Building a Platform for Growth
Hordaland på børs 2017

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CEO TTS GROUP ASA

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Current Market Remains Tough

NEWBUILD ORDERS CONTRACTED BY YEAR

Source: BRL Shipping Consultants, 2017, New Build Market Survey 2nd Quarter 2017
Market Outlook – Light at the End of the Tunnel?

TOTAL CONTRACTING, NUMBER OF SHIPS

Source: Lloyds’s List Intelligence, Shipbuilding Outlook Offshore & Service Vessels
Seven Key Performance Drivers

<table>
<thead>
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<th>Solid position in a large market</th>
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Solid Position in a Large Market

TTS HAS

>$15\%$  
MARKET SHARE IN  
$>15\text{bn}$  
MARINE EQUIPMENT MARKET  

TOTAL MARKET FOR SHIP AND YARD EQUIPMENT  
$\sim\text{NOK}\quad>300\text{bn}$
Unique Position in China

TTS has 20-65% market share in China for selected marine products.

Source: Lloyd’s List Intelligence, Shipbuilding Outlook Offshore & Service Vessels
Established Growth Platform and Large Customer Base
Comprehensive and Diversified Product Portfolio
Well Positioned to Increase Order Value per Ship

TODAYS REVENUE +

GROWTH IN CURRENT PRODUCT PORTFOLIO
FOCUS ON PACKAGE SALES
OFFER NEW PRODUCTS
EXPAND LIFECYCLE SERVICES

= REVENUE POTENTIAL
Large Potential to Expand Service Business

11000
PIECES OF
EQUIPMENT ON

9500
VESSELS
Internal Consolidation Releases Efficiency and Reduce Cost

- Cost savings program (>MNOK 100)
- Flexible utilization of resource pool
- Sourcing synergies
- Reduce Quality cost
- Common systems (IT/ERP)
## Financial Information 1Q 2017

### TTS GROUP **)**

<table>
<thead>
<tr>
<th></th>
<th>MNOK</th>
<th>2017</th>
<th>2016</th>
<th>Full year</th>
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</thead>
<tbody>
<tr>
<td>Turnover</td>
<td>506</td>
<td>766</td>
<td>3 087</td>
<td></td>
</tr>
<tr>
<td>EBITDA **</td>
<td>-20</td>
<td>26</td>
<td>70</td>
<td></td>
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<tr>
<td>Order intake</td>
<td>401</td>
<td>529</td>
<td>2 398</td>
<td></td>
</tr>
<tr>
<td>Order backlog *</td>
<td>2 609</td>
<td>3 615</td>
<td>2 722</td>
<td></td>
</tr>
<tr>
<td>EPS (NOK) Total</td>
<td>-0,46</td>
<td>-0,02</td>
<td>-1,40</td>
<td></td>
</tr>
<tr>
<td>Net interest bearing debt (NIBD)</td>
<td>196</td>
<td>173</td>
<td>294</td>
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</tr>
</tbody>
</table>

- 2Q numbers will be announced on Monday August 28th
- 1Q is traditionally slow for TTS, e.g. Chinese New Year slow down activity levels
- Revenues were hit by low activity related to the car carriers and offshore markets
- The quarter also impacted by write downs related to capacity adjustments in Germany

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* Order backlog includes 50% of backlog from equity consolidated investments in China
** 2017 EBITDA includes a negative restructuring cost in BUMPG of MNOK 30.*
*** 2016 EBITDA includes a negative inventory impairment in BUMPG of MNOK 20, and a negative impairment in BUCBT of MNOK 43.*
**** TTS Liftec OY, a former part of BUSYS, was sold in Q1/2017. Profit from the transaction is calculated to MNOK 12,7 and classified as a finance transaction. Based on overall immaterial effect on the comparable figures, TTS Liftec is retained in the 2016 figures.