

Presentation Q3 2014

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Agenda

- Headlines/ milestones Q3
- Outlook
- Main figures
- Detailed figures
- HES/ QA
- Questions



Headlines/Milestones Q3

- Delivery of newbuild no. 120, an Havyard 832 Wave Edition with new bow design and twin skeg for increased stability
 - The design delivers up to all expectations, and this is an important milestone for extensive R&D investments in the Havyard Group
- A breakthrough contract for delivery of design and equipment packages of four Havyard 843 AHTS to the Brazilian shipping company and ship yard group Grupo CBO
 - First contract in Brazil for Havyard
- EBIT-margin of 3,0 % in Q3 and 3.5 % for first three quarters of 2014
- Adjusted for IPO cost, the EBIT-margin is 4.4 %
- Design and production of prototype vessels in offshore, fishing vessel and live-fish carrier market
 - Lower margins to introduce the designs to the markets
 - A part of a diversification strategy to increase the Groups long term competitiveness
- The EBIT-margin are still negatively influenced by the fish and live fish-carrier segments
 - Substantial start-up challenges in the live fish-carrier segment
 - Havyard have confidence that the fish and live fish-carrier segments will have a positive development and profitability going forward, and this is still a priority area of the Group



Outlook

- Positive market outlook for subsea, windmill service and arctic vessels
- Diversified customer base, both geographically and on different segments
- Strong foothold in diversified markets
 - Nigerian offshore market
 - Windmill support
 - Arctic
- Control of orders and production for the fishing and aquaculture market is still key for short term performance
- Quarterly dividends of 50-75 % of the earnings as stated in dividend policy



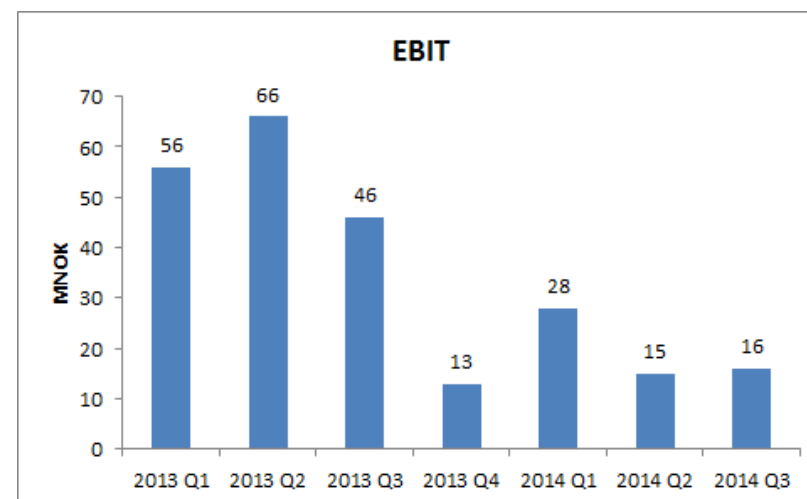
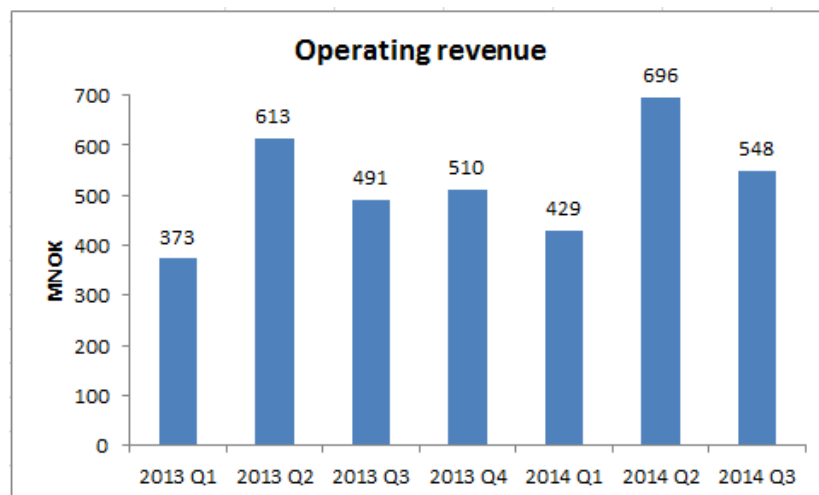
Main Figures

Group Key Figures

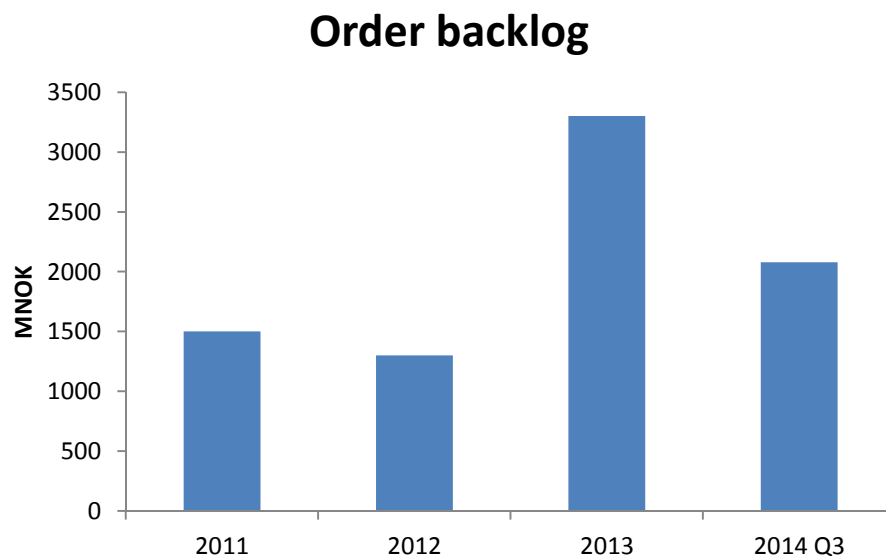
	2014 YTD	2013 YTD	2014 Q3	2013 Q3	2013
Operating revenue	1 673	1 507	548	491	1 987
EBITDA	76	181	22	51	199
EBIT	59 ¹	168	16	46	181
EBIT-margin	3.5 % ²	11.1 %	3.0 %	9.4 %	9.1 %
Profit before tax	60	173	17	49	190
Earnings per share	1.90	5.68	0.63	1.60	6.13
NIBD	64	86	64	86	8
Working Capital	164	193	164	193	102

¹ The EBIT for 2014 includes cost for the IPO of approx. NOK 15 million

² Adjusted EBIT-margin excluding the IPO costs is 4.4 % for YTD



Main Figures (cont.)

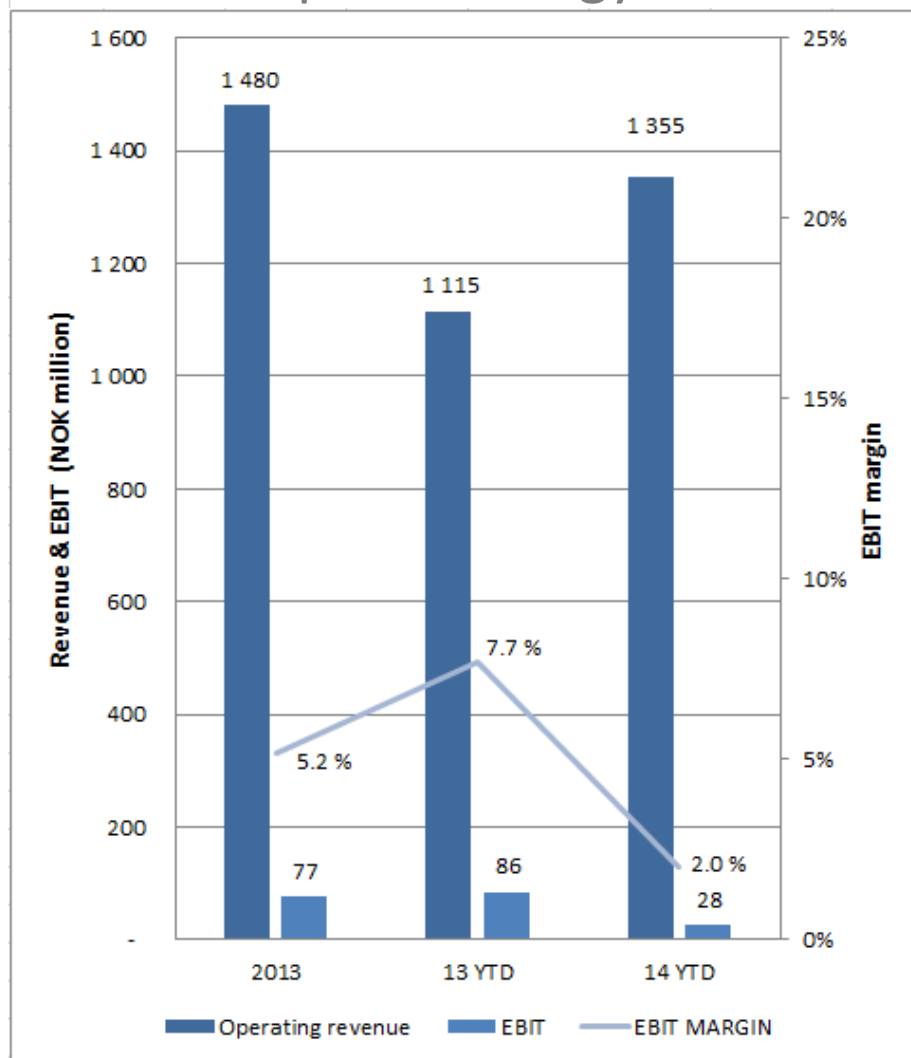


- Order backlog of approx. 2 100 million
- Secures capacity utilization for the coming periods
- Contract of approx. 1 000 million for 2 x Havyard 843 ICE AHTS in Nov 14
 - Not included in backlog 2014 Q3



Detailed Figures

- Ship Technology

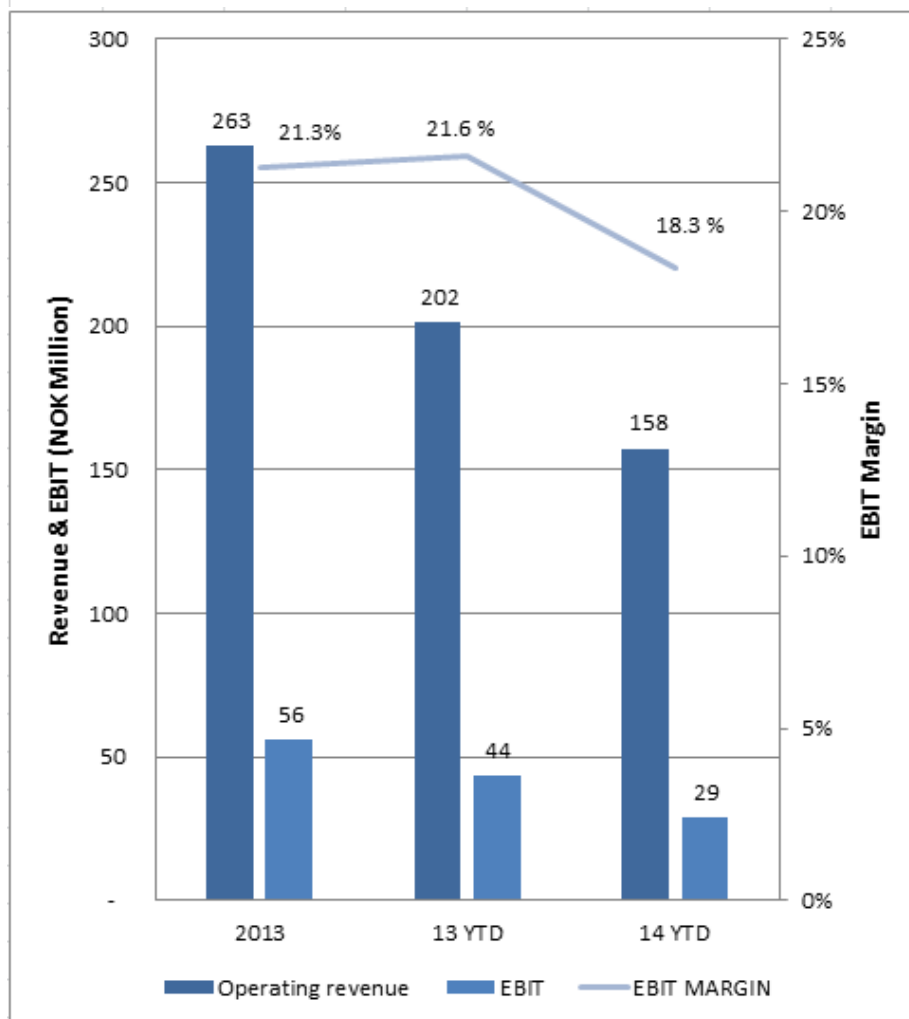


- Delivered
 - Live fish carrier, NB 117
 - Rebuild of Havila Phoenix
 - 832 PSV Wave Edition, NB 120
- Outfitting
 - 832 PSV, NB 116
 - 857 Subsea Vessel, NB 115
 - 832 SOV, NB 118 & 119
- Significant amount of prototype vessels lower margins
- Challenges in the fish and live-fish carrier segments



Detailed Figures (cont.)

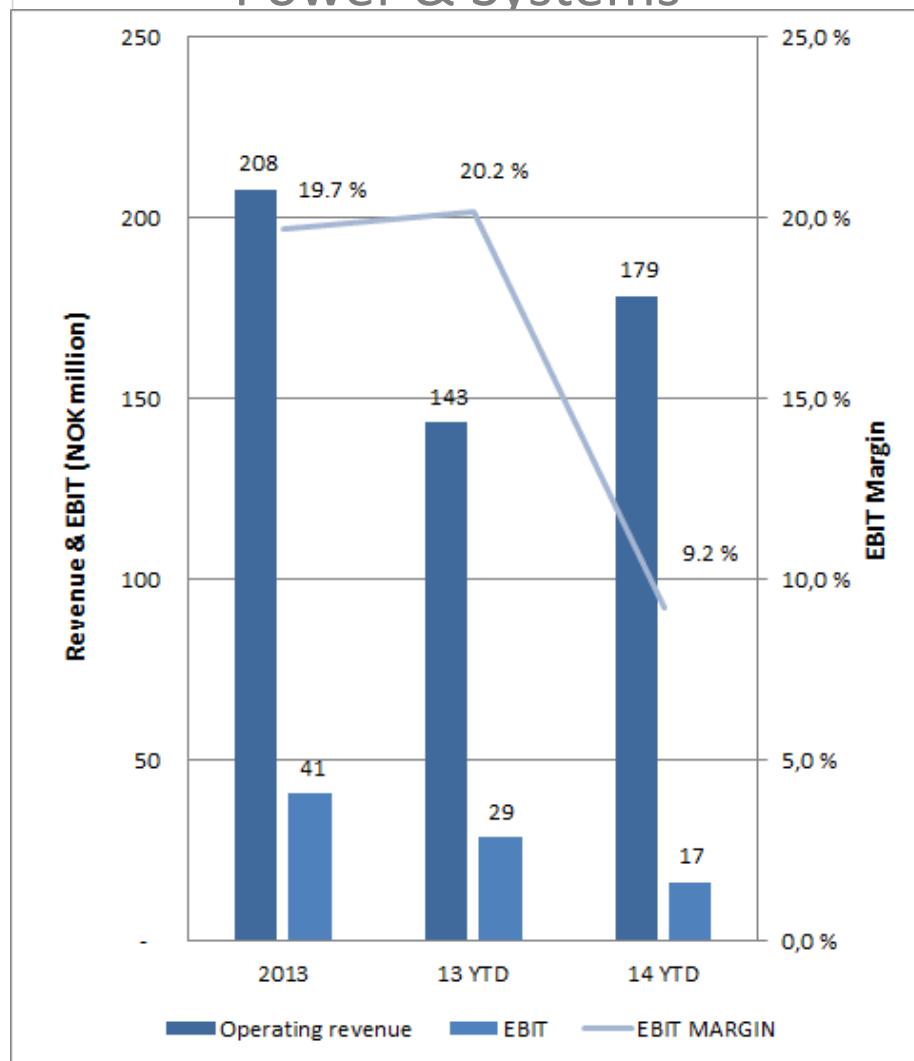
- Design & Solutions



- Full capacity utilization
- More prototype projects in 2014
- Decline in revenue due to decreased equipment package deliveries YTD compared to 2013

Detailed Figures (cont.)

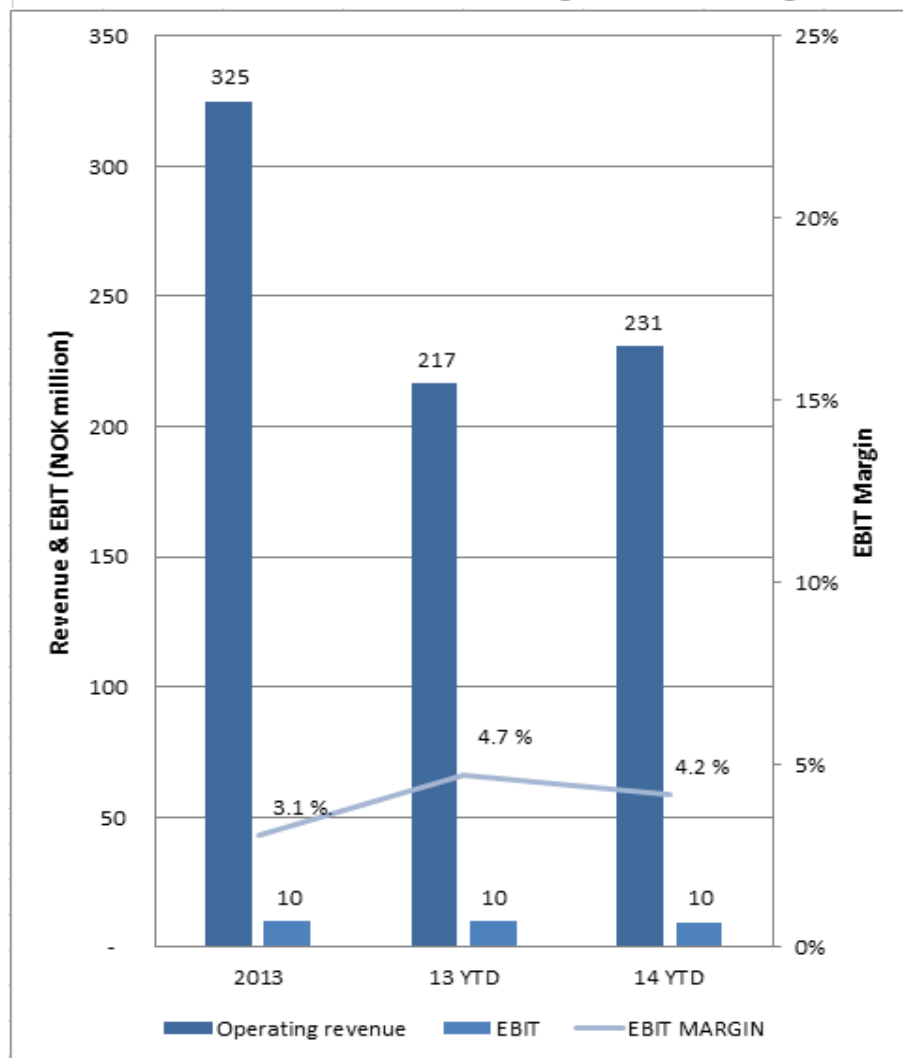
- Power & Systems



- Increased activity in Havyard Production & Service
- Lower margins due to restructuring effects
 - Electro installation incorporated in Ship Technology

Detailed Figures (cont.)

- Fish Handling & Refrigeration



- Restructuring process in Refrigeration gives positive effect
- Fish Handling has seen reduced margins due to more complex projects in the aquaculture segment

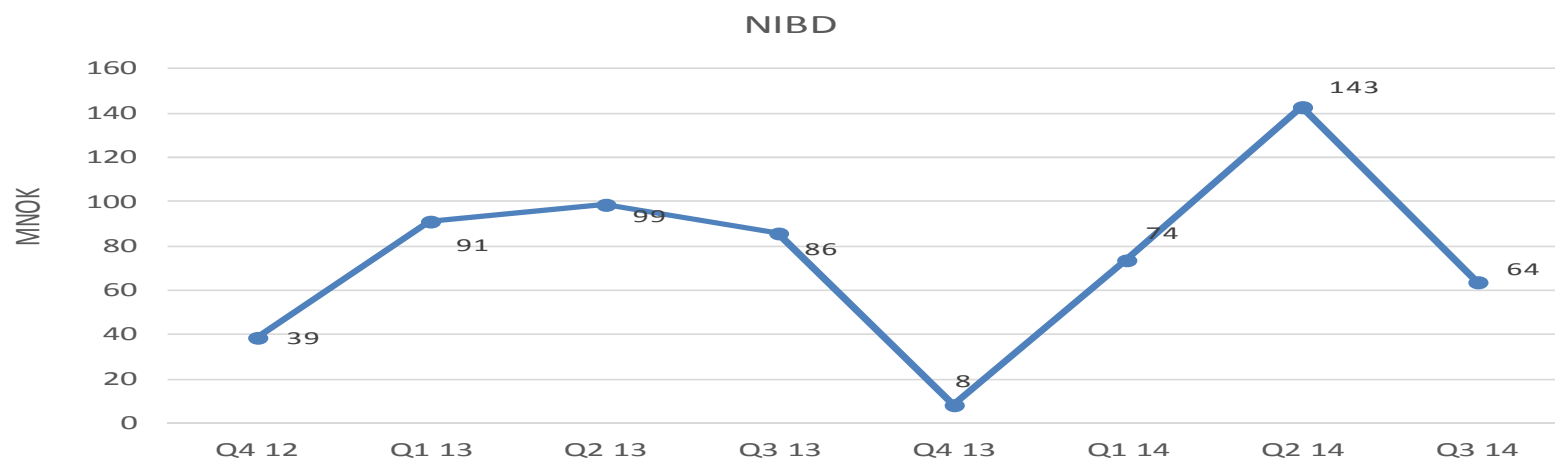
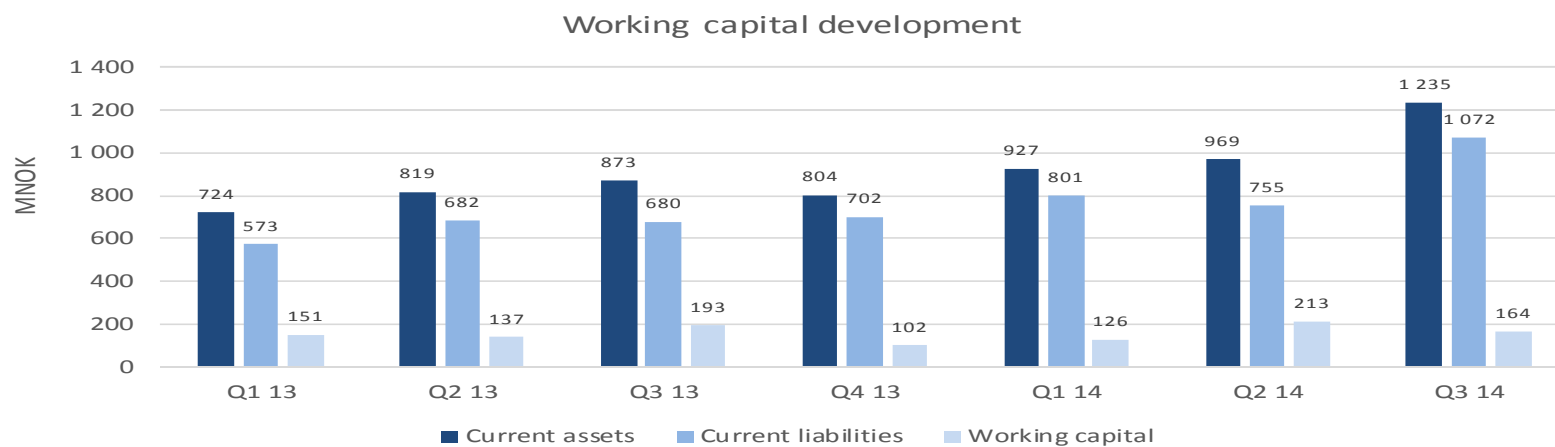
BALANCE SHEET

ASSETS	2014 Q3	2013
Non current assets		
Goodwill	23 918	23 918
Licenses, patents and R&D	49 947	41 483
Property, plant and equipment	258 570	240 167
Investment in associates	90 354	84 143
Loan to associates	14 436	15 185
Investment in financial assets	172 071	205 294
Other non current receivable	122 942	118 839
Total non current assets	732 238	729 028
Current Assets		
Inventory	35 789	38 872
Accounts receivables	60 499	82 122
Other receivables	84 682	139 553
Construction WIP in excess of prepayments	768 316	261 574
Cash and cash equivalents	285 996	281 381
Total Current Assets	1 235 282	803 501
TOTAL ASSETS	1 967 520	1 532 529
EQUITY AND LIABILITIES		2013
Equity		
Share capital	1 126	1 126
Share premium reserve	5 462	5 462
Treasury shares	-7	-16
Retained earnings	609 420	640 865
Non-controlling interest	7 494	21 002
Total equity	623 495	668 439
Long term liabilities		
Deferred tax liability	59 335	45 227
Loans and borrowings, non-current	208 770	98 123
Other long-term liabilities	4 261	19 107
Total long term liabilities	272 366	162 457
Current liabilities		
Accounts payables	110 358	128 278
Taxes payable	30 172	57 903
Provision for dividend	60 000	-
Public duties payables	19 410	16 916
Construction loans	660 073	134 788
Loans and borrowings, current	26 182	43 183
Prepayments	71 856	232 802
Other current liabilities	93 605	87 765
Total current liabilities	1 071 656	701 634
Total liabilities	1 344 022	864 091
TOTAL EQUITY AND LIABILITIES	1 967 520	1 532 530

- Increased activity in 2014
- New administration building in Leirvik MNOK 20
- Realisations in financial investments of MNOK 80
- Bond Loan placed in June, MNOK 150
 - Refinancing of long term debt, MNOK 35
 - Purchase of minority shares in Fish Handling & Refrigeration, MNOK 25
 - Additional dividend MNOK 60
 - Strengthening liquidity
- Net interest bearing debt: MNOK 64
- Working capital: MNOK 164
- Equity ratio: 32 %



Working Capital & Net Interest Debt



CASH FLOW

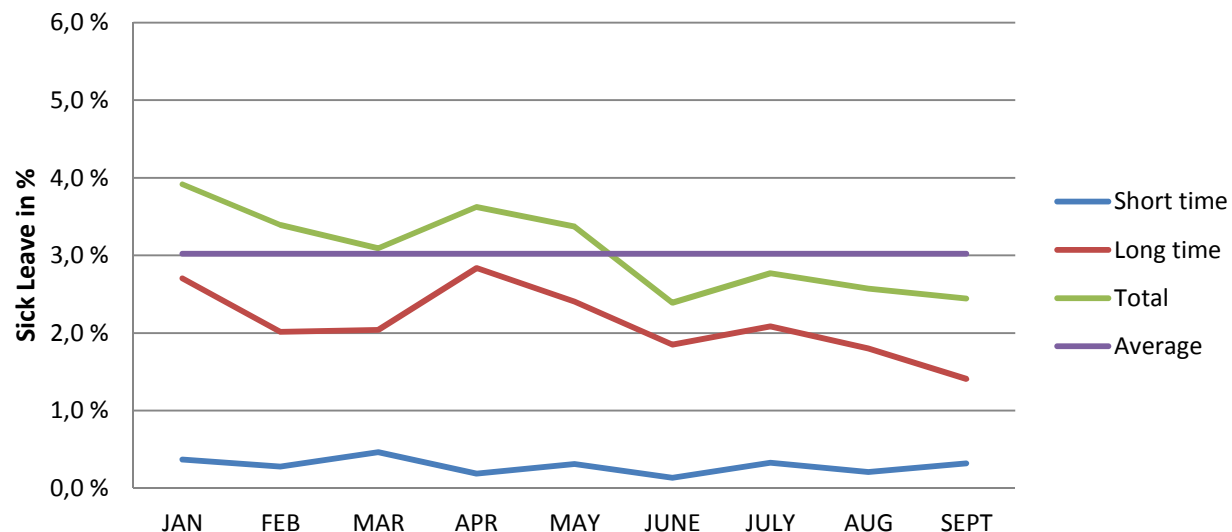
(NOK 1000)	2014 YTD (Unaudited)	2013 YTD	2014 Q3 (Unaudited)	2013 Q3	2013
CASH FLOW FROM OPERATIONS					
Profit/(loss) before tax	60 477	173 188	17 409	49 503	189 515
Taxes paid	-26 921	-40 568	-	-140	-55 890
Depreciation	16 680	12 833	5 972	4 723	17 942
Share of (profit)/loss from associates	-8 200	-3 147	-3 187	-1 049	-4 196
Changes in inventory	3 083	15 871	-1 196	3 954	17 514
Net changes in construction loans	525 285	85 351	267 802	-32 955	-129 297
Changes in accounts receivables/construction WIP	-485 119	-24 333	-212 455	89 232	184 018
Changes in accounts payable	-17 920	-46 847	45 410	-10 510	-18 612
Changes in other current receivables/liabilities	-154 829	15 816	-37 813	39 700	121 222
Net cash flow from/(to) operating activities	-87 464	188 164	81 942	142 458	320 287
CASH FLOW FROM INVESTMENTS					
Investments in property, plant and equipment	-32 875	-26 483	-7 385	-8 763	-30 369
Investment in intangible assets	-10 672	-11 681	-4 944	-3 681	-22 994
Investment in/disposal of financial assets	80 623	7 674	-293	7 674	-49 421
Changes in long term receivables	-1 425	-71 308	32	929	-37 740
Net cash flow used in investing activities	35 651	-101 798	-12 590	-3 841	-140 524
CASH FLOW FROM FINANCING ACTIVITIES					
New long term debt	146 400	14 540	-	7 103	16 845
Repayment long term debt	-45 784	-14 065	-3 100	-4 689	-18 754
Purchase/sale of treasury shares	5 999	-	5 999	-	2 000
Purchase of minority shares in Havyard Fish Handling & Refrigeration	-25 191	-	-	-	-
Dividends	-24 996	-	-	-	-24 792
Net cash flow from/ (used in) financing activities	56 428	475	2 899	2 414	-24 701
Net change in cash and cash equivalents	4 615	86 842	72 252	141 032	155 063
Cash and cash equivalents at start of the period	281 381	126 319	213 745	61 046	126 319
Cash and cash equivalents from purchase of subsidiaries					
Cash and cash equivalents at end of the period	285 996	213 161	285 996	202 078	281 381
Restricted bank deposits at the end of the period	115 465		115 465	141 120	148 206
Available cash and cash equivalents at the end of the period	170 531	213 161	170 531	60 958	133 175

- Several projects under construction in 2014
- Prepayments received in 2013
- Realisations in financial investments of MNOK 80
- Bond Loan placed in June



HES/ QA

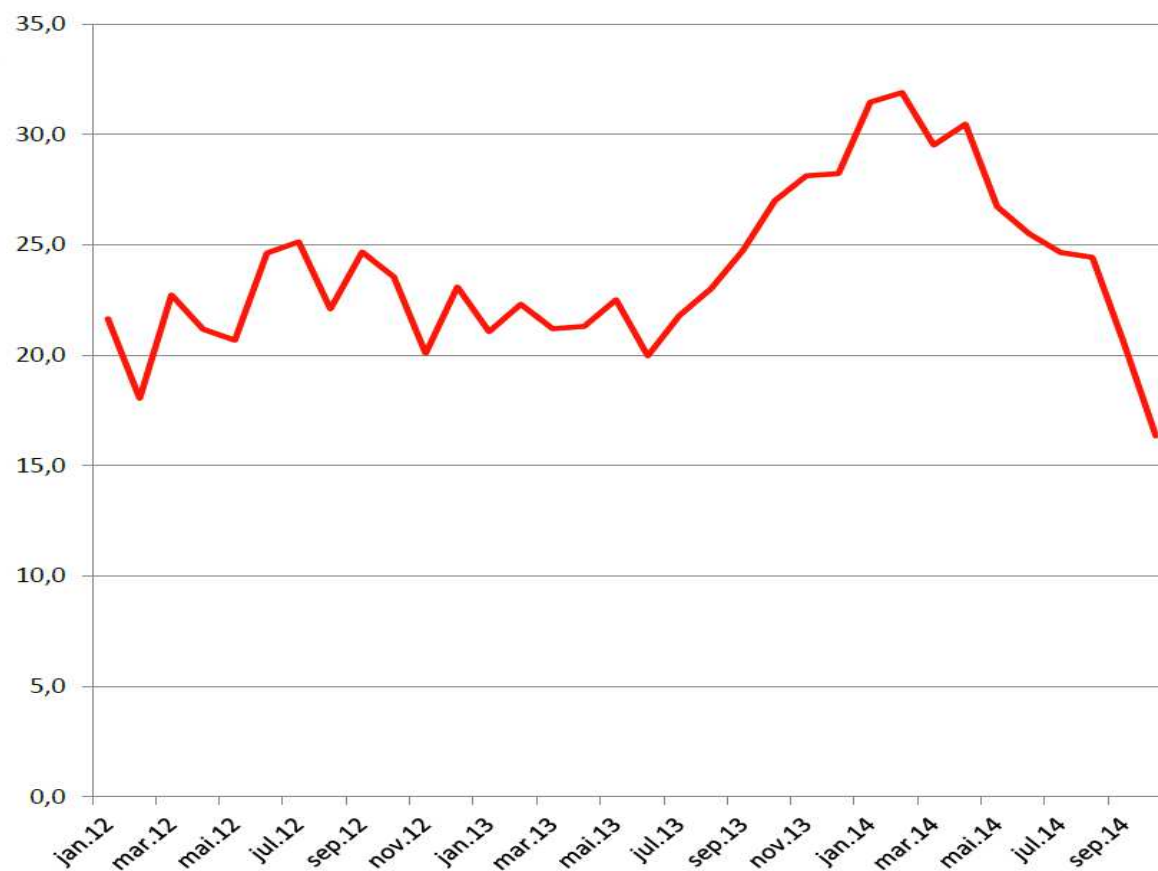
Sick leave Group YTD



- Sick leave gradually reduced during 2013 and 2014
- Total 20 injuries resulting in absense from work last 12 months
 - Average length of absence following injuries is 18.9 days
 - An extensive plan is implemented to reduce injuries and absence, and it includes subcontractors

HES/ QA

H-Verdi løpende 12 mnd pr oktober 2014



H-verdi

H-verdi = antall arbeidsrelaterte personskader med fravær, per million arbeidde timer. Inkluderer ikkje dødsfall.

Løpende 12 mnd.

— Havyard

HES/ QA

- Quality

- Strong focus on Quality in the Group
- Quality deviations are measured, documented in action lists and handled effectively
- Internal audits in accordance with ISO 9001 and ISO 14001
- Supplier audits
- Audits from costumers