



# OCEANTEAM

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

CFO: Torbjørn Skulstad

**Q1 2016 Presentation Oslo – 19 May 2016**

# 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

- Company overview & Highlights
- Strategy
- Financials
- Market Outlook





## Company overview & Highlights

# COMPANY OVERVIEW – Oceanteam the offshore service provider



High quality support to offshore contractors all over the world:

- Fleet of large and advanced offshore vessels **Oceanteam Shipping**
- Expertise in (rental) marine equipment, cable logistics and design engineering **Oceanteam Solutions**

Our business strategy

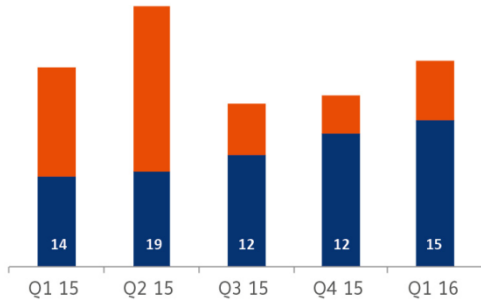
- A one-stop-shop providing solution-driven services by combining our engineering, equipment and shipping expertise into a single service in accordance with clients' requests

Our strengths

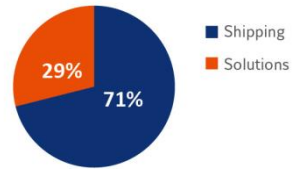
- Stable regions
- Solid local partners
- Diverse client base
- Agile and cost efficient organisation

# PERFORMANCE HIGHLIGHTS Q1 2016

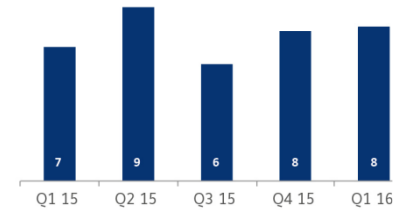
Revenue  
14.8 mill.  
USD in million



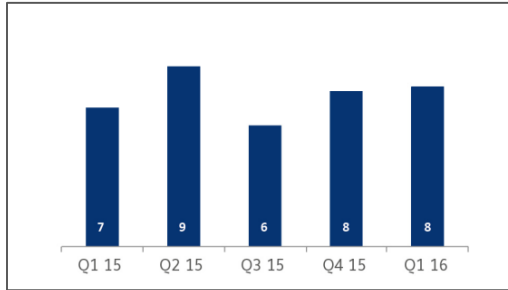
Segment Revenue  
Revenue split 2016



Ebitda  
7.9 mill.  
USD in million



# HIGHLIGHTS OF THE 1<sup>st</sup> QUARTER 2016



- Strong EBITDA due to sustainable business operations, solid contribution Shipping & Solutions segment plus partial revenue accrual for early redelivery fees of CSV Bourbon Oceanteam 101



- Construction of Tampamachoco 1 for DOT Shipping is progressing as planned, with expected delivery end of 2016. Vessel afloat successfully for the first time

# HIGHLIGHTS OF THE 1<sup>st</sup> QUARTER 2016



- CSV Bourbon Oceanteam 101 expected to be redelivered end of May. Costs incurred and associated with early release and demobilisation of vessel are for charterer's account



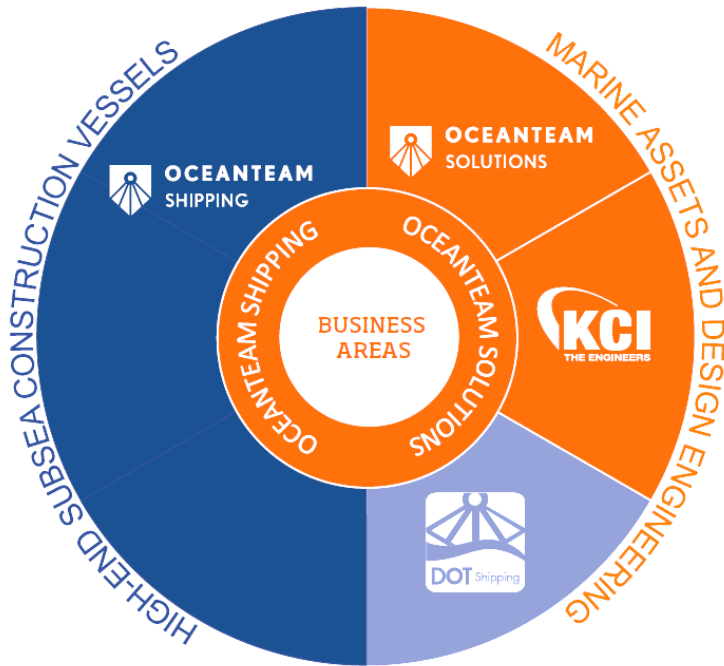
- Oceanteam Solutions won contract to supply demountable turntables and auxiliary equipment for multiple transport of power cables from Asia to Europe in 2016. In addition, we engineered and mobilised a complete cable lay spread for a client





## Strategy

# DIVERSIFICATION STRATEGY – Improving our clients performance



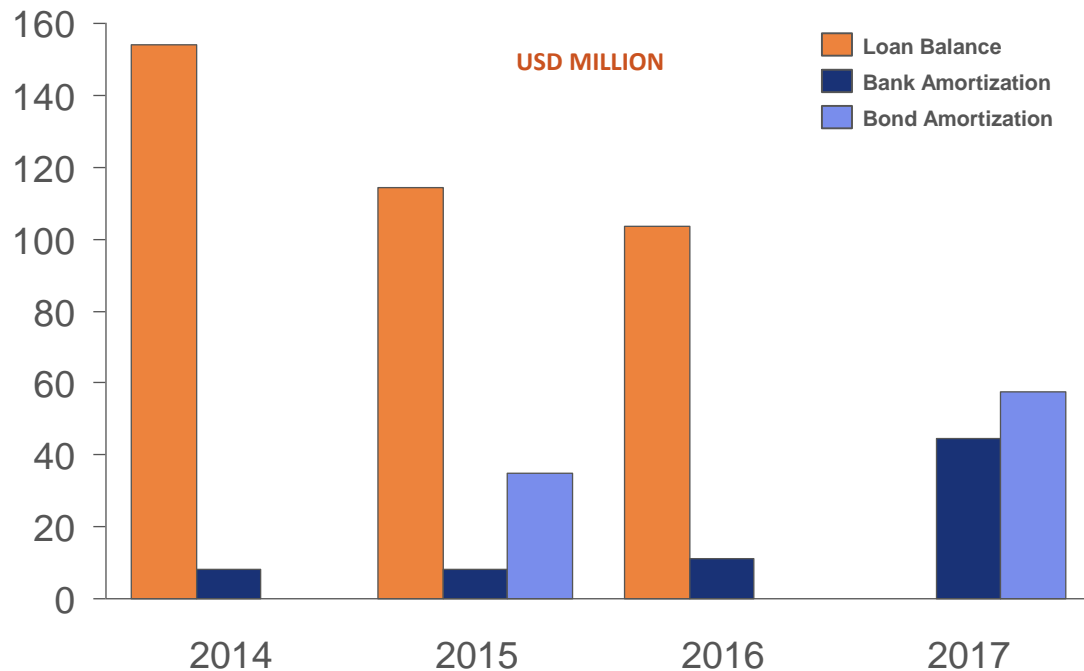
- Two operating segments:

- > **Oceanteam Shipping**
- > **Oceanteam Solutions**

Operating through variety of global business units and different markets

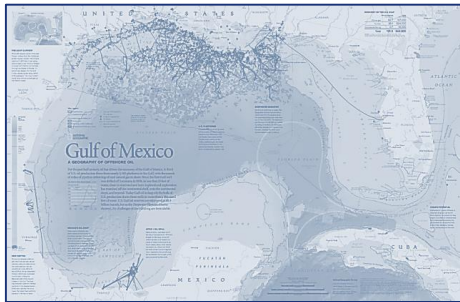
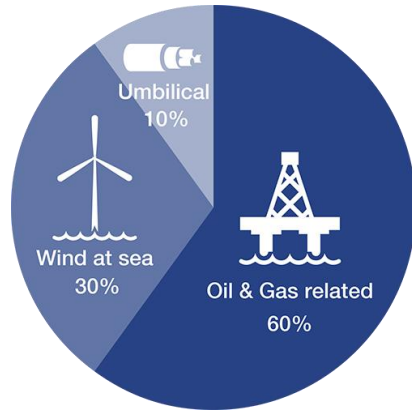
- This **diversification strategy** allows the company to be agile, maintaining and improving its performance, even during challenging market conditions
- Oceanteam Solutions' proportion of company's earnings has increased and will be a **key contributor** to future growth

# FINANCIAL STRATEGY – Our financial priorities



- ✓ **Diversified sources** of financing through many long term bank relations
- ✓ **De-leveraging of high yield bond**, lead to reduced quarterly finance costs of 1 mUSD from Q2 2015 and forward
- ✓ **Improved cost of capital** brings more value to shareholders
- ✓ ⇒ **Target: REFINANCING BOND due Oct. 2017**  
⇒ to fund growth and establish favorable dividend policy
- ✓ **EBITDA to date**
  - Q1 2016 – USD 7.9 million - 54% of revenue

# GEOGRAPHICAL STRATEGY – Captive markets with opportunities



- Well-positioned in important oil and gas exploration basins
- Rapidly expanding in areas that play key role in development of offshore wind farms
- Future growth strategies, including Latin America, West Africa and Asia Pacific
- Located in areas where markets offer proven profitability
- Exploring new grounds: **DOT Shipping**, a joint venture with **Diavaz**
- Providing complete vertical supply chain through cutting edge engineering solutions and high end quality vessels
- Through this joint venture Oceanteam's operations are expected to grow significantly



# FORECAST – Meeting our commitments

## Short Term

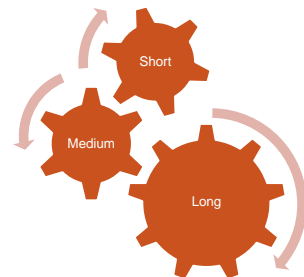
- Continue optimising capital structure through: unlocking equity values, reducing capital & operational costs and facilitating growth
- Continue transition to increase solution services earnings by effectively combining engineering, marine assets and fleet

## Medium Term

- Focus on growing our partnerships and develop new opportunities: Mexican market through DOT Shipping and Diavaz
- Continued investments when opportune to increase number of earning units
- Significant expansion of all business lines: engineering, marine assets and fleet

## Long Term

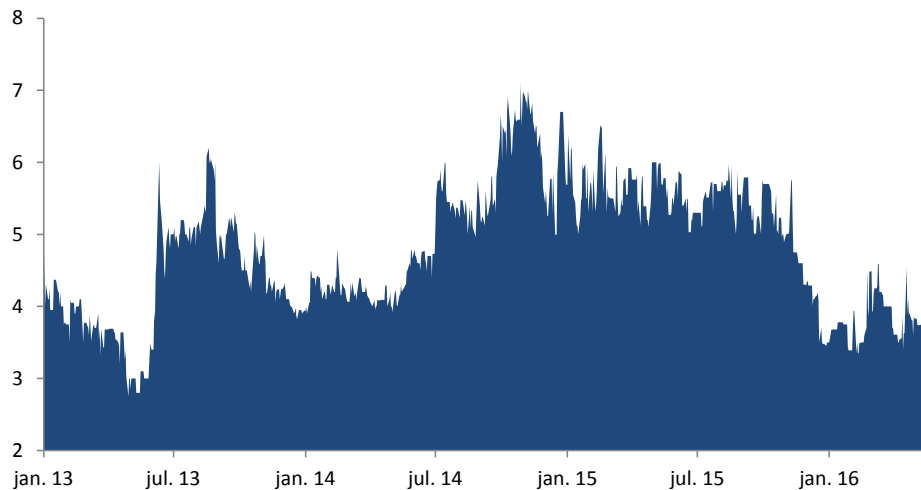
- Refinancing Bond due Oct. 2017  
> To fund growth strategy
- Dividend payments
- Utilise tax structure to maximise shareholder's value and to facilitate growth





## Financials

# SHARE PRICE DEVELOPMENT



## FMV developments

- Modern fleet, high-end deep water assets

## Booked equity

- 41%
- USD 93 million (after 10% share buy back)

## Market capitalization

- NOK 107 million (29.6 m shares @ NOK 3.60)

## Free cash flow

- Steady, positive cash flow from existing operations
- Diversification in markets segment and geographical areas
- Continues high-end equipment investments

## Consensus among credit analysts

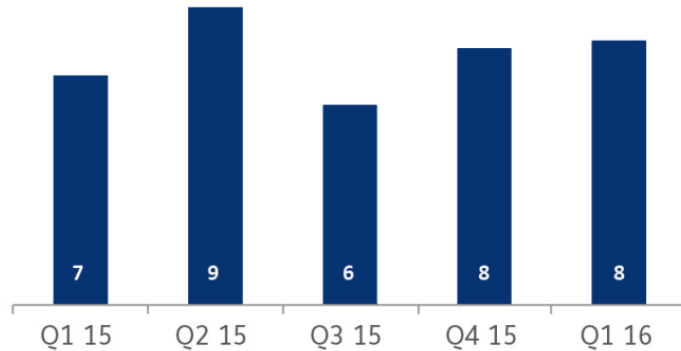
- Steady operations
- Key credit metrics remain overall stable

# HISTORICAL EBITDA DEVELOPMENT

Ebitda

7.9 mill.

USD in million



EBITDA performance:

- 7.9 million EBITDA in Q1 2016



# P&L REPORT END Q1 2016

Figures in USD '000	Q1 2016	Q1 2015
Revenue	9 463	12 641
Net income from joint ventures and associates	5 298	1 643
<b>Total operating revenues</b>	<b>14 761</b>	<b>14 284</b>
Operating costs	(3 461)	(3 820)
General & administration	(3 363)	(3 589)
Depreciation	(2 295)	(2 681)
Write off	21	
<b>Total operating expenses</b>	<b>(9 098)</b>	<b>(10 091)</b>
<b>Operating profit (loss)</b>	<b>5 663</b>	<b>4 193</b>
Net finance	(3 592)	(3 632)
<b>Ordinary profit (loss) before taxes</b>	<b>2 071</b>	<b>560</b>
Corporate income tax	(74)	
<b>Net result before increase (decrease) from vessel revaluation</b>	<b>1 997</b>	<b>560</b>

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# BALANCE SHEET Q1 2016

Figures in USD '000	31.13.2016	31.12.2015
<b>Assets</b>		
<b>Intangible assets</b>	<b>19 217</b>	<b>19 300</b>
<b>Tangible assets</b>	<b>183 966</b>	<b>188 155</b>
<b>Total non current assets</b>	<b>203 183</b>	<b>207 455</b>
Receivables	20 143	19 836
Cash and cash equivalents *	4 180	4 733
<b>Total current assets</b>	<b>24 323</b>	<b>24 570</b>
<b>Total assets</b>	<b>227 507</b>	<b>232 026</b>

\* In addition to the cash and cash equivalent per 31 December 2015, the Group holds treasury shares of approximately USD 1.3 million in current market value. The Group also has EUR 13.1 million undrawn on the revolver loan available to support the equipment growth.

Figures in USD '000	31.13.2016	31.12.2015
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>93 278</b>	<b>98 928</b>
<b>Total non current liabilities</b>	<b>99 503</b>	<b>101 038</b>
First year instalments	8 100	8 100
Other current liabilities	26 626	23 959
<b>Total current liabilities</b>	<b>34 726</b>	<b>32 059</b>
<b>Total liabilities</b>	<b>134 229</b>	<b>133 097</b>
<b>Total equity and liabilities</b>	<b>227 507</b>	<b>232 026</b>

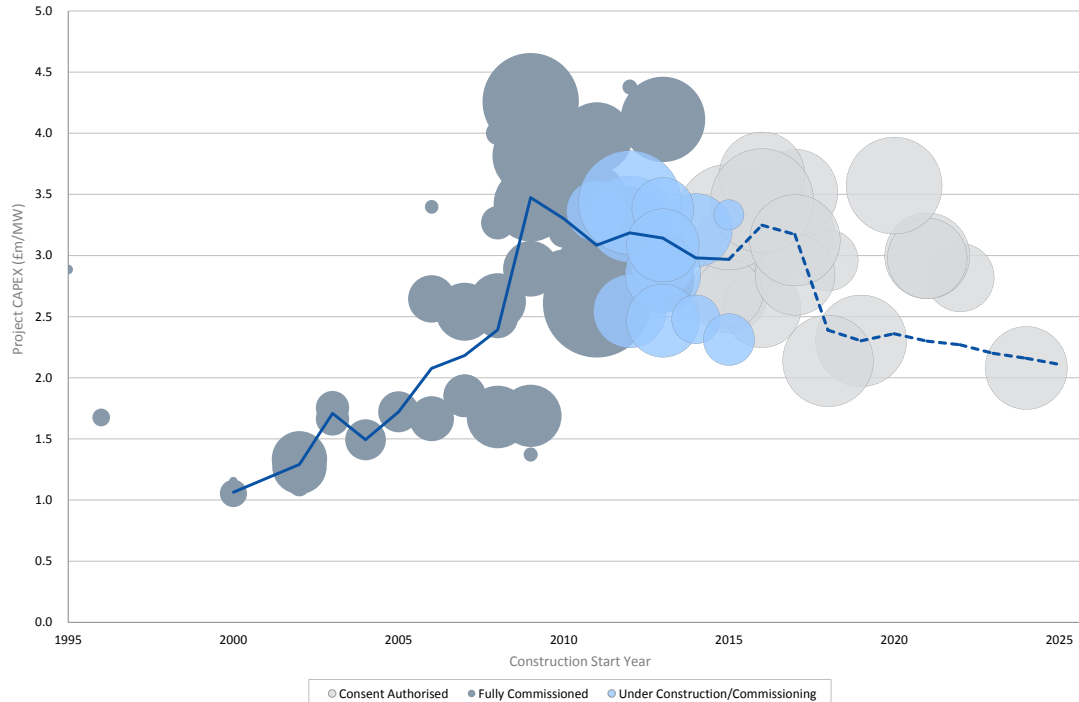
Book value of equity is 41%



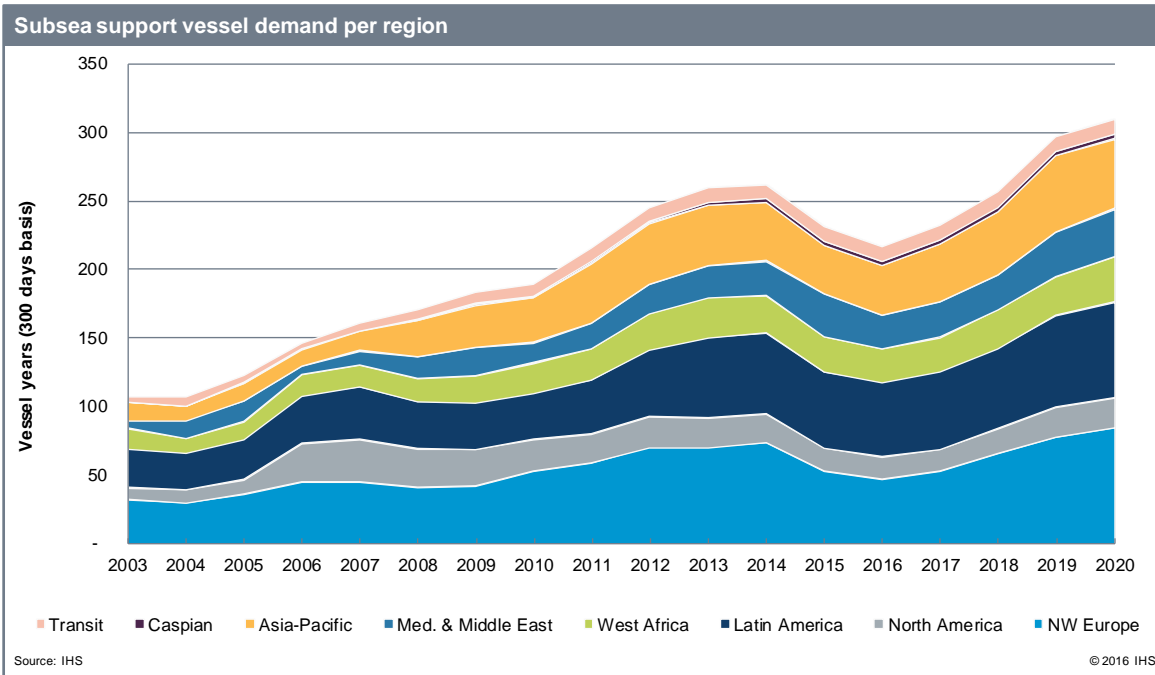
## Market outlook

# Strong growth in Offshore Renewable market with focus on cutting installation and maintenance costs

DEVELOPER'S FORECAST REDUCED CAPEX AND REQUIRE INNOVATIONS, in APAC we see same trends

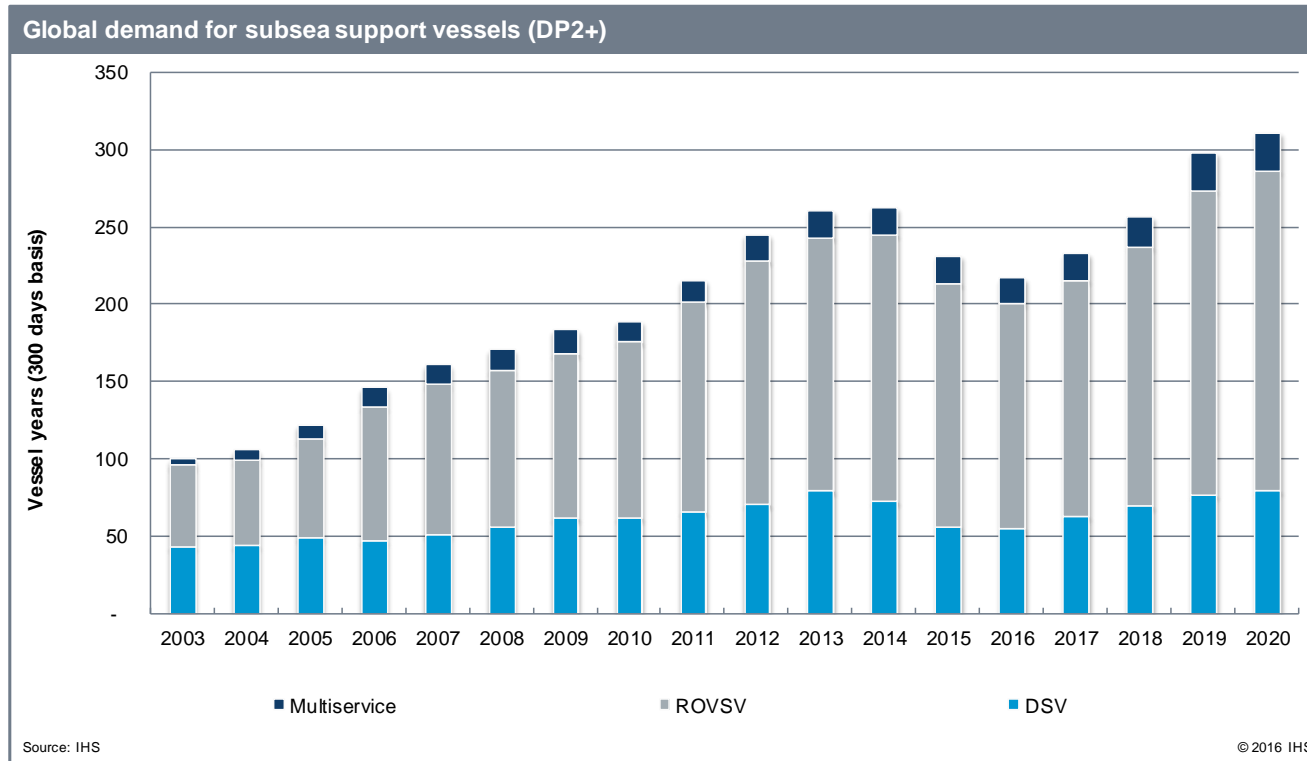


# Demand growth expected to be 6% p.a. in the period 2015-20, including 6% decline in 2016

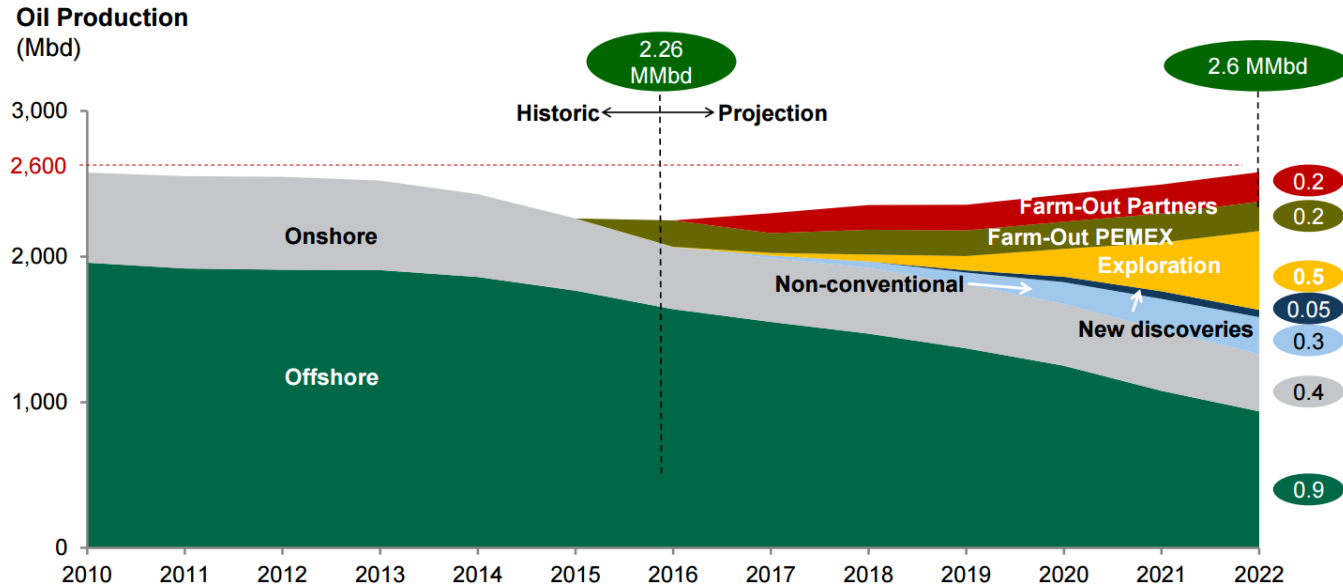


- Demand has increased 9% p.a. in the period 2003-14 due to more and more installations and maintenance on the seabed in deeper waters
- Demand declined 12% in 2015, due to the oil price collapse in 2nd half 2014
- Demand is expected to recover from 2017

# Strongest demand growth expected for ROVSV fleet



# Mexico outlook: future growth depends on efficient implementation of the energy reform



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**THANK YOU!**



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