



# Capital Markets Day 2014

## Energy / Offshore supply base market

Nils Petter Dyvik  
Wilh. Wilhelmsen Holding ASA

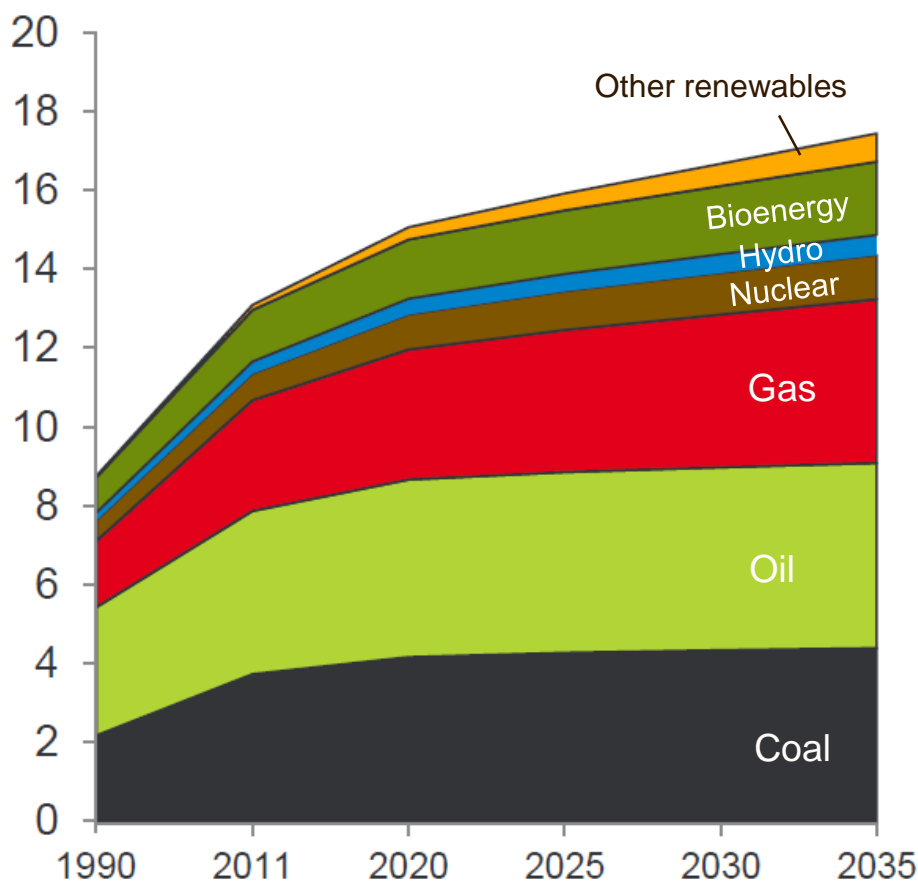
17 September 2014



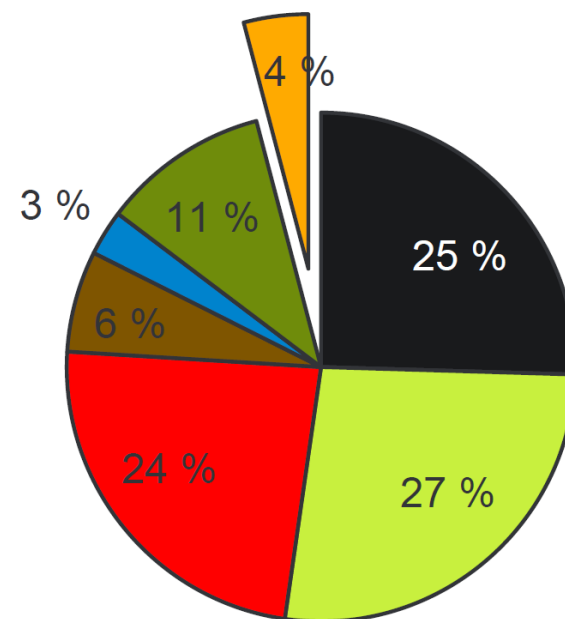
Fossil fuels will be main energy source going forward,  
but renewable energy will have highest % growth rate

Billion tonnes of  
oil equivalents

**Total global primary energy demand**



**Share of energy mix 2035**

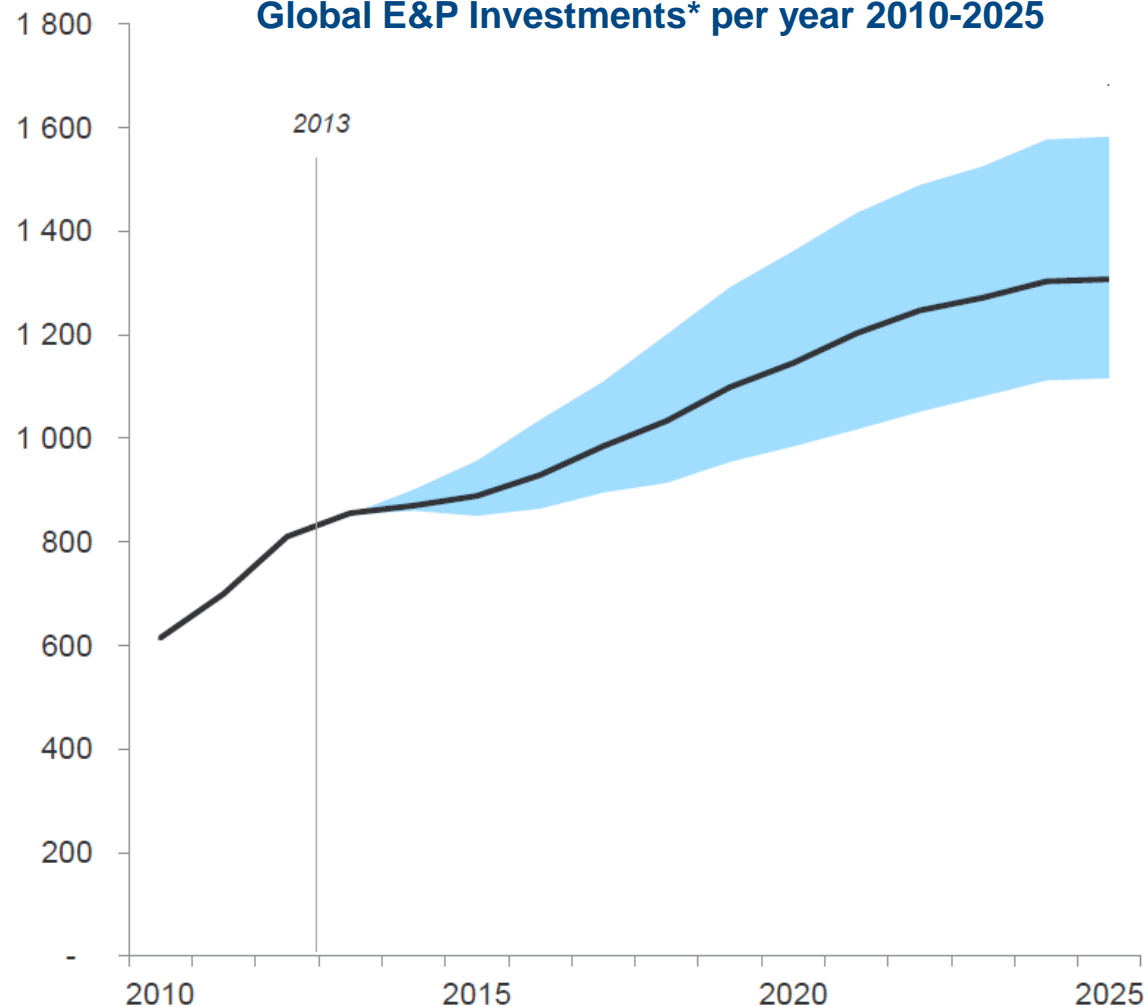




# E&P spending likely to pick-up from 2015 onwards at a growth rate of 3-5%

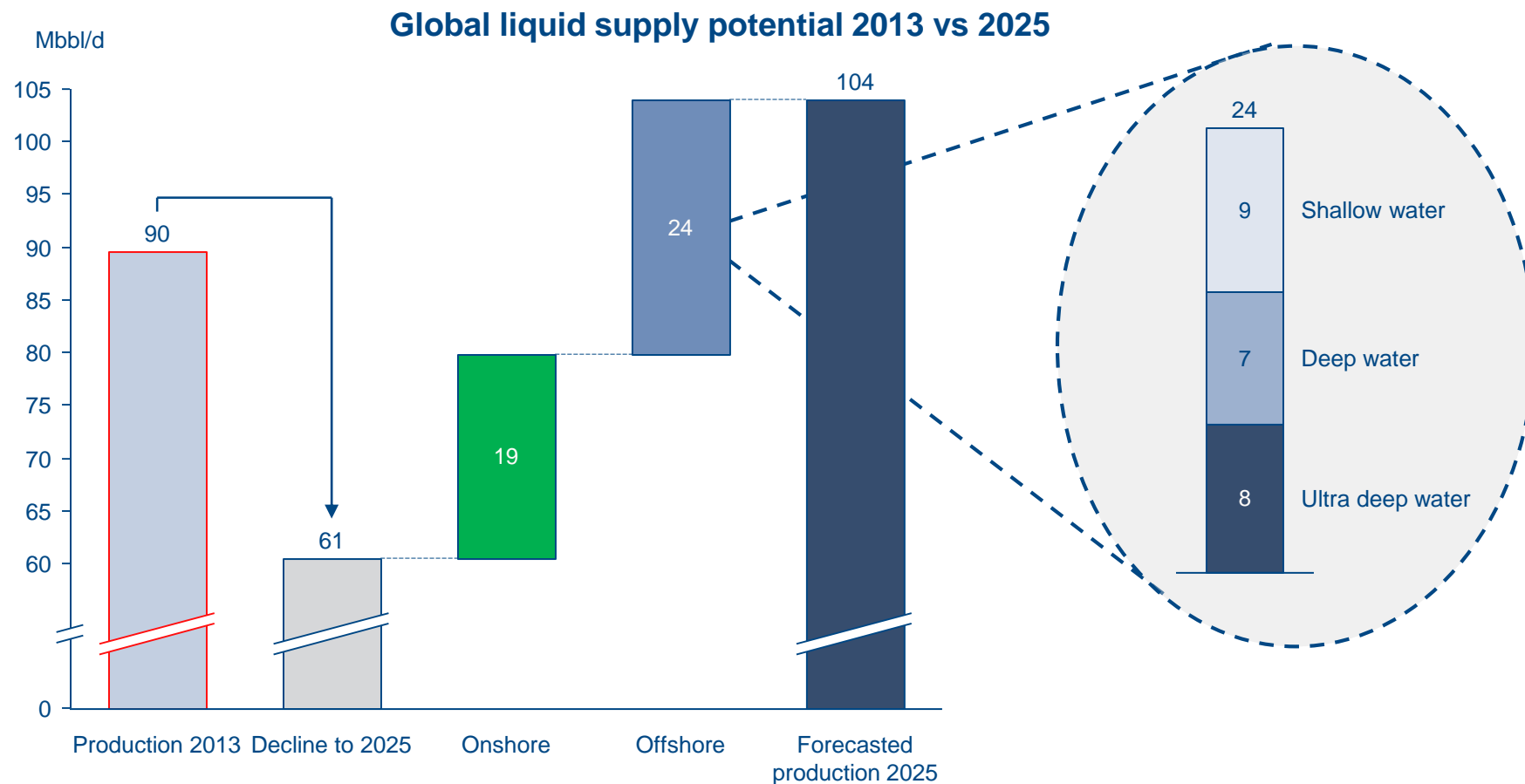
bUSD nominal

**Global E&P Investments\* per year 2010-2025**



Case	Oil price	CAGR15-25
High	140	5,2%
Base	103	3,9%
Low	90	2,8%

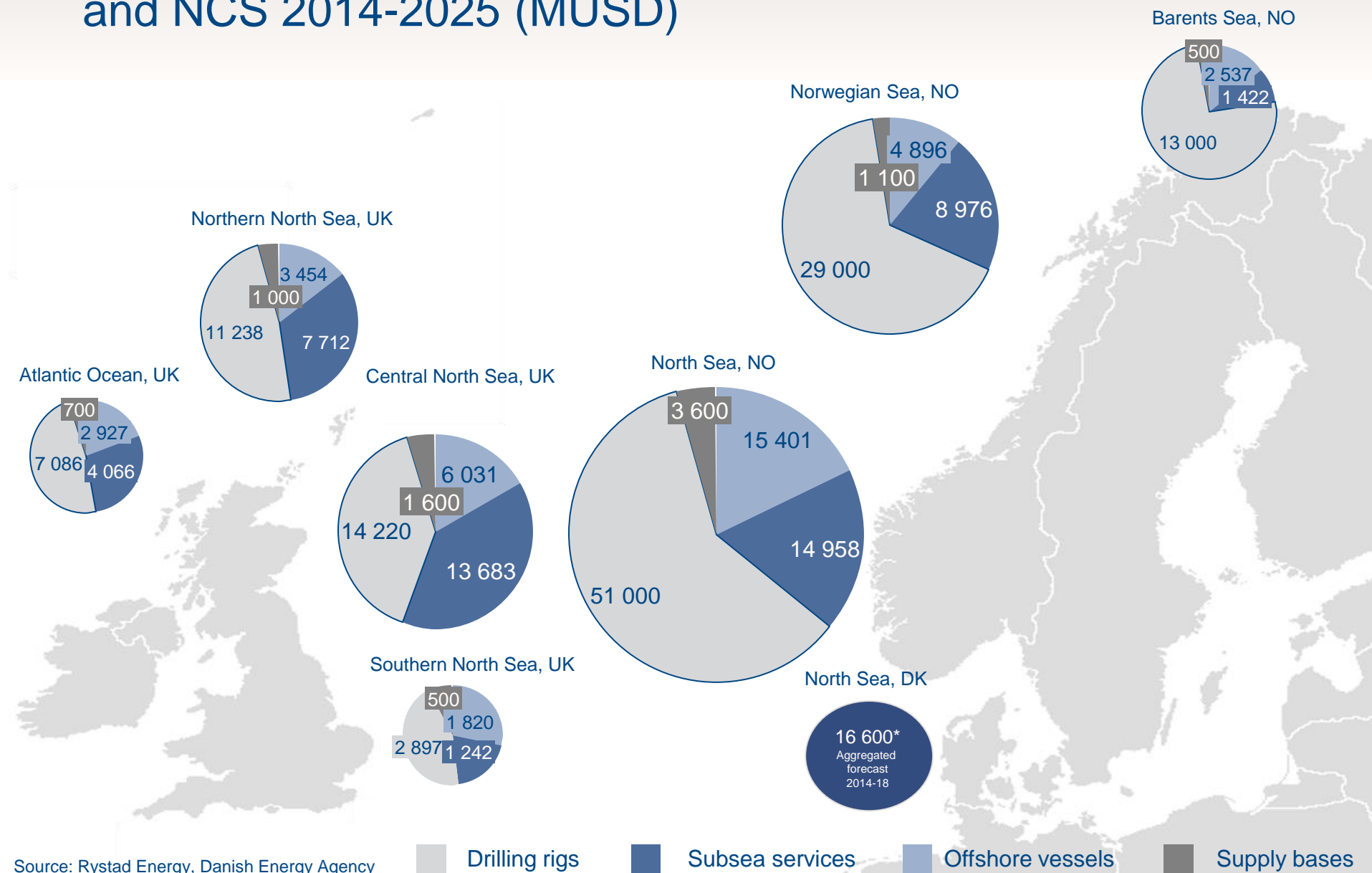
# New offshore developments will be key to deliver on global energy demand in 2025



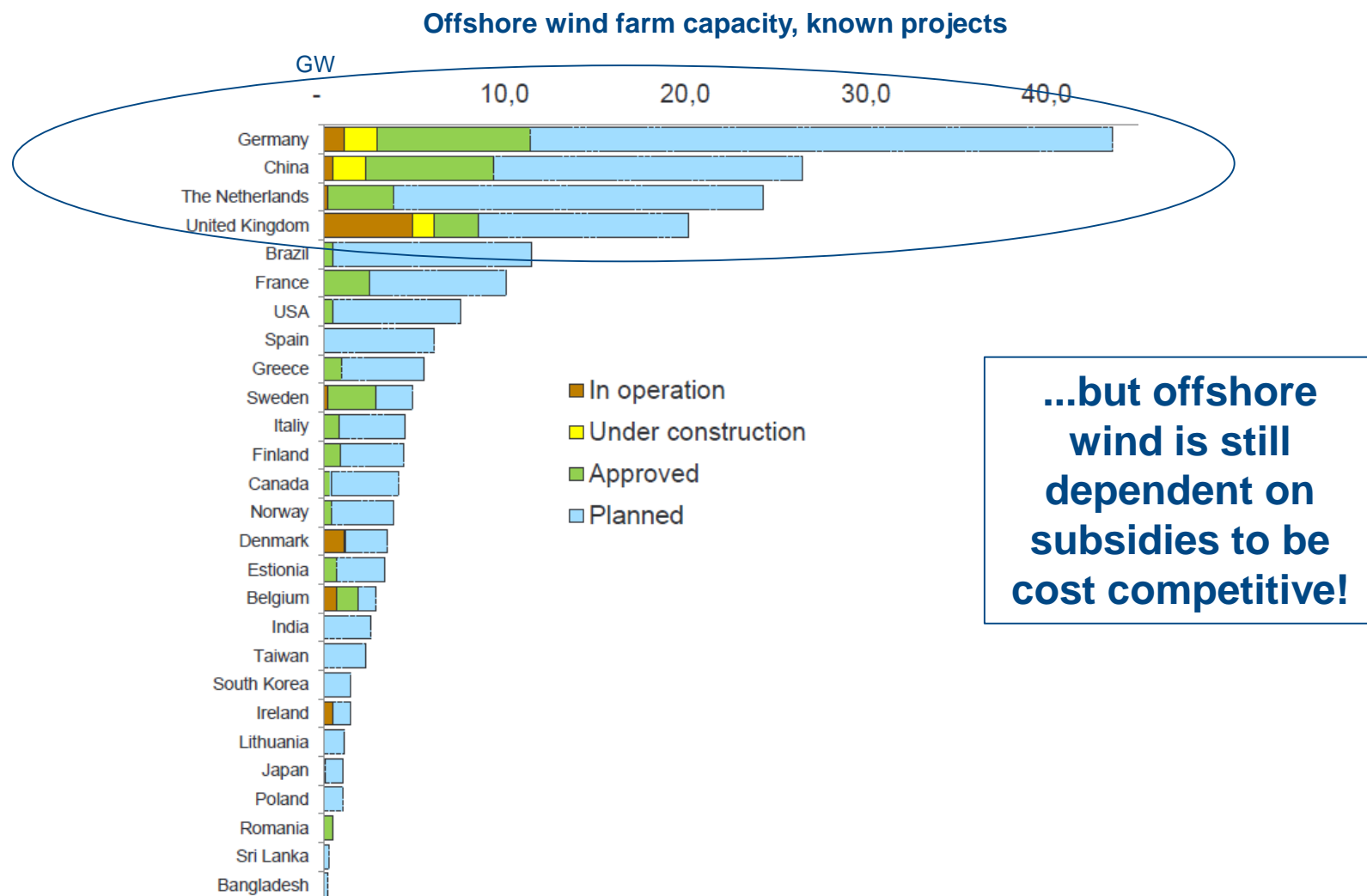
**55% of the new volumes in 2025 will come from offshore projects**



# Cumulative offshore expenditures on UKCS, DCS and NCS 2014-2025 (MUSD)

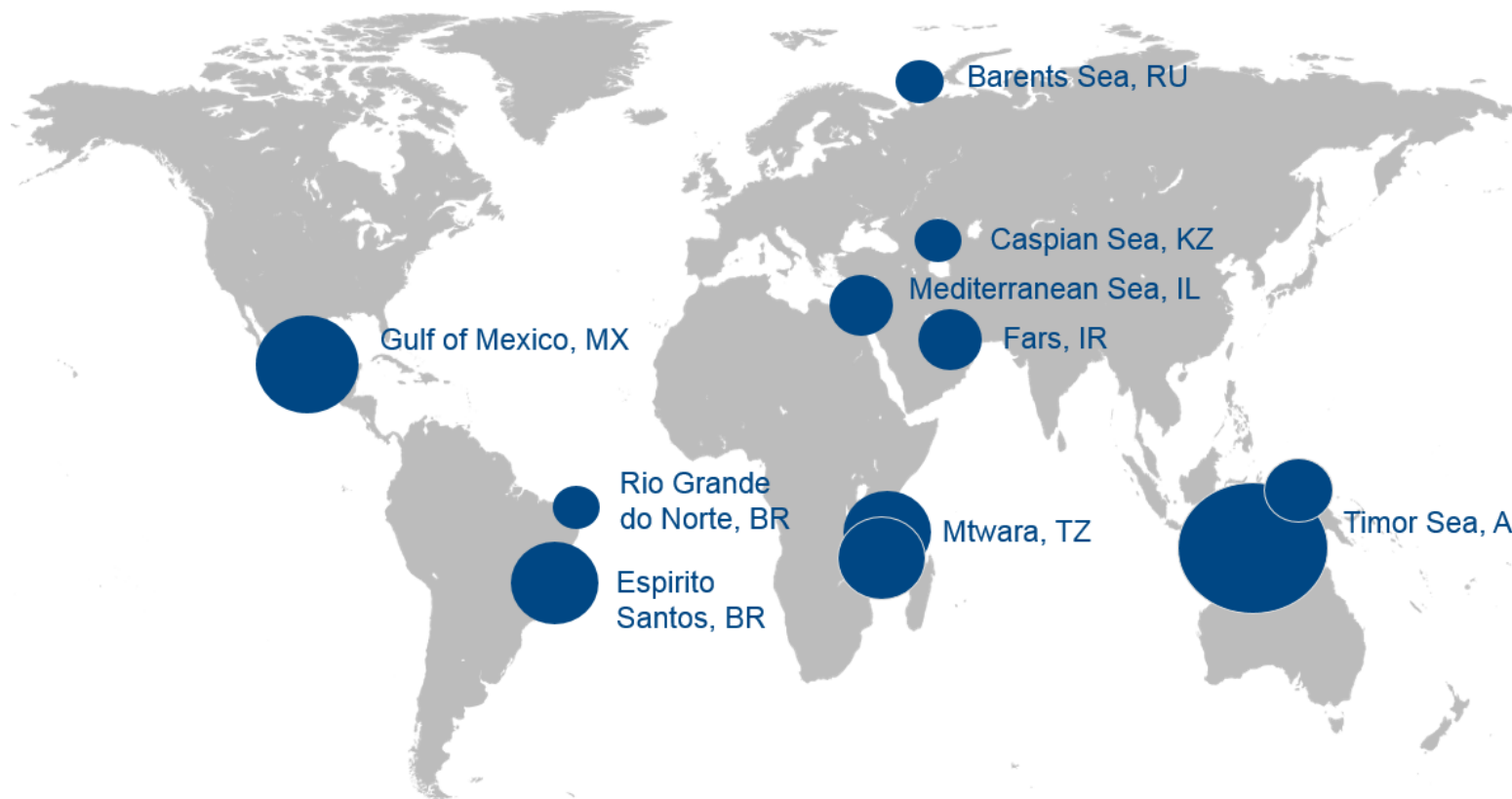


10-20% yearly activity growth in offshore wind construction will further strengthen supply base market



# Regional growth expected in the Offshore Supply Base market

Map of high growth provinces



**Offshore supply bases to grow from a market size of USD 3.8 billion globally in 2014 to USD 10.4 billion USD in 2025**



# Energy exposure and future energy focus

## WILH. WILHELMSSEN HOLDING ASA

WILH. WILHELMSSEN ASA  
(72.7%)

Consumption of bunker fuels for vessel  
operation in subsidiaries

Transportation of oil, gas and windmill  
components

WILHELMSSEN  
MARITIME SERVICES

Customers exposed towards bunker  
prices

Customers transporting fossil fuels

WILH. WILHELMSSEN  
HOLDING INVEST

NorSea Group ownership (40%)  
with customers in:

- Oil & gas offshore industry
- Offshore wind industry

## FUTURE ENERGY FOCUS FOR THE GROUP

- Further develop offshore oil and gas offer across the Group
- Strengthen offshore supply bases
- Increase focus on renewable energy and offshore wind
- Utilize Group network and capabilities for international expansion



# NorSeaGroup



# NorSea Group positioned for future growth

## CAPABILITIES

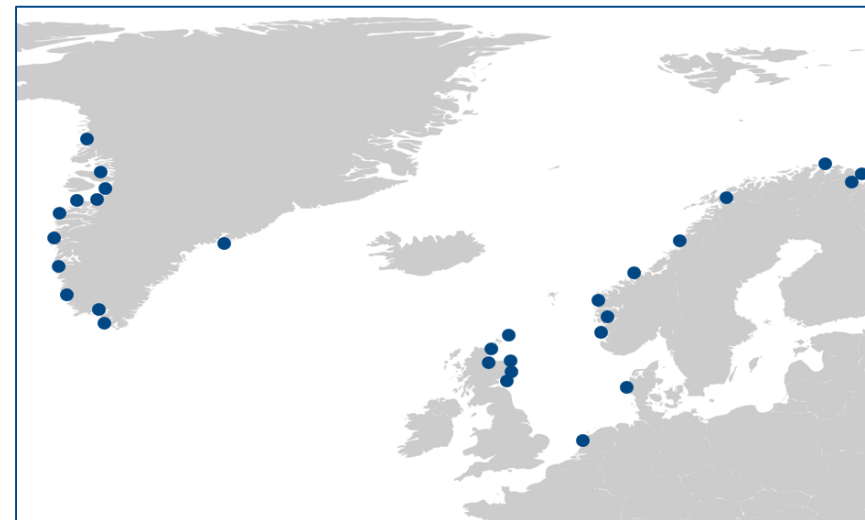
- Strong and strategic presence in Norway, Denmark and UK
- Solid customer portfolio within oil and gas industry
- Moving into renewable energy through offshore wind

## AMBITIONS

- Protect current market share in Norway
- Grow market share in UK sector
- Further utilize the presence in Greenland
- Large potential in developing regions like Australia
- Become a global player within offshore supply bases

## WWH INVESTMENT IN NSG

- |                                |          |
|--------------------------------|----------|
| - Equity investment (2012/14): | USD 85M  |
| - Net result up to 30.6.14:    | USD 20M  |
| - Book value 30.6.14:          | USD 100M |
| - Shareholder loan:            | USD 14M  |



### Other international:

- Australia, Perth
- Pipeline projects (West Timor)
- Various wind project locations (Turkey, China)



# NorSeaGroup

Presentation at WWH Capital Markets Day 17 September 2014

By CFO Steinar Modalslid-Meling

THE LEADING PROVIDER OF SUPPLY BASES &  
LOGISTIC SOLUTIONS TO THE OFFSHORE INDUSTRY  
[norseagroup.com](http://norseagroup.com)





# NorSea Group AS – Key Facts

## Owners:

Wilh. Wilhelmsen Holding Invest AS	40 %
Simon Møkster Eiendom AS	27,9 %
Eidesvik Eiendomsinvest AS	27,9 %
Management	4,2 %

## Business Concept:

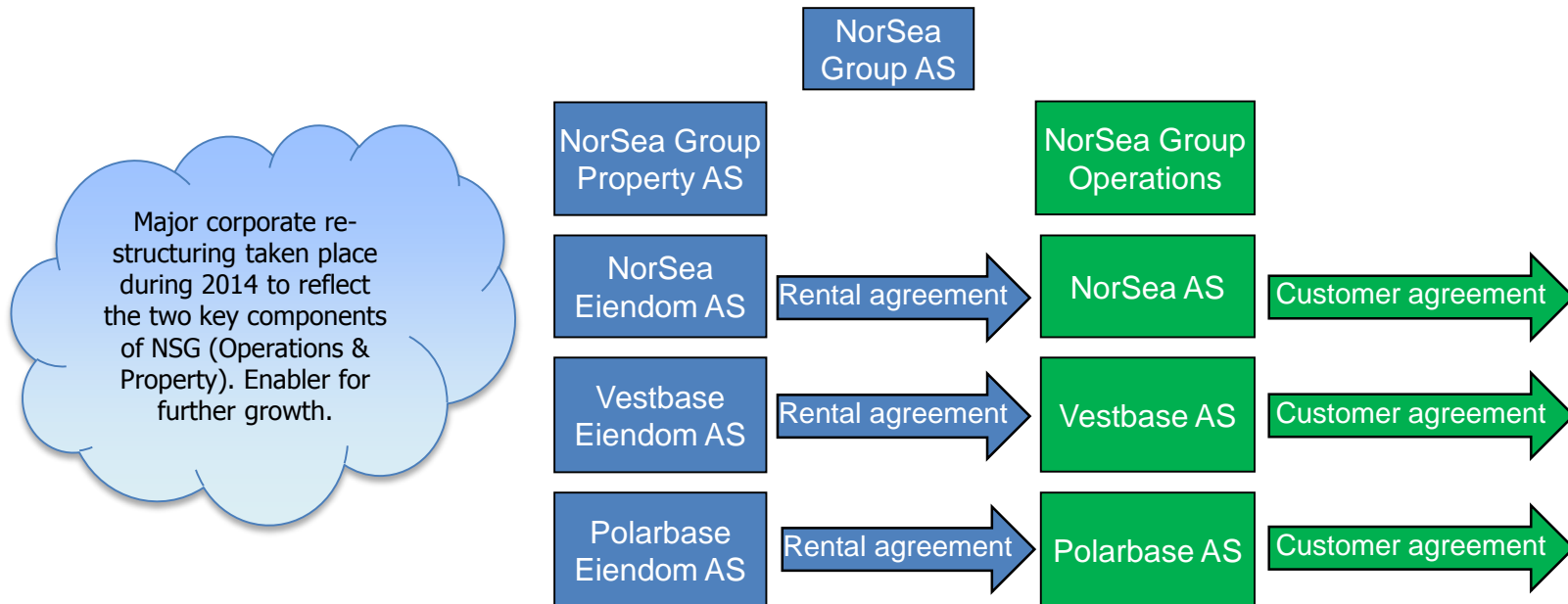
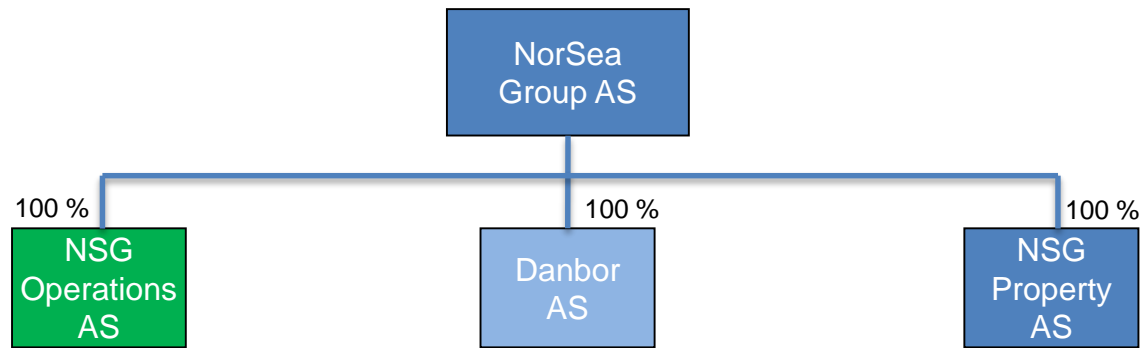
To be the leading provider of supply base, integrated logistics solutions and marine services to the offshore industry.

## Business Segments:

- ☛ Supply base and port operations
- ☛ Infrastructure development, operations and ownership
- ☛ Maritime logistics and Marine Engineering Services
- ☛ Product specific companies and departments



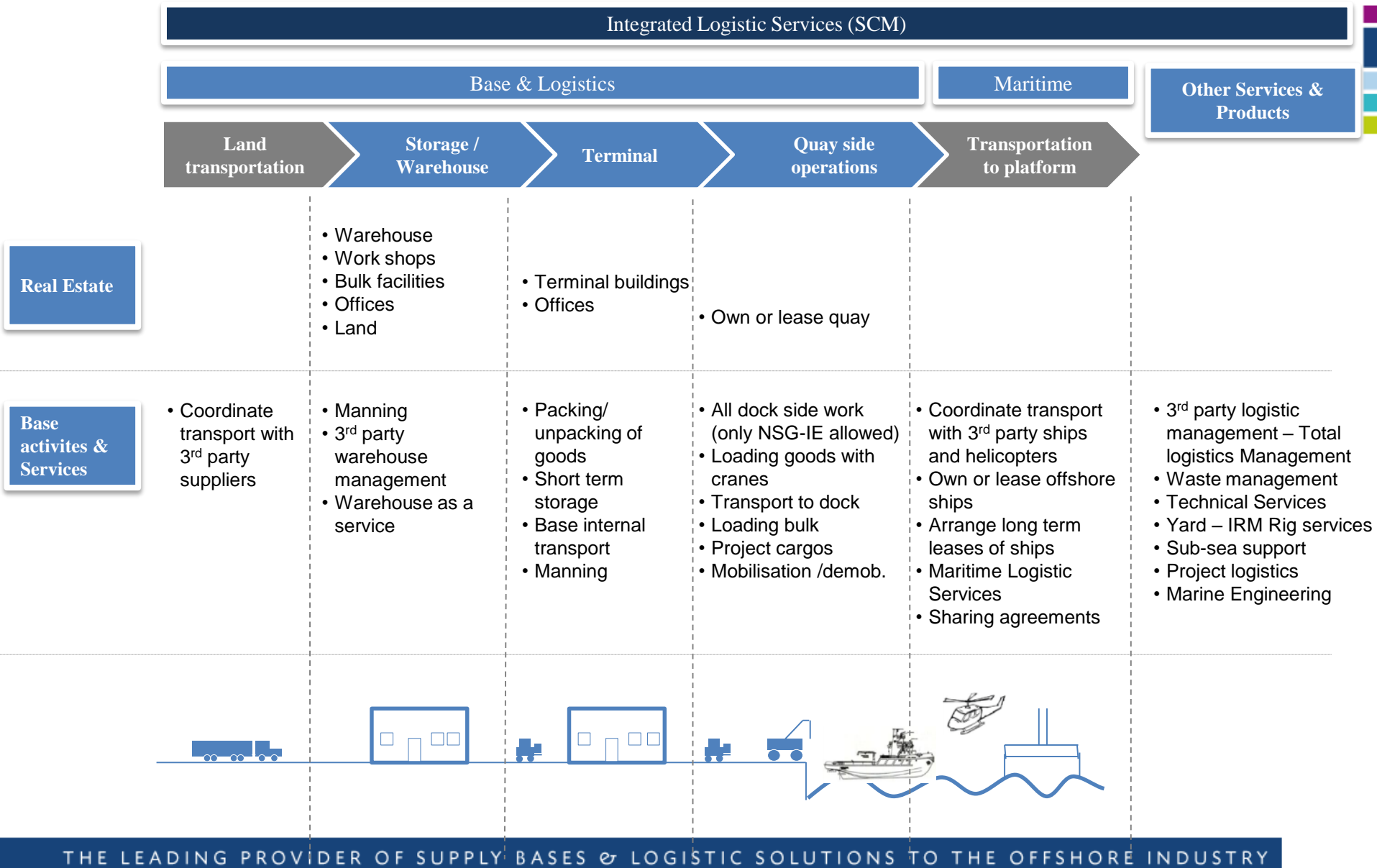
# NorSea Group AS – Corporate Structure



# NorSea Group, a strong presence around the North Sea and North Atlantic Basin



# Overview of NSG value chain and services offered



# NorSea Group, a complete supplier of logistics solutions to the energy market

## Basics

Marine shore base services, stevedoring, receipt and dispatch of goods, mooring, port and agency services, customs clearance, warehousing and storage facilities, road/sea/airport transport, bulk and bunker services.

NorSea AS  
Stordbase AS  
CCB AS  
Vestbase AS  
Helgelandsbase AS  
Norbase AS  
Polarbase AS  
Danbor AS  
NSG UK Ltd

## Value added

**Maritime Logistics Services (MLS)**  
Chartering of vessels, vessel services, Sublet / deviation trips

**Maritime Waste Management (MWM)**  
Total waste management operation, Downstream Solutions, Training courses, Project management, Advisory service

**Maritime Engineering Services (NSG Maritime)**  
Vessel and rig inspections, verification and inspections, design and engineering

**Tracking and RFID solutions (Smart Management)**  
RFID solutions

**IRM Rig Services**  
Classification of ships and rigs. Inspection, repair and maintenance

**SubSea Services**  
Vessel and rig inspections, verification and inspections, design and engineering

**Offshore Wind Industry Support**  
Assembly of structures, logistic support, maintenance of structures

**Logistics Centre**  
Total logistics management and coordination, including 3 party services as freight forwarding, agency services, helicopter, customs handling.

**Offshore solutions (Danbor)**  
Steel production, coating, offshore manpower, catering

## Real Estate and Infrastructure


























































# Dusavik Base, a “one stop shop” service centre



**Our bases are typically hosts and landlord for 40–60 companies within the oil and gas industry.**

- Oil og Gas Companies
- Drilling and rig companies
- Dry bulk and drilling fluid suppliers
- Subsea equipment and services
- Subsea construction, ROV and IRM companies
- Mechanical work shops and machining
- Lifting equipment and inspections
- Containers and cargo units (CCU's)
- Inspections companies
- Engineering and construction
- Waste handling and storage
- Warehouse and storage services

# Customers

Main segments	Description	Example Customers
<b>1</b> 	<b>Operators</b> <i>O&amp;G companies with operator status on NCS</i>	      
<b>2</b> 	<b>Independents</b> <i>Smaller, drilling oriented companies / consortiums</i>	     
<b>3</b> 	<b>Subsea contractors and IRM</b> <i>Contractors developing subsea fields and supporting installations</i>	   
<b>4</b> 	<b>Subsea system integrators</b> <i>Developers of subsea installations and integrated system solutions</i>	    
<b>5</b> 	<b>Major bulk and fuel companies</b> <i>Provides drilling fluids, cement, chemicals and fuel, and handles drill waste for Operators/drilling companies</i>	     
<b>6</b> 	<b>Other service companies</b> <i>Other service providers for offshore activity</i>	        
<b>7</b> 	<b>Rig &amp; vessel owners</b> <i>Owners / operators of rigs / vessels</i>	       
<b>8</b> 	<b>Offshore Wind Power</b> <i>Offshore wind power manufacturers and operators</i>	 

# Wind turbine market a huge potential for NSG

## CAPEX Split

Wind turbines 26 %

Switch gear/transformers 12 %

PM, transport, installation 16 %

Foundation 32 %

Other BoP approx. 14 %

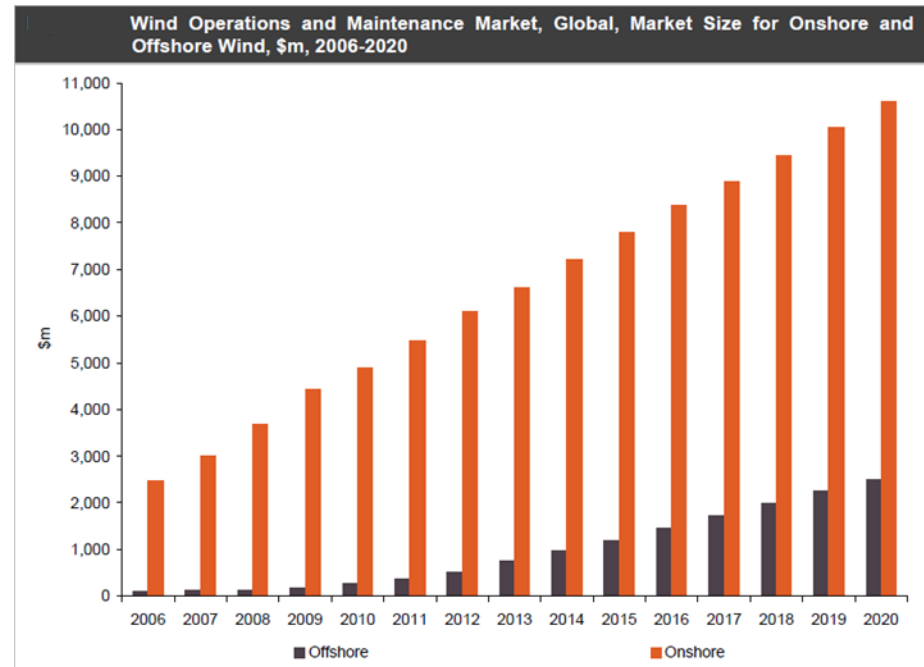
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OPEX 25-30 %



# Wind turbine market a huge potential for NSG

- 4 to 12 new models expected to reach market in the next decade
- Healthy level of competition within Europe
- UK will account for 11% of the global O&M market in 2020
- Increased share of European energy will come from renewable energy
- 117.3 GW of installed wind energy capacity in the EU (110.7 GW onshore / 6.6 GW offshore)
- Availability of skilled technicians for Wind Farm Service is a key challenge in the O&M market
- Offshore wind attracts higher O&M in comparison to onshore wind
- Many wind manufacturers are planning to double or triple their workforce in the next 3-4 years
- Annual installations of wind power have increased over the last 13 years, from 3.2 GW in 2000 to 11.2 GW in 2013, a compound annual growth rate of 10%

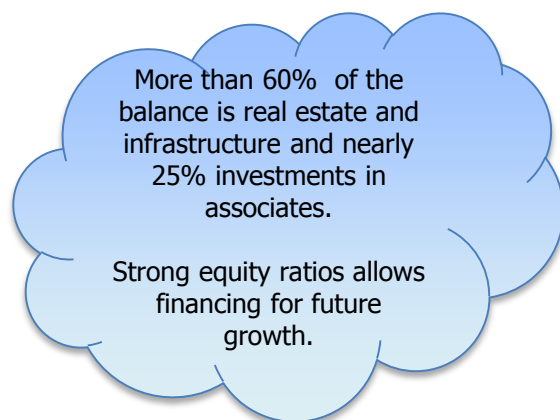


# NorSea Group AS – Balance Sheet

	<u>June-14</u>	<u>June-12</u>
<b>Non-Current assets</b>		
Property/tangible assets	3 329	2 668
Investments associates	1 213	649
Goodwill	3	6
Other non-current assets	13	77
<b>Total non-current assets</b>	<b>4 557</b>	<b>3 400</b>

<b>Current Assets</b>		
Accounts receivables	509	388
Other current assets	135	109
Cash	101	23
<b>Total current assets</b>	<b>744</b>	<b>520</b>

<b>Total assets</b>	<b>5 301</b>	<b>3 920</b>
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	<u>June-14</u>	<u>June-12</u>
<b>Equity</b>		
Paid in capital	1 257	1 150
Minority interest	23	18
Other Equity	244	
<b>Total equity</b>	<b>1 524</b>	<b>1 168</b>

<b>Non-current liabilities</b>		
Long term debt	2 175	1 651
Shareholder loans	519	549
Other non-current liabilities	304	3
<b>Total non-current liabilities</b>	<b>2 997</b>	<b>2 203</b>

<b>Current liabilities</b>		
Short term debt	161	133
Payables	245	218
Public duties payable	79	58
Dividend	30	30
Other current liabilities	265	110
<b>Total non current liabilities</b>	<b>780</b>	<b>549</b>

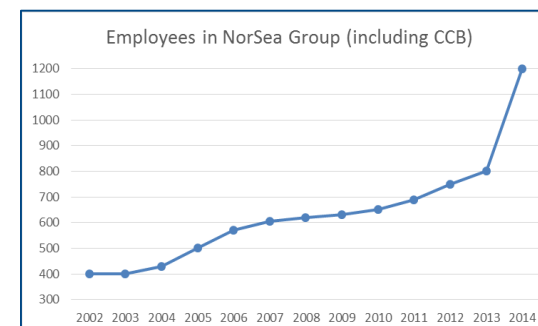
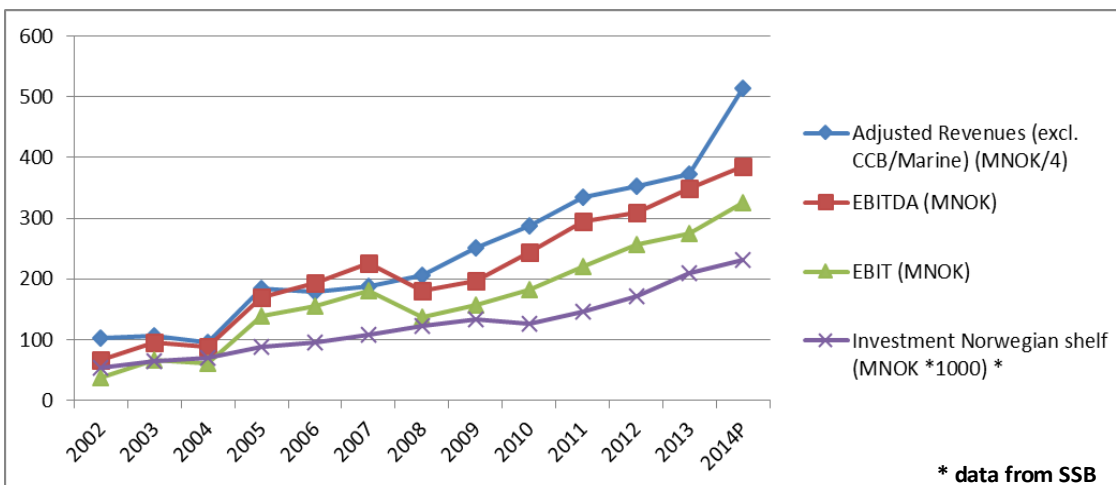
<b>Total equity and liabilities</b>	<b>5 301</b>	<b>3 920</b>
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Equity ratio	29 %	30 %
...Including shareholder loans	39 %	44 %

30.06.2012 Balance is the restructured "opening" pro-forma balance on WWHI Share Purchase (not audited)



# NorSea Group AS – Key Figures



## Correlation

Revenue vs. investments	0,83
EBITDA vs Investments	0,96
EBIT vs Investments	0,96

## Key figures NorSea-group (MNOK)

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	1H'2014
<b>Total revenue</b>	521	567	509	1 085	1 340	1 584	1 276	1 399	1 692	2 479	2 359	2 785	1 583
> whereof marine chartering (MLS)	111	144	128	349	552	750	364	297	455	1 050	877	1 194	527
> whereof supply ships (VD/SM/VF)					72	83	91	98	89	91	74	60	29
<b>Adjusted revenue (excl. CCB/Marine)</b>	410	423	381	736	716	751	821	1 004	1 148	1 338	1 408	1 531	1 027
<b>EBITDA - before extraordinary cost</b> (excl. CCB/Marine)	66	96	89	169	193	226	181	197	244	295	309	350	193
<b>EBIT - before extraordinary cost</b> (excl. CCB/Marine)	38	66	61	139	155	181	137	157	183	221	257	275	163
<b>Net Group Results Before Tax*</b>	20	39	47	139	140	173	96	144	149	174	208	175	131

\* Excluding agio/disagio on debt, 2012: 357 incl. Profit from sale of 2 supply vessels

## CCB AS & KS-100 %\*

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	1H'2014
Revenue	320	176	269	317	463	509	900	574	615	1935	688	695
EBITDA	60	47	66	73	104	112	163	151	165	367	230	100
EBIT	43	34	49	53	79	87	133	117	125	322	166	67

\* NSG owns 50% of CCB