

Enabling the world's energy transition



Full Year Results

TEKMAR GROUP PLC

MARCH 2025

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



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Presentation team & agenda



Richard Turner
Chief Executive Officer



Leanne Wilkinson
Chief Financial Officer

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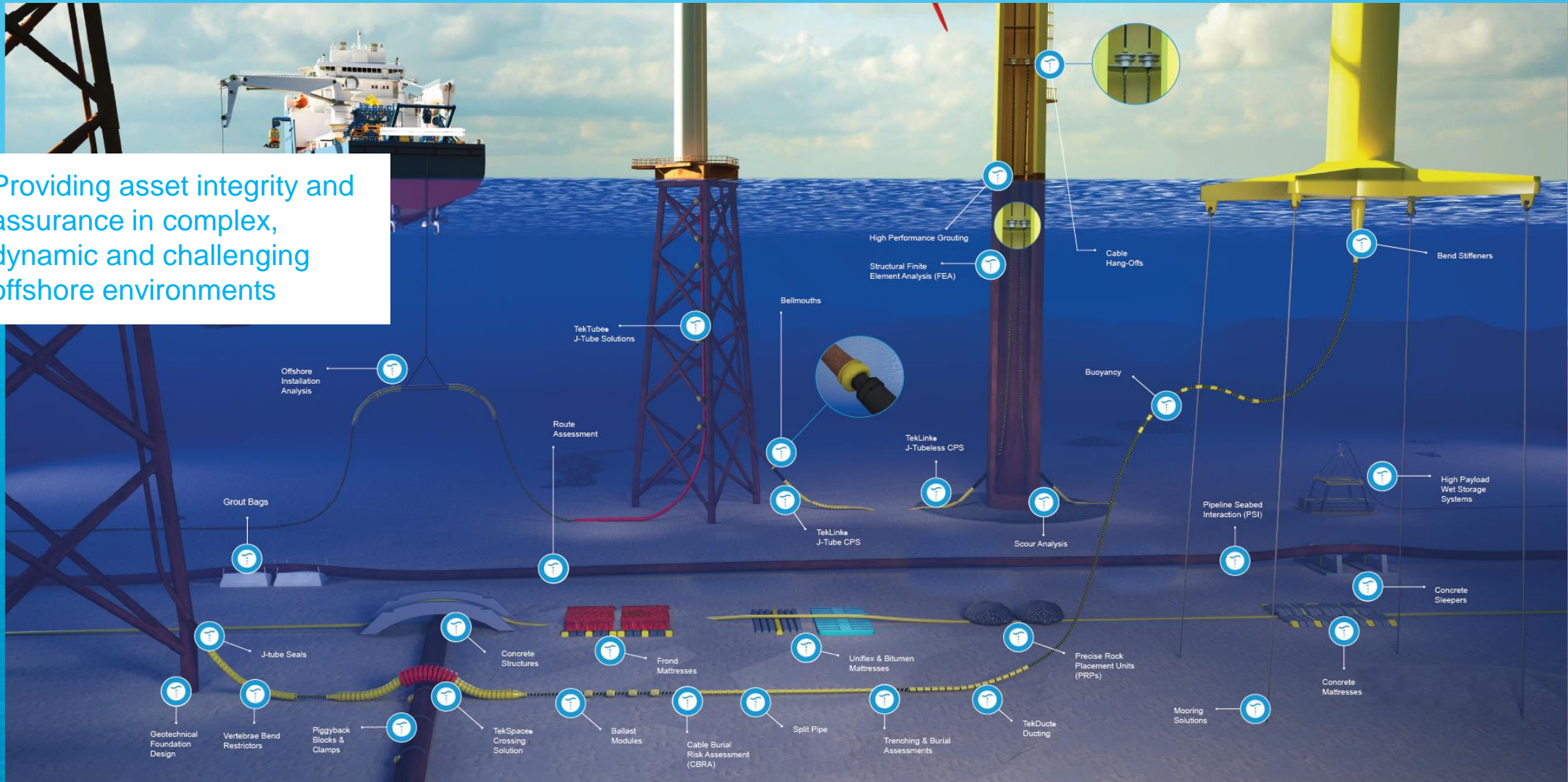


Summary & outlook

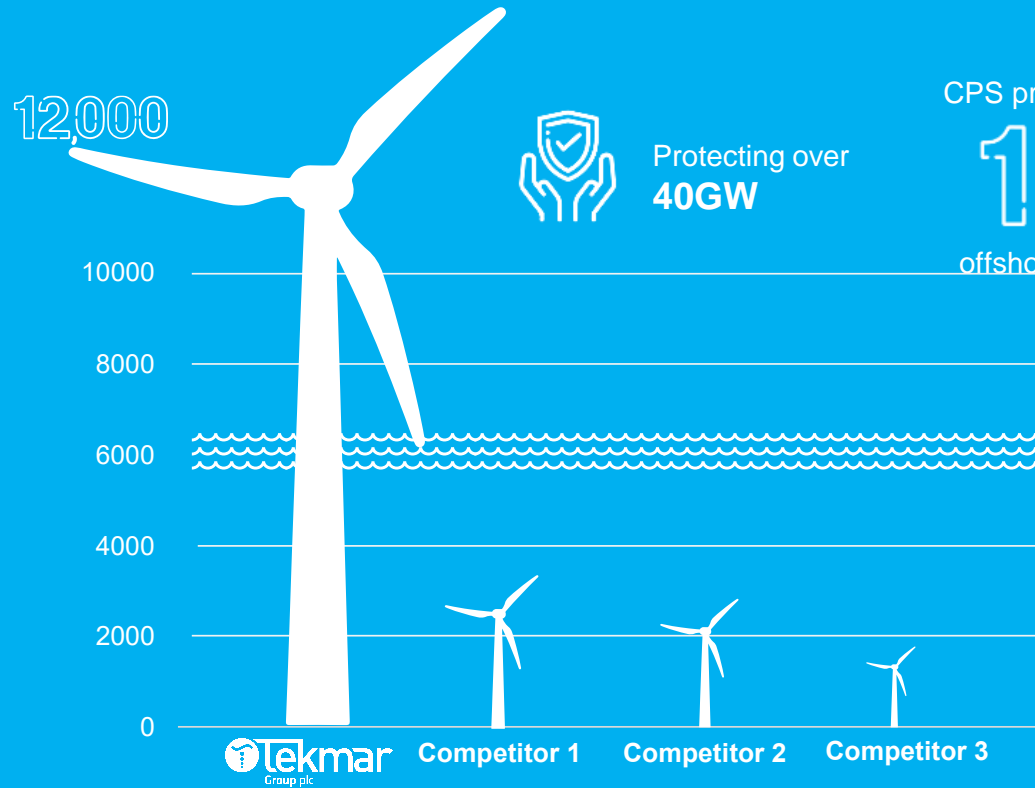
Tekmar - protecting what's beneath the surface

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



Our track record



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 **12,000 Cable Protection Systems (CPS)**

Our industry pedigree puts us **years ahead of our competition**

Headlines

Stable
Performance
FY24

Positioned for
Growth

Positive
Market
Outlook

Refreshed
Board
& Management
Team

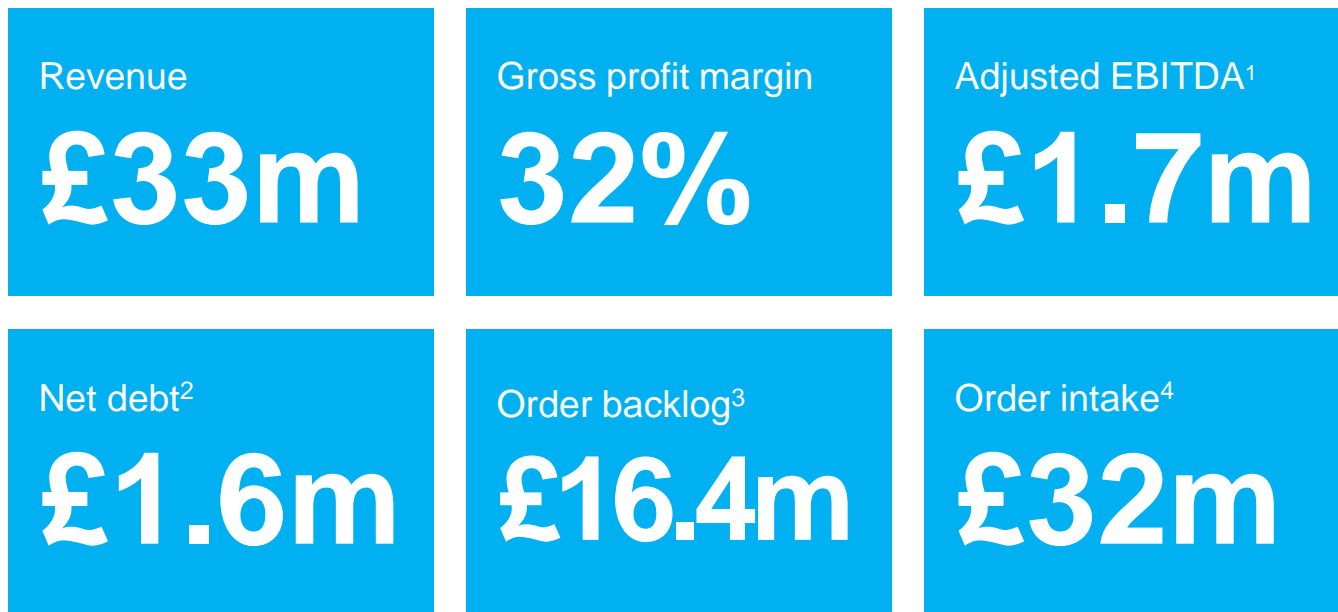
Launch of
Strategic Plan
– “Project
Aurora”

FY24 review



Platform for growth

The business has been stabilised with £1.7m EBITDA¹ for FY24 establishing a solid platform for growth



1. Adjusted Earnings before interest, tax, depreciation and amortisation
2. Net debt represents total cash less banking facilities
3. Order backlog is defined as signed and committed contracts with clients
4. Order intake is the value of contracts awarded in the year

Figures exclude Subsea Innovation Limited as treated as discontinued operations



- ✓ FY24 performance in-line with market expectations
- ✓ 880bps increase in gross profit margin
- ✓ Highest Adjusted EBITDA reported since FY20
- ✓ Net debt excludes SCF convertible (undrawn)
- ✓ Order book growth a key priority for FY25 with strong enquiry book

EBITDA improvement

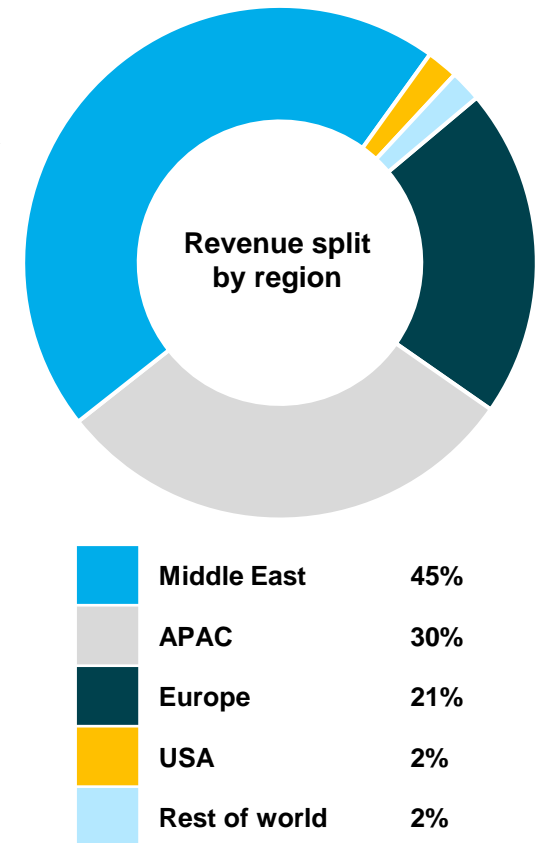
Highest level of EBITDA since FY20 highlights improved financial performance, but does not reflect the ambition we have or the opportunity ahead for sustained profit improvement

£m unless otherwise stated	FY24	FY23
Revenue	32.8	35.6
Gross Profit	10.5	8.3
Gross Margin	32.1%	23.3%
Offshore Energy	28.1%	17.3%
Marine Civils	37.5%	29.1%
Adjusted EBITDA	1.7	0.6
Offshore Energy	1.7	(1.2)
Marine Civils	2.6	3.5
Group Costs	(2.6)	(1.8)

Balanced revenue

Improved Gross Margins

Both divisions profitable



Adjusted Earnings before interest, tax, depreciation and amortisation
 Figures exclude Subsea Innovation Limited as treated as discontinued operations

Balance sheet highlights

Stable balance sheet with additional flexibility including from the investment property and £18m convertible loan note

£m	As at Sep-24	As at Sep-23	
Fixed Assets	4.5	6.8	
Investment property	2.8	0.0	£2.8m asset retained from disposal of Subsea Innovation (SIL) and leased to acquirer
Intangible assets	16.8	19.4	Includes deferred consideration of £1.7m relating to SIL disposal - remaining £0.5m due May 25
Inventory	1.9	2.1	
Trade & other receivables	20.3	19.7	Includes £5.2m insurance receipt covering a £5.8m provision relating to commercial settlement regarding warranty matters
Cash	4.6	5.2	
Current liabilities	(20.9)	(16.9)	
Non-current liabilities	(1.8)	(1.7)	Banking facilities - £4m trade loan (80% UKEF backed) - £3m CBIL facility
Equity	28.2	34.6	Balance sheet excludes £18m CLN which remains undrawn

FY25 overview

- FY25 EBITDA expected to be consistent with FY24
- Order book expansion is a key focus for FY25
- Recent awards include £5m offshore wind contract and Nexans 3-year framework agreement
- Increased asset base in offshore energy services drives attractive near-term returns
- Run rate CAPEX below £1m highlights the capital light business model
- Align banking facilities with strategic growth plan
- Disciplined execution of M&A opportunities

Focused on the path to free cash flow generation

Project Aurora



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 (2²)

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*

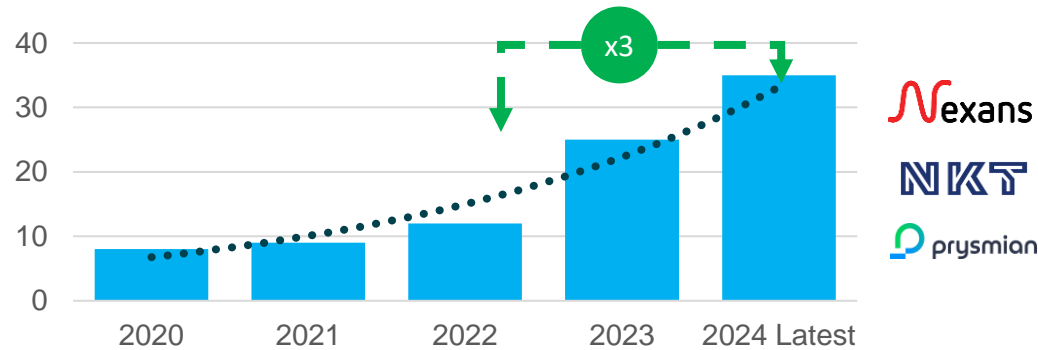
Continuing market improvement across offshore energy markets supports sustained demand for Tekmar's technology and engineering services

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 Backlog²



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

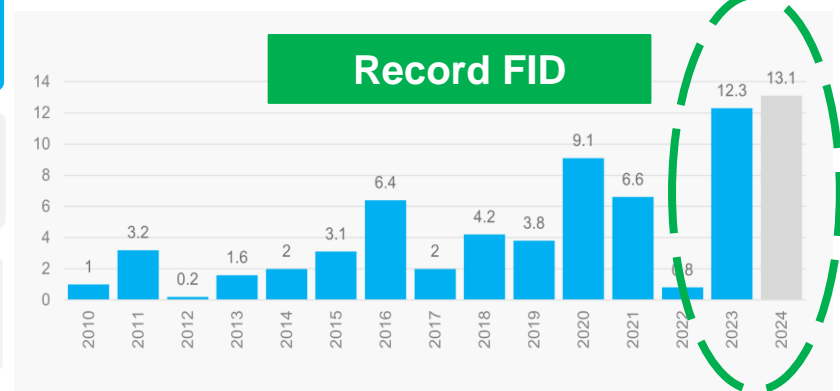
– Nexans, 9M24 financial results announced on 30 October 2024

2035 global ambition
410GW¹

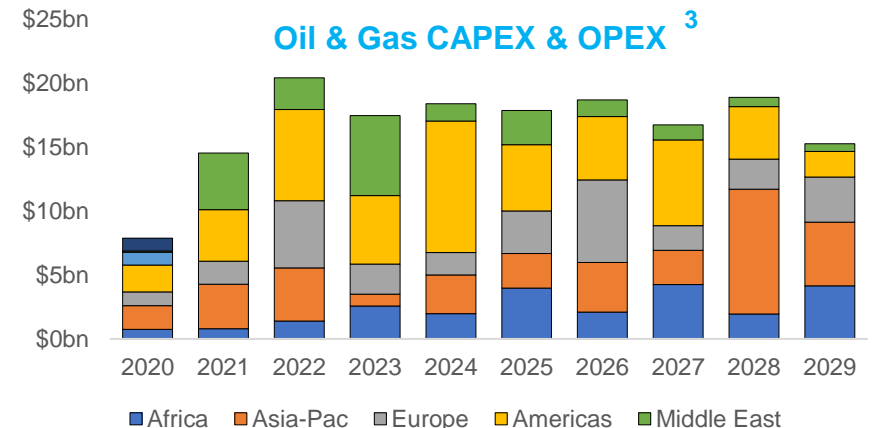
Commissioned
74.6GW¹

Under construction
26.8GW¹

Investment: FID (GW)¹

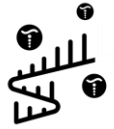


Oil & Gas CAPEX & OPEX³



The offshore energy markets are aligned like never before

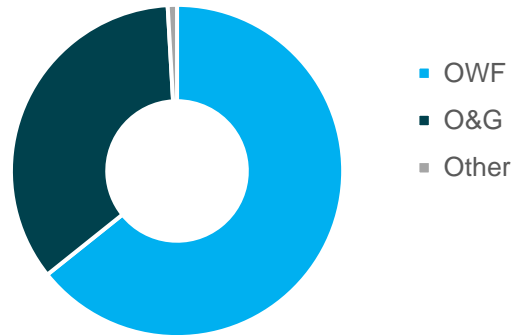
1. 4C Offshore
2. Listed company reported backlog
3. Westwood Subsea Logix



Key near-term initiatives – order intake

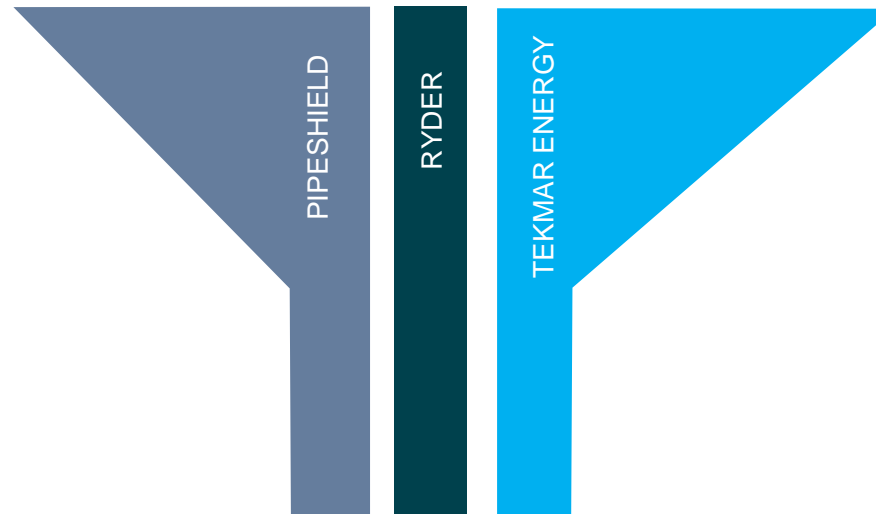
Enquiry book

Enquiry Pipeline by Sector

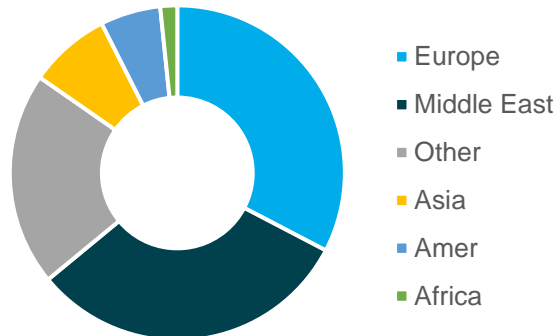


~~£300m~~

>£400m



Enquiry Pipeline by Region



- ✓ We have a strong enquiry book which has grown by £100m since December
- ✓ Our markets are growing
- ✓ Our technology is differentiated
- ✓ We can increase market share

We are positioned to outperform the market



Project
Aurora

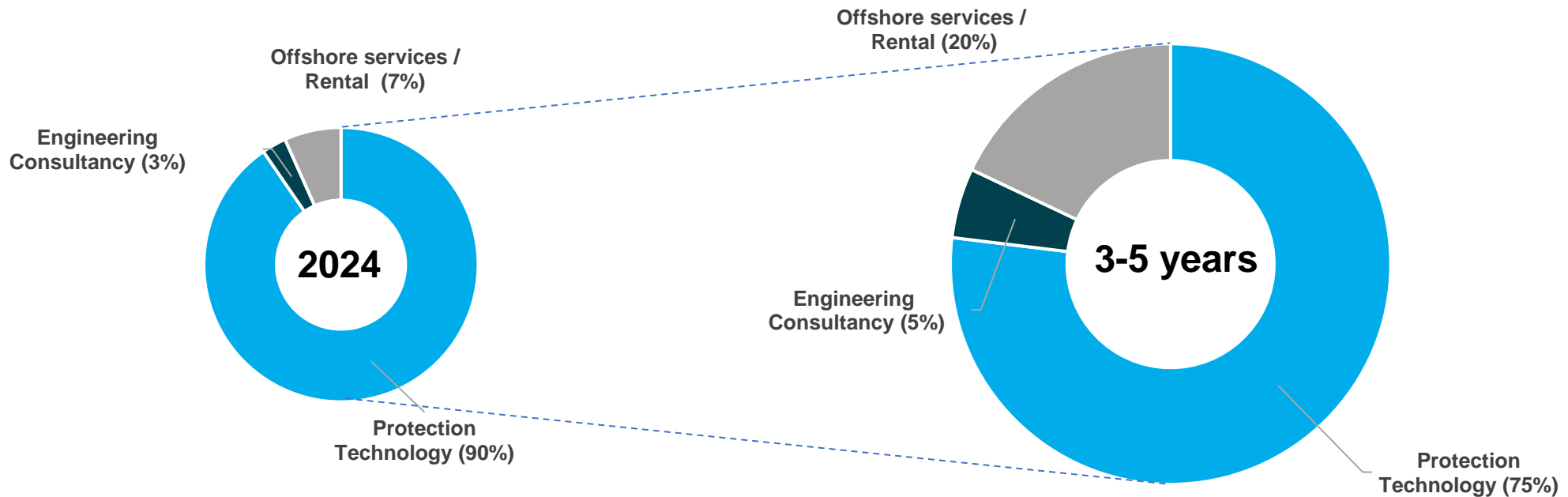
Strategic ambition



Tekmar Today:
Protecting what's beneath the surface



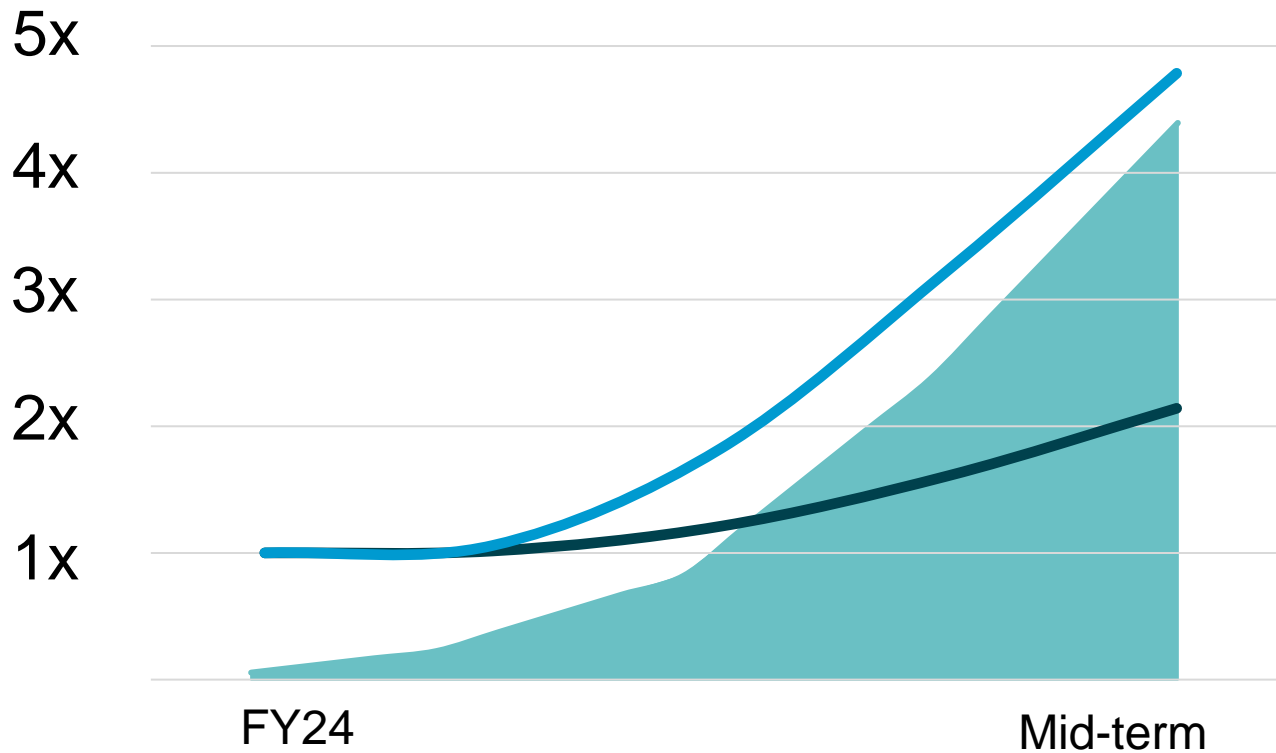
Tekmar Tomorrow:
Complete subsea systems solutions



Progressively add 'tools' to our 'toolkit' organically and through M&A, creating a comprehensive life of field offering (without major CAPEX or taking on significant vessel risk)



Organic plan generates cash to build our reserves and fuel our growth



Organic plan

- Conservative market assumptions
- Gearing effect drives strong uplift in EBITDA
- Capital light business model (low capex) drives strong conversion of profits to cash
- Compelling valuation as organic growth scales and free cash flow builds
- Builds cash reserves to accelerate organic growth and support M&A

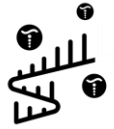
Revenue growth 2x

>4x EBITDA growth

Cumulative FCF build

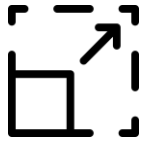
Accelerate growth

Chart highlights the scale increase of organic revenue and earnings growth from Project Aurora with FY2024 rebased to 100. FCF is free cash build over the period using EBITDA less maintenance CAPEX



Our ambition is to become a complete subsea systems solutions provider 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



Diversify revenue streams

- Geographical diversification
- Higher % revenues from offshore services



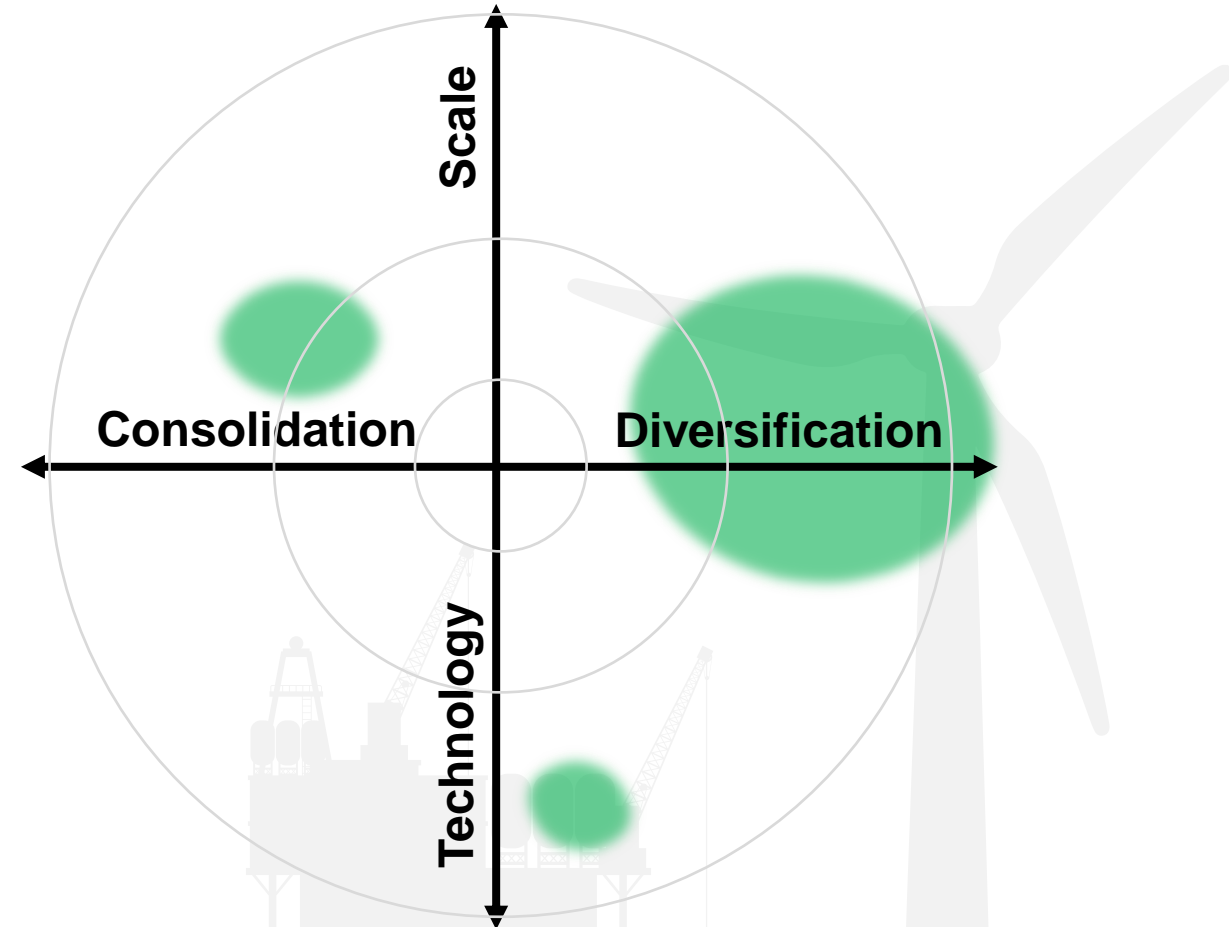
New Technology

- Next generation technology
- Digitalisation



Consolidate our market position

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



A series of accretive investments which support the delivery of our strategic ambition

Summary

Stable
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FY24

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Find out more

Research Note

The latest equity research on Tekmar Group plc is available to view on the Cavendish research portal, which can be accessed via Investors section of our website.

tekmargroup.com

Cavendish

AGM & site tour

Please join us at our AGM and site visit on Thursday, 27 March 2025.

Contact investors@tekmar.co.uk for more information

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