



MARCO POLO MARINE LIMITED 1HFY2023 UPDATE

July 2023





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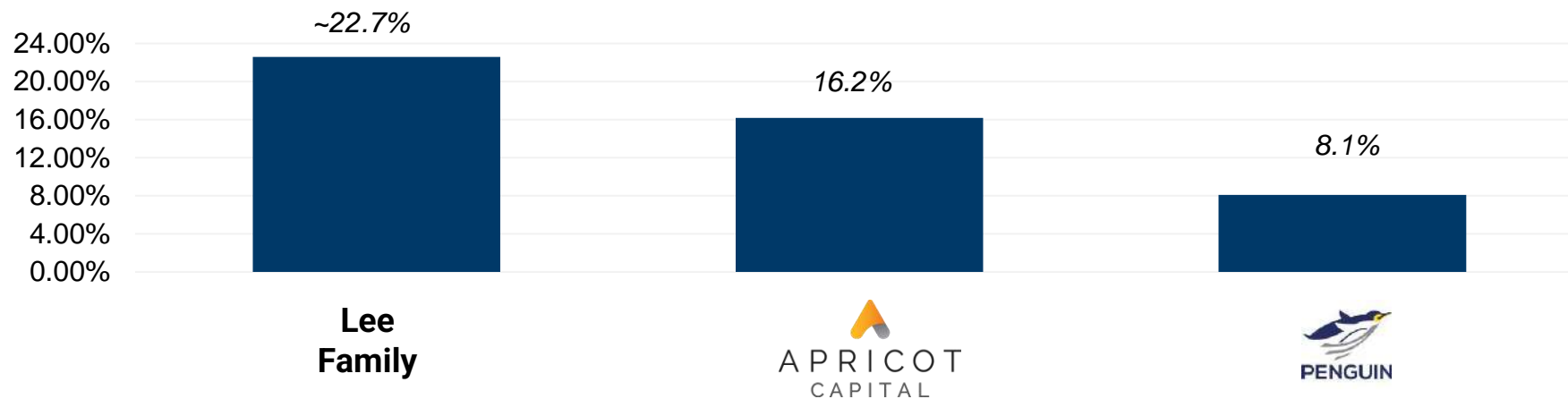
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Corporate Overview

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



Major Shareholders



Stock Data



Complementary Business Segments



Ship Chartering

MAINTENANCE WORK VESSELS

- 14 OSVs and 2 Maintenance Work vessels (MWV)s (vessel age: 7-16 years)

OSVs (AHTs & AHTSs)

- Average age of OSV fleet: ~9 years

TUGS & BARGES

- 21 Tugs and Barges (vessel age: 5-14 years)
- 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

- Green ship recycling
- Offshore fabrication works
- Ship repair and maintenance (more than 1,000 repair projects completed in last 10 years)



Milestones

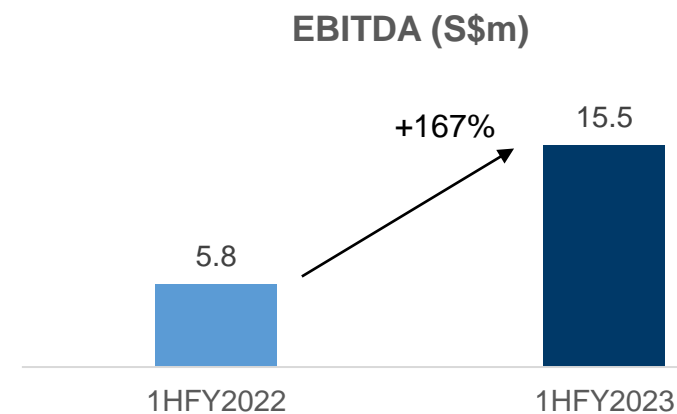
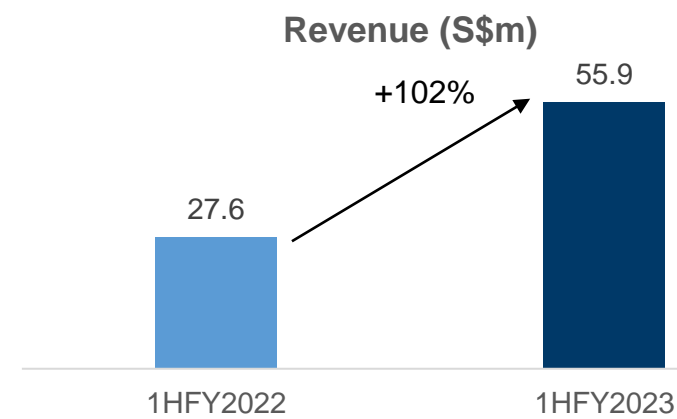




1HFY2023 Highlights

1HFY2023 Income Highlights

S\$ MILLION	1HFY2023	1HFY2022	Y-o-Y % change
Revenue	55.9	27.6	102%
Gross Profit	17.7	8.2	116%
Gross Profit Margin	31.6%	29.6%	
EBITDA*	15.5	5.8	167%
EBITDA Margin	27.7%	21.0%	
Net Profit	5.8	10.7	-46%
Net Profit to Owners	4.2	10.8	-61%
Adjusted Net Profit to Owners*	8.5	1.8	372%



*Excludes foreign exchange losses, reversal of impairment loss on receivables, one-off items arising from the remeasurement of previously held equity interest, bargain purchase and acquisition of debt and the disposal of a vessel

Healthy Balance Sheet

	31 Mar 2023	30 Sep 2022	Comments
Net Asset Value	S\$161.6m	S\$151.7m	S\$0.043/share as at end of 31 March 2023
Cash and cash equivalents	S\$53.0m	S\$53.5m	
Less Borrowings	(S\$2.8m)	(S\$3.3m)	
Net Cash	S\$50.2m	S\$50.3m	~S\$0.0133/share as at end of 31 Mar 2023



Segmental Performance & Outlook

Shipyard Segment Posts Remarkable Growth



Ship Repair Operations Maintain Strong Momentum Posting a 56% Y-o-Y Growth

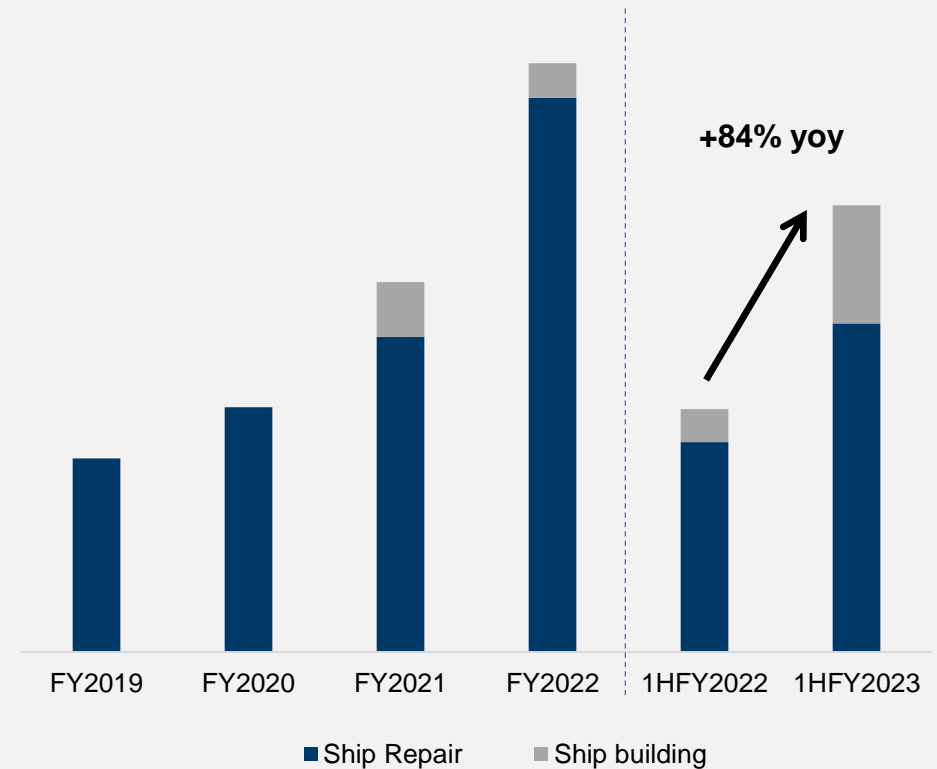
- Higher contract values of repair projects
- 1HFY2023 performance benefited from the extension of dry dock 1 which was completed from 2HFY2022 (boosting ship repair capacity by up to 20%)



Ship Building Activities Experienced a Remarkable 259% Y-o-Y Growth

- Commencement of new build contracts for construction of barges with progressive deliveries up to 1HFY2024

Shipyard revenue S\$m



Shipyard was operating at average utilisation rate of 79% in 1HFY2023

(1QFY2023: 74%)

(2QFY2023: 84%)

Ship Chartering Segment Continues Strong Growth

Increase In Revenue Due To

- (i) Consolidation of charter revenue from PT BBR (70.7% stake) and PKRO (49.0% stake)
- (ii) Increase in average charter and utilisation rates of vessels y-o-y

Ship chartering tends to be stronger in 2H vs 1H due to monsoon seasonality.

1HFY2023 Average Charter Grew Y-o-Y

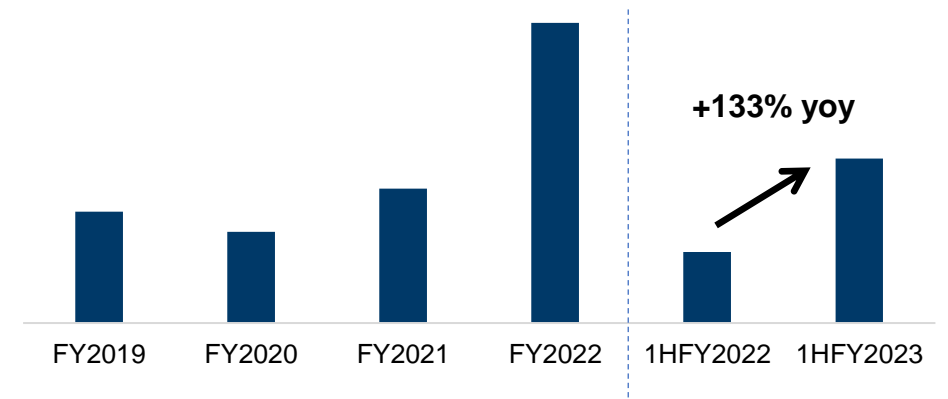
- Group's owned vessels chartered out to both O&G and offshore windfarm sector

1HFY2023 Utilisation Rates Increases Y-o-Y

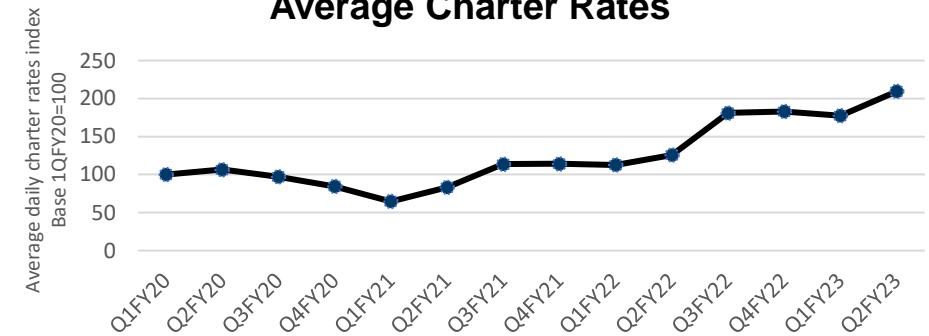
- 1HFY2023: 66% vs 1HFY2022: 58%



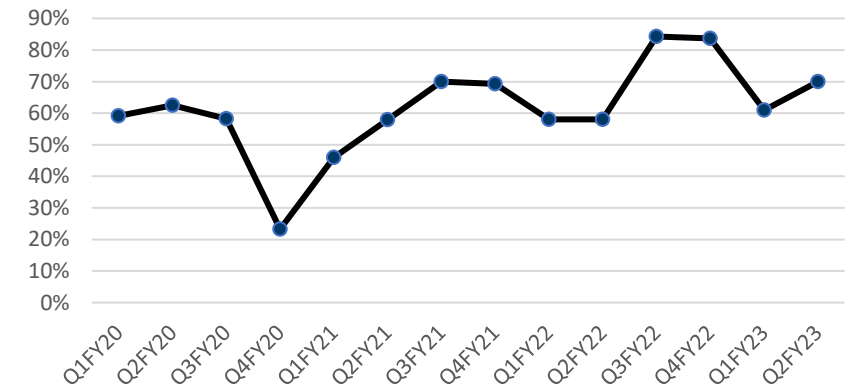
Ship Chartering Revenue S\$m



Average Charter Rates



Average Utilisation Rates



What's Next For Marco Polo Marine Shipyard?





Outlook – 2023 expected to be another year of growth

Shipyard

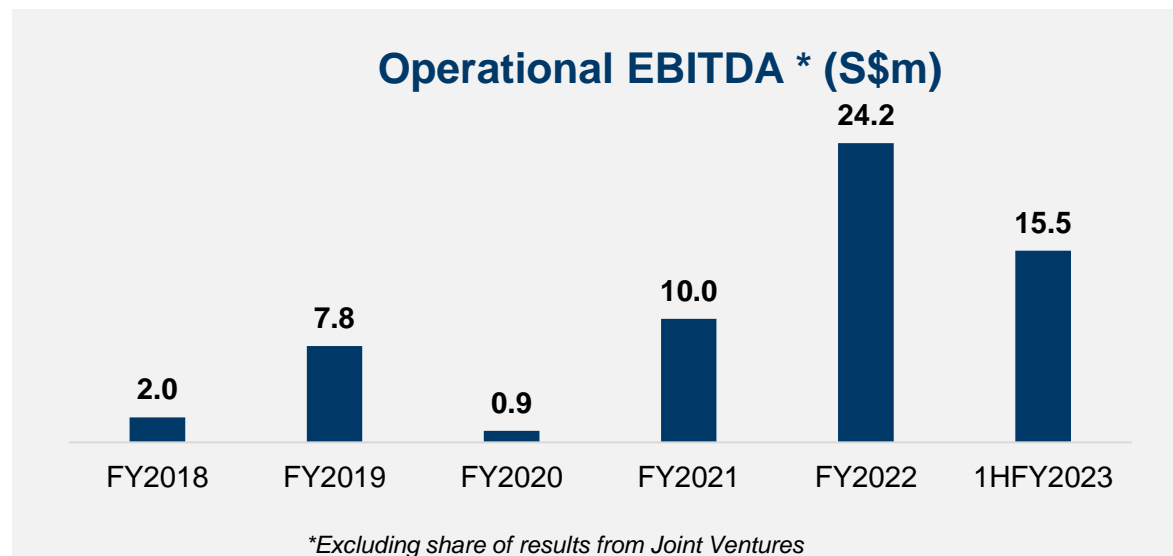
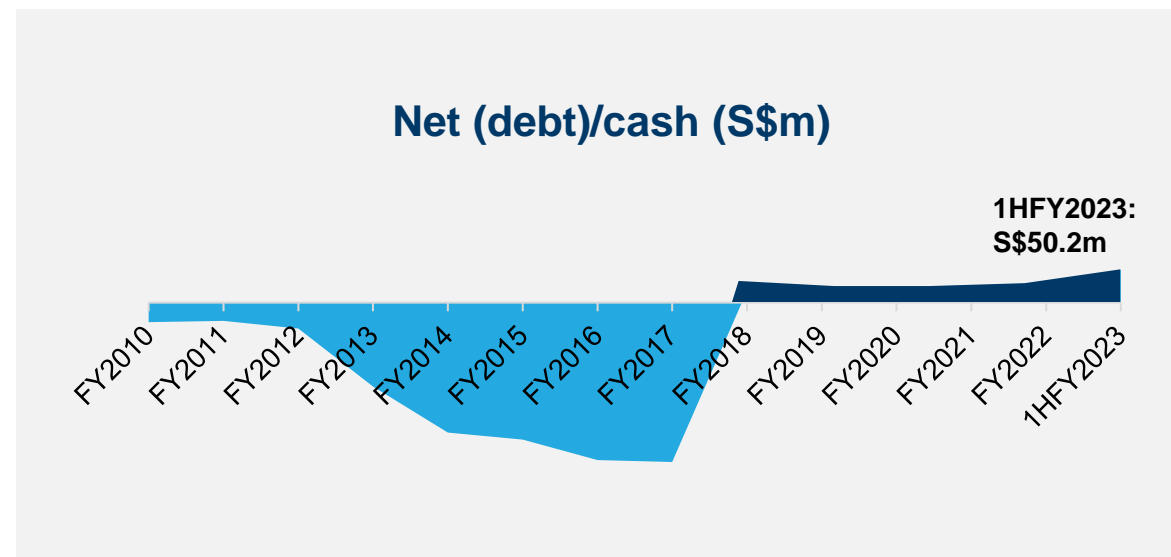
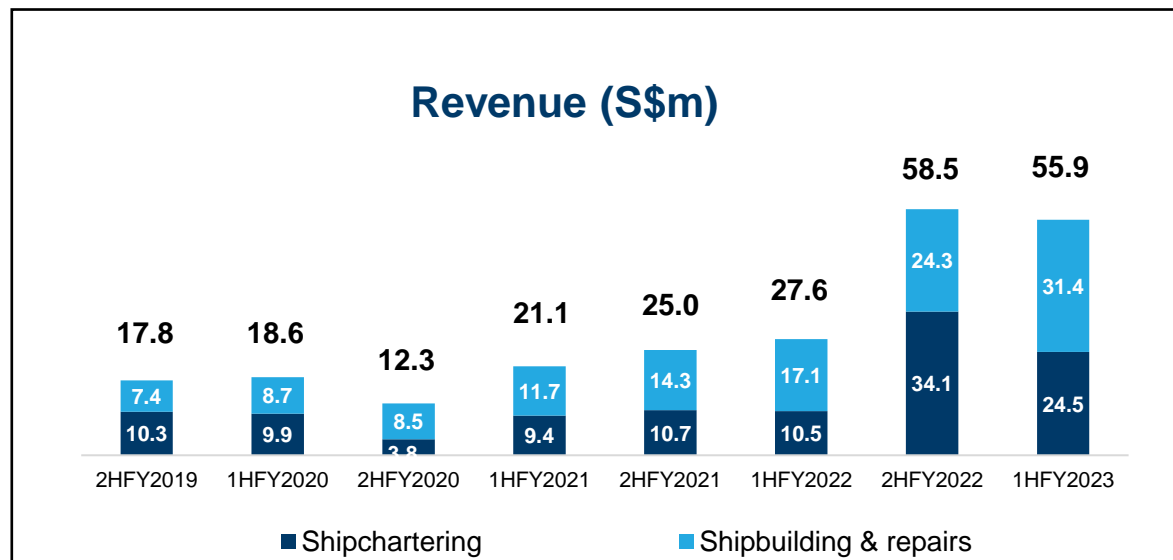
- The Group is in the midst of constructing its Commissioning Service Operation Vessel (CSOV)
 - ❑ Physical construction of vessel is ~13% completed; On track for completion by 1Q2024
 - ❑ In talks with potential joint venture partners for CSOV
- Target to secure more shipbuilding projects
 - ❑ Group has been stepping up its marketing efforts to actively engage local ship owners in Indonesia






Ship Chartering

- Charter rates and utilisation rates expected to remain robust in FY2023, which is seeing strong demand from both the offshore windfarm and Oil & Gas industry
 - ❑ Oil & gas markets have been picking up; Expected to have a positive effect on utilisation and charter rates for OSV
- Collaboration with Amogy to develop zero-emission solutions for offshore wind fleet
 - ❑ Under the MoU, Amogy's proprietary ammonia-to-power system will also be installed on Marco Polo Marine's existing or newly built wind vessels, allowing them to operate with zero emissions

Financial Overview



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Continued strong earnings growth momentum
 - Adjusted net profit to owners jumped more than 4x to S\$8.5m in 1HFY2023 driven by growth in both shipyard and ship-chartering segments.
- 
Positive Outlook
 - Expects higher demand for OSVs as oil and gas activities pick up, while continuing support for Taiwan offshore windfarm via Oceanic Crown Offshore Marine Services JV.
 - Shipyard segment has secured new build contracts, providing revenue visibility till 1HFY2024.
- 
Net Cash Position
 - S\$50.2m as of 31 Mar 2023

Summary and Investment Merits



Attractive Valuation

- As of 31 March 2023, the Group has a net asset value of S\$0.043/share. The Group's assets is primarily backed 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.



Strong net cash position

- As at 31 Mar 2023, the Group has a net cash position of S\$50.2m



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 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 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 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.



Leveraging on its established offshore windfarm experience for geographical expansion

- Having proven itself as one of the market leaders in supporting the offshore windfarms in Taiwan, the Group is leveraging on its established track record to expand its geographical footprints into new markets including Japan and Korea.



THANK YOU



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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



About Macro Polo Marine