



(Company Registration No: 200305693E)

## MEDIA RELEASE

### FULL YEAR 2014 NET PROFIT AFTER TAX AT \$26.2 MILLION

**Singapore, February 24, 2015:** Dyna-Mac reported a net profit after tax of \$26.2 million for the financial year ended 31 December 2014.

Group revenue grew 18.3% from \$269.4 million in 2013 to \$318.6 million in 2014. The higher revenue contribution was attributable to more projects being carried in the Group's yards in Singapore and overseas.

For FY2014, gross profit grew 9.1% to \$71.9 million or \$6.0 million higher as compared with \$65.9 million for the same period in 2013. The increase was due to higher volume of work in the yards in Singapore and overseas. Profit before tax in 2014 at \$29.5 million was 17.1% lower as compared with \$35.6 million in 2013.

EBITDA (earnings before interest, tax and depreciation) at \$46.0 million was 4.3% higher while operating profit at \$31.3 million was 12.8% lower. Earnings per share was 2.42 cents as compared with 2.80 cents in 2013.

### Financial Highlights

Description (\$m)	Year		% Change	FY		% Change
	4Q 2014	4Q 2013		2014	2013	
Revenue	62.9	65.9	( 4.6)	318.6	269.4	18.3
Gross Profit	19.7	17.5	13.0	71.9	65.9	9.1
EBITDA	10.6	13.5	(21.5)	46.0	44.1	4.3
Operating Profit	4.8	11.3	(57.5)	31.3	35.9	(12.8)
Pre-tax Profit	4.1	11.2	(63.2)	29.5	35.6	(17.1)
Net Profit	3.8	10.5	(63.7)	26.2	30.7	(14.4)
EPS, basic (cents)	0.39	0.89	(56.2)	2.42	2.80	(13.6)
NAV (cents)	19.58	19.01	3.0	15.74	14.23	10.6

## **FOURTH QUARTER PERFORMANCE**

For the 4Q 2014, Group net profit after tax at \$3.8 million was 63.7% lower as compared with \$10.5 million recorded in the same quarter in 2013. The lower net profit was attributable mainly to the recognition of unrealised fair value adjustment on hedging instruments due to mark-to-market adjustments of foreign currency forward contracts (the weakening of Singapore Dollar against US Dollar) of \$3.8 million and the accelerated depreciation of \$2.7 million for early termination of the lease of one of our yards in China.

Group revenue at \$62.9 million in 4Q 2014 was 4.6% lower as compared to \$65.9 million for the same period in 2013.

Gross profit increased 13.0% from \$17.5 million in 4Q 2013 to \$19.7 million in 4Q 2014 while operating profit at \$4.8 million in 4Q 2014 was \$6.5 million or 57.5% lower as compared with \$11.3 million in 2013.

Pre-tax profit at \$4.1 million was 63.2% lower as compared with \$11.2 million in 2013.

EBITDA at \$10.6 million was 21.5% lower and earnings per share at 0.39 cents was 56.2% lower. Return on equity was 13% with Economic Value Added at \$19.5 million.

## **DIVIDEND**

The Board of Directors are pleased to recommend a first and final one-tier tax-exempt cash dividend of 1.5 cents per share for the financial year ended 31 December 2014. This translates to a payout ratio of 62%.

The payment and book closure dates will be announced later.

## **OUTLOOK**

The Group has a net order book of \$353.7 million with completion and deliveries extending into 2016. This includes a total of \$149 million in new orders secured in 2015 to-date, comprising \$89 million for the construction of 10 FPSO topside modules for the Catcher oil fields in the UK sector of the North Sea and \$60 million for 6 units of FPSO topside modules destined for Block 15/06 East Hub field located in deepwater offshore Angola.

Enquiry levels for the Group's core businesses remain healthy despite the Benchmark Brent crude prices having fallen close to 50% since June 2014. Overall, the long-term fundamentals for the offshore and onshore oil and gas industries remain intact.

## **ABOUT DYNA-MAC HOLDINGS**

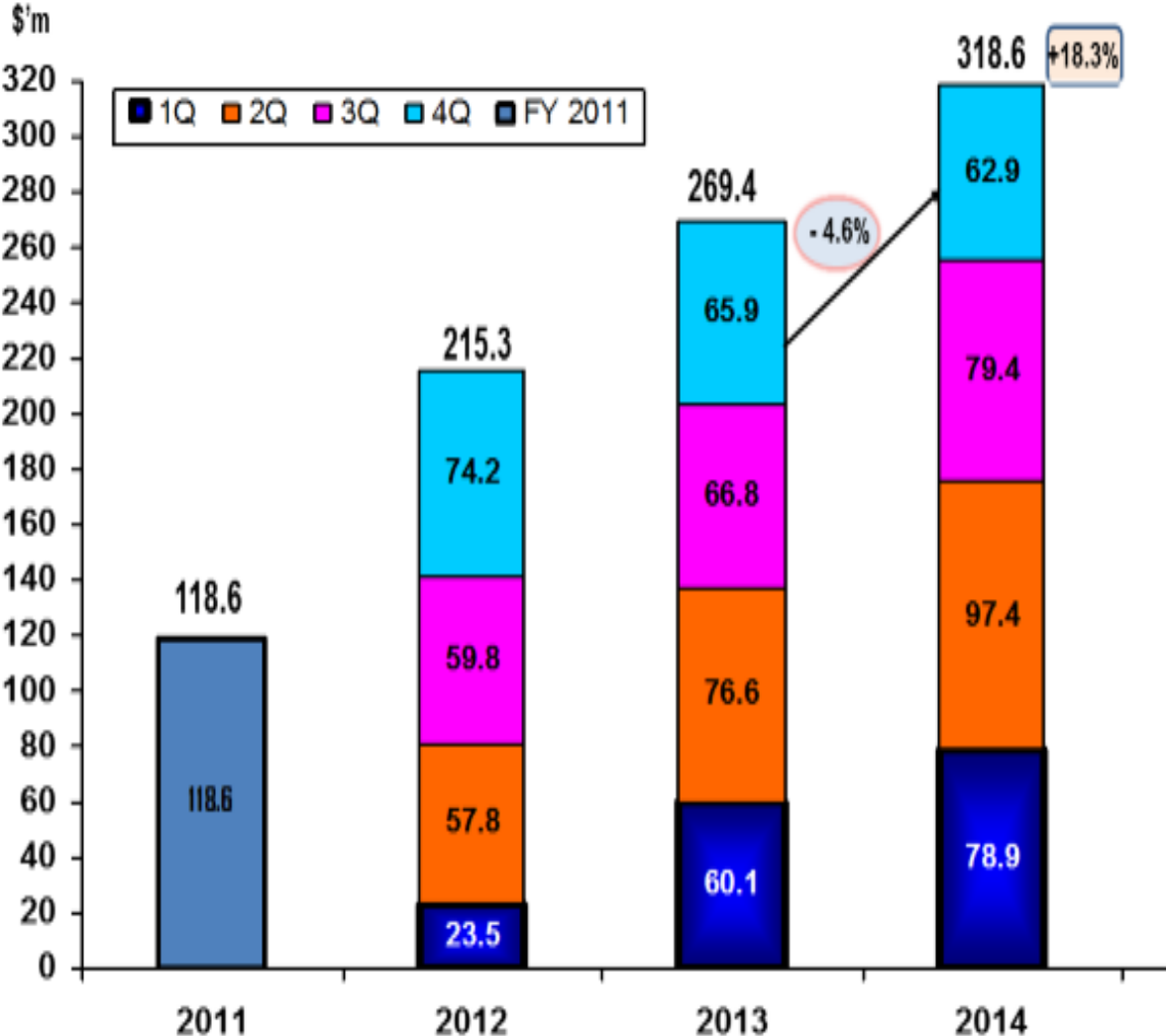
Dyna-Mac is a global leader in the detailed engineering, fabrication and construction of offshore FPSO (floating production storage offloading) and FSO (floating storage offloading) topside modules as well as onshore plants and other sub-sea products for the oil and gas industries. Listed on SGX Mainboard and headquartered in Singapore, Dyna-Mac has yards spanning across Singapore, Malaysia and China.

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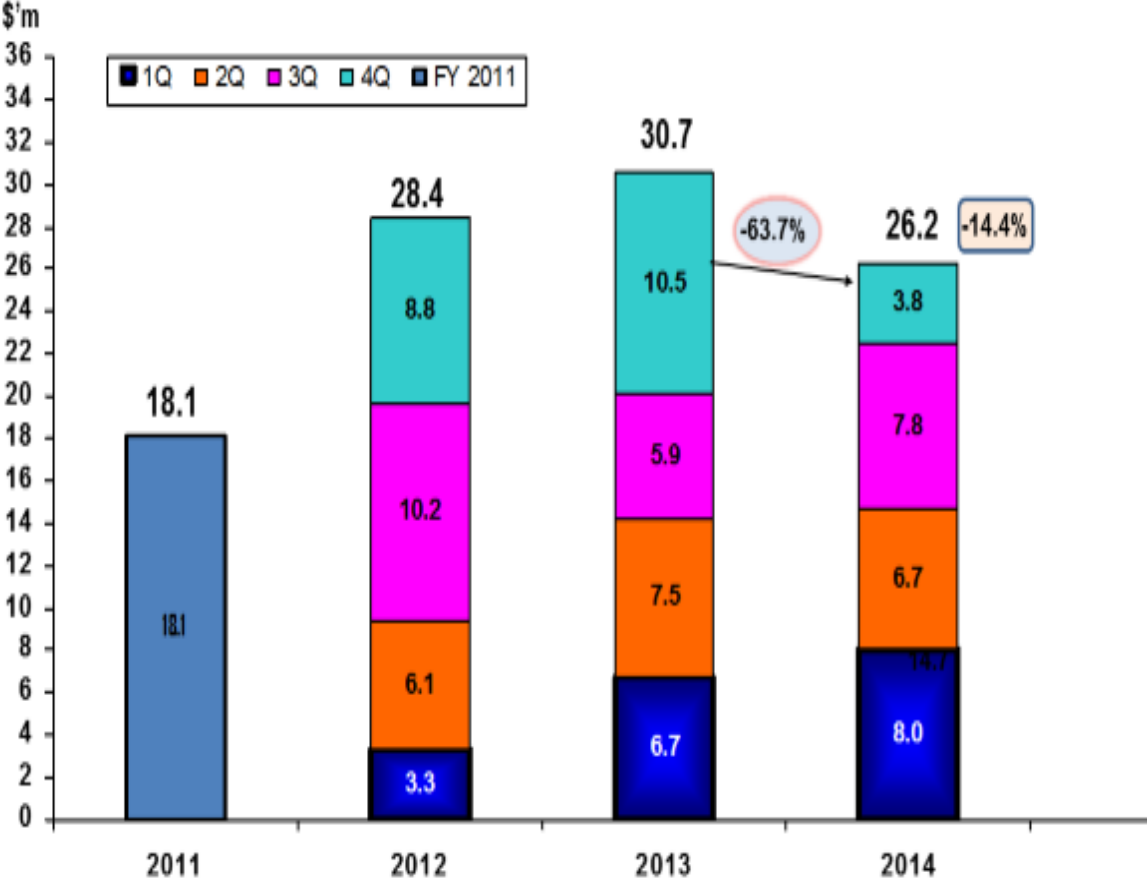
**APPENDIX**

**QUARTERLY REVENUE (2011 TO 2014)**



- Group revenue increased 18.3% from \$269.4 million in 2013 to \$318.6 million in 2014
- On a quarterly basis, 4Q 2014 revenue at \$62.9 million was 4.6% lower as compared with \$65.9 million in 4Q 2013. The lower revenue was due to the timing in recognition of projects undertaken by the yards in Singapore and overseas

**QUARTERLY NET PROFIT (2011 TO 2014)**



- Net profit at \$26.2 million in 2014 was 14.4% lower as compared with \$30.7 million in 2013
- On a quarterly basis, 4Q 2014 net profit at \$3.8 million was 63.7% lower as compared with \$10.5 million recorded in the same period in 2013. The lower net profit was attributable mainly to the recognition of unrealised fair value adjustment on hedging instruments due to mark-to-market adjustments of foreign currency forward contracts (the weakening of Singapore Dollar against the US Dollar) of \$3.8 million and the accelerated depreciation of \$2.7 million for early termination of the lease of one of our yards in China.

## CAPITAL, EVA, GEARING AND ROE

Description (\$'m) \ Year	FY 2014	FY 2013	% change
Shareholders' Funds	196.3	192.5	2.0
Net Cash	(24.7)	25.8	n.m.
ROE (%)	13%	15%	(13.3)
Net Asset Value (cents)	19.58	19.01	3.0
RoTA (%)	17.0%	19.0%	(10.5)
Economic Value Added	19.5	22.5	(15.7)

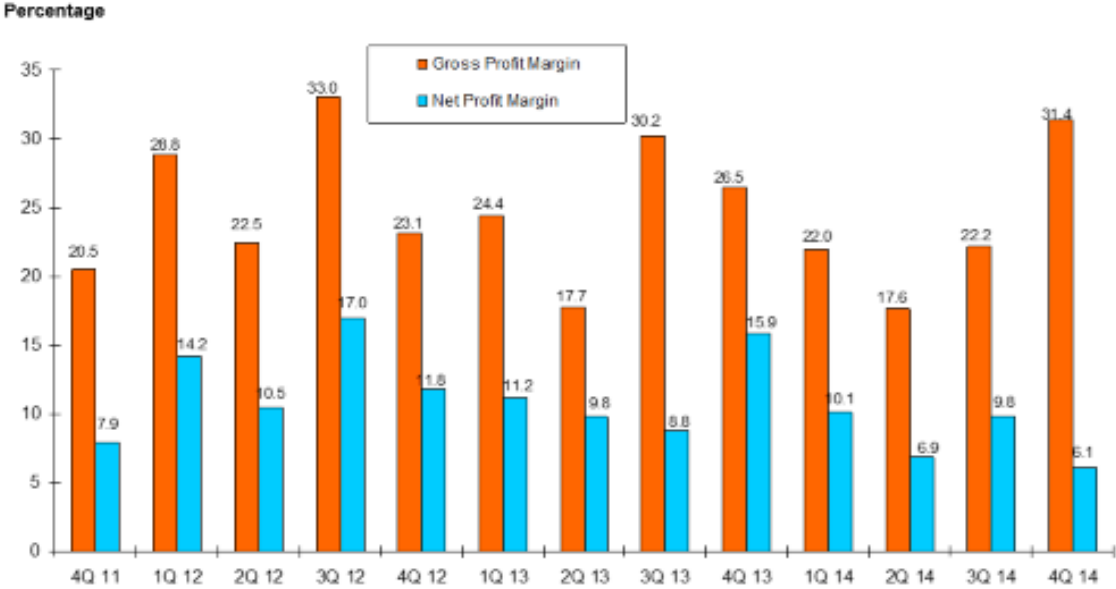
- ROE at 13%
- Economic Value Added (EVA) stood at \$19.5 million as compared with \$22.5 million in 2013

## CASHFLOW

Description (\$'m) \ Year	FY 2014	FY 2013	% change
Cashflow from operations before working capital changes	50.3	44.3	13.5
Net cash (outflow)/inflow from operating activities	(17.1)	11.9	n.m.
Net cash outflow from investing activities	(8.3)	(37.6)	77.9
Net cash inflow from financing activities	10.3	14.0	(26.4)
Cash & cash equivalents	15.9	31.0	(48.7)

- Cash & Cash equivalents stands at \$15.9 million

## QUARTERLY GROSS & NET PROFIT MARGIN



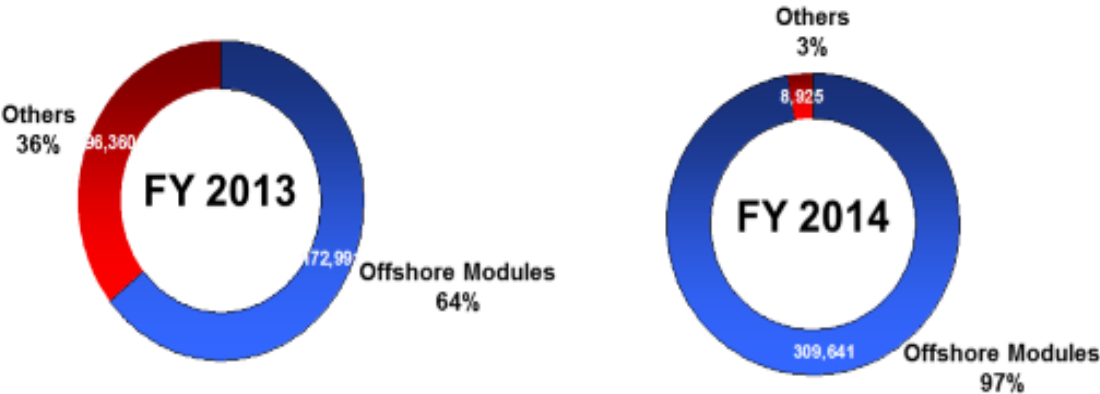
- Quarterly gross & net profit margin dependent on the timing in project recognition and completion
- On a quarterly basis, 4Q 2014 gross profit margin at 31.4% was higher than the 22.2% achieved in 3Q 2014
- The net profit margin at 6.1% in 4Q 2014 was lower than the 9.8% achieved in the previous quarter of 2014
- The lower net profit margin was attributable mainly to the recognition of unrealised fair value adjustment on hedging instruments due to mark-to-market adjustments of foreign currency (Singapore Dollar weakening against US Dollar) forward contracts of \$3.8 million and \$2.7 million in accelerated depreciation for early termination of the lease of one of our yards in China. Excluding these two items, normalised FY2014 profit after tax margin would have been 10.3%

**CAPEX**

Description (\$'m) \ Year	Actual FY 2014	Actual FY 2013
Buildings & Land Enhancement	0.3	12.1
Site Equipment and Tools	2.8	3.5
Others	2.2	2.4
<b>Sub-total</b>	<b>5.3</b>	<b>18.0</b>
Singapore Yard	0.9	1.5
Johor Yard	6.9	6.0
China Yard	4.0	1.5
Philippines Yard	-	0.1
<b>Grand Total</b>	<b>17.1</b>	<b>27.1</b>

- CAPEX as at 2014 was \$17.1 million

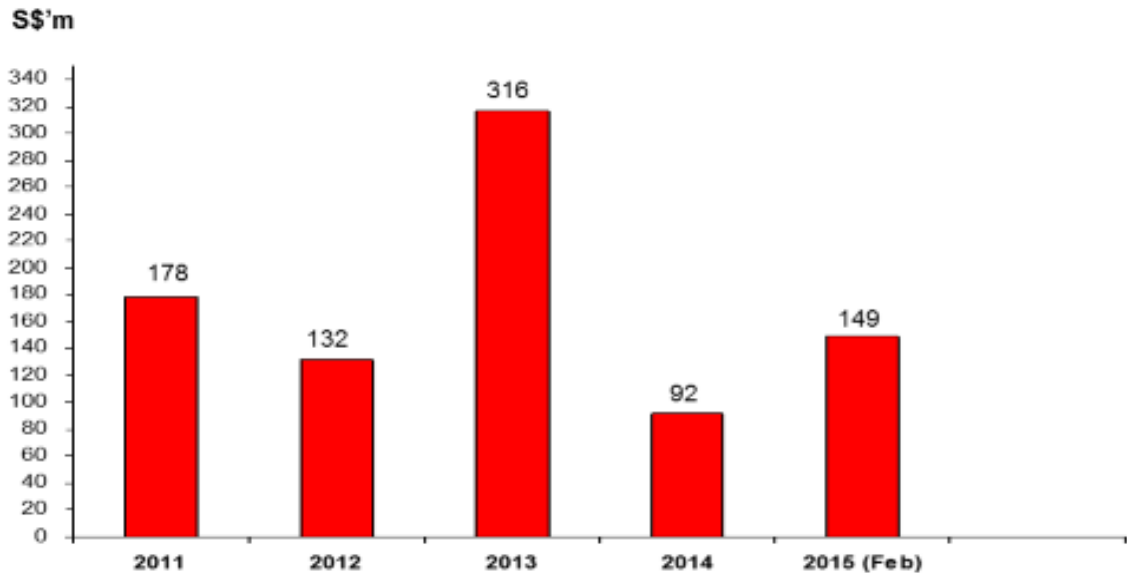
**BREAKDOWN OF BUSINESS SEGMENT**



Segment	FY 2014 (\$'000)	FY 2013 (\$'000)
Offshore Modules	309,641	172,991
Others	8,925	96,360
<b>Total</b>	<b>318,566</b>	<b>269,351</b>

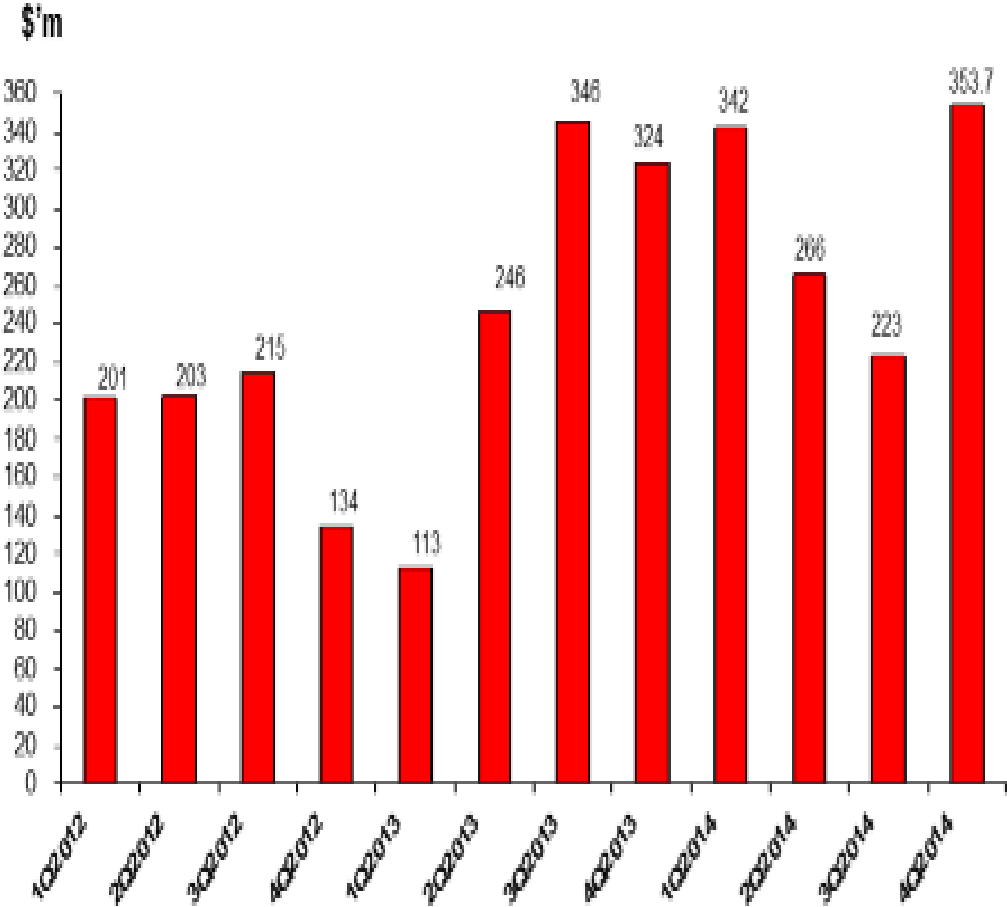


## CONTRACTS SECURED 2011 TO 2015 (to-date)



- Contracts secured in 2014 stand at \$92 million comprised:
  - \$50 million contracts from repeat customers for 8 units of topside modules and 3 units of structural blocks
  - \$42 million from repeat customers for 6 units of topside modules, 6 pipe-racks and 2 units of structural blocks
- As at February 2015 to-date, contracts secured stood at \$149 million comprising:
  - \$89 million for the construction of 10 units of FPSO topsides modules and 1 unit of flare tower for an FPSO destined for the Catcher oil fields in the UK sector of the North Sea and
  - \$60 million for the construction of 6 units of FPSO topsides modules for an FPSO that will be deployed at Block 15/06 East Hub located 350 km northeast of Luanda in deep water offshore Angola
- Enquiry levels for the Group's core businesses remain healthy despite the Benchmark Brent crude prices having fallen close to 50% since June 2014. Overall, the long-term fundamentals for the offshore and onshore oil and gas industries remain intact.

**NET ORDER BOOK**



- Net order book year-to-date stands at \$353.7 million with completion and deliveries extending into 2016
- The Group expects to grow its order book

*This release may contain certain forward-looking statements which are subject to risks and uncertainties that could cause actual results to differ materially from such statements. Such risks and uncertainties include industry and economic conditions, competition, and legal, governmental and regulatory changes. The forward-looking statements reflect the current views of Management on future trends and developments.*