

# INTERIM REPORT

# Q4 2016

Presentation Oslo  
28 February 2017



**OCEANTEAM**



## 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

1 COMPANY OVERVIEW &  
HIGHLIGHTS

3 FINANCIALS



2 STRATEGY

4 MARKET OUTLOOK



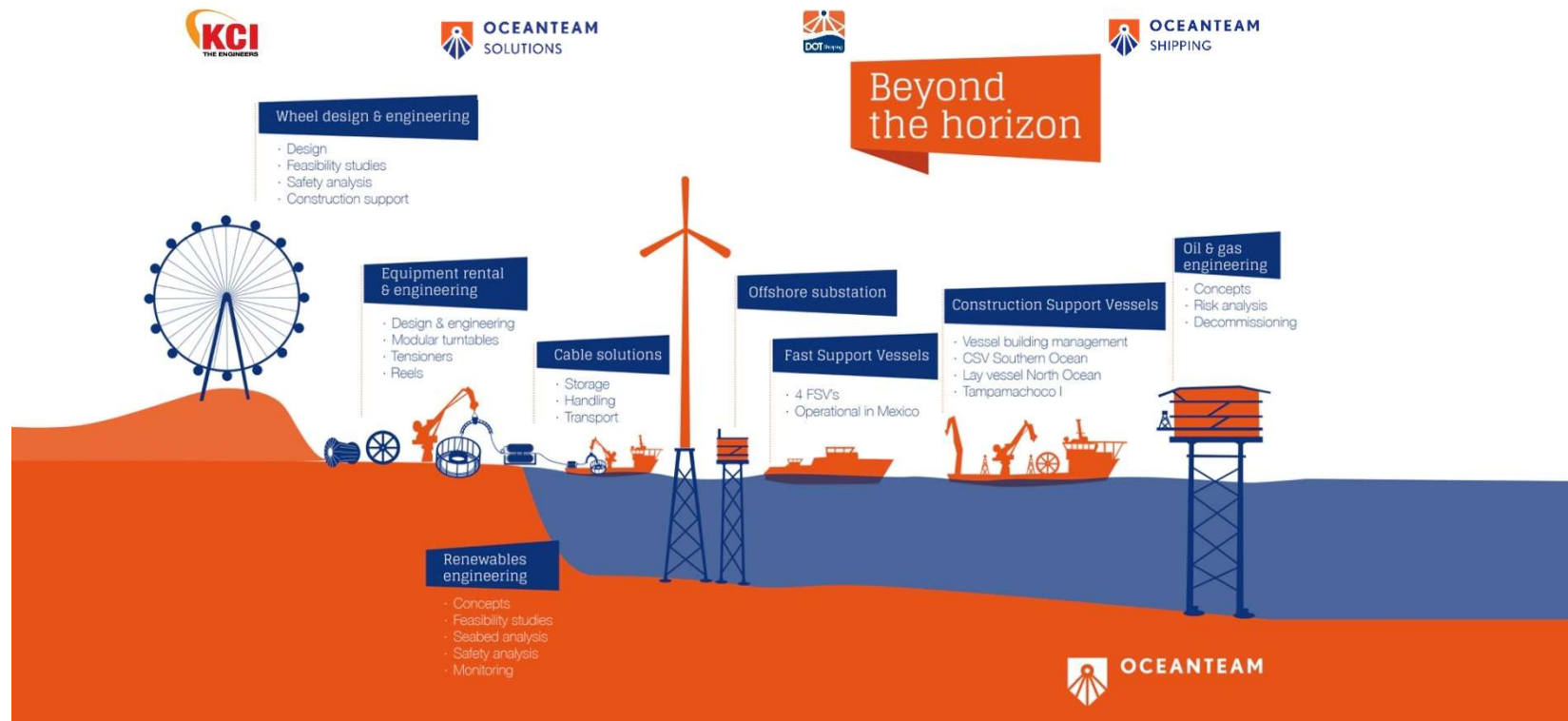
## Company Overview & Highlights

# OCEANTEAM – THE OFFSHORE SERVICE PROVIDER



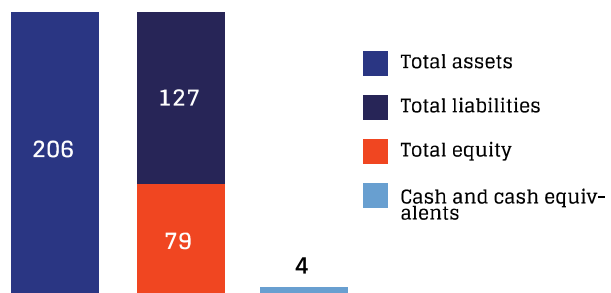
- **High quality global offshore contractors**
  - **Oceanteam Shipping** Fleet of advanced offshore vessels
  - **Oceanteam Solutions** Service from “design and engineering through to equipment rental”
- **Business strategy**
  - **Oceanteam Shipping** JVs with industrial partners with complementary strengths. Projects to stand own feet economically
  - **Oceanteam Solutions** A one-stop-shop providing solution-driven services by combining our engineering, equipment and shipping expertise
- **Our strengths:**
  - Solid local partners
  - Diverse client base
  - Agile and cost efficient organization

# OCEANTEAM – ITS CAPABILITIES FULLY EMPLOYED



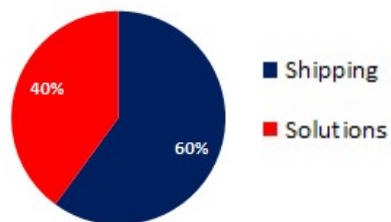
# PERFORMANCE HIGHLIGHTS 4Q2016

## BALANCE SHEET



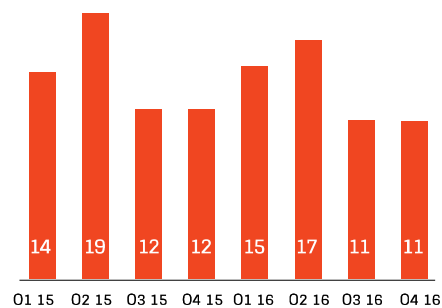
USD in million	Q4 16	Q4 15	Cum Q4 16	Cum Q4 15
Revenue	11.2	10.9	53.8	55.6
Operating cost	3.9	2.5	17.1	14.7
General & administration	3.9	2.7	13.1	13.9
Restructuring cost	0.6	0.0	1.5	0.0
EBITDA	2.8	5.6	22.1	27.0
EBITDA percentage	25%	52%	41%	49%

## REVENUE SPLIT 2016



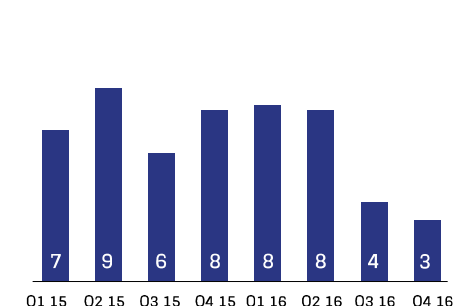
## REVENUE

USD 11.2 million



## EBITDA

USD 2.8 million



# FINANCIAL HIGHLIGHTS 4Q2016



- Oceanteam ASA initiated the financial restructuring with its creditors – bondholders and bank relationships
- Terms are overall agreed. They secure the capital cost and structure, and supports the Company`s business plan and value creation benefitting all stakeholders



## SUBSEQUENT EVENTS

- Oceanteam shared JV partner McDermott published intention - by the end of April 2017 - to exercise its option and to purchase Oceanteam`s 25% ownership in the vessel-owning company North Ocean 105 AS



# OPERATIONAL HIGHLIGHTS 4Q2016

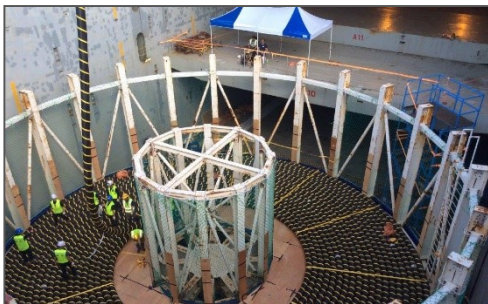


- Oceanteam ASA appointed Wilhelm Bøhn as CFO
- Oceanteam Solutions awarded new assignments by MonoBaseWind and Centrica
- Oceanteam Solutions awarded a subsidy from Dutch consortium Knowledge and Innovation, Wind at Sea for the further research & development of OTS Solutions promising Double Slip Joint (DSJ) concept
- Oceanteam Solutions awarded a contract for engineering and supplying a 4000T and a 2000T turntables for the splicing, storage and multiple load-outs of cables

## OPERATIONAL HIGHLIGHTS 4Q2016 (cont`d)



- Fugro NV retains charter contract on CSV Southern Ocean rather than transfer it to a part-owned subsidiary
- Oceanteam's subsidiary Diavaz-Oceanteam Shipping (DOT) agrees with seller Pacific Radiance to postpone the delivery of the CSV Tampamachoco 1 (T1) for one year with option for second postponement



### SUBSEQUENT EVENTS

- Oceanteam Solution is selected by Beijing-based client, and with this enters the Chinese market with offshore wind contract
- Oceanteam Solution extends contract with 1 year for supply of cable installation spread including 4000T turntable

# VESSEL CONTRACT BACKLOG

		2016	2017	2017	2018	2018	2019	2019	2020	2020	2021	2021
		Q3-4	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	Contract	Contract	Contract	Contract	Option	Option	Option	Option	Option
CSV Southern Ocean *	bareboat	Contract	Contract	Contract	Contract	Contract	Option	Option	Option	Option		
LV North Ocean 105	bareboat	Contract	Contract	Option	Option	Option	Option					
CSV Tampamachoco 1	time charter	Under Construction	Option	Option	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
FSV Mantarraya	bareboat	Contract	Contract									
FSV Tiburon	bareboat	Contract	Contract									
FSV Cobos	time charter	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract
FSV Icacos	time charter	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract	Contract

Contract
  Option
  Under Construction

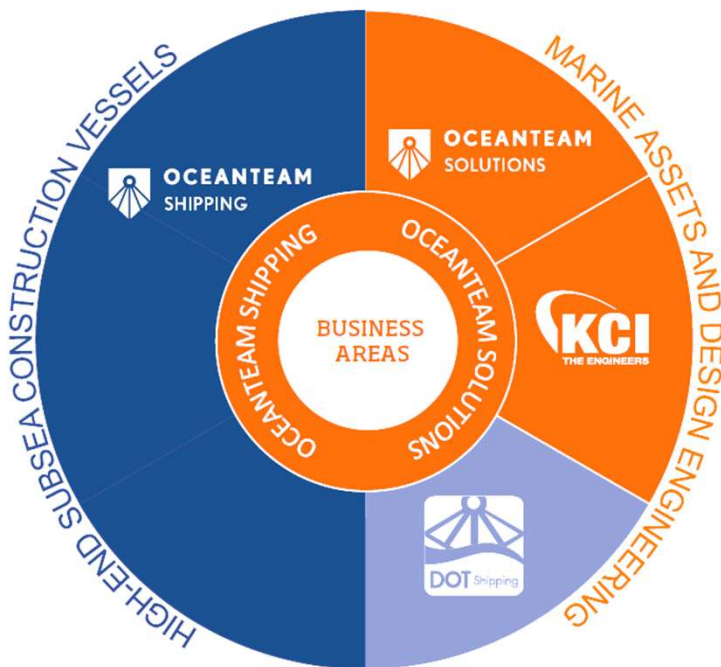


**OCEANTEAM**

**Strategy**

# DIVERSIFICATION STRATEGY

Improving our clients performance, using our core capabilities



- 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

# OUTLOOK – VALUE PRESERVATION AND CREATION

## Short Term

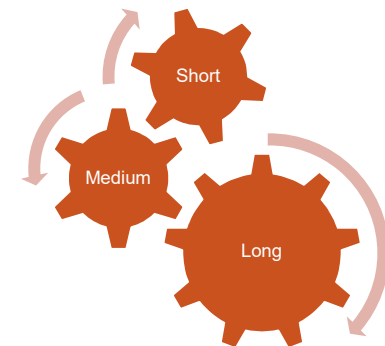
- Finalize and announce terms of the new bond loan agreement
- Commence dialogue with bank regarding JV fleet financing
- Continue to develop and grow profitable areas of the value chain

## Medium Term

- Focus on growing our partnerships and develop new opportunities:
- Mexican market through DOT Shipping and Diavaz
- Explore opportunities with McDermott, Bourbon and Fugro

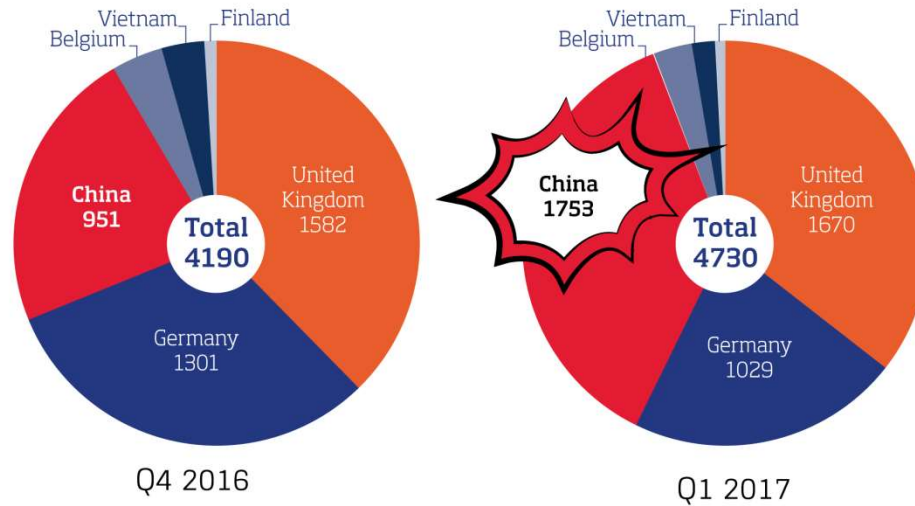
## Long Term

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



# MARKET MEGATREND – OFFSHORE WIND

Capacity under construction (in megawatt)





## Financials



# FINANCIAL STRATEGY

- After initiating constructive dialogue with our banks and bondholders, Oceanteam in Q1 2017 reached an agreement with its bondholders on the main terms of the bond loan
- The new bond loan agreement and a good relationship with the company's banking group is securing the necessary financing OTS needs
- Oceanteam Financing Sources
  - JV bank debt on 101 and 104
  - JV bank debt on 105
  - Secured lending in ASA for principal amount of approx USD 4mm
  - Unsecured bond in ASA for principal amount of approx USD 58mm

# CAPITAL PRICE DEVELOPMENT



## Booked Capitalization of USD 187 million

- USD 79 million Equity financing
- USD 57.5 million Bond financing
- USD 50 million Bank financing

## Market Capitalization of USD 78 million

- NOK 122 million (26.6 m shares@ NOK 4.28)
- Cirka USD 14 million (Unsecured Bond)
- Cirka USD 50 million (Bank debt at par)

# INCOME STATEMENT – 4Q2016

Figures in USD '000	Q4 2016	Q4 2015	Cum 2016	Cum 2015
Revenue	10 686	10 371	43 671	50 258
Net income from joint ventures and associates	474	514	10 094	5 368
<b>Total operating revenues</b>	<b>11 160</b>	<b>10 885</b>	<b>53 765</b>	<b>55 627</b>
Operating costs	(3 867)	(2 537)	(17 078)	(14 676)
General & administration	(4 537)	(2 703)	(14 601)	(13 947)
Depreciation	(2 541)	(3 086)	(9 498)	(11 113)
Write off	0	(6 407)	37	(6 766)
<b>Total operating expenses</b>	<b>(10 945)</b>	<b>(14 733)</b>	<b>(41 140)</b>	<b>(46 502)</b>
<b>Operating profit (loss) before increase (decrease) from vessel revaluation</b>	<b>215</b>	<b>(3 848)</b>	<b>12 625</b>	<b>(9 124)</b>
Increase (decrease) from revaluation	1 330	(4 044)	(2 716)	(17 570)
<b>Ordinary profit (loss) before interest and taxes</b>	<b>1 545</b>	<b>(7 892)</b>	<b>(2 079)</b>	<b>(20 431)</b>
Net Finance	(2353)	(2 519)	(11 987)	(11 985)
Tax	(2272)	(713)	(2 286)	(751)
<b>Net result after increase (decrease) from vessel revaluation</b>	<b>(3 080)</b>	<b>(11 125)</b>	<b>(4 364)</b>	<b>(21 182)</b>

# BALANCE SHEET – 4Q2016

Figures in USD '000	31.12.2016	31.12.2015
<b>Assets</b>		
<b>Intangible assets</b>	<b>13 186</b>	<b>15 600</b>
<b>Tangible assets</b>	<b>177 491</b>	<b>186 856</b>
<b>Total non current assets</b>	<b>190 677</b>	<b>202 458</b>
Receivables	11 883	19 081
Cash and cash equivalents *	3 514	5 165
<b>Total current assets</b>	<b>15 397</b>	<b>24 246</b>
<b>Total assets</b>	<b>206 075</b>	<b>226 704</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	31.12.2016	31.12.2015
<b>Equity and liabilities</b>		
<b>Total equity</b>	<b>79 314</b>	<b>93 149</b>
<b>Total non current liabilities</b>	<b>0</b>	<b>101 038</b>
First year instalments	105 933	8 100
Other current liabilities	20 827	24 115
<b>Total current liabilities</b>	<b>126 760</b>	<b>32 515</b>
<b>Total liabilities</b>	<b>126 760</b>	<b>133 553</b>
<b>Total equity and liabilities</b>	<b>206 075</b>	<b>226 704</b>



**THANK YOU!**



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