

CORPORATE PRESENTATION

1H 2020 Results Briefing



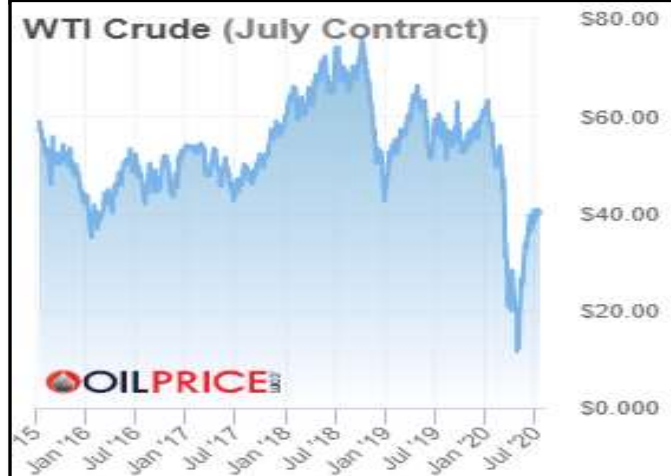
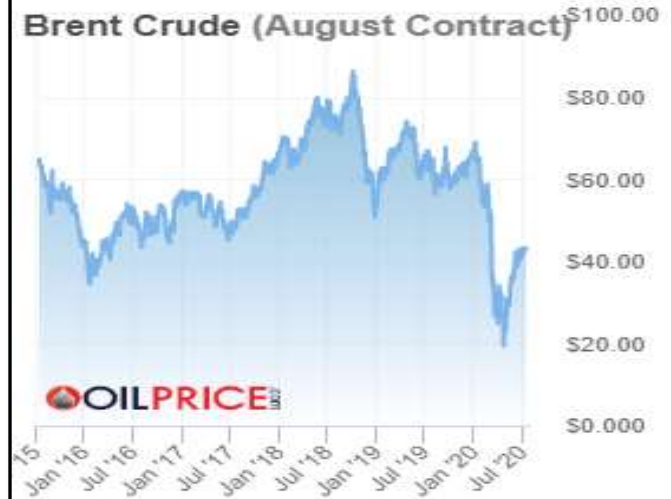
Agenda

- **President & CEO Address**
(please refer to separate CEO speech text for details)
- **Group Finance Director Address**
- **Question and Answer session**



Impact of COVID-19 & Oil Price Collapse

- ❖ Global economies severely affected by COVID-19 as containment measures disrupt travel, transport and global supply chains.
- ❖ Reduction in oil & energy demand contributed to the collapse in oil prices in March 2020.
- ❖ Oil producers continue to defer final investment decisions (FIDs) and slash capital expenditure (CAPEX) for 2020. Severely affected Sembcorp Marine's (SCM) securing of new orders.
- ❖ Disruption of global supply chains has caused delays in the execution of SCM's existing projects. Repairs & Upgrades also significantly affected.
- ❖ Govt measures to contain COVID-19 has substantially reduced our yard workforce on production stand down since April. Recent relaxation of measures, activities gradually resuming.
- ❖ Completing ongoing projects our foremost operating task.

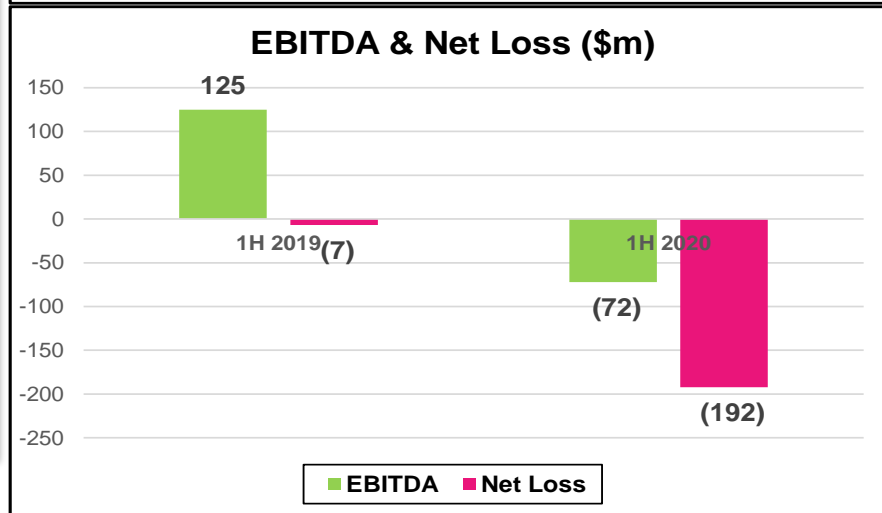
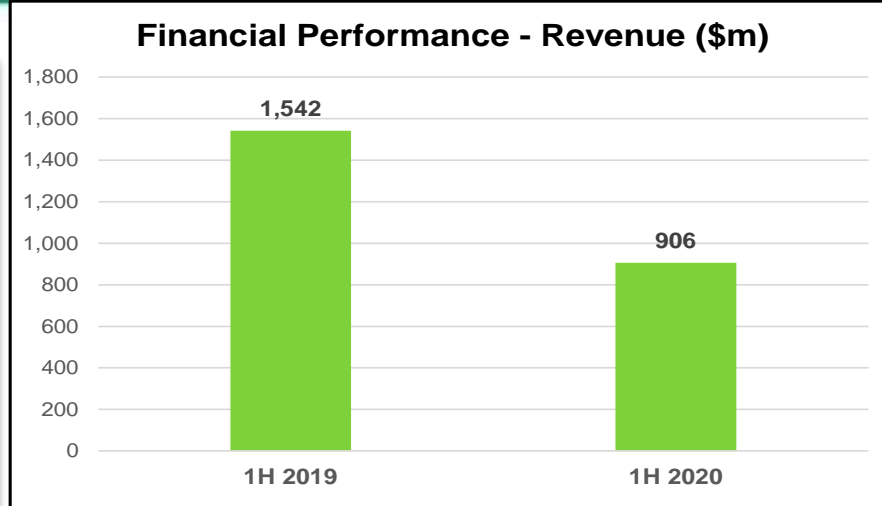


Sembcorp Marine's (SCM) immediate priority and focus:

- **To address urgent liquidity needs to fund operations and ride out the protracted downturn.**
- ❖ **SCM had positioned for recovery in 2020 but was unexpectedly hit by COVID-19 and the collapse of oil prices which deepened the industry downturn**
- ❖ **With ensuing delays in executing existing projects and depressed new orders in 2020, the Group now foresees recovery will be pushed out to 2021 and beyond.**
- ❖ **These developments led to the proposed Rights Issue announced on June 8, 2020 and the de-merger from SCI.**

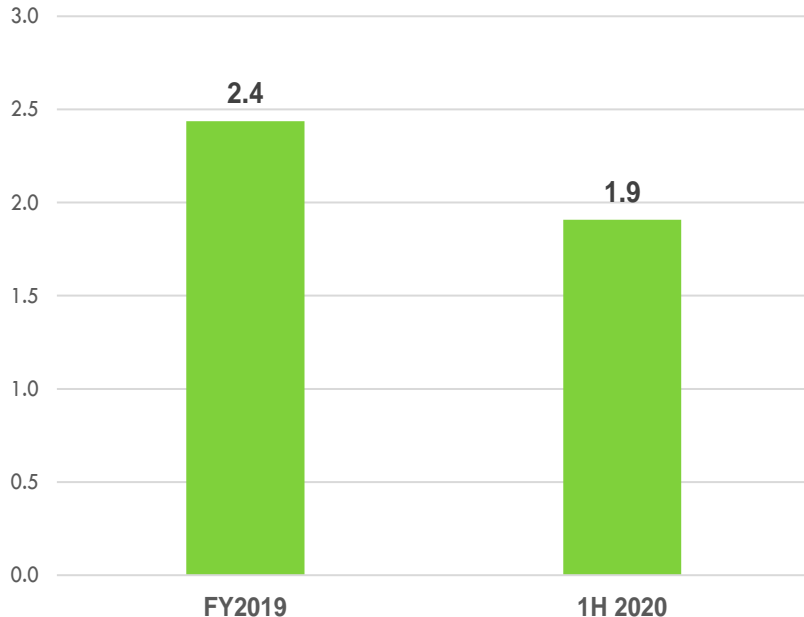
Financial Performance

- ❖ In 1H 2020, the Group generated revenue of \$906 million – 41% lower than \$1.54 billion in 1H2019, due to the stand down of production activities since April 2020.
- ❖ Net loss for 1H 2020 was \$192 million, on higher project costs and significantly reduced operating activities.
- ❖ Gross orderbook of existing contracts is \$6.5 billion. Net order book as at end June 2020 stood at \$1.91 billion.
- ❖ Including Repairs & Upgrades outstanding orders for execution of \$280 million, net orderbook is \$2.2 billion.



Gross orderbook of existing contracts is \$6.5 billion. Net order book as at end June 2020 stood at \$1.91 billion.

Net orderbook (\$ billion)



Projects Under Execution as at 30 June 2020

Renewables Solutions

- Hornsea 2 Offshore Wind Farm - Jacket Foundations and Topsides
- Formosa 2 Offshore Wind Farm – Foundation Jackets

Process Solutions

- Equinor Johan Castberg - Newbuild Floating Production, Storage and Offloading Vessel (FPSO)
- TechnipFMC Karish - Newbuild FPSO
- Shell Vito - Newbuild Floating Production Unit (FPU)
- Shell Whale - Newbuild FPU
- Gallaf Batch 2 Well Head Platforms
- Tupi P-71 - Newbuild FPSO
- Shapoorji - FPSO Conversion

Gas solutions

- MOL LNG Bunker Vessel
- Tyra Platforms and Bridges
- Upgrade of Major Floating Storage & Regasification Units (FSRU) and Floating Storage Units (FSU), including FSRU Karmol LNGT Powership Africa, FSRU Karmol LNGT Powership Asia and Torman II (FSU)

Ocean Living Solutions

- Battery-operated Roll-on, Roll-off Passenger Ferries (3 units)

Advanced Drilling Rig Solutions

- Transocean 1 Drill Ship
- Transocean 2 Drill Ship

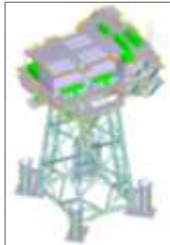
- ❖ **With the relaxation of COVID-19 measures in Singapore since June 2020, Sembcorp Marine has gradually resumed yard operations.**
- ❖ **SCM working closely with customers to restart the execution of existing projects.**
- ❖ **To date, there has been no cancellation of any existing projects.**
- ❖ **No significant new orders this year, discussions on some project opportunities to resume.**

- ❖ **RWE Renewables, owner of the 1.4 gigawatt (GW) Sofia Offshore Wind Farm in the UK North Sea (“Project”), selected Sembcorp Marine and GE’s Grid Solutions as the preferred supplier for the Wind Farm’s High Voltage Direct Current (HVDC) electrical transmission system.**
- ❖ **Early design works have started, ahead of the Project’s FID in 1Q 2021. Sembcorp Marine’s scope - Design, construct, install and commission the offshore converter platform.**
- ❖ **Repairs & Upgrades business resumed ongoing jobs and prepares to execute new work.**
- ❖ **Sembcorp Marine’s 50%-owned Aragon AS firmed up contracts with Yinson - Engineering, procurement & construction of 7 modules for FPSO Anna Nery.**
- ❖ **Subsidiary LMG Marin designed new 340-pax polar expedition vessel *Ultramarine* for Quark Expeditions was launched successfully in May 2020.**

Projects Under Execution: Renewables Solutions

Hornsea 2 Offshore Wind Farm Project – Ørsted

Engineering, Procurement, Construction, Hook-up & Commissioning of Two Offshore Wind Farm Topsides and Fabrication of Jacket Foundations



Project: Engineering, procurement, construction, hook-up and commissioning works for two topsides for Hornsea 2 Offshore Wind Farm and fabrication of jacket foundations

Customer: Ørsted Wind Power subsidiary Optimus Wind Limited

Location: UK North Sea

Projects Under Execution: Renewables Solutions

Formosa 2 Offshore Wind Farm Project – Jan De Nul Fabrication of 15 Jacket Foundations



Project: Fabrication of 15 jacket foundations for the Formosa Phase 2 Offshore Wind Farm.

Customer: Jan De Nul n.v.

Location: Taiwan Strait, offshore Miaoli County



Projects Under Execution: Process Solutions

Johan Castberg Project – Equinor

Turnkey Engineering, Procurement and Construction of Newbuild FPSO Hull and Living Quarters



Project: Turnkey engineering, procurement and construction of newbuild FPSO hull and living quarters

Customer: Equinor (formerly Statoil)

Location: Johan Castberg field development, Barents Sea, offshore Norway

Projects Under Execution: Process Solutions

TechnipFMC Karish FPSO

EPC construction & integration of FPSO hull, living quarters & topside modules



Project: EPC construction and integration of a newbuild FPSO hull, living quarters and topside modules, including owner-furnished equipment

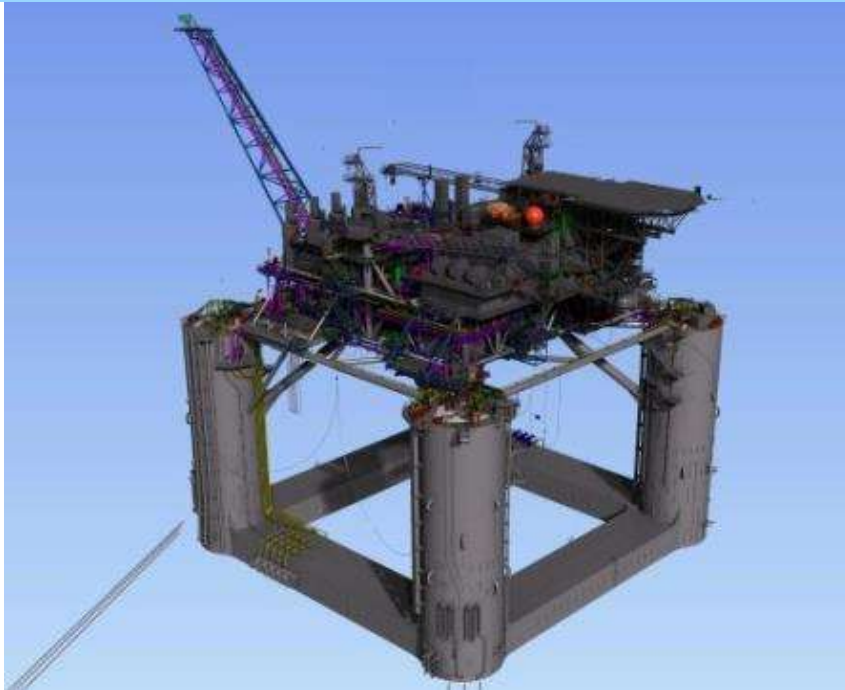
Customer: TechnipFMC

Location: Karish deepwater field developments in the Eastern Mediterranean

Projects Under Execution: Process Solutions

Shell Vito FPU

Construction and Integration of FPU Hull, Topsides and Living Quarters



Project: Construction and integration of hull, topsides and living quarters for Shell's Vito semi-submersible Floating Production Unit (FPU), including installation of owner-furnished equipment

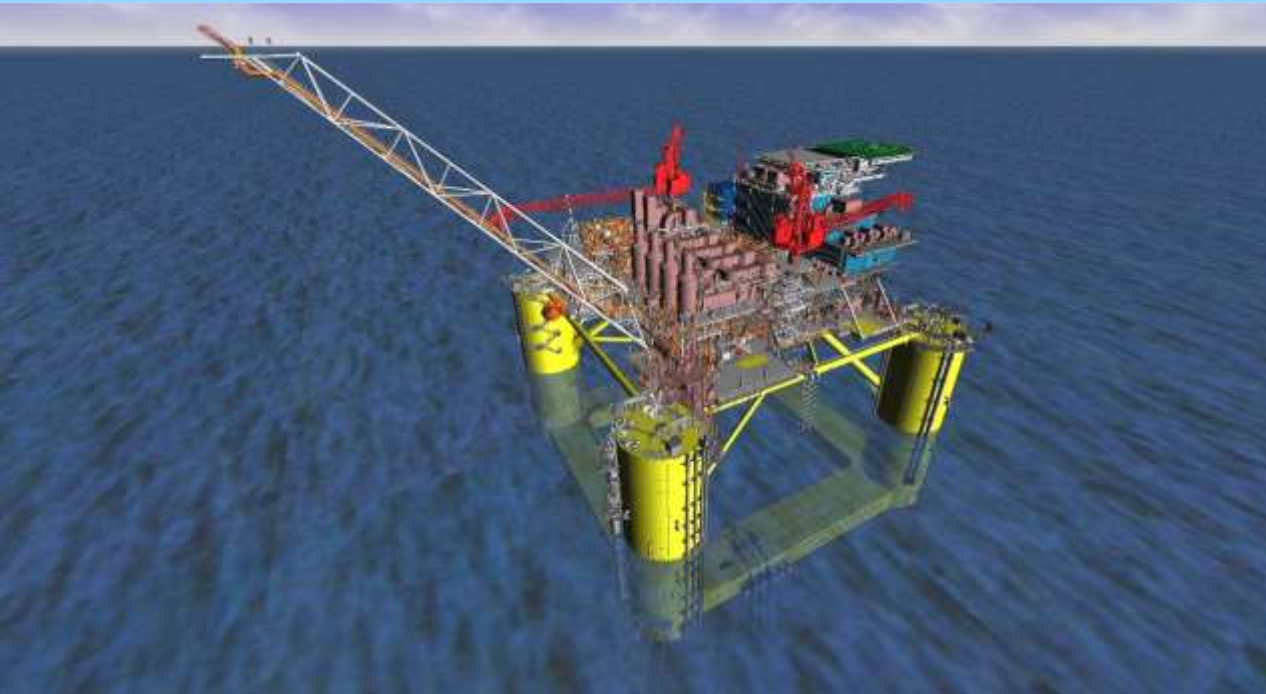
Customer: Shell Offshore Inc.

Operation: Mississippi Canyon, US Gulf of Mexico

Projects Under Execution: Process Solutions

Shell Whale FPU

Construction and Integration of FPU Hull, Topsides and Living Quarters



Project: Construction and integration of hull, topsides and living quarters for Shell's Whale semi-submersible Floating Production Unit (FPU), including installation of owner-furnished equipment

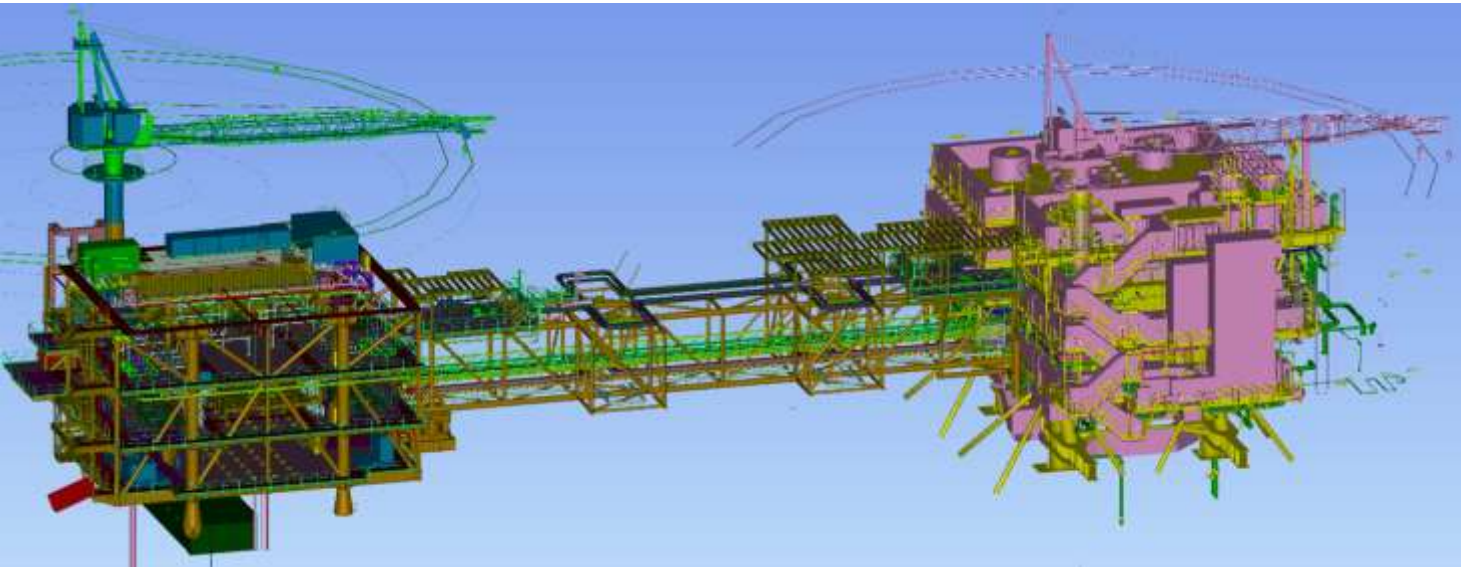
Customer: Shell Offshore Inc.

Operation: Whale Field, US Gulf of Mexico

Projects Under Execution: Process Solutions

Gallaf Batch 2 Well Head Platforms

Engineering, procurement, construction, installation, commissioning and offshore brownfield integration of two well head platforms and bridges



Project: Engineering, procurement, construction, installation, commissioning and offshore brownfield integration of two well head platforms and bridges for North Oil Company's Gallaf Batch 2 Project

Customer: North Oil Company

Location: Al Shaheen oil field, offshore Qatar

Projects Under Execution: Process Solutions

FPSO Conversion of VLCC Ariake

FPSO conversion project with Shapoorji Pallonji and Bumi Armada



Project: FPSO conversion of VLCC Ariake, including hull repairs and upgrading as well as fabrication of three topside modules

Customer: Joint venture companies of Shapoorji Pallonji Oil and Gas Private Limited and Bumi Armada Berhad

Operation: East coast of India

Projects Under Execution: Process Solutions

P-71 FPSO Project

Fabrication of topside modules and integration works of newbuild FPSO hull



Project: Fabrication of topside modules and integration works for newbuild FPSO hull

Customer: Tupi B.V.

Operation: Offshore Brazil

Projects Under Execution: Gas Solutions

LNG Bunker Vessel Newbuild

Design and Construction of 12,000 cbm LNG bunker vessel

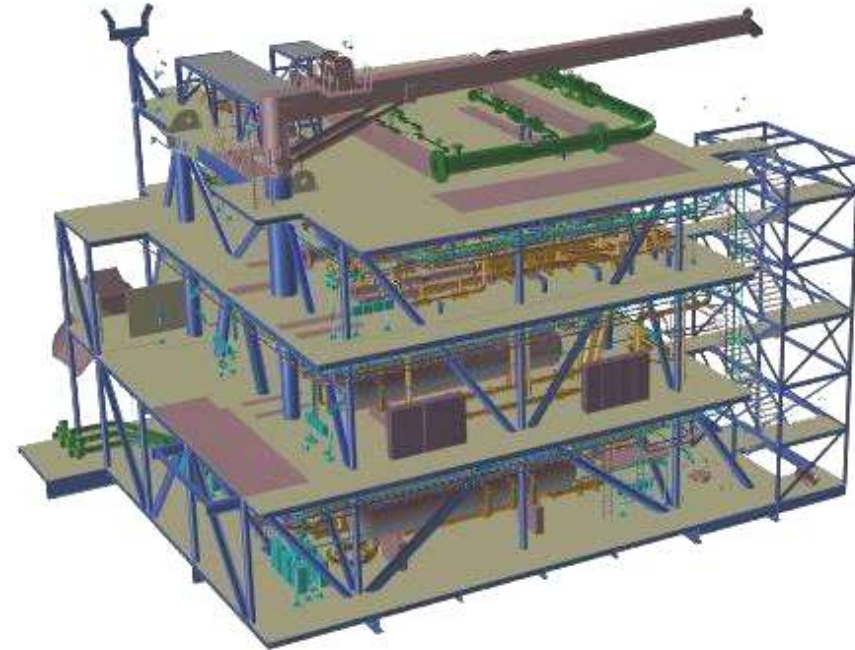


- **Project:** Design and construction of 12,000 cbm dual-fuel LNG bunker vessel with GTT Mark III Flex membrane tank system; to be the biggest vessel of its kind built in Singapore.
- **Customer:** Indah Singa Maritime Pte Ltd, a subsidiary of Mitsui O.S.K. Lines, Ltd. (MOL)
- **Operation:** Deployment in Singapore

Projects Under Execution: Gas Solutions

Tyra offshore platforms and bridges

Fabrication of platforms and bridges for Total E&P Danmark AS



- **Project:** Fabrication of platforms and bridges for the Tyra Redevelopment Project
- **Customer:** Total E&P Danmark AS
- **Location:** Tyra field, Danish sector of the North Sea

Projects Under Execution: Ocean Living Solutions

Norled Ropax Ferries Project

Design and Construction of 3 Battery-powered Proprietary-designed Roll-on Roll-off Passenger (Ropax) Ferries



Project: Design and construction of three battery-powered ropax ferries based on a proprietary design by Sembcorp Marine's wholly-owned subsidiary LMG Marin

Customer: Norled AS

Operation: Norway

Projects Under Execution: Advanced Drilling Rig Solutions

Transocean Drill Ships

Construction of Two Proprietary Design High-Specification Drill Ships



Project: Construction of two high-specification ultra-deepwater drill ships for Transocean based on Sembcorp Marine's proprietary Jurong Espadon III drillship design.

Customer: Transocean

Projects Under Execution: Gas Solutions

Major FSRU and FSU Upgrade



FSRU upgrading of KARMOL LNGT Powership Asia (top) and KARMOL LNGT Powership Africa for MOL / Karadeniz JV

Upgrade of Major Floating Storage & Regasification Units (FSRU) and Floating Storage Units (FSU):

- FSRU – Karmol LNGT Powership Africa
- FSRU – Karmol LNGT Powership Asia
- FSU – Torman II



FSU upgrading of Torman II from Gasfin Development S.A. / NYK

1H 2020 Repairs & Upgrades – Diverse Marine & Offshore Projects



Crude oil tanker overhauls



Tuas Boulevard Yard



Offshore rig repairs



Vehicle carrier repairs



Admiralty Yard



Containership refits



Gas carrier scrubber works



Tanker scrubber works

1H 2020 Repairs & Upgrades – LNG Repairs



Multiple LNG vessels calling at Admiralty Yard for repairs and upgrades



LNG carriers from GasLog LNG Services – Methane Julia Louise, GasLog Saratoga and GasLog Salem

1H 2020 Repairs & Upgrades – Cruise Ships



Pacific Explorer from P&O Australia



Genting Dream from Dream Cruises



Westerdam from Holland America Line



Asuka II, Japan's largest cruise ship, from NYK Cruises



Majestic Princess from Princess Cruises

1H 2020 Repairs & Upgrades

Successful Makeover of Asuka II Cruise Ship



Right-sizing and Cost Optimisation

- ❖ **Sembcorp Marine continues to manage resources with added prudence and discipline during this difficult period.**
- ❖ **Workforce right-sizing is on-going and moving in tandem with work activities and project load.**
- ❖ **Salary reduction of management and staff has been implemented in Singapore and at overseas companies.**
- ❖ **Sembcorp Marine's board of directors is also continuing with a 10% reduction in director's fees this year, similar to FY2019.**
- ❖ **In addition, all non-essential CAPEX has been deferred and cost optimisation across all functions implemented within the Group.**
- ❖ **With the Government's COVID-19 Budget Support, the Group benefitted from the Job Support Scheme (JSS), Enhanced Job Support Scheme (EJSS), Foreign Workers Levy Rebate and Waiver, and the Wage Credit Scheme.**

- ❖ **Group CAPEX for 1H2020 was about \$58 million, which is less than a third of the amount incurred in 1H2019.**
- ❖ **CAPEX expected to continue to be low , only maintenance CAPEX will be incurred to ensure the safety and operability of yard facilities.**
- ❖ **With no operating activities for almost 3 months in 1H2020, net cash flow from operating activities was minus \$122 million.**
- ❖ **Net gearing was 1.35 times as at June 2020, compared to 1.14 times at end December 2019.**
- ❖ **As at June 30, 2020, the Group remained in a net current liabilities position of \$259 million, mainly due to term loans maturing over the next 12 months.**
- ❖ **Sembcorp Marine engaging with its lenders to refinance these loans with longer term maturities.**

- ❖ **Urgent need to recapitalise to meet immediate and foreseeable liquidity requirements, and strengthen balance sheet.**
- ❖ **Sembcorp Marine’s Board and Management considered various financing options and believe that the \$2.1 billion Equity Rights Issue (“Rights Issue”) the best option to recapitalise the Group.**
- ❖ **Rights Issue will convert the \$1.5 billion Subordinated Loan from Sembcorp Industries into equity on SCM’s balance sheet.**
- ❖ **Proforma net gearing lowered from 1.82 times to 0.45 times, interest expense significantly reduced.**
- ❖ **Raise approximately \$0.6 billion additional cash to fund working capital needs and other general corporate purposes.**

- ❖ **Demerger of Sembcorp Marine from SCI via Distribution in Specie - Sembcorp Marine and SCI to be two separate entities through proposed distribution of Sembcorp Marine shares owned by SCI to SCI shareholders (“SCI Distribution”).**
- ❖ **Demerger to allow Sembcorp Marine to pursue focused strategies and further build core engineering and execution capabilities.**
- ❖ **Support long-term future as a global leader in the offshore, marine and energy industries, with an increasing focus on clean energy solutions.**
- ❖ **Upon completion of the SCI Distribution, Temasek to be direct and significant shareholder of SCM with a stake of over 30%.**
- ❖ **The Rights Issue and SCI Distribution will only proceed if SCM and SCI shareholders approve all inter-conditional resolutions at the respective companies’ Extraordinary General Meetings to be held in August 2020.**

To sustain its business and successfully compete in the global arena for new opportunities, Sembcorp Marine has implemented three key strategies:

- **Proactive diversification and expansion into new and existing markets;**
- **Strategic strengthening of yard capabilities; and**
- **Innovation development through investment in intellectual property, technology and solutions that give us a differentiated edge.**

- Proactively diversified into clean energy segments – leverage SCM integrated offshore and marine engineering capabilities to provide full value chain of offshore wind and offshore gas solutions.
- Key example - Construction of two substation platform topsides and accompanying jackets for the 1.4 gigawatt (GW) Hornsea 2 offshore wind farm, located in the UK North Sea.
- Global offshore wind market forecast to grow to circa US\$1.5 trillion by 2050, North Sea one of its key geographies.
- SCM to further develop offshore gas value chain solutions - E.g. LNG-powered vessels, import and export terminals, and liquefaction and regasification solutions.



Note:

In the chart above, “CAGR” means compound annual growth rate, “GW” means gigawatts, “bn” means billion, “tr” means trillion and “US\$” means United States dollars.

- **Other than Gas and Renewables, SCM's market focus and new products and solutions targeted at the following segments:**
 - **Process Solutions, including for offshore oil and gas production;**
 - **Advanced Drilling Rigs;**
 - **Ocean Living, including ferries, cruise ships and expedition vessels such as the Ultramarine polar expedition ship designed for Quark Expeditions;**
 - **Maritime Security, including the design and construction of naval and patrol vessels.**
- **Company achieved S\$530 million of new orders from green energy solutions in FY2019.**

Strengthening Yard Operations

- At flagship Tuas Boulevard Yard (TBY), a new pair of gantry cranes with 30,000-tonne lifting capacity will boost SCM reputation as a one-stop production centre capable of fabricating, assembling and installing larger and heavier integrated structures with greater cost-efficiency.
- TBY also has the region's longest and deepest ship repair dry docks that can accommodate ultra-large container carriers, mega-size cruise liners, LNG carriers and other new-generation ship types for maintenance, repairs and upgrading work.

With its 4 VLCC docks and Offshore dock, TBY has the region's longest and deepest dry docks to accommodate ULCCs, mega cruiseships, LNG carriers etc.



Tuas Boulevard Yard's new 30,000-tonne capacity gantry crane



- **Selective acquisition of IP (intellectual property) technologies and engineering talent – to provide access to innovative designs for specialised vessels and other green products and solutions.**
- **Long-term investments in research and development and disruptive technologies - enables a wider range of highly customised and repeatable products and solutions.**

- ❖ **Sembcorp Marine won the Sustainability Award at this year's Seatrade Maritime Awards Asia, in recognition of efforts to incorporate Sustainability in every aspect of our business operations.**
- ❖ **Among various initiatives last year, Sembcorp Marine invested \$4.7 million in workforce competency and talent development to equip our employees particularly with new skills and knowledge that help them embrace Digitalisation, Augmented/Virtual Reality applications and other Industry 4.0 technologies which we have introduced into our operations and innovation development.**
- ❖ **Ongoing up-skilling and re-skilling programmes help employees and resident contractors enhance their employability with flexible know-how that supports Sembcorp Marine's widening spectrum of projects.**
- ❖ **We are also working closely with research partners such as A*STAR on Digital Design, Advanced Manufacturing and other innovation areas to shorten the development cycle and time-to-market of new offshore, marine and clean energy solutions.**
- ❖ **The Seatrade Maritime Asia Sustainability Award reminds us that even as we are now grappling with the COVID-19 pandemic and tough market conditions, Sustainability must never take a backseat at any time.**

Looking Ahead

- ❖ **Sembcorp Marine is gradually resuming project executions safely and progressively. How soon the Group's workforce will be allowed to return to full strength will determine the business outlook in subsequent quarters.**
- ❖ **Sembcorp Marine will work to ensure adequate liquidity and financial strength to sustain its operations and ride through the severe industry downturn and COVID-19 pandemic.**
- ❖ **In light of the challenging business conditions, we must ensure that the Group has adequate liquidity and financial strength to sustain its operations and ride through the severe industry downturn.**
- ❖ **In this difficult business environment, Sembcorp Marine expects its losses to continue into the foreseeable quarters.**
- ❖ **We will continue to right-size our resources and optimise our costs to preserve critical skills and competencies within the Sembcorp Marine Group, in particular, Singapore-based engineering and other PMET talents. This will ensure that we have the needed resources to respond to new opportunities when the industry recovers.**
- ❖ **We remain focused on adapting and gearing up our skills, technologies, and production capabilities and capacity to meet changing market needs and compete for high-value orders in new segments.**

Looking Ahead

- ❖ **We are now resuming our project executions safely and progressively.**
- ❖ **In this difficult business environment, Sembcorp Marine expects its losses to continue into the foreseeable quarters.**
- ❖ **If the proposed Sembcorp Marine Rights Issue and Demerger from SCI are approved by shareholders, we will chart a new chapter going forward. We will increasingly diversify into new growth areas like offshore wind, and expand deeper into our established segments, such as the gas value chain.**
- ❖ **We will improve and transform our solutions through continuous R&D, supported by strategic investments in intellectual property, technologies and engineering and construction capabilities; and we will deliver industry-leading project executions.**
- ❖ **While the road ahead will be very challenging, Sembcorp Marine has demonstrated an ability to adapt and reinvent ourselves over the years. We delivered healthy profits consistently before the oil price crash in 2015. I believe we have both the resolve and ability to achieve the same when our industry recovers and new opportunities emerge from the continuing global transition towards clean energy and other green solutions.**

- ❖ **Sembcorp Marine is gradually resuming project executions safely and progressively. How soon the Group's workforce will be allowed to return to full strength will determine the business outlook in subsequent quarters.**
- ❖ **Sembcorp Marine will work to ensure adequate liquidity and financial strength to sustain its operations and ride through the severe industry downturn and COVID-19 pandemic.**
- ❖ **In this difficult business environment, Sembcorp Marine expects its losses to continue into the foreseeable quarters.**

Agenda

- President & CEO Address
- **Group Finance Director Address**
- Question and Answer session



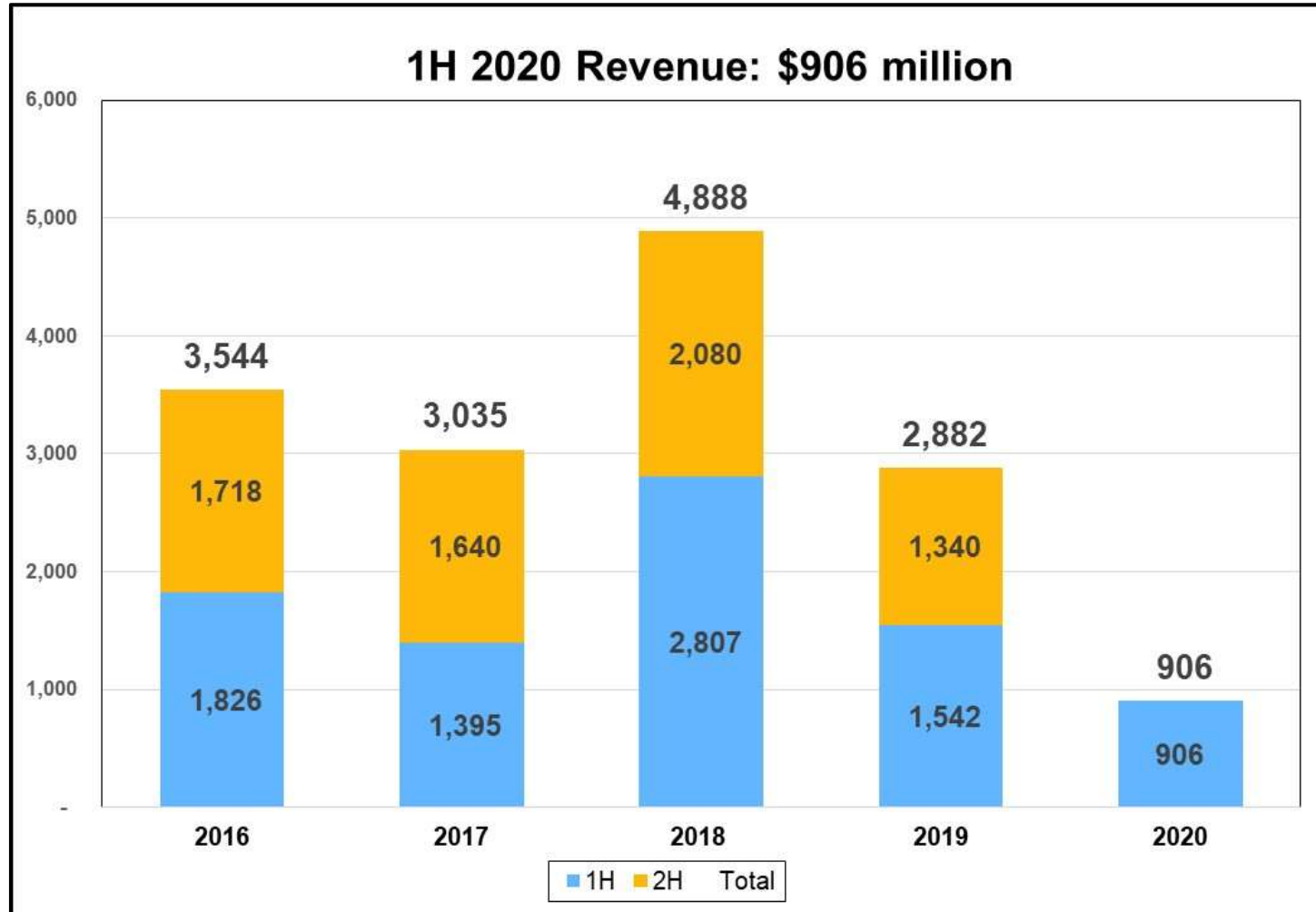
Key highlights:

Group performance for six months to 30 June 2020:

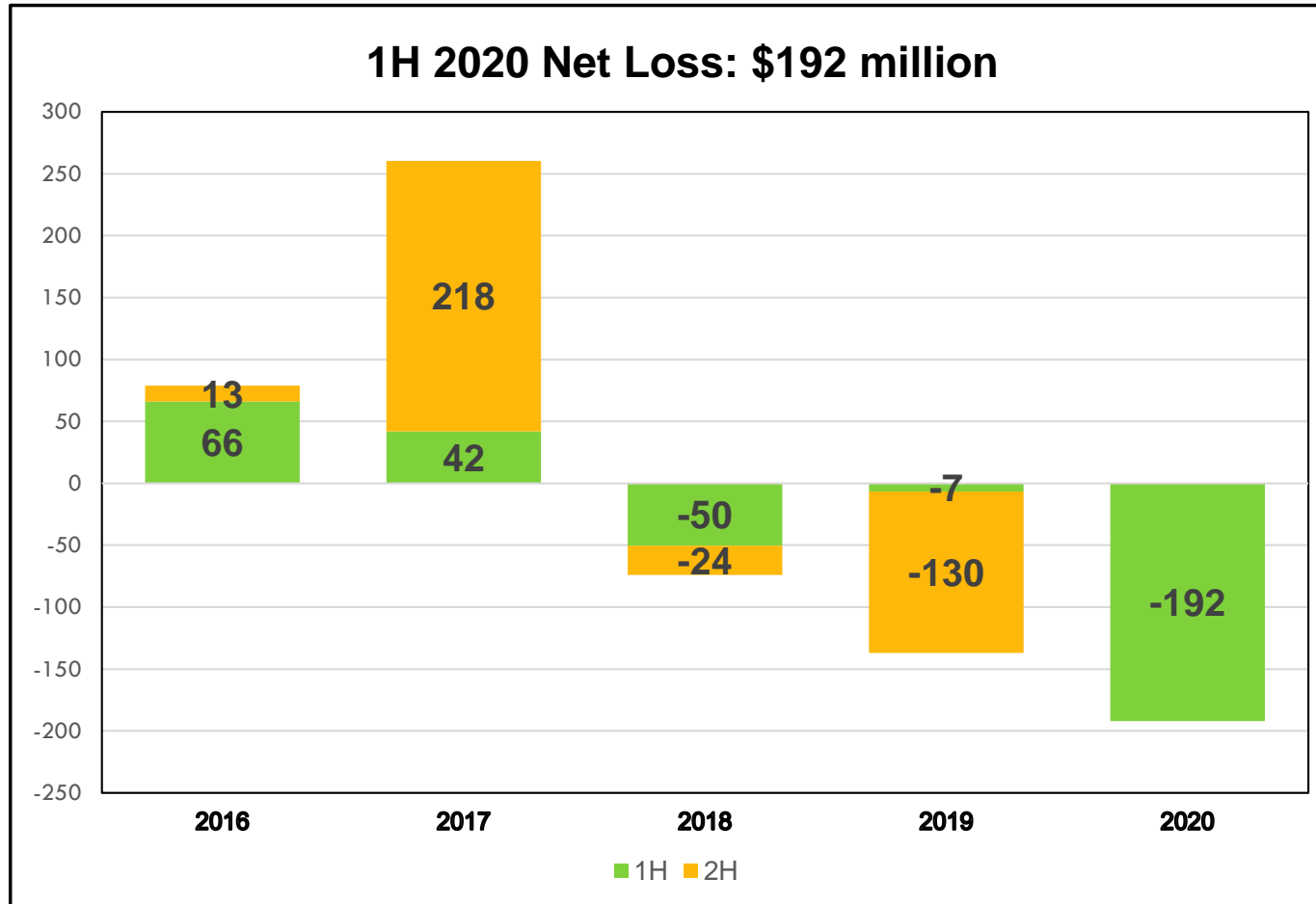
- Turnover totalled \$906 million versus 1H 2019 of \$1.54 billion.
- EBITDA loss of \$72 million.
- Net loss attributable to shareholders of \$192 million.
- Group net orderbook stands at \$1.91 billion.

Financial Highlights

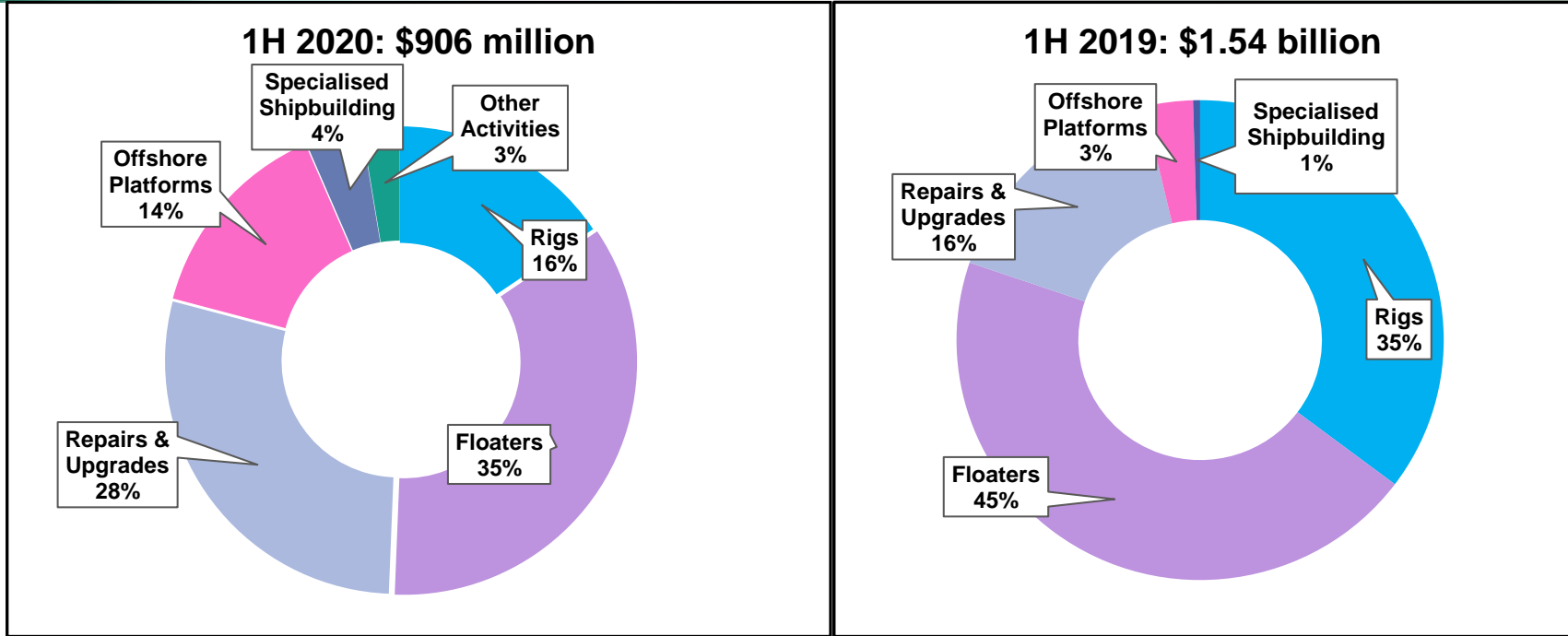
Group (\$ million)	1H 2020	1H 2019	% change
Turnover	906	1,542	(41)
Cost of sales	(1,101)	(1,515)	(27)
Gross (Loss)/ Profit	(195)	26	n.m.
EBITDA	(72)	125	n.m.
Operating (Loss)/ Profit	(173)	3	n.m.
Loss before tax	(221)	(16)	n.m.
Net Loss	(192)	(7)	n.m.
EPS (basic) (cts)	(9.19)	(0.33)	n.m.



Financial Review: Net Profit/Loss

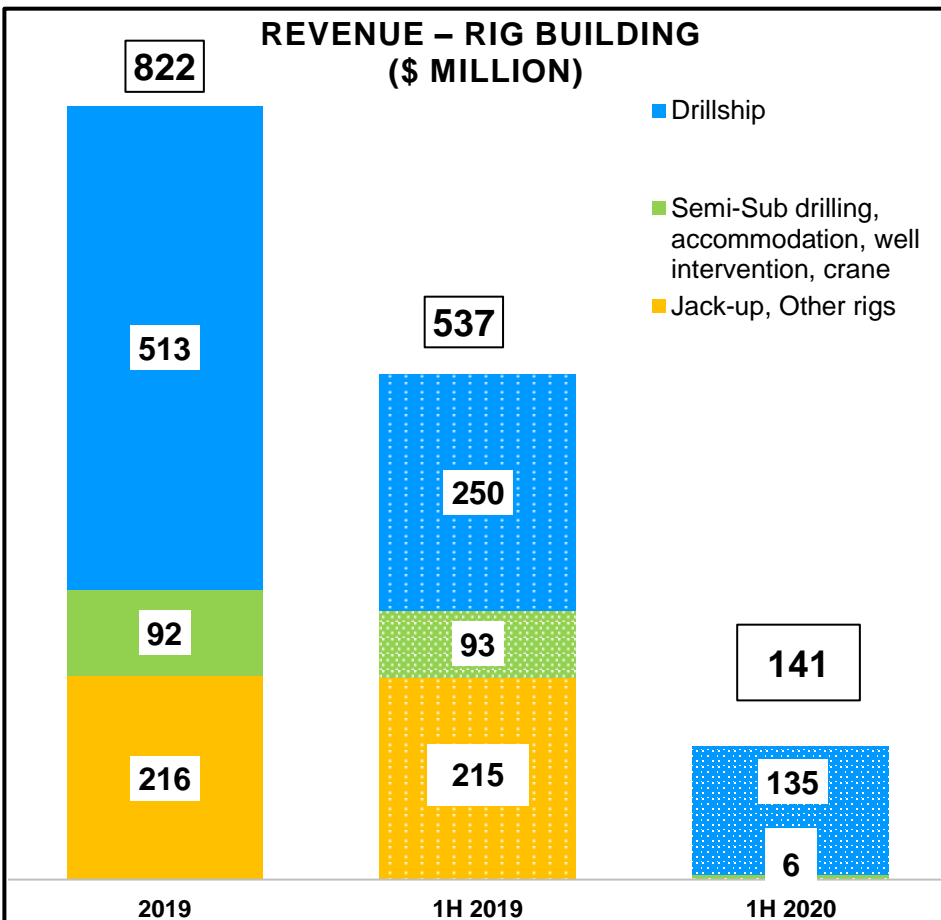


Business Review: Turnover by Segments



Turnover (\$ million)	1H 2020	1H 2019	% change
Rigs	141	537	(74)
Floaters	318	685	
Repairs & Upgrades	258	245	5
Offshore Platforms	130	49	n.m.
Specialised Shipbuilding	35	7	n.m.
Other Activities	24	19	27
TOTAL	907	1,542	(41)

Rig building revenue was \$141 million in 1H 2020 (1H 2019: \$537 million) due to lower offshore rig building activity and the production time out due to COVID-19 restriction order. Revenue came mainly from the two Transocean drillship projects which are in the WIP stage.

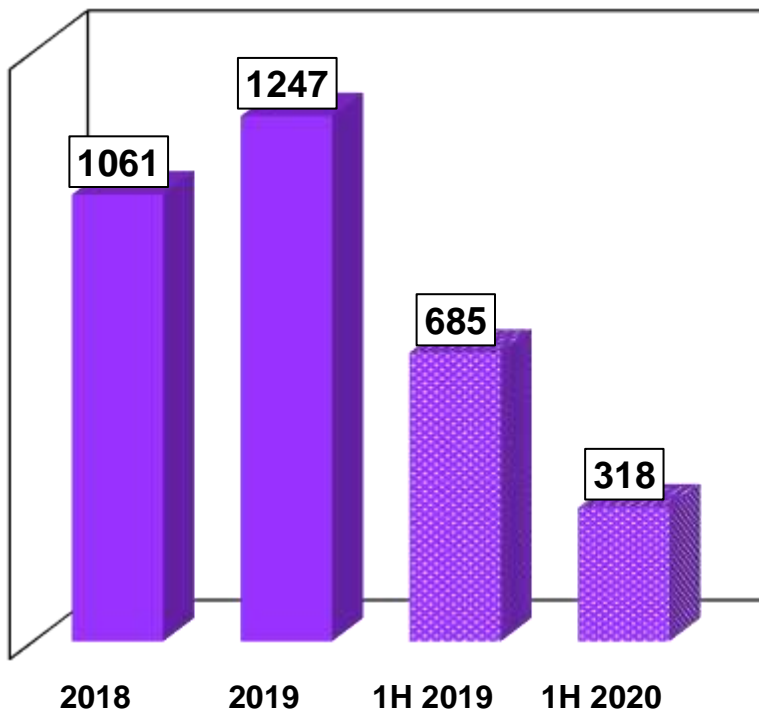


Jack-up Rigs, Semi-submersibles, Drill Ships	No. of Projects	Brief description
○ Number of projects in WIP stage	2	<ul style="list-style-type: none"> 1st drillship for Transocean, JE III 2nd drillship for Transocean, JE III
○ Number of projects in discussion with new buyer	2	<ul style="list-style-type: none"> Drill ship 1, previously owned by Sete Brasil Drill ship 2, previously owned by Sete Brasil
The new purchaser is expected to negotiate with the Group to enter into new contracts to complete the drillships.		

Non-Drilling Solutions – Production (FPSOs/FPUs/Specialised Offshore Vessels)

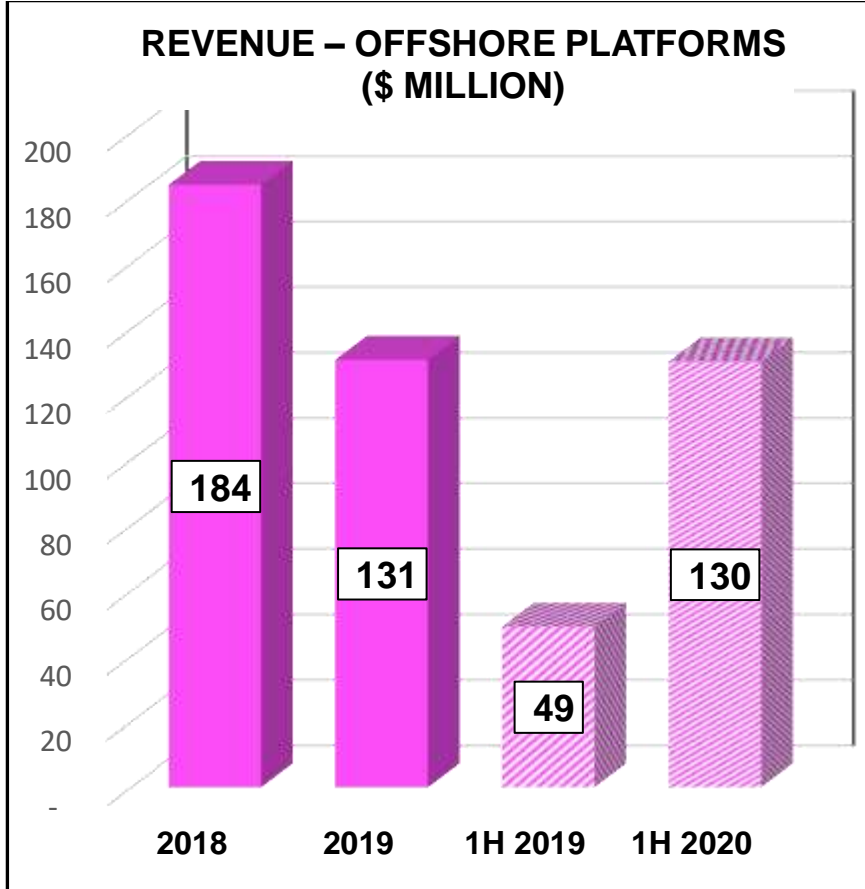
1H 2020 Floater revenue was \$318 million (1H 2019: \$685 million) with the decline due to lower percentage recognition from ongoing projects due to production time out from COVID-19 restriction order at the yards.

REVENUE - FLOATERS (\$ MILLION)



Offshore Floating Production Newbuildings/ Conversion	No. of projects	Brief description
○ No. of Projects delivered in FY 2019	1	• P68 FPSO for Petrobras
○ No. of projects in the WIP stage	6	• P71 FPSO for Petrobras
		• Equinor Johan Castberg FPSO project
		• Shell Vito FPU project
		• Karish FPSO project
		• Shapoorji FPSO project
		• Shell Whale FPU project

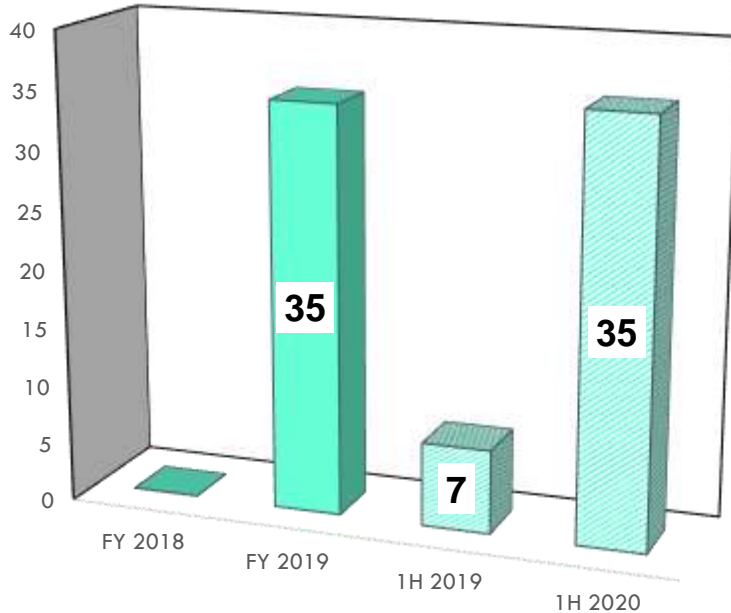
Offshore Platforms revenue was \$130 million in 1H 2020 (1H 2019: \$49 million) on contributions from Hornsea II Formosa2, Tyra Wellhead platforms & Tangguh projects.



Offshore Platforms	No. of projects	Brief description
○ No. of projects delivered in 1H 2020	1	• Tangguh LNG modules
○ No. of projects in WIP stage	5	<ul style="list-style-type: none"> • Hornsea II jackets • Hornsea II topsides • Formosa 2 - 15 offshore windfarm jackets foundations • Tyra field wellhead platform & bridges fabrication • Platform & bridges for National Oil Company at Al Shaheen oilfield (Gallaf Batch 2)

- Revenue from Specialised Shipbuilding was \$35 million for 1H 2020 on recognition of ongoing Ropax ferries projects and the 12,000 cubic metres LNG bunker vessel project.

Specialised Shipbuilding (\$ million)

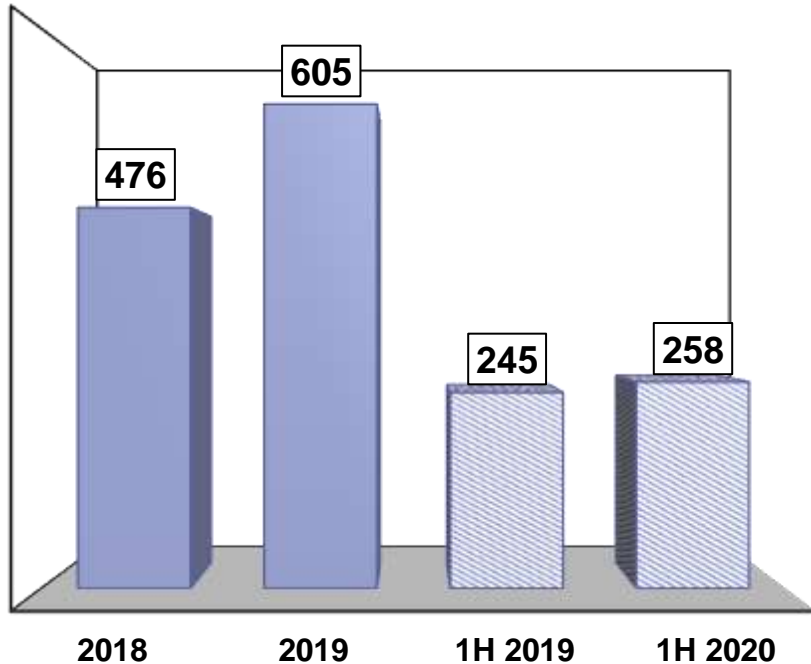


Specialised Shipbuilding	No. of projects	Brief description
○ No. of projects in WIP stage	4	<ul style="list-style-type: none"> 3 Ropax ferries 12,000 cubic metre LNG bunker vessel

Repairs & Upgrades

- Revenue from Repairs & Upgrades totalled \$258 million in 1H 2020 (1H 2019: \$245 million), on higher average revenue per vessel due to improved vessel mix on relatively higher value works.

**REVENUE – REPAIRS & UPGRADES
(\$ MILLION)**



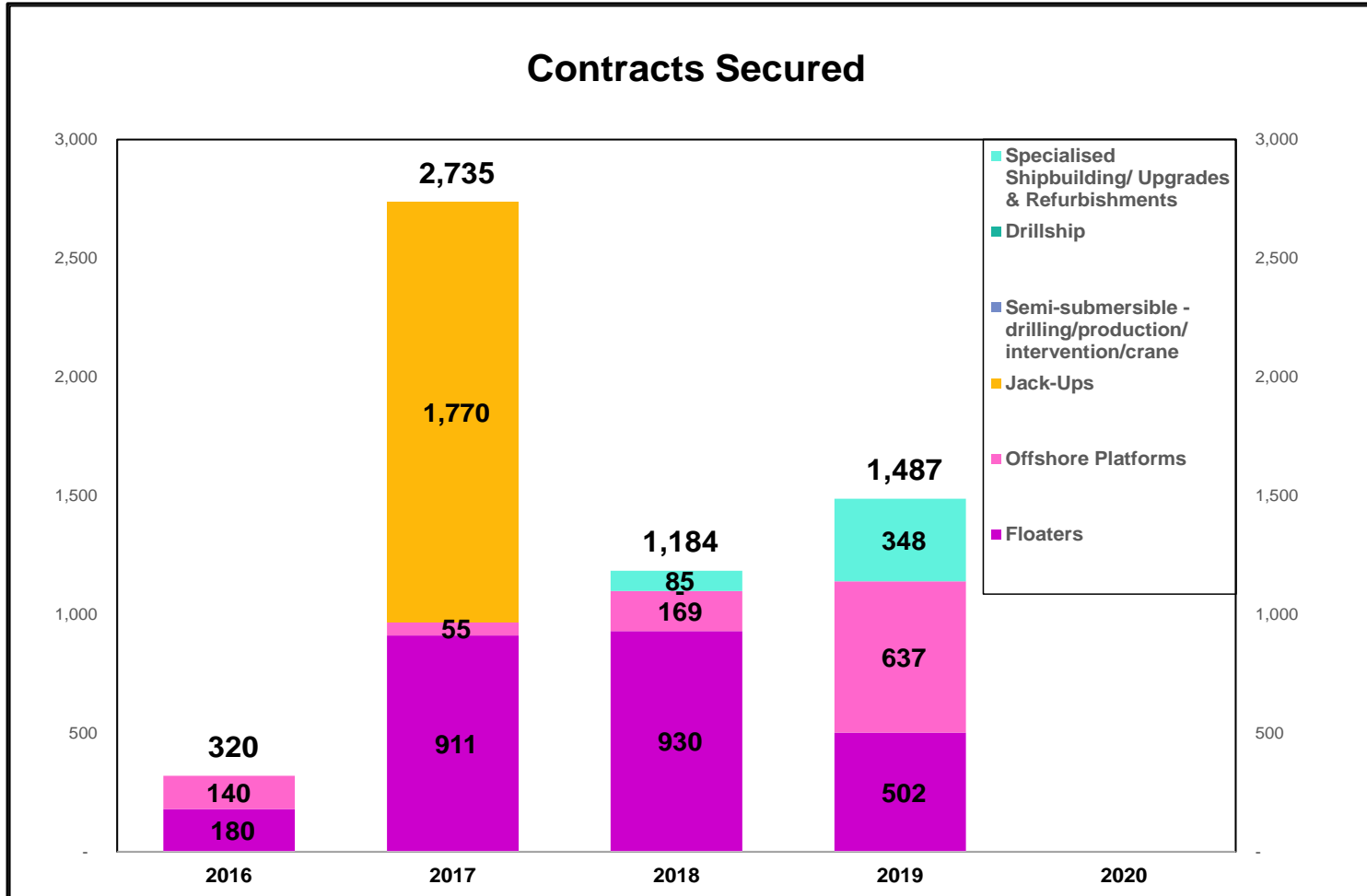
Period	1H 2020	1H 2019	% change
No. of vessels repaired	74	153	(52)
Average value per vessel (\$m)	3.49	1.60	118
Total repair revenue contribution (\$m)	258	245	5

Capital, Gearing and ROE

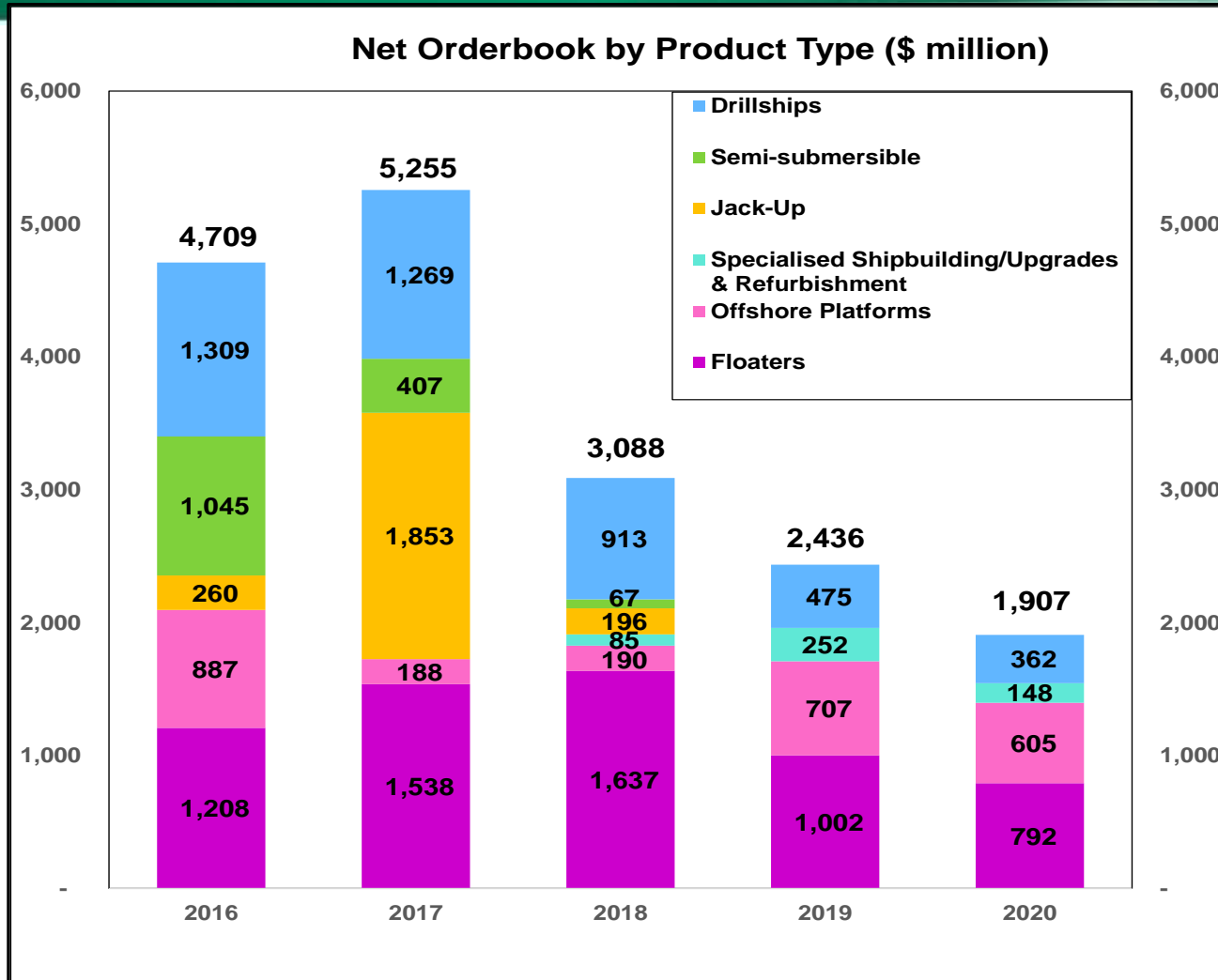
Group (\$ million)	Jun-20	Dec-19	% change
Shareholders' Funds	1,980	2,174	(9)
Net Debt	4,220	4,012	5
Net Working Capital	(259)	(310)	(16)
Net gearing ratio (times) (excluding subordinated loan)	1.35	1.14	18
Interest coverage ratio (times)	(0.9)	0.8	n.m.
ROE (%) annualised	(18.5)	(6.1)	203
ROTA (%) annualised	(2.6)	(0.1)	n.m.
Net Asset Value (cents)	94.77	103.96	(9)

Group (\$ million)	1H 2020	1H 2019	% change
Operating (loss)/profit before working capital changes	(47)	125	n.m.
Cash (used in)/generated from operations <small>(Mainly receipts from completed projects, offset by working capital for ongoing projects)</small>	(52)	296	n.m.
Net cash flow (used in)/generated from operating activities	(122)	273	n.m.
Net cash used in investing activities <small>(Mainly Capex, offset by disposal of AHFS)</small>	(52)	(203)	(74)
Net cash flow from/(used in) financing activities <small>(Mainly net proceeds from borrowings)</small>	899	(123)	(831)
Net increase/(decrease) in Cash	721	(53)	n.m.
Cash in balance sheets	1,107	782	42
Borrowings	(5,327)	(4,114)	29
Net Debt	(4,220)	(3,332)	27

COVID-19/Low Oil Price Impact – No significant new orders in 1H 2020



Net Order Book at \$1.91 billion



Agenda

- President & CEO Address
- Group Finance Director Address
- **Question and Answer session**



This presentation may contain forward-looking statements that involve risks and uncertainties. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions. Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, exchange rate movement, cost of capital and capital availability, competition from other companies and venues for sale and distribution of goods and services, shifts in customer demands, customers and partners, changes in operating expenses, including employee wages, benefits and training, governmental and public policy changes. The forward-looking statements reflect the current views of Management on future trends and developments.

Appendix



Sembcorp Marine Ltd (“SCM”) and Sembcorp Industries Ltd (“SCI”) have jointly announced a Transaction involving the following 2 steps:

1

Recapitalisation of SCM

- Renounceable underwritten rights Issue (“**Rights Issue**”)
 - 5 Rights Shares for every 1 existing SCM Share at S\$0.20 per Rights Share
- Gross proceeds of approximately S\$2.1 billion
 - SCI will undertake to subscribe for up to S\$1.5 billion¹ of Rights Shares
 - Temasek² has agreed to subscribe for up to S\$0.6 billion of SCM Rights Shares via a sub-underwriting arrangement with DBS

2

Demerger of SCM from SCI

- Distribution in specie³ of the SCM Shares held by SCI (“**Proposed Distribution**”) post completion of the Rights Issue
- SCI Shareholders would receive between 427 and 491 SCM Shares for every 100 SCI Shares owned



Sole Financial Adviser, Lead Manager and Underwriter to SCM

Note: All capitalised terms herein shall bear the same meanings as ascribed to them in the SCM announcement dated 8 June 2020

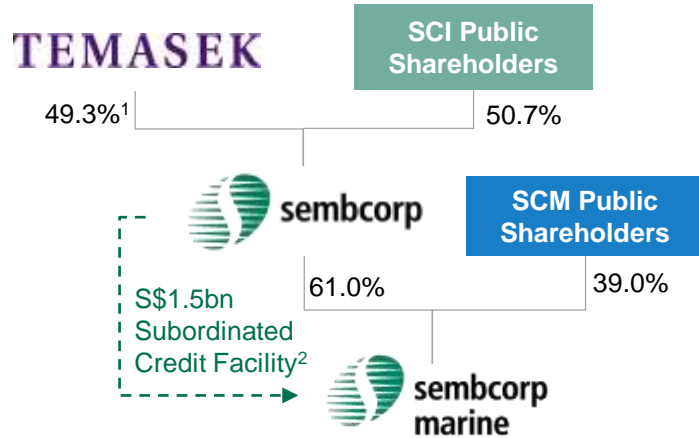
1) Comprises SCI's pro rata entitlement of Rights Shares and provisional allotment of excess Rights Shares

2) The sub-underwriting agreement is entered into by Startree Investments Pte. Ltd. ("Startree"), a wholly-owned subsidiary of Temasek, on 8 June 2020.

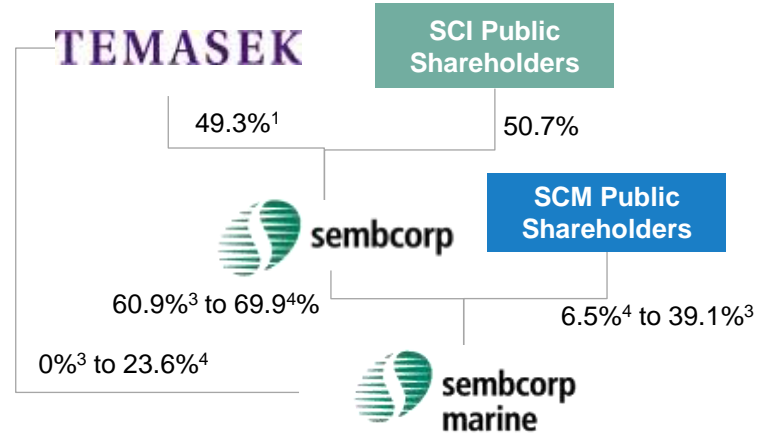
3) Fractional entitlements to be disregarded. Following completion of the Proposed Distribution, any resultant fractional SCM Shares will be aggregated and held by SCI for future disposal

Transaction Step 1: Rights Issue

Pre Transaction



Post Rights Issue



Transaction steps



- ▶ Rights Issue of approximately S\$2.1 billion
- ▶ SCI has undertaken to subscribe for up to S\$1.5 billion of Rights Shares (i.e. approximately 72% of the Rights Issue), to set off against the S\$1.5 billion principal amount outstanding under the Subordinated Credit Facility provided by SCI to SCM in 2019
- ▶ Temasek⁵ has entered into sub-underwriting agreement with DBS for the remaining S\$0.6 billion (i.e. approximately 28% of the Rights Issue)

Note

1) Includes deemed interest held through Startree but excludes deemed interest held through DBS

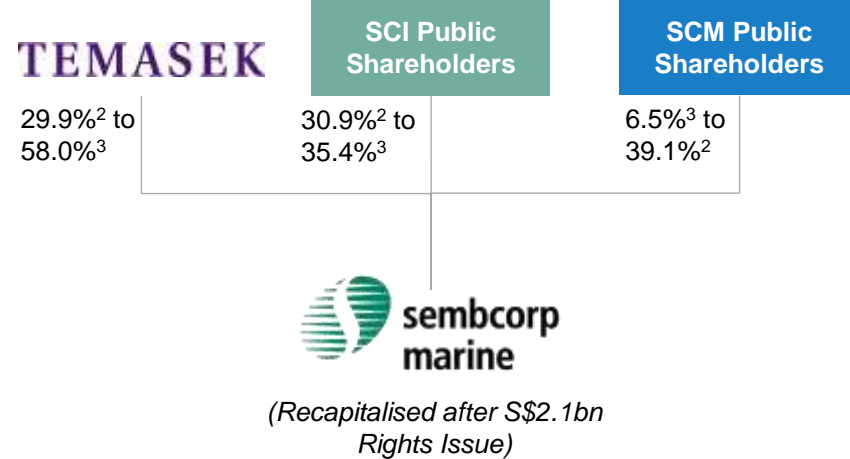
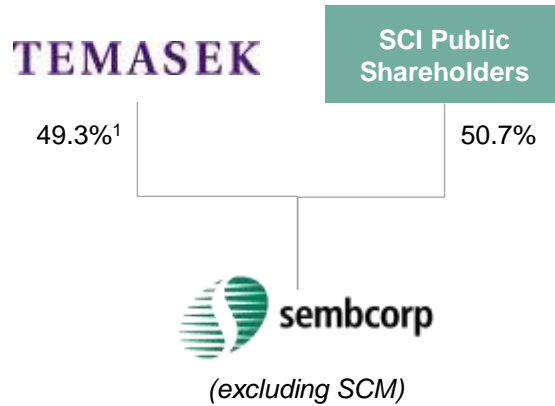
2) S\$1.5 billion is the principal amount outstanding under the Subordinated Credit Facility

3) Shareholdings are based on SCM Shares outstanding assuming 1,323,508 and 933,367 SCM Shares have been issued under SCM's RSP and SCM's Director's fee respectively, and each of SCI and the SCM Public Shareholders subscribes for its pro rata entitlement under the Rights Issue and zero subscription by DBS for its pro rata entitlement under the Rights Issue

4) Shareholdings are based on SCM Shares outstanding assuming 1,323,508 and 933,367 SCM Shares have been issued under SCM's RSP and SCM's Director's fee respectively, and each of SCI and Temasek subscribes for S\$1.5 billion and S\$0.6 billion of SCM Rights Shares respectively

5) The sub-underwriting agreement is entered into by Startree Investments Pte. Ltd. ("Startree"), a wholly-owned subsidiary of Temasek, on 8 June 2020

Post Distribution



Transaction steps

2

Post Rights Issue, SCI to distribute its shares in SCM to SCI Shareholders on a pro rata basis⁴

Note

- 1) Includes deemed interest held through Startree but excludes deemed interest held through DBS
- 2) Shareholdings are based on SCI Shares outstanding assuming 1,133,461 SCI Shares have been issued under SCI's RSP and SCI's PSP, SCM Shares outstanding assuming 1,323,508 and 933,367 SCM Shares have been issued under SCM's RSP and SCM's Director's fee respectively, and each of SCI and the SCM Public Shareholders subscribes for its pro rata entitlement under the Rights Issue and zero subscription by DBS for its pro rata entitlement under the Rights Issue
- 3) Shareholdings are based on SCI Shares outstanding assuming no SCI Shares have been issued under SCI's RSP and SCI's PSP, SCM Shares outstanding assuming 1,323,508 and 933,367 SCM Shares have been issued under SCM's RSP and SCM's Director's fee respectively, and each of SCI and Temasek subscribes for S\$1.5 billion and S\$0.6 billion of SCM Rights Shares respectively
- 4) Fractional entitlements to be disregarded. Following completion of the Proposed Distribution, any resultant fractional SCM Shares will be aggregated and held by SCI for future disposal

Summary of Benefits to Shareholders



Strengthen its liquidity position and balance sheet, enabling it to execute its existing projects and compete for high-value projects going forward

Demerger will enable SCM to pursue a focused strategy and build further its core engineering and execution capabilities

Strong long-term future as a global leader in innovative engineering solutions for the Offshore and Marine and energy industries, with an increasing focus on clean energy

Following the Proposed Distribution, Temasek (currently the single largest shareholder of SCI) will become a direct and significant shareholder



**sembcorp
marine**

Integrated Synergies, Global Possibilities.