> | |
|  <p>ESG Excellence, Awards & Other Recognition</p> |  <ul style="list-style-type: none"> Strongest commitment to sustainable energy transportation Most organised investor relations  |  <p>Eagle Valence is recognised & won Tanker of the Year Award</p> |  | <p>The Edge Silver award for ESG and the Highest Returns to Shareholders Over Three Years (Transportation & Logistics)</p> | |



Financial and operational highlights 2022

Group profit before tax of

RM1.9 billion

5.6%

increase from FY2021

Consistent

Net Debt to EBITDA of

2.1x

As at 31 December 2022

Consistent

Dividend payout of

33.0 sen per share

Established

USD3.0 billion

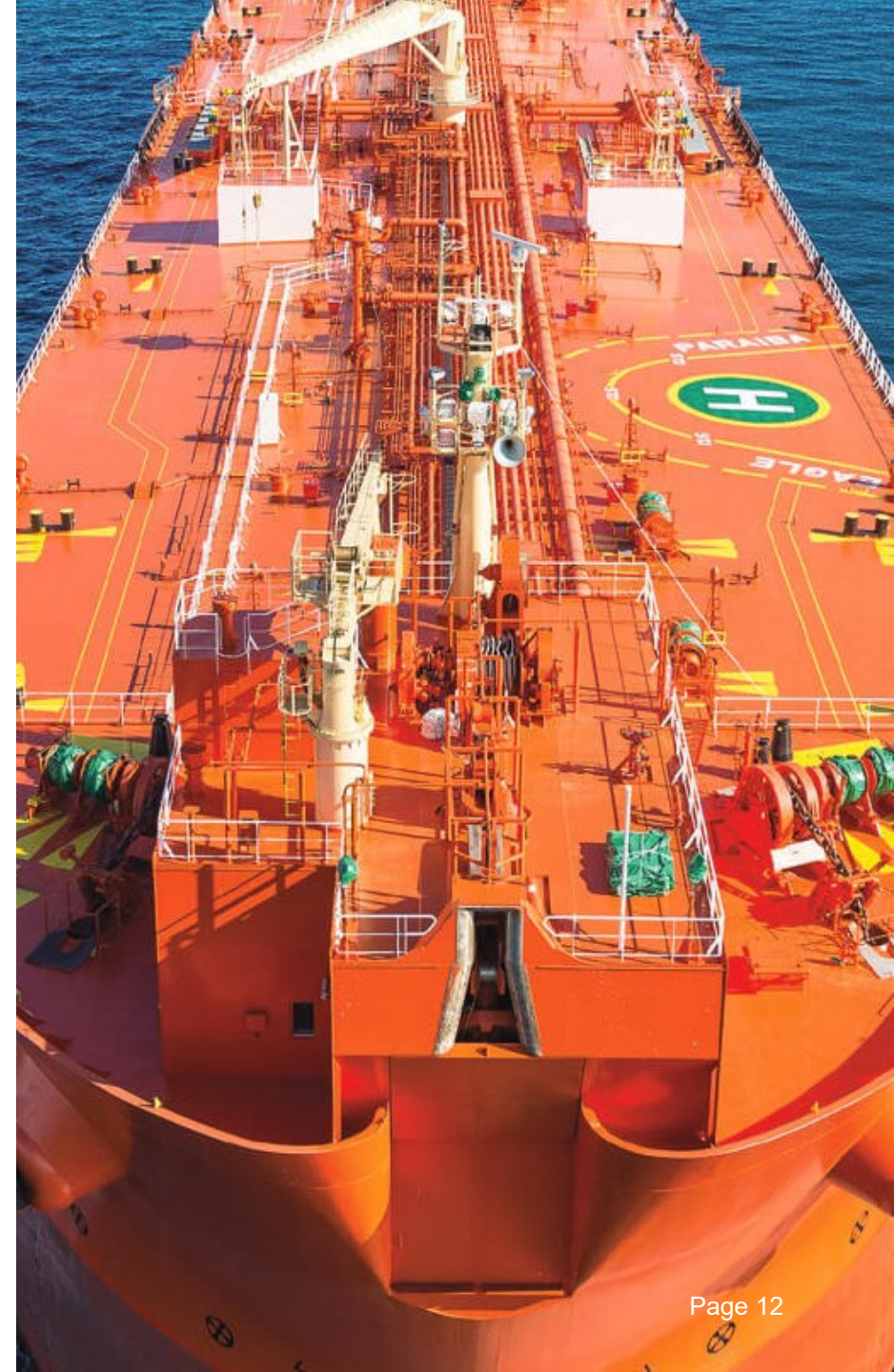
GMTN Programme in Q1 FY2022, and successfully issued USD1.0 billion, and >3.0x oversubscribed

Group HSSE's performance generally maintained.

Focus remains on instilling a

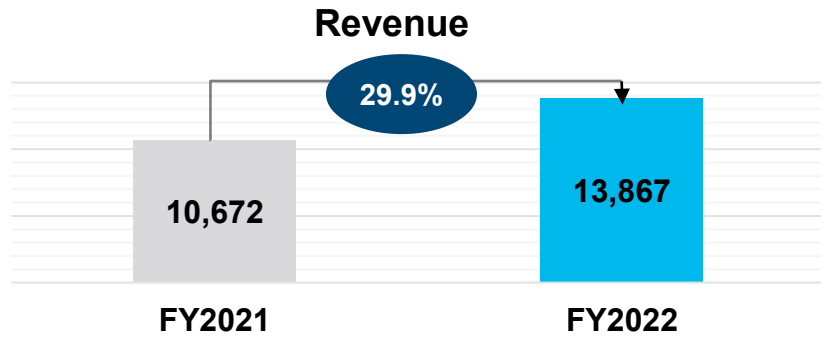
Generative HSSE Culture

Note: EBITDA is calculated as profit for the year before tax expenses adding back total interest expenses, depreciation, amortization, impairment losses and deducting finance income. EBITDA should not be viewed as an alternative measure of operating results as determined in accordance to MFRS.

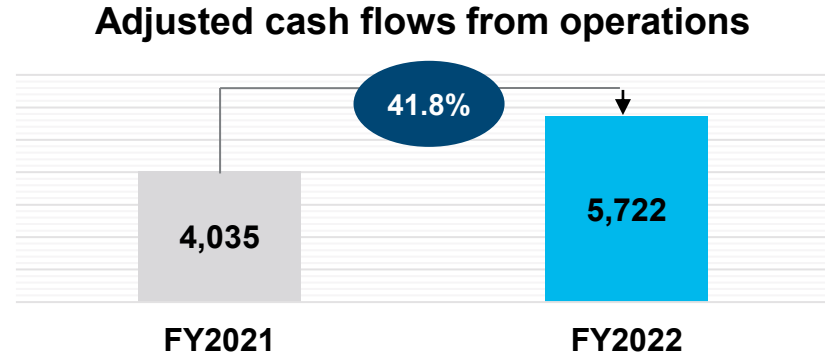




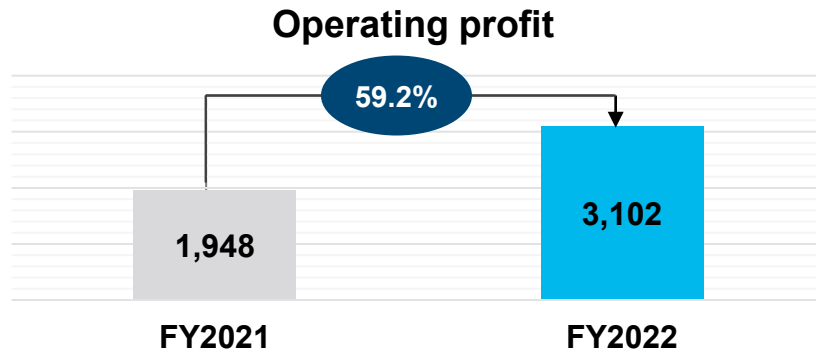
Key financial highlights



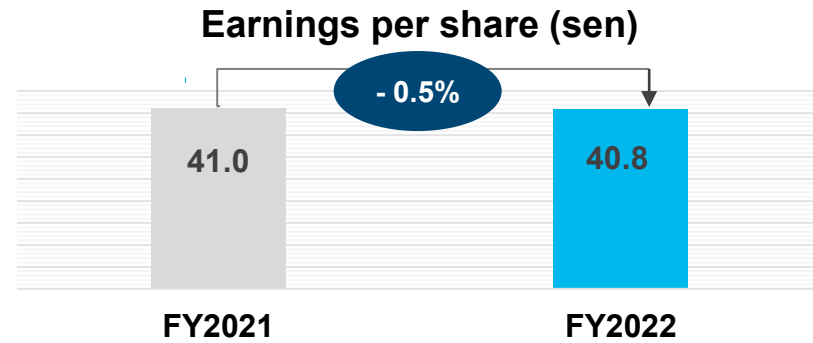
Improved freight rates, higher earning days, project progress[^] and increased dry-docking services



Higher collections received in line with higher revenue



In line with higher revenue



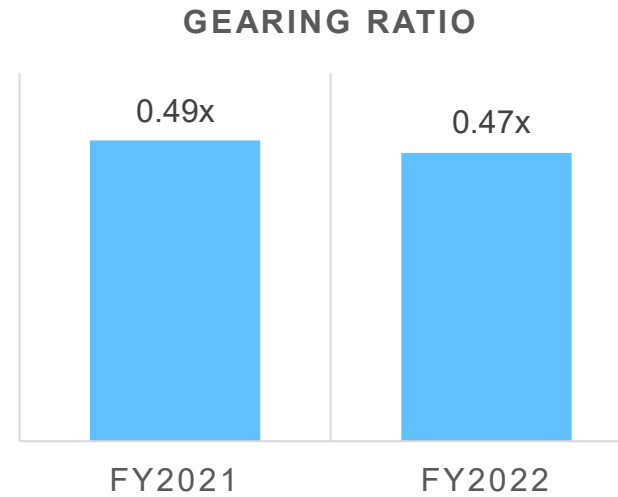
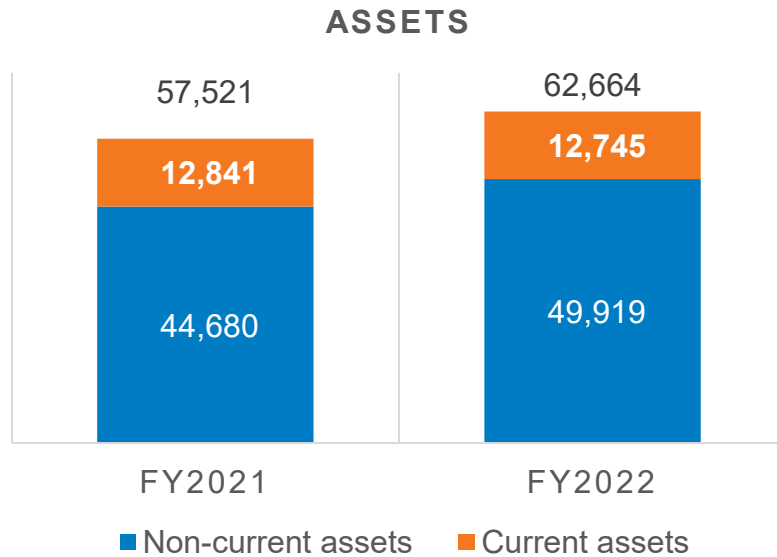
Comparable earnings per share

[^] Project progress includes revenue from construction contract on the conversion of an FPSO in the Offshore Business

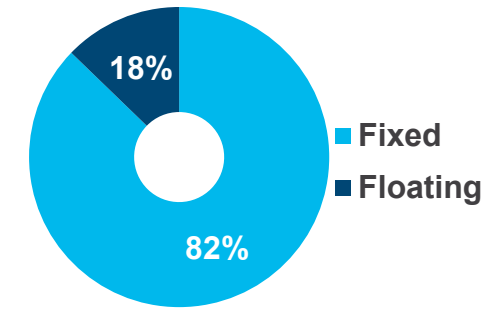
**All figures in RM Million unless otherwise stated*



Solid balance sheet with prudent risk management



**DEBT COMPOSITION
AS AT 31 DEC, 2022**



- ❖ Healthy **liquidity** position and **sufficient headroom** for additional debt to fund future capex requirements
- ❖ Maintains **flexibility** with the newly established GMTN Programme in 2022
- ❖ Impact on interest rate hike is limited given the current debt composition



EXPECTATIONS FOR 2023

Navigating the challenging business landscape



External Environment Uncertainties

- Ongoing geopolitical tensions disrupting global supply chain, economic development and trade.
- Energy crisis, further fuelling inflation, increase in interest rates and risk of recession.



Energy Transition Gathering Pace

- The growing demand for cleaner energy brings new business opportunities to the Group.
- Pivoting and targeting new potential income from energy transition opportunities.



Global Decarbonisation Agenda

- New maritime regulations
 1. EEXI & CII (Jan 2023)
 2. EU Emissions Trading System (Jan 2024) and Carbon tax matters
- Primary focus of new capex investment is on greener assets; i.e. dual fuel vessels and low carbon emission assets.



Maintain discipline, pursue strategic growth

An abundance of opportunities which allows MISC to be selective with focus on strategic clients and cleaner energy solutions.

USD4.6 billion
Prospective projects as at 31 March 2023

Strategic client positioning



Strong recurring cash flows



Pacing for energy transition opportunities





Priorities for 2023

- 1 Project execution, delivery and operational excellence
- 2 Selective investments focusing on cleaner energy solutions
- 3 Driving generative HSSE culture
- 4 Business model transformation to unlock value and position for energy transition

...leading to a more resilient organisation that delivers better value to shareholders, environment and community.



moving energy

----- It's who we aspire to be -----

Moving

means progress or evolution

Energy

means our people, values, mindset, ambition, passion, etc

Q&A SESSION

THANK YOU

eaglestar

mms

