

# 2020/03 Third Quarter Financial Results



10 February, 2020



Mitsui E&S Holdings Co., Ltd.

## 2020/03 Third Quarter Results

- ◆ New Order 571.9 Billion Yen ( QoQ ↑ )
- ◆ Net Sales 547.7 Billion Yen ( QoQ ↑ )
- ◆ Ordinary Income (69.7) Billion Yen ( QoQ ↓ )

## 2020/03 Forecast

- ◆ New Order 1,000.0 Billion Yen (Comp. Pre Forecast →)
- ◆ Net Sales 790.0 Billion Yen (Comp. Pre Forecast →)
- ◆ Ordinary Income (67.0) Billion Yen (Comp. Pre Forecast →)

## Topics

- ◆ The loss Coal-fired power plant civil engineering construction
    - ✓ Installation work for CW pipes is on track
- ※CW (Cooling Water)
- ◆ Progress of Mitsui E&S Group Business Revival Plan
    - ✓ Applied all shares of Showa Aircraft to TOB

# 2020/03 3rd Quarter Summary of Results

(JPY : Billion)

	2018/12	2019/12	Var.
<b>New Orders</b>	374.3	571.9	+197.6
<b>Net Sales</b>	479.4	547.7	+68.3
<b>Operating Income</b>	(27.1)	(72.4)	(45.3)
(OP ratio)	(5.6%)	(13.2%)	—
<b>Ordinary Income</b>	(22.0)	(69.7)	(47.7)
(OD ratio)	(4.5%)	(12.7%)	—
<b>Profit attributable to owners</b>	(47.3)	(70.0)	22.7

<Average FOREX Rate>

US\$/Yen	113.00yen	108.23yen
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# 2020/03 3rd Quarter Results Summary by Segments MITSUI E&S

(JPY : Billion)

	New Orders			Net Sales		
	2018/12	2019/12	Var.	2018/12	2019/12	Var.
Ship	83.2	38.6	(44.6)	69.5	85.6	+16.1
Ocean Development	66.0	342.3	+276.3	167.1	219.6	+52.5
Machinery	122.6	117.5	(5.1)	135.8	144.0	+8.2
Engineering	49.7	32.3	(17.4)	49.8	44.7	(5.1)
Other	52.8	41.2	(11.6)	57.1	53.8	(3.3)
<b>Total</b>	<b>374.3</b>	<b>571.9</b>	<b>+197.6</b>	<b>479.4</b>	<b>547.7</b>	<b>+68.3</b>

# 2020/03 3rd Quarter Results Summary by Segments MITSUI E&S

(JPY : Billion)

	Operating Income			Ordinary Income		
	2018/12	2019/12	Var.	2018/12	2019/12	Var.
Ship	(6.6)	(1.9)	+4.7	(6.8)	(1.9)	+4.9
Ocean Development	11.9	(8.9)	(20.8)	17.6	(4.2)	(21.8)
Machinery	7.5	9.0	+1.5	8.0	9.5	+1.5
Engineering	(40.8)	(73.3)	(32.5)	(41.0)	(73.3)	(32.3)
Other	1.0	2.8	+1.8	0.2	0.3	+0.1
Total	(27.1)	(72.4)	(45.3)	(22.0)	(69.7)	(47.7)

## ■ List of Coal-fired power plant civil engineering construction

Projects	Area	Progress		Delivery
		2019/09	2019/12	
A	Vietnam	98%	99%	2019
B	Indonesia	73%	77%	2020
C	Indonesia	88%	91%	2021

- A Construction is already in the commissioning stage, and will be completed in the second half of FY2019
- B Installation work for CW pipes is on track  
( (Inc. 2019/09 Provision 101.2 Billion Yen ⇒2019/12 94.7 Billion Yen)
- C Construction have been progressed as planned

## ■ Our Shares

- We sell all shares (65.53%)
- Showa Aircraft will be removed from our consolidated subsidiary

Category	Before TOB	After TOB
Directly own	49.80%	0%
Trust contribution	15.73%	0%

## ■ Valuation per share

- 2,760 yen including TOB and special dividend

Category	Shares	Scheduled collection amount	Ref.
Directly own	16,241,793	44.8 Bn.	Part of Business Revival Plan
Trust contribution	5,131,000	14.2 Bn.	Retirement benefit trust assets for employees

## ■ Our advantage

- Securing of Funds and Recovering non-consolidated capital

(JPY : Billion)

	Previous Forecast (11 Nov. 2019)	New Forecast (10 Feb. 2020)	Var.
<b>New Orders</b>	1,000.0	1,000.0	—
<b>Net Sales</b>	790.0	790.0	—
<b>Operating Income</b>	(72.0)	(71.0)	+1.0
<b>Ordinary Income</b>	(67.0)	(67.0)	—
<b>Profit attributable to owners</b>	(88.0)	(95.0)	(7.0)

\* Forecast FX Rate US\$/Yen 110

\*Effect to foreign exchange rates by currency on operating profit  
=1 yen per US\$ corresponds to 0.8 billion yen. (Strong yen =Improvement of operating profit )



# 2020/03 Forecast Summary by Segments

(JPY : Billion)

	New Orders			Net Sales		
	Previous Forecast (11 Nov. 2019)	New Forecast (10 Feb. 2020)	Var.	Previous Forecast (11 Nov. 2019)	New Forecast (10 Feb. 2020)	Var.
Ship	100.0	90.0	(10.0)	120.0	120.0	–
Ocean Development	600.0	630.0	+30.0	320.0	330.0	+10.0
Machinery	200.0	200.0	–	200.0	200.0	–
Engineering	50.0	40.0	(10.0)	70.0	70.0	–
Other	50.0	40.0	(10.0)	80.0	70.0	(10.0)
<b>Total</b>	<b>1,000.0</b>	<b>1,000.0</b>	<b>–</b>	<b>790.0</b>	<b>790.0</b>	<b>–</b>

# 2020/03 Forecast Summary by Segments

(JPY : Billion)

	Operating Income			Ordinary Income		
	Previous Forecast (11 Nov. 2019)	New Forecast (10 Feb. 2020)	Var.	Previous Forecast (11 Nov. 2019)	New Forecast (10 Feb. 2020)	Var.
Ship	(2.0)	(2.0)	—	(2.0)	(2.0)	—
Ocean Development	(6.0)	(5.0)	+1.0	1.0	1.0	—
Machinery	9.0	9.0	—	9.0	9.0	—
Engineering	(75.0)	(75.0)	—	(75.0)	(75.0)	—
Other	2.0	2.0	—	0	0	—
Total	(72.0)	(71.0)	+1.0	(67.0)	(67.0)	—

(JPY : Billion)

	2019/03	2019/12	増減	
Sales	479.4	547.7	+68.3	
<b>Gross Profit</b>	<b>12.0</b>	<b>(35.0)</b>	<b>(47.0)</b>	Profitability goes down by Indonesian EPC
SG&A	39.1	37.3	(1.8)	
<b>Operation Income</b>	<b>(27.1)</b>	<b>(72.4)</b>	<b>(45.3)</b>	
Other Income	10.1	8.0	(2.1)	
Other Expenses	5.0	5.4	+0.4	
<b>Ordinary Income</b>	<b>(22.0)</b>	<b>(69.7)</b>	<b>(47.7)</b>	
Extraordinary Gains	1.0	1.5	+0.5	
Extraordinary Losses	1.7	1.7	0	
<b>Profit Before Taxes</b>	<b>(22.7)</b>	<b>(69.9)</b>	<b>(47.2)</b>	
Income Taxes	19.9	2.6	(17.3)	Decrease due to reversal of deferred tax assets in 183Q
Non-Controlling Interest	4.7	(2.5)	(7.2)	Mainly MODEC minority interests
<b>Profit attributable to owners of parent</b>	<b>(47.3)</b>	<b>(70.0)</b>	<b>(22.7)</b>	

(JPY : Billion)

	2019/03	2019/12	Var.	
<b>Total Assets</b>	<b>999.1</b>	<b>1,033.3</b>	<b>+34.2</b>	
(Cash)	100.9	132.9	+32.0	Increased due to collection of construction loan from SPC by Modec
(Receivables)	225.8	263.4	+37.6	Increased in line with EPC(I) Progress by MODEC
(Fixed Assets)	371.5	371.8	+0.3	
<b>Total Liabilities</b>	<b>718.9</b>	<b>839.8</b>	<b>+120.9</b>	
(Advances by Customers)	92.6	91.2	(1.4)	
(Provision for losses on construction contracts)	61.0	109.7	+48.7	Increased due to profitability goes down by Indonesian EPC
(Debt (with interest))	204.6	246.6	+42.0	
<b>Net Assets</b>	<b>280.2</b>	<b>193.5</b>	<b>(86.7)</b>	
(Own capital)	159.5	79.5	(80.0)	Significantly decrease due to Indonesian EPC

Capital-to-asset ratio	16.0%	7.7%		
DE Raito	1.3	3.1		

## New Ship (Mitsui E&S Shipbuilding Co., Ltd.)

	New Orders	Deliveries	Backlogs
Commercial Ship	0	8	13
Government Ship· Other Ship	0	0	9
Total	0	8	22

## Marine Diesel Engines (Mitsui E&S Machinery Co., Ltd.)

	2018/12		2019/12		2020/03	
	Unit	House Power (10Kps)	Unit	House Power (10Kps)	Unit	House Power (10Kps)
New Orders	60	110	93	173	—	—
Deliveries	121	311	166	321	—	—
Back logs	72	151	61	114	—	—
Production	118	297	156	299	208	398



# MITSUMI E&S

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