



Company Registration Number: 196300098Z

Seatrium FY2023 Financial Results

Seatrium Achieves Positive EBITDA for FY2023

- **Strong project execution with 13 key deliveries**
- **Robust performance with revenue up 274%, underlying EBITDA up 456%**
- **Post Strategic Review write-down of surplus and non-core assets to drive productivity, optimise operational structure and reduce cash operating expenses going forward**
- **Focused on investing in core assets and capabilities to scale our business**
- **Reaches In-Principle Settlement Agreements with Brazilian Authorities of approximately S\$182.4 million, in relation to the historical event *Operation Car Wash***

Singapore, 26 February 2024 – Seatrium Limited (Seatrium, or the Group) today announced its full year (FY2023) and six months ended 31 December 2023 (2H 2023) results.

Seatrium recorded a revenue of over S\$7.3 billion for FY2023, a three-fold increase over S\$1.9 billion for FY2022, attributable to strong operational execution, achievement of production milestones, and initial contributions from new projects.

The Group achieved an EBITDA of S\$236 million for FY2023, compared to a negative EBITDA of S\$7 million in the same period last year, reflecting improved operational performance. Excluding exceptional items¹, Underlying EBITDA jumped 456% year-on-year to S\$628 million from S\$113 million in FY2022.

Group Net Loss was S\$1.9 billion in FY2023 compared to S\$261 million in FY2022. This was largely due to non-cash write-downs, provisions for contracts, legal and corporate claims, and merger expenses, which amounted to S\$2.0 billion for FY2023. Excluding exceptional items, Underlying Net Loss was S\$28 million.

Seatrium's delivery record continues to strengthen in FY2023 with its strong focus on operational performance. The Group successfully delivered 13 key projects in FY2023 and year-to-date 2024, including *Whale* FPU newbuild for Shell Offshore Inc, *Almirante Tamandaré* FPSO for SBM Offshore, *Léopold Sédar Senghor* FPSO for MODEC, and several prominent conversion projects such as the world's second FLNG conversion, *Golar Gimi*, Greece's first FSRU, *Alexandroupolis*, and *Energos Celsius* FSRU for New Fortress Energy. The Group also announced the successful delivery of *Brassavola*, Singapore's First Membrane LNG Bunker Vessel in January 2024.

The Repairs & Upgrades segment saw strong demand, with 291 projects successfully completed, including 46 low-carbon/energy-saving retrofits and environmental regulatory works. In addition, the Group successfully converted the world's first ammonia dual fuel vessel, *FFI Green Pioneer*.

¹ Exceptional items comprise write-downs, provisions for contracts, legal and corporate claims, and merger expenses

Seatrium achieved strong order wins of S\$4.5 billion in FY2023 and year-to-date 2024², including notable contract wins such as two 2-gigawatt HVDC Offshore Converter Platforms from TenneT and Sparta FPU from Shell Inc. The Group's net order book stands at S\$16.2 billion, comprising approximately 39% renewables and cleaner/green solutions.

During the year, the Group strengthened its balance sheet with a stronger liquidity position and improved debt maturity profile. The Group proactively secured over S\$3.5 billion in new loans, refinancing, and trade financing, including over S\$2.5 billion in green or sustainability-linked facilities³. In addition, the Group collected almost S\$1 billion in receivables from Borr Drilling two years ahead of time and increased its cash holdings to over S\$2 billion, with undrawn committed credit facilities of over S\$1 billion. Net gearing was 0.12 times as at 31 December 2023 compared to 0.26 times as at 31 December 2022.

As part of its capital structure review, the Group also announced that it will undertake a 20:1 share consolidation exercise to increase market interest and attractiveness in its listed shares, subject to shareholders' approval at the upcoming Annual General Meeting.

The Group also announced today that it has reached in-principle settlement agreements with the Brazilian Authorities in relation to the historical event *Operation Car Wash*⁴, amounting to a settlement payment of R\$670.7 million (equivalent to approximately S\$182.4 million⁵), subject to post-closing compliance obligations. In addition, the Group has also made a provision of S\$82.4 million for indemnity to Keppel Corporation in relation to this matter. The Group has already implemented effective compliance controls and rigorous anti-corruption training and compliance regimes.

Mr Chris Ong, CEO of Seatrium said, "We are pleased to deliver strong operational performance for Seatrium's first financial year. The positive EBITDA reflects our strong focus on project execution. In our first year of integration, we made significant progress in bringing together our people and processes, as well as putting in the building blocks for our future growth.

The in-principle settlement agreements with the Brazilian Authorities allow us to move forward as a new organisation committed to the highest standards of governance. With the combination successfully completed, the Group is on track with its transformational journey led by a diverse, international Board and an experienced management team. Our focus will be on executing our strategy to build a sustainably profitable and resilient business." Mr Ong added.

Financial Highlights

S\$ million	2H2023	2H2022	+/(-) %	FY2023	FY2022	+/(-) %
Revenue	4,406	852	417	7,291	1,947	274
Underlying EBITDA*	370	45	722	628	113	456
Underlying Net Profit/(Loss)*	33	(85)	n.m.	(28)	(141)	n.m.
<i>Exceptional items</i>	<i>(1,795)</i>	<i>(33)</i>	<i>n.m.</i>	<i>(2,026)</i>	<i>(120)</i>	<i>n.m.</i>
EBITDA	201	12	n.m.	236	(7)	n.m.
Net Loss	(1,676)	(118)	n.m.	(1,940)	(261)	n.m.

*Underlying excludes exceptional items, which comprise write-downs, provisions for contracts, legal and corporate claims, and merger expenses

² Includes Shell's Sparta FPU and excludes Empire Wind 2 Offshore Substation Platform. Excludes the third TenneT project which was announced on 19 February 2024, which will be awarded and will commence in June 2024.

³ Includes the S\$400 million Green Loan from UOB for Eco-Projects

⁴ Subject to the review and final approval by the Federal Court of Accounts ("TCU"), and the Fifth Chamber for Coordination and Review of the MPF (the "Fifth Chamber").

⁵ The settlement amount is subject to both inflation and currency adjustment until the date of the Company's payment of the settlement amount. Conversion to S\$ is based on FY2023 December book closing rate of 0.272.

Outlook

Looking ahead, the offshore & marine industry continues to be well supported by strong industry tailwinds arising from the global energy transition and energy security.

In line with its business transformation, Seatrium undertook a strategic review of its business focus, operational footprint, and assets in 2023. The Group has written down surplus and non-core assets in the FY2023 results, and this is expected to drive productivity, optimise operational structure and reduce cash operating expenses going forward. The Group will continue to invest in its core assets and capabilities to scale the business.

With the successful completion of the integration and strategic review, the Group is expected to benefit from its deep customer relationships and derive greater synergies from an enlarged business footprint, operational scale and enhanced capabilities. Seatrium is committed to executing its robust order book into quality and timely project deliveries, improving its earnings and building a resilient business. The Group is focused on delivering an improved financial performance in FY2024.

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About Seatrium Limited

Seatrium Limited (formerly Sembcorp Marine Ltd and renamed as Seatrium Limited following its merger with Keppel Offshore & Marine Ltd) provides innovative engineering solutions to the global offshore, marine and energy industries. Headquartered in Singapore, the Group has 60 years of track record in the design and construction of rigs, floaters, offshore platforms and specialised vessels, as well as in the repair, upgrading and conversion of different ship types.

The Group's key business segments of Oil & Gas Newbuilds and Conversions; Renewables and New Energies; Specialised Shipbuilding; and Repairs & Upgrades provide a diverse suite of products and services, with a growing focus on sustainable solutions to advance the global energy transition and maritime decarbonisation.

As a premier global player offering offshore renewables, new energy, and cleaner offshore & marine solutions, Seatrium is committed to delivering high standards of safety, quality, and performance to its customers who include major energy companies, owners of floating production units, shipping companies and cruise and ferry operators.

Seatrium operates shipyards and other facilities in Singapore, Brazil, China, Indonesia, Japan, the Philippines, Norway, the United Kingdom and the United States.

Discover more at seatrium.com.

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