



**James Fisher and Sons plc**

*The UK's leading Marine Service Company*



# Results for the six months ended 30 June 2017

30 August 2017

# Highlights

	H1 2017	H1 2016	change
revenue (£m)	235.8	209.3	+13%
<b>underlying operating profit* (£m)</b>	<b>21.3</b>	19.9	<b>+7%</b>
underlying profit before tax* (£m)	18.6	17.5	+6%
<b>underlying diluted eps* (p)</b>	<b>30.1</b>	29.4	<b>+2%</b>
interim dividend per share (p)	9.40	8.55	+10%

- Revenue up 13% at £235.8m (2016: £209.3m)
- Underlying profit before tax 7% higher at £21.3m (2016: £19.9m)
- Strong profit growth in Specialist Technical
- Underlying diluted earnings per share up 2% to 30.1p (2016: 29.4p) per share
- Interim dividend raised by 10% to 9.4p per share

\* before separately disclosed items

## Results by division

Revenue	H1 2017	H1 2016	Change	Change at constant currency
<b>Group</b>	<b>235.8</b>	209.3	+13%	+8%
Marine Support	105.6	92.4	+14%	+9%
Specialist Technical	75.7	62.9	+20%	+19%
Offshore Oil	27.1	27.0	-	(7)%
Tankships	27.4	27.0	+1%	(2)%

## Underlying operating profit\*

<b>Group</b>	<b>21.3</b>	19.9	+7%	+4%
Marine Support	9.1	9.3	(2)%	(6)%
Specialist Technical	8.5	6.1	+39%	+38%
Offshore Oil	1.1	2.1	(47)%	(52)%
Tankships	3.9	3.8	+3%	+1%
Common costs	(1.3)	(1.4)		

\* before separately disclosed items

# Income statement

	H1 2017 £m	H1 2016 £m	Change
revenue	235.8	209.3	+13%
underlying operating profit*	21.3	19.9	+7%
interest	(2.7)	(2.4)	+12%
underlying profit before tax*	18.6	17.5	+6%
taxation	(3.2)	(2.7)	+18%
underlying profit after tax*	15.4	14.8	+5%
separately disclosed items	(0.8)	-	
statutory profit after tax	14.6	14.8	
underlying diluted earnings per share *	30.1p	29.4p	+2%

Effective rate of 17.2% (2016: 15.4%)

- greater proportion of profits in higher tax jurisdictions
- tanker profits reduces effective rate by 2.3 percentage points

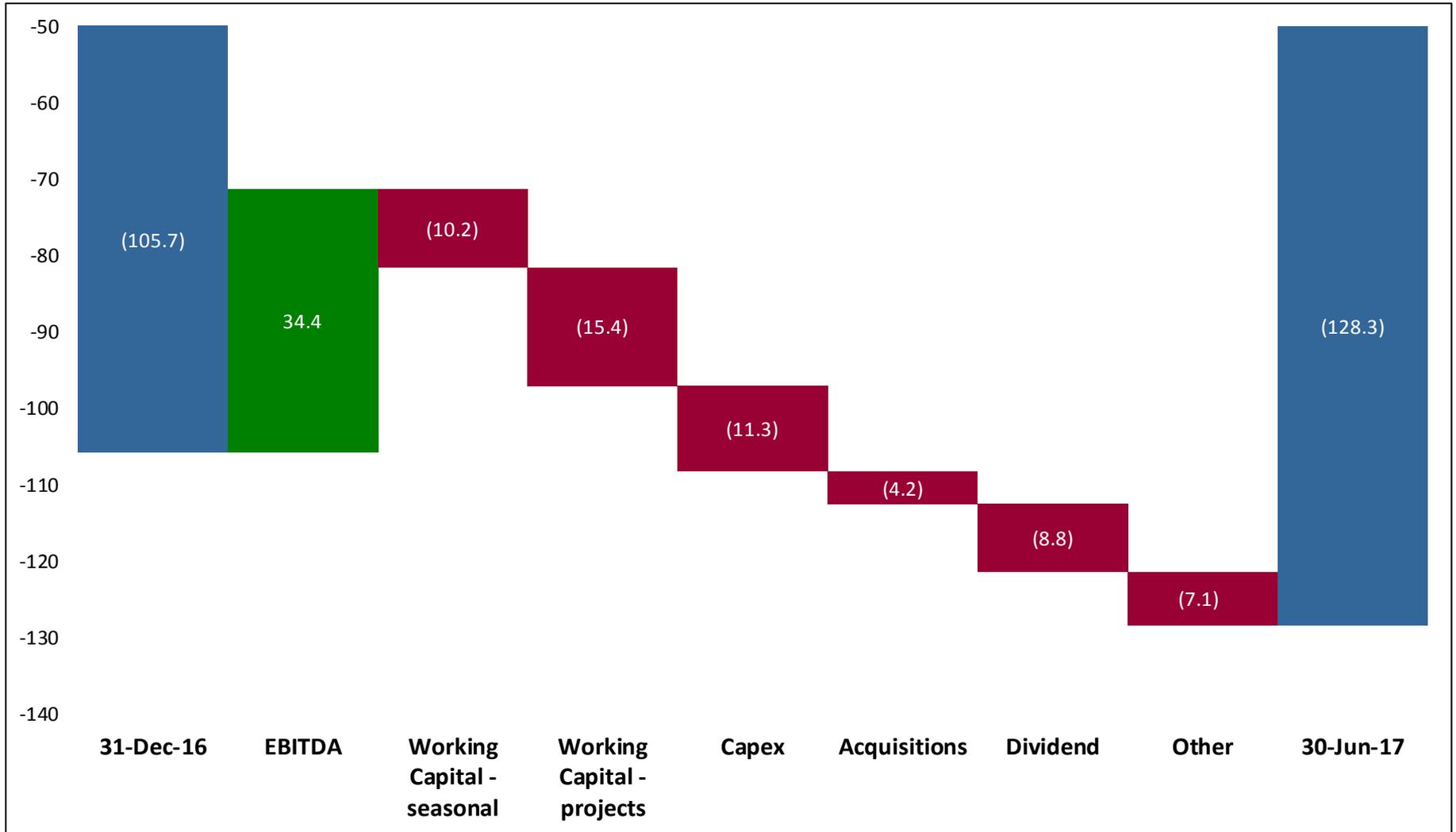
	2017	2016
Amortisation of acquired intangibles	(1.0)	(0.6)
Contingent consideration	-	0.5
Tax	0.2	0.1
	(0.8)	-

- Higher tax rate and increased minority interest charge

\* before separately disclosed items



# Cash flow



# Balance sheet

	30.06.17 £m	31.12.16 £m	30.06.16 £m
intangible assets	185.6	180.5	163.8
property, plant and equipment	128.5	131.0	128.2
investments	8.1	7.8	7.5
working capital	112.8	86.3	75.3
contingent consideration	(9.9)	(9.2)	(9.2)
tax	(7.0)	(5.6)	(3.1)
pensions	(25.4)	(26.8)	(26.4)
capital employed	392.7	364.0	336.1
net debt	(128.3)	(105.7)	(105.5)
equity	264.4	258.3	230.6
net debt: equity	49%	41%	46%

← Acquisition of Rotos 360

	£m
30.06.16	75.3
India DSRV	13.4
Acquisitions	6.9
Specialist Technical projects	8.2
Marine service projects	6.3
Johan Sverdrup (Norway)	2.7
30.06.17	112.8

➤ Further £15m-£18m working capital on India DSRV in H2

# Committed bank facilities at 30 June 2017

Unsecured revolving credit facilities	drawn £m	available £m	Expiry
<b>Barclays</b> £40m (5yr)	36.1	3.9	2020
<b>DBS</b> £30m (4+1)	30.0	-	2019
<b>HSBC</b> £40m (3.5)	28.8	11.2	2019
<b>Lloyds TSB</b> £30m (3+1+1)	11.1	18.9	2020
<b>Handelsbanken</b> £25m (5)	25.0	-	2020
<b>Santander</b> £10m (3+1+1)	10.0	-	2019
	<b>141.0</b>	<b>34.0</b>	

Covenants		30.06.17	30.06.16
Net debt* : EBITDA	< 3.5	2.2	1.8
Interest cover	> 3.0	13.3	14.4

➤ India contract has increased ND:Ebitda by 0.4

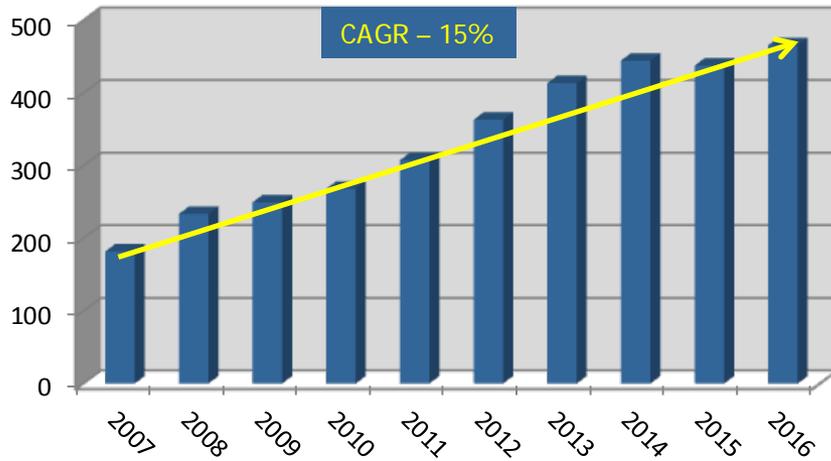
Facilities				
expiring	2017	2018	2019	2020
£m	-	-	80	95

Total facilities at 30 June	£m	175.0
Accordions converted in July/Aug		17.5
Current committed facilities		192.5

\* includes bonds and guarantees of £44.8m (2016: £16.9m) within net debt

# Track record

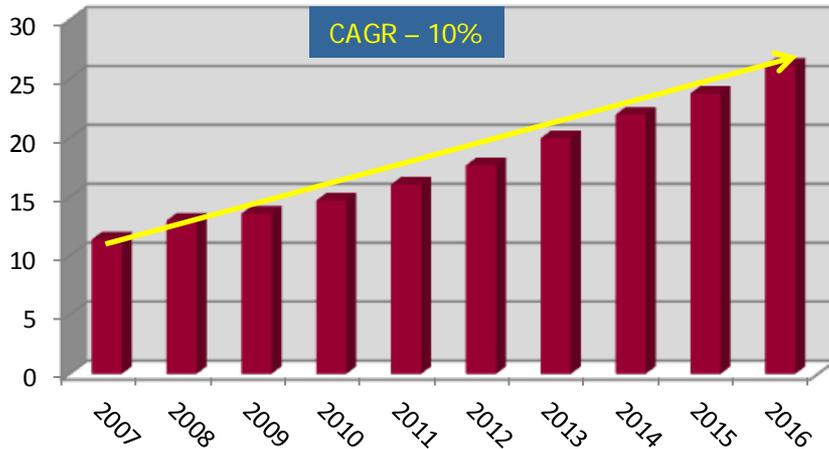
## Revenue



## PBT



## Dividends per share



## Underlying diluted earnings per share



# Clear, consistent strategy



- Entrepreneurially led business with leading market positions in operational niches
- Leverage UK skills to the global Marine Services market
  - ❑ targeting less mature, faster growing markets
- Integration of niche services into wider service offering
- Focus on operational excellence
  - ❑ operating margin >10%
  - ❑ cash generative
  - ❑ ROCE >15%
- Bolt-on acquisitions to broaden service offering

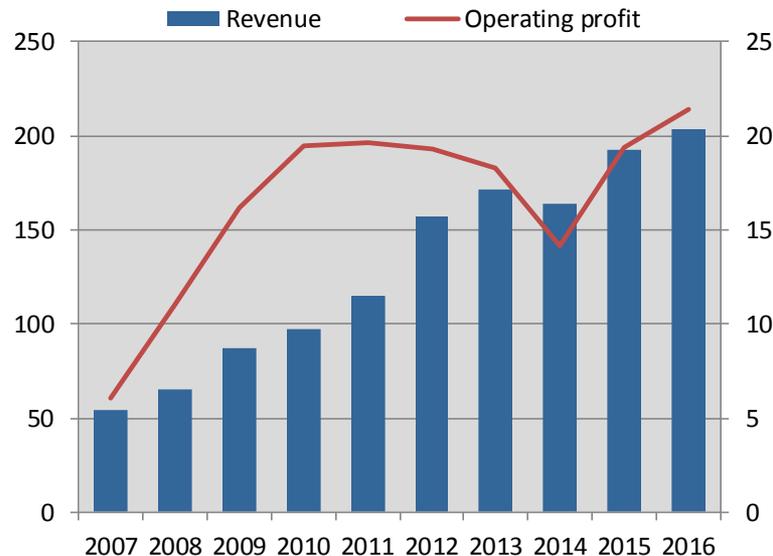
# Our divisions

Marine Support	Specialist Technical	Offshore Oil	Tankships
45% of group revenue	32% of group revenue	11% of group revenue	12% of group revenue
40% of group profit*	38% of group profit*	5% of group profit*	17% of group profit*
998 employees	925 employees	320 employees	325 employees
			

\* underlying operating profit

# Marine Support

	H1 2017	H1 2016	change
revenue (£m)	105.6	92.4	+14%
profit (£m)	9.1	9.3	(2)%
margin (%)	8.6	10.1	-
ROCE (%)	12.0	13.6	-



## Mooring Services

- Ship-to-ship (STS) transfers strong
- STS operations commenced in Brazil; 15% of STS revenue in H1 2017

## Renewables

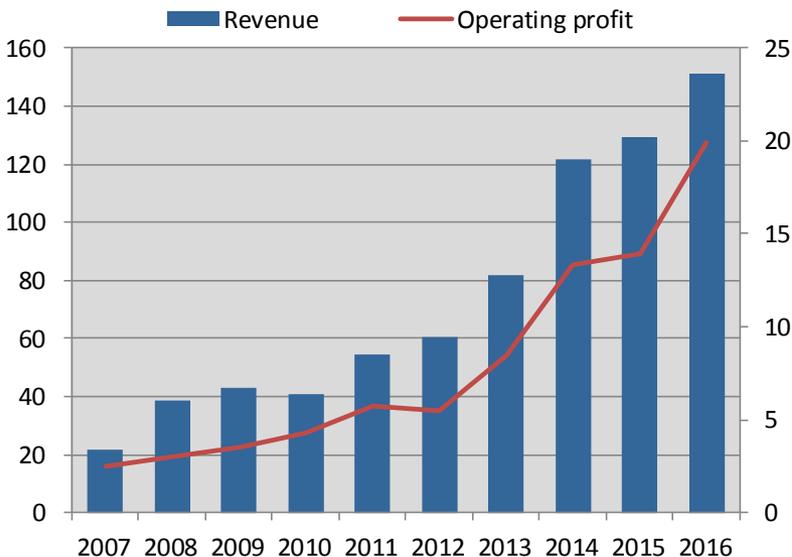
- RWE Galloper project performing to plan
- Subsea and Mass-Flow Excavation strongly H2 weighted
- Progress in roll out of Offshore Wind Management System
- Rotos 360 acquired in March

## Subtech

- Project wins in the Middle East & West Africa

# Specialist Technical

	H1 2017	H1 2016	change
revenue (£m)	75.7	62.9	+20%
profit (£m)	8.5	6.1	+39%
margin (%)	11.2	9.7	-
ROCE (%)	18.8	15.6	-



## JFD

- £83m Indian navy submarine rescue contract on track
- £35m Shanghai Salvage 500m saturation diving system commenced
- Mobile, 12 man, 300m saturation diving system for Shanghai Salvage
- First operational dive of Cobra (Compact Bailout Rebreathing Apparatus) – 45 mins of fully independent breathing gas to a diver in an emergency
- Swimmer delivery vessel tenders at sole source stage – expecting order book > £10m by end Q3

## JFN

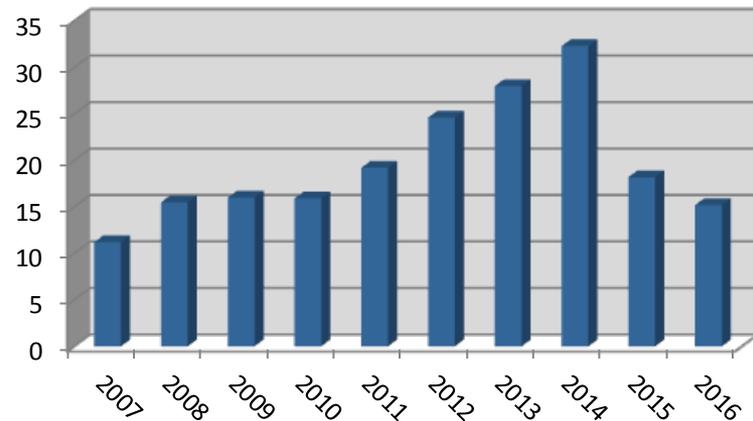
- Winfrith reactor decommissioning project on track
- UK remains challenging with fewer projects flowing to supply chain
- First manipulator order from China for H2

# Offshore Oil

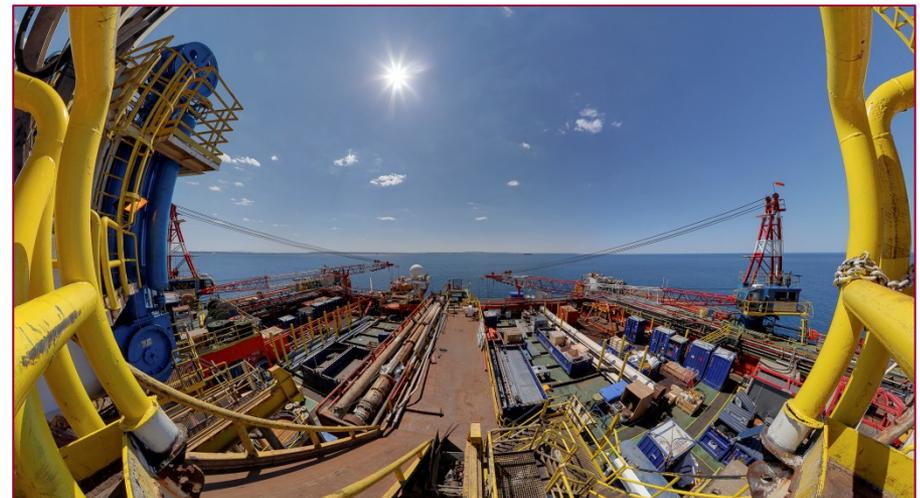
	H1 2017	H1 2016	change
revenue (£m)	27.1	27.0	-
profit (£m)	1.1	2.1	(47)%
margin (%)	4.1	7.8	-
ROCE (%)	1.6	3.3	-

- Challenging first half; customers indicating stronger H2
- Norway – maintenance is up in Q3 on 2016
- Middle East remains active
- Some pricing pressure, but mainly volume related
- Profitable and underlying ebitda of £6.4m (2016: £7.6m)

## Ebitda \*



\* earnings before interest, tax, depreciation and amortisation

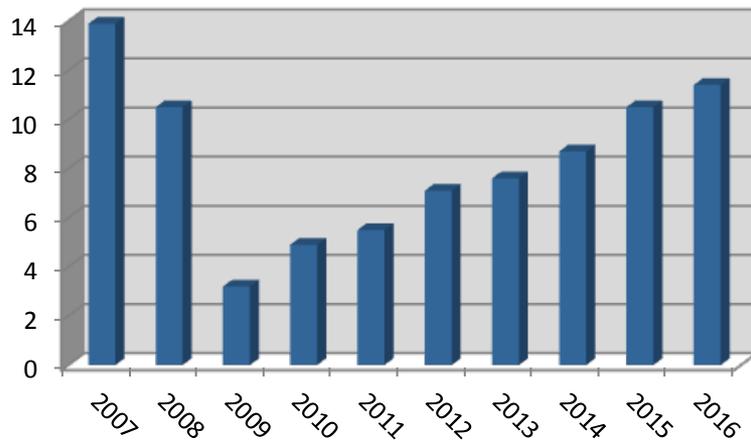


# Tankships

	H1 2017	H1 2016	change
revenue (£m)	27.4	27.0	+1%
profit (£m)	3.9	3.8	+3%
margin (%)	14.2	14.1	-
ROCE (%)	29.2	28.3	-

- Good profit and cash flow
- 1 fewer vessel in H1 2017 (14)
- Some benefit from lower bareboat costs
- Older vessels entering replacement cycle
- Two vessels providing refuelling support to HMS Queen Elizabeth in H2

## Ebitda \*



\* earnings before interest, tax, depreciation and amortisation



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# Outlook

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- Strong order book in Specialist Technical being delivered
- Growing presence in renewable energy
- Offshore Oil profitable and customers indicating stronger H2
- Tankships delivering good profits and cash
- Opportunities for further bolt-on acquisitions, supported by strong balance sheet
- Well placed to provide further growth and value to shareholders

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James Fisher and Sons plc  
Fisher House, PO Box 4, Barrow in Furness, Cumbria, LA14 1HR  
Telephone +44 (0) 1229 615400

# Appendix 1

## Cash flow

	H1 2017 £m	H1 2016 £m
underlying operating profit *	21.3	19.9
depreciation and amortisation	13.1	12.1
underlying ebitda *	34.4	32.0
working capital	(18.9)	(10.1)
working capital – India DSRV	(6.7)	-
Other including defined benefit pension	(2.3)	(1.7)
operating cash flow	6.5	20.2
interest paid & tax	(5.1)	(5.1)
net capital expenditure	(11.3)	(8.6)
businesses acquired	(4.2)	(7.7)
dividends paid to shareholders	(8.8)	(8.0)
other	0.3	(2.4)
net increase in debt	(22.6)	(11.6)
net debt at 1 January	(105.7)	(93.9)
net debt at 30 June	(128.3)	(105.5)

\* before separately disclosed items