



Fundamental **Resilience**

ASL Marine Results Presentation
1H FY2014



Presentation Outline

- Financial Review
- Operations Review
- Business Outlook & Strategy





Financial Review

Results Snapshot

	1H FY14 (S\$m)	1H FY13 (S\$m)	Chg %
Revenue	338.7	172.0	97.0
Gross Profit	42.4	41.5	2.2
Gross Profit Margin	12.5%	24.1%	-
Net Profit attributable to Shareholders	19.5	20.4	(4.5)
Net Profit Margin	5.8%	11.9%	-
EBITDA	54.6	44.4	23.1
Basis EPS (cents) ¹	4.65	4.87	(4.5)

¹ Based on weighted average of 419,511,294 shares in issue

Revenue by Business Segments

Business Segments	1H FY14 (S\$'m)		1H FY13 (S\$'m)		Chg %
Shipbuilding	198.5	58.6%	93.3	54.2%	112.7
Shiprepair and Conversion	74.1	21.9%	34.5	20.0%	115.1
Shipchartering	35.0	10.3%	44.2	25.8%	(20.8)
Engineering	31.1	9.2%	-	-	100.0
Total	338.7	100.0%	172.0	100.0%	97.0

Shipbuilding

Breakdown of revenue:	1H FY14 (No. of vessels)	1H FY13 (No. of vessels)	1H FY14 (S\$'000)	1H FY13 (S\$'000)	Chg (%)
Offshore Support Vessels	15	8	99,277	74,278	33.7
Dredgers	1	-	71,205	-	100.0
Tugs	5	4	27,858	12,324	126.0
Barges and others	3	15	131	6,704	(98.0)
Total	24	27	198,471	93,306	112.7
Gross Profit			8,456	18,051	(53.2)
Gross Profit Margin			4.3%	19.3%	(77.7)



Shipbuilding

- Revenue increased by 112.7% y-o-y to S\$198.5 million in 1H FY14 due to progressive revenue recognition of more units of Offshore Support Vessels being constructed and the recognition of revenue from the construction of the dredger during the periods. The Group worked on 24 vessels in 1H FY14 with more focus on Offshore Support Vessels
- Gross profit margin decreased to 4.3% in 1H FY14 (1H FY13: 19.3%) mainly due to the provision of additional costs of approximately S\$4.7 million. The additional costs arose due to delays in delivery of certain OSVs and costs overrun



Shiprepair and Conversion

Breakdown of revenue:	1H FY14 (S\$'000)	1H FY13 (S\$'000)	Chg %
Shiprepair	70,225	33,059	112.4
Conversion	3,050	586	420.5
Other marine related services	828	800	3.5
Total	74,103	34,445	115.1
Gross Profit	15,760	9,740	61.8
Gross Profit Margin	21.3%	28.3%	(24.7)



Shiprepair and Conversion

- Revenue increased by 115.1% y-o-y to S\$74.1 million in 1H FY14 due to the completion of a rig repair works of S\$40.2 million during 2Q FY14
- Excluding the write backs of sub-contractor costs for prior years completed project, the gross profit margin would have been as follows:

	1H FY2014	1H FY2013
Gross Profit Margin	21.3%	28.3%
Adjusted Margin Excluding the Write-back	18.5%	21.4%



Shipchartering

Breakdown of revenue:	1H FY14 (S\$'000)	1H FY13 (S\$'000)	Chg %
Spot charter	23,263	29,544	(21.3)
Long-term charter	9,526	12,472	(23.6)
Total charter	32,789	42,016	(22.0)
Trade sales	2,204	2,184	0.9
Total	34,993	44,200	(20.8)
Gross Profit	11,897	13,694	(13.1)
Gross Profit Margin	34.0%	31.0%	9.7



Shipchartering

- Revenue decreased by 20.8% to S\$35.0 million in 1H FY14 mainly due to the non-consolidation of PT Capital Nusantara Indonesia (“PT CNI”) after the partial disposal of 24% effective interest in 3Q FY13. Excluding the revenue of S\$11.7 million contributed by PT CNI during 1H FY13, the y-o-y revenue growth would have been 7.6%
- Gross profit margin increased slightly from 31.0% to 34.0% during 1H FY14 compared to 1H FY13 mainly due to better bareboat charter income earned from the Group’s Offshore Support Vessels



Shipchartering

Fleet size at 31 December 2013: **177** Vessels

Of the **177** vessels, **52** vessels are deployed in Singapore, **21** vessels in Indonesia, **13** in Malaysia and **17** in Australia

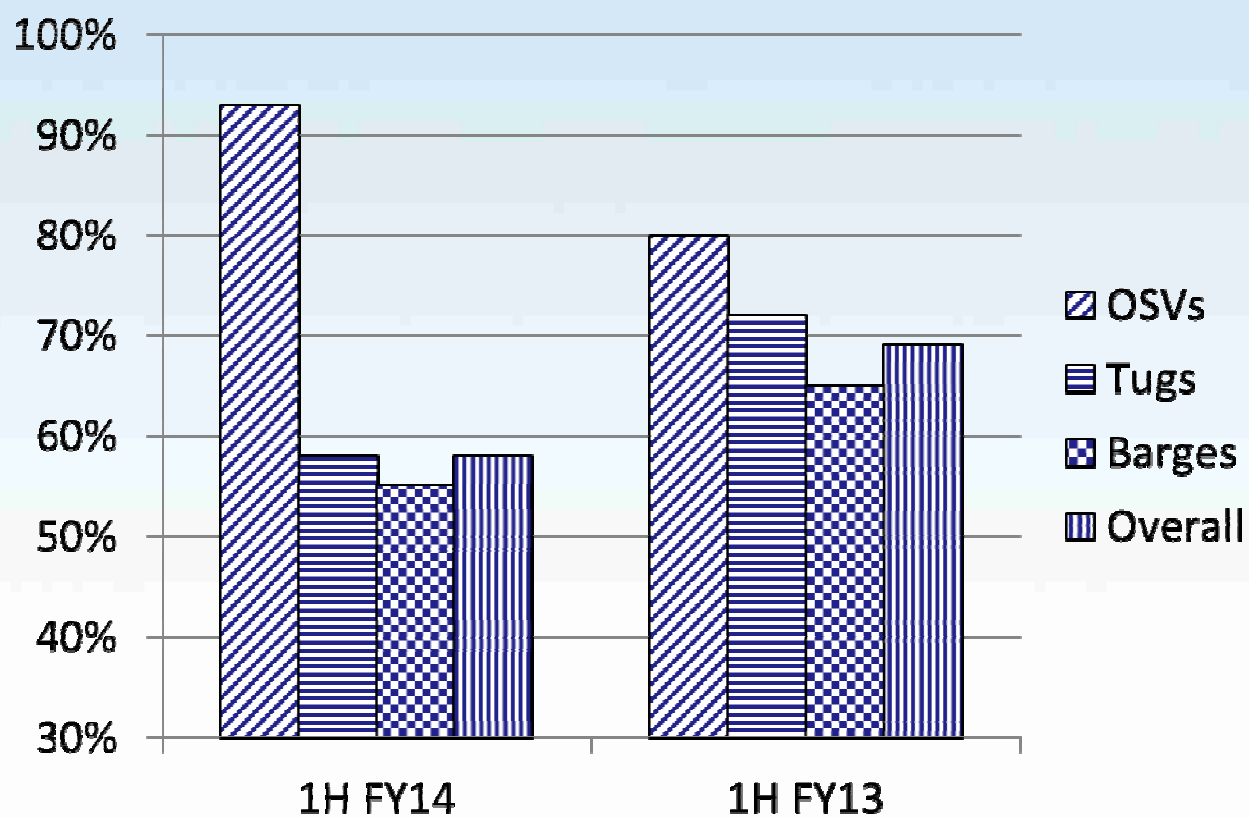
Details on the fleet and type of vessels are highlighted below:

Type of Vessels	No. of Vessels	Avg. Age of Vessels
Barges	122	6
Towing Tugs	47	8
AHT	2	2
AHTS	3	3
Chemical Tankers	2	4
ROV Support	1	1



Shipchartering

Vessel Utilisation

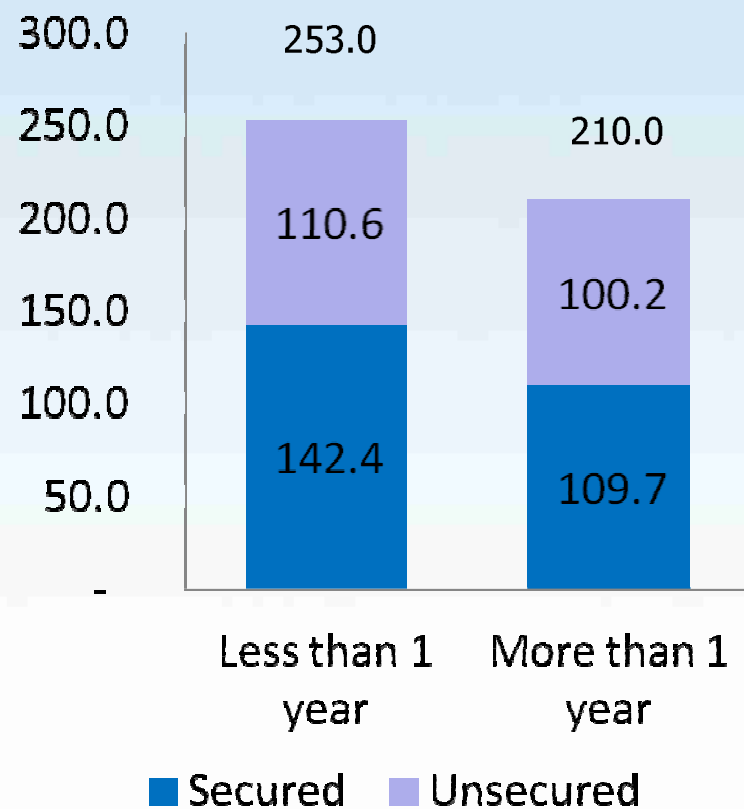


Statement of Financial Position

	31 Dec 13 (S\$m)	(Restated) 30 Jun 13 (S\$m)	Chg %
Non-current Assets	530.3	516.9	2.6
Currents Assets	601.8	609.0	(1.2)
Bank Balances, Deposits and Cash	64.5	88.2	(26.9)
Non-current Liabilities	229.3	227.2	0.9
Current Liabilities	487.5	493.2	(1.2)
Total Borrowings	463.0	469.9	(1.5)
Total Equity	415.3	405.5	2.4
Net Gearing Ratio (times)	0.97	0.96	1.0
Current Ratio (times)	1.23	1.23	-
Interest Service Coverage Ratio (times)	7.96	8.87	(10.3)

Debt Maturity Profile

S\$ (Millions)

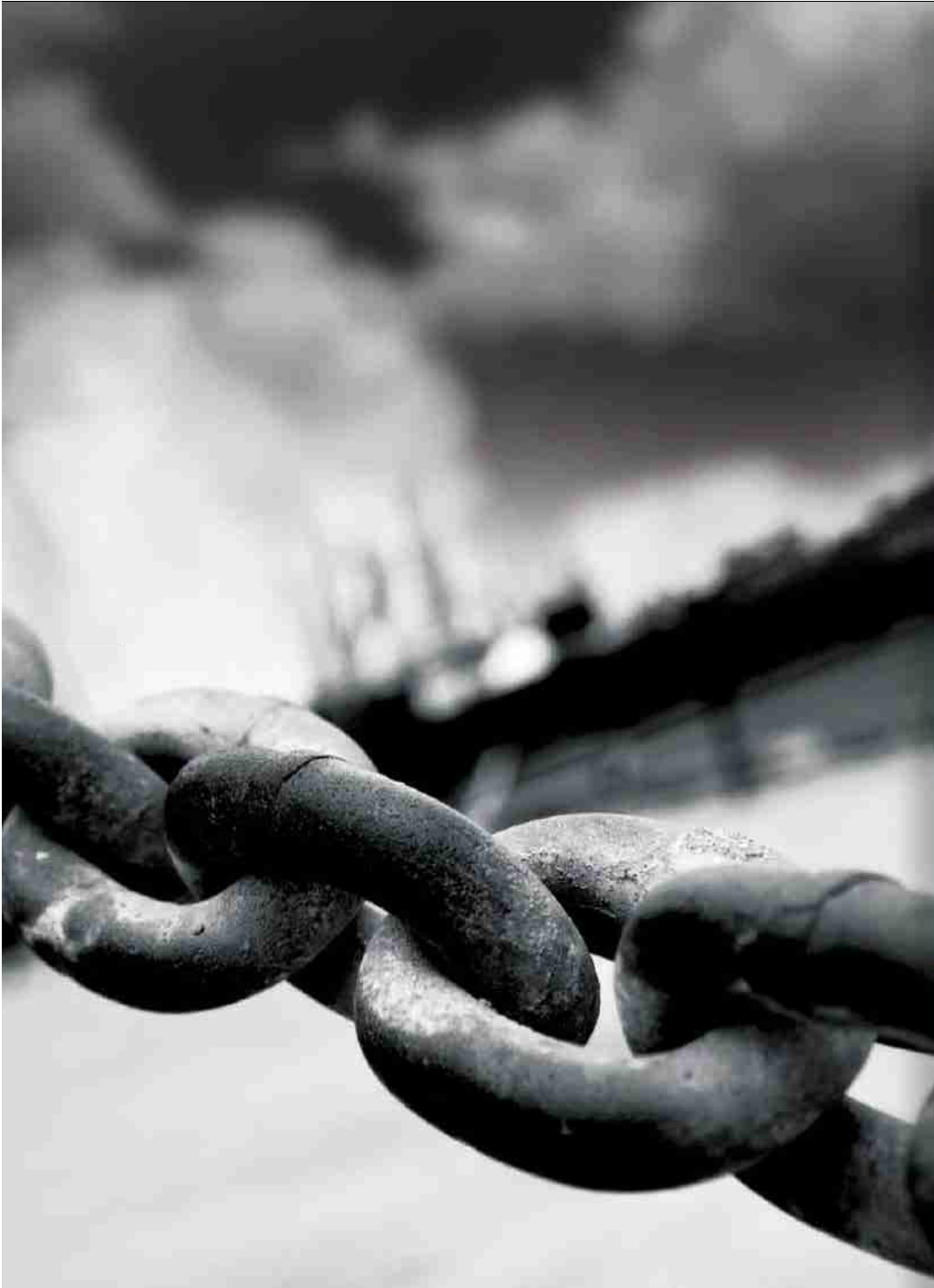


Amounts repayable within 1 year comprises

- S\$71.5m Bonds due in March 2014
- Trust Receipts
- Finance Leases
- Bank Borrowings

Amounts repayable after 1 year comprises

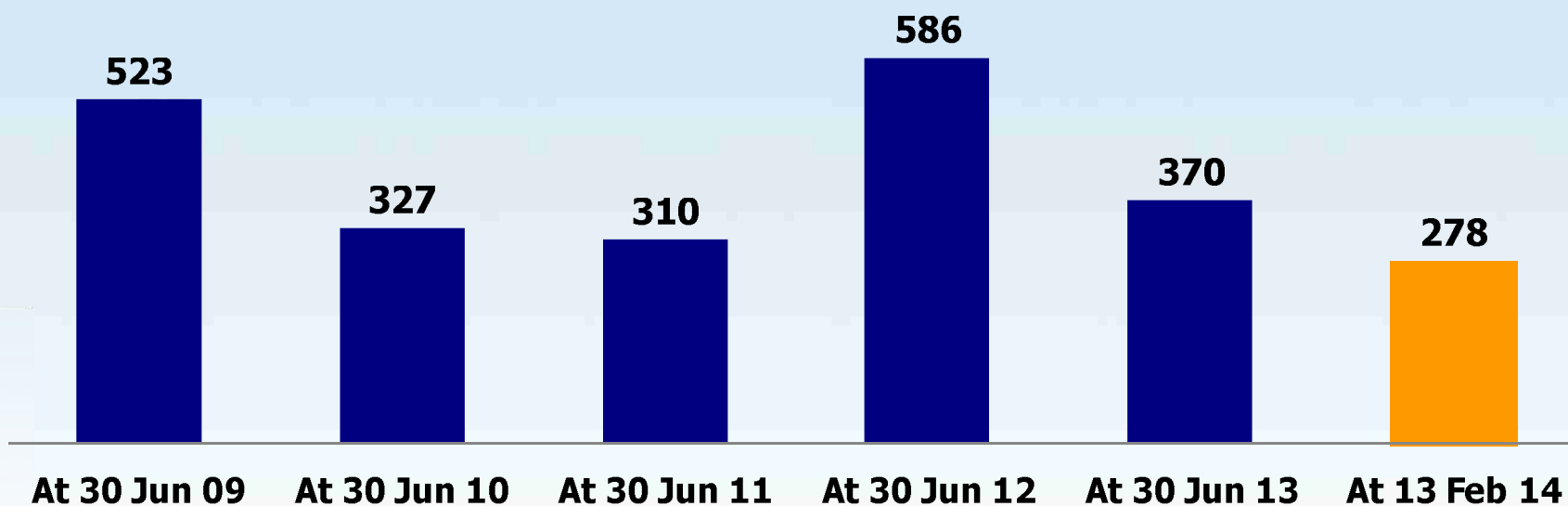
- S\$100.0m Bond due in 2017
- Finance Leases
- Bank Borrowings



Operations Review

Shipbuilding Order Book

(S\$m)



- Total outstanding order book of S\$278 million comprising of 26 vessels, including Offshore Support Vessels, AHTS, self-propelled cutter suction dredger, tugs and barges

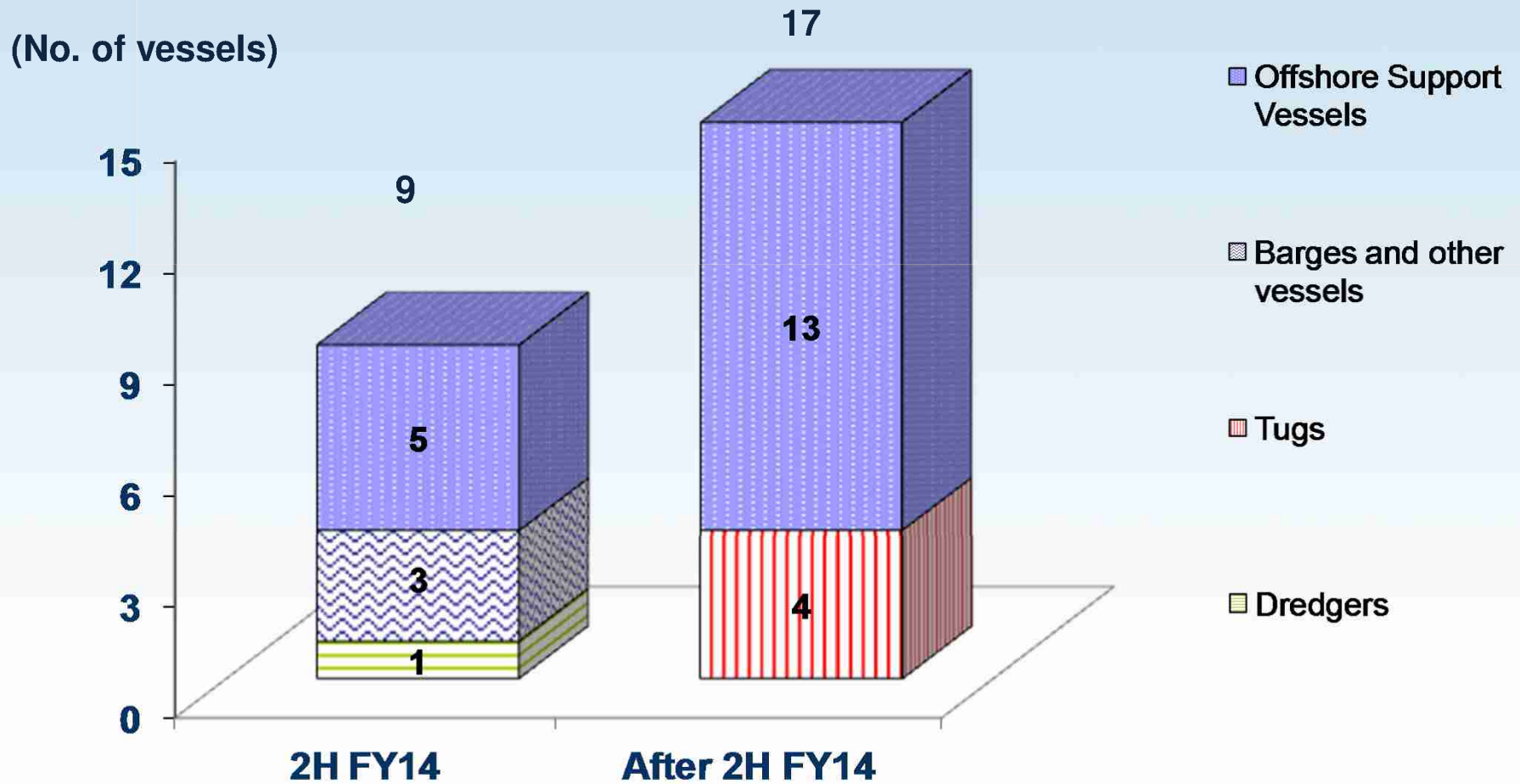
Shipbuilding Order Book

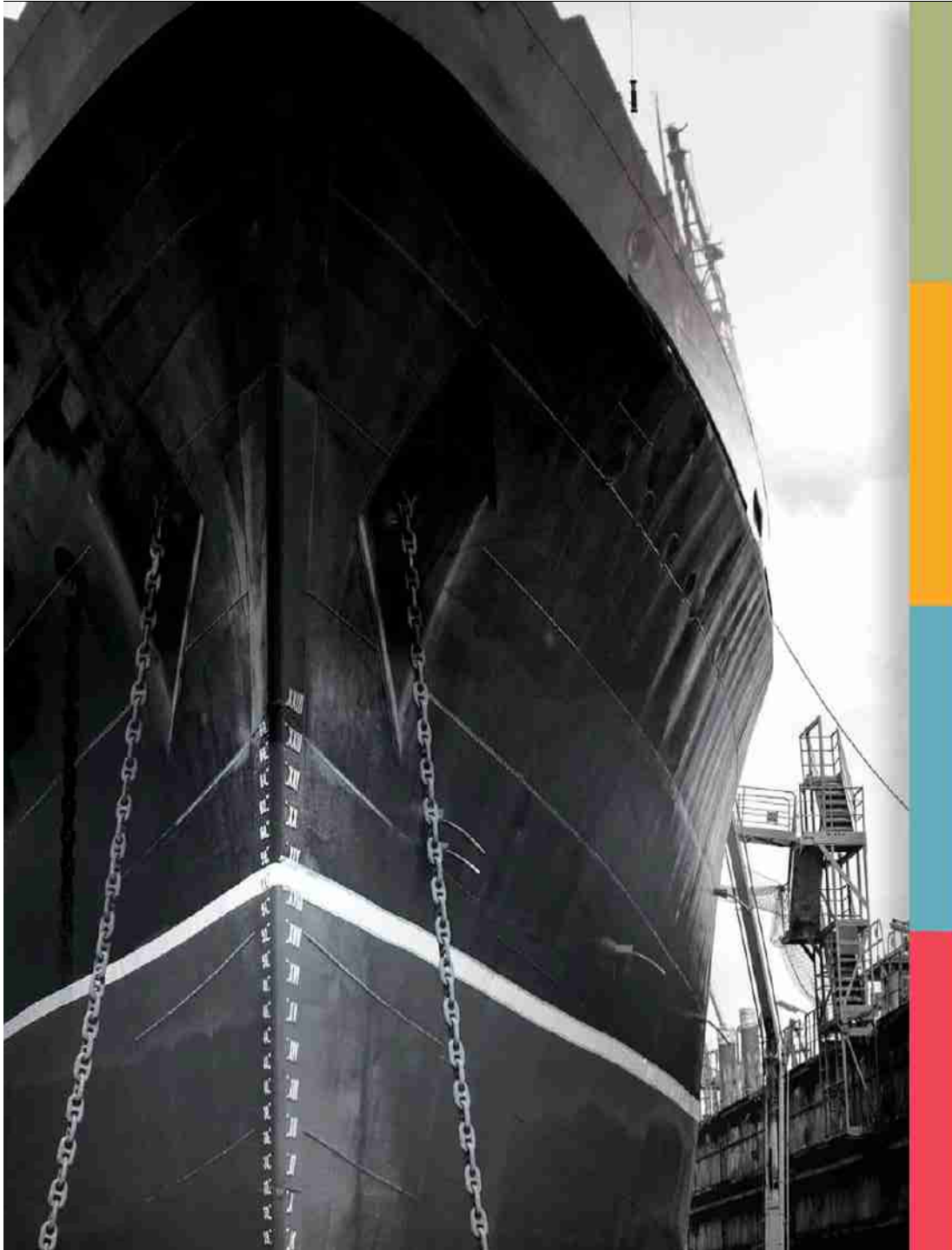
Type of Vessels	Units	2H FY14		After FY14		Total	
		S\$m	%	S\$m	%	S\$m	%
Offshore Support Vessels ¹	18	43	16	129	46	172	62
Tugs ²	4	20	7	34	12	54	19
Dredgers and Barges	4	52	19	-	-	52	19
Total	26	115	42	163	58	278	100

¹ Offshore Support Vessel, Emergency Response & Rescue Vessels and Platform Supply Vessels

² Diesel Electric Hybrid ASD Tugs

Vessel Delivery Schedule





Business Outlook & Strategy

Business Outlook & Strategy

Overall

- Competition remains keen
- However, the Group is cautiously optimistic about demand in the near future

Shipbuilding

- To focus on margins and be pro-active in other areas to boost orders and margins

Shiprepair and Conversion

- Scale up repair and conversion capabilities and improve turnaround time to maximise shipyard utilisation level

Business Outlook & Strategy

Shipchartering

- As at 31 December 2013, the Group had an outstanding order book of approximately \$72 million with respect to long-term shipchartering contracts
- Strategically committed to maximising deployment, enhancing and renewing fleet to better meet customers' needs
- Strengthening our fleet of vessels by increasing the numbers of OSVs; complementary to build-to-stock shipbuilding strategy
- Increasing our share in Indonesian OSV market

Engineering

- Components business is performing well with design engineering below expectations
- Aggressively marketing and pursuing several opportunities

Business Outlook & Strategy

Capital Expenditure

- Total capex of S\$37 million in 1H FY14 comprised mainly:

	S\$m
Vessels	17
Assets under construction for yard infrastructure and vessels	15
Plant and machinery	5

- Shipchartering operations have an outstanding delivery order for 25 new vessels worth approximately S\$83 million comprising :

Shipchartering outstanding delivery orders	Unit
Barges	19
Tugs	2
Dredger	1
Landing Craft	3
Total	25

Share Price Information

As at	12 Feb 14	4 Feb 13
Share Price (S\$)	0.73	0.74
Price Earnings Ratio	7.85	7.60
Price / Net Asset Value per Share	0.75	0.83
Market Capitalization (S\$m)	306.2	310.4



Source: Bloomberg

ASL vs Indices



Source: Bloomberg

ASL's share price versus STI and FTSE Straits Times Oil and Gas Index (FSTOG) (for 4 Feb 13 to 12 Feb 14 – normalised graph based on %)



Thank You **Q&A**

