

1Q2026 BUSINESS UPDATE ANALYSTS & MEDIA BRIEFING – TRANSCRIPT

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Management Representatives

- Mr Chris Ong, Chief Executive Officer
- Dr Stephen Lu, Chief Financial Officer
- Ms Amelia Lee, Head of IR & Corporate Communications

Introduction

Amelia Lee: Good morning, everyone. Thank you for joining us at Seatrium's 1Q2026 business performance update. My name is Amelia and I take care of Investor Relations for Seatrium. This morning we have with us our CEO Mr. Chris Ong and CFO Dr. Stephen Lu. Before we jump into Q&As, Chris and Stephen will start off with some opening remarks. Chris, over to you please.

Opening Remarks

Chris Ong: Good morning and thank you for joining us today. Before we move into Q&A, I would like to offer some quick comments on our 1Q2026 business and operational performance, key developments and management's view on outlook and priorities.

We continued to make progress into 1Q2026. We execute strongly, converting order book into revenue and ongoing projects continued to advance in line with expectations. Our net order book stood at S\$15.5 billion as at 31st of March 2026, offering near-term earnings visibility with deliveries through to 2033. We continue to see improvements in gross margin performance as project mix improves and through cost and operational efficiencies resulting from ongoing initiatives, which Stephen will elaborate on these efforts shortly.

The other part I'd like to bring your attention is also to our diversified order book today. It consists of higher quality projects. During the quarter we delivered two legacy projects, the Trailing Suction Hopper Dredger, which is the largest Jones Act-compliant hopper dredger built in the United States, delivered to Manson Construction; and the Wind Turbine Installation Vessel, a next-generation wind turbine installation vessel delivered to Maersk Offshore Wind.

This brings our non-FPSO (Floating Production Storage and Offloading unit) legacy projects to about 1% of our net order book. Additionally, more than 95% of our net order book today are Series Build projects. This gives us confidence this improving mix of projects will progressively contribute to further margin improvements as well as lower execution risk. The macro environment today is supportive, and we will leverage on our competitive edge and leadership to pursue our robust pipeline of global opportunities.

Themes around energy security and energy transition have become more prominent and the elevated oil prices provide a supportive environment for offshore energy infrastructure investments. Customers remain disciplined in their capital deployment, placing strong emphasis on capital efficiency, risk-sharing arrangements and project economics.

Our diversified business and track record across traditional, transition and clean energy afford us the ability to pursue a wide breadth of opportunities. While FID (Final Investment Decision) timing is not within our control, we believe that we are well-positioned to capture these pipeline opportunities, leveraging our strong competitive position, track record and global scale. The slight reduction in pipeline number to close to S\$30 billion mainly reflects removal of the full EPC (Engineering, Procurement and Construction) scope for SEAP I from what we last disclosed in FY2025 results.

Nonetheless, key opportunities last disclosed remain mostly intact. It consists, for example, South America, which remains a key market for oil and gas projects that includes Brazil and Guyana; and we continue to pursue HVDC (High Voltage Direct Current platform) opportunities in Europe and HVAC (High Voltage Alternating Current platform) opportunities in Asia, as well as emerging FLNG (Floating Liquefied Natural Gas unit) opportunities in Africa and fixed platforms in the Middle East.

In 1Q2026, we secured our eighth FSRU (Floating Storage Regasification Unit) conversion project from Karpowership, the first of the three FSRU conversion projects under an earlier letter of intent (LOI), which also comprised the integration of up to six new-generation Powerships.

Beyond the Karpowership LOI, we see growing demand for FSRU and FLNG conversion projects driven by a confluence of factors including energy security, capital efficiency, transition dynamics and speed of deployment. We have established our global leadership in complex conversion projects, which will position ourselves well to capture these high value projects. We will provide more in-depth update on the pipeline opportunities during our 1H2026 results briefing.

Executing well and replenishing our order book remain a priority in 2026 to extend near-term earnings visibility into FY2027. Currently our repairs and upgrades business continues to enjoy strong repeat businesses offering a relatively stable earnings moat.

In FY2026, we reiterate our commitment to long-term shareholder returns supported by sustainable long-term growth. We continue to focus on driving margin efficiency through improving project mix, continued cost discipline and strategic divestment; replenishing order book with high quality contracts that meet our mid-teens risk adjusted hurdle rates, and progressive milestone payments requirements.

Concurrently, we will continue to strengthen our leadership and breadth of solutions relating to emerging energies, decarbonisation and digitalisation of operations and assets. This will secure our business relevance and competitiveness as the global landscape evolves.

With that I will hand over to Stephen before we move into Q&As.

Stephen Lu: Thank you, Chris. Good morning, everyone. As you know, we'll be disclosing our full set of numbers only in 1H2026, but I'd like to share some broad comments on our progress this quarter.

We continue to progress in 1Q2026 with gross margin continuing to strengthen – driven by improved project mix; lower overheads partly contributed by completed divestments; lower G&A (General & Administrative) expenses resulting from rigorous risk management, productivity gains and cost control initiatives.

Balance sheet remained robust in 1Q2026. We also made progress in proactively managing our borrowings. The successful establishment of our S\$3 billion MTN (Medium Term Note) Programme alongside our inaugural S\$400 million 2.95% senior unsecured issuance, which was met with strong institutional demand, signals the market's confidence in Seatrium. The funds raised will be used to diversify the Group's funding sources and lengthen maturities.

We have completed all non-core asset divestments announced to date. These divestments include AmFELS Yard, Crescent Yard, Karimun Yard as well as other assets and the completion of the tugboat fleet divestment in April 2026. These are non-core assets and do not impact our capability nor ability to take on new projects.

These divestments together with prior transactions are on track to unlock more than S\$50 million in annualised operational cost savings and more than S\$330 million in cash proceeds post completion. This reduces unproductive overheads and allows management to focus resources on higher-value core activities. As disclosed during FY2025, we have identified further non-core divestments that will elevate the strategic benefits that I've elaborated on earlier and unlock value for both the business and for our shareholders.

To close, we remain on track to achieve our FY2028 steady-state targets. We have made progress to steadily improve our margins and our order book and pipeline remain strong. We continue to strengthen our balance sheet underpinned by higher quality projects and an improving credit profile. With that, let's move to the Q&A session.

Q&A

Amelia Lee: Thanks Stephen. We now open the floor to questions. For those of you who have a question for us, please raise your hand to ask a question.

We have the first question from **Luis (Citi)**.

Luis Hilado (Citi): Hi, good morning and thanks for the update. I have three questions initially. The first is regarding the target pipeline that you've disclosed of S\$28 billion. What is the cause for the differential versus the S\$32 billion that you disclosed previously? Is it because the projects have gone to other parties or simply because the projects have not pushed through at all and which sector was primarily impacted by that change? The second question is – if you could give us overview of potential major award timelines, major project timelines in the next six to 12 months from your major clients. Some insight on that would be great. And the last question is on the impact of the overhead cost savings. As you mentioned, the tugboat sales just completed in April, so essentially the bulk of that S\$50 million annualised savings, we should see it as early as the first quarter? Thanks.

Chris Ong: Thanks Luis. I will take the first one. I don't think we need to read too much into the drop and increase, because that's only reflecting on the tendering process and our targets. But this S\$4 billion drop is mainly due to SEAP I which was announced that SBM has won it. Saying that, at the same time, we will also work with them to take a look at how we leverage on work for our Brazilian and the rest of the yards. Your next question is on major timelines. Well, we do not comment on award timelines – rather what we can control is actually on the tender timeline. If you take a look for the next six months, six to 12 months, we are actually chasing more than S\$15 billion of orders that our customers have put in the market.

So of course after tender there are other activities like negotiation, terms and conditions, and all this. But suffice to say there's no lack of activities at this present moment and our marketing people are very busy.

Luis Hilado (Citi): Just a quick follow up to the S\$15 billion. Is it mostly oil and gas or offshore wind?

Chris Ong: It's a mix. So there are FPSOs – some announced tenders, some not public. There are also conversion projects like FLNGs, FSRUs. There are also offshore wind topside substations. There's a good mix. So that's the reason why we mentioned that, well, in this market, whether it is energy security or energy transition, it is actually a blurred line today. Because of the market environment, I think many of the governments are taking a look at their energy policy moving forward.

Stephen Lu: Luis, on your third question around recognition of the overhead savings – as you rightly pointed out, it will progress as we complete. And as we have completed our last transaction that we've announced so far in April 2026, so all the savings can be baked in from I guess from Q2 onwards.

Luis Hilado (Citi): Thanks Stephen. Just a follow up to that – any progress on the other divestment targets? Do you see it within this year or more of next year?

Stephen Lu: As you know, we are targeting more than S\$200 million book value worth of divestments. They are active processes ongoing so I can't comment on exactly what they are, but some we are targeting to sign this year.

Luis Hilado (Citi): Okay, thanks a lot.

Amelia Lee: Thanks Luis. Next up we have **Zhiwei (Macquarie)**. Zhiwei, please unmute yourself.

Zhiwei Foo (Macquarie): Hi, good morning. Thanks for the presentation. I have two questions. The first one is on your quarterly revenue run rate. If I were to just do some calculations, I'm getting to around S\$3 billion quarterly revenue run rate for this quarter. So should we expect the same cadence of revenue recognition going into the future quarters based on your existing order book...or should we expect that to be different? And then if the revenue is going to be coming off in future quarters based on the current order book, how do we think about the margin? And by margin I mean the gross margin. That's the first question.

Now on the second question, it's more on your pipeline. Given what has happened in the Middle East and your exposure to enabling customers with the energy transition, especially in wind – have you seen

an acceleration in discussions or expansion of the whole renewable energies pipeline from your customers who want to build these structures? Thank you.

Chris Ong: Thanks Zhiwei. A lot to unpack there. I think it's almost a strategy session already. Okay, the first thing is about the S\$3 billion. I think the amount would roughly hover around there. We have clocked sometimes a quarter with S\$2 plus billion to S\$3 billion. It really depends because various projects are at different stages. But I think that we should read that projects are executed well along the way. So if you take roughly north of S\$2–3 billion, I think that would be the usual run rate in terms of capacity.

Now your question around enabling our customers and also the Middle East, and do we see any trends? I would rather say that at this present moment, as I mentioned just now, the definition of energy security and transition, certain transition projects have become important and an energy security topic, and vice versa. So we see that there is ongoing focus around each of the nation's energy security plans.

One of the most obvious trend that we are looking at is that there's probably an increased discussion around FSRU conversion because of speed to market.

Zhiwei Foo (Macquarie): Thanks. Sorry, one follow up please. I appreciate your guidance on the north of S\$2–3 billion. So based on your order book and your build plan, can we expect that north of S\$2–3 billion to be that run rate for the for rest of 2026?

Chris Ong: It will hover somewhere around there.

Zhiwei Foo (Macquarie): Great, thank you.

Amelia Lee: All right, thanks Zhiwei. Next up we have **Rachael (UBS)**.

Rachael Tan (UBS): Hi, good morning, this is Rachael from UBS. Understand that your reduced order book is due to the removal of the full EPC contract for SEAP I. But in your updated order book, have you included the potential for Brazilian yards and other scope? And could you elaborate more on what sort of opportunities you can work with SBM for SEAP I?

Chris Ong: I think there's a difference between order book and pipeline.

Rachael Tan (UBS): I mean pipeline. Sorry.

Chris Ong: So pipeline – largely increase what we are chasing. But when it comes to subsequent scope... we will work with SBM to provide solutions for whatever that they have. On top of SEAP I, it is in the news that even Guyana there are activities. So the key thing is the breakdown of scope is an ongoing discussion.

Rachael Tan (UBS): Okay, thanks very much. Those are all my questions. Thanks.

Amelia Lee: Okay, thanks Rachael. If you have anything else, you can raise your hand again. Okay, next up we have **Siew Khee (CGSI)**.

Lim Siew Khee (CGSI): Hi, morning Chris and team. I wanted to just ask on margin because you said that it has actually improved – wanted to hear your thoughts on compared to second half...Is it mainly just on normal execution of projects or provision for certain cost? Like why did it improve from second half?

Stephen Lu: Siew Khee maybe I'll take that. I think we've covered it quite a lot in the full year results. As we sort of continued into the quarter, we saw the momentum on the margin improvement. Basically the same factors that we talked about before. If I were to briefly recap, one is the improved project mix as you've mentioned – consistent requirement around mid-teens risk-adjusted margins post-merger. And as Chris mentioned earlier, we have about 1% of our order book being the legacy non-FPSO projects. Two, I think the other part was around lower overheads due to better productivity as well as the divestments that we completed. In 1H26, we'll share more detailed financials. But as we move forward we are also improving our cost structure through the divestments as well as other productivity initiatives.

Lim Siew Khee (CGSI): Okay, so it's project mid-teens adjusted something?

Stephen Lu: The mid-teens risk-adjusted project margins that we have been targeting post-merger.

Lim Siew Khee (CGSI): Yes, but that has always been there. So it's better project mix and also just lower overhead costs and better productivity because you actually saved money from whatever cost that you needed to incur from divestment. Because of divestment you actually managed to save cost. Okay, can.

Just wanted to just check if there are any updates on any litigation or any negotiation with any clients or updates on any litigation that you can just share with us. I know you will say we'll let you know when there's something but just want to hear if there was any progress.

Chris Ong: Siew Khee, there's no further updates since the last quarter. I think we published all the major litigations that we are undergoing. So right now they are all at various stages and I think that some of them are at the stage where decision will be made, arbitration ruling will be made. But we don't have further updates at this point.

Lim Siew Khee (CGSI): Okay, thank you.

Amelia Lee: Thanks Siew Khee. **Luis (Citi)** you have another question for us.

Luis Hilado (Citi): Hi thanks...Just one housekeeping question. Now that you've completed this set of non-core investments, what's the one-off gain that you're going to book in the first half?

Stephen Lu: I think we disclosed that in the full year. But if you took out the divestment that we completed last year, which is the GNL (Guanabara Navegação Ltda) vessels, you're looking at net of tax about S\$160 million.

Luis Hilado (Citi): Okay, great. Thank you.

Amelia Lee: Thanks, next up we have **Tobby (Lianhe Zaobao)**.

Amelia Lee: I think **Tobby (Lianhe Zaobao)** has indicated questions on the chat. First question is on global interest rates. If it remains elevated, are we concerned that this could lead to higher financing costs? And the second question is on the rise in defence spending globally. Is Seatrium looking to pursue more orders or contracts in the defence sector? Maybe Stephen can take the first question.

Stephen Lu: I'll take the first one. As you know we've been diversifying our group funding sources and as of Q1 we've brought down our average cost of debt while also lengthening our debt maturity with the inaugural issuance of the S\$400 million note. I think importantly we're also looking to delever over time as we're able to do so. I think that's the most effective way to guard against the rising interest costs.

Chris Ong: Well, I'll take the second question around defence. Defence is a very important sector for us mainly in our R&U (Repairs & Upgrades) part. It does take up quite a good amount of our revenue contribution. Just for your interest, we actually not only have the Singapore Navy as our clientele in terms of track record, we do have others like Australia, New Zealand, the UK and the US Navies as our usual clientele. So the answer is yes, we are looking actively at this sector.

Amelia Lee: Okay, I hope that answers your question, Toby. If not, please let us know. In the meantime, let's go to **Amanda (Upstream)**.

Chris Ong: Hi Amanda, please go ahead.

Amanda Battersby (Upstream): Thank you very much. Just one question please if I may. We saw on vessels tracking data that there is an FPSO Berantai from Vestigo Petroleum enroute to Seatrium for refurbishing work and I just wondered how in terms of planning and also in terms of sort of rate of return it works out for Seatrium having an FPSO in to be refurbished versus one that is a newbuild please.

Chris Ong: Amanda actually I didn't hear exactly which FPSO you are referring to. But just as a general guidance I think the refurbishment of FPSO falls under the R&U segment and usually we don't guide based on each project, but each of the segment. And as we mentioned the R&U segment usually we do have quite a good margin spread.

Amanda Battersby (Upstream): Thank you very much.

Amelia Lee: Thanks, Amanda. Next up we have **Siew Khee (CGSI)**.

Lim Siew Khee (CGSI): Hi, can we just get a refresher on your input costs and how you manage that? Wanted to just check if there was any escalation clause, if there was any increase in overall cost that you can actually pass through because of the war. I just wanted to see how you manage it.

Chris Ong: This is a very wide question, Siew Khee, but I think each of the contracts is unique. If we start with those turnkey pure EPC contracts, it's a case to case. So if there are avenues to pass through a VO (Variation Order) because of change of specs, it usually happens. When you talk about cost-plus element to it, sometimes cost plus and schedule impacts are considered. For most of the raw materials, indices like steel and all these are embedded inside the contract. But suffice to say most of the contracts that we have, usually they are procured quite upfront in the project so we see minimal impact. I think the war impact itself – we are watching the supply chain projects procured items. Usually what will impact is the transportation route. Energy costs largely under contract beyond this year. So far no impact visible to us.

Lim Siew Khee (CGSI): Okay, thanks.

Amelia Lee: Thanks. Next question from **Adrian (UOB)**.

Adrian Loh (UOB): Apologies, I dialled in slightly late for this, so hopefully this question hasn't been asked yet, but just wanted to get an update on the renewable situation. Now that Iran war is in full flight, has there been a lot more enquiries for renewables/offshore wind? And my second question is around the repairs and upgrades segment. How has the Iran war changed the landscape? Have you seen also an increase in the number of vessels asking for, I guess you know, repairs and upgrades, especially for repairs, maybe for the cruise liners. Thank you.

Chris Ong: Thanks, Adrian. First things first, I guess the war and Middle East, your question is around renewables. Our take on this is again that the theme around security and transition is blurred and is thinning between the two – because depending on which geography you are talking about, we see that

the energy agenda is topmost priority in many other geographies today because of the issue on disruption of supply for oil and gas.

The two things that we see right now in the market – I think that the ambition around renewables, especially in Europe, would probably be a lot more heightened. Whether it's the security question or transition question, that's beside the point. Of course, certain geographies will have to get their lease and development structure correct. And of course Asia as usual, Taiwan dominates and Japan dominates the venture.

Now you also questioned about R&U because of Middle East. I think short-term wise, definitely there are some rerouting, especially when the Middle Eastern yards are out of action. But I think that's a short-term thing. We still have to make sure that we are competitive and add value to our customers.

Then for R&U in terms of FSRU conversion, I mentioned just now, our belief is that there will be a lot more short to medium interest around conversion of FSRUs because that's the shortest cycle time to market to enable terminal reception of LNG into the grid. So these are the few dynamics that are happening probably because of the war, but it remains a very fluid situation because we do not know when that will end. Whether it is a short, medium or long-term impact is still yet to be seen.

Adrian Loh (UOB): Thanks Chris. Just as a follow up, you said that there's short-term rerouting because of the Middle East yards being out of action – so on a year-on-year basis, have you seen an increase in the number of vessels calling in at your yards?

Chris Ong: I won't say that there is an increase. There are some that we are looking at the potential of rerouting. There are discussions around there, but we don't have that fixed outcome yet. Well, whether there's rerouting or whether we are selected because of the risk involved in the Middle Eastern operation, that one sometimes is not that clear cut. It's down to the selection of the customers.

Adrian Loh (UOB): Okay, great. Thanks so much Chris.

Amelia Lee: Thanks Adrian. We have another question from Siew Khee.

Lim Siew Khee (CGSI): So sorry, forgot to ask this question earlier. Chris, just want to actually tap your brains on how you see the rig building market. Anything to get a little bit more excited about or how's your view? Like you know, sometimes you told us that we still need to actually get financing, etc. But has there been any improvement in the rig building side?

Chris Ong: I believe that if you track the day rates of rigs – they have been improving. We are still of the view that there will be a lot of discipline around the industry. I think what will dominate the news that will happen right now in the industry is still consolidation. The general feel with the drilling contractors would be that they are still very disciplined on their cash, having come out from a very bad industry. They are in a much better position right now. But I think that it will still take some time before we start seeing the next rig to be built.

Lim Siew Khee (CGSI): Is there any more servicing of rigs that have not touched water that comes to you? Given that we have so many unutilised rigs or new rigs in the market, do you see that happening?

Chris Ong: The question seems to gravitate towards something. If I interpret you correctly, the refurbishment and the upkeeping of rigs definitely is a very important segment within our R&U business. We did strike some wins in terms of refurbishment in our Brazilian yards for our regular customers for those rigs that are operating in Brazil, same as Singapore in APAC (Asia Pacific). So that probably is their focus right now. And yes, so for our R&U business, we are very focused to make sure that we are competitive and we are able to service that segment.

Now, if you talk about whether there are some rigs that are coming into service and all this, that will largely depend on the business case between the owners of the rigs and the potential buyer.

Lim Siew Khee (CGSI): Yes, I'm asking because if let's say it takes time to actually build and it's costly overall, I'm just seeing whether there's any buyers or anyone out there that would say, okay, let's activate those rigs that have already been built instead of evaluating new build. That's why I'm asking.

Chris Ong: You're talking more around the time to market type of question – of course, the time to market for those rigs probably would be interesting, but it all boils down at the end of the day, what are the buyer and seller terms.

Lim Siew Khee (CGSI): Thanks.

Amelia Lee: Thanks, Siew Khee. We have a question in the chat box from **Ada (OCBC)**, but I think that question has been covered already.

I'll just give it a minute or two to see if there are more questions. If you have a question, please raise your hand and we will get to you shortly.

Okay, I think there are no more questions. So this will bring our call today to a close. If you have more questions for us, or if you need any further clarifications, please feel free to reach out to the IR team.

Thank you and have a lovely day ahead. Bye.

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