



(Company Registration No: 200305693E)

## PRESS RELEASE

### 3Q 2014 NET PROFIT INCREASED 31.5% TO \$7.8 MILLION, 9M 2014 NET PROFIT GREW 11.3% TO \$22.4 MILLION

**Singapore, November 14, 2014:** Dyna-Mac achieved a 31.5% quarter-on-quarter increase in net profit from \$5.9 million in 3Q 2013 to \$7.8 million for the three months ended September 30, 2014.

Group revenue grew 18.9% from \$66.8 million in 3Q 2013 to \$79.4 million for the corresponding quarter in 2014. The higher revenue contribution was attributable to more projects being carried in the Group's yards in Singapore and overseas.

Gross profit at \$17.7 million in 3Q 2014 was \$2.5 million or 12.5% lower as compared with \$20.2 million for the same period in 2013 due to higher costs recognition from overseas yards. Profit before tax at \$7.8 million was 9.4% higher in 3Q 2014 as compared with \$7.1 million in 3Q 2013.

EBITDA (earnings before interest, tax and depreciation) at \$11.9 million was 26.6% higher quarter-on-quarter while operating profit grew 15.1% to \$8.4 million. Earnings per share increased 42.3% to 0.74 cents.

### Financial Highlights

Description (\$m)	Year		% Change	9M		% Change
	3Q 2014	3Q 2013		2014	2013	
Revenue	79.4	66.8	18.9	255.7	203.5	25.7
Gross Profit	17.7	20.2	(12.5)	52.1	48.4	7.7
EBITDA	11.9	9.4	26.6	35.3	30.6	15.4
Operating Profit	8.4	7.3	15.1	26.5	24.6	7.7
Pre-tax Profit	7.8	7.1	9.4	25.4	24.4	4.1
Net Profit	7.8	5.9	31.5	22.4	20.2	11.3
EPS, basic (cents)	0.74	0.52	42.3	2.03	1.91	6.3
NAV (cents)	19.18	18.00	6.6	19.18	18.00	6.6

## **NINE MONTHS**

For the nine months to September 2014, Group net profit grew 11.3% from \$20.2 million in 9M 2013 to \$22.4 million in 2014.

Group revenue increased 25.7% from \$203.5 million in 9M 2013 to \$255.7 million for the same period in 2014.

Gross profit increased 7.7% from \$48.4 million in 2013 to \$52.1 million in 9M 2014 while operating profit grew 7.7% to \$26.5 million in 9M 2014 as compared with \$24.6 million in 2013.

Pre-tax profit at \$25.4 million was 4.1% higher as compared with \$24.4 million in 2013.

EBITDA at \$35.3 million was 15.4% higher and earnings per share increased 6.3% to 2.03 cents. Annualised return on equity was 14% and Economic Value Added increased by \$1.9 million to \$16.7 million.

## **OUTLOOK**

The Group has a net order book of \$223 million with completion and deliveries extending into 2016. This includes \$92 million in new orders secured this year to-date from repeat customers for offshore FPSO modules and specialised offshore projects.

Enquiry levels for the Group's core businesses of offshore FPSO/FSO modules, specialised offshore products and on-shore plants remain high despite recent drop in oil price. The long-term fundamentals for the offshore & onshore oil and gas industries remain intact.

The Group has secured initial LOIs (Letter of Intent) from repeat customers for the construction of FPSO modules and are currently in the process of working towards finalising these into contracts. An announcement will be made when the contracts are awarded.

### **For media & analysts' enquiries, please contact:**

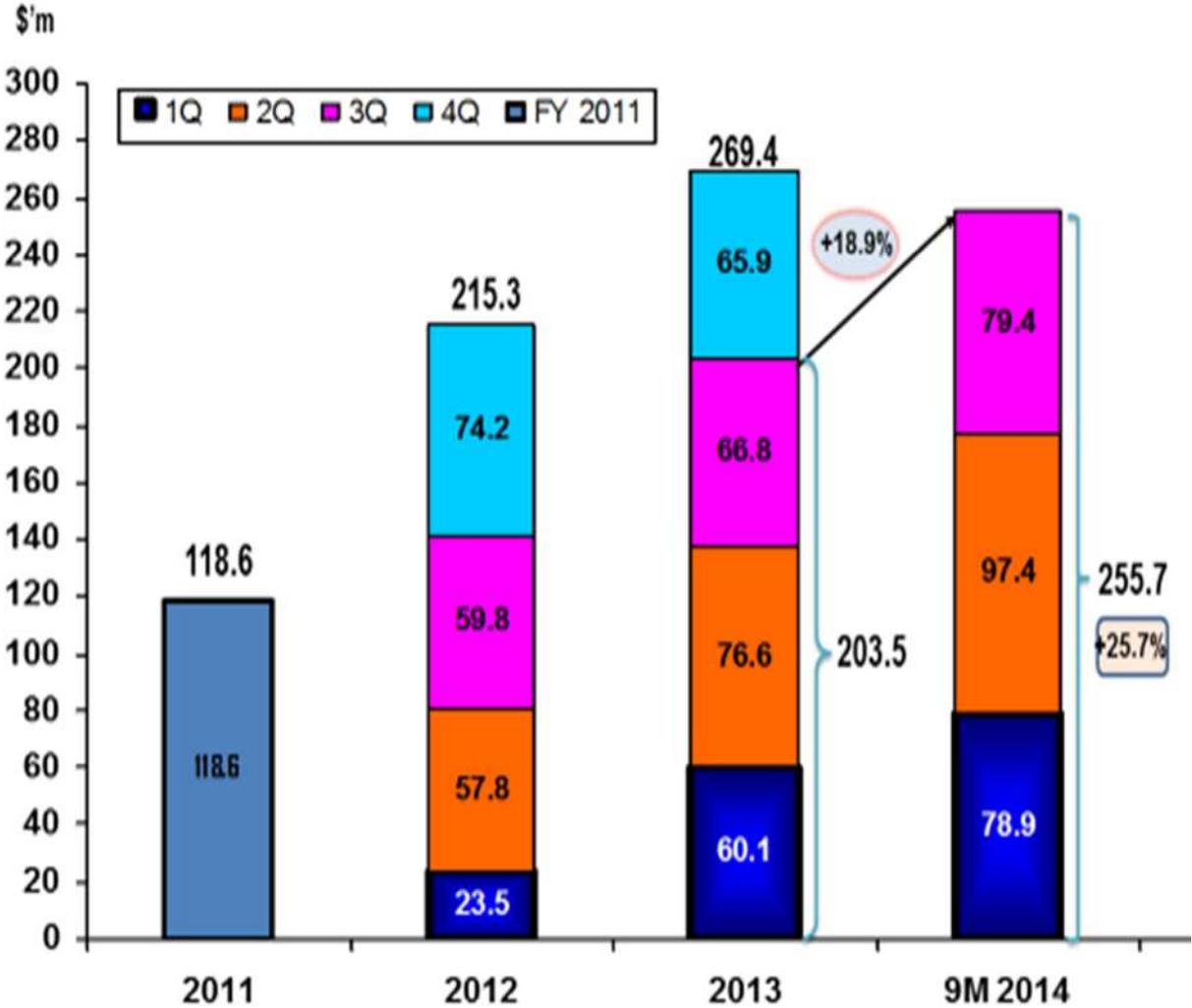
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## **ABOUT DYNA-MAC HOLDINGS**

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.

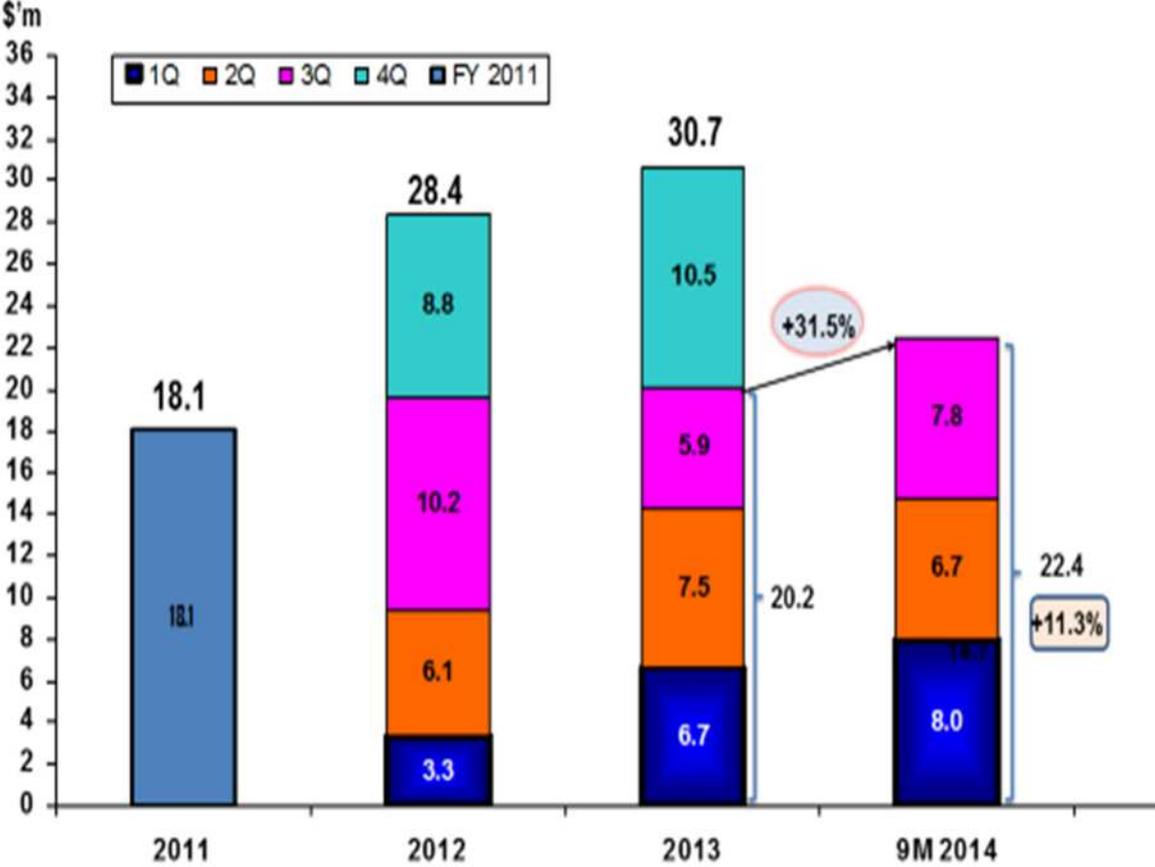
**APPENDIX**

**QUARTERLY REVENUE (2011 TO 9M 2014)**



- Group revenue increased 25.7% from \$203.5 million in 9M 2013 to \$255.7 million in 9M 2014
- On a quarterly basis, 3Q 2014 revenue increased 18.9% from \$66.8 million in 3Q 2013 to \$79.4 million in 2014. The increase in revenue was due to more projects undertaken by the yards in Singapore and overseas

**QUARTERLY NET PROFIT (2011 TO 9M 2014)**



- Net profit grew 11.3% from \$20.2 million in 9M 2013 to \$22.4 million in 9M 2014
- For 3Q 2014, net profit increased 31.5% from \$5.9 million in 2013 to \$7.8 million in 3Q 2014

## CAPITAL, EVA, GEARING AND ROE

Year Description (\$'m)	9M 2014	9M 2013	% change	FY 2013
Shareholders' Funds	192.6	183.4	5.0	192.5
Net Cash	( 8.5)	22.0	n.m.	25.8
ROE - annualised (%)*	14%	14%	-	15%
Net Asset Value (cents)	19.18	18.00	6.6	19.01
RoTA – annualised (%)*	16%	15%	3.9	16%
Economic Value Added	16.7	14.8	12.4	22.5

\* Annualised figures are calculated proportionately

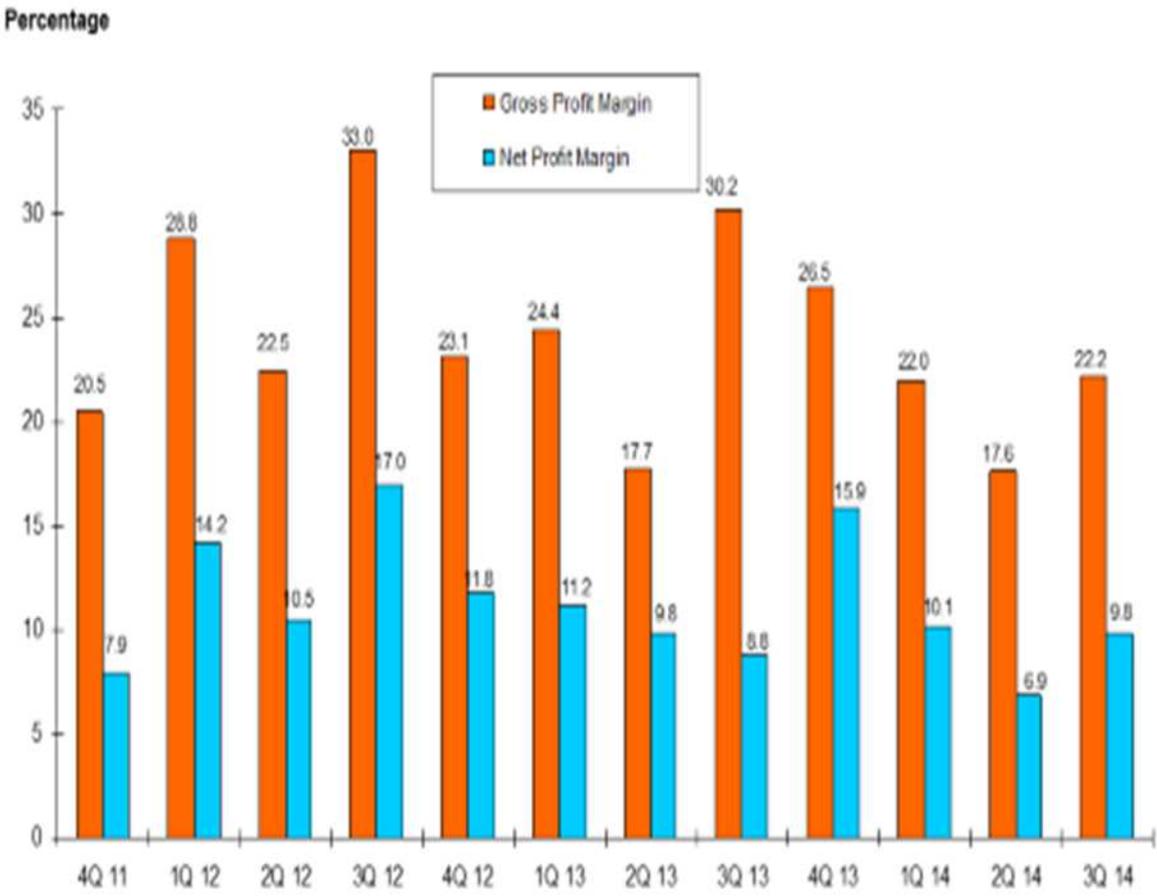
- ROE (annualised) at 14%
- Economic Value Added (EVA) stood at \$16.7 million in 9M 2014 as compared with \$14.8 million in 9M 2013

## CASHFLOW

Year Description (\$'m)	9M 2014	9M 2013	% change
Cashflow from operations before working capital changes	35.9	31.2	15.1
Net cash outflow from operating activities	(7.0)	(1.3)	n.m.
Net cash outflow from investing activities	(1.5)	(27.5)	94.5
Net cash inflow from financing activities	14.1	6.1	131.1
Cash & cash equivalents	62.9	49.7	26.6

- Cash & cash equivalents stands at \$62.9 million

### QUARTERLY GROSS & OPERATING PROFIT MARGIN



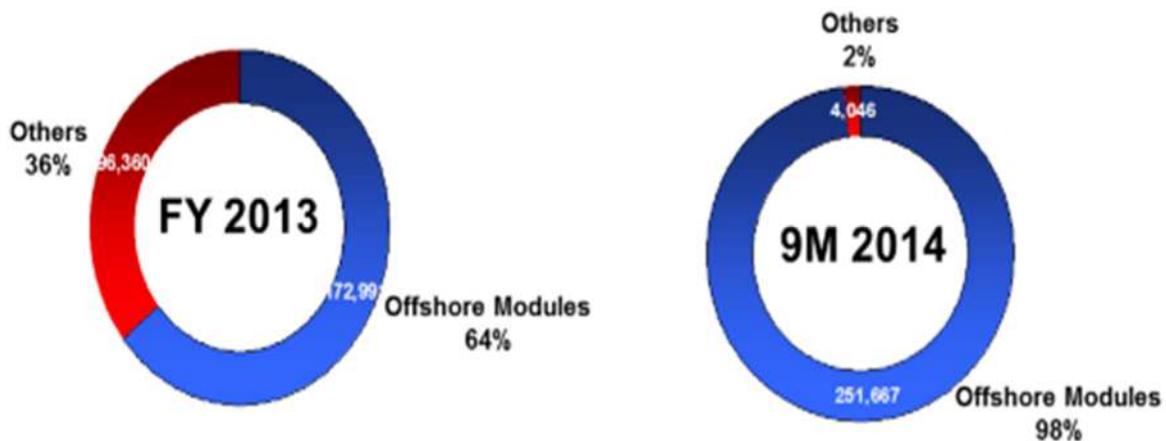
- Quarterly gross & operating profit margin dependent on the timing in project recognition and completion
- On a quarterly basis, 3Q 2014 gross profit margin at 22.2% was higher than 17.6% achieved in 2Q 2014
- Similarly, net profit margin at 9.8% in 3Q 2014 was higher than the 6.9% achieved in 2Q 2014

## CAPEX

Description (\$'m) \ Year	Actual 9M 2014	Actual FY 2013
Buildings & Land Enhancement	0.3	12.1
Site Equipment and Tools	2.9	3.5
Others	1.3	2.4
<b>Sub-total</b>	<b>4.5</b>	<b>18.0</b>
Singapore Yard	0.2	1.5
Johor Yard	5.0	6.0
China Yard	0.4	1.5
Philippines Yard	-	0.1
<b>Grand Total</b>	<b>10.1</b>	<b>27.1</b>

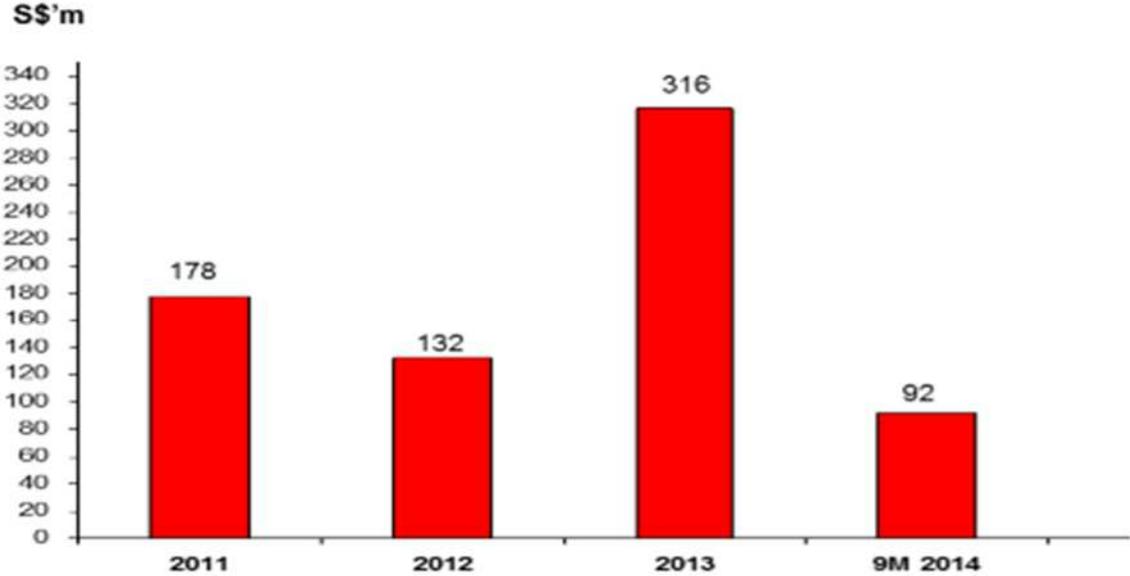
- CAPEX as at 9M 2014 was \$10.1 million

## BREAKDOWN OF BUSINESS SEGMENT



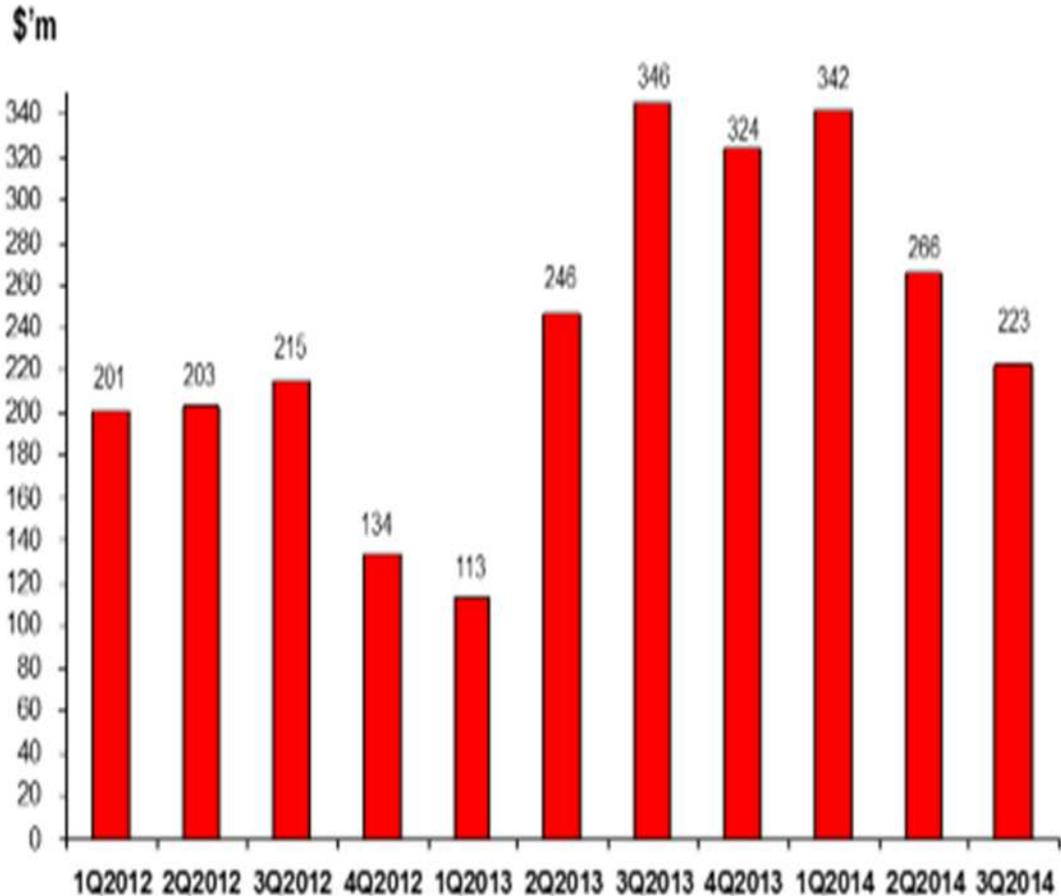
Segment	9M 2014 (\$'000)	FY 2013 (\$'000)
Offshore Modules	251,667	172,991
Others	4,046	96,360
<b>Total</b>	<b>255,713</b>	<b>269,351</b>

**CONTRACTS SECURED 2011 TO 2014 (to-date)**



- Contracts secured to-date stand at \$92 million. These 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
- The Group has secured initial LOIs (Letter of Intent) from repeat customers for the construction of FPSO modules. It is currently in the process of working towards finalising these into contracts. An announcement will be made when the contracts are awarded

**NET ORDER BOOK**



- Net order book year-to-date stands at \$223 million with completion and deliveries extending into 2016
- Given the healthy enquiry levels, 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.*