



MODEC, Inc. 2020 Financial Results Analysts Presentation

February 10, 2021

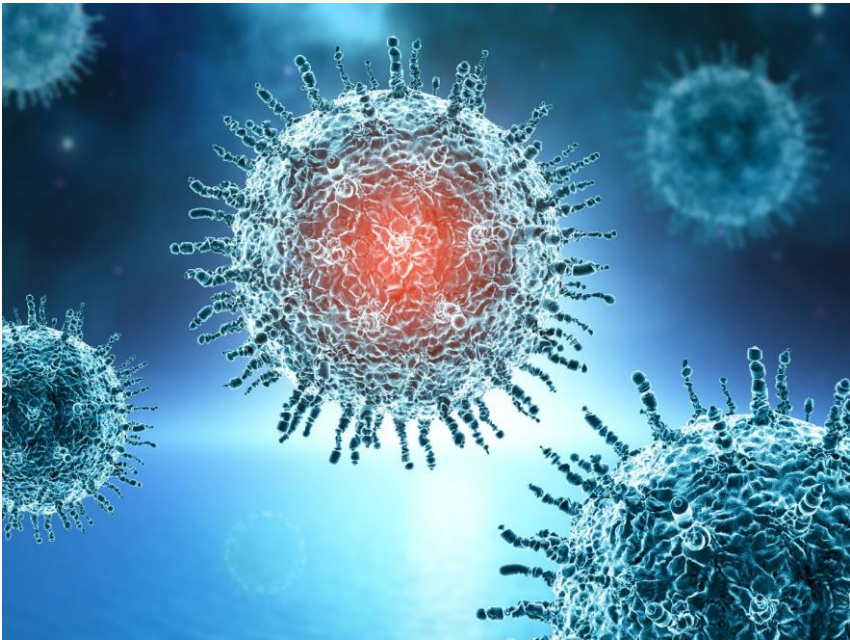




Highlight

Financial Results

FY2020 : Highlights



- Simulated construction cost increase due to COVID-19 was included in 2020 closing.
- Reduction of charter and operation revenue was recognized as the result of oil production stop due to COVID-19.
- Revenue is JPY 309.9 billion
- Net loss is JPY 13.0 billion
- Annual dividend : JPY 45.00 per share

FY2020 : New Awards



- Awarded 2 FPSOs
- Awarded O&M contract for FPSO Sangomar



















FPSO Sangomar

Client	Woodside
Contract	Purchase Contract
Field Location	Sangomar Field (Senegal)
Water Depth	780m
Oil Production	100,000 bopd
Gas Production	130 mmscfd
Storage Capacity	1,300,000 bbls

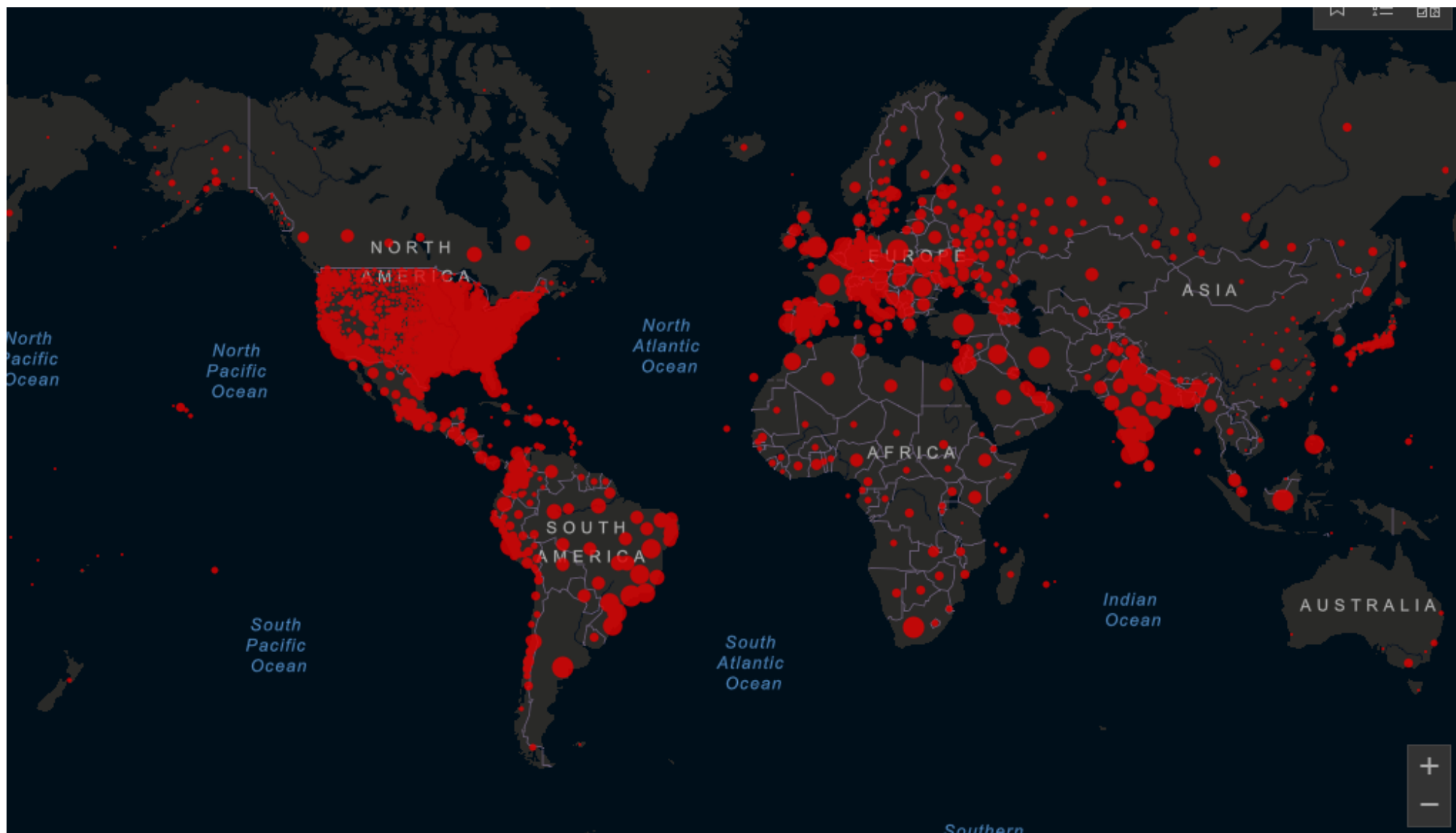
Equinor Bacalhau FPSO

Client	Equinor
Contract	Sales and Purchase Agreement
Field Location	Bacalhau Field (ex Carcara Brazil)
Water Depth	2,050m
Oil Production	220,000 bopd
Gas Production	530 mmscfd
Storage Capacity	2,000,000 bbls

FY2020 : EPC(I) (as of December 2020)

	FPSO Carioca MV30	FPSO Guanabara MV31	FPSO MIAMTE MV34	FPSO Almirante Barroso MV32	FPSO Anita Garibaldi MV33	FPSO Sangomar
Client	Petrobras 	Petrobras 	Eni Mexico 	Petrobras 	Petrobras 	Woodside 
Contract	EPCI + Time Charter (21yrs)	EPCI + Time Charter (22 yrs)	EPCI + Time Charter (15 yrs+5 one-year extension options)	EPCI + Time Charter (21 yrs)	EPCI + Time Charter (25 yrs)	Purchase Contract + O&M (10 yrs+10 one-year extension options)
Delivery (Planned)	2021	2021	2022	2023	2023	2023
Field	Sépia	Mero	Area 1 Block	Búzios	Marlim	Sangomar
Location	Brazil 	Brazil 	Mexico 	Brazil 	Brazil 	Senegal 
Water Depth	2,200 m	2,100 m	32 m	1,900 m	670 m	780 m
Storage/ Production	1,400,000 bbls 180,000 bopd 212 mmscfd	1,400,000 bbls 180,000 bopd 424 mmscfd	700,000 bbls 90,000 bopd 75 mmscfd	1,400,000 bbls 150,000 bopd 212 mmscfd	1,000,000 bbls 80,000 bopd 248 mmscfd	1,300,000 bbls 100,000 bopd 130 mmscfd
Progress						

(Reference) Infection status of COVID-19

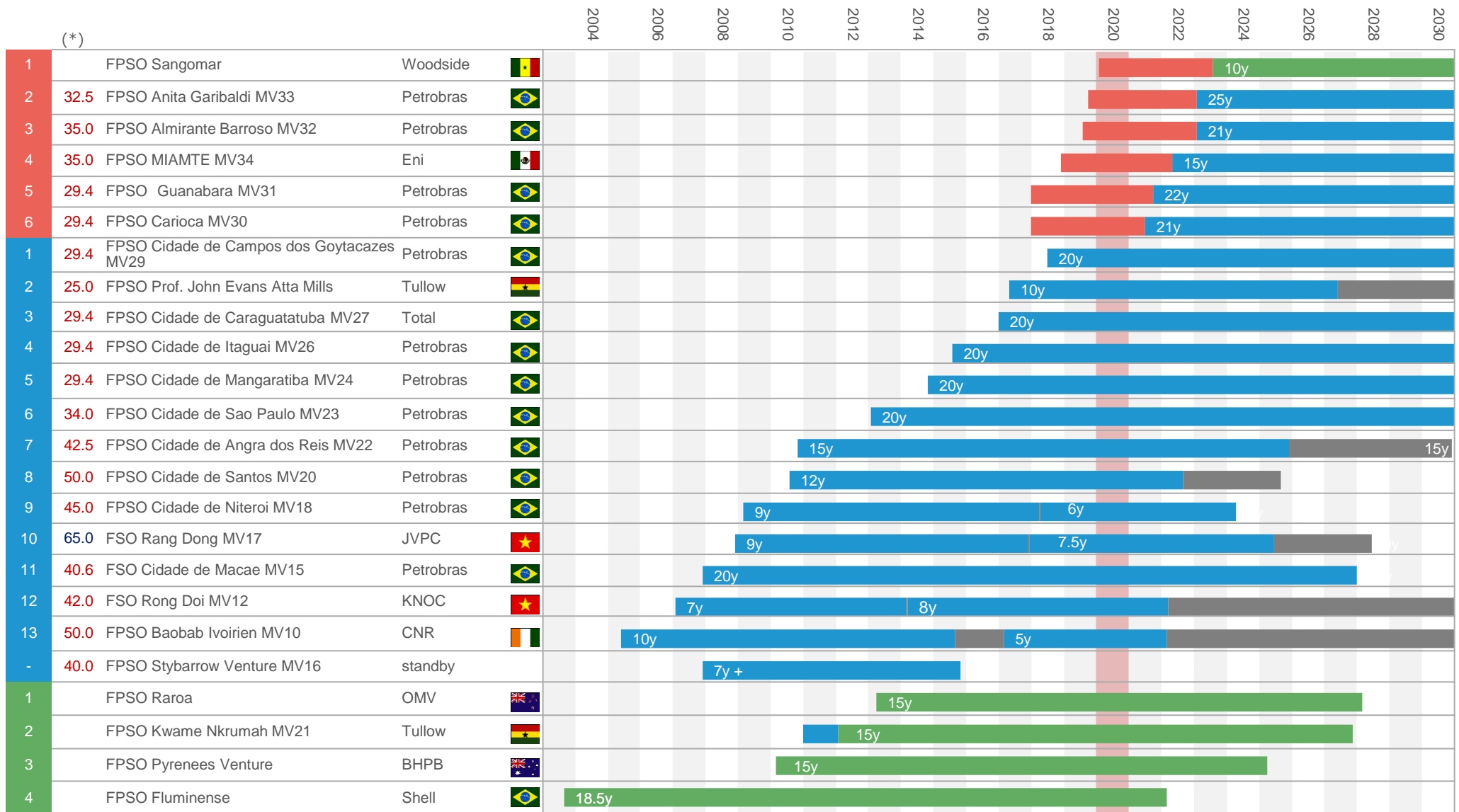


As of February 2021

- EPC(I) period
- Time Charter fixed period
- Time Charter option period
- O&M period



EPC(I) / Charter / O&M Period



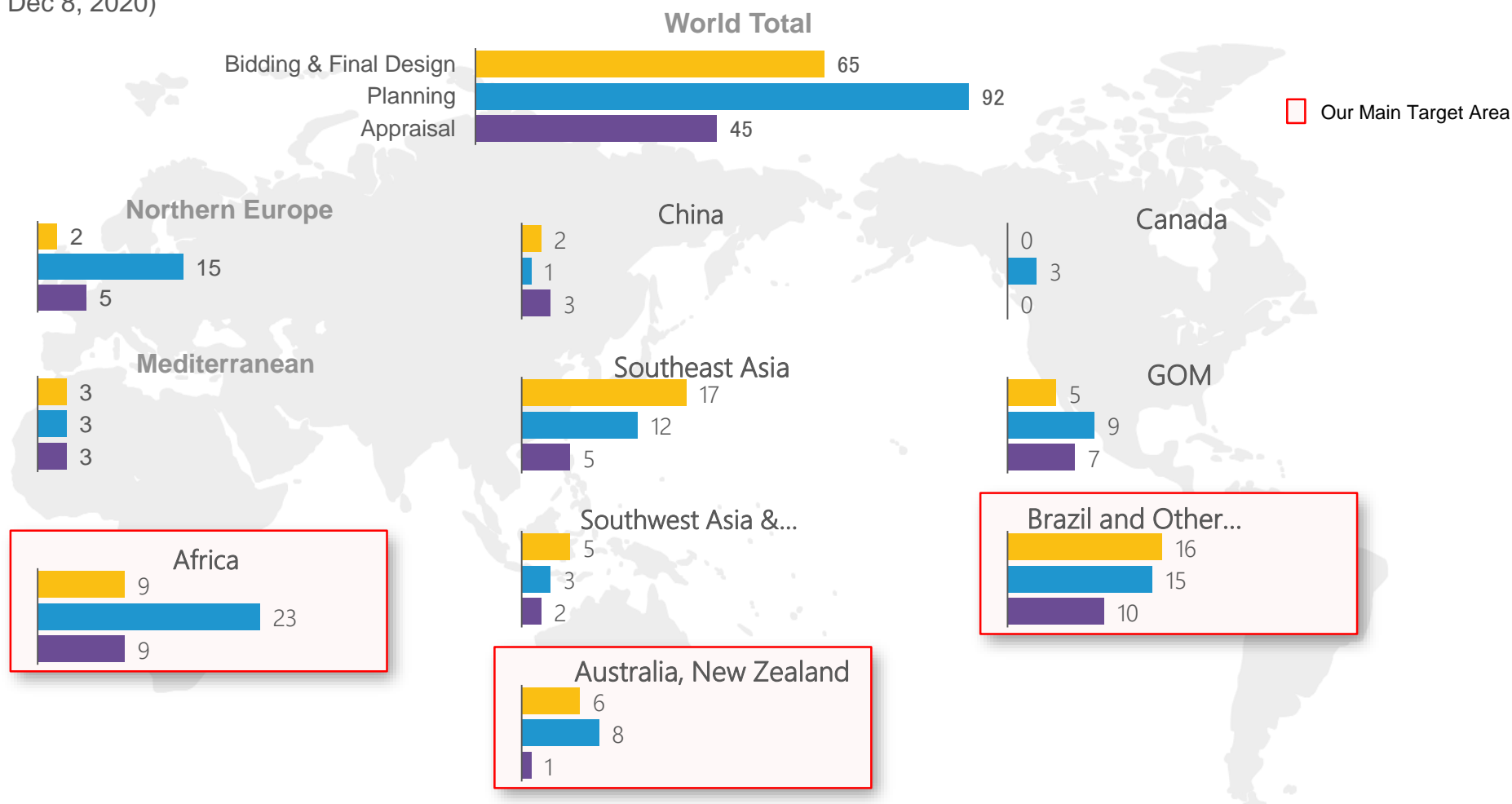
(*) Owned by MODEC group companies (%)
 Affiliates accounted for by the equity method
 Consolidated subsidiary

Projects in Planning Pipeline (Appraisal, Planning, and Bidding/Final Design) as of January 2021



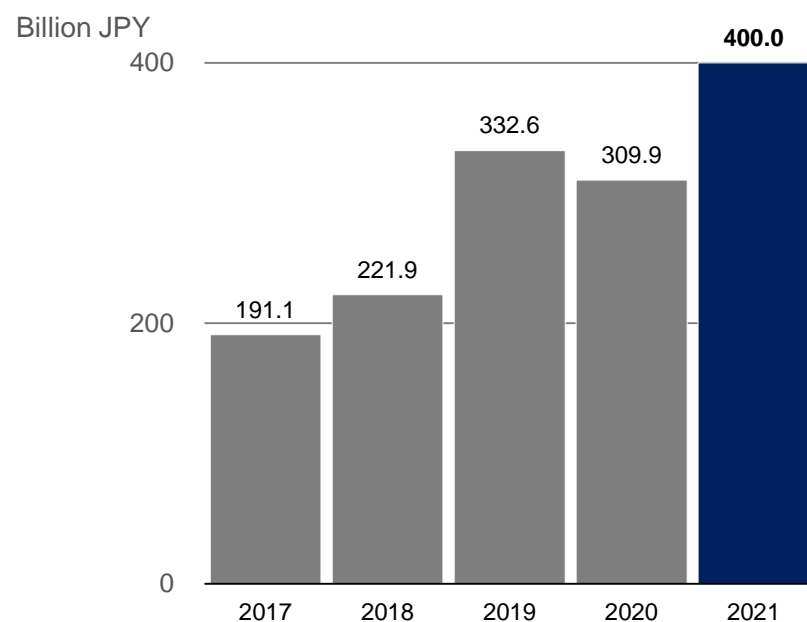
Although some investment decisions are suspended due to the impact of COVID-19, potential demand is expected to remain consistent at the current oil price level*, and development of new projects is expected to proceed steadily.

* The U.S. Energy Information Administration (EIA) expects that Brent prices will average USD49/barrel in 2021 (Short-Term Energy Outlook on Dec 8, 2020)

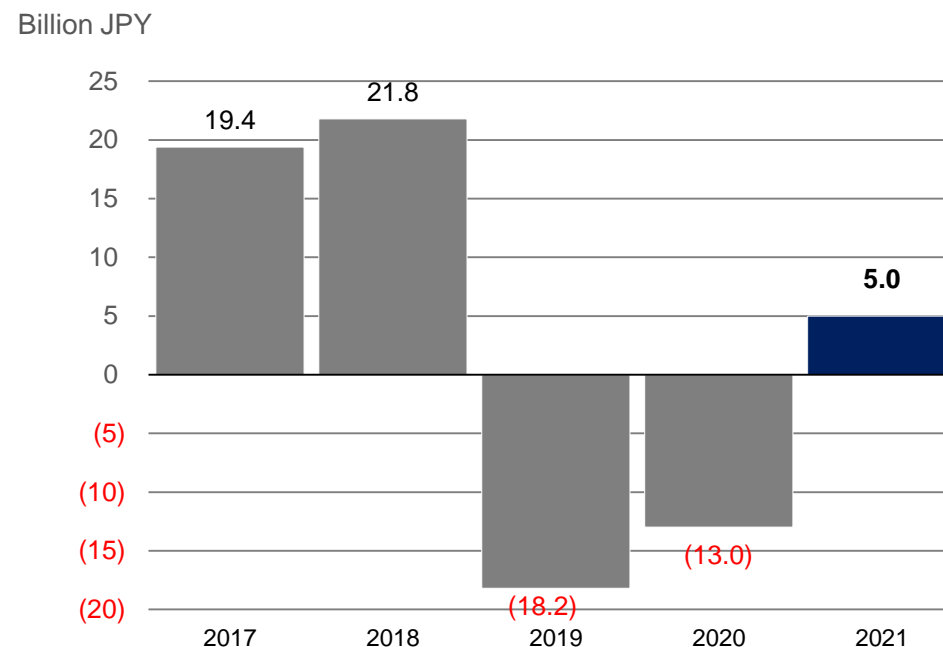


FY2021 : Outlook

Revenue



Profit Attributable to Owners of Parent



- Revenue is expected to hit record a high of JPY 400 billion primarily due to progress of EPCI projects
- JPY 5 billion of profit attributable to owners of parent is expected owing to increase in revenue despite the effect of COVID-19 which still remains this year and a large amount of special repair projects cost for FPSOs/ FSO which have served for long time in Brazil.

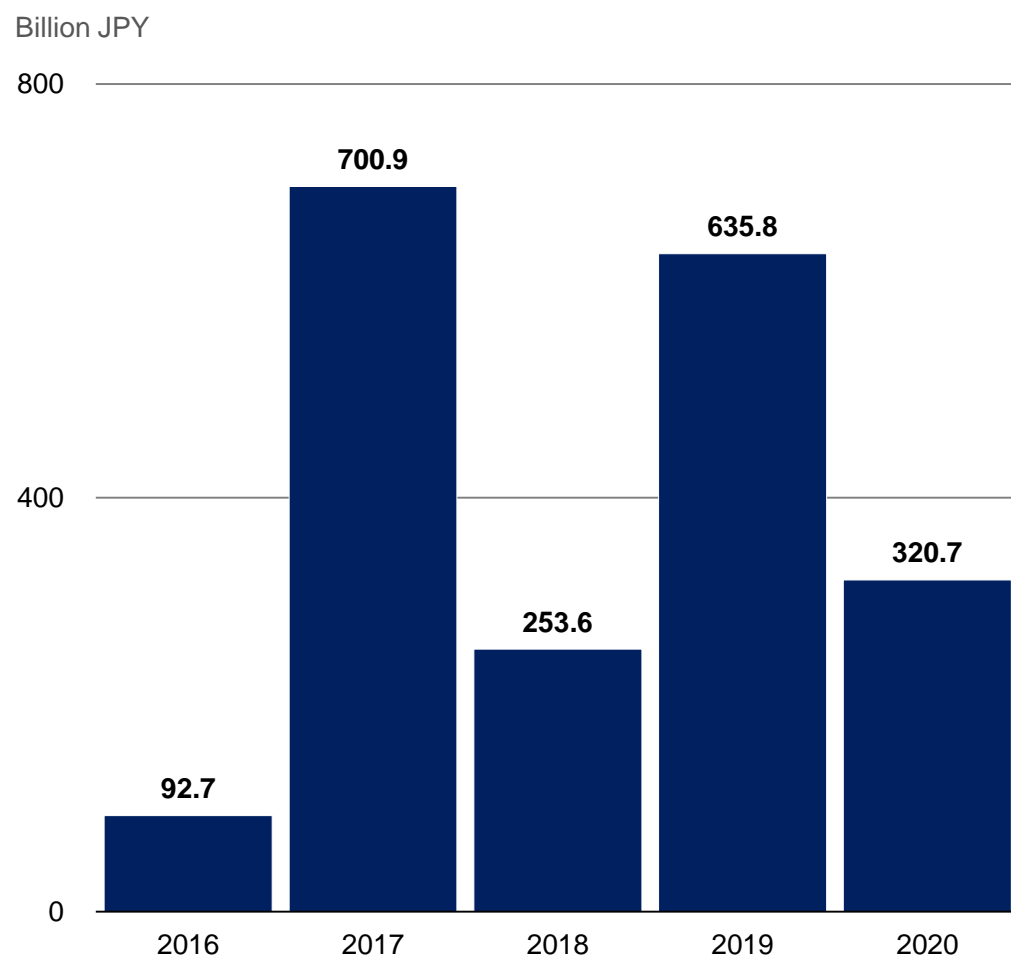
Highlight

Financial Results

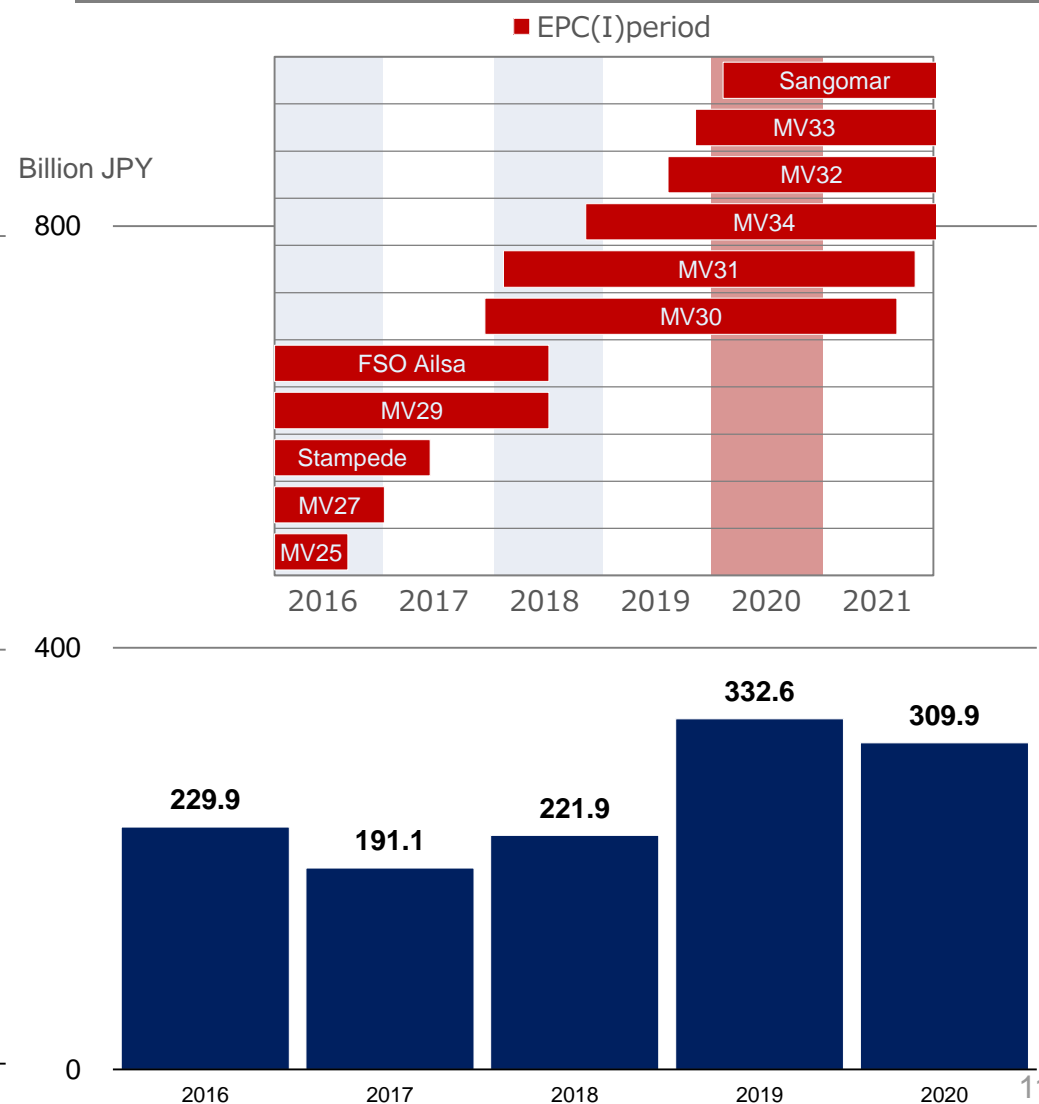


New Orders / Revenue

New Orders



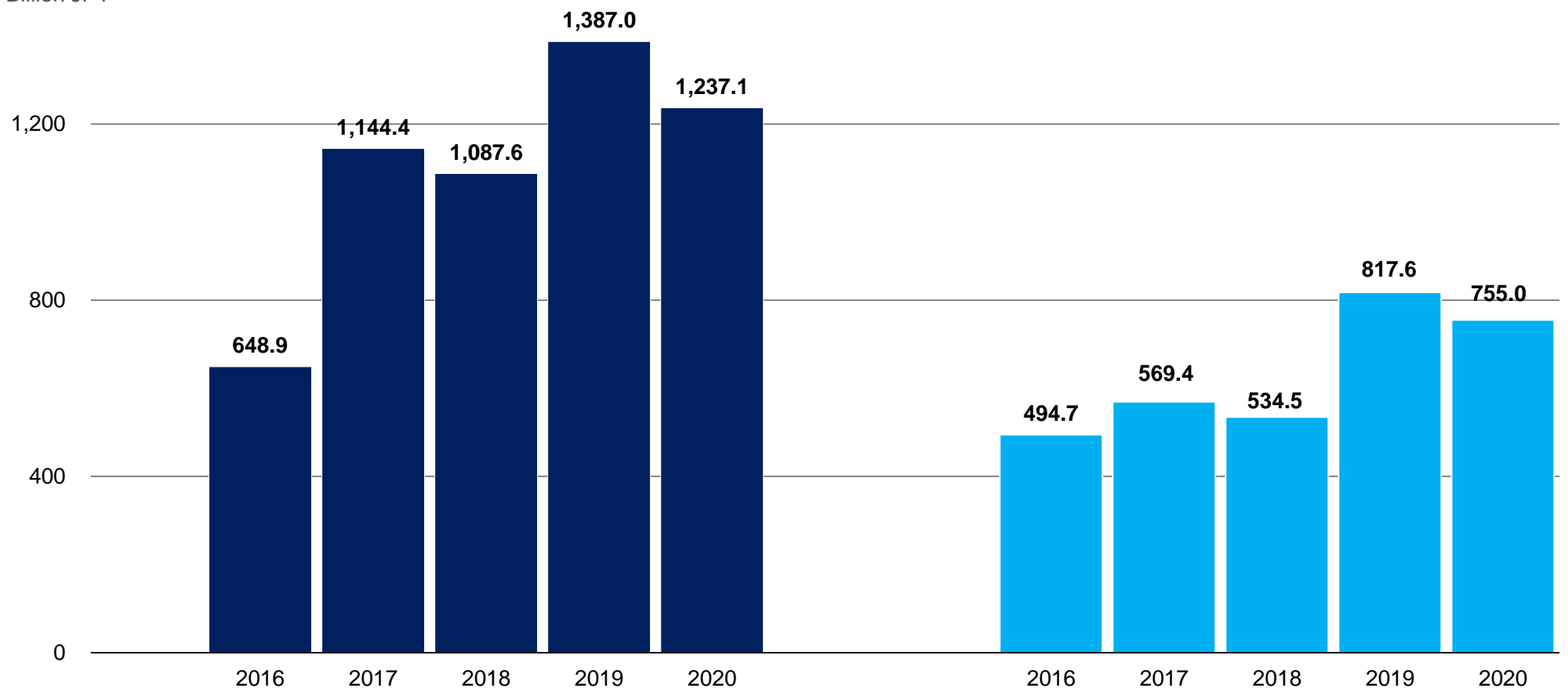
Revenue



Order Backlogs

- Order backlogs for MODEC Group's share in the "Lease, Charter and O&M services" of the affiliates accounted for by the equity method

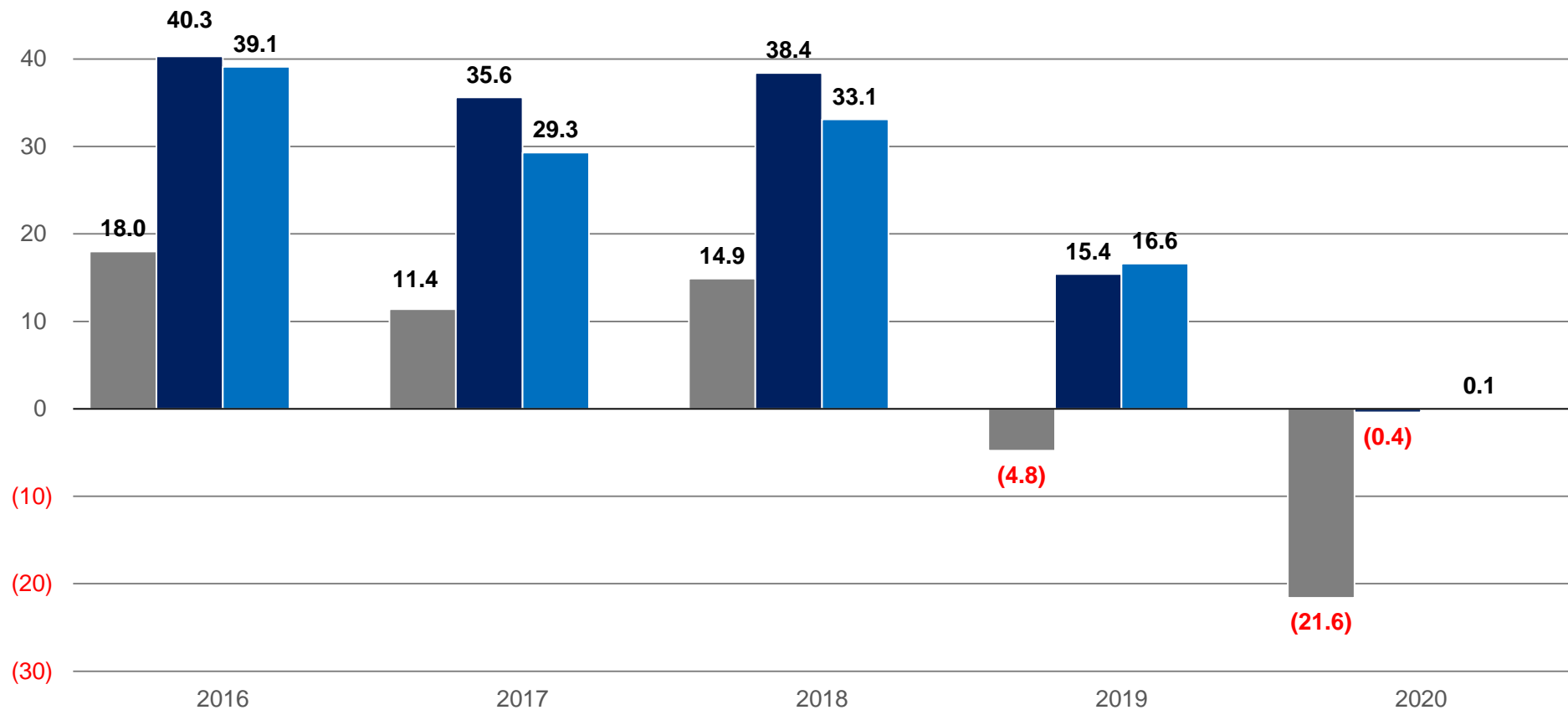
Billion JPY



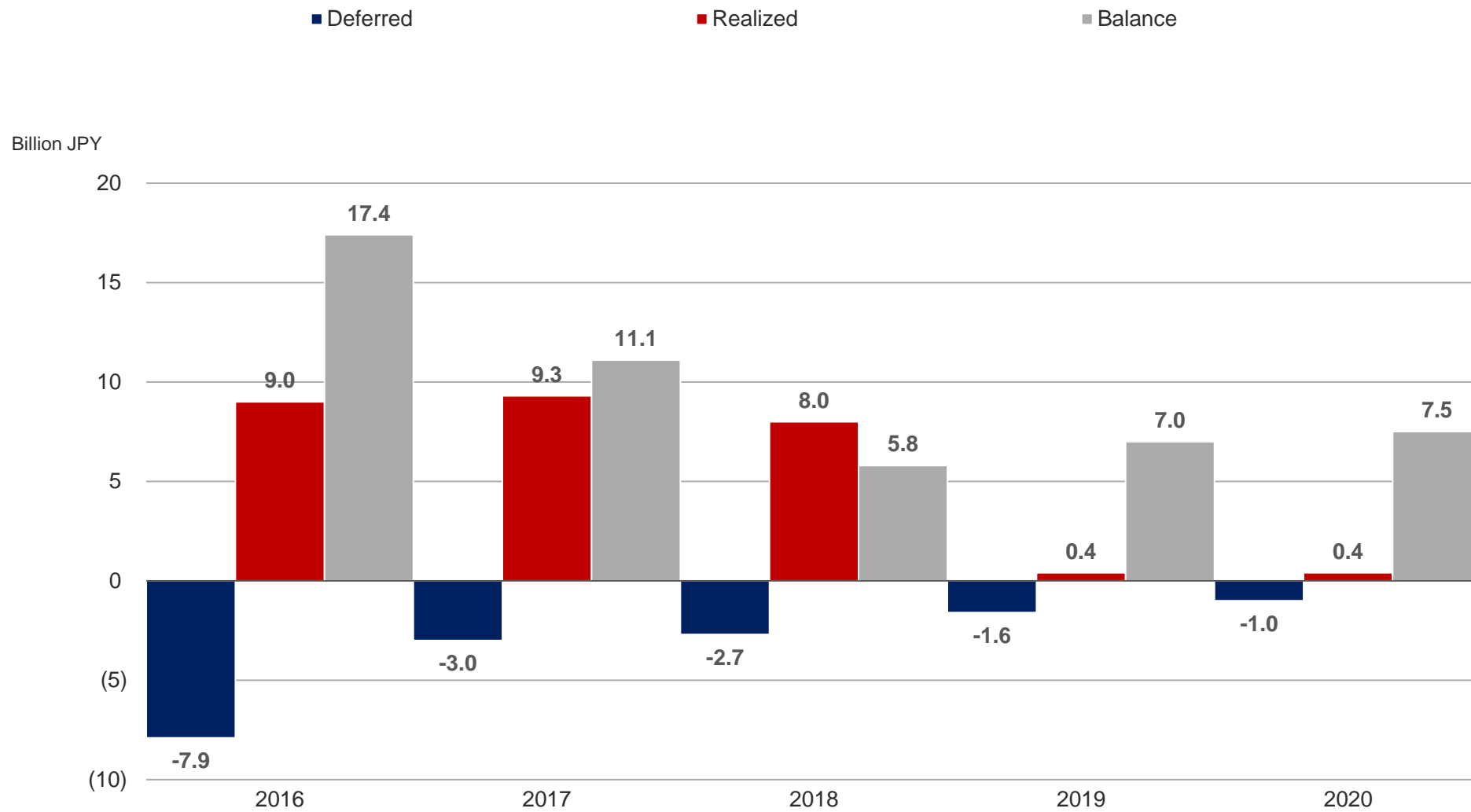
Operating Income

Billion JPY

- A A : Consolidated Operating Profit
- A + B B : Operating Profit (equity method portion)
- A + B + C C : Influence of Deferred/Realized Profits

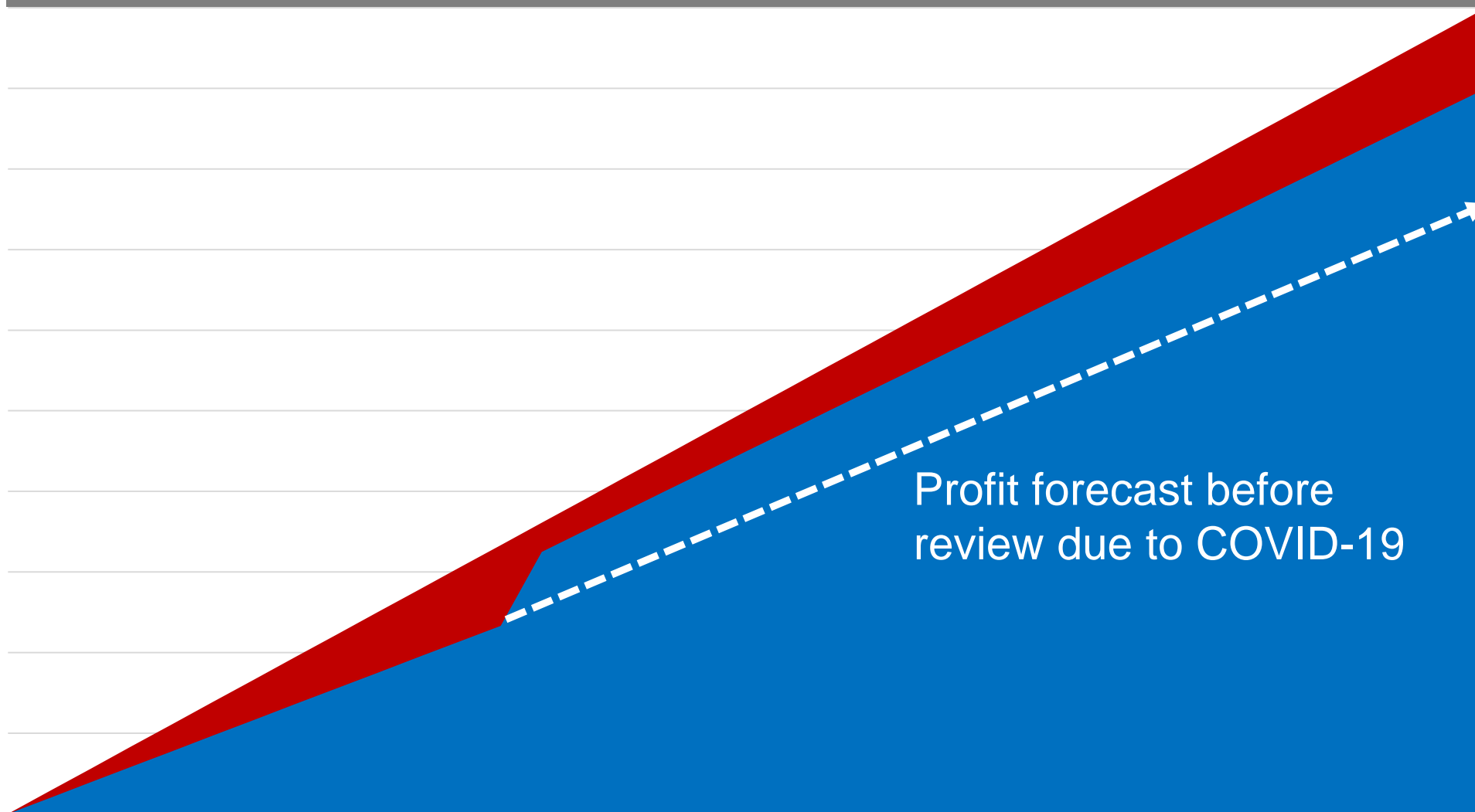


Influence of Deferred/Realized Profits



(Reference) Review of project profit

Concept of project profit review

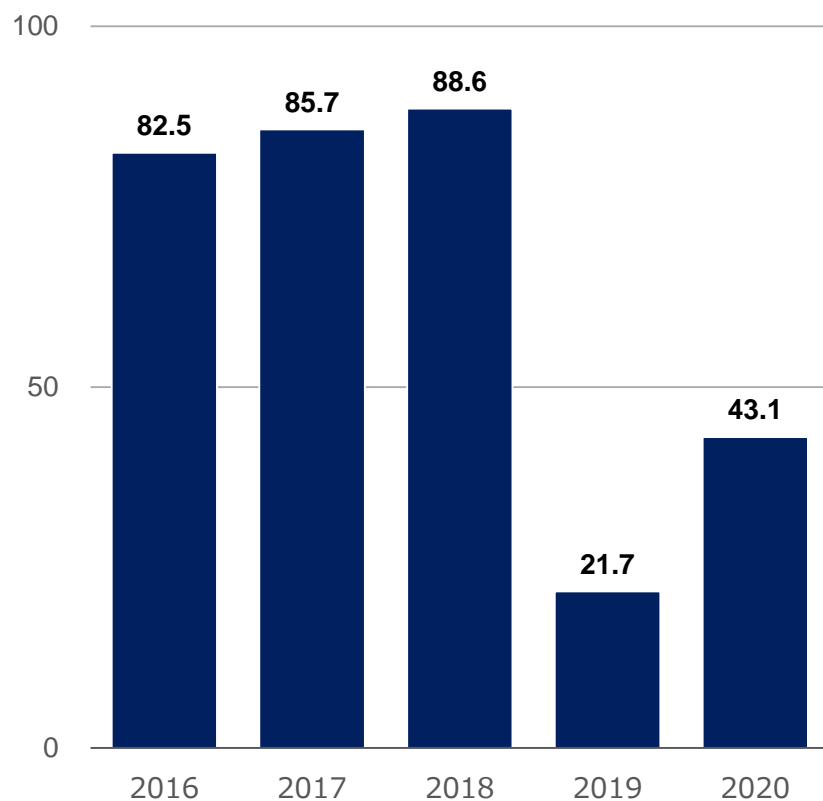


Other Income

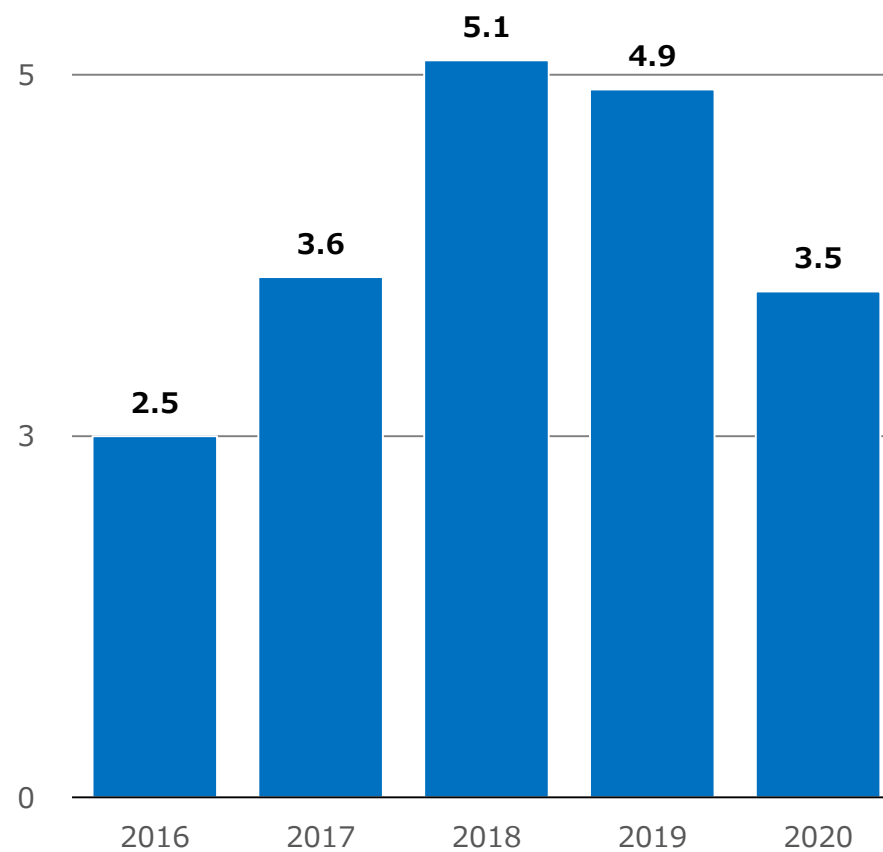
Equity in Earnings of Affiliates

Net Interest Income

Million USD



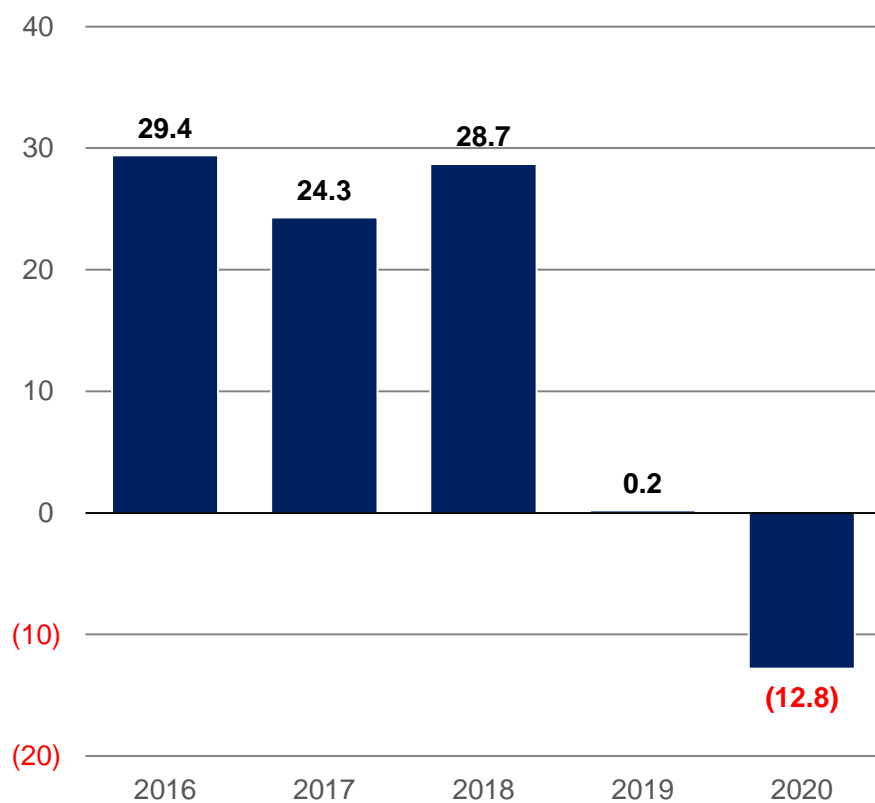
Billion JPY



Ordinary Profits / Profit Attributable to Owners of Parent

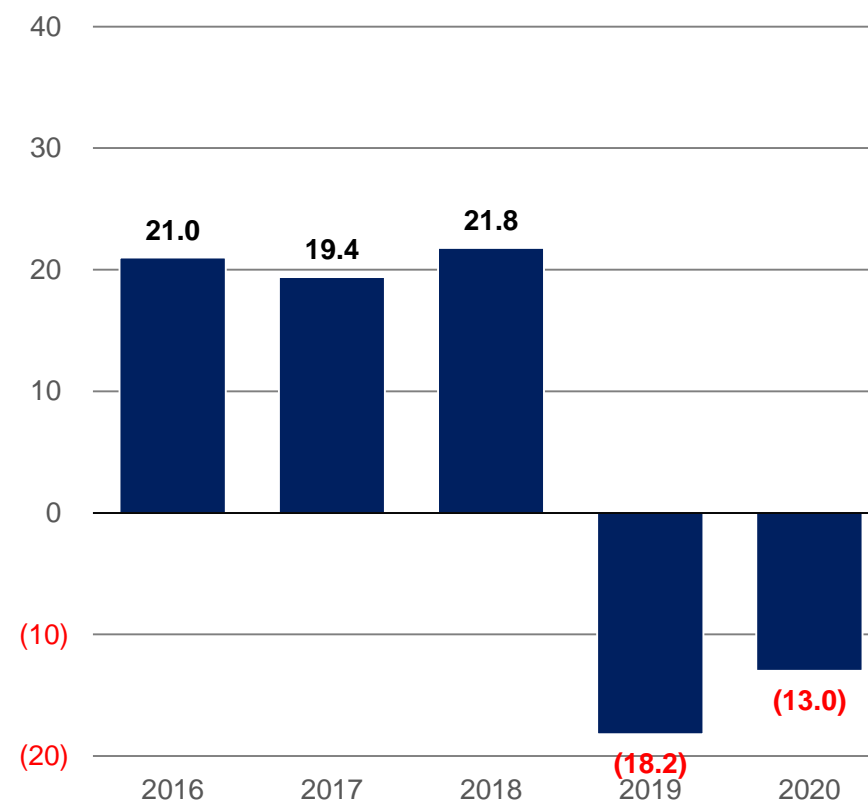
Ordinary Profit

Billion JPY



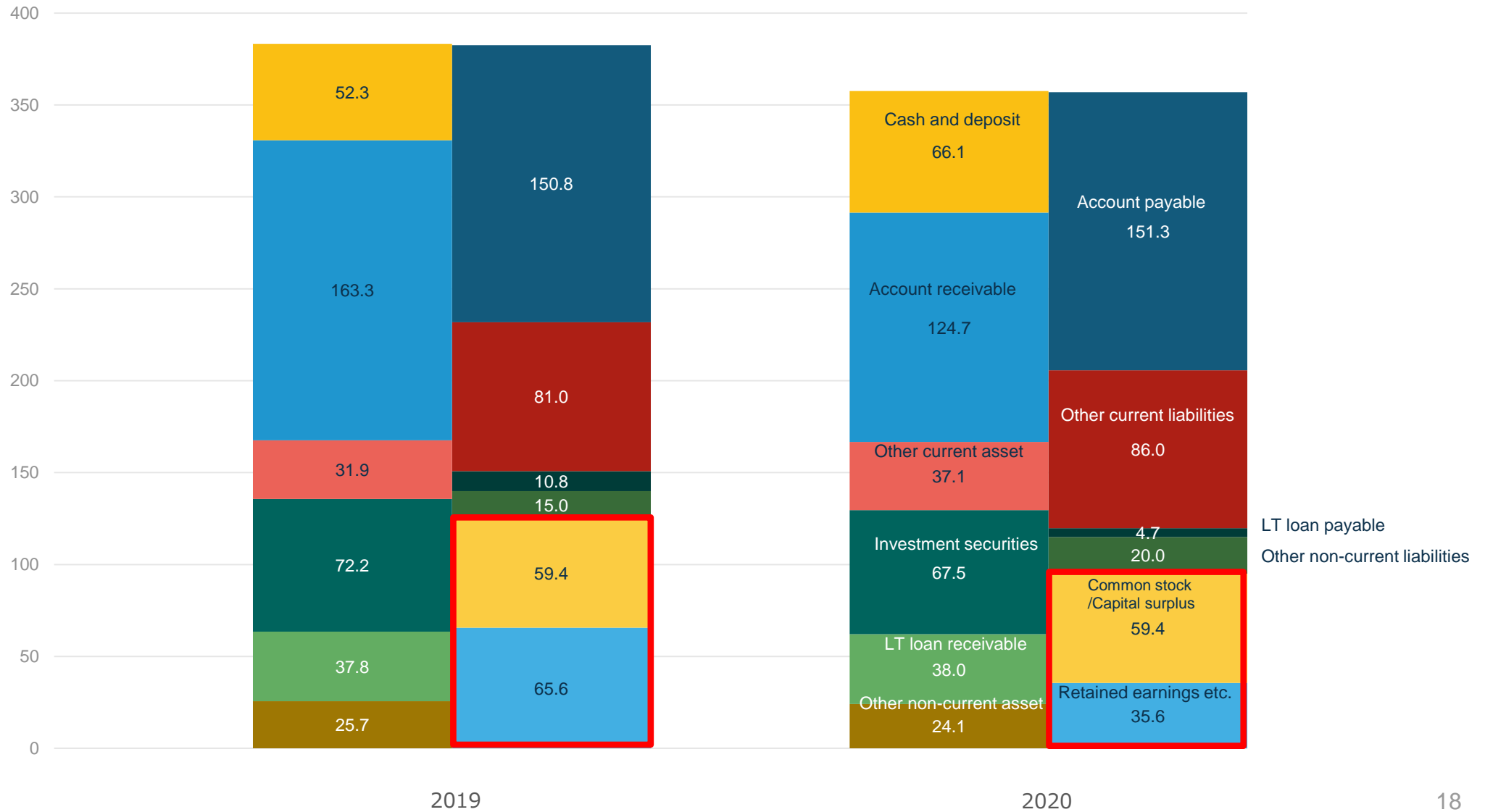
Profit Attributable to Owners of Parent

Billion JPY



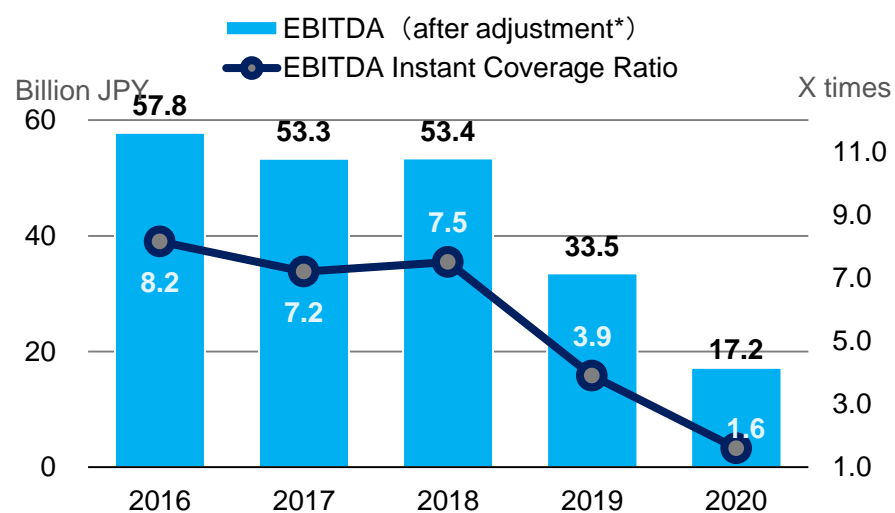
Balance Sheet

Billion JPY

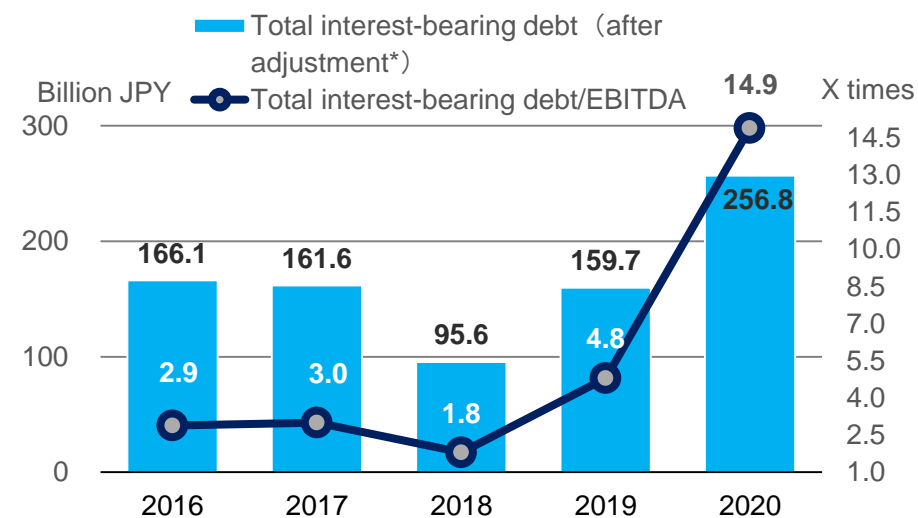


Key Financial Indicators

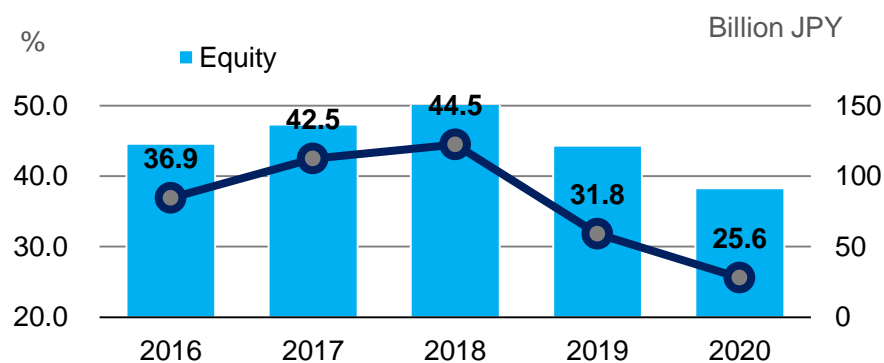
EBITDA



Interest-Bearing Debt



Equity Ratio



*Adjustment: Adding MODEC group's share in affiliates accounted for by the equity method



Thank you