



# MMA Offshore Limited

Pareto Securities Oil and Offshore Conference

13 September 2017



**MMA**  
OFFSHORE

# Disclaimer



*This document contains general background information about the activities of MMA Offshore Limited (MMA) current at the date this document was released to the Australian Securities Exchange (ASX). It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with MMA's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).*

*MMA makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of this document. MMA and its directors, officers, employees, agents and associates will have no liability for any statements, opinions, information or matters (express or implied) arising out of, or contained in or derived from, or for any omissions from this document, except liability under statute that cannot be excluded.*

**Not a prospectus:** *This document is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investment Commission (ASIC).*

**Not investment advice:** *The information provided in this document is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Any investment decision should be made based solely upon appropriate due diligence. Recipients of this document are advised to consult their own professional advisers. An investment in any listed company, including MMA, is subject to significant risks of loss of income and capital.*

**Future performance:** *This document contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMA, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither MMA nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.*

**Risks:** *An investment in MMA Securities is subject to investment and other known and unknown risks, some of which are beyond the control of MMA and MMA's directors, employees, servants, advisers or agents. MMA does not guarantee any particular rate of return or the performance of MMA nor does it guarantee the repayment of capital from MMA or any particular tax treatment.*



# Overview



**MMA is one of the largest providers of marine logistics services to the offshore oil and gas industry in the Asia Pacific region**

- Listed on the Australian Stock Exchange since 1999, previously a member of the ASX200 Index
- Head Office in Perth, Australia with International Headquarters in Singapore and Regional Office in Dubai, UAE
- Core fleet of 30 high specification vessels with an average age of 5 years supported by onshore facilities in South East Asia and Australia
- ~1,000 employees globally
- We differentiate ourselves through our operational excellence, technical expertise, performance in remote locations and our ability to collaborate with our clients to deliver innovative and cost effective marine solutions

Capital Structure	\$A
Share Price	\$0.19
Shares on Issue	373m
Market Capitalisation	\$70m
Net Debt	\$295m
Enterprise Value	\$365m
NTA per share	\$0.69
Price to Book	0.27



# Performance



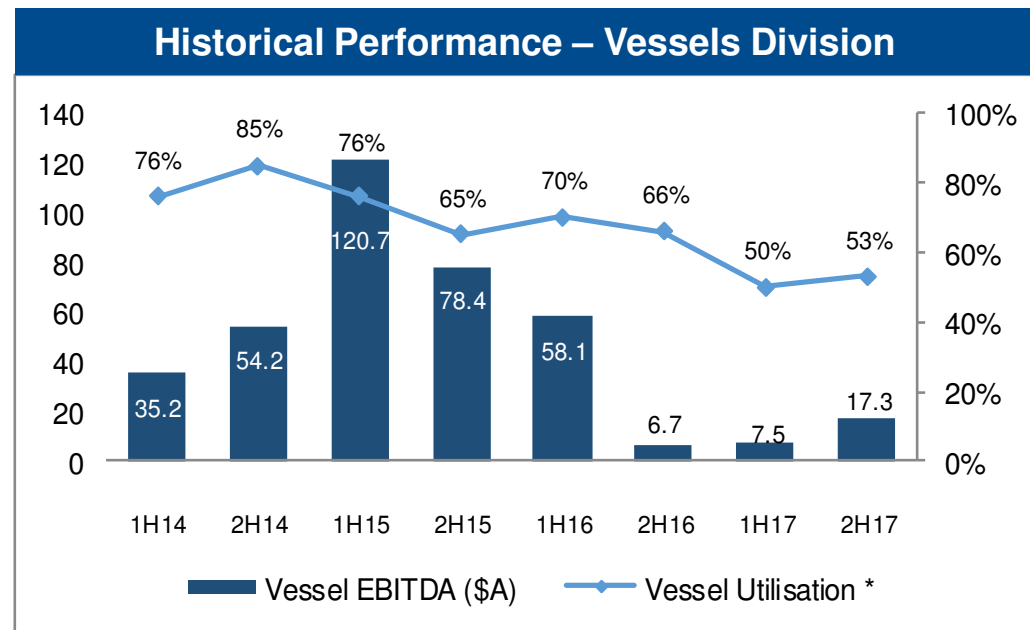
**Challenging market conditions have impacted recent performance, however EBITDA and utilisation have stabilised**

## FY17 Operations

- Key ongoing long term production support contracts in Australia (Woodside, ConocoPhillips, INPEX)
- Term contracts in Middle East, Africa and Thailand
- Shorter term scopes in Myanmar, Malaysia, Brunei, India
- Drilling support contracts in South East Asia for large AHTS vessels
- Ongoing demand for newbuild IMR vessels, MMA Pinnacle and MMA Prestige
- Increased tendering activity but rates remain highly competitive

## Outlook

- Market sentiment improving
- Early signs of increases in seismic activity, jack up rig tendering and ordering of subsea equipment
- Challenging conditions expected to continue through FY18 as oversupply in the market is absorbed, however the signs for a recovery are looking more positive



\* Utilisation includes laid up vessels and vessels held for sale





# Regional Strategy



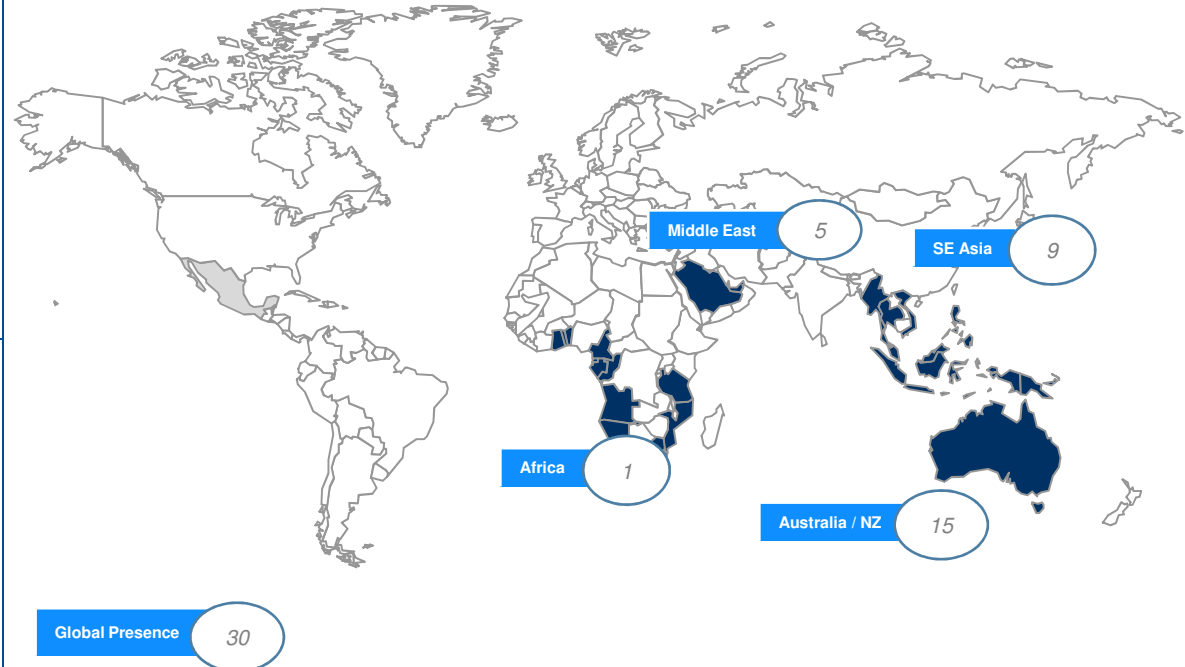
MMA's regional strategy is focused on a core fleet of 30 high quality, specialised vessels with an average age of 5 years operating in the key regions of Australia/NZ, the Middle East, SEA and Africa.

## Fleet Composition:

Vessel Type	Number	Average Age
AHT	3	6.3
AHTS	14	6.5
PSV	7	4.4
MPV / IMR	6	3.5
<b>Total</b>	<b>30</b>	<b>5.2</b>



## Regional Focus:



Core vessels (excluding vessels earmarked for sale)

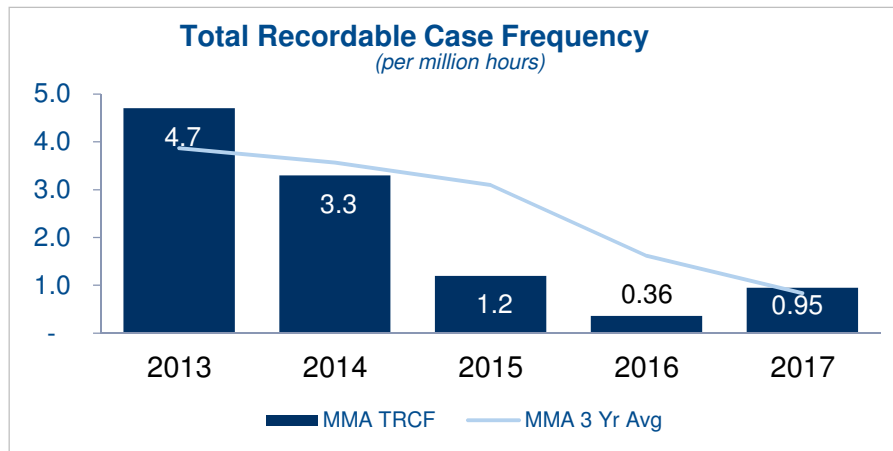


# Safety Performance



MMA is highly focused on excellence in its safety culture and performance, our license to operate

- TRCF result of 0.95 FY17; 80% improvement over the past 5 years
- World class TRCF performance compared to industry peers (IMCA average 1.8)
- Target 365 strategy continues to evolve and produce sustainable improvements in safety performance and culture
- MMA recently appointed as the representative for the Asia Pacific region on the International Marine Contractors Association (“IMCA”) Global HSSE Committee



A PERFECT DAY  
EVERY DAY



# Differentiation through Specialisation



MMA's ability to leverage its in-house technical marine expertise to deliver unique and cost effective solutions for clients is a key competitive advantage

## Offtake Support



- Sound, Strait, Cove
- AHTs specifically designed to perform offtake support in remote challenging environments
- On long term contracts supporting production facilities in the North West Shelf of Australia

## Production Support PSVs



- MMA Plover, Brewster
- Specifically designed PSVs with unique chemical carrying capabilities
- On 5 year + contract supporting INPEX Ichthys LNG Project in Australia

## Dual purpose PSV



- MMA Inscription
- PSV modified to undertake both platform supply and static tow services
- Awarded 5 year contract with ConocoPhillips
- Unique solution significantly reducing client operating costs

## Specialised project solutions



- MMA has delivered a range of specialised project solutions e.g. Gorgon LNG project
- 2 x 400ft "Super Barges"
  - Desalination Vessel
  - Fuel Facility Barge
  - Water Barge
  - Accommodation vessels (500-1400 berth)





# IMR Fleet



Our newly built IMR fleet is seeing ongoing demand and is a key component of our future strategy

**MMA  
Prestige  
& MMA  
Pinnacle**



- Sophisticated and flexible vessels operating in the light construction/ IMR markets
- Designed to provide faster more efficient and cost effective project mobilisation times
- On-board systems and infrastructure to be on location longer with minimised external support
- JV with dive support operator to market the vessel in the DSV market
- Vessels have had ongoing demand since delivery in FY2017 with a range of projects completed including dive support, ROV and salvage operations

**MMA  
Privilege**



- Multi-purpose maintenance work vessel
- Designed for cost effective platform commissioning field maintenance tasks and coil tubing operations
- High capacity lattice boom crane for surface to platform lifts of up to 50 tonnes
- 239 man accommodation
- Vessel has been on contract in Cote d'Ivoire, West Africa since its delivery in FY2016





# Project Management Capability



MMA has a track record in managing larger marine logistics projects using MMA and contracted vessels

Client	Scope	Vessel Spread	Date
<b>Technip</b> Prelude FLNG Project	Subsea Installation campaigns – tug and barge services	5 tugs, 5 barges, 2 infield tugs, 1 PSV	2015 – 2016
<b>Technip</b> Wheatstone Project	Spool Transportation	5 tugs, 5 barges, 2 infield tugs, 1 PSV	2016
<b>Fugro TSM</b> Woodside GWF 1 Project	Subsea Installation – tug and barge services	3 tugs, 1 barge	2014
<b>Subsea7</b> Gorgon Project	Heavy Lift & Tie In – tug and barge services	9 tugs, 9 barges, 2 infield tugs, 1 PSV	2013 - 2015
<b>KJVG</b> Gorgon Project	Construction Services – Super Barges and support vessels	17 vessels	2010 – 2013
<b>McDermott</b> Woodside Pluto Project	Jacket Installation marine spread	7 tugs, 3 barges	2008
<b>Aceryg</b> Woodside Pluto Project	Subsea spool installation – tug and barge services	4 tugs, 3 barges	2008



We live our values: People – Customers – Team

A PERFECT DAY EVERY DAY



# Streamlining the Business

*Non-Core Asset Sales*



## Strategic decision to dispose of Australian Supply Bases and rationalise non-core vessels from the fleet

### Supply Bases

- Dampier and Broome Supply Bases sold during FY2017
- Net sale proceeds of AUD\$49.5m used to reduce debt

### Non-Core Vessels

- Sales programme focused on smaller more commoditised and older vessels
- Positive cash flow impact reducing holding costs, interest and overhead costs
- 28 vessels sold since FY2016
- A further 10 vessels are earmarked for sale
- Proceeds used to fund debt amortisation

### Focus on Core Assets

Following the completion of the vessel sales programme, MMA will be focused on a core fleet of 30 high quality, specialised vessels where MMA can leverage its marine expertise to extract the most value from its assets



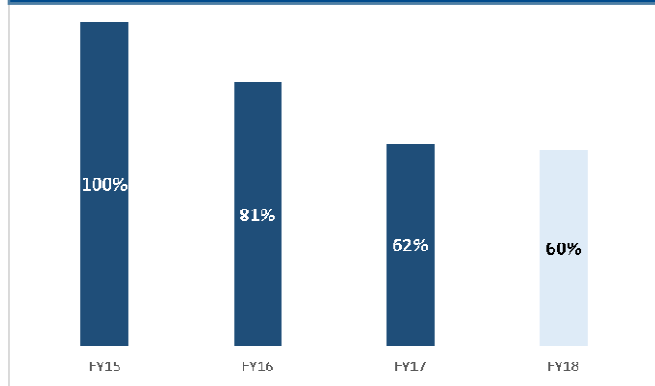
# Streamlining the Business

*Sustainable Cost Reduction*

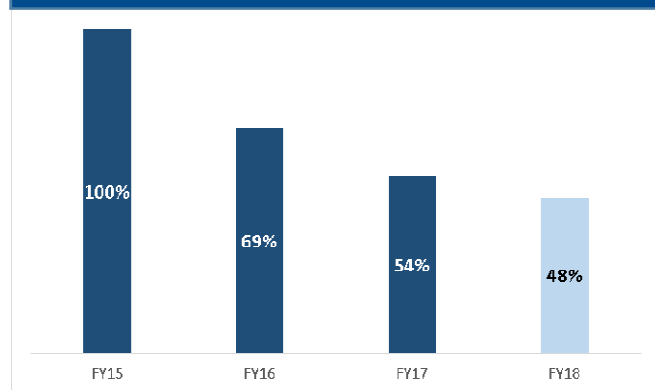


**Sustainably reducing costs in all areas of the business whilst maintaining our high safety and operating standards**

## Corporate and Operating Overhead ↓ 40%<sup>1</sup>



## Headcount ↓ 52%<sup>2</sup>



## Focus on core capabilities

- Safety
- Compliance
- Technical expertise
- Crewing
- Commercial

<sup>1</sup> Excluding overhead reductions relating to the Supply Base sale <sup>2</sup> Excluding headcount reductions relating to Supply Base, Shipyards and Vessel Crew



# Balance Sheet Management



**MMA has actively managed its Balance Sheet through the downturn with Debt Facility recently restructured**

Vessel Impairment	<ul style="list-style-type: none"><li>▪ MMA has impaired the value of its vessel fleet on its Balance Sheet by 45% since 30 Jun 16</li><li>▪ Total impairment A\$387.5m; Fleet Book value as at 30 Jun 17 - A\$534m</li></ul>
Debt Reduction	<ul style="list-style-type: none"><li>▪ Principal repayments of A\$67.3m made during FY2017</li><li>▪ Total Interest Bearing Debt reduced by A\$124m since FY2015</li></ul>
Restructured Debt Facilities	<ul style="list-style-type: none"><li>▪ No further compulsory amortisation required until the Facility expiry date on 30 Sep 19</li><li>▪ Proceeds received from the non-core vessel sales programme to be applied toward prepayment of the remaining balance of the Facility</li></ul>
Strategic Review	<ul style="list-style-type: none"><li>▪ MMA has recently engaged advisors to undertake a strategic review focused on an assessment of the Company's financial and operating strategy, including optimising the Company's longer term funding arrangements</li></ul>





# Summary



- Strong position in the Australian market and building reputation in key Asian and Middle Eastern markets
- Quality core fleet with ongoing non-core vessel sales
- EBITDA / Cashflow stabilised
- Company streamlined – focus on safety, compliance and quality operations
- Reviewing operating and financial strategy for the next 5 years
- Banking Syndicate remains supportive – relatively low debt compared to peers
- Strong relationships with Tier 1 clients in the oil and gas industry
- Well positioned for an upturn in the market



# For further information contact



**Jeffrey Weber** – Managing Director

MMA Offshore Limited

**Telephone:** (+61) 8 9431 7431 **Facsimile:** (+61) 8 9431 7432

**Email:** [Jeff.Weber@mmaoffshore.com](mailto:Jeff.Weber@mmaoffshore.com)



# Appendix



*Extracts from:*

**MMA Offshore Limited**

**2017 Financial Year Results Presentation**

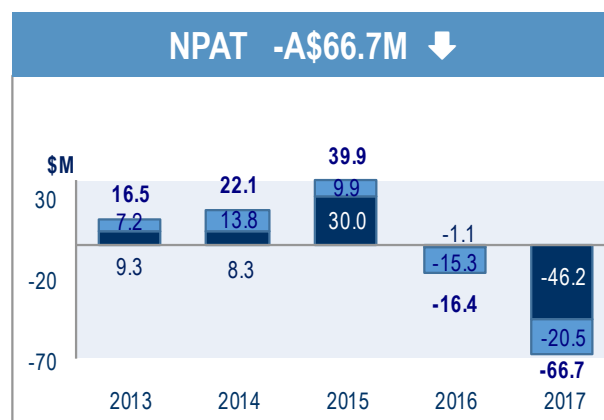
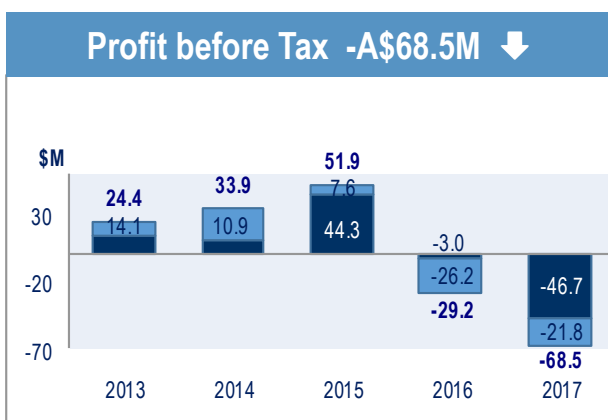
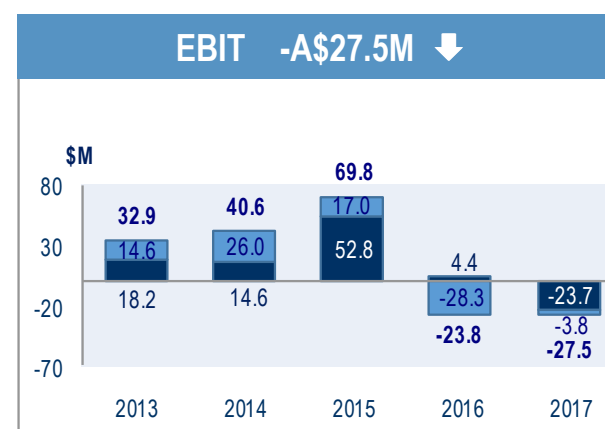
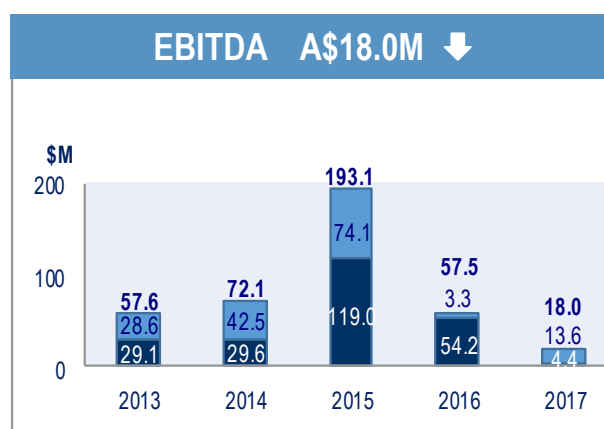
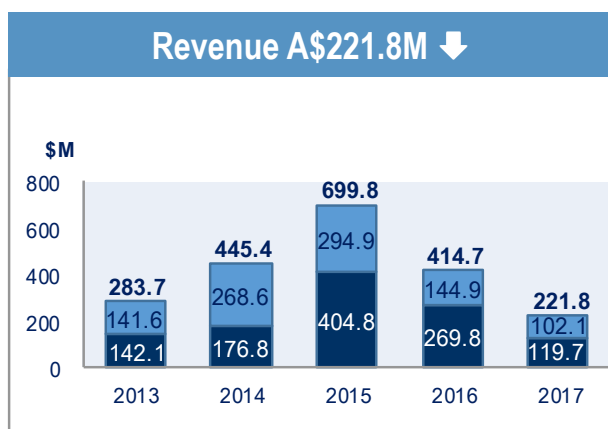
**28 August 2017**

Full presentation is available on our website [www.mmaoffshore.com](http://www.mmaoffshore.com)



# Key Financials

## Continuing Operations (pre-impairment)

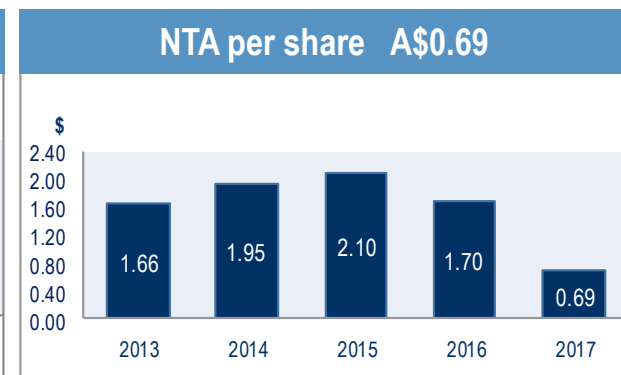
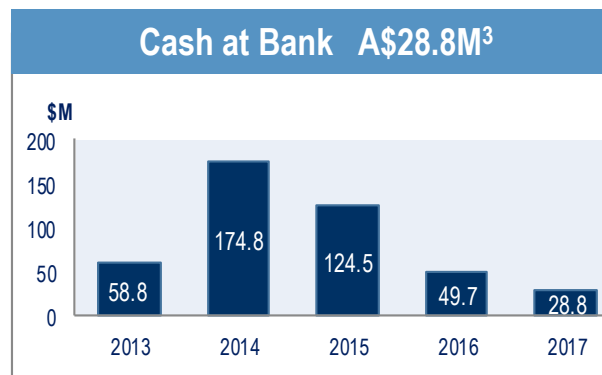
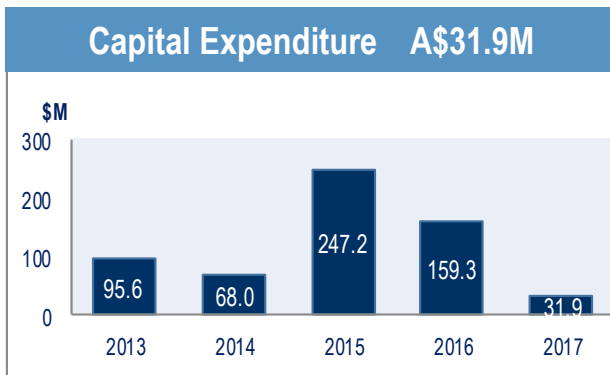
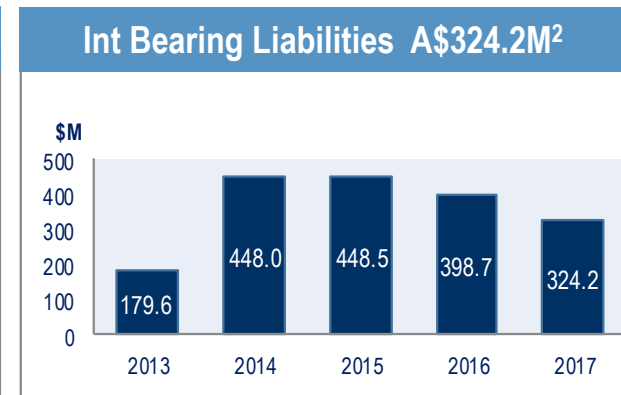
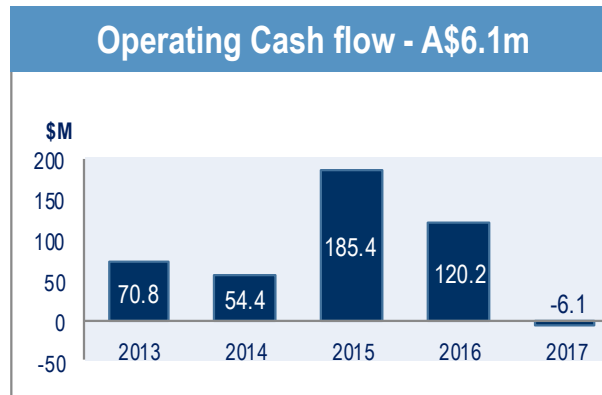
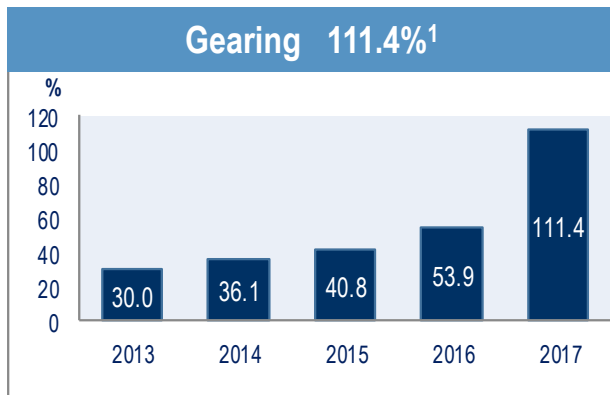


2H  
1H





# Balance Sheet (post-impairment)



<sup>1</sup> Gearing (Net Debt/Equity) has increased as a result of the FY17 asset impairment charge

<sup>2</sup> Interest Bearing Liabilities excludes unamortised fees

<sup>3</sup> Cash at Bank includes \$10.2m held in Escrow under the terms of MMA's Syndicated Loan Facility. Amounts in this account may be used to make additional prepayment of the outstanding balance of the Facility at any time. MMA may not otherwise withdraw the cash unless approved by a majority of the syndicate members.



## **Fremantle**

Endeavour Shed, 1 Mews Road  
Fremantle WA 6160

**T** +61 8 9431 7431

**F** +61 8 9431 7432

## **Batam**

Jalan Brigjen Katamso KM 6,  
Kel. Tanjung Uncang,  
Kec. Batu Aji  
Batam, PC 29422  
Indonesia

**T** +62 11 778 391474

**F** +62 11 778 391475

## **Singapore**

8 Cross Street, PWC Building  
Unit 08-01/06  
Singapore 048424

**T** +65 6265 1010

**F** +65 6864 5555

## **Dubai**

#2417 Reef Tower, Cluster O, JLT  
Dubai, UAE

**T** +971 4 448 7584

[Corporate@mmaoffshore.com](mailto:Corporate@mmaoffshore.com)

[www.mmaoffshore.com](http://www.mmaoffshore.com)



**MMA**  
OFFSHORE