MARCO POLO MARINE LIMITED
FY2022 UPDATE

December 2022

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Corporate Overview

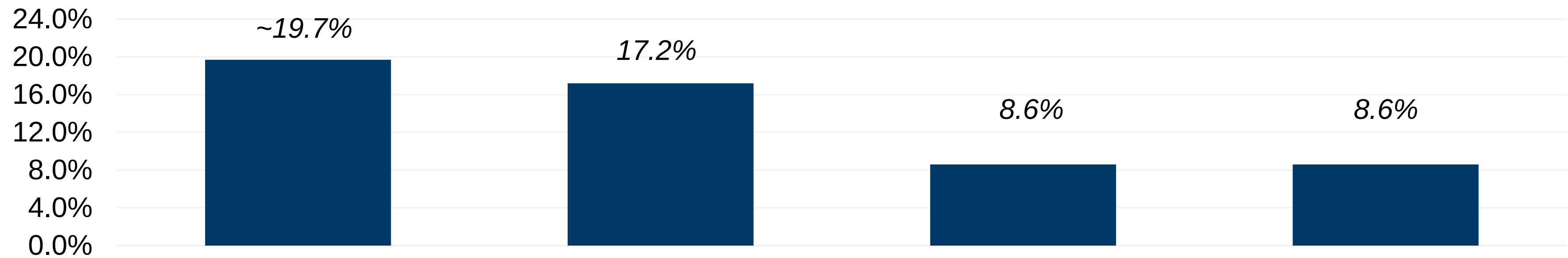
Regional integrated marine logistics company which principally engages in ship chartering and shipyard businesses

SGX:5LY
Stock Code

~S$156m
Market Cap
(As of 2 Dec 2022)

44.6%
Free Float

Major Shareholders



Lee Family

APRICOT CAPITAL

仁恒 YANLORD

PENGUIN

Stock Data

The Lee family has purchased 121.8m shares via a married deal at S$0.033 on 31 Oct 2022

Complementary Business Segments

MARCO POLO MARINE

Ship Chartering

MAINTANENCE WORK VESSELS

OSVs (AHTs & AHTSs)

TUGS & BARGES

- 12 OSVs and 2 Maintenance Work vessels (MWV)s (average age: 4-13 years)
- 21 Tugs and Barges (average age: 5-12 years)
- Indonesian presence through PT BBR Tbk, listed on IDX



Ship Building & Repair

SHIPBUILDING

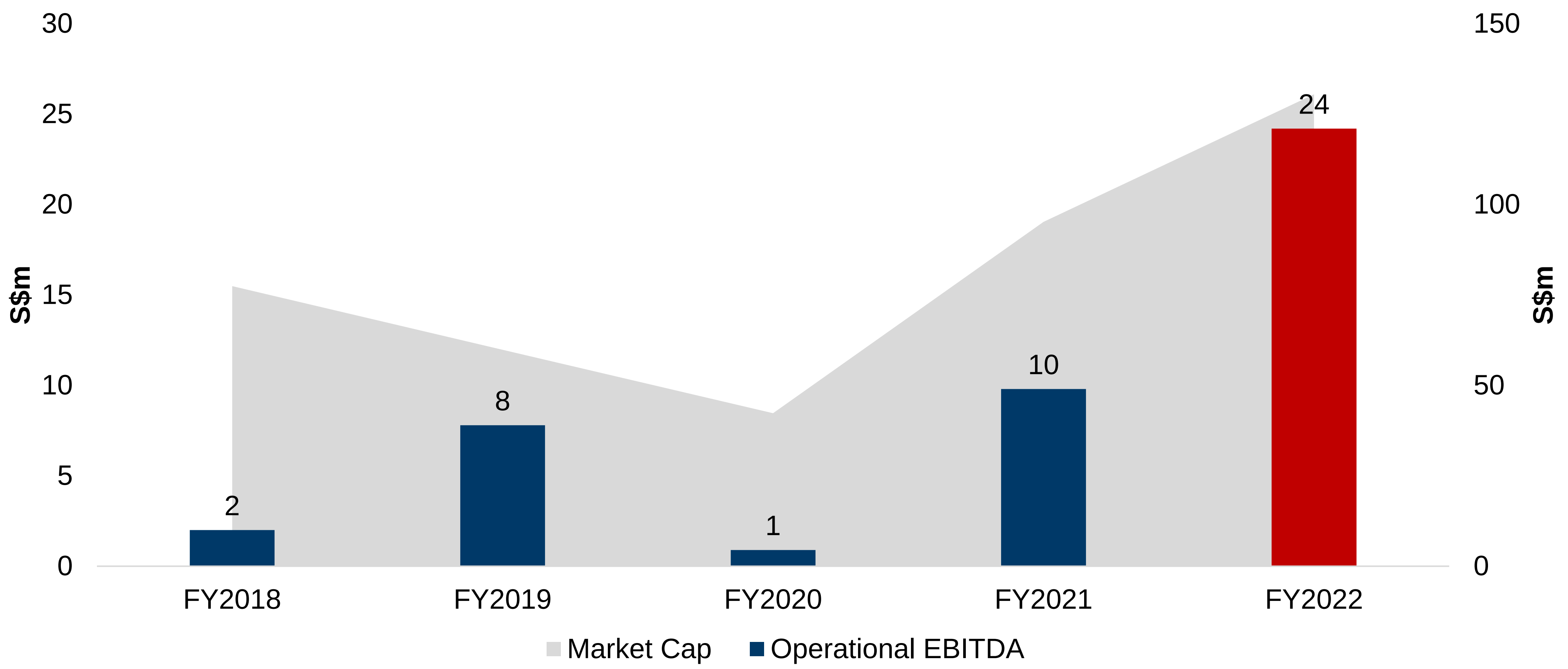
CONVERSION & OUTFITTING

REPAIR & MAINTENANCE

- One of the larger shipyards in Indonesia
- Ship building, conversion and outfitting
- Green ship recycling
- Offshore fabrication works
- Ship repair and maintenance (more than 1,000 repair projects completed in last 10 years)



Market Value Increase – A Reflection Of Financial Performance Improvement



Market cap closing as of end of financial period (i.e. 30th Sep)

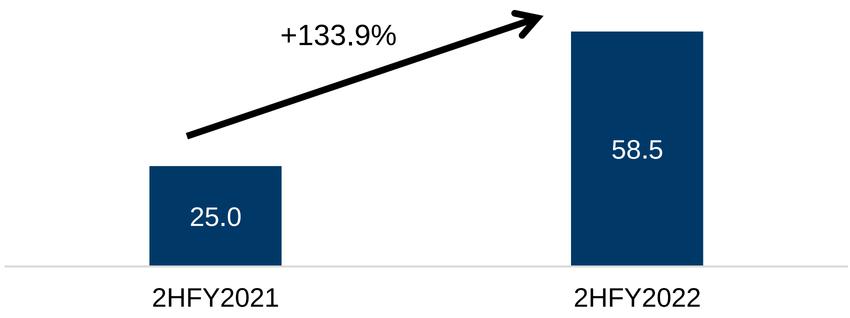
FY2022 Performance

2HFY2022 Income Highlights

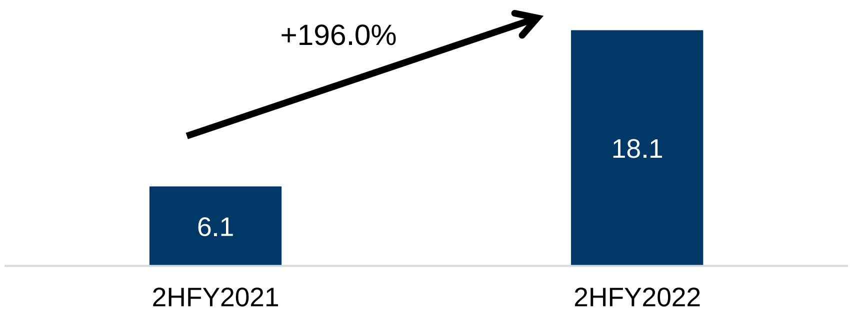
S$ million	2HFY2022	2HFY2021	Y-o-Y % change
Revenue	58.5	25.0	133.9%
Gross Profit	19.3	7.0	176.3%
Gross Profit Margin	*33.0%*	*27.9%*	
EBITDA*	18.1	6.1	196.0%
EBITDA Margin	*30.9%*	*24.4%*	
Net Profit	11.3	8.8	27.8%
Adjusted Net Profit*	11.6	2.5	370.2%

**Excludes foreign exchange gains, reversal of impairment loss on receivables, one-off gains arising from the remeasurement of previously held equity interest, bargain purchase, acquisition of debt and gain on disposals of PPE and incentives for key management personnel on a profit-sharing basis which will expire in FY2022.*

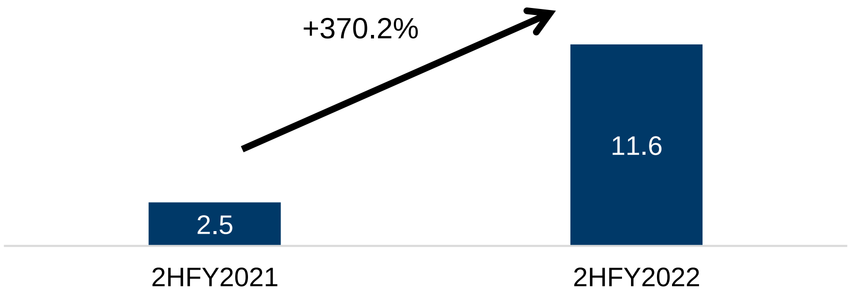
Revenue (S$m)



EBITDA (S$m)



Adjusted Net Profit (S$m)

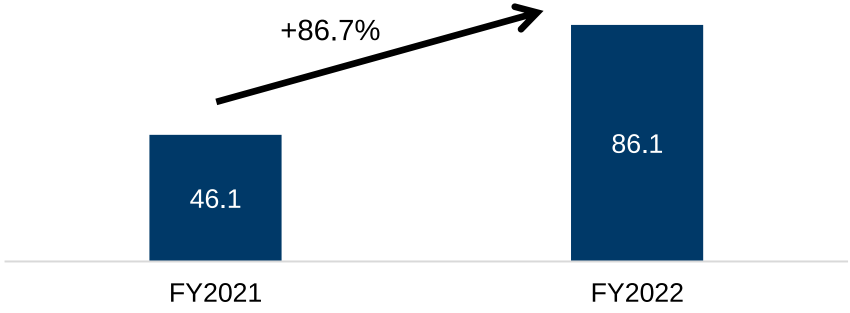


FY2022 Income Highlights

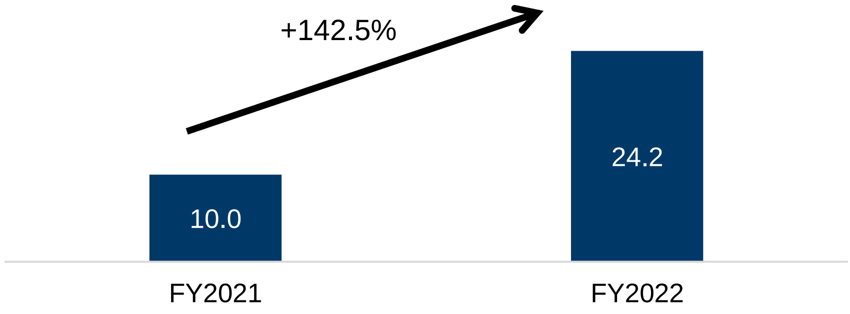
S$ million	FY2022	FY2021	Y-o-Y % change
Revenue	86.1	46.1	86.7%
Gross Profit	27.5	12.0	128.8%
Gross Profit Margin	*31.9%*	*26.1%*	
EBITDA*	24.2	10.0	142.5%
EBITDA Margin	*28.1%*	*21.7%*	
Net Profit	22.0	14.8	49.1%
Adjusted Net Profit*	13.8	3.0	354.1%

**Excludes foreign exchange gains, reversal of impairment loss on receivables, one-off gains arising from the remeasurement of previously held equity interest, bargain purchase, acquisition of debt and gain on disposals of PPE and incentives for key management personnel on a profit-sharing basis which will expire in FY2022.*

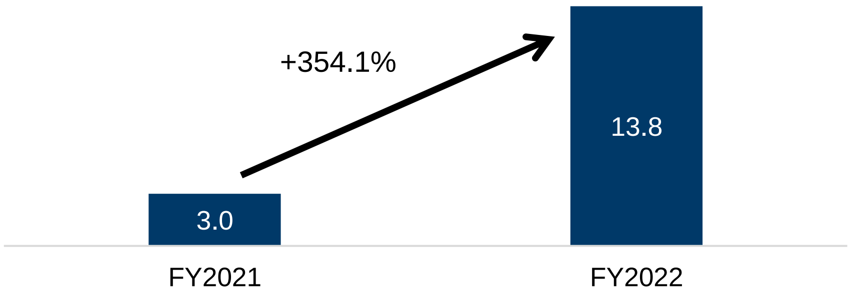
Revenue (S$m)



EBITDA (S$m)



Adjusted Net Profit (S$m)



FY2022 Financial Position

S$ million	FY2022	FY2021	Comments
Net Asset Value	**151.7**	**114.9**	FY2022 NAV/share = S$0.043
Cash	53.5	20.3	
Less borrowings	(1.0)	(4.2)	
Net Cash	**50.3**	**16.1**	FY2022 Net cash/share: S$0.014
Operating cashflow	28.7	8.8	
Purchase of PPE	(4.6)	(2.2)	
Free cashflow	**24.1**	**6.6**	

Segmental Performance & Outlook

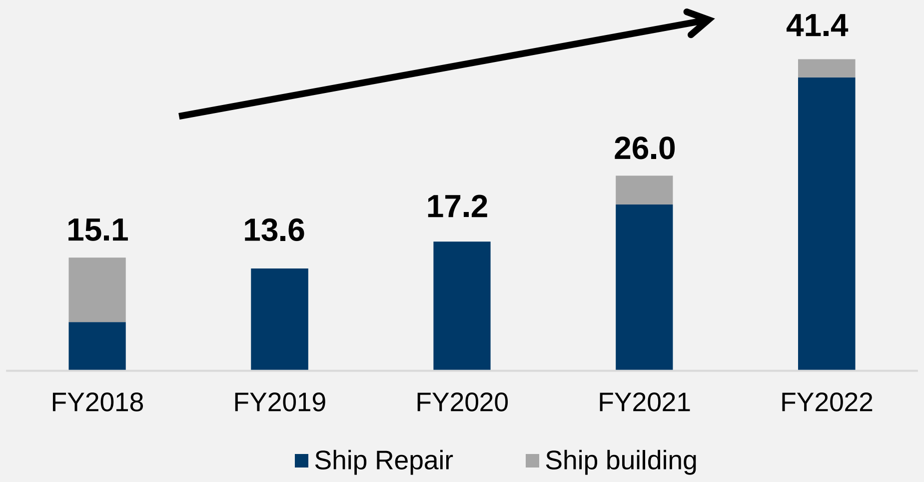
Shipyard Revenue Hits Another Record Since FY2018

Shipyard revenue jumps nearly 60% y-o-y as ship repair outperforms

- **Contribution from extended dry dock 1** (which boosted ship repair capacity by up to 20%) from 2HFY2022
- **Increase in regional market share** due to increase in demand
- **Continued demand for the installation of ballast water system**

Ship repairs is a long-term business where 50-70% of customers are repeat customers.

Shipyard revenue S$m

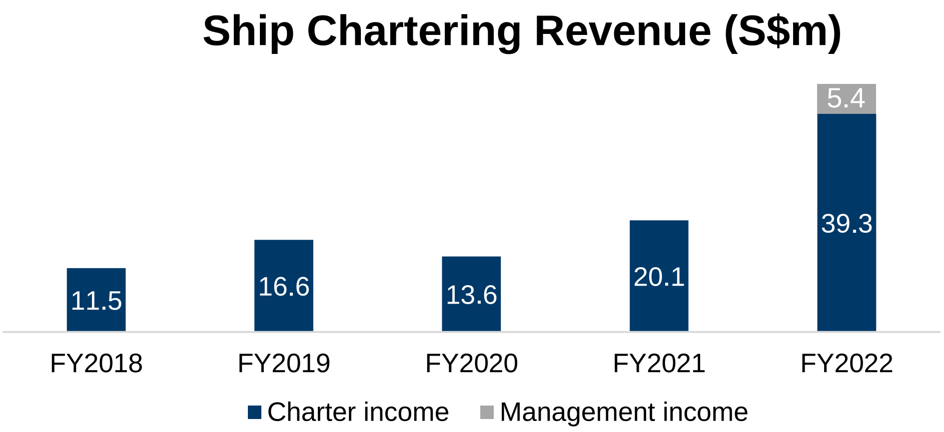


Shipyard was operating at average utilization rate of 84% in FY2022

Ship Chartering Outperforms In FY2022

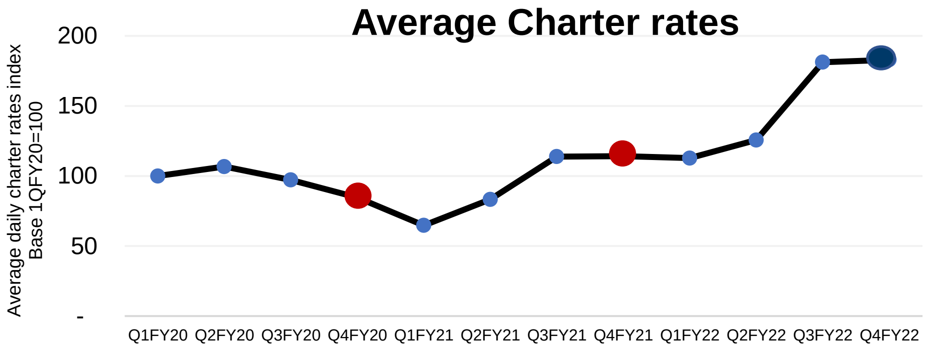
Increase In Revenue Due To

(i) Rise in average charter rates,
(ii) Rise in average utilization rates and
(iii) Consolidation of charter revenue from PT BBR (70.7% stake) and PKRO (49.0% stake)



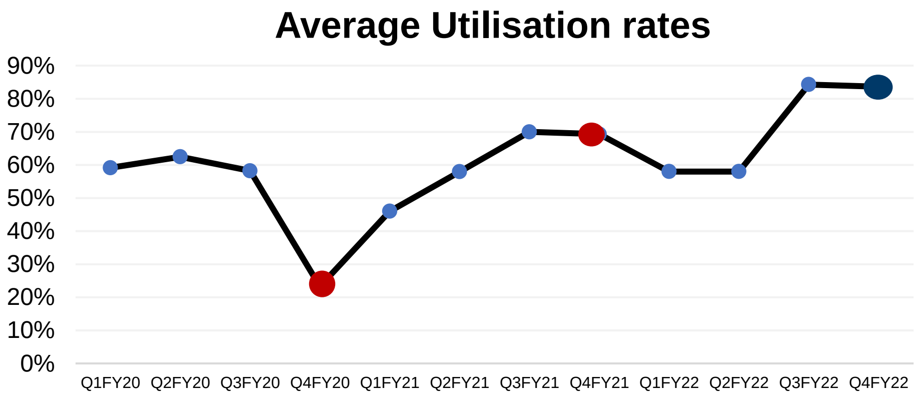
Increase In FY2022 Average Charter Rates

- Increase in number of vessels servicing Taiwan Offshore Windfarm
- Increase in demand from both O&G and Taiwan offshore windfarm sector



FY2022 Utilisation Rates Increase

- Increase in demand from both O&G and Taiwan offshore windfarm sector



Embarking On Our Next Stage Of Growth

Commissioning Service Operation Vessel (CSOV)

- Specially designed to support **commissioning work during construction** of offshore windfarms + **maintenance operations**
- Built for purpose

Marco Polo Marine will **build, own and operate a new CSOV** to service the booming offshore windfarm industry in Asia

Target Completion: 1Q2024 (tentative)

Est market value: US$60 million

Achievements: First CSOV to be designed in Asia when completed

Reduce carbon emissions by up to 15-20%.

First offshore wind vessel to be droned equipped* for global windfarm market

*To support supply and logistic needs of offshore wind farm installations → more than 90% cost savings and 4x faster than incumbent method

Outlook – Continuing on the positive momentum

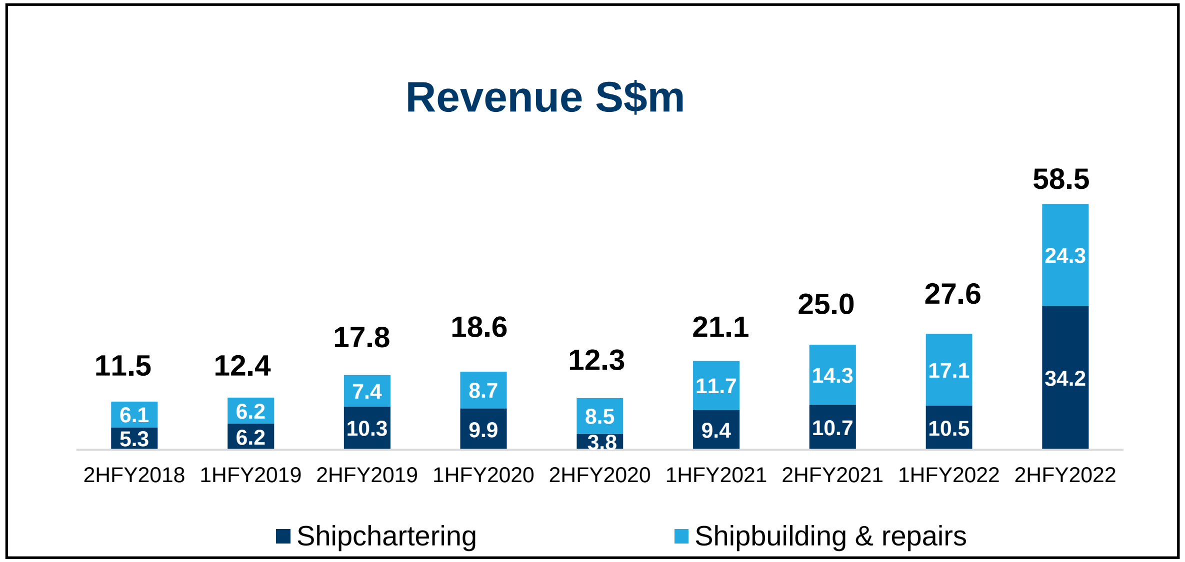
Shipyard

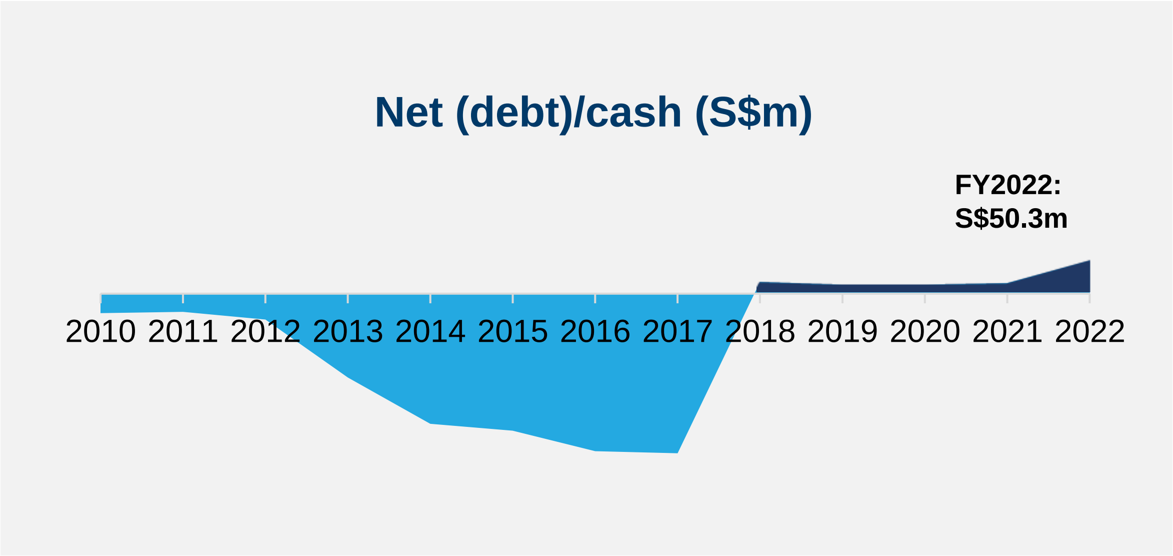
- 1HFY2023 to continue benefit from the increased in ship repair capacity from extension of dry dock 1 (which was completed from 2HFY2022)
- The Group is in the midst of constructing our Commissioning Service Operation Vessel (CSOV) which is expected to be completed by 1Q2024
- Target to secure more shipbuilding projects (Tugs & Barges)
- Continued demand for the installation of ballast water system

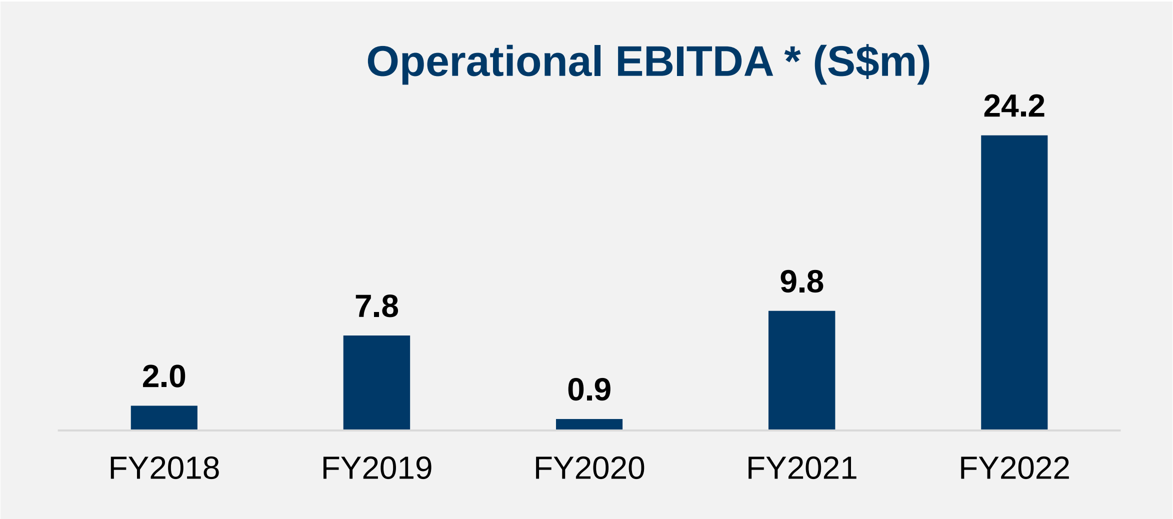
Ship chartering

- Charter rates expected to remain robust in FY2023
- The Group will redivert some of our vessels supporting the offshore windfarm in Taiwan (after completing their job) to the Middle East, which is seeing strong demand from the Oil & Gas industry

Financial Overview







**Excluding share of results from Joint Ventures*

Strong Earnings Turnaround
- The Group recorded the highest operational EBITDA in FY2022, since the debt restructuring in 2017

Positive Outlook
- Higher demand from both the O&G and offshore windfarm segment has driven an increase in utilization rate of vessels chartered out
- Extension of shipyard's dry dock 1 to continue to drive Group's financial performance in FY2023

Robust Net Cash Position
- S$50.3m as of 30 Sep 2022

Summary and Investment Merits

Attractive Valuation

- Trading below book, 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 12 OSVs, 2 MWVs and 21 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 22, the Group has a net cash position of S$50.3m

Turnaround efforts bear fruit as the Group turns EBITDA positive and net profitable in FY2021

- 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 FY2022, 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

Design, Build, Owner and Operator business model to set Group apart in ancillary support of offshore windfarm sector

- As the operator, designer and owners of vessels, Marco Polo Marine is able to set itself apart from its competitors, by offering bespoke offerings catered to the ship owner and operator of vessels when competing for projects supporting the offshore windfarm sector.

THANK YOU

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