



First quarter 2020

# GC Rieber Shipping ASA

Bergen 14 May 2020



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# Agenda

- Highlights Q1 2020
- Operational review
- Financial review
- Outlook



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# Highlights Q1 2020

- Significant industry and company uncertainties due to the COVID-19 outbreak and drop in oil price
- Fleet utilisation of 75%<sup>1</sup>
- Net loss of NOK 301.6 million (Net loss of NOK 104.5 million in Q1 2019)
- Impairment of Subsea & Renewables vessels of NOK 293.3 million as a result of global developments
- Foreign currency translation of positive NOK 332.8 million recognised through other comprehensive income due to steep rise of USD against NOK
- Contract backlog of NOK 305 million as of 1 Apr. 2020<sup>2</sup>

1) Excluding marine seismic

2) Excluding marine seismic and options, including all contracts secured up until the reporting date for the interim report





## Highlights Q1 2020 cont.

- New one-year charter contract for the crew boats Polar Baikal and Polar Piltun, with option to extend by one additional year
- Shearwater completed the strategic vessel transaction with CGG, including the takeover of five high-end seismic vessels, and a five-year capacity agreement for marine seismic acquisition services between Shearwater and CGG became effective. The transaction resulted in a non-cash gain of NOK 52.6 million for GC Rieber Shipping in the period
- Shearwater awarded several contracts for marine seismic acquisition projects



# Post-quarter events

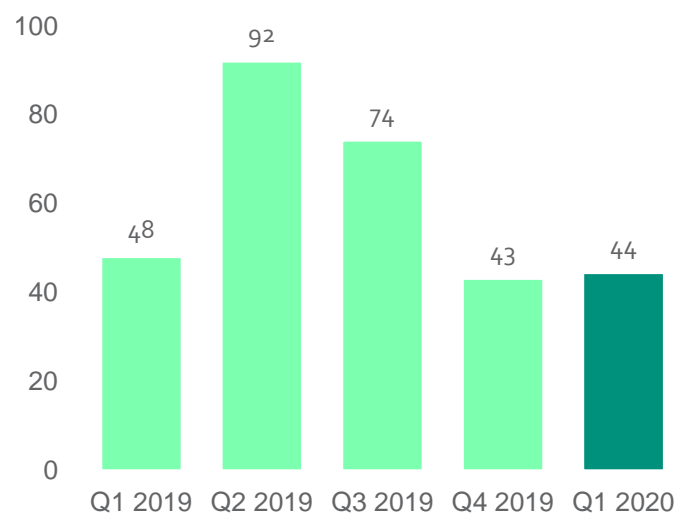
- Extension of the ongoing Polar King charter with Nexans by two months until September 2020
- Shearwater has received project termination notices for two contracts in Asia Pacific
- Shearwater has terminated the ship management agreement with GC Rieber Shipping for the four seismic vessels Polar Empress, Polar Duchess, Polar Duke and Polar Marquis with effect from August 2020



# Highlights Q1 2020 - Key financial figures

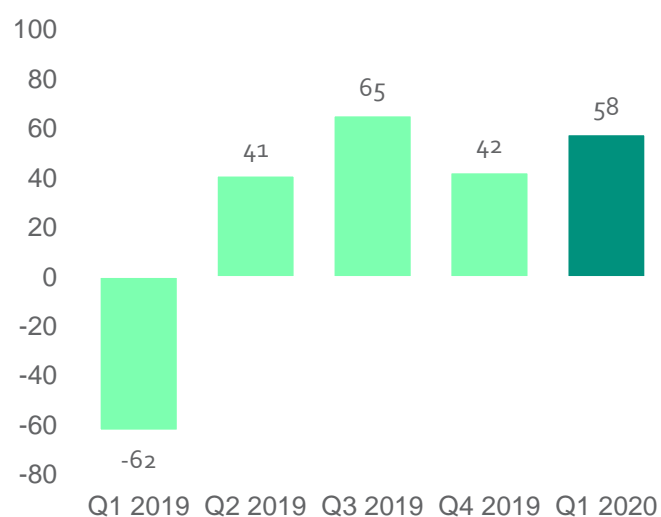
## REVENUE

NOK million



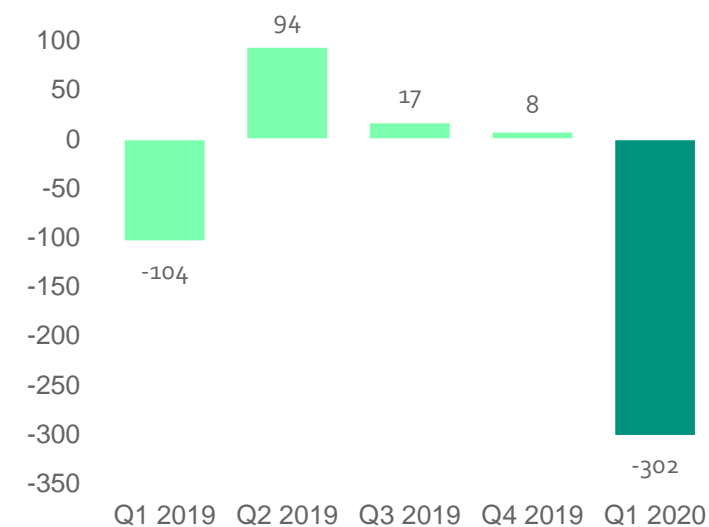
## EBITDA<sup>1</sup>

NOK million



## NET PROFIT

NOK million



1) Includes profit and losses from Joint Ventures & Associates

# **Operational Review**

Q1 2020



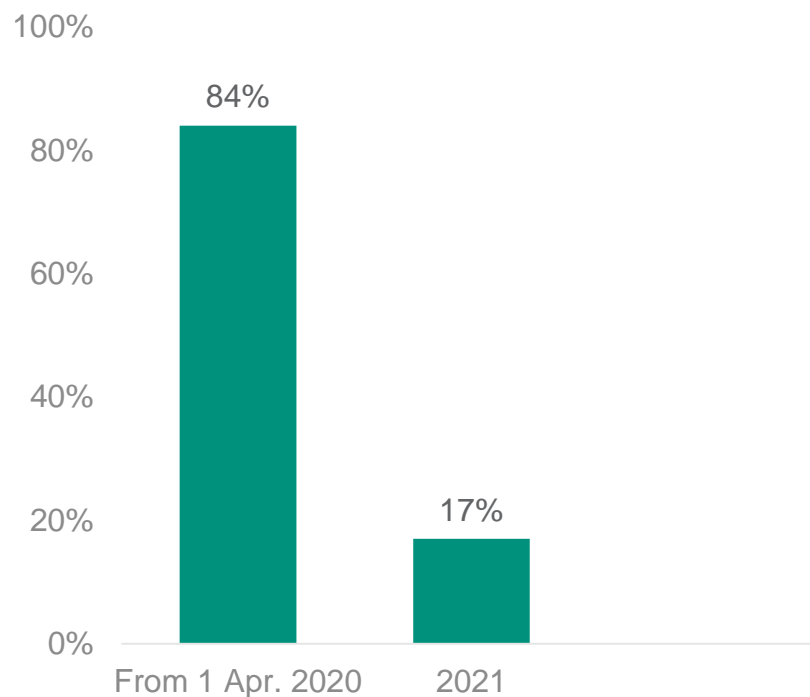
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# Total contract backlog of NOK 305 mill. as of 1 Apr. 2020<sup>1</sup>

Including all contracts secured up until the reporting date for the interim report

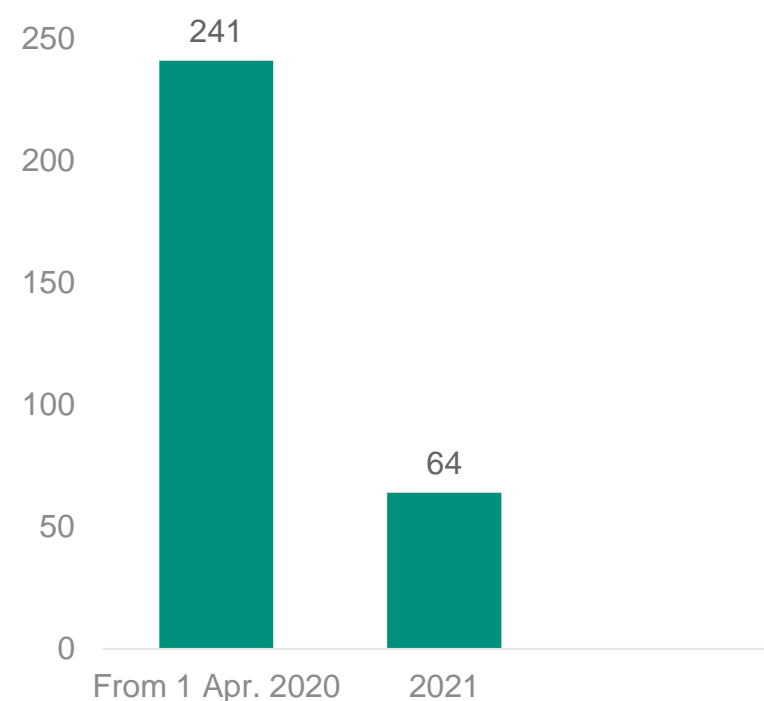
## CONTRACT COVERAGE

*Utilisation rate*



## CONTRACT BACKLOG

*NOK million*

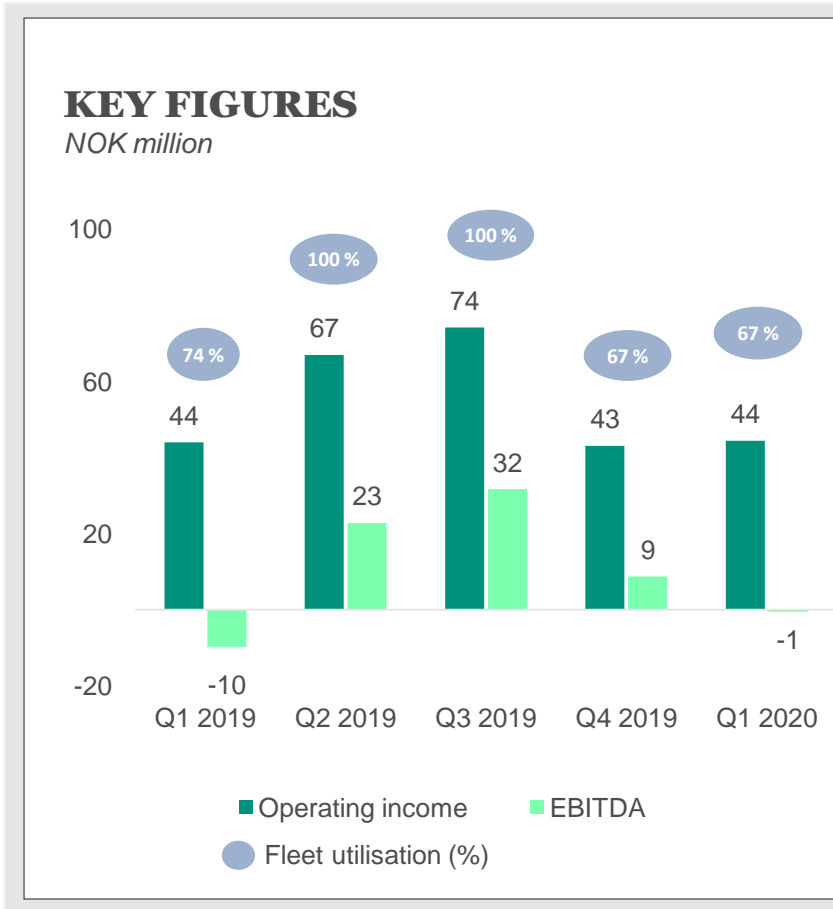


1) Excluding marine seismic and extension options



# Subsea & Renewables Segment

- Fleet utilisation of 67% in Q1
  - Polar King and Polar Onyx on charter for the entire period, Polar Queen idle
- Outlook
  - Polar Onyx on a fixed charter with DeepOcean until Q1 2021, with options for two more years
  - Polar King on fixed charter with Nexans until September 2020
  - Polar Queen commenced a five-months contract in April 2020



Polar Onyx

- SURF vessel, built 2014
- LOA: 130m
- Crane: 250mt
- VLS-tower: 275mt
- Accommodation: 130

DEEPOCEAN

Polar King

- CSV vessel, built 2011
- LOA: 111m
- Crane: 150 mt
- Accommodation: 112

Nexans

Polar Queen

- CSV vessel, built 2011
- LOA: 111m
- Crane: 150 mt
- Accommodation: 119

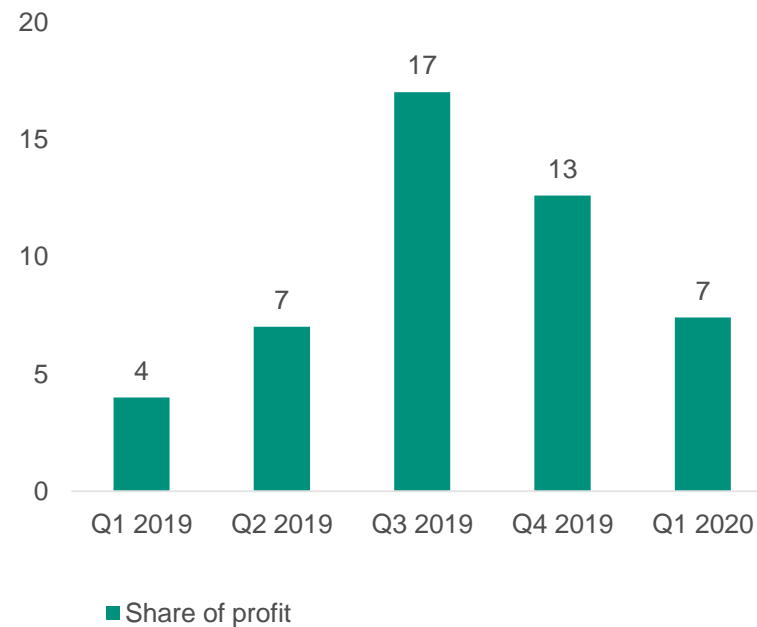
# Joint Ventures – Ice/Support

- Ice/Support

- Fleet utilisation of 100% in Q1 2020
- Polar Pevek on charter to Exxon Neftegas (ENL) until 2021
- Polar Baikal and Polar Piltun on charter with Sakhalin Energy Investment Corporation until end of 2020 with options for one additional year<sup>1</sup>
- Share of profit in Q1 2020 of NOK 7 million

## KEY FIGURES

NOK million



### Polar Pevek



- Ice breaking tug with towing anchor handling capacity
- LOA: 74m
- Oil spill drip tray and oil containment system installed



### Polar Baikal



- Crew supply vessel
- LOA: 29m
- Used for crew transport between shore and installation in North Eastern Russia
- Pax: 70



### Polar Piltun



- Crew supply vessel
- LOA: 35m
- Used for crew transport between shore and installation in North Eastern Russia
- Pax: 70



1) Polar Baikal and Polar Piltun only operate for half the year, the vessels are cold stacked in the winter season



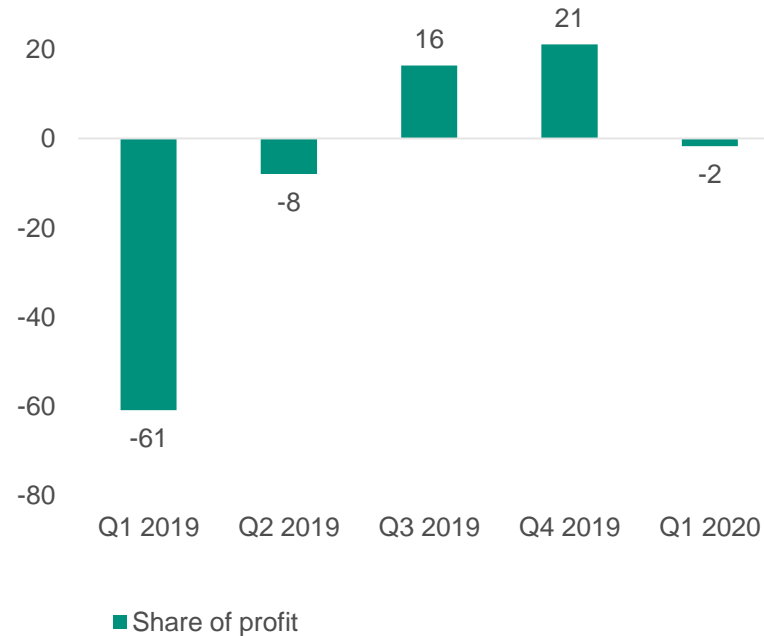
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# Associated company - Marine Seismic (Shearwater)

- Marine Seismic (Shearwater)
  - GC Rieber Shipping's Q1 2020 share of profit was negative NOK 1.7 million
  - Shearwater completed the strategic vessel transaction with CGG, including the takeover of five high-end seismic vessels, and a five-year capacity agreement for marine seismic acquisition services between Shearwater and CGG became effective
  - Following the oil companies' capex reductions GC Rieber Shipping expects a challenging seismic market with substantially lower activity and rate pressure going forward

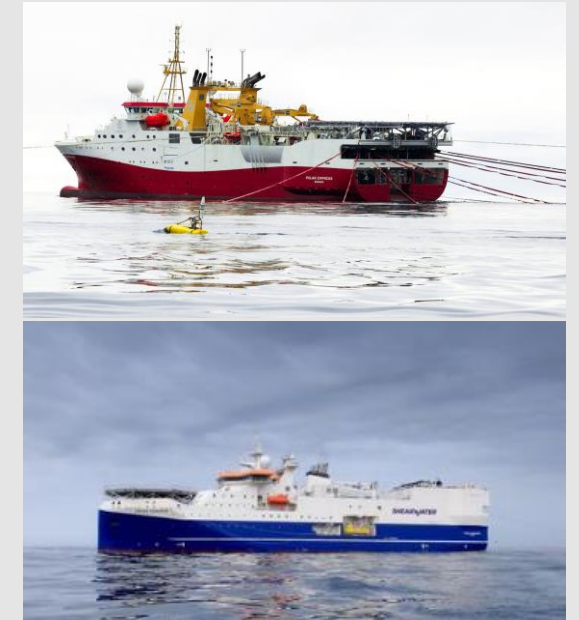
## KEY FIGURES

NOK million



# SHEARWATER

- 18 High Capacity 3D Streamer Vessels
- 3 Multi Purpose Vessels
- 2 Source Vessels



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# **Financial Review**

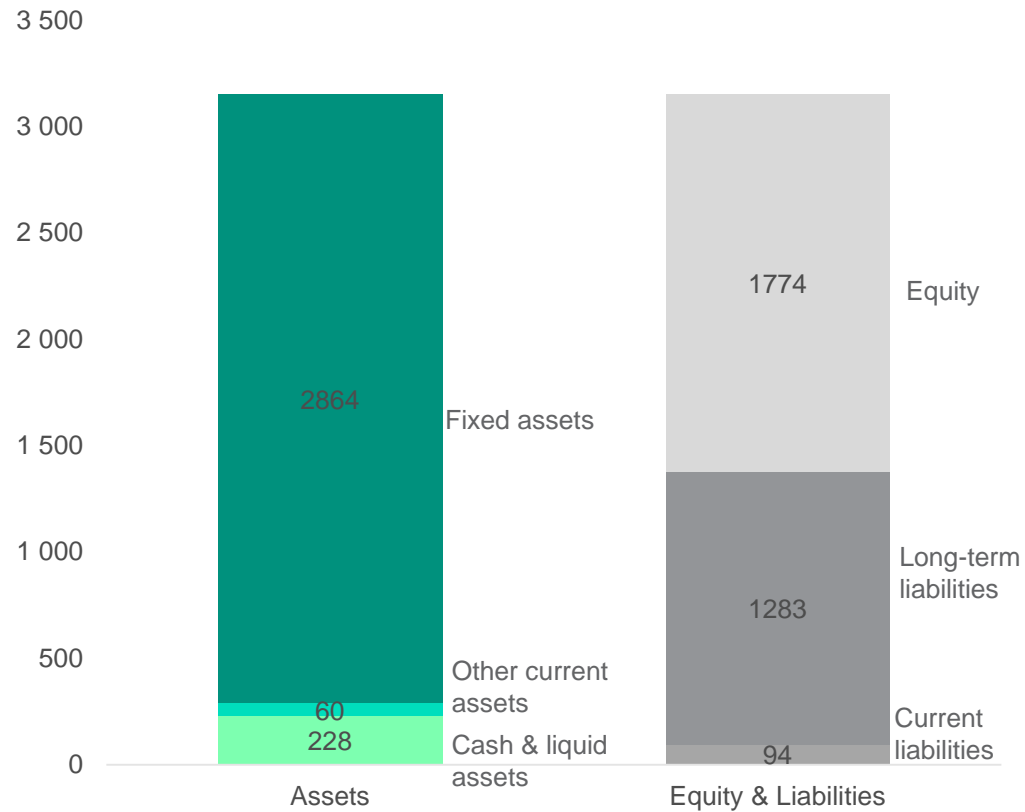
Q1 2020

# Income Statement

NOK mill	Q1 2020	Q1 2019	31.12.2019
<b>Operating income</b>	<b>44.4</b>	<b>48.1</b>	<b>257.3</b>
EBITDA	57.8	-62.1	86.9
<b>EBIT</b>	<b>-267.1</b>	<b>-92.4</b>	<b>67.0</b>
Net financial income and expenses	-34.5	-12.1	-52.8
<b>Profit before tax</b>	<b>-301.6</b>	<b>-104.5</b>	<b>14.1</b>
<b>Net profit</b>	<b>-301.6</b>	<b>-104.5</b>	<b>14.4</b>
Earnings per share	-3.50	-1.21	0.17
Number of shares (in million)	86.1	86.1	86.1

# Balance sheet 31.03.2020

NOK million



- Total balance NOK 3.15 billion
- Equity ratio 56.3%, up from 56.0% at 31.03.2019
- Cash position NOK 228 million
- Net liabilities NOK 1,106 million
- Foreign currency translation of positive NOK 332.8 million recognised through other comprehensive income due to steep rise of USD against NOK



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# Outlook

Q1 2020

# Outlook

- The COVID-19 outbreak has stirred market fundamentals in a short amount of time, increasing uncertainty across industries world-wide
- The oil price has recently fallen sharply
- Improvement in market conditions is not expected in the short term
- Continued uncertainty will increase the risk of further negative effects on GC Rieber Shipping's business





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