DP World’s acquisition of Topaz Energy and Marine Limited

A leading international provider of critical logistics and solutions to the global energy industry

2 July 2019
DP World’s acquisition of Topaz: transaction overview

DP World acquires Topaz at an attractive valuation, with the business expected to meet DP World’s returns criteria

• 100% of Topaz acquired for an enterprise value of US$1,079m\(^1\) representing an attractive multiple for DP World

• Additionally as part of the transaction, DP World is supporting Topaz in acquiring an additional 25% stake in Topaz’s JV (increasing to 75%).

• Pro forma impact on DP World’s FY2018 net leverage is expected to be an increase of \(0.2x\) to \(3.0x\)

• The acquisition is expected to meet DP World’s returns criteria and will be earnings and margins accretive from the first full year

• The transaction is expected to close in the second half of 2019, and is subject to customary completion conditions and regulatory approvals

\(^1\) Enterprise value shown on an adjusted economic basis. The consideration for the JV stake increase is not included in the enterprise value
Topaz: a leading international OSV provider

Topaz Energy and Marine Limited (Topaz) is a leading international OSV company, providing marine logistics services and solutions to the global energy industry, enabling trade for the oil and gas market

- Topaz owns and operates offshore support vessels, contracted to major IOCs and NOCs globally. As at March 2019, Topaz operated a relatively young fleet of 117 vessels with a market leading contract backlog and fleet utilisation rates

- The company operates in four key operating segments; Caspian (64 vessels), MENA/Subsea (20 vessels), Africa (13 vessels) and Solutions (20 vessels)

- The strong contract backlog provides strong forward revenue visibility and stability, with increased IOC/NOC tender activity signalling growing confidence in the E&P sector

- In FY2018, Topaz generated revenues of US$349m and EBITDA of US$190m

Historical contract backlog (US$bn)
Topaz: strengthening DP World’s marine services offering

The acquisition of Topaz aids DP World in its aim to be a world leading provider of trade-related solutions, increasing our presence in the global logistics and maritime services industry

• DP World intends to combine Topaz with our existing marine services business, P&O Maritime Services

• Topaz is expected to strongly benefit from both operating and capital efficiencies within the DP World family

• P&O Maritime Services has evolved from a solutions provider to the offshore oil & gas industry to include ownership and management of specialist vessels, offshore renewables, river barging, chartering, port services and world class logistics solutions

• Alongside P&O Maritime Services, the acquisition presents an opportunity for DP World to strengthen its marine services business, offering customers a wider range of solutions

• Overall, Topaz offers a compelling strategic and financial fit for DP World
Topaz: strengthening DP World’s marine services offering

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<th>Fleet</th>
<th>Number of ships</th>
<th>FY18 financials</th>
<th>Geographic exposure</th>
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<tr>
<td></td>
<td>117 (primarily OSVs)</td>
<td>US$349m Revenue</td>
<td>FY18 revenue split by operational location</td>
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<td>EMEA 50%</td>
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- **Fleet:**
  - Number of ships: 117 (primarily OSVs), 281 (primarily tugs/barges and other small vessels)

- **FY18 financials:**
  - Revenue: US$349m
  - EBITDA: US$190m
  - Revenue: US$230m
  - EBITDA: US$80m

- **Geographic exposure:**
  - FY18 revenue split by operational location:
    - EMEA: 50%
    - Solutions: 32%
    - MENA: 13%
    - Africa: 10%
    - Caspian: 45%
    - S. America: 14%
    - Australasia & PNG: 36%
Q&A