

MIQ CORPORATION LIMITED

FY2015

Analysts' Briefing

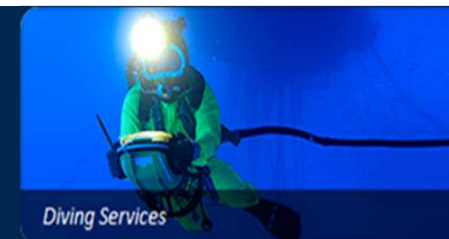


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SECTION I

Business Strategy

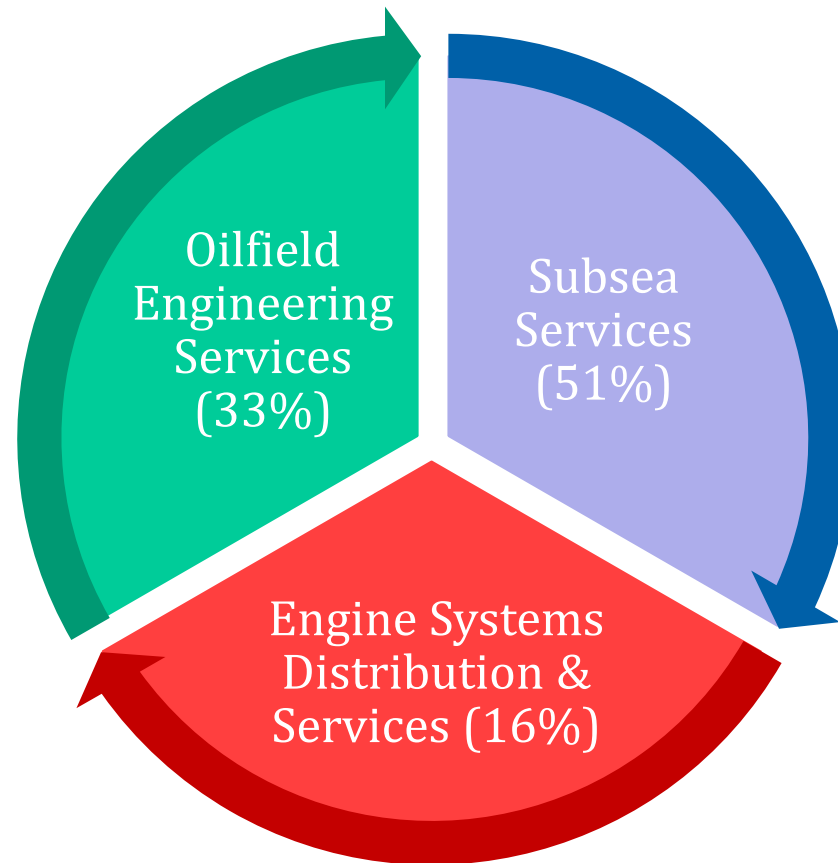
- ❖ **Business Overview**
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**MISSION
STATEMENT**

**TO BE THE SERVICE PROVIDER OF CHOICE
IN THE MARKETS WHICH WE SERVE**





MISSION STATEMENT

TO BE THE SERVICE PROVIDER OF CHOICE
IN THE MARKETS WHICH WE SERVE

Oilfield Business

Singapore, HQ in Pandan Loop

- Fully equipped workshop with blasting and painting facilities
- Large boring equipment and cladding capability

Bahrain

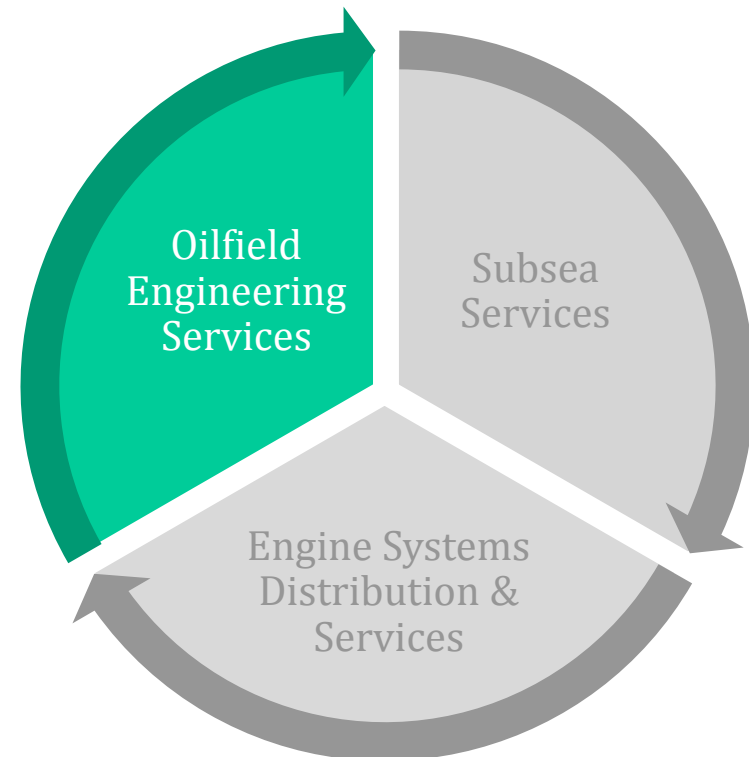
- API certified and fully operational since late 2011
- Over 40,000 sqm of production area

Singapore, Loyang

- API certified machine workshop
- Capable of complete refurbishment, manufacturing and repair services

Binder, Australia & Indonesia

- Design and manufacture of proprietary and custom built pipe support and pipe suspension solutions for the Oil & Gas and LNG industries
- Sales offices in over 30 countries worldwide
- Facilities in Indonesia and Perth



Business Overview



Oilfield Business



Rebuilt and complete stack-up 18 3/4" – 15,000 PSI Blowout Preventer for semi-submersible rig



BOP stacks



High Density PUF Cryogenic Pipe Shoes



BOP



Spools

Diverters



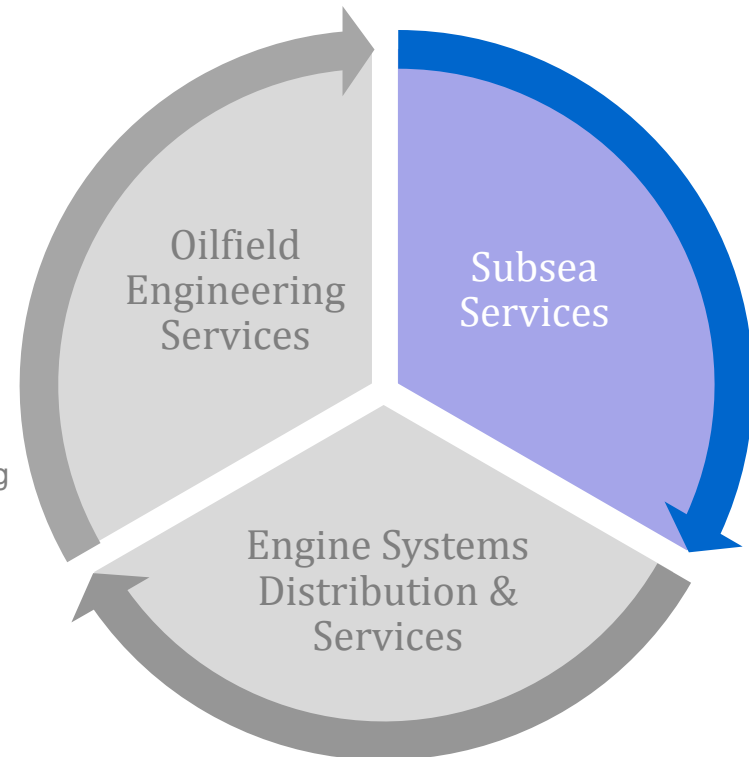
MISSION STATEMENT

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Subsea Business

Neptune Marine Services

- Australia, headquartered in Perth
 - Listed on ASX
 - Provides offshore engineering services to Oil & Gas, Marine and Renewable Energy industries
 - Comprehensive subsea services with global presence spanning Australia, Asia, United Kingdom and the Middle East
- Complete range of services:
 - Diving services
 - Asset integrity services
 - Positioning geophysical and geotechnical services
 - Underwater welding
 - Subsea engineering
 - Subsea stabilization
 - ROV services
 - Manufacturing, assembly and testing



Business Overview



Subsea Business



Diving Services



Positioning, Geophysical & Geotechnical Services



NEPSYS Dry Underwater Welding



ROV Services



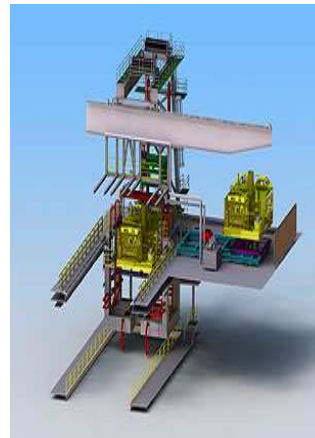
Dive Support Vessel



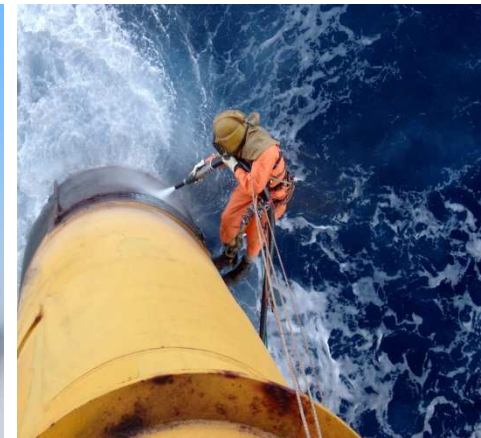
Subsea Stabilisation



Manufacturing, Testing & Assembly



Subsea Engineering



Asset Integrity Services



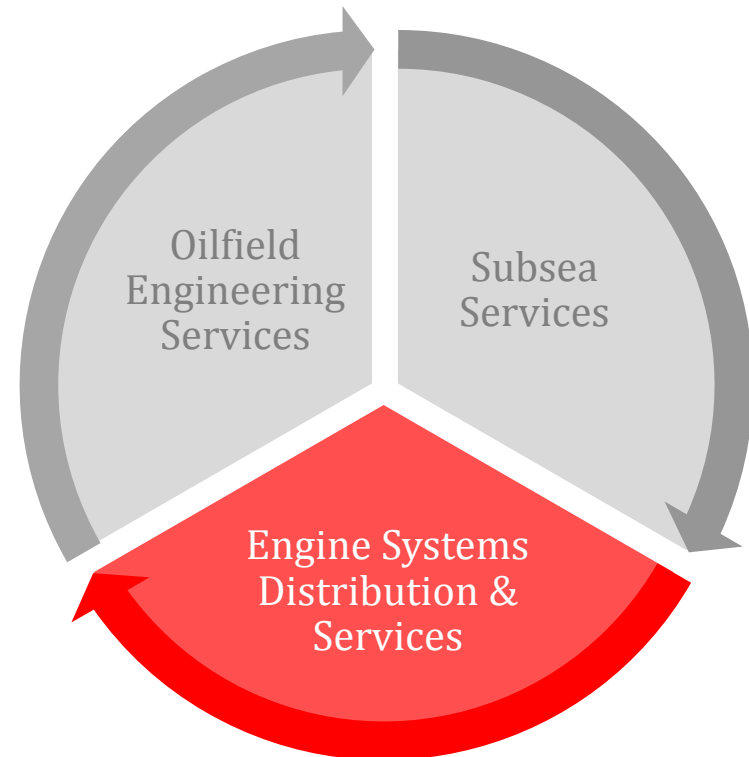
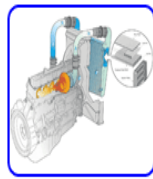
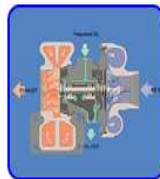
MISSION STATEMENT

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Engine Systems Business

Australia, HQ in Brisbane

- Largest suppliers of turbochargers and diesel four wheel drive kits in Australia with 12 branches nationwide
- Major supplier of quality diesel fuel injection spare parts
- Authorized service agents/distributors for world renowned brands such as Bosch, IHI, Garrett, Denso, Schwitzer
- Goal being the only nationwide, comprehensive business in this space in Australia



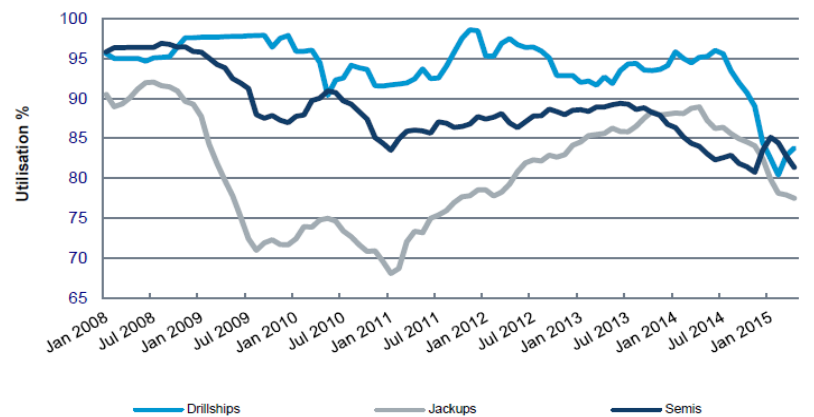
Industry Statistics



Market Outlook for Rigs

- ❖ In April 2015, total utilisation for drillship increased by 1% to 84% compared to March, total utilisation for jackups remained stable at 78%, and total utilisation for semis decreased by 2% to 81% compared to March
- ❖ There are currently 211 newbuild rigs on order, including 55 drillships, 30 semis and 126 jackups. This compares to 229 newbuild rigs in December 2014.
- ❖ Middle East and Southeast Asia are the two largest markets for jack up rigs in the world
- ❖ Our Singapore facilities capture the Southeast Asian market, while our facilities in Bahrain cater to the Middle Eastern market for the Oilfield Engineering business

World Rig Total Contracted Utilisation
Total offshore fleet January 2008 - April 2015



Source: IHS

© 2015 IHS

Worldwide jackup market

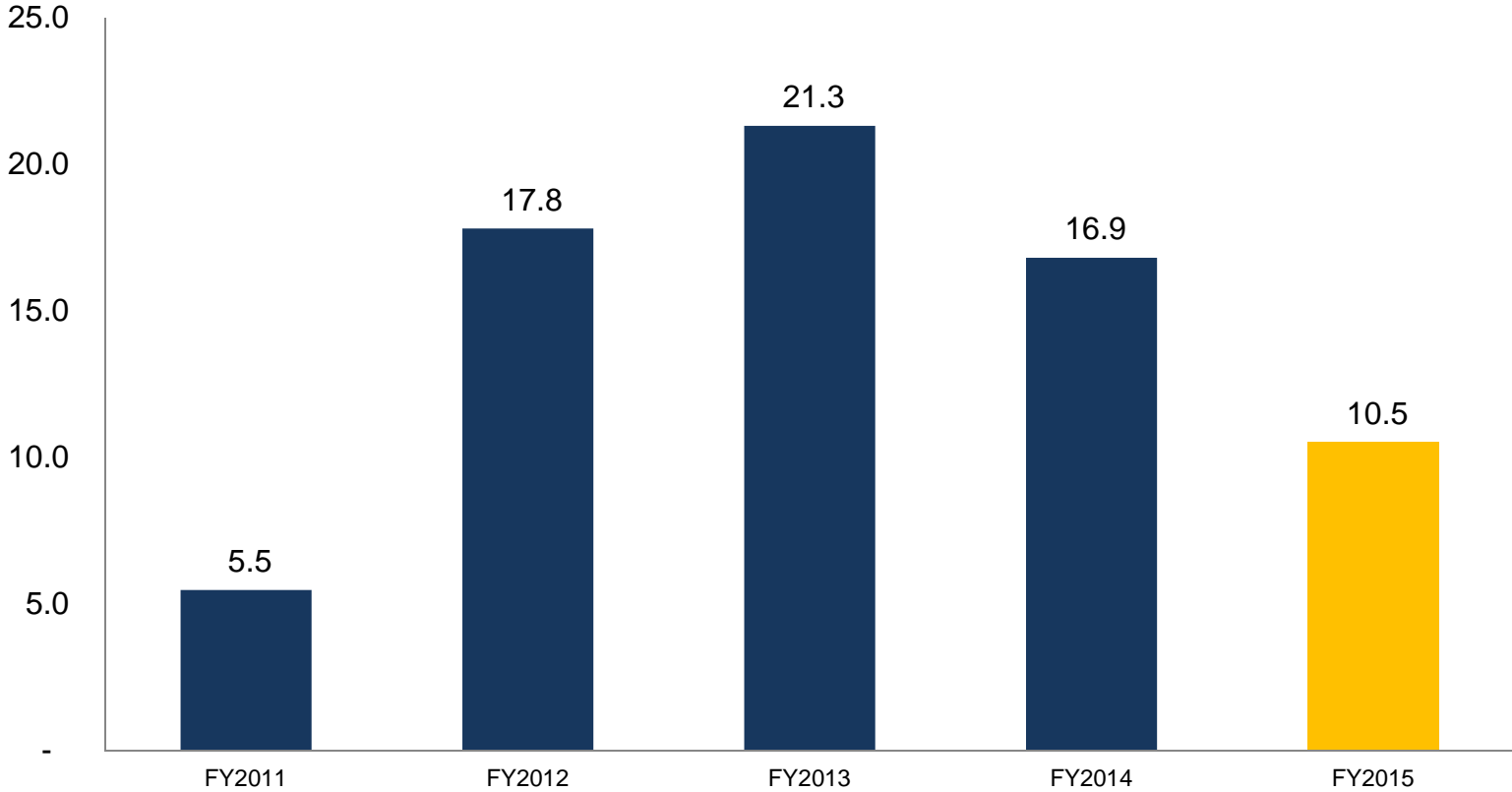
	2015		2016											
	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
North America	6	7	8	7	8	8	7	8	8	8	9	10	9	8
Central America	46	44	41	40	40	40	41	40	40	38	38	38	38	40
South America	7	7	7	7	7	7	6	6	6	6	6	6	6	6
NW Europe	41	41	40	42	43	43	45	44	43	41	41	40	40	42
Baltic/Russian Arctic	1	1	1	1	1	1	4	4	4	4	4	1	1	2
Med/Black Sea	12	14	13	12	12	12	13	13	13	13	12	12	12	13
West Africa	21	22	22	23	22	19	18	18	18	18	18	17	17	19
Middle East	123	121	121	120	120	120	118	119	119	118	117	114	114	119
Caspian	8	6	7	7	7	6	6	6	6	6	6	6	6	6
Indian Ocean	33	32	32	32	32	30	31	29	29	30	29	29	30	30
Southeast Asia	53	51	50	51	51	50	46	46	42	43	42	42	42	46
Far East	34	33	33	33	33	33	33	33	33	33	33	33	33	33
Australia/New Zealand	2	2	2	2	2	2	2	2	2	2	2	2	3	2
Demand	387	380	377	377	377	371	370	368	364	360	357	353	351	367
Total Supply	594	602	607	612	617	621	624	631	635	640	643	644	649	627
Marketed Supply	544	552	557	562	566	570	576	583	588	593	596	594	599	578
Marketed Surplus	156.8	172.1	179.7	185.3	188.7	198.8	205.9	215.3	223.8	232.9	238.8	241.0	248.3	210.9
Total utilisation %	65.1	63.1	62.2	61.6	61.2	59.8	59.3	58.3	57.4	56.3	55.5	54.8	54.0	58.6
Marketed utilisation %	71.1	68.8	67.7	67.0	66.7	65.1	64.2	63.1	61.9	60.7	59.9	59.4	58.6	63.6

Source: IHS Petrodata World Rig Forecast: Short Term Trends, April 2015

Immediate Focuses

- Tap revenue opportunities in existing businesses, eg. Middle East markets, mandatory maintenance
- Look to control costs and reduce losses where we can, eg. contract labour, relocations
- Maintain a strong financial position, eg. maintain net gearing levels, prudent expenditure
- Strengthen our businesses for recovery and to look for new opportunities

NET GEARING (%)



Short-Term Initiatives	Longer-Term Initiatives
<ul style="list-style-type: none">• Grow Oilfield Engineering Services	<ul style="list-style-type: none">• Developing a stronger presence in the regional markets
<ul style="list-style-type: none">• Improve net contributions from Neptune through improving margins and reducing overheads	<ul style="list-style-type: none">• Strengthening our services and products offering
<ul style="list-style-type: none">• Improve productivity and sustain profitability in Bahrain	<ul style="list-style-type: none">• Expanding geographical coverage from our existing centres
<ul style="list-style-type: none">• Rebuild Binder order book	<ul style="list-style-type: none">• Increasing IRM market share
<ul style="list-style-type: none">• Expand service offerings to secure more revenue opportunities from key customers	<ul style="list-style-type: none">• Build better awareness of the Group among stakeholders

International Footprint



Customers



MTQ services OEMs, service companies, and oil & gas operators



Schlumberger

CAMERON



GE Oil & Gas

FMC Technologies

NATIONAL
OILWELL
VARCO

AkerSolutions™



Saipem



SapuraKencana

APEXINDO

Seadrill



Transocean



woodside



PTTEP



PETRONAS

Apache
CORPORATION

ExxonMobil



SECTION II

Financial Performance

- ❖ Profitability
- ❖ Balance Sheet
- ❖ Key Performance Statistics



Profitability



Q4 & FY2015 Performance Highlights

	Q4 FY 2015 SGD '000	Q4 FY 2014 SGD '000	Change	FY 2015 SGD '000	FY 2014 SGD '000	Change
Revenue	63,755	78,886	19% ↓	295,640	313,330	6% ↓
Gross Profit	18,333	26,419	31% ↓	92,664	103,808	11% ↓
Gross Profit Margin	28.8%	33.5%		31.3%	33.1%	
Profit /(Loss) Before Tax	(5,916)	7,023	nm	9,177	29,911	69% ↓
Profit Before Tax Margin	nm	8.9%		3.1%	9.5%	
Net Profit Attributable to Shareholders	(6,527)	5,497	nm	5,021	23,878	79% ↓
Earnings Per Share (Basic)	(4.22)	3.61	nm	3.27	15.80	79% ↓

nm - not meaningful.

Profitability



Q4 & FY2015 Performance Highlights (excluding goodwill impairment)

	Q4 FY 2015 SGD '000	Q4 FY 2014 SGD '000	Change	FY 2015 SGD '000	FY 2014 SGD '000	Change
Revenue	63,755	78,886	19% ↓	295,640	313,330	6% ↓
Gross Profit	18,333	26,419	31% ↓	92,664	103,808	11% ↓
Gross Profit Margin	28.8%	33.5%		31.3%	33.1%	
Profit /(Loss) Before Tax	912	7,023	87% ↓	16,005	29,911	46% ↓
Profit Before Tax Margin	1.4%	8.9%		5.4%	9.5%	
Net Profit Attributable to Shareholders	301	5,497	95% ↓	11,849	23,878	50% ↓
Earnings Per Share (Basic)	0.19	3.61	95% ↓	7.73	15.80	51% ↓

Balance Sheet - Snapshot



	31-Mar-15	31-Mar-14
	SGD '000	SGD '000
Net Current Assets	83,043	83,631
Net Assets	138,350	140,312
Cash & Cash Equivalents	44,135	37,432
Finance Lease Payables	797	1,360
Borrowings	59,635	64,517
Shareholders' Funds	128,960	130,657
Net Gearing ¹	10.5%	16.9%
Net Asset Value ²	83.0 cents	86.0 cents

Comments:

1. Net Gearing Ratio is calculated based on net debt divided by net capitalization. The Group includes in its debt, bank borrowings and finance lease payable less cash and cash equivalents. Net Capitalization refers to net debt plus total equity.
2. Net Asset Value is calculated based on the Group's Shareholders' Funds divided by the total number of issued shares excluding treasury shares as at the end of the financial period.

FY2015 Performance Commentary

- ❖ ***Revenue fell in FY2015 level due to:***
 - *Neptune's decrease by S\$7.7 million mainly due to the absence of diving campaigns that boosted FY2014's revenue*
 - *Weaker demand for Oilfield Engineering in Singapore*
 - *Engine Systems' decline mainly due to the impact of a weaker Australian dollar exchange rate during the year*

- ❖ ***Positive full year contributions from Bahrain***

- ❖ ***Losses in Binder***

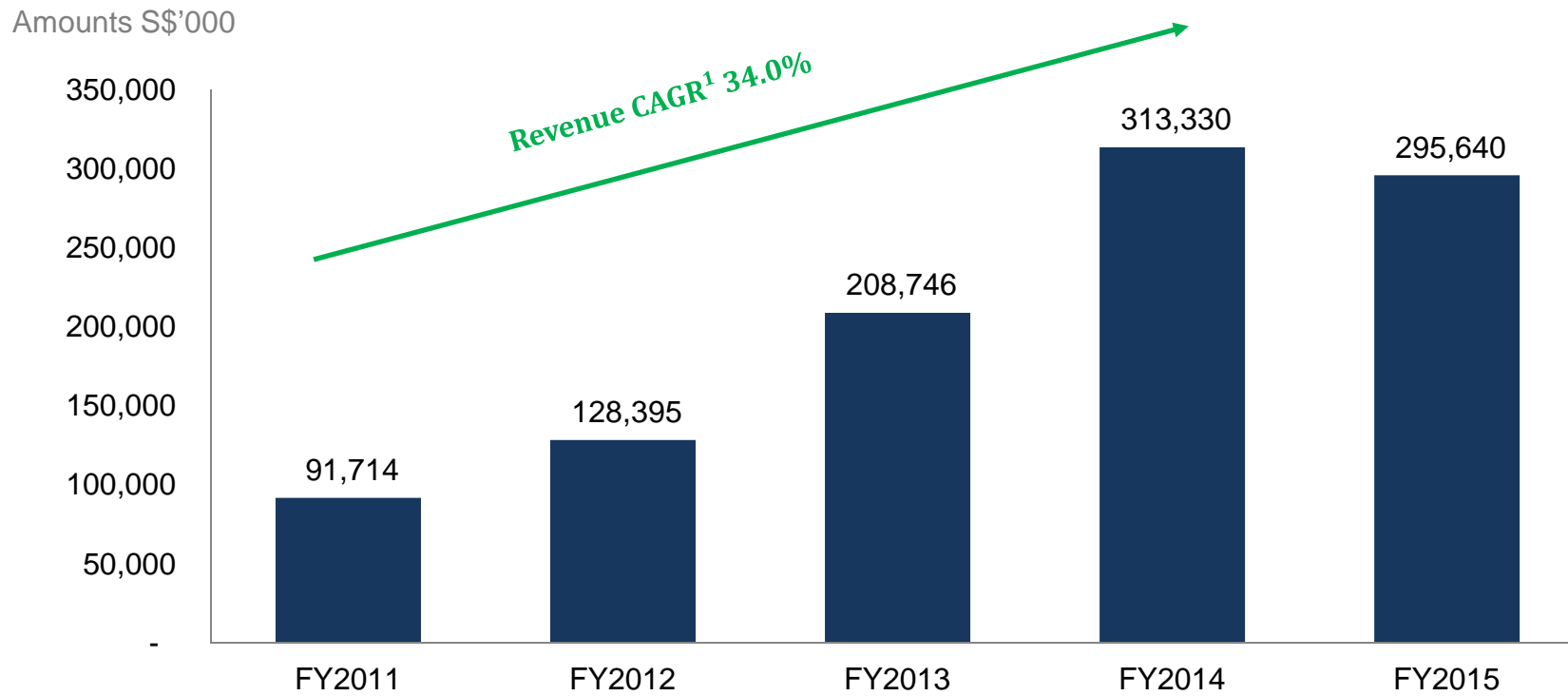
- ❖ ***Stronger financial position with higher cash and lower net gearing***

- ❖ ***Proposed final dividend of 2 cents, bringing annual dividend to 4 cents***

Key Performance Statistics



REVENUE TREND



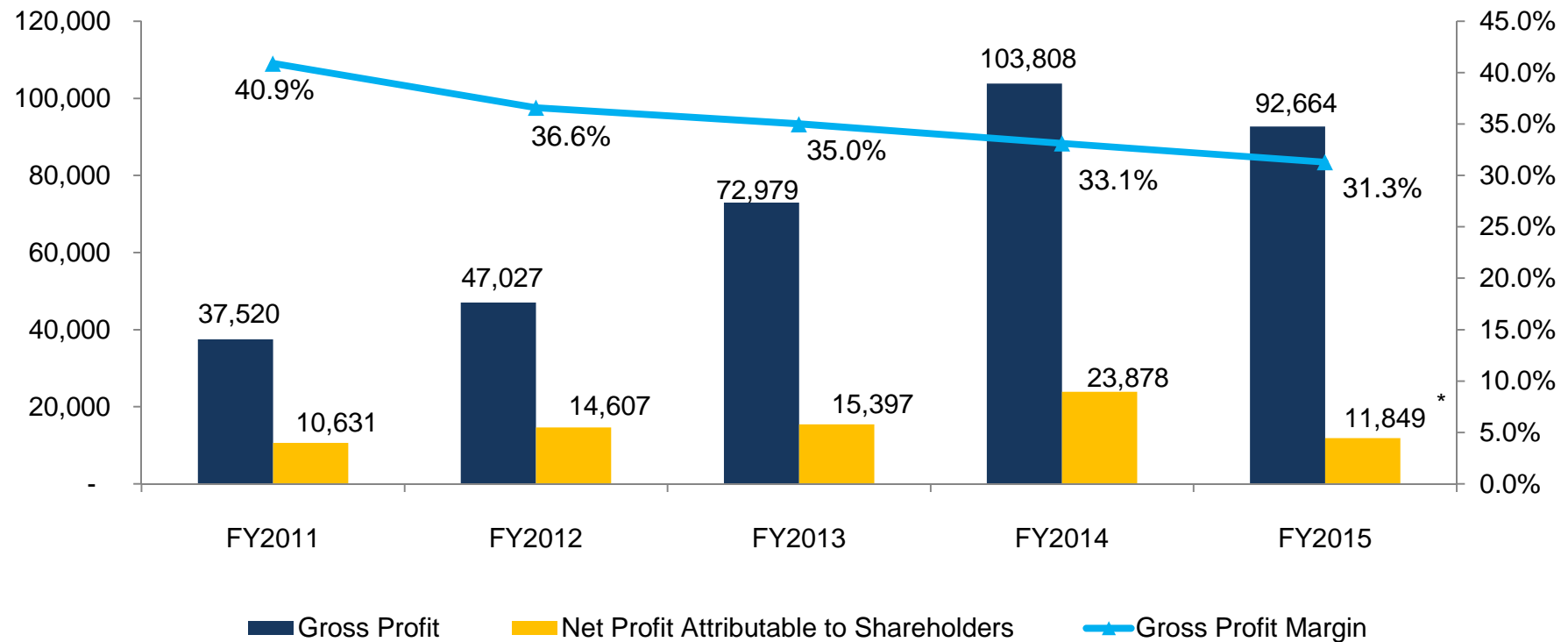
¹CAGR: Compound Annual Growth Rate

Key Performance Statistics



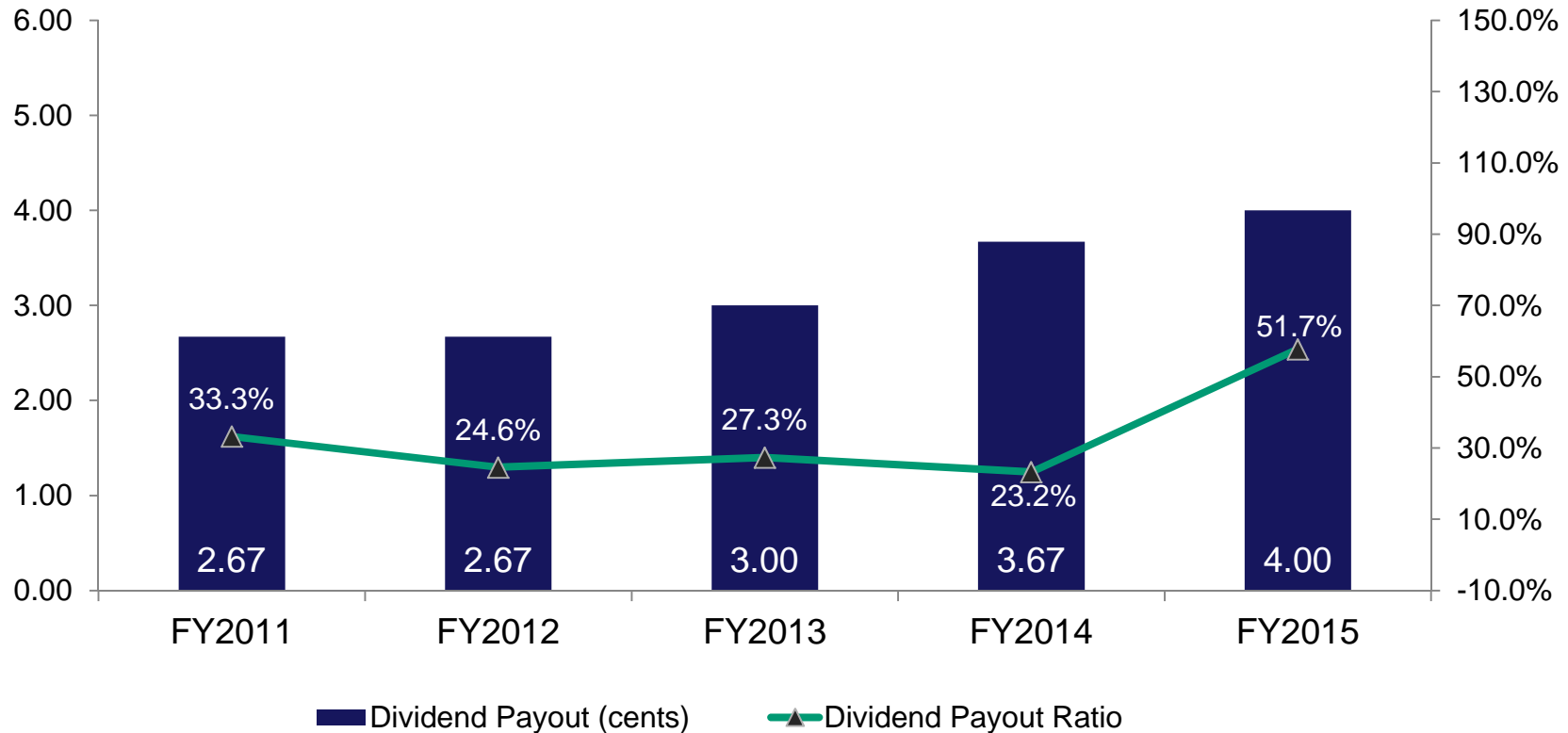
PROFITABILITY TREND

Amounts S\$'000



* Excluding the accounting losses arising from goodwill impairment.

Dividend Payout



Dividend payout ratio is calculated based on dividend per share divided by basic earnings per share.

Dividend payout ratio for FY2015 excludes the effect of S\$6.8 million goodwill impairment during the year. Including the goodwill impairment, dividend payout ratio was 122.3% for FY2015.

The above data is adjusted retrospectively for the bonus shares issued in 2013 and 2014:

- *1-for-4 shares on 12 July 2013; and*
- *1-for-5 shares on 11 July 2014.*

SECTION III

Industry & Trading Statistics

- ❖ **Trading Statistics, Stock Performance
& Shareholder Distribution**



Trading Statistics & Shareholder Distribution



Bloomberg Ticker	MTQ : SP
Share Price	SGD 0.77
52-week high/low	SGD 1.83 / SGD 0.75
Market Capitalization (154.5m shares)	SGD 119.0 million
P/E	25.65x (Est. 03/2016: 11.00x)
P/B	0.92x
Major Shareholders	<ol style="list-style-type: none">1. Kuah Kok Kim (24.15%)2. Maclean Investments Ltd (17.36%)3. Tai Tak Securities (8.57%)4. Singapore Warehouse (5.34%)5. Kuah Boon Wee (2.93%)

Source : Total number of issued shares from company announcement, valuation and shareholding information from Bloomberg as of 21 May 2015



THANK YOU

