

**HELIX**  
ENERGY SOLUTIONS



# Johnson Rice 2016 Energy Conference

**September 21, 2016**

*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; future operations expenditures; any statements regarding the plans, strategies and objectives of management for future operations; 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 including but not limited to the performance of contracts by suppliers, customers and partners; actions by governmental and regulatory authorities; operating hazards and delays; 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 the Company's most recently filed Annual Report on Form 10-K and in the Company's other filings with the SEC, which are available free of charge on the SEC's website at [www.sec.gov](http://www.sec.gov). We assume no obligation and do not intend to update these forward-looking statements except as required by the securities laws.*

## *Social Media*

*From time to time we provide information about Helix on Twitter ([@Helix ESG](https://twitter.com/Helix_ESG)) and LinkedIn ([www.linkedin.com/company/helix-energy-solutions-group](http://www.linkedin.com/company/helix-energy-solutions-group)).*

# Who We Are



Helix is a specialty deepwater service provider to the offshore energy industry, focusing on expanding our subsea infrastructure services in Well Intervention and Robotics.

# Deepwater Subsea Services



## Well Intervention

Entering a wellbore to initiate, enhance, restore or decommission production as part of the well's natural life cycle.

## Robotics

Providing remotely operated vehicles (ROVs) to perform deepwater service tasks beyond the reach of dive crews.

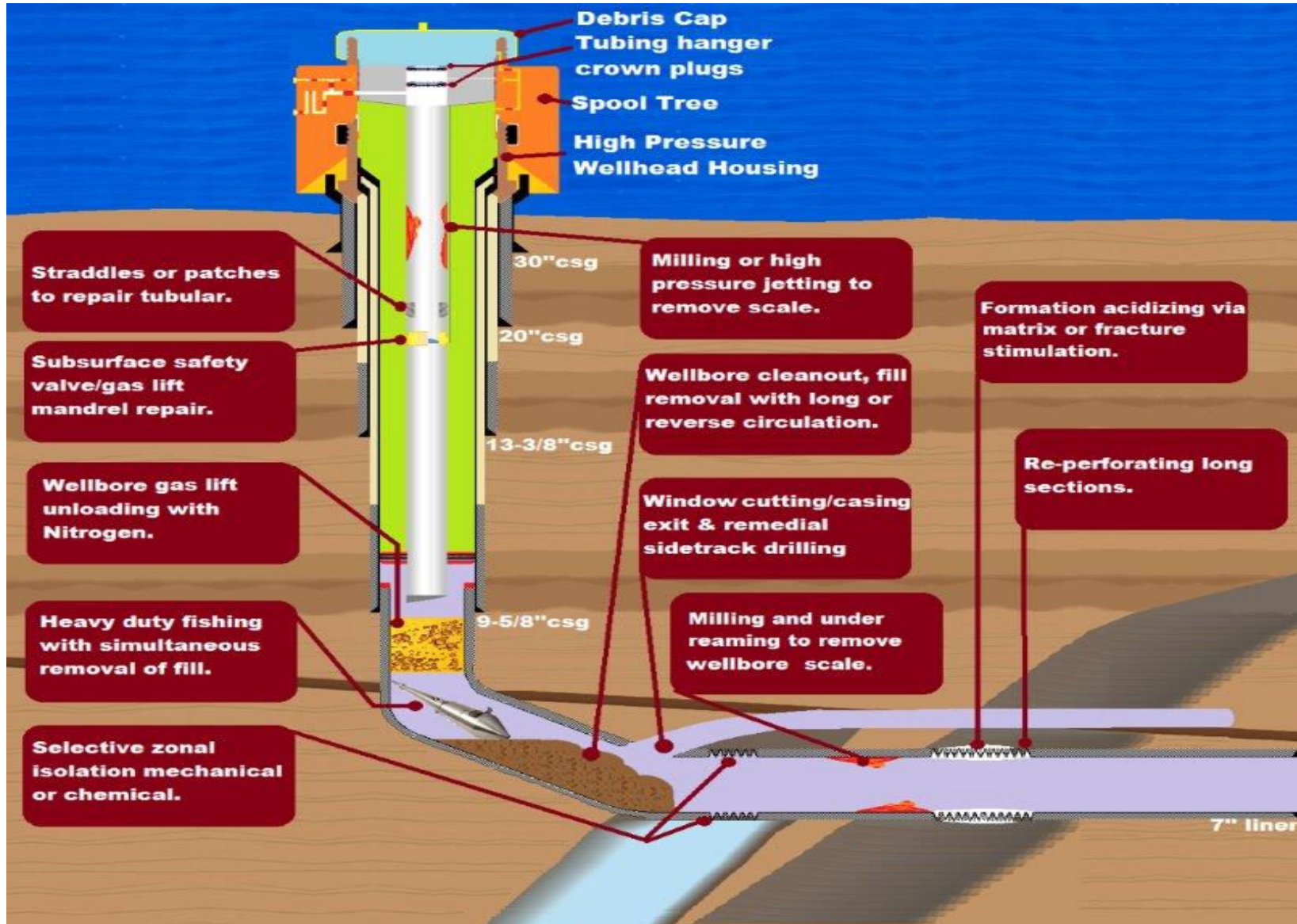
## Why focus on these disciplines?

- Low F&D cost for enhanced reserves
- Extended well life via intervention defers cessation of production and P&A liability
- P&A is regulatory driven; eventually, demand should increase over time and typically accelerates in downturns
- Demand for a more cost effective solution to rigs
- Robotics is essential for credible quality performance in deepwater operations

# Well Intervention



# Well Intervention Overview



# Well Intervention Current Asset Base



Q400



Q5000



Intervention Riser Systems



Skandi Constructor  
(chartered vessel)



Well Enhancer



H534<sup>1</sup>



Siem Helix 1<sup>2</sup>  
(chartered vessel)

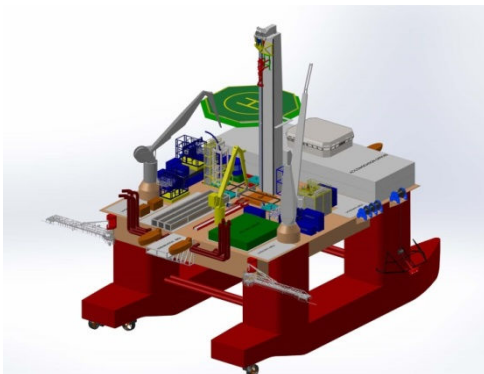


Seawell

<sup>1</sup> Stacked

<sup>2</sup> Scheduled to arrive in Brazil Q3

# Future Well Intervention Growth



**Q7000 – Under Construction**



**Intervention Riser Systems<sup>1</sup>**



**Siem Helix 2** (chartered; estimated in service 2017)

<sup>1</sup>Includes the industry's first purpose-built 15k system and planned 18¾" riserless system



# Robotics

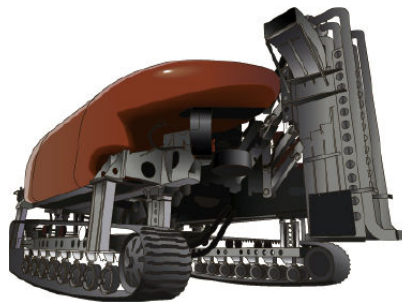


# Robotics Assets



## 53 Workclass ROVs

The backbone of the fleet, capable of performing a broad array of subsea construction and well intervention tasks



## 5 Trenchers

The key to pipeline installation in heavily trafficked waters



## 2 ROVDrills

Provide seabed composition intelligence for subsea construction and subsea mining operations

# Chartered Vessel Fleet



- Currently three vessels active under long-term charter
- *Grand Canyon III* extended activation until May 2017 with option to activate at a discount after May 2016
- Spot vessels have historically been added and subtracted to the chartered vessel fleet as market demand requires



# What Sets Helix Apart in Robotics



**Oil & Gas**



**Renewable Energy**



**Subsea Mining**



**Specialty Services**

- Helix charts its ROV support vessels, ensuring a modern fleet that can expand and contract based on regional requirements and market conditions
- A fleet of advanced vehicles, including several units custom built to our specifications
- An industry leader in subsea trenching
- Leading provider for trenching, cable burial and ROV support for offshore wind farm development
  - Current focus on export lines (field to shore)
  - Future opportunities in-field (inter-array cable installation)

# Production Facilities



# Production Facilities



## **Helix Producer I FPU (100%)**

- Location: Phoenix Field (GOM)
- A component of the well containment system, along with the Q4000
- Contract recently extended through June 2023

## **Independence Hub Semi (20%)**

- Location: Mississippi Canyon (GOM)
- Partner: Genesis Energy
- Operator: Anadarko
- Likely to be decommissioned

## **Production Facilities contributed \$46 million in EBITDA in 2015 without Marco Polo**

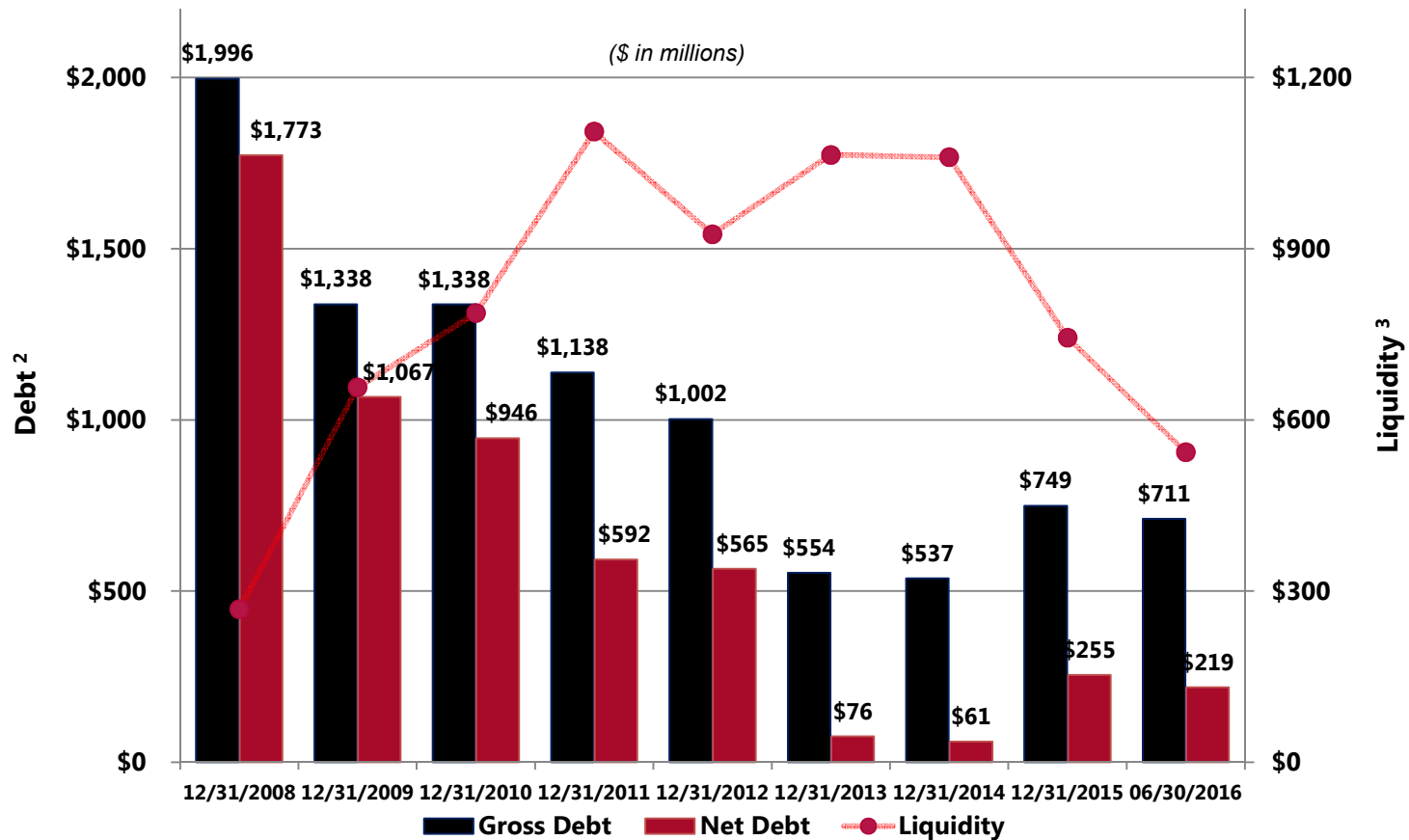
- Sold Marco Polo interest for \$25 million in Q1 2016



# Key Financial Metrics



# Debt & Liquidity Profile<sup>1</sup>



**Liquidity of approximately \$543 million at 6/30/2016**

<sup>1</sup>Adjusted for new debt issuance cost presentation requirement, net of unamortized debt issuance costs (deferred financing costs)

<sup>2</sup>Net of unamortized debt discount under our Convertible Senior Notes. Net debt is calculated as total long-term debt less cash and cash equivalents

<sup>3</sup>Liquidity is calculated as the sum of cash and cash equivalents (\$492 million) and available capacity under our revolving credit facility (\$51 million of the \$400 million facility based on TTM EBITDA as defined by the credit agreement)



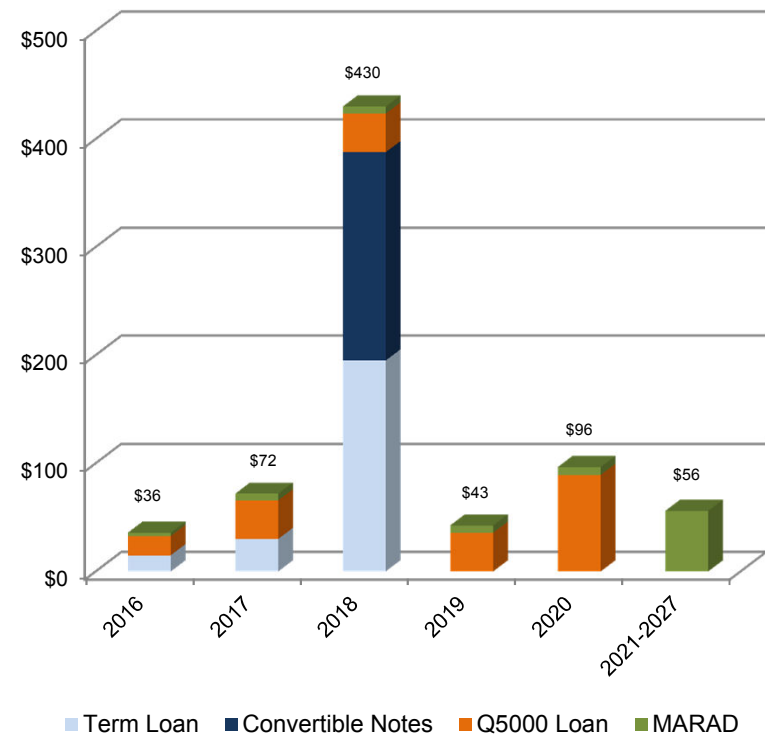
# Debt Instrument Profile



## Total funded debt<sup>1</sup> of \$733 million at end of Q2 2016

- \$193 million Convertible Senior Notes – 3.25%<sup>2</sup>
- \$240 million Term Loan – LIBOR + 4.00%<sup>3</sup>
  - Annual amortization payments of 10%
- \$86 million MARAD Debt – 4.93%
  - Semi-annual amortization payments
- \$214 million Q5000 Loan – LIBOR + 2.50%<sup>4</sup>
  - Annual amortization payments of 14% over 5 years with a final balloon payment

Debt Instrument Profile at 6/30/2016  
Principal Payment Schedule  
(\$ in millions)



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

<sup>2</sup> Stated maturity 2032. First put/call date March 2018

<sup>3</sup> We have fixed through October 2016 the LIBOR interest rate on 50% of the Term Loan debt at 0.75% utilizing interest rate swaps

<sup>4</sup> We have fixed through April 2020 the LIBOR interest rate on 75% of the Q5000 Loan debt at 1.51% utilizing interest rate swaps

# 2016 Outlook



# 2016 Outlook: Forecast



(\$ in millions)

	<b>2016 Outlook</b>	<b>2015 Actual</b>
Revenues	\$ 510	\$ 696
Adjusted EBITDA	90-120	173
CAPEX	230	353
 <b>Revenue Split:</b>		
Well Intervention	\$ 290	\$ 373
Robotics	175	301
Production Facilities	75	76
Elimination	(30)	(54)
<b>Total</b>	<b>\$ 510</b>	<b>\$ 696</b>

➤ **2016 Forecast is “back end loaded” and is dependent on a significant “ramp-up” in the second half of the year**

**Note:** Industry conditions remain very challenging. We expect these industry conditions to persist throughout 2016 as oil prices have not recovered sufficiently to stimulate an increase in customer spending levels. Furthermore, our Robotics business is experiencing a sharp drop off in activity in 2016 as subsea construction related activities are affected more broadly by the lack of overall E&P spending that has already taken place. Although we expect to see some improved financial performance in the second half of 2016, there is no assurance that the above will be achieved as this forecast still assumes a significant amount of uncontracted work to develop in the second half of 2016.

# 2016 Outlook: Well Intervention



- Total backlog as of June 30, 2016 was approximately \$1.7 billion
- The *Q4000* is expected to have high utilization for all of 2016
- The *Q5000* is under contract for the duration of 2016
- IRS #1 is being actively marketed, but presently idle
- The *Well Enhancer* is expected to have good utilization in Q3 2016, with committed diving and intervention projects through November
- The *Seawell* is currently operating on diving and intervention projects that will extend through Q3 2016 and into Q4 2016; speculative outlook for remainder of Q4 2016
- The *Skandi Constructor* is warm stacked with poor visibility

# 2016 Outlook: Robotics



- We currently have ~200 days of firm contracted work for our chartered vessels for Q3 2016 as certain longer term trenching projects are set to commence in the North Sea
- *Grand Canyon* to be nearly fully utilized in Q3 2016, with a full month of IRM work in both July and August and a long term trenching project commencing in late August/early September
- *Deep Cygnus* to perform various ROV support and trenching work during Q3 2016, with significant uninterrupted trenching work expected from September through late November
- *Grand Canyon II* has ~60 days of firm ROV support work scheduled for Q3 2016 and is pursuing a number of additional ROV support opportunities
- *REM Installer* charter terminated on July 12, 2016

# 2016 Outlook: Capex



**2016 capex is currently forecasted at approximately \$230 million, consisting of the following:**

- \$220 million in growth capital, primarily for newbuilds currently underway, including:
  - \$95 million for *Q7000*
  - \$100 million for *Siem Helix 1* and *Siem Helix 2* monohull vessels
  - \$25 million for intervention riser systems and other
- \$10 million for vessel maintenance and spares

# 2016 Outlook



## Balance Sheet

- Launched At-the-Market (ATM) Equity Program in April 2016 and sold \$50 million of our common stock in Q2-Q3 under the initial program. In August, executed a second equity distribution program for an additional \$50 million. Proceeds will be used for general corporate purposes which may include debt repayment.
- Our total funded debt level is scheduled to decrease by \$86 million (\$776 million at 12/31/15 to \$690 million at 12/31/16) as a result of scheduled principal repayments and the \$15 million repurchase of Convertible Senior Notes.
- Our net debt level is expected to range between \$330 million and \$390 million at year end 2016, up from \$255 million at year-end 2015. The range takes into consideration many assumptions, including earnings levels, working capital changes, the sale of assets that have already transpired, expected tax refunds, etc.

# HELIX

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