Subsea 7 – In Summary

Our vision is to be acknowledged by our clients, our people and our shareholders as the leading strategic partner in seabed-to-surface engineering, construction and services.

Subsea 7 provides cost-effective technical solutions enabling the delivery of complex projects in all water depths and challenging offshore environment. We support our customers across the field life-cycle and deliver a comprehensive suite of products and services enabled by our technology, people and assets.
SUBSEA 7 CAPABILITIES ACROSS THE FIELD DEVELOPMENT LIFECYCLE

ENGAGE EARLY TO DELIVER VALUE
Creating value for clients in the earliest stages of project planning, lowering costs and streamlining schedules.

CONCEPT
Input at concept allows for optimisation of later cycle stages.

DESIGN
Robust FEED ensuring minimal change and accurate forecasting during design.

ENGINEER
Detailed engineering by experienced personnel to deliver the best solution.

PROCURE AND FABRICATE
Efficient procurement and high quality fabrication delivered on time.

INSTALL AND COMMISSION
Safe, on-schedule and cost-efficient installations by world-class vessels.

MAINTAIN
Effective and responsive maintenance reducing cost of ownership.

EXTEND
Maximised return on investment by utilising new technologies and tie-back solutions.

DECOMMISSION
Facilitated abandonment and decommissioning with heavy lift vessels.

SOLUTIONS THAT DELIVER VALUE TO CLIENTS
Early engagement through global alliances and client partnerships optimises the solutions Subsea 7 can provide

EXECUTING PROJECTS AND SERVICES THAT MEET CLIENT EXPECTATIONS
An extensive track record of safely executed projects worldwide makes Subsea 7 a market-leading provider
Our market segments

2017 Revenue
$4.0 billion

$2.7bn (69%)

$1.0bn (24%)

$0.3bn (7%)

**i-Tech Services**
Leading Life of Field partner for clients throughout the oil and gas industry

**SURF and Conventional**
Delivering subsea systems that connect seabed wellhead structures to surface production facilities

**Renewables and Heavy Lifting**
Delivering balance of plant for offshore energy developments
SURF and Conventional

- Subsea Umbilicals, Risers and flowlines (SURF)
- Connecting seabed wellhead structures to surface production facilities
- Over 20 year track record: safe and efficient execution on over 1,000 projects
- Operating in remote and harsh environments with complex challenges and risks
SURF and Conventional – some of our activities

- PUPP (Nigeria)
- WND Ph.2/GFR (Egypt)
- Snorre (Norway)
- Pipeline Bundles fabrication

- 4 Decks (Saudi Arabia)
- Hasbah (KSA)
- Swagelining fabrication
- PLSVs (Brazil)
Our PLSV activities offshore Brazil

Servicing life of field and new construction needs for Petrobras in all water depths

- Long-term day-rate contracts to 2021 / 2022
- Performing production maintenance and new construction activities
- $0.95bn of firm backlog (at Q3)
- July 2017: contract extensions awarded under same day-rates for 550t top tension PLSVs

550t purpose-built vessels capable of laying pipe in ultra-deep water
i-Tech Services

- Leading Life of Field partner for clients throughout the oil and gas industry
- Over 35 year’s experience

- Over 165 ROVs and a fleet of ROV support vessels
- Global business with operational bases in the UK, Brazil, the US and Australia
i-Tech Services: products and services

Integrated solutions built on core products and services

• ROV Intervention
• Diving
• Survey, Inspection & Data Management
• Well simulation & sampling
• Tool Management & Engineering Solutions
• Pipeline Repair & Tree Installation

Highly skilled and experienced people

Innovative technologies
i-Tech Services track record

- Over 1000 successful Inspection, Repair and Maintenance projects completed
- Over 300 successful hydrocarbon sampling missions using ROVs
- Over 18,000 intervention tooling products designed, delivered and managed
- ROV drill rig exploration support worldwide since 1976

Global experience, world-class technology and assets
Renewables and Heavy Lifting

- **1991** SHL Joint Venture established
- **2009** First Renewables Project for SHL
- **2013** Subsea 7 increases its focus on renewables
- **2016** Beatrice EPCI awarded to Subsea 7
- **2017** SHL acquired by Subsea 7
- **2018** SOC acquired by Subsea 7
- **2018** Comprehensive balance of plant offering: T&I and EPCI

10 years experience in renewable energy

- **11%** forecast for CAGR in renewables
- **1000** experienced personnel
- **2** EPCI projects ongoing
- **4** specialist offshore vessels

Source: Rystad Energy, September 2017, forecast to 2022
Renewable and Heavy Lifting contract models

**EPCI**
- Transferable skills and synergies from oil and gas
- Longer time from tender to execution
- Early engagement and engineering
- Procurement costs can be >50%
- Potential to integrate heavy lifting and cable lay services

**T&I**
- Heavy lifting in oil and gas sector as well as renewables
- Shorter time from tender to execution
- Lower barrier to entry increasing competition
What we do to reduce contribution to climate change
Subsea 7’s input to Renewable Energy

Subsea 7 (RHL) are typically contracted to carry out:
1. Design, procurement and installation of foundation piles and jackets (SHL)
2. Design procurement and installation of Inner Array Cables (SOC)
3. Installation of the Offshore Substation and its foundations (SHL)

Subsea 7 (RHL) do not currently carry out installation or procurement of:
1. Wind Turbine Generators
2. Export Cables
Large offshore wind farm projects

Pre-2019
- Gode Wind 582MW
- Gemini 600MW
- Borkum II 203MW
- Hornsea One 1218MW

Post-2019
- Triton Knoll 860MW
- Yunlin 640MW
- Guanyin ph2 350MW
- Inch Cape 784MW

Subsea 7: No major offshore EPCI wind projects for execution in 2019
- T&I work needed to maintain vessel utilisation
- Reduction in capacity to align with activity levels

Project not yet awarded

Subsea 7 Project
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What we do
Our differentiators
Our priorities
Our outlook
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Our shared Core Values

What is most important to us as we conduct our business.

Safety
We are committed to an incident-free workplace every day, everywhere. We continue to minimise the impact of our activities on the environment.

Integrity
We apply the highest ethical standards to everything we do. We believe that by treating our clients, people and suppliers fairly and with respect, we will earn their trust and build sustainable success together.

Performance
We are predictable and reliable in our performance. We always strive for excellence in everything we do in order to achieve superior business results.

Collaboration
We are locally sensitive and globally aware. Our people work together, leveraging our global know-how and capabilities to build sustainable local businesses.

Innovation
We constantly strive to improve the efficiency of our business by investing in the development of our people through innovation in technology operations and processes.
Our value proposition

Creating value for our **Clients** through strong long-term relationships and excellent execution

Creating value for our **Shareholders** by investing for the future while maintaining a strong financial position

Creating value for our **People** with continual investment in safety, security, skills and development

Creating value for **Society** through engaging and respecting the environments and communities we work in worldwide

**Experience**

**Expertise**

**Scale**

**Reliability**

**Relationships**

**Financial profile**
Competitive landscape for full life cycle integrated solutions

<table>
<thead>
<tr>
<th>EXPLORATION GEOPHYSICS</th>
<th>DOWN-HOLE / DATA</th>
<th>FEED</th>
<th>SPS / MANUFACTURE</th>
<th>EPIC</th>
<th>LIFE OF FIELD/ WELL SERVICES</th>
<th>DECOMISSIONING</th>
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<td>Schlumberger</td>
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Our People

- We deliver projects based on our expertise and know-how
- Our highly skilled and experienced workforce deliver projects safely and reliably

10,500 people in our workforce at end 2017

- Onshore people
- Offshore people

4,400
6,100
Our technology focus areas

**LONG-DISTANCE TIE-BACKS**
Transforming the economics of field development

**PIPELINE BUNDLES & TOWED PRODUCTION SYSTEMS**
Enabling the next generation of subsea architecture

**DEVELOPING COST-EFFICIENT PIPELINE MATERIALS**
Reducing field development costs

**DEVELOPING THE FUTURE OF IRM THROUGH INNOVATION**
i-Tech Services a leading Life of Field Partner
A LEADER IN DEEPWATER RISER SYSTEMS

- Cost-efficient solutions
- Uniquely wide portfolio of riser solutions allowing optimised concept selection for each project
- Strong track-record, including large EPCI projects
- Optimised riser integration into field development
- Improved flow and integrity performance

Coupled Systems

Un-Coupled Systems
FLOWLINE SYSTEMS

Developing portfolio of high performance and cost-efficient flowline solutions to enable optimum field architecture.

- Active heating systems - Electrically Heat Traced Flowline Pipe-in-Pipe (EHTF PiP) with most energy efficient system in market
- Longer tie-backs
- PiP with industry leading thermal performance
- Enable more cost efficient solutions
- Integration of continuous health monitoring
- Non-Destructive Testing (NDT)
- Field Joint Coating (FJC)
BUNDLES

Enhancing Pipeline Bundle technology solutions for global market. Developing towed production systems.

- Multiple flowlines packaged inside a carrier pipe
- Terminates with towhead structures (manifolds)
- Fabricated on-shore in a single length
- Towed to site by CDTM (Controlled Depth Tow Method)
TOWED PRODUCTION SYSTEM

- **Active monitoring** - use Bundle for first adoption
- Increased pressure (20K) and temperature (220°C) ratings to access mature market
- **Deeper water** to increase envelope of Bundles
- Increased length to provide **cost reductions for longer tie-backs**
- Use of composite pipes and structural components to **reduce weight and cost**
- **Integrated process modules**
- **Global migration** of technology solution
A. Inspection
B. Monitoring
C. Data Management, Communication
D. Analytics, Digital Twin & Visualization
E. UWILD/Moorings
F. Surface Power Communication Buoy
G. Autonomous Vehicle
H. FPSO Hosted AIV
I. Seabed Hosted AIV
J. ROCS/Hydrates/Sampling
K. Autonomous Surface Vessel
L. Onshore Control Centres
A modern and versatile fleet of 34 vessels

Vessels by Ownership type
- Owned: 28
- Chartered: 6

Vessels by Age
- 0-5 years: 10
- 6-11 years: 16
- 12+ years: 8

Vessels by Operational category
- Hook-up
- Renewables & Heavy Lifting
- Horizontal flexlay
- Life of Field support
- Diving Support
- Rigid-lay / Heavy Construction
- Vertical flexlay
FLEET

34 Vessels including 32 active vessels at end Q3 ’18

PIPELAY/HEAVY LIFTING VESSELS

SEVEN ANARES
SEVEN BOREALIS
SEVEN CHAMPION
SEVEN OCEANS
SEVEN NAVICA
NEW REEL-LAY
SEVEN VEGA
SEVEN MAR
SEVEN PACIFIC
SEVEN PHOENIX
SEVEN RIO
SEVEN SEAS
SEVEN SUN
SEVEN WAVES
NORMAND OCEANIC
SIMAR ESPERANÇA
SKANDI ACERGY

DIving SUPPORT VESSELS

SEVEN ATLANTIC
SEVEN FALCON
SEVEN KESTREL
SEVEN PELICAN
ROCKWATER 2

LIFE OF FIELD VESSELS

SEVEN VIKING
HARVEY INTERVENTION
AKADEMIK TOPIQ
OSMAYLOV
MMA PINNACLE
NORMAND SUBSEA

RENEWABLES & HEAVY LIFTING VESSELS

SEAWAY AMERY
SEAWAY MOXIE
OLEG STRASHNOV
STANISLAV YUDIN

LIFT/HOOK-UP

SEVEN NASHA

Under Construction Reel-lay Vessel to be named Seven Vega

Long-term charter from a vessel-owning joint venture

Stacked

Chartered from a third party
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Subsea 7’s approach and strategy through the cycle

- **2015**
  - Global alliance with KBR/Granherne
  - Creation of i-Tech Services Business Unit

- **2016**
  - Cost reduction programmes 2015/2016
  - Acquisition: technology

- **2017**
  - New-build vessels: PLSVs Seven Arctic Seven Kestrel
  - Acquisition: Middle East
  - New rigid reel-lay vessel ordered

- **2018**
  - Investment: Early engagement
  - Acquisition: Renewables
  - Integrated solutions JV proposed
Flexible Solutions

Our clients require flexible solutions:

- Comprehensive integrated offering with alliance partners OneSubsea being developed into a Joint Venture.

- Successful collaboration models with certain independent clients including AkerBP, Promethean, Premier, Spirit...

- Standalone SURF and Conventional contracts still the prominent model
Strengthened early engagement capability

- FEED is a critical part of the life cycle in creating value. Clients engaged earlier benefit from optimised solutions.
- Significant increase in number of supplier led FEEDs leading onto project awards.
- FEED awards are a key indicator on outlook.

Cumulative offshore FEED awards for E&P

Source: IHS Markit

© 2018 IHS Markit
Our Partnerships

• We have a collaboration model in partnership with certain clients to provide cost effective solutions based on long-term relationships.

• Early engagement and long-term collaborative relationships with mutual benefits

• AKER BP frame agreement is an innovative solution with shared risks and rewards

Recent successful completion of the Volund Infill project for Aker BP

30% saved on PM&E hours
Two well tie-in completed 25% faster
Delivered 9 months sooner
Integrated solutions: adding value through the lifecycle

Subsea 7, together with Schlumberger, aims to...

• provide clients with solutions that enhance production and improve flow assurance

...through...

• integrated field design and life of field services

...by...

• engaging earlier and developing superior technology

**Rationalise**
- Design to vessel specification
- Integrate schedules
- Interface control

**Optimise**
- Field architecture
- Production systems
- Control system

**Maximise**
- Flow assurance
- Production assurance
- Enhanced recovery
- Concept design
Subsea Integration Alliance

Enhanced production  Reduced cost and risk  Pore-to-shore perspective
Integrated full field lifecycle joint venture

- Integrated optimized design of the entire subsea facility
- Improved EPIC economics: lower cost, reduced risk and shorter schedule
- Integrated technologies to extend tieback distance and improve recovery

Reduced Total Cost of Ownership

CapEx Phase
OpEx Phase

Enhanced Recovery
Integrated solutions: joint venture value proposition

**Integrated Projects**
- Supplier led solutions
- Reduced Costs
- Reduced Risk
- Optimised schedules

**Life of Field**
- Lower Operating Expenditure
- Asset Integrity Assurance
- Enhanced Production
- Extended Field Life

**Technology**
- Improved Recovery
- Standardisation
- Subsea Processing
- Digitalisation

**VALUE PROPOSITION**
Drivers of lower costs for projects

- **Earlier engagement** enables better engineering, introduction of integrated and full lifecycle solutions and application of new technology

- **Closer collaboration** with alliances and partnerships reduces risk and shortens project duration

- **Leaner processes** reduce project management and engineering hours

- **Supply chain deflation** gives lower procurement costs

- **Scope reduction** eliminates over-engineering and reflects a more modular development approach

- **Lower margins** accepted on projects to protect utilisation and retain capability
Drive business improvements to lower costs

Actively **adapt to industry conditions** without losing focus on long term strategic priorities

Enable projects to progress in a lower oil price environment
Adjusted EBITDA progression

- 2018 guidance: **Revenue broadly in line**, Adjusted EBITDA percentage **margin significantly lower** compared to 2017
Our principal margin drivers

- **Total vessel utilisation**
  - 2014: 82%
  - 2015: 72%
  - 2016: 66%
  - 2017: 61%

- **Number of projects >$300m completed**

- **Backlog value by year awarded**

- **Costs ($bn)**
  - 2014: 2.0
  - 2015: 1.4
  - 2016: 1.0
  - 2017: 0.8

**Reduction in offshore activity levels**

- Fewer large projects in the final stages of completion
- Lower margin projects signed in the downturn
- Continued cost discipline

Definitions on slide 12
Priorities for cash

- Invest in the business
- Maintain investment grade profile
- Return to shareholders

Targeted acquisitions to enhance our strategic growth areas

$468 million net cash at 30 September 2018

$1.7 billion returned to shareholders in special dividends and buybacks since 2011
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Cyclical recovery in Oil and Gas

Re-engineered Projects
- Total Zinia
- BP Mad Dog 2

Brownfield Tie-Backs
- Nexen Buzzard
- AKER BP Aefugl

Greenfield Construction
- Tenders in progress

Backlog Increase

Key Vessel Utilisation

Pricing Power

Tenders in progress
Subsea 7’s Addressable Market

$151 billion\(^{(1)}\)
Global Offshore E&P CAPEX

Floating Platform Fabrication, Maintenance, Modification and Operational Expenditure

SPS\(^{(2)}\)

Drilling

Seismic

$40 billion\(^{(1)}\)
Addressable Market

Early Engineering
ROV’s
Heavy Lift
Conventional
Renewables

$60 billion
Addressable Market

50% growth
2017 - 2022

Forecast to return to 2014 size by 2022\(^{(1)}\)

(1) Rystad August 2018
(2) Access via Alliances and Partnerships
(3) Trunklines up to 46”
Evolving energy sector

In an evolving energy sector, we create sustainable value by being the industry’s partner and employer of choice in delivering the efficient offshore solutions the world needs.

Past

Future

Source: BP Statistical Review of World Energy 2018

Source: BP Energy Outlook 2018
Offshore Wind Market Trends

- Market is growing significantly; both in the mature markets (Europe) and new markets (Rest of World)
- Turbines are getting bigger, resulting in economies of scale

Cumulative GW Installations

- CAGR 12%
- CAGR 16%

Levelised Cost of Energy Trend

- LCOE dropping 30% every 5 years

Source: LCOE actuals from Offshore Wind Programme Board – forecast from BVG associates 2017 and BNEF; 4C Offshore and BNEF for market demand

- Declining levelised cost of electricity (LCOE) enabling more projects to be commercially viable, increasing volume
**Business Unit Outlook**

**SURF and Conventional**
- Tendering activity increasing but pricing not yet improving near term
- Improved visibility on timing of awards for large greenfield projects, with some projects already awarded to market

**Renewables and Heavy Lifting**
- T&I tendering for near-term activity continues with prospects in Taiwan
- Medium-term EPCI projects in Europe delayed to 2019/2020

**i-Tech Services**
- Tender activity increasing
- Pricing remains competitive
Summary

• Market award activity in offshore oil and gas has begun to recover

• Subsea 7 has taken cyclical opportunities to grow and strengthen its business for the future and is positioned well for the next phase of the cycle

• Subsea 7’s Values-driven strategy and strong financial position have supported its investment in differentiated capability and worldwide presence

• Subsea 7 looks to the future with confidence in the long-term sustainability of offshore energy
Q3 2018 results

**FINANCIAL HIGHLIGHTS**
- Revenue $1.1 billion
- Adjusted EBITDA $217 million
- Adjusted EBITDA margin 20%
- Diluted EPS $0.23
- Operating cash generated $190 million
- Net cash balance $468 million

**OPERATIONAL HIGHLIGHTS**
- Good progress on EPIC SURF
- Active Vessel Utilisation: 89%
- Total Vessel Utilisation: 85%

**ORDER INTAKE**
- Order backlog $5.1 billion
- $0.8 billion awards and escalations
### Income statement – Q3 highlights

<table>
<thead>
<tr>
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<th>Three months ended</th>
<th>30 September 2018 Unaudited</th>
<th>30 September 2017 Unaudited</th>
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<td><strong>In $ millions, unless otherwise indicated</strong></td>
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<tr>
<td>Revenue</td>
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<td>1,082</td>
<td>1,063</td>
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<tr>
<td>Net operating income (NOI)</td>
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<td>149</td>
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<tr>
<td>Income before taxes</td>
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<tr>
<td>Adjusted EBITDA(1)</td>
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<td>217</td>
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<td>Adjusted EBITDA margin</td>
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<td>20%</td>
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<td>Diluted earnings per share $</td>
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<tr>
<td>Weighted average number of shares (millions)</td>
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(1) Adjusted EBITDA defined in Appendix
# Income statement – supplementary details

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<th>In $ millions</th>
<th>30 September 18 Unaudited</th>
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<tr>
<td>Administrative expenses</td>
<td>(64)</td>
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<tr>
<td>Share of net income/(loss) of associates and joint ventures</td>
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<td>(13)</td>
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<tr>
<td>Depreciation, amortisation, mobilisation and impairment</td>
<td>(107)</td>
<td>(101)</td>
</tr>
<tr>
<td>Net operating income</td>
<td><strong>111</strong></td>
<td><strong>149</strong></td>
</tr>
<tr>
<td>Net finance income</td>
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<tr>
<td>Other gains and losses</td>
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<td>(26)</td>
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<tr>
<td>Income before taxes</td>
<td><strong>110</strong></td>
<td><strong>123</strong></td>
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<tr>
<td>Taxation</td>
<td>(34)</td>
<td>(12)</td>
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<td>Net income</td>
<td><strong>76</strong></td>
<td><strong>111</strong></td>
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Net income attributable to:

| | 30 September 18 Unaudited | 30 September 17 Unaudited |
| Shareholders of the parent company | **76** | **113** |
| Non-controlling interests | - | (2) |
Business Unit performance – Third quarter

Revenue

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<tr>
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<th>2018</th>
<th>2017</th>
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<tr>
<td>Revenue</td>
<td>$1,082m</td>
<td>$1,063m</td>
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<tr>
<td>SURF &amp; Conventional</td>
<td>$152m</td>
<td>$126m</td>
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<td>i-Tech Services</td>
<td>$66m</td>
<td>$76m</td>
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<tr>
<td>Renewables &amp; Heavy Lifting</td>
<td>$865m</td>
<td>$755m</td>
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NOI

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<td>Renewables &amp; Heavy Lifting</td>
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Corporate segment: net operating loss Q3 2018 $3m (Q3 2017: net operating loss $4m)
## Segmental analysis

### For the three months ended 30 September 2018

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<tr>
<th>In $ millions (unaudited)</th>
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<th>i-Tech Services</th>
<th>Renewables &amp; Heavy Lifting</th>
<th>Corporate</th>
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<td>66</td>
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<td>Net operating income/(loss)</td>
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### For the three months ended 30 September 2017

<table>
<thead>
<tr>
<th>In $ millions (unaudited)</th>
<th>SURF &amp; Conventional</th>
<th>i-Tech Services</th>
<th>Renewables &amp; Heavy Lifting</th>
<th>Corporate</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>755</td>
<td>76</td>
<td>232</td>
<td>-</td>
<td>1,063</td>
</tr>
<tr>
<td>Net operating income/(loss)</td>
<td>103</td>
<td>6</td>
<td>45</td>
<td>(4)</td>
<td>149</td>
</tr>
<tr>
<td>Finance income</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Other gains and losses</td>
<td></td>
<td></td>
<td></td>
<td>(26)</td>
<td></td>
</tr>
<tr>
<td>Finance costs</td>
<td></td>
<td></td>
<td></td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>Income before taxes</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>123</td>
</tr>
</tbody>
</table>
## Reconciliation of Adjusted EBITDA

### Net operating income to Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net operating income</td>
<td>111</td>
<td>149</td>
</tr>
<tr>
<td>Depreciation, amortisation, mobilisation and impairment</td>
<td>107</td>
<td>101</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>217</td>
<td>250</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,082</td>
<td>1,063</td>
</tr>
<tr>
<td>Adjusted EBITDA %</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>

### Net income to Adjusted EBITDA

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net income</td>
<td>76</td>
<td>111</td>
</tr>
<tr>
<td>Depreciation, amortisation, mobilisation and impairment</td>
<td>107</td>
<td>101</td>
</tr>
<tr>
<td>Finance income</td>
<td>(4)</td>
<td>(6)</td>
</tr>
<tr>
<td>Other gains and losses</td>
<td>2</td>
<td>26</td>
</tr>
<tr>
<td>Finance costs</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Taxation</td>
<td>34</td>
<td>12</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>217</td>
<td>250</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,082</td>
<td>1,063</td>
</tr>
<tr>
<td>Adjusted EBITDA %</td>
<td>20%</td>
<td>24%</td>
</tr>
</tbody>
</table>
2017 costs overview

$1.5 billion cost savings on vessel and workforce since 2014: 50% reduction

$ bn

<table>
<thead>
<tr>
<th>Year</th>
<th>Vessels and other costs (2)</th>
<th>Depreciation and amortisation</th>
<th>People (1)</th>
<th>Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>0.8</td>
<td>2.0</td>
<td>2.8</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>0.8</td>
<td>1.4</td>
<td>1.6</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>0.6</td>
<td>1.0</td>
<td>1.0</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.5</td>
<td>0.4</td>
<td>0.8</td>
<td>1.7</td>
</tr>
</tbody>
</table>

(1) Includes restructuring charges 2017: nil, 2016: $97m, 2015: $136 million, 2014: nil
Liquidity and financial strength

Robust balance sheet
• Net cash of $468 million

Strong financial flexibility
• Cash and cash equivalents of $732 million
• Borrowings of $264 million
• Five-year $656 million revolving credit facility undrawn

As at 30 September 2018
## Summary balance sheet

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>30 September 2018 Unaudited</th>
<th>31 December 2017 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Goodwill</td>
<td>767</td>
<td>701</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,662</td>
<td>4,688</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>171</td>
<td>173</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>5,600</td>
<td>5,562</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>632</td>
<td>497</td>
</tr>
<tr>
<td>Construction contracts - assets</td>
<td>568</td>
<td>319</td>
</tr>
<tr>
<td>Other accrued income and prepaid expenses</td>
<td>226</td>
<td>176</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>732</td>
<td>1,109</td>
</tr>
<tr>
<td>Other current assets</td>
<td>56</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>2,214</td>
<td>2,182</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>7,814</td>
<td>7,745</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>30 September 2018 Unaudited</th>
<th>31 December 2017 Audited</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Equity &amp; Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total equity</td>
<td>5,826</td>
<td>5,941</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current portion of borrowings</td>
<td>240</td>
<td>258</td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td>260</td>
<td>235</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>500</td>
<td>493</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other liabilities</td>
<td>1,065</td>
<td>893</td>
</tr>
<tr>
<td>Current portion of borrowings</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>Construction contracts – liabilities</td>
<td>143</td>
<td>200</td>
</tr>
<tr>
<td>Deferred revenue</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>Other current liabilities</td>
<td>248</td>
<td>188</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>1,488</td>
<td>1,310</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>1,988</td>
<td>1,804</td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td>7,814</td>
<td>7,745</td>
</tr>
</tbody>
</table>
Summary of third quarter 2018 cash flow

- Net cash of $468 million as at 30 September 2018
- Long-term ECA borrowing facility of $264 million at 30 September 2018
- Undrawn revolving credit facility of $656 million
### Summary of year-to-date 2018 cash flow

<table>
<thead>
<tr>
<th>$ millions</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents at 31 Dec 2017</strong></td>
<td>1,109</td>
</tr>
</tbody>
</table>
| Net cash generated from operating activities | 238  
* Included an increase in net operating assets of $183 million |
| Net cash flow used in investing activities | (365)  
* Included cash outflows on SOC acquisition of $156 million including vessels, acquisition of interest in Xodus $19m and capital expenditure of $198m |
| Net cash flow used in financing activities | (241)  
* Included Dividends paid of $204 million and $19 million repayments of the ECA senior secured facility |
| Other movements | (9) |
| **Cash and cash equivalents at 30 September 2018** | 732 |

- Net cash of $468 million at 30 September 2018 compared to $826 million at 31 December 2017
- Long-term ECA borrowing facility of $264 million at 30 September 2018 compared to $283 million at 31 December 2017
Financial guidance

**2018 Guidance** (1)

<table>
<thead>
<tr>
<th>Category</th>
<th>Range</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Broadly in line with 2017</td>
<td></td>
</tr>
<tr>
<td>Adjusted EBITDA percentage margin</td>
<td>Significantly lower than 2017</td>
<td></td>
</tr>
<tr>
<td>Administrative expense</td>
<td>$260 million - $280 million</td>
<td></td>
</tr>
<tr>
<td>Net finance cost</td>
<td>$0 million - $5 million</td>
<td></td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>$430 million - $440 million</td>
<td></td>
</tr>
<tr>
<td>Full year effective tax rate</td>
<td>26% - 28%</td>
<td></td>
</tr>
<tr>
<td>Capital expenditure (2)</td>
<td>$250 million - $280 million</td>
<td></td>
</tr>
</tbody>
</table>

**NEW 2019 Guidance, including estimated IRFS 16 adjustments to 2019**

<table>
<thead>
<tr>
<th>Category</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Slightly lower than 2018</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>Lower than 2018(3), double digit percentage margin</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>Positive for the Group</td>
</tr>
</tbody>
</table>

(1) Guidance given 8 November 2018  
(2) Includes approximately $125 million expenditure related to the new-build reel-lay vessel  
(3) 2018 comparable data are not adjusted for IFRS 16. Positive impact of IFRS 16 on 2019 Adjusted EBITDA will be between $100m and $110m
Initial IFRS 16 ‘Leases’ guidance

• IFRS 16 ‘Leases’ will be effective from 1 January 2019.

• Requires the Group to recognise:
  - a right-of-use asset for long-term leases, to be amortised straight-line over duration of the lease.
  - a lease liability (equivalent in value to the right-of-use asset) with finance costs recognised over lease life.

• No cash flow impact.

• No impact on net income over duration of leases.

• Due to modified retrospective implementation, 2019 net income will be adversely impacted by approximately $10m, this will reverse over time.

• Impact on 2019 results may differ from the guidance given, depending on lease commitments.

• Subsea 7 guidance for 2019 includes the estimated impact of IFRS 16

<table>
<thead>
<tr>
<th>IFRS 16</th>
<th>2019 forecast impact</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income Statement</strong></td>
<td></td>
</tr>
<tr>
<td>Lease expense</td>
<td>Decrease by $100m - $110m</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>Increase by $100m - $110m</td>
</tr>
<tr>
<td>Amortisation charge</td>
<td>Increase by $90m - $100m</td>
</tr>
<tr>
<td>Net operating income</td>
<td>Increase by $10m - $15m</td>
</tr>
<tr>
<td>Net finance charge</td>
<td>Increase by $20m - $25m</td>
</tr>
<tr>
<td>Net income</td>
<td>Decrease by approx. $10m</td>
</tr>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
</tr>
<tr>
<td>Right-of-use asset</td>
<td>Addition of $350m - $450m</td>
</tr>
<tr>
<td>Lease liability</td>
<td>Addition of $350m - $450m</td>
</tr>
</tbody>
</table>
Backlog and order intake

Backlog of $5.1 billion, as at 30 September 2018

- $0.8 billion awarded in the third quarter
- Book-to-bill:
  - 0.7x in the quarter
  - 1.0x year-to-date
- Four announced awards:
  - Buzzard Ph. 2 (UK)
  - Conventional Award
  - Triton Knoll (UK)
  - Katmai (US GOM)

Order backlog includes:
- $0.95 billion relating to long-term contracts for PLSVs in Brazil
- approximately $120 million relating to the Fortuna project offshore Equatorial Guinea
- approximately $50 million adverse foreign exchange movement in the third quarter
Appendix

Major project progression
Corporate responsibility
ADR
Forward looking statement
Contact details
Major project progression

- Continuing projects $>100m between 5% and 95% complete as at 30 September 2018 excluding PLSV and Life of Field day-rate contracts

![Project Progression Diagram]

- Culzean (UK)
- WND Ph.2 (Egypt)
- Sonamet (Angola)
- Borkum II (Germany)
- Hasbah (Saudi Arabia)
- Sole (Australia)
- Snorre Expansion (Norway)
- Production Uplift Pipelines (Nigeria)
- Aerfugl (Norway)
- Nova (Norway)
- Mad Dog Phase 2 (USA)
- 3PDMs (Saudi Arabia)
- WDDM 9B (Egypt)

**Announced size of project**

- Red: Major (Over $750m)
- Orange: Very Large ($500-$750m)
- Gray: Large ($300-$500m)
- Blue: Substantial ($150-$300m)
- Light Blue: Sizeable ($50-$150m)
Over 1,000 projects delivered for our clients worldwide
- A selection of current and recent projects

- Beatrice wind farm, BOWL
- Borkum II, Trianel
- Triton Knoll, Innogy
- Buzzard ph. 2, Nexen
- Catcher, Premier
- Culzean, Maersk
- Alligin, BP
- Penguins, Shell
- Snorre, Equinor
- SCIRM, BP
- DSVi, Various
- Martin Linge, Total
- Aasta Hansteen, Statoil
- Maria, Wintershall
- IRM Services, Equinor
- IRM Services, BP
- Al-Khalij, Total
- Hasbah, in consortium with L&T
- Three Gas Decks, Saudi Aramco
- Katmal, Fieldwood
- Vito, Shell
- Holstein Deep, Freeport McMoran
- Mad Dog 2, BP
- TVEX, US Gulf of Mexico
- PLSVs, Petrobras
- Guará-Lula, Petrobras
- BC-10, Shell
- Zinia Phase 2, Total
- WDDM 9b, Burullus
- West Nile Delta Phase 2, BP
- East Nile Delta, Pharaonic
- Atoll, Pharaonic
- PUPP, Mobil Producing Nigeria
- OCTP, offshore Ghana
- Bayu-Undan, ConocoPhillips
- Dong Hae, Korea National Oil Corp.
- EPRS, INPEX/Chevron
- G1/G15, Oil & Natural Gas Corp.
- Gorgon, Chevron
- Persephone, Woodside
- Sole, Cooper
Corporate Responsibility

- At Subsea 7 we are committed to operating in a safe, ethical and responsible manner

Lost-time incident Frequency rate (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.06</td>
<td>0.06</td>
<td>0.05</td>
</tr>
</tbody>
</table>

Recordable Incident Frequency Rate (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.25</td>
<td>0.28</td>
<td>0.28</td>
</tr>
</tbody>
</table>

Clean Operations

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>3,800</td>
<td>3,300</td>
<td>5,000</td>
</tr>
</tbody>
</table>

Carbon Dioxide Emissions (’000 tonnes)

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>469</td>
<td>404</td>
<td>404</td>
</tr>
</tbody>
</table>

Number of employees completing compliance & ethics e-learning

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>1,750</td>
<td>3,544</td>
<td>3,699</td>
</tr>
</tbody>
</table>

Gender Split

- Female
- Male

Clean Operations data is for owned vessels only
Incident frequency rate data is per 200,000 man hours worked
ADR information

**ADR Ticker:** SUBCY

**ADR type:** Sponsored Level 1 ADR

**Listing venue:** OTC

**CUSIP:** 864323100

**Ratio:** 1 ADR : 1 Ordinary Share

**Depositary bank:** Deutsche Bank Trust Company Americas

**ADR broker helpline:**
- New York: +1 8662492593
- London: +44 207 547 6500
- Hong Kong: +852 2203 7854

**e-mail:** db@astfinancial.com

**ADR website:** www.adr.db.com
Forward-looking statements

Certain statements made in this presentation may include ‘forward-looking statements’. These statements may be identified by the use of words like ‘anticipate’, ‘believe’, ‘could’, ‘estimate’, ‘expect’, ‘forecast’, ‘intend’, ‘may’, ‘might’, ‘plan’, ‘predict’, ‘project’, ‘scheduled’, ‘seek’, ‘should’, ‘will’, and similar expressions. The forward-looking statements reflect our current views and are subject to risks, uncertainties and assumptions. The principal risks and uncertainties which could impact the Group and the factors which could affect the actual results are described but not limited to those in the ‘Risk Management’ section in the Group’s Annual Report and Consolidated Financial Statements for the year ended 31 December 2017. These factors, and others which are discussed in our public announcements, are among those that may cause actual and future results and trends to differ materially from our forward-looking statements: actions by regulatory authorities or other third parties; our ability to recover costs on significant projects; the general economic conditions and competition in the markets and businesses in which we operate; our relationship with significant clients; the outcome of legal and administrative proceedings or governmental enquiries; uncertainties inherent in operating internationally; the timely delivery of vessels on order; the impact of laws and regulations; and operating hazards, including spills and environmental damage. Many of these factors are beyond our ability to control or predict. Other unknown or unpredictable factors could also have material adverse effects on our future results. Given these factors, you should not place undue reliance on the forward-looking statements.
THANK YOU

Contact:
Isabel Green, Investor Relations Director

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Direct Line +44 20 8210 5568
Website www.subsea7.com