



Fundamental **Resilience**

ASL Marine Results Presentation
FY2014



Presentation Outline

- Financial Review
- Operations Review
- Business Outlook & Strategy





Financial Review



Results Snapshot

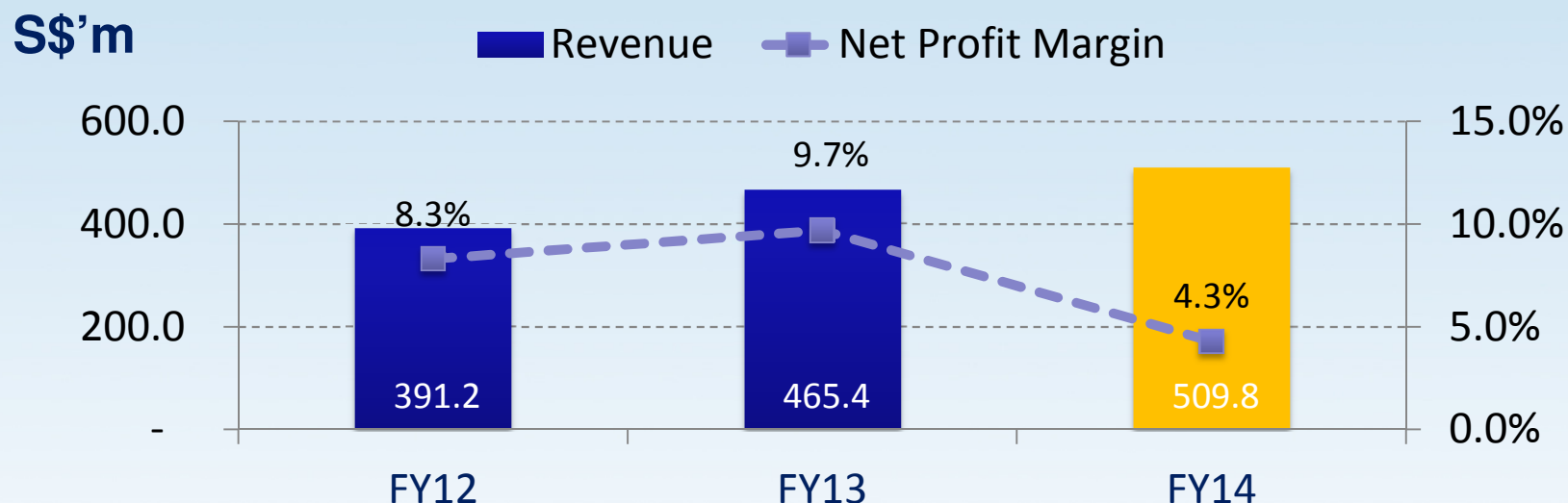
	4QFY14 (S\$m)	4QFY13 (S\$m)	Chg %	FY14 (S\$m)	FY13 (S\$m)	Chg %
Revenue	26.2	149.5	(82.5)	509.8	465.4	9.5
Gross Profit	6.4	23.3	(72.5)	58.8	83.6	(29.6)
Gross Profit Margin	24.4%	15.6%	-	11.5%	18.0%	-
Net Profit attributable to Shareholders	(3.0)	14.4	Nm	22.1	44.5	(50.3)
Net Profit Margin	Nm	9.6%	-	4.3%	9.6%	-
Basis EPS (cents) ¹	(0.72)	3.43	Nm	5.27	10.60	(50.3)

¹ Based on weighted average of 419,511,294 shares in issue

Nm denotes not meaningful

3 Year Financial Summary

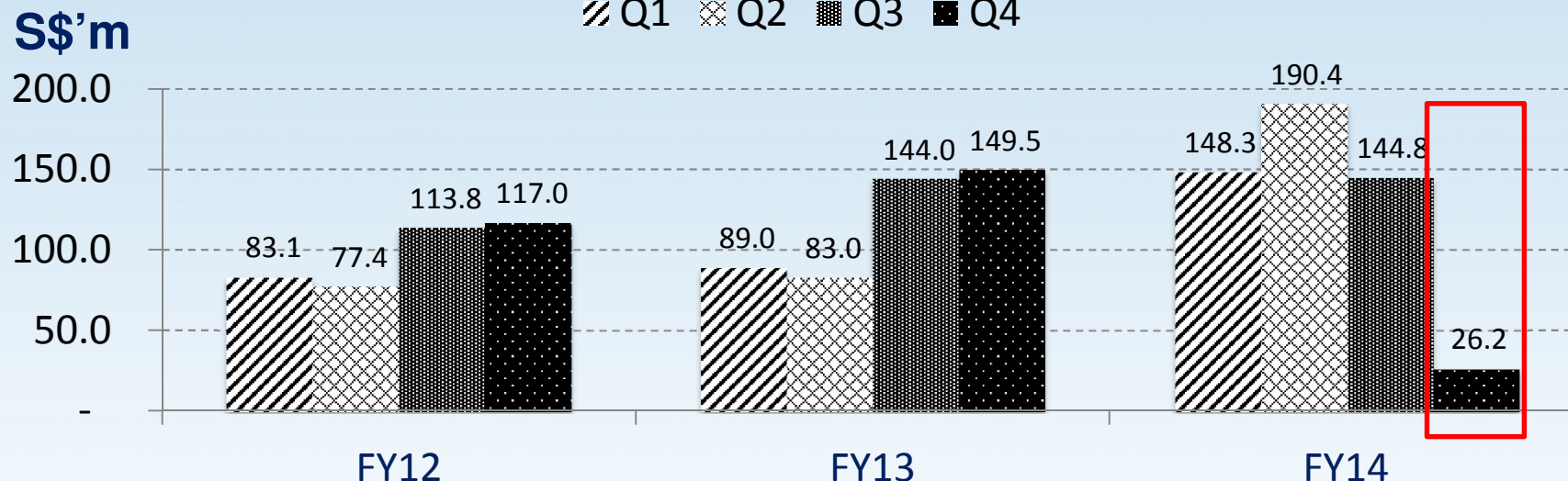
Revenue Trend



- Total Group revenue for FY14 rose by S\$44.4 million or 9.5% to S\$509.8 million compared to FY13 mainly due to Shiprepair and conversion segment posting a record year and also as the Engineering segment grew significantly

3 Year Financial Summary

Quarterly Revenue Trend

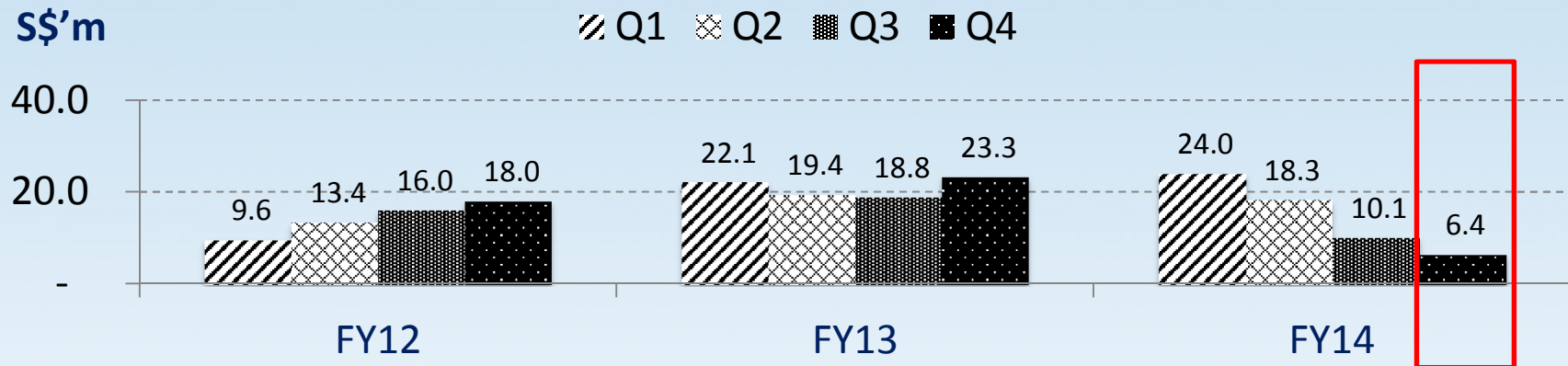


- As a result of the cancellation of one OSV vessel and delayed delivery in the other 2 OSV vessels, impact on FY14 is significant, especially on the 4th quarter. All revenue previously booked on the cancelled OSV has had to be reversed in 4QFY14.

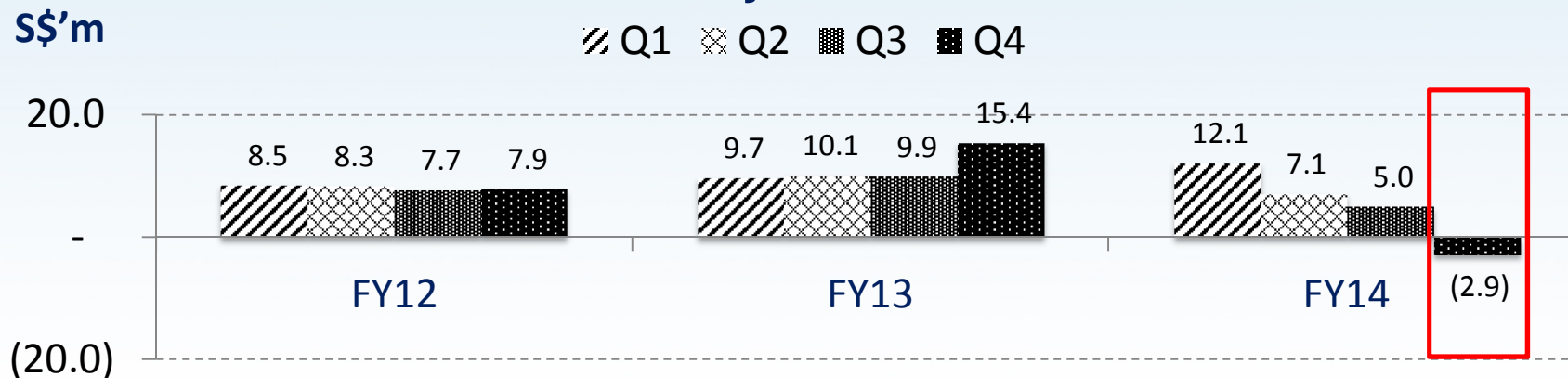
- Group believes the 4th quarter's performance was an anomaly and expects 1st quarter of FY15 to revert back to normal

3 Year Financial Summary

Quarterly Gross Profit Trend



Quarterly NPAT Trend



- Cancellation of one OSV vessel and delayed deliveries in another two in 4th quarter were the main reasons for the 50.3% decline in net profit for FY14, resulting in a lower net profit margin.



Business Operations Snapshot (Revenue and Gross Profit Margin)

Business Segments	4QFY14		4QFY13		FY14		FY13	
	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)	Revenue (S\$m)	GPM (%)
Shipbuilding	(5.3)	Nm	99.0	10.8	278.3	2.6	289.4	13.0
Shiprepair and Conversion	4.6	6.7	26.8	31.4	104.5	18.9	72.4	29.4
Shipchartering	15.7	15.6	17.2	24.1	70.1	25.3	84.1	27.4
Engineering	11.2	54.1	6.5	1.3	56.9	25.1	19.5	8.7
Total	26.2	24.4	149.5	15.6	509.8	11.5	465.4	18.0

Shipbuilding

Breakdown of revenue:	FY14 (No. of vessels)	FY13 (No. of vessels)	FY14 (S\$'000)	FY13 (S\$'000)	Chg (%)
Offshore Support Vessels	21	17	155,089	220,890	(29.8)
Dredgers	1	1	115,601	36,942	212.9
Tugs	12	5	58,358	21,622	169.9
Barges and others	4	24	1,708	9,978	(82.9)
Cancellation of OSV	(1)	-	(52,428)	-	Nm
Total	37	47	278,328	289,432	(3.8)



Shipbuilding

- Revenue decreased by 3.8% y-o-y to S\$278.3 million in FY2014 mainly due to the cancellation of one (1) OSV in 4th quarter, barring which revenue would have increased by 14.3% to S\$330.8 million. The Group worked on 38 vessels in FY14 with more focus on Offshore Support Vessels
- Gross profit margin decreased to 2.6% in FY14 (FY13: 13.0%) mainly due to the provision of liquidated damages payable, a reversal of gross profit due to the cancellation of the OSV contract and overrun in subcontractors' costs.



Shiprepair and Conversion

Breakdown of revenue:	4QFY14 (S\$'000)	4QFY13 (S\$'000)	Chg %	FY14 (S\$'000)	FY13 (S\$'000)	Chg %
Shiprepair & conversion	4,394	26,638	(83.5)	103,300	70,907	45.7
Other marine related services	217	142	52.8	1,174	1,448	(18.9)
Total	4,611	26,780	(82.8)	104,474	72,355	44.4



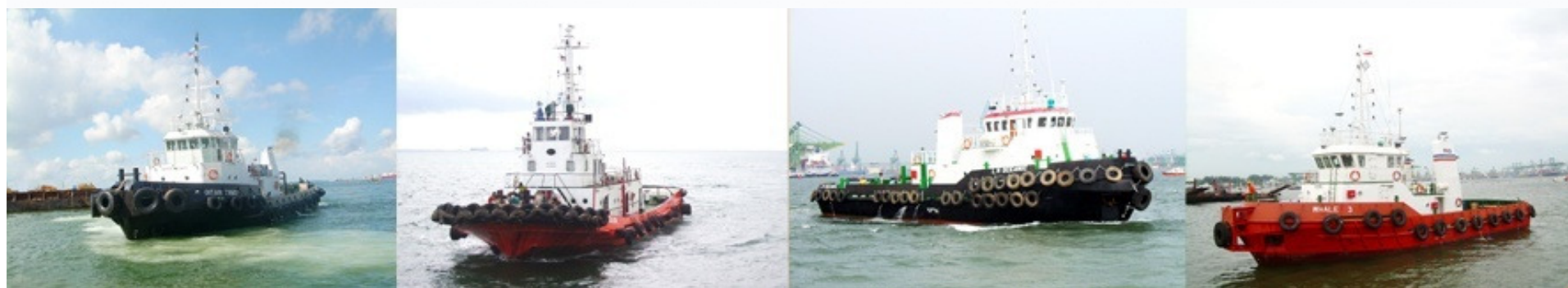
Shiprepair and Conversion

- Revenue for the segment was a record year with a 45.7% increase y-o-y to S\$103.3 million in FY14, mainly due to the completion of a rig repair work and the major conversion work of a crude oil tanker
- Lower revenue recorded in 4QFY14 as several units of service rig has not been completed, as such revenue is expected to book in FY15.
- The exceptionally high gross profit margin of 29.4% for FY13 was due to write-back of sub-contractor costs for prior year's completed projects, excluding the write back the gross profit margin would have been 22.0%, compared to 18.9% in FY14



Shipchartering

Breakdown of revenue:	4QFY14 (S\$'000)	4QFY13 (S\$'000)	Chg %	FY14 (S\$'000)	FY13 (S\$'000)	Chg %
Spot charter	10,089	13,663	(26.2)	44,451	49,037	(9.4)
Long-term charter	5,234	3,051	71.6	20,684	13,251	56.1
Charter income earned by PT CNI	-	-	Nm	-	17,127	Nm
Total charter	15,323	16,714	(8.3)	65,135	79,415	(18.0)
Trade sales	411	515	(20.2)	4,926	4,730	4.1
Total	15,734	17,229	(8.7)	70,061	84,145	(16.7)



Shipchartering

- Revenue decreased by 16.7% to S\$70.1 million in FY14 mainly due to the non-consolidation of PT Capitol Nusantara Indonesia (“PT CNI”) after the partial disposal of 24% effective interest in 3QFY13. Excluding the revenue of S\$17.1 million contributed by PT CNI during FY13, the y-o-y revenue growth would have been 4.6%
- Gross profit margin decreased slightly from 27.9% (adjusted margin excluding PT CNI) to 25.3% during FY14 compared to FY13 mainly due to lower revenue generated from charter of high horse power tugs as well as the off-hire of an AHT.





Statement of Financial Position

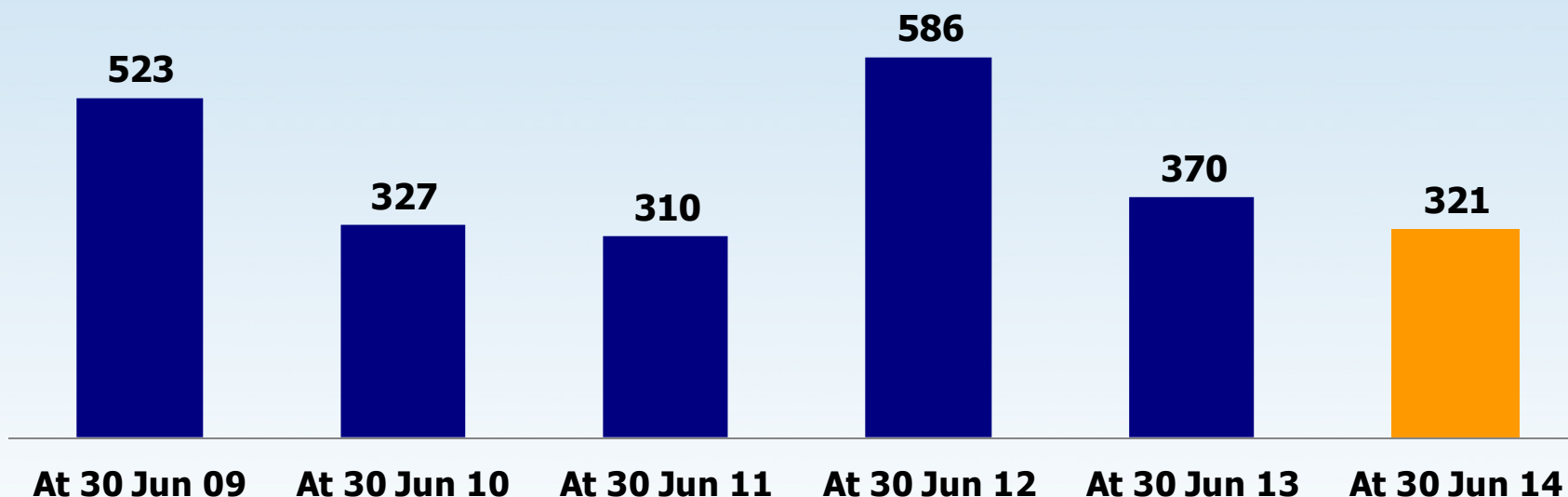
	30 Jun 14 (S\$m)	(Restated) 30 Jun 13 (S\$m)	Chg %
Non-current Assets	584.2	515.8	13.3
Currents Assets	632.8	609.0	3.9
Bank Balances, Deposits and Cash	73.2	88.2	(17.0)
Non-current Liabilities	297.4	226.9	31.0
Current Liabilities	503.1	493.2	2.0
Total Borrowings	545.8	469.8	16.2
Total Equity	416.5	404.7	2.9
Net Gearing Ratio (times)	1.15	0.96	19.8
Current Ratio (times)	1.26	1.23	2.4
Interest Service Coverage Ratio (times)	5.85	9.50	(38.5)



Operations Review

Shipbuilding Order Book

(S\$m)



- Total outstanding order book of S\$321 million comprising of 28 vessels, including Offshore Support Vessels, AHTS, self-propelled cutter suction dredger, tugs and barges



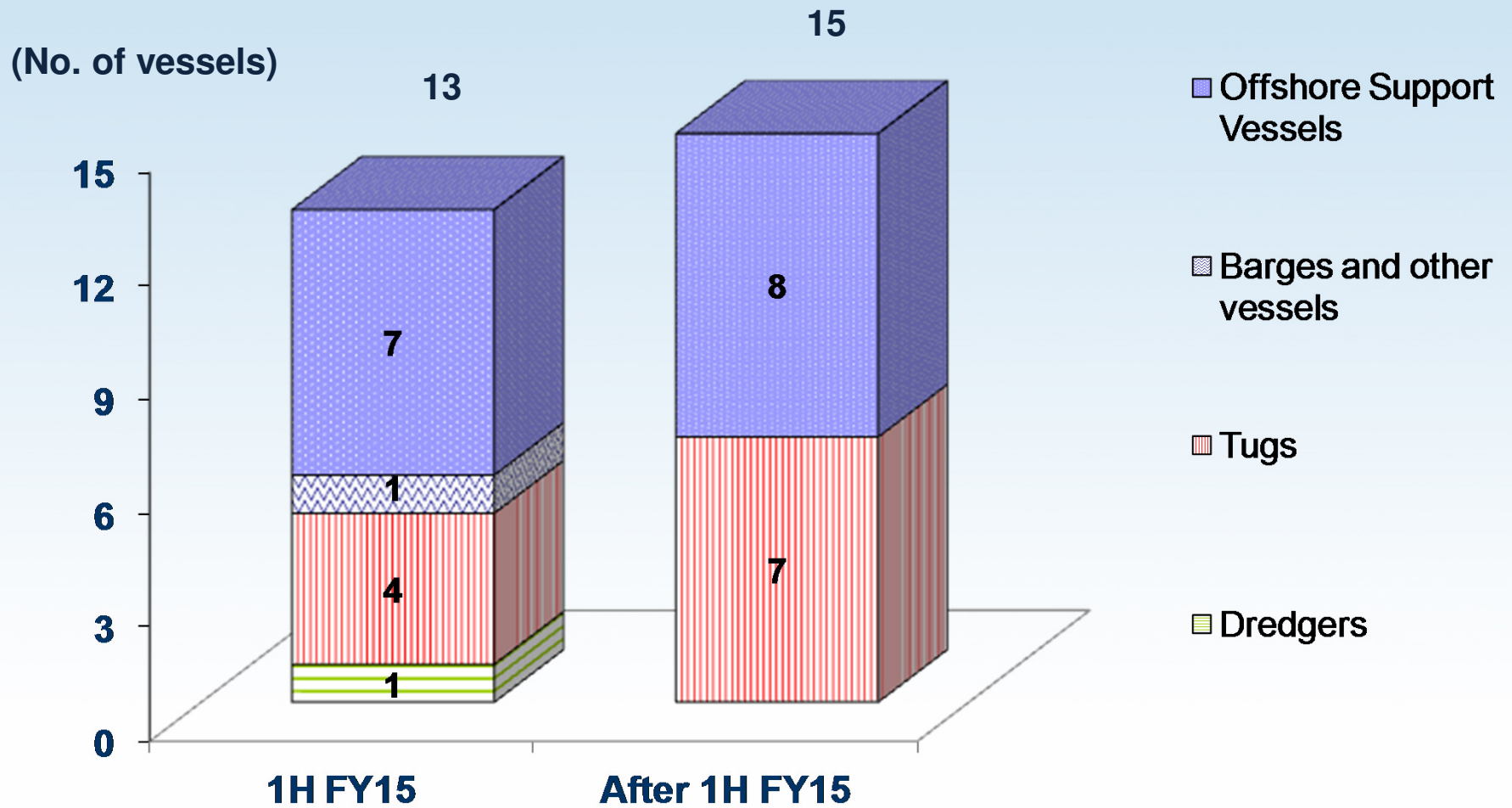
Shipbuilding Order Book

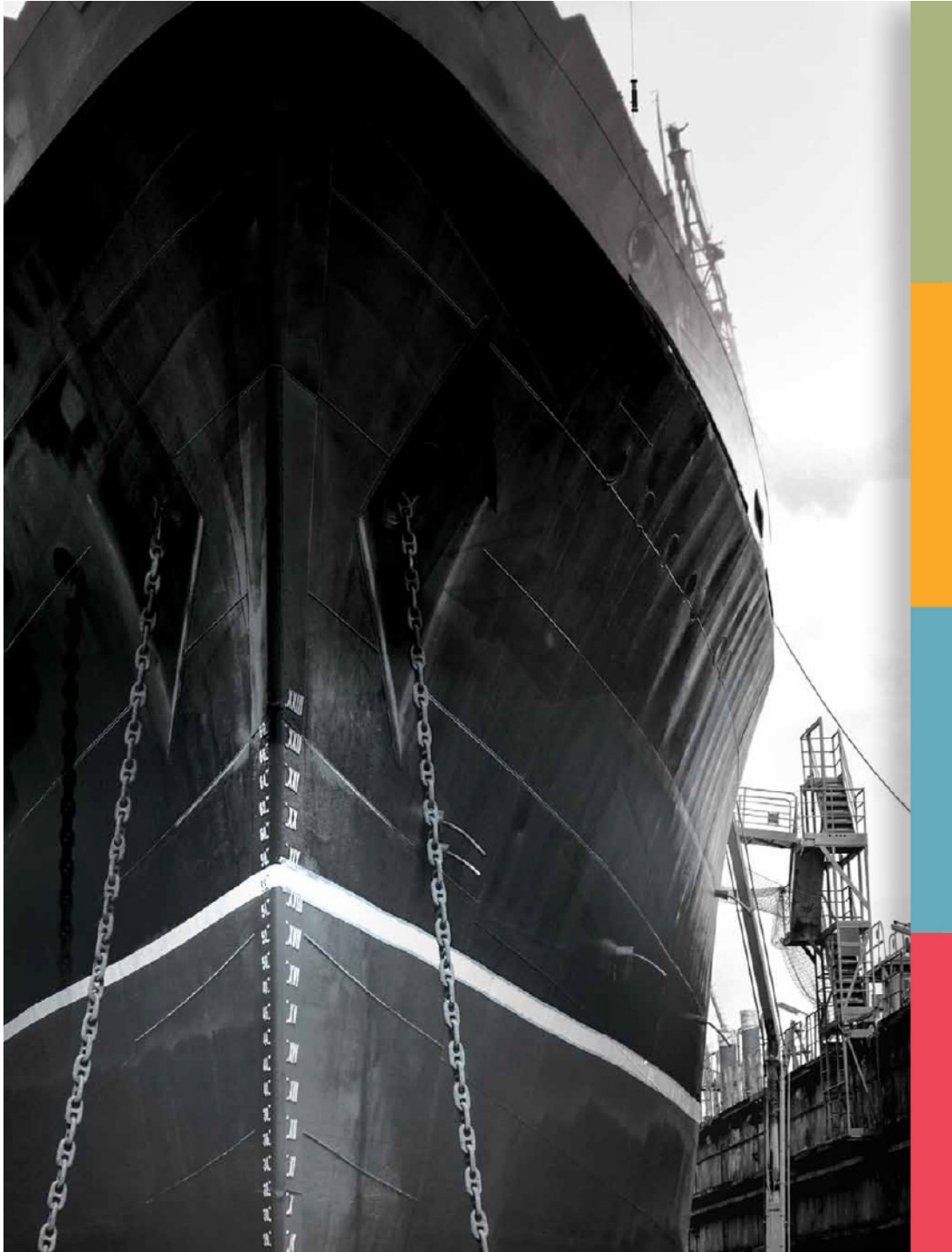
		1H FY15		After 1HFY15		Total	
Type of Vessels	Units	S\$m	%	S\$m	%	S\$m	%
Offshore Support Vessels ¹	15	29	9	110	34	139	43
Tugs ²	11	27	8	143	45	170	53
Dredgers and Barges	2	12	4	-	-	12	4
Total	28	68	21	253	79	321	100

¹ Offtake Support & Supply Vessel, Emergency Response & Rescue Vessels and Platform Supply Vessels

² Diesel Electric Hybrid ASD Tugs

Vessel Delivery Schedule



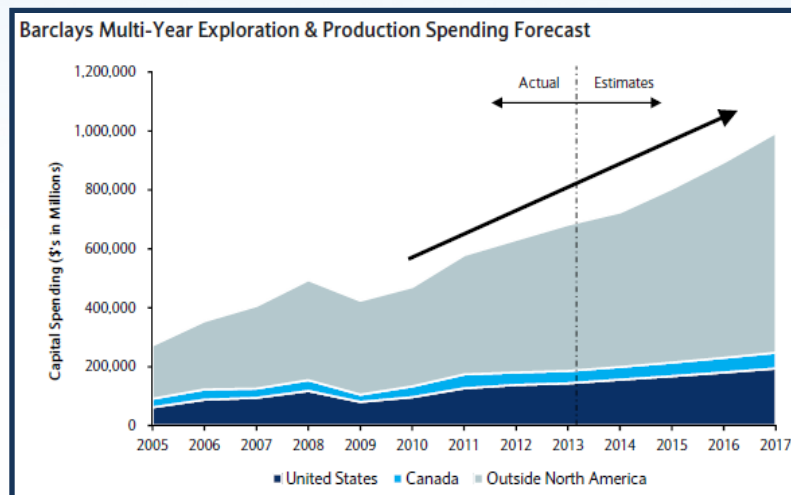


Business Outlook & Strategy

Business Outlook & Strategy

Overall

- Global oil & gas exploration and production spending poised to reach record high of US\$723 billion in 2014
- Global rig fleet increased from 3,390 units in Dec 2012 to 3,478 in Dec 2013. In addition, the 134 jack up rigs on order as at Dec 2013 bodes well for the outlook for chartering and new building of OSVs in the coming years
- Healthy level of offshore activities in Indonesia is expected to be beneficial to our Indonesia shipyards due to the cabotage laws regarding local content
- Remains mindful of competition from Chinese shipyards



Source: Barclays Global E&P Spending Outlook, 2014



Source: Barclays Global E&P Spending Outlook, 2014

Business Outlook & Strategy

Shipbuilding

- Outstanding order book of S\$321 million for 28 vessels – comprised mainly of offshore support vessels, AHTS, OSV, dredger, seismic support vessel, escort tug and barges
- Leveraging on the increased activities within the region and buoyant outlook of the offshore and marine sector, the Group has taken a proactive approach to enhance order book on a build-to-stock basis. Five vessels are under construction at the moment and more vessels will be added later
- Recent acquisition of a 12.2 ha shipyard in Batam will increase presence and competitive advantage in key target market Indonesia

Shiprepair and Conversion

- Scale up repair and conversion capabilities and improve turnaround time to maximise shipyard utilisation level
- Focus will be on higher value offshore oil and gas repair and conversion projects such as oil rig, liftboat, subsea work vessel, FSO and FPSO

Business Outlook & Strategy

Shipchartering

- As at 31 December 2013, the Group had an outstanding order book of approximately \$74 million with respect to long-term shipchartering contracts
- Giving our attention to harbour/terminal operation (support of land reclamation and dredging projects in Indonesia and Singapore), marine transportation and offshore support sectors. Putting in effort to increase proportion of vessels on long term charter thus improving utilisation rate
- Strengthening our fleet of vessels by increasing the numbers of OSVs; complementary to build-to-stock shipbuilding strategy
- Increasing our share in Indonesian OSV market

Engineering

- Dredging companies will need to continuously invest in maintaining and up-grading their equipment
- Focus on dredge component business internationally

Business Outlook & Strategy

Capital Expenditure

- Total capex of S\$125 million in FY2014 comprised mainly:

	S\$'m
Vessels	77
Assets under construction for yard infrastructure and vessels	38
Plant and machinery	10

- Shipchartering operations have an outstanding delivery order for 14 new vessels worth approximately S\$42 million comprising :

Shipchartering outstanding delivery orders	Unit
Barges	8
Tugs	4
Landing Craft	2
Total	14

Share Price Information

As at	27 Aug 14	27 Aug 13
Share Price (S\$)	0.62	0.64
Price Earnings Ratio	6.48	5.93
Price / Net Asset Value per Share	0.97	0.67
Market Capitalization (S\$m)	260.1	268.5



ASL vs Indices



ASL's share price versus STI and FTSE Straits Times Oil and Gas Index (FSTOG) (for 27 Aug 13 to 27 Aug 14 – normalised graph based on %)



Thank You **Q&A**

