**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

# Form 8-K

## CURRENT REPORT

**Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): **July 26, 2021**

## HELIX ENERGY SOLUTIONS GROUP, INC.

(Exact name of registrant as specified in its charter)

| **Minnesota** | **001-32936** | **95-3409686** |
|---|---|---|
| (State or other jurisdiction of incorporation) | (Commission File Number) | (IRS. Employer Identification No.) |

| | |
|---|---|
| **3505 West Sam Houston Parkway North**<br>**Suite 400**<br>**Houston, Texas** | **77043** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code **281-618-0400**

**NOT APPLICABLE**
*(Former name, former address and former fiscal year, if changed since last report)*

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock | HLX | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02 Results of Operations and Financial Condition.**

On July 26, 2021, Helix Energy Solutions Group, Inc. ("Helix") issued a press release reporting its financial results for the second quarter 2021. Attached hereto as Exhibit 99.1, and incorporated herein by reference, is the press release.

**Item 7.01 Regulation FD Disclosure.**

On July 26, 2021, Helix issued a press release reporting its financial results for the second quarter 2021. In addition, on July 27, 2021, Helix is making a presentation (with slides) to analysts and investors regarding its financial and operating results. Attached hereto as Exhibits 99.1 and 99.2, respectively, and incorporated herein by reference, are the press release and the slides for the Second Quarter 2021 Conference Call Presentation issued by Helix. The presentation materials are also available on the "For the Investor" page of Helix's website, www.HelixESG.com.

**Item 9.01 Financial Statements and Exhibits.**

(d) *Exhibits.*

| Exhibit Number | Description |
|---|---|
| 99.1 | Press Release of Helix Energy Solutions Group, Inc. dated July 26, 2021 reporting financial results for the second quarter 2021. |
| 99.2 | Second Quarter 2021 Conference Call Presentation. |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document). |

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 26, 2021

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Erik Staffeldt
Erik Staffeldt
Executive Vice President and
Chief Financial Officer

EXHIBIT 99.1

PRESSRELEASE

www.HelixESG.com

Helix Energy Solutions Group, Inc. • 3505 W. Sam Houston Parkway N., Suite 400 • Houston, TX 77043 • 281-618-0400 • fax: 281-618-0505

**For Immediate Release** **21-010**

**Date: July 26, 2021** **Contact: Erik Staffeldt**
**Executive Vice President & CFO**

# Helix Reports Second Quarter 2021 Results

HOUSTON, TX – Helix Energy Solutions Group, Inc. ("Helix") (NYSE: HLX) reported a net loss[1] of $13.7 million, or $(0.09) per diluted share, for the second quarter 2021 compared to net income of $5.5 million, or $0.04 per diluted share, for the second quarter 2020 and a net loss of $2.9 million, or $(0.02) per diluted share, for the first quarter 2021. Helix reported Adjusted EBITDA[2] of $24.8 million for the second quarter 2021 compared to $47.9 million for the second quarter 2020 and $36.2 million for the first quarter 2021.

For the six months ended June 30, 2021, Helix reported a net loss of $16.6 million, or $(0.11) per diluted share, compared to a net loss of $6.5 million, or $(0.06) per diluted share, for the six months ended June 30, 2020. Adjusted EBITDA for the six months ended June 30, 2021 was $61.0 million compared to $67.3 million for the six months ended June 30, 2020. The table below summarizes our results of operations:

**Summary of Results**

**($ in thousands, except per share amounts, unaudited)**

| | Three Months Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | 6/30/2021 | 6/30/2020 | 3/31/2021 | 6/30/2021 | 6/30/2020 |
| Revenues | $ 161,941 | $ 199,147 | $ 163,415 | $ 325,356 | $ 380,168 |
| Gross Profit | $ 3,130 | $ 29,576 | $ 14,624 | $ 17,754 | $ 31,586 |
| | *2 %* | *15 %* | *9 %* | *5 %* | *8 %* |
| Net Income (Loss) [1] | $ (13,709) | $ 5,450 | $ (2,878) | $ (16,587) | $ (6,488) |
| Diluted Earnings (Loss) Per Share | $ (0.09) | $ 0.04 | $ (0.02) | $ (0.11) | $ (0.06) |
| Adjusted EBITDA [2] | $ 24,812 | $ 47,915 | $ 36,168 | $ 60,980 | $ 67,258 |
| Cash and Cash Equivalents [3] | $ 243,911 | $ 178,367 | $ 204,802 | $ 243,911 | $ 178,367 |
| Cash Flows from Operating Activities [4] | $ 52,671 | $ 23,264 | $ 39,869 | $ 92,540 | $ 6,042 |

Owen Kratz, President and Chief Executive Officer of Helix, stated, "Our performance in the second quarter 2021 reflected the seasonal increased activity in the North Sea in both our Well Intervention and Robotics segments as well as continued steady performance by the *Q7000* in Nigeria. Also evident in our performance is the challenged utilization and rates in the Gulf of Mexico as the *Q5000* rolled off its long-term contract and the impact of lower rates on our short-term contract extension on the *Siem Helix 1* in Brazil. Despite these challenges, we nonetheless generated strong cash flows due to improvements in working capital and disciplined capital spending. As expected, 2021 remains a challenging year. The relative strength and stability of oil prices continues to be a positive development that could yield benefits in 2022 and beyond. We remain committed to operational excellence and executing in this challenging market."

[1] Net income (loss) attributable to common shareholders
[2] Adjusted EBITDA is a non-GAAP measure. See reconciliations below
[3] Excludes restricted cash of $71.3 million, $42.1 million and $65.6 million as of 6/30/21, 6/30/20 and 3/31/21, respectively
[4] Cash flows from operating activities during the six months ended 6/30/20 include $18.2 million of regulatory certification costs for our vessels and systems

## Segment Information, Operational and Financial Highlights

**($ in thousands, unaudited)**

| | Three Months Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | 6/30/2021 | 6/30/2020 | 3/31/2021 | 6/30/2021 | 6/30/2020 |
| **Revenues:** | | | | | |
| Well Intervention | $ 132,305 | $ 145,841 | $ 133,768 | $ 266,073 | $ 286,493 |
| Robotics | 31,651 | 50,836 | 22,156 | 53,807 | 86,094 |
| Production Facilities | 14,218 | 13,593 | 16,447 | 30,665 | 29,134 |
| Intercompany Eliminations | (16,233) | (11,123) | (8,956) | (25,189) | (21,553) |
| Total | $ 161,941 | $ 199,147 | $ 163,415 | $ 325,356 | $ 380,168 |
| | | | | | |
| **Income (Loss) from Operations:** | | | | | |
| Well Intervention | $ (6,719) | $ 11,758 | $ 5,243 | $ (1,476) | $ 6,066 |
| Robotics | 255 | 7,781 | (2,934) | (2,679) | 4,957 |
| Production Facilities | 4,682 | 3,365 | 6,514 | 11,196 | 7,008 |
| Goodwill Impairment | — | — | — | — | (6,689) |
| Corporate / Other / Eliminations | (9,159) | (8,710) | (9,378) | (18,537) | (18,175) |
| Total | $ (10,941) | $ 14,194 | $ (555) | $ (11,496) | $ (6,833) |

*Segment Results*

***Well Intervention***

Well Intervention revenues decreased $1.5 million, or 1%, in the second quarter 2021 compared to the previous quarter. The decrease was primarily due to lower utilization and rates in the Gulf of Mexico and lower rates in Brazil during the second quarter 2021, offset in part by seasonally higher utilization in the North Sea and a full quarter of activity on the *Q7000*, which resumed operations in Nigeria January 2021. Our revenues were negatively impacted by the completion of our long-term contract on the *Q5000* in the Gulf of Mexico and our short-term extension at lower rates on the *Siem Helix 1* in Brazil. Overall Well Intervention vessel utilization increased to 72% in the second quarter 2021 from 70% in the previous quarter. Well Intervention incurred a net loss from operations of $6.7 million in the second quarter 2021, a decrease of $12.0 million compared to operating income of $5.2 million in the previous quarter. The decrease was due to higher costs associated with increased activity in the North Sea and West Africa as well as marginally lower revenues during the second quarter.

Well Intervention revenues decreased $13.5 million, or 9%, in the second quarter 2021 compared to the second quarter 2020. The decrease in revenues was primarily due to lower vessel utilization and rates in the Gulf of Mexico and lower rates in Brazil during the second quarter 2021, offset in part by higher utilization on the *Q7000* in Nigeria. Well Intervention vessel utilization was 72% in the second quarter of both 2021 and 2020. Well Intervention incurred a net loss from operations of $6.7 million in the second quarter 2021, a decrease of $18.5 million compared to operating income of $11.8 million in the second quarter 2020. The decrease was due to lower revenues as well as higher costs associated with our increased activity in the North Sea and West Africa, offset in part by cost reduction efforts in the Gulf of Mexico associated with lower utilization during the second quarter 2021.

***Robotics***

Robotics revenues increased $9.5 million, or 43%, in the second quarter 2021 compared to the previous quarter. The increase in revenues was due to the seasonal increase in activity with increased vessel days and ROV and trenching activity during the second quarter. Vessel days during the second quarter 2021 included 61 spot vessel days performing follow-on seabed clearance work compared to three spot vessel days during the first quarter 2021. Chartered vessel utilization increased to 93% in the second quarter 2021, which included 236 total vessel days, compared to 90% in the first quarter 2021, which included 165 total vessel days. ROV, trencher and ROVDrill utilization increased to 36% in the second quarter 2021 from 24% in the previous quarter, and trenching days in the second quarter 2021 increased to 84 days compared to 72 days in the previous quarter. Robotics generated operating income of $0.3 million during the second quarter 2021 compared to an operating loss of $2.9 million during the previous quarter due to higher revenues quarter over quarter.

Robotics revenues decreased $19.2 million, or 38%, in the second quarter 2021 compared to the second quarter 2020. The decrease in revenues year over year was due to fewer vessel days as well as a reduction in trenching activity compared to the second quarter 2020. Vessel days during the second quarter 2021 decreased to 236 compared to 499 during the second quarter 2020, with fewer days working seabed clearance. Vessel days during the second quarter 2020 included 342 spot vessel days primarily attributable to the seabed clearance project in the North Sea and utilization on the *Ross Candies* in the Gulf of Mexico compared to 61 spot vessel days during the second quarter 2021 performing follow-on seabed clearance work. Chartered vessel utilization decreased to 93% during the second quarter 2021 compared to 95% during the second quarter 2020. Total ROV, trencher and ROVDrill utilization was 36% in the second quarter 2021 compared to 34% in the second quarter 2020; however, trenching days in the second quarter 2021 decreased to 84 days compared to 119 days in the second quarter 2020, which included 69 days of trenching operations on third-party vessels offshore Virginia. Robotics income from operations declined $7.5 million in the second quarter 2021 compared to the second quarter 2020 due to lower revenues year over year.

***Production Facilities***

During the second quarter 2021, Production Facilities revenues decreased $2.2 million, or 14%, compared to the previous quarter due to lower oil and gas production revenues, offset in part by higher revenues associated with the Helix Fast Response System (HFRS). Production Facilities revenues increased $0.6 million, or 5%, in the second quarter 2021 due to higher revenues associated with the HFRS, offset in part by lower oil and gas production compared to the second quarter 2020. Helix amended the contract with HWCG for the HFRS effective April 1, 2021.

*Selling, General and Administrative and Other*

***Selling, General and Administrative***

Selling, general and administrative expenses were $13.4 million, or 8.3% of revenue, in the second quarter 2021 compared to $15.2 million, or 9.3% of revenue, in the previous quarter. The decrease was primarily due to lower employee compensation costs during the second quarter.

***Other Income and Expenses***

Other income, net was $1.0 million in the second quarter 2021 compared to $1.6 million in the previous quarter. Other income, net includes unrealized foreign currency translation gains related to the British pound, which strengthened approximately 1% during both the first and second quarters 2021.

***Cash Flows***

Operating cash flows were $52.7 million in the second quarter 2021 compared to $39.9 million in the previous quarter and $23.3 million in the second quarter 2020. The increase in operating cash flows year over year was due to improvements in working capital, offset in part by lower earnings during the second quarter 2021.

Capital expenditures totaled $5.4 million in the second quarter 2021 compared to $1.3 million in the previous quarter and $5.2 million in the second quarter 2020. Regulatory certification costs for our vessels and systems, which are included in operating cash flows, were $4.4 million in the second quarter 2021 compared to $1.8 million in the previous quarter and $0.4 million in the second quarter 2020.

Free cash flow was $47.2 million in the second quarter 2021 compared to $38.5 million in the previous quarter and $18.6 million in the second quarter 2020. The increase in free cash flow year over year was due primarily to higher operating cash flows in the second quarter 2021. (Free cash flow is a non-GAAP measure. See reconciliation below.)

***Financial Condition and Liquidity***

Cash and cash equivalents were $243.9 million at June 30, 2021 and excluded $71.3 million of restricted cash pledged as collateral on a short-term project-related letter of credit. Available capacity under our revolving credit facility was $172.3 million at June 30, 2021. Consolidated long-term debt decreased to $335.7 million at June 30, 2021 from $336.0 million at March 31, 2021. Consolidated net debt at June 30, 2021 was $20.5 million. Net debt to book capitalization at June 30, 2021 was 1%. (Net debt and net debt to book capitalization are non-GAAP measures. See reconciliations below.)

* * * * *

*Conference Call Information*

Further details are provided in the presentation for Helix's quarterly teleconference to review its second quarter 2021 results (see the "For the Investor" page of Helix's website, www.HelixESG.com). The teleconference, scheduled for Tuesday, July 27, 2021 at 9:00 a.m. Central Time, will be audio webcast live from the "For the Investor" page of Helix's website. Investors and other interested parties wishing to participate in the teleconference may join by dialing 1-800-954-0656 for participants in the United States and 1-212-231-2919 for international participants. The passcode is "Staffeldt." A replay of the webcast will be available on the "For the Investor" page of Helix's website by selecting the "Audio Archives" link beginning approximately two hours after the completion of the event.

*About Helix*

Helix Energy Solutions Group, Inc., headquartered in Houston, Texas, is an international offshore energy services company that provides specialty services to the offshore energy industry, with a focus on well intervention and robotics operations. For more information about Helix, please visit our website at www.HelixESG.com.

*Non-GAAP Financial Measures*

Management evaluates performance and financial condition using certain non-GAAP measures, primarily EBITDA, Adjusted EBITDA, net debt, net debt to book capitalization and free cash flow. We define EBITDA as earnings before income taxes, net interest expense, gain or loss on extinguishment of long-term debt, net other income or expense, and depreciation and amortization expense. Non-cash impairment losses on goodwill and other long-lived assets and gains and losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude the gain or loss on disposition of assets and the general provision for current expected credit losses, if any. In addition, we include realized losses from foreign currency exchange contracts not designated as hedging instruments, which are excluded from EBITDA as a component of net other income or expense. Net debt is calculated as total long-term debt less cash and cash equivalents and restricted cash. Net debt to book capitalization is calculated by dividing net debt by the sum of net debt and shareholders' equity. We define free cash flow as cash flows from operating activities less capital expenditures, net of proceeds from sale of assets.

We use EBITDA and free cash flow to monitor and facilitate internal evaluation of the performance of our business operations, to facilitate external comparison of our business results to those of others in our industry, to analyze and evaluate financial and strategic planning decisions regarding future investments and acquisitions, to plan and evaluate operating budgets, and in certain cases, to report our results to the holders of our debt as required by our debt covenants. We believe that our measures of EBITDA and free cash flow provide useful information to the public regarding our operating performance and ability to service debt and fund capital expenditures and may help our investors understand and compare our results to other companies that have different financing, capital and tax structures. Other companies may calculate their measures of EBITDA, Adjusted EBITDA and free cash flow differently from the way we do, which may limit their usefulness as comparative measures. EBITDA, Adjusted EBITDA and free cash flow should not be considered in isolation or as a substitute for, but instead are supplemental to, income from operations, net income, cash flows from operating activities, or other income or cash flow data prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures. See reconciliation of the non-GAAP financial information presented in this press release to the most directly comparable financial information presented in accordance with GAAP.

*Forward-Looking Statements*

This press release contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding the ongoing COVID-19 pandemic and oil price volatility and their respective effects and results, our protocols and plans, our current work continuing, the spot market, our spending and cost reduction plans and our ability to manage changes; our strategy; any statements regarding visibility and future utilization; any projections of financial items; any statements regarding future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding our ability to enter into, renew and/or perform commercial contracts; any statements concerning developments; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause results to differ materially from those in the forward-looking statements, including but not limited to the results and effects of the COVID-19 pandemic and actions by governments, customers, suppliers and partners with respect thereto; market conditions; results from acquired properties; demand for our services; the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities including recent regulatory initiatives by the new U.S. administration; operating hazards and delays, which include delays in delivery, chartering or customer acceptance of assets or terms of their acceptance; our ultimate ability to realize current backlog; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission (“SEC”), including our most recently filed Annual Report on Form 10-K and in our other filings with the SEC, which are available free of charge on the SEC’s website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements, which speak only as of their respective dates, except as required by the securities laws.

*Social Media*

From time to time we provide information about Helix on Twitter (@Helix_ESG), LinkedIn (www.linkedin.com/company/helix-energy-solutions-group),Facebook (www.facebook.com/HelixEnergySolutionsGroup) and Instagram (www.instagram.com/helixenergysolutions).

HELIX ENERGY SOLUTIONS GROUP, INC.

**Comparative Condensed Consolidated Statements of Operations**

| (in thousands, except per share data) | Three Months Ended June 30, 2021 | Three Months Ended June 30, 2020 | Six Months Ended June 30, 2021 | Six Months Ended June 30, 2020 |
|---|---|---|---|---|
| | (unaudited) | | (unaudited) | |
| Net revenues | $ 161,941 | $ 199,147 | $ 325,356 | $ 380,168 |
| Cost of sales | 158,811 | 169,571 | 307,602 | 348,582 |
| Gross profit | 3,130 | 29,576 | 17,754 | 31,586 |
| Goodwill impairment | — | — | — | (6,689) |
| Gain (loss) on disposition of assets, net | (646) | 473 | (646) | 473 |
| Selling, general and administrative expenses | (13,425) | (15,855) | (28,604) | (32,203) |
| Income (loss) from operations | (10,941) | 14,194 | (11,496) | (6,833) |
| Net interest expense | (5,919) | (7,063) | (11,972) | (12,809) |
| Other income (expense), net | 960 | (2,069) | 2,577 | (12,496) |
| Royalty income and other | 249 | 117 | 2,306 | 2,296 |
| Income (loss) before income taxes | (15,651) | 5,179 | (18,585) | (29,842) |
| Income tax benefit | (1,968) | (271) | (1,852) | (21,364) |
| Net income (loss) | (13,683) | 5,450 | (16,733) | (8,478) |
| Net income (loss) attributable to redeemable noncontrolling interests | 26 | — | (146) | (1,990) |
| Net income (loss) attributable to common shareholders | $ (13,709) | $ 5,450 | $ (16,587) | $ (6,488) |
| | | | | |
| Earnings (loss) per share of common stock: | | | | |
| Basic | $ (0.09) | $ 0.04 | $ (0.11) | $ (0.06) |
| Diluted | $ (0.09) | $ 0.04 | $ (0.11) | $ (0.06) |
| | | | | |
| Weighted average common shares outstanding: | | | | |
| Basic | 150,028 | 148,971 | 149,982 | 148,917 |
| Diluted | 150,028 | 149,691 | 149,982 | 148,917 |

## Comparative Condensed Consolidated Balance Sheets

| (in thousands) | June 30, 2021 (unaudited) | Dec. 31, 2020 |
|---|---|---|
| ***ASSETS*** | | |
| Current Assets: | | |
| Cash and equivalents (1) | $ 243,911 | $ 291,320 |
| Restricted cash (1) | 71,282 | — |
| Accounts receivable, net | 125,569 | 132,233 |
| Other current assets | 78,869 | 102,092 |
| Total Current Assets | 519,631 | 525,645 |
| | | |
| Property and equipment, net | 1,735,177 | 1,782,964 |
| Operating lease right-of-use assets | 125,481 | 149,656 |
| Other assets, net | 37,418 | 40,013 |
| Total Assets | $ 2,417,707 | $ 2,498,278 |
| ***LIABILITIES AND SHAREHOLDERS' EQUITY*** | | |
| Current Liabilities: | | |
| Accounts payable | $ 70,105 | $ 50,022 |
| Accrued liabilities | 83,618 | 87,035 |
| Current maturities of long-term debt (1) | 70,492 | 90,651 |
| Current operating lease liabilities | 50,769 | 51,599 |
| Total Current Liabilities | 274,984 | 279,307 |
| | | |
| Long-term debt (1) | 265,222 | 258,912 |
| Operating lease liabilities | 76,934 | 101,009 |
| Deferred tax liabilities | 97,906 | 110,821 |
| Other non-current liabilities | 2,601 | 3,878 |
| Redeemable noncontrolling interests | — | 3,855 |
| Shareholders' equity (1) | 1,700,060 | 1,740,496 |
| Total Liabilities and Equity | $ 2,417,707 | $ 2,498,278 |

*(1) Net debt to book capitalization 1% at June 30, 2021. Calculated as net debt (total long-term debt less cash and cash equivalents and restricted cash - $20,521) divided by the sum of net debt and shareholders' equity ($1,720,581).*

**Helix Energy Solutions Group, Inc.**
**Reconciliation of Non-GAAP Measures**

| (in thousands, unaudited) | Three Months Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | 6/30/2021 | 6/30/2020 | 3/31/2021 | 6/30/2021 | 6/30/2020 |
| **Reconciliation from Net Income (Loss) to Adjusted EBITDA:** | | | | | |
| Net income (loss) | $ (13,683) | $ 5,450 | $ (3,050) | $ (16,733) | $ (8,478) |
| Adjustments: | | | | | |
| Income tax provision (benefit) | (1,968) | (271) | 116 | (1,852) | (21,364) |
| Net interest expense | 5,919 | 7,063 | 6,053 | 11,972 | 12,809 |
| Other (income) expense, net | (960) | 2,069 | (1,617) | (2,577) | 12,496 |
| Depreciation and amortization | 34,941 | 33,969 | 34,566 | 69,507 | 65,567 |
| Goodwill impairment | — | — | — | — | 6,689 |
| EBITDA | 24,249 | 48,280 | 36,068 | 60,317 | 67,719 |
| Adjustments: | | | | | |
| (Gain) loss on disposition of assets, net | 646 | (473) | — | 646 | (473) |
| General provision (release) for current expected credit losses | (83) | 108 | 100 | 17 | 694 |
| Realized losses from foreign exchange contracts not designated as hedging instruments | — | — | — | — | (682) |
| Adjusted EBITDA | $ 24,812 | $ 47,915 | $ 36,168 | $ 60,980 | $ 67,258 |
| | | | | | |
| **Free Cash Flow:** | | | | | |
| Cash flows from operating activities | $ 52,671 | $ 23,264 | $ 39,869 | $ 92,540 | $ 6,042 |
| Less: Capital expenditures, net of proceeds from sale of assets | (5,432) | (4,692) | (1,329) | (6,761) | (17,081) |
| Free cash flow | $ 47,239 | $ 18,572 | $ 38,540 | $ 85,779 | $ (11,039) |

July 27, 2021

# Second Quarter 2021 Conference Call

Helix
ENERGY SOLUTIONS

# FORWARD-LOOKING STATEMENTS

This presentation contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding the ongoing COVID-19 pandemic and oil price volatility and their respective effects and results, our protocols and plans, our current work continuing, the spot market, our spending and cost reduction plans and our ability to manage changes; our strategy; any statements regarding visibility and future utilization; any projections of financial items; any statements regarding future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; any statements regarding our ability to enter into, renew and/or perform commercial contracts; any statements concerning developments; any statements regarding future economic conditions or performance; any statements of expectation or belief; and any statements of assumptions underlying any of the foregoing. Forward-looking statements are subject to a number of known and unknown risks, uncertainties and other factors that could cause results to differ materially from those in the forward-looking statements, including but not limited to the results and effects of the COVID-19 pandemic and actions by governments, customers, suppliers and partners with respect thereto; market conditions; results from acquired properties; demand for our services; the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities including recent regulatory initiatives by the new U.S. administration; operating hazards and delays, which include delays in delivery, chartering or customer acceptance of assets or terms of their acceptance; our ultimate ability to realize current backlog; employee management issues; complexities of global political and economic developments; geologic risks; volatility of oil and gas prices and other risks described from time to time in our reports filed with the Securities and Exchange Commission ("SEC"), including our most recently filed Annual Report on Form 10-K and in our other filings with the SEC, which are available free of charge on the SEC's website at www.sec.gov. We assume no obligation and do not intend to update these forward-looking statements, which speak only as of their respective dates, except as required by the securities laws.

**Social Media**

From time to time we provide information about Helix on social media, including:

Twitter: @Helix_ESG
LinkedIn: www.linkedin.com/company/helix-energy-solutions-group
Facebook: www.facebook.com/HelixEnergySolutionsGroup
Instagram: www.instagram.com/helixenergysolutions

## PRESENTATION OUTLINE



# Executive Summary

## EXECUTIVE SUMMARY

| *($ in millions, except per share data, unaudited)* | Three Months Ended | | | Six Months Ended | |
|---|---|---|---|---|---|
| | 6/30/21 | 6/30/20 | 3/31/21 | 6/30/21 | 6/30/20 |
| **Revenues** | $ 162 | $ 199 | $ 163 | $ 325 | $ 380 |
| **Gross profit** | $ 3 | $ 30 | $ 15 | $ 18 | $ 32 |
| | *2%* | *15%* | *9%* | *5%* | *8%* |
| **Net income (loss)**[1] | $ (14) | $ 5 | $ (3) | $ (17) | $ (6) |
| **Diluted earnings (loss) per share** | $ (0.09) | $ 0.04 | $ (0.02) | $ (0.11) | $ (0.06) |
| **Adjusted EBITDA**[2] | | | | | |
| **Business segments** | $ 34 | $ 56 | $ 43 | $ 77 | $ 82 |
| **Corporate, eliminations and other** | (9) | (8) | (7) | (16) | (15) |
| **Adjusted EBITDA**[2] | $ 25 | $ 48 | $ 36 | $ 61 | $ 67 |
| **Cash and cash equivalents**[3] | $ 244 | $ 178 | $ 205 | $ 244 | $ 178 |
| **Cash flows from operating activities**[4] | $ 53 | $ 23 | $ 40 | $ 93 | $ 6 |

[1] Net income (loss) attributable to common shareholders
[2] Adjusted EBITDA is a non-GAAP financial measure; see non-GAAP reconciliations on slide 27
[3] Excludes restricted cash of $71 million as of 6/30/21, $42 million as of 6/30/20 and $66 million as of 3/31/21
[4] Cash flows from operating activities during the six months ended 6/30/20 include $18 million of regulatory certification costs for our vessels and systems

## EXECUTIVE SUMMARY – HIGHLIGHTS

### Q2 2021

- Net loss[1] of $(14) million, $(0.09) per diluted share
- Adjusted EBITDA[2] of $25 million
- Operating cash flows of $53 million
- Free Cash Flow[2] of $47 million

### Q2 2021 Operations

- Reactivated *Seawell* after 12 months in warm stack
- Steady utilization and performance on *Q7000* in West Africa campaign
- Recommenced Robotics follow-on wind farm site clearance operations
- Continued seasonal trenching in North Sea
- Recompletion of Droshky well, production in Q3

### Q2 2021 Year to Date

- Net loss[1] of $(17) million, $(0.11) per diluted share
- Adjusted EBITDA[2] of $61 million
- Operating cash flows of $93 million
- Free Cash Flow[2] of $86 million

[1] Net loss attributable to common shareholders
[2] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures; see non-GAAP reconciliations on slide 27

## Well Intervention

- Well intervention vessel fleet utilization 72%
  - 58% in the GOM
  - 63% in the North Sea and West Africa
  - 100% in Brazil
- 15K IRS and 10K IRS idle during quarter

## Robotics

- Robotics chartered vessels utilization 93%
  - 236 total vessel days (61 spot days)
  - 84 days trenching utilization on renewables projects
- ROVs, trenchers and ROVDrill utilization of 36%

## Production Facilities

- *Helix Producer 1* operated at full rates during quarter
- HWCG retainer reinstated
- Recompletion of Droshky well during quarter

## Q2 2021

- Cash and cash equivalents of $244 million
  - Excludes $71 million of restricted cash pledged as collateral for a short-term project-related letter of credit expected to be released upon completion of project
- Liquidity[1] of $416 million
- Long-term debt[2] of $336 million
- Net debt[3] of $21 million

[1] Liquidity at 6/30/21 is calculated as the sum of cash and cash equivalents and available capacity under our revolving credit facility and excludes restricted cash
[2] Net of unamortized issuance costs
[3] Net debt at 6/30/21 is calculated as long-term debt less cash and cash equivalents and restricted cash

# Operational Highlights

By Segment


Helix
ENERGY SOLUTIONS

## COVID & MARKET EVENTS

- The ongoing COVID-19 pandemic and its impact on the global economy have resulted in volatility and significant disruption in the oil and gas market
- The pandemic negatively affected the global economy and the oil and gas market; while the global economy as well as oil and gas prices have begun to recover, there is a lag in the recovery in the demand and pricing for our services to this sector, which is expected to remain weak in 2021 and possibly beyond
- We have responded by responsibly reducing our cost base, including warm stacking our vessels during idle periods and cutting capital expenditures and targeted SG&A spending
- We continue to take what we believe to be appropriate steps to protect our employees, customers and balance sheet

## BUSINESS SEGMENT RESULTS

| ($ in millions, unaudited) | Three Months Ended | | | | | | Six Months Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 6/30/21 | | 6/30/20 | | 3/31/21 | | 6/30/21 | | 6/30/20 | |
| **Revenues** | | | | | | | | | | |
| Well Intervention | $ 132 | | $ 146 | | $ 134 | | $ 266 | | $ 286 | |
| Robotics | 32 | | 51 | | 22 | | 54 | | 86 | |
| Production Facilities | 14 | | 14 | | 16 | | 31 | | 29 | |
| Intercompany eliminations | (16) | | (11) | | (9) | | (25) | | (21) | |
| Total | $ 162 | | $ 199 | | $ 163 | | $ 325 | | $ 380 | |
| **Gross profit (loss) %** | | | | | | | | | | |
| Well Intervention | $ (3) | -2% | $ 15 | 10% | $ 9 | 7% | $ 6 | 2% | $ 14 | 5% |
| Robotics | 2 | 7% | 11 | 22% | (1) | -4% | 1 | 3% | 11 | 12% |
| Production Facilities | 5 | 36% | 4 | 27% | 7 | 44% | 12 | 40% | 8 | 27% |
| Eliminations and other | (2) | | - | | - | | (2) | | (1) | |
| Total | $ 3 | 2% | $ 30 | 15% | $ 15 | 9% | $ 18 | 5% | $ 32 | 8% |
| **Utilization** | | | | | | | | | | |
| Well Intervention vessels | 72% | | 72% | | 70% | | 82% | | 72% | |
| Robotics vessels | 93% | | 95% | | 90% | | 92% | | 92% | |
| ROVs, trenchers and ROVDrill | 36% | | 34% | | 24% | | 30% | | 34% | |

Amounts may not add due to rounding

## WELL INTERVENTION – GULF OF MEXICO

- ***Q5000*** – 72% utilized in Q2; completed demobilization of long-term contract with BP; performed recompletion work on Droshky well owned by Helix; subsequently performed ROV work scope for one customer and heavy lift work scope for another customer; commenced production enhancement work for another customer

- ***Q4000*** – 45% utilized in Q2; completed construction work for one customer; performed production enhancement work for another customer; commenced mobilization on two-well coiled tubing enhancement work scope for another customer; vessel incurred idle time between projects

- 15K IRS rental unit – idle in Q2

- 10K IRS rental unit – idle in Q2

## WELL INTERVENTION – NORTH SEA AND WEST AFRICA

- ***Well Enhancer*** – 83% utilized in Q2; performed production enhancement work scopes on four wells for one customer; subsequently commenced production enhancement work on one well for another customer
- ***Seawell*** – 10% utilized in Q2 after reactivating from warm stack; performed production enhancement work on three wells for one customer; vessel idle at end of quarter
- ***Q7000*** – 96% utilized in Q2; performed well integrity work scopes on two wells for one customer; subsequently performed production enhancement work on one well for another customer

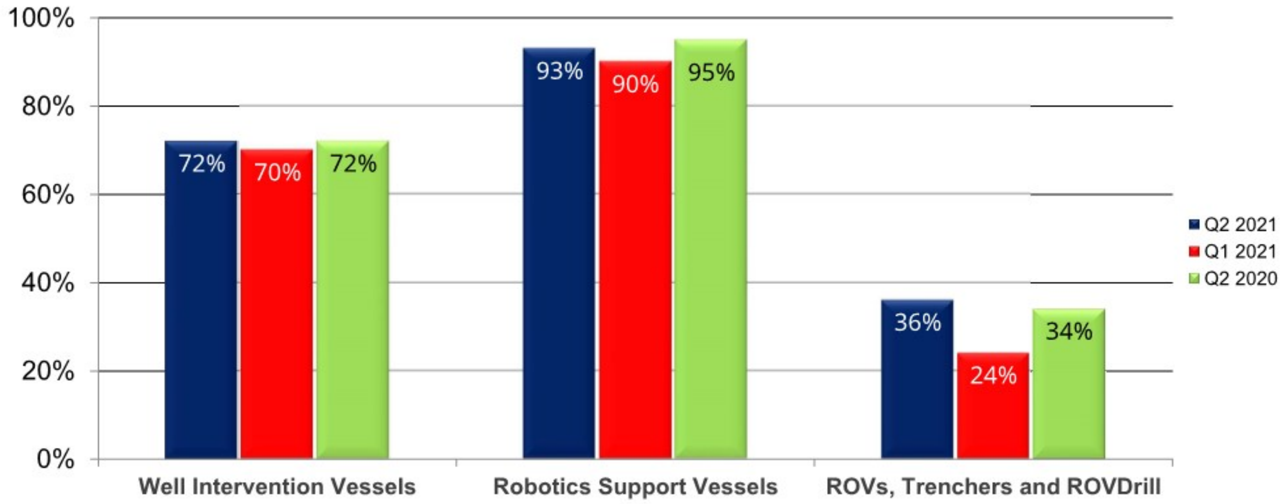
## WELL INTERVENTION – BRAZIL

- ***Siem Helix 1*** – 100% utilized in Q2; performed abandonment scopes on four wells
- ***Siem Helix 2*** – 100% utilized in Q2; performed abandonment scopes on three wells

## ROBOTICS

- ***Grand Canyon II*** (Asia Pacific) – 100% utilized in Q2; performed ROV support work offshore Taiwan
- ***Grand Canyon III*** (North Sea) – 93% utilized in Q2; performed trenching operations for two customers
- **Spot Vessels** – 61 days utilization during Q2; performed follow-on North Sea renewables seabed clearance boulder removal work
- **Trenching** – 84 total days of trenching operations on the *Grand Canyon III*

## VESSEL UTILIZATION




**Well Intervention Vessels**

- *Q5000*
- *Q4000*
- *Seawell*
- *Well Enhancer*
- *Siem Helix 1*[1]
- *Siem Helix 2*[1]
- *Q7000*

**Robotics Support Vessels**

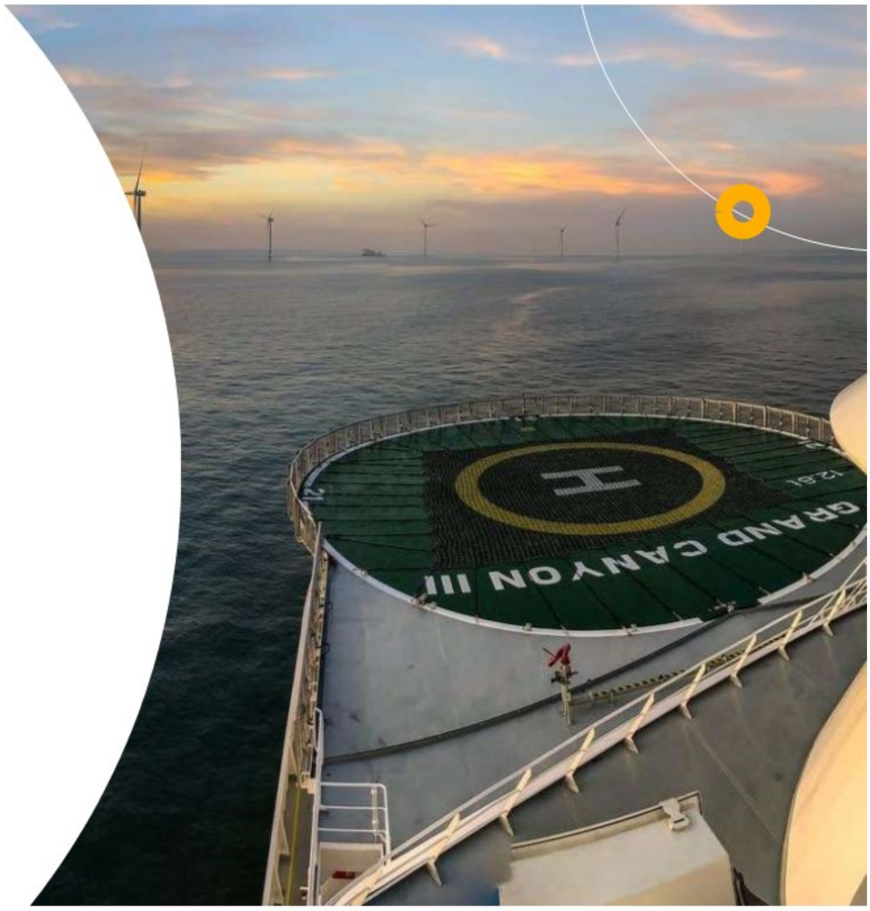
- *Grand Canyon II*[1]
- *Grand Canyon III*[1]
- Spot vessels[1]

**ROVs, Trenchers and ROVDrill**

- 42 ROVs[2]
- 4 Trenchers
- 1 ROVDrill unit

[1] Chartered vessels
[2] Two ROVs retired Q1 2021

# Key Financial Metrics

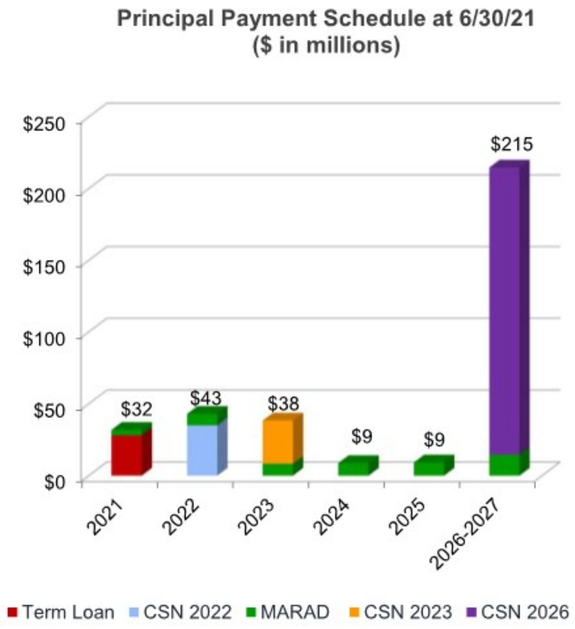



Helix
ENERGY SOLUTIONS

## DEBT INSTRUMENT PROFILE

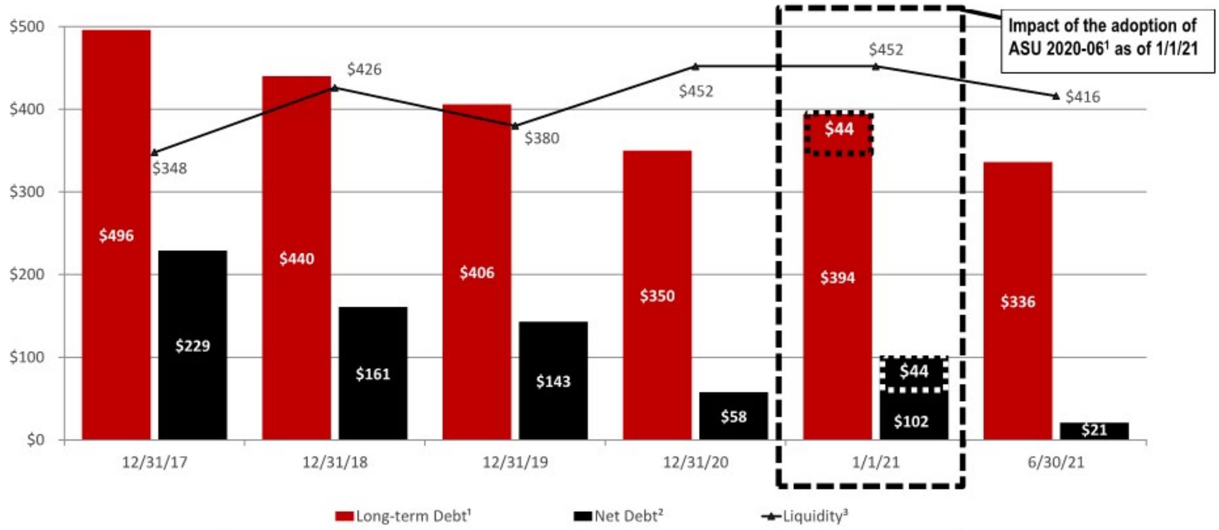
### Total funded debt[1] of $346 million at 6/30/21

- $35 million Convertible Senior Notes due 2022 – 4.25%
- $30 million Convertible Senior Notes due 2023 – 4.125%
- $200 million Convertible Senior Notes due 2026 – 6.75%
- $28 million Term Loan – LIBOR + 3.25%
    - Quarterly amortization payments of approximately $0.9 million with a final balloon payment of $27 million due at maturity in Q4 2021
- $53 million MARAD Debt – 4.93%
    - Semi-annual amortization payments through maturity in Q1 2027




[1] Excludes $10 million of remaining unamortized debt issuance costs

## DEBT & LIQUIDITY PROFILE *($ in millions)*




**Liquidity[3] of approximately $416 million at 6/30/21**

[1] Long-term debt through 12/31/20 was net of unamortized discounts and issuance costs; as of January 1, 2021, with the adoption of ASU 2020-06, the discounts on our convertible senior notes due 2022, 2023 and 2026 were eliminated, increasing the carrying value of long-term debt by $44 million; beginning Q1 2021 long-term debt is net of issuance costs only

[2] Net debt is calculated as long-term debt less cash and cash equivalents and restricted cash

[3] Liquidity is calculated as the sum of cash and cash equivalents plus available capacity under our revolving credit facility and excludes restricted cash; liquidity on December 31, 2019 and June 30, 2021 excluded approximately $54 million and $71 million, respectively, of restricted cash on a short-term project-related letter of credit

# 2021 Outlook

## 2021 OUTLOOK: FORECAST

| ($ in millions) | | 2021 Outlook | | 2020 Actual |
|---|---|---|---|---|
| Revenues | $ | 600 - 670 | $ | 734 |
| Adjusted EBITDA[1] | | 75 - 100 | | 155 |
| Free Cash Flow[1] | | 45 - 90 | | 80 |
| Capital Additions[2] | | 20 - 35 | | 32 |
| **Revenue Split:** | | | | |
| Well Intervention | $ | 455 - 515 | $ | 539 |
| Robotics | | 120 - 130 | | 178 |
| Production Facilities | | 65 - 70 | | 58 |
| Eliminations[3] | | (40) - (45) | | (42) |
| **Total** | **$** | **600 - 670** | **$** | **734** |

1 Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See non-GAAP reconciliations on slide 27

2 2021 Outlook and 2020 Actual include regulatory certification costs for our vessels and systems

3 2021 Outlook includes approximately $6 million of intercompany revenue associated with the recompletion work on one Droshky well

Amounts may not add due to rounding

***The ongoing COVID pandemic and its effect on the offshore oil and gas market, combined with sector uncertainty relating to regulatory changes by the new U.S. administration, suggest a year that will be more challenging than 2020. Our customers' spending levels currently remain low, providing even more challenges in a year in which three of our long-term Well Intervention contracts expire.***

**Key expectations / assumptions for 2021 include the following:**

- Total backlog at June 30, 2021 of approximately $291 million; $153 million expected to be realized during remainder of 2021
- North Sea – prioritizing work and expecting good seasonal utilization on the *Well Enhancer,* balancing customer requirements and scheduling needs; targeted opportunities on the *Seawell* in Q3,
- Gulf of Mexico – prioritizing utilization on the *Q5000,* balancing customer requirements and scheduling needs, with expected gaps in schedule on both vessels
- Brazil – 120-day contract extension on the *Siem Helix 1* with Petrobras into mid-August at reduced rates; *Siem Helix 2* on contract into mid-December
- Robotics – intermittent renewables work with expected fewer site clearance days compared to 2020

## 2021 OUTLOOK – WELL INTERVENTION

- ***Q4000*** (Gulf of Mexico) – vessel has contracted backlog during Q3 with intermittent scheduling gaps and expected utilization into Q4; identified opportunities thereafter on various work scopes
- ***Q5000*** (Gulf of Mexico) – vessel has contracted work through mid-August with identified opportunities thereafter with expected scheduling gaps
- **IRS rental units** (Gulf of Mexico) – 15K IRS opportunities identified in Q4; 10K IRS expected to remain idle
- ***Well Enhancer*** (North Sea) – vessel has contracted backlog through mid-August with opportunities identified into Q4
- ***Seawell*** (North Sea) – vessel idle during July with scheduled backlog beginning August and into September; subsequently available in the spot market with identified opportunities into Q4
- ***Q7000*** (West Africa) – vessel operational in Nigeria with contracted work expected into October; subsequent West Africa opportunities identified
- ***Siem Helix 1*** (Brazil) – under contract with Petrobras through mid-August; regulatory dry dock expected following the end of the contract extension
- ***Siem Helix 2*** (Brazil) – under contract for Petrobras through mid-December

## 2021 OUTLOOK - ROBOTICS

- ***Grand Canyon II*** (Asia Pacific) – vessel expected to perform ROV support work for decommissioning project offshore Thailand through the remainder of 2021
- ***Grand Canyon III*** (North Sea) – vessel expected to continue performing trenching work in the North Sea into December with good utilization expected during the remainder of 2021
- **Renewables site clearance** – site clearance work (boulder removal) on North Sea wind farm utilizing one vessel of opportunity expected to continue into Q4; follow-on site clearance work expected into December
- **Spot vessels** – cable installation project in Guyana beginning August; other spot vessel opportunities including UXO work identified during second half 2021

## 2021 Capital additions are currently forecasted at $20-$35 million, consisting of the following:

- Maintenance Capex – $15-30 million related to regulatory inspection costs of our systems and equipment and other maintenance capital
- Recompletion Capex – $5 million of recompletion costs on one of our Droshky wells
- Capital additions during remainder of 2021 expected to be $10-$25 million

## Balance Sheet

- Our total funded debt[1] level is expected to decrease by $32 million (from $346 million at June 30, 2021 to $314 million at December 31, 2021) as a result of scheduled principal payments
  - Credit Facility expiration and $28 million Term Loan maturity date December 31, 2021
- Tax refund related to the CARES Act of $12 million expected in the next 12 months ($7 million collected during Q1 2021)

[1] Excludes unamortized issuance costs

# Non-GAAP Reconciliations

# NON-GAAP RECONCILIATIONS

| ($ in thousands, unaudited) | Three Months Ended | | | Six Months Ended | | Year Ended |
|---|---|---|---|---|---|---|
| | 6/30/21 | 6/30/20 | 3/31/21 | 6/30/21 | 6/30/20 | 12/31/20 |
| **Adjusted EBITDA:** | | | | | | |
| Net income (loss) | $ (13,683) | $ 5,450 | $ (3,050) | $ (16,733) | $ (8,478) | $ 20,084 |
| Adjustments: | | | | | | |
| Income tax provision (benefit) | (1,968) | (271) | 116 | (1,852) | (21,364) | (18,701) |
| Net interest expense | 5,919 | 7,063 | 6,053 | 11,972 | 12,809 | 28,531 |
| Gain on extinguishment of long-term debt | - | - | - | - | - | (9,239) |
| Other (income) expense, net | (960) | 2,069 | (1,617) | (2,577) | 12,496 | (4,724) |
| Depreciation and amortization | 34,941 | 33,969 | 34,566 | 69,507 | 65,567 | 133,709 |
| Goodwill impairment | - | - | - | - | 6,689 | 6,689 |
| Non-cash gain on equity investment | - | - | - | - | - | (264) |
| EBITDA | $ 24,249 | $ 48,280 | $ 36,068 | $ 60,317 | $ 67,719 | $ 156,085 |
| Adjustments: | | | | | | |
| (Gain) loss on disposition of assets, net | $ 646 | $ (473) | $ - | $ 646 | $ (473) | $ (889) |
| General provision (release) for current expected credit losses | (83) | 108 | 100 | 17 | 694 | 746 |
| Realized losses from FX contracts not designated as hedging instruments | - | - | - | - | (682) | (682) |
| Adjusted EBITDA | $ 24,812 | $ 47,915 | $ 36,168 | $ 60,980 | $ 67,258 | $ 155,260 |
| **Free cash flow:** | | | | | | |
| Cash flows from operating activities | $ 52,671 | $ 23,264 | $ 39,869 | $ 92,540 | $ 6,042 | $ 98,800 |
| Less: Capital expenditures, net of proceeds from sale of assets | (5,432) | (4,692) | (1,329) | (6,761) | (17,081) | (19,281) |
| Free cash flow | $ 47,239 | $ 18,572 | $ 38,540 | $ 85,779 | $ (11,039) | $ 79,519 |

We define EBITDA as earnings before income taxes, net interest expense, gain or loss on extinguishment of long-term debt, net other income or expense, and depreciation and amortization expense. Non-cash impairment losses on goodwill and other long-lived assets and gains and losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude the gain or loss on disposition of assets and the general provision for current expected credit losses, if any. In addition, we include realized losses from foreign currency exchange contracts not designated as hedging instruments, which are excluded from EBITDA as a component of net other income or expense. We define free cash flow as cash flows from operating activities less capital expenditures, net of proceeds from sale of assets. We use EBITDA and free cash flow to monitor and facilitate internal evaluation of the performance of our business operations, to facilitate external comparison of our business results to those of others in our industry, to analyze and evaluate financial and strategic planning decisions regarding future investments and acquisitions, to plan and evaluate operating budgets, and in certain cases, to report our results to the holders of our debt as required by our debt covenants. We believe that our measures of EBITDA and free cash flow provide useful information to the public regarding our operating performance and ability to service debt and fund capital expenditures and may help our investors understand and compare our results to other companies that have different financing, capital and tax structures. Other companies may calculate their measures of EBITDA, Adjusted EBITDA and free cash flow differently from the way we do, which may limit their usefulness as comparative measures. EBITDA, Adjusted EBITDA and free cash flow should not be considered in isolation or as a substitute for, but instead are supplemental to, income from operations, net income, cash flows from operating activities, or other income or cash flow data prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures.

# Thank you

**We continue to implement and improve Environmental, Social and Governance ("ESG") initiatives and disclosures throughout our business.**

We understand we have an important role to play as a steward of the people, communities and environments we serve, and we regularly look for ways to emphasize and improve our own ESG record. We incorporate ESG initiatives into our core business values and priorities of safety, sustainability and value creation with a top-down approach led by management and our Board of Directors.

We emphasize constant improvement by continually striving to improve our safety record, reducing our environmental impact, and increasing transparency. In 2020, we maintained a low Total Recordable Incident Rate and expanded our business with renewable energy customers. Our efforts are published in our Corporate Sustainability Report and Corporate Sustainability Summary Update, copies of which are available on our website at www.HelixESG.com/about-helix/corporate-sustainability.

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