



# QUARTERLY IR UPDATES

**1<sup>st</sup> Quarter 2017 Financial Results & Updates**

27<sup>th</sup> April 2017



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# Key Highlights

## • FINANCIALS

- Revenue of RM235.8 m
- Pretax Loss of RM17.6 m

## • PROJECTS

- Heavy Engineering\* Milestones:
  - Sail-away of F12 Kumang structures
  - Sail-away of Besar-A structures
  - Sail-away of Baronia jacket, bridge & piles
- Marine Milestones:
  - Repair & maintenance of 16 vessels
  - Secured 27 vessel business



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Sail-away of Topside on 3<sup>rd</sup> March 2017

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# Besar-A WHP Topside, Jacket & HUC



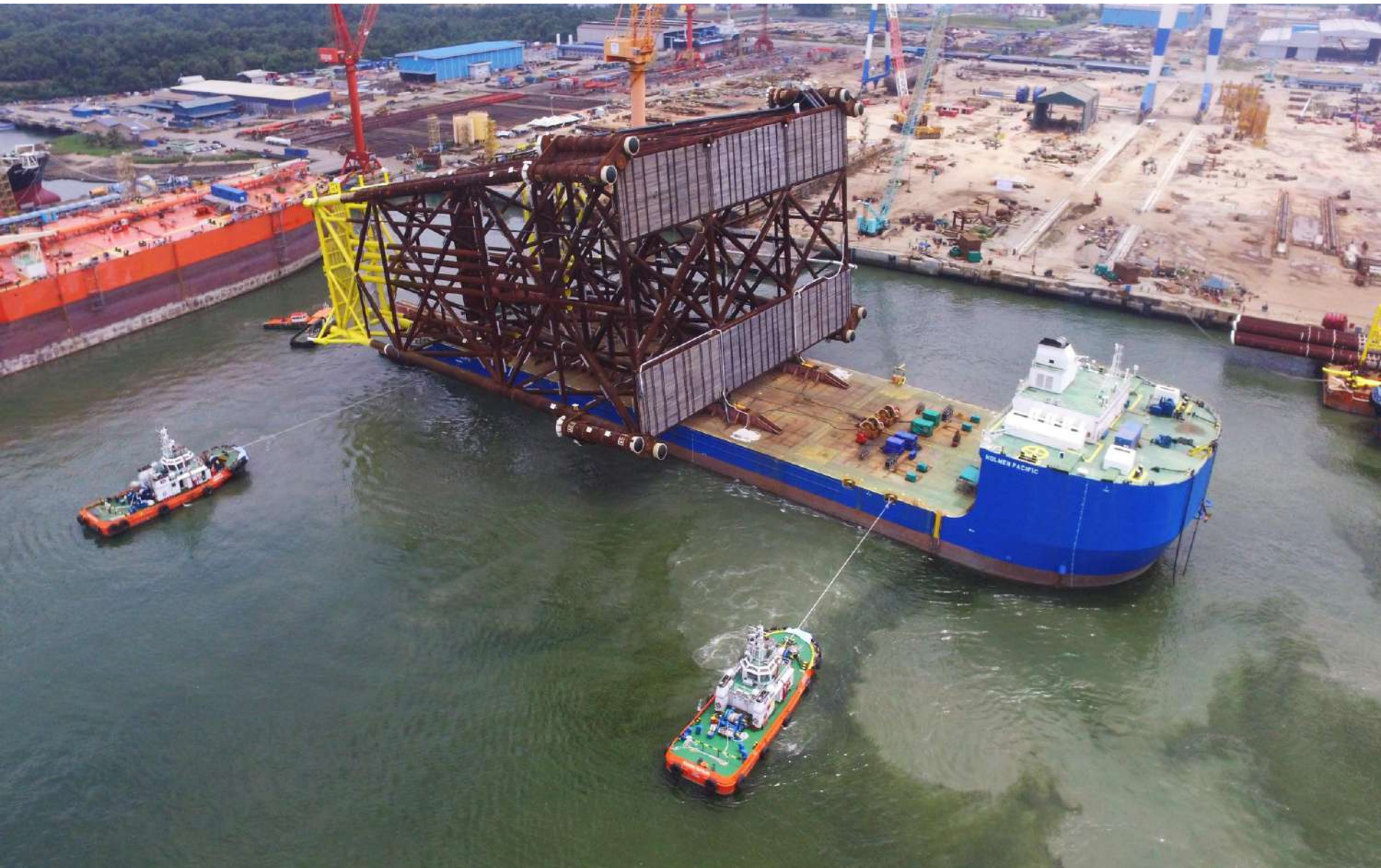
Sail-away of Topside on 3<sup>rd</sup> March 2017

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# F12 Kumang WHP Topside, Jacket & HUC



# Baronia CPP Jacket, Bridge & Piles



Progress at 65% and 37% respectively

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## RAPID Projects – Package 5 and Package 3



# LNGC Vessel Puteri Nilam



# FSO “Nautica Bergading”



# FSO “Benchamas-2”



Commenced operation in December 2016

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# Floating Dock



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# Income Statement, Sequential Quarter

## • Revenue

- H.Eng - completion of F12 Kumang and Baronia projects
- Marine - lower LNG repair work

## • Operating

- Lower loss in H.Eng from better 1Q'17 margin
- Weaker Marine on the back of lower revenue
- Lower interest & scrap disposal income

## • Pretax

- 4Q'16 impairment
- Lower JV losses

Income Statement RM m	1Q 2017	4Q 2016
<b>Revenue</b>	<b>235.8</b>	<b>303.6</b>
Heavy Engineering	153.4	172.8
Marine	82.4	130.8
<b>Operating Profit/(Loss)</b>	<b>-15.6</b>	<b>18.7</b>
Heavy Engineering	-24.0	-35.1
Marine	9.4	49.3
Others	-1.0	4.5
(Impairment)	-	-140.5
Share Of Profit/(Loss) Of JV	-1.8	-4.8
<b>Pretax Profit/(Loss)</b>	<b>-17.6</b>	<b>-126.6</b>
(Taxation)	1.0	6.6
(MI)	-	0.3
<b>Net Profit/(Loss)</b>	<b>-16.6</b>	<b>-119.7</b>
<b>EPS/(LPS)</b>	<b>-1.5 sen</b>	<b>-7.5 sen</b>

# Income Statement, Year-on-Year

## • Revenue

- H.Eng - recognition of RAPID and F12 Kumang projects
- Marine - settlement of prior years' projects in 1Q'16

## • Operating

- Lower loss in H.Eng in line with higher revenue
- Excluding one-off settlement in 1Q'16, Marine profit and margin are higher due to higher conversion works
- Settlement of litigation case in 1Q'16
- Lower interest & scrap disposal income

Income Statement RM m	1Q 2017	1Q 2016
<b>Revenue</b>	<b>235.8</b>	<b>256.7</b>
Heavy Engineering	153.4	136.4
Marine	82.4	120.3
<b>Operating Profit/(Loss)</b>	<b>-15.6</b>	<b>-3.5</b>
Heavy Engineering	-24.0	-26.4
Marine	9.4	15.0
Others	-1.0	8.0
(Impairment)	-	-
Share Of Profit/(Loss) Of JV	-1.8	-1.8
<b>Pretax Profit/(Loss)</b>	<b>-17.6</b>	<b>-5.3</b>
(Taxation)	1.0	-2.6
(MI)	-	0.3
<b>Net Profit/(Loss)</b>	<b>-16.6</b>	<b>-7.6</b>
<b>EPS/(LPS)</b>	<b>-1.5 sen</b>	<b>-0.5 sen</b>

# Balance Sheet

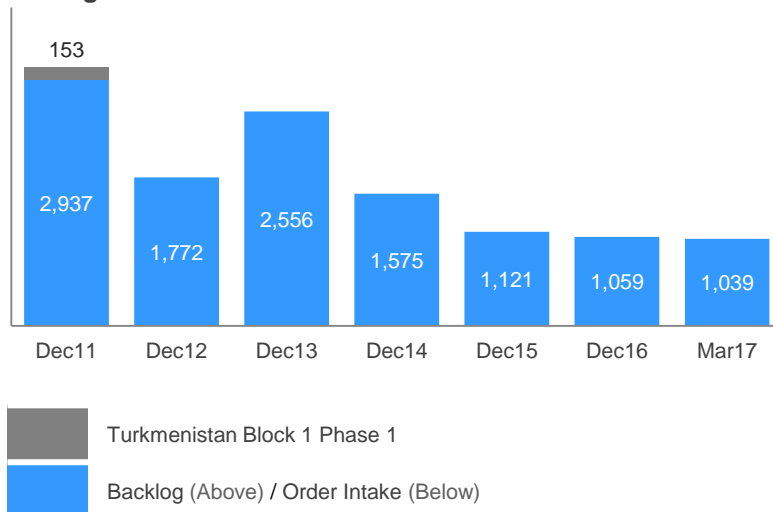
- **Total assets of RM3.6bn**
  - Non-Current Assets - PPE and Investment in JVs (loss-making)
  - Receivables - project sail-away or completed
  - Payables - start-ups of Benchamas-2 FSO, Benchamas-2 turret, Dangote calm buoy
- **NTA per share of RM1.58**

Balance Sheet RM m	Mar 2017	Dec 2016 *
Non-Current Assets	1,847.5	1,857.5
Inventories	11.4	10.7
Receivables	1,101.1	1,052.1
Cash	664.7	671.1
Others	13.2	11.0
<b>Total Assets</b>	<b>3,637.9</b>	<b>3,602.5</b>
Shareholders' Funds	2,531.0	2,538.6
Payables	1,069.0	1,022.4
Borrowings & Others	37.9	41.5
<b>Total</b>	<b>3,637.9</b>	<b>3,602.5</b>
<b>NTA Per Share</b>	<b>RM1.58</b>	<b>RM1.59</b>

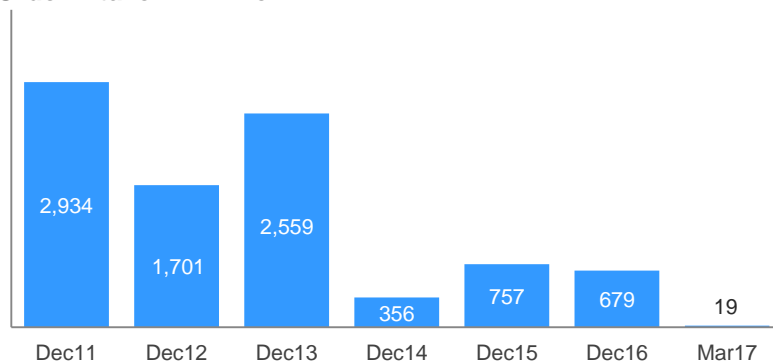
\* Audited

# Backlog & Order Intake

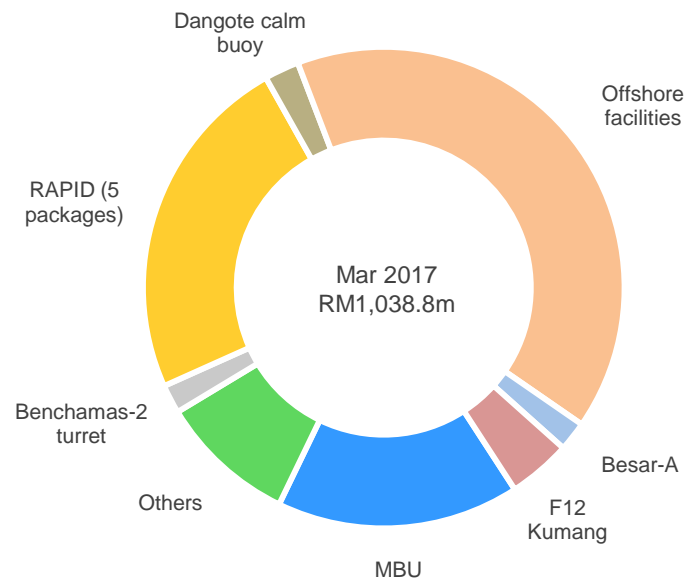
**Backlog RM million**



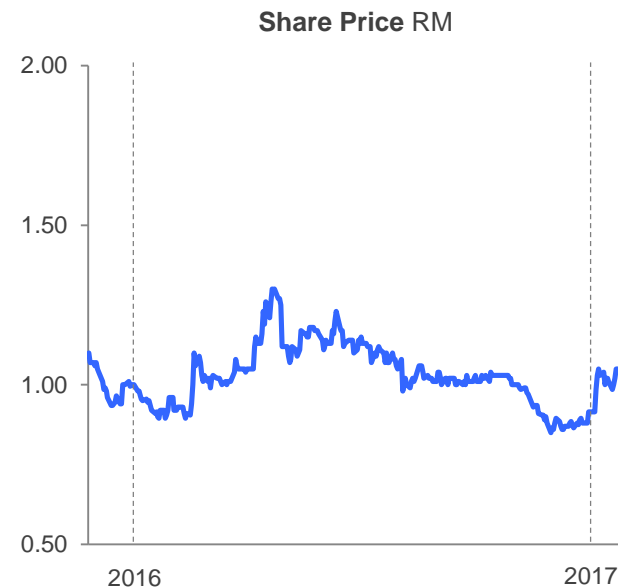
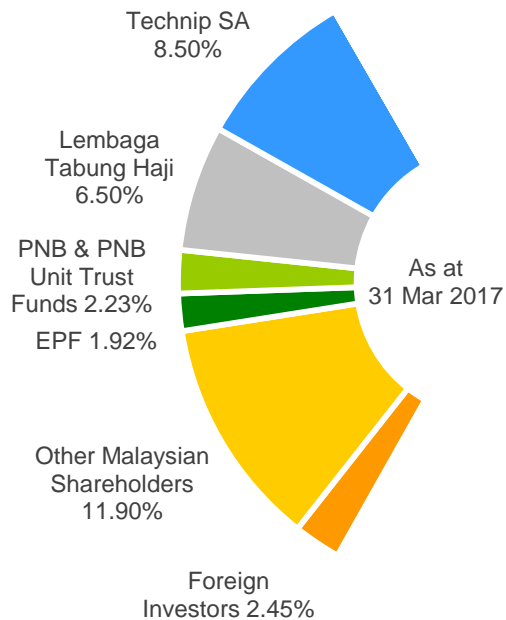
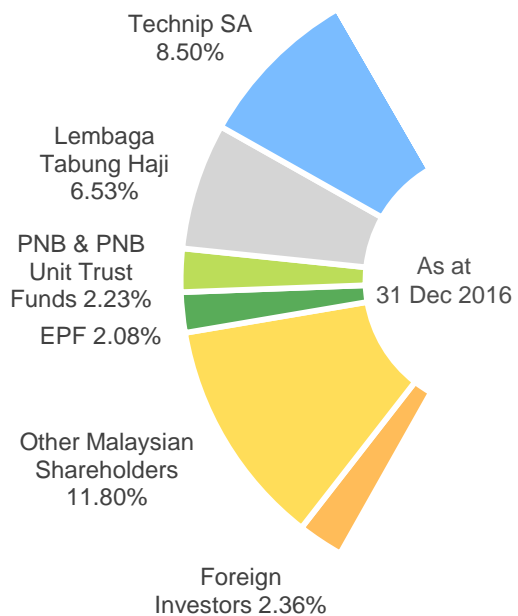
**Order Intake RM million <sup>1</sup>**



**Backlog**



# Shareholding Information



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**Yard Optimisation**

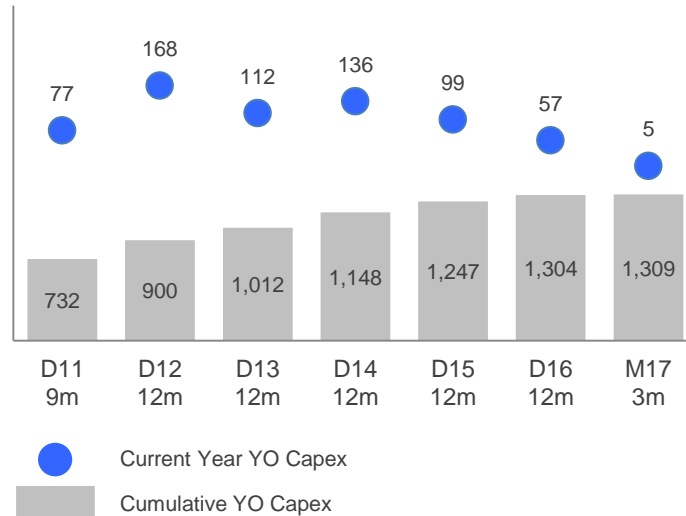
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Moving Forward



# Yard Optimisation

YO Capital Expenditure RM million



- **MMHE West Yard**
  - Goliath Crane No. 2 (on-going)
- **Kemaman**
  - Construction of Floating Dock wharf & a connecting bridge (on-going)



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# Moving Forward

- **Strategy & Initiatives**

- RM4.5 billion ongoing & planned HEU tenders for 2017
- Focus on niche offshore development (CPP), onshore (RAPID) and offshore maintenance (facilities improvement, HUC)
- Diversification & Enhance/Develop Capability: Onshore maintenance; Process module fabrication
- Marine Expansion: Focus on LNGC biz; Floating dock for OSV repair; New 3rd dry dock (under evaluation)
- Financials: ITA extension until Sep 2019; Sukuk borrowing for utilisation
- Pursue further cost optimisation, productivity improvements and capability development



# Thank You Terima Kasih

MALAYSIA MARINE AND HEAVY ENGINEERING HOLDINGS BERHAD  
Level 31, Menara Dayabumi, Jalan Sultan Hishamuddin  
50050, Kuala Lumpur, Malaysia

Investor Relations Contacts  
Telephone: +60 (3) 2275 3876

Wan Mashitah Bte Wan Abdullah Sani  
Managing Director and Chief Executive Officer  
mashitah@mmhe.com.my

Hezri Mustapha  
Senior Manager, Planning and Investor Relations  
hezri.mustapha@mmhe.com.my

Website: <http://www.mhb.com.my/>