



SAPURA ENERGY BERHAD ANNOUNCES UNAUDITED FINANCIAL RESULTS FOR FINANCIAL YEAR 2020

Kuala Lumpur, 29 April 2020

Summary of Financials

- **Revenue** of RM6.4 billion for full year FY2020
- **E&C segment revenue** of RM5.5 billion for full year FY2020
- **Drilling revenue** of RM941 million
- **Provision for impairment** of RM3.3 billion on goodwill and property, plant and equipment resulted in loss-after-tax of RM4.56 billion for full year FY2020.
- **Current orderbook** valued at RM13.5 billion.

Sapura Energy Berhad (“the Company” or “the Group”), today announced its unaudited full year results for the financial year ended 31 January 2020, recording a revenue of RM6.4 billion, compared to RM4.6 billion the previous financial year. On the back of this turnover, the Group recorded a loss-after-tax of RM4.56 billion.

As a prudent measure, the Group has decided to recognize a RM3.3 billion provision for impairment on goodwill and property, plant and equipment. The impairments were necessary due to the prolonged recovery expected in the oil and gas industry. In addition, a provision of RM439 million was recognised in anticipation of extended delays towards completion of current projects arising from the COVID-19 global pandemic and taking into consideration current market conditions.

Revenue gains were recorded on the back of increased project execution in its Engineering and Construction segment. Segment revenue for Engineering and Construction was RM5.5 billion in FY2020. The business unit saw a significant increase in EPCIC works globally, including commencing construction on two major Central Processing Platforms (CPP) for Mubadala Petroleum’s Pegaga field in Sarawak, Malaysia and the 98/2 project by ONGC India.

Sapura Energy’s Drilling business unit recorded a segment revenue of RM941 million for FY2020, marginally higher compared to FY2019.

Meanwhile, its upstream Exploration and Production business, operated through SapuraOMV, marked a significant milestone in FY2020 when it achieved first gas following the start-up of the Larak gas field under the SK408 Production Sharing Contract.

“The revenue growth is a result of our efforts to strengthen core markets in Asia, while further expanding into Middle East, Africa and the Americas”, said Tan Sri Dato’ Seri Shahril Shamsuddin, President and Group Chief Executive Officer, Sapura Energy Berhad. “Ownership of strategic assets provided sustainable competitive advantage for the company, especially as we diversified revenue streams through renewables, decommissioning, marine terminal, and large volume EPCIC projects.”

The Group’s current orderbook stands at RM13.5 billion. Notable awards in the year under review include the transportation and installation of offshore wind turbines at the Yunlin Offshore Wind Farm in Taiwan, its first renewables project and the EPCI contract for Full Field Development Phase 3, North Malay Basin, its third win from Hess Exploration and Production Malaysia.

The Group remains cautiously optimistic in its outlook for FY2021, as the oil and gas industry braces for the full impact of COVID-19 and low oil prices.

The Board of Directors anticipates the challenging environment to remain in the short to medium term.

“Having weathered the previous downturn, we have in place an agile strategy designed for the cyclical nature of the industry”, said Tan Sri Shahril. “Sapura Energy has also been implementing key initiatives since mid-2019 to optimize cost and improve operational efficiencies, which will be a crucial leverage as we manage uncertainties in FY2021”.

As part of the Group’s planned capital management program, a refinancing exercise is underway and is on track to be completed this year.

“The refinancing exercise will enhance the Group’s financial position,” Tan Sri Shahril remarked. “A stronger and leaner company will ensure we remain competitive in this current environment, and position ourselves well to capture opportunities when the market recovers”.

ENDS

Cautionary note: “Sapura Energy”, “the group” and “the company” are used for convenience where references are made to Sapura Energy Berhad in general. Similarly, words like “we”, “us” and “our” are used to refer to Sapura Energy Berhad in general or to those who work for the company and its subsidiaries, where relevant. This press release may contain forward-looking statements. All statements other than statements of historical facts included in this press release, including, without limitation, those regarding our financial position, financial estimates, business strategies, prospects, plans and objectives for future operations, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or industry results to be materially different from any future results, performance, or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding our present and future business strategies and the environment in which we will operate in the future.

Such forward-looking statements reflect our current view with respect to future events and are not a guarantee of future performance. Forward-looking statements can be identified by the use of forward-looking terminology such as the words “may”, “will”, “would”, “could”, “believe”, “expect”, “anticipate”, “intend”, “estimate”, “aim”, “plan”, “forecast” or similar expressions and include all statements that are not historical facts.