



**Atlantic Navigation Holdings (Singapore) Limited**

(Company registration no. 200411055E)

## MEDIA RELEASE

### Atlantic Navigation 9M2015 net profit increased by 23.4% to US\$11.7 million

- Net profit of US\$3.9 million in 3Q2015, driven by the growth in vessel charter income
- Signed an agreement with a US-based private equity fund for a share placement to raise US\$20.9 million
- Continuing with selective fleet expansion, aided by the injection of funds from the share placement

#### Results Snapshot

US\$ million	3Q2015	3Q2014	% chg <sup>++</sup>	9M2015	9M2014	% chg <sup>++</sup>
Revenue by segment						
- Marine logistics services	<b>12.3</b>	11.1	10.7	<b>36.6</b>	33.0	10.9
- Ship repair, fabrication & others	<b>0.7</b>	0.6	29.2	<b>2.1</b>	2.2	(6.8)
<b>Group Revenue</b>	<b>13.0</b>	11.7	11.6	<b>38.7</b>	35.3	9.8
Gross Profit by segment						
- Marine logistics services	<b>5.6</b>	4.8	17.6	<b>16.4</b>	14.2	16.0
- Ship repair, fabrication & others	<b>0.3</b>	0.3	34.4	<b>1.1</b>	0.8	33.2
<b>Group Gross Profit</b>	<b>6.0<sup>#</sup></b>	5.1	18.5	<b>17.5</b>	15.0	16.9
<b>Gross Profit Margin</b>	<b>46.0%</b>	43.4%	+2.6ppts	<b>45.2%</b>	42.4%	+2.8ppts
Pretax Profit	<b>3.9</b>	2.8	39.0	<b>11.7</b>	9.4	23.4
<b>Net Profit</b>	<b>3.9</b>	2.8	39.0	<b>11.7</b>	9.4	23.4
Basic EPS (US cents)*	<b>1.51</b>	1.08		<b>4.47</b>	3.62	
Diluted EPS (US cents) <sup>+</sup>	<b>1.48</b>	1.07		<b>4.40</b>	3.57	

\* Based on weighted average number of shares of 260.6 million as at 30 September 2015 (30 September 2014: 260.6 million)

+ Based on weighted average number of shares as at 30 September 2015, adjusted for the dilutive effect of 4.4 million share options (30 September 2014: 3.6 million)

++ The percentage change is computed based on the dollar amounts rounded to the nearest thousand

# The figure may not add up due to rounding

**12 November 2015** – Atlantic Navigation Holdings (Singapore) Limited (“Atlantic Navigation” or the “Company”, and together with its subsidiaries, the “Group”), a leading provider of marine logistics services in the Middle East, has reported strong growth across both its top and bottom line for the three and nine months ended 30 September 2015 (“3Q2015” and “9M2015” respectively). For 3Q2015 as compared to 3Q2014, revenue grew by 11.6%, and net profit surging 39.0% to US\$3.9 million. For 9M2015 as compared to 9M2014, revenue grew by 9.8%, and net profit increased by 23.4% to US\$11.7 million.

## **Review of 3Q and 9M2015 Operating Results**

The Group's marine logistics segment continued to be the main earnings driver, contributing 94.4% of revenue and 94.3% of gross profit for 3Q2015; and for 9M2015 the respective contributions were 94.6% of revenue and 93.9% of gross profit. Gross margins for this segment also improved from 43.3% in 3Q2014 to 46.0% in 3Q2015. The factors behind this segment's positive performance were the additional revenue contributions from a new vessel and two jointly-operated vessels added to the fleet in the second half of the financial year ending 31 December 2015 ("FY2015"), as well as reduced cost of services resulting from internal cost controls. The Group's other segment – ship repair, fabrication and other marine services, also saw an improvement in financial performance due to a higher level of repairs undertaken on third party vessels.

## **Outlook and Strategy**

The Group recently announced that it had signed a shipbuilding agreement for a new liftboat ("the New Vessel"), at a total cost of approximately US\$56 million, which is inclusive of vendor-supplied equipment, retrofit and mobilisation costs. The Group expects to take delivery of the New Vessel in December 2015, and it is intended to be deployed as part of a tender for a client in the Group's core market in the Middle East.

In addition, the Group also announced that it had entered into an agreement for a placement of 67.7 million new shares in the capital of the Company to a US-based private equity fund which focuses on the energy services industry. The funds to be raised will amount to approximately US\$20.9 million (net of fees and expenses), and will be put towards the payment of three new vessels, including the New Vessel, which are expected to join the Group's fleet between December 2015 and April 2016.

The Group will continue to explore the strategic deployment of its resources as well as potential joint ventures in both new and existing markets. However, in view of the uncertain outlook for the oil and gas sector, the Group will continue to keep a tight rein on its risk management and cost control processes.

**"Despite the continued slump in crude oil prices, we still see pockets of opportunity, particularly in our core Middle East market, which we are moving to take advantage of. Additionally, the proceeds from the share placement would give us greater financial ammunition to carry out selective vessel acquisitions to bolster our fleet."**

**Mr. Wong Siew Cheong, Executive Chairman and CEO of Atlantic Navigation**

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## **About Atlantic Navigation Holdings (Singapore) Limited (Bloomberg: ATL SP, Reuters: ATLA.SI)**

Atlantic Navigation Holdings (Singapore) Limited is an investment holding company with a vertically integrated offering of marine logistics services as well as ship repair and maintenance services. It owns, operates, and charters its fleet of 17<sup>#1</sup> offshore support vessels to leading offshore oil and gas companies primarily in the Middle East, India and Africa. It also manages the sourcing and cross-chartering of third party vessels to match customers' requirements where necessary. Additionally, the Group provides ship repair, fabrication, maintenance, and other services at its workshop facility in Sharjah, UAE.

The Group was established in the UAE in 1997, and completed a reverse takeover of Fastube Limited on 30 July 2012. The entity was renamed as Atlantic Navigation Holdings (Singapore) Limited and has been trading under this name on SGX Catalyst (stock code: 5UL) since 1 October 2012.

<sup>#1</sup> Excluding 2 vessels held for sale

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