

Malaysia
HOLD (previously ADD)

Consensus ratings*: Buy 12 Hold 2 Sell 1

| | |
|-------------------------|------------|
| Current price: | RM0.635 |
| Target price: | RM0.69 |
| Previous target: | RM0.87 |
| Up/downside: | 8.7% |
| CGS-CIMB / Consensus: | -7.8% |
| Reuters: | BUAB.KL |
| Bloomberg: | BAB MK |
| Market cap: | US\$821.2m |
| | RM3,758m |
| Average daily turnover: | US\$2.48m |
| | RM11.05m |
| Current shares o/s: | 5,918m |
| Free float: | 50.0% |

*Source: Bloomberg

Key changes in this note

- FY23F core EPS forecast slashed 47% as we make several assumptions about the loss of revenue and incurrence of cost to fix the technical issues with the HSP transformer.
- FY24-25F core EPS forecasts reduced 5-9% due to secondary knock-on impacts.



Source: Bloomberg

| Price performance | 1M | 3M | 12M |
|-------------------|------|------|------|
| Absolute (%) | -3.8 | -3.8 | 41.1 |
| Relative (%) | -0.6 | 1.3 | 52 |

| Major shareholders | % held |
|--------------------------|--------|
| Objektif Bersatu Sdn Bhd | 34.8 |
| Permodalan Nasional Bhd | 13.0 |

Analyst(s)

Raymond YAP, CFA

T (60) 3 2635 9250

E raymond.yap@cgs-cimb.com

Bumi Armada

A 'black swan' Kraken equipment failure?

- The unplanned Kraken FPSO shutdown will cause “material financial impact”, although the impact cannot yet be reliably estimated, according to BAB.
- Until this incident is resolved, BAB’s share price is unlikely to perform. Hence, we downgrade from Add to Hold, and lower our SOP-based TP to 69 sen.
- We also cut our FY23F core net profit forecast by 47% as we factor in loss of charter-hire revenue and repair and maintenance costs for the Kraken.

Unexpected Kraken equipment failure after three uneventful years

BAB reported on Friday, 2 Jun, that its FPSO Kraken working in the North Sea for UK oil independent EnQuest (ENQ LN, Not rated) had recently encountered an equipment failure of a transformer for a “critical” hydraulic submersible pump (HSP). An attempted restart had not succeeded, and the “current shut-in and future reduced level of production” will reduce the level of bareboat (BBC) charter revenue earned by FPSO Kraken, and while the financial impact cannot be yet reliably estimated, it is likely to be “material”, according to BAB. EnQuest and BAB are working on alternative solutions with the aim of returning to production on a phased basis “in the coming weeks”. In the meantime, planned 3Q23F maintenance has been brought forward to negate the need for future outages this year. Interestingly, EnQuest itself did not make an announcement with respect to this incident, and EnQuest’s last operations update on 24 May 2023 noted that the FPSO Kraken “continues to deliver top quartile performance, with production efficiency and water injection efficiency both at c.94% as at the end of April.” Perhaps what is financially material for BAB is not quite as material for EnQuest, in our view.

How material will the “material financial impact” be?

FPSOs are typically required to achieve a minimum annual operational uptime of c.95%, failing which the FPSO charterer does not pay the full BBC. While FPSO Kraken received final acceptance from EnQuest in Jun 2017, BAB was paid just 70-80% of the full BBC rate for failing to meet its uptime threshold until 1Q20 when that threshold was achieved. For the past three years, the FPSO Kraken had been performing well, until the recent incident with the HSP transformer. During unplanned shut-ins, charterers do not have to pay at all. Without guidance from either BAB or EnQuest, we have pencilled-in the following impacts into our financial model: 1) loss of six months of BBC cash receipts in 2H23F; 2) loss of six months of finance lease income in the FY23F P&L; and 3) US\$50m of repair and maintenance costs borne solely by BAB and charged into its FY23F P&L. This slashes our FY23F core net profit by 47%; we look forward to future guidance from BAB to refine our forecasts. Our SOP valuation of BAB is reduced from 87 sen to 79 sen from the three adjustments above, and cut further to our target price of 69 sen as we also raise our beta assumption from 1.5 to 2 (which increases our cost of equity discount rate from 13% to 16%) due to the increased risk profile for BAB. We do not think BAB’s share price will perform until the Kraken issue is resolved. Upside risks: faster-than-expected resolution of the Kraken issues; new contract wins. Downside risks: sharp fall in oil prices; project execution challenges on BAB’s new projects, if any.

Financial Summary

| | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|--------------------------------|---------|---------|---------|---------|---------|
| Revenue (RMm) | 2,267 | 2,431 | 1,875 | 1,876 | 1,466 |
| Operating EBITDA (RMm) | 1,329 | 1,407 | 903 | 1,148 | 755 |
| Net Profit (RMm) | 574.1 | 732.4 | 451.3 | 773.8 | 426.5 |
| Core EPS (RM) | 0.11 | 0.15 | 0.07 | 0.13 | 0.07 |
| Core EPS Growth | 47.1% | 34.7% | (55.1%) | 94.2% | (44.9%) |
| FD Core P/E (x) | 5.69 | 4.22 | 9.43 | 4.86 | 8.81 |
| DPS (RM) | - | - | - | - | - |
| Dividend Yield | 0% | 0% | 0% | 0% | 0% |
| EV/EBITDA (x) | 7.18 | 5.72 | 8.15 | 5.50 | 7.58 |
| P/FCFE (x) | NA | NA | NA | NA | NA |
| Net Gearing | 158% | 93% | 73% | 48% | 37% |
| P/BV (x) | 0.94 | 0.73 | 0.67 | 0.59 | 0.55 |
| ROE | 18.5% | 19.5% | 7.4% | 12.9% | 6.5% |
| % Change In Core EPS Estimates | | | (47.1%) | (5.2%) | (9.3%) |
| CGS-CIMB/Consensus EPS (x) | | | 0.56 | 0.91 | 0.50 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

SOP valuation and target price basis ➤

Figure 1: SOP valuation per share (as at end-CY23F) - based on varying levels of contractual exercise of option periods

| | Scenario 1 | Scenario 2 | Scenario 3 | Scenario 4 | Scenario 5 | Base case | Notes |
|-----------------------------------|--|---------------------------|---------------------------|---------------------------|------------------|-------------|--------------------------------|
| | Full firm + option period | Full firm + 75% of option | Full firm + 50% of option | Full firm + 25% of option | Firm period only | Scenario 2 | |
| | RM/share | RM/share | RM/share | RM/share | RM/share | RM/share | |
| VALUATION OF FPSO BUSINESS | | | | | | | |
| a | DCF value to equity | 1.07 | 1.00 | 0.92 | 0.84 | 0.76 | 1.00 |
| | - Armada TGT1 (100%) | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 Rest of option period |
| | - Armada Kraken (100%) | 0.14 | 0.12 | 0.09 | 0.07 | 0.05 | 0.12 Full firm + 75% of option |
| | - Armada Olombendo (100%) | 0.37 | 0.34 | 0.32 | 0.30 | 0.27 | 0.34 Full firm + 75% of option |
| | - Armada LNG Mediterranean (100%) | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 Contract has no options |
| | - Armada Sterling 1 (50%) | 0.12 | 0.12 | 0.11 | 0.11 | 0.11 | 0.12 Full firm + 75% of option |
| | - Armada Sterling 2 (50%) | 0.10 | 0.09 | 0.08 | 0.06 | 0.05 | 0.09 Full firm + 75% of option |
| | - Armada Sterling 3 (49%) | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 | 0.08 Full firm + 75% of option |
| | - Armada Sterling 5 (30%) | 0.02 | 0.01 | 0.01 | 0.00 | 0.00 | 0.01 Full firm + 75% of option |
| | - Operations and maintenance (100%) | 0.08 | 0.07 | 0.06 | 0.05 | 0.03 | 0.07 Full firm + 75% of option |
| | - Potential future EPCIC projects | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 | 0.11 |
| VALUATION OF OMS BUSINESS | | | | | | | |
| b | Estimated value of subsea construction vessels | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 | 0.02 Estimated market value |
| c | Other net borrowings (RM/share) | -0.33 | -0.33 | -0.33 | -0.33 | -0.33 | -0.33 |
| d = a + b + c | Total SOP (RM/share) | 0.76 | 0.69 | 0.61 | 0.53 | 0.45 | 0.69 |

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

Figure 2: Cost of equity calculation

| | |
|---------------------------------|---------------|
| Risk-free rate | 4.00% |
| Equity risk premium | 6.00% |
| Beta | 2.00 |
| Cost of equity (nominal) | 16.00% |

SOURCES: CGS-CIMB RESEARCH ESTIMATES, BLOOMBERG

We cut our SOP-based target price from 87 sen to **69 sen** because:

1. We have slashed our FY23F core net profit forecast by 47% as we incorporate the a) loss of six months of BBC cash receipts in 2H23F; b) loss of six months of finance lease income in the FY23F P&L; and c) US\$50m of repair and maintenance costs borne solely by BAB and charged into its FY23F P&L (we will adjust our forecasts based on future guidance by BAB).
2. We raise our cost of equity assumption from 13% (using beta of 1.5) to 16% (using beta of 2), due to the unexpected technical issues being faced by FPSO Kraken currently.

Our target price incorporates an 11 sen uplift by assuming that BAB will win one EPCIC contract at an assumed capex of US\$1.5bn FPSO project at a 10% margin. BAB has been identified by industry newspaper Upstream as the most likely candidate to win TotalEnergies' Cameia FPSO project to develop the Cameia and Golfinho discoveries offshore Angola. As this is a purely EPCIC project, the risk of a rights issue is low, in our view.

Upside risks include a faster-than-expected resolution of the technical issues currently being faced by FPSO Kraken, and the improving prospects for BAB to secure longer-term and more substantial work for its two Caspian Sea pipelay vessels. Also, we expect TotalEnergies to award the commercial deal for the FPSO Cameia sometime this year.

We also believe that BAB may be bidding for additional FPSO projects. We believe that BAB will avoid a rights issue for any future FPSO project wins, as BAB may opt for JV partnerships for new FPSO projects that may make a rights

issue unnecessary or rely on upfront supplier funding that can be material. Also, BAB had said it is not interested in taking on project work for more than two large FPSOs at the same time, in order to better manage resource availability.


Downside risks include an unexpected and material decline in oil prices that may cause a pause in the pace of upstream FPSO capex spending by the oil majors and national oil companies, which could impact BAB's growth prospects. Project execution issues may also be another source of downside risk, given tight equipment availability and cost inflation globally.

Earnings revision table ➤

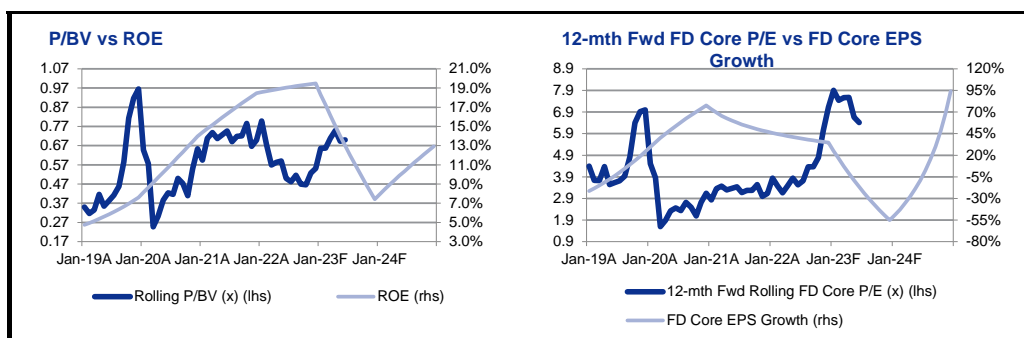
Figure 3: Earnings revision

| RM m | 2022A | 2023F | | | 2024F | | | 2025F | | |
|---------------------|-------|-------|-------|------|-------|-------|-----|-------|-------|-----|
| | | Old | New | chg | Old | New | chg | Old | New | chg |
| Revenue | 2,431 | 2,012 | 1,875 | -7% | 1,876 | 1,876 | 0% | 1,466 | 1,466 | 0% |
| EBITDA | 1,407 | 1,261 | 903 | -28% | 1,148 | 1,148 | 0% | 755 | 755 | 0% |
| Reported PBT | 709 | 819 | 464 | -43% | 829 | 786 | -5% | 483 | 439 | -9% |
| Core pretax profit | 864 | 764 | 408 | -47% | 829 | 786 | -5% | 483 | 439 | -9% |
| Reported net profit | 732 | 806 | 451 | -44% | 816 | 774 | -5% | 470 | 427 | -9% |
| Reported EPS | 0.12 | 0.14 | 0.08 | -44% | 0.14 | 0.13 | -5% | 0.08 | 0.07 | -9% |
| Core net profit | 887 | 753 | 399 | -47% | 816 | 774 | -5% | 470 | 427 | -9% |
| Core EPS | 0.15 | 0.13 | 0.07 | -47% | 0.14 | 0.13 | -5% | 0.08 | 0.07 | -9% |

SOURCES: CGS-CIMB RESEARCH ESTIMATES, COMPANY REPORTS

| ESG in a nutshell | | Refinitiv ESG Scores | | | | | |
|--|--|---|-------------------------------|--------------------------|-----------------------------------|-------------------------------|-----------------------------------|
| | |  | | | | | |
| | | B+ ESG Score | A+ ESG Controversies Score | B+ ESG Combined Score | B ESG Environment Pillar Score | B- ESG Social Pillar Score | A+ ESG Government Pillar Score |
| <p>In its Sustainability Statement 2021, BAB set a Net Zero 2050 target, which aims for net zero greenhouse gas (GHG) emissions by the year 2050. BAB's underlying Climate Change Policy (CCP) is geared towards reducing emissions over the long term to achieve the Net Zero 2050 target. Up to 2026, BAB will strive to achieve the carbon intensity baseline established by the International Association of Oil & Gas Producers (IOGP).</p> | | | | | | | |
| <p>Keep your eye on</p> <p>BAB's Net Zero 2050 target was first revealed to the public in its Sustainability Statement 2021, which was released on 26 Apr 2022. Prior to this, BAB did not have a net zero target, so this is a major improvement from previously.</p> <p>To achieve the Net Zero 2050 target, BAB established its CCP, which sets out the framework by which BAB can structure its long-term carbon mitigation strategies. The principles behind this policy include developing innovative solutions to tackle emissions, such as using green technologies for the generation of energy, funding engineering studies and pursuing business developments for zero-GHG emission FPSOs and Floating Liquefied Natural Gas (FLNG) vessels and post-combustion carbon capture and storage facilities.</p> | <p>Implications</p> <p>Other principles of the CCP include improving FPSO operations to reduce carbon footprint, engaging employees so that they can take steps to reduce emissions, working with clients and contractors to reduce their GHG emissions, and expanding BAB's LNG regasification business to enable the increased global use of natural gas for energy generation.</p> <p>Between 2021 and 2026, BAB has benchmarked itself to a IOGP baseline and set a goal of reducing its GHG emissions intensity. BAB noted in its annual report that it will continue to monitor this intensity baseline for four subsequent years in 2023-26, but it did not disclose any additional intensity benchmarks for those years.</p> | | | | | | |
| <p>ESG highlights</p> <p>BAB disclosed its Scope 1 and Scope 2 CO₂-equivalent (CO₂e) GHG emissions from 2016 to 2022. BAB's Scope 2 emissions from electricity consumption at its offices are immaterial relative to its Scope 1 emissions, 94% of which arise from the consumption of bunker fuel, fuel gas and crude oil onboard its FPSO vessels.</p> <p>In BAB's Annual Report 2021 and prior, BAB disclosed that its Scope 1 GHG emissions amounted to 497k tCO₂e in 2016, fell to 484k in 2017 (as the contract for the Armada Claire was prematurely terminated in Mar 2016), rose 23% yoy to 595.8k in 2018, rose another 33% yoy to 790.9k in 2019, fell 3% yoy to 766.4k in 2020, and fell 7.8% to 706.5k in 2021 due to improvements in operating efficiencies.</p> <p>In Annual Report 2022, BAB restated upwards its Scope 1 emissions for 2020 to 1,111.8k tCO₂e and in 2021 to 965k as it tracked emissions from flaring, on top of fuel combustion. Scope 1 emissions in 2022 rose to 986.7k.</p> | <p>Implications</p> <p>The sharp increases in GHG emissions in 2018 and 2019 were likely due to the gradual ramp-up in production from the FPSO Olombendo (which achieved first oil in Feb 2017) and the FPSO Kraken (which started from Jun 2017); these units encountered stability issues for the 12-18 months of their commissioning, which may have resulted in more flaring. The stabilisation of their operations in subsequent years probably played a large part in the reduction of Scope 1 GHG emissions.</p> <p>BAB has established an IOGP-based GHG emissions intensity target for 2022 at 119 tCO₂ per thousand tonnes of oil production. However, it did not disclose what the IOGP target is for 2023 and beyond.</p> | | | | | | |
| <p>Trends</p> <p>We expect fossil fuel consumption in Asia to continue growing in the 2020s and into the 2030s but this may plateau and slowly decline from the 2040s onwards as a result of the gathering pace of energy transition. We expect fossil fuel demand in developed countries, such as those in Europe, to decline in the 2020s itself. This raises the issue of the long-term sustainability of BAB's business model of extracting hydrocarbons using floating production solutions.</p> | <p>Implications</p> <p>In our view, the future decline in global oil and gas consumption is not likely to affect the commercial viability of BAB's existing fleet of FPSO assets, which are locked into long-term time charter deals. However, BAB may have to consider diversifying its business model in the long term.</p> | | | | | | |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS, REFINITIV

BY THE NUMBERS

Profit & Loss

| (RMm) | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|---|--------------|--------------|--------------|--------------|--------------|
| Total Net Revenues | 2,267 | 2,431 | 1,875 | 1,876 | 1,466 |
| Gross Profit | 1,329 | 1,407 | 903 | 1,148 | 755 |
| Operating EBITDA | 1,329 | 1,407 | 903 | 1,148 | 755 |
| Depreciation And Amortisation | -491 | -343 | -315 | -315 | -315 |
| Operating EBIT | 837 | 1,064 | 588 | 833 | 440 |
| Financial Income/(Expense) | -276 | -294 | -301 | -255 | -201 |
| Pretax Income/(Loss) from Assoc. | 107 | 94 | 124 | 208 | 200 |
| Non-Operating Income/(Expense) | 0 | 0 | 0 | 0 | 0 |
| Profit Before Tax (pre-EI) | 668 | 864 | 411 | 786 | 439 |
| Exceptional Items | -83 | -155 | 53 | 0 | 0 |
| Pre-tax Profit | 585 | 709 | 464 | 786 | 439 |
| Taxation | -28 | 16 | -28 | -28 | -28 |
| Exceptional Income - post-tax | | | | | |
| Profit After Tax | 558 | 725 | 436 | 759 | 412 |
| Minority Interests | 16 | 8 | 15 | 15 | 15 |
| Preferred Dividends | | | | | |
| FX Gain/(Loss) - post tax | | | | | |
| Other Adjustments - post-tax | | | | | |
| Net Profit | 574 | 732 | 451 | 774 | 427 |
| Recurring Net Profit | 657 | 887 | 399 | 774 | 427 |
| Fully Diluted Recurring Net Profit | 657 | 887 | 399 | 774 | 427 |

Cash Flow

| (RMm) | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|----------------------------------|---------------|---------------|---------------|---------------|-------------|
| EBITDA | 1,329 | 1,407 | 903 | 1,148 | 755 |
| Cash Flow from Invt. & Assoc. | | | | | |
| Change In Working Capital | 271 | -62 | 73 | 230 | 117 |
| (Incr)/Decr in Total Provisions | | | | | |
| Other Non-Cash (Income)/Expense | | | | | |
| Other Operating Cashflow | 140 | 92 | 57 | 33 | 26 |
| Net Interest (Paid)/Received | -370 | -446 | -358 | -288 | -227 |
| Tax Paid | -9 | 16 | -28 | -28 | -28 |
| Cashflow From Operations | 1,360 | 1,006 | 648 | 1,097 | 644 |
| Capex | -13 | -66 | -66 | -66 | -66 |
| Disposals Of FAs/subsidiaries | 180 | 202 | 88 | 0 | 0 |
| Acq. Of Subsidiaries/investments | | | | | |
| Other Investing Cashflow | 26 | -166 | 0 | 0 | 0 |
| Cash Flow From Investing | 194 | -30 | 22 | -66 | -66 |
| Debt Raised/(repaid) | -1,656 | -1,412 | -1,087 | -1,224 | -715 |
| Proceeds From Issue Of Shares | 0 | 0 | 0 | 0 | 0 |
| Shares Repurchased | | | | | |
| Dividends Paid | 0 | 0 | 0 | 0 | 0 |
| Preferred Dividends | | | | | |
| Other Financing Cashflow | 0 | 0 | 0 | 0 | 0 |
| Cash Flow From Financing | -1,656 | -1,412 | -1,087 | -1,224 | -715 |
| Total Cash Generated | -102 | -436 | -417 | -194 | -138 |
| Free Cashflow To Equity | -102 | -436 | -417 | -194 | -138 |
| Free Cashflow To Firm | 1,924 | 1,422 | 1,028 | 1,318 | 805 |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

BY THE NUMBERS... cont'd

Balance Sheet

| (RMm) | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|--------------------------------------|---------------|--------------|--------------|--------------|--------------|
| Total Cash And Equivalents | 795 | 839 | 421 | 228 | 90 |
| Total Debtors | 518 | 546 | 430 | 430 | 345 |
| Inventories | 0 | 0 | 0 | 0 | 0 |
| Total Other Current Assets | 598 | 434 | 434 | 434 | 434 |
| Total Current Assets | 1,911 | 1,820 | 1,286 | 1,093 | 870 |
| Fixed Assets | 8,616 | 8,362 | 8,111 | 7,588 | 7,304 |
| Total Investments | 1,420 | 1,461 | 1,585 | 1,793 | 1,992 |
| Intangible Assets | 0 | 0 | 0 | 0 | 0 |
| Total Other Non-Current Assets | 125 | 84 | 84 | 84 | 84 |
| Total Non-current Assets | 10,160 | 9,907 | 9,779 | 9,464 | 9,380 |
| Short-term Debt | 1,465 | 1,082 | 1,255 | 746 | 1,045 |
| Current Portion of Long-Term Debt | | | | | |
| Total Creditors | 159 | 183 | 173 | 130 | 127 |
| Other Current Liabilities | 368 | 351 | 351 | 351 | 351 |
| Total Current Liabilities | 1,992 | 1,616 | 1,779 | 1,226 | 1,523 |
| Total Long-term Debt | 5,518 | 4,489 | 3,229 | 2,514 | 1,500 |
| Hybrid Debt - Debt Component | | | | | |
| Total Other Non-Current Liabilities | 584 | 525 | 525 | 525 | 525 |
| Total Non-current Liabilities | 6,103 | 5,015 | 3,755 | 3,040 | 2,025 |
| Total Provisions | 0 | 0 | 0 | 0 | 0 |
| Total Liabilities | 8,095 | 6,630 | 5,534 | 4,266 | 3,548 |
| Shareholders' Equity | 3,963 | 5,147 | 5,598 | 6,372 | 6,798 |
| Minority Interests | -41 | -51 | -66 | -81 | -96 |
| Total Equity | 3,922 | 5,096 | 5,532 | 6,291 | 6,702 |

Key Ratios

| | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|---------------------------|---------|---------|---------|---------|---------|
| Revenue Growth | (3.1%) | 7.3% | (22.9%) | 0.1% | (21.8%) |
| Operating EBITDA Growth | (2.1%) | 5.9% | (35.8%) | 27.1% | (34.3%) |
| Operating EBITDA Margin | 58.6% | 57.9% | 48.2% | 61.2% | 51.5% |
| Net Cash Per Share (RM) | -1.05 | -0.80 | -0.69 | -0.51 | -0.41 |
| BVPS (RM) | 0.67 | 0.87 | 0.95 | 1.08 | 1.15 |
| Gross Interest Cover | 2.11 | 2.90 | 1.64 | 2.90 | 1.94 |
| Effective Tax Rate | 4.70% | 0.00% | 5.95% | 3.51% | 6.29% |
| Net Dividend Payout Ratio | NA | NA | NA | NA | NA |
| Accounts Receivables Days | 80.99 | 75.15 | 87.40 | 76.28 | 86.73 |
| Inventory Days | 0.79 | 0.00 | 0.00 | 0.00 | 0.00 |
| Accounts Payables Days | 62.84 | 60.83 | 66.83 | 76.15 | 65.78 |
| ROIC (%) | 8.3% | 11.4% | 6.6% | 9.8% | 5.5% |
| ROCE (%) | 7.6% | 10.1% | 5.9% | 8.6% | 4.7% |
| Return On Average Assets | 7.42% | 9.87% | 6.01% | 9.38% | 5.88% |

Key Drivers

| | Dec-21A | Dec-22A | Dec-23F | Dec-24F | Dec-25F |
|---|---------|---------|---------|---------|---------|
| Average number of working FPSOs | 7.0 | 7.5 | 8.0 | 6.9 | 5.5 |
| Number of Offshore Marine Services (OMS) assets | N/A | 9.0 | 4.0 | 3.0 | 3.0 |
| Utilisation of OMS vessels (%) | N/A | 43.3% | 67.5% | 66.7% | 66.7% |

SOURCES: CGS-CIMB RESEARCH, COMPANY REPORTS

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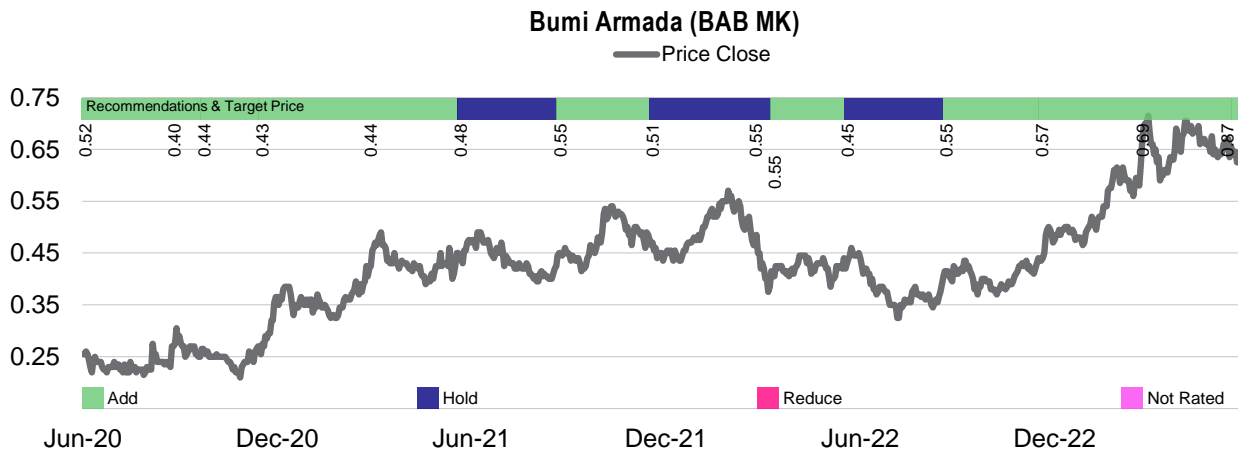
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| Distribution of stock ratings and investment banking clients for quarter ended on 31 March 2023 | | |
|---|-------------------------|--------------------------------|
| 647 companies under coverage for quarter ended on 31 March 2023 | | |
| | Rating Distribution (%) | Investment Banking clients (%) |
| Add | 64.6% | 1.1% |
| Hold | 27.0% | 0.2% |
| Reduce | 8.3% | 0.2% |

Spitzer Chart for stock being researched (2 year data)



Recommendation Framework

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Definition:

- Add** The stock's total return is expected to exceed 10% over the next 12 months.
- Hold** The stock's total return is expected to be between 0% and positive 10% over the next 12 months.
- Reduce** The stock's total return is expected to fall below 0% or more over the next 12 months.

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