



BW Offshore



**BW OFFSHORE**  
Q3 2015 presentation

23 November 2015

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BW Offshore

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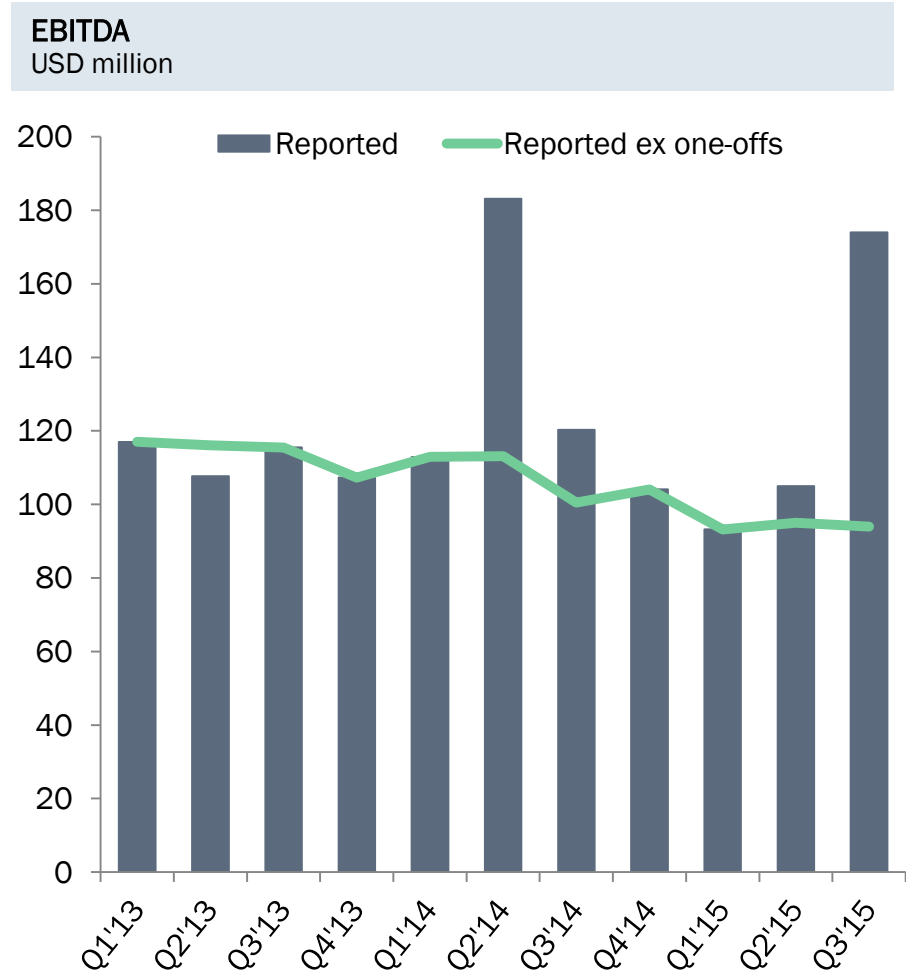
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# Key events Q3 2015

- EBITDA of USD 174.0 million
  - Includes USD 75 million of insurance revenue from Cidade de São Mateus
  - Impairment of the equal amount on Cidade de São Mateus
- Recovery project for Cidade de São Mateus ongoing
- Good progress on the Catcher FPSO
  - Project remains within budget with expected first oil in 2017
- Dividend payment suspended





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# OPERATIONS





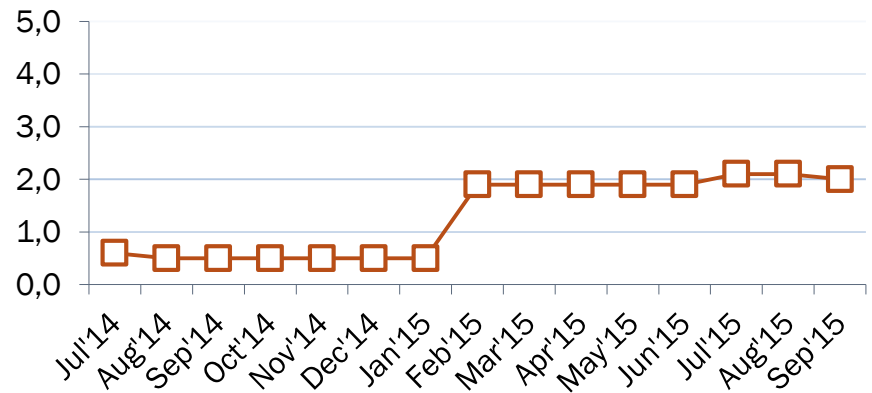


# Operational status

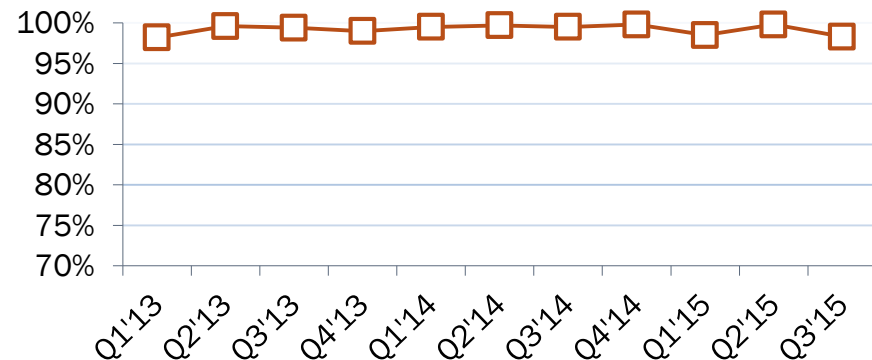
- HSSEQ performance
  - Lost time injuries (LTI\*) frequency of 2.0
  - LTI fleet of 2.5
  - LTI project of 0.7
- Operating fleet uptime 98.3% in Q3
- Ownership will be taken of FSO Belokamenka (ULCC, 360,000 DWT)
  - Started voyage to Singapore

## HSE record (LTI)

Lost time injuries per million man-hours



## Uptime



\* Injuries per million man-hours

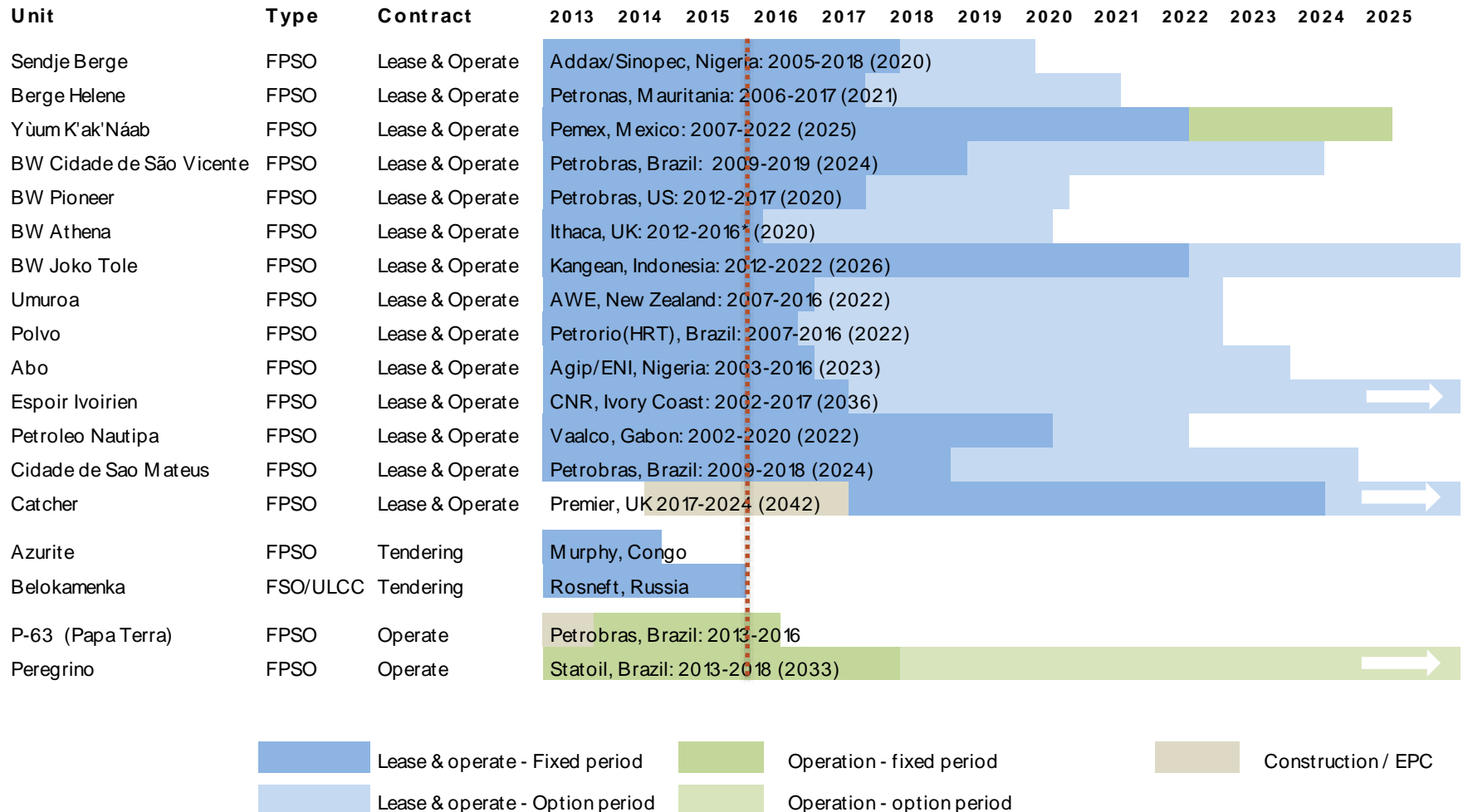
# Catcher project

- First oil in 2017
  - Project is tracking well with respect to budget
- Good progress on engineering, procurement and construction activities on:
  - Turret and mooring system
  - Topside fabrication
  - Hull construction
- Main focus of project is hull delivery schedule and planning of integration of topside
  - Midship mega block nearing completion for delivery to IHI shipyard





# Fleet overview



\* BW Athena – mutual right of termination on 60 days notice



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**FINANCE**



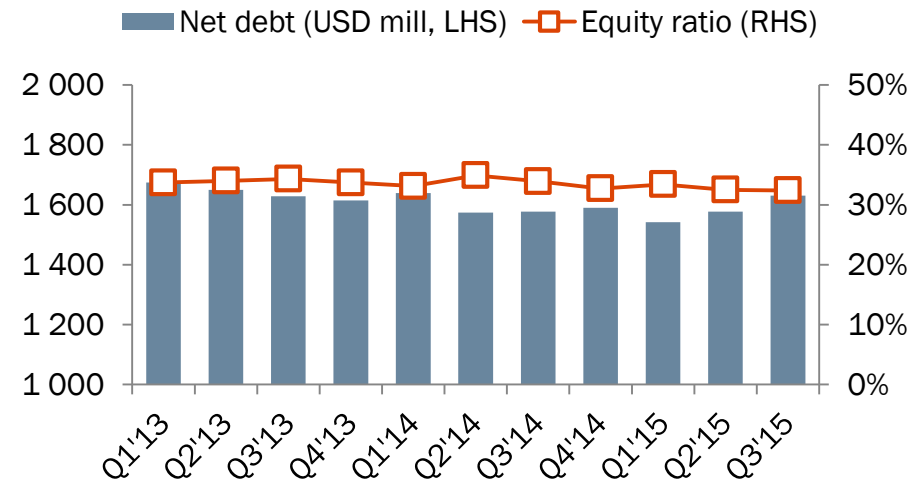




# Financials

- Recognised USD 75 million in insurance revenue for Cidade de São Mateus
  - Equal amount booked as impairment of the unit
- Recognised USD 5 million in demobilisation fee for BW Athena in Q3 2015
  - Final USD 5 million to be booked in Q4
- Increased depreciations on BW Athena
  - USD 7.5 million to be depreciated in Q4
- Dividend payment suspended

**Net debt and equity ratio**  
USD million and percentage





# Income statement

| USD million   | Q3 2015      | Q2 2015      |
|---|--------------|--------------|
| Operating revenues                                  | 308.7        | 243.7        |
| Operating expenses                                  | -134.4       | -139.4       |
| Share of profit from associates and joint ventures  | -0.3         | 0.7          |
| <b>EBITDA</b>                                       | <b>174.0</b> | <b>105.0</b> |
| Depreciation  | -64.4        | -72.0        |
| Amortisations                                       | -0.4         | -0.7         |
| Impairment  | -75.0        | 0.0          |
| <b>EBIT</b>   | <b>34.2</b>  | <b>32.3</b>  |
| Net interest expense                                | -10.6        | -13.0        |
| FX, financial instruments and other financial items | -16.6        | 8.3          |
| <b>Profit (loss) before tax</b>                     | <b>7.0</b>   | <b>27.6</b>  |
| Income tax expense                                  | -14.3        | -8.0         |
| <b>Net profit (loss)</b>                            | <b>-7.3</b>  | <b>19.6</b>  |





# Statement of financial position

| USD million                          | 30.09.2015     |               | 30.06.2015     |               |
|--------------------------------------|----------------|---------------|----------------|---------------|
| Total non-current assets             | 3,113.3        | 86.1%         | 3,107.9        | 84.9%         |
| Total current assets                 | 504.4          | 13.9%         | 551.8          | 15.1%         |
| <b>Total assets</b>                  | <b>3,617.7</b> | <b>100.0%</b> | <b>3,659.7</b> | <b>100.0%</b> |
| <hr/>                                |                |               |                |               |
| Total equity                         | 1,173.2        | 32.4%         | 1,189.5        | 32.5%         |
| <i>Total non-current liabilities</i> | <i>1,831.0</i> |               | <i>1,812.1</i> |               |
| <i>Total current liabilities</i>     | <i>613.5</i>   |               | <i>658.1</i>   |               |
| Total liabilities                    | 2,444.5        | 67.6%         | 2,470.2        | 67.5%         |
| <b>Total equity and liabilities</b>  | <b>3,617.7</b> | <b>100.0%</b> | <b>3,659.7</b> | <b>100.0%</b> |

| USD million                      | 30.09.2015     |
|----------------------------------|----------------|
| Reported interest bearing debt   | 1,719.9        |
| Cash and deposits                | -89,1          |
| <b>Net interest bearing debt</b> | <b>1,630.8</b> |

|                     |              |
|---------------------|--------------|
| <b>Equity ratio</b> | <b>32.4%</b> |
|---------------------|--------------|



# Cash flow statement

| USD million                                 | Q3 2015 | Q2 2015 |
|---|---------|---------|
| Net cash flow from operating activities     | 101.2   | 129.3   |
| Net cash flow from investing activities     | -150.8  | -125.7  |
| Net cash flow from financing activities     | -53.4   | 37.2    |
| Net change in cash and cash equivalents     | -102.9  | 40.8    |
| Cash and cash equivalent at start of period | 192.1   | 151.3   |
| Cash and cash equivalent at end of period   | 89.1    | 192.1   |





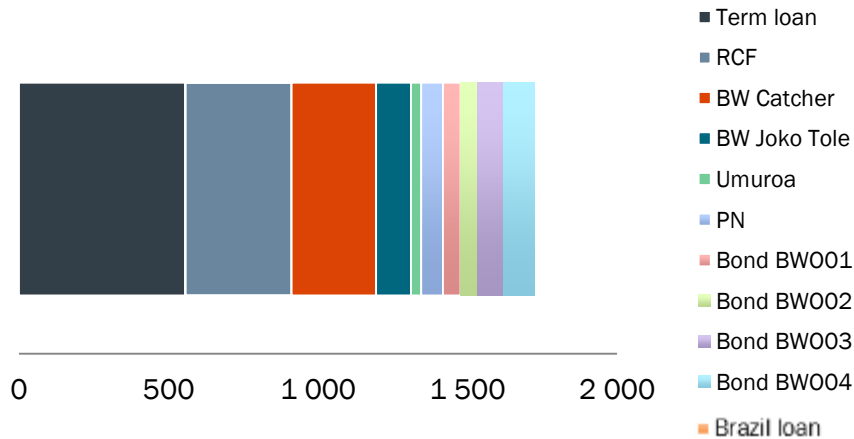


# Financing

- Available liquidity including corporate facilities USD 314.6 million
- Utilised USD 283 million of USD 800 million bank financing for the Catcher project

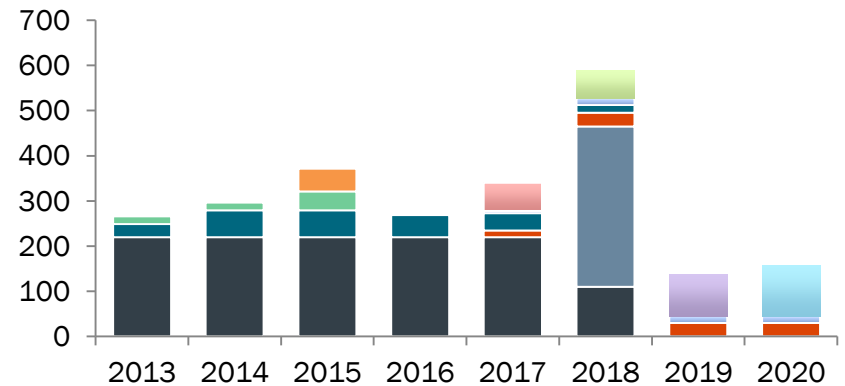
## Gross debt USD million

Per 30.09.2015



## Instalments USD million

Per 30.09.2015





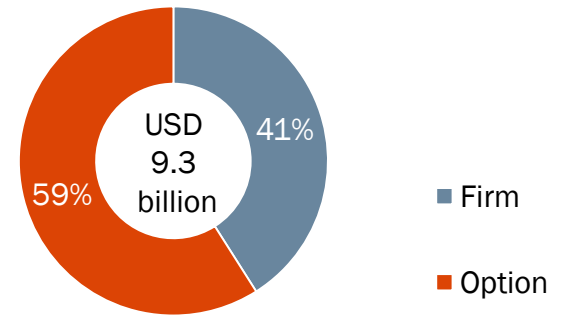
# High revenue visibility

- Orderbook of USD 9.3 billion as of 30 September 2015
  - Whereof USD 3.8 billion are firm contracts
- Backlog with solid counterparties

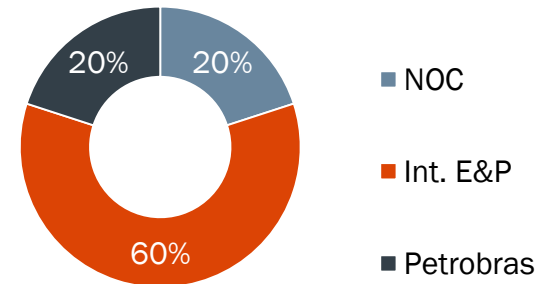


Logos from web

Backlog: Firm and option



Backlog: Counterparties





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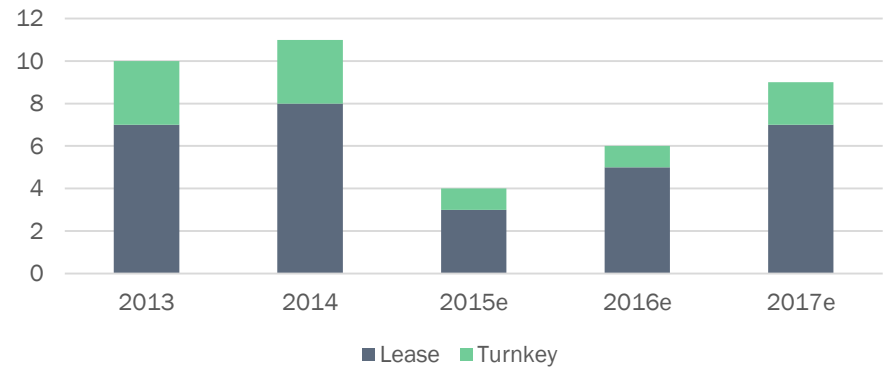
**OUTLOOK**



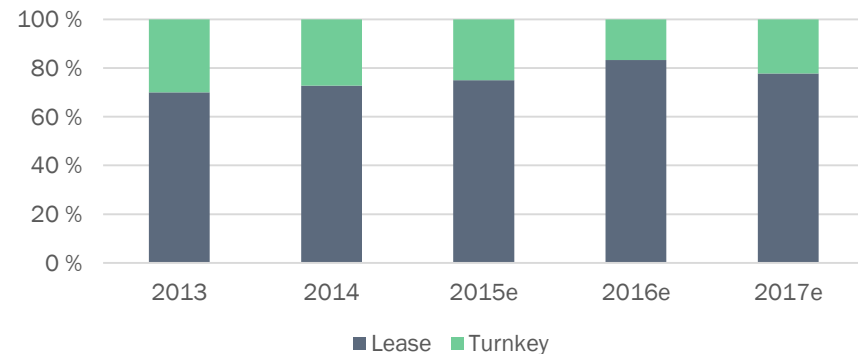
# Prospects

- Prospects continue to be delayed due to the drop in oil price
- We are still seeing activity on prospects for expected conclusion in 2016
- Evaluating a number of opportunities for Azurite and BW Athena
- Leased FPSO as a concept remains attractive for new offshore developments
- More than 75% of awards are leases

FPSO awards per year



Lease contracts dominate the FPSO market



Source: Fearnley Offshore





# Current priorities

- Catcher project
- Cidade de São Mateus recovery
- Fleet performance
- Life extension programs
- Redeployments and new prospects





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Q & A





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