

**MMA Offshore Limited
FY2015 Full Year Results Presentation
18 August 2015**



**MMA
OFFSHORE**



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Challenging market conditions impacted profitability for FY2015

Financial

- Revenue \$796.7m \uparrow 34.0% (including full year of Jaya operations)
- EBIT \$86.9m \uparrow 8.3% (pre-impairment)
- NPAT \$55.3m \uparrow 2.7% (pre-impairment)
- EPS 15.0c \downarrow 20.2% (pre-impairment)
- Reported Net Loss after Tax \$(51.3)m after \$120.7m non-cash impairment charge
- Final Dividend of 1.5c bringing full year dividends to 5.5cps \downarrow 56.0%
- Operating cash flow \$185.4m \uparrow 240.8%
- Cash at Bank \$124.5m
- Gearing 40.8% (post impairment) (FY14 36.1%)

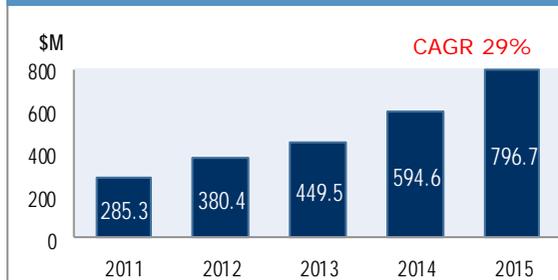
Operating

- Second half severely impacted by the collapse in the oil price, compounded by completion of major construction activity in Australia
- Rates and utilisation materially down across all regions
- Asset sales programme ongoing but market is difficult
- On track to meet \$15m cost reduction target
- Our best safety performance on record
- Focusing on operational excellence and streamlining the business to position the Company for the upswing in the cycle

Key Financials (pre-impairment)



Revenue \$796.7M ↑ 34.0%



EBITDA \$218.2M ↑ 77.5%



EBIT \$86.9M ↑ 8.3%



Profit before Tax \$72.5M ↓ 6.0%



NPAT \$55.3M ↑ 2.7%



EPS 15.0c ↓ 20.2%



Return on assets 6.2% ↓ 4.9%



Return on equity 6.8% ↓ 4.9%



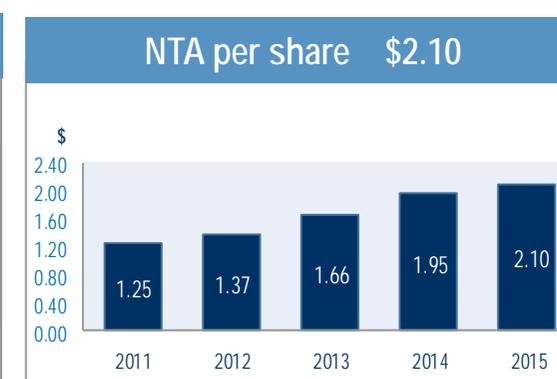
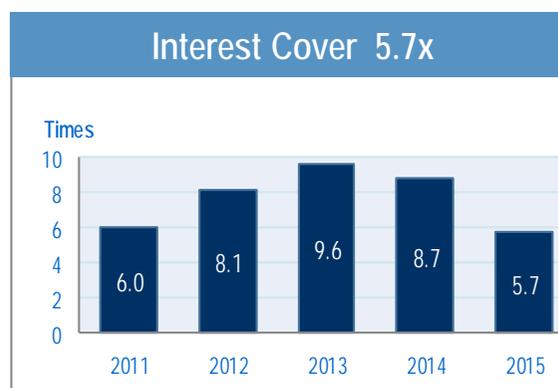
Operating Cashflow \$185.4M



Balance Sheet



- Gearing has increased as a result of the asset impairment but remains low by international industry standards
- Substantial cash at bank
- Continuing to trade within the terms of our bank facilities

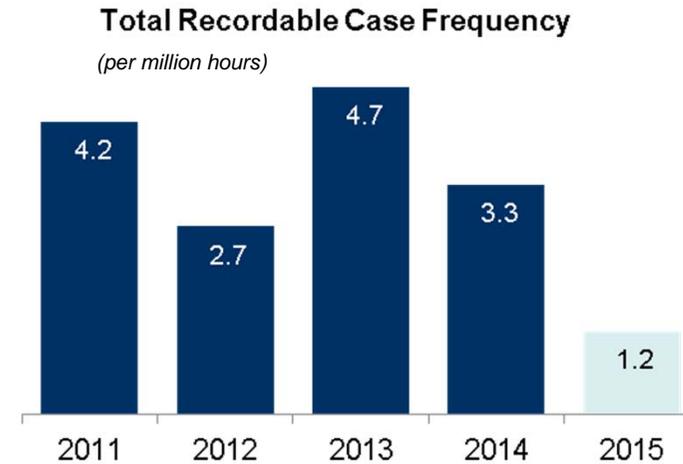


Health, Safety and Environment



MMA's strongest ever safety performance

- TRCF improved by 64% to 1.2
- Target 365 strategy maturing and has been extended to the international business
- Continuous improvement of systems and processes and focus on lead indicators
- Meeting or exceeding environmental standards across the organisation



Vessel Operations



Lower rates and utilisation in all regions impacted performance



Vessel Operations



Financial overview

- Revenue up 56.9%; EBIT up 30.5% (pre-impairment)
- International operations contributed EBIT of \$35.8m¹
- Second half materially down on first half
- \$100m vessel impairment charge

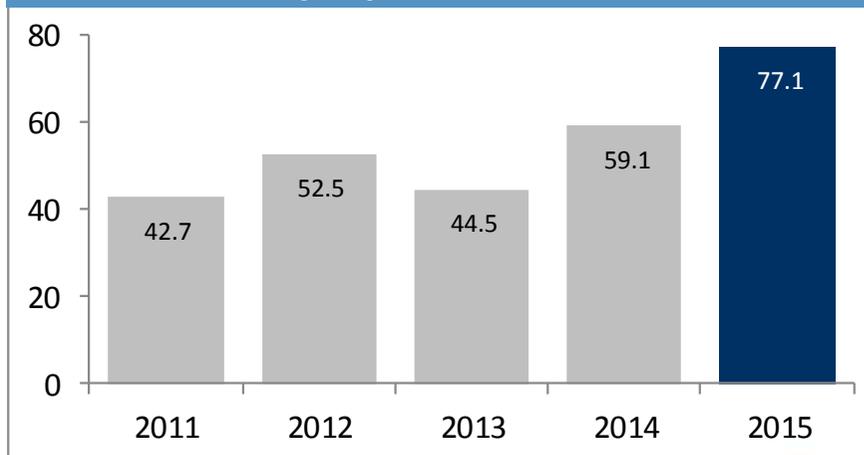
Operational overview

- Utilisation – Average 70% (1H 76%; 2H 65%; Australia 75%, International 65%)
- Rates reduced by up to 30% in 2H
- Key ongoing contracts:
 - Europa Accom Vessel (extended to Dec15)
 - Gorgon marine logistics
 - Ongoing long term production support – Woodside, BHP, Orphir, extended key Middle East contracts
- Completing 5 newbuilds - \$130m capex remaining
 - 2 PSVs for INPEX production support - contracted
 - 3 Specialised vessels under construction in Batam
- Vessel sales programme continuing (\$20m in sales contracted in FY2016 YTD)
- Australian EBA negotiations ongoing
- Overall visibility in the vessel market is very challenging with rates and utilisation expected to remain under pressure through the next 12 months.

Vessel Financials

	Variance	30 Jun 2015	30 Jun 2014
Revenue	↑ 56.9%	\$699.8M	\$445.9M
EBITDA	↑ 122.5%	\$199.1M	\$89.5M
EBITDA / Revenue	↑ 8.4%	28.5%	20.1%
EBIT (pre-impairment)	↑ 30.5%	\$77.1M	\$59.1M
EBIT / Revenue	↓ 2.3%	11.0%	13.3%
Segment Assets	↑ 8.7%	\$1,061.3M	\$976.5M
ROA (pre-impairment)	↓ 5.2%	7.2%	12.4%

Vessel EBIT¹ (\$M)



Dampier Supply Base



Reduced construction and drilling activity impacted performance



Dampier Supply Base



Financial overview

- Revenue down 33.6%; EBIT down 49.6% (pre-impairment) due to reduced construction and drilling activity
- Supply Base goodwill impairment \$20.7m
- Margins significantly impacted by reduced rates, lower wharf utilisation and reduced rental income

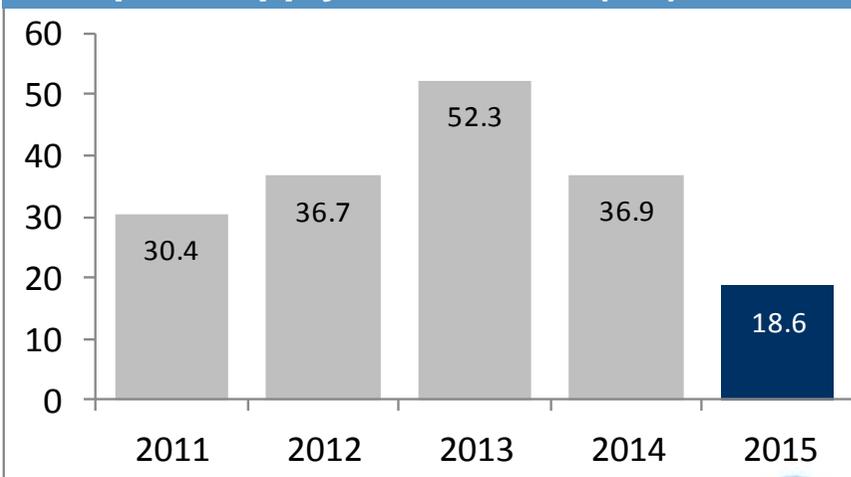
Operational overview

- Secured \$100m+ Chevron contract - 2 years plus option to extend; additional quarantine and inward freight processing services
- Drilling activity has been impacted by the downturn although some development drilling ongoing
- Focus has been on reconfiguring the operation to meet post construction demand profile
 - Reduced personnel numbers
 - Targeting alternative clients to increase land utilisation
- Tendering a number of Supply Base and logistics opportunities
- Expect activity to stabilise at current levels with ongoing focus on productivity improvements

Dampier Supply Base Financials

	Variance	30 Jun 2015	30 Jun 2014
Revenue	↓ 33.6%	\$88.5M	\$133.3M
EBITDA	↓ 45.2%	\$25.9M	\$47.3M
EBITDA / Revenue	↓ 6.2%	29.3%	35.5%
EBIT (pre-impairment)	↓ 49.6%	\$18.6M	\$36.9M
EBIT / Revenue	↓ 6.7%	21.0%	27.7%
Segment Assets	↓ 20.6%	\$134.3M	\$169.2M
ROA (pre-impairment)	↓ 9.2%	11.5%	20.7%

Dampier Supply Base EBIT¹ (\$M)



Dampier Slipway

Performance impacted by reduced activity in the region



Dampier Slipway



Financial overview

- Revenue \$22.7m down 22.5%; EBIT down substantially to a \$(200)k loss
- Margins down significantly due to lower utilisation

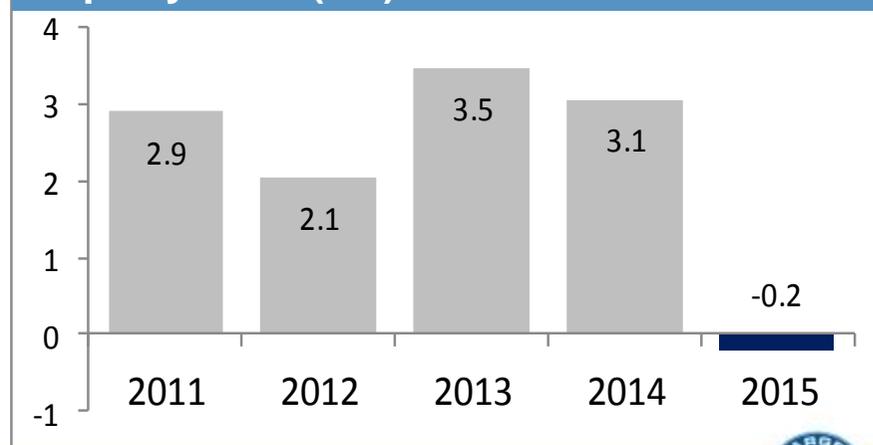
Operational overview

- Activity impacted by a reduction in the number of vessels operating in the region and focus on reducing costs by operators
- Continuing to service terminal tug operators in the region (approx 45 vessels)
- Docked 46 vessels including 29 third party vessels (FY14: 58)
- Business restructured to focus on servicing MMA's Australian fleet and key clients in the region
- Expect minor financial contribution going forward but remains a key strategic asset

Financials

	Variance	30 Jun 2015	30 Jun 2014
Revenue	↓ 22.5%	\$22.7M	\$29.3M
EBITDA	↓ 86.8%	0.5M	\$3.8M
EBITDA / Revenue	↓ 10.8%	2.2%	13.0%
EBIT	↓ 106.5%	-\$0.2M	\$3.1M
EBIT / Revenue	↓ 11.5%	-0.9%	10.6%
Segment Assets	↓ 27.8 %	\$14.5M	\$20.1M
ROA (averaged)	↓ 18.1%	-1.2%	16.9%

Slipway EBIT (\$M)



Broome Supply Base JV



Financial overview

- Consistent earnings from the Broome Supply Base
- MMA's 50% share of NPAT - \$3.4m (FY14 \$3.6m)

Operational overview

- Supported Shell and Inpex with their development drilling programmes for the Prelude and Ichthys Projects
- Supported Woodside, Conoco Philips, and Santos with their exploration drilling programmes – now completed
- Will continue to support the development drilling for Shell and Inpex in FY2016
- Well positioned with high quality infrastructure and proven operational capability to support future projects in the region (e.g. Woodside Browse – FEED underway)



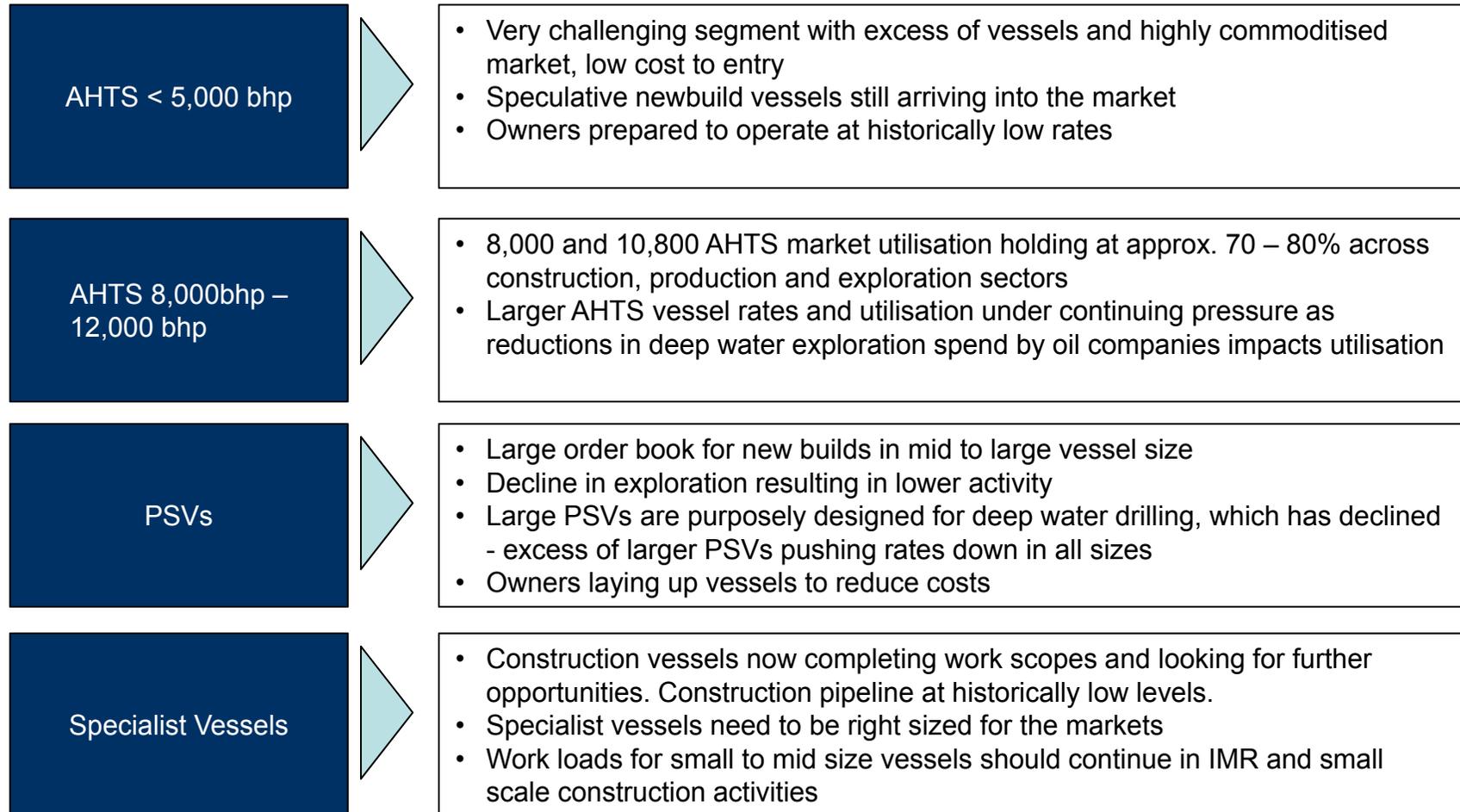
Broome Supply Base is operated under a 50/50 joint venture with Toll Holdings Limited



Vessel Market



The lower oil price has translated into lower vessel utilisation and reductions in day rates



Outlook - Australian Vessels Market



Australian construction activity is ongoing with major sanctioned LNG projects underway but the low oil price is having a negative impact on discretionary spending and day rates

- **Gorgon** – Majority of logistics task completing by Dec-15, however we expect some ongoing marine logistics work through to end of FY2016
- **Ichthys** – Further infield subsea installation scopes being tendered for 2H FY2016
- **Wheatstone** –Tug and Barge scope expected to commence Q2 FY2016
- **Prelude** – Hook up and Commissioning scope H2 FY2016 (to be tendered); Tug & Barge and Supply Vessel scope to commence H2 FY2016;
- **Drilling** – reduced activity expected although a number of development drilling campaigns are still scheduled by the major oil and gas companies (11 rigs currently operating)
- **Inspection Maintenance Repair** – marketing longer term IMR vessels with newbuilds MMA Prestige and MMA Pinnacle launching in the FY2016 financial year.
- **Production Support** – Bidding significant vessel support contracts for three separate clients totalling 20 Years (FY2017 impact)

Subdued activity levels expected through FY2016 with current construction project work scopes completing and oil companies reducing discretionary spending.



Outlook - International



The lower oil price has translated into lower vessel utilisation and reductions in day rates

- Activity in Asia and Africa is being significantly impacted by oil and gas companies reducing capital expenditure and looking to lower their operating costs
- The market in the Middle East is holding up in terms of utilisation but there has been downward pressure on rates in the order of 20%
- A number of projects and campaigns have been cancelled or deferred with others being re-tendered to achieve lower pricing
- Vessel operators are pricing aggressively to maintain utilisation and rates have been under pressure across all vessel types – especially smaller AHTS and PSV markets
- Several of MMA's long term contracts have been reduced in duration or have not been extended as anticipated and a number of contracts have been renegotiated at lower rates in order to maintain utilisation
- We continue to see activity in all regions, with tenders being released for new and existing work and MMA continues to secure new short term contracts, albeit at lower rates.
- Expect market conditions to remain subdued through FY2016



Summary



- Challenging year for the company as the impact of the fall in the oil price was felt
- Financial performance reflected market conditions as rates and utilisation fell sharply in the second half
- Vessels performance boosted by significant construction related contracts in Australia
- Supply Base activity declined but signed major new contract with anchor tenant
- Slipway performance down from a financial perspective but continues to be an important strategic asset
- Broome activity is decreasing but the Base is well positioned to take advantage of future Browse Basin developments
- Substantial vessel newbuild programme nearing completion
- Significant cost reduction focus with expected savings of at least \$15m in FY2016
- Strong safety performance with TRCF down to 1.2
- Balance sheet remains strong, the Company is generating solid cash flow and continues to trade within its bank covenants
- Overall visibility in the vessel market is very challenging with rates and utilisation expected to remain under pressure through the next 12 months.
- MMA is taking steps to improve the business now to position itself to take advantage of the upturn in the cycle



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Glossary of Terms



AHT	Anchor Handling Tug	LNG	Liquefied Natural Gas
AHTS	Anchor Handling Tug Supply Vessel	NPAT	Net Profit after Tax
EBA	Enterprise Bargaining Agreement	NTA	Net Tangible Assets
EBIT	Earnings before Interest and Tax	NWS	North West Shelf
EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation	OSV	Offshore Supply Vessel
EPS	Earnings per Share	PSV	Platform Supply Vessel
FLNG	Floating Liquefied Natural Gas	ROA	Return on Assets
FPSO	Floating Production, Storage and Offloading	ROE	Return on Equity
FY	Financial Year	SEA	South East Asia
IMR	Inspection Maintenance and Repair	TRCF	Total Recordable Case Frequency
JV	Joint Venture		



Vessel Listing (1 of 5)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MERMAID	INSCRIPTION	SINGAPORE	PSV	2012	-	87	5188 DWT	48
MERMAID	LEEUEWIN	SINGAPORE	PSV	2013	-	82.2	4000 DWT	28
MMA	LEVEQUE	SINGAPORE	PSV	2010	-	75	3100 DWT	40
JAYA	VALOUR	MALAYSIA	PSV	2013	-	83.6	5509 DWT	60
JAYA	VALIANT	SINGAPORE	PSV	2014	-	76	3500 DWT	44
MERMAID	VIGILANCE	SINGAPORE	PSV, MULTI PURPOSE	2009	-	70	2850 DWT	50
JAYA	VICTORY	SINGAPORE	PSV	2014	-	76	3500 DWT	44
JAYA	VIGILANT	SINGAPORE	PSV	2013	-	83.6	5100 DWT	60
JAYA	PRIDE	SINGAPORE	MULTI PURPOSE	2013	-	78	5150	148
JAYA	MERMAID 3	SINGAPORE	AHTS	2007	60	49	5150	27
JAYA	ALMIGHTY	SINGAPORE	AHTS	2010	67.3	58.7	5150	42
JAYA	AMANDAM	SINGAPORE	AHTS	2009	67.1	58.7	4800	42
JAYA	AMARA	SINGAPORE	AHTS	2009	65	58.7	4800	42
JAYA	CAVALIER	SINGAPORE	AHTS	2010	108	70	8000	50
JAYA	CENTURION	SINGAPORE	AHTS	2011	108	70	8000	50
JAYA	CHIEFTAIN	SINGAPORE	AHTS	2010	103	70	8160	42
JAYA	CONCORDIA	SINGAPORE	AHTS	2010	125	70.5	8000	42
MMA	CONFIDENCE	SINGAPORE	AHTS	2011	105	70.5	8000	42



Vessel Listing (2 of 5)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP/DWT	Berths
MDPL	CONQUEROR	SINGAPORE	AHTS	2010	119.5	70.5	8000	42
MDPL	CONTINENTAL ONE	SINGAPORE	AHTS	2010	121	70.5	8000	42
JAYA	CORAL	SINGAPORE	AHTS	2011	108	70	8000	50
JAYA	CRYSTAL	SINGAPORE	AHTS	2012	108	70	8000	50
JAYA	DAUPHIN	SINGAPORE	AHTS	2008	127	72.5	10730	42
JAYA	DEFENDER	SINGAPORE	AHTS	2009	129	72.5	10730	42
MERMAID	DISCOVERY	SINGAPORE	AHTS	2007	65	57.5	5500	42
DJM	FORTUNE 3	SINGAPORE	AHTS	2004	63	57.5	4750	42
JAYA	MAJESTIC	SINGAPORE	AHTS	2014	150	78.2	12070	46
SEA	HAWK 1	MALAYSIA	AHTS	2009	156	75.4	12240	50
JAYA	SEAL	SINGAPORE	AHTS	2004	66	62.9	5500	42
JAYA	TREASURE 2	SINGAPORE	AHTS	2005	65	58.7	5150	42
MERMAID	VANQUISH	SINGAPORE	AHTS	2007	64.3	59.3	5150	42
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	66	59.2	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	67.8	5940	32
MERMAID	VOYAGER	AUSTRALIA	AHTS	2009	66	59.2	5150	42
MERMAID	RANGER	SINGAPORE	AHT	2007	50.9	40	4000	18
MERMAID	RELIANCE	SINGAPORE	AHT	2010	68.6	50	5150	30



Vessel Listing (3 of 5)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP/DWT	Berths
MMA	RESOLUTION	SINGAPORE	AHT	2010	70	50	5150	30
MERMAID	SENTINEL	SINGAPORE	AHT	2006	50	40	4000	18
MERMAID	SUPPORTER	AUSTRALIA	AHT	2001	60	45	4800	20
MERMAID	COVE	AUSTRALIA	AHT	2013	70	52.4	5725	22
MERMAID	GUARDIAN	TUVALU	AHT, OSV	2005	52	40	4000	17
MERMAID	PROVIDER	TUVALU	AHT, OSV	1999	54	45	4000	12
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	7200	22
MERMAID	STORM	AUSTRALIA	AHT, AZIMUTH, OSV	1993	48	34	4000	15
MERMAID	STRAIT	AUSTRALIA	AHT OSV, AZIMUTH, DPA	2012	69	52.4	5475	24
MMA	CARVER	AUSTRALIA	AHT, AZIMUTH TUG	2000	47	32	3300	14
MERMAID	ACHIEVER	TUVALU	STANDBY, SURVEY, UTILITY	1982	-	40	1620	34
MERMAID	INVESTIGATOR	AUSTRALIA	SUPPLY, MULTI PURPOSE	2006	30	54	3620	42
MERMAID	SEARCHER	AUSTRALIA	SUPPLY, MULTI PURPOSE	2008	34	54	3200	34
MERMAID	CHIEFTAN	AUSTRALIA	HARBOUR TUG, WORKBOAT	1969	18.6	19.8	2200	5
MERMAID	TITAN	AUSTRALIA	HARBOUR TUG	1983	9	14.3	700	3
MERMAID	COMMANDO	AUSTRALIA	TUG, WORKBOAT	1981	15.5	20	2078	12
MERMAID	ARROW	AUSTRALIA	FAST CREW, UTILITY	2009*	-	20.7	1080	5



Vessel Listing (4 of 5)



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
MERMAID	SPIRIT	AUSTRALIA	UTILITY	1998	-	29.9	1100	32
MERMAID	RESOURCE	AUSTRALIA	UTILITY	1996	-	27	2600	6
MERMAID	CONSTRUCTOR	TUVALU	BARGE	2003	-	76.2	-	-
MERMAID	ESPERANCE	SINGAPORE	BARGE	2010	-	76.2	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	73.2	-	-
JAYA	300	SINGAPORE	BARGE	2008	-	87.8	9000 DWT	-
JAYA	301	SINGAPORE	BARGE	2008	-	87.8	9000 DWT	-
JAYA	INSTALLER 10	PANAMA	MULTI PURPOSE	2011	-	111.6	9900 DWT	300

Vessels Under Construction

Vessel	Name	Flag	Type	Date of Delivery	Bollard Pull	LOA	BHP /DWT	Berths
MMA	PRIVILEGE	SINGAPORE	MULTI PURPOSE	AUG-15	-	90	10450	239
MMA	PRESTIGE	SINGAPORE	IMR	DEC-15	-	87.8	3000 DWT	100
MMA	PINNACLE	SINGAPORE	IMR	MAR-16	-	87.8	3000 DWT	100
MMA	PLOVER	AUSTRALIA	PSV	DEC-15	-	81.7	8425	27
MMA	BREWSTER	AUSTRALIA	PSV	JAN-16	-	81.7	8425	27



Vessel Listing (5 of 5) – Chartered Vessels



Vessel	Name	Flag	Type	Year Built	Bollard Pull	LOA	BHP /DWT	Berths
BHAGWAN	RENEGADE	NETHERLANDS	MULTICAT	2010	45	31	4000	5
BIBBY	RENAISSANCE	BARBADOS	ACCOMMODATION BARGE	1991	-	-	-	660
BRITOIL	121	SINGAPORE	AHT	2011	160	59	12240	48
BRITOIL	81	SINGAPORE	AHT	2009	110	56	8160	48
DANA	CRUZ	USA	SHALLOW DRAFT TUG	2010	14	28	1800	6
JMC	3010	SINGAPORE	BARGE	2012	-	92	-	-
MISS	HANNAH	USA	CARGO BARGE	2012	-	122	-	-
MISS	MARY	PANAMA	CARGO BARGE	2013	-	122	-	-
SILJA	EUROPA	ESTONIA	ACCOMMODATION VESSEL	1993	-	202	-	1434



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