



IMMEDIATE RELEASE

Marco Polo Marine Swings Back to Black in FY2021

- Revenue grew to nearly 50% Y-o-Y to S\$46.1m; driven by growth from both ship chartering and shipbuilding and repair operations
- Record net profit of S\$14.8m and adjusted net profit of S\$3m in FY2021, reversing from a loss a year ago
- Continue to explore opportunities in the renewable energy sector

SINGAPORE, November 26, 2021—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 financial year ended 30 September 2021 (“FY2021”).

The Group’s FY2021 revenue increased nearly 50% y-o-y to S\$46.1m, with gross profit jumping nearly 3x to S\$12.0m. In conjunction with an increase in other operating income attributable to one-off gains from the acquisition of debt and gain on disposal of property, plant and equipment, the Group recorded a net profit of S\$14.8m in FY2021 vs a loss of S\$9.2m a year ago. Excluding foreign exchange losses and the one-off gains in operating income, the Group’s earnings before interest, tax, depreciation and amortization (EBITDA) was S\$10.0m in FY2021 vs an EBITDA loss of S\$1.9m in FY2020.

Financial Highlights

S\$ million	2HFY2021	2HFY2020	Y-o-Y% change	FY2021	FY2020	Y-o-Y% change
Revenue	25.0	12.2	105%	46.1	30.8	49%
Gross Profit	7.0	1.0	596%	12.0	4.4	171%
Gross Profit Margin	27.9%	8.2%		26.1%	14.3%	
EBITDA*	6.1	(3.0)	NM	10.0	(1.9)	NM
EBITDA Margin	24.4%	-24.4%		21.7%	-6.2%	
Net Profit / (Loss)	8.8	(8.5)	NM	14.8	(9.2)	NM
Adjusted Net Profit/ (Loss)**	2.5	(6.5)	NM	3.0	(8.9)	NM

*Excludes foreign exchange losses (mainly unrealised in nature) and one-off gain arising from the acquisition of debt and disposal of property, plant and equipment

**Adjusted for one-off gain arising from the acquisition of debt and disposal of property, plant, and equipment and foreign exchange losses (mainly unrealised in nature)



2HFY2021 revenue more than doubled from a year ago to S\$25.0m driven by growth from both the ship chartering and shipbuilding and repair operations of the Group. Together with a jump in gross margin from 8.2% in 2HFY2020 to 27.9% in 2HFY2021, gross profit jumped nearly 7x to S\$7.0m in 2HFY2021.

Other operating income also increased by S\$6.1m to S\$6.9m in 2HFY2021 mainly because of a gain on disposal of property, plant and equipment. Share of profits from jointly controlled companies also reversed to a profit of S\$0.2m from a loss of S\$1.8m in 2HFY2020 mainly due to the Group's share of profits from its joint venture in Pelayaran Era Sdn Bhd. The Group has ceased to recognise the share of results from its joint venture PT Pelayaran Nasional Bina Buana Raya Tbk ("PT BBR") in the current year, since the losses to be recognised have exceeded the Company's cost of investment in PT BBR. Consequently, the Group reversed to a net profit of S\$8.8m in 2HFY2021 from a loss of S\$8.5m in 2HFY2020.

The Group ended FY2021 with a strong net cash position of S\$16.1m¹ underpinned by robust operating cash flow generated S\$8.8m during the financial year.

Segmental Breakdown

S\$ million	2HFY2021	2HFY2020	Y-o-Y% change	FY2021	FY2020	Y-o-Y% change
Ship Chartering Operations	10.7	3.7	189	20.1	13.6	48
Ship Building & Repair Operations	14.3	8.5	68	26.0	17.2	51
Total Revenue	25.0	12.2	105	46.1	30.8	49

Revenue from the Group's Ship Chartering Operations surged more than 180% to S\$10.7m in 2HFY2021 due mainly to higher utilisation rates for both tugboats and barges and OSVs. For FY2021, Ship Chartering revenue grew 48% y-o-y to S\$20.1m. Revenue from the Group's Ship Building & Repair Operations grew more than 60% to S\$14.3m in 2HFY2021 because of an increase in shipbuilding revenue with the construction of the two smart fish farms and an

¹ Cash and cash equivalents less borrowings



increase in volume of ship repair jobs during the year. For FY2021, Ship Building & Repair's revenue grew over 50% to S\$26.0m.

Business Outlook

The prolonged COVID-19 pandemic will still be a challenge for the offshore marine industry. However, the gradual relaxation of the borders' restriction will aid in the sector's recovery. The Group is positive about its long-term growth as there are opportunities in certain business segments and the management has taken steps to capitalise on them.

Mr Sean Lee, Chief Executive Officer of Marco Polo Marine, commented: ***“The Group observes an imminent recovery in its operations from the impact of COVID-19, and especially in the second half of FY2021, we witnessed an acceleration in the pace of growth. The Group recorded a commendable performance in FY2021 and we will continue to seize opportunities. We are working on expanding into the renewable energy sector and extend beyond the Group's target markets to diversify our source of revenue. While we have to be mindful of the overall recovery globally, we are optimistic about the momentum ahead.”***

For the Group's ship chartering business, the Group will continue to explore opportunities to support the booming offshore wind farm market. The utilisation of the Group's fleet of tugboats and barges is also expected to continue to improve as construction activities in Singapore have picked up pace.

The extension of the Group's shipyard's dry dock 1 remains on track. Approximately 54% of the construction has been completed and is expected to be fully completed by January 2022. The Group will continue to focus on securing ship repair and maintenance orders from regional ship owners.

#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

Investor Relations and Media Contact:

Emily Choo

emily@gem-comm.com