

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): May 1, 2018

Era Group Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

1-35701

(Commission
File Number)

72-1455213

(IRS Employer
Identification No.)

818 Town & Country Blvd., Suite 200 Houston, Texas

(Address of Principal Executive Offices)

77024

(Zip Code)

Registrant's telephone number, including area code

(713) 369-4700

Not Applicable

(Former Name or Former Address, 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))

Item 2.02 Results of Operations and Financial Condition

On May 1, 2018, Era Group Inc. (“Era Group”) issued a press release setting forth its first quarter 2018 earnings. A copy of the press release is attached hereto as Exhibit 99.1 and hereby incorporated by reference.

The information furnished pursuant to Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 7.01 Regulation FD Disclosure

On May 2, 2018, Era Group will make a presentation about its first quarter 2018 earnings as noted in the press release described in Item 2.02 above. A copy of the presentation slides are attached hereto as Exhibit 99.2. Additionally, Era Group has posted the presentation on its website at www.erahelicopters.com.

The information furnished pursuant to Item 7.01, including Exhibit 99.2, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that Section, and shall not be incorporated by reference in any filing under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

[99.1 Press Release of Era Group Inc., dated May 1, 2018](#)

[99.2 Presentation Slides](#)

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.

Era Group Inc.

May 1, 2018

By: /s/ Jennifer D. Whalen

Name: Jennifer D. Whalen

Title: Senior Vice President, Chief Financial Officer

Exhibit Index

Exhibit No.	Description
99.1	Press Release of Era Group Inc., dated May 1, 2018
99.2	Presentation Slides



PRESS RELEASE

ERA GROUP INC. REPORTS
FIRST QUARTER 2018 RESULTS

Houston, Texas
May 1, 2018

FOR IMMEDIATE RELEASE — Era Group Inc. (NYSE: ERA) today reported a net loss attributable to the Company of \$1.2 million, or \$0.06 per diluted share, for its first quarter ended March 31, 2018 ("current quarter") on operating revenues of \$57.3 million compared to net income attributable to the Company of \$61.7 million, or \$2.89 per diluted share, for the quarter ended December 31, 2017 ("preceding quarter") on operating revenues of \$57.5 million. The preceding quarter results included an income tax benefit of approximately \$70 million due to changes in U.S. tax legislation.

Earnings before interest, taxes, depreciation and amortization ("EBITDA") was \$12.7 million in the current quarter compared to \$2.0 million in the preceding quarter. EBITDA adjusted to exclude gains on asset dispositions and special items was \$8.1 million in the current quarter compared to \$4.7 million in the preceding quarter. Gains on asset dispositions were \$4.4 million in the current quarter compared to losses of \$0.5 million in the preceding quarter. Special items in the current quarter consisted of a \$0.2 million gain on debt extinguishment on the early repayment of certain debt in Brazil. Special items in the preceding quarter consisted of \$2.0 million in non-cash charges related to the Company's Brazil subsidiary entering the Tax Special Regularization Program (the "PERT" program) and \$0.2 million of other non-cash items.

"The positive momentum in offshore oil and gas customer activity, which began in mid-2017, further accelerated in the first quarter of 2018, with oil and gas revenues 2% higher on a sequential quarter basis and 10% higher on a year-over-year basis," said Chris Bradshaw, President and Chief Executive Officer of Era Group Inc. "The improvements in the U.S. Gulf of Mexico market were even more pronounced, up 4% on a sequential quarter basis and 21% higher on a year-over-year basis."

"Profitability in the first quarter was adversely impacted by \$3.9 million of non-routine professional services fees. We continue to prioritize the protection of our strong balance sheet. We generated \$19.5 million of cash from asset sales in the first quarter, and net debt was reduced by \$14.0 million."

Sequential Quarter Results

Operating revenues in the current quarter were comparable to the preceding quarter, as higher oil and gas revenues were offset by lower dry-leasing revenues.

Operating expenses were \$6.7 million lower in the current quarter primarily due to decreased repairs and maintenance costs related to the timing of repairs and the recognition of power-by-the-hour ("PBH") credits resulting from the removal of helicopters from PBH programs following their sale. In addition, the preceding quarter included the adverse accounting impact for the PERT program in Brazil.

Administrative and general expenses were \$1.2 million higher in the current quarter primarily due to an increase in professional services fees.

In the current quarter, the Company sold its flightseeing assets in Alaska (which consisted of eight single engine helicopters, two operating facilities, and related property and equipment), two additional single engine helicopters, two light twin helicopters and other equipment for proceeds of \$19.5 million, resulting in net gains of \$4.4 million. In the preceding quarter, we sold or otherwise disposed of one helicopter and other equipment, resulting in a loss of \$0.5 million.

Interest expense was \$0.6 million lower in the current quarter primarily due to accrued interest recognized in the preceding quarter resulting from the correction of immaterial accounting errors, partially offset by the write-off of deferred debt issuance costs related to the amendment of the Company's Amended and Restated Senior Secured Revolving Credit Facility (the "Facility") in the current quarter.

Income tax benefit was \$73.9 million lower primarily due to the impact of changes in U.S. tax legislation in the preceding quarter.

Calendar Quarter Results

Operating revenues in the current quarter were \$2.8 million higher compared to the quarter ended March 31, 2017 ("prior year quarter") primarily due to higher utilization of medium and heavy helicopters servicing oil and gas activities. These increases were partially offset by lower emergency response and dry-leasing revenues due to the end of contracts.

Operating expenses were comparable to the prior year quarter, as lower personnel and other operating expenses were offset by higher fuel and repairs and maintenance expenses.

Administrative and general expenses were \$1.7 million higher in the current quarter primarily due to increased professional services fees, partially offset by lower compensation costs.

Depreciation expense was \$1.2 million lower in the current quarter primarily due to lower depreciation on the Company's H225 helicopters following their impairment subsequent to the prior year quarter.

Interest expense was \$1.0 million higher in the current quarter primarily due to the capitalization of interest in the prior year quarter and the write-off of deferred debt issuance costs related to the amendment of the Facility in the current quarter.

Income tax benefit was \$1.4 million lower in the current quarter primarily due to lower pre-tax loss and a lower effective tax rate following changes in U.S. tax legislation.

Net loss attributable to the Company was \$1.2 million in the current quarter compared to \$5.6 million in the prior year quarter. EBITDA was \$5.7 million higher in the current quarter compared to the prior year quarter. EBITDA adjusted to exclude gains on asset dispositions and special items was \$1.2 million higher in the current quarter. Gains on asset dispositions were \$4.4 million in the current quarter compared to \$0.1 million in the prior year quarter.

Capital Commitments

The Company had unfunded capital commitments of \$87.1 million as of March 31, 2018. The Company may terminate all of its commitments without further liability other than aggregate liquidated damages of \$2.2 million.

Included in these capital commitments are agreements to purchase three AW189 heavy helicopters and five AW169 light twin helicopters. The AW189 helicopters are scheduled to be delivered in 2019. Delivery dates for the AW169 helicopters have yet to be determined. In addition, we had outstanding options to purchase up to ten additional AW189 helicopters. If these options are exercised, the helicopters would be scheduled for delivery in 2019 and 2020.

Liquidity

As of March 31, 2018, we had \$16.6 million in cash balances and \$96.7 million of remaining availability under the Facility for total liquidity of \$113.2 million. As of March 31, 2018, our senior secured leverage ratio, as defined in the Facility, was 0.8x compared to the covenant requirement of not more than 3.25x, and our interest coverage ratio was 2.5x compared to the covenant requirement of not less than 1.75x.

Conference Call

Management will conduct a conference call starting at 10:00 a.m. ET (9:00 a.m. CT) on Wednesday, May 2, 2018, to review the results for the first quarter ended March 31, 2018. The conference call can be accessed as follows:

All callers will need to reference the access code 3536639.

Within the U.S.: Operator Assisted Toll-Free Dial-In Number: (800) 263-0877

Outside the U.S.: Operator Assisted International Dial-In Number: (646) 828-8143

Replay

A telephone replay will be available through May 16, 2018 by utilizing the above numbers and access code. An audio replay will also be available on the Company's website at www.erahelicopters.com shortly after the call and will be accessible through May 16, 2018. The accompanying investor presentation will be available on May 2, 2018 on Era's website at www.erahelicopters.com.

For additional information concerning Era, contact Jennifer Whalen at (713) 369-4636 or visit Era Group's website at www.erahelicopters.com.

About Era Group

Era is one of the largest helicopter operators in the world and the longest serving helicopter transport operator in the U.S. In addition to servicing its U.S. customers, Era provides helicopters and related services to customers and third-party helicopter operators in other countries, including Argentina, Brazil, Colombia, the Dominican Republic and India. Era's helicopters are primarily used to transport personnel to, from and between offshore oil and gas production platforms, drilling rigs and other installations. In addition, Era's helicopters are used to perform emergency response services, firefighting, utility, and other services. Era also provides a variety of operating lease solutions and technical fleet support to third party operators.

Forward-Looking Statements Disclosure

Certain statements discussed in this release as well as in other reports, materials and oral statements that the Company releases from time to time to the public include "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements concerning management's expectations, strategic objectives, business prospects, anticipated performance and financial condition and other similar matters involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Such risks, uncertainties and other important factors include, among others, the Company's dependence on, and the cyclical and volatile nature of, offshore oil and gas exploration, development and production activity, and the impact of general economic conditions and fluctuations in worldwide prices of and demand for oil and natural gas on such activity levels; the Company's reliance on a small number of customers and the reduction of its customer base resulting from bankruptcies or consolidation; risks that the Company's customers reduce or cancel contracted services or tender processes; cost savings initiatives implemented by the Company's customers; risks inherent in operating helicopters; the Company's ability to maintain an acceptable safety record; the impact of increased United States ("U.S.") and foreign government regulation and legislation, including potential government

implemented moratoriums on drilling activities; the impact of a grounding of all or a portion of the Company's fleet for extended periods of time or indefinitely on the Company's business, including its operations and ability to service customers, results of operations or financial condition and/or the market value of the affected helicopter(s); the Company's ability to successfully expand into other geographic and aviation service markets; risks associated with political instability, governmental action, war, acts of terrorism and changes in the economic condition in any foreign country where the Company does business, which may result in expropriation, nationalization, confiscation or deprivation of the Company's assets or result in claims of a force majeure situation; the impact of declines in the global economy and financial markets; the impact of fluctuations in foreign currency exchange rates on the Company's asset values and cost to purchase helicopters, spare parts and related services; risks related to investing in new lines of service without realizing the expected benefits; risks of engaging in competitive processes or expending significant resources for strategic opportunities, with no guaranty of recoupment; the Company's reliance on a small number of helicopter manufacturers and suppliers; the Company's ongoing need to replace aging helicopters; the Company's reliance on the secondary helicopter market to dispose of older helicopters; the Company's reliance on information technology; the impact of allocation of risk between the Company and its customers; the liability, legal fees and costs in connection with providing emergency response services; adverse weather conditions and seasonality; risks associated with the Company's debt structure; the Company's counterparty credit risk exposure; the impact of operational and financial difficulties of the Company's joint ventures and partners and the risks associated with identifying and securing joint venture partners when needed; conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees; adverse results of legal proceedings, including the risks related to the Company's ability to recover damages from the manufacturer of the H225 model helicopter; the incurrence of significant costs in connection with the Company's pursuit of legal remedies, including those against the manufacturer of the H225 model helicopter; the Company's ability to obtain insurance coverage and the adequacy and availability of such coverage; the Company's ability to remediate the material weaknesses it has identified in its internal controls over financial reporting described in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 and in its Annual Report on Form 10-K for the year ended December 31, 2017; the possibility of labor problems; the attraction and retention of qualified personnel; restrictions on the amount of foreign ownership of the Company's common stock; and various other matters and factors, many of which are beyond the Company's control. In addition, these statements constitute Era Group's cautionary statements under the Private Securities Litigation Reform Act of 1995. It is not possible to predict or identify all such factors. Consequently, the foregoing should not be considered a complete discussion of all potential risks or uncertainties. The words "estimate," "project," "intend," "believe," "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements speak only as of the date of the document in which they are made. Era Group disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in Era Group's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. The forward-looking statements in this release should be evaluated together with the many uncertainties that affect the Company's businesses, particularly those mentioned under "Risk Factors" in Era Group's Annual Report on Form 10-K for the year ended December 31, 2017, in Era Group's subsequent Quarterly Reports on Form 10-Q and in Era Group's periodic reporting on Form 8-K (if any), which are incorporated by reference.

ERA GROUP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands, except share and per share amounts)

	Three Months Ended				
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Total revenues	\$ 57,322	\$ 57,531	\$ 61,385	\$ 57,878	\$ 54,527
Costs and expenses:					
Operating	37,660	44,367	43,987	41,335	37,757
Administrative and general	12,071	10,881	10,928	9,902	10,381
Depreciation and amortization	10,354	10,101	12,103	11,978	11,554
Total costs and expenses	60,085	65,349	67,018	63,215	59,692
Gains (losses) on asset dispositions, net	4,414	(541)	(122)	5,061	109
Loss on impairment	—	—	(117,018)	—	—
Operating income (loss)	1,651	(8,359)	(122,773)	(276)	(5,056)
Other income (expense):					
Interest income	146	119	206	185	250
Interest expense	(4,576)	(5,143)	(4,097)	(3,934)	(3,589)
Foreign currency gains (losses), net	74	(130)	12	(136)	28
Gain on debt extinguishment	175	—	—	—	—
Other, net	(8)	17	(33)	(8)	12
Total other income (expense)	(4,189)	(5,137)	(3,912)	(3,893)	(3,299)
Loss before income taxes and equity earnings	(2,538)	(13,496)	(126,685)	(4,169)	(8,355)
Income tax benefit	(738)	(74,599)	(45,237)	(726)	(2,103)
Income (loss) before equity earnings	(1,800)	61,103	(81,448)	(3,443)	(6,252)
Equity earnings, net of tax	443	356	233	371	465
Net income (loss)	(1,357)	61,459	(81,215)	(3,072)	(5,787)
Net loss (income) attributable to noncontrolling interest in subsidiary	163	235	(233)	285	167
Net income (loss) attributable to Era Group Inc.	\$ (1,194)	\$ 61,694	\$ (81,448)	\$ (2,787)	\$ (5,620)
Basic earnings (loss) per common share	\$ (0.06)	\$ 2.89	\$ (3.91)	\$ (0.13)	\$ (0.27)
Diluted earnings (loss) per common share	\$ (0.06)	\$ 2.89	\$ (3.91)	\$ (0.13)	\$ (0.27)
Weighted average common shares outstanding:					
Basic	21,003,777	20,893,600	20,844,376	20,789,537	20,509,463
Weighted average common shares outstanding, diluted	21,003,777	20,905,020	20,844,376	20,789,537	20,509,463
EBITDA	\$ 12,689	\$ 1,985	\$ (110,458)	\$ 11,929	\$ 7,003
Adjusted EBITDA	\$ 12,514	\$ 4,168	\$ 6,560	\$ 12,544	\$ 7,003
Adjusted EBITDA excluding gains	\$ 8,100	\$ 4,709	\$ 6,682	\$ 7,483	\$ 6,894

ERA GROUP INC.
REVENUES BY LINE OF SERVICE
(unaudited, in thousands)

	Three Months Ended				
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Oil and gas: ⁽¹⁾					
U.S.	\$ 36,536	\$ 35,063	\$ 36,566	\$ 32,060	\$ 30,287
International	15,617	16,163	16,764	14,284	17,167
Total oil and gas	52,153	51,226	53,330	46,344	47,454
Dry-leasing ⁽²⁾	2,572	3,680	2,632	6,688	3,393
Emergency Response ⁽³⁾	2,597	2,625	2,488	2,710	3,680
Flightseeing	—	—	2,935	2,136	—
	<u>\$ 57,322</u>	<u>\$ 57,531</u>	<u>\$ 61,385</u>	<u>\$ 57,878</u>	<u>\$ 54,527</u>

FLIGHT HOURS BY LINE OF SERVICE⁽⁴⁾
(unaudited)

	Three Months Ended				
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Oil and gas: ⁽¹⁾					
U.S.	5,705	5,967	6,732	5,693	5,219
International	2,296	2,218	2,754	2,205	2,636
Total oil and gas	8,001	8,185	9,486	7,898	7,855
Emergency Response ⁽³⁾	100	110	90	131	481
Flightseeing	—	—	906	673	—
	<u>8,101</u>	<u>8,295</u>	<u>10,482</u>	<u>8,702</u>	<u>8,336</u>

(1) Primarily oil and gas services, but also includes revenues and flight hours from utility services, such as firefighting, and VIP transport.

(2) Includes certain property rental income that was previously in emergency response services and oil and gas lines of service.

(3) Includes revenues and flight hours from SAR and air medical services.

(4) Does not include hours flown by helicopters in our dry-leasing line of service.

ERA GROUP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

ASSETS	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
	(unaudited)		(unaudited)	(unaudited)	(unaudited)
Current assets:					
Cash and cash equivalents	\$ 16,553	\$ 13,583	\$ 26,896	\$ 28,878	\$ 26,339
Receivables:					
Trade, net of allowance for doubtful accounts	38,700	38,964	38,608	32,824	34,840
Tax receivables	3,466	2,829	2,811	3,000	3,166
Other	4,168	1,623	2,486	3,172	2,396
Inventories, net	20,830	21,112	21,985	24,296	25,232
Prepaid expenses	2,804	1,203	2,439	2,518	2,535
Other current assets	—	3,250	—	—	3,779
Total current assets	86,521	82,564	95,225	94,688	98,287
Property and equipment	949,064	972,942	983,798	1,164,048	1,154,835
Accumulated depreciation	(297,341)	(299,028)	(299,294)	(353,830)	(343,659)
Net property and equipment	651,723	673,914	684,504	810,218	811,176
Equity investments and advances	30,445	30,056	29,894	29,852	29,727
Intangible assets	1,118	1,122	1,126	1,129	1,133
Other assets	4,798	4,441	5,021	5,593	6,096
Total assets	\$ 774,605	\$ 792,097	\$ 815,770	\$ 941,480	\$ 946,419
LIABILITIES, REDEEMABLE NONCONTROLLING INTEREST AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Accounts payable and accrued expenses	\$ 11,084	\$ 16,421	\$ 15,326	\$ 12,884	\$ 9,032
Accrued wages and benefits	6,530	8,264	8,350	8,708	6,881
Accrued interest	3,485	606	3,325	527	3,365
Accrued income taxes	46	28	38	291	689
Current portion of long-term debt	2,296	2,736	2,098	2,161	2,199
Accrued other taxes	1,856	1,810	1,288	1,145	1,447
Accrued contingencies	892	859	2,191	1,334	1,189
Other current liabilities	3,166	1,720	2,406	2,590	2,846
Total current liabilities	29,355	32,444	35,022	29,640	27,648
Long-term debt	188,470	202,174	215,025	221,354	225,946
Deferred income taxes	105,865	106,598	177,704	222,724	223,442
Deferred gains and other liabilities	1,596	1,434	1,069	944	924
Total liabilities	325,286	342,650	428,820	474,662	477,960
Redeemable noncontrolling interest	3,603	3,766	4,002	3,769	4,054
Equity:					
Era Group Inc. stockholders' equity:					
Common stock	219	215	215	215	215
Additional paid-in capital	445,174	443,944	442,948	441,595	440,164
Retained earnings	3,169	4,363	(57,331)	24,117	26,904
Treasury shares, at cost	(2,951)	(2,951)	(2,974)	(2,968)	(2,968)
Accumulated other comprehensive income, net of tax	105	110	90	90	90
Total equity	445,716	445,681	382,948	463,049	464,405
Total liabilities, redeemable noncontrolling interest and stockholders' equity	\$ 774,605	\$ 792,097	\$ 815,770	\$ 941,480	\$ 946,419

Our management uses EBITDA and Adjusted EBITDA to assess the performance and operating results of our business. EBITDA is defined as Earnings before Interest (includes interest income and interest expense), Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as EBITDA further adjusted for certain items noted in the reconciliation below that occur during the reported period. We include EBITDA and Adjusted EBITDA to provide investors with a supplemental measure of our operating performance. Neither EBITDA nor Adjusted EBITDA is a recognized term under generally accepted accounting principles in the U.S. ("GAAP"). Accordingly, they should not be used as an indicator of, or an alternative to, net income as a measure of operating performance. In addition, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for management's discretionary use, as they do not consider certain cash requirements, such as debt service requirements. Because the definitions of EBITDA and Adjusted EBITDA (or similar measures) may vary among companies and industries, they may not be comparable to other similarly titled measures used by other companies. Each of these non-GAAP measures has limitations and therefore should not be used in isolation or as a substitute for the amounts reported in accordance with GAAP.

The following table provides a reconciliation of Net Income, the most directly comparable GAAP measure, to EBITDA and Adjusted EBITDA (in thousands).

	Three Months Ended				
	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Net loss	\$ (1,357)	\$ 61,459	\$ (81,215)	\$ (3,072)	\$ (5,787)
Depreciation and amortization	10,354	10,101	12,103	11,978	11,554
Interest income	(146)	(119)	(206)	(185)	(250)
Interest expense	4,576	5,143	4,097	3,934	3,589
Income tax benefit	(738)	(74,599)	(45,237)	(726)	(2,103)
EBITDA	\$ 12,689	\$ 1,985	\$ (110,458)	\$ 11,929	\$ 7,003
Special items ⁽¹⁾	(175)	2,183	117,018	615	—
Adjusted EBITDA	\$ 12,514	\$ 4,168	\$ 6,560	\$ 12,544	\$ 7,003
Gains on asset dispositions, net ("Gains")	(4,414)	541	122	(5,061)	(109)
Adjusted EBITDA excluding gains	\$ 8,100	\$ 4,709	\$ 6,682	\$ 7,483	\$ 6,894

(1) Special items include the following:

- In the three months ended March 31, 2018, a \$0.2 million gain on the extinguishment of debt related to a previously settled tax dispute in Brazil.
- In the three months ended December 31, 2017, \$2.0 million in non-cash charges related to our Brazil subsidiary entering the PERT program and \$0.2 million of other non-cash items.
- In the three months ended September 30, 2017, non-cash impairment charges of \$117.0 million primarily related to the impairment of the Company's H225 model helicopters; and
- In the three months ended June 30, 2017, \$0.6 million of severance-related expenses due to changes in senior management.

The Facility requires that the Company maintain certain financial ratios on a rolling four-quarter basis. The interest coverage ratio is a trailing four-quarter quotient of (i) EBITDA (as defined in the Facility) less dividends and distributions divided by (ii) interest expense. The interest coverage ratio is not a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies. The senior secured leverage ratio is calculated by dividing (i) the sum of secured debt for borrowed money, capital lease obligations and guaranties of obligations of non-consolidated entities by (ii) EBITDA (as defined in the Facility). The senior secured leverage ratio is not a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies. EBITDA is calculated differently under the Facility than as presented elsewhere in this release.

ERA GROUP INC.
FLEET COUNTS ⁽¹⁾
(unaudited)

	<u>Mar 31,</u> <u>2018</u>	<u>Dec 31,</u> <u>2017</u>	<u>Sep 30,</u> <u>2017</u>	<u>Jun 30,</u> <u>2017</u>	<u>Mar 31,</u> <u>2017</u>
Heavy:					
S92	4	3	3	3	2
H225	9	9	9	9	9
AW189	4	4	4	4	2
	<u>17</u>	<u>16</u>	<u>16</u>	<u>16</u>	<u>13</u>
Medium:					
AW139	36	36	36	36	36
S76 C+/C++	5	5	5	5	5
B212	6	6	6	6	7
	<u>47</u>	<u>47</u>	<u>47</u>	<u>47</u>	<u>48</u>
Light—twin engine:					
A109	7	7	7	7	7
EC135	15	15	15	15	15
EC145	—	2	3	3	4
BK117	2	2	2	2	2
BO105	3	3	3	3	3
	<u>27</u>	<u>29</u>	<u>30</u>	<u>30</u>	<u>31</u>
Light—single engine:					
A119	13	14	14	14	14
AS350	17	26	26	26	27
	<u>30</u>	<u>40</u>	<u>40</u>	<u>40</u>	<u>41</u>
Total Helicopters	<u>121</u>	<u>132</u>	<u>133</u>	<u>133</u>	<u>133</u>

(1) Includes all owned, joint ventured, leased-in and managed helicopters and excludes helicopters fully paid for and delivered but not yet placed in service as of the applicable dates.



Q1 2018 Earnings Presentation



May 2, 2018



Q1 2018 Earnings Call Agenda

- | | |
|----------------------------|--|
| I. Introduction | Tomas Johnston, Acting General Counsel |
| II. Operational Highlights | Chris Bradshaw, President and CEO |
| III. Financial Review | Jennifer Whalen, SVP and CFO |
| IV. Concluding Remarks | Chris Bradshaw, President and CEO |
| V. Questions & Answers | |



Cautionary Statement Regarding Forward-Looking Statements

This presentation contains "forward-looking statements." Forward-looking statements give the Company's current expectations or forecasts of future events. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "believe," "project," or "continue," or other similar words. These statements reflect management's current views with respect to future events and are subject to risks and uncertainties, both known and unknown. The Company's actual results may vary materially from those anticipated in forward-looking statements. The Company cautions investors not to place undue reliance on any forward-looking statements.

Such risks, uncertainties and other important factors include, among others, the Company's dependence on, and the cyclical and volatile nature of, offshore oil and gas exploration, development and production activity, and the impact of general economic conditions and fluctuations in worldwide prices of and demand for oil and natural gas on such activity levels; the Company's reliance on a small number of customers and the reduction of its customer base resulting from bankruptcies or consolidation; risks that the Company's customers reduce or cancel contracted services or tender processes; cost savings initiatives implemented by the Company's customers; risks inherent in operating helicopters; the Company's ability to maintain an acceptable safety record; the impact of increased United States ("U.S.") and foreign government regulation and legislation, including potential government implemented moratoriums on drilling activities; the impact of a grounding of all or a portion of the Company's fleet for extended periods of time or indefinitely on the Company's business, including its operations and ability to service customers, results of operations or financial condition and/or the market value of the affected helicopter(s); the Company's ability to successfully expand into other geographic and aviation service markets; risks associated with political instability, governmental action, war, acts of terrorism and changes in the economic condition in any foreign country where the Company does business, which may result in expropriation, nationalization, confiscation or deprivation of the Company's assets or result in claims of a force majeure situation; the impact of declines in the global economy and financial markets; the impact of fluctuations in foreign currency exchange rates on the Company's asset values and cost to purchase helicopters, spare parts and related services; risks related to investing in new lines of service without realizing the expected benefits; risks of engaging in competitive processes or expending significant resources for strategic opportunities, with no guaranty of recoupment; the Company's reliance on a small number of helicopter manufacturers and suppliers; the Company's ongoing need to replace aging helicopters; the Company's reliance on the secondary helicopter market to dispose of older helicopters; the Company's reliance on information technology; the impact of allocation of risk between the Company and its customers; the liability, legal fees and costs in connection with providing emergency response services; adverse weather conditions and seasonality; risks associated with the Company's debt structure; the Company's counterparty credit risk exposure; the impact of operational and financial difficulties of the Company's joint ventures and partners and the risks associated with identifying and securing joint venture partners when needed; conflict with the other owners of the Company's non-wholly owned subsidiaries and other equity investees; adverse results of legal proceedings, including the risks related to the Company's ability to recover damages from the manufacturer of the H225 model helicopter; the incurrence of significant costs in connection with the Company's pursuit of legal remedies, including those against the manufacturer of the H225 model helicopter; the Company's ability to obtain insurance coverage and the adequacy and availability of such coverage; the Company's ability to remediate the material weaknesses it has identified in its internal controls over financial reporting described in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018 and in its Annual Report on Form 10-K for the year ended December 31, 2017; the possibility of labor problems; the attraction and retention of qualified personnel; restrictions on the amount of foreign ownership of the Company's common stock; and various other matters and factors, many of which are beyond the Company's control. These factors are not exhaustive, and new factors may emerge or changes to the foregoing factors may occur that could impact the Company's business. Except to the extent required by law, the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.



Non-GAAP Financial Measures Reconciliation

This presentation includes EBITDA and Adjusted EBITDA as supplemental measures of the Company's operating performance. EBITDA is defined as Earnings before Interest (includes interest income and interest expense), Taxes, Depreciation and Amortization. Adjusted EBITDA is defined as EBITDA further adjusted for SEACOR Management Fees and certain other special items that occurred during the reporting period. Neither EBITDA nor Adjusted EBITDA is a recognized term under generally accepted accounting principles in the U.S. ("GAAP"). Accordingly, they should not be used as an indicator of, or an alternative to, net income as a measure of operating performance. In addition, EBITDA and Adjusted EBITDA are not intended to be measures of free cash flow available for discretionary use, as they do not take into account certain cash requirements, such as debt service requirements. EBITDA and Adjusted EBITDA have limitations as analytical tools, and you should not consider them in isolation, nor as a substitute for analysis of the Company's results as reported under GAAP. Because the definitions of EBITDA and Adjusted EBITDA (or similar measures) may vary among companies and industries, they may not be comparable to other similarly titled measures used by other companies. The Company also presents net debt, which is a non-GAAP measure, defined as total principal balance on borrowings less cash and cash equivalents, including escrow balances. Each of these non-GAAP measures has limitations and therefore should not be used in isolation or as a substitute for the amounts reported in accordance with GAAP.

A reconciliation of EBITDA, Adjusted EBITDA, Adjusted EBITDA further adjusted to exclude gains on asset dispositions and net debt is included in this presentation.

This presentation also includes the Company's interest coverage ratio and senior secured leverage ratio. The interest coverage ratio is the ratio for the most recently ended four consecutive fiscal quarters of EBITDA (as defined in the Company's credit facility) less dividends and distributions and the amount of any cash proceeds received from the sale of assets included in EBITDA divided by interest expense. The senior secured leverage ratio is calculated by dividing senior secured debt (as defined in the Company's credit facility) by EBITDA. Neither the interest coverage ratio nor the senior secured leverage ratio is a measure of operating performance or liquidity defined by GAAP and may not be comparable to similarly titled measures presented by other companies. EBITDA is calculated differently under the Company's credit facility (as amended) than as presented elsewhere in this presentation.



Q1 2018 Highlights – Safety Update and Financial Stability

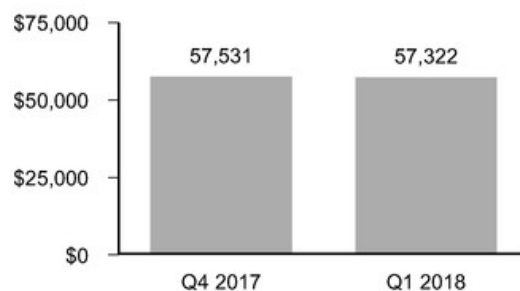
- Era has achieved its dual goals of ZERO air accidents and ZERO recordable workplace injuries YTD 2018
- Era generated \$19.5 million of cash from asset sales in Q1 2018
 - Net cash flows from operating and investing activities were positive \$14.8 million
- Continue to prioritize the protection of the Company's strong balance sheet
 - Net debt reduced by \$14.0 million
- Total available liquidity as of March 31, 2018 was \$113.2 million
 - \$16.6 million in cash balances
 - \$96.7 million of remaining availability under the Company's credit facility
- Covenant ratios, as defined in the Company's credit facility (as of 3/31/18):
 - Senior secured leverage ratio of 0.8x compared to the covenant requirement of $\leq 3.25x$
 - Interest coverage ratio of 2.5x compared to the covenant requirement of $\geq 1.75x$
- As of 3/31/2018, all of the Company's unfunded capital commitments may be canceled without further liability other than forfeiture of previously paid deposits equal to \$2.2 million



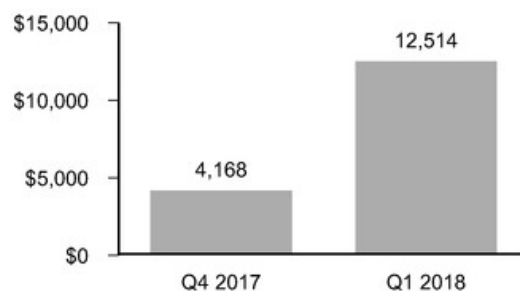
Q1 2018 Highlights – Sequential Quarter Comparison

- Revenues were comparable to Q4 2017
 - Higher oil and gas revenues offset by lower dry-leasing revenues
- Operating expenses were \$6.7 million lower, primarily due to:
 - Lower repairs and maintenance expenses related to the timing of repairs and the recognition of power-by-the-hour (“PBH”) credits resulting from the removal of helicopters from PBH programs following their sale
 - The adverse accounting impact of entering into the Tax Special Regularization Program (“PERT”) in Brazil in Q4 2017
- G&A expenses were \$1.2 million higher primarily due to an increase in professional services fees
 - Non-routine professional services fees of \$3.9 million in Q1 compared to \$2.1 million in Q4
- Gain on asset dispositions were \$4.4 million
- Income tax benefit was \$73.9 million lower primarily due to the impact of changes in U.S. income tax legislation recognized in Q4 2017
- Adjusted EBITDA increased by \$8.3mm
- Net loss to Era Group of \$1.2mm

Revenues (\$000s)



Adjusted EBITDA (\$000s)

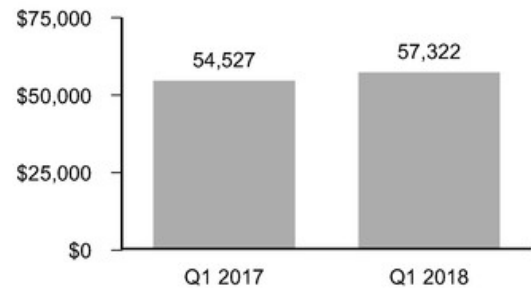




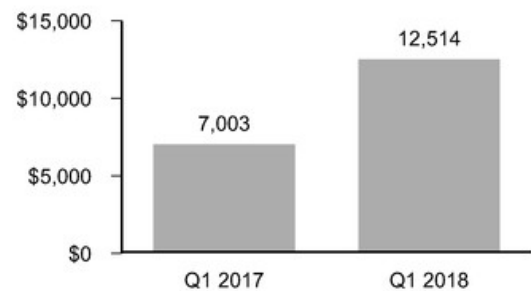
Q1 2018 Highlights – Calendar Quarter Comparison

- Revenues were \$2.8 million higher than Q1 2017
 - Primarily due to higher utilization of medium and heavy helicopters in oil and gas operations
 - Partially offset by lower emergency response and dry-leasing revenues
- Operating expenses were comparable to Q1 2017
- G&A expenses were \$1.7 million higher primarily due to an increase in professional services fees
- Gain on asset dispositions were \$4.4 million
- Income tax benefit was \$1.4 million lower primarily due to a lower pre-tax loss and lower effective tax rate
- Adjusted EBITDA increased by \$5.5mm
- Net loss to Era Group of \$1.2mm

Revenues (\$000s)



Adjusted EBITDA (\$000s)



Era★

Appendix





Fleet Overview



	Owned	Leased-In	Total	Average Age ^(a)
<i>Heavy:</i>				
S92	4	—	4	2
H225	9	—	9	8
AW189	4	—	4	2
Total Heavy	17	—	17	
<i>Medium:</i>				
AW139	36	—	36	8
S76 C+/C++	5	—	5	11
B212	6	—	6	39
Total Medium	47	—	47	
<i>Light – twin engine:</i>				
A109	7	—	7	12
EC135	13	2	15	10
BK-117	—	2	2	N/A
BO-105	3	—	3	28
Total Light – twin engine	23	4	27	
<i>Light – single engine:</i>				
A119	13	—	13	11
AS350	17	—	17	20
Total Light – single engine	30	—	30	
Total Helicopters	117	4	121	12

Note: Fleet presented as of 3/31/2018
 (a) Average for owned fleet



Healthy Leverage Metrics and Liquidity

March 31, 2018

(\$000s)

Cash and cash equivalents	\$ 16,553
Credit facility	\$ 27,000
Promissory notes	21,088
Total secured debt	<u>48,088</u>
7.750% Senior Notes	144,828
Other	1,239
Total debt	<u>\$ 194,155</u>
<i>Net debt</i>	<u>\$ 177,602</u>
Shareholders' Equity	\$ 445,716
Total capitalization	<u>\$ 639,871</u>

Credit Metrics: ^(a)

Senior Secured Debt / EBITDA	0.8X
EBITDA / Interest Expense	2.5X
Total Debt / Total Capitalization	30%
Net Debt / Net Capitalization	28%

Available under credit facility	\$ 96,660
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- In March 2018, Era entered into a Consent and Amendment to its Revolving Credit Facility that:
 - extended the agreement until March 31, 2021
 - reduced the aggregate principal amount of revolving loan commitments from \$200 million to \$125 million
 - revised the definition of EBITDA to permit an add-back for certain litigation expenses related to the H225 helicopters
 - adjusted the interest coverage and senior secured leverage covenants to remain at the June 30, 2017 levels
- Total available liquidity of \$113.2 million

(a) These are non-GAAP measures. The senior secured leverage and interest coverage ratios are calculated as per the Company's credit facility. Net Debt / Net Capitalization is calculated as total principal balance on borrowings less cash and cash equivalents (including escrow deposits) / total capitalization less cash and cash equivalents (including escrow deposits)



Operating Revenues and Flight Hours by Line of Service

<i>Revenue (\$000s)</i>	Three Months Ended				
	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17
Oil and gas: ^(a)					
U.S.	\$ 36,536	\$ 35,063	\$ 36,566	\$ 32,060	\$ 30,287
International	15,617	16,163	16,764	14,284	17,167
Total oil and gas	\$ 52,153	\$ 51,226	\$ 53,330	\$ 46,344	\$ 47,454
Dry-leasing ^(b)	2,572	3,680	2,632	6,688	3,393
Emergency Response Services ^(c)	2,597	2,625	2,488	2,710	3,680
Flightseeing	—	—	2,935	2,136	—
	\$ 57,322	\$ 57,531	\$ 61,385	\$ 57,878	\$ 54,527

<i>Flight Hours</i>	Three Months Ended				
	31-Mar-18	31-Dec-17	30-Sep-17	30-Jun-17	31-Mar-17
Oil and gas: ^(a)					
U.S.	5,705	5,967	6,732	5,693	5,219
International	2,296	2,218	2,754	2,205	2,636
Total oil and gas	8,001	8,185	9,486	7,898	7,855
Emergency Response Services ^(c)	100	110	90	131	481
Flightseeing	—	—	906	673	—
	8,101	8,295	10,482	8,702	8,336

Note: Flight hours exclude hours flown by helicopters in the dry-leasing line of service

(a) Primarily oil and gas services, but also includes revenues and flight hours from utility services, such as firefighting, and VIP transport

(b) Includes certain property rental income that was previously in emergency response services and oil and gas lines of service

(c) Includes revenues and flight hours from SAR and air medical services



Quarterly Reconciliation of Non-GAAP Financial Measures

Quarterly Historical EBITDA and Adjusted EBITDA

<i>(US\$ in thousands)</i>	31-Mar-17	30-Jun-17	30-Sep-17	31-Dec-17	31-Mar-18
Net Income (Loss)	\$ (5,787)	\$ (3,072)	\$ (81,215)	\$ 61,459	\$ (1,357)
Depreciation	11,554	11,978	12,103	10,101	10,354
Interest Income	(250)	(185)	(206)	(119)	(146)
Interest Expense	3,589	3,934	4,097	5,143	4,576
Income Tax Expense (Benefit)	(2,103)	(726)	(45,237)	(74,599)	(738)
EBITDA	\$ 7,003	\$ 11,929	\$ (110,458)	\$ 1,985	\$ 12,689
Special Items	—	615	117,018	2,183	(175)
Adjusted EBITDA	\$ 7,003	\$ 12,544	\$ 6,560	\$ 4,168	\$ 12,514
Gains on Asset Dispositions, Net ("Gains")	(109)	(5,061)	122	541	(4,414)
Adjusted EBITDA Excluding Gains	\$ 6,894	\$ 7,483	\$ 6,682	\$ 4,709	\$ 8,100

Note: See page 14 of this presentation for a discussion of Special Items



Financial Highlights

(\$ millions)	Fiscal Year					Three Months Ended March 31,	
	2013	2014	2015	2016	2017	2017	2018
Revenue	\$ 299.0	\$ 331.2	\$ 281.8	\$ 247.2	\$ 231.3	\$ 54.5	\$ 57.3
Operating Expenses	186.6	204.4	171.5	169.9	167.4	37.7	37.7
G&A	38.9	44.0	42.8	36.2	42.1	10.4	12.0
Depreciation	45.6	46.3	47.3	49.3	45.7	11.6	10.4
Gains on Asset Dispositions	18.3	6.1	6.0	4.8	4.5	0.1	4.4
Goodwill Impairment	—	—	(1.9)	—	—	—	—
Loss on Impairment	—	—	—	—	(117.0)	—	—
Operating Income (Loss)	46.2	42.7	24.3	(3.4)	(136.4)	(5.1)	1.7
Other Income (Expense)							
Interest Income	0.6	0.5	1.2	0.7	0.8	0.3	0.1
Interest Expense	(18.1)	(14.8)	(13.5)	(17.3)	(16.8)	(3.6)	(4.6)
Derivative Gains (Losses)	(0.1)	(0.9)	—	—	—	—	—
Foreign Currency Gains (Losses)	0.7	(2.4)	(2.6)	0.1	(0.2)	—	0.1
Gain on Debt Extinguishment	—	—	1.6	0.5	—	—	0.2
Gain on sale of FBO	—	—	12.9	—	—	—	—
Note Receivable Impairment	—	(2.5)	—	—	—	—	—
SEACOR Corporate Charges	(0.2)	—	—	—	—	—	—
	(17.1)	(20.0)	(0.3)	(16.0)	(16.2)	(3.3)	(4.2)
Income (Loss) before Taxes and Equity Earnings	29.1	22.6	24.0	(19.4)	(152.7)	(8.4)	(2.5)
Income Tax Expense (Benefit)	11.7	8.3	14.1	(3.4)	(122.7)	(2.1)	(0.7)
Income (Loss) before Equity Earnings	17.4	14.4	9.8	(16.0)	(30.0)	(6.3)	(1.8)
Equity Earnings (Losses)	0.9	2.7	(1.9)	1.1	1.4	0.5	0.4
Net Income (Loss)	\$ 18.3	\$ 17	\$ 7.9	\$ (14.9)	\$ (28.6)	\$ (5.8)	\$ (1.4)
Net Loss Attributable to NCI in Subsidiary	0.4	0.1	0.8	6.9	0.5	0.2	0.2
Net Income (Loss) Attributable to Era Group	\$ 18.7	\$ 17.1	\$ 8.7	\$ (8.0)	\$ (28.1)	\$ (5.6)	\$ (1.2)
Adjusted EBITDA ^(a)	\$ 95.3	\$ 90.8	\$ 69.0	\$ 47.1	\$ 30.3	\$ 7.0	\$ 12.5
Adjusted EBITDA Excluding Gains ^(a)	\$ 77.0	\$ 84.7	\$ 63.0	\$ 42.3	\$ 25.8	\$ 6.9	\$ 8.1

(a) Adjusted EBITDA is a non-GAAP measure. See next page for Adjusted EBITDA reconciliation to Net Income (Loss)



Reconciliation of Non-GAAP Financial Measures

- Adjusted EBITDA reflects special items:
 - Executive severance adjustments of \$2.5 million and \$0.6 million in 2014 and Q2 2017, respectively
 - A one-time charge of \$2.0 million related to operating leases on certain air medical helicopters in 2013
 - A pre-tax impairment charge of \$2.5 million in 2014 representing a reserve against a note receivable
 - A pre-tax gain of \$12.9 million on the sale of the Company's FBO in Alaska in 2015
 - A pre-tax charge of \$1.9 million on the impairment of goodwill in 2015
 - Net pre-tax gains of \$1.6 million and \$0.5 million on the extinguishment of debt due to the repurchase of a portion of the 7.75% Senior Notes in 2015 and 2016, respectively
 - Pre-tax impairment charges of \$117.0 million primarily related to the impairment of the Company's H225 model helicopters in Q3 2017
 - Adjustments of \$2.0 million related to accounting for PERT and other non-cash accounting adjustments of \$0.2 million in Q4 2017
 - A gain on the extinguishment of debt related to a previously settled tax dispute in Brazil of \$0.2 million in Q1 2018
- Historically, SEACOR charged its corporate costs and overhead charges to all of its operating divisions
 - These charges have been excluded from Adjusted EBITDA to more accurately reflect Era's historical results as if the Company had not been a SEACOR subsidiary

	Historical EBITDA and Adjusted EBITDA					3 Mos. Ended Mar. 31,	
	2013	2014	2015	2016	2017	2017	2018
<i>(US\$ in thousands)</i>							
Net Income (Loss)	\$ 18,304	\$ 17,021	\$ 7,899	\$ (14,910)	\$ (28,615)	\$ (5,787)	\$ (1,357)
Depreciation	45,561	46,312	47,337	49,315	45,736	11,554	10,354
Interest Income	(591)	(540)	(1,191)	(741)	(760)	(250)	(146)
Interest Expense	18,050	14,778	13,526	17,325	16,763	3,589	4,576
Income Tax Expense (Benefit)	11,727	8,285	14,117	(3,357)	(122,665)	(2,103)	(738)
EBITDA	\$ 93,051	\$ 85,856	\$ 81,688	\$ 47,632	\$ (89,541)	\$ 7,003	12,689
SEACOR Management Fees	168	—	—	—	—	—	—
Special Items	2,045	4,919	(12,697)	(518)	119,816	—	(175)
Adjusted EBITDA	\$ 95,264	\$ 90,775	\$ 68,991	\$ 47,114	\$ 30,275	\$ 7,003	12,514
Gains on Asset Dispositions, Net ("Gains")	(18,301)	(6,101)	(5,953)	(4,787)	(4,507)	(109)	(4,414)
Adjusted EBITDA Excluding Gains	\$ 76,963	\$ 84,674	\$ 63,038	\$ 42,327	\$ 25,768	\$ 6,894	\$ 8,100

