

# J.P. Morgan Virtual 2020 Energy, Power & Renewables Conference

June 16, 2020



## FORWARD-LOOKING STATEMENTS

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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 COVID-19 pandemic and its 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 current 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 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 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; 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](http://www.sec.gov). We assume no obligation and do not intend to update these forward-looking statements 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](https://twitter.com/Helix_ESG)
- LinkedIn: [www.linkedin.com/company/helix-energy-solutions-group](https://www.linkedin.com/company/helix-energy-solutions-group)
- Facebook: [www.facebook.com/HelixEnergySolutionsGroup](https://www.facebook.com/HelixEnergySolutionsGroup)
- Instagram: [www.instagram.com/helixenergysolutions](https://www.instagram.com/helixenergysolutions)



## COMPANY HIGHLIGHTS

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- World's leading provider of both well intervention and subsea robotics technologies to offshore energy industry
- Pioneer and established leader in rigless offshore well intervention with track record of over 1,400 wells and 25+ years of global experience
- Leading provider of well intervention solutions with a sustainable competitive advantage
- Large and growing addressable market in both well intervention and robotics
- Industry-leading, built-for-purpose fleet that can be mobilized worldwide
- Experienced and highly skilled workforce
- Strong robotics franchise with deepwater ROV track record in oil & gas, renewable energy, subsea mining, and specialty services that spans over 20+ years
- Strong culture of innovation, with best in class operations and technology portfolio
- Core Health, Safety and Environment (HSE) values with proven track record
- Comprehensive array of solutions offered via strategic alliance with Schlumberger



## OUR GLOBAL OPERATIONS

7

**Well intervention Vessels**  
Seven dedicated well intervention vessels

3

**Support ROV Vessels**  
Three dedicated remote operated vehicle (ROV) support vessels

45

**Remotely Operated Vehicles**  
45 work class ROVs

10

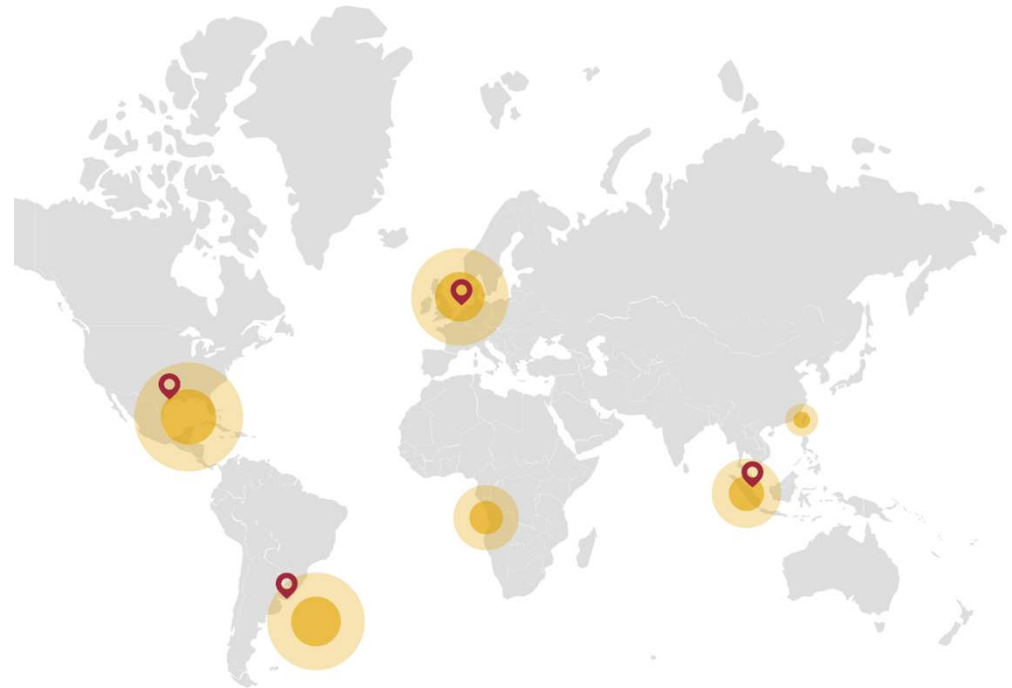
**10 intervention systems**  
Six intervention riser systems (IRSs), three subsea intervention lubricators (SILs), and one riserless openwater abandonment module (ROAM)

4

**Other Robotics Assets**  
4 trenching systems

4

**Regional Offices**  
Houston, Texas, USA (HQ)  
Aberdeen, United Kingdom  
Rio de Janeiro, Brazil  
Singapore





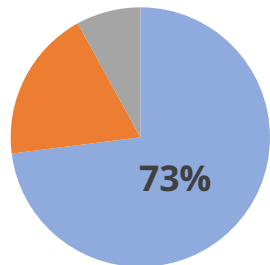
## WELL INTERVENTION

**Helix Well Ops** is a leader in rigless offshore well intervention, providing fast, flexible and high-quality well management services.

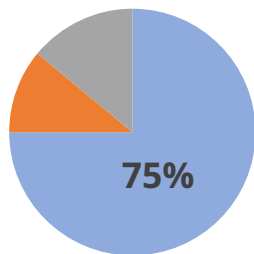
Our specialist riserless and riser-based well intervention vessels and subsea systems operate worldwide to provide customer value throughout the well life cycle.

### Full Year 2019

Revenue



Gross Profit



■ Well Intervention   ■ Robotics   ■ Production Facilities



## WELL INTERVENTION VESSELS & ASSETS

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***Q4000***



***Q5000***



***Q7000***



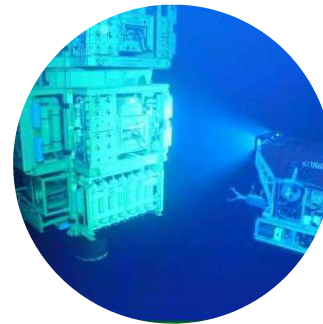
***Siem Helix 1 & Siem Helix 2***



***Seawell***



***Well Enhancer***



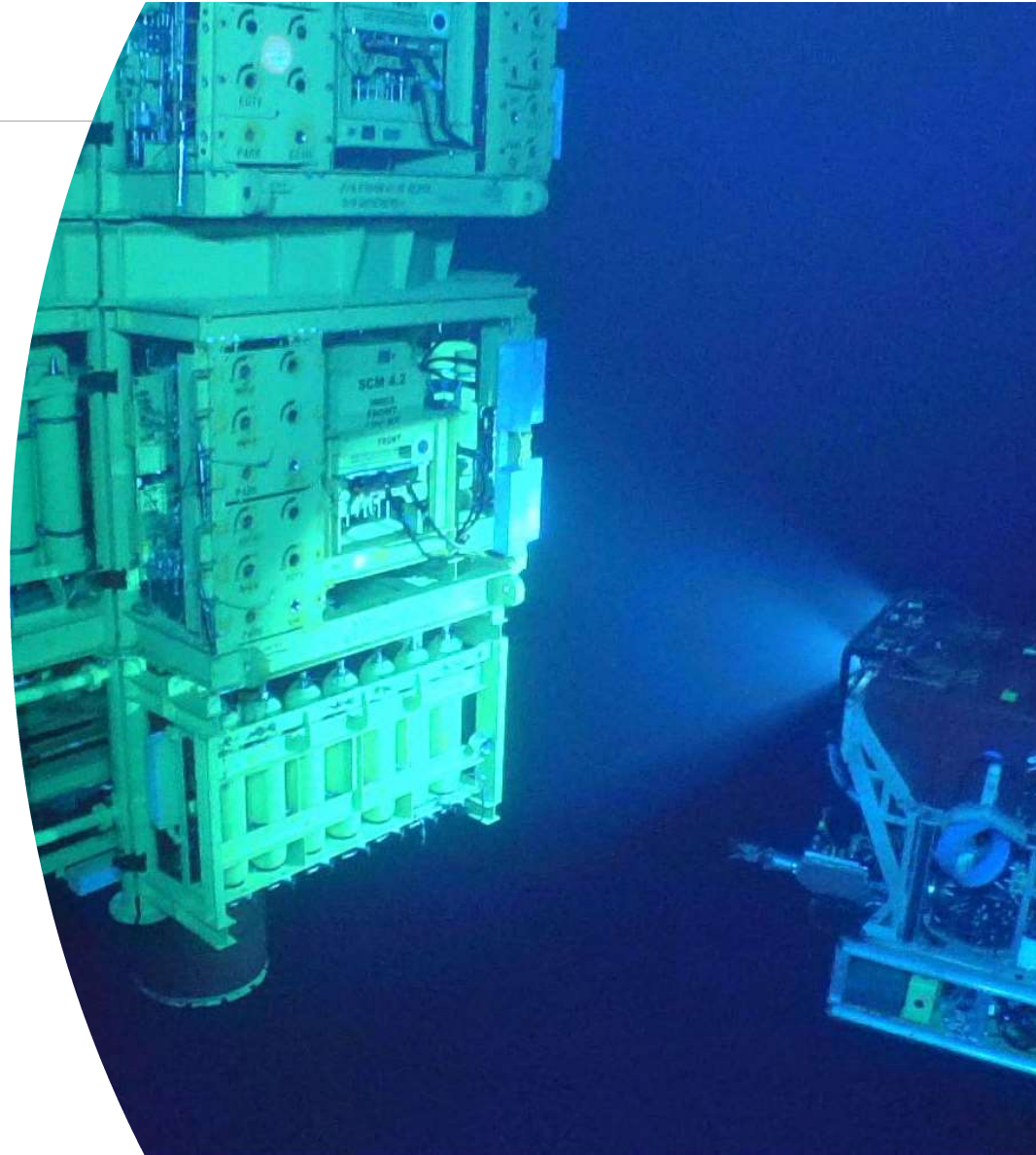
***Intervention Riser  
Systems (IRS)***



***Subsea Intervention  
Lubricators (SIL)***

## WHAT SETS HELIX APART IN WELL INTERVENTION

- Fleet of seven purpose-built well intervention vessels
- Both riser-based and riserless intervention systems
- Approximately 1,400 well intervention operations performed worldwide
- Over 500 well abandonment operations performed worldwide
- Geographically diverse scope of operations
- Blue-chip customer base
- Balanced mix between long-term contracts and spot market operations
- Awarded Petrobras 2018 Supplier of the Year for Maritime Rigs Operations





## SUBSEA SERVICES ALLIANCE

Helix | Schlumberger



- Vessels and experienced personnel
- Intervention systems
- WROV services for well operations
- Operational and subsea expertise
- Project management
- Integrated crews



- Well intervention
- Pumping and stimulation
- Downhole measurements
- Integrated crews
- Emerging technology
- OneSubsea tooling and interface solutions and management
- OneSubsea subsea equipment solutions



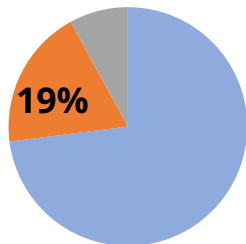
## ROBOTICS

**Helix Robotics Solutions** is a leading supplier of subsea engineering services, operating state of the art remote operated vehicles (ROVs), seabed trenchers, and support/construction vessels.

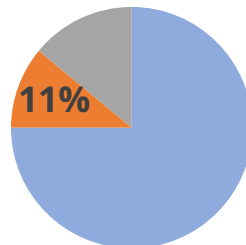
Our deep-water ROV track record spans 20 years, including oil & gas, renewable energy, construction services and specialty services projects executed successfully around the world.

### Full Year 2019

Revenue



Gross Profit



■ Well Intervention   ■ Robotics   ■ Production Facilities



## ROBOTICS VESSELS & ASSETS

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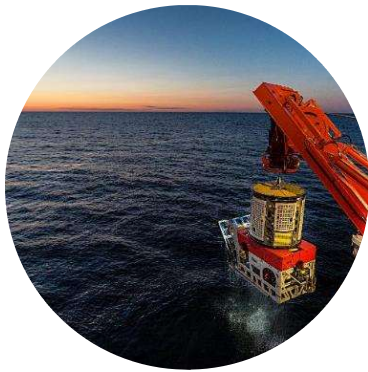
*Grand Canyon II*



*Grand Canyon III*



*Ross Candies*



*ROV Fleet*



*Subsea Trenchers*

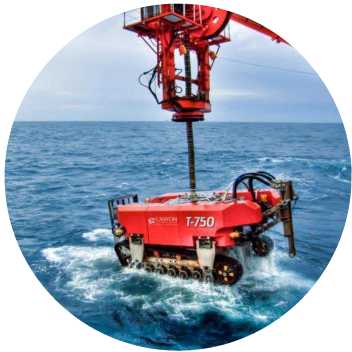


*ROV Drill*



## WHAT SETS HELIX APART IN ROBOTICS

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**Oil & Gas**



**Renewable  
Energy**



**Construction  
Services**



**Specialty  
Services**

- Helix charters its ROV support vessels, ensuring a modern fleet that can expand and contract based on regional requirements and market conditions
- A fleet of advanced work-class ROVs and trenchers, including several units custom built to our specifications
- Leading provider for water jetting and mechanical cutting trenching solutions and ROV support for offshore oil and gas and wind farm development



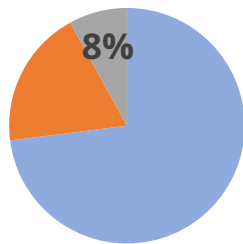
## PRODUCTION FACILITIES

**Production Facilities** is a non-core segment that includes the *Helix Producer 1* floating production unit (FPU), which is operating under a production handling contract until at least June 1, 2023.

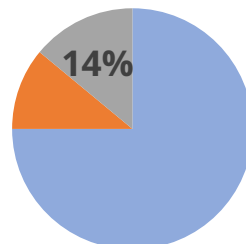
The segment also includes the Helix Fast Response System and our ownership of the Droshky Prospect in the Gulf of Mexico.

### Full Year 2019

#### Revenue



#### Gross Profit



■ Well Intervention   ■ Robotics   ■ Production Facilities





## ENVIRONMENTAL, SOCIAL AND GOVERNANCE

### Environment

- We help mitigate and remediate the environmental risks associated with offshore drilling and production operations in practice and in-service
- We assist clients with the optimal utilization of wells in order to enhance production from existing wells, meaning fewer new wells need to be drilled and we repair and maintain subsea infrastructure, with the benefit of preventing uncontrolled releases of oil and gas into the environment

### Social

- **Safety** – Embraced as a core business value that informs all operations
- **Human Capital** – Our employees are our greatest resource. We focus on attracting and retaining quality employees through tangible and intangible factors, including our company culture
- **Compliance** – Anti-corruption is a cornerstone of our business approach
- **Community** – Commitment to hiring local talent

### Governance

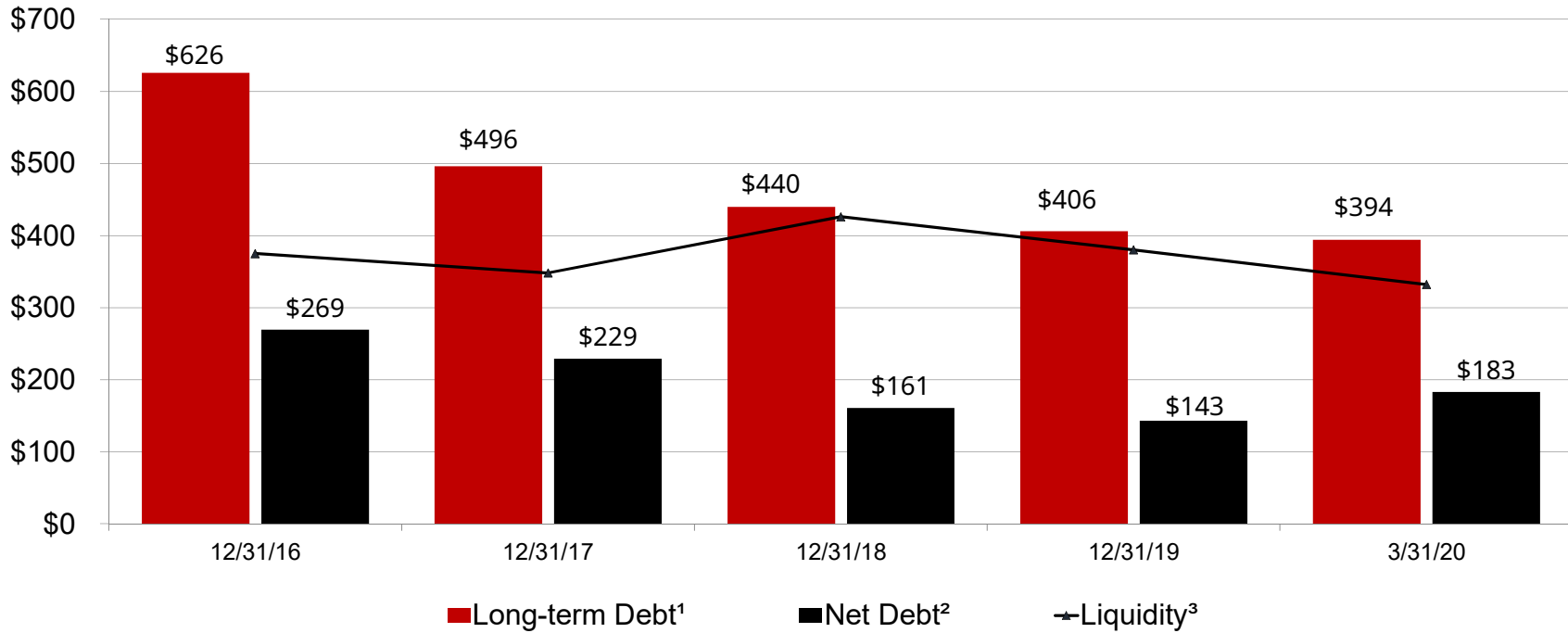
- Structures and Process that drive decisions and actions in the best interest of Helix Shareholders
- **Board Committees** – Audit, Compensation and Corporate Governance and Nominating
- **Risk Management** – Critical risk topics form key principles of the decision making process including operational, financial, safety, market, political, compliance, cybersecurity, and reputational issues



# Key Financial Metrics and Outlook



## DEBT & LIQUIDITY PROFILE



Liquidity<sup>3</sup> of approximately \$332 million at 3/31/20

<sup>1</sup> Long-term debt is net of unamortized debt discounts and issuance costs

<sup>2</sup> Net debt is calculated as long-term debt less cash and cash equivalents and restricted cash

<sup>3</sup> Liquidity is calculated as the sum of cash and cash equivalents plus available capacity under our revolving credit facility; liquidity excludes restricted cash of \$52 million pledged as collateral on a short-term project-related letter of credit



## DEBT INSTRUMENT PROFILE

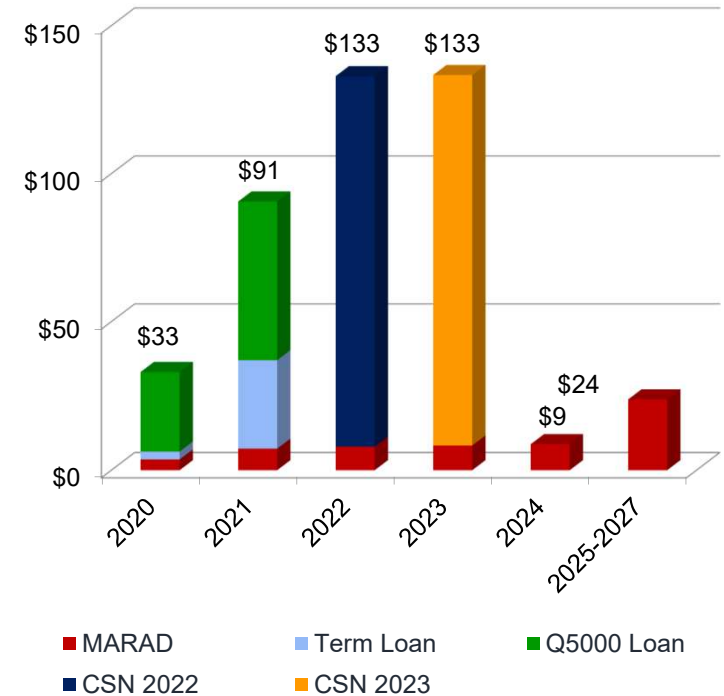
### Total funded debt<sup>1</sup> of \$423 million at 3/31/20

- \$125 million Convertible Senior Notes due 2022 – 4.25%
- \$125 million Convertible Senior Notes due 2023 – 4.125%
- \$32 million Term Loan – LIBOR + 3.25%
  - Quarterly amortization payments of approximately \$0.9 million with a final balloon payment of \$27 million at maturity in Q4 2021
- \$60 million MARAD Debt – 4.93%
  - Semi-annual amortization payments
- \$80 million Q5000 Loan – LIBOR + 2.75%<sup>2</sup>
  - Quarterly amortization payments of approximately \$8.9 million
  - During Q1 2020, maturity extended to January 2021 with a final balloon payment of \$54 million; interest rate increased 0.25%

<sup>1</sup> Excludes unamortized debt discounts and debt issuance costs

<sup>2</sup> We have fixed through April 2020 the LIBOR interest rate on 75% of the Q5000 Loan at 1.51% utilizing interest rate swaps

Principal Payment Schedule at 3/31/20  
(\$ in millions)





## CURRENT OPERATING ENVIRONMENT

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- The ongoing COVID-19 pandemic has resulted in weak and volatile oil prices and caused significant disruption and uncertainty in the oil and gas market.
- The COVID-19 pandemic has created challenges for our operations, in particular crew changes due to travel restrictions; we have established stringent safety measures and protocols on the vessels and for crew changes
  - Self-isolation before shifts, health questionnaires, screening / virus testing before boarding vessels, longer shifts = reduced travel
  - PPE requirements onboard (including masks), social distancing adhered to, common areas closed, immediate response plan for any crew showing symptoms
- Customer demand for our services is expected to decrease at least in the near term
- We are continuing to take what we believe to be appropriate steps to protect our employees, customers and balance sheet



## LOOKING AHEAD

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- Despite the current challenging market conditions driven by the ongoing COVID-19 pandemic and weak and volatile oil prices, we believe Helix is in a relatively good position
- We are managing COVID-19 challenges head-on and minimizing disruptions to our operations thus far
- We have strong backlog and a balanced mix between long-term contracts and spot market operations
- We are able to scale down our costs with our current level of activity and can scale back up quickly when activity recovers
- In our Robotics segment, we have expanded our renewables and non-oil and gas offerings, and we are continuing to right-size our cost structure, mitigating the current market's impact on the segment
- We have a healthy balance sheet and strong liquidity, with staggered debt maturities through 2023
- We continue to focus on contract execution and strengthening our balance sheet



## WHY CHOOSE HELIX?

### Why Helix?

- Market leader in Well Intervention and Robotics/Trenching
- Riser-based and riserless interventional capabilities
- Geographically diverse scope of operations
- Blue-chip customers
- Purpose-built, advanced fleet
- Integrated offerings
- Increasing contribution of offshore renewables market

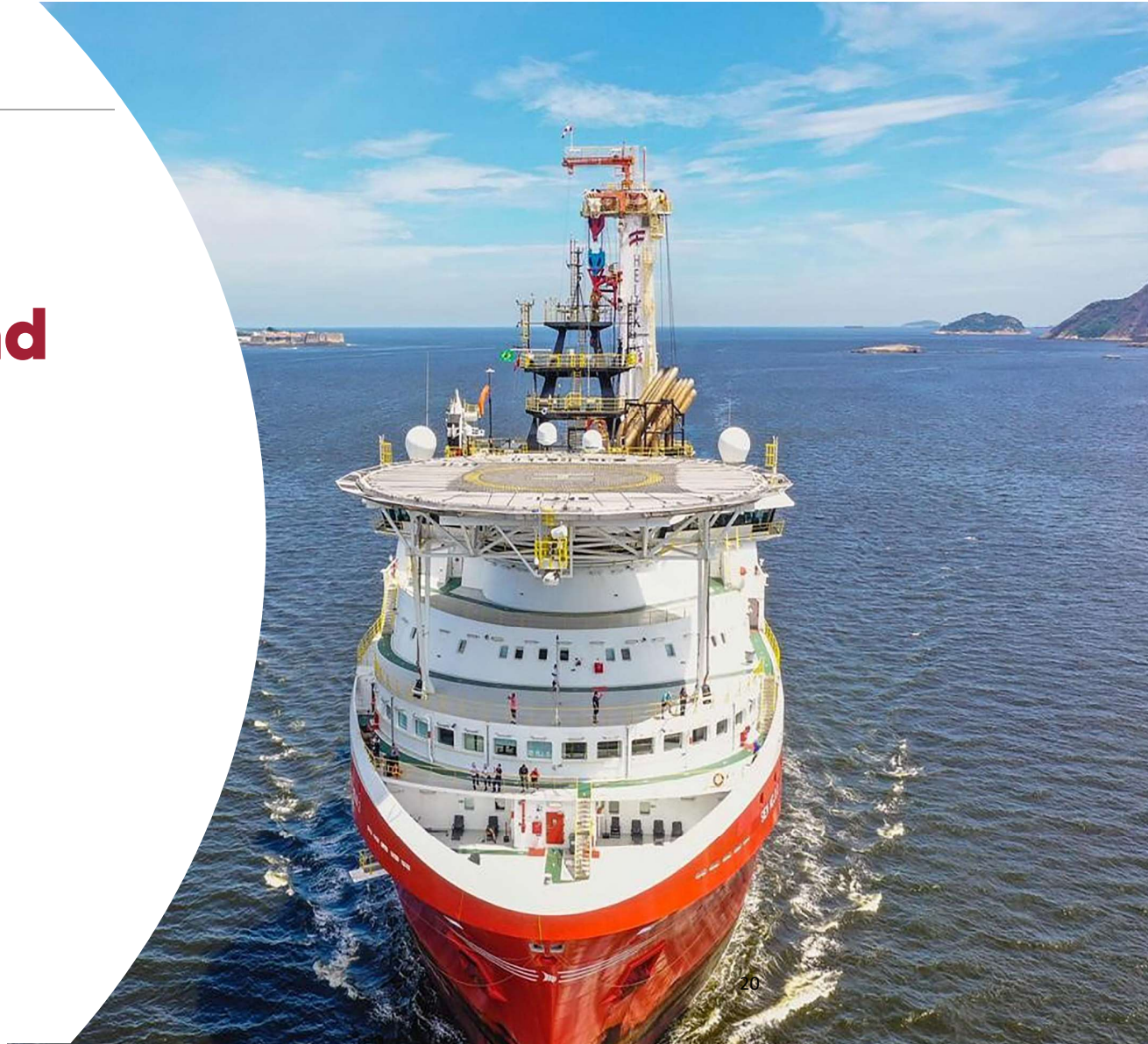
### Why focus on Well Intervention and Robotics/Trenching

- Low F&D cost for enhanced reserves
- Extended well life via intervention defers cessation of production and P&A spend
- P&A is regulatory driven; demand should increase over time
- Demand for a more cost-effective solution to rigs
- Robotics is essential for credible quality performance in deep-water operations
- Expanding renewables market





# Non-GAAP Reconciliations and Supplemental Information





## NON-GAAP RECONCILIATIONS

(\$ in thousands, unaudited)

	Three Months Ended		
	3/31/20	3/31/19	12/31/19
<b>Adjusted EBITDA:</b>			
Net income (loss)	\$ (13,928)	\$ 1,318	\$ 7,934
Adjustments:			
Income tax provision (benefit)	(21,093)	324	1,120
Net interest expense	5,746	2,098	2,129
Loss on extinguishment of long-term debt	-	-	-
Other (income) expense, net	10,427	(1,166)	(3,595)
Depreciation and amortization	31,598	28,509	28,300
Goodwill impairment	6,689	-	-
Non-cash gain on equity investment	-	-	(1,613)
<b>EBITDA</b>	<b>\$ 19,439</b>	<b>\$ 31,083</b>	<b>\$ 34,275</b>
Adjustments:			
Realized losses from FX contracts not designated as hedging instruments	\$ (682)	\$ (869)	\$ (998)
Provision from current expected credit losses	586	-	-
<b>Adjusted EBITDA</b>	<b>\$ 19,343</b>	<b>\$ 30,214</b>	<b>\$ 33,277</b>
<b>Free cash flow:</b>			
Cash flows from operating activities	\$ (17,222)	\$ (34,246)	\$ 79,792
Less: Capital expenditures, net of proceeds from sale of assets	(12,389)	(11,630)	(95,218)
<b>Free cash flow</b>	<b>\$ (29,611)</b>	<b>\$ (45,876)</b>	<b>\$ (15,426)</b>

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 gains and losses on disposition of assets and the provision for current expected credit losses, if any. In addition, we include realized losses from foreign currency exchange contracts not designated as hedging instruments and other than temporary loss on note receivable, 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.

In conjunction with support from management and our Board of Directors, we incorporate ESG initiatives into our core business values and priorities of safety, sustainability and value creation. We emphasize constant improvement by continually striving to improve our safety record, reducing our environmental impact, and increasing transparency.

In 2019, we continued to decrease our Total Recordable Incident Rate from prior years, continued to expand our business with renewable energy customers, and published our first Corporate Sustainability Report. A copy of our current Corporate Sustainability Report is available on our website at [www.HelixESG.com/about-helix/corporate-sustainability](http://www.HelixESG.com/about-helix/corporate-sustainability).

