



# OCEANTEAM

An Oslo Stock Exchange listed shipping company

Ticker: OTS

CEO: Haico Halbesma

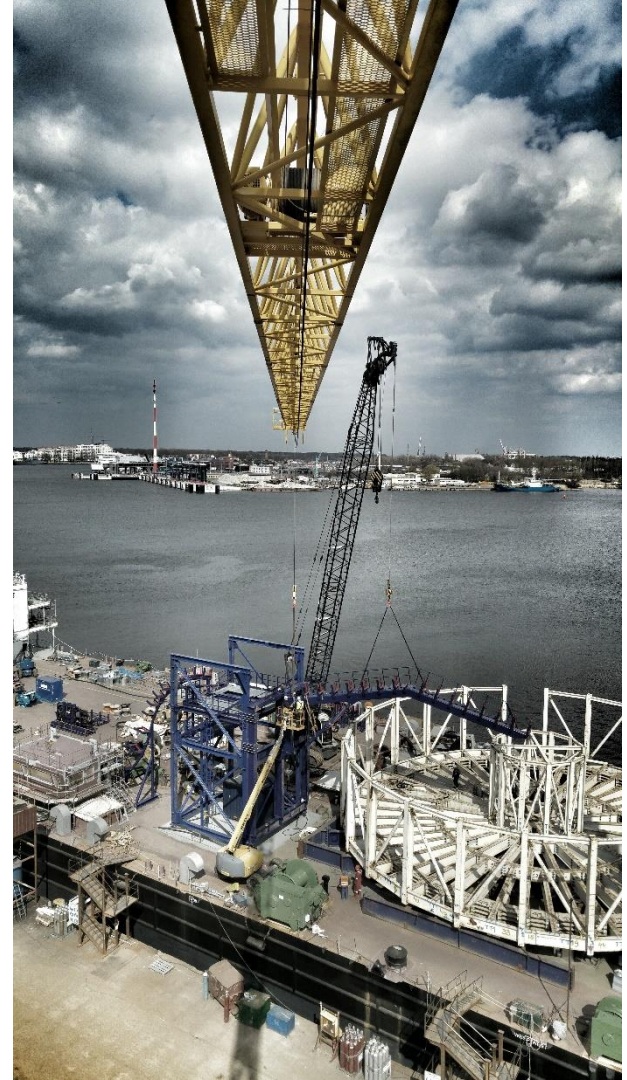
***Q3 2016 Presentation Oslo – 10 November 2016***

# 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







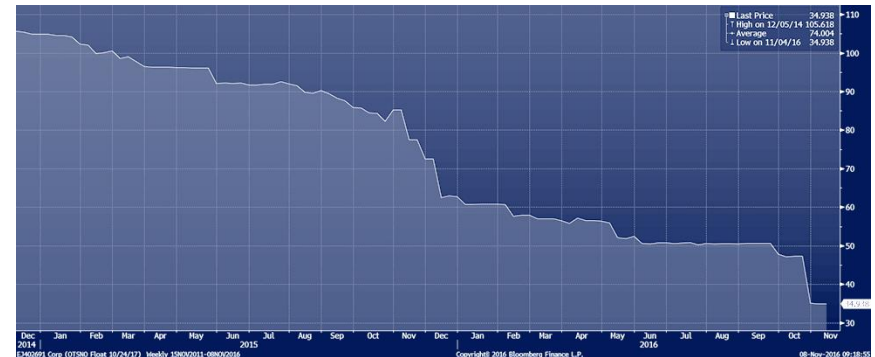
**OCEANTEAM**

## Company Overview & Highlights

# UPDATE ON CURRENT SITUATION

- ✓ 20 October 2016 Oceanteam announced its initiated process of restructuring
- ✓ Company in constructive dialogue with bondholders and banks, following deferral of interest payment on Senior unsecured Bond
- ✓ The immediate effect of this deferral: under loan agreements the banks are retaining cash within the operational entities and this is not available to Oceanteam ASA
- ✓ Newly-appointed interim CFO, Wilhelm Bøhn, will lead the financial department and will be heading the current financial restructuring process
- ✓ In Q4 we focused on tackling the liquidity squeeze, due in particular to the newly-entered vessel contracts for BO 101 & Southern Ocean, payment issues on two smaller vessels in Venezuela and some Solutions clients

Development bond price Dec.2014 – Nov.2016



# 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

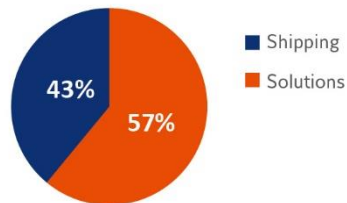
- A one-stop-shop providing solution-driven services by combining our engineering, equipment and shipping expertise into a single service in accordance with clients' requests

Our strengths

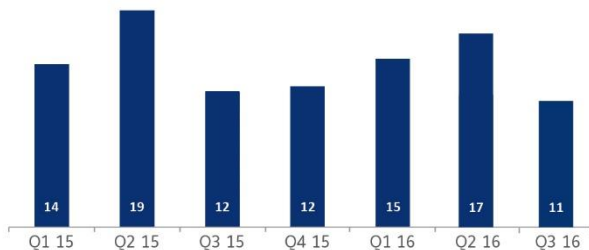
- Stable regions
- Solid local partners
- Diverse client base
- Agile and cost efficient organisation

# PERFORMANCE HIGHLIGHTS Q3 2016

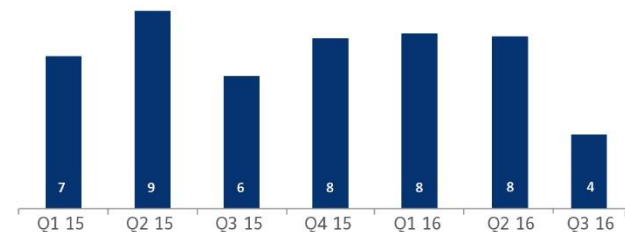
Segment Revenue  
Revenue split 2016



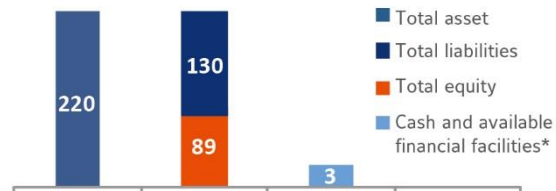
Revenue  
11.0 mill.  
USD in million



Ebitda  
3.6 mill.  
USD in million



Asset overview  
Balance  
USD in million



# HIGHLIGHTS OF THE 3<sup>rd</sup> QUARTER 2016



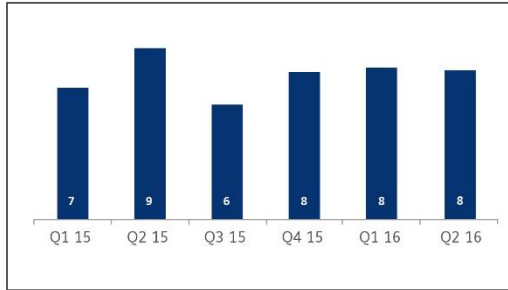
- Extension of two vessel contracts: CSV Bourbon Oceanteam 101 secured new time-charter for period of 3 years + options against significantly reduced rates. CSV Southern Ocean transferred to Shelf Subsea after sale of subsea business by Fugro NV. Charter has been extended up to July 2021 against significantly reduced rates



- Company initiates financial restructuring and is in process of developing a restructuring plan that will secure a capital cost and structure which will support the value preservation and financial flexibility while enabling value creation for all stakeholders
- Appointment of Mr Bøhn as interim CFO



# HIGHLIGHTS OF THE 3<sup>rd</sup> QUARTER 2016



- EBITDA from operations of USD 3.6 million at a reasonable and robust level considering the start-up of new vessel contracts



- Construction of the Tampamachoco 1 is progressing and is scheduled to start operations early 2017. Mexican market develops slower than expected, but Company remains positive about its future development and potential

# HIGHLIGHTS OF THE 3<sup>rd</sup> QUARTER 2016



- Oceanteam Solutions awarded a long-term contract to supply an Offshore Transmission Owner (OFTO) with port facilities, loadouts and storage of cables at Oceanteam's own cable storage facility in Velsen Noord, The Netherlands



- Oceanteam Solutions has performed several cable loadouts in Asia. The scope is part of a contract that includes multiple cable transports

# HIGHLIGHTS OF THE 3<sup>rd</sup> QUARTER 2016



- Oceanteam Solutions enters the Chinese market
- Oceanteam Solutions has been awarded with a subsidy from Dutch consortium Knowledge and Innovation, Wind at Sea (TKI - WoZ) for further research & development of its promising Double Slip Joint (DSJ) concept
- Oceanteam Solutions awarded with new assignments by MonoBaseWind and Centrica

# VESSEL CONTRACT BACKLOG

		2016 Q1-2	2016 Q3-4	2017 Q1-2	2017 Q3-4	2018 Q1-2	2018 Q3-4	2019 Q1-2	2019 Q3-4	2020 Q1-2	2020 Q3-4	2021 Q1-2
Shipping	Type of contract											
CSV BO 101	time charter											
CSV Southern Ocean*	bareboat											
LV North Ocean 105	bareboat											
CSV Tampamachoco 1	time charter											
FSV Mantarraya	bareboat											
FSV Tiburon	bareboat											
FSV Cobos	time charter											
FSV Iacos	time charter											

Contract
  Option
  Under construction

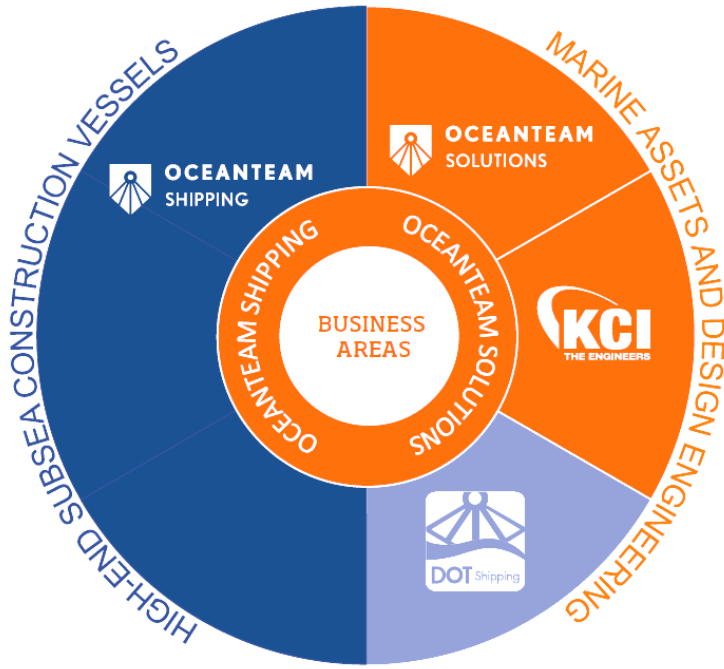
\* Owners are in process of negotiating final terms to change the contract into a 5 year firm agreement against a reduced rate.





## Strategy

# DIVERSIFICATION STRATEGY – Improving our clients performance



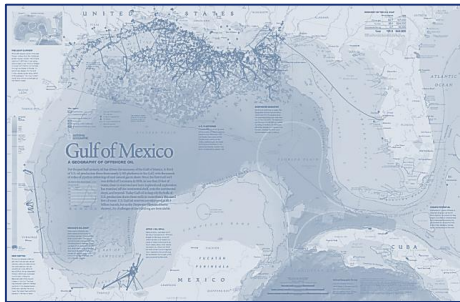
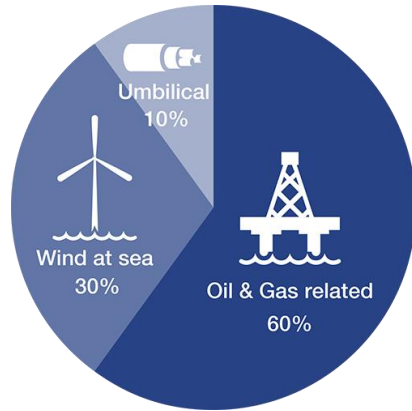
- Two operating segments:

- > **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

# 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 – value preservation- and creation for all stakeholders.

## Short Term

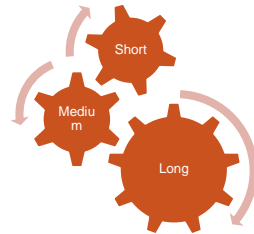
- Develop a restructuring plan that will secure a capital cost and structure which will support the value preservation and financial flexibility while enabling value creation for all stakeholders
- Continue constructive dialogue with banks and bondholders alike

## 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

## Long Term

- Utilise tax structure to maximize shareholder's value and to facilitate growth
- Significant expansion of all business lines: engineering, marine assets and shipping

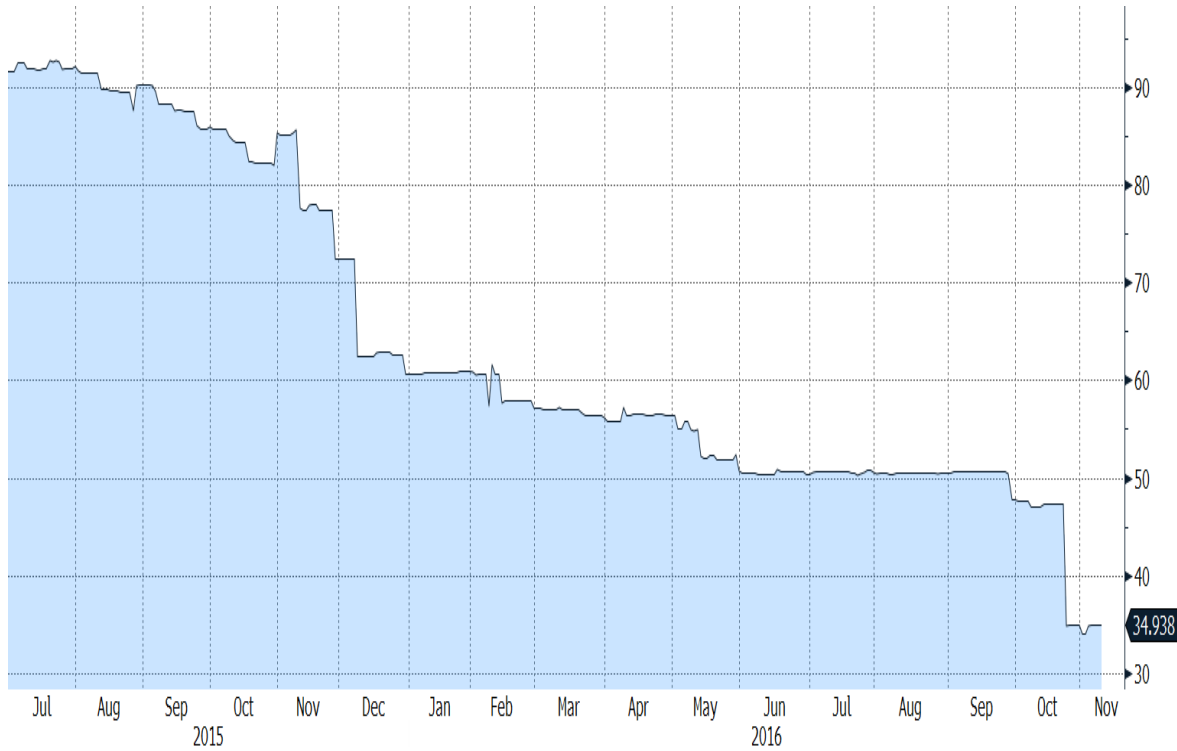




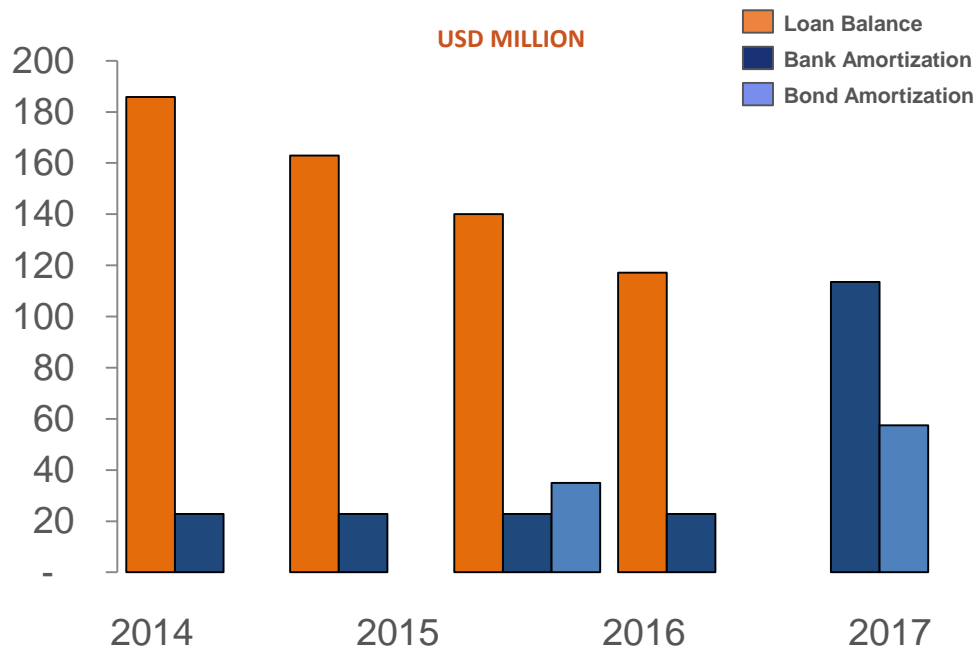


## Financials

# BOND LOAN

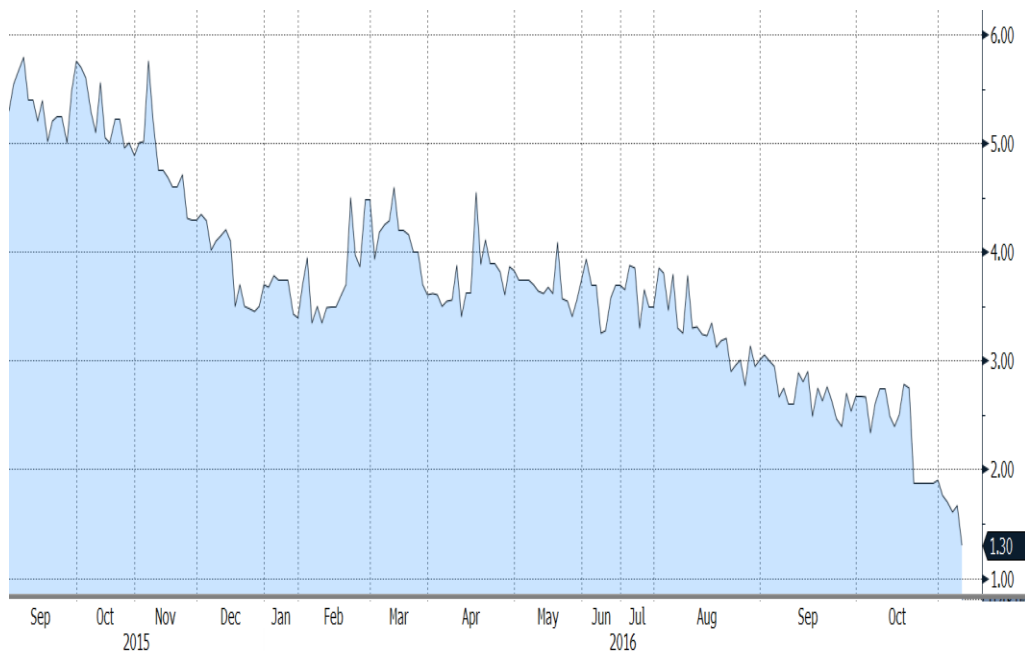


# FINANCIAL STRATEGY – Our financial priorities



- ✓ Initiation of financial restructuring
- ✓ Company has initiated a constructive dialogue with its banks and bondholders to shape a new financial structure and to create financial flexibility needed in today's challenging market situation
- ✓ Aim is to establish a revised capital structure and cost of capital that can support the long term growth of Oceanteam ASA
- ✓ **EBITDA for the quarter**
  - Q3 2016 – USD 3.6 million – 33% of Revenue

# SHARE PRICE DEVELOPMENT



## FMV developments

- Modern fleet, high-end deep water assets, long term charters secured

## Booked equity

- 41%
- USD 89.2 million (after 10% share buy back)

## Market capitalization

- NOK 38.8 million (29.6 m shares @ NOK 1.70)

## Cash liquidity constraint

- Deferral of interest payments and technical default on Senior unsecured Bond.
- Financial restructuring process started.



# P&L REPORT END Q3 2016 AND BALANCE SHEET Q3 2016

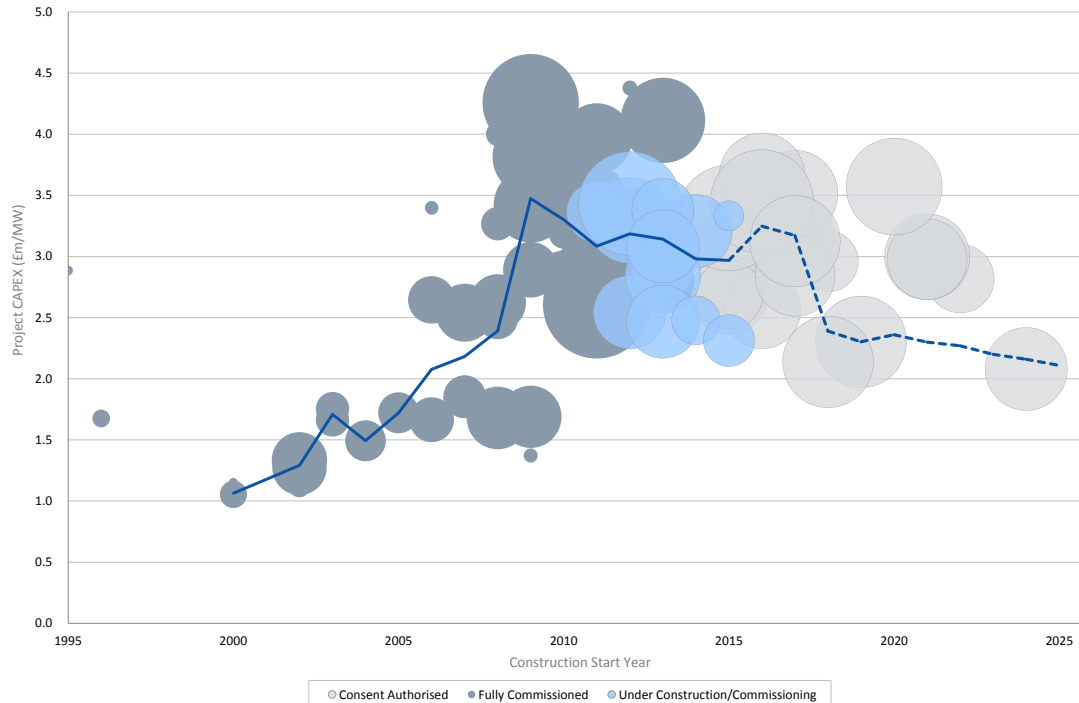
- Oceanteam would like to refer to the Q3 2016 report, page 16, 17 & 18



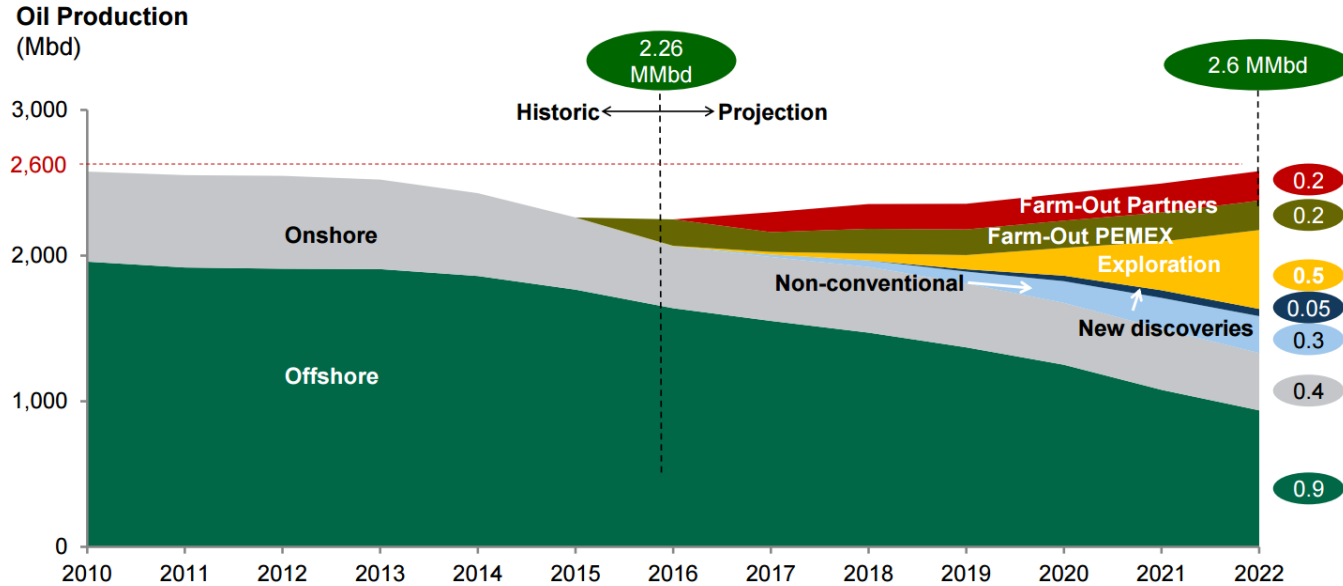
## Market outlook

# 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

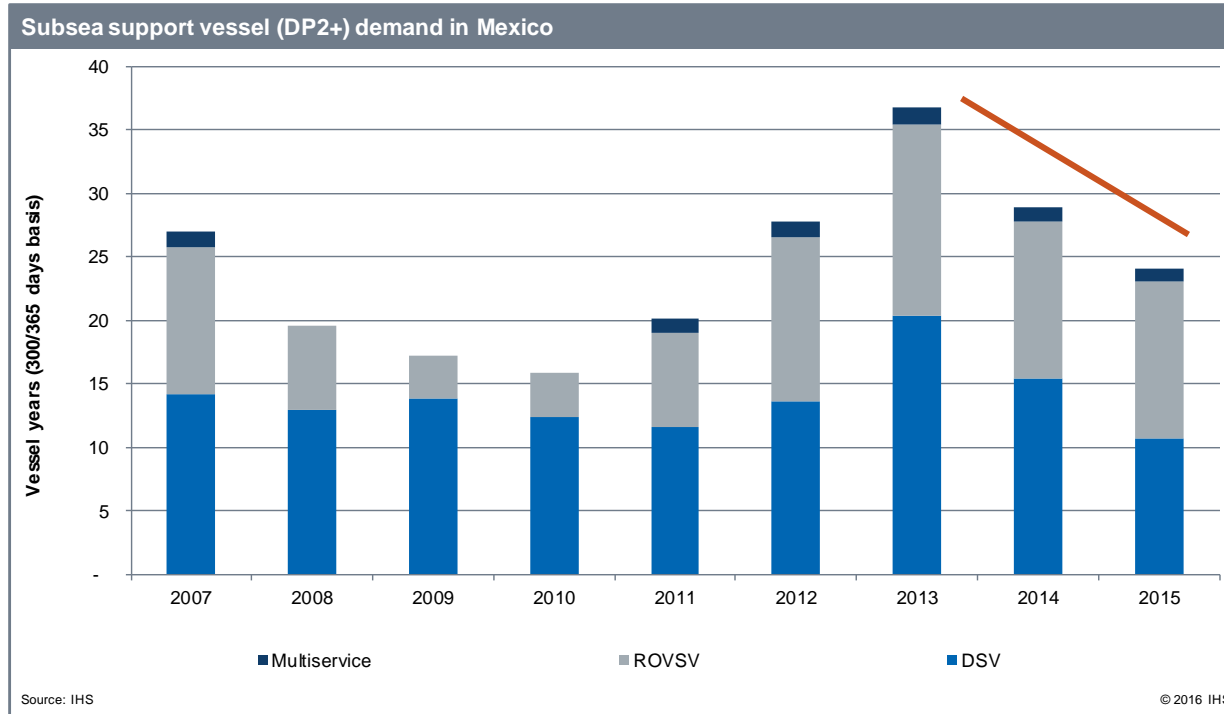


# Mexico outlook: future growth depends on efficient implementation of the energy reform



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# Subsea support vessel demand in Mexico continuous to decline





**THANK YOU!**



**Oceanteam ASA**

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