



# OCEANTEAM SHIPPING

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

***Q2 2013 Presentation Oslo – 29 August 2013***

# CAUTIONARY STATEMENT

This presentation contains forward looking information. Forward looking information is based on management assumptions and analysis. Actual experience may differ, and those differences may be material. Forward looking information is subject to uncertainties and risks. This presentation must be read in conjunction with the Company's financial statement.

# AGENDA

- Highlights Q2
- Financials
- Market Outlook



# HIGHLIGHTS Q2

- Revenue from operations USD 15.2 million
- EBITDA from operations is positive; USD 6.0 million
- Operating profit of USD 2.6 million
- 5 year dry docking and upgrade Bourbon Oceanteam 101 completed, duration of 7 weeks
- Engineering segment completed and started up new projects effecting efficiency

# HIGHLIGHTS Q2

- OceanWind awarded its first cable storage and handling contracts
- 2.000 Ton modular carousel system was delivered in April 2013
- OTS-designed 15 Ton tensioner delivered in June 2013
- The 4.000 Ton carousel system built for LS Cable progresses according to schedule, delivery December 2013
- North Ocean 102 and North Ocean 105 upgraded by client
- The company experienced an increased tender activity in Mexico and Venezuela



# OCEANTEAM SHIPPING

## Company Overview

# SHIPPING - CHARTER STATUS

Contract backlog		2012	2012	2013	2013	2014	2014	2015	2015	2016	2016
		Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4	Q1-2	Q3-4
Shipping	Type of contract										
CSV BO 101	time charter	Contract	Contract	Dry Dock	Contract	Contract	Contract	Option	Option	Option	Option
CSV North Ocean 102	bareboat	Contract	Contract	Contract	Contract	Contract	Contract				
CSV Southern Ocean	bareboat	Contract	Contract	Contract	Contract	Contract	Contract	Contract			
LV North Ocean 105	time charter	Under construction	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
Mantarraya	bareboat	Contract	Contract	Contract	Contract	Contract					
Tiburón	bareboat	Contract	Contract	Contract	Contract	Contract					

■ Dry Dock   
 ■ Contract   
 ■ Option   
 ■ Under construction   
 ■ No contract

➤ Robust back log with solid clients

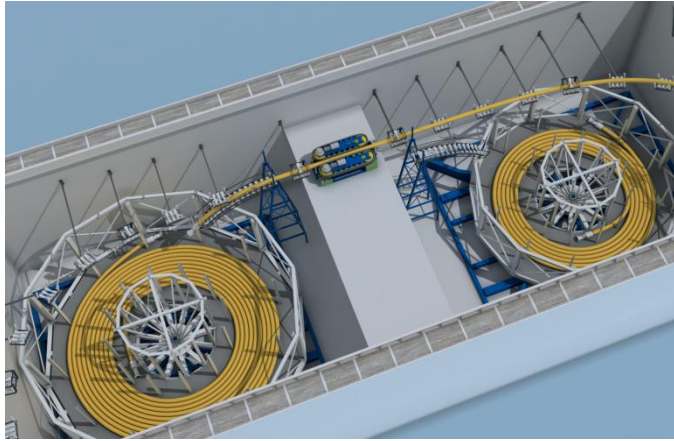
# ENGINEERING - SERVICES



Design Engineering Services, 160 people strong



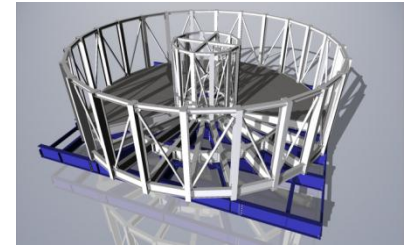
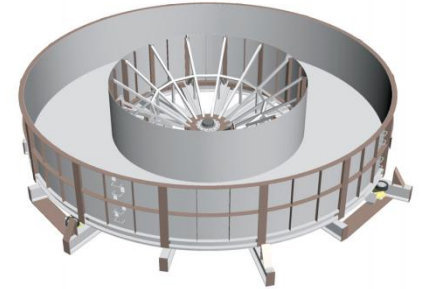
# ENGINEERING - SERVICES



Handling, Transport & Storage Services



Offshore Installation  
Equipment



Certified Proprietary Designs

Modular & Easy Transport

One design concept for onshore  
& offshore operations

# ENGINEERING - SERVICES

## OceanWind Flexible Storage & Transport Solutions



- OceanWind awarded first storage contracts
- OceanWind facilitates the submarine cable industry by offering its clients a full and integrated range of services, comprising cable storage, cable handling and cable transport.
- The cable facility is located immediately behind the North Sea locks of IJmuiden, in the direct proximity of Amsterdam.
- OceanWind provides long term onshore storage for (spare) cables, cable transfers, international transport with WIND cable transport vessels and handling services, which include storage of cables in reels, baskets and carousels.
- OTS standardized equipment designed for both onshore and offshore handling and storage of submarine cables.



# OCEANTEAM SHIPPING

## Financials

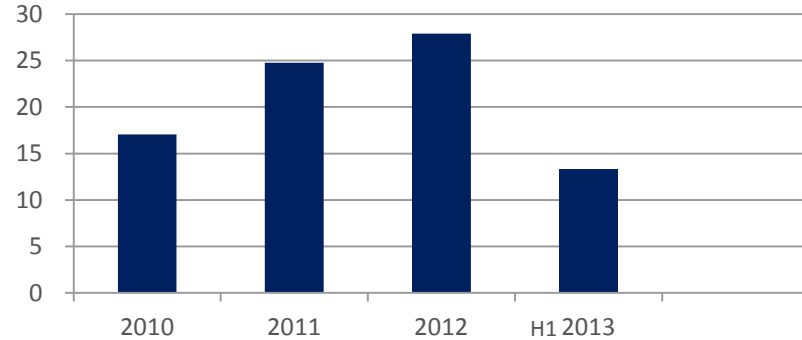
# FINANCIAL SUMMARY

Figures in USD million	Q2 2013	Q2 2012	2013	2012	2011
Revenue	15,2	16,1	31,7	66,5	61,2
Operating costs	(4,6)	(5,4)	(10,1)	(23,4)	(24,7)
<b>EBITDA</b>	<b>6,0</b>	<b>7,3</b>	<b>13,1</b>	<b>28,7</b>	<b>24,8</b>
<b><i>EBITDA percentage</i></b>	<b>39 %</b>	<b>45 %</b>	<b>41 %</b>	<b>43 %</b>	<b>40 %</b>

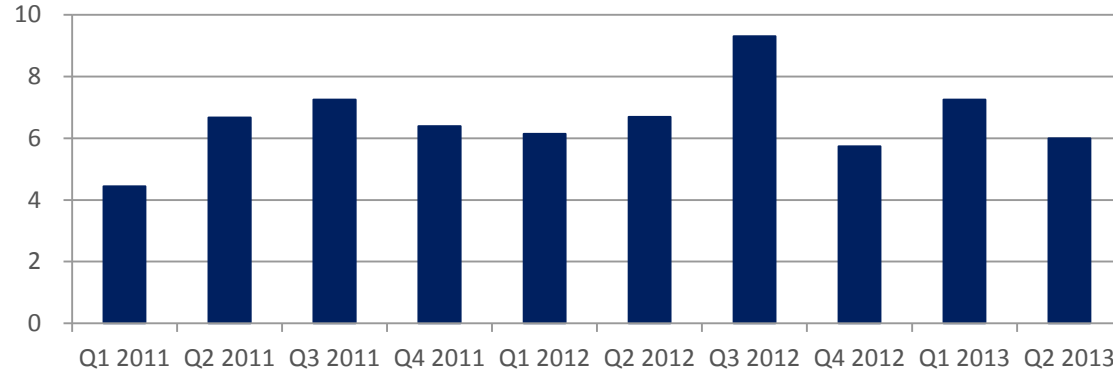
- EBITDA first half year 2013 is in line with the same period last year
- Q2 EBITDA is lower caused of planned dry dock complete for BO 101 and legal costs in a negative verdict
- Operating profit for the quarter is USD 2.6 million

# EBITDA DEVELOPMENT HISTORICAL

KEY FINANCIAL FIGURES (USD MILLION)



KEY FINANCIAL FIGURES (USD MILLION)



# P&L REPORT END Q2 2013

Figures in USD '000	Q2 2013	Q2 2012
Revenue	14 673	15 432
<b>Total operating revenues</b>	<b>14 673</b>	<b>15 432</b>
<b>Net income of associates</b>	<b>531</b>	<b>673</b>
Operating costs	(4 641)	(5 397)
General & administration	(4 562)	(3 454)
Deprecation	(3 368)	(3 598)
Write off assets	(17)	(8)
<b>Total operating expenses</b>	<b>(12 587)</b>	<b>(12 457)</b>
<b>Operating profit (loss)</b>	<b>2 616</b>	<b>3 648</b>
Net finance	(3 548)	(2 767)
<b>Ordinary profit (loss) before taxes</b>	<b>(932)</b>	<b>881</b>
Corporate income tax	(203)	133
<b>Net result</b>	<b>(1 135)</b>	<b>1 015</b>

Cum 2013	Cum 2012
30 595	30 788
<b>30 595</b>	<b>30 788</b>
<b>1 106</b>	<b>673</b>
(10 103)	(11 570)
(8 344)	(6 488)
(6 731)	(7 019)
(58)	(16)
<b>(25 237)</b>	<b>(25 093)</b>
<b>6 465</b>	<b>6 368</b>
(7 480)	(7 372)
<b>(1 015)</b>	<b>(1 005)</b>
113	(70)
<b>(903)</b>	<b>(1 074)</b>

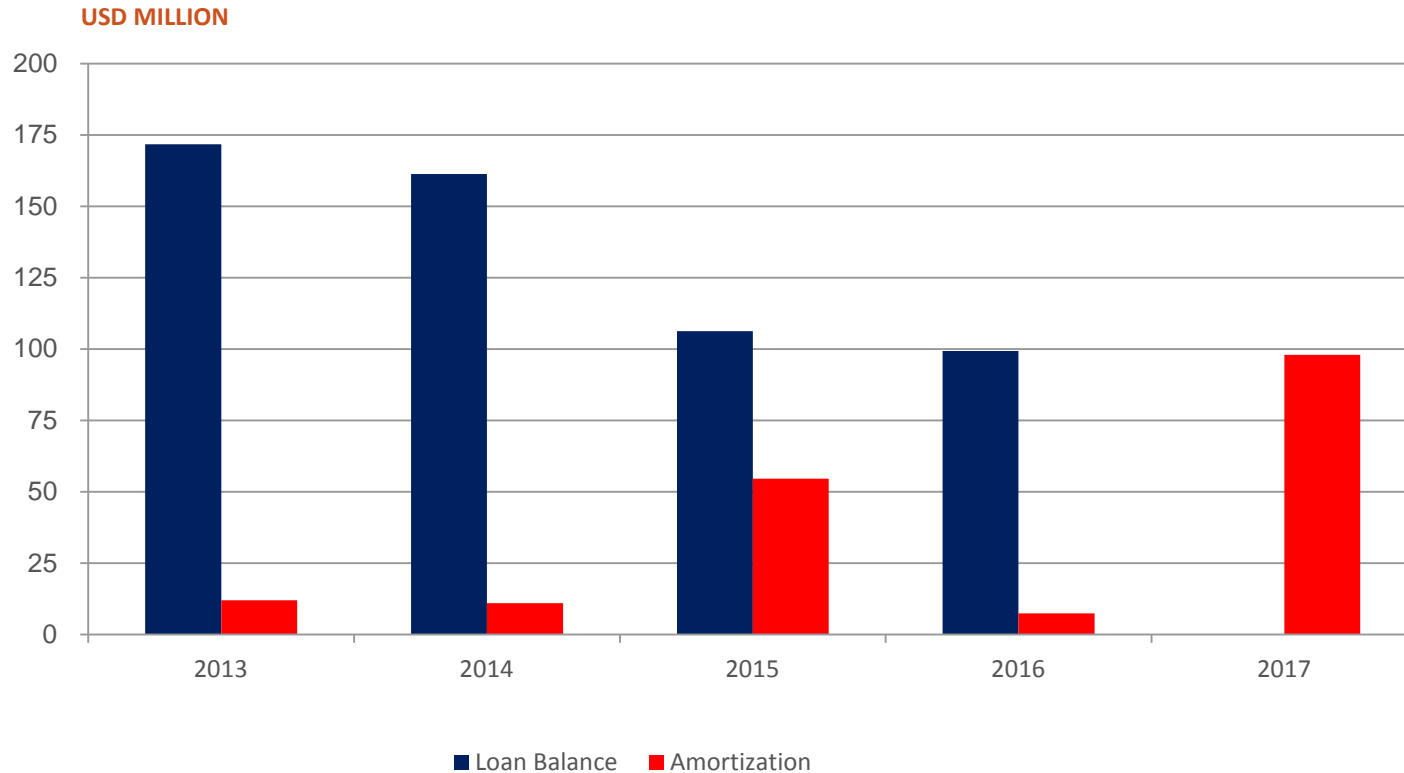
# BALANCE SHEET Q2 2013

Figures in USD '000	30.06.2013	31.12.2012
<b>Assets</b>		
<b>Intangible assets</b>	<b>18 545</b>	<b>18 506</b>
<b>Tangible assets</b>	<b>230 541</b>	<b>233 081</b>
<b>Total non current assets</b>	<b>249 085</b>	<b>251 587</b>
Receivables	13 438	14 979
Cash and cash equivalents	27 289	34 846
<b>Total current assets</b>	<b>40 726</b>	<b>49 825</b>
<b>Total assets</b>	<b>289 812</b>	<b>301 412</b>

Figures in USD '000	30.06.2013	31.12.2012
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>106 792</b>	<b>112 068</b>
<b>Total non current liabilities</b>	<b>165 973</b>	<b>171 894</b>
First year instalments	11 559	11 427
Other current liabilities	5 488	6 023
<b>Total current liabilities</b>	<b>17 047</b>	<b>17 450</b>
<b>Total liabilities</b>	<b>183 020</b>	<b>189 344</b>
<b>Total equity and liabilities</b>	<b>289 812</b>	<b>301 412</b>

➤ Book value of equity is 37 %

# BOND REFINANCE – NEW DEBT MATURITY PROFILE





# LARGE TAX DEDUCTIBLE LOSSES

## • Norway

- OTS has a confirmed tax loss to carry forward of USD 169 M (NOK 1 017 M)
- The CSV's comply with the Norwegian Tonnage Tax regime with approximately 0% tax
- CSV 101, Southern Ocean and LV 105 are under the NTT regime
- CSV 102 will use the deferred tax loss
- Exercise of 14.5 million of warrants in Q4 2012, 29.6 million shares tradable as from 24<sup>th</sup> of January 2013
- During the second quarter the share price has had a positive development

## • The Netherlands

- The Dutch entities have an estimated tax loss to carry forward of EUR 45 M
- A restructuring has been finalised to further utilize tax losses

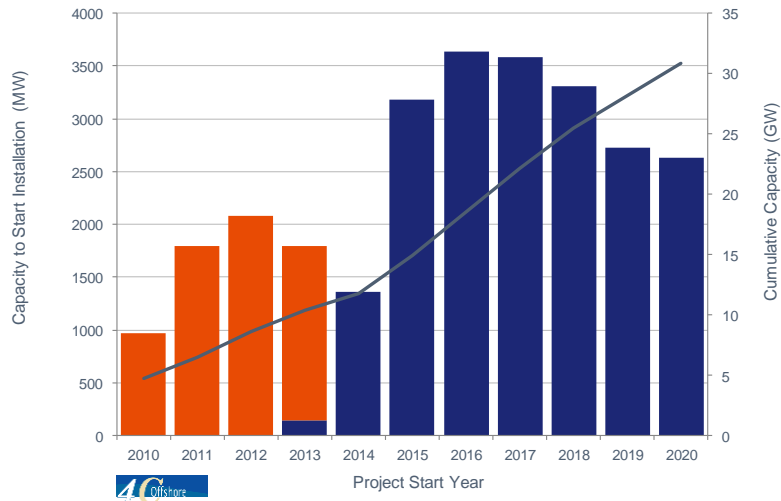
➤ Negligible payable tax costs going forward



# OCEANTEAM SHIPPING

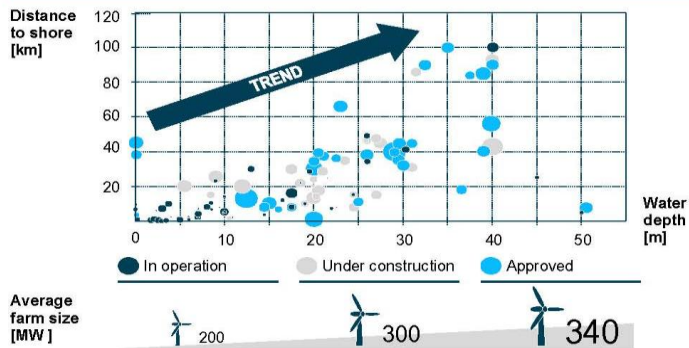
## Market Outlook

# EUROPEAN OFFSHORE WIND MARKET OUTLOOK



## Trends in offshore

### OFFSHORE WIND FARMS



Source: EWEA, Roland Berger

### TRENDS

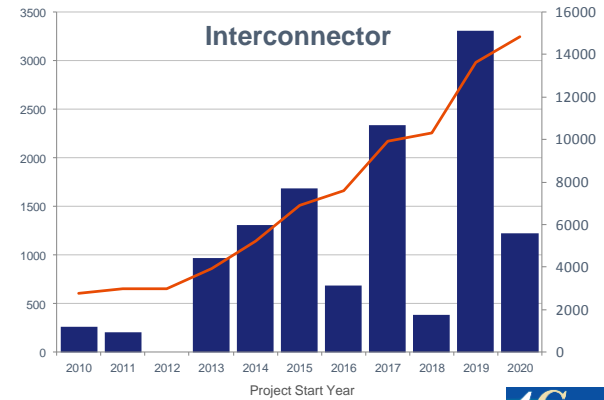
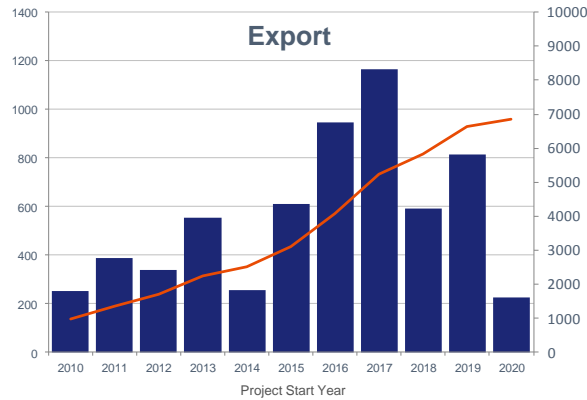
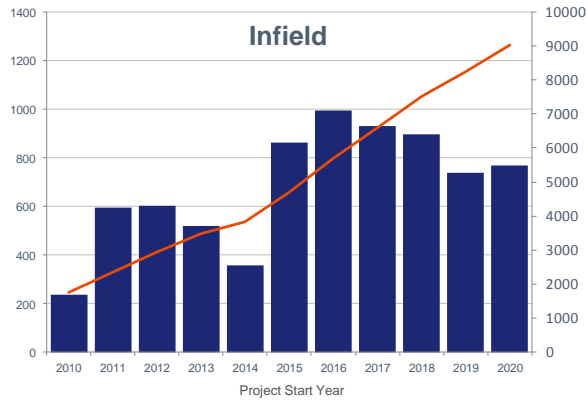
- I FURTHER**
  - > Trend toward building wind farms further from shore
  - > Environmental laws (GER) and limited space close to shore are a driver for greater distance
- II DEEPER**
  - > Greater distance to shore usually leads to deeper water at site
  - > Deeper water requires new foundation solutions
- III LARGER**
  - > Larger wind farms allow improved fixed cost allocation
  - > Average size of approved projects is at 340 MW

130203\_RBSCC\_Offshore\_Wind\_Study\_2013.pptx | 6

- 30GW underway by 2020 based on medium growth and government targets
- Potentially 4,000+ turbines required to fill this capacity
- Average market growth of 16.9% per annum from 2013 to 2020

*Increasing amounts of design work available in the near-future*  
*Increasing demand for specialist installation equipment*

# POWER CABLE OUTLOOK

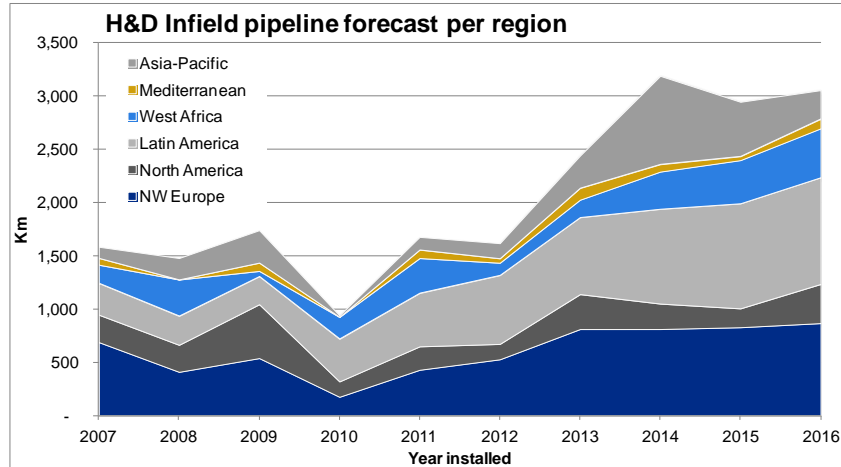


- Increasing opportunities in all cable markets
- Export cable market seeing average growth of 17.6% per annum to 2020
- Array cable market seeing average growth of 14.7% per annum to 2020

*The demand for carousels, tensioners and burial equipment remains as interconnector, pipeline, umbilical and offshore wind projects expand*

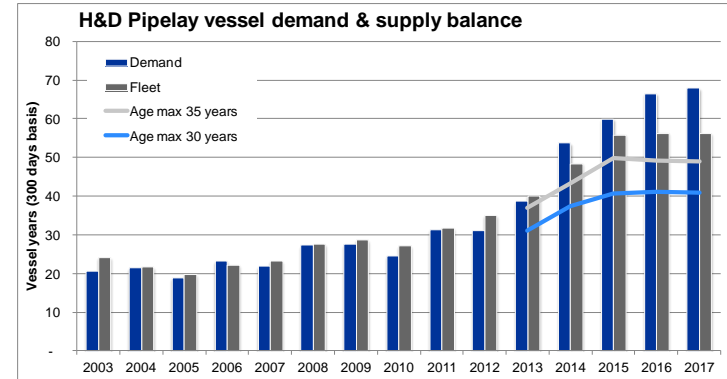
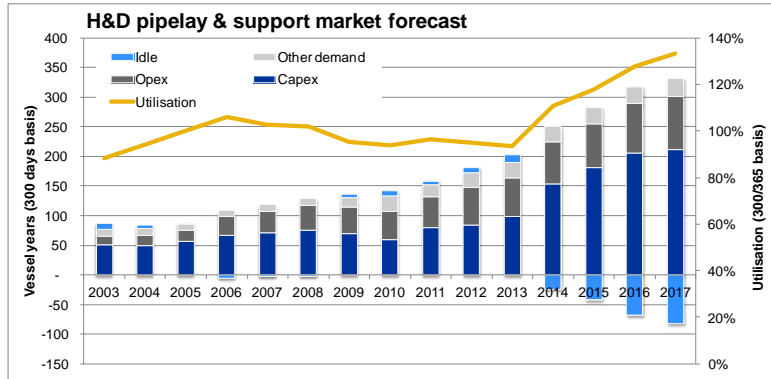
# H&D is strongest market in growth areas

Average annual demand growth expected to be 12% in the H&D surf market



- Strongest H&D infield installation growth in NW Europe, Brazil and Asia Pacific

# HARSH & DEEP-WATER VESSELS SCARCITY EXPECTED FROM 2014



- Base case has demand growth 2012-17 of 14% p.a. and fleet capacity growth of 8 % p.a. based on no further new building contracts, cancellations nor scrapping



# COMPLETE EQUIPMENT SOLUTIONS



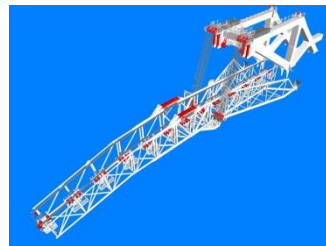
**Cable Storage Solutions**



**High-end-deep-water Vessels**



**Specialist Equipment**



**Engineering Capacity**



**Bespoke Modular Carousels**

- Significant growth in umbilical installation market expected in the coming years
- Market forecasts focussing in certain locations, such as Asia, suggest a 50% increase in umbilical orders in the 4 years following 2012 compared to the 4 years preceding

*Rising opportunities to provide equipment to an expanding Offshore Renewables in Europe and Oil & Gas markets.*

*Expand geographical footprint equipment pool through Oil & Gas market.*

# FOCUS GOING FORWARD

- Focus
  - Enhance equity instrument with continued focus on high quality assets and balance sheet
  - New investment in high quality assets utilizing the clean capital structure
- Target markets
  - Large harsh- and deep-water Construction Support Vessels (CSV)
  - Grow the Mexican- and Venezuelan markets
  - Combine fleet with in-house engineering know-how
  - Expand geographical footprint with lower risk engineering jobs and new equipment
  - Build contract back log and expand OceanWind Cable Storage Solutions





**THANK YOU!**



**Oceanteam Shipping ASA**

Corporate Headquarters

Tveitaråsveien 12

PO Box 463, Nesttun

5853 Bergen

Norway

T +47 55 10 82 40

F +47 55 10 82 49

E [info@oceanteam.no](mailto:info@oceanteam.no)

**[WWW.OCEANTEAM.NO](http://WWW.OCEANTEAM.NO)**