Value Creation Business Model

Value Creation Business Model

OUR KEY CAPITALS... ...ENABLE VALUE-ADDING... ...BUSINESS ACTIVITIES THAT CREATE... ...VALUE FOR OUR STAKEHOLDERS

INPUTS → OUTPUTS/OUTCOMES → STAKEHOLDERS → SDGs

F Financial Capital

- Total Assets of RM65.1 billion
- Shareholders' equity of RM39.3 billion
- Cash and cash equivalents of RM7.7 billion
- Debt of RM17.5 billion

P Physical Capital

- 104 LNGCs and petroleum & product tankers
- 13 Floating assets
- Marine and heavy engineering facilities
- Maritime training facility

H Human Capital

- Diverse and inclusive workforce of 10,435 employees from 46 nationalities
- RM54.9 million invested in capacity building for employees

SR Social & Relationship Capital

- RM29.6 million invested in ALAM cadet sponsorships
- Maritime education scholarships to promote youth development
- 247 employees volunteered in the Heart of The Ocean (HOTO) programme since 2021

I Intellectual Capital

- 55 years of experience in the maritime industry
- Explored collaborations on clean energy solutions and decarbonisation initiatives

N Natural Capital

- 16,634,887 megawatt-hours of energy consumption
- Reliance on natural resources such as fuel, water and land

Vision

To consistently provide better energy-related maritime solutions and services

Mission

To be consistently better, we strive to:

- Exceed the expectations of our customers
- Promote individual and team excellence of our employees
- Create a positive difference to the lives of communities
- Care for the environment and operate responsibly
- Drive sustainable value for our shareholders

MISC 2023 Strategy

Short-Term

We continued to generate value-driven outcomes by focusing on project delivery and execution, while strengthening our ESG commitments. We continued to build our capabilities and strengthen our core operations while focusing on purposeful entry into clean energy business and decarbonising our operations.

- **Selective Investments and Project Delivery Excellence**
- **Pacing Growth to Ensure Sustainability**
- **Strategic Business Review**

MISC 2030 Aspiration

Short to Medium-Term

- **50%** CFO* Improvements
- **25%** CFO* from Clean Energy Solutions
- **50%** GHG Emissions Reduction in Shipping Operations

to be delivered through

- **Business Model Transformation**
- **Strategic Client Positioning**
- **Organisational Culture & Behaviour**

Medium to Long-Term

Renewable Energy Value Chain
The building block to manage climate change challenges with the maritime sector playing a key role

MISC 2050 VISION

Waste-To-Value Chain
Critical in tackling resource scarcity and emissions as well as repurposing maritime assets

* *Cash flows from operating activities*

Please refer to page 70

OPERATING ENVIRONMENT

Please refer to page 54

MATERIAL MATTERS

Please refer to page 62

RISKS AND MITIGATION STRATEGIES

Please refer to page 66

BUSINESS OPERATIONS

GAS ASSETS & SOLUTIONS
Focus on selective projects, expand new gas asset classes and enhance the fleet with modern energy-efficient LNGCs.

PETROLEUM PRODUCT & SHIPPING
Focus on strengthening the secured income stream while pursuing low-carbon business solutions through collaboration and/or partnership.

OFFSHORE BUSINESS
Focus on project delivery and execution for MERO 3 Project while continuing to pursue opportunities in targeted markets.

MARINE & HEAVY ENGINEERING
Focus on project delivery improvement, high value marine projects, diversified business portfolio and establish footprint internationally.

MARINE SERVICES
Focus on operational and service excellence, expand market share and diversification of revenue profile.

MARITIME EDUCATION & TRAINING
Rebuild and rejuvenate the academy to achieve University College status by 2025.

F

- Revenue of RM14.3 billion
- Profit after tax of RM2.0 billion
- CFO** of RM6.5 billion
- Dividend payout of 36 sen per share
- Credit rating of S&P Global Ratings at BBB+, Moody's Ratings at Baa2

Stakeholders: Shareholders/Investors/Financial Services Providers

P

- Transported 6% of global LNG
- Transported approximately 134 million tonnes of crude and petroleum products globally
- Above 99% for vessel availability
- Above 99% for vessel utilisation
- Above 90% for offshore floaters' uptime

Stakeholders: Customers

H

- 26.5 total average training hours per shore employee
- LTIF at 0.09
- TRCF at 0.31

Stakeholders: Employees

SR

- Sponsored 829 ALAM cadets
- 13 sponsored students under the maritime education scholarships
- Engaged 13 families within the community in the HOTO programme

Stakeholders: Government/Regulators, Customers, Communities

I

- 2 AiPs secured
- 13 accolades received
- 8 owned dual-fuel vessels
- 1 FSU award

Stakeholders: Customers, Employees

N

- Recorded 4.15 million tCO_2e of Scope 1 & 2 GHG emissions
- 24% reduction in our fleet average CO_2e intensity compared to 2008
- Recycled, reused or recovered 99.9% of hazardous waste
- Zero major oil spill

Stakeholders: Government/Regulators, Communities

** *This refers to the adjusted CFO which excludes the payment for costs relating to turnkey activities for MERO 3 Project and the one-off FSU prepayments in 2023.*