



For Immediate Release

Marco Polo Marine's 1H2023 EBITDA more than Doubles as Shipyard and Ship Chartering Revenue Soar

- **Strong recurring revenues in shipyard and ship chartering segments drive triple-digit Y-o-Y EBITDA growth of 167% for Marco Polo Marine in 1HFY2023.**
- **In 1HFY2023 recurring net profit surged by 372% to S\$8.5m, excluding one-off gain and unrealised foreign exchange difference.**
- **Marco Polo Marine records significant Y-o-Y revenue growth of 102% in 1HFY2023.**
- **Ship chartering segment drives revenue surge of 133% Y-o-Y in 1HFY2023, led by consolidation of PT Pelayaran Nasional Bina Buana Raya Tbk (“PT BBR”) and PKR Offshore Co. Ltd. (“PKRO”), higher utilisation and stronger charter rates.**

SINGAPORE, May 11, 2023 – Marco Polo Marine Ltd. (SGX:5LY) (“Marco Polo Marine” or the “Company”, and together with its subsidiaries, “the Group”), a reputable regional integrated marine logistics company, today announced its financial results for the half year ended 31 March 2023 (“1HFY2023”).

During the first half of FY2023, the Group experienced exceptional revenue growth, achieving more than double the revenue compared to the previous year, with an increase from S\$27.6 million to S\$55.9 million. This significant increase in revenue can be attributed to the outstanding performance of both the Ship Chartering and Ship Building & Repair Operations. As a result, the gross profit also surged to an impressive S\$17.7 million, a 116% Y-o-Y increase.



1HFY2023 Financial Highlights

S\$ million	1HFY2023	1HFY2022	Y-o-Y % change
Revenue	55.9	27.6	102%
Gross Profit	17.7	8.2	116%
Gross Profit Margin	31.6%	29.6%	-NM-
EBITDA*	15.5	5.8	167%
EBITDA Margin	27.7%	21.0%	-NM-
Net Profit	5.8	10.7	-46%
Net Profit to Owners	4.2	10.8	-61%
Adjusted Net Profit to Owners*	8.5	1.8	372%

**Excludes foreign exchange losses, reversal of impairment loss on receivables, one-off items arising from the remeasurement of previously held equity interest, bargain purchase and acquisition of debt and the disposal of a vessel*

During the first half of FY2023, the Group experienced a growth in its Ship Chartering Operations revenue, reaching S\$24.5 million, a 133% increase compared to the S\$10.5 million recorded in the same period of the last fiscal year. This impressive revenue jump can be attributed to a boost in vessel utilization and charter rates of their offshore vessels as well as the consolidation of revenue from its Indonesian subsidiary PT Pelayaran Nasional Bina Buana Raya (“BBR”) and Taiwan-based offshore renewables service PKR Offshore (“PKRO”), of which the Group holds a 70.7% and 49% stake ownership in respectively.

The Group's Shipyard segment saw a remarkable increase in revenue of 84% year-on-year, rising to S\$31.4 million in 1HFY2023 from S\$17.1 million in 1HFY2022. This impressive growth was driven by higher contract values for ship repair jobs and increased revenue from ship-building activities, as the Group began construction on several tugs and barges during the current period.

The Group's adjusted net profit, which excludes one-off gains and foreign exchange losses, witnessed a remarkable increase of 372% from S\$1.8 million in 1HFY2022 to S\$8.5 million in 1HFY2023. This significant surge in adjusted net profit reflects the Group's strong performance in generating consistent and recurring profits, underscoring its financial stability and sustainable earnings growth.



Segmental Breakdown

S\$ million	1HFY2023	1HFY2022	Y-o-Y % change
Ship Chartering Operations ("Ship Chartering")	24.5	10.5	133%
Ship Building & Repair Operations ("Shipyard")	31.4	17.1	84%
Total Revenue	55.9	27.6	102%

Other operating income decreased from S\$10.7 million in 1HFY2022 to S\$2.2 million in 1HFY2023, largely due to lower non-recurring gains. The Group's other income in 1HFY2022 mainly consisted of a gain on remeasurement of the previously held equity interest in PT BBR amounting to S\$5.2 million, as well as the reversal of impairment loss on receivables from its PT BBR subsidiary, amounting to S\$4.2 million.

Administrative expenses rose to S\$5.6 million in 1HFY2023 from S\$4.4 million in 1HFY2022, mainly due to increased staff costs, including variable bonus pay-outs and increased headcounts resulting from the acquisitions of PT BBR and PKRO.

Other operating expenses also increased to S\$7.5 million in 1HFY2023 from S\$3.0 million in 1HFY2022, due to an increase in foreign exchange loss.

The Group's share of profits from jointly controlled companies decreased to S\$0.1 million in 1HFY2023 from S\$0.2 million in 1HFY2022, mainly due to the share of profits in Pelayaran Era Sdn Bhd.

Excluding foreign exchange losses and one-off items, the EBITDA of the Group increased significantly to S\$15.5 million in 1HFY2023 from S\$5.8 million in 1HFY2022.



"We are glad with our performance in the first half of 2023," said Sean Lee, CEO of Marco Polo Marine. "Our Ship Chartering and Shipyard operations experienced strong growth due to increased demand and also as a result of the Group's expansion plans. The offshore windfarm sector continues to present vast potential for the Group we are seeing that this positive momentum will continue into the second half of 2023 and beyond, while delivering sustainable growth and value to our stakeholders."

Outlook

The offshore and shipping industries are currently being challenged by geopolitical uncertainties arising from the ongoing Russia-Ukraine conflict and the tensions in the Taiwan straits and South China Sea. There are also signs of a weakening global economy due to tighter monetary conditions. To maintain competitiveness in this complex environment, the Group is focusing on boosting operational efficiency and implementing cost reduction measures. Additionally, the Group is continuing to progress its activities in the renewable energy sector as it develops on the progress made in the last couple of years.

In the ship chartering business, support will be maintained for the Taiwan offshore windfarm market through the joint venture Oceanic Crown Offshore Marine Services Ltd. and the acquisition of PKR Offshore Co. Ltd. Anticipated increased demand for the fleet of OSVs aligns with the expected upswing in oil and gas activities.

In the shipyard division, the Group is working towards securing ship repair and maintenance orders by increasing its customer base internationally. To date, several new build contracts for the construction of barges have already been secured and are in the process of being delivered up until 1HFY2024. The construction of the Group's Commissioning Service Operation Vessel is at 13% completion, with a forecast delivery date in the first quarter of 2024.

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About Marco Polo Marine

Listed on the Mainboard of the SGX-ST since 2007, Marco Polo Marine Ltd is a reputable regional integrated marine logistics company which principally engages in shipping and shipyard operations.

The Group's shipping business relates to the chartering of Offshore Supply Vessels ("OSVs") for deployment in the regional waters, including the Gulf of Thailand, Malaysia, Indonesia and Taiwan, as well as the chartering of tugboats and barges to customers, especially those which are engaged in the mining, commodities, construction, infrastructure and land reclamation industries.

Under its chartering operations, the Group has diversified its activities beyond the oil and gas industry to include the support of offshore windfarm projects. The burgeoning offshore wind energy industry in Asia is at a nascent stage where structures are in the process of being installed, which presents tremendous opportunities for the Group whose fleet is able to support the development of these projects.

The Group's shipyard business relates to ship building as well as the provision of ship maintenance, repair, outfitting and conversion services, which are carried out through its shipyard located in Batam, Indonesia. Occupying a total land area of approximately 34 hectares with a seafront of approximately 650 meters, the modern shipyard also houses three dry docks, which have boosted the Group's technical capabilities and service offerings to undertake projects involving mid-sized and sophisticated vessels.

For more information, please refer to our corporate website: www.marcopolomarine.com.sg

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