



SAPURA ENERGY BERHAD ANNOUNCES UNAUDITED FINANCIAL RESULTS FOR FINANCIAL YEAR 2021

Kuala Lumpur, 27 April 2021

Summary of FY21 Financial Results

- **EBITDA** of RM809.3 million
- **EBITDA margin** of 15%
- **Loss after tax** of RM160.3 million
- **Revenue** of RM5.3 billion
- **COVID-19 related cost** of RM286 million
- **Current orderbook** valued at RM13.7 billion.

Sapura Energy Berhad (“the Company”) and its Group of Companies (“the Group”), today announced its unaudited full year results for the financial year ended 31 January 2021 (“FY2021”), posting earnings before interest, tax, depreciation and amortisation (“EBITDA”) of RM809.3 million on the back of RM5.3 billion in revenue.

The results represented an EBITDA margin of 15 percent, achieved during severe operating conditions brought about by the COVID-19 pandemic. This is a clear turnaround in the Group’s performance, when compared to the RM252.2 million loss before interest, interest, tax, depreciation and amortisation posted in the financial year ended 31 January 2020 (“FY2020”).

The Group recorded a loss-after-tax of RM160.3 million in FY2021, a significant improvement on the RM4.6 billion loss-after tax posted in the previous financial year.

The Group registered three profitable quarters in FY2021, before recording a loss-after-tax of RM215.3 million in the fourth quarter, due to lower project margins in its Engineering & Construction (“E&C”) business segment. During the quarter, the E&C segment sustained additional costs brought about by COVID-19 and by working through the monsoon season.

Group revenue for the fourth quarter of FY2021 was RM1.4 billion, slightly higher than the RM1.3 billion generated in the third quarter of the same year.

The Group's revenue declined 17 percent year-on-year to RM5.3 billion compared to the RM6.4 billion recorded in FY2020. This is reflective of the pandemic's disruptive impact on the Group's business, following shocks to the oil and gas market and radical adjustments to the industry's standard operating procedures.

The financial impact of the pandemic on the Group is estimated to be about RM286 million, while working during inclement weather costed the Group an additional RM303 million. The estimate includes supplementary expenses due to supply chain delays, quarantine restrictions on crew and vessels, mobilization costs and regular COVID-19 testing on employees at all workplaces, onshore and offshore.

To date the entire COVID-19 costs, and RM149 million in weather-related costs, remain unrecovered. The Group will be working with clients to acknowledge and resolve these costs in the current financial year ('FY2022').

"The Group persevered and delivered commendable performance given the circumstances", said Group Chief Executive Officer Datuk Mohd Anuar Taib. "The Group achieved three important objectives in a very challenging year: we kept our people safe amidst the pandemic, we delivered on promises to our clients despite operational difficulties, and we remained on-track in the transformation plan we began in 2019."

Delivering on our promises

The Group completed 24 oil and gas projects in FY2021, for clients in Asia & Oceania, Middle East, Africa and the Americas. Its Exploration & Production ("E&P") segment, under joint-venture SapuraOMV, doubled production to 37 thousand barrels of oil equivalent per day in FY2021, following the safe start-up of its SK408 block, offshore Sarawak.

The Group also made good progress in its Acceleration Program, a comprehensive optimisation plan for lean and efficient operations, launched in 2019. The Company is executing about 270 initiatives, valued at RM1.3 billion, of which approximately RM760 million has been implemented to date, with RM430 million realised. These initiatives include improvements in operations productivity, supply chain optimisation and reviews of commercial opportunities within existing contracts. The Group also implemented salary reductions and a right-sizing exercise in FY2021.

To improve financial headroom and liquidity, the Group recently completed a planned refinancing exercise and secured additional working capital facilities, in line with its capital management program.

Healthy orderbook and RM1 billion new contract wins

The Group's winning streak continued in the current financial year, with today's announcement of new contract wins worth approximately RM1 billion. The awards include a turnkey contract for the North Malay Basin Full Field Development Phase 4A Facilities from long-time client Hess Exploration and Production Malaysia; and EPCIC of Mubadala Petroleum's gas and condensate mercury removal unit at the Pegaga Integrated Central Processing Platform.

Notable awards in FY2021 include a contract for three new wellhead platforms at the Zuluf, Ribyan and Abu Safah oil fields from Saudi Aramco, issued under a Long-Term Agreement. The Group also won awards for pipeline construction in the Al-Khalij field, Qatar; the transportation and installation of the Amoca Platform in Mexico, and an extension on the contract for pipe-laying support vessel *Sapura Esmeralda* in Brazil. Sapura Drilling was also awarded two new contracts in Ivory Coast and Congo.

With a current orderbook at RM13.7 billion, the Group has secured about 80 percent of its revenue for FY2022.

Embracing Energy Transition

“We proved our agility and resilience by weathering an economic downturn and a pandemic”, Datuk Anuar added. “The Group is now on firm footing for sustainable growth, looking beyond its existing market to embrace the energy transition”.

As part of its diversification into renewable energy, the Group has commenced installation of wind turbine monopiles at the Yunlin Offshore Wind Farm in Taiwan and has increased bidding activities in the offshore wind segment.

The Group has also focused on natural gas as transition fuel, with a major portion of its E&C activities supporting the development of natural gas assets around the globe. In E&P, gas represented 85 percent of its production in FY2021.

The E&P segment marked another milestone recently, when SapuraOMV and its partners took the final investment decision on Jerun field, its largest operated project within the SK408 gas development. The field will come onstream in 2024 and is expected to produce some 500 million standard cubic feet of gas per day, to be supplied to the Petronas LNG complex in Bintulu.

Commenting on the outlook for the Group, the Board of Directors expects a recovery in the energy industry, following improving oil prices and the roll-out of COVID-19 vaccination programme globally. The addressable market for the Group has increased significantly in the five years, with current bids and prospects valued at RM123 billion, of which six percent represents opportunities in offshore wind. More success in the renewable energy sector bodes well for the Group’s transition beyond oil and gas.

In all, the Board remains confident that the turnaround trends seen in the third and fourth quarter of FY2021 will lead to better Group performance in FY2022.

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About Sapura Energy Berhad

Sapura Energy Berhad is a global integrated energy services and solutions provider operating across the entire upstream value chain. The Group's spectrum of capabilities covers exploration, development, production, rejuvenation, decommissioning and abandonment, as well as renewables. 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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