



PACC Offshore Services Holdings Ltd.

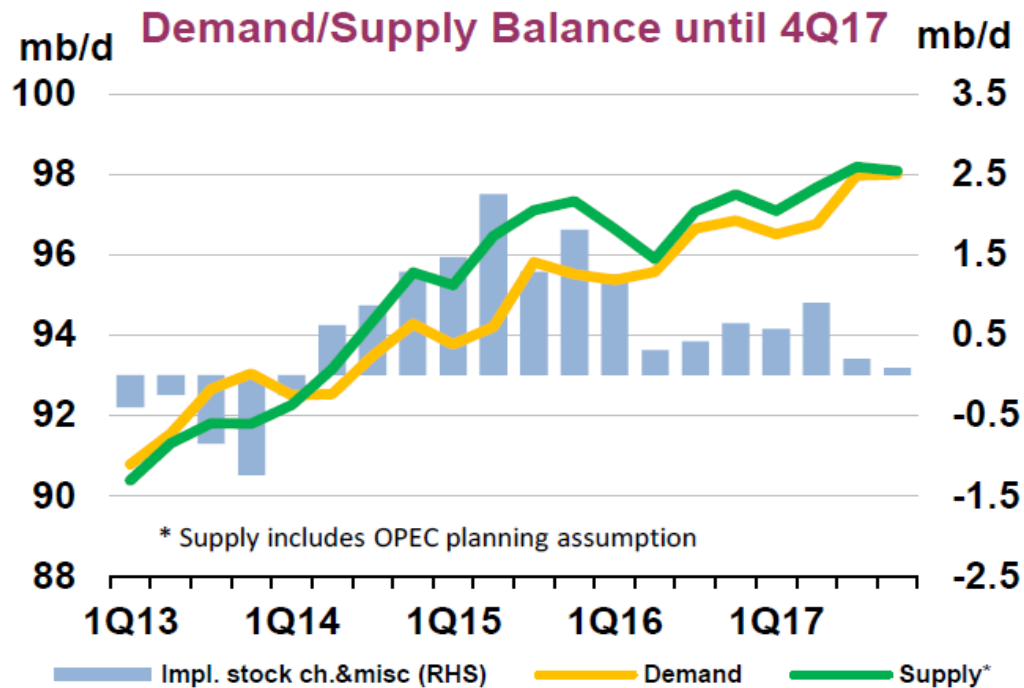
*Results Presentation
Q3 FY16 Results
4 November 2016*



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Industry outlook

- In the oil market, market rebalancing continues as an OPEC supply cut is being anticipated
- US tight oil supply expected to decline this year along with the decline in oil prices
- In the short term, challenging market conditions to continue with overcapacity of vessels



Key Highlights

- Q3 FY2016 revenue at US\$41.6 million; a decrease of 48% amid continued challenging industry conditions
- Net cash generated from operations of US\$8.5 million and positive EBITDA of US\$9.0 million in Q3 FY16, a decrease of 72% from US\$31.8 million recorded in Q3 FY15
- Loss in Q3 and 9M FY16 due to lower utilisation and charter rates
- Maintain strong financial position with Net Debt/Equity of 0.6x
- Continue new build programme for our Middle East contracts next year

FINANCIAL HIGHLIGHTS



Group Financial Highlights

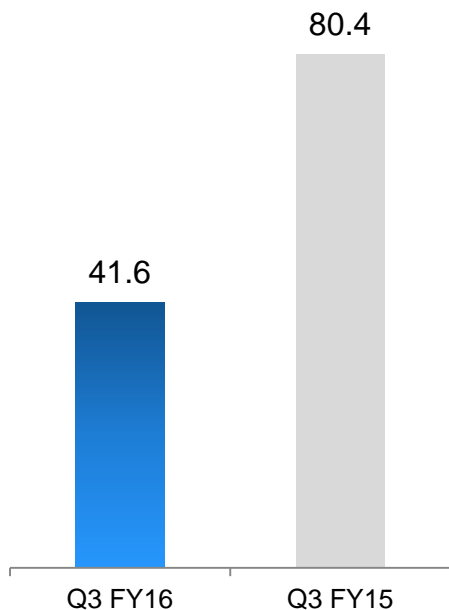
SUMMARY

US\$'M	Q3 FY16	Q3 FY15	Change (%)	9M FY16	9M FY15	Change (%)
Revenue	41.6	80.4	-48	146.4	209.0	-30
Gross Profit	(1.4)	18.4	NM	14.4	40.8	-65
Other Expense/Income	(0.4)	3.6	NM	2.6	8.9	-71
Share of JV Results	(0.06)	0.9	NM	1.7	2.9	-41
Net (Loss)/Profit after Tax attributable to shareholders	(12.9)	12.6	NM	(26.0)	18.7	NM
EBITDA	9.0	31.8	-72	36.0	71.7	-50

Group Financial Highlights – Q3 FY16

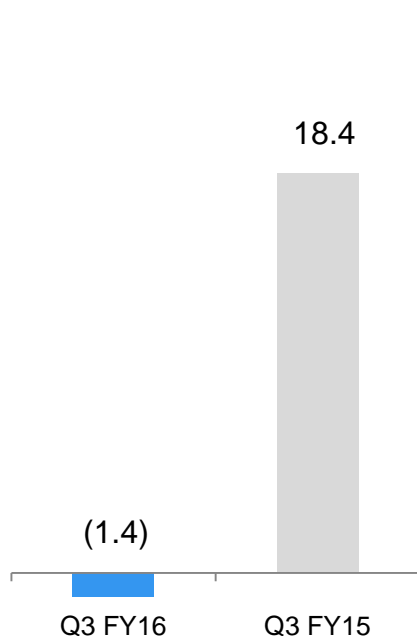
Gross Revenue (US\$'M)

YoY -\$38.8M (-48%)



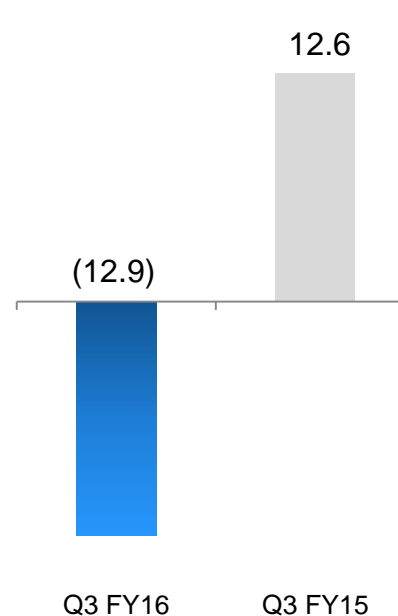
Gross Profit (US\$'M)

YoY -\$19.8M (NM)



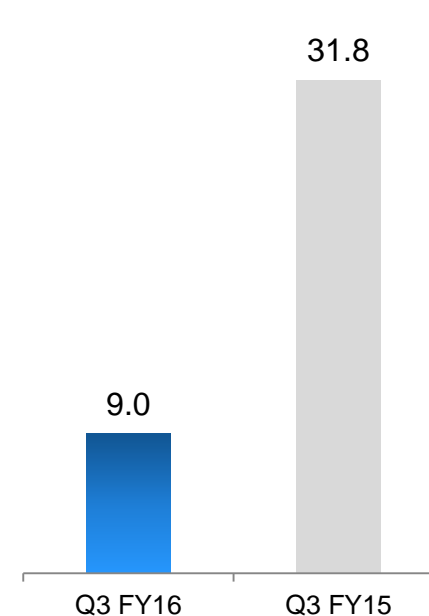
(NLAT)/NPAT¹ (US\$'M)

YoY -\$25.5M (NM)



EBITDA (US\$'M)

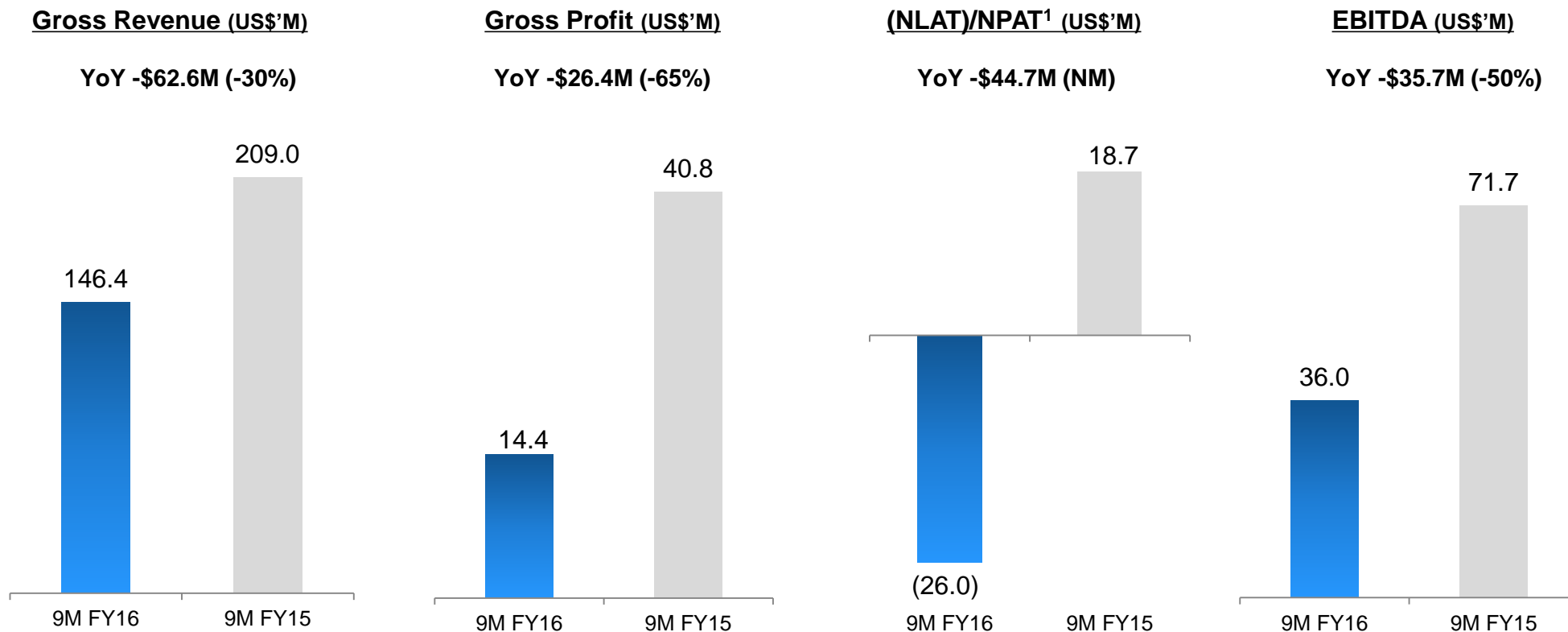
YoY -\$22.8M (-72%)



- Revenue decreased due to lower utilisation and charter rates across the major business segments.
- Decrease in Gross Profit was partly offset by lower operating cost.
- Net Loss was due to lower operating profit, lower contribution from JVs, higher finance cost and loss on vessel disposals instead of gains

Note 1: Net (Loss)/Profit After Tax attributable to shareholders

Group Financial Highlights – 9M FY16



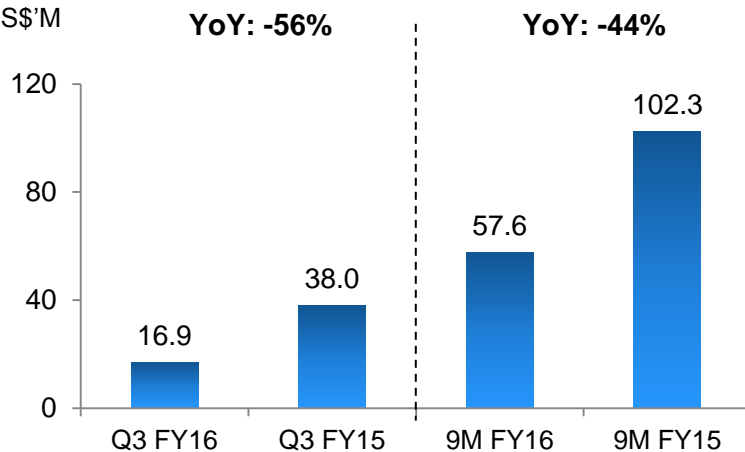
- Revenue decreased mainly due to lower charter rates and utilisation across business segments
- Net Loss instead of Net Profit due to lower operating profit, additional allowance for doubtful debt, higher finance cost and lower contribution from other income and JVs

Note 1: Net (Loss)/Profit After Tax attributable to shareholders

Financial Highlights - OSV

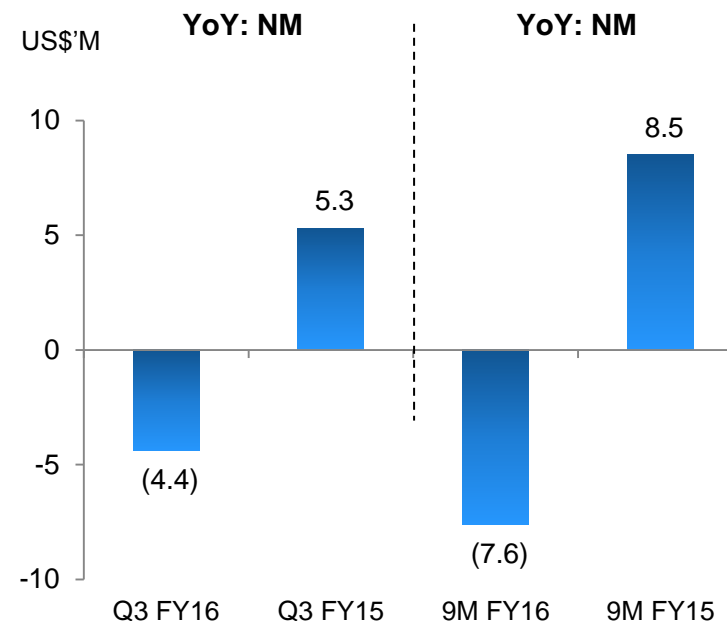
Revenue

US\$'M



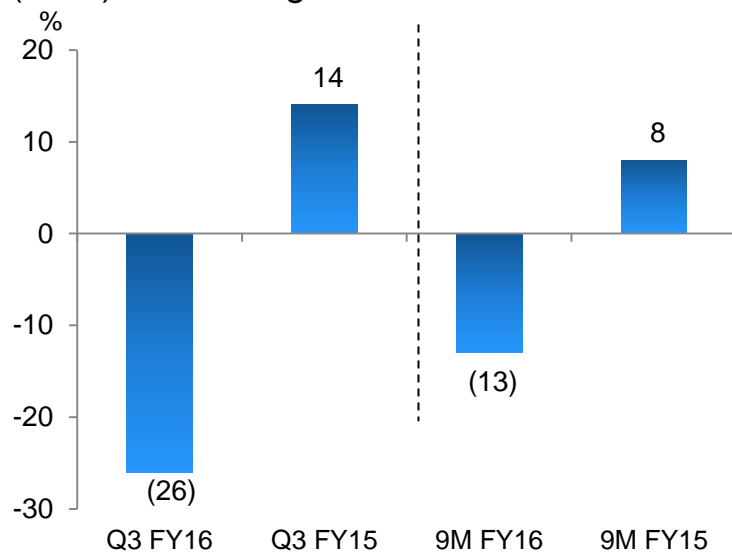
Gross (Loss)/Profit

US\$'M



Gross (Loss)/Profit Margin

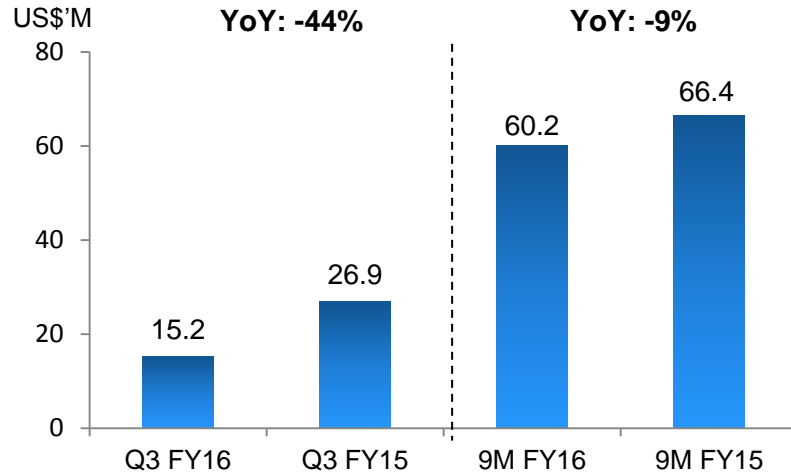
%



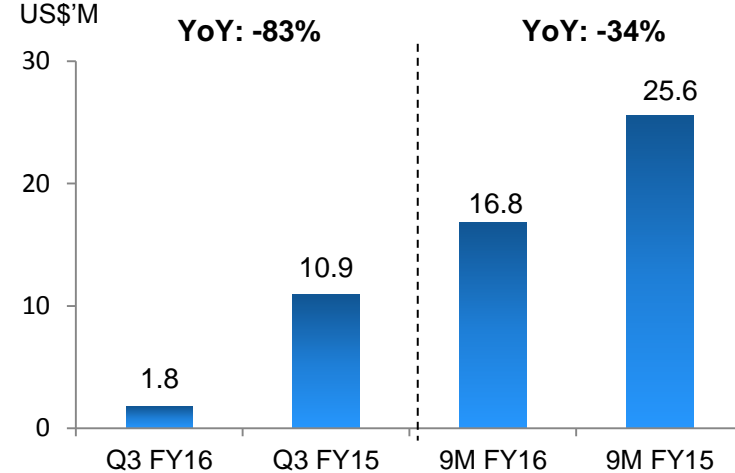
- Revenue decreased due to lower charter rates and utilisation levels
- Lower rates arose from discounts on rates previously contracted and reduced rates of new contracts
- Utilisation rate was 59% in Q3 FY16 compared to 74% in Q3 FY15

Financial Highlights - OA

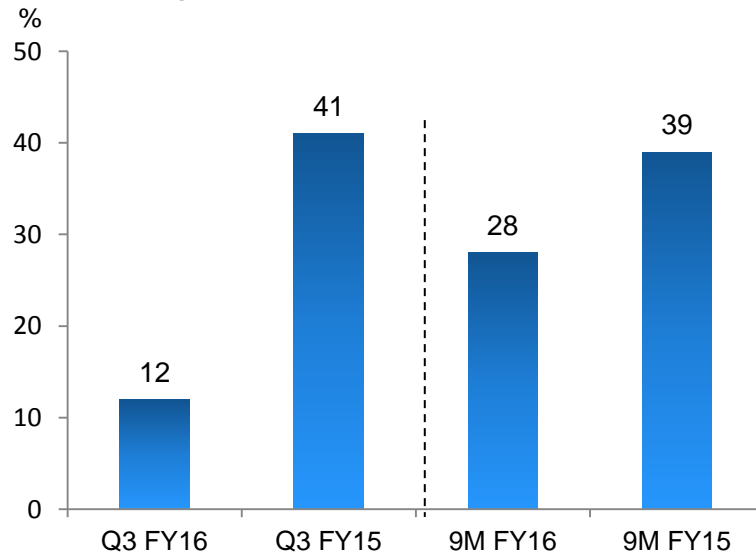
Revenue



Gross Profit



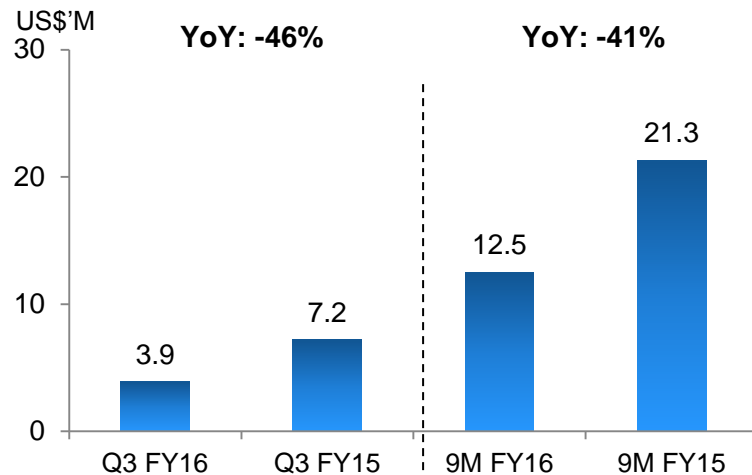
Gross Profit Margin



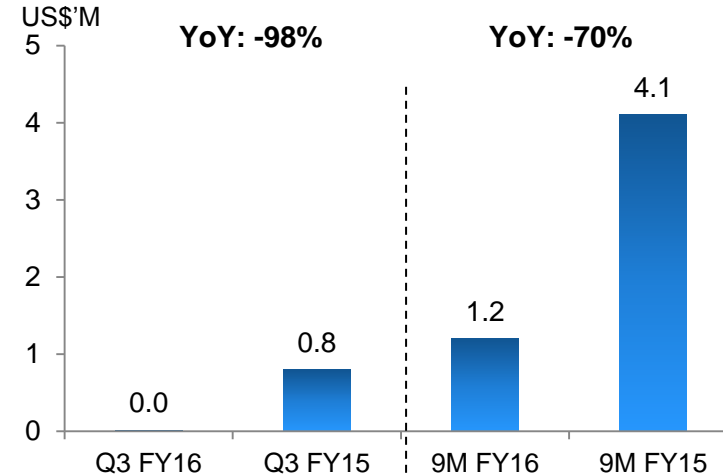
- Revenue decreased due to lower charter hire for POSH Xanadu on contract extension, lower utilisation and the early termination of two contracts as a result of non-payment of charter
- Gross profit was impacted by higher depreciation charges in Q3 FY16
- Utilisation rate was 36% in Q3 FY16 compared to 74% in Q3 FY15

Financial Highlights – T&I

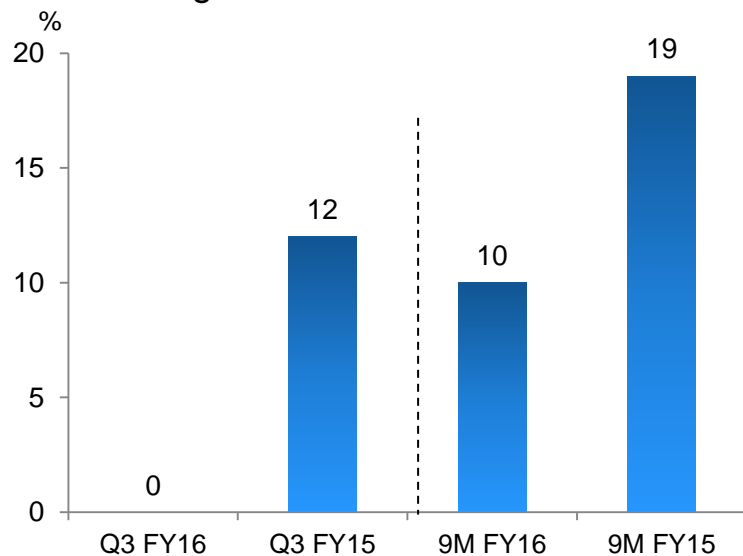
Revenue



Gross Profit

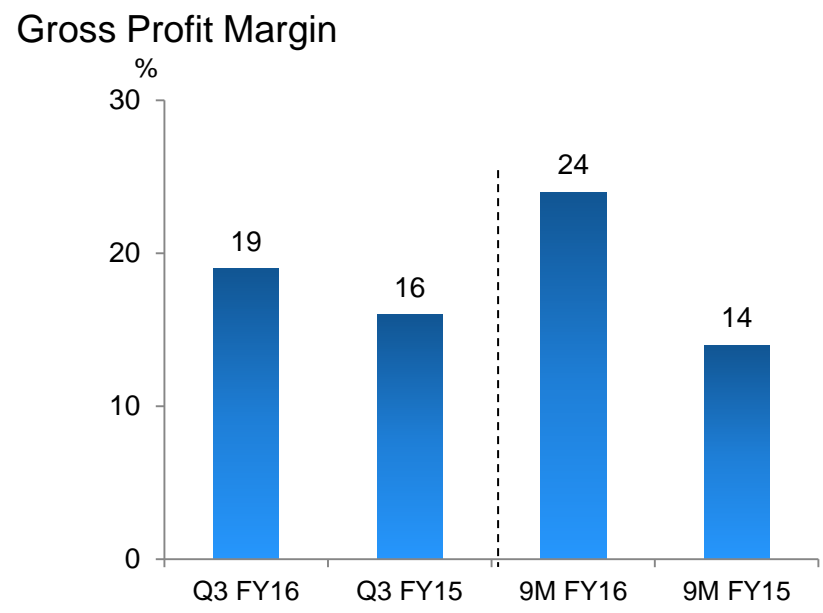
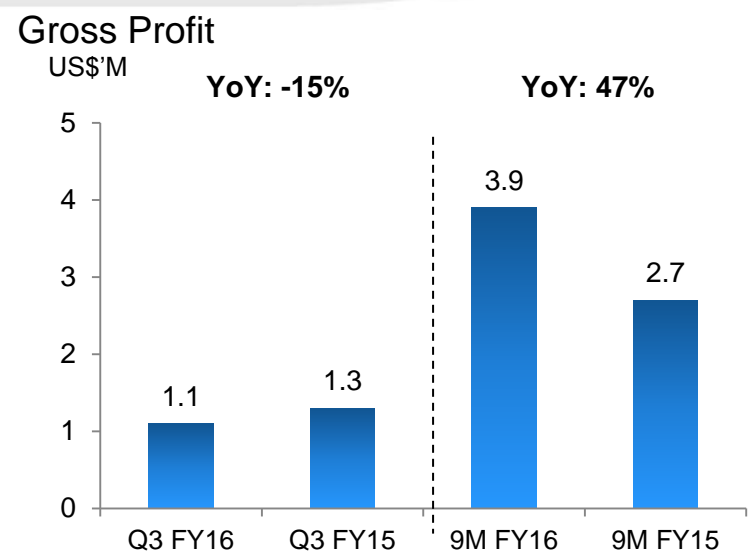
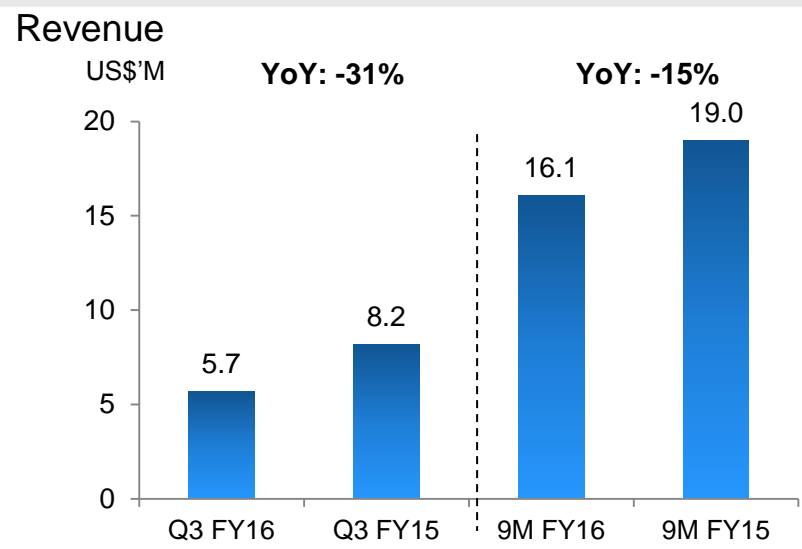


Gross Profit Margin



- Revenue decreased due to lower charter rates and utilisation arising from reduced capital expenditure and the cancellation of projects by oil companies
- Utilisation rate was 38% in Q3 FY16 compared to 60% in Q3 FY15

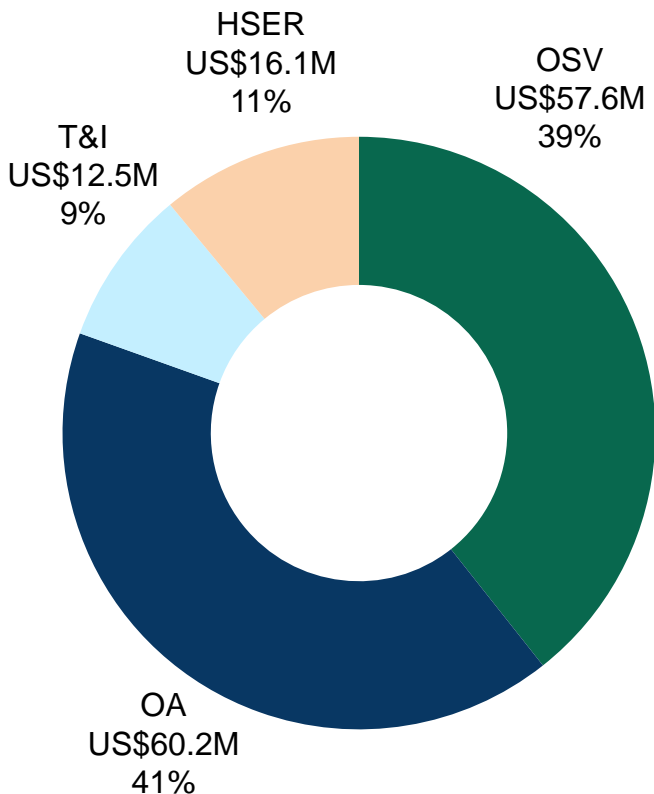
Financial Highlights – HSER



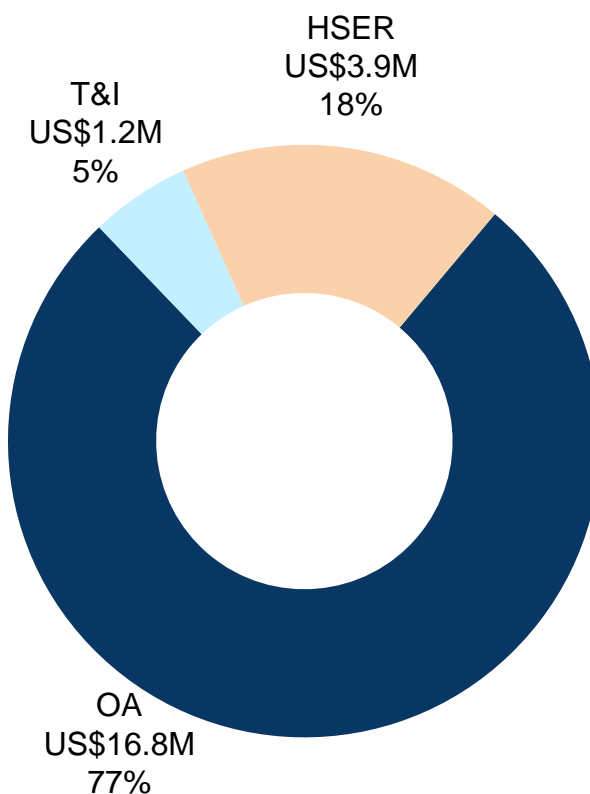
- The lower revenue was due to the absence of salvage jobs
- Increase in gross profit was mainly due to reduction in expenses

Segments results¹ & Assets deployed²

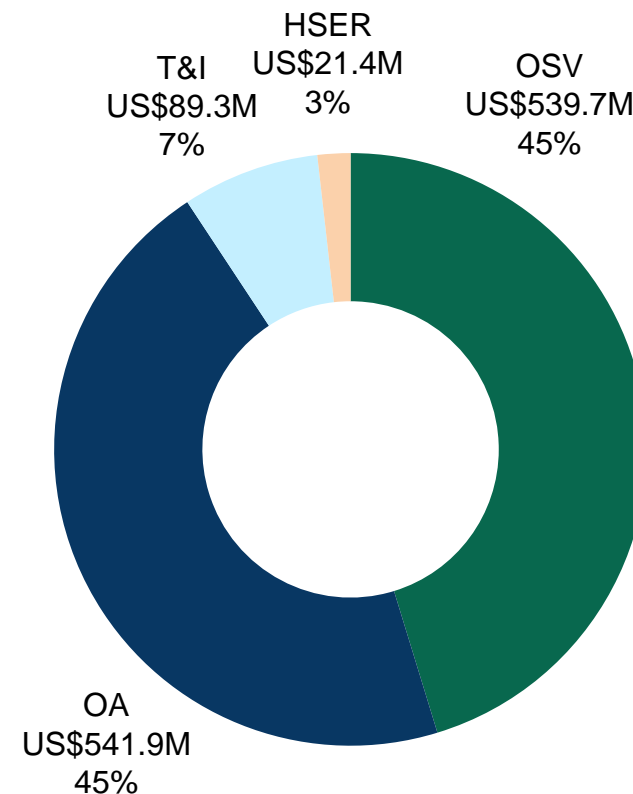
**Gross Revenue
(US\$146.4M)**



**Gross Profit
(US\$14.4M³)**



**Assets deployed
(US\$1,192.3M)**



Note 1: For period 9M FY16

Note 2: As at 30 September 2016

Note 3: OSV made a gross loss of US\$7.6M in 9M FY16

Capital Structure

US\$'000	30 Sep 2016	31 Dec 2015
Net Debt	613,640	545,951
Equity	1,026,283	1,061,043
Net Debt /Equity	60%	51%

- The Group has a net current liability of US\$133.6M mainly due to bank borrowings due within a year
- POSH has available undrawn bank lines of approximately US\$365.8M as of 30 September 2016

	Wholly Owned	JVs	Under Construction/Order	
Number of vessels ¹	74	40	19	
Net book value ²	\$1,192.3M	-	-	
CAPEX commitment	-	-	\$134.9M Paid ²	\$151.6M Outstanding

- As at 30 September 2016, the Group has 19 vessels under construction/order with expected delivery by 2017, of which 11 are for the Middle East with firm 5 years plus extensions contract.
- The Group is taking delivery of 7 vessels² in Q4 FY16 with remaining payments approximating \$27.0M

Note 1: See Appendix for details

Note 2: As of 30 Sep 2016

Business Strategy – staying focused

- **Commitment to operational excellence** – training and vessel maintenance to improve competitive position
- **Asset reprofiling and talent retention** – reprofiling our vessels and talent retention for the long term
- **Seek growth in new markets to capitalise on opportunities** – new growth markets in the Middle East and South Asia
- **Maintain a strong balance sheet** – stay prudent in capital and cash management. This is important as oil majors are disqualifying companies with weak financials

Appendix

Overview of Business Segments

	Offshore Supply Vessels (OSV)	Offshore Accommodation (OA)	Transportation and Installation (T&I)	Harbour Services and Emergency Response (HSER)
Description	<ul style="list-style-type: none"> ▪ AHTS and PSV: Mid to deepwater oilfield operations in exploration, development, construction and production phases 	<ul style="list-style-type: none"> ▪ Offshore accommodation, workshop and storage facilities: Offshore construction and maintenance operations 	<ul style="list-style-type: none"> ▪ AHT: Ocean towage of FPSOs and large offshore structures; shallow-water pipelay and construction works ▪ Barge: Transportation, floatovers and launching of platform jackets 	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Operates 29 vessels (JV: 4) including: <ul style="list-style-type: none"> • 8,000 – 16,000 BHP AHTS • 2,346 – 4,100 DWT PSVs ▪ Youngest deepwater and midwater AHTS/PSV fleets globally ▪ Average vessel age of 4.9 years 	<ul style="list-style-type: none"> ▪ Operates 9 vessels (JV: 1) with total capacity of 3,100 persons ▪ Average vessel age of 7.7 years 	<ul style="list-style-type: none"> ▪ Operates 42 vessels (JV: 13) including: <ul style="list-style-type: none"> • 12,000 – 16,300 BHP AHTs • 4,000 – 8,000 BHP AHTs • Barges, including submersible barges and launch barge • Average vessel age of 8.0 years 	<ul style="list-style-type: none"> ▪ Operates 34 vessels (JV: 22) including: <ul style="list-style-type: none"> • 3,200 – 4,000 BHP Azimuth Stern Drive (ASD) harbour tugs • Heavy lift crane barges • Average vessel age of 8.2 years
Typical Contract Type	<ul style="list-style-type: none"> ▪ Mix of short and long-term charters and spot contracts 	<ul style="list-style-type: none"> ▪ Long-term contracts 	<ul style="list-style-type: none"> ▪ Short-term charters or lump-sum project contracts 	<ul style="list-style-type: none"> ▪ MPA license to provide port towage services in Singapore ▪ Retainer agreements for emergency response services



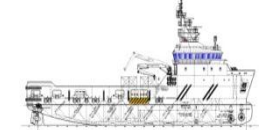
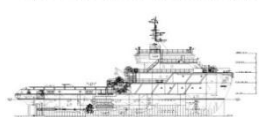
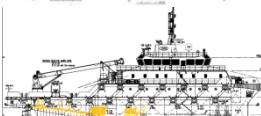

Fleet Optimisation Program

Types of Vessels	Current Fleet		New Vessels Under Construction/Committed
	Wholly Owned	Owned by JVs	
AHTS	12	4	7
PSV	13	-	2
IMR	-	-	2
AHT	11	9	1
Towing Tugs	4	-	-
Barges	14	4	-
SSAV	2	-	-
Accommodation Vessels	6	1	1
Maintenance Utility Vessels	-	-	4
Harbour Tugs	9	19	2
Crane Barge	-	3	-
Utility Workboats	3	-	-
Total as at 30 Sept 2016	74	40	19

- Young fleet of customized 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

Vessels to be delivered – Q4 FY16 onward

As at 30 September 2016, we have a total of 19 newbuilds contracted for delivery

POSH		Expected Delivery Date	No. of Newbuilds	Size	Contract	
OA	AV		<ul style="list-style-type: none"> Q2 FY17 	<ul style="list-style-type: none"> 1 LCV 	<ul style="list-style-type: none"> 88 M 	
			<ul style="list-style-type: none"> Q2 FY17 Q3 FY17 	<ul style="list-style-type: none"> 2 DP2 IMR vessels 	<ul style="list-style-type: none"> 89 M 	
OSV	AHTS		<ul style="list-style-type: none"> Q4 FY16 Q3 FY17 Q4 FY17 	<ul style="list-style-type: none"> 1 DP2 AHTS 6 Shallow draft AHTS 	<ul style="list-style-type: none"> 8,000 BHP 5,220 BHP 	<ul style="list-style-type: none"> Firm 5 years plus 2 years extension
	PSV		<ul style="list-style-type: none"> Q4 FY16 Q2 FY17 	<ul style="list-style-type: none"> 2 DP2 PSV 	<ul style="list-style-type: none"> 4,100 DWT 	
T & I	AHT		<ul style="list-style-type: none"> Q4 FY16 	<ul style="list-style-type: none"> 1 AHT 	<ul style="list-style-type: none"> 6,600 BHP 	
	MUV		<ul style="list-style-type: none"> Q4 FY16 Q1 FY17 Q2 FY17 	<ul style="list-style-type: none"> 4 MUV 	<ul style="list-style-type: none"> 2,597 – 3,152 BHP 	<ul style="list-style-type: none"> Firm 5 years plus 2 years extension
HSER	Tug		<ul style="list-style-type: none"> Q4 FY16 	<ul style="list-style-type: none"> 2 ASD Harbour Tugs 	<ul style="list-style-type: none"> 5,000 BHP 	

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