

MISC ANALYST BRIEFING

4Q FY2015 Financial Results | 5th February 2016



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Financial Overview

By Puan Rozainah Awang | Vice President, Finance

Q4 FY2015 Highlights

Quarterly

- MISC Group revenue of USD782.2 million was 27.6% or USD169.3 million higher than Q3 FY2015 revenue of USD612.9 million.
- Group EBITDA of USD384.9 million was 33.7% or USD97.0 million higher than Q3 FY2015 EBITDA of USD287.9 million.
- Group profit before tax from operations of USD263.8 million was 40.1% or USD75.5 million higher than Q3 FY2015 profit of USD188.3 million.

Full Year

- MISC Group revenue of USD2,793.5 million was 1.7% or USD47.0 million lower than FY2014 revenue of USD2,840.5 million.
- Group EBITDA of USD1,246.8 million was 9.0% or USD102.7 million higher than FY2014 EBITDA of USD1,144.1 million.
- Group profit before tax from operations of USD816.8 million was 22.3% or USD148.9 million higher than FY2014 profit of USD667.9 million.
- Group profit before tax of USD628.6 million was 14.6% or USD108.0 million lower than FY2014 profit of USD736.5million.



Financial Performance

	YTD			Quarter		
	4Q FY 14 (Jan-Dec)	4Q FY 15 (Jan-Dec)	yoy %	3Q Sep-15 (Jul - Sep)	4Q Dec-15 (Oct - Dec)	qoq %
In USD Mil						
Revenue	2,840.5	2,793.5	(1.7)	612.9	782.2	27.6
EBITDA	1,144.1	1,246.8	9.0	287.9	384.9	33.7
PBT from Operations	667.9	816.8	22.3	188.3	263.8	40.1
Non-Recurring Items	68.6	(188.2)	->100	(63.5)	(112.8)	(77.5)
PBT	736.5	628.6	(14.6)	124.8	151.0	21.1
Net Profit	708.9	620.5	(12.5)	120.8	148.5	22.9
Shareholders' Fund	7,942.8	8,238.7	3.7	8,063.0	8,238.7	2.2
Cash	1,384.7	1,316.7	(4.9)	1,146.7	1,316.7	14.8
Borrowings	2,500.8	1,514.8	(39.4)	2,279.6	1,514.8	(33.6)
EPS (cents)	15.1	13.5	(10.6)	2.6	3.3	26.9
ROE (%)	8.5	7.3	(14.1)	5.7	7.2	26.3
ROA (%)	7.1	6.1	(14.1)	4.5	6.1	35.6
Net Debt/Equity	0.14	0.02	(85.7)	0.14	0.02	(85.7)
NTA/Share (cents)	178.8	185.5	3.7	187.1	185.5	(0.9)

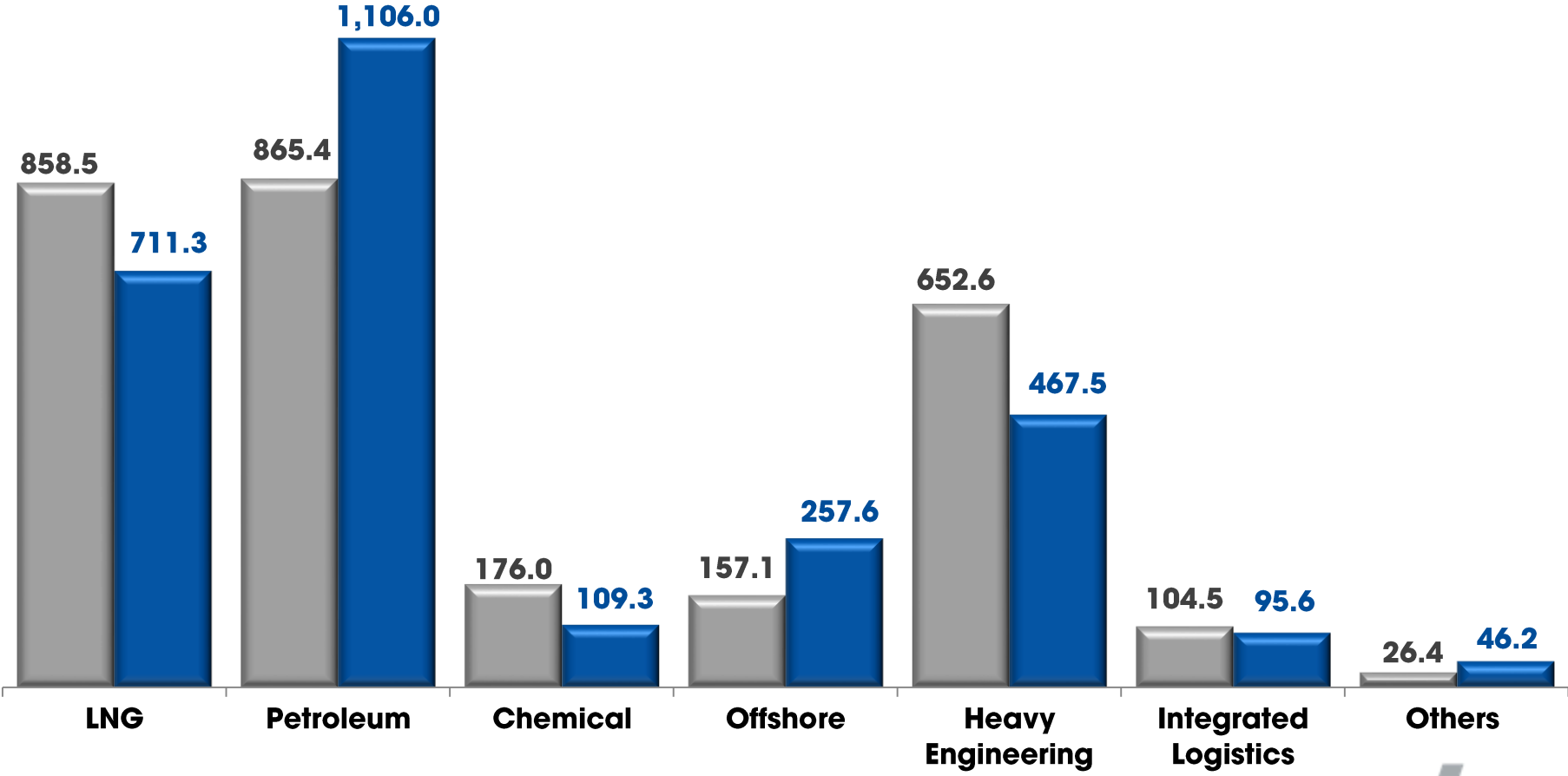
Revenue

USD mil.

YTD Segmental

■ 4Q FY2014 (Jan-Dec)

■ 4Q FY2015 (Jan-Dec)



Segmental PBT

In USD mil.	YTD			Quarter		
	4Q FY14 (Jan-Dec)	4Q FY15 (Jan-Dec)	yoy %	3Q FY15 (Jul-Sep)	4Q FY15 (Oct-Dec)	qoq %
Shipping						
LNG	483.6	431.6	(10.8)	85.9	143.8	67.4
Petroleum	(23.7)	135.9	+>100	40.1	39.2	(2.2)
Chemical	(38.3)	(7.5)	80.4	1.9	(0.2)	+>100
Other Businesses						
Offshore	162.3	170.0	4.7	39.2	46.0	17.3
Heavy Engineering	37.9	30.1	(20.6)	4.7	10.9	131.9
Tank Terminals	13.7	12.5	(8.8)	8.3	3.1	(62.7)
Integrated Logistics	2.8	0.5	(82.1)	(1.8)	0.3	->100
Others	(22.1)	(2.0)	91.0	(12.2)	19.2	->100
Eliminations	51.7	45.7	(11.6)	22.2	1.5	(93.2)
TOTAL*	667.9	816.8	22.3	188.3	263.8	40.1

* excludes non-recurring items

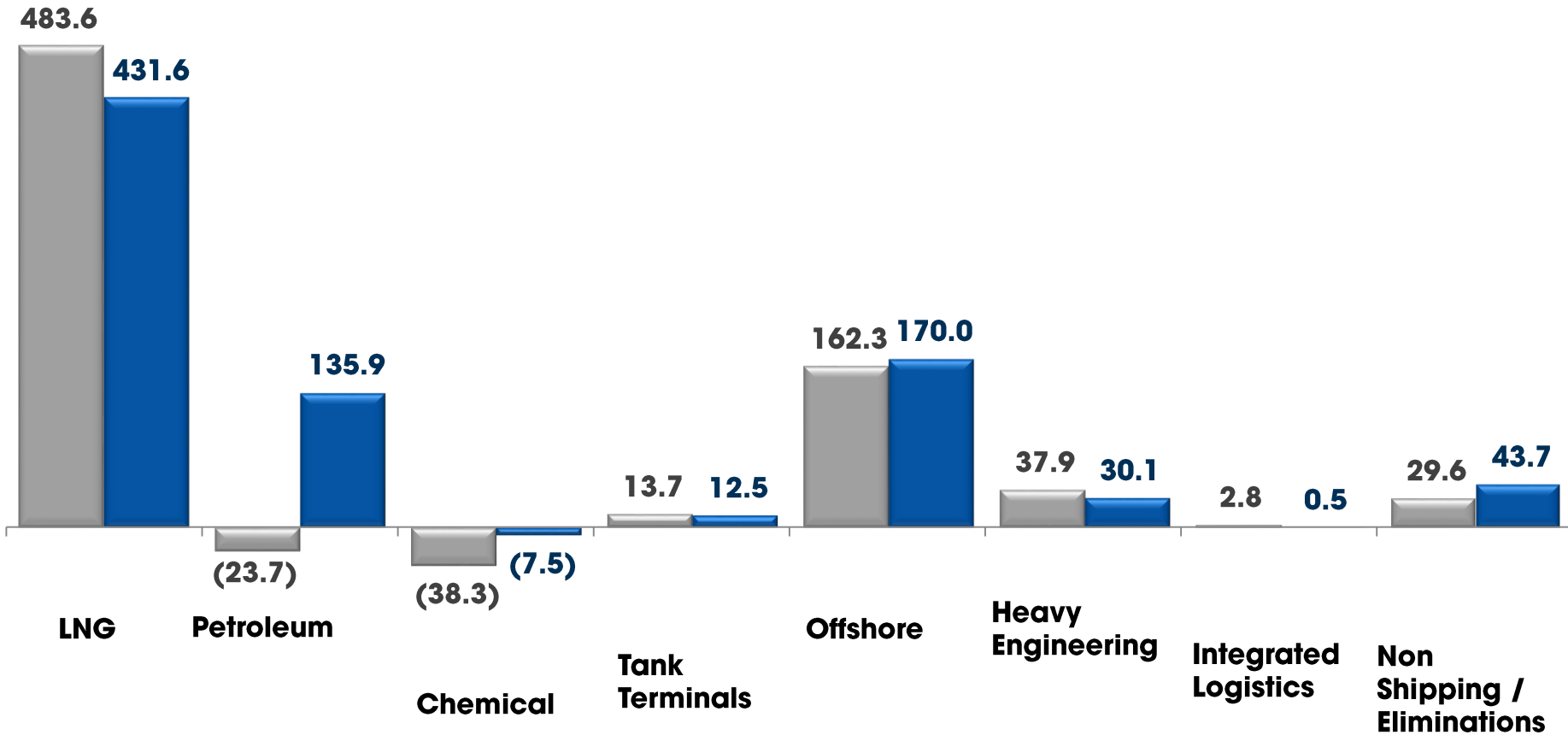


Profit Before Tax / (Loss Before Tax)

YTD Segmental*

USD mil.

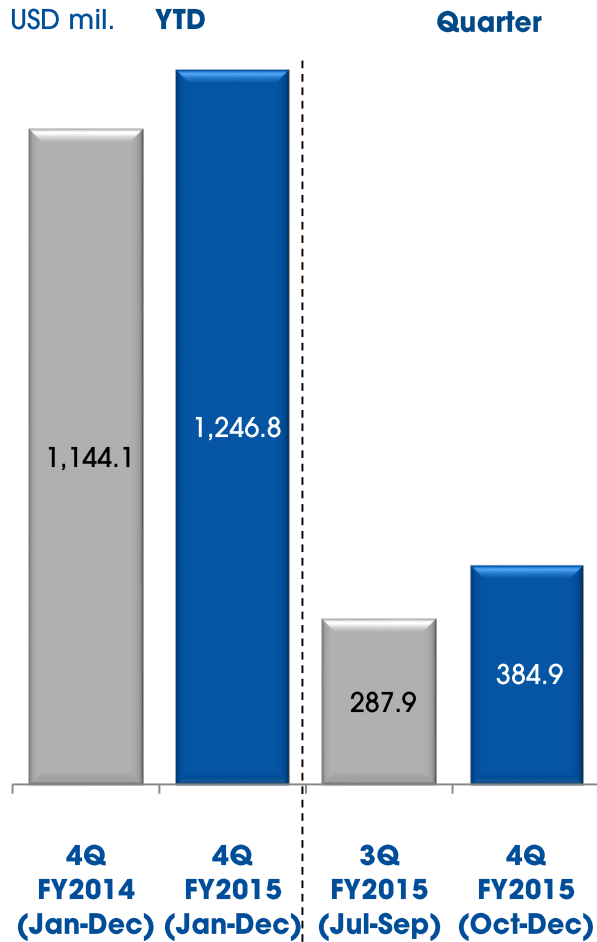
- 4Q FY2014 (Jan - Dec)
- 4Q FY2015 (Jan - Dec)



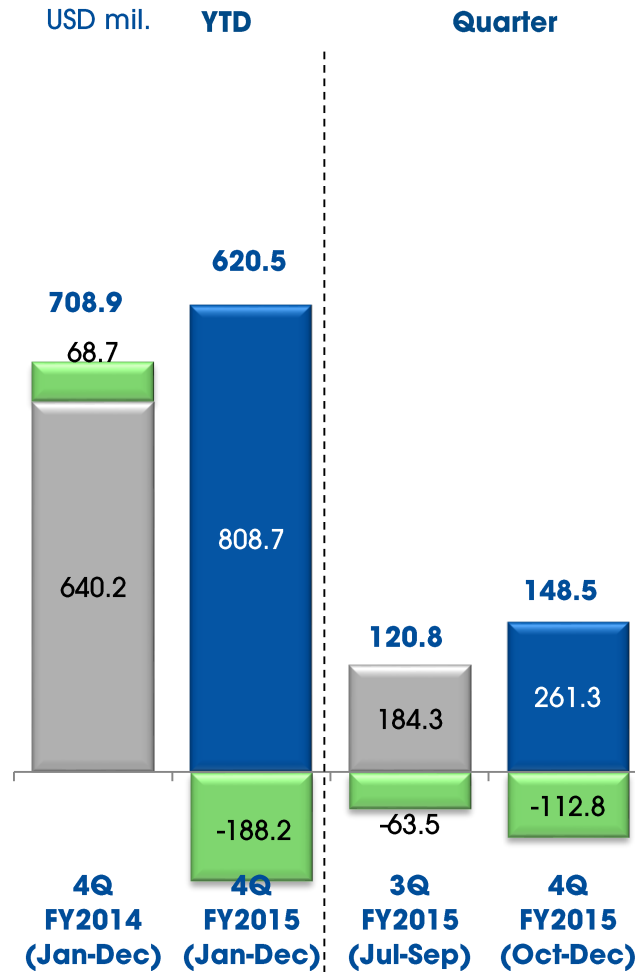
Profitability Profile

Group

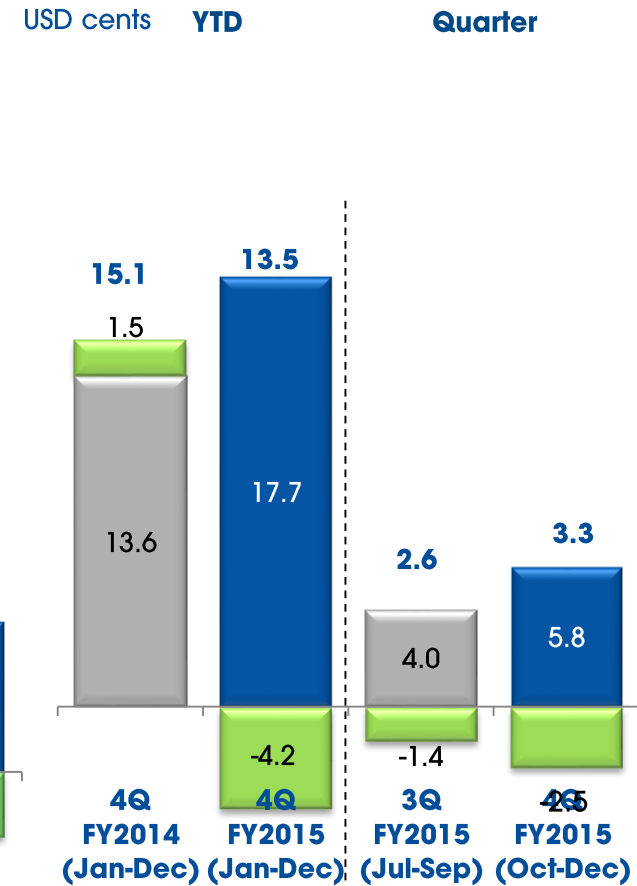
EBITDA



Net Profit/(Loss)



EPS



■ Core Earnings
■ Core Earnings

■ Non-Recurring Items



Market Environment

By En. Rafiq Khan, General Manager, Corporate Planning & Development

LNG Tanker Rates: Mild improvement

USD/Day	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
Time Charter Rates - Up to 3 Years	60,567	32,583	46% ↓	32,500	32,583	0.3% ↑
Spot Rates	73,081	35,653	51% ↓	34,000	35,653	4.9% ↑

Source: Ship Brokers' Reports, Dec 2015

- Increase in Spot rates during the quarter is inline with the rise in demand for LNG during winter season.
- However, spot rates almost halved compared to last year, mainly due to oversupply of vessels in the current market.
- 2016 Outlook:
 - Worst is not over yet : LNG rates are unlikely to improve before 2018.
 - Production from new plants (Australia and The US) will begin in 2016 with cargo deliveries already fully contracted.
 - With no big increase in demand, spot cargo deliveries is expected to reduce thus impacting negatively on freight rates.
 - On vessel supply, the fleet will continue its growth in 2016, as indicated by its strong order-book. (147 vessels).

Petroleum Tanker Rates: Outperform

USD/Day	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
VLCC (200-300,000 dwt)						
Time Charter (1 Year)	33,437.5	51,454.2	54% ↑	47,933.3	51,454.2	7% ↑
Spot Rates	50,733.7	93,331.5	84% ↑	58,329.0	93,331.5	60% ↑
Suezmax (120-200,000 dwt)						
Time Charter (1 Year)	28,479.2	36,166.7	27% ↑	37,970.8	36,166.7	-5% ↓
Spot Rates	44,488.4	57,919.1	30% ↑	39,816.0	57,919.1	45% ↑
Aframax (80-120,000 dwt)						
Time Charter (1 Year)	21,500.0	30,000.0	40% ↑	28,625.0	30,000.0	5% ↑
Spot Rates	34,048.5	42,422.6	25% ↑	30,935.0	42,422.6	37% ↑

- Positive increase in rates were seen during the quarter. This is in line with seasonal trends in which rates will usually trend higher during the first and last quarters of the year. Spot rates have seen the most increase with all three segments (VLCC, Suezmax & Aframax) showing double digit growth comparative to 3rd quarter.
- Comparative against last year, rates for both TC and spot have increased in all fleet sizes. Rates have seen marked improvements throughout all quarters this year.

Chemical Tanker Rates: Mixed

Spot Rates (USD/Tonne)	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
Rotterdam - Far East 2,000mt Chems S/S*	106.9	107.3	0% ↔	105.3	107.3	2% ↑
Rotterdam - Taiwan 5,000 MT Easychems	86.9	86.2	-1% ↓	85.2	86.2	1% ↑
Gulf-Far East 15K Chemical Rates	50.7	42.4	-16% ↓	48.1	42.4	-12% ↓

* S/S : Stainless Steel

Source: Ship Brokers' Reports, Dec 2015

- Freight rates for chemical tankers continue to be steady in 4Q FY2015, with demand growth being slightly higher.
- Low oil prices provide savings through lower bunker price and lower operating costs.
- Possibilities of higher exports for the year if sanctions against Iran are lifted and the new Sadara plant in Jubail, Saudi Arabia comes to full production, exports from the Middle East will surge.



Thank You

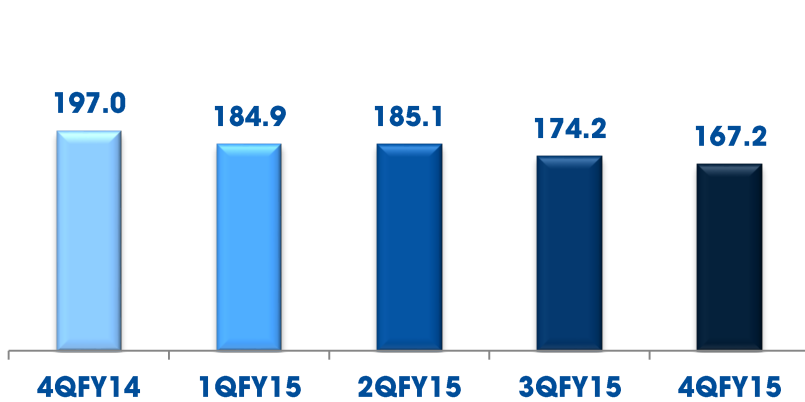
Appendices

Appendix 1

LNG Shipping

USD mil.

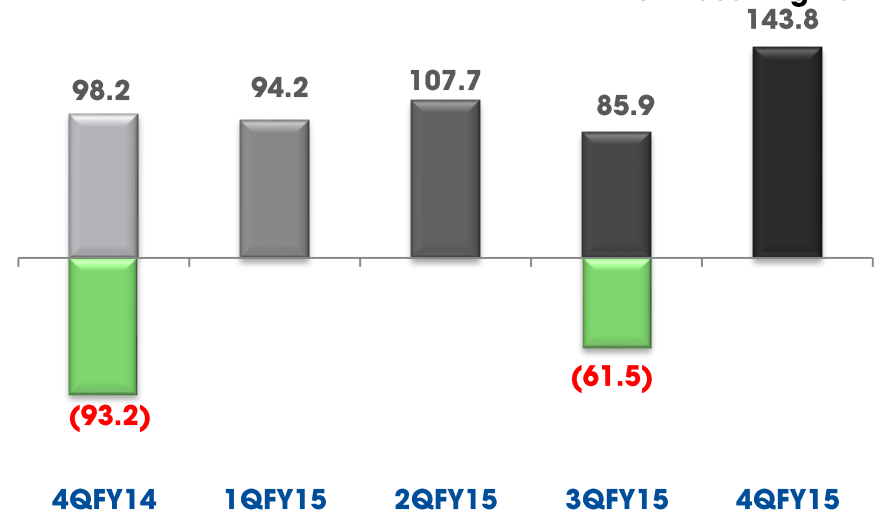
REVENUE



USD mil.

PBT

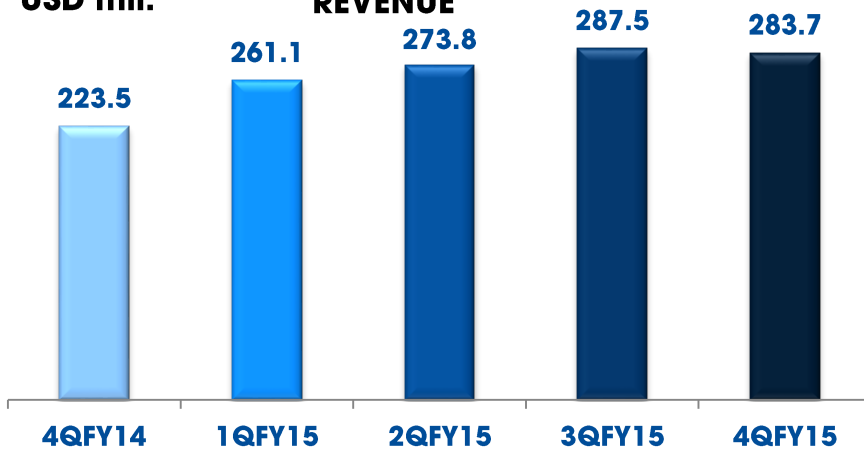
■ PBT ■ Non-Recurring Item



Petroleum Shipping

USD mil.

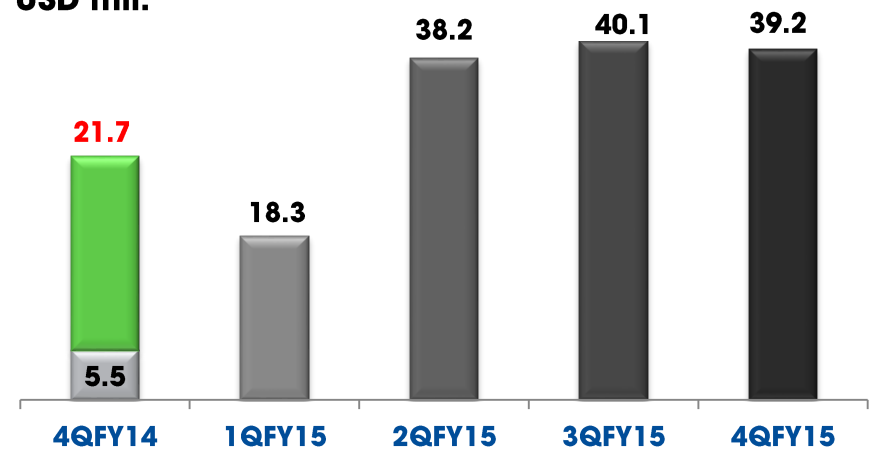
REVENUE



USD mil.

PBT

■ PBT ■ Non-recurring Item

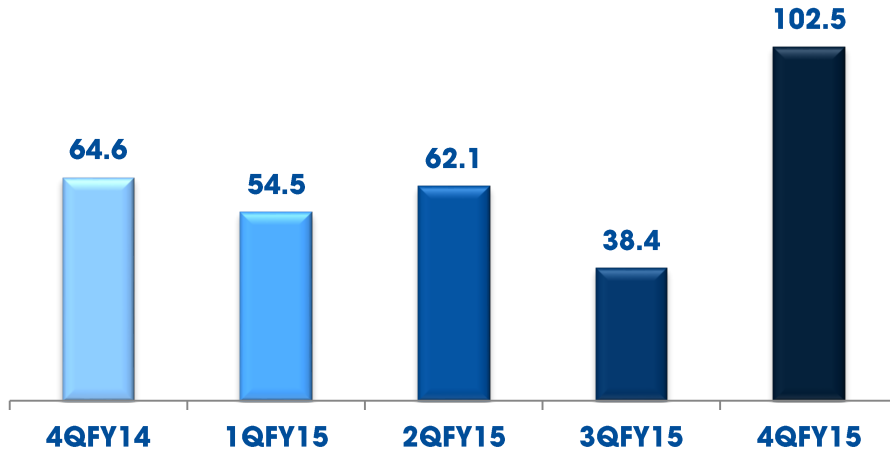


Appendix 1

Offshore

USD mil.

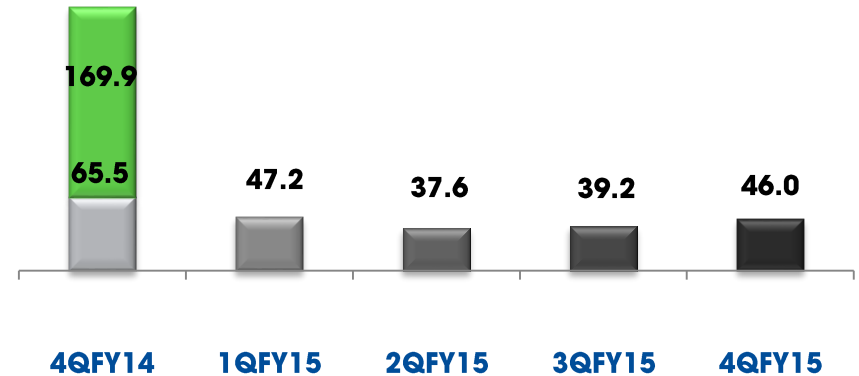
REVENUE



PBT

USD mil.

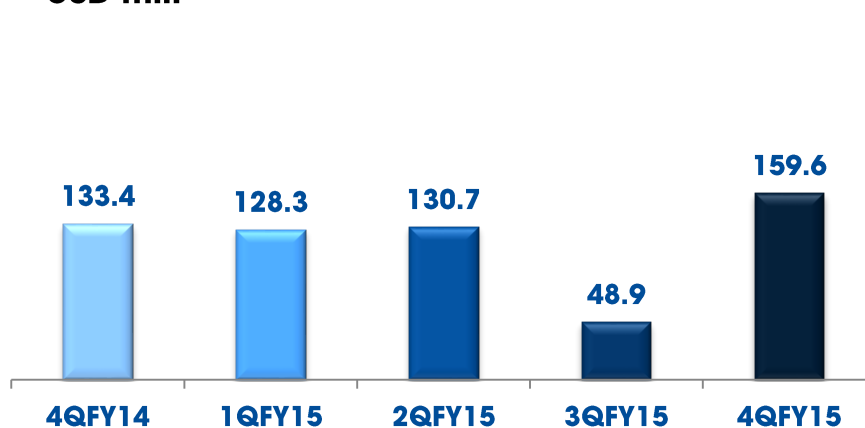
■ PBT ■ Non-recurring item



Heavy Engineering

USD mil.

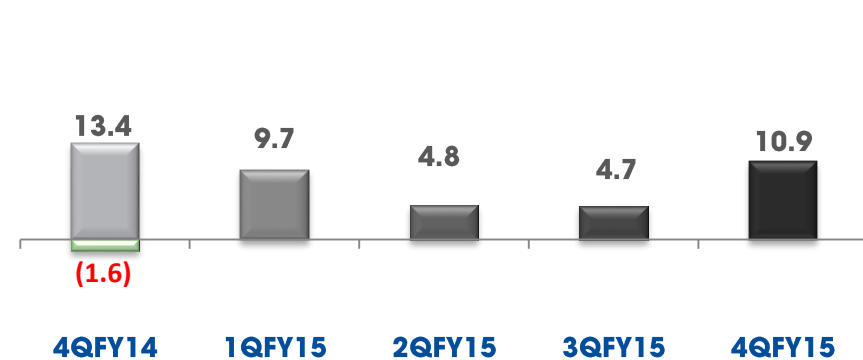
REVENUE



PBT

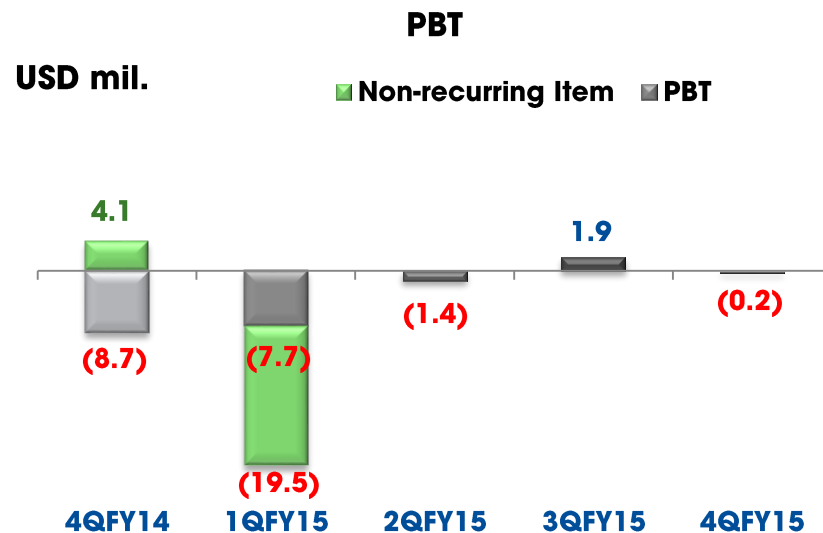
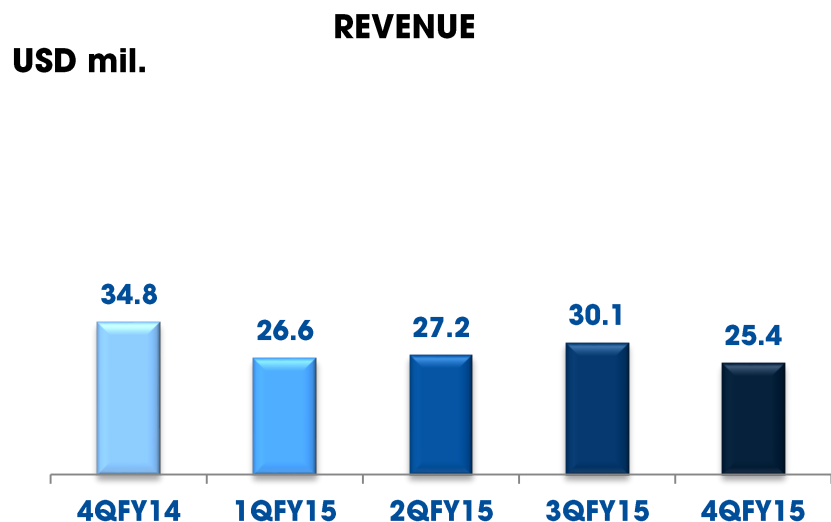
USD mil.

■ PBT ■ Non-recurring Item



Appendix 1

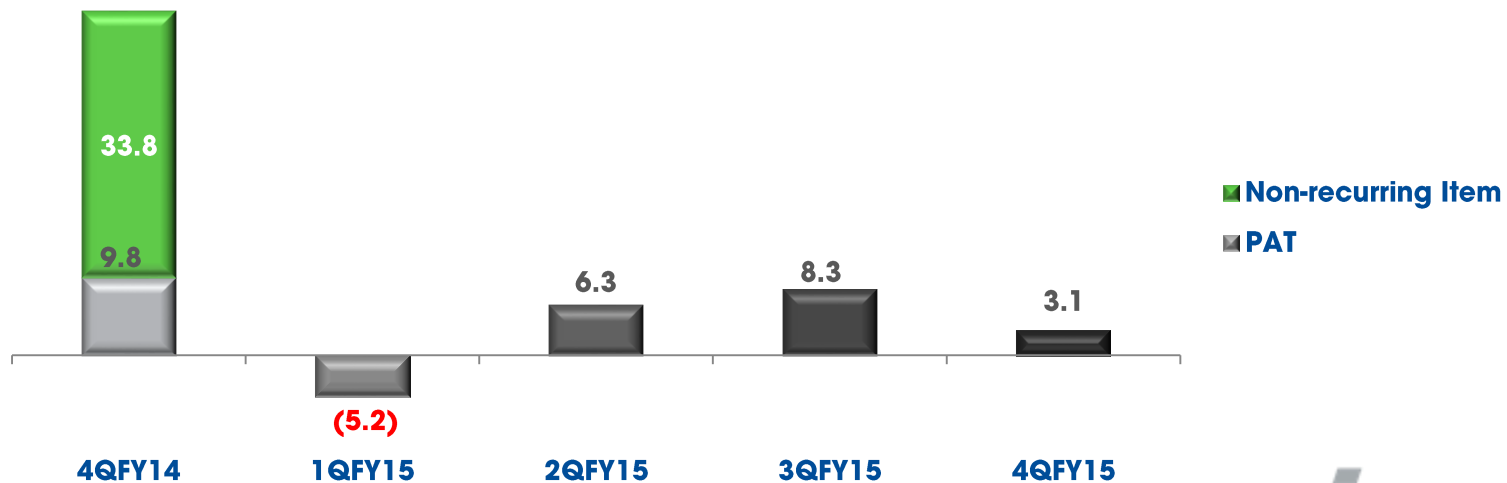
Chemical Shipping



Tank Terminal

USD mil.

SHARE OF PAT



* 50% VTTI and 36% effective interest in Langsat Terminal 1 and 2

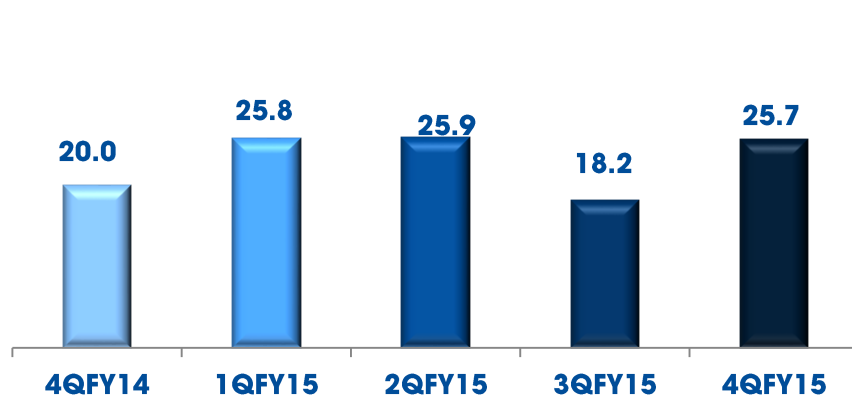


Appendix 1

MISC Integrated Logistics

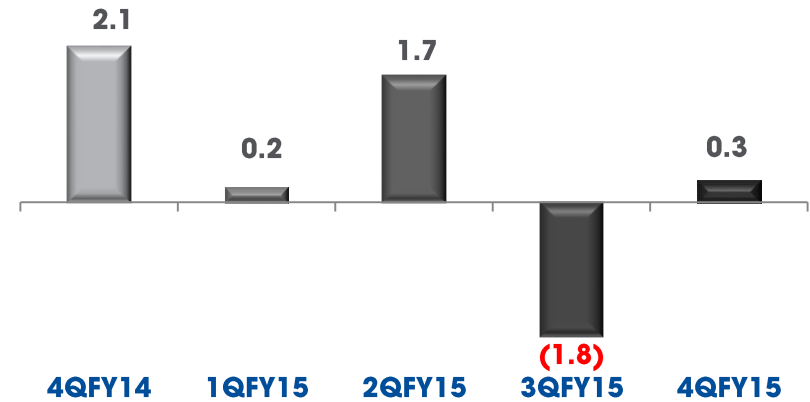
USD mil.

REVENUE



USD mil.

PBT



Appendix 2: Fleet Information

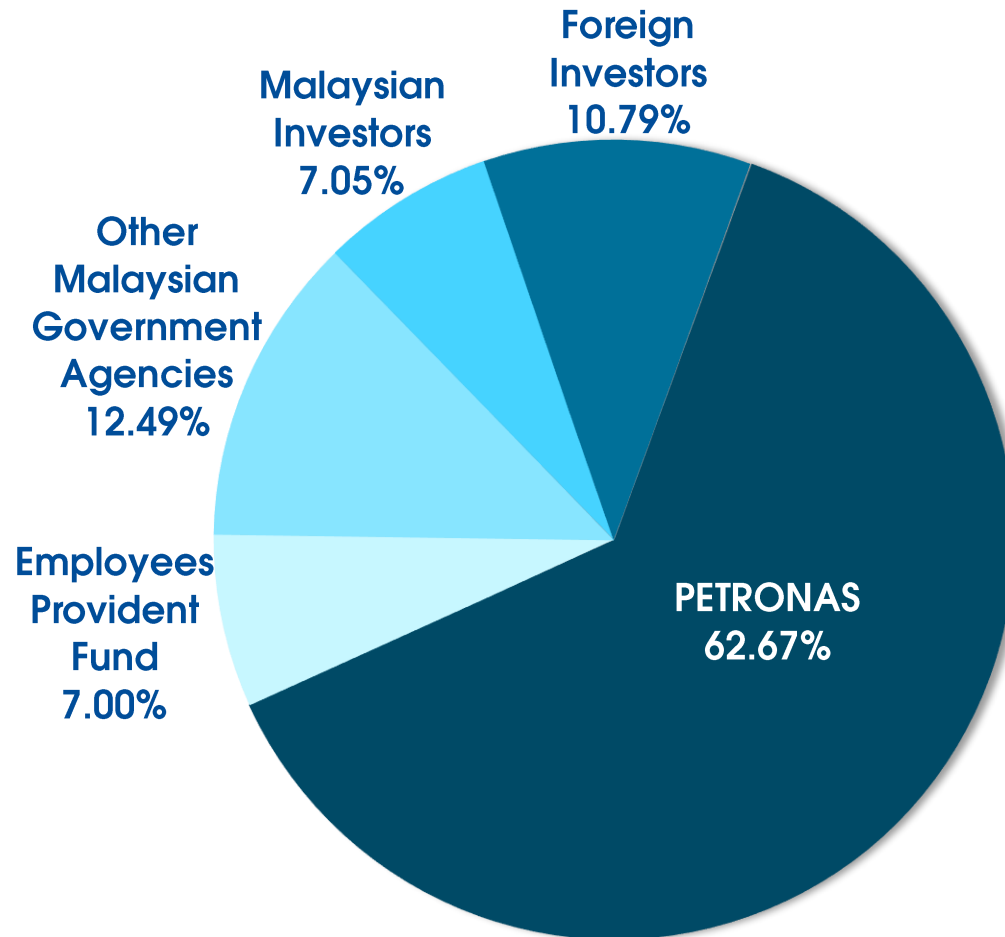
Business Unit	Vessel Type	Total Vessel Operated	Owned As At 31-Dec-15	Chartered-In As At 31-Dec-15 (1)	Average Age (yrs) 31-Dec-15	Industry Average Age (yrs) 31-Dec-15	Contracted Newbuilds/Conversions	Contracted In-Chararters
LNG	LNG	25	25	-	13.7	11.0	5	-
	FSU	2	2	-	33.5	-	-	-
Petroleum	VLCC	12	10	2	7.9	9.0	-	-
	Suezmax	4	4	-	3.4	8.2	2	-
	Aframax	50	37	13	11.6	9.2	4	-
	LR2 (1)	3	-	3	10.4	5.8	2	-
	MR2	8	-	8	6.0	7.5	-	-
	Shuttle	4	4	-	2.1	10.0	-	-
	Chemical	13	7	6	5.5	9.8	-	-
	LPG	1	-	1	17.5	14.7	-	-
TOTAL		122	89	33			13	-
Offshore	FPSO/FSO/SS	-	12	-	6.2	-	-	-
	MOPU (2)	-	2	-	4.9	-	-	-



Appendix 3

Shareholders' Profile

As At 31 Dec 2015

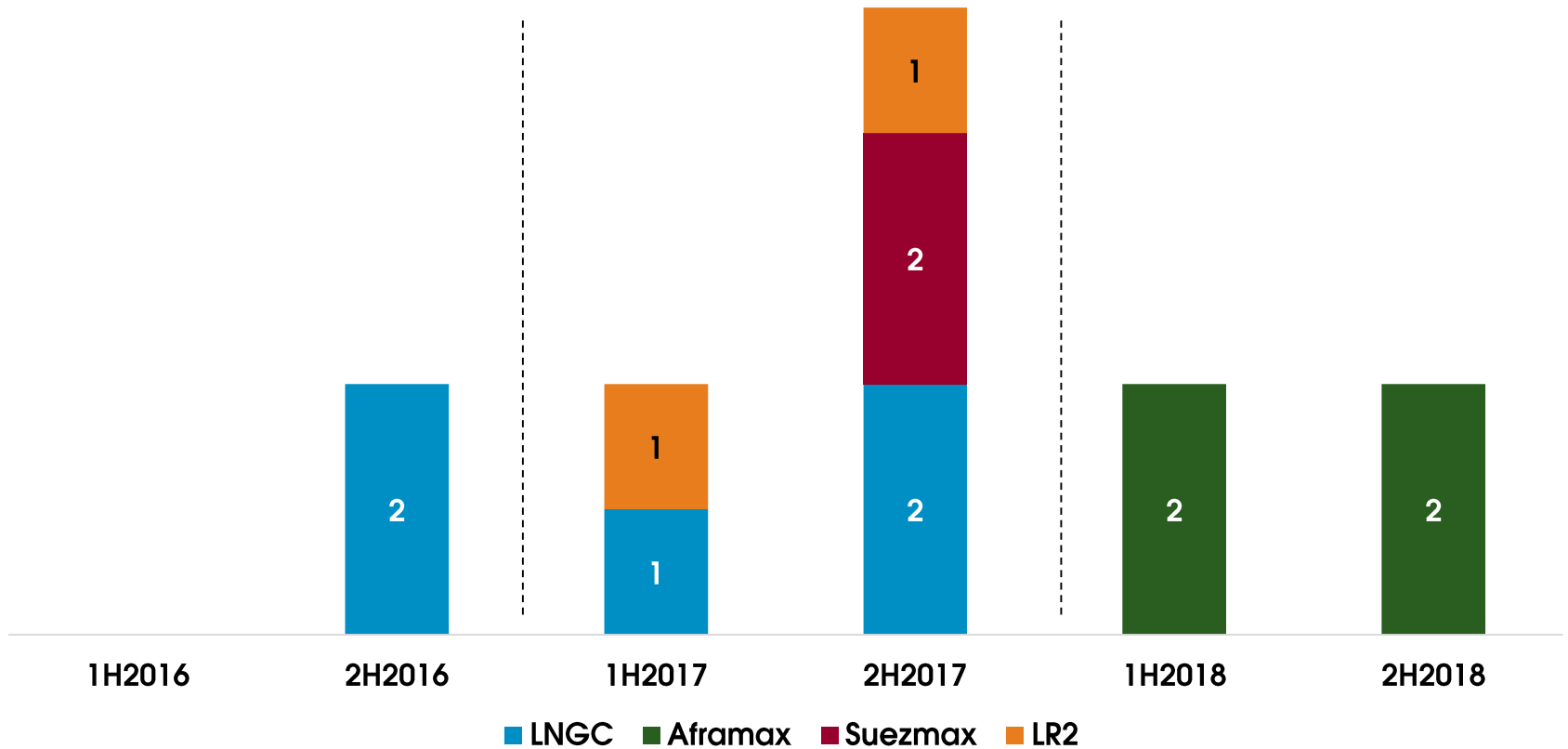


Appendix 4

Delivery Schedule

As At 31 Dec 2015

NEWBUILDINGS (Number of Vessel)



Appendix 5

Additional Information

Veg Oil Rates: Softening

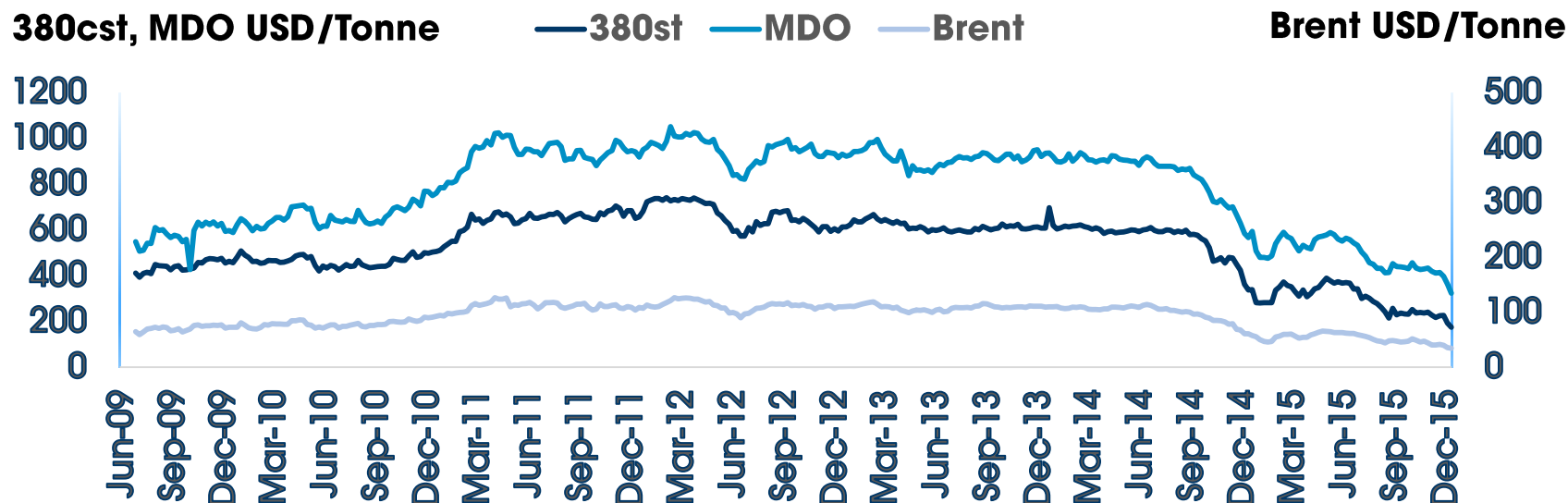
Veg Oil Rates (USD/Tonne)	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
PALM OIL						
Straits – Europe	77.7	70.5	-9.3% ↓	74.0	70.5	-4.7% ↓
Straits – US Gulf	69.0	71.0	2.9% ↑	71.8	71.0	-1.1% ↓
Straits – Indian Subcon	35.0	31.3	-10.6% ↓	32.8	31.3	-4.6% ↓
Straits – Far East	36.0	33.2	-7.8% ↓	33.3	33.2	-0.3% ↓
SOYBEAN OIL						
South America - Far East	61.7	65.0	5.3% ↑	65.0	65.0	0.0% ↔

Source: Ship Brokers' Reports, Dec 2015

- The fear of lower demand from China is affecting market sentiment as palm oil is the main vegetable oil imported by China, with China being the second-biggest global importer of palm oil.
- The weak ringgit is keeping palm oil attractive, in dollar term, having lost of 20% its value since start of the year.
- The volumes of soybean oil exports from Brazil and Argentina have remained strong.



Singapore Bunker Prices: Subdued



Bunker Prices (USD/Tonne)	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
380cst	439.9	221.9	-50% ↓	265.9	221.9	-17% ↓
MDO	678.1	405.5	-40% ↓	450.1	405.5	-10% ↓
Brent	73.3	43.4	-41% ↓	50.1	43.4	-13% ↓

Source: Ship Brokers' Reports, Dec 2015

- Bunker prices are likely to remain low, at least in the first half of 2016.



Tanker Demolition Prices: Decline

(USD/LDT)

Country	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
China	240.0	145	-40% ↓	170.0	145	-15% ↓
India	460.0	305	-34% ↓	300.0	305	2% ↑
Bangladesh	455.0	295	-35% ↓	305.0	295	-3% ↓

- Firm freight rates in the tanker market continued to buoy newbuilding and second-hand activity, while leading to a decline in demolition activity.
- The demolition market has also been affected by depreciation in steel prices and currencies in various markets.

Newbuild Prices: Softening

Newbuild prices (USD Million)	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
LNG Tankers						
160,000 cbm	200.0	199.7	0.2% ↓	200.0	199.7	0.2% ↓
Petroleum Tankers						
VLCC (200 – 300,000 dwt)	97.6	94.4	-1.1% ↓	95.0	94.4	-0.6% ↓
Suezmax (120-200,000 dwt)	65.3	63.6	-2.6% ↓	64.5	63.6	-1.4% ↓
Aframax (80-120,000 dwt)	54.0	52.2	-3.3% ↓	53.0	52.2	-1.5% ↓
MR2 (45-50,000 dwt)	36.9	35.5	-3.8% ↓	35.9	35.5	-1.1% ↓
Chemical : Coated						
35-37,000 dwt	32.7	30.0	-8% ↓	30.3	30.0	-1% ↓
Chemical : Stainless Steel						
35-37,000 dwt	65.7	53.0	-19% ↓	56.7	53.0	-6% ↓

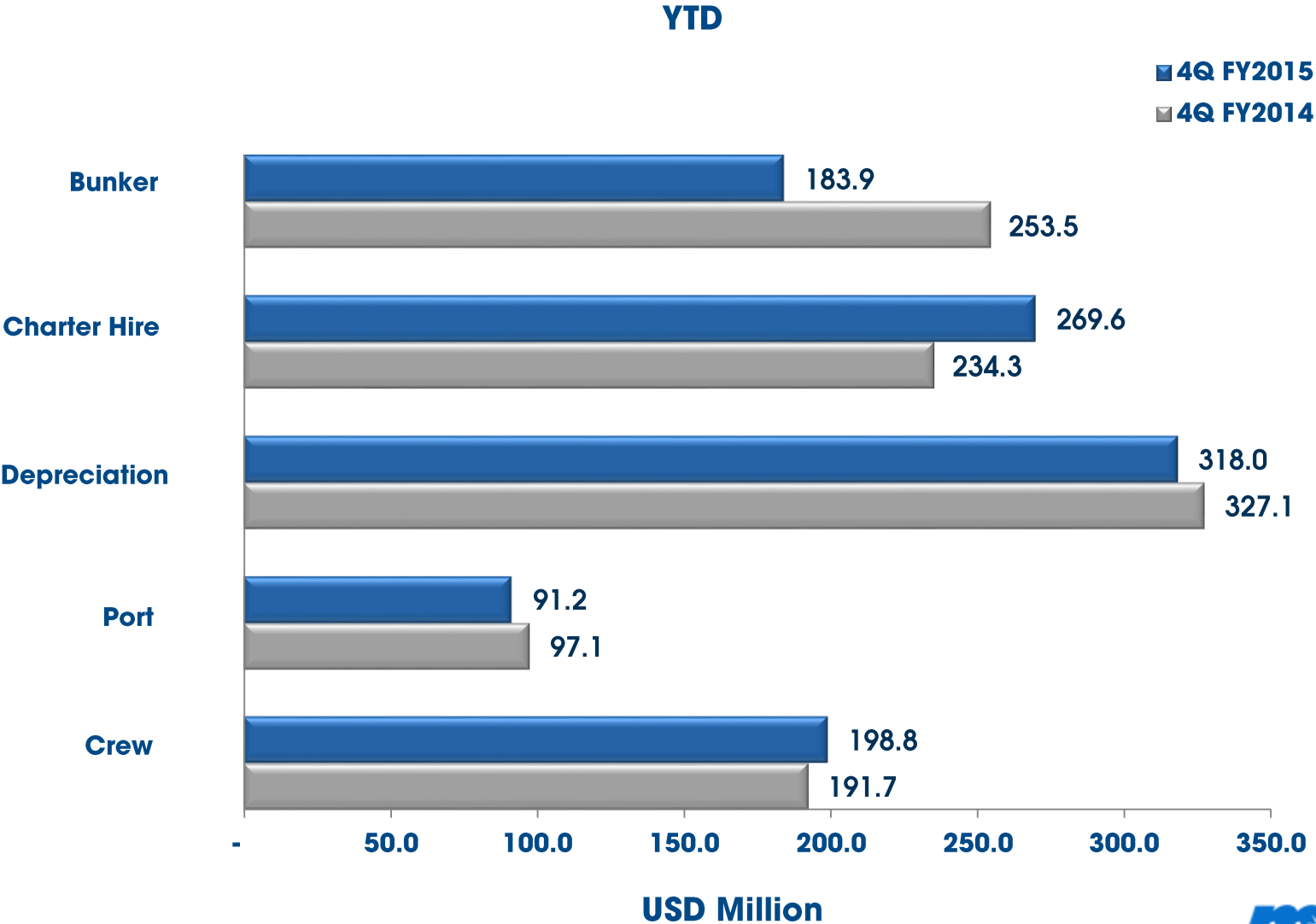
Source: Ship Brokers' Reports, Sep 2015

Secondhand Prices: Level

Secondhand Prices (USD Million)	4Q 2014	4Q 2015	+/- YoY	3Q 2015	4Q 2015	+/- QoQ
Petroleum Tankers - 5 years						
VLCC (200 – 300,000 dwt)	76.3	80.7	5.8% ↑	82.0	80.7	-1.6% ↓
Suezmax (120-200,000 dwt)	56.0	60.0	7.1% ↑	60.0	60.0	0% ↔
Aframax (80-120,000 dwt)	42.0	46.0	9.5% ↑	46.0	46.0	0% ↔
MR2 (45-50,000 dwt)	25.2	26.7	6% ↑	26.3	26.7	1.5% ↑
Chemical : Coated - 10 years						
35-37,000 dwt	15.3	16.0	4% ↑	16.3	16.0	-2% ↓
Chemical : Stainless Steel - 10 years						
35-37,000 dwt	38.7	35.0	-9% ↓	36.2	35.0	-3% ↓

Source: Ship Brokers' Reports, Sep 2015

Main Shipping Cost Components



Liquidity Ratios (Core Earnings)

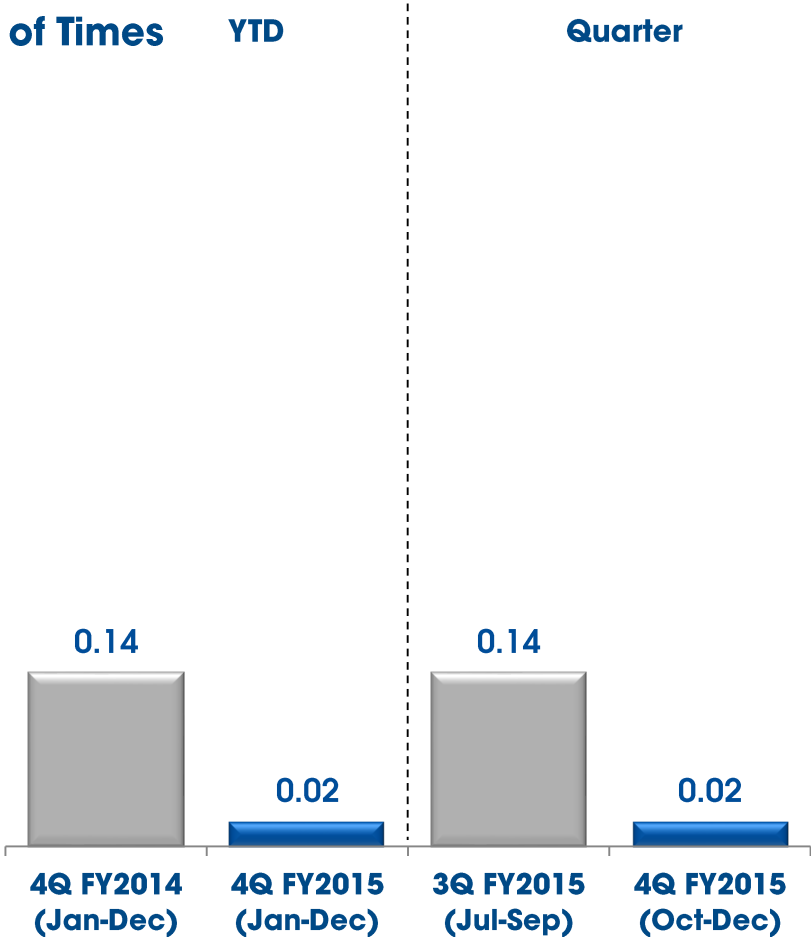
Group

Net Debt to Equity

No. of Times

YTD

Quarter

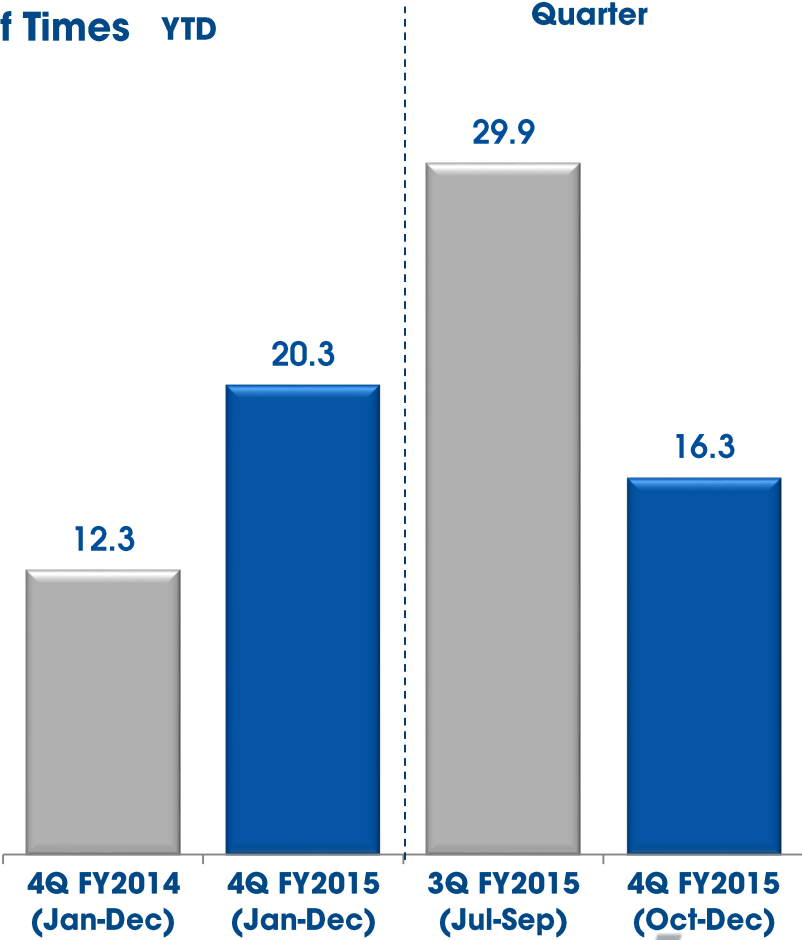


Interest Cover

No. of Times

YTD

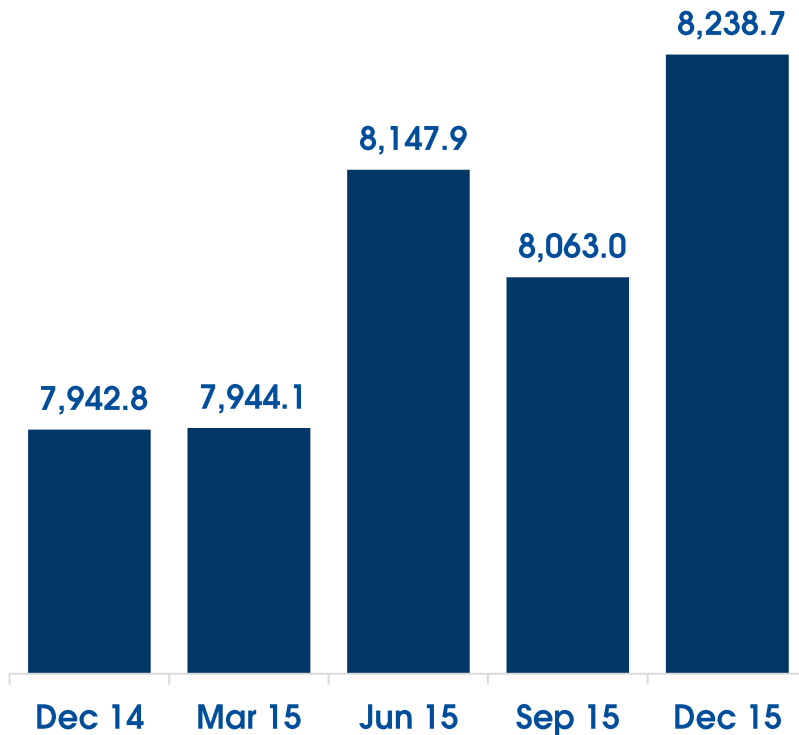
Quarter



Balance Sheet

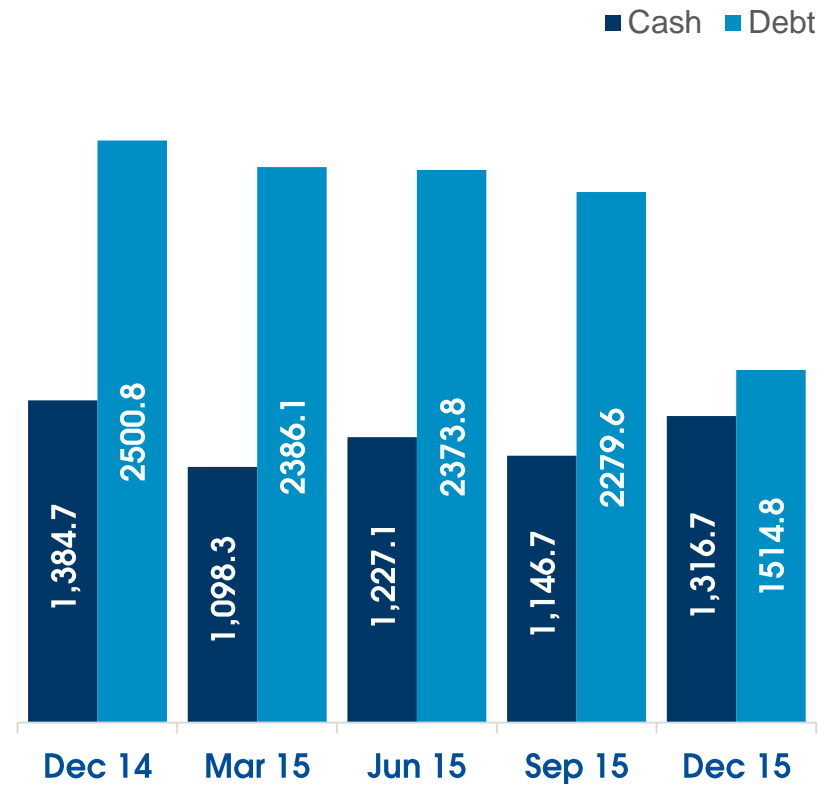
Shareholders' Funds

USD mil.



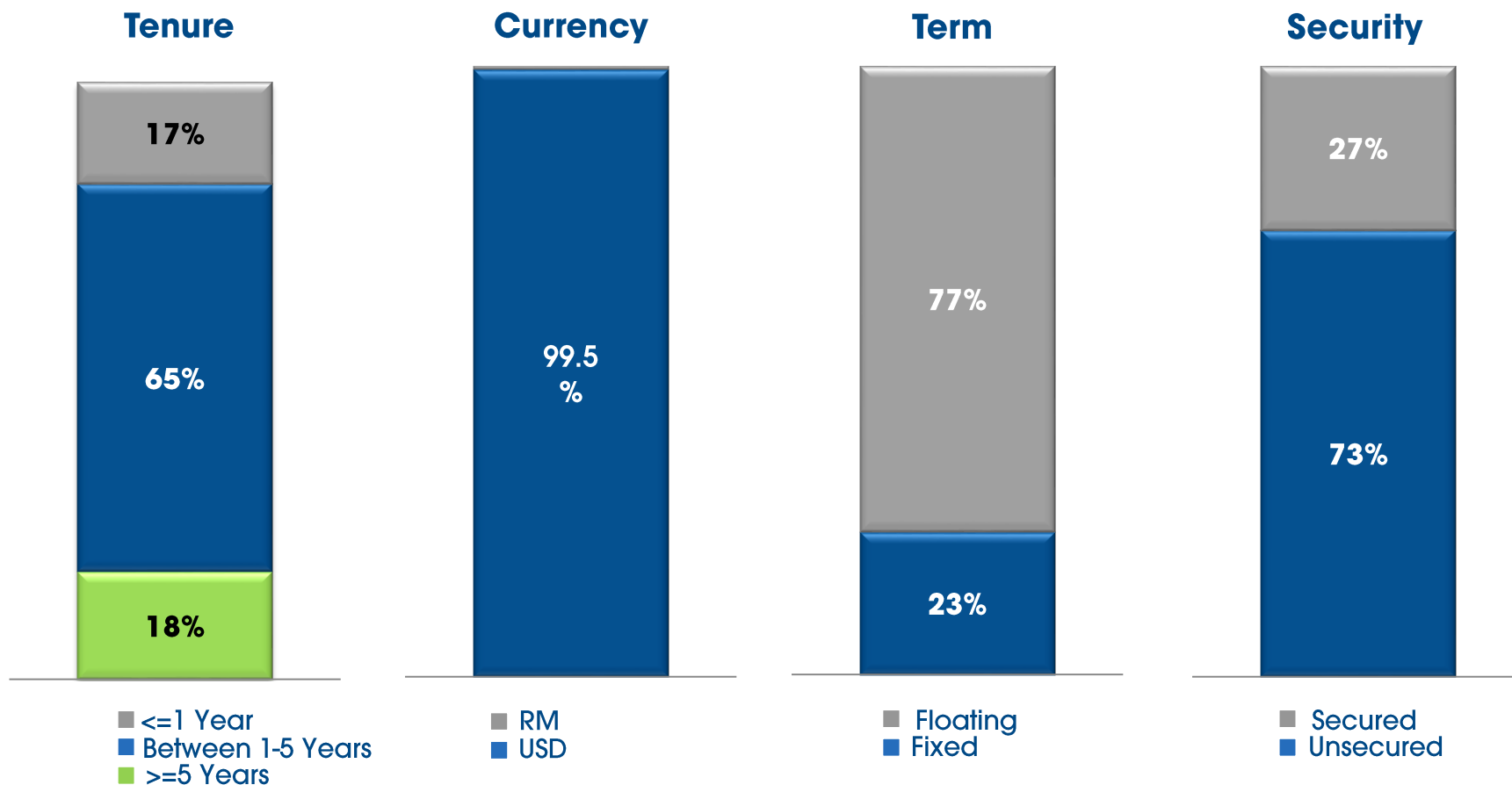
Total Debt & Cash Position

USD mil.



Debt Profile

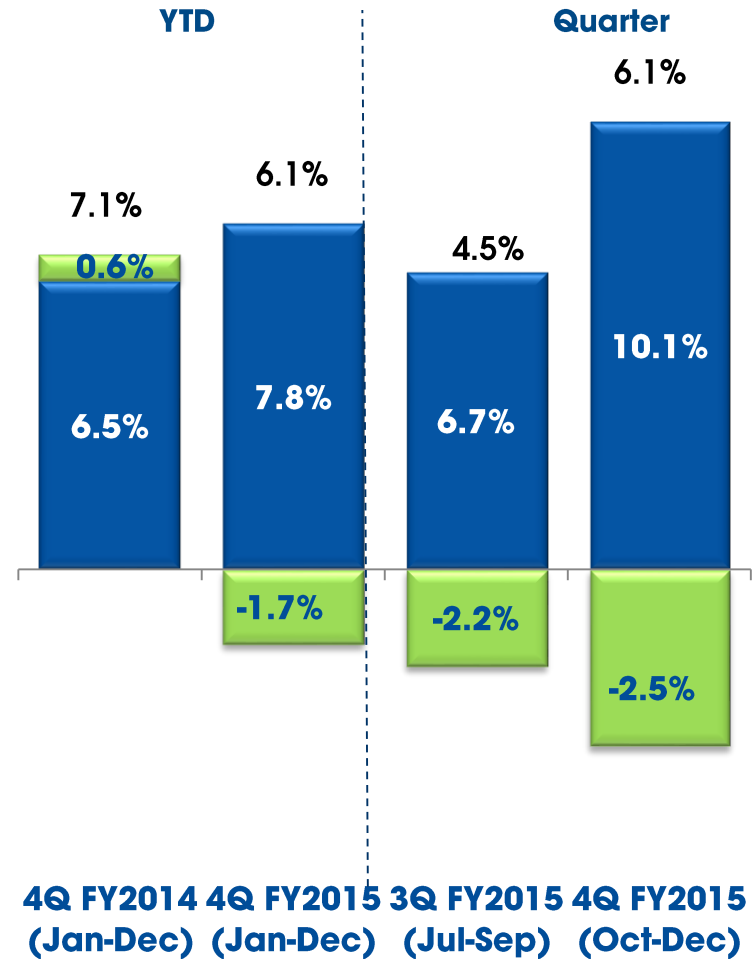
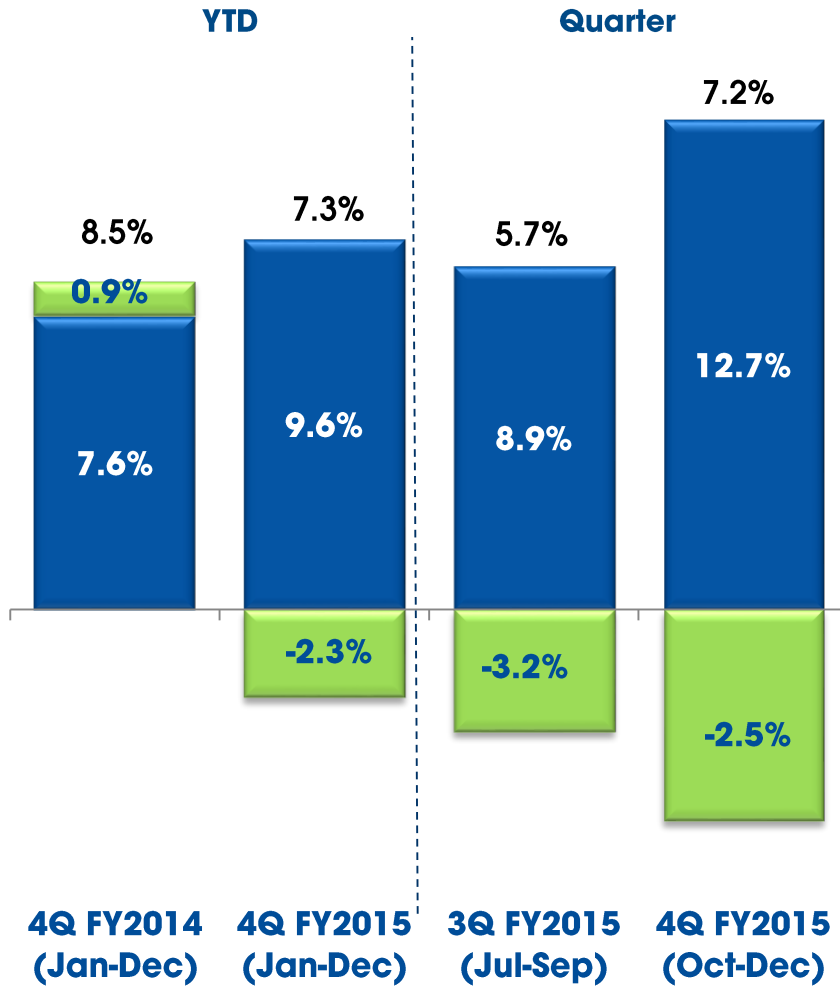
As at 31 December 2015



Return on Investment

ROE

ROA



■ Core Earnings

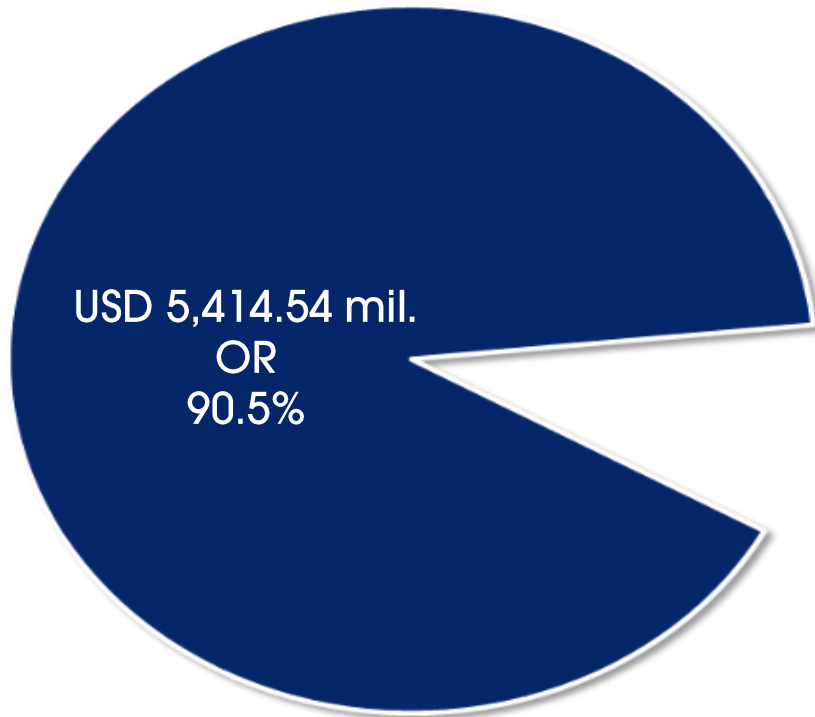
■ Non-Recurring Items



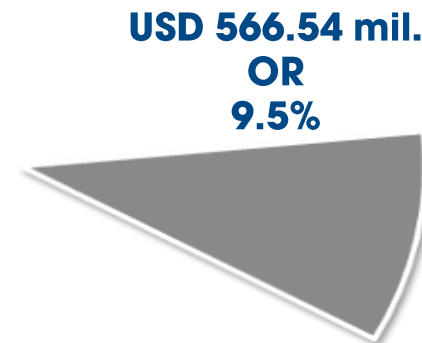
Assets Profile

As at 31 December 2015

Unencumbered Assets



Encumbered Assets



Total Assets
USD 5,980.86 mil.