



1Q 2019 RESULT PRESENTATION




22 May 2019

www.mermaid-group.com

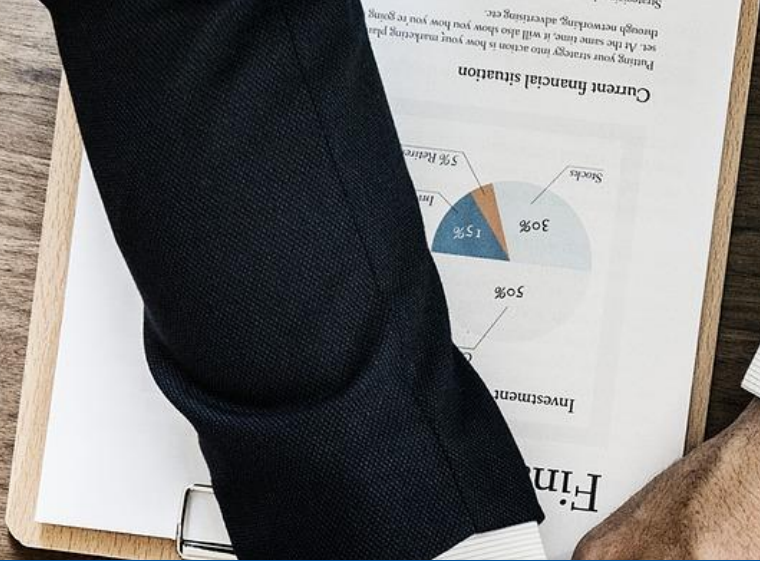
AGENDA



MERMAID

-  Business Report
-  Financial Review
-  Business Outlook

BUSINESS REPORT



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#Citydailynews

of the n Union

Are you innovative or are you the experienced typical or do you offer a high-cost, high-quality product, or a low-cost, high-quality product? It's impossible to be both. You should consider on thinking what your customers need you to be. Your brand is the main foundation of your logo. All the promotional materials should be communicated with your logo to communicate with a target brand. Having a good brand strategy allows you to have a large advantage in your market competition. Increase in your brand tells your customers what they can have or expect from the products and services you offer. From the branding strategy you have, the branding consistency at it will help you to acquire the right



1Q 2019 HIGHLIGHTS



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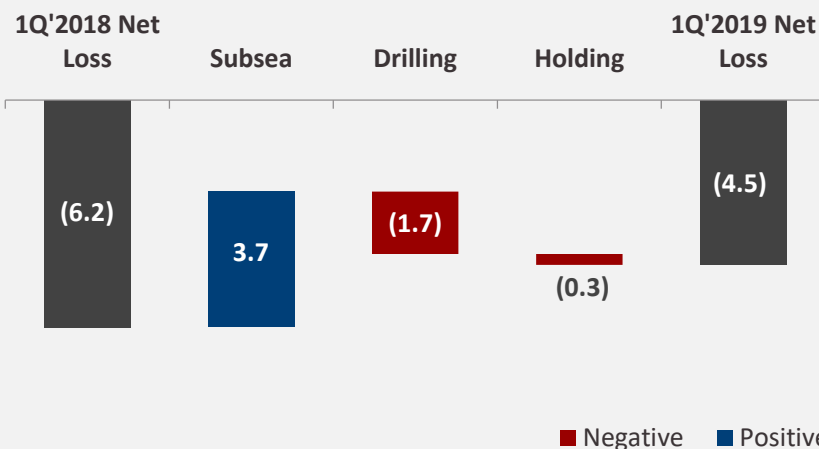
- Revenue increased 43.3% YoY due to higher utilization rate and remained steady with last quarter.
- EBITDA returned to positive at USD 0.2m as a result of a fleet utilization improvement.
- Net used cash flow from operation USD 8.3m in 1Q 2019 due to change in working capital.
- Order book (excl. AOD) stood at USD 83.0m at the end of March 2019.
- Maintained a good fiscal discipline by retain a low gearing and balance sheet remained in a healthy position.

MOVEMENT IN KEY BUSINESS SEGMENT

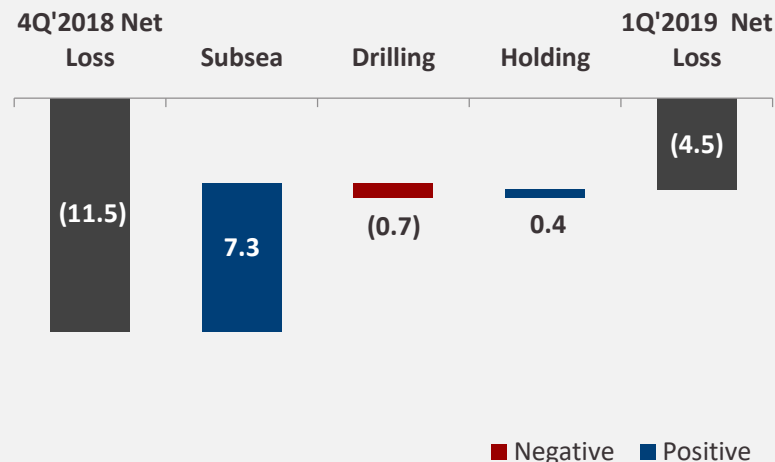


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1Q YoY Net Profit Change



1Q QoQ Net Profit Change

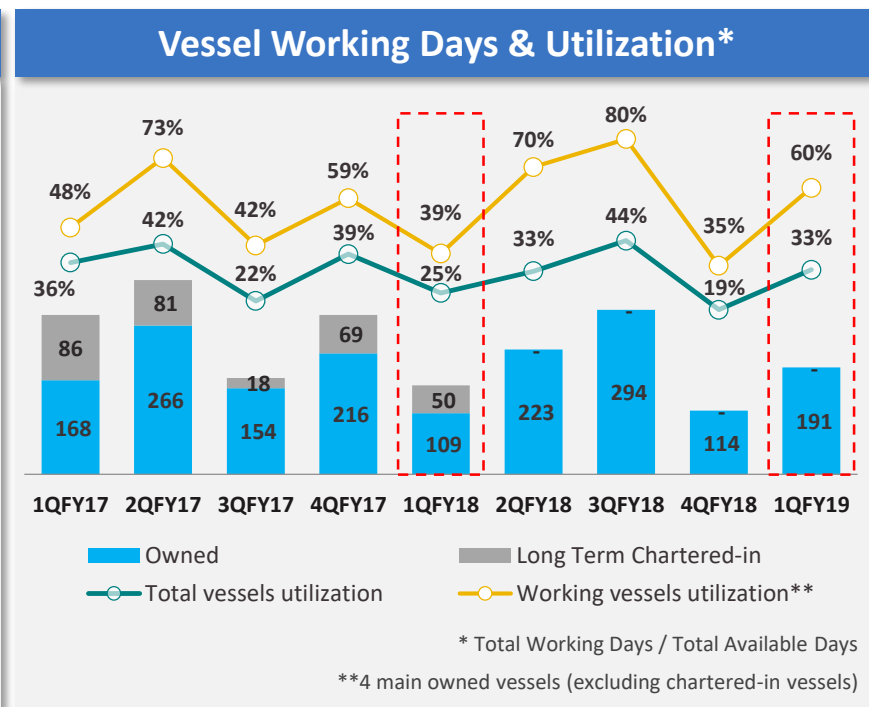
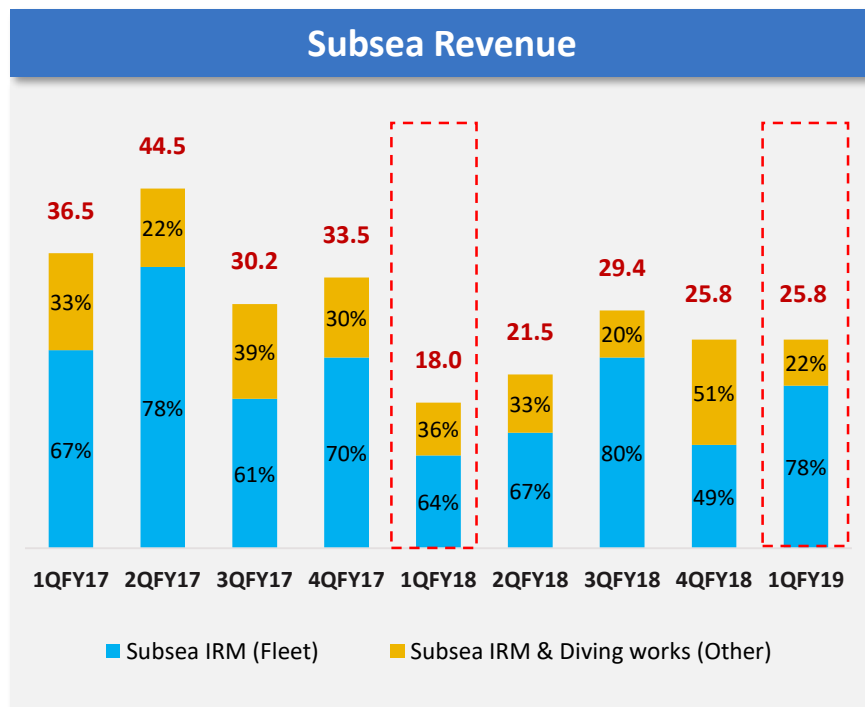


- Bottom line was improved for both of YoY and QoQ in Subsea division in consequence of a fleet utilization increasing.
- Drilling division profit decreased YoY because of recorded gain from asset disposal of MTR-1 and MTR-2 in last year.
- Movement in Holding section was the FX change for both of YoY and QoQ.

SUBSEA REVENUE AND UTILIZATION



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1Q'19 vessel utilization increased to 33% from 19% of the last quarter and 25% of the same period last year.

- The increase in utilization both YoY and QoQ was a result of main vessels that back to work after dry-docking during FY2018.
- The 4 major vessels had average utilization of 60% which improved from 39% of last year and 35% of the last quarter.
- No chartered-in vessel in this quarter.

VESSEL RUNNING COST

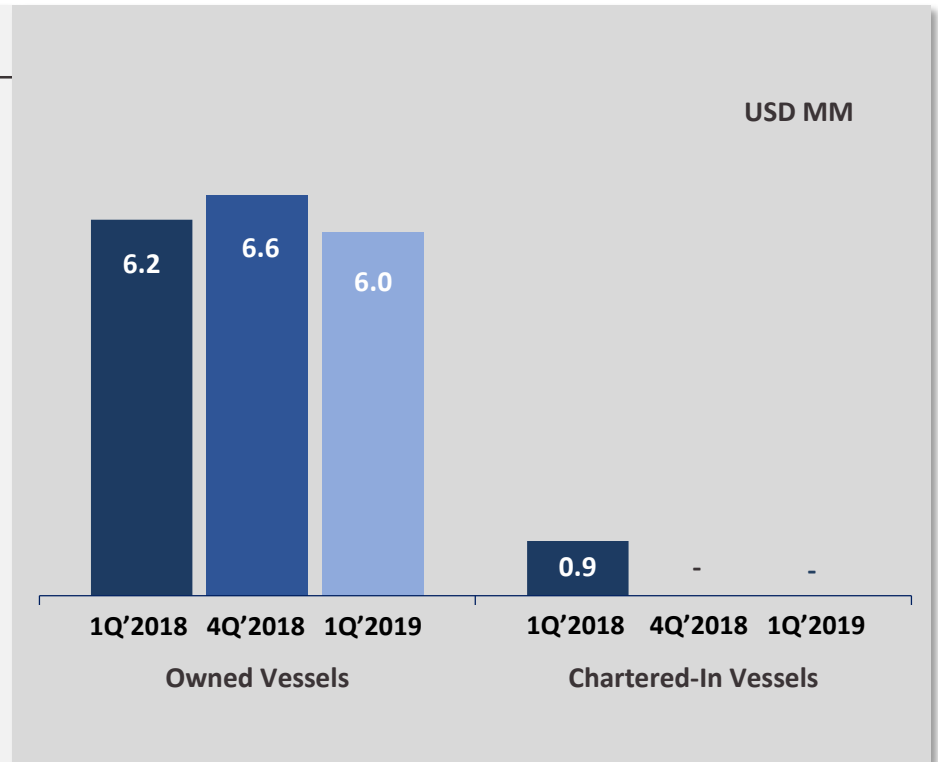
Owned vessels VRC decreased QoQ and YoY

Owned Vessels

- Vessel running costs decreased both QoQ and YoY due to repair and maintenance cost that occurred during dry-docking in FY2018.

Chartered-In Vessels

- Resolution had been chartered-in until end of July 2018 and was returned to Owner.
- No chartered-in vessel in Q1'19.

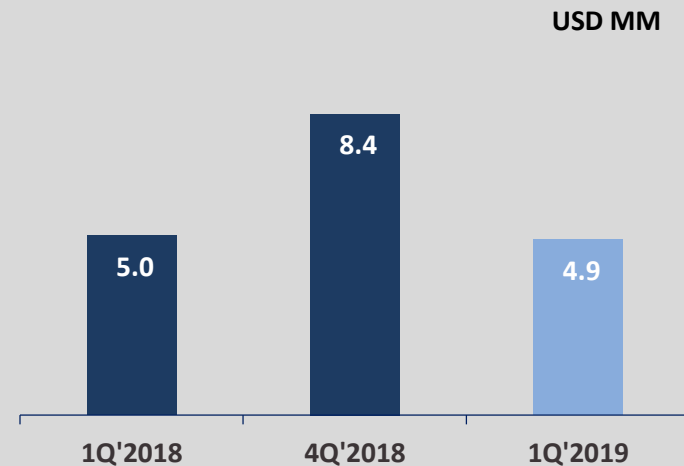


SELLING & ADMINISTRATIVE EXPENSES



SG&A Expenses Decreased QoQ

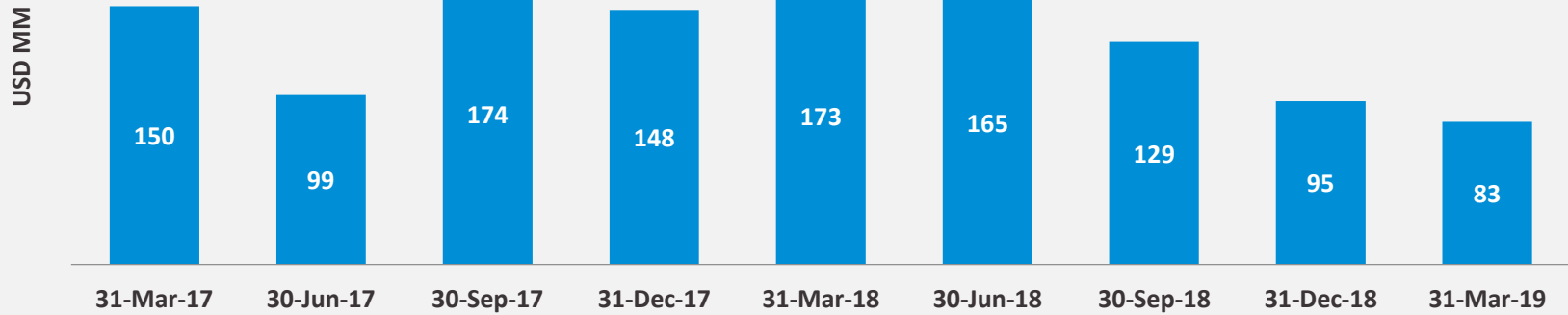
- Decrease in SG&A compared to the previous quarter was mainly due to consultant fee and Accounts Receivable provision that recorded during 4Q'2018.



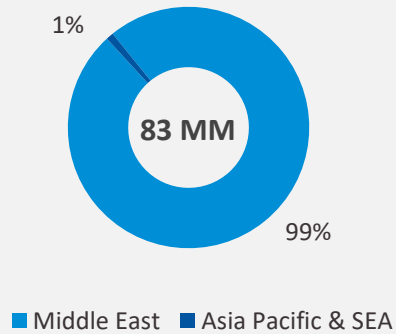
ORDER BOOK



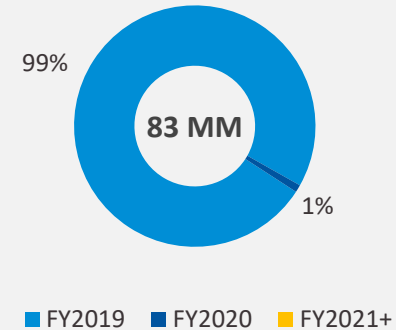
Total Order Book (excluding AOD)



Order Book by Region



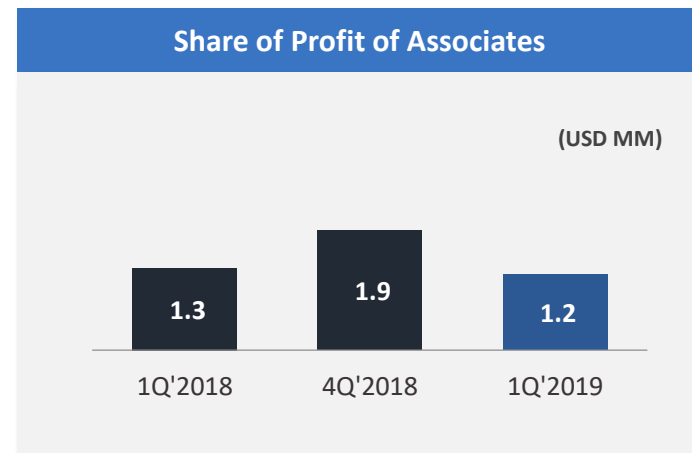
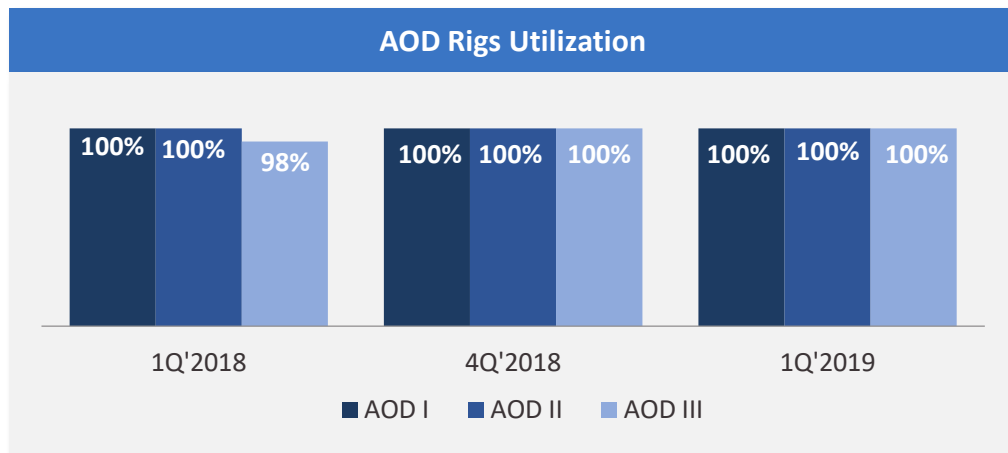
Order Book by Year



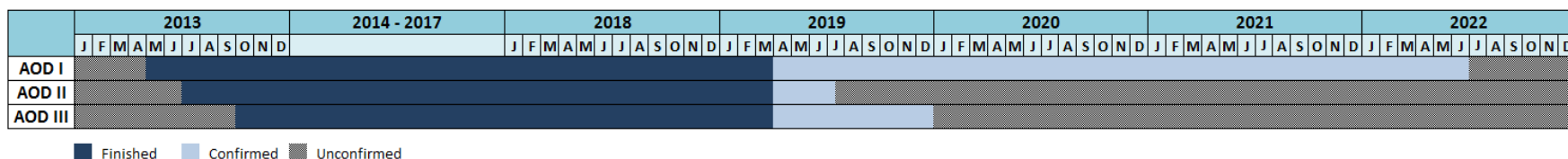
STRONG PERFORMANCE FOR 3 AOD'S RIGS



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- Excellent performance in 1Q'2019, 100% average utilization for 3 rigs.
- Share of profits remained the same with 1Q'2018, but decreased when compare to last quarter as a result of adjusted FY2019 AOD-I Bareboat Chartered rate.
- The outstanding balance of Senior Secured Credit Facility as at 31 March 2019 remained at US\$ 210 million.
- AOD I secured a contract extension for another three years with the same customer commencing from July 2019 through June 2022.



FINANCIAL REVIEW



1Q 2019 PROFIT & LOSS



<i>(USD MM)</i>	1Q 2019	1Q 2018	YoY Amt Change
Revenue from Rendering of Services	25.8	18.0	7.8
EBITDA	0.2	(2.2)	2.4
EBIT	(4.6)	(6.5)	1.9
Share of Profit of Associates & Joint Venture	1.2	1.3	(0.1)
Profit (Loss) From Operations	(3.4)	(5.2)	1.8
Finance Costs	(1.0)	(0.9)	(0.1)
Profit (Loss) Before Income Tax Expense	(4.4)	(6.1)	1.7
Tax Expense	(0.1)	(0.1)	-
Profit (Loss) for the Period	(4.5)	(6.2)	1.7
Earnings (Losses) Per Share (US cents)	(0.3)	(0.4)	0.1

STATEMENT OF CASH FLOWS



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Cash Flows (USD MM)	3-Month Period ended 31 Mar	
	2019	2018
Cash Flow From Operating Activities:		
Before Changes in Working Capital	0.2	(4.0)
Changes in Working Capital	(8.3)	19.1
Others	(0.2)	-
Net Cash From (Used in) Operating Activities	(8.3)	15.1
Cash Flow From Investing Activities:		
Increase in Advance Payment for Investment	-	(3.8)
Proceeds from Sale of Property, Plant and Equipment	-	0.3
Acquisition of Property, Plant and Equipment and Intangible Assets	(0.9)	(3.4)
Interest Received	0.2	0.1
Net Cash Used in Investing Activities	(0.7)	(6.8)
Cash Flow From Financing Activities:		
Repayment of Borrowings	(3.0)	(3.0)
Finance Costs Paid	(0.9)	(0.9)
Net Cash Used in Financing Activities	(3.9)	(3.9)
Net Increase (Decrease) in Cash and Cash Equivalents	(12.9)	4.4
Effect of Exchange Rates	0.1	(0.1)
Beginning Balance as at 1 January	36.5	68.7
Cash Balance as at 31 March *	23.7	73.0

*Excluding restricted cash

BALANCE SHEET REMAINED IN A STRONG POSITION



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Balance Sheet (USD MM)	31 Mar 2019	31 Dec 2018	Change
Cash & Cash Equivalents and Deposits	41.8	54.5	-23.3%
Trade Accounts Receivable	45.8	35.9	27.6%
Other Current Assets	10.7	8.5	25.9%
Total Current Assets	98.3	98.9	-0.6%
Restricted deposit at banks	14.6	14.6	-
Investment in Associates & Joint Venture	122.7	121.5	-1.0%
Property, Plant and Equipment	165.6	169.4	-2.2%
Other Non-Current Assets	5.2	5.2	-
Total Non- Current Assets	308.1	310.7	-0.8%
Total Assets	406.4	409.6	-0.8%
Trade Accounts Payable	4.9	5.2	-5.8%
Current Portion of Long-term Borrowings	17.9	15.9	12.6%
Other Payable	23.9	19.2	24.5%
Total Current Liabilities	46.7	40.3	15.9%
Long-Term Borrowings	46.9	51.8	9.4%
Other Non-Current Liabilities	2.5	2.6	-3.8%
Total Non-Current Liabilities	49.4	54.4	-9.2%
Total Liabilities	96.1	94.7	1.5%
Total Equity	310.3	314.9	-1.5%

(USD MM)	31 Mar 2019	31 Dec 2018	31 Dec 2017
Interest Bearing Debt			
Asset-backed Financing	64.7	67.7	79.6
Unsecured Loan	-	-	-
Finance lease	0.1	0.1	0.2
Total Debt	64.8	67.8	79.8
Cash, Deposits and Bank Balances	(56.4)	(69.1)	(81.5)
Total Debt, Net of Cash	8.4	(1.3)	(1.7)
Shareholders' Equity	310.3	314.9	342.2
Net Gearing	2.7%	N/A	N/A

Financial Ratio:

- Current Ratio = 2.10x
- Liabilities to Equity Ratio = 0.31x
- Net Debt to Equity Ratio = 0.21x
- Net Gearing = 2.7%

DEBT MATURITY PROFILE

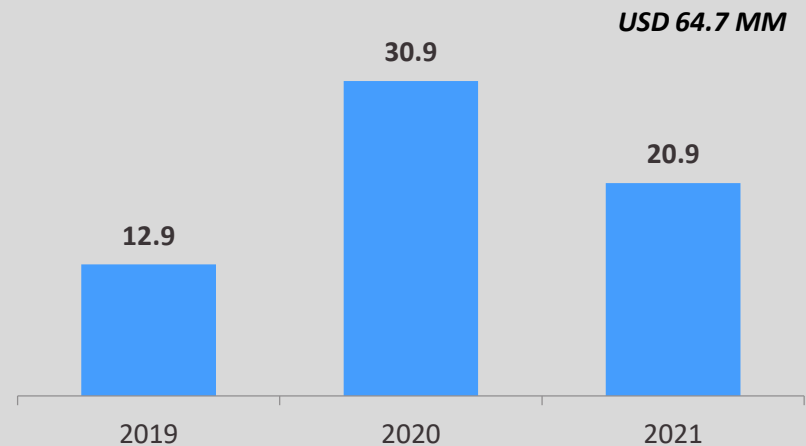


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Interest-Bearing Debt Maturity USD 64.7 MM (31 March 2019)

Asset-Backed Debt

- As at 31 March 2019, there is USD **64.7 million** of long-term loan and no short-term loan.
- The majority of debt maturity profile is year 2020 onward.
- Short-term liquidity risk is still low.





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BUSINESS OUTLOOK

1

Oil prices eased after Brent touched \$75 per barrel for the first time in nearly six months on the suspension of some Russian crude exports to Europe as investors second-guessed the market's ability to rally further.

2

The outlook for offshore service contractors including subsea service providers currently appears to be positive as more than 100 new projects are aiming to be sanctioned in 2019. An expected \$210 billion will be spent on offshore oilfield services globally.

3

According to Rystad Energy, 30% of the 2019 projects value sits in Middle East, 25% in South America, 15% in both Africa and Asia, and the rest in Europe and North America combined.

4

The Mermaid Asiana, Sapphire and Endurer continue to operate in the Middle East and will remain in the region for the foreseeable future as we still expect to achieve higher utilization rates throughout 2019.

BUSINESS OUTLOOK



5

MSS is currently positioning itself to secure lucrative cable and subsea engineering installation projects. Additionally, MSS continues to focus on the Gulf of Thailand decommissioning projects with alignments with heavy lift and decontaminate service providers.

6

Mermaid Commander is cold stacked and marketed for sale. The other non-performing assets i.e. Challenger, Siam and Barakuda remain cold stacked and are marketed for sale.

7

MSS is reviewing options to secure larger DP3 OSCV's to enhance its subsea engineering capability in SURF, Cable installations and Deepwater operations to increase business activities in global markets.

8

All three jack-up drilling rigs 'AOD I', 'AOD II' and 'AOD III' remain on contract in the Middle East thus reducing downside risk as market recovers. AOD loan refinancing continues in progress.

MERMAID'S POSITIONING



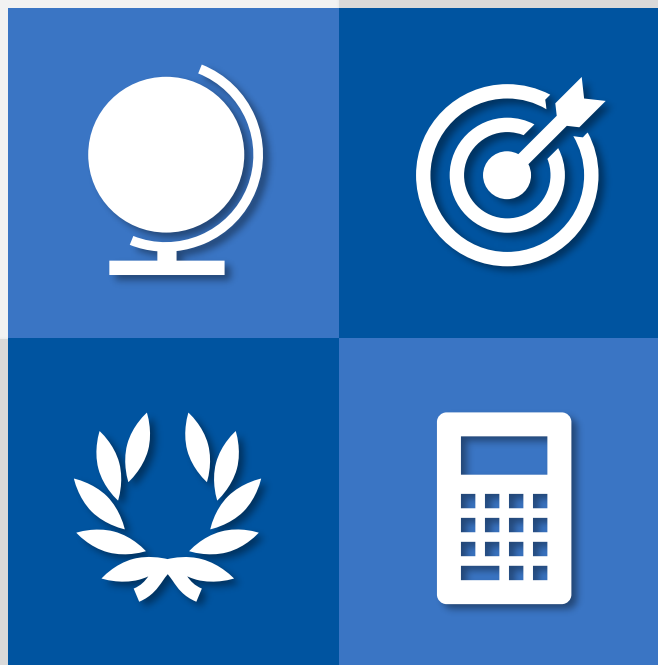
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Wider Geographical Coverage

- Shallow water – more defensive and less affected by lower oil price. Several conventional projects will be carried-out in Mermaid's home markets continues.
- Mermaid expansion geographically into other markets such as North Sea, West Africa, Mediterranean continues.

Track Record of Quality and Safety, Modern Asset Base

- Excellent operational and safety record and stable management team.
- Robust subsea fleet with chartering-in plan to serve fluctuating demand.
- AOD's three jack-up drilling rigs contract extended to 2019 in the Middle East.



Core Business Focused, with an Addition of Integrated Service Packages

- Remain focused on IRM scopes, further enhancement internally with enhancing our in-house engineering suite of services.
- Offer an integrated range of subsea services with a revamped highly specialized workforce continues.

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.



MERMAID

A Company Moving Forward

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