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): **February 19, 2019** (February 18, 2019)

## Helix Energy Solutions Group, Inc.

(Exact name of registrant as specified in its charter)

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

**3505 West Sam Houston Parkway North, Suite 400**
**Houston, Texas**
(Address of principal executive offices)

**77043**
(Zip Code)

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

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 (see General Instruction A.2. below):

☐ 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))

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 February 18, 2019, Helix Energy Solutions Group, Inc. ("Helix") issued a press release announcing its results of operations for the fourth quarter and full year ended December 31, 2018. Attached hereto as Exhibit 99.1, and incorporated herein by reference, is the press release.

**Item 7.01 Regulation FD Disclosure.**

On February 18, 2019, Helix issued a press release announcing its results of operations for the fourth quarter and full year ended December 31, 2018. In addition, on February 19, 2019, 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 Fourth Quarter Earnings Conference Call Presentation issued by Helix. The presentation materials are also available beginning on February 18, 2019 under *Investor Relations - Presentations* in the *For the Investor* section 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 February 18, 2019 reporting financial results for the fourth quarter and full year of 2018. |
| 99.2 | Fourth Quarter 2018 Conference Call Presentation. |

## 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: February 19, 2019

HELIX ENERGY SOLUTIONS GROUP, INC.

By: /s/ Erik Staffeldt

Erik Staffeldt

Executive Vice President and Chief Financial Officer

**EXHIBIT 99.1**

HELIX ENERGY SOLUTIONS

**PRESS**RELEASE
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** **19-003**

**Date: February 18, 2019** **Contact: Erik Staffeldt**
**Executive Vice President & CFO**

# Helix Reports Fourth Quarter and Full Year 2018 Results

HOUSTON, TX - Helix Energy Solutions Group, Inc. ("Helix") (NYSE: HLX) reported a net loss of $13.7 million, or $(0.09) per diluted share, for the fourth quarter of 2018 compared to net income of $50.6 million, or $0.34 per diluted share, for the same period in 2017 and net income of $27.1 million, or $0.18 per diluted share, for the third quarter of 2018. Net income for the year ended December 31, 2018 was $28.6 million, or $0.19 per diluted share, compared to net income of $30.1 million, or $0.20 per diluted share, for the year ended December 31, 2017. Net income in the fourth quarter of 2017 included a non-cash benefit of approximately $51.6 million, or $0.35 per diluted share, related to the U.S. tax law changes enacted in December 2017.

Helix reported Adjusted EBITDA[1] of $23.2 million for the fourth quarter of 2018 compared to $32.4 million for the fourth quarter of 2017 and $58.6 million for the third quarter of 2018. Adjusted EBITDA for the year ended December 31, 2018 was $161.7 million compared to $107.2 million for the year ended December 31, 2017. The table below summarizes our results of operations:

**Summary of Results**

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

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | **12/31/2018** | **12/31/2017** | **9/30/2018** | **12/31/2018** | **12/31/2017** |
| Revenues | $ 158,356 | $ 163,266 | $ 212,575 | $ 739,818 | $ 581,383 |
| Gross Profit | $ 13,811 | $ 23,483 | $ 51,993 | $ 121,684 | $ 62,166 |
| | *9%* | *14%* | *24%* | *16%* | *11%* |
| Non-cash Losses on Equity Investment | $ (3,430) | $ (1,800) | $ — | $ (3,430) | $ (1,800) |
| Net Income (Loss) | $ (13,747) | $ 50,580 | $ 27,121 | $ 28,598 | $ 30,052 |
| Diluted Earnings (Loss) Per Share | $ (0.09) | $ 0.34 | $ 0.18 | $ 0.19 | $ 0.20 |
| Adjusted EBITDA [1] | $ 23,238 | $ 32,415 | $ 58,636 | $ 161,709 | $ 107,216 |
| Cash and cash equivalents | $ 279,459 | $ 266,592 | $ 325,092 | $ 279,459 | $ 266,592 |
| Cash flows from operating activities | $ 45,917 | $ 20,315 | $ 63,161 | $ 196,744 | $ 51,638 |

Owen Kratz, President and Chief Executive Officer of Helix, stated, "Despite the continued challenging energy market and the seasonal slowdown in the North Sea, our results for the quarter and year reflect our continued efforts at improving operations and reducing costs. In 2018, the increase in revenue and income from operations was driven by a full year of activity in Brazil and cost reductions and execution of operations in Robotics and throughout the company. In 2019, we will continue our efforts to improve our operations, reduce our costs and seek opportunities to stimulate customer activity in this challenging market."

[1] Adjusted EBITDA is a non-GAAP measure. See reconciliation below.

## Segment Information, Operational and Financial Highlights

**($ in thousands, unaudited)**

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 12/31/2018 | 12/31/2017 | 9/30/2018 | 12/31/2018 | 12/31/2017 |
| **Revenues:** | | | | | |
| Well Intervention | $ 114,799 | $ 107,122 | $ 154,441 | $ 560,568 | $ 406,341 |
| Robotics | 38,420 | 50,677 | 54,340 | 158,989 | 152,755 |
| Production Facilities | 15,859 | 16,387 | 15,877 | 64,400 | 64,352 |
| Intercompany Eliminations | (10,722) | (10,920) | (12,083) | (44,139) | (42,065) |
| Total | $ 158,356 | $ 163,266 | $ 212,575 | $ 739,818 | $ 581,383 |
| | | | | | |
| **Income (Loss) from Operations:** | | | | | |
| Well Intervention | $ 4,869 | $ 15,377 | $ 34,427 | $ 87,643 | $ 52,733 |
| Robotics | (1,236) | (4,976) | 5,601 | (14,054) | (42,289) |
| Production Facilities | 6,344 | 7,448 | 6,694 | 27,263 | 28,172 |
| Corporate / Other / Eliminations | (13,467) | (11,091) | (15,345) | (49,309) | (39,746) |
| Total | $ (3,490) | $ 6,758 | $ 31,377 | $ 51,543 | $ (1,130) |

*Fourth Quarter Results*

***Well Intervention***

Well Intervention revenues in the fourth quarter of 2018 decreased $39.6 million, or 26%, from the previous quarter. The decrease in revenues was primarily the result of lower vessel utilization and rates in the Gulf of Mexico and the seasonal slowdown in the North Sea. These reductions were partially offset by an increase in revenues due to higher vessel utilization in Brazil. Overall utilization decreased to 79% in the fourth quarter of 2018 compared to 91% in the third quarter of 2018.

Well Intervention revenues increased $7.7 million, or 7%, in the fourth quarter of 2018 compared to the fourth quarter of 2017. The increase was primarily due to 75 additional vessel days in the fourth quarter of 2018 compared to the fourth quarter of 2017 with the introduction of the *Siem Helix 2* in that quarter as well as increased utilization and rates in the North Sea compared to the fourth quarter of 2017. These increases were partially offset by a decrease in revenues in the Gulf of Mexico due to lower vessel utilization and rates in the fourth quarter of 2018 compared to the fourth quarter of 2017.

***Robotics***

Robotics revenues in the fourth quarter of 2018 decreased by $15.9 million, or 29%, from the previous quarter. The decrease was driven by a reduction in trenching work in the North Sea and lower chartered vessel and ROV utilization compared to the previous quarter. Chartered vessel utilization decreased to 78% in the fourth quarter of 2018, which includes 60 spot vessel days, from 98% in the third quarter of 2018, which includes 113 spot vessel days. ROV asset utilization decreased to 36%, including 151 trenching days, in the fourth quarter of 2018 from 42%, including 219 trenching days, in the third quarter of 2018.

Robotics revenues decreased $12.3 million, or 24%, in the fourth quarter of 2018 from the fourth quarter of 2017. Vessel utilization was 78% in the fourth quarter of 2018 compared to 85% in the fourth quarter of 2017. ROV asset utilization decreased to 36% in the fourth quarter of 2018 from 41% in the fourth quarter of 2017, and the fourth quarter of 2018 included 26 fewer trenching days compared to the same quarter in 2017. One ROV and one ROVDrill were retired during the fourth quarter 2018. Robotics operating income improved by $3.7 million in the fourth quarter of 2018 compared to the fourth quarter of 2017 due to cost reductions year over year.

***Selling, General and Administrative***

Selling, general and administrative expenses were $17.3 million, or 10.9% of revenue, in the fourth quarter of 2018 compared to $20.8 million, or 9.8% of revenue, in the third quarter of 2018. The decrease in expenses was principally attributable to decreased costs associated with our employee share-based compensation awards linked to our stock price, offset in part by increased costs related to employee incentive compensation and other employee benefits compared to the third quarter.

***Other Income and Expenses***

During the fourth quarter of 2018 we recognized losses on our investment in Independence Hub LLC of $3.4 million compared to losses of $1.8 million in the fourth quarter of 2017. Other expense, net was $3.1 million in the fourth quarter of 2018 compared to $0.7 million in the third quarter of 2018. The increase was primarily due to an increase in net foreign currency losses quarter over quarter.

***Cash flows***

Capital expenditures and dry dock costs totaled $81.7 million and $1.6 million, respectively, in the fourth quarter of 2018 compared to $13.5 million and $0.2 million in the third quarter of 2018 and $99.7 million and $0.0 million in the fourth quarter of 2017. Our capital expenditures in the fourth quarter of 2018 and 2017 each included a $69.2 million installment payment to the shipyard for the *Q7000*.

Operating cash flow decreased to $45.9 million in the fourth quarter of 2018 compared to $63.2 million in the third quarter of 2018, primarily due to a decrease in operating income offset in part by net reductions in working capital. Operating cash flow in the fourth quarter of 2018 increased by $25.6 million year over year due primarily to higher net income and changes in working capital.

Free cash flow was $(35.7) million in the fourth quarter of 2018 compared to $49.7 million in the third quarter of 2018. The decrease was primarily due to lower operating cash flow and higher capital expenditures in the fourth quarter, including a $69.2 million shipyard payment for the *Q7000*. Free cash flow in the fourth quarter of 2018 increased $43.7 million year over year due to higher operating cash flow on higher earnings and reduced capital expenditures resulting from the completion of the *Siem Helix 1* and *Siem Helix 2* vessels during 2017. (Free cash flow is a non-GAAP measure. See reconciliation below.)

*Full Year Results*

***Well Intervention***

Well Intervention revenues of $560.6 million grew by $154.2 million, or 38%, from 2017 levels, driven primarily by a full year of operations in Brazil by the *Siem Helix 1* and *Siem Helix 2,* improved utilization in the North Sea, and higher IRS rental unit revenues, partially offset by decreased vessel utilization in the Gulf of Mexico. Overall vessel utilization improved to 83% in 2018 compared to 77% in 2017.

***Robotics***

Robotics revenues of $159 million grew by $6.2 million, or 4%, from 2017 levels. The increase was the result of higher trenching activity in the North Sea and overall vessel utilization growth, offset in part by lower ROV utilization. Trenching days increased to 560 days in 2018 from 350 days in 2017, and overall vessel utilization was 76% in 2018 compared to 69% in 2017. Overall ROV utilization decreased to 37% in 2018 compared to 42% in 2017. Robotics operating loss decreased by $28.2 million in 2018 due to a reduction in operating costs and an increase in revenues.

***Selling, General and Administrative***

Selling, general and administrative expenses were $70.3 million, or 9.5% of revenue, in 2018 compared to $63.3 million, or 10.9% of revenue, in 2017. The increase was primarily related to increased costs related to employee incentive compensation and other employee benefits.

***Cash flows***

Capital expenditures and dry dock costs totaled $137.1 million and $4.1 million, respectively, in 2018 compared to $231.1 million and $10.1 million in 2017. Capital expenditures decreased primarily due to the completion of the *Siem Helix 1* and *Siem Helix 2* vessels in 2017.

Operating cash flow increased to $196.7 million in 2018 compared to $51.6 million in 2017, primarily due to an improvement in operating income and reductions in working capital. Free cash flow was $59.7 million in 2018 compared to $(169.5) million in 2017. The increase was due to higher operating cash flows in 2018 and lower capital expenditures 2018. (Free cash flow is a non-GAAP measure. See reconciliation below.)

*Financial Condition and Liquidity*

Cash and cash equivalents at December 31, 2018 were $279.5 million. Consolidated long-term debt decreased to $440.3 million at December 31, 2018 from $448.0 million at September 30, 2018. Consolidated net debt at December 31, 2018 was $160.9 million. Net debt to book capitalization at December 31, 2018 was 9%. (Net debt and net debt to book capitalization are non-GAAP measures. See reconciliation below.)

* * * * *

*Conference Call Information*

Further details are provided in the presentation for Helix's quarterly teleconference to review its fourth quarter 2018 results (see the "Investor Relations" page of Helix's website, www.HelixESG.com). The teleconference, scheduled for Tuesday, February 19, 2019 at 9:00 a.m. Central Time, will be audio webcast live from the "Investor Relations" page of Helix's website. Investors and other interested parties wishing to participate in the teleconference may join by dialing 1-800-926-6734 for participants in the United States and 1-212-231-2939 for international participants. The passcode is "Staffeldt." A replay of the webcast will be available at "For the Investor" 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.

*Reconciliation of Non-GAAP Financial Measures*

Management evaluates performance and financial condition using certain non-GAAP metrics, 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 losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude gain or loss on disposition of assets. 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. Net debt is calculated as total long-term debt less cash and cash equivalents. 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 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 ability to service debt and fund capital expenditures and may help our investors understand our operating performance 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, other income or cash flow data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures.

*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 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. The 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 Helix's most recently filed Annual Report on Form 10-K and in Helix's 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 except as required by the securities laws.

*Social Media*

From time to time we provide information about Helix on Twitter (@Helix_ESG) and LinkedIn (www.linkedin.com/company/helix-energy-solutions-group).

## HELIX ENERGY SOLUTIONS GROUP, INC.

### Comparative Condensed Consolidated Statements of Operations

| (in thousands, except per share data) | Three Months Ended Dec. 31, 2018 | Three Months Ended Dec. 31, 2017 | Year Ended Dec. 31, 2018 | Year Ended Dec. 31, 2017 |
|---|---|---|---|---|
| | (unaudited) | | (unaudited) | |
| Net revenues | $ 158,356 | $ 163,266 | $ 739,818 | $ 581,383 |
| Cost of sales | 144,545 | 139,783 | 618,134 | 519,217 |
| Gross profit | 13,811 | 23,483 | 121,684 | 62,166 |
| Gain (loss) on disposition of assets, net | — | — | 146 | (39) |
| Selling, general and administrative expenses | (17,301) | (16,725) | (70,287) | (63,257) |
| Income (loss) from operations | (3,490) | 6,758 | 51,543 | (1,130) |
| Equity in losses of investment | (3,540) | (1,911) | (3,918) | (2,368) |
| Net interest expense | (3,007) | (3,298) | (13,751) | (18,778) |
| Loss on extinguishment of long-term debt | — | — | (1,183) | (397) |
| Other expense, net | (3,099) | (815) | (6,324) | (1,434) |
| Other income - oil and gas | 563 | 539 | 4,631 | 3,735 |
| Income (loss) before income taxes | (12,573) | 1,273 | 30,998 | (20,372) |
| Income tax provision (benefit) | 1,174 | (49,307) | 2,400 | (50,424) |
| Net income (loss) | $ (13,747) | $ 50,580 | $ 28,598 | $ 30,052 |
| | | | | |
| Earnings (loss) per share of common stock: | | | | |
| Basic | $ (0.09) | $ 0.34 | $ 0.19 | $ 0.20 |
| Diluted | $ (0.09) | $ 0.34 | $ 0.19 | $ 0.20 |
| | | | | |
| Weighted average common shares outstanding: | | | | |
| Basic | 146,769 | 146,001 | 146,702 | 145,295 |
| Diluted | 146,769 | 146,081 | 146,830 | 145,300 |

## Comparative Condensed Consolidated Balance Sheets

| ASSETS (in thousands) | Dec. 31, 2018 | Dec. 31, 2017 | LIABILITIES & SHAREHOLDERS' EQUITY (in thousands) | Dec. 31, 2018 | Dec. 31, 2017 |
|---|---|---|---|---|---|
| | (unaudited) | | | (unaudited) | |
| Current Assets: | | | Current Liabilities: | | |
| Cash and cash equivalents (1) | $ 279,459 | $ 266,592 | Accounts payable | $ 54,813 | $ 81,299 |
| Accounts receivable, net | 119,875 | 143,283 | Accrued liabilities | 85,594 | 71,680 |
| Other current assets | 51,594 | 41,768 | Income tax payable | 3,829 | 2,799 |
| Total Current Assets | 450,928 | 451,643 | Current maturities of long-term debt (1) | 47,252 | 109,861 |
| | | | Total Current Liabilities | 191,488 | 265,639 |
| | | | Long-term debt (1) | 393,063 | 385,766 |
| | | | Deferred tax liabilities | 105,862 | 103,349 |
| Property & equipment, net | 1,826,745 | 1,805,989 | Other non-current liabilities | 39,538 | 40,690 |
| Other assets, net | 70,057 | 105,205 | Shareholders' equity (1) | 1,617,779 | 1,567,393 |
| Total Assets | $ 2,347,730 | $ 2,362,837 | Total Liabilities & Equity | $ 2,347,730 | $ 2,362,837 |

*(1) Net debt to book capitalization - 9% at December 31, 2018. Calculated as net debt (total long-term debt less cash and cash equivalents - $160,856) divided by the sum of net debt and shareholders' equity ($1,778,635).*

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

**Earnings Release:**

| | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 12/31/2018 | 12/31/2017 | 9/30/2018 | 12/31/2018 | 12/31/2017 |
| | | | (in thousands) | | |
| **Reconciliation from Net Income (Loss) to Adjusted EBITDA:** | | | | | |
| Net income (loss) | $ (13,747) | $ 50,580 | $ 27,121 | $ 28,598 | $ 30,052 |
| Adjustments: | | | | | |
| Income tax provision (benefit) | 1,174 | (49,307) | 841 | 2,400 | (50,424) |
| Net interest expense | 3,007 | 3,298 | 3,249 | 13,751 | 18,778 |
| Loss on extinguishment of long-term debt | — | — | 2 | 1,183 | 397 |
| Other expense, net | 3,099 | 815 | 709 | 6,324 | 1,434 |
| Depreciation and amortization | 27,183 | 26,075 | 27,680 | 110,522 | 108,745 |
| Non-cash losses on equity investment | 3,430 | 1,800 | — | 3,430 | 1,800 |
| EBITDA | 24,146 | 33,261 | 59,602 | 166,208 | 110,782 |
| Adjustments: | | | | | |
| (Gain) loss on disposition of assets, net | — | — | (146) | (146) | 39 |
| Realized losses from foreign exchange contracts not designated as hedging instruments | (908) | (846) | (820) | (3,224) | (3,605) |
| Other than temporary loss on note receivable | — | — | — | (1,129) | — |
| Adjusted EBITDA | $ 23,238 | $ 32,415 | $ 58,636 | $ 161,709 | $ 107,216 |
| | | | | | |
| **Free Cash Flow:** | | | | | |
| Cash flows from operating activities | $ 45,917 | $ 20,315 | $ 63,161 | $ 196,744 | $ 51,638 |
| Less: Capital expenditures, net of proceeds from sale of assets | (81,652) | (99,699) | (13,437) | (137,058) | (221,127) |
| Free cash flow | $ (35,735) | $ (79,384) | $ 49,724 | $ 59,686 | $ (169,489) |

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 losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude gain or loss on disposition of assets. 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 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 ability to service debt and fund capital expenditures and may help our investors understand our operating performance 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, other income or cash flow data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures.

EXHIBIT 99.2

HELIX ENERGY SOLUTIONS

# Fourth Quarter 2018 Conference Call

February 19, 2019

# Forward-Looking Statements

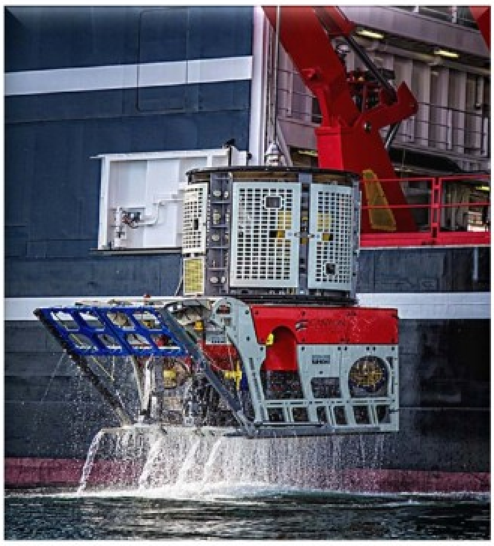
This presentation contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, any statements regarding 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. The 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 Helix's most recently filed Annual Report on Form 10-K and in Helix's 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 except as required by the securities laws.

Social Media

From time to time we provide information about Helix on Twitter (@Helix_ESG) and LinkedIn (www.linkedin.com/company/helix-energy-solutions-group).

# Presentation Outline



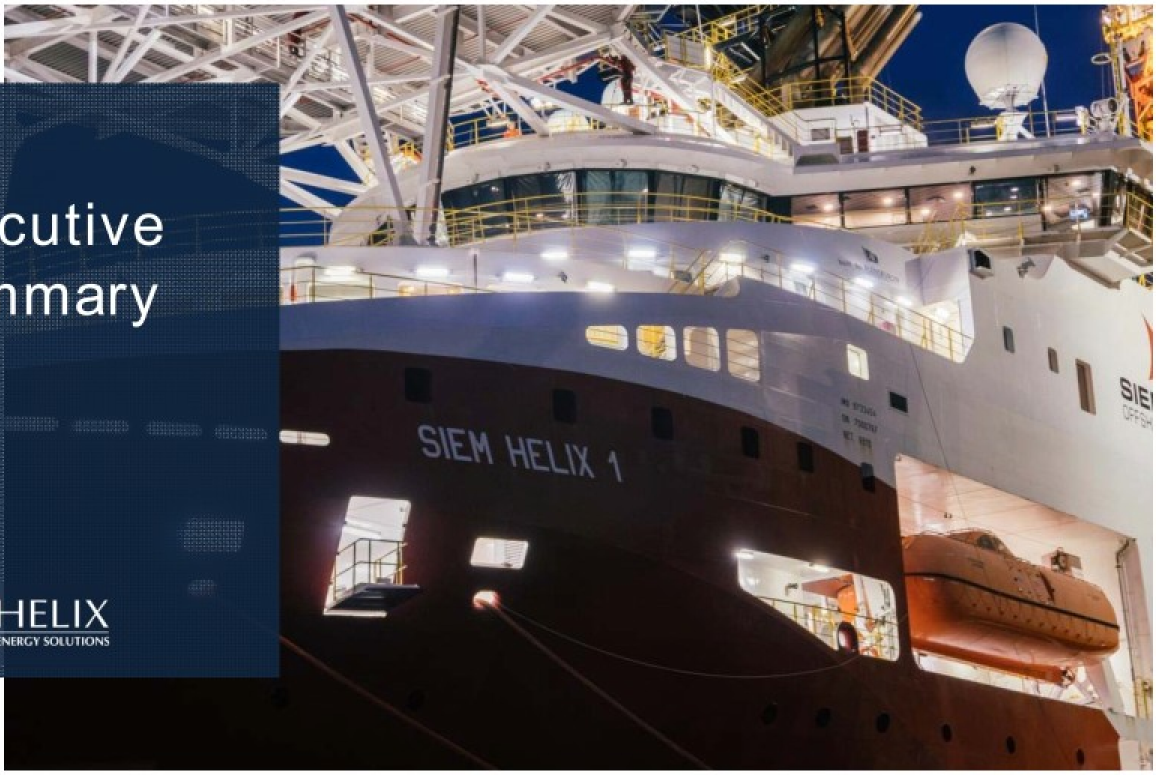


ROV Operations on Grand Canyon II



HELIX ENERGY SOLUTIONS

# Executive Summary



# Executive Summary

| ($ in millions, except per share data) | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 12/31/18 | 12/31/17 | 9/30/18 | 12/31/18 | 12/31/17 |
| Revenues | $ 158 | $ 163 | $ 213 | $ 740 | $ 581 |
| Gross profit | $ 14 | $ 23 | $ 52 | $ 122 | $ 62 |
| | 9% | 14% | 24% | 16% | 11% |
| Non-cash losses on equity investment | $ (3) | $ (2) | $ - | $ (3) | $ (2) |
| Net income (loss) | $ (14) | $ 50 | $ 27 | $ 29 | $ 30 |
| Diluted earnings (loss) per share | $ (0.09) | $ 0.34 | $ 0.18 | $ 0.19 | $ 0.20 |
| Adjusted EBITDA[1] | | | | | |
| Business segments | $ 36 | $ 42 | $ 73 | $ 206 | $ 140 |
| Corporate, eliminations and other | (13) | (10) | (14) | (44) | (33) |
| Adjusted EBITDA | $ 23 | $ 32 | $ 59 | $ 162 | $ 107 |
| Cash and cash equivalents | $ 279 | $ 267 | $ 325 | $ 279 | $ 267 |
| Cash flows from operating activities | $ 46 | $ 20 | $ 63 | $ 197 | $ 52 |

[1]Adjusted EBITDA is a non-GAAP financial measure. See non-GAAP reconciliations on slide 26.

# Executive Summary

## Highlights

Full Year 2018

- Net income of $29 million, $0.19 per diluted share, compared to $30 million, $0.20 per diluted share, in 2017[1]
- Adjusted EBITDA[2] of $162 million compared to $107 million in 2017
- Operating cash flow of $197 million compared to $52 million in 2017
- Free cash flow[2] of $60 million compared to $(169) million in 2017

Q4 2018

- Net loss of $(14) million, $(0.09) per diluted share, compared to net income of $27 million, $0.18 per diluted share, in Q3 2018 and $50 million, $0.34 per diluted share, in Q4 2017[1]
- Adjusted EBITDA[2] of $23 million compared to $59 million in Q3 2018 and $32 million in Q4 2017
- Operating cash inflow of $46 million compared to $63 million in Q3 2018 and $20 million in Q4 2017
- Free cash flow[2] of $(36) million compared to $50 million in Q3 2018 and $(79) million in Q4 2017

[1] Q4 and full year 2017 net income included a non-cash benefit of approximately $52 million related to the U.S. tax law changes enacted in December 2017.
[2] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See non-GAAP reconciliations on slide 26.



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# Executive Summary

## Operations – Q4 2018

- Well Intervention
  - Utilization of 79% across the well intervention vessel fleet
    - 62% in the GOM
    - 76% in the North Sea
    - 99% in Brazil
  - 15K IRS and 10K IRS idle during quarter
- Robotics
  - Robotics chartered vessels utilization 78%, including 60 spot vessel days
  - ROVs, trenchers and ROVDrills utilization 36%, including 151 trenching days
- Production Facilities
  - Operated at full rates during quarter

# Executive Summary

## Balance Sheet

- Liquidity[1] of approximately $426 million at 12/31/18
- Cash and cash equivalents totaled $279 million at 12/31/18
- Cash expenditures during Q4 2018 included:
  - $10 million of cash used for scheduled debt principal repayments
  - $82 million of cash used for capital expenditures, including a $69 million shipyard payment for the Q7000
- Long-term debt[2] of $440 million at 12/31/18 compared to $448 million at 9/30/18
- Net debt[3] of $161 million at 12/31/18 compared to $123 million at 9/30/18; see debt instrument profile on slide 17

[1] Liquidity is calculated as the sum of cash and cash equivalents ($279 million) plus available capacity under our revolving credit facility ($147 million)
[2] Net of unamortized debt discounts and issuance costs
[3] Net debt is calculated as total long-term debt less cash and cash equivalents

# Operational Highlights


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# Business Segment Results

| | Three Months Ended | | | | | | Year Ended | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 12/31/18 | | 12/31/17 | | 9/30/18 | | 12/31/18 | | 12/31/17 | |
| **Revenues** | | | | | | | | | | |
| Well Intervention | $ 115 | | $ 107 | | $ 155 | | $ 561 | | $ 406 | |
| Robotics | 38 | | 51 | | 54 | | 159 | | 153 | |
| Production Facilities | 16 | | 16 | | 16 | | 64 | | 64 | |
| Intercompany elimination | (11) | | (11) | | (12) | | (44) | | (42) | |
| Total | $ 158 | | $ 163 | | $ 213 | | $ 740 | | $ 581 | |
| **Gross profit (loss), %** | | | | | | | | | | |
| Well Intervention | $ 8 | 7% | $ 19 | 18% | $ 38 | 24% | $ 101 | 18% | $ 66 | 16% |
| Robotics | - | | (3) | -5% | 8 | 15% | (5) | -3% | (32) | -21% |
| Production Facilities | 6 | 40% | 7 | 46% | 7 | 43% | 28 | 43% | 29 | 44% |
| Elimination and other | - | | - | | (1) | | (2) | | (1) | |
| Total | $ 14 | 9% | $ 23 | 14% | $ 52 | 24% | $ 122 | 16% | $ 62 | 11% |

Fourth Quarter 2018

- Well Intervention achieved 79% utilization across the vessel fleet
- Q4000 - 53% utilized; Q5000 - 70% utilized
- Well Enhancer - 86% utilized; Seawell - 66% utilized
- Siem Helix 1 - 99% utilized; Siem Helix 2 - 99% utilized
- Robotics achieved 78% utilization on chartered vessel fleet; 36% utilization of ROVs, trenchers and ROVDrills



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# Well Intervention – GOM

Gulf of Mexico

- Q5000 – 70% utilized in Q4 2018; completed annual commitment with BP in early October, subsequently performed P&A work scopes for two customers
- Q4000 – 53% utilized in Q4 2018; completed a one-well stimulation project and then commenced an expected 12-well campaign on December 1
- 15K IRS rental unit – system idle in Q4 2018
- 10K IRS rental unit – system idle in Q4 2018


Q5000


Q4000

# Well Intervention – North Sea

North Sea

- Well Enhancer – 86% utilized in Q4 2018; worked for three customers in intervention mode during the quarter

- Seawell – 66% utilized in Q4 2018; operational for two customers in intervention mode.  Warm stacked at year-end

Well Enhancer

Seawell

# Well Intervention – Brazil

Brazil

- Siem Helix 1 – 99% utilized during Q4 2018; performed abandonment scope on two wells and workover and performance enhancement operations on two wells
- Siem Helix 2 – 99% utilized during Q4 2018; performed workover and performance enhancement operations on four wells

Siem Helix 1

Siem Helix 2

# Robotics

- 78% chartered vessel fleet utilization (including spot vessels) in Q4 2018; 36% utilization for ROVs, trenchers and ROVDrill
- Grand Canyon (North Sea) – 100% utilized during Q4 2018 performing trenching
- Grand Canyon II (GOM) – 42% utilized during Q4 2018 on ROV support projects for two customers
- Grand Canyon III (North Sea) – 76% utilized during Q4 2018 including 59 days trenching and 11 days ROV support
- Spot Vessels – 60 days of spot vessel utilization during Q4 2018
- Trenching – 151 days of trenching during Q4 2018

ROV

Grand Canyon II



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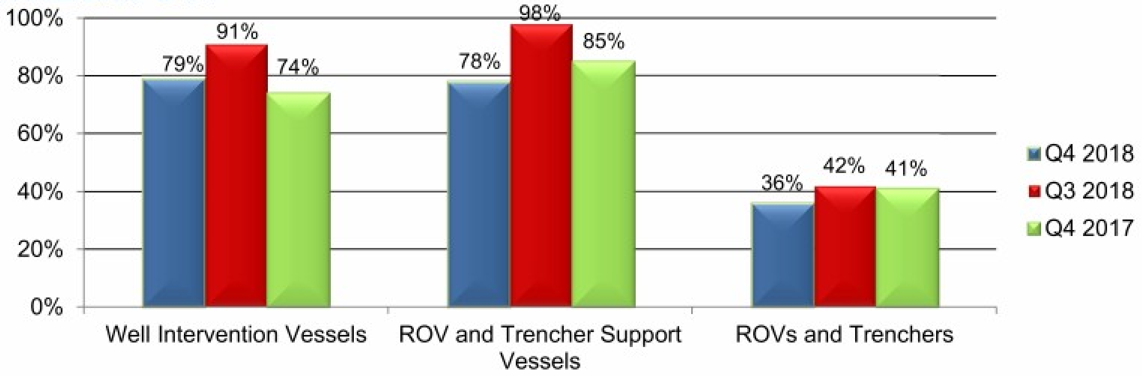
# Utilization




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

- Grand Canyon[1]
- Grand Canyon II[1]
- Grand Canyon III[1]
- Deep Cygnus[1,3]
- Spot vessels[1]

- 46 ROVs[4]
- 1 ROVDrill unit[4]
- 5 Trenchers

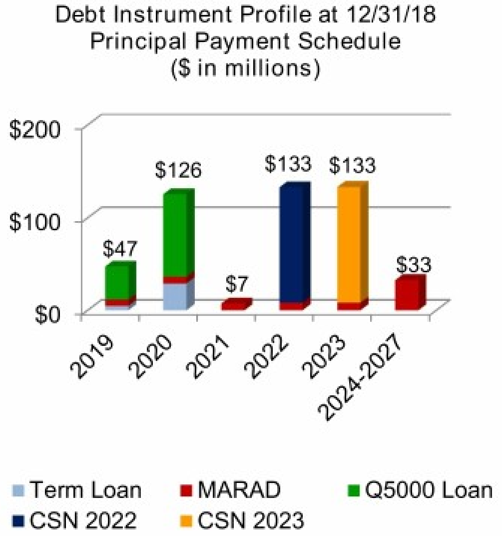
[1] Chartered vessel
[2] Vessel commenced service in December 2017
[3] Charter terminated in February 2018
[4] One ROV and one ROVDrill retired Q4 2018 and one ROV retired in Q3 2018

# Key Financial Metrics

# Debt Instrument Profile

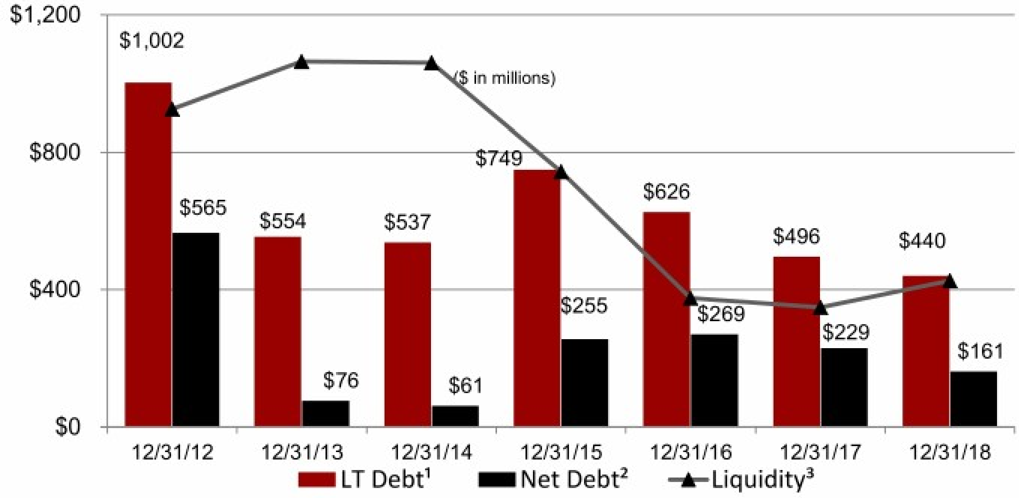
Total funded debt[1] of $479 million at 12/31/18

- $125 million Convertible Senior Notes due 2022 – 4.25%
- $125 million Convertible Senior Notes due 2023 – 4.125%
- $34 million Term Loan – LIBOR + 4.25%
  - Amortization payments of $4.7 million in 2019 and remaining balance of $29 million in 2020
- $70 million MARAD Debt – 4.93%
  - Semi-annual amortization payments
- $125 million Q5000 Loan – LIBOR + 2.50%[2]
  - Quarterly amortization payments of approximately $8.9 million with a final balloon payment of $80 million at maturity in 2020




[1] Excludes unamortized debt discounts and issuance costs
[2] We have fixed through April 2020 the LIBOR interest rate on 75% of the Q5000 Loan at 1.51% utilizing interest rate swaps

# Debt & Liquidity Profile




Liquidity of approximately $426 million at 12/31/18

[1] Long-term debt is net of unamortized debt issuance costs and discount of our Convertible Senior Notes due 2022, Convertible Senior Notes due 2023 and Convertible Senior Notes due 2032. (Convertible Senior Notes due 2032 were extinguished in 2018)

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

[3] Liquidity is calculated as the sum of cash and cash equivalents ($279 million) plus available capacity under our revolving credit facility ($147 million)

# 2019 Outlook

# 2019 Outlook: Q1 2019 Transactions

- Acquisition of Droshky Assets
  - Fixed price P&A of four wells and related subsea infrastructure
  - Two wells producing with near term (up to 24 months) production enhancement upside, with no production benefit included in our guidance
  - Two wells shut-in with P&A likely within six to 12 months based on our vessels' availability

- Extension of HFRS Agreement
  - Evergreen contract with provisions for 12-month cancellation notice
  - Strategic agreement with Gulf of Mexico customer-base with significantly reduced retainer

# 2019 Outlook: Forecast

| ($ in millions) | 2019 Outlook | 2018 Actual |
|---|---|---|
| Revenues | $ 700 - 760 | $ 740 |
| Adjusted EBITDA[1,2] | 165 - 190 | 162 |
| Capital Additions[3] | ~ 140 | 134 |
| Revenue Split: | | |
| Well Intervention | $ 545 - 620 | $ 561 |
| Robotics | 145 - 160 | 159 |
| Production Facilities[2] | 50 - 55 | 64 |
| Elimination | (40) - (75) | (44) |
| Total | $ 700 - 760 | $ 740 |

Key 2019 forecast drivers:
- Siem Helix 1 & 2 – strong performance in Brazil
- Q4000 and Q5000 – improved GOM activity in 2019
- Stable North Sea intervention market
- Improved cost structure in Robotics
- Improved ROV utilization
- New HFRS agreement
- Q7000 deployment in second half of 2019

[1] Outlook for 2019 and 2018 actual include an approximate $20 million reduction in EBITDA for mobilization costs paid in 2016-2017 for the Brazil contracts and expensed over the term of the contracts

[2] Outlook for 2019 does not include benefit from oil and gas production related to Droshky acquisition

[3] Includes capitalized interest and dry dock costs



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# 2019 Outlook: Well Intervention

- Total backlog at December 31, 2018 was approximately $1.1 billion ($0.9 billion for Well Intervention)
- Gulf of Mexico
  - Q4000 – Began an expected 12-well campaign in December with estimated duration into April 2019, then working in spot market with good utilization expected in 2019.
  - Q5000 – Forecasted to work for BP for 270 days beginning January 1 through Q3 2019
  - 15K IRS rental unit – Four wells on Q5000 beginning January 1 and potential for work later in the year
  - 10K IRS rental unit – Available in spot market with limited visibility
- North Sea
  - Seawell – Dry dock during January, mobilized mid-February with good utilization expected in 2019
  - Well Enhancer – Dry dock during January, beginning work early March with good utilization expected in 2019
- Brazil
  - Siem Helix 1 and 2 – working under contract for Petrobras
  - Maintenance scheduled for Siem Helix 2 in Q3 2019 and Siem Helix 1 in Q4 2019

# 2019 Outlook: Robotics

- Improved cost structure with reductions related to vessel charters, including expiration of the Grand Canyon charter in October 2019, and expiration of the hedge on the Grand Canyon II in July 2019
- Grand Canyon (North Sea) – performing trenching work through Q1 2019. Currently expected to be trenching through the scheduled return of the vessel in October 2019
- Grand Canyon II (GOM) – worked for one customer for half of January on an ROV support project and commenced a 60-day survey support project mid-February 2019, after which the vessel will pursue spot market opportunities in GOM or other regions depending on market conditions
- Grand Canyon III (North Sea) – pursuing spot market opportunities in Q1 2019 with its trenching campaign expected to commence in mid-April 2019 into Q4 2019

# 2019 Outlook: Capital Additions & Balance Sheet

2019 Capital Additions are currently forecasted at approximately $140 million, consisting of the following:

- Growth Capex - $115[1] million related to completion of the Q7000 and related intervention system:
  - $112 million for the Q7000, including a $69 million shipyard payment
  - $3 million for intervention systems
- Maintenance Capex - $25 million for vessel and intervention system maintenance (including dry dock costs for the Seawell, Well Enhancer, and Helix Producer I in Q1 2019)

Balance Sheet

- Our total funded debt[2] level is expected to decrease by $47 million (from $479 million at December 31, 2018 to $432 million at December 31, 2019) as a result of scheduled principal payments
- Continued strong operating cash flow is expected in 2019

[1] Includes capitalized interest
[2] Excludes unamortized discounts and issuance costs



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# Non-GAAP Reconciliations


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# Non-GAAP Reconciliations

| ($ in thousands) | Three Months Ended | | | Year Ended | |
|---|---|---|---|---|---|
| | 12/31/18 | 12/31/17 | 9/30/18 | 12/31/18 | 12/31/17 |
| Adjusted EBITDA: | | | | | |
| Net income (loss) | $ (13,747) | $ 50,580 | $ 27,121 | $ 28,598 | $ 30,052 |
| Adjustments: | | | | | |
| Income tax provision (benefit) | 1,174 | (49,307) | 841 | 2,400 | (50,424) |
| Net interest expense | 3,007 | 3,298 | 3,249 | 13,751 | 18,778 |
| Loss on extinguishment of long-term debt | - | - | 2 | 1,183 | 397 |
| Other expense, net | 3,099 | 815 | 709 | 6,324 | 1,434 |
| Depreciation and amortization | 27,183 | 26,075 | 27,680 | 110,522 | 108,745 |
| Non-cash losses on equity investment | 3,430 | 1,800 | - | 3,430 | 1,800 |
| EBITDA | 24,146 | 33,261 | 59,602 | 166,208 | 110,782 |
| Adjustments: | | | | | |
| (Gain) loss on disposition of assets, net | - | - | (146) | (146) | 39 |
| Realized losses from foreign exchange contracts not designated as hedging instruments | (908) | (846) | (820) | (3,224) | (3,605) |
| Other than temporary loss on note receivable | - | - | - | (1,129) | - |
| Adjusted EBITDA | $ 23,238 | $ 32,415 | $ 58,636 | $ 161,709 | $ 107,216 |
| | | | | | |
| Free cash flow: | | | | | |
| Cash flows from operating activities | $ 45,917 | $ 20,315 | $ 63,161 | $ 196,744 | $ 51,638 |
| Less: Capital expenditures, net of proceeds from sale of assets | (81,652) | (99,699) | (13,437) | (137,058) | (221,127) |
| Free cash flow | $ (35,735) | $ (79,384) | $ 49,724 | $ 59,686 | $ (169,489) |

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 losses on equity investments are also added back if applicable. To arrive at our measure of Adjusted EBITDA, we exclude gain or loss on disposition of assets. 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 and 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 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 ability to service debt and fund capital expenditures and may help our investors understand our operating performance 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, other income or cash flow data prepared in accordance with GAAP. Non-GAAP financial measures should be viewed in addition to, and not as an alternative to, our reported results prepared in accordance with GAAP. Users of this financial information should consider the types of events and transactions that are excluded from these measures.



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