



Mermaid
SUBSEA SERVICES



MERMAID MARITIME
PUBLIC COMPANY LIMITED



1Q 2017 Results

16 May 2017

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Agenda

- Business Report
- Financial Review
- Business Outlook

Business Report



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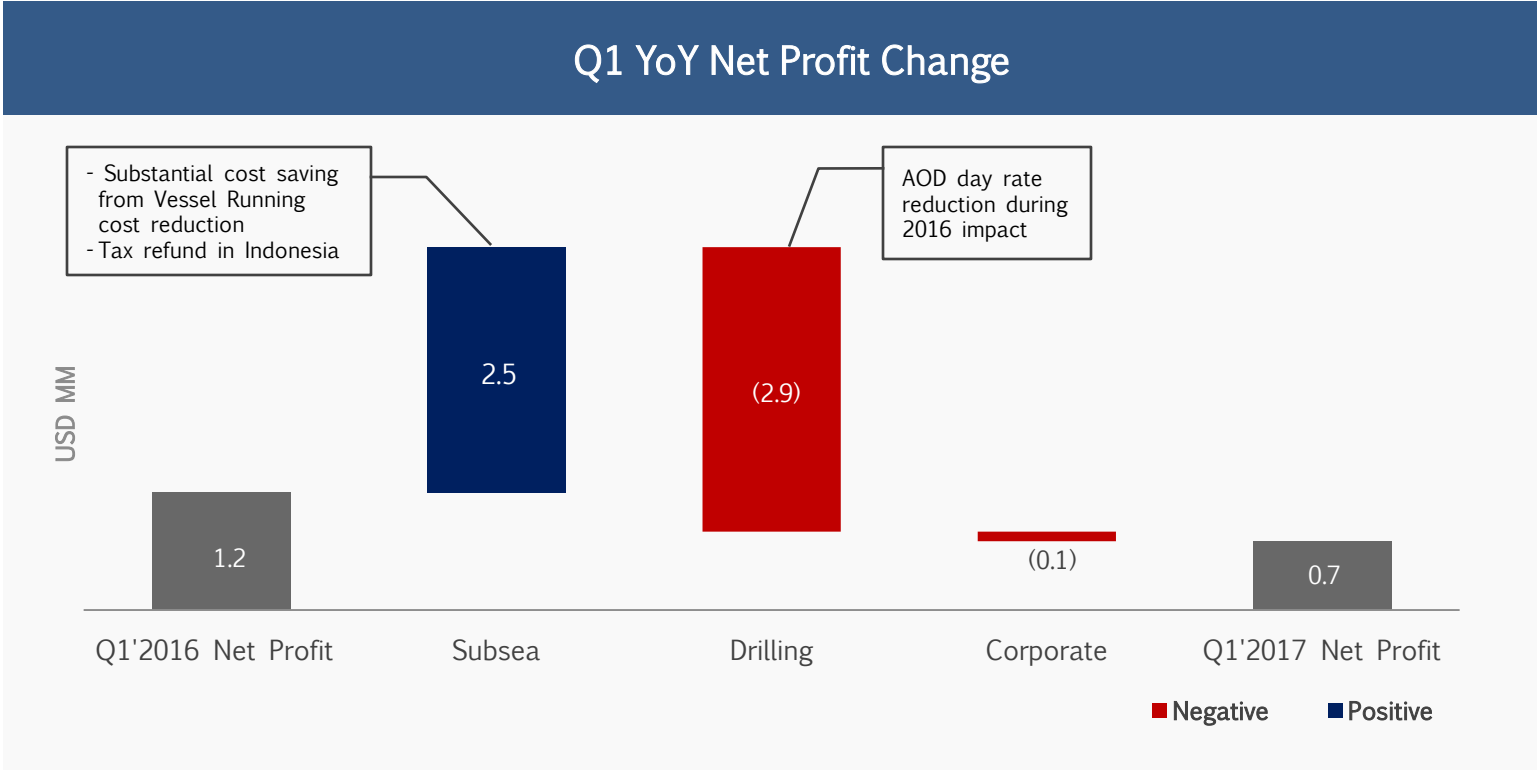




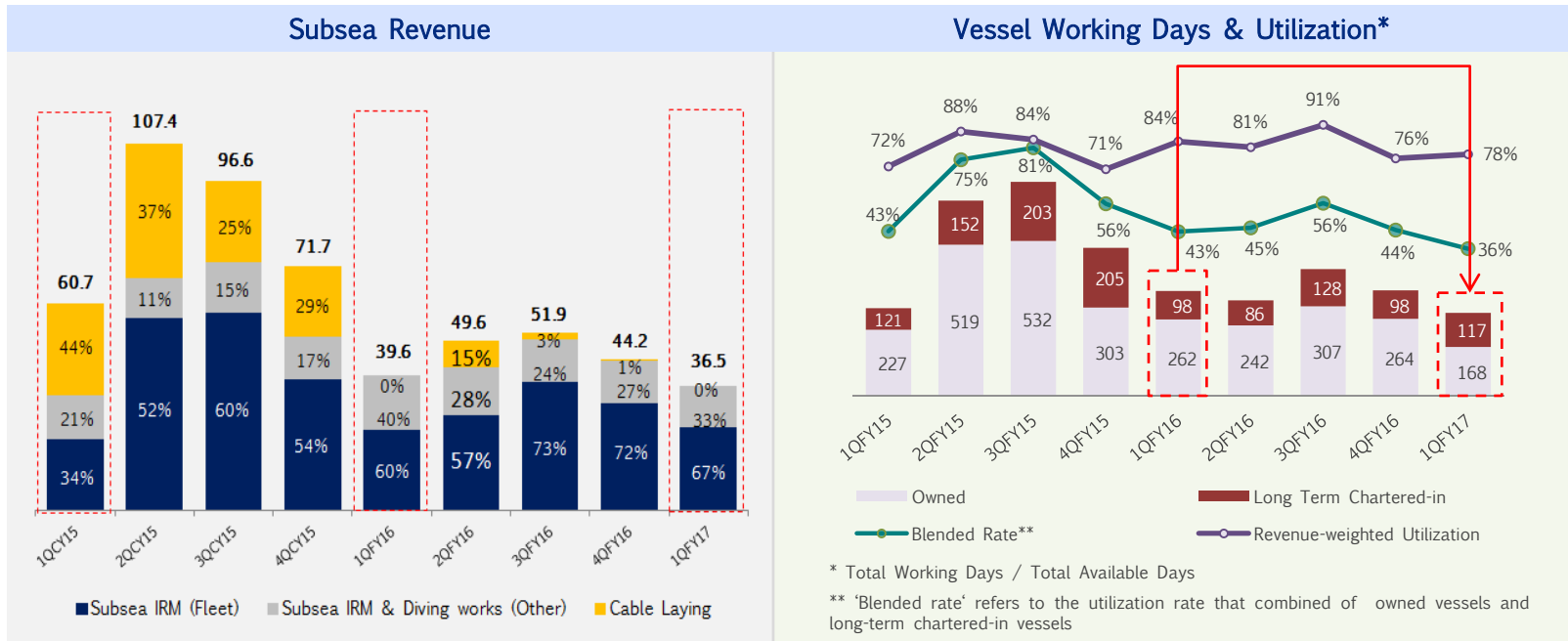
1Q 2017 Highlights

- In spite of low season period and overall market difficulty, utilisation rate of major vessels improved vs 1Q16.
- EBITDA increased from USD 2.1M 1Q16 to USD 5.8M 1Q17 driven by cost saving in subsea business.
- Net profit slightly decreased as a result of lower AOD's profit sharing.
- Revenue dropped -7.8% YoY by slow down engineering projects.
- 1Q17 resulted in positive cash flow from operation USD 7.7M and balance sheet remained in healthy position.
- Order book (excl. AOD) stood at USD 150m at the end of March 2017.
- Diversified business by entering to a new market in Malaysia.
- Secured a long term subsea services contract until end of 2020 in Middle East area.

Improvement in subsea business was settled with AOD day rate reduction



Subsea fleet utilisation slightly dropped from stacked vessels



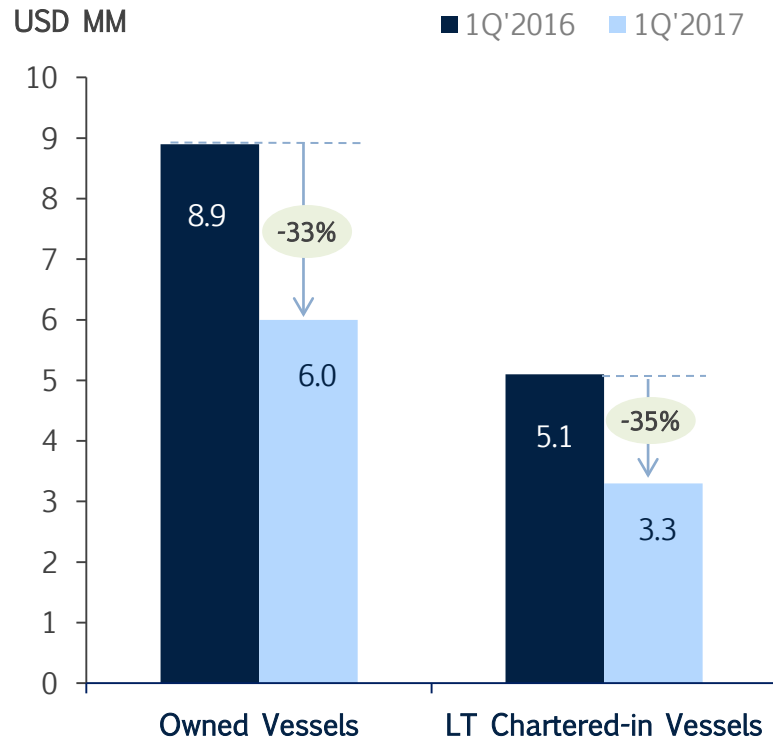
1Q'17 vessel utilisation dropped to 36%, compare to 43% of the same period last year

- The drop was mainly a result of three vessels stacked (Mermaid Challenger, Mermaid Siam and SS Barakuda).
- The 4 major vessels i.e. Mermaid Commander, Mermaid Asiana, Mermaid Endurer, and Mermaid Sapphire, had average utilisation of 48% higher than the last year of 38%.



34% reduction in Subsea Vessel Running Costs

Vessel Running Costs Reduction



Description of Key Drivers

Owned vessels

- Cold stacking non-performing vessels;
 - Mermaid Siam in 1Q'16
 - Mermaid Challenger in 2Q'16
 - SS Barakuda in 2Q'16
- VRC reductions on active vessels:
 - Most of reduction was in Marine Crew and Dive Tech expenses

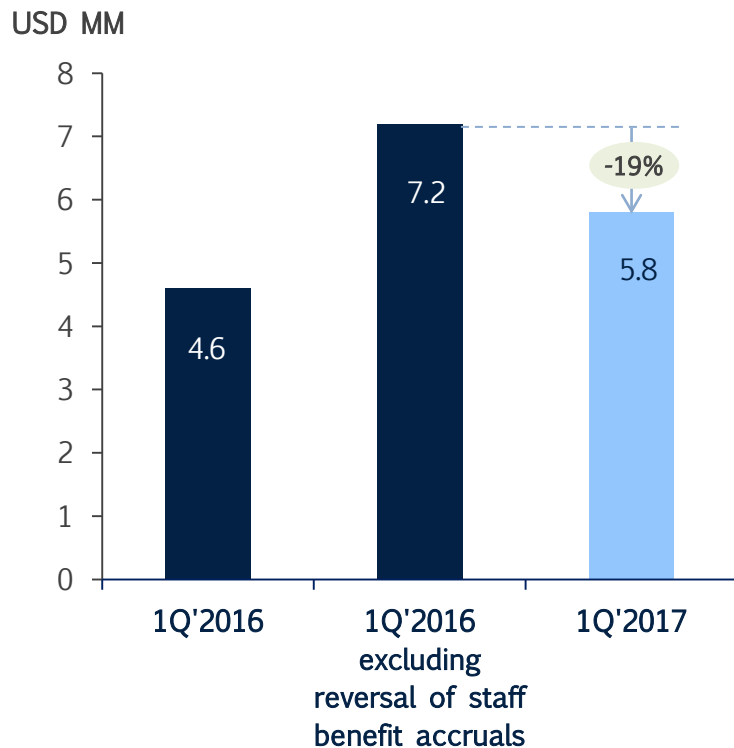
Long-term chartered-in vessels

- Two vessels, the 'Resolution' and 'Nusantara', remain on hire vessel in Q1'17
- 'Endeavour' was returned to Owner in 1Q'16 when on-going contracts were completed.

Normalised SG&A improved 19% by cost saving actions



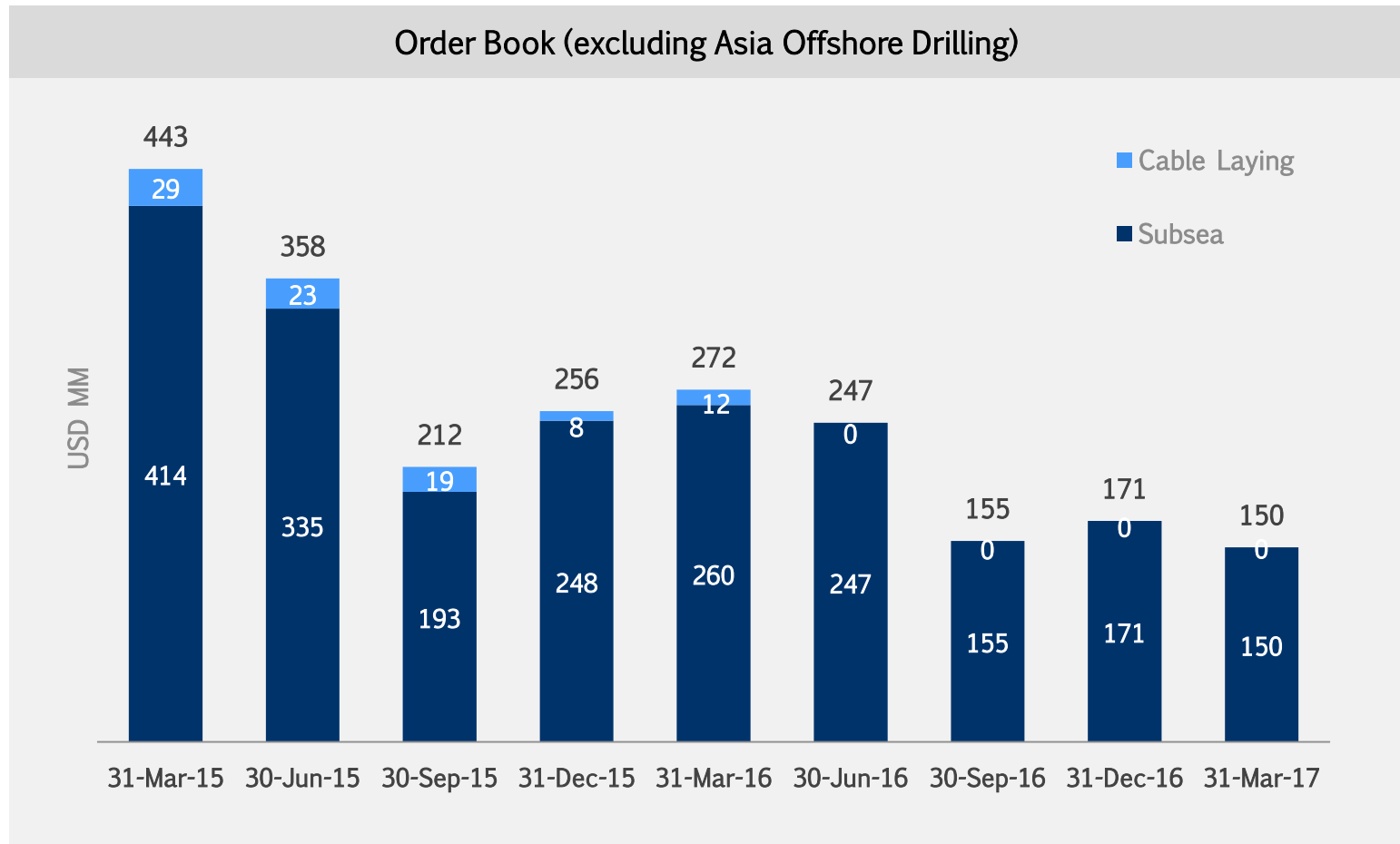
SG&A Expense s (excluded reversal) Decreased



Description of Key Drivers

- Cost savings program delivered strong results - 19% YOY
- Decrease was mainly driven by the headcount reduction and resulting savings on staff-related costs
- Other categories with large reductions include traveling, hotel, and bank charges

Order book stood at USD 150M as the end of 1Q'2017



Financial Review



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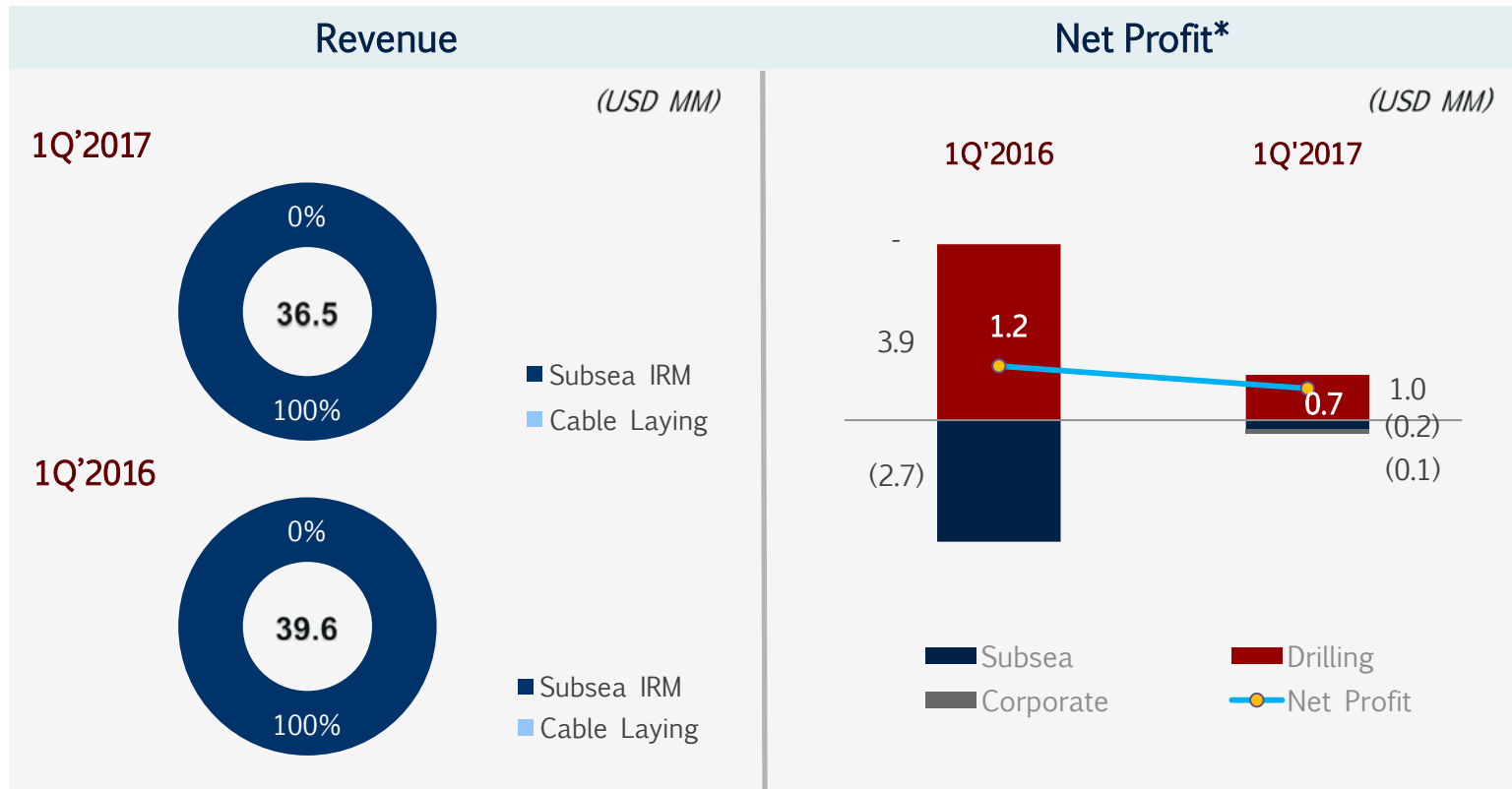


1Q'2017 Profit & Loss

USD MM	1Q'2017	1Q'2016	Δ %
Turnover	36.5	39.6	(7.8)
EBITDA	5.8	2.1	176.2
Profit From Operations	1.7	1.2	41.7
EBIT	0.5	(3.0)	NM
Associates & JV Equity Income	1.2	4.2	(71.4)
Finance Cost	(0.9)	(0.8)	12.5
Profit Before Tax	0.8	0.4	100.0
Tax Benefit (Expense)	(0.1)	0.8	(112.5)
Net Profit	0.7	1.2	(41.7)
EPS (US cents)	0.1	0.1	-



1Q'2017 Segmental Contribution



* FX effects from intercompany loans have been eliminated



1Q'2017 resulted in positive Cash Flows

USD MM	1Q'2017	1Q'2016
CASH FLOW FROM OPERATING ACTIVITIES		
Before Changes in Working Capital	5.1	4.0
Changes in Working Capital	4.4	11.7
Tax Paid	(0.7)	(2.0)
Others	(1.1)	(1.0)
	7.7	12.7
CASH FLOW FROM INVESTING ACTIVITIES		
Dividend and Interest received	0.2	6.8
Payment for Purchase of PPE and Intangible Assets	(0.5)	(0.9)
	(0.3)	5.9
CASH FLOW FROM FINANCING ACTIVITIES		
Short-term and Long-term Loans from Financial Institutions	(2.0)	(4.6)
	(2.0)	(4.6)
Net increase (decrease) in cash and cash equivalents	5.4	14.0
Cash Balance as at 31 March	67.6	71.7



Balance Sheet remains healthy

Liquidity indicators

- Cash & Deposits Balance = USD105.3mm
- Current Ratio = 3.77x

Leverage Ratio

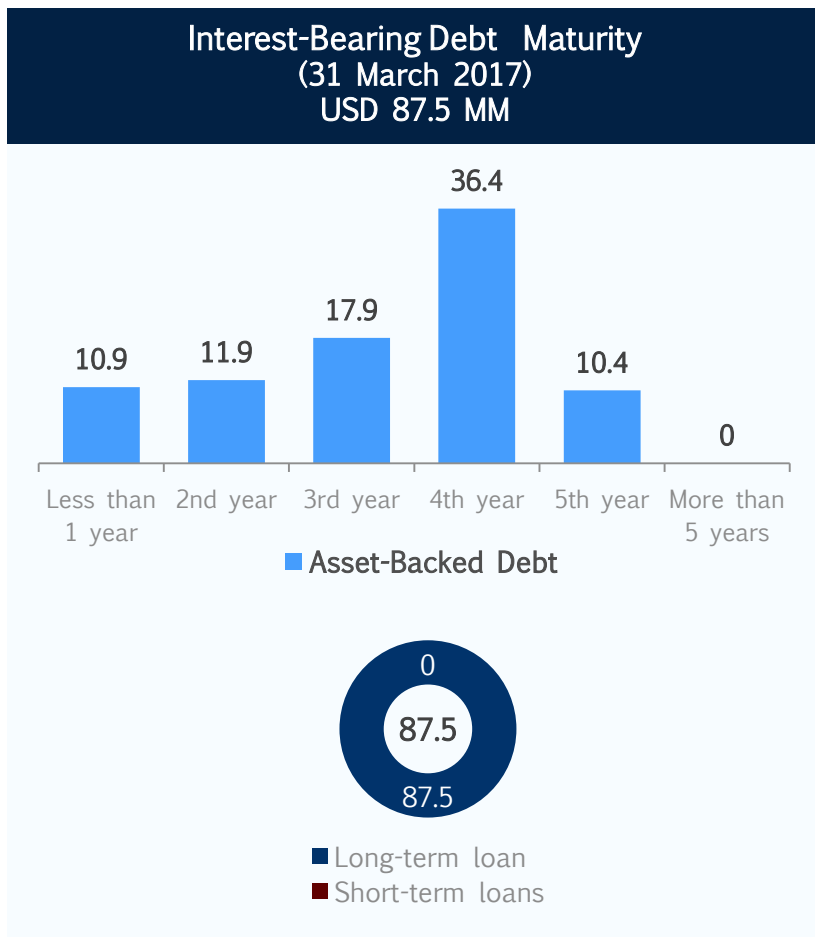
- Debt to Equity Ratio = 0.36x
- Interest Bearing Debt to Equity = 0.26x
- Net Gearing = N/A *Net positive cash balance*
- DSCR = 1.64x

USD MM	31-Mar-2017	31-Dec-2016	Δ (%)
Current Assets	165.8	174.1	(4.8)
Non-Current Assets	296.3	298.0	(0.6)
Total Assets	462.1	472.1	(2.1)
Current Liabilities	44.0	51.5	(14.6)
Non-Current Liabilities	79.3	82.3	(3.6)
Total Liabilities	123.3	133.8	(7.8)
Total Equity	338.8	338.3	0.1
Property, Plant and Equipment	193.6	198.2	(2.3)
Bank Balances, Deposits & Cash	105.3	97.7	7.8
Total Borrowings	87.5	89.5	(2.2)

USD MM	31-Mar-2017	31-Dec-2016	31-Dec-2015
Interest Bearing Debt			
Asset-backed Financing	87.6	89.5	97.4
Unsecured Loan	-	-	10.0
	87.6	89.5	107.4
Cash and Cash Equivalent	(105.3)	(97.7)	(63.3)
Net Debt / (Cash)	(17.7)	(8.2)	44.1
Shareholder Funds	338.8	338.3	321.0
Net Gearing	N/A	N/A	13.7%

Debt Maturity Profile

High liquidity and flexibility with long maturity mix



In Financial Statements, USD 87.5M of LT loans, majority of debt maturity profile is 4 years onward, liquidity risk is low with high financial flexibility.

Business Outlook and Positioning



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Business Outlook

- 1 Market appears to have turned the corner. Oil price is gradually stabilizing but note the time lag for subsea activity.
- 2 Competitor base has reduced as several other subsea companies exit. Remaining players in survival and adaptation mode.
- 3 Utilisation of key assets remains a key revenue driver. Cost cutting and consolidation remain essential.
- 4 Subsea firms need to become lean and mean but still retain the capacity to execute safely & efficiently, and expand when the turnaround happens.
- 5 Potential distressed asset purchases for those with the resources, ambition & client contracts.



Business Outlook

6

All three jack-up drilling rigs 'AOD I', 'AOD II' and 'AOD III' secured contract extensions in Middle East for another three years until 2019 thus reducing downside risk as market recovers.

7

Mermaid Challenger, Mermaid Siam, Barakuda, 'MTR-1' and 'MTR-2' are cold stacked to reduce cost and marketed for sale.

8

Cash preservation is important to remain resilient until market recovery. Yet remain open for opportunistic asset acquisitions.

9

Mermaid leveraging on reputation and stability to access additional geographical markets and cross-sell services across regions.



Mermaid – Industry positioning



Geographical coverage and shallow water focused

- Shallow water – more defensive and less affected by lower oil price.
- Local joint venture in cabotage-protected markets serving NOCs in those countries, Qatar, Saudi Arabia and Indonesia.



IRM focused, new established cable laying and subsea engineering

- IRM – Medium to long-term demand is expected to remain relatively intact which should bode well for ongoing production requirement.
- Cable and flexible pipe lay service expansion, additional engineering services.



Track record of quality and safety, modern asset base

- Excellence operational and safety record and stable management team.
- Young subsea fleet with chartering-in plan to serve fluctuate demand.
- AOD's three jack-up drilling rigs contract extended to 2019.



Fiscal Discipline

- Retain low gearing and sufficient cash reserve.
- Flexibility to take advantage of any opportunistic and organic growth that may present itself in the present time.



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Investor Relations
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