"World leading Offshore company - founded on a boy´s dream"

# Havila Shipping ASA 3rd Quarter 2014 accounts

22.10.14

*CEO Njål Sævik*
*CFO Arne Johan Dale*

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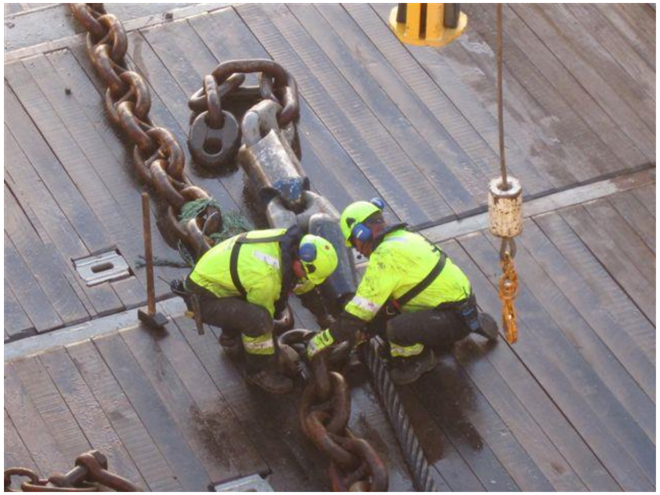
# Highlights

- Third quarter: <u>The best ever</u>
  - North sea spot market better for AHTS vessels than expected particularly from August
  - Some contracts beating the market average
  - AHTS spot market quarterly average the best since early 2009
  - Total income MNOK 519
  - Adjusted EBITDA MNOK 273
- Year to date better than last year
  - Adjusted EBITDA increased by MNOK 112
  - Bottom line doubled
  - Contract coverage increased
- Dividend capacity realistic for the year
- Four years option declared by Petrobras for vessel operating in Brazil
- Contract coverage good
  - 2014 Q4: 87%
  - 2015: 79% (83% opt. included)


# Summary of facts and figures Q3

| Q3 14 | Mill NOK | Q3 13 | Mill NOK |
|---|---|---|---|
| Freight income | 497 | Freight income | 398 |
| Total income | 519 | Total income | 401 |
| EBITDA (adjusted) | 273 | EBITDA (adjusted) | 215 |
| EBITDA margin | 53 % | EBITDA margin | 53 % |
| Utilization<br>Time charter fleet | 94,8% | Utilization<br>Time charter fleet | 93,7% |



# Summary of facts and figures YTD

| YTD 14 | Mill NOK | YTD 13 | Mill NOK |
|---|---|---|---|
| Freight income | 1 266 | Freight income | 1 076 |
| Total income | 1 300 | Total income | 1 099 |
| EBITDA (adjusted) | 652 | EBITDA (adjusted) | 532 |
| EBITDA margin | 50 % | EBITDA margin | 49 % |
| Utilization<br>Time charter fleet | 93,7% | Utilization<br>Time charter fleet | 91,8% |

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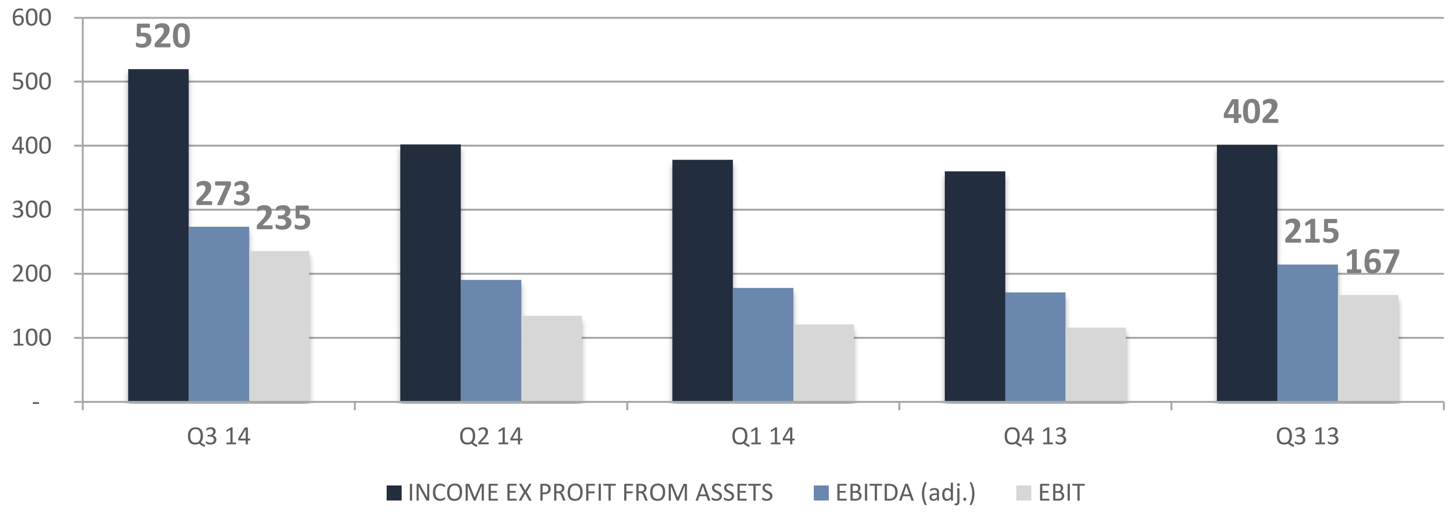
# Figures

# Main figures

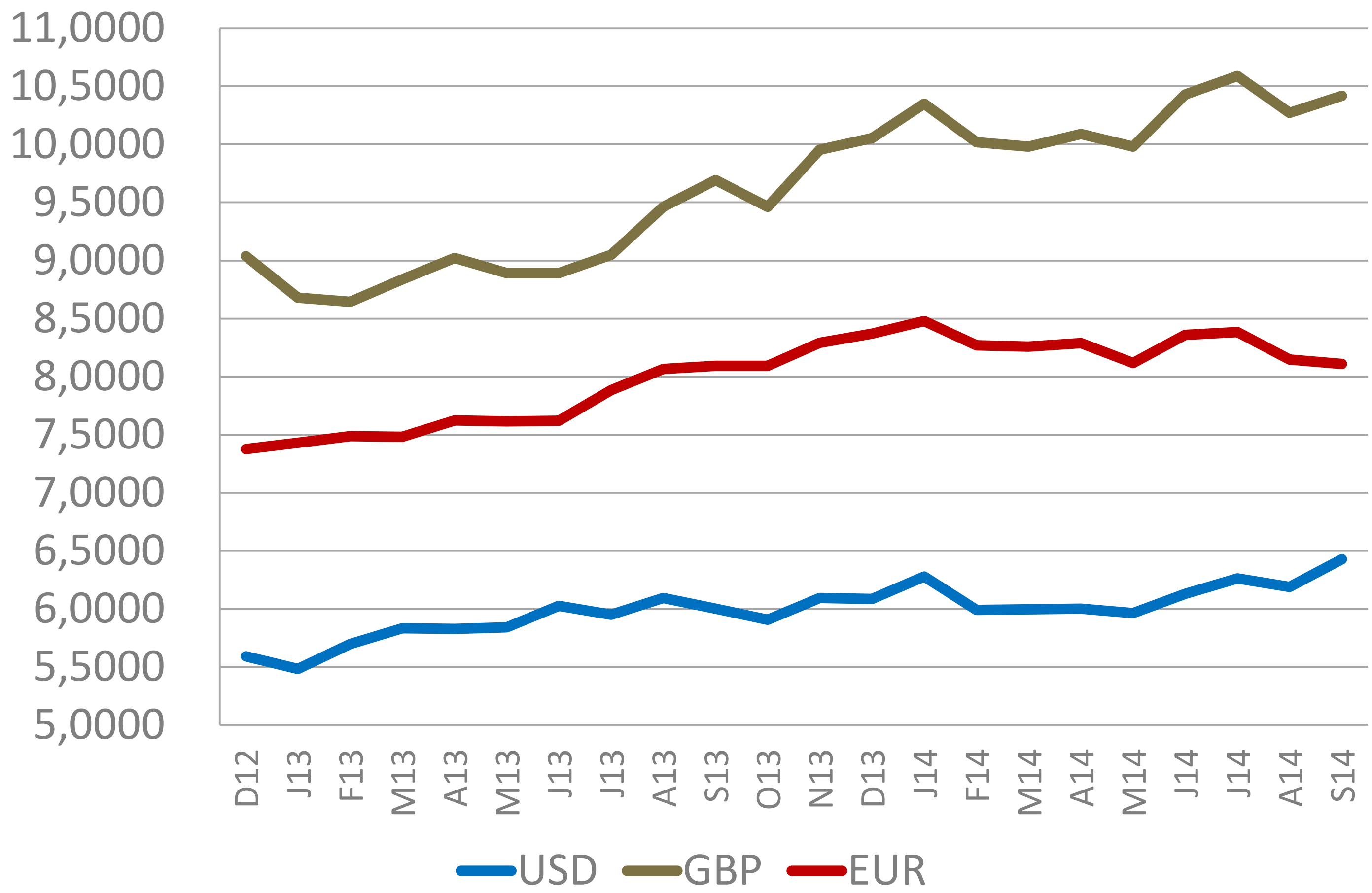
| NOK mill | Q3 2014 | | Q2 2014 | | Q1 2014 | | Q4 2013 | | Q3 2013 | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Income and gains** | 519,6 | | 402,3 | | 378,5 | | 360,2 | | 401.5 | |
| **EBITDA (Adjusted)** | 273,2 | 52,6% | 190,2 | 47,3% | 177,9 | 47,0% | 171,3 | 47,6% | 214.5 | 53.4% |
| **Pre tax result** | 92,6 | 17,8% | 24,4 | 6,1% | 41,8 | 11,0% | 4,3 | 1,2% | 75.8 | 18.9% |




**Q3 14: Income includes tax items amounting to MNOK 18**

**Financial expenses includes unrealised FX losses of MNOK 40 (YTD)**

# FX exchange rates

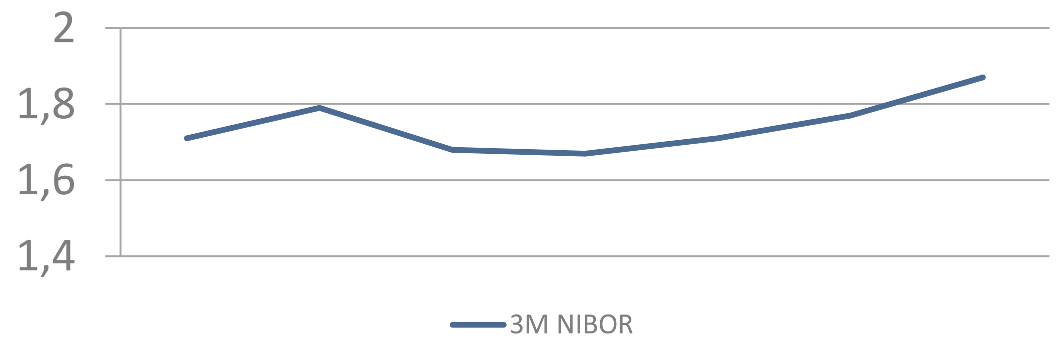



**Weaker NOK: Gives unrealized FX losses but increases future income**

**FX effects increases both income and expenses**

# Interest bearing debt

| NOK millions | Q3 14 | Q2 14 | Q1 14 | Q4 13 | Q3 13 | Q2 13 | Q1 13 |
|---|---|---|---|---|---|---|---|
| Long term debt | 4 836 | 4 890 | 5 416 | 4 827 | 5 341 | 5 184 | 5 371 |
| Next years instalments | 1 106 | 1 104 | 652 | 1 106 | 698 | 923 | 730 |
| **Total** | **5 942** | **5 994** | **6 068** | **5 933** | **6 038** | **6 107** | **6 101** |
| Bank Deposit/Other interest-bearing as | -344 | -351 | -536 | -407 | -398 | -441 | -385 |
| **Net** | **5 598** | **5 643** | **5 533** | **5 527** | **5 640** | **5 665** | **5 716** |




**Reconstruction of Havila Phoenix for the Deepocean contract increased debt during second quarter**

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# Modern fleet

- Value adjusted fleet age: 6 years, 1 month

Market value

- Fleet value: BNOK 8.1
- Not including Havila Troll

Booked value

- Fleet value: BNOK 7.5

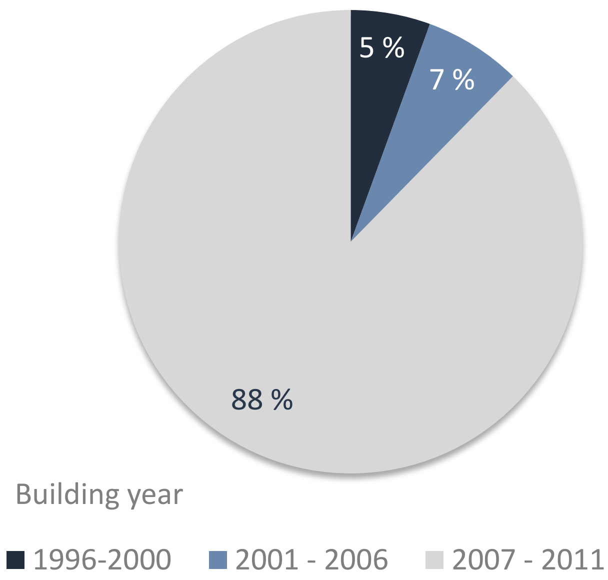
**Excess value: BNOK 0.6**

Long term financing

- Secured : BNOK 4.8
- Unsecured: BNOK 1.2

**Excess value BNOK 2.1**

| Calculation date: | | 21.10.14 | |
|---|---|---|---|
| Years | Months | Weeks | Days |
| **6** | **1** | **1** | **6** |

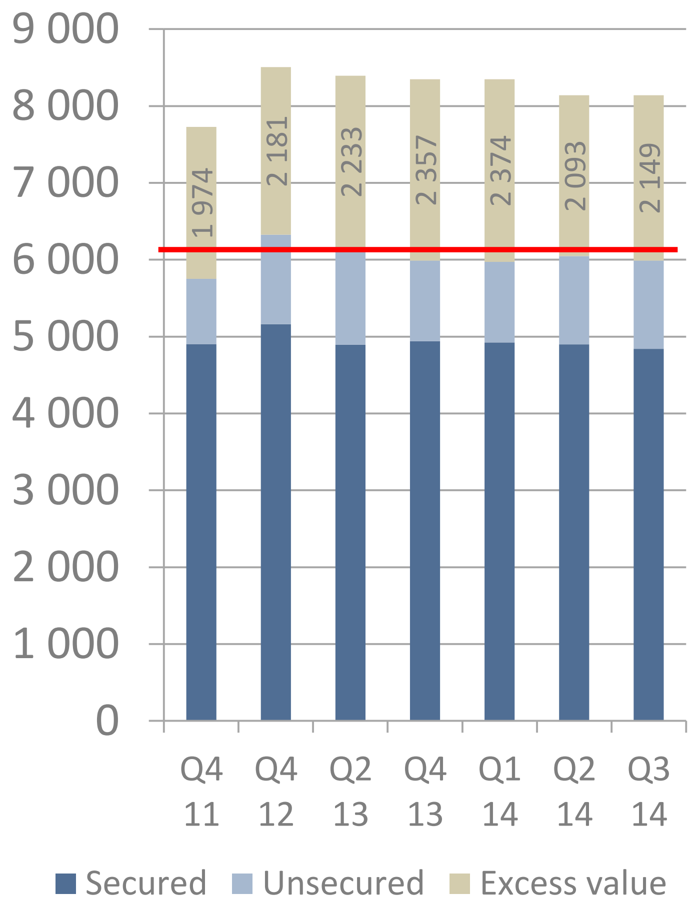


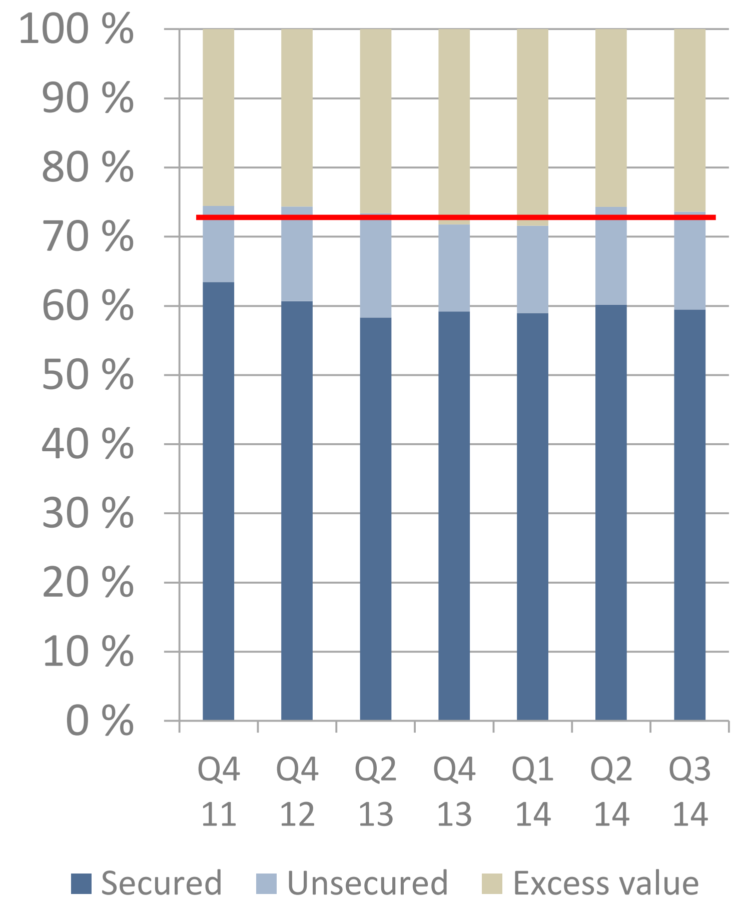
# Debt to Market value

3M NIBOR average

Interest rates turned up and then down:

- Q1 13: 1.87%
- Q2 13: 1.77%
- Q3 13: 1.71%
- Q4 13: 1.67%
- **Q1 14: 1.68%**
- **Q2 14: 1.79%**
- **Q3 14: 1,71%**




Debt to market value reduced since fourth quarter 2012

**Q3 14: Excess value increased by MNOK 56**

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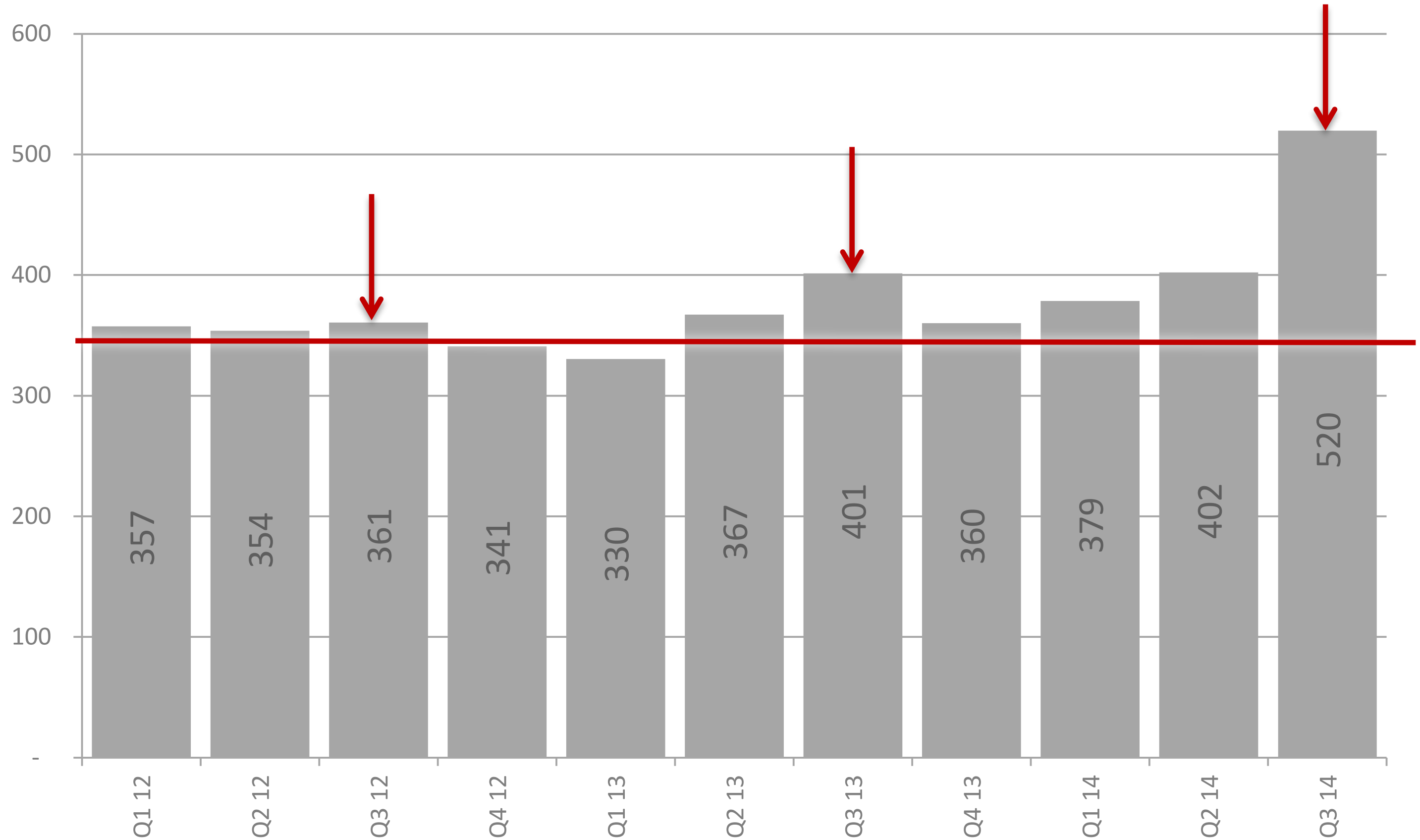
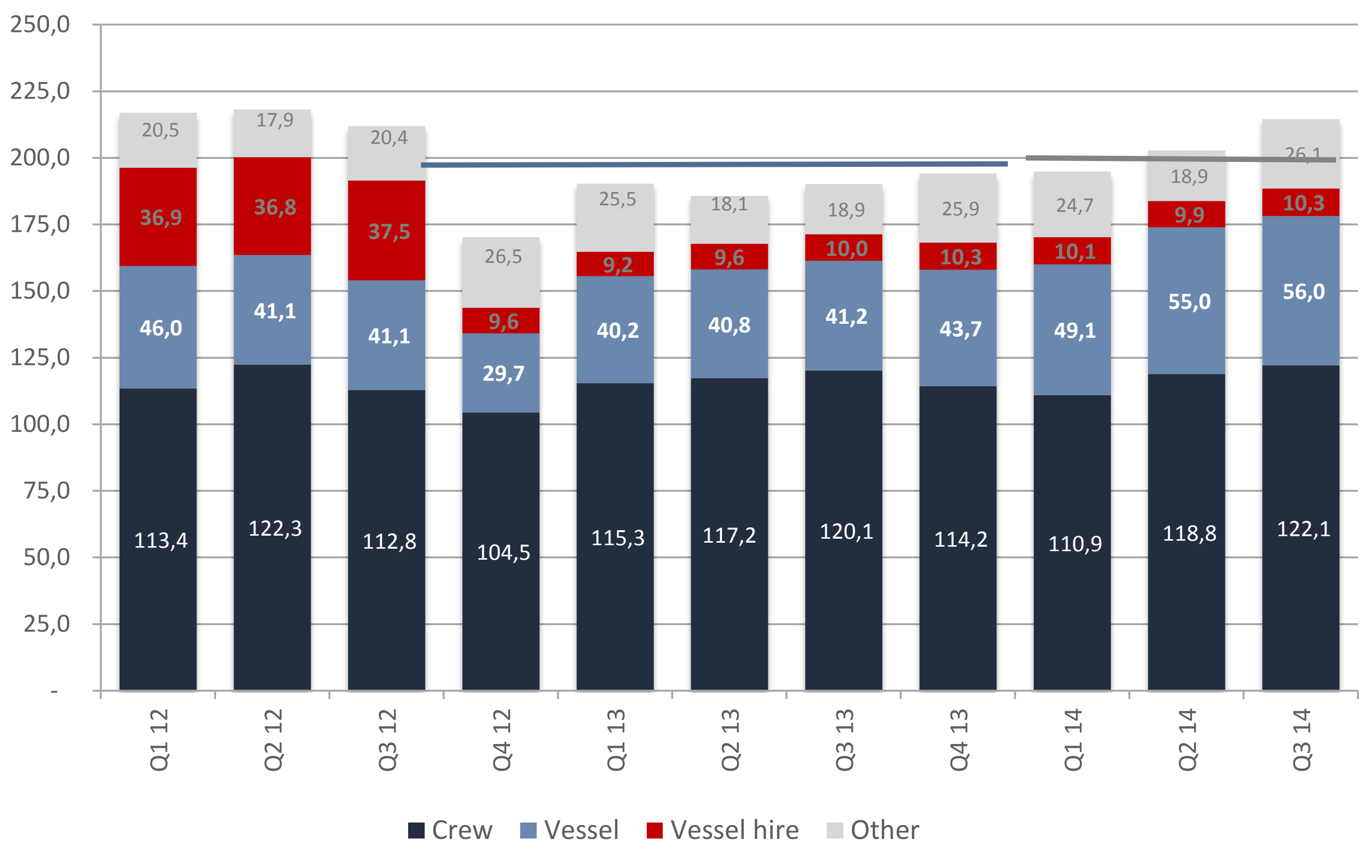
# Quarterly income




2012: 28 vessels From 2013: 27 vessels

Foreign WHT and net income tax of MNOK 18 included in Q3 numbers

# Quarterly vessel expenses




Total opex fourth quarter: MNOK 214 included hire of equipment amounting to MNOK 12

**FX excange rates increases opex**

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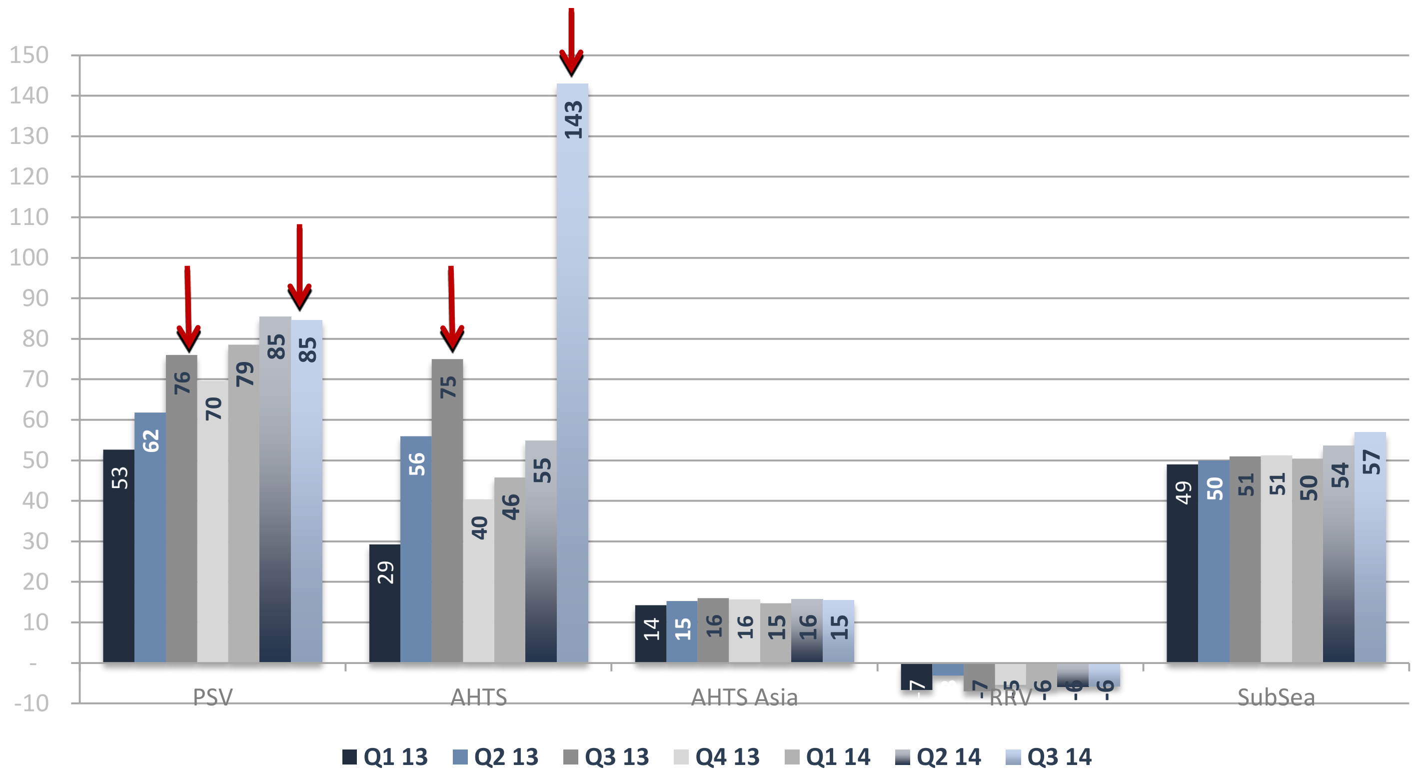
# Operating profit from segments




**AHTS: Spot market utilization and rates | PSV: Term contracts improvement**

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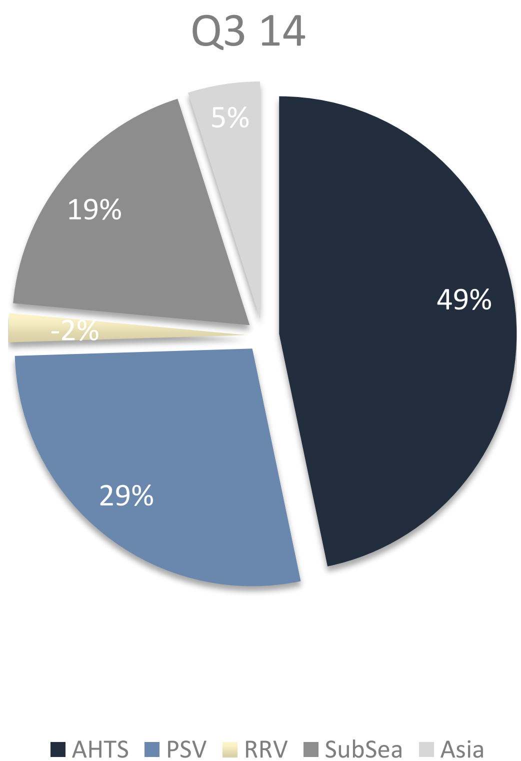
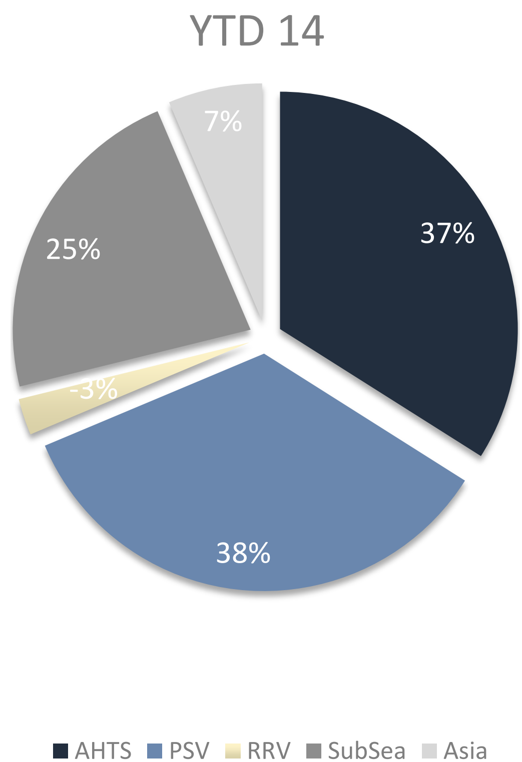
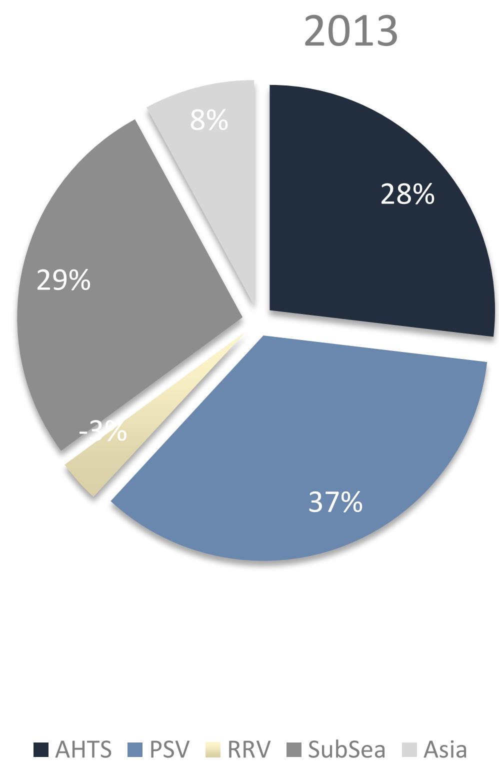
# Segment development




AHTS spot market changes the picture of earnings

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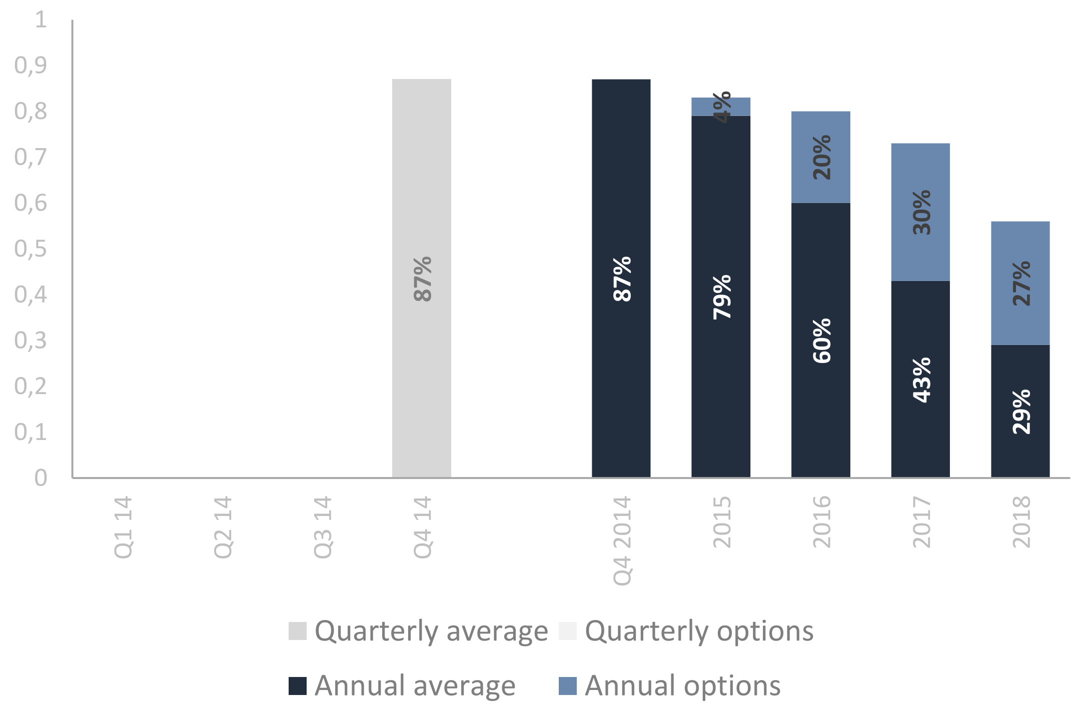
# Contractual coverage

## Fleet utilization
(time charter fleet)

Q4 11: 92%
Q1 12: 94%
Q2 12: 93%
Q3 12: 93%
Q4 12: 90%
Q1 13: 88%
Q2 13: 94%
Q3 13: 93%
Q4 13: 91%
Q1 14: 93%
Q2 14: 93%
Q3 14: 95%

## Contract coverage 2014-2018

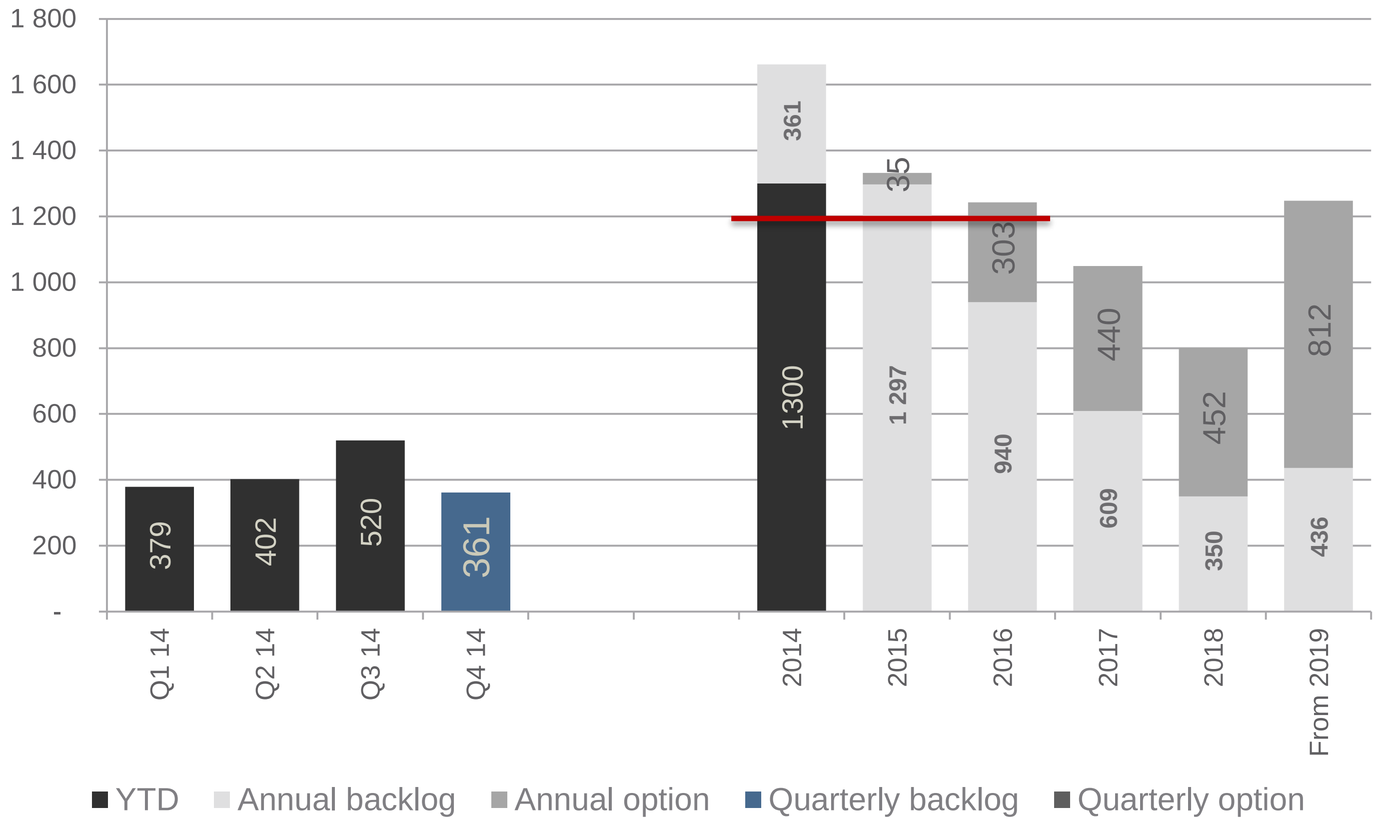



Fleet utilization

High – and stable

Q4 2014: 87% Firm    2015: 79% firm / 83% options included

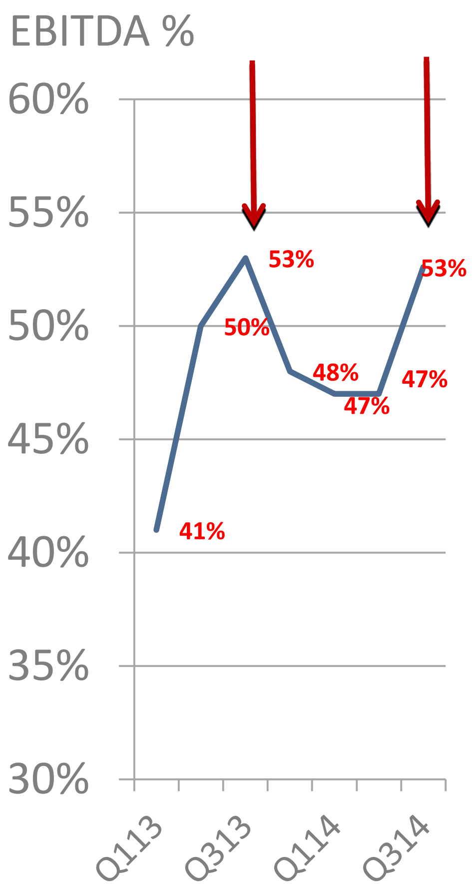
# Contract backlog

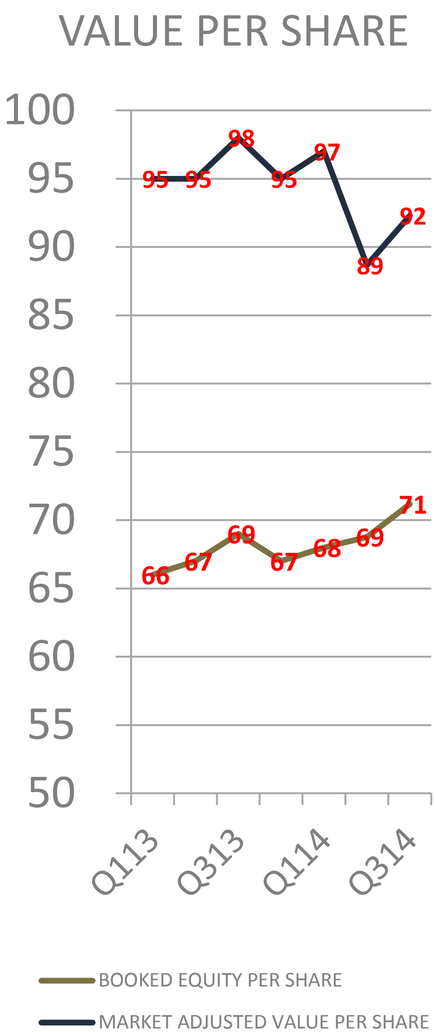


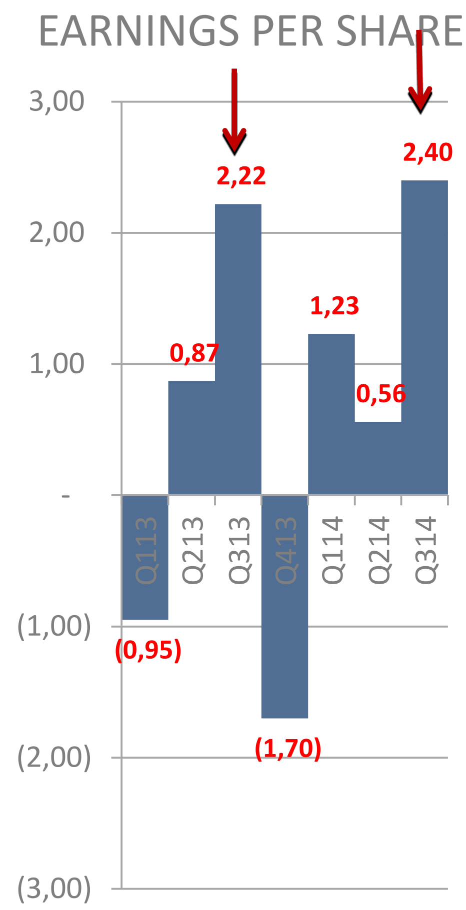

Backlog including options BNOK 6.0

Cover expenses for 2015 – Options included also for 2016

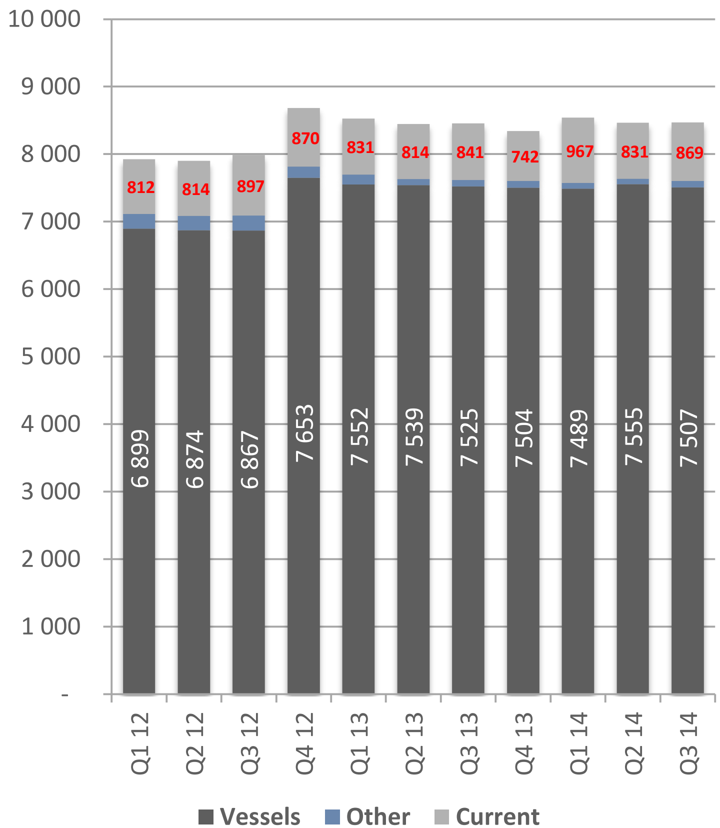
# Key figures

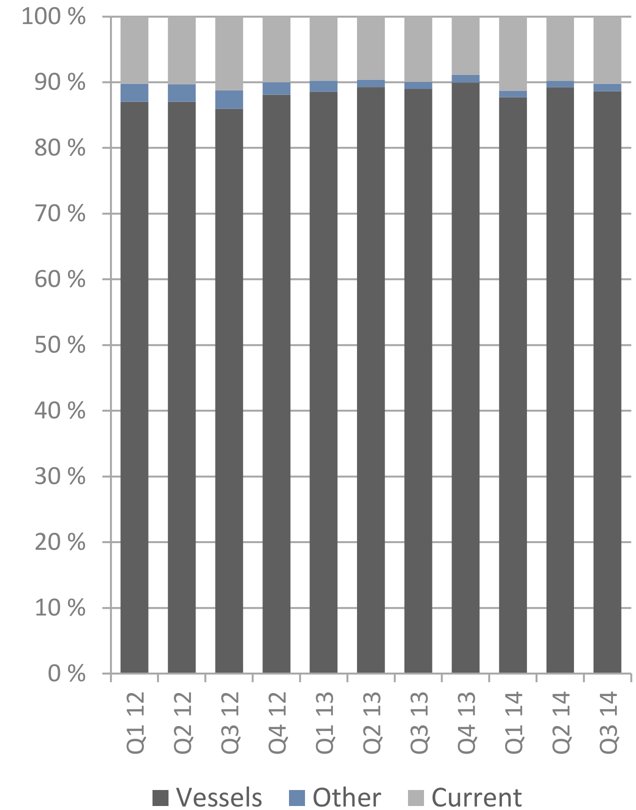

EBITDA %
60%
55%
50%
45%
40%
35%
30%
41%
50%
53%
48%
47%
47%
53%
Q113
Q313
Q114
Q314


VALUE PER SHARE
100
95
90
85
80
75
70
65
60
55
50
95
95
98
95
97
89
92
66
67
69
67
68
69
71
Q113
Q313
Q114
Q314
BOOKED EQUITY PER SHARE
MARKET ADJUSTED VALUE PER SHARE


EARNINGS PER SHARE
3,00
2,00
1,00
-
(1,00)
(2,00)
(3,00)
(0,95)
0,87
2,22
(1,70)
1,23
0,56
2,40
Q113
Q213
Q313
Q413
Q114
Q214
Q314

# Assets




Investments in vessels increased during Q2 by reconstruction of Havila Phoenix

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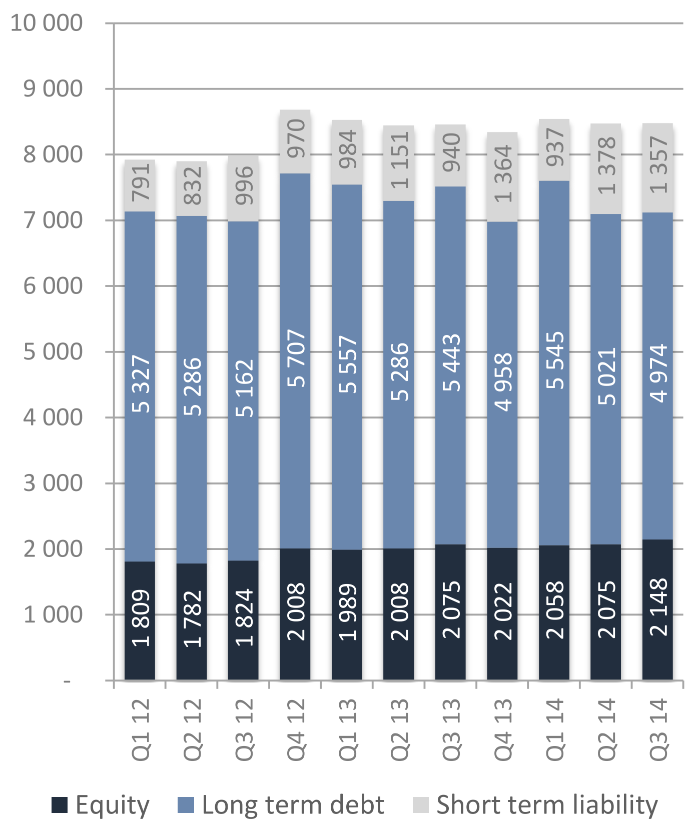
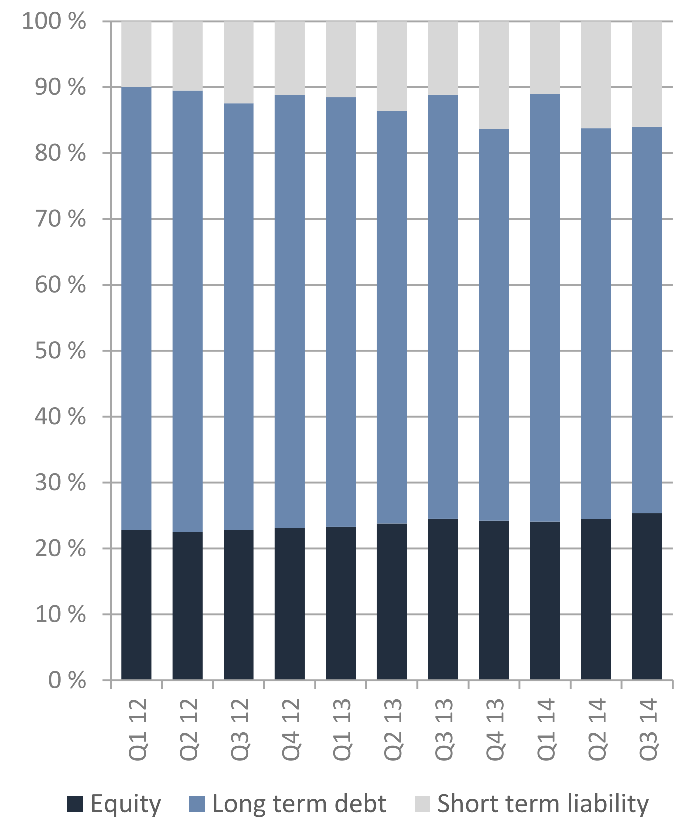
# Equity and liability




Q314: Short term debt – bond maturity of MNOK 300 in December 14 refinanced

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# Summing up

# Vessels in Spot Market in Q3

AHTS

- Havila Venus
- Havila Jupiter
- Havila Neptune

PSV

- Havila Crusader

# Market comments

Subsea

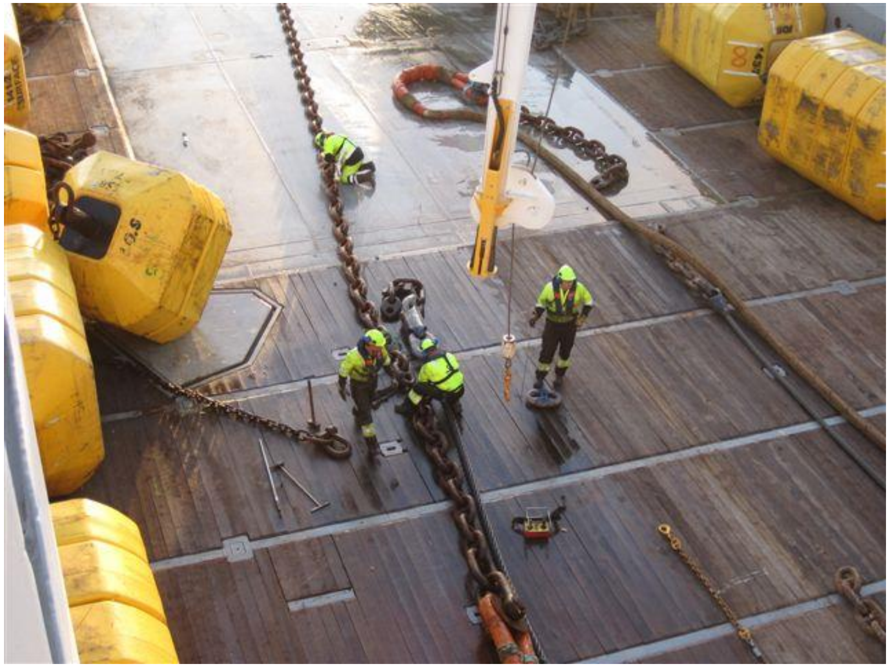
- Covered for 2015

AHTS

- Volatile Spot market
- Fourth quarter started good

PSV

- Still tender activity



# This is Havila Shipping ASA

- Head-office in Fosnavåg, Norway
  - Offices in
    - Rio
    - Labuan
    - Aberdeen
- Partnership with POSH in Singapore
- A fleet of 27 vessels
- 800 offshore staff
- 46 onshore
- Strong operating track record
- A qualified organisation focusing on human resources and solid seamanship

| Segments | Current Fleet |
|---|---|
| PSV | **14** |
| AHTS | **9** |
| SubSea | **3** |
| Rescue vessels | **1** |

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# Largest shareholders

| Shareholder | Address | Shares | Interest |
|---|---|---|---|
| Havila Holding AS | FOSNAVÅG | 15 227 130 | 50,5 % |
| Odin Offshore | OSLO | 2 566 878 | 8,5 % |
| Pareto Aksje Norge | OSLO | 1 710 881 | 5,7 % |
| Torghatten ASA | BRØNNØYSUND | 1 223 100 | 4,1 % |
| The Northern Trust Co. | Storbritannia | 916 292 | 3,0 % |
| Pareto Aktiv | OSLO | 680 615 | 2,3 % |
| Jeki Private Limited | Singapore | 500 000 | 1,7 % |
| Carvallo International Ltd | Singapore | 394 726 | 1,3 % |
| Pareto Verdi Vpf | OSLO | 342 060 | 1,1 % |
| Martin Waaland | KLEPPE | 309 000 | 1,0 % |
| Hustadlitt AS | MOLDE | 252 000 | 0,8 % |
| Morten Erga | KLEPPE | 250 000 | 0,8 % |
| Arthur Sævik | FOSNAVÅG | 215 809 | 0,7 % |
| Bakkely Invest AS | ULSTEINVIK | 214 800 | 0,7 % |
| KS Artus | FOSNAVÅG | 203 800 | 0,7 % |
| Spilka International AS | ÅLESUND | 200 000 | 0,7 % |
| Pacific Carriers Ltd | Singapore | 185 926 | 0,6 % |
| Verdipapirfondet DNB | OSLO | 180 000 | 0,6 % |
| Loma Invest AS | OSLO | 167 900 | 0,6 % |
| MP Pensjon PK | OSLO | 164 370 | 0,5 % |
| 20 LARGEST | | 25 905 287 | 85,8 % |
| OTHER | | 4 274 312 | 14,2 % |
| Total number of shares | | 30 179 599 | 100,0 % |

20 largest reduced from 90% to 85% during 2013

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## Summary

- Third quarter the best ever
- Full 2015 opex and interest expenses covered by contracts – options included also for 2016
- Continuing low interest rate
- No unfinanced capex / No new-builds
- Refinancing of 2015 bank balloons and bond maturity in progress to be done
- A goal to pay dividend for the year

- www.havilashipping.no

Q4 / Preliminary

Will be released on **29th January 2015**

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