



MERMAID MARINE  
AUSTRALIA LTD

# MERMAID MARINE AUSTRALIA LTD

## Half Year Results – 31 December 2011

### Investor Presentation



[www.mma.com.au](http://www.mma.com.au)

# Disclaimer



*This document contains general background information about the activities of Mermaid Marine Australia Limited (MMA) current as at the date of release of this document to the ASX. It is information in a summary form only and does not contain all the information necessary to fully evaluate any transaction or investment. It should be read in conjunction with MMA's other periodic and continuous disclosure announcements to the ASX available at [www.asx.com.au](http://www.asx.com.au).*

*MMA makes no representation or warranty (express or implied) as to the accuracy, reliability or completeness of this document. MMA and its directors, officers, employees, agents and associates will have no liability for any statements, opinions, information or matters (express or implied) arising out of, or contained in or derived from, or for any omissions from this document, except liability under statute that cannot be excluded.*

**Not a prospectus:** *This document is not a prospectus or a product disclosure statement under the Corporations Act 2001 (Cth) and has not been lodged with the Australian Securities and Investment Commission (ASIC).*

**Not investment advice:** *The information provided in this document is not intended to be relied upon as advice to investors or potential investors and has been prepared without taking into account the recipient's investment objectives, financial circumstances or particular needs. Any investment decision should be made based solely upon appropriate due diligence. Recipients of this document are advised to consult their own professional advisers. An investment in any listed company, including MMA, is subject to significant risks of loss of income and capital.*

**Future performance:** *This document contains certain forward-looking statements. The words 'anticipate', 'believe', 'expect', 'project', 'forecast', 'estimate', 'likely', 'intend', 'should', 'could', 'may', 'target', 'plan' and other similar expressions are intended to identify forward-looking statements. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors, many of which are beyond the control of MMA, and its officers, employees, agents and associates, that may cause actual results to differ materially from those expressed or implied in such statements. Actual results, performance or outcomes may differ materially from any projections and forward-looking statements and the assumptions on which those assumptions are based. You should not place undue reliance on forward-looking statements and neither MMA nor any of its directors, employees, servants, advisers or agents assume any obligation to update such information.*

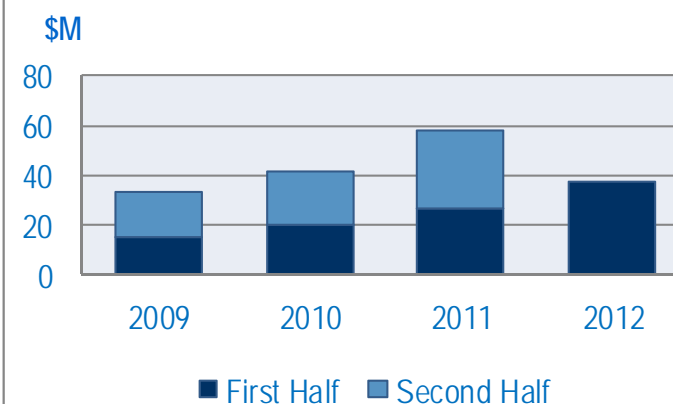
**Risks:** *An investment in MMA Securities is subject to investment and other known and unknown risks, some of which are beyond the control of MMA and MMA's directors, employees, servants, advisers or agents. MMA does not guarantee any particular rate of return or the performance of MMA nor does it guarantee the repayment of capital from MMA or any particular tax treatment.*

# Continued Profit Growth

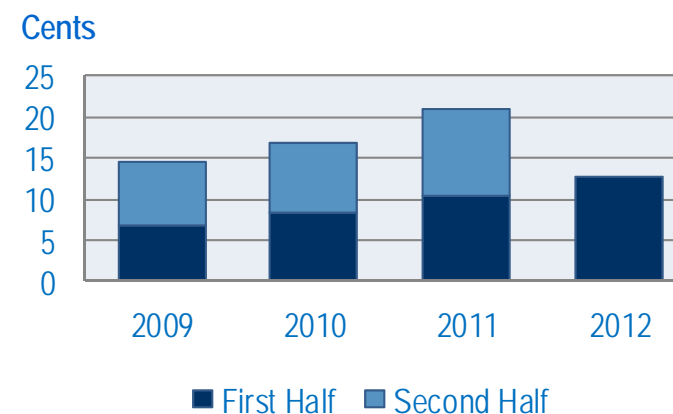


- Revenue \$193.1 million, **↑**44% pcp
- Pre-tax profit \$37.6 million, **↑** 39% pcp
- Net profit after tax \$27.6 million, **↑** 35% pcp
- Earnings per share of 12.8c, **↑** 22% pcp
- Interim dividend 5c per share, **↑** 25% pcp
- Operating cash flow \$34.8 million, **↑** 99% pcp
- Cash at bank \$52.5 million

## Profit before Tax



## Earnings per Share



# Key Performance Ratios



	Variance PCP	6 Months Ended 31 Dec 2011	6 Months Ended 30 June 2011	6 Months Ended 31 Dec 2010
Revenue	↑ 44%	\$193.1M	\$152.1M	\$134.5M
EBITDA	↑ 34%	\$55.3M	\$46.4M	\$41.3M
EBITDA / Revenue <sup>1</sup>	↓ 2.1%	28.6%	30.5%	30.7%
EBIT	↑ 28%	\$41.1M	\$35.1M	\$32.2M
EBIT / Revenue <sup>1</sup>	↓ 2.6%	21.3%	23.1%	23.9%
Profit before Tax	↑ 39%	\$37.6M	\$31.1M	\$27.0M
NPAT	↑ 35%	\$27.6M	\$22.8M	\$20.4M
NTA per share	↑ 15%	\$1.39	\$1.25	\$1.21
Earnings per Share	↑ 22%	12.8c	10.6c	10.5c
Return on Assets <sup>2</sup>	↑ 1.7%	17.1%	15.3%	15.4%
Return on Equity <sup>2</sup>	↑ 1.4%	19.3%	17.3%	17.9%

<sup>1</sup> Excluding share of joint venture profits

<sup>2</sup> Annualised and based on average for the year

# Key Liquidity Ratios



	6 Months Ended 31 Dec 2011	6 Months Ended 30 June 2011	6 Months Ended 31 Dec 2010
Gearing % (Net Debt / Equity)	34.0%	29.4%	31.8%
Interest Cover (EBIT / Interest Expense)	9.5x	6.4x	5.6x
Current Ratio (Current Assets / Current Liabilities)	1.9x	1.5x	2.3x
Operating free cash flow	\$34.8M	\$62.0M	\$17.5M
Interest Bearing Liabilities	\$155.3M	\$134.3M	\$149.4M
Capital Expenditure <sup>1</sup>	\$53.7M	\$47.9M	\$19.9M
Cash at Bank	\$52.5M	\$55.1M	\$67.3M

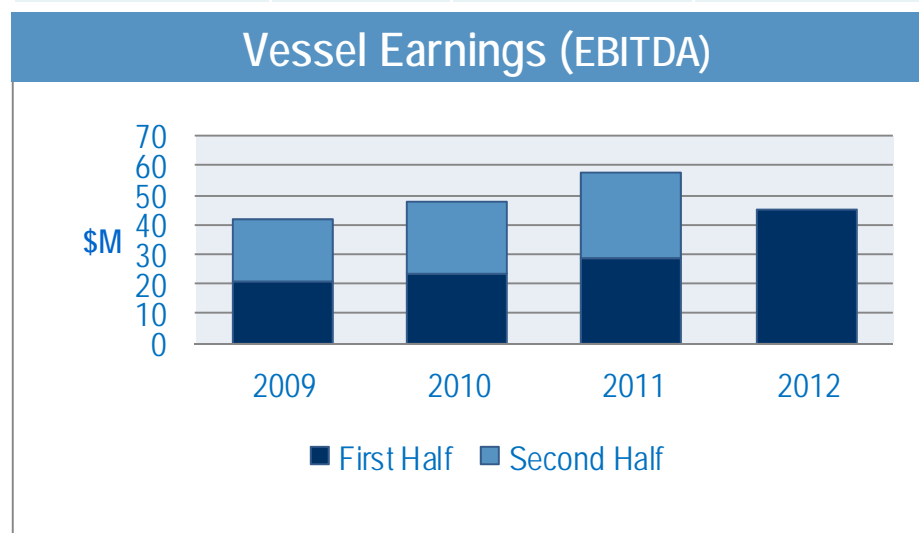
<sup>1</sup> Includes purchase of Bis Industries Limited Dampier Supply Base for \$24 million, which settled on 16 December 2011

# Vessel Operations



- Strong demand for services during the first half (average utilisation 77%)
- EBITDA up 56% on pcp
- Strong return on assets 23% (boosted by additional charter vessels)
- Continued to invest in fleet
  - Mermaid Leveque (PSV) delivered Oct-11
  - 2 new OSVs under construction
  - 1 new PSV under construction
- Completed major seismic project in Browse Basin
- International operations – completed seismic project in Brunei, work in Mexico ongoing
- Outlook:
  - 1H buoyed by one-off projects
  - Increased competition in Australian market
  - Repositioning vessels recently out of contract
  - 2H earnings expected to be lower

Vessel Financials			
	Variance PCP	6 Months Ended 31 Dec 2011	6 Months Ended 31 Dec 2010
Revenue	↑ 55%	\$155.8M	\$100.4M
EBITDA	↑ 56%	\$44.8M	\$28.8M
EBITDA / Revenue	↑ 0.1%	28.8%	28.7%
EBIT	↑ 52%	\$33.6M	\$22.1M
EBIT / Revenue	↓ 0.4%	21.6%	22.0%
Return on Assets	↑ 4.4%	23.0%	18.6%



# Supply Base Operations



## Dampier Supply Base

- Protracted industrial action, higher costs and lower wharf activity
- Substantial increase in land rent and outgoings costs
- EBITDA down 6% on PCP
- 2H Drilling activity expected to be stronger - Chevron, Exxon, BHPB, Hess, Santos, Apache
- Strong Gorgon activity – additional 20 personnel
- Bis acquisition (Dec-11) – 60% increase in land area. Strong demand for additional land

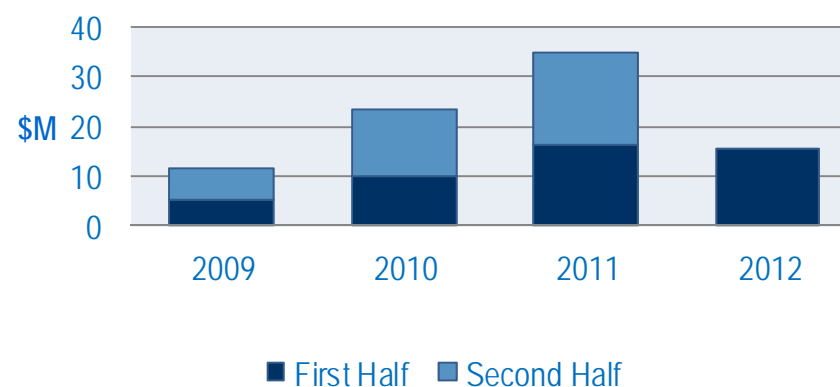
## Broome Supply Base

- Limited drilling activity in the region during 1H
- Conoco Phillips drilling campaign now scheduled to commence Feb-12
- New Gorgon Contract – Broome loadout facility
- New Shell Supply Base Contract (5 years)
- Longer term strategic asset - 2 major projects recently approved (Ichthys, Prelude)

## Dampier Supply Base Financials

	Variance PCP	6 months Ended 31 Dec 2011	6 months Ended 31 Dec 2010
Revenue	↑ 20%	\$33.3M	\$27.7M
EBITDA	↓ 6%	\$15.4M	\$16.3M
EBITDA / Revenue	↓ 12.6%	46.2%	58.8%
EBIT	↓ 8%	\$13.1M	\$14.2M
EBIT / Revenue	↓ 12%	39.3%	51.3%
Return on Assets	↓ 2.1%	23.1%	25.2%

## Dampier Supply Base Earnings (EBITDA)



# Expanded Dampier Facilities



*MMA completed the acquisition of the Bis Industries' Dampier Supply Base on 16<sup>th</sup> December 2011*



# Dampier Slipway Operations

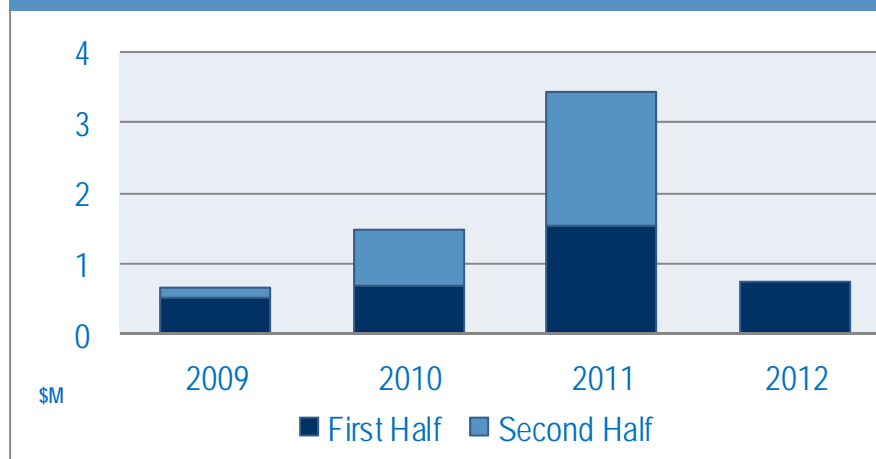
- Revenue down 17% to \$9.5m
- EBITDA down 47% to \$0.8m
- Stronger utilisation expected in the second half with a number of large jobs scheduled
- Key to ongoing success of our vessel business



## Slipway Financials

	Variance PCP	6 months Ended 31 Dec 2011	6 months Ended 31 Dec 2010
Revenue	↓ 17%	\$9.5M	\$11.5M
EBITDA	↓ 47%	\$0.8M	\$1.5M
EBITDA / Revenue	↓ 4.6%	8.4%	13.0%
EBIT	↓ 67%	\$0.4M	\$1.2M
EBIT / Revenue	↓ 6.2%	4.2%	10.4%
Return on Assets	↓ 14.5%	7.1%	21.6%

## Slipway Earnings (EBITDA)



# Market outlook



## Exploration

- Exploration and production drilling - Chevron, Woodside, BHPB, Hess, Apache, Santos, Conoco Phillips, Shell, Total, PTTEP, Vermillion, Exxon Mobil
- Ongoing seismic support opportunities with Geokinetics

## Construction

- Ongoing opportunities with Gorgon
- Montara and North Rankin B Projects currently under construction
- Upcoming opportunities with Macedon, Fletcher Finucane and Gorgon Domestic Gas Pipeline
- 2 Major projects have received FID in last 6 months – Wheatstone and Ichthys (total estimated capex > \$60 billion)

## Production

- Opportunities to support new production assets:
  - FPSO developments
  - Gas production platforms

## Risks

- Increased competition
- Project timing
- Access to skilled labour

# Summary



- ❑ Strong first half performance from Vessel division offset by lower Supply Base and Slipway earnings
- ❑ Supply Base activity expected to increase in the second half
- ❑ Second half Vessel earnings expected to be lower than first half
- ❑ Continuing to add to our fleet and progress PSV strategy
- ❑ International market challenging but building regional capability
- ❑ Balance Sheet capacity – low gearing
- ❑ Oil & Gas market in Australia remains strong
- ❑ Overall tracking in line with market consensus

# For further information contact



**Jeffrey Weber** - Managing Director

Mermaid Marine Australia Limited

**Telephone:** (+61) 8 9431 7431 **Facsimile:** (+61) 8 9431 7432 **Mobile:** 0418 855 275

**Email:** jeff.weber@mma.com.au

**Peter Raynor** - Chief Financial Officer

Mermaid Marine Australia Limited

**Telephone:** (+61) 8 9431 7431 **Facsimile:** (+61) 8 9431 7432 **Mobile:** 0418 901 620

**Email:** peter.raynor@mma.com.au

# Vessel Listing



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	LEVEQUE	SINGAPORE	PSV/MULTI PURPOSE	2010	-	75	6700	40
MERMAID	VIGILANCE	SINGAPORE	PSV/MULTI PURPOSE	2009	-	70	4000	50
MERMAID	DISCOVERY	SINGAPORE	AHTS/MULTI PURPOSE	2007	65	57	5500	68
MERMAID	VANQUISH	SINGAPORE	AHTS	2007	64	59	5150	42
MERMAID	VANTAGE	SINGAPORE	AHTS	2009	67	59	5150	42
MERMAID	VISION	SINGAPORE	AHTS	2009	105	68	8000	32
MERMAID	VOYAGER	AUSTRALIA	AHTS	2009	67	59	5150	42
MERMAID	CARVER	AUSTRALIA	AHT, AZIMUTH, OSV	2001	44	32	3500	14
MERMAID	ENDEAVOUR	AUSTRALIA	AHT, AZIMUTH, OSV	1995	48	35	4000	12
MERMAID	SOUND	AUSTRALIA	AHT, AZIMUTH, OSV	2007	70	50	5800	22
MERMAID	STORM	AUSTRALIA	AHT, AZIMUTH, OSV	1994	48	34	4000	18
MERMAID	GUARDIAN	AUSTRALIA	AHT, OSV	2005	50	40	4000	18
MERMAID	PROVIDER	AUSTRALIA	AHT, OSV	1999	50	45	4000	12
MERMAID	SENTINEL	AUSTRALIA	AHT, OSV	2006	50	40	4000	20
MERMAID	SUPPORTER	AUSTRALIA	AHT, OSV	2001	65	48	4800	24

# Vessel Listing



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
MERMAID	RANGER	SINGAPORE	AHT	2007	50	40	4000	20
MERMAID	RELIANCE	SINGAPORE	AHT	2010	69	50	5150	36
MERMAID	RESOLUTION	SINGAPORE	AHT	2010	69	50	5150	36
MERMAID	INVESTIGATOR	AUSTRALIA	M SURVEY, DP, MULTI PURPOSE	2006	30	54	3619	42
MERMAID	SEARCHER	AUSTRALIA	SURVEY, SUPPLY, MULTI PURPOSE	2008	34	54	3200	36
MERMAID	ACHIEVER	TUVALU	STANDBY, SURVEY, SUPPLY	1982	-	40	1619	34
MERMAID	SPIRIT	AUSTRALIA	ACCOMODATION VESSEL, SURVEY	1998	-	30	1099	32
MERMAID	ARROW	AUSTRALIA	FAST RESPONSE CREW VESSEL	2009*	-	20	1080	5
MERMAID	RESOURCE	AUSTRALIA	FAST RESPONSE CREW VESSEL	1996	-	27	2600	6
MERMAID	CHIEFTAN	AUSTRALIA	HARBOUR TUG	1969	18	20	1280	5
MERMAID	COMMANDO	AUSTRALIA	HARBOUR TUG	1981	15	20	1280	-
MERMAID	TITAN	AUSTRALIA	HARBOUR TUG	1983	9	14	800	3
MERMAID	CONSTRUCTOR	AUSTRALIA	BARGE	2003	-	76	-	-
MERMAID	REGENT	AUSTRALIA	BARGE	2010	-	76	-	-

# Vessel Listing – Chartered Vessels



Vessel	Name	Flag	Type	Year	Bollard Pull	LOA	BHP	Berths
SWISSCO	SABRE	SINGAPORE	AHT	2010	53	40	4000	20
AMS	ESPERENCE	SINGAPORE	BARGE	2010	-	76	-	-
SEALINK	PACIFIC 287	MALAYSIA	BARGE	2004	-	82	-	-
TOLL	SANDFLY	SINGAPORE	LANDING CRAFT	2010		54	900	12
DANA	CRUZ	USA	SHALLOW DRAFT TUG	2010	14	28	1800	6



## MERMAID MARINE AUSTRALIA LTD

Endeavour Shed, 1 Mews Road, Fremantle WA 6160

**T** (+61) 8 9431 7431 **F** (+61) 8 9431 7432 **E** corporate@mma.com.au

[www.mma.com.au](http://www.mma.com.au)



[www.mma.com.au](http://www.mma.com.au)