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 24, 2019**

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	
Suite 400	
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 24, 2019, Helix Energy Solutions Group, Inc. ("Helix") issued a press release announcing its second quarter results of operations for the period ended June 30, 2019. Attached hereto as Exhibit 99.1, and incorporated herein by reference, is the press release.

Item 7.01 Regulation FD Disclosure.

On July 24, 2019, Helix issued a press release announcing its second quarter results of operations for the period ended June 30, 2019. In addition, on July 25, 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 Second Quarter 2019 Conference Call Presentation issued by Helix. The presentation materials are also available beginning on July 24, 2019 under *For the Investor - Presentations* in the *Investors* 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 July 24, 2019 reporting financial results for the second quarter of 2019.
99.2	Second Quarter 2019 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: July 24, 2019

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 **19-009**

Date: July 24, 2019 **Contact: Erik Staffeldt**
Executive Vice President & CFO

Helix Reports Second Quarter 2019 Results

HOUSTON, TX – Helix Energy Solutions Group, Inc. ("Helix") (NYSE: HLX) reported net income of $16.8 million, or $0.11 per diluted share, for the second quarter of 2019 compared to $17.8 million, or $0.12 per diluted share, for the same period in 2018 and $1.3 million, or $0.01 per diluted share, for the first quarter of 2019. Net income for the six months ended June 30, 2019 was $18.1 million, or $0.12 per diluted share, compared to $15.2 million, or $0.10 per diluted share, for the six months ended June 30, 2018.

Helix reported Adjusted EBITDA[1] of $50.3 million for the second quarter of 2019 compared to $52.3 million for the second quarter of 2018 and $30.2 million for the first quarter of 2019. Adjusted EBITDA for the six months ended June 30, 2019 was $80.5 million compared to $79.8 million for the six months ended June 30, 2018. The table below summarizes our results of operations:

Summary of Results

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

	Three Months Ended			Six Months Ended	
	6/30/2019	6/30/2018	3/31/2019	6/30/2019	6/30/2018
Revenues	$ 201,728	$ 204,625	$ 166,823	$ 368,551	$ 368,887
Gross Profit	$ 39,934	$ 42,897	$ 16,254	$ 56,188	$ 55,880
	20%	*21%*	*10%*	*15%*	*15%*
Net Income	$ 16,823	$ 17,784	$ 1,318	$ 18,141	$ 15,224
Diluted Earnings Per Share	$ 0.11	$ 0.12	$ 0.01	$ 0.12	$ 0.10
Adjusted EBITDA [1]	$ 50,324	$ 52,269	$ 30,214	$ 80,538	$ 79,835
Cash and cash equivalents	$ 261,142	$ 288,490	$ 220,023	$ 261,142	$ 288,490
Cash flows from operating activities	$ 66,807	$ 46,620	$ (34,246)	$ 32,561	$ 87,666

Owen Kratz, President and Chief Executive Officer of Helix, stated, "As expected, our second quarter 2019 results benefitted from the seasonal pick-up in the North Sea Well Intervention and Robotics markets and the continued improvements in our Robotics business. Despite a few challenges, our results for the first half of 2019 are on par with the first half of 2018. While our outlook is not without its risks, we believe we remain positioned for a strong second half of 2019 as we continue to execute in this weak market."

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

Segment Information, Operational and Financial Highlights

($ in thousands, unaudited)

	Three Months Ended			Six Months Ended	
	6/30/2019	6/30/2018	3/31/2019	6/30/2019	6/30/2018
Revenues:					
Well Intervention	$ 159,074	$ 161,759	$ 122,231	$ 281,305	$ 291,328
Robotics	45,446	39,060	39,041	84,487	66,229
Production Facilities	15,621	16,343	15,253	30,874	32,664
Intercompany Eliminations	(18,413)	(12,537)	(9,702)	(28,115)	(21,334)
Total	$ 201,728	$ 204,625	$ 166,823	$ 368,551	$ 368,887
Income (Loss) from Operations:					
Well Intervention	$ 26,672	$ 34,470	$ 9,641	$ 36,313	$ 48,347
Robotics	2,949	(4,102)	(3,904)	(955)	(18,419)
Production Facilities	4,452	6,866	4,405	8,857	14,225
Corporate / Other / Eliminations	(11,001)	(12,462)	(9,873)	(20,874)	(20,497)
Total	$ 23,072	$ 24,772	$ 269	$ 23,341	$ 23,656

Segment Results

Well Intervention

Well Intervention revenues increased $36.8 million, or 30%, primarily due to the seasonal pick-up in activity in the North Sea. Overall well intervention vessel utilization increased to 94% in the second quarter from 74% in the first quarter. Income from operations increased $17.0 million, or 177%, in the second quarter of 2019 due to the seasonal improvement in the North Sea, partially offset by lower earnings on the *Q5000* as a result of unplanned downtime during the quarter.

Well Intervention revenues decreased $2.7 million, or 2%, in the second quarter of 2019 compared to the second quarter of 2018. The decrease year over year was due to lower coiled tubing revenue in the North Sea and a weaker British pound as well as lower IRS rental revenue, offset in part by higher revenues in the Gulf of Mexico and Brazil due to improved vessel utilization in those regions in the second quarter of 2019. Overall well intervention vessel utilization increased from 88% in the second quarter of 2018 to 94% in the second quarter of 2019. Income from operations decreased $7.8 million, or 23%, in the second quarter of 2019 compared to the second quarter of 2018. The decrease was related to lower revenues in the North Sea, higher integrated services costs in the Gulf of Mexico and lower IRS rentals during the second quarter of 2019 compared to the second quarter of 2018.

Robotics

Robotics revenues in the second quarter of 2019 increased by $6.4 million, or 16%, from the previous quarter. The increase was due to the seasonal improvement in trenching rates in the North Sea and improvements in long-term chartered vessel utilization. Chartered vessel utilization increased to 92% in the second quarter of 2019, which included 24 spot vessel days, from 88% in the first quarter of 2019, which included 84 spot vessel days. Trenching days in the second quarter of 2019 totaled 138 days compared to 133 days in the previous quarter. Income from operations was $2.9 million in the second quarter, an improvement of $6.9 million, due to improved margins on trenching and lower costs related to fewer spot vessel days quarter over quarter.

Robotics revenues increased $6.4 million, or 16%, in the second quarter of 2019 compared to the second quarter of 2018 due primarily to an overall increase in long-term chartered vessel utilization. Chartered vessel utilization was 92% in the second quarter of 2019, which included 24 spot vessel days, compared to 70% in the second quarter of 2018, which included 54 spot vessel days. Income from operations in the second quarter of 2019 improved $7.1 million compared to the second quarter of 2018 due to improved margins on higher long-term charter vessel revenues and lower costs due to fewer spot vessel days year over year.

Production Facilities

Production Facilities revenues decreased year over year due to reduced revenue related to the Helix Fast Response System offset in part by production revenues.

Selling, General and Administrative and Other

Selling, General and Administrative

Selling, general and administrative expenses were $16.9 million, or 8.4% of revenue, in the second quarter of 2019 compared to $16.0 million, or 9.6% of revenue, in the first quarter of 2019. The increase in expenses was principally attributable to higher employee compensation costs due to the acceleration of $1.1 million of non-cash share-based awards during the second quarter.

Other Income and Expenses

Other expense, net was $1.3 million in the second quarter of 2019 compared to other income of $1.2 million in the first quarter of 2019. The change was primarily due to net foreign currency losses in the second quarter of 2019 compared to foreign currency gains in the first quarter of 2019.

Cash Flows

Operating cash flow increased to $66.8 million in the second quarter of 2019 compared to $(34.2) million in the first quarter of 2019 and $46.6 million in the second quarter of 2018. The increase in operating cash flow quarter over quarter is primarily due to reductions in working capital as well as lower regulatory certification costs for our vessels and systems during the second quarter. The increase year over year is primarily due to reductions in working capital in the second quarter of 2019 compared to increases in working capital in second quarter of 2018.

Capital expenditures totaled $15.8 million in the second quarter of 2019 compared to $11.7 million in the first quarter of 2019 and $20.8 million in the second quarter of 2018. Regulatory certification costs for our vessels and systems, which are included in operating cash flows, were $0.5 million in the second quarter of 2019 compared to $16.6 million in the first quarter of 2019 and $2.0 million in the second quarter of 2018. The first quarter 2019 regulatory certification costs included dry docks on the *Well Enhancer*, *Seawell* and *Helix Producer I* vessels and certification costs for the related intervention systems.

Free cash flow was $53.5 million in the second quarter of 2019 compared to $(45.9) million in the first quarter of 2019. The increase is primarily due to higher operating cash flow quarter over quarter. Free cash flow in the second quarter of 2019 increased by $27.6 million year over year due to higher operating cash flows and lower capital expenditures compared to the second quarter of 2018. (Free cash flow is a non-GAAP measure. See reconciliation below.)

Financial Condition and Liquidity

Cash and cash equivalents at June 30, 2019 were $261.1 million. Available capacity under our revolving credit facility was $171.3 million at June 30, 2019. Consolidated long-term debt decreased to $424.5 million at June 30, 2019 from $429.2 million at March 31, 2019. Consolidated net debt at June 30, 2019 was $163.3 million. Net debt to book capitalization at June 30, 2019 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 second quarter 2019 results (see the "Investors" page of Helix's website, www.HelixESG.com). The teleconference, scheduled for Thursday, July 25, 2019 at 9:00 a.m. Central Time, will be audio webcast live from the "Investors" page of Helix's website. Investors and other interested parties wishing to participate in the teleconference may join by dialing 1-800-403-7802 for participants in the United States and 1-303-223-2699 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, 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. 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 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.

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), LinkedIn (www.linkedin.com/company/helix-energy-solutions-group) and Facebook (www.facebook.com/HelixEnergySolutionsGroup).

HELIX ENERGY SOLUTIONS GROUP, INC.

Comparative Condensed Consolidated Statements of Operations

(in thousands, except per share data)	Three Months Ended Jun. 30, 2019	Three Months Ended Jun. 30, 2018	Six Months Ended Jun. 30, 2019	Six Months Ended Jun. 30, 2018
	(unaudited)		(unaudited)	
Net revenues	$ 201,728	$ 204,625	$ 368,551	$ 368,887
Cost of sales	161,794	161,728	312,363	313,007
Gross profit	39,934	42,897	56,188	55,880
Selling, general and administrative expenses	(16,862)	(18,125)	(32,847)	(32,224)
Income from operations	23,072	24,772	23,341	23,656
Equity in losses of investment	(29)	(135)	(69)	(271)
Net interest expense	(2,205)	(3,599)	(4,303)	(7,495)
Loss on extinguishment of long-term debt	(18)	(76)	(18)	(1,181)
Other expense, net	(1,311)	(3,441)	(145)	(2,516)
Royalty income and other	190	561	2,535	3,416
Income before income taxes	19,699	18,082	21,341	15,609
Income tax provision	2,876	298	3,200	385
Net income	16,823	17,784	18,141	15,224
Net loss attributable to redeemable noncontrolling interests	(31)	—	(31)	—
Net income attributable to common shareholders	$ 16,854	$ 17,784	$ 18,172	$ 15,224
Earnings per share of common stock:				
Basic	$ 0.11	$ 0.12	$ 0.12	$ 0.10
Diluted	$ 0.11	$ 0.12	$ 0.12	$ 0.10
Weighted average common shares outstanding:				
Basic	147,521	146,683	147,471	146,668
Diluted	148,101	146,724	147,931	146,668

Comparative Condensed Consolidated Balance Sheets

ASSETS (in thousands)	Jun. 30, 2019 (unaudited)	Dec. 31, 2018	***LIABILITIES & SHAREHOLDERS' EQUITY*** (in thousands)	Jun. 30, 2019 (unaudited)	Dec. 31, 2018
Current Assets:			Current Liabilities:		
Cash and cash equivalents (1)	$ 261,142	$ 279,459	Accounts payable	$ 76,536	$ 54,813
Accounts receivable, net	151,031	119,875	Accrued liabilities	84,611	85,594
Other current assets	77,764	51,594	Income tax payable	—	3,829
Total Current Assets	489,937	450,928	Current maturities of long-term debt (1)	117,033	47,252
			Current operating lease liabilities (2)	54,449	—
			Total Current Liabilities	332,629	191,488
			Long-term debt (1)	307,455	393,063
			Operating lease liabilities (2)	178,731	—
			Deferred tax liabilities	108,344	105,862
Property & equipment, net	1,804,364	1,826,745	Other non-current liabilities	41,284	39,538
Operating lease right-of use assets (2)	227,213	—	Redeemable noncontrolling interests	3,383	—
Other assets, net	98,708	70,057	Shareholders' equity (1)	1,648,396	1,617,779
Total Assets	$ 2,620,222	$ 2,347,730	Total Liabilities & Equity	$ 2,620,222	$ 2,347,730

(1) Net debt to book capitalization - 9% at June 30, 2019. Calculated as net debt (total long-term debt less cash and cash equivalents - $163,346) divided by the sum of net debt and shareholders' equity ($1,811,742).

(2) Reflects adoption of Accounting Standards Update No. 2016-02, "Leases (Topic 842)."

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

Earnings Release:

	Three Months Ended			Six Months Ended	
	6/30/2019	6/30/2018	3/31/2019	6/30/2019	6/30/2018
			(in thousands)		
Reconciliation from Net Income to Adjusted EBITDA:					
Net income	$ 16,823	$ 17,784	$ 1,318	$ 18,141	$ 15,224
Adjustments:					
Income tax provision	2,876	298	324	3,200	385
Net interest expense	2,205	3,599	2,098	4,303	7,495
Loss on extinguishment of long-term debt	18	76	—	18	1,181
Other (income) expense, net	1,311	3,441	(1,166)	145	2,516
Depreciation and amortization	28,003	27,877	28,509	56,512	55,659
EBITDA	51,236	53,075	31,083	82,319	82,460
Adjustments:					
Realized losses from foreign exchange contracts not designated as hedging instruments	(912)	(806)	(869)	(1,781)	(1,496)
Other than temporary loss on note receivable	—	—	—	—	(1,129)
Adjusted EBITDA	$ 50,324	$ 52,269	$ 30,214	$ 80,538	$ 79,835
Free Cash Flow:					
Cash flows from operating activities	$ 66,807	$ 46,620	$ (34,246)	$ 32,561	$ 87,666
Less: Capital expenditures, net of proceeds from sale of assets	(13,303)	(20,755)	(11,630)	(24,933)	(41,969)
Free cash flow	$ 53,504	$ 25,865	$ (45,876)	$ 7,628	$ 45,697

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, if any, 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 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.

EXHIBIT 99.2

Second Quarter 2019 Conference Call

July 25, 2019

Navigating the present, focusing on the future.

Forward-Looking Statements

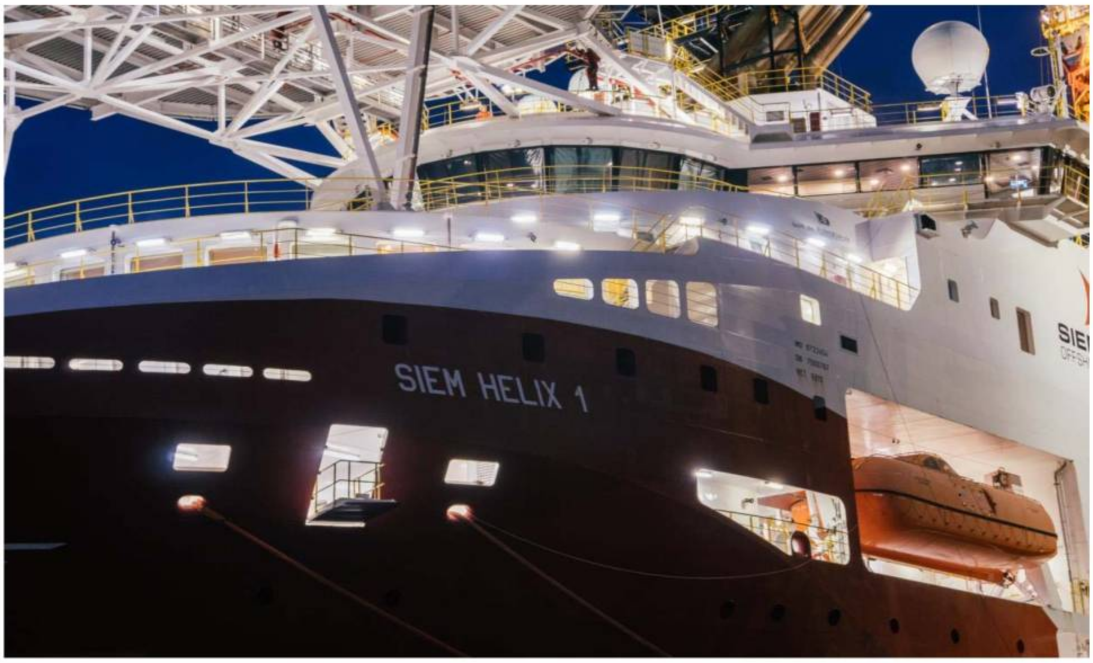
This presentation contains forward-looking statements that involve risks, uncertainties and assumptions that could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements, other than statements of historical fact, are "forward-looking 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), LinkedIn (www.linkedin.com/company/helix-energy-solutions-group) and Facebook (www.facebook.com/HelixEnergySolutionsGroup)

Presentation Outline

Executive Summary



Executive Summary

($ in millions, except per share data)	Three Months Ended			Six Months Ended	
	6/30/19	6/30/18	3/31/19	6/30/19	6/30/18
Revenues	$ 202	$ 205	$ 167	$ 369	$ 369
Gross profit	$ 40	$ 43	$ 16	$ 56	$ 56
	20%	21%	10%	15%	15%
Net income	$ 17	$ 18	$ 1	$ 18	$ 15
Diluted earnings per share	$ 0.11	$ 0.12	$ 0.01	$ 0.12	$ 0.10
Adjusted EBITDA[1]					
Business segments	$ 61	$ 64	$ 37	$ 99	$ 97
Corporate, eliminations and other	(11)	(12)	(7)	(18)	(17)
Adjusted EBITDA	$ 50	$ 52	$ 30	$ 81	$ 80
Cash and cash equivalents	$ 261	$ 288	$ 220	$ 261	$ 288
Cash flows from operating activities[2]	$ 67	$ 47	$ (34)	$ 33	$ 88

[1] Adjusted EBITDA is a non-GAAP financial measure. See non-GAAP reconciliations on slide 25.

[2] Cash flows from operating activities during the three months ended March 31, 2019 includes $17 million of regulatory certification costs for our vessels and systems.

Executive Summary

Highlights

Q2 2019

- Net income of $17 million, $0.11 per diluted share, compared to $1 million, $0.01 per diluted share, in Q1 2019 and $18 million, $0.12 per diluted share, in Q2 2018
- Adjusted EBITDA[1] of $50 million compared to $30 million in Q1 2019 and $52 million in Q2 2018
- Operating cash flow of $67 million compared to $(34) million in Q1 2019 and $47 million in Q2 2018
- Free Cash Flow[1] of $54 million compared to $(46) million in Q1 2019 and $26 million in Q2 2018
- Acquisition of Subsea Technologies Group Limited, a subsea engineering firm focused on well control technologies and products

Q2 2019 Year to date

- Net income of $18 million, $0.12 per diluted share, compared to $15 million, $0.10 per diluted share, in the same period in 2018
- Adjusted EBITDA[1] of $81 million compared to $80 million in the same period in 2018
- Operating cash flow of $33 million compared to $88 million in the same period in 2018
- Free Cash Flow[1] of $8 million compared to $46 million in the same period in 2018

[1] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See non-GAAP reconciliations on slide 25.

Executive Summary

Operations

- Well Intervention
  - Utilization of 94% across the well intervention vessel fleet
    - 85% in the GOM
    - 98% in the North Sea
    - 99% in Brazil
  - 15K IRS utilization 77%; 10K IRS idle during quarter
- Robotics
  - Robotics chartered vessels utilization 92%, including 138 vessel trenching days and 24 spot vessel days
  - ROVs, trenchers and ROVDrill utilization 41%
- Production Facilities
  - Helix Producer 1 – operated at full rates during quarter
  - Nominal production benefit

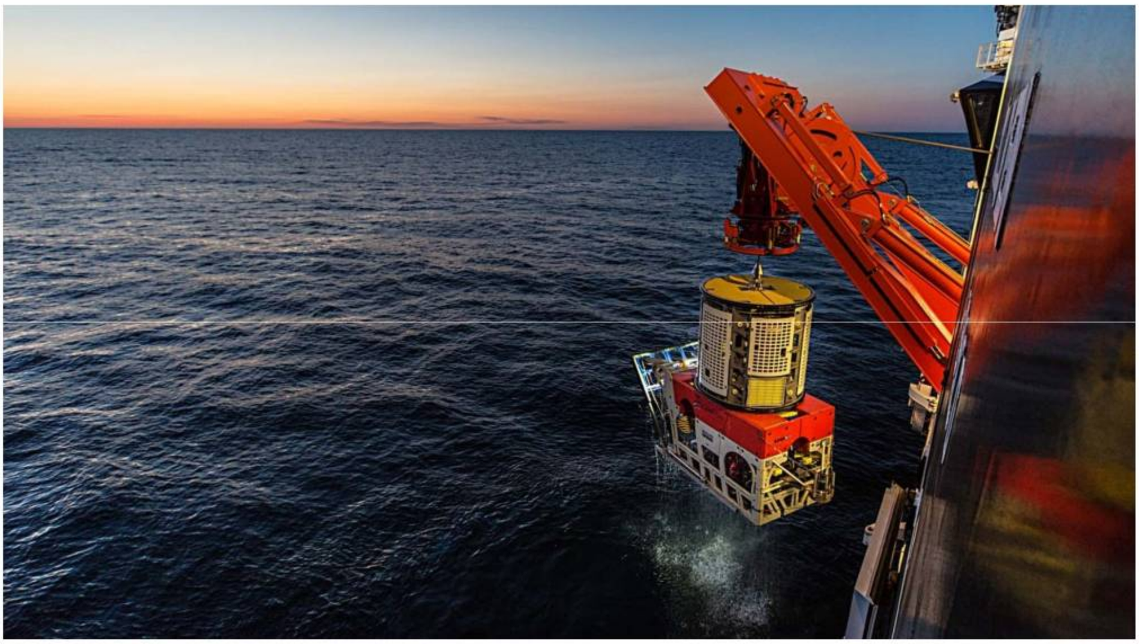
Executive Summary

Balance Sheet

- Liquidity[1] of approximately $432 million at 6/30/19
- Cash and cash equivalents totaled $261 million at 6/30/19
  - $7 million of cash used for net repayments of debt ($9 million scheduled principal repayments and $2 million of additional funds borrowed on term loan)
  - $16 million of cash used for capital expenditures in Q2
- Long-term debt[2] of $424 million at 6/30/19 compared to $429 million at 3/31/19
- Net debt[3] of $163 million at 6/30/19 compared to $209 million at 3/31/19
- Credit facility amended and extended in June. Revolving credit facility increased to $175 million and term loan increased to $35 million. Maturity extended to December 31, 2021

[1] Liquidity is calculated as the sum of cash and cash equivalents ($261 million) plus available capacity under our revolving credit facility ($171 million)
[2] Net of unamortized discounts and issuance costs
[3] Net debt is calculated as long-term debt ($424 million) less cash and cash equivalents ($261 million)

Operational Highlights by Segment



Business Segment Results

	Three Months Ended						Six Months Ended			
	6/30/19		6/30/18		3/31/19		6/30/19		6/30/18	
Revenues										
Well Intervention	$ 159		$ 162		$ 122		$ 281		$ 292	
Robotics	45		39		39		85		66	
Production Facilities	16		16		15		31		32	
Intercompany Eliminations	(18)		(12)		(9)		(28)		(21)	
Total	$ 202		$ 205		$ 167		$ 369		$ 369	
Gross profit (loss), %										
Well Intervention	$ 30	19%	$ 38	24%	$ 13	11%	$ 44	16%	$ 56	19%
Robotics	5	11%	(1)	-4%	(2)	-4%	3	4%	(13)	-20%
Production Facilities	5	31%	7	43%	5	31%	10	31%	14	44%
Eliminations and other	-		(1)		-		(1)		(1)	
Total	$ 40	20%	$ 43	21%	$ 16	10%	$ 56	15%	$ 56	15%

Second Quarter 2019

- Well Intervention achieved 94% utilization across the vessel fleet
- Q4000 93% utilization; Q5000 77% utilization
- Well Enhancer 99% utilization; Seawell 97% utilization
- Siem Helix 1 99% utilization; Siem Helix 2 99% utilization
- Robotics achieved 92% utilization on chartered vessel fleet; 41% utilization of ROVs, trenchers and ROVDrill

Well Intervention – GOM

Gulf of Mexico

- Q5000 – 77% utilized in Q2 performing 15K intervention work for BP; incurred unplanned downtime during quarter
- Q4000 – 93% utilized in Q2; completed 12-well abandonment and performance enhancement campaign; performed two-well abandonment for another customer; commenced abandonment activities for one of four Droshky wells owned by Helix
- 15K IRS rental unit – 77% utilized in Q2 performing intervention work for BP on the Q5000
- 10K IRS rental unit – system idle in Q2

Q5000

Q4000

Well Intervention – North Sea

North Sea

- Well Enhancer – 99% utilized in Q2; operational in light well intervention mode for three customers performing abandonment operations on one well and production enhancement on four wells, including the completion of a successful riser-based shallow water coiled tubing project
- Seawell – 97% utilized in Q2; operational in light well intervention mode for three customers performing abandonment operations on one well and production enhancement operations on four wells

Well Enhancer

Seawell

HELIX ENERGY SOLUTIONS

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Well Intervention – Brazil

Brazil

- Siem Helix 1 – 99% utilized in Q2; performed abandonment scope on two wells and workover and performance enhancement operations on two wells
- Siem Helix 2 – 99% utilized in Q2; performed abandonment scope on one well and workover and performance enhancement operations on five wells

Siem Helix 1

Siem Helix 2

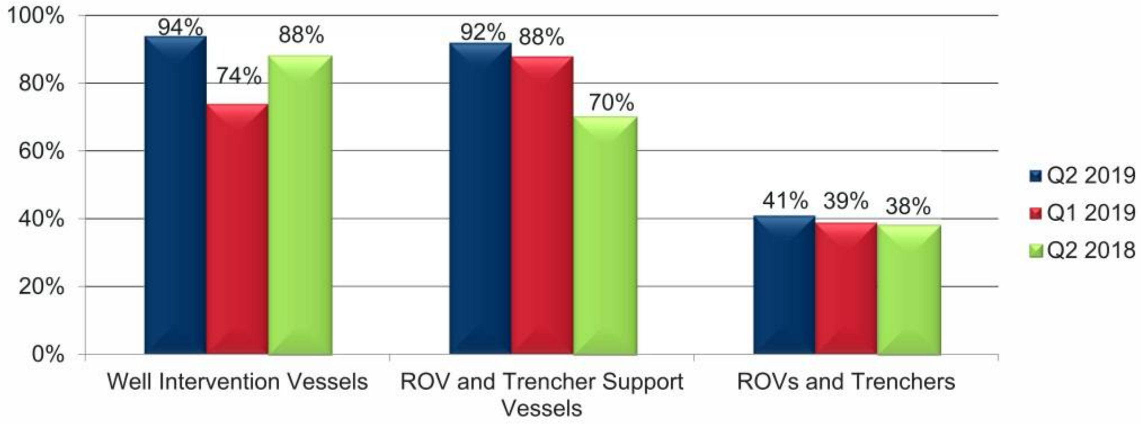
Robotics

- Chartered vessel fleet 92% utilized (including spot vessels) in Q2; ROVs, trenchers and ROVDrill 41% utilized
- Grand Canyon (North Sea) – 98% utilized in Q2 performing trenching operations
- Grand Canyon II (Asia Pacific) – 96% utilized in Q2 performing ROV support projects for three customers
- Grand Canyon III (North Sea) – 79% utilized in Q2 including 49 days trenching and 23 days of ROV support
- Spot Vessels – 24 days of spot vessel utilized during Q2, including 16 days on the Ross Candies in GOM
- Trenching – 138 days of trenching operations during Q2

ROV

Grand Canyon II

Utilization



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

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

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

[1] Chartered vessel

[2] One Trencher retired in Q2 2019; one ROV retired in Q3 2018; one ROV and one ROVDrill retired in Q4 2018

Key Financial Metrics

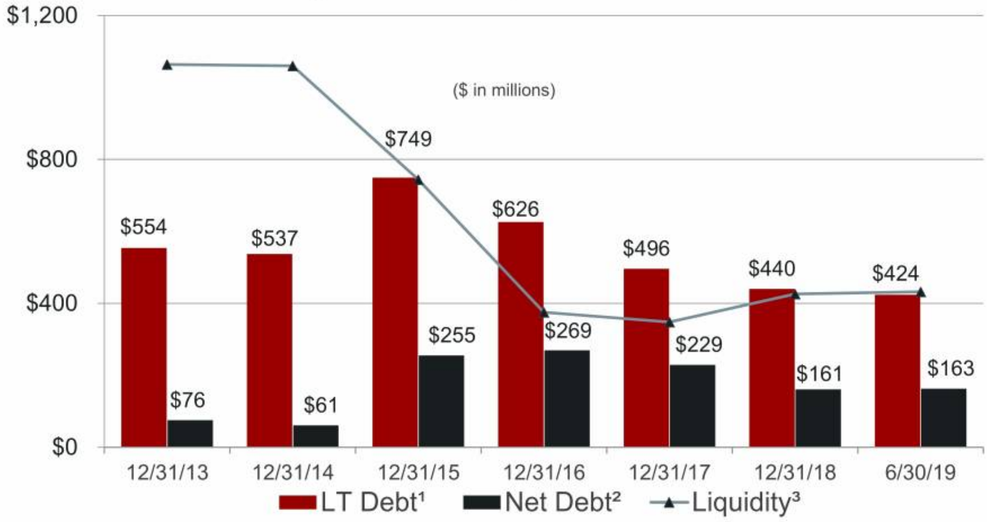
Debt Instrument Profile

Total funded debt[1] of $459 million at 6/30/19

- $125 million Convertible Senior Notes due 2022 – 4.25%
- $125 million Convertible Senior Notes due 2023 – 4.125%
- $35 million Term Loan – LIBOR + 3.25%[2]
  - Quarterly amortization payments of $0.9 million with a final balloon payment of $27 million at maturity in Q4 2021
- $67 million MARAD Debt – 4.93%
  - Semi-annual amortization payments
- $107 million Q5000 Loan – LIBOR + 2.50%[3]
  - Quarterly amortization payments of approximately $8.9 million with a final balloon payment of $80 million at maturity in Q2 2020

[1] Excludes unamortized debt discounts and debt issuance costs
[2] Credit facility was amended in Q2 2019; term loan increased to $35 million, revolving credit facility increased to $175 million and maturity extended until December 31, 2021
[3] 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[3] of approximately $432 million at 6/30/19

[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 ($424) less cash and cash equivalents ($261)
[3] Liquidity is calculated as the sum of cash and cash equivalents ($261 million) plus available capacity under our revolving credit facility ($171 million)

2019 Outlook

2019 Outlook: Forecast

($ in millions)	2019 Outlook	2018 Actual
Revenues	$ 700 - 760	$ 740
Adjusted EBITDA[1,2]	165 - 190	162
Capital Additions[3]	~ 145	135
Revenue Split:		
Well Intervention	$ 550 - 600	$ 561
Robotics	150 - 175	159
Production Facilities[2]	55 - 60	64
Eliminations	(55) - (75)	(44)
Total	$ 700 - 760	$ 740

Key 2019 forecast assumptions:

- 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 fourth quarter of 2019

[1] 2019 Outlook and 2018 Actuals 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] 2019 Outlook includes nominal benefit from oil and gas production related to the Droshky acquisition

[3] Includes capitalized interest and regulatory certification costs for our vessels and systems

2019 Outlook: Well Intervention

- Total backlog at June 30, 2019 was approx. $1.0 billion, including $0.7 billion for Well Intervention
- Gulf of Mexico
  - Q4000 – contracted backlog through October, with identified spot market opportunities through the remainder of 2019
  - Q5000 – contracted with BP through Q3, then available in the spot market with opportunities in Q4
  - 15K IRS rental unit – contracted with BP on Q5000 through Q3
  - 10K IRS rental unit – available in the spot market
- North Sea
  - Seawell and Well Enhancer – high utilization expected through Q3; good prospects into December
- Brazil
  - Siem Helix 1 and 2 – working for Petrobras; Siem Helix 2 forecasted to incur some downtime in Q4 for scheduled maintenance; Siem Helix 1 scheduled shipyard maintenance deferred until 2020

2019 Outlook: Robotics

- Improved cost structure resulting from the Grand Canyon II hedge expiration in July and termination of the Grand Canyon vessel charter in October
- Grand Canyon (North Sea) – expected to perform trenching work through scheduled return of the vessel in October
- Grand Canyon II (Asia Pacific) – currently performing ROV support on windfarm project in Taiwan through August; high utilization expected over the remainder of 2019
- Grand Canyon III (North Sea) – performing its summer trenching campaign work into Q4
- Ross Candies – joined fleet in June under one-year charter agreement with flexible utilization terms

2019 Outlook: Capital Additions & Balance Sheet

2019 Capital additions are currently forecasted at approximately $145 million, consisting of the following:

- Growth Capex – $120 million[1] related to completion of the Q7000 and related intervention system:
  - $117 million for Q7000, including a $69 million shipyard payment
  - $3 million for intervention system
- Maintenance Capex – $25 million for vessel and intervention system maintenance, including regulatory certification costs on our vessels and systems for the Seawell, Well Enhancer and Helix Producer I incurred in Q1
- Capital additions for the remainder of 2019 expected to be $100 million

Balance Sheet

- Our total funded debt[2] level is expected to decrease by $23 million (from $459 million at June 30, 2019 to $436 million at December 31, 2019) as a result of scheduled principal payments

[1] Includes capitalized interest

[2] Excludes unamortized discounts and issuance costs

Non-GAAP Reconciliations

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Non-GAAP Reconciliations

($ in thousands)	Three Months Ended			Six Months Ended		Twevle Months Ended
	6/30/19	6/30/18	3/31/19	6/30/19	6/30/18	12/31/18
Adjusted EBITDA:						
Net income	$ 16,823	$ 17,784	$ 1,318	$ 18,141	$ 15,224	$ 28,598
Adjustments:						
Income tax provision	2,876	298	324	3,200	385	2,400
Net interest expense	2,205	3,599	2,098	4,303	7,495	13,751
Loss on extinguishment of long-term debt	18	76	-	18	1,181	1,183
Other (income) expense, net	1,311	3,441	(1,166)	145	2,516	6,324
Depreciation and amortization	28,003	27,877	28,509	56,512	55,659	110,522
Non-cash loss on equity investment	-	-	-	-	-	3,430
EBITDA	$ 51,236	$ 53,075	$ 31,083	$ 82,319	$ 82,460	$ 166,208
Adjustments:						
Gain on disposition of assets, net	$ -	$ -	$ -	$ -	$ -	$ (146)
Realized losses from FX contracts not designated as hedging instruments	(912)	(806)	(869)	(1,781)	(1,496)	(3,224)
Other than temporary loss on note receivable	-	-	-	-	(1,129)	(1,129)
Adjusted EBITDA	$ 50,324	$ 52,269	$ 30,214	$ 80,538	$ 79,835	$ 161,709
Free cash flow:						
Cash flows from operating activities	$ 66,807	$ 46,620	$ (34,246)	$ 32,561	$ 87,666	$ 196,744
Less: Capital expenditures, net of proceeds from sale of assets	(13,303)	(20,755)	(11,630)	(24,933)	(41,969)	(137,058)
Free cash flow	$ 53,504	$ 25,865	$ (45,876)	$ 7,628	$ 45,697	$ 59,686

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, 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 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 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.

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