



MARCO POLO MARINE LIMITED

3QFY2023 UPDATE

August 2023





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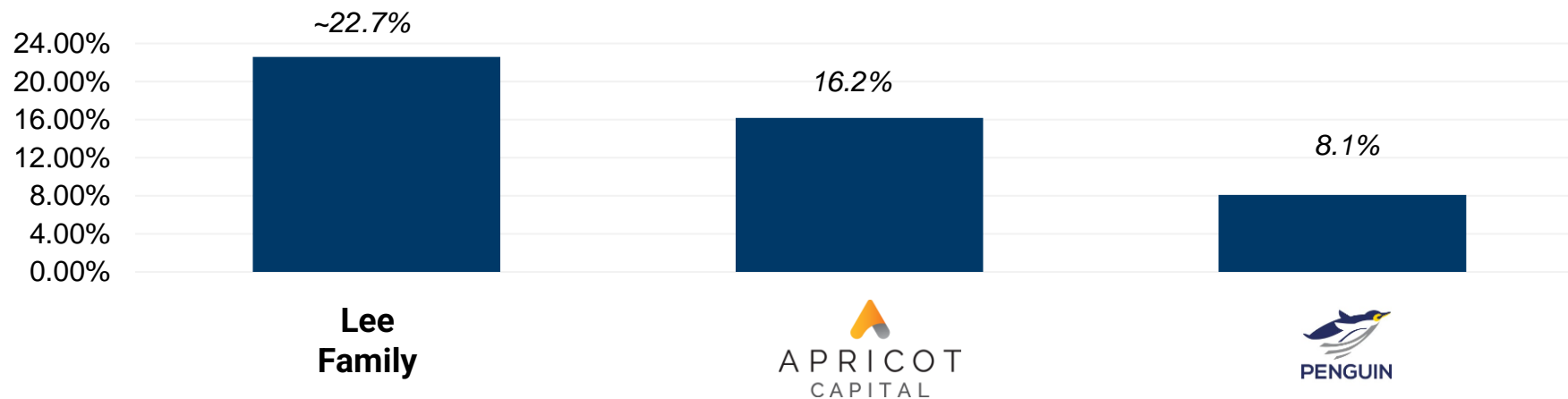
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Corporate Overview

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 including 2 Maintenance Work vessels (MWV)s (vessel age: 7-16 years)

OSVs (AHTs & AHTSs)

- Average age of OSV fleet: ~9 years

TUGS & BARGES

- 20 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

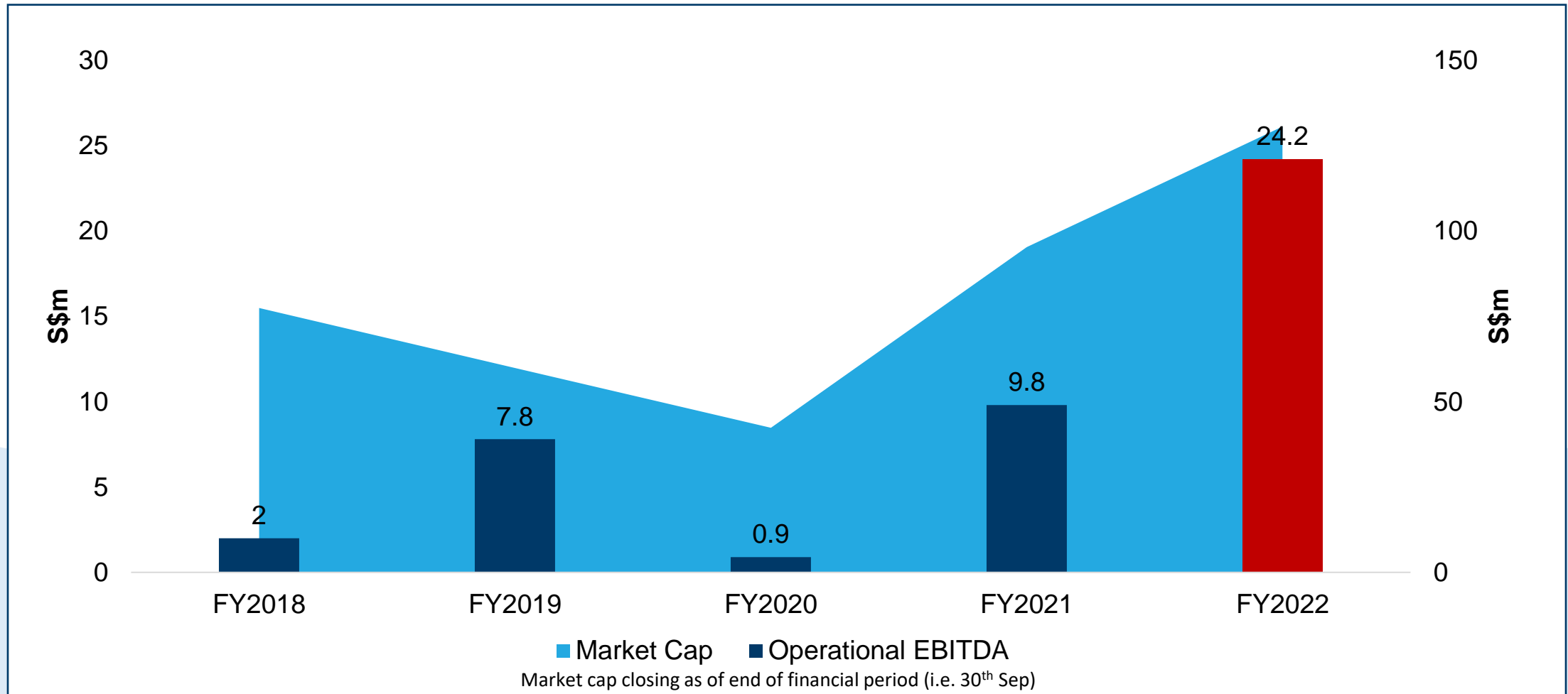
- Ship building, conversion and outfitting

REPAIR & MAINTENANCE

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



Market Value Increase – A Reflection Of Financial Performance Improvement



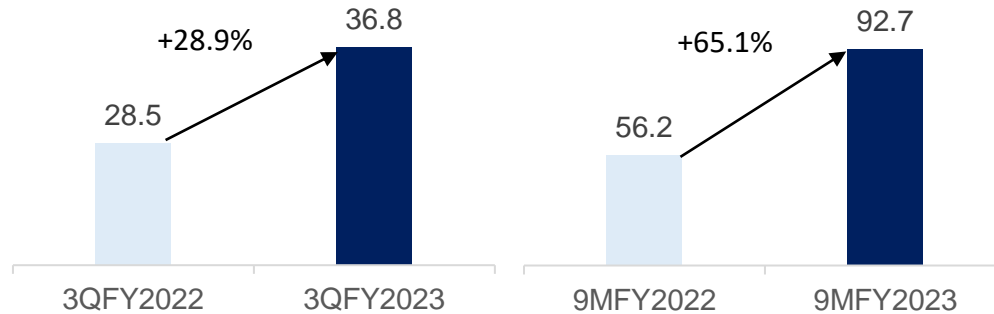


3QFY2023 Highlights

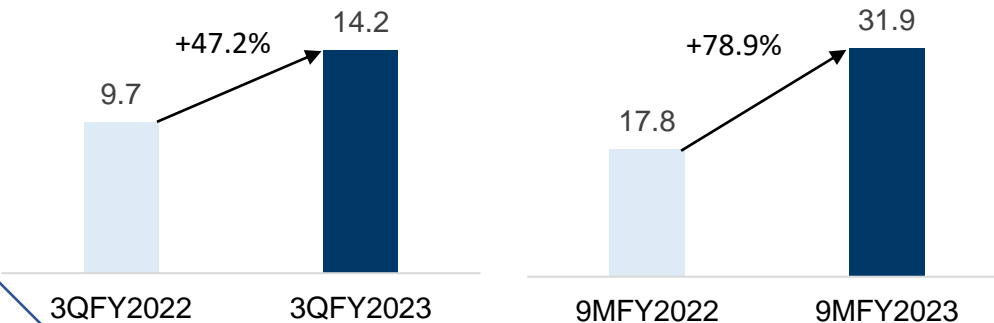
3QFY2023 and 9MFY2023 Highlights

Strong 3QFY2023 and 9MFY2023 performance due to robust operational performance from **both the shipyard and ship chartering segments**

Revenue (S\$m)



Gross Profit (S\$m)



- Higher demand and utilisation rates
- Higher shipyard activities
- Consolidation of revenue from PT BBR and PKRO



*Revenue and Gross Profit For 3QFY2023 Includes Consolidation Of Performance From PKRO And PT BBR



Segment Performance and Outlook

Shipyard Segment Shows Strong Resilience in 3QFY2023



Ship Repair Operations Near Full Capacity

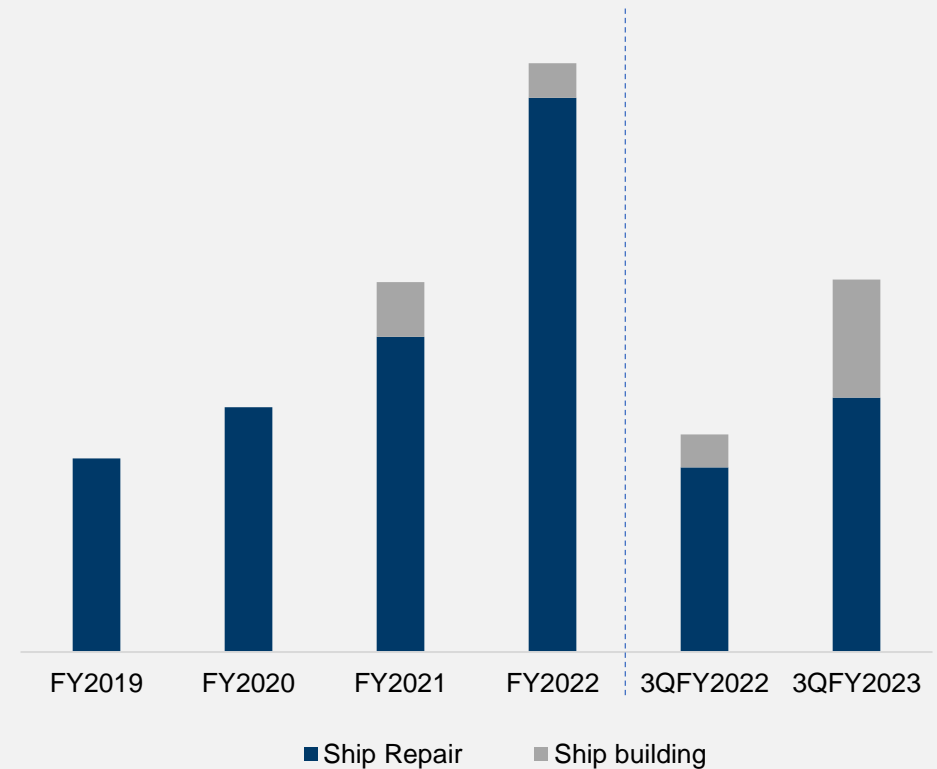
- Increase in contract values for repair projects
- Average utilisation rates for ship repairs reach 93%



Ship Building Activities Ramped Up

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

Shipyard Revenue (\$m)



Shipyard was operating at average utilisation rate of 93% in 3QFY2023

(2QFY2023: 84%)

(3QFY2023: 93%)

Ship Chartering Segment Continues Growth Momentum

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 vessel utilisation rates.

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



Increase in demand for OSVs during the quarter

- Positive developments OSV market driven by favourable energy prices, increased offshore field development, and supply-side constraints for OSVs.

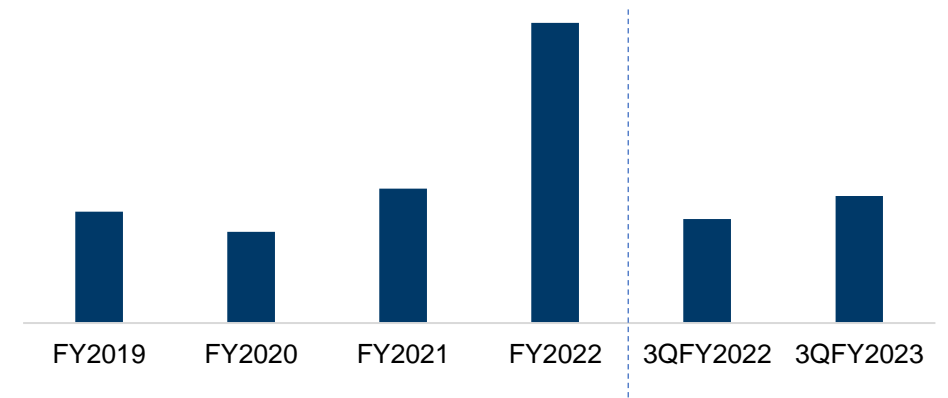


Utilisation Rates Grew Y-o-Y

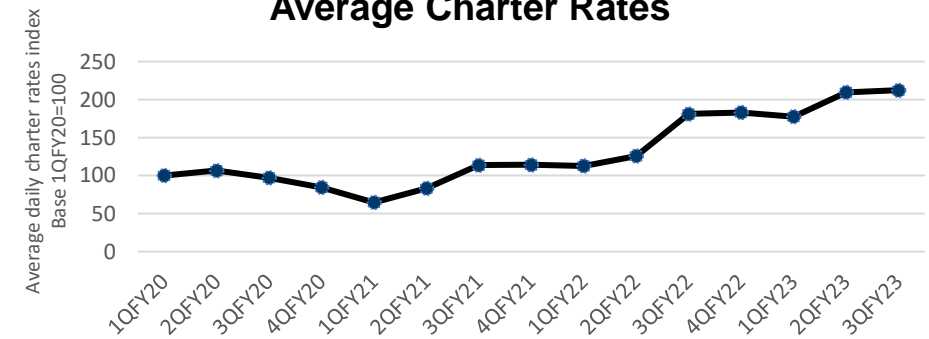
- 3QFY2023: 92% vs 3QFY2022: 84%.



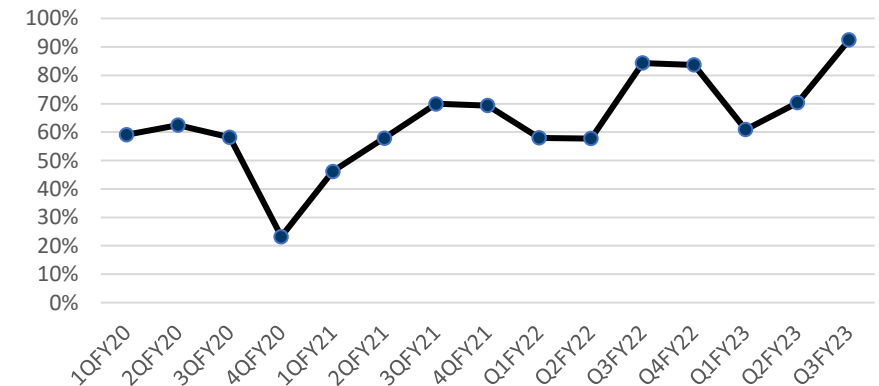
Ship Chartering Revenue (S\$m)



Average Charter Rates



Average Utilisation Rates



Outlook – A Strong Finish to 2023

Shipyard

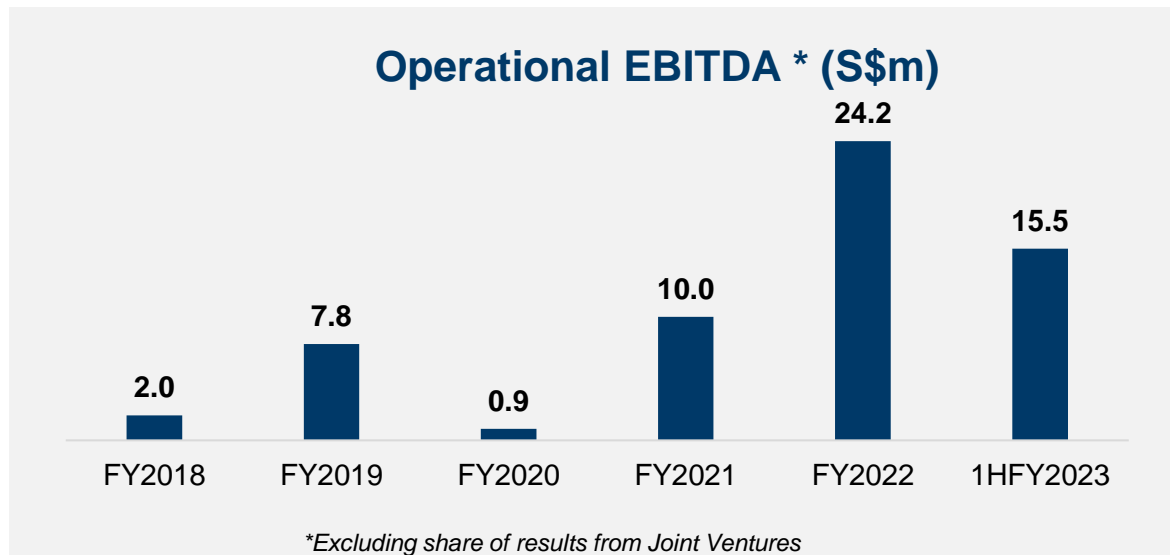
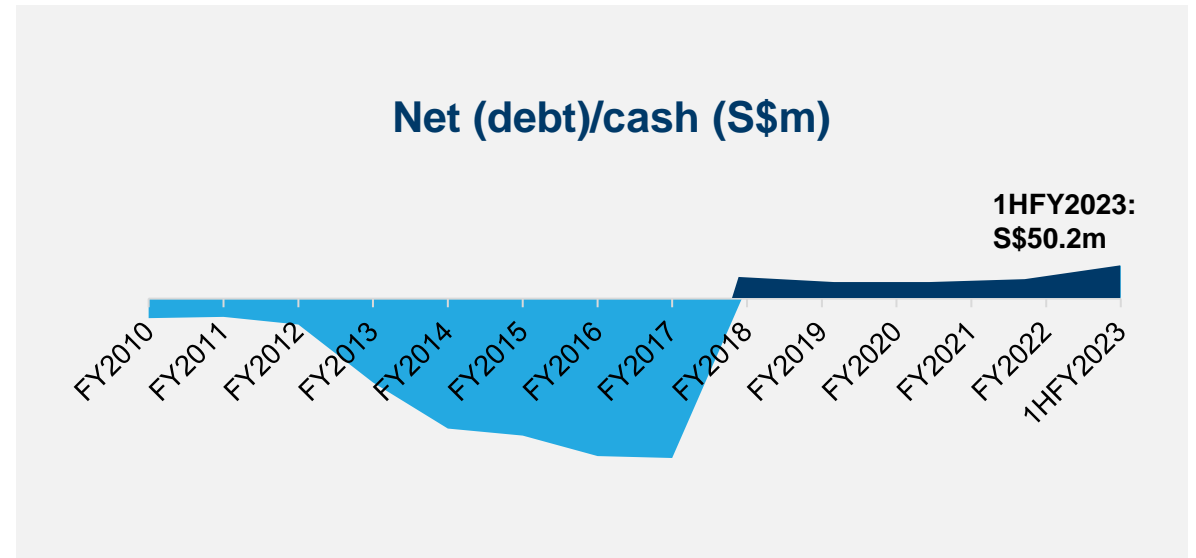
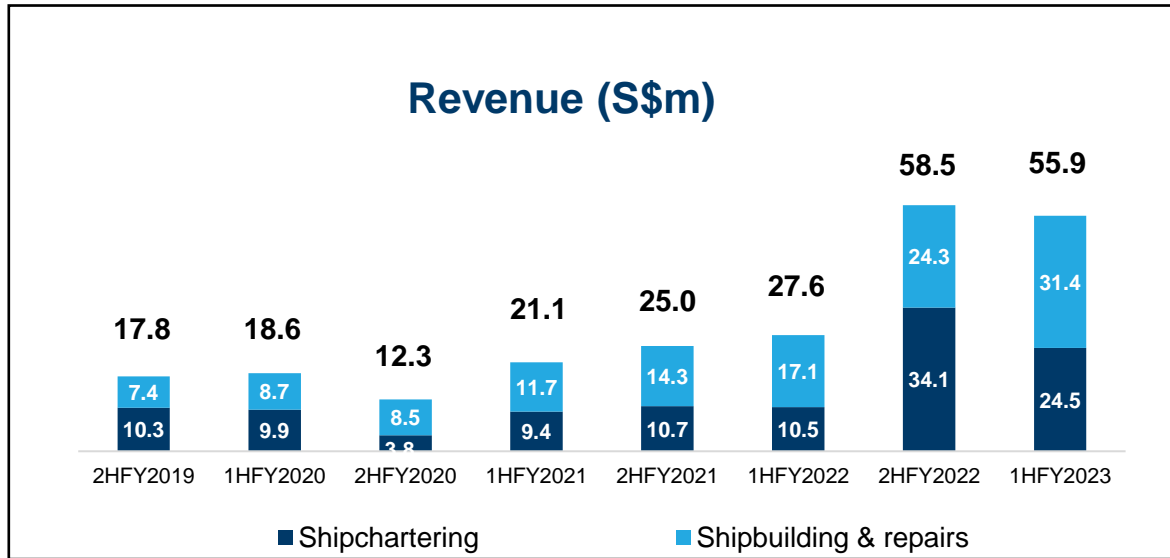
- Outlook for the Shipyard segment remains positive.
 - ❑ Increased shipbuilding activity from new vessel build contracts, providing revenue visibility till 1HFY2024.
 - ❑ The shipyard segment is expected to continue operating at a high utilisation rate.



Ship Chartering

- Growth in Ship Chartering remains.
 - ❑ The Group expects its OSVs to maintain a high average utilisation rate, with strong take-up stemming from both the offshore wind farm and oil and gas industries.

Financial Overview



- 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, South Korea, and Japan offshore wind farms via PKR Offshore, K Line Wind Service, Namsung Shipping, and HA Energy.
 - Shipyard segment has secured new vessel 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 are 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 14 OSVs including 2 MWVs, and 20 tug and barges.



Strong net cash position

- As of 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 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.



Leveraging on its established offshore windfarm experience for geographical expansion

- The Group is leveraging its established track record in Taiwan to expand its geographical footprint into Japan and Korea.



THANK YOU



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