

4Q 2024 RESULTS ANALYST BRIEFING

28 February 2025, Friday
3.00 p.m. – 4.30 p.m.





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01

PAT surged by 2x in 2024 against 2023

02

Exceptional operational performance

03

Net cash position and fully paid term loan

04

49% dividend payout ratio and **7%** yield



Short term outlook

1.

2025 activity outlook

Stable PETRONAS Activity Outlook indicate a demand for 10 jack-up rigs in 2025

2.

Expected new contract

In negotiations for NAGA 5 contract, which is expected to commence in Q2 2025

3.

Ongoing bidding

NAGA 3 and NAGA 8 bidding for five (5) opportunities in Vietnam, Thailand and Indonesia, and is expected to commence work in Q3 2025

Delivered the best annual results since 2014

Utilisation

87%

(YTD 2023: 83%)

USdk/d

Average DCR

118

(YTD 2023: 94)

RM'mil

PAT

208

(YTD 2023: 100)

Highest utilization
recorded in a decadeRecorded the
highest DCR since 2015**PAT surged by 2x**
in **2024** against 2023

RM'mil

Net cash position

70

(YTD 2023: Net debt 227)

sen

Dividend per share

1.25

(YTD 2023: 0.25)

Dividend yield

7%

(based on 18 sen -25/2/25)

Fully paid term loan,
ahead of schedule**49% of PAT**
Dividend Payout ratio**Maximising returns**
to shareholders

Global macroeconomic conditions are still supportive of oil price, CAPEX and development activities

1. IMF increased its 2025 global GDP growth forecast to 3.3%.
2. US EIA forecasts global oil consumption for 2025 to increase to 104.1 mil bpd (+1.3 mil bpd).
3. US Fed lowered the interest rate by 25 bps in December 2024
4. Geopolitical risk due to new US President's policies
5. Oil prices forecasts remains between USD70-80/barrel

Bloomberg's Brent oil prices consensus forecast

(USD/bbl)

73

Previous: 81
2025

71

Previous: 76
2026

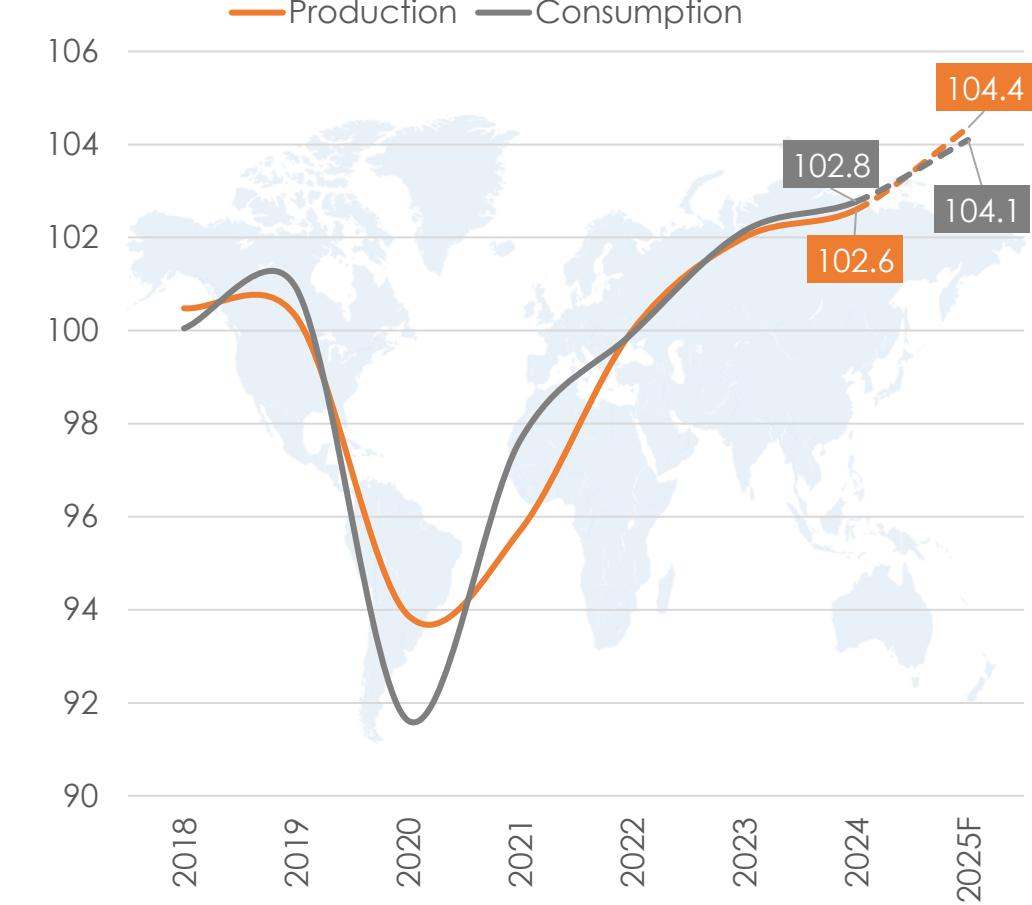
74

Previous: 74
2027

Source: Bloomberg January 2025, EIA January 2025

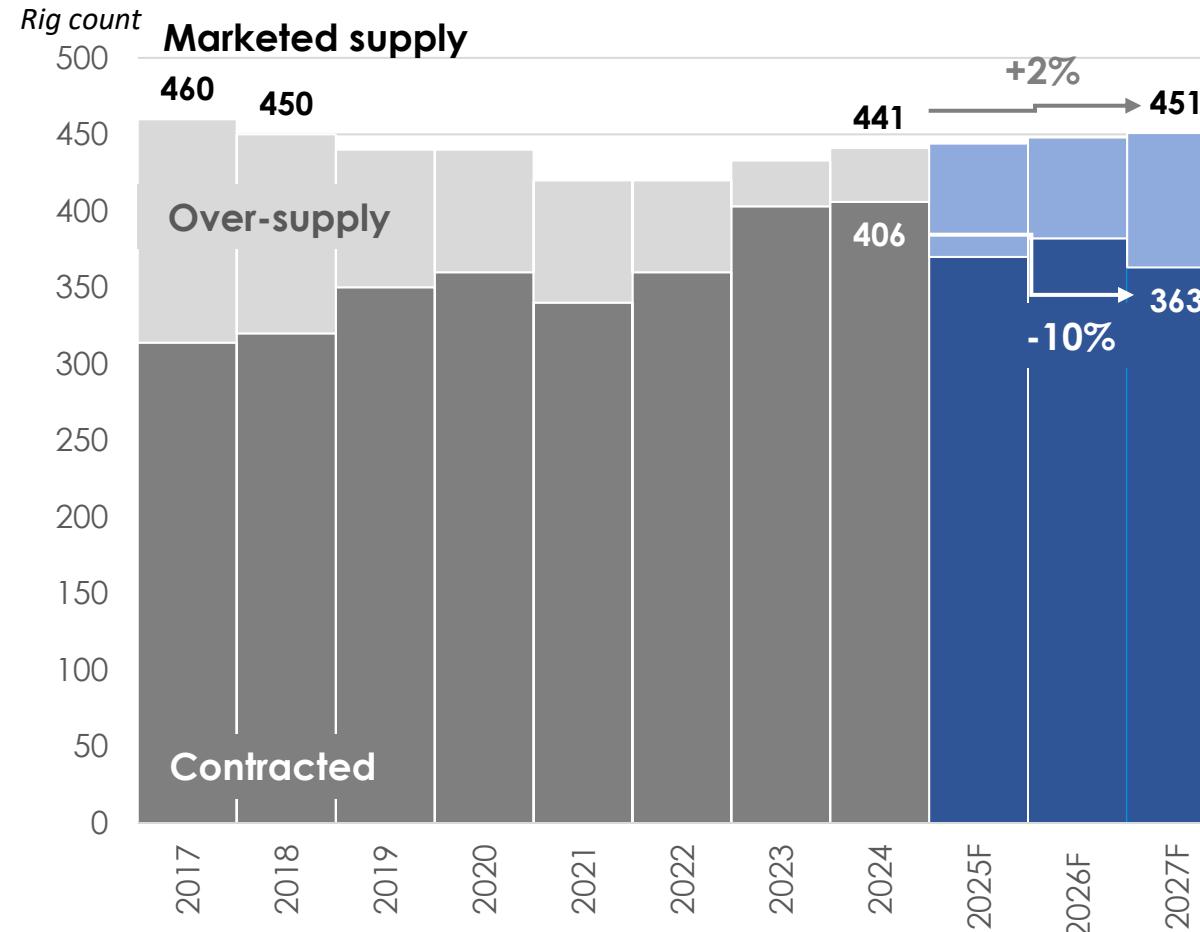
World Oil Production and Consumption

(mil bpd)

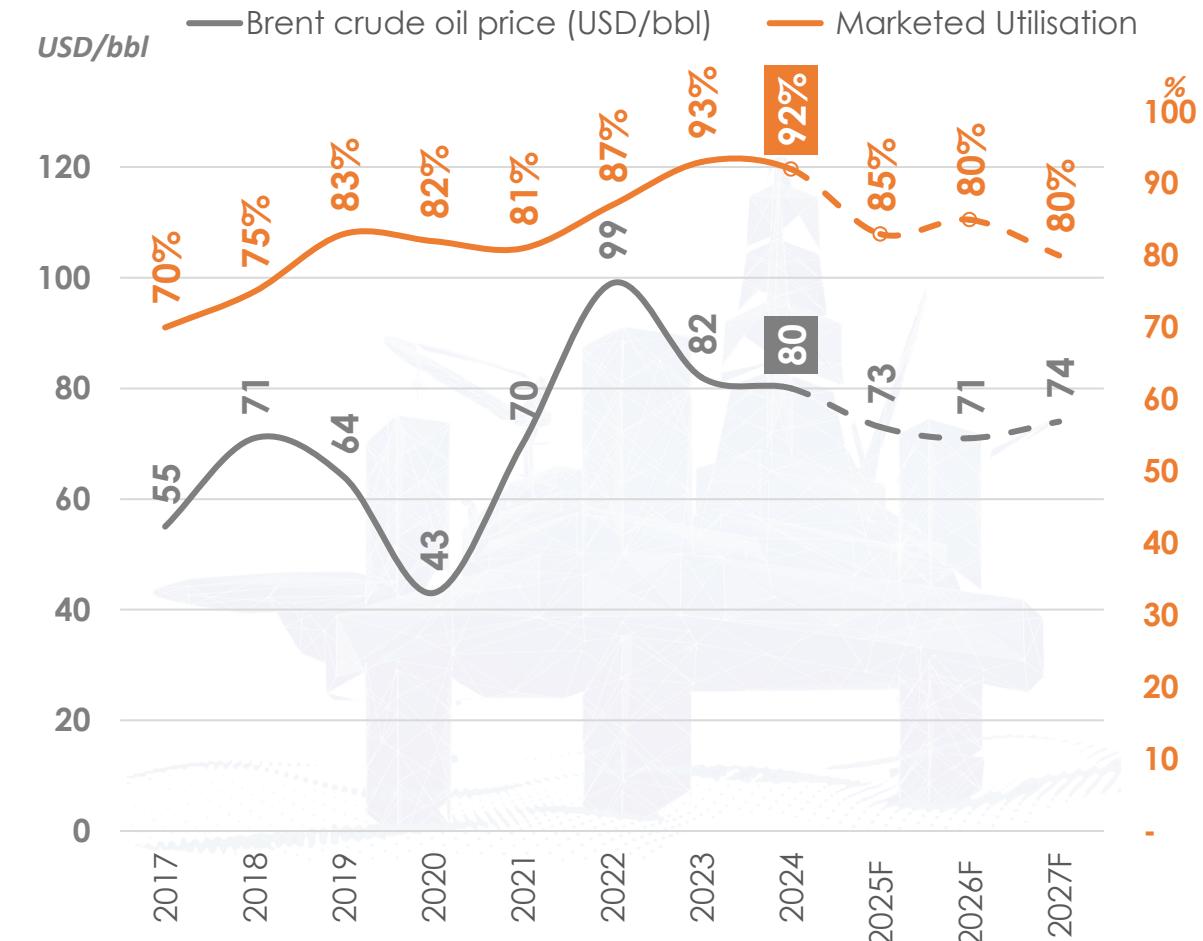


Global Jack-up Rig Marketed Utilisation remains healthy, but is expected to moderate in 2025

Jack-up Rig Supply & Demand



Oil Price against Jack-up Rig Utilisation



Stable regional demand outlook, but additional supply could pressure fixture rates

Rig
Count
(no.)



11



11

13



9



1

10



8



8



6



1



7



2



1



3



4

SEA

37

5

2

44

Marketed
Utilisation
(%)

92%

Fixture
Rates
(USDk/day)

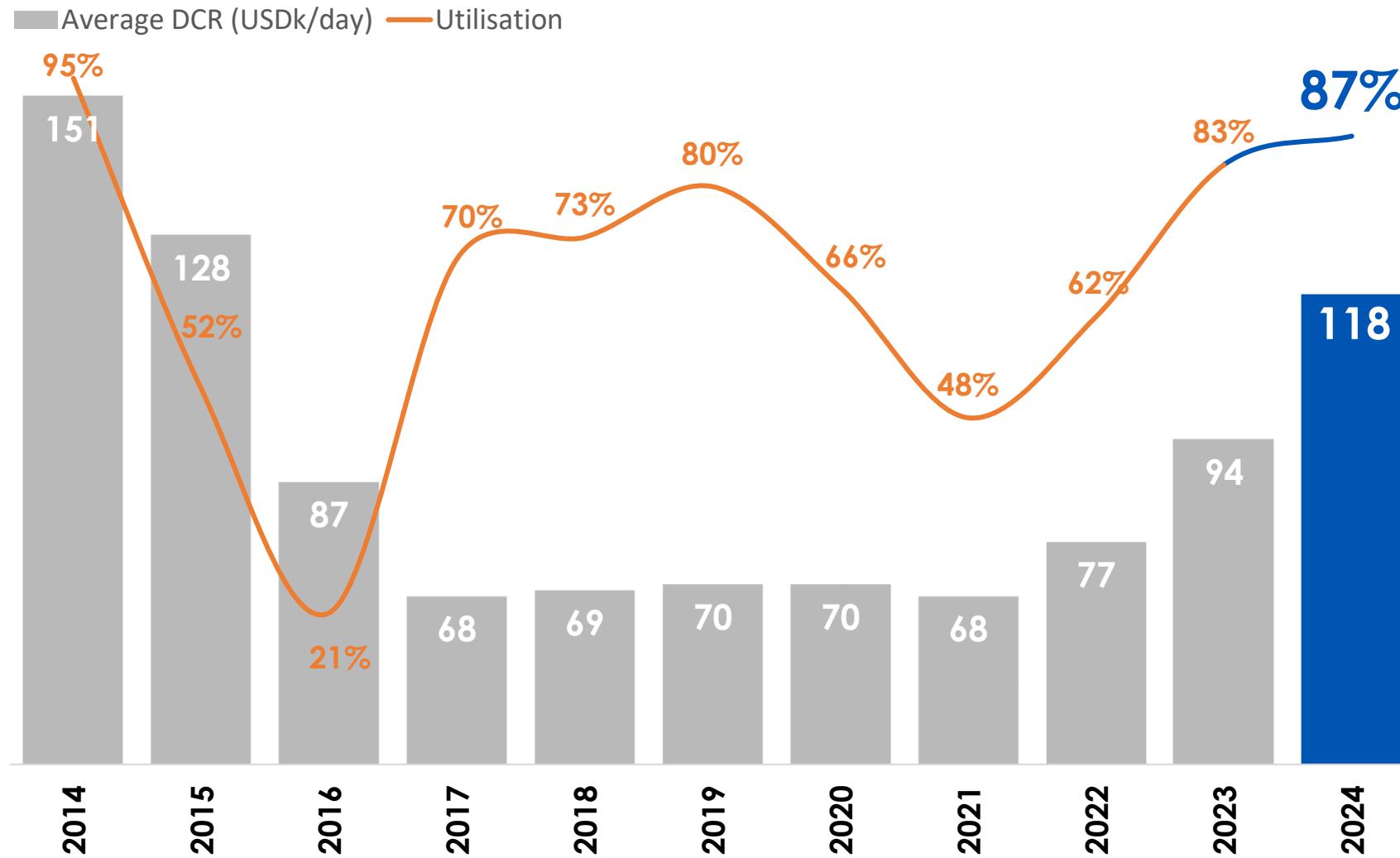
72 - 140

Key highlights:

- Regional rig demand expected to remain stable at current level
- Potential entry of additional rigs into the SE Asia region
- Benchmark fixture rates in Malaysia and the region are slightly lower at USD72-140K

Annual Utilisation and Daily Charter Rates higher year-on-year

Highest utilisation since 2014 and highest average DCR since 2015



2024 vs 2023

- Higher Utilisation of **87%** (2023: 83%) despite completing three (3) SPS during the year
- Higher Average DCR of **USD118k/day** (2023: USD94k) due to higher rates negotiated during renewal of contracts



Excellent operational performance for all NAGAs in 2024

Drilling

- Achieved **Zero LTI** in 2024
- Maintained **Operational Efficiency** of **99%** for both 4Q2024 and YTD 2024
- NAGA 5 received a **Focused Recognition** Special Award for 2024 Performance

Integrated Project Management

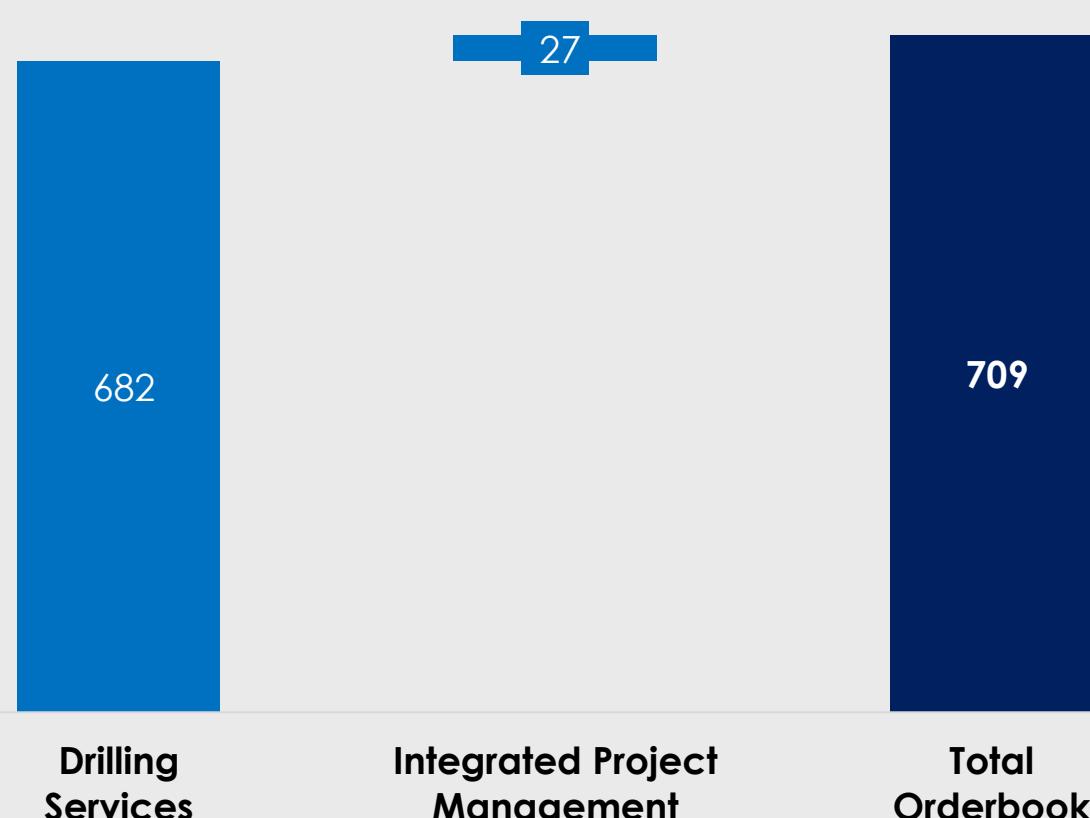
- **Completed IRDC** project for Hess in October 2024
- HWU Utilisation at **50%** based on GAIT 6 are working throughout the quarter

Current order book stands at RM709mil with 100% firm contracts

As at January 2025

(RM'mn)

Current Clients



Integrated Project
Management

Including HWU & IWS

Drilling
Services

Total
Orderbook

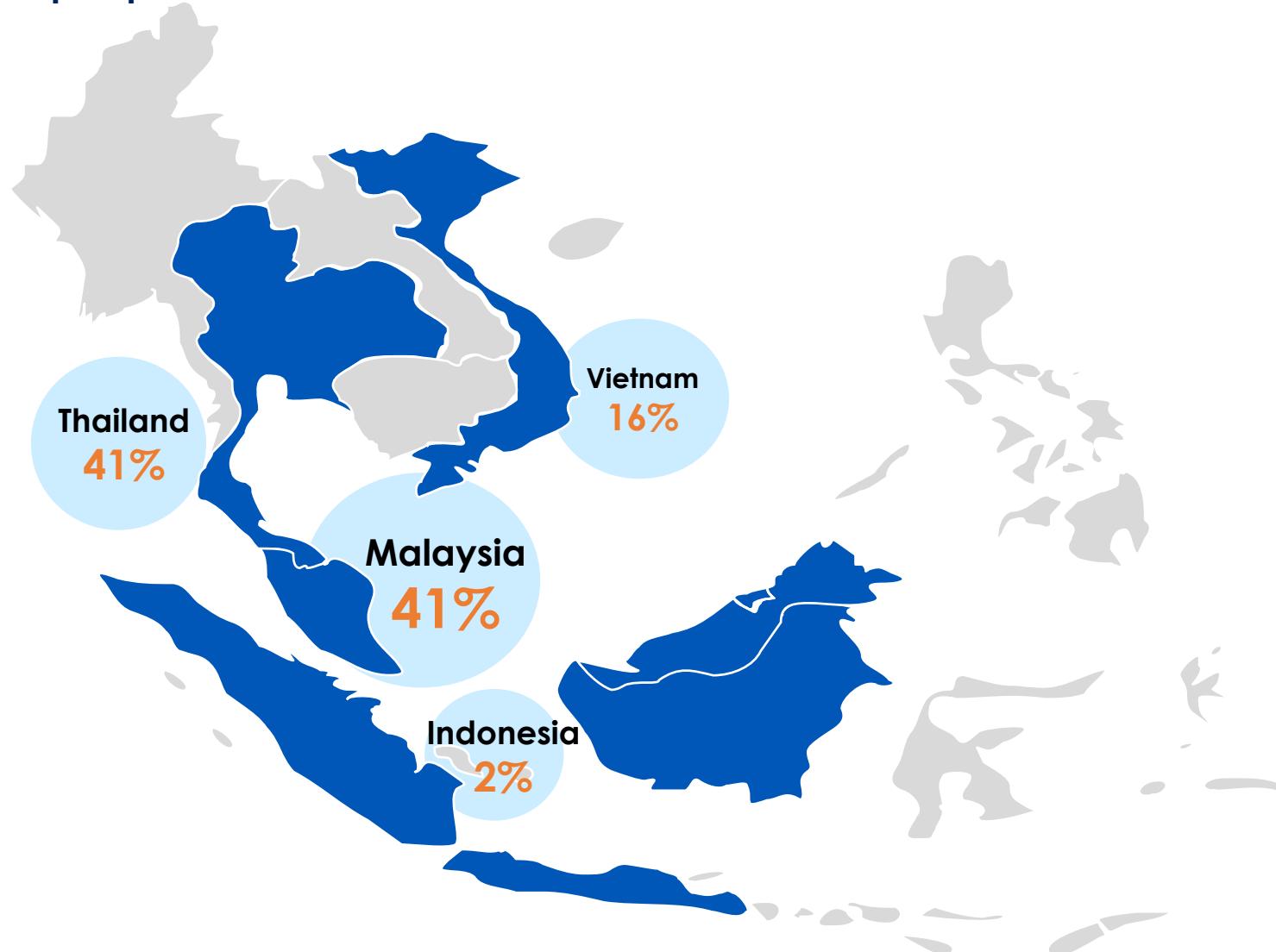
PCSB

Carigali Hess

ExxonMobil

Total prospects currently stands at RM4.3 bil
Focus is now on building order book for 2025 to 2026

Total prospects as at Jan 2025



Total prospects value

4.3

RM Billion

	Short term <12 months	Long term >12 months
No of tenders	16	6
Value (RM b)	1.8	2.5

12

Continue maintaining excellent HSE performance for YTD 2024

HSE Performance

Fatality
Zero

Loss
Time Injury
Zero

Major Spills
Zero

**Better Safety Performance
than industry benchmark**

HSE Engagements



Management HSE Visit
to Naga 5



Generative Safety Leadership
Workshop 2.0 for Front Line
Supervisors



Velesto Injury Prevention
Program (VIPP-VMS), Naga 5

Velesto continues to increase its ESG rating on Bursa Malaysia FTSE4Good Index, achieving ~38% reduction in emissions intensity from 2021 baseline

Key Highlights

 **10%**

 Emission Intensity/
Op Day Reduction
by 2030

 **0**

 Major Spill
(annually)

 **0**

 Reg. Non-compliance,
Data Breaches &
Corruption


**Top 20% Public Listed Companies
Improved ESG Rating of 4.0** (2023: 3.8)

Material Indicator	2023	2024	Variance
Operating Days⁽¹⁾	1,856	1,966	 9%
Total Emission (tCO2e) ⁽¹⁾	61,880	59,068	 (5)%
Intensity/ Ops Day (tCO2e/ day)⁽¹⁾	33	30	 (9%)

(1) Includes only rig emission (as the biggest emission contributor, 99% of total)

(2) As of Dec 2024



**Certified ISO 37001 for Anti-Bribery
Management System**



**Scholarships for students pursuing
degree at UTP through Yayasan UTP**



**Two (2) awards at Malaysia GPM
Sustainability Awards 2024**

Signed strategic collaboration between PETRONAS, Halliburton and Velesto

Signing Ceremony for Development Strategic Partnership (DSP) Model Commencement

19 FEBRUARY 2025



- To **enhance subsurface** and **wells performance**.
- To **improve efficiency** and **maximize value**.
- **The only Malaysian company** among the international players.

4Q 2024

Financial Highlights



Excellent 4Q 2024 performance capped-off an excellent year – our best since 2015

Key Financial Highlights	Quarterly			Yearly		
	4Q 2024	3Q 2024	4Q 2023	FY 2024	FY 2023	%
Average Utilisation (%)	82%	73%	94%	87%	83%	 4 p.p
Average Day Rate (USD '000)	126	127	99	118	94	 26%
Operational Efficiency (%)	99%	99%	99%	99%	97%	 2 p.p
Revenue (RM mil)	276	352	359	1,360	1,215	 12%
EBITDA (RM mil)	127	126	144	538	365	 47%
EBITDA margin (%)	46%	36%	40%	40%	30%	 10 p.p
PAT (RM mil)	55	43	67	208	100	 108%

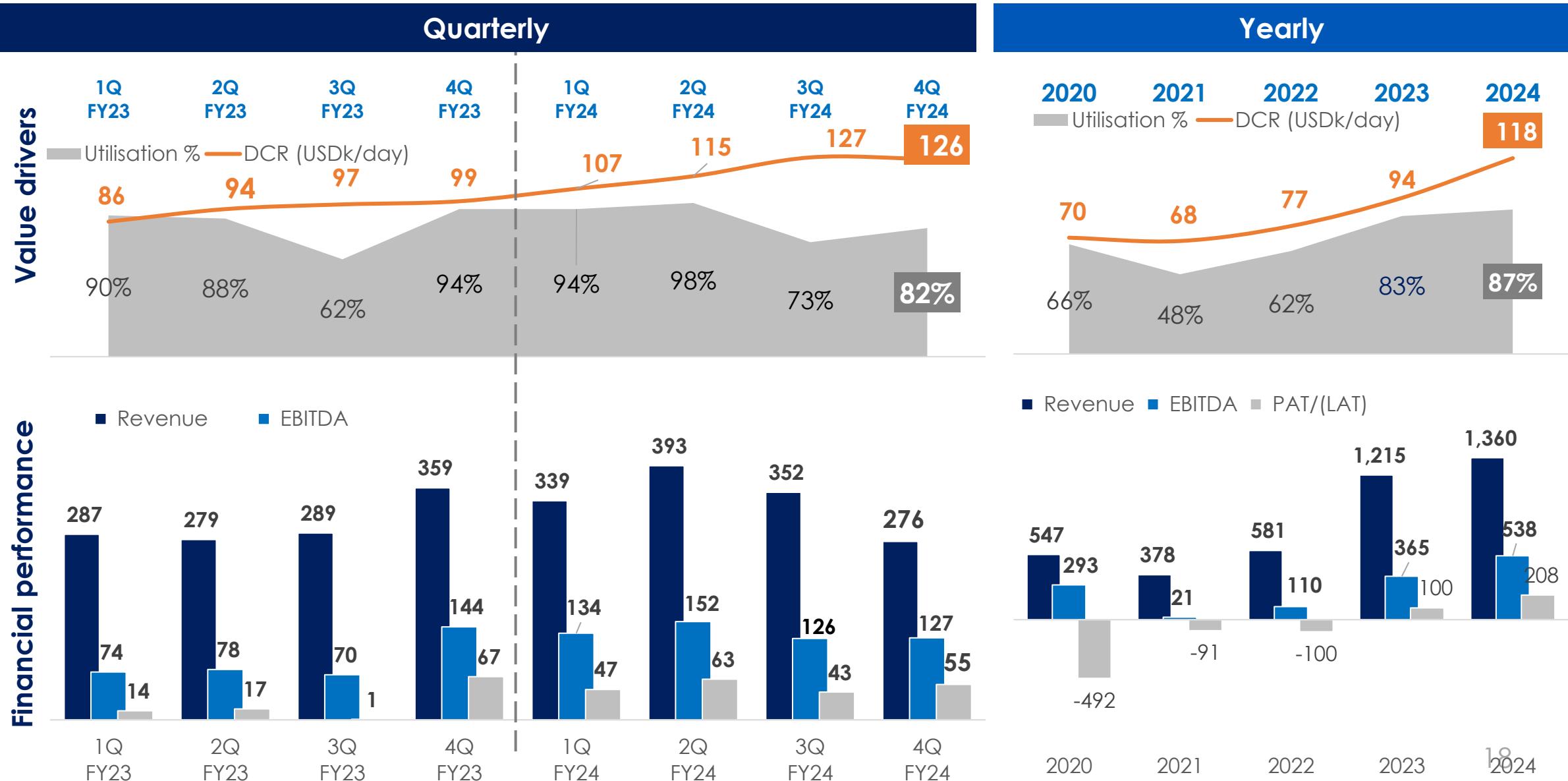
Quarterly

- Achieved a revenue of **RM276 mil** and PAT of **RM55 mil**
- Lower revenue due to completion of IRDC
- Higher PAT due to higher utilization of **82%**

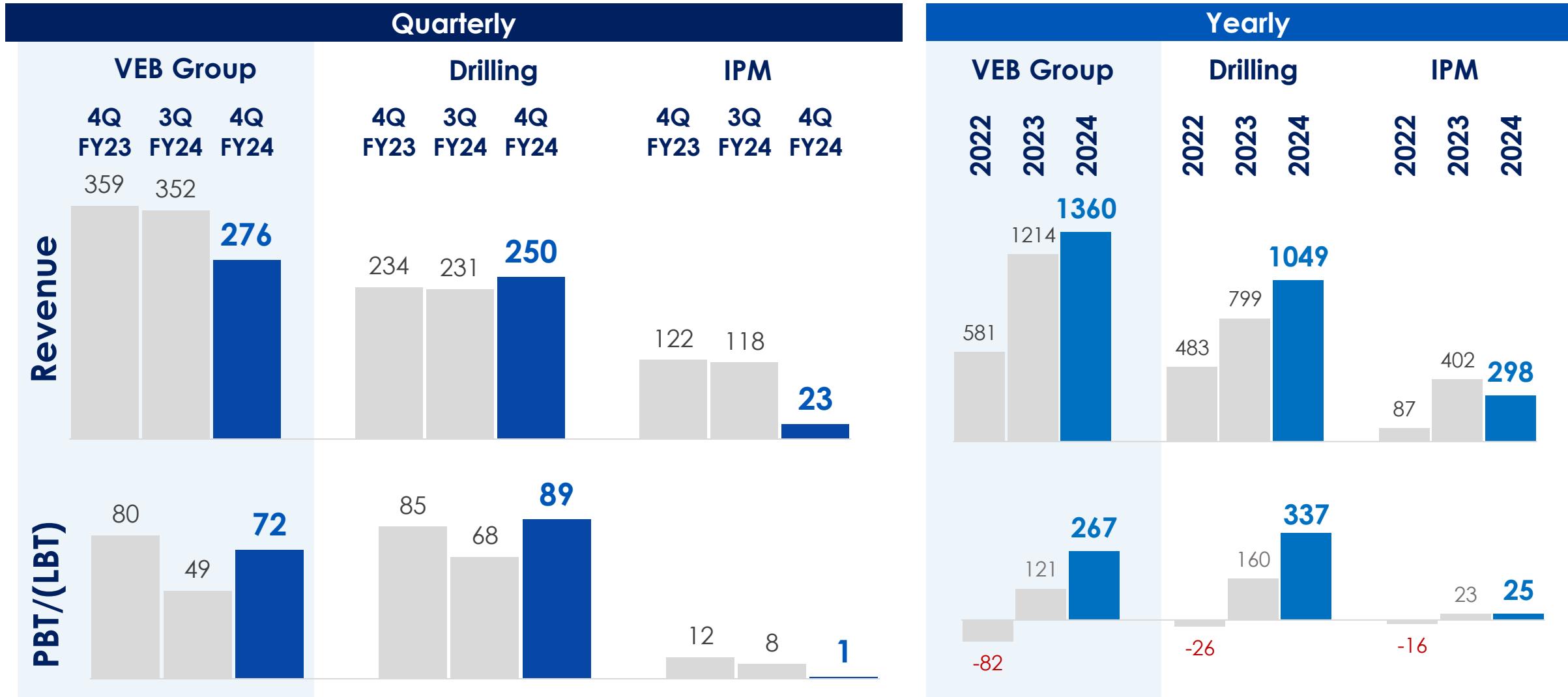
Yearly

- Delivered full-year Revenue of **RM1.36 bil** and PAT of **RM208 mil**
- Based on **87%** utilization and **USD118k/day** average DCR

Higher full year revenue and PAT due to higher utilization and average DCR in 2024



Drilling Segment higher contribution due to higher utilization and elevated average DCR
Integrated Project Management lower revenue in 4Q2024 as IRDC completed in Oct 2024



2nd Interim Dividend of 1.00 sen per share

Ex-date on 25 April 2025 and paid on 23 May 2025

Term Loan fully repaid in October 2024

Net Cash position as at 31 December 2024

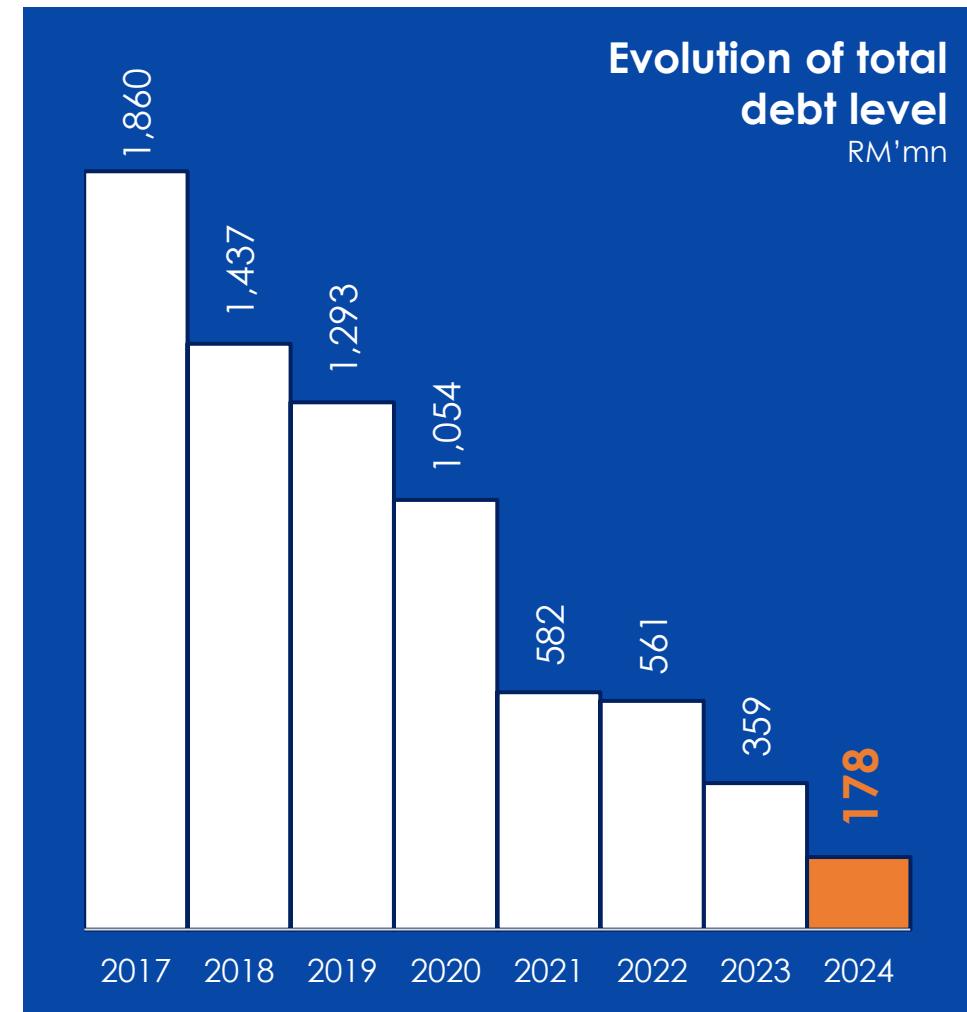
Borrowings Information

Total Borrowings (RM)	Cash Balance (RM)	Gross Debt to Equity Ratio
178 mil	248 mil	0.07x

Dividend Information

Total Dividend (sen per share)	Return on Equity	Dividend Payout Ratio
1.25	8.1%	49%

Reducing total debt levels since 2017



Our Primary Focus **Maximise Return to Shareholders**



Secure long term earnings

- Prioritise securing long-term contracts
- Actively bidding in SE Asia markets i.e. Indonesia, Vietnam and Thailand



Prioritizing on cost optimization initiatives

- Maintain cost discipline to protect margins
- On-going initiatives to optimize efficiency



Return free cashflow to shareholders

- Higher dividend pay-out in 2024
- Exploring options to further increase return to shareholders



We strive to maintain healthy margins

Margins/ratios	2023	2024
01 EBITDA margin	30%	40%
02 PAT margin	8%	15%
03 ROE	4%	8%
04 Dividend payout	20%	49%

Summary

- Achieved **RM1.36 bil Revenue** and **RM208 mil PAT** in 2024
- Exceptional 2024 results for VELESTO, with **optimism** for another strong year in 2025
- Focused on growth through **Asset-Lighter** strategies
- Proactive cost initiatives to **sustain** strong performance
- Healthy balance sheet – well-positioned to drive **shareholder returns**

THANK YOU

