



# 2Q 2024 RESULTS




August 13<sup>th</sup>, 2024

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

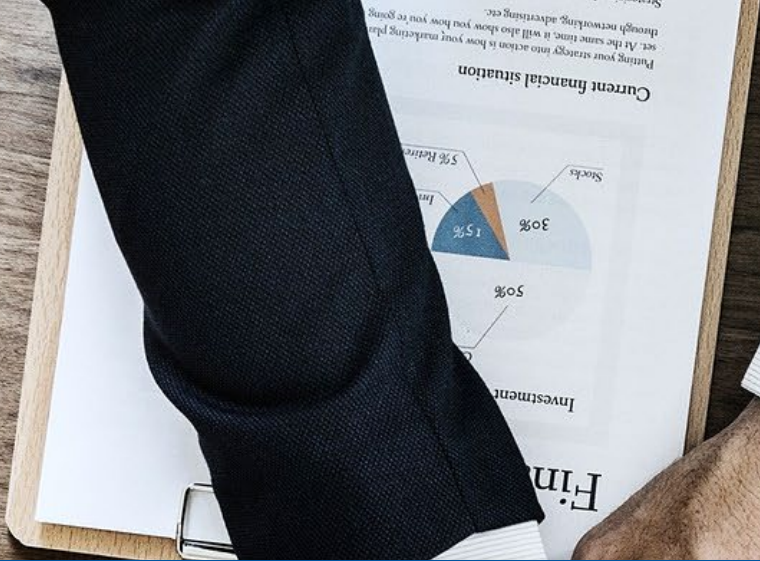
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# AGENDA

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-  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 typical or do you offer a high-cost, high-quality product, or slow-cost, high-value products? It's impossible to be both what your customers need you to be. Your business needs you to be your brand. All the more foundation of your brand should be communicated with your logo. Having a good brand strategy to communicate with your brand. Having a good brand strategy to communicate with your brand. Having a good brand strategy to communicate with your brand.



# 2Q 2024 HIGHLIGHTS



MERMAID

- In 2Q 2024, **Mermaid Group achieved high revenue from rendering of services of USD 158.0 m.**, significantly increased both YoY and QoQ, as a result of T&I and Decommissioning projects growth in both APAC and North Sea region.
- The Group reported a **net profit of USD 2.9 m.** for 2Q 2024, an increase for USD 2.4 m. compared to the last quarter. However, the net profit dropped by 9.4% YoY due to higher in-planned financial cost. The reported **EBITDA also continuously increased by 18.1% YoY and 7.8% QoQ to USD 12.4 m. in 2Q 2024.** An increase is a consequence of revenue growth of an expansion in sectors and regions.
- The net cash outflow used in operating activities at (USD 12.4 m.) came from an increase in receivable to be collected which in line with higher revenue for the period.
- **The total order book peaked at USD 976 m.** at the end of June 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.
- Balance sheet position represented at 1.07x Current Ratio and low-risk level of 0.59x D/E Ratio.

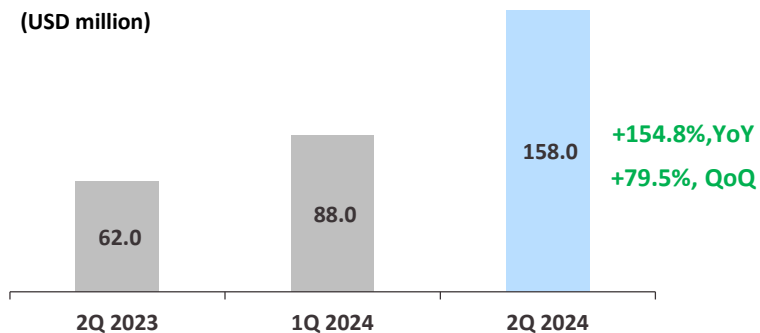
# FINANCIAL HIGHLIGHTS



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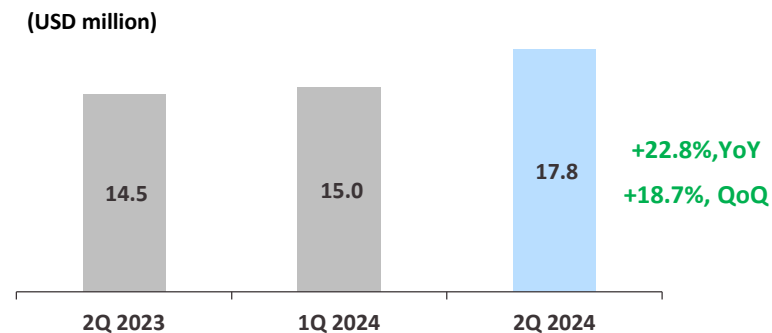
## Revenue

(USD million)



## Gross Profit <sup>(1)</sup>

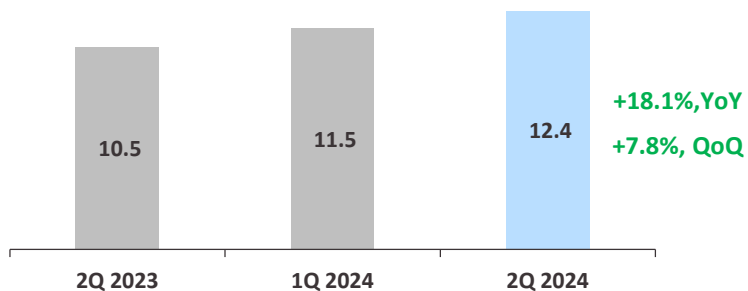
(USD million)



Note: <sup>(1)</sup> excluding depreciation cost

## EBITDA <sup>(2)</sup>

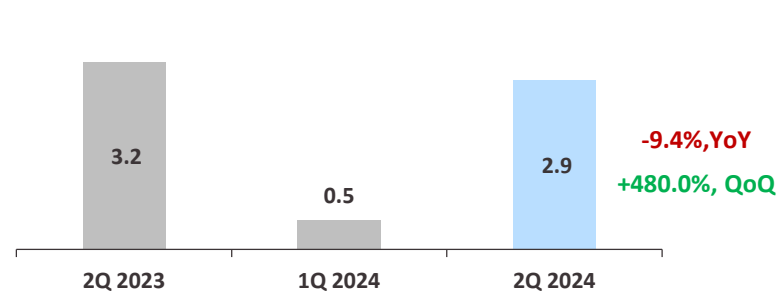
(USD million)



Note: <sup>(2)</sup> Earnings before interest, tax, depreciation and amortization

## Net Profit

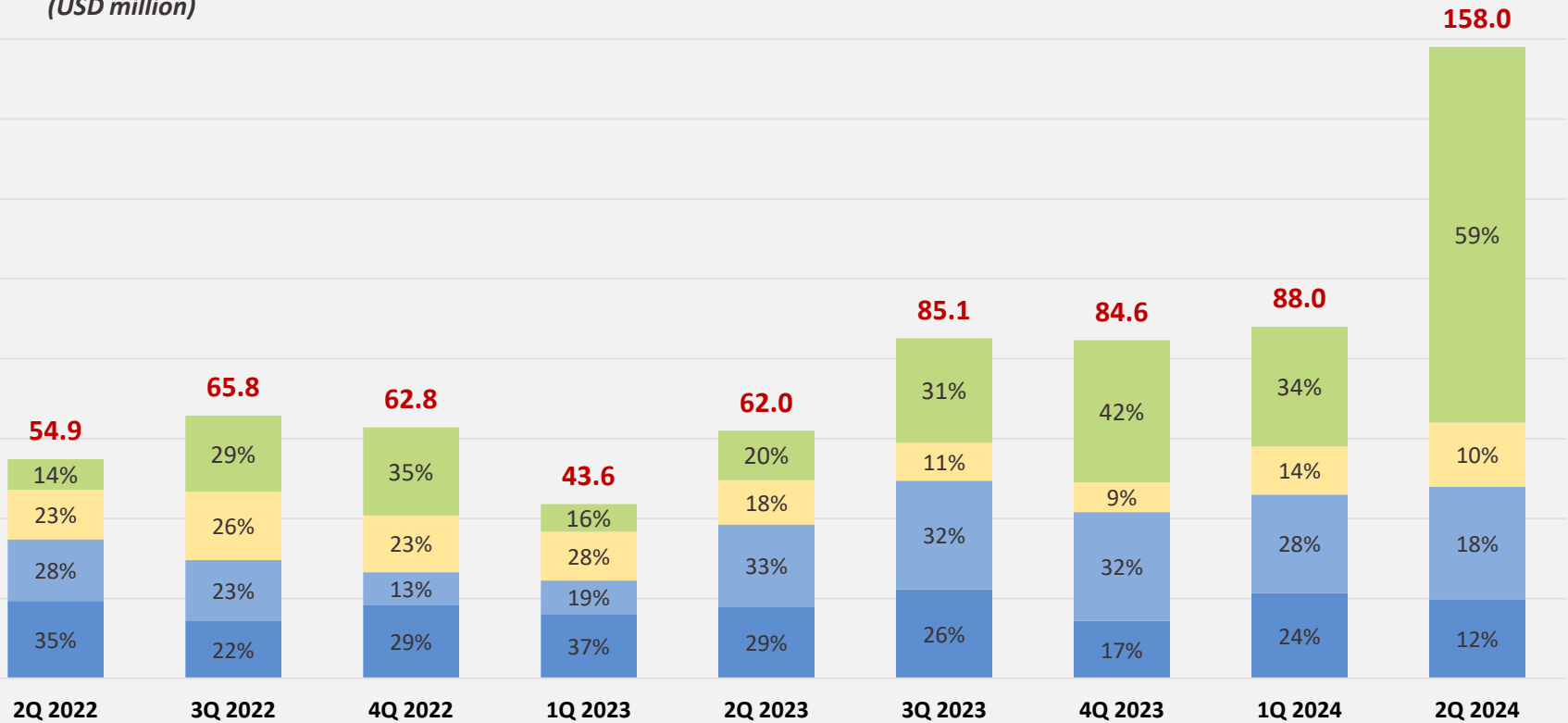
(USD million)



# REVENUE BREAKDOWN



(USD million)



■ Subsea IRM (Owned Fleet)

■ Subsea IRM & Diving works (Short-term Chartered-in Fleet & Non Fleet)

■ Cable Lay Projects

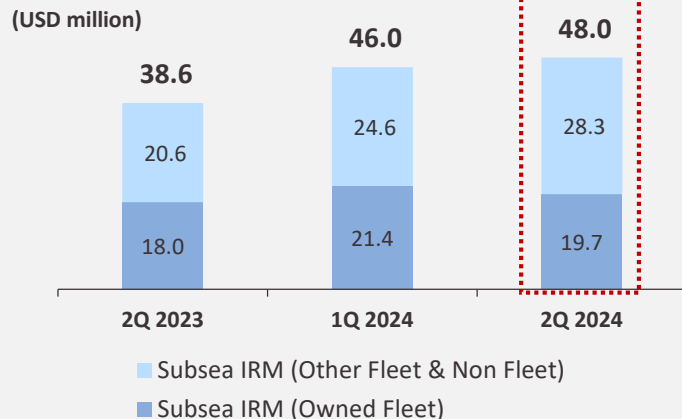
■ T&I and Decommissioning Projects

# SUBSEA IRM SECTOR

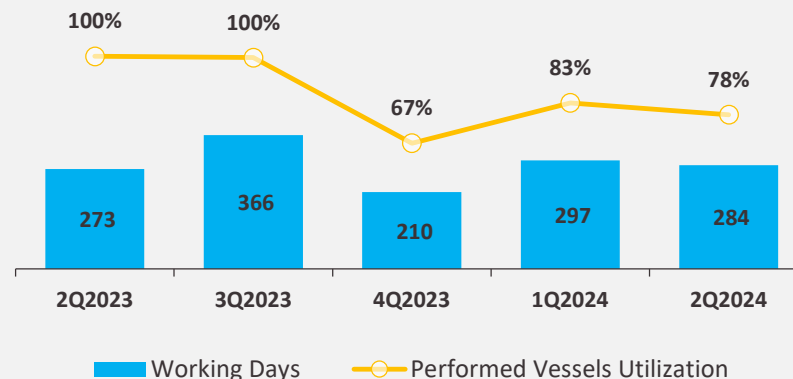


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Revenue from Total Subsea IRM



Utilization of Performing Subsea IRM Vessels

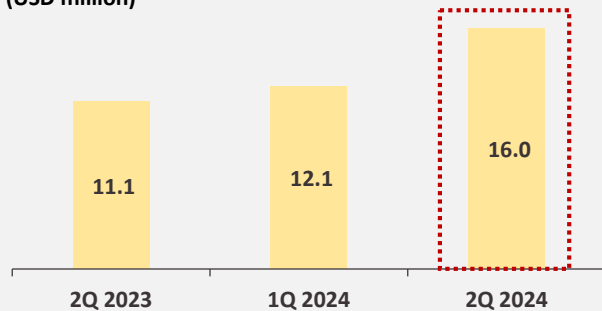


- In 2Q 2024, the revenue from fleet subsea IRM business grew by +9.4% YoY but slightly dropped by -7.9% QoQ to USD 19.7m:
  - **“Mermaid Asiana”** worked for a long major contract in the Middle East at high utilization rate.
  - **“Mermaid Endurer”** worked in the Middle East at lower utilization rate due to mobilization period in Apr – May 2024.
  - **“Mermaid Sapphire”** has been fully chartered to related party and worked in South East Asia.
  - **“Mermaid Challenger”** has been reactivated since last year and sold to the new JV in 1Q 2024. She was renamed to **“TC Mermaid”** and worked for IRM project in South East Asia and ended in May 2024.
- The revenue from other subsea IRM markedly increased by +37.4% YoY and +15.0% QoQ due to more inspection projects that using short-term chartered-in fleet as well as more survey projects.
- **“Mermaid Commander”** remained cold-stacked during the period and were considered for an option to sell.

# CABLE LAY SECTOR AND T&I AND DECOMMISSIONING SECTOR

## Revenue from Cable Lay Projects

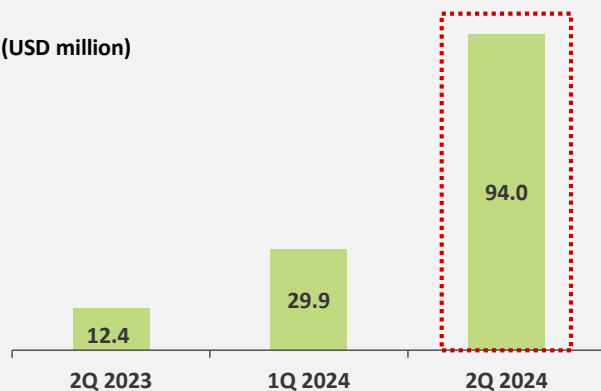
(USD million)



- Revenue from cable lay sector grew by +44.1% YoY and +32.2% QoQ to USD 16.0m in 2Q 2024, as a result of new projects in the Middle East that started during period.
- The vessel “Millennium 3” that owned by M3JV finished dry docking and continued to work in 2Q 2024 at high utilization rate. Mermaid recognized USD 0.8m share profit from M3JV.

## Revenue from T&I and Decommissioning Projects

(USD million)



- Revenue from T&I and decommissioning sector remarkably increased both YoY and QoQ to USD 94.0m in 2Q 2024 as a result of:
  - The new project in North Sea using short-term chartered-in vessel.
  - Owned vessel “Resiliant” had finished dry docking and worked for a major customer in Gulf of Thailand.
  - Long-term chartered-in vessel “Van Gogh” had finished dry docking and continued her main high-value project work in Gulf of Thailand at full utilization rate.

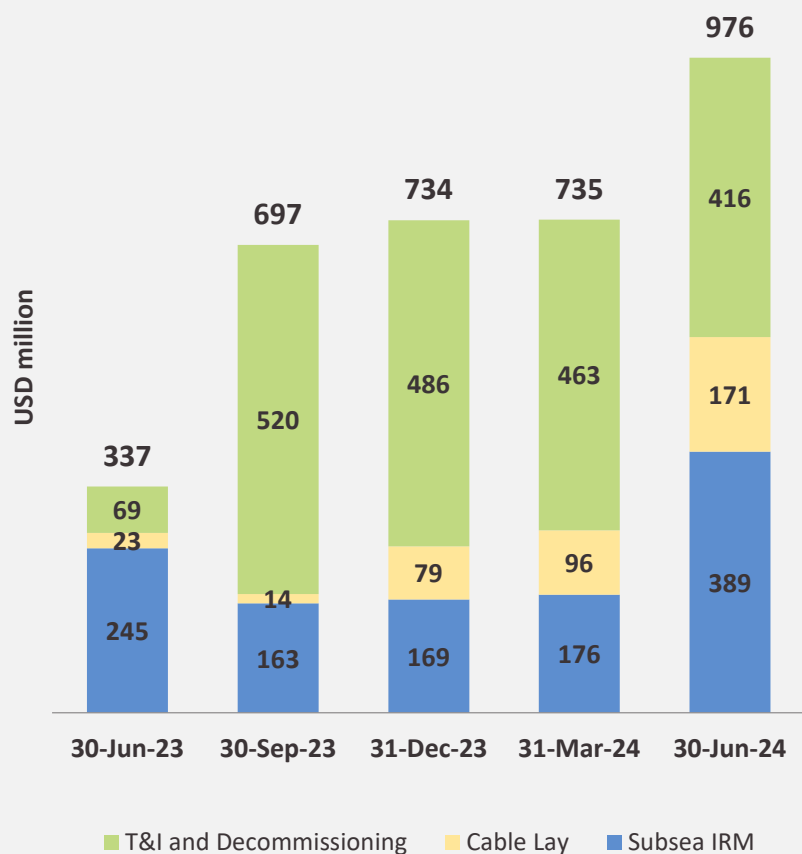


# ORDER BOOK

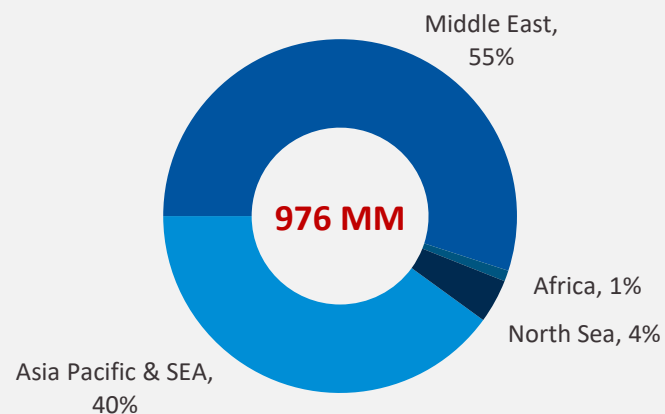


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Total Order Book



Order Book by Region



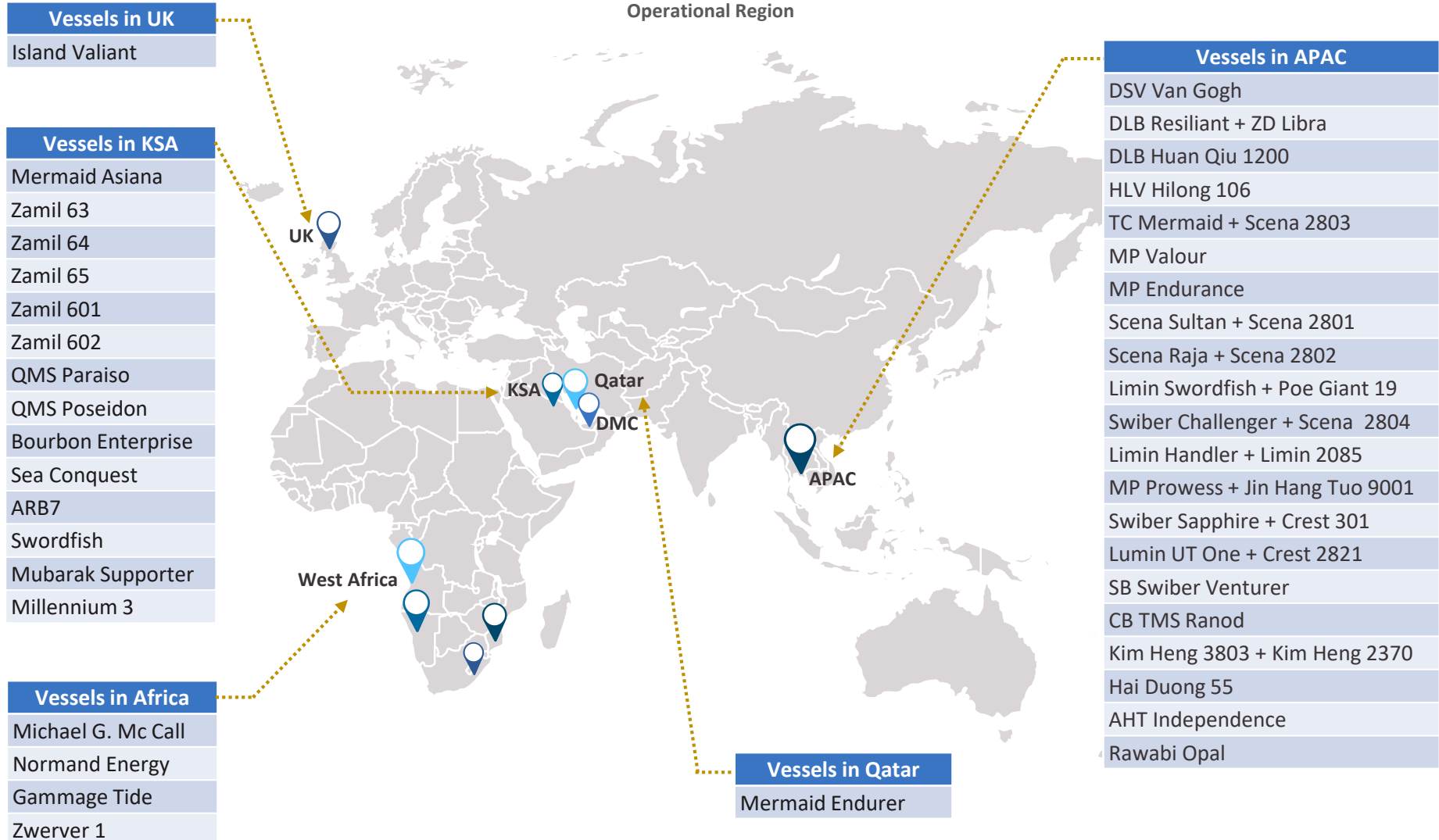
At the end of June 2024, the order book was at USD 976 m. Mermaid Group has secured multiple project awards in South East Asia, the Middle East, North Sea and Western Sub Sahara region for both short-term and long-term throughout FY2026. The order book number included Cable Laying, Subsea Pipeline Tie-ins, Inspection, Repair and Maintenance and T&I and Decommissioning services.

# GEOGRAPHICAL PRESENCE



**MERMAID**

Operational Region



# FINANCIAL REVIEW



# 2Q 2024 PROFIT & LOSS



MERMAID

(USD million)	2Q 2024	2Q 2023	YoY Amount Change	2Q 2024	1Q 2024	QoQ Amount Change
<b>Income:</b>						
Revenue from rendering of services	158.0	62.0	+96.0	158.0	88.0	+70.0
Net gain on foreign exchange	-	0.3	-0.3	-	0.8	-0.8
Interest income and other income	0.5	0.4	+0.1	0.5	0.5	+0.0
<b>Total income</b>	<b>158.5</b>	<b>62.7</b>	<b>+95.8</b>	<b>158.5</b>	<b>89.3</b>	<b>+69.2</b>
<b>Expenses:</b>						
Costs of rendering of services	147.5	53.3	+94.2	147.5	79.4	+68.1
Administrative expenses	6.1	5.2	+0.9	6.1	5.3	+0.8
Net loss on foreign exchange	0.3	-	+0.3	0.3	-	+0.3
Finance costs	2.2	1.3	+0.9	2.2	2.3	-0.1
<b>Total expenses</b>	<b>156.1</b>	<b>59.8</b>	<b>+96.3</b>	<b>156.1</b>	<b>87.0</b>	<b>+69.1</b>
<b>Profit from operation</b>	<b>2.4</b>	<b>2.9</b>	<b>-0.5</b>	<b>2.4</b>	<b>2.3</b>	<b>+0.1</b>
Share of profit (loss) of joint ventures and associate	1.0	0.7	+0.3	1.0	(1.2)	+2.2
<b>Profit before income tax expense</b>	<b>3.4</b>	<b>3.6</b>	<b>-0.2</b>	<b>3.4</b>	<b>1.1</b>	<b>+2.3</b>
Tax expense	(0.5)	(0.4)	-0.1	(0.5)	(0.6)	+0.1
<b>Profit for the period</b>	<b>2.9</b>	<b>3.2</b>	<b>-0.3</b>	<b>2.9</b>	<b>0.5</b>	<b>+2.4</b>
<b>Earnings per share (US Cents)</b>	<b>0.2</b>	<b>0.2</b>	<b>-0.0</b>	<b>0.2</b>	<b>0.0</b>	<b>+0.2</b>
Depreciation expenses and amortization expenses	7.8	6.3	+1.5	7.8	6.9	+0.9
<b>EBITDA<sup>(1)</sup></b>	<b>12.4</b>	<b>10.5</b>	<b>+1.9</b>	<b>12.4</b>	<b>11.5</b>	<b>+0.9</b>

Remark:

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

# YTD 2024 PROFIT & LOSS



MERMAID

(USD million)	1H 2024	1H 2023	YoY Amount Change
<b>Income:</b>			
Revenue from rendering of services	246.0	105.6	+140.4
Net gain on foreign exchange	0.5	0.3	+0.2
Interest income and other income	0.9	1.1	-0.2
<b>Total income</b>	<b>247.4</b>	<b>107.0</b>	<b>+140.4</b>
<b>Expenses:</b>			
Costs of rendering of services	226.9	96.7	+130.2
Administrative expenses	11.4	10.4	+1.0
Finance costs	4.5	2.6	+1.9
<b>Total expenses</b>	<b>242.8</b>	<b>109.7</b>	<b>+133.1</b>
<b>Profit (loss) from operation</b>	<b>4.6</b>	<b>(2.7)</b>	<b>+7.3</b>
Share of profit (loss) of joint ventures and associate	(0.2)	1.2	-1.4
<b>Profit (loss) income before tax expense</b>	<b>4.4</b>	<b>(1.5)</b>	<b>+5.9</b>
Tax expense	(1.1)	(0.2)	-0.9
<b>Profit (loss) for the period</b>	<b>3.3</b>	<b>(1.7)</b>	<b>+5.0</b>
<b>Earnings (losses) per share (US Cents)</b>	<b>0.2</b>	<b>(0.1)</b>	<b>+0.3</b>
Depreciation expenses and amortization expenses	14.7	12.4	+2.3
<b>EBITDA<sup>(1)</sup></b>	<b>23.8</b>	<b>12.3</b>	<b>+11.5</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 30 June	
	2024	2023
<b>Cash Flow From Operating Activities:</b>		
Before changes in working capital	20.1	11.3
Changes in working capital	(30.0)	(17.5)
Tax paid and provision for employee benefit paid	(2.5)	(0.8)
<b><i>Net cash used in operating activities</i></b>	<b>(12.4)</b>	<b>(7.0)</b>
<b>Cash Flow From Investing Activities:</b>		
Increase in short-term loan to related party	(1.0)	(0.2)
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	(19.4)	(4.2)
Acquisition of interest in joint venture	(0.8)	-
Interest received	0.2	-
<b><i>Net cash used in investing activities</i></b>	<b>(18.9)</b>	<b>(4.4)</b>
<b>Cash Flow From Financing Activities:</b>		
Proceeds from borrowings from parent company	30.0	20.0
Proceeds from borrowings from financial institution	12.8	-
Repayment of borrowings	(20.7)	(7.1)
Payment of lease liabilities	(5.0)	(5.1)
Finance costs paid	(3.9)	(1.8)
<b><i>Net cash from financing activities</i></b>	<b>13.2</b>	<b>6.0</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(18.1)</b>	<b>(5.4)</b>
Effect of exchange rates	(0.2)	-
Cash and cash equivalent at 1 January	30.3	7.8
<b>Cash and cash equivalent as at 30 June (excluding restricted cash*)</b>	<b>12.0</b>	<b>2.4</b>

\*Restricted cash = \$3.4m

# STATEMENT OF FINANCIAL POSITION



MERMAID

Balance Sheet (USD million)	30 Jun 2024	31 Dec 2023	Change
Cash & Cash Equivalents	12.0	30.3	-60.4%
Trade and Other Accounts Receivable	205.6	110.6	+85.9%
Other Current Assets	3.9	5.0	-22.0%
<b>Total Current Assets</b>	<b>221.5</b>	<b>145.9</b>	<b>+51.8%</b>
Restricted Deposit at Financial Institutions	3.4	15.0	-77.3%
Investment in Associates & Joint Ventures	26.2	28.6	-8.4%
Property, Plant and Equipment and Intangible Assets	138.7	129.4	+7.2%
Right-of-Use Assets	16.0	20.5	-22.0%
Other Non-Current Assets	17.1	17.2	-0.6%
<b>Total Non- Current Assets</b>	<b>201.4</b>	<b>210.7</b>	<b>-4.4%</b>
<b>Total Assets</b>	<b>422.9</b>	<b>356.6</b>	<b>+18.6%</b>
Trade and Other Accounts Payable	123.9	77.8	+59.3%
Short-term and Current Portion of Long-term Borrowing from Parent Company	61.0	29.0	+110.3%
Short-term and Current Portion of Long-term Borrowings from Financial Institution	10.7	20.5	-47.8%
Other Current Liabilities	10.9	11.3	-3.5%
<b>Total Current Liabilities</b>	<b>206.5</b>	<b>138.6</b>	<b>+49.0%</b>
Long-Term Borrowings from Parent Company	23.0	25.0	-8.0%
Long-Term Borrowings from Financial Institution	8.6	6.8	+26.5%
Other Non-Current Liabilities	10.8	15.6	-30.8%
<b>Total Non-Current Liabilities</b>	<b>42.4</b>	<b>47.4</b>	<b>-10.5%</b>
<b>Total Liabilities</b>	<b>248.9</b>	<b>186.0</b>	<b>+33.8%</b>
<b>Total Equity</b>	<b>174.0</b>	<b>170.6</b>	<b>+2.0%</b>

(USD million)	30 Jun 2024	31 Dec 2023
<b>Interest Bearing Debt</b>		
Asset-backed Financing	19.3	27.3
Unsecured Loan	84.0	54.0
<b>Total Interest Bearing Debt*</b>	<b>103.3</b>	<b>81.3</b>
Cash and Restricted Deposit at Banks	(15.4)	(45.3)
<b>Total Debt, Net of Cash</b>	<b>87.9</b>	<b>36.0</b>
Shareholders' Equity	174.0	170.6
<b>Net Gearing*</b>	<b>50.5%</b>	<b>21.1%</b>

\*Excluding lease liabilities

Financial Ratio	30 Jun 2024	31 Dec 2023
Current Ratio	1.07x	1.05x
Net Debt to Equity Ratio	0.69x	0.60x
Net Debt to Equity Ratio (excluded lease liabilities)	0.59x	0.48x
Liabilities to Equity	1.43x	1.09x
Liabilities to Equity (excluded lease liabilities)	1.33x	0.96x

# DEBT MATURITY PROFILE



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## Interest-Bearing Debt Maturity

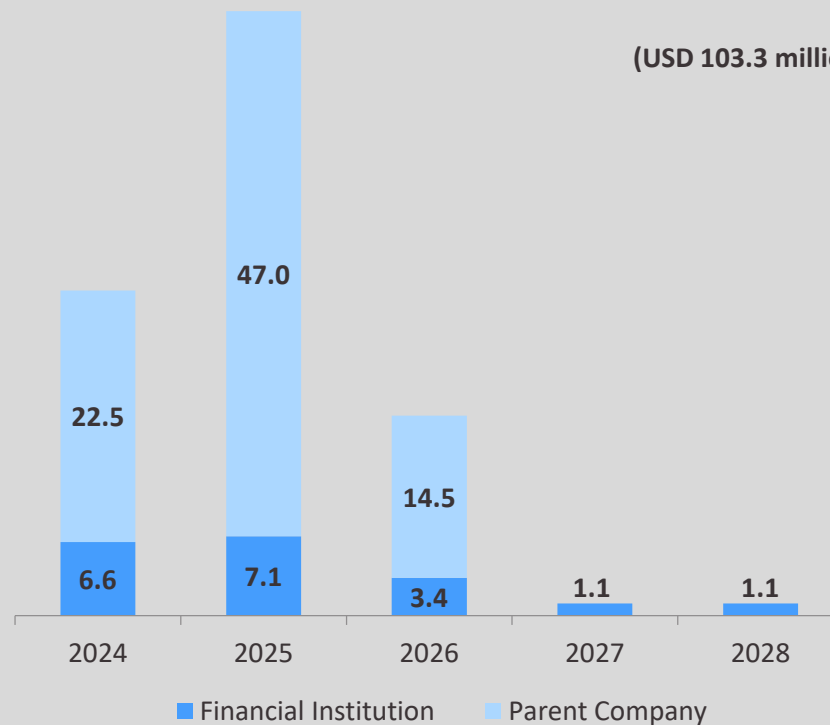
USD 103.3 M

(30 June 2024)

- As at 30 June 2024, there are outstanding loans of **USD 103.3 million** consisting of:
  - **USD 19.3 million** of long-term loans from financial institution
  - **USD 84.0 million** of loans from parent company
- Next repayment will be at the end of 3<sup>rd</sup> quarter, 2024.
- Short-term liquidity risk due to repayment capability is low.

## Yearly Repayment Strategy

(USD 103.3 million)







MERMAID



# BUSINESS OUTLOOK

1

The July Short-Term Energy Outlook (STEO) issued by the EIA forecasts the crude oil price to average at \$89 per barrel (b) in the second half of 2024, up from \$84/b in the first half of 2024. This upward trajectory is aligned with the persistent withdrawals from global oil inventories and increased activities in the oil and gas sector, resulting in heightened demand for Subsea Services.

2

In June, the Brent crude oil spot price averaged \$82/b, unchanged from May. However, on June 4, the price dropped to \$75/b after the OPEC+ meeting on June 2. OPEC+ announced that the voluntary cuts of 2.2 million barrels per day would begin to be reversed starting in the fourth quarter of 2024. Since then, the price has risen to \$85/b as of July 18. The ongoing tensions in the Middle East and recent Houthi attacks in the Red Sea have increased shipping costs and added a risk premium to oil prices in the next quarter.

3

The upstream segment of the oil and gas market in Africa and the Middle East region is a significant contributor to the global energy sector, hosting some of the world's largest oil and gas reserves. The ME and Africa offshore energy market is projected to grow at a CAGR of 23.4% from 2024 to 2030. This growth is anticipated due to the heavy reliance of many regional economies on hydrocarbon exports. Key markets in the ME and Africa region for offshore oil production include Saudi Arabia, South Africa, Nigeria, and Angola. In contrast, the APAC (Asia-Pacific) region is experiencing a strong push towards renewable energy, with a projected CAGR of 18.7% from 2024 to 2030 in this market. This significant growth is driven by the region's increasing focus on renewable energy sources.

4

The intermediate outlook remains highly optimistic, with construction engagements actively mobilizing. The substantial investment plans of Middle Eastern Countries (Saudi Arabia, Qatar, UAE, etc.) in our biggest markets remain strong, with significant increases expected in the intermediate and long term. Additionally, in the West African market, Majors have allocated significant budgets, as evidenced by 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.

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 sector. Additionally, Mermaid is strategically positioned to venture into the renewables market in the near future, further enhancing our presence in the region.

8

Africa remains a lucrative arena for growth, evidenced by Mermaid's recent successes in 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. Additionally, plans for further investment and growth in Africa are underway, particularly in expanding offshore works. Mermaid is committed to enhancing its infrastructure and capabilities to support the increasing demand for offshore services, ensuring sustained success and growth in the African region. The potential of other regions, such as Equatorial Guinea, Mozambique, and Ghana, is also being explored, with strategic initiative aimed at tapping into these promising markets.

9

In the meantime, **Asiana, Endurer, & Millenium 3** continue to operate in the Middle East, whilst the **Van Gogh & Resiliant** focus 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*

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