


POSH

Excellence Through Safety

# Annual General Meeting

26 April 2019

# Agenda



1. Year in Review
2. Financial Highlights
3. Business & Forward Outlook



# Year in Review

# Year In Review



**Persistent vessel oversupply** placed pressure on both utilisation and charter rates



**Surge in shale oil output and advancements in shale technology** contributed to oil prices remaining range-bound



**Slight increase in number of FIDs** for offshore oil and gas projects

**Despite these challenges, POSH stood apart and remained resilient in 2018.**

I. Operational Excellence

II. Key Growth Areas

III. Diversification into Subsea & Offshore Renewables

# Key Highlights

POSH REMAINS DIFFERENTIATED

## 1. Operational Excellence

I. **POSH Xanadu** for Chevron's Big Foot Tension Leg Platform (TLP); **POSH Arcadia** for Shell Prelude's Floating Liquefied Natural Gas (FLNG) facility. Both vessels achieved near 100% utilisation and gangway uptime.

*POSH Xanadu and Arcadia received commendations for our safety standards. We were awarded the "**Prelude HSE Contractor of the Month**" in July 2018 by Shell.*



## 2. Key Growth Areas

I. 13 of our vessels remain on long-term charters in the Middle East for a National Oil Company, with 97% utilisation.

II. 7 of our Offshore Accommodation vessels secured walk-to-work ("W2W") charters to support offshore maintenance work, with 90% utilisation in 4Q2018.




## 3. Diversification into Subsea & Offshore Renewables

I. Expanded into the Subsea and Offshore Renewables space.
- **Subsea**: Maiden contract won to support Subsea Umbilicals, Risers & Flowlines ("SURF") Operations.
- **Offshore Renewables**: Won the first of several contracts for the construction phases of offshore wind in Taiwan.



# Looking Back

VIDEO ON **SSAV POSH ARCADIA**






# Financial Highlights

# Financial Performance

FY2018 FINANCIAL HIGHLIGHTS

| US$'000 | FY2018 | FY2017 | Change |
|---|---|---|---|
| **Revenue** | 299,400 | 192,208 | 56% |
| **Depreciation & Amortisation** | (61,735) | (63,753) | (3%) |
| **Cost of sales** | (266,407) | (205,622) | (30%) |
| **Gross profit / (loss)** | 32,993 | (13,414) | N.M |
| **Impairment of goodwill** | - | (57,125) | N.M |
| **Impairment of fixed assets** | (49,493) | (108,255) | (54) |
| **Share of JV results** | (8,566) | 2,356 | N.M |
| **Net loss after tax[1]** | (98,326) | (230,285) | (57%) |
| **Net (loss)/profit excluding impairment of goodwill and fixed assets, fixed assets written-off and disposal gain/(loss)[1]** | (48,187) | (61,773) | (22%) |
| **EBITDA** | 53,774 | 26,505 | 103% |

*[1]: Net (Loss)/Profit after tax attributable to shareholders*

# Capital Management

BALANCE SHEET AS AT 31 DEC 2018

| US$'000 | 31 Dec 2018 | 31 Dec 2017 |
|---|---|---|
| **Net Debt** | 752,542 | 751,837 |
| **Equity[1]** | 363,841 | 460,183 |
| **Net Debt/Equity** | 207% | 163% |

*[1]: Equity attributable to shareholders of the Company*

- Net current liabilities of US$200.6 million mainly due to bank borrowings due within a year
- Undrawn bank lines of approximately US$120.2 million as at 31 Dec 2018

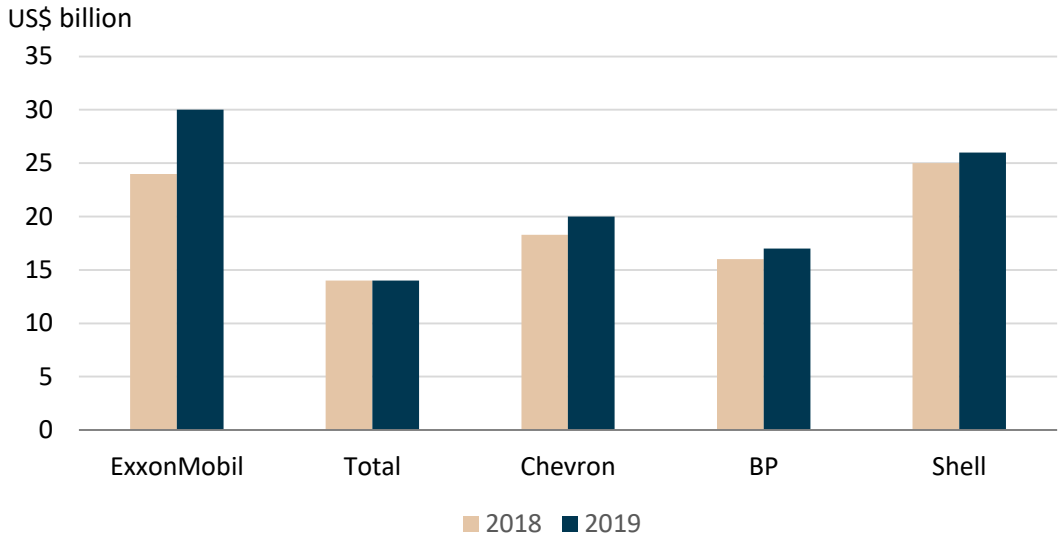


# Business Outlook & Strategy

# 2019 Outlook

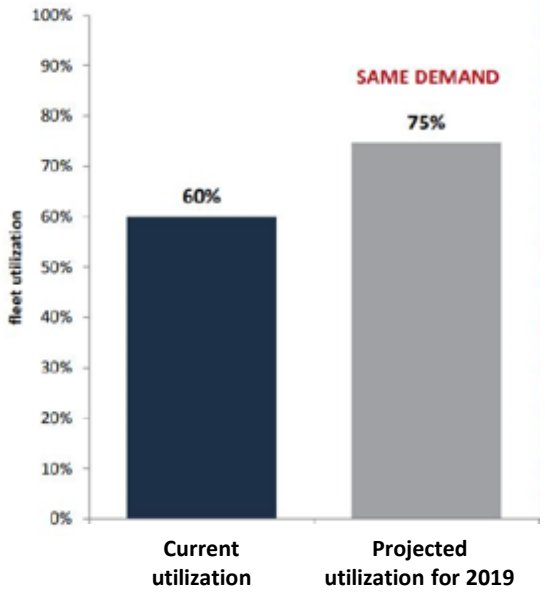
SLIGHT UPTICK IN OIL AND GAS CAPEX, GRADUAL IMPROVEMENT IN VESSEL UTILISATION

**Oil Majors' Capital and Exploration Expenditures**




Source: Company filings and presentations

**Projected Vessel Utilisation**




Source: Clarksons, Dec 2018

**CAPEX to increase slightly in 2019 against a backdrop of firmer oil prices and lower operating costs**

**Vessel utilisation to improve given increase in demand and attrition of older vessels**

# Forward Strategy

| 1. Build Order Book for Subsea & Renewables | 2. Expand Scope of Services | 3. Upgrading our Human Capital | 4. Closer to our Customers | 5. Opportunities for Consolidation |
|---|---|---|---|---|
| I. Build upon strong customer traction to gain new contracts for 2019 and beyond.<br>II. Identify and repurpose suitable assets to subsea and offshore renewables with minimal capital outlay. | I. Repurpose suitable vessels for walk-to-work support.<br>II. Invest in specialized equipment for Subsea Inspection, Maintenance and Repair (IMR) works. | I. Maintain operational excellence through investing in training opportunities for our employees. | I. Set up local offices in key markets: Africa, Asia and Middle East, which are bright spots for oil and gas development. | I. Continue to lookout for accretive opportunities for consolidation. |



# Thank You

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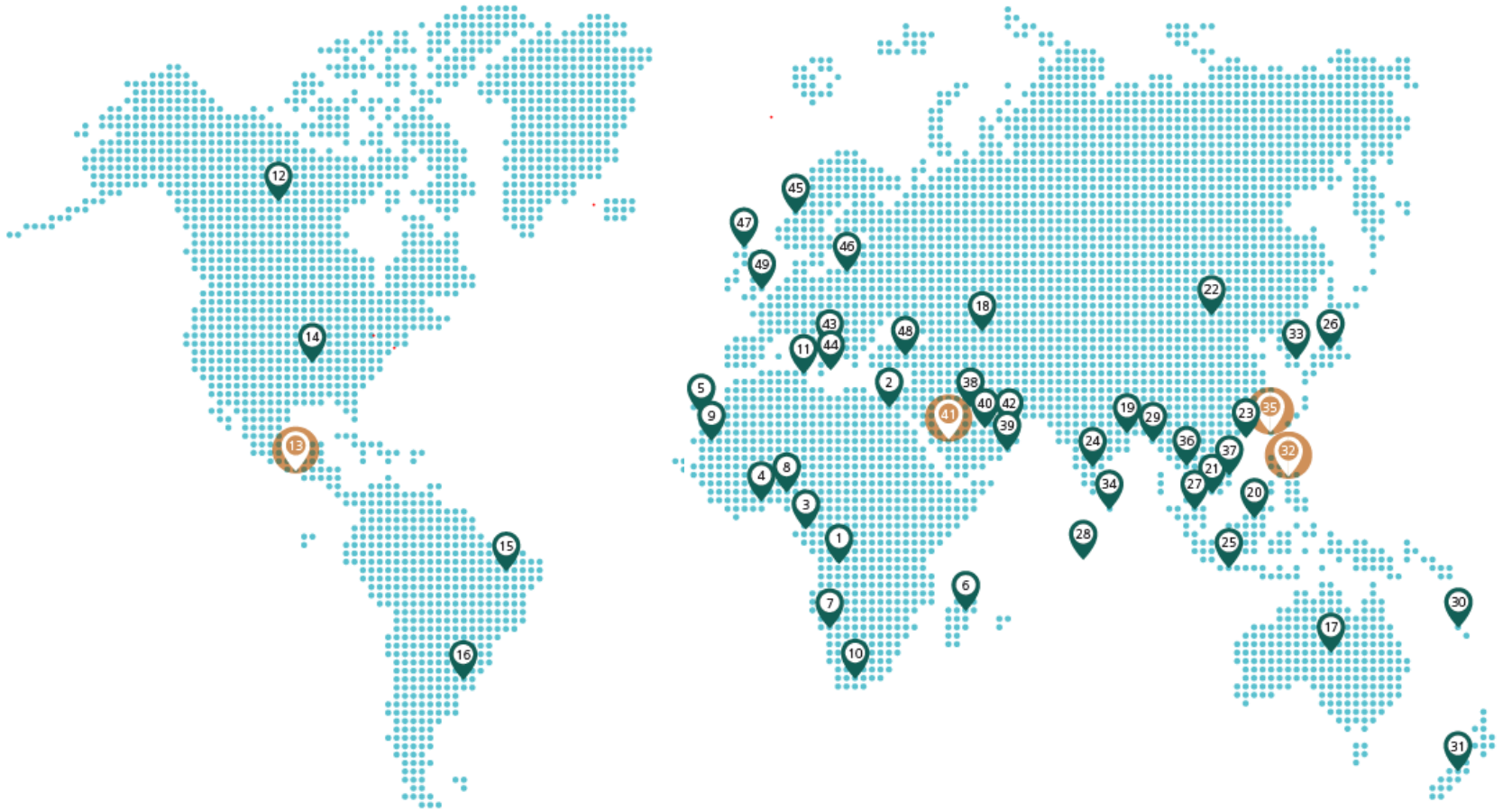
# Appendix

# Global Reach

OUR OPERATIONAL FOOTPRINT SPANS OVER 40 COUNTRIES



Global Offices and Operational Footprint

Operational Footprint

**Africa**

1. Angola
2. Egypt
3. Gabon
4. Ghana
5. Las Palmas
6. Madagascar
7. Namibia
8. Nigeria
9. Senegal
10. South Africa
11. Tunisia

**North America**

12. Canada
13. Mexico
14. USA

**South America**

15. Brazil
16. Uruguay

**Asia**

17. Australia
18. Azerbaijan
19. Bangladesh
20. Brunei
21. Cambodia
22. China
23. Hong Kong
24. India
25. Indonesia
26. Japan
27. Malaysia
28. Maldives
29. Myanmar
30. New Caledonia
31. New Zealand
32. Philippines
33. South Korea
34. Sri Lanka
35. Taiwan
36. Thailand
37. Vietnam

**Middle East**

38. Kuwait
39. Oman
40. Qatar
41. Saudi Arabia
42. UAE

**Europe**

43. Italy
44. Malta
45. Norway
46. Poland
47. Scotland
48. Turkey
49. UK

# Fleet Profile

OPERATES A FLEET OF MORE THAN 100 VESSELS

## Offshore Supply Vessels (OSV) 42




- Operates **42 vessels** (JV: 5) including:
  - 7,000 – 16,000 BHP AHTS
  - 2,346 – 4,100 DWT PSVs
- One of the youngest deepwater and midwater AHTS/PSV fleets globally
- Average vessel age of 5.5 years

## Harbour Services & Emergency Response (HSER) 31




- Operates **31 vessels** (JV: 18) including:
  - 3,200 – 5,000 BHP Azimuth Stern Drive (ASD) harbour tugs
  - Heavy lift crane barges
- Average vessel age of 8.3 years

## Offshore Accommodation (OA) 12



- Operates **12 vessels** (JV: 1) with total capacity of approximately 3,300 persons
- Average vessel age of 6.7 years

## Transportation & Installation (T&I) 38




- Operates **38 vessels** (JV: 13) including:
  - 12,000 – 16,300 BHP AHTs
  - 4,000 – 8,000 BHP AHTs
- Barges, including submersible barges and launch barge
- Average vessel age of 9.7 years

*Updated as of 1st February 2019

# Diverse Fleet & Services

SERVE MULTIPLE SEGMENTS OF THE OIL AND GAS VALUE CHAIN

POSH Excellence Through Safety

**Exploration & Appraisal** → **Field Development** → **Operation & Maintenance** → **Decommissioning**

- Anchor Handling Tug Supply (AHTS) Vessel
- Anchor Handling Tug (AHT)
- Accommodation Vessel (AV)
- Platform Supply Vessel (PSV)
- Barges
- MPSV

## Harbour Services and Emergency Response (HSER) Division



**Crane Barges**
For heavy lift services to shipyards as well as salvage and wreck removal



**Harbour Tugs**
Provide towage services to all vessels calling at the Singapore port

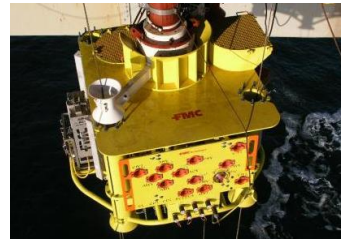



**Emergency Response**
Provides equipment and personnel for salvage, rescue and oil spill response

## Subsea Division



**Inspection, Repair & Maintenance**
Conduct detailed underwater inspection (DUI), surveys and ROV interventions



**Subsea Construction & Installation**
Support wide range of subsea construction and repair work



**Subsea Umbilical, Risers and Flowlines (SURF)**
Support the installation of subsea connections

# Safety Statistics

ONE TEAM, ONE GOAL, ZERO HARM POLICY

## Initiatives

- Supervising Safety Course
- Safety Day
- Crew Seminars
- Learning Engagement Tool
- POSH 10 Golden Rules of Safety
- Safety Campaign
- Regular Management Visits
- Participation in DP Station Keeping Reporting Scheme

**0.42**

Total Recordable Case Frequency in 2018

**0.21**

Lost Time Injury (LTI) Frequency in 2018