



**FOR IMMEDIATE RELEASE**

## **Marco Polo Marine Starts the Year Strong; Reports Higher 1QFY2023 Revenue and Gross Profit**

### **Voluntary Business Updates**

- 1QFY2023 revenue increased more than 90% y-o-y; Gross Profit rose more than 1.5x y-o-y to S\$6.6 million
- Ship chartering segment saw a YoY increase in average charter rates and a YoY increase in average utilisation rates for vessels.
- Shipyard revenue grew YoY as the capacity for ship repair activities increased following the completion of extension works on Dry Dock 1 at the end of 2QFY2022.

**SINGAPORE, 15 February, 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, wishes to update shareholders on its recent operational performance in this voluntary update for the financial quarter ended 31 December 2022 (“1QFY2023”).

### **Financial Highlights**

<b>S\$ million</b>	<b>1Q FY2023</b>	<b>1Q FY2022</b>	<b>% change</b>
<b>Revenue</b>	23.7	12.1	95.9%
<b>Gross Profit</b>	6.6	2.6	153.8%
<b>Gross Profit Margin</b>	28.0%	21.5%	

The Group is pleased to announce that operational performance showed positive improvement YoY for 1QFY2023. Both its shipyard and ship chartering segments experienced continuous growth as overall revenue and gross profit surged. Revenue increased 95.9% y-



o-y to S\$23.7 million in 1QFY2023. Gross profit also rose 153.8% y-o-y to S\$6.6 million during the period.

### **Segmental Performance**

**1QFY2023 shipyard revenue rise YoY** on full quarter contribution from extended capacity of Dry Dock 1 completed in 2QFY2022. This has resulted in a higher volume of ship repair activities, larger contracts from customers as well as the commencement of new ship building projects during the period. During the quarter, the Group observed a growth in regional market share and stronger demand for the installation of ballast water systems. Average utilisation rate at the Group's shipyard remained steady at 74% in 1QFY2023 (1QFY2022: 78%) despite an increase in ship repair capacity with the completion of the extension of Dry Dock 1.

**As for the ship chartering segment, demand for the Group's vessels remains strong,** driven by interest from both the oil and gas and offshore windfarm sector. During the quarter, the Group saw a surge in revenue y-o-y due to (i) a y-o-y increase in average charter rates, (ii) increase in average utilisation rates for its vessels and (iii) consolidation of revenue from PT BBR and PKRO which the Group holds a 70.7% and 49% stake in, respectively.

### **Outlook**

Marco Polo Marine remains optimistic about its prospects in the year ahead as the Group expects to see continued growth on the back of rising demand from end customers for both the shipyard and ship chartering segments.

On the shipyard front, 1HFY2023 revenue will continue to benefit y-o-y from an increase in ship repair capacity as extension works on Dry Dock 1 are now complete. The Group continued to see robust demand for the installation of ballast water systems and targets to secure more shipbuilding projects in FY2023. The Group is also in talks with potential joint venture partners for its Commissioning Service Operation Vessel ("**CSOV**"), which is targeted to be completed by 1Q 2024.

In terms of ship chartering, average charter rates and utilization rates are expected to remain robust, as the Group continued to see strong demand from both the offshore windfarm and oil and gas industries. Opportunities are also emerging in new markets. The Group has initiated



a MOU with “K” Line Wind Service Ltd to jointly own and operate suitable offshore wind vessels through a JV partnership in Japan. Meanwhile in South Korea, the Group has entered into a MOU with Namsung Shipping Co., Ltd and HA Energy Co., Ltd to jointly pursue synergistic offshore operations. In addition, the Group has also entered into an MOU with Vestas Taiwan for the maiden deployment of Marco Polo Marine’s upcoming CSOV, based on a minimum utilization commitment per annum, over a 3 year period.

***“We started the year strong, both financially and operationally, as we continued to experience robust demand in our shipyard and ship chartering segments.”*** said Sean Lee, CEO of Marco Polo Marine. ***“The offshore windfarm sector continues to present enormous opportunities for the Group. By leveraging on our proven track record, the Group is looking forward to partnering with new customers as it expands its geographical presence and develops specialised services to target the offshore windfarm sector.”*** he added.

In January 2023, the Group has successfully hosted an on-site visit to its main facilities at Batam for analysts, journalists and market experts. For media coverages, please refer to:

The Straits Times: [Marco Polo rides the wind farm wave](#)

The Business Times: [Marco Polo Marine expects to weather the storm of potential shipping slowdown](#)

Bloomberg: [There Aren’t Enough Ships to Install Giant Wind Turbines Across Asia](#)

**#End#**

#### **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 tug boats 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 the construction 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](http://www.marcopolomarine.com.sg)

#### **Investor Relations and Media Contact:**

Emily Choo

Mobile: +65 9734 6565

Email: [emily@gem-comm.com](mailto:emily@gem-comm.com)