



 **TRIYARDS**



Strategic Marine

3QFY17 Update
21 July 2017



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Business Outlook

Outlook

- Protracted downcycle, with continued weakness in the marine, shipping, oil and gas industries
- Oil prices hovering at the US\$50pb mark; movements centering on demand-side
 - Weaker demand and extremely competitive market environment

Key areas of focus

- Continue to focus on diversification strategy, by expanding both clientele base and product offerings
- On-time, within-budget execution of orderbook with utmost commitment in quality and safety

Financial Highlights



3QFY2017 Financial Results Highlights

Highlights

- Lower revenue mainly due to lower contribution from Self-Elevating Units.
- Decrease in GP margins due to cost overruns for certain projects and competitive market environment.
- Carrying value of certain assets was negatively impacted amidst prolonged depressed state of oil & gas industry as well as the extremely competitive market environment. The total amount of the allowance made was US\$45.1 million in 3QFY17.

(1) Before adjustment of allowance for impairment of assets amounting to US\$45.1 million

(2) Net Debt / Equity

(3) EBITDA / Interest Expense

nm – not meaningful

(US\$'000)	3QFY17	3QFY16	Δ%
Turnover	30,930	82,077	(62)
Gross (Loss)/Profit	(10,343)	13,881	nm
Adjusted EBITDA ⁽¹⁾	(14,685)	9,448	nm
Adjusted (Loss)/Profit before tax ⁽¹⁾	(19,920)	4,932	nm
Adjusted (Loss)/Profit after tax ⁽¹⁾	(18,198)	4,120	nm
Adjusted (Loss)/Earnings per share (US cents) ⁽¹⁾	(0.04)	4.79	nm
Net tangible assets per share (US cents)	47.05	65.89	(29)
Net asset value per share (US cents)	47.80	68.44	(30)

Financial Ratios

Gearing Ratio ⁽²⁾ (times)	1.07	0.56	91
Gross Profit Margin (%)	nm	16.9	nm
EBITDA Margin (%)	nm	11.5	nm
Interest cover (times) ⁽³⁾	nm	5.36	nm
Current ratio	1.10	1.37	(20)

3QFY2017 Financial Results Highlights

Highlights

- Decrease in Non-Current Assets and Net Current Assets was mainly attributable to allowance for impairment of assets amounting to US\$53.4 million amidst prolonged depressed state of oil & gas industry as well as the extremely competitive market environment.
- Net decrease in Equity was due to net loss incurred during the financial period.
- Increase in total Borrowings to fund working capital for the on-going shipbuilding and fabrication projects.

(US\$'000)	As at 31 May 2017	As at 31 August 2016
Non-Current Assets	132,114	149,690
Current Assets	330,083	328,547
Current Liabilities	300,068	240,012
Net Current Assets	30,015	88,535
Equity	155,126	223,580
Cash and Cash Equivalents (including Cash Pledged)	19,841	37,922
Borrowings (Current)	181,803	138,008
Borrowings (Non-Current)	4,682	12,050
Net Debt	166,644	112,136

3QFY2017 Financial Results Highlights

Highlights

- Operating activities – mainly due to fund used to support for on-going projects.
- Investing activities – mainly due to increase in capital expenditure.
- Financing activities – mainly due to loan repayment and increase in cash pledged.

(US\$'000)	3QFY17	3QFY16
Cash flows from/(used in) operating activities	(4,072)	(26,702)
Cash flows from/(used in) investing activities	(2,532)	(5,418)
Cash flows from/(used in) financing activities	(3,096)	13,856
Net change in cash and cash equivalents	(9,700)	(18,264)

Thank You

