



# MERMAID MARITIME PLC. SHAREHOLDERS' FORUM 2024

Suntec Singapore International Convention & Exhibition Centre

Wednesday, 27<sup>th</sup> March 2024

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

# AGENDA



**1** Corporate Introduction

**2** Financial Review

**3** Market Review & Business Outlook

**4** Q&A



# CORPORATE INTRODUCTION



# MESSAGE FROM THE CHAIRMAN



**Dear Valued Shareholders,**

I am delighted to present to you the detailed annual report for the fiscal year 2023, marking a year of significant challenges and remarkable triumphs within our industry. The global subsea market has displayed extraordinary resilience in navigating the short-term disruptions caused by the COVID-19 pandemic and the Russia-Ukraine war. Despite the volatility stemming from supply and shipping disruptions, global energy prices have adjusted, offering a stable outlook for the future, contingent upon unforeseen black swan events.

I want to express my sincere gratitude to our dedicated team, valued shareholders, and esteemed stakeholders for their unwavering support. Despite the challenges faced, our industry has demonstrated resilience and adaptability. I am confident that our strategic initiatives and the promising market outlook will contribute to sustained growth and success in the years to come.

**MR. PRASERT BUNSUMPUN**  
CHAIRMAN OF THE BOARD

# HONORARY ADVISER STATEMENT

“ To ensure success in any venture, it is crucial to have the right group of executives who are passionate and share a common vision. As stakeholders, we must have the wisdom, judgment, and the foresight to select the right leader to drive the organization’s corporate vision. ”

**MR. PRAYUDH MAHAGITSIRI**  
HONORARY ADVISER



# MESSAGE FROM CEO



**At Mermaid, we stand at the forefront of the Maritime Services industry, embracing a forward-looking approach that drives our commitment to sustainable excellence and innovation. Our core mission revolves around merging these principles, ensuring that our services are not only of the highest quality but also safe and environmentally appropriate.**

In the offshore Oil and Gas sector, where we operate, this dedication takes precedence. We understand the critical importance of safeguarding the environment while safely delivering top-notch services to our clients. Therefore, every aspect of our operations is carefully crafted to align with these values.

Central to our strategic focus is rigorous risk management. By proactively identifying and mitigating potential risks, we create a foundation for continuous improvement across all facets of our business. This approach not only enhances operational efficiency but also ensures the safety of our personnel, the integrity of our processes, and the sustainability of our practices.

Our commitment to excellence extends beyond mere business objectives. We recognize our responsibility to the environment, our clients, and our people. By prioritizing sustainability and innovation, we not only meet the needs of today but also lay the groundwork for a brighter, more prosperous future for all stakeholders involved.



# MESSAGE FROM CEO (CONT.)



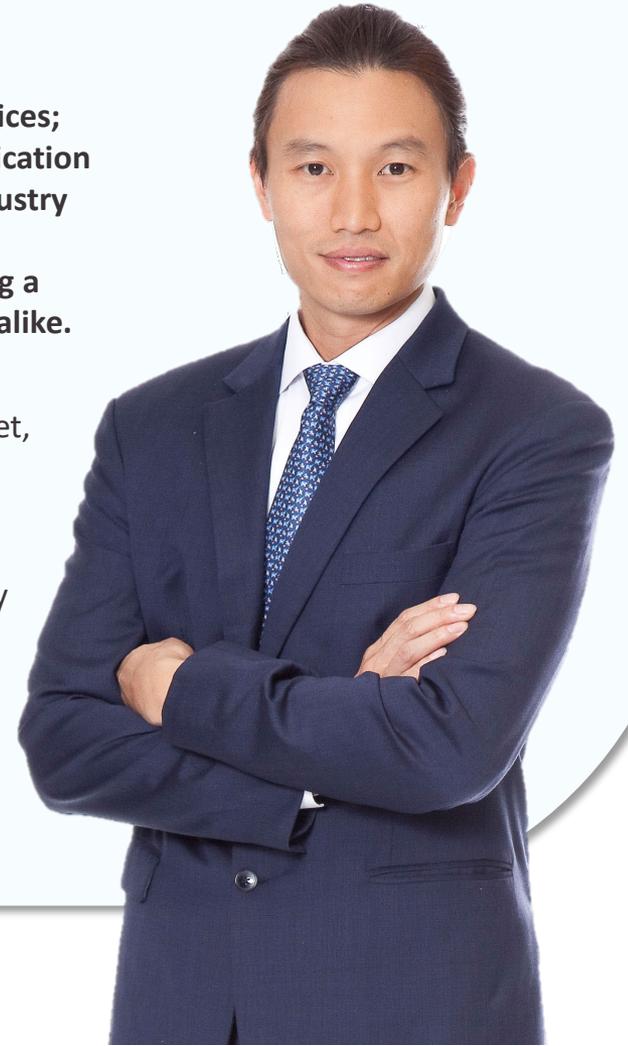
In essence, at Mermaid, we are not just providers of Maritime Services; we rather, are catalysts for positive change. Through our unwavering dedication to sustainable excellence and innovative practices, we aim to lead the industry towards a more environmentally driven, high-quality standard of service delivery. Our journey is not just about business success; it's about creating a lasting impact that benefits the environment, our clients, and our people alike.

**Vision:** With unwavering dedication to our clients, progress, and the planet, we lead in subsea excellence, innovating for a sustainable future. Together, we forge a legacy of positive impact for generations to come.

**Mission:** Our mission is to lead the global advancement of offshore energy service delivery, pioneering innovation at the forefront of the industry.

**MR. CHALERMCHAI MAHAGITSIRI**

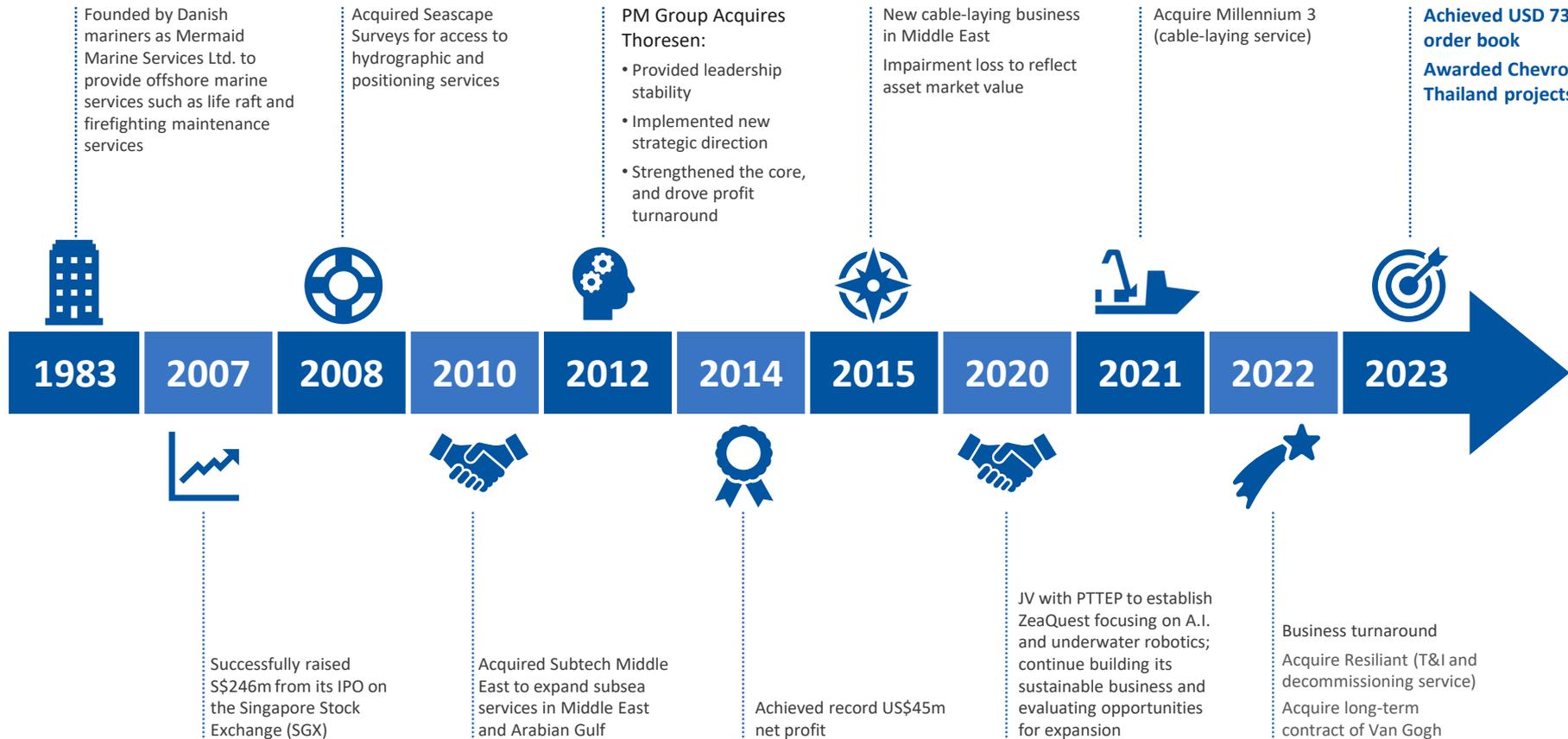
EXECUTIVE VICE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



# MERMAID ROADMAP



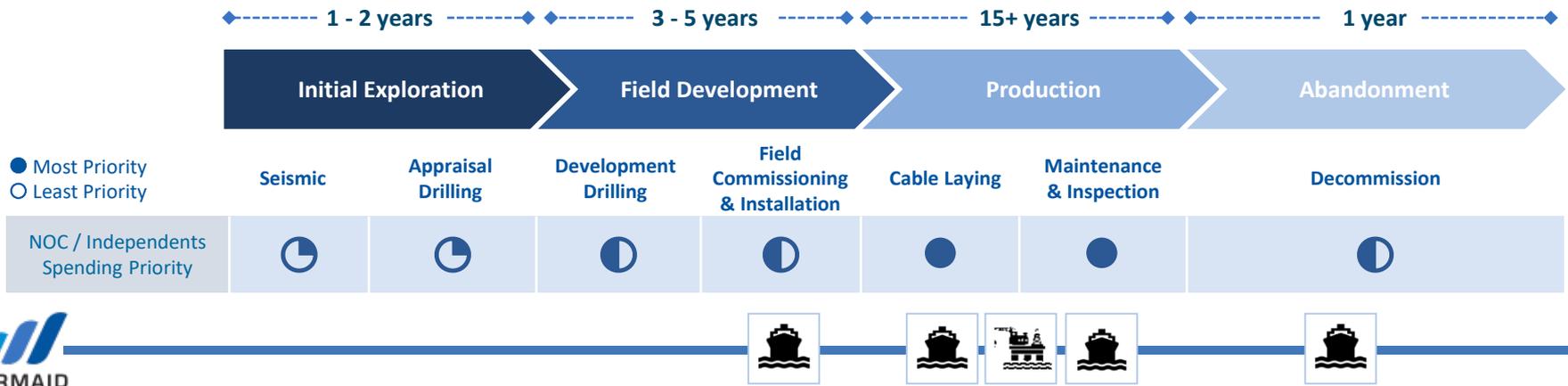
**MERMAID**



# GLOBAL SERVICE SPECIALIST



“Predominantly focused on the production phase of the offshore oil and gas value chain.”



## SUBSEA

**Field Development** - Subsea support vessels assist in, among other things, survey and preparations of the seabed, installation of modules, umbilical cables and risers, as well as provision of Remotely Operated Vehicles (ROVs) or divers for tie-in and testing.

**Production** - Once installed, the equipment is surveyed and maintained, together with both larger repair and development campaigns.

**Abandonment** - To cease efforts to find or produce from a well or field, and to plug well and salvage material and equipment - subsea vessels are utilized.

Subsea engineering services also include Underwater Cable Laying Services for telecommunications, electric power transmissions, or other purposes.



# GLOBAL PRESENCE

Area of our inspection, installation, repair and maintenance services (“IRM”), cable laying service and T&I and decommissioning service

## UNITED KINGDOM

Mermaid has a rich history of delivering assets and services to the European market. Building upon this legacy, the company established an office in Aberdeen in late 2021. With the backing of a seasoned local team, the Mermaid aims to expand steadily across various sectors within the mature North Sea basin. This expansion will focus on offering construction, diving, and engineering services tailored to the energy, decommissioning, and renewables markets.

## AFRICA

Africa has always been an integral part of our operational landscape, woven into the fabric of our extensive experience. Leveraging the mobility afforded by our vessels, which provides a significant advantage, Mermaid is once again this year reactivating our interest in, and actively seeking opportunities on both the West and East Coasts of Africa. We firmly believe that a substantial portion of the sustainability of our endeavors in IRM rests on this continent.

## MIDDLE EAST

As our primary hub within the Group, Mermaid has consistently delivered our expertise and high-quality services to a diverse range of clients in the Middle East. This includes providing IRM services, cable laying services, and other specialized offerings to clients of varying operational scales.

## ASIA PACIFIC AND SOUTH EAST ASIA

Mermaid has efficiently reclaimed its position in the growing Asian market. While the oil and gas sector remains highly competitive, we have expanded our focus to include the burgeoning renewables sector in ASEAN. Mermaid is strategically positioning itself to capitalize on the opportunities emerging in this space.



# OUR VESSELS – OWNED AND CHARTERED



**Mermaid Endurer**  
DP2 Dive Support Vessel



**Mermaid Asiana**  
DP2 Dive Support Vessel



**Mermaid Sapphire**  
DP2 Dive Support Vessel



**Van Gogh**  
DP2 Dive Support Construction  
Vessel



**Millennium 3**  
Self-propelled DP2 Construction  
Support Barge



**Mermaid Challenger**  
General Utility Vessel



**Mermaid Resilient**  
Accommodation and Construction  
Support Barge



**Trapiche Emerald**  
Dive Support Vessel



**Hilong 106**  
General Utility Vessel

# WORK HISTORY



National Oil & Gas Companies	International Oil & Gas Companies	Major EPCIC Contractors
  	  	  
  	  	  
  	  	  
  		 



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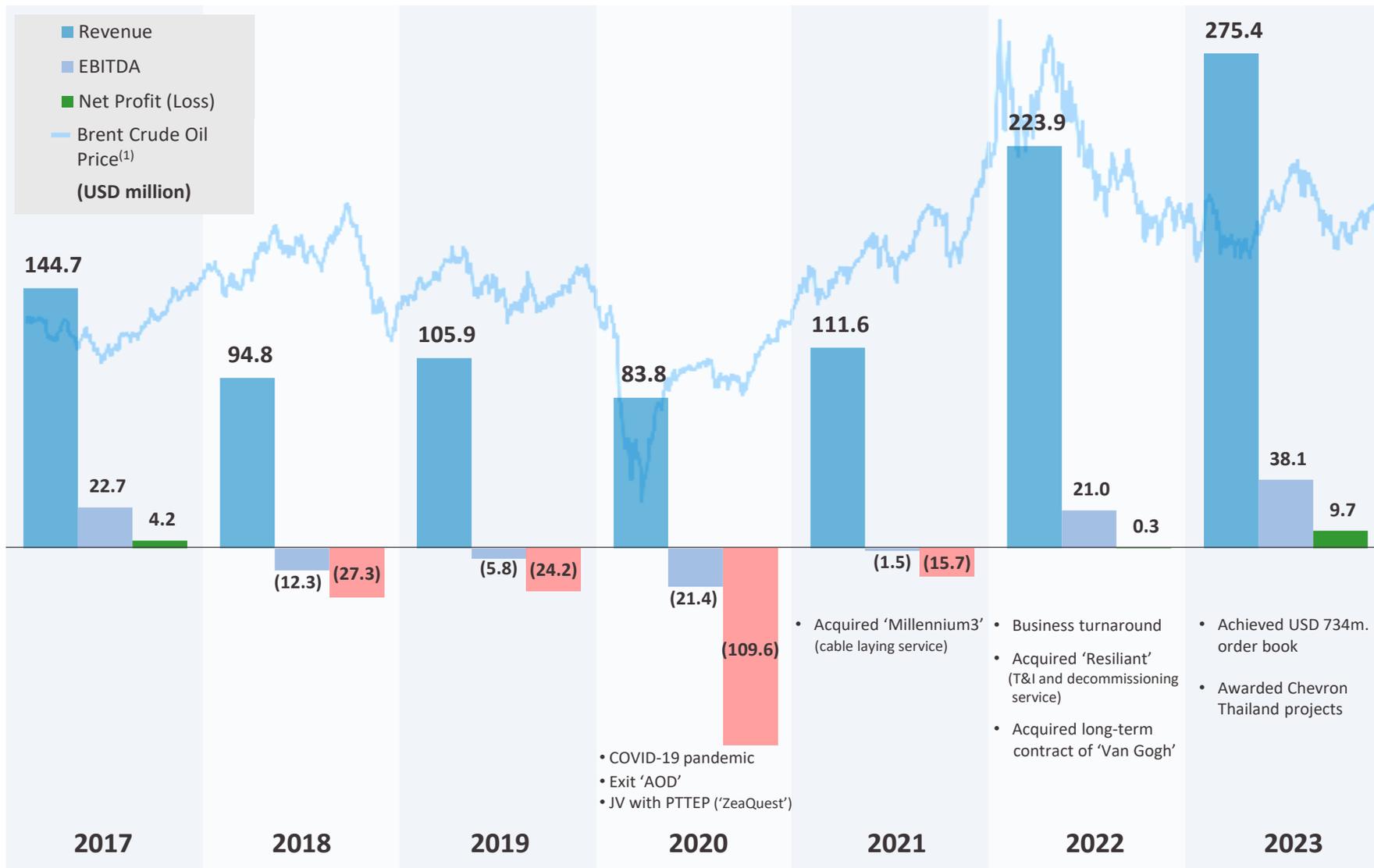
# FINANCIAL REVIEW

Business items

# 7-YEARS PERFORMANCE



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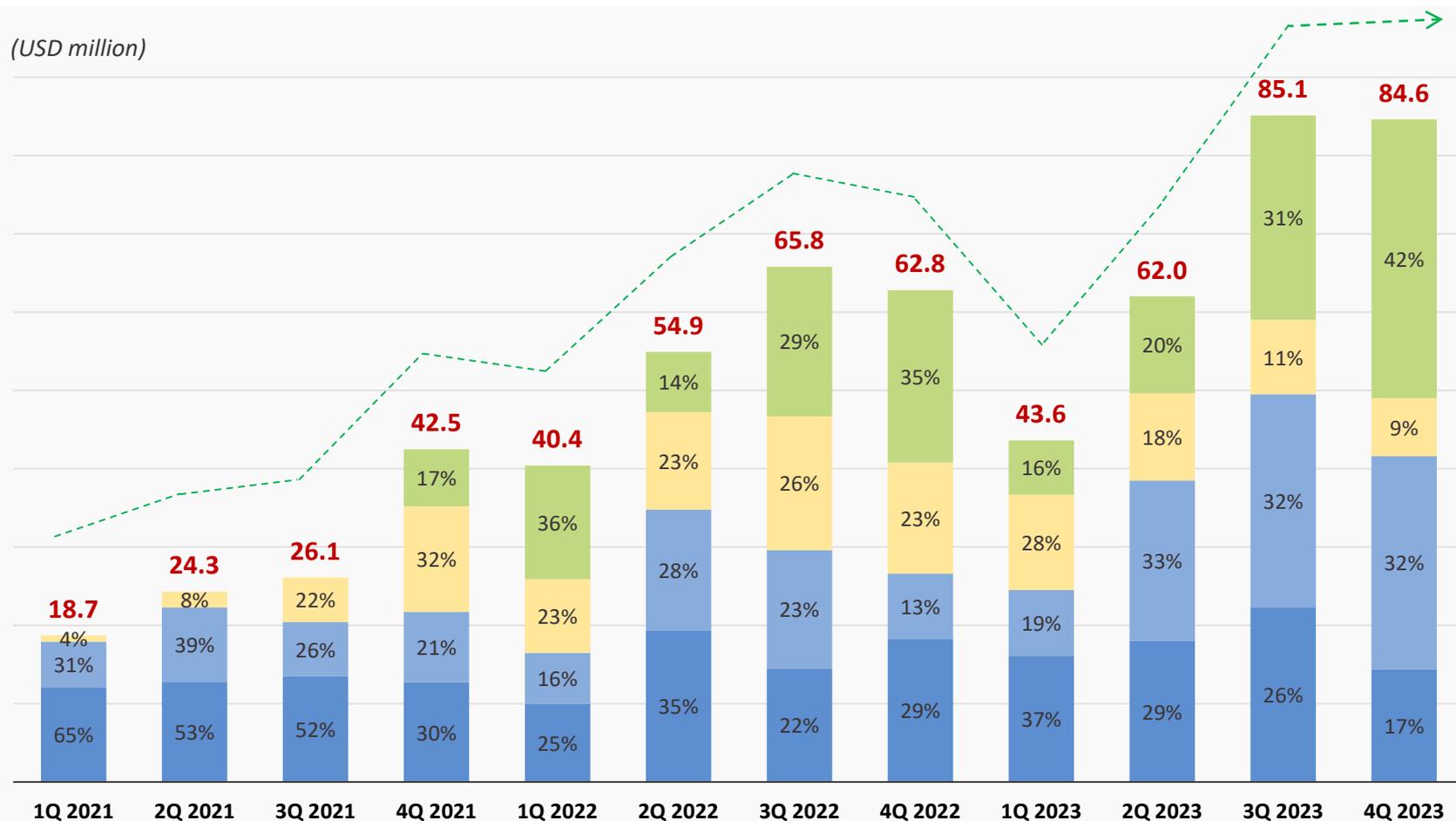
<sup>(1)</sup> Source: <https://www.macrotrends.net/2480/brent-crude-oil-prices-10-year-daily-chart>

# REVENUE BREAKDOWN



MERMAID

(USD million)



■ Subsea IRM (Owned Fleet)

■ Cable Lay Projects

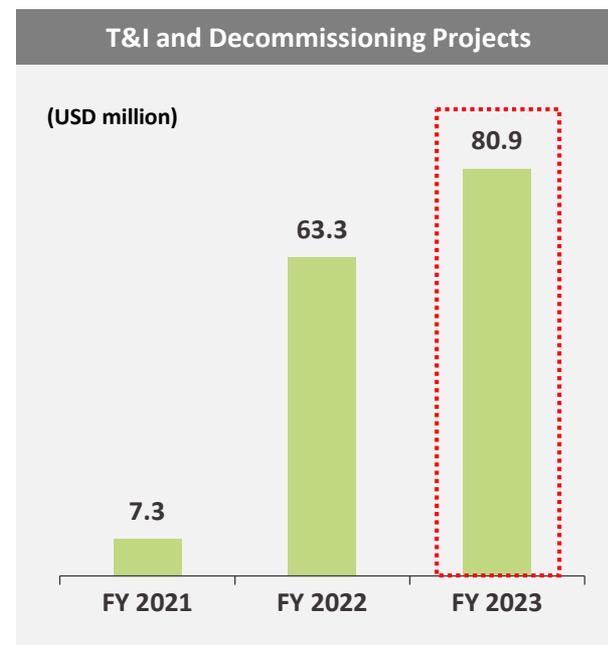
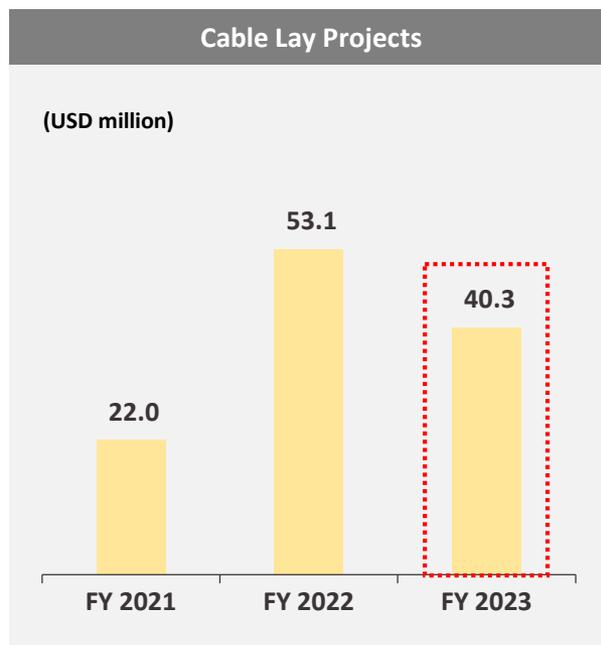
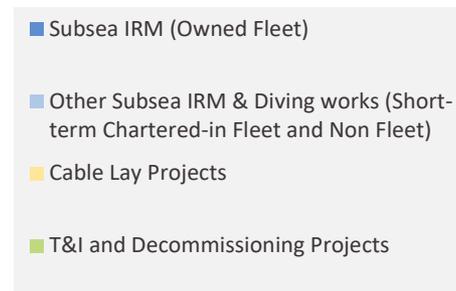
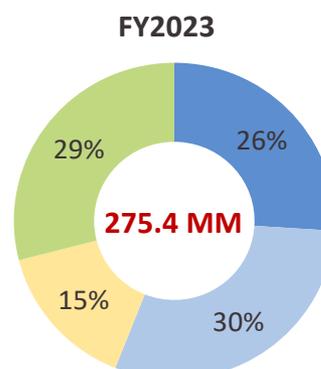
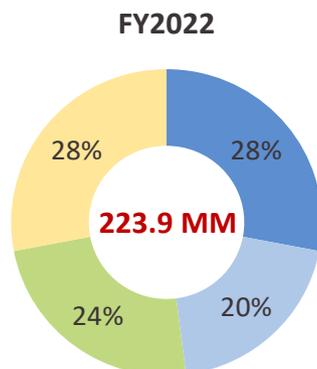
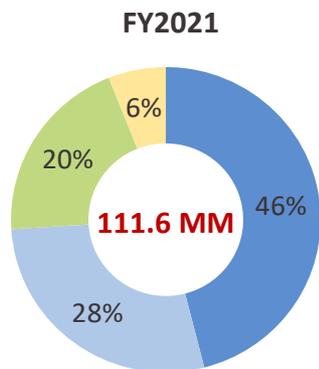
■ Subsea IRM & Diving works (Short-term Chartered-in Fleet & Non Fleet)

■ T&I and Decommissioning Projects

# REVENUE BY SECTOR



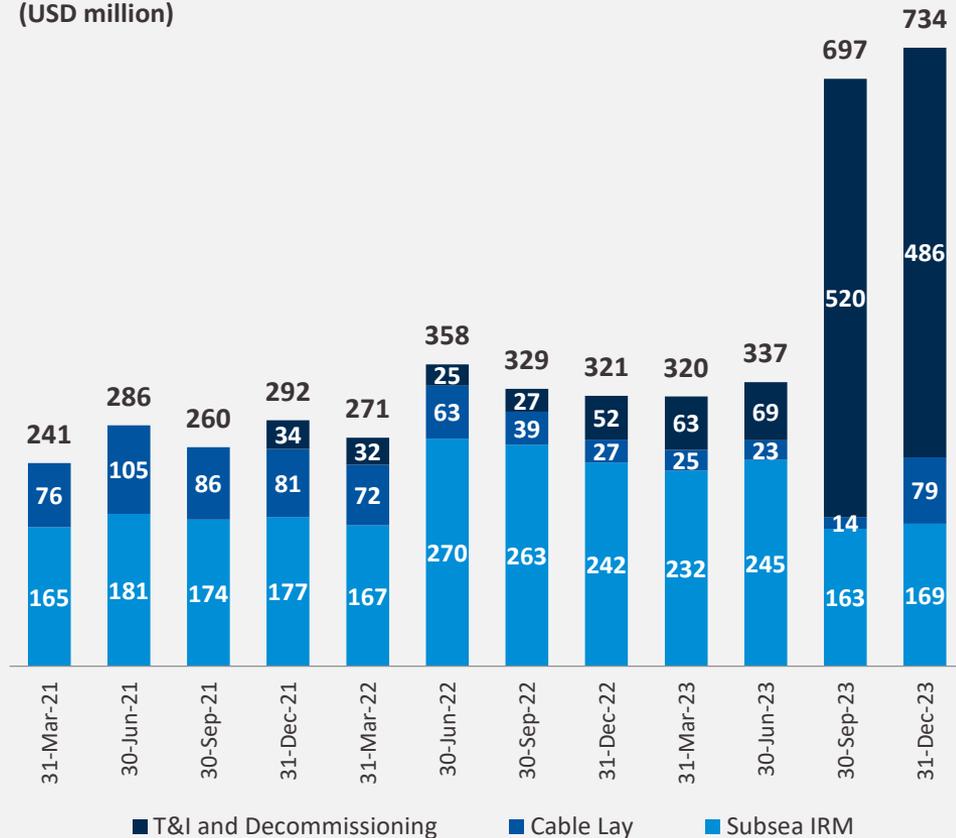
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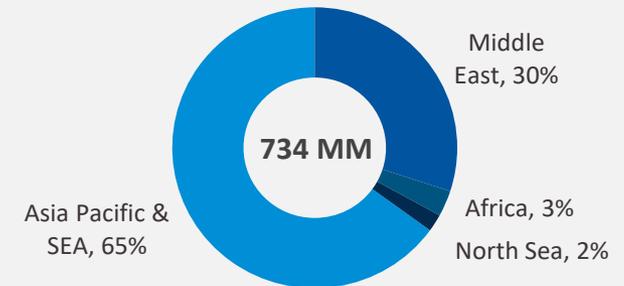
# ORDER BOOK

## Total Order Book

(USD million)



## Order Book by Region



At the end of December 2023, **the order book was at USD 734 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.

# INCOME STATEMENT



(USD million)	FY 2023	FY 2022	FY 2021
<b>Income</b>			
Revenue from rendering of services	275.4	223.9	111.6
Interest income and other income	2.2	1.4	2.6
<b>Total income</b>	<b>277.6</b>	<b>225.3</b>	<b>114.2</b>
<b>Expenses</b>			
Costs of rendering of services	242.7	206.5	113.2
Administrative expenses	21.0	15.5	14.4
Net loss on foreign exchange	0.9	1.0	0.4
Finance costs	5.7	3.3	1.6
<b>Total expenses</b>	<b>270.3</b>	<b>226.3</b>	<b>129.6</b>
<b>Profit (loss) from operation</b>	<b>7.3</b>	<b>(1.0)</b>	<b>(15.4)</b>
Share of profit of joint ventures and associate	3.9	2.9	0.5
<b>Profit (loss) before income tax expense</b>	<b>11.2</b>	<b>1.9</b>	<b>(14.9)</b>
Tax expense	1.5	1.6	0.8
<b>Profit (loss) for the year</b>	<b>9.7</b>	<b>0.3</b>	<b>(15.7)</b>
<b>Earnings (losses) per share (US Cents)</b>	<b>0.7</b>	<b>(0.0)</b>	<b>(1.1)</b>
Depreciation expenses and amortization expenses	25.1	18.7	14.8
<b>EBITDA<sup>(1)</sup></b>	<b>38.1</b>	<b>21.0</b>	<b>1.0</b>

Remark:

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

# CASH FLOWS STATEMENT



MERMAID

(USD million)	FY 2023	FY 2022	FY 2021
<b>Cash Flow From Operating Activities:</b>			
Before changes in working capital	39.3	20.5	(4.6)
Changes in working capital	(27.3)	10.6	2.4
Others	(2.0)	(2.7)	(0.7)
<b><i>Net cash from (used in) operating activities</i></b>	<b>10.0</b>	<b>28.4</b>	<b>(2.9)</b>
<b>Cash Flow From Investing Activities:</b>			
Proceed from sale of current investments	-	2.9	18.8
Acquisition of current investments	-	-	(11.9)
Proceeds from long-term loan to related party	-	1.1	-
Increase in short-term loan to related party	(2.0)	(1.3)	(1.1)
Proceeds from sale of property, plant and equipment and intangible assets	-	2.1	2.3
Acquisition of property, plant and equipment and intangible assets	(11.1)	(14.9)	(24.7)
Acquisition of interest in joint ventures	-	-	(2.6)
Interest received	0.2	0.1	-
<b><i>Net cash used in investing activities</i></b>	<b>(12.9)</b>	<b>(10.0)</b>	<b>(19.2)</b>
<b>Cash Flow From Financing Activities:</b>			
Proceeds from borrowings from parent company	45.0	4.0	5.0
Proceeds from borrowings from financial institution	8.9	-	4.5
Repayment of borrowings	(14.3)	(14.3)	(15.3)
Payment of lease liabilities	(10.3)	(5.4)	(0.2)
Finance costs paid	(4.0)	(2.2)	(1.6)
<b><i>Net cash from (used in) financing activities</i></b>	<b>25.3</b>	<b>(17.9)</b>	<b>(7.6)</b>
<b>Net increase in cash and cash equivalents</b>	<b>22.4</b>	<b>0.5</b>	<b>(29.7)</b>
Effect of exchange rates	0.1	(0.7)	0.1
Cash and cash equivalent at 1 January	7.8	8.0	37.8
<b>Cash and cash equivalent as at 31 December (excluding restricted cash)</b>	<b>30.3</b>	<b>7.8</b>	<b>8.0</b>

# STATEMENT OF FINANCIAL POSITION



MERMAID

Balance Sheet (USD million)	31 Dec 2023	31 Dec 2022	31 Dec 2021
Cash & Cash Equivalents	30.3	7.8	10.9
Trade and Other Accounts Receivable	110.6	63.9	75.7
Other Current Assets	5.0	2.2	0.3
<b>Total Current Assets</b>	<b>145.9</b>	<b>73.9</b>	<b>86.9</b>
Restricted Deposit at Financial Institutions	15.0	8.4	8.2
Investment in Associates & Joint Ventures	28.6	28.5	26.9
Property, Plant and Equipment and Intangible Assets	129.4	134.2	134.8
Right-of-Use Assets	20.5	29.3	0.2
Other Non-Current Assets	17.2	17.2	1.6
<b>Total Non- Current Assets</b>	<b>210.7</b>	<b>217.6</b>	<b>171.7</b>
<b>Total Assets</b>	<b>356.6</b>	<b>291.5</b>	<b>258.6</b>
Trade and Other Accounts Payable	77.8	54.2	42.8
Short-term and Current Portion of Long-term Borrowing from Parent Company	29.0	9.0	3.0
Short-term and Current Portion of Long-term Borrowings from Financial Institution	20.5	14.2	14.2
Other Current Liabilities	11.3	10.9	1.0
<b>Total Current Liabilities</b>	<b>138.6</b>	<b>88.3</b>	<b>61.0</b>
Long-Term Borrowings from Parent Company	25.0	-	2.0
Long-Term Borrowings from Financial Institution	6.8	18.3	32.5
Other Non-Current Liabilities	15.6	24.0	2.5
<b>Total Non-Current Liabilities</b>	<b>47.4</b>	<b>42.3</b>	<b>37.0</b>
<b>Total Liabilities</b>	<b>186.0</b>	<b>130.6</b>	<b>98.0</b>
<b>Total Equity</b>	<b>170.6</b>	<b>160.9</b>	<b>160.6</b>

(USD million)	31 Dec 2023	31 Dec 2022	31 Dec 2021
<b>Interest Bearing Debt</b>			
Asset-backed Financing	27.3	32.5	46.7
Unsecured Loan	54.0	9.0	5.0
<b>Total Interest Bearing Debt*</b>	<b>81.3</b>	<b>41.5</b>	<b>51.7</b>
Cash and Restricted Deposit at Banks	(45.3)	(16.2)	(19.1)
<b>Total Debt, Net of Cash</b>	<b>36.0</b>	<b>25.3</b>	<b>32.6</b>
Shareholders' Equity	170.6	160.9	160.6
<b>Net Gearing*</b>	<b>21.1%</b>	<b>15.7%</b>	<b>20.3%</b>

\*Excluding lease liabilities

Financial Ratio	31 Dec 2023	31 Dec 2022	31 Dec 2021
Current Ratio	1.05x	0.84x	0.84x
Net Debt to Equity Ratio	0.60x	0.44x	0.44x
Net Debt to Equity Ratio (excluded lease liabilities)	0.48x	0.26x	0.26x
Liabilities to Equity	1.09x	0.81x	0.81x
Liabilities to Equity (excluded lease liabilities)	0.96x	0.63x	0.63x

# DEBT MATURITY PROFILE



MERMAID

## Interest-Bearing Debt Maturity

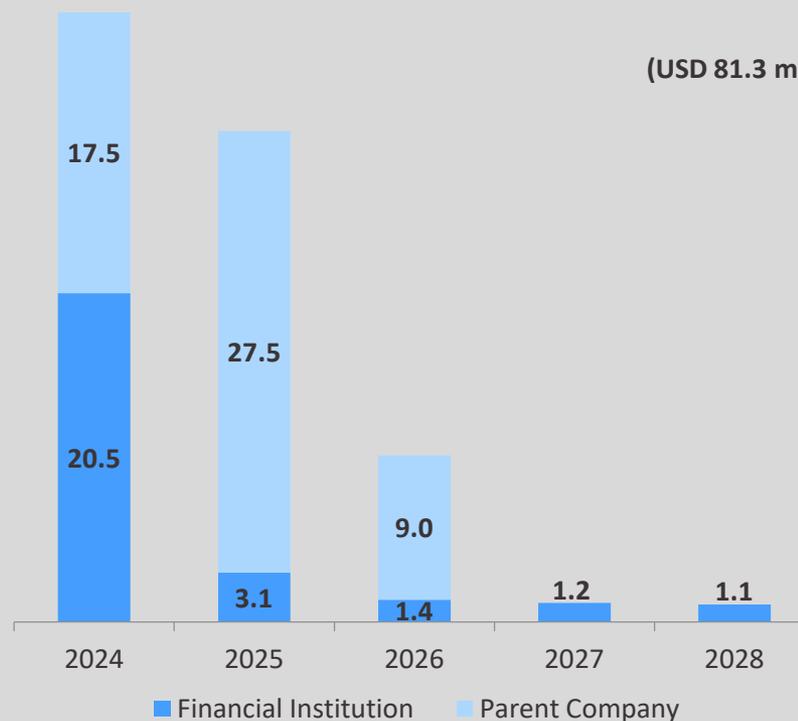
USD 81.3 M

(31 December 2023)

- As at 31 December 2023, there are outstanding loans of **USD 81.3 million** consisting of:
  - **USD 27.3 million** of loans from financial institution (USD 3.1 million of short-term loan and USD 24.2 million of long-term loan)
  - **USD 54.0 million** of loans from parent company (USD 11.5 million of short-term loan and USD 42.5 million of long-term loan).
- Next repayment will be at the end of 1<sup>st</sup> quarter, 2024.
- Short-term liquidity risk due to repayment capability is low.
- As at 31 December 2023, Mermaid Group had unutilized credit facilities from parent company totaling of USD 30.0 million.

## Yearly Repayment Strategy

(USD 81.3 million)





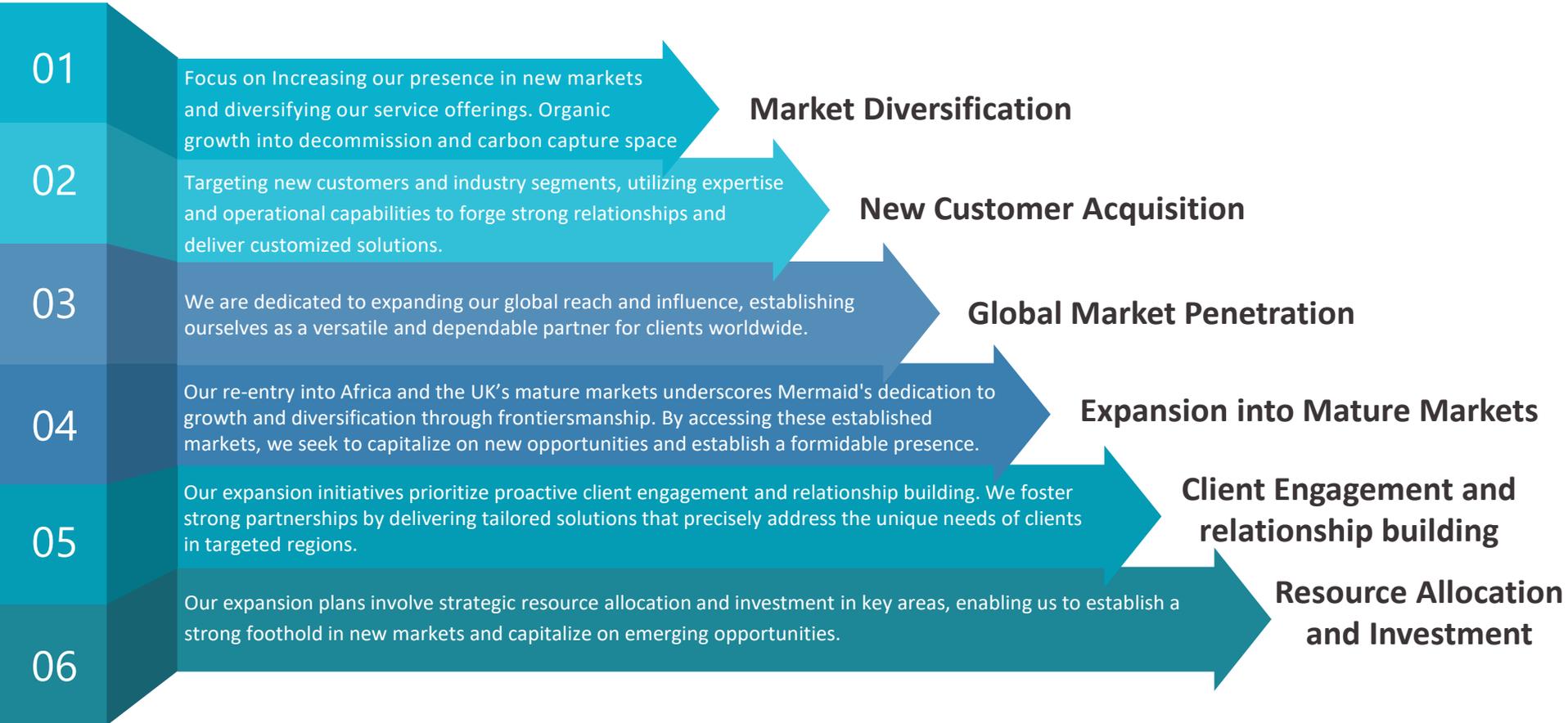
MERMAID



# BUSINESS OVERVIEW



# Expansion and Market Penetration



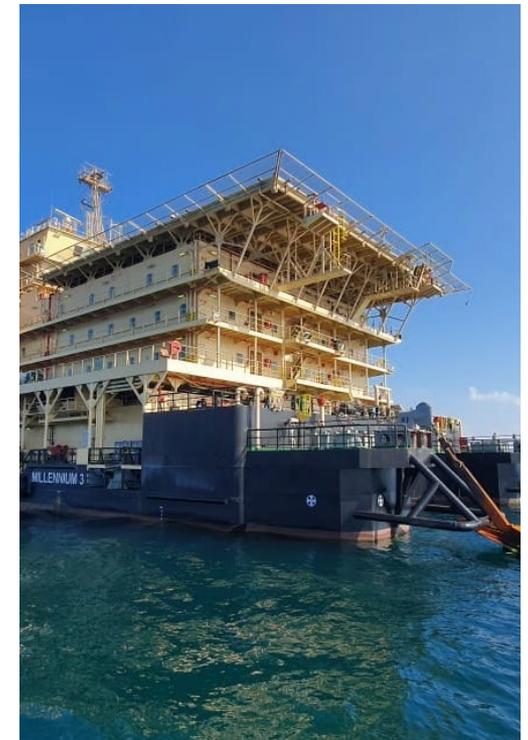
Mermaid Group has achieved exceptional revenue growth (circa 230%) during the last three year. This remarkable success is a testament to our unwavering commitment to strategic business development, robust relationship building, and a resolute focus on regaining market share in existing markets, while exploring new and lucrative opportunities.

## From Loss to Leadership: [Our Journey of Transformation and Triumph:](#)

**Change Management:** Mermaid Group underwent a significant change management initiative, resulting in the restructuring of key strategic and tactical management roles. Streamlining processes and fostering synergies within the team were prioritized to effectively achieve desired business growth outcomes.

**Cable Lay Division:** The Group strategically invested in the acquisition of the cable lay vessel, 'Millennium 3,' with the primary objective of securing a substantial market share within the cable lay sector in the Middle East. With a heightened emphasis on business development efforts within the shallow water space, we effectively garnered notable cable laying projects and achieved extremely good utilization (90%+). This achievement not only facilitated the reclamation of our position in the cable market, but also engendered robust cash flows, serving as a primary catalyst for our sustained growth trajectory.

**Market Penetration (Africa & the UK):** Buoyed by the robust cash flows generated from our Cable Lay Division, the Group made strategic decisions to expand its presence into new markets, Africa and the UK. Through the cultivation of enduring relationships and dedicated efforts in business development, we achieved notable success in securing substantial contracts, particularly within the African market. These achievements have played a pivotal role in our success over the past year and are poised to yield significant dividends for the Group in the years ahead.



# BUSINESS GROWTH (CONT.)



**Regaining Market Share in APAC Region:** Through strategic initiatives and a proactive stance, we have effectively reclaimed market share in the APAC region. This endeavor entailed a thorough analysis of market intricacies, strategic recalibration, and the deployment of a high-caliber business development team. Consequently, we have established ourselves as frontrunners within our tier in the APAC market. The remarkable upsurge in our forward book within the APAC region underscores this achievement, solidifying our stature as one of the key market players in this dynamic region.

**Middle East (Volume to drive the Business):** We focused on our client relationships in the Middle East, with heightened attention directed towards meeting the evolving needs of our esteemed customer, Saudi Aramco. Through unwavering operational support, particularly amidst the challenges posed by the Covid-19 pandemic, and an intensified commitment to customer satisfaction, we garnered notable accolades. These achievements have not only resulted in substantially augmented and sustained cash flows over the past years, but also underscore our unwavering dedication to excellence in client service.

Our collective efforts have resulted in a substantial increase in revenue and profitability, showcasing the effectiveness of our revitalized business strategies.

This outstanding achievement reflects the dedication and hard work of our entire team, and it underscores our ability to adapt to dynamic market conditions, innovate in response to challenges, and capitalize on emerging opportunities to the benefit of our shareholders.



# STRATEGIC PLANNING AND CONTROL

## Key drivers of success during 2023

**Increase in Fleet Size:** Mermaid Group foresaw the escalating demand for Saturation Diving Vessels on a global scale. Strategically, we augmented our owned fleet by entering intermediate-term charter contracts (with options) with owners of Saturation Diving Vessels. This astute maneuver, aimed at circumventing capital expenditure, has positioned us to command nearly 10% of the global saturation diving fleet in our space. Furthermore, this initiative, coupled with our investment in the Cable Lay Vessel (Millennium 3), has not only bolstered our revenue from the Saturation Diving, but has also fortified our dominance in the Cable Lay arena within the Middle East.



**Project Management & Control:** In a dedicated effort to enhance cost control measures, we implemented a rigorous selection process for Project Managers, followed by comprehensive training sessions. This strategic emphasis has not only facilitated seamless operations but has also instigated a thorough review of our project direct costs, consequently bolstering profitability for the Group. This proactive initiative promises sustained benefits for the organization in the foreseeable future.



**SG&A Control:** SG&A Mermaid prides ourselves on maintaining industry-leading levels of efficiency in SG&A expenses, a feat achieved through meticulous cost management practices. Even amidst our business expansion, we have successfully maintained a lean SG&A expense profile relative to our growth trajectory. This streamlined operational framework not only facilitates heightened profitability, but also strengthens our competitive standing across the value chain.

**Closing the Gaps between operations and finance:** The seamless collaboration between operations and finance departments is integral to driving business success. Effective management of cash flow has dictated our ability to expand into new markets and capitalize on opportunities.

# Geographical Presence



MERMAID

## Operational

**Vessels in UK**  
Island Valiant

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

**Vessels in Qatar**  
Mermaid Endurer

**Vessels in DMC**  
Millennium 3

**Vessels in APAC**  
DSV Van Gogh  
DLB Huan Qiu 1200  
HLV Hilong 106  
SCENA Sultan + SCENA 2801  
SCENA Raja + SCENA 2802  
Limin Swordfish + POE Giant  
TC Mermaid + SCENA 2803  
MP Valour + SCENA 2804  
Lumin UT One + Crest 2821  
Swiber Sapphire + Crest 301

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



# Q & A





**MERMAID**

*A Company Moving Forward*

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