

3Q14
Results Presentation

10 November 2014

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BUSINESS OVERVIEW

Fast Growing Provider of Offshore Support Vessels and Integrated Marine Solutions

- **Integrated marine services** – vessel ownership, leasing and ship management services
- Own and operate **a young and growing fleet of offshore support vessels** comprising mostly Anchor Handling Tug vessels ("**AHT**"), Anchor Handling Tugs with Supply capability vessels ("**AHTS**") and Platform Supply Vessels ("**PSVs**").
- **Geographical coverage** across Asia Pacific, the Middle East, Latin America and West Africa
- Serve **oil majors and national oil companies** worldwide
- Helmed by **industry veterans** with relevant and complementary track records



GROUP STRUCTURE



Swiber Holdings Limited
Listed on Mainboard SGX-ST since 2006

23.36%

Rawabi Holding Co Limited
Service provider to the Oil and Gas Industry for the past 30 years

21.11%

Related Parties

7.60%

Public

47.93%

Vallianz

- Ship Management Services
- Vessel Chartering & Brokerage

As at 06 November 2014

STRONG MANAGEMENT



- Led by experienced management team with operations, design and market expertise



Raymond Goh
Non-Executive Chairman
> 20 years experience



Darren Yeo
Executive Director & CEO
> 20 years experience



Ling Yong Wah
Executive Director
> 25 years experience



Capt Lim Kean Hin
SVP , Fleet Management
> 40 years experience



Sim Tiong Kian
VP , Fleet Management
> 30 years experience



Phoon Kim Sin
CFO
> 20 years experience



Tony Goh
Technical Director
> 20 years experience



Shirley Tok
Financial Controller
> 15 years experience



Samantha Teo
Business Development Director
> 10 years experience



Charlton Chan
Director
Major Fabrication
> 40 years experience



Elisa Woodward
Director, New Building
> 10 years experience



Woo Chee Seng
Director, Operations
> 25 years experience

YOUNG AND GROWING FLEET



Own 33 Offshore Support Vessels



Solutions for the entire spectrum of offshore O&G projects

Exploration → Field Development → Production → Decommissioning

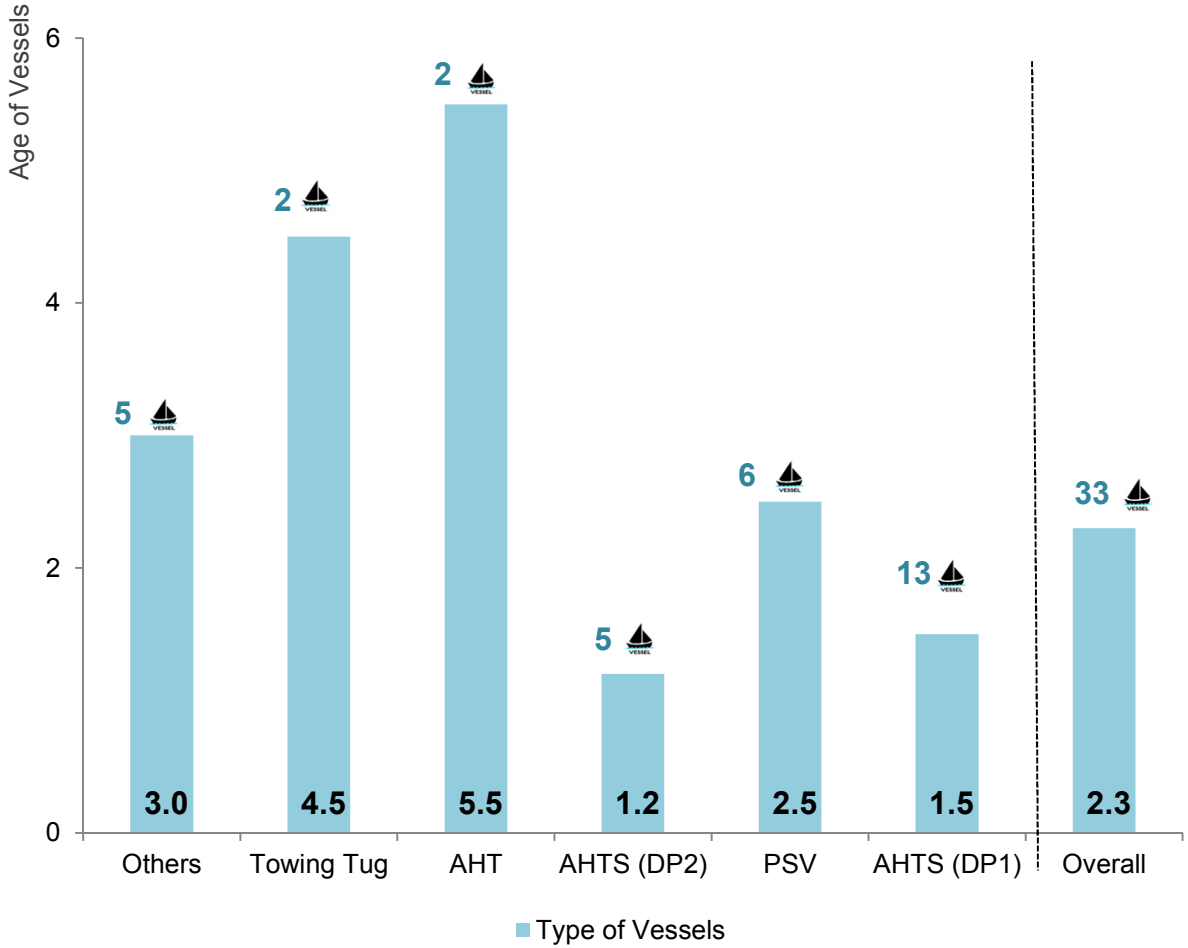
Owned Fleet	Capacity	Vessels
AHT	4200 – 4750 BHP	2
AHTS (DP1)	5150 – 6400 BHP	13
AHTS (DP2)	6000 – 7300 BHP	5
PSV (DP2)	2529 – 3300T DW	6
Towing Tug	3200 BHP	2
Others	1350 - 2400 BHP	5
TOTAL		**33**

as at 30 September 2014

YOUNG AND GROWING FLEET



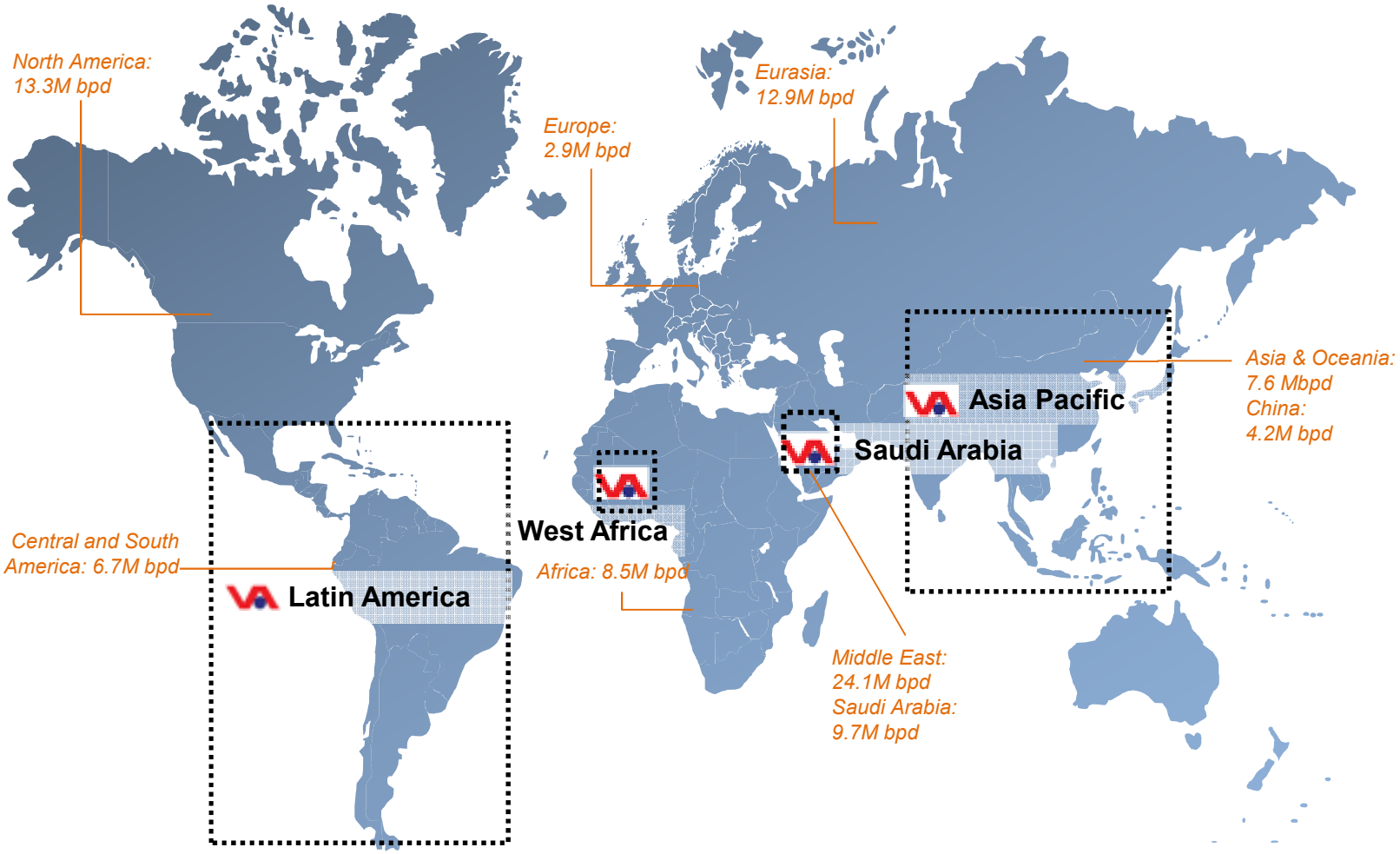
Average Fleet Age of 2.3 Years



- Our young fleet is a key competitive advantage as modern vessels are often preferred due to stringent requirements and better reliability
- Young fleet age profile ensures better fuel efficiencies and lower maintenance costs for the vessels
- Our young AHTS are equipped with Dynamic Positioning or DP technology which is increasingly a pre-requisite for most offshore projects

GLOBAL OPERATIONS

Expanding in Major and Emerging E&P Markets



*Total Oil Supply (Crude Oil including Lease Condensate) based on information from the U.S. Energy Information Administration

RECENT CORPORATE DEVELOPMENTS



Strengthen Operations and Achieve Higher Operating Efficiencies

ACQUIRED JETLEE SHIPBUILDING

- ***Rationale***: marine base to support expanding fleet and benefit from operating efficiencies.
- ***Consideration***: SGD 19.8 million, fulfilled by issue of new shares at S$0.138/share.
- Acquisition was completed on 30 Sep 2014.

ACQUIRED OER HOLDINGS

- ***Rationale***: synergy in manpower outsourcing and to tap OER's customer base and geographical footprint
- ***Consideration***: US$ 27.7 million, to be fulfilled by issue of new shares at S$0.14/share. 2nd tranche of 50% shares to be paid only upon EBITDA target of US$7 million being achieved for period from 1 November 2014 to 31 December 2015
- Acquisition was completed on 31 Oct 2014.

PROPOSED ACQUISITION OF NEWCRUZ INTERNATIONAL PTE. LTD.

- ***Rationale***: provide additional shipyard facilities to further strengthen in-house capabilities and fabrication capacity for repair and conversion of vessels
- ***Consideration****:* US$18.6 million, to be fulfilled by issue of new shares at S$0.11/share and perpetual securities

RECENT CORPORATE DEVELOPMENTS



Penetrating New Geographical Markets to Broaden Earnings Base

MEXICO & WEST AFRICA

CLINCHED US$64 MILLION CHARTER CONTRACTS

- New contracts in Mexico, West Africa and the Asia Pacific region
- Supply vessels including AHTS, PSV and barges for periods of up to 3 years
- Marked successful forays into the Mexican and West African markets

INDONESIA

PROPOSED ACQUISITION OF 49% STAKE IN PT SWIBER BERJAYA (PTSB)

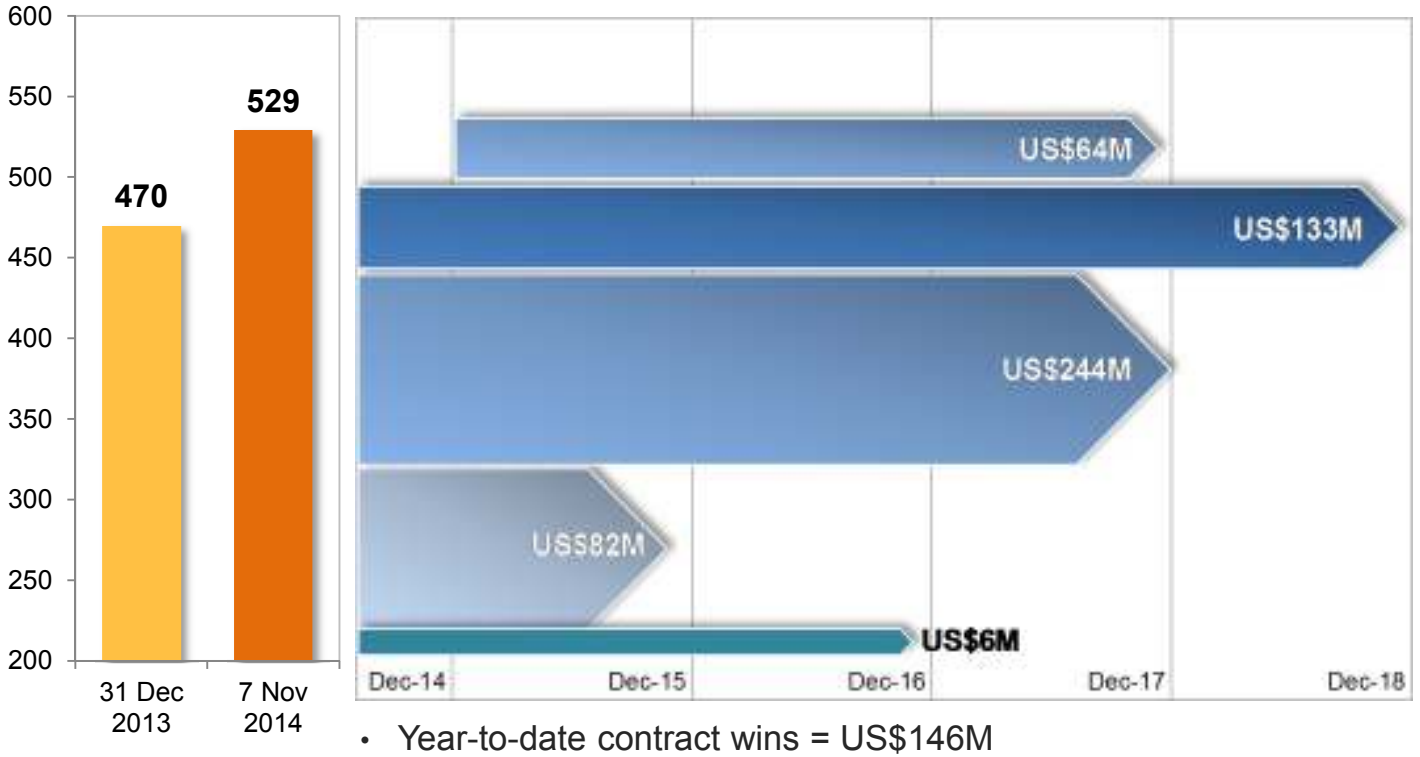
- *Rationale*: gain immediate access to the cabotage-protected OSV market in Indonesia and capitalise on the opportunities there to develop new earnings driver for the Group
- *Consideration:* US$17.5 million to be fulfilled by issue of new shares at S$0.11/share and perpetual securities
- Remaining 51% stake will continue to be held by PTSB's Indonesian shareholder

PTSB – an established OSV operator in Indonesia
▪ Established in 1996 ▪ Engaged in vessel ownership, leasing and fleet management ▪ Own and operate 18 OSVs – AHT, AHTS, Flat Top Barges and Accommodation Work Barges ▪ Serve oil majors and national oil companies

ROBUST ORDER BOOK

Charter Contracts of up to 5 Years Provide Revenue Visibility

Order Book (US$ M)



- Year-to-date contract wins = US$146M
- Order book stretches up to 2018; majority of contracts in Middle East, with the remainder spread across Latin America, Asia Pacific and West Africa



Financial Review

Vallianz

FINANCIAL HIGHLIGHTS



Profit and Loss Summary

(US$ M)	FY2012	FY2013	9M13	9M14
Revenue	11.5	20.0	14.0	**105.5**
Gross Profit	9.8	15.0	11.2	**38.5**
EBITDA	10.8	15.7	11.4	**44.5**
Net Profit After Tax	5.5	10.3	7.4	**16.4**
Net Profit to Equityholders	2.4	7.5	4.6	**14.9**

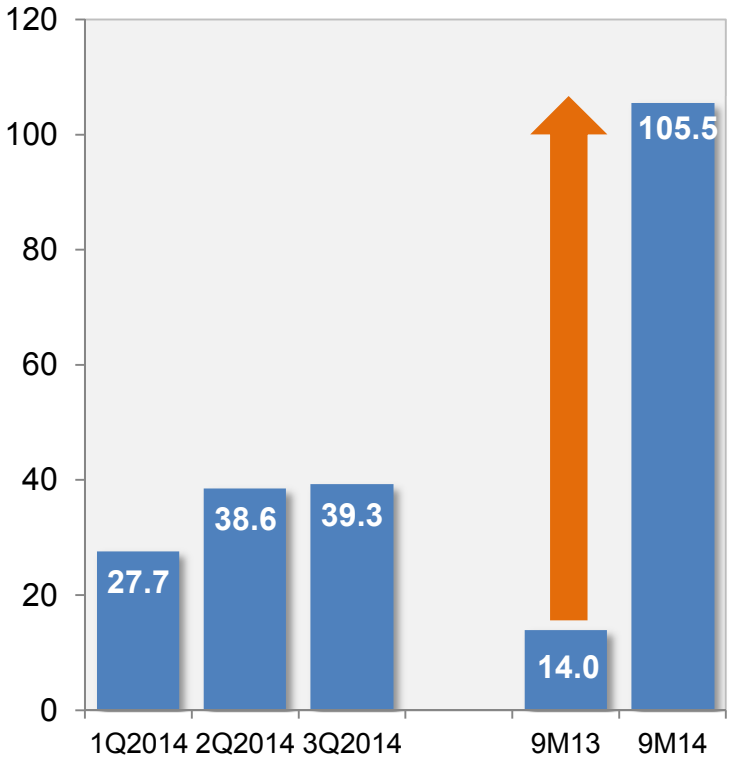
FY: Financial years ending 31 December

- 9M14 net profit more than doubled on the back of a 656% growth in revenue
- Revenue expansion propelled by long-term charters with major oil companies

FINANCIAL HIGHLIGHTS

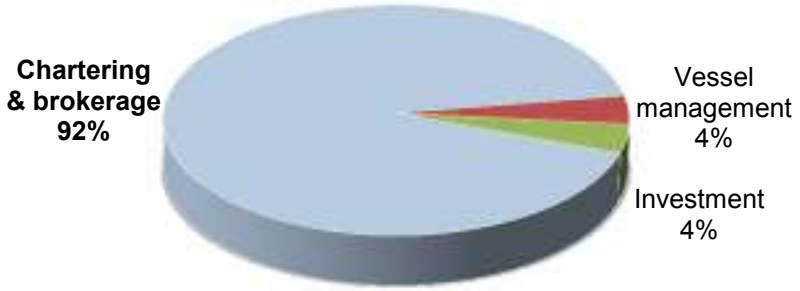
Significant Growth in Revenue

Group Revenue (US$ M)



Average Fleet Utilisation of approximately 90%

Revenue Breakdown (9M14)

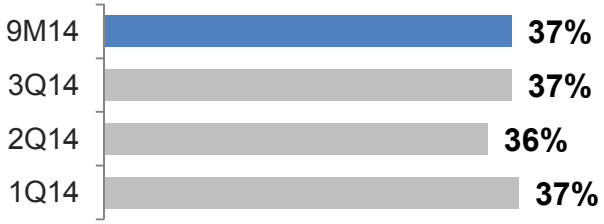


- Chartering revenue driven mainly by contracts for vessels deployed in Middle East and Asia Pacific

FINANCIAL HIGHLIGHTS

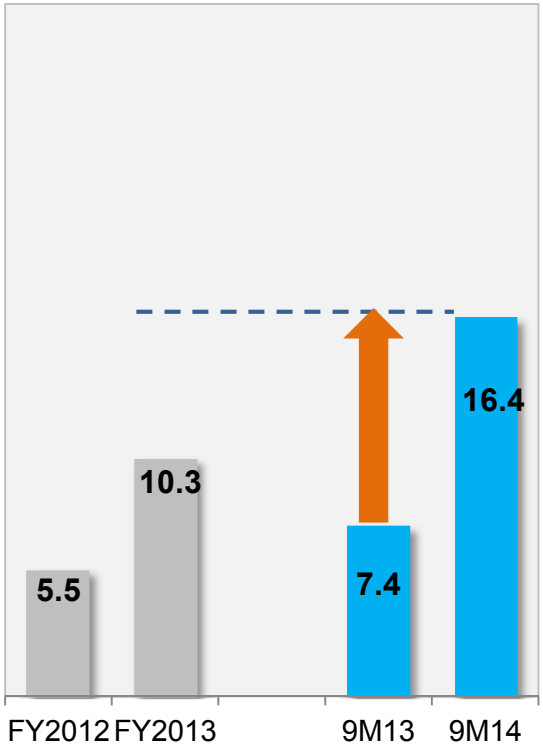
Multiple Fold Increase in Earnings

GROSS PROFIT MARGIN

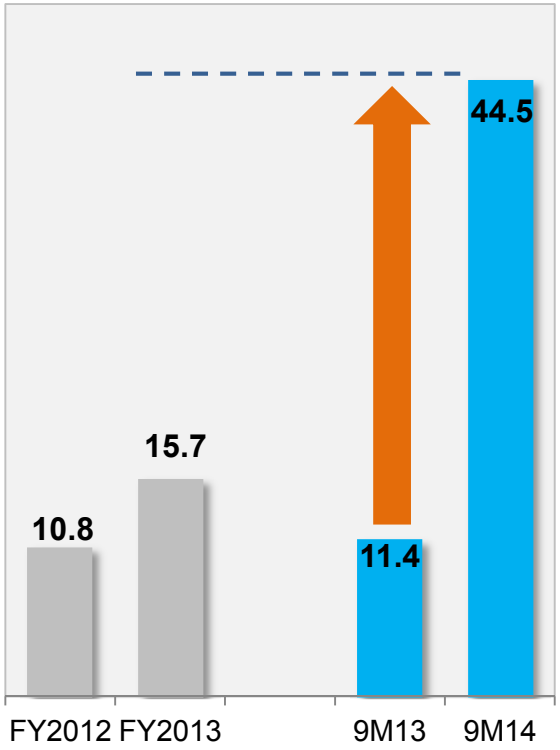


- GP margin relatively stable. 9M14 gross profit up 245% y-o-y to US$38.5M
- Strong EBITDA generation of US$44.5M for 9M2014, representing 42.2% margin
- 9M14 net profit exceeded FY2013 net profit

NET PROFIT (US$ M)



EBITDA (US$ M)



FINANCIAL HIGHLIGHTS



Balance Sheet and Key Financial Ratios

	30 Sep 2014 (US$' 000)	31 Dec 2013 (US$' 000)
Total Cash and Cash Equivalents	**54,894**	1,812
Total Assets	**852,059**	146,032
Total Debt	**549,742**	69,097
Total Equity	**195,476**	72,099

	30 Sep 2014	31 Dec 2013
Return on Average Equity (annualised)	**20.0%***	19.1%
Trade Receivables Turnover (days)	**127**	103
Net Gearing	**2.53 times**	0.93 times
EBITDA / Interest Expense	**3.11 times**	5.07 times

*excluding equity contribution from consideration shares issued on 30/09/2014

FINANCIAL HIGHLIGHTS



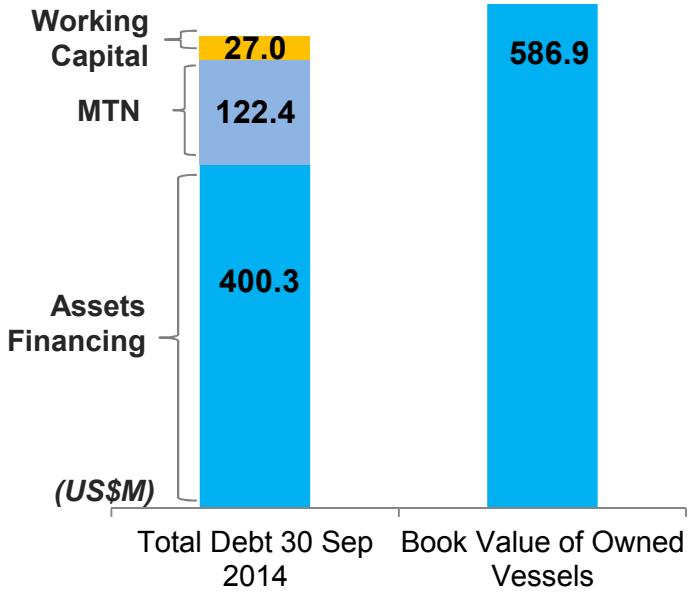
Active Capital Management To Chart A High Growth Trajectory

Financing exercises to support fleet expansion

- **US$500M** Multicurrency Islamic Trust Certificates Issuance Programme
- **S$500M** Multicurrency Debt Issuance Programme
- Raised new equity of **US$57.2M** from strategic investors Swiber and Rawabi
- Raised net proceeds of **S$52.2M** (US$41.6M) through private equity placement

Predictable revenue streams from long-term charters

Financing backed by book value of owned vessels



Business Outlook



Vallianz

GROUP OUTLOOK



Business Outlook and Plans

- Maintain positive outlook for OSV charter business as the Group focuses on supporting E&P activities in shallow waters
- Orderbook comprises mainly medium to long-term charter contracts which help to shelter the Group from periods of volatility



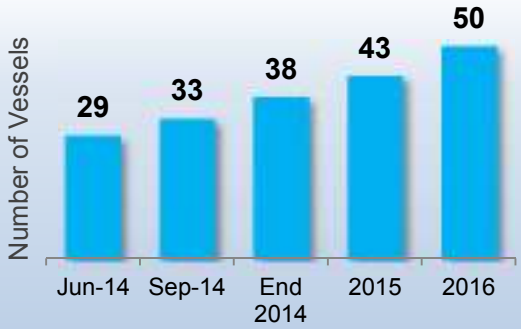
INCREASE PENETRATION IN FAST-GROWING OFFSHORE E&P MARKETS

- Confident of prospects especially in the Middle East and Latin America markets
- Tendered for projects valued at around US$1.38 billion across the regions
- Build on our strong position and established relationships with NOCs in the Middle East
- Growing our presence in Mexico, West Africa and Asia Pacific

FOCUS ON LONGER-TERM CHARTERS

- Focus on securing charter arrangements of up to 5 years
- Long-term charters are typically employed for dedicated oil field and offshore installations

EXPAND FLEET TO DRIVE FUTURE GROWTH



*Vessel delivery schedule is subject to change

- Target the best offshore marine support vessels for the O&G industry, and maintain low average fleet age profile
- Broaden product offering

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Vallianz