



Marco Polo Marine Limited 3QFY2024 Updates

Aug 2024



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Corporate Overview

Regional integrated marine logistics company engaging in ship chartering and shipyard businesses



STOCK DATA



Stock Code

SGX:5LY



Market Cap
(as of 23 Aug 2024)

~S\$195.408m



Free Float

~51.3%



Major Shareholders

Lee Family
22.6%


APRICOT
CAPITAL

16.5%



PENGUIN

8.1%

Complementary Business Segments



Ship Chartering

MAINTENANCE WORK VESSELS

OSVs (AHTs & AHTSs)

TUGS & BARGES

- **1 CSOV (new building in progress) (Revenue recognition expected from 1HFY2025)**
- **Wind Farm related vessels (2x CTVs)**
- **14 OSVs, including 2 Maintenance Work vessels (MWVs) (vessel age: 8-17 years)**
- **Average age of OSV fleet: ~10 years**
- **9 Tugboats and 7 Barges (vessel age: 6-15 years)**
- **Indonesian presence through PT Bina Buana Raya**



Ship Building & Repair

SHIPBUILDING

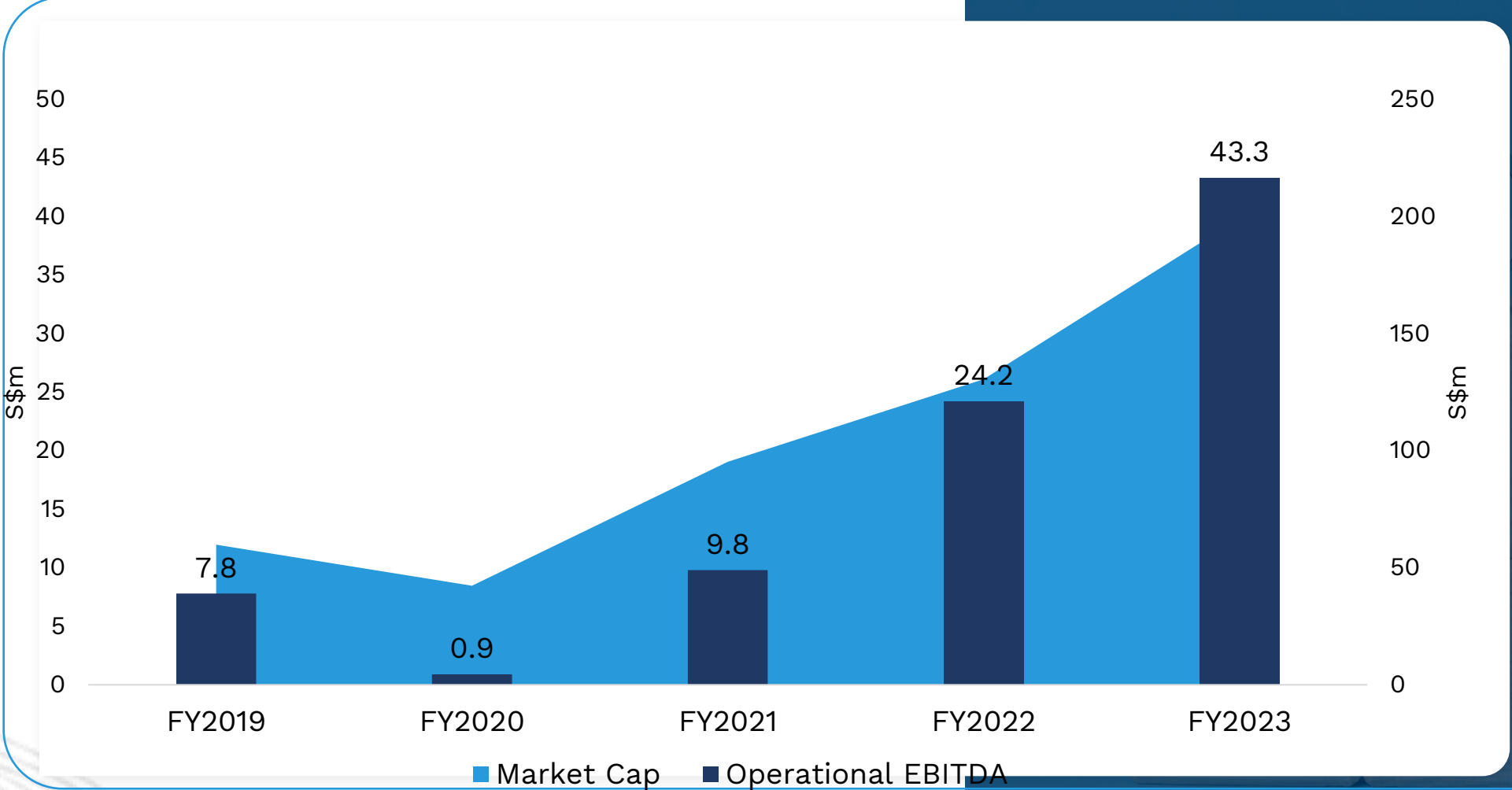
CONVERSION & OUTFITTING

REPAIR & MAINTENANCE

- **One of the larger shipyards in Indonesia**
- **Ship building, conversion and outfitting**
- **Offshore fabrication works**
- **Ship repair and maintenance (more than 1,000 repair projects completed in last 10 years)**
- **Construction of 4th dry dock (Revenue recognition expected from 1HFY2025)**



Consistent Growth in Market Valuation





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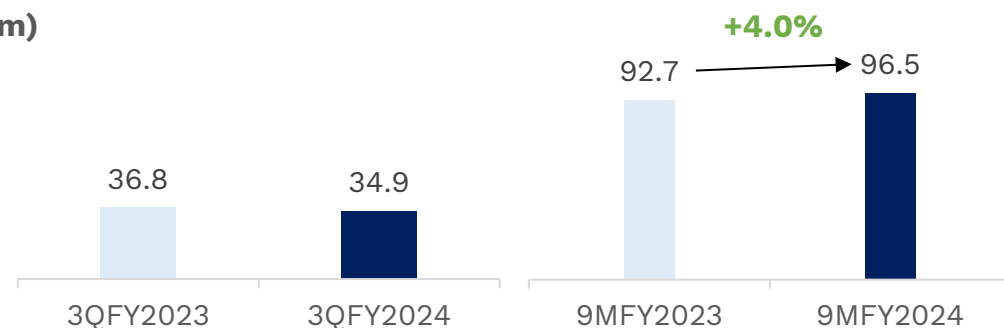
3QFY2024 Highlights



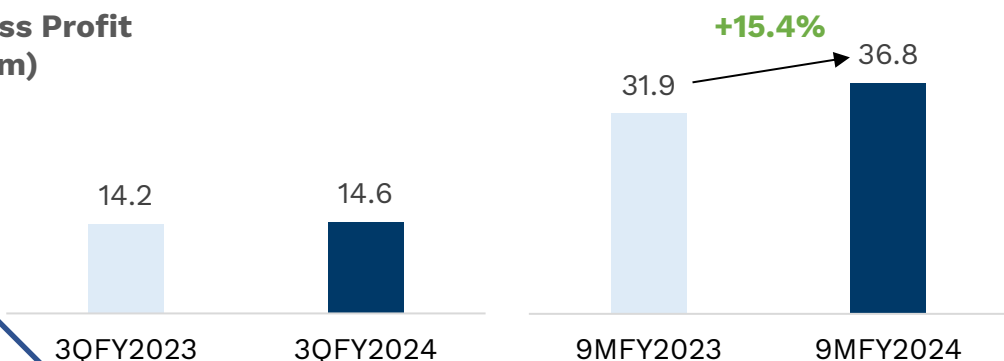
3QFY2024 and 9MFY2024 Highlights

Higher Gross Profit in 3QFY2024 Driven by the **Ship Chartering** Segment Despite Revenue Weakness

Revenue
(S\$m)



Gross Profit
(S\$m)



- Higher Average Charter Rates
- Increased Rechartering of Third-Party Vessels
- Decreased 3rd Party Ship Repair Volume



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



Segmental Performance and Outlook

Shipyard Segment Impacted by CSOV Construction

Reduced Shipyard Activities in 3QFY2024

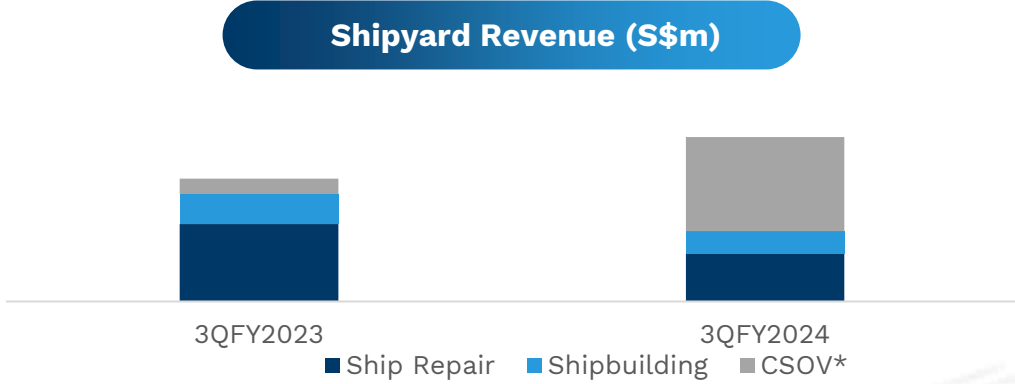
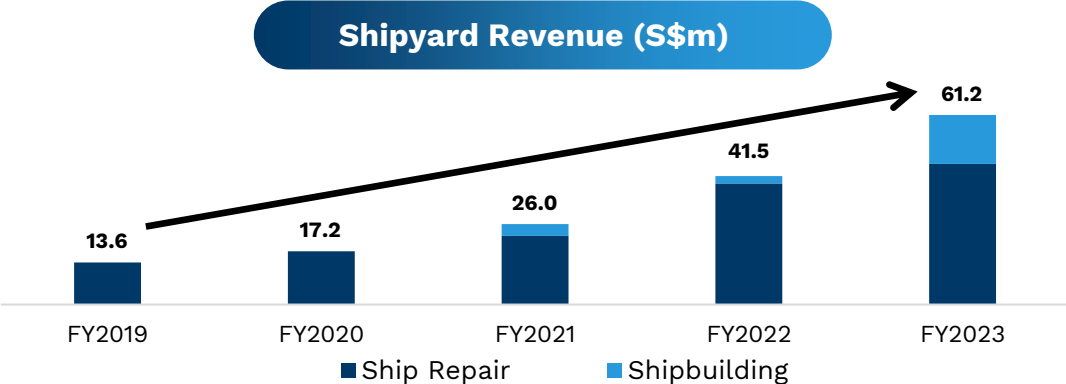


Lower Ship Repair Volumes due to One Dry Dock Occupied by CSOV Construction



Decreased 3rd Party Shipbuilding Activities Contributing to Revenue Decline

Ship repairs is a long-term business with 50-70% repeat customers.



The shipyard was operating at an average utilisation rate of 96% in 3QFY2024 (vs. 3QFY2023: 93%)

*CSOV revenue is eliminated and excluded from Group-level totals.

Ship Chartering Drives Growth in 3QFY2024

Strong Ship chartering performance due to

- ◆ Higher charter rates secured by OSV fleet and favourable supply-demand environment.
- ◆ Rechartering of third-party vessels at higher rates for short-term offshore projects.

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



Average charter rates increased Y-o-Y in 3QFY2024

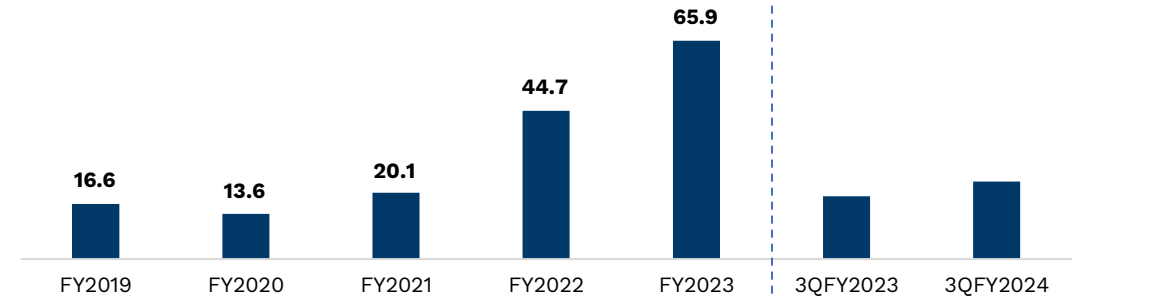
Demand for OSVs from the offshore oil & gas and renewable energy sectors continues to drive higher charter rates.



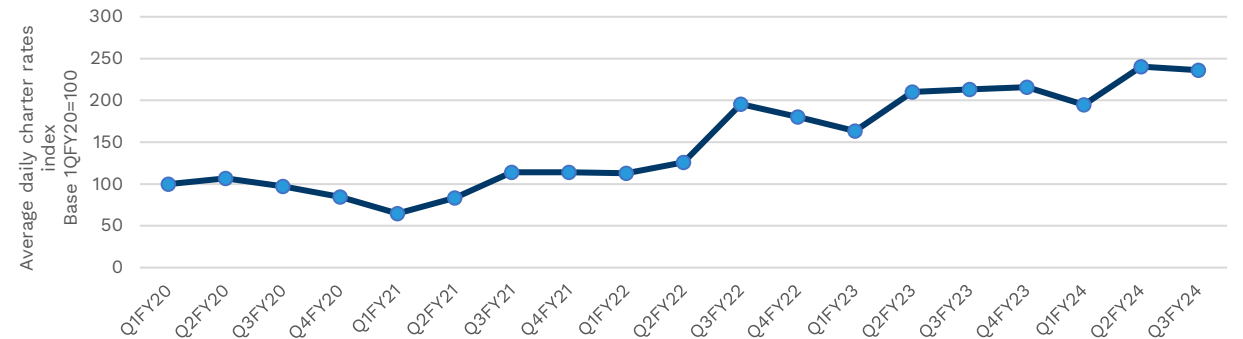
Average utilisation rates reverted closer to historical mean in 3QFY2024

3QFY2024: 86% vs 3QFY2023: 92%.

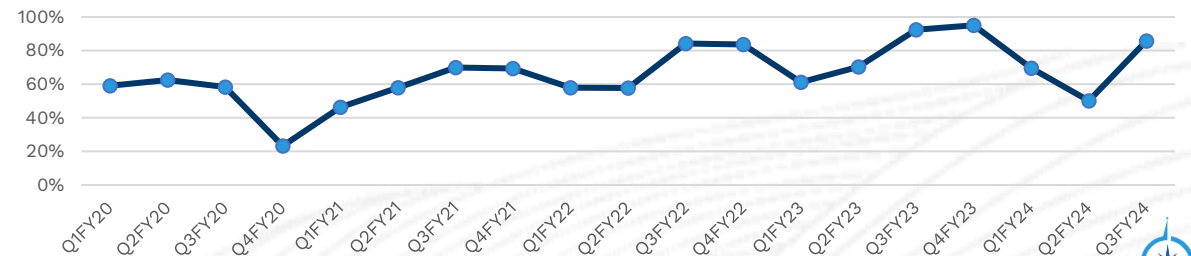
Ship Chartering Revenue (\$m)



Average Charter Rates



Average Utilisation Rates



Outlook- Continued Growth in Ship Chartering



Ship Chartering

The ship chartering segment will continue to drive growth.

- The tight supply-demand balance in the offshore market is likely to continue driving demand for OSVs and support higher average charter and utilisation rates.



Shipyard

Ship repair volumes to pick up after end Aug

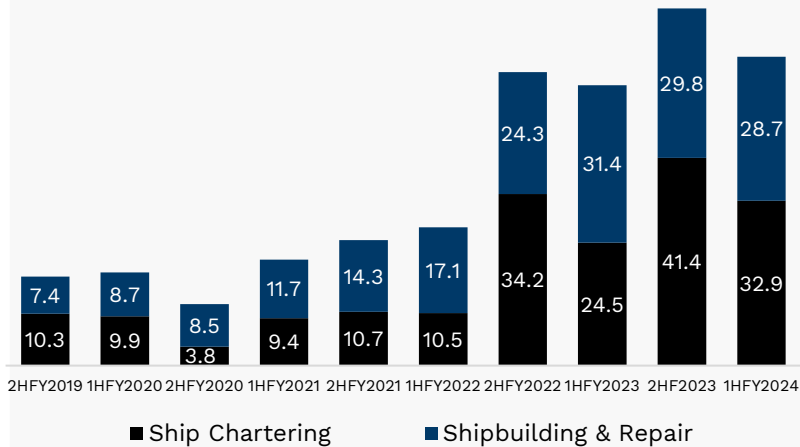
- The Group expects ship repair volumes to return to normalcy as the third dock is freed up from the CSOV at the end of August 2024.
- The remainder of the CSOV's construction will be completed on the slipway.

4th Drydock Construction

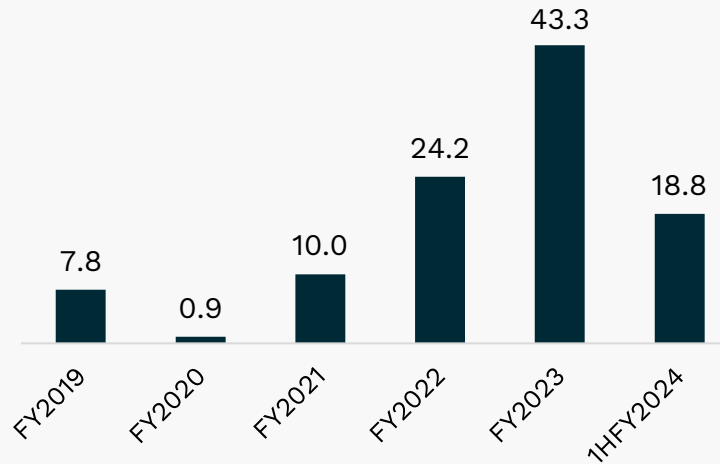
- The 4th drydock has commenced construction in May 2024 and expected to be completed by February 2025.

Financial Overview

Revenue (S\$m)

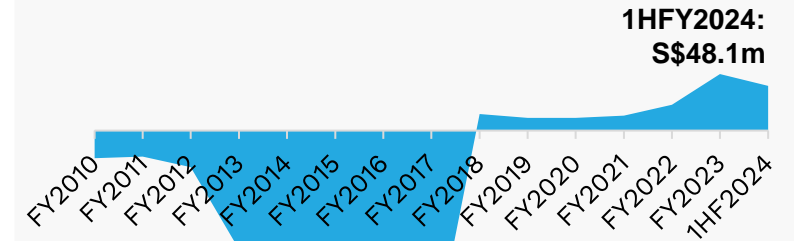


Operational EBITDA* (S\$m)



*Excluding share of results from Joint Ventures

Net (debt)/cash (S\$m)



Continued growth momentum in earnings

- Adjusted net profit to owners rose 30.6% y-o-y to S\$11.1 million in 1HFY2024, compared to S\$8.5 million in 1HFY2023.



Optimistic Outlook

- Robust demand from the Taiwan offshore wind farm and oil and gas markets will support the utilisation and charter rates of its OSVs in the coming quarters.
- Fourth dry dock is scheduled to be completed in 1HFY2025.
- CSOV is approximately 69% complete as of 31 March 2024.



Net Cash Position

- S\$48.1m as of 31 Mar 2024.

Summary and Investment Merits



Attractive Valuation

- As of 31 March 2024, the Group's net asset value was S\$0.051/share. This figure comprises a portfolio of tangible assets that includes cash and property, plant, and equipment (PPE).
- The Group owns a shipyard in Batam (occupying more than 34 ha of land area) and 14 OSVs, including 2 MWVs, 9 tugboats, and 7 barges.



Strong Net Cash Position

- As of 31 March 2024, the Group has a net cash position of S\$48.1m.



Pivoted to renewables to increase utilisation and boost profitability

- The entry into new target markets has diversified 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.





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THANK YOU

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