

1Q 2025 RESULTS

ANALYST BRIEFING

Tuesday | 27 May 2025

2.00 p.m. – 3.30 p.m.

Microsoft Teams

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1Q 2025: Maintained resilient financial performance despite headwinds



Achieved strong **PAT margin at 23%**, despite lower **utilisation of 67%**



Achieved outstanding **operational efficiency of 99%** and maintained **Zero LTI** for drilling operations



Order Book **doubled to RM1.4 billion**, providing revenue visibility into 2028, driven by SE Asia **contract wins in Vietnam and Indonesia**.



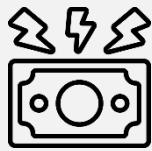
Sustained strong financial performance with **50% EBITDA margin** and **RM53 million Profit After Tax**

Given the macroeconomic outlook, oil price consensus is forecasted at USD69 per barrel



OPEC+ increase production

by 411,000 bpd in May and June 2025



Trade tension and tariff policies

US tariffs and trade tensions may weigh on global growth and inflation



Multiple geopolitical uncertainties

India - Pakistan, US - Iran Nuclear Talks, US - Syria, Ukraine - Russia and Israel - Palestine conflict

2025-2026 Brent Price (USD/bbl)

66 - 69 ↘

(Pre Tariff: 75-71)

GDP Growth

2.8% ↘

(Jan 2025: 3.3%)

2025 Global oil supply

104.1 ↘

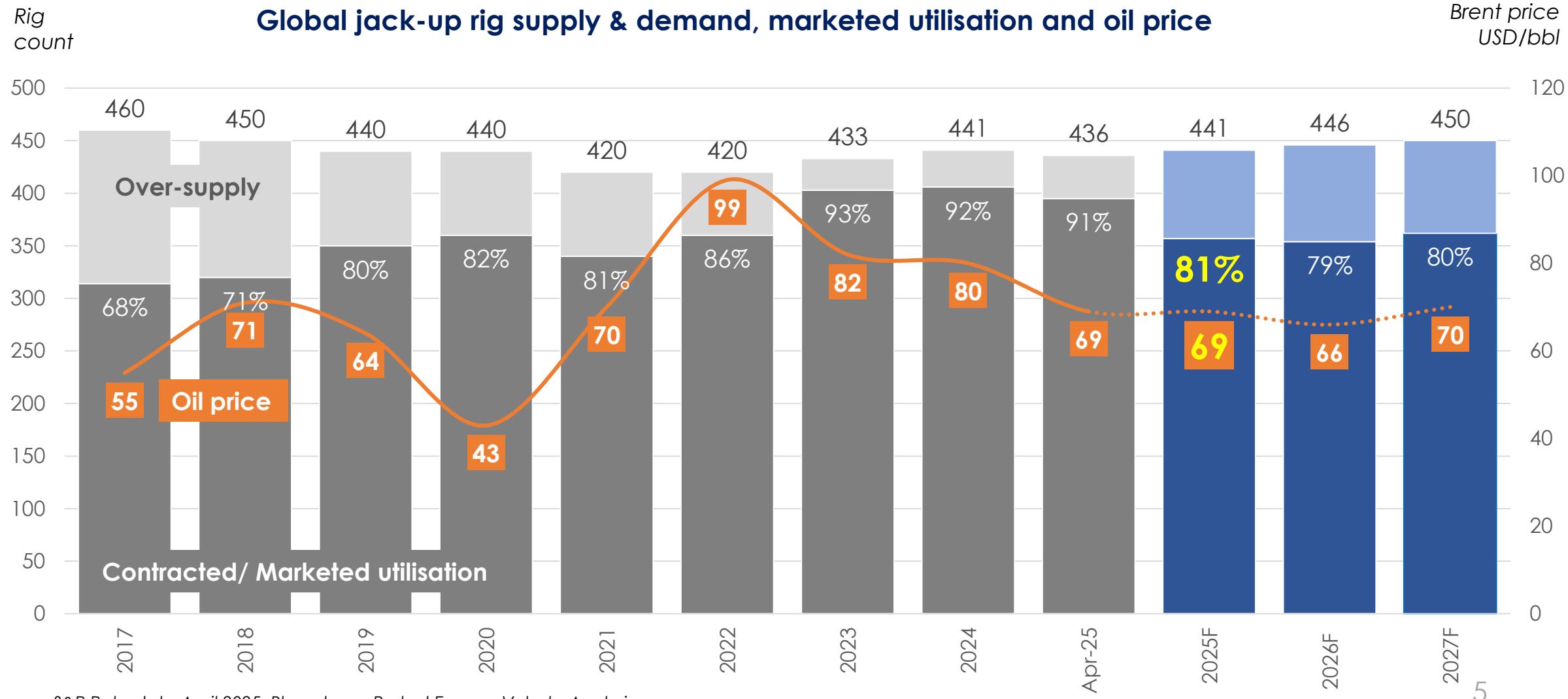
Mil bpd
(Jan 2025: 104.4)

2025 Global oil demand

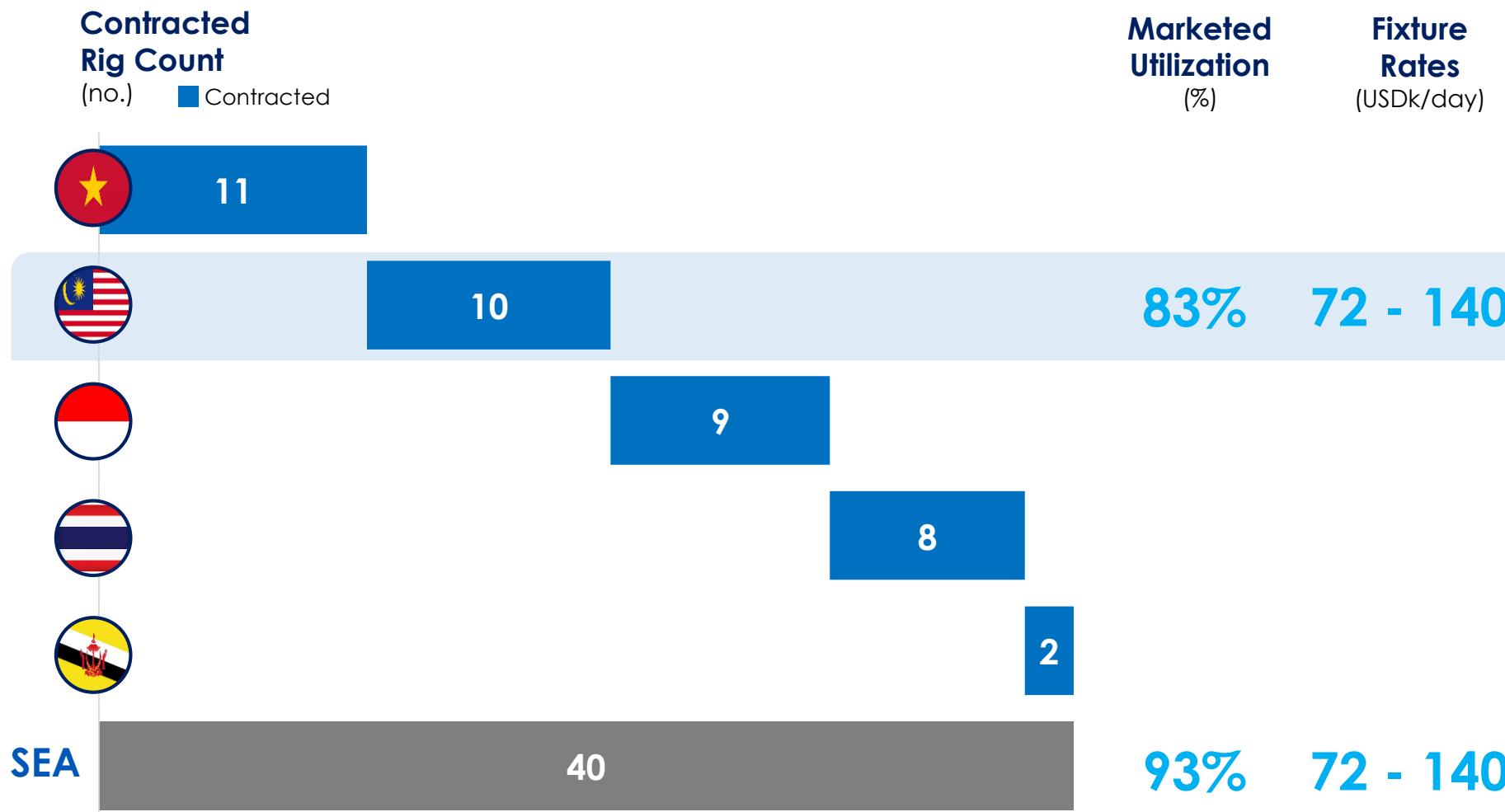
103.6 ↘

Mil bpd
(Jan 2025: 104.1)

Global jack-up rig marketed utilisation is projected to decrease from 92% in 2024 to 81% in 2025



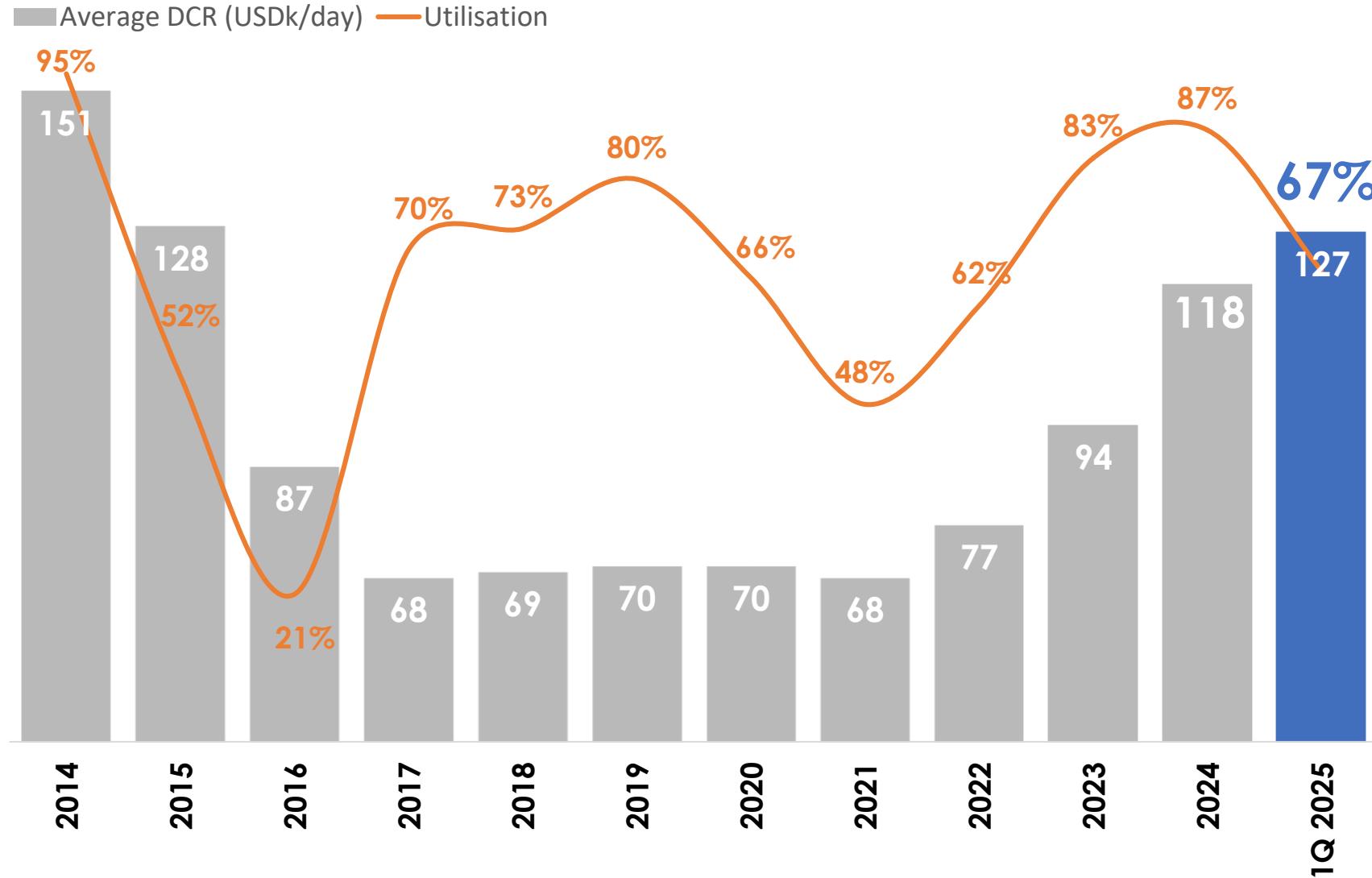
Southeast Asia outlook better than expected with increase in offshore activities, especially in Vietnam and Indonesia



Key highlights:

- Increasing offshore activity in the SE Asia region raises **marketed demand** to **40 rigs**
- Surge in recent **contract awards** including for Velesto's jackup rigs in **Vietnam and Indonesia**
- Arrival of CPOE 16 (Indonesia) and reactivation of PVD VIII

Lower Utilisation and Higher Daily Charter Rates in 1Q 2025

1Q 2025 vs 1Q 2024

- Higher Average DCR of **USD127k/day** (1Q 2024: USD107k)
- Lower Utilisation of **67%** (1Q 2024: 94%) due to idle NAGA 3 and NAGA 5



Maintained excellent operational performance for all NAGAs in 1Q 2025

Drilling

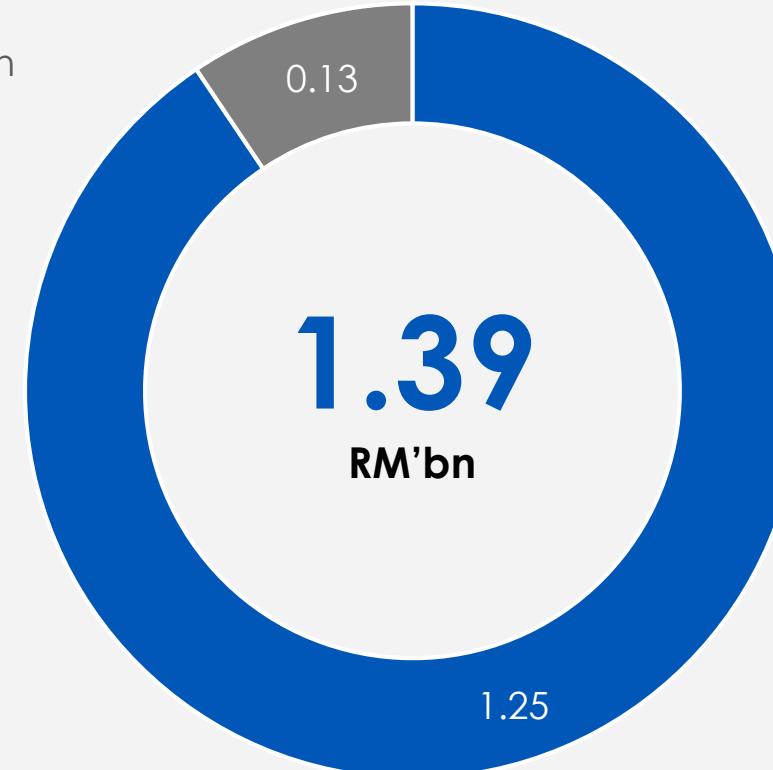
- Maintained **Operational Efficiency** of **99%**
- Achieved **Zero LTI** in 1Q 2025
- Received **STAR Gold Award** from ExxonMobil for HWU operations
- Special Periodical Survey (**SPS**) for NAGA 8 and NAGA 3 expected to be completed in 2Q 2025

Order Book doubled to RM1.4 billion, providing revenue visibility into 2028, driven by SE Asia contract wins in Indonesia and Vietnam.

Total order book as at April 2025

RM'bn

- Firm
- Option



Predominantly order book for drilling segment

Current Clients

PCSB

NGP

Hibiscus

IPC

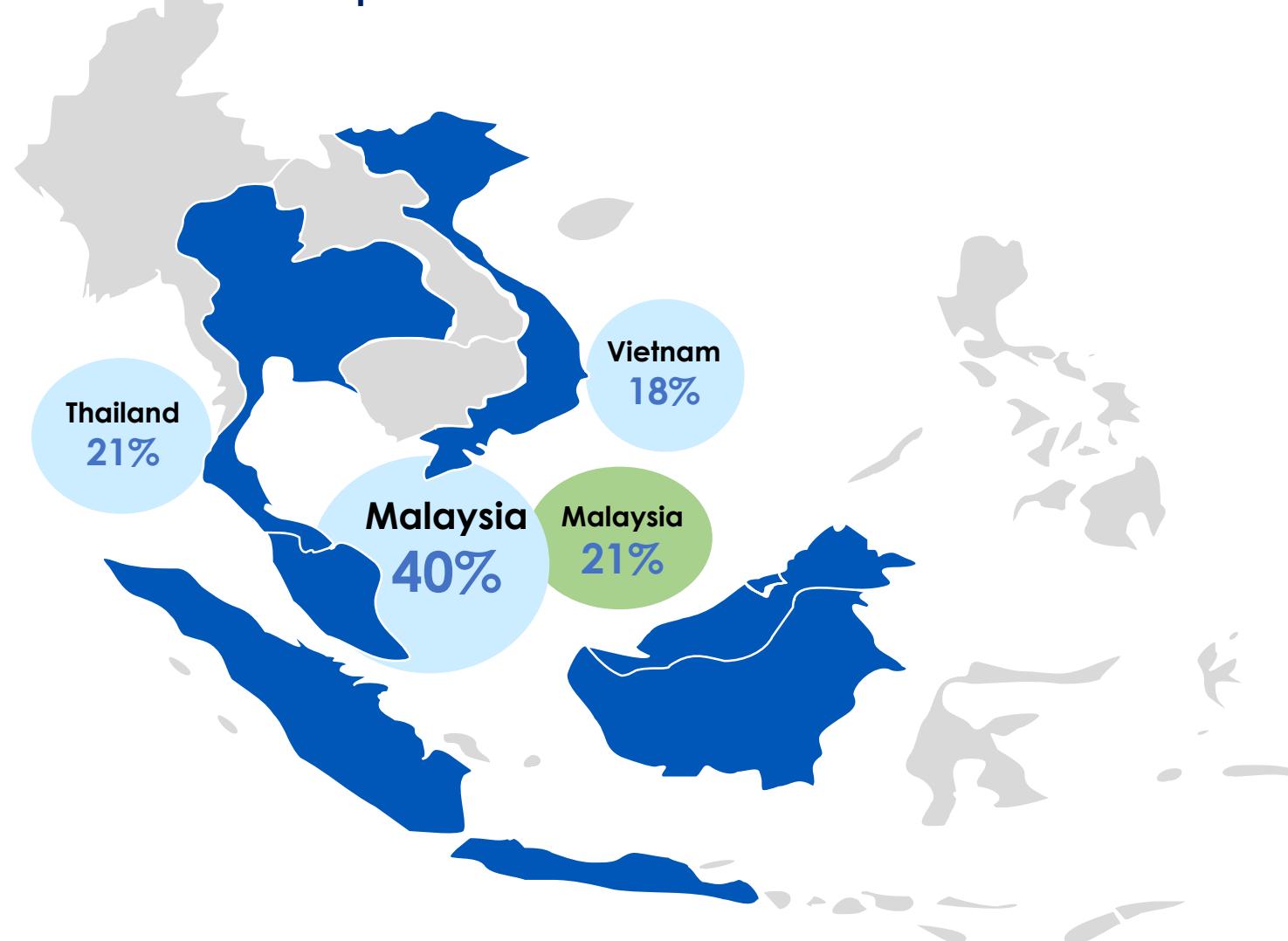
Upcoming Clients

PC
Ketapang

PQPOC

Current tender stands at RM2.8 bil and focus is now on building order book for 2026 to 2028

Current tender as at April 2025



Current tender value

2.8

RM Billion

	Short term <12 months	Long term >12 months
No of tenders	11	6
Value (RM b)	1.1	1.7

Continue maintaining excellent HSE performance in 1Q 2025 and YTD 2025

HSE Performance

Fatality
Zero

Loss
Time Injury
Zero

Major Spills
Zero

Other Awards



Special Award –
Best Rig for Drilling
(Naga 5)



Safety Guardian Award -
Velesto Assistant Operator
from Petronas



2023 and 1H2024
STAR Gold Award
from Exxon

IADC Awards



Received **IADC Southeast Asia Chapter** Awards:

- Best Recordable Incident Rate in 2024 and
- Most number of years Recordable Incident Free – NAGA 6

Velesto SR 2024 is now published on our website, outlining our Net Zero 2050 framework

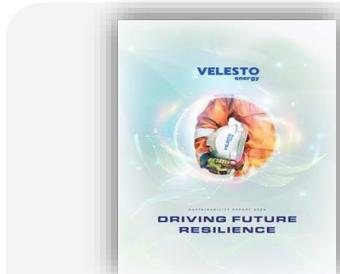
Key Highlights as at March 2025

10%  Emission Intensity/ Op Day Reduction by 2030	0  Major Spill (annually)	0  Reg. Non- compliance, Data Breaches & Corruption	
Material Indicator	2024	2025	Variance
Operating Days⁽¹⁾	546	332	 (40)%
Total Emission (tCO2e)⁽¹⁾	16,830	11,293	 (33)%
Intensity/ Ops Day (tCO2e/ day)⁽¹⁾	31	34	 10%

(1) Only include rig emission (as the biggest emission contributor, 99% of total)



Awarded the
**Asia Pacific CEO Sustainability
Awards 2025 – Champion**



Sustainability Report 2024

- 7th edition now on the Velesto website



**IADC HSE & Sustainability
APAC Conference**

- 2 panels and 2 paper



**The VIBES Initiatives – Innovation
Challenge @UNIMAS**

- 35 solution proposal; 151 students

1Q 2025

Financial Highlights



Maintained resilient financial performance in 1Q 2025 despite headwinds

Key Financial Highlights	Quarterly			Variance against	
	1Q 2025	4Q 2024	1Q 2024	4Q 2024	1Q 2024
Average Utilisation (%)	67%	82%	94%	▼ 15 p.p.	▼ 27 p.p.
Average Day Rate (USD '000)	127	126	107	▲ 1%	▲ 19%
Operational Efficiency (%)	99%	99%	99%	=	=
Revenue (RM mil)	225	276	339	▼ 18%	▼ 34%
EBITDA (RM mil)	113	127	134	▼ 11%	▼ 16%
EBITDA margin (%)	50%	46%	39%	▲ 4 p.p	▲ 11 p.p
PAT (RM mil)	53	55	47	▼ 4%	▲ 13%

Quarterly

- Increased **EBITDA margin to 50%**, maintaining resilient profitability
- Achieved a revenue of **RM225 mil** and PAT of **RM53 mil**

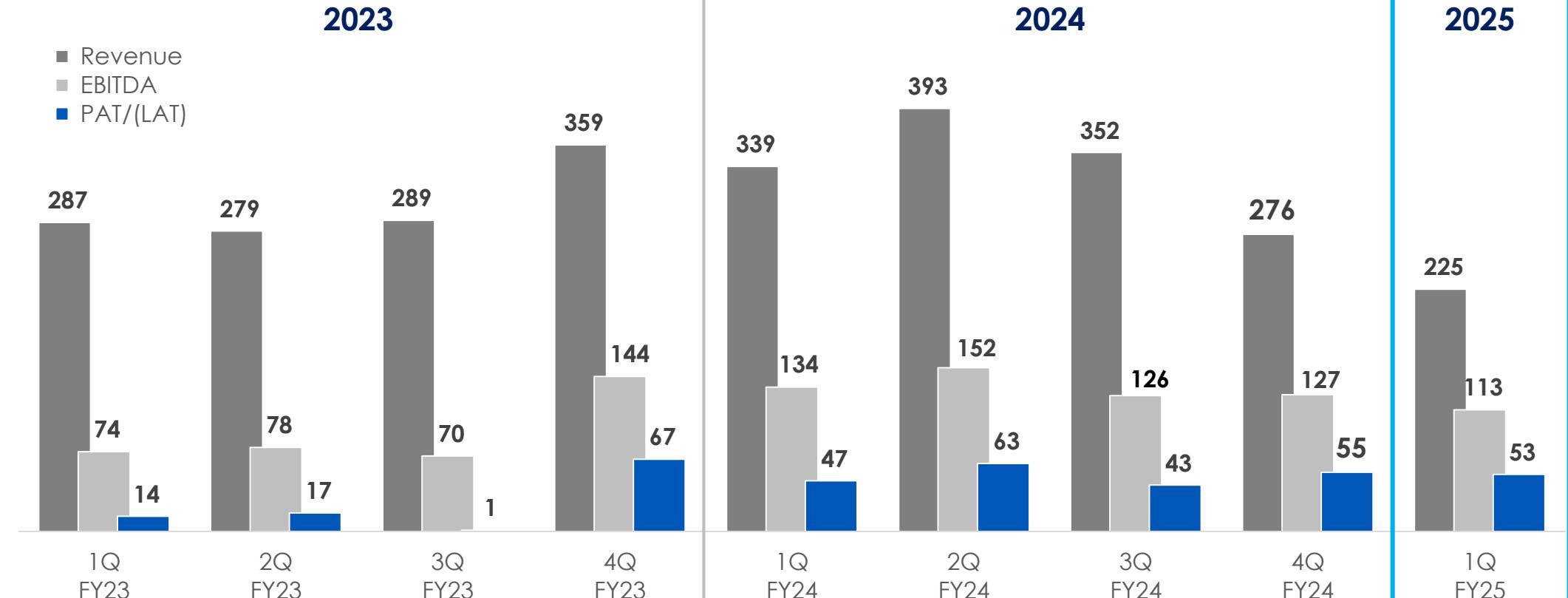
Update

- Segmental reporting is now segregated by **Drilling** and **Others**

Higher profit margins to sustain Profit After Tax despite lower revenue and utilization

Financial performance

(RM'mn)



Utilisation (%)	90%	88%	62%	94%	94%	98%	73%	82%	67%
Average DCR (USDK/d)	86	94	97	99	107	115	127	126	127 ₁₅

Strong operating cashflow has been funding CAPEX, debt repayment and dividends

2024's 2nd Interim Dividend of 1 sen per share, Ex-date on 24 April 2025 and paid on 23 May 2025

Liquidity Information

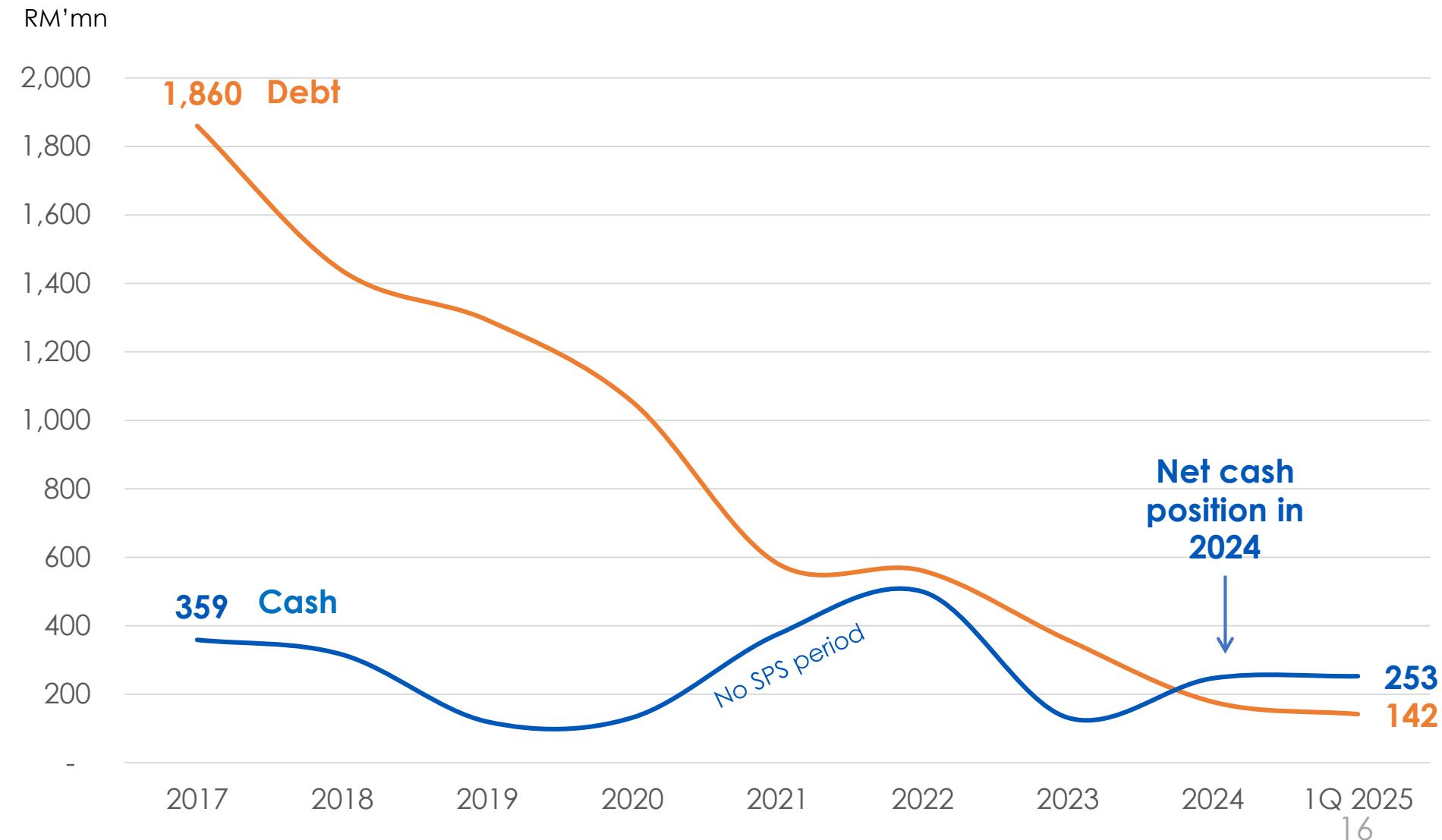
Total Borrowings (RM)

142 mil

Cash Balance (RM)

253 mil

Gross Debt to Equity Ratio

0.05x

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

- To maximise shareholders distribution where possible
- Exploring options to further increase return to shareholders



We strive to maintain healthy margins through our cost initiatives

Margins/ratios	2023	2024	1Q 2025
1 EBITDA margin	30%	40%	50%
2 PAT margin	8%	15%	23%

With the objective of maintaining returns and distribution to shareholders

Summary



- Focus on strategies to ensure **sustainable financial performance**
- Achieved **strong PAT margin at 23%**, despite lower **utilisation of 67%**
- Order Book doubled to **RM1.4 billion**, providing revenue visibility into 2028
- Despite the challenges and risks ahead, we are strategically positioned to **maximise value for our shareholders**

THANK YOU

