



Investor Presentation

June 2019



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Subsea 7 – In Summary

Our vision is to lead the way in the delivery of offshore projects and services for the energy industry.

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.

Our differentiators

Why our stakeholders choose us



Our Values

What makes us who we are



SUBSEA 7 CAPABILITIES ACROSS THE FIELD DEVELOPMENT LIFECYCLE



SOLUTIONS THAT DELIVER VALUE TO CLIENTS

Early engagement through global alliances and client partnerships optimises the solutions Subsea 7 can provide

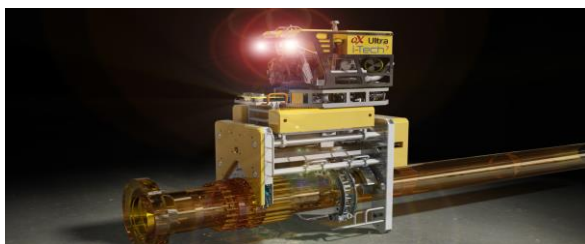
EXECUTING PROJECTS AND SERVICES THAT MEET CLIENT EXPECTATIONS

An extensive track record of safely executed projects worldwide makes Subsea 7 a market-leading provider

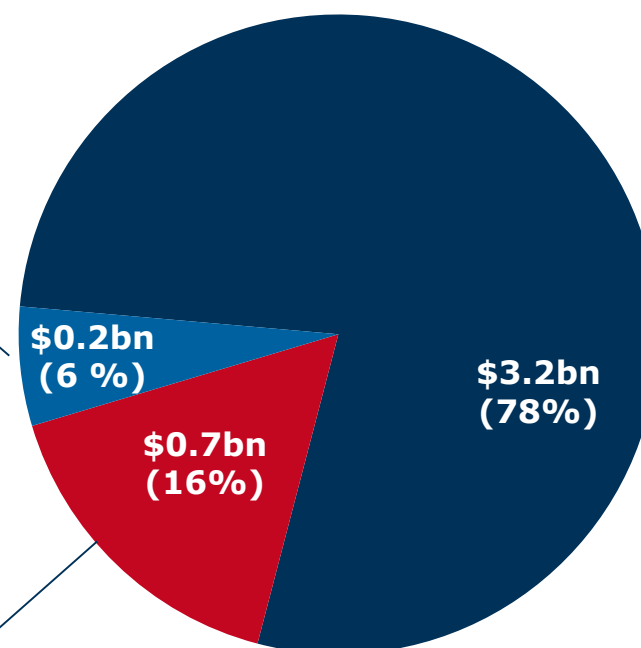
Our market segments

Life of Field

i-Tech 7 is a progressive and pioneering subsea life of field partner delivering Inspection, Repair and Maintenance solutions to offshore energy developments.

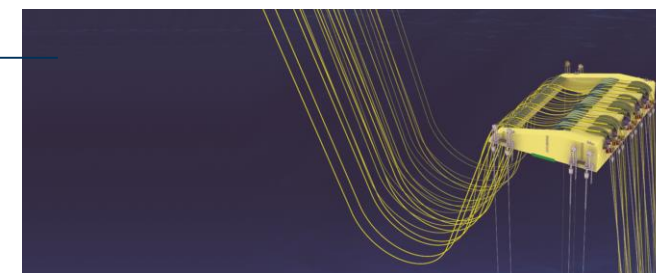


2018 Revenue \$4.1 billion



SURF and Conventional

Subsea 7 is a global leader in offshore energy construction projects, operating in all water depths and conditions.



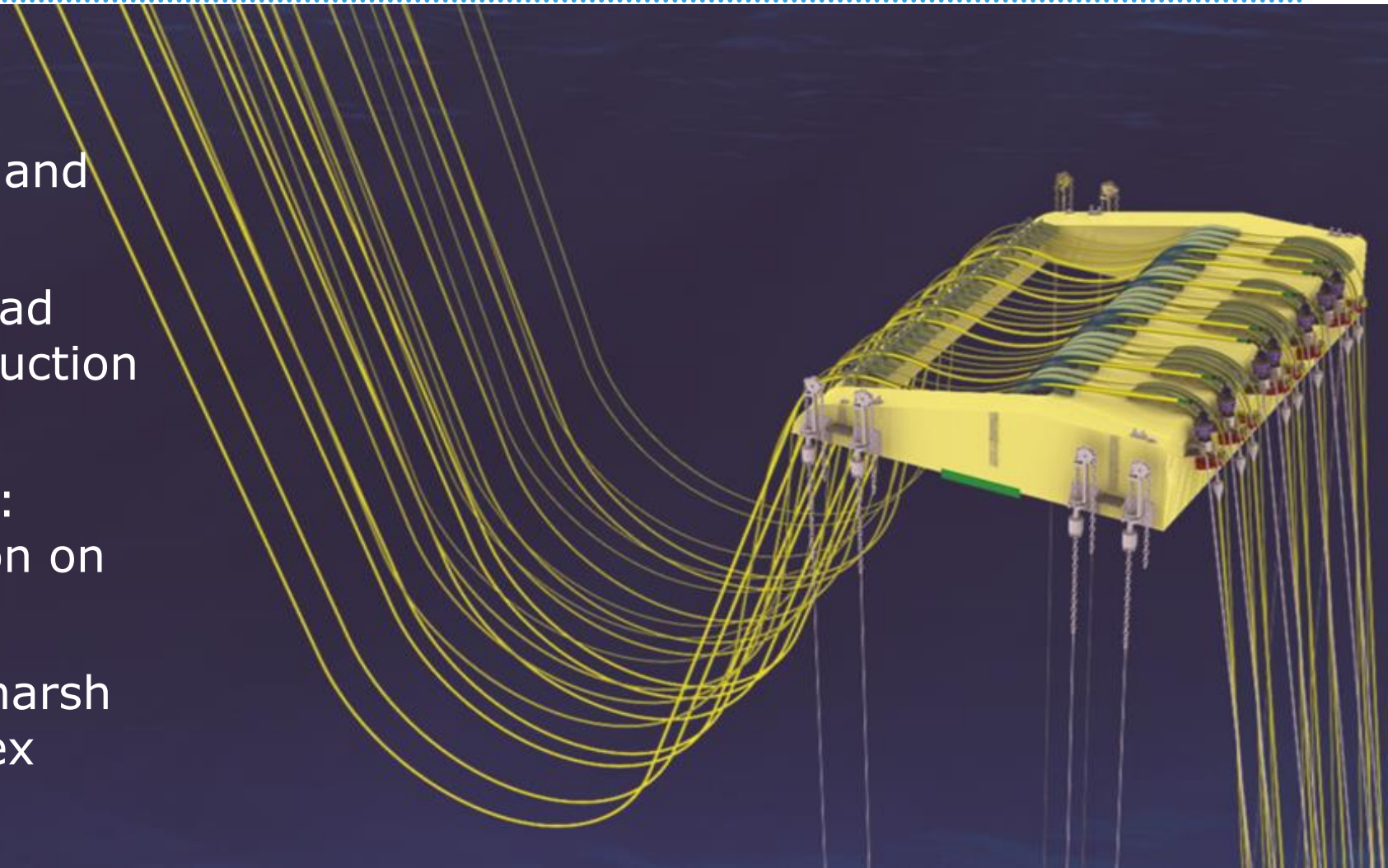
Renewables and Heavy Lifting

Seaway 7 is a highly capable and experienced partner for the delivery of offshore wind farm projects, specialist heavy lifting and cable-lay services.

SURF and Conventional

SURF and Conventional

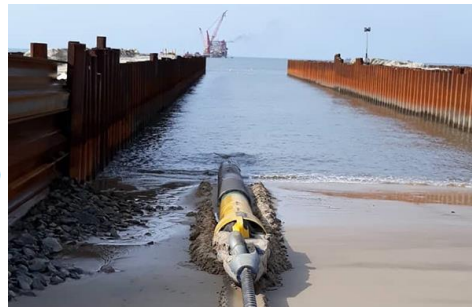
- Subsea Umbilicals, Risers and flowlines (SURF)
- Connecting seabed wellhead structures to surface production facilities
- Over 20 year track record: safe and efficient execution on over 1,000 projects
- Operating in remote and harsh environments with complex challenges and risks



Recent Operational highlights



Snorre (Norway)



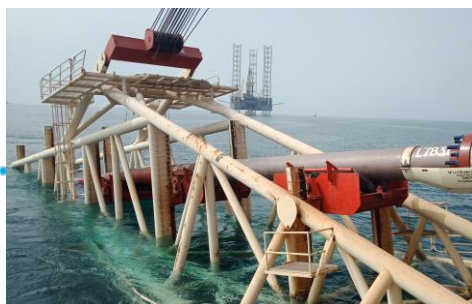
PUPP (Nigeria)



Ærfugl (Norway)



West Nile Delta (Egypt)



Hasbah (Middle East)



Hornsea One (UK)



Dolphin Energy ERPS
(Abu Dhabi)



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
- \$0.9bn of firm backlog (Dec 2018)
- 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

Life of Field

- 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

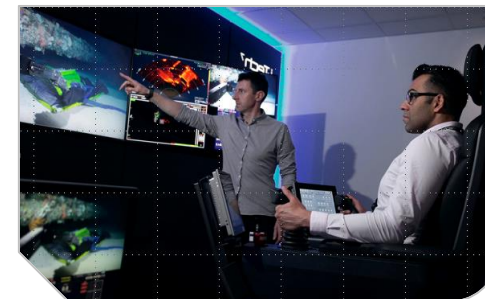
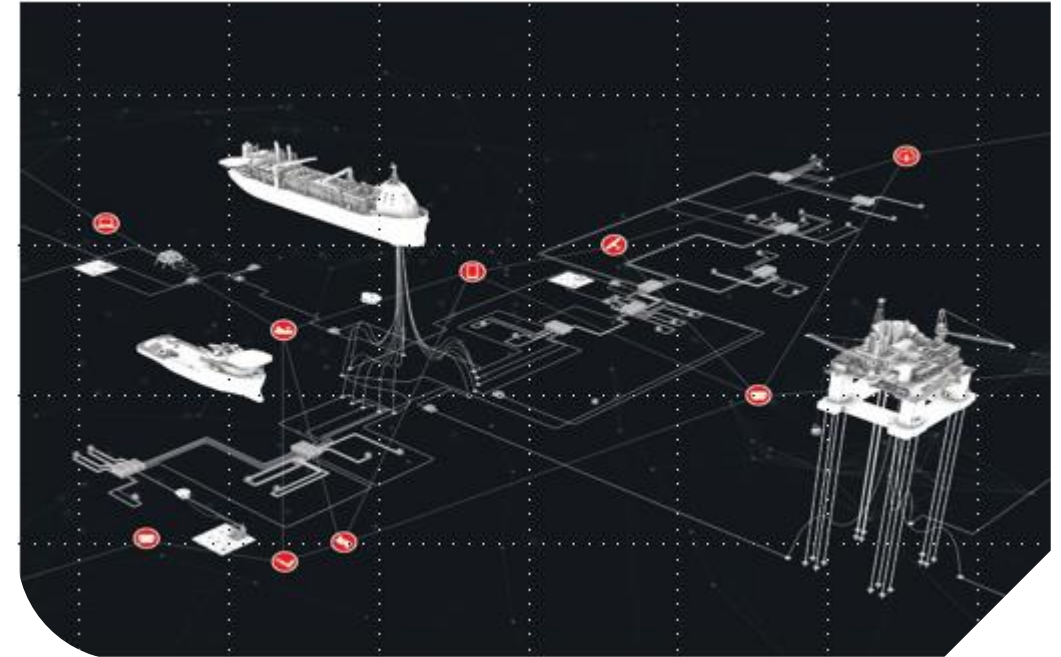


Life of Field: products and services

Life of Field 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



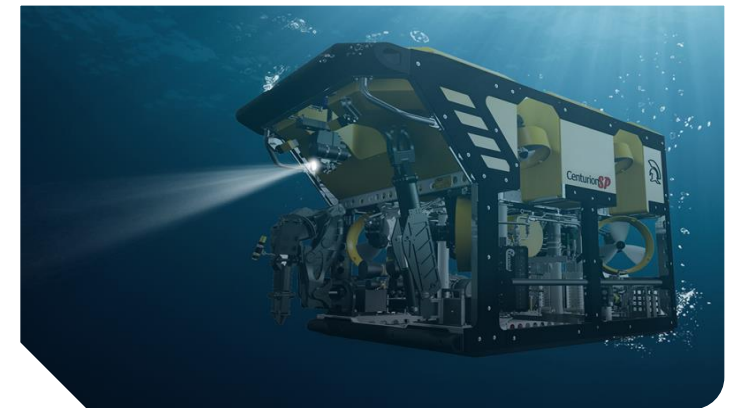
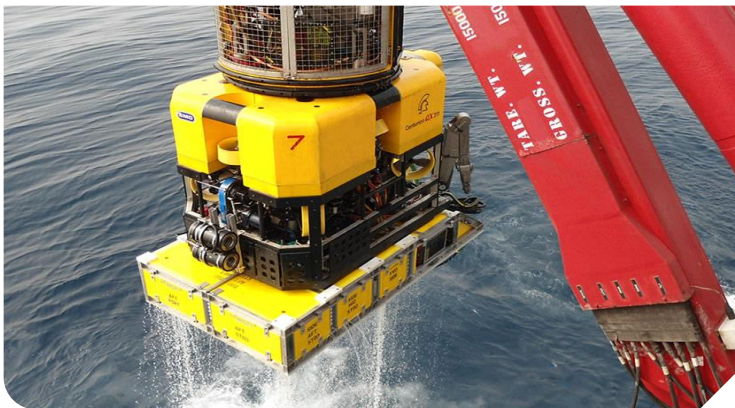
Life of Field track record

Over 1000 successful Inspection, Repair and Maintenance projects completed

Over 300 successful hydrocarbon sampling missions using ROVs

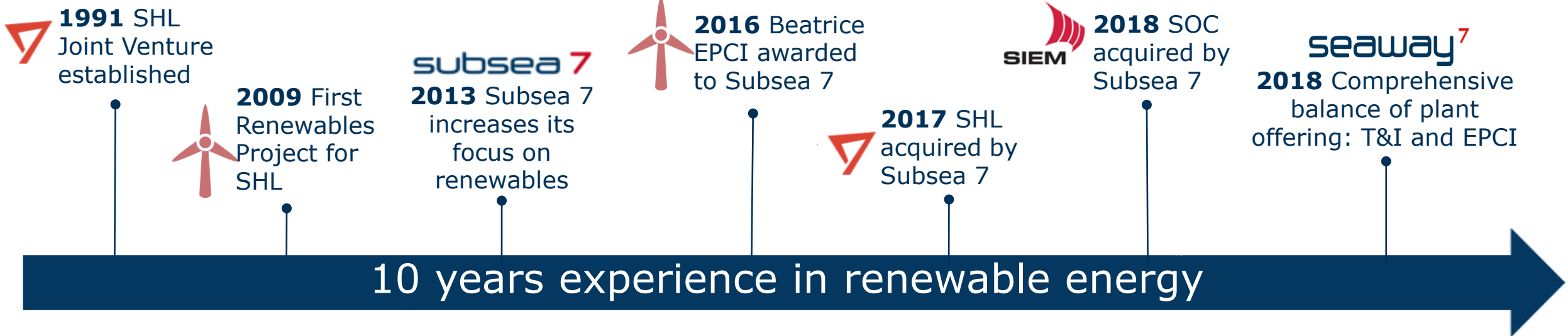
Over 18,000 intervention tooling products designed, delivered and managed

ROV drill rig exploration support worldwide since 1976



Global experience, world-class technology and assets

Renewables and Heavy Lifting



16%⁽¹⁾
forecast for
CAGR in
renewables



1000
experienced
personnel

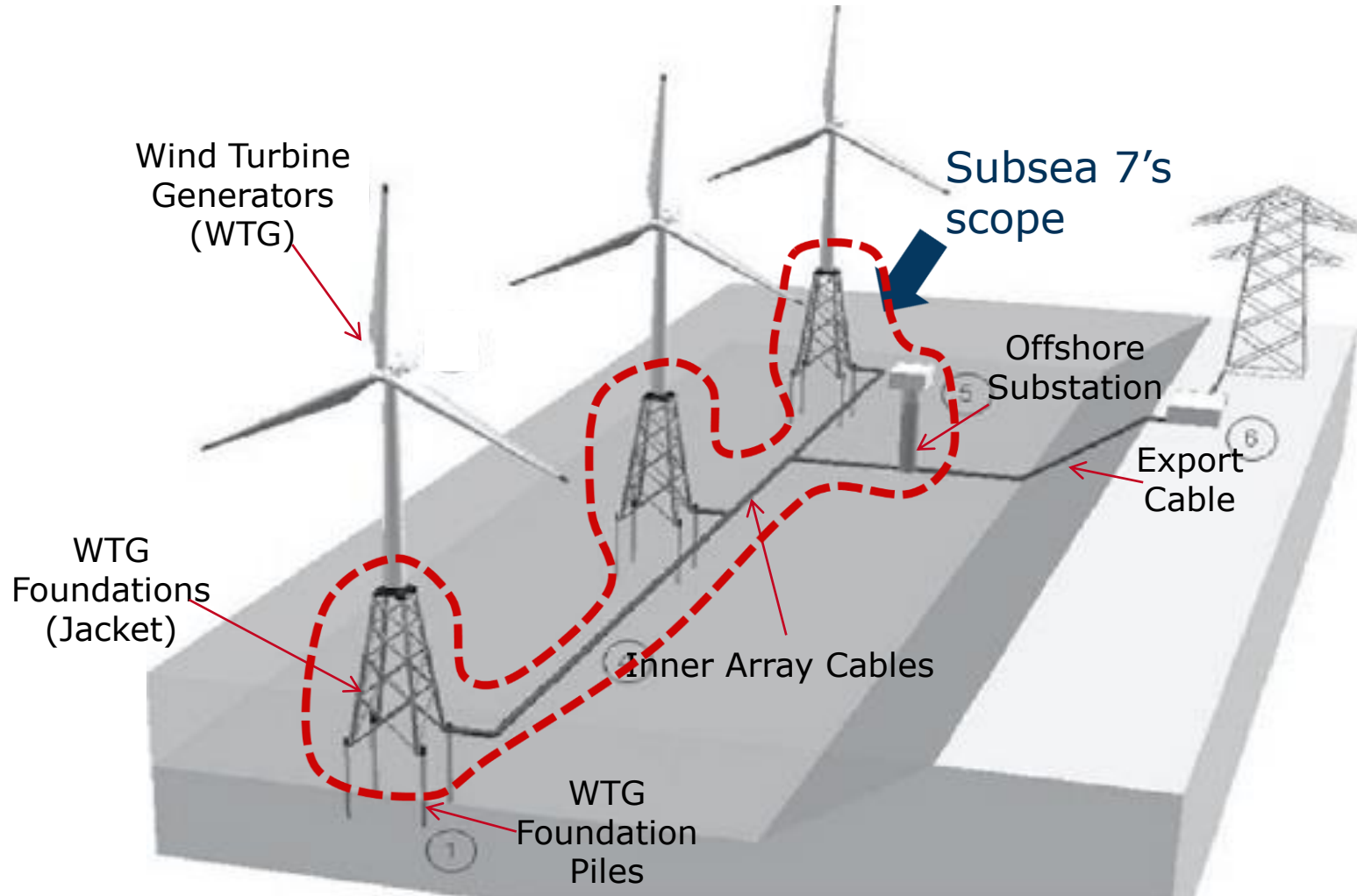


2
EPCI
projects
complete



4
specialist
offshore
vessels

Subsea 7's Renewable energy focus



Subsea 7 is typically contracted to carry out, under its Seaway 7 brand:

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 does not currently carry out installation or procurement of:

1. Wind Turbine Generators
2. Export Cables



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Our Differentiators

We're different from our competition because we're more creative, more reliable, and more focused on what our clients really need.



Culture

Global team with expertise, passion and commitment to deliver.



Creativity

Ability to innovate through technology, processes and partnerships.



Relationships

Working and learning together to achieve success for all.



Reliability

Trusted partner in delivering projects.



Solutions

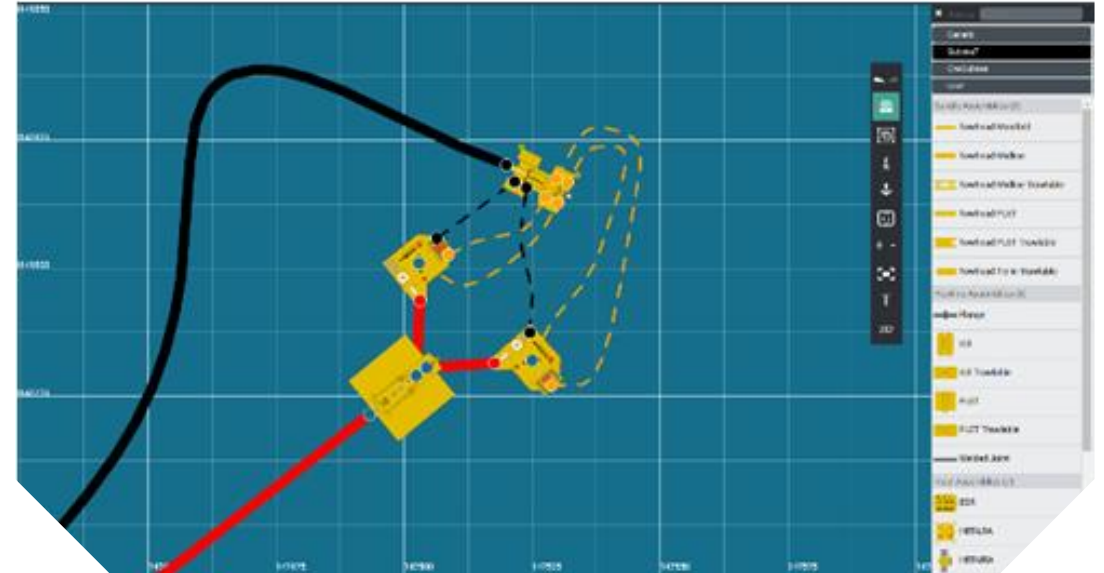
Client-focused mindset to create the right solution.

Creating the right technological solutions

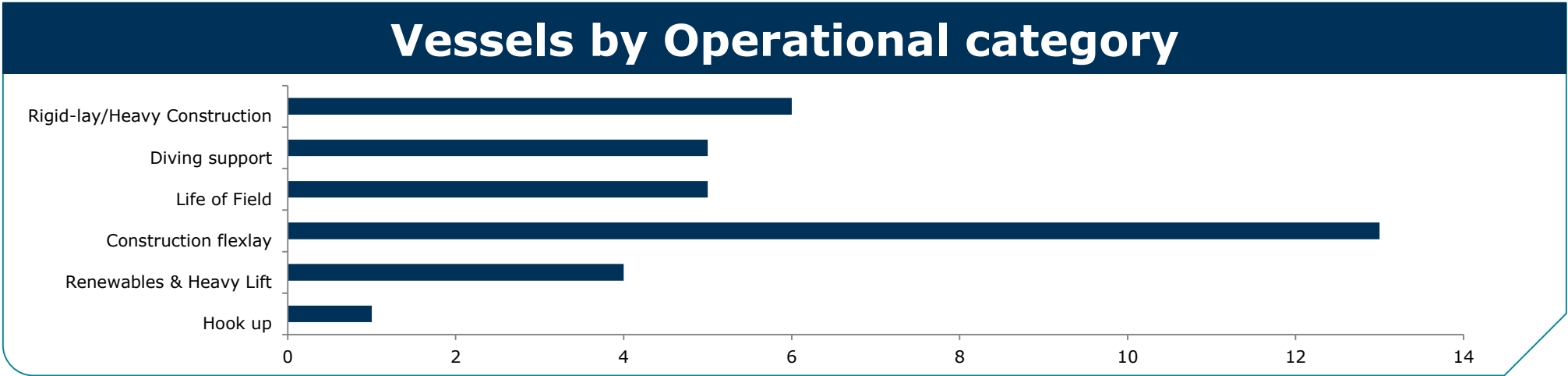
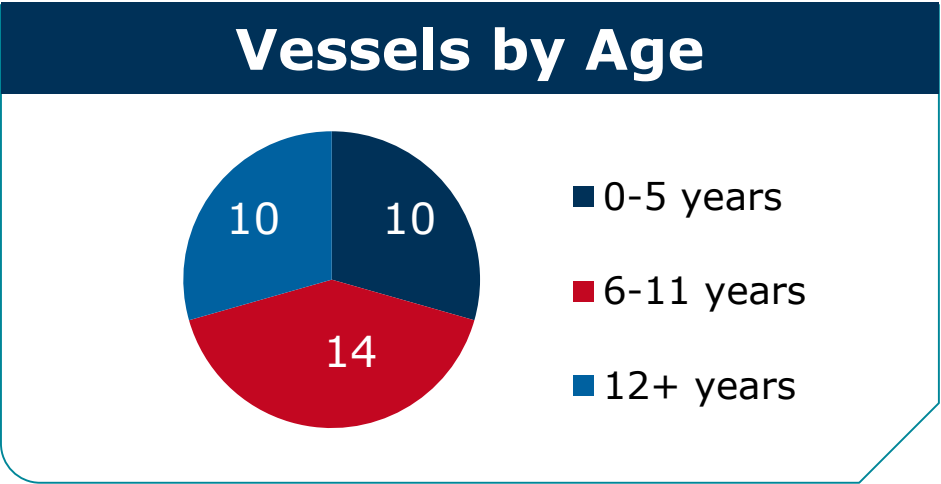
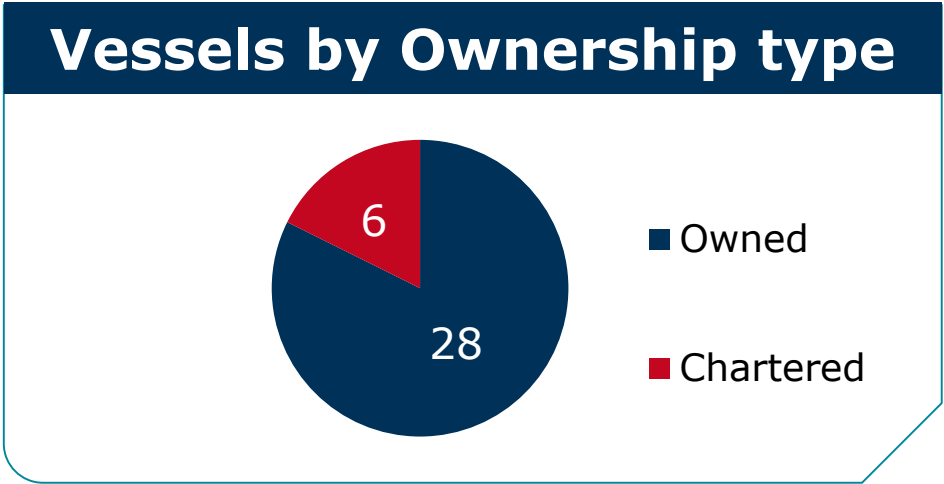


Digitalisation

- Strategy in development with new VP assigned. Focus areas within i-Tech 7, early engagement and Pipeline Bundles
- Planning software made available by Schlumberger to Subsea Integration Alliance for early engagement
- i-Tech 7 and Leidos have a 5 year digitalisation partnership agreement – using artificial intelligence and automation to reduce the costs of life of field services
- Monitoring equipment incorporated into Pipeline Bundle Towhead

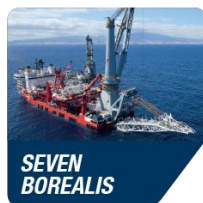


A modern and versatile fleet of 34 vessels



34 Vessels including 31 active vessels at end Q1 '19

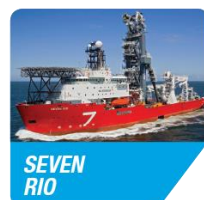
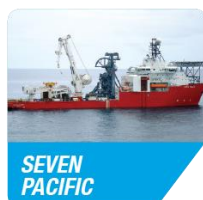
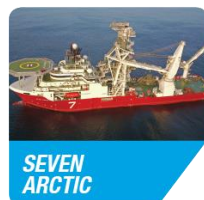
PIPELAY/HEAVY LIFTING VESSELS



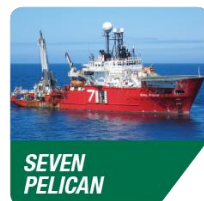
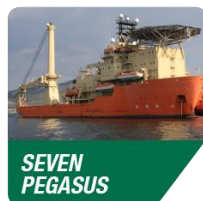
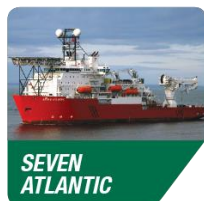
LIFT/HOOK-UP



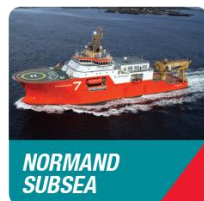
CONSTRUCTION/FLEX-LAY VESSELS



DIVING SUPPORT VESSELS



LIFE OF FIELD VESSELS



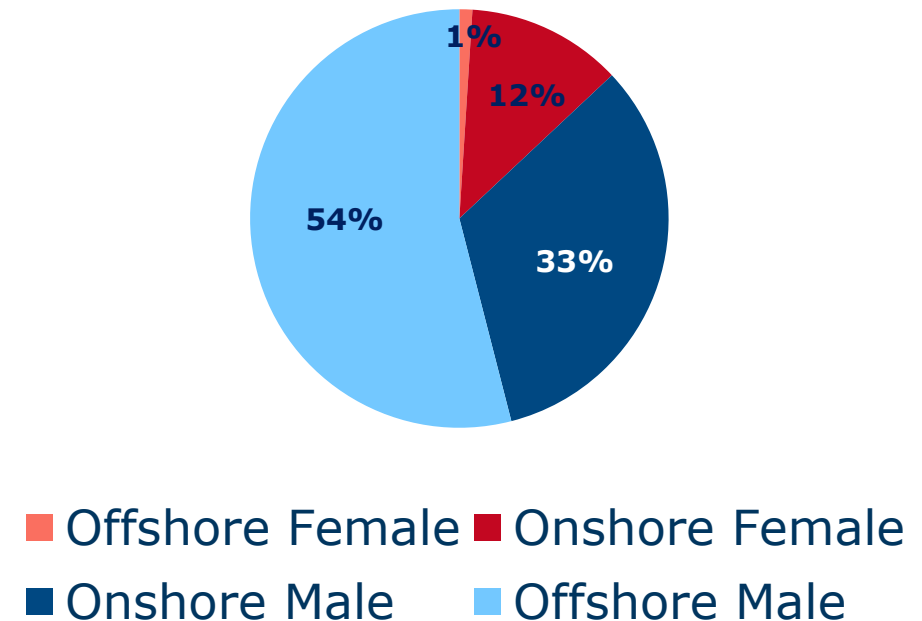
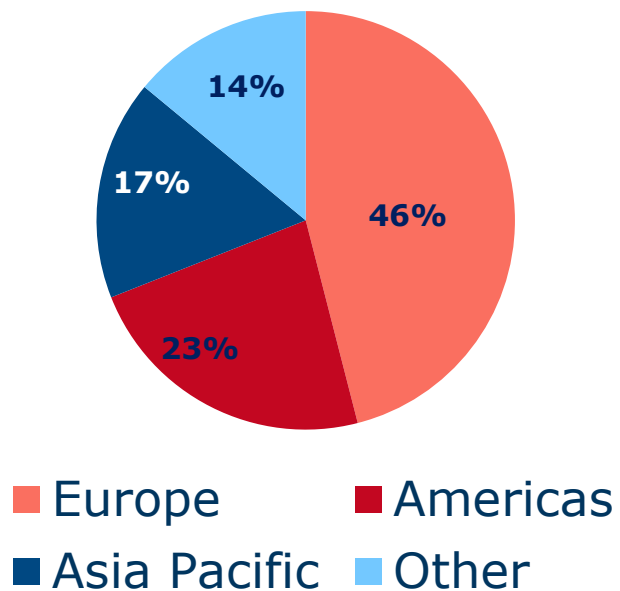
RENEWABLES & HEAVY LIFTING VESSELS



- ▲ 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

Our People

- **11,000 people** in our workforce at end 2018, including **over 1,700 engineers**
- We deliver projects based on our expertise and know-how
- Our highly skilled and experienced workforce deliver projects safely and reliably
- We recognise the importance of diversity and strive to achieve it



Our Values

Our values define how we conduct our business



Safety

Our goal is an incident-free workplace. We work every day, everywhere to make sure all our people are safe.



Performance

We are driven to achieve the outcomes our clients want. We are trusted to achieve superior performance from every project.



Integrity

We apply the highest ethical standards in everything we do. We treat clients, our people, partners and suppliers fairly and with respect.



Collaboration

We work closely and openly together with clients, partners and suppliers at a local and global level to deliver safer and stronger results for all.



Sustainability

We take a proactive approach towards our social responsibilities, mitigate the impact of our activities on our planet's environment and respond to the effects of climate change.

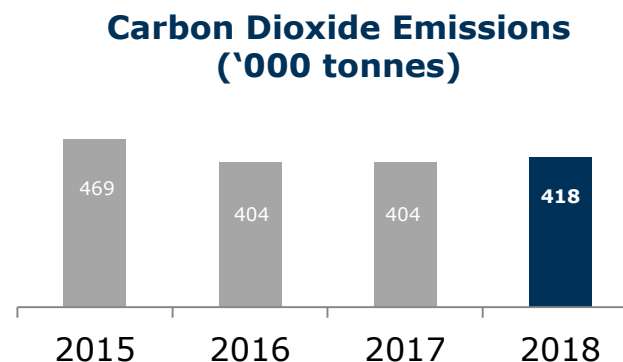
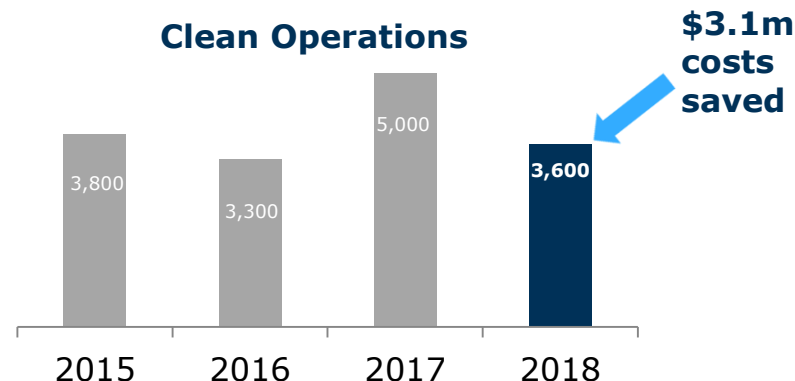
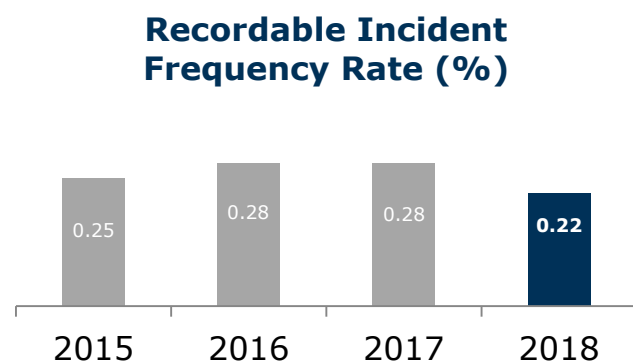
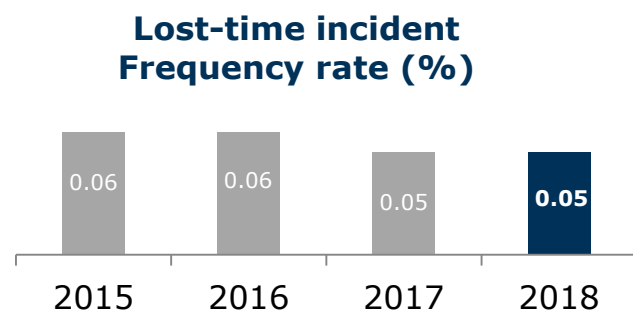


Innovation

We create smarter and simpler solutions to meet the industry's needs. We combine technology, expertise, assets and partnerships to deliver projects in new ways.

Corporate Responsibility – Safety and Environment

- We are committed to operating in a safe, ethical and responsible manner



2019 Targets:

- Lost-time incident frequency rate <0.03 (target lowered from 0.05 in 2018)
- Recordable incident frequency rate <0.21
- Environmental spills frequency rate <25 litres
- Environmental incident frequency rate <0.70 (target lowered from <0.90 in 2018)
- 5% vessel fuel saving through clean operations

Clean Operations data is for owned vessels only
Frequency rate data is per 200,000 hours worked

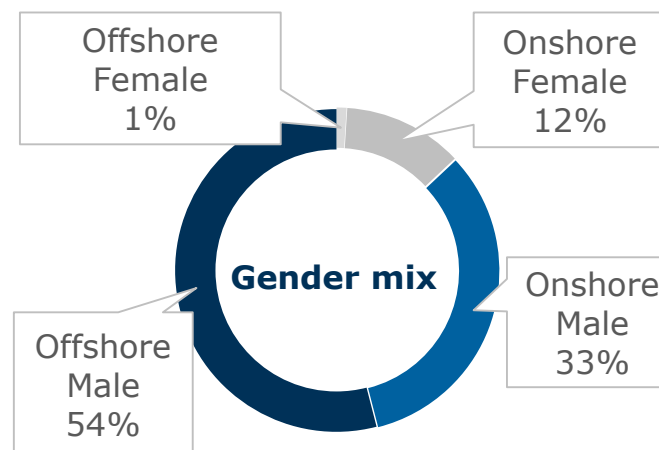
Corporate Responsibility – Integrity, Diversity and Society



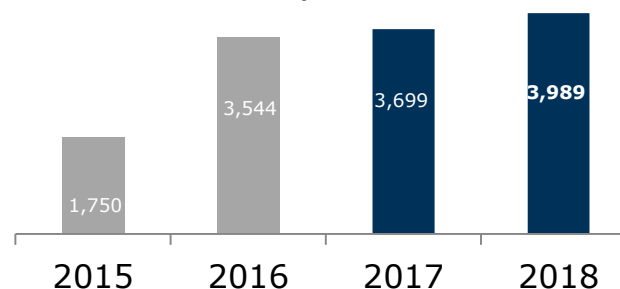
91 Nationalities in our workforce

Operating in 33 countries worldwide

UN Global Compact signatory



Number of employees completing compliance & ethics e-learning
99% completion rate



© Subsea 7 - 2019

Over 67 community assistance events delivered in 2018



London – STEM girls in engineering day



Egypt – Micro-financing project (GFR)



Houston – Beach clean up day





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Our differentiators

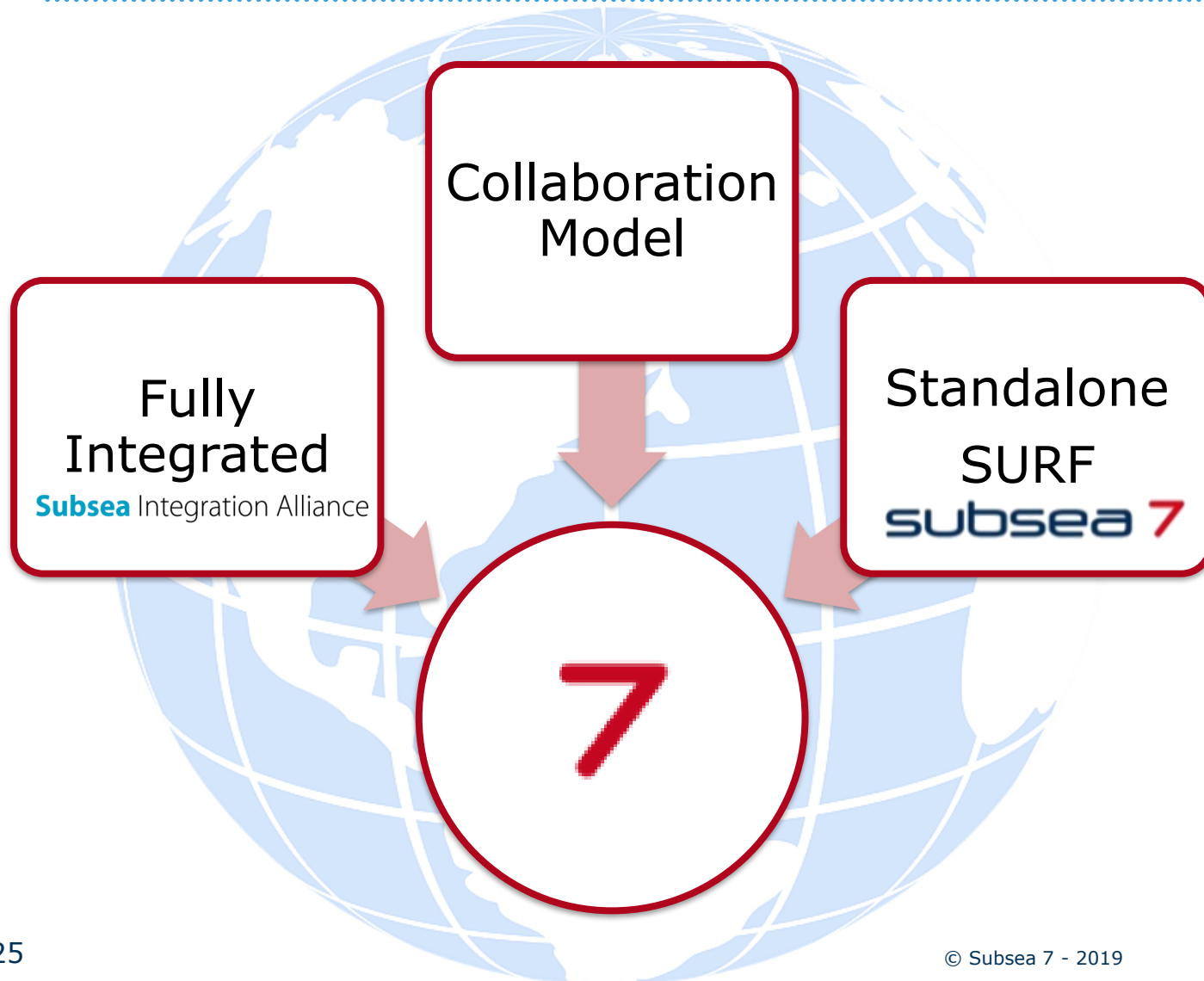
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Flexible Solutions



Our clients require flexible solutions:

- Comprehensive integrated offering with alliance partners OneSubsea being developed in to a Joint Venture.
- Successful collaboration models with certain independent clients including AkerBP, Promethean, Premier and Spirit Energy
- Standalone SURF and Conventional contracts still the prominent model

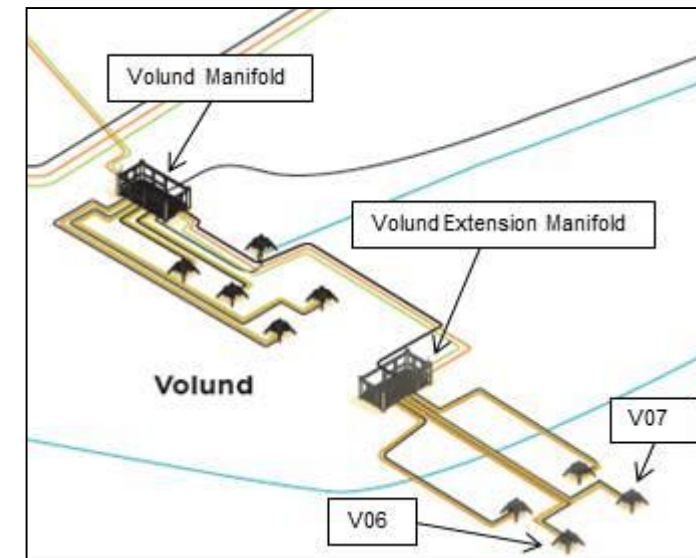
Our Partnerships

- 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

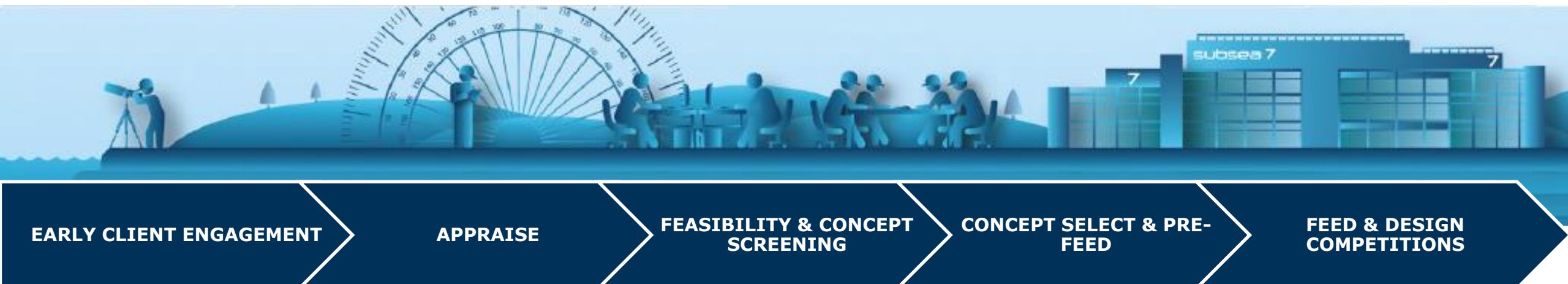
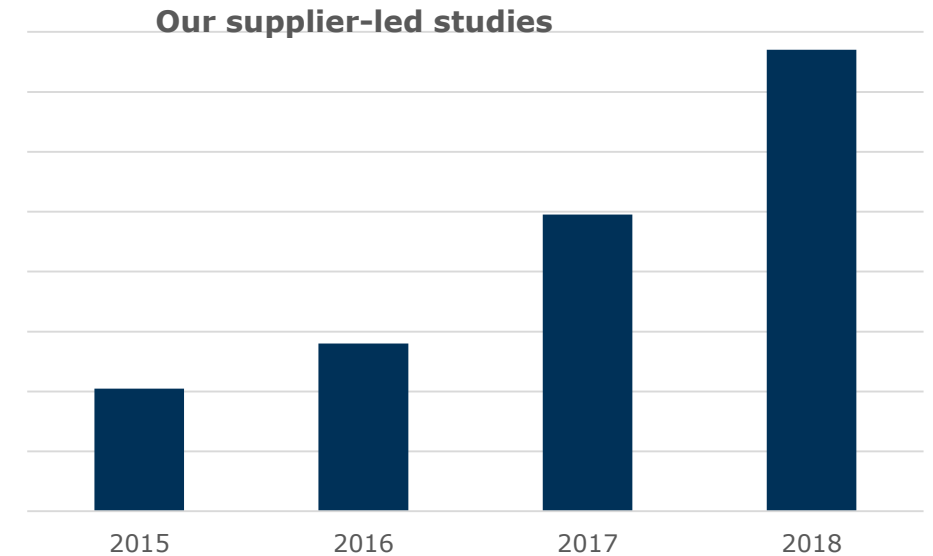
Successful completion of the Volund Infill project for Aker BP



30% saved on PM&E hours
Two well tie-in completed **25%** faster
Delivered **9 months** sooner

Early Engagement

- Significant increase in early engagement activity in all regions
- Subsea Integration Alliance and Subsea 7 provide supplier-led solutions
- Xodus Group provide client-led solutions
- Large greenfield FEED awards to Subsea Integration Alliance by Woodside for SNE Phase 1 and Scarborough projects



Subsea Integration Alliance



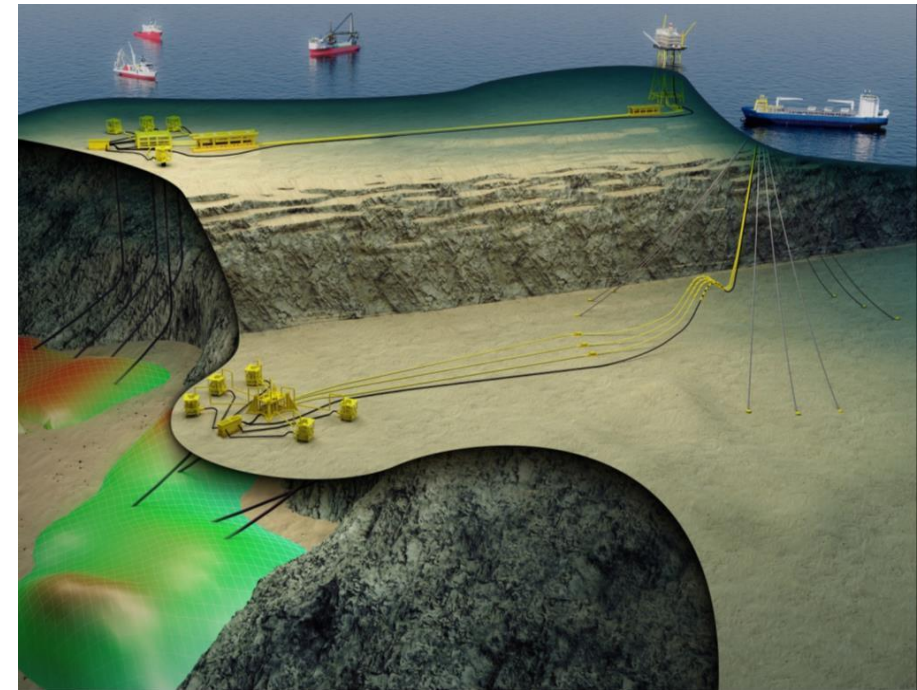
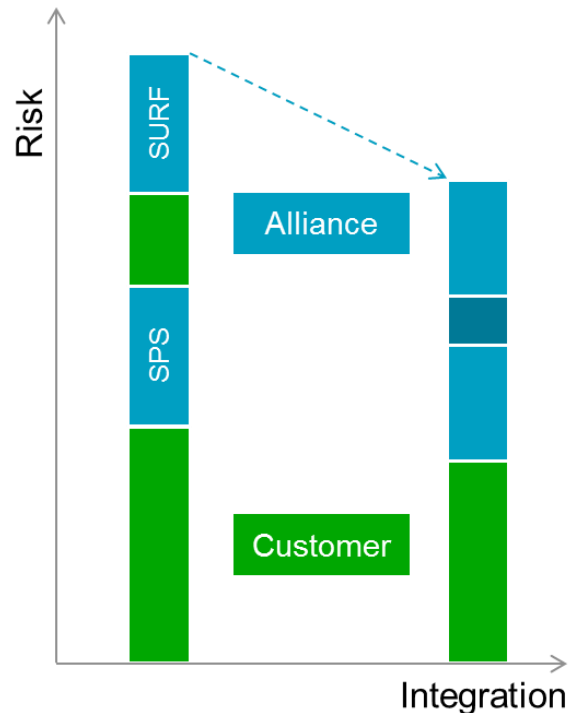
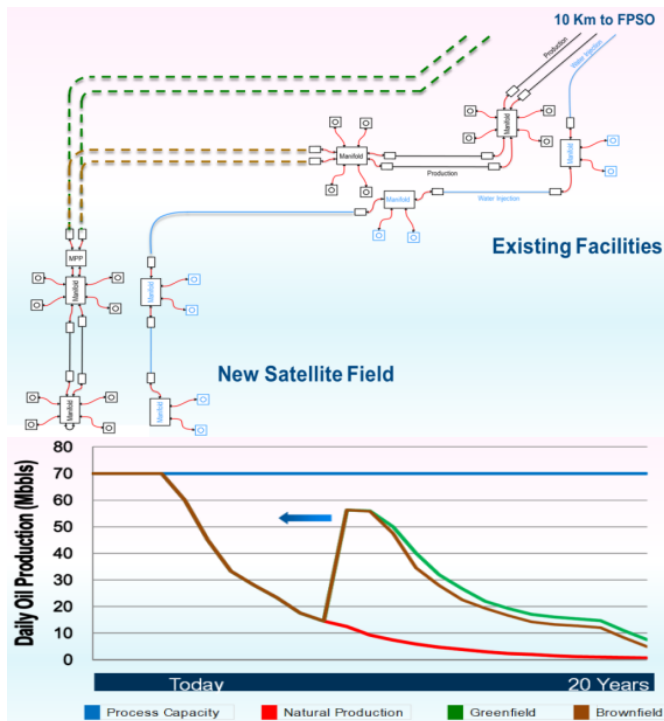
+

subsea 7

=

Subsea Integration Alliance
OneSubsea & Subsea 7

Enhanced production Reduced cost and risk Pore-to-shore perspective



Subsea Integration Alliance

OneSubsea & Subsea 7

2

Projects
completed

8

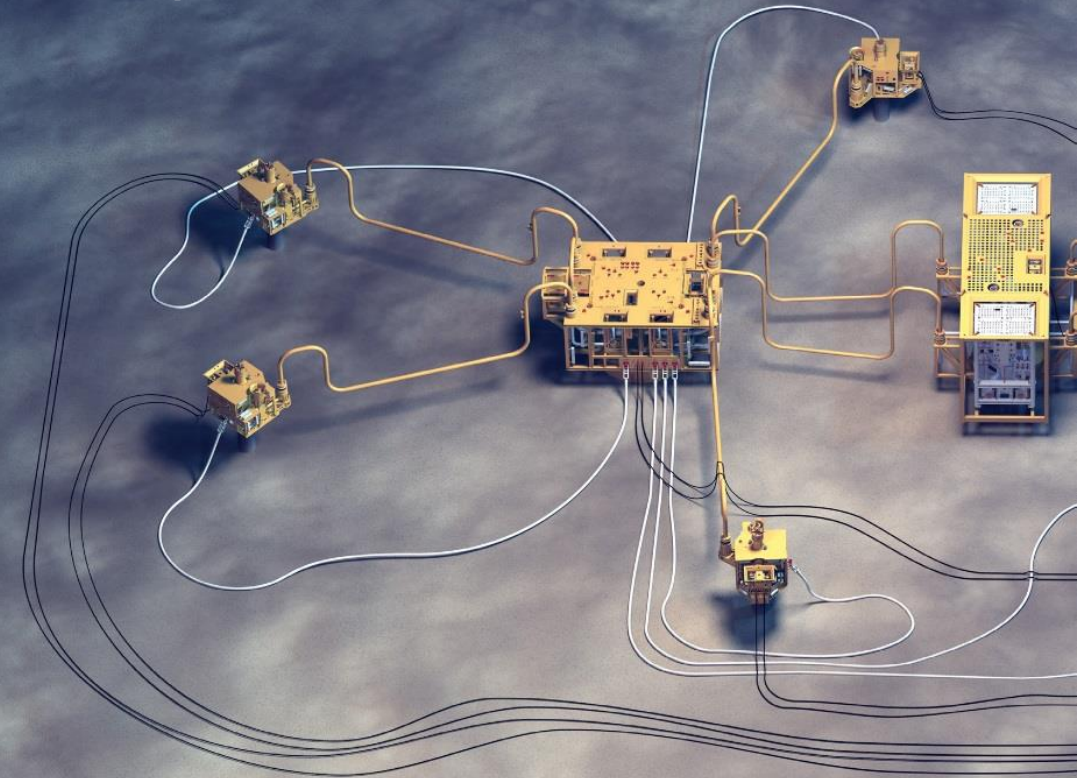
Projects
awarded

70+

Integrated concept
studies and pre-FEEDs

Completed and ongoing projects:

- Murphy Dalmatian (completed)
- BP Mad Dog 2
- TAQA Otter (completed)
- Fieldwood Katmai
- BP Manuel
- ExxonMobil West Barracouta
- Woodside SNE Phase 1 (FEED)
- Woodside Scarborough (FEED)



A leader in integrated projects

Woodside FEED awards with commitment to proceed to EPIC pending FID

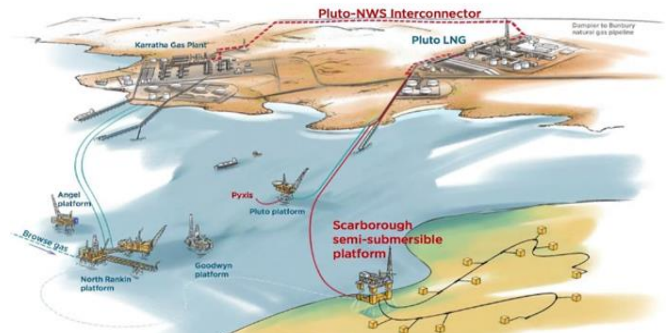
Subsea Integration Alliance



SNE Phase 1

- Integrated award
- Offshore Senegal
- Flexible riser solution
- 23 Horizontal Trees
- 58 km CRA BuBi reeled flowline
- Oil field development

Subsea Integration Alliance



Scarborough

- Integrated award
- Offshore Australia
- 14" Lazy wave risers
- 13 Trees
- 45 km 16" reeled flowlines
- Gas field development



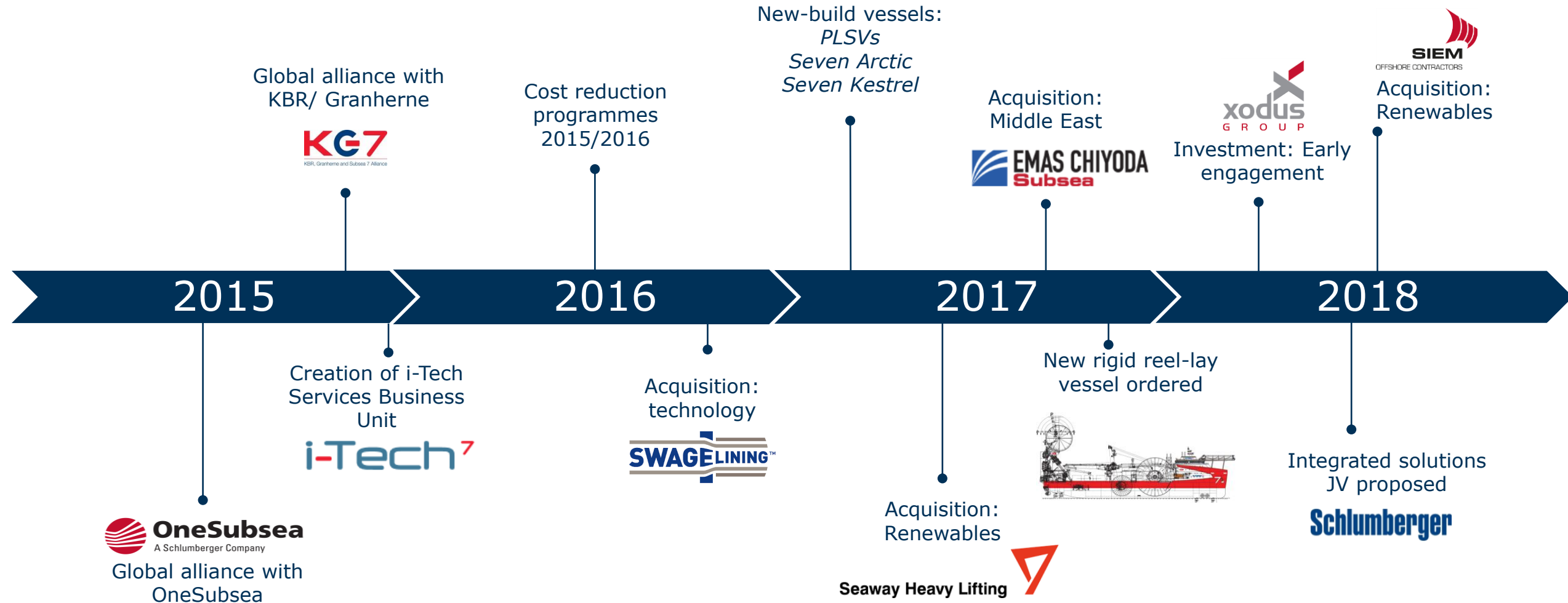
Julimar

- Offshore Australia
- 22km Tie-back
- 18" Insulated CRA flowline
- 4 Trees
- Gas field development
- Standalone SURF

Competitive landscape for full life cycle integrated solutions

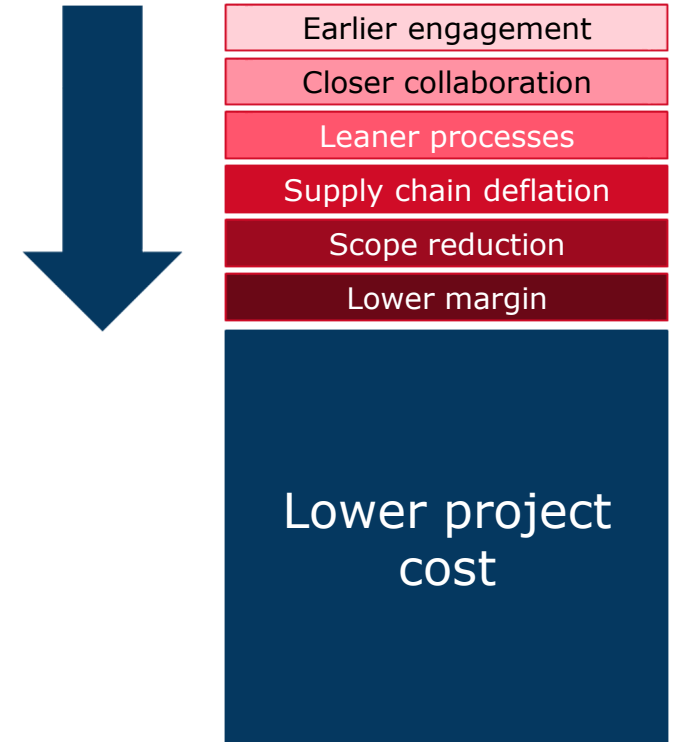
EXPLORATION GEOPHYSICS	DOWN-HOLE / DATA	FEED	SPS / MANUFACTURE	EPIC	LIFE OF FIELD/ WELL SERVICES	DECOMMISSIONING
Schlumberger	Schlumberger	subsea 7 xodus GROUP Subsea Integration Alliance	OneSubsea A Cameron & Schlumberger Company Schlumberger Subsea Integration Alliance	subsea 7 Subsea Integration Alliance	subsea 7 i-Tech 7	subsea 7 seaway 7
TGS	Weatherford	TechnipFMC GENESIS	TechnipFMC	TechnipFMC	TechnipFMC	TechnipFMC
PGS	HALLIBURTON	SAIPEM XSIGHT BY SAIPEM	AkerSolutions	SAIPEM	---	SAIPEM
CGG	BAKER HUGHES a GE company	io	BAKER HUGHES a GE company	MODERROT	OCEANEERING®	AkerSolutions
	Core Lab	WOOD GROUP KENNY KBR INTECSEA WorleyParsons Group AkerSolutions amec foster wheeler		I/seas sapura energy	FUGRO DCF Subsea	I/seas MARINE CONTRACTORS

Subsea 7's approach and strategy through the cycle



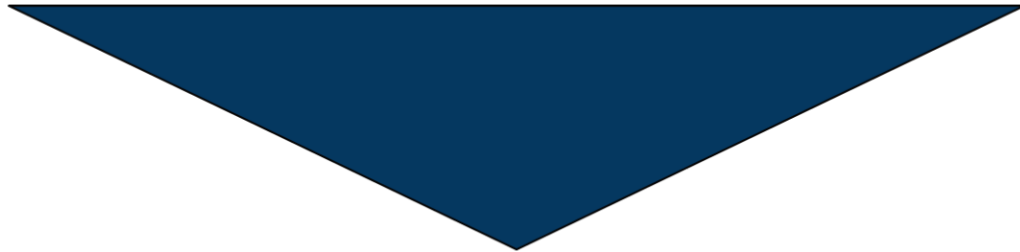
Drivers of lower costs for projects

- **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



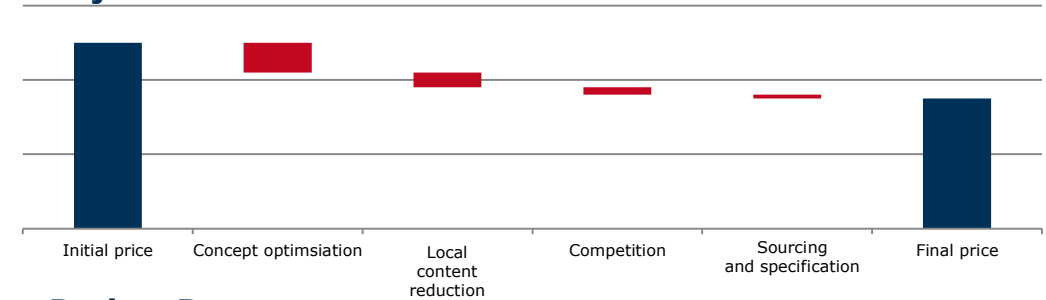
Drive business improvements to lower costs

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

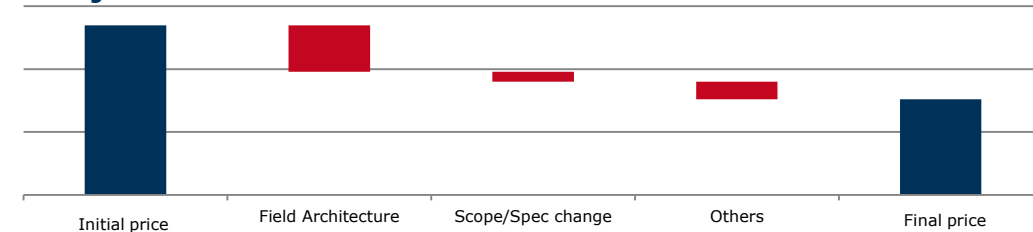


Enable projects to progress
in a lower oil price environment

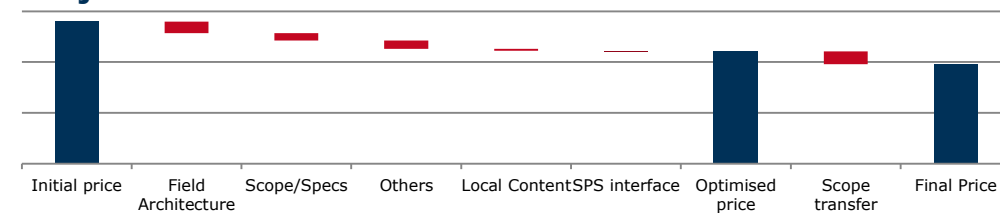
Project A



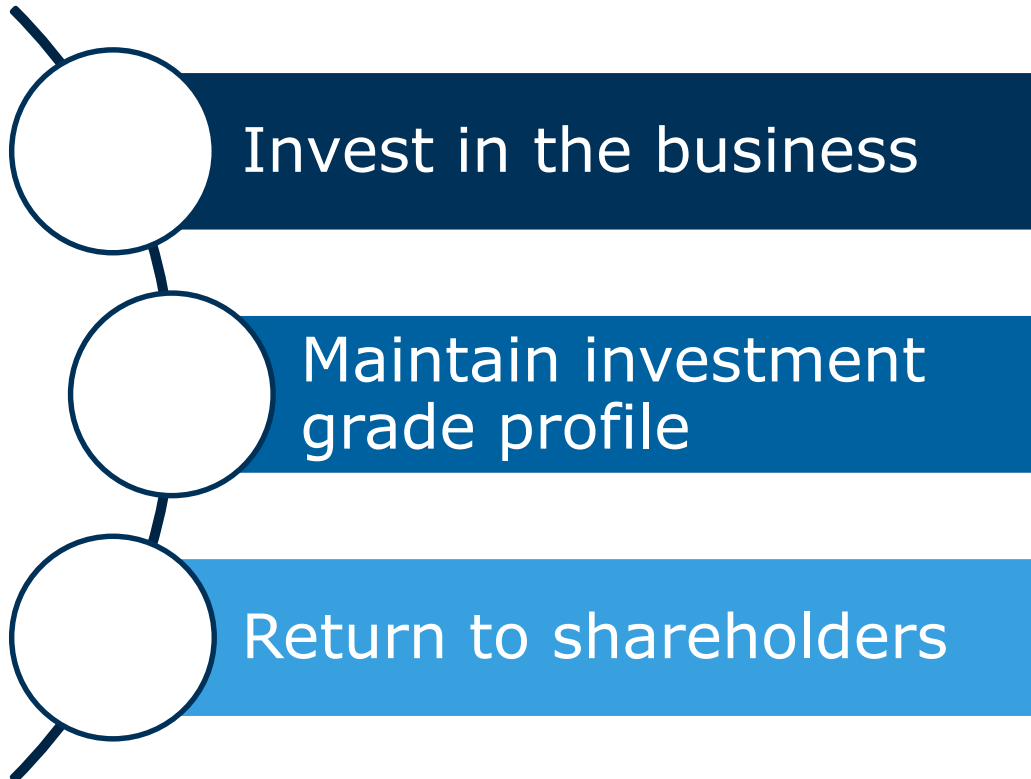
Project B



Project C



Priorities for cash



Targeted acquisitions to enhance our strategic growth areas

\$413 million net cash at 31 March 2019

\$1.8 billion returned to shareholders in special dividends and buybacks since 2011



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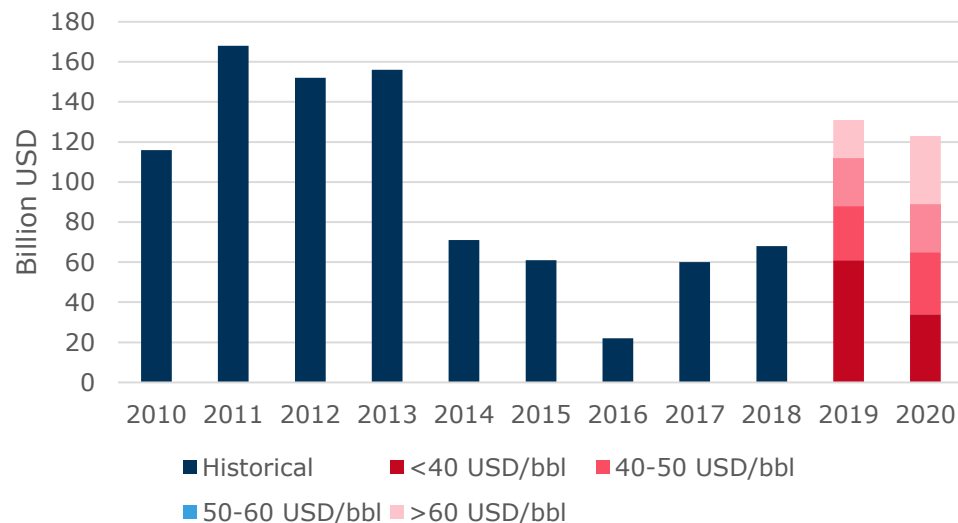
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Appendix

Recent awards - driven by our differentiators

- **22** offshore developments achieved FID in 2018
- Subsea 7 were contracted to complete SURF work on **7** of these developments

Total greenfield capex offshore by sanctioning year



Gulf of Mexico

- Vito
- Katmai
- Manuel
- VCOW
- Renewables

North Sea

- Johan
- Castberg
- Nova
- Penguins
- IRM Equinor
- Triton Knoll
- Alligin
- Buzzard ph. 2
- Shearwater
- DSVi services
- Arran

Africa

- PUPP
- WDDDB 9B
- Zinia ph.2
- TRP
- SNE 1(FEED)

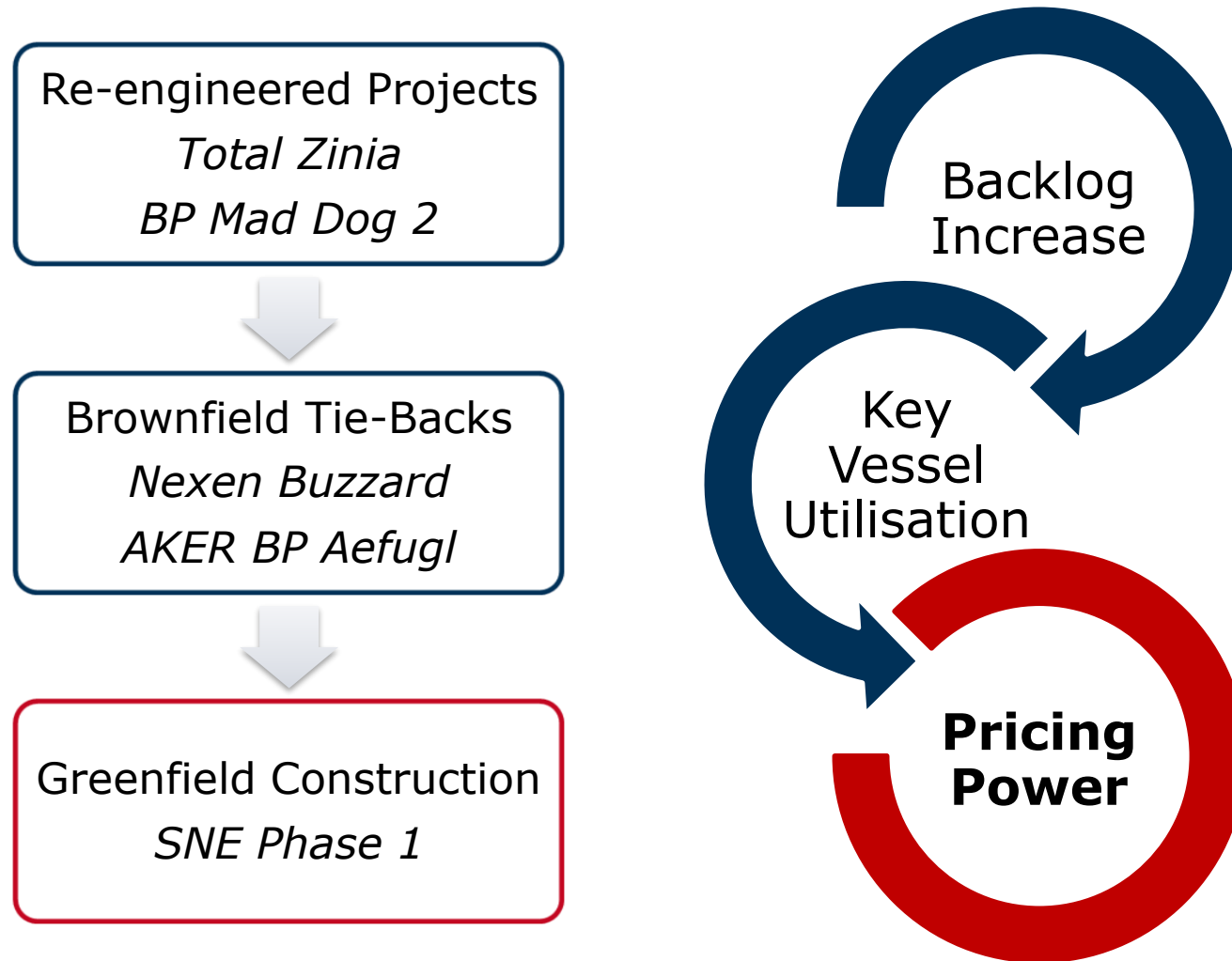
Middle East

- 3PDMs
- IRM BP Caspian
- Berri-Zuluf

Asia Pacific

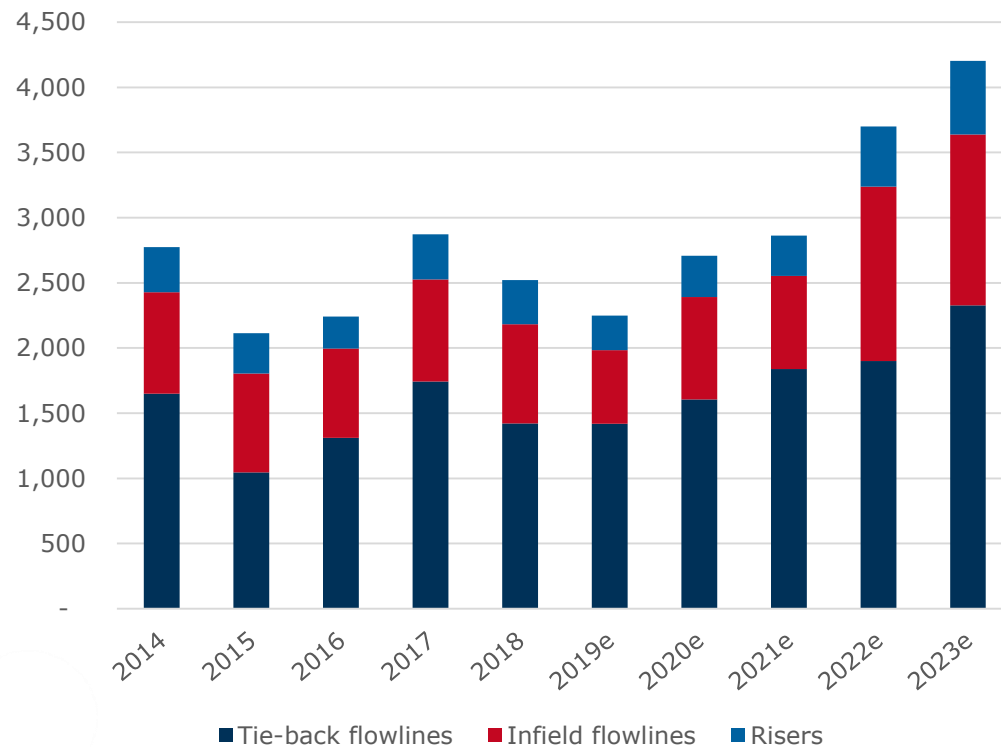
- Yunlin Renewables
- Scarborough (FEED)
- Julimar (FEED)

Cyclical recovery in Oil and Gas

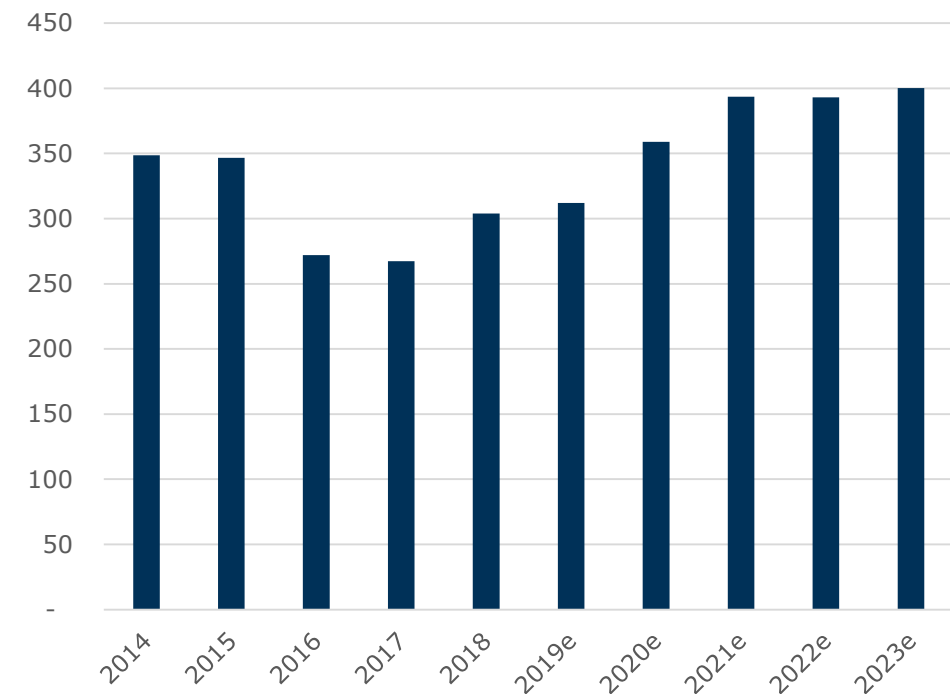


The outlook for offshore oil and gas projects is improving

Length of subsea pipelines to be installed per year, by pipeline type

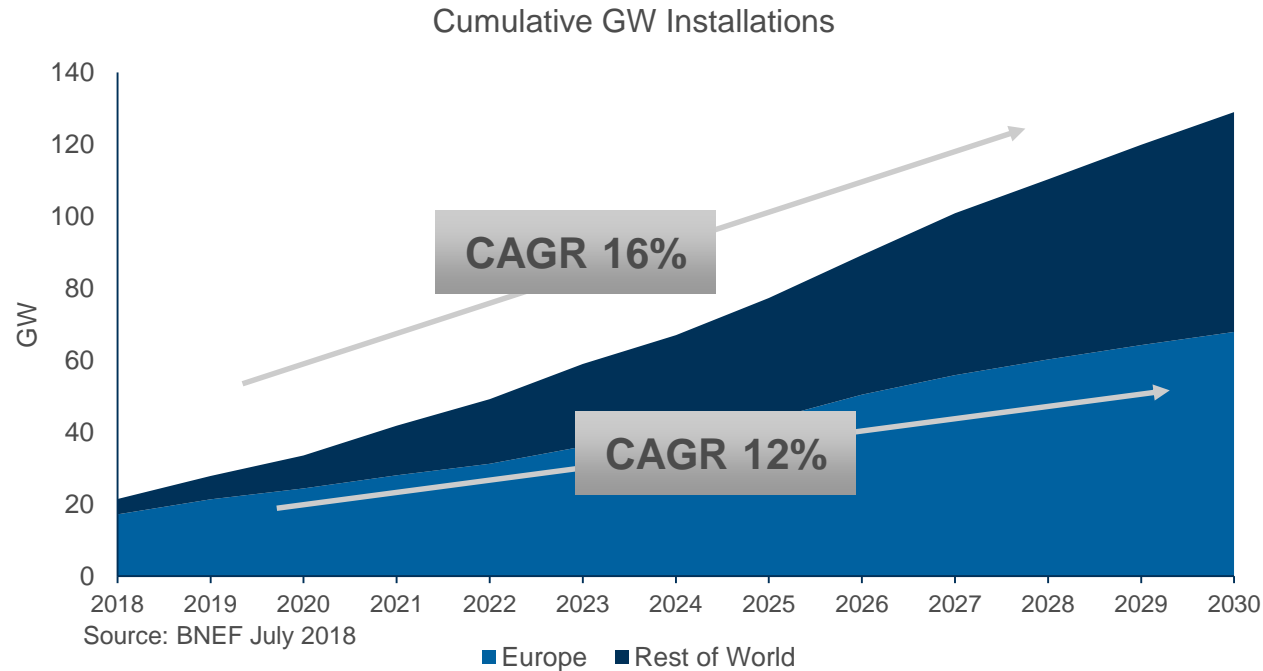


Number of subsea trees to be installed per year

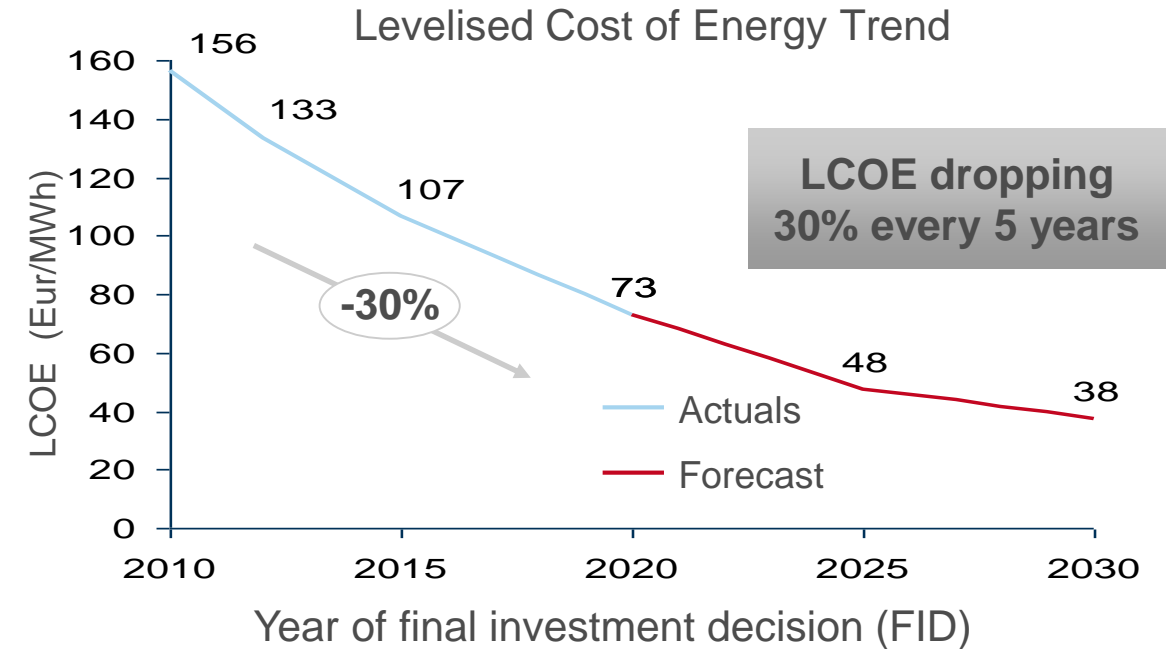


Source: Rystad Energy research and analysis; SubseaCube

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



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

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





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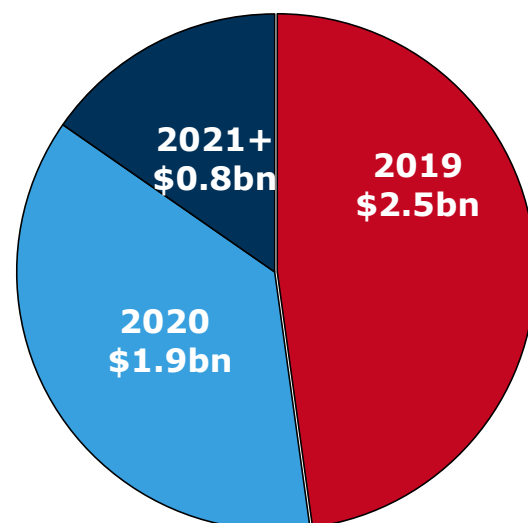
Our financials

Appendix

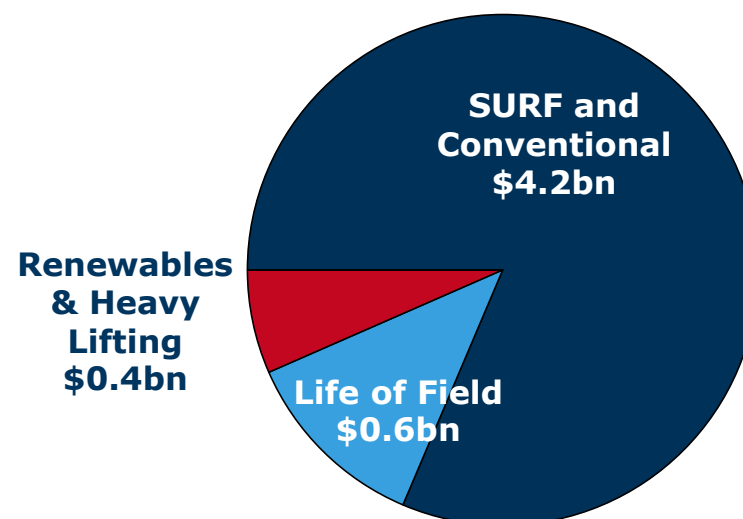
Our backlog and order intake

Backlog of \$5.2 billion, as at 31 March 2019

Backlog by Execution Date



Backlog by Service Capability



First quarter highlights

- \$1.1 billion new awards and escalations
- Book-to-bill of 1.3x
- Three awards announced:
 - 5 year IRM North Sea (UK)
 - Arran (UK)
 - Berri-Zuluf (Middle East)
- Early engagement driving potential future awards
 - Three FEED awards with Woodside
 - HKZ wind farm partnership (Q2)

Order backlog includes:

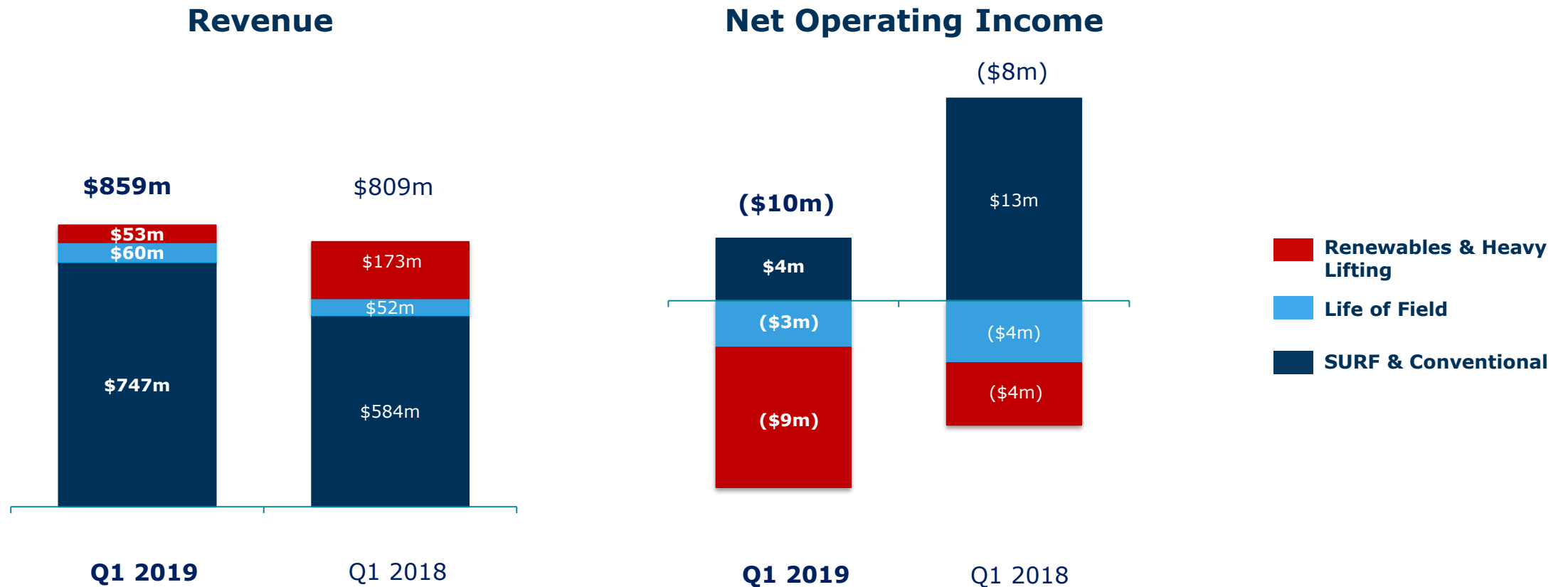
- \$0.9 billion relating to long-term contracts for PLSVs in Brazil
- approximately \$50 million favourable foreign exchange movement in the first quarter

Income statement – Q1 highlights

In \$ millions, unless otherwise indicated	Three months ended	
	31 March 2019 Unaudited	31 March 2018 Unaudited
Revenue	859	809
Net operating loss (NOI)	(10)	(8)
Loss before taxes	(29)	(29)
Taxation	10	12
Net loss	(19)	(18)
Adjusted EBITDA ⁽¹⁾	111	103
Adjusted EBITDA margin	13%	13%
Diluted earnings per share \$	(0.06)	(0.03)
Weighted average number of shares (millions)	316	327

(1) Adjusted EBITDA defined in Appendix

First Quarter Business Unit performance

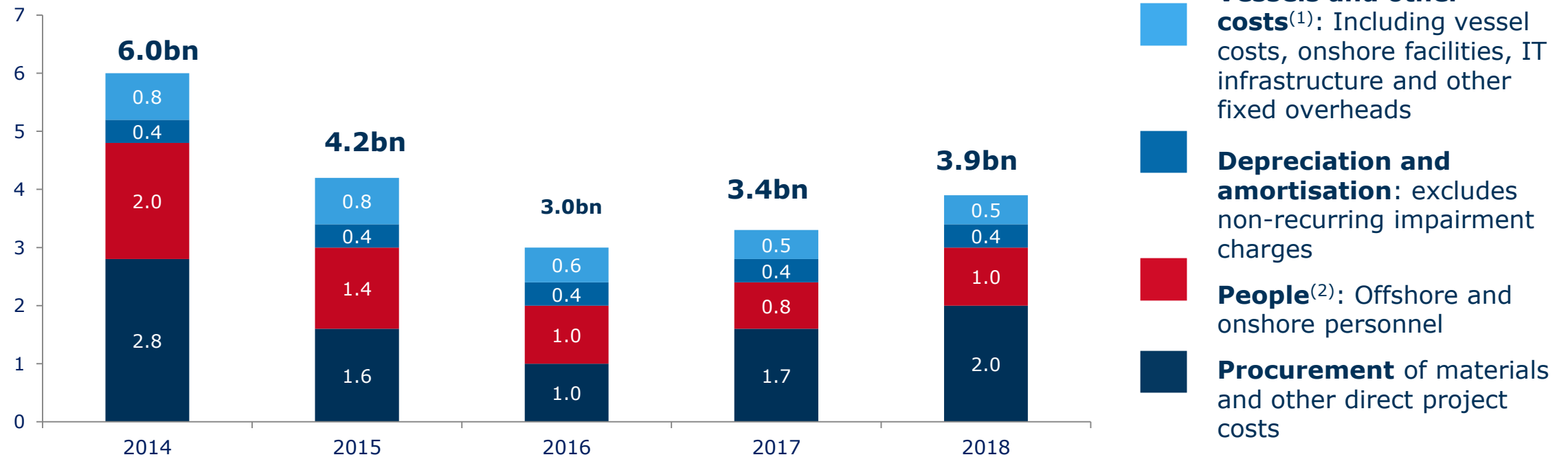


Note: Corporate segment (not presented): net operating loss Q1 2019 \$2m (net operating loss Q1 2018: \$13m)

2014 - 2018 costs overview

Maintaining cost discipline as the activity levels recover

\$ billion

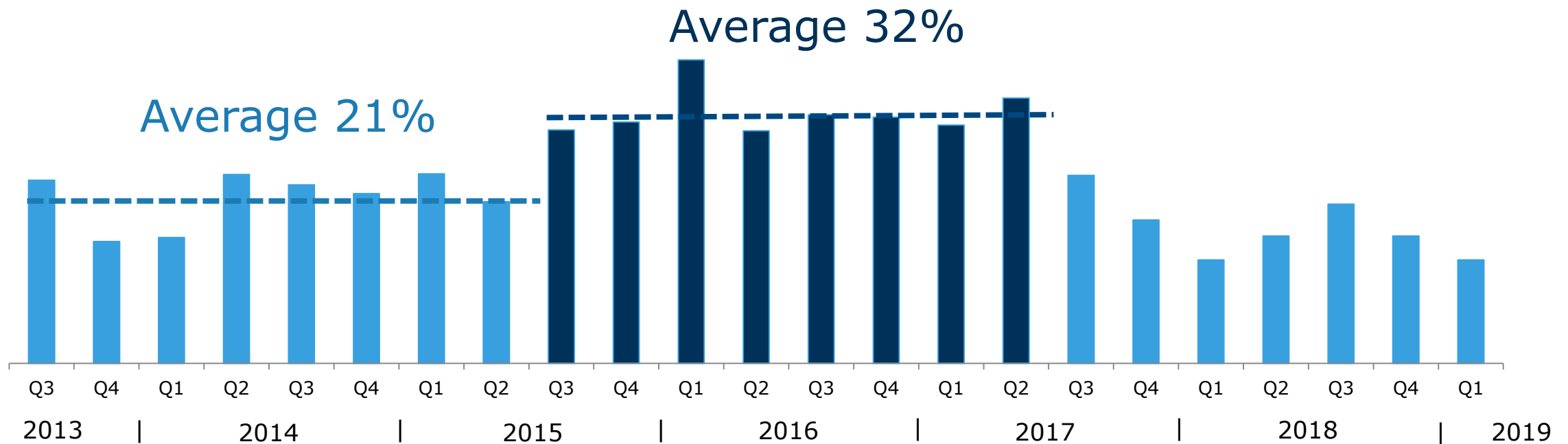


(1) Includes impairment charges related to property, plant & equipment and intangibles

(2) Includes restructuring charges in 2015 and 2016

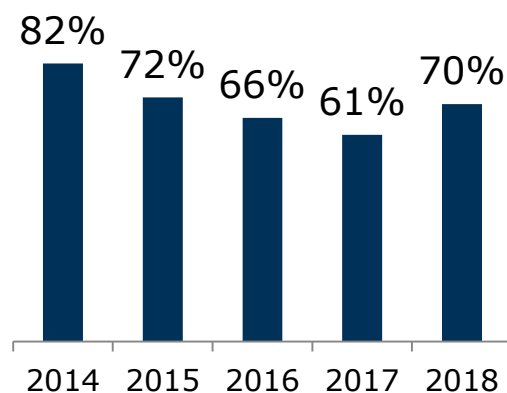
Adjusted EBITDA progression

- 2019 EBITDA guidance for lower than 2018 in absolute terms but to remain double-digit percentage margin
- Gradual margin recovery expected as market activity increases



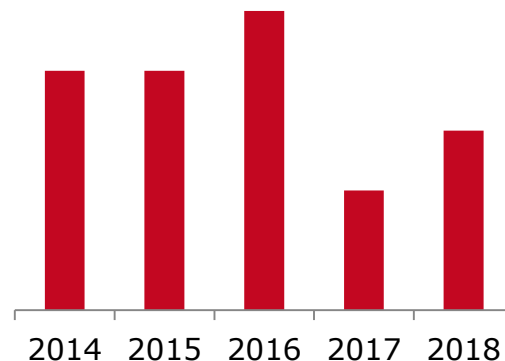
Our principal margin drivers

Total vessel utilisation



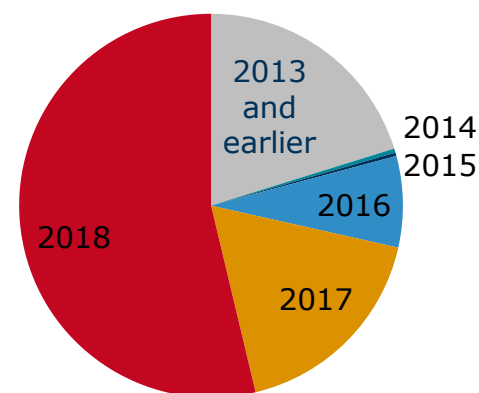
Reduction in offshore activity levels

Number of projects >\$300m completed



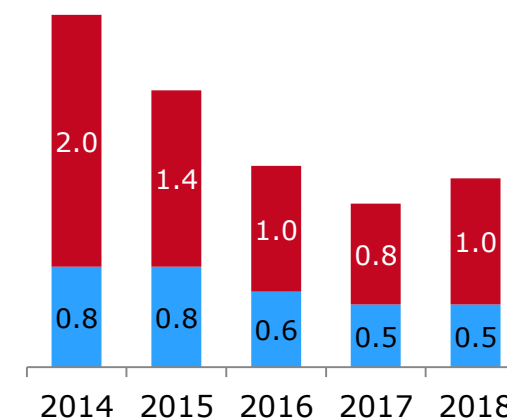
Fewer large projects in the final stages of completion

Backlog value by year awarded

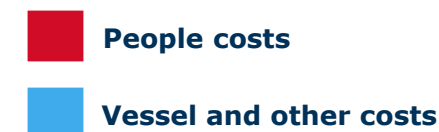


Lower margin projects signed in the downturn

Costs (\$bn)



Continued cost discipline



Definitions on slide 12

Liquidity and financial strength

Robust balance sheet

- Net cash of \$413 million – excludes lease liabilities of \$412m

Strong financial flexibility

- Cash and cash equivalents of \$666 million
- Borrowings of \$253 million
- Five-year \$656 million revolving credit facility undrawn

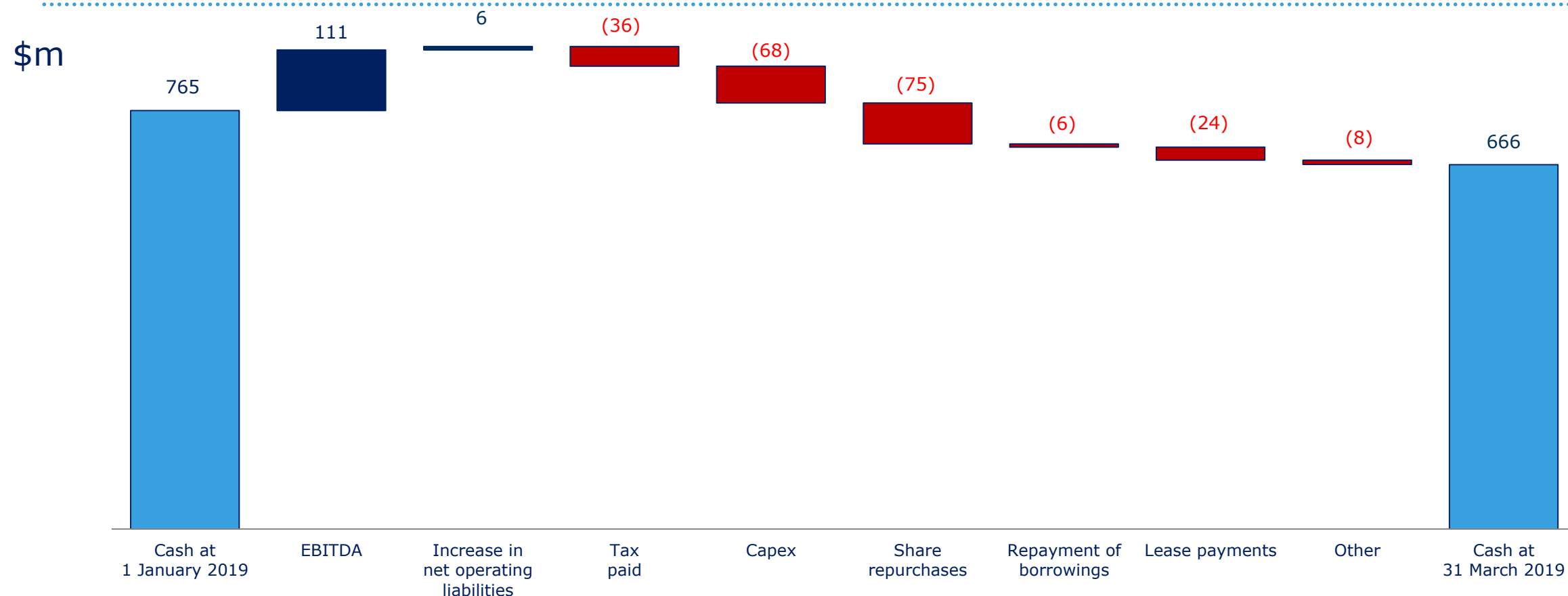
As at 31 March 2019

Summary balance sheet

In \$ millions	31 Mar 2019 Unaudited	31 Dec 2019 Audited
<u>Assets</u>		
Non-current assets		
Goodwill	793	751
Property, plant and equipment	4,599	4,569
Right-of-use asset	406	-
Other non-current assets	128	153
Total non-current assets	5,926	5,473
Current assets		
Trade and other receivables	676	608
Construction contracts - assets	483	495
Other accrued income and prepaid expenses	169	166
Cash and cash equivalents	666	765
Other current assets	45	62
Total current assets	2,039	2,096
Total assets	7,965	7,569

In \$ millions	31 Mar 2019 Unaudited	31 Dec 2019 Audited
<u>Equity & Liabilities</u>		
Total equity	5,682	5,722
Non-current liabilities		
Non-current portion of borrowings	228	234
Non-current lease liabilities	313	-
Other non-current liabilities	196	212
Total non-current liabilities	737	446
Current liabilities		
Trade and other liabilities	1,030	978
Current portion of borrowings	25	25
Current lease liabilities	99	-
Construction contracts – liabilities	173	168
Deferred revenue	7	5
Other current liabilities	213	225
Total current liabilities	1,547	1,401
Total liabilities	2,283	1,847
Total equity & liabilities	7,965	7,569

Summary of first quarter 2019 cash flow



- Net cash of \$413 million at 31 March 2019 – excludes lease liabilities of \$412m
- \$656 million of undrawn committed credit facilities

Summary of 2019 cash flow

	\$ millions	
Cash and cash equivalents at 31 Dec 2018	765	
Net cash generated from operating activities	58	<i>Includes increase of \$6 million in net operating liabilities</i>
Net cash flow used in investing activities	(46)	<i>Includes expenditure on PPE of \$66 million</i>
Net cash flow used in financing activities	(108)	<i>Includes \$75m on shares repurchases and \$24m payments related to lease liabilities</i>
Other movements	(3)	
Cash and cash equivalents at 31 March 2019	666	

Net cash of \$413 million at 31 March 2019 compared to \$507 million at 31 December 2018

Financial guidance

Full year 2019 Guidance (including IFRS 16 adjustments)

Revenue	.....	Broadly in line with 2018
Adjusted EBITDA ⁽¹⁾	Lower than 2018, double digit percentage margin
Net Operating Income	.....	Positive for the Group
Administrative expense	.....	\$260 million - \$280 million
Net finance cost	.....	\$10 million - \$20 million
Depreciation and Amortisation	.....	\$480 million - \$500 million
Full year effective tax rate	.....	33% - 35%
Capital expenditure ⁽²⁾	\$270 million - \$290 million

(1) Adjusted EBITDA is expected to be favourably impacted by between \$100 million –\$110 million due to the implementation of IFRS 16 'Leases'

(2) Includes approximately \$100 million expenditure related to the new-build reel-lay vessel, *Seven Vega*

IFRS 16 'Leases' guidance

- IFRS 16 'Leases' became effective 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 recognized 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 \$5m, which will reverse in subsequent years.
- Impact on 2019 results may differ from the guidance given, depending on lease commitments.

IFRS 16	2019 forecast impact
Income Statement	
Lease expense	Decrease by \$100m - \$110m
Adjusted EBITDA	Increase by \$100m - \$110m
Amortisation charge	Increase by \$90m - \$100m
Net operating income	Increase by \$10m - \$15m
Net finance charge	Increase by \$10m - \$15m
Net income	Decrease by approx. \$5m
Balance Sheet	
Right-of-use asset	\$406m at 31 st March 2019
Lease liability	\$412m at 31 st March 2019



Appendix

Major project progression

Track record

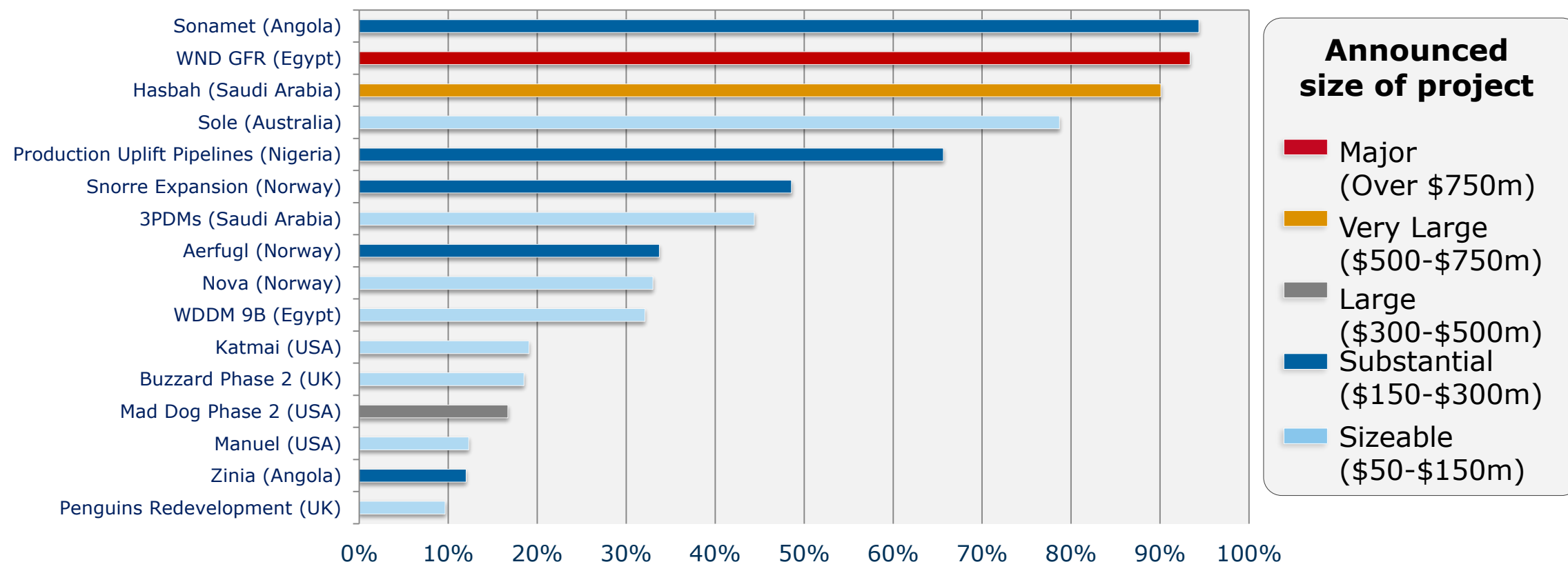
ADR

Forward looking statement

Contact details

Major project progression

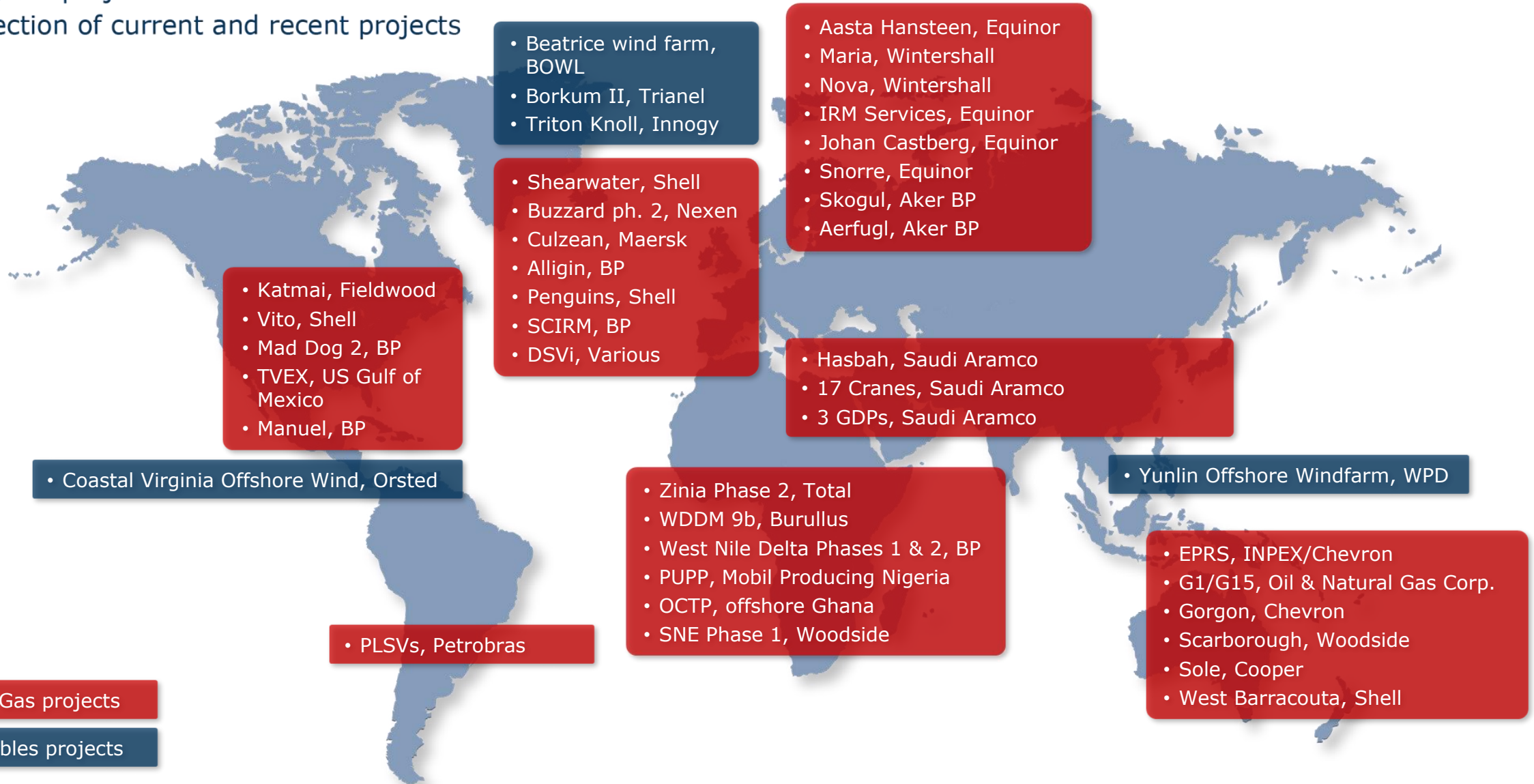
- Continuing projects >\$100m between 5% and 95% complete as at 31 March 2019 excluding PLSV and Life of Field day-rate contracts



TRACK RECORD

Over 1,000 projects delivered for our clients worldwide

- A selection of current and recent projects



ADR information

ADR Ticker: SUBCY

ADR type: Sponsored Level 1 ADR

Listing venue: OTC

CUSIP: 864323100

Ratio: 1 ADR : 1 Ordinary Share

Depository bank: Deutsche Bank Trust Company Americas

ADR broker helpline:

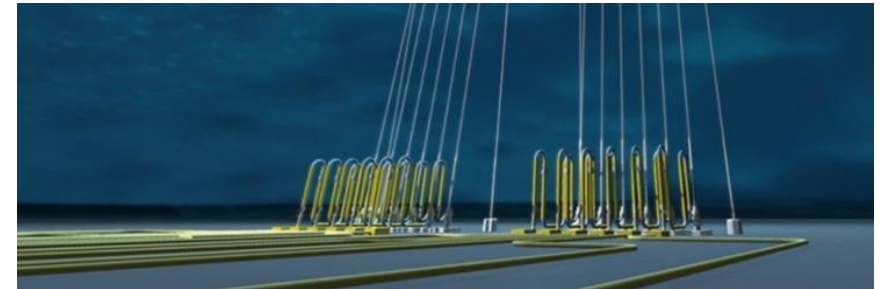
New York: +1 8662492593

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 2018. 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



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Direct Line +44 20 8210 5568

Website www.subsea7.com