



Immediate Release

Marco Polo Marine Posts Strong 1HFY2024; Adjusted Net Profit Soars by 30.6%

- Revenue increased 10% y-o-y, driven by strong performance in its Ship Chartering segment
- EBITDA rose by 21.3% y-o-y
- Healthy balance sheet with net cash position of S\$48.1 million

SINGAPORE, May 13, 2024 – Marco Polo Marine Ltd. (SGX:5LY) (“Marco Polo Marine” or the “Company”, and together with its subsidiaries, “the Group”), a reputable regional integrated marine logistics company, is pleased to announce its financial results for the half year ended 31 March 2024 (“1HFY2024”).

1HFY2024 Financial Highlights

S\$ million	1HFY2024	1HFY2023	Y-o-Y % change
Revenue	61.6	55.9	10.0%
Gross Profit	22.2	17.7	25.6%
Gross Profit Margin	36.1%	31.6%	-NM-
EBITDA*	18.8	15.5	21.3%
EBITDA Margin	30.5%	27.7%	-NM-
Net Profit	12.0	5.8	105.8%
Net Profit to Owners	11.0	4.2	159.4%
Adjusted Net Profit to Owners*	11.1	8.5	30.6%

**Excludes foreign exchange losses and one-off items arising from the gain on disposal of property, plant and equipment*

The Group’s revenue grew by 10% y-o-y from S\$55.9 million in the first half of FY2023 (“1HFY2023”) to S\$61.6 million in 1HFY2024. Similarly, the Group’s gross profit rose by 25.6% y-o-y from S\$17.7 million in 1HFY2023 to S\$22.2 million in 1HFY2024, with gross margins expanding by 4.5 percentage points (“ppt”) to 36.1%. This improvement was largely due to the strong performance of its ship chartering segment, where the Group was able to achieve higher charter rates in this financial period compared to 1HFY2023.



Segmental Breakdown

S\$ million	1HFY2024	1HFY2023	Y-o-Y % change
Ship Chartering Operations ("Ship Chartering")	32.9	24.5	34.3%
Ship Building & Repair Operations ("Shipyard")	28.7	31.4	(8.6%)
Total Revenue	61.6	55.9	10.0%

The Group's Ship Chartering segment witnessed a credible 34.3% y-o-y revenue growth from S\$24.5 million in 1HFY2023 to S\$32.9 million in 1HFY2024, attributable to higher charter rates achieved for its fleet of offshore supply vessels ("**OSVs**"). The Group has also benefitted from its asset-light approach of chartering in 3rd party OSVs, which are subsequently re-chartered at higher rates by the Group in various short-term offshore projects. On the other hand, the Group's Shipyard segment saw a revenue decline of 8.6% y-o-y, from S\$31.4 million in 1HFY2023 to S\$28.7 million in 1HFY2024 as a result of lower ship repair volume. This was partially offset by higher shipbuilding-related activities.

The Group generated operating income of S\$13.2 million in 1HFY2024, compared to S\$6.8 million in 1HFY2023, an increment of 93.1% y-o-y. This rise was due to a myriad of factors, including higher underlying profits, higher interest income generated from cash holdings, lower foreign exchange losses and profits recognised from the disposal of property, plant and equipment in 1HFY2024. These positive movements were partially offset by higher staff costs associated with the performance-based bonus payouts (with reference to prior year's performance) of S\$2.0 million and a rise in salaries of S\$0.6 million from the increase in staff headcount across the Group.

Excluding foreign exchange losses and one-off items, adjusted net profit to owners amounted to S\$11.1 million in 1HFY2024, a 30.6% y-o-y increase compared to S\$8.5 million for 1HFY2023. This demonstrates the Group's ability to achieve operating leverage as its core ship chartering segment benefitted from rising charter rates.



“Our first-half results of 2024 reflect the fruits of our focused strategy as we continue to operate in a volatile offshore oil market,” said Sean Lee, CEO of Marco Polo Marine. ***“Our proactive adjustments in both the traditional and renewables sectors align well with industry demands, setting us on a solid path for sustained growth in the coming years.”***

Outlook

Despite significant geopolitical challenges, including tensions in the Taiwan Straits, the South China Sea, the Russo-Ukrainian war, and recent Middle Eastern conflicts, the Group remains poised for continued growth. While there was some temporary weakness seen in its vessel utilisation rates in 1HFY2024 due to timing factors relating to project deployment, this was more than offset by a 17.0% y-o-y growth seen in the Group’s charter rates as compared to 1HFY2023. The Group expects robust demand amid a still-tight supply environment for OSVs to support both utilisation and charter rates of its vessels in the coming quarters. Additionally, the recent APAC CTV Framework Agreement with Siemens Gamesa reinforces the Group’s commitment to expanding its presence in the renewable energy sector, thereby enhancing the strategic positioning of its ship chartering segment.

The Group’s fourth dry dock, which began construction in September 2023, is scheduled to be fully completed in 1HFY2025. This will enable the Group to take on more ship-repair projects.

The Group’s CSOV is approximately 69% complete as of 31 March 2024 and is scheduled to commence operations in October 2024. We can expect revenue recognition from the chartering of the CSOV in 1HFY2025.

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About Marco Polo Marine

Listed on the Mainboard of the SGX-ST since 2007, Marco Polo Marine Ltd is a reputable regional integrated marine logistics company that principally engages in shipping and shipyard operations.



The Group's shipping business relates to the chartering of Offshore Supply Vessels ("OSVs") for deployment in regional waters, including the Gulf of Thailand, Malaysia, Indonesia, and Taiwan, as well as the chartering of tugboats and barges to customers, especially those which are engaged in the mining, commodities, construction, infrastructure, and land reclamation industries.

Under its chartering operations, the Group has diversified its activities beyond the oil and gas industry to include the support of offshore wind farm projects. The burgeoning offshore wind energy industry in Asia is at a nascent stage where structures are being installed, which presents tremendous opportunities for the Group whose fleet can support the development of these projects.

The Group's shipyard business relates to shipbuilding and providing ship maintenance, repair, outfitting, and conversion services through its shipyard in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks, boosting the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

For more information, please refer to our corporate website: www.marcopolomarine.com.sg

Investor Relations and Media Contact:

Emily Choo

E: emily@gem-comm.com

M: +65 9734 6565

Raymond Chan

E: raymond@gem-comm.com

M: +65 8499 3193