

ANALYST BRIEFING

Q1 2024 Financial Results

30 May 2024



DISCLAIMER

This Presentation is not intended to form the basis of any investment decision with respect to MISC Berhad (MISC) and shall not form the basis of or be relied upon in connection with any contract or commitment whatsoever.

No representation or warranty, express or implied, is or will be made by MISC in relation to the accuracy and completeness of the information made available and any liability therefore is expressly disclaimed.

Although MISC believes that the expectations of its management as reflected by forward-looking statements contained in this Presentation are reasonable based on information currently available to it, no assurances can be given that such expectations will materialize as these are dependent on risks, uncertainties and other factors which in many cases are beyond MISC's control.

This Presentation and its contents are strictly confidential and must not be reproduced or disclosed without the prior written consent of MISC.

Q1 2024 HIGHLIGHTS



Q1 2024 Key Highlights



Revenue

USD 771 Million
16% decrease QoQ
10% increase YoY



Profit After Tax

USD 160 Million
19% increase QoQ
15% increase YoY



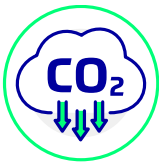
Adjusted CFO*

USD 217 Million
50% decrease QoQ
36% decrease YoY



Dividend Payout

USD 113 Million
69% increase QoQ
5% decrease YoY



Sustainability

Achieved **5.38%** reduction in
our fleet average GHG intensity

8% lower QoQ
16% lower YoY

حفل توقيع اتفاقيات طويلة الأمد لتشغيل ثلاث ناقلات غاز طبيعي مسال بين
قطر للطاقة وشركة ماليزيا الدولية للشحن
The Signing Ceremony of the Long-Term Charter Party Agreements for
three Conventional LNG Vessels between QatarEnergy and MISC Berhad
Doha, Qatar 31 March 2024 الدوحة، قطر 31 مارس 2024

Signed long-term Time Charter Parties (TCP) with QatarEnergy for three newbuild LNG Carriers

SIGNING CEREMONY
FOR TWO AMMONIA DUAL FUEL AFRALEXES
19 APRIL 2024

AET signed TCP with PETCO Trading Labuan Company Ltd for the world's first two ammonia dual-fuel Aframaxes

FPSO Marechal Duque de Caxias sailed away on 24 February 2024 and achieved an overall physical completion of 94.2%

MoU
signing ceremony
between
25 February 2024

MMASB and ALAM signed an MoU with Yayasan Sarawak and University of Technology Sarawak

Note: QoQ represents Q1 2024 against Q4 2023
YoY represents Q1 2024 against Q1 2023

* Adjusted Cash Flow from Operations

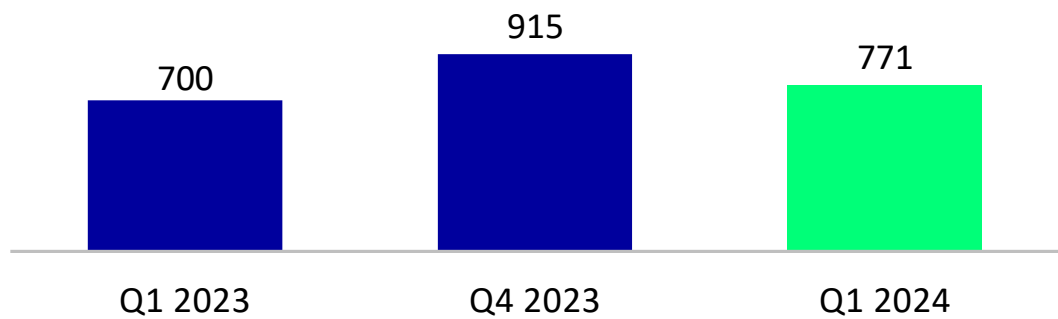
FINANCIAL PERFORMANCE





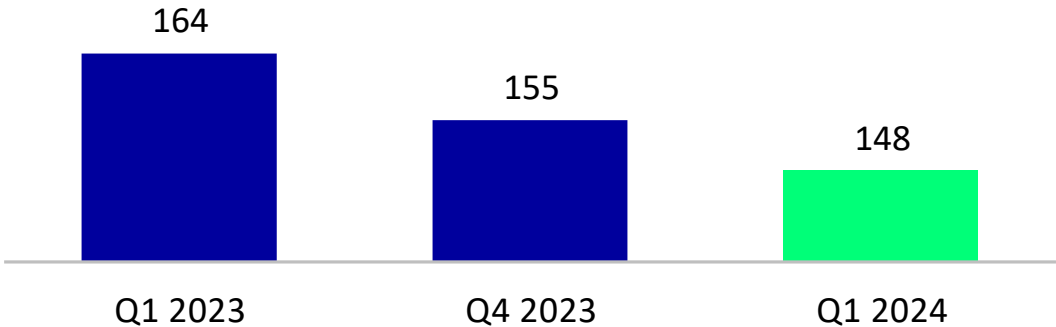
Q1 2024 vs Q1 2023: Higher PAT

REVENUE



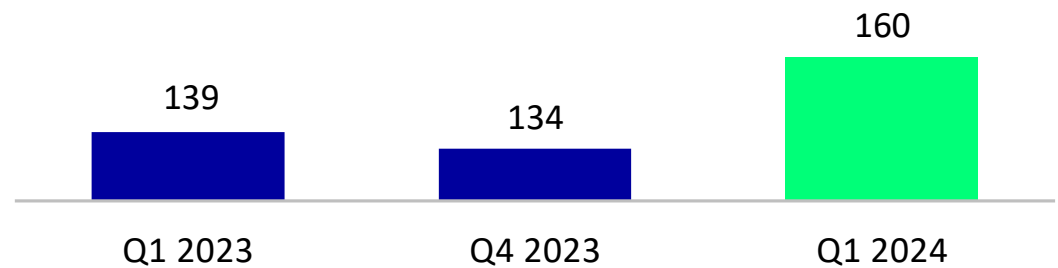
Higher revenue in Q1 2024 against Q1 2023 from on-going Heavy Engineering projects, offset with lower construction revenue for Project Mero 3 in Offshore Business segment.

PBT FROM OPERATIONS^



Lower PBT from Operations in Q1 2024 against Q1 2023 due to lower share of profit from joint venture entities in the Offshore Business segment.

PAT



Higher PAT in Q1 2024 against Q1 2023 due to gain on asset disposals and lower impairment provisions.

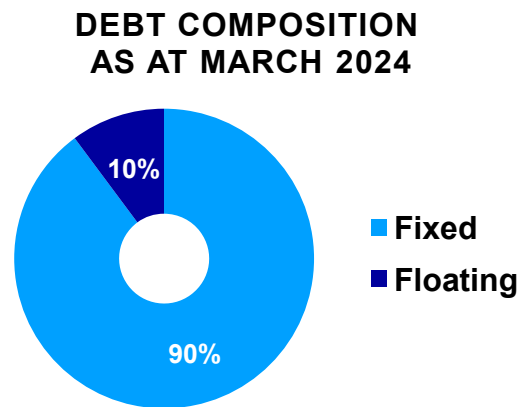
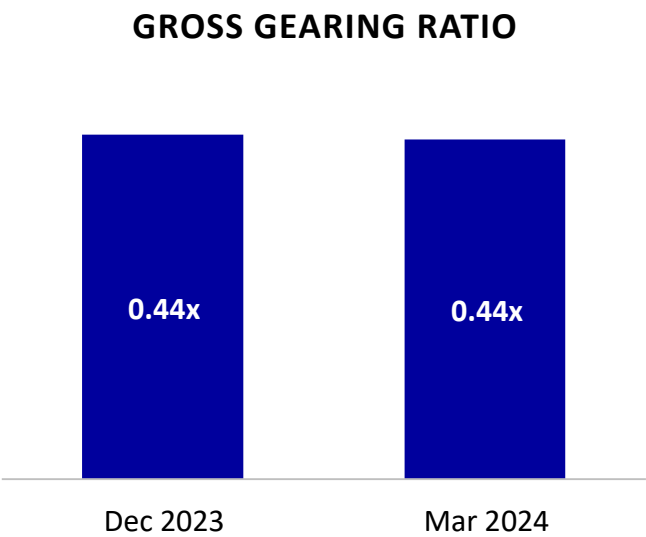
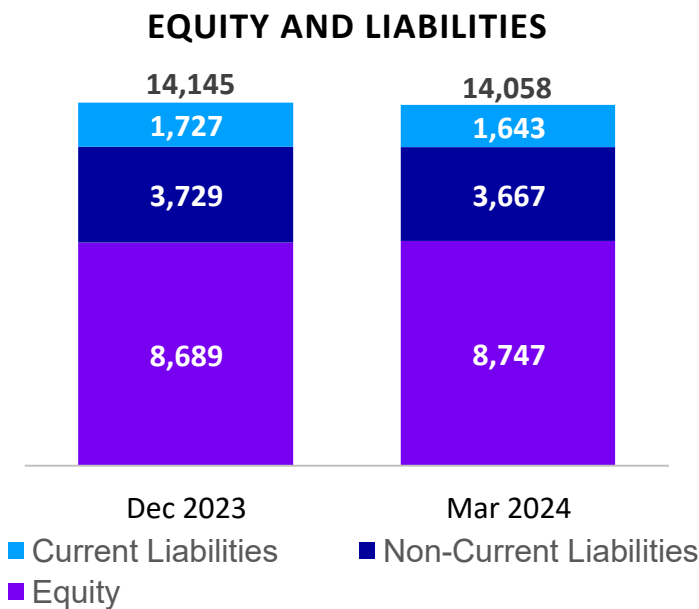
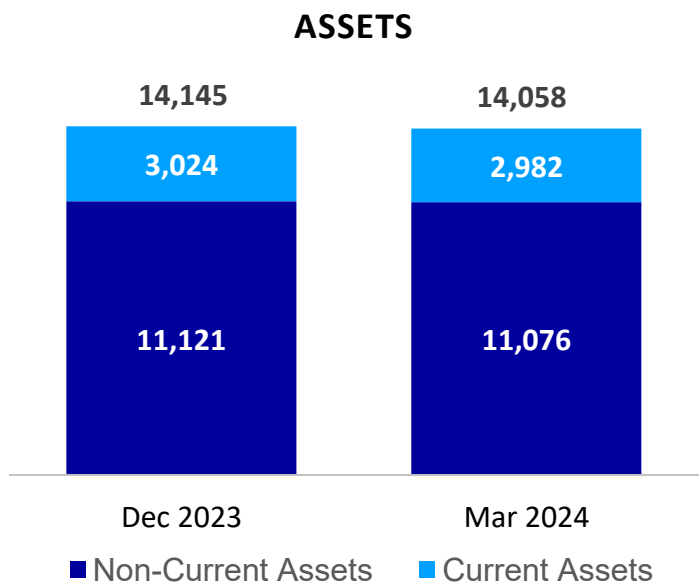
CASH FLOWS FROM OPERATIONS**



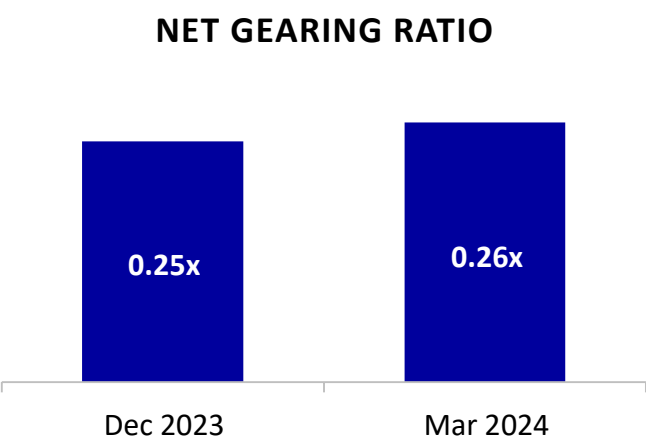
Lower CFO in Q1 2024 against Q1 2023 due to higher payments to vendors in the Heavy Engineering segment.



Solid Balance Sheet With Prudent Risk Management

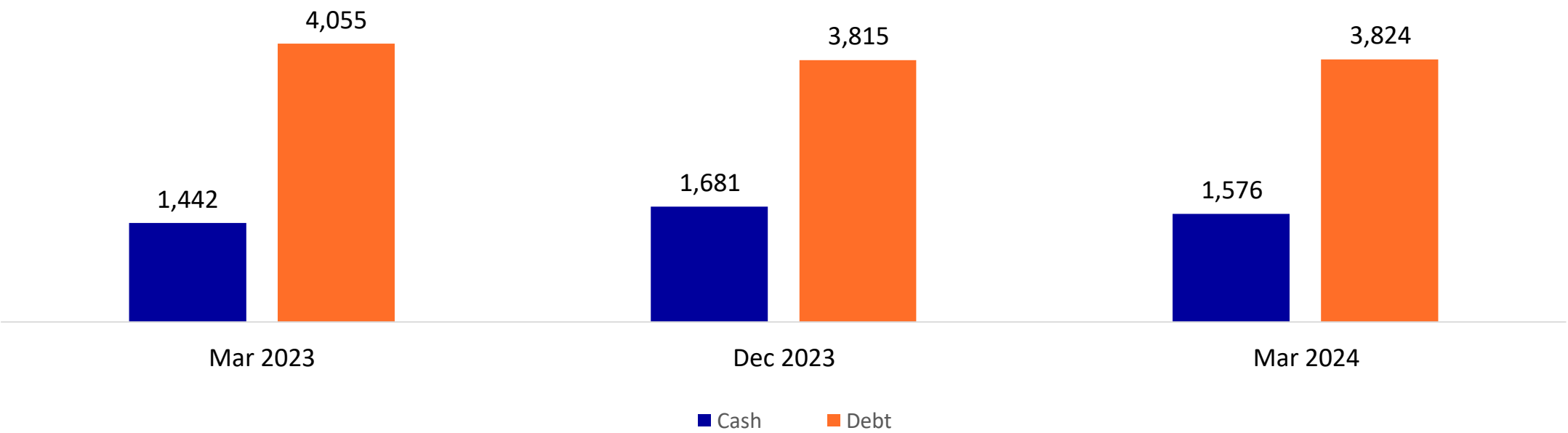


• The Group's balance sheet, gross gearing ratio and composition of fixed-rate debt remain unchanged compared to December 2023.





Cash & Debt Balances

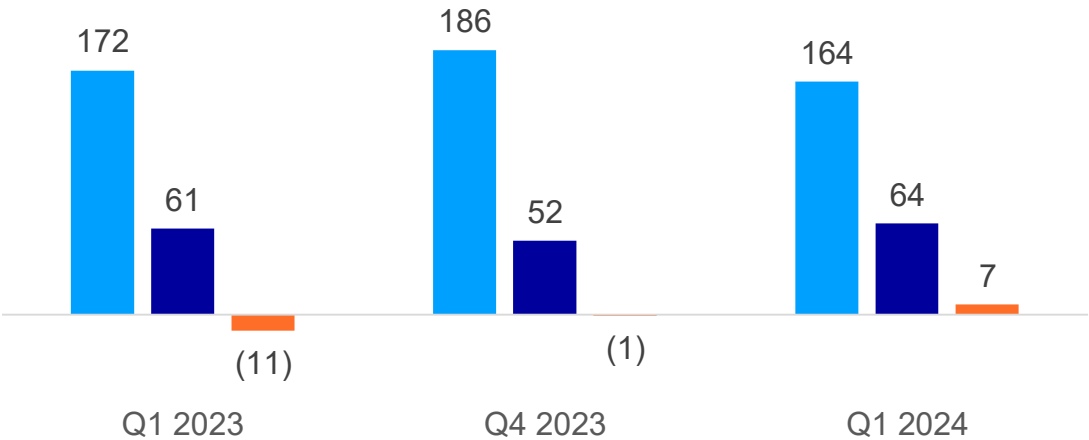


- ❖ Lower cash balance as at March 2024 against December 2023 due to dividend payment.
- ❖ Higher debt balance as at March 2024 against December 2023 due to higher net drawdown.

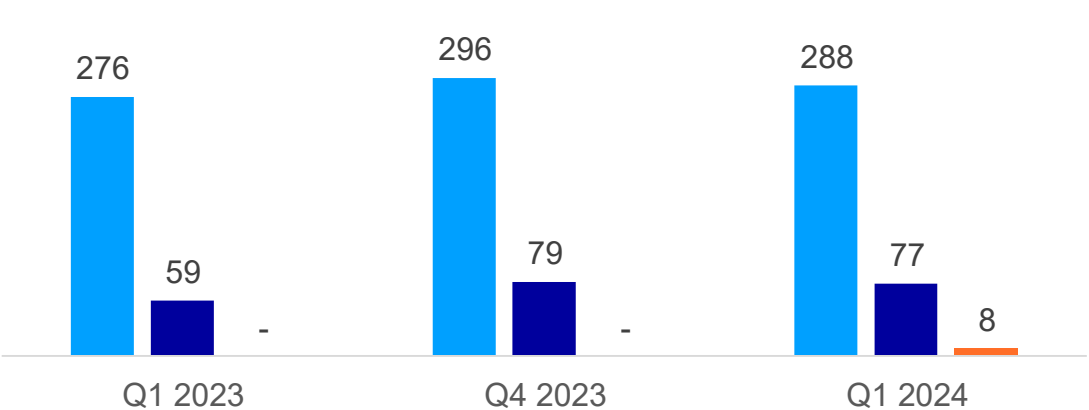


Financial Performance by Business Segments

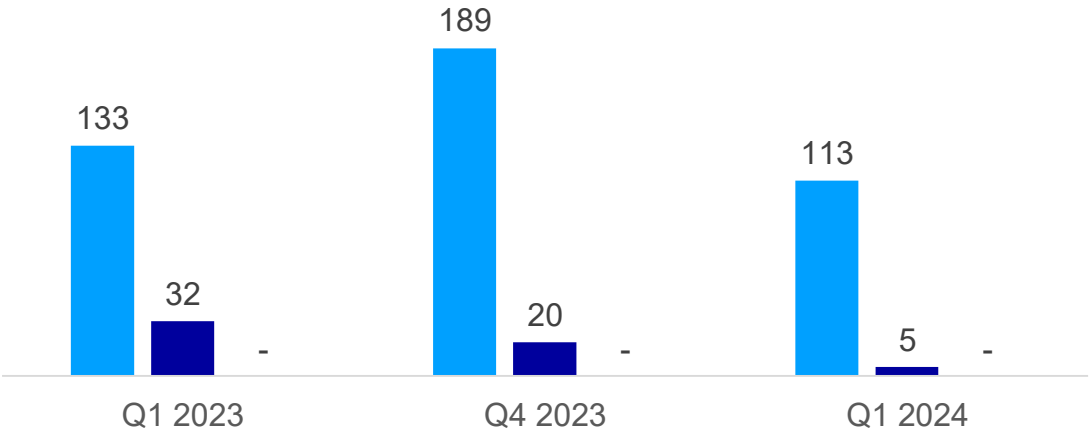
GAS



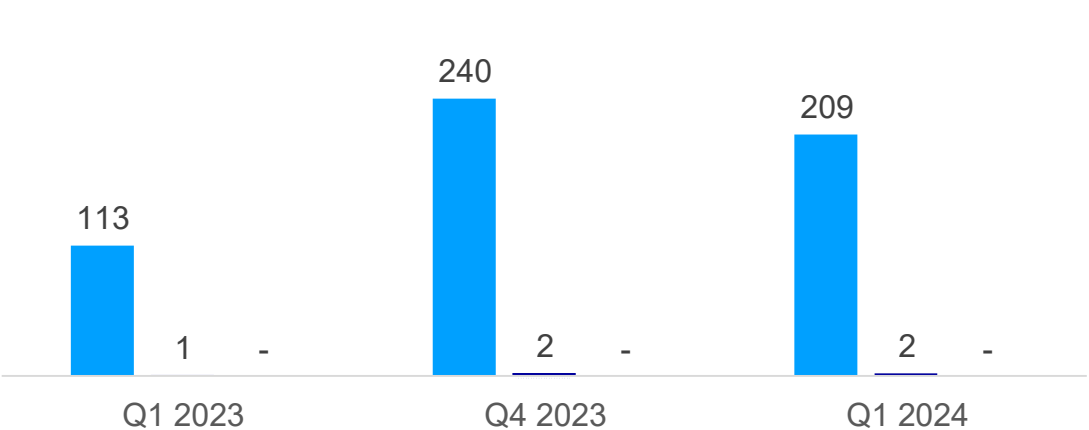
PETROLEUM



OFFSHORE



HEAVY ENGINEERING



MARKET ENVIRONMENT

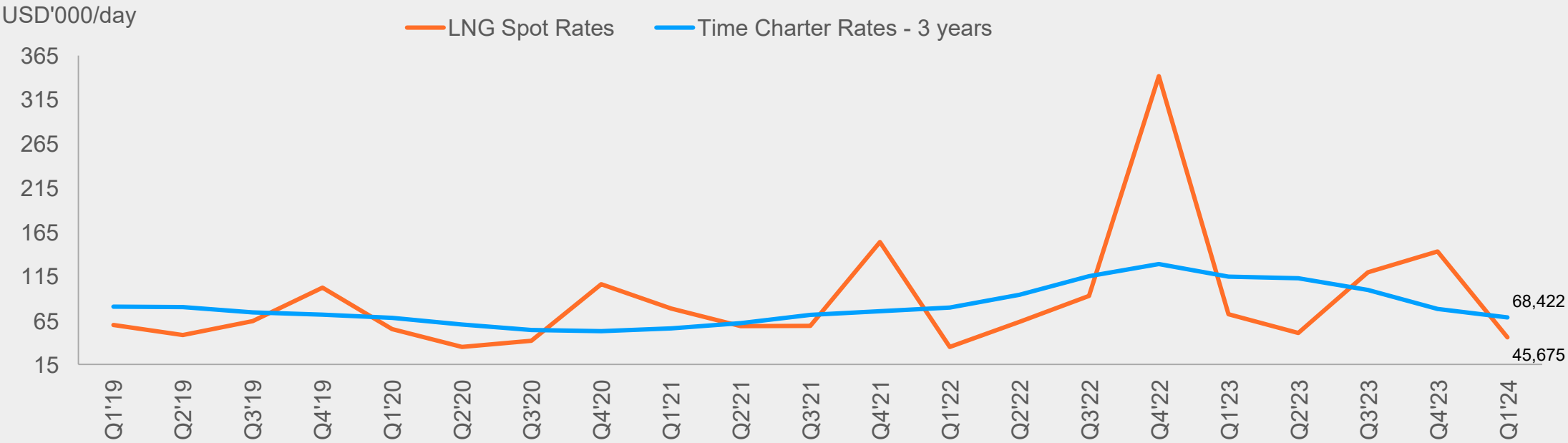


LNG Shipping

Prospects remain positive despite spot rates softening in Q1 2024



LNG rates



Source: Clarksons

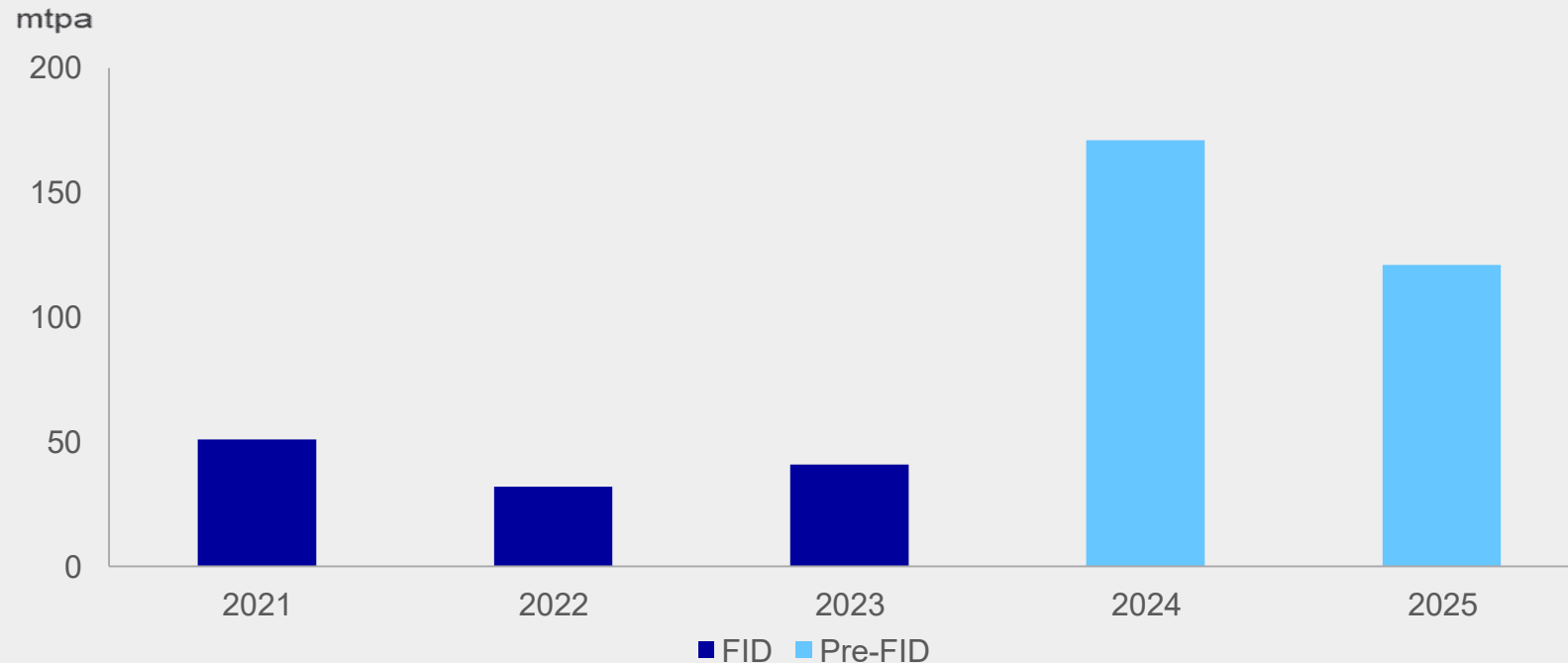
- LNG spot rates softened in Q1 2024 due to seasonally weak demand and inventory buildup in Europe and Northeast Asia market.
- The prospects for LNG shipping market remain positive as spot rates are anticipated to gradually improve in line with seasonal demand.

LNG Shipping

Positive FID outlook for LNG projects bodes well for fleet expansion



LNG Liquefaction FID Outlook

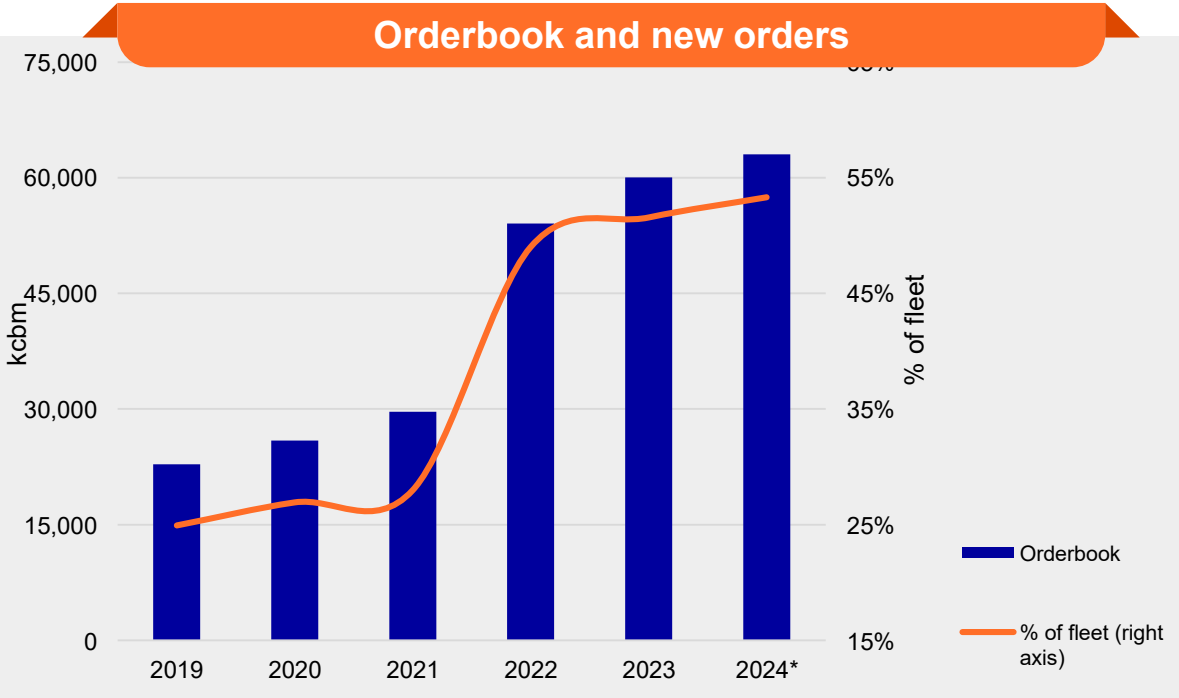


Source: Drewry

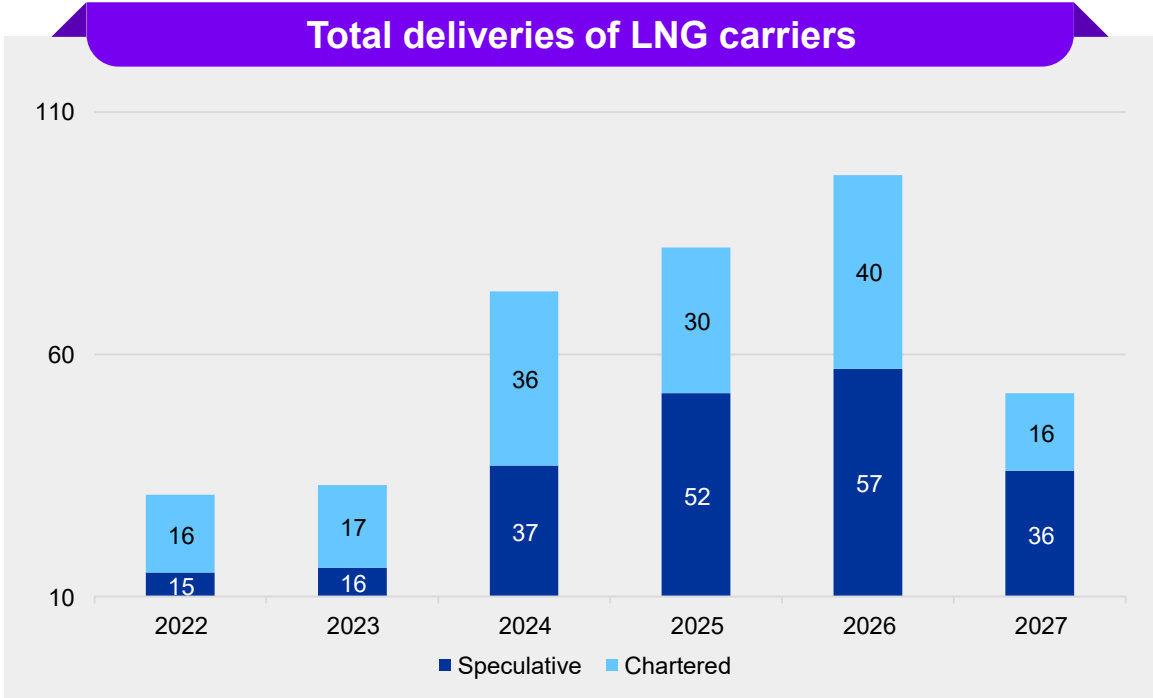
- Global liquefaction capacity is expected to increase in 2024. The expansion of liquefaction facilities contributes to meeting the rising demand.
- FID outlook remains positive, despite some projects in the US facing challenges due to ongoing 'temporary pause' on licensing LNG projects.

LNG Shipping

Surge in newbuilding orders amid strong LNG demand



Note: *as on 31 March 2024

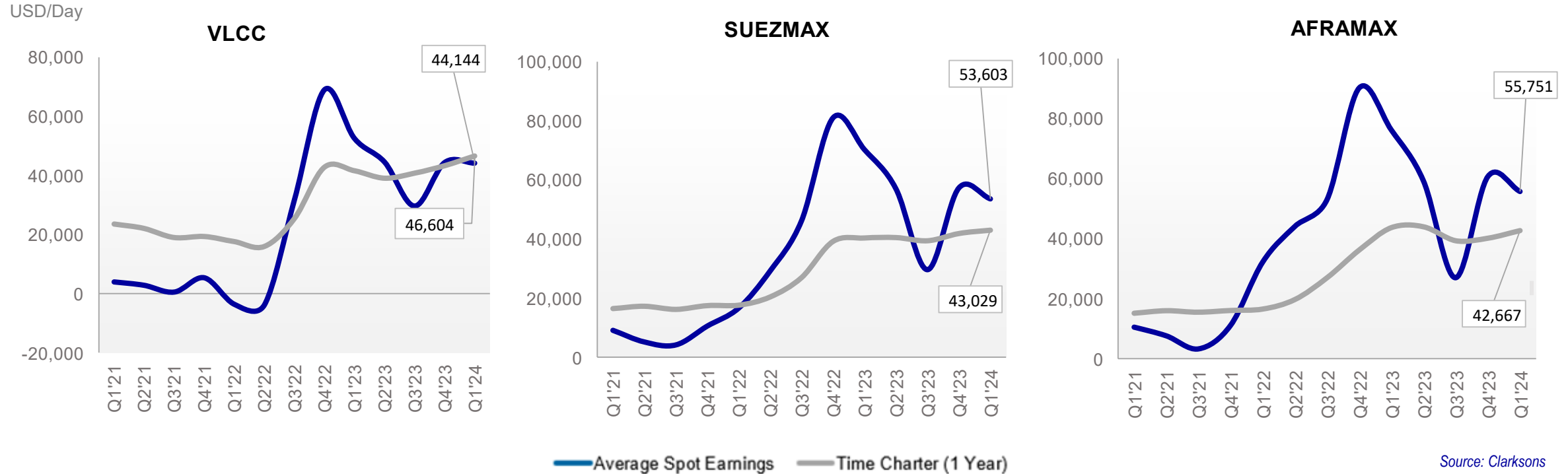


Source: Drewry and Woodmac

- As more planned liquefaction projects are expected to reach FID, newbuilding orders are expected to remain robust in 2024.
- New LNGCs are expected to be delivered into the market during 2024-2026. Despite this, delays are anticipated due to backlog at South Korean yards, which will flow deliveries to subsequent years.

Petroleum Shipping

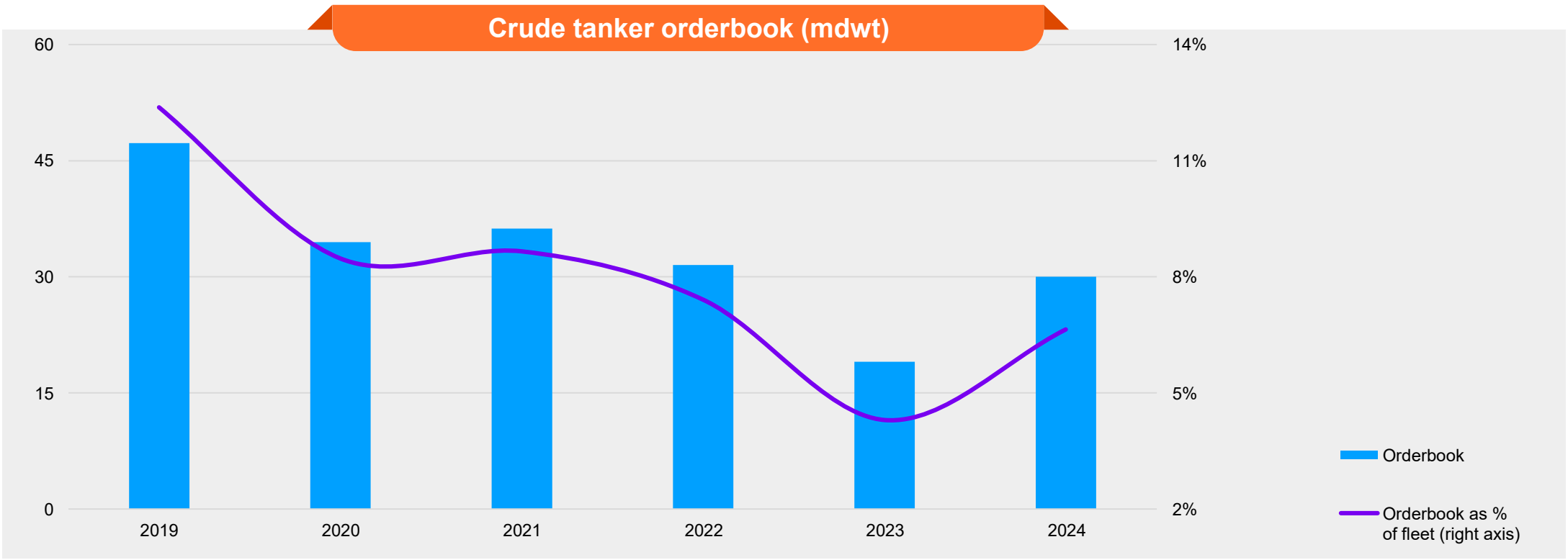
Average tanker rates remained firm amidst increase in tonne-mile demand



- Spot rates remained firm amidst increase in tonne-mile demand driven by growing long-haul Atlantic exports, notably from the US, Brazil and Guyana.
- Notwithstanding this, the overall tanker market outlook remains positive with favourable tanker supply demand fundamentals.

Petroleum Shipping

Fleet growth to increase replacing aging fleets

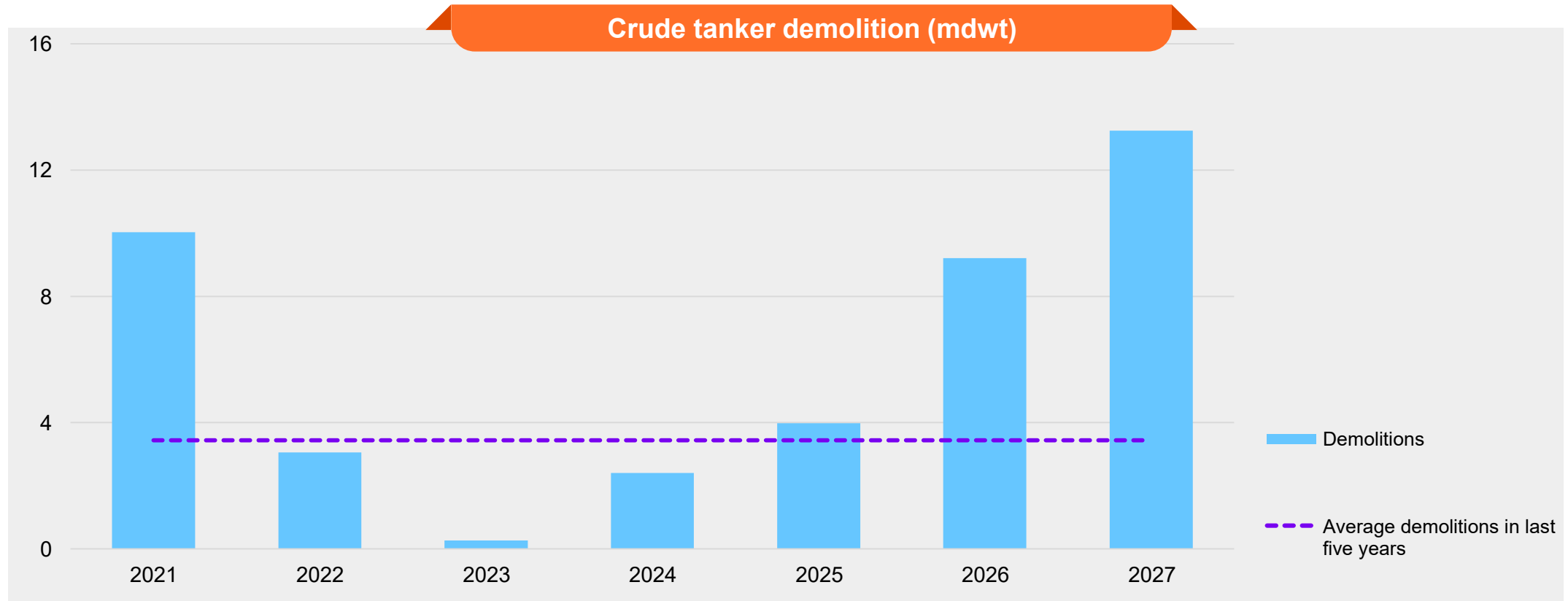


Note: Data as at Q1 2024 Source: Drewry

- The overall orderbook for crude tankers is expected to grow in the forecast period as the requirement for replacement tonnage due to increase in demolition of ageing fleets will encourage owners to place more new orders.

Petroleum Shipping

Demolitions to rise slightly in 2024



Source: Drewry

- Demolitions remain weak in 2024, although higher than the subdued levels in 2023.
- Additionally, the lack of replacement tonnage will slow down demolitions over the next two years but will revive from 2026.

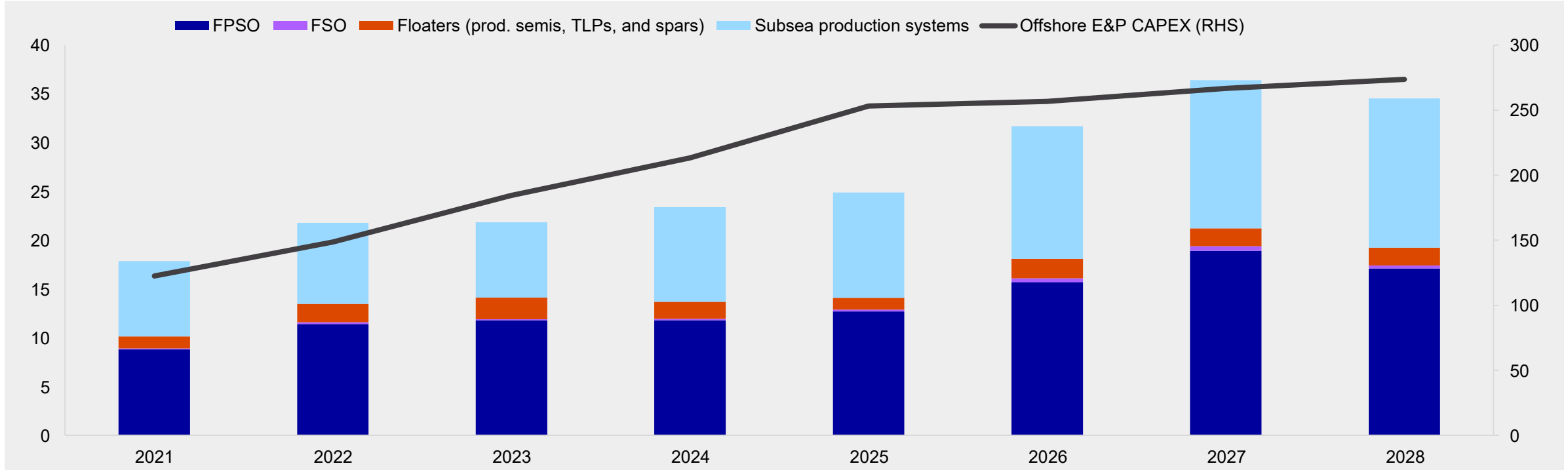
Offshore

Continued steady growth in upstream CAPEX spending expected for 2024 and onwards



Selected FPS (LHS)
USD billion

Offshore E&P CAPEX (RHS)
USD billion

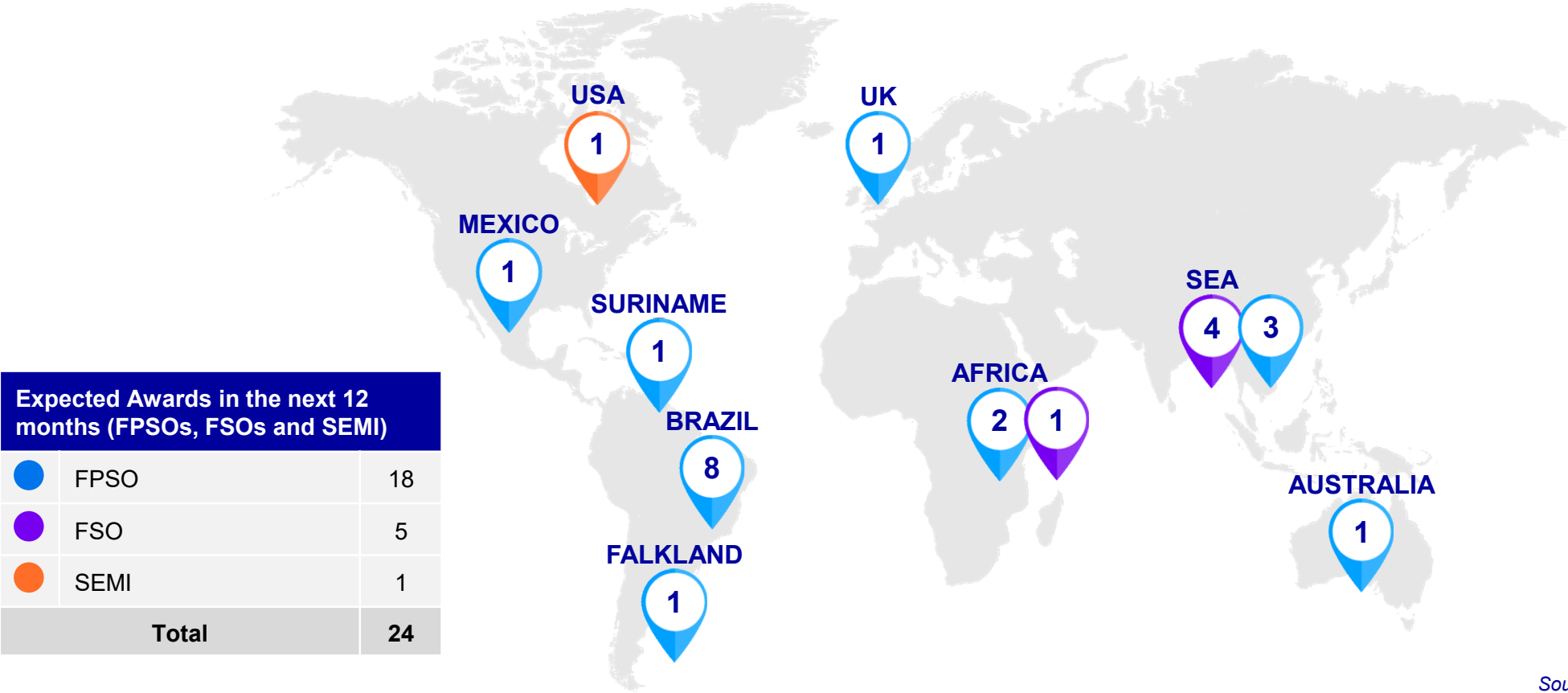


Source: S&P Global

- There is a projected uptick of 6.5% in Global offshore E&P capex expenditure. The majority of this spending is expected to be allocated to drilling and well services.
- This uptrend momentum will generate a substantial upswing in the global FPSO market in the upcoming years. This will potentially lead to a higher number of FPSO awards especially coming from Latin America and the Asia-Pacific.

Offshore

Upcoming greenfield FPSO projects are mainly concentrated in the Atlantic Basin



Source: EMA, S&P Global

- Demand for FPSOs is expected to stay firm within the next 12 months.
- Eight projects from Brazil mainly for Petrobras, and two from Africa. However, some awards for Petrobras could be further delayed due to high prices and lack of competition.

APPENDICES





Adjusted Cash Flow from Operations (“CFO”)

	Q1 2023 USD Mil	Q4 2023 USD Mil	Q1 2024 USD Mil
CFO per Statutory Financial Reporting	207	295	41
Add/(Less):			
MFRS 16 lease payments*	(5)	(2)	(6)
Offshore construction work-in-progress**	142	126	183
Others and forex	(5)	14	(1)
Adjusted CFO	339	433	217

* MISC considers all lease or charter-in of vessels and other assets as operating activities. For financial reporting purposes, payment of lease liabilities are classified in the cash flow from financing activities.

** **For financial reporting purposes**, the payments relating to construction/conversion activities for Offshore turnkey projects are **required to be classified in the cash flow from operating activities**. As at 31 March 2024, the YTD payment was USD183.1 million.

However, **MISC considers the payments as Capital Expenditure (“CAPEX”) payments**, and **internally classifies them as an outflow from investing activities in measuring its performance and allocation of resources**.



Fleet Information as of 31 March 2024

	Vessel Type	Total Vessel Operated	Owned	Chartered-In	Average Age (years)		Contracted Newbuilds/Conversions
					MISC	Industry	
GAS	LNG	29	28	1	16.0	11.0	17*
	FSU	2	2	--	12.0	--	-
	VLEC	6	6	--	3.0	--	-
	LBV	1	--	1	3.0	--	-
Subtotal		38	36	2	--	--	17*
Petroleum	VLCC	13	13	--	7.4	11.8	-
	Suezmax	6	6	--	9.9	12.4	-
	Aframax	19	18	1	11.8	14.3	-
	LR2	2	2	--	6.8	10.6	-
	DPST	17	17	--	4.7	9.3	-
Subtotal		57	56	1	--	--	1
GRAND TOTAL		95	92	3	--	--	17*
Offshore	FPSO/FSO/SS	11**	12	--	11.5	--	1

Note:

* contracted vessels include 12 vessels awarded by QatarEnergy, 25% owned by MISC, NYK, K-Line and CLNG through the joint venture.

** FPSO Bunga Kertas is currently under refurbishment.

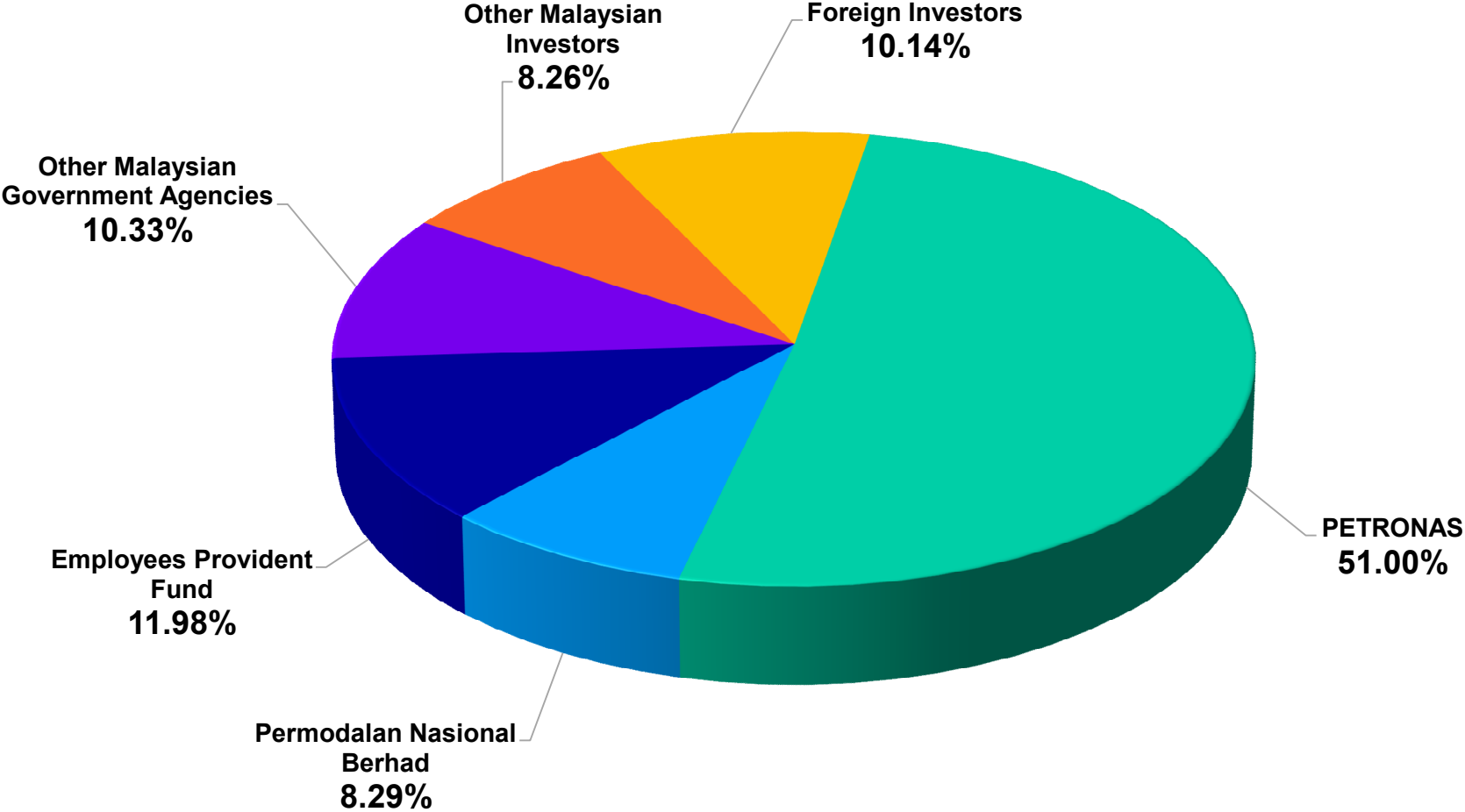
Schedule of Future Deliveries as of 31 March 2024



	GAS	Petroleum
	LNG Carriers	VLCC
2025	4	-
2026	11	-
2027	2	-



Shareholders' Profile as of 31 March 2024

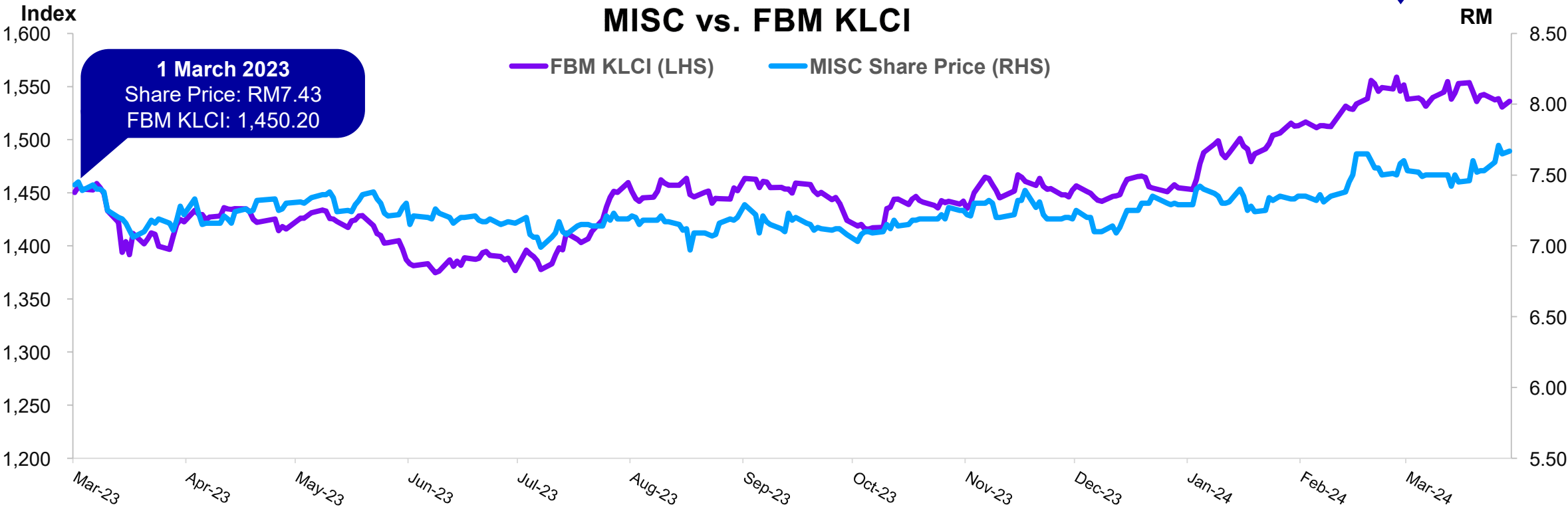


MISC One Year Share Price Performance



Share Price	RM
3-months average	7.44
6-months average	7.32
12-months average	7.26
High for the year (26 Mar 24)	7.71
Low for the year (17 Aug 23)	6.97

29 March 2024
Share Price: RM7.67
FBM KLCI: 1,536.07



Q&A SESSION

THANK YOU