



**PACC Offshore Services Holdings Ltd.**

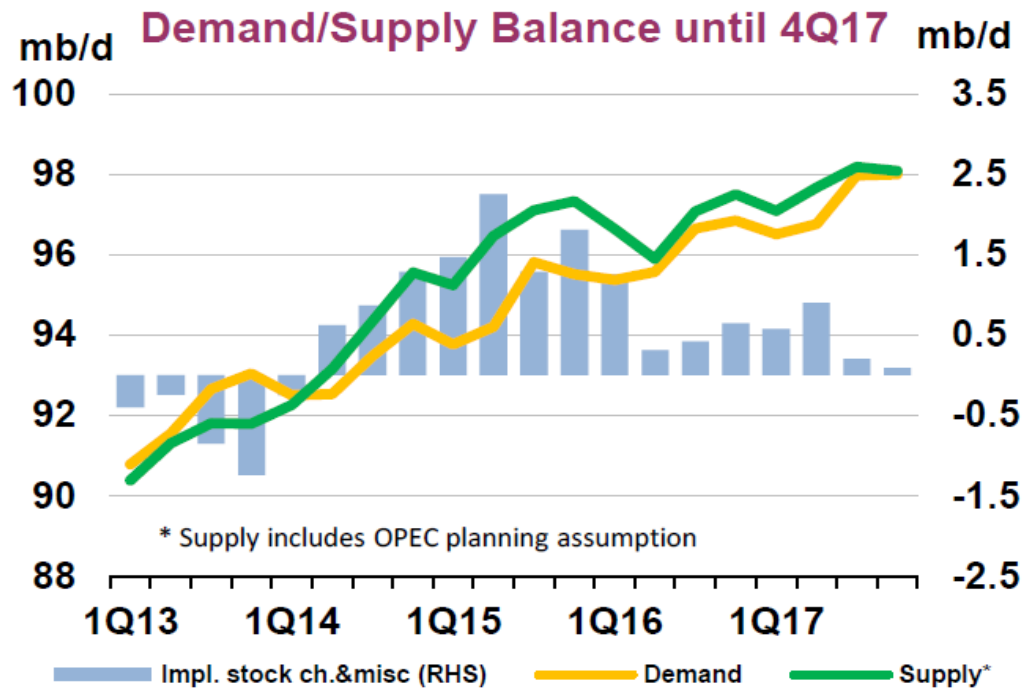
*Results Presentation  
Q3 FY16 Results  
4 November 2016*



	Page
1. Industry Outlook and Key Highlights	3
2. Financial Highlights	5
3. Business Strategy	16
4. Appendices	17

# Industry outlook

- In the oil market, market rebalancing continues as an OPEC supply cut is being anticipated
- US tight oil supply expected to decline this year along with the decline in oil prices
- In the short term, challenging market conditions to continue with overcapacity of vessels



# Key Highlights

- Q3 FY2016 revenue at US\$41.6 million; a decrease of 48% amid continued challenging industry conditions
- Net cash generated from operations of US\$8.5 million and positive EBITDA of US\$9.0 million in Q3 FY16, a decrease of 72% from US\$31.8 million recorded in Q3 FY15
- Loss in Q3 and 9M FY16 due to lower utilisation and charter rates
- Maintain strong financial position with Net Debt/Equity of 0.6x
- Continue new build programme for our Middle East contracts next year



# FINANCIAL HIGHLIGHTS

---



# Group Financial Highlights

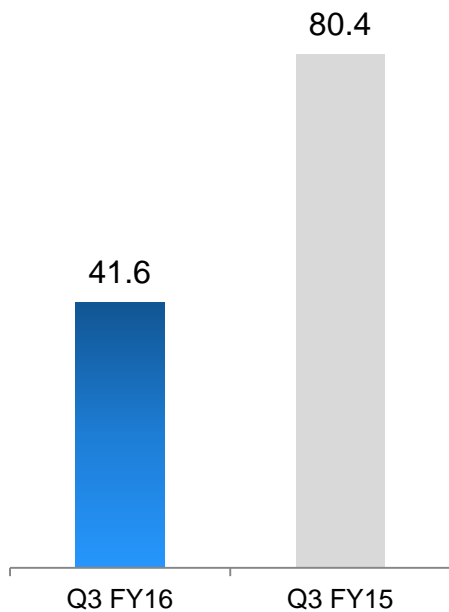
## SUMMARY

US\$'M	Q3 FY16	Q3 FY15	Change (%)	9M FY16	9M FY15	Change (%)
Revenue	41.6	80.4	-48	146.4	209.0	-30
Gross Profit	(1.4)	18.4	NM	14.4	40.8	-65
Other Expense/Income	(0.4)	3.6	NM	2.6	8.9	-71
Share of JV Results	(0.06)	0.9	NM	1.7	2.9	-41
Net (Loss)/Profit after Tax attributable to shareholders	(12.9)	12.6	NM	(26.0)	18.7	NM
EBITDA	9.0	31.8	-72	36.0	71.7	-50

# Group Financial Highlights – Q3 FY16

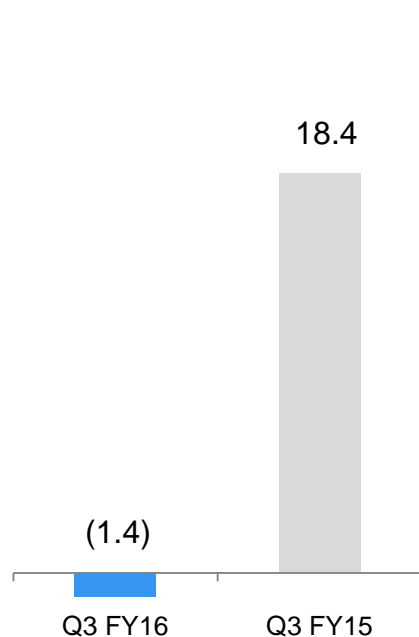
## Gross Revenue (US\$'M)

YoY -\$38.8M (-48%)



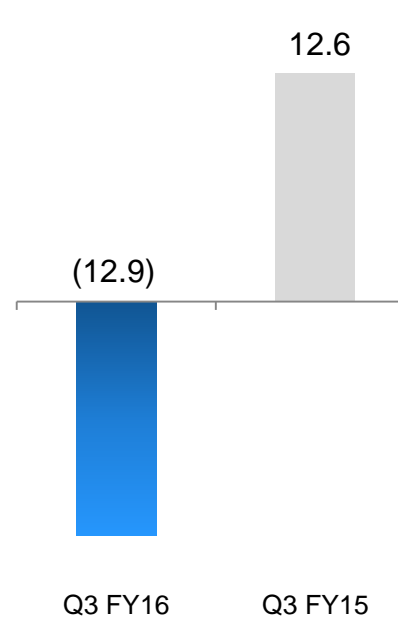
## Gross Profit (US\$'M)

YoY -\$19.8M (NM)



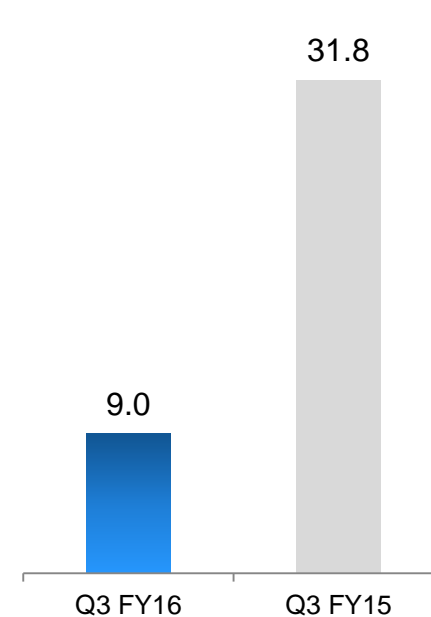
## (NLAT)/NPAT<sup>1</sup> (US\$'M)

YoY -\$25.5M (NM)



## EBITDA (US\$'M)

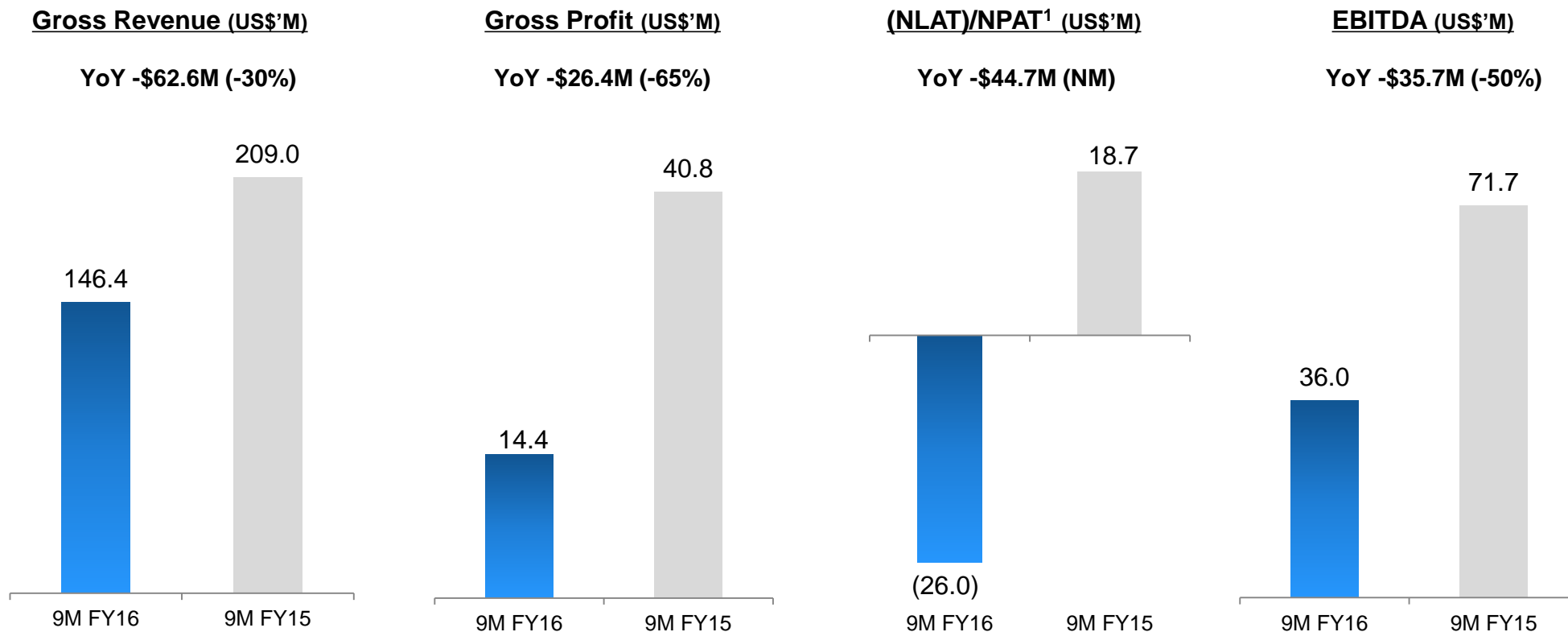
YoY -\$22.8M (-72%)



- Revenue decreased due to lower utilisation and charter rates across the major business segments.
- Decrease in Gross Profit was partly offset by lower operating cost.
- Net Loss was due to lower operating profit, lower contribution from JVs, higher finance cost and loss on vessel disposals instead of gains

Note 1: Net (Loss)/Profit After Tax attributable to shareholders

# Group Financial Highlights – 9M FY16



- Revenue decreased mainly due to lower charter rates and utilisation across business segments
- Net Loss instead of Net Profit due to lower operating profit, additional allowance for doubtful debt, higher finance cost and lower contribution from other income and JVs

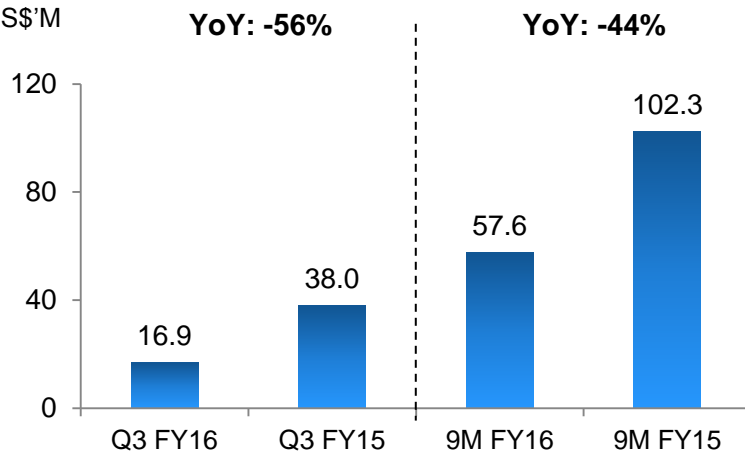
Note 1: Net (Loss)/Profit After Tax attributable to shareholders



# Financial Highlights - OSV

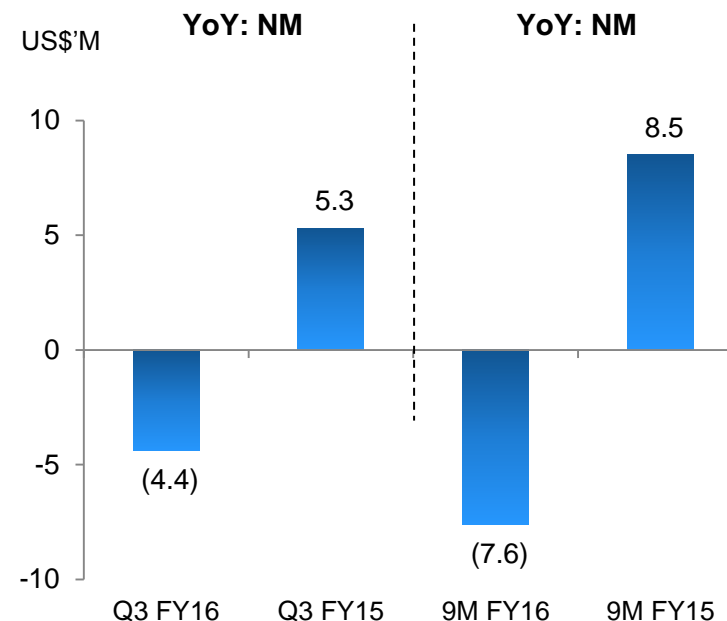
## Revenue

US\$'M



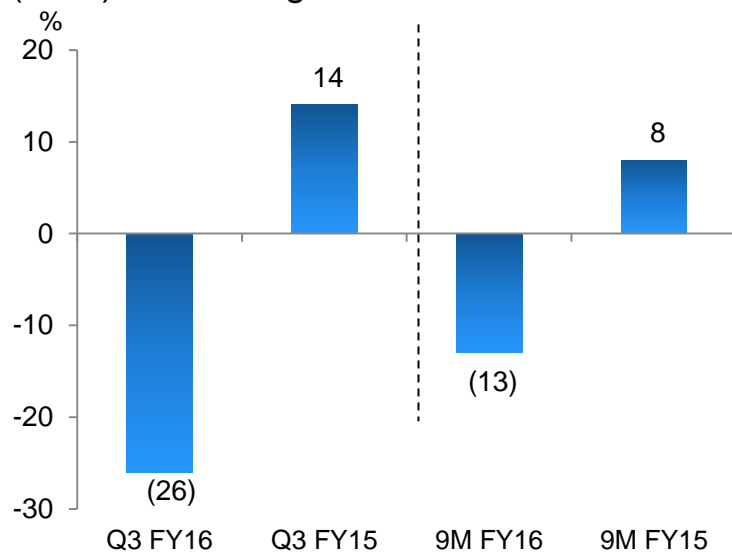
## Gross (Loss)/Profit

US\$'M



## Gross (Loss)/Profit Margin

%

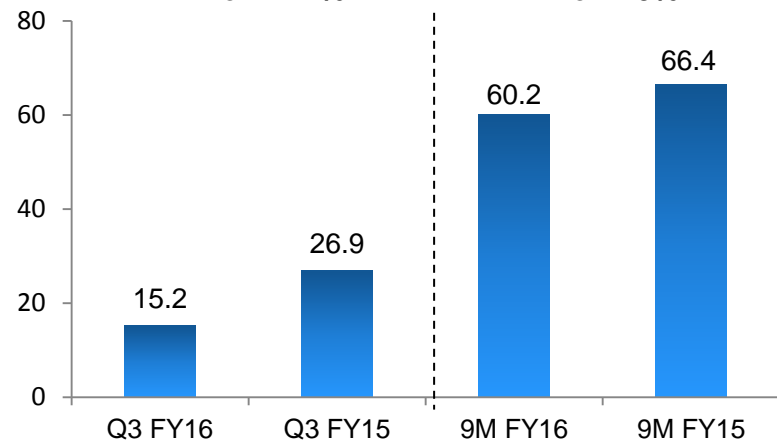


- Revenue decreased due to lower charter rates and utilisation levels
- Lower rates arose from discounts on rates previously contracted and reduced rates of new contracts
- Utilisation rate was 59% in Q3 FY16 compared to 74% in Q3 FY15

# Financial Highlights - OA

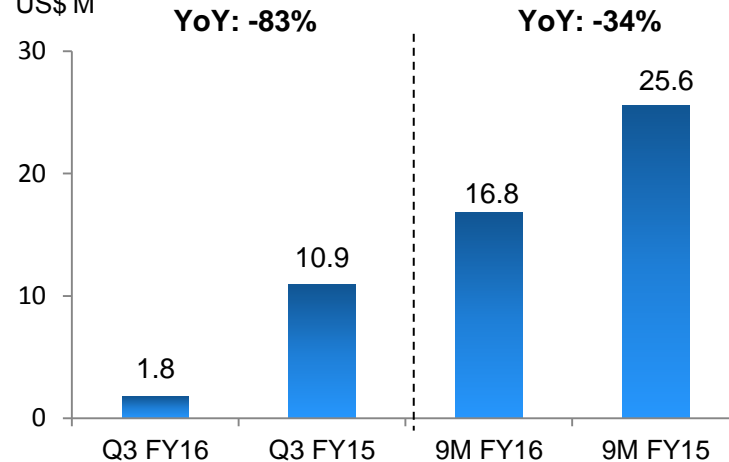
## Revenue

US\$'M



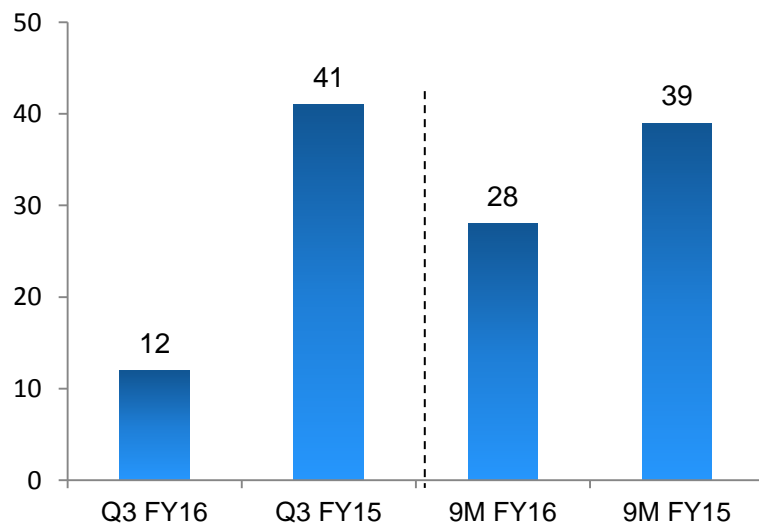
## Gross Profit

US\$'M



## Gross Profit Margin

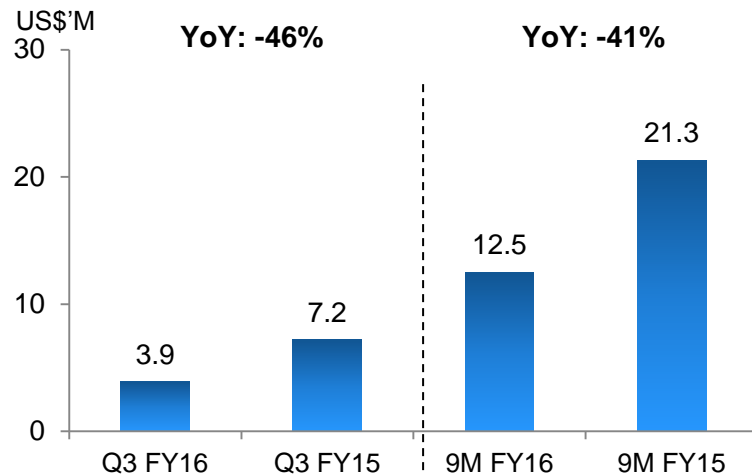
%



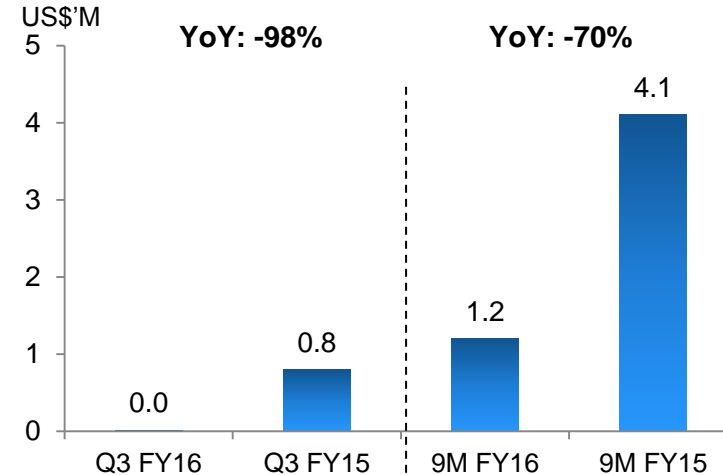
- Revenue decreased due to lower charter hire for POSH Xanadu on contract extension, lower utilisation and the early termination of two contracts as a result of non-payment of charter
- Gross profit was impacted by higher depreciation charges in Q3 FY16
- Utilisation rate was 36% in Q3 FY16 compared to 74% in Q3 FY15

# Financial Highlights – T&I

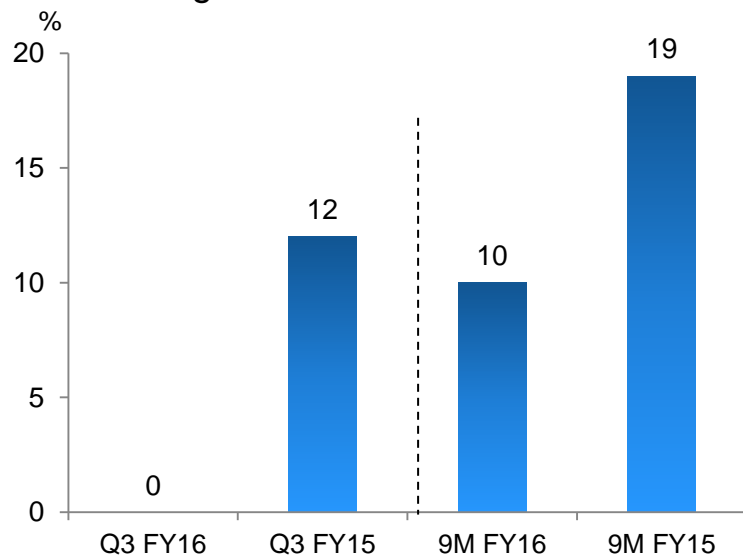
## Revenue



## Gross Profit



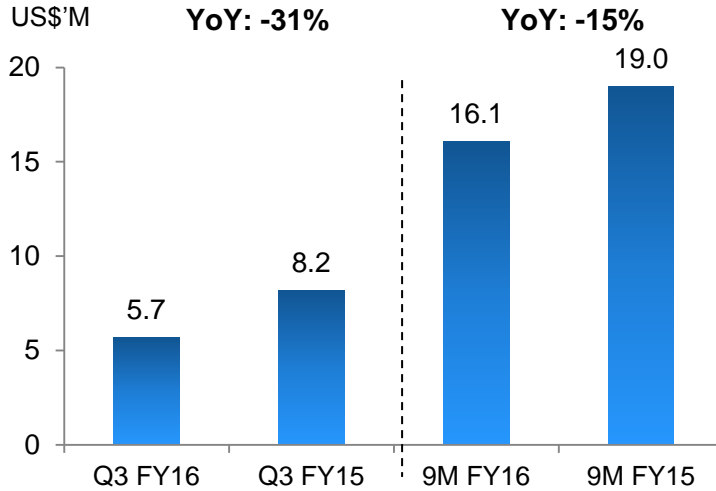
## Gross Profit Margin



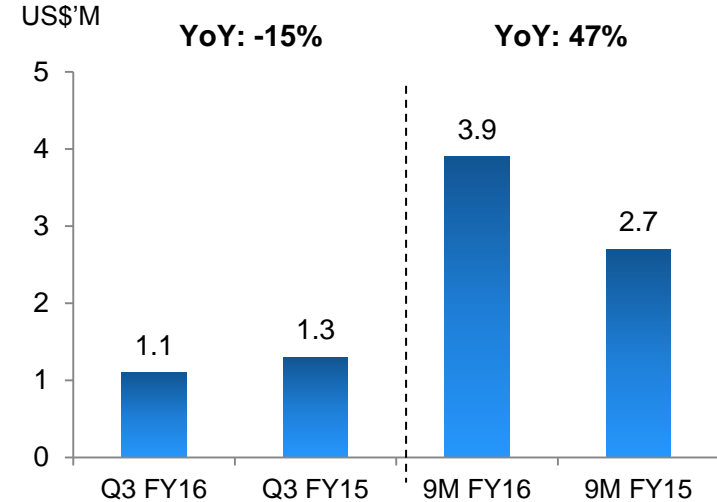
- Revenue decreased due to lower charter rates and utilisation arising from reduced capital expenditure and the cancellation of projects by oil companies
- Utilisation rate was 38% in Q3 FY16 compared to 60% in Q3 FY15

# Financial Highlights – HSER

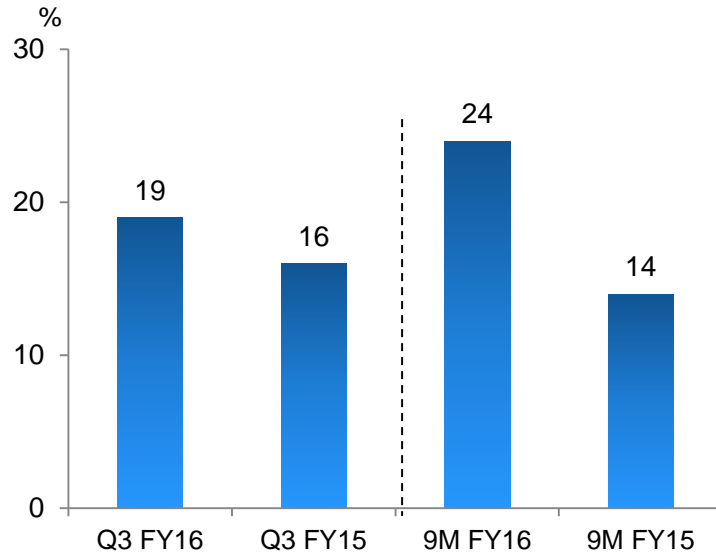
## Revenue



## Gross Profit



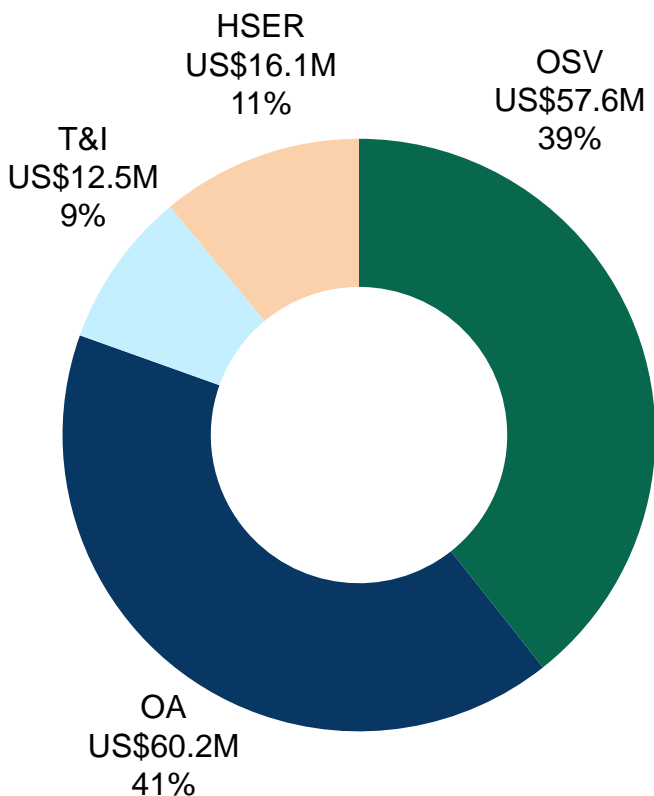
## Gross Profit Margin



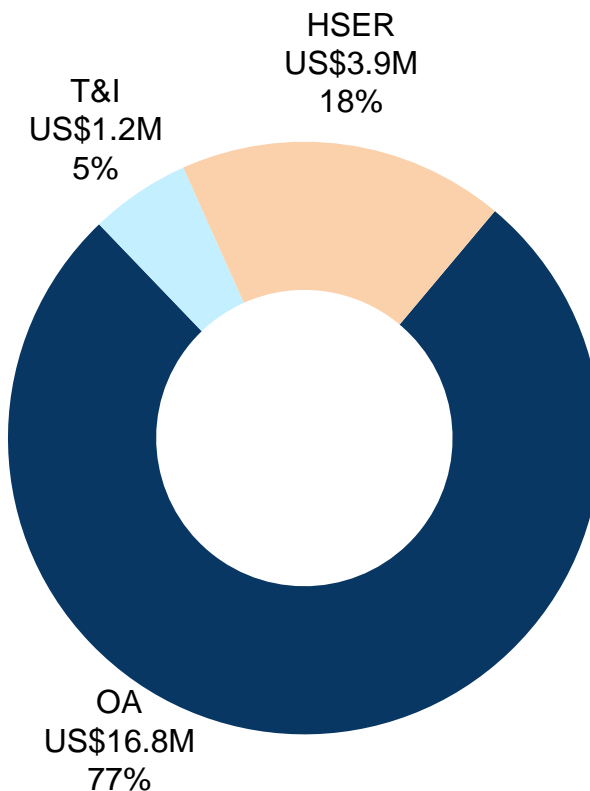
- The lower revenue was due to the absence of salvage jobs
- Increase in gross profit was mainly due to reduction in expenses

# Segments results<sup>1</sup> & Assets deployed<sup>2</sup>

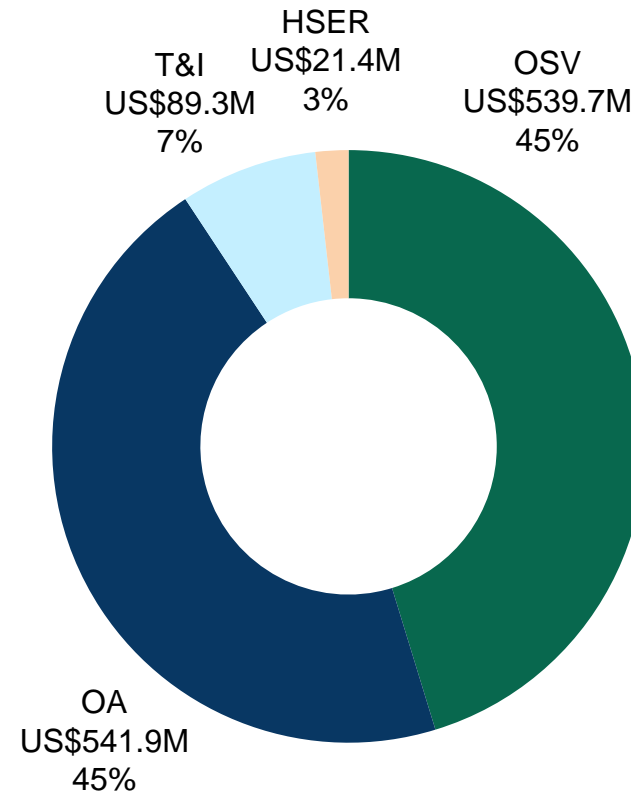
**Gross Revenue  
(US\$146.4M)**



**Gross Profit  
(US\$14.4M<sup>3</sup>)**



**Assets deployed  
(US\$1,192.3M)**



Note 1: For period 9M FY16

Note 2: As at 30 September 2016

Note 3: OSV made a gross loss of US\$7.6M in 9M FY16

# Capital Structure

US\$'000	30 Sep 2016	31 Dec 2015
<b>Net Debt</b>	613,640	545,951
<b>Equity</b>	1,026,283	1,061,043
<b>Net Debt /Equity</b>	60%	51%

- The Group has a net current liability of US\$133.6M mainly due to bank borrowings due within a year
- POSH has available undrawn bank lines of approximately US\$365.8M as of 30 September 2016



	Wholly Owned	JVs	Under Construction/Order	
Number of vessels <sup>1</sup>	74	40	19	
Net book value <sup>2</sup>	\$1,192.3M	-	-	
CAPEX commitment	-	-	\$134.9M Paid <sup>2</sup>	\$151.6M Outstanding

- As at 30 September 2016, the Group has 19 vessels under construction/order with expected delivery by 2017, of which 11 are for the Middle East with firm 5 years plus extensions contract.
- The Group is taking delivery of 7 vessels<sup>2</sup> in Q4 FY16 with remaining payments approximating \$27.0M

Note 1: See Appendix for details

Note 2: As of 30 Sep 2016

# Business Strategy – staying focused

- **Commitment to operational excellence** – training and vessel maintenance to improve competitive position
- **Asset reprofiling and talent retention** – reprofiling our vessels and talent retention for the long term
- **Seek growth in new markets to capitalise on opportunities** – new growth markets in the Middle East and South Asia
- **Maintain a strong balance sheet** – stay prudent in capital and cash management. This is important as oil majors are disqualifying companies with weak financials

# Appendix

# Overview of Business Segments

	Offshore Supply Vessels (OSV)	Offshore Accommodation (OA)	Transportation and Installation (T&I)	Harbour Services and Emergency Response (HSER)
Description	<ul style="list-style-type: none"> <li>▪ <b>AHTS and PSV:</b> Mid to deepwater oilfield operations in exploration, development, construction and production phases</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Offshore accommodation, workshop and storage facilities:</b> Offshore construction and maintenance operations</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>AHT:</b> Ocean towage of FPSOs and large offshore structures; shallow-water pipelay and construction works</li> <li>▪ <b>Barge:</b> Transportation, floatovers and launching of platform jackets</li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Harbour Services:</b> Support harbour towage operators and provide heavy lift services to shipyards</li> <li>▪ <b>Emergency Response:</b> Salvage, wreck removal, rescue and oil-spill response operations globally</li> </ul>
Fleet	<ul style="list-style-type: none"> <li>▪ Operates <b>29 vessels</b> (JV: 4) including:               <ul style="list-style-type: none"> <li>• 8,000 – 16,000 BHP AHTS</li> <li>• 2,346 – 4,100 DWT PSVs</li> </ul> </li> <li>▪ <b>Youngest deepwater and midwater AHTS/PSV fleets globally</b></li> <li>▪ Average vessel age of 4.9 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>9 vessels</b> (JV: 1) with total capacity of 3,100 persons</li> <li>▪ Average vessel age of 7.7 years</li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>42 vessels</b> (JV: 13) including:               <ul style="list-style-type: none"> <li>• 12,000 – 16,300 BHP AHTs</li> <li>• 4,000 – 8,000 BHP AHTs</li> <li>• Barges, including submersible barges and launch barge</li> <li>• Average vessel age of 8.0 years</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Operates <b>34 vessels</b> (JV: 22) including:               <ul style="list-style-type: none"> <li>• 3,200 – 4,000 BHP Azimuth Stern Drive (ASD) harbour tugs</li> <li>• Heavy lift crane barges</li> <li>• Average vessel age of 8.2 years</li> </ul> </li> </ul>
Typical Contract Type	<ul style="list-style-type: none"> <li>▪ Mix of short and long-term charters and spot contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Long-term contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Short-term charters or lump-sum project contracts</li> </ul>	<ul style="list-style-type: none"> <li>▪ MPA license to provide port towage services in Singapore</li> <li>▪ Retainer agreements for emergency response services</li> </ul>




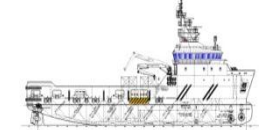
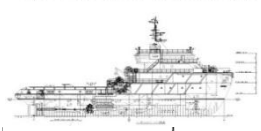
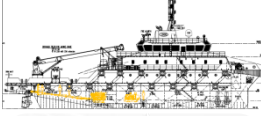

# Fleet Optimisation Program

Types of Vessels	Current Fleet		New Vessels Under Construction/Committed
	Wholly Owned	Owned by JVs	
AHTS	12	4	7
PSV	13	-	2
IMR	-	-	2
AHT	11	9	1
Towing Tugs	4	-	-
Barges	14	4	-
SSAV	2	-	-
Accommodation Vessels	6	1	1
Maintenance Utility Vessels	-	-	4
Harbour Tugs	9	19	2
Crane Barge	-	3	-
Utility Workboats	3	-	-
<b>Total as at 30 Sept 2016</b>	<b>74</b>	<b>40</b>	<b>19</b>

- Young fleet of customized new builds to meet customers' needs
- Focus on high-capacity and high-specification offshore accommodation vessels
- Entry into Inspection, Maintenance and Repair (IMR) segment with construction of IMR vessels

# Vessels to be delivered – Q4 FY16 onward

As at 30 September 2016, we have a total of 19 newbuilds contracted for delivery

POSH		Expected Delivery Date	No. of Newbuilds	Size	Contract	
OA	AV		<ul style="list-style-type: none"> <li>Q2 FY17</li> </ul>	<ul style="list-style-type: none"> <li>1 LCV</li> </ul>	<ul style="list-style-type: none"> <li>88 M</li> </ul>	
			<ul style="list-style-type: none"> <li>Q2 FY17</li> <li>Q3 FY17</li> </ul>	<ul style="list-style-type: none"> <li>2 DP2 IMR vessels</li> </ul>	<ul style="list-style-type: none"> <li>89 M</li> </ul>	
OSV	AHTS		<ul style="list-style-type: none"> <li>Q4 FY16</li> <li>Q3 FY17</li> <li>Q4 FY17</li> </ul>	<ul style="list-style-type: none"> <li>1 DP2 AHTS</li> <li>6 Shallow draft AHTS</li> </ul>	<ul style="list-style-type: none"> <li>8,000 BHP</li> <li>5,220 BHP</li> </ul>	<ul style="list-style-type: none"> <li>Firm 5 years plus 2 years extension</li> </ul>
	PSV		<ul style="list-style-type: none"> <li>Q4 FY16</li> <li>Q2 FY17</li> </ul>	<ul style="list-style-type: none"> <li>2 DP2 PSV</li> </ul>	<ul style="list-style-type: none"> <li>4,100 DWT</li> </ul>	
T & I	AHT		<ul style="list-style-type: none"> <li>Q4 FY16</li> </ul>	<ul style="list-style-type: none"> <li>1 AHT</li> </ul>	<ul style="list-style-type: none"> <li>6,600 BHP</li> </ul>	
	MUV		<ul style="list-style-type: none"> <li>Q4 FY16</li> <li>Q1 FY17</li> <li>Q2 FY17</li> </ul>	<ul style="list-style-type: none"> <li>4 MUV</li> </ul>	<ul style="list-style-type: none"> <li>2,597 – 3,152 BHP</li> </ul>	<ul style="list-style-type: none"> <li>Firm 5 years plus 2 years extension</li> </ul>
HSER	Tug		<ul style="list-style-type: none"> <li>Q4 FY16</li> </ul>	<ul style="list-style-type: none"> <li>2 ASD Harbour Tugs</li> </ul>	<ul style="list-style-type: none"> <li>5,000 BHP</li> </ul>	



# Disclaimer

The information contained in this presentation is for information purposes only, and does not constitute or form part of any offer or invitation to sell or the solicitation of an offer or invitation to purchase or subscribe for, or any offer to underwrite or otherwise acquire any securities of PACC Offshore Services Holdings Ltd. (the "Company") or any other securities, nor shall any part of this presentation or the fact of its distribution or communication form the basis of, or be relied on in connection with, any contract, commitment or investment decision in relation thereto in Singapore or any other jurisdiction. No reliance may be placed for any purpose whatsoever on the information set forth in this presentation or on its completeness. This presentation has been prepared solely for information used by the Company for presentation purposes and may not be reproduced or redistributed to any other person.

The information ("Confidential Information") contained in this presentation does not contain all relevant information relating to the Company or its securities, particularly with respect to the risks and special considerations involved with an investment in the securities of the Company. No part of this document shall form the basis of or be relied upon in connection with any contract or commitment whatsoever. This presentation is strictly confidential and has been prepared by the Company to you solely for your reference. The Confidential Information is subject to change without notice, its accuracy is not guaranteed and it may not contain all material information concerning the Company. The information contained in this presentation has not been independently verified. No representation, warranty or undertaking, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions contained herein. Neither the Company nor any of their respective directors makes any representation or warranty (express or implied) regarding, and assumes any responsibility or liability for, the accuracy or completeness of, or any errors or omissions in, any information or opinions contained herein. None of the Company or any of its members, directors, officers, employees, affiliates, advisors or representatives nor any other person will be liable (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with the presentation.

This presentation may contain forward-looking statements which are statements that are not historical facts that may be identified by their use of words like "plans," "expects," "will," "anticipates," "believes," "intends," "depends," "projects," "estimates" or other words of similar meaning and that involve substantial risks and uncertainties. You should not unduly rely on such statements. All statements that address expectations or projections about the future, including, but not limited to, statements about the strategy for growth, product development, market position, expenditures, and financial results, are forward-looking statements. Forward-looking statements are based on certain assumptions and expectations of future events. The Company does not guarantee that these assumptions and expectations are accurate or will be realised. Actual future performance, outcomes and results may differ materially from those expressed in forward-looking statements as a result of a number of risks, uncertainties and assumptions.

Representative examples of these factors include (without limitation) general industry and economic conditions, interest rate trends, cost of capital and capital availability, competition from other companies, shifts in customer demands, customers and partners, changes in operating expenses including employee wages, benefits and training, governmental and public policy changes and the continued availability of financing in the amounts and the terms necessary to support future business. You are cautioned not to place undue reliance on these forward-looking statements, which are based on current view of the Company's management on future events. The Company do not assume any responsibility to amend, modify or revise any forward-looking statements, on the basis of any subsequent developments, information or events, or otherwise.

The information in this presentation has not been independently verified, approved or endorsed by any manager or adviser retained by the Company. No representation, warranty, express or implied, is made as to, and no reliance, in whole or in part, should be placed on, the fairness, accuracy, completeness or correctness of the information and opinions in this presentation. It is not intended that these materials provide, and you may not rely on these materials as providing, a complete or comprehensive analysis of the Company. The information and opinions in these materials are provided as at the date of this presentation, and are subject to change without notice. None of the Company or its affiliates, advisers or representatives, makes any representation as to, or assumes any responsibility with regard to, the accuracy or completeness of any information contained here or undertakes any responsibility for any reliance which is placed by any person on any statements or opinions appearing herein or which are made by the Company or any third party, or undertakes to update or revise any information subsequent to the date hereof, whether as a result of new information, future events or otherwise and none of them shall have any liability (in negligence or otherwise) for nor shall they accept responsibility for any loss or damage howsoever arising from any information or opinions presented in these materials or use of this presentation or its contents or otherwise arising in connection with this presentation.

The distribution of this presentation in certain jurisdictions may be restricted by law and, accordingly, this presentation is being communicated only to persons who have requisite experience in matters relating to investments and are persons to whom it may be lawful to communicate it without contravention of any unfulfilled registration requirements or other legal restrictions in the jurisdiction in which they reside or conduct business or in which they receive this presentation.