

Miclyn Express Offshore

FY18 Results Presentation



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Financial Year 2018 Unaudited Results

	Unaudited 1HFY18 US\$m	Unaudited 2HFY18 US\$m	Unaudited FY2018 US\$m	FY2017 US\$m
Revenue	71.9	66.9	138.8	173.8
OPEX	(44.5)	(47.1)	(91.5)	(102.2)
Contribution	27.4	19.9	47.3	71.6
<i>Contribution Margin</i>	<i>38.1%</i>	<i>29.7%</i>	<i>34.1%</i>	<i>41.2%</i>
Operating Overheads	(3.3)	(3.0)	(6.3)	(7.7)
Gross Profit	24.1	16.9	41.0	63.9
SG&A	(8.9)	(8.7)	(17.6)	(17.9)
Others	(0.2)	0.2	0.0	1.2
Normalised EBITDA	15.0	8.4	23.4	47.2
Exceptional items	(33.6)	(1.9)	(35.5)	(66.9)
<i>Impairment</i>	<i>(31.8)</i>	<i>(0.2)</i>	<i>(32.0)</i>	<i>(68.4)</i>
<i>Restructuring fees</i>	<i>(1.4)</i>	<i>(1.2)</i>	<i>(2.6)</i>	-
<i>Others</i>	<i>(0.4)</i>	<i>(0.5)</i>	<i>(0.9)¹</i>	<i>1.5²</i>
EBITDA	(18.6)	6.5	(12.1)	(19.6)

- Decrease in revenue (\$5.0m) in 2HFY18 vs 1HFY18 due to:
 - Lower OSV utilisation with most assets deployed in a challenging spot market (\$5.7m)
 - Lower barge utilisation during Arabian monsoon (\$1.3m)
 - Offset by more 3PV cross-charters \$2.1m
- Contribution margin compressed in 2HFY18 due to thin project margins & costs of operating in spot market
- Operating overheads were reduced in line with activity levels; SG&A remained tightly controlled

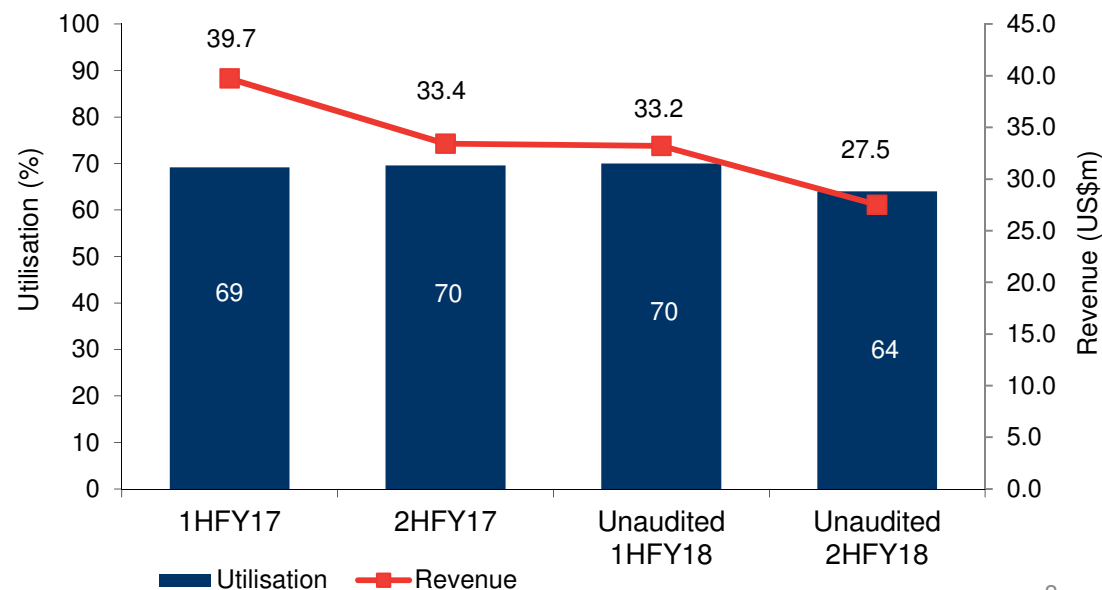
Segment Performance

Offshore Support Vessels (OSVs)

Segment Highlights

- Revenue was lower due to utilisation and bareboat charter
 - Utilisation in 2HFY18 of 64% (1HFY18: 70%) due to volatility in spot market for projects
 - DCRs generally remained stable throughout FY18
- Operating in the spot market limits opportunity for cost savings
- Deployment of generic OSVs in ASEAN & ME remain a challenge in an over-supplied market
- Explore new geographical market opportunities (West Africa/Mediterranean, Taiwan) and add on solution offerings

	1HFY17	2HFY17	Unaudited 1HFY18	Unaudited 2HFY18
Revenue (US\$m)	39.7	33.4	33.2	27.5
Opex (US\$m)	(23.3)	(20.6)	(22.8)	(22.5)
Contribution (US\$m)	16.4	12.8	10.4	5.1
Contribution Margin (%)	41%	38%	31%	18%
Operating Overhead (US\$m)	(1.9)	(2.6)	(2.0)	(1.6)
Gross Profit (US\$m)	14.5	10.2	8.4	3.5



Segment Performance

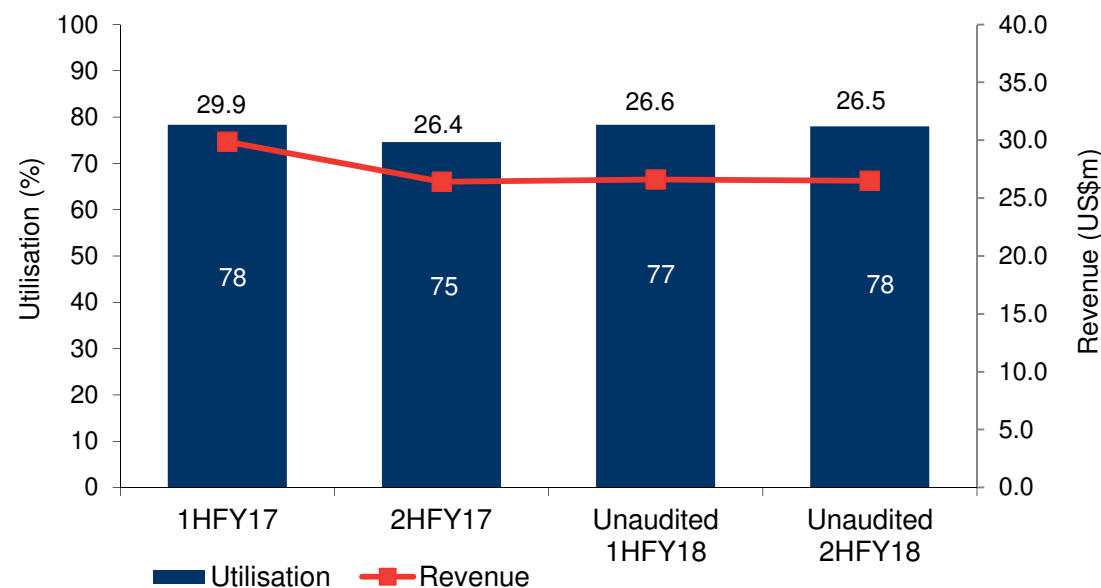
Crew/Utility Vessels

Segment Highlights

- Revenue remained consistent in 2HFY18
- Opex remained under control
- Utilisation excluding held for sale vessels would be 85% for 2HFY18 (1HFY18: 83%)



	1HFY17	2HFY17	Unaudited 1HFY18	Unaudited 2HFY18
Revenue (US\$m)	29.9	26.4	26.6	26.5
Opex (US\$m)	(13.1)	(14.4)	(14.1)	(14.3)
Contribution (US\$m)	16.7	12.0	12.5	12.2
Contribution Margin (%)	56%	45%	47%	46%
Operating Overhead	(1.4)	(1.3)	(1.2)	(1.3)
Gross Profit	15.4	10.7	11.3	10.9



Segment Performance

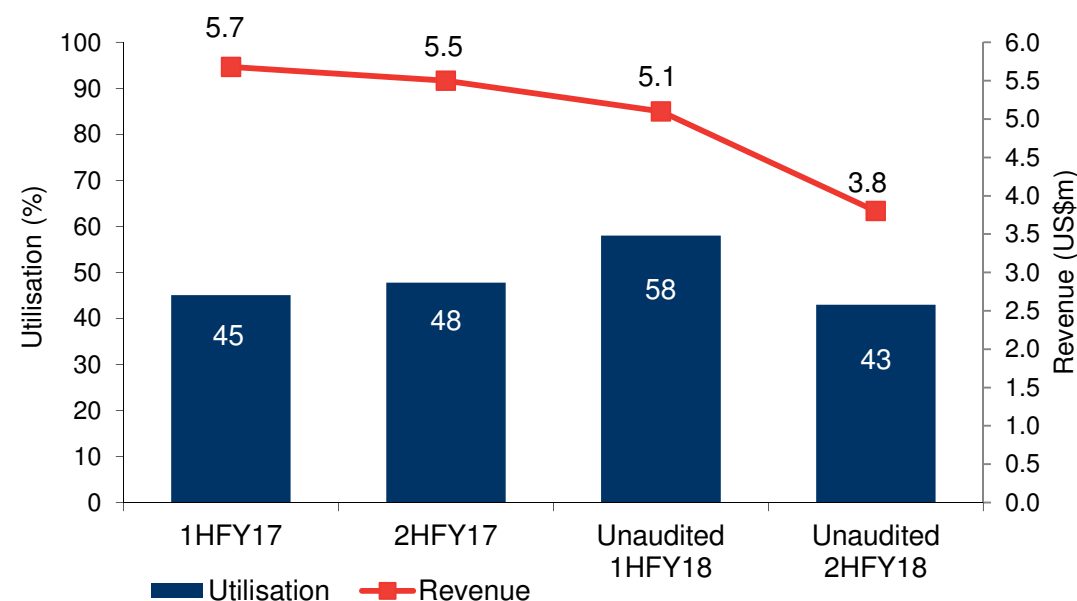
Project Assets¹

Segment Highlights

- Barges were redeployed to ME during FY18 in preparation for upcoming projects
- Revenue decreased due to lower utilisation as the higher concentration of barges deployed to ME was impacted by Arabian monsoon



	1HFY17	2HFY17	Unaudited 1HFY18	Unaudited 2HFY18
Revenue (US\$m)	5.7	5.5	5.1	3.8
Opex (US\$m)	(2.0)	(2.2)	(1.4)	(1.8)
Contribution (US\$m)	3.7	3.3	3.7	2.0
Contribution Margin (%)	64%	61%	73%	52%
Fixed Overhead	(0.2)	(0.2)	(0.1)	(0.1)
Gross Profit	3.4	3.1	3.6	1.9



Segment Performance

Lump Sum Projects¹

Segment Highlights

- Revenue increased in 2HFY18 mainly due to more 3PV work in India
- Lump sum project margins decreased further in 2HFY18, as market remained soft, and comprised mainly of 3PV cross-charters

	1HFY17	2HFY17	Unaudited 1HFY18	Unaudited 2HFY18
Revenue (US\$m)	23.6	10.4	7.1	9.2
Opex (US\$m)	(18.9)	(7.5)	(5.9)	(8.0)
Contribution (US\$m)	4.7	2.9	1.2	1.2
Contribution Margin (%)	20%	28%	17%	14%
Fixed Overhead	(0.5)	(0.5)	(0.5)	(0.5)
Gross Profit	4.2	2.4	0.7	0.7



Market Outlook

Market Outlook

- IOCs and NOCs activity increasing gradually (seismic/drilling, delayed EPC projects and backlog IRM on production facilities)
- Oil price fluctuation further affected by current geopolitical risk of Iran and economic risk arising from trade restrictions among major economies
- Activity levels uptick in Malaysia and Saudi Arabia
- With oversupply prevalent in most geographies, DCRs are not expected to rise in near future



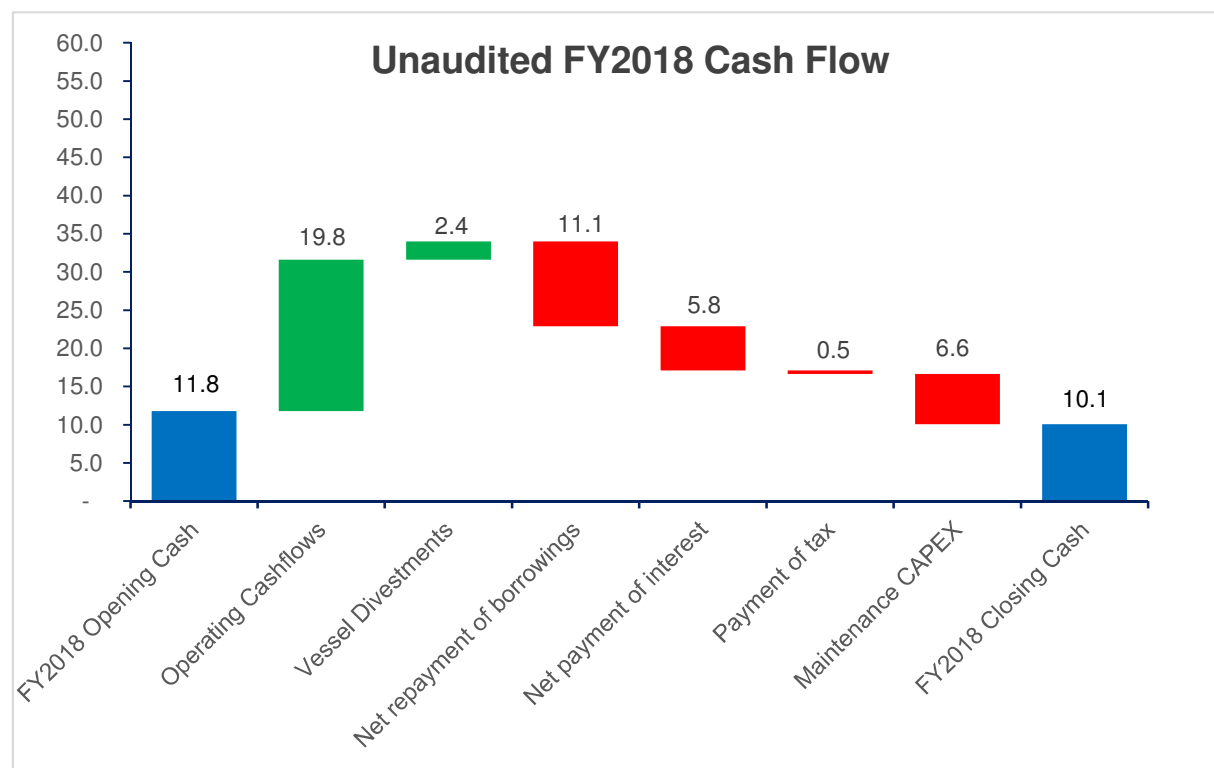
Weathering the Storm ...

- Focus remains on more resilient shallow water production related activities
- Maintain / improve current utilisation levels by leveraging off strategic customer relationships
- Maintain operational excellence and operating cost control
- Develop business in new segments e.g. renewables, geo-tech



Cash Flow & Financial Restructuring Updates

- Senior lender remains supportive of the Company's consensual restructuring process and has issued letters of support to the Company and is prepared to issue letters of quiet enjoyment to the group's key customers where required
- Senior lender continues to be engaged on the terms of a potential restructuring with a view to developing a comprehensive and deliverable restructuring proposal for all relevant stakeholders
- Noteholders' advisors engaged in constructive dialogue regarding the financial model and forecast industry conditions after its Informal Steering Committee was established in January 2018
- The Company is engaged in discussions with potential investors in the Company and continue to have these discussions
- The Company is seeking to achieve a consensual solution that maximizes available value for all stakeholders as soon as possible



Summary



Clear strategy



Proven Operational Excellence

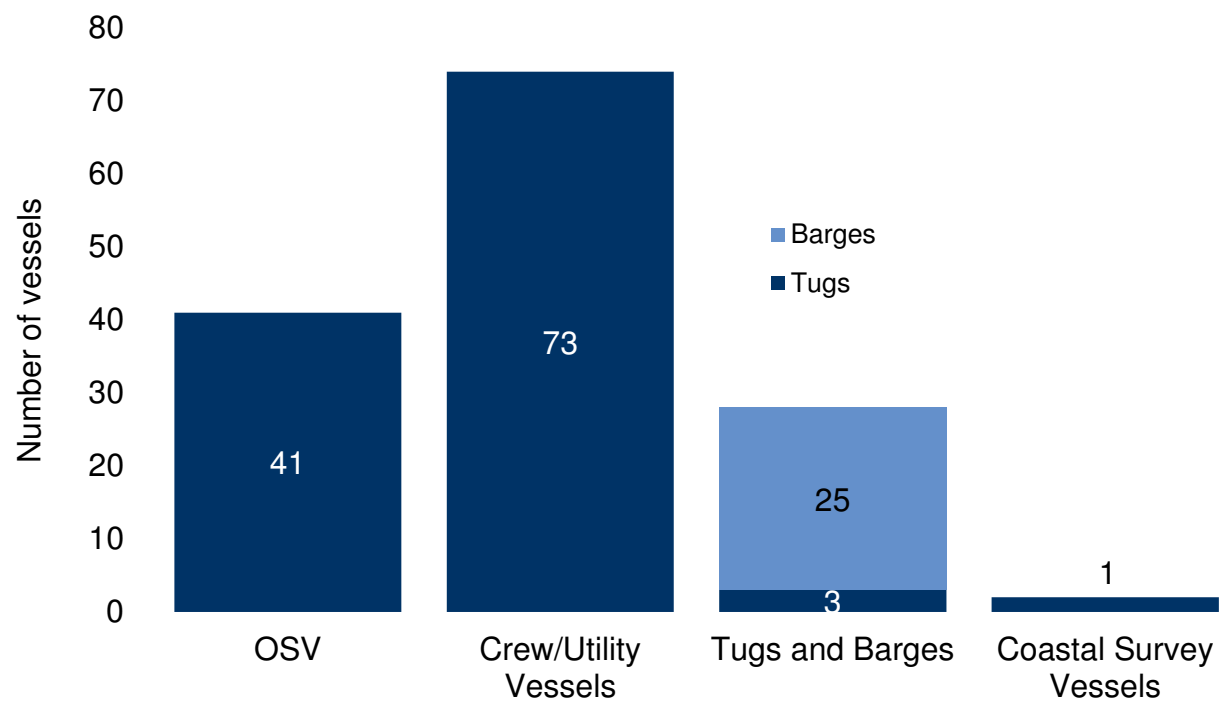


Solid execution capability



Appendix

Fleet Composition as at 30 Jun 2018¹



- No vessels under construction / to be delivered