

# PACIFIC RADIANCE LTD

## FY13 Results Presentation



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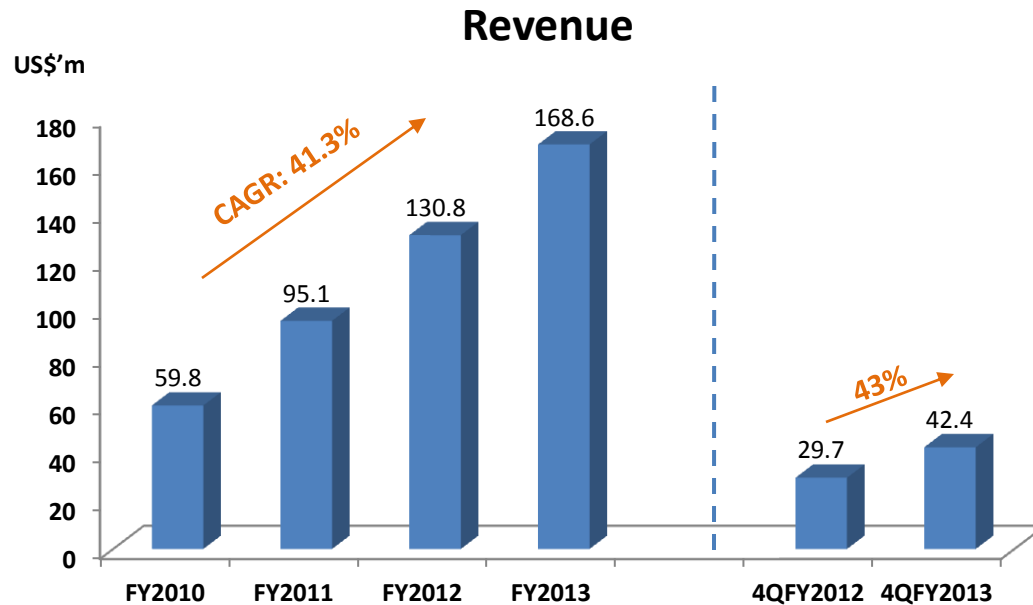
# AGENDA

- **Our Financials**
- **Prospects & Outlook**
- **Our Growth Strategy**



# OUR FINANCIALS

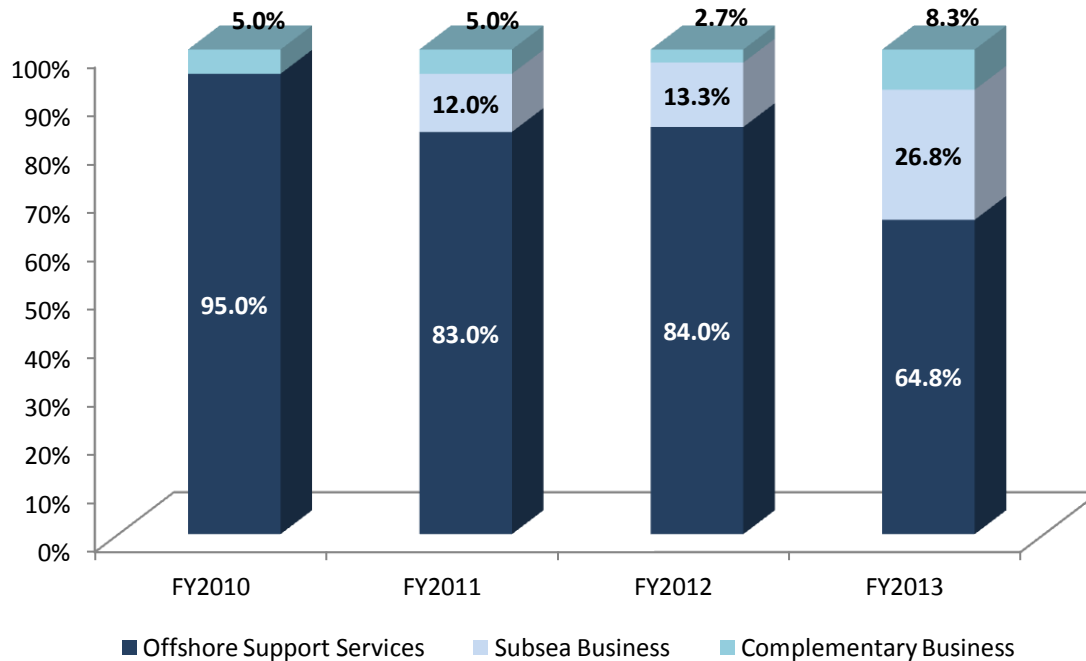
# HEALTHY REVENUE GROWTH



- **FY2013:** Higher revenue due largely due to growth in Subsea Business
- **4QFY2013:** Higher revenue due largely to growth in Offshore Support Service and Subsea Businesses, with both experiencing improved utilisation and better vessel charter rates

# DIVERSIFYING REVENUE

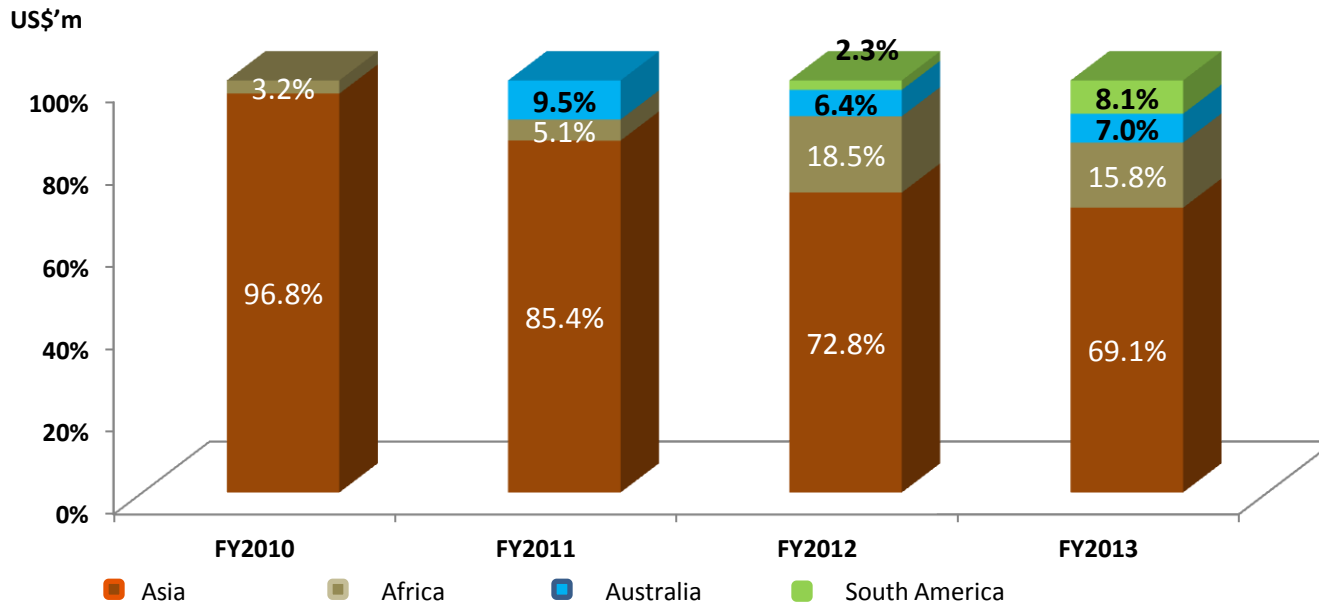
## Revenue Breakdown by Divisions



- **Subsea Business:** Commenced IRM operations in FY2011. Strong growth on higher demand and utilisation of Group's two diving saturation support vessels (DSVs)
- **Complementary Businesses:** Higher revenue due to consolidation of CPC's results from May 2013 onwards, after it became a subsidiary

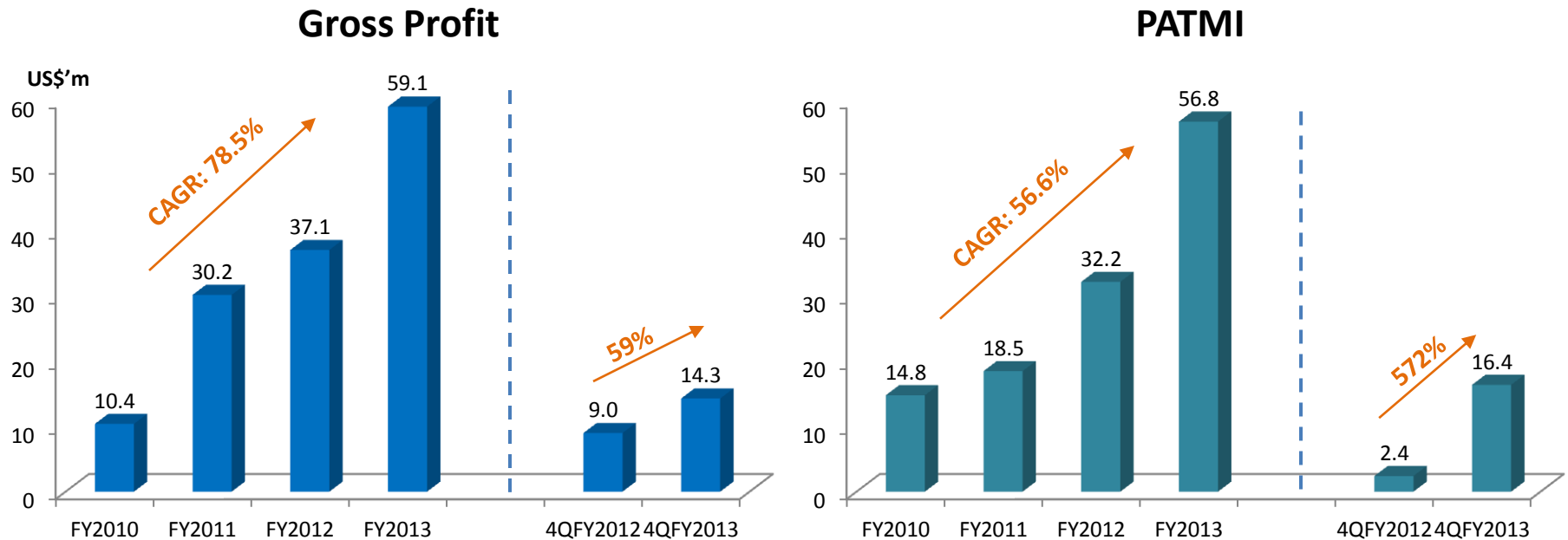
# STRONG ASIAN BASE, WITH NEW MARKET REACH

## Revenue Breakdown by Region



- **Asia:** Continues to be the primary market
- **High Growth &/or Cabotage-Protected Markets:** Expanding presence to Africa, Australia and South America

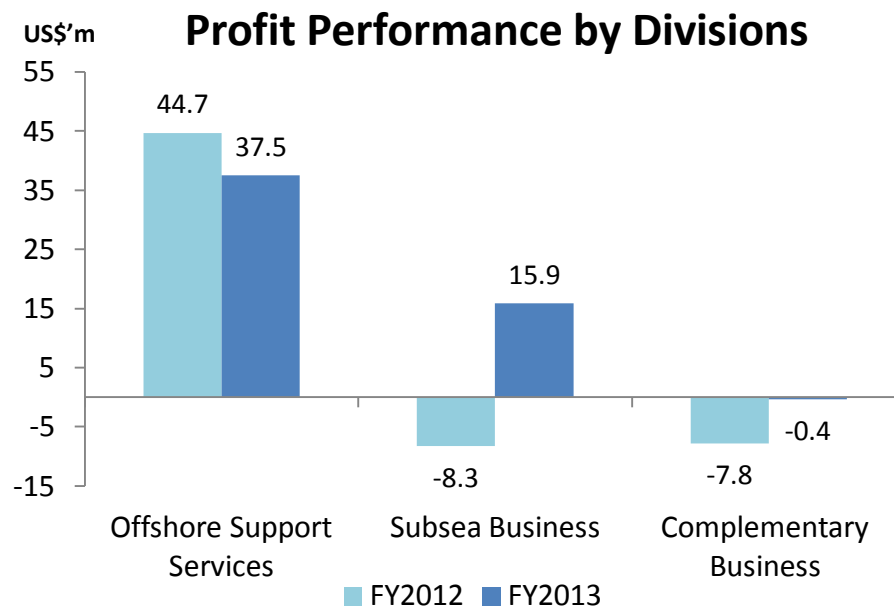
# STRONG PROFIT GROWTH



- **Gross Profit** increased by 59% in FY2013 and gross profit margin improved from 28% in FY2012 to 35% in FY2013. For 4Q2013, gross profit increased by 84% from US\$4.9m in 4Q2012 to US\$8.9m in 4Q2013.
- **PATMI** for FY2013 increased by 76% to US\$56.8m, supported by strong growth in revenue especially from Subsea Business. Vessel utilisation improved for both Offshore Support Business and Subsea Business.



# PROFIT TURNAROUND IN SUBSEA BUSINESS



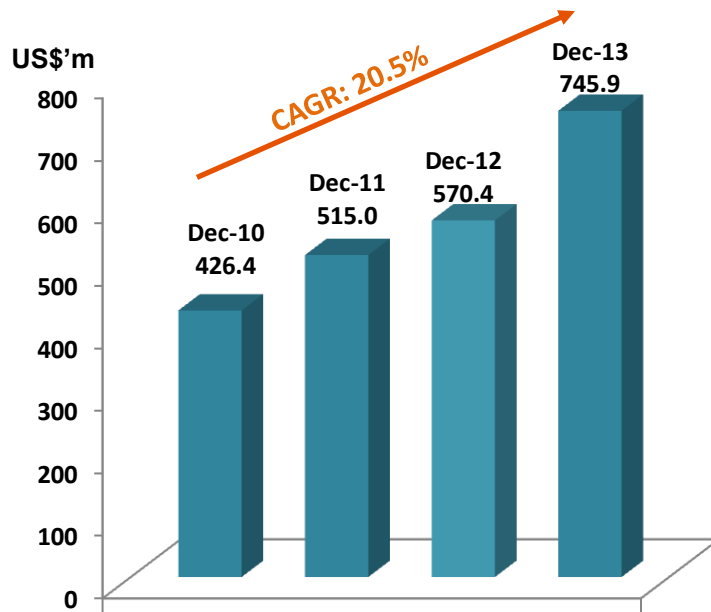
## ➤ **Offshore Support Services:**

The lower profit level for FY2013 was mainly due to injection of 11 vessels in FY2012 to the Group's JVs and associates to expand our operations in carbotage protected markets. In addition, majority of the delivery of new OSVs in FY2013 took place in 2H2013 while the sale of majority of OSVs in FY2013 occurred in 1H2013.

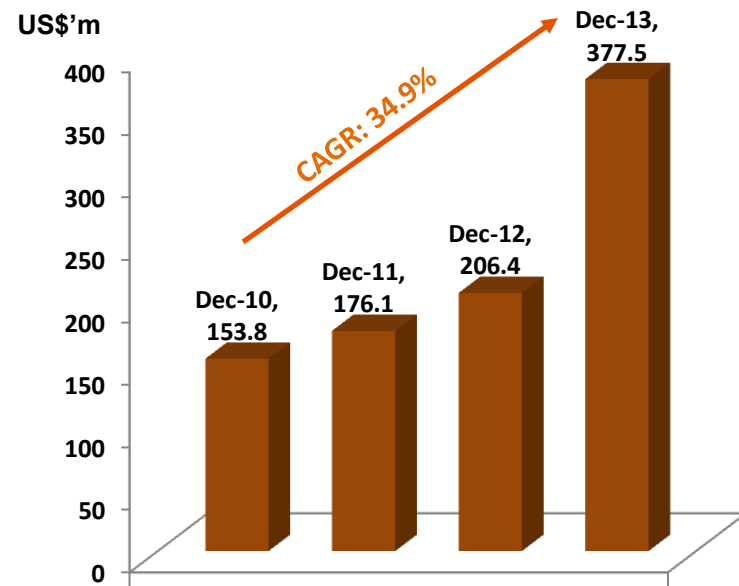
## ➤ **Subsea Business:** An upturn in profit due to higher vessel utilisation and charter rates.

## ➤ **Complementary Business:** Group's subsidiary, Consolidated Pipe Carriers Pte Ltd, contributed a profit of US\$0.8m in FY2013 against a previous loss of US\$8.0m; This was offset by provision of net liability of the Group's associated company, CrestSA.

# OUR FINANCIAL POSITION



**Total Assets**



**Total Equity**

- **Total assets:** Increase due to larger vessel fleet, vessels-under-construction as well as higher trade receivables and cash position
- **Total equity:** Grew in tandem with higher profits from core businesses of Offshore Support Services and Subsea IRM
- **Net Gearing:** Improved from 1.24 in FY2012 to 0.60 in FY2013 with net proceeds and issuance of shares for the IPO.

# STRONG OPERATING CASHFLOW

(US\$'M)	FY2013	FY2012
Net cash generated from operating activities	22.1	1.5
Net cash (used in)/generated from investing activities	(110.1)	4.3
Net cash from financing activities	129.2	3.7
<b>Net increase in cash</b>	<b>41.2</b>	<b>9.5</b>
Cash and cash equivalents at 1 January 2013	23.7	14.2
Cash and cash equivalents at 31 December 2013	64.9	23.7

## FY2013

- **Net cash in investing activities:** Continues to invest in newbuild programme, with purchase of vessels, plant and equipment amounting to US\$192m
- **Net cash from financing activities:** Lifted by net proceeds from a successful IPO on SGX Mainboard in November last year



# PROSPECTS & OUTLOOK

# E&P SPENDING TO INCREASE

- Expect oil prices to stay healthy over the long term
- Rising exploration and production (E&P) spending in Asia, Africa, Australia and South and Central America
- Subsea IRM sector to remain positive
  - Aging subsea infrastructure
  - Spending on subsea infrastructure to continue, with a significant portion of expenditure arising from Asia



# OUR GROWTH STRATEGY

# SCALING UP...

## **JVs & M&As:** Strategic Partners

Enter new  
geographies

Grow presence  
existing markets

## **Operations:** Expand Fleet

Quickly capture  
opportunities in  
new & existing high  
growth and  
protected markets

Strengthen market  
position

## **Synergies:** Add Capabilities

Improve margins

Faster  
response time

**High Growth; Building Strong Recurrent Income**

# ENHANCING SUPPLY CHAIN

- Marine equipment fabrication facility to be ready by 1QFY2014
- Ship repair yard development targeted to be completed in 2HFY2015





# Thank You

## Questions & Answers