

PACIFIC RADIANCE

1QFY2015 Results Presentation

14 May 2015



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Financial Performance

CHALLENGING BUSINESS ENVIRONMENT

US\$'000	1QFY2015	1QFY2014
Revenue	31,543	41,955
Gross Profit	10,321	17,998
Pre-tax Profit	1,429	18,094
Profit After Tax	1,085	17,321
PATMI	902	17,830
EPS (US cents)	0.1	2.5
Gross Margin (%)	32.7	42.9

1QFY2015

- **Revenue:** Decline due to lower fleet utilisation in its Subsea Services (SS) business and Offshore Support Services (OSS) business.
- **Gross profit (GP) & margin:** Decreased due to the above mentioned reasons. However, GP of US\$10.3m is an improvement from 4QFY14's US\$3.3m, largely due to charters from two newbuilds delivered in late FY14 and lower operating costs.
- **PATMI:** Overall drop in contributions from its operations, JVs and associate. There was no sale of vessel in 1QFY15. 1QFY14 gain from sale of vessels was US\$5.6m.

STRENGTHENED BALANCE SHEET

US\$'000	As at 31 Mar 2015	As at 31 Dec 2014
Non-current assets	700,226	638,049
Current assets	187,193	201,498
Current liabilities	137,309	115,669
Non-current liabilities	317,863	291,959
Shareholders' Funds	427,397	427,962
Net gearing (x)	0.59	0.52

- Non-current assets grew mainly due to additions to fixed assets by US\$59.5m, in line with vessels delivered during the quarter.
- Non-current liabilities rose primarily due to an increase of US\$24.2m in bank loans as the Group took delivery of its vessels.
- Group maintained its net gearing between 0.5x to 0.6x in 1QFY15.

STRONG OPERATING CASHFLOW

(US\$'000)	1QFY2015	1QFY2014
Net cash generated from / (used in) operating activities	26,879	2,456
Net cash generated from / (used in) investing activities	(61,801)	(18,417)
Net cash generated from / (used in) financing activities	32,615	4,598
Net decrease in cash	(2,307)	(11,363)
Cash and cash equivalents at beginning of period (net of cash pledged)	100,736	63,685
Cash and cash equivalents at end of period (net of cash pledged)	98,406	52,302

- Efficient working capital and cost management enabled the Group to lift its net cash from operations to US\$26.9 million
- Net cash used in investing activities was mainly for fleet addition/ rejuvenation - four newbuilds joined the fleet in 1QFY2015, partially financed by bank loans.
- Repaid US\$35.0m in bank loans in 1QFY2015.



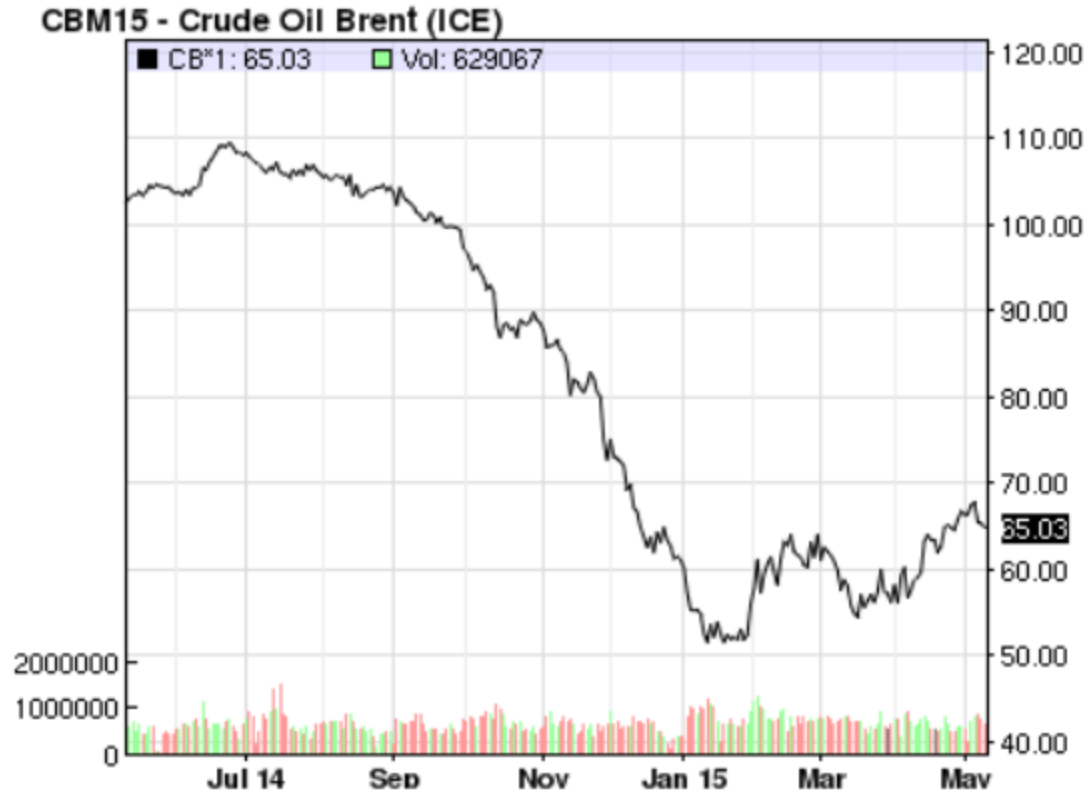
Prospects & Our Strategy

WEATHERING THE CHALLENGES

- **Challenge** : Expect next few quarters to be impacted by the soft market conditions in the O&G sector as oil prices remain weak
- **Our Strategy**
 - Focus on improving fleet utilisation but at charter rates that give a reasonable return on assets
 - Continued keen cost control
 - These, together with its stronger balance sheet, sound business model and experienced management will enable the Group to weather the challenging business environment and emerge stronger

WEATHERING THE CHALLENGES

End of day Commodity Futures Price Quotes for Crude Oil Brent



Source: Nasdaq

- Oil price may have bottomed in 1Q FY2015
- Outlook for the industry remains volatile

STAYING RESILIENT



Thank You

Questions & Answers