

# 4Q 2025 RESULTS

ANALYST BRIEFING

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**Wednesday | 25 Feb 2026**

3.00 p.m. – 4.30 p.m.

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# 2025 a year of operational discipline and higher return to shareholders

Revenue (RM mil) <b>899</b>	EBITDA margin <b>49%</b>	PAT margin <b>22%</b>
Utilisation <b>72%</b>	Average DCR <b>118</b> (USDk/d)	Uptime <b>99.9%</b>



**Robust pipeline**  
Strong **RM1.3b** orderbook with **RM3.7b** prospects



**Safety performance**  
**Zero** - Fatalities, LTIs, Major Spills and TRIF



**Prioritizing sustainability**  
We remained a **top rated ESG** company

## RECORD SHAREHOLDER RETURNS

ROE  
**8.4%**

Total Dividend  
**3.0 sen**

Dividend Yield  
**10.7%**

TSR  
**89%**

(Highest in Velessto's history)

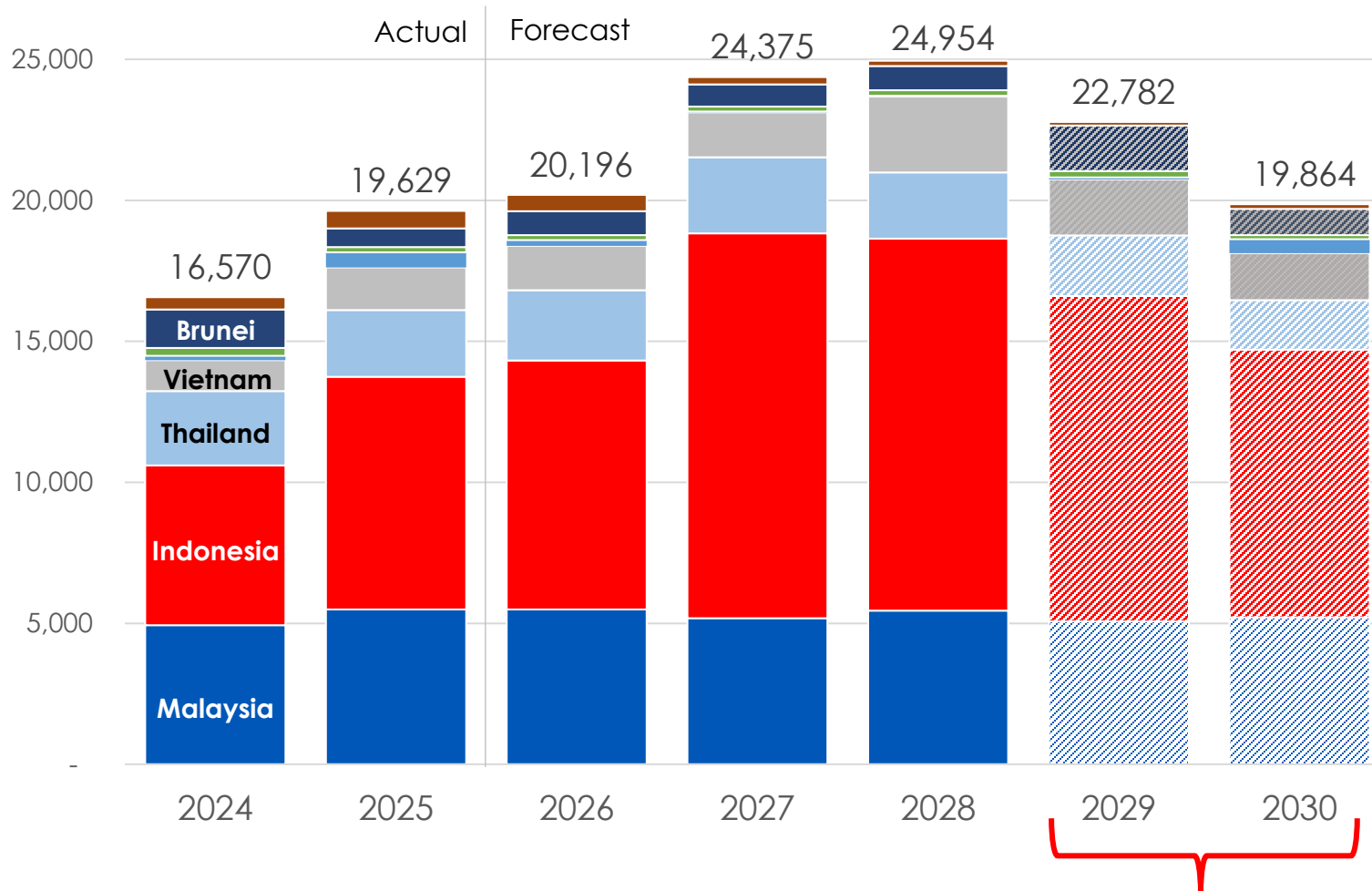
# Strategic divestment of NAGA 3 and VWSB to be completed by 1H 2026

Asset Disposed	Rationale	Buyer	Disposal Consideration (RM mil)	Proceeds Utilisation (after disposal-related expense)
<b>01</b> NAGA 3	Shift towards technically competitive premium rigs	PT Indonesia Drilling Energy	<b>258.4</b>	<ul style="list-style-type: none"> <li>▪ Distribution to shareholders</li> <li>▪ General corporate purposes &amp; working capital</li> </ul>
<b>02</b> VWSB	Streamline non-core operations  Optimize resource allocation	Enviros	<b>16.5</b>	<ul style="list-style-type: none"> <li>▪ Working capital</li> </ul>

# SE Asia upstream activity picks up in 2027 as CAPEX ramps up to meet production target

## Total Capex in SE Asia

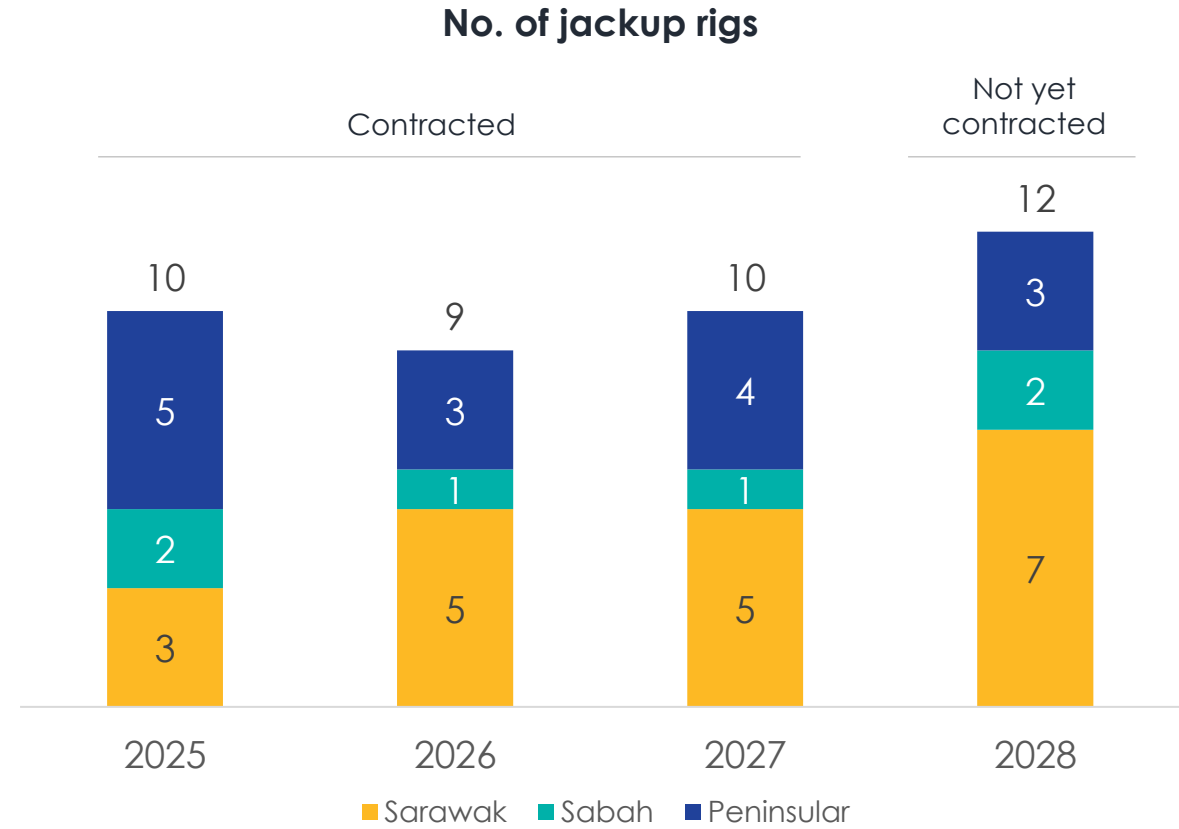
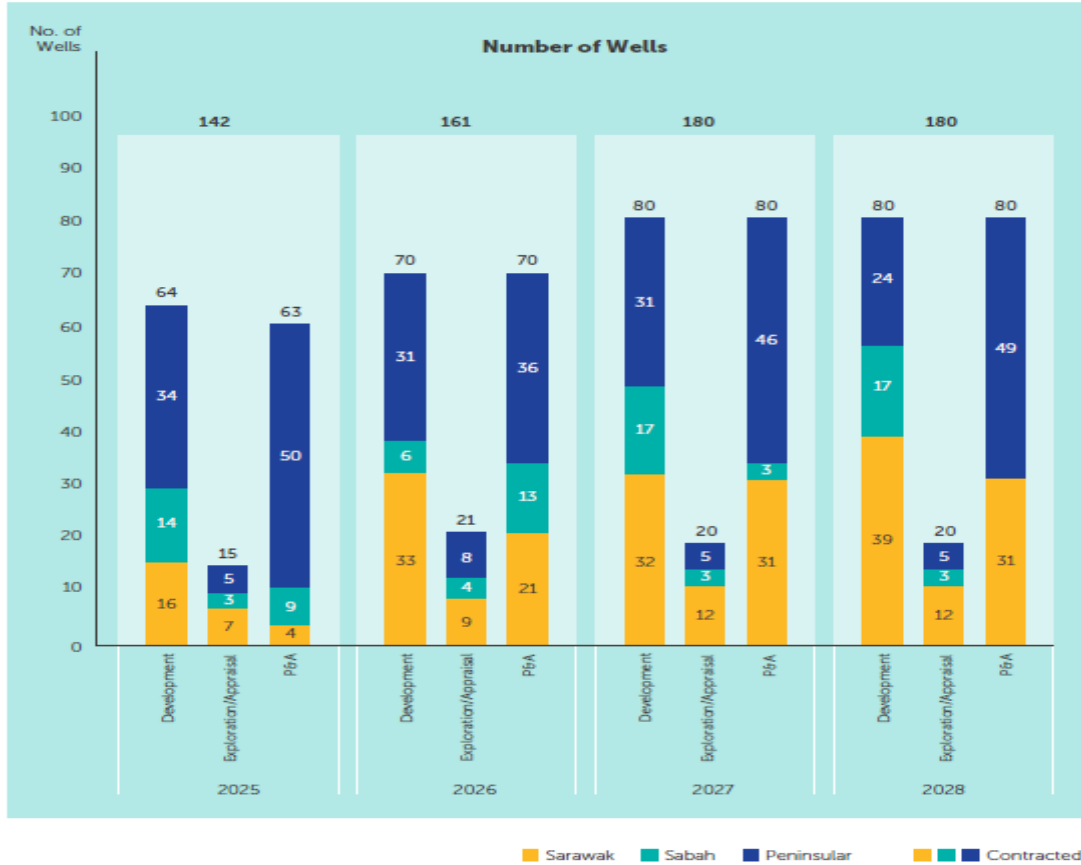
USD Million



### Key Highlights:

- SE Asia upstream CAPEX led by **Indonesia, Malaysia, Thailand and Vietnam** to drive investment in the region.
- SE Asia upstream CAPEX continues to rise from 2024 levels and peak in 2027–2028.

# Stable moderate outlook for drilling activities in Malaysia

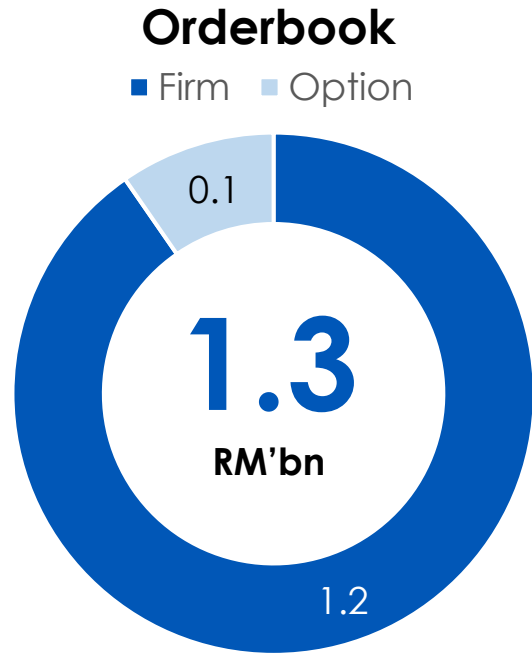


## Key Highlights:

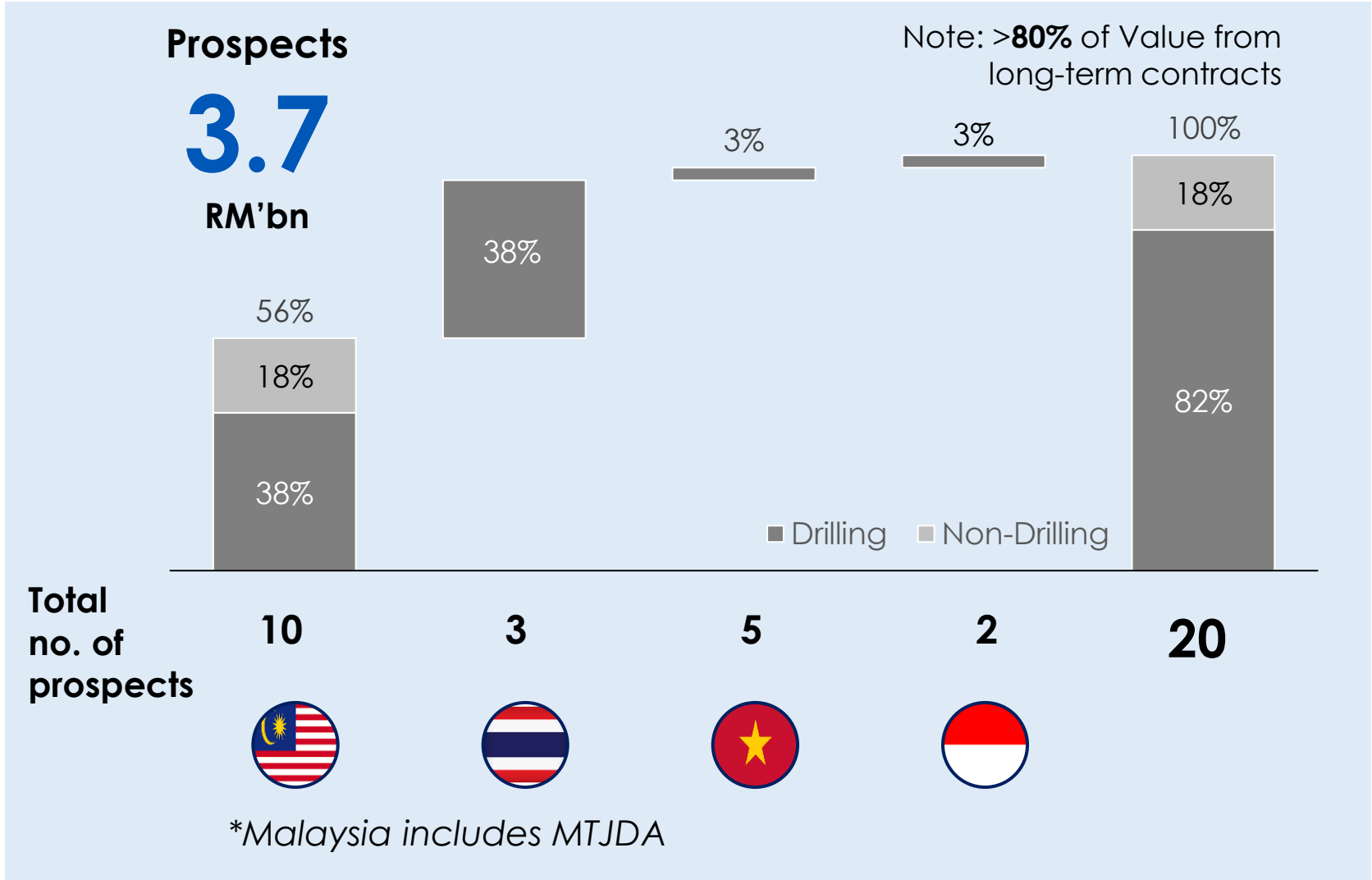
- Total **development and exploration** wells to **increase from 79 last year to 91 this year, 100 wells in 2027–2028**, mainly driven by **Sarawak development**
- P&A wells to increase to 70 wells from 63 last year

- Overall jack-up rig activity remains flat in 2026 with **activity transition to Sarawak from 2026 onwards**

# Healthy pipeline with RM1.3 bil orderbook and RM3.7 bil prospects



PCSB    PQPOC    PTTEP  
JADESTONE    SHELL







# Delivered excellent HSE performance in 2025

HSE Performance			
Fatality <b>Zero</b>	Loss Time Injury <b>Zero</b>	Major Spills <b>Zero</b>	
Total Recordable Incident Frequency (TRIF) <b>Zero</b>		Management visits <b>67</b> <small>(2024: 57 visits)</small>	

Notable awards	
<b>IADC</b>	<p><b>IADC Southeast Asia</b> Chapter Awards:</p> <ul style="list-style-type: none"> <li>Best Recordable Incident Rate in 2024</li> <li>Most number of years Recordable Incident Free NAGA 6</li> </ul>
<b>PCSB</b>	<p>Safety Awards from <b>Petronas Carigali</b>:</p> <ul style="list-style-type: none"> <li>Best HSE Programs</li> <li>Recordable Incident Free “Mission: Zero Possible” Award – NAGA 6</li> </ul>
<b>PETRONAS</b>	<p>The <b>MPM Wells Management</b> 2025 Performance Excellence Recognition:</p> <ul style="list-style-type: none"> <li><b>Best Rig (Drilling &amp; Completion)</b> for NAGA 4</li> <li><b>Technology Pioneer Award</b> for the Robotic Arms innovation on NAGA 6</li> </ul>

# Remained Top-Rated ESG company in 2025

<p><b>01</b></p>	<p><b>Rated 4.1 on FTSE4Good – Bursa’s 4 star</b> Lowest ESG risk among global drilling contractors by Sustainalytics</p>	 <p>FTSE4Good</p>
<p><b>02</b></p>	<p><b>National Corporate Governance &amp; Sustainability Award (NACGSA) 2025</b> Top 5% PLC – <b>Top 50 (Rank 32) for Overall Excellence</b></p>	
<p><b>03</b></p>	<p><b>Asia Pacific CEO Sustainability Award 2025</b> <b>Champion</b></p>	
<p><b>04</b></p>	<p><b>National Annual Corporate Reporting Award 2025</b> Finalist</p>	
<p><b>05</b></p>	<p><b>Net Zero Emission by 2050</b> Published in Dec – <b>Climate commitment &amp; plan document</b></p>	
<p><b>06</b></p>	<p><b>Living Wage</b> <b>Committed and achieved</b> –for all Malaysian employees</p>	

# Delivered Revenue of RM899 million, EBITDA of RM436 million and PAT of RM202 million in 2025

Key Financial Highlights	Quarterly		Annual	
	4Q 2025	4Q 2024	2025	2024
Average Utilisation (%)	<b>83%</b>	82%	<b>72%</b>	87%
Average Day Rate (USD '000)	<b>112</b>	126	<b>118</b>	122
Operational Efficiency (%)	<b>99.9%</b>	99%	<b>99.9%</b>	99%
Revenue (RM mil)	<b>234</b>	276	<b>899</b>	1,360
EBITDA (RM mil)	<b>92</b>	133	<b>436</b>	544
EBITDA margin (%)	<b>39%</b>	48%	<b>49%</b>	40%
PAT (RM mil)	<b>49</b>	55	<b>202</b>	208
PAT margin (%)	<b>21%</b>	20%	<b>22%</b>	15%

EBITDA margin  
**49%**

PAT margin  
**22%**

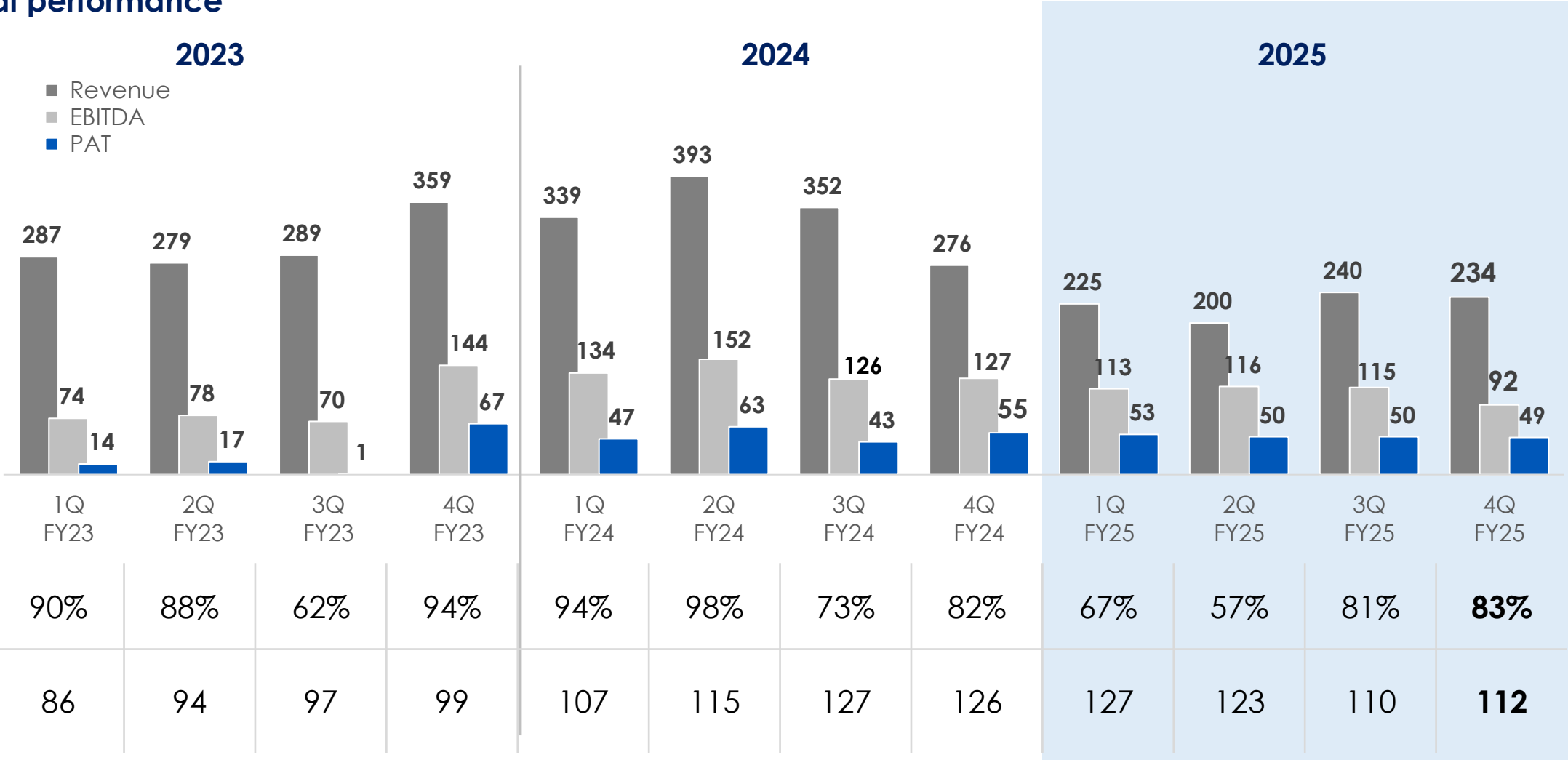
ROE  
**8.4%**

Note: Included in 2025 is a one-off reversal of non-operational provisions amounting to RM28 million.

# Achieved Revenue of RM234 mil and EBITDA of RM92 mil on 83% utilization and USD112k per day DCR in 4Q 2025

## Financial performance

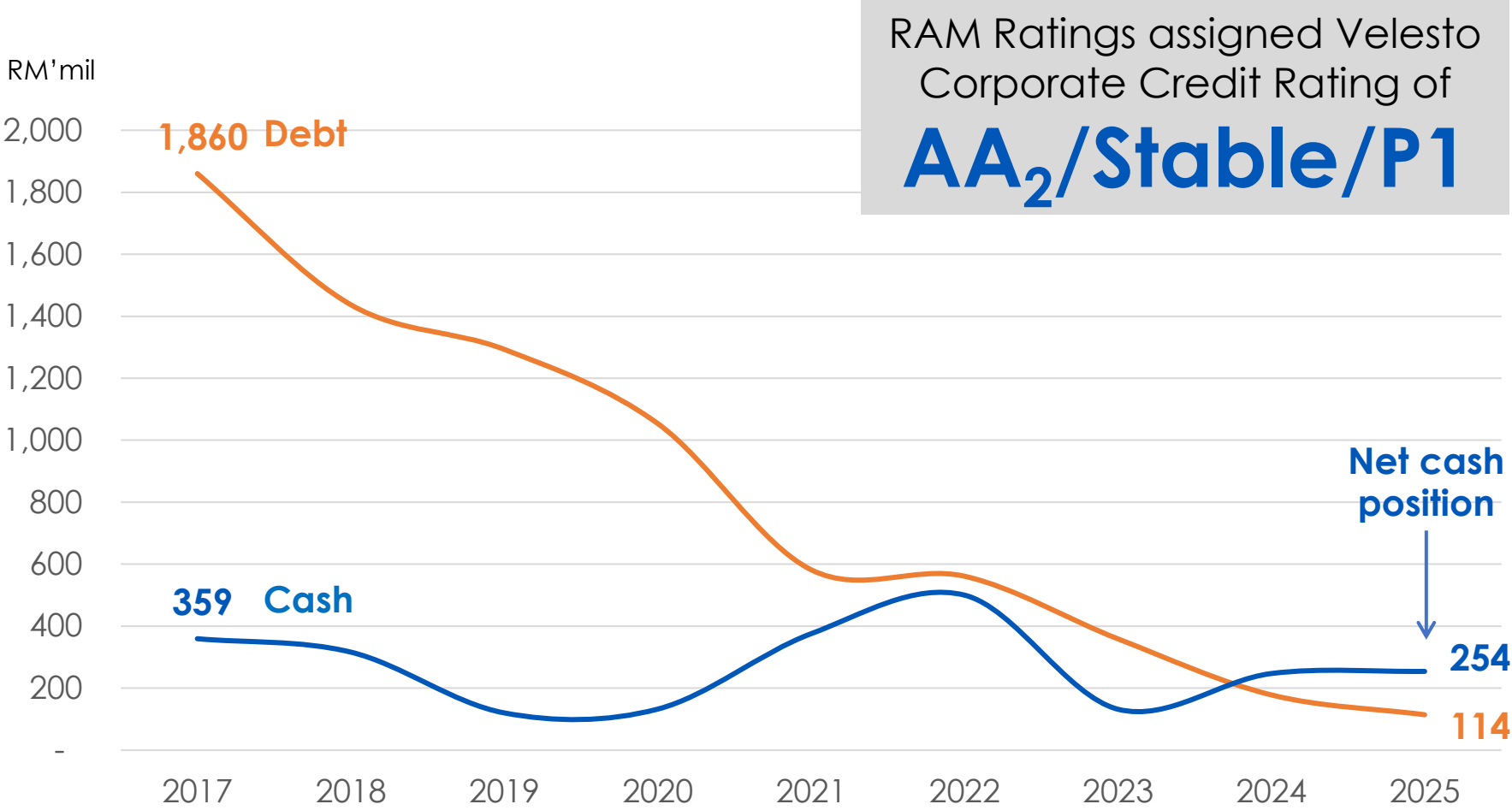
(RM'mn)



# Strong operating cashflow and net cash position increases capacity to pay dividend

## Liquidity Information

Total Borrowings (RM mil)	<b>114</b>
Cash Balance (RM mil)	<b>254</b>
Net Debt to Equity Ratio (x)	<b>(0.06)</b>



# Maximise returns to shareholders

**2<sup>nd</sup> Interim Dividend  
Q4 2025**

**2.25**

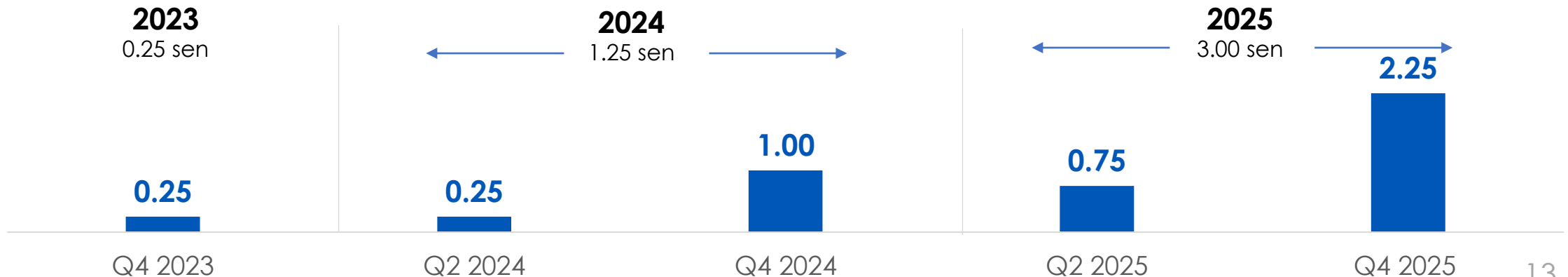
sen

## FY2025

Dividend Payout Ratio	<b>122%</b>
Dividend Yield (Note)	<b>10.7%</b>

*Note: Based on 28 sen per share as at 31 December 2025*

### Dividend per share (Sen)





# Our Primary Focus Maximise Sustainable Return to Shareholders



## Secure long term earnings by maximising core asset utilisation

- Prioritise securing long-term contracts
- Actively bidding in SE Asia markets
- Leverage technology solutions to increase rig marketability



## Maintain financial resilience

- Maintain cost discipline to protect margins
- On-going initiatives to optimize efficiency
- Maintain optimal gearing capital structure



## Return free cashflow to shareholders

- To maximise shareholders distribution
- Divestment of limited capability assets

# 2025 delivered improved returns to shareholders

Market capitalisation

**RM2.34bn**

As at 31 Dec 2025

TSR	%
1Y	<b>89%</b>
3Y	<b>133%</b>
5Y	<b>175%</b>

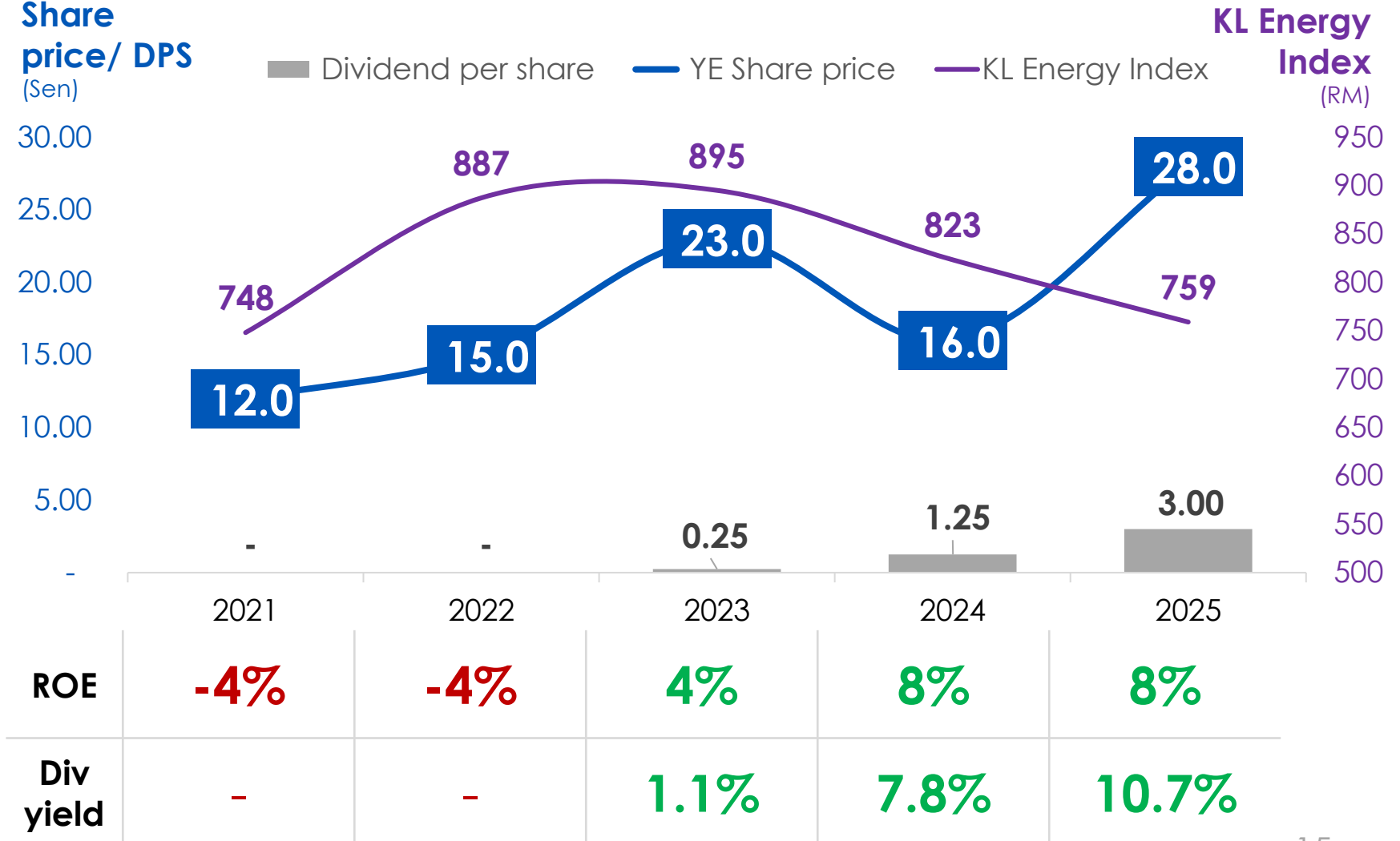
Price to Earnings

**~11x**

As at 31 Dec 2025

## 5-Y Historical YE share price and Dividend per share

Share price/ DPS (Sen)



ROE	-4%	-4%	4%	8%	8%
Div yield	-	-	1.1%	7.8%	10.7%



# Summary

- We continue to deliver **operational excellence** by focusing on our core strength
- To achieve **resilient financial performance** and **sustainable shareholder returns**
- Declared a record dividend of **3.0 sen** per share

**THANK YOU**

