

Enabling the World's Energy Transition



# Investor Presentation

TEKMAR GROUP PLC

JANUARY 2025

[tekmargroup.com](https://www.tekmargroup.com)

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# Presentation team & agenda



**Richard Turner**  
Chief Executive Officer



**Leanne Wilkinson**  
Chief Financial Officer



**01**



Meet the new CEO

**02**



Strong Foundations

**03**



Favourable Markets

**04**



Delivering a Step-change in Growth

**05**



Outlook & Summary

# Meet the new CEO

A track record of delivering change results



- Extended periods in Japan & USA
- Lean & Six Sigma Master BB
- Global supply chain management
- Major restructuring
- Product development at pace



- Global deployment of Lean Production System
- Major safety culture change program
- Large capex programs in global facilities

2000

2009

2014

2019

2022

2024



Richard Turner



- Early mover into OSW cables
- Major factory builds
- Sale of business to trade buyer
- 4-fold increase in Order Intake
- Houston & UK based offshore service businesses



- Significant rightsizing
- Rebuilding of customer relationships
- Development of spares & O&M business
- Taken from significant losses back to profitability



- Restructuring deal with major lender
- New front-end processes to rebalance risk share
- Operational excellence program (asset integrity)
- Significant drive on improved comms
- Significant EBITDA growth
- Devised 10-year strategy plan (route to \$100m EBITDA)



## Tekmar today



# Strategic leadership

A highly experienced Board focused on delivering significant value for shareholders



**David Wilkinson**  
SENIOR INDEPENDENT  
DIRECTOR

David is an ex-Partner at Deloitte, and is an experienced Chartered Accountant with a background in audit and corporate finance advising on M&A, disposals, fund raising and Aim flotations



**Steve Lockard**  
NON-EXECUTIVE CHAIRMAN

Steve brings over 35 years of experience in global operations leadership. He is a specialist in energy transition investments and company platform building.



**Lars Bondo Krogsgaard**  
NON-EXECUTIVE DIRECTOR

Lars brings considerable wind industry experience and an extensive track record leading global organisations for over 20 years, including publicly listed companies.



**Alasdair MacDonald**  
EXECUTIVE DIRECTOR

Ally has over 35 years of offshore energy sector experience and has held senior executive positions at multinational, private and public companies.



**Colin Welsh**  
NON-EXECUTIVE DIRECTOR

Colin is a Partner at SCF Partners. Prior to joining SCF in 2017, Colin Welsh served as Head of International Energy Investment Banking at Simmons & Company International.



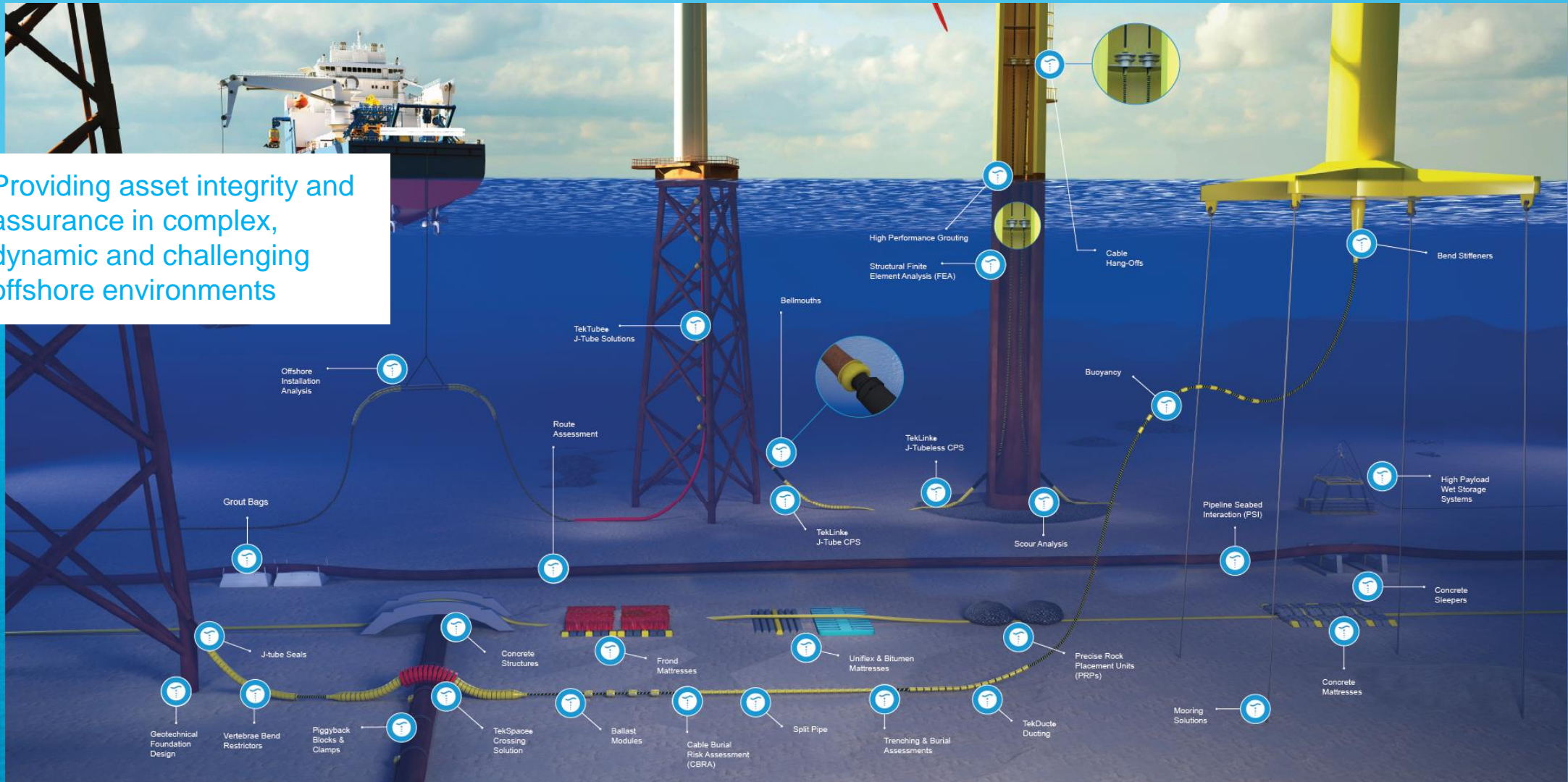
**David Kemp**  
NON-EXECUTIVE  
DIRECTOR

David is an experienced FTSE 250 CFO with broad experience in leading global teams, strategy development and implementation, M&A, business performance, transformation and turnaround.

# Tekmar - protecting what's beneath the surface

We play a critical role in protecting and stabilising offshore assets and infrastructure

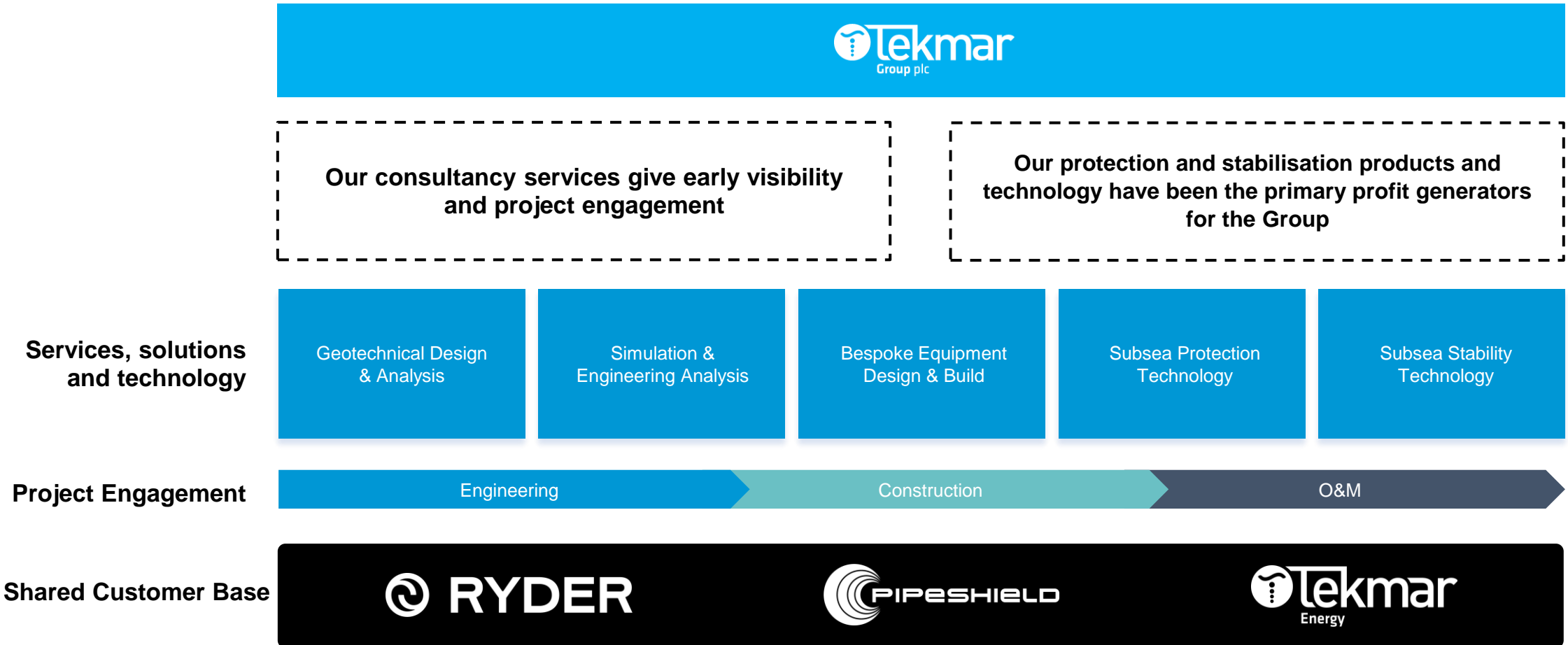
Providing asset integrity and assurance in complex, dynamic and challenging offshore environments



# Delivering customer value through an integrated platform

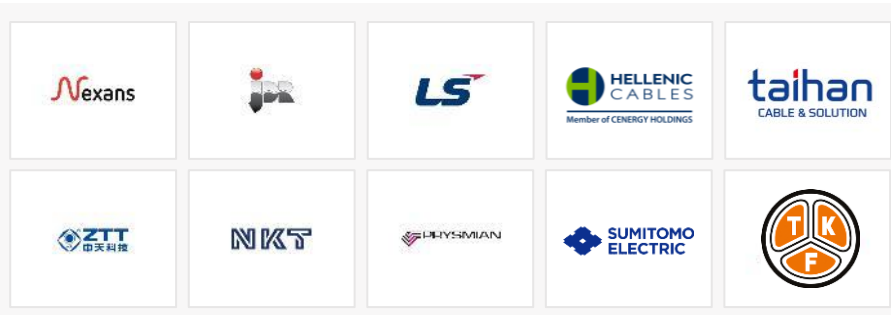


Our range of engineering services, solutions and technology spans the offshore project cycle and a shared customer base

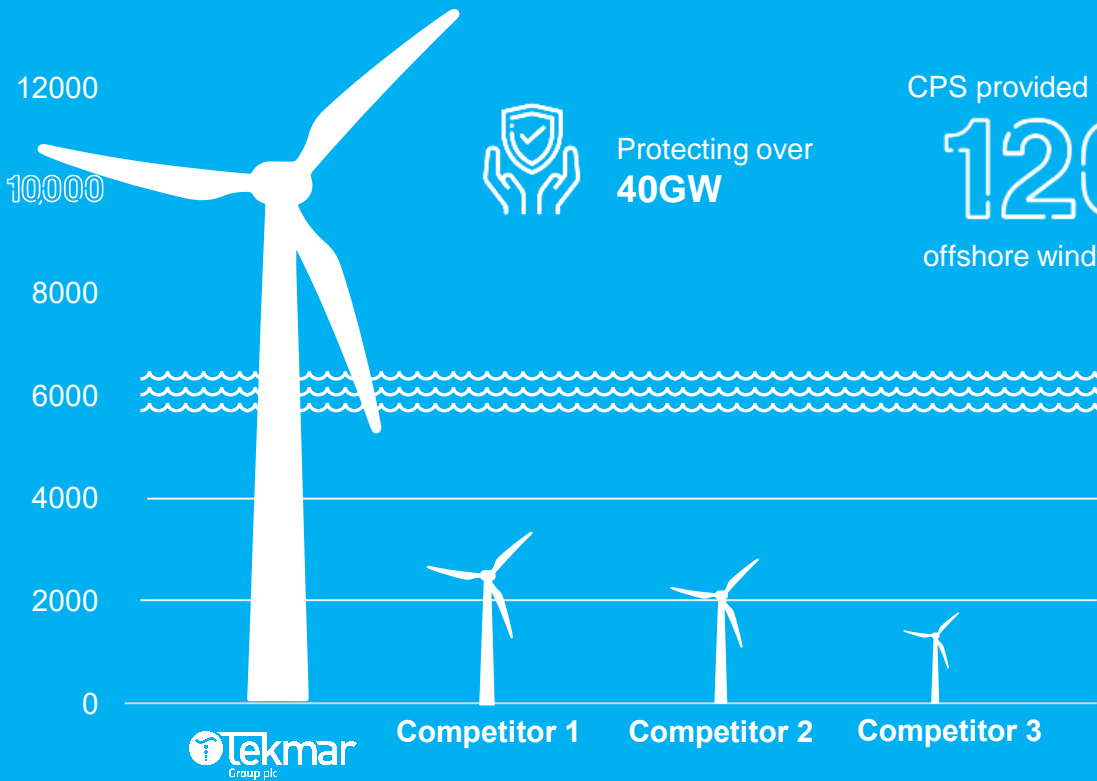


# We support a broad range of customers and partners

We optimise and de-risk projects, solve engineering challenges, improve safety and lower project costs

<p><b>Energy Companies</b></p>		<p>Reduce Levelised Cost of Energy (“LCoE”) Reduce cost over the project lifecycle</p>
<p><b>Tier 1 Contractors</b></p>		<p>Reduce installation time and manage risk Product life extension</p>
<p><b>Cable Manufacturers</b></p>		<p>Partner of choice for manufacturers - strong relationships Ensure customer assets are protected</p>

# Proven excellence: undisputed champion in offshore protection technology



Protecting over **40GW**

CPS provided to over **120** offshore windfarms

**10**

generations of pioneering CPS solutions



Supporting projects in over 25 countries around the world



CPS provider to the largest offshore wind farm in the world

Over **100,000** subsea stabilisation products in service

Over **160,000** geotechnical design hours delivered

Over **180,000** analysis hours delivered

**40**

qualified engineers covering 5 disciplines

**40**

years experience

Tekmar has supplied over **10,000 Cable Protection Systems (CPS)**

Our track record puts us **years ahead of our competition**

# Financial performance

The business has been stabilised with expected modest EBITDA for FY24 establishing a solid platform for growth

	FY22 <sup>1</sup>	FY23 <sup>1</sup>	FY24E <sup>2</sup>
<b>Revenue</b>	£26m	£36m	<b>£32m</b>
<b>Gross Profit Margin</b>	21%	23%	<b>31%</b>
<b>Adjusted EBITDA<sup>3</sup></b>	£(2.1)m	£0.6m	<b>£1.8m</b>
<b>Net Cash</b>	£1.9m	£(1.4)m	<b>£(1.6)m</b>
<b>Closing backlog<sup>4</sup></b>	£15m	£16m	<b>£16m</b>

- Stabilised business delivering improved gross margin. **Both divisions now profitable**
- **Positioned for growth** – available capacity and readily scalable operations benefitting from operational gearing
- **Streamlined business** – disposal of Subsea Innovation and merger of Agiletek & Ryder
- Ongoing focus on managing the **cash requirements** of the business to support growth and working capital
- **Incremental investment** in evolution of core product ranges and revenue diversification, including growing our **grouting** capability
- **Stable FY25 financial performance**, with FY25 EBITDA expected to be consistent with FY24 and second half weighted

(1) The revenue, gross profit margin, Adjusted EBITDA, opening backlog and order intake figures disclosed for FY23 and FY22 are adjusted to exclude the full-year contribution of Subsea Innovation Limited ("SIL") which was subsequently disposed of by the Group in May 2024.

(2) FY24E financial information is estimated and unaudited and as disclosed in the Trading and Strategy Update announced on 2 December 2024.

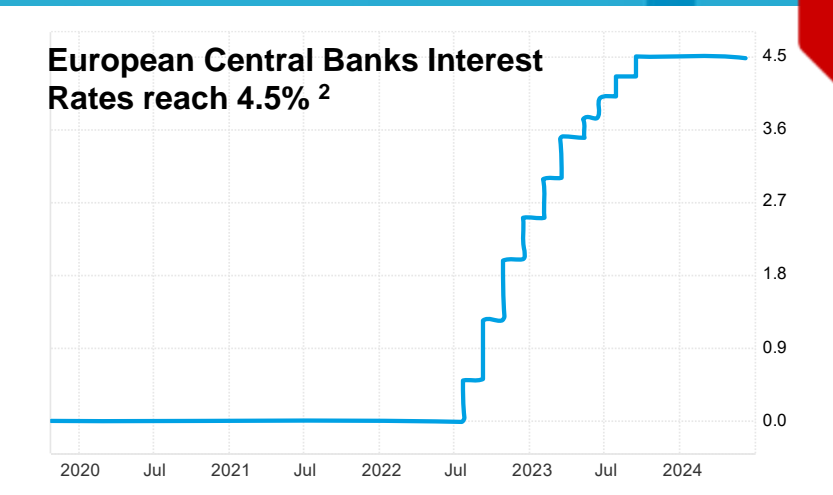
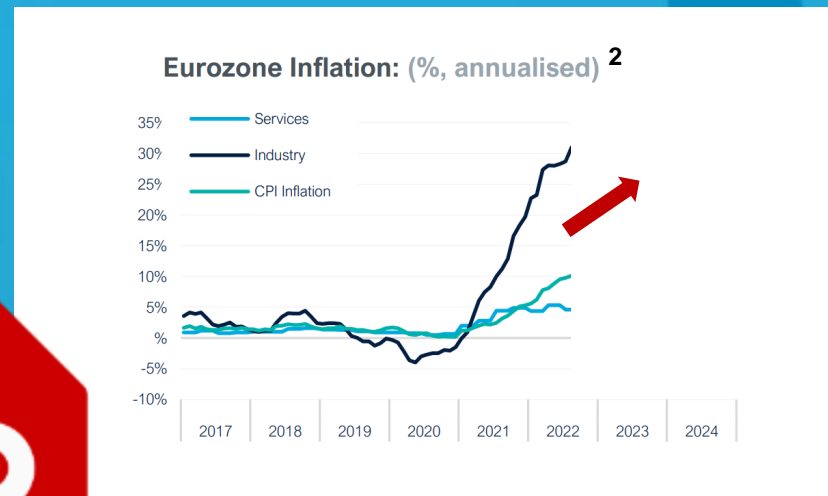
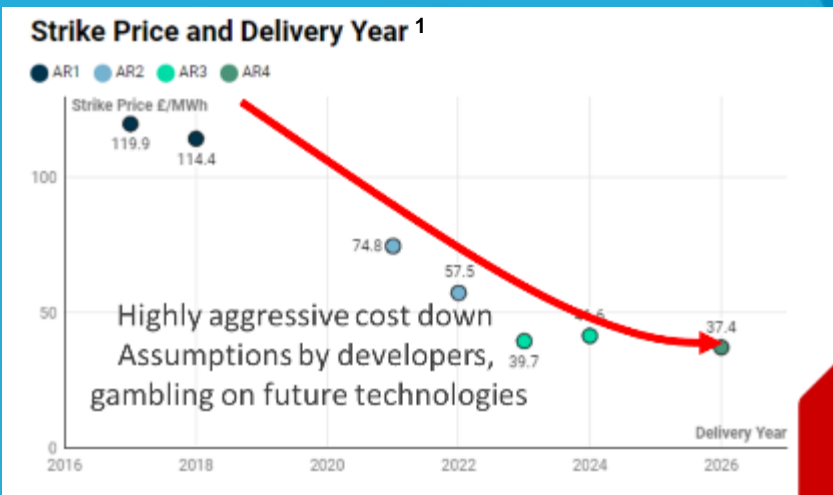
(3) Adjusted Earnings before interest, tax, depreciation, amortisation and significant one-off items.

(4) Closing backlog is defined as signed and committed contracts with clients that are in place at the end of the stated financial period.

## Market overview



# The offshore wind quadrilemma



## (Un)reliability



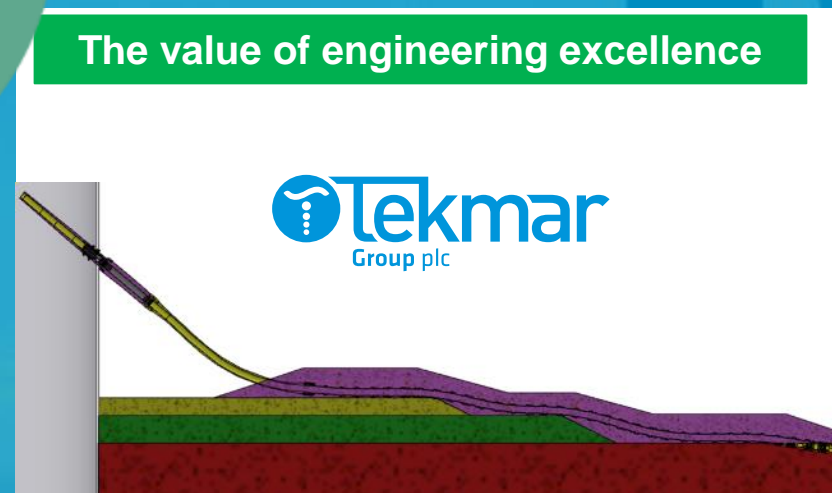
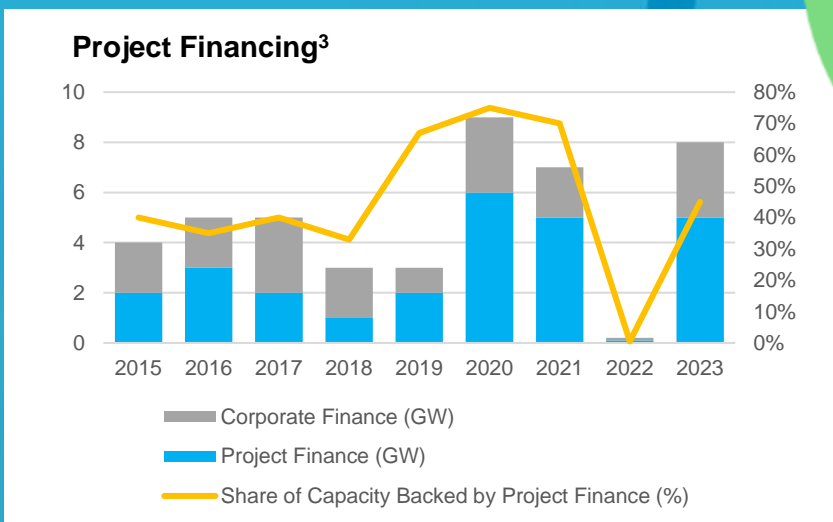
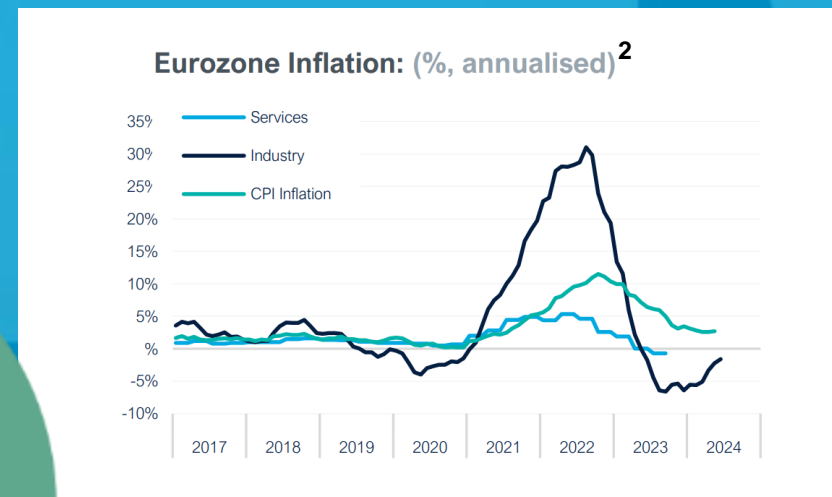
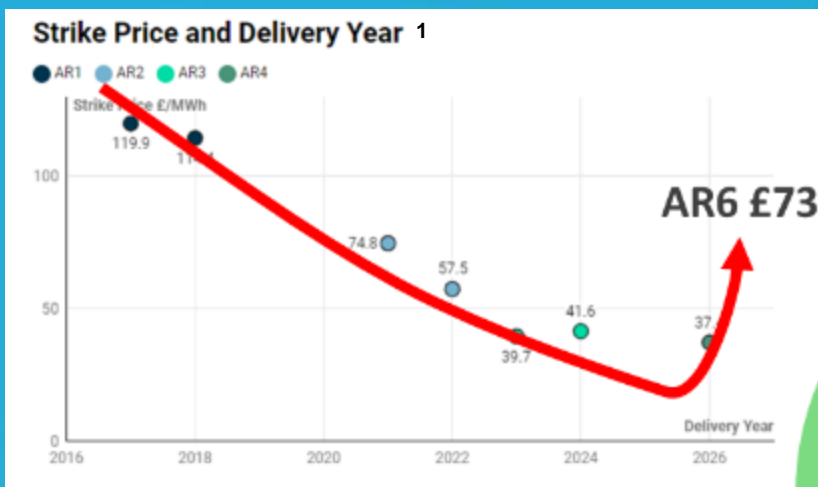
Combined market losses in offshore wind quadruple in last five years

- Combined market losses grew from £124m in 2010-15 to over £500m by 2020.
- The average insurance claim of £1.67m in 2010-2015 nearly doubled to £3.08m in 2016-20.



1. 4C Offshore Market Overview Report 2024 Q3  
2. <https://tradingeconomics.com/>

# The offshore wind quadrilemma



1. 4C Offshore Market Overview Report 2024 Q3  
 2. <https://tradingeconomics.com/>  
 3. WindEurope

# Positive growth in Offshore Wind and Oil & Gas

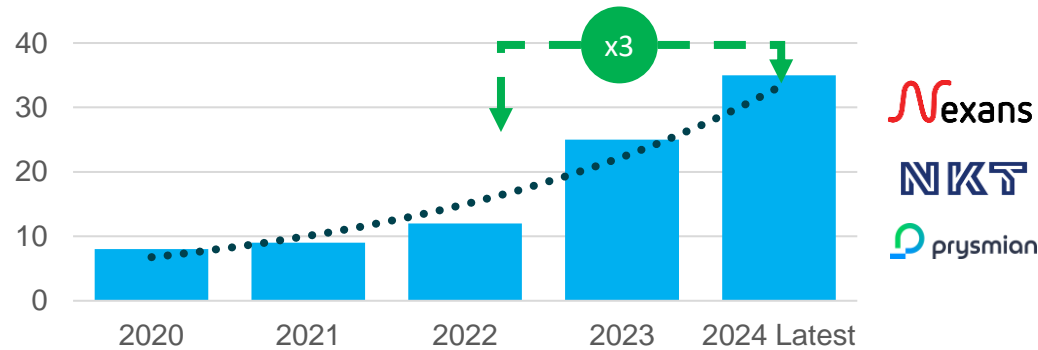
Continuing market improvement across offshore energy markets supports sustained demand for Tekmar's technology and engineering services

**Rising Demand:** Global expansion with Europe as the anchor market

**Energy Transition:** Oil & Gas remains vital; continued investment essential

**Supply Chain:** Demand outstretching capacity, benefitting suppliers

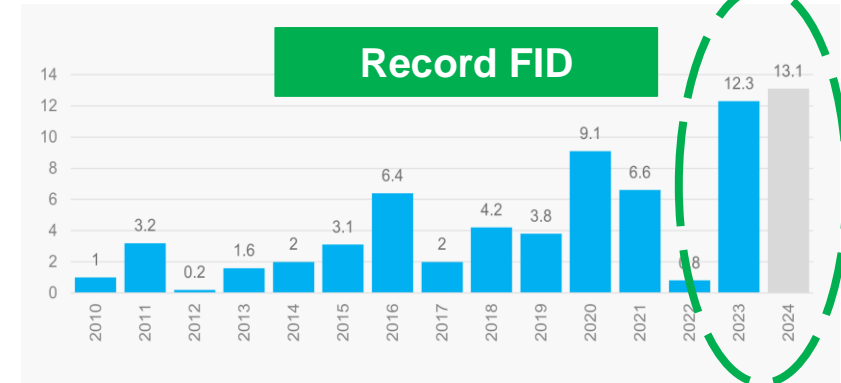
Cable Manufacturer Reported Backlog <sup>2</sup>



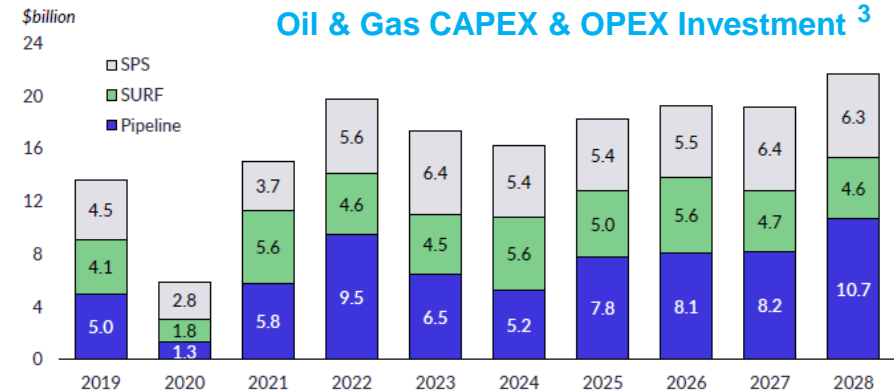
**“Strong adjusted backlog for Generation & Transmission, mainly subsea-driven, at €6.2 billion, up +19% compared to September 2023”**

– Nexans, 9M24 financial results announced on 30 October 2024

Investment: FID (GW) <sup>1</sup>



Oil & Gas CAPEX & OPEX Investment <sup>3</sup>



The offshore energy markets are aligned like never before

1. 4C Offshore  
 2. Listed company reported backlog  
 3. Westwood Subsea Logix

# Strategic and operational plan





Three-year plan to deliver true scale and transformation

### Scaling the Business

Capitalise on our industry pedigree and differentiated technology to outperform a growing market

Drive significant organic growth across all revenue streams

Incremental investment in product development and market diversification through an augmented product and services sales strategy

### Operational Gearing (2<sup>2</sup>)

Enhanced return on sales and positive cash generation through operational leverage

Utilisation of existing x3 production capacity

Reweighting of revenue streams towards and a shift to higher-margin services

Continued deployment of the Tekmar Lean Business Program

### Acquisitive Growth

Drive value with strategic M&A

Investing in scale, complementary products and services within existing core markets

Futureproofing our business by investing in next generation technology

### Financial strength

Strong finances with resilient earnings, diversified revenue streams, higher service share, improved margins, and strong cash generation

Free cash generation, building reserves & fuelling growth

Positive and growing Return on Capital Employed

x2 Revenue

+

x4 EBITDA

+

Acquisitions

=

Project Aurora

# Near-term actions

First 90 days

Ongoing for FY25+

## Stable growth platform

- Rounding off on FY24
- 2025 targets pinned down
- Managing cash well
- Further work on the market
- Org restructured
- Evaluation of M&A
- Building our 3-5 year plan
- Research published

## Energising for growth

Orders, orders, orders

Org model and best practice

Grouting investment

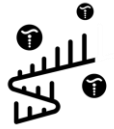
Resolve legacy

Technology Roadmap

Balance sheet strength

Execution of M&A opportunities

Unrivalled industry pedigree as a growth catalyst



Project  
**Aurora**

# Capturing organic growth potential

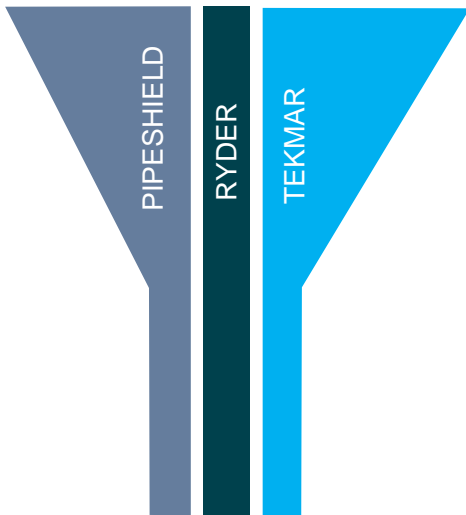


Tekmar Today

Medium Term



£300m

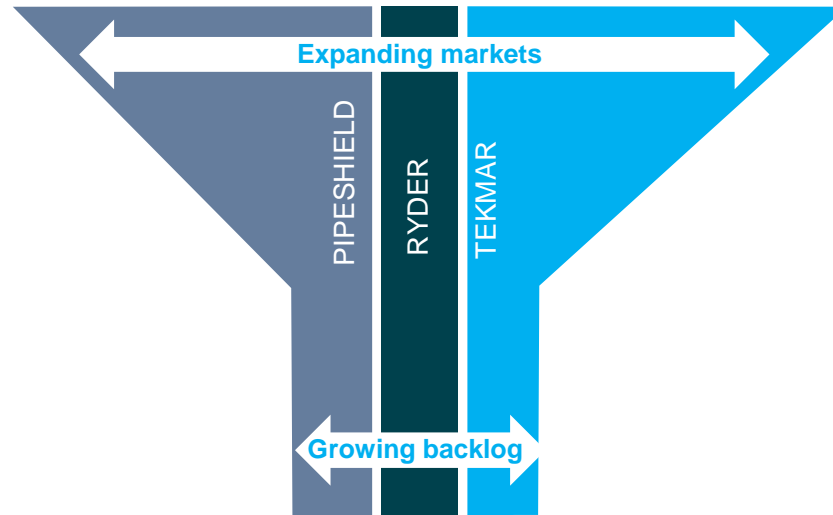


Revenue

Enquiry book



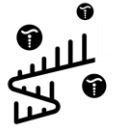
£600+m



2x Revenue

- ✓ We have an unrivalled track record
  - ✓ Our technology is differentiated
- Multiple routes to success:**
- ✓ Offshore wind and Oil & Gas markets are expanding
  - ✓ Additional growth in ports & harbours
  - ✓ We will increase win rate

We are positioned to outperform the market



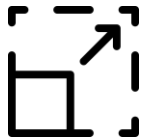
Project  
**Aurora**

## Beyond organic – acquisitive growth



Our ambition is to build a leading global offshore energy services business over time with the potential to create significant value for public market investors

### Investment Criteria



#### Bring affordable scale to the group

- Build value through scale and quality of earnings



#### Consolidate our market position

- Focussed on offshore energy
- Creating a unique full-systems service provider



#### Diversify revenue streams

- Geographical diversification
- Higher % revenues from services



#### New Technology

- Next generation technology
- Digitalisation

- Extensive M&A “Universe” mapping carried out by exec team
- Working with M&A committee on key targets
- Leverage the £18m of capital available through the SCF convertible loan note

# Delivering a step-change in growth and value

## FY25 Outlook

- Stable platform coming out of FY24
- FY25 EBITDA expected to be consistent with FY24<sup>1</sup>
- Order book expansion is a key focus for FY25
- Disciplined execution of M&A opportunities

## Summary

- Tekmar is a business with unrivalled industry pedigree
- Our people bring exceptional expertise and capability
- Our Board brings invaluable experience in building value for shareholders
- Our markets are aligned for sustained, profitable growth like never before
- Our strategic plan delivers record financial performance through organic growth
- The ambitious plan is further supplemented by meaningful M&A, supported by the CLN

1. Adjusted EBITDA for FY24 expected to be in the region of £1.8m as per the Trading & Strategy Update published on 2 December 2024