



SEATRIUM LIMITED FY2023 RESULTS BRIEFING

**Address by Mr. Chris Ong, Chief Executive Officer
WEBCAST, 26 FEBRUARY 2024 (MONDAY) 10.00AM
@ TUAS BOULEVARD YARD**

Opening Remarks

1. Good morning, and welcome to Seatrium Group's Full Year 2023 results presentation. I'm pleased to have with me, Mr Adrian Teng, Chief Financial Officer.
2. We completed the combination at the end of Feb 2023 and have been extremely busy with the integration and transformation of Seatrium. At the end of last year, we completed our strategic review and capital structure review, and announced last month that we would be writing down surplus and non-core assets in our full year 2023 earnings.
3. This morning, we reported our FY2023 financial results and made two other announcements relating to (i) the resolution of the historical event, Operation Car Wash with the Brazilian authorities; and (ii) a 20: 1 share consolidation exercise.
4. We hope to spend some time going through each of them separately in detail.

Strong Underlying Performance reflecting Operational Excellence (slide 3)

5. In FY2023, we achieved a revenue that has more than tripled to S\$7.3 billion. Underlying EBITDA, which excludes exceptional items jumped 456% year-on-year to S\$628 million from S\$113 million in FY2022.
6. We have narrowed our Underlying Net Loss to S\$28 million for FY2023, from S\$141 million for FY2022. In fact, underlying net profit was S\$33 million in 2H2023, a reflection of an improved underlying business performance.

7. We announced today that the Group has reached in-principle settlement agreements with the Brazilian Authorities in relation to the historical event Operation Car Wash for approximately S\$182.4 million. This latest development provides us with finality on this legal matter, which has been outstanding for some time, with the Brazilian authorities. It also ensures that we are able to continue to participate in tenders and other bidding projects in Brazil. I would like to reiterate that we are determined to uphold the highest standards of governance, and have taken firm steps to put in place policies and procedures to instil the highest standards of discipline, ethics and compliance in our business.
8. Our reported performance in FY2023 was impacted by exceptional items which include write-downs that are non-cash in nature, provisions for onerous contracts, legal and corporate claims, and merger expenses.

2023: A Year of Integration (slide 4)

9. At the end of last year, we completed our strategic review and capital structure review. Arising from that, we have identified our business priorities, and how we will go about achieving the targets we have set. Surplus and non-core assets have been identified and written down. While it widened our reported losses, it is value-accretive in improving Seatrium's productivity, optimising the company's operational structure, and reducing cash operating expenses over time. Our goodwill remains intact.
10. Since the merger, we have re-organised ourselves differently from our old yard-centric ways of doing things. Today, Seatrium is organised around a "One Seatrium" global delivery model where projects are worked on in different yards globally, supported by centralised engineering and technology resources. This way, we will not be limited to a specific yard capacity or resource limitation.
11. Going forward, we will continue to invest in our core assets and capabilities to scale up our business under this new operating delivery model.
12. As part of our capital structure review, we have also announced today, a 20:1 Share Consolidation exercise to increase market interest and attractiveness in our listed shares. This is subject to shareholders' approval at the upcoming AGM in April.

Key Achievements in FY2023 and Year-to-date (YTD) 2024 (slide 5)

13. The Group successfully delivered 13 major projects, with a strong net order book of S\$16.2 billion.
14. During the year, we made great strides on the capital management front, strengthening our balance sheet and improving liquidity. We secured over S\$3.5 billion in new loans/refinancing as well as trade financing in FY2023 and YTD 2024, of which 71% is sustainability-linked or green. As at 1H 2023, you would recall that we were operating at Net Current Liabilities of S\$1.5 billion. We have turned that around very quickly to be in a position of strength with a Net Current Asset position.
15. As a testament to our market recognition, Seatrium was included in the STI and MSCI last year, and has been included in the FTSE4Good index for the fifth year. In addition, we received market recognition in environmental achievement and workplace safety and health awards.
16. As we advance our efforts towards energy transition, we have also strategically launched our new Sustainability Vision 2030. It calls for us to achieve a 40% reduction in carbon emissions by 2030 and Net Zero emissions by 2050.

Energy Transition Continues to Fuel Growth in Offshore Wind (slide 6)

17. Despite the negative developments in the US offshore wind market at the end of last year, we are optimistic on its long-term potential. Just last week, we announced that we have received notification from TenneT that it plans to award and commence work on the third 2GW High Voltage Direct Current (HVDC) offshore Converter Platform in June this year.
18. With this latest project, Seatrium is currently working on five HVDC offshore Converter Platforms, creating a franchise for series-built opportunities in HVDCs to achieve greater synergies from project repeatability. In addition, there are also the HVAC offshore substations as well as the wind turbine installation vessel (WTIV) projects.

Repairs & Upgrades Saw Strong Demand (slide 7)

19. On the repairs and upgrades (RU) business, we are growing our baseload of RU projects globally, with a focus on marine decarbonisation solutions and fleet base agreements for continuity and capacity planning.
20. In the past year, we have completed 291 repairs and upgrades projects, which were successfully completed with a focus on higher value-add upgrades and conversions. Additionally, 46 low-carbon and energy-saving retrofits were carried out, including successful conversion of the world's first ammonia dual fuel vessel, FFI Green Pioneer.

New Orders and Strong Pipeline (slide 8)

21. Seatrrium achieved strong order wins of S\$4.5 billion in FY2023 and YTD 2024¹ that spans across both oil & gas and renewables. Our projects under execution have deliveries that extend through 2030, underpinning our earnings visibility. The pipeline remains strong.

Keeping an Eye on the Future (slide 9)

22. On the technology front, as One Seatrrium, we are proud to have achieved several significant accomplishments in our endeavours to decarbonise the maritime industry. We successfully converted the world's first ammonia dual fuel vessel, FFI Green Pioneer. We have also joined forces with Shell, Penguin International, Vinszen, and Air Liquide in a Hydrogen Pilot Project to integrate a hydrogen fuel cell on a vessel.
23. Our Floating Living Lab was recently chosen by the Maritime and Port Authority of Singapore (MPA) to pilot an innovative mobile charging solution for harbour craft electrification. We have also entered a partnership with ABS on digital transformation and smart initiatives, including the world's first Offshore Structural Health Monitoring notation.
24. During the year, we also launched the NUS-Seatrrium Professorship in energy transition and sustainability, as well as our partnership with the Global Centre for Maritime Decarbonisation (GCMD) on shipboard carbon capture.

¹ Includes Shell's Sparta FPU, and excludes Empire Wind 2 Offshore Substation Platform. Excludes the third 2GW HVDC platform project with TenneT, which was announced on 19 Feb 2024.

Sustainability at the Core of our Business (slide 10)

25. In 2023, as part of our commitment to sustainability, we launched our new Sustainability Vision 2030. Our goal is to operate responsibly, engineer a sustainable future towards Net Zero, and positively impact people and communities. Our Sustainability Vision aims for a 40% reduction in carbon emissions by 2030, and Net Zero emissions by 2050, of which we are proactively working towards.

Closing/ Outlook (slide 11)

26. 2023 was a momentous year for Seatrium. Our contract wins demonstrate the team's ability to seize market opportunities and pivot our business to key focus areas to address market demand. As a leading global player in the industry, we are well-positioned to benefit from the strong tailwinds arising from the energy trilemma.

27. Over the past year, we are already executing on some of the plans from our strategic review, including right-sizing our asset base, strengthening our balance sheet and rationalising our cost structure. The strategic write-downs we have undertaken are expected to create future value for the Group under a more efficient, productive operating model. With these already underway, we are starting the new financial year on a strong footing.

28. Seatrium's achievements today are the result of strong commitment from the Group and our Management team, who have worked tirelessly to deliver what I consider a very satisfactory performance in a challenging year of integration.

29. Looking ahead, we are committed to converting our robust order book into quality and timely project deliveries, improving earnings and building a resilient business. Supported by strong industry tailwinds, the Group is focused on delivering an improved financial performance in FY2024.

30. I will now hand over to Adrian, our CFO, for the financial results review.

31. Thank You.

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