



# Q1 2019 PRESENTATION

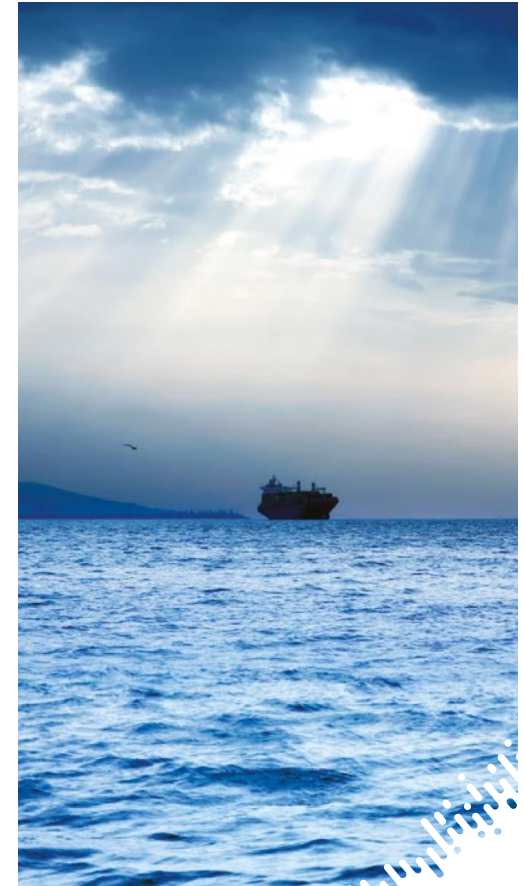
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8<sup>th</sup> May 2019

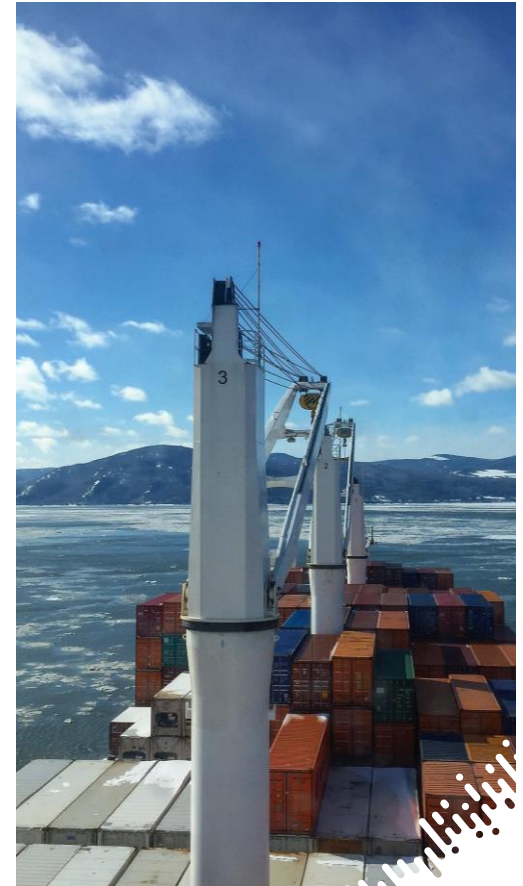
# Q1 2019 FINANCIAL HIGHLIGHTS

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- **Declared Q1 2019 dividend of USD 0.1910 per share**
  - USD 0.764 per share annualized
  - Dividend yield of 10.3% p.a.
  - Declared cash dividends for 23 consecutive quarters
- **EBITDA was USD 51.9m vs. Q4 of USD 35.5m**
  - EBITDA adjusted for finance leases was USD 67.8m vs. USD 51.3m in Q4
  - Very limited revenues from *Dhirubhai-1*, *Connector* and *Far Senator/Far Statesman* in Q1
- **Net profit after tax was USD 8.4m vs. USD -49.9m in Q4**
  - Adjusted net profit was USD 8.4m vs. USD 12.5m in Q4
  - Negative contribution of USD 11.8m from *Dhirubhai-1/Connector* in Q1



- **Dhirubhai-1**
  - Reached final agreement with former charterer
  - Extension of option agreement with Aker Energy
- **Short-term charters for the vessel Connector**
- **Investments and deliveries**
  - Acquisition and delivery of one modern suezmax tanker
  - Acquisition of two modern ultramax dry bulk vessels
  - Delivery of the first in a series of four VLCC newbuildings



# INVESTMENT IN TWO ULTRAMAX DRY BULK VESSELS WITH LONG-TERM CHARTERS

## TRANSACTION DETAILS

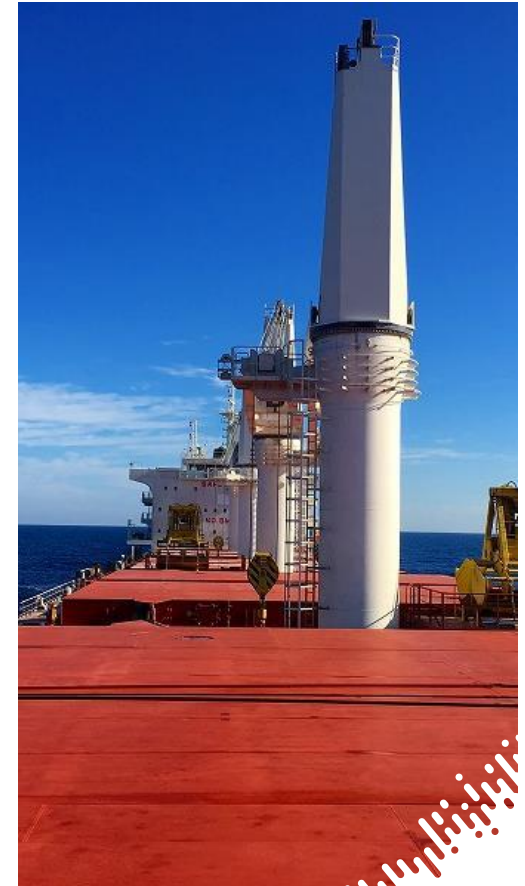
Net purchase price	Total of USD 42.0m / USD 21.0m per vessel
Charter	11 years bareboat
Purchase options	Several purchase options during the charter
Scrubber financing	USD 3.0m / USD 1.5m per vessel in early 2020

## VESSEL DETAILS

Vessel type	Ultramax dry bulk carriers
Size	64,000 dwt
Built	2017

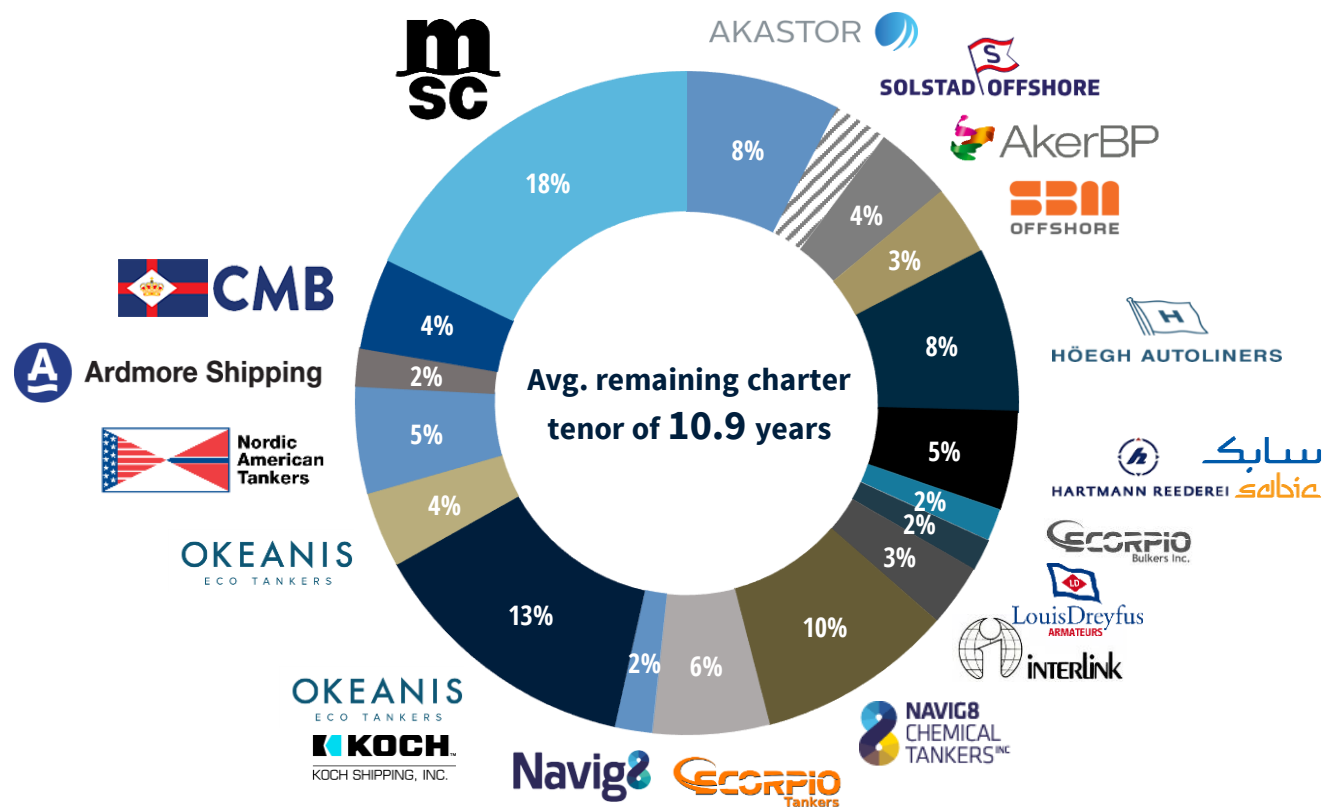
## CHARTERER

Charterer	Scorpio Bulkers
Listing	New York Stock Exchange Ticker: SALT
Fleet	57 vessels



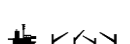


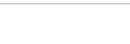



# CHARTER BACKLOG

EBITDA<sup>1</sup> BACKLOG OF USD 3.5 BILLION

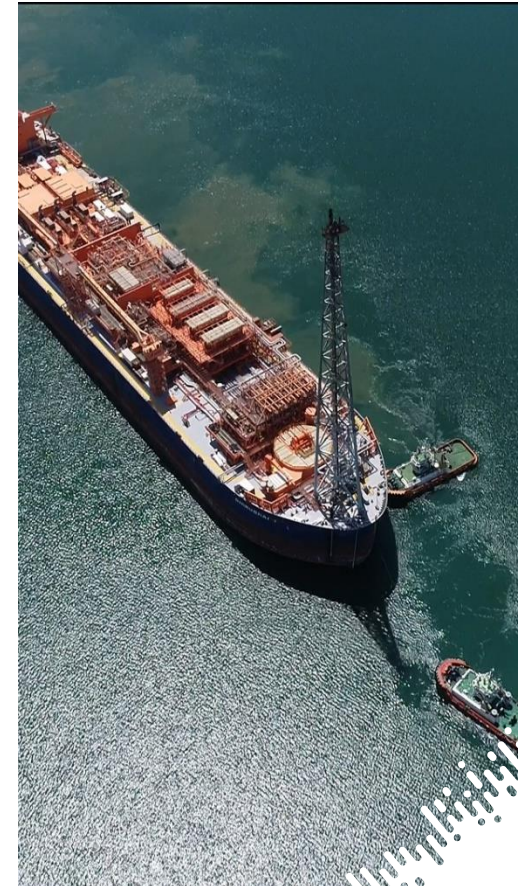


FLEET<sup>2</sup>

	Tankers	25
	Container vessels	10
	Dry-bulk	9
	Oil-service	7
	Car carriers	6
	Gas carriers	2
	FPSO	1
Total		60
Average age		3.6 yr

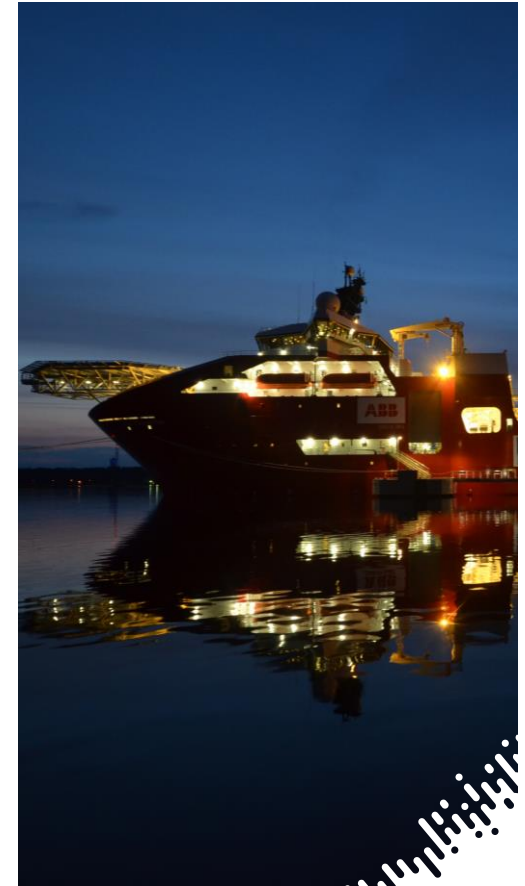
1) EBITDA backlog based on certain options not being exercised, LIBOR forward curve, FX, finance lease adjustments and post-quarter transactions  
 2) Includes 49.5% ownership in 6 mega-container vessels, 75% ownership in one oil-service vessel and vessels acquired after quarter end

- **Agreement reached with former charterer**
  - Final cash payment of USD 25.4m
    - USD 23.7m was received in Q1 2019
    - USD 1.7m expected to be received in Q2 2019
  - FPSO successfully re-exported to Sri Lanka and is preparing for new employment
  - Remaining demobilization activities in India expected to be performed during H2 2019
- **Aker Energy secured option for long-term charter**
  - Option for a long-term bareboat of the FPSO extended until 30<sup>th</sup> May 2019 against additional compensation
  - The option period may be further extended



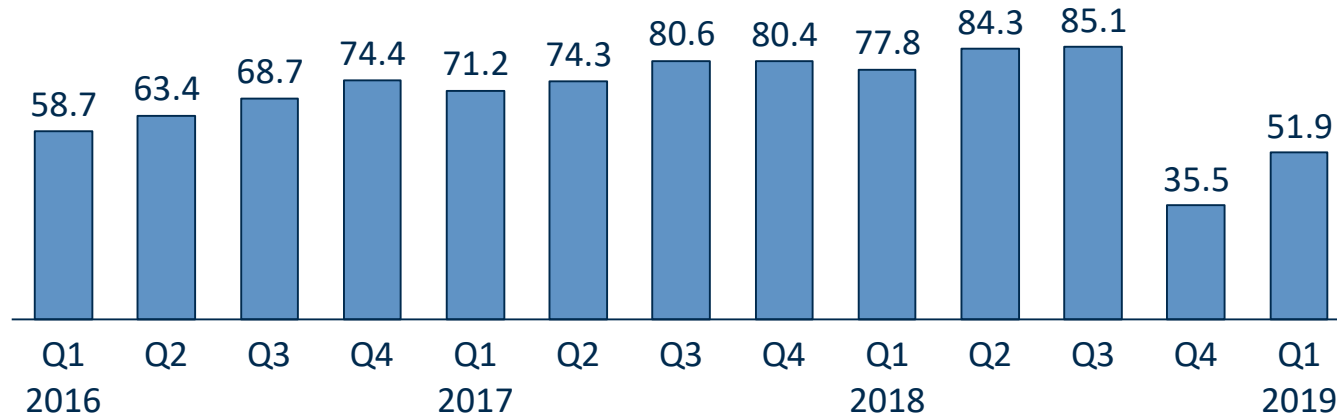


- **Connector**
  - Very limited revenues in Q1
  - Commenced a short-term time-charter for subsea work in the North Sea on 20<sup>th</sup> March 2019
  - Immediately entered into a new time-charter for subsea installation and cable repair for a period of 28 days plus options. Firm contract runs until 26<sup>th</sup> May with extension options until mid-June
  - Focusing on short-term contracts in anticipation of a stronger market
- **FAR Senator & FAR Statesman**
  - Agreed to a standstill of charter payments until 20<sup>th</sup> June
  - No cash revenue has been recognized for the two AHTS vessels in Q1 2019
  - If cash in relevant Solstad Offshore subsidiary exceeds NOK 300m, excess amount will be used for settlement of the delayed payments on a pro-rata basis

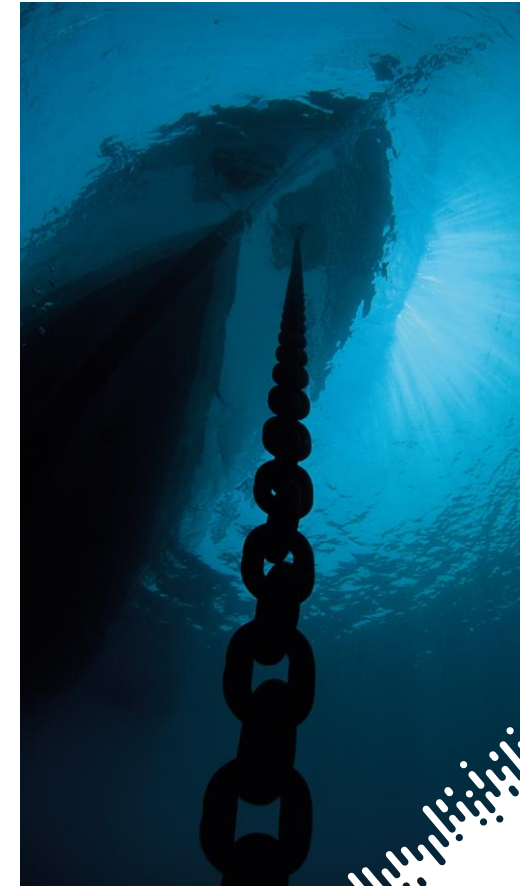
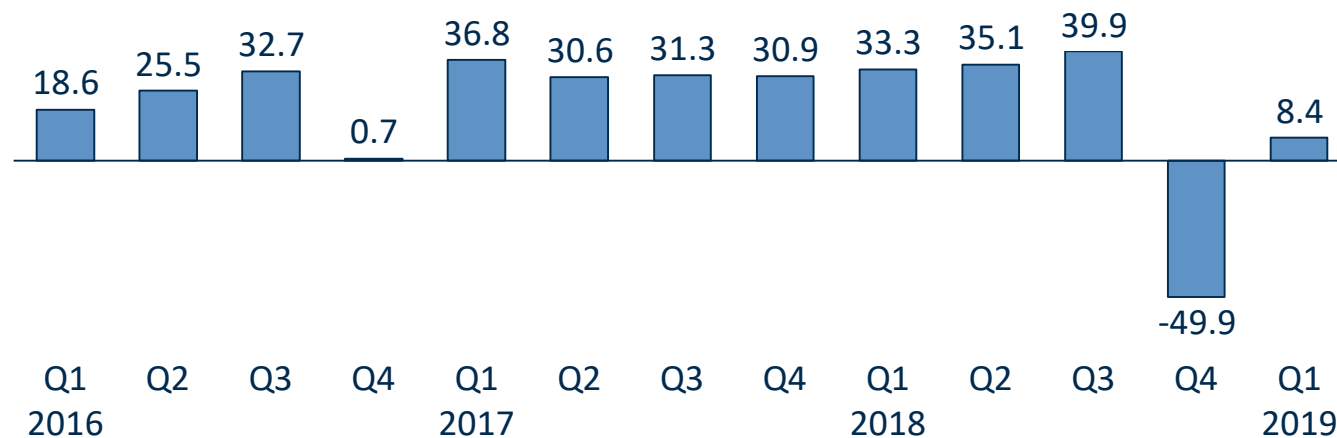


# QUARTERLY FINANCIAL HIGHLIGHTS

## EBITDA PER QUARTER (USDM)



## NET PROFIT PER QUARTER (USDM)



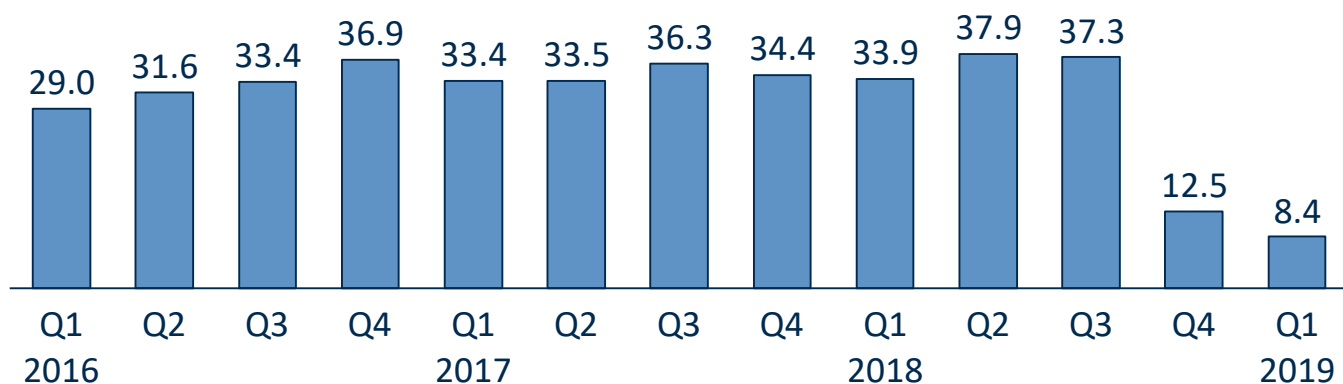


# ADJUSTED EBITDA AND NET PROFIT

## EBITDA ADJUSTED FOR FINANCE LEASES (USDM)

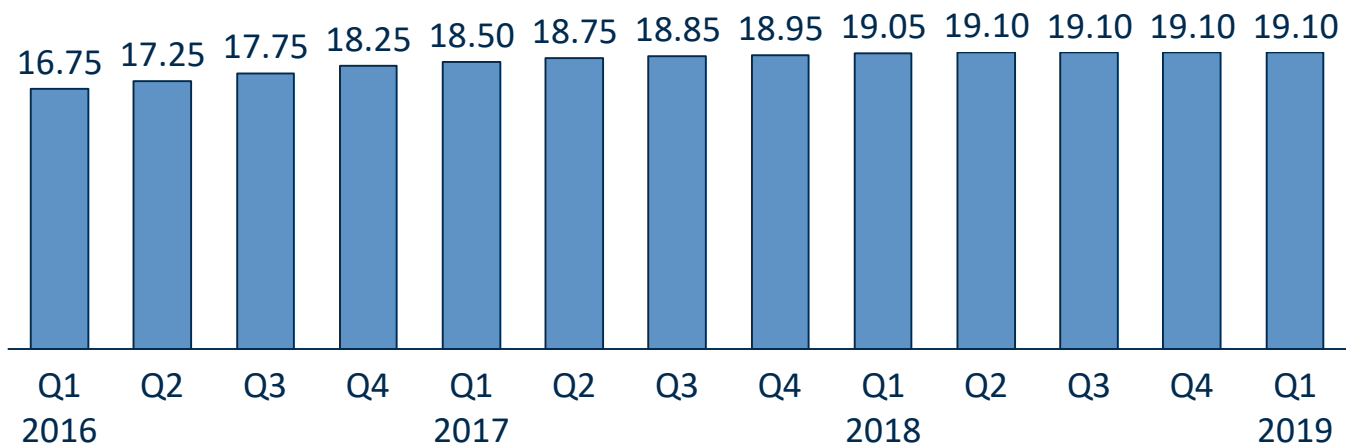


## ADJUSTED NET PROFIT (USDM)



# CASH DIVIDENDS FOR 23 CONSECUTIVE QUARTERS

## DIVIDEND PER SHARE (USD CENTS)



## DIVIDEND YIELD

**10.3%<sup>1</sup> p.a.**

1) Per 7.05.2019, Q1 2019 DPS annualized, share price of NOK 64.7, NOK/USD of 8.75



# INCOME STATEMENT

## INCOME STATEMENT

	Q4 2018	Q1 2019
<i>Amounts in USD million</i>		
Operating revenues	34.0	26.0
Finance lease revenue	24.4	24.9
Income from investments in associates	5.8	5.7
Other revenue	-	1.8
<b>Total revenues and other income</b>	<b>64.2</b>	<b>58.4</b>
Vessel operating expenses	(4.2)	(1.8)
Wages and other personnel expenses	(1.9)	(2.6)
Other operating expenses	(3.1)	(1.8)
Write down on trade receivables	(19.5)	(0.4)
<b>EBITDA</b>	<b>35.5</b>	<b>51.9</b>
Depreciation and amortization	(19.2)	(19.3)
Impairment charges and other non recurring items	(32.2)	-
<b>Operating profit</b>	<b>(15.9)</b>	<b>32.6</b>
Financial income	0.4	0.6
Financial expenses	(23.4)	(24.6)
Foreign exchange gains/losses	18.1	(3.5)
Change in fair value of financial instruments	(30.0)	3.9
<b>Net profit before tax</b>	<b>(50.8)</b>	<b>9.1</b>
Tax payable	(0.2)	(0.6)
Change in deferred tax	1.1	0.0
<b>Net profit after tax</b>	<b>(49.9)</b>	<b>8.4</b>
Non-controlling interests	0.2	0.2
<b>Equity holders of the parent</b>	<b>(50.1)</b>	<b>8.3</b>
<b>Earnings per share (USD)</b>	<b>(0.31)</b>	<b>0.05</b>

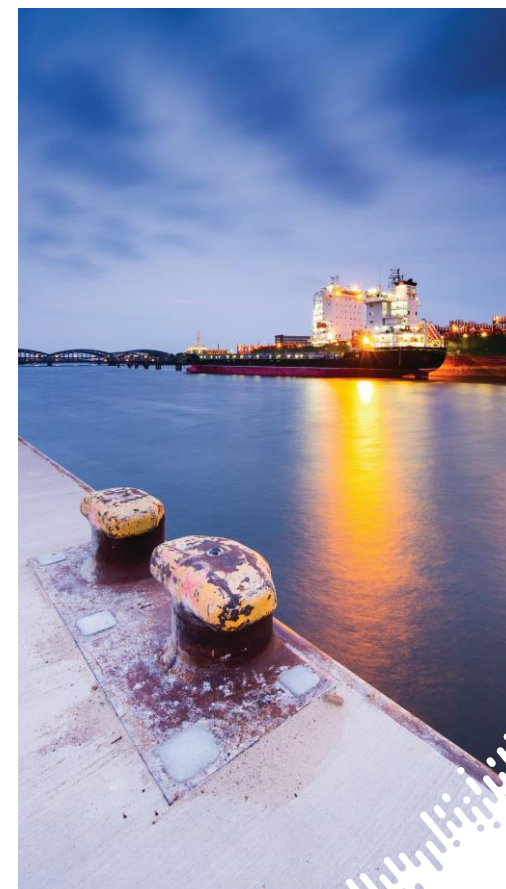


# ADJUSTED NET PROFIT

## ADJUSTMENTS

Amounts in USD million	Q4 2018	Q1 2019
<b>Net profit</b>	<b>-49.9</b>	<b>8.4</b>
FPSO - write down of trade receivables	19.5	
FPSO - impairment of goodwill	9.8	
FPSO - increase in field abandonment costs	9.1	
Impairment of Far Senator/Far Statesman	13.4	
Connector - write down of trade receivables		0.4
Foreign exchange gains/losses	-18.1	3.5
Change in fair value of financial instruments	30.0	-3.9
Changes in deferred tax, net	-1.1	-0.0
<b>Adjusted net profit</b>	<b>12.5</b>	<b>8.4</b>

• Bond and bank loans in NOK



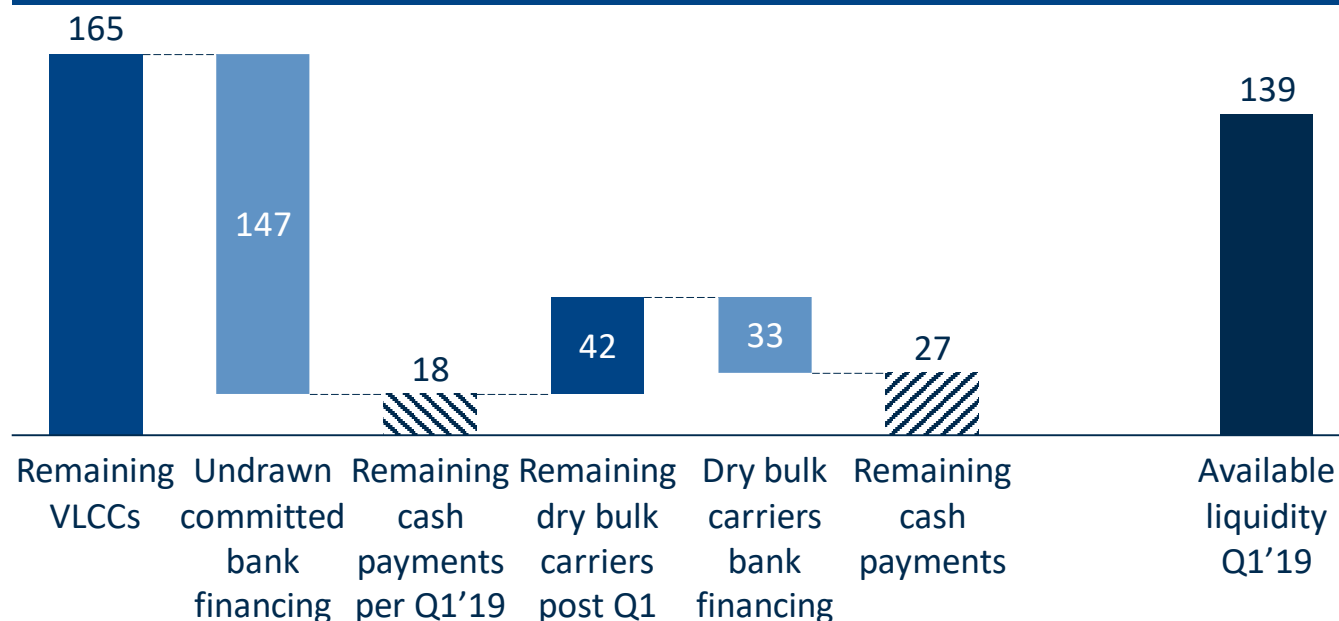
# BALANCE SHEET

BALANCE SHEET				
	Q4	Q1	Q4	Q1
<i>Amounts in USD million</i>	2018	2019	2018	2019
<b>ASSETS</b>			<b>EQUITY AND LIABILITIES</b>	
Vessels and equipment	1,195.6	1,178.6	Equity to holders of the parent	845.7
Investments in associates	191.9	187.4	Non-controlling interests	0.0
Finance lease receivables	1,171.8	1,246.7	<b>Total equity</b>	<b>845.7</b>
Restricted cash deposits	16.1	17.3	Interest-bearing debt	1,572.0
Other non-current assets	1.8	1.8	Mob fee, advances and deferred rev.	12.2
Shares in Solstad Offshore ASA	1.7	1.6	Fair value of derivatives	26.7
<b>Total non-current assets</b>	<b>2,579.0</b>	<b>2,633.4</b>	Finance lease liabilities	0.0
			<b>Total non-current liabilities</b>	<b>1,610.9</b>
			Interest-bearing short term debt	190.9
Trade- and other receivables	37.6	8.1	Fair value of derivatives	16.0
Cash and cash equivalents	110.0	105.8	Field abandonment provision	25.7
<b>Total current assets</b>	<b>147.6</b>	<b>113.9</b>	Trade and other payables	37.3
<b>Total assets</b>	<b>2,726.6</b>	<b>2,747.4</b>	<b>Total current liabilities</b>	<b>269.9</b>
			<b>Total liabilities</b>	<b>1,880.8</b>
			<b>Total equity and liabilities</b>	<b>2,726.6</b>
			<b>Equity ratio</b>	<b>31.0 %</b>
				<b>30.2 %</b>



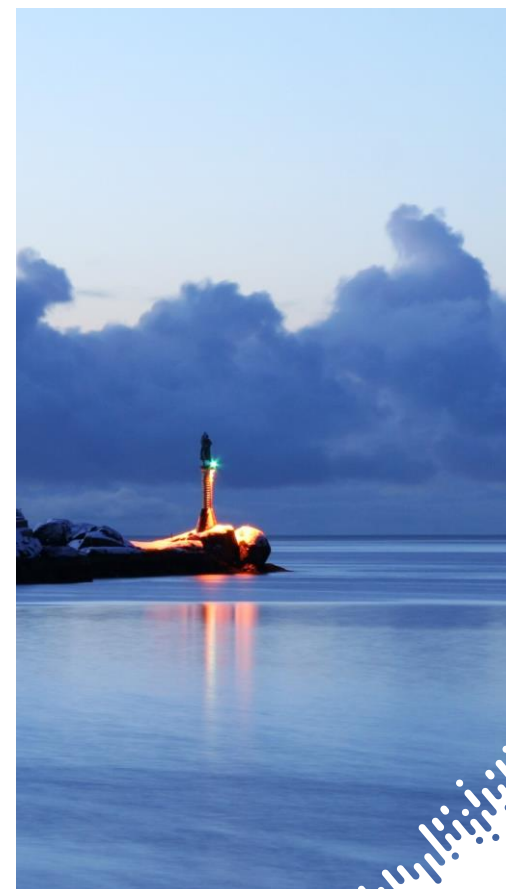
# FINANCING OVERVIEW PER Q1'19 ADJUSTED FOR DRY BULK TRANSACTION

## REMAINING CAPEX AND FINANCING OVERVIEW (USDM)

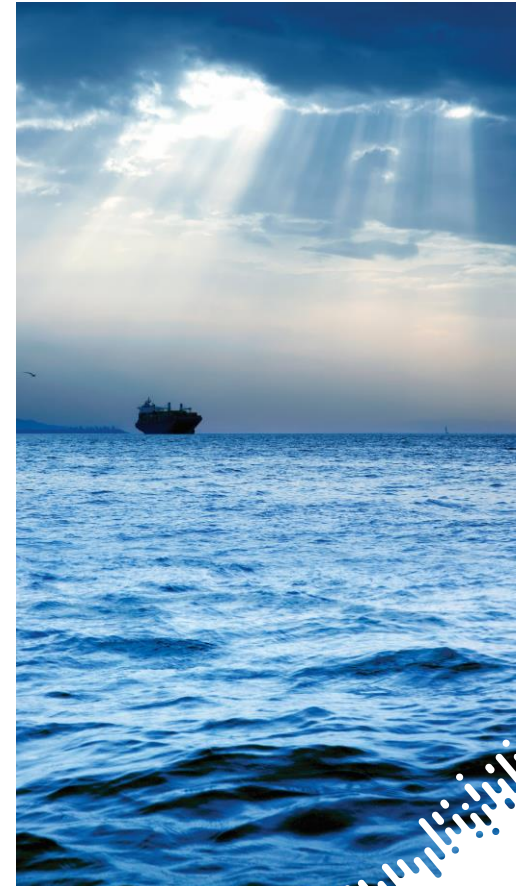


## COMMENTS

- Remaining obligations per Q1 2019 relates to four VLCCs. The company has already paid USD 132m related to the VLCCs under construction.
- Total available liquidity of USD 139m per Q1 2019 (Unrestricted cash of USD 106m in addition to available drawing facilities of USD 33m).
- Investment and delivery of two ultramax dry bulk carriers after quarter end of a total of USD 42m. The transaction is expected to be financed by a USD 33m bank facility.



- Strong focus on the redeployment of the FPSO Dhirubhai-1
- Continues to see attractive investment opportunities across several segments
- Based on the opportunity for a long-term contract on the FPSO, Ocean Yield intends to continue its policy of paying attractive quarterly dividends to its shareholders







## INVESTOR RELATIONS

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