



# 1Q 2024 RESULTS




May 15<sup>th</sup>, 2024

[www.mermaid-group.com](http://www.mermaid-group.com)

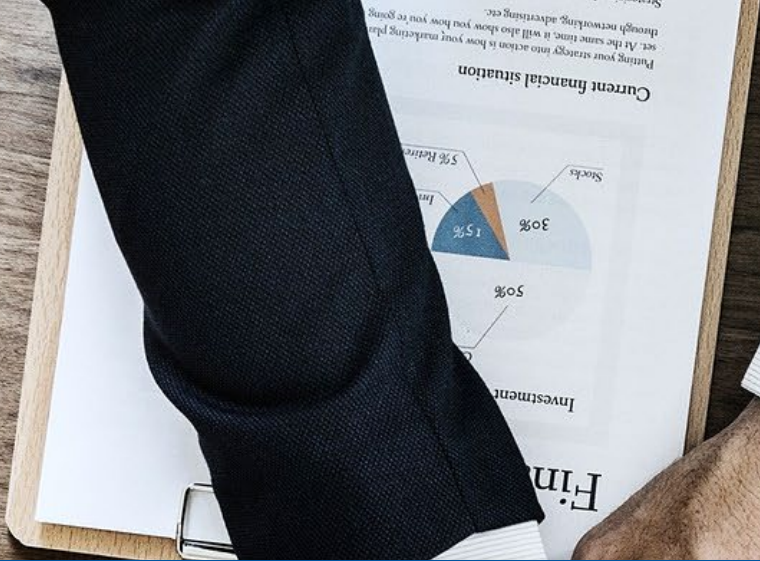
Disclaimer: The information contained in this document is intended only for use during the presentation and should not be disseminated or distributed to parties outside the presentation. Mermaid Group accepts no liability whatsoever with respect to the use of this document or its contents.

# AGENDA

---

-  Business Report
-  Financial Review
-  Business Outlook

# BUSINESS REPORT



Issue 764  
Monday, Jun 14, 2016  
#Citydailynews

## y of the n Union

Are you innovative or are you the experienced type? Or do you offer a high-cost, high-value product, or a low-cost, high-value product? It's impossible to be both what your customers need you to be. Your brand is the main foundation of your success. All the promotional materials should be communicated with your logo. Having a good brand strategy allows you to have a large advantage in your market competition. Increase in your market by offering your brand tells your customers what they can have or expect from the products and services you offer. Branding strategy as it is from the branding consistency that



# 1Q 2024 HIGHLIGHTS



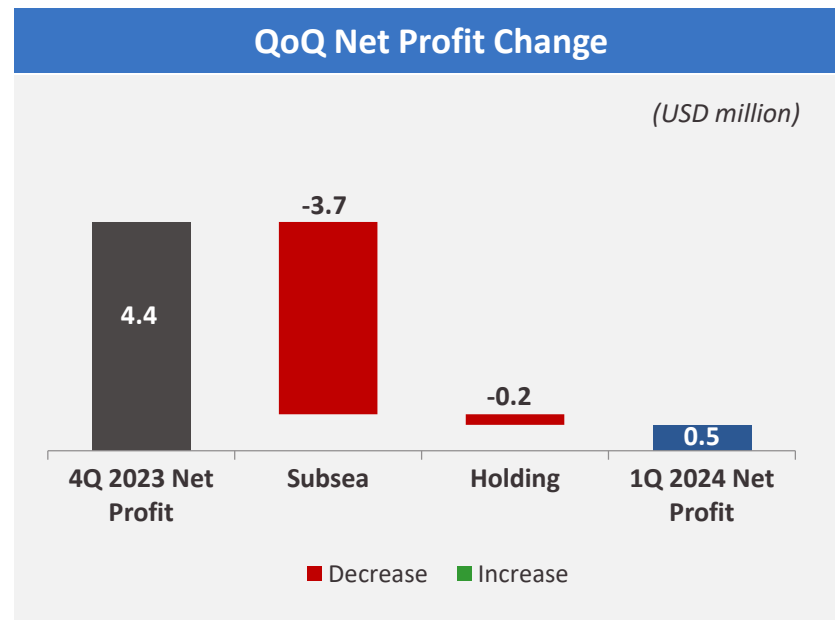
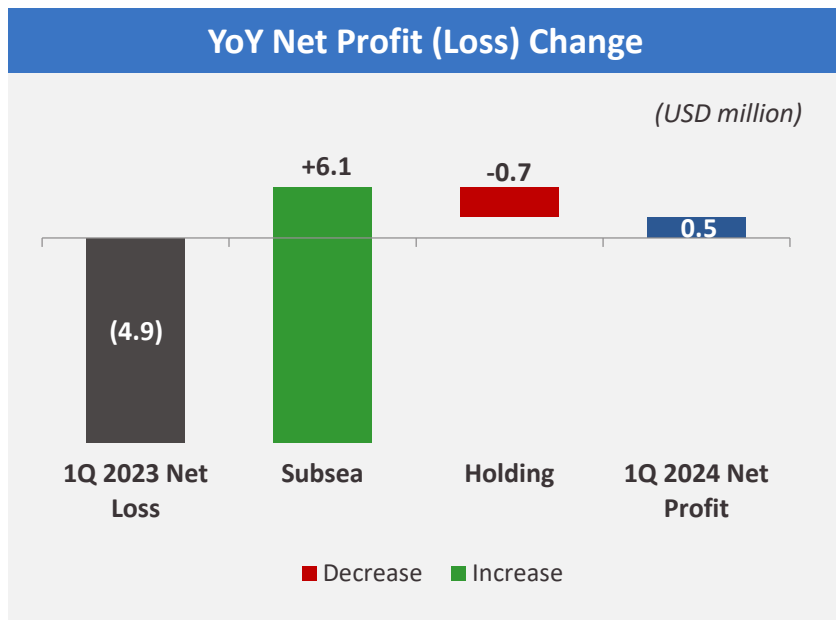
MERMAID

- In 1Q 2024, **Mermaid Group recorded USD 88.0 m. of revenue from rendering of services**, a remarkable increase of 101.8% YoY and 4.1% QoQ, as a result of a growth of main business sectors: Subsea IRM & Diving works, Cable Lay projects and T&I and Decommissioning projects.
- The Group reported a **net profit of USD 0.5 m.** for the first quarter of 2024, a significant turnaround from a net loss of USD 4.9 m. for the same period last year. **The reported EBITDA also increased** both YoY and QoQ to **USD 11.5 m. in 1Q 2024.** An increase is a consequence of revenue growth in various regions along with constricted cost management and control in spite of low season of the year.
- The net cash outflow used in operating activities at (USD 1.3 m.) came from an increase in receivable to be collected.
- **The total order book stood at USD 735 m.** at the end of March 2024. Mermaid Group has secured multiple project awards in South East Asia, the Middle East, North Sea and Western Sub Sahara region for both short-term and long-term throughout FY2026. The order book number includes Cable Laying, Subsea Pipeline Tie-ins, Inspection, Repair and Maintenance and T&I and Decommissioning services.
- Balance sheet position represented at 1.03x Current Ratio and low-risk level of 0.51x D/E Ratio.

# MOVEMENT IN KEY BUSINESS SEGMENT



MERMAID

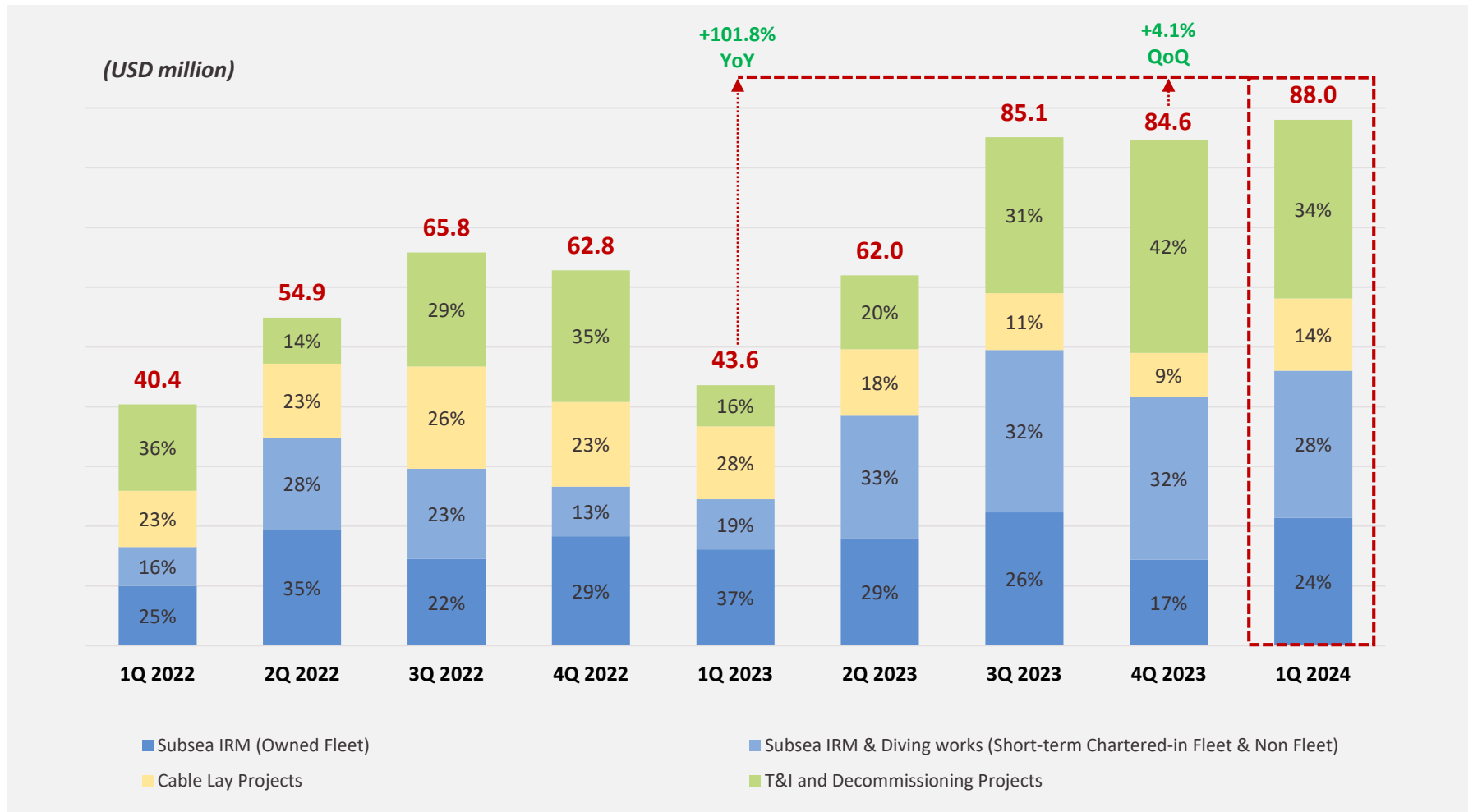


- When compared YoY, there was a considerable turnaround from USD 4.9m net loss in 1Q 2023 to USD 0.5 net profit in 1Q 2024 despite the low season. This mainly came from more subsea IRM projects for short-term chartered-in vessels and diving works for non-vessel and more T&I projects in Gulf of Thailand.
- The net profit dropped QoQ from USD 4.4m in 4Q 2023 to USD 0.5m in 1Q 2024 because of:
  - Dry docking costs from “Mermaid Endurer” that had finished in Feb 2024 and “Resilient” that has been dry docking throughout the period
  - Share loss from M3JV caused by dry docking of “Millennium3” compared to share profit recognized in the previous quarter
  - Seasonal business cycle
- A decrease in holding sector both YoY and QoQ came from higher financial costs to the parent company.

# REVENUE BREAKDOWN



MERMAID



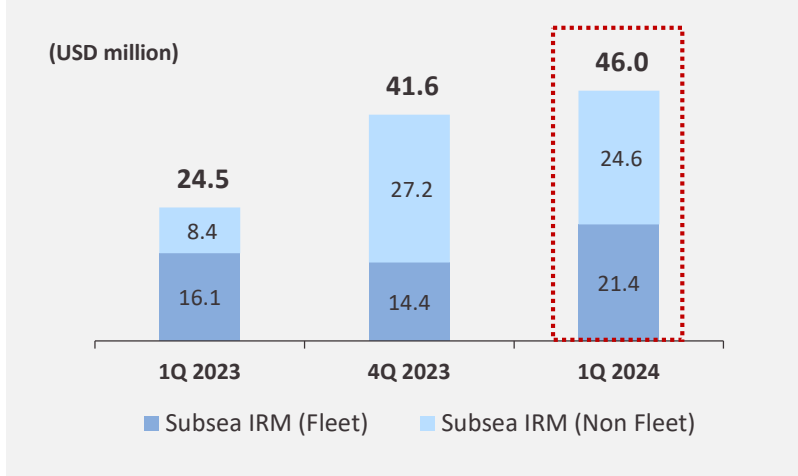
The total revenue doubled YoY from USD 43.6m to USD 88.0m mainly due to an increase in revenue from subsea IRM and T&I and decommissioning sector. The revenue also increased by 4.1% QoQ because of higher revenue in subsea IRM and cable lay sector.

# SUBSEA IRM SECTOR

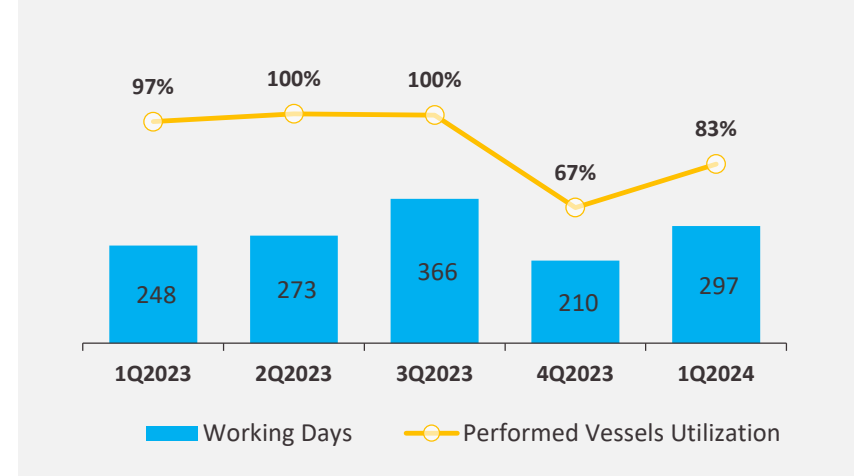


MERMAID

Revenue from Total Subsea IRM



Utilization of Performing Subsea IRM Vessels

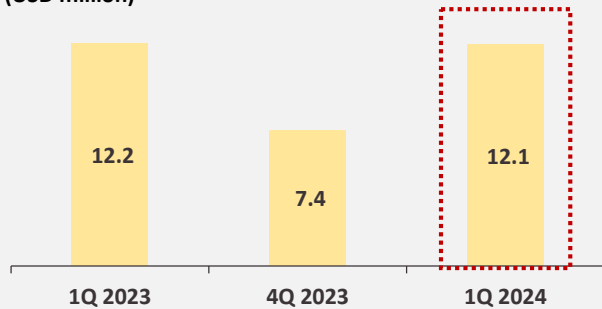


- In 1Q 2024, the revenue from fleet subsea IRM business grew by +32.9% YoY and +48.6% QoQ to USD 21.4m because:
  - **“Mermaid Asiana”** worked for a major customer in the Middle East at high utilization rate.
  - **“Mermaid Endurer”** finished dry docking since end of Feb 2024 and continued her work schedule in the Middle East at high utilization rate as well.
  - **“Mermaid Sapphire”** has been fully chartered to related party in South East Asia.
  - **“Mermaid Challenger”** has been reactivated since last year and sold to the new JV (“Tan Cang Mermaid Subsea Services Co., Ltd.”) in 1Q 2024. She was renamed to **“TC Mermaid”** and worked for IRM projects in South East Asia.
- The revenue from other subsea IRM markedly grew by +192.8% YoY due to more inspection projects that using short-term chartered-in fleet as well as more survey projects. However, it slightly dropped by -9.5% when compared QoQ due to the project that end since 4Q 2023.
- **“Mermaid Commander”** remained cold-stacked during the period and were considered for an option to sell or reactivate.

# CABLE LAY SECTOR AND T&I AND DECOMMISSIONING SECTOR

## Revenue from Cable Lay Projects

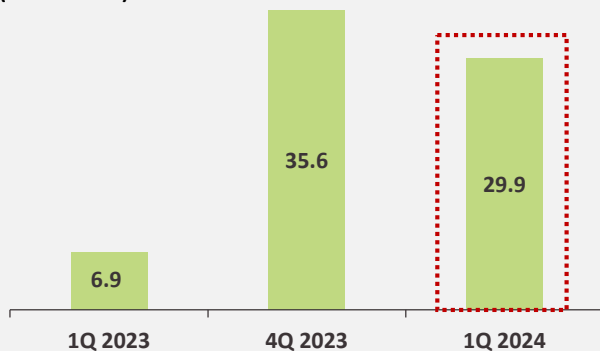
(USD million)



- Revenue from cable lay sector remained the same level YoY as USD 12.2m in 1Q 2023 and USD 12.1m in 1Q 2024. However, the revenue rose by +63.5% when compared QoQ. The increase mainly came from projects in the west-central coast of Southern Africa region.
- The vessel “Millennium 3” that owned by M3JV has been dry-docking during 1Q 2024 and will continue to work in 2Q 2024. Therefore, Mermaid recognized USD 0.4m share loss from M3JV.

## Revenue from T&I and Decommissioning Projects

(USD million)



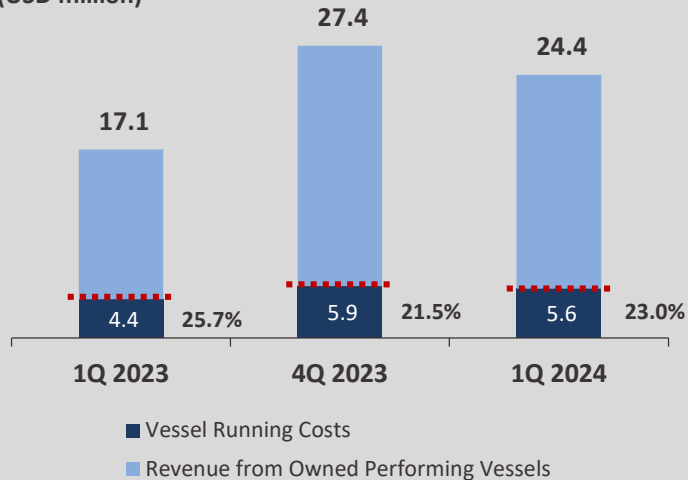
- Revenue from T&I and decommissioning sector increased YoY by +333.3% due to the main project in Gulf of Thailand that has just started since 4Q 2023.
- When compare QoQ, the revenue from this business dropped by -16.0% because:
  - Owned vessel “Resiliant” has been dry docking throughout the first quarter of the year.
  - Long-term chartered-in vessel “Van Gogh” had also been dry-docked since end of Dec 2023 until end of Feb 2024 and continued her main project work in Gulf of Thailand.



# COSTS & EXPENSES

## Vessel Running Costs (Owned Performing Vessels)

(USD million)



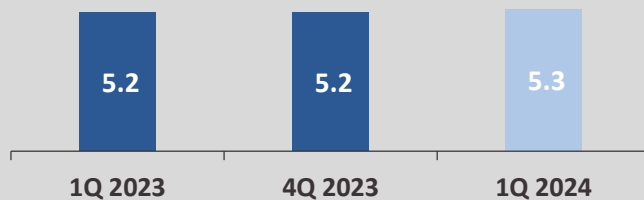
- VRC of owned performing vessels<sup>(1)</sup> increased YoY from USD 4.4m in 1Q 2023 to USD 5.6m in 1Q 2024 because of higher repair and maintenance costs from “Resiliant” that has been dry-docked during 1Q 2024 and “Mermaid Endurer” that has just finished dry-docking since the beginning of year 2024. However, the ratio of VRC to the revenue generated from owned active vessels declined when compared to 1Q 2023 because of “TC Mermaid<sup>(2)</sup>” that has been reactivated and started working in Gulf of Thailand as well as higher revenue generated from “Mermaid Asiana”, “Mermaid Endurer” and “Resiliant”.
- VRC of decreased QoQ from USD 5.9m in 4Q 2023 to USD 5.6m in 1Q 2024 due to the dry docking of Resiliant and it consequently led to the decrease in the revenue generated from this vessel.

<sup>(1)</sup> Mermaid Asiana, Mermaid Endurer, Mermaid Sapphire, TC Mermaid and Resiliant

<sup>(2)</sup> formerly known as Mermaid Challenger

## Selling and Administrative Expenses

(USD million)



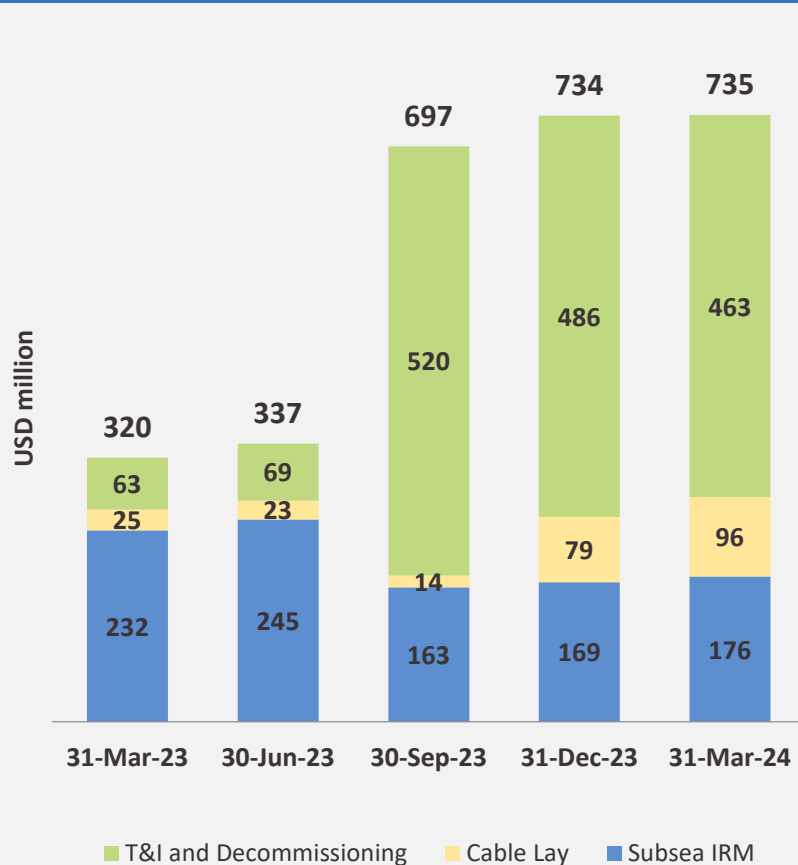
- SG&A expenses slightly increased both YoY and QoQ from USD 5.2m in 1Q 2023 and 4Q 2023 to USD 5.3m in 1Q 2024 mainly due to travelling expenses.

# ORDER BOOK

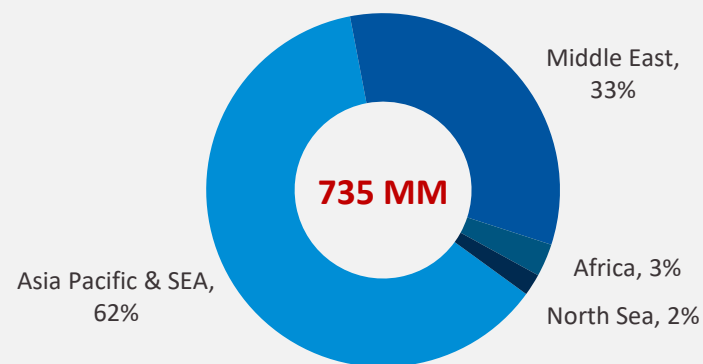


MERMAID

Total Order Book



Order Book by Region



At the end of March 2024, **the order book was at USD 735 m.** Mermaid Group has secured multiple project awards in South East Asia, the Middle East, North Sea and Western Sub Sahara region for both short-term and long-term throughout FY2026. The order book number included Cable Laying, Subsea Pipeline Tie-ins, Inspection, Repair and Maintenance and T&I and Decommissioning services.

# GEOGRAPHICAL PRESENCE



Operational Region

Vessels in UK
Island Valiant

Vessels in KSA
Mermaid Asiana
Zamil 63
Zamil 64
Zamil 65
Zamil 601
Zamil 602
QMS Paraiso
QMS Poseidon
Bourbon Enterprise
Sea Conquest
ARB7
Swordfish
Mubarak Supporter
Millennium 3

Vessels in Africa
Michael G. Mc Call
Normand Energy
Gammage Tide
Zwerver 1



Vessels in APAC
DSV Van Gogh
DLB Resiliant + ZD Libra
DLB Huan Qiu 1200
HLV Hilong 106
TC Mermaid + Scena 2803
MP Valour
MP Endurance
Scena Sultan + Scena 2801
Scena Raja + Scena 2802
Limin Swordfish + Poe Giant 19
Swiber Challenger + Scena 2804
Limin Handler + Limin 2085
MP Prowess + Jin Hang Tuo 9001
Swiber Sapphire + Crest 301
Lumin UT One + Crest 2821
SB Swiber Venturer
CB TMS Ranod
Kim Heng 3803 + Kim Heng 2370
Hai Duong 55
AHT Independence
Rawabi Opal

Vessels in Qatar
Mermaid Endurer

# FINANCIAL REVIEW



# 1Q 2024 PROFIT & LOSS



MERMAID

(USD million)	1Q 2024	1Q 2023	YoY Amount Change	1Q 2024	4Q 2023	QoQ Amount Change
<b>Income:</b>						
Revenue from rendering of services	88.0	43.6	+44.4	88.0	84.6	+3.4
Net gain on foreign exchange	0.8	-	+0.8	0.8	-	+0.8
Interest income and other income	0.5	0.7	-0.2	0.5	0.7	-0.2
<b>Total income</b>	<b>89.3</b>	<b>44.3</b>	<b>+45.0</b>	<b>89.3</b>	<b>85.3</b>	<b>+4.0</b>
<b>Expenses:</b>						
Costs of rendering of services	79.4	43.3	+36.1	79.4	74.4	+5.0
Administrative expenses	5.3	5.2	+0.1	5.3	5.2	+0.1
Net loss on foreign exchange	-	0.1	-0.1	-	0.9	-0.9
Finance costs	2.3	1.3	+1.0	2.3	1.6	+0.7
<b>Total expenses</b>	<b>87.0</b>	<b>49.9</b>	<b>+37.1</b>	<b>87.0</b>	<b>82.1</b>	<b>+4.9</b>
<b>Profit (loss) from operation</b>	<b>2.3</b>	<b>(5.6)</b>	<b>+7.9</b>	<b>2.3</b>	<b>3.2</b>	<b>-0.9</b>
Share of profit (loss) of joint ventures and associate	(1.2)	0.4	-1.6	(1.2)	2.0	-3.2
<b>Profit (loss) before tax expense</b>	<b>1.1</b>	<b>(5.2)</b>	<b>+6.3</b>	<b>1.1</b>	<b>5.2</b>	<b>-4.1</b>
Tax (expense) income	(0.6)	0.3	-0.9	(0.6)	0.8	-1.4
<b>Profit (loss) for the period</b>	<b>0.5</b>	<b>(4.9)</b>	<b>+5.4</b>	<b>0.5</b>	<b>4.4</b>	<b>-3.9</b>
<b>Earnings per share (US Cents)</b>	<b>0.0</b>	<b>(0.3)</b>	<b>+0.3</b>	<b>0.0</b>	<b>0.3</b>	<b>-0.3</b>
Depreciation expenses and amortization expenses	6.9	6.1	+0.8	6.9	6.4	+0.5
<b>EBITDA<sup>(1)</sup></b>	<b>11.5</b>	<b>1.8</b>	<b>+9.7</b>	<b>11.5</b>	<b>11.2</b>	<b>+0.3</b>

Remark:

<sup>(1)</sup> Excluding share of profit (loss) of joint ventures and associate

# STATEMENT OF CASH FLOWS



Cash Flows (USD million)	For the period ended 31 March	
	2024	2023
<b>Cash Flow From Operating Activities:</b>		
Before changes in working capital	7.8	3.0
Changes in working capital	(8.3)	(5.1)
Others	(0.8)	(0.7)
<b><i>Net cash used in operating activities</i></b>	<b>(1.3)</b>	<b>(2.8)</b>
<b>Cash Flow From Investing Activities:</b>		
Increase in short-term loan to related party	(0.5)	-
Proceeds from short-term loan to related party	1.3	-
Proceeds from sale of assets held for sale	0.8	-
Acquisition of property, plant and equipment and intangible assets	(7.7)	(2.2)
Acquisition of interest in joint venture	(0.8)	-
Interest received	0.1	-
<b><i>Net cash used in investing activities</i></b>	<b>(6.8)</b>	<b>(2.2)</b>
<b>Cash Flow From Financing Activities:</b>		
Proceeds from borrowings from parent company	15.0	7.5
Proceeds from borrowings from financial institution	9.9	-
Repayment of borrowings	(18.8)	(3.6)
Payment of lease liabilities	(2.5)	(2.5)
Finance costs paid	(2.0)	(0.9)
<b><i>Net cash from financing activities</i></b>	<b>1.6</b>	<b>0.5</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(6.5)</b>	<b>(4.5)</b>
Effect of exchange rates	(0.2)	0.1
Cash and cash equivalent at 1 January	30.3	7.8
<b>Cash and cash equivalent as at 31 March (excluding restricted cash*)</b>	<b>23.6</b>	<b>3.4</b>

\*Restricted cash = \$3.4m

# STATEMENT OF FINANCIAL POSITION



MERMAID

Balance Sheet (USD million)	31 Mar 2024	31 Dec 2023	Change
Cash & Cash Equivalents	23.6	30.3	-22.1%
Trade and Other Accounts Receivable	140.0	110.6	+26.6%
Other Current Assets	3.2	5.0	-36.0%
<b>Total Current Assets</b>	<b>166.8</b>	<b>145.9</b>	<b>+14.3%</b>
Restricted Deposit at Financial Institutions	3.4	15.0	-77.3%
Investment in Associates & Joint Ventures	28.2	28.6	-1.4%
Property, Plant and Equipment and Intangible Assets	132.6	129.4	+2.5%
Right-of-Use Assets	18.4	20.5	-10.2%
Other Non-Current Assets	17.1	17.2	-0.6%
<b>Total Non- Current Assets</b>	<b>199.7</b>	<b>210.7</b>	<b>-5.2%</b>
<b>Total Assets</b>	<b>366.5</b>	<b>356.6</b>	<b>+2.8%</b>
Trade and Other Accounts Payable	84.4	77.8	+8.5%
Short-term and Current Portion of Long-term Borrowing from Parent Company	58.0	29.0	+100.0%
Short-term and Current Portion of Long-term Borrowings from Financial Institution	8.2	20.5	-60.0%
Other Current Liabilities	10.6	11.3	-6.2%
<b>Total Current Liabilities</b>	<b>161.2</b>	<b>138.6</b>	<b>+16.3%</b>
Long-Term Borrowings from Parent Company	11.0	25.0	-56.0%
Long-Term Borrowings from Financial Institution	10.0	6.8	+47.1%
Other Non-Current Liabilities	13.2	15.6	-15.4%
<b>Total Non-Current Liabilities</b>	<b>34.2</b>	<b>47.4</b>	<b>-27.8%</b>
<b>Total Liabilities</b>	<b>195.4</b>	<b>186.0</b>	<b>+5.1%</b>
<b>Total Equity</b>	<b>171.1</b>	<b>170.6</b>	<b>+0.3%</b>

(USD million)	31 Mar 2024	31 Dec 2023
<b>Interest Bearing Debt</b>		
Asset-backed Financing	18.2	27.3
Unsecured Loan	69.0	54.0
<b>Total Interest Bearing Debt*</b>	<b>87.2</b>	<b>81.3</b>
Cash and Restricted Deposit at Banks	(27.0)	(45.3)
<b>Total Debt, Net of Cash</b>	<b>60.2</b>	<b>36.0</b>
Shareholders' Equity	171.1	170.6
<b>Net Gearing*</b>	<b>35.2%</b>	<b>21.1%</b>

\*Excluding lease liabilities

Financial Ratio	21 Mar 2024	31 Dec 2023
Current Ratio	1.03x	1.05x
Net Debt to Equity Ratio	0.62x	0.60x
Net Debt to Equity Ratio (excluded lease liabilities)	0.51x	0.48x
Liabilities to Equity	1.14x	1.09x
Liabilities to Equity (excluded lease liabilities)	1.03x	0.96x

# DEBT MATURITY PROFILE



MERMAID

## Interest-Bearing Debt Maturity

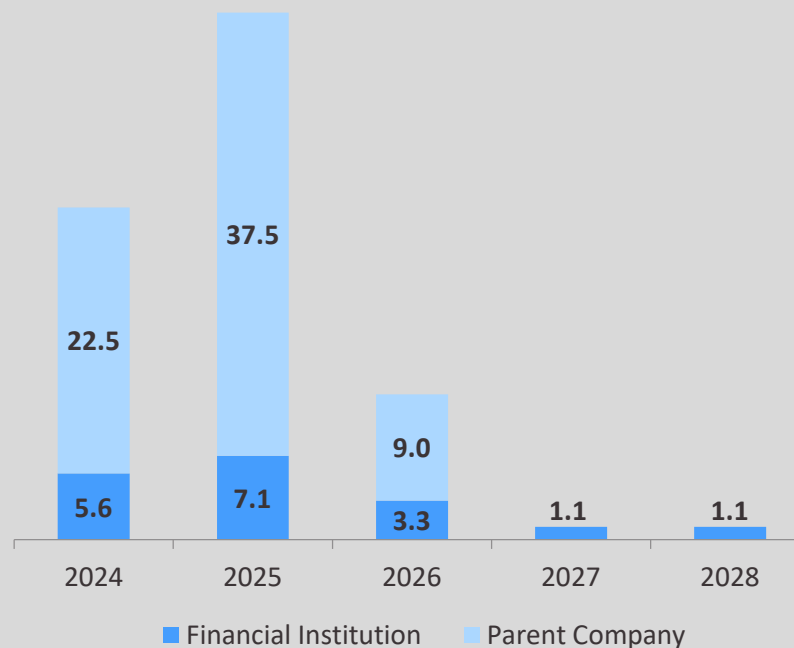
USD 87.2 M

(31 March 2024)

- As at 31 March 2024, there are outstanding loans of **USD 87.2 million** consisting of:
  - **USD 18.2 million** of long-term loans from financial institution
  - **USD 69.0 million** of loans from parent company
- Next repayment will be at the end of 2<sup>nd</sup> quarter, 2024.
- Short-term liquidity risk due to repayment capability is low.
- As at 31 March 2024, Mermaid Group had unutilized credit facilities from parent company totaling of USD 15.0 million.

## Yearly Repayment Strategy

(USD 87.2 million)







MERMAID



# BUSINESS OUTLOOK

1

The April Short-Term Energy Outlook (STEO) issued by the EIA notes the crude oil spot price forecast is expected to average USD 90 per barrel in the second quarter of 2024 (2Q24), \$8/b more than our last outlook presentation and average USD 87 per barrel in 2025. This upward trajectory aligns with increased exploration and production activities in the oil and gas sector, potentially resulting in heightened demand for Subsea services.

2

The Brent crude oil spot price hit its highest level in seven months of USD 92 per barrel, driven by growing tensions in and around the Middle East. EIA projects crude oil prices to average at USD 89/b for 2024. The increased geopolitical risk coupled with the recent extension of OPEC+ voluntary production cuts is predicted to put upward pressure on the oil price, averaging USD 90 in 2Q24. EIA forecasts that oil inventories will increase again in 2025, to an average of 0.4 million b/d in 2025, which would put downward pressure on the oil price.

3

The Middle East and Africa subsea Market is set for robust growth with a projected CAGR of 23.4% from 2024 to 2030, while the Asia-Pacific market has a projected CAGR of 18.7%. Conversely, Europe's subsea market is forecasted to grow at a more moderate rate of 8.7% by 2030. We will continue to capitalise on this expansion by increasing our market share in our target Subsea markets.

4

The market uptick has resulted in our owned, jointly-owned, and chartered-in fleet achieving the targeted utilization figures. The intermediate outlook remains highly optimistic, with construction engagements actively mobilizing. The substantial investment plans of Middle Eastern Countries (Saudi, Qatar, UAE etc.) our biggest markets, remain strong, with significant increases expected in the intermediate term. Additionally, in the West African market, Majors have allocated significant budgets, as evident from the considerable gap in available tonnage. While Mozambique remains an integral part of our vision, it is essential to acknowledge the existing uncertainties in this region.

5

Commitment to excellence in the Subsea Middle Eastern market is at the core of our strategic focus, resulting in commendable returns from short to long-term projects, particularly with leading Oil Majors. Our success highlights our ability to navigate industry complexities, build robust relationships and strategic partnerships, and expand our market presence. Looking ahead, we are committed to enhancing our leadership in the Subsea Middle Eastern sector through continued relationship cultivation, strategic partnerships, and a proven track record of success.

6

In alignment with our strategic planning, we are intensifying our focus on the realm of P&A activities for the intermediate term. In this context, the pursuit of synergies across the entire Group has received added emphasis due to government-mandated closures in the North Sea Segment. Similarly, attention is now shifting towards the abandonment of the Chevron field in Thailand and several marginal fields in Africa in the near future. Mermaid will continue to invest in people, plant and equipment in order to position ourselves to be part of these endeavors.

# BUSINESS OUTLOOK



MERMAID

7

The establishment of a dedicated business unit for the North Sea has generated considerable enthusiasm within the organization. Leveraging the expertise of seasoned professionals in the region, the Group is poised to expand upon their proven track record. Initial successes include the awarding of several medium-sized projects, with the team rapidly gaining momentum. Recognizing the abundant opportunities in decommissioning and diving, we are strategically positioned to capitalize in the North Sea market. Additionally, Mermaid is strategically positioned to venture into the renewables market in the near future, further enhancing our foothold in the region.

8

Africa remains a lucrative arena for growth, evidenced by Mermaid's recent successes securing multiple awards in the region. Alongside achievements in Angola, Mermaid has delivered highly profitable saturation interventions off the Eastern Seaboard of Africa. The company is now actively pursuing further opportunities across the continent. Encouraging feedback from clients reinforces our confidence in securing additional awards in the African market in the imminent future.

9

In the meantime, **Asiana**, **Endurer**, & **Millenium 3** continue to operate in the Middle East, whilst the **Van Gogh** focuses on the APAC region. The **Sapphire** is deployed at home (Thailand). We anticipate very high utilization throughout 2024-2026. Vessel mobility remains a crucial factor in terms of achieving organic growth.

10

Mermaid is making significant strides in reclaiming our market share in Thailand and is steadfast in bolstering our presence in the decommissioning and IRM markets across Thailand and its neighbouring water. While returns in this region are presently below expectations, the momentum is nevertheless on a positive upward trajectory.



**MERMAID**

*A Company Moving Forward*

[ir@mermaid-group.com](mailto:ir@mermaid-group.com)

[www.mermaid-group.com](http://www.mermaid-group.com)