



MACQUARIE - WESTERN AUSTRALIA FORUM

2 December 2019

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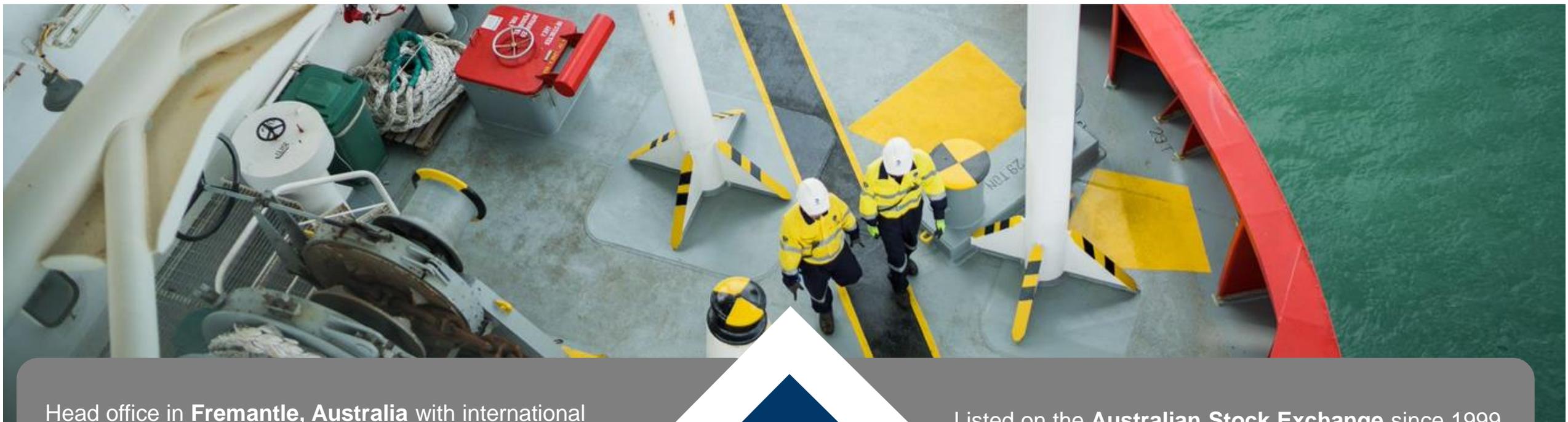
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ABOUT MMA

MMA is one of the largest providers of marine services to the offshore Oil & Gas industry in the Asia Pacific region



MMA OVERVIEW

Head office in **Fremantle, Australia** with international headquarters in **Singapore**. Over 1,000 Employees.

Listed on the **Australian Stock Exchange** since 1999
Market Cap \$166m. EV \$366m

We differentiate ourselves through our **operational excellence, technical expertise** and our ability to deliver **innovative and cost-effective marine solutions** to our clients.

Modern Fleet of **30+ high-specification vessels** supported by onshore facilities in Singapore and Batam.
BV of **Vessel Assets \$480m**

EXPANDED SERVICE OFFERING

Core OSV business with expanded service offering in Subsea and Project Logistics



- Fleet of 30+ specialised offshore support vessels
- Offtake Support, Supply Operations, Drilling Support, Construction Support, Seismic & Survey Support, Anchor Handling and Towing, Accommodation and Walk to Work Services
- Delivery of complex marine projects



- MMA currently services the subsea market predominantly as a vessel provider
- Neptune acquisition will enable MMA to provide additional services to existing and new clients (FY19 Revenue A\$84m)
- Current Neptune service offering improved with access to MMA vessels



- Project management of large marine spreads and complex marine logistics
- New entity “MMA Global Projects” established to service EPC contractors in developing energy hubs globally

OFFSHORE SERVICES

Core OSV business with focus on innovation and marine solutions

- Modern well-maintained fleet – positioned to benefit from improving utilisation and rates
- Long term production support contracts underpin earnings and cash flow – INPEX, Woodside, ConocoPhillips, Santos, BHP
- Balanced with exposure to improving spot market for remainder of fleet
- Strong in-house marine capability which has been maintained during the downturn
- Focus on innovative solutions to deliver productivity and efficiency benefits to clients:
 - Accommodation and Walk to Work services
 - Cost efficient rig movements
 - Innovative vessel modifications
 - Innovative contracting arrangements
- We differentiate ourselves by being a service provider, not just a vessel provider



SUBSEA SERVICES

The combination of MMA's vessels and Neptune's subsea expertise enhance our subsea service offering

- 6 modern MPSV vessels in the fleet capable of supporting a range of subsea and maintenance activities
- Neptune acquisition to deliver strategic benefits:
 - Improved service offering to clients
 - Increased asset utilisation
 - Enhanced return on assets
 - Revenue and cost synergies
- Positive client feedback with first combined project already underway – Survey & ROV project in Malaysia on “MMA Vigilant”
- Integration progressing well with a number of quick wins already achieved including consolidation of facilities and IT services
- Combined business expected to benefit from a recovery in subsea investment



PROJECT LOGISTICS

Asset light business with strong project pipeline

- MMA has significant experience in managing large marine spreads for construction projects in the Australian market
- MMA Global Projects recently established to focus on emerging growth markets for LNG and renewables construction projects
- Recruited experienced and capable in-house team with strong international track record
- Asset light business – predominantly using third party assets
- ROA enhancing
- Strong project pipeline of major projects in East Africa and Taiwan
- MMA Global Projects is well positioned to service this market



FY2019 HIGHLIGHTS

 Broad consensus that the OSV market is in the early stages of a recovery

50% Increase in EBITDA

72% Utilisation increasing with higher weighting to larger vessels

 Rates increasing in the more specialised vessel segments

 Strong safety performance, well above industry average

 ROA and debt metrics improving and remain our key priority

 Neptune acquisition to deliver subsea expansion strategy

 Executing our growth strategy to deliver improved returns for shareholders



MACRO CONDITIONS

Market commentary supports the view that the fundamentals for a market recovery remain strong



“**Capital expenditure budgets are up** in 2019, for the first time since 2014, and are expected to grow another ~5% in 2020”

“**The hurdle rate for new offshore projects** amongst the participants in our E&P survey **is down ~35-40%** ... hurdle rates have now stabilised around **USD~45/bbl, well below the current oil price**”

“With an already observed increase in sanctioning/exploration activity we have already witnessed a **solid improvement in the demand for offshore drilling rigs**”

Pareto Securities, E&P Survey Sep 19



“2019 is expected to represent the low point in the cycle for the Group’s profitability ... Looking ahead, demand for offshore wind farm construction services is expected to increase and, as larger greenfield oil and gas projects are sanctioned, a **continued gradual recovery is expected for deepwater SURF activity**”

Quarterly results, Nov 2019



“**E&P cash flow generation has never looked better** .. Oil companies are stacking cash even at \$50/bbl”

“**Utilisation is improving from low levels**, especially on the high end. With higher utilisation, **high spec vessel segments are best positioned to see further pricing increases**”

“**Higher demand has been helping dayrates rise off the bottom** .. High spec PSV demand has risen 20% since bottoming in 2017”

“**Many stacked vessels have not worked for several years** .. Long-term stacked vessels face substantial costs to re-enter the market”

“**OSV stocks now reflect asset values far below indicated levels** by shipbrokers for second hand market sales .. The gap between the equity market and secondhand market has never been bigger”

Clarksons Platou Securities, Oct 2019



“Although the offshore recovery looks to be a tad slower than earlier anticipated, **we observe multiple data points of a recovery** (e.g. growing seismic activity, field sanctioning has surpassed 2018 levels, offshore E&P spending is upped, and international oil companies are resurfacing”

Arctic Securities, Aug 2019



“**Demand trending higher** – we see recovery towards c. 80% [AHTS and PSV] utilisation in 2020”

“**Bifurcation process in full swing** – older vessels struggle. More than 90% of all contracts awarded in 2018 have been to vessels less than 15 years of age”

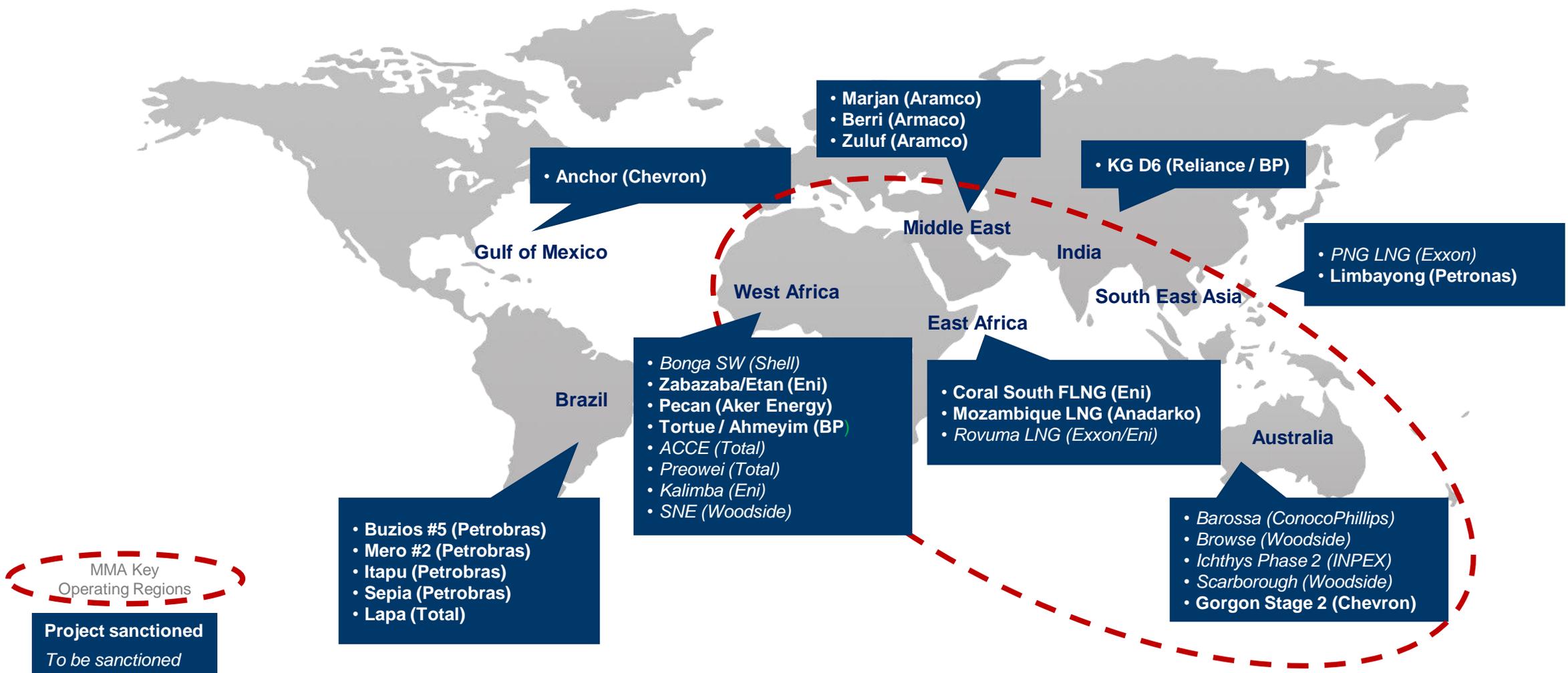
Fearnley Market Update, Aug 2019



MMA’s high quality modern fleet is well positioned to benefit from increased activity

STRONG PIPELINE OF MAJOR PROJECTS

Overall increase in project activity to drive global fleet utilisation



Significant number of new projects planned in MMA's operating regions

GROWTH STRATEGY

Our growth strategy is focused on delivering increased returns for our shareholders

1

OPERATIONAL EXCELLENCE

- High quality, well maintained fleet
- Superior safety performance
- Robust environmental management
- Commitment to total compliance
- Quality service delivery
- Strong commercial management
- Cost discipline

2

OPERATIONAL LEVERAGE

- Drive Return on Assets through:
 - Releasing the operating leverage of the asset base as the market recovers
 - Utilising operating skills and systems to extract value through the deployment of third party assets
 - Building on strong client network and relationships

3

EXPANDING OUR SERVICE OFFERING

- Drive the OSV fleet further into **service focused contracts** such as:
 - Safe offshore personnel transfer via motion compensated gangway technology (Walk to Work)
 - Cost efficient rig movements
 - Innovative vessel modifications and contracting arrangements to deliver true cost efficiency to clients
- **MMA Global Projects** – use our skills, in-house systems and project management experience to deliver broader marine logistics services to large scale projects using owned and third party assets
- **Subsea Services** (Neptune acquisition) increasing MMA fleet utilisation whilst building a stronger growth platform for the subsea services business

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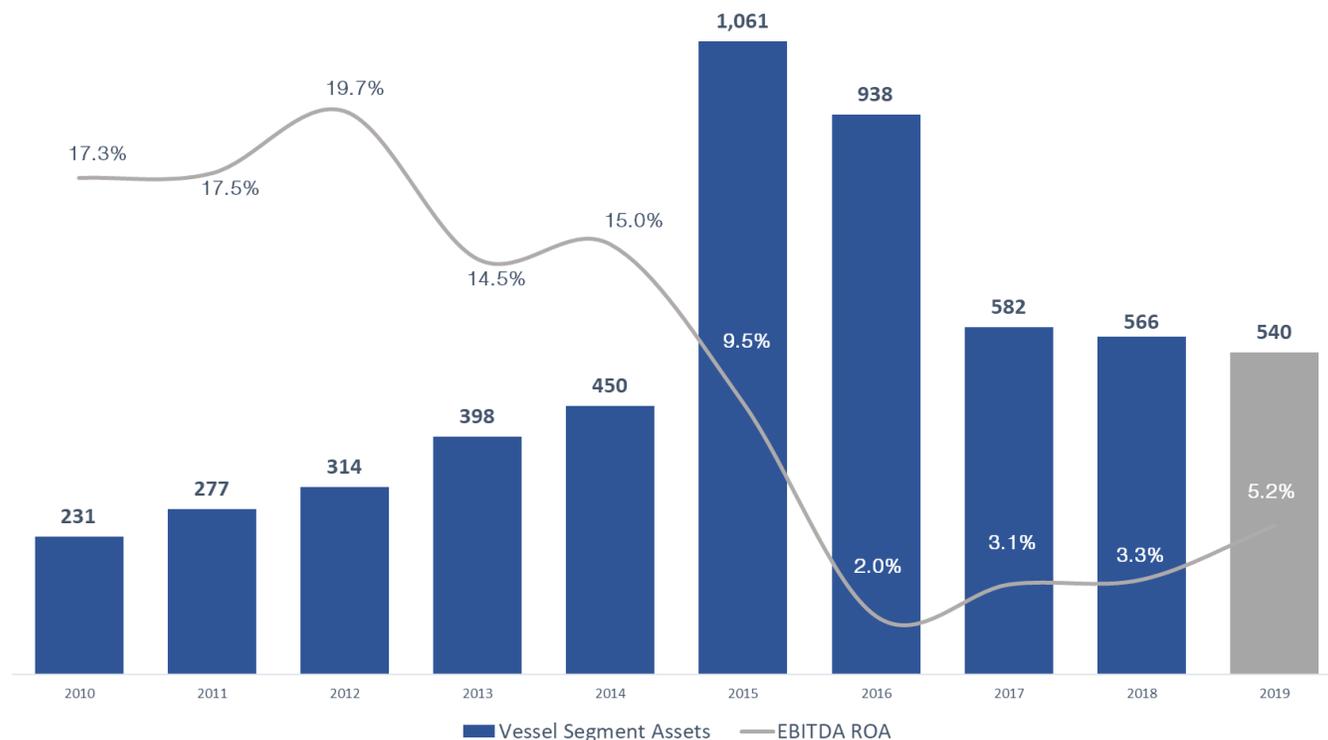
BALANCE SHEET MANAGEMENT

- Pro-active Balance Sheet management
- Focus on continuing to improve key debt metrics

OPERATIONAL LEVERAGE

Increasing ROA is MMA's primary focus which will also improve the Company's debt metrics

EBITDA Return on Assets



Notes

¹ EBITDA figures are Vessel Segment EBITDA less unallocated corporate overhead adjusting for major one-off projects in 2014 and 2015

² FY14 asset base and EBITDA is based on pre Jaya acquisition numbers (Jaya transaction completed on 4 June 2014)

³ All figures are in AUD

Core Business Improvement

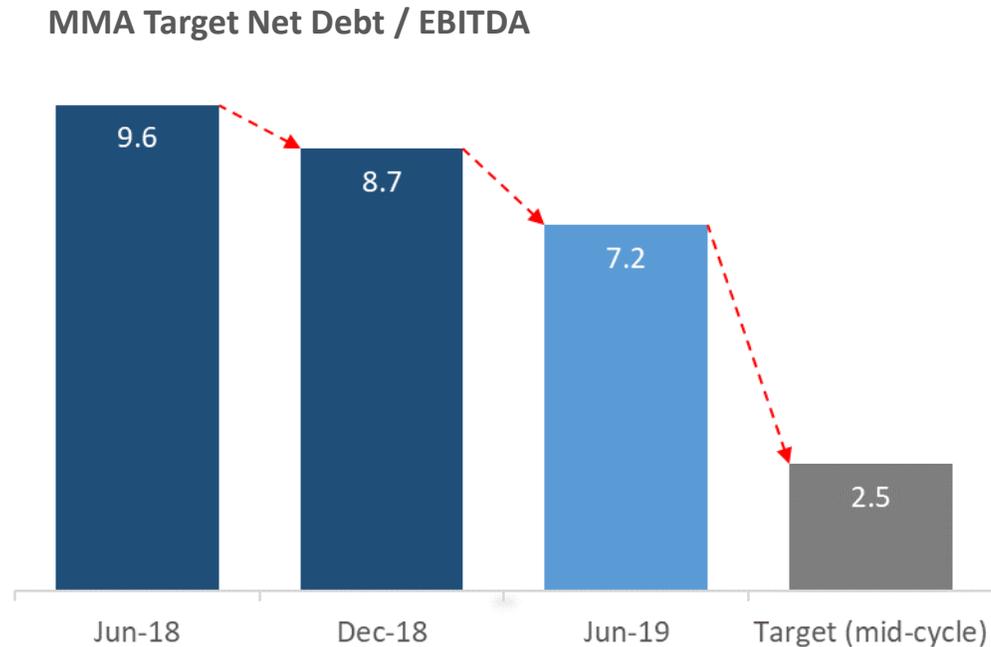
- ↑ UTILISATION
- ↑ RATES
- ↓ COSTS
- ↑ THIRD PARTY VESSELS

Expanded Service Offering

- ↑ SUBSEA SERVICES
- ↑ PROJECT LOGISTICS
- ↑ WALK TO WORK

BALANCE SHEET MANAGEMENT

The Company is cash flow positive and trading within its banking covenants



1 Gross Debt A\$271m (US\$120m; A\$100m)

2 Term expiry 30 September 2021

3 Amortisation holiday until June 2020¹

4 Trading within covenants²

5 Weighted average interest rate 5.99%³

6 LVR (Net Debt / PPE) 42%

¹ Amortisation payment of A\$5.0m due on 30 June 2020

² Covenant testing resumed 30 Jun 19 based on earnings from 1 Jan 2019

³ Weighted spot interest rate at reporting date

INVESTMENT PROPOSITION

MMA has a clear growth strategy and is well positioned to benefit from a recovery in market demand

High quality earnings and cashflow

- Long term production support contracts underpin earnings and cash flow
- High specification and well maintained fleet positions the business well to secure higher rates and utilisation as demand increases

Significant operating leverage

- Bottom of the cycle
- Long term fundamentals remain compelling with broad market consensus that recovery is underway
- Earnings significantly leveraged to utilisation and rate increases
- Growth in ROA through packaged services and third party charters
- Trading at discount to NTA with asset values at a low point in the cycle

Strong operational track record

- Leading marine services company with strong operational centres in Australia and South East Asia
- Blue chip client base
- Strong services capability with proven track record in delivering complex projects
- Industry leading safety record
- Experienced leadership team with deep industry knowledge and clear strategy

Growth strategy

- Maximise operating leverage as the market recovers
- Increase ROA through expansion of higher margin services offering:
 - Specialised offshore services
 - Subsea
 - Project Logistics
- Clear focus on strengthening Balance Sheet and improving debt metrics

Significant opportunity to grow return on assets

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mmaoffshore.com

