
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2024 or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to
Commission file number 1-37966

SEACOR Marine Holdings Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware
(State or Other Jurisdiction of
Incorporation or Organization)

47-2564547
(IRS Employer
Identification No.)

12121 Wickchester Lane, Suite 500, Houston, TX
(Address of Principal Executive Offices)

77079
(Zip Code)

Registrant's Telephone Number, Including Area Code: (346) 980-1700

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common stock, par value \$0.01 per share	SMHI	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The total number of shares of common stock, par value \$.01 per share ("Common Stock"), outstanding as of July 26, 2024 was 27,636,184. The registrant has no other class of common stock outstanding.

SEACOR MARINE HOLDINGS INC.

Table of Contents

Part I.	<u>Financial Information</u>	1
Item 1.	<u>Financial Statements (Unaudited)</u>	1
	<u>Condensed Consolidated Balance Sheets as of June 30, 2024 and December 31, 2023</u>	1
	<u>Condensed Consolidated Statements of Income (Loss) for the Three and Six Months Ended June 30, 2024 and 2023</u>	2
	<u>Condensed Consolidated Statements of Comprehensive Income (Loss) for the Three and Six Months Ended June 30, 2024 and 2023</u>	3
	<u>Condensed Consolidated Statements of Changes in Equity for the Three and Six Months Ended June 30, 2024 and 2023</u>	4
	<u>Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2024 and 2023</u>	6
	<u>Notes to Condensed Consolidated Financial Statements</u>	7
Item 2.	<u>Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	22
Item 3.	<u>Quantitative and Qualitative Disclosures About Market Risk</u>	44
Item 4.	<u>Controls and Procedures</u>	44
Part II.	<u>Other Information</u>	45
Item 1.	<u>Legal Proceedings</u>	45
Item 1A.	<u>Risk Factors</u>	45
Item 2.	<u>Unregistered Sales of Equity Securities and Use of Proceeds</u>	45
Item 3.	<u>Default Upon Senior Securities</u>	45
Item 4.	<u>Mine Safety Disclosures</u>	45
Item 5.	<u>Other Information</u>	45
Item 6.	<u>Exhibits</u>	46

PART I—FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

SEACOR MARINE HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 30, 2024	December 31, 2023
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 40,605	\$ 67,455
Restricted cash	2,255	16,676
Receivables:		
Trade, net of allowance for credit loss of \$4,586 and \$4,543 as of June 30, 2024 and December 31, 2023, respectively	70,770	63,728
Other	6,210	11,049
Tax receivable	983	983
Inventories	3,117	1,609
Prepaid expenses and other	5,659	2,686
Assets held for sale	500	500
Total current assets	130,099	164,686
Property and Equipment:		
Historical cost	921,443	918,823
Accumulated depreciation	(349,799)	(324,141)
Construction in progress	571,644	594,682
Net property and equipment	11,518	10,362
Right-of-use asset - operating leases	583,162	605,044
Right-of-use asset - finance leases	3,683	4,291
Investments, at equity, and advances to 50% or less owned companies	28	37
Other assets	2,641	4,125
Total assets	\$ 721,566	\$ 780,336
LIABILITIES AND EQUITY		
Current Liabilities:		
Current portion of operating lease liabilities	\$ 861	\$ 1,591
Current portion of finance lease liabilities	26	35
Current portion of long-term debt	28,605	28,365
Accounts payable	17,790	27,562
Accrued wages and benefits	3,412	5,083
Accrued interest	1,716	1,850
Unearned revenue	2,580	687
Accrued capital, repair, and maintenance expenditures	7,300	2,471
Accrued insurance deductibles and premiums	3,073	3,189
Other current liabilities	5,714	6,253
Total current liabilities	71,077	77,086
Long-term operating lease liabilities	3,276	3,529
Long-term finance lease liabilities	5	6
Long-term debt	277,740	287,544
Deferred income taxes	30,083	35,718
Deferred gains and other liabilities	1,447	2,229
Total liabilities	383,628	406,112
Equity:		
SEACOR Marine Holdings Inc. stockholders' equity:		
Common stock, \$.01 par value, 60,000,000 shares authorized; 28,433,110 and 27,665,792 shares issued as of June 30, 2024 and December 31, 2023, respectively	286	280
Additional paid-in capital	476,020	472,692
Accumulated deficit	(138,028)	(102,425)
Shares held in treasury of 796,926 and 418,014 as of June 30, 2024 and December 31, 2023, respectively, at cost	(8,110)	(4,221)
Accumulated other comprehensive income, net of tax	7,449	7,577
Noncontrolling interests in subsidiaries	337,617	373,903
Total equity	321	321
Total liabilities and equity	\$ 721,566	\$ 780,336

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR MARINE HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME (LOSS)
(in thousands, except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating Revenues	\$ 69,867	\$ 68,319	\$ 132,637	\$ 129,528
Costs and Expenses:				
Operating	49,520	37,730	97,619	76,239
Administrative and general	10,889	13,704	22,806	25,336
Lease expense	486	698	967	1,418
Depreciation and amortization	12,939	13,575	25,821	27,337
	73,834	65,707	147,213	130,330
Gains on Asset Dispositions and Impairments, Net	37	265	36	3,864
Operating (Loss) Income	(3,930)	2,877	(14,540)	3,062
Other Income (Expense):				
Interest income	445	422	1,038	882
Interest expense	(10,190)	(8,736)	(20,499)	(17,524)
Derivative gains (losses), net	104	—	(439)	—
Foreign currency losses, net	(560)	(603)	(640)	(1,428)
Other, net	—	—	(95)	—
	(10,201)	(8,917)	(20,635)	(18,070)
Loss Before Income Tax (Benefit) Expense and Equity in Earnings (Losses) of 50% or Less Owned Companies	(14,131)	(6,040)	(35,175)	(15,008)
Income Tax (Benefit) Expense	(682)	(1,096)	243	61
Loss Before Equity in Earnings (Losses) of 50% or Less Owned Companies	(13,449)	(4,944)	(35,418)	(15,069)
Equity in Earnings (Losses) of 50% or Less Owned Companies	966	373	(134)	909
Net Loss	<u>\$ (12,483)</u>	<u>\$ (4,571)</u>	<u>\$ (35,552)</u>	<u>\$ (14,160)</u>
Net Loss Per Share:				
Basic	\$ (0.45)	\$ (0.17)	\$ (1.29)	\$ (0.52)
Diluted	(0.45)	(0.17)	(1.29)	(0.52)
Weighted Average Common Stock and Warrants Outstanding:				
Basic	27,729,033	27,137,873	27,536,319	26,981,004
Diluted	27,729,033	27,137,873	27,536,319	26,981,004

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR MARINE HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Loss	\$ (12,483)	\$ (4,571)	\$ (35,552)	\$ (14,160)
Other Comprehensive (Loss) Income:				
Foreign currency translation (losses) gains	(57)	932	(128)	1,600
Derivative gains on cash flow hedges	—	39	—	53
Reclassification of derivative gains on cash flow hedges to interest expense	—	(206)	—	(372)
	(57)	765	(128)	1,281
Income Tax Expense	—	—	—	—
	(57)	765	(128)	1,281
Comprehensive Loss	<u>\$ (12,540)</u>	<u>\$ (3,806)</u>	<u>\$ (35,680)</u>	<u>\$ (12,879)</u>

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SEACOR MARINE HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(in thousands, except share data)

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-In Capital	Shares Held in Treasury	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehen- sive Income	Non- Controlling Interests In Subsidiaries	Total Equity
For the Six Months Ended June 30, 2024									
December 31, 2023	27,184,778	\$ 280	\$ 472,692	481,014	\$ (4,221)	\$ (102,425)	\$ 7,577	\$ 321	\$ 374,224
Restricted stock grants	563,271	6	—	—	—	—	—	—	6
Amortization of share awards	—	—	3,226	—	—	—	—	—	3,226
Exercise of options	9,166	—	102	—	—	—	—	—	102
Restricted stock vesting	(251,333)	—	—	251,333	(3,120)	—	—	—	(3,120)
Performance restricted stock vesting	96,150	—	—	61,305	(769)	—	—	—	(769)
Director share awards	37,426	—	—	—	—	—	—	—	—
Director restricted stock vesting	(3,274)	—	—	3,274	—	—	—	—	—
Net loss	—	—	—	—	—	(35,552)	—	—	(35,552)
Other comprehensive loss	—	—	—	—	—	(51)	(128)	—	(179)
June 30, 2024	27,636,184	\$ 286	\$ 476,020	796,926	\$ (8,110)	\$ (138,028)	\$ 7,449	\$ 321	\$ 337,938
For the Three Months Ended June 30, 2024									
March 31, 2024	27,602,032	\$ 286	\$ 474,433	793,652	\$ (8,071)	\$ (125,609)	\$ 7,506	\$ 321	\$ 348,866
Amortization of share awards	—	—	1,587	—	—	—	—	—	1,587
Restricted stock vesting	—	—	—	—	(39)	—	—	—	(39)
Director share awards	37,426	—	—	—	—	—	—	—	—
Director restricted stock vesting	(3,274)	—	—	3,274	—	—	—	—	—
Net loss	—	—	—	—	—	(12,483)	—	—	(12,483)
Other comprehensive income	—	—	—	—	—	64	(57)	—	7
June 30, 2024	27,636,184	\$ 286	\$ 476,020	796,926	\$ (8,110)	\$ (138,028)	\$ 7,449	\$ 321	\$ 337,938

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

	Shares of Common Stock Outstanding	Common Stock	Additional Paid-In Capital	Shares Held in Treasury	Treasury Stock	Accumulated Deficit	Accumulated Other Comprehen- sive Income	Non- Controlling Interests In Subsidiaries	Total Equity
For the Six Months Ended June 30, 2023									
December 31, 2022	26,702,161	\$ 272	\$ 466,669	248,638	\$ (1,852)	\$ (93,111)	\$ 6,847	\$ 321	\$ 379,146
Restricted stock grants	525,397	6	—	—	—	—	—	—	6
Amortization of share awards	—	—	2,943	—	—	—	—	—	2,943
Exercise of options	834	—	6	—	—	—	—	—	6
Exercise of warrants	117,394	1	—	121	(1)	—	—	—	—
Restricted stock vesting	(232,239)	—	—	232,239	(2,368)	—	—	—	(2,368)
Director share awards	60,938	1	—	—	—	—	—	—	1
Forfeiture of employee share awards	(15,000)	—	—	—	—	—	—	—	—
Net loss	—	—	—	—	—	(14,160)	—	—	(14,160)
Other comprehensive income	—	—	—	—	—	—	1,281	—	1,281
June 30, 2023	<u>27,159,485</u>	<u>\$ 280</u>	<u>\$ 469,618</u>	<u>480,998</u>	<u>\$ (4,221)</u>	<u>\$ (107,271)</u>	<u>\$ 8,128</u>	<u>\$ 321</u>	<u>\$ 366,855</u>
For the Three Months Ended June 30, 2023									
March 31, 2023	27,105,578	\$ 279	\$ 467,896	468,966	\$ (4,119)	\$ (102,700)	\$ 7,363	\$ 321	\$ 369,040
Restricted stock grants	5,001	—	—	—	—	—	—	—	—
Amortization of share awards	—	—	1,722	—	—	—	—	—	1,722
Restricted stock vesting	(12,032)	—	—	12,032	(102)	—	—	—	(102)
Director share awards	60,938	1	—	—	—	—	—	—	1
Net loss	—	—	—	—	—	(4,571)	—	—	(4,571)
Other comprehensive income	—	—	—	—	—	—	765	—	765
June 30, 2023	<u>27,159,485</u>	<u>\$ 280</u>	<u>\$ 469,618</u>	<u>480,998</u>	<u>\$ (4,221)</u>	<u>\$ (107,271)</u>	<u>\$ 8,128</u>	<u>\$ 321</u>	<u>\$ 366,855</u>

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR MARINE HOLDINGS INC.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Six Months Ended June 30,	
	2024	2023
Cash Flows from Operating Activities:		
Net Loss	\$ (35,552)	\$ (14,160)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	25,821	27,337
Deferred financing costs amortization	592	841
Stock-based compensation expense	3,232	2,950
Debt discount amortization	3,919	3,185
Allowance for credit losses	42	2,659
Gain from equipment sales, retirements or impairments	(36)	(3,864)
Derivative losses	439	—
Interest on finance leases	1	142
Settlements on derivative transactions, net	164	380
Currency losses	640	1,428
Deferred income taxes	(5,635)	(6,741)
Equity losses (earnings)	134	(909)
Dividends received from 50% or less owned companies	1,418	1,044
Changes in Operating Assets and Liabilities:		
Accounts receivables	(2,637)	(12,996)
Other assets	(3,685)	1,062
Accounts payable and accrued liabilities	(8,273)	973
Net cash (used in) provided by operating activities	(19,416)	3,331
Cash Flows from Investing Activities:		
Purchases of property and equipment	(4,074)	(505)
Proceeds from disposition of property and equipment	86	8,038
Principal payments on notes due from others	—	10,000
Net cash (used in) provided by investing activities	(3,988)	17,533
Cash Flows from Financing Activities:		
Payments on long-term debt	(14,063)	(18,091)
Payments on debt extinguishment	—	(26,772)
Proceeds from issuance of long-term debt, net of issuance costs	—	27,181
Payments on finance leases	(18)	(318)
Proceeds from exercise of stock options	102	6
Tax withholdings on restricted stock vesting and director share awards	(3,889)	(2,368)
Net cash used in financing activities	(17,868)	(20,362)
Effects of Exchange Rate Changes on Cash, Restricted Cash and Cash Equivalents	1	(1)
Net Change in Cash, Restricted Cash and Cash Equivalents	(41,271)	501
Cash, Restricted Cash and Cash Equivalents, Beginning of Period	84,131	43,045
Cash, Restricted Cash and Cash Equivalents, End of Period	<u>\$ 42,860</u>	<u>\$ 43,546</u>
Supplemental disclosures:		
Cash paid for interest, excluding capitalized interest	\$ 16,122	\$ 14,291
Income taxes paid, net	50	556
Noncash Investing and Financing Activities:		
(Decrease) increase in capital expenditures in accounts payable and accrued liabilities	(703)	51
Recognition of a new right-of-use asset - operating leases	—	348
Recognition of a new right-of-use asset - financing leases	7	—

The accompanying notes are an integral part of these condensed consolidated financial statements and should be read in conjunction herewith.

SEACOR MARINE HOLDINGS INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. BASIS OF PRESENTATION AND ACCOUNTING POLICIES

The condensed consolidated financial statements include the accounts of SEACOR Marine Holdings Inc. and its consolidated subsidiaries (the "Company"). In the opinion of management, all adjustments (consisting of normal recurring adjustments) have been made to fairly present the unaudited condensed consolidated financial statements for the periods indicated. Results of operations for the interim periods presented are not necessarily indicative of operating results for the full year or any future periods.

Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles in the United States ("GAAP") have been condensed or omitted. These condensed consolidated financial statements should be read in conjunction with the Company's financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report").

Unless the context otherwise indicates, any reference in this Quarterly Report on Form 10-Q to the "Company" refers to SEACOR Marine Holdings Inc. and its consolidated subsidiaries, and any reference in this Quarterly Report on Form 10-Q to "SEACOR Marine" refers to SEACOR Marine Holdings Inc. without its consolidated subsidiaries.

Recently Issued Accounting Standards.

On December 14, 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities to disclose information about their effective tax rate reconciliation and information on income taxes paid. The guidance is effective for fiscal years beginning after December 15, 2024. While early adoption is permitted, the Company has determined it will not early adopt the standard. The Company has not yet determined the impact that the adoption of the standard will have on the Company's consolidated financial position, results of operations and disclosures.

On November 27, 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments' significant expenses on an interim and annual basis. The guidance is effective for fiscal years beginning after December 15, 2023 and interim periods within the fiscal years beginning after December 15, 2024. While early adoption is permitted, the Company has determined it will not early adopt the standard. The Company has not yet determined the impact that the adoption of the standard will have on the Company's consolidated financial position, results of operations and disclosures.

On October 9, 2023, the FASB issued ASU 2023-06, Disclosure Improvements: Codification Amendments in Response to the United States Securities and Exchange Commission's ("SEC") Disclosure Update and Simplification Initiative, which amends the disclosure or presentation requirements related to various subtopics in the FASB Accounting Standards Codification. The effective date is contingent on when the SEC removes the related disclosure from Regulation S-X or Regulation S-K, with early adoption prohibited. The Company does not believe the adoption of the standard will have a material effect on the Company's consolidated financial position, results of operations and disclosures.

Accounting Policies.

Basis of Consolidation. The consolidated financial statements include the accounts of SEACOR Marine and its controlled subsidiaries. Control is generally deemed to exist if the Company has greater than 50% of the voting rights of a subsidiary. All significant intercompany accounts and transactions are eliminated in the combination and consolidation.

Noncontrolling interests in consolidated subsidiaries are included in the consolidated balance sheets as a separate component of equity. The Company reports consolidated net income (loss) inclusive of both the Company's and the noncontrolling interests' share, as well as the amounts of consolidated net income (loss) attributable to each of the Company and the noncontrolling interests. If a subsidiary is deconsolidated upon a change in control, any retained noncontrolling equity investment in the former controlled subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value. If a subsidiary is consolidated upon the business acquisition of controlling interests by the Company, any previous noncontrolled equity investment in the subsidiary is measured at fair value and a gain or loss is recognized in net income (loss) based on such fair value.

The Company employs the equity method of accounting for investments in 50% or less owned companies that it does not control but has the ability to exercise significant influence over the operating and financial policies of the business venture. Significant influence is generally deemed to exist if the Company has between 20% and 50% of the voting rights of a business venture but may exist when the Company's ownership percentage is less than 20%. In certain circumstances, the Company may have an economic interest in excess of 50% but may not control and consolidate the business venture. Conversely, the Company may have an economic interest less than 50% but may control and consolidate the business venture. The Company reports its investments in and advances to these business ventures in the accompanying consolidated balance sheets as investments, at equity, and advances to 50% or less owned companies. The Company reports its share of earnings from investments in 50% or less owned companies in the accompanying consolidated statements of income (loss) as equity in earnings of 50% or less owned companies, net of tax.

Certain reclassifications were made to previously reported amounts in the consolidated financial statements and notes thereto to make them consistent with the current period presentation.

Use of Estimates. The preparation of financial statements in conformity with accounting principles generally accepted in the United States ("U.S.") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from estimates and those differences may be material.

Revenue Recognition. Revenue is recognized when (or as) the Company transfers promised goods or services to its customers in amounts that reflect the consideration to which the Company expects to be entitled to in exchange for those goods or services, which occurs when (or as) the Company satisfies its contractual obligations and transfers over control of the promised goods or services to its customers. The Company recognizes revenue, net of sales taxes, based on its estimates of the consideration the Company expects to receive. Costs to obtain or fulfill a contract are expensed as incurred.

The Company earns revenue primarily from the time charter and bareboat charter of vessels to customers. Since the Company charges customers based upon daily rates of hire, vessel revenues are recognized on a daily basis throughout the contract period. Under a time charter, the Company provides a vessel to a customer and is responsible for all operating expenses, typically excluding fuel. Under a bareboat charter, the Company provides a vessel to a customer and the customer assumes responsibility for all operating expenses and assumes all risks of operation. In the U.S. Gulf of Mexico, time charter durations and rates are typically established in the context of master service agreements that govern the terms and conditions of the charter.

In the Company's operating areas, contracts or charters vary in length from several days to multi-year periods. Many of the Company's contracts and charters include cancellation clauses without early termination penalties. As a result of cancellations, options and frequent renewals, the stated duration of charters may not correlate with the length of time the vessel is contracted for to provide services to a particular customer.

The Company contracts with various customers to carry out management services for vessels as agents for and on behalf of ship owners. These services include crew management, technical management, commercial management, insurance arrangements, sale and purchase of vessels, provisions and bunkering. As the manager of the vessels, the Company undertakes to use its best endeavors to provide the agreed management services as agents for and on behalf of the owners in accordance with sound ship management practice and to protect and promote the interest of the owners in all matters relating to the provision of services thereunder. The Company also contracts with various customers to carry out management services regarding engineering for vessel construction and vessel conversions. The vast majority of the ship management agreements span one to three years and are typically billed on a monthly basis. The Company transfers control of the service to the customer and satisfies its performance obligation over the term of the contract, and therefore recognizes revenue over the term of the contract while related costs are expensed as incurred.

Revenue that does not meet these criteria is deferred until the criteria is met and is considered a contract liability and is recognized as such. Contract liabilities, which are included in unearned revenue in the accompanying consolidated balance sheets, as of June 30, 2024 and December 31, 2023 were as follows (in thousands):

	2024	2023
Balance at beginning of period	\$ 687	\$ 2,333
Unearned revenues during the period	4,733	6,501
Revenues recognized during the period	(2,840)	(8,147)
Balance at end of period	<u>\$ 2,580</u>	<u>\$ 687</u>

As of June 30, 2024 and December 31, 2023, the Company had unearned revenue of \$2.6 million and \$0.7 million, respectively, primarily related to mobilization of vessels.

Direct Operating Expenses. Direct operating costs and expenses, other than leased-in equipment expense, consist primarily of costs and expenses such as: personnel; repairs and maintenance; drydocking; insurance and loss reserves; fuel, lubes and supplies; and other expenses, which include costs such as brokers' commissions, communication costs, expenses incurred in mobilizing vessels between geographic regions, third party ship management fees, freight expenses, and customs and importation duties. Direct operating costs are expensed as incurred.

Cash and Cash Equivalents. The Company considers all highly liquid investments, with an original maturity of three months or less from the date purchased, to be cash equivalents.

Restricted Cash. Restricted cash primarily relates to banking facility requirements.

Trade and Other Receivables and Allowance for Credit Losses. Customers are primarily major integrated national, international oil companies, large independent oil and natural gas exploration and production companies and established wind farm construction companies. Customers are granted credit on a short-term basis and the related credit risks are minimal. Other receivables consist primarily of operating expenses the Company incurs in relation to vessels it manages for other entities, as well as insurance and income tax receivables. The Company routinely reviews its receivables and makes provisions for expected credit losses utilizing the Current Expected Credit Losses model ("CECL"). The CECL model utilizes a lifetime expected credit loss measurement objective for the recognition of credit losses for loans and other receivables at the time the financial asset is originated or acquired. However, those provisions are estimates and actual results may materially differ from those estimates.

After collection efforts have been exhausted, trade receivables that are deemed uncollectible are removed from both accounts receivable and the allowance for credit losses.

Property and Equipment. Equipment, stated at cost, is depreciated using the straight-line method over the estimated useful life of the asset to an estimated salvage value. With respect to each class of asset, the estimated useful life is based upon a newly built asset being placed into service and represents the time period beyond which it is typically not justifiable for the Company to continue to operate the asset in the same or similar manner. From time to time, the Company may acquire older vessels that have already exceeded the Company's useful life policy, in which case the Company depreciates such assets based on its best estimate of the asset's remaining useful life, typically the period until the next survey or certification date. As of June 30, 2024, the estimated useful life of the Company's new offshore support vessels was 20 years.

Equipment maintenance and repair costs and the costs of routine overhauls, drydockings and inspections performed on vessels and equipment are charged to operating expense as incurred. Expenditures that extend the useful life or improve the marketing and commercial characteristics of equipment as well as major renewals and improvements to other properties are capitalized.

Certain interest costs incurred during the construction of equipment are capitalized as part of the assets' carrying values and are amortized over such assets' estimated useful lives. There was no capitalized interest recognized during the six months ended June 30, 2024 and 2023.

Assets Held for Sale. As of June 30, 2024, one anchor handling towing supply vessel ("AHTS") previously included in the Africa and Europe segment, with a carrying value of \$0.5 million, was classified as assets held for sale as the Company expects to sell the vessel within one year.

Impairment of Long-Lived Assets. The Company performs an impairment analysis of long-lived assets used in operations when indicators of impairment are present. These indicators may include a significant decrease in the market price of a long-lived asset or asset group, a significant adverse change in the extent or manner in which a long-lived asset or asset group is being used or in its physical condition, or a current period operating or cash flow loss combined with a history of operating or cash flow losses or a forecast that demonstrates continuing losses associated with the use of a long-lived asset or asset group. If the carrying values of the assets are not recoverable, as determined by their estimated future undiscounted cash flows, the estimated fair value of the assets or asset groups are compared to their current carrying values and impairment charges are recorded if the carrying value exceeds fair value.

During the six months ended June 30, 2024 and 2023, the Company did not record impairment charges on any owned or leased-in vessels. Impairment charges are included in gains (losses) on asset dispositions and impairments in the accompanying consolidated statements of income (loss). Estimated fair values for the Company owned vessels were established by independent appraisers based on researched market information, replacement cost information and other data.

For vessel classes and individual vessels with indicators of impairment as of June 30, 2024, the Company estimated that their future undiscounted cash flows exceeded their current carrying values. However, the Company's estimates of future undiscounted cash flows are highly subjective as utilization and rates per day worked are uncertain, especially in light of the continued volatility in commodity prices as well as the timing and cost of reactivating cold-stacked vessels. If market conditions decline, changes in the Company's expectations on future cash flows may result in recognizing additional impairment charges related to its long-lived assets in future periods. For any vessel or vessel class that has indicators of impairment and is deemed not recoverable through future operations, the Company determines the fair value of the vessel or vessel class. If the fair value determination is less than the carrying value of the vessel or vessel class, an impairment is recognized to reduce

the carrying value to fair value. Fair value determination is primarily accomplished by obtaining independent valuations of vessel or vessel classes from qualified third-party appraisers.

Impairment of 50% or Less Owned Companies. Investments in 50% or less owned companies are reviewed periodically to assess whether there is an other-than-temporary decline in the carrying value of the investment. In its evaluation, the Company considers, among other items, recent and expected financial performance and returns, impairments recorded by the investee and the capital structure of the investee. When the Company determines the estimated fair value of an investment is below carrying value and the decline is other-than-temporary, the investment is written down to its estimated fair value. Actual results may vary from the Company's estimates due to the uncertainty regarding projected financial performance, the severity and expected duration of declines in value and the available liquidity in the capital markets to support the continuing operations of the investee, among other factors. Although the Company believes its assumptions and estimates are reasonable, the investee's actual performance compared with the estimates could produce different results and lead to additional impairment charges in future periods. During the six months ended June 30, 2024 and 2023, the Company did not recognize any impairment charges related to its 50% or less owned companies.

Income Taxes. During the six months ended June 30, 2024, the Company's effective income tax rate of 0.7% was primarily due to foreign taxes paid that are not creditable against U.S. income taxes and foreign losses for which there is no benefit for U.S. income tax purposes.

Accumulated Other Comprehensive Income (Loss). The components of accumulated other comprehensive income were as follows (in thousands):

	SEACOR Marine Holdings Inc. Stockholders' Equity				
	Foreign Currency Translation Adjustments	Derivative Gains (Losses) on Cash Flow Hedges, net		Total Other Comprehensive Income	
December 31, 2023	\$ 7,577	\$ —	—	\$ 7,577	
Other comprehensive loss	(128)	—	—	(128)	
Balance as of June 30, 2024	<u>\$ 7,449</u>	<u>\$ —</u>	<u>—</u>	<u>\$ 7,449</u>	

Earnings (Loss) Per Share. Basic earnings/loss per share of Common Stock of SEACOR Marine is computed based on the weighted average number of shares of Common Stock and warrants to purchase Common Stock at an exercise price of \$0.01 per share ("Warrants") issued and outstanding during the relevant periods. The Warrants are included in the basic earnings/loss per share of Common Stock because the shares issuable upon exercise of the Warrants are issuable for de minimis cash consideration and therefore not anti-dilutive. Diluted earnings/loss per share of Common Stock is computed based on the weighted average number of shares of Common Stock and Warrants issued and outstanding plus the effect of other potentially dilutive securities through the application of the treasury stock method and the if-converted method that assumes all shares of Common Stock have been issued and outstanding during the relevant periods pursuant to the conversion of the New Convertible Notes unless anti-dilutive.

For the three and six months ended June 30, 2024 and 2023, diluted loss per share of Common Stock excluded 2,978,724 shares of Common Stock issuable upon conversion of the New Convertible Notes as the effect of their inclusion in the computation would be anti-dilutive.

In addition, for the three and six months ended June 30, 2024 and 2023 diluted loss per share of Common Stock excluded 1,386,148 and 1,642,084 shares of restricted stock, respectively, and 1,016,865 and 1,026,031 shares of Common Stock, respectively, issuable upon exercise of outstanding stock options, as the effect of their inclusion in the computation would be anti-dilutive.

2.EQUIPMENT ACQUISITIONS AND DISPOSITIONS

During the six months ended June 30, 2024, capital expenditures were \$4.1 million and there were no equipment deliveries and no vessel sales. During the six months ended June 30, 2024, the Company sold other equipment for net cash proceeds of \$0.1 million, after transaction costs, and a de minimis gain. During the six months ended June 30, 2023, the Company sold three liftboats, one specialty vessel, previously removed from service, and other equipment, previously classified as held for sale, as well as other equipment not previously classified as such, for net cash proceeds of \$8.0 million, after transaction costs, and a gain of \$2.9 million.

3.INVESTMENTS, AT EQUITY AND ADVANCES TO 50% OR LESS OWNED COMPANIES

Investments, at equity, and advances to 50% or less owned companies as of June 30, 2024 and December 31, 2023 were as follows (in thousands):

	Ownership	2024	2023
Seabulk Angola	49.0%	\$ 240	\$ 1,668
SEACOR Marine Arabia	45.0%	2,330	2,385
Other	20.0% - 50.0%	71	72
		<u>\$ 2,641</u>	<u>\$ 4,125</u>

4.LONG-TERM DEBT

The Company's long-term debt obligations as of June 30, 2024 and December 31, 2023 were as follows (in thousands):

	June 30, 2024	December 31, 2023
Guaranteed Notes	\$ 90,000	\$ 90,000
New Convertible Notes	35,000	35,000
2023 SMFH Credit Facility	112,850	118,950
Sea-Cat Crewzer III Term Loan Facility	12,990	14,227
SEACOR Delta Shipyard Financing	64,202	68,647
SEACOR Alpine Credit Facility	23,920	26,200
Total principal due for long-term debt	338,962	353,024
Current portion due within one year	(28,605)	(28,365)
Unamortized debt discount	(28,966)	(32,885)
Deferred financing costs	(3,651)	(4,230)
Long-term debt, less current portion	<u>\$ 277,740</u>	<u>\$ 287,544</u>

As of June 30, 2024, the Company was in compliance with all debt covenants and lender requirements.

Letters of Credit. As of June 30, 2024, the Company had outstanding letters of credit of \$0.4 million securing lease obligations, labor and performance guaranties.

5.LEASES

As of June 30, 2024, the Company leased-in one AHTS and certain facilities and other equipment. The leases typically contain purchase and renewal options or rights of first refusal with respect to the sale or lease of the equipment. As of June 30, 2024, the remaining lease term of the vessel had a duration of three months. The lease terms of certain facilities and other equipment had a duration ranging from eight to 270 months.

As of June 30, 2024, future minimum payments for leases for the remainder of 2024 and the years ended December 31, noted below, were as follows (in thousands):

	Operating Leases	Finance Leases
Remainder of 2024	\$ 734	\$ 20
2025	746	9
2026	459	3
2027	400	1
2028	341	—
Years subsequent to 2028	2,872	—
	5,552	33
Interest component	(1,415)
	4,137	31
Current portion of long-term lease liabilities	861	26
Long-term lease liabilities	<u>\$ 3,276</u>	<u>\$ 5</u>

For the three and six months ended June 30, 2024 and 2023 the components of lease expense were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating lease costs	\$ 398	\$ 564	\$ 792	\$ 1,110
Finance lease costs:				
Amortization of finance lease assets ⁽¹⁾	10	160	20	320
Interest on finance lease liabilities ⁽²⁾	—	71	1	143
Short-term lease costs	88	134	175	308
	<u>\$ 496</u>	<u>\$ 929</u>	<u>\$ 988</u>	<u>\$ 1,881</u>

(1) Included in amortization costs in the consolidated statements of income (loss).

(2) Included in interest expense in the consolidated statements of income (loss).

For the six months ended June 30, 2024 supplemental cash flow information related to leases was as follows (in thousands):

	2024
Operating cash outflows from operating leases	\$ 1,131
Financing cash outflows from finance leases	18
Right-of-use assets obtained for operating lease liabilities	—
Right-of-use assets obtained for finance lease liabilities	7

For the six months ended June 30, 2024 other information related to leases was as follows:

	2024
Weighted average remaining lease term, in years - operating leases	11.2
Weighted average remaining lease term, in years - finance leases	1.2
Weighted average discount rate - operating leases	6.4 %
Weighted average discount rate - finance leases	5.8 %

6. INCOME TAXES

The following table reconciles the difference between the statutory federal income tax rate for the Company and the effective income tax rate for the six months ended June 30, 2024:

Statutory rate	(21.0)%
Income (loss) of foreign subsidiaries not includable in U.S. return and foreign withholding tax	18.3%
162(m) - Executive compensation	3.8 %
Other	(0.4)%
Effective income tax rate	<u>0.7 %</u>

7.DERIVATIVE INSTRUMENTS AND HEDGING STRATEGIES

Derivative instruments are classified as either assets, which are included in other receivables in the accompanying consolidated balance sheets, or liabilities based on their individual fair values. The fair values of the Company's derivative instruments were as follows (in thousands):

	June 30, 2024		December 31, 2023	
	Derivative Asset	Derivative Liability	Derivative Asset	Derivative Liability
Derivatives not designated as hedging instruments:				
Forward Exchange Contract	\$ 5	\$ —	\$ 608	\$ —

Economic Hedges. The Company may enter and settle forward currency exchange, option and future contracts with respect to various foreign currencies. These contracts enable the Company to buy currencies in the future at fixed exchange rates, which could offset possible consequences of changes in currency exchange rates with respect to the Company's business conducted outside of the U.S. The Company generally does not enter into contracts with forward settlement dates beyond 12 to 18 months. During the fourth quarter of 2023, the Company entered into a forward exchange contract related to the purchase of hybrid battery power systems, the purchase price for which is denominated in Norwegian Kroner. During the six months ended June 30, 2024, the Company recognized losses of \$0.4 million on this contract which were recognized in earnings.

Cash Flow Hedges. The Company may from time to time enter into interest rate swap agreements designated as cash flow hedges. By entering into interest rate swap agreements, the Company can convert the variable interest component of certain of their outstanding borrowings to a fixed interest rate. The Company recognized losses on derivative instruments designated as cash flow hedges of \$0.3 million for the six months ended June 30, 2023 as a component of other comprehensive income (loss). As of June 30, 2024, there were no interest rate swaps held by the Company.

Other Derivative Instruments. The Company had no derivative instruments not designated as hedging instruments for the three and six months ended June 30, 2023 and recognized gains (losses) on derivative instruments not designated as hedging instruments for the three and six months ended June 30, 2024 as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Forward currency exchange, option, and future contracts	\$ 104	\$ —	\$ (439)	\$ —

The forward currency exchange contract relates to the purchase of hybrid battery power systems discussed in economic hedges above.

8.FAIR VALUE MEASUREMENTS

The fair value of an asset or liability is the price that would be received to sell an asset or transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The Company utilizes a fair value hierarchy that maximizes the use of observable inputs and minimizes the use of unobservable inputs when measuring fair value and defines three levels of inputs that may be used to measure fair value. *Level 1* inputs are quoted prices in active markets for identical assets or liabilities. *Level 2* inputs are observable inputs other than quoted prices included in *Level 1* that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, or inputs derived from observable market data. *Level 3* inputs are unobservable inputs that are supported by little or no market activity and are significant to the fair value of the assets or liabilities.

The Company's financial assets and liabilities as of June 30, 2024 and December 31, 2023 that are measured at fair value on a recurring basis were as follows (in thousands):

June 30, 2024	Level 1	Level 2	Level 3
ASSETS			
Derivative instruments	\$ —	\$ 5	\$ —
December 31, 2023			
ASSETS			
Derivative instruments	\$ —	\$ 608	\$ —

The fair value of the Company's derivative instruments was estimated by utilizing a spot rate as of the measurement date provided by an independent third party.

The estimated fair values of the Company's other financial assets and liabilities as of June 30, 2024 and December 31, 2023 were as follows (in thousands):

June 30, 2024	Carrying Amount	Estimated Fair Value		
		Level 1	Level 2	Level 3
ASSETS				
Cash, cash equivalents and restricted cash	\$ 42,860	\$ 42,860	\$ —	\$ —
LIABILITIES				
Long-term debt, including current portion	306,345	—	301,756	—
December 31, 2023				
ASSETS				
Cash, cash equivalents and restricted cash	\$ 84,131	\$ 84,131	\$ —	\$ —
LIABILITIES				
Long-term debt, including current portion	315,909	—	307,653	—

The carrying value of cash, cash equivalents, restricted cash and trade receivables approximates fair value. The fair value of the Company's long-term debt was estimated based upon quoted market prices or by using discounted cash flow analysis based on estimated current rates for similar types of arrangements. Considerable judgment was required in developing certain of the estimates of fair value, and, accordingly, the estimates presented herein are not necessarily indicative of the amounts that the Company could realize in a current market exchange.

Property and equipment. During the six months ended June 30, 2024, the Company recognized no impairment charges. During the year ended December 31, 2023, the Company recognized impairment charges totaling \$0.7 million for one leased-in AHTS to adjust for indicative cash flows and the cost to return the vessel to its owner.

9.COMMITMENTS AND CONTINGENCIES

As of June 30, 2024, the Company had unfunded capital commitments of \$12.2 million for miscellaneous vessel equipment, including \$10.1 million in respect of hybrid battery power systems. Of the unfunded capital commitments, \$6.9 million is payable during the remainder of 2024 and \$5.3 million is payable during 2025. The Company has indefinitely deferred an additional \$9.2 million of orders with respect to one fast support vessel.

In December 2015, the Brazilian Federal Revenue Office issued a tax-deficiency notice to Seabulk Offshore do Brasil Ltda, an indirect wholly-owned subsidiary of SEACOR Marine ("Seabulk Offshore do Brasil"), with respect to certain profit participation contributions (also known as "PIS") and social security financing contributions (also known as "COFINS") requirements alleged to be due from Seabulk Offshore do Brasil ("Deficiency Notice") in respect of the period of January 2011 until December 2012. In January 2016, the Company administratively appealed the Deficiency Notice on the basis that, among other arguments, (i) such contributions were not applicable in the circumstances of a 70%/30% cost allocation structure, and (ii) the tax inspector had incorrectly determined that values received from outside of Brazil could not be classified as expense

refunds. The initial appeal was dismissed by the Brazilian Federal Revenue Office and the Company appealed such dismissal and is currently awaiting an administrative trial. A local Brazilian law has been enacted that supports the Company's position that such contribution requirements are not applicable, but it is uncertain whether such law will be taken into consideration with respect to administrative proceedings commenced prior to the enactment of the law. Accordingly, the success of Seabulk Offshore do Brasil in the administrative proceedings cannot be assured and the matter may need to be addressed through judicial court proceedings. The potential levy arising from the Deficiency Notice is R\$24.5 million based on a historical potential levy of R\$12.87 million (USD \$4.4 million and USD \$2.3 million, respectively, based on the exchange rate as of June 30, 2024).

In the normal course of its business, the Company becomes involved in various other litigation matters including, among others, claims by third parties for alleged property damages and personal injuries. Management has used estimates in determining the Company's potential exposure to these matters and has recorded reserves in its financial statements related thereto where appropriate. It is possible that a change in the Company's estimates of that exposure could occur, but the Company does not expect that such changes in estimated costs would have a material effect on the Company's consolidated financial position, results of operations or cash flows.

Certain of the Company's subsidiaries are participating employers in two industry-wide, multi-employer, defined benefit pension funds in the United Kingdom: the U.K Merchant Navy Officers Pension Fund ("MNOPF") and the U.K. Merchant Navy Ratings Pension Fund ("MNRPF"). The Company's participation in the MNOPF began with the acquisition of the Stirling group of companies (the "Stirling Group") in 2001 and relates to certain officers employed between 1978 and 2002 by the Stirling Group and/or its predecessors. The Company's participation in the MNRPF also began with the acquisition of the Stirling Group in 2001 and relates to ratings employed by the Stirling Group and/or its predecessors through today. Both of these plans are in deficit positions and, depending upon the results of future actuarial valuations, it is possible that the plans could experience funding deficits that will require the Company to recognize payroll related operating expenses in the periods invoices are received.

On October 19, 2021, the Company was informed by the MNRPF that two issues had been identified during a review of the MNRPF by the applicable trustee that would potentially give rise to material additional liabilities for the MNRPF. On November 23, 2023, the trustee advised that following the tri-annual valuation, \$1.5 million (£1.2 million) of the potential cumulative funding deficit of the MNRPF was allocated to the Company as a participating employer, including the additional liabilities mentioned above. During 2023, the Company recognized payroll related operating expenses of \$1.5 million (£1.2 million) for its allocated share of the potential cumulative funding deficit, which the Company anticipated being invoiced for during 2024 and 2025. On April 30, 2024, the Company was informed by the MNRPF that the Company's allocated share of the potential cumulative funding deficit may be reduced due to changes in valuation assumptions, and on July 5, 2024, the Company was informed by the MNRPF that the Company's final deficit share amount was \$0.4 million (£0.3 million), which the Company expects to settle in full during 2024. In June 2024, the Company recognized a reduction in the payroll related operating expenses of \$1.2 million (£0.9 million) to reflect the decreased deficit share amount.

10 STOCK BASED COMPENSATION

Transactions in connection with the Company's Equity Incentive Plans during the six months ended June 30, 2024 were as follows:

Restricted Stock Activity:	
Outstanding as of December 31, 2023	1,642,084
Granted	631,620
Vested ⁽¹⁾	(887,556)
Forfeited	—
Outstanding as of June 30, 2024 ⁽²⁾	<u>1,386,148</u>

Stock Option Activity:	
Outstanding as of December 31, 2023	1,026,031
Granted	—
Exercised	(9,166)
Forfeited	—
Outstanding as of June 30, 2024	<u>1,016,865</u>

⁽¹⁾Includes 157,455 vested grants of performance-based stock.

⁽²⁾Includes 215,853 grants of performance-based stock that satisfied the performance obligation and are therefore likely to vest and excludes 326,597 grants of performance-based stock units that are not considered outstanding until such time that they become probable to vest.

For the six months ended June 30, 2024, the Company acquired for treasury (i) 254,607 shares of Common Stock from its directors and employees to cover their tax withholding obligations upon the lapsing of restrictions on share awards for an aggregate purchase price of \$3.1 million, and (ii) 61,305 shares of Common Stock from its employees to cover their tax withholding obligations upon the lapsing of restrictions on performance-based share awards for an aggregate purchase price of \$0.8 million. These shares were purchased in accordance with the terms of the Company's 2020 Equity Incentive Plan and 2022 Equity Incentive Plan, as applicable.

11. SEGMENT INFORMATION

The Company's segment presentation and basis of measurement of segment profit or loss are as previously described in the 2023 Annual Report. The following tables summarize the operating results, capital expenditures and assets of the Company's reportable segments for the periods indicated (in thousands):

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Three Months Ended June 30, 2024					
Operating Revenues:					
Time charter	\$ 7,697	\$ 27,047	\$ 18,073	\$ 12,832	\$ 65,649
Bareboat charter	—	—	—	364	364
Other marine services	480	1,028	619	1,727	3,854
	8,177	28,075	18,692	14,923	69,867
Direct Costs and Expenses:					
Operating:					
Personnel	6,284	4,969	6,930	3,383	21,566
Repairs and maintenance	1,879	3,161	3,443	1,761	10,244
Drydocking	2,570	1,226	707	1,707	6,210
Insurance and loss reserves	943	819	798	539	3,099
Fuel, lubes and supplies	866	1,170	1,103	827	3,966
Other	226	2,801	989	419	4,435
	12,768	14,146	13,970	8,636	49,520
Direct Vessel (Loss) Profit	\$ (4,591)	\$ 13,929	\$ 4,722	\$ 6,287	20,347
Other Costs and Expenses:					
Lease expense	\$ 141	\$ 172	\$ 71	\$ 102	486
Administrative and general					10,889
Depreciation and amortization	3,194	4,565	3,247	1,933	12,939
					24,314
Gains on asset dispositions and impairments, net					37
Operating loss					\$ (3,930)

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Six Months Ended June 30, 2024					
Operating Revenues:					
Time charter	\$ 14,654	\$ 47,602	\$ 34,550	\$ 28,106	\$ 124,912
Bareboat charter	—	—	—	728	728
Other marine services	1,506	1,197	969	3,325	6,997
	16,160	48,799	35,519	32,159	132,637
Direct Costs and Expenses:					
Operating:					
Personnel	12,065	10,150	12,893	8,128	43,236
Repairs and maintenance	3,283	6,370	6,155	4,199	20,007
Drydocking	4,538	3,258	2,190	2,930	12,916
Insurance and loss reserves	1,339	1,153	1,416	929	4,837
Fuel, lubes and supplies	1,533	2,457	2,301	2,198	8,489
Other	55	5,000	1,989	1,090	8,134
	22,813	28,388	26,944	19,474	97,619
Direct Vessel (Loss) Profit	\$ (6,653)	\$ 20,411	\$ 8,575	\$ 12,685	35,018
Other Costs and Expenses:					
Lease expense	\$ 279	\$ 350	\$ 156	\$ 182	967
Administrative and general					22,806
Depreciation and amortization	5,944	8,480	6,743	4,654	25,821
					49,594
Gains on asset dispositions and impairments, net					36
Operating loss					\$ (14,540)
As of June 30, 2024					
Property and Equipment:					
Historical Cost	\$ 198,810	\$ 335,688	\$ 247,605	\$ 139,340	\$ 921,443
Accumulated Depreciation	(100,019)	(116,851)	(93,382)	(39,547)	(349,799)
	\$ 98,791	\$ 218,837	\$ 154,223	\$ 99,793	\$ 571,644
Total Assets ⁽¹⁾	\$ 123,505	\$ 259,228	\$ 178,859	\$ 119,142	\$ 680,734

(1) Total Assets by region does not include corporate assets of \$40.8 million as of June 30, 2024.

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Three Months Ended June 30, 2023					
Operating Revenues:					
Time charter	\$ 6,121	\$ 24,414	\$ 16,563	\$ 13,706	\$ 60,804
Bareboat charter	—	—	—	364	364
Other marine services	3,004	225	3,512	410	7,151
	9,125	24,639	20,075	14,480	68,319
Direct Costs and Expenses:					
Operating:					
Personnel	5,957	4,833	5,266	3,888	19,944
Repairs and maintenance	1,573	2,050	1,219	951	5,793
Drydocking	1,506	144	(684)	1,290	2,256
Insurance and loss reserves	1,082	420	720	168	2,390
Fuel, lubes and supplies	924	1,419	425	870	3,638
Other	346	2,608	389	366	3,709
	11,388	11,474	7,335	7,533	37,730
Direct Vessel (Loss) Profit	\$ (2,263)	\$ 13,165	\$ 12,740	\$ 6,947	30,589
Other Costs and Expenses:					
Lease expense	\$ 143	\$ 408	\$ 67	\$ 80	698
Administrative and general					13,704
Depreciation and amortization	3,861	3,853	3,708	2,153	13,575
					27,977
Gains on asset dispositions and impairments, net					265
Operating income					\$ 2,877

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Six Months Ended June 30, 2023					
Operating Revenues:					
Time charter	\$ 12,685	\$ 43,410	\$ 32,591	\$ 27,533	\$ 116,219
Bareboat charter	—	—	—	724	724
Other marine services	6,854	450	3,539	1,742	12,585
	19,539	43,860	36,130	29,999	129,528
Direct Costs and Expenses:					
Operating:					
Personnel	12,492	9,338	10,107	7,810	39,747
Repairs and maintenance	2,767	4,603	1,896	2,538	11,804
Drydocking	1,549	1,328	(1,779)	1,171	2,269
Insurance and loss reserves	2,123	738	1,905	413	5,179
Fuel, lubes and supplies	1,707	3,634	1,567	1,549	8,457
Other	577	5,357	1,885	964	8,783
	21,215	24,998	15,581	14,445	76,239
Direct Vessel (Loss) Profit	\$ (1,676)	\$ 18,862	\$ 20,549	\$ 15,554	53,289
Other Costs and Expenses:					
Lease expense	\$ 279	\$ 837	\$ 143	\$ 159	1,418
Administrative and general					25,336
Depreciation and amortization	7,396	7,778	7,396	4,767	27,337
					54,091
Gains on asset dispositions and impairments, net					3,864
Operating income					\$ 3,062
As of June 30, 2023					
Property and Equipment:					
Historical Cost	\$ 230,432	\$ 287,289	\$ 285,722	\$ 162,895	\$ 966,338
Accumulated Depreciation	(107,901)	(99,994)	(94,761)	(32,022)	(334,678)
	\$ 122,531	\$ 187,295	\$ 190,961	\$ 130,873	\$ 631,660
Total Assets ⁽¹⁾	\$ 162,973	\$ 213,128	\$ 212,695	\$ 148,576	\$ 737,372

(1) Total Assets by region does not include corporate assets of \$46.8 million as of June 30, 2023.

The Company's investments in 50% or less owned companies, which are accounted for under the equity method, also contribute to its consolidated results of operations. As of June 30, 2024, and 2023, the Company's investments, at equity and advances to 50% or less owned companies were \$2.6 million and \$3.3 million, respectively. Equity in (losses) earnings of 50% or less owned companies for the six months ended June 30, 2024 and 2023 were (\$0.1) million and \$0.9 million, respectively.

12. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the filing of this Quarterly Report on Form 10-Q and determined that there have been no material events that have occurred that are not properly recognized and/or disclosed in the consolidated financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Form 10-Q includes "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements concern management's expectations, strategic objectives, business prospects, anticipated economic performance and financial condition and other similar matters and involve significant known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of results to differ materially from any future results, performance or achievements discussed or implied by such forward-looking statements. Certain of these risks, uncertainties and other important factors are discussed in the Risk Factors and Management's Discussion and Analysis of Financial Condition and Results of Operations of the Company's 2023 Annual Report on Form 10-K and this Quarterly Report on Form 10-Q. However, it should be understood that it is not possible to identify or predict all such risks, uncertainties and factors, and others may arise from time to time. All of these forward-looking statements constitute the Company's cautionary statements under the Private Securities Litigation Reform Act of 1995. The words "anticipate," "estimate," "expect," "project," "intend," "believe," "plan," "target," "forecast" and similar expressions are intended to identify forward-looking statements. Forward looking statements speak only as of the date of the document in which they are made. The Company disclaims any obligation or undertaking to provide any updates or revisions to any forward-looking statement to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which the forward-looking statement is based. It is advisable, however, to consult any further disclosures the Company makes on related subjects in its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with the United States Securities and Exchange Commission.

The following Management's Discussion and Analysis (the "MD&A") is intended to help the reader understand the Company's financial condition and results of operations. The MD&A is provided as a supplement to and should be read in conjunction with the unaudited consolidated financial statements and notes thereto included in this Quarterly Report on Form 10-Q, as well as "Management's Discussion and Analysis of Financial Condition and Results of Operations" contained in the 2023 Annual Report.

Overview

The Company provides global marine and support transportation services to offshore energy facilities worldwide. As of June 30, 2024, the Company operated a diverse fleet of 56 support vessels, of which 55 were owned or leased-in and one was managed on behalf of an unaffiliated third party. The primary users of the Company's services are major integrated national and international oil companies, independent oil and natural gas exploration and production companies, oil field service and construction companies, as well as offshore wind farm operators and offshore wind farm installation and maintenance companies.

The Company operates and manages a diverse fleet of offshore support vessels that (i) deliver cargo and personnel to offshore installations, including offshore wind farms, (ii) assist offshore operations for production and storage facilities, (iii) provide construction, well work-over, offshore wind farm installation and decommissioning support, (iv) carry and launch equipment used underwater in drilling and well installation, maintenance, inspection and repair and (v) handle anchors and mooring equipment for offshore rigs and platforms. Additionally, the Company's vessels provide emergency response services and accommodations for technicians and specialists.

The Company operates its fleet in four principal geographic regions: the United States ("U.S."), primarily in the Gulf of Mexico; Africa and Europe; the Middle East and Asia; and Latin America, primarily in Mexico and Guyana. The Company's vessels are highly mobile and regularly and routinely move between countries within a geographic region. In addition, the Company's vessels are redeployed among geographic regions, subject to flag restrictions, as changes in market conditions dictate.

Significant items affecting our results of operations

The number and type of vessels operated, their rates per day worked and their utilization levels are the key determinants of the Company's operating results and cash flows. Unless a vessel is cold-stacked, there is little reduction in daily running costs for the vessels and, consequently, operating margins are most sensitive to changes in rates per day worked and utilization. The Company manages its fleet utilizing a global network of shore side support, administrative and finance personnel.

Offshore oil and natural gas market conditions are highly volatile. Oil prices experienced unprecedented volatility during 2020 due to the COVID-19 pandemic and the related effects on the global economy, with the price per barrel going negative for a short period of time. Oil prices steadily increased since the lows hit at the beginning of the COVID-19 pandemic and hit a multi-year high of \$122 per barrel during 2022 primarily as a result of the conflict between Russia and Ukraine as well as the related economic sanctions and economic uncertainty but subsequently decreased to pre-conflict levels. During the six months ended June 30, 2024, WTI oil prices reached a high of \$87 per barrel and a low of \$70 per barrel, ending the period at \$82 per barrel.

While the Company has experienced difficult market conditions over the past few years due to low and volatile oil and natural gas prices and the focus of oil and natural gas producing companies on cost and capital spending budget reductions, the increases since the lows experienced during the COVID-19 pandemic in oil and natural gas prices has led to an increase in utilization, day rates and customer inquiries about potential new charters.

The Company closely monitors the availability of vessels in the offshore support vessel market as the utilization and day rates of the Company's fleet is dependent on the supply and demand dynamics for its vessels. For example, low oil and natural gas prices and a corresponding decline in offshore exploration may reduce demand for the Company's vessels and in the past such declines have forced many operators in the industry to restructure, liquidate assets or consolidate with other operators. Additionally, the delivery of newly built offshore support vessels to the industry-wide fleet has in the past contributed to an oversupply of vessels in the market, thereby further decreasing the demand for the Company's existing offshore support vessel fleet. A combination of low customer exploration and drilling activity levels, and excess supply of offshore support vessels whether from laid up fleets or newly built vessels could, in isolation or together, have a material adverse effect on the Company's business, financial position, results of operations, cash flows and growth prospects. Alternatively, increasing activity levels and a stable supply of offshore support vessels could support higher utilization and day rates and improved financial performance of the Company's business.

Certain macro drivers somewhat independent of oil and natural gas prices may support the Company's business, including: (i) underspending by oil and natural gas producers over the last five to ten years leading to pent up demand for maintenance and growth capital expenditures; (ii) improved extraction technologies; and (iii) the need for offshore wind farm support as the industry grows. While the Company expects that alternative forms of energy will continue to develop and add to the world's energy mix, especially as governments, supranational groups, institutional investors, and various other parties focus on climate change causes and concerns, the Company believes that for the foreseeable future demand for gasoline and oil will be sustained, as will demand for electricity from natural gas. Some alternative forms of energy such as offshore wind farms support some of the Company's operations and the Company expects such support to increase as development of these forms of renewable energy expands.

The Company adheres to a strategy of cold-stacking vessels (removing from active service) during periods of weak utilization in order to reduce the daily running costs of operating the fleet, primarily personnel, repairs and maintenance costs, as well as to defer some drydocking costs into future periods. The Company considers various factors in determining which vessels to cold-stack, including upcoming dates for regulatory vessel inspections and related docking requirements. The Company may maintain class certification on certain

cold-stacked vessels, thereby incurring some drydocking costs while cold-stacked. Cold-stacked vessels are returned to active service when market conditions improve, or management anticipates improvement, typically leading to increased costs for drydocking, personnel, repair and maintenance in the periods immediately preceding the vessels' return to active service. Depending on market conditions, vessels with similar characteristics and capabilities may be rotated between active service and cold-stack. On an ongoing basis, the Company reviews its cold-stacked vessels to determine if any should be designated as retired and removed from service based on the vessel's physical condition, the expected costs to reactivate and restore class certification, if any, and its viability to operate within current and projected market conditions. As of June 30, 2024, two of the Company's 56 owned and leased-in vessels were cold-stacked worldwide, including one vessel classified as held for sale.

Recent Developments

At the Market Program

On November 1, 2023, SEACOR Marine entered into an at-the-market offering program ("ATM Program") with B. Riley Securities, Inc., pursuant to which SEACOR Marine may sell up to \$25.0 million of Common Stock. As of June 30, 2024, the remaining capacity under the ATM Program was approximately \$24.9 million.

Consolidated Results of Operations

The sections below provide an analysis of the Company's results of operations for the three and six months ("Current Year Quarter" and "Current Year Six Months") ended June 30, 2024 compared with the three and six months ("Prior Year Quarter" and "Prior Year Six Months") ended June 30, 2023. Except as otherwise noted, there have been no material changes since the end of the Company's fiscal year ended December 31, 2023, in the Company's results of operations. For the periods indicated, the Company's consolidated results of operations were as follows (in thousands, except statistics):

	Three Months Ended June 30,				Six Months Ended June 30,			
	2024		2023		2024		2023	
Time Charter Statistics:								
Average Rates Per Day	\$ 19,141		\$ 15,250		\$ 19,094		14,789	
Fleet Utilization	69 %		78 %		65 %		77 %	
Fleet Available Days	4,994		5,096		9,999		10,167	
Operating Revenues:								
Time charter	\$ 65,649	94 %	\$ 60,804	89 %	\$ 124,912	94 %	\$ 116,219	89 %
Bareboat charter	364	1 %	364	1 %	728	1 %	724	1 %
Other marine services	3,854	5 %	7,151	10 %	6,997	5 %	12,585	10 %
	69,867	100 %	68,319	100 %	132,637	100 %	129,528	100 %
Costs and Expenses:								
Operating:								
Personnel	21,566	31 %	19,944	29 %	43,236	33 %	39,747	31 %
Repairs and maintenance	10,244	15 %	5,793	9 %	20,007	15 %	11,804	9 %
Drydocking	6,210	9 %	2,256	3 %	12,916	10 %	2,269	2 %
Insurance and loss reserves	3,099	4 %	2,390	4 %	4,837	4 %	5,179	4 %
Fuel, lubes and supplies	3,966	6 %	3,638	5 %	8,489	6 %	8,457	6 %
Other	4,435	6 %	3,709	5 %	8,134	6 %	8,783	7 %
	49,520	71 %	37,730	55 %	97,619	74 %	76,239	59 %
Lease expense - operating	486	1 %	698	1 %	967	1 %	1,418	1 %
Administrative and general	10,889	16 %	13,704	20 %	22,806	17 %	25,336	20 %
Depreciation and amortization	12,939	19 %	13,575	20 %	25,821	19 %	27,337	21 %
	73,834	106 %	65,707	96 %	147,213	111 %	130,330	1 %
Gains on Asset Dispositions and Impairments, Net	37	0 %	265	0 %	36	0 %	3,864	3 %
Operating (Loss) Income	(3,930)	(6 %)	2,877	4 %	(14,540)	(11 %)	3,062	2 %
Other Expense, Net	(10,201)	(15 %)	(8,917)	(13 %)	(20,635)	(16 %)	(18,070)	(14 %)
Loss Before Income Tax (Benefit) Expense and Equity in Earnings of 50% or Less Owned Companies	(14,131)	(20 %)	(6,040)	(9 %)	(35,175)	(27 %)	(15,008)	(12 %)
Income Tax (Benefit) Expense	(682)	(1 %)	(1,096)	(2 %)	243	0 %	61	0 %
Loss Before Equity in Earnings of 50% or Less Owned Companies	(13,449)	(19 %)	(4,944)	(7 %)	(35,418)	(27 %)	(15,069)	(12 %)
Equity in Earnings (Losses) of 50% or Less Owned Companies	966	1 %	373	1 %	(134)	(0 %)	909	1 %
Net Loss	<u>\$ (12,483)</u>	(18 %)	<u>\$ (4,571)</u>	(7 %)	<u>\$ (35,552)</u>	(27 %)	<u>\$ (14,160)</u>	(11 %)

Direct Vessel Profit. Direct vessel profit (defined as operating revenues less operating expenses excluding leased-in equipment, "DVP") is the Company's measure of segment profitability. DVP is a critical financial measure used by the Company to analyze and compare the operating performance of its regions, without regard to financing decisions (depreciation and interest expense for owned vessels vs. lease expense for leased-in vessels). See "Note 11. Segment Information" in the unaudited consolidated financial statements included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q.

The following tables summarize the operating results and property and equipment for the Company's reportable segments for the periods indicated (in thousands, except statistics):

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Three Months Ended June 30, 2024					
Time Charter Statistics:					
Average Rates Per Day	\$ 22,356	\$ 18,580	\$ 17,083	\$ 22,437	19,141
Fleet Utilization	37 %	74 %	82 %	71 %	69 %
Fleet Available Days	921	1,969	1,296	808	4,994
Operating Revenues:					
Time charter	\$ 7,697	\$ 27,047	\$ 18,073	\$ 12,832	\$ 65,649
Bareboat charter	—	—	—	364	364
Other marine services	480	1,028	619	1,727	3,854
	8,177	28,075	18,692	14,923	69,867
Direct Costs and Expenses:					
Operating:					
Personnel	6,284	4,969	6,930	3,383	21,566
Repairs and maintenance	1,879	3,161	3,443	1,761	10,244
Drydocking	2,570	1,226	707	1,707	6,210
Insurance and loss reserves	943	819	798	539	3,099
Fuel, lubes and supplies	866	1,170	1,103	827	3,966
Other	226	2,801	989	419	4,435
	12,768	14,146	13,970	8,636	49,520
Direct Vessel (Loss) Profit	\$ (4,591)	\$ 13,929	\$ 4,722	\$ 6,287	20,347
Other Costs and Expenses:					
Lease expense	\$ 141	\$ 172	\$ 71	\$ 102	486
Administrative and general					10,889
Depreciation and amortization	3,194	4,565	3,247	1,933	12,939
					24,314
Gains on asset dispositions and impairments, net					37
Operating loss					\$ (3,930)

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Six Months Ended June 30, 2024					
Time Charter Statistics:					
Average Rates Per Day	\$ 24,779	\$ 16,951	\$ 17,012	\$ 25,287	\$ 19,094
Fleet Utilization	32%	75%	76%	64%	65%
Fleet Available Days	1,848	3,744	2,661	1,746	9,999
Operating Revenues:					
Time charter	\$ 14,654	\$ 47,602	\$ 34,550	\$ 28,106	\$ 124,912
Bareboat charter	—	—	—	728	728
Other marine services	1,506	1,197	969	3,325	6,997
	16,160	48,799	35,519	32,159	132,637
Direct Costs and Expenses:					
Operating:					
Personnel	12,065	10,150	12,893	8,128	43,236
Repairs and maintenance	3,283	6,370	6,155	4,199	20,007
Drydocking	4,538	3,258	2,190	2,930	12,916
Insurance and loss reserves	1,339	1,153	1,416	929	4,837
Fuel, lubes and supplies	1,533	2,457	2,301	2,198	8,489
Other	55	5,000	1,989	1,090	8,134
	22,813	28,388	26,944	19,474	97,619
Direct Vessel (Loss) Profit	<u>\$ (6,653)</u>	<u>\$ 20,411</u>	<u>\$ 8,575</u>	<u>\$ 12,685</u>	<u>35,018</u>
Other Costs and Expenses:					
Lease expense	\$ 279	\$ 350	\$ 156	\$ 182	967
Administrative and general					22,806
Depreciation and amortization	5,944	8,480	6,743	4,654	25,821
					49,594
Gains on asset dispositions and impairments, net					36
Operating loss					<u>\$ (14,540)</u>
As of June 30, 2024					
Property and Equipment:					
Historical cost	\$ 198,810	\$ 335,688	\$ 247,605	\$ 139,340	\$ 921,443
Accumulated depreciation	(100,019)	(116,851)	(93,382)	(39,547)	(349,799)
	<u>\$ 98,791</u>	<u>\$ 218,837</u>	<u>\$ 154,223</u>	<u>\$ 99,793</u>	<u>\$ 571,644</u>
Total Assets ⁽¹⁾	<u>\$ 123,505</u>	<u>\$ 259,228</u>	<u>\$ 178,859</u>	<u>\$ 119,142</u>	<u>\$ 680,734</u>

(1) Total Assets by region does not include corporate assets of \$40.8 million as of June 30, 2024.

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Three Months Ended June 30, 2023					
Time Charter Statistics:					
Average Rates Per Day	\$ 16,115	\$ 14,982	\$ 13,245	\$ 18,846	\$ 15,250
Fleet Utilization	35 %	94 %	86 %	88 %	78 %
Fleet Available Days	1,080	1,729	1,456	831	5,096
Operating Revenues:					
Time charter	\$ 6,121	\$ 24,414	\$ 16,563	\$ 13,706	\$ 60,804
Bareboat charter	—	—	—	364	364
Other marine services	3,004	225	3,512	410	7,151
	9,125	24,639	20,075	14,480	68,319
Direct Costs and Expenses:					
Operating:					
Personnel	5,957	4,833	5,266	3,888	19,944
Repairs and maintenance	1,573	2,050	1,219	951	5,793
Drydocking	1,506	144	(684)	1,290	2,256
Insurance and loss reserves	1,082	420	720	168	2,390
Fuel, lubes and supplies	924	1,419	425	870	3,638
Other	346	2,608	389	366	3,709
	11,388	11,474	7,335	7,533	37,730
Direct Vessel (Loss) Profit	\$ (2,263)	\$ 13,165	\$ 12,740	\$ 6,947	\$ 30,589
Other Costs and Expenses:					
Lease expense	\$ 143	\$ 408	\$ 67	\$ 80	698
Administrative and general					13,704
Depreciation and amortization	3,861	3,853	3,708	2,153	13,575
					27,977
Gains on asset dispositions and impairments, net					265
Operating income					\$ 2,877

	United States (primarily Gulf of Mexico)	Africa and Europe	Middle East and Asia	Latin America	Total
For the Six Months Ended June 30, 2023					
Time Charter Statistics:					
Average Rates Per Day	\$ 17,203	\$ 13,960	\$ 13,399	\$ 17,434	\$ 14,789
Fleet Utilization	35 %	90 %	84 %	91 %	77 %
Fleet Available Days	2,095	3,439	2,896	1,737	10,167
Operating Revenues:					
Time charter	\$ 12,685	\$ 43,410	\$ 32,591	\$ 27,533	\$ 116,219
Bareboat charter	—	—	—	724	724
Other marine services	6,854	450	3,539	1,742	12,585
	19,539	43,860	36,130	29,999	129,528
Direct Costs and Expenses:					
Operating:					
Personnel	12,492	9,338	10,107	7,810	39,747
Repairs and maintenance	2,767	4,603	1,896	2,538	11,804
Drydocking	1,549	1,328	(1,779)	1,171	2,269
Insurance and loss reserves	2,123	738	1,905	413	5,179
Fuel, lubes and supplies	1,707	3,634	1,567	1,549	8,457
Other	577	5,357	1,885	964	8,783
	21,215	24,998	15,581	14,445	76,239
Direct Vessel (Loss) Profit	\$ (1,676)	\$ 18,862	\$ 20,549	\$ 15,554	\$ 53,289
Other Costs and Expenses:					
Lease expense	\$ 279	\$ 837	\$ 143	\$ 159	1,418
Administrative and general					25,336
Depreciation and amortization	7,396	7,778	7,396	4,767	27,337
					54,091
Gains on asset dispositions and impairments, net					3,864
Operating income					\$ 3,062
As of June 30, 2023					
Property and Equipment:					
Historical cost	\$ 230,432	\$ 287,289	\$ 285,722	\$ 162,895	\$ 966,338
Accumulated depreciation	(107,901)	(99,994)	(94,761)	(32,022)	(334,678)
	\$ 122,531	\$ 187,295	\$ 190,961	\$ 130,873	\$ 631,660
Total Assets ⁽¹⁾	\$ 162,973	\$ 213,128	\$ 212,695	\$ 148,576	\$ 737,372

(1) Total Assets by region does not include corporate assets of \$46.8 million as of June 30, 2023.

For additional information, the following tables summarize the worldwide operating results and property and equipment for each of the Company's vessel classes for the periods indicated (in thousands, except statistics):

	AHTS ⁽¹⁾	FSV ⁽²⁾	PSV ⁽³⁾	Liftboats	Other activity	Total
For the Three Months Ended June 30, 2024						
Time Charter Statistics:						
Average Rates Per Day	\$ 8,125	\$ 12,978	\$ 20,952	\$ 43,204	\$ —	\$ 19,141
Fleet Utilization	49%	80%	66%	54%	—%	69%
Fleet Available Days	364	2,002	1,900	728	—	4,994
Operating Revenues:						
Time charter	\$ 1,459	\$ 20,698	\$ 26,390	\$ 17,102	\$ —	\$ 65,649
Bareboat charter	—	—	364	—	—	364
Other marine services	219	516	2,266	666	187	3,854
	1,678	21,214	29,020	17,768	187	69,867
Direct Costs and Expenses:						
Operating:						
Personnel	1,045	5,829	8,979	6,842	(1,129)	21,566
Repairs and maintenance	465	4,572	3,151	2,054	2	10,244
Drydocking	280	457	2,616	2,857	—	6,210
Insurance and loss reserves	97	546	1,037	1,482	(63)	3,099
Fuel, lubes and supplies	69	993	1,575	1,329	—	3,966
Other	230	1,850	1,850	519	(14)	4,435
	2,186	14,247	19,208	15,083	(1,204)	49,520
Other Costs and Expenses:						
Lease expense	\$ 164	\$ —	\$ 3	\$ —	\$ 319	486
Administrative and general	—	—	—	—	—	10,889
Depreciation and amortization	175	4,746	4,128	3,865	25	12,939
						24,314
Gains on asset dispositions and impairments, net						37
Operating loss						\$ (3,930)

(1) Anchor handling towing supply vessel ("AHTS").

(2) Fast support vessel ("FSV").

(3) Platform support vessel ("PSV").

	AHTS	FSV	PSV	Liftboats	Other activity	Total
For the Six Months Ended June 30, 2024						
Time Charter Statistics:						
Average Rates Per Day	\$ 8,374	\$ 12,434	\$ 20,141	\$ 48,266	\$ —	\$ 19,094
Fleet Utilization	62 %	76 %	60 %	54 %	— %	65 %
Fleet Available Days	728	4,004	3,811	1,456	—	9,999
Operating Revenues:						
Time charter	\$ 3,790	\$ 37,779	\$ 45,780	\$ 37,563	\$ —	\$ 124,912
Bareboat charter	—	—	728	—	—	728
Other marine services	219	642	2,682	2,438	1,016	6,997
	4,009	38,421	49,190	40,001	1,016	132,637
Direct Costs and Expenses:						
Operating:						
Personnel	2,109	11,478	17,829	12,982	(1,162)	43,236
Repairs and maintenance	685	7,665	7,544	4,089	24	20,007
Drydocking	348	2,326	6,002	4,240	—	12,916
Insurance and loss reserves	140	823	1,432	2,764	(322)	4,837
Fuel, lubes and supplies	685	2,044	3,464	2,296	—	8,489
Other	517	3,499	3,245	862	11	8,134
	4,484	27,835	39,516	27,233	(1,449)	97,619
Other Costs and Expenses:						
Lease expense	\$ 335	\$ —	\$ 3	\$ —	\$ 629	967
Administrative and general	—	—	—	—	—	22,806
Depreciation and amortization	350	9,490	8,201	7,731	49	25,821
						49,594
Gains on asset dispositions and impairments, net						
Operating loss	—	—	—	—	\$ (14,540)	
As of June 30, 2024						
Property and Equipment:						
Historical cost	\$ 12,669	\$ 341,536	\$ 303,673	\$ 244,462	\$ 19,103	\$ 921,443
Accumulated depreciation	(5,485)	(151,788)	(61,363)	(112,357)	(18,806)	(349,799)
	<u>\$ 7,184</u>	<u>\$ 189,748</u>	<u>\$ 242,310</u>	<u>\$ 132,105</u>	<u>\$ 297</u>	<u>\$ 571,644</u>
	AHTS	FSV	PSV	Liftboats	Other activity	Total
For the Three Months Ended June 30, 2023						
Time Charter Statistics:						
Average Rates Per Day	\$ 8,916	\$ 11,314	\$ 17,545	\$ 35,623	\$ —	\$ 15,250
Fleet Utilization	85 %	92 %	80 %	37 %	— %	78 %
Fleet Available Days	364	2,093	1,820	819	—	5,096
Operating Revenues:						
Time charter	\$ 2,762	\$ 21,747	\$ 25,458	\$ 10,837	\$ —	\$ 60,804
Bareboat charter	—	—	364	—	—	364
Other marine services	—	71	584	5,495	1,001	7,151
	2,762	21,818	26,406	16,332	1,001	68,319
Direct Costs and Expenses:						
Operating:						
Personnel	1,069	5,083	8,738	5,065	(11)	19,944
Repairs and maintenance	186	1,134	2,998	1,472	3	5,793
Drydocking	131	1,342	12	849	(78)	2,256
Insurance and loss reserves	78	337	421	1,418	136	2,390
Fuel, lubes and supplies	192	1,108	2,124	219	(5)	3,638
Other	329	1,536	1,405	441	(2)	3,709
	1,985	10,540	15,698	9,464	43	37,730
Other Costs and Expenses:						
Lease expense	\$ 332	\$ —	\$ —	\$ —	\$ 366	698
Administrative and general	—	—	—	—	—	13,704
Depreciation and amortization	298	4,952	4,072	4,215	38	13,575
						27,977
Gains on asset dispositions and impairments, net						
Operating income	—	—	—	—	\$ 2,877	

	AHTS	FSV	PSV	Liftboats	Other activity	Total
For the Six Months Ended June 30, 2023						
Time Charter Statistics:						
Average Rates Per Day	\$ 9,081	\$ 10,965	\$ 16,278	\$ 34,661	\$ —	\$ 14,789
Fleet Utilization	83 %	91 %	75 %	44 %	— %	77 %
Fleet Available Days	755	4,163	3,620	1,629	—	10,167
Operating Revenues:						
Time charter	\$ 5,677	\$ 41,735	\$ 44,258	\$ 24,549	\$ —	\$ 116,219
Bareboat charter	—	—	724	—	—	724
Other marine services	—	261	1,787	8,425	2,112	12,585
	5,677	41,996	46,769	32,974	2,112	129,528
Direct Costs and Expenses:						
Operating:						
Personnel	2,064	9,944	17,587	10,133	19	39,747
Repairs and maintenance	402	3,001	6,473	1,971	(43)	11,804
Drydocking	551	1,470	621	(292)	(81)	2,269
Insurance and loss reserves	146	671	840	3,325	197	5,179
Fuel, lubes and supplies	668	2,490	4,455	838	6	8,457
Other	777	3,339	4,082	566	19	8,783
	4,608	20,915	34,058	16,541	117	76,239
Other Costs and Expenses:						
Lease expense	\$ 663	\$ —	\$ —	\$ —	\$ 755	\$ 1,418
Administrative and general						25,336
Depreciation and amortization	596	9,898	8,334	8,429	80	27,337
						54,091
Gains on asset dispositions and impairments, net						3,864
Operating income						\$ 3,062
As of June 30, 2023						
Property and Equipment:						
Historical cost	\$ 27,647	\$ 352,889	\$ 301,523	\$ 265,098	\$ 19,181	\$ 966,338
Accumulated depreciation	(19,188)	(139,993)	(45,015)	(111,888)	(18,594)	(334,678)
	<u>\$ 8,459</u>	<u>\$ 212,896</u>	<u>\$ 256,508</u>	<u>\$ 153,210</u>	<u>\$ 587</u>	<u>\$ 631,660</u>

Fleet Counts. The Company's fleet count as of June 30, 2024 and December 31, 2023 was as follows:

	Owned	Leased-in	Managed	Total
June 30, 2024				
AHTS	3	1	—	4
FSV	22	—	1	23
PSV	21	—	—	21
Liftboats	8	—	—	8
	<u>54</u>	<u>1</u>	<u>1</u>	<u>56</u>
December 31, 2023				
AHTS	3	1	—	4
FSV	22	—	3	25
PSV	21	—	—	21
Liftboats	8	—	—	8
	<u>54</u>	<u>1</u>	<u>3</u>	<u>58</u>

Operating Income (Loss)

United States, primarily Gulf of Mexico. For the three and six months ended June 30, 2024 and 2023 the Company's time charter statistics and direct vessel loss in the U.S. were as follows (in thousands, except statistics):

	For the Three Months Ended June 30, 2024		For the Six Months Ended June 30, 2024	
	2024	2023	2024	2023
Time Charter Statistics:				
Rates Per Day Worked:				
AHTS	\$ —	\$ —	\$ —	\$ —
FSV	10,345	9,450	10,021	9,490
PSV	14,405	13,883	14,191	14,261
Liftboats	37,544	29,334	40,623	27,951
Overall	22,356	16,115	24,779	17,203
Utilization:				
AHTS	— %	— %	— %	— %
FSV	39%	67%	31%	61%
PSV	56%	46%	44%	36%
Liftboats	29%	18%	28%	24%
Overall	37%	35%	32%	35%
Available Days:				
AHTS	—	—	—	31
FSV	273	273	546	543
PSV	182	199	364	369
Liftboats	466	608	938	1,152
Overall	<u>921</u>	<u>1,080</u>	<u>1,848</u>	<u>2,095</u>
Operating revenues:				
Time charter	\$ 7,697	94%	\$ 6,121	67%
Other marine services	480	6%	3,004	33%
	<u>8,177</u>	<u>100%</u>	<u>9,125</u>	<u>100%</u>
Time charter	\$ 14,654	91%	\$ 12,685	65%
Other marine services	1,506	9%	6,854	35%
	<u>16,160</u>	<u>100%</u>	<u>19,539</u>	<u>100%</u>
Direct operating expenses:				
Personnel	6,284	77%	5,957	65%
Repairs and maintenance	1,879	23%	1,573	17%
Drydocking	2,570	31%	1,506	17%
Insurance and loss reserves	943	11%	1,082	12%
Fuel, lubes and supplies	866	11%	924	10%
Other	226	3%	346	4%
	<u>12,768</u>	<u>156%</u>	<u>11,388</u>	<u>125%</u>
Direct Vessel Loss	\$ (4,591)	(56)%	\$ (2,263)	(25)%
	<u>\$ (6,653)</u>	<u>(41)%</u>	<u>\$ (1,676)</u>	<u>(9)%</u>

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Charter revenues were \$1.6 million higher in the Current Year Quarter compared with the Prior Year Quarter. Charter revenues were \$1.8 million higher due to increased day rates of the vessels included in the results of this region in both comparative periods (as applicable to each region, the "Regional Core Fleet") and \$0.2 million higher due to the repositioning of vessels between geographic regions. Charter revenues were \$0.4 million lower due to net asset dispositions. Other marine services were \$2.5 million lower primarily due to business interruption insurance revenues recorded in the Prior Year Quarter and lower management fees in the Current Year Quarter. As of June 30, 2024, the Company had one of ten owned vessels (one liftboat) cold-stacked in this region compared with one of 13 owned and leased-in vessels (one liftboat) as of June 30, 2023.

Direct Operating Expenses. Direct operating expenses were \$1.4 million higher in the Current Year Quarter compared with the Prior Year Quarter. Direct operating expenses were \$2.5 million higher for the Regional Core Fleet primarily due to the timing of drydocking and repairs expenditures, \$0.1 million higher due to the repositioning of vessels between geographic regions and \$1.2 million lower due to net asset dispositions.

Current Year Six Months compared with Prior Year Six Months

Operating Revenues. Charter revenues were \$2.0 million higher in the Current Year Six Months compared with the Prior Year Six Months. Charter revenues were \$2.4 million higher due to increased day rates for the Regional Core Fleet and \$0.4 million lower due to net asset dispositions. Other marine services were \$5.3 million lower primarily due to business interruption insurance revenues recorded in the Prior Year Six Months and lower management fees in the Current Year Six Months.

Direct Operating Expenses. Direct operating expenses were \$1.6 million higher in the Current Year Six Months compared with the Prior Year Six Months. Direct operating expenses were \$4.4 million higher for the Regional Core Fleet primarily due to the timing of drydocking and repairs expenditures, \$1.7 million lower due to net asset dispositions and \$1.1 million lower due to the repositioning of vessels between geographic regions.

Africa and Europe. For the three and six months ended June 30, 2024 and 2023 the Company's time charter statistics and direct vessel profit in Africa and Europe were as follows (in thousands, except statistics):

	For the Three Months Ended June 30, 2024			For the Six Months Ended June 30, 2024		
	2024	2023		2024	2023	
Time Charter Statistics:						
Rates Per Day Worked:						
AHTS	\$ 10,350	\$ 10,267		\$ 10,062	\$ 10,189	
FSV	15,416	13,123		14,460	12,849	
PSV	25,032	20,318		23,612	18,078	
Overall	18,580	14,982		16,951	13,960	
Utilization:						
AHTS	34 %		80 %	50 %		87 %
FSV	85 %		99 %	87 %		96 %
PSV	74 %		93 %	68 %		83 %
Overall	74 %		94 %	75 %		90 %
Available Days:						
AHTS	273	273		546	543	
FSV	979	910		1,889	1,810	
PSV	717	546		1,309	1,086	
Overall	<u>1,969</u>	<u>1,729</u>		<u>3,744</u>	<u>3,439</u>	
Operating revenues:						
Time charter	\$ 27,047	96 %	\$ 24,414	99 %	\$ 47,602	98 %
Other marine services	1,028	4 %	225	1 %	1,197	2 %
	<u>28,075</u>	<u>100 %</u>	<u>24,639</u>	<u>100 %</u>	<u>48,799</u>	<u>100 %</u>
Direct operating expenses:						
Personnel	4,969	18 %	4,833	20 %	10,150	21 %
Repairs and maintenance	3,161	11 %	2,050	8 %	6,370	13 %
Drydocking	1,226	4 %	144	1 %	3,258	7 %
Insurance and loss reserves	819	3 %	420	2 %	1,153	2 %
Fuel, lubes and supplies	1,170	4 %	1,419	6 %	2,457	5 %
Other	2,801	10 %	2,608	10 %	5,000	10 %
	<u>14,146</u>	<u>50 %</u>	<u>11,474</u>	<u>47 %</u>	<u>28,388</u>	<u>58 %</u>
Direct Vessel Profit	<u>\$ 13,929</u>	<u>50 %</u>	<u>\$ 13,165</u>	<u>53 %</u>	<u>\$ 20,411</u>	<u>42 %</u>

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Charter revenues were \$2.6 million higher in the Current Year Quarter compared with the Prior Year Quarter. Charter revenues were \$3.5 million higher for the Regional Core Fleet due to the repositioning of vessels between geographic regions and \$0.9 million lower for the Regional Core Fleet primarily due to lower utilization. As of June 30, 2024, the Company had one of 22 owned and leased-in vessels (one AHTS) cold-stacked in this region that is classified as held for sale.

Direct Operating Expenses. Direct operating expenses were \$2.7 million higher in the Current Year Quarter compared with the Prior Year Quarter primarily due to the repositioning of vessels between geographic regions.

Current Year Six Months compared with Prior Year Six Months

Operating Revenues. Charter revenues were \$4.2 million higher in the Current Year Six Months compared with the Prior Year Six Months. Charter revenues were \$3.7 million higher due to the repositioning of vessels between geographic regions and \$0.5 million higher for the Regional Core Fleet due to increased day rates.

Direct Operating Expenses. Direct operating expenses were \$3.4 million higher in the Current Year Six Months compared with the Prior Year Six Months primarily due to the repositioning of vessels between geographic regions.

Middle East and Asia. For the three and six months ended June 30, 2024 and 2023 the Company's time charter statistics and direct vessel profit in the Middle East and Asia were as follows (in thousands, except statistics):

	For the Three Months Ended June 30,				For the Six Months Ended June 30,											
	2024		2023		2024		2023									
Time Charter Statistics:																
Rates Per Day Worked:																
AHTS	\$ 5,786		\$ 5,666		\$ 5,784		\$ 5,723									
FSV	8,656		8,990		8,159		8,840									
PSV	16,499		8,523		15,902		8,584									
Liftboats	45,900		42,499		45,900		42,499									
Overall	17,083		13,245		17,012		13,399									
Utilization:																
AHTS	96 %		100 %		98 %		86 %									
FSV	85 %		100 %		74 %		100 %									
PSV	67 %		57 %		66 %		53 %									
Liftboats	100 %		94 %		100 %		96 %									
Overall	82 %		86 %		76 %		84 %									
Available Days:																
AHTS	91		91		182		181									
FSV	568		728		1,205		1,448									
PSV	455		455		910		905									
Liftboats	182		182		364		362									
Overall	1,296		1,456		2,661		2,896									
Operating revenues:																
Time charter	\$ 18,073	97 %	\$ 16,563	83 %	\$ 34,550	97 %	\$ 32,591	90 %								
Other marine services	619	3 %	3,512	17 %	969	3 %	3,539	10 %								
	18,692	100 %	20,075	100 %	35,519	100 %	36,130	100 %								
Direct operating expenses:																
Personnel	6,930	37 %	5,266	26 %	12,893	36 %	10,107	28 %								
Repairs and maintenance	3,443	19 %	1,219	6 %	6,155	17 %	1,896	5 %								
Drydocking	707	4 %	(684)	(3) %	2,190	6 %	(1,779)	(5) %								
Insurance and loss reserves	798	4 %	720	4 %	1,416	4 %	1,905	5 %								
Fuel, lubes and supplies	1,103	6 %	425	2 %	2,301	7 %	1,567	5 %								
Other	989	5 %	389	2 %	1,989	6 %	1,885	5 %								
	13,970	75 %	7,335	37 %	26,944	76 %	15,581	43 %								
Direct Vessel Profit	\$ 4,722	25 %	\$ 12,740	63 %	\$ 8,575	24 %	\$ 20,549	57 %								

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Charter revenues were \$1.5 million higher in the Current Year Quarter compared with the Prior Year Quarter. Charter revenues were \$3.2 million higher for the Regional Core Fleet as a result of increased liftboat and PSV day rates and utilization, \$0.9 million lower due to net asset dispositions and \$0.8 million lower due to the repositioning of vessels between geographic regions. Other marine services were \$2.9 million lower primarily due to business interruption insurance revenues recorded in the Prior Year Quarter. As of June 30, 2024, the Company had no vessels cold-stacked in this region.

Direct Operating Expenses. Direct operating expenses were \$6.6 million higher in the Current Year Quarter compared with the Prior Year Quarter. Direct operating expenses were \$7.0 million higher for the Regional Core Fleet primarily due to the timing of drydocking and repair expenditures and insurance reimbursements related to expenses in prior periods, \$0.3 million lower due to net asset dispositions and \$0.1 million lower due to the repositioning of vessels between geographic regions.

Current Year Six Months compared with Prior Year Six Months

Operating Revenues. Charter revenues were \$2.0 million higher in the Current Year Six Months compared with the Prior Year Six Months. Charter revenues were \$4.8 million higher for the Regional Core Fleet as a result of increased liftboat and PSV day rates and utilization, \$1.7 million lower due to net asset dispositions and \$1.1 million lower due to the repositioning of vessels between geographic regions. Other marine services were \$2.6 million lower primarily due to business interruption insurance revenues recorded in the Prior Year Six Months.

Direct Operating Expenses. Direct operating expenses were \$11.4 million higher in the Current Year Six Months compared with the Prior Year Six Months. Direct operating expenses were \$11.4 million higher for the Regional Core Fleet primarily due to the timing of drydocking and repair expenditures and insurance reimbursements related to expenses in prior periods, \$0.7 million higher due to the repositioning of vessels between geographic regions and \$0.7 million lower due to net asset dispositions.

Latin America (Brazil, Mexico, Central and South America). For the three and six months ended June 30, 2024 and 2023 the Company's time charter statistics and direct vessel profit in Latin America were as follows (in thousands, except statistics):

	For the Three Months Ended June 30,			For the Six Months Ended June 30,		
	2024	2023		2024	2023	
Time Charter Statistics:						
Rates Per Day Worked:						
FSV	\$ 14,950	\$ 14,950		\$ 14,950	\$ 11,960	
PSV	20,539	19,690		20,798	18,241	
Liftboats	46,904	15,967		67,293	24,450	
Overall	22,437	18,846		25,287	17,434	
Utilization:						
FSV	93%	60%		95%	80%	
PSV	60%	96%		50%	96%	
Liftboats	96%	90%		98%	75%	
Overall	71%	88%		64%	91%	
Available Days:						
FSV	182	182		364	362	
PSV	546	620		1,228	1,260	
Liftboats	80	29		154	115	
Overall	808	831		1,746	1,737	
Operating revenues:						
Time charter	\$ 12,832	86%	\$ 13,706	95%	\$ 28,106	88%
Bareboat charter	364	2%	364	2%	728	2%
Other marine services	1,727	12%	410	3%	3,325	10%
	14,923	100%	14,480	100%	32,159	100%
Direct operating expenses:						
Personnel	3,383	23%	3,888	27%	8,128	25%
Repairs and maintenance	1,761	12%	951	7%	4,199	13%
Drydocking	1,707	11%	1,290	9%	2,930	9%
Insurance and loss reserves	539	4%	168	1%	929	3%
Fuel, lubes and supplies	827	5%	870	6%	2,198	7%
Other	419	3%	366	2%	1,090	4%
	8,636	58%	7,533	52%	19,474	61%
Direct Vessel Profit	\$ 6,287	42%	\$ 6,947	48%	\$ 12,685	39%

Current Year Quarter compared with Prior Year Quarter

Operating Revenues. Charter revenues were \$0.9 million lower in the Current Year Quarter compared with the Prior Year Quarter. Charter revenues were \$1.1 million lower for the Regional Core Fleet due to reduced fleet utilization and \$0.2 million higher due to the repositioning of vessels between geographic regions. Other marine services were \$1.3 million higher primarily due to higher mobilization revenues. As of June 30, 2024, the Company had no vessels cold-stacked in this region.

Direct Operating Expenses. Direct operating expenses were \$1.1 million higher in the Current Year Quarter compared with the Prior Year Quarter. Direct operating expenses were \$0.6 million higher due to the repositioning of vessels between geographic regions and \$0.5 million higher for the Regional Core Fleet primarily due to the timing of certain drydocking and repair expenditures.

Current Year Six Months compared with Prior Year Six Months

Operating Revenues. Charter revenues were \$0.6 million higher in the Current Year Six Months compared with the Prior Year Six Months. Charter revenues were \$1.4 million higher due to the repositioning of vessels between geographic regions and \$0.8 million lower for the Regional Core Fleet due to reduced fleet utilization. Other marine services were \$1.6 million higher primarily due to higher mobilization revenues.

Direct Operating Expenses. Direct operating expenses were \$5.0 million higher in the Current Year Six Months compared with the Prior Year Six Months. Direct operating expenses were \$2.6 million higher due to the repositioning of vessels between geographic regions and \$2.4 million higher for the Regional Core Fleet primarily due to the timing of certain drydocking and repair expenditures.

Other Operating Expenses

Lease Expense. Leased-in equipment expense for the Current Year Quarter and Current Year Six Months was \$0.2 million lower and \$0.5 million lower compared to the Prior Year Quarter and Prior Year Six Months due to having one leased-in vessel in 2024 compared to two in 2023.

Administrative and general. Administrative and general expenses for the Current Year Quarter and Current Year Six Months were \$2.8 million lower and \$2.5 million lower compared to the Prior Year Quarter and Prior Year Six Months primarily due to decreases in allowance for credit losses.

Depreciation and amortization. Depreciation and amortization expense for the Current Year Quarter and Current Year Six Months were \$0.6 million lower and \$1.5 million lower compared to the Prior Year Quarter and Prior Year Six Months primarily due to net fleet changes.

Gains (Losses) on Asset Dispositions and Impairments, Net. During the Current Year Quarter, the Company sold other equipment for net cash proceeds of \$0.1 million, after transaction costs, and a de minimis gain. During the Prior Year Quarter, the Company sold one specialty vessel, previously removed from service, and other equipment for net cash proceeds of \$0.4 million, after transaction costs, and a gain of \$0.3 million.

During the Current Six Months, the Company sold other equipment for net cash proceeds of \$0.1 million, after transaction costs, and a de minimis gain. During the Prior Year Six Months, the Company sold three liftboats, one specialty vessel, previously removed from service, and other equipment, previously classified as held for sale, as well as other equipment not previously classified as such, for net cash proceeds of \$8.0 million, after transaction costs, and a gain of \$2.9 million.

Other Income (Expense), Net

For the three and six months ended June 30, 2024 and 2023, the Company's other income (expense) was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Other Income (Expense):				
Interest income	\$ 445	\$ 422	\$ 1,038	\$ 882
Interest expense	(10,190)	(8,736)	(20,499)	(17,524)
Derivative gains (losses), net	104	—	(439)	—
Foreign currency losses, net	(560)	(603)	(640)	(1,428)
Other, net	—	—	(95)	—
	<u>\$ (10,201)</u>	<u>\$ (8,917)</u>	<u>\$ (20,635)</u>	<u>\$ (18,070)</u>

Interest income. Interest income for the Current Year Quarter and Current Year Six Months compared with the Prior Year Quarter and Prior Year Six Months was nearly flat.

Interest expense. Interest expense was higher in the Current Year Quarter and Current Year Six Months compared with the Prior Year Quarter and Prior Year Six Months primarily due to a higher interest rate on the 2023 SMFH Credit Facility (which bears interest at a fixed rate of 11.75% per annum), which was entered into subsequent to June 30, 2023, as compared with the 2018 SMFH Credit Facility.

Derivative gains (losses), net. Net derivative gains (losses) for the Current Year Quarter and Current Year Six Months compared with the Prior Year Quarter and Prior Year Six Months increased due to the Company entering into an open forward currency exchange contract in the fourth quarter of 2023.

Foreign currency losses, net. Net foreign currency losses for the Current Year Quarter and Current Year Six Months compared with the Prior Year Quarter and Prior Year Six Months decreased primarily due to the strengthening of the pound sterling in relation to the U.S. dollar.

Income Tax Expense

During the six months ended June 30, 2024, the Company's effective income tax rate of 0.7% was primarily due to foreign taxes paid that are not creditable against U.S. income taxes and foreign losses for which there is no benefit for U.S. income tax purposes.

Equity in Earnings of 50% or Less Owned Companies

Equity in earnings of 50% or less owned companies for the Current Year Quarter compared with the Prior Year Quarter were \$0.6 million lower and earnings for the Current Year Six Months compared with the Prior Year Six Months were \$1.0 million lower due to the following changes in equity earnings (losses) (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
SEACOR Marine Arabia	\$ 1,698	\$ 613	\$ 1,292	\$ 815
Other	(732)	(240)	(1,426)	94
	<u>\$ 966</u>	<u>\$ 373</u>	<u>\$ (134)</u>	<u>\$ 909</u>

Liquidity and Capital Resources

General

The Company's ongoing liquidity requirements arise primarily from working capital needs, capital commitments and its obligations to service outstanding debt and comply with covenants under its debt facilities. The Company may use its liquidity to fund capital expenditures, make acquisitions or to make other investments. Sources of liquidity are cash balances, cash flows from operations and sales under the Company's ATM Program, which has approximately \$24.9 million of remaining sales capacity as of June 30, 2024. From time to time, the Company may secure additional liquidity through asset sales or the issuance of debt, shares of Common Stock or common stock of its subsidiaries, preferred stock or a combination thereof.

As of June 30, 2024 and June 30, 2023, the Company held balances of cash, cash equivalents and restricted cash totaling \$42.9 million and \$43.5 million, respectively.

As of June 30, 2024, the Company had outstanding debt of \$306.3 million, net of debt discount and issue costs. The Company's contractual long-term debt maturities as of June 30, 2024, are as follows (in thousands):

	Actual
Remainder 2024	\$ 14,303
2025	28,605
2026	152,405
2027	27,165
2028	110,257
Years subsequent to 2028	6,227
	<u>\$ 338,962</u>

As of June 30, 2024, the Company had unfunded capital commitments of \$12.2 million for miscellaneous vessel equipment, including \$10.1 million in respect of hybrid battery power systems. Of the unfunded capital commitments, \$6.9 million is payable during 2024 and \$5.3 million is payable during 2025. In addition to the unfunded capital commitments above, the Company has indefinitely deferred an additional \$9.2 million of capital commitments with respect to one FSV.

Summary of Cash Flows

The following is a summary of the Company's cash flows for the six months ended June 30, 2024 and 2023 (in thousands):

	Six Months Ended June 30,	
	2024	2023
Cash flows provided by or (used in):		
Operating Activities	\$ (19,416)	\$ 3,331
Investing Activities	(3,988)	17,533
Financing Activities	(17,868)	(20,362)
Effects of Exchange Rate Changes on Cash, Restricted Cash and Cash Equivalents	1	(1)
Net Change in Cash, Restricted Cash and Cash Equivalents	<u>\$ (41,271)</u>	<u>\$ 501</u>

Operating Activities

Cash flows used in operating activities increased by \$22.7 million in the Current Year Six Months compared with the Prior Year Six Months primarily due to a decrease in utilization offset by changes in working capital. The components of cash flows provided by and/or used in operating activities during the Current Year Six Months and Prior Year Six Months were as follows (in thousands):

	Six Months Ended June 30,	
	2024	2023
DVP:		
United States, primarily Gulf of Mexico	\$ (6,653)	\$ (1,676)
Africa and Europe	20,411	18,862
Middle East and Asia	8,575	20,549
Latin America	12,685	15,554
Operating, leased-in equipment	(1,131)	(1,311)
Administrative and general (excluding provisions for bad debts and amortization of share awards)	(19,532)	(19,727)
Other, net (excluding non-cash losses)	(95)	—
Dividends received from 50% or less owned companies	1,418	1,044
Changes in operating assets and liabilities before interest and income taxes	15,678	33,295
Cash settlements on derivative transactions, net	164	380
Interest paid, excluding capitalized interest ⁽¹⁾	(16,122)	(14,292)
Interest received	1,038	882
Income taxes paid, net	(50)	(556)
Total cash flows (used in) provided by operating activities	<u>\$ (19,416)</u>	<u>\$ 3,331</u>

(1) During the Current Year Six Months and the Prior Year Six Months, the Company paid no capitalized interest.

For a detailed discussion of the Company's financial results for the reported periods, see "Consolidated Results of Operations" included above. Changes in operating assets and liabilities before interest and income taxes are the result of the Company's working capital requirements.

Investing Activities

During the Current Year Six Months, net cash used in investing activities was \$4.0 million, primarily as a result of the following:

- capital expenditures were \$4.1 million; and
- the Company sold other equipment for net cash proceeds of \$0.1 million, after transaction costs, and a de minimis gain.

During the Prior Year Six Months, net cash provided by investing activities was \$17.5 million, primarily as a result of the following:

- capital expenditures were \$0.5 million;
- the Company sold three liftboats, one specialty vessel, previously removed from service, and other equipment, previously classified as held for sale, as well as other equipment not previously classified as such for net cash proceeds of \$8.0 million, after transaction costs, and a gain of \$2.9 million; and
- the Company received \$10.0 million of principal payments under the MexMar Third A&R Facility Agreement.

Financing Activities

During the Current Year Six Months, net cash used in financing activities was \$17.9 million, primarily as a result of the following:

- the Company made scheduled payments on long-term debt and other obligations of \$14.1 million;
- the Company received \$0.1 million proceeds from the exercise of stock options; and
- the Company made payments on tax withholdings for restricted stock vesting of \$3.9 million.

During the Prior Year Six Months, net cash used in financing activities was \$20.4 million primarily as a result of the following:

- the Company made scheduled payments on long-term debt and other obligations of \$18.1 million;
- the Company made payments on debt extinguishment of \$26.8 million;
- the Company received proceeds from the issuance of long-term debt of \$27.2 million;
- the Company made payments on finance leases of \$0.3 million; and
- the Company made payments on tax withholdings for restricted stock vesting and director share awards of \$2.4 million.

Short and Long-Term Liquidity Requirements

The Company believes that a combination of cash balances on hand, cash generated from operating activities and access to the credit and capital markets, including the \$24.9 million in remaining capacity under the ATM Program, will provide sufficient liquidity to meet its obligations, including to support its capital expenditures program, working capital needs, debt service requirements and covenant compliance over the short to long term. The Company continually evaluates possible acquisitions and dispositions of certain businesses and assets. The Company's sources of liquidity may be impacted by the general condition of the markets in which it operates and the broader economy as a whole, which may limit its access to or the availability of the credit and capital markets on acceptable terms. Management continuously monitors the Company's liquidity and compliance with covenants in its credit facilities.

Debt Securities and Credit Agreements

For a discussion of the Company's debt securities and credit agreements, see "Note 4. Long-Term Debt" in the unaudited consolidated financial statements included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q and in "Note 6. Long-Term Debt" in the Company's audited consolidated financial statements included in its 2023 Annual Report. There have been no material changes to the Company's long-term debt during the period.

Future Cash Requirements

For a discussion of the Company's future cash requirements, refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations - Liquidity and Capital Resources" in the Company's 2023 Annual Report. There has been no material change in the Company's future cash requirements since our fiscal year ended December 31, 2023, except as described in "Results of Operations - Liquidity and Capital Resources" in this report.

Contingencies

For a discussion of the Company's contingencies, see "Note 9. Commitments and Contingencies" in the unaudited consolidated financial statements included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

For a discussion of the Company's exposure to market risk, refer to "Quantitative and Qualitative Disclosures About Market Risk" included in the Company's 2023 Annual Report. There has been no material change in the Company's exposure to market risk during the six months ended June 30, 2024.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

With the participation of the Company's principal executive officer and principal financial officer, management evaluated the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of June 30, 2024. Based on their evaluation, the Company's principal executive officer and principal financial officer concluded that the Company's disclosure controls and procedures were effective as of June 30, 2024 to provide reasonable assurance that information required to be disclosed by the Company in reports filed or submitted under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the United States Securities and Exchange Commission's ("SEC") rules and forms and (ii) accumulated and communicated to the Company's management, including its Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

The Company's disclosure controls and procedures have been designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosures. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those internal control systems determined to be effective can provide only a level of reasonable assurance with respect to financial statement preparation and presentation.

Changes in Internal Control Over Financial Reporting

There have been no changes in the Company's internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the Current Year Quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II—OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of developments with respect to pending legal proceedings described in the Company's 2023 Annual Report, see "Note 9. Commitments and Contingencies" in the unaudited consolidated financial statements included in Part I. Item 1. "Financial Statements" elsewhere in this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

For a discussion of the Company's risk factors, refer to "Risk Factors" included in the Company's 2023 Annual Report. There have been no material changes in the Company's risk factors during the Current Year Quarter.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

(a), (b) None.

(c) This table provides information with respect to purchases by the Company of shares of its Common Stock during the Current Year Quarter:

	Total Number of Shares Purchased	Average Price per Share	Total Number of Shares Purchased as Part of a Publicly Announced Plan	Maximum Number of Shares that may be Purchased Under the Plan
April 1, 2024 to April 30, 2024	—	\$ —	—	—
May 1, 2024 to May 31, 2024	—	\$ —	—	—
June 1, 2024 to June 30, 2024	3,274	\$ 11.98	—	—

For the three months ended June 30, 2024, the Company acquired for treasury 3,274 shares of Common Stock from its directors for an aggregate purchase price of \$39,223 to cover their tax withholding obligations upon the lapsing of restrictions on share awards. These shares were purchased in accordance with the terms of the Company's 2022 Equity Incentive Plan.

ITEM 3. DEFAULT UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the second quarter of 2024, none of our directors or Section 16 officers adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement" (as each term is defined in Item 408(a) of Regulation S-K).

ITEM 6. EXHIBITS

- 31.1 [Certification by the Principal Executive Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act, as amended.](#)
- 31.2 [Certification by the Principal Financial Officer pursuant to Rule 13a-14\(a\) and Rule 15d-14\(a\) of the Securities Exchange Act, as amended.](#)
- 32 [Certification by the Principal Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.](#)
- 101.INS** Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
- 101.SCH** Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents.
- 104 The cover page for the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2024, has been formatted in Inline XBRL.

** Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Section 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934 and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SEACOR Marine Holdings Inc.

Date: July 31, 2024

By: /s/ John Gellert
John Gellert, *President,
Chief Executive Officer
(Principal Executive Officer)*

Date: July 31, 2024

By: /s/ Jesús Llorca
Jesús Llorca, *Executive Vice
President
and Chief Financial Officer
(Principal Financial Officer)*

Date: July 31, 2024

By: /s/ Gregory S. Rossmiller
Gregory S. Rossmiller,
*Senior Vice President
and Chief Accounting Officer
(Principal Accounting Officer)*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a), AS AMENDED**

I, John Gellert, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

/s/ John Gellert
Name: John Gellert
Title: *President and Chief Executive Officer
(Principal Executive Officer)*

**CERTIFICATION BY THE PRINCIPAL FINANCIAL OFFICER PURSUANT TO
RULE 13a-14(a) AND RULE 15d-14(a), AS AMENDED**

I, Jesús Llorca, certify that:

1. I have reviewed this quarterly report on Form 10-Q of SEACOR Marine Holdings Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: July 31, 2024

/s/ Jesús Llorca
Name: Jesús Llorca
Title: *Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)*

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED BY SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

Each of the undersigned, the Chief Executive Officer and the Chief Financial Officer of SEACOR Marine Holdings Inc. (the "Company"), hereby certifies, to the best of her/his knowledge and belief, that the Form 10-Q of the Company for the quarterly period ended June 30, 2024 (the "Periodic Report") accompanying this certification fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and that the information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company. This certification is provided solely for purposes of complying with the provisions of Section 906 of the Sarbanes-Oxley Act and is not intended to be used for any other purpose.

Date: July 31, 2024

/s/ John Gellert

Name: John Gellert
Title: *President and Chief Executive Officer
(Principal Executive Officer)*

Date: July 31, 2024

/s/ Jesús Llorca

Name: Jesús Llorca
Title: *Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)*

