

PACC Offshore Services Holdings Ltd.

Results Presentation
Q2 & 1H FY15 Results

Agenda

1. Financial Highlights
2. Capex plan & fleet program
3. Updates
4. Q & A

Key Highlights

- **Push into Offshore Accommodation segment beginning to reveal long-term potential**

  - POSH Xanadu - 750-pax semi-submersible accommodation vessel ("SSAV")
  - – Achieved exceptional uptime operational performance in Brazil since charter commencement
  - – Maiden full-quarter contribution in Q2 FY15



Key Highlights

- **Push into Offshore Accommodation segment beginning to reveal long-term potential**

  - 238-pax light construction vessel ("LCV")
  - Maiden full-quarter contribution in Q2 FY15 for POSH Endurance operating in South East Asia
  - POSH Endeavour commenced maiden long-term charter around end-Q2 FY15 in the Middle East



Key Highlights

- **Sustained strong financial position**
  - Net Debt/Equity of 46%
  - Robust financial management to weather market and industry volatility
  - Ability to rapidly capitalise on organic and inorganic opportunities ahead



FINANCIAL HIGHLIGHTS

Group Financial Highlights

SUMMARY

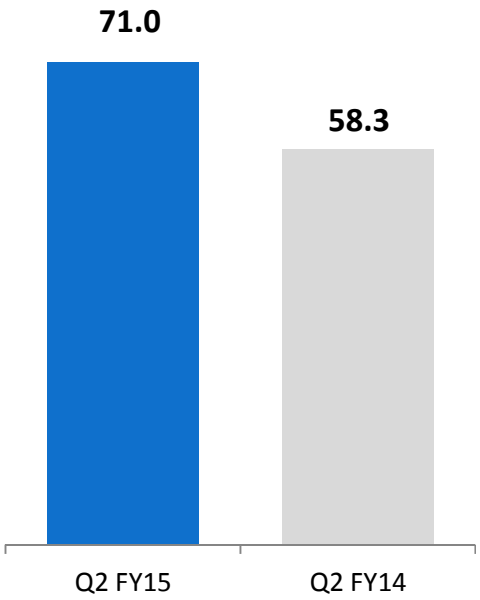
US$'000	Q2 FY15	Q2 FY14	Change	1H FY15	1H FY14	Change
Revenue	71,022	58,270	22%	128,607	111,198	16%
Gross profit	14,466	17,555	-18%	22,460	33,374	-33%
Other operating income	1,927	6,629	-71%	5,257	42,446	-88%
Share of JV results	3,304	300	1001%	1,984	(2,896)	NM
Net profit after tax	6,110	11,870	-49%	6,131	48,547	-87%
EBITDA	22,267	23,664	-6%	37,624	73,212	-49%

N.M. denotes "Not Meaningful"

Group Financial Highlights – Q2 FY15

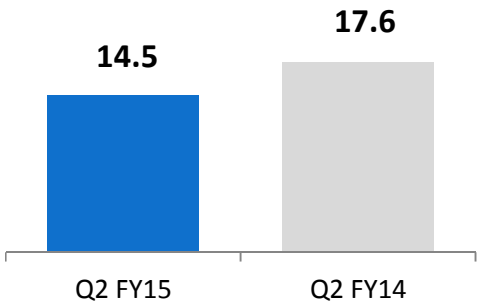
Gross Revenue (US$'M)

YoY +$13M (+22%)



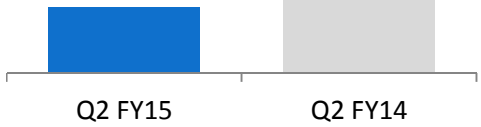
Gross Profit (US$'M)

YoY -$3.1M (-18%)



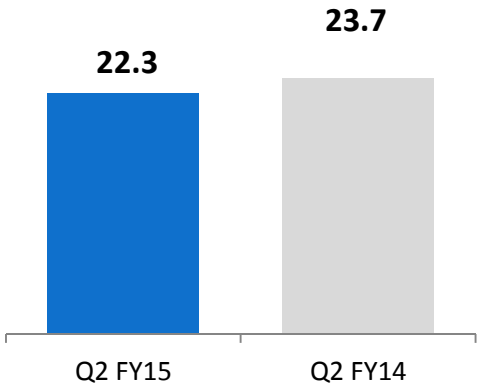
NPAT (US$'M)

YoY -$5.8M(-49%)



EBITDA (US$'M)

YoY -$1.4M(-5.9%)

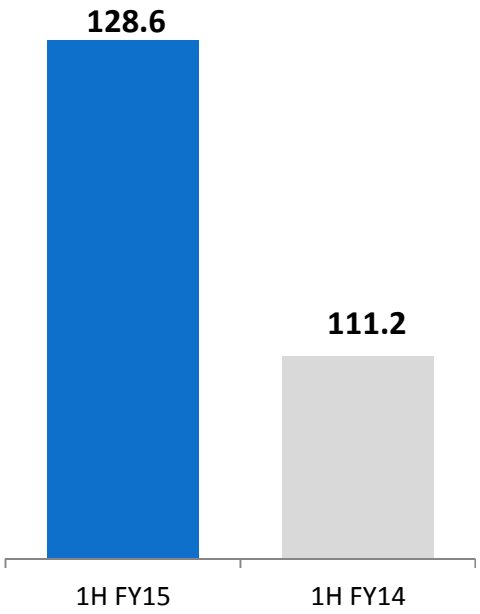


- Higher revenue mainly due to new OA contribution from POSH Xanadu (SSAV) and POSH Endurance (LCV) offset by lower performance from the other divisions.
- Lower NPAT mainly due to lower gain from sale of vessel and lower interest income from repayment of loan by JVs.

Group Financial Highlights – 1H FY15

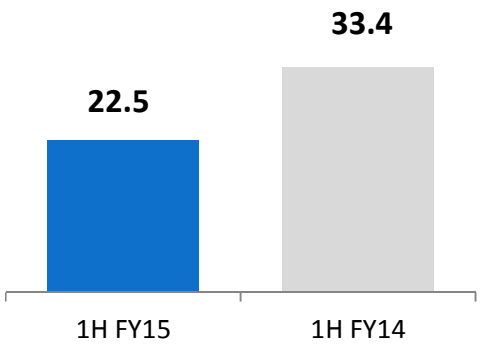
Gross Revenue (US$'M)

YoY +$17M (+16%)



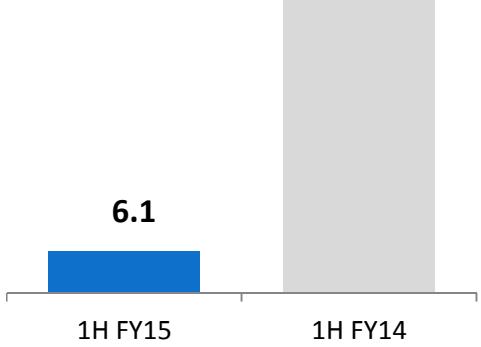
Gross Profit (US$'M)

YoY -$11M (-33%)



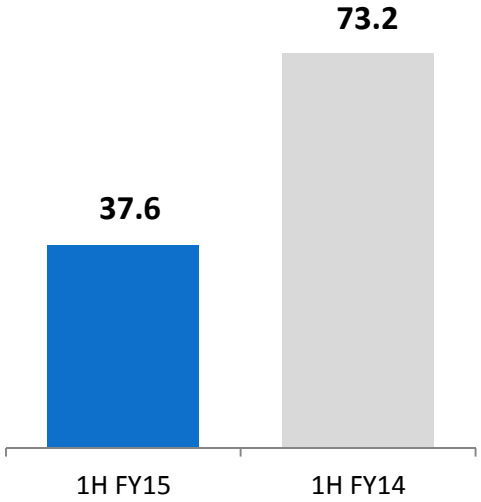
NPAT (US$'M)

YoY -$42M (-87%)



EBITDA (US$'M)

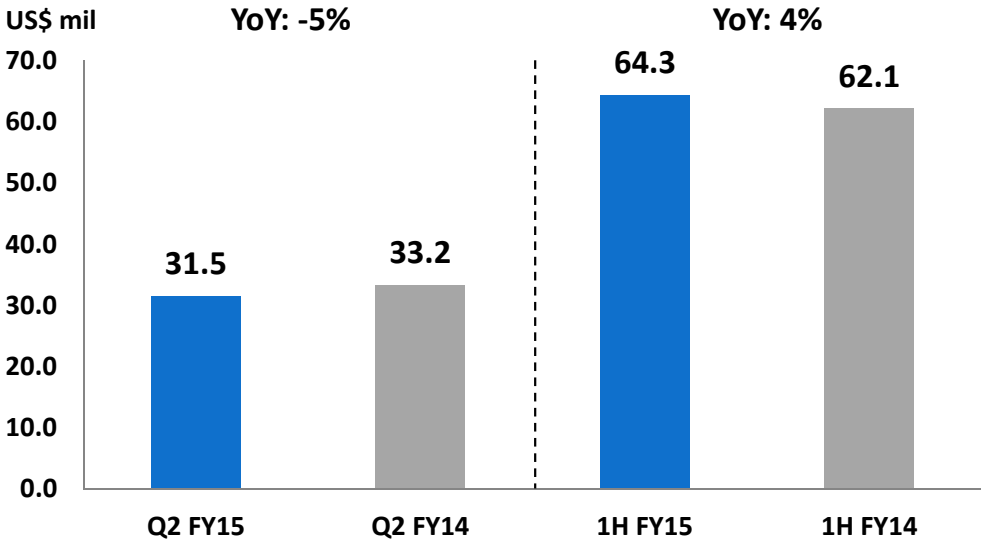
YoY -$36M (-49%)



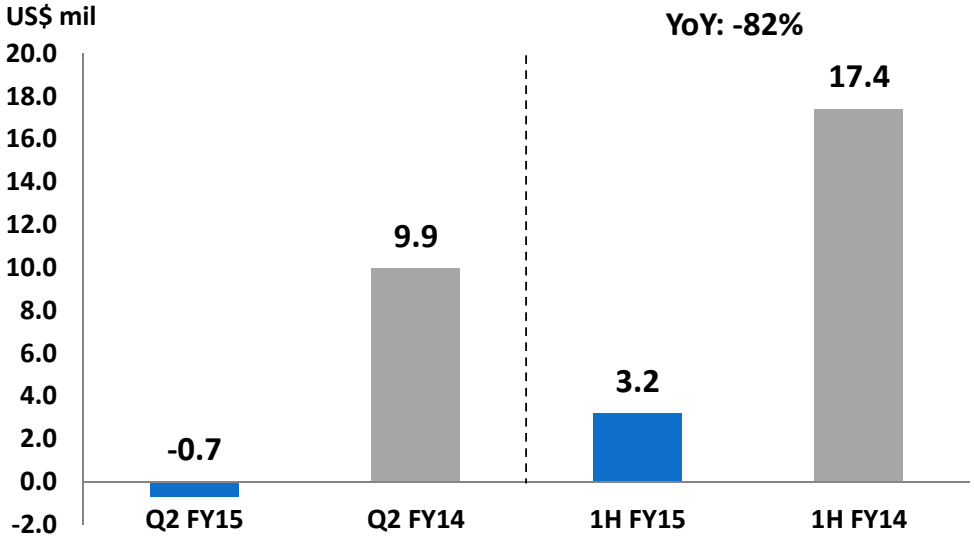
- Higher revenue mainly due to new OA contribution.
- Lower NPAT mainly due to absence of US$35M gain on sale of vessels in FY14.

Financial Highlights - OSV

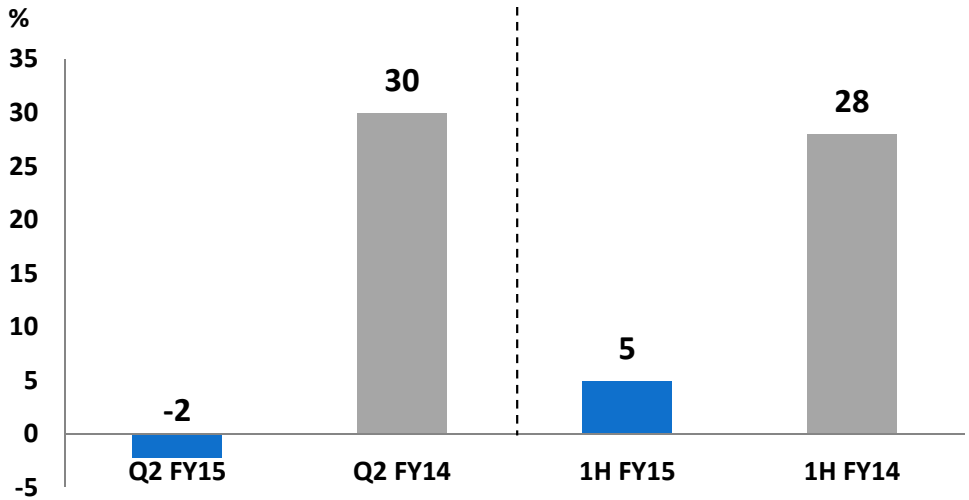
Revenue



Gross Profit



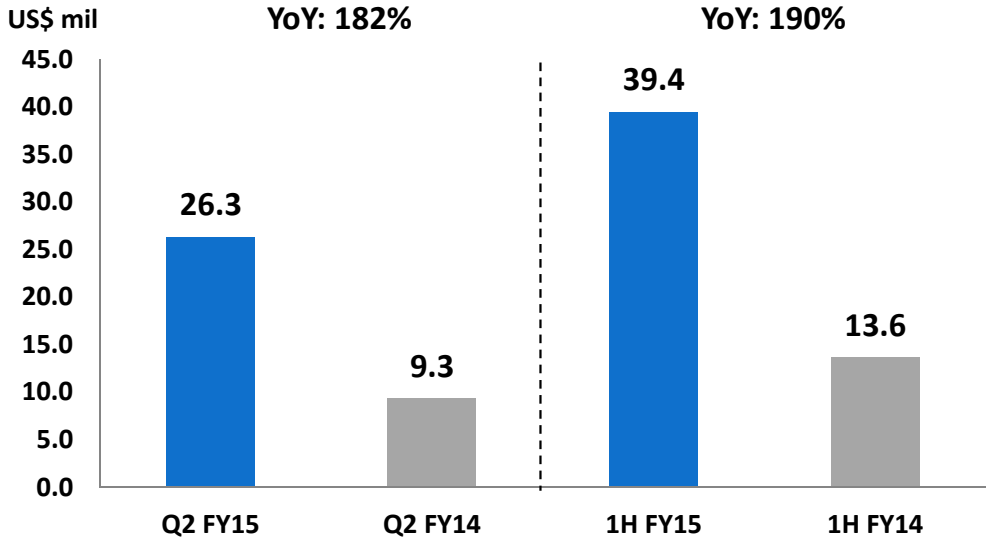
Gross Profit Margin



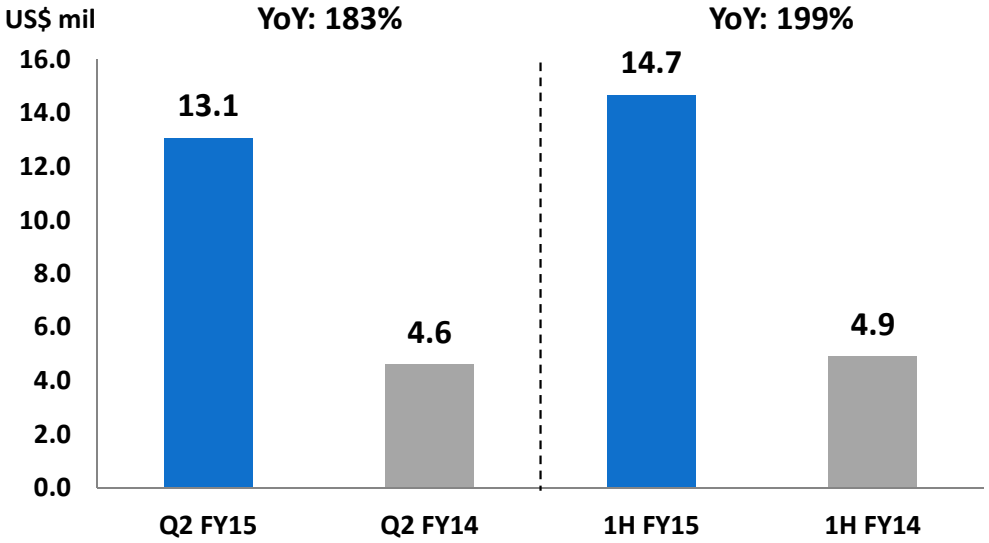
- Stable revenue YoY supported by an enlarged OSV fleet.
- The new contribution offset challenging charter rates facing sector.
- Lower gross profit mainly due to lower charter and utilisation rates, opex and repair costs.

Financial Highlights - OA

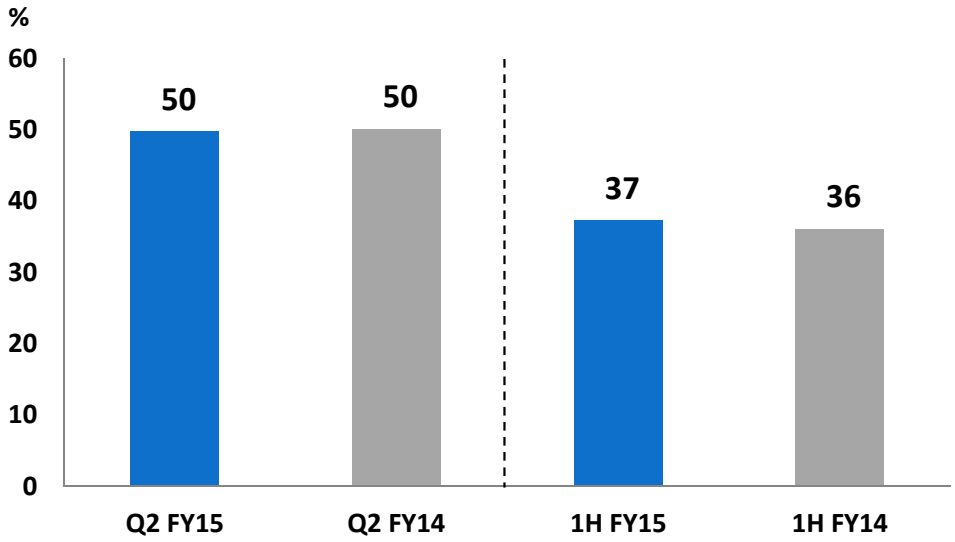
Revenue



Gross Profit



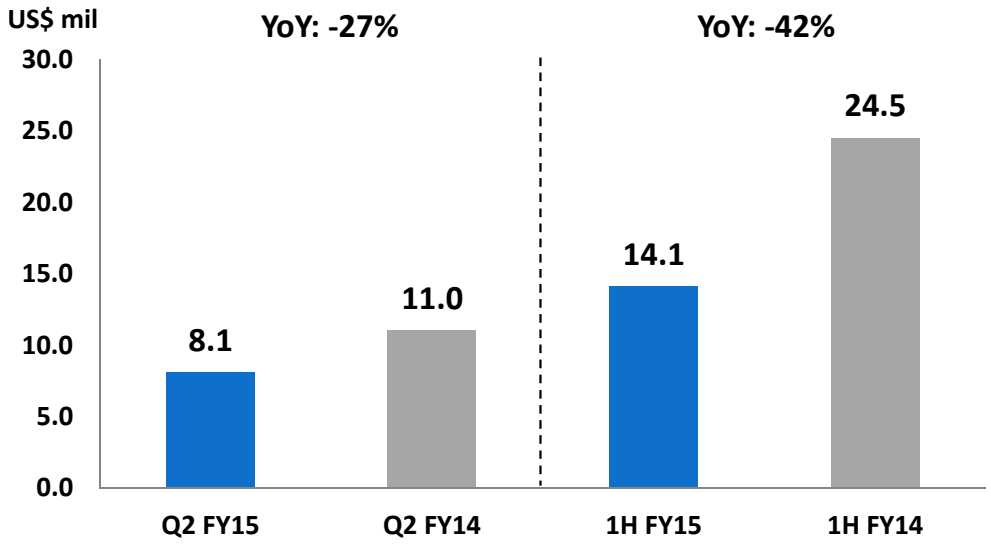
Gross Profit Margin



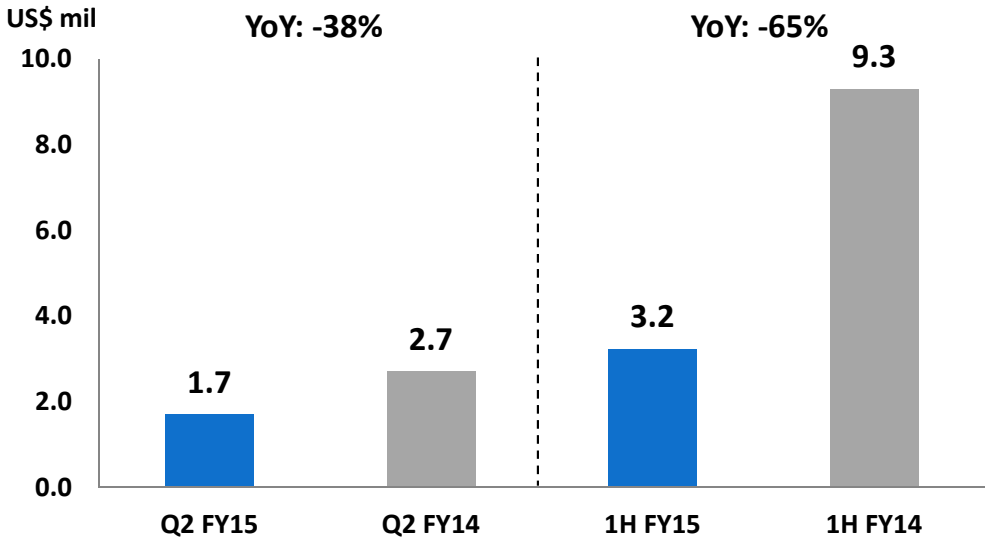
- Significant growth in YoY revenue and gross profit.
- Largely attributable to full quarter impact of POSH Xanadu and POSH Endurance's earnings in Q2 FY15.

Financial Highlights – T&I

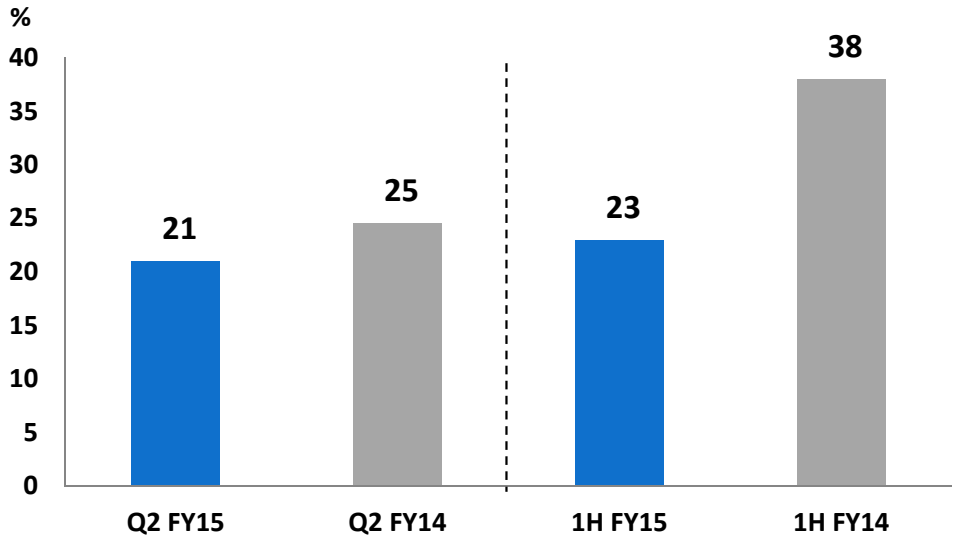
Revenue



Gross Profit



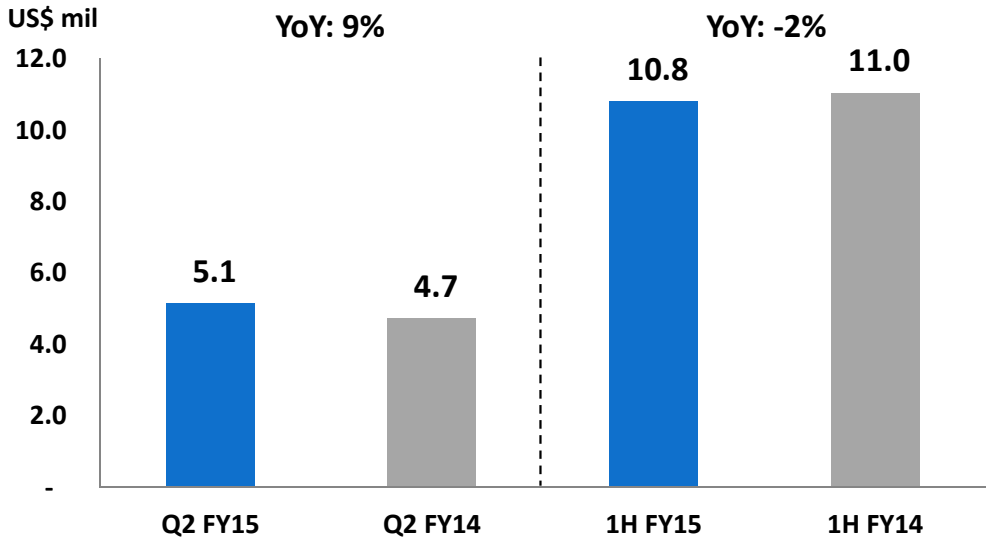
Gross Profit Margin



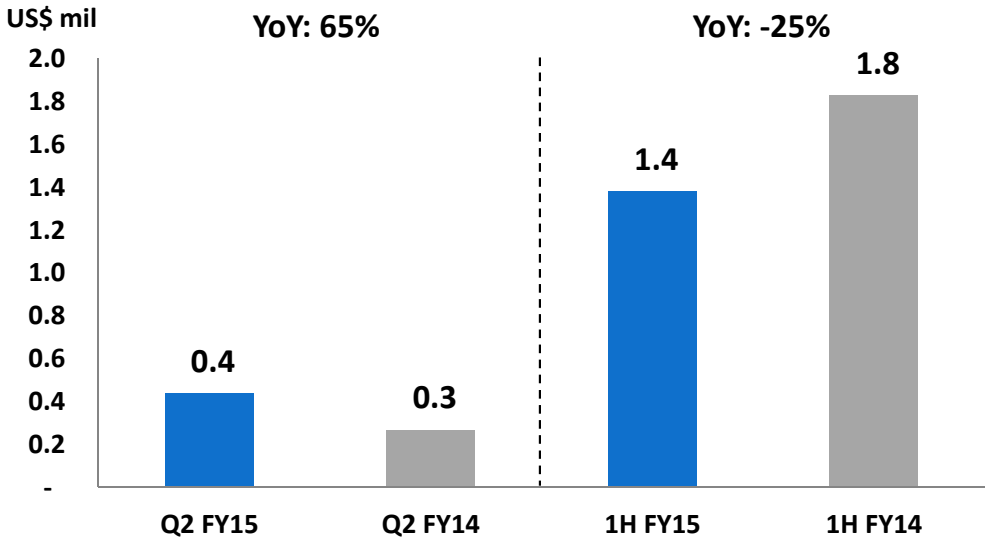
- Lower revenue primarily due to challenging market conditions.
- Segment faced lower charter rates despite improving utilisation YoY.
- YoY Gross Profit decreased as a result of lower charter rate and absence of one time gain on prepaid charters.

Financial Highlights – HSER

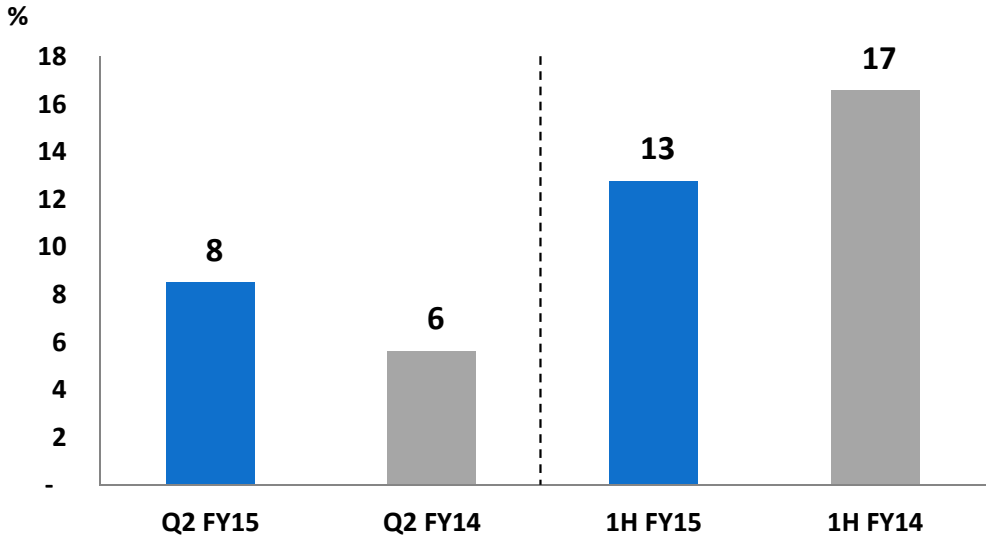
Revenue



Gross Profit



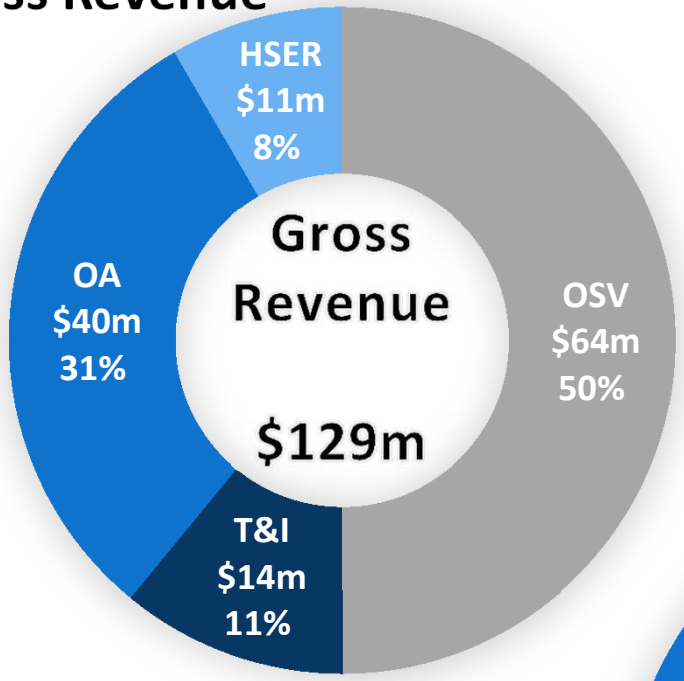
Gross Profit Margin



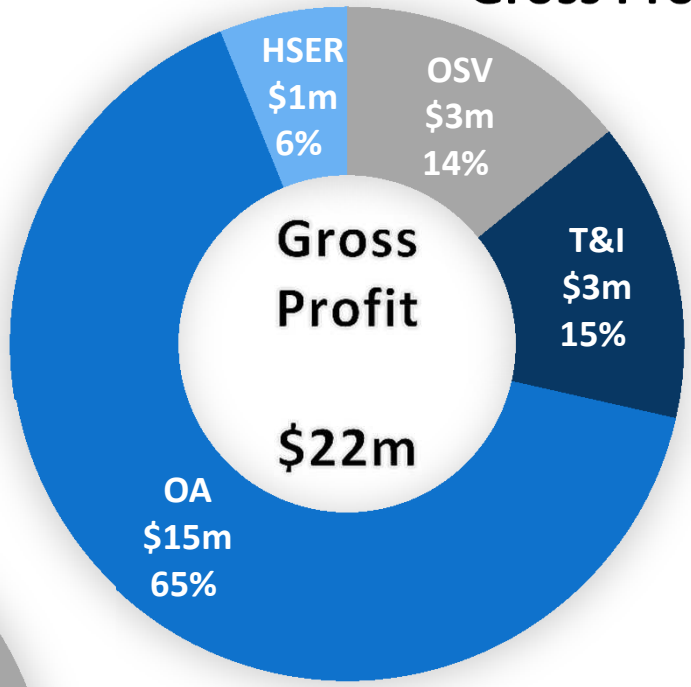
- Delivery and deployment of 4 harbor tugs contributed to increased revenue.
- Lower Gross Profit due to absence of salvage jobs.

Segments results[1] & Assets deployed[2]

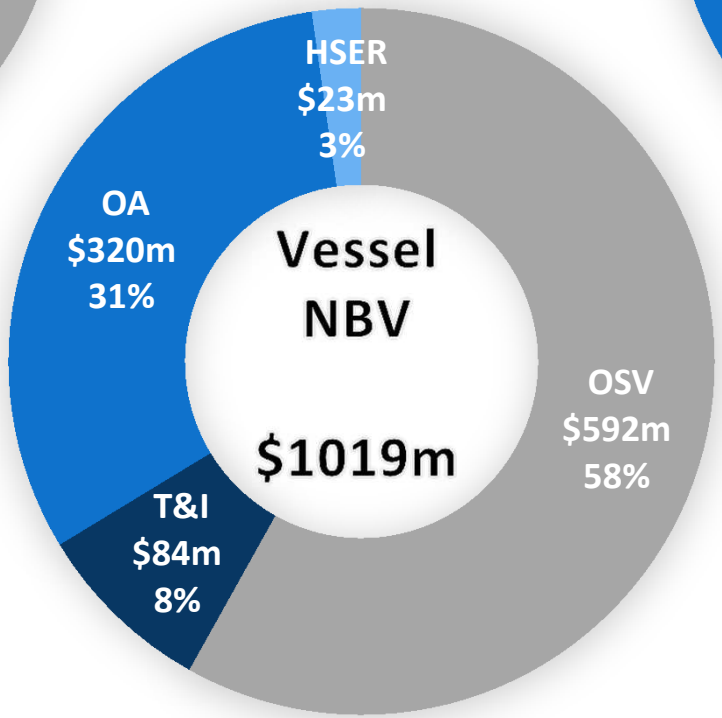
Gross Revenue



Gross Profit



Assets deployed



Currency :US$
Note 1: For period 1H FY15
Note 2: As at 30 June 2015

Capital Structure

US$'000	30 June 2015	31 Dec 2014
Net Debt	551,951	548,332
Equity	1,199,802	1,213,764
Net Debt /Equity	46%	45%

- The Company has available undrawn bank lines of approx. US$358 million
- Strong financial position provides ability to capture opportunities

CAPEX Plan

	Wholly Owned	JVs	Under Construction/Order	
Number of vessels	77	39	15	
Net book value[1]	US$1,019m	-	-	
CAPEX commitment	-	-	US$257m paid[1]	US$185m outstanding

- As at 30 June 2015, the Group has 15 vessels under construction/order with expected delivery by mid 2017.
- The Group is constantly monitoring its capex plan and has deferred certain planned newbuildings
- The Group is taking delivery of 4 vessels[2] in 2H FY15 with remaining payments approximating US$53m

Note 1: As of 30 June 2015
Note 2: See Appendix for details

Fleet Program

	Current Fleet		New Vessels Under Construction/Committed
Types of Vessels	**Wholly Owned**	**Owned by JVs**	
AHTS	12	4	1
PSV	12	1	2
IMR	-	-	2
AHT	10	9	2
Towing Tugs	7	1	-
Barges	16	4	-
SSAV	1	-	1
Accommodation Vessels	5	1	2
Harbour Tugs	9	17	4
Crane Barge	2	2	1
Utility Workboats	3	-	-
Total as at to-date	**77**	**39**	**15**

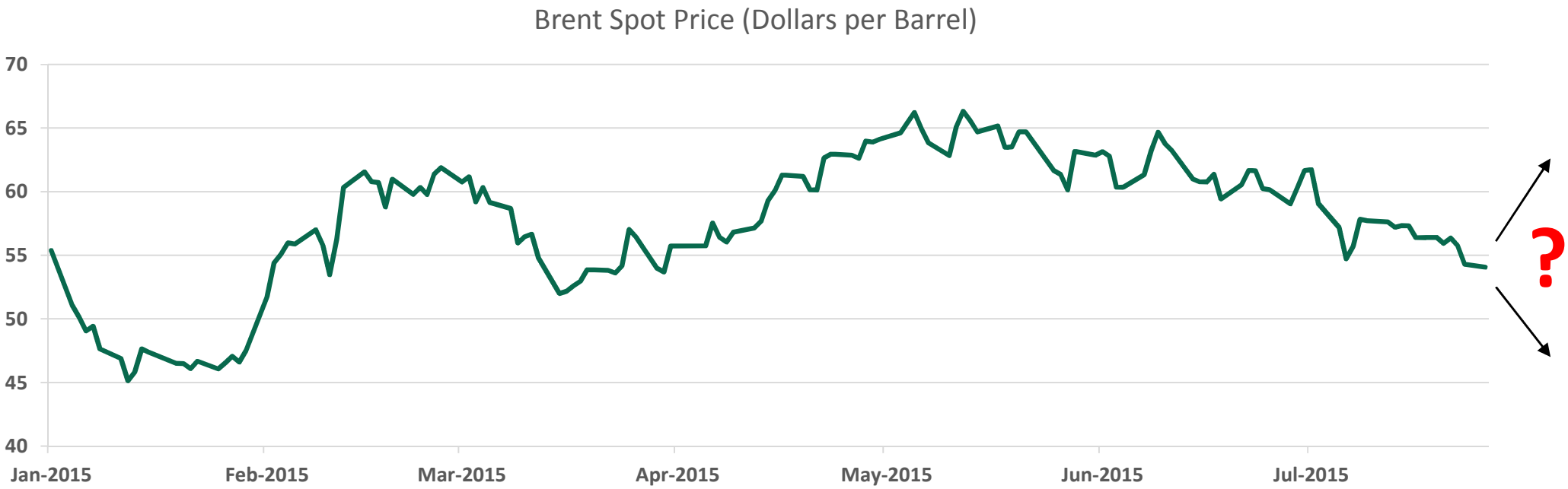
- Young fleet of customised new builds to meet customers' needs
- Focus on high-capacity and high-specification offshore accommodation vessels
- Entry into Inspection, Maintenance and Repair (IMR) segment with construction of IMR vessels

BUSINESS UPDATES



Industry Outlook

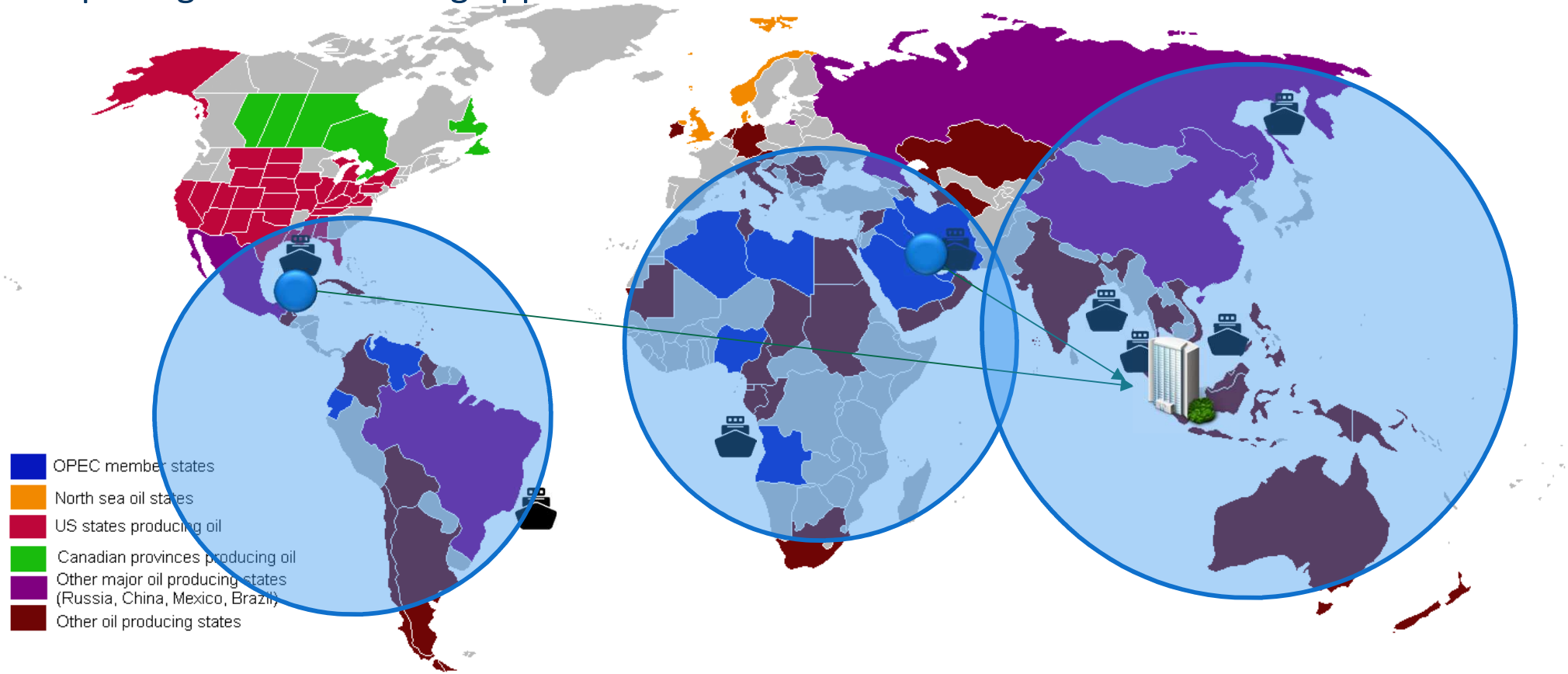
- Oil price has not stabilised
- Volatility will continue to have unfavourable impact on charter rates and utilization



Source: EIA.gov

Business Strategy

- Accelerating market penetration and build share in key markets such as the Middle East
- Begun executing plans to deploy human capital and resources to support growth
- Maintain strategic presence in Mexico with limited operations, targeting selected opportunities
- Exploring more chartering opportunities in frontier markets



Business Prospects

- POSH Enterprise, the 3rd LCV to join the Offshore Accommodation fleet, would commence its maiden long-term charter in the Middle East in 2H FY15
- The Group remains positive on the potential of the second SSAV, “POSH Arcadia”, which is scheduled for delivery by the end of the year
- The sister SSAV, “POSH Xanadu”, has recorded 100% uptime operational performance in Brazil demonstrating high serviceability to prospective charterers



(Newly built POSH Enterprise leaving the shipyard in July 2015)



(POSH Arcadia is currently in the final phase of construction)



QUESTIONS & ANSWERS

Appendix

Overview of Business Segments

	Offshore Supply Vessels (OSV)	Offshore Accommodation (OA)	Transportation and Installation (T&I)	Harbour Services and Emergency Response (HSER)
Description	▪ **AHTS and PSV:** Mid to deepwater oilfield operations in exploration, development, construction and production phases	▪ **Offshore accommodation, workshop and storage facilities:** Offshore construction and maintenance operations	▪ **AHT:** Ocean towage of FPSOs and large offshore structures; shallow-water pipelay and construction works ▪ **Barge:** Transportation, floatovers and launching of platform jackets	▪ **Harbour Services:** Support harbour towage operators and provide heavy lift services to shipyards ▪ **Emergency Response:** Salvage, wreck removal, rescue and oil-spill response operations globally
Fleet	▪ Operates **31 vessels** (JV: 5) including: • 8,000 – 16,000 BHP AHTS • 2,200 – 4,100 DWT PSVs ▪ **Youngest deepwater and midwater AHTS/PSV fleets globally** ▪ **Average vessel age of 3.8 years**	▪ Operates **7 vessels** (JV: 1) with total capacity of 2,112 persons ▪ **Capacity expected to increase to 3,100 persons by end 2015** ▪ Average vessel age of 7.2 years	▪ Operates **45 vessels** (JV: 14) including: • 12,000 – 16,300 BHP AHTs • 4,000 – 8,000 BHP AHTs • Barges, including submersible barges and launch barge • Average vessel age of 7.8 years	▪ Operates **33 vessels** (JV: 19) including: • 3,200 – 5,000 BHP Azimuth Stern Drive (ASD) harbour tugs • Heavy lift crane barges with safe working load capacities of 60 - 1,500 tonnes • Average vessel age of 9.6 years
Typical Contract Type	▪ Mix of short and long-term charters and spot contracts	▪ Long-term contracts	▪ Short-term charters or lump-sum project contracts	▪ MPA license to provide port towage services in Singapore ▪ Retainer agreements for emergency response services

Diverse Fleet Operating Across O&G Value Chain

	Exploration & Appraisal	Field Development	Operation & Maintenance	Decommissioning
 **Anchor Handling Tug Supply vessels (AHTS)** Tow and position drilling rigs	✓	✓	✓	
 **Anchor Handling Tugs (AHT)** Provides towage and construction support services	✓	✓	✓	✓
 **Platform Supply Vessels (PSV)** Transport materials and supplies	✓	✓	✓	
 **Barges** Transport large marine structures for floatover operations and launch of platform jackets		✓	✓	✓
 **Accommodation Vessels (AV)** Provides accommodation, lifting, catering, workshop, storage and heli-deck facilities.		✓	✓	✓

Downstream



Crane Barges
For heavy lift services



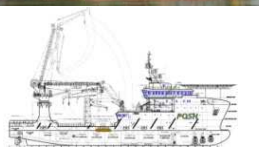
Harbour Tugs
Deployed in harbour towage



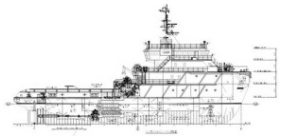
Emergency Response
Provides equipment and personnel for salvage, rescue and oil spill response operations

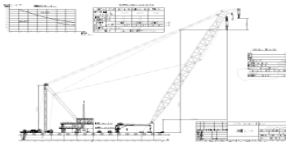
Vessels to be delivered – 2015 onward

As at 30 June 2015, we have a total of 15 newbuilds contracted for delivery

POSH			Expected Delivery Date	No. of Newbuilds	Size
OA	SSAV		▪ Q4 2015	▪ 1 DP3 SSAV	▪ 750-person
	AV		▪ Q3 2015	▪ 1 DP2 AV	▪ 238-person
			▪ Q2 2016	▪ 1 LCV	▪ 88 M
			▪ Q4 2016 ▪ Q1 2017	▪ 2 DP2 IMR vessels	▪ 89 M
OSV	AHTS		▪ Q3 2015	▪ 1 DP2 AHTS	▪ 8,000 BHP
	PSV		▪ Q2 2016 ▪ Q2 2016	▪ 2 DP2 PSV	▪ 70 M
HSER	Tug		▪ Q3 2016 ▪ Q3 2016	▪ 2 ASD Harbour Tugs	▪ 5,000 BHP ▪ 5,000 BHP

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

POSH			Expected Delivery Date	No. of Newbuilds	Size
T & I	AHT		▪ Q1 2016 ▪ Q2 2016	▪ 2 AHT	▪ 6,600 BHP

JV		Expected Delivery Date	No. of Newbuilds	Size
Floating Crane Barge		▪ Q4 2015	▪ 1 Floating Crane Barge	▪ 500T Sheerleg
Tug		▪ Q2 2016	▪ 2 ASD Harbour Tugs	▪ 3,600 BHP

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