



**PACC Offshore Services Holdings Ltd.**

*Results Presentation  
Q4 & FY14 Results*



- 1. Key Highlights**
- 2. Financial Highlights**
- 3. Capex plan & fleet optimisation programme**
- 4. Updates**
- 5. Q & A**

## Key Highlights

- Strong financial position
  - Net Debt/Equity of 45% - to capitalise on opportunities ahead
  
- Maintaining strategy of diversification
  - Broader base covering various sub-sectors of oil and gas value chain
  - Vessel mix
  - Customer base
  
- OA segment bearing fruits
  - 5 new vessels to be delivered by end of FY15 worth \$500m
  - 2 vessels will commence contribution in Q1 FY15

## Key Highlights

- Mexico
  - Whilst still committed to Mexico, Group is deploying vessels beyond Mexican waters in the interim
  
- Adapting to changing landscape and market conditions
  - Optimise vessel mix to increase utilisation and improve cost efficiency



## FINANCIAL HIGHLIGHTS

## SUMMARY

US\$'000	Q4FY13	Q4FY14	FY13	FY14
Revenue	55,074	55,807	237,263	234,037
Gross profit	12,269	6,467	72,391	57,204
Other operating income	15,630	1,830	50,379	57,983
Share of JV results	(6,471)	(4,978)	850	(13,557)
Net profit after tax	4,194	(9,952)	73,371	53,243
EBITDA	25,460	5,495	126,195	116,018

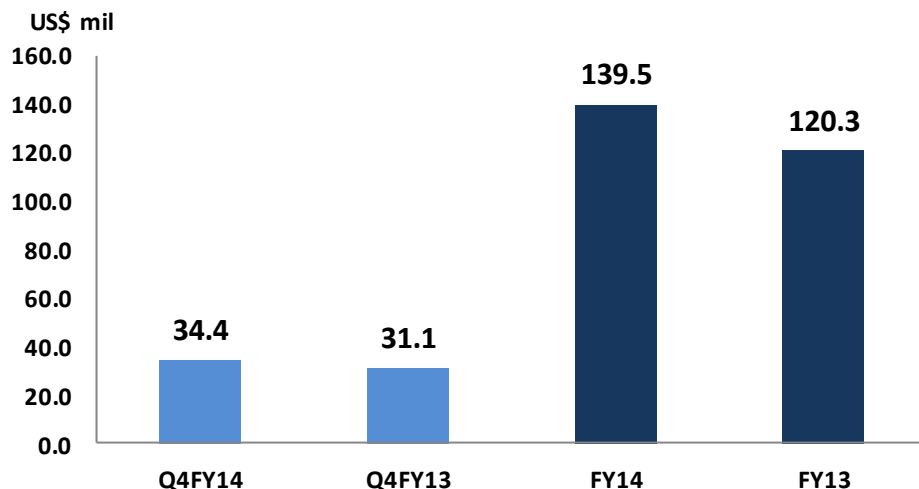


### ▪ **Q4 FY14 PATMI was impacted by the followings:**

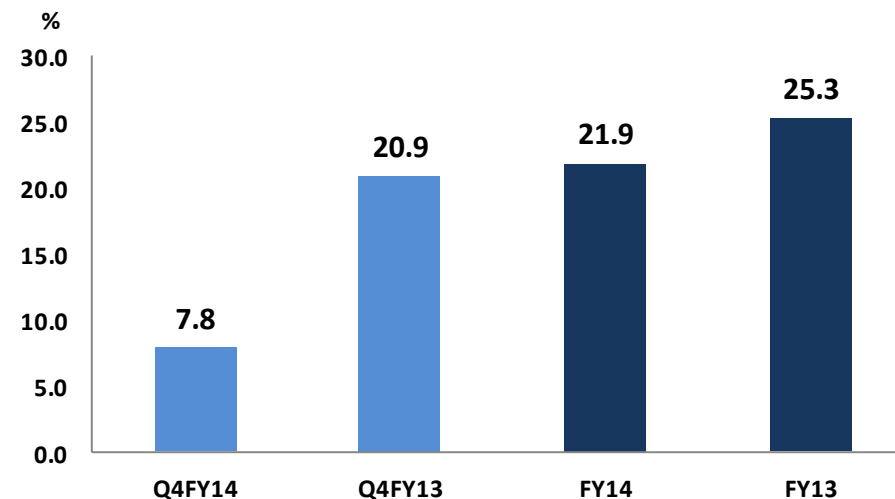
- Repair costs for 2 vessels of \$1.5m in Mexico
- Cost recovery by JVs of \$2.1m
- Mobilisation cost of vessels out of Mexico of \$0.4m
- Depreciation of newbuild POSH Xanadu of \$0.5m (commencing charter in Q1 FY15)
- Impairment of carrying value of 2 older tug and barge of \$2.1m
- Recognition of full losses from Mexican JVs of \$8.3m vs 50% share in Q3FY14 of \$5m

# Financial Highlights - OSV

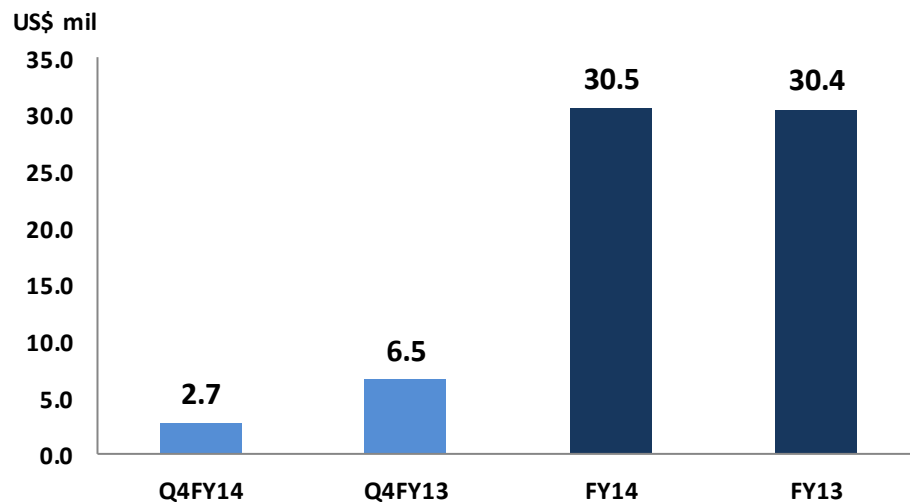
## Revenue



## Gross Profit Margin



## Gross Profit

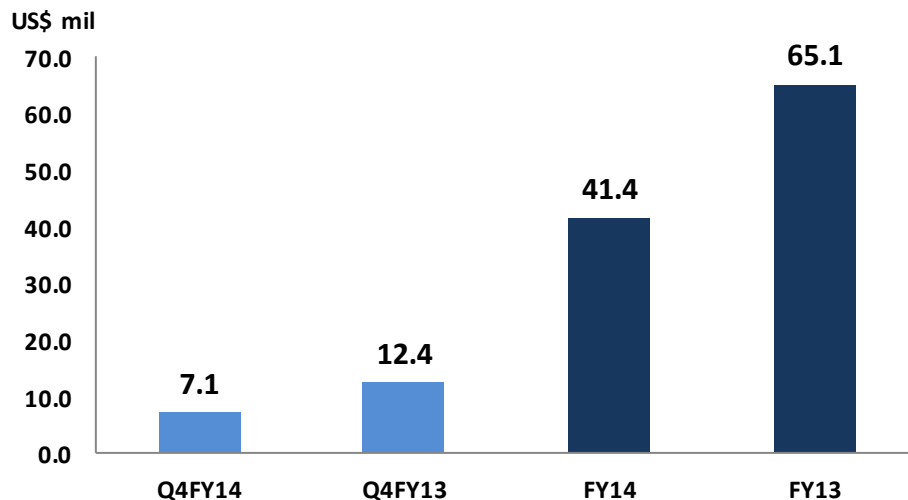


- FY14 revenue increased due to full year contribution from vessels delivered in FY13
- FY14 utilisation was 84% (FY13: 89%)
- Q4FY14 GP was affected by one-off repair cost (\$1.5m), mobilisation cost (\$0.4m), cost recovery by JVs (\$2.1m)

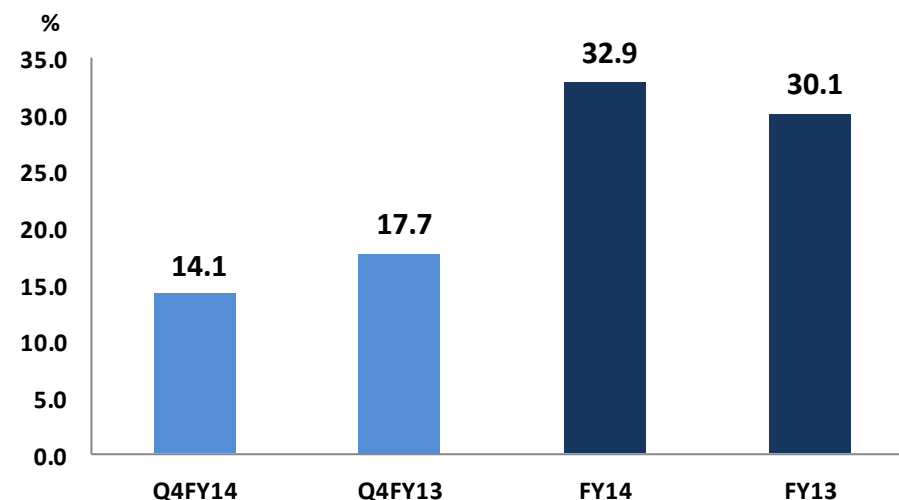


# Financial Highlights – T&I Shallow water

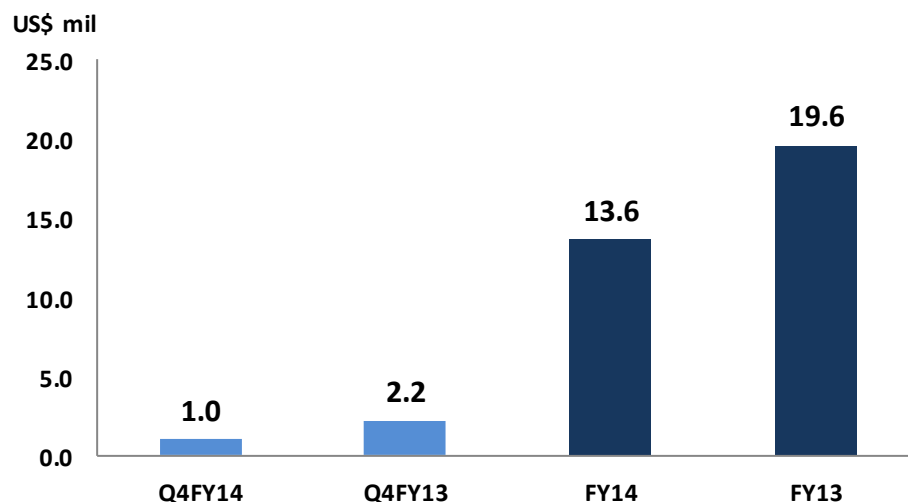
## Revenue



## Gross Profit Margin



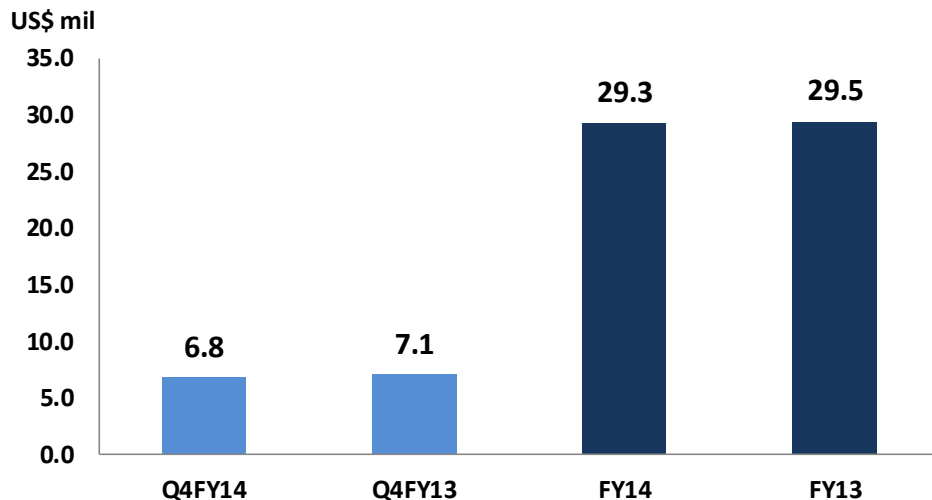
## Gross Profit



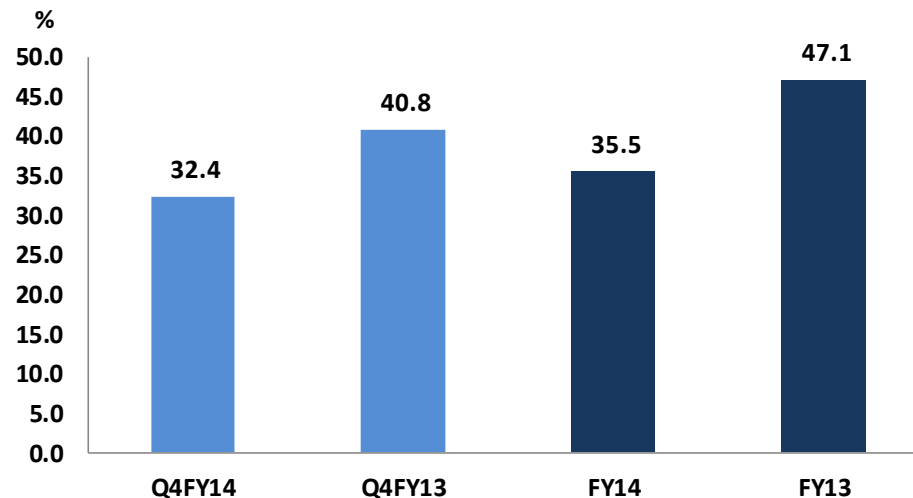
- Revenue decreased due to disposal of vessels and lower utilisation
- Overall utilisation at 63% (FY13: 76%) due to competitive market
- GP margin improved to 32.9% (FY13: 30.1%) with fleet renewal programme

# Financial Highlights - OA

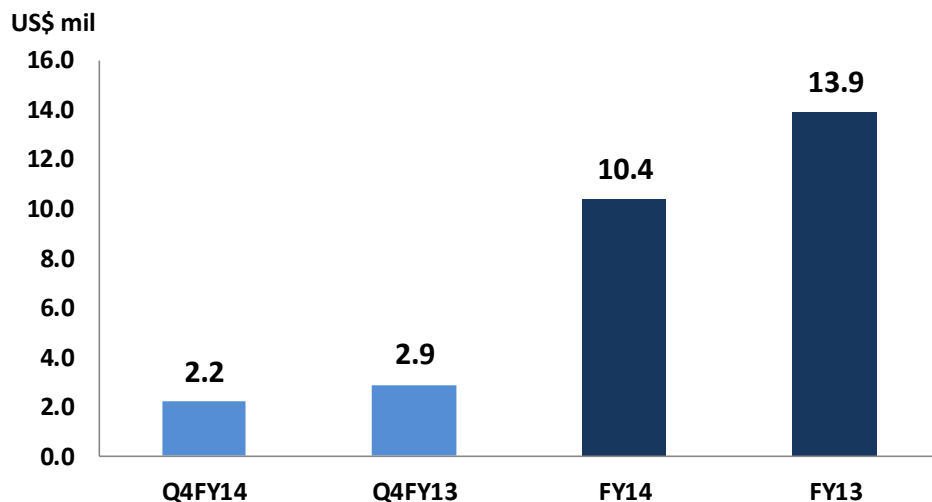
## Revenue



## Gross Profit Margin



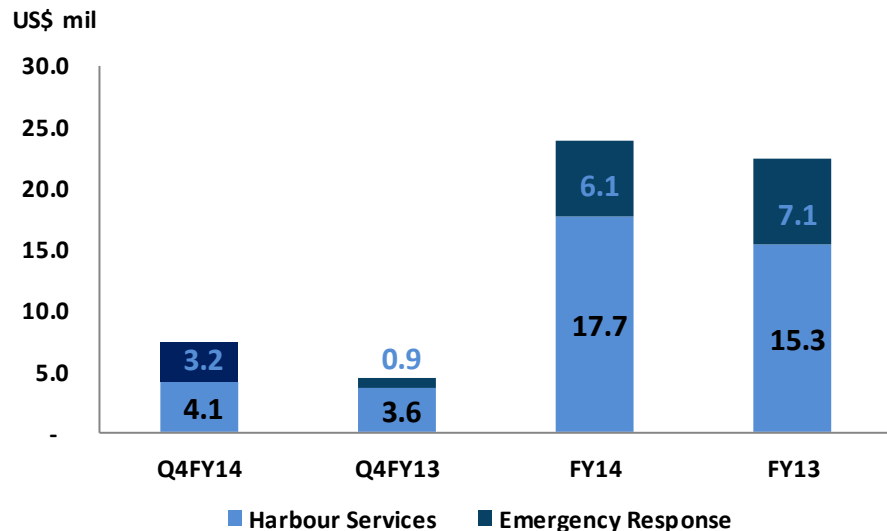
## Gross Profit



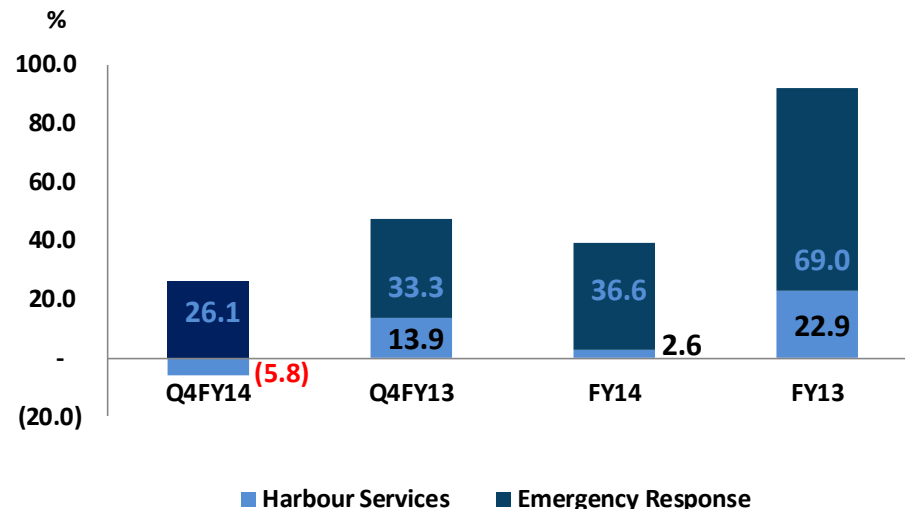
- Revenue maintained despite lower utilisation at 73% (FY13: 80%) with delivery of new 198 pax vessel, offset by sale of 191 pax older vessel
- GP affected by the dry docking of two vessels during the year
- POSH Xanadu delivered in Q4 FY14 with \$0.5m depreciation recorded. Expected to commence time charter in Mar FY15

# Financial Highlights - HSER

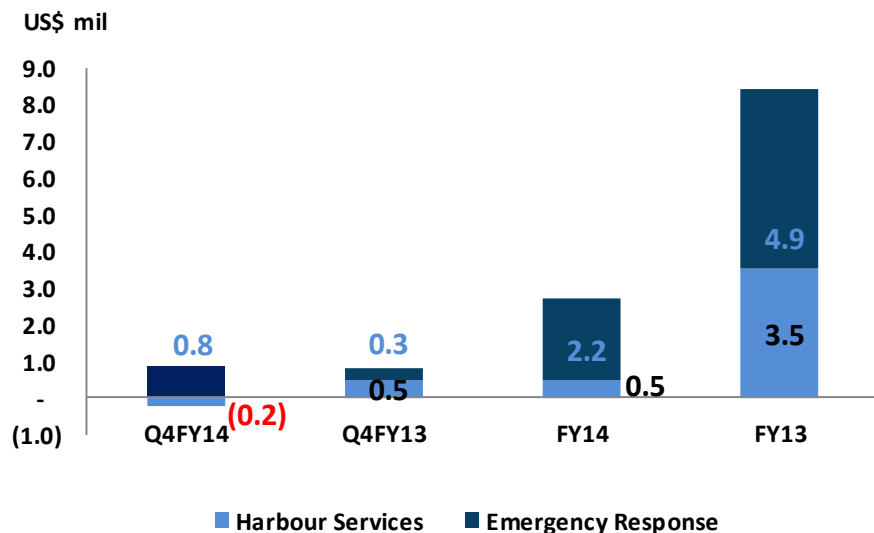
## Revenue



## Gross Profit Margin



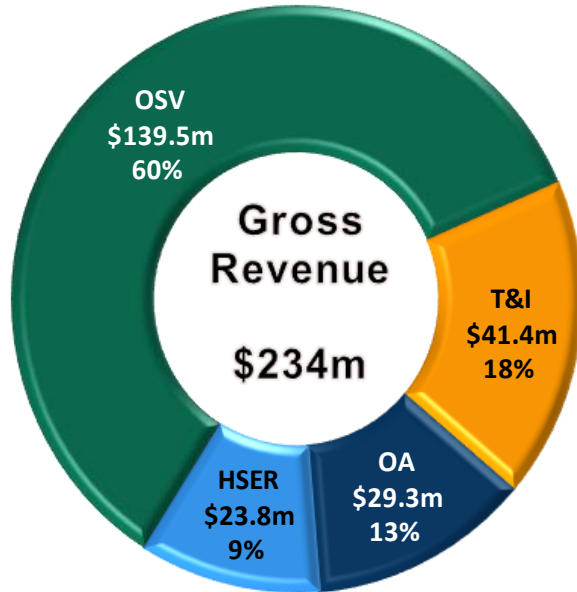
## Gross Profit



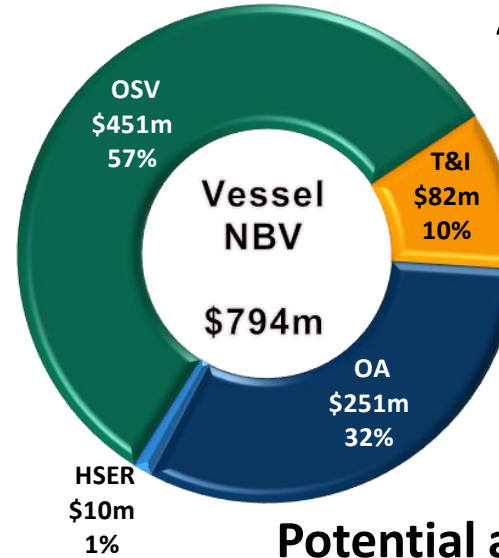
- Revenue picked up in Q4FY14 due to two salvage jobs.
- Reduction in GP for FY14 reflected start-up costs of building market share for harbour towage services in Singapore
- With 3 harbours tugs to be delivered by mid 2015 to replace chartered-in tugs, margins are expected to improve

# Segments results (FY14) vs Assets deployed (31.12.14)

## Gross Revenue

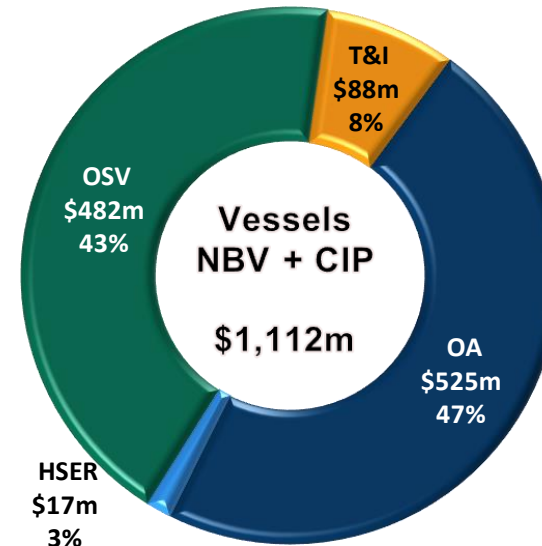
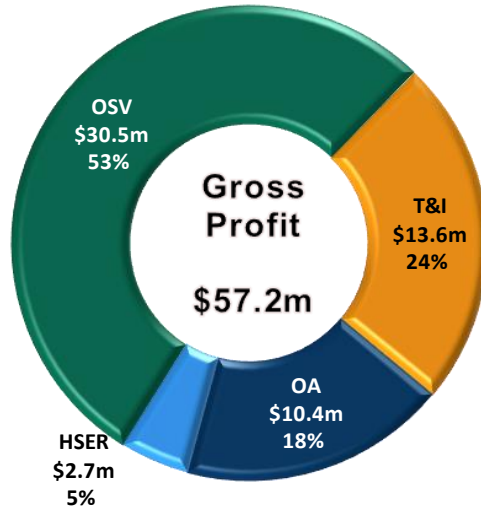


## Assets deployed



## Potential assets to be deployed

## Gross Profit



Currency: US\$

# Financial Highlights

## Other Operating Income

US\$'000	Q4FY14	Q4FY13	FY14	FY13	FY12	FY11
Interest Income <sup>1</sup>	1,806	5,531	7,063	15,967	12,587	33
Gain on sale of vessels <sup>2</sup>	203	7,689	46,659	10,938	11,287	13,565
Net fair value gain on derivatives <sup>3</sup>	-	4,032	-	19,052	13,193	-
Impairment of FAs held of sale <sup>4</sup>	(2,114)	-	(2,114)	-	-	-
Sundry income/(expenses)	1,935	(1,622)	6,375	4,422	3,380	4,123
	<b>1,830</b>	<b>15,630</b>	<b>57,983</b>	<b>50,379</b>	<b>40,447</b>	<b>17,721</b>

- Note 1: Interest income was mostly derived from loans to JVs
- Note 2: Included gain on sale of vessels to a JV of \$25.9 million in FY14.
- Note 3: No further derivatives contracts in FY14
- Note 4: Impairment to reflect potential loss on disposal in FY15

## Capital Structure

US\$'000	31 Dec 2013	31 Dec 2014
Net Debt	796,874	548,332
Equity	864,295	1,213,764
Net Debt /Equity	92.2%	45.2%

- Net debt approximately 4.7x of FY14 EBITDA
- The Company has available undrawn bank lines in excess of \$380 million

*Strong Financial Position Provides Ability to Grow Business*

As at 31/12/2014, the Group has 21 vessels under construction/order with expected delivery by mid 2017.

	Wholly Owned	JVs	Under Construction/Order	
Number of vessels	62	47	21*	
Net book value <sup>1</sup>	\$793m	-	-	
CAPEX commitment	-	-	\$318m paid <sup>1</sup>	\$250m outstanding

The Group is constantly monitoring its capex plan and has deferred certain planned newbuildings.

The Group is taking delivery of 12 vessels<sup>2</sup> in FY15 with remaining payments approximating \$130m.

\* Includes 2 IMR on option  
 Note 1: As of 31 Dec 2014  
 Note 2: See Appendix for details



# Fleet Optimisation Program

Types of Vessels	Currently in Fleet		New Vessels Under Construction/Committed
	Wholly Owned	Owned by JVs	
AHTS	10	5	2
PSV	6	7	2
IMR	-	-	4*
AHT	10	9	2
Towing Tugs	7	1	-
Barges	14	4	2
SSAV	1	-	1
Accommodation Vessels	3	1	4
Harbour Tugs	6	18	3
Crane Barge	2	2	1
Utility Workboats	3	-	-
<b>Total as at to-date</b>	<b>62</b>	<b>47</b>	<b>21</b>

- Young fleet of customised new builds to meet customers' needs
- Focus on high-capacity and high-specification offshore accommodation vessels
- Enter into Inspection, Maintenance and Repair (IMR) segment with construction of IMR vessels

\* Includes 2 IMR on option

# BUSINESS UPDATES

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# Overview of Business Segments

	Offshore Supply Vessels (OSV)	Transportation and Installation (T&I)	Offshore Accommodation (OA)	Harbour Services and Emergency Response (HSER)
Description	<ul style="list-style-type: none"> <li>▪ <b>AHTS and PSV:</b> Mid to deepwater oilfield operations in exploration, development, construction and production phases</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>AHT:</b> Ocean towage of FPSOs and large offshore structures; shallow-water pipelay and construction works</li> <li>▪ <b>Barge:</b> Transportation, floatovers and launching of platform jackets</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Offshore accommodation, workshop and storage facilities:</b> Offshore construction and maintenance operations</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Harbour Services:</b> Support harbour towage operators and provide heavy lift services to shipyards</li> <li>▪ <b>Emergency Response:</b> Salvage, wreck removal, rescue and oil-spill response operations globally</li> </ul>
Fleet	<ul style="list-style-type: none"> <li>▪ Operates <b>30 vessels</b> (JV: 12) including:               <ul style="list-style-type: none"> <li>• 8,000 – 16,000 BHP AHTS</li> <li>• 2,200 – 4,100 DWT PSVs</li> </ul> </li> <li>▪ <b>Youngest deepwater and midwater AHTS/PSV fleets globally</b></li> <li>▪ <b>Average vessel age of 3.1 years</b></li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>43 vessels</b> (JV: 14) including:               <ul style="list-style-type: none"> <li>• 12,000 – 16,300 BHP AHTs</li> <li>• 4,000 – 8,000 BHP AHTs</li> <li>• Barges, including submersible barges and launch barge</li> <li>• Average vessel age of 7.8 years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>5 vessels</b> (JV: 1) with total capacity of 1,636 persons</li> <li>▪ <b>Capacity expected to increase to 3,291 persons by 2015</b></li> <li>▪ Average vessel age of 11.0 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>31 vessels</b> (JV: 21) including:               <ul style="list-style-type: none"> <li>• 3,200 – 5,000 BHP Azimuth Stern Drive (ASD) harbour tugs</li> <li>• Heavy lift crane barges with safe working load capacities of 60 - 1,500 tonnes</li> <li>• Average vessel age of 16.4 years</li> </ul> </li> </ul>
Typical Contract Type	<ul style="list-style-type: none"> <li>▪ Mix of short and long-term charters and spot contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Short-term charters or lump-sum project contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Long-term contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ MPA license to provide port towage services in Singapore</li> <li>▪ Retainer agreements for emergency response services</li> </ul>

# Updates

- **Final dividend of S\$0.015 per ordinary share was proposed, representing 1.3% dividend yield based on IPO price of S\$1.15 per ordinary share.**
- **OA segment bearing fruits**
  - New deliveries of POSH Xanadu (750 pax SSAV) and POSH Endurance (238 pax LCV) to commence charter in Q1FY15
  - POSH Endeavour (238 pax LCV) was delivered in Q1FY15 with charter under negotiation.
- **Mexico**
  - Of the 9 Mexican flagged vessels in Mexico in FY14, 6 have been reflagged out of Mexican flag in pursuit of charters internationally. Of the 3 remaining Mexican flagged vessels, 2 are on charter and the charter of one other unit is under negotiation.
  - Whilst the Group continues to pursue opportunities in the Mexican market, it is also actively seeking employment opportunities in other regions and taking steps to reduce operating expenses.





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**QUESTIONS & ANSWERS**

# Appendix

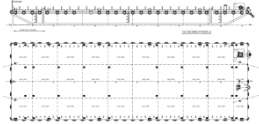

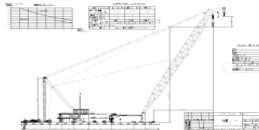
# Vessels to be delivered – 2015 onward

As at 31 December 2014, we have a total of 21 newbuilds contracted for delivery

POSH		Expected Delivery Date	No. of Newbuilds	Size
OA	SSAV	<ul style="list-style-type: none"> <li>Q2 2015</li> </ul>	<ul style="list-style-type: none"> <li>1 DP3 SSAV</li> </ul>	<ul style="list-style-type: none"> <li>750-person</li> </ul>
	AV	<ul style="list-style-type: none"> <li>Q1 2015</li> <li>Q1 2015</li> <li>Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>3 DP2 AVs</li> </ul>	<ul style="list-style-type: none"> <li>238-person</li> </ul>
		<ul style="list-style-type: none"> <li>Q2 2016</li> </ul>	<ul style="list-style-type: none"> <li>1 LCV</li> </ul>	<ul style="list-style-type: none"> <li>88 M</li> </ul>
		<ul style="list-style-type: none"> <li>Q4 2016</li> <li>Q1 2017</li> </ul>	<ul style="list-style-type: none"> <li>2 + 2 DP2 IMR vessels</li> </ul>	<ul style="list-style-type: none"> <li>89 M</li> </ul>
OSV	AHTS	<ul style="list-style-type: none"> <li>Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>1 DP2 AHTS</li> </ul>	<ul style="list-style-type: none"> <li>8,000 BHP</li> </ul>
		<ul style="list-style-type: none"> <li>Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>1 DP2 AHTS</li> </ul>	<ul style="list-style-type: none"> <li>12,000 BHP</li> </ul>
	PSV	<ul style="list-style-type: none"> <li>Q2 2016</li> <li>Q2 2016</li> </ul>	<ul style="list-style-type: none"> <li>2 DP2 PSV</li> </ul>	<ul style="list-style-type: none"> <li>70 M</li> </ul>
HSER	Tug	<ul style="list-style-type: none"> <li>Q1 2015</li> <li>Q2 2015</li> <li>Q2 2015</li> </ul>	<ul style="list-style-type: none"> <li>3 ASD Harbour Tugs</li> </ul>	<ul style="list-style-type: none"> <li>4,000 BHP</li> </ul>



# Vessels to be delivered – 2015 onward (cont'd)

POSH			Expected Delivery Date	No. of Newbuilds	Size
T & I	Barge		<ul style="list-style-type: none"> <li>Q1 2015</li> <li>Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>2 Deck Cargo Barge</li> </ul>	<ul style="list-style-type: none"> <li>7,500 DWT</li> </ul>
	AHT		<ul style="list-style-type: none"> <li>Q1 2016</li> <li>Q2 2016</li> </ul>	<ul style="list-style-type: none"> <li>2 AHT</li> </ul>	<ul style="list-style-type: none"> <li>6,600 BHP</li> </ul>
JV			Expected Delivery Date	No. of Newbuilds	Size
Floating Crane Barge			<ul style="list-style-type: none"> <li>Q1 2015</li> </ul>	<ul style="list-style-type: none"> <li>1 Floating Crane Barge</li> </ul>	<ul style="list-style-type: none"> <li>500T Sheerleg</li> </ul>

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