

# PACIFIC RADIANCE

1QFY2014  
RESULTS

15 May 2014



Pacific  
Radiance

# Disclaimer



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# Group Overview



**Who  
We Are**

**A fast expanding offshore support services provider in Asia and beyond**

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**Our  
Business**

- We own and operate a young, diverse fleet which supports the needs of the oil & gas project life cycle
  - Strong in-house supply chain expedites our newbuild process, cuts turnarounds and helps us respond swiftly to clients' needs
  - 3 business divisions:  
1) Offshore Support Services 2) Subsea Services 3) Complementary Business
- 

**Business  
Direction  
Driven By**

**Relevant**

to our  
clients' needs

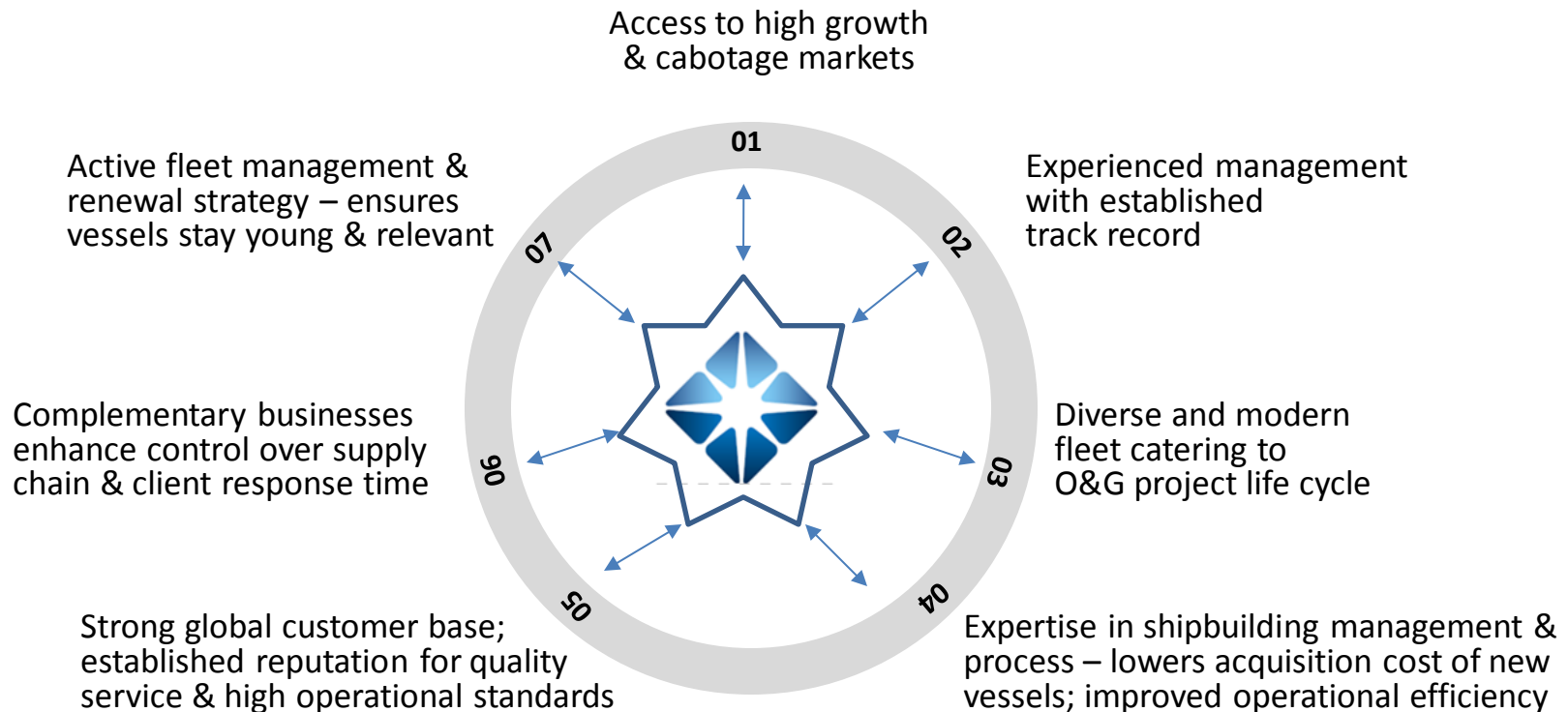
**Reliable**

in service  
and delivery

**Responsive**

to industry  
trends

# Competitive Strengths





**A Strong 1QFY2014**

# Key Snapshots

(1QFY2014 vs 1QFY2013)



Timely Fleet Expansion  
of strategic renewal programme

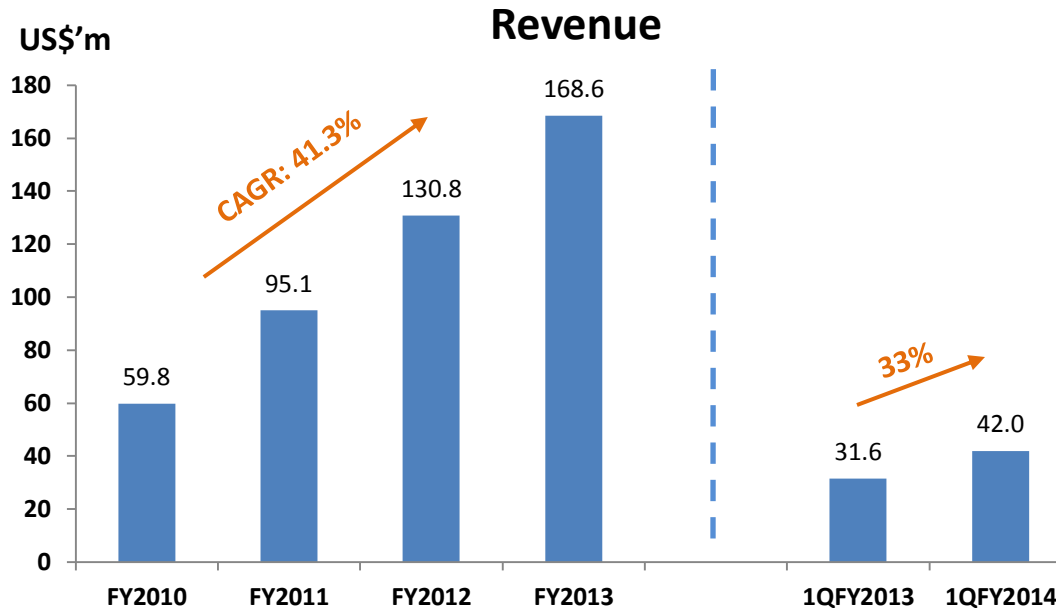


Beneficial Effects  
of an owner-operator model



Focused Execution  
of a well-mapped out growth strategy

# Strong 33% rise in Revenue



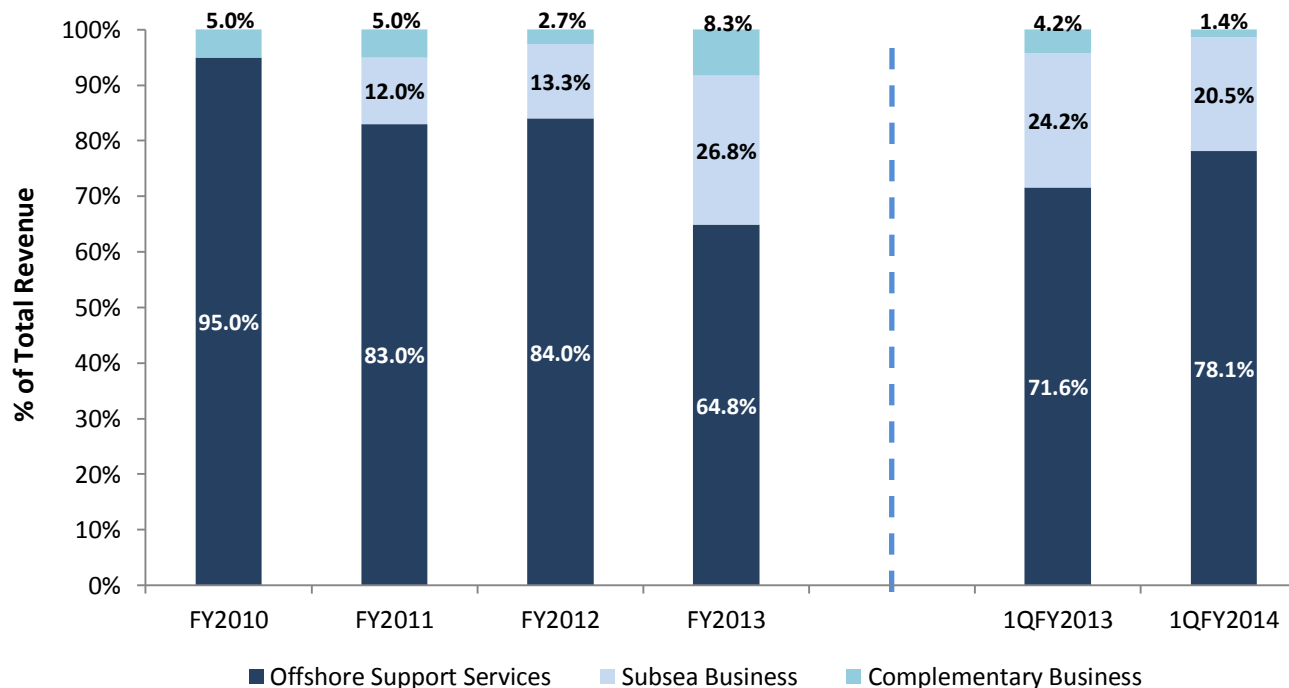
## 1QFY2014:

- Offshore Support Services ~ Higher utilisation of existing vessels and quick employment of new larger or higher specification vessels delivered in 2HFY13
- Subsea Services ~ Improved charter rates for Group's two diving saturation vessels (DSVs)

# Revenue Breakdown



## Segmental Revenue Breakdown

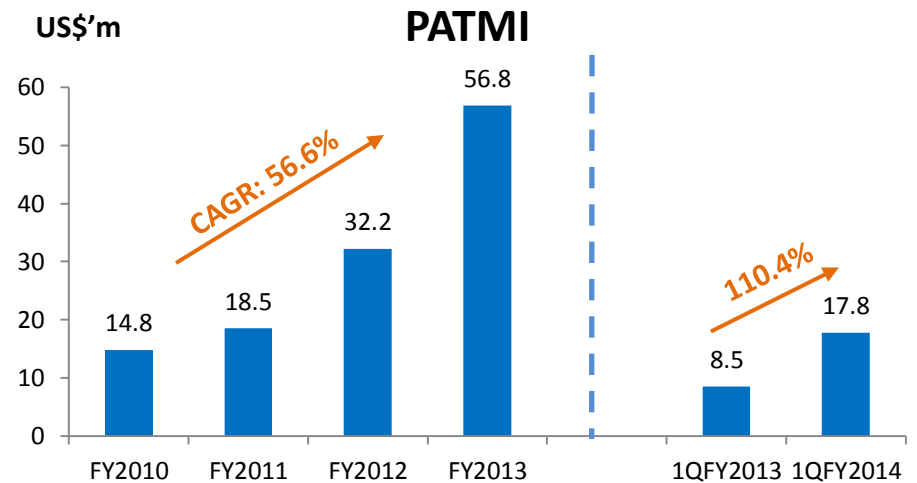
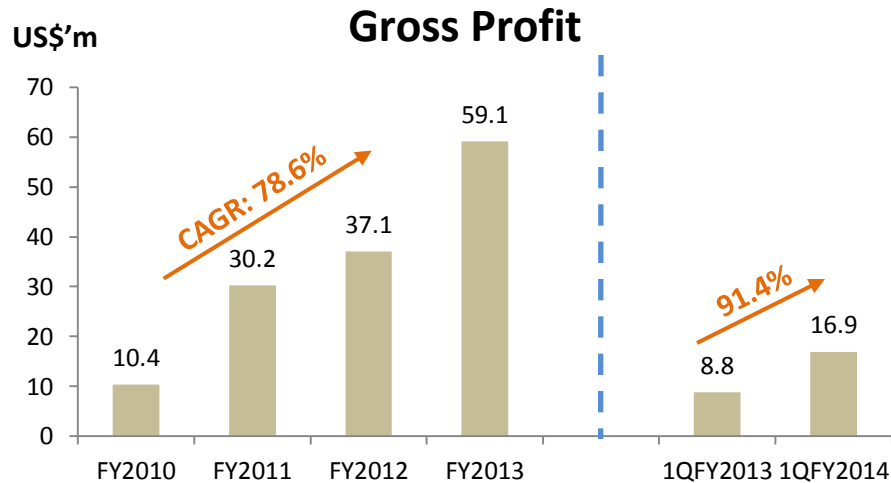


### 1QFY2014

- **Offshore Support Services:** Remains Group's key revenue contributor
- **Subsea Services:** Contributed 20.5% to the Group's increased total revenue for 1QFY2014



# Sharp Profit Hikes



## 1QFY2014

- PATMI more than doubled due mainly to higher utilisation of OSS vessels, earnings from new larger or higher spec offshore support vessels and increased contribution from PT Logindo
- Owner-operator model also resulted in higher gross profit margin of 40% - OSS GP margin increased from 22% in 1QFY13 to 41% in 1QFY14

# Strong Financial Position



US\$'000	As at 31 Mar 2014	As at 31 Dec 2013
Non-current assets	632,569	593,774
Current assets	128,725	152,095
Current liabilities	113,103	118,834
Non-current liabilities	255,043	249,584
Total equity	393,148	377,451
Net gearing (x)	0.62	0.60

- Non-current assets increased with more vessels-under-construction in line with fleet expansion program and higher carrying value of joint ventures and associates
- Net gearing maintains low at 0.62x

# Positive Operating Cashflow



(US\$'M)	1QFY2014	1QFY2013
Net cash generated from/ (used in) operating activities	2,436	(2,073)
Net cash (used in) investing activities	(18,417)	(8,504)
Net cash from financing activities	4,582	5,584
Net increase in cash	(11,399)	(4,993)
Cash and cash equivalents at 1 January 2014	64,874	23,661
Cash and cash equivalents at 31 March 2014	53,475	18,668

- Net cash outflow from investing activities increased due to payment for newbuilds to expand the fleet
- Expects to take delivery of 14 new vessels in FY2014 – 1 vessel delivered in 1QFY2014 and has secured a long term charter contract



# Prospects & Growth Strategy

# Positive Sector Prospects



- Firm oil prices underpin strong E&P spending and demand for offshore support services
  
- Rising E&P spending in South East Asia, Latin America and Africa
  - Group to ride on this to expand geographic footprint, especially in Latin America
  - Establish stronger presence in existing markets
  
- Expect strong demand for Group's fleet
  - Drive utilisation and charter rates of offshore support and subsea vessels
  - Quick deployment of newbuilds upon delivery

# Still Scaling Up



## Expand Fleet

- Add market relevant, high spec offshore vessel
- Newbuild programme of >20 vessels over 2014-15

## Increase Reach

- Enter in high growth & protected markets
- Strategic partnerships & JVs for target market penetration

**STRENGTHEN MARKET POSITION**

**IMPROVE MARGINS & EARNINGS**

## Enhance Edge

- Complementary businesses to improve response time & margins
- Improving supply chain
  - marine equipment fabrication facility in 1Q14
  - ship-repair yard in 2015/2016



**Thank you**  
**Questions & Answers**