



MARCO POLO MARINE

# Marco Polo Marine Limited 1H FY2024 Results

May 2024



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# Corporate Overview

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



## Stock Data



Stock Code

**SGX:5LY**



Market Cap  
(as of 14 May 2024)

**~S\$266.807m**



Free Float

**~51.3%**



Major Shareholders

**Lee Family**  
**22.6%**

  
APRICOT  
CAPITAL

**16.5%**



PENGUIN

**8.1%**



# Complementary Business Segments



## Ship Chartering

### MAINTENANCE WORK VESSELS

### OSVs (AHTs & AHTSs)

### TUGS & BARGES

- 1 CSOV (new building in progress) (Revenue recognition expected from 1HFY2025)
- Wind Farm related vessels (2x CTVs)
- 14 OSVs, including 2 Maintenance Work vessels (MWVs) (vessel age: 8-17 years)
- Average age of OSV fleet: ~10 years
- 9 Tugboats and 7 Barges (vessel age: 6-15 years)
- Indonesian presence through PT



## Ship Building & Repair

### SHIPBUILDING

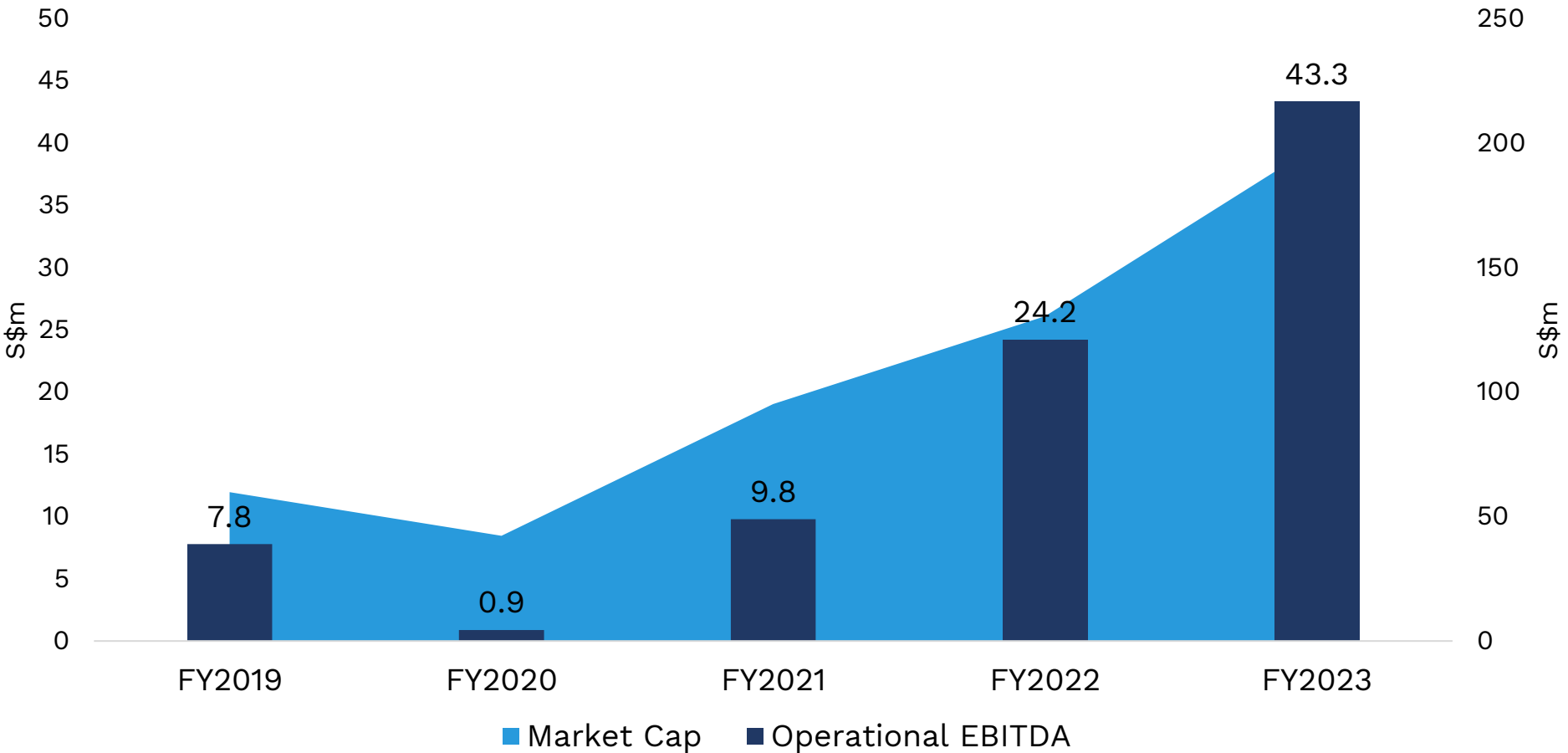
### CONVERSION & OUTFITTING

### REPAIR & MAINTENANCE

- One of the larger shipyards in Indonesia
- Ship building, conversion and outfitting
- Offshore fabrication works
- Ship repair and maintenance (more than 1,000 repair projects completed in last 10 years)
- Construction of 4<sup>th</sup> dry dock (Revenue recognition expected from 1HFY2025)



# Steady Market Value Increase Over Time





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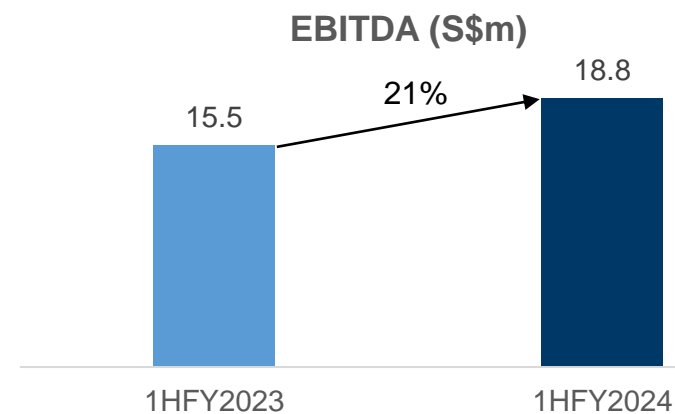
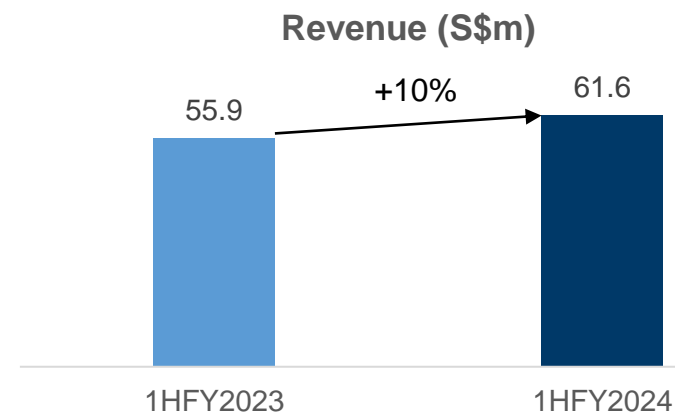
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# 1H FY2024 Highlights



# 1HFY2024 Income Highlights

S\$ MILLION	1HFY2024	1HFY2023	Y-o-Y % change
Revenue	61.6	55.9	10%
Gross Profit	22.2	17.7	26%
Gross Profit Margin	36.1%	31.6%	
EBITDA*	18.8	15.5	21%
EBITDA Margin	30.5%	27.7%	
Net Profit	12.0	5.8	106%
Net Profit to Owners	11.0	4.2	159%
Adjusted Net Profit to Owners*	11.1	8.5	31%



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

# Healthy Balance Sheet

	31 Mar 2024	30 Sep 2023	Comments
<b>Net Asset Value</b>	<b>S\$191.8m</b>	<b>S\$183.9m</b>	<b>~S\$0.051/share as at end of 31 March 2024</b>
<b>Cash and cash equivalents</b>	<b>S\$49.9m</b>	<b>S\$63.1m</b>	
<b>Less Borrowings</b>	<b>(S\$1.8m)</b>	<b>(S\$2.3m)</b>	
<b>Net Cash</b>	<b>S\$48.1m</b>	<b>S\$60.8m</b>	<b>~S\$0.013/share as at end of 31 March 2024</b>





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# Segmental Performance and Outlook

# Shipyard Segment Held Steady

## 1HFY2024 Shipyard revenue stabilised



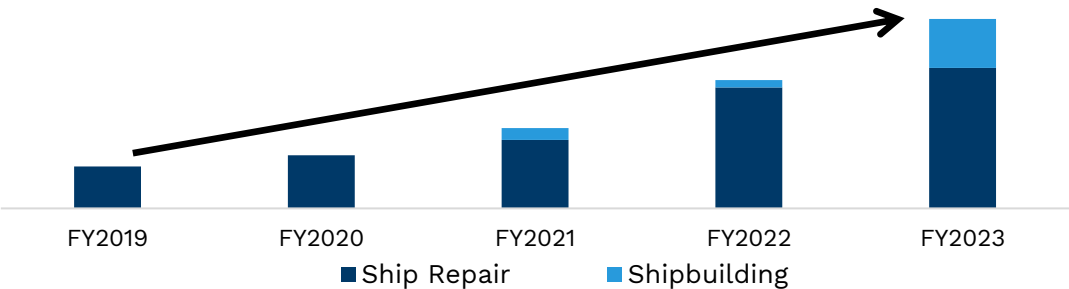
**Softer ship repair volumes** due to impact of China's shipyards reopening



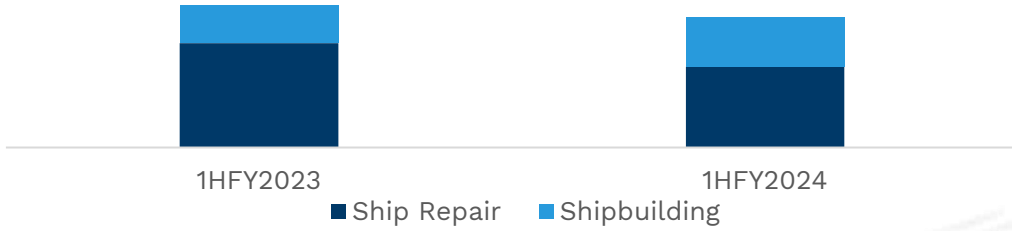
**Higher Shipbuilding revenue** due to sustained momentum in shipbuilding activities carried over from the previous half

**Ship repairs is a long-term business with 50-70% repeat customers.**

Shipyard Revenue (\$m)



Shipyard Revenue (\$m)



Shipyard was operating at average utilisation rate of 89% in 1HFY2024

**(1HFY2024: 79%)**

# Ship Chartering Continues to Drive Robust Growth

## Increased Ship chartering revenue due to

- ◆ Higher charter rates achieved for OSV fleet.
- ◆ Rechartering of third-party vessels at higher rates for short-term offshore projects.

**Ship chartering tends to be more robust in 2H vs 1H due to monsoon seasonality.**



### 1HFY2024 Average Charter Rates Grew 17% Y-o-Y

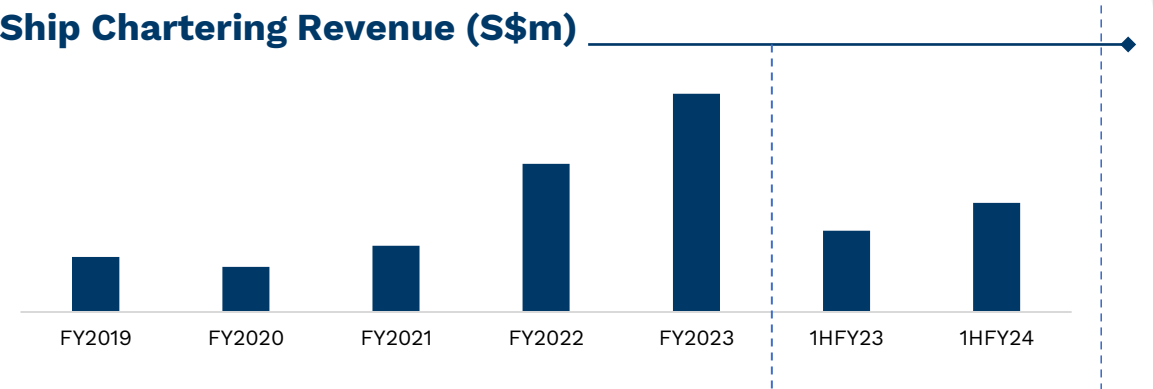
Demand for OSVs from offshore O&G and the renewable sector continues to drive average charter rates higher.



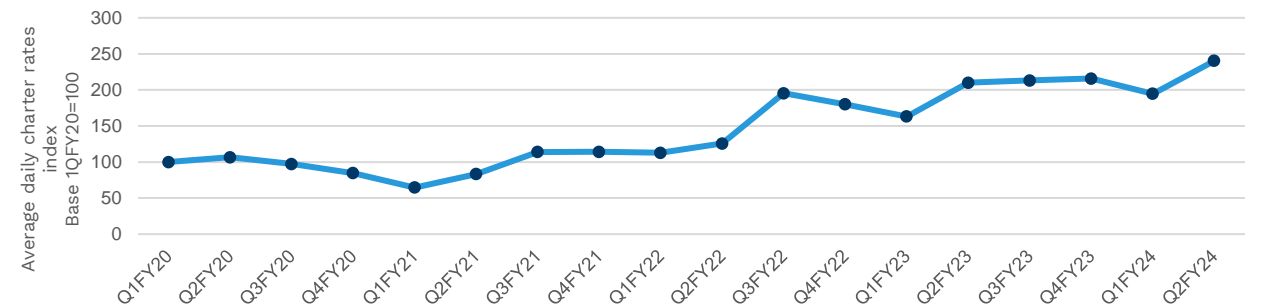
### 1HFY2024 Average Utilisation Rates Softened Y-o-Y

1HFY2024: 60% vs 1HFY2023: 66%.

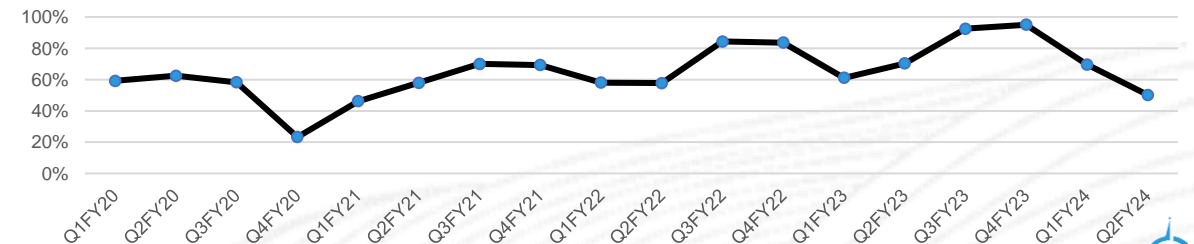
### Ship Chartering Revenue (\$m)



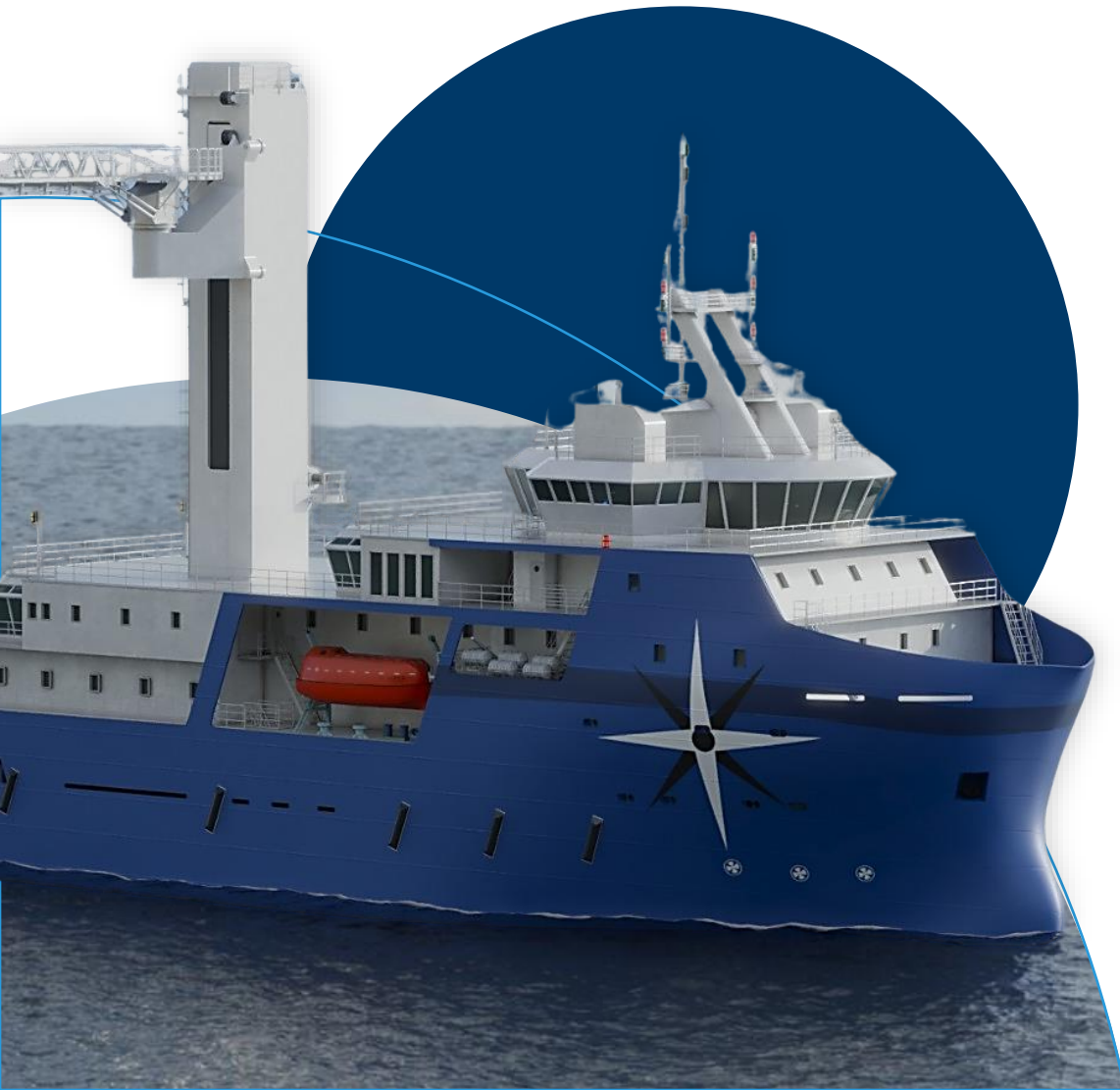
### Average Charter Rates



### Average Utilisation Rates



# Outlook- Continued Growth in Ship Chartering



## Ship Chartering

**The ship chartering segment remains poised for continued growth.**

- High demand for OSVs from offshore wind farms and the O&G industries will continue to persist and underpin higher average charter and average utilisation rates.



## Shipyard

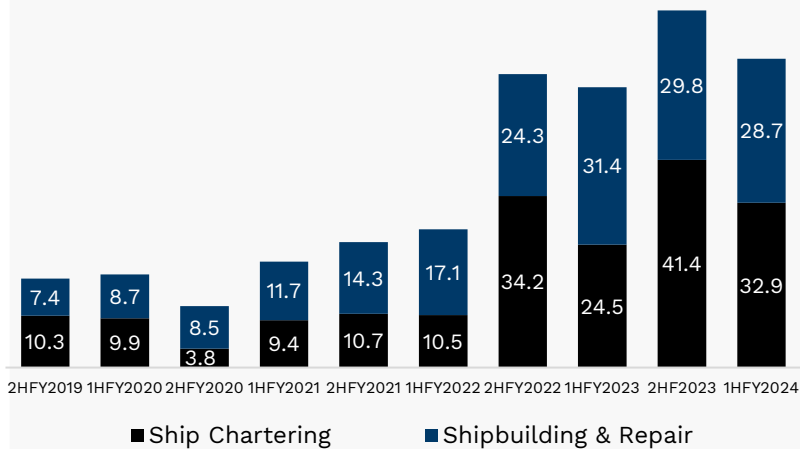
**Ship repair volumes to pick up, and shipbuilding momentum to continue.**

- The Group foresees an upturn in ship repair volumes as the impact of China's reopening stabilises.

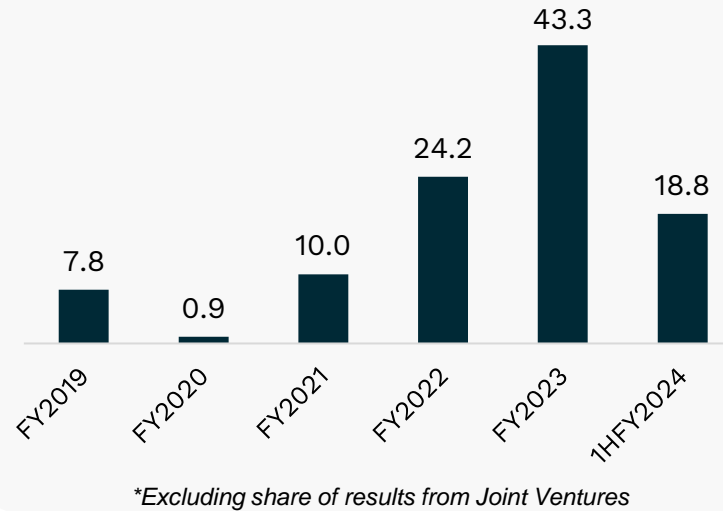


# Financial Overview

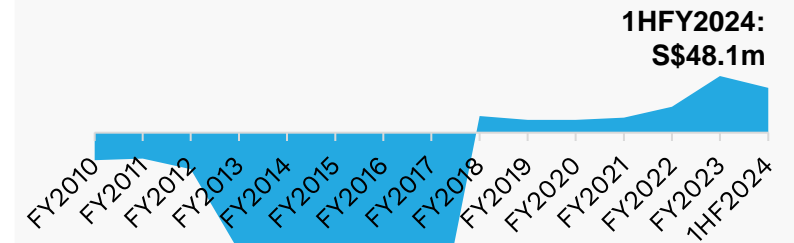
## Revenue (S\$m)



## Operational EBITDA\* (S\$m)



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



### Continued growth momentum in earnings

- Adjusted net profit to owners rose 30.6% y-o-y to S\$11.1 million in 1HFY2024, compared to S\$8.5 million in 1HFY2023.



### Optimistic Outlook

- Robust demand from the Taiwan offshore wind farm and oil and gas markets will support the utilisation and charter rates of its OSVs in the coming quarters.
- Fourth dry dock is scheduled to be completed in 1HFY2025.
- CSOV is approximately 69% complete as of 31 March 2024 and scheduled to commence operations in October 2024.



### Net Cash Position

- S\$48.1m as of 31 Mar 2024.

# Summary and Investment Merits



## Attractive Valuation

- As of 31 March 2024, the Group's net asset value was S\$0.051/share. This figure comprises a portfolio of tangible assets that includes cash and property, plant, and equipment (PPE).
- The Group owns a shipyard in Batam (occupying more than 34 ha of land area) and 14 OSVs, including 2 MWVs, 9 tugboats, and 7 barges.



## Strong Net Cash Position

- As of 31 March 2024, the Group has a net cash position of S\$48.2m.



## 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 more robust than before, with a focus on cost and cash flow management. In FY2023, the Group recorded the highest operational EBITDA since the debt restructuring in 2017, continuing its robust growth trajectory.



## Pivoting to renewables to increase utilisation and boost profitability

- The entry into new target markets will diversify the Group's customer base from the cyclical O&G sector, increase the utilisation 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 owner of vessels, Marco Polo Marine sets itself apart from competitors by addressing the specific requirements of vessel owners and operators when competing for projects in the offshore wind farm sector.



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# THANK YOU

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