

PACIFIC RADIANCE

FY2015 Results Presentation

25 February 2016



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Financial Performance

AFFECTED BY DEPRESSED MARKET CONDITIONS IN O&G SECTOR

US\$'000	4QFY2015	4QFY2014	FY2015	FY2014
Revenue	21,717	37,208	121,799	172,219
Gross profit	(3,358)	3,272	24,296	54,165
Pre-tax profit	(3,626)	2,223	5,307	68,319
Profit after tax	(2,787)	6,168	3,683	69,422
PATMI	(2,574)	5,050	3,829	68,316
EBITDA	5,682	12,145	43,777	106,384
Gross margin (%)	n.m.	9%	20%	31%

FY2015

- Weaker revenue and earnings due to depressed market conditions which reduced vessel utilisation and margins for both Offshore Support Services and Subsea businesses.
- Group stayed profitable due to swiftly implemented cost cutting efforts.
- Proposes final ordinary dividend of 1.0 S¢ per share.

4QFY2015

- Net loss for 4Q 2015 as the depressed market condition continues to persist in the oil and gas sector, coupled with the typically lower seasonal factor towards the end of the year.

SOUND BALANCE SHEET

US\$'000	As at 31 Dec 2015	As at 30 Sep 2015	As at 30 Jun 2015	As at 31 Dec 2014
Non-current assets	750,129	709,513	753,122	638,049
Current assets	166,509	197,161	168,557	201,498
Current liabilities	154,774	135,922	143,067	115,669
Non-current liabilities	345,853	353,355	360,633	291,959
Shareholders' funds	413,388	414,028	415,014	427,962
Net gearing (x)	0.9x	0.8x	0.8x	0.5x

- Non-current assets rose mainly due to an increase of US\$34.2 million in property, plant and equipment from 31 Dec 2014.
- Non-current liabilities rose mainly due to net increase in bank loans of US\$49.1 million from 31 Dec 2014.
- Net gearing came in at 0.9x as at 31 Dec 2015.

CASHFLOW STATEMENT

(US\$'000)	FY2015	FY2014
Net cash generated from operating activities	24,375	62,225
Net cash used in investing activities	(144,107)	(50,982)
Net cash generated from financing activities	57,600	25,579
Net increase / (decrease) in cash	(62,072)	36,822
Cash and cash equivalents at beginning of period	100,736	63,685
Cash and cash equivalents at end of period	38,960	100,736

FY2015

- Net cash generated from operating activities mainly due to active working capital management.
- Net cash used in investing activities mainly due to additions of property, plant and equipment of US\$161.6 million.
- Net cash generated from financing activities largely due to proceeds from bank loans of US\$199.3 million, partially offset by repayment of bank loans of US\$120.1 million.



Outlook & Strategy

MARKET CONDITIONS TO REMAIN WEAK & VOLATILE

- Expects FY16 results to be under pressure, especially in the first half
- Group is strategically poised to ride through current downturn:
 - ✓ Continues with prudent cost and capital management.
 - ✓ Targeted marketing efforts to grow presence in existing and emerging markets.

COMPETITIVE STRENGTHS

Veteran Management

Navigated nimble-footedly through past market downturns

Proven Business Model

Own & operate diversified fleet of market relevant vessels, built at below-market costs

Healthy Financial Position

Sound balance sheet with strong support from banks & financial institutions

Cost Savings from Value Chain

Able to build cheaper with in-house shipbuilding expertise, & enjoy savings when ship repair yard is ready in early 2016

Thank You

Questions & Answers