



**BAKER TECHNOLOGY LIMITED**  
Company Registration No.: 198100637D

## Media Release

### ***Baker Tech reports revenue of \$63 million for FY2020, gross profit increases to \$6.4 million for 2H2020***

Y/E Dec (\$ million)	2H 2020	2H 2019	Chg %	FY 2020	FY 2019	Chg %
<b>Revenue</b>	<b>31.5</b>	27.2	+15	<b>63.2</b>	64.5	-2
Cost of sales	<b>(25.1)</b>	(24.1)	+4	<b>(54.4)</b>	(47.2)	+15
<b>Gross profit</b>	<b>6.4</b>	3.1	+103	<b>8.8</b>	17.3	-49
Administrative expenses	<b>(11.8)</b>	(17.4)	-32	<b>(20.1)</b>	(28.1)	-28
Other operating income / (expenses), net	<b>(14.2)</b>	0.2	NM	<b>(12.6)</b>	0.3	NM
Foreign exchange loss	<b>(2.6)</b>	(0.2)	NM	<b>(1.2)</b>	(0.6)	+116
Finance cost	<b>(0.4)</b>	(0.4)	-19	<b>(0.8)</b>	(0.9)	-15
Share of results of associates	-	-	-	-	(4.9)	(-100)
<b>Loss before taxation</b>	<b>(22.6)</b>	(14.7)	+53	<b>(25.9)</b>	(16.9)	+53
Income tax expenses	-	(1.0)	-96	-	(1.0)	-97
<b>Net (loss) / profit for the period</b>	<b>(22.6)</b>	(15.7)	+44	<b>(25.9)</b>	(17.9)	+45
<b>Results attributable to:</b>						
Owners of the Company	<b>(11.4)</b>	(11.3)	+1	<b>(13.8)</b>	(9.4)	+47
Non-controlling interests	<b>(11.2)</b>	(4.4)	+154	<b>(12.1)</b>	(8.5)	+42
<b>Net loss for the period</b>	<b>(22.6)</b>	(15.7)	+44	<b>(25.9)</b>	<b>(17.9)</b>	+45

**26 February 2021 – Baker Technology Limited ('Baker Tech' or 'the Group')** reports its full year financial results for the year ended 31 December 2020.

Group revenue for the second half of 2020 ("2H2020") saw an increase of \$4.2 million to \$31.5 million as compared to the corresponding period in 2019 due to higher charter income.

Despite the disruptions due to the global COVID-19 pandemic, Group revenue for the year ended 31 December 2020 ("FY2020") remained relatively resilient at \$63.2 million, a 2% drop from FY2019. This was attributed to low charter income as certain vessels were off hire during the first half of 2020 and was partially offset by an increase in fabrication revenue.

On the back of higher charter revenue, gross profit also saw an increase from \$3.1 million in 2H2019 to \$6.4 million in 2H2020. The Group also recorded a lower margin for chartering activities in 2H2019 as vessel operating expenses including depreciation continued to be incurred during off hire periods.

Net loss for FY2020 stood at \$25.9 million which was an increase from \$17.9 million recorded for FY2019 due to the following factors:

- a) Lower margins recorded for both fabrication and chartering activities during the year;
- b) Significantly higher losses incurred by CH Offshore (“CHO”), primarily from vessel impairment charge of \$11.7 million (FY2019: \$nil), impairment of loan to associate of \$1.6 million (FY2019: \$nil) and loss on disposal of vessels at \$2.5 million (FY2019: \$0.4 million). These were partially offset by the absence of share of losses of \$4.9 million from its 49% owned Indonesian associate and the provision for brokers’ commission following the results of the arbitration proceedings brought by three ship brokers again CHO of approximately \$6.8 million in FY2019;
- c) Receipt of various governmental relief for COVID-19 of approximately \$2.6 million and
- d) Lower administrative expenses due to a higher absorption of overseas (i.e. labour cost, rental and depreciation) into cost of sales in line with higher fabrication revenue for the year.

After taking into account non-controlling interests, net loss attributable to shareholders stands at \$13.8 million for FY2020 as compared to a net loss of \$9.4 million for FY2019.

Group shareholders’ fund decreased from \$209.3 million as at 31 December 2019 to \$194.1 million as at 31 December 2020 due to net loss attributable to shareholders of the Company of \$13.8 million and the payment of dividends to shareholder of \$1.0 million.

For 2H2020, the Group also reported a negative operating cash flow of \$0.9 million. However, FY2020 operating cash flows remained positive at \$2.6 million. The Group’s cash and short-term deposits remained healthy at \$44.3 million as at 31 December 2020.

### **Outlook**

The global outlook for the year is expected to be tepid due to the evolving COVID-19 situation of new infections, new variants and vaccination programmes. The oil and gas sector is likely to fare no differently in view of the global uncertainties which continues to plague the sector complicated by excess capacity, lower demand and high inventory levels.

We continue to be cautious and focus on managing costs, strengthening our operational business performance and adapting to the challenging business and COVID-related environment to stay resilient.

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### **About Baker Technology Limited (Bloomberg: BTL SP, Reuters: BATE.SI)**

Baker Technology Limited (“Baker Tech”, together with its subsidiaries, the “Baker Tech Group”) is a leading manufacturer and provider of specialised marine offshore equipment and services, mainly focused on the offshore oil and gas industry.

Baker Tech Group’s core business is in the design, construction, operations and chartering of mobile offshore units and offshore supply vessels, along with a wide range of critical equipment and components for the offshore marine industry. These include offshore pedestal cranes, anchor winches, skidding systems, jacking systems and raw water tower structures. It also provides services such as project management, engineering services, quality assurance, and construction supervision.

Visit us at [www.bakertech.com.sg](http://www.bakertech.com.sg)

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