

# Bumi Armada Berhad

## Q2 2021 Financial Results



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# Bumi Armada Q2 2021

## Health, Safety and Environment

### Key HSE Milestone Achievements

- Armada TGT 1 - 10 years LTI free
- Armada Olombendo FPSO - 4 years LTI free
- FSU Armada LNG Mediterrana - 4 years LTI free
- Armada Sterling - 8 years LTI free
- Armada Sterling II - 6 years LTI free
- Karapan Armada Sterling III - 4 years LTI free
- OSV Vessels – HSE recognitions from Shell and ExxonMobil for Behavioural Safety and proactive onboard Safety Observation.

### HSE Performance

- A Lost Time Injury (“LTI”) reported at Armada Kraken in Q2 2021 - Injured Person (IP) lost their balance during housekeeping activities and injured a finger.

### COVID-19 mitigations

- Health and Safety protocols in place for onshore and offshore operations with ongoing mental health awareness talks conducted across the organisation

# Bumi Armada Q2 2021

## FPO Performance

Revenue (RM)      Segment Results (RM)

**533.1 mil      344.7 mil**

<i>Average Uptime</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021
Owned Units* (4)	99%	99%	98%	99%
JV Units (3)	100%	98%	99%	100%

*\* Excludes Armada Claire*

- Solid Q2 performance with challenges associated with COVID 19 being managed.
- Armada Kraken shutdown on 5<sup>th</sup> April due to very bad weather causing gas detectors to activate leading to plant shutdown.
- Karapan Armada Sterling 3 had planned shutdown in April 2021.
- Armada Olombendo, Armada Sterling, Armada Sterling II, Armada TGT1 and Armada LNG Mediterrana all met production targets.



# Bumi Armada Q2 2021

## OMS Performance

Revenue (RM)      Segment Results (RM)

**82.5 mil      7.2 mil**

<i>Utilisation</i>	Q3 2020	Q4 2020	Q1 2021	Q2 2021
OSV Fleet	56%	49%	44%	70%

- Higher OMS revenue due to higher OSV utilisation in Q2 2021 vs Q1 2021 and disposal of laid-up vessels.
- Vessel utilisation in Q2 2021 was 70% vs 44% in Q1 2021.
- Two (2) vessels were disposed of in Q2 2021 with profit on sale of RM12.2mil recorded.
- Balance fourteen (14) vessels remaining as at 30 June 2021, of which six (6) vessels are classified as Non-Current Assets Held-For-Sale.
- Vessel impairment of RM103.7mil related to eight (8) of the remaining vessels was recognised in Q2 2021 resulting from recoverable amount lower than carrying amount.

# Financial Performance



# Key Takeaways

- Q2 2021 versus Q1 2021
  - Revenue  9% to RM616mil.
  - Gross profit  5% to RM237mil.
  - FPO revenue  8% to RM533mil.
  - OMS revenue  22% to RM82mil.
  - Impairment of RM104mil in Q2 2021. Gain on sale of vessels RM12mil.
  - Operating profit before impairment <sup>(2)</sup>  <1% to RM279mil.
  - Group net profit <sup>(1)</sup> before impairment <sup>(2)</sup>  50% to RM244mil.
  - Group net profit <sup>(1)</sup> after impairment <sup>(2)</sup>  14% to RM140mil.
  - Trade receivables  30% to RM622mil mainly due to delayed collection from a customer which has been received in early July 2021
- Q2 2021 debt repayment of US\$96mil.

(1) Attributable to Owners of the Company

(2) Impairment on vessels



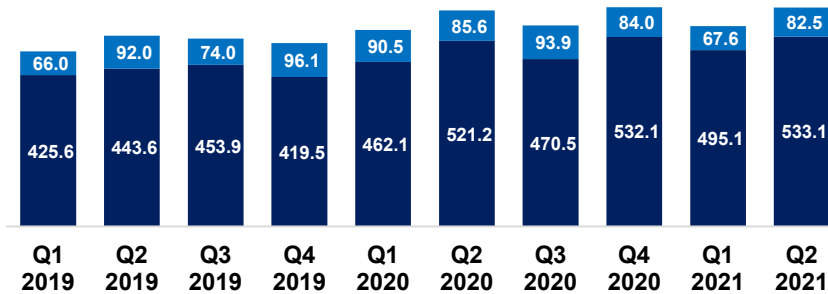
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# Financial Performance Over Time

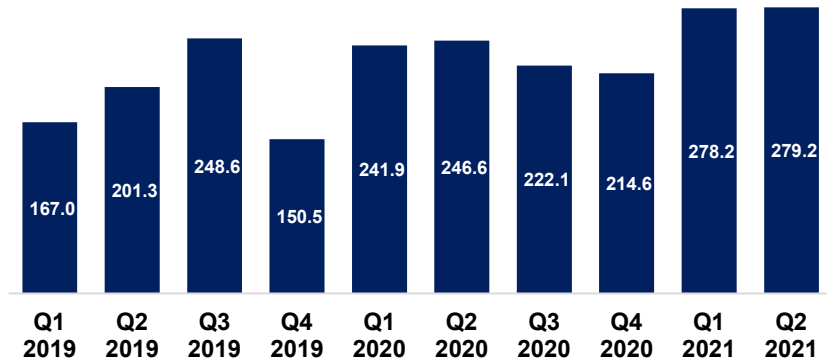
(All amounts shown are in RM' mil)

## Revenue

■ FPO ■ OMS

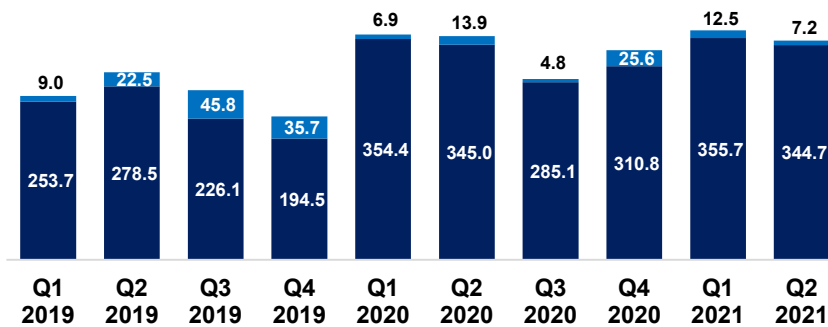


## Operating Profit before Impairment <sup>(2)</sup>

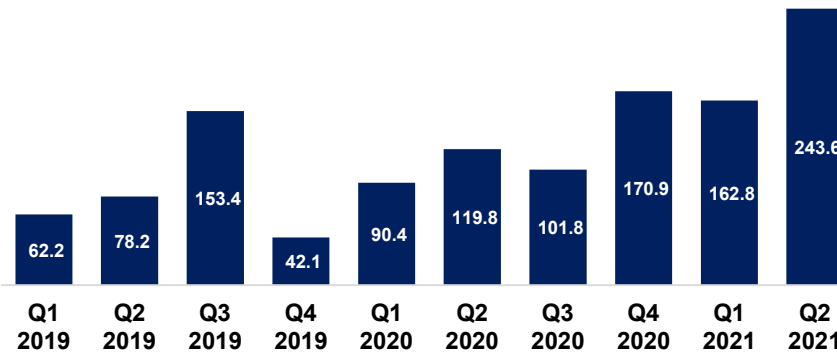


## Segment Results

■ FPO ■ OMS



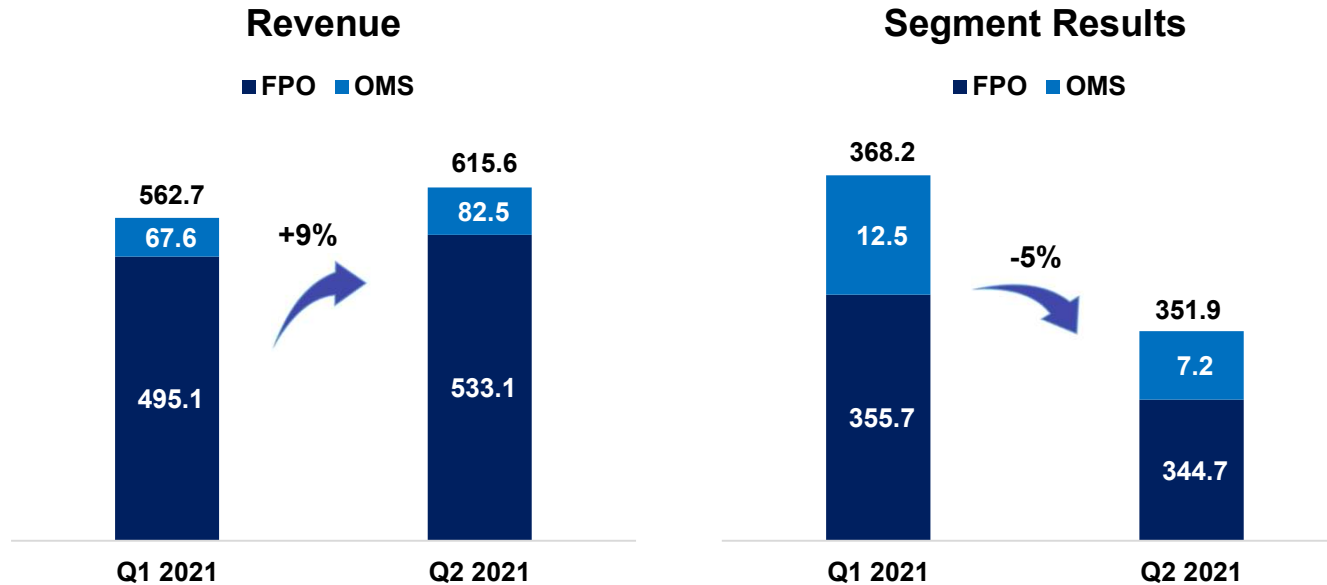
## Net Profit <sup>(1)</sup> before Impairment <sup>(2)</sup>



(1) Attributable to Owners of the Company

(2) Impairment of vessels and allowance for impairment losses on accrued lease rentals

# Results Overview – Q2 2021 vs. Q1 2021 (RM' mil)



## FPO:

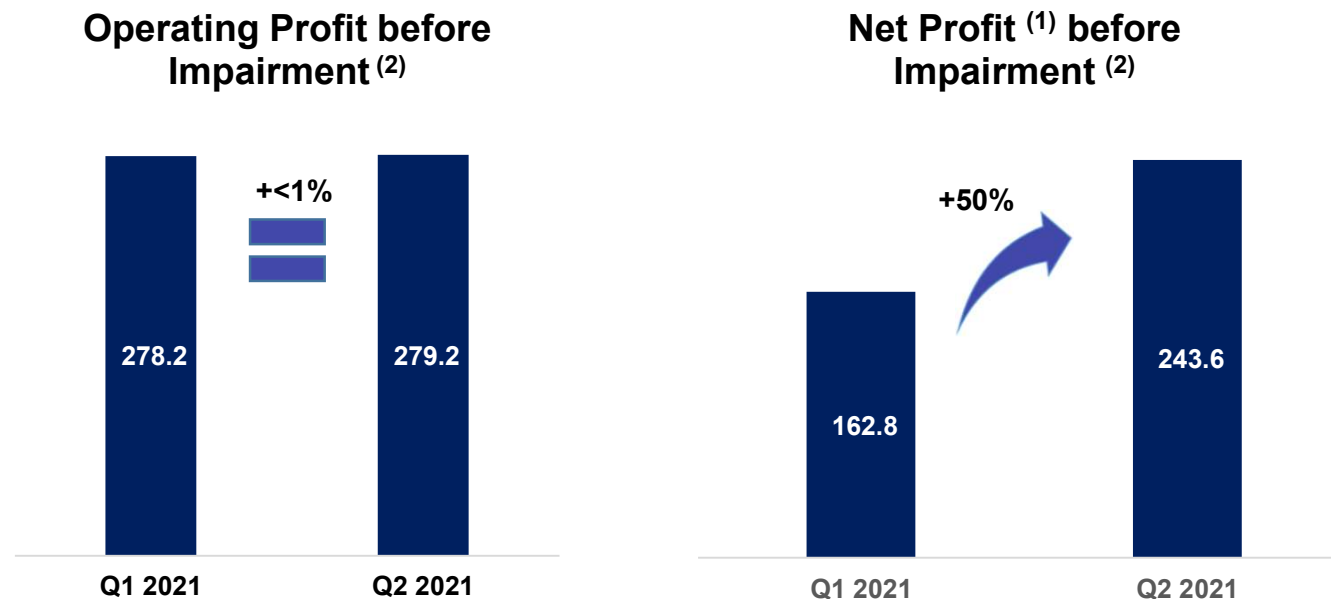
- **Revenue increased** mainly due to higher vessel availability for Armada Kraken FPSO.
- **Segment results decreased** mainly due to higher fleet operating costs and lower foreign exchange gain arising from translation of intercompany balances denominated in foreign currency.

## OMS:

- **Revenue increased** mainly due to higher charter of third-party vessels to fulfil obligations to customers for vessels which were sold and higher OSV utilisation in Q2 2021 as compared to Q1 2021.
- **Segment results decreased** mainly due to lower contribution from OSV, which was offset by foreign exchange gain arising from translation of intercompany balances denominated in foreign currency as compared to foreign exchange loss in Q1 2021.



# Results Overview – Q2 2021 vs. Q1 2021 (RM' mil)



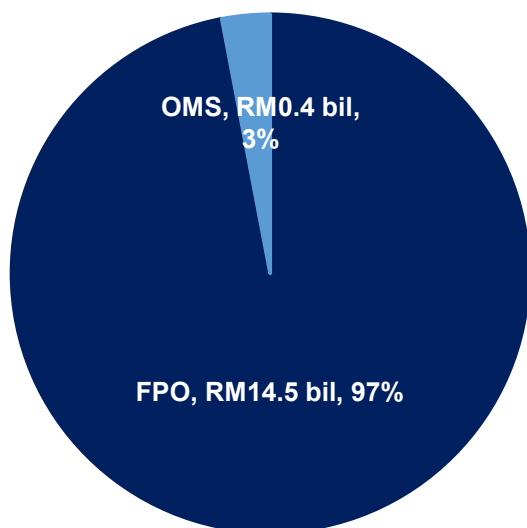
- **Operating profit before impairment** increased marginally compared to Q1 2021.
- **Increased net profit before impairment** mainly due to higher share of results of joint ventures and associates, lower tax expenses and higher other operating income in Q2 2021.

<sup>(1)</sup> Attributable to Owners of the Company

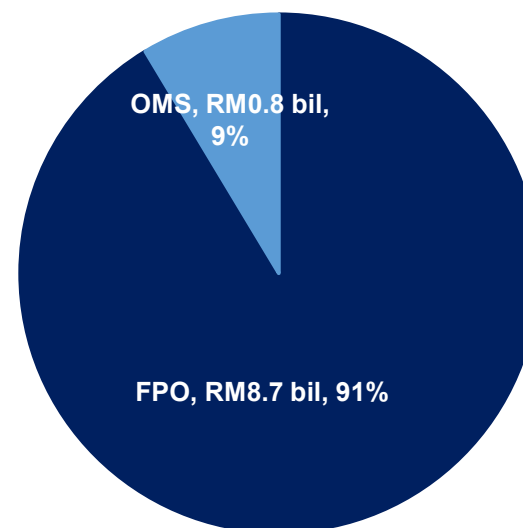
<sup>(2)</sup> Impairment of vessels

# Order Book as at 30 June 2021

As at 30 June 2021, the Group's firm order book stood at RM14.9bil. Upon expiration of the firm contract period, certain contracts contain extension options which are renewable on an annual basis with a total potential value of RM9.5bil over the entire optional extension period.



**Firm contract period order book:  
RM14.9 bil**



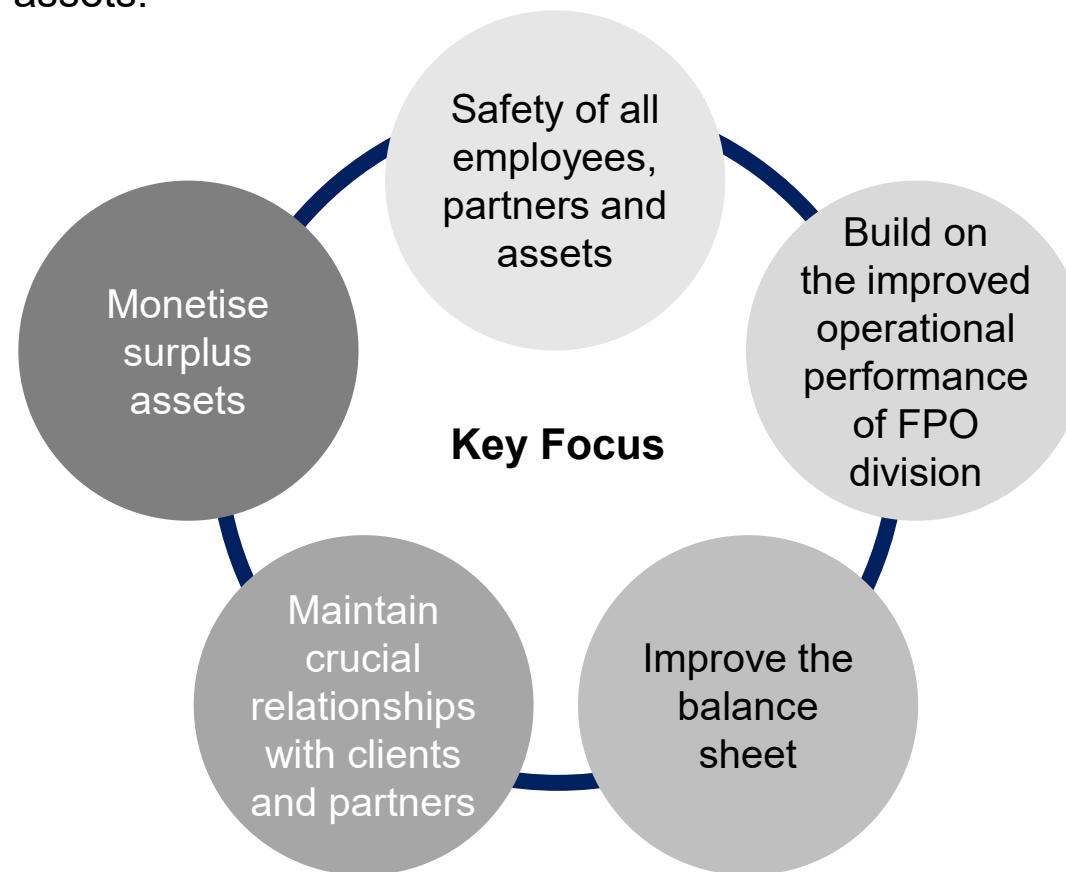
**Optional extension period order book:  
RM9.5 bil**

# Outlook



# Outlook

While there are ongoing concerns on the impact of the COVID-19 pandemic, the Group expects the FPO business to be relatively stable for the remainder of 2021. The OMS business is anticipated to contract over time in line with the Group's on-going plan to monetise surplus assets.



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# Q & A





