



**BARAKAH**  
**OFFSHORE PETROLEUM**



**1Q 2015  
Results Briefing**

**26 May 2015**



 **BARAKAH**  
OFFSHORE PETROLEUM

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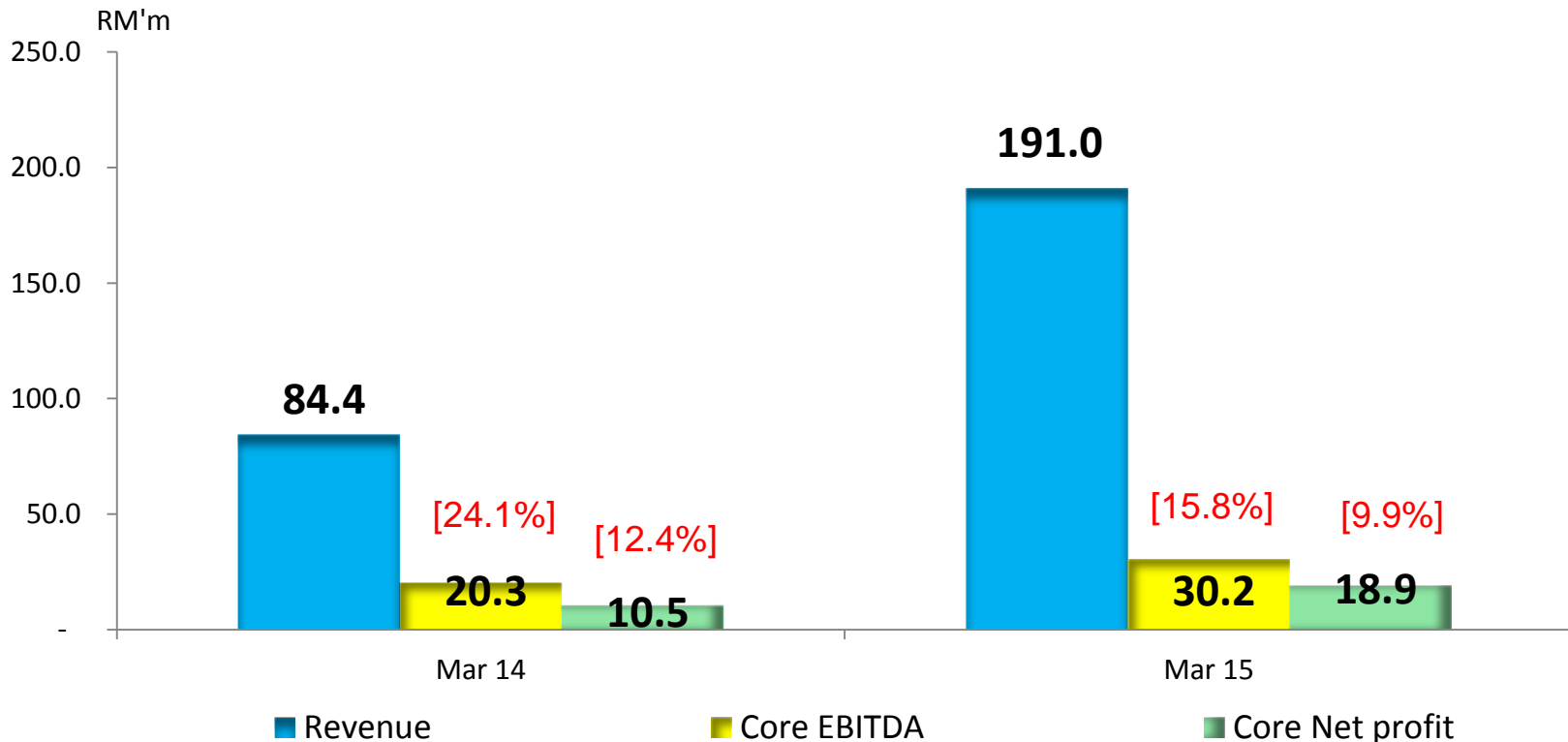
# 1Q15 Results ended 31 March 2015

<b>FY December (RM m)</b>	<b>1Q15</b>	<b>1Q14</b>	<b>yoy chg (%)</b>
<b>Revenue</b>	191.0	84.4	+126.2
<b>Core EBITDA*</b>	30.2	20.3	+48.9
<b>Pretax Profit</b>	18.6	11.5	+62.4
<b>Net Profit</b>	15.1	9.4	+60.4
<b>Core Net Profit*</b>	18.9	10.5	+80.3
<b>Basic net EPS (sen)</b>	1.94	1.52	+27.7
<b>F.d. net EPS (sen)</b>	1.80	1.18	+52.9

\* Adjusted for one-off share-based payments of RM3.8m arising from fair valuation of ESOS

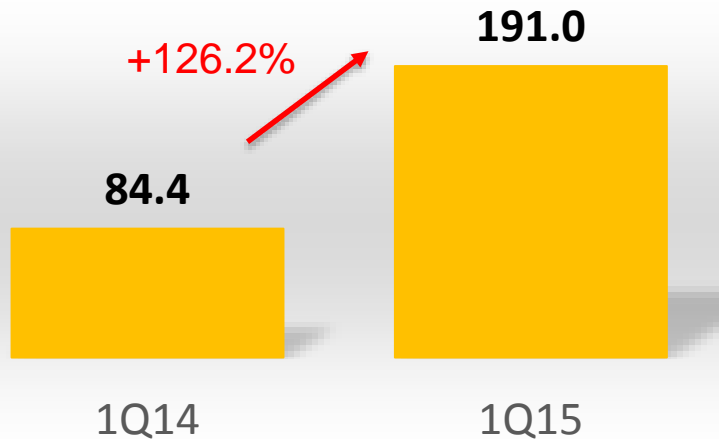
# 1Q15 vs 1Q14

- Revenue rose 2.3 times from projects progress
- Lower margins due to a change in revenue mix- higher contribution from long-term projects (1Q14: more from pipeline services)

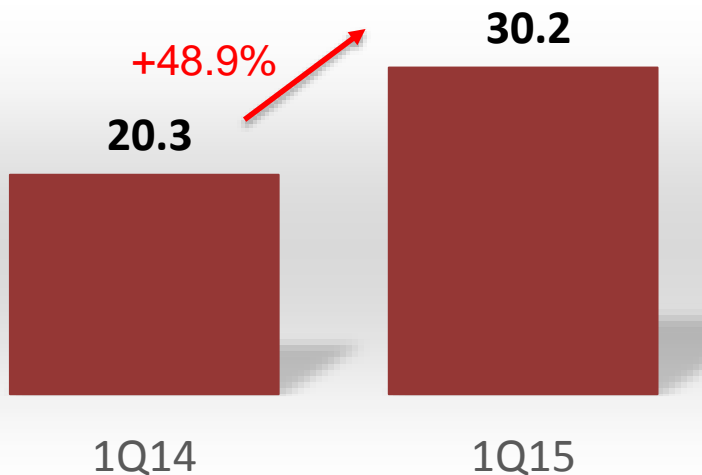


# Key Financial – 1Q15 vs 1Q14

## Revenue (RM'mil)



## Core EBITDA (RM'mil)

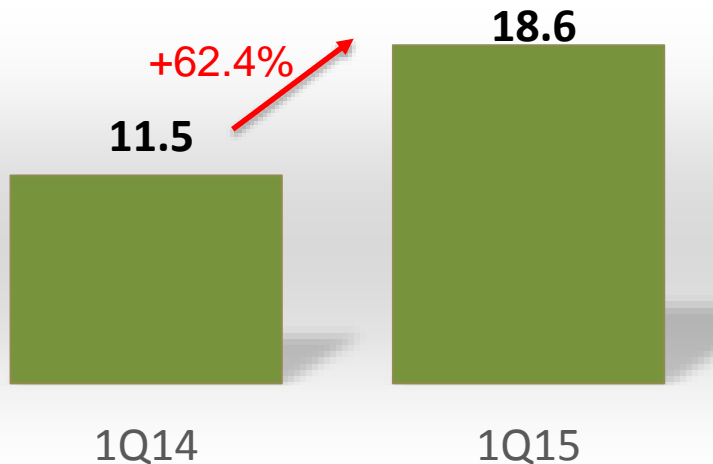


- Main contributors-
  - ✓ Billing from Pan Malaysia Transportation & Installation (T&I)
  - ✓ Pengerang Pipeline
  - ✓ Pre-commissioning for EVA-North Malay Basin project
- Pan Msia Hook-Up & Commissioning (HUC) generated RM20m/quarter on average

- Core EBITDA adjusted for one-off share-based payments of RM3.8m (relating to accounting valuation of 7.6 million ESOS granted )
- 1Q15 core margin of 15.8% (1Q14: 24.1%); revenue mix geared towards long-term projects- Pan Msia T&I, EPCC Prai & Pengerang

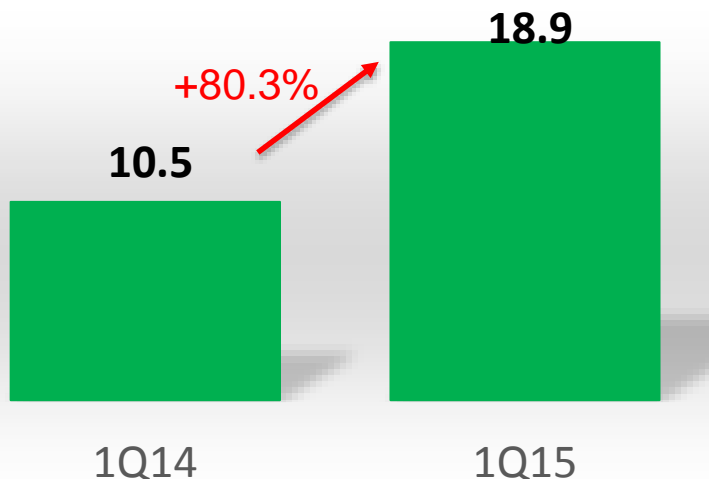
# Key Financial – 1Q15 vs 1Q14

## Pretax Profit (RM'mil)



- Net interest expense reduced by 23.3% yoy to RM2.8m
- The decrease of interest expense due mostly to repayment of short-term debts for working capital and lowered interest charges from refinanced term loan of KL101

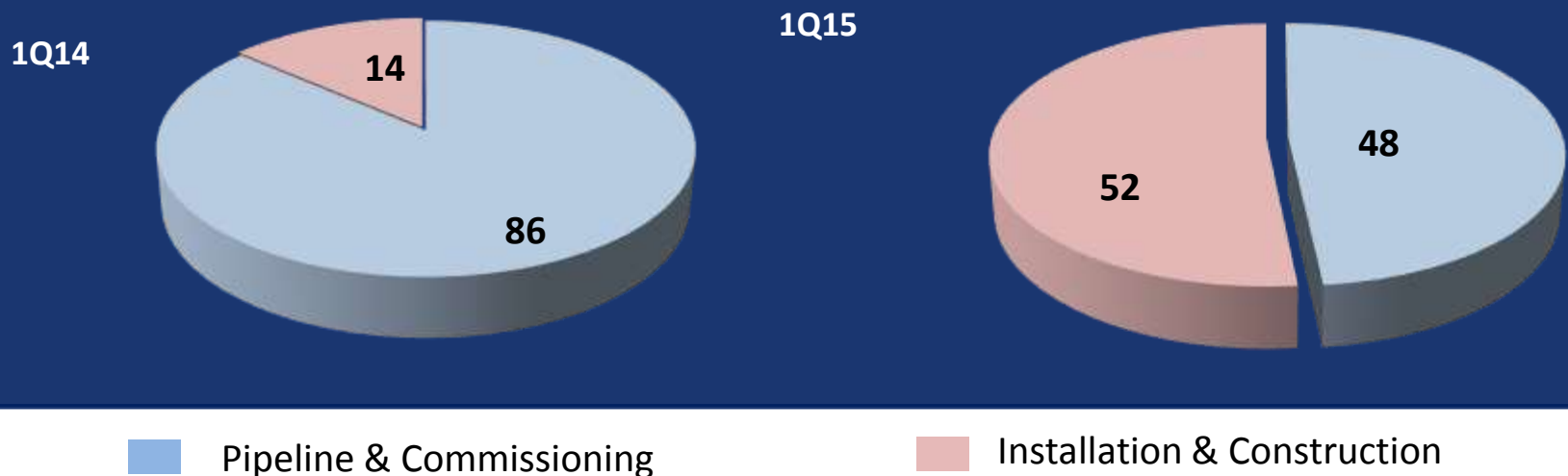
## Core Net Profit (RM'mil)



- Effective tax rate at 18.9% (1Q14: 17.8%)
- Reported net profit at RM15.1m (+60.4% yoy)
- Core net profit adjusted for one-off share-based payments

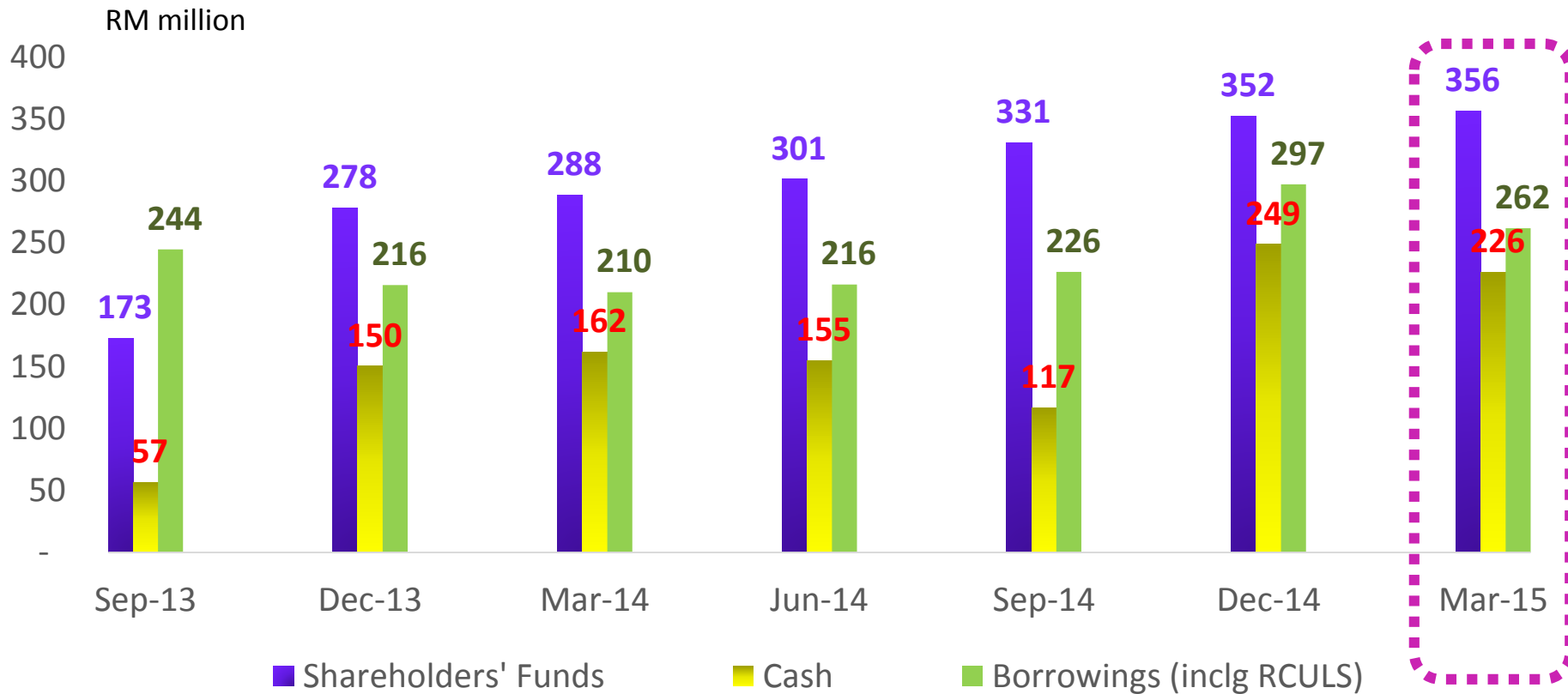
# Revenue Breakdown

- “Installation & Construction” revenue +754.8% yoy to RM98.6m with contributions from Pengerang & Prai pipeline and Pan Malaysia T&I projects
- “Pipeline & Commissioning” revenue +26.8% to RM92.4m from Pan Malaysia HUC & pipeline services projects



# Balance Sheet

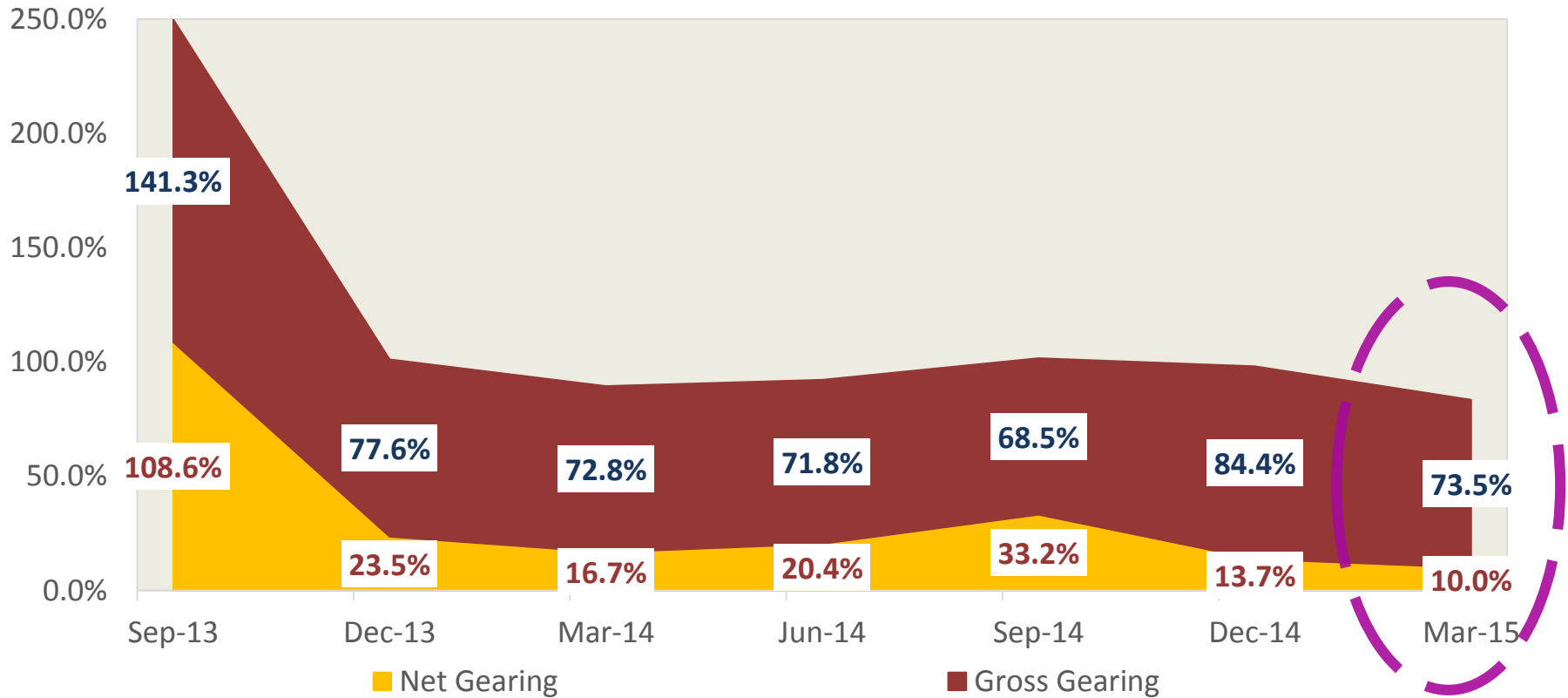
Share base at 806.3 million; balance RCULS expiring on 24 Oct 18 at 29.4 million @ 15/5/15





# Net Gearing 10.0% @ 31 March 15

Reduced short-term debts for working capital requirement trimmed gearing ratios



# 1Q15 Summary

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- Billings from Pan Malaysia T&I was the single largest revenue generator
- Lower margins due to a change in revenue mix
- Reduced net interest expense due to repayment of working capital debts and refinanced term loan for KL101
- Lower effective tax rate due mainly to the streamlined group structure (KL101 ownership with KL101 Ltd)



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# Unbilled Orderbook of RM1.79bn @ 31/3/15

Projects	Client(s)	Value (RM'm)	Unbilled @ 31/3	Balance (Year)
Hook-up and Commissioning (HUC) for platforms in West and East Malaysia	Petrofac, Talisman & SKEnergy Inc	511	318	3.25
Pipeline services, West & East Malaysia	Various PSC's	Recurring	44	< 1
HUC and topside major maintenance services	Lundin & KPOC	32 (est)	11 (est)	<1
PIG Trap System, W. & E Malaysia	Petronas Carigali	110 (est)	109 (est)	2.25+1
Pan Malaysia Transportation & Installation Facilities Package A	11 PSCs	1,500 (est)	1,111 (est)	1.75+ 1
Pengerang Pipeline	Petronas Gas	260	198	1.25
EPCC of Prai 2 Lateral Gas Pipeline	Petronas Gas	95	3	<1

■ Pipeline & Commissioning

■ Installation & Construction

# Projects Completion Timeline

Projects	Remarks	2015				2016				2017			
		1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Pan Malaysia Hook-up and Commissioning (HUC)	Progressing with ongoing P.Os from clients												
Pipeline services, W. & E Malaysia	Progressing and bidding as usual												
HUC and topside major maintenance	New project over 3 years, with 1-year extension												
PIG Trap System, W. & E Malaysia	Started in late-Jan 15, early stage. Contract until 2018												
Pan Malaysia Transportation & Installation Package A	Engaging with clients for 2015 PO												
Pengerang Pipeline	65% of pipes delivered. % completion 3.4% ahead of plan. 560,818 manhours with zero LTI												

 Extension option

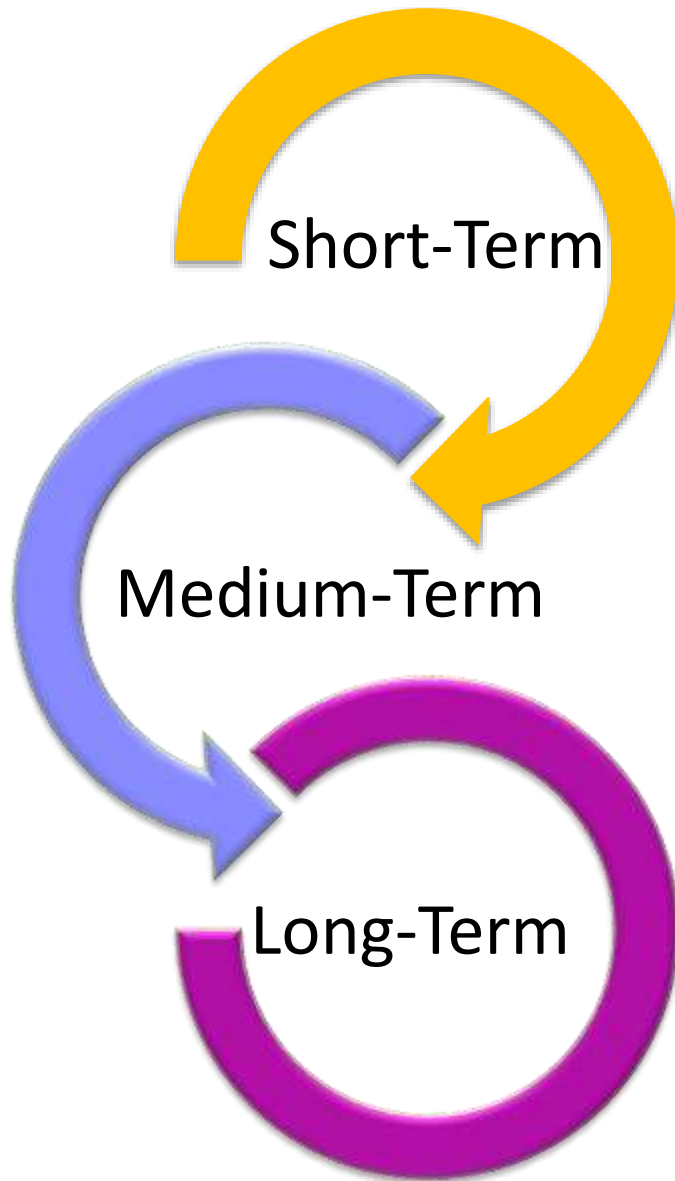


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# Business Strategy



Prolong earnings visibility  
- Tender for existing business

Review supply chain

Operational & financial discipline  
- Cost saving exercises and financial structure optimisation

O&M of oilfield structures/ facilities  
- Strengthen our current business model

Fit-for-purpose solutions to clients  
- Planning, procurement, execution and risk management

Integrated solutions  
- Take action on our vision  
- Move up value chain  
- Technology-driven business

Increase recurring income

# Key Takeaways

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- Visibility of sizeable projects for upstream and downstream pending clients decision to implement the projects
- Projects pre-qualification and bidding very active
- 2015 target orderbook replenishment of RM300m, future replenishment pending clients' capex programme rollout
- Planning and executing for long-term growth, expanding into technology-driven business



# Thank You



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