

NEWSLETTER # 71
31st July 2019
RESULTS FOR THE FIRST HALF ENDED 30th JUNE 2019

**WINS 2Q2019 Revenue rose by 15%
QOQ to US\$14million with strong
improvement in Fleet utilization**

With political distraction now behind us and the Presidential mandate secured for the next 5 years under President Jokowi, business is starting to recover in 2Q2019. Several offshore drilling projects commenced operations this past quarter, leading to better vessel utilization and a pick up in revenue.

Owned Vessel Division

High tier vessels had the best recovery, with utilization rate above 70% for 2Q2019. This drove Owned Vessel revenue up 21% QOQ to US\$10.2million in 2Q2019. Total fleet utilization for 2Q2019 rose to 58% compared to 41% in 1Q2019. Gross losses from this division narrowed in 2Q2019 to US\$0.5million compared to a gross loss of US\$1.6million in 1Q2019.

Despite the quarterly improvement, revenue for 1H2019 of US\$26.5million was still 19% below 1H2018, largely attributable to lower fleet utilization, charter rates still comparably much below than in the previous year and the impact of sale of a number of vessels.

Chartering and Other Services

On a year on year basis, Chartering revenues were up by 96% to US\$6.2million for 1H2019 compared to 1H2018 as the Company expanded revenues by taking on more projects in this non capital intensive segment. Gross profit from chartering jumped to US\$0.68million for 1H2019 compared to US\$0.16million in 1H2018.

Direct Expenses & Gross Profit

Total Direct Expenses rose 8% QOQ to US\$14million for 2Q2019 compared to the previous quarter, largely owing to Hari Raya bonuses paid to crew as well as higher chartering expenses to support the Chartering division.

The Company broke even at the Gross level for 2Q2019, as Gross losses in the Owned vessel Division were covered by

**Pendapatan 2Q2019 WINS meningkat 15%
QOQ ke US\$14juta dengan peningkatan yang
kuat dalam utilisasi Armada**

Dengan tidak adanya lagi perbedaan politik dengan diberikannya mandat Presiden di bawah kepemimpinan Presiden Jokowi untuk 5 tahun kedepan, bisnis mulai pulih pada 2Q2019. Beberapa proyek pengeboran lepas pantai mulai beroperasi pada kuartal terakhir ini, menuju pada peningkatan utilisasi armada dan pendapatan yang lebih baik.

Divisi Kapal Milik

Kapal *high tier* mengalami pemulihan terbaik, dengan tingkat utilisasi di atas 70% untuk 2Q2019. Hal ini mendorong pendapatan Kapal Milik naik 21% QOQ menjadi US\$10,2juta di 2Q2019 dibandingkan dengan 1Q2019. Total utilisasi armada untuk 2Q2019 naik menjadi 58% dibandingkan dengan 41% di 1Q2019. Rugi kotor dari divisi ini menurun pada 2Q2019 menjadi US\$0,5juta dibandingkan rugi kotor sebesar US\$1,6juta pada 1Q2019.

Meskipun terjadi peningkatan antar kuartal, pendapatan 1H2019 sebesar US\$26,5juta masih 19% di bawah 1H2018, sebagian besar disebabkan utilisasi armada yang lebih rendah, tarif sewa yang masih jauh lebih rendah dibawah tarif tahun sebelumnya dan dampak dari penjualan beberapa unit armada.

Divisi Chartering dan Jasa Lainnya

Perbandingan dengan dasar tahun ke tahun, Pendapatan *Chartering* naik 96% menjadi US\$6,2juta untuk 1H2019 dibandingkan dengan 1H2018 dikarenakan Perusahaan melakukan ekspansi dengan mengambil lebih banyak proyek di segmen ramah modal ini. Laba kotor dari Divisi *Chartering* melonjak menjadi US\$0,68juta untuk 1H2019 dibandingkan dengan US\$0,16juta di 1H2018.

Biaya Langsung & Laba Kotor

Total Biaya Langsung naik 8% QOQ menjadi US\$14juta untuk 2Q2019 dibandingkan dengan kuartal sebelumnya, sebagian besar karena Tunjangan Hari Raya yang dibayarkan kepada awak kapal serta biaya *charter* yang lebih tinggi untuk mendukung divisi *Chartering*.

Perusahaan mengalami titik impas pada level Bruto untuk 2Q2019, karena rugi kotor di Divisi Kapal Milik tertutupi oleh laba kotor

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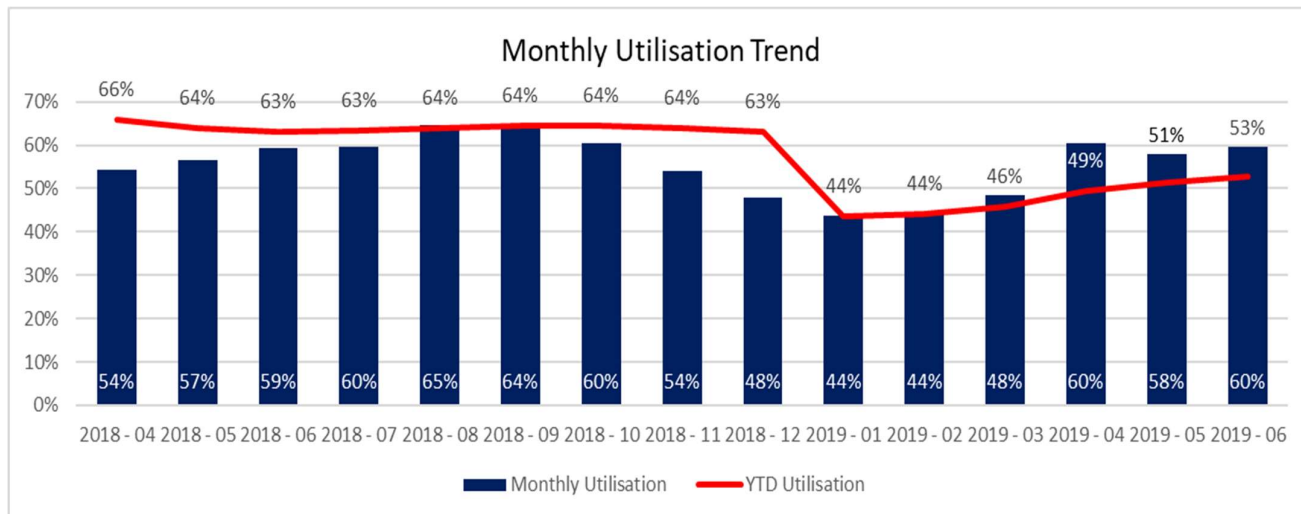


US\$0.35million gross profit from Chartering Division and US\$0.27million gross profit from Other Services.

US\$0,35juta dari Divisi Chartering dan laba kotor US\$0,27juta dari Layanan Lain.

For the first 6 months of 2019, the Company still recorded a gross loss of US\$0.6million owing to the poor first quarter of the year.

Selama 6 bulan pertama tahun 2019, Perusahaan masih mencatat rugi kotor US\$0,6juta karena lemahnya kuartal pertama tahun ini.



Indirect Expenses and Operating Loss

Indirect Expenses which have already been kept at a low level stayed flat for 1H2019 at US\$3.8million. At the Operating level, there was an operating loss for 1H2019 of US\$4.4million, compared to an operating profit of US\$0.96million in 1H2018.

Biaya Tidak Langsung dan Rugi Operasional

Biaya Tidak Langsung yang rendah terus dipertahankan dan tetap datar untuk 1H2019 di level US\$3,8juta. Pada level Operasional, ada rugi operasional untuk 1H2019 sebesar US\$4,4juta, dibandingkan dengan laba operasional US\$0,96juta di 1H2018.

Other expenses and interest bearing debt

Despite rising interest rates, Interest expenses for 1H2019 declined 25% YOY to US\$2.34million, reflecting a 13.4% YOY decline in interest bearing debt from US\$75.9million as at 30 June 2018 to US\$65.8million by 30 June 2019. For 1H2019, improvement in operations at our associated companies also contributed to US\$0.3million of equity from net earnings of associates while vessel sales netted a profit of US\$0.96million for the first six months of the year 2019. Net gearing as at end June 2019 was 38%.

Beban Lain dan Pinjaman berbunga

Meskipun suku bunga naik, Beban bunga untuk 1H2019 turun 25% YOY menjadi US\$2,34juta, cerminan dari penurunan 13,4% YOY pada pinjaman berbunga dari US\$75,9juta pada 30 Juni 2018 menjadi US\$65,8juta pada 30 Juni 2019. Untuk 1H2019, perbaikan dalam operasi di perusahaan asosiasi juga berkontribusi terhadap US\$0,3juta ekuitas dari laba bersih rekanan, sementara penjualan kapal menghasilkan laba bersih senilai US\$0,96juta dalam enam bulan pertama tahun 2019. *Net gearing* pada akhir Juni 2019 adalah 38%.

Net loss attributable to Shareholders & EBITDA

For 1H2019, the net loss attributable to shareholders was US\$4.7million, compared to US\$4.4million in 1H2018, while EBITDA was US\$8.1million for 1H2019 which is lower than 1H2018 following the sale of vessels and cancellation of certain bare-boat charters, but a significant improvement over 2H2018.

Rugi bersih yang diatribusikan kepada Pemegang Saham & EBITDA

Untuk 1H2019, rugi bersih yang diatribusikan kepada pemegang saham adalah US\$4,7juta, dibandingkan US\$4,4juta di 1H2018, sementara EBITDA US\$8,1juta untuk 1H2019 yang mana lebih rendah dibandingkan 1H2018 dampak dari penjualan sejumlah armada dan pembatalan beberapa sewa *bare-boat*, tetapi suatu perbaikan signifikan dibanding 2H2018.

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Oil and Gas Industry

This past quarter saw a dramatic escalation of tensions in the Middle East. Attacks on oil tankers in the Gulf blamed on Iran has triggered retaliation by the British and US, creating a volatile security situation in the most important shipping gateway for oil exports in the world. This and the decline in Venezuela oil production has continued to support a stronger oil price outlook.

In Indonesia, the long awaited decision by Inpex to proceed with the US\$20billion investment in the Abadi field will support the offshore industry in the coming years.

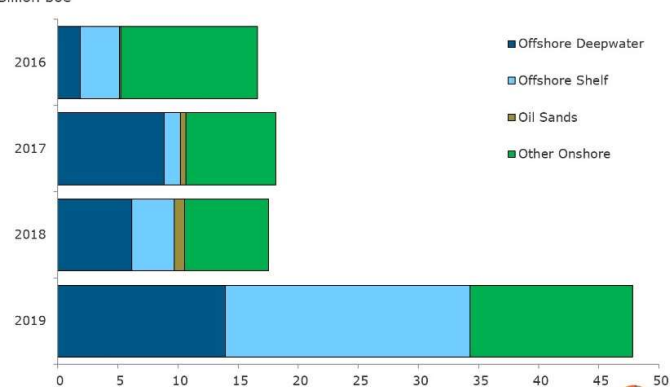
Industri Minyak dan Gas

Meningkatnya ketegangan yang dramatis di Timur Tengah terlihat di akhir kuartal ini. Serangan terhadap tanker minyak di Teluk yang dituduhkan pada Iran telah memicu pembalasan oleh Inggris dan AS, menciptakan situasi keamanan yang tidak menentu di jalur pengiriman terpenting untuk ekspor minyak dunia ini. Hal tersebut serta penurunan dalam produksi minyak Venezuela terus mendukung prospek harga minyak yang lebih kuat.

Di Indonesia, keputusan yang telah lama ditunggu-tunggu dari Inpex dalam melanjutkan investasi US\$20miliar di ladang Abadi akan mendukung industri lepas pantai di tahun-tahun mendatang.

INCREASE IN APPROVED OFFSHORE INVESTMENTS IN 2019

Total volumes of FIDs split by segment group (excl. shale/tight)
Billion boe



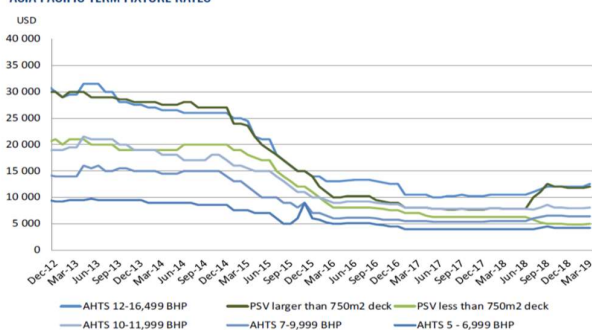
Source: Rystad Energy UCube

BRENT CRUDE PRICES (USD/Barrel)



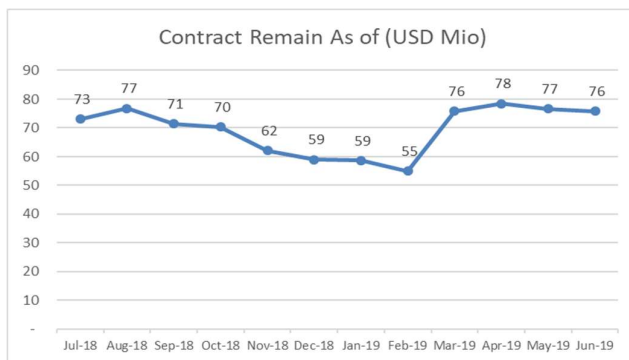
ASIA PACIFIC TERM FIXTURE RATES (USD)

ASIA PACIFIC TERM FIXTURE RATES



Source : Feamley Offshore Supply July 2019

WINS CONTRACT ON HAND



Outlook for Offshore Support Vessels (OSV)

Oil and gas investments have started to rise in 2019, in particular showing some recovery in the offshore segment again. In Asia, activity is stronger in Malaysia, Myanmar and

Prospek Industri "Offshore Support Vessels (OSV)"

Investasi minyak dan gas mulai meningkat di tahun 2019, khususnya terlihat dari beberapa pemulihan di segmen lepas pantai. Di Asia, aktivitas yang lebih kuat terlihat di Malaysia, Myanmar dan Brunei,

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Brunei, with demand for support vessels starting to pick up. In Asia, certain segments of the offshore market are starting to be in demand, as operationally ready vessels are sought.

Strategy

Management has reduced the fleet size by selling 3 more low tier vessels in the first six months of 2019. The sale of older fleet has been accelerated to release cashflow for working capital.

To participate in other Asian markets where some degree of cabotage is in effect, the Company is also establishing working relationships with selected domestic partners in each country to establish a broader market presence in the region.

As activity picks up, there is good potential for growth in fee related services like chartering and ship management which capitalize on the Company's strengths and do not require high capital expenditure.

Discussions with bankers are progressing well for a longer term solution to manage future cash flows.

Contracts on hand as at end June 2019 amount to US\$75.8million.

For further information, please contact:

ditandai meningkatnya permintaan untuk kapal pendukung. Segmen-segmen tertentu dari pasar lepas pantai Asia mulai diminati, dengan dicarinya kapal-kapal yang siap beroperasi.

Strategi

Manajemen telah mengurangi jumlah armada dengan kembali menjual 3 unit armada *low tier* dalam enam bulan pertama 2019. Penjualan armada tua dipercepat untuk menghasilkan arus kas bagi kebutuhan modal kerja.

Untuk berpartisipasi di pasar Asia lainnya yang memberlakukan tingkat *cabotage* tertentu, Perusahaan juga menjalin hubungan kerja dengan mitra domestik terpilih di setiap negara tersebut dalam membangun pasar yang lebih luas di wilayah tersebut.

Saat aktivitas meningkat, ada potensi yang baik dalam meningkatkan pendapatan seperti penyewaan dan manajemen kapal dengan memanfaatkan kekuatan yang dimiliki Perusahaan tanpa mengeluarkan modal yang besar.

Diskusi dengan para bankir mengalami kemajuan yang baik dalam pemberian solusi jangka waktu yang lebih panjang untuk mengelola arus kas masa depan.

Kontrak yang dimiliki pada akhir Juni 2019 berjumlah US\$75,8juta.

Untuk informasi lebih lanjut, dapat menghubungi:

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SUMMARY PROFIT AND LOSS (1H-2019 vs 1H-2018)

PT WINTERMAR OFFSHORE MARINE TBK AND SUBSIDIARIES (in US\$)

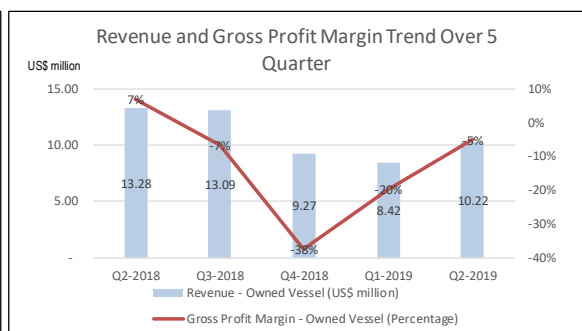
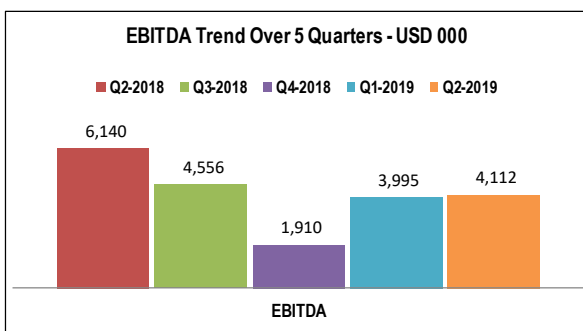
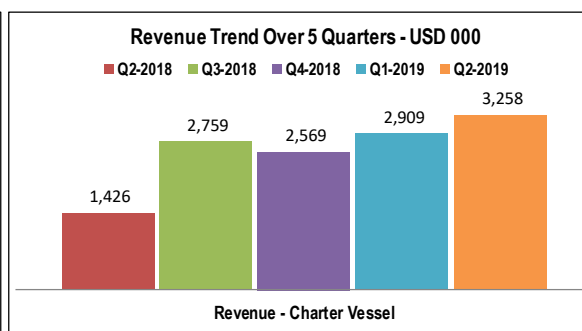
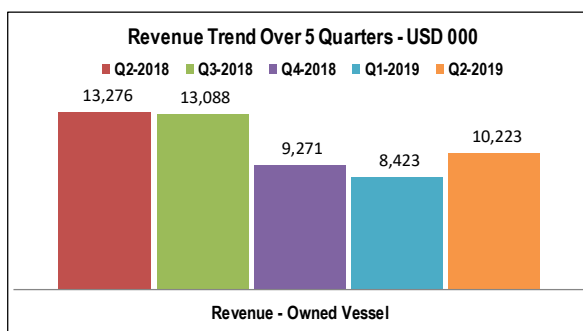
Description	1H-2019 2019	1H-2018 2018	1H-2019 vs 1H-2018	
			Change	%
PROFIT AND LOSS				
Revenue				
Owned vessel	18,645,977	27,304,263	(8,658,287)	-32%
Chartering	6,167,274	3,151,165	3,016,109	96%
Others	1,653,982	2,176,173	(522,191)	-24%
Total Revenue	26,467,233	32,631,601	(6,164,369)	-19%
Direct expense				
Owned vessel	20,835,957	23,460,332	(2,624,375)	-11%
Charter	5,491,133	2,993,436	2,497,697	83%
Others	774,223	1,393,438	(619,215)	-44%
Total Direct expense	27,101,313	27,847,207	(745,894)	-3%
Total Indirect expenses	3,780,748	3,820,566	(39,818)	-1%
Operating profit	(4,414,828)	963,830	(5,378,658)	-558%
Other income (expenses)				
Interest expenses	(2,343,275)	(3,117,568)	774,293	-25%
Interest income	9,812	58,952	(49,141)	-83%
Equity in net earning of associates	295,607	(1,440,223)	1,735,830	-121%
Net - Gain (loss) on sale of fixed assets	960,130	(160,550)	1,120,680	-698%
Forex gain (loss)	(9,233)	(180,432)	171,200	-95%
Impairment of assets	-	-	-	
Others	103,032	(199,602)	302,634	-152%
Total Other income (expenses)	(983,926)	(5,039,422)	4,055,496	-80%
Net income (loss) before tax	(5,398,755)	(4,075,592)	(1,323,162)	32%
Tax expenses				
Final income tax	(326,288)	(406,609)	80,321	-20%
Non final income tax	(1,989)	(3,873)	1,883	-49%
Deferred tax	-	-	-	n/a
Total tax benefit (expenses)	(328,277)	(410,481)	82,204	
Income (loss) before non controlling interest	(5,727,031)	(4,486,076)	(1,240,955)	
Non controlling interest	(971,325)	(70,683)	(900,642)	
NET INCOME (LOSS) ATTRIBUTABLE TO SHAREHOLDERS	(4,755,706)	(4,415,392)	(340,314)	7.71%
EBITDA	8,106,509	14,419,679	(6,313,169)	-44%
Weighted Average EPS - USD Cents	(0.11)	(0.11)	(0.00)	2.62%
Weighted Average EPS - Equivalent to IDR	(15.87)	(15.46)	(0.41)	2.62%

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	2019	2018	Change	%
Direct expense				
Owned vessel	20,835,957	23,460,332	(2,624,375)	-11%
Depreciation	12,370,706	13,356,544	(985,837)	-7%
Crewing	4,799,826	5,235,258	(435,433)	-8%
Operations	1,482,108	1,712,015	(229,907)	-13%
Maintenance	1,741,115	2,003,699	(262,584)	-13%
Fuel Bunker	442,202	1,152,816	(710,613)	-62%
Charter	5,491,133	2,993,436	2,497,697	83%
Others	774,223	1,393,438	(619,215)	-44%
Total Direct expense	27,101,313	27,847,207	(745,894)	-3%
Indirect expenses				
Administration	65,098	71,079	(5,981)	-8%
Depreciation office	150,632	99,305	51,327	52%
Office utility	287,772	291,292	(3,520)	-1%
Professional fee	205,862	219,676	(13,813)	-6%
Staff salary	2,489,033	2,496,401	(7,368)	0%
Staff training & recreation	63,005	52,375	10,630	20%
Telecommunication	23,057	31,522	(8,465)	-27%
Travelling	79,842	64,493	15,349	24%
Marketing	105,939	183,995	(78,056)	-42%
Donation	2,677	4,825	(2,147)	-45%
Employee Benefit	307,831	305,604	2,227	1%
Total Indirect expenses	3,780,749	3,820,566	(39,817)	-1%



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