



SWIBER HOLDINGS LIMITED



# Corporate Presentation

1Q2014 Results

May 15, 2014

## Agenda

Financial Highlights

Outlook and Strategy

Q&A



SWIBER HOLDINGS LIMITED



# Financial Highlights



## Financial Highlights Summary



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### Highlights for 1Q2014

- Swiber achieved net profit of US\$52.8 million on sales of US\$199.5 million in 1Q2014.
- Net profit up 106.4% to US\$52.8 million on recognition of disposal gain of subsidiaries of S\$95.1 million
- Healthy EBITDA margin of 38.3% in 1Q2014
- Order book of approximately US\$650 million

	1Q2014 (3M)	1Q2013 (3M)	Change (%)
Revenue (US\$m)	199.5	309.7	(35.6)
EBITDA (US\$m)	76.5	44.3	72.7
EBITDA margin	38.3 %	14.3 %	24.0 ppt
Profit before tax (US\$m)	56.2	31.0	81.4
Net profit (US\$m)	52.8	25.6	106.4
Net profit margin	26.5 %	8.3 %	18.2 ppt



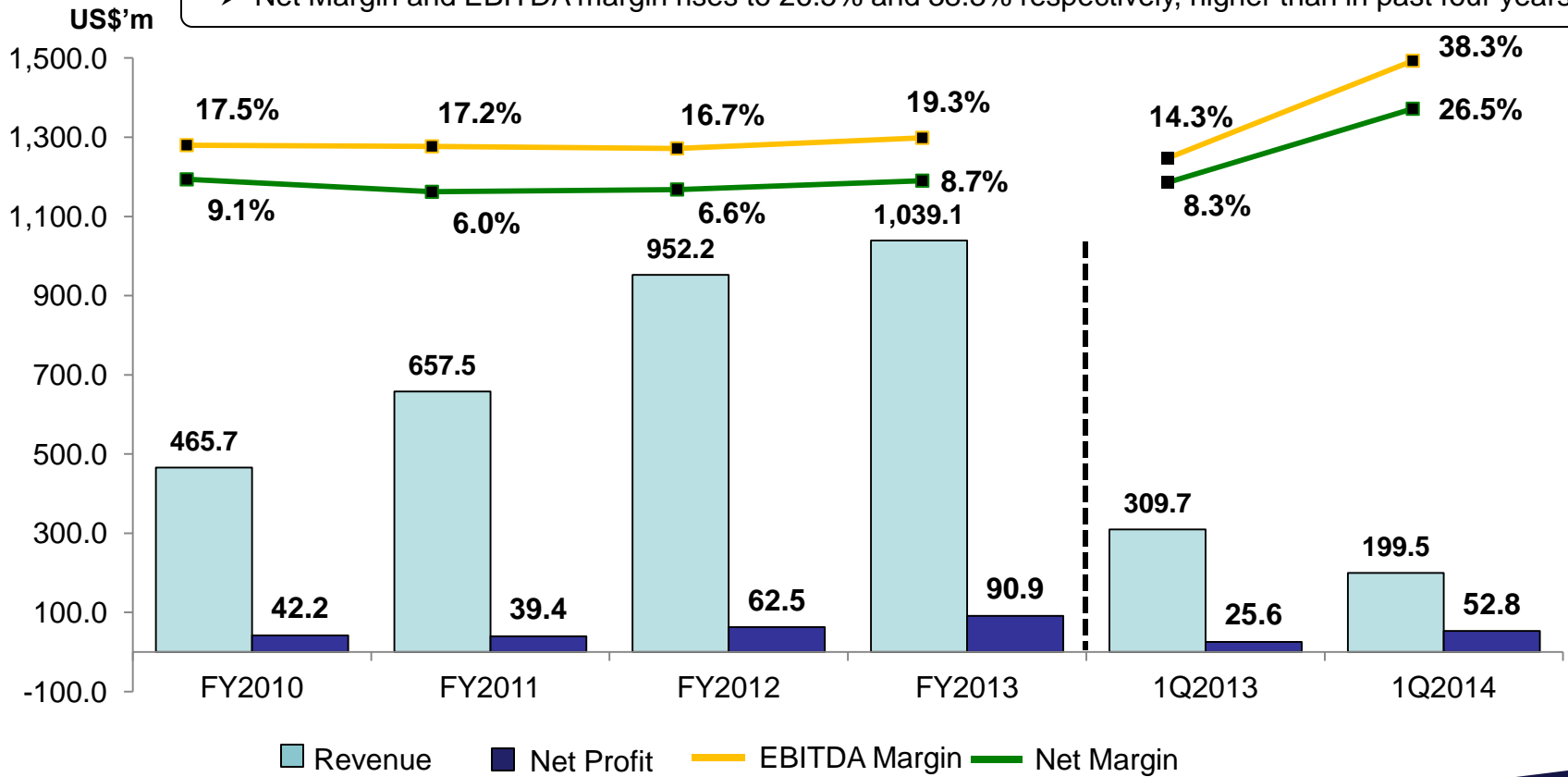
# Financial Highlights

## Revenue and Net Profit Trend



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➤ Net Margin and EBITDA margin rises to 26.5% and 38.3% respectively, higher than in past four years.





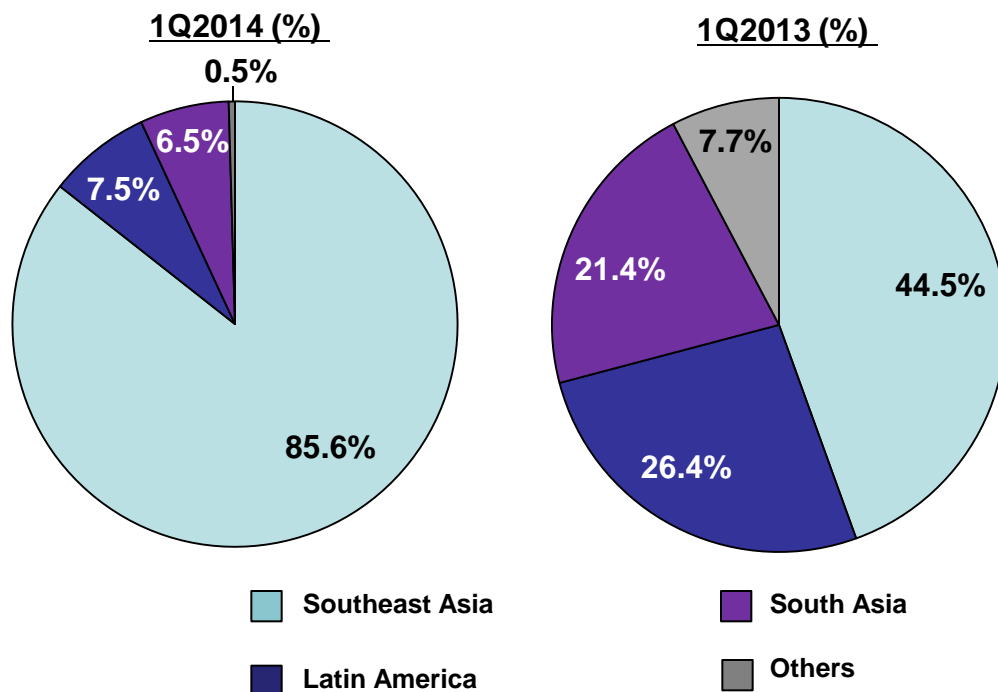
# Financial Highlights

## Revenue - Geographical Breakdown



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➤ Southeast Asia remains as the region with the largest contribution to the Group's Revenue in 1Q2014 and 1Q2013.



US\$m	1Q2014	1Q2013
Southeast Asia	170.8	137.8
Latin America	14.9	81.8
South Asia	12.9	66.3
Others	0.9	23.9



## Financial Highlights

### Statement of Financial Position



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US\$' m	31 March 2014	31 December 2013	Change (%)
Cash & Bank Balances	110.1	162.4	(32.2)
Trade receivables and CWIP	817.9	715.8	14.3
Current assets	1,261.3	1,253.7	0.6
Non-current assets	928.3	727.3	27.6
Current liabilities	857.4	769.8	11.4
Non-current liabilities	631.8	469.6	34.5
Total equity	700.4	741.6	(5.6)



## Financial Highlights

### Key Ratios



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Key ratios	31 March 2014	31 December 2013	Change(%)
NAV per share (US cents)	97.7	89.7	8.9
Net Debt / Equity (times)	1.34	0.91	47.3
Return on Equity (%) - annualised	29.7	11.4	160.5
Return on Asset (%) - annualised	9.7	4.6	110.9
EPS per share (US cents) (Basic) - annualised	31.5	10.21	208.5





## Financial Highlights

### Cashflow Statement



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US\$ '000	1Q2014	1Q2013
Operating cashflow before movement in working capital	(8,112)	48,014
Net cash used in operating activities	(161,981)	(30,180)
Net cash generated from/ (used in) investing activities	105,447	(13,326)
Net cash generated from financing activities	5,514	81,048
Cash & Cash equivalents at end of period	100,207	155,808

➤ **Cash flow used in operating activities in 1Q2014:**

- The outflow was mainly a result of an increase in trade receivables and CWIP of US\$205.8 million; an increase in other receivables of US\$63.2 million; increase in trade and other payables of US\$122.3 million; and increase in inventories of US\$1.5 million.

➤ **Cash flow generated from investing activities in 1Q2014:**

- The inflow was due mainly to proceed from disposal of subsidiaries of US\$121.3 million; purchase of property, plant and equipment; and capital expenditure of US\$4.0 million; partially offset against investment of an associate of US\$12.8 million.

➤ **Cash flow generated from financing activities in 1Q2014:**

- The inflow was due mainly to new bank borrowings amounting to US\$183.3 million, offset by repayment of borrowings amounting to US\$177.4 million.



# Outlook and Strategy



## Order Book



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### Order Book

- As of May 2014, the Group has an order book of approximately US\$650 million.
- The Group will remain prudent in managing its operations, maximising cost efficiencies to provide value added solutions to its customers.

US\$'m	FY2010	FY2011	FY2012	FY2014	1Q2014
Order Book	680	1000	1350	900	650

- With the right resources and an experienced management team coupled with a solid track record and reputation, a large fleet of construction and supporting vessels, competent and technically skilled workforce, a good safety record, the Group is confident of its position to win more major contracts in the coming years.



## Industry Outlook



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### OIL PRICES TO SUSTAIN E&P SPENDING

- Oil prices remained within the healthy range, albeit rising recently due to supply outages in the MENA regions and Russia-Ukraine tensions. Middle East and North America
- On a global basis, oil and gas companies are estimated to spend US\$723 billion on E&P work, an increase of 6.1% from 2013<sup>1</sup>

#### Summary of Oil and Gas E&P Expenditures

	2013A	2014E	+/-	%
US Spending	143,989.3	156,163.6	12,174.4	8.5%
Canada Spending	41,738.2	43,068.8	1,330.6	3.2%
<b>NAM Spending:</b>	<b>\$185,727</b>	<b>\$199,232</b>	<b>\$13,505</b>	<b>7.3%</b>
Int'l Spending:	495,962.6	524,078.5	28,115.9	5.7%
<b>Worldwide E&amp;P Spending:</b>	<b>\$681,690</b>	<b>\$723,311</b>	<b>\$41,621</b>	<b>6.1%</b>

Source:

(1) Barclays Global 2014 E&P Spending Outlook



## Industry Outlook



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### OPPORTUNITIES IN SOUTHEAST ASIA, LATIN AMERICA, MIDDLE EAST AND AFRICA

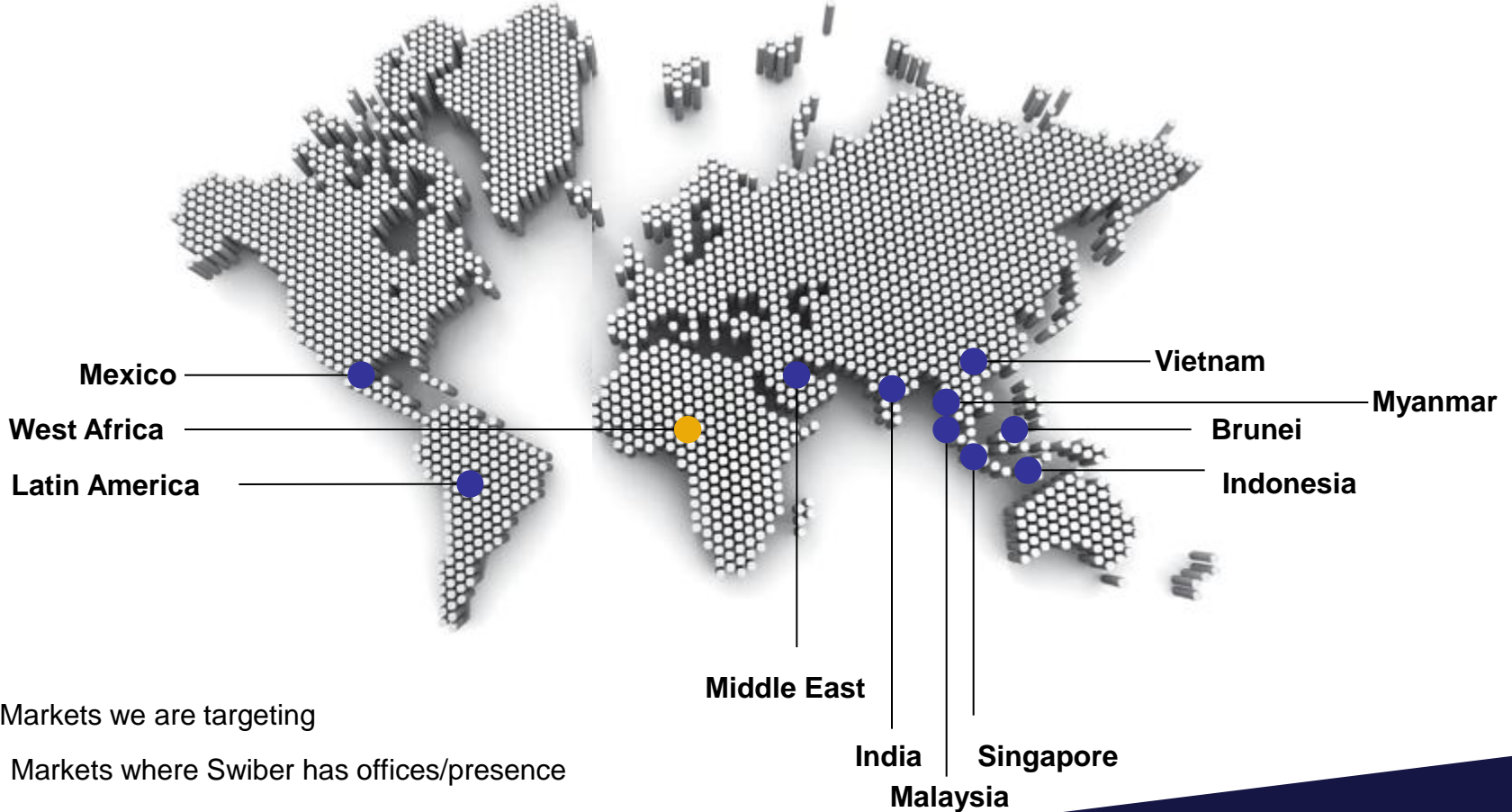
- According to analysts, sustained high oil prices and the need to replace falling output from ageing fields, continue to drive exploration and production work at traditional areas such as Middle East and Africa, where it is technologically straightforward to execute.
- Offshore capex in Latin America is expected to remain strong, as oil majors in the region such as Pemex and PDVSA increases their E&P spending by 50% and 14% from previous year respectively.
- At the same time, close to one-fifth of global upstream spending over the next decade is expected to be for offshore projects in Southeast Asia.

#### Sources:

- 1) 'Global oil and gas drilling hits 30-year high:Kemp', Reuters, March 4, 2014
- 2) Barclays Global 2014 EP Spending Outlook, December 9, 2013
- 3) 'Najip: Malaysia's upstream O&G sector capex to near US\$60 bln over 5 years', Borneo Post, March 26, 2014



ACTIVELY BID FOR MAJOR PROJECTS IN TARGET MARKETS AND GEOGRAPHICAL REGIONS



● Markets we are targeting

● Markets where Swiber has offices/presence



## Strategy



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- **Entrench our position as an experienced and reputable offshore service provider in the market deeper**
  - **Well positioned to bid for major contracts**
- **Focus on winning new contracts from major oil and gas players in Asia Pacific, Latin America and the Middle East.**
  - **Replicating success in Southeast Asia in other geographical regions**
- **Prudent in managing business operations and cost efficiencies**
- **Focus on penetrating into new markets**
- **Exploring new opportunities to leverage on strong track record**



# Q&A





Thank You