



**2Q 2016  
Results Briefing**

**26 August 2016**



**1. The headlines**

**2. Operations**

**3. Outlook**

# 2Q16 Results ended 30 June 2016

FY Dec (RM m)	1H16	1H15	1H16 vs 1H15 (%)	2Q16	1Q16	2Q15
Revenue	240.2	314.8	-23.7	136.8	103.4	123.8
Core EBITDA	29.3 <sup>1</sup>	43.9 <sup>2</sup>	-33.2	19.7 <sup>1</sup>	9.6	13.7
<i>Margin (%)</i>	<i>12.2</i>	<i>13.9</i>		<i>14.4</i>	<i>9.3</i>	<i>11.0</i>
Pretax Profit	11.1	24.9	-55.4	9.5	1.7 <sup>1</sup>	6.3
Net Profit	8.5	19.8	-57.1	7.2	1.3	4.6
Core Net Profit	10.2 <sup>1</sup>	23.6 <sup>2</sup>	-56.6	8.9 <sup>1</sup>	1.3	4.6
<i>Margin (%)</i>	<i>4.3</i>	<i>7.5</i>		<i>6.5</i>	<i>1.2</i>	<i>3.7</i>
Basic EPS (sen)	1.03	2.46	-58.1	0.87	0.15	0.58
Dil net EPS (sen)	0.99	2.39	-58.6	0.85	0.15	0.56

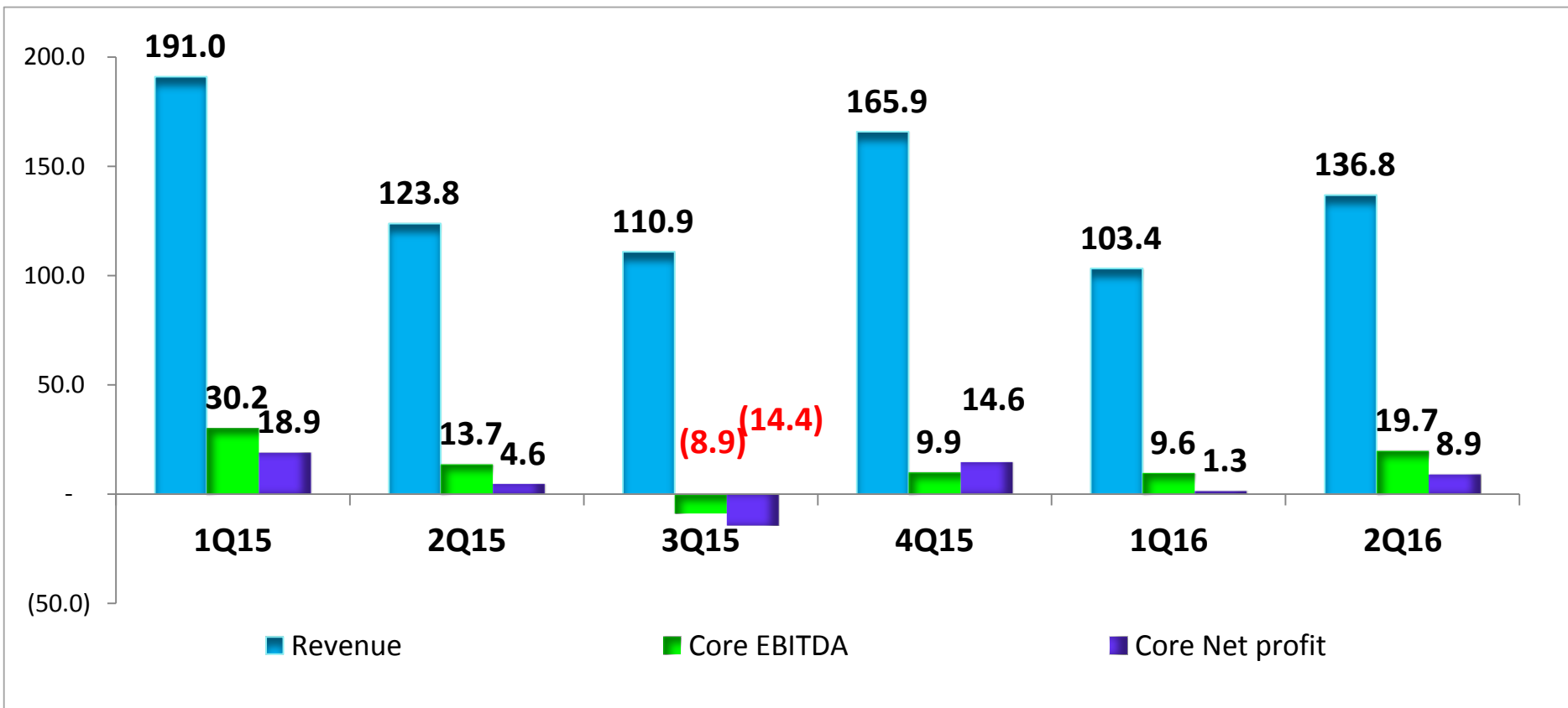
<sup>1</sup> Add back share-based payments of RM1.7m arising from fair valuation of ESOS

<sup>2</sup> Add back share-based payments of RM3.8m arising from fair valuation of ESOS, charged out in 1Q15

<sup>3</sup> Reported pretax profits and net profits take into account of unrealised loss/gain from foreign exchange relating to accounting of KL101 ownership and charter income of KL101

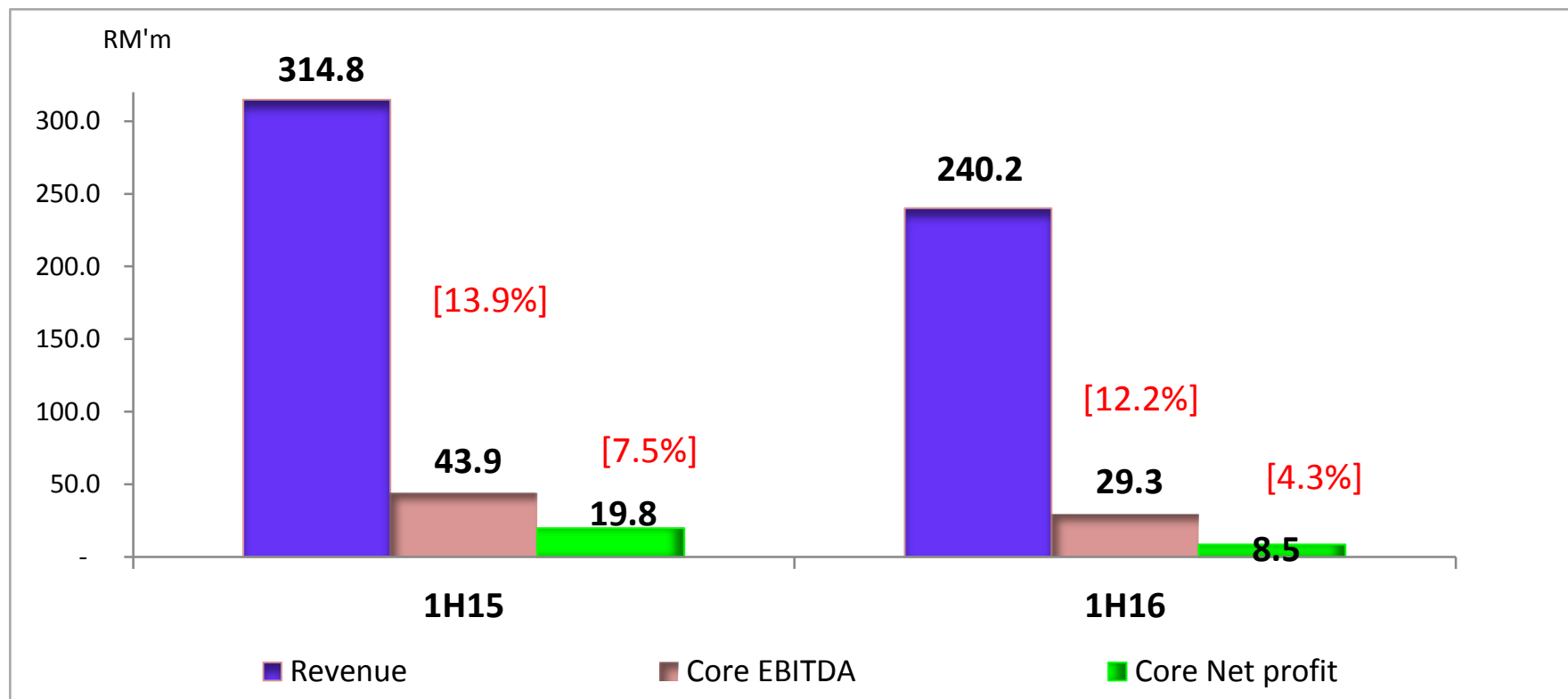
# Quarterly Trend

2Q16 much better than 1Q16. However, 2016 paled in comparison to 2015 as the group had much larger billings and higher margins last year.



# 1H16 vs 1H15

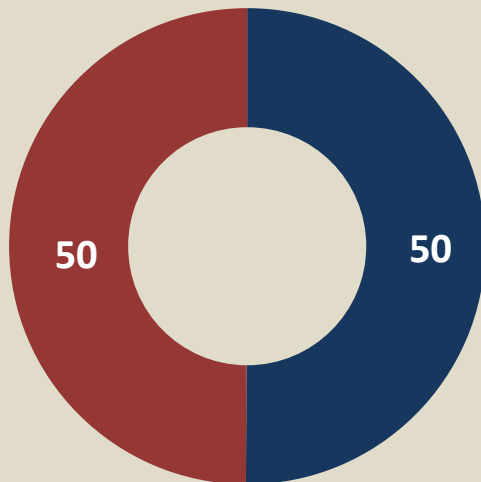
- 1H16 revenue -23.7% yoy, core EBITDA -33.2% yoy due to high-base 1H15. (Big orders reflected in 1H15 before slower demand impacted earnings in 2H15)
- P1 & P2 is the largest contributor, followed by Pengerang Pipeline, Pan Malaysia HUC and Pipeline Services



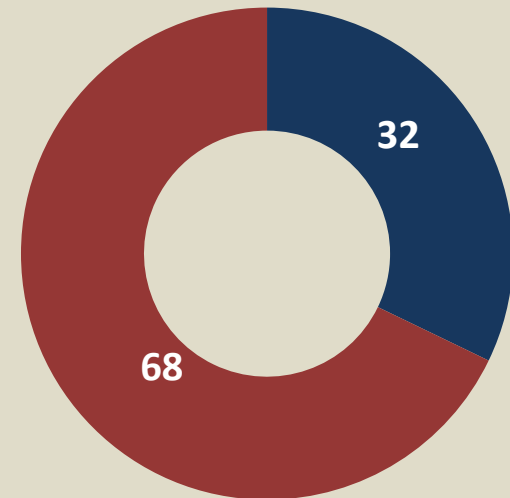
# Revenue Breakdown

Installation & Construction's contribution higher at 68% in 1H16 (vs 50% in 1H15), mainly due to T&I ongoing work and substantially reduced revenues from Hook-Up Commissioning and Pipeline Services.

1H15



1H16



Pipeline & Commissioning



Installation & Construction

# 1H16 Revenue Analysis by Division

T&I  
[47.8%]

- 1H16: RM113.4m from P1 & P2 (2Q: RM62.6m, 1Q: RM50.8m).
- Including SKO riser guards installation's RM38.2m order, T&I accounts for 71% of RM440m group's secured order in 2015-2016.
- Expect better 2H16

Onshore  
EPCC  
[20.1%]

- Pengerang pipeline largest contributor with revenue of RM43.5m (2Q: 15.8m, 1Q: RM27.7m).
- Net Export Terminal Scraper Station (NETSS): RM2.7m, which is 50% completed to-date.

HUC  
[19.8%]

- Pan Msia HUC totaled RM36.8m (vs 1H15 RM59.4m).
- HUC for PLNG1 at RM5.8m.
- Pan Msia HUC reduced activity vs 2014-2015.
- Awaiting for welding work for Murphy's offshore drilling and subsea.

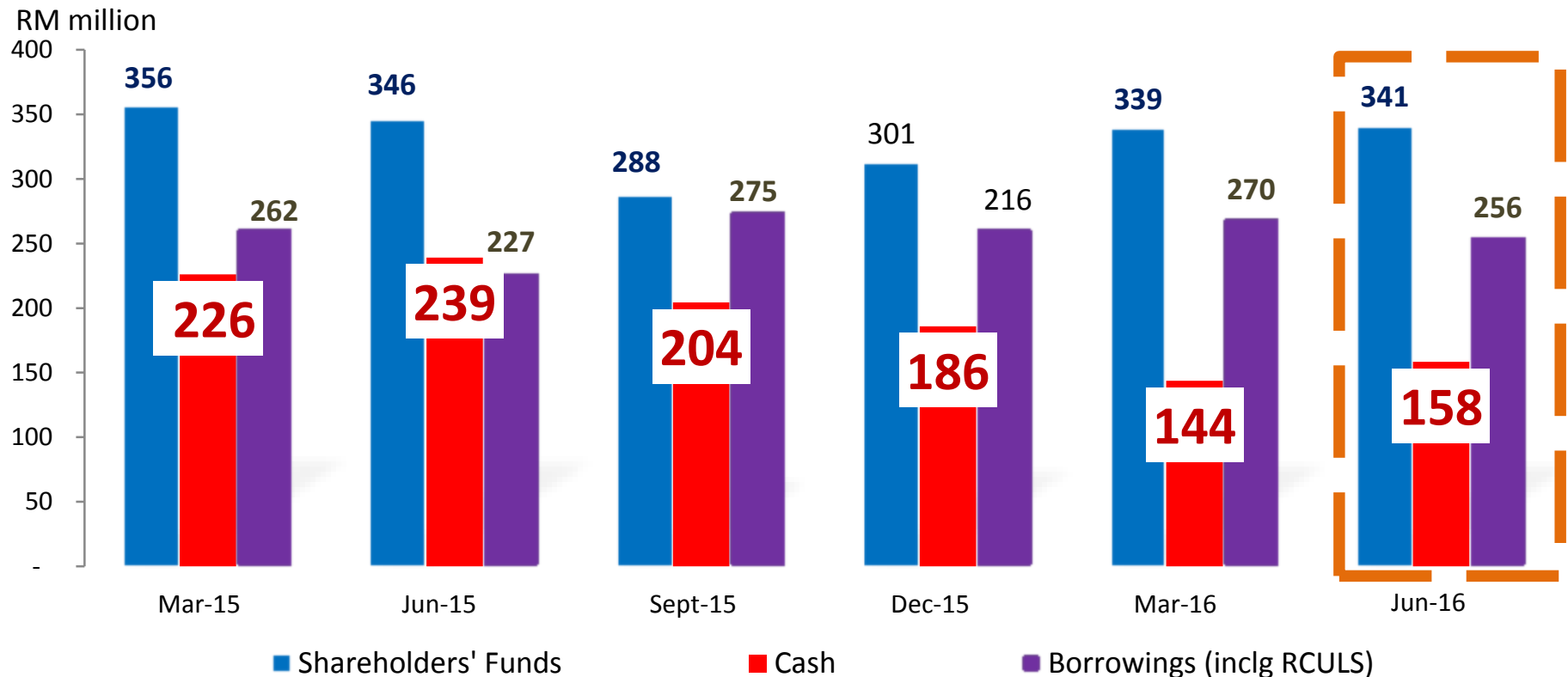
Pipeline  
Services  
[12.3%]

- Revenue at RM29.2m (1H15: RM98.2m)
- Impact from substantially slower activity and completion of the bulk of EVA project in 2015.
- Current largest contract: PETRONAS Carigali's PIG Trap System.



# Balance Sheet

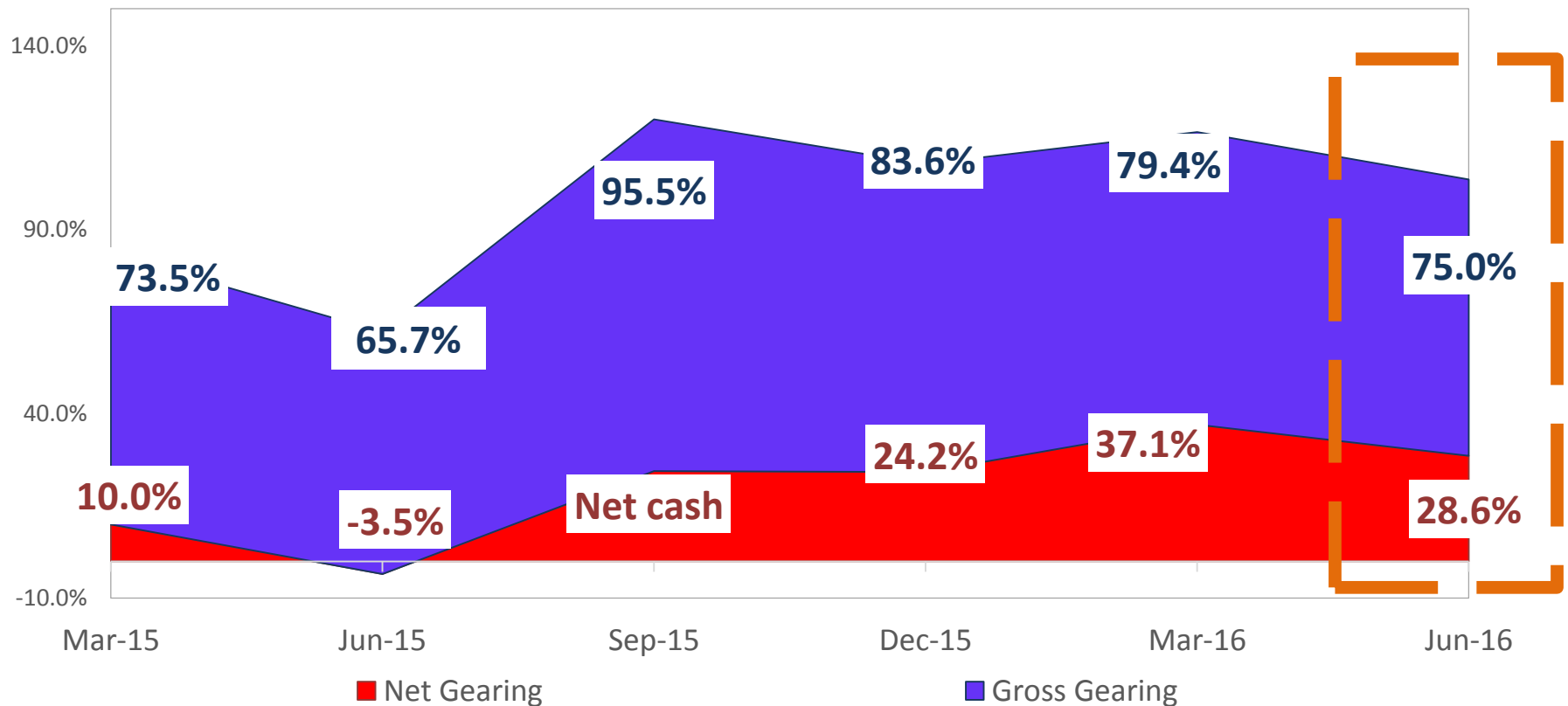
- Forex translation gain of RM18.0 million (MYR strengthened) and higher retained earnings boosted shareholders' funds.
- Cash increased to RM158.3 million @ 30 June 2016 due to faster cash conversion and lower capex in 2Q16 (upgrade for KL101 double-joint mostly completed in end 1Q16).

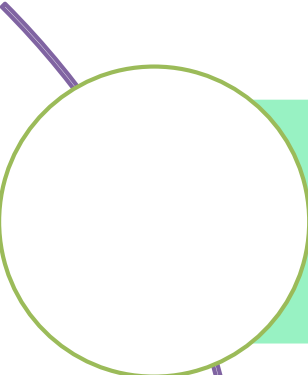




# Net Gearing at 28.6% @ 30 June 2016

Net gearing reduced to 28.6% @ 30 June 2016 (vs 37.1% @ 31 March 2016). Gross gearing dropped to 75.0% with less working capital requirement (less trust receipts drawdown).





~RM440m work orders secured in 2015-2016 anchoring performance (better 2H16 expected)



Prudent cashflow management translated to low net gearing of 28.6%



Margins already reflecting industry's new norms (expect to stabilise at current levels going forward)



1. The  
headlines

**2. Operations**

3. Outlook

# Unbilled Orderbook of RM1.3bn @ 26/8/16

Projects	Client(s)	Value (RM'm)	Unbilled @30/6	Balance (Year)
Pan M'sia Hook-Up & Commissioning	Petrofac, Repsol & SKEI	461 (revised from 511)	191	2.0
Repair & Maintenance of Sabah-Sarawak Gas Pipeline	Petronas Gas	n.a.	7	1.5+1
Other Pipeline Services	Various	56	47 (est)	1.0+1
PFLNG Post-Installation, On-board HUC & start-up activities	Technip	19 (est)	13 (est)	0.5
PIG Trap System, W. & E Malaysia	Petronas Carigali	110	78 (est)	1.0+1
Pan Malaysia Transportation & Installation Facilities Package A	11 PSCs	892 (revised from 1500)	261 (est)	0.5
Pengerang Pipeline	Petronas Gas	260	92	0.5
New Export Terminal Scraper Station	Petronas Gas	13	8	0.5+1
Firewater Network, UIO, RAPID	PRPC Utilities	84	84	1.5

# Project Timeline

Projects	Notes:	2016				2017				2018			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Pan Malaysia HUC	Ongoing until 2018. 2H15-2016 seeing slower activity	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	White	White	White
PIG Trap System, W. & E Malaysia	Ongoing work order	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	Grey	Grey	Grey
Pan Malaysia T&I Package A	P1 completed, working at P2 now and SKO riser guards installation in 3Q-4Q	Yellow	Yellow	Yellow	Yellow	White	White	White	White	White	White	White	White
Pengerang Pipeline	Busy with the 9.5km-stretch of four major river crossings	Yellow	Yellow	Yellow	Yellow	Yellow	White	White	White	White	White	White	White
SSGP Repair & Maintenance	Completed work order. Engaging of more PO in future	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Grey	White	White	White	White
PLNG Package 3	Activity ongoing now; additional scope for provision of manpower and equipment	Yellow	Yellow	Yellow	White	White	White	White	White	White	White	White	White
RAPID UIO-Firewater Network	Site mobilisation and started work in August 2016	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	Yellow	White	White	White	White

Option for extension

## INSTALLATION & CONSTRUCTION



### Pan Malaysia T&I Package A

- P1 completed; balance 35km (out of 125km) of P2 to complete by early Oct 16.
- Work for SKO riser guard installation received in late July 16.
- Hiring DP2 vessel to do the job, starting early Sept 16.



### Pengerang

- Pipes fully laid in Pasir Gudang and Pengerang (87% of 73km)
- Kota Tinggi river-crossings (Sg Johor, Sg Layau, Selat Mendana and Sg. Lebam) spans 9.5km.
- Laying pipes in Sg Johor and Selat Mendana
- Sg Layau- HDD\* piloting ongoing; Sg Lebam- mobilisation of HDD\* rig



### Other Onshore EPCC

- Net Export Terminal Scraper Station EPCC: 50% completed. To tap gas from the station to be replaced into the new station in end Sept 16.
- SSGP- Assist pigging operations. Expecting further work order in mid-Sept 16

## PIPELINE & COMMISSIONING



### HUC & TMM

- HUC team working onboard PLNG 1
- PLNG1- Additional scope to supply manpower and equipment until October 2016
- Pan Malaysia HUC- ongoing work albeit smaller in value



### Pipeline Services

- Busy with Petronas Carigali's PIG Trap System until 2018
- The pace and rollout of work order dependent on the O&M activity of sub-sea pipelines and onshore pipeline installation

\* Horizontal Directional Drilling





1. The  
headlines

2. Operations

**3. Outlook**



## Existing Orderbook

- RM1.3bn unbilled orderbook with long-term underwater services project secured recently.
- Pan Malaysia T&I unbilled amount revised from RM869.5m to RM261.0m; given that a new tender is ongoing; Pan Msia HUC unbilled sales: RM191.1m, revised from RM241.1m based on the gauge of activity

## Future Orderbook

- Bidbook- RM1.9bn (70:30 split between local and overseas)
- Target RM1-1.5bn new orders in the next 2 years
- Opportunity from O&M of oilfield assets and downstream activities

## Competition & Margins

- Keen competition
- Low rates offset by low charter costs.
- We believe current net margins already adjusted to new norms
- Asset light model (KL101 all-in costs of ~ RM35m), keeps the group competitive

## **OUR VISION:**

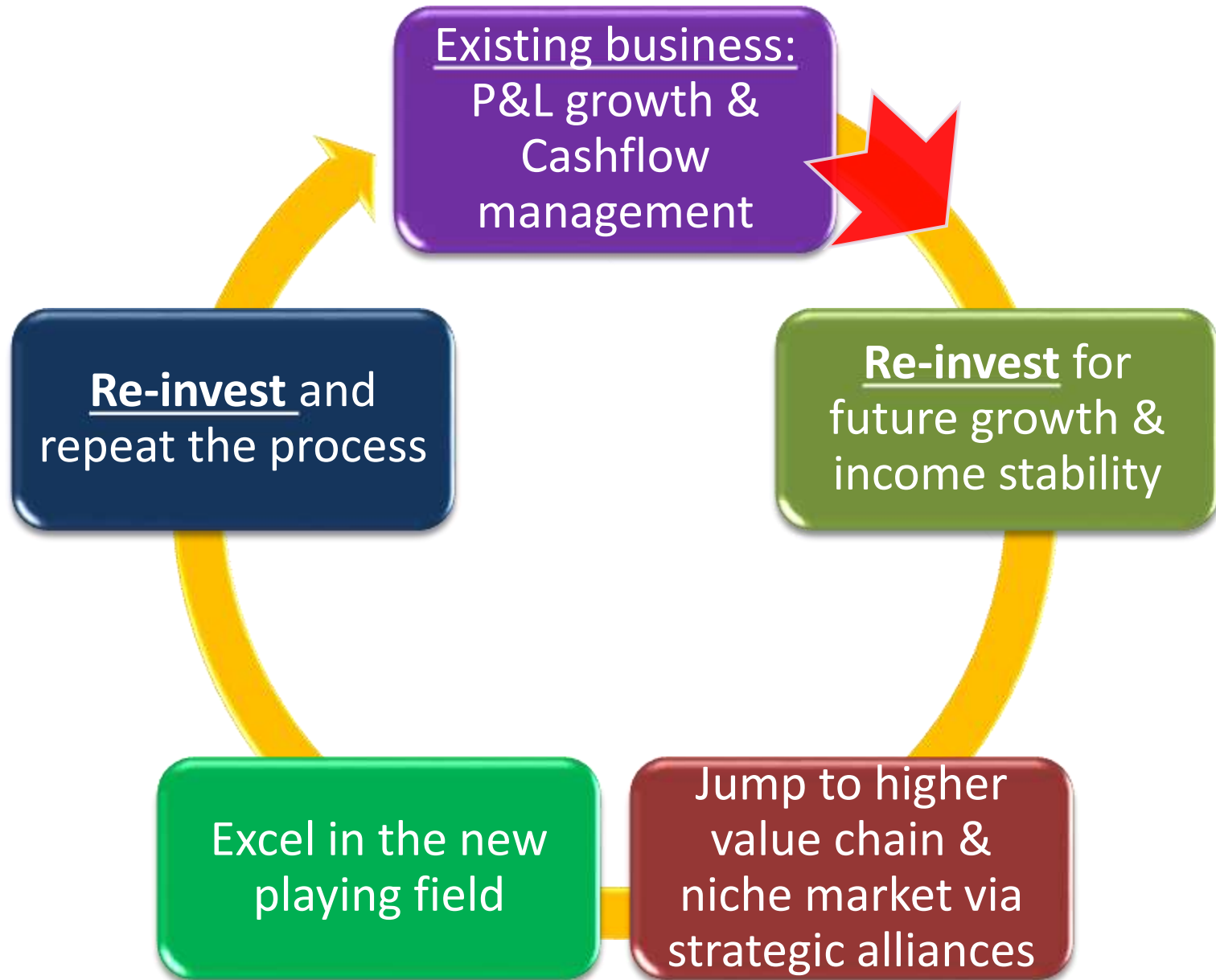
Premier Integrated  
O&G player

Take action to move to  
**VISION**

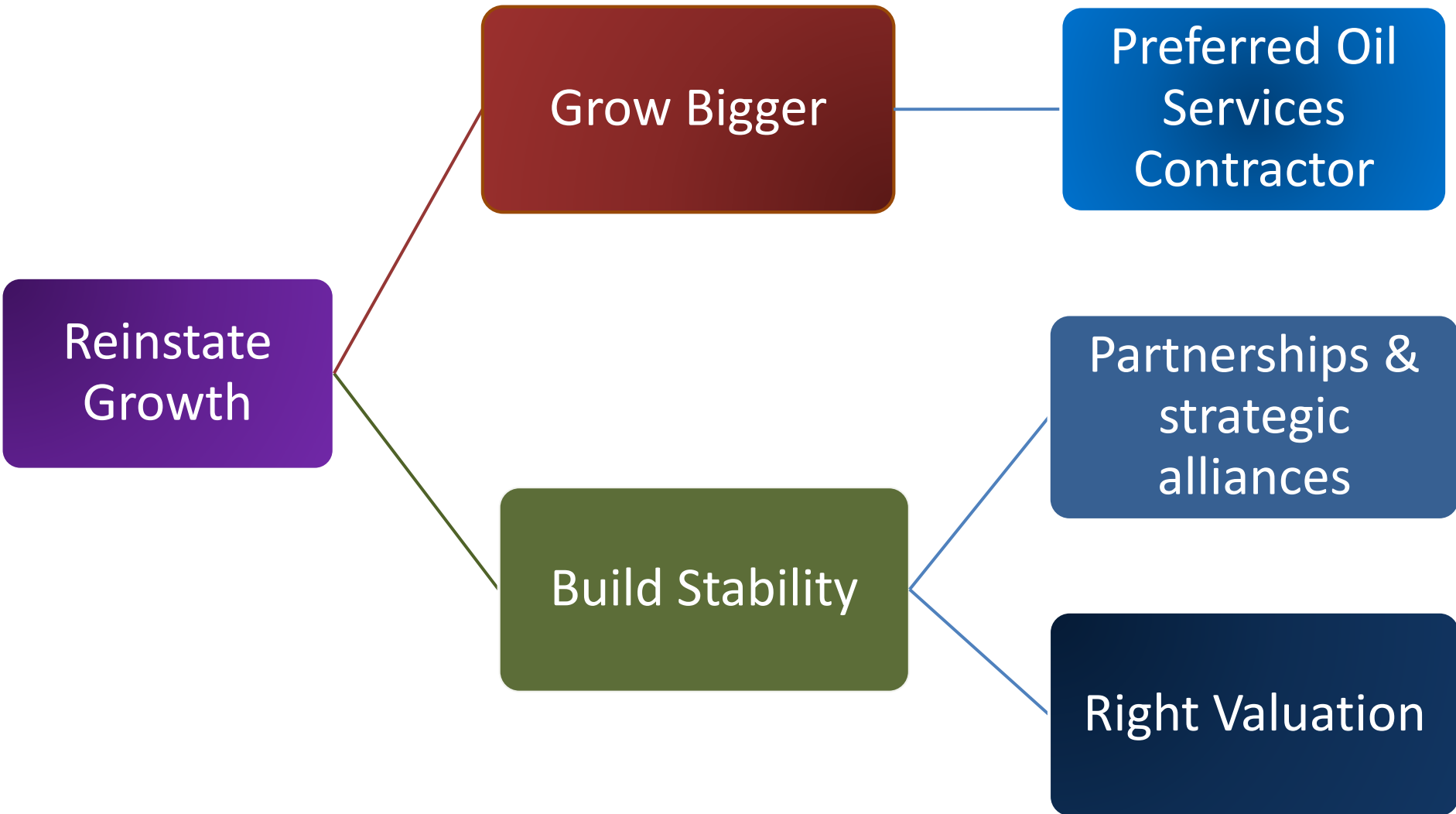
## **Anchor Foundation:**

Focus on core competency +  
build on success formulae &  
technical expertise

# Our Path



# Key Takeaways



# Thank You



Contact us:

**Firdauz Edmin Mokhtar**

Chief Financial Officer

Email : firdauzedmin@barakah.my

**Abdul Rahim Awang**

Chief Corporate Officer

Email : abdulrahim@barakah.my

**Barakah Offshore Petroleum Berhad**

No. 28, Jln PJU 5/4, Dataran Sunway,  
Kota Damansara, 47810 Petaling Jaya,  
Selangor Darul Ehsan.

<http://www.barakahpetroleum.com>

Tel : +603-6141 8820

Fax : +603-6141 8857

