



Marco Polo Marine Limited FY2021 Results Presentation

Dec 2021



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Corporate Overview

Regional integrated marine logistics company which principally engages in ship chartering and shipyard businesses

Stock Data

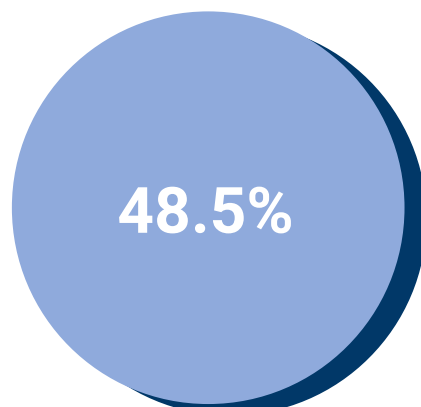


Stock Code

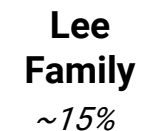


Market Cap

*Based on share price of S\$0.028



Free Float



Major Shareholders

Complementary Business Segments



Marco Polo Marine Ltd

Ship Chartering

MAINTENANCE WORK VESSELS

- 11 OSVs and 2 Maintenance Work vessels (MWV)s (average age: 4-13 years)

OSVs (AHTs & AHTSs)

- 24 Tugs and Barges (average age: 5-12 years)

TUGS & BARGES

- Indonesian presence through PT BBR Tbk, listed on IDX



Ship Building & Repair

SHIPBUILDING

- One of the larger shipyards in Indonesia

CONVERSION & OUTFITTING

- Ship building, conversion and outfitting

REPAIR & MAINTENANCE

- Offshore fabrication works

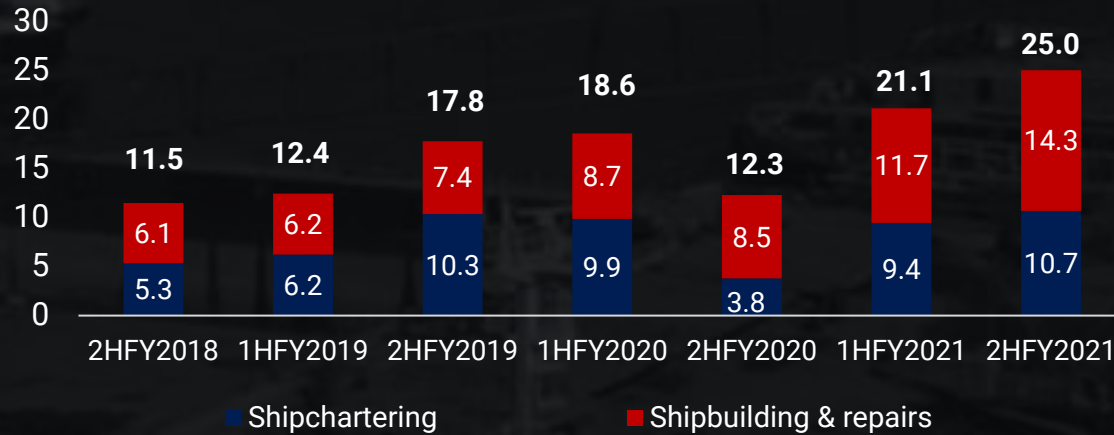
- Ship repair and maintenance (more than 1,000 repair projects completed in last 10 years)



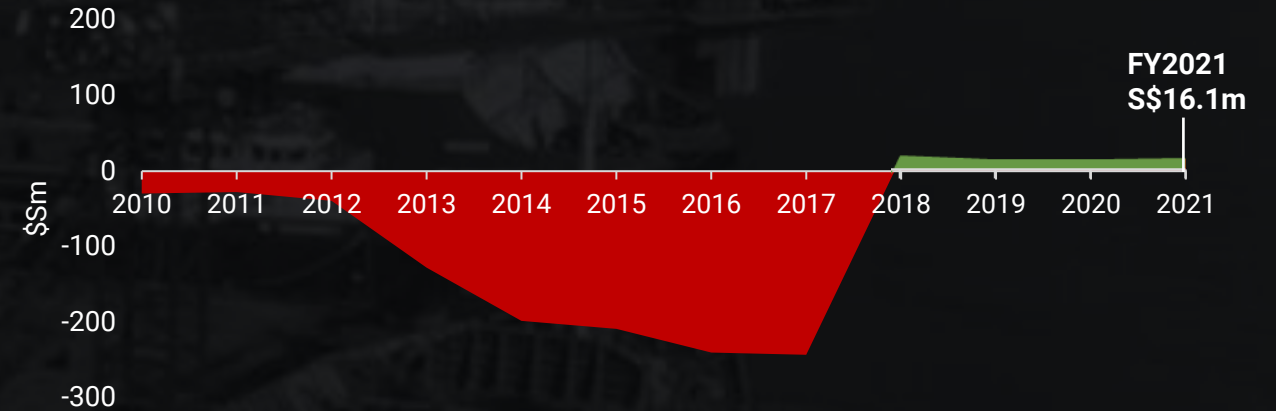
Financial Overview



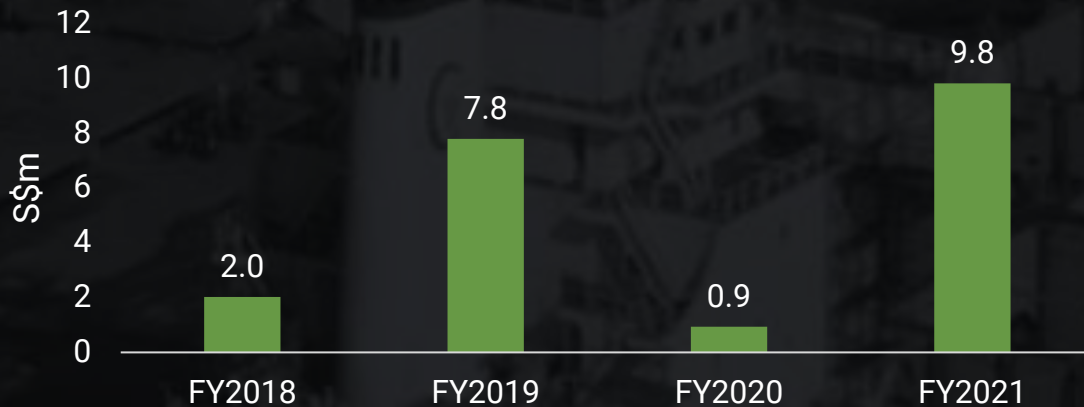
Revenue S\$m



Net (debt)/cash (S\$m)



Operational EBITDA* (S\$m)



*Excluding share of results from Joint Ventures

Strong Earnings Turnaround

- Record high operational EBITDA since the debt restructuring in 2017

Positive Outlook

- Higher demand from both the O&G and offshore windfarm segment has driven recovery in utilization in FY2021
- Cautiously optimistic of higher charter rates amidst continued strong demand for vessels by both O&G and offshore windfarm sector
- Diversification into sustainable sector with strong demand from offshore windfarms

Robust Net Cash Position

- S\$16.1m as of 30 Sep 2021



Market Value Increase - A Reflection Of Improvement In Financial Performance



**Excluding share of results from Joint Ventures*



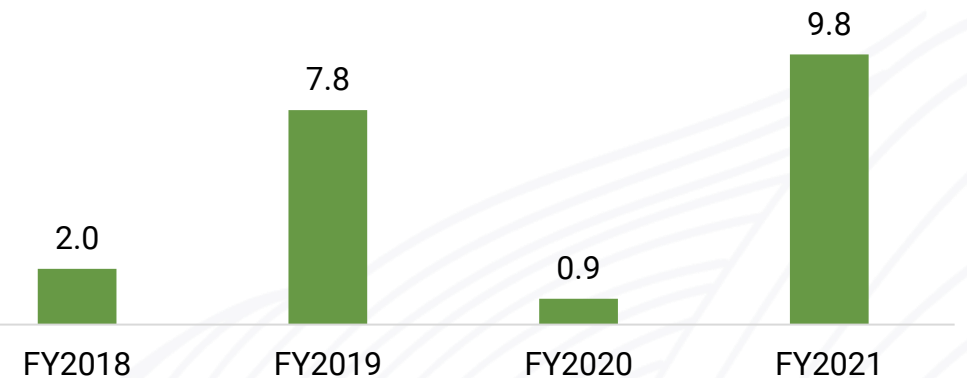
FY2021 – Turns In Core Profit Since Debt Restructuring

S\$ million	2HFY2021	2HFY2020	Y-o-Y % change	FY2021	FY2020	Y-o-Y % change
Revenue	25.0	12.2	105%	46.1	30.8	49%
Gross Profit	7.0	1.0	N.M	12.0	4.4	171%
Gross Profit Margin	27.9%	8.2%		26.1%	14.3%	
EBITDA*	6.1	(3.0)	N.M	10.0	(1.9)	N.M
EBITDA Margin	24.4%	-24.4%		21.7%	-6.2%	
Net Profit	8.8	(8.5)	N.M	14.8	(9.2)	N.M
Adjusted Net Profit*	2.5	(6.5)	N.M	3.0	(8.9)	N.M

*Excluding foreign exchange losses (mainly unrealised in nature) and one-off gain arose from the acquisition of debt and disposal of PPE

Operational EBITDA is highest since debt restructuring in 2017

Operational EBITDA (S\$m)**



**Excluding share of results from Joint Ventures

Strong Financial Position

Supported By Positive Cashflow



	FY2021	FY2020	Comments
Net Asset Value/share	S\$114.9m	S\$99.7m	S\$0.033/share as at end of FY2021
Cash	S\$20.3m	S\$13.6m	
Less Borrowings	(S\$4.2m)	-	
Net Cash	S\$16.1m	S\$13.6m	~S\$0.0046/share as at end of FY2021
Operating Cash Flow	S\$8.8m	S\$4.1m	
Purchase of PPE	(S\$2.2m)	(S\$7.0m)	
Free Cash Flow	S\$6.6m	(S\$2.9m)	FY2021 Free cashflow yield of ~6.7% based on market cap of S\$99m

Shipyard Revenue Highest Since FY2018

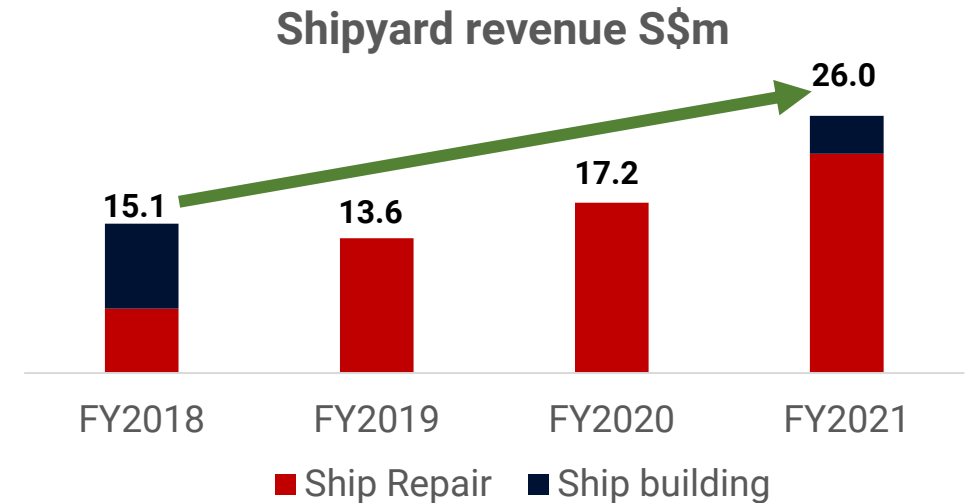


Positive performance driven by both ship repair and shipbuilding activities

- **Average utilization of 3 dry docks for FY2021~ 86%**
- **Strong demand for ship repairs as Group benefits from**
 - Wider customer base
 - Increased market share
 - Implementation of the Ballast Water Management System by the IMO Marine Environmental Protection Committee (MEPC)¹
- **Generation of ship building revenue from the construction of the 2 smart fish farms during the year**

¹https://wwwcdn.imo.org/localresources/en/MediaCentre/HotTopics/Documents/BWM%20infographic_FINAL.pdf

Shipyard revenue higher than pre-COVID levels



Outlook: Shipyard expanded capacity to allow for more ship repair activities

- **54% of the extension of dry dock 1 is completed, expected to be completed by Jan 2022**
- **Expansion will increase capacity for ship repair jobs by up to 20%**

Ship Chartering Revenue (also) Highest since FY2018



Positive performance driven by an improvement in charter rates and utilization

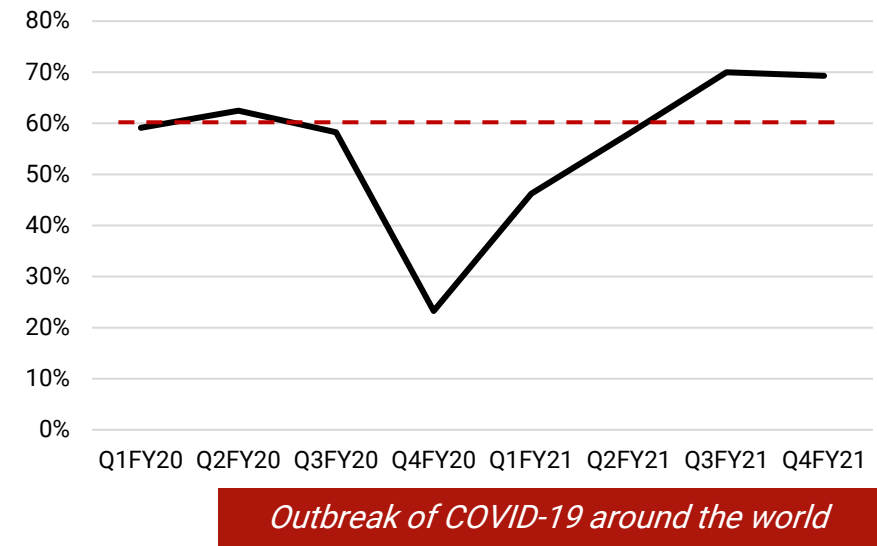
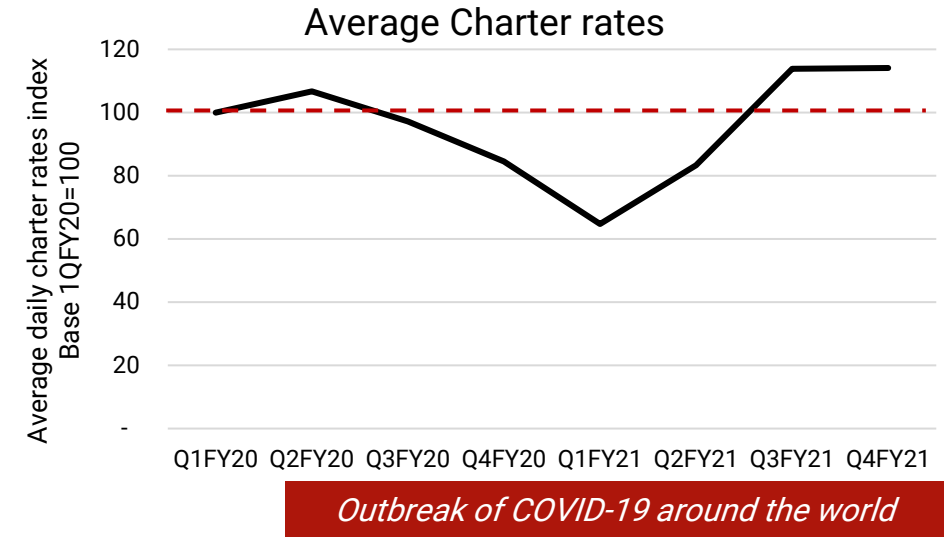
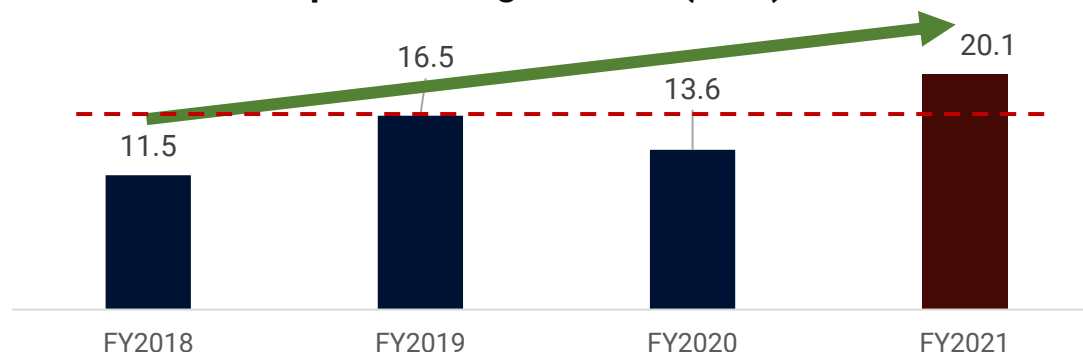
Increase in utilisation rate (For both tugs & barges and OSVs)

- Driven by strong oil price and demand from offshore windfarms

Outlook: Positive outlook for rising charter rates

- Up to 50% of the fleet's (chartered at rates lower than current spot rates) will be due for renewal by 1HFY2022
- Higher charter rates for vessels chartered out to offshore windfarms (although operational costs are also slightly higher, margins are still expected to expand)

Ship Chartering Revenue (S\$m)





Outlook

Looking Ahead



To Complete Increase In Stake In PT BBR

- Group's shareholding in PT BBR to rise to maximum of 72% (currently 34.8%) post rights issue; Subscription will be financed by internal resources
- PT BBR will strengthen MPM's foothold in Indonesia
- PT BBR expected to contribute positively to the Group going forward. Following a debt restructuring exercise in 2020, most of PT BBR's assets has been written down; PT BBR has generated positive operating cashflow over last 3 years



To Deploy More Vessels To Support The Taiwan Offshore Windfarm Sector

- Target to double the number of vessels serving the offshore windfarm sector in Taiwan from the current 20% to up to 40% by end of FY2022



To Explore New Opportunities In Renewable And Sustainability Segment Besides Offshore Windfarm

Post-Transaction



Offshore Windfarm

Entry into the sustainable sectors

build upon the Group's core strengths to boost higher asset utilisation and improve profitability for the Group

Worldwide Offshore Wind Policies

Region	Policy Target
European Union	65 – 85 GW by 2030
China	50 GW by 2030
United States	30 GW by 2030
India	5 GW by 2022 and 30 GW by 2030
Taiwan	5.5 GW by 2025 and 15 GW by 2035
Korea	12 GW by 2030
Japan	45 GW by 2040
Vietnam	6 GW by 2030
Australia	2 GW, potential for much more
New Zealand	2 GW, potential for much more

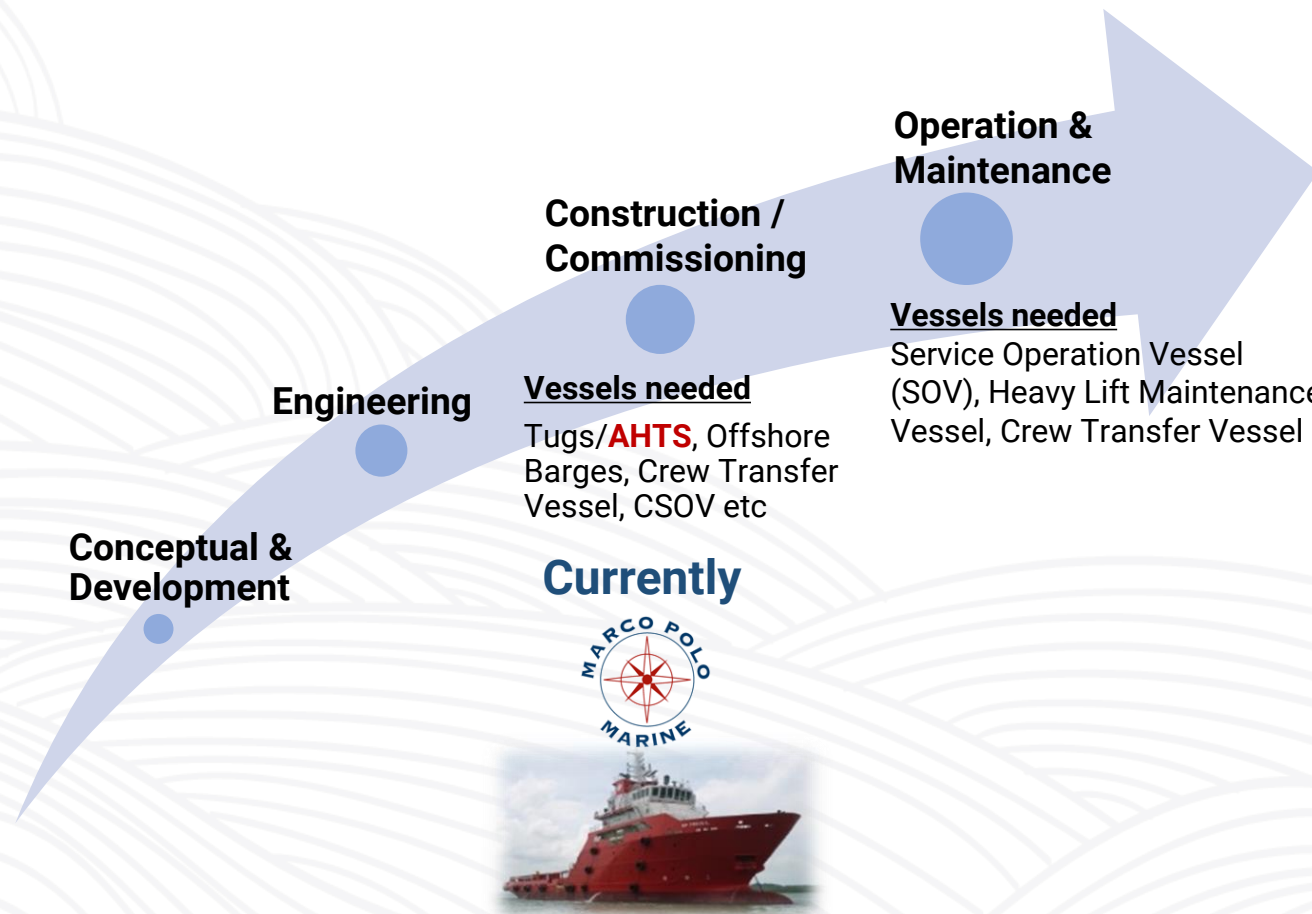
Source: IEA offshore wind outlook

Offshore Windfarm

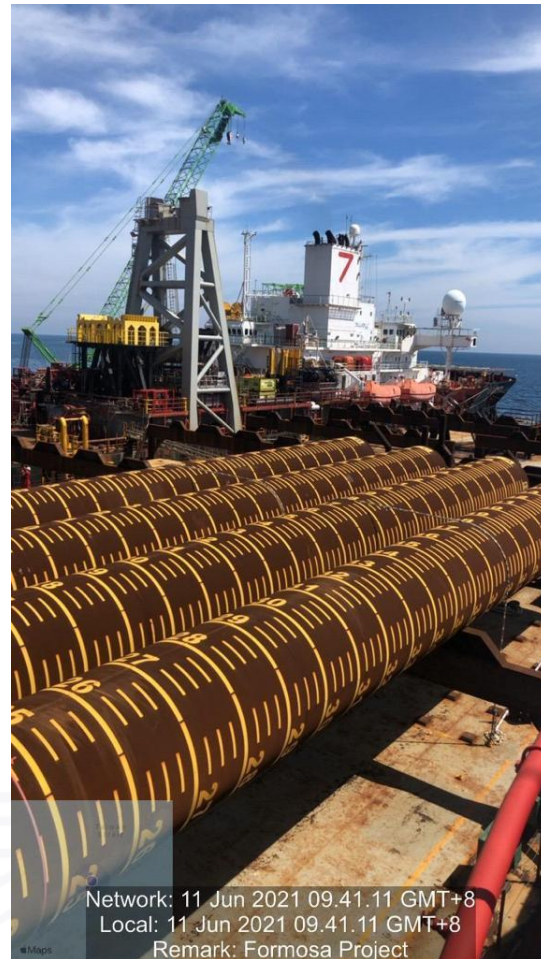
About 20% of the currently utilised vessels are helping to support the construction of offshore windfarm projects.

Although the specifications are different from those used in oil and gas exploration projects, vessels can be deployed to support certain parts of the wind farm installation and construction, without additional capital expenditure.

Offshore Windfarm Development Phases



Construction / Commissioning: Supporting offshore wind farm construction in Taiwan



Marco Polo's MP prospect supporting the installation of monopiles of the offshore wind farm construction in Taiwan



Summary and Investment Merits



Attractive Valuation

- 0.9x P/B, backed primarily by hard assets including cash and PPE
- The Group owns a shipyard in Batam (occupying more than 34 ha of land area) as well as 11 OSVs, 2 MWVs and 24 tug and barges. In FY2019, the Group successfully sold 1.5 OSV and recorded a gain of S\$4.5 million, suggesting deep value in Marco Polo's books.



Strong net cash position

- As at 30 Sep 21, the Group has a net cash position of S\$16.1m



Turnaround efforts bear fruit as the Group turns EBITDA positive.

- Following the debt restructuring in FY2017, the Group has emerged from the crisis stronger than before, with a focus on cost and cashflow management.
- In FY2021, the Group recorded the highest operational EBITDA since the debt restructuring in 2017



Pivoting to renewables to increase utilization and boost profitability

- The entry into new target markets will diversify the Group's customer base from the cyclical O&G sector, increase the utilization of its existing assets, and boost profitability
- About 20% of the current utilized vessels are working on windfarm projects.



THANK YOU

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About Marco Polo Marine

Milestones



1991

Founded in 1991



Dec 2005

Acquisition of waterfront land in Batam



Sep 2007

MPM floated on the Singapore Stock Exchange

Jan 2009

Listed on SGX Main Board



May 2009

Drydock 1 in operation



Nov 2009

Drydock 2 in operation



Oct 2017

Marco Polo Shipyard accredited ISO 9000 by RINA



Dec 2013

Slipway in operation



Jan 2012

Drydock 3 in operation



Aug 2011

Acquired 49% stake in PT. BBR

Aug 2010

Offshore division set up

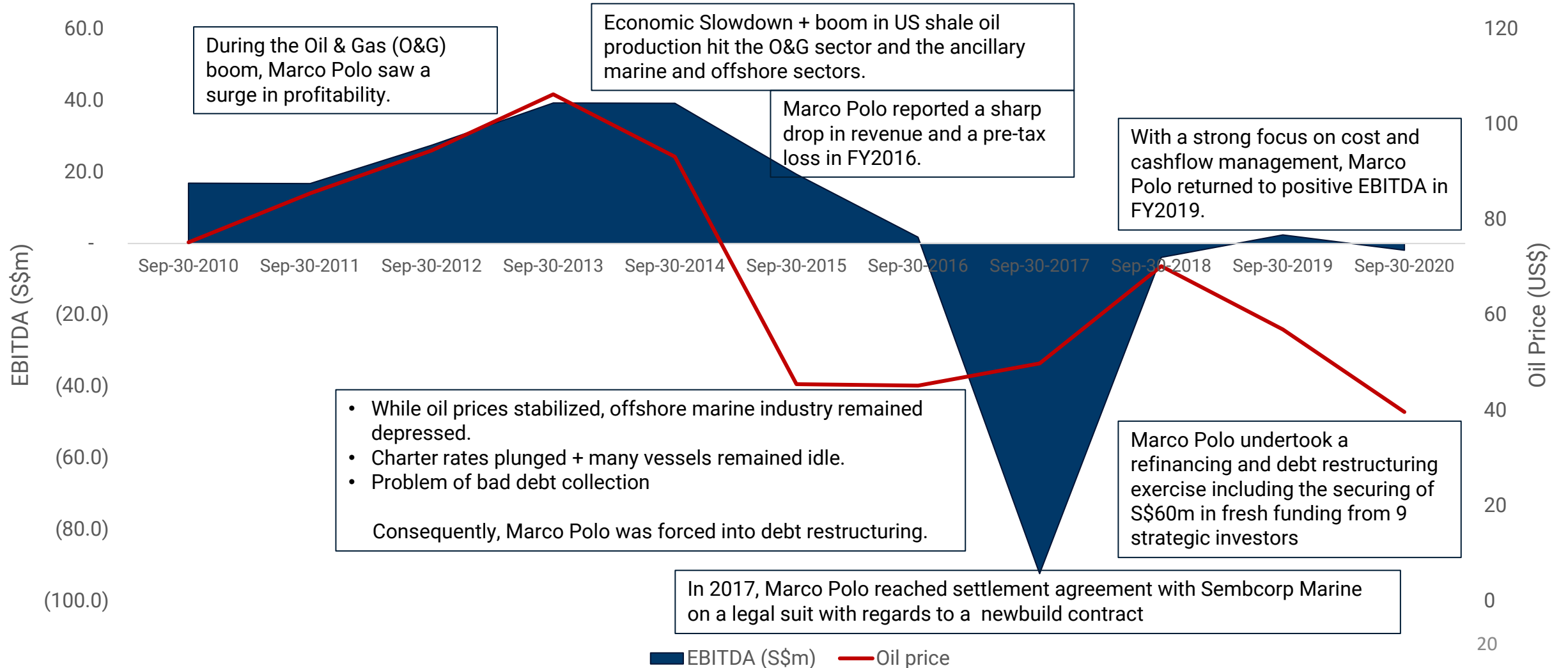
Oct 2019

Complete drydock 3 extension

Feb 2018

Debt restructuring exercise successfully completed, MPM relisted

Marco Polo Marine's Recovery Journey



Shipyard Operations



Well-organized covered workshops and warehouses



Drydock 1: 150m x 40m x 8.5m



Drydock 2: 175m x 40m x 8.5m



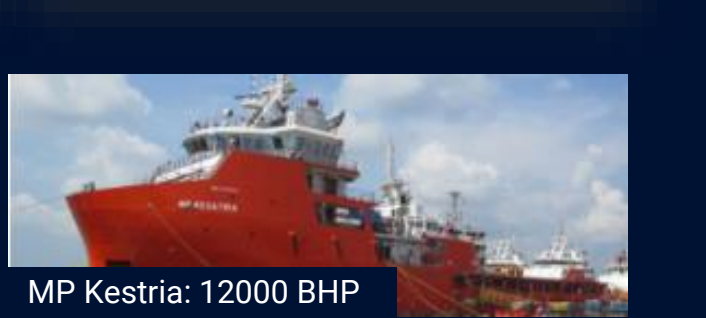
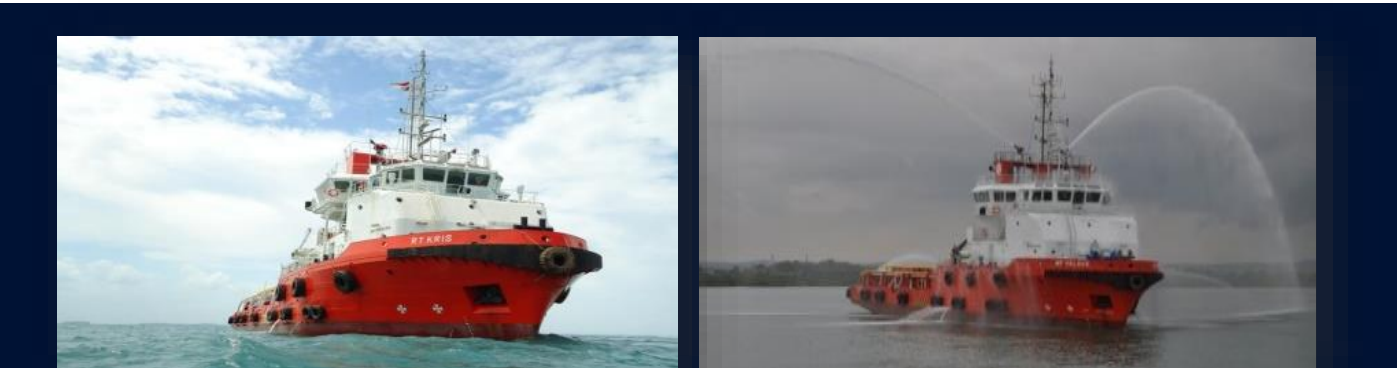
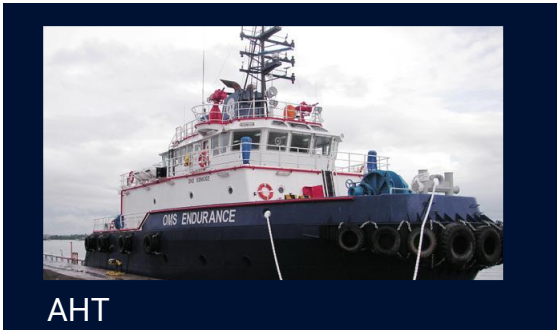
Drydock 3: 220m x 45m x 9.0m



Offshore Support/Marine Logistics



11 OSVs and 2 MWVs



Regional diversified customer base with established names



Shipyard Division (Selected Clients)



Ship Chartering (Selected Direct and End-Charterers)

