



## **SAPURA ENERGY BERHAD EXTENDS PROFITABILITY AND RESILIENCE IN THIRD QUARTER OF FINANCIAL YEAR 2021**

*Kuala Lumpur, 21 December 2020*

### **Summary of Q3 FY2021 financial results:**

- **PATAMI of RM17 million**
- **Cumulative PATAMI of RM55 million**
- **EBITDA of RM237 million**
- **Revenue of RM1.3 billion**
- **EBITDA margin of 18%**
- **Current cash and cash equivalents of RM580 million**
- **Current orderbook of RM12.5 billion with cumulative new contract wins year-to-date of RM2.2 billion.**

Sapura Energy Berhad (“Sapura Energy” or “the Group”) proved its capability to navigate forward in a challenging environment, announcing its third profitable quarter in financial year 2021.

The Group posted a profit-after-tax and minority interests of RM17 million for the quarter ended 31 October 2020 (“Q3 FY2021”), higher than the RM101 million loss-after-tax and minority interests recorded in the corresponding quarter of financial year 2020 (“Q3 FY2020”).

Sapura Energy sustained profitability throughout the first nine months of the financial year, with a cumulative profit-after-tax and minority interests of RM55 million.

“Sapura Energy pursued an agile strategy of utilising strategic assets to acquire capabilities across the value chain, expanding our global presence, and diversifying into adjacent markets”, said Sapura Energy President and Group CEO Tan Sri Shahril Shamsuddin. “The move steered us through the uncertainties of the energy industry”.

Sapura Energy persevered to safely deliver its promises to clients during a difficult year, resulting in an improved revenue of RM1.3 billion in the Q3 FY2021. This represented a nine percent growth compared to the Group’s revenue of RM1.2 billion reported in the preceding quarter. (“Q2 FY2021”).

“The main contributor to revenue growth was the Group’s Engineering and Construction segment, which continued to achieve projects milestones despite the challenges of operating a global business during the COVID-19 pandemic,” said Tan Sri Shahril. “It was important for us to meet clients’ expectations and maintain their trust in Sapura Energy as an agile, professional and reliable partner.”

Notably, the division successfully installed the first monopile at an offshore wind farm in the Taiwan Strait earlier this month, marking the start of the Group’s maiden foray into the offshore wind sector.

Sapura Energy maintained positive operating margins and metrics throughout the first nine months of FY2021. The Group reported earnings before income tax, depreciation and amortization (“EBITDA”) of RM237 million in Q3 FY2021, representing an EBITDA margin of 18 percent. Sapura Energy chalked a total group EBITDA of RM760 million in the year-to-date, with a cumulative EBITDA margin of 19 percent compared to an EBITDA margin of seven percent recorded in the same period of financial year 2020.

The results demonstrate the Group’s firm commitment to turnaround the company, as it executed a comprehensive optimization plan to ensure lean and efficient operations began in FY2020. Sapura Energy has identified more than 200 optimization initiatives valued at RM1.1 billion, of which approximately RM600 million worth have been implemented to date. These initiatives include improvements in operations productivity, supply chain optimization and extensive reviews of commercial opportunities within existing contracts.

Sapura Energy and its financiers are also currently finalizing terms for a planned refinancing exercise, as part of the Group’s capital management program. Sapura Energy is confident the refinancing exercise will be completed by January 2021, as scheduled.

The Group’s orderbook currently stands at RM12.5 billion, with RM2.2 billion in cumulative new contract wins for the year to-date. Recent awards include the provision of engineering, procurement, supply, construction, installation and pre-commissioning of pipelines in the Al-Khalij field, Qatar, provision of engineering, procurement, construction, transportation and installation and hook-up and commissioning for the additional Andalas pipeline in the Malaysia-Thailand Joint Development Area, and a drilling services contract for its tender-assist drilling rig “Sapura Berani” on three wells offshore Congo.

Encouraged by the gradual recovery in the energy industry, the Group continues to build top-line growth through robust bidding activities in addressable markets and segments for hydrocarbons and renewable energy. Sapura Energy’s current bid book continues to grow, with tenders valued at RM38.8 billion submitted and in progress.

While Sapura Energy anticipates the environment in the oil and gas industry to remain challenging in the short to medium term, the Group is optimistic of its ability to navigate the current uncertainties. It will continue to focus on safe and efficient operations across its business segments, deliver its optimisation targets and improve financial strength; and be well-positioned to capture opportunities as the market recovers.

(ends)

*Note: Sapura Energy’s fiscal year FY2021 is from 1 February 2020 to 31 January 2021.*

**About Sapura Energy Berhad**

Sapura Energy Berhad is a global integrated oil and gas services and solutions provider operating across the entire upstream value chain. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, as well as decommissioning and abandonment. With a highly skilled and technically capable workforce, strategic world-class assets, and strong project management capabilities, the Group today delivers its integrated solutions and expertise in over 20 countries. In 2019, Sapura Energy was named APAC Company of the Year for the Energy Services, Offshore and Marine category by the Energy Council.

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