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Our differentiators
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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

- Safety
- Performance
- Integrity
- Collaboration
- Sustainability
- Innovation
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.

**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.

2018 Revenue

$4.1 billion

- **SURF and Conventional**
  - $3.2bn (78%)
- **Life of Field**
  - $0.7bn (16%)
- **Renewables and Heavy Lifting**
  - $0.2bn (6%)
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

- PUPP (Nigeria)
- Snorre Expansion (Norway)
- WND Phase Two (Egypt)
- 17 Cranes (KSA)
- Brent Bypass (UK)
- Hornsea One Windfarm (UK)
- Life of Field
- 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 (at Q4)
- 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

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
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

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

16%\(^{(1)}\) forecast for CAGR in renewables

1000 experienced personnel

2 EPCI projects complete

4 specialist offshore vessels

\(\text{(1) Source: BloombergNEF, January 2018, forecast to 2030 worldwide excluding China}\)
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

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
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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.

<table>
<thead>
<tr>
<th>Differentiator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Culture</strong></td>
<td>Global team with expertise, passion and commitment to deliver.</td>
</tr>
<tr>
<td><strong>Creativity</strong></td>
<td>Ability to innovate through technology, processes and partnerships.</td>
</tr>
<tr>
<td><strong>Relationships</strong></td>
<td>Working and learning together to achieve success for all.</td>
</tr>
<tr>
<td><strong>Reliability</strong></td>
<td>Trusted partner in delivering projects.</td>
</tr>
<tr>
<td><strong>Solutions</strong></td>
<td>Client-focused mindset to create the right solution.</td>
</tr>
</tbody>
</table>
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
Digitalisation

• Strategy in development with new VP assigned. Focus areas within i-Tech, 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. 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. RWOCS/Hydrates/Sampling
K. Autonomous Surface Vessel
L. Onshore Control Centres
A modern and versatile fleet of 33 vessels

**Vessels by Ownership type**

- Owned: 27
- Chartered: 6

**Vessels by Age**

- 0-5 years: 10
- 6-11 years: 13
- 12+ years: 10

**Vessels by Operational category**

- Rigid-lay/Heavy Construction: 12
- Diving support: 8
- Life of Field: 6
- Construction flexlay: 4
- Renewables & Heavy Lift: 4
- Hook up: 2
FLEET

33 Vessels including 30 active vessels at end Q4’18

PIPELAY/HEAVY LIFTING VESSELS

SEVEN ANTARES
SEVEN BOREALIS
SEVEN CHAMPION
SEVEN OCEANS
SEVEN NAVICA
NEW REEL-LAY
SEVEN VEGA

LIFT/HOOK-UP

SEVEN INAGHA

CONSTRUCTION/FLEX-LAY VESSELS

SEVEN ARCTIC
SEVEN CRUZERRO
SEVEN EAGLE
SEVEN PACIFIC
SEVEN RIO
SEVEN SEAS
SEVEN SUN
SEVEN WAVES
NORMAND OCEANIC

DIVING SUPPORT VESSELS

SEVEN ATLANTIC
SEVEN FALCON
SEVEN KESTREL
SEVEN PELICAN
SIMAR ESPERANÇA
SKANDI ACERGY
SEVEN MAR
SEVEN PHOENIX

LIFE OF FIELD VESSELS

SEVEN VIKING
HARVEY INTERVENTION
AKADEMIK TOFIG ISMAILYEV
MMA PINNACLE
NORMAND SUBSEA
SEAWAY AIMER
SEAWAY MOXIE
OLEG STRASHNOV
STANISLAV YUDIN

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

### Nationality mix

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>46%</td>
</tr>
<tr>
<td>Asia Pacific</td>
<td>17%</td>
</tr>
<tr>
<td>Americas</td>
<td>23%</td>
</tr>
<tr>
<td>Other</td>
<td>14%</td>
</tr>
</tbody>
</table>

![Chart showing nationality mix]

- Offshore Female
- Onshore Female
- Onshore Male
- Offshore Male
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.

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

**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.

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

**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.

**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

**Lost-time incident Frequency rate (%)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.06</td>
<td>0.06</td>
<td>0.05</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>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>0.25</td>
<td>0.28</td>
<td>0.28</td>
<td>0.22</td>
</tr>
</tbody>
</table>

**Clean Operations**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rate</td>
<td>3,800</td>
<td>3,300</td>
<td>5,000</td>
<td>3,600</td>
</tr>
</tbody>
</table>

**Carbon Dioxide Emissions (‘000 tonnes)**

<table>
<thead>
<tr>
<th>Year</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emissions</td>
<td>469</td>
<td>404</td>
<td>404</td>
<td>418</td>
</tr>
</tbody>
</table>

**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

$3.1m costs saved
Corporate Responsibility – Integrity, Diversity and Society

Offices and facilities in 21 countries
91 Nationalities in our workforce

Gender mix company wide
- Offshore Female
- Onshore Female
- Onshore Male
- Offshore Male

Over 67 community assistance events delivered in 2018

London – STEM girls in engineering day

Houston – Beach clean up day

Egypt – Micro-financing project (GFR)

Number of employees completing compliance & ethics e-learning
- Female
- Male

99% completion rate

- 2015: 1,750
- 2016: 3,544
- 2017: 3,699
- 2018: 3,989

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Strategic highlights

**Technology & Early Engagement**
- Second EHTF project awarded
- Numerous supplier-led designs completed
- Client-led engagement with Xodus

**Subsea Integration Alliance**
- 4 Projects awarded
- Integrated technology portfolio
- Strengthened partnership for future growth

**Renewables**
- Globalisation of Seaway 7
- SOC acquisition
- Execution of large EPCI projects

**Fleet Management**
- Average vessel age 10 years
- Upgrade of Seven Viking to hybrid power
- Tactical asset investment
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 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

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
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
## 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>DECOMMISSIONING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Schlumberger</td>
<td>Schlumberger</td>
<td>Subsea xodus group</td>
<td>Schlumberger</td>
<td>Subsea xodus group</td>
<td>Subsea xodus group</td>
<td>Seaway Heavy Lifting</td>
</tr>
<tr>
<td>TGS</td>
<td>Weatherford</td>
<td>TechnipFMC GENESIS</td>
<td>TechnipFMC</td>
<td>TechnipFMC</td>
<td>TechnipFMC</td>
<td>TechnipFMC</td>
</tr>
<tr>
<td>PGS</td>
<td>Halliburton</td>
<td>BAKER HUGHES</td>
<td>BAKER HUGHES</td>
<td>OCEANEERING</td>
<td>OCEANEERING</td>
<td></td>
</tr>
<tr>
<td>CGG</td>
<td>Core Lab</td>
<td>Wood Group</td>
<td>KBR</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>INTESCA</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>Aker Solutions</td>
<td></td>
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<td></td>
<td></td>
<td>Akkfa Energy</td>
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<td></td>
<td></td>
<td>MHI seas</td>
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<td></td>
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<td>DOF seas</td>
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</tbody>
</table>

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Subsea Integration Alliance

Enhanced production  Reduced cost and risk  Pore-to-shore perspective
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)
Subsea Integration Alliance Technology

**Multibore Connector**
- Direct Bundle to Bundle connector,
- Improves economics for longer Bundles;
- Vertical configuration for multi-bore spools,
- Direct Connect to Manifolds

**Standardised UTA**
- Standardised Umbilical Termination Assembly's
- Increased efficiency for umbilical installation
Subsea 7’s approach and strategy through the cycle

- Global alliance with KBR/Granherne
- Cost reduction programmes 2015/2016
- Global alliance with OneSubsea
- New-build vessels: PLSVs Seven Arctic Seven Kestrel
- Acquisition: Middle East
- Investment: Early engagement
- Acquisition: Renewables
- Acquisition: Renewables
- New rigid reel-lay vessel ordered
- Integrated solutions JV proposed
- Creation of i-Tech Services Business Unit
- Acquisition: technology
- Acquisition: Renewables
- Seaway Heavy Lifting
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
Priorities for cash

- Invest in the business
  - Targeted acquisitions to enhance our strategic growth areas

- Maintain investment grade profile
  - $507 million net cash at 31 December 2018

- Return to shareholders
  - $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**
  - SNE Phase 1
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
Trunklines\(^{(3)}\)
LOF
SURF

50% growth
2017 - 2022

$60 billion
Addressable Market
Forecast to return to 2014 size by 2022\(^{(1)}\)

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

- **Increased significance of Renewables**
- **Continued dominance of Oil and Gas**

---

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

**SURF and Conventional**
- Tendering activity increasing particularly in Brazil, Australia, Angola and Nigeria
- Increased number of large greenfield projects awarded to market subject to sanction

**Renewables and Heavy Lifting**
- 2019 limited execution opportunities
- T&I execution in Taiwan for 2020+
- Medium EPCI projects in Europe for 2020+

**Life of Field**
- All significant IRM frame agreements awarded to market
- 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
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Backlog and order intake

**Backlog of $4.9 billion, as at 31 December 2018**

- 2020 $1.5bn
- 2019 $2.8bn
- 2021+ $0.5bn
- SURF and Conventional $4.1bn

**Order backlog includes:**
- $0.9 billion relating to long-term contracts for PLSVs in Brazil
- Approximately $60 million adverse foreign exchange movement in the fourth quarter
- Approximately $110 million has been de-recognition in the quarter relating to the Fortuna project

- $0.9 billion awarded in the fourth quarter
- Book-to-bill:
  - 0.9x in the quarter
  - 1.0x in the year
- Five announced awards:
  - Manuel (US GOM)
  - Jubilee Turret Remediation (Ghana)
  - Shearwater (UK)
  - Yunlin Windfarm (Taiwan)
  - DSVi Frame Agreement (North Sea)*

*Frame agreements not included in backlog
Q4 and Full Year 2018 results

2018 Revenue
$4.1 billion

Adj. EBITDA margin

Vessel Utilisation

Liquidity $1.2bn

2018 NOI
$200m

Backlog at 31 Dec 2018
$4.9 billion

2018 Order Intake
$4.0 billion

$297m cash returned in 2018

(1) i-Tech Services business unit has been renamed Life of Field business unit. There is no change to the activities of this business unit, which operates under the i-Tech 7 brand.
## Income statement – Q4 and Full Year highlights

<table>
<thead>
<tr>
<th>In $ millions, unless otherwise indicated</th>
<th>Three months ended</th>
<th>Twelve months ended</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>31 December 2018 Unaudited</td>
<td>31 December 2017 Unaudited</td>
</tr>
<tr>
<td>Revenue</td>
<td>1,023</td>
<td>1,003</td>
</tr>
<tr>
<td>Net operating income (NOI) (1)</td>
<td>23</td>
<td>28</td>
</tr>
<tr>
<td>Income before taxes</td>
<td>35</td>
<td>19</td>
</tr>
<tr>
<td>Taxation</td>
<td>(3)</td>
<td>32</td>
</tr>
<tr>
<td>Net income</td>
<td>32</td>
<td>51</td>
</tr>
<tr>
<td>Adjusted EBITDA (2)</td>
<td>163</td>
<td>176</td>
</tr>
<tr>
<td>Adjusted EBITDA margin</td>
<td>16%</td>
<td>18%</td>
</tr>
<tr>
<td>Diluted earnings per share $</td>
<td>0.12</td>
<td>0.17</td>
</tr>
<tr>
<td>Weighted average number of shares (millions)</td>
<td>325</td>
<td>329</td>
</tr>
</tbody>
</table>

(1) 2018 Net operating income includes asset impairment charges of $39m, primarily recognised in Q4 2018 (Q4 2017: $32m, Full Year 2017: $32m)

(2) Adjusted EBITDA defined in Note 8 to the Condensed Consolidated Financial Statements
Business Unit performance

Fourth Quarter Revenue
- 2018: $1,023m, $873m
- 2017: $1,003m, $754m

Full Year Revenue
- 2018: $4,074m, $3,164m
- 2017: $3,986m, $2,725m

Fourth Quarter NOI
- 2018: $23m
- 2017: $28m

Full Year NOI
- 2018: $200m
- 2017: $581m

Note:
- Net operating income (NOI): Corporate segment (not presented) Q4 2018 net operating loss $11m (Q4: 2017 net operating income $2m). Full Year 2018 net operating loss $23m (2017: net operating income $17m)
- Allocation of impairment charges: Full Year 2018 $26m in SURF and Conventional and $12m in Life of Field (2017 $32m in SURF and Conventional)
2014 - 2018 costs overview

Maintaining cost discipline as the activity levels recover

<table>
<thead>
<tr>
<th>Year</th>
<th>Vessels and other costs</th>
<th>Depreciation and amortisation</th>
<th>People</th>
<th>Procurement</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>2.8bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>1.6bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.0bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>1.7bn</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>2.0bn</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$ billion

(1) Includes impairment charges related to property, plant & equipment and intangibles
(2) Includes restructuring charges in 2015 and 2016
Adjusted EBITDA progression

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

Average 21%

Average 32%

<table>
<thead>
<tr>
<th>2013 Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>2014 Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>2015 Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>2016 Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>2017 Q3</th>
<th>Q4</th>
<th>Q1</th>
<th>Q2</th>
<th>2018 Q3</th>
<th>Q4</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td>2014</td>
<td></td>
<td></td>
<td></td>
<td>2015</td>
<td></td>
<td></td>
<td></td>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td>2018</td>
<td></td>
</tr>
</tbody>
</table>
Our principal margin drivers

- **Total vessel utilisation**
  - 2014: 82%
  - 2015: 72%
  - 2016: 66%
  - 2017: 61%
  - 2018: 70%

- **Number of projects >$300m completed**
  - 2014
  - 2015
  - 2016
  - 2017
  - 2018

- **Reduction in offshore activity levels**

- **Fewer large projects in the final stages of completion**

- **Lower margin projects signed in the downturn**

- **Backlog value by year awarded**

- **Costs ($bn)**
  - 2014: 2.0
  - 2015: 1.4
  - 2016: 1.0
  - 2017: 0.8
  - 2018: 1.0

- **Continued cost discipline**
  - People costs
  - Vessel and other costs

Definitions on slide 12
Liquidity and financial strength

Robust balance sheet
- Net cash of $507 million

Strong financial flexibility
- Cash and cash equivalents of $765 million
- Borrowings of $258 million
- Five-year $656 million revolving credit facility undrawn

As at 31 December 2018
## Summary balance sheet

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>31 December 2018 Audited</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>751</td>
<td>701</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>4,569</td>
<td>4,688</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>153</td>
<td>173</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td><strong>5,473</strong></td>
<td><strong>5,562</strong></td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>608</td>
<td>497</td>
</tr>
<tr>
<td>Construction contracts - assets</td>
<td>495</td>
<td>319</td>
</tr>
<tr>
<td>Other accrued income and prepaid expenses</td>
<td>166</td>
<td>176</td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>765</td>
<td>1,109</td>
</tr>
<tr>
<td>Other current assets</td>
<td>62</td>
<td>81</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td><strong>2,096</strong></td>
<td><strong>2,182</strong></td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td><strong>7,569</strong></td>
<td><strong>7,745</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>In $ millions</th>
<th>31 December 2018 Audited</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><strong>5,722</strong></td>
<td><strong>5,941</strong></td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-current portion of borrowings</td>
<td><strong>234</strong></td>
<td><strong>258</strong></td>
</tr>
<tr>
<td>Other non-current liabilities</td>
<td><strong>212</strong></td>
<td><strong>235</strong></td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td><strong>446</strong></td>
<td><strong>493</strong></td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other liabilities</td>
<td><strong>978</strong></td>
<td><strong>893</strong></td>
</tr>
<tr>
<td>Current portion of borrowings</td>
<td><strong>25</strong></td>
<td><strong>25</strong></td>
</tr>
<tr>
<td>Construction contracts – liabilities</td>
<td><strong>168</strong></td>
<td><strong>200</strong></td>
</tr>
<tr>
<td>Deferred revenue</td>
<td><strong>5</strong></td>
<td><strong>4</strong></td>
</tr>
<tr>
<td>Other current liabilities</td>
<td><strong>225</strong></td>
<td><strong>188</strong></td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td><strong>1,401</strong></td>
<td><strong>1,310</strong></td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td><strong>1,847</strong></td>
<td><strong>1,804</strong></td>
</tr>
<tr>
<td><strong>Total equity &amp; liabilities</strong></td>
<td><strong>7,569</strong></td>
<td><strong>7,745</strong></td>
</tr>
</tbody>
</table>
Summary of 2018 cash flow

- Net cash of $507 million at 31 December 2018
## Summary of year-to-date 2018 cash flow

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cash and cash equivalents at 1 January 2018</strong></td>
<td>1,109</td>
</tr>
<tr>
<td><strong>Net cash generated from operating activities</strong></td>
<td>424</td>
</tr>
<tr>
<td><em>Included an increase in net operating assets of $167 million</em></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow used in investing activities</strong></td>
<td>(425)</td>
</tr>
<tr>
<td><em>Included cash outflows on SOC acquisition of $155 million including vessels, acquisition of interest in Xodus $19m and capital expenditure of $238m</em></td>
<td></td>
</tr>
<tr>
<td><strong>Net cash flow used in financing activities</strong></td>
<td>(335)</td>
</tr>
<tr>
<td><em>Included dividends paid of $204 million, $93m of shares repurchased and $25 million repayments of the ECA senior secured facility</em></td>
<td></td>
</tr>
<tr>
<td><strong>Other movements</strong></td>
<td>(8)</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at 31 December 2018</strong></td>
<td>765</td>
</tr>
</tbody>
</table>

- Net cash of $507 million at 31 December 2018 compared to $826 million at 31 December 2017
- Long-term ECA borrowing facility of $258 million at 31 December 2018 compared to $283 million at 31 December 2017
# Financial guidance

**2019 Guidance (including IFRS 16 adjustments\(^{(1)}\))**

<table>
<thead>
<tr>
<th>Category</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>Slightly lower than 2018</td>
</tr>
<tr>
<td>Adjusted EBITDA</td>
<td>Lower than 2018, double digit percentage margin</td>
</tr>
<tr>
<td>Net Operating Income</td>
<td>Positive for the Group</td>
</tr>
<tr>
<td>Administrative expense</td>
<td>$260 million - $280 million</td>
</tr>
<tr>
<td>Net finance cost</td>
<td>$10 million - $20 million</td>
</tr>
<tr>
<td>Depreciation and Amortisation</td>
<td>$480 million - $500 million</td>
</tr>
<tr>
<td>Full year effective tax rate</td>
<td>33% - 35%</td>
</tr>
<tr>
<td>Capital expenditure (^{(2)})</td>
<td>$270 million - $290 million</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Further information on impacts of implementing IFRS 16 “leases” guidance is shown on slide [30] and Note 16 to the Condensed Consolidated Financials Statements

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

<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 $10m - $15m</td>
</tr>
<tr>
<td>Net income</td>
<td>Decrease by approx. $5m</td>
</tr>
<tr>
<td><strong>Balance Sheet</strong></td>
<td></td>
</tr>
<tr>
<td>Right-of-use asset</td>
<td>Addition of approx. $350m</td>
</tr>
<tr>
<td>Lease liability</td>
<td>Addition of approx. $360m</td>
</tr>
</tbody>
</table>

- Subsea 7 guidance for 2019 on slide 12 includes the estimated impact of IFRS 16
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 December 2018 excluding PLSV and Life of Field day-rate contracts

<table>
<thead>
<tr>
<th>Announced size of project</th>
<th>Announced size of project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major (Over $750m)</td>
<td>Major (Over $750m)</td>
</tr>
<tr>
<td>Very Large ($500-$750m)</td>
<td>Very Large ($500-$750m)</td>
</tr>
<tr>
<td>Large ($300-$500m)</td>
<td>Large ($300-$500m)</td>
</tr>
<tr>
<td>Substantial ($150-$300m)</td>
<td>Substantial ($150-$300m)</td>
</tr>
<tr>
<td>Sizeable ($50-$150m)</td>
<td>Sizeable ($50-$150m)</td>
</tr>
<tr>
<td>Culzean (UK)</td>
<td>Culzean (UK)</td>
</tr>
<tr>
<td>Borkum II (Germany)</td>
<td>Borkum II (Germany)</td>
</tr>
<tr>
<td>WND GFR (Egypt)</td>
<td>WND GFR (Egypt)</td>
</tr>
<tr>
<td>Sonamet (Angola)</td>
<td>Sonamet (Angola)</td>
</tr>
<tr>
<td>Hasbah (Saudi Arabia)</td>
<td>Hasbah (Saudi Arabia)</td>
</tr>
<tr>
<td>Sole (Australia)</td>
<td>Sole (Australia)</td>
</tr>
<tr>
<td>Production Uplift Pipelines (Nigeria)</td>
<td>Production Uplift Pipelines (Nigeria)</td>
</tr>
<tr>
<td>Snorre Expansion (Norway)</td>
<td>Snorre Expansion (Norway)</td>
</tr>
<tr>
<td>3PDMs (Saudi Arabia)</td>
<td>3PDMs (Saudi Arabia)</td>
</tr>
<tr>
<td>Nova (Norway)</td>
<td>Nova (Norway)</td>
</tr>
<tr>
<td>Aerfugl (Norway)</td>
<td>Aerfugl (Norway)</td>
</tr>
<tr>
<td>WDDM 9B (Egypt)</td>
<td>WDDM 9B (Egypt)</td>
</tr>
<tr>
<td>Mad Dog Phase 2 (USA)</td>
<td>Mad Dog Phase 2 (USA)</td>
</tr>
<tr>
<td>Buzzard Phase 2 (UK)</td>
<td>Buzzard Phase 2 (UK)</td>
</tr>
<tr>
<td>Zinia (Angola)</td>
<td>Zinia (Angola)</td>
</tr>
</tbody>
</table>
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

• Shearwater, Shell
• Buzzard ph. 2, Nexen
• Culzean, Maersk
• Alligin, BP
• Penguins, Shell
• Snorre, Equinor
• SCIRM, BP
• DSVi, Various

• Aasta Hansteen, Statoil
• Maria, Wintershall
• IRM Services, Equinor

• IRM Services, BP

• Al-Khalij, Total
• Hasbah, in consortium with L&T
• 3 Gas Production Platforms, Saudi Aramco

• Zinia Phase 2, Total
• WDDM 9b, Burullus
• West Nile Delta Phase 2, BP
• PUPP, Mobil Producing Nigeria
• OCTP, offshore Ghana
• SNE Phase 1, Woodside

• Yunlin Offshore Windfarm, WPD

• PLSVs, Petrobras
• Guará-Lula, Petrobras
• BC-10, Shell

• EPRS, INPEX/Chevron
• G1/G15, Oil & Natural Gas Corp.
• Gorgon, Chevron
• Scarborough, Woodside
• Sole, Cooper
• West Barracouta, Shell

• Katmai, Fieldwood
• Vito, Shell
• Mad Dog 2, BP
• TVEX, US Gulf of Mexico
• Manuel, BP

• PL9Vs, Petrobras
• Guará-Lula, Petrobras
• BC-10, Shell
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:  
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Direct Line +44 20 8210 5568  
Website www.subsea7.com