

Viking Supply Ships

Pareto Oil & Offshore Conference 2014

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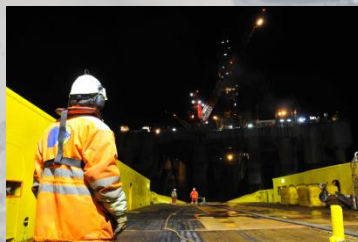
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Who we are



What we do



Financials



Market view



Celebrating 40 years of excellence



Founded in 1974 by Bendt R. Rasmussen.



A key player in the North Sea Offshore market through 4 decades.



Continuous focus on Anchor Handling Tug Supply Vessels.



The first OSV to the North Pole.



Viking Supply Ships in short

Rederi AB Transatlantic



Kistefos

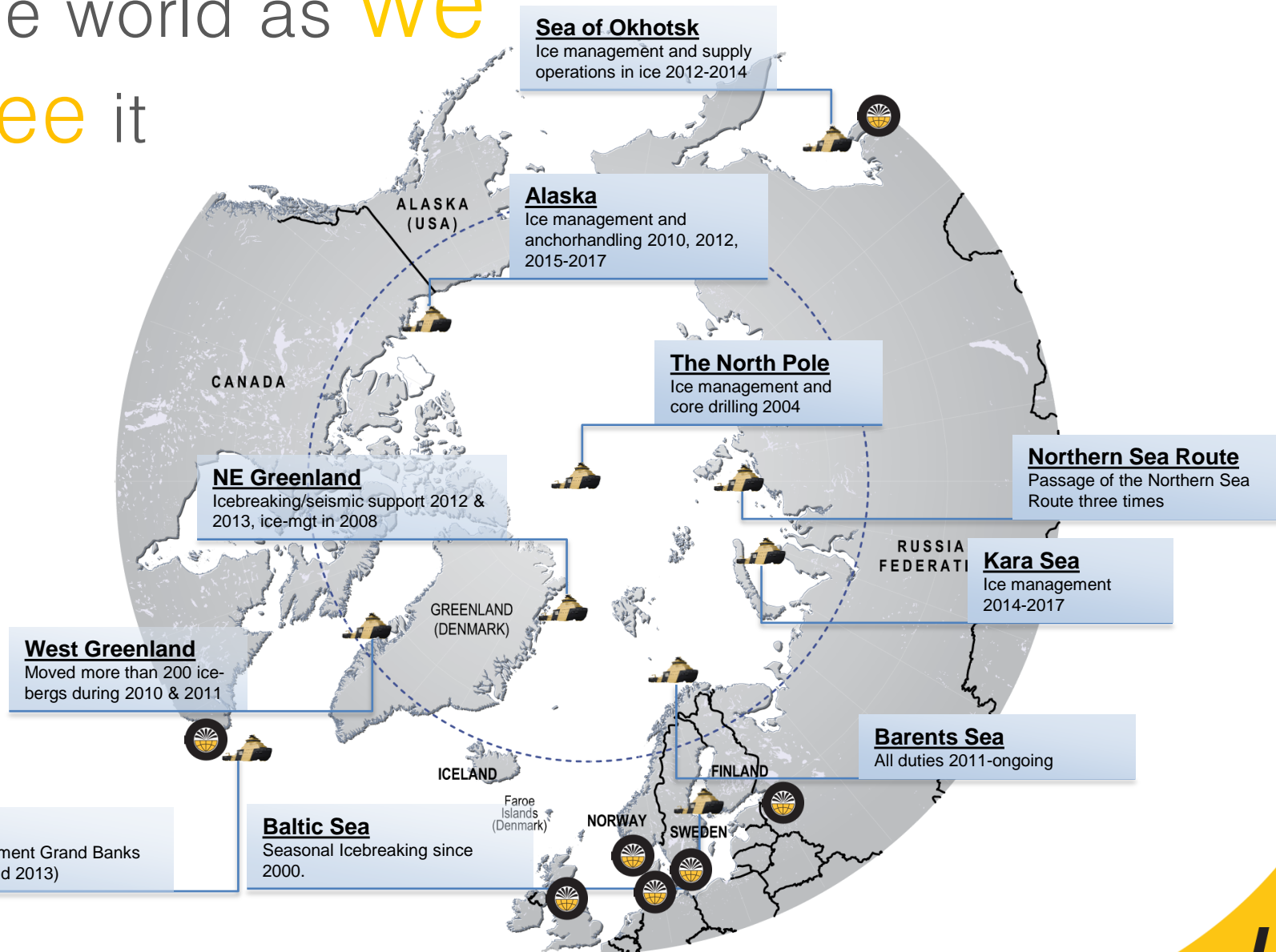
Christen Sveaas has through his fully owned investment company, Kistefos, been a majority owner of Viking Supply Ships (through Transatlantic) since 1989. Kistefos has a long term investment strategy for the OSV business.



VSS quick facts

- Viking Supply Ships is owned by the Swedish company Rederi AB Transatlantic
- Rederi AB Transatlantic is listed at the Stockholm Stock Exchange
- Headquarter in Copenhagen, Denmark
- Shore staff is about 50, offshore staff of about 600
- Total fleet value of NOK 4 billion

The world as **we** **see** it



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Fleet overview

Loke Viking class



With it's high ice-class and winterization the Loke Viking class is the ideal vessel for sub-arctic operations

Tor Viking class



Combined Ice-breaker and AHTS suitable in harsh environment operations as well as the arctic

Odin Viking



Medium sized AHTS suitable for world-wide operations, with a proven track-record in the North Sea

Frigg Viking class



Medium sized PSV vessels with DP-2.

SBS Cirrus



Large North Sea PSV with good stationkeeping and DP 1

Vessels	4	3	1	5	1
Design	VS-4622L	KMAR 808	Moss Mar 424	VS-470 Mk II	UT 705
Build year	2010-2012	2000-2001	2003	2003-2007	1985
Ice-class	Ice 1A, deice C	Icebreaker Ice-10	N/A	N/A	N/A
BP/ deck	235 tonnes bollard pull	202 tonnes bollard pull	180 tonnes bollard pull	710 sq. meters	864 sq. meters

Third business segment adding stability

AHTS

Modern fleet comprising of large AHTS with mainly high ice-class, likely to obtain premium rates in harsh environment areas.

PSV

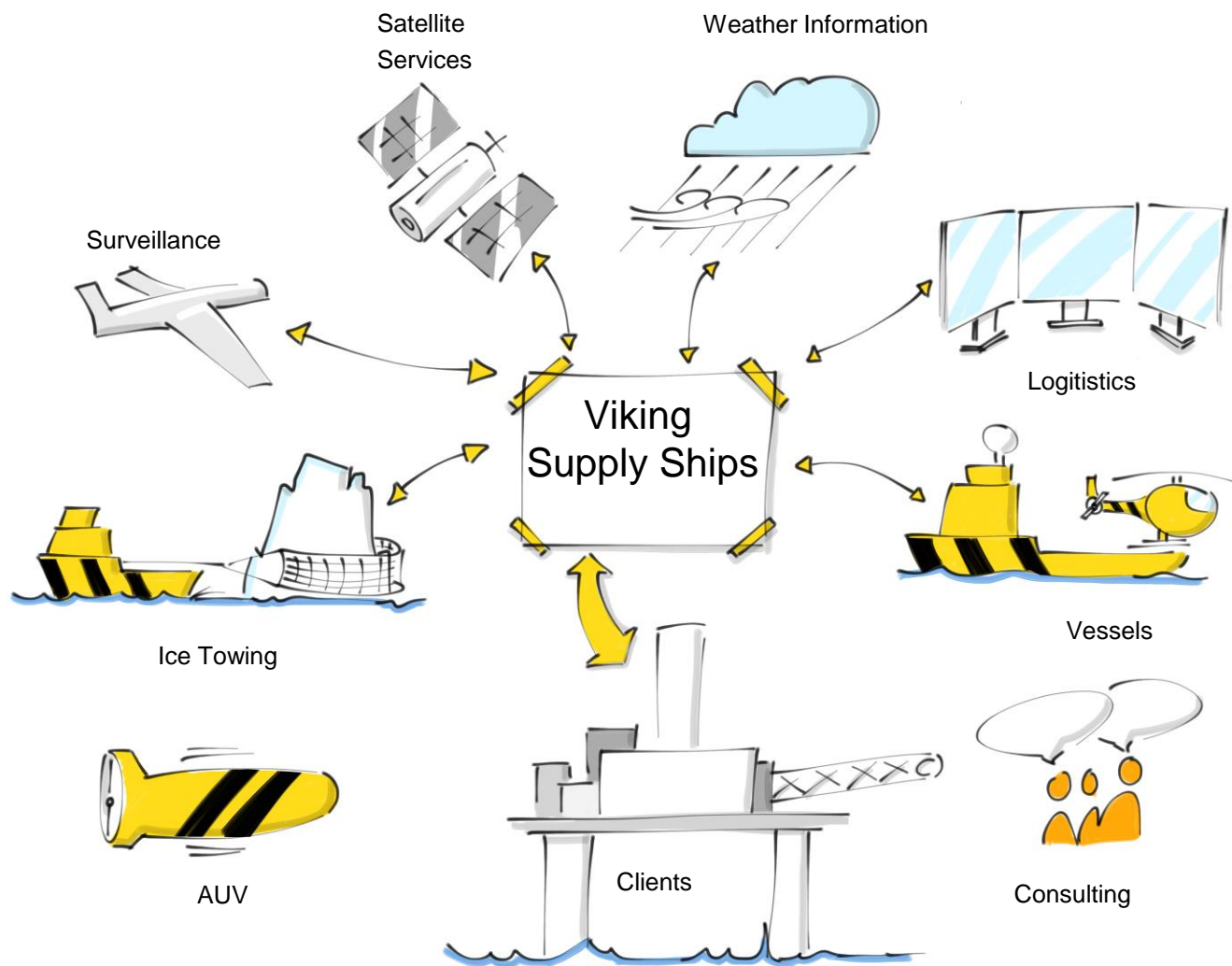
Medium sized vessels suitable for the North Sea as well as other major offshore regions such as West Africa and Brazil.

Services

Already two significant contracts. A growing business segment for the future, which also increase the market opportunities for the ice-classed AHTS fleet.

Three solid and independent business segments adding strength to future cash-flow generating capabilities

More than a shipowner



Unique competence and **experience** with Ice-management



Turn-key provider of all ice management services.

Organization planning including single point of control.

Safety and operation manuals.

Weather & ice data processing
Communication network.

Helicopter service.

Site specific emergency procedures.

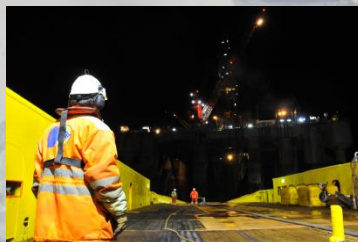
On site research and mapping of operating area by helicopter and icebreakers.

Directing of ice-breaking.

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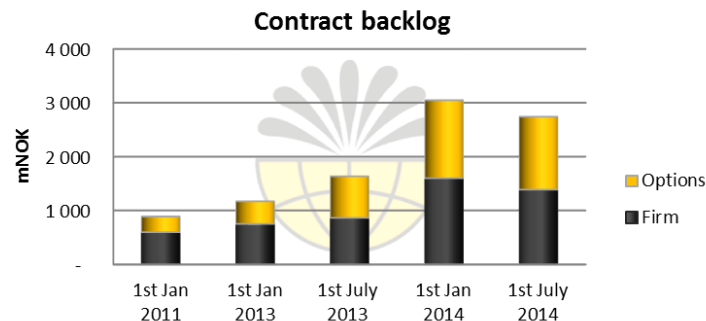
Strong contract backlog and contract coverage

Backlog

Significantly increased contract backlog, currently NOK 2,75 billion

Contract coverage

The vessels on long term contracts obtain premium rates



Contract coverage

	2014	2015	2016
Total	50%	36%	26%
AHTS	75%	64%	45%

“ Strong Management focus on increasing contract backlog and contract coverage has stabilized cash flow at higher levels

Strong development in EBITDA and Net Profit

Income statement (MNOK)	H1 2014	FY 2013	H1 2013	FY 2012	H1 2012
Total Revenue	704,6	1006,9	447,5	897,6	410,8
Operating Costs	-514,2	-707,5	-355,7	-701,3	-358,1
EBITDA	190,4	299,4	91,8	196,3	52,8
Depreciation	-94,3	-175,6	-83,7	-177,2	-114,2
Impairment & sale of assets	0,0	-80,0	0,0	-13,6	0,0
EBIT	96,1	43,8	8,1	5,5	-61,5
Net financials	-72,0	-102,8	-73,0	-162,7	-70,3
Tax	-4,4	7,4	10,0	0,0	0,0
Profit/Loss	19,7	-51,6	-54,9	-157,2	-131,7



Revenues increased from 411 MNOK in H1 2012 to 705 MNOK in H1 2014 through improved contract coverage and development of the new service segment.

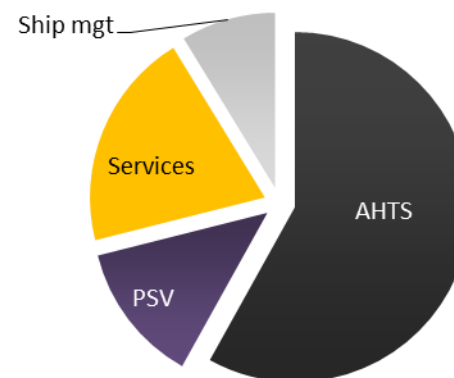


EBITDA improved from 53 MNOK in H1 2012 to 190 MNOK in H1 2014.



Net profit improved with MNOK 152 from H1 2012 to H1 2014.

Revenue per segment



Positive development in cash from operations

Cash Flow (MNOK)	H1 2014	FY 2013	H1 2013	FY 2012	H1 2012
Cash flow from Operations	138,0	121,7	1,4	40,5	-61,0
Cash Flow from Investment	-163,4	-49,4	-34,4	277,3	-13,0
Cash Flow from Financing	47,2	-31,2	46,9	-231,5	169,4
Net changes in cash and cash equivalents	21,8	41,0	13,9	86,3	95,3
Cash and cash equivalents at the start of the period	238,2	197,1	197,1	114,7	114,7
Cash and cash equivalents at the end of the period	260,0	238,2	211,0	197,1	210,0



Positive cash generation throughout the entire period.



Cash flow from operating activities increased by 199 MNOK from H1 2012 to H1 2014.

Strong balance sheet with healthy equity ratio

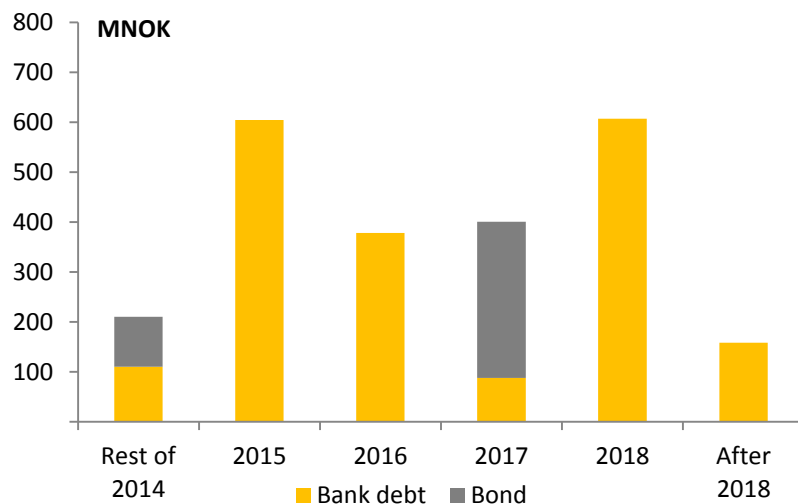
Assets (MNOK)	H1 2014	FY 2013	FY 2012
Vessel & equipment	3 762,7	3 669,8	3 773,8
Tangible fixed assets	3 762,7	3 669,8	3 773,8
Financial fixed assets	31,8	68,8	91,3
Total Fixed assets	3 794,5	3 738,6	3 865,1
Inventories	13,2	24,2	12,1
Accounts receivables	170,7	118,7	111,8
Other current receivables	139,5	83,8	51,2
Cash and cash equivalents	260,0	238,2	197,1
Current assets	583,4	464,9	372,2
Total asset	4 377,9	4 202,5	4 237,3

Equity and liabilities (MNOK)	H1 2014	FY 2013	FY 2012
Total equity	1 751,2	1 719,2	1 722,9
Long-term bond loan	304,4	359,9	295,6
Long-term bank loan	1 726,8	1 647,4	1 807,4
Other non-current liabilities	28,5	33,1	70,1
Non-current liabilities	2 059,7	2 040,4	2 173,0
Short-term bond loan	99,6	98,8	-
Short-term bank loan	200,5	189,6	187,1
Accounts payable	65,6	38,4	27,9
Other current liabilities	201,3	117,1	126,4
Current liabilities	567,0	443,9	341,4
Total Equity and liabilities	4 377,9	4 203,5	4 237,3

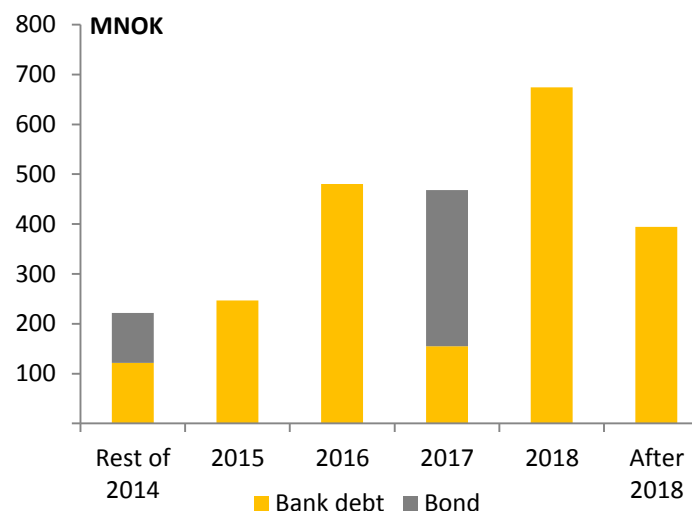


Book equity ratio at 40 % and value adjusted equity ratio at 45 % as of 30.06.2014.

Improved debt maturity profile



Figures are basis 31st December 2013



Figures after refinancing of AHTS icebreakers Tor, Balder and Vidar Viking which is expected to be completed during Q3 2014



VSS has successfully refinanced two secured bank loans, and has agreed a committed term sheet for the last remaining secured bank loan to be refinanced during 2014.

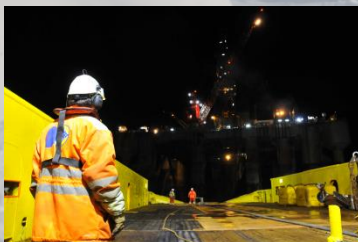


Debt maturing in 2015 has been pushed forward and loan terms have been improved.

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Political risk for operations in Russia



North Sea OSV market



Weaker market through 2014 than anticipated due to a combination of increased supply and periodically low activity.



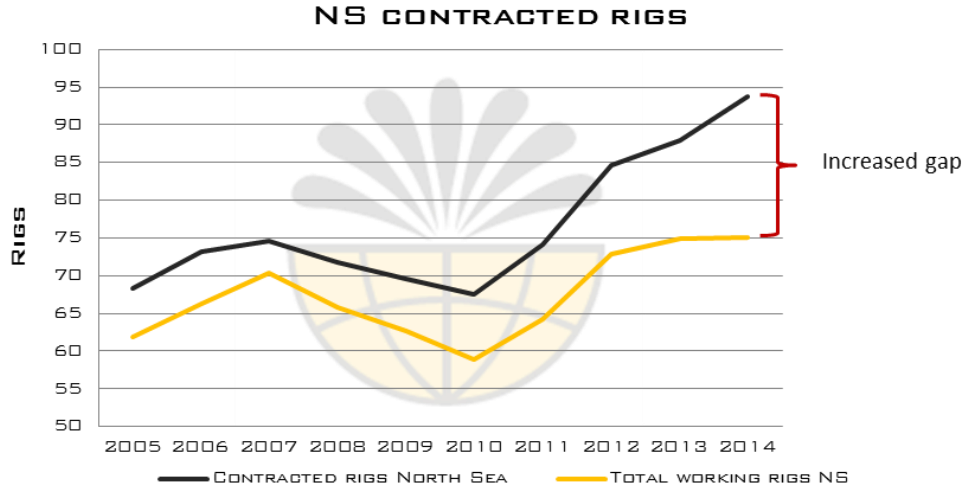
Reduced activity can mostly be explained by the growing gap between the number of rigs contracted and rigs actually working (see figure), as well as a strong cost focus among operators.



North Sea market is dependent on vessels leaving the region in order to see a continuous improvement, but periods with high activity is expected.



We still expect the activity in the region to be strong in the longer run, with the current cost saving initiatives from operators giving a more healthy E&P market (but also temporary reduced activity as a possible outcome).



VSS view on the long term offshore market



Currently modest growth in demand, but still prospects for a strong development in the demand for energy in the long run.



Modest profits also in the unconventional sector means that the increased supply from shale oil and other unconventional sources are not a threat against the oil price, but more a guarantor against an oil price rally.



Several operators are reporting to be cash negative after investments and dividend, which in the short run is a inevitably loss for investments.



Despite a changing energy mix, more offshore wells need to be drilled in order to meet future demand, and we expect the activity in the Arctic regions to increase.



TO BE THE
PREFERRED
PARTNER WITHIN
THE HARSH
ENVIRONMENT
OFFSHORE
MARKET WITH A
STRONG
FOCUS ON **PEOPLE**
AND TEAMWORK
-SIMPLY THE BEST

