



QUARTERLY IR UPDATES

4th Quarter 2014 Financial Results & Updates

5th February 2015



"Transformation for Success"

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Topic

Operational Review

2

Financial Updates

3

New Projects

4

Yard Optimisation

5

Business Environment



Overall Project Is 72% Completed After 5.1 Million Manhours

4

TLP Malikai Deepwater Project



Overall Project Is 49% Completed After 3.0 Million Manhours

5

SK316



Besar A



Bergading NMB



MOPU EP7



Income Statement, QoQ

- Revenue**

- OBU, lesser number of projects in progress
- MBU, higher number of vessels repaired

- Operating profit**

- OBU, in line with revenue reduction
- MBU, lower profit per vessel with no special projects

- Net profit**

- ITA claims from Yard Optimisation in preceding quarter

Income Statement RM m	4Q 2014	3Q 2014
Revenue	508.3	539.8
Offshore	422.6	507.3
Marine	85.7	32.5
Operating Profit	41.7	23.1
Offshore	10.7	16.1
Marine	13.0	3.2
Share Of (Loss)/Profit Of JV	-2.5	-3.0
Profit Before Taxation	39.3	20.1
Taxation	-22.3	19.0
MI	0.5	0.0
Net Profit	16.5	39.1
EPS Per Share	1.0 sen	2.4 sen

Income Statement, YoY

• Revenue

- OBU, projects completed and sailed away
- MBU, lower value per vessel for Rig/Support vessels

• Operating profit

- OBU, projects completed and sailed away
- MBU, lower margin projects

• Net profit

- ITA claims from Yard Optimisation

Income Statement RM m	12mth Dec14	12mth Dec13
Revenue	2,700.5	2,884.5
Offshore	2,447.7	2,599.9
Marine	252.9	284.6
Operating Profit	122.6	196.3
Offshore	64.7	123.2
Marine	32.8	70.4
Share Of (Loss)/Profit Of JV	-3.5	1.3
Profit Before Taxation	119.1	197.6
Taxation	11.5	39.6
MI	0.7	0.7
Net Profit	129.9	236.5
EPS Per Share	8.1 sen	14.8 sen

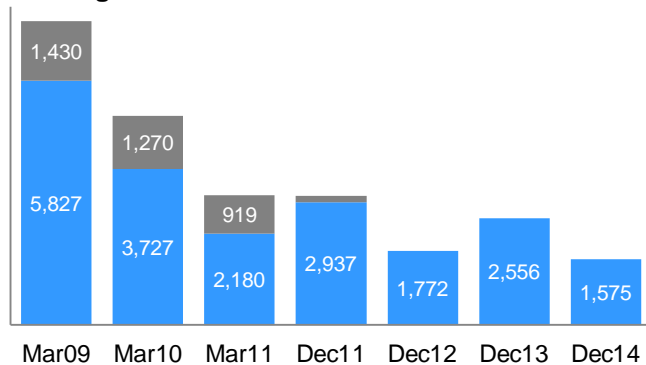
Balance Sheet

- **Total assets of RM4.5bn**
 - Receivables include lower work in progress
 - Cash balance decrease reflects:
 - Payment for investing activities mainly for Yard Optimisation programme
 - Repayment made for revolving credit facilities drawdown
- **NTA per share of RM1.61**

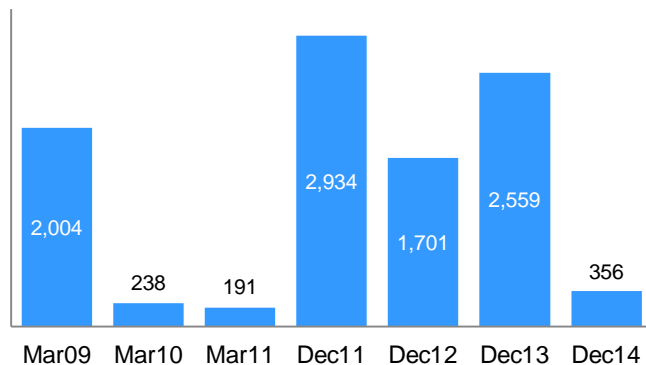
Balance Sheet RM m	Dec 2014	Dec 2013
Non-Current Assets	2,005.5	1,901.6
Inventories	11.7	12.6
Receivables	1,857.1	2,480.8
Cash	589.2	623.2
Others	0.3	1.9
Total Assets	4,463.8	5,020.1
Shareholders' Funds	2,632.9	2,583.9
Payables	1,490.6	2,128.1
Others	340.3	308.1
Total	4,463.8	5,020.1
NTA Per Share	RM1.61	RM1.58

Order Intake & Backlog

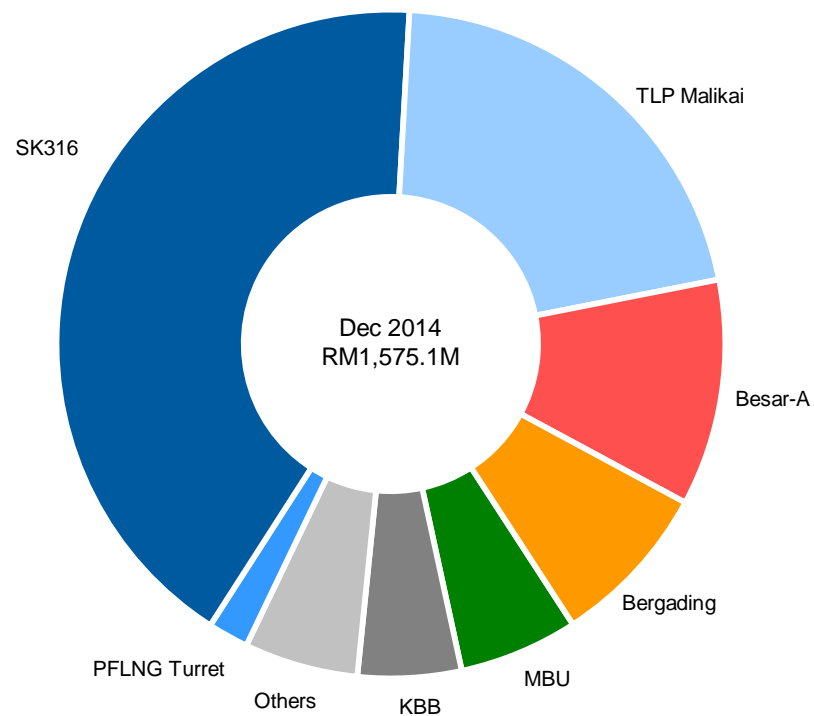
Backlog RM million



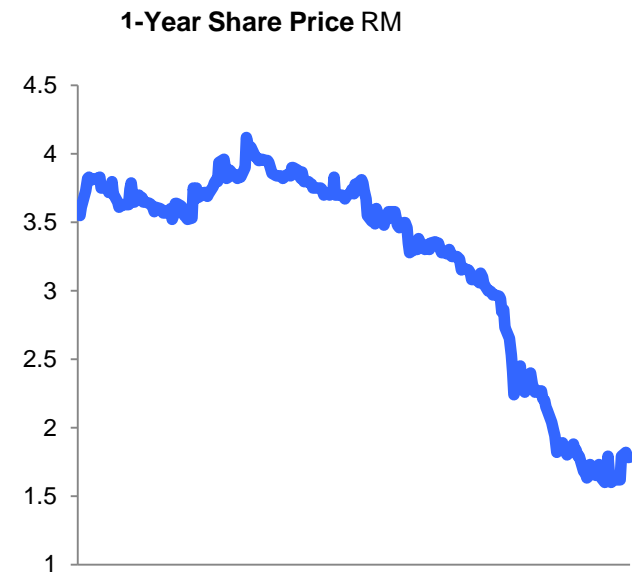
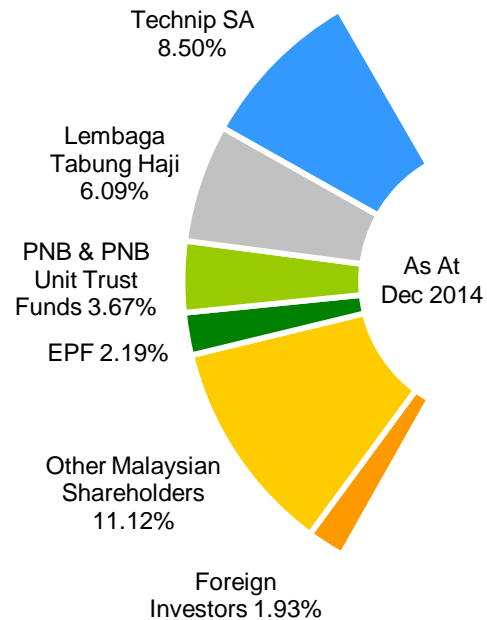
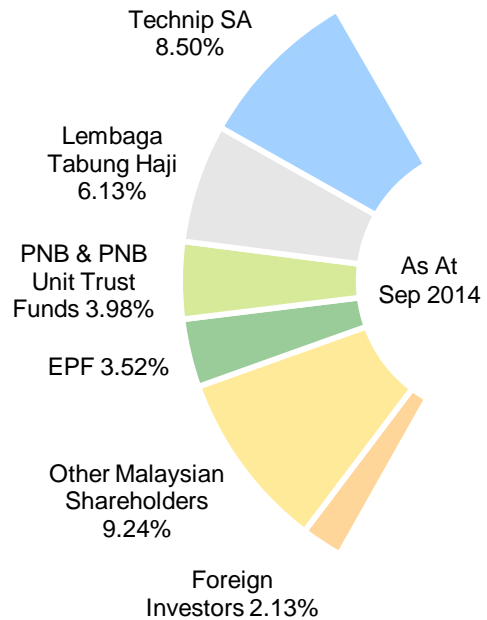
Order Intake RM million



Backlog RM million

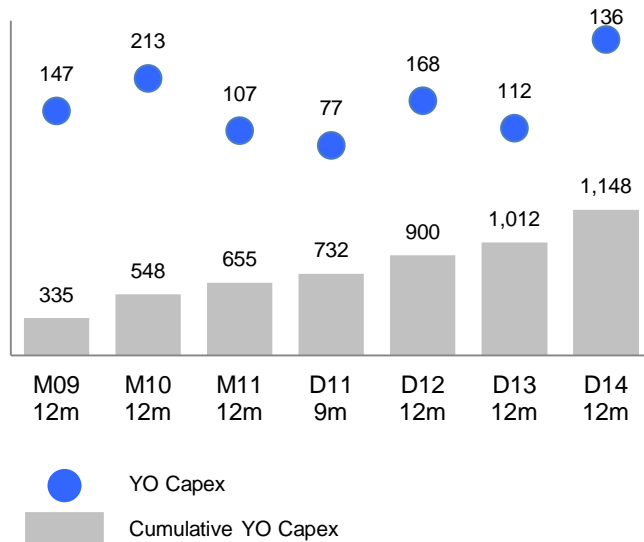


Shareholding Information



Yard Optimisation Programme

YO Capital Expenditure RM million

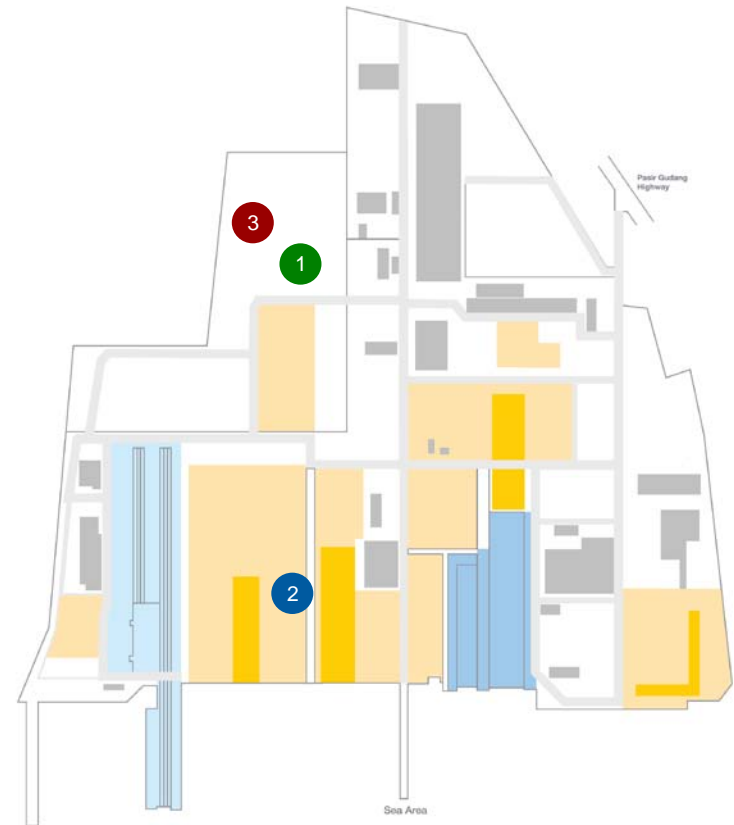


- MMHE West Yard**

- 1 Blasting & Painting workshop
- 2 Goliath crane
- 3 Centralised warehouse

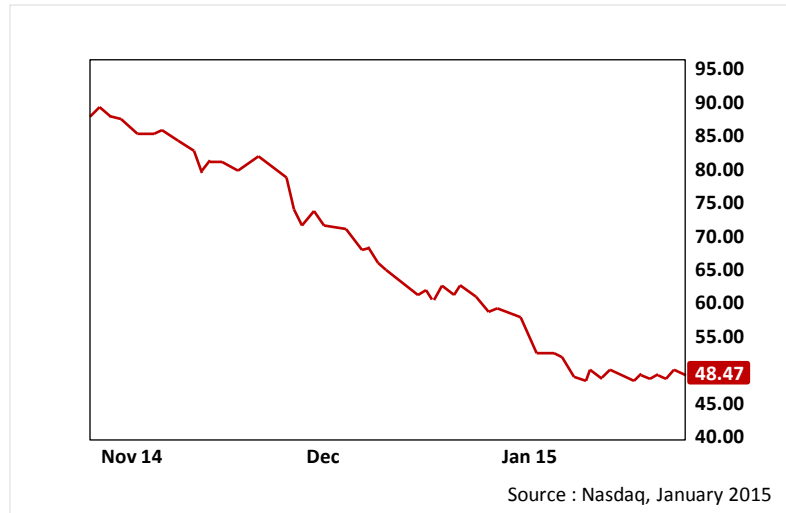
- MMHE East Yard**

- Craft School

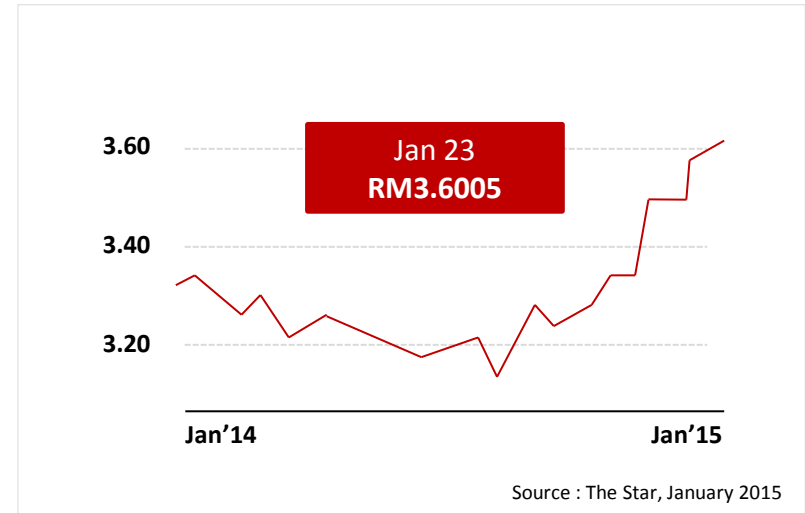


Oil Price and MYR Trending

Downward trend for Brent Crude Oil price



Weakening MYR vs USD



- The downward trend of oil price leads to the tightening budget from major operators i.e: PETRONAS, Shell, etc through CAPEX and OPEX
- Squeezing of margin for E&P companies will result in stiff price competition situation for offshore fabrication segment
- MHB order book is expected to reduce in 2015 onwards.
- The oil price is forecasted to increase in 2018
- To ensure competitiveness, MHB is undertaking major operations excellence and cost leadership initiatives

- As of Jan 2015, MYR has dropped 11% to RM 3.60/USD as compared to Sept 2014
- The weakening of MYR is influenced by the declining of crude oil price and anticipation of higher interest rates in the US in 2015
- Disadvantage to imported goods as cost is rising
- Advantage to local exporters where price will be more competitive

Impact to MHB

- **OBU**

- Affect OBU's ability to secure and replenish its current orderbook
- Overall backlog is RM1.6 billion as at 31 Dec 2014
- OBU's backlog is sustainable up to FY2016 with projects such as Malikai TLP, SK316 EPCIC, NMB Bergading and Besar-A
- Sanctioned projects are still intact and we are bidding for them
- The lower MYR to USD provides better competitive advantage on overseas bid

- **MBU**

- MBU's business remains stable with expected challenges by competitors with higher repair capacity in the region



Thank You Terima Kasih



"Transformation for Success"

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